

Customer's Right to demand interest rate reduction of Loan

Shinhan Bank implements customer's right to demand interest rate reduction on retail and corporate loans.

The right to demand interest rate reduction of loan is applied to credit and mortgage loans, in which the debtor's credit status affects the calculation of interest rates.

A retail customer as a debtor may request a reduction of interest rate in the following cases.

- If any of the following conditions are met: an increase in income or assets, an increase in credibility, or an improvement in financial status, the credit status is determined to have improved since the previous interest rate calculation.

Whether or not to accept the demand for interest rate reduction is largely influenced by the improvement of internal credit ratings that the bank self-evaluates.

In general, the bank evaluates internal credit rating by comprehensively

considering (1) history of credit transaction such as loans and credit cards, (2) judgment information of credibility such as delinquency amount and period, and (3) capabilities of credit transaction such as annual income and financial assets.

A corporate customer as a debtor may request a reduction of interest rate in the following cases.

- Improvement of the financial status on the corporate, such as increasing profits, reducing liabilities, and acquiring patent rights
- Improvement of credit status by raising corporate bond ratings, raising personal credit ratings of individual business owners, and providing additional collateral on existed loan
- When it is deemed that other credit status has improved.
- Right to demand interest rate reduction of Loan in Shinhan Bank

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