

1H2024 Results & Business Update

High and Sustainable growth

Pioneering the comprehensive implementation of ESG strategy

Ho Chi Minh City, August 2024



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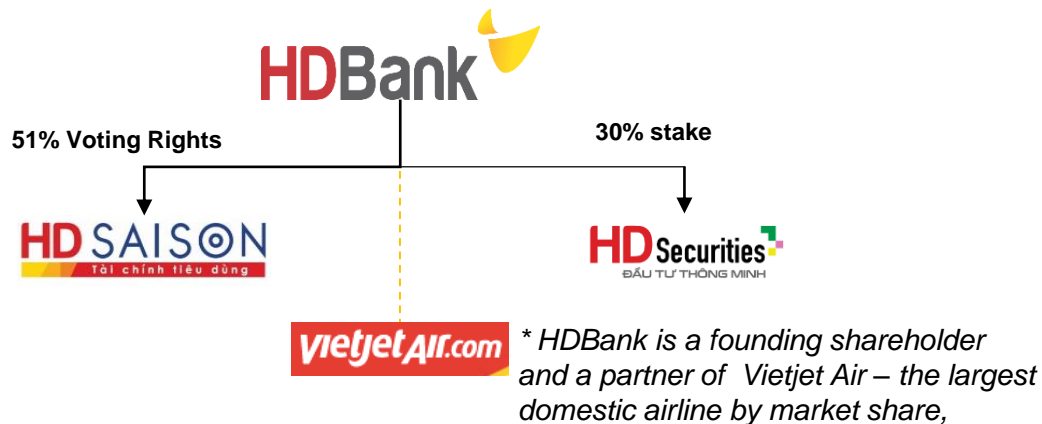
Overview of HDBank

One of the best banks in delivering shareholders' value

Overview

- Established in 1989, HDBank is currently among the largest listed companies by market capitalization and belongs to VN30 Index of top companies by market cap.
- HDBank has proven M&A capabilities, successfully completing the acquisition of Societe Generale Viet Finance and DaiA Bank in 2013 to become one of the largest financial institutions in Vietnam
- HDBank has 51% of voting rights in HD Saison, one of the largest consumer finance companies in Vietnam.
- As of 30/06/2024, the Bank had 362 branches and transaction offices, more than 25,100 points of sale, nearly 17,800 employees serving over 17 million customers.
- Affiliated with Sovico - one of Vietnam's largest and most reputable conglomerates
- HDBank's long-term deposit credit rating is affirmed at B1 by Moody's

Subsidiary and partners



Source: Company data;
Exchange rate: 1 USD = 25,450 VND

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

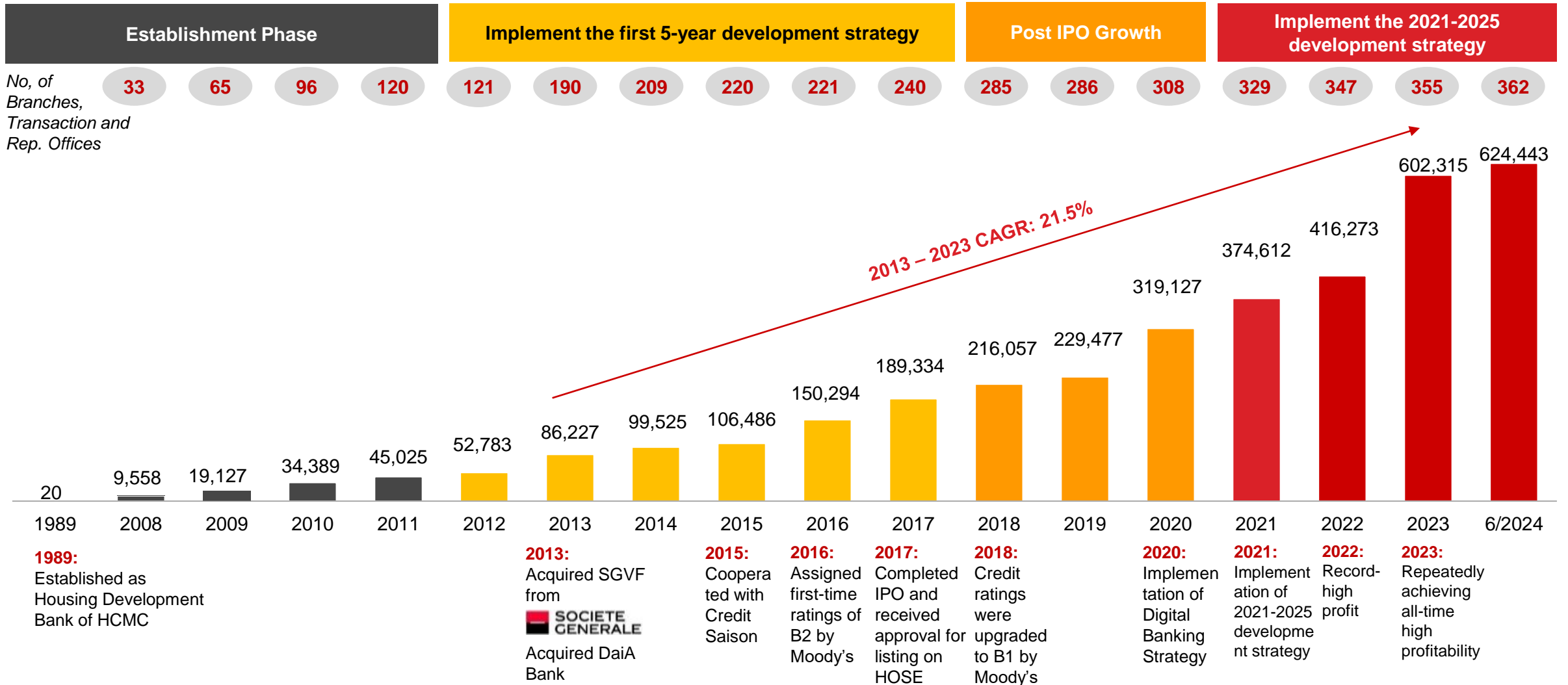
Key Statistics of 1H2024 Performance

VND624tn (~US\$24.5 billion) Total assets 10 years CAGR 21.5%	VND399tn (~US\$15.7 billion) Total credit balance* Growth rate: 36.2% (YOY)	VND8.2tn (~US\$ 320.8 million) Profit before tax Growth rate: 48.9% (YOY)
5.7% Net interest margin	26.1% Return on equity	13.9% CAR (Basel II)
1.85% NPL ratio (parent bank) (Before CIC reclassification: 1.28%)	34.2% Cost-to-Income Ratio (CIR)	9.6% Tier-1 ratio (Basel II)

Development Timeline

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

(In VNDbn)



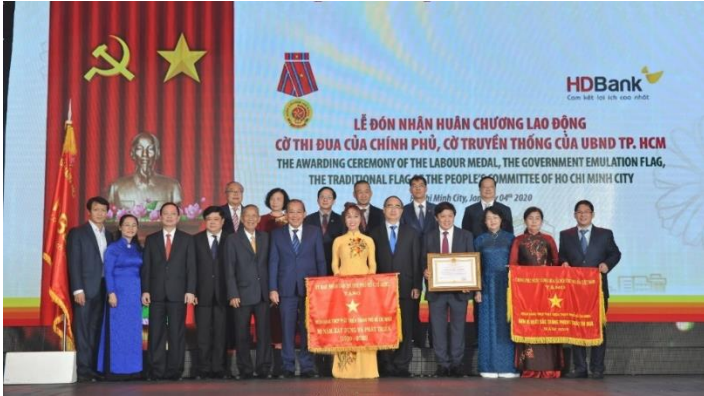
Source: Financial Statements

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

Reputable Brand Name

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

Prestigious Awards from the Government



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

Moody's Credit Rating

MOODY'S

Credit rating of **B1**

Internationally Recognized Awards



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



- 2024 Best Commercial Bank in Vietnam



- Best bank for Sustainable Finance in 2024



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



- Retail Bank of the Year 2024
- Digital Banking and Payment Initiative of the Year 2024



- Top Most Reputable Private Joint Stock Commercial Bank in Vietnam 2024
- Top Prestigious and Efficient Public Company 2024



