

GREEN CREDIT GROWING TOGETHER

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OVERVIEW OF BUSINESS RESULTS IN 2023



The year 2023 ended in tough economic conditions, with challenges and difficulties outweighing opportunities and advantages. In spite of this, HDBank still observed sustainable growth and development according to the Bank's strategic goals, continuing to affirm its position and reputation.

THE BANK'S TOTAL ASSETS REACHED

VND **602,315** billion

▲ of 45% compared to 2022, achieving 116% of the plan

- ▶ **The Bank's total assets reached VND 602,315 billion**, an increase of 45% compared to 2022, achieving 116% of the plan, continuing a decade of high and sustainable growth.
- ▶ **Owner's equity reached VND 46,400 billion.** In particular, charter capital increased from VND 25,303 billion to VND 29,076 billion through the issuance of shares to pay the 2022 dividend (a payout ratio of 15%).
- ▶ **Total outstanding credit balance reached VND 353,441 billion**, an increase of 32% compared to 2022, achieving 106% of the plan and in line with the credit growth target set out by the State Bank of Vietnam. HDBank's credit growth in 2023 is higher than the sector average, directed towards prioritized sectors and fields, serving as a driving force for economic development.
- ▶ **Total deposits reached VND 536,641 billion**, an increase of 47% compared to 2022, achieving 117% of the plan, in which mobilization from economic organizations and individuals reached VND 421,716 billion, an increase of 62% YOY, achieving 128% of the plan affirming HDBank's prestige, market position, and customer trust.

HDBANK'S PROFIT BEFORE TAX WAS

VND **13,017** billion

▲ 27% compared to 2022

- ▶ **HDBank's profit before tax was VND 13,017 billion**, an increase of 27% compared to 2022. In which, net interest income reached VND 22,184 billion, an increase of 23% compared to 2022 while Net Interest Margin (NIM) decreased slightly from 5.16% to 5.13%. Non-interest income reached VND 4,230 billion. Credit cost and operational cost were controlled reasonably in compliance with regulations.
- ▶ **The return on average asset (ROAA) and return on average equity (ROAE) were 2.03% and 24.2%, respectively**, placing HDBank among top banks in terms of profitability.
- ▶ **Capital adequacy ratio (CAR, Basel II) was 12.6%**, higher than the SBV's minimum threshold of 8%.
- ▶ **Customer base reached 17 million**, with the number of customers transacting on e-banking channels increasing by 86% compared to 2022. Digital banking products and services are well-received by the market.



HDBank, together with other commercial banks, actively supported economic recovery by launching various enabling programs and solutions to help customers overcome challenges.

- ▶ HDBank launched a preferential credit package of VND 5,000 billion with attractive interest rates of only 7.5% - 8.0%/year to support businesses before the year-end peak production season.
- ▶ HDBank implemented the interest rate support program following Decree No.31/2022/ND-CP of the Government, with the HDBank's total interest rate equivalent amount reaching over VND 6,000 billion.
- ▶ Other programs included the credit package "Sharing for doing business with confidence" totaling VND 40,000 billion with lending interest rate reduced by 2%/year; the Swift SME credit package of VND 20,000 billion under the program "Timely capital - Enable business"; the VND 30,000-billion credit package "Unlocking capital sources for your development" which reduced interest rates by 1.5-2%/year compared to the announced interest rates; and preferential credit package for women-led enterprises.
- ▶ In addition, from the second quarter of 2023, HDBank committed to reducing costs, dedicating a budget to support interest rate reduction of 0.5-2.5%/year for existing customers.
- ▶ HDBank launched the program "New loans, happy life with 0% interest rate" totaling up to VND 10,000 billion with 0% interest rate for the first month, targeting new borrowers/existing customers applying for loans, retail customers, payroll corporate customers, and SMEs.

Key performance indicators

(Unit: VND billion, %)

INDICATORS	2021	2022	2023
1. Capital			
▶ Charter capital	20,073	25,303	29,076
▶ Total assets	374,612	416,273	602,315
▶ Capital Adequacy Ratio (CAR)	14.3%	13.4%	12.6%
2. Business Results			
▶ Total deposits (separate)	2,505,144	3,442,169	4,071,397
▶ Total credit (separate)	236,467	281,843	343,919
▶ Loan collection (separate)	210,725	224,660	263,619
▶ Overdue loan	8,698	11,791	17,930
▶ Non-performing loan	3,360	4,404	6,140
▶ Overdue guarantees/total outstanding guarantees balance ratio	0.01%	0.02%	0.04%
▶ Overdue loan/ total credit	4.28%	4.47%	5.22%
▶ Non-performing loan / total credit	1.65%	1.67%	1.79%
3. Liquidity Ratio			
▶ Current ratio	14.0%	15.2%	22.47%
▶ Overall liquidity ratio	74.32%	61.4%	87.14%

ACTUALS VS. PLAN

HDBank achieved encouraging business results in 2023, meeting or even exceeding the set targets.

(Unit: VND billion, %)

Items (Consolidated)	31/12/2022	31/12/2023	The 2023 plan approved by the General Meeting of Shareholders	% Actual vs Plan 2023
Total assets	416,273	602,315	520,024	116%
Charter capital	25,303	29,076	29,276	99%
Owner's equity	38,995	46,400	47,300	98%
Total deposits(*)	366,293	536,641	459,398	117%
In which: Customer deposits and valuable papers	259,959	421,716	330,459	128%
Total credit	268,157	353,441	333,553	106%
Non-performing loans(**)	1.67%	1.79%	≤ 2%	Pass
Profit before tax	10,268	13,017	13,197	99%
Profit after tax	8,209	10,336	10,558	98%
ROE after tax	23.5%	24.2%	24.5%	99%
ROA after tax	2.08%	2.03%	2.3%	90%

(Source: FY2022 and FY2023 Audited consolidated financial statements)

(*) Total deposits include borrowings from the Government and the State Bank of Vietnam, customer deposits, valuable papers, trusted investment funds, deposit and lending from credit institutions.

(**) Non-performing loan ratio is calculated against loans to customer.

PROJECT INVESTMENT AND IMPLEMENTATION

Apart from existing multi-year capital contributions to HD SAISON, in 2023, HDBank made no new financial investments. Investments in strategic projects are included in the annual income and expense plan. The new headquarter construction project in Hi-Tech Park - Thu Duc City has been gradually put into use since 2023. This project uses modern, energy-efficient and environmentally friendly equipment in accordance with international standards and the smart building model. The new headquarter is intended to be a hub to connect major domestic and international businesses and technology giants with the aim of developing modern multi-feature technology solutions for the banking and finance industry and others.

HDBANK'S MARKET POSITIONING



Through 34 years of unwavering brand building and 10 years of innovation (2013-2023), HDBank has established its remarkable position as a leader in retail, SME, and consumer banking by having exceptional growth, low non-performing loans, and high efficiency among the industry's top performers.

TOTAL ASSETS INCREASED TEN FOLDS, PIONEER IN BASEL III IMPLEMENTATION



As of December 31, 2023, for the first time, HDBank's total assets exceeded VND 602,315 billion, 7 times higher than that at the end of 2013, with a compound annual growth rate of 21.5% in the decade of innovation. Profits continued to set a new record of over VND 13,017 billion, increasing 26.8% year-on-year and 54 times higher than 2013 profits. The return on equity (ROE) of 24.2% and ROA of over 2% placing HDBank among the banks with the highest efficiency. At the same time, the capital adequacy ratio (CAR) reached 12.6%, while the standalone and consolidated non-performing loan ratios remain low at 1.5% and 1.8%, respectively, placing HDBank among the top performers in terms of capital adequacy and asset quality.

