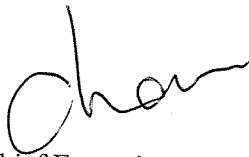


Statement of compliance

We have prepared this unaudited Disclosure Statement of Shinhan Bank, Hong Kong Branch (“the Branch”) as of 31 December 2024. It is compiled according to the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155M) effective from 1 January 2007.

As the Chief Executive of the Branch, I confirm, to the best of my knowledge, that the information contained in the Disclosure Statement is correctly compiled in accordance with the Banking (Disclosure) Rules requirement and consistent with the books and records of the Branch.

Shinhan Bank, Hong Kong Branch



Chief Executive
Hong Kong
30 April 2025

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024

(Expressed in Thousand of Hong Kong dollars)

Branch Information (Hong Kong office only)

Profit and loss information

Income	Dec 2024	Dec 2023
Interest income	1,427,434 ✓	1,890,109
Interest expense	1,313,418 ✓	1,790,006
Net interest income	114,016 ✓	100,103
Other operating income		
- Gains less losses from trading in foreign currencies	31,212	49,392
- Gains less losses from non-trading activities in foreign currencies	2,221	1,247
- Gains less losses from trading in securities	62,199	45,967
- Gains less losses from non-trading activities in securities ^{Note}	54,010	33,353
- Gains less losses from other trading activities ^{Note}	-	-
	149,642	129,959
Net fee and commission income		
- Fee and commission income	47,998 ✓	63,946
- Fee and commission expense	(6,013) ✓	(7,380)
	41,985 ✓	56,566
Other income	1,611 ✓	3,238
Total operating income	307,254	289,866
Expenses		
Operating expenses		
- Staff expenses	23,348 ✓	42,646
- Rental expenses	11,381 ✓	11,048
- Other operating expenses	28,058 ✓	16,743
Total Operating expenses	62,787	70,437
Operating profit before impairment losses	244,467	219,429
Impairment losses and charges for allowances on impaired loans and receivables		
- Collective impairment allowances	(28,050) ✓	(473)
- Individual impairment allowances	-	-
	(28,050)	(473)
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Profit before taxation	272,517	219,902
Tax expense	60,745 ✓	40,088
Profit after taxation	211,772 ✓	179,814 ✓

Note : including gains less losses from changes of fair value of derivative instruments

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024

(Expressed in Thousand of Hong Kong dollars)

Branch Information (Hong Kong office only)

Balance sheet information

Assets	At 31 Dec 2024	At 30 Jun 2024
Cash and balances with banks	1,167,470 ✓	2,968,232
Placements with banks which have a residual contractual maturity		
not more than 1 month	72,256	570,477
more than 1 month but not more than 1 year	1,094,527 ✓	2,397,068
more than 1 year	-	-
	<u>1,166,783</u> ✓	<u>2,967,545</u>
Amount due from overseas offices of Shinhan Bank	1,402,130	1,131,268
Trade bills	3,746,293	5,228,020
Advances and other accounts		
- Advances to customers	6,606,989 ✓	8,143,827
- Advances to banks and other financial institutions	-	-
- Accrued interest and other accounts	136,785	183,442
- Collective allowances for impaired advances to customers	(22,379)	(43,387)
- Collective allowances for impaired advances to banks	-	-
- Individual allowances for impaired advances to customers	-	-
- Individual allowances for impaired advances to banks	-	-
	<u>6,721,395</u>	<u>8,283,882</u>
Investment Securities		
- Available-for-sale securities	6,592,364 ✓	6,268,056
	<u>6,592,364</u>	<u>6,268,056</u>
Property, plant and equipment and investment properties	1,110	1,350
Other assets	1,545,905	1,449,440
Total assets	21,176,667 ↓ ✓	25,330,248
Liabilities		
Deposits and balances from banks	7,569,206 ✓	6,588,472 ✓
Deposits from customers		
- Demand deposits and current accounts	786	793
- Savings deposits	354,946	166,888
- Time, call and notice deposits	5,459,126	5,077,712
	<u>5,814,858</u> ↑	<u>5,245,393</u>
Amount due to overseas offices of Shinhan Bank	6,288,709 ✓ ↓	9,205,746 ✓
Certificates of deposit issued	776,260 ↓ -	1,471,540
Issued debt securities	5,433,820 ↓ -	6,988,697
Other liabilities	1,108,672	1,075,793
Provisions	-	-
Total liabilities	21,176,667 ↓	25,330,248

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024
(Expressed in Thousand of Hong Kong dollars)