- ESG Leadership Award
- Outstanding CSR Activity Award



- Board of the Year in 2023

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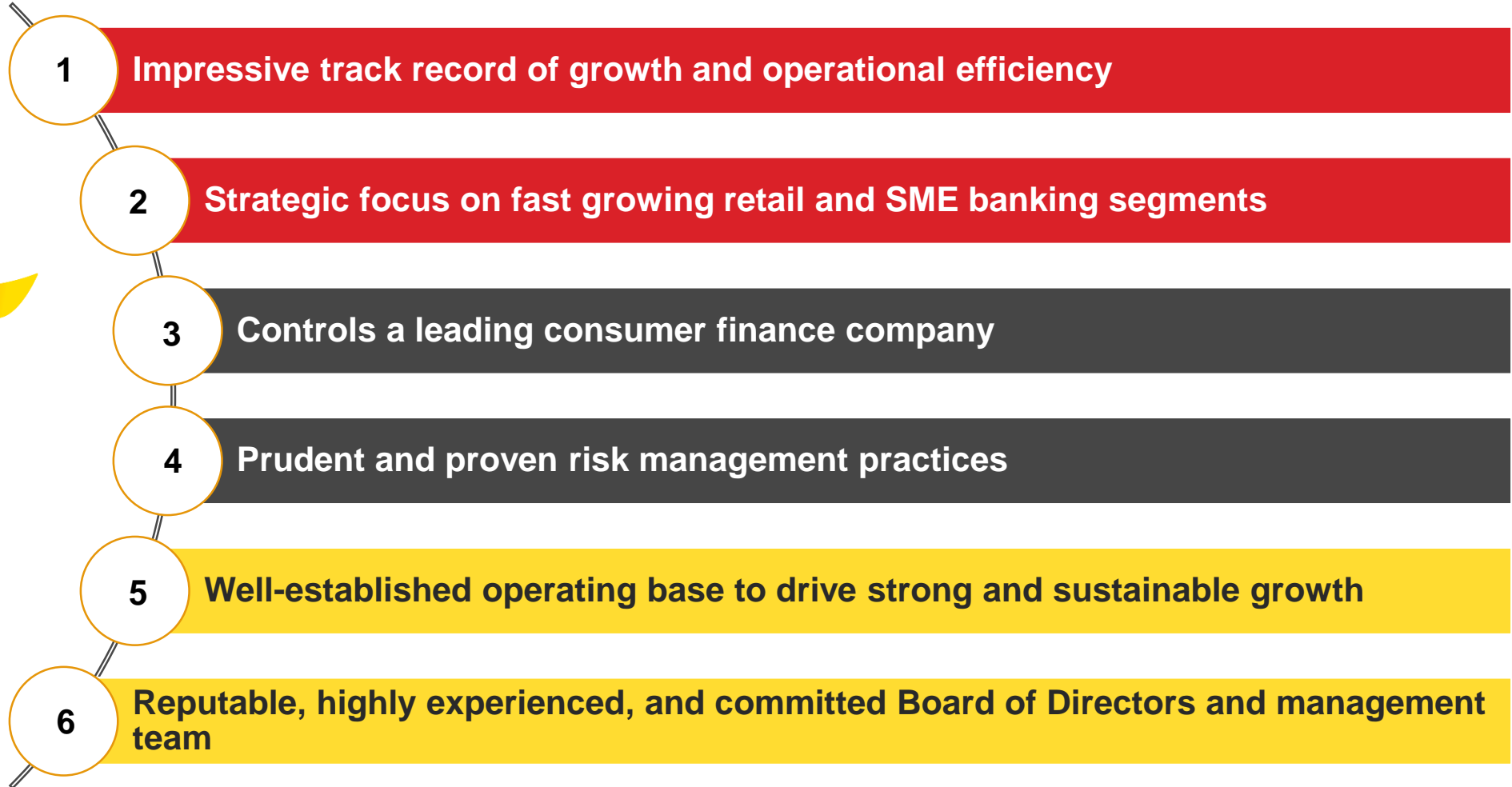
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Key Investment Highlights

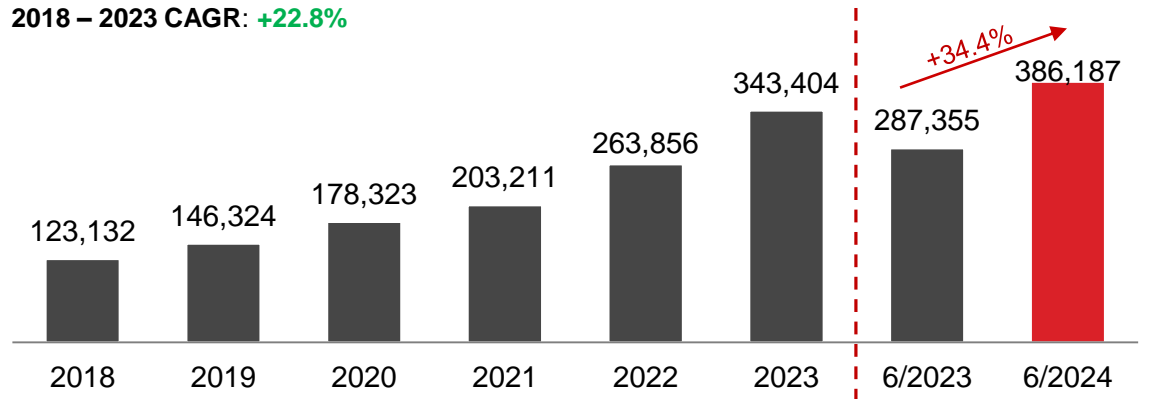


1 Impressive Track Record Of Growth And Operational Efficiency

Significant growth in scale with ample capital base

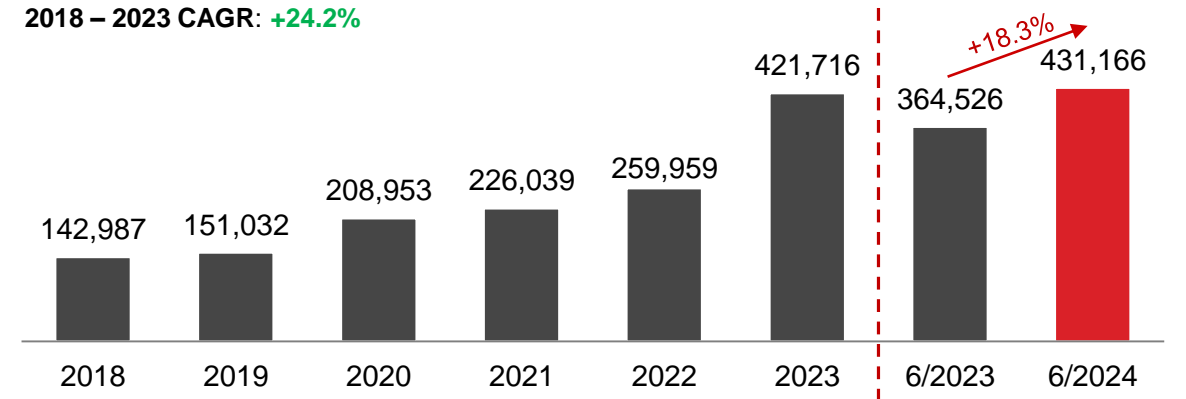
Loan Book (VNDbn)

2018 – 2023 CAGR: +22.8%



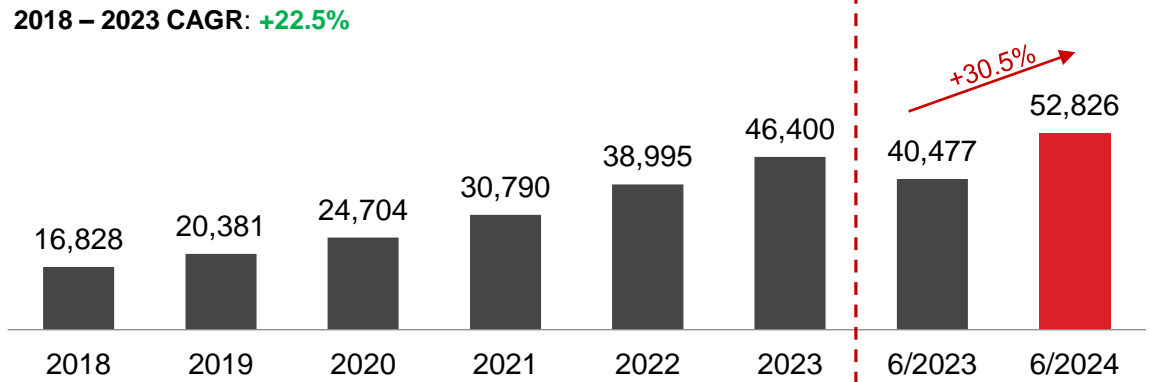
Customer Deposits and Valuable Papers (VNDbn)

2018 – 2023 CAGR: +24.2%

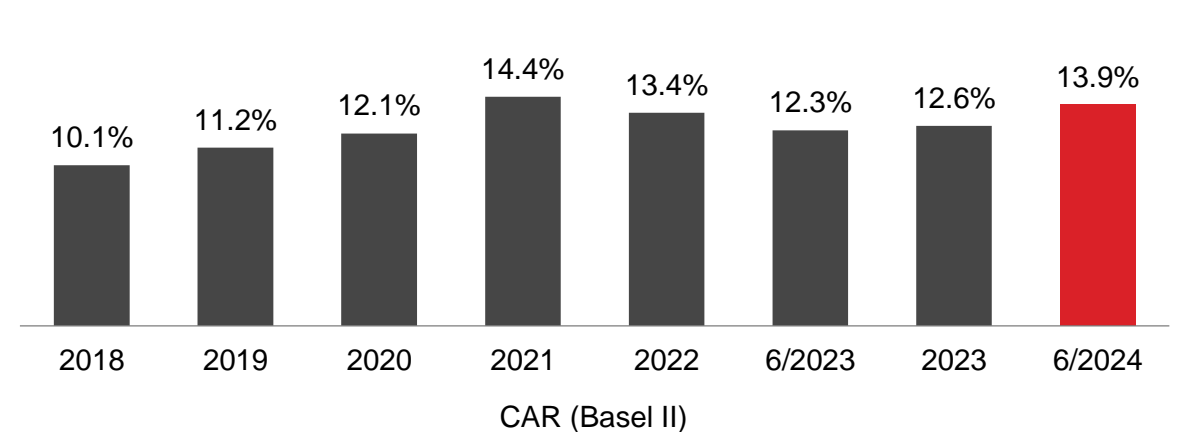


Total Equity (VNDbn)

