


BREAKING

ANNUAL REPORT 2021

NEW GROUNDS



Breaking the barriers for breakthrough in finance

At Shinhan Financial Group, we are constantly developing ourselves further in order to seize new opportunities – and yet always remaining true to our principles. In 2021, despite the challenges posed by the prolonged COVID-19 pandemic, we achieved a record-breaking performance, while also continuing our ESG journey driven by our mission of “Building a Better World through Finance.” And now we are well positioned to take new challenges with “Breakthrough” as our strategic keyword for the years ahead.

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KEY PERFORMANCE INDICATORS

KEY FINANCIAL HIGHLIGHTS

| | | 2021 | 2020 | 2019 |
|--|---|----------|----------|----------|
| Selected Income Statement Data (As of for the year ended December 31, KRW billion) | Operating Income before Expenses | 12,691.6 | 11,532.9 | 11,131.7 |
| | Interest Income | 9,053.5 | 8,155.1 | 8,001.0 |
| | Non-interest Income | 3,638.1 | 3,377.8 | 3,130.7 |
| | G&A Expenses | 5,743.1 | 5,212.5 | 5,134.7 |
| | Operating Income | 6,948.5 | 6,320.4 | 5,997.0 |
| | Non-operating Income | -368.4 | -175.9 | -134.7 |
| | Pre-provision Income | 6,580.0 | 6,144.5 | 5,862.3 |
| | Provision for Credit Losses | 996.4 | 1,390.6 | 950.8 |
| | Earnings before Income Tax | 5,583.7 | 4,753.9 | 4,911.5 |
| | Income Tax | 1,471.0 | 1,255.8 | 1,269.1 |
| | Consolidated Net Income ¹⁾ | 4,019.3 | 3,414.6 | 3,403.5 |
| Selected Balance Sheet Data (Period-end, KRW trillion) | Loans in KRW (Shinhan Bank) | 271.1 | 248.8 | 225.0 |
| | Deposits in KRW (Shinhan Bank) | 281.9 | 260.2 | 233.0 |
| | Group Assets (Consolidated) | 648.2 | 605.2 | 552.4 |
| Selected Ratios (%) | Cost to Income Ratio | 45.3% | 45.2% | 46.1% |
| | Credit Cost Ratio | 0.27% | 0.41% | 0.31% |
| | (Credit Cost Ratio excluding one-offs ²⁾) | 0.22% | 0.29% | 0.31% |
| | NPL Ratio | 0.39% | 0.49% | 0.53% |
| | NPL Coverage Ratio | 195% | 168% | 151% |
| | ROE | 9.17% | 8.43% | 9.41% |
| | ROA | 0.66% | 0.60% | 0.70% |
| | CET1 Ratio (Group) ³⁾ | 13.0% | 12.9% | 11.1% |
| Market Data | Closing Share Price (KRW) | 36,800 | 32,050 | 43,350 |
| | Market Capitalization (KRW trillion) | 19.0 | 16.6 | 20.6 |

¹⁾ Net income in controlling interest

²⁾ One-offs: COVID19-related provisioning (KRW 187.9 billion for FY 2021; and, KRW 394.4 billion for FY 2020)

³⁾ When not reflecting the early adoption of the revised Basel III credit risk framework, CET1 is 11.8% for FY 2021

Financial Statements



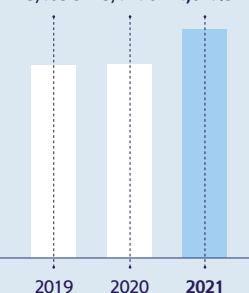
4Q 2021 Business Results



GROUP NET INCOME

(KRW billion)

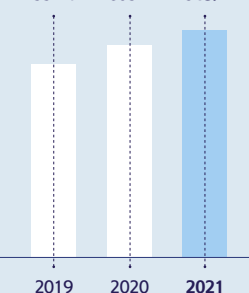
3,403.5 3,414.6 4,019.3



GROUP ASSETS

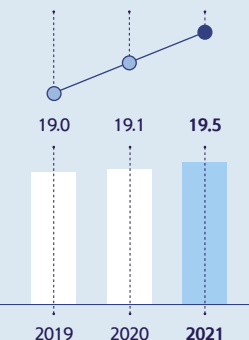
(KRW trillion)

552.4 605.2 648.2



CUSTOMERS

40.2 41.1 42.0



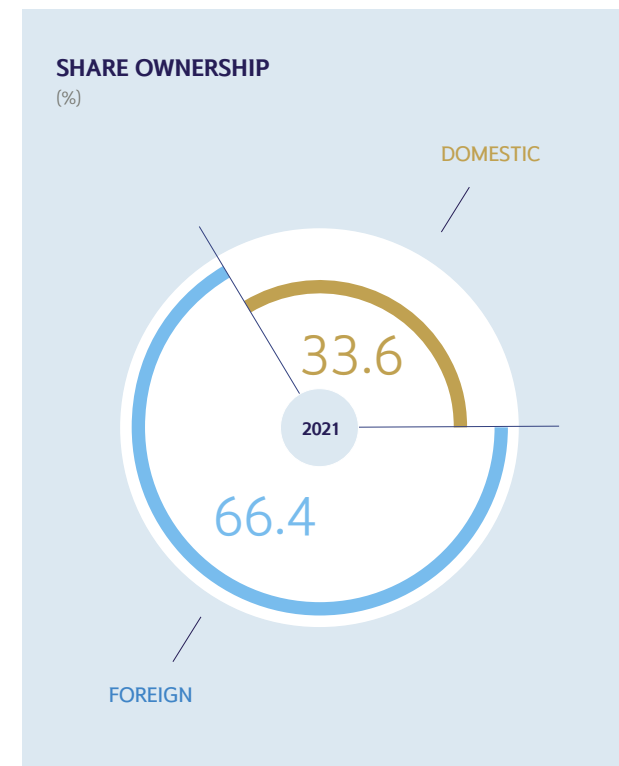
● Cross-selling Ratio (%)

■ Active Customers (Persons in million)

STOCK INFORMATION

MAJOR SHAREHOLDERS¹⁾

| Name of Shareholder | Number of Shares Owned | Ownership |
|--|------------------------|----------------|
| National Pension Service | 45,340,437 | 8.78% |
| BlackRock Fund Advisors ²⁾ | 29,063,012 | 5.63% |
| SFG Employee Stock Ownership Association | 25,464,625 | 4.93% |
| Centennial Investment Limited | 20,440,000 | 3.96% |
| BNP Paribas SA | 18,690,310 | 3.62% |
| Supreme, L.P. | 18,690,000 | 3.62% |
| Citibank, N.A. (ADR Dept.) | 15,728,396 | 3.04% |
| Norges Bank | 10,436,161 | 2.02% |
| The Government of Singapore | 9,477,462 | 1.83% |
| Vanguard Total International Stock Index | 6,398,267 | 1.24% |
| Peoples Bank of China | 5,522,909 | 1.07% |
| Others | 340,410,987 | 65.89% |
| Total | 516,599,554 | 100.00% |



STOCK PERFORMANCE

(Unit: KRW)

| | 2021 | 2020 | 2019 |
|---------------------------------------|---------------|---------------|---------------|
| Market Capitalization (Year End) | 19.0 trillion | 16.6 trillion | 20.6 trillion |
| Share Price | | | |
| Year End | 36,800 | 32,050 | 43,350 |
| High | 43,000 | 42,750 | 48,000 |
| Low | 30,650 | 22,200 | 38,350 |
| Weighting in the KOSPI (% , Year End) | 0.9% | 0.8% | 1.4% |
| Average Daily Trading Volume (Shares) | 1.8 million | 2.4 million | 1.0 million |
| Dividend Per Share (Common Stock) | 1,960 | 1,500 | 1,850 |
| Total Dividend Paid (Common Stock) | 1,047 billion | 804 billion | 884 billion |
| Dividend Payout Ratio (Common Stock) | 25.2% | 22.7% | 25.0% |

TYPE OF STOCK

| Type of Stock | No. of Shares |
|---|---------------|
| Common Stock | 516,599,554 |
| Convertible Preferred Stock ⁴⁾ | 17,482,000 |

¹⁾ Holding ownership of more than 1% in common stocks as of December 31, 2021

²⁾ Based on the large equity ownership disclosure by BlackRock Fund Advisors with the Financial Supervisor Service on Sep. 27, 2018

³⁾ The Number of treasury shares held by Shinhan Financial Group as of December 31, 2021 is 6,352 common shares

⁴⁾ All of the 17,482,000 convertible preferred shares other than the above common shares are held by Mercury 1st LLC.

CEO REFLECTIONS



2021, which was dominated by the prolonged COVID-19 pandemic, was a challenging year for everyone. It has further highlighted the importance of recognizing the value of empathy and coexistence. Conscious of such social expectations we, Shinhan Financial Group made considerable efforts to ensure sustainable growth of our clients and communities. As a result, we were able to deliver outstanding results by “solidifying our business fundamentals” and undergoing “agile transformation”.

Cho Yong-byung
Chief Executive Officer, Shinhan Financial Group

Dear shareholders,

In 2021, Shinhan Financial Group achieved its best performance ever since its establishment thanks to the united efforts of all our employees despite the many headwinds. We made improvements not only in the magnitude of our earnings growth, but also in the quality of the performance as well as the business fundamentals. Non-interest income grew as our IB, trust, foreign exchange and leasing businesses delivered strong returns, while interest income also increased thanks to effective margin management. On the back of these strong fundamentals, we pushed up our ability to generate ordinary income to the next level. In addition, we solidified our business portfolio and further expanded our income base by merging the Group subsidiaries and establishing new businesses.

We also have been nimble in our digital innovations to stay ahead of the curve and to compete more efficiently in our digital future. We enhanced customer convenience by innovating customer contact points, both online and offline. As a result of our efforts to provide the best possible customer experience, the figure for monthly active users (MAU) of Shinhan SOL, our market-leading banking platform, achieved the highest rate of increase in the Korean banking industry. We also built upon our traditional strength in finance by adding a number of business alliances and new non-financial businesses to creating new customer value. Moreover, we put substantial resources into developing innovative startups and expanding our digital investments.

We are fully committed to the responsibilities demanded of corporates by society. We have therefore rapidly forged ahead with the execution of our ESG strategy by setting out a detailed roadmap for ESG management and establishing an internal ESG driving system. In addition, we have focused on enhancing our ability to measure and manage environmental risks, while also facilitating the low-carbon transition of our corporate clients. At the same time, we have offered direct help to people in need, and continued to foster startups and create jobs.

In 2021, we grew in partnership with our customers, colleagues, and our society. This helped us to achieve the resolutions we made at the beginning of the year with a focus on the key words “Solid Fundamentals, Agile Transformation”. These successes were made possible by the unwavering encouragement and support from all of our customers, shareholders and other stakeholders, for which I thank you most sincerely.

In the next few pages, I'd like to discuss our business, digital and ESG highlights in more detail.



In 2022, Shinhan begins a new challenge, with “Breakthrough” as our strategic keyword for the year ahead. We will take the “right”, “nimble”, and “different” steps to build a “more friendly, more secure, more creative finance” as we strive towards our ultimate goal of achieving “Excellence”.

Record-breaking year

Achieved a record-high net income

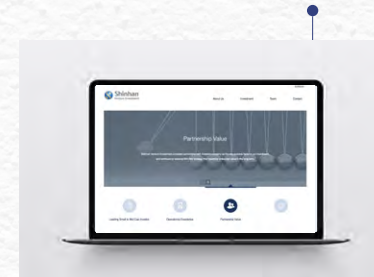
2021 saw growing volatility in the Korean economy and in global financial markets due to a tenacious lingering of the pandemic and rising inflationary pressures. Even amidst these increased uncertainties, Shinhan achieved a record-high performance in net income on the back of its balanced business portfolio.

Against the backdrop of strong market liquidity and a thriving domestic real estate market, the Group subsidiaries in the capital market business broke their performance records in the first half of 2021. Then, in the second half of the year, as the interest rates normalized, banking subsidiaries achieved strong interest income growth. The year-round exceptional performance and balanced growth of the banking and non-banking sectors came as a result of our consistent strengthening of sales capabilities, targeted M&As, and establishment of new subsidiaries.

Significant changes were made to the Group portfolio in 2021. In January, Neoplux, a venture capital company acquired in September 2020, changed its name to Shinhan Venture Investment. It is now actively investing in innovative companies of the future, and strengthening its position in the Korean venture capital market. Also in January, Shinhan Asset Management became a wholly-owned subsidiary of the holding company, marking an end to the 18-year joint venture management system with BNP Paribas. In addition, the company merged with Shinhan Alternative Investment Management, positioning itself as a major comprehensive asset management company. Shinhan Life Insurance, newly launched by the merger between Shinhan Life Insurance and OrangeLife Insurance last July, rose to fourth place in the industry, and has expanded its dominance in the general agency (GA) market by establishing a new sales subsidiary, Shinhan Financial Plus.

Despite considerable external uncertainties that dominated markets in 2021, Shinhan Financial Group maintained its growth pace and strived to enhance shareholder value. We will continue to generate stable revenues through the efficient allocation of our capital, and will increase shareholder value by developing engines for future growth.

