

HOME CREDIT



ESG Highlights

Vietnam

A NOTE FROM THE CEO

“Sustainability has been part of our DNA since we started doing business.”



Home Credit has been operating in Vietnam since 2008. Today, nearly 6,000 Home Credit employees serve more than 12 million customers, most of whom are not served by traditional banks. We were the very first consumer finance company in the region, and we're rated the Most Desired Brand in Vietnam. Sustainability has always been integral to our approach, and

the pandemic proved that our commitment is more than words – it's intrinsic to how we work with our customers, people, communities, partners and stakeholders.

The emphasis of our ESG approach is on the “S”. Since joining the market, we've been bringing to Vietnamese people innovative products, responsible lending and tech-driven solutions. We help customers access easy financing and safely achieve their daily financial goals. By promoting financial inclusion, we support the government's national financial inclusion strategy until 2025 with a vision to 2030. We also focus on empowering women within our company and communities to become entrepreneurs, data experts and to take up leadership roles.

We strongly identify with the Vietnamese tradition of kindness and solidarity within the community. I am proud of how quickly and decisively we have acted to support

the community, especially during Covid-19. In 2021, our main focus was to assist the government with the fight against the pandemic by vaccination and give encouragement to the frontline workers and help people affected by covid.

In 2022, we are going to deepen our ESG practice by strengthening the collection of data linked to ESG KPIs, further increasing the financial and digital literacy of our customers and supporting projects empowering women in poor regions to build their livelihoods via financial support and know-how. We are the ESG pioneer in our industry and we aspire to lead the way and serve as a role model for others.

Annica Witschard

CEO, Home Credit Vietnam

Highlights

12.8m
customers

6k
employees

300k
new customers per month

9.4k
partner retail stores

46%
of top Home Credit Vietnam executives are women

65%
of our customers would recommend us to family and friends

OUR PURPOSE AND MISSION

We empower people to live the life they want now.

We responsibly deliver trusted financial services that customers and business partners access via their channel of choice. We continuously meet evolving needs, both directly and through innovative ecosystems, helping to build a more resilient world.



RESPONSIBLE FINANCE AND FINANCIAL INCLUSION

Transparency, compliance and customer care are values on which our business is built. We are long-distance runners and always emphasise sustained benefits for customers, partners and society.

This means affordable products, but it also means ensuring customers fully understand the terms and conditions of the service. Our strong underwriting capabilities, powered by data science, are at the core of responsible lending, enabling us to prevent overleveraging our customers. Our automated evaluation process uses cutting-edge statistical models and incorporates a wide range of data to assess affordability and creditworthiness based on disposable income and credit capacity, including a generous buffer to cover unexpected life events.

Transparency

All our documentation is written in clear, jargon-free language with easy-to-understand descriptions and simple steps. Information is also available online and via our mobile app.

Cooling-off period

To help ensure customers make the right borrowing decision based on their own circumstances, we offer a 14-day cooling-off period where they can cancel loans without penalty or accrued interest if they change their mind.

Consultation and support

We provide dedicated customer support across multiple channels including by phone and through on-site (POS) sales assistants. Via the Home Credit app, we provide 24/7 customer service to effectively and quickly handle customer enquiries and complaints. That way, customers always have access to support, especially at difficult times such as during floods and Covid-19.

Ethical collection

Where collection is required, our teams and call operators are highly trained to ensure we treat our customers fairly.

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Approximately 69% of adults in Vietnam are unbanked, and we focus on helping people underserved by traditional financial services. Not only does this open important opportunities for people to live better lives, but it also contributes to achieving the goals in the government's national financial inclusion strategy.

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Pham Ngoc Khang
Chief Finance Officer

<3%

non-performing loan (NPL) ratio – the lowest in Vietnam's consumer finance market



FINANCIAL LITERACY

Financial literacy education is a key component of responsible lending. Many of our customers are underserved by traditional financial services, meaning 40% of them are new to credit. Financial literacy has therefore been central to our ESG efforts, and for many years we have delivered projects to educate our customers, their families and the general public in essential money matters.