In July 2023, HDBank completed the comprehensive upgrade of Basel II to Basel III Reforms in all indicators. With the application of Basel III Reforms, HDBank aims to improve its financial capacity by applying a higher CAR than the minimum ratio required in Basel II, the Internal Capital Adequacy Assessment Process (ICAAP), and the Leverage Ratio, improve liquidity by applying LCR, NSFR, and improve the Internal Control System.



This critical step continues to affirm HDBank's robust risk management foundation in operations, meeting international standards, enhancing reputation and competitiveness in the market.



Mr. Nguyen Van Hao - Deputy Chief Executive Officer of HDBank (on the far right) - representing HDBank, signed a cooperation agreement with the Trade Promotion Center for Agriculture and TikTok Vietnam to jointly implement the "One Commune, One Product" (OCOP) National Program

PROMOTE AGRICULTURAL AND RURAL DEVELOPMENT

Bringing modern financial and banking products and services to customers in tier 2 cities and rural areas has been a key strategic focus of HDBank for many years, in line with its sustainable development strategy. The first step in this strategy was taken in 2013 with the successful merger of Dai A Commercial Joint Stock Bank, expanding the branch network and customer base in Southeast, Southwest, Central and Central Highlands regions, while also enhancing financial capacity and product and service delivery capabilities. Also in 2013, HDBank acquired 100% of consumer finance company Societe Generale Viet Finance, a subsidiary of Societe Generale (France), to expand its customer base to low-income and credit-constrained individuals in tier 2 cities and rural areas across the country.

Over the past decade, HDBank has gradually affirmed its position as a leading bank in the region through a strong increase in the number of customers, branch network, and the scale of outstanding loans for agriculture and rural areas. Currently, over 60% of HDBank's branches and transaction offices are located in tier 2 cities and rural areas. More than 2.3 million customers out of the parent bank's total of 4.3 million customers come from this region. The total outstanding loans of customers in rural and tier 2 areas in recent years have consistently contributed 50%-55% of the total outstanding loans of the whole bank with a non-performing loan (NPL) ratio lower than the general level, in which outstanding loans for the agriculture, forestry, and fishery sectors reached more than 7 times by the end of 2023 compared to 2013, growing faster than other industries.

HDBank is a pioneer in deploying comprehensive value chain financing, from farmers to agricultural product purchasing and processing enterprises to exporters. In addition to providing products and services, HDBank also

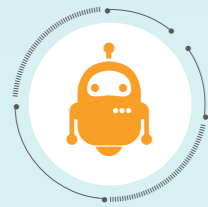
cooperates with local authorities and partners to implement many programs to provide knowledge about financial and banking products and services, support farmers in getting acquainted with and applying e-commerce to promote and sell products on online platforms. At HD SAISON, the scale of total assets and outstanding loans has grown continuously, reaching more than 10 times over the past 10 years, the scale of outstanding loans in rural areas has also increased correspondingly, with an NPL ratio lower than the industry. The company's operations not only contribute to HDBank's overall business results but also help millions of people access credit, avoid the black credit trap, and contribute to improving their quality of life.

Embracing the digital transformation wave, HDBank emerged as a pioneer in 2023 by launching the HDBank Nông thôn - HDBank Rural Banking Mobile App specifically tailored for customers in rural areas. The application features a comprehensive suite of products and services, designed with simplicity and convenience in mind to cater to the unique needs of rural communities.

HDBank Nông thôn streamlines the loan application process and provides valuable support for local businesses and investment initiatives. Additionally, the service offers financial education programs, tailored advisory services, and assistance in managing personal and business finances. Within a short period since its launch, the application has garnered a substantial user base, attracting tens of thousands of partners and customers.

Moving forward, developing the agricultural and rural sector remains a central focus of HDBank's sustainable growth strategy. The bank is committed to delivering long-term value and positive impact to its customers, partners, shareholders, and the broader community.

PIONEER IN DIGITAL TRANSFORMATION, ENABLING EXPONENTIAL GROWTH



HDBank is one of the pioneering banks in robotic operational automation, covering human resources and customer support, for optimized processes and reduced operating expenses. Over the past year, both Retail and Corporate customer journeys of HDBank were digitalized, covering various steps including account opening, credit card and term deposit account opening, online FX trading, and letter of credit issuance to shorten transaction time and improve customer experience.



HDBank is the first bank in Vietnam to cooperate with AWS - the global leading cloud computing service provider, a member of Amazon.com, to launch Amazon Elastic Kubernetes service to facilitate a comprehensive digital transformation.



In addition, HDBank is also the first adopter of Swift Go in Vietnam which is an important step forward for HDBank in international payment. This effort has been well recognized by international financial institutions via a series of prestigious awards.



The enhanced investment in a series of key digital transformation projects as well as agriculture and rural development from the previous years justifies HDBank's high cost-to-income ratio (CIR), which is even higher than that of other commercial banks. HDBank's 2023 digital transformation strategy has seen early achievements, achieving exponential growth in various aspects.

NUMBER OF CUSTOMERS TRANSACTING ON E-BANKING CHANNELS INCREASED

▲ 86% YOY

NUMBER OF FINANCIAL TRANSACTIONS ON E-BANKING CHANNELS INCREASED

▲ 132% YOY

PERCENTAGE OF CUSTOMER TRANSACTIONS CONDUCTED THROUGH DIGITAL CHANNELS

▲ 93%
total customer transaction

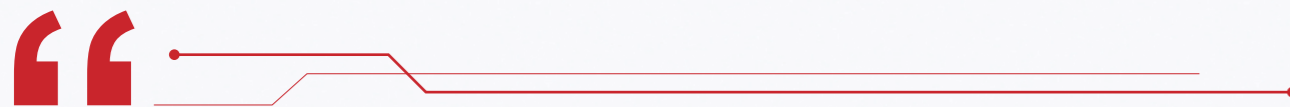
NUMBER OF NEW CUSTOMER REGISTRATIONS ON DIGITAL CHANNELS IN 2023 INCREASED

▲ 125% YOY

SOCIAL RESPONSIBILITIES INITIATIVES



Mdm. Nguyen Thi Phuong Thao - Permanent Vice Chairwoman of HDBank and a delegation of employees visited and presented gifts to SOS Children's Village Nha Trang



Along with vibrant business activities, HDBank proactively took on its social responsibilities, implementing programs on inclusive financial goals, contributing to promoting business growth.



In 2023, HDBank expanded its branch network by opening 15 additional branch offices, bringing the total number to nearly 360. This expansion has created employment opportunities for local residents and has facilitated easier access to credit and modern banking services for them.

Demonstrating its commitment to community development, HDBank prioritized social responsibility in 2023 by allocating tens of billions of VND to initiatives that improve the lives of local residents. These initiatives included contributing to infrastructure development through building charity houses, rural bridges, and restoring historical sites; advancing education through scholarships, school upgrades and construction, and

donations to SOS children's villages; and improving healthcare by providing health insurance cards, funding eye surgeries, and assisting with the purchase of dialysis machines. By expanding its branch network while strategically investing in social responsibility programs, HDBank has made a positive impact on the communities it serves.

The year 2023 marked the 7th year of companionship between HDBank and the Vietnam Futsal Tournament. Along with the success of HDBank International Chess Tournament for almost a decade from 2011, the achievements of the Futsal Tournament over the past 7 years have contributed to bringing Vietnam closer to the international community, creating a bridge for better understanding about Vietnam through chess and football, which connect all races and nations.

These Futsal Tournaments have been of great help to Vietnam national teams, especially during the generation transition, by giving great opportunities for potential young players to compete and learn. The HDBank National Futsal Championship and Vietnamese National Futsal Cup will play a very important role in earning our National Team a ticket to the FIFA Futsal World Cup.