2018 – 2023 CAGR: +22.5%



High level of Capital Adequacy

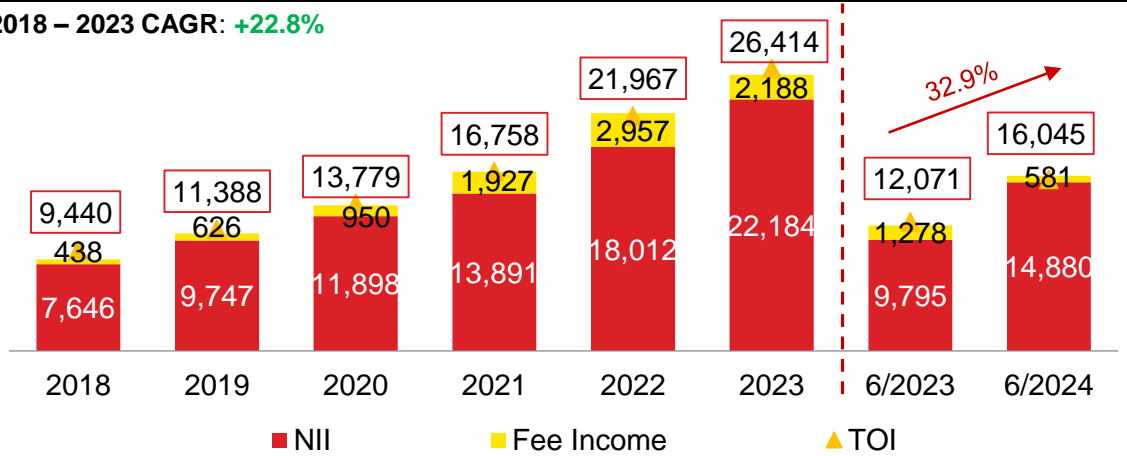


1 Impressive Track Record Of Growth And Operating Efficiency

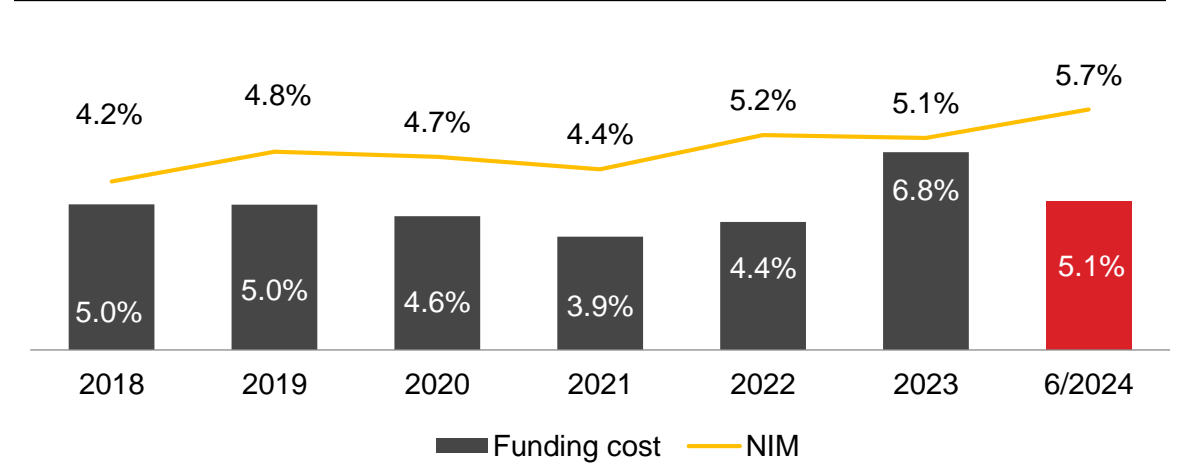
Consistently achieving strong profitability

Total Operating Income Breakdown (VNDbn)

2018 – 2023 CAGR: +22.8%

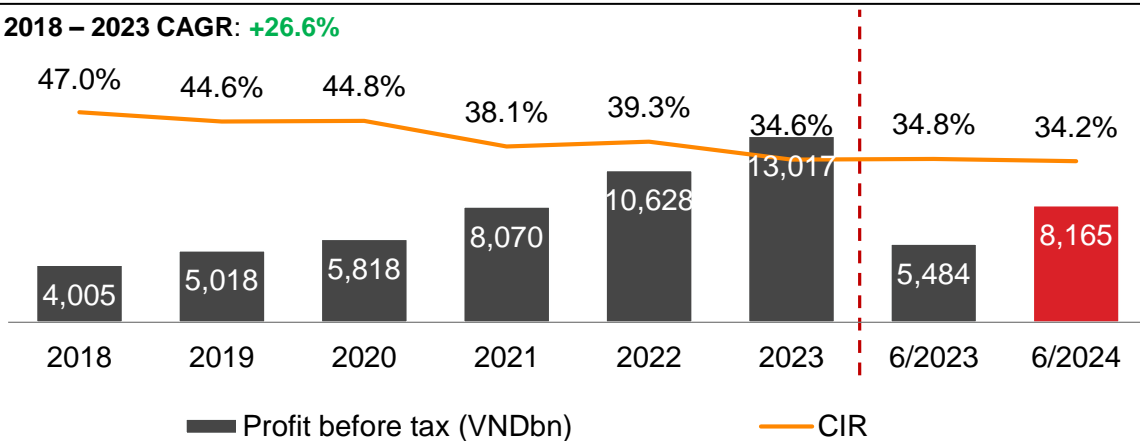


Sustainable NIM with Well-controlled Funding Costs

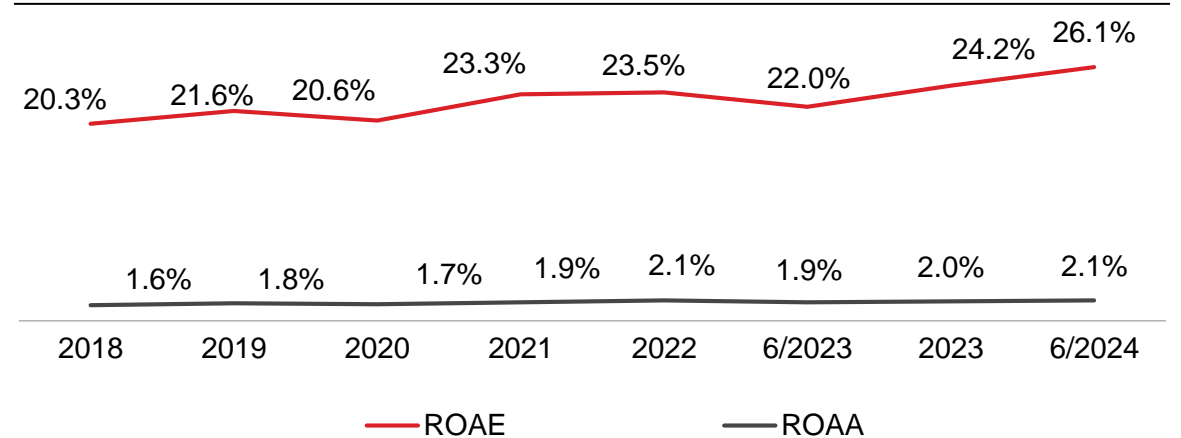


Optimal operational efficiency and consistent profitability

2018 – 2023 CAGR: +26.6%



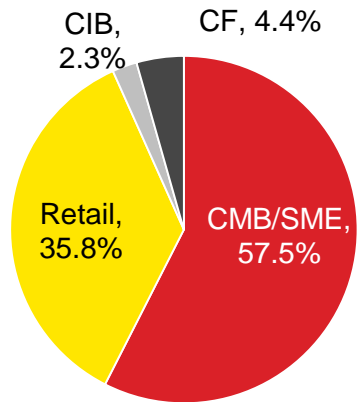
Sustainable and Growing Profitability Ratios



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

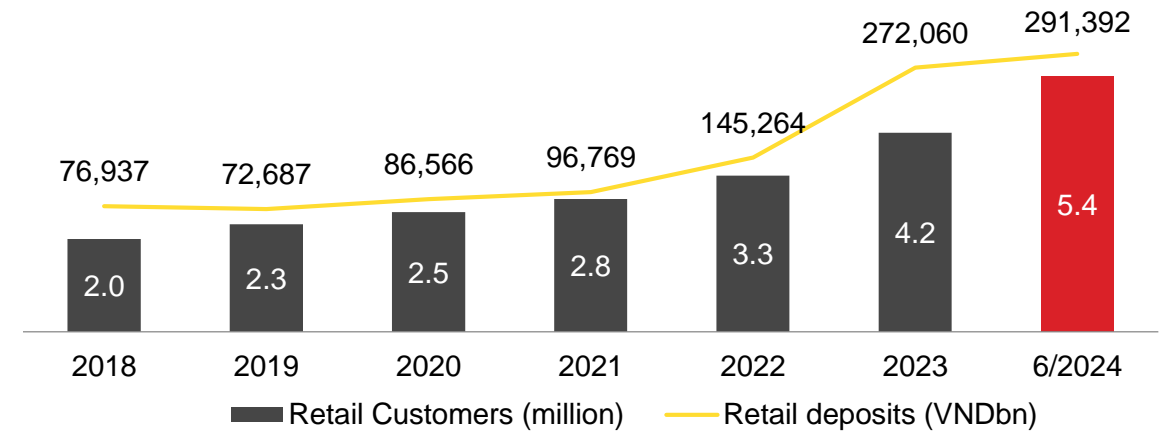
SME and Retail are most benefited from the country strong economic growth

Loan Portfolio Breakdown (June 2024)

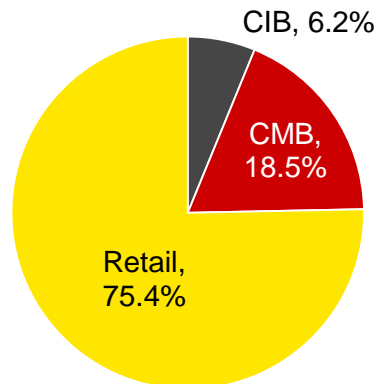


- Over the years HDBank has carefully tailored its strategy to focus on the fast growing CMB/SME and Retail & Consumer banking segments,
- Retail, SME and consumer finance continue to be the dominant contributors to HDBank's loan book

