

# Shinhan Financial Group

## 2023 USD Social Bond Annual Reporting

July 2024

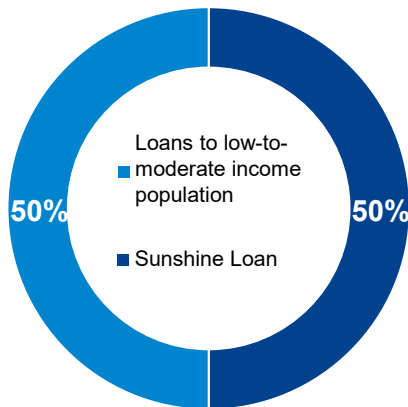


# Summary of Our Issuance, Allocation & Impact

## Social Bond Issuance, Allocation & Impact At a Glance

- ✓ Shinhan Financial Group, established in 2001, is one of the largest financial holding company that operates 14 subsidiaries\* with Shinhan Bank as the flagship of the group. Shinhan Financial Group is currently listed in the Korea Stock Exchange and New York Stock Exchange.
- ✓ With 14 direct and 35 indirect subsidiaries, Shinhan Financial Group offers a wide range of financial products and services, including commercial banking, corporate banking, private banking, credit card, asset management, brokerage and insurance services. Shinhan Financial Group's net income reached about KRW 4.4 trillion in 2023 and total assets was around KRW 980 trillion\*\* as of December 31<sup>st</sup>, 2023.
- ✓ **On July 18, 2023, Shinhan Financial Group priced its new USD 500mn 5-year 144A/Reg S senior unsecured Social Bond at UST+110 bps, returning to the market in 2 years and successfully reaffirming SFG's status as the only regular international bond issuer from Korean financial group holdco.**

### USD 500mn Senior Unsecured Social Bonds July 2023



USD 500mn raised through Social Bonds are fully allocated to eligible social projects and contributed to diverse UN Sustainability Development Goals (“SDGs”) including [**1. No Poverty, 3. Good Health and Well-being, 8. Decent Work and Economic Growth, 10. Reduced Inequalities.**]



### 100% Allocated to Social Category to Create Social Impacts

#### Supports UN SDGs



#### Social Category & Project

##### Access to Essential Services



**Loans to low- to moderate-income population (50%)**

**Sunshine Loan (50%)**

#### Social Impact Created



**USD 500mn**  
Amount of Loan Provided



**203,322 beneficiaries**  
# of Loans Provided

# Our Social Bond's Key Facts and Figures

## July 2023 SFG's USD Senior Unsecured Social Bonds

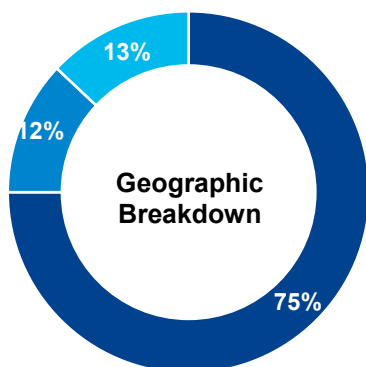
### 1. Key Terms



<b>Issuer</b>	Shinhan Financial Group ("SFG")
<b>Issuer Ratings (M/S)</b>	A1 (stable) / A (stable)
<b>Issue Ratings (M/S)</b>	A1 / A
<b>Format</b>	144A / RegS
<b>Structure</b>	Fixed Rate, <b>Senior Unsecured Social Bonds (aligned with UN SDGs) *</b>
<b>Tenor</b>	5-year
<b>Size</b>	USD 500 million
<b>Maturity Date</b>	24 July 2028
<b>Coupon</b>	5.000%
<b>Issue Spread</b>	CT5+110 bps
<b>ISIN (144A/RegS)</b>	USY7749XBA82 / US824596AC41