STRONGER BUSINESS PORTFOLIO



JANUARY

Shinhan Venture Investment, renamed from Neoplux

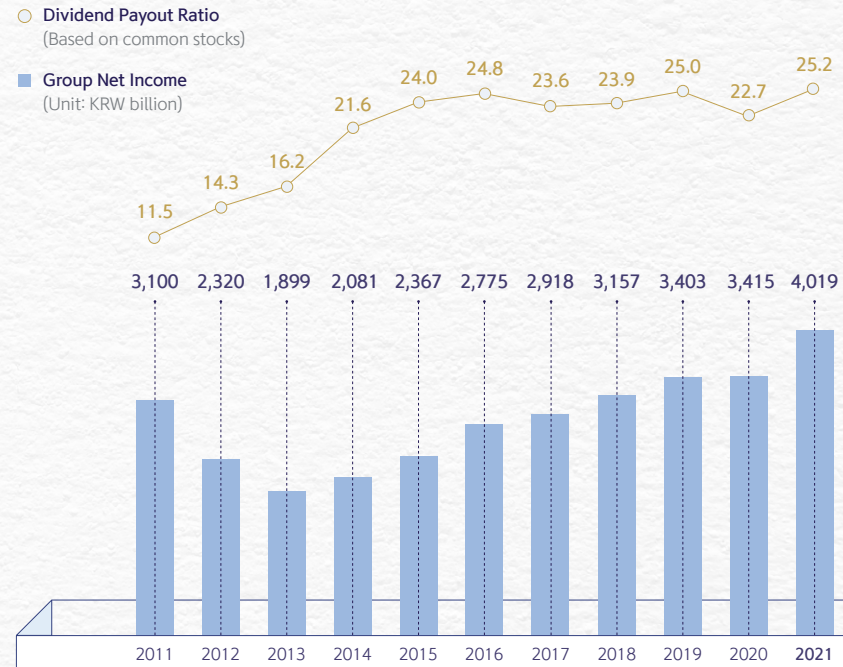
Shinhan Asset Management, became a wholly-owned subsidiary of Shinhan Financial Group

JULY

Shinhan Life Insurance, launched through the merger between Shinhan Life and OrangeLife



Group Net Income & Dividend Payout Ratio



Ground-breaking innovation

Expanding and improving customer contact points

Digital natives, including Millennials and Generation Z, are becoming a vital consumer group, while the emergence of Internet banks and financial companies affiliated with big tech companies is resulting in sharp changes in trends in finance. Shinhan is responding rapidly to these challenges by offering new customer experiences. In partnership with the Korea Baseball

Organization (KBO), Shinhan Bank has created the “Shinhan SOL Baseball Park”, a metaverse baseball field, and also hosted an online fan meeting.

Shinhan Card unveiled Shinhan pLay, which added non-financial services to its existing payment services. Shinhan’s flagship financial platforms are continuing to add both financial and non-financial content, which has resulted in more frequent and longer visits from our customers. Consequently, the MAUs for Shinhan SOL and Shinhan pLay grew at the fastest speed within the industry domestically, and now both apps have more than 8.5 million monthly active users.

Shinhan Bank and Shinhan Card obtained a MyData business license in 2021, and launched the business in full this year. Shinhan Bank introduced “Moneyverse” which provides customized investment opportunities in real estate and stocks, while Shinhan Card offers hyper-personalized services based on spending and consumption patterns, effectively leveraging the strengths of each business.

In addition to Shinhan SOL and Shinhan pLay, we have also built competitive lifestyle platforms in non-financial businesses. Launched by Shinhan Life Insurance in March 2021, “HowFIT”, a home training platform based on an AI motion recognition system, has won widespread recognition for its innovative features, thereby winning the grand prize for “2021 Self-development App of the Year” from Google Play. Shinhan Bank recently became the first company in the Korean financial sector to launch a delivery app, called “Ddaeng-gyoeyo”, and is building a mutually beneficial financial ecosystem within the food delivery market in partnership with store owners and delivery riders.

KEY MILESTONES

Innovation beyond Finance

Digital Inclusiveness



MARCH

Shinhan Life Insurance, launched “HowFIT”

OCTOBER

Shinhan Card, launched “Shinhan pLay”

NOVEMBER

Shinhan Bank, held a metaverse fan meeting in partnership with KBO

DECEMBER

Shinhan Bank, launched “Moneyverse”

Shinhan Card, launched a MyData service

Shinhan Bank, launched “Ddaeng-gyoeyo”



JULY

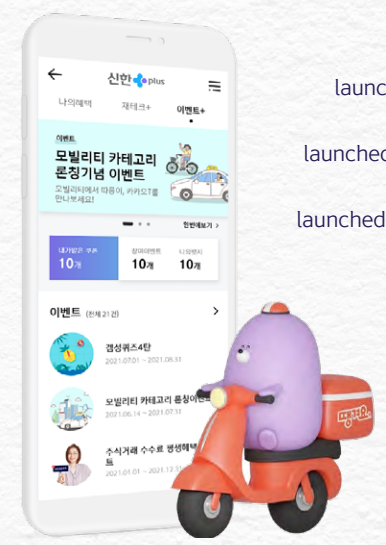
Shinhan Bank, opened a Digilog Branch

DECEMBER

Shinhan Bank, opened a digital branch tailored to senior customers

JANUARY, 2022

Shinhan Bank, showcased an “AI teller” at CES 2022



Digital ESG actions

Rather than perceiving digital transformation and ESG management as separate tasks, Shinhan seeks to ways to align them. At the “Digilog Branch”, a special digital branch launched in 2021, we have put in place AI tellers and cutting-edge digital technologies to help customers who are not used to digital technology, senior customers in particular. The services offered by our AI teller has redefined the concept of an offline channel. Our AI teller was even showcased at the 2022 Consumer Electronics Show (CES) held in Las Vegas in January, where it won extensive recognition for its innovativeness. Shinhan also seeks to offer a wider range of digital-based innovative services to our corporate clients through various means, including, among others, securing a partnership with an enterprise informatization system company with the largest SME client network in Korea. Going forward, we will support the growth of SMEs by providing Bank as a Service (BaaS), including specialized loans, through our ERP platform.

Increasing investments and adding alliances

In 2021, Shinhan became the first financial company in Korea to establish a digital strategic investment (SI) fund as a way to strengthen the Group’s key digital capabilities and to establish a digital ecosystem for the future. As of the end of 2021, we had invested a total of KRW 173.0 billion in 11 promising ventures, startups and unicorn companies of the future, in sectors as diverse as autonomous driving, a platform for trading second-hand goods, and a fashion e-commerce platform. This has expanded Shinhan’s distinctive digital ecosystem and has laid the foundation for a stronger collaboration for the Group’s future business.

Shinhan launched a startup accelerator program, “Shinhan Future’s Lab”, in 2015, another first record in the financial industry in Korea, enabling us to build long-term win-win relationships with globally competitive startups. As a cradle of the innovative technologies of the future, Shinhan Future’s Lab has established an ecosystem for mutual growth whereby identification of innovative companies leads to development and investment. It is also helping to accelerate the Group’s digital transformation.

Members of Shinhan Future’s Lab include companies with innovative ideas and leading technologies in such fields as fintech, content and big data, as well as in other sectors upon which Shinhan is placing a particular focus, including ESG, metaverse, and healthcare. In particular, ten startups fostered by Shinhan Future’s Lab were chosen for the “Baby Unicorn 200 Project” by the Ministry of SMEs and Startups, the most of any startup lab in the financial industry, thereby positioning Shinhan Future’s Lab as a leading startup accelerator program in Korea.

KEY MILESTONES

Helping Startups to Scale

JULY

Invested in “Insung Data”, a No. 1 in Korea in the last mile logistics market

Invested in “42dot”, a leading company of autonomous driving technologies

Invested in “PetEasy”, a peteconomy platform



SEPTEMBER

Invested in “Chang Healthcare”, a health care company

Invested in “Autohands”, a company specializing in used car trading and management

Invested in “Bungaejangter”, a top-tier second-hand goods trading platform

Invested in “Galaxy Corp.”, a company specializing in metaverse



OCTOBER

Invested in “BALAAN”, a luxury fashion ecommerce platform

Invested in “XINAPSE”, an AI-based voice/image synthesis solution provider

Invested in “Seoul Auction Blue”, an artwork investment platform



NOVEMBER

Invested in “ABLY”, a style commerce platform

Path-breaking approach

Building a better world through finance

ESG is now a vital part of business around the globe. As a company, we are required to think about climate change, human rights, inequality, and other universal issues which transcend time and space but which have sometimes been hidden in the shadows of rapid growth. Now is the time to pursue sustainable growth throughout society, and Shinhan's commitment to "Building a Better World through Finance" is precisely in line with this. In 2021, Shinhan established an ESG

slogan of the Group, "Do the Right Thing for a Wonderful World" and focused on the key ESG tasks that were put in place in 2020.

If it cannot be measured, it cannot be managed

Shinhan reemphasized this famous quote made by Peter Drucker during its participation at the UN Climate Change Conference (COP26) held in Glasgow, UK, last November. Based on this, we are establishing a detailed execution plan for a net-zero portfolio.

Shinhan became the first financial company in East Asia to formulate a strategy for carbon neutrality and declared the "Zero Carbon Drive" in November 2020. Zero Carbon Drive has set out our goal of achieving net-zero for our internal carbon emissions by 2044, and for financed emissions by 2050. We aim to reach the goals by measuring and managing emissions in line with global standards while engaging with targeted corporate clients. Moreover, we will leverage our membership within the UNEP FI Leadership Council to share our expertise on climate finance as a way to encourage more organizations to join in with our efforts.

Diversity creates a difference

We believe that diversity is a vital part of Shinhan Financial Group's sustainable development, and which is why we have set out "Shinhan Financial Group's Commitment to Diversity and Inclusion" in August 2021. In accordance with this commitment, we will ensure that we increase the number of female managers and foster more female leaders, while also widening the diversity of our Board of Directors and management. In 2021, we continued to provide mentoring, training, networking, and other opportunities to our future female leaders through "Shinhan SHeroes", a program to nurture female talent. In addition, we have set ourselves a challenging target for increasing the proportion of female managers, and we will strive to reach the goal.

ESG MANAGEMENT KEY MILESTONES

FINACE for IMPACT

MARCH

Shinhan Bank, declared its commitment to stop financing coal power



SEPTEMBER

Shinhan Financial Group, announced its ESG slogan "Do the Right Thing for a Wonderful World"

NOVEMBER

Shinhan Financial Group, became the first private financial company in Asia to be officially invited to COP26 and to share its net-zero ambitions

Shinhan Financial Group CEO

Cho Yong-byoung, chosen as a member of the UNEP FI Leadership Council



Diversity & Inclusion



JANUARY

Shinhan Financial Group, included in the Bloomberg Gender-Equality Index for 3 consecutive years¹⁾



MARCH

Shinhan Financial Group, launched the 4th of Shinhan SHeroes

AUGUST

Shinhan Financial Group, declared "Shinhan Financial Group's Commitment to Diversity and Inclusion"

¹⁾ 4 consecutive years as of 2022

Looking forward

2022 marks the 40th year since the name “Shinhan” was unveiled. Building on our unique strength and enormous progress we have made over the years, we will continue striving to reinvent ourselves through innovation and creativity.

As part of this plan, Shinhan has been undergoing numerous major changes since 2021, starting with the Group’s cultural transformation. We also established a new vision for the Group, ensuring that we view finance from the perspective of our customers and the market. Our new corporate vision, which reads, “We believe finance should be More Friendly, More Secure, More Creative”, embodies the three most important values that customers look for in their finance partner – convenience, safety, and innovation – and the repeated word “more” reflects our promise to continually strive on behalf of our customers and to provide them with unique, distinctive solutions. We will focus all resources of every Group subsidiary on achieving our vision for our customers and the future.

Our value management system has also been changed. Our new core values – “Right”, “Nimble” and “Different” – will serve as a guiding principle for all of our employees and set the standards of how we operate our business, and will not just be a hollow slogan confined to a frame on a wall. All of us at Shinhan will make the “right” decisions for customers and for the future generations; accelerate the pace of execution by continuing to learn and grow in a “nimble” way; and respect the differences of each individual and create differentiated outcomes in a “different” way.

The Group’s strategic keyword for 2022 is “Breakthrough”. This keyword embodies our determination to break through an environment full of uncertainties, competition which seems to have no limits, and outdated customs or practices from the past. We will examine all our businesses and strategies from this new perspective and deliver exceptional value that exceeds expectations.

2022 marks the 40th year since the name “Shinhan” was unveiled. Building on our unique strength and enormous progress we have made over the years, we will continue striving to reinvent ourselves through innovation and creativity.



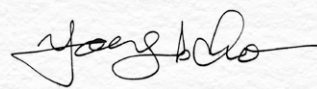
In closing

Dear fellow shareholders,

Shinhan Financial Group has a proud history that we have been shaping through ceaseless challenge and innovation. We now have a grand dream toward achieving "Excellence, Shinhan", and we are confident that we have sufficient resources to realize the dream. 2022 is the 40th anniversary of the founding of Shinhan, and all our employees will mark this momentous year by working in unison to provide distinctive value to customers and shareholders.

We thank you for your continuing support for Shinhan, and we look forward to what we will accomplish together in years ahead.

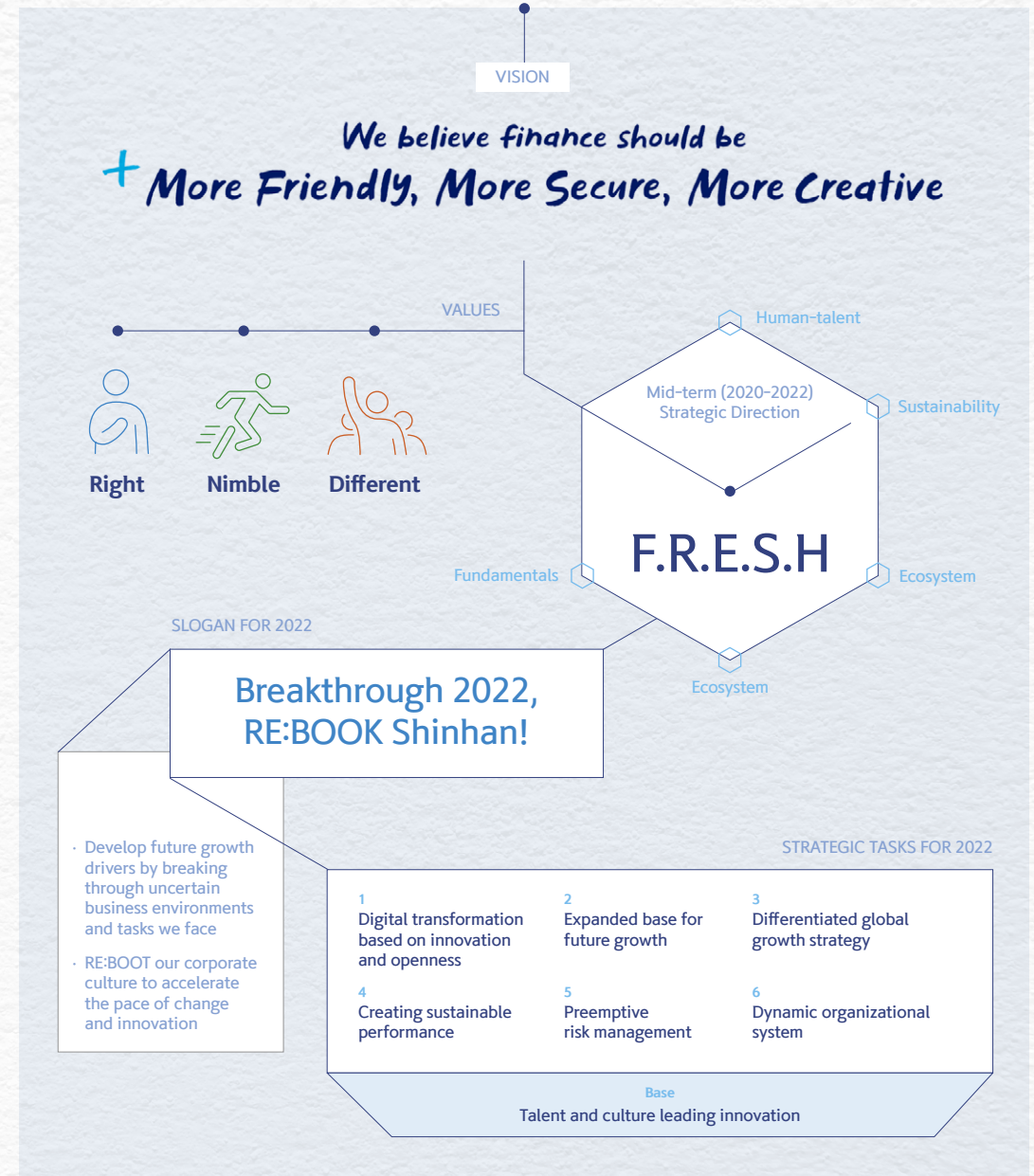
Thank you.