I Additional Balance Sheet Information

(a) Loans and receivables	At 31 Dec 2024	At 30 Jun 2024
Advances to customers	6,606,989	8,143,827
Advances to banks	-	-
Accrued interest and other accounts	136,785	183,442
Impairment allowances for impaired advances	-	-
- Collective allowances for impaired advances to customers	(22,379)	(43,387)
- Collective allowances for impaired advances to banks	-	-
- Individual allowances for impaired advances to customers	-	-
- Individual allowances for impaired advances to banks	-	-
	<u>6,721,395</u>	<u>8,283,882</u>

As at 31 Dec 2024	Gross amount	Impairment allowances (individually)	Market Value of collateral held	% to total loans and advances to customers
Impaired loans and advances to customers (individually determined)	-	-	-	-

	Gross amount	Impairment allowances (individually)	Market Value of collateral held	% to total loans and advances to banks
Impaired loans and advances to banks (individually determined)	-	-	-	-

As at 30 Jun 2024	Gross amount	Impairment allowances (individually)	Market Value of collateral held	% to total loans and advances to customers
Impaired loans and advances to customers (individually determined)	-	-	-	-

	Gross amount	Impairment allowances (individually)	Market Value of collateral held	% to total loans and advances to banks
Impaired loans and advances to banks (individually determined)	-	-	-	-

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024
(Expressed in Thousand of Hong Kong dollars)

I Additional Balance Sheet Information *(continued)*

(b) Overdue and rescheduled assets

	At 31 Dec 2024		At 30 Jun 2024	
Overdue advances				
Advances to customers overdue for	Gross amount	% to total advances to customers	Gross amount	% to total advances to customers
- not more than 3 months	-	-	-	-
- more than 3 months but not more than 6 months	-	-	-	-
- more than 6 months but not more than 1 year	-	-	-	-
- more than 1 year	-	-	-	-
Total overdue advances	-	-	-	-
Advances to banks overdue for	Gross amount	% to total advances to banks	Gross amount	% to total advances to banks
- not more than 3 months	-	-	-	-
- more than 3 months but not more than 6 months	-	-	-	-
- more than 6 months but not more than 1 year	-	-	-	-
- more than 1 year	-	-	-	-
Total overdue advances	-	-	-	-
Market value of collateral held against the secured overdue advances		Gross amount		Gross amount
		-		-
Secured overdue advances		-		-
Unsecured overdue advances		-		-
		-		-
Specific provision made on overdue advances		-		-
Rescheduled advances				
Rescheduled advances to customers	Gross amount	% to total advances to customers	Gross amount	% to total advances to customers
	-	-	-	-
Rescheduled advances to banks	Gross amount	% to total advances to banks	Gross amount	% to total advances to banks
	-	-	-	-

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024
(Expressed in Thousand of Hong Kong dollars)

I Additional Balance Sheet Information *(continued)*

(b) Overdue and rescheduled assets *(continued)*

	At 31 Dec 2024		At 30 Jun 2024	
Other overdue assets				
Other assets overdue for	Gross amount	% to total other assets	Gross amount	% to total other assets
- not more than 3 months	-	-	-	-
- more than 3 months but not more than 6 months	-	-	-	-
- more than 6 months but not more than 1 year	-	-	-	-
- more than 1 year	-	-	-	-
Total other overdue assets	-	-	-	-
Reposessed assets	Gross amount		Gross amount	
Reposessed assets held	-		-	

(c) The breakdown of the gross amount of loans and advances to customers by industry categories

As at 31 Dec 2024

	Gross advances	Extent advances are covered by collateral or other security
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
- Property development	-	-
- Property investment	-	-
- Civil engineering works	-	-
- Financial concerns	25,428	-
- Stockbrokers	-	-
- Wholesale and retail trade	438,579	345,436
- Manufacturing	-	-
- Transport and transport equipment	-	-
- Recreational activities	-	-
- Information technology	-	-
- Others	-	-
Sub-total	464,007	345,436
Individuals		
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	-	-
- Loans for the purchase of other residential properties	-	-
- Credit card advances	-	-
- Others	-	-
Sub-total	-	-
Total loans and advances for use in Hong Kong	464,007	345,436
Trade finance	-	-
Loans and advances for use outside Hong Kong	6,142,982	3,737,099
	6,606,989	4,082,535

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024
(Expressed in Thousand of Hong Kong dollars)

I Additional Balance Sheet Information *(continued)*

(c) The breakdown of the gross amount of loans and advances to customers by industry categories
(continued)

