

**PHÁT TRIỂN BỀN VỮNG  
TIỀN PHONG DẪN ĐẦU**

**HDBank**  
Cam kết lợi ích cao nhất

**FY2023 Results & Business Update**  
**Sustained & Robust Growth Affirming**  
**Solid Fundamentals**

*February 2024*



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# Executive Summary

HDBank achieved robust business growth in 2023

## 2023 Key Business Highlights

- 1 Market-leading credit and deposit growth driven by retail and SME segments
- 2 Profitability remains healthy thanks to top-line growth while expenses were well-managed.
- 3 Asset quality is healthy with market low NPL ratio, other prudential ratios are at much higher than regulatory requirements
- 4 Basel III-compliant risk management system lays the foundation for future growth
- 5 Digital transformation facilitates productivity enhancement and customer acquisition from the vast ecosystem

## Key Financial Indicators for FY2023

Total Deposits: VND 422tn (+62.2% YOY)	Profit Before Tax: VND 13,017bn (+26.8% YOY)
Total credit balance: VND 353tn (+31.8% YTD)	Total Operating Income: VND 26,414bn (+20.2% YOY)
CAR (Basel II): 12.6%	Return on Equity: 24.2%
Tier 1 ratio: 9.0%	NIM: 5.1%
NPL Ratio (Consolidated): 1.79%	CIR (Consolidated): 34.6%
NPL Ratio (Parent Bank): 1.51%	Digital transactions: +88% YOY

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# 2023 Key Financial Metrics

Most of 2023 key financial metrics are in-line with business plan

## Key FY2023 Financial Metrics (Consolidated)

Metrics	FY2022A	FY2023A	% YOY Growth	2023F	Actual vs FY2023 Plan
Total assets (VNDbn)	416,273	602,315	44.7%	520,024	<b>115.8%</b>
Total Equity (VNDbn)	38,995	46,400	19.0%	47,300	<b>98.1%</b>
Total deposits* (VNDbn)	259,959	421,716	62.2%	330,459	<b>127.6%</b>
Total credit* (VNDbn)	268,157	353,441	31.8%	333,553	<b>106.0%</b>
Profit Before Tax (VNDbn)	10,268	13,017	26.8%	13,197	<b>98.6%</b>
Profit After Tax (VNDbn)	8,209	10,336	25.9%	10,558	<b>97.9%</b>
ROAE	23.5%	24.2%		24.5%	<b>98.8%</b>
ROAA	2.1%	2.0%		2.3%	<b>87.0%</b>
NPL Ratio	1.67%	1.79%		<2%	<b>In-line</b>

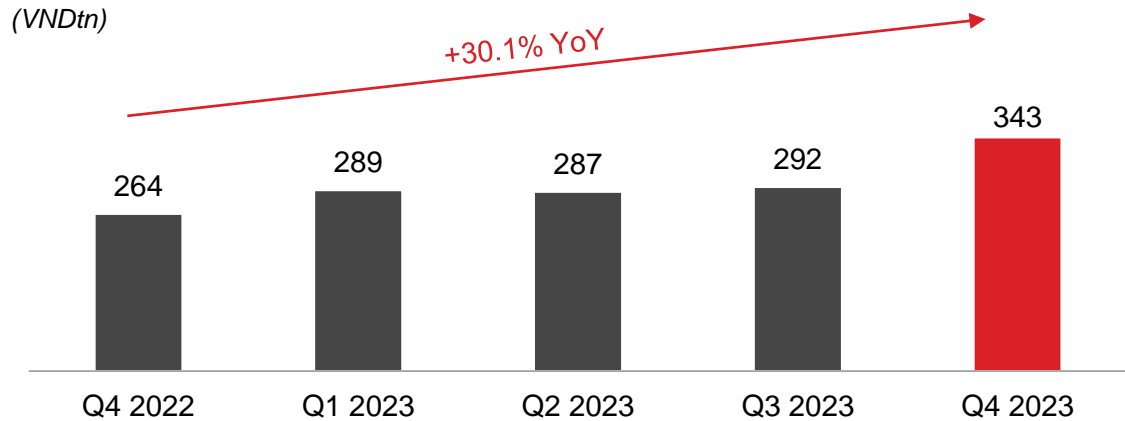
## Key FY2023 Financial Metrics (Parent Bank)

Metrics	FY2022A	FY2023A	% YOY Growth	2023F	Actual vs FY2023 Plan
Total assets (VNDbn)	404,276	589,986	45.9%	505,345	<b>116.7%</b>
Total Equity (VNDbn)	36,122	43,752	21.1%	43,729	<b>100%</b>
Total deposits* (VNDbn)	256,471	415,965	62.2%	325,962	<b>127.6%</b>
Total credit* (VNDbn)	251,318	337,354	34.2%	314,148	<b>107.4%</b>
Profit Before Tax (VNDbn)	9,475	12,736	34.4%	12,322	<b>103.4%</b>
Profit After Tax (VNDbn)	7,649	10,186	34.2%	9,933	<b>102.5%</b>
ROAE	23.8%	25.5%		24.9%	<b>102.4%</b>
ROAA	2.0%	2.1%		2.2%	<b>95.5%</b>
NPL Ratio	1.3%	1.5%		<1.5%	<b>In-line</b>