Cho Yong-byoung

Chief Executive Officer, Shinhan Financial Group

GOALS & STRATEGIC DIRECTIONS



Shinhan Financial Group has been implementing its “F.R.E.S.H 2020s” mid-term strategy since 2020, so that it can evolve into an “Excellence, Shinhan” which earns recognition from all of its stakeholders by achieving distinctive growth even during times of complex uncertainty.

Based on the strategic growth directions set under F.R.E.S.H 2020s, in 2021 Shinhan Financial Group improved its fundamentals and thus implemented rapid changes, reflecting the circumstances during the COVID-19 crisis. Looking to the next year, we will build on these efforts to produce higher, more consistent returns by enhancing the growth potential of the Group, and to improve our valuation.

F.R.E.S.H 2020s



Mid-term Strategic Direction

F.R.E.S.H 2020s

HUMAN-TALENT
Versatile and talented people to lead future growth

SUSTAINABILITY

Executing a coherent Group-wide strategy towards a more sustainable future

ECOSYSTEM

Building a digital ecosystem to elevate digital competitiveness

RESILIENCE

Strengthening resilience, the ability to recover quickly from adversity

FUNDAMENTALS

Maximizing corporate value by fortifying fundamentals

Mid-term Strategy Roadmap

2022

ACCELERATING THE CHANGE

On the back of strengthened fundamentals, fully accelerate the change towards "Excellence, Shinhan"

Achieve breakthrough growth for greater future growth potential

2021

STRENGTHENING FUNDAMENTALS & IMPLEMENTING THE CHANGE

Strengthen fundamentals by increasing portfolio and key business efficiency based on customer trust and proper response to crises. At the same time, explore opportunities and implement change for future growth

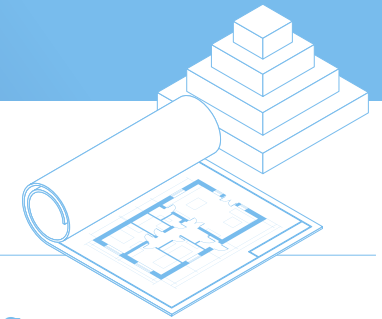
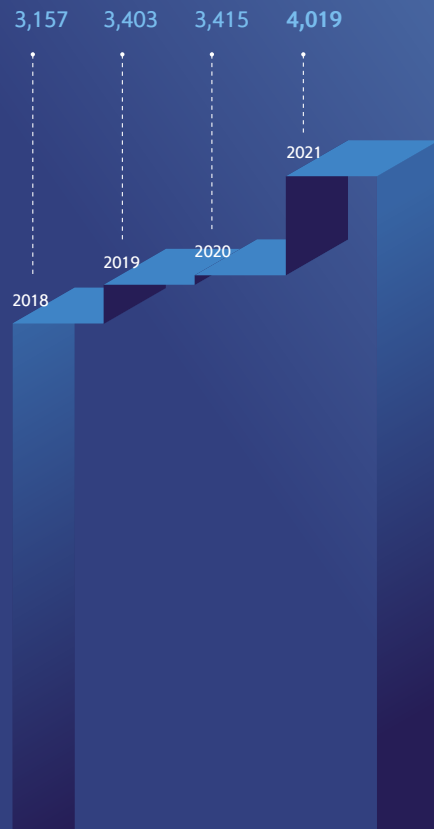
2020

SETTING DIRECTIONS & EMBRACING THE CHANGE

Present a mid-term strategic direction in response to increased volatility, including, among others COVID-19, and make new attempts for new change

MAXIMIZING CORPORATE VALUE BY FORTIFYING FUNDAMENTALS

Group Net Income
(Unit: KRW billion)



Record-high performance results attesting to our strong fundamentals

The global economy grew by well over 5% in 2021 thanks to policy responses by governments around the world to help their economies recover from the pandemic. The Korean economy achieved year-on-year growth of 4% on the back of strong exports of key products, increased private consumption attributable to successful vaccination programs, and extended social infrastructure investments. Private consumption led growth in the second quarter, but fell by 0.2% in the third quarter from the previous quarter as a result of social distancing driving down the use of face-to-face services. The impact from the strengthened quarantine measures steadily decreased over time as consumers learned to live with the prolonged impact of COVID-19. In 2021, the Korean economy therefore broke away from the previous year's contraction and grew significantly, mainly attributable to strong exports and facility investments.

Even in the midst of continued uncertainty, in 2021 Shinhan Financial Group had a year of record consolidated net income in controlling interest of KRW 4,019.3 billion, a year-on-year increase of 17.7%, continuing growth pace for eighth consecutive years. Major factors in this achievement include: (1) solid asset growth, which in turn generated reliable interest income; (2) portfolio diversification in response to ultra-low interest rates, leading to increased non-banking income; (3) increased non-interest income from matrix organizations, a key driver of our mid-to long-term growth; (4) preemptive and systematic risk management in response to the effects of COVID-19 and the issues related to problems at certain private equity funds, including Lime Asset Management.

In particular, in the second half of the year, we actively worked on private reconciliation in order to regain customer trust and eliminate uncertainties surrounding potential losses. We estimated losses at the maximum level indicated by global accounting standards, and recognized a loss on investment products of KRW 467.6 billion as non-operating expenses for 2021, thus minimizing future uncertainty.

Strong net interest income generation backed by robust asset growth

The Group interest income increased 11.0% year-on-year on the back of strong growth in loans, especially at Shinhan Bank, Shinhan Card and Shinhan Capital, and higher market interest rates. The cumulative net interest margin of the Group, which includes Shinhan Bank and Shinhan Card figures, increased slightly year-on-year due to two base rate hikes of 25 basis points in August and November 2021, respectively. The margin is on the increase following another 25bp interest rate rise in January 2022. Going forward, we will continue to aim for improved net interest margin through advanced asset-liability management (ALM).

Shinhan Bank's loans in KRW grew by 9.0% year-on-year in 2021, achieving balanced growth across both retail and corporate loan sectors. Retail loans grew by 7.4%, and corporate loans rose 10.6%. SME loans and SOHO loans, in particular, grew at an annual growth rate of 12.8% and 12.7%, respectively, leading the overall growth.

The robust growth in loans was mainly attributable to our commitment to funding SMEs and SOHOs which have been experiencing difficulties due to the pandemic. We will continue to aim for stable growth in 2022 through selective loan policies and thorough risk monitoring.



Portfolio diversification leading to increased non-banking income

The Group’s non-banking sector has boosted the Group’s ability in generating incomes, especially in an era of ultra-low interest rates. Despite challenges posed by the exceptionally low interest rates and increased competition, Shinhan’s continued efforts to enhance non-interest earnings led to tangible business performance in 2021. Non-interest income grew by 7.7% year-on-year, largely driven by strong increases in fees and commissions income (+12.3%) and securities-related income (+25.0%), making non-interest income account for 28.7% of total net income.

In particular, brokerage fees rose 125% in 2020 thanks to increased trading volume and further grew by 5.8% in 2021 year-on-year as a result of a continued capital market activity. In addition, the operations under the Group matrix business structure performed strongly and resulted in a year-on-year increase of 16.9% in investment banking fees and commissions.

We will continue to expand our key non-interest businesses, and thus focus on developing growth engines for continued sustainable and resilient business momentum.

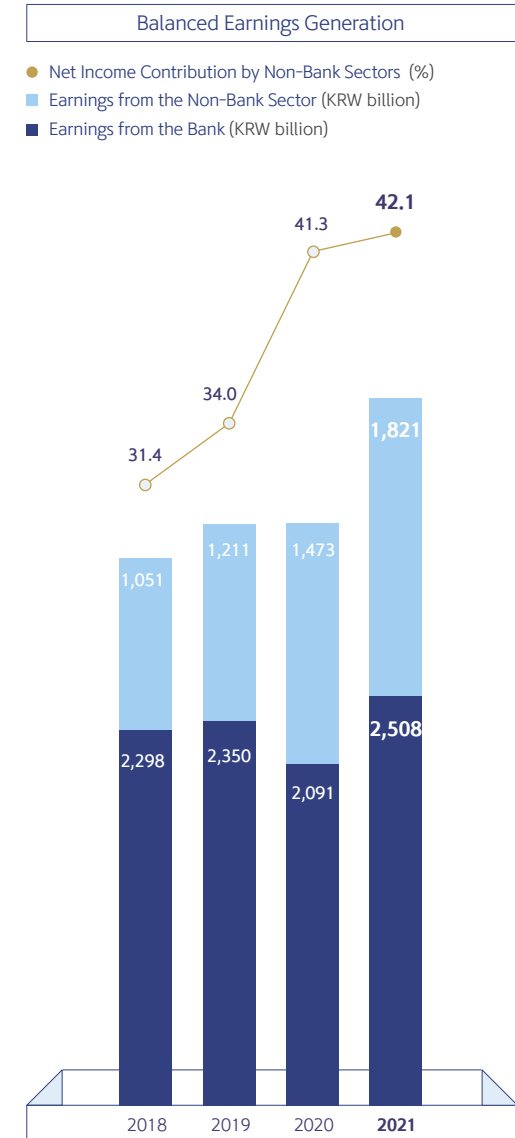
The Group’s G&A expenses increased by 10.2% year-on-year to KRW 5,743.1 billion, mainly attributable to KRW 268.1 billion in costs from a large-scale early retirement program undertaken in 2021, and increased advertising expenses in support of the Group’s digital platform and new businesses.

However, the Group’s cost-to-income ratio (CIR), excluding the aforementioned early retirement expenses, stood at 43.1%, a year-on-year improvement of 1.3%p, thanks to the increase in income, more efficient work processes, in part driven by the growing number of digital customers, and better cost management.

Sound asset quality and stable CCR even after securing additional buffer for soft landing post-COVID-19

The Group’s non-performing loan (NPL) ratio stood at 0.39% at the end of 2021, down 0.1%p compared to the previous year as a result of focusing on growth based on high quality assets despite the extensive uncertainties at home and abroad. Despite economic volatility and the resulting risks, Shinhan Bank’s NPL ratio improved by 9bp to 0.27% on the back of preemptive risk management and quality asset-based growth.

As of the end of 2021, the delinquency ratio of both Shinhan Bank and Shinhan Card improved to 0.19%, a year-on-year decrease of 4bp, and 0.80%, a year-on-year reduction of 24bp, respectively. A benign delinquency trajectory is observed in the Group’s major subsidiaries, and the Group’s asset quality is therefore forecast to remain strong. We have secured additional buffer through conservative COVID-related provisions, and thus recorded stable NPL coverage ratio, which, as of the end of 2021, stood at 195.3%.



The Group's credit costs fell by KRW 394.2 billion or 28.3% year-on-year to KRW 996.4 billion. This is mainly attributable to the base effect, where big sums of provisions were made in 2020 against the possibility of companies becoming insolvent due to COVID-19 and uncertainties in the domestic economy. We will continue to actively manage risk through detailed monitoring of the impact of COVID-19 and economic trends at home and abroad.

On the back of continued growth of net income, the Group's BIS ratio, a key indicator of the Group's capital strength, improved by 46 basis points year-on-year to 16.2% at the year-end, while the Common Equity Tier 1 ratio also rose by 23bp to 13.1%. The CET 1 ratio is estimated at 11.8% before reflecting the revised Basel III credit risk framework put in place in September 2020. Scheduled to be implemented in 2022, the revised Basel III framework, which includes revisions to the measurement of market risk and operational risk, is expected to reduce the Group's CET 1 ratio by 65bp to 100bp. In response, we are maintaining stable and efficient capital management.

The Group's return on equity (ROE) improved by 0.8%p year-on-year to 9.2% thanks to increased profitability at subsidiaries with a high ROE, including Shinhan Capital and Shinhan Asset Management. Shinhan Financial Group will continue to improve its capital adequacy and profitability by expanding its core earnings base and through strong net income growth.

