

 Early Warning System

IFC-47060

Shinhan Finance



Quick Facts

Countries	Kazakhstan
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	FI
Voting Date	2023-04-14
Borrower	LLP MFO SHINHAN FINANCE
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Loan Amount (USD)	\$ 60.00 million
Project Cost (USD)	\$ 60.00 million



Project Description

According to the IFC, the proposed investment consists of a 5-year US\$ 60 million senior financing with two identically structured senior loans (US\$ 30 million each) to be disbursed over a 6 to 12-month period in Kazakh tenge (KZT) to LLP Microfinance Organization (MFO) Shinhan Finance (ShF) in Kazakhstan. Shinhan Card (the Guarantor and the Sponsor) will provide full and irrevocable guarantee for the Project. The proceeds will be on-lent to individual entrepreneurs and micro, small and medium-sized enterprises (MSMEs). At least 25% will be earmarked for on-lending to women owned MSMEs (WMSMEs). Subject to blended finance approval, ShF may also benefit from a performance-based incentive provided by the Women Entrepreneurs Opportunity Facility and the Women Entrepreneurs Finance Initiative to support growth of the WMSMEs business.



Early Warning System Project Analysis

The project is categorized as FI-2 by the IFC.



Investment Description

- International Finance Corporation (IFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [LLP Shinhan Finance](#) (Financial Intermediary)



Private Actors Description

From the IFC's website:

Shinhan Finance, established in 2014, offers installment financing for purchases of new / used cars and unsecured loans for individuals and legal entities in Kazakhstan. Shinhan Finance is wholly owned by Shinhan Card.

Shinhan Card, which was established in 1985, holds the distinction of being the foremost credit card issuer in Korea, as measured by credit card usage volume in 2021, since its merger with LG Card in 2007. The company is involved in providing financial services such as credit sales, short and long-term card loans, installment loans, and brokerage of diverse goods and services. Shinhan Card is wholly owned by Shinhan Financial Group (SFG).

SFG, which came into existence in 2001, is one of the largest financial holding companies in South Korea. The company has direct and indirect subsidiaries engaged in commercial banking, credit card, asset management, and other financial services. SFG is publicly listed on both the New York Stock Exchange and the Korea Stock Exchange.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Shinhan Card Co. Ltd.	Parent Company	Finance
-	-	-	-	Shinhan Financial Group	Parent Company	Finance



Contact Information

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The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>