### 2. Investor Statistics

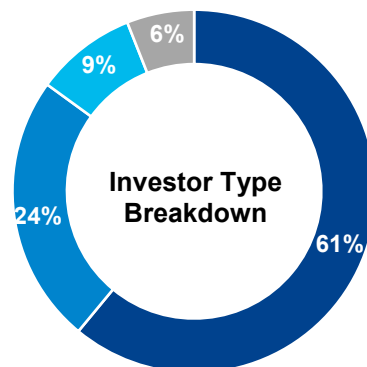
<b>Orderbook Size</b>	USD 1.5bn+
<b>Number of Accounts</b>	137



■ Asia

■ EMEA

■ US



■ FM

■ Banks

■ OI/INS

■ Broker/PBs

### 3. Allocation Summary

Proceed Allocation	Allocated Proceeds		
	USD mn	KRW bn**	%
<b>Total Proceeds</b>	<b>500</b>	<b>644.70</b>	<b>100.0</b>
<i>Allocated Proceeds</i>	500	644.70	100.0
<b>Social</b>	<b>500</b>	<b>644.70</b>	<b>100.0</b>
Access to Essential Services– Sunshine Loan	250	322.35	50.0
Access to Essential Services– Loans to low-to-moderate income population	250	322.35	50.0

\* In accordance with Shinhan Financial Group SDG Framework which Sustainalytics has provided Second Party Opinion


\*\* USD/KRW = 1,289.4

# Eligible Social Projects / Allocation & Impact Report

## Social Projects Financing

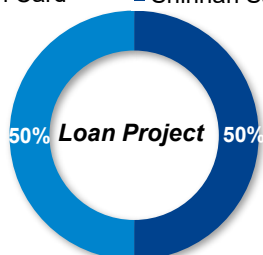
USD 500mn (KRW 644.7bn\*) of proceeds from the Social Bonds issued in July 2023 have been matched with new loans to low-to-moderate income population and Sunshine Loans executed in 2023.

### Social Projects Financing: USD 500mn

Total		USD 500mn Social Bond July 2023	
Eligible Type	Projects	Eligibility Criteria	Eligible Subsidiary
<b>Access to Essential Services</b> 	Loans to low-to-moderate income population	<ul style="list-style-type: none"> <li>Loan products include Long-term Card Loan and Cash Advance</li> <li>Annual Income of KRW 35mn or below</li> <li>Annual Income of KRW 45mn &amp; with credit rating of 6 or below</li> </ul>	Shinhan Card
	Sunshine Loan	<ul style="list-style-type: none"> <li>Income less than KRW 35mn or income less than KRW 45mn with low credit rating (credit rating of 6~10)</li> <li>The loan limit is up to KRW 30mn</li> </ul>	Shinhan Savings Bank

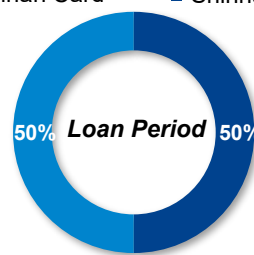
### Allocation Report

■ Shinhan Card ■ Shinhan Savings Bank



Client Type	Size (USD mn)
Loans to low-to-moderate income population	250.0
- Long-term Card Loan	(87.6)
- Cash Advance	(162.4)
Sunshine Loan	250.0
<b>Total</b>	<b>500.0</b>

■ Shinhan Card ■ Shinhan Savings Bank



Client Type	Size (USD mn)
Loans to low-to-moderate income population	250.0
- September 2023	
Sunshine Loan	250.0
- June 2023 ~ December 2023	
<b>Total</b>	<b>500.0</b>