Group BIS Ratio ¹⁾

| | Dec. 2021 | Dec. 2020 | YTD % |
|------------------------------|-----------|-----------|--------|
| Risk Weighted | 270,692 | 252,321 | 7.3% |
| Capital | 43,863 | 39,709 | 10.5% |
| CET 1 | 35,470 | 32,462 | 9.3% |
| Tier 1 | 40,435 | 36,267 | 11.5% |
| BIS ratio | 16.2% | 15.7% | 0.46%p |
| CET 1 Ratio | 13.1% | 12.9% | 0.23%p |
| CET 1 Ratio ^(old) | 11.8% | 11.8% | 0.07%p |
| Tier 1 Ratio | 14.9% | 14.4% | 0.57%p |

(Unit: KRW billion)

Shinhan Bank BIS Ratio ¹⁾

| | Dec. 2021 | Dec. 2020 | YTD % |
|------------------------------|-----------|-----------|--------|
| Risk Weighted | 177,098 | 165,264 | 7.2% |
| Capital | 32,197 | 30,525 | 5.5% |
| CET 1 | 26,069 | 24,662 | 5.7% |
| Tier 1 | 27,566 | 26,249 | 5.0% |
| BIS ratio | 18.2% | 18.5% | -0.3%p |
| CET 1 Ratio | 14.7% | 14.9% | -0.2%p |
| CET 1 Ratio ^(old) | 11.5% | 12.1% | -0.5%p |
| Tier 1 Ratio | 15.6% | 15.9% | -0.3%p |

(Unit: KRW billion)

¹⁾ Based on Basel III; and reflecting the early adoption of the revised Basel III credit risk framework

Resilient business performance across business units

The following table is a snapshot of the financial performance of Shinhan Financial Group's subsidiaries in 2021.

(Unit: KRW billion)

| | | Net Profit (before reflecting ownership) | | | Ownership |
|------------------|--|--|---------|--------|-----------|
| | | 2021 | 2020 | YoY % | |
| BANK | | 2,512.8 | 2,095.3 | 19.9% | |
| | Shinhan Bank | 2,494.4 | 2,077.8 | 20.0% | 100.0% |
| | Jeju Bank | 18.4 | 17.5 | 5.3% | 75.3% |
| NON-BANK | | 1,852.4 | 1,501.1 | 23.4% | |
| Consumer Finance | Shinhan Card | 675.0 | 606.5 | 11.3% | 100.0% |
| | Shinhan Savings Bank | 30.3 | 27.0 | 12.5% | 100.0% |
| Insurance | Shinhan Life Insurance ¹⁾ | 391.6 | 457.1 | -14.3% | 100.0% |
| Capital Markets | Shinhan Investment Corp | 320.8 | 154.8 | 107.3% | 100.0% |
| | Shinhan Capital | 274.9 | 160.6 | 71.2% | 100.0% |
| | Shinhan Asset Management ²⁾ | 32.2 | 26.7 | 20.6% | 100.0% |
| | Shinhan Alternative Investment | 9.2 | 3.4 | 166.9% | 100.0% |
| | Shinhan REITs Management | 8.5 | 3.8 | 125.3% | 100.0% |
| | Asia Trust | 77.8 | 45.8 | 69.9% | 60.0% |
| | Shinhan AI | 0.5 | 0.3 | 57.2% | 100.0% |
| | Shinhan Venture Investment ³⁾ | 15.9 | -1.1 | n.a. | 100.0% |
| Others | Shinhan DS | 4.1 | 1.9 | 120.2% | 100.0% |
| | Shinhan AITAS | 9.8 | 13.0 | -24.6% | 99.8% |
| | Shinhan Credit Information | 1.9 | 1.5 | 29.7% | 100.0% |

¹⁾ OrangeLife Insurance was merged into Shinhan Life Insurance on July 1, 2021

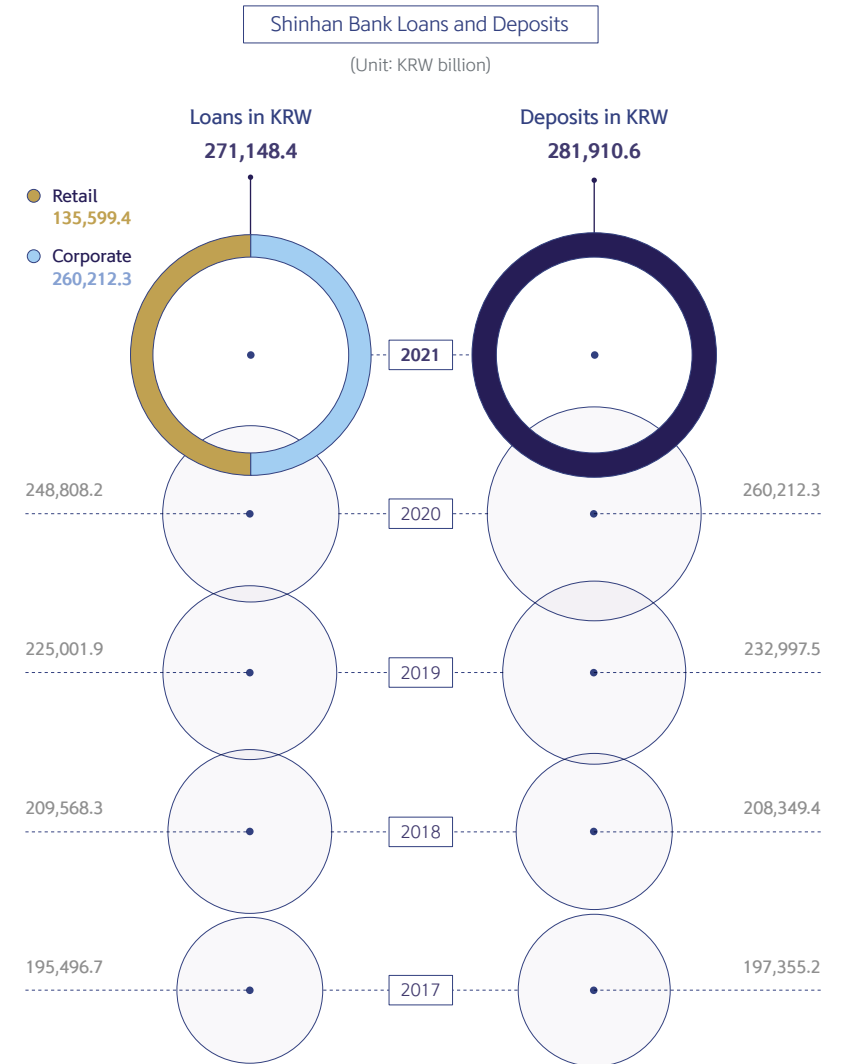
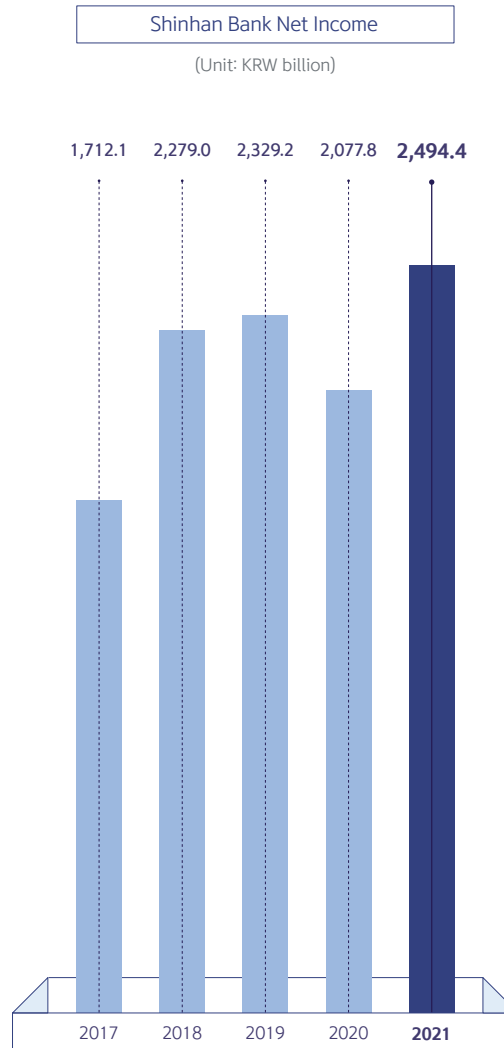
²⁾ Shinhan BNP Paribas Asset Management was renamed to Shinhan Asset Management on January 15, 2021

³⁾ Neoplux was newly acquired on SEPT 29, 2020; and was renamed to Shinhan Venture Investment on January 11, 2021

Shinhan Bank's solid income growth backed by robust growth

Shinhan Bank's net income rose by 20.0% year-on-year in 2021 to KRW 2,494.4 billion, mainly attributable to the strong interest income growth of 6.3% year-on-year on the back of growth in KRW loans and a wider net interest margin. However, non-interest income fell by 24.1% owing to lower bancassurance fees and reduced income from securities and derivatives. Provisioning for credit losses fell by 49.8% year-on-year due to a base effect of major COVID19-related provisions set aside in 2020. Loans in KRW at the year-end increased by 9.0% in 2021 to KRW 271.1 trillion – retail loans increased by 7.4% and corporate loans rose by 10.6%, contributing to the strong overall growth. In addition, the net interest margin for the year improved by 4bp, thanks to base rate hikes in 2021.

Within the fees and commissions income, trust fees and fund fees rose, but bancassurance fees fell by 0.9% year-on-year. Gains on valuations of securities fell by 24.6% owing to a decrease in bond-related income. G&A expenses rose by 4.9% year-on-year, mainly attributable to the large-scale early retirement program, but remain within the planned range. Looking into the years ahead, and the digital transformation at Shinhan is expected to enable more efficient management of G&A expenses. Shinhan Bank's cost-to-income ratio (CIR) stood at 46.1% as a result of improvements in efficiency and higher pre-provision operating income, attesting that our productivity is on the rise. The credit cost ratio was stable at 11bp, thanks to qualitative asset growth and prudent credit risk management, despite increases in provisions caused by the increased economic volatility.



Shinhan Card, weathering the storm with a diversified business portfolio

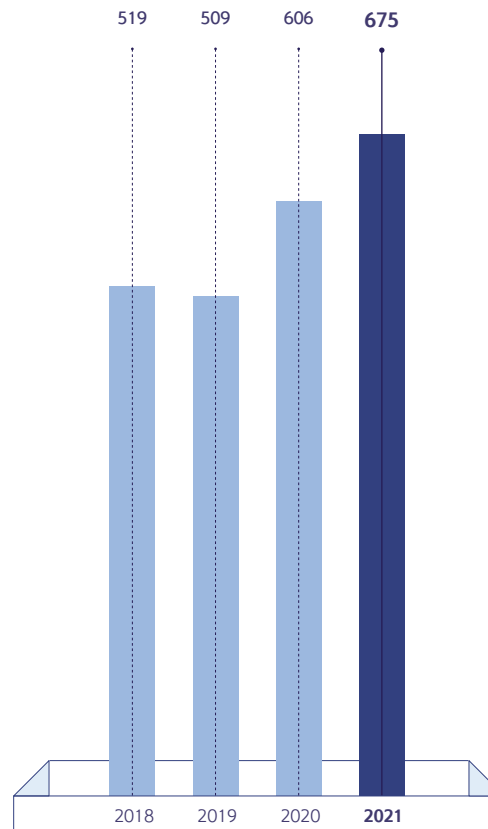
Net income of Shinhan Card in 2021 rose by 11.3% year-on-year to KRW 675 billion. This was largely driven by the expansion of the digital payments market, in line with the recent contactless business trend. It was also the result of our efforts to generate revenues across a wider range of businesses, including leases and installment finance, in order to overcome the negative impact on credit card revenues caused by cuts in merchant service fees. As a result, operating revenues from credit card payments went up by 0.5% year-on-year, while operating revenues from leases and installment finance rose by 36.4% and 7.6%, respectively. We will strive to improve profitability by generating growth in new businesses and by lowering G&A expenses, including marketing expenses.

The one month or longer delinquency ratio at the end of December stood at 0.80%, 24bp lower than the year before, while the NPL ratio was 0.87%, and the NPL coverage ratio was 337%, indicating asset quality soundness of Shinhan Card.

Shinhan Card Net Income Trend

(Unit: KRW billion)

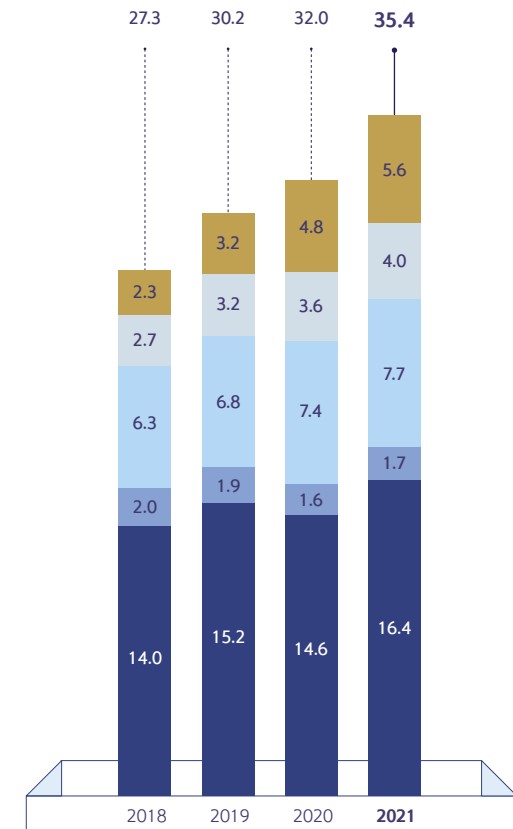
Despite headwinds, Shinhan Card's recurring earnings have been resilient by building a diversified business portfolio coupled with strong top-line growth.