In the previous period, HDBank coordinated with FPT Corporation to contribute and join hands with the Ministry of Finance to handle network congestion on Hochiminh Stock Exchange (HOSE). As a result, after 3 months, the system developed by the two corporations was handed over and put into operation smoothly and safely on July 5, 2021, with a processing capacity 3-5 times greater than the legacy system. With this huge capacity (3-5 million orders/day), the new trading system will fulfill the demand of HoSE and the market for at least the next 3-5 years. At the same time, HOSE can completely master technology for future scale up.

40 prestigious titles and awards are the well-deserved recognition for HDBank in 2023 - a year full of uncertainties for both domestic and international economies. One among these recognitions is the Certificate of Merit by the People's Committee of Ho Chi Minh City for the Bank's outstanding achievements in contribution to the State Budget, marking 5 consecutive years HDBank has ensured full compliance to tax regulations and made great contributions to the State Budget.

In 2024, the Bank will continue to follow the 2021-2025 strategy, realizing the goal of making HDBank a bank for every family, prioritizing green supply chains and agricultural - rural development.



2023 is the 7th year HDBank accompanies the HDBank National Futsal Cup

2023 DIVISION BUSINESS PERFORMANCE REPORT

RETAIL BANKING DIVISION

Individual customer acquisition emerged as one of the areas with the highest breakout growth, experiencing a 90% YOY increase and surpassing the initial plan by 144%.

NEW INDIVIDUAL CUSTOMERS

900,000 customers

In 2023, the Retail Banking Division achieved outstanding results, exceeding its set targets for the year. Through a robust digital transformation journey, the Division acquired over 900,000 new individual customers (90% of whom have activated eBanking services). Customer acquisition through digital channels also grew at a rapid pace, driven by competitive offerings along with convenient and user-friendly features.

Individual customer acquisition emerged as one of the areas with the highest breakout growth, experiencing a 90% YOY increase and surpassing the initial plan by 144%.

With the goal of becoming a leader in both retail banking and digital transformation, the Retail Banking Division focused on developing applications and pilot business software in 2023 to propel the Bank forward in 2024. These include:


INDIVIDUAL CUSTOMER ACQUISITION


90%
YOY increase and surpassing the initial plan by 144%.

- ▶ Developing the Mobio application to manage and centralize sales forces.
- ▶ Implementing the RLOS software to digitally transform the retail model by facilitating a fully digitalized lending process.
- ▶ Rural Bank Project to expand access to HDBank products for people in rural areas.
- ▶ Payroll Project for salary payments through HDBank to promote CASA growth.
- ▶ Improvements to incentive programs tailored to different business stages to tap into customer relationship depth and maximize investment cost efficiency.
- ▶ Building a customer ecosystem through partnerships: facilitate technology integration and comprehensive collaboration with partners boasting large customer bases (domestic conglomerates, foreign corporations, and major universities, etc.).




THE RETAIL BANKING DIVISION ACHIEVED SIGNIFICANT ACCOMPLISHMENTS IN 2023, NAMELY

- 

Standing out as the only Vietnamese bank to receive the “Digital Innovation” Award from the ASEAN Business Advisory Council in recognition of its innovations and digital transformation adoption in product development and operations.
- 

Promoting the implementation of eKYC and offering leading technological solutions for customer identification and information security (OCR, Facematch, Liveness Detection, and NFC).
- 

Successfully introducing cashless payment methods to customers, including Virtual Accounts and (dynamic or static) QR Codes for receiving transfers and making payments through QR code generation and scanning as well as enabling POS transactions and online (e-commerce) payment gateways
- 

Increasingly improved “All in App” digital banking services with more than 100 features and 200 service providers, with the goal of localizing online business activities with dedicated websites for all 63 provinces and cities across the country...



2024 ACTION PLAN DIRECTION

The key focuses of the Retail Banking Division in 2024 will be on:

► Robust digital transformation strategy:

- Driving further product and service development through the Digital Banking application with in-app products to digitize traditional banking transactions,
- Introducing the “Rural HDBank” application with convenient and user-friendly “One Click” automation features to extend product coverage closer to agricultural and rural economic areas.

► Developing attractive products:

- Revamping customer journeys to improve and provide the most suitable products and services to each customer segment with attractive and timely incentives.
- Leveraging social media and e-commerce platforms to maintain and expand the Zero-fee policy for enhancing competitiveness and attracting new capital mobilization opportunities.
- Promoting credit products through packages specifically tailored to each customer segment and even the most demanding one as well as expanding value chain and partner customer networks within the ecosystem to increase the number of products per customer.
- Introducing a variety of foreign exchange and remittance services, providing customers with efficient and secure investment solution packages, and offering consultations on health protection plans for customers.

► Human resource training and management:

- Facilitating innovations in training, coaching, and HR management.



COMMERCIAL BANKING DIVISION



Despite 2023 global and domestic economic challenges, the Commercial Banking Division continued to deliver exceptional results:

Overall performance: The Commercial Banking Division achieved 112% of its mobilization target, 121% of its outstanding loan balance plan, and nearly USD 9 billion in international payment volume, surpassing 100% of the target.

Value-Chain financing: The Division successfully developed financial services and loans for nearly 5,000 Commercial Customers. All of its targets were met or even exceeded the initial plan.

Partnership: As part of the Partnership Banking strategy, in addition to offering traditional products and services, HDBank continues to be a leading and pioneering force in developing innovative cashless payment solutions and establishing direct system connections with partners across key sectors such as education (EduPay), healthcare (MediPay), retail (EasyPay), Fintechs, and e-commerce companies, etc, which enable unique and groundbreaking cashless payment solutions tailored to each cashless payment channel for each organization and millions of individual customers. Some of the most notable projects include establishing system connections with Thong Nhat Hospital, Phu Nhuan Hospital, Shingmark Hospital, Danang Architecture University, Nghia Tan Primary School, etc.

Payroll: In 2023, the Commercial Banking Division continued to enhance its digital journey in providing

payroll solutions for businesses and employees. This new digital journey not only offers a convenient tool for businesses but also optimizes the processes of opening a salary account and receiving payments for employees while offering various incentives. The “Happy Di-Payroll” journey launched in 2023 has successfully fulfilled the needs of nearly 4,200 businesses and 500,000 employees. Coupled with HDBank’s market-leading incentive programs, this journey is expected to continue to be one of HDBank’s key solutions for creating value for both Commercial and Individual Customers in the years to come.

Supporting Commercial Customers through challenging times: reduced loan interest rates for existing-to-bank Commercial Customers; promoted low-interest rate loan programs to provide cost-effective capital to Commercial Customers, especially those in priority sectors such as production, agriculture, industrial parks, export processing zones, and import-export activities to reduce financial burdens, enhance product competitiveness, and support business stability.

Sustainable development Initiatives: alignment with business goals is a prerequisite for the long-term success of the Commercial Banking Division, which requires bank-wide implementation of processes, regulations, and systems for environmental and social risk management (E&S).

Enhancing banking experience on modern digital platforms for Commercial Customers:

- ▶ **Virtual account:** facilitating identification of partners in money transfers and payments as well as enabling ease of transaction tracking and investigation for businesses and organizations.
- ▶ **eAccount:** successfully adopted OCR technology to reconcile business information against the General Department of Taxation’s Information Portal, thereby significantly reducing account opening times.
- ▶ **eCash:** The cash collection solution for initiating payments on Commercial Customers’ behalf and allowing them to schedule cash pick-ups from their business locations, track the status of each payment initiation through the HDBank Portal, and receive instant notifications upon successful transactions.