### Impact Report

#### Loans to low-to-moderate income population



**USD 250mn**

Amount of Loans Provided



**KRW 2.00mn**

Average Amount of Loans Provided



**160,895 beneficiaries**

# of Loans Provided

#### Sunshine Loan



**USD 250mn**

Amount of Loans Provided



**KRW 7.60mn**

Average Amount of Loans Provided



**42,427 beneficiaries**

# of Loans Provided

\* USD/KRW = 1,289.4

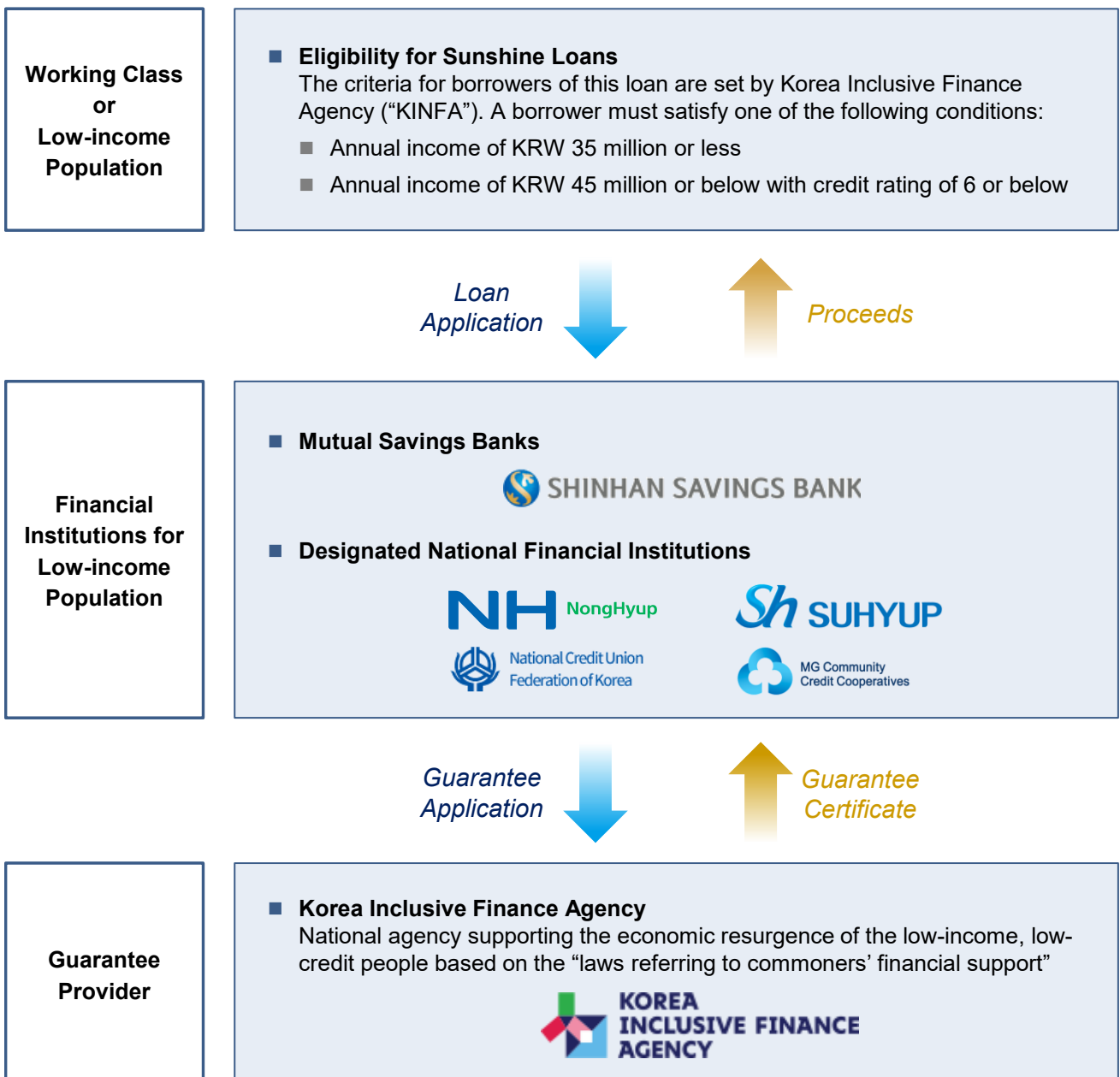
# Detailed Description of Eligible Projects

## Social Eligible Project: Sunshine Loan

### 1. Sunshine Loan

- The Sunshine loan program aims to provide low-income households with more access to financial services and ease their burden of interest payment. Interest rates are set by each financial institution within the limitation of an interest rate ceiling.
- Sunshine loan program does not require cross-guarantee, which is usually required for financial cooperatives, so that more loans will be made available to low-income earners.
- Those who are delinquent or default on loans, or who can't afford to repay their debt, thereby undergoing a work-out program or filing for personal bankruptcy, are not eligible.

