

HDBank

Committed to your best returns



ANNUAL REPORT

2016



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MESSAGE FROM CHAIRWOMAN OF THE BOARD OF DIRECTORS

Dear valued customers, shareholders and all employees of HDBank,

The year 2016 is behind. In the past year the Vietnamese economy has achieved certain satisfactory results, marking a positive debut of the new Government in the term 2016 - 2021. In 2016, the economy continued to expand at the estimated rate of 6.21% compared to the previous year, and the macro-economy remained relatively stable with inflation and exchange rate maintained below the threshold set by the Government, monetary market was properly regulated by the State Bank of Vietnam (SBV), and liquidity of the banking system was basically ensured. However, the country's economy had not really overcome its difficult stage: GDP, though increased, tended to decelerate, and growth was mostly dependent on the foreign direct investment sector; the domestic financial market was better controlled while still suffering from impacts of negative movements in the world market such as fluctuations of hard currencies or oil prices, matters involving the deceleration of Chinese economy, Brexit, etc.

In the context where the economy and financial market were exposed to adverse impacts, HDBank never stopped making efforts and was rewarded with positive achievements which were evidenced by the growth rate as compared to 2015 results or plans set out for 2016 with respect to key performance indicators of scale of operation, profitability as well as risk management and bad debt management of the Bank:

- Consolidated total assets as at the end of 2016 reached VND150,294 billion, increasing by 41% compared to 2015 and completing 119% of the plan approved by the General Meeting of Shareholders.
- Credit exposure as at the end of 2016 achieved VND90,121 billion, 34% higher than that of 2015 (of which HDBank's unconsolidated credit growth was 30% as regulated by SBV) and fulfilling 105% of the proposed plan.
- Total deposits as at the end of 2016 reached VND134,189 billion, growing



by 47% compared to 2015. Of which, funds mobilized from the primary market achieved VND114,327 billion, increasing by 47% compared to 2015 and completing 121% of the plan approved by the General Meeting of Shareholders. Consolidated profit before tax reached VND1,148 billion, rising by 46% compared to 2015 and achieving 118% of the plan approved by the General Meeting of Shareholders.

- ROA reached 0.71%, fulfilling 108% of the plan approved by the General Meeting of Shareholders.
- ROE achieved 9.24%, completing 98% of the plan approved by the General Meeting of Shareholders.
- Risk management ratios were as planned and within the required levels set by SBV. Consolidated NPL ratio: 1.60%, and NPL ratio of HDBank-only was 1.26%; Capital adequacy ratio (CAR): 12.53%, and other ratios were compliant with regulations of SBV and law.
- Bad debt settlement: in 2016, the Bank exceeded its plan of bad debt registered with SBV. The Bank handled and recovered VND1,860 billion of non-performing loans.

There was remarkable improvement in staff organization, network development and information technology. In 2016, HDBank network continued to be strengthened and developed. As of 31/12/2016, there were 221 branches, sub-branches and more than 7500 SIPs nationwide.

Together with network expansion, the endeavors in perfecting the personnel organization model, staff stabilization and human resource quality enhancement to lay foundations for sustainable and stable growth were worth recognition. Recruitment was conducted on a wider scope which was more methodological and professional, aiming at better meeting personnel needs of the whole Bank. As of 31/12/2016, the total employees of the Bank were 11,107. Training activities were, in association with professional training organizations domestically and overseas, held in varied forms so as to enhance professional knowledge and skills of the employees as well as administration capabilities of management levels. Salary, bonus and allowance policies were also suitably revised in line with business performance of both the Bank and its employees. Information technology remained as a focus of development and application in business administration and support, strengthening the governance and business efficiency.

Social security activities were of interest to the Board of Directors and Board of Management through various meaningful charity programs such as awarding health insurance cards to poor households, building houses of affection or gratitude, and giving scholarship and gifts to poor communes, etc. in many different provinces and cities in the country.

In 2016, HDBank was honored and proud to keep receiving awards from local and international organizations, namely as Certificate of Merit by the Prime Minister, "Best Managed Company in Asia" by Euromoney, "Top Vietnamese Brands 2016", "Most Prestigious Bank 2016", and "Best Service Quality Bank 2016" by Vietnam Economic Times; and be chosen by Asian Banker as 1 of 8 best banks in Vietnam and listed in high ranking among Top 500 Asian Banks. Particularly, Moody's Investors Service had recently published the first-time credit ratings of HDBank at B2 with Stable outlook. This is the highest ratings assigned by Moody's to nonstate-owned joint stock commercial banks in Vietnam.

2016 was also the end of the 5-year term of the Board of Directors highlighted by outstanding developments of HDBank: compared to 2011, the Bank's total assets as of 31/12/2016 was more than 3 times as big, total equity nearly tripled, total deposits more than quadrupled, total loans were 5 times as big, and profit before tax more than doubled, and the banking network had been enlarged with more than 100 branches and 7,500 SIPs while number of employees increased by nearly 9,000.

Such achievements totally resulted from whole-hearted efforts, contributions and labors of all managers and employees of HDBank; effective guidelines and assistance of State regulatory bodies; trust and support of shareholders; confidence of customers and partners both overseas and locally; and concern of media agencies, etc.

While taking pride in the accomplishments in 2016 and the past 5 years, we should also be conscious of the long outstanding problems and implicit risks in banking operations such as service quality, business efficiency, bank governance, non-performing loans, etc. so as to make further efforts together.

Turning to 2017 which is also the start of the new term of the Board of Directors, unforeseeable developments of the world's economic and political situation will place certain influence on the Vietnamese economy in general and the banking industry in particular.

Understanding the significance of an obvious and consistent development orientation, the Board of Directors has set out the development strategy for HDBank up to 2020 with fundamental objectives as follows:

- Improving financial capabilities, creating a solid foundation to develop HDBank as a modern, effective and sustainable bank.
- Offering preeminent products and services, whose name is trusted by local and overseas customers. Promoting retail banking activities for both individual customers and small and medium enterprises.
- Developing the risk management mechanism in advanced and professional manner to meet international risk management standards of Basel II.
- Maintaining stable and professional cadres of employees.

In order to obtain the aforesaid objectives, in 2017, the Board of Directors, Board of Management and all employees of HDBank must join hands and promote the improvement and perfection of the Bank's activities in all of business aspects:

1. Business activities:

Clinging to the direction of sustainable growth, effective credits, and optimal profit while implementing business plans; promoting retail banking operations, and developing suitable products and services for individual customers and small and medium enterprises. Developing advanced digital banking products.

2. Bank organization and governance

• Fully complying with law regulations in the Bank's operations; continuing to strengthen risk management and bad debt settlement: minimizing credit risks, maintaining non-performing loan ratio within the permitted limit of SBV, and reinforcing methods to prevent and mitigate operational risk, especially risks relating to employees' ethics.

• Directing to keep completing the Bank's organization model in way of enhancing Business division and refining the administrative apparatus.

3. The strengthening of banking network and staff organization

• Continuing to fulfill the plan of network expansion and strengthening to best exploit the domestic market and reach out to the international market upon employment of effective and up-to-date management methods.

• Enhancing human resources development through training, and building up professional working environment and corporate culture to keep and attract talented personnel.

4. Information technology

Boosting the development of information technology to lay solid foundations for offering the most advanced and secured e-banking products and services; and improving the application of information technology in banking operation and management.

5. Brand development

Promoting HDBank brand by improving its products and service quality and banking performance, in combination with proper marketing and communication activities.

The Board of Directors of HDBank believes that with the unity and determination of the whole managers and employees of the Bank, together with the trust of shareholders and partners, and support of regulatory bodies of different levels, we shall overcome all challenges and grasp up opportunities to achieve the objectives as planned. The Board of Directors hereby undertakes to accompany the Board of Management and all employees on the path of realizing the objectives of our Bank.

On behalf of the management of HDBank, I would like to extend our sincere appreciation and gratitude to the trust and support of valued shareholders, partners, customers, State regulatory bodies and the whole staff of HDBank for your contributions in building up a sustainable and developing HDBank as today. We look forward to your continuous company in further developments of the Bank.

May we wish you health, happiness and success!

For and on behalf of the Board of
Directors of HDBank
Chairwoman

LE THI BANG TAM

Overview

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- Subsidiaries and Associates of HDBank ●
- Vision/Missions/Core values ●
- Key Milestones ●
- Awards ●
- 10 highlights in 2016 ●

“With its 27 years of establishment and maturity, HDBank is growing like a tree with its stretching branches to give shades””



INTRODUCTION ABOUT HDBANK

- **Transaction name:** HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK (HDBank)
- **Corporate registration certificate No.:** 059025 dated 11/08/1992
- **Head Office:** 25 Bis Nguyen Thi Minh Khai, Ben Nghe Ward, District 1, Ho Chi Minh City
- **Tel:** (08) 62 915 916 | **Fax:** (08) 62 915 901
- **Email:** info@hdbank.com.vn
- **Website:** www.hdbank.com.vn
- **Charter capital:** VND 8,100 billion(*)
- **Total assets:** VND150,294 billion(*)
- **Number of employees:** 11,000 persons(*)
- **Banking network:** 1 Head Office in Ho Chi Minh City, 1 Representative Office in Hanoi; and 221 branches and sub-branches nationwide

As one of Top 10 joint stock commercial banks in Vietnam which has been operating for more than 27 years in Vietnam and aims at reaching out to the world, HDBank has built strong financial capabilities and up-to-date technologies, offering a wide variety of financial services to retail customers, corporations and investors. HDBank has completed the model of modern transaction points that provide professional and friendly customer services with the message of "Committed to your best returns" to customers and the social community.

Thanks to the united strength from DaiABank and SGVF - currently HD SAISON Finance, HDBank has become a large bank in Vietnam. As of 31/12/2016, the Bank's total assets was more than VND150 trillion, charter capital of VND8.1 trillion, total employees of more than 11,000; expanded the network to 221 branches/banking units and more than 7,500 SIPs nationwide; and is currently preparing to establish overseas branches. In the international market, HDBank has set up correspondent relationship with about 400 foreign banks and their branches in many countries and territories.

HDBank has achieved a great deal of titles and awards bestowed by prestigious organizations domestically and overseas.

HDBank is making non-stop and comprehensive growth, in reach of up to the world level.

(*) Figures as of 31/12/2016

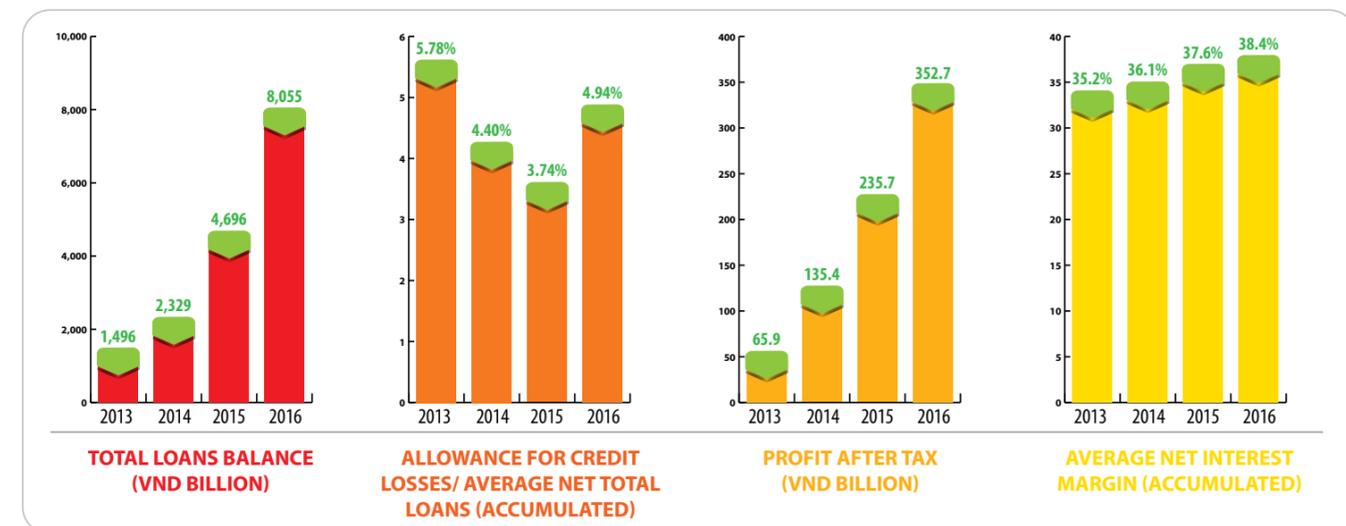
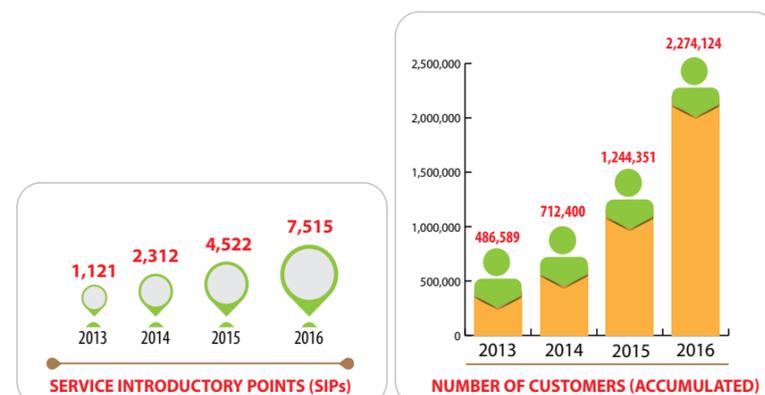
SUBSIDIARIES AND ASSOCIATES OF HDBANK



Address: Levels 8-9-10, Gilimex Building, 24C Phan Dang Luu, Ward 6, Binh Thanh District, HCMC City

HD SAISON is a consumer finance company with the charter capital of VND800 billion. Before being acquired by HDBank, it was called SGVF, under the ownership of the French bank Société Générale. After which, SGVF was renamed as HDFinance. In 3/2015, CREDIT SAISON (Japan) invested in the Company and contributed 49% of its charter capital, and HDFinance was renamed as HD SAISON as it is presently called. HDBank holds 50% of HD SAISON and the other 1% is held by HCMC Securities Joint Stock Company (HSC).

Nowadays, HD SAISON is among Top 3 consumer finance companies in the consumption loan market in Vietnam. With a cadre of more than 7,000 employees, HD SAISON has offered loans to nearly 3 million customers at its 7,500 SIPs in all 63 provinces and cities in the country.



ASSET MANAGEMENT COMPANY LIMITED (AMC)

OVERVIEW OF AMC

- Address: Levels 3 - 4 of the Building at 519 Nguyen Thi Dinh, Cat Lai Ward, District 2, HCMC
- It was previously a subsidiary under the ownership of DaiA Joint Stock Commercial Bank, which came into operation on 13/01/2011 and had the charter capital of VND150 billion. The Company was merged and became a subsidiary of HDBank in 11/2013, and relocated its head office to HCMC from Bien Hoa, Dong Nai in 10/2014.

BUSINESS PERFORMANCE IN 2016

2016 Performance	Achieved	Planned
Service revenue	8,356,524,465	6,447,400,000
Of which:		
Revenue from debt settlement	2,306,683,241	2,420,000,000
Revenue from asset lease of AMC	1,616,059,406	712,000,000
Revenue from asset lease of HDBank	n/a	952,400,000
Revenue from asset disposal of AMC	n/a	350,000,000
Revenue from asset disposal of HDBank	4,433,781,818	2,013,000,000
Service expenses	3,375,401,599	3,306,000,000
Gross service income	4,981,122,866	3,141,400,000
Financial income	23,189,596,058	2,000,000,000
Financial expenses	19,630,056,620	-
Sales expenses	0	-
Management expenses	3,930,239,265	2,379,000,000
Net operating income	4,610,423,039	2,762,400,000
Other income	11,337,200,167	-
Other expenses	8,563,704,993	-
Other profit	2,773,495,174	1,000,000,000
Profit before tax	7,383,918,213	3,762,400,000
Current Corporate income tax	1,452,603,525	752,480,000
Profit after tax	5,931,314,688	3,009,920,000

Descriptions:

- Total recovered loans exceeded the target (by 165%)
- Income from asset trading exceeded the plan (by >200%)
- Net profit exceeded the plan (by 97%)



► VISION

To become a leading financial group with a COMMERCIAL BANK among TOP BANKS IN VIETNAM as the core business, which offers superior products and customer service through an international network, operational excellence and a brand name our clients are proud to be associated with.

► MISSIONS

Towards customers

HDBank is committed to delivering the highest value to our customers by providing innovative full-packaged financial solutions to meet their diverse and changing needs base on customer insights.

Towards employees

HDBank will create a professional, exciting and rewarding work environment where our people can learn, innovate and share to develop successful careers.

Towards partners

HDBank is committed to maximising value for our shareholders and partners through robust and sustainable growth, effective governance and rigorous risk management..

► CORE VALUES

- **CUSTOMER-CENTRICITY:** HDBank always places customers at the centre in all operations of the Bank and endeavors to exceed their expectations;
- **CONSISTENT LEADERSHIP – FLEXIBLE ACTIONS:** We have a clear sense of our goals and are consistent in pursuing them. We are proactive and flexible in our actions to accomplish these goals;
- **EXCELLENCE AND INNOVATION:** We continuously learn, innovate and improve ourselves to achieve operational excellence and excel at customer service;
- **PROFESSIONALISM AND TEAMWORK:** We work and behave professionally. We share and cooperate amicably with our colleagues and partners based on mutual trust and respect;
- **INTEGRITY AND RESPONSIBILITY:** We are trustworthy and honest. We are bold in our approach to taking initiative and responsibility.

KEY MILESTONES



AWARDS



DOMESTIC

- Government's Emulation Flag awarded by the Prime Minister to HDBank – Excellent unit in emulation movements in 2015;
- Emulation Flag presented by the State Bank's Governor to HDBank – Leading unit in emulation movements in 2015;
- Certificate of Merit conferred by the Prime Minister for contributions to the chess movement in Vietnam;
- Top Vietnamese Brands 2016, Most Prestigious Bank and Best Service Quality Bank awarded by Vietnam Economic Times;
- Certificate of Merit by Vietnam Olympic Committee for contributions to the chess movement in Vietnam.



INTERNATIONAL

- "Best Managed Company in Asia 2016" bestowed by Euromoney magazine;
- Assigned first-time B2 ratings with Stable outlook by Moody's Investors Service;
- High ranking among Top 500 Asian Banks and Top 8 Commercial Banks in Vietnam as announced by the Asian Banker.

10 HIGHLIGHTS IN 2016



1.Receiving the Labor Medal for the 2nd time

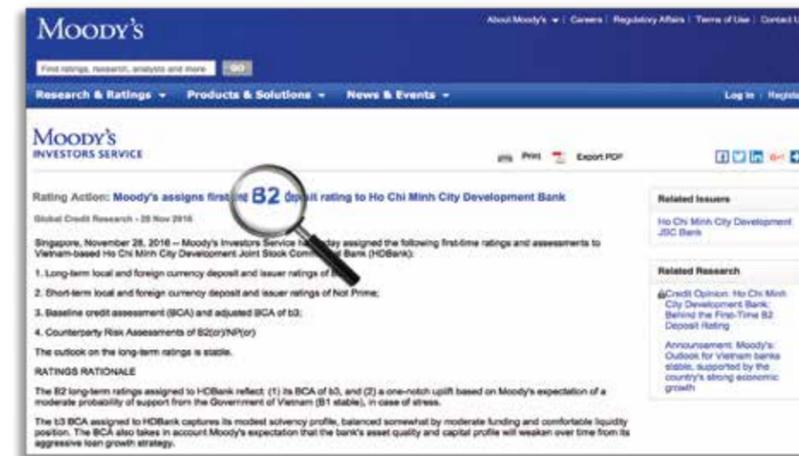
HDBank's sustainable development and active and effective contributions so far have been acknowledged by the State leaders. The President of the Socialist Republic of Vietnam issued Decision No. 1330/QĐ-CTN dated 06/07/2015 rewarding the Third Class Labor Order to HDBank for its excellent achievements in the renovation of the banking industry, contributing to the career of socialism construction and national defense. That was the second time that HDBank received the honorable award.



2.Best Managed Company in Asia - Pacific

For the second consecutive time, HDBank was bestowed "Best Managed Company in Asia" by the global financial magazine Euromoney (United Kingdom), following other prestigious awards received by the Bank in recent years.

During the year, HDBank also honorably received such reputational domestic awards as Most Prestigious Bank 2016 and Best Service Quality Bank 2016 by Vietnam Economic Time; and Certificate of Merit by the Prime Minister for contributions to the chess movement in Vietnam.



3.Assigned by Moody's with the highest ratings for joint stock commercial banks

On 28/11/2016, Moody's Investors Service published its first-time credit ratings assigned to HDBank at B2 with Stable outlook. This was the highest ratings that Moody's assigned to nonstate-owned joint stock commercial banks in Vietnam to date.

With this result, HDBank became the latest Vietnamese bank to be rated by Moody's and was among the joint stock commercial banks with highest ratings.

4.Top 500 Asian Banks

In 12/2016, HDBank was honorably chosen by Asian Banker as a strong bank with high ranking in Top 500 Asian Banks; Top 8 Vietnamese Banks.

Strength Rank 2016	AB 500 Rank 2016	Commercial Bank	Country	Assets/GDP (%)	Score (17.5%)	Net Liab. (% of Local Cur)
1	28	Bank of China (Hong Kong)	Hong Kong			
2	236	Industrial & Commercial Bank of China (Macau)	Macau			
3	10	HSBC	Hong Kong			
311	457	Ho Chi Minh City Development Joint Stock Commercial Bank	Vietnam			



5.Exciting business emulation programs

HDBank continued to launch several internal emulation movements, namely as Star Teller, Best Seller, Emulation program for Corporate Relationship Managers, etc. With attractive prizes, these programs had found and honored the most excellent "gladiators" who would then, together with other teammates, continue to fulfill in excess of the business targets as assigned.

6. "Lighting up the Flame of Faith" team building activity connecting employees in the whole network

In 2016, HDBank units in the whole network simultaneously organized teambuilding activities with the theme of "Lighting up the Flame of Faith". With strong sense of discipline, the employees had deployed to the highest level the teamwork spirit, collaboration as well as strong will and competencies through joyful, exciting but dramatic games.

The "Lighting up the Flame of Faith" teambuilding activities have really united thousands of HDBank employees under the same roof in a big family for development and growth objectives in its way of becoming a leading Vietnamese banking and financial group reaching out to regional and the world arena.



7. Glorious Nation-wide Musical Show of HDBank

HDBank's nation-wide musical show in 2016 gathered nearly 1,000 performers being the Bank's employees with 58 singing, dancing and variety performances. With the theme of "Lighting up the Flame of Faith", the Show created an exciting and warm atmosphere with professional performances. The belief of a developing and strong HDBank were widely spread among the staff and officers all over the country.



8. HDBank International Chess Tournament - bringing Vietnamese intelligence to the world

This is an annual tournament in the competition system of the World Chess Federation (FIDE) held in Vietnam.

In 2016, the 6th HDBank International Chess Tournament attracted 180 chess players from 16 nations in the world to compete in Masters and Challengers categories, among which 47 were world masters. The percentage of distinguished chess players accounted for more than 80%.

After 6 past events, the Tournament has attracted the attendance of 600 chess players from 24 countries in 4 continents (Europe, Australia, Asia and Africa). Year after year, it is recorded with growth in the number of participating players and countries and breakthrough in professional quality.

In 2016, HDBank was honorably bestowed with the certificate of merit by the Prime Minister and Vietnam National Olympic Committee for its contributions in the chess movement in Vietnam.



9. Growing good values in the community

Being aware of its responsibilities towards the community, HDBank had continuously carried out practical activities bringing about good values, including programs of presenting 10,000 health insurance cards to near-poor people; giving houses of affection and gratitude to poor households; implementing "Central-subsidized flights" in cases of natural disasters, storms or floods; giving gifts to orphans in Khanh Hoa and Lao Cai, and coats to poor children in the highlands. In addition, such yearly social activities as visiting and taking care of the people with special contributions, the isolated elderly, and children in social establishments, etc. have been permanently maintained and become a good traditional culture of HDBank.



10. Outstanding business growth

2016 marked an outstanding growth with satisfactory business results of HDBank, whereby total assets achieved VND150,294 billion, fulfilling 119% of the plan and increasing by 41% compared to 2015; total deposits reached VND134,189 billion, exceeded the plan and increasing by 47% compared to 2015; total credit exposure (including corporate bonds) reached VND87,883 billion, 30% higher than that of 2015 (in line with the targets assigned by SBV); ROA: 0.71%; ROE: 9.24%; NPLs recovered: VND1,310 billion, completing 110% of the plan registered with SBV; profit before tax achieved VND1,148 billion, fulfilling 118% of 2016 plan and increasing by 46% compared to 2015; and NPL ratio was always controlled at such a low level of 1.60% (HDBank only: 1.25%).

Also in the year, HDBank kept enlarging its banking network to 221 banking units by the inauguration of Quang Nam Branch.