As at 30 Jun 2024

	<u>Gross advances</u>	<u>Extent advances are covered by collateral or other security</u>
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
- Property development	-	-
- Property investment	-	-
- Civil engineering works	-	-
- Financial concerns	24,630	-
- Stockbrokers	230,000	-
- Wholesale and retail trade	345,757	265,492
- Manufacturing	-	-
- Transport and transport equipment	-	-
- Recreational activities	148,031	-
- Information technology	-	-
- Others	-	-
Sub-total	<u>748,418</u>	<u>265,492</u>
Individuals		
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	-	-
- Loans for the purchase of other residential properties	-	-
- Credit card advances	-	-
- Others	-	-
Sub-total	<u>-</u>	<u>-</u>
Total loans and advances for use in Hong Kong	<u>748,418</u>	<u>265,492</u>
Trade finance	-	-
Loans and advances for use outside Hong Kong	<u>7,395,409</u>	<u>5,239,452</u>
	<u>8,143,827</u>	<u>5,504,944</u>

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024
(Expressed in Thousand of Hong Kong dollars)

I Additional Balance Sheet Information *(continued)*

(d) Analysis of gross loans and advances to customer by geographical areas

As at 31 Dec 2024

	Gross loans and advances	Overdue loans and advances to customers	Impaired loans (individually determined)
- Asia & Pacific of which	6,606,989 ✓	-	-
- China	1,044,295	-	-
- Hong Kong	593,002	-	-
- South Korea	3,221,073	-	-
- Vietnam	918,362	-	-
Total	<u><u>6,606,989</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

As at 30 Jun 2024

	Gross loans and advances	Overdue loans and advances to customers	Impaired loans (individually determined)
- Asia & Pacific of which	7,917,710 ✓	-	-
- China	1,290,525	-	-
- Hong Kong	733,488	-	-
- South Korea	4,412,842	-	-
- Vietnam	1,038,366	-	-
- Caribbean of which	148,031 ✓	-	-
- Cayman Island	148,031	-	-
- Western Europe	78,086 ✓	-	-
Total	<u><u>8,143,827</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Note: Classification of gross amount of loans and advances to customers by countries or geographical areas constitutes 10% or more of the relevant disclosure amount. The analysis is based on the location of the counterparty.

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024
(Expressed in Thousand of Hong Kong dollars)

I Additional Balance Sheet Information *(continued)*

(e) Non-bank Mainland China exposures

As at 31 Dec 2024			
Types of counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	152,891	-	152,891
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	146,418	307,193	453,611
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	178,389	-	178,389
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	540,977	-	540,977
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>1,018,675</u>	<u>307,193</u>	<u>1,325,868</u>
Total assets after provision	<u>21,176,667</u>		
On-balance sheet exposures as percentage of total assets	<u>4.81%</u>		

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024

(Expressed in Thousand of Hong Kong dollars)

I Additional Balance Sheet Information (continued)

(e) Non-bank Mainland China exposures

As at 30 Jun 2024			
Types of counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	152,756	-	152,756
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	246,974	293,170	540,144
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	188,985	-	188,985
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	677,984	-	677,984
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>1,266,699</u>	<u>293,170</u>	<u>1,559,869</u>
Total assets after provision	<u>25,330,248</u>		
On-balance sheet exposures as percentage of total assets	<u>5.00%</u>		

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024

(Expressed in Million of Hong Kong dollars)

II Cross-border claims (excluding claims from Head Office, branches and subsidiaries) by geographical areas after taking into consideration of transfer of risks

Cross-border claims are on-balance sheet exposures to counterparties after taking into account the transfer of risk.

As at 31 Dec 2024	Banks and others financial institutions	Public sector entities	Others	Total
- Asia & Pacific excluding Hong Kong				
of which	8,096 ✓	-	9,947 ✓	18,043
- China	1,032 ↓	-	211	1,243
- Hong Kong	57	-	844	901
- South Korea	5,816 ↓	-	8,142	13,958
- Japan	577 ✓	-	-	577
- Vietnam	59	-	116	175
- North America	897 ✓	-	28	925
- Middle East	39	-	-	39
- Caribbean	492	-	139 ✓	631
- Western Europe	852 ✓	-	-	852
	<u>10,376</u>	<u>-</u>	<u>10,114</u>	<u>20,490</u>

As at 30 Jun 2024	Banks and others financial institutions	Public sector entities	Others	Total
- Asia & Pacific excluding Hong Kong				
of which	10,949	-	10,663	21,612
- China	2,853	-	220	3,073
- Hong Kong	77	-	574	651
- South Korea	7,148	-	9,060	16,208
- Japan	640	-	-	640
- Vietnam	1	-	204	205
- North America	998	-	30	1,028
- Middle East	40	-	-	40
- Caribbean	461	-	289	750
- Western Europe	859	-	-	859
	<u>13,307</u>	<u>-</u>	<u>10,982</u>	<u>24,289</u>

Note: Amounts represent cross-border claims based on countries or geographical classification and constitutes 10% or more of the total amount. Claims arising between branches and subsidiaries are excluded.