2024 ACTION PLAN DIRECTION

The Commercial Banking Division will continue to implement flexible business solutions to achieve optimal results in line with its assigned business targets, align business goals with sustainable development mandates, and focus on meeting the diverse capital needs of businesses to support their recovery in 2024. The Division will also enhance customer satisfaction and experience through the continued development of new features and services through modern technology platforms (e.g. eCredit, EasyLoan, VCF platform, etc.) and the adoption of new SMT and CLOS tools to boost sales productivity and loan application turnaround times.



The Commercial Banking Division achieved

▲ **112%**
of its mobilization target

▲ **121%**
of its outstanding loan balance plan

CORPORATE & INSTITUTIONAL BANKING DIVISION



Guided by a customer-centric approach, the Division focused on developing its customer ecosystem, cultivating value chains, leveraging existing strategic partnerships, and establishing new ones with major groups, corporations, and financial institutions all while developing products and services focused on Green Banking and Sustainable Digital Banking.

2023 was a year of success for the Corporate and Institutional Banking Division, demonstrated by its efforts in overcoming initial difficulties at the beginning of the year and seizing opportunities to successfully achieve its assigned targets. The Financial Institutions (FI) Department played a pivotal role in solidifying relationships with domestic and international FIs, thereby enhancing the Bank's reputation as a trusted partner for FIs to increase their credit limits, which contribute to the growth of international payment activities and foreign exchange business across the Bank.

HDBank as the holder of the ADB's Leading Partner Bank in Vietnam Award

HDBank was named the Leading Partner Bank in Vietnam by the ADB at its 9th Trade and Supply Chain Finance Program (ADB's TSCFP) Awards Ceremony held in Singapore on September 5, 2023 - honoring the leading partner bank with the highest volume of transactions facilitated through ADB in Vietnam from Q3 2022 to Q2 2023.



The signing ceremony of cooperation agreement between HDBank and IFC

The increased trade finance limit by IFC contributed to IFC's total facility of more than USD 230 million

As the focal point, the Corporate and Institutional Banking Division successfully secured an increased Trade Finance limit from the IFC, a member of the World Bank Group, resulting in a total credit limit exceeding USD 230 million for HDBank. Earlier in May 2023, HDBank and IFC also signed a consulting agreement on expanding value chain financing activities, paving the way for upgrades and enhancements

to its existing Value Chain Financing platform. This is one of the key projects for HDBank as part of its 2021-2025 development strategy. With over 3,600 businesses within the value chains of 50 key players across its seven high-potential sectors, expanding and optimizing these value chains is one of the most critical initiatives in HDBank's 2021-2025 overall strategic plan.

Cultivating cooperative relationships with correspondent banks and international organizational partners through strengthening bilateral cooperation and promoting common agendas

2023 marked significant progress for HDBank in cultivating and expanding cooperative relationships with domestic and international correspondent banks and international organizational partners. HDBank has welcomed many international delegates from leading correspondent banks and international organizations across all continents and actively participated in high-level delegation exchanges and international forums alongside government agencies, NGOs, policymakers, banks, and various banking and finance partners. These events include The World Bank Group-IMF Annual Meetings in October 2023 in Marrakech, Morocco, the Belt and Road Summit in September 2023 in Beijing, China, the 23rd ASEAN Banker Conference & 51st ASEAN Banking Council Meeting in Laos, etc.



HDBank and Raiffeisen Bank International at the Signing ceremony of the Trade Finance Framework Agreement in April 2023

HDBank and Fulbright University Vietnam signed a counterpart financing agreement during US President Joe Biden's Vietnam visit



Mdm. Nguyen Thi Phuong Thao - Permanent Vice Chairwoman of the Board of Directors of HDBank and Mr. John Kerry - Special Envoy of The US President Joe Biden at the event where HDBank and Fulbright University Vietnam entered into an agreement involving the provision of USD 20 million in reciprocal financing

On September 10, 2023, the Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) signed an agreement with Fulbright University Vietnam on providing reciprocal capital to support the construction of schools, universities, and facilities to further enhance teaching quality, student life, and foster scientific research and innovations. This will contribute to creating new values for the community and empowering the future generation within a leading educational setting at Fulbright University.

HDBank as the bank of choice to support the Public Transport Infrastructure Improvement Project in Binh Duong with a JICA-supported preferential loan of JPY 6.2 billion.

In July 2023, HDBank was selected as the Bank to support the Public Transport Infrastructure Improvement Project in Binh Duong Province with a JICA-supported preferential loan of JPY 6.2 billion. The goal of the project is to alleviate traffic congestion and strengthen inter-city connectivity by improving Binh Duong's transportation infrastructure and linking Binh Duong New City to Suoi Tien Station of Ho Chi Minh City's Metro Line 1. Ultimately, the project aims to contribute to the sustainable socio-economic development of Binh Duong province.

Strengthening cooperation and developing the Thaco Group's ecosystem

The CIB has proactively promoted cooperative relationships with Thaco Group and successfully supported the Group in cultivating an ecosystem encompassing 51 subsidiaries over the past two years. HDBank is committed to providing high-quality and timely products and services to its customers, thereby solidifying its position and reputation as a trusted partner within Vietnam's banking and finance sector.



2024 BUSINESS DIRECTION

Building on the successes of 2023, the Corporate & Institution Banking (CIB) Division is committed to further implementing its five-year strategic initiatives in 2024 with the following business directions:

- ▶ Robust implementation of industry-specific solutions for sectors like petroleum, steel, pharmaceuticals, construction, transportation, and fast-moving consumer goods (FMCG), boosting revenues from services, international payments, foreign currency trading, and customer ecosystem cash flow management.
- ▶ Focusing on developing a diverse client base, including private economic groups, domestic corporations, and FDI customers; strengthening cooperation with domestic and international FIs to enhance HDBank's brand reputation.
- ▶ Effectively implementing digital transformation plans, promoting digital products and services to customers, while simultaneously developing new high-quality offerings

- ▶ Focusing on the Bank's overall goals of growing current account savings account (CASA) balances through cash management solutions, cashless payments, and continuously improving customer service quality.

- ▶ Driving credit growth with a focus on maintaining good quality and high efficiency, while maintaining and controlling NPL ratio at 0%.

HDBank will continue to expand partnerships and cooperative relationships to optimize capital utilization and manage resources based on best practices established by leading international banks and FIs, with a continued focus on mobilizing hundreds of millions of USD through medium- and long-term foreign loans and the international bond issuance program to contribute to the Bank's overall strategy of Sustainable Development.

TREASURY DIVISION

In 2023, the Treasury Division faced significant pressure and risks both domestically and internationally, which had a direct influence on the Bank's treasury business operations. HDBank's Treasury Division has implemented flexible and timely policies to maintain and develop efficient and safe management of funds, foreign exchange business, and investments, while minimizing risks. The division has continuously solidified HDBank's position and reputation in the treasury and capital markets, playing an active and proactive role in securing sources of funds, investment, and capital market transactions, while maintaining its position as one of the top banks in terms of transaction volume in the market.

In 2023, HDBank achieved several notable awards, including:

TOP 3

in outright transaction of Government bonds on the Hanoi Stock Exchange.

Top Banks with largest FX matching volume with customers.

The Treasury Division has implemented the Treasury System for over 3 years, which is a modern and flexible tool to process business transactions, manage risks, and ensure compliance with State Bank of Vietnam's regulations, market, and Basel standards.

CAPITAL MANAGEMENT ACTIVITIES

In 2023, in addition to focusing on business specialization, the Treasury Division will continue to coordinate and support the Financial Planning Division in managing liquidity and ensuring the prudential ratios of HDBank.