Retail Customers and Deposits Growth

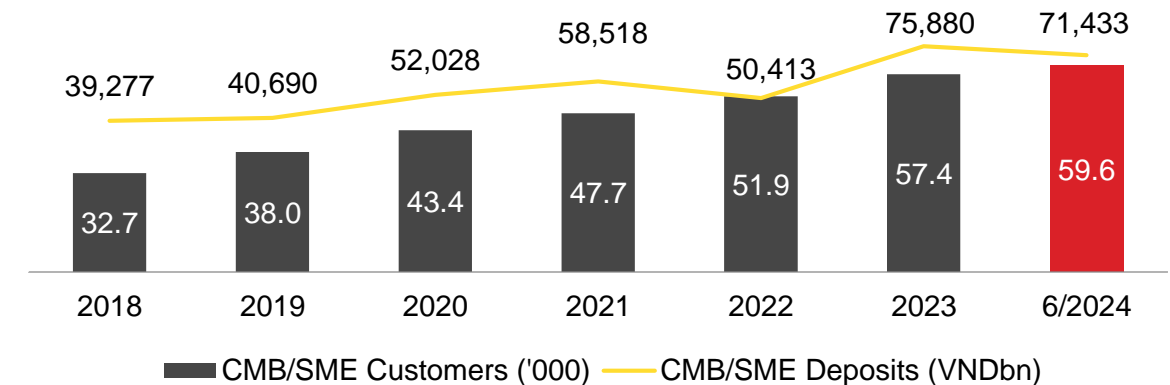


Customer Deposit Breakdown (June 2024)



- Customer deposits account for ~78% of the total funding of HDBank
- Retail deposits accounted for the largest proportion which are >75% of total customers' deposits

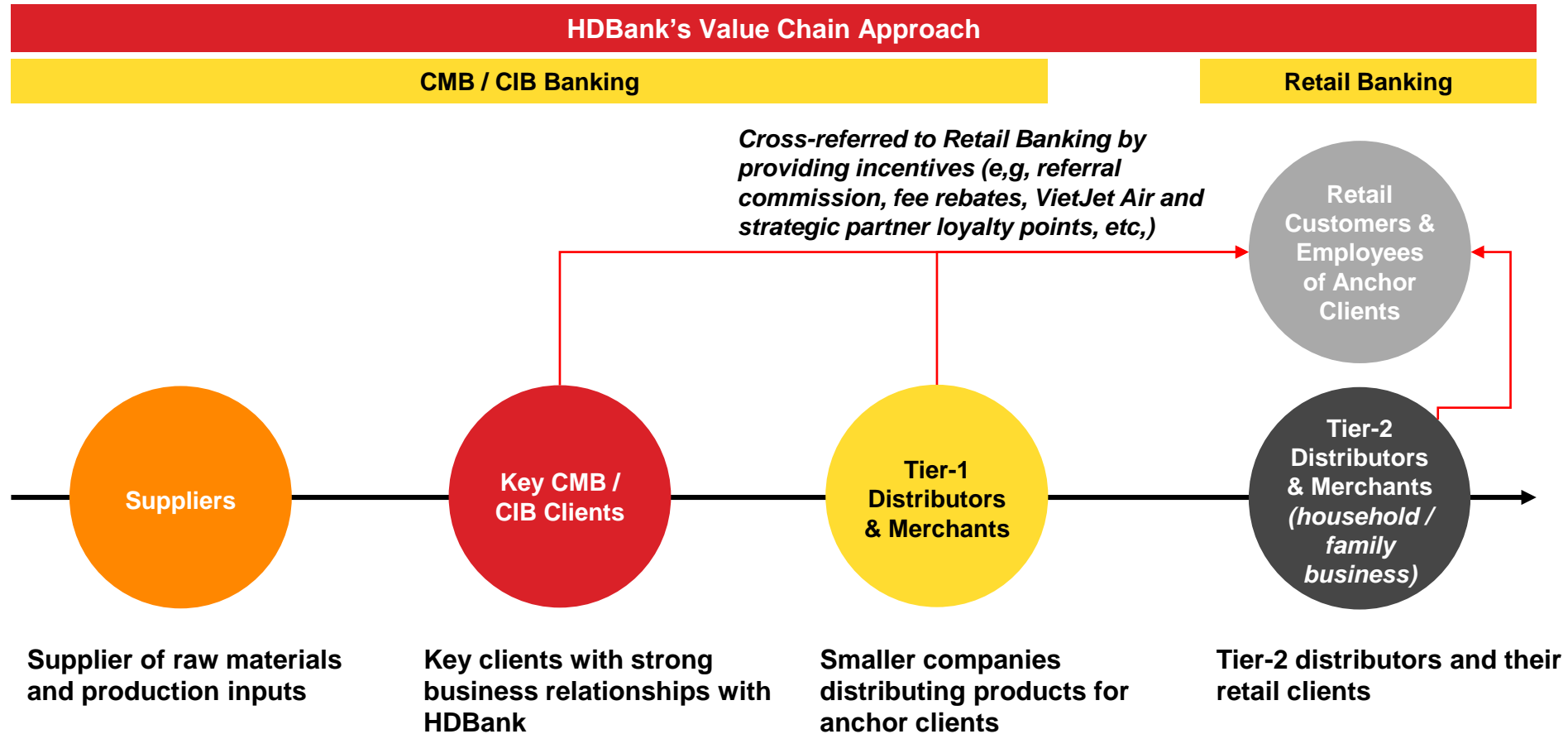
CMB/SME Customers and Deposits Growth



2

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

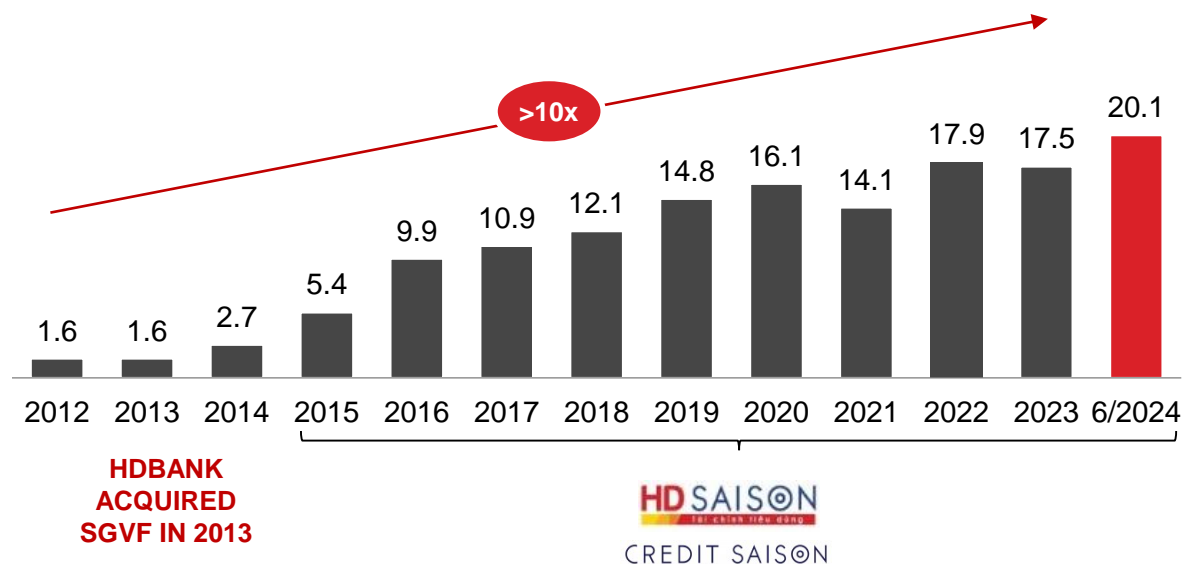
Opportunities to capture values from all potential customers in the value chain ecosystem



Controls a Leading Consumer Finance Company

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

HD Saison's Total Assets (VNDtn)