# Strong Credit Growth Driven By Retail & SME Segments

A diversified portfolio targeting high-yield & low-risk clients

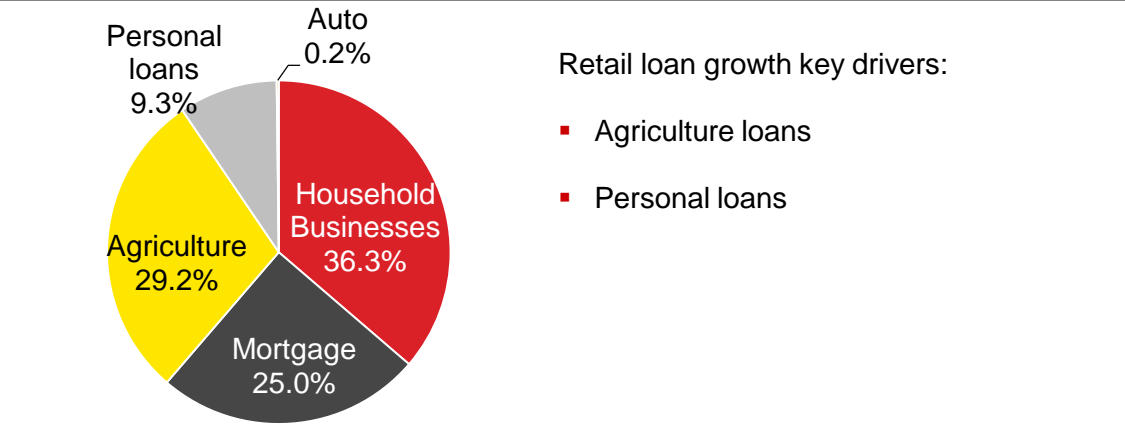
## Gross Loans to Customers



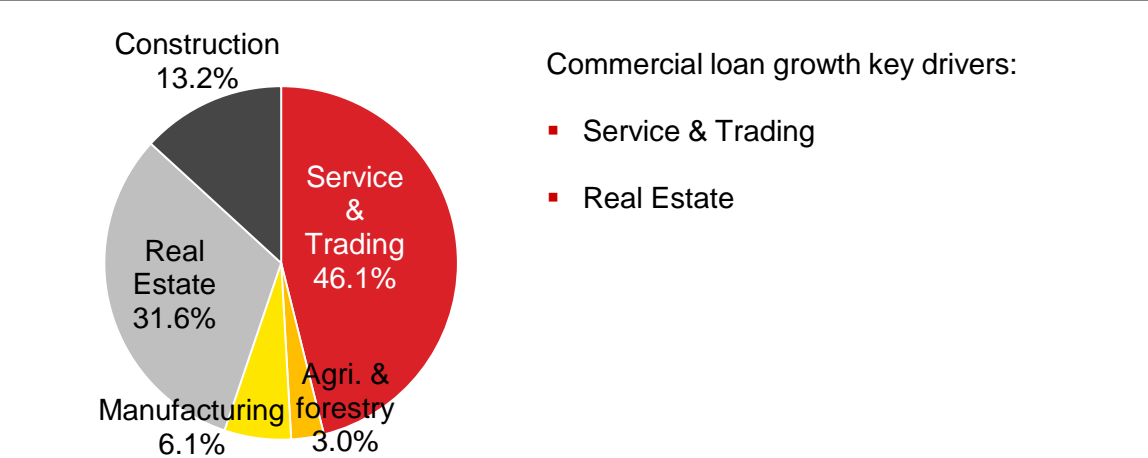
## Loan Portfolio by Segments



## Retail Loan Mix by Products



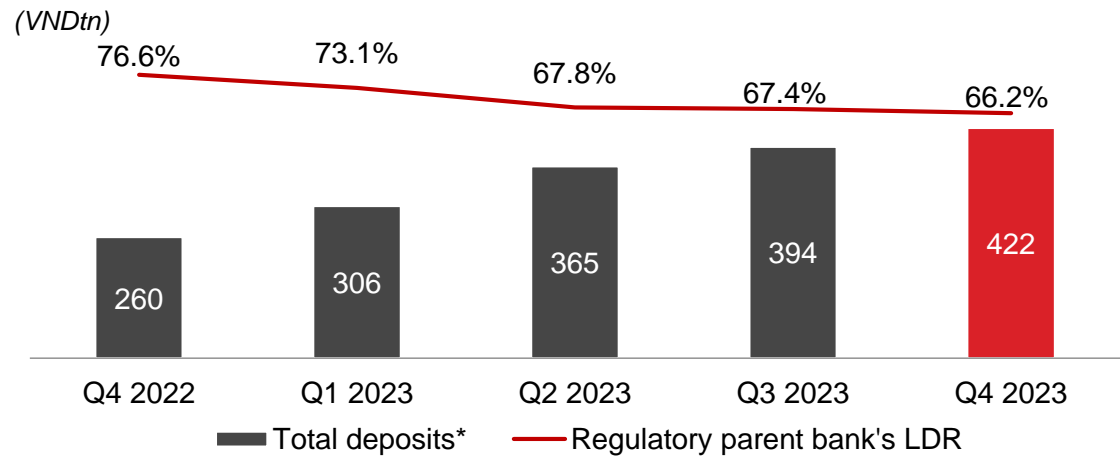
## CMB Loan Mix by Sectors



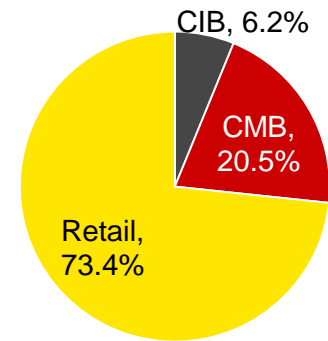
# Robust Deposit Growth and Solid Capital Base Ensure Liquidity Strength

Market-leading customer deposit growth amid market fluctuation affirming customers' confidence in HDBank

