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**PRESS RELEASE****SHINHAN BANK HAS BEEN RECONFIRMED ‘BB’ RATING AND STABLE OUTLOOK BY STANDARD & POOR’S**

*- In two consecutive years of 2020 and 2021, Shinhan Bank has been assigned “BB” rating with stable outlook by Standard and Poor’s.*

*- Affirm the sustainable development and potential outlook of Shinhan Bank in Vietnam market*

Shinhan Bank Vietnam Ltd. ("Shinhan Bank Vietnam") has been continuously assigned by Standard & Poor’s ("S&P"), a credit rating agency, at BB (stable) for long-term on 25th February 2021.

According to S&P, the ratings on Shinhan Bank Vietnam are constrained by the sovereign credit rating on Vietnam (BB/Stable/B). 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) and will maintain its highly strategic importance to the SFG, over the next 18-24 months. 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.

In November 2020, 16% of total net income of the parent bank in Korea was generated from overseas business and about 40% of this figure was contributed by Shinhan Bank Vietnam. Shinhan Bank Vietnam has not paid any dividends over the past decade and keep re-investing to develop Vietnam market. The bank’s regulatory tier 1 capital ratio stood at 18.2% as of June 30, 2020.

Shinhan Bank Vietnam's risk profile remains stable despite business challenges caused by COVID-19 pandemic. Because of well management of Vietnam Government in containing the virus spread, Vietnam economy is predicted to grow 10.9% in 2021.

In the view of S&P, Shinhan Bank Vietnam's restructured loans to customers affected by COVID-19 have been fairly well managed. The bank's corporate loan exposure mostly comprises export-oriented manufacturer rather than those in the construction, transportation, and tourism which are more negatively affected by the pandemic.

### **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**

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 28 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.

In 2020, Shinhan Bank was granted “Best retail foreign bank in Vietnam” award by International Business Magazine and “Best Company To Work For In Asia” for the second consecutive years by well-respected regional HR Asia publication.

In November, 2020, Shinhan Bank has officially completed all three Pillars of Basel II ahead schedule regulated by the State Bank of Vietnam. This is an outstanding milestone remarking strides in business operation of the bank, affirming the capabilities, potentials and special attention of Shinhan Bank Vietnam on risk management.

In December 2020, Shinhan Bank was honored as one in Top 100 sustainable companies in Vietnam 2020 (“CIS 2020”), jointly hosted by Vietnam Chamber of Commerce and Industry (“VCCI”) and Vietnam Business Council for Sustainable Development (“VBCSD”).

For more information about Shinhan Bank Vietnam, please visit

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

Facebook: [www.facebook.com/Shinhanbankvn/](http://www.facebook.com/Shinhanbankvn/)