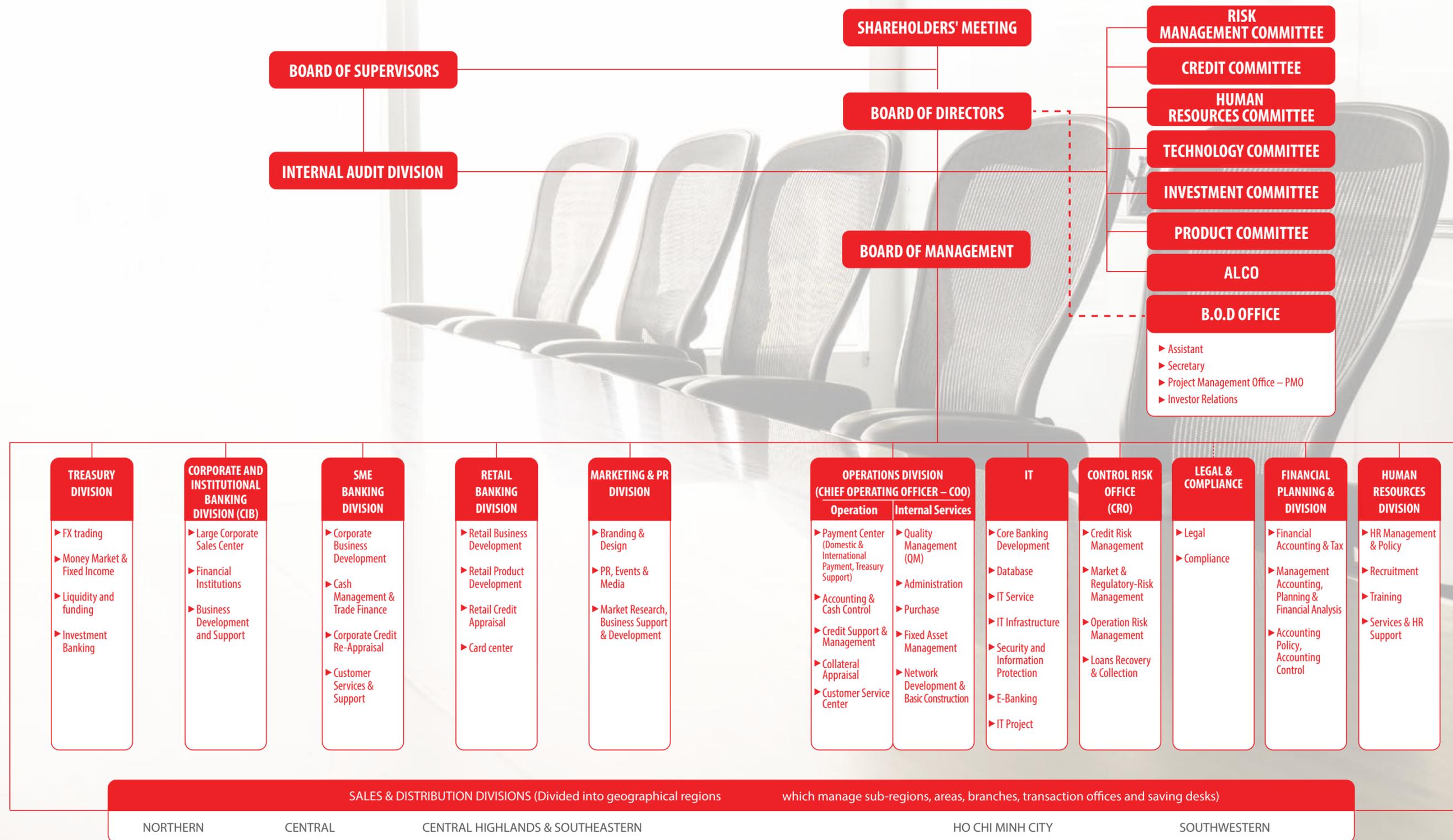
Bank Management

- Organization chart
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“Seeds were planted. With their resilience and daily fostering by generations now they are creating miracles.”



ORGANIZATION CHART



MANAGEMENT STRUCTURE

Bank management system serves as the basis to determine the management and operation efficiency of a bank. Therefore, effective bank management remains the top priority of the Bank. Organizational structure ensuring close collaboration among the Board of Directors, Board of Supervisors and Board of Management; Performance-based salary and reward mechanism; Transparent and timely reports; and good relationship with shareholders are the four key principles constituting an effective bank management system.

HDBank management system is built in line with regulations as well as domestic and international standards. The legal foundations for the Bank's management system consist of the Law on Credit Institutions of Vietnam, Law on Enterprises and Charter of HDBank; and regulations of the State Securities Commission. Besides, it is also developed in correspondence with international standards and practices upon consultation of Pricewaterhouse Coopers (Vietnam) Limited. HDBank regularly checks and reviews its management system against new events, regulations or changes in the standards to make proper amendments.

BOARD OF DIRECTORS

Ms. LE THI BANG TAM

Chairwoman



She has achieved great success in finance and national budget management, especially external financial affairs. As the head of HDBank, she has made significant contributions to the Bank's accomplishments in the past time as well as set out its development strategies in the forthcoming time. She used to be the Department Director and General Director of the Central State Treasury – Ministry of Finance, Deputy Minister and member of the Party Affairs Committee of the Ministry of Finance, and Chairwoman of the State Capital Investment Corporation (SCIC).

She joined HDBank in 2010 and made great contribution to the implementation of international standards to the Bank's governance. She also guided HDBank to international projects funded by World Bank, ADB and other major projects of the Government, Ministry of Finance and The State Bank of Vietnam...

She graduated from an Advanced Economic Management course in the Soviet Union, and holds a doctorate degree in Credit Finance in the Soviet Union and International Finance Certificate at North University London.

Ms. NGUYEN THI PHUONG THAO

Permanent Vice Chairwoman



She has had many years of experience doing business in Vietnam and other countries, especially the Finance and Banking sector. She has involved in the management of several overseas banks, founded and managed some banks in Vietnam. As the Permanent Vice Chairwoman of HDBank, she has led reforms contributing to the Bank's sustainable growth and development. Apart from effective business management, she is also active in managing educational, social, charitable organizations, etc. for the purpose of connecting the community.

She has been with HDBank since 2008 and is credited with reform and innovation programs that step by step put HDBank into the leading position in Vietnam's banking system.

She holds a doctorate degree in Economic Cybernetics from Mendeleev Institute, a bachelor degree in Credit Finance from Moscow Commerce Institute, and a bachelor degree in Labor Economic Management from Moscow National Economics College. She is the founding member of the Academy of System Research in the Russian Federation.

Mr. LUU DUC KHANH

Vice Chairman



He is a specialist in the Finance – Banking industry. Since joining the Board of Directors of the Bank, he has suggested various strategic orientations for business activities, risk management, technology, etc. to develop HDBank as a modern bank under international standards. He used to hold managing positions in such banks as HSBC, Techcombank, ABBank, etc. and contributed to help these banks achieve sustained successes in the Vietnamese market.

He holds a bachelor degree from Lvov Polytechnic College (Soviet Union), a bachelor degree in Economics from HCMC University of Economics, and an MBA degree from New England University (Australia).



Mr. LUU VAN SON
Specialized member

He has earned notable experience in trade, export-import, and external affairs both domestically and overseas. With a sharp eye for business opportunities, he is expected to help HDBank obtain new successes and affirm its breakthrough progress among commercial banks in Vietnam. His management experience gained from key positions in such companies as SOVICO in HCMC, Vietnam Electronics Import-Export Joint-Stock Company, SGS Rubber Investment Joint-Stock Company, and Saigon Phu Quoc Sovico Joint-Stock Company, etc.

He holds a bachelor degree in Business Administration.



Mr. LIM PENG KHOON
Independent member

He is greatly experienced in different fields: Finance – Banking, Securities and Information Technology. He used to serve in key positions in HSBC Hong Kong, Stock Exchange and Futures in Hong Kong, Hong Kong Monetary Committee and a number of financial institutions in Vietnam.

He holds a certificate from the Banking Experts Training Institute in the UK, and a certificate of senior specialist from Malaysia Banking Institute.



Mr. CHU VIET CUONG
Member

He has a great deal of experience in managing and administrating financial-credit institutions and large enterprises domestically and overseas. He used to serve as the General Director of BNP Paribas-Prevoir JV; Deputy General Director of Prudential Assurance LTD; and Board Chairman of DaiA Bank, etc.

He holds a bachelor and a master degree in Economics from Khaccop University, Soviet Union, and master degrees in the UK, MIT in the US, and NTU in Singapore.



Ms. NGUYEN THI TAM
Independent member

As a senior expert, she has 35 years of working in the finance – banking sector, and she is particularly experienced in managing and regulating credit institutions and import bills payment. She used to hold several key positions in Vietcombank, most recently as Deputy General Director, member and consultant to the Board of Directors of Vietcombank.

She holds a bachelor degree in English language, an Advanced Banking Theory Certificate, a Business Administration Certificate from Switzerland International Cooperation Organization and AMOS TUCK in the US. She has received numerous medals and certificates of merit from the President, Government and the banking industry.



Mr. NGUYEN HUU DANG
Member and Chief Executive Officer

He has been with HDBank for nearly 20 years. With his vast banking experience, he frequently sets out new directions which bring about practical results for the Bank's development. His past positions include: Managing officer of non-State credit institutions, Credit officer, etc. He used to work for the State Bank of Vietnam in Dong Thap, and Vietnam Bank for Industry and Trade.

He holds a master degree in Banking.

REPORT OF THE BOARD OF DIRECTORS

In 2016, the Vietnamese economy achieved certain satisfactory results, whereby GDP was estimated to have grown by 6.21% compared with 2015, the macro-economy remained stable with inflation and exchange rate was controlled below the threshold set by the Government, monetary market was properly regulated by the State Bank of Vietnam (SBV), and liquidity of the banking system basically ensured. However, the country's economy had not really overcome its difficult stage: GDP, though increased, was mostly dependent on the foreign direct investment sector and public investments. The domestic financial market was better controlled while still suffering from impacts of negative movements in the world market such as fluctuations of hard currencies or oil prices, matters involving the deceleration of Chinese economy, Brexit, and unpredictable intentions and policies of the US Government, etc.

In the general context of advantages and difficulties, the Board of Directors and Board of Management together with the whole staff of HDBank have made their best efforts to fulfill the duties as assigned by the General Meeting of Shareholders.

During the year, the Board of Directors issued 210 resolutions, 67 decisions and 78 dispatches concerning different operational aspects of the Bank, serving as the basis and orientation for actions of the Board of Management. In addition, to improve their performance, the Board of Directors had taken part in regular meetings of the Board of Management so as to keep close track and give timely comments to the Board of Management in the implementation of the tasks assigned by the General Meeting of Shareholders and Board of Directors.

The 2015 General Meeting of Shareholders issued 16 resolutions approving various matters. In 2016, the Board of Directors directed to strictly execute the resolutions of the General Meeting of Shareholders.

ASSESSMENT OF THE BANK'S PERFORMANCE IN 2016

Based on the Resolution of the 2015 General Meeting of Shareholders passing the matters relating to business targets and giving authorization to the Board of Directors to decide on some issues within the competence of the General Meeting of Shareholders, the Board of Directors of HDBank had seriously performed its role by directing the Board of Management to promote and strengthen the Bank's performance in all aspects. Specifically as:

Business activities in 2016:

Upon the guidelines and active support from the Board of Directors as well as the prompt and appropriate administration of the Board of Management and great endeavors of the units in the whole network, HDBank achieved better operating results in 2016 than that of 2015, in which most of the targets exceeded the ones set by the General Meeting of Shareholders. Details are as below 1:

Unit: VND billion

Item	2016 plan	Executed in 2016	Compared to 2016 plan	+/- against 2015
Total assets	125,784	150,294	119%	41%
Charter capital	8,100	8,100	100%	0%
Funds raised from the market ¹	94,759	114,327	121%	39%
Credit balance*	86,150	90,121	105%	34%
NPL/total loans ratio	<3%	1.60%	-1.4%	0.28%
Profit before tax	972	1,148	118%	46%
Profit after tax	763	915	120%	45%
ROA	0.66%	0.71%	108%	
ROE	9.43%	9.24%	100%	

* OF WHICH: CREDIT GROWTH OF HDBANK ONLY WAS UP TO 30% AS ASSIGNED BY SBV

¹ CONSOLIDATED, AFTER AUDITING

Risk management and bad debt settlement:

In compliance with all intentions and policies of the State Bank of Vietnam and in order to ultimately protect shareholders' assets, risk management was particularly enhanced to minimize all risks of the Bank's operations.

Besides, to meet the requirements of new law stipulations and to adapt to situations from time to time, in 2016, HDBank continued to strengthen its internal regulation system and perfect the software system supporting risk management. The project of reviewing and developing the implementation roadmap of Basel II – bank management standards under international practices – was kick started. Risk management has been incorporated to the Quality Control System of the latest version ISO 9001:2015.

Despite positive achievements in 2016, the risk management and bad loan recovery of HDBank in particular and the whole banking system in general still faced with a great deal of obstacles in terms of infrastructure, management experience, economic context, and legal corridor, etc.



Staff organization and network expansion:

Staff organization: 2016 recognized the determination and efforts of HDBank in improving its organization model, stabilizing human resources, and enhancing personnel quality, creating solid and safe grounds for the Bank's growth in size.

- Recruitment had been carried out in a larger scale which was more methodological and professional, aiming at better satisfying the personnel needs of the whole Bank. As of 31/12/2016, the total employees of the Bank are 11,107.
- Training activities were, in association with local and foreign professional training organizations, held in varied forms to enhance the professional knowledge and skills of employees as well as management capabilities of managing levels. In 2016, HDBank organized 355 training courses with 18,757 attendees in total.
- Salary, bonus and welfare policies were also appropriately revised in line with business performance of both the Bank and its laborers. In the year, the average income of HDBank's employees was VND14.2 million, up 18% from 2015.

Network expansion: In pursuit of the network consolidation, development and enlargement plan, in 2016, HDBank inaugurated a new branch in Quang Nam, re-arranged 16 sub-branches, invested in new infrastructure and conducted major renovation at 14 branches and 23 sub-branches in the country. As of 31/12/2016, the Bank's banking network amounted up to 221 offices, branches, sub-branches and more than 7,500 SIPs nationwide.

Partnership development

Apart from giving guidance on business activities and bank management, the Board of Directors also paid attention to relationship establishment and development with both local and foreign partners. In the year, the Bank maintained the cooperation with major partners based on the defined roadmap, while actively seeking for new business opportunities and partners. Specifically:

- *Cooperation with domestic partners:* with the motto of effective businesses on ground of offering customers with the most useful products, HDBank has successfully established the cooperation relationship and supplied products and services to different partners being regulatory bodies, domestic corporations and large companies, including: Vietnam Customs, General Department of Taxation, Department of Debt Management and Small and Medium Enterprise Development Fund of the Ministry of Finance, Department of Planning and Investment, Vietnam Posts and Telecommunications, Vietnam National Coal - Mineral Industries Group, Vietnam Electricity, Vietnam National Petroleum Group, State Capital Investment Corporation, Airports Corporation of Vietnam, Vietnam Oil and Gas Group, Vietnam Rubber Group, Bao Viet Group, FLC Group, Hoa Phat Group, Vinamilk, Viettel, Truong Hai Auto, some large banks in the industry such as Vietcombank, Vietinbank, and named suppliers of payment services such as NAPAS, etc.
- *Cooperation with foreign partners:* having been strengthened to increase the financial resources, improve professional knowledge and skills, and reach out to foreign customers operating in Vietnam as well as Vietnamese customers in foreign countries. Foreign partners of HDBank comprise of world established financial institutions namely as Asia Development Bank (ADB), JICA (Japan), JP Morgan Chase (US), Goldman Sachs (US), Deutsche Bank (Germany), Commerzbank (Germany), BNP Paribas (France), ICBC (China), SMBC (Japan), Hyakugo Bank (Japan), Aichi Bank (Japan), Ikeda Senshu (Japan), FUBON Insurance (Taiwan), and The Dai-ichi Life Insurance Company Limited (Japan), etc.

Social security work

In 2016, the Board of Directors guided the Bank to keep carrying out practical charity programs including, building houses of affection and gratitude; sponsoring Vietnamese heroic mothers and isolated poor elderly; funding eye surgery for poor blind people throughout the country; offering scholarship to poor but gifted students; and presenting medical insurance cards to poor people.

ASSESSMENT OF THE BOARD OF MANAGEMENT'S ACTIVITIES

In overall, the Board of Management had well performed the duties assigned by the Board of Directors in the year. Business targets were outperformed against the proposed plan. Bank management, risk management, staff organization, and network consolidation obtained encouraging results.

As judged by the Board of Directors, HDBank could, with its internal competences, be potential to make better achievements. However, the harsh competition in banking operations, unfavorable economic context, and legal limitations had been and would be the factors causing difficulties to the businesses, risk management and bad debt settlement of the Bank. Those are the issues requiring further considerations by the Board of Directors and Board of Management to devise appropriate solutions for the following year, so as to ensure the Bank's safe and sustainable growth.

Development of operational strategies for the period of 2016 - 2020

By review of the business performance in the period of 2011-2015 as well as the opportunities and challenges from within the country and beyond, the Board of Directors has directed and collaborated with the Board of Management to set out the Operational Strategies for the period of 2016-2020.

On 30/11/2016, the Board of Directors issued Decision No. 140/2016/QD-HDQT passing the orientations of HDBank development plan with fundamental targets to be achieved based on the financial model in the period of 2016-2020.

Solutions to obtain the aforesaid overall objectives revolve around 4 key strategies: human resources strategy, financing strategy, business strategy and management strategy with key objectives as below:

Human resources strategy

- To attract skillful and competent persons who are suitable to the culture, business environment and meet the recruitment requirements of HDBank.
- To develop prospective management staff from internal staff, in preparation for such key positions as Director of departments at Head Office, or Director of branches/sub-branches.

Financing strategy

- To place importance on increasing the owners' equity at the compound annual growth rate (CAGR) of 15% in the period of 2016 - 2020 (of which, the charter capital as at end 2020 must be raised by at least VND5,000 billion) by means of capital increase, merging, acquisition, listing on the stock exchange, and taking most advantage of funds from the secondary market to leverage growth.

Business strategy

- To focus on developing retail banking products and services, and strengthen to exploit the segments of individual customers and small, medium enterprises.
- To gradually increase the portion of non-interest income in the income structure.
- To meet all of customers' demands for financial products and services in the direction of retail banking, upon paying attention to cross-selling in order to provide the market with financial product packages at reasonable costs.
- To ensure the quality of the banking products and services to be in the top list of the market.
- To create distinction for the products and services for practical return and improvement of the Bank's competitiveness.
- To combine with HDBank brand promotion to leverage business performance.

Management strategy

- To improve the management mechanism based on internal legal foundations with sufficient operational documents.
- To focus on perfecting and developing the organization structure in the model of retail banking
- To build up advanced and professional risk management apparatus and reinforce the internal auditing mechanism under international standards.

ATIONAL ORIENTATIONS IN 2017

Operational orientations of the Board of Directors in 2017

Directing to develop and execute the specific Action plan for the Bank's operational strategies in 5 years (up to 2020).

Directing to implement the bank restructuring plan: merging, acquisition, selection of strategic shareholders and listing on the stock market to develop HDBank as one of the largest banks in Vietnam in terms of scale, management excellence and sustainable development.

Directing to consolidate and develop human resources, especially the cadre of managers from branches to departments/sections at Head Office and business divisions.

Strengthening the roles and responsibilities of committees and councils under the Board of Directors in consulting and supervising areas such as credit, investment, risk management, asset and liability management (ALCO), human resources and information technology.

Closely collaborating with the Chief Executive Officer and the Board of Management to timely solve the problems arisen during the implementation of business duties.

Conducting good organization of annual general meetings of shareholders and regular Board meetings.

Members of the Board of Directors should raise their sense of responsibility in performing the assigned duties.

Operational orientations of the whole Bank in 2017

Upon objectives of the 5-year Development strategies (up to 2020), the Board of Directors of HDBank assigns the Board of Management to execute such fundamental duties as:

Business activities

To carry out businesses in the principle of "Sustainable growth, effective credit, and optimal profit"; to promote retail banking activities, and develop suitable products and services for individual customers and small and medium enterprises; and to strive for the business targets set out for 2017.

Organization of bank management

- To fully comply with law regulations applicable to banking operations. Continuing to strengthen risk management and bad debt settlement: minimizing credit risks and maintain NPL ratio within the limit permitted by SBV, and enhance measures of preventing and handling operational risks, especially the one relating to employees' morality.
- To keep perfecting the Bank's organization model in way of strengthening Business division and refining administrative apparatus, in line with the orientations of the Bank's Development strategies up to 2020.

Staff organization

To continue to reasonably arrange and allocate human resources, especially the cadre of key managers, for the purpose of deploying their strength, competence and performance. Keeping training methods well organized. Building up professional working environment and corporate culture to retain and attract talented persons.

Information technology

To boost up information technology development to lay solid foundations for the supply of the most advanced and secured banking products and services; and improving the application of information technology in banking operation and management.

Brand development

To preserve and promote the name of HDBank by excellent products and services, professional and customer-friendly employees, in combination with proper marketing and communication activities.



BOARD OF SUPERVISORS



Mr. DAO DUY TUONG
Chief Supervisor

With his 15 years of experience in finance - accounting sector, he is a dynamic and professionally knowledgeable banker who plays a significant role in controlling all activities and ensuring the prudent ratios within safe & effective parameters as required by HDBank and SBV.

He joined HDBank's Board of Supervisors in 2010. Previously, he was the Chief Accountant of Song Hong Company - Ministry of National Defense, Phu An Infrastructure Construction Investment and Development Joint-Stock Company, and Viet Tide Investment Joint-Stock Company.



Ms. NGUYEN THI TICH
Member

She used to work for the State Bank in Lao Cai Province and Thai Nguyen Province, and Agribank. Before joining HDBank, she had worked in many different operational areas, and served as the Deputy CEO and CEO of Techcombank.

She holds a bachelor degree in Economics. She has received numerous medals from the State and the banking industry.



Ms. NGUYEN THI PHUNG
Member

Having 17 years of experience in the Finance – Banking sector, she has made positive contributions to the development of HDBank so far. She joined HDBank in 2003 as a supervisor and internal auditor. Since 2008, she has become a member of the Bank's Board of Supervisors.

She holds a bachelor degree in Monetary – Credit.

REPORT OF THE BOARD OF SUPERVISORS

Enhanced liquidity of the banking system and reasonably reduced interest rate in 2016 boosted the industry's credit growth by 18.71% compared to 2015. In such circumstance, the Board of Supervisors of HDBank had regularly updated the macro-economic movements, given detailed guidelines on supervising all banking operations, assisted in major risk prevention, and ensured safe and effective operations of HDBank to ultimately protect shareholders' interests. The Board of Supervisors completed the 2016 operational plan as approved by the General Meeting of Shareholders, protecting shareholders' interests to the highest extent.

The Board of Supervisors held 4 quarterly meetings, and monthly meetings with Internal Auditors to consolidate and evaluate the records and findings of Internal Auditors, from which to make amendment or supplementation to the subsequent objectives and action plan if deemed necessary, timely supporting Internal Auditors to fulfill the audit plan as suggested.

Through Internal Auditors, the Board of Supervisors organized periodic supervision over areas of investment, capital trading, credit, basic construction, asset procurement, information technology, accounting recognition, and operational safety; as well as over implementation of the resolutions and decisions by the General Meeting of Shareholders and Board of Directors; and execution of the recommendations of the Board of Supervisors and State Bank Inspectorate; and conducted appraisal of interim/annual financial statements.

With risk-based auditing, Internal Auditors well completed the audit plan assigned. Concretely, they had audited 88 units, achieving 111.4% of the plan; and performed 242 spot checks and major checks, fulfilling 108% of the plan. Auditing objectives in the year focused on the problems had previously been diagnosed with high risk level and frequency, and operational areas exposed to fluctuations of macro-economic elements. High-risk units in the network were also prioritized for audit according to prevailing Internal Audit policy. In addition, the Board of Supervisors instructed Internal Auditors to frequently audit the prudent ratios and credit granting limits against regulations and directives of SBV, ensuring HDBank to operate in a safe and stable manner.

From the findings of Internal Auditors, the Board of Supervisors sent out alerts on the problems causing risks to HDBank's operations to the Board of Directors, Board of Management and managing authorities of the Bank so as to give timely guidelines on business orientations, remedy mistakes, strengthen and supplement operational regulations, procedures and manuals, enhance internal supervision to prevent and mitigate risks for HDBank.

In 2017, the Board of Supervisors expects to propose to the General Meeting of Shareholders the 2017 operational plan with key duties as follows:

- Supervising the observance with regulations of law, State Bank of Vietnam and Charter of HDBank in the management and operation of HDBank network.
- Supervising the management and administration of HDBank against the Charter and Resolution of the General Meeting of Shareholders which was voted for passing; concretely by keeping close track of the execution of 2017 action plan by the Board of Management with respect to 5 targeted issues: sustainable growth, effective credit, and optimal profit; information technology development and application in managing and operating the Bank; enhancement of risk management, and bad debt supervision, control and collection; corporate culture establishment and staff quality improvement; and HDBank brand promotion.
- Carrying out internal audit as planned. Besides, promoting to apply technology to auditing, changing the reaction to the severity of each problem found, and paying attention to assess the working outputs of the departments at Head Office in the current Internal Audit system so as to make timely recommendations to help the Board of Management to accomplish the 5 targeted issues in the action plan.

