



Empress Tower
138 – 142 Hai Ba Trung,
Dakao Ward, Dist. 1, HCMC

Tel. (84 - 28) 3829 1581
Fax (84 – 28) 3829 1583
www.shinhan.com.vn

Contact

Ms. Dinh Doan Sao Kim – Head of PR
Telephone: (84) 28 3828 7900 – Ext 266
Email: saokim@shinhan.com
kimdin.shb@gmail.com

PRESS RELEASE

SHINHAN BANK VIETNAM HAS BEEN MAINTAINED “BB+” RATING WITH “STABLE” OUTLOOK BY STANDARD & POOR’S

Ho Chi Minh City, 18 May 2023 – Shinhan Bank Vietnam Limited (“Shinhan Bank Vietnam”) has been maintained “BB+” rating with “Stable” outlook by Standard & Poor’s (“S&P”), a credit rating agency.

According to S&P, the ratings reflect S&P’s view that Shinhan Bank Vietnam will benefit from stronger group support following the upgrade of Vietnam’s national credit rating. 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+.

In S&P’s opinion, the stable outlook on Shinhan Bank Vietnam reflects the general outlook of Vietnam as well as Shinhan Bank Vietnam will maintain its highly strategic importance to the Shinhan Financial Group (SFG) over the next 18 – 24 months.

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. Shinhan Bank Vietnam has steadily grown its business and become one of the largest foreign banks by assets in Vietnam as of end-2022.

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 2022, 18% of net income of the parent bank in Korea was generated from overseas business and about 37% 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 balanced 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. The bank's regulatory Tier 1 capital ratio stood at about 17.5% as of end-2022.

S&P also believed that Shinhan Bank Vietnam's focus on risk management will mitigate pressure on asset quality and credit losses. The Bank has modest exposures to risky corporate industries such as real estate construction and development loans. The financial hit from forbearance measures on loans, such as the rescheduling of principal or interest payments for businesses disrupted by COVID-19, will likely be manageable. This is considering Shinhan Bank Vietnam has already set aside sizable provisioning expenses related to those exposures. S&P estimates the Bank's exposures to such measures at about 1% of total loans as of end-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.

In 2023, Shinhan Bank was received three consecutive awards from the prestigious international organizations, including: Best Foreign Retail Bank Vietnam 2023 granted by Global Business Review Magazine, Best Foreign Digital Bank Vietnam 2023 granted by International Business Magazine and Best Foreign Bank Vietnam 2023 granted by World Economic Magazine.

For more information about Shinhan Bank Vietnam, please visit

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

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