### 2. Structure of Sunshine Loan Programme

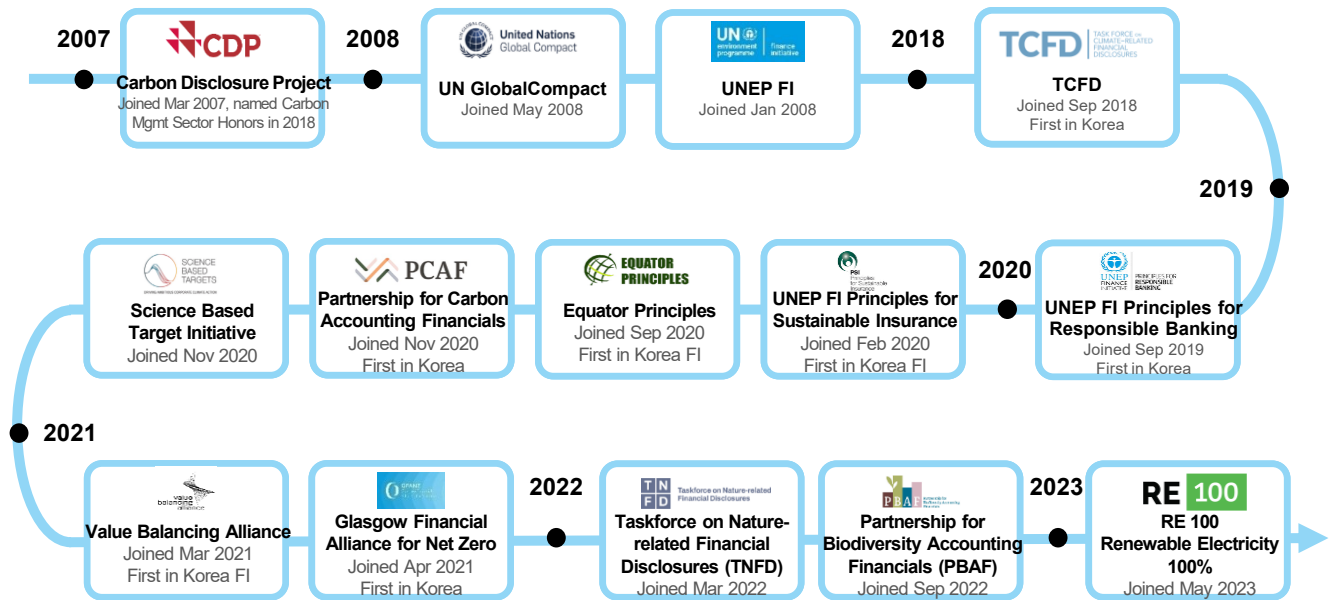


# Shinhan Financial Group's Commitment to ESG

## Strong Track Record Towards Sustainability Management

### 1. Shinhan Financial Group's ESG Footprints

- Anchored with the mission of 'Compassionate Finance, Your Companion for the Future', SFG has pioneered in pursuing the initiatives for shared-values and social responsibilities.
- In 2021, SFG became the first Korean financial institution to join the 'Value Balancing Alliance' and the first in Korea to join the 'Glasgow Financial Alliance for Net Zero'. In 2022, SFG joined 'Taskforce on Nature-related Financial Disclosures' and 'Partnership for Biodiversity Accounting Financials' showing continuous dedication on sustainability. And in 2023, SFG joined 'RE 100 Renewable Electricity 100%' which is voluntary global renewable energy initiative by companies to use 100% of their required electricity from environmentally friendly renewable energy sources.



### 2. Global Recognition by ESG valuation Institutions

- Through over-a-decade long dedication into sustainability managements and sustainable growth achievements, our efforts have been recognized by various external institutions including Dow Jones, KCGS, CDP and MSCI.