Shinhan Card Earning Assets Trend

(Unit: KRW trillion)

● Credit Card ● Cash Advance
○ Card Loan ○ Installment ● Lease



Other Subsidiaries

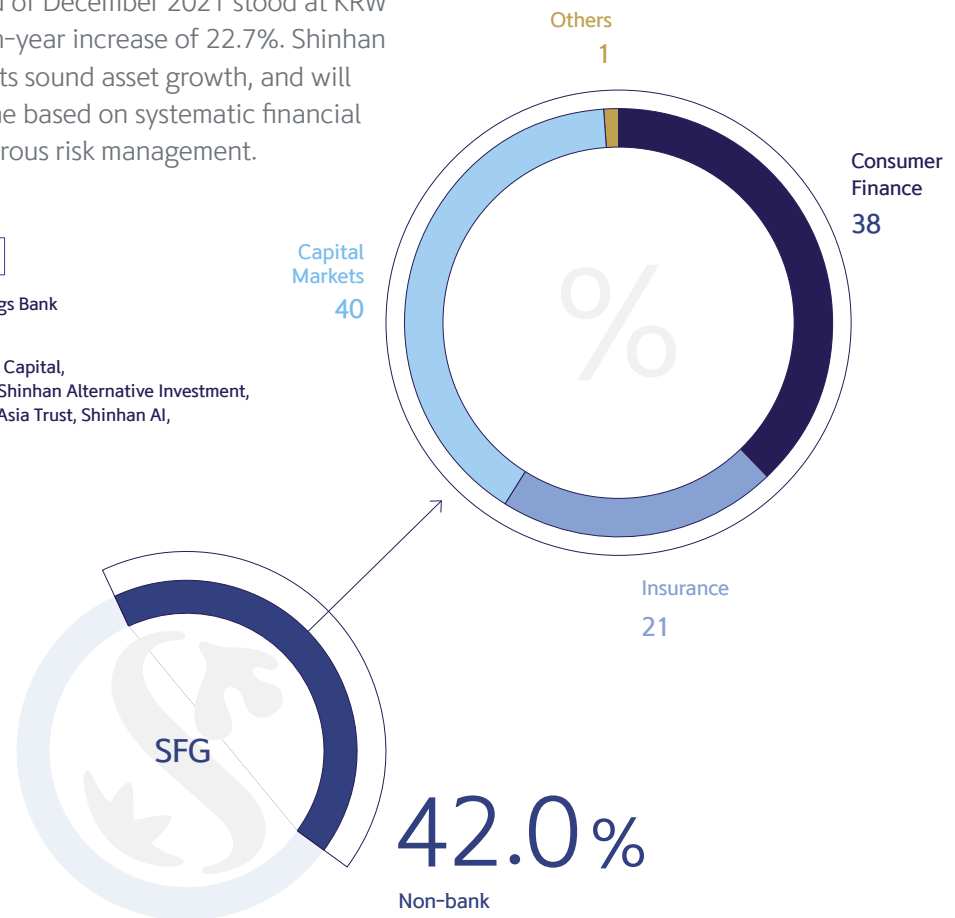
Shinhan Investment recorded net income of KRW 320.8 billion in 2021, up 107.3% compared to the previous year. Increased stock market trading volumes led to a year-on-year increase of 11.1% in brokerage fees, and IB fees rose by 28.9% as our GIB (Group and Global Investment Banking) business segment generated stable operating revenues, thereby leading the overall growth in fees and commissions income. In addition, Shinhan Investment took measures to minimize future uncertainties and regain customer trust by, for instance, preemptively recognizing the costs related to losses on investment products through private reconciliation.

Shinhan Life and OrangeLife merged into Shinhan Life Insurance on July 1, 2021, and when including OrangeLife's net income in the first half of 2021, Shinhan's insurance arm's consolidated net income fell by 14.3% year-on-year, to KRW 391.6 billion in 2021. This is attributable to an increase in claims paid; decreases in the mortality and morbidity margins and the mortality margin ratio; and one-off costs from a large-scale early retirement program, despite an increase in investment margins and stronger interest and dividend income. As the merger of Shinhan and Orange Life has been completed, synergies between the two will enable the new company to adapt to a rapidly-changing market environment, including the implementation of new global accounting standards (IFRS 17) and new Korean financial supervision (K-ICS) standards, and thus grow into a leader in the domestic life insurance sector.

Shinhan Capital's net income rose by 71.2% year-on-year to KRW 274.9 billion. This was mainly attributable to a 25.1% increase in operating revenues, which in turn was a result of higher interest income from increased loan assets, and stronger income from investment securities. Provisioning for credit losses decreased by 47.4% year-on-year, and asset quality stayed benign. Total assets at the end of December 2021 stood at KRW 10.9 trillion, a year-on-year increase of 22.7%. Shinhan Capital will continue its sound asset growth, and will generate stable income based on systematic financial management and rigorous risk management.

Diversified Profit Base

- Shinhan Card, Shinhan Savings Bank
- Shinhan Life Insurance
- Shinhan Investment, Shinhan Capital, Shinhan Asset Management, Shinhan Alternative Investment, Shinhan REITs Management, Asia Trust, Shinhan AI, Shinhan Venture Investment
- Others



CFO's Reflections on Our Fundamentals

FORTIFYING FUNDAMENTALS AND DRIVING SHAREHOLDER VALUE



Lee Taekyung

Chief Financial Officer, Shinhan Financial Group

With the prolonged pandemic and ultra-low interest rates, 2021 was indeed an extraordinary year. As we head to 2022, other sets of uncertainty awaits . Depending on how COVID-19 progresses, how much inflation rises and the currency falls, and how the global economy, including the global supply chain, takes the impact of wars and other geopolitical instabilities, the Korean economy will likely be shaped. COVID-19 is expected to continue to spread and impact the real economy.

In addition, markets are anticipating a steady increase in interest rates from the US Federal Reserve, which is likely to cause base rates in Korea to rise. With various factors leading to the instability of global supply chains, there are increasing concerns over the possibility of inflation and falling exports.

While continuing to manage potential risks and assist our clients navigate through the volatile times, we will focus on improving the use and allocation of our capital, building greater presence and influence in the capital markets, and enhancing our digital competitiveness. Generating effective returns from our interest income will also be a focus.

Looking ahead, we will work towards delivering a more predictable shareholder returns with regular quarterly dividend payments, and also examine various other means of shareholder return, including share buybacks and cancellations, taking into account the economic environment, share price, net income, and other factors such as asset growth and quality.

We will fully leverage the favorable interest rate environment that is widely expected for 2022 by building a growth momentum on the back of asset growth based on loans to SMEs and improving our net interest margin (NIM) and interest income through efficient management of our asset & liability portfolio and staying nimble with the implementation of effective ALM strategies based on flexible interest rate policies. We plan to balance the growth in interest income with further growth of our non-banking sector. In consideration of the stricter regulations regarding credit card business, there will be a particular focus on expanding our capital markets business, and we will seek to continuously enlarge the proportion of the Group income made up of non-banking income.

We will make continued efforts to implement stable asset quality management. Although credit costs could increase as interest rates rise and COVID-19 financial support programs are brought to an end, the credit cost ratio (CCR) is expected to be around the same level as in 2019, which is the pre-COVID 19 level.

Notwithstanding, in order to prevent a deterioration in asset quality being brought on by increases in interest rates, Shinhan is already monitoring borrowers who are particularly sensitive to interest rates, and is also putting into place a screening processes based on repayment capacity. Furthermore, we are undertaking in-depth monitoring of the impact on the Group of increased volatility in financial markets and the real economy, and thus identifying any issues and then establishing detailed response strategies for each area of risk, including liquidity, credit, asset quality and consumer protection.

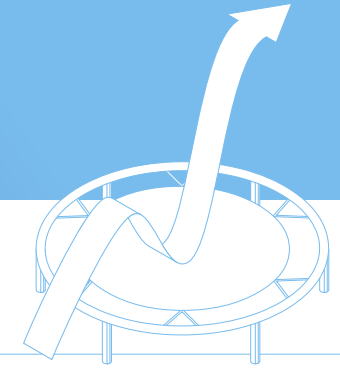
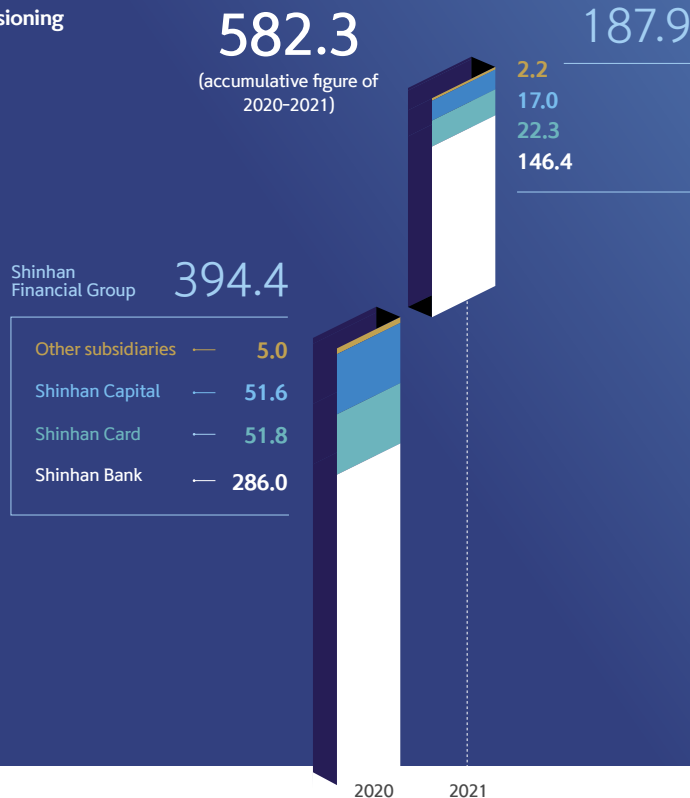
We are maintaining an appropriate level of capital based on our stable profitability and efficient capital management. Our strategic organic and inorganic growth has also prepared us for increased external volatility, including the prolonged COVID-19 pandemic. As of the end of 2021, the Group's CET 1 ratio stood at 13.1%, a sufficient buffer secured over the regulatory requirement of 10.5%¹⁾. Shinhan will continue to strictly comply with the ratios set out in regulations, while also creating internal reserves of additional capital to prepare for inorganic growth and any unforeseen eventualities. In addition, we will implement flexible capital policies as part of our ongoing efforts to enhance shareholder value.

Shinhan Financial Group initiated its quarterly dividend payouts in the second quarter of 2021 is part of our commitment to enhancing shareholder value. Looking ahead, we will work towards delivering a more predictable shareholder returns with regular quarterly dividend payments, and also examine various other means of shareholder return, including share buybacks and cancellations, taking into account the economic environment, share price, net income, and other factors such as asset growth and quality.

¹⁾ CET 1 ratio of 10.5% equals the regulatory requirement CET 1 ratio of 8% plus a countercyclical capital buffer of 2.5%.

STRENGTHENING RESILIENCE, THE ABILITY TO RECOVER QUICKLY FROM ADVERSITY

COVID-19 Provisioning
(Unit: KRW billion)



Risk management for resilience in the pandemic era

Guided by a strategy of “solid risk management to enhance our resilience”, Shinhan Financial Group in 2021 improved its risk management processes while also strengthening its risk responsiveness.

As a preemptive response to the potential risks caused by the prolonged COVID-19 pandemic, we have assessed the key risks for each Group subsidiary and set up targeted monitoring systems for each risk identified. We looked closely at those areas expected to be most impacted by the pandemic, defined key risks to be monitored, and set the critical points in the early detection of risk, enabling us to analyze causes when a critical point has been surpassed and to react accordingly in a timely manner. We collaborated with Shinhan AI to improve our early risk detection through the Market Warning System (MWS), and assessed how each Group subsidiary would react once a risk had been detected through this AI-based system. We continue to operate a Group-level crisis response system for the COVID-19 pandemic, including regular meetings of the Group Risk Management Council. In addition, we took practical action by putting into place detailed crisis recognition measures and undertaking in-depth analyses of financial markets.

In detail, we conducted stress tests around a number of scenarios and timely examinations of credit, liquidity and market risks, in preparation for increased financial market volatility, and established effective countermeasures.



Improving early detection of risk by using Shinhan's AI-based Market Warning System (MWS)

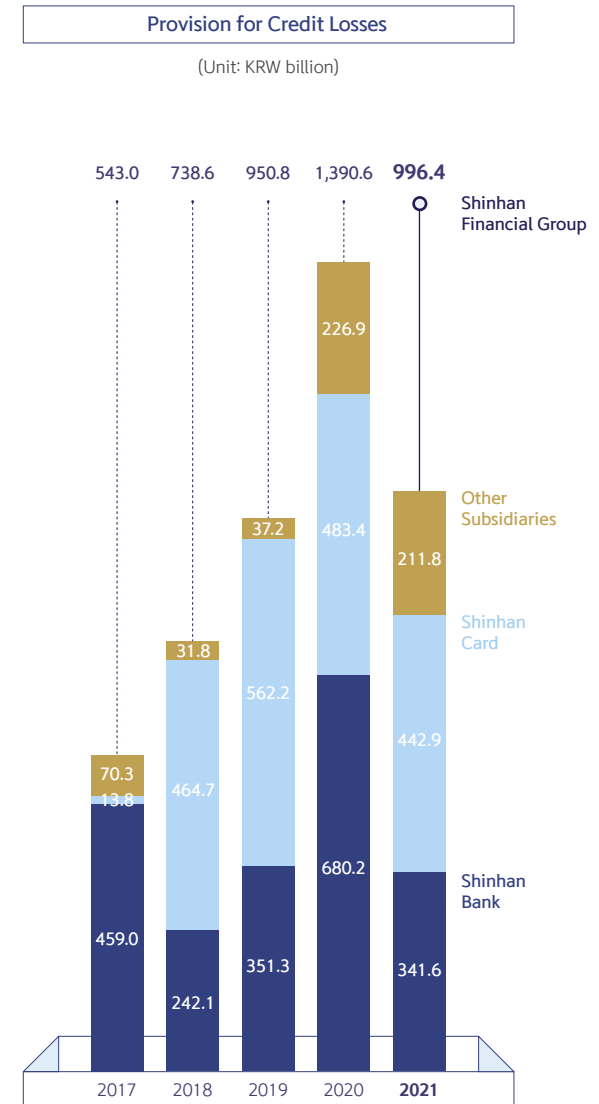
For market risk, we examined the portfolio of the Group subsidiaries and improved their responses to fluctuations in financial markets, which has enabled us to assess the impact on the Group's asset value of rapid changes in interest rates, stock prices, and exchange rates.

These actions have strengthened the Group-level resilience, enabling Shinhan Financial Group to maintain stability even in the face of the prolonged pandemic.

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In detail, we conducted stress tests around a number of scenarios and timely examinations of credit, liquidity and market risks, in preparation for increased financial market volatility, and established effective countermeasures. For credit risk, we examined areas of vulnerability when interest rates rise, which include heavy debtors, marginal firms, and borrowers supported by loan rescheduling and interest-deferral programs, to put countermeasures into place. We also strengthened our management of those industries which are most affected by fluctuating exchange rates and rising raw material prices. In particular, in IB business, we began monthly loan reviews for our overseas real estate and alternative investments, sectors which have been severely impacted by COVID-19.