In 2016, the Board of Supervisors audited 88 units, reaching 111.4% of the plan; and performed 242 spot checks and major checks in the entire network



BOARD OF MANAGEMENT





Mr. NGUYEN HUU DANG
Board member and Chief Executive Officer

He has been with HDBank for nearly 20 years. With his vast banking experience, he frequently sets out new directions which bring about practical results for the Bank's development. His past positions include: Managing officer of non-State credit institutions, Credit officer, etc. He used to work for the State Bank of Vietnam in Dong Thap, and Vietnam Bank for Industry and Trade.

He holds a master degree in Banking.



Mr. LE THANH TRUNG
Deputy General Director

He has more than 20 years of experience in the Finance – Banking sector both domestically and overseas, especially experience in system management, apparatus organization, risk management, and customer relations, etc. He used to hold senior managing posts at Vietcombank Financial Leasing Company, Vietcombank and Shinhan Vina Bank.

He holds a doctorate degree in Economics and a bachelor degree in Law



Mr. NGUYEN MINH DUC
Deputy General Director

With many years of experience in managing credit and financial institutions, he has made great contributions to HDBank's successes, especially in risk management and compliance control, etc. He was formerly a lecturer of Economics Faculty, Vietnam Maritime University, and used to serve in key positions at some banks in Vietnam.

He holds a master degree in Economics and a bachelor degree in Law.



Mr. PHAM QUOC THANH
Deputy General Director

With more than 20 years as a banker, he has considerable experience in risk management, and business development and orientation at macro level for the Commercial Banking Division. He formerly served in senior managing posts at HSBC, ACB, ABBank, and Techcombank.

He holds a bachelor degree in Bank Credit and a bachelor degree in foreign language.



Mr. TRAN HOAI NAM
Deputy General Director

He has numerous years of experience in the Finance – Banking sector, especially in managing corporate and institutional banking activities. He is a dynamic leader with a great deal of reform initiatives. He currently undertakes the management and development of large corporate customers at HDBank, and enhancement of the cooperation between HDBank and large and reputational institutions locally and overseas.

He used to hold managing positions at Citibank, VIB, etc.



Mr. LE THANH TUNG
Deputy General Director and Head of BOD Office

He has been associated with HDBank for more than 17 years through such posts as: Branch Director and Area Director. By his promptness and management competence, he has managed and developed the business activities of branches/sub-branches within the area, significantly contributing to the banking network expansion and outstanding growth of HDBank in the past time. He had many years of working and management experience in financial companies and banks before joining HDBank and is currently the Secretary of the Party's Committee of the Bank.

He holds a Master of Business Administration degree and a bachelor degree in Law.



Ms. NGUYEN DOAN DUY AI
Deputy General Director

As a dynamic, confident and knowledgeable woman, she has remarkably contributed to the Bank's successes during her time being with HDBank, especially in currency trading and ensuring liquidity adequacy for the network. At present, she is managing the units in HCMC area and Director of Saigon Branch. Before joining HDBank, she spent many years working in the fields of export-import trading, international payments and banking-finance at Techcombank.

She holds a bachelor degree in Bank Credit.



Mr. PHAM THIEN LONG
Deputy General Director

He has more than 15 years of experience in the Finance – Banking sector. With his in-depth knowledge about the Vietnamese market, he has contributed to build and develop the Commercial Banking Division of HDBank, and promote the cooperation between HDBank and large and reputational organizations in and out of the country. In addition, he is also in charge of diversifying the products and services, giving the best support to Vietnamese enterprises, and facilitating to boost economic growth. He used to hold key positions at HSBC, ACB, ABBANK, etc.

He holds a master degree in International Management from ESCP-EAP, France and a master degree in Finance from AIT in Thailand. He also took training courses and placement schemes in more than 20 nations all over the world (US, France, Canada, etc.).



Mr. TRAN THAI HOA
Deputy General Director

He has rich work and management experience in the Finance – Banking sector spanning more than 20 years at different banks. Before joining HDBank in 05/2015, he had worked for the State Bank HCMC Branch for 13 years, and VietABank for 7 years as Department Director and Deputy General Director.

He holds a bachelor degree from HCMC Banking University.



Mr. PHAM VAN DAU
Chief Financial Officer

He has more than 15 years of experience in the Finance – Banking sector, particularly in-depth understanding and knowledge about credit, accounting, financing, funding and planning. He is the person who takes the key role in managing the Bank's financial health, ensuring the funds to be used in the most efficient way and making detailed plans for the development process of HDBank.

He holds a master degree in Economics.



Ms. PHAN THI TRAM ANH
Director of Operations Division

She has worked for HDBank for nearly 20 years and is experienced in different banking operations. With her responsiveness and management competence, she has made great contributions to HDBank in business administration during the past years, notably the management of Operations Division to successfully deploy the Centralized credit support management model; coordination of the Centralized cash reserve; management and supervision of operations in the whole network, etc., participating to reform the service quality of HDBank.

She holds bachelor degrees in Economics, Foreign language and Law.



Mr. TRAN QUOC ANH
Director of Retail Banking

He has 20 years of experience in the Finance – Banking sector, especially experience and passion in modern retail banking field. Before joining HDBank, he had worked for ACB at various important positions in Retail Banking Division, namely as Product Director, Credit Center Director, Deputy Chief of Head Office Credit Committee, etc.

He holds a bachelor degree from HCMC Banking University.

BANK MANAGEMENT REPORT

Legal foundations of HDBank's management model

The management model of HDBank is subject to the Regulations on the organization and operations of HDBank under Decision 119B/2013/QD-HDQT dated 02/07/2013.

Committees

The Board of Directors of the Bank consists of subsidiary committees/councils, including Human Resources Committee, Risk Management Committee, Credit Committee, Technology Committee and ALCO. These committees all include the participation of the Board members, operating under the regulations promulgated by the Board of Directors and holding regular meetings for the purpose of consulting and proposing to the Board of Directors the matters within their authorities in respect of bank management and administration.

- **Human Resources Committee:** Established under Decision 14F/2016/QD-HDQT dated 26/02/2016, operating in accordance with the Regulations on the organization and operations of the Human Resources Committee under Decision 18/2013/QD-HDQT dated 19/03/2013. The Committee comprises of 05 members and is chaired by Ms. Le Thi Bang Tam.
- **Risk Management Committee:** Established under Decision 14D/2016/QD-HDQT dated 26/02/2016, operating in accordance with the Regulations on the organization and operations of the Risk Management Committee under Decision 203/2013/QD-HDQT dated 07/11/2013. The Committee comprises of 06 members and is chaired by Ms. Le Thi Bang Tam.
- **ALCO:** Established under Decision 14E/2016/QD-HDQT dated 26/02/2016, operating in accordance with the Regulations on asset and liability management under Decision 77/2013/QD-HDQT dated 22/05/2013. The Committee comprises of 11 members and is chaired by Ms. Nguyen Thi Phuong Thao.
- **Credit Committee:** Established under Decision 139E/2014/QD-HDQT dated 15/09/2014, operating in accordance with the Regulations on credit approval under Decision 239/2012/QD-HDQT dated 30/12/2012). The Committee comprises of 14 members and is chaired by Ms. Nguyen Thi Phuong Thao.
- **Technology Committee:** Established under Decision 14C/2016/QD-HDQT dated 26/02/2016: consisting of 03 members and being chaired by Mr. Lim Peng Khoon.

Management decentralization policy

In correspondence with the management model, the management system of HDBank consists of: Board of Directors, Board of Management, and Board of Supervisors. HDBank has issued relevant documents, including:

- Regulations on the organization and operations of the Board of Directors issued in conjunction with Decision 111B/2013/QD-HDQT dated 26/06/2013.
- Regulations on the organization and operations of the Board of Supervisors issued in conjunction with Decision 55B/2013/QD-HDQT dated 26/06/2013.
- Working regulations of the Chief Executive Officer issued in conjunction with Decision 123/QD-NHCPN dated 27/12/1999 and its amendment and supplementation Decision No. 115/2013/QD-HDQT dated 27/06/2013.
- Internal authorization system from the Chief Executive Officer – the legal representative – to Directors of branches/sub-branches to manage and regulate the business activities of the branches/sub-branches under their control.

Policies towards related-party transactions

In performing transactions with customers, HDBank always complies with the provisions of Law on Credit Institutions with respect to related persons. In case of related-party transactions, HDBank strictly conducts the procedures of approval by competent authorities, entrance into transactions in a public and transparent manner, for the benefit of HDBank and in line with SBV regulations. Besides, HDBank has developed internal policies to concretize the customers entitled or restricted to receiving loans from HDBank according to law, executed the regime of reporting and publishing related interests of the Bank's managers, administrators and their related persons, and making statements of related persons of HDBank as per request of competent State agencies.

Performance-based compensation

HDBank duly and timely performs the policies towards laborers such as salary, bonus, social insurance and health insurance.

The fair and manifest salary system as well as reward and punishment mechanism associating the income of employees in the network

with their performance have timely motivated those with the best and prominent achievements. In 2016, HDBank reserved a majority of its annual Business salary budget as the Incentive fund for the excellent collectives and individuals in business activities.

HDBank was among the top 5 banks in the industry to offer high bonuses. It also sets out proper penalties on those employees who break the discipline and fail to fulfill their duties. Other than the improved regimes and welfares, HDBank pays attention to the professional development of its employees.

Training has been effectively implemented, timely providing the human resources for the network. Training programs and plans are simultaneously developed in the areas in proportion with the number of officers and staff, making sure that they are tailored to each position in order to enhance efficiency and create a professional image for HDBank.

Timely and transparent system of reporting and information

KM report: for the needs of transactions, data export, and reporting of business units and Head Office. This is also a channel for exchanging information and supporting online transactions between Head Office and branches, sub-branches, administrative units, and other subsidiary units in the entire network of HDBank.

Management report: including the reports made daily, monthly, quarterly and yearly on risk management, operation, PR, assessment of HDBank's competitiveness, or plan execution by the business units to serve for the management and administration of the Board of Directors and Management.

Relationship and communication with shareholders

HDBank always pays attention to perform its obligations towards shareholders in the principle of complying with law and ensuring the highest and fair interests for each party. Property rights, rights of receiving information and giving comments, and other rights of shareholders under the Law on Enterprises, Law on Credit Institutions and the Bank's Charter are guaranteed.

The common difficulties of the economy in recent years plus the crisis of the banking and finance sector, and the gloominess of the stock market have adversely impacted the operations of the whole industry, causing many banks to suffer from losses or remarkably declined profit. However, in such troubled context, HDBank successfully completed the merger with DaiABank and acquisition of 100% of HDFinance in 2013, raising the Bank to a new height while still maintaining profitable businesses and annual dividend payment to shareholders.

Year	2012	2013	2014	2015	2016
Earnings per share (EPS) (VND/share)	814	434 (*)	585	633	911

(*) Dividend payout ratio and EPS applied to HDBank only, not including DaiABank

In order to ensure shareholders' asset value, HDBank stipulates that, in banking management, the transaction contracts with members of the Board of Directors and Board of Supervisors, Chief Executive Office, major shareholders and related persons of the executive officers, members of the Board of Supervisors, major shareholders of the Bank, and its subsidiaries and associates having value of more than 20% (twenty percent) of the Bank's charter capital as stated in the latest audited financial statements must be approved by the General Meeting of Shareholders before execution. In such case, related shareholders have no right to vote. In case of contracts whose value is equal to or smaller than 20% (twenty percent) of the Bank's charter capital as stated in the latest audited financial statements (according to the State Bank's regulations), consent of the Board of Directors is required before execution. In such case, related shareholders have no right to vote. Members of the Board of Directors and Board of Supervisors, Chief Executive Officer and other managing positions are not allowed to buy or sell or deal with shares of the Bank or its subsidiaries as they own the right to possess the information which affects the price of those shares while other shareholders have so such information.

Moreover, HDBank always ensures shareholders' right of receiving reports as well as the right of taking part in the decision-making process by the elaborate and considerate organization of annual general meetings of shareholders in accordance with law requirements. Besides, shareholders are often updated with information concerning the Bank's business activities and changes in the operational orientations by means of direct mail or information announcement on the electronic portal of HDBank. The contents of the electronic portal of HDBank are increasingly diversified and perfected so that shareholders and partners of the Bank can have access to rich, professional and effective information about HDBank. All feedbacks and comments from shareholders are well received and processed in a positive way.

Internal Audit and responsibility of implementing Internal Auditors' recommendations

Subject to the Regulations on the internal control and audit system issued in conjunction with Decision 110/2013/QĐ-TGD.

Being part of the Board of Supervisors and operating under the direct guidance of the Board of Supervisors, Internal Audit is a unit specializing in conducting internal audit and compliance control of the Bank. Internal Auditors independently check and assess the compliance with as well as the appropriateness of the internal regulations, policies, processes and procedures available at the Bank; and make warnings on breaches, risk alerts and recommendations on solutions to improve the outputs of the systems, procedures and regulations, contributing to ensure the Bank operates in a safe, efficient and law-compliant manner. Internal Audit of the Bank is consistently organized on a hierarchy system. The organization of Internal Audit is determined by the Board of Directors upon suggestion of the Board of Supervisors.

Independent auditor

Other than Internal Auditors, HDBank hires KPMG Vietnam as the independent auditor in accordance with regulations of the State Bank to audit the Bank's operations. Such independent auditor will check and certify the Bank's truthfulness, make report based on the annual accounting statements on the Bank's revenues and expenses, and prepare the Independent auditor's report to submit to the Board of Directors after the end of each fiscal year. During its operations, HDBank has selected a leading independent auditor in the Vietnamese market which is qualified for the State Bank's requirements to perform audits of banks' activities in the fiscal year.

Commitment to the best returns for partners

"Commitment to the best returns" for customers is one of the focused quality policies through the operations of HDBank on grounds of perfect financial services, dynamic and professional staff, and effective working environment reaching international standards.

The above issues have been concretized in the Quality Policy No. 1669/2013/CS-TGD dated 20/11/2013 and Quality Manuals No. 775/2014/ST-TGD dated 01/04/2014.

HDBank's social responsibilities

HDBank acknowledges and considers the contribution to the social and community development and prosperity as part of its role and responsibilities.

Being aware of its social responsibilities, HDBank always pays attention to perform all obligations of tax payment to the Government, awareness of environmental protection and friendliness, gender equality, improvement of laborers' life quality, labor safety policies, training and development of excellent human resources, etc. On yearly basis, HDBank allocates its budget to sponsorship activities, actively participates in community projects and other charitable activities such as building houses of affectation, offering scholarship to poor pupils, facilitating poor but gifted students to keep studying, giving aids to the people suffering from natural disaster and flood, helping orphans, children with disabilities, isolated elderly people, and sponsoring cultural, arts and sports events, etc.

These practical activities for the society have created a better and more sociable image of HDBank to the community, through which contributing to the sustainability and growth of the Bank in the following stages as well the economic growth, social well-being and integration of the country.

In the upcoming action plan, HDBank will continue and reinforce the existing programs, while applying new initiatives which are in line with the Bank's core value of sharing responsibility with the community and society.



27 years of sustainable development and integration pioneer

In 2013, HDBank took initiative in merging with DaiABank, which was the first voluntary merger between two banks not listed as weak ones. Parallely, HDBank acquired 100% equity of the finance – consumption company of the French Republic invested in Vietnam – Société Générale Viet Finance (SGVF) and turned it as the Bank's subsidiary under the name of HDFinance. In 2015, along with the strategic cooperation with the Japanese leading financial group Credit SAISON through its investment in HDFInacne, the Company was renamed as HD SAISON

Report on 2016 Performance

- Report on overall operations by the Board of Management ●
- Retail Banking Division ●
- SME Banking Division ●
- Corporate and Institutional Banking Division (CIB) ●
- Treasury Division ●
- Risk Management Division ●
- Operations Division ●
- Human Resources Division ●
- IT & E-Banking Division ●
- Social Security Works ●

“With the principle of “Committed to the best returns” as the motto, HDBank is always in accompaniment with enterprises and individuals by the most effective and optimal financial solution packages”



OVERALL OPERATIONAL REPORT BY THE BOARD OF MANAGEMENT

REPORT ON BUSINESS PERFORMANCE IN 2016 & BUSINESS PLAN FOR 2017

I. GENERAL CONTEXT

The global economic conditions in 2016 were relatively unstable with the slowdown of the developed economies and some emerging ones. Meanwhile, Vietnam made a positive economic recovery whereby GDP growth reached 6.21%, inflation was controlled at 4.74%, and trade surplus came to USD2.68 billion, reflecting the efforts of the economy through a challenging year due to impacts of act of God, environmental disaster, Brexit incident, and the US presidential election.

The Bank's operations were relatively satisfactory in 2016. Thanks to the close guidance of the Board of Directors and endeavors of all employees, HDBank has achieved certain results as below

II. 2016 BUSINESS PERFORMANCE

1. Key targets achieved in 2016 (consolidated figures)

- Consolidated profit before tax reached **VND1,148 billion**, rising by **46%** compared to 2015, among which HDBank separately made the profit of **VND830 billion**. Return on equity (ROE) achieved **9.24%**; and Return on asset reached **0.71%**.

- Total assets reached **VND150,294 billion**, **41%** higher than 2015.

- Charter capital reached **VND8,100 billion**.

- Total deposits achieved **VND134,189 VND**, increasing by **47%** compared to 2015.

- Consolidated credit exposure achieved **VND90,121 billion** (including corporate bonds), **34%** up from 2015; among which HDBank accounted for **VND82,104 billion**, increasing by **30%** compared to 2015, and HD SAISON accounted for **VND8,055 billion**, increasing by **72%** compared to 2015.

- Consolidated NPL ratio was **1.60%**, among which that of HDBank-only was **1.26%**.

- Consolidated capital adequacy ratio was **12.53%**.

2. Management activities

2.1 Funding:

Total deposits as of 31/12/2016 achieved **VND134,189 billion**. Of which, funds mobilized from the primary market increased by **39%**. For such results, in 2016, HDBank focused on improving and diversifying existing products, launching new products in integration with cross-selling, applying technologies and carrying out a series of promotion programs. This has asserted the Bank's prestige in the context of rising pressure of competition.

2.2 Credit exposure:

As of 31/12/2016, credit exposure of HDBank reached **VND90,121 billion** (including corporate bonds; of which, that of HDBank (separately) was **82,104 billion** and HD SAISON's exposure was **8,055 billion**).

In 2016, apart from the improvement, diversification and cross-selling of products between Retail Banking Division and SME Banking Division, and implementation of the supply chain financing program for corporate customers, etc., HDBank also provided ancillary



utilities and services to meet varied demands of customers. In parallel with credit growth in line with SBV regulations, the control of credit quality was of top interest by the Bank. HDBank concentrated on handling overdue/non-performing loans, and strengthened the recovery of loans.

2.3 Capital trading in the interbank market:

The interbank market in 2016 operated safely and efficiently upon good balance of funding & fund use, adequate liquidity and solvency, good management and regulation of foreign exchange and gold positions. The capital trading activities of HDBank in the interbank market grew significantly, enhancing its transaction prestige and influence on the market, resulting in expanded relationship with partners and boosted transaction volume..

In 2016, HDBank became a special participant of Hanoi Stock Exchange (08/2016), was approved to be a bidder of Government bonds in the primary market in 2017 (12/2016), and became a member of Vietnam Bond Member Association (VBMA) and a market-maker in the interbank MM and FX market..

2.4 Securities investment and trading

Securities investment and trading activities were in strict compliance with the regulations and operational processes of HDBank and SBV, and risk management was always strengthened.

2.5 Card products

In order to meet non-cash payment needs of both local and international customers and bring about excellent utilities showcasing its commitments for the best returns to customers, HDBank was among a few banks to offer a full range of card products with up-to-date, safe and secured technology. In 2016, HDBank constantly introduced new value-added utilities to its customers through promotion programs applicable to cardholders making purchases with HDBank cards.

2.6 Information technology and development of products and services

With the orientation of technological development and banking modernization, HDBank has automated the transactions with customers, improved service quality, and minimized the Bank's processing and operating costs. Besides, information technology played an important part in facilitating business divisions to launch products and services, supporting the functions and utilities integrated in the products to meet different demands of customers. In 2016, the management of safety and security and control of compliance were consolidated, ensuring the system to operate in a safe and smooth manner.

2.7 Risk management and safety in banking operations

2016 marked the perfection of the risk management system of HDBank by amending the risk management rules and regulations to improve the system's efficiency and completion.

HDBank had been and was reviewing triggers of credit, market, liquidity and operational risks to take initiative in preventing and making timely alerts on imminent risks. Therefore, the Bank's prudent ratios always remained within the parameters allowed by SBV. Additionally, HDBank frequently held training courses to foster risk management knowledge, update new regulations, and enhance risk management awareness for managers and employees.

The risk management of HDBank in 2016 was also in shape through the development of Basel II implementation roadmap with the aim of becoming one of the banks having modern risk management system, healthy and sustainable operations, and commitments for the best returns to customers.

international integration and growth needs of HDBank in the long run, the Bank launched the program Prospective Management Staff 2016 to find out elites with leadership potentials to meet the need for senior executive officers when in need and enable excellent employees to actualize themselves, be honored and seek for promotional chances in their career at HDBank. Consequently, the Bank selected 116 qualified officers to take part in the training courses to be held in the beginning of 2017.

For the purpose of staff standardization, HDBank developed the scheming norms for each position in the whole network, frequently reviewed and assessed staff quality, devised policy of encouraging those employees well performing their duties and

developing the brand identification norms at all of its banking units with the logo showcasing open-mindedness and friendliness, enabling flexible connection between HDBank and the community. The interior and exterior layout was designed under international standards in a modern model which is friendly and safe for customers arriving to make transactions.

Besides, the first-time credit ratings of B2 assigned by Moody's Investors Service reflected the good financial capabilities and sustainable growth prospects of HDBank in the long run.

2.11 Banking network

As of 31/12/2016, the total banking units in HDBank network were 221, including 1 Head Office, 1 Representative Office in the Northern area, 52 branches, 167 sub-branches and 7,500 SIPs all over the country.

In 2016, HDBank regularly checked, assessed, and re-arranged its banking network to effectively exploit the potentiality of the locations, while approaching and serving customers of each segment in fastest manner with the best quality.

2.12 Community activities

In addition to effective businesses, in 2016, HDBank actively participated in social-security activities to assert its responsibility towards the community and highlight the culture which the Bank has developed and taken into play in the past years. Specifically, HDBank sponsored to construct 6 houses of affection to poor households in Nam Dinh, Vinh Long, and Quang Nam; offered nearly 2,000 medical health cards to near-poor households in Ben Tre, Dong Thap, Nam Dinh, and Vinh Long; funded for 1,000 eye surgeries to poor people with cataract in HCMC, Binh Thuan, Lam Dong and Kien Giang; gave gifts, food and warm clothes to people in the highlands, presented scholarship to poor pupils, and subsidized people suffering from flood in the Central Vietnam. Moreover, HDBank was in company with the 6th HDBank International Chess Tournament 2016 attracting more than 180 chess players from 16 countries in the world.

3. Execution of HDBank's long-term development strategy projects

With the vision set to become a leading financial group with a commercial bank among top banks in Vietnam as the core business, which offers superior products and customer service through an international network, operational excellence and a brand name that customers are proud to be associated, HDBank has built up the financial model for 2017-2021, suggested objectives and solutions in respect of management, human resources, diversification of customers, products and services and distribution channels, and applied technologies in support and operation tasks.

After the first year of implementing the strategies, HDBank has made such results as:

- The organizational structure was formed in an advanced management model to shorten the transaction processing time, strengthen risk management, and ensure operational safety.
- The staff management software was perfected with various utilities to take over the role of human resources management at the Bank for the business plans to be carried out in the next coming time.
- Selected the officers under the project "Prospective Management Staff 2016" to give out solutions to tackle the vacancy of managing positions.



2.8 Operation

Implementing the centralized management model, in 2016, HDBank centralized the cash supply management at HUBs in HCMC, Hanoi, and Dong Nai areas; and centralized at the Head Office the credit administration and support for Ho Chi Minh city, Northern, South Eastern and South Western areas, enabling operational consistency, reduced cost, controlled risks, and improved competitiveness. In the year, HDBank also deployed service quality synchronization, which was piloted and succeeded in some areas. Besides, to enhance staff quality in operations, the Bank regularly held coaching and training courses for employees in customer communication, updated new regulations and policies, and organized online professional tests for the employees.

2.9 Human resources and training

As of 31/12/2016, the total employees of HDBank were 11,102, including 4,430 of HDBank and 6,649 of HD SAISON. Aiming at developing high-quality human resources qualified for

making great contribution to the Bank's operating results, and sorted out underperforming employees who failed to discharge their KPIs.

Apart from staff quality improvement, the compensation regime for employees was enhanced to attract and retain high-quality human resources.

In 2016, HDBank held regular training courses to improve staff quality as well as sending officers to overseas courses.