## Growing Deposit Base Enhance Liquidity Strength

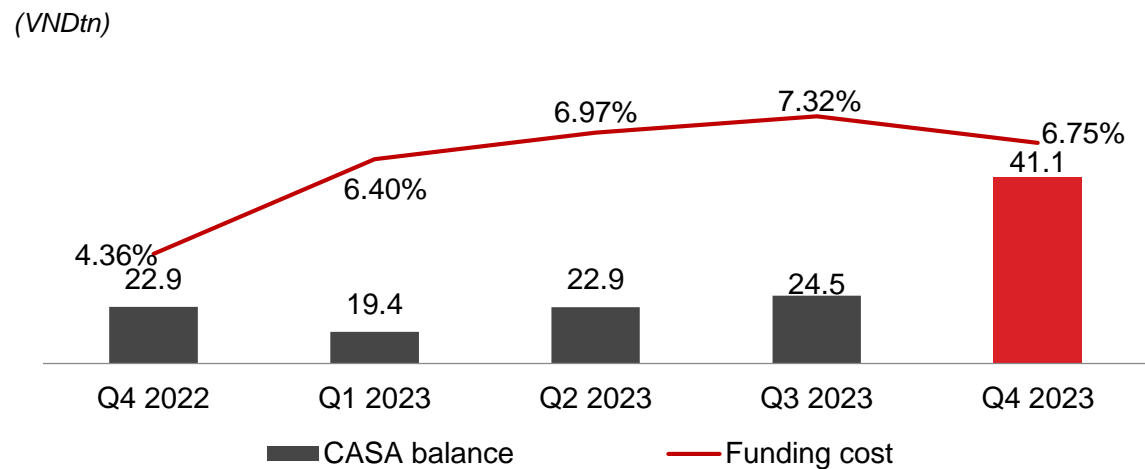


## Deposits by Customer Segments

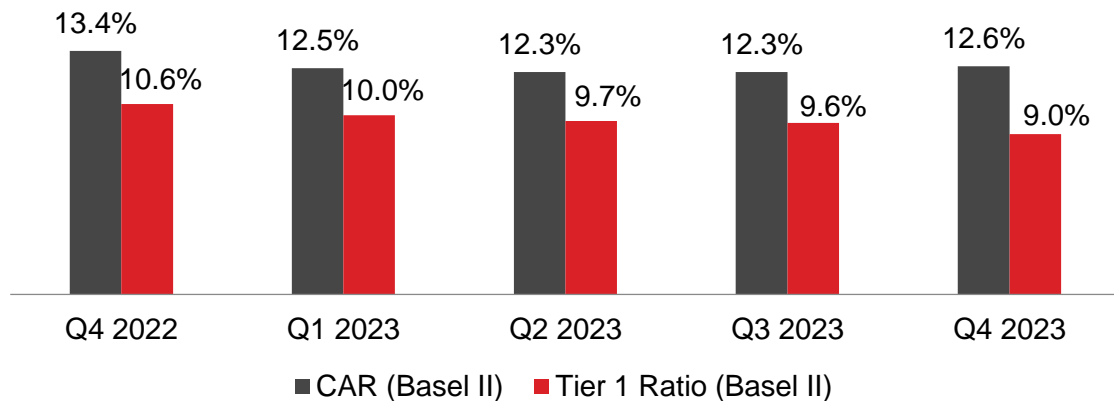


- Customer deposits account for 79% of total funding of HDBank
- Retail deposits account for the largest proportion, about 73% of total customers' deposits
- CASA ratio as of 4Q2023 was 11.1%

## Funding Cost Is Improving As CASA Balance Increased



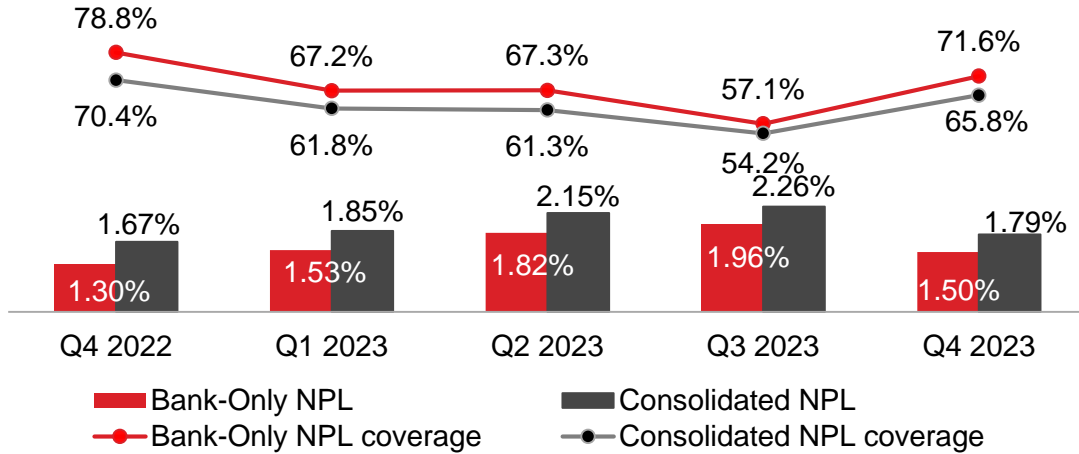
## Capital Adequacy Ratio



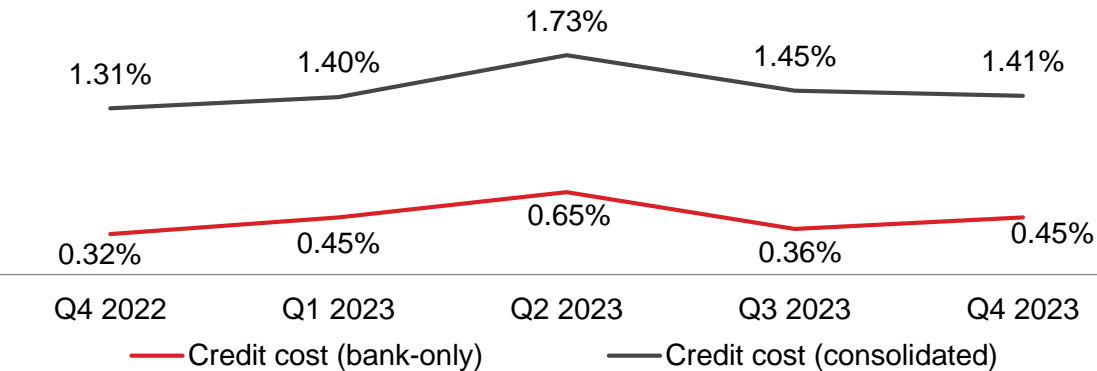
# Maintaining Healthy Assets Quality

Asset quality remains healthy and credit cost is under control despite market headwinds

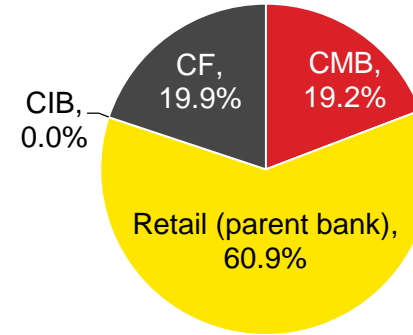
## NPL And NPL Coverage Ratios



## Credit Cost



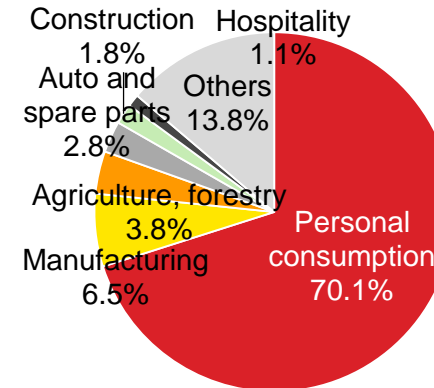
## Breakdown Of NPL Balance By Segments (Q4 2023)



NPL key drivers year-to-date:

- Retail: +VND1.48Tn YTD
- CMB: +VND247bn YTD
- Consumer finance: +VND27.9bn

## Breakdown Of NPL Balance By Economic Industries (Q4 2023)



Key drivers year-to-date by sectors:

