



SHINHAN BANK VIETNAM LTD.
FINANCIAL STATEMENTS FOR THE YEAR 2017
(Issued in accordance with Decision No 49/2014/TT-NHNN dated 31 December 2014)

BALANCE SHEET (31/12/2017)

	31/12/2017	31/12/2016
	Unit: Million VND	Unit: Million VND
ASSETS		
Cash on hand	701.442	360.336
Balances with the State Bank of Vietnam	774.517	2.078.904
Deposits with and loans to credit institutions	17.537.841	12.625.209
Deposit	17.200.841	11.904.619
Loans	337.000	720.590
Allowance for deposits with and loans to credit institutions	-	-
Loans and advances to customers	39.647.774	26.832.958
Loans and advances to customers	40.091.902	27.121.813
Allowance for Loans and advances to customers	(444.128)	(288.855)
Investment securities	14.369.439	12.051.171
Available-for-sale securities	9.334.681	9.114.908
Held-to-maturity securities	5.034.758	2.936.263
Fixed assets	561.944	170.065
Tangible fixed assets	144.987	127.707
Cost	353.537	299.685
Accumulated depreciation	(208.550)	(171.978)
Intangible fixed assets	416.957	42.358
Cost	461.920	75.321
Accumulated amortization	(44.963)	(32.963)
Other assets	2.115.974	836.506
Receivables	410.704	70.984
Accrued interest and fees receivable	917.998	735.404
Other assets	787.272	30.118
Goodwill	690.328	-
TOTAL ASSETS	75.708.931	54.955.149
LIABILITIES		
Deposit and borrowings from other credit institutions	4.302.439	2.419.214
Deposit	4.261.401	2.157.073
Borrowings	41.038	262.141
Deposit from customers	58.731.435	41.954.349
Derivatives and other financial liabilities	4.287	-
Other liabilities	1.234.608	435.938
Accrued interest and fees payable	313.878	211.564
Other liabilities	920.730	224.374
Provision for off-balance sheet commitments	-	-
TOTAL LIABILITIES	64.272.769	44.809.501
OWNER'S EQUITY		
Capital and reserves	11.436.162	10.145.648
Contributed capital	4.560.225	4.560.225

BALANCE SHEET (31/12/2017) (cont.)

	31/12/2017	31/12/2016
	Unit: Million VND	Unit: Million VND
Charter capital	4.547.100	4.547.100
Other capital	13.125	13.125
Reserves	1.089.934	896.357
Retained profits	5.786.003	4.689.066
TOTAL OWNER'S EQUITY	11.436.162	10.145.648
TOTAL LIABILITIES AND OWNER'S EQUITY	75.708.931	54.955.149
OFF BALANCE SHEET ITEMS		
CONTINGENT LIABILITIES	5.340.024	3.014.758
Letters of credit	2.141.249	2.292.504
Other guarantees	2.485.309	1.264.072
OTHER COMMITMENTS		
Foreign exchange forward contract	3.119.509	-

INCOME STATEMENT (2017)

	2017	2016
	Unit: Million VND	Unit: Million VND
Interest and similar income	2.948.387	2.259.348
Interest and similar expenses	(836.258)	(548.924)
Net interest income	2.112.129	1.710.424
Fees and commission income	369.970	290.124
Fees and commission expenses	(156.747)	(109.094)
Net fees and commission income	213.223	181.030
Net gain from trading of foreign currencies	273.840	248.583
Net gain from dealing of investment securities	4.906	18.338
Other income	109.741	43.944
Other expenses	(6.712)	(3.635)
Other income - net	103.029	40.309
Operating expenses	(1.071.652)	(862.874)
Operating profit before allowance and provision expenses	1.635.475	1.335.810
Allowance and provision expenses	(18.609)	(38.033)
PROFIT BEFORE TAX	1.616.866	1.297.777
Income tax expense- current	(326.352)	(260.805)
Income tax expense-deferred	-	-
Total income tax expense	(326.352)	(260.805)
NET PROFIT AFTER TAX	1.290.514	1.036.972

2 April 2018

Prepared by: Reviewed by: Approved by:

Le Thi Kim Hue
Chief Accountant

Ryu Je Eun
Director

Kim 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 comprises the balance sheet as of 31 December 2017, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorized for issue by the Bank's Board of Management on 30 March 2018, as set out on pages 6 to 75.

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 from 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 judgment, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 the Bank as of 31 December 2017, and of its results of operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable of financial reporting.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam
Audit Report No.: 17-01-127



Lam Thi Ngoc Hao
Practicing Auditor Registration
Certificate No. 0868-2018-007-1
Deputy General Director

Nguyen Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2018-007-1

Ho Chi Minh City, 2 April 2018