For liquidity risk, the liquidity funding structures and emergency funding plans of each Group subsidiary were re-examined in the light of a potential liquidity crunch caused by increases in funding rates. In addition, we created a liquidity dashboard for our global branches to strengthen their monitoring of vulnerable areas such as rapid withdrawals from emerging country funds. For market risk, we examined the portfolio of the Group subsidiaries and improved their responses to fluctuations in financial markets, which has enabled us to assess the impact on the Group's asset value of rapid changes in interest rates, stock prices, and exchange rates.

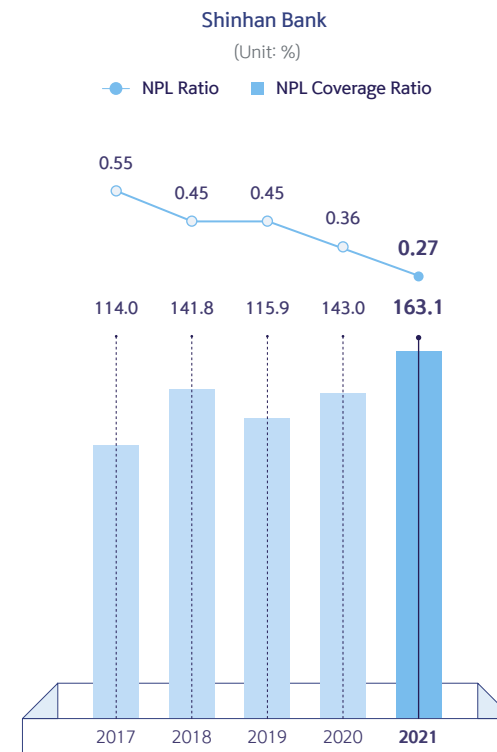
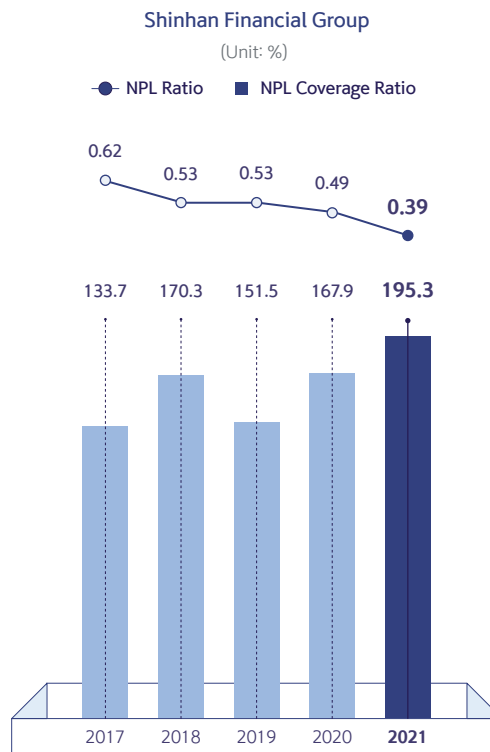
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Credit Cost Ratio

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------|------|------|------|------|------|
| Shinhan Financial Group | 0.21 | 0.26 | 0.31 | 0.41 | 0.27 |
| Shinhan Bank | 0.21 | 0.10 | 0.14 | 0.24 | 0.11 |
| Shinhan Card | 0.05 | 1.64 | 1.84 | 1.48 | 1.24 |

(Unit: %)

NPL & NPL Coverage



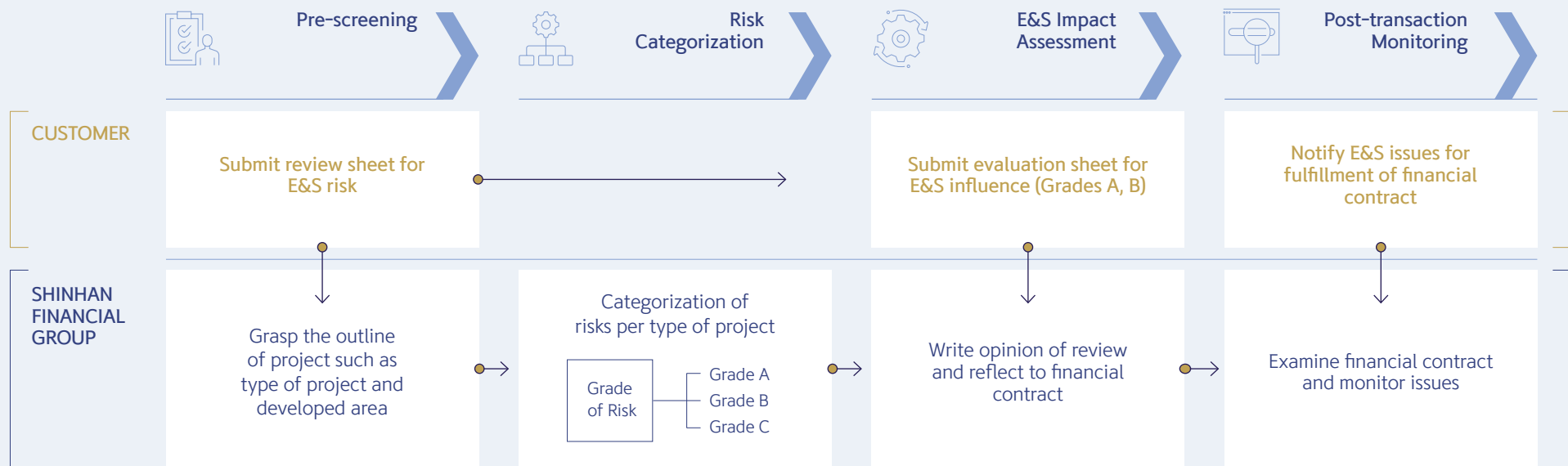
FEATURED CASE

Environmental Risk Management System

Financial institutions across the globe are striving to manage ESG factors and climate change and integrate them into their decision-making systems, especially as climate change response and disclosure frameworks such as the TCFD are resulting in a greater need to measure the financial impact of climate change and disclose the outcomes to external parties.

Recognizing the importance of ESG, Shinhan has been ahead of the curve, and in 2018 we became the first company in Korea to establish an Environment and Social Risk Management Policy (ESRM) Framework to manage the ESG aspects of our loans and investments. Our ESRM Framework includes our policy on limiting our involvement with coal power generation, monitoring selected areas of interest¹⁾, and assessing the environmental impact of large-scale development project financings. If a PF is assessed to potentially have a negative impact on the environment, we insist on measures to eliminate or minimize environmental damage, and reflect those conditions in financial contracts.

Environmental and Social Risk Review Procedure



¹⁾ Shinhan Financial Group has selected 12 areas of interest regarding global warming, biodiversity and industrial safety in line with the guidelines of International Finance Corporation (IFC) and manages these areas of interest under its ESRM Framework.



In accordance with our assessment of how the transition and physical risks from climate change impact financial institutions, we are analyzing its impact on our portfolio and taking measures in response. In particular, Shinhan is the first company in Korea to develop a system for calculating the Group’s financed emissions, which is helping us to identify the impact of climate change on the Group’s portfolio and the related risks. We also collect data on GHG emissions, financial information, and other relevant data from the Group portfolio companies, and regularly measure the Group’s financed emissions using criteria set out by the Partnership for Carbon Accounting Financials (PCAF). This system allows us to measure financed emissions for each Group subsidiary and by asset, industry and defined business sector, enabling varied and highly detailed analyses. Moreover, we have incorporated an additional financed emissions simulation function which allows us to identify changes in financed emissions levels caused by a new transaction as well as the emissions level of a corporate client.

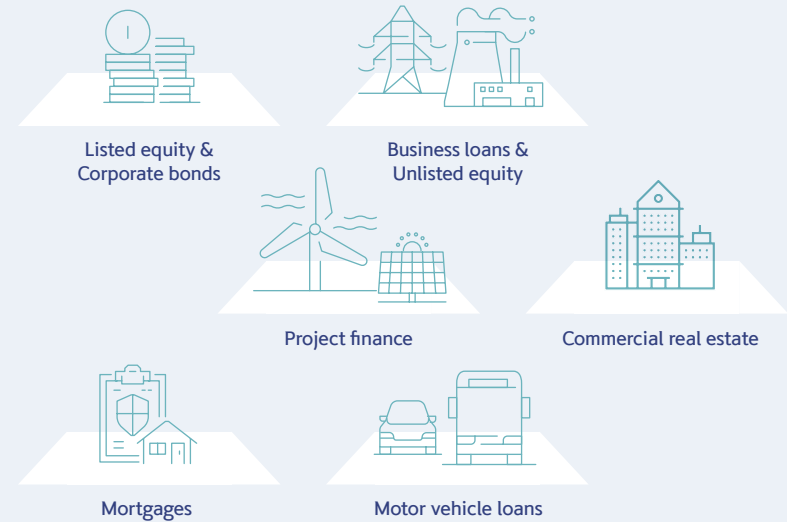
In the short term, the system will be used to identify areas that are vulnerable to climate change, and to enable us to put the right responses in place. Over the long term, it will be used to help our clients with their transition to a low-carbon economy through targeted financial support and to effectively manage our portfolio. In addition, we will improve our measurements and increase the amount of climate-related data we collect and analyze, and incorporate the financed emissions calculation system in our climate scenario analyses.



Please refer to our 2021 TCFD report for details.



Application of PCAF Methodology for Measuring Financed Emissions



The methodology from the *PCAF Global GHG Accounting & Reporting Standard for the Financial Industry* was applied to measure the financed emissions of Shinhan Financial Group’s asset portfolio. In accordance with the PCAF Standard, six asset classes – listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, and motor vehicle loans – are included in the calculation of financed emissions.

The formula for the general approach to calculate financed emissions:

$$\text{Financed emissions} = \text{Emissions}_i \times (\text{Outstanding amount}_i / \text{Total asset}_i)$$

(with i = borrower or investee)

Soft landing strategy and risk management strategy in the post COVID-19 era

COVID-19 has led to substantial changes in consumer behavior and patterns of demand. On top of this, as the barriers among industries are being lowered with digital advancement, a phenomenon also known as “Big Blur”, we are expecting unprecedented changes in the financial industry. In response, Shinhan Financial Group has established an advanced system for the preemptive management of any financial risks that may occur as the world recovers from COVID-19. The risk scenarios that are being assessed include greater instability in financial systems, significant adjustments to asset prices as a result of rising interest rates, a liquidity crunch from debt deleveraging, and a shock in emerging markets from large capital outflows. In addition, we recognize the importance of non-financial strategic risk management, which is why we are setting out preemptive responses to improve our ability to adapt to the fundamental changes that will occur in the post pandemic era.

One of the biggest financial risk factors for Shinhan in 2022 is the possibility of increased volatility caused by the US monetary policy normalization. We have examined the spillover effects of the Fed’s normalization of its financial policy and assessed the associated risks and impact on the Group. In addition, based on various risk scenarios, we have selected several risk factors for our varied business segments to be managed and monitored at the Group-level. Against the backdrop of continued high interest rates, fluctuating exchange rates, and inflation in Korea, we have, at the Group level, expanded the scope of risk monitoring by identifying

different routes of financial contagion, and strengthened our risk scenario analysis to establish preemptive countermeasures.

In preparation for increased financial market volatility, we have analyzed the impact not only of absolute levels of interest rates, but also the impact of different yield curve scenarios, and incorporated our analysis to execute more flexible portfolio management schemes that are in line with interest rate sensitivity of bonds.

In order to be better prepared for a liquidity crunch, we have diversified the funding of the Group and each Group subsidiary, in terms of maturity, structure, and more. We also enhanced our liquidity emergency funding plan by operating our ALM portfolio under different scenarios in a more flexible manner.

We have increased monitoring of vulnerable borrower groups, particularly those who are most sensitive to rising interest rates and falling liquidity, and we are now focused on selective growth centered around high quality assets. In order to be ready for a potential crisis in emerging markets, we have improved liquidity management systems at overseas subsidiaries and strengthened risk management at the Group level, aimed at minimizing financial risks.

For non-financial risks, we are looking into risk factors such as acceleration of digital transformation and heightened demand for ESG management, as well as risks that may arise from some of the trends expected to emerge after the pandemic eases, such as virtual assets, intangible assets, generation gap and stratification, and organizational change. As a way to prepare ourselves for the future ahead we have created a list of risk factors and strengthened our management around them.

Shinhan Bank Delinquency Ratio by Sector

(Unit: %; Quarterly trend)

| | Dec. 2020 | Mar. 2021 | Jun. 2021 | Sep. 2021 | Dec. 2021 |
|------------------------|-----------|-----------|-----------|-----------|-----------|
| Retail Loans | 0.21 | 0.20 | 0.21 | 0.20 | 0.17 |
| Large Corporates Loans | 0.11 | 0.07 | 0.13 | 0.00 | 0.00 |
| SME Loans | 0.30 | 0.34 | 0.33 | 0.31 | 0.26 |

Shinhan Card Delinquency Ratio & 2M Delinquency Migration Ratio*

(Unit: %; Quarterly trend)

| | Dec. 2020 | Mar. 2021 | Jun. 2021 | Sep. 2021 | Dec. 2021 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| Delinquency ratio (One Month) | 1.04 | 0.96 | 0.85 | 0.89 | 0.80 |
| 2M delinquency migration ratio* | 0.26 | 0.26 | 0.23 | 0.24 | 0.25 |

* 2 months delinquency migration ratio = (2 months overdue assets outstanding as of the end of base month) / (normal assets outstanding as of the end of (base month-2 months))

FEATURED
CASEShinhan Financial Group's
risk management organization and system

RISK MANAGEMENT TOOLS

RISK MANAGEMENT PHILOSOPHY

All employees of Shinhan Financial Group follow the same set of risk management guidelines that apply to every risk-related action and decision taken in front offices, thus ensuring that the fullest possible range of risks is taken into account in all our business dealings.

INTEGRATED RISK MONITORING SYSTEM

We run a comprehensive risk monitoring system that measures a wide range of outside economic indicators, our own risk indicators, and the current status of our risk management process and policies. This system enables a timely identification of potential risks and other key issues. Upon an analysis of the impacts of such risks and issues, preemptive countermeasures are put into place at the Group level. The system also detects and manages unexpected shifts within core indicators by operating a "risk dashboard" system to monitor the amount of assets, risks, and related external issues contained in the portfolios being managed by each subsidiary.

