

# Shinhan Bank succeeds in floating \$500 million of Formosa bonds

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Courtesy of Shinhan Bank

Shinhan Bank has succeeded in issuing a public offering of five-year foreign currency Formosa bonds worth \$500 million, a bank spokesman said on April 9.

It is Shinhan Bank's first issuance of Formosa bond and its interest rate is 1.70 percent added to the three-month USD LIBOR.

Market watchers say that the strategy for investors in Taiwan, which is relatively rich in foreign currency liquidity, has been worked successfully in issuing the bonds at competitive interest rates at a time when concerns over liquidity are growing over the global economic recession stemming from the spread of COVID-19.

With the issuance of the bonds, Shinhan Bank has expanded its investor base to Taiwan, and has joined investors in the Americas in the form of a combination of Formosa bond and global bond (144A/RegS), making it the largest-ever issuance of Korean Formosa bonds.

In the face of maximum market uncertainty, it was able to successfully complete the issuance without paying a new issuance premium by drawing 4.2 times more orders than the issuance amount.

By region, the portion was 57 percent in Taiwan, 36 percent in Asia outside Taiwan, 6 percent in the U.S. and 1 percent in Europe. By type, the portion was 80 percent in banks, 19 percent in asset management, insurance companies and pension funds and 1 percent in PB/others.

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