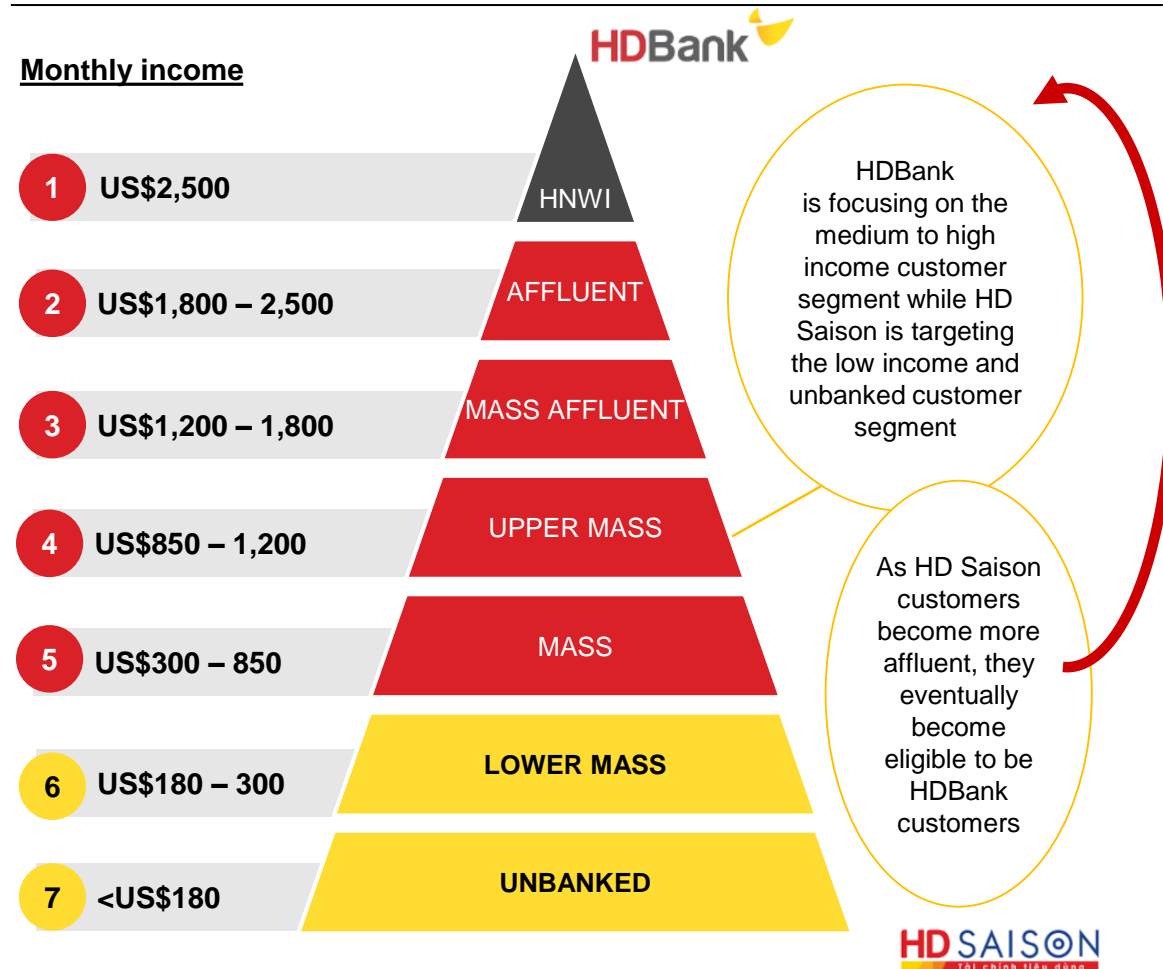


Benefiting from International Partnership

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

Source: Company data

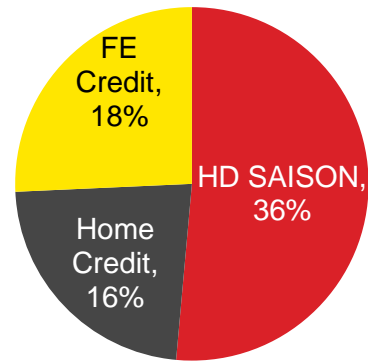
Targeted Customer Segments



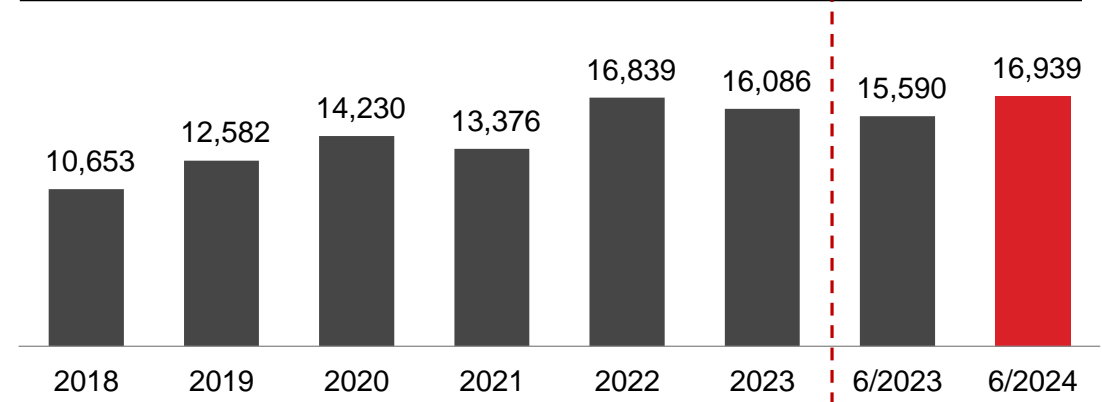
Controls a Leading Consumer Finance Company

Well-established market position in motorbike lending and profitability

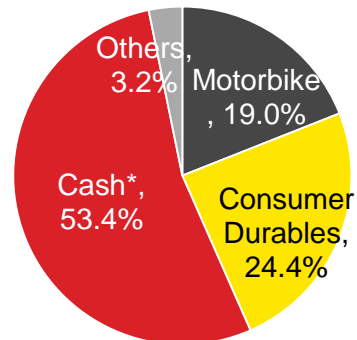
Leading Motorbike Loan Market Share (June 2024)



Total Loan (VNDbn)

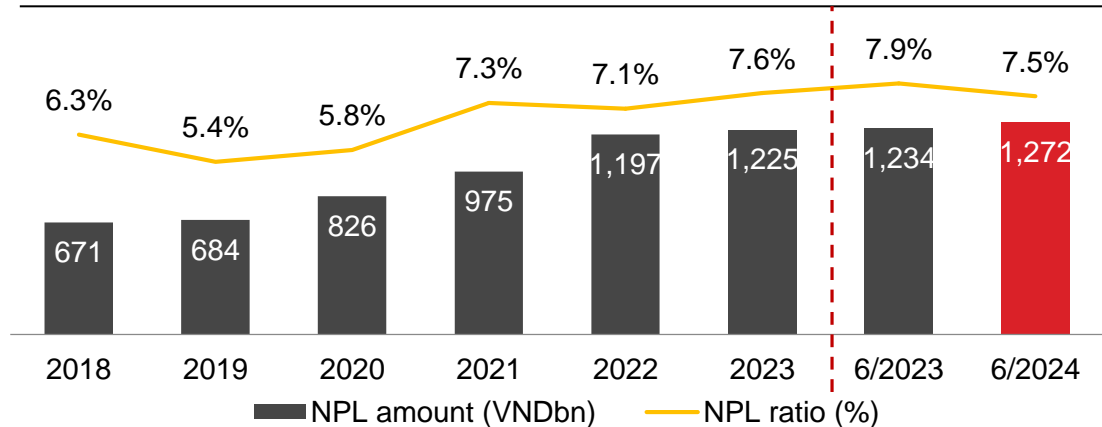


Diversified and Sustainable Loan Portfolio Breakdown



(Cash loans as defined by SBV: 25.6%, against the regulatory cap of 30%)

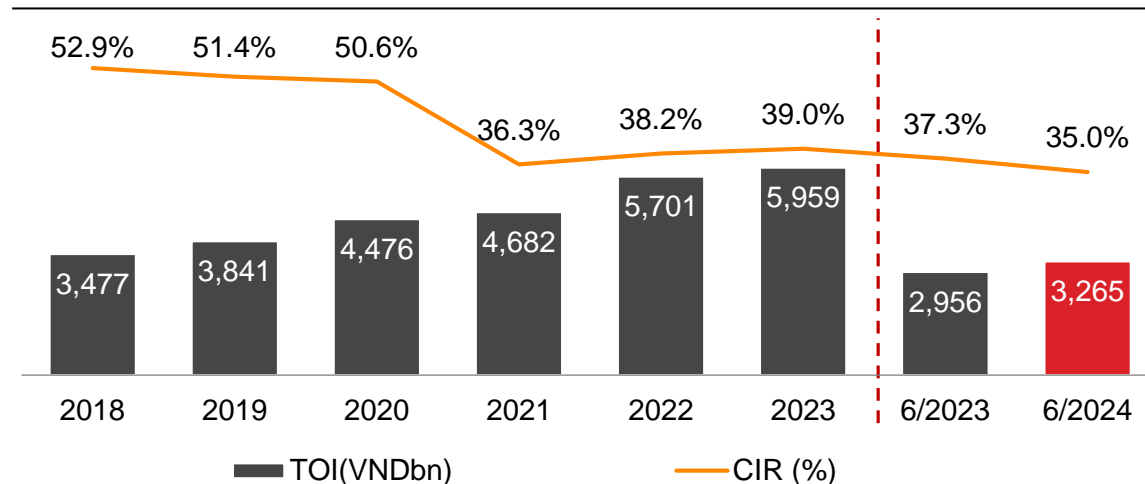
Well-controlled NPL with improved outstanding balance



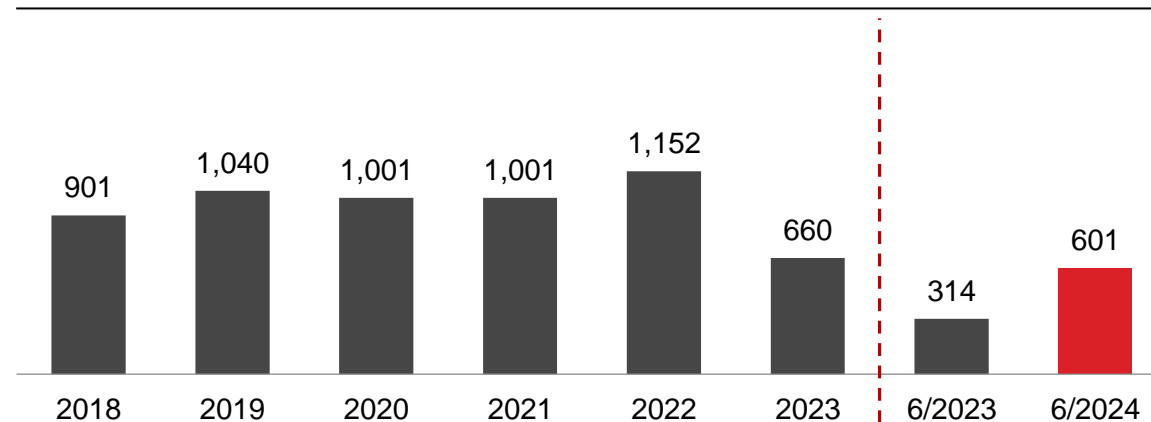
Controls a Leading Consumer Finance Company

