

**Contact**

Ms. Cao Bao Vy – Head of Marketing

Tel: (84-28) 3528 7836

Email: [caobaovy@shinhan.com](mailto:caobaovy@shinhan.com)[caobaovy@gmail.com](mailto:caobaovy@gmail.com)**PRESS RELEASE****SHINHAN BANK WAS ASSIGNED STABLE OUTLOOK BY STANDARD & POOR’S**

*Ho Chi Minh City, 16<sup>th</sup> January 2020* – Shinhan Bank Vietnam Ltd. (“Shinhan Bank Vietnam”) has been assigned by Standard & Poor’s (“S&P”), a credit rating agency, at BB (stable) for long-term.

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 crossselling opportunities. Shinhan Bank Vietnam is the largest overseas earnings contributor for the parent bank in Korea and the primary operating entity within SFG.

In the period from January, 2019 to September, 2019, 14% of total net income of the parent bank in Korea was generated from overseas business and about one-third 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 average return on the average assets of Shinhan Bank Vietnam has been about 2.0% over the past 05 years. 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 SFG rating profile of A+.

Shinhan Bank Vietnam has showed the good risk management abilities since it established. Specifically, Shinhan Bank Vietnam was the first foreign bank in Vietnam which implemented the Basel II and its capital adequacy ratio (CAR) reached 18.05% on December 2019, much higher than minimum required required CAR (8%).

Mr. Shin Dong Min, CEO of Shinhan Bank Vietnam, shared his opinion about S&P's assessment: "Recognized as one of the largest and most prestigious credit rating agencies in the world, S&P's assessments and comments are valuable for the bank's activities. This rating results provide Shinhan Bank Vietnam with objective view on its operations from the standards and perspectives of the leading experts in the world. Accordingly, Shinhan Bank Vietnam will have appropriate strategic adjustments and make more efforts to maintain its position in the Vietnamese market".

Vietnam is the key market with great potential, where various Korean corporates are expanding their production base and operations in the country. Taking advantage of the market, Shinhan Bank Vietnam has focused on developing stable business operations and rising to hold the position of one of the largest foreign banks in Vietnam, in terms of asset and network criterias, to the present time.

### **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 Ltd. (“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, which was established on the basis of Shinhan Bank, Shinhan Capital and Shinhan Investment Management. SFG has been equipped with over 27,000 well-trained employees in the world, offering a diversified financial products and services, such as Banking, Consumer Finance, Insurance, Asset Management, Brokerage and others. SFG is also listed to both Korea Exchange (KRX) and New York Stock Exchange (NYSE).

Being a part of SFG, Shinhan Bank Korea is considered as the flagship of the group with headquarters in 20 countries and its net profit ranked first in Korea’s banking industry in 2018. In three consecutive years, 2016, 2017 and 2018, Shinhan Bank had honor to be in the list of Top 50 Safest Banks in the world, released by Global Finance. Shinhan Bank is also listed by Asian Banker as the Best Retail Banker in Asia Pacific region in 2017 and 2018.

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, offering a diversified portfolio of tailored corporate and consumer banking products and solutions. Over the history of nearly 27 years, Shinhan Bank has built a broad network covering many cities and provinces across the country, from the North to the South, with 36 branches and transaction offices. With a wide network of branches and ATMs across Vietnam and modern e-banking service, we are serving millions of corporate and consumer clients. In 2019, Shinhan Bank in Vietnam was granted the award HR Asia Best Company To Work For In Asia 2019 by well-respected regional HR Asia publication.

For more information, please visit:

Website: [www.shinhan.com.vn](http://www.shinhan.com.vn)

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