2.10 Brand development

In 2016, the banking industry went through great changes, including changed policies, difficult banking operations, negative rumors, etc. However, thanks to the guidance of the Board of Directors and Board of Management in way of stable, sustainable, safe and quality development, HDBank left a favorable impression to customers and partners, and created a friendly and trustworthy image. The Bank also succeeded in

4. Awards

In 2016, HDBank received 12 domestic and international awards, including 5 highlighted awards which have asserted the prestige and trustworthiness of the name HDBank:

- Emulation flag of the Government.
- Emulation flag of the State Bank of Vietnam.
- Certificate of merit of the Prime Minister.
- Successfully applied for the conferment of 79 "For Vietnamese banking service" medals (by the State Bank of Vietnam) to 79 employees of HDBank in the network.
- First-time credit ratings of B2 assigned by Moody's Investors Service, which is a high rating and has stable outlook.
- Best Managed Company in Asia bestowed by Euromoney.

5. Execution results of the Action Plan 2016

Program 1: *Business performance enhancement in parallel with risk management*

- The support to operation was thorough, quick, safe and effective in the centralized management model.
- Risk management: reviewed and revised the rules and regulations in line with actual operating conditions and stipulations of SBV.

Program 2: *Technological development – Bank modernization*

- Automation in customer transactions was strengthened, saving time as well as processing and operational expenses for the Bank.
- Reports to regulatory bodies as required by SBV were automated.
- Risk management software was developed in line with actual operating conditions.
- Technological application was carried out to support the functions and utilities integrated in the products to meet customers' demands for modern products and services.
- The system for receiving and handling troubles and customers' complaints was innovated and completed.
- The Information technology and ATM supervision system was deployed, etc.

Program 3:

Establishment of corporate culture, improvement of staff quality, and consolidation of training activities through the standardization of training programs and enhancement of lecturer's competence

- Staff was recruited in line with the scheming norms.
- Staff quality was improved, training to employees by their positions was standardized, and training programs for prospective management staff were implemented.
- The human resources management program iHRP was deployed, expected to go live in 2017.

- ISO and 5S systems were developed and maintained on a wide scope.

Program 4:

Enhancement of service quality and customer care

- The service quality synchronization norms were applied, assessment of service quality of business units was performed quarterly, and rotation of customer service and cash operations officers were conducted.
- Training programs were held to standardize employees' proper communication and polite behavior towards customers, and regular online professional tests were organized for customer servicestaff.
- HDBank Facebook page was launched to receive and process Customers' feedbacks.
- Customer care was periodically implemented on occasions of Tet holidays, national holidays, anniversaries of the companies, etc., especially for VIP customers and customers who are most profitable to HDBank.
- Customers' transaction processing was automated to cut down on manipulations, increase efficiency and mitigate risks.

Program 5:

Consolidation of rules and disciplines, personal responsibility, professional standards and ethics

The working rules and procedures of discipline settlement were issued. In 2016, breaches were timely detected and ultimately settled, and caused no material impact to the Bank.

III. 2017 BUSINESS PLAN

1. Key business targets in 2017

Orientations of the State Bank of Vietnam for the development of the banking industry in 2017 include stabilizing interest rates, controlling credit growth and inflation, stabilizing the macro-economy, perfecting and developing payment systems and banking services on ground of modern technologies in association with network security, and strengthening non-cash payments in the economy. In line with such guidelines, HDBank sets out its strategic vision of becoming a leading financial group with a commercial bank among top banks in Vietnam as the core business. In 2017, HDBank prepares its business plan with the following targets:

Unit: VND billion

INDICATORS	CONSOLIDATED 2017 PLAN	INCREASED BY **
Total assets	178,800	19%
Charter capital	8,829	9%
Deposits from the primary market	124,000	20%
Credit exposure	107,760	20%
NPL/total loan ratio	<3%	
Profit before tax	1,300	13%
Profit after tax	1,000	9%
ROA	0.6%	
ROE	9.3%	
Banking units	240	

(**) Note: the growth target of HDBank only is 16%
Including VND2,400 billion lent to power projects, and that of HD SAISON is 26%

2. The General action program of HDBank in 2017 is to focus on:

Program 1: Sustainable growth, effective credit, and optimal profit

- Maintaining and stably developing such business targets as deposits, loans, and profitability, while paying attention to raise the proportion of service income to 10% of the total income.
- Enhancing the performance of business divisions, strengthening retail loans, and increasing corporate deposits.
- Diversifying products and services by each customer segment, and devising new products with distinctive features of HDBank.
- Promoting sale by supply chains, strengthening cross-selling, and increasing more service packages enclosed with the products.
- Aiming at safe and effective credit growth, controlling new non-performing loans, and ensuring the NPL ratio of the whole Bank below 3% as required by SBV.
- Optimizing operating expenses, and striving to become one of the top banks in terms of profitability amongst commercial banks.

Program 2: Development and application of information technology in the Bank's management and operation

- Minimizing documentation and processes in deposit and lending operations.
- Automating and applying technologies in management and operation.
- Improving technologies and developing applications, utilities for mobile devices, and encouraging customers to use automatic transaction channels other than on-the-counter one.
- Reinforcing the risk management and supervision, and applying information security management standards to the information technology system of HDBank.

Program 3: Strengthening of risk management; control, supervision and recovery of non-performing loans

- Perfecting the Risk management tool, Risk management supporting system, as well as the supervision and inspection.
- Intensifying collaboration with business units to handle and collect the existing non-performing loans, controlling and preventing new non-performing loans from arising.
- Restructuring the organization of Debt Settlement Department in the centralized management model.

Program 4: Establishment of corporate culture, and improvement of staff quality

- Developing human resources in both quantity and quality to power the fast and sustainable development of HDBank.
- Enhancing the personnel service quality.
- Controlling the salary budget and developing treatment policies to retain talented persons.
- Building up internal solidarity.

- Raising the awareness and sense of responsibility of every employee in their works and activities.
- Frequently checking, detecting and timely settling the employees committing violations, while making available commendation regimes for those following the regulations, finding out breaches, and making timely report.

Program 5: HDBank brand development

- Studying and measuring the health of HDBank brand name.
- Changing the interface of HDBank's website to new technology to ensure automatic adaption to interfaces of digital devices running IOS, Android, Windows Phone, etc.
- Strengthening the promotion of HDBank products and services on digital channels, YouTube, Facebook, etc.
- Intensifying marketing and communication on newspapers, social networks, and television channels by means of sponsoring activities.

IV. CONCLUSION

In 2016, despite the slow growth of the global economy, the Vietnamese economy made positive recovery while still implying a number of difficulties. However, thanks to the attention and timely guidance of the Board of Directors and Board of Supervisors, and efforts of employees in the network as well as trust of all shareholders, HDBank has achieved highly satisfactory results; management and financial ratios were closely and effectively controlled and the objectives of safe and sustainable development were ensured. HDBank is completely confident that the Bank will fulfill the business plan of 2017 and outperform the assigned duties.



RETAIL BANKING DIVISION

2016 BUSINESS PERFORMANCE

CREDIT

Sustainable and effective growth

Reforming and diversifying the product range to offer abundant and competitive financial solutions, meeting varied borrowing needs of customers in correspondence with each region.

Credit structure

HDBank focused on developing agricultural and manufacturing-commerce areas. In 2016, business loans accounted for the highest proportion in the total lending structure of HDBank.

Business loans

With customer-centric objectives, HDBank developed business loan products which are super flexible in terms of lending and repayment method, simplified documentation in line with industry particularities, etc.; associated and provided supply chain financing to customers in agricultural, food, drink and consuming goods industries.

The business lending policy of HDBank was consistent with the agricultural and rural development orientations, creating stable funds for production, business and commercial activities of the State and Government.

“ In its non-stop development to bring back the highest returns to customers, HDBank has been and is offering comprehensive financial solutions to retail customers ”



NUMBER OF CUSTOMERS: **1,508,030** customers
 NUMBER OF NEW ACCOUNTS: **555,583** accounts
 LOAN GROWTH: VND **5,782** billion
 (increased by **25.26%** compared to 2015)

Property loans

This is one of the products which is constantly improved to meet market demands and risk management directions of HDBank. Focusing on exploiting customers with average or higher income who are in need of buying houses or apartments for accommodation by means of different preferential policies and simple procedures. The product has drawn market attention and was heartily received by customers and real estate developers, through which to ensure the sustainability and efficiency of HDBank's credit activities.

HDBank also promoted to expand relationship with the partners, adding more opportunities for customers to own their dream house by taking the same apartment in the associated property project as mortgage and enjoy the added values from HDBank.

Car loans

HDBank concentrated on lending in the defined directions, developed lending programs by car models and associated partners, and improved the application processing flows, bringing great benefits to customers.



DEPOSITS AND SERVICES

Profitable and Safe

In 2016, HDBank continued to refine its products and services consistently in the whole network to bring about outstanding utilities to customers.

Customers had a wide selection of highly profitable deposit products which met various needs: savings deposit with flexible interest payments (interests received at the end or beginning of the term or on periodical basis); accumulated savings deposit enclosed with complimentary insurance package; flexible payment deposit integrated with many utilities (payment for electricity, water, air tickets, insurance, tuition, loan, etc.). Additionally, in 2016, HDBank added more services for customers making transactions at the counter and via Internet Banking such as payment for life insurance premium, payment for goods purchase in installments, payment for utility bills through associated partners, and online opening of Bao Ngan accumulated savings deposit, etc.

Along with various utility products, successive promotion programs in the year have brought about thousands of chances of prize winning to customers, namely as “Making deposits to HDBank – Winning gold in kilos – Enjoying Spring as expected”, “Win billions in summer – Win vacation to Europe”, and “Win beautiful kitchen – Win billions”. These were the opportunities to receive meaningful and useful gifts, and even win highly valuable prizes such as VND1-billion savings card, 1kg of SJC gold, etc., contributing to the stable and sustainable growth of deposits.



SMART BANKING

Secured and Smart

HDBank proudly offered Smart banking services with sufficient, competitive and outstanding utilities compared to the market, such as:

- Domestic remittance (inward/outward HDBank via account number, quick transfer using card number/account number, periodical transfer, transfer for receipt by ID card).
- Prepaid mobile top-up applicable to all telecommunication networks.

- Bill payment for postpaid mobile phone subscription, ADSL, Home phone, PSTN, airfare, electricity, water, insurance, and loan, etc.

- Making online savings deposit.

HDBank’s Smart Banking is taking up certain proportion in the market share of e-banking service providers and it is also one of the banks ultimately exploiting the features of modern banking services. In the context where the market still implies problems relating to account safety, HDBank has continuously ensured the safety and security, consolidating consumers’ trust.

2017 BUSINESS DIRECTION

CREDIT PRODUCTS

Improving the overall processes and procedures to cut down on application processing time, simplify lending documentation while ensuring tight control of credit quality, specialized manipulations and enhanced customer service quality in the entire network of HDBank.

Tailoring agricultural loan products in line with the characteristics of plants and breeding animals in each locality, conducting to finance supply chains, and lending to groups of customers in the locality.

Developing loan products for purposes of overseas study, travelling, labor export, medical treatment, etc., meeting various customers' demands.

Developing a flexible mechanism in interest rate and fee policies, offering products and services with optimal benefits, expanding sustainable customer network, and bringing about more added values to customers and partners.

DEPOSITS

Continuing to develop a diversified and centralized deposit product structure for the benefit of targeted customer segments. Further developing -combined insuranceretail products to provide customers with additional interests.

Besides, focusing on increasing payment deposit product package with full range of options, enabling customers to take advantage of the enclosed services upon usage of their payment deposit accounts.

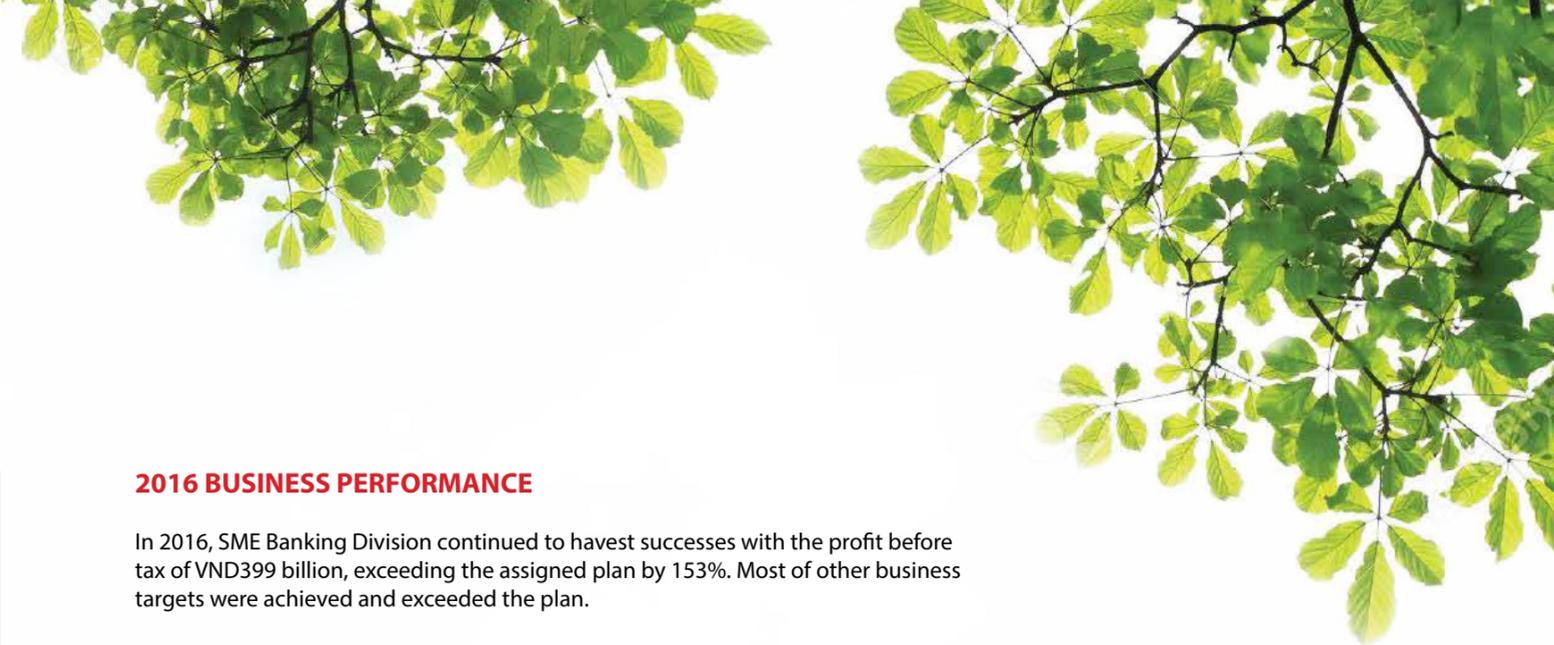
PROMOTIONS

In 2017, HDBank will continue to launch more promotion programs as an act of appreciation and gratitude to customers – those who have brought the highest core value to the Bank. HDBank is the sole organizer and sponsor of national and international events such as Vietnamese National Futsal Champions League & National Futsal HDBank Cup 2017, HDBank International Chess Tournament 2017, etc.

SME BANKING DIVISION



SME lending **INCREASED BY 46%**
 Higher than the industry average by **18%**
 Of which non-performing loans and overdue loans
 were controlled at **< 1%**



2016 BUSINESS PERFORMANCE

In 2016, SME Banking Division continued to harvest successes with the profit before tax of VND399 billion, exceeding the assigned plan by 153%. Most of other business targets were achieved and exceeded the plan.

DEPOSITS

On 28/11/2016, Moody's Investor Service published the first time credit ratings of HDBank to be at B2 level with Stable outlook. The ratings by the world leading credit ratings agency had adjoined the series of successes in an effort to affirm HDBank's prestige in deposit activity among the corporate community.

In 2016, deposit growth of SME Banking Division reached 60.5%, higher than the average rate of the whole network. Demand deposits were maintained at 35%-39% of total deposits. To achieve such results, SME Banking Division had launched a great variety of deposit products and strengthened customer care activities towards payment depositors.



HDBank was the only joint-stock commercial bank entrusted to engage in the disbursement from SME Development Fund.



CREDIT

In 2016, SME Banking Division implemented numerous mechanism and policies to reduce the time of credit application processing, and enhance the efficiency in application evaluation, specifically: piloting to offer prioritized appraisal of some good corporate customers, making available a team of re-appraisal specialists taking charge of processing applications of small and medium enterprises (SMEs); and organizing a task force team to support business units in accelerating the appraisal of high-value loan applications which required advanced analyzing techniques. In addition, SME Banking Division successfully deployed the TOI model to serve as the basis to decide the increase/decrease of lending interest rates for corporate customers based on the earnings from such corporate customers to HDBank.

Following the success in launching tailored credit products for each region and industry in recent years, SME Banking Division offered loans to textile and plastic industries.

HDBank - SME Banking Division made an impression in the market with a series of supply chain financing programs which were widely deployed all over the country, namely as financing to distributors of Vietnam Beer and Beverages Company, Saigon Alcohol Beer and Beverages Corporation (Sabeco), Hanoi Alcohol Beer and Beverages Corporation (Habeco); financing to agents of Vinamilk, Hanoimilk, and Coca Cola; financing to distributors of petroleum companies; auto financing; financing to distributors of cattle feeds, fertilizers, and pesticides; and the supply chain of CP Vietnam Corporation.

Apart from the core products, SME Banking Division also introduced widely spreading sales campaigns such as the program for corporate customers making the first disbursement at SUPER LOW INTEREST RATE; and the program of offering PREFERENTIAL VND INTEREST RATE to corporate customers in 2016.

In 2016, HDBank was the only joint-stock commercial bank together with state-funded commercial banks to enter into cooperation agreements receiving the entrusted capital from SME Development Fund (SMEDF). The Fund had VND2,000 billion and was then disbursed through 3 banks only. Via HDBank, SMEs had more opportunities to improve technology and strengthen business and manufacturing capabilities. Eligible SMEs consisted of reformed and innovated enterprises and enterprises in sectors such as agriculture, forestry and fishery; manufacturing, processing and water supply; management and waste disposal. Despite its late entrance, HDBank had made disbursements to SMEs, proving the practicality of the capital source and that the customer base and operational procedures of HDBank had been qualified to effectively bridge SMEDF and enterprises. In providing financing to these enterprises, HDBank had actively supported such enterprises and joined hands to improve manufacturing technologies and protect the environment.

This is currently a point of interest of the Government and it is expected that there will be more projects with similar funding sources to SMEs in the next coming time. Therefore, HDBank will continue to take part in the green credit projects in support of SMEs so as to promote the name of GREEN BANK in the future.

The program of financing SMEs using loans from Japan International Cooperation Agency (JICA) has turned to the 9th year at HDBank, under the name of JBIC- JICA program. The number of customers aware of the program and disbursement volumes has sharply increased through years.

YEAR	2012	2013	2014	2015	2016
Accumulated participating customers	21	52	141	307	327
Accumulated disbursement volumes (BND billion)	34	73	167	390	558

SME BANKING SERVICES

International payment was also a highlighted activity, accounting for half of the total service income of SME Banking Division. In the international market, HDBank has established relationship with about 400 banks and branches in many countries and territories. International payment activity of HDBank has always been trusted by customers and partners being financial institutions.

International payment volumes reached nearly USD1.6 billion in 2016. Service income achieved VND158 billion, completing 141% of the assigned plan.



2017 BUSINESS DIRECTIONS

In 2017, SME Banking Division aims at the objectives of sustainable development and effective business growth through the major action programs:

Increasing SME customer base by 24%

The target is to achieve an accumulated number of nearly 30,000 customers, and focus on attracting new customers by: the mechanism of granting partly unsecured loans to SMEs with good performance and reputation; lending programs with cheap funds; development of customers being distributors/supply agents of retail customers, in the chains financed by HDBank; expansion of connections with the Department of Planning and Investment, Management authority of industrial areas, processing zones, industry associations; scaling up marketing activities such as fan page/online marketing via Facebook; developing Japan Desk service to approach and connect to potential customers; establishment of SME Centers in major regions and economic zones to enhance customer service quality.

High and specialized credit growth by more than 30% and control of the ratio of newly arisen NPLs below 1%

SME segment continues to be the main focus of implementation of SME Banking Division in 2017. Of which, it is targeted to increase the borrowers of loans for working capital supplementation; and trade financing in association with service use. Besides, SME Banking Division will proceed to apply technological utilities, and new mechanism and policies to support quick processing of customers' application, including: software for standardization of credit limit extension and cash flow management for construction executors, approval specialist model, formalization of the SME re-appraisal team, and separate proposals for electricity bill overdraft, tax, car, supply chain loans, etc.

Expansion of deposit raising channels by more than 21%

Continuing to maintain and raise the proportion of demand deposits; in-depth customer care policies for large depositors; close surveillance of the market to make proper amendment of deposit rates; effective management of customers' cash flow to the



accounts; increased Internet Banking utilities such as opening term deposits, opening accounts online, opening LCs, etc. so as to improve the number of account-based transactions.

Enhancement of service fee collecting ability

Encouraging relationship managers of corporate customers to cross-sell products and services to existing customers; combining the use of services to the mechanism of approving preferential lending interest rates to ensure the TOI (the model of calculating the earnings brought by one single customer) from such customers is at least equal to or higher than the defined norms; developing and offering new service packages to increase fee income, specifically as financing to contractors qualified for construction development by issuing bid bond, performance bond, warranty bond, etc. so as to collect fees, and close up real estate project financing by giving financing to the contractors.

Human resources

Recruiting sufficient employees as planned for the growth objectives in 2017 and following years. Deploying the successive planning program for management positions at all levels to motivate good employees to work and stay at HDBank.

With obvious and concrete actions for each business objective, HDBank – SME Banking Division is confident that 2017 will be another successful year of the Division in making contributions to the general accomplishments of HDBank.



CORPORATE AND INSTITUTIONAL BANKING DIVISION (CIB)

In 2016, Corporate and Institutional Banking Division (CIB) made important contributions to the overall success of HDBank, asserting the Bank's reputation in the domestic and international markets.

2016 BUSINESS PERFORMANCE

With a detailed action plan and spirit of solidarity and endeavors of experienced and dedicated employees, CIB Division has made great progress in its business performance. The number of large corporate customers grew by 15%, deposits by 8%, and loans by 40%, resulting in the 5 times larger profit year over year. Credit quality was maintained at the highest level. Many large corporations and groups including EVN, VNPT, Viettel, Petrolimex, PVN, Vinamilk, Hoa Sen Group, Vinacomin, and SCTV, etc. have been banking with HDBank for years.

Previously in 2015, HDBank strongly impressed the market by becoming the first joint-stock commercial bank selected by the Government and Ministry of Finance to provide on-lending of international ODA fund to major projects such as the Development Policy Loan 3 (DPL3), with total loan amount of USD128 million borrowed from the World Bank. In 2016, HDBank continued to be selected by the Ministry of Finance to enter an On-lending Agreement to finance Dong Nai Water Supply Joint-Stock Company to execute Phase 2 of the Water supply project in Nhon Trach Dong Nai province. The project was granted with ODA funds from Japan International Cooperation Agency (JICA) amounting JPY14.91 billion (or VND3 trillion); the Energy Efficiency for urban areas in Hanoi and HCMC using the ODA funds amounting EUR100 million provided by German Development Bank (KfW), and the Medical equipment upgrade project for Tumor Center - Cho Ray Hospital



(HCMC) using the ODA funds amounting EUR40 million financed by the Austrian Government, etc.

As at the end of 2016, HDBank was chosen to be the on-lending agent and bank to serve 6 ODA-funded projects, with the total managed capital of more than USD500 million. These projects have strengthened the trust of the Ministry of Finance and State Bank of Vietnam in HDBank, raising its reputation in the international market while showcasing its commitments for the best returns to the community and society.

Especially in 11/2016, Moody's Investors Service announced the first-time credit ratings of HDBank at B2 with Stable outlook. This is a significant milestone in the Bank's non-stop efforts to affirm its prestige and strong determination of adopting modern banking management standards of the world. With these achievements,

HDBank has become one of the nonstate-owned joint-stock commercial banks being assigned with the highest ratings in Vietnam by Moody's.

In addition, Asia Development Bank (ADB) and the world leading banks such as Wells Fargo and JPMorgan Chase of the US, ICBC of China, Commerzbank and Deutsche Bank of Germany, BNP Paribas of France, Intesa Sanpaolo of Italy, and Bank of Tokyo - Mitsubishi UFJ of Japan, etc. continued to provide credit facilities to HDBank, and proposed for further cooperation in trade finance, supply chain finance, cash management, training support, and other banking services. All of the foregoing successes were marked with notable contributions of CIB Division - a brand ambassador bridging HDBank with the corporations, general companies, and domestic and international financial institutions, organizations.

2017 BUSINESS DIRECTIONS

Based on the increasingly reinforced foundations, CIB Division has started 2017 with a determination of coming over new challenges to realize the HDBank development strategies in the period of 2017 - 2020.

Apart from the quantitative targets such as deposits to rise on average by 30% YoY, loans by 20% YoY, and profit by 30% YoY in the next 5 years, CIB Division focuses on improving product and service quality in line with each customers, especially developing service-related products including guarantees, trade finance, and international settlement, etc., and intensifying to maintain and enlarge the customer base of prestigious large corporations, general companies, and organizations namely as General Department of Vietnam Customs, General Department of Taxation, or Vietnam Social Security, etc. to implement modern banking services; and actively engaging in the projects effectively utilizing international ODA funds.