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024

(Expressed in Million Hong Kong dollars)

III Currency risk

As at 31 Dec 2024

	HK\$ Million Equivalent			Total
	US Dollar	JPY & Others	CNY	
Spot assets	19,449	1,524	7	20,980
Spot liabilities	(20,550)	(566)	(23)	(21,139)
Forward purchases	1,136	-	16	1,152
Forward sales	(17)	(955)	-	(972)
Net option position	-	-	-	-
Net long / (net short) position	18	3	-	21
Structural position	-	-	-	-

As at 30 Jun 2024

	HK\$ Million Equivalent			Total
	US Dollar	JPY & Others	CNY	
Spot assets	22,760	2,130	5	24,895
Spot liabilities	(23,631)	(836)	(22)	(24,489)
Forward purchases	1,443	75	21	1,539
Forward sales	(559)	(1,361)	(4)	(1,924)
Net option position	-	-	-	-
Net long / (net short) position	13	8	-	21
Structural position	-	-	-	-

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024

(Expressed in Thousand Hong Kong dollars)

IV Off-balance sheet exposures

(a) The contractual or notional amounts of each of the following class of off-balance sheet exposures outstanding are:

	<u>At 31 Dec 2024</u>	<u>At 30 Jun 2024</u>
Contingent liabilities and commitments		
- Direct credit substitutes	-	-
- Transaction-related contingencies	395,837	550,578
- Trade-related contingencies	434,554	1,304,921
- Note issuance and revolving underwriting facilities	-	-
- Other commitments	1,165,172	1,317,321

Contingent liabilities and commitments arises from credit-related instruments which include letters of credit, guarantees and commitments to extend credit. The risk involved in these credit-related instruments is essentially the same as the credit risk involved in extending loan facilities to customers. The contract amounts represent the amounts at risk should the contract be fully drawn upon and the customers default. As the facilities may expire without being drawn upon, the contracts amounts do not represent expected future cash flows.

	<u>At 31 Dec 2024</u>	<u>At 30 Jun 2024</u>
Derivative transactions		
- Exchange rate-related derivative contracts (exclude forward foreign exchange contracts arising from swap deposit arrangements)	2,283,825	3,982,452
- Interest rate derivative contracts	-	-
- Others	952,330	1,154,561

The above derivative contracts amounts are the notional amount of the contract, they do not represent amounts at risk. All the derivative contracts held by the Branch are to offset gains/losses on fixed rate bonds and loans.

(b) The total fair value of the above derivative transactions

	<u>At 31 Dec 2024</u>	<u>At 30 Jun 2024</u>
- Exchange rate-related derivative contracts	18,340	12,506
- Interest rate derivative contracts	-	-

No bilateral netting arrangements for above derivative transactions.

V Liquidity

	<u>Year ended 31 Dec 2024</u>	<u>Year ended 31 Dec 2023</u>
The average liquidity maintenance ratio for the period	114.36%	127.21%
The average liquidity maintenance ratio for 4th quarter	110.33%	146.00%

The liquidity maintenance ratio (LMR) is calculated in accordance with the Banking (Liquidity) Rules effective from 01 January 2015.

The average liquidity maintenance ratio is the arithmetic mean of each calendar month's average LMR as reported in the "Return of Liquidity Position of an Authorized Institution".

Liquidity Risk Management

The Branch has established a Liquidity Risk Management Policy which is reviewed and approved by the senior management. This policy requires the Branch to maintain a conservative level of liquid funds on a daily basis to meet all financial obligations, and setup the action plan on liquidity contingency.

The liquidity position is monitored through statutory liquidity ratios, cash flow analysis, and inter-bank transactions undertaken by our Branch. The Branch also perform the testing on various type of stress scenarios on monthly basis according to our Liquidity Stress Testing Policy.