Well-established market position in motorbike lending and profitability

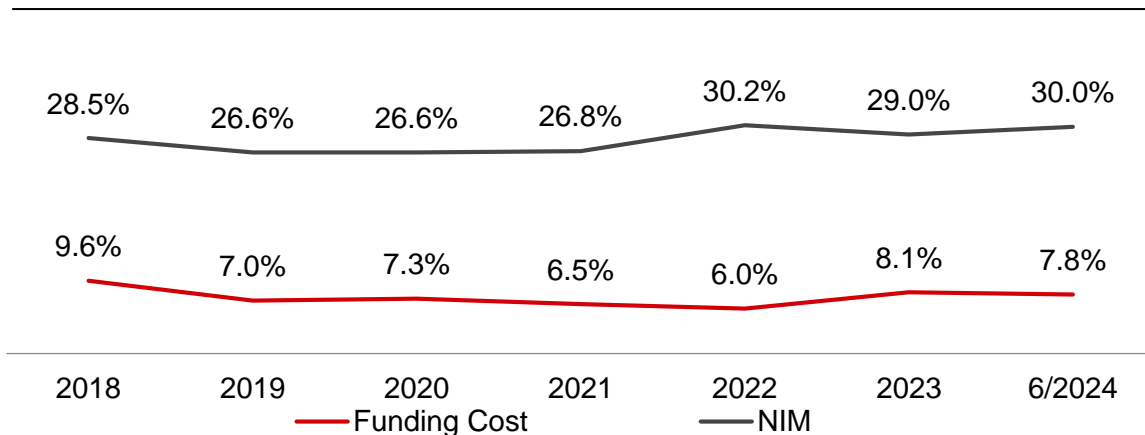
Total Operating Income and Cost-Income Ratio (CIR)



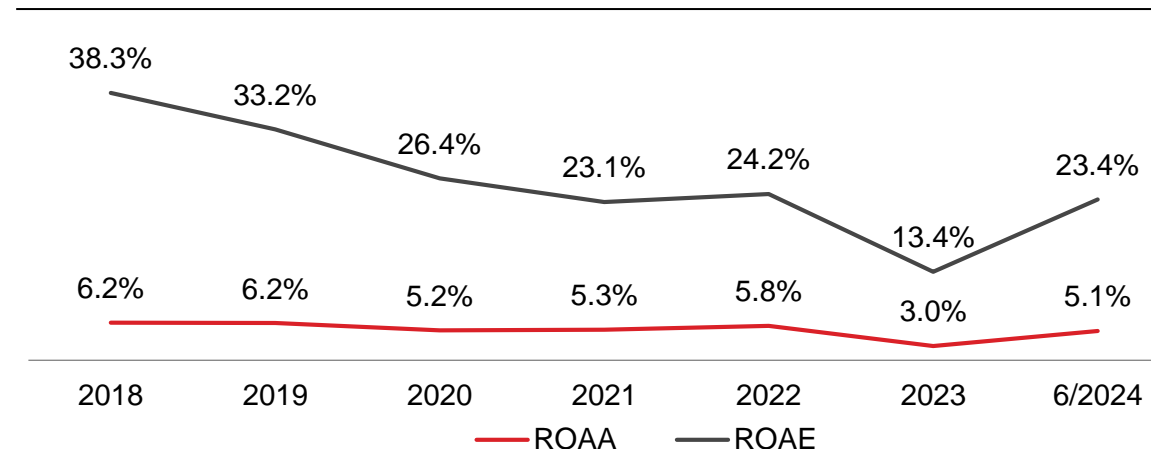
Profit Before Tax (VNDbn)



Net Interest Margin And Funding Cost



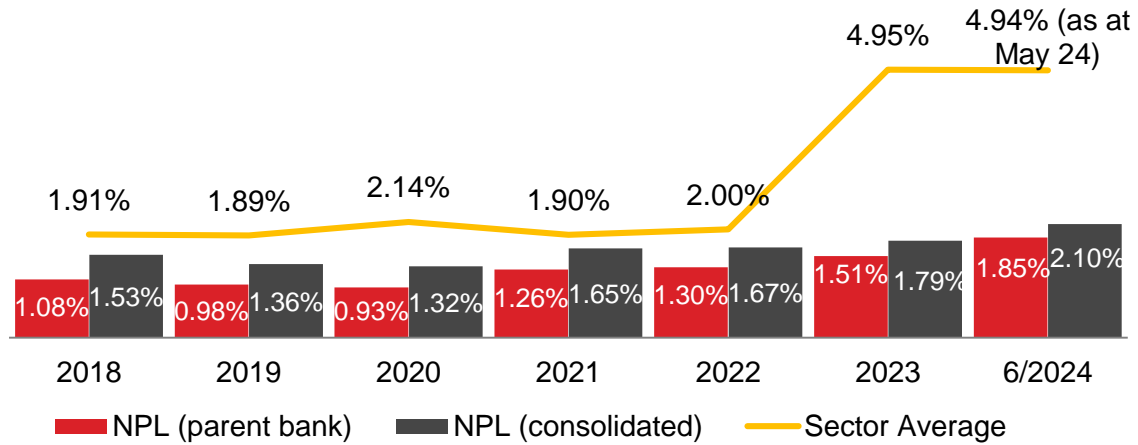
Market-leading profitability ratios



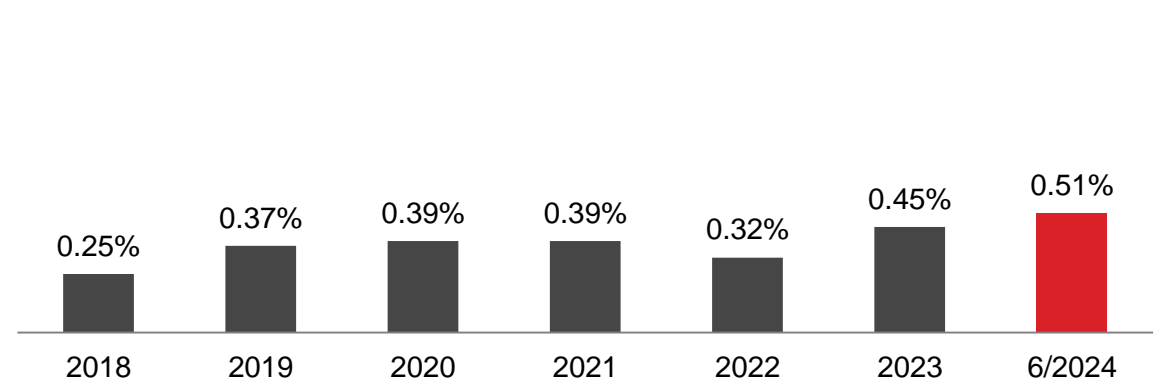
4 Prudent and Proven Risk Management Practices

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

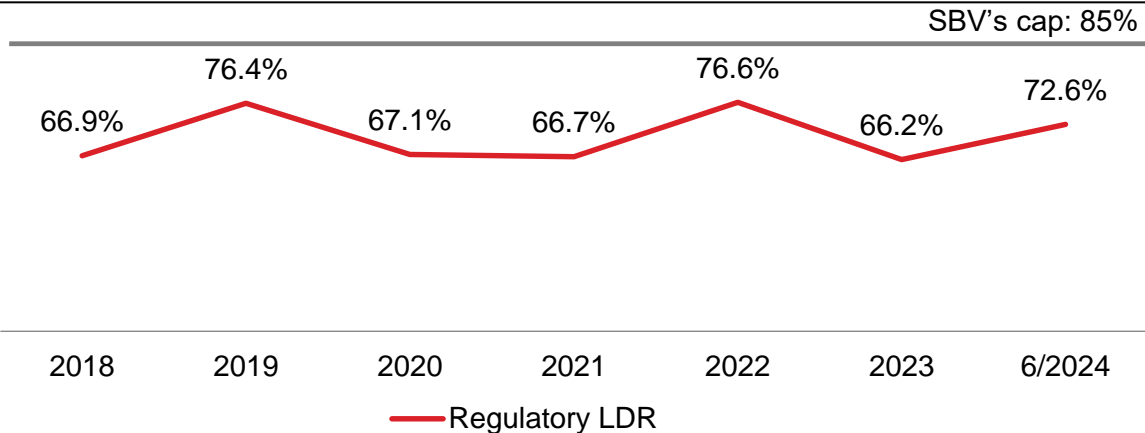
NPL Ratio Remains Better Than Industry Average