In parallel, CIB Division continues to act as the coordinator in expanding the network of international correspondent banks, taking most advantage of the cooperation and assistance from international financial institutions and organizations. The goal is to bring about business development opportunities not

only to HDBank, but also its customers to optimize business performance, particularly in international settlement and trade finance activities in major foreign markets. This in turn will further strengthen the position of HDBank in the itinerary of integration with the global financial market.

KEY PARTNERS

HDBANK FOR MANY CONSECUTIVE YEARS HAS BEEN TRUSTED AND SELECTED BY GOVERNMENT AGENCIES FOR KEY PROJECTS



HDBANK POSSESSES DECADE-OLD AND TRUSTWORTHY PARTNERSHIP WITH MAJOR GROUPS AND CORPORATIONS



HDBANK - A WELL-KNOWN, DYNAMIC AND RESPONSIBLE PARTNER OF WORLD LEADING FINANCIAL INSTITUTIONS



TREASURY DIVISION

2016 BUSINESS PERFORMANCE

CAPITAL MANAGEMENT, CURRENCY TRADING AND INVESTMENT

Capital management, currency trading and investment activities of HDBank in 2016 carved out prominent growth and development. Business operations were enlarged both in size and outputs. By activities in the market and achieved results, HDBank continued to reinforce its position and prestige in the monetary and capital markets; maintain the proactive and positive role in capital trading, investment and currency trading.

Capital management

HDBank always ensured absolute safety of liquidity, daily solvency and required reserves and solvency ratios during the Bank's operations. The liquidity management complied with prudential principles, in accordance with Basel II requirements. Solvency ratios of HDBank were, at all times, higher than the limits defined by SBV. The Bank also conducted periodical stress tests and drafted contingency plans to prepare for liquidity crisis.

The balance and management of capital ensured effective use of funds, prioritizing to develop retail and corporate loans at low interest rates; and using the available capital surplus for the purpose of business operations and profitable, safe investments.

HDBank has been running a relatively complete FTP structure between Head Office and branches, and between the Trading book and Banking book of Treasury Division, thereby stimulating business development and identifying business efficiency fairly and accurately. The operating and management mechanism of Trading book and Banking book was closely aligned with some of Basel II criteria, and also included the criteria to differentiate and allocate transactions between the two books and FTP structure accordingly.



Capital trading activity in the interbank market

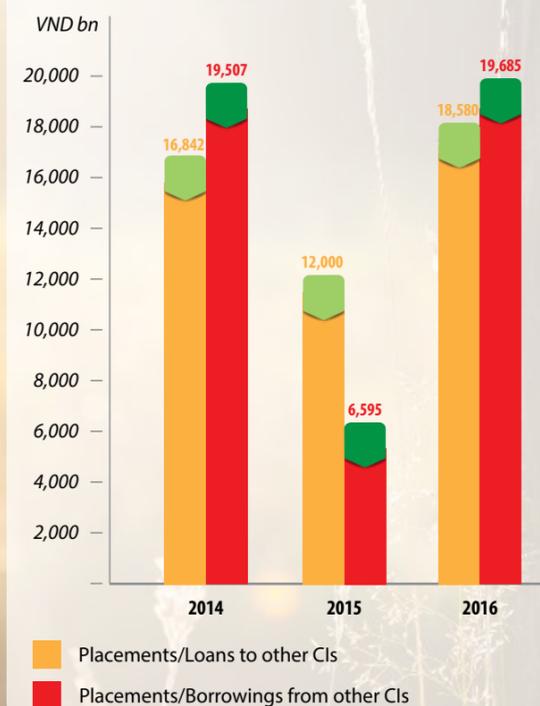
Besides capital adequacy management, HDBank effectively used and exploit the mobilized funds and interbank funds for capital trading. Not only focusing on diversifying products and operations and expanding the size and share in the money market, but HDBank was also keen on protecting and elevating its prestige, supporting to partners, and healthy competition, contributing to regulate the money supply – demand as well as maintaining stability in the interbank market in accordance with the intentions and policies of SBV..

HDBank did not use the funds borrowed from the interbank market for lending or investment in the primary market.

As of 31/12/2016, the balance of placements/loans in the interbank market reached VND18,580 billion, up 54.8% from 2015 and that of placements/borrowings in the interbank market reached VND19,685 billion, up 198.5% from 2015.

In 2016, HDBank additionally issued VND1,030 billion of mid-term and long-term bonds, raising the total accumulated balance of funds mobilized by issuance of valuable papers to VND5,860 billion which represented 5.7% of total customer deposits, and contributing to the enhancement of the Bank's capital capacity. Especially in 2016, HDBank successfully issued VND1,000 billion of 10-year bonds to supplement Tier-2 capital, raising the accumulated balance to VND2,500 billion. Such issuance has helped to improve the financial capacity, increase capital adequacy ratio and lending capacity of the Bank.

CAPITAL TRADING IN THE INTERBANK MARKET



Currency trading

Although the 2016 foreign exchange market was a bit more stable than in 2015, there were times when it sharply fluctuated due to impacts from economic and political events in the world such as Brexit or the US presidential election, etc. In such context, the Bank's foreign currency trading activity in 2016 mitigated risks and avoided adverse movements of the market, thus making robust growth in its business activities despite the fact that many corporate clients had not really got out of the difficult period, market demand for foreign currencies was low, trading opportunity was rare and competition for market share was harsh. HDBank actively maintained, enlarged and diversified its customer base, promoting proprietary trading while closely associating with capital trading in cross-selling activities, and enhancing derivatives together with taking initiative in grasping up and analyzing market information in a flexible way.

In 2016, HDBank continued to promote the application of information technology and issued relevant regulations, bringing significant efficiency in currency trading as well as improving the management capacity and compliance with risk management and management of foreign exchange positions.

As of 31/12/2016, foreign currency buying and selling volumes achieved USD 14.3 billion, increasing by 46% compared to 2015 and profit from foreign currency trading & derivative reached VND203 billion, increasing by VND178 billion or 689% compared to 2015. 2016 was the year witnessing the highest ever profit of HDBank's foreign currency trading activity so far.

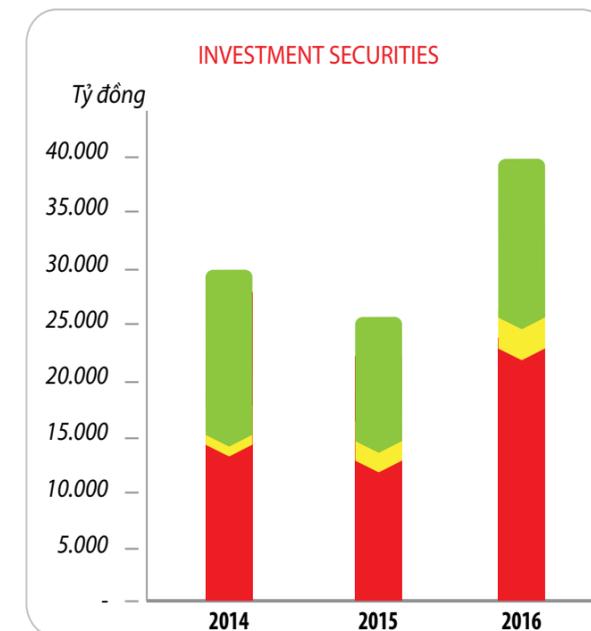
Gold business

With a network of 116 gold transaction points nationwide, HDBank contributed to the supply and meet customers' needs of exchanging and trading gold bars as well as helped to stabilize gold policies of SBV. As of 31/12/2016, gold buying and selling volumes achieved more than 44 thousand SJC gold teals.

Securities investment and trading

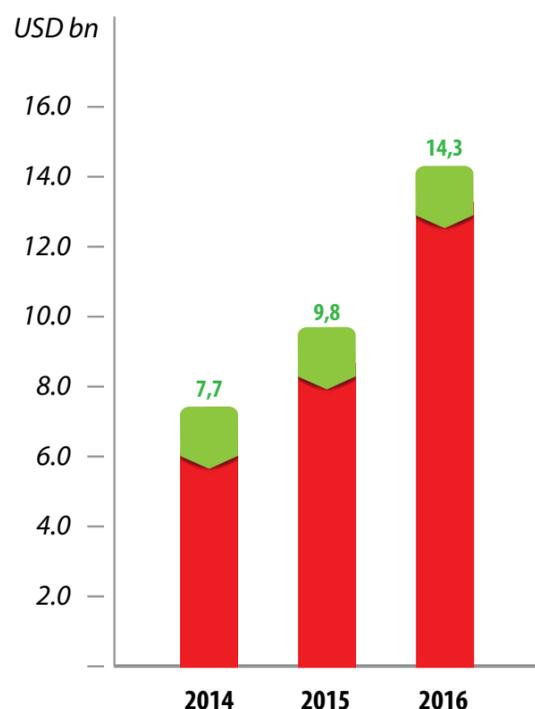
In 2016, HDBank became an official participant of Hanoi Stock Exchange (HNX), serving as the premise to become a bidder of Government bonds in 2017. Securities investment and trading activity continued to affirm its key role and accounted for a significant proportion in HDBank's business performance. In the year, HDBank kept promoting the trading of Government bonds and Government guaranteed bonds, and became one of the most active and regular members in both primary and secondary markets and also members with large transaction share. The portfolio in hand and sales volumes of Government bonds & Government guaranteed bonds notably increased, with varied types, tenors and bond genres, raising the Bank's position and prestige in the market. In addition, the investment and trading of corporate bonds and equity securities were restructured in the direction of reducing their respective proportions in the investment portfolio. As of 31/12/2016, the portfolio of Government bonds & Government guaranteed bonds and SBV bills reached VND24,445 billion (increasing by more than VND14 trillion compared to 2015), corporate bonds and equity securities reached VND8,743 billion (decreasing by VND2,078 billion or 192% compared to 2015), and profit from the investment and trading of securities (including capital contribution and share purchase) reached VND 246 billion VND, decreasing by 62% compared to 2015.

Securities trading and investment activities have been restructured in the principle of compliance with regulatory requirements. Accordingly, the Bank focused on and developed the trading of debt securities (Government bonds and corporate bonds), arranged and restructured the investment and trading of equity securities under the new regulations.

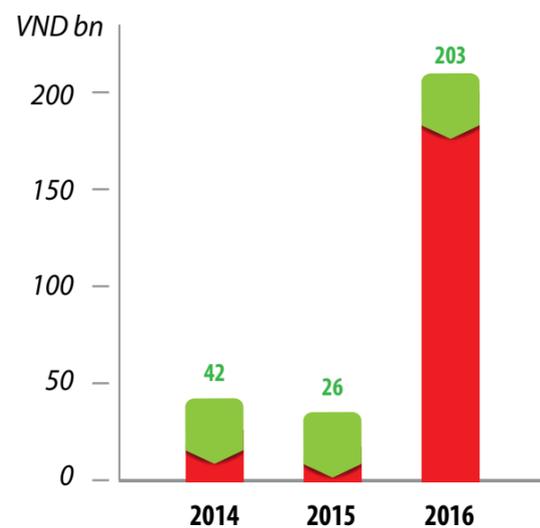


	2014	2015	2016
SECURITIES ISSUED BY ECONOMIC ENTITIES	12.593	10.821	8.743
SECURITIES ISSUED BY CREDIT INSTITUTIONS	824	1.710	2.500
GOVERNMENT BONDS & GOVERNMENT-GUARANTEED BONDS	12.176	10.109	24.445
SBV BILLS	-	-	-

FX BUYING & SELLING VOLUMES



PROFIT FROM FX TRADING AND DERIVATIVE INSTRUMENT



2017 BUSINESS DIRECTIONS

- To ensure safe funding structures and liquidity, and efficient use of fund in the whole network; timely and fully satisfying capital needs and ensuring liquidity and solvency at all times.
- To promote capital trading and foreign currency trading in the interbank market; deploying the role and influence in the market by means of transaction volumes, prestige and market trust; and providing support if necessary.
- To improve capital management capacity and manage risks of interest rate and exchange rate; pay attention to collect, analyze information and make forecast of the market so as to take advantage of all possible business opportunities.
- To efficiently use available capital through cross-selling operation and derivatives between capital trading and foreign currency trading operations.
- To efficiently employ and optimize transaction limits in both directions; expanding market share and diversifying customers.

- To promote the investment and trading in Government bonds and Government guaranteed bonds, maintaining the key role in business activities of the whole network.
- To restructure the investment and trading in corporate bonds and stocks, ensuring to observe regulations of SBV and HDBank.
- To strengthen the sales capacity of capital and forex dealers; developing the structure in a modern model, consolidating and developing the cadre of dealers.
- To continue issuing HDBank's mid- and long-term bonds to reinforce the capacity and stability of the capital.
- To comply with SBV regulations while building and perfecting relevant regulations and procedures, ensuring to satisfy the risk appetite of HDBank and aiming at international standards (Basel II).
- To keep improving and applying information technology to the treasury business in an effective fashion.

RISK MANAGEMENT DIVISION

Orientation of risk management strategy

Risk management remains an interest of HDBank and has been gradually developed and perfected to ensure effective and safe business operations.

HDBank's risk management strategy includes the establishment of a risk management system in conformity with business activities, requirements of the State Bank of Vietnam, and international standards in order to effectively control credit, market, liquidity and operational risks.

Risk management system of HDBank

Organization structure

HDBank organized the risk management in Basel II model of three lines of defence: control of transactions at business units, implementation of surveillance systems by departments at Head Office, and independent inspection and assessment by the Board of Supervisors/Internal Auditors.

In 2016, HDBank continued improving its organization structure and the mechanisms relating to risk management, including:

- To maintain monthly meetings of the Risk Management Committee and ALCO, and weekly meetings of Head Office Credit Committee.
- To apply the centralized disbursement control and credit support mechanism.
- To apply the centralized credit approval mechanism with respect to retail loans.
- To apply the centralized valuation mechanism and maintain weekly meetings of the Valuation Committee at Head Office.
- To apply the centralized vault management mechanism.
- And other mechanisms to better control risks and improve business performance.

System of regulations, limits and prudent ratios

The system of regulations, limits and prudent ratios continued to be developed and completed. It was organized by three levels: Regulations (issued by the Board of Directors to set out general orientations and policies), Rules and Guidelines/Products (issued by the Chief Executive Officer for execution from time to time), covering all operations to standardize business activities and ensure safety for the Bank.

Starting from 2013, the Bank has successfully deployed the quality control system based on ISO 9001:2008 and 5S

standards (Sort – Set in order – Shine – Standardize – Sustain). In 2016, HDBank hired a consultant to upgrade this system to ISO 9001:2015 which was the latest version, so as to improve customer service processes and other operational processes, continuing to strengthen the Bank's competitiveness and integrating risk management requirements to the management of banking service quality.

Besides, the Bank also developed and regularly amended the system of limits with connection to credit, currency trading and investment operations, and operational key risk indicators (KRLs) relating to liquidity and the balance of assets and liabilities, etc. in correspondence with stipulations of the State Bank of Vietnam and operational characteristics of HDBank.

Inspection and supervision system

HDBank paid special attention to the inspection, supervision and control system which served as the basis to detect, alert and prevent risks. This system simultaneously applied different methods: automatically via the information technology system, periodically (daily, monthly, etc.) by departments/sections specialized in controlling, or upon occurrence of the transactions in which HDBank conducted supervision over suspicious transactions, if any, incurred at the units.

Reports on the results of on-site supervision and examination together with figures, analyses, alerts and specific suggestions were submitted to the Board of Management and Board Of Directors to provide timely and appropriate directions.

Application of Basel II-based risk management system

In Q4/2016, the Bank hired Ernst & Young as the consultant to review the current status of risk management business against Basel II requirements (Gap) as well as the tentative calculation of required capital (CAR) under Basel II, serving as the basis to develop an implementation roadmap of the risk management system based on Basel II in 2 or 3 years more, including a great number of projects to complete the existing risk management system covering organization, regulations, limits, model, data, software, etc.

The Bank expects to start implementing the said roadmap in the middle of 2017, with the projects subject to priority order and available resources (internal or outsourced).

Risk management activities

Credit risk management

HDBank has established a strict credit granting system from Head Office to business units, including departments at all stages: sale, appraisal, approval, disbursement and recovery.

The credit granting process is based on the principle of independence in proposal – appraisal/valuation – approval, in which the steps and responsibilities of each stakeholder are clearly defined.

HDBank has also developed strict requirements on credit granting and loan security, and established limits on lending structure based on industries, purposes and collateralized assets, etc. so as to mitigate centralized risks.

In addition, HDBank has successfully established (upon consultation of Ernst & Young) the internal credit ratings system applicable to retail customers, corporate customers, and credit institutions, and submitted to the State Bank of Vietnam for official implementation since 2011, serving as an important step in the process of granting credits, classifying loans and setting up loan loss reserves. HDBank has regularly checked and completed this credit ratings system.

HDBank has implemented and worked out on many systems and instruments to improve and better control risks, including the loan origination control system, limit control system, centralized approval system at approving centers, disbursement and performance of contract procedures and centralized notarization at credit support centers, etc.

The handling of overdue loans was of importance via regular activities of the Overdue Loan Handling Steering Committee with the participation of the Board of Directors and Board of Management and collaboration of the areas to carry out effective debt handling measures in accordance with State policies. In 2016, HDBank effectively performed the handling of non-performing loans, in line with general policy of SBV by maintaining the NPL ratio below 1%.

Liquidity and market risk management

HDBank continued to perfect the liquidity and interest rate risk management model (upon consultation of the auditor PwC) under international standards, such as analysis of maturity gap, interest rate gap, net interest income (NII) sensitivity, scenarios, stress-test, etc. and Basel III indicators such as liquidity coverage ratio (LCR) or net stable funding ratio (NSFR).

The Liquidity & Market Risk Management team has monitored and given frequent alerts on limits in forex trading, debt and equity securities investment. Prudent ratios in liquidity and operations as required by SBV (Circular 36) were always ensured.

Besides, HDBank has step by step applied VAR calculation to forex trading business (upon consultation of JICA project experts and SBV) to estimate the maximum loss and aim at implementing to other similar activities.

Operational risk management

Operational risk management continued to be perfected through policies (regulations) on operational risk management and surveillance or risk indicators relating to human resources, information technology system, etc.

Since the end of 2014, HDBank has gradually executed loss data collection (LDC) and risk control self-assessment (RCSA) under the model of the consultant EntroFine.

Data system and data management

In 2015, HDBank completed its review of the Data Gap of the data system against Basel II requirements (upon consultation of EntroFine). At the end of 2016, HDBank continued to review the data management system and data fields on the system (upon consultation of the auditor Ernst & Young), serving as the basis to carry out projects of data completion and data management in conformity with international practices.

OPERATIONS DIVISION

In 2016, the number of transactions and customers using International Settlement services of HDBank sharply increased. Total fee income of international settlement business in 2016 increased by 118% vs 2015

Management of customer service quality

Following the achievements in 2015 and along with the requirement for sustainable business growth of HDBank, in 2016, service quality recorded dramatic changes which helped to improve the strength of HDBank brand name.

In 2017, the Division continues to maintain the quality control system ISO 9001-2008 and aims at upgrading to ISO 9001-2015. Besides, for an effective working environment, the Quality Control Department has successfully implemented the 5S standards, contributing to improve the working environment for the Bank's employees in particular, enhance business performance, and create a good and trustworthy image to customers.

In 2016, Operations Division implemented the set of service quality standards, whereby the counter fixtures were changed, the service quality was enhanced through inspection, supervision and training to customer service staff, especially on fundamental skills to attract and care for customers such as customer centric approach, or considering customers' requests as top priority. Meanwhile, the training, coaching, and self-coaching were also executed to improve the quality of operational staff, such as holding professional tests of all employees dealing with customers at the counter. In addition, Operations Division worked closely with the staff HR division and trained reserve employees for the whole network to ensure stable operations of the units.

The Bank focused on standardizing the regulations and processes of transactions at the counters in way of simplifying operational processes, applying information technology to conduct transactions faster and more conveniently.

2016 BUSINESS PERFORMANCE

In 2016, HDBank's objectives were to increase operational effectiveness and develop business in a robust and sustainable manner. Operations Division was proactive and aggressive in enhancing service quality, applying technology to operations, standardizing operational processes to minimize steps and save transaction time, while improving the quality of operational staff and standardizing training – self-training, etc.

- In 2016, the cash – vault business was conducted in line with regulations, guidelines, and directions of SBV. Especially, the vault safety in the whole network was assured, timely meeting the cash demands to pay out to customers and top up cash for ATMs both in quantity and denominations.

- The tallying, parceling, preservation, delivery and receipt, payment and collection, cash transport, precious assets and valuable papers were compliant with regulations and processes, ensuring safety for the Bank's treasury assets and satisfying business development requirements. In 2016, total cash collection increased by 36.7% and cash payment increased by 36.73% compared to 2015.

- In 2016, collection services strongly increased: collection for the State budget, electricity bills, airfare for Vietjet, HCMC Securities Company (HSC), Ministop supermarket chain, Vinamilk network, etc.

- Arrangement, preservation, and classification of cash, precious assets and valuable papers at the counters and at vaults were maintained neat, tidy and scientific, ensuring vault safety. Measures of securing the quality of cash and assets kept in vaults: equipped with journey supervision, working closely with the police, security and the Bank's guards to prepare plans of vault protection, arranging 24/24 safeguard to ensure the safety of cash and assets in the whole network of HDBank.

- Statistical reports and inventory reports on cash and precious assets were fully made on daily/monthly/quarterly/annually basis, and regular/ad-hoc inventory was conducted according to regulations.

Communication of the guidelines, regular inspection and supervision on the safety of cash vaults and transaction documents of the whole network were duly implemented, ensuring safe and efficient operational management in observance with regulations and operational processes.



In 2016, payment of remittance was enlarged to partners in the US, Australian, Taiwanese, Hong Kong, Japanese and European, etc. markets. The turnover of remittance payment increased notably and attracted a large number of customers to HDBank.

Customer Service Center (Call Center)

As the link connecting HDBank with customers, Call Center always listened to better understand customers' concerns and actual demands, from which setting directions to achieve the objective of continuously increasing customer satisfaction with the service quality and products, services of HDBank. With professional, skillful and whole-hearted staff, Call Center always

provided customers with perfect care and attention, raising the ability of customer attraction and competition of the Bank, and bringing about the most convenience to customers.

So far, Call Center has made available different channels to receive and process customer information via hotline number, email, webmail, web chat and Facebook page of HDBank.

All inquiries and feedbacks of customers such as questions about new products; troubles in banking with HDBank; guidelines on procedures; supply of information about the most beneficial products/services or promotion programs for customers' selection; receipt and

execution of requests for card lock, card information investigation, eBanking, etc. as well as feedbacks to the quality of products and services were received and promptly settled by Call Center.

In addition, in 2016, Call Center successfully carried out care programs/surveys of customer satisfaction during their use of the Bank's products and services, namely as the care program for customers making savings deposits or payment deposits, receiving remittance, and applying for loans at HDBank, etc., contributing to further enhance product and service quality, developing existing customers and attracting potential customers to HDBank.

Credit administration and support

The credit administration and support of HDBank was professionalized by simplifying the documentation and procedures on the basis of mitigating possible risks. The Bank focused on the promulgation and implementation of policies, intentions and operational processes in respect of credit administration and support, ensuring quick, thorough and practical operations over the whole network of HDBank and timely giving advice to management authorities in risk management and control for credit safety.

In 2016, Operations Division successfully implemented the model of centralized credit administration and support at the Head Office for business units in the South Western area (in 07/2016) and South Eastern area (in 11/2016). Operations Division projects to deploy this model for business units in the Central and Highland area to finish the execution in the whole network in 04/2017. Accordingly, Credit Administration and Support Center is the unit performing most of post-credit approval operations. The centralized credit management and support aims at ensuring the independence between business units and operational units, controlling risks in credit activities, creating professionalism in operations, reducing the time of application preparation and loan disbursement, and timely meeting customers' needs. This model corresponds to the general trend in management of joint-stock commercial banks in Vietnam nowadays.

Operations Division also applied information technology to the operation of credit management and support. In 2016, the Division carried out the online compilation program, automatic interest rate revision program, etc. The Division expects to execute the online disbursement program in 03/2017.

Asset valuation

HDBank accelerated the establishment of market land price bracket in the cities/provinces of its presence to shorten the time of valuation and accelerate the lending process, and contributing to the fulfilment of business plan.

The maintenance of the internal assets valuation mechanism in parallel with outsourced valuation helped reduce costs and increase the efficiency of internal valuation officers. The valuers chosen by HDBank were prestigious and experienced companies in the market (e.g. CBRE, Savills, C&W, SIVC, etc.).

The quality control of the valuation performed by outsourced companies as well as by business units were regularly conducted to make assessment and timely amendment for purposes of effective business and safe operation.

In 2017, HDBank continues to promote the application of information technology to operational processes to enhance the productivity and service quality. Operational documents and processes will be standardized to adapt to the reality. The KPIs set for management staff will be associated with the performance of the

responsible areas/tasks as assigned. More surveillance will be placed over valuation activity, including performance of the Valuation Department. Collaboration with Training Center will be improved to maintain regular training on professional operations to the employees performing valuation of collaterals at HDBank.

