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PRESS RELEASE**SHINHAN BANK HAS COMPLETED THREE PILLARS OF BASEL II AHEAD SCHEDULE**

Ho Chi Minh City, 26th November 2020 – Shinhan Bank Vietnam Limited (“Shinhan Bank”) has officially announced of its application of Pillar 2 of Basel II, pertaining to the assessment of a bank’s internal capital adequacy, as prescribed in the Circular No. 13/2018/TT-NHNN of the State Bank of Vietnam (“SBV”). Thus, Shinhan Bank has officially completed all three Pillars of Basel II ahead schedule regulated by the SBV. The early adoption of Basel II affirms the capabilities, potentials and special attention of Shinhan Bank on risk management.

Pillar 2 of Basel II is the Internal Capital Adequacy Assessment Process (ICAAP), which includes measurement of material risks. In addition to credit risk, market risk and operational risk as prescribed in Pillar 1 of Basel II, Shinhan Bank also measures and allocates its capital to interest rate risk in the banking book, concentration risk, settlement risk and other material risks. At the same time, Shinhan Bank conducts stress tests for the most challenging scenarios to create an appropriate strategic plan based on economic capital, own capital and risk profile.

During the implementation of ICAAP, with supports from Mother Bank in Korea and experts’ consultation, Shinhan Bank has upgraded its system to be enable to automate information processing from Risk Data Mart in a fast and accurate manner. Not only ensures compliance with the requirements regulated by the SBV, Shinhan Bank also proactively implements advanced standards set by Basel Committee, such as using Internal Ratings-based approach (IRB) to calculate total credit risk-weighted assets.

Sharing about this event, Mr. Shin Dong Min, CEO of Shinhan Bank in Vietnam said: *“Building a comprehensive risk management framework is one of the top priorities set by Shinhan Bank and Shinhan Financial Group in order to ensure safe and sustainable growth. Completion of all three Pillars of Basel II will help Shinhan Bank strengthen risk management, improve performance and ensure operation safety, and contribute to building a sustainable and transparent banking system”.*

Previously, in October 2019, Shinhan Bank successfully implemented Pillar 1 and Pillar 3 of Basel II according to the standardized approach, ahead the deadline required by SBV in the Circular No. 41/2016/TT-NHNN.

In the future, Shinhan Bank intends to continue to apply Basel II according to the advanced approach towards the goal of applying Basel III standards in the bank's risk management.

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 30,000 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).

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 27 years, Shinhan Bank has built a broad network expanding from the North, the Central and the South of the country. Currently, Shinhan Bank has been offering a diversified portfolio of tailored corporate and consumer banking products and solutions. In early 2020, Shinhan Bank in Vietnam was granted “Best retail foreign bank in Vietnam” award by International Business Magazine. Also in this year, Shinhan Bank in Vietnam has the honor to receive the award HR Asia Best Company To Work For In Asia for the second consecutive years by well-respected regional HR Asia publication.

For more information about Shinhan Bank Vietnam, please visit

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

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