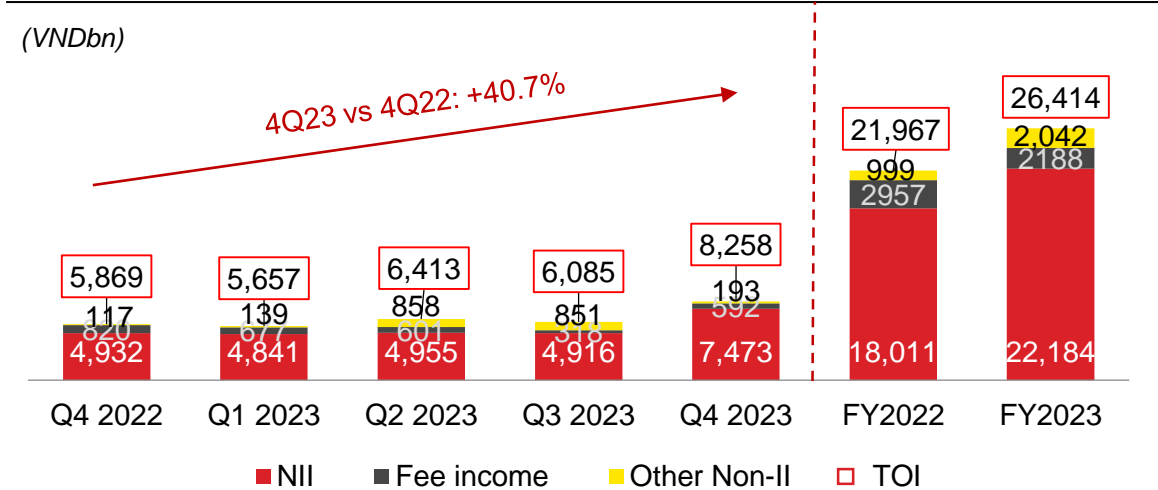
- Consumption loans: +VND1.3Tn YTD
- Others: +VND496bn YTD



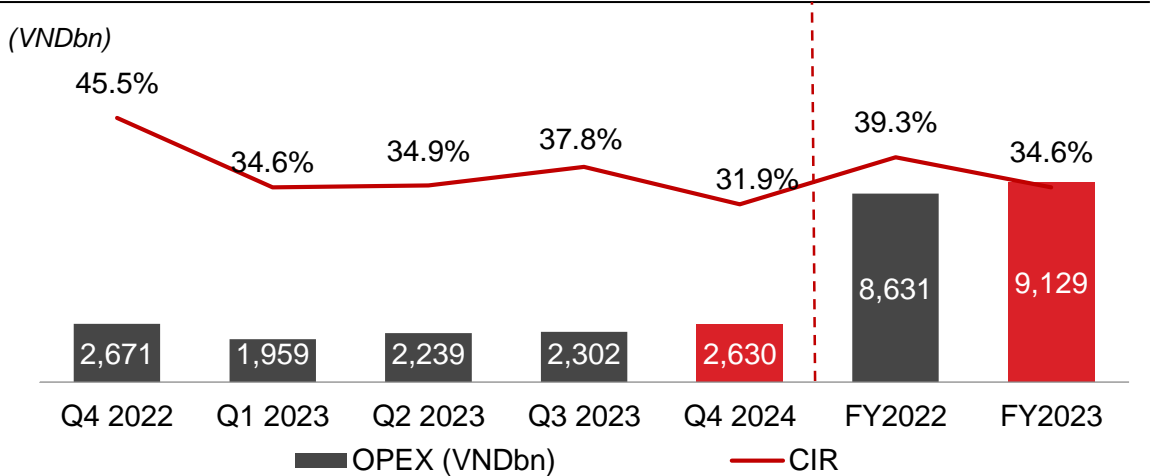
# Profitability Proves Sustainable Despite Market Conditions

Sustained top line growth combined with effective cost management drives profitability

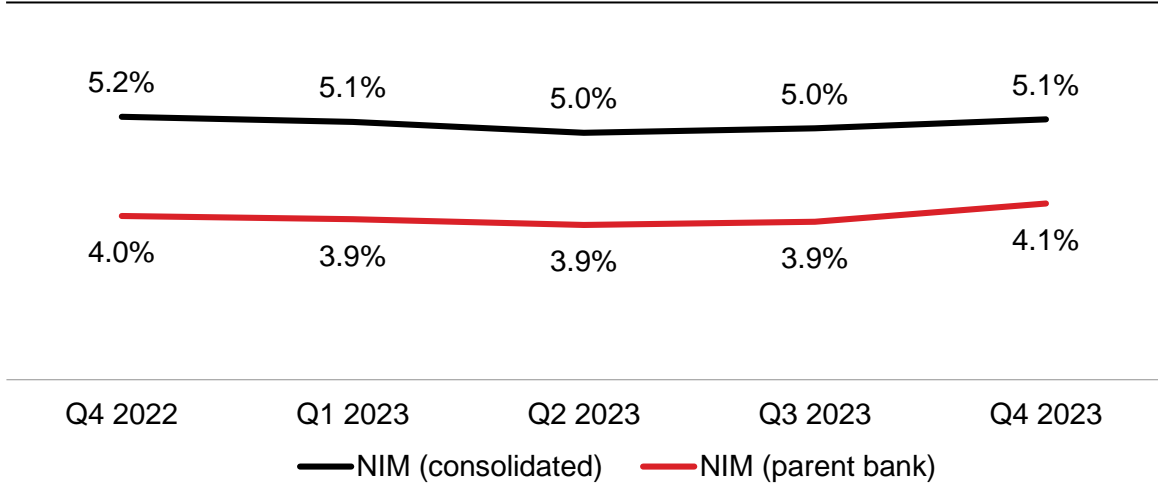
## Total Operating Income (TOI) Breakdown