International settlement services

International settlement has increasingly developed, becoming a key activity that creating a large source of service income. With a cadre of highly professional, enthusiastic and dynamic employees and timely guidance of the Management, HDBank has come over many difficulties and challenges in confronting the severe competition of known and experienced banks in the market. The international settlement business of HDBank has reinforced its name in the domestic and overseas market.

HDBank has established correspondent relationship with about 400 foreign banks and their branches in many countries and territories in the world.

The international settlement quality of HDBank has been acknowledged by world leading banks such as Wells Fargo Bank, Deutsche Bank, JP Morgan Chase, and Citibank, etc. by numerous awards and the Bank was recognized as an official member of two European payment clearing systems named Target 2 and EBA, and extended by Asia Development Bank (ADB) a clean limit for trade financing activity.

In 2016, the number of transactions and customers using international settlement services of HDBank significantly increased. Total fee income from international settlement services in 2016 grew by 18% compared to 2015.

HDBank is offering international remittance service in different currencies: USD, EUR, JPY, GBP, CAD, SGD, AUD, THB, and CHF or otherwise (buying, selling, conversion to USD) to meet varied payment needs of customers. Besides, border-trade payment service is also developing.

Domestic payment services

HDBank has centralized payments to Payment Center, so it is easy to control the capital, minimize liquidity risk and refine the staff organization apparatus.

HDBank has expanded its presence to 37 provinces and cities in the country. Therefore, payment transactions are growing, and remittance volumes through the interbank electronic payment channel CITAD have increased considerably. In 2016, outward remittance volumes through CITAD reached VND602,725 billion, inward remittance volumes reached VND538,198 billion, and the number of payments increased by 35% compared to 2015.

As to date, HDBank has established the system automatically processing incoming and outgoing transfer messages. The quality of payment activities at HDBank has been increasingly enhanced, ensuring quickness and timeliness.

Administrative governance and procurement

In 2016, the administrative and procurement processes were gradually standardized to minimize procedures and shorten the processing time. The regulations on centralized procurement and execution of quality undertakings aimed at providing quality services at the committed schedule.



The staff structure was consolidated to keep the operations in line with norms and the quality of internal supplies was constantly improved. All operational aspects were satisfactory to ISO - 9001:2015 standards.

The management and use of assets was frequently checked and supervised to ensure compliance with HDBank's regulations and processes, avoiding cases of asset loss due to lack of control or wasteful use of assets in the whole network.

Assets were centrally managed with the help of modern supervision instruments/methods so that any movements or incidents threatening human safety and assets during the operations would be documented to find out causes and prevent risks.



HUMAN RESOURCES DIVISION



2016 BUSINESS PERFORMANCE

Existing regulations, processes, rules or documents with respect to human resources were reviewed, studied and amended when there were regulatory changes to ensure the legal compliance and mitigate risk in personnel affairs.

The consolidation of human resources: the right of self nomination was extended. The checking, assessment and approval was conducted fairly and transparently in proportion with quantitative and qualitative criteria of competence, quality, and qualifications of employees in order to ensure the quality of appointment and deploy internal strengths, to promote growth and arouse staff's self-control and ambition.

The mechanism of emulation and penalty was reviewed and further developed to ensure clarity and fairness with a view to enhance the productivity of employees at units in the whole network, while preventing the wrong-doings from spreading out.

Attracting, recruiting and retaining competent employees who showed commitment and had important contribution to the Bank through such activities as job fairs at colleges and universities nationwide; Launching management trainee programs in association with professional training organizations to supply an input of qualified, professional and skillful resources; collaborating with universities, organization and participation in the job fairs at universities in HCMC, Hanoi and provinces where the Bank has its presence to attract talented persons such as HCMC University of Economics, Banking University, HCMC University of Technology, International University, University of Finance – Marketing, Association of Chartered Certified Accountants (ACCA), Vinh University, An Giang University, Quy Nhon University, and Can Tho University, etc. Posting job ads on HDBank's website, central and local newspapers, and well-known job websites such as vietnamworks.com.vn, cafef.vn, careerlink.vn; jobsvietnam.com.vn; kiemviec.com.vn; tuyendung.com.vn; and jobs.com.vn; or internally/receiving internal referrals.

Improving working efficiency, and compensation policy in line with the market. Training and developing human resources in an effective and comprehensive way, including:

- Focusing on training to improve staff skills through coaching and training programs. The Bank has set up a Training Center for professional training to employees from freshman to advanced level. Implementing training under the standardization program of each position to ensure the professionalism of each employee.

- Developing a cadre of adaptive managers and business officers to cope with development needs and changing market through training courses at prestigious organizations locally and overseas, experience exchanging and internal training programs. Collaborating with Institute of Manpower, Banking & Finance (BTCL) and PACE Institute of Management to implement the Prospective management staff program 2016 for all directors/deputy directors of business units, managers of sub-branches, and potential management officers. The program was highly appreciated by management authorities and all employees.

- Ending Phase 1 of the Program in 2016, there were nearly 400 officers nominated by heads of business units, Human Resources Division and operational divisions at Head Office and by the officers themselves to positions of Branch Directors/Deputy Directors, Sub-Branch Managers/Managers of operational departments at branches and Head Office. The candidates then received 3-month training at the Training Center with lecturers being senior experts from PACE Institute of Management and senior leaders of HDBank. The training course covered the subjects that helped to enhance the competence and ensured groups of key capacities for leaders of business units such as: portrait of a leader; thinking method & troubleshooting skill; preparation & control of business plan execution; time management skill; development of management competence; change management; manpower management for leaders; marketing and public relation management for leaders; sale management for leaders; meeting control skills; analysis of corporate financial statements; security appraisal; risk management in banking; international settlement operations; money market and derivatives in the money market; customer service quality; and staff training & coaching.

- In addition, Training Center also concentrated on developing Study Tours (learning at foreign banks) reserved for management levels.

- Enhancing training for managers, implementing the "top-down" training model in which senior levels must provide training to inferior levels to ensure efficiency and consistency in human resources training and development in the whole network; and raising the sense of responsibility of management authorities towards the units in particular and the network in general.

- Promoting online training, e-learning, self-coaching at units, and training via videoconference and organizing online exams and seminars to timely meet the needs of studying, and improving professional knowledge and skills, and English for employees in the whole network, while saving costs and resources effectively.

- In 2016, HDBank held 355 training courses in total with 18,757 attendants being the Bank's employees to improve their management competence and professional skills with the training majors as below:

Training majors	Total	
	Number of courses	Number of participants
Professional knowledge and skills; Processes, products and services; Internal rules, law regulations	270	16.243
Working skills, Management skill	85	2.514
TOTAL	355	18.757



- Arranging and rotating staff internally to facilitate them to improve professional skills and test if they can be appointed to higher positions. Developing the prospective management staff program to train and develop successive resources to meet the needs of development and network expansion of HDBank.

- The planning and scheming of human resources was a targeted activity in which the staff scheming principles for front-office and back-office positions had been established, associating the scheming with productivity and performance based on: surveyed information of average productivity of banks with the same size as or larger size than HDBank (those at which HDBank is aiming), etc., and proper amendment of the scheming depending on growth expectations in 2017 in consideration of the regional factors and size of each business unit.

- Based on the established productivity standard and KPIs allocated to each position, HDBank was proactive in its preparation for a concrete plan from the beginning of the year on staff scheming for each unit. From there, the recruitment and centralized training would be executed all over the network, fully and timely satisfying

the demand for quality human resources to service business activities, as well as making available reserves for changes in human resources and network expansion.

- Intensifying internal communication and implementing new policies, processes & systems.

- Carrying out appropriate compensation policy, obvious treatments and allowances, friendly working environment, and equal chances of career advancement, creating motivation for all employees, especially those who have attached with the Bank, endeavored for self-assertion, and made contribution to the development of HDBank.

- HDBank also applied the best international practices/standards to its System of managing and assessing staff performance by consistent criteria and combination of the Bank's objectives with those of the units and each individual. Connecting the evaluation results to treatment policies toward talented persons, encouraging employees to develop their personal career in line with the Bank's development.



2017 BUSINESS DIRECTIONS

- The image of HDBank to the public is a joint-stock commercial bank offering the best conditions for career development in Vietnam.
- To promote HDBank as the leading recruiter in the Finance – Banking area.
- To enhance staff quality & service in the whole network by standardization of the principles of receiving, processing and responding to inquiries on operation-related matters and survey of internal satisfaction.
- To check and standardize the regulations, processes and guidelines related to all management activities of timesheet, leaves, salary, bonus, social insurance, personal income tax and welfares for employes. Amending, supplementing and enacting Human resources processes and standardizing the organization model, titles and job descriptions.
- To establish and develop quality resources for the governance, management and development of HDBank.
- To prepare the Recruitment project to diversify sources and channels of recruitment to prepare the reserve personnel in case of imminent changes. To develop training programs with some strategies of training and developing potential candidates inside the Bank, completing welfare policies to bring more benefits to laborer, and creating a friendly working environment with focus on efficiency, professionalism and creativity, thus helping the Bank to attract and retain talented persons.
- To manage the cadre of human resources, especially aiming at managing talented persons, through prospective management staff programs.



INFORMATION TECHNOLOGY AND E-BANKING DIVISION

Information technology (IT) development: with the motto of "Promotion of IT application to automation", HDBank has made continuous investments in a modern IT system for excellence of the products and services, creating impetus to integrate with the level of IT development in the country and the world.

HDBank has invested early in the information technology system to meet the great potentiality in developing e-banking products, cash management products and card products due to growing demands in e-commerce socialization as well as the creation of distinction for these products versus the Bank's competitors.

HDBank is one of the banks successfully implementing the set of modern technological products including: SMS Banking, Internet Banking, Mobile Banking, online payment, and cash management in association with major partners, etc. The technological infrastructure of the Bank has been completed, ensuring its support to the business continuity of all business units in the network. In addition, HDBank owns a cadre of skillful and professional employees who have thorough knowledge and understanding of the Bank's technological system, high sense of responsibility, good ethics, and ability of deploying their internal power to develop together.

To ensure competitiveness, business continuity and safety in all operating conditions, the IT staff of HDBank has promoted studying and implementing new and pilot technologies in the IT field, and developed instruments to automatically give alerts and manage risks in operations other than the strengthening of added functions and features to best support business activities.

Research, training activities and transfer of new technologies or policies encouraging staff to take part in seminars on new IT technologies for application, enhancement of management efficiency, and best support to the Bank's operations, are all indispensable parts in IT activities of HDBank.

HDBank always reserves its annual budget for investment in the researches and development of technological application to the Bank's

management and businesses, which is equal to at least 1% of total revenues. HDBank also sets aside training expenses for key officers each year. Upon such, the Bank sent officers to training and coaching courses domestically and overseas for the purpose of controlling and operating sophisticated systems as well as heightening the strategic vision of technology to contribute to the overall development strategies. Existing key officers were directly trained by such big names as Microsoft, Oracle, HP, Hitachi, etc.

Investment in technology has helped raising the Bank's operational performance, creating wider range of useful products and services, reducing transaction time, and bringing the best returns to customers. Apart from traditional banking products and services, HDBank also offered other utility products and services such as eBanking, Mobile Banking, ATM card, electricity bill payment, online payment, etc. HDBank was among the first joint-stock commercial banks to engage in the modernization of online channels for tax payment, customs payment and guarantee.

A research team was established to study new technologies including new products and equipment, through which to have better understanding and assessment of end users' needs and taste for development of integrated products by the customer segments identified with business units. HDBank's technological products were designed as service-oriented right from the beginning, so the integration with products of suppliers was conducted promptly and conveniently. Besides, the technical team has mastered all the technologies in use and always keeps studying to improve the efficiency while ensuring safety such as: studying to apply the biometric technology, solution of automatic appraisal of applications based on processes, online security solution through a 2-step authentication system of OTP or digital signature.



2016 BUSINESS PERFORMANCE

In 2016, IT & E-banking Division of HDBank collaborated with operational divisions to successfully carry out the following major projects:

- Improvement of printing and archives: saving cost and time of printing and archiving.
- Automation of operations at Retail Banking Division and Operations Division (ARB): automation of retail sale channels from selling to supporting and caring for customers by at least 90%. Minimizing the time of manual processing of documentation (less scanning and printing and enabling to print out contracts online).
- Human resources (HRP): improving the management of human resources through an end-to-end process from recruitment to termination of the labor contract. Minimizing the time of salary payment and tax declaration as well as avoiding possible mistakes from manual processing.
- Development of the internal portal to strengthen the interaction in the whole network.
- Automation of interbank electronic transactions.
- Execution of integrated projects: Vinamilk, Web Money, etc.
- Re-establishment of the whole reporting system to SBV under Circular 35.
- Safety of the IT system of HDBank.



Number of E-commerce transactions in 2016
4,331,663

Total E-commerce transaction amounts in 2016 (VND million)
28,244,754

Number of iBanking users
109,604

Transaction volumes through iBanking in 2016 (VND million)
19,636,447

HDBank continued to complete and add more modern banking products in comparison with the whole industry, and endlessly improved its service quality. It also diversified the range of products and services, promptly meeting the Bank's business requirements. HDBank pioneered to successfully implement many advanced technology projects so as to offer the most convenient and optimal products to external and internal customers, and intensified optimal security methods for all transaction channels by encryption of customer and transaction information such as 3DES, RSA, 2-factor authentication, biometric authentication, digital signature authentication, etc., assuring customers to deal with the Bank anywhere and anytime.

Core Banking system

Developing and completing steps of control and minimizing manual manipulations, aiming at automation of all operations in the network

Internet Banking system

Apart from the supported transactions such as deposits, loans, management and repayment of credit card loans, interbank transfer, payment for electricity, airfares, tuitions, mobile phone top-up, opening of savings books, connection to General Department of Vietnam Customs, support multi-process approval, top up for Vietjet Air agents, addition of card management functionality, and bonus accumulation for gift redemption, etc., the system was supplemented with further utilities such as: authentication by digital signature, connection to the General Department of Taxation, loan collection in favor of HD SAISON, online payment for Vietjet Air tickets, automatic alerts of suspicious transactions, automatic credit advice on interbank transactions, shortened time of processing outward remittance transactions, automation of payment channels and less printing, etc.

Mobile Banking system

Supporting most of smart phones running popular operating systems in the market such as iOS, Android, Windows Mobile, etc. The functions are always updated to meet all features of the Internet Banking system.

Card system

Operating the system smoothly, collaborating to launch product packages of payroll and international card, and preparing for the upgrade of a new card management system.

2017 BUSINESS DIRECTIONS

In 2017, IT & e-Banking Division will gather resources to develop and apply Information technology to the management, operation and support of business plans which will increase sales, improve income and strengthen productivity.

- Reducing documentation and procedures in deposit and lending operations.
- Automating and applying Information technology in management and operation.
- Developing application on mobile devices, and promoting the mobile application to customers.
- Strengthening the management and supervision of risks, and applying tiêu chuẩn quản lý ANNT to the IT system.

Details of IT project execution plan in 2017 consist of specific objectives clinging to the business plan of the whole network. Concretely as:

- Implementing the new software system of card transaction management and support (CMS).
- Automating the system of trade financing transaction management.
- Automating the international settlement system.
- Reducing documentation and procedures in deposit/lending operations.
- Developing the application supporting sale via mobile devices (tablet).
- Intensifying the management and supervision of risks; working with consultants and operational departments to develop the risk management system under Basel II standards; implementing the IT security standard ISO 27001; assessing the security of HDBank's IT system; and completing the regulations and policies on information safety and network security.
- Proceeding to build a new and modern data center.
- Surveying and assessing the responding ability of the Core banking system to prepare the plan of upgrade or replacement.
- Strengthening a modern IT system, best supporting the management and governance while developing products and services, and automating banking operations.
- Developing qualified and high-quality IT resources as key breakthrough. Developing a cadre of profession IT staff satisfactory to international IT skill standards.
- Conducting disaster recovery drill at the Data Center with respect to all IT services, ensuring the availability of the system to the highest extent in case of disasters (act of God, attack, material system breakdown, etc.).

SOCIAL SECURITY WORKS

2016 BUSINESS PERFORMANCE

Despite the economic difficulties in 2016, HDBank maintained and regularly promoted community and social activities. The Bank closely worked with the unions to carry out internal movement activities and participate in activities launched by senior unions. It also took initiative in organizing social and charitable activities under the Bank's annual plan and activities of caring for its employees, highlighting the corporate culture of HDBank.

In particular, typical social security programs were launched across the country in the year, such as collaborating with the authority and HCMC Sponsoring Association for Poor Patients to present 10,000 health insurance cards to poor households all over the country; building houses of affection and gratitude; giving gifts to orphans at SOS villages in Khanh Hoa and Lao Cai; conducting flights to aid the flooded Central Vietnam; offering coats to poor children in the highlands; implementing scholarship programs at in-depth level; sponsoring eye surgeries for poor people suffering from cataract, visiting establishments of fostering poor patients, and nursing home for the elderly, etc. Take HCMC Sponsoring Association for Poor Patients only, HDBank sponsored nearly VND1.5 billion VND to its activities in 2016.

In 2017, it is predicted that the economy still implies great difficulties and the financial market faces with many challenges and complicated movements. On the other hand, 2017 also brings about more opportunities to HDBank to assert itself and fulfill the strategic objectives as proposed. Following the guidance of the Board of Directors and Board of Management, HDBank continues to maintain and promote social and charitable activities to succeed the Bank's tradition. The plan for charitable and social activities always clings to HDBank's activities in the localities and adapts to the business operations for common successes.

2017 BUSINESS DIRECTIONS

Tentative activities in 2017 consist of:

- Cooperating with the authority and HCMC Sponsoring Association for Poor Patients to present 10,000 health insurance cards to poor households around the country.
- Continuing to sponsor eye surgeries for poor people with cataract all over the country.
- Continuing to build houses of affection and gratitude in various provinces and cities of the country.
- Continuing to provide funding to HCMC Sponsoring Association for Poor Patients to carry out social security activities.
- Taking care of lives of social policy beneficiaries: invalids; poor children and orphans, etc. nationwide.
- Blood donation program as a yearly tradition of the whole network of HDBank.
- Presenting scholarship to distinguished students in colleges and universities nationwide.
- Organizing trips to infamous landscapes to learn about the milestones in the country's history, through which to educate employees on traditions and history.
- Accompanying HDBank International Chess Tournament, contributing to promote Vietnamese intelligence to the world, and sponsoring the HDBank Futsal Cup, creating an impetus for Vietnamese football to participate in the World Cup.

With the motto of "Commitment for the best returns", HDBank has executed and will keep executing social humanitarian programs for the community with a desire to share the difficulties with unlucky people in the society, and help them to overcome troubles in life, make effort and integrate in the community.





Auditor's Report





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AUDIT LETTER



INDEPENDENT AUDITOR'S REPORT

To the Shareholders

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 subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2016, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Directors on 31 March 2017, as set out on pages 6 to 99.

The Board of Directors's Responsibility

The Bank's Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation 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 these 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Bank's Board of Directors, as well as evaluating the overall presentation of the 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 give a true and fair view, in all material respects, of the consolidated financial position of Ho Chi Minh City Development Joint Stock Commercial Bank and its subsidiaries as at 31 December 2016 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

Other Matter

The consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2015 were audited by another firm of auditors whose report dated 29 April 2016 expressed an unqualified opinion on those statements.

KPMG Limited's Branch in Ho Chi Minh City Vietnam

Audit Report No.: 16-01-160/1



Tran Dinh Vinh
Practicing Auditor Registration
Certificate No. 0339-2013-007-1
Deputy General Director

Pham Huy Cuong
Practicing Auditor Registration
Certificate No. 2675-2014-007-1

Ho Chi Minh City, 31 March 2017

BANK INFORMATION

Establishment and Operation Banking License No.	00019/NH-GP 6 June 1992	
	The Establishment and Operation Banking Licence was issued by the State Bank of Vietnam and is valid for 50 years from the licence date.	
Business Registration Certificate No.	0300608092 11 August 1992	
	The Business Registration Certificate has been amended several times, the most recent of which is dated 2 October 2015. The Business Registration Certificate was issued by the Department of Planning and Investment of Ho Chi Minh City.	
Board of Management	Ms. Le Thi Bang Tam	Chairman
	Ms. Nguyen Thi Phuong Thao	Permanent Vice Chairman
	Mr. Luu Duc Khanh	Vice Chairman
	Mr. Diep Dung	Vice Chairman (until 30 January 2016)
	Mr. Luu Van Son	Member
	Mr. Nguyen Huu Dang	Member
	Mr. Chu Viet Cuong	Member
	Ms. Nguyen Thi Tam	Independent Member
	Mr. Lim Peng Khoon	Independent Member
Board of Supervisors	Mr. Dao Duy Tuong	Head of Board of Supervisors
	Ms. Nguyen Thi Phung	Member
	Ms. Nguyen Thi Tich	Member
Board of Directors, Chief Financial Officer and Chief Accountant	Mr. Nguyen Huu Dang	General Director
	Ms. Nguyen Doan Duy Ai	Vice General Director
	Mr. Pham Quoc Thanh	Vice General Director
	Mr. Nguyen Minh Duc	Vice General Director
	Mr. Le Thanh Tung	Vice General Director
	Mr. Pham Thien Long	Vice General Director
	Mr. Le Thanh Trung	Vice General Director
	Mr. Tran Hoai Nam	Vice General Director
	Mr. Le Xuan Vu	Vice General Director (until 31 August 2016)
	Mr. Tran Thai Hoa	Vice General Director
	Mr. Pham Van Dau	Chief Financial Officer
	Ms. Ho Dang Hoang Quyen	Chief Accountant
Registered Office	HD Tower 25 Bis Nguyen Thi Minh Khai Street District 1, Ho Chi Minh City, Vietnam	
Auditor	KPMG Limited Vietnam	

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Ho Chi Minh City Development Joint Stock Commercial Bank (“the Bank”) presents this statement and the accompanying consolidated financial statements of the Bank and its subsidiaries (collectively referred to as “the Group”) for the year ended 31 December 2016.

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Directors:

- (a) the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of the results of operations and the cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons for the Board of Directors to believe that the Group will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised the accompanying consolidated financial statements for issue.