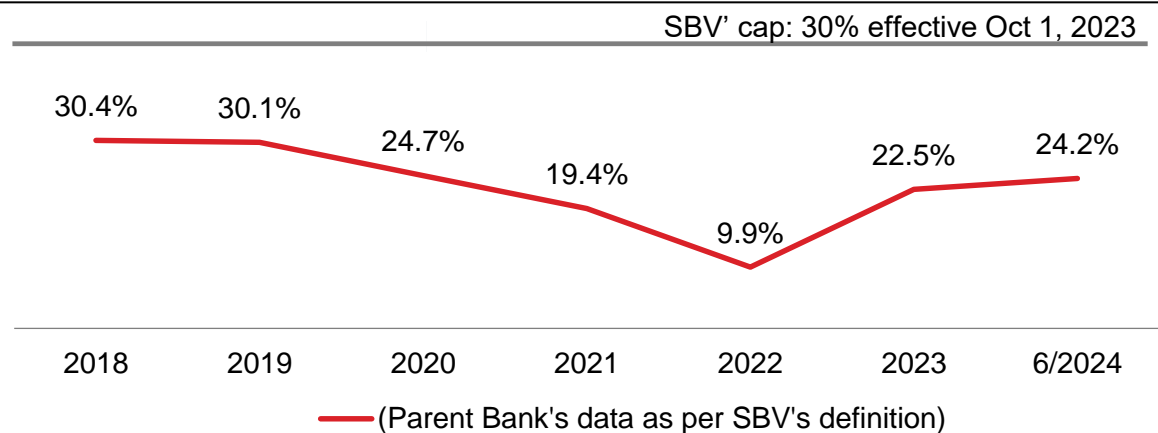
Credit Cost of the Parent Bank



Loan To Deposit Ratio Is Much Better Than Regulatory Requirement*



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

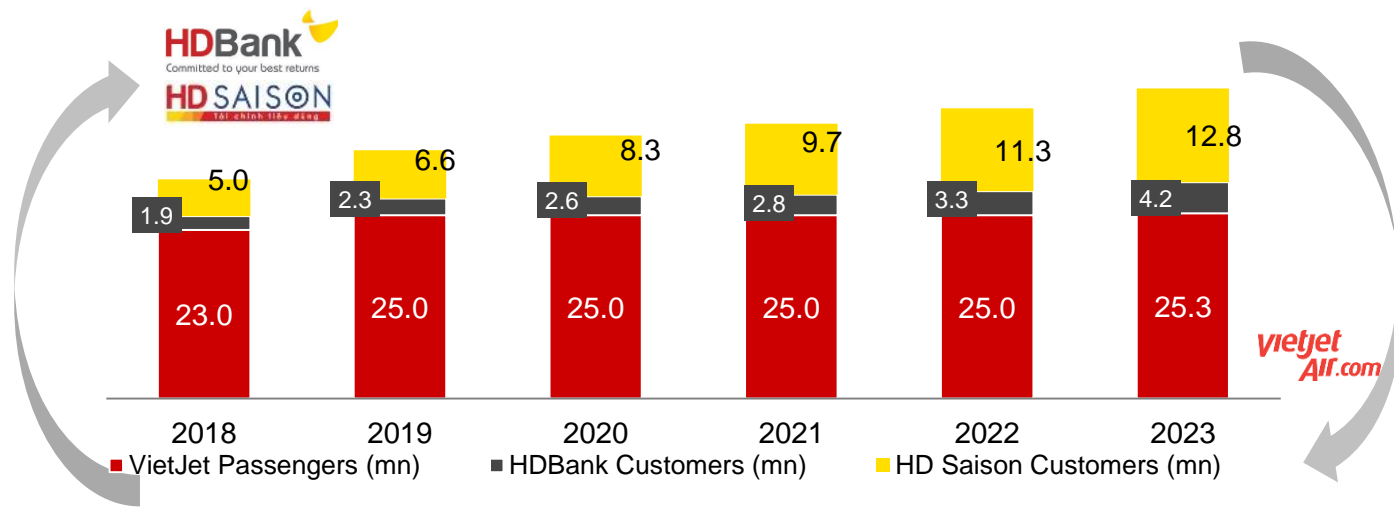


Source: Company data
 NPL excluded purchased debts, The industry average NPL ratios are announced by the SBV
 (*) Data of the Parent Bank

5

Well-Established Operating Base to Drive Strong and Sustainable Growth

With a unique ecosystem for cross-selling of products



COMBINED TOTAL OF >50,000 PHYSICAL TOUCH POINTS

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

DISTRIBUTION NETWORK



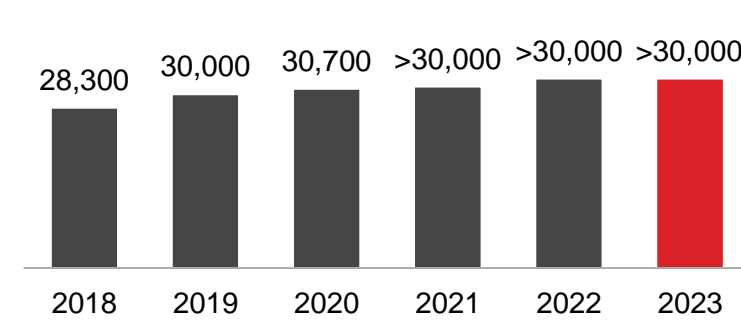
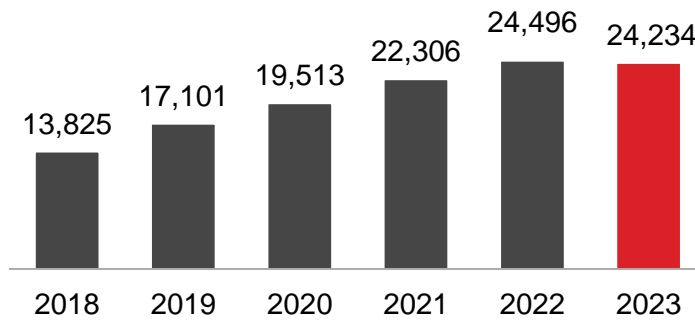
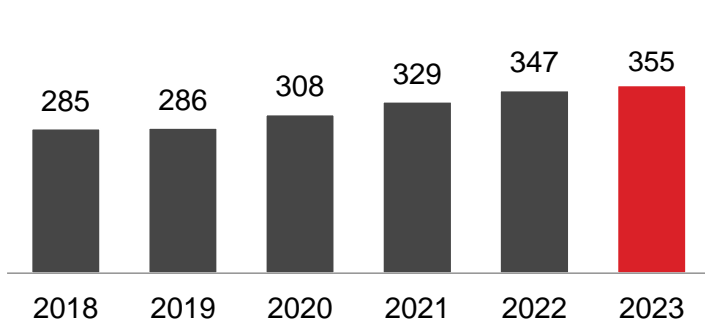
HDBANK BRANCH GROWTH



HD SAISON POINTS OF SALE GROWTH



VIETJET MARKETING POINTS GROWTH



Source: Company data

Reputable and Highly Experienced Board of Directors (HDBank)

Committed to investors' best returns



Kim Byoungho
Chairman, Independent member

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



Nguyen Thi Phuong Thao
Permanent Vice Chairwoman

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



Luu Duc Khanh
Vice Chairman

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



Nguyen Thanh Do
Vice Chairman

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



Nguyen Huu Dang
Vice Chairman

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



Pham Quoc Thanh
CEO, Board Member

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



Le Manh Dung
Independent Member

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

Reputable and Highly Experienced Board of Directors (HD Saison)

Committed to investors' best returns



Kosuke Mori
Chairman of Members' Council

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



Nguyen Thi Phuong Thao
Permanent Vice Chairwoman of Members' Council

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



Koji Sugahara
Member of Members' Council

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



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

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



Pham Quoc Thanh
Member of Members' Council

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

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Key Strategic Initiatives

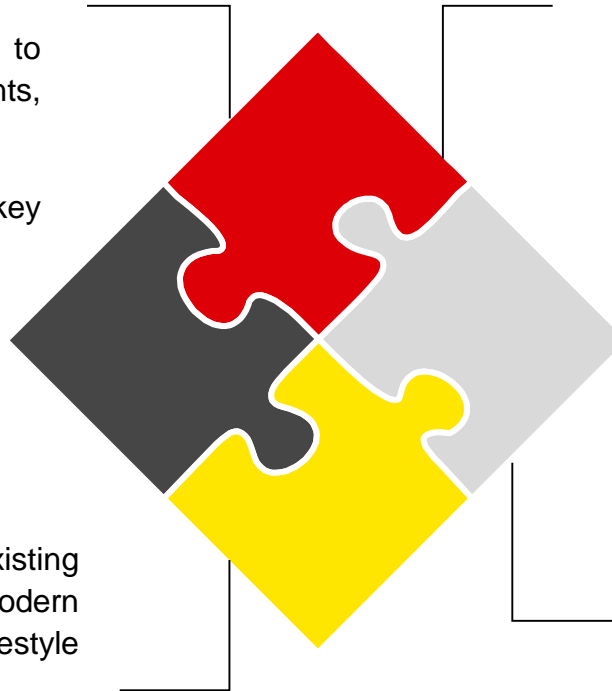
Focus on Digitalization within HDB while integrating with the Group Ecosystem

Digital Transformation

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

Ecosystem

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



Bancassurance

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

Environmental, Social and Corporate Governance

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

Digital Transformation Strategy

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

3 Levels of Digitization Planned

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

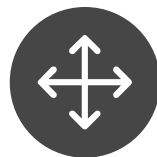
→ **Current Focus: Improving Customer Journey**



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



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



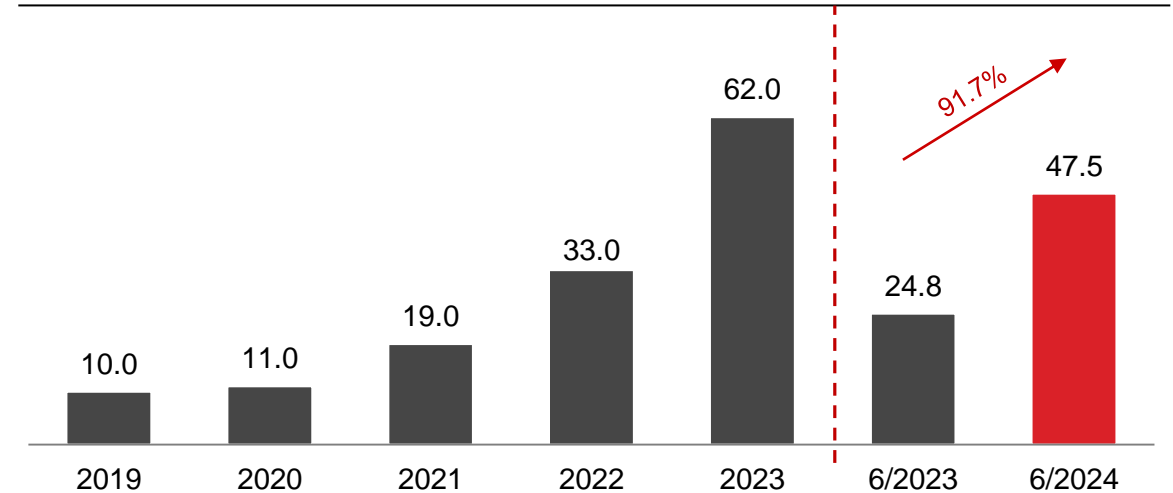
Utilize **multiple channels** and is not constrained by mechanics of internal processes