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

TREASURY ACTIVITIES IN THE INTERBANK MARKET

Treasury activities in the interbank market encountered numerous obstacles in 2023 with the State Bank of Vietnam's continued reduction of regulatory interest rates and hiking inflation. Meanwhile, the need for solutions to support the economy persisted, and issues in the stock, real estate, and corporate bond markets remained fundamentally unresolved.

Given the situation, the Treasury Division continuously and closely monitors market developments, ensuring the safety and efficiency of HDBank's capital business, maintaining growth in scale and market share in the domestic and international markets. At the same time, the Division's activities continued to maintain the position and

TOP 3

in proprietary trading of Government bonds on the Hanoi Stock Exchange.

Market maker for credit institution bonds and interbank capital trading and FX matching

reputation of HDBank, supporting partners, promoting healthy competition, and contributing to regulating the supply and demand of currency and stability in the interbank market in accordance with the State Bank of Vietnam's direction and policies.

FOREIGN EXCHANGE BUSINESS

The USD/VND exchange rate in the interbank market exhibited fluctuations in response to the divergent monetary policy trajectories of the SBV and FED, following a predominant upward trend (with instances of VND depreciation exceeding 6%). HDBank 2023's interbank foreign exchange operations were likewise impacted by a highly unpredictable market setting; however, the Bank has fully utilized all accessible and market capital sources, in addition to capitalizing on profitable business opportunities. In 2023, the interbank foreign currency trading volume amounted to 30 billion USD, reflecting a notable growth of 15% compared to 2022, with net profit generated from foreign currency trading operations and derivatives growing by more than thrice.

In 2023, HDBank continued to strengthen the development of its Treasury Sales model, while enhancing its business operations and supplying derivative products in the capital market, such as interest rate derivatives (CCS, IRS) and commodity price derivatives, to diversify its products, increase business activities, and enhance customer convenience.

The application of Industry 4.0 technology in business operations and adapting to new transaction situations have been actively implemented with solutions such as online foreign exchange trading, online gold trading, and marketing through digital channels.



Mr. Hoang Duc Long - Head of HDBank's Treasury Division - on behalf of HDBank, received the award - "Top 5 special trading members with the largest market share of Government Bond trading in 2022" awarded by Vietnam Stock Exchange

INVESTMENT AND SECURITIES TRADING ACTIVITIES

The financial market conditions in 2023 proved to be more conducive to investment and securities trading than compared to 2022. The presence of steady and ample liquidity facilitates the acquisition of capital, resulting in a more optimistic outlook. In 2023, the yield on 10-year Government bonds underwent deliberate downward adjustment by almost 250 percentage points to around 2.2%, providing enablers for market participants to capitalize on business prospects and enhance their portfolio. As of the conclusion of 2023, the Bank's Government Bond portfolio accumulated to over VND 17,000 billion, while the credit institution bond portfolio surpassed VND 35,000 billion. Additionally, profit from investment and securities trading activities increased substantially, nearly fivefold compared to 2022, and emerged as a crucial source of profit for the bank's overall profit.

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

2024 ACTION PLAN DIRECTION

- ▶ Enhance business activities related to capital, foreign exchange, and securities trading, maintain a leading role in the overall business operations, leverage market influence through transaction volume, proactive reputation, and market reliability, and support the market when necessary.
- ▶ Improve the capacity for managing funding and exchange rate and interest rate risk management, focus on collecting, analyzing information and forecasting the market to seize and maximize business opportunities.
- ▶ Optimize the use of the available capital by engaging in cross-selling activities and leveraging derivative products across capital trading and foreign currency trading.
- ▶ Efficiently use and optimize bidirectional transaction limits; increase market share and client diversification.
- ▶ Restructure and revamp investment and securities trading portfolios, while maintaining a leading role in the overall business operations and one of the top 10 members with the highest trading volume in the market.
- ▶ Enhance foreign exchange and capital trading capabilities; implement a robust and modern structure in addition to cultivating and fostering business personnel.
- ▶ Continue to develop capital market products and expand the team of dedicated traders for capital market products and derivatives; cultivate a strong customer base for interest rate and commodity price derivatives, with the goal of propelling HDBank from Top 8 to Top 7 in foreign exchange transaction volume in the entire market.
- ▶ Continue to effectively improve and apply digital and information technology in Treasury operations as well as research and innovate the application of online transaction products for customers, with a focus on achieving customer-centricity.
- ▶ Coordinate and support other units to ensure a balance between safety and efficient use of bank-wide capital; provide advice and assistance to the Financial Planning Division in the issuance of medium and long-term HDBank Bonds to improve the efficiency and reliability of capital sources, ensuring liquidity and payment demands at all times; continue to prioritize promoting green credit programs (specifically those related to renewable and solar energy sectors). The issuance of "Green Bonds" will also be expedited in accordance with international market standards, with a focus on "Green Capital for Green Credit".

BANCASSURANCE DIVISION

In 2023, several events had a direct impact on the bancassurance sector as a whole, resulting in a slight deceleration in revenue from HDBank's life insurance business in 2023 compared to the preceding year, 2022. In response to the circumstances, HDBank identified its primary objective as the enhancement of professional advisory services and the provision of a wide range of insurance products to cater to the different needs of its customers. In addition, HDBank introduced several reward and customer loyalty initiatives, to foster trust and satisfaction among its long-term customers.

In the year 2023, HDBank consistently maintained its position as one of the industry leaders for generating the highest figures from insurance premiums. This outcome could be attributed to the implementation of effective customer engagement strategies, in conjunction with the development of appealing promotional campaigns and incentives. These results in the especially challenging context of 2023 showed the confidence and preference of customers in the life insurance products offered by HDBank.

ENSURING SERVICE QUALITY OF INSURANCE PRODUCTS

In the year 2023, the Bancassurance Division maintained its emphasis on allocating resources towards the development of skilled personnel and using cutting-edge technology to enhance the overall client experience, encompassing several aspects, including the insurance procurement procedure, contract administration, and post-purchase assistance. The high standard of professional insurance services was demonstrated in the consistency and thoroughness in the processes of contacting, consulting, insurance contract performance, customer service with health exams (if applicable), and customer service during insurance claims. This fostered consumer trust and satisfaction.

DIVERSIFYING PRODUCT OFFERINGS

The Bancassurance Division vigorously pursued the enrichment and diversification of the insurance product portfolio, including both life insurance and non-life insurance. In the year 2023, HDBank introduced life insurance offerings that exhibited strong adaptability and alignment with the demands of consumers, serving as a secure and efficient means of investment, accompanied by competitive interest rates for investment prospects, while concurrently furnishing consumers with protective measures. The presence of many options provides customers with a wide range of choices that are tailored to their unique financial circumstances and demands.

Additionally, the products offer customers and their assets effective protection against adverse events such as fires, accidents, serious illnesses, and natural disasters... Furthermore, health insurance products provide coverage for surgical costs and fees associated with medical examinations and treatments. Insurance compensation can be used to pay off obligations and provide a stable financial source for family members when the primary provider's ability to work is impacted.

ENHANCING THE CALIBER OF THE WORKFORCE

The Bancassurance Division consistently engaged in staff training and development initiatives, with an emphasis on expertise, knowledge, and corporate culture to effectively address the ever-more-stringent business requirements. Simultaneously, the Bancassurance Division has rigorously expanded its sales force and staff, bolstered its teams of consultants within the business units, cultivated a network of collaborators, and expanded its activities nationwide.

IMPLEMENTING DIGITAL TRANSFORMATION TO BRING GREATER VALUES FOR CUSTOMERS



Building on the momentum from 2022, HDBank continued to research and implement digital technologies to enhance the operations of its life insurance business. Smartphones and online platforms have played a significant role in this effort by enhancing the efficiency of transaction processes in various stages such as consultation, product registration, payment, and contract tracking, offering consumers greater convenience and flexibility while saving time.



