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PRESS RELEASE**SHINHAN BANK VIETNAM HAS BEEN RECONFIRMED
“BB” RATING WITH “POSITIVE” OUTLOOK IN VIETNAM
BY STANDARD & POOR’S IN 2022**

Ho Chi Minh City, 28 April 2022 – Shinhan Bank Vietnam Limited (“Shinhan Bank Vietnam”) has been continuously assigned by Standard & Poor’s (“S&P”), a credit rating agency, at BB and “Positive” outlook, continuing to be one of credit institutions with the highest rating on par with Vietnam's credit rating assessed by this organization.

According to S&P, the ratings on Shinhan Bank Vietnam are constrained by the sovereign credit rating on Vietnam (BB/Positive/B) announced on 21 May 2021. If the ratings were not constrained, the Shinhan Bank Vietnam credit rating would be one notch lower than the Shinhan Financial Group (SFG) rating profile of A+.

S&P is one of the three largest and most prestigious credit rating agencies in the world. The assessment and ranking process is geared towards transparency and development orientation in accordance with international standards. At S&P, credit rating is an indicator reflecting views about credit risk.

In the view of S&P, Shinhan Bank Vietnam plays an integral role for the global business expansion goal of Shinhan Financial Group (SFG) in Southeast Asia and will maintain its highly strategic importance to the SFG. In addition, Shinhan Bank Vietnam leads the SFG's expansion strategy in the country by coordinating with non-banking affiliates in Vietnam to increase cross-selling opportunities. Shinhan Bank Vietnam is the largest overseas earnings contributor for the parent bank in Korea and the primary operating entity within SFG.

According to the latest updated data, in 2021, 10% of net income of the parent bank in Korea was generated from overseas business and about 50% of this figure was contributed by Shinhan Bank Vietnam. Thereby, S&P believes that SFG has strong long-term commitment to Shinhan Bank Vietnam and Vietnam market. S&P expects Shinhan Bank Vietnam to maintain its balance loan portfolio between corporate and retail, with each segment accounting for about half of total customer loans.

S&P also expects that SFG will likely remain supportive capitalization of Shinhan Bank Vietnam. Shinhan Bank Vietnam has not paid any dividends over the past decade and keep re-investing to develop Vietnam market.

S&P expects operating conditions for the domestic banking sector in general and Shinhan Bank Vietnam in particular, to be stable. Vietnam's economic growth will recover to 6.9% in 2022 and 7.2% in 2023, from 2.5% in 2021, based on S&P's forecast. Therefore, Shinhan Bank Vietnam's risk profile will likely remain stable. Besides, the bank's corporate loan exposures mostly comprise export-oriented manufacturers rather than those in the construction, transportation, and tourism industries, which have been more negatively affected by the pandemic.

S&P estimates Shinhan Bank Vietnam's exposures to loans which have been restructured due to impacts of COVID-19 pandemic account for about 3% of total loans in the end of 2021, largely similar to the average for the domestic banks which S&P rates.

In the recent rating report, S&P also mentioned that Shinhan Bank Vietnam will sustain its capitalization backed by its superior profitability compared with domestic peers. The bank's regulatory Tier 1 capital ratio stood at about 17.8% in 30 September 2021. S&P expects Shinhan Bank Vietnam's return on average assets (ROAA) to remain broadly stable over the next two years backed by largely steady net interest margin and credit costs. Shinhan Bank Vietnam's ROAA was about 1.8% in 2021 compared with the average of major domestic banks of about 1%.

Shinhan Bank Vietnam also officially announced the application of LCR (Liquidity coverage ratio) and NSFR (Net stable funding ratio) indicators to manage liquidity risk in accordance with Basel III standards from 20 April 2022.

ABOUT S&P

Standard & Poor's (S&P) is a financial services company based in the United States. This is a subsidiary of McGraw-Hill. S&P is one of the three largest and most prestigious credit rating agencies in the world. The credit ratings of S&P have been published since 1916, to provide investors and market participants worldwide with independent analysis of credit risk. The credit ratings issued by this agency reflects their views on the ability and readiness to meet financial conditions in a complete and timely manner by a business or a country.

S&P's ratings are classified into alphabetical rankings, the highest is AAA while the lowest is D, and are issued for various fields such as local currency and foreign currency ratings, short-term and long-term credit ratings, etc.

ABOUT SHINHAN BANK VIETNAM

Shinhan Bank Vietnam Limited (“Shinhan Bank”) is a subsidiary of Shinhan Bank Korea, an affiliate of Shinhan Financial Group (SFG). SFG is the leading financial holding company in Korea and listed to both Korea Exchange (KRX) and New York Stock Exchange (NYSE).

In Vietnam, Shinhan Bank’s history can be traced back to 1993 when Shinhan Bank first opened the representative office in Ho Chi Minh City. Over the history of over 29 years, Shinhan Bank has built a broad network expanding from the North, the Central and the South of Vietnam. Currently, Shinhan Bank has been offering a diversified portfolio of tailored corporate and consumer banking products and solutions.

Shinhan Bank was awarded the “Best Retail Foreign Bank in Vietnam 2020”, the “Best Foreign Bank in Vietnam” for three consecutive years (2020, 2021 and 2022), and the “Best Company To Work For In Asia” for three consecutive years by HR Asia publication.

For more information about Shinhan Bank Vietnam, please visit

Website: <https://shinhan.com.vn/>

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