Shinhan Bank, Hong Kong Branch

Financial Disclosure as of 31 December 2024

The key elements of the liquidity risk framework are:

Liquidity Stress Testing

The Branch performs liquidity stress testing on a regular basis, to evaluate the effect of both general market wide and institutional specific disruptions on the Branch's liquidity position. The internal stress testing is to ensure sufficient liquidity for the Branch under different adverse scenarios. The Branch's liquidity stress tests consider the effect of changes in funding assumptions, and the market value of liquidity assets, the results of which are reviewed by senior management and are considered in making liquidity management decisions. Based on the result of the liquidity stress test, the Branch takes necessary (if needed) rebalancing, restructuring actions by risk mitigation or contingency plans.

Contingency Planning

The Branch maintains the liquidity contingency funding plan in case it faces liquidity problem as part of liquidity risk management. The liquidity contingency plan specifies an approach for monitoring and evaluation of actual and potential liquidity events. The plan outlines liquidity identification, monitoring, and measurement of liquidity events. The plan also specifies possible measures, internal and external communication and action to be taken at various stages of crisis.

Funding Diversification

Apart from taking customer deposits as major sources of funding, the Branch boardens its funding source in retail market, money market and capital market by different terms. The Branch also holds a pool of highly liquid, unencumbered assets that can be readily sold or pledged to secure borrowings under stressed conditions.

Oversight and Reporting

The results of stress testing, Liquidity Maintenance Ratio(LMR) and liquidity gap are reported to the management and head office on a regular basis.

The details of maturity profile refer to Appendix I

Financial Disclosure as of 31 December 2024

(Expressed in thousand Hong Kong dollars)

VI Bank information (Consolidated basis)

The following table shows the consolidated capital adequacy ratio and the amount of shareholders' funds of Shinhan Financial Group. The basis of preparation is in accordance with the Korean-International Financial Reporting Standards.

	31 Dec 2024	At 30 Jun 2023
(a) Capital and Capital Adequacy		
(i) Capital adequacy ratio	15.76%	15.76%
(ii) Total share capital	15,660,795	16,710,371
(iii) Total amount of shareholder funds	310,513,659	324,148,894
(b) Other Financial Information		
(i) Total assets	3,901,173,927	4,095,049,800
(ii) Total liabilities	3,590,660,268	3,770,900,343
(iii) Total loans and advances	2,379,365,046	2,453,580,553
(iv) Total deposits	2,229,622,403	2,266,366,552
	31 Dec 2024	31 Dec 2023
(v) Pre-tax profit	32,295,117	36,193,192

- 1 Shareholders' fund is the sum total of capital and reserves.
- 2 Total liabilities are equal to total assets minus shareholders' fund.
- 3 The conversion rate of HKD/KRW as at 31 December 2024 is 189.62.
- 4 The consolidated capital adequacy ratio was calculated in accordance with the Korean-International Financial Reporting Standards adopting Basel III approach.

Shinhan Bank, Hong Kong Branch
Financial Disclosure as of 31 December 2024

(Expressed in Thousand of Hong Kong dollars)

VII Disclosure on Remuneration for CG-5 Guideline on a Sound Remuneration System issued by the HKMA

Pursuant to section 3 of CG-5 Guideline on a Sound Remuneration System issued by the HKMA, the following disclosures are made:

a) The design and implementation of the remuneration systems:

The Bank adopts the remuneration policy and systems which are established by the Remuneration Committee of our Head Office for overseas branch. The objective of the remuneration policy is to attract, motivate reward and retain quality staff. The Board ensures that the remuneration policies are in line with the strategic objectives and corporate values of the Bank, and do not give rise to conflicts between the objectives of the Bank and the interests of individual Directors and key executives.

The Remuneration Committee reviews the performance of management and directors over the past fiscal year and settles on remuneration that is proportionate to the individual's responsibilities. It also make sure that the remuneration is on a proper level that improves the long-term interests of the Group and its shareholders.

b) Aggregate quantitative information on remuneration for senior management and key personnel (Note 1) are as follows:

As at 31 Dec 2024

	Amount	Number of Beneficiaries
- Fixed Remuneration	7,307	13
- Variable Remuneration	1,160	-
- Deferred Remuneration	-	-
Total	8,467	13

As at 31 Dec 2023

	Amount	Number of Beneficiaries
- Fixed Remuneration	9,371	21
- Variable Remuneration	1,711	-
- Deferred Remuneration	-	-
Total	11,082	21

No senior management or key personnel has been awarded with new sign-on or severance payments.

Note 1: As defined in CG5 Guideline on a Sound Remuneration System issued by the HKMA, senior management are those who are responsible for oversight of either the Bank's company-wide strategy or activities or those of the Bank's main business lines. Key Personnel are individual employees whose duties or activities in the course of their employment involve the assumption of material risk or the taking on of material exposures on behalf of the Bank.