One-click HDI Motorcycle Insurance Project: The initiative facilitates the acquisition of HDI motorcycle insurance for individuals or their family members via efficient and easy transactions through the Mobile Banking App, hence enhancing customer service and generating additional value for customers throughout their interactions with HDBank. The initiative also reduces costs on conventional marketing while maintaining efficiency in customer outreach.

Customer 360 Website and Telesales Portal for stronger customer outreach: This instrument assists the insurance sales team in comprehending customer profiles prior to consulting, thereby contributing to the development of a more proficient customer outreach procedure and a prospect list for existing and future HDBank products by providing segment-specific customer information.

"Happy Digital Sales" Project for consultants: Happy Digital Sales, as a holistic sales management application specifically designed for HDBank's sales and consultant teams to enable the effortless, expeditious, and efficient closure of deals. In addition to offering real-time "interactions" on mobile devices and personal computers, Happy Digital Sales is equipped with an extensive array of sales functionalities that are tailored exclusively for sales administration, including: acquisition of sales opportunities anywhere, simultaneous management of workflow and customers, digitized and streamlined data and reports.

2024 ACTION PLAN DIRECTION

The objective of the Bancassurance Division for the year 2023 is to capitalize on the achievements of the previous year with the strong intention of further augmenting and expanding the insurance business operations. Continued efforts will be devoted to activities that enhance customer engagement, service quality, and product innovation. Further investments will be made by the Division in employee training and digital technology in attempts for improved consumer experience and performance. HDBank aspires to establish itself as a frontrunner in the banca sector in Vietnam, while also making a significant contribution to the advancement of the banking sector. HDBank endeavors to collaborate with insurance providers whose products, technologies, and quality are unparalleled in the industry. HDBank's exclusive bancassurance agreement with its partners will undoubtedly assist the bank in maintaining its position atop the bank industry in terms of bancassurance activities. This will also aid in the realization of the Bank's development strategies for the period 2021-2025 and enable customers to benefit from an expanded range of financial and insurance solutions.

INFORMATION TECHNOLOGY AND DIGITAL BANKING DIVISION

The Information Technology and Digital Banking Division achieved notable accomplishments in 2023 by actively integrating digital business thinking into Information Technology offerings and systems. The Division made significant efforts to provide technology advancements to the Bank, resulting in important accomplishments like:

Designing digital financial offerings that deliver enhanced convenience to consumers:

- ▶ Introducing a cutting-edge digital banking solution characterized by a high degree of automation and convenience through the Division's pilot program known as the Vikki Digital Banking System.
- ▶ Piloting the Kiosk Banking system to deliver a seamless self-service experience. This development marks the introduction of digital branch models, which enable customers to conduct transactions that were previously exclusive to physical branches.
- ▶ The effective implementation of a collection of encrypted account solutions enabled Commercial Banking to monitor and administer financial transactions with ease.
- ▶ The digitized payroll journey incentivizes customers to open product bundles, such as debit cards, prepaid cards, credit cards, and payroll accounts. This in turn attracts businesses to initiate the opening of accounts for thousands of their employees.

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

- ▶ Collaborating with partners to increase the number of accounts opened with the Bank, with HD SAISON application's remarkable digital loan and disbursement journey.
- ▶ Integrating the credit card opening process across several channels, with a particular focus on Vietjet Air and Vikki to enhance the issuance and activation of credit cards.
- ▶ Establishing partnership with JCB for the card issuance and merchant programs of JCB's card products.
- ▶ Developing and enhancing the new "Buy Now, Pay Later" feature for Muadee application with the intention of delivering better experience for Muadee users and making their app purchases more convenient. Expanding the merchant networking by adding thousands of new merchants to the list.

Optimizing operational efficiency by digitizing current processes:

- ▶ Effectively migrating document storage onto cloud platforms to reduce hardware storage burden for the core banking system.
- ▶ Adding several new features and utilities on the Customer 360 tool to assist business units in their operations, covering tasks such as handling customer inquiries, identifying high-priority customers, fingerprint/face authentication, Di-payroll, and facilitating deposits and withdrawals, etc.
- ▶ Officially launching the Digital Core Thought Machine initiative, an innovative core banking solution. HDBank is the first in Vietnam to collaborate with Thought Machine in the implementation of this cutting-edge core banking solution, thus establishing an unprecedented benchmark for forthcoming core banking technologies.
- ▶ Collaborating with Card Center and Digital Transformation Center for the effective deployment of flexible lending products on credit cards.
- ▶ Collaborating with Digital Transformation Center to optimize the consumer experience with the Bank's offerings through designing superior 1-Click Banking products.
- ▶ Collaborating with functional departments and Digital Transformation Center to provide business units with cutting-edge sales management solutions that can be accessed anywhere via mobile app and internet.
- ▶ Collaborating with several functional departments to manage the replacement of the loan origination system (LOS) for both Commercial and Retail Banking as part of the credit segment's digital transformation.

DIGITAL TRANSFORMATION HIGHLIGHTS

Surpassing
2 million
e-banking customers

Monthly active users (MAU) of the bank's digital offerings increased by

87%
YOY

Total number of eBanking transactions increased by

132%
YOY

The percentage of customer transactions conducted through digital channels accounts for

93%
total transaction

The number of new customers acquired through digital channels in 2023 increased

125%
YOY



Customer journey enhancement

- ▶ Retail Banking Division (Open accounts, Open saving accounts, Open credit cards, Apply for loans,...)
- ▶ Commercial & Corporate Banking Division (Corporate account and credit services, trade finance and international payment features), foreign exchange and derivative transactions, Payroll services - Employee Banking
- ▶ Card center: customer care services

Digital product & service development

- ▶ Develop Mobile Banking - Internet Banking system integrated with VNPT Group's application
- ▶ Develop customer identification system (eKYC) for individual customers
- ▶ Operating procedures for depositing money and renting safes to store assets at the Bank
- ▶ Customer 360 comprehensive customer analysis system
- ▶ One Click Banking application (one-stop banking service) to develop and enhance customer journeys

Digital transformation of internal processes

- ▶ Enhance the bank-wide human resources management system
- ▶ Update the operational organization system of some Divisions and departments with a technology system that supports measurement and reporting
- ▶ Research and apply the data management system, dashboards, and automatic management reports

2024 ACTION PLAN DIRECTION

In alignment with HDBank's strategic growth strategy, the Information Technology and Digital Banking Division will remain committed to executing technology initiatives for the Bank, building upon the accomplishments in 2023. The Division will engage in tight coordination to assure the Bank's development objectives, with a particular emphasis on projects initiated by other functional divisions and digitally driven business initiatives.

The objectives for technology pipelines of the year 2024 cover the following:

Vikki Digital Bank to be formally introduced with the target of enhancing the experience of the Bank's existing customers and attracting new ones.

Implementing the Digital Core Banking Thought Machine initiative, aiming to develop a contemporary digital core banking, in line with the bank's continued expansion objectives.

Formally introducing the LOS system for the credit operations of both Commercial Banking and Retail Banking.

Collaborating with departments of Digital Banking to establish, standardize, and improve customer journeys across various transaction channels. Subsequently, cultivating satisfaction and trust in HDBank's digital offerings and solutions.

Expediting the launch of novel features on the Customer 360 system to lower business unit TAT and deliver a higher level of convenience for customers.

Striving for the successful execution of key initiatives from various Divisions/Departments and headquarters, including but not limited to priority customers, customer information management, data dashboard, integration with Apple Pay, and new online banking services for Commercial Banking.

Expanding the range of digital channels for payment account, credit card, and other journeys to deliver true end-to-end digital experience.