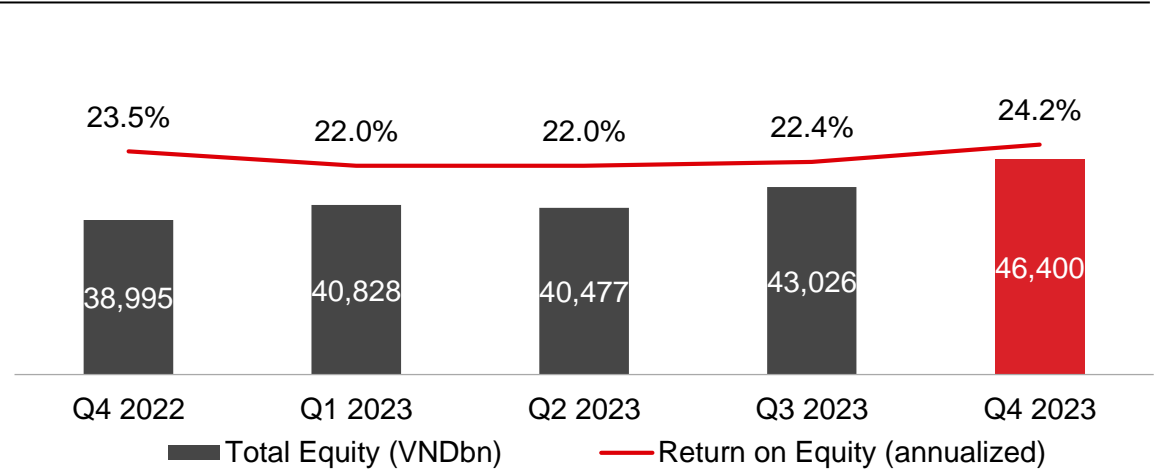
## Increased Productivity Drives Cost-Income Ratio Lower



## Healthy Net Interest Margin



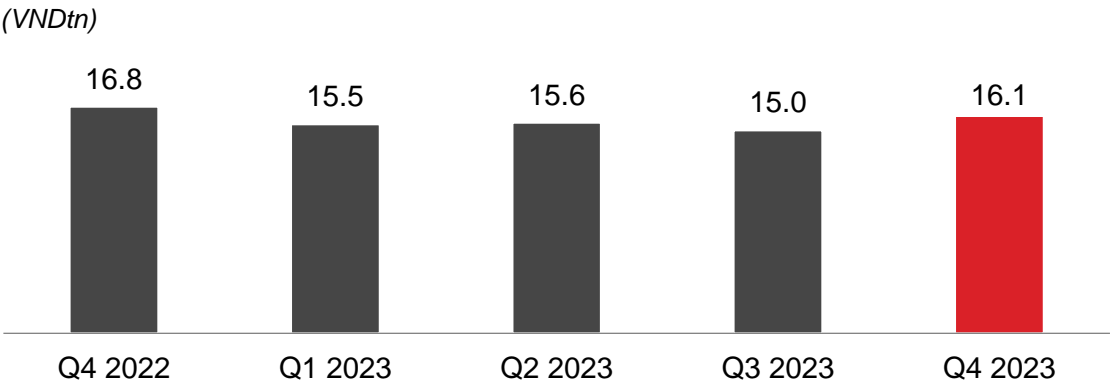
## Return on Equity Is At Market-Leading Level



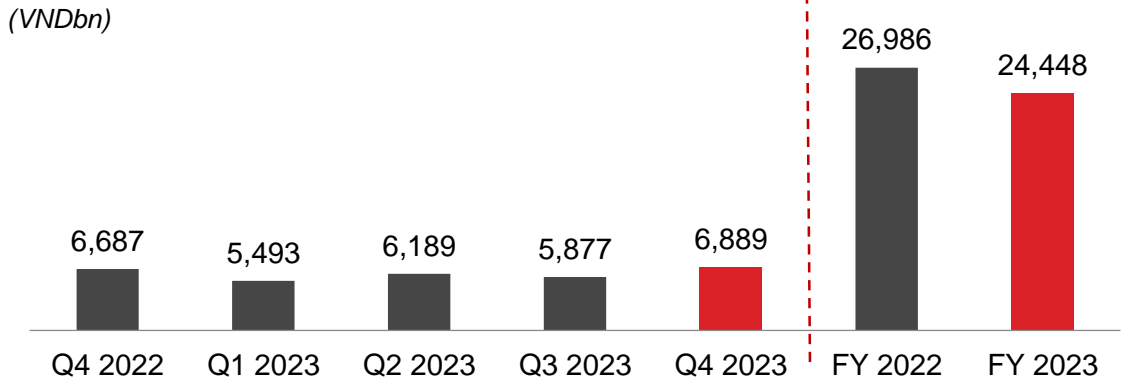
# HD Saison's Asset Quality Is Healthy

Conservative underwriting approach and a diversified loan portfolio support asset quality

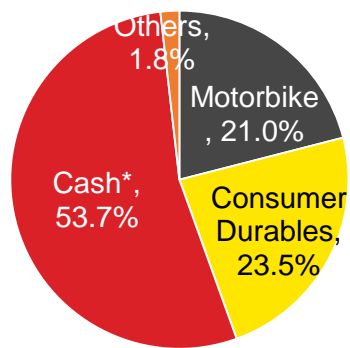
## Loan Book



## Loan Disbursement Recovered



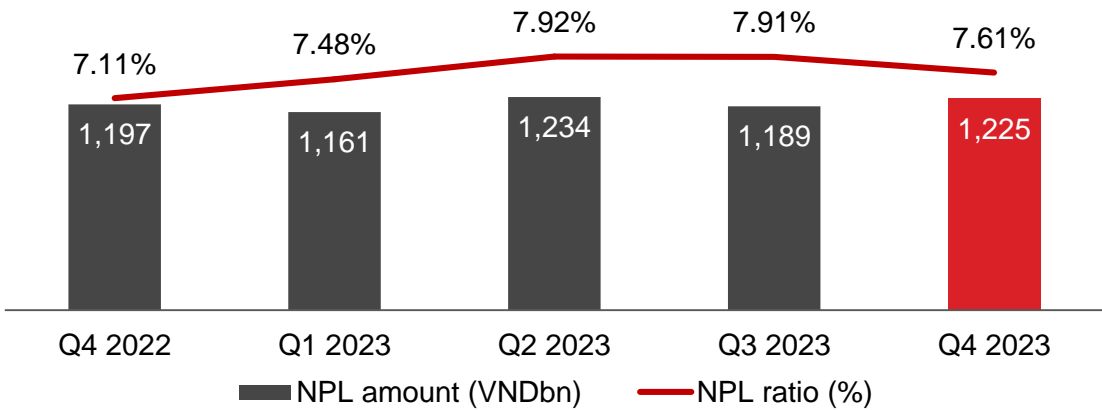
## Loan Portfolio Breakdown



- Motorbike: -21.8% YTD
- CD: -8.2% YTD
- Cash: +3.1% YTD

(Cash loans as defined by SBV: 30.5% against the regulatory cap of 50%)