We promote an understanding of finance through roadshows, workshops, in-branch open days, in-store events, brochures, publications, competitions, media campaigns and mobile games as well as public teach-ins in supermarkets, shopping malls and communities. Our focus is on educating people about credit, responsible borrowing and household budgeting, as well as on helping children and young people learn about responsible money management.

Financial literacy series

The core of our financial literacy efforts is a systematic programme, covering every aspect of personal finance, complete with exercises to help our customers manage their finances and create a plan for achieving their financial goals. We are developing gamified tools in the Home Credit App to make financial education approachable and fun. The core of the lessons is based on material developed in cooperation with Professor Ngo Ngoc Quang from Foreign Trade University and Saigon Books.

What freshmen need to know events

Thousands of students from five universities in Ho Chi Minh City participated in a series of events covering personal finance basics. As part of the initiative, we also presented 25 scholarships to underprivileged students.

'Smart Money' TV show

From mid-2021, we participated in the 'Smart Money' programme hosted by State Bank Vietnam Communication Department and Vietnam Television (VTV1). Through real-life situations and advice from experts, we bring a rich knowledge that helps people access financial services more effectively.

Modern women forum

We held an online forum for women with tips on managing family finances. It was streamed live on Vietnam Women's Newspaper's Facebook account and featured Home Credit experts alongside celebrities and influencers. Approximately 9,400 people viewed the live stream.

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Being responsible, fair and inclusive is part of Home Credit's DNA. Everything we do is about empowering people. We give them the right products based on their needs and what they can afford, and we always help them make informed decisions.

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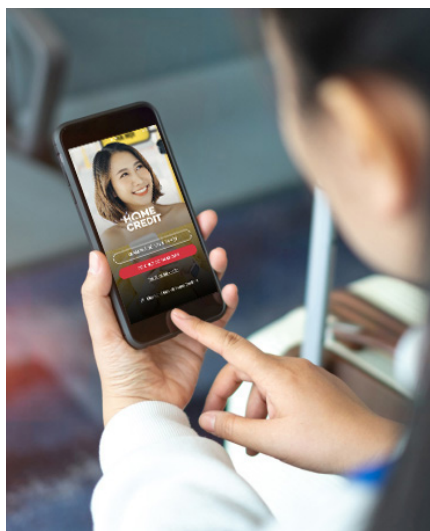
Nguyen Phuoc Bao Dung
Chief Marketing Officer



DIGITAL EMPOWERMENT

The Covid-19 pandemic has driven a large, sustained boost in digital adoption in Vietnam. Digital services saw a 41% spike in new customers (higher than the SEA average), with 94% of them intending to continue their new digital behaviour post-pandemic.¹ Since the start of the pandemic, we have accelerated digitalisation efforts, helping many more people access services more easily.

Our focus on digital transformation means we continually bring innovative solutions that improve customers' experiences throughout their whole journey with us. For example, we use Big Data, advanced analytics and artificial intelligence (AI) to open new opportunities for people to access financial services – and new opportunities for retailers to drive revenue. And we were the first consumer finance company in Vietnam to launch a mobile app, which we have transformed into a self-service hub that gives customer easy access to personalised content and tailored products.



Voicebot

Humans and machines collaborate to win the hearts of customers

To serve more than 12 million customers across Vietnam, we maintain customer support teams nationwide. On average, we handle hundreds of thousands of calls each day to manage requests, answer queries and support customers with repayments. To improve the support experience, we deployed an AI-powered voicebot available 24/7, giving customers a fast and easy way to get help with simple queries. The voicebot uses natural language processing to communicate in a conversational way and in Vietnamese accents. Not only are these routine queries resolved faster, but our agents have more time to focus on complex issues and customers who need more personalised support. We are now looking at ways to enhance the technology and deploy it in other areas of the business to drive further service improvements.