On behalf of the Board of Directors



Nguyen Huu Dang
General Director

Ho Chi Minh City, 31 March 2017

CONSOLIDATED BALANCE SHEET

as at 31 December 2016

B02/TCTD-HN

	31/12/2016 VND million	31/12/2015 VND million
A ASSETS		
I Cash on hand, gold	1,636,010	1,472,407
II Balances with the State Bank of Vietnam	2,389,302	2,742,385
III Deposits with and loans to other credit institutions	18,580,047	11,994,220
1 Deposits with other credit institutions	15,971,314	6,779,815
2 Loans to other credit institutions	2,608,733	5,318,025
3 Allowance for losses	-	(103,620)
IV Held-for-trading securities	396,937	916,034
1 Held-for-trading securities	400,000	922,956
2 Allowance for losses on held-for-trading securities	(3,063)	(6,922)
V Derivatives and other financial assets	-	39,044
VI Loans and advances to customers	81,303,975	55,853,240
1 Loans and advances to customers	82,224,372	56,558,835
2 Allowance for losses on loans and advances to customers	(920,397)	(705,595)
VII Purchased debts	5,489	5,489
1 Purchased debts	8,690	8,690
2 Allowance for losses on purchased debts	(3,201)	(3,201)
VIII Investment securities	34,261,091	21,197,715
1 Available-for-sale securities	24,267,353	16,705,365
2 Held-to-maturity securities	11,020,813	5,011,604
3 Allowance for losses on investment securities	(1,027,075)	(519,254)
IX Capital contribution, long-term investments	384,406	419,118
4 Other long-term investments	495,945	530,192
5 Allowance for diminution in the value of long-term investments	(111,539)	(111,074)
X Fixed assets	1,351,960	805,214
1 Tangible fixed assets	524,984	518,828
a Cost	1,003,485	911,585
b Accumulated depreciation	(478,501)	(392,757)
3 Intangible fixed assets	826,976	286,386
a Cost	987,948	423,978
b Accumulated amortisation	(160,972)	(137,592)

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET

as at 31 December 2016 (continued)

B02/TCTD-HN

XI Investment properties	88,381	64,838
a Cost	88,765	64,984
b Accumulated depreciation	(384)	(146)
XII Other assets	9,896,674	10,976,231
1 Receivables	5,290,387	7,651,409
2 Accrued interest and fees receivable	3,113,887	1,916,536
3 Deferred tax assets	17,311	23,636
4 Other assets	1,510,547	1,423,639
	Of which: Goodwill	39,377
	45,140	45,140
5 Allowance for losses on other assets	(35,458)	(38,989)
TOTAL ASSETS	150,294,272	106,485,935

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET

as at 31 December 2016 (continued)

B02/TCTD-HN

	31/12/2016 VND million	31/12/2015 VND million
B	LIABILITIES AND EQUITY	
	LIABILITIES	
I	177,635	2,488,321
	Borrowings from the Government and the State Bank of Vietnam	
II	19,684,665	6,594,931
	Deposits and borrowings from other credit institutions	
1	13,621,415	3,031,471
2	6,063,250	3,563,460
III	103,299,771	74,542,719
	Deposits from customers	
IV	9,326	-
	Derivatives and other financial liabilities	
V	2,843,432	2,822,563
	Funds, entrusted investments receipts, borrowings at risk of credit institution	
VI	11,027,014	7,847,000
	Valuable papers issued	
VII	3,309,786	2,348,722
	Other liabilities	
1	2,463,250	1,744,418
3	846,536	604,304
	140,351,629	96,644,256
	TOTAL LIABILITIES	
	EQUITY	
VIII	9,317,013	9,392,415
	Owners' equity	
1	8,104,686	8,104,686
a	8,100,000	8,100,000
b	89	89
c	4,599	4,599
d	(2)	(2)
2	465,280	378,601
5	747,047	909,128
IX	625,630	449,264
	Non-controlling interest	
	9,942,643	9,841,679
	TOTAL EQUITY	
	150,294,272	106,485,935
	TOTAL LIABILITIES AND EQUITY	

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET

as at 31 December 2016 (continued)

B02/TCTD-HN

	31/12/2016 VND million	31/12/2015 VND million
I	CONTINGENT LIABILITY	
1	9,862	12,062
	Lending guarantees	
2	35,669,948	7,716,776
	Commitments to foreign exchange transactions	
	In which:	
	2,942,536	1,590,000
	■ Commitments on buy of foreign currencies	
	1,288,271	1,789,655
	■ Commitments on sale of foreign currencies	
	31,439,141	4,337,121
	■ Commitments on currency swap transactions	
4	1,046,968	1,184,843
	Letters of credit commitments	
5	2,592,745	1,924,973
	Other guarantees	

31 March 2017

Prepared by:


Ho Dang Hoang Quyen
Chief Accountant

Reviewed by:


Pham Van Dau
Chief Financial Officer

Approved by:


Nguyen Huu Dang
General Director

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2016

B03/TCTD-HN

	2016 VND million	2015 VND million
1 Interest and similar income	11,321,302	7,922,478
2 Interest and similar expenses	(6,643,222)	(4,677,768)
I Net interest income	4,678,080	3,244,710
3 Fee and commission income	167,320	234,104
4 Fee and commission expenses	(49,096)	(45,997)
II Net fee and commission income	118,224	188,107
III Net gain from trading of foreign currencies and gold	209,284	25,761
IV Net gain/(loss) from trading of held-for-trading securities	82,503	(4,238)
V Net gain from trading of investment securities	151,159	48,787
5 Other income	195,119	78,663
6 Other expenses	(28,428)	(59,092)
VI Net other income	166,691	19,571
VII Income from capital contribution, share purchase	12,285	609,939
VIII Operating expenses	(3,276,988)	(2,409,584)
IX Operating profit before allowance expenses for credit losses	2,141,238	1,723,053
X Allowance expenses for credit losses	(993,605)	(934,619)
XI Profit before tax	1,147,633	788,434
7 Income tax expense – current	(226,810)	(160,328)
8 Income tax (expense)/benefit – deferred	(6,325)	2,005
XII Total income tax expense	(233,135)	(158,323)
XIII Profit after tax	914,498	630,111
XIV Non-controlling interest	176,366	117,074
XV Earnings per share (VND/share)	911	630

31 March 2017

Prepared by:


Ho Dang Hoang Quyen
Chief Accountant

Reviewed by:


Pham Van Dau
Chief Financial Officer

Approved by:


Nguyen Huu Dang
General Director

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2016 (Direct method)

B04/TCTD-HN

	2016 VND million	2015 VND million
CASH FLOWS FROM OPERATING ACTIVITIES		
01 Interest and similar income received	10,324,704	8,040,541
02 Interest and similar expenses paid	(5,924,390)	(4,160,384)
03 Net fees and commission income received	109,474	188,107
04 Net receipts from foreign currencies, gold and securities trading activities	669,155	113,220
05 Other income received	57,593	15,597
06 Collections of bad debts previously written-off	89,342	20,036
07 Salaries and operating expenses paid	(3,066,362)	(2,188,303)
08 Income tax paid during the year	(208,178)	(201,584)
Cash flows from operating activities before changes in operating assets and liabilities	2,051,338	1,827,230
Changes in operating assets		
09 Decrease in deposits with and loans to other credit institutions	2,243,570	2,533,014
10 (Increase)/decrease in investment securities	(13,048,241)	2,886,109
11 Decrease/(increase)in derivatives and other financial assets	39,044	(35,543)
12 Increase in loans and advances to customers	(25,665,537)	(15,187,260)
12 Decrease in purchased debts	-	136,683
13 Utilisation of allowances for losses	(604,220)	(327,385)
14 Decrease in operating assets	1,556,481	10,180
Changes in operating liabilities		
15 (Decrease)/increase in borrowings from the Government and the State Bank of Vietnam	(2,310,686)	2,304,126
16 Increase/(decrease) in deposits and borrowings from other credit institutions	13,089,734	(12,911,776)
17 Increase in deposits from customers	28,757,052	9,131,144
18 Increase in valuable papers issued	70,014	4,267,000
19 Increase in funds, entrusted investments receipts, borrowings at risk of credit institution	20,869	2,779,771
20 Increase in derivatives and other financial liabilities	9,326	-
21 Increase in other operating liabilities	179,898	245,202
22 Utilisation of reserves	(534)	(3,816)

The accompanying notes are an integral part of these consolidated financial statements

	2016 VND million	2015 VND million
I NET CASH FLOWS FROM OPERATING ACTIVITIES	6,388,108	(2,345,321)
CASH FLOWS FROM INVESTING ACTIVITIES		
01 Payments for purchases of fixed assets	(272,208)	(432,025)
02 Proceeds from disposals of fixed assets	29,134	1,257
04 Payments for purchases of investment properties	(12,769)	-
05 Proceeds from disposals of investment properties	8,662	-
07 Payments for investments and capital contribution in other entities	-	(27,700)
08 Collections on investments and capital contribution in other entities	83,072	1,501,973
09 Receipts of dividends and profit distributions from capital contribution, long-term investments	12,285	77,639
II NET CASH FLOWS FROM INVESTING ACTIVITIES	(151,824)	1,121,144
CASH FLOWS FROM FINANCING ACTIVITIES		
02 Proceeds from the issuance of long-term valuable papers which are eligible to be included in equity and other long-term borrowings	4,080,000	-
03 Payments for long-term valuable papers which are eligible to be included in equity and other long-term borrowings	(970,000)	-
04 Payments of dividends	(809,987)	-
III NET CASH FLOWS FROM FINANCING ACTIVITIES	2,300,013	-
IV NET CASH FLOWS FOR THE YEAR	8,536,297	(1,224,177)
V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14,069,062	15,293,239
VII CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22,605,359	14,069,062

31 March 2017

Prepared by:



 Ho Dang Hoang Quyen
 Chief Accountant

Reviewed by:



 Pham Van Dau
 Chief Financial Officer

Approved by:



 Nguyen Huu Dang
 General Director

The accompanying notes are an integral part of these consolidated financial statements

1. CASH ON HAND, GOLD

	31/12/2016 VND million	31/12/2015 VND million
Cash in VND	674,017	639,509
Cash in foreign currencies	952,494	820,147
Gold	9,499	12,751
	1,636,010	1,472,407

2. BALANCES WITH THE STATE BANK OF VIETNAM

These consist of compulsory reserve for liquidity and current deposit at the SBV.

Under the SBV's regulations relating to the compulsory reserve, banks are permitted to maintain a floating balance for compulsory reserve requirement ("CRR"). The monthly average balance of the reserve must not be less than relevant CRR rates multiplied by the preceding month's average balances of deposits in scope as follows:

Deposits in scope	CRR rates	
	31/12/2016	31/12/2015
Preceding month's average balances of:		
<i>Deposits from customers:</i>		
■ Deposits in foreign currencies with term of less than 12 months	8%	8%
■ Deposits in foreign currencies with term of 12 months and above	6%	6%
■ Deposits in VND with term of less than 12 months	3%	3%
■ Deposits in VND with term of 12 months and above	1%	1%
<i>Deposits from foreign credit institutions:</i>		
■ Deposits in foreign currencies	1%	1%

	31/12/2016 VND million	31/12/2015 VND million
Demand deposit and compulsory reserve		
In VND	2,361,550	2,493,820
In USD	27,752	248,565
	2,389,302	2,742,385

The accompanying notes are an integral part of these consolidated financial statements

3. DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	31/12/2016 VND million	31/12/2015 VND million
Deposits with other credit institutions		
Current deposits		
■ In VND	4,738,561	68,676
■ In foreign currencies	8,196,753	795,961
Term deposits		
■ In VND	3,036,000	4,553,620
■ In foreign currencies	-	1,361,558
	15,971,314	6,779,815
Allowance for losses on deposits with other credit institutions	-	(103,620)
	15,971,314	6,676,195
Loans to other credit institutions		
■ In VND	2,309,586	4,934,950
<i>In which: Discount, rediscount</i>	624,586	89,950
■ In foreign currencies	299,147	383,075
	2,608,733	5,318,025
	18,580,047	11,994,220

4. HELD-FOR-TRADING SECURITIES

	31/12/2016 VND million	31/12/2015 VND million
Debt securities		
Issued by domestic credit institutions	400,000	922,956
Allowance for losses on held-for-trading securities		
General allowance	(3,063)	(6,922)
	396,937	916,034

The accompanying notes are an integral part of these consolidated financial statements

5. DERIVATIVES AND OTHER FINANCIAL ASSETS

	31 DECEMBER 2016		
	TOTAL CONTRACT VALUE (AT FOREIGN EXCHANGE RATE AT THE CONTRACT DATE)	TOTAL CARRYING VALUE (AT FOREIGN EXCHANGE RATE AS AT 31 DECEMBER 2016)	
	VND MILLION	ASSETS VND MILLION	LIABILITIES VND MILLION
CURRENCY DERIVATIVES			
■ Currency forward contracts	3,245,203	-	2,747
■ Currency swap contracts	16,069,782	13,942	20,521
	19,314,985	13,942	23,268
	31 DECEMBER 2015		
	TOTAL CONTRACT VALUE (AT FOREIGN EXCHANGE RATE AT THE CONTRACT DATE)	TOTAL CARRYING VALUE (AT FOREIGN EXCHANGE RATE AS AT 31 DECEMBER 2015)	
	VND MILLION	ASSETS VND MILLION	LIABILITIES VND MILLION
CURRENCY DERIVATIVES			
■ Currency forward contracts	4,347,810	17,556	7,384
■ Currency swap contracts	1,996,203	28,872	-
	6,344,013	46,428	7,384

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

6. LOANS AND ADVANCES TO CUSTOMERS

	31/12/2016 VND million	31/12/2015 VND million
Loans to domestic economic entities and individuals	78,850,738	53,810,428
Loans for discounted commercial notes and valuable papers	3,059,047	2,298,677
Overdraft and loans to credit card holders	294,007	422,799
Loans to foreign economic entities and individuals	20,580	26,931
	<hr/>	<hr/>
	82,224,372	56,558,835

Loan portfolio by loan group was as follows:

	31/12/2016 VND million	31/12/2015 VND million
Group 1 - Current debts	79,734,077	54,474,049
Group 2 - Special mention debts	1,291,514	1,187,695
Group 3 - Sub-standard debts	376,621	288,405
Group 4 - Doubtful debts	460,699	335,861
Group 5 - Loss debts	361,461	272,825
	<hr/>	<hr/>
	82,224,372	56,558,835

Loan portfolio by term was as follows:

	31/12/2016 VND million	31/12/2015 VND million
Short-term debts	34,052,485	22,060,108
Medium-term debts	29,487,894	20,162,349
Long-term debts	18,683,993	14,336,378
	<hr/>	<hr/>
	82,224,372	56,558,835

*The accompanying notes are an integral part of these consolidated financial statements***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2016 (continued)

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Loan portfolio by type of borrower and type of business was as follows:

	31/12/2016 VND million	31/12/2015 VND million
Other joint stock companies	26,970,387	15,852,643
Other limited liability companies	13,072,900	9,552,151
100% state owned enterprises	1,979,449	850,032
House-hold business	1,276,613	692,517
Private companies	883,170	730,956
Other state-owned companies	513,032	604,735
State-owned joint stock companies	408,783	182,910
Foreign-invested enterprises	332,240	422,873
Co-operatives	23,708	17,106
Others	34,668	64,477
Individuals	36,729,422	27,588,435
	<hr/>	<hr/>
	82,224,372	56,558,835

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

Loan portfolio by business sector of customers was as follows:

	31/12/2016 VND million	31/12/2015 VND million
Household work, production and consumer services	36,063,574	28,172,385
Constructions	9,059,197	5,000,975
Real estates	4,679,177	1,557,967
Manufacture and processing	4,571,492	2,124,555
Hotels and restaurants	4,534,253	1,526,513
Agriculture, forestry and fisheries	4,387,144	3,795,381
Electricity, gas, hot water, steam producing and distribution and air conditioning	2,608,913	2,016,680
Transportation and warehousing	2,256,132	1,011,046
Wholesale and retail trade, repair of automobiles, motorcycles, motorcycles and other engines	2,084,496	1,986,680
Financial, banking and insurance	1,430,077	830,885
State governance and national defense, Communist Party, unions, social obligations administrations and supporting services	585,454	549,748
Administrative and support services	468,166	511,028
Information and communication	406,587	218,271
Professional, science and technology	362,498	300,358
Training and education	155,806	220,737
Water supply and sewage treatment	103,309	28,736
Mining exploration	85,655	125,504
Arts and entertainment	82,933	63,454
Health care and social support	68,974	85,088
Others	8,230,535	6,432,844
	82,224,372	56,558,835

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

7. ALLOWANCE FOR LOSSES ON LOANS AND ADVANCES TO CUSTOMERS

Allowance for losses on loans and advances to customers consists of:

	31/12/2016 VND million	31/12/2015 VND million
General allowance (i)	592,827	404,022
Specific allowance (ii)	327,570	301,573
	920,397	705,595

(i) Movements in the general allowance for losses on loans and advances to customers during the year were as follows:

	2016 VND million	2015 VND million
Opening balance	404,022	274,628
Allowance made during the year	188,805	129,394
Closing balance	592,827	404,022

(ii) Movements in the specific allowance for losses on loans and advances to customers during the year were as follows:

	2016 VND million	2015 VND million
Opening balance	301,573	208,978
Allowance made during the year	527,047	380,177
Adjusted allowance made in the previous year	-	105
Allowance used during the year	(501,050)	(107,675)
Allowance used for debt sold to VAMC	-	(180,012)
Closing balance	327,570	301,573

The Group has fully made full allowance for losses on loans and advances in accordance with the laws and regulations.

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

8. PURCHASED DEBTS

	31/12/2016 VND million	31/12/2015 VND million
Purchased debts in VND	8,690	8,690
Allowance for losses on purchased debts	(3,201)	(3,201)
	5,489	5,489

The principal of purchased debts is as follows:

	31/12/2016 VND million	31/12/2015 VND million
Principal of purchased debts (i)	11.383	11.383

(i) As at 31 December 2016 and 2015, these purchased debts are classified into Group 5 – loss debts.

Movements in allowance for losses on purchased debts during the year were as follows:

	2016 VND million	2015 VND million
Opening balance	3,201	-
Allowance made during the year	-	43,004
Allowance used for debts sold to VAMC	-	(39,803)
Closing balance	3,201	3,201

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

9. TANGIBLE FIXED ASSETS

Year ended 31 December 2016	Buildings and structures VND million	Machine and equipment VND million	Motor vehicles VND million	Office equipment VND million	Others VND million	Total VND million
Cost						
Opening balance	364,252	151,670	162,589	223,833	9,241	911,585
Additions	66,746	1,061	15,864	18,155	-	101,826
Transfer to intangible fixed assets	(1,514)	-	-	-	-	(1,514)
Disposals	(1,117)	(566)	(5,742)	(866)	(121)	(8,412)
Closing balance	428,367	152,165	172,711	241,122	9,120	1,003,485
Accumulated depreciation						
Opening balance	55,000	93,986	90,731	147,488	5,552	392,757
Charge for the year	14,771	19,554	19,407	37,934	1,514	93,180
Disposals	(562)	(544)	(5,529)	(680)	(121)	(7,436)
Closing balance	69,209	112,996	104,609	184,742	6,945	478,501
Net book value						
Opening balance	309,252	57,684	71,858	76,345	3,689	518,828
Closing balance	359,158	39,169	68,102	56,380	2,175	524,984

The accompanying notes are an integral part of these consolidated financial statements

10. INTANGIBLE FIXED ASSETS

Year ended 31 December 2016	Definite land use rights VND million	Indefinite land use rights VND million	Software VND million	Other assets VND million	Total VND million
Cost					
Opening balance	19,513	222,954	179,793	1,718	423,978
Additions	25,873	543,470	1,430	183	570,956
Transfer from tangible fixed assets	-	1,514	-	-	1,514
Disposals	-	(8,500)	-	-	(8,500)
Closing balance	45,386	759,438	181,223	1,901	987,948
Accumulated depreciation					
Opening balance	1,240	-	135,014	1,338	137,592
Charge for the year	827	-	22,290	263	23,380
Closing balance	2,067	-	157,304	1,601	160,972
Net book value					
Opening balance	18,273	222,954	44,779	380	286,386
Closing balance	43,319	759,438	23,919	300	826,976

The accompanying notes are an integral part of these consolidated financial statements

11. INVESTMENT PROPERTIES

Year ended 31 December 2016	Buildings, structures VND million	Indefinite land use rights VND million	Total VND million
Cost			
Opening balance	10,523	54,461	64,984
Transfer from construction in progress	3,789	28,593	32,382
Disposals	(713)	(7,888)	(8,601)
Closing balance	13,599	75,166	88,765
Accumulated depreciation			
Opening balance	146	-	146
Charge for the year	275	-	275
Disposals	(37)	-	(37)
Closing balance	384	-	384
Net book value			
Opening balance	10,377	54,461	64,838
Closing balance	13,215	75,166	88,381

12. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	31/12/2016 VND million	31/12/2015 VND million
Borrowings from the SBV through open market	-	2,233,966
Asian Development Bank	21,791	27,305
Japan Bank for International Cooperation	155,844	227,050
	177,635	2,488,321

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

13. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	31/12/2016 VND million	31/12/2015 VND million
Demand deposits		
■ Demand deposits in VND	4,524,040	8,916
Term deposits		
■ Term deposits in VND	5,773,525	2,814,600
■ Term deposits in foreign currencies	3,323,850	207,955
	<u>13,621,415</u>	<u>3,031,471</u>
Borrowings		
■ Borrowings in VND	3,949,786	3,070,000
■ Borrowings in foreign currencies	2,113,464	493,460
	<u>6,063,250</u>	<u>3,563,460</u>
	<u>19,684,665</u>	<u>6,594,931</u>

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

14. DEPOSITS FROM CUSTOMERS

	31/12/2016 VND million	31/12/2015 VND million
Demand deposits		
■ Demand deposits in VND	9,258,445	4,774,031
■ Demand deposits in foreign currencies	554,824	825,084
Term deposits		
■ Term deposits in VND	22,097,095	16,920,185
■ Term deposits in foreign currencies	777,672	260,734
Saving deposits		
■ Saving deposits in VND	69,035,896	49,160,806
■ Saving deposits in foreign currencies	1,155,274	1,999,059
Specialised capital deposits		
■ Specialised capital deposits in VND	223,164	230,394
■ Specialised capital deposits in foreign currencies	5,931	144,576
Marginal deposits		
■ Marginal deposits in VND	164,232	174,161
■ Marginal deposits in foreign currencies	27,238	53,689
	<u>103,299,771</u>	<u>74,542,719</u>

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

Deposits from customers by type of customers and ownership were as follows:

	31/12/2016 VND million	31/12/2015 VND million
Corporate deposits	36,693,198	26,663,979
■ Joint stock companies	11,210,507	8,237,741
■ 100% state-owned limited liability companies	4,511,634	3,737,735
■ Other state-owned companies	4,291,209	3,359,292
■ Limited liability companies	3,678,320	3,286,132
■ Household business	3,092,852	3,242,873
■ Co-operatives	3,064,801	47,984
■ Foreign joint venture enterprises	1,111,396	527,774
■ State-owned joint stock company	755,324	536,304
■ Administrative agencies, parties, unions	606,439	279,146
■ 100% foreign-owned companies	552,629	356,650
■ Limited liability companies with more than 50% of charter capital owned by the State	415,537	490,154
■ Private enterprises	71,506	100,243
■ Farm	26,666	11,495
■ Partnerships	6,421	3,825
■ Others	3,297,957	2,446,631
Individual deposits	66,606,573	47,878,740
	103,299,771	74,542,719

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016 (continued)

B05/TCTD-HN

15. FUNDS, ENTRUSTED INVESTMENTS RECEIPTS, BORROWINGS AT RISK OF CREDIT INSTITUTION

	31/12/2016 VND million	31/12/2015 VND million
Funds, entrusted investments receipts and borrowings in VND		
■ Funds from Rural Development Fund	5,821	19,376
Funds, entrusted investments receipts and borrowings in foreign currencies		
■ Funds from Rural Development Fund	1,259	1,267
■ Funds from Power Sector Reform Policy Support Program – Phase III (i)	2,836,352	2,801,920
	2,843,432	2,822,563

(i) This fund is amounted to USD 128 million from the Ministry of Finance to finance the reforming program of electricity industry – Phase III with a term of 29 years from 4 August 2015 to 4 August 2043 with 6-month LIBOR interest rate of USD plus the variable amount adjusted periodically by the World Bank at 1 January and 1 July every year.

