



SHINHAN BANK VIETNAM LTD.
FINANCIAL STATEMENTS FOR THE YEAR 2016

(Issued in accordance with Decision No 16/2007/QĐ-NHNN dated 18 April 2007)

BALANCE SHEET (31/12/2016)

		31/12/2016	31/12/2015
		VND million	VND million
A	ASSETS		
I	Cash on hand	4 360,336	229,297
II	Balances with the State Bank of Vietnam	5 2,078,904	1,291,167
III	Deposits with and loans to other credit institutions	6 12,625,209	8,313,128
1	Deposits with other credit institutions	11,904,619	8,078,628
2	Loans to other credit institutions	720,590	234,500
VI	Loans and advances to customers	7 26,832,958	21,766,460
1	Loans and advances to customers	27,121,813	22,081,090
2	Allowance for loans and advances to customers	(288,855)	(314,630)
VIII	Investment securities	9 12,051,171	9,427,026
1	Available-for-sale securities	9,114,908	8,024,224
2	Held-to-maturity securities	2,936,263	1,402,802
X	Fixed assets	10 170,065	152,508
1	Tangible fixed assets	127,707	124,833
a	Cost	299,685	261,063
b	Accumulated depreciation	(171,978)	(136,230)
3	Intangible fixed assets	42,358	27,675
a	Cost	75,321	50,451
b	Accumulated amortisation	(32,963)	(22,776)
XII	Other assets	12 836,506	662,417
1	Receivables	70,984	64,691
2	Accrued interest and fees receivable	735,404	583,182
4	Other assets	30,118	14,544
TOTAL ASSETS		54,955,149	41,842,003
B	LIABILITIES AND OWNER'S EQUITY		
LIABILITIES			
II	Deposits and borrowings from other credit institutions	14 2,419,214	4,763,012
1	Deposits from other credit institutions	2,157,073	257,241
2	Borrowings from other credit institutions	262,141	4,505,771
III	Deposits from customers	15 41,954,349	26,990,935
VII	Other liabilities	16 435,938	979,380
1	Accrued interest and fees payable	211,564	161,698
3	Other liabilities	224,374	817,682
TOTAL LIABILITIES		44,809,501	32,733,327
OWNER'S EQUITY			
VIII	Capital and reserves	17 10,145,648	9,108,676
1	Capital	4,560,225	4,560,225
a	Charter capital	4,547,100	4,547,100
g	Other capital	13,125	13,125
2	Reserves	896,357	740,811
5	Retained profits	4,689,066	3,807,640
TOTAL OWNER'S EQUITY		10,145,648	9,108,676
TOTAL LIABILITIES AND OWNER'S EQUITY		54,955,149	41,842,003

BALANCE SHEET (31/12/2016) (cont.)

		Note	31/12/2016	31/12/2015
			VND million	VND million
OFF-BALANCE SHEET ITEMS				
1	Guarantees for loans	29	3,014,758	416,435
4	Letters of credit	29	2,292,504	2,408,345
5	Other guarantees	29	1,264,072	896,111
INCOME STATEMENT (2016)				
		Note	2016	2015
			VND million	VND million
1	Interest and similar income	18	2,259,348	1,848,316
2	Interest and similar expenses	18	(548,924)	(416,748)
I	Net interest income	18	1,710,424	1,431,568
3	Fee and commission income	19	290,124	250,440
4	Fee and commission expenses	19	(109,094)	(67,651)
II	Net fee and commission income	19	181,030	182,789
III	Net gain from trading of foreign currencies	20	248,583	221,185
V	Net gain from trading of investment securities	21	18,338	12,239
5	Other income	22	43,944	86,567
6	Other expenses	22	(3,635)	(4,155)
VI	Other income - net	22	40,309	82,412
VIII	Operating expenses	23	(862,874)	(696,293)
IX	Operating profit before allowance expense for credit losses		1,335,810	1,233,900
X	Allowance expense for credit losses	8	(38,033)	(63,606)
XI	Profit before tax		1,297,777	1,170,294
7	Income tax expense - current	24	(260,805)	(258,880)
8	Income tax expense - deferred	24	-	-
XII	Total income tax expense	24	(260,805)	(258,880)
XIII	Net profit after tax		1,036,972	911,414
Prepared by:		Reviewed by:	Approved by:	
Le Thi Kim Hue Chief Accountant		Ryu Je Eun Director		Shin Dong Min General Director

INDEPENDENT AUDITOR' REPORT

To the Investor
Shinhan Bank Vietnam Limited

We have audited the accompanying financial statements of Shinhan Bank Vietnam Limited ("the Bank"), which comprise the balance sheet as at 31 December 2016, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 29 March 2017, as set out on pages 6 to 67.

Management's Responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Bank's Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Shinhan Bank Vietnam Limited as at 31 December 2016 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam

Audit Report No.: 16-01-102



Trương Vĩnh Phúc
Practising Auditor Registration
Certificate No. 1901-2013-007-1
Deputy General Director

Ho Chi Minh City, 29 March 2017

Phạm Huy Cường
Practising Auditor Registration
Certificate No. 2675-2014-007-1