## Well-controlled Asset Quality

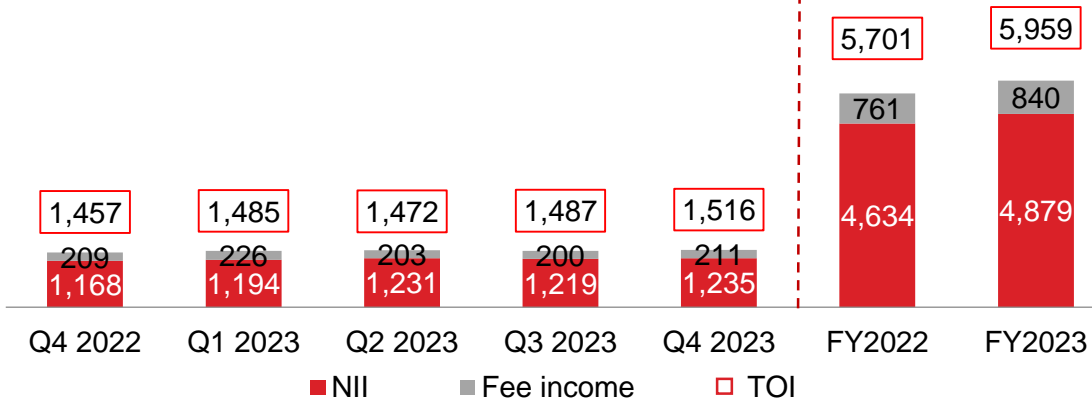


# HD Saison: Profit Recovery Is Gathering Speed

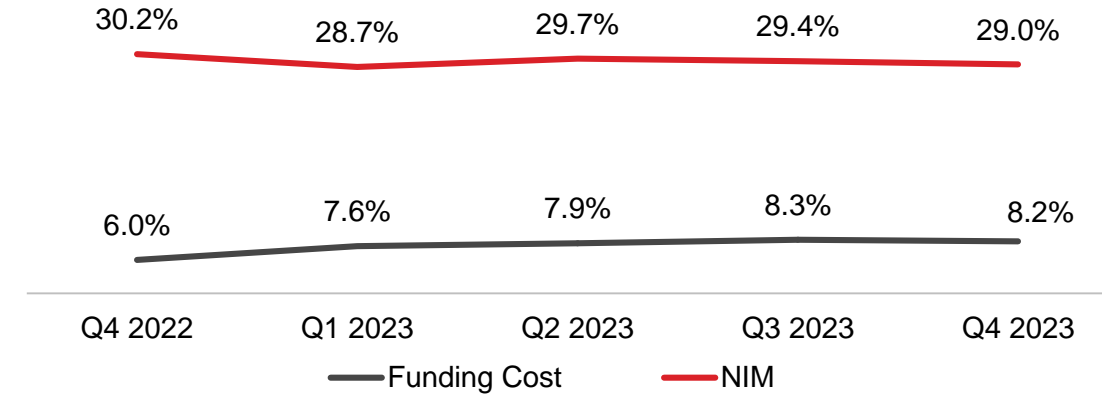
NIM and CIR remain healthy despite market headwinds, which will be supportive to the recovery of profit

## Total Operating Income Breakdown

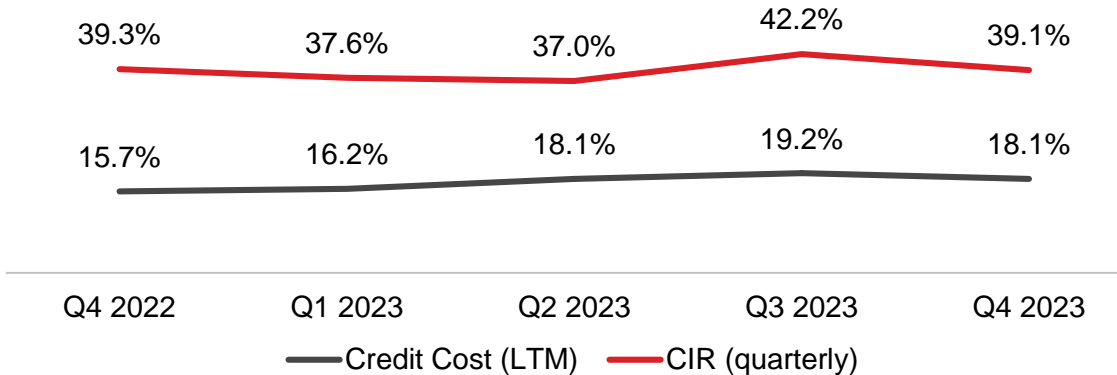
(VNDbn)



## Net Interest Margin And Funding Cost

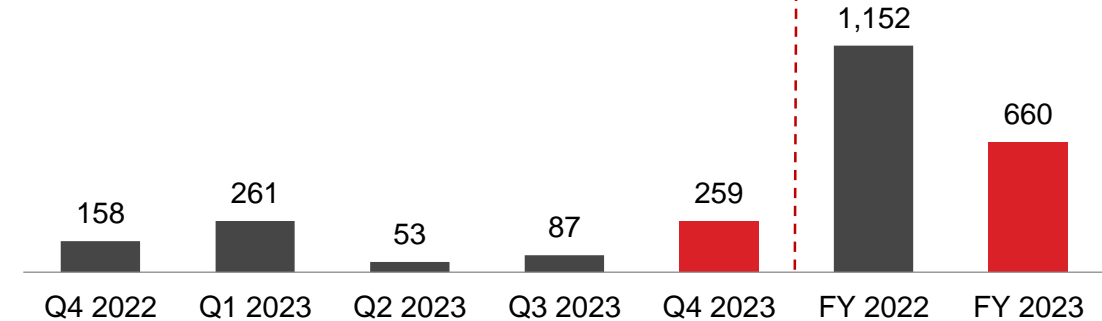


## Credit Cost & Operating Expenses Are Well Managed



## Profit Before Tax Started to Recover After Market Turbulence

(VNDbn)



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# Outlook for FY2024 and Beyond

Maintaining good growth momentum with market-leading profitability and prudential ratios

## Key Financial Metrics (Consolidated)

Metrics	FY2022A	FY2023A	2024 Outlook*	Key Targets For 2021-2025 Plan
Credit growth*	25.6%	31.8%	Credit growth is expected to reach about 20% subject to the credit growth quota granted by SBV	2021-2025 CAGR of ~25%
NIM	5.16%	5.1%	NIM is expected to be maintained 5.0%-5.2% thanks to sustained loan yield and healthy credit growth	To be maintained at >4.5%
Funding cost	4.4%	6.75%	Funding cost is expected improve considerably as deposit rates are coming down quickly and there's ample headroom for the LDR and CASA ratio to improve further	To be controlled below 5.0%
CIR	39.3%	34.6%	Expected to be controlled <35% as productivity further increases thanks to digital transformation.	To be controlled <40%
NPL Ratio	1.67%	1.79%	Consolidated NPL ratio is expected to be controlled under 2% as lending rates are trending down and economic growth accelerates	To be maintained <2%
Credit cost	1.3%	1.41%	As asset quality started to improve from the 4Q2023, credit cost is expected to be under good control <1.3%.	To be maintained at 1.0% – 1.2%
TOI Growth (YoY)	31.1%	20.2%	TOI is expected to grow positively compared to 2023 driven by both interest income and non-interest income	2021-2025 CAGR of ~25%
PBT Growth (YoY)	27.2%	26.8%	2024 profit is expected to increase at least 20% YoY	<b>By 2025: PBT to exceed VND20tn</b>
ROAE	23.5%	24.2%	To exceed 24%	21% - 22.4%
ROAA	2.1%	2.03%	To remain above 2.0%	1.6% - 1.7%



# Key Strategic Initiatives

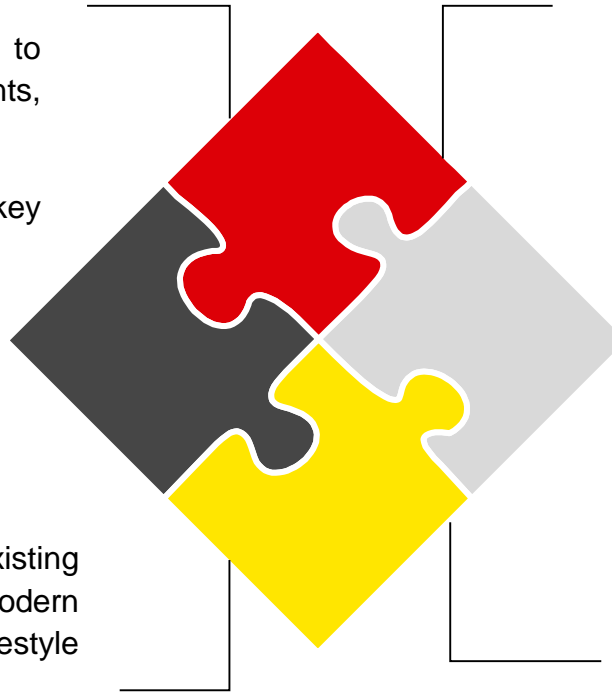
Focus on Digitalization within HDB while integrating with the Group Ecosystem

## 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 frequent 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 to affirm our position among the leading banks in distributing life insurance products.
- Non-life insurance partnership with HD Insurance

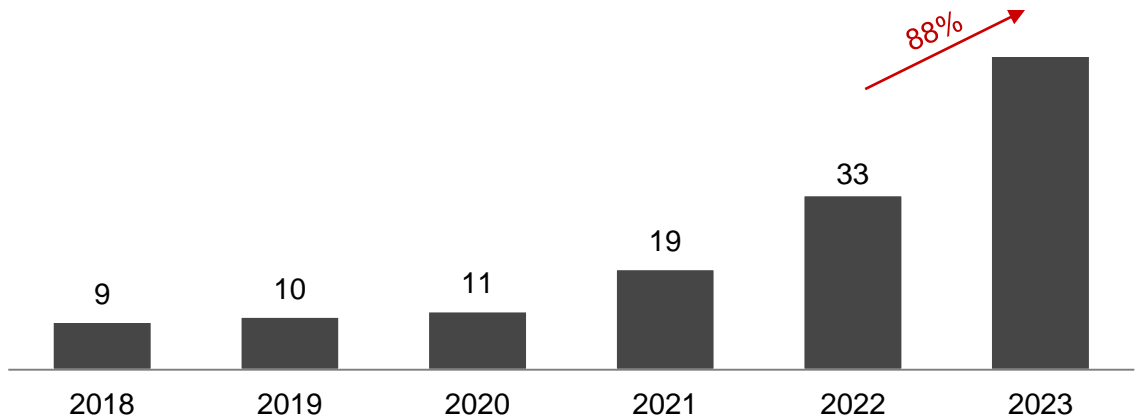
## Environmental, Social and Corporate Governance