16. VALUABLE PAPERS ISSUED

	31/12/2016 VND million	31/12/2015 VND million
Certificates of deposits		
■ Less than 12 months	70,014	736,000
■ From 12 months to 5 years	5,097,000	1,281,000
Bonds		
■ From 12 months to 5 years	2,860,000	3,830,000
■ More than 5 years	3,000,000	2,000,000
	11,027,014	7,847,000

The accompanying notes are an integral part of these consolidated financial statements

17. TAXES PAYABLE TO STATE TREASURY

Year ended 31 December 2016	Opening balance	Movement during the year		Closing balance
	VND million	Incurred VND million	Paid VND million	VND million
Value added tax	5,903	25,140	(23,699)	7,344
Corporate income tax	73,818	226,872	(208,178)	92,512
Personal income tax	3,543	70,693	(67,867)	6,369
Foreign withholding tax	220	5,656	(5,518)	358
License tax	-	224	(224)	-
Others	-	1,848	(1,848)	-
	83,484	330,433	(307,334)	106,583

Year ended 31 December 2015	Opening balance	Phát sinh trong năm		Closing balance
	VND million	Incurred VND million	Paid VND million	VND million
Value added tax	3,477	36,011	(33,585)	5,903
Corporate income tax	114,640	160,762	(201,584)	73,818
Personal income tax	2,327	35,163	(33,947)	3,543
Foreign withholding tax	57	2,192	(2,029)	220
License tax	-	222	(222)	-
Others	-	161	(161)	-
	120,501	234,511	(271,528)	83,484

The accompanying notes are an integral part of these consolidated financial statements

18. NET INTEREST INCOME

	2016 VND million	2015 VND million
Interest and similar income from		
■ Loans and advances to customers and loans to other credit institutions	8,988,316	5,653,426
■ Deposits with other credit institutions	156,845	162,398
■ Investment securities	1,663,479	1,591,936
■ Guarantees activities	59,809	37,053
■ Other income from credit activities	452,853	477,665
	11,321,302	7,922,478
Interest and similar expense on		
■ Deposits from customers and other credit institutions	(5,277,393)	(3,799,962)
■ Borrowings from other credit institutions	(246,132)	(294,529)
■ Valuable papers issued	(914,654)	(483,405)
■ Other expenses on credit activities	(205,043)	(99,872)
	(6,643,222)	(4,677,768)
Net interest income	4,678,080	3,244,710

The accompanying notes are an integral part of these consolidated financial statements

19. NETFEES AND COMMISSION INCOME

	2016 VND million	2015 VND million
Fees and commission income		
■ Settlement services	115,093	100,981
■ Cash services	11,634	12,245
■ Supporting fee for asset preservation services and insurance agency contract	305	91,044
■ Trust and agent services	24	623
■ Advisory services	-	5,286
■ Other services		23,925
	167,320	234,104
Fees and commission expenses		
■ Settlement services	(37,001)	(34,870)
■ Cash services	(5,546)	(5,163)
■ Postal and telecommunication	(2,373)	(2,032)
■ Trust and agent services	(185)	(248)
■ Advisory services	(26)	(750)
■ Brokerage services	(26)	(100)
■ Other services		(2,834)
	(49,096)	(45,997)
Netfees and commission income	118,224	188,107

The accompanying notes are an integral part of these consolidated financial statements

20. CASH AND CASH EQUIVALENTS

	31/12/2016 VND million	31/12/2015 VND million
Cash on hand, gold	1,636,010	1,472,407
Balances with the SBV	2,389,302	2,742,385
Deposits with other credit institutions with original terms less than three months	15,971,314	6,676,195
Loans to other credit institutions with term less than three months	2,608,733	3,178,075
	22,605,359	14,069,062

21. EMPLOYEES BENEFIT

	2016 VND million	2015 VND million
Total number of employees	10,006	7,355
Employees' benefits		
Total salary and bonus	1,245,639	853,669
Other income	73,746	53,842
Total income (3=1+2)	1,319,385	907,511
Average monthly salary and bonus per employee	10	10
Average monthly income per employee	11	10

The accompanying notes are an integral part of these consolidated financial statements

22. ASSETS, VALUABLE PAPERS MORTGAGED, PLEDGED, DISCOUNTED AND REDISCOUNTED

(a) Assets, valuable papers mortgaged, pledged, discounted and rediscounted

	31/12/2016 VND million	31/12/2015 VND million
Assets and valuable papers of customers mortgaged, pledged and discounted		
Properties	100,908,041	63,322,301
Valuable papers	48,059,753	35,000,578
Movable assets	25,982,408	20,421,501
Other assets	33,670,035	34,526,988
	<u>208,620,237</u>	<u>153,271,368</u>
Assets and valuable papers of other credit institution mortgaged, pledged and discounted		
Valuable papers	450,000	450,000
	<u>209,070,237</u>	<u>153,721,368</u>

(b) Assets, valuable papers mortgaged, pledged, discounted and rediscounted

	31/12/2016 VND million	31/12/2015 VND million
Investment securities	7,154,000	4,429,000

The accompanying notes are an integral part of these consolidated financial statements

23. CONTINGENT LIABILITIES AND COMMITMENTS

	31/12/2016			31/12/2015		
	CONTRACTU- AL VALUE – GROSS VND MILLION	DEPOSITS VND MILLION	CONTRAC- TUAL VALUE – NET VND MILLION	CONTRACTU- AL VALUE – GROSS VND MILLION	DEPOSITS VND MILLION	CONTRAC- TUAL VALUE – NET VND MILLION
Lending guarantees	9,862	-	9,862	12,062	-	12,062
Commitments on foreign exchange transactions	35,669,948	-	35,669,948	7,716,776	-	7,716,776
<i>Of which:</i>						
■ Commitments on purchase of foreign currencies	2,942,536	-	2,942,536	1,590,000	-	1,590,000
■ Commitments on sale of foreign currencies	1,288,271	-	1,288,271	1,789,655	-	1,789,655
■ Commitments on foreign currencies swap	31,439,141	-	31,439,141	4,337,121	-	4,337,121
Commitments on letters of credit	1,092,889	(45,921)	1,046,968	1,249,452	(64,609)	1,184,843
Other guarantees	2,730,004	(137,259)	2,592,745	2,064,030	(139,057)	1,924,973

The accompanying notes are an integral part of these consolidated financial statements

24. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET COMMITMENTS BY GEOGRAPHICAL AREA

As at 31 December 2016

	LOANS AND ADVANCES TO CUSTOMERS – GROSS	DEPOSITS FROM CUSTOMERS	VALUABLE PAPERS ISSUED	CONTINGENT LIABILITIES AND CREDIT COMMITMENTS – GROSS	INVESTMENT SECURITIES – GROSS	LONG-TERM INVESTMENTS – GROSS	DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS – GROSS	DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTION	DERIVATIVES INSTRUMENTS (TOTAL CONTRACT VALUE)
Domestic	82,224,372	103,299,771	11,027,014	3,832,755	35,688,166	495,945	18,347,864	19,343,865	19,314,985
Overseas	-	-	-	-	-	-	232,183	340,800	-
	82,224,372	103,299,771	11,027,014	3,832,755	35,688,166	495,945	18,580,047	19,684,665	19,314,985

As at 31 December 2015

	LOANS AND ADVANCES TO CUSTOMERS – GROSS	DEPOSITS FROM CUSTOMERS	VALUABLE PAPERS ISSUED	CONTINGENT LIABILITIES AND CREDIT COMMITMENTS – GROSS	INVESTMENT SECURITIES – GROSS	LONG-TERM INVESTMENTS – GROSS	DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS – GROSS	DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTION	DERIVATIVES INSTRUMENTS (TOTAL CONTRACT VALUE)
Domestic	56,558,835	74,542,719	7,847,000	3,325,544	22,639,925	530,192	11,533,308	6,594,931	6,344,013
Overseas	-	-	-	-	-	-	564,532	-	-
	56,558,835	74,542,719	7,847,000	3,325,544	22,639,925	530,192	12,097,840	6,594,931	6,344,013

31 March 2017

Prepared by: Ho Dang Hoang Quyen
Chief Accountant

Reviewed by:

Pham Van Dau
Chief Financial Officer

Approved by:


Nguyen Huu Dang
General Director

The accompanying notes are an integral part of these consolidated financial statements

OUR NETWORK

DOMESTIC NETWORKS

HDBank

1 Head Office
 1 representative office in Ha Noi
 221 transaction locations and saving desks
 in 37 cities/provinces nationwide

Southern Region:

- | | |
|---------------------|-----------------------|
| 1. Ho Chi Minh City | 8. An Giang |
| 2. Long An | 9. Kien Giang |
| 3. Ben Tre | 10. Ca Mau |
| 4. Vinh Long | 11. Tay Ninh |
| 5. Dong Thap | 12. Ba Ria - Vung Tau |
| 6. Can Tho | 13. Binh Duong |
| 7. Soc Trang | 14. Binh Phuoc |
| | 15. Dong Nai |

Central Region:

- | | |
|----------------|----------------|
| 16. Lam Dong | 23. Quang Ngai |
| 17. Dak Lak | 24. Quang Nam |
| 18. Gia Lai | 25. Da Nang |
| 19. Kon Tum | 26. Hue |
| 20. Binh Thuan | 27. Ha Tinh |
| 21. Khanh Hoa | 28. Nghe An |
| 22. Binh Dinh | |

Northern Region:

- | | |
|---------------|----------------|
| 29. Ha Noi | 34. Quang Ninh |
| 30. Thanh Hoa | 35. Bac Ninh |
| 31. Nam Dinh | 36. Lang Son |
| 32. Hai Phong | 37. Lao Cai |
| 33. Hai Duong | |



INTERNATIONAL NETWORKS

HDBank has built up correspondent banking relationship with about 400 banks and their branches in many countries and territories, covering all key markets.



HO CHI MINH CITY

Head office
 HDBank Nguyen Dinh Chieu
 HDBank Sai Gon
 HDBank Cach Mang Thang 8
 HDBank Tan Dinh
 HDBank Nguyen Van Cu
 HDBank Truong Dinh
 HDBank Thao Dien
 HDBank Nguyen Duy Trinh
 HDBank Dong Sai Gon
 HDBank Nguyen Thi Dinh
 HDBank Nam Ky Khoi Nghia
 HDBank Van Hanh
 HDBank Duy Tan
 HDBank Khanh Hoi
 HDBank Hoang Dieu
 HDBank Nguyen Trai
 HDBank Gia Dinh
 HDBank Phu Lam
 HDBank Minh Phung
 HDBank Kinh Duong Vuon
 HDBank Phu My Hung
 HDBank Huynh Tan Phat
 HDBank Nam Sai Gon
 HDBank Hiep Phu
 HDBank Phuoc Long
 HDBank Ngo Gia Tu
 HDBank Ba Thang Hai
 HDBank Hoa Hung
 HDBank Lac Long Quan
 HDBank Ho Chi Minh City
 HDBank Binh Thoi
 HDBank Ta Uyen
 HDBank Truong Chinh
 HDBank Nguyen Anh Thu
 HDBank Binh Hung
 HDBank Khu Nam
 HDBank Bach Dang
 HDBank Le Quang Dinh
 HDBank Dinh Bo Linh
 HDBank Hang Xanh
 HDBank Hoang Hoa Tham
 HDBank Binh Thanh
 HDBank Phu Nhuan
 HDBank Cong Ly
 HDBank Lanh Binh Thang
 HDBank Le Van Sy
 HDBank Cong Hoa
 HDBank Au Co
 HDBank Tan Binh
 HDBank Hoa Binh
 HDBank Tan Phu
 HDBank Binh Phu
 HDBank Le Trong Tan
 HDBank Nguyen Son
 HDBank Linh Dong
 HDBank Thu Duc
 HDBank Phan Van Tri
 HDBank Nguyen Oanh
 HDBank Go Vap

LONG AN

HDBank Long An
 HDBank Long Hau

25bis Nguyen Thi Minh Khai, Ben Nghe ward, district 1
 58 Nguyen Dinh Chieu, DaKao ward, district 1
 22-24-26 Pasteur, Nguyen Thai Binh ward, district 1
 81 Cach Mang Thang 8, Ben Thanh ward, district 1
 85 Nguyen Huu Cau, Tan Dinh ward, district 1
 118-120 Nguyen Van Cu, Nguyen Cu Trinh ward, district 1
 179 Nguyen Cu Trinh, Nguyen Cu Trinh ward, district 1
 1451 38 Street, Thao Dien ward, district 2
 201 Nguyen Duy Trinh, Binh Trung Tay ward, district 2
 260 Tran Nao, Binh An ward, district 2
 519 Nguyen Thi Dinh, Cat lai ward, district 2
 215 Nam Ky Khoi Nghia, ward 7, district 3
 374-347B Vo Van tan, ward 5, district 3
 69 Pham Ngoc Thach, ward 6, district 3
 173 Khanh Hoi, ward 3, district 4
 1 Dinh Le, ward 12, district 4
 207-209 Nguyen Trai, ward 2, district 5
 1015 Tran Hung Dao, ward 5, district 5
 138 Kinh Duong Vuong, ward 12, district 6
 160-171 Minh Phung, ward 9, district 6
 278 Kinh Duong Vuong, ward 12, district 6
 1485 Nguyen Van Linh, My Toan 1 quarter, Tan Phong ward, district 7
 705 Huynh Tan Phat, Phu Thuan ward, district 7
 179A Chanh Hung, ward 4, district 8
 199 Le Van Viet, Hiep Phu ward, District 9
 93 Do Xuan Hop, Phuoc Long B ward, district 9
 372-374 Ngo Gia Tu, ward 4, district 10
 604 Ba Thang Hai street, ward 14, district 10
 459 Su Van Hanh, ward 12, district 10
 953 Binh Thoi, ward 13, district 11
 K&K Tower, 159A – B Le Dai Hanh, ward 13, district 11
 11 - 13 Au Co, ward 14, district 11
 742-744 Nguyen Chi Thanh, ward 4, district 11
 2/6B Truong Chinh, Tan Thoi Nhat ward, district 12
 2C Nguyen Anh Thu, Trung My Tay ward, district 12
 A 30/20 highway 50, Binh Hung commune, Binh Chanh district
 39, 9A street Trung Son area, Binh Hung commune, Binh Chanh district
 204 Bach Dang, ward 24, Binh Thanh district
 472 Le Quang Dinh, ward 11, Binh Thanh district
 51D Dinh Bo Linh, ward 26, Binh Thanh district
 341-343 Dien Bien Phu, ward 15, Binh Thanh district
 104A Hoang Hoa Tham, ward 7, Binh Thanh district
 132-134 D2 street, ward 25, Binh Thanh district
 174 Phan Dang Luu, ward 3, Phu Nhuan district
 102 A2 Huynh Van Banh, ward 15, Phu Nhuan district
 449-451 Ly Thuong Kiet, ward 8, Tan Binh district
 236A Le Van Sy, ward 1, Tan Binh district
 440A Cong Hoa, ward 13, Tan Binh district
 516 Au Co, ward 10, Tan Binh district
 954 Au Co, ward 14, Tan Binh district
 173 Hoa Binh, Hiep Tan ward, Tan Phu district
 21A Go Dau, Tan Nhi ward, Tan Phu district
 30 – 32 Binh Phu, ward 11, district 6
 286 Le Trong Tan, Tay Thanh ward, Tan Phu district
 238 Nguyen Son, Tan Thoi Hoa ward, Tan Phu district
 226 To Ngoc Van, Linh Dong ward, Thu Duc district
 269 – 271 Vo Van Ngan, Binh Tho ward, Thu Duc district
 561 Phan Van Tri, ward 5, Go Vap district
 679 Nguyen Kiem, ward 3, Go Vap district
 871 Quang Trung, ward 12, Go Vap district

130 – 132 Nguyen Huu Tho, quarter 3, Ben Luc town
 Hamlet 3rd, Long Hau commune, Can Giuoc district

BEN TRE

HDBank Ben Tre 257A Dong Khoi avenue, Phu Tam ward, Ben Tre province

VINH LONG

HDBank Vinh Long 138 Pham Thai Buong, ward 4, Vinh Long city

DONG THAP

HDBank Dong Thap 62-64 Ly Thuong Kiet, ward 2, Cao Lanh city

CAN THO

HDBank Can Tho 162-162B Tran Hung Dao, An Nghiep ward, Ninh Kieu district
 HDBank Thot Not 262 Highway 91, Long Thanh 1, Thot Not ward, Thot Not district
 HDBank Xuan Khanh 209A – 209B 30 Thang 4 Street, Xuan Khanh ward, Ninh Kieu district
 HDBank O Mon 554/6, 26/3 street, Chau Van Liem ward, O Mon district

SOC TRANG

HDBank Soc Trang 179-179A Tran Hung Dao, ward 3, Soc Trang city

AN GIANG

HDBank An Giang 246 Tran Hung Dao, My Xuan ward, Long Xuyen city
 HDBank Chau Phu 8 Cai Dau town, Chau Phu district, An Giang province
 HDBank Chau Doc 163-165 Le Loi, Chau Long 2, Chau Phu B ward, Chau Doc city

KIEN GIANG

HDBank Kien Giang A7- 63+64, Ba Thang Hai, Vinh Bao ward, Rach Gia city

CA MAU

HDBank Ca Mau 138A – 138B Ngo Quyen, ward 9, Ca Mau city

TAY NINH

HDBank Tay Ninh 410 30/4 street, ward 3, Tay Ninh city

BA RIA-VUNG TAU

HDBank Vung Tau 7 Nguyen Thai Hoc, ward 7, Vung Tau city
 HDBank Le Hong Phong 63 Le Hong Phong, ward 7, Vung Tau city
 HDBank Ly thuong Kiet 35 Tran Hung Dao, ward 1, Vung Tau city
 HDBank Ba Ria 267 Cach Mang Thang 8, Phuoc Hung ward, Ba Ria city
 HDBank Phuoc Tinh 156 Phuoc Binh hamlet, Long Dien district, Ba Ria Vung Tau province
 HDBank Chau Duc 307 Hung Vuong, Ngai Giao town, Chau Duc district

BINH DUONG

HDBank Binh Duong 558 Binh Duong avenue, Hiep Thanh ward, Thu Dau Mot
 HDBank Thu Dau Mot B kiosk, Dinh Bo Linh market, Thu Dau Mot
 HDBank Di An 90 Di An – Truong Tre street, Binh Minh 2 residential, Di An
 HDBank Binh An 38A/3 1K highway, Noi Hoa 2, Binh An ward, Di An
 HDBank So Sao 2nd quarter, Tan Dinh ward, Ben Cat
 HDBank Hoa Lan 1/507 Hoa Lan 2 quarter, Thuan Giao ward, Thuan An
 HDBank Cong Xanh 50 group 9, Cong Xanh hamlet, Bac Tan Uyen district
 HDBank Lai Thieu 41/3 Phan Dinh Phung, Long Thoi quarter, Lai Thieu ward, Thuan An

BINH PHUOC

HDBank Binh Phuoc 21-22 Highway 14, Tan Phu ward, Dong Xoai

DONG NAI

HDBank Dong Nai 208Dbis Pham Van Thuan street, Tan Tien ward, Bien Hoa city
 HDBank SGD Dong Nai 56-58bis CMT8 street, Quyet Thang ward, Bien Hoa city
 HDBank Tan Hiep 433 - 435bis Dong Khoi street, Tan Tien ward, Bien Hoa city
 HDBank Tan Phong 1378bis Nguyen Ai Quoc street, Tan Tien ward, Bien Hoa city
 HDBank Quyet Thang 152bis Cach Mang Thang Tam street, Quyet Thang ward, Bien Hoa city
 HDBank KCN AMATA 50-52bis Dong Khoi street, Tan Hiep ward, Bien Hoa city
 HDBank Long Binh 351bis highway 5, 1st quarter, Long Binh Tan ward, Bien Hoa city
 HDBank Tan Mai 1/20 bis group 3, 7th quarter, Tan Mai ward, Bien Hoa city
 HDBank Quang Vinh 19/1bis Dong Nai hamlet, Hoa An commune, Bien Hoa city
 HDBank Dong Khoi Kiosk 13-14 Thanh Binh residential area, Nguyen Trai Street, Bien Hoa city
 HDBank Thanh Binh 93bis 30/4 street, Thanh Binh ward, Bien Hoa city

HDBank Ho Nai

HDBank Tam Hiep A3-A8 5th quarter, Tan Bien ward, Bien Hoa city
 HDBank Tan Hoa 151/2bis Pham Van Thuan street, Tam Hiep ward, Bien Hoa city
 HDBank Tan Bien 58/1-60/1bis, Tan Hoa ward, Bien Hoa city
 HDBank Buu Long 338bis Nguyen Ai Quoc street, 19th quarter, Ho Nai ward, Bien Hoa city
 HDBank Song Ray 17/5A-17/5B group 4, 2nd quarter, Buu Long ward, Bien Hoa city
 HDBank Dinh Quan Hamlet 5, Song Ray commune, Cam My district
 HDBank Long Thanh 193bis, 20th highway, Hiep Quyet hamlet, Dinh Quan district
 HDBank Xuan An 173/KSbis Le Duan street, The Van Hai, Long Thanh ward, Long Thanh district
 HDBank Long Khanh 1st quater, Hung Vuong street, Xuan Binh ward, Long Khanh district
 HDBank Xuan Hoa N32-N32Bbis, Hung Vuong street, Xuan Binh ward, Long Khanh district
 HDBank Nhon Trach 520bis Hung Vuong street, Xuan Hoa ward, Long Khanh district
 HDBank Tam Phuoc 357bis Hung Vuong street, hamlet 3rd, Hiep Phuoc social, Nhon Trach district
 HDBankPhuong Lam 2468bis, Long Duc 1 hamlet, Tam Phuoc commune
 HDBankThong Nhat Phuoc Lam 1 hamlet, Phu Lam commune, Tan Phu district
 HDBank Trang Bom A2/063bis 20th highway, Quang Trung commune, Thong Nhat district
 HDBank Dong Hoa B4-B5bis The Cottage North, 1A highway, Trang Bom district
 HDBank Ho Nai 3 04bis Bau Cat hamlet, Trung Hoa commune, Trang Bom district
 HDBank Vinh An 459A bis 5th Hamlet, Thanh Phu commune, Vinh Cuu district
 HDBank Gia Ray 5th quarter, Vinh An, Vinh Cuu district
 362bis Tran Phu street, quarter 3rd, Gia Ray, Xuan Loc district

LAM DONG

HDBank Lam Dong 1/23bis Tran Phu street, ward 4, Da Lat city

DAK LAK

HDBank Dak Lak 38-40bis Y-Jut street, Tan Tien ward, Buon Me Thuot city
 HDBank Chu Quynh 1st village, Ea Ktur commune, Cu Kulk district
 HDBank Krong Buk Group 6, Tan Lap, Pong Drang commune, Krong Buk district

GIA LAI

HDBank Gia Lai Kiosk 1 2 3 4, 01bis Phu Dong street, Phu Dong ward, Pleku city

KON TUM

HDBank Kon Tum 664bis Tran Phu street, Quyet Thang ward, Kon Tum city

BINH THUAN

HDBank Binh Thuan 119bis Tran Hung Dao street, Phu Thuy ward, Phan Thiet city

KHANH HOA

HDBank Nha Trang 12bis Tran Quy Cap street, Van Thanh ward, Nha Trang city
 HDBank Cho Moi 3.05Abis 23/10 street, Ngoc Hiep ward, Nha Trang city
 HDBank Cam Ranh 109bis Hung Vuong boulevard, Cam Loi ward, Khanh Hoa

BINH DINH

HDBank Binh Dinh 80-91bis Mai Xuan Thuong street, Quy Nhon city

QUANG NGAI

HDBank Quang Ngai 219-221bis Quang Trung street, Le Hong Phong ward

QUANG NAM

HDBank Quang Nam 244bis Ly Thuong Kiet street, Son Phong ward, Hoi An city

DA NANG

HDBank Da Nang 74-76-78bis Chi Lang street, Hai Chau 2 ward, Hai Chau district
 HDBank Hoa Cuong 376bis Nui Thanh street, Hai Chau district
 HDBank Le Duan 238bis Le Duan street, Tan Chinh ward, Thanh Khe district
 HDBank Hai Chau Kiosk 500A Dien Bien Phu street, Thanh Khe district
 HDBank Nguyen Van Linh 150-152bis Nguyen Van Linh street, Thanh Khe district

HUE

HDBank Hue 41-43bis Ben Nghe street, Phu Hoi ward

HA TINH

HDBank Ha Tinh 75bis Phan Dinh Phung street, Bac Ha ward Ha Tinh city
 HDBank Vung An Lien Giang village, Ky Long commune, Ky Anh district

NGHE AN

HDBank Nghe An 39bis Le Hong Phong street, Vinh city
 HDBank Vinh 22bis Quang Trung street, Quang Trung ward, Vinh city
 HDBank Minh Khai 78bis Nguyen Thi Minh Khai street, Vinh city
 HDBank Hung Phuc 282bis Nguyen Van Cu street, Hung Phuc ward, Vinh city
 HDBank Dien Chau 7th village, Dien Ky commune, Dien Chau district
 HDBank Quan Hanh Group 4, 1A highway, Quan Hanh, Nghi Loc district

THANH HOA

HDBank Thanh Hoa 13,14bis Phan Chu Trinh street, Dien Bien ward

NAM DINH

HDBank Nam Dinh 9bis Nguyen Du street, Nguyen Du ward, Nam Dinh city

HA NOI

HDBank Trang Tien 9bis Le Van Linh street, Hang Ma ward, Hoan Kiem district
 HDBank Tran Hung Dao 33bis Trang Thi street, Tran Hung Dao ward, Hoan Kiem district
 HDBank Thu Do 14-16bis Ham Long street, Phan Chu Trinh ward, Hoan Kiem district
 HDBank Nam Ha Noi 120bis Hang Trong street, Trang Tien ward, Hoan Kiem district
 HDBank Hang Buom 54bis Hoan Buom street, Hoan Kiem district
 HDBank Trang An 98Bbis Tran Hung Dao street, Cua Nam ward, Hoan Kiem district
 HDBank Hong Ha 01bis Nguyen Van To street, Cua Dong ward, Hoan Kiem district
 HDBank Long Bien 562bis Nguyen Van Cu street, Long Bien district
 HDBank Ha Huy Tap 547bis Ngo Gia Tu street, Duc Giang ward, Long Bien district
 HDBank Le Thanh Nghi 142bis Nguyen An Ninh street, Tuong Mai ward, Hoang Mai district
 HDBank Linh Dam 7bis Bac Linh Dam street, Nguyen Huu Tho ward, Hoang Mai district
 HDBank Yen Thai 392bis Thuy Khue, Bui ward, Tay Ho district
 HDBank Tay Ho 22bis Xuan La street, Xuan La ward, Tay Ho district
 HDBank Hung Vuong 249Abis Thuy Khue street, Thuy Khue ward, Tay Ho district
 HDBank Yen Phu 7Abis Yen Phu street, Tay Ho district
 HDBank Hoang Van Thai 142bis Hoang Van Thai street, Khuong Mai ward, Thanh Xuan district
 HDBank Thanh Xuan 144bis Khuat Duy Tien street, Thanh Xuan district
 HDBank Trieu Khuc Cau hamlet, Trieu Khuc commune, Thanh Tri district
 HDBank My Dinh 1 1st floor, A4 building, My Dinh 1, My Dinh commune, Tu Liem district
 HDBank My Dinh 2 kiosk 117 Residential area TT3, My Dinh commune, Tu Liem district.
 HDBank Tu Liem 27bis Nguyen Xa street, Minh Khai, Tu Liem district

HAI PHONG

HDBank Hai Phong 116bis (2nd & 10th Floor) Nguyen Duc Canh street, Le Chan district
 HDBank Hai Dang 02 Kiosk 22A, Le Hong Phong street, Dong Khe ward, Ngo Quyen
 HDBank Ngo Quyen 386bis Tô Hieu street, Ho Nam ward, Le Chan district, Hai Phong city

HAI DUONG

HDBank Hai Duong 360bis Nguyen Luong Bang street, Binh Han ward
 HDBank Dien Bien Phu 199bis Dien Bien Phu street, Binh Han ward
 HDBank Thanh Dong 22bis Quang Trung street, Quang Trung ward, Hai Duong city

QUANG NINH

HDBank Quang Ninh 131bis 25/4 street, Bach Dang ward, Ha Long city

BAC NINH

HDBank Bac Ninh 10bis Nguyen Dang Dao street, Bac Ninh city
 HDBank Tu Son 198bis Tran Phu street, Tu Son, Bac Ninh

LANG SON

HDBank Lang Son 298bis Ba Trieu street, Vinh Tuong ward, Lang Son city

LAO CAI

HDBank Lao Cai 143bis Hoang Lien street, Coc Leu ward



HD Bank