Virtual credit card

The future of online shopping

The Covid-19 pandemic drove increased demand for online shopping but also made it difficult to apply in person for physical credit cards. Home Credit Vietnam therefore offered a virtual card solution, which is like an online loan with flexible payments. Customers simply apply through the app and in just 30 minutes they are good to go. It's a plastic-free, paperless approach where customers can pay cashless through our app – while enjoying 2% cashback on all online transactions and a 45-day interest-free period.

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Driven by our promise to make customers feel good and our nature as a market pioneer, we've always pushed ourselves to adapt quickly to the fast-paced business environment. The pandemic is a clear example of our agility – and our ability to drive digital innovation in a way that benefits customers.

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Anastasia Fokina

Chief Operations and Digital Transformation Officer

<30 seconds

median time-to-decision

4.5/5

customers satisfaction rating of the voicebot

24/7

customer support



Global Economics Awards

Most Innovative Digital Transformation Strategies and Best International Consumer Finance Provider

SUSTAINABLE COMMUNITIES

We help make our communities more inclusive and resilient, when there are emergencies like natural disasters and pandemics and over the long term. This includes supporting those living in poverty. It involves promoting entrepreneurship, employment and education for people from underprivileged backgrounds or from under-represented groups. And it extends to improving health and wellbeing.

Covid-19 support

For the past two years, our major focus has been on people affected by Covid-19 and lockdowns. From donating personal protective equipment (PPE) to supporting vaccination efforts and helping people maintain their livelihoods – we have worked to support our communities. However, we have also maintained our focus on other key areas, such as helping women start and maintain successful businesses, as well as expanding access to education.

During the most recent social distancing period, Home Credit Vietnam launched Home Love, a programme that donated VND 1 billion (USD 43,480) to the national vaccine fund and brought more than 30,000 meals and necessities to 10 field hospitals, quarantine facilities, charity homes and homeless people. Moreover, 300 mid-autumn gifts were handed out to children and families in quarantine facilities and to frontline doctors and nurses. We also distributed 1,000 New Year gifts to children orphaned due to the recent Covid epidemic in HCM, HN and Quang Nam Province.

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At Home Credit, the idea is to have a positive influence on those around us, so we're always thinking about how we can serve communities better and empower people with new opportunities. This fosters a great feeling of solidarity and teamwork, whether it's colleagues fundraising for local charities or volunteering on training programmes.

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Pham Thi Bich Lien
Head of Sustainability



Direct aid for flood victims

At the end of 2020, severe floods in central Vietnam made many families homeless. By matching employee donations, we raised USD 16,591 within one week to support people whose homes were swept away by floodwaters.

Celebrating women in business

We were proud to be the gold sponsor of the Vietnam Women's Awards and the Entrepreneur Women Contest, which celebrate Vietnamese women who lead successful businesses and spearhead innovation. A total of 27 creative projects were shortlisted as exemplars for bringing economic and cultural excellence to Vietnam and their respective industries.

Women's Union programme

Since 2014, we have supported women living in poor, mountainous regions who have unstable jobs. We provide interest-free loans so they can start a small business, for example raising livestock, tailoring, or running a grocery store. In 2020, 10 households participated. Over eight years, we have supported more than 80 families. In 2021, we also provided VND 100 million to households and cooperatives in rural areas of Dong Thap province where women are launching promising start-ups. The awarded projects include a pastry business, a fruit farm and a broom-knitting and carpet-making company.

Supporting schoolchildren

Home Credit Vietnam presented scholarships to underprivileged students and helped renovate school facilities in Buon Ho, Dak Lak.



Certificate of merit by State Bank of Vietnam

Contributions and positive social activities in the prevention of the Covid-19 epidemic in the past two years



HR Asia Award

Best Companies to Work for in Asia



Asia Pacific Enterprise

Inspirational Brand Award



Nordic Business Award

Best initiative to support Vietnam during the fourth wave of Covid-19