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

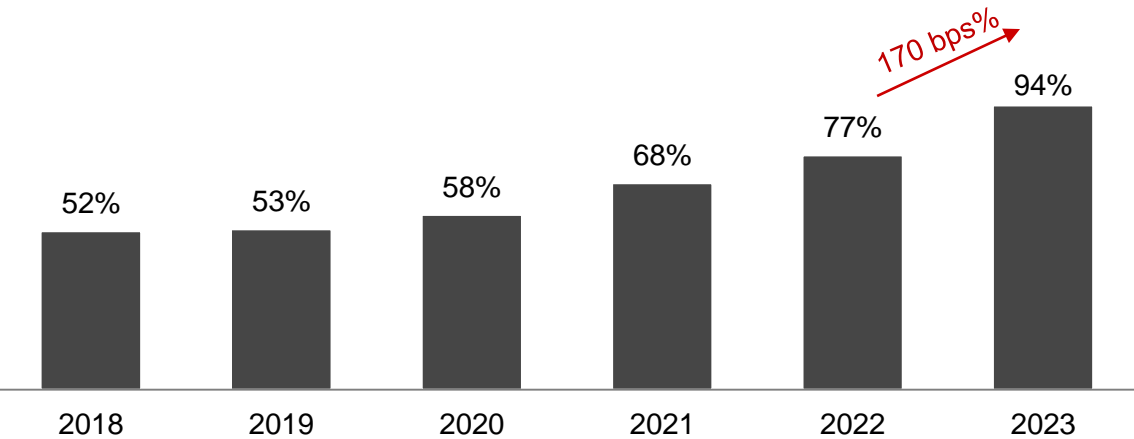
# Key Strategic Initiatives

Digital Banking Initiatives: Strong Growth With High Penetration

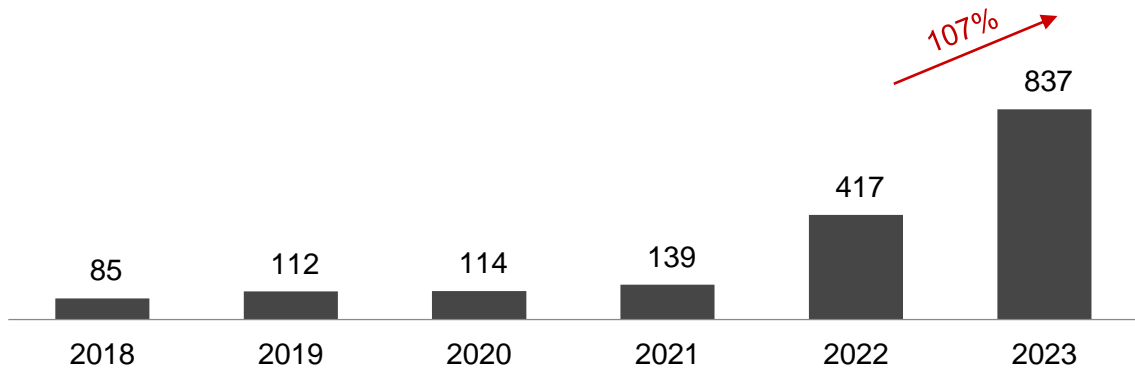
Digital Transactions (Million)



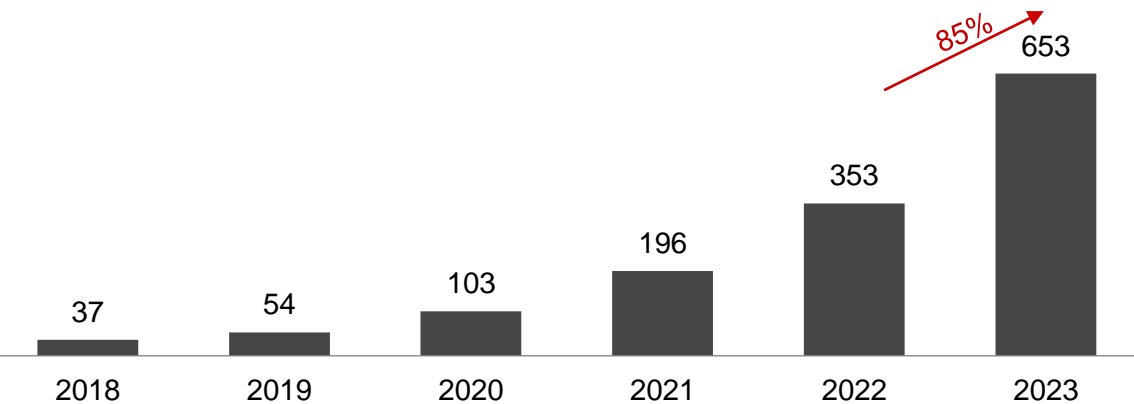
Digital Transactions/Total Retail Banking Transactions



Newly Registered Digital Customers (Thousand)



Financial Active Digital Customers (Thousand/month)



# 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 Action

- 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 customers and projects not meeting regulated environmental standards.
- Proactively raising awareness among employees, launching internal contest to implement “Green ideas” in the workplace

### Impact

Taking actions to support Vietnam's Carbon Neutrality by 2050

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

**>VND 10tn**  
Total credit package to support high-tech agriculture

## Social

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

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

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

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

## Governance

- Implementing best-practice standards in corporate governance in operational activities to ensure its compliance with the best governance practices.
- Committed to delivering the highest value to shareholders and all stakeholders of the Bank.
- Continuously improving its CSR Risk Management, including generating guidance and allocating specialized executive.

Pioneered implementing Basel III standards in governance

Achieved AGM business targets over many consecutive years

Well-recognized for our openness and accountability to all stakeholders

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# Key Highlights Of Corporate And CSR Activities

## HDBank launches its maiden rural banking service



Empowering rural communities, HDBank Rural Services offers a comprehensive suite of financial tools. These include capital lending, tailored business development support, and local investment opportunities. Beyond financing, HDBank invests in knowledge, providing financial education programs and personalized advisory services for both personal and business financial management.

This initiative embodies HDBank's core values, combining the modern prowess of Happy Digital Bank with a deep commitment to rural communities. It's a promise to deliver not just the best benefits, but the highest value, paving the way for economic growth and enhanced quality of life for our rural customers.

## HDBank received major awards for good corporate governance and outstanding listed enterprises



On November 22 in Hanoi, the Annual Forum on corporate governance organized by the Vietnam Institute of Board of Directors (VIOD) honored the HDBank Board of Directors with the Board of the Year Award. This award is recognition of HDBank's efforts in pioneering the application of advanced standards of corporate governance and transparency in business operations according to best international practices. After that, at the awards ceremony of the Vietnam Listed Company Awards (VLCA) coordinated by Ho Chi Minh City Stock Exchange (HoSE), Hanoi Stock Exchange (HNX) and Investment Newspaper, HDBank received two trophies for Outstanding Annual Report and the best listed company for organizing the General Meeting of Shareholders.



# Key Highlights Of Corporate And CSR Activities

## HDBank accompanies farmers and small businesses in developing e-commerce and local economic development



On November 10, 2023, in Hanoi, HDBank signed a Memorandum of Cooperation with Agritrade and TikTok to promote and develop the national program "One Commune One Product" (OCOP), bringing Vietnamese agricultural products including high quality OCOP products to the market. HDBank has accompanied the OCOP Market in several provinces including Ha Tinh, Dong Thap, Ho Chi Minh City (Can Gio District), Lam Dong and achieved remarkable results. Accordingly, more than 150 businesses and garden owners registered to participate with more than 100 selected typical products, drawing more than 140 million views and sales reached billions of dong.

## HDBank was honored as Top 4 Best Workplaces in Vietnam



HDBank has excelled in the Top 4 Best Places to Work in Vietnam, according to survey results from 752 leading businesses from 18 economic industries in Vietnam. The survey was conducted by Anphabe - a consultant on employer branding & happy working environments, with the sponsorship of the Vietnam Confederation of Commerce and Industry (VCCI). Among those businesses named in the Top Best Places to Work in the large enterprise category were Vietcombank, HDBank, PepsiCo Vietnam, and Starbucks Vietnam. The above result once again recognizes HDBank as an outstanding bank in the market in terms of ideal working environment. Previously, HDBank was the only bank to be honored as "Asia's Best Place to Work" by HR Asia Awards for 6 consecutive years.

# Thank you

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**FEEDBACK**