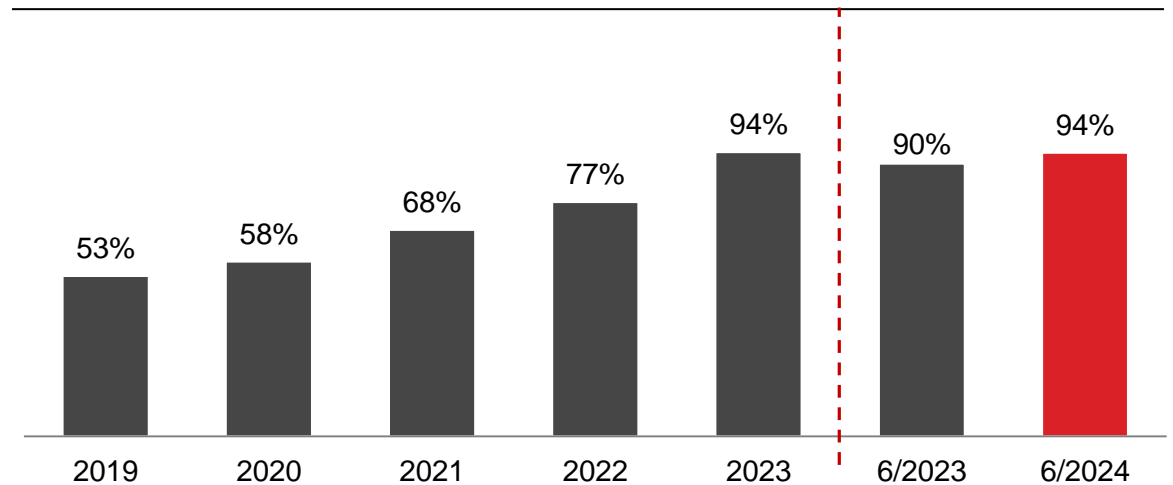
Improves with **cutting-edge technology**, and is not bound by legacy infrastructure

Source: HDB

Number of Digital Transactions Surged (million)



Digital Transactions/Total Retail Banking Transactions



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ESG Risk Management Strategy and Sustainable Development

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

Environmental

The Bank's Actions

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

Impact

Taking actions to realize the vision of becoming a Net Zero Bank by 2050

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

Fully adopted the Regulations on Environmental and Social Management System (ESMS) in credit extension



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

ESG Risk Management Strategy and Sustainable Development

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

Social

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

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

More than 50% of loan portfolio are customers living in tier-2 cities and rural provinces

The Best Bank for Sustainable Finance The Asset Triple A Award 2024



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

Governance

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

Pioneered implementing Basel III standards in governance

Achieved & exceeded AGM business targets over many consecutive years

Honored with Board of the Year in 2023 by Vietnam Institute of Directors



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

Key Highlights Of Corporate And CSR Activities

HDBank's Innovation Hub hosted the first World Economic Forum Seminar "The Center for the 4th Industrial Revolution"



On April 25, 2024, the seminar "Center for the 4th Industrial Revolution in Ho Chi Minh City (C4IR) - A New Driving Force for Sustainable Development" took place at the Galaxy Innovation Hub in the Saigon Hi-Tech Park.

Mr. Kim Byoung-ho, Chairman of HDBank and one of the businesses committed to participating in the C4IR Center, stated that the establishment of this center is an important step, contributing to promoting Ho Chi Minh City to become a center of economy, finance, science, technology, and culture in the region.

Digital transformation – The key to HDBank's growth



On May 15, 2024, at the celebration of Vietnam Science and Technology Day (May 18) and the 65th anniversary of the establishment of the Ministry of Science and Technology (1959-2024), HDBank representatives had the honor of welcoming Prime Minister Pham Minh Chinh and introducing the smart healthcare solution Kiosk MediPay. This product helps patients register for medical examination and treatment quickly, standardizes medical record data, and enables completely cashless payment of hospital fees.

Soon, HDBank plans to install these kiosks at medical facilities nationwide. HDBank ascertains digital transformation as one of the Bank's growth drivers to provide a better customer experience and promote business development.

Key Highlights Of Corporate And CSR Activities

HDBank pioneers the release of the 2024 Sustainability Report



On May 23, 2024, HDBank became the first Vietnamese bank to publish a sustainability report in 2024. The report encompasses information regarding HDBank's goals, commitments, strategies, governance, activities, and achievements, particularly indicators related to Environment (E), Social (S), and Governance (G) in line with the 17 Sustainable Development Goals (SDGs) of the United Nations.

"At HDBank, we understand that tomorrow comes from today's actions. The bank is fully aware of its role and responsibility in creating value for society, protecting the environment, and contributing to the development of a green economy, safeguarding human rights, and building sustainable values for the future," affirmed Mr. Kim Byoungcho, Chairman of the Board of Directors and Chairman of the ESG Committee of HDBank, in the report's message.

HDBank honored with the "Outstanding Issuing Bank - Dynamic Growth" award in Vietnam presented by IFC



HDBank was honored as the "Outstanding Issuing Bank - Dynamic Growth in Vietnam" by IFC at the 2024 Global Trade Partners Meeting.

This award recognizes HDBank's rapid growth, continuous efforts in trade finance, and significant contributions to the GTFP program, with strong support from IFC. This event further affirms HDBank's position in trade finance, aligning with IFC's mission to support sustainable private sector development in emerging markets.

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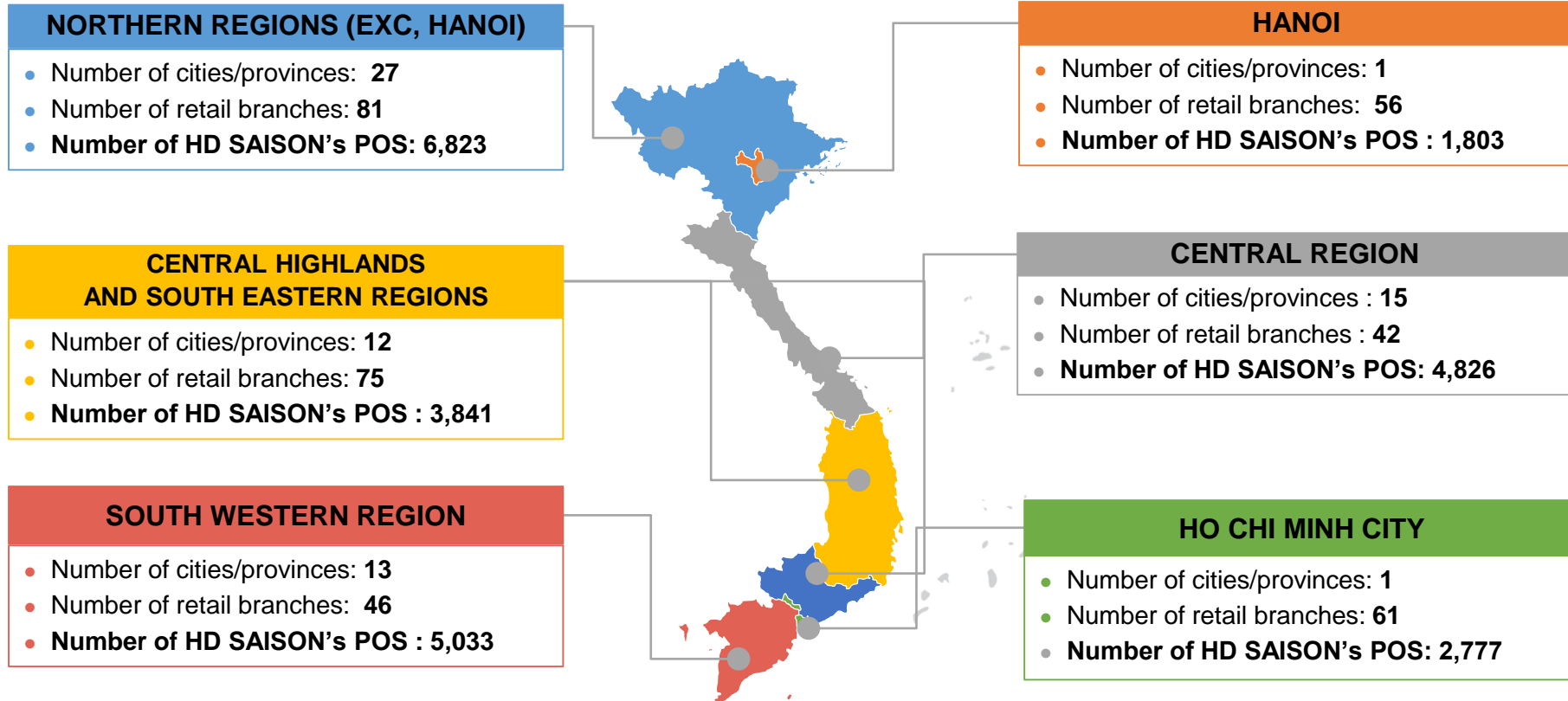
III. Strategic Initiatives

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V. Appendix

Distribution Network

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



- As of 30/06/2024, HDBank had 362 banking units in domestic and overseas markets,
- HD Saison had 25,103 points of sales (POS) covering 63/63 cities and provinces,

Source: Company data

Typical Design of A Transaction Center



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FEEDBACK