Collaborating with the Center of Excellence (COE) to enhance and standardize the Bank's standard operating procedures.



HD SAISON FINANCE COMPANY LIMITED



HD SAISON has been one of the most profitable enterprises in Vietnam for several consecutive years

OVERVIEW OF BUSINESS OPERATIONS 2023

In 2023, global economic growth continued to slow down. Geopolitical tensions, natural disasters, and tightened monetary policies have narrowed down international trade, reduced demand for goods, and increased unemployment. This has had a serious impact on the Consumer Finance industry. The main customer segments of financial companies are manual laborers and low-income workers some of whom are now earning less, losing jobs, or even unemployed, etc. resulting in a negative impact on their capacity to make payments. The Consumer Finance market is in the midst of its worst crisis ever, with consumer loan demand falling and bad debts skyrocketing, causing a significant decline in profits for financial companies.

HD SAISON is not an exception to the industry-wide risks. In this context, HD SAISON has been flexibly adjusting its business strategy to overcome the market volatility, with the top priority of ensuring the safety of its business operations. As of December 31, 2023, HD SAISON's total assets reached VND 17,593 billion, of which loans to customers reached VND 16,086 billion and the Company is always in compliance with operational prudential requirements under regulations of the State Bank of Vietnam. In particular, HD SAISON has always maintained a high capital adequacy

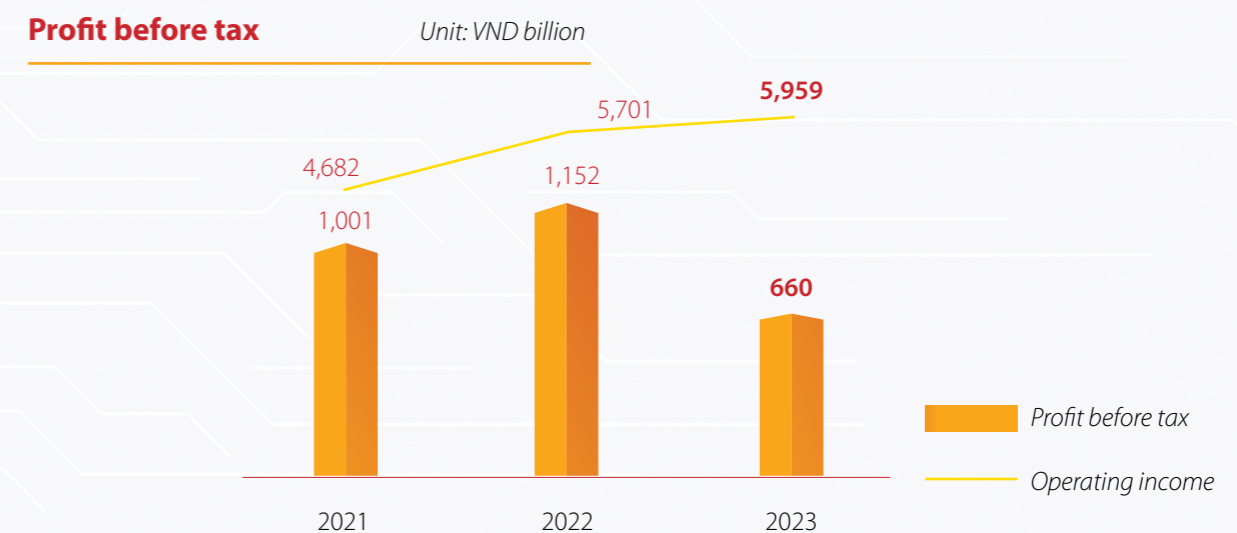
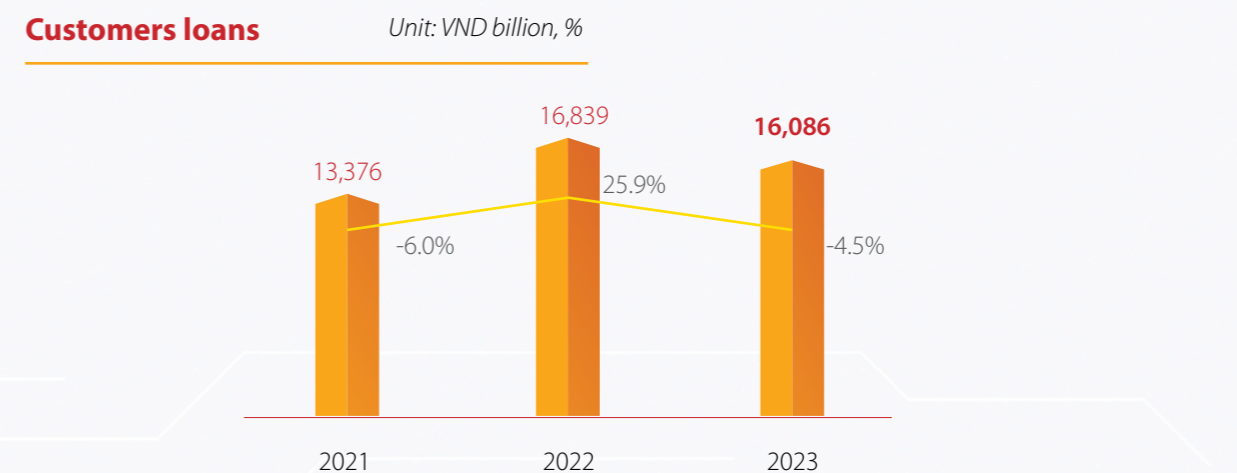
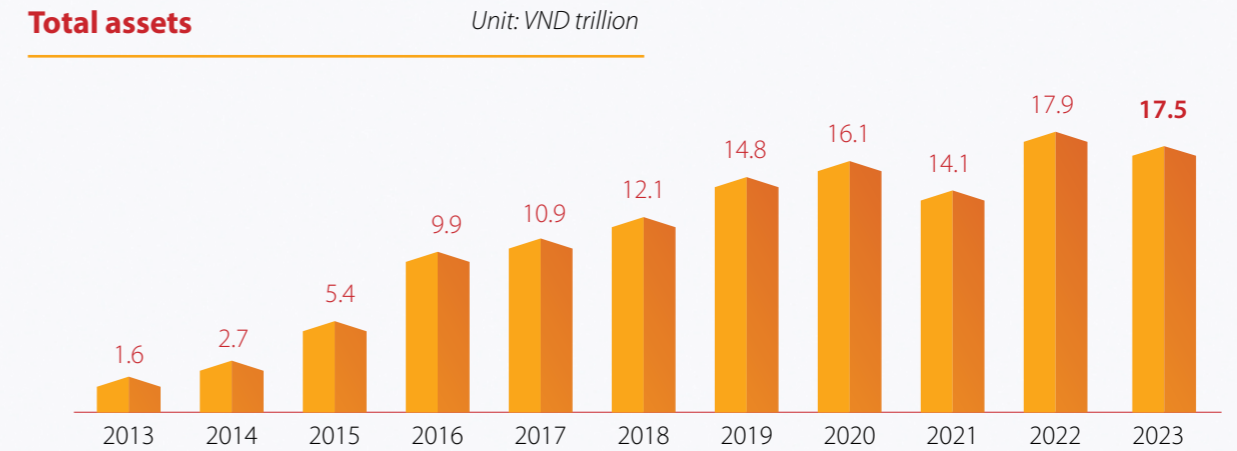
Profit before tax in 2023 reached

VND 660 billion

More than VND 8,000 billion of preferential loans was disbursed to workers in industrial parks and export-processing zones to improve their lives

ratio (CAR). The CAR at the end of 2023 was 22.5%, 13.5% higher than the minimum requirement of 9.0%. The non-performing loan (NPL) ratio was controlled at 7.61%, one of the best in class in the industry. In addition to ensuring the operational safety, HD SAISON has also implemented a number of initiatives to improve business efficiency. These include digital transformation and the integration of technology into business processes to optimize costs and improve workforce productivity. Furthermore, HD SAISON has minimized the impact of downturn in credit quality across the Consumer Finance industry by effectively managing risks, targeting lending strategy to lower-risk customer segments, and giving higher ticket size only to those loyal customers whose have good repayment history. As a result, the Company's before tax profit in 2023 reached VND 660 billion.