RISK EXPERT NETWORK (REN)

The REN, a network of our risk experts, was formed to foster risk experts through risk training programs and workshops, and to upgrade the overall risk management capabilities of Shinhan Financial Group. Members of the REN are chosen according to their work experience and knowledge within their business areas and the related risks. The REN performs a pivotal role in spreading a culture of strong risk management.

GROUP-WIDE CORPORATE CREDIT SCORING SYSTEM

In order to ensure the best-in-class credit risk management at all levels of our operations, all of the Group's subsidiaries are obliged to align their credit assessment system with the Group's standard corporate credit scoring system. This system, which has received an official approval from the Financial Supervisory Service in 2016, has improved the quality of our credit portfolio.

GROUP-WIDE RISK MANAGEMENT SYSTEM

We preemptively manage risk at the Group level through our seamless risk management system which identifies risks, determines the development phase of each risk, and then establishes and executes targeted countermeasures. For example, our liquidity risk management system monitors the status of liquidity management at each subsidiary in order to ensure efficient decision-making and suitable emergency measures in the event of a crisis. To respond to climate risk, we developed a system for calculating financed emissions, thereby identifying vulnerable areas with respect to climate change and supporting our "Zero Carbon Drive" strategy.

RISK MANAGEMENT ORGANIZATION

Shinhan Financial Group's risk management organization comprises of the Group Risk Management Committee, Group Risk Management Council, Group Chief Risk Officer (CRO), Risk Management Team of the holding company, and other risk-related committees and dedicated organizations within individual subsidiaries.

GROUP RISK MANAGEMENT COMMITTEE

As the highest decision-making body that establishes basic policies and strategies concerning the Group's risk management, the Committee, which is a subcommittee of the Group's Board of Directors, is composed of independent directors, and mainly deliberates and discusses the following:

1. The development of risk management policies that are in line with management strategies;
2. The determination of risk limits for the Group and its subsidiaries;
3. The approval of appropriate investment limits and risk exposures;
4. The enactment and amendment of the Group's risk management regulations and Group Risk Management Council regulations;
5. The organizational structure of the Group's risk management entities and their roles and responsibilities;
6. Matters concerning the operation of the Group's risk management system;
7. Matters concerning the setting of various limits and the issuance of approvals for exceeding limits;
8. Decision-making matters concerning FSS approvals, based on internal ratings approaches to the Group's credit evaluation system;
9. Matters concerning the Group's policies regarding risk disclosures;
10. The results of risk scenario analyses, and relevant capital management and financing plans;
11. Matters deemed necessary and appropriate by the BOD;
12. Matters demanded by outside regulations, including those of the FSC, and matters set forth in other regulations, guidelines, etc.; and
13. Other matters deemed necessary and appropriate by the Chairperson.

GROUP RISK MANAGEMENT COUNCIL

The Council discusses risk policies and strategies of the Group and each subsidiary, and makes decisions on matters necessary to the implementation of policies determined by the Group Risk Management Committee. It is composed of the Group CRO and the CROs of the Group's major subsidiaries. It mainly makes decisions on the following:

1. Matters concerning the setting of exposure limit for a country, areas that require caution, individual company and its affiliates;
2. Matters related to the analysis of the integrated crisis situation of the Group; and
3. Matters related to the Group's non-retail credit assessment system excluding those subjects to approval from the FSS.

It mainly deliberates and discusses the following:

1. Matters concerning the setting of risk tolerance of the holding company and each subsidiary;
2. Results of the analysis of the integrated crisis situation of the Group, and related matters on capital management plans and funding plans;
3. Matters related to risk disclosure policies; and
4. Other matters deemed necessary and appropriate by the Chairperson.

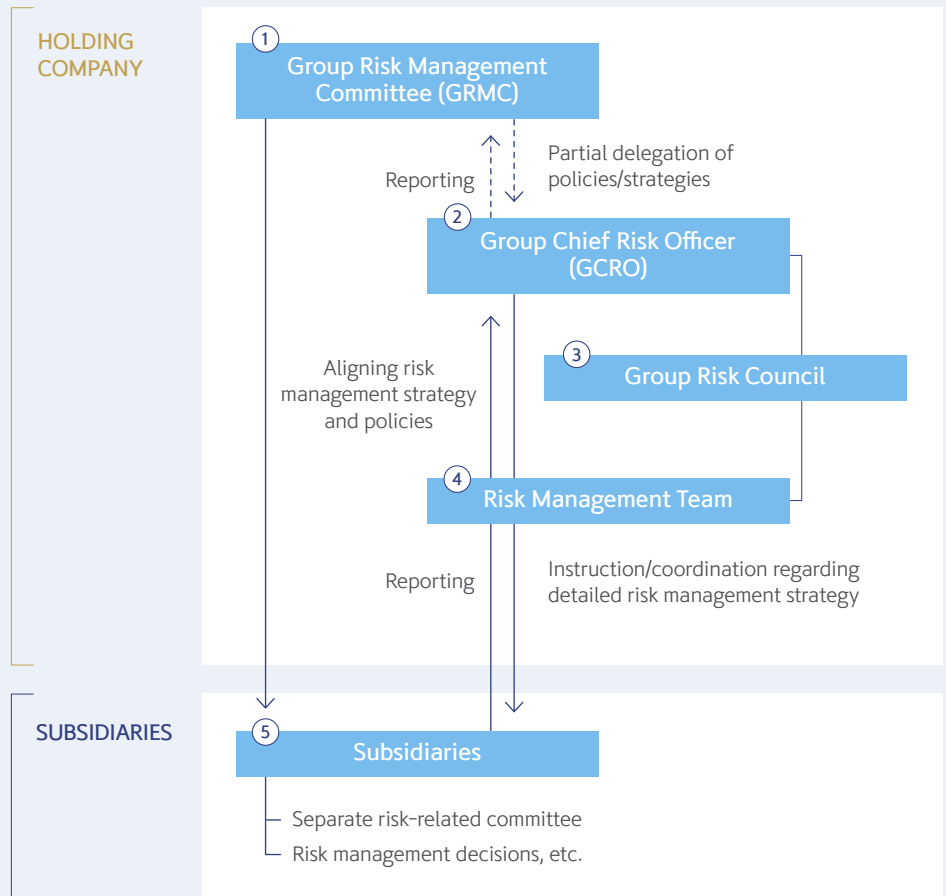
GROUP CHIEF RISK OFFICER

The Group Chief Risk Officer (CRO) assists the Group Risk Management Committee, implements the risk policies and strategies determined by the Committee, and ensures that they are executed consistently across all of the Group’s subsidiaries. In addition, the Group CRO evaluates each subsidiary’s CRO, and examines the status of each subsidiary’s risk management.

RISK MANAGEMENT TEAMS

The Risk Management Team of the holding company supports the Group CRO. The risk-related committees and dedicated teams within individual subsidiaries implement risk policies and strategies in line with the Group’s risk management direction, and report back to the holding company. They are also responsible for managing risks at the subsidiary level, and for making improvements to their risk management systems.

Risk Management Structure



CRO's Reflections on Our Resilience

REINFORCING RISK MANAGEMENT TO ENSURE BALANCED GROWTH



Bang Dong Kwon
Chief Risk Officer, Shinhan Financial Group

We are in an era of wide-ranging and complex change. This wave of change is being led by the effects of the COVID-19 pandemic, and also by a turbocharged digital transformation which is changing how people live. In addition, stakeholder-centered ESG management, as a way to guarantee corporate sustainability, is becoming increasingly vital part of businesses.

The Group's risk management therefore seeks to break through these uncertainties as part of our commitment to "reading the nature of change and supporting the Group's balanced growth". Our risk strategy direction for 2022 is "**S.M.A.R.T.** Risk Management", to ensure that we are fully prepared for the rogue wave of increased complexity regarding the routes via which risk is spreading.

In order to respond to both the risks and the opportunities that will arise post-pandemic era, we are extending the range and depth of our scenario analysis and strengthening the relevant management support (**Scenario**). In addition, we are substantially improving the consistency, reliability, and speed of our data by upgrading the Group-level data-based risk measurement system, which in turn will allow us to make Group-level decision-making more data-based (**Measurement, Assessment**). To demonstrate greater resilience, we are managing all the key potential risks, so called a "gray rhino", in every segment of the Group's portfolio through an in-depth assessment of volatility in both financial markets and the real economy.

The spectrum of risk that we should manage is getting wider every day, which is why we are implementing new risk management initiatives in many different parts of our business.

We will also support qualitative growth by improving capital efficiency, strengthen our functions as the Group's risk management control tower, and upgrade our risk management capabilities by taking into account the industry characteristics of each Group subsidiary (**Resilience**). Furthermore, we will waste no time in strengthening our risk management system by using new digital technologies, such as artificial intelligence (AI) and machine learning, aimed at upgrading our capabilities in risk analysis and early detection of any risks (**Timely**).

The spectrum of risk that we should manage is getting wider every day, which is why we are implementing new risk management initiatives in many different parts of our business. In relation to ESG and climate change, Shinhan became the first company in the Korean financial industry to set up an Environment and Social Risk Management Policy Framework. We have also implemented a system for the calculation and management of financed emissions as part of our commitment to achieving net-zero. In addition, we have made a preemptive response to the rapid changes in the industrial landscape by increasing our ability to assess the value of intangible assets as part of a company's future value, thus more accurately reflecting the upside potential. We are also focusing on digital risks, including technological risks that may arise as the data-driven economy and businesses become more dominant, as well as on exposure to any new types of transferred risks that may be caused by having more partnerships with third parties.

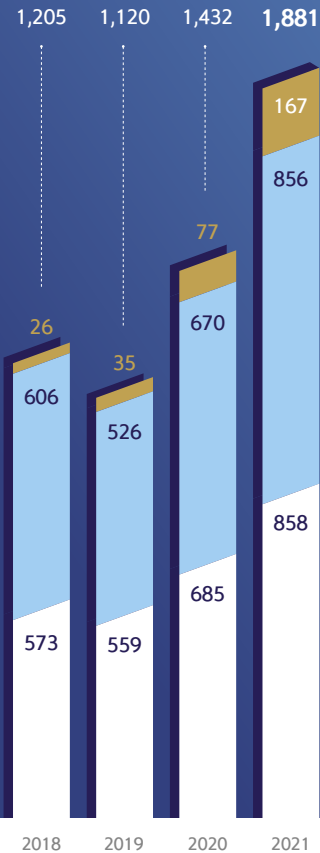
There is no arguing that a great number of challenges lie ahead of us. In preparation for the opportunities and unexpected risks ahead, our risk management will focus more on scenario planning in order to identify those risks and opportunities, and then address them appropriately. No matter what uncertainties we face, we will respect all stakeholders from a long-term perspective and make utmost efforts for the Group's stable and balanced sustainable growth.

BUILDING A DIGITAL ECOSYSTEM TO ELEVATE DIGITAL COMPETITIVENESS

MAU of SFG's Main Platforms

(Unit: 10 thousand users)

- Shinhan Alpha+ I mobile
- Shinhan Card pLAY
- Shinhan Bank SOL



Innovating customer contact channels and accelerating the digital transformation in 2021

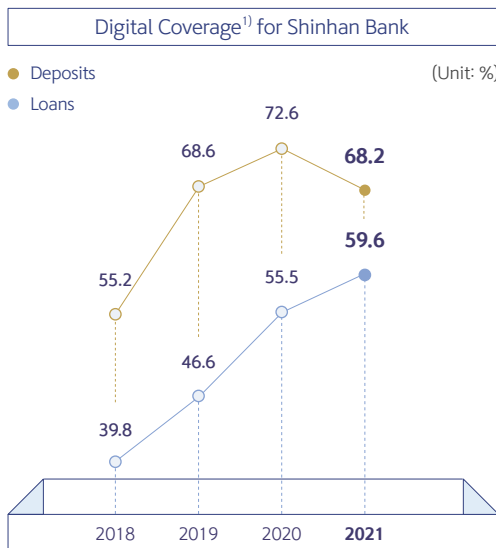
In 2021, major Shinhan subsidiaries, including Shinhan Bank, Shinhan Card, Shinhan Investment and Shinhan Life Insurance, increased the non-financial content on their financial platforms as a way to offer differentiated customer experiences in the digital era. As a result, the monthly active users (MAUs) of Shinhan Bank's SOL and Shinhan Card's pLAY recorded the highest level of annual growth within the industry in Korea. The MAUs of each of these platforms exceed 8.5 million, and they have successfully evolved into online destinations for customers to visit more often and stay longer.

Shinhan has been active in personalizing the services its digital platforms offer through the MyData business. Shinhan Bank and Shinhan Card have already acquired their MyData business licenses and launched services, and Shinhan Investment and Shinhan Life Insurance are planning to apply for the licenses.

Shinhan Bank's MyData service, called "Moneyverse", consists of fully personalized product recommendations, financial insights based on big data, and other asset management and financial analysis services. Moneyverse also offers the "My Calendar" function which provides a range of notifications relating to the user's financial schedules, public offerings, apartment subscriptions, and even lucky draw schedules of popular commercial products such as limited Nike sneakers. Shinhan Card provides tailored advice and recommendations for credit cards based on each user's asset base and pattern of consumption.

In addition, we are constantly adding data-driven alliances with partners across various industries, aimed at expanding financial data and converging with non-financial data. Going forward, Shinhan subsidiaries will offer distinctive services by combining data with their core businesses in banking, payments, investments and healthcare.

Shinhan’s rapid digital transformation has led to cost savings and increased operating profits, and we are increasingly incorporating digital technology in our offline operations. We continue to optimize the use of resources across our offline customer channels, with the focus being placed on greater scale and efficiency for Shinhan Bank and Shinhan Investment, and on improved productivity for Shinhan Card and Shinhan Life.



¹) Digital Coverage (%) = Number of new retail transaction via digital channels / Total number of new retail transactions

Discovering new markets and expanding products & services through new technologies

Shinhan is making innovative moves into establishing a highly competitive life-style platform that goes beyond strengthening the financial competitiveness. One leading example is “HowFit” which combines an AI-based home training platform with a motion recognition system. Healthcare will be a major source of revenue in the future, and thus Shinhan Financial Group has sought additional digital contact point with consumers of its core insurance business, which in turn led to the launch of HowFit in March 2021. The app has earned 4.5 stars in the Apple App Store and also won the grand prize as Google Play’s “2021 self-development app that lit up the world”, a clear recognition of its advanced technology and customer-focused innovation. HowFit had attracted 336,550 subscribers by the end of December 2021, and is now fully incorporated as a healthcare subsidiary of Shinhan Life Insurance, ready for a major expansion in 2022.