GROWTH CHART



CORPORATE GOVERNANCE 2023

MANAGEMENT AND GOVERNANCE

The membership of the Members' Council, Board of Supervisors, and Chief Executive Officer of HD SAISON remains stable. The stability of the senior leadership team has enabled the Company to quickly unify its strategy and provide consistent guidance, thereby helping to develop its business activities:

Members' Council

The Members' Council of HD SAISON is composed of experienced members in the banking and finance sector, with many years holding important leadership positions in domestic and international organizations. The Members' Council of HD SAISON is the highest decision-making body of the Company and consists of the following 5 members:

- (i) **Mr. Kosuke Mori** - Chairman of the Members' Council
- (ii) **Mdm. Nguyen Thi Phuong Thao** - Permanent Vice Chairwoman of the Members' Council
- (iii) **Mr. Pham Quoc Thanh** - Member of the Members' Council
- (iv) **Mr. Nguyen Huu Nhan** - Member of the Members' Council and Chief Executive Officer
- (v) **Mr. Koji Sugahara** - Member of the Members' Council

With timely and proper guidance and direction of the Members' Council, along with the determination and efforts of all employees, HD SAISON has achieved many successes in its business operations.

Board of Supervisors

The Board of Supervisors monitors compliance with legal and charter regulations in the management and operation of the Company by its managers and executives. The Board of Supervisors of HD SAISON consists of the following 3 members:

- (i) **Mdm. Ho Thu Trang** - Chief of the Board of Supervisors
- (ii) **Mr. Nguyen Xuan Hoang** - Member of the Board of Supervisors
- (iii) **Mr. Takehiko Hayashi** - Member of the Board of Supervisors

Chief Executive Officer

The day-to-day operations of the Company are managed by **Mr. Nguyen Huu Nhan, the Chief Executive Officer**, with the assistance of several Deputy Chief Executive Officer and department heads.

DEVELOPMENT ORIENTATION

The Members' Council and Executive Board of HD SAISON consistently align the Company's development strategy with a long-term and sustainable approach. HD SAISON continues to implement core tasks, including:

- ▶ HD SAISON is committed to being a pioneer in digital technology, leveraging automation and artificial intelligence to the fullest extent in all its business and operational activities. This is all designed to increase productivity, reduce costs, improve profitability, and promote the expansion of consumer credit across the country, contributing to the enhancement of the material and spiritual living standards of the people, especially those with low and middle incomes.

▶ In line with the digital transformation trend and the Digital Transformation Plan of the State Bank of Vietnam, HD SAISON has set specific goals for its Digital Transformation Plan. HD SAISON's activities are all geared towards improving service quality, enhancing customer experience at the lowest cost and fastest service time.

▶ In addition to focusing on customer service, HD SAISON also prioritizes the development of human resources as a top asset to ensure sustainable growth, not just for the next 10 years but even for the next 20 years. This can be achieved through intensive investment in training and development, as well as maintaining and promoting attractive compensation policies to acquire and retain talented personnel.

DIGITAL TRANSFORMATION INITIATIVES AND ACHIEVEMENTS IN OPERATIONS AND CUSTOMER PRODUCTS

In 2023, HD SAISON continued to accelerate digital transformation in operations and product design, introducing numerous new initiatives to improve operational efficiency and meet the ever-increasing needs of customers.

HD SAISON focused on refining its website and mobile app, enabling customers to perform true digital loan or credit card application journeys. In 2023, the mobile app successfully disbursed over 129,000 loan applications and issued over 13,000 credit cards.

HD SAISON has implemented electronic signatures across all sales channels, facilitating secure and seamless transactions for customers. With this improvement, HD SAISON has optimized resources in verifying, storing, and securing loan contracts.

In addition, the application of eKYC and automated underwriting has also shortened the lead time for loan applications and credit card issuance.

Aiming to enhance customer experience, HD SAISON has closely collaborated with HDBank to provide an online payment account opening service integrated into the lending process, enabling customers to quickly and easily acquire online payment accounts.

Initial operational results have led to the opening of over 20,000 new online payment accounts. Integrated has expanded partnership with Vietjet Air to develop the "Fly Now, Pay Later" service, an end-to-end online airline tickets platform. This product applies advanced technology, with a simple procedure, making it easy for customers to purchase airline tickets.

SUSTAINABLE DEVELOPMENT OBJECTIVES AND ACTIONS

(integrated's contributions to economic, environmental, and social developments)

Business development through financial support for consumers, along with a strong focus on social responsibility, are essential goals of HD SAISON's operations. HD SAISON fulfills its social responsibility commitments through practical and meaningful actions that address specific needs:

EDUCATIONAL SCHOLARSHIP SPONSORSHIP

Maintaining educational support activities since 2016, HD SAISON continued to sponsor scholarships worth VND 60 million in 2023 for Duc Tri Secondary School in Ho Chi Minh City. The annual scholarship sponsorship package has over the years supported hundreds of students to continue their education.



PREFERENTIAL LOAN PACKAGE FOR TEACHERS AND DOCTORS

HD SAISON has been maintaining its preferential interest rate loan package exclusively for teachers, doctors, medical and educational staff, introduced in 2017, to address the consumer loan needs of individuals who have made contributions to building and developing the future generation as well as protecting and maintaining the community's health.

BRINGING CONSUMER FINANCE CLOSER TO THE PEOPLE

Continuously expanding service network, HD SAISON now has over 24,000 service points across the country. By expanding its presence, the Company is supporting people to easily access its professional consumer finance services.



SPECIAL PREFERENTIAL LOAN PACKAGE FOR WORKERS NATIONWIDE

Since 2022, HD SAISON has had the honor to be selected by the Government and the State Bank of Vietnam, together with another financial company, to implement a VND 20,000 billion loan package for workers across the country with interest rates just half of the market prevailing rates. This is the largest loan package ever provided by a consumer finance company, under which workers can apply for loans completely digital through the application. As a result, HD SAISON has also supported workers to access a comprehensive digital consumer loan service with many utilities.



Through this loan package, together with the support of the Vietnam General Confederation of Labor, HD SAISON has brought conventional credit into the lives of workers, helping many working families stabilize their daily lives and improve their life quality. This shows the practicality and timeliness of the loan package for workers during the economic recovery period, particularly as an effort to keep them away from illicit credit practices.

So far, HD SAISON has and will continue to expand the coverage of this preferential loan package to workers in provinces and cities across the country. HD SAISON has disbursed such preferential loans to 54,000 workers. Non-profit loan package of VND 10,000 billion exclusively for workers.

DESIGNING CONSUMER LOAN PACKAGES THAT BRING MORE BENEFITS TO CUSTOMERS

While loan repayment is the borrower's responsibility, HD SAISON has developed loan packages that were designed to encourage customers to make timely payments. Thereby, customers can receive a monthly cashback if they make full and timely or early payments. Typically, the VND 36 million-Cashback Loan Package has been applied to motorcycle loans or the VND 12 million-Gift Loan Package for electronics, home appliances, and other products. These loan packages not only offer tangible benefits but also support customers to maintain a good credit history, ensuring that they continue to have access to credit from reputable lenders in the future.