Shinhan Bank became the first Korean financial institution to enter the food delivery business with the launch of its “Ddaeng-gyeoyo” app. Unlike other existing platforms of its kind, Ddaeng-gyeoyo has been recognized for expanding services to the everyday lives of the financial customers, and praised for generating a win-win ecosystem for restaurant owners, consumers, and delivery riders. Such innovation is part of Shinhan’s commitment to leveraging customers’ non-financial data in order to further enhance innovation in financial services.

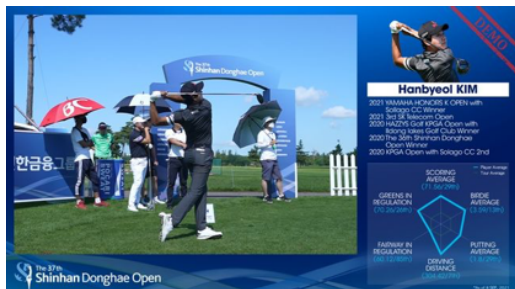


Shinhan’s healthcare app, “HowFit” combines AI technology with virtual home training classes

As a result, the launch of the Ddaeng-gyeoyo app in 2021 led on to the launch of the “Ddaeng-gyeoyo Business Loan” and “Ddaeng-gyeoyo Private Label Credit Card (PLCC)” in the first quarter of 2022, with installment savings products and other related financial products expected to be launched in the months to follow.

Shinhan is striving to be at the forefront of the new financial culture by introducing a range of services which leverage emerging technologies, including the metaverse. In response, Shinhan Card has signed a partnership with Zepeto, a metaverse platform in Korea, to open a virtual Shinhan Card space within Zepeto, with additional plans for launching financial products aimed specifically at the Generation Z in the near future. In addition to its alliances with external partners, Shinhan Bank is setting up its own metaverse-based, contactless communication platform named “S-Verse”. S-Verse will create a space which is open to customers at any time, and will be equipped with branches and shopping centers which offer both financial and non-financial services.

Furthermore, Shinhan is developing NFT-based platform content so that customers can store and share their belongings and experiences in a digital wallet. Shinhan Card has launched the “My NFT” service within the Shinhan pLay app, enabling its users to easily make an NFT of their favorite picture or image, as well as to send their ownership. Looking ahead, Shinhan plans to further connect and expand its platform based on new innovations such as its NFT-related services.



NFTs, created for the tee shot images of some 60 players who qualified for the Shinhan Donghae Open golf tournament

More investment into the digital domain and more fintech and inter-industry partnerships

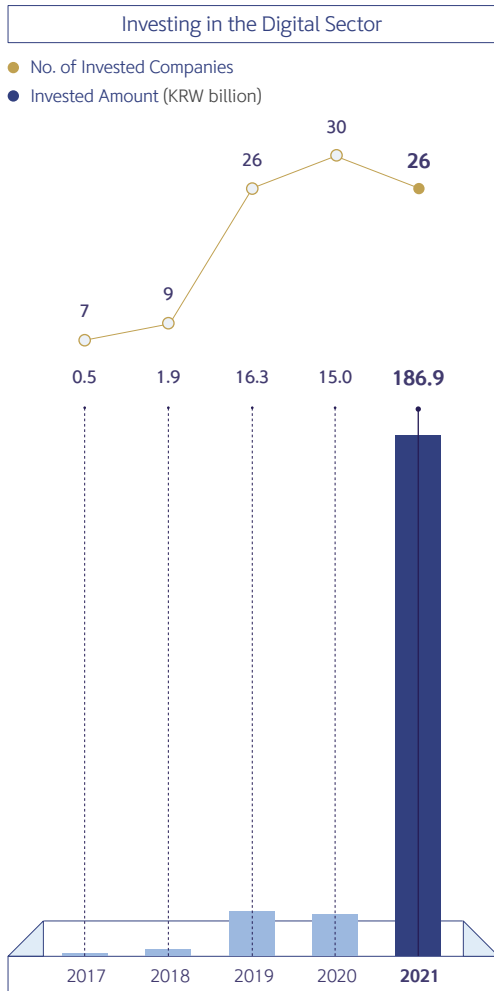
Shinhan was the first company in the Korean financial industry to set up a strategic investment (SI) fund to invest in startups with emerging digital technologies. This SI fund, which amounts to KRW 300 billion in total, aims to increase traffic and transaction (T&T) of digital natives, including Millennials and Generation Z, enhance Shinhan’s capabilities in digital technology, and support digital business across the Group. As part of efforts to achieve these strategic goals, we have made a total of KRW 173 billion in investments in 11 companies as of the end of 2021. The startups we have invested in through our SI fund include a self-driving technology firm, a transaction platform for used goods targeting digital natives, style e-commerce, and other digital platforms that specialize in healthcare, used cars, blockchain, and metaverse entertainment. As a result, Shinhan became the first financial institution in Korea to launch a My NFT service which creates and inquires NFTs, launched a service to trade authenticated used cars, and offers advanced payment services and loans for e-commerce merchants.

Shinhan Financial Group plans to create a second fund in 2022 in order to increase investments and reinforce its long-term cooperation with digital startups.

With boundaries between industries becoming increasingly blurred, Shinhan is setting up strategic alliances with leading firms of different industries in order to add new customers and technologies, thereby creating new value. We have in place a business alliance with KT, Korea’s leading telecoms provider with 17 million subscribers.

This alliance covers many areas, including real estate, distribution, media infrastructure and platforms, and has resulted in multiple practical advancements, such as upgrading loan models using telecommunications data, embedding HowFit in KT’s IPTV platform, and entering other new non-financial businesses. In addition, Shinhan has acquired a strategic stake in Douzone, the leader in Korea’s ERP market, which has enabled us to go beyond the simple integration of services. The strategic investment allowed us to cooperate with Douzone to launch brand new corporate banking services from the Banking-as-a-Service (BaaS) perspective. We have greatly improved the convenience of corporate clients by enabling them to open a Douzone-Shinhan SolBiz corporate account without having to visit an offline branch. Such procedural innovation was made possible thanks to a real-time access to corporate data on the Douzone ERP platform, which boasts of having the largest amount of data of SMEs in Korea. Going forward, we will continue to identify and solve our client’s pain points and holistically innovate and improve the customer experience of our digital corporate banking services.

Launched in 2015, Shinhan Future's Lab is a startup accelerator program, the first of its kind in the Korea's financial industry, and has been a great success in expanding mutually beneficial cooperation with startups.



As of the end of 2021, we had supported 282 startups with a total investment of KRW 59.5 billion. Of the member companies, 10 were designated as baby unicorns in the Baby Unicorn 200 project of the Ministry of SMEs and Startups, the most of any startup accelerator in the financial industry. Such endeavors are not only limited to Korea. Shinhan is also striving to find and support local startups in our overseas strategic markets, including Vietnam and Indonesia, so that we can accelerate the Group's digital transformation and generate cross-border cooperation between innovative startups in different countries.

Attracting and nurturing the best in digital talent, and strengthening in-house capabilities in new technologies

Shinhan defines the ideal digital talent as "creating value through an understanding of core businesses and digital technologies", and operates Group-wide digital initiatives in support of this. We nurture experts in fields right across technology and digital business, and we are also enhancing the overall digital literacy of the Group. "SCOOL", the Group's digital training platform which stands for "Shinhan Collective Open Online Learning", uses technology to offer a wide range of studies, at levels from beginner to advanced. As of the end of 2021, a cumulative 10,000 employees had completed SCOOL digital training courses, thus playing a significant role in the Group's digital transformation. Shinhan is also enhancing its digital expertise through a number of programs which are either Group-level or subsidiary-specific, including a master's degree program in digital financial engineering at Korea University, the BD 1000

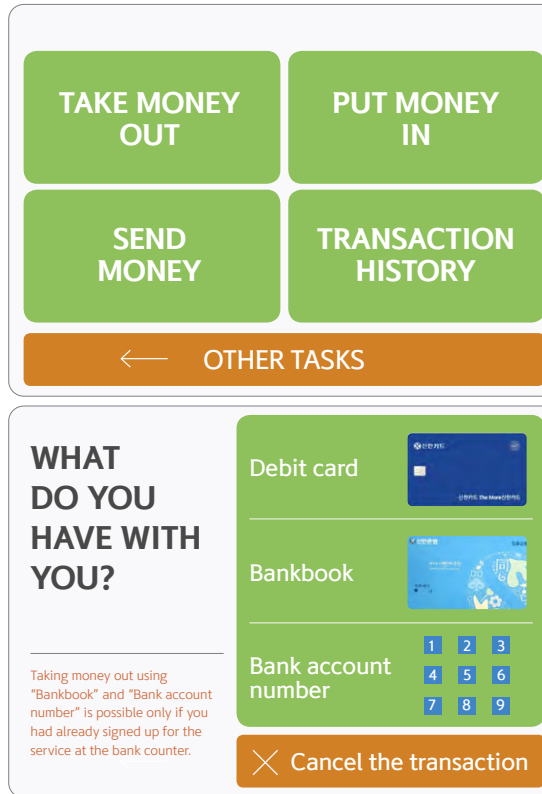
Project aimed at developing 1,000 big data analysts at Shinhan Bank, and a program to nurture experts in data science at Shinhan Card.

Shinhan strives not only to develop digital talent in-house, but also to recruit from outside. To this end, we introduced year-round recruiting system for digital and ICT talent for the first time in the Korea's financial industry, while also expanding our recruiting criteria for new hires, experienced staff, and holders of masters and PhD degrees. We also recruit from top-tier institutions such as Samsung Software Academy for Youth and Korea Advanced Institute of Science and Technology (KAIST). In addition, we are speeding up the recruitment of the best people in ABCD (AI, Blockchain, Cloud, Data) digital innovation. For example, we make full use of external recruiting platforms such as LinkedIn in order to target the recruitment of digital and technology experts. This can shorten the traditional recruiting time by one to two months and more accurately pinpoint the relevant candidates, thus enabling Shinhan to respond proactively to the need for digital talent.

Putting ESG into practice through digital services and technology

As digital transformation accelerates, some members of our society, especially the elderly, are left behind. As part of our efforts to bridge the digital divide for an inclusive digital economy, Shinhan Financial Group offers digital services tailored to senior citizens and others who are digitally marginalized. One example of this is a special ATM service that was launched in 2021 for senior customers who struggle with small fonts and complex financial terminology, and who therefore prefer to visiting bank counters even for simple transactions. By leveraging the results of our big data analysis, the four most frequently used ATM menus were positioned upfront in the most visible space, and in easy-to-understand, intuitive language. Following increased ATM utilization at branches which participated in the pilot project, and positive feedback on social media, this service is now being rolled out right across our branches.

Shinhan Bank selected one branch with a particularly high ratio of senior customers using bank counters for simple tasks, and converted it into a digital innovation branch with a layout aimed at better accommodating of customers both through design and by leveraging digital devices – different tasks were color-coded, and digital devices and lines on the branch floor were painted accordingly, so that customers could easily find the relevant counters. Smart ATM kiosks that had previously been installed outside the branch were moved inside to make them more usable for senior customers.



ATM screen tailored to senior customers



Digilog Branch, a testbed for the space of future financial services

Moving forward, we will continue to use data-driven analysis to improve the customer experience for senior citizens. We will also ensure that senior customers are not marginalized from the benefits of digital finance by offering both online and offline digital literacy education.

Shinhan is fully committed to supporting SMEs. Our food delivery app, “Ddaeng-gyeoyo”, waives onboarding and advertising fees for franchisees, and has the lowest brokerage fees in the industry, in our pursuit of win-win cooperation with small business owners. In addition, we are supporting delivery riders suffering financially from having a very limited credit history by collecting and analyzing delivery data and rolling out a micro-loan product exclusively for riders. In addition, we have recently started to analyze sales data from franchisees so that we can develop products specifically for business owners. This will enable us to create a mutually beneficial open platform based on the non-financial data of customers, franchisees and riders.

CDO's Reflections on Our Ecosystem

ELEVATING OUR STRENGTH TO DRIVE DIGITAL INNOVATION

**Kim Myoung Hee**

Chief Digital Officer, Shinhan Financial Group

Please tell us about Shinhan's digital vision and strategy

In order to put our new corporate vision, “We believe finance should be More Friendly, More Secure, More Creative”, into practice, we have set out the three pillars of our digital goal – data-driven innovation for a better customer experience (more friendly finance), reinforcing and protecting the rights of customers (more secure finance), and expanding new businesses for enhanced customer services and joint growth (more creative finance). For a more friendly finance, we focus on strengthening customer engagement by using data in order to improve and better manage the customer journey. For a more secure finance, we are fully committed to handling customer data in a completely secure manner. We are also committed to providing customers with safe and reliable finance and to provide inclusive digital finance. Last but not least, we will make our finance more creative by making inroads into new markets, exceeding customer expectations, and growing in partnership with our customers.

In a bid to achieve these three goals, we will upgrade our data governance and improve three core areas of Shinhan's digital transformation – technology, processes and organization. Above all, our customers will be at the center of our digital transformation, which will be driven by Shinhan's own unique characteristics with sincerity and consistency.

With the utilization of massive amounts of financial data becoming important, what is Shinhan's strategy for making use of this data?

Shinhan is both maximizing the use of data acquired across different subsidiaries of Shinhan Financial Group to generate One Shinhan synergy while making sure that all our businesses stay up to date with changes in data-related regulations. Korean financial authorities have overhauled policies aimed at protecting financial consumer's privacy and promoting data industry, and introduced MyData licenses. Shinhan Bank and Shinhan Card have acquired MyData licenses and launched related businesses, while Shinhan Investment and Shinhan Life Insurance are currently applying for the license. Going forward, we plan to launch distinctive services by integrating data with our core businesses of banking, payments, investments and healthcare.

In addition, Shinhan is responding to the greater use of data by setting up an advanced data governance system and building a Group-wide data dam. We are also establishing an integrated and standardized data utilization system and creating a Group-wide data strategy platform, with the goal of enhancing customer value by offering tailored services and increasing synergy across the Group.

We will upgrade our performance management systems to measure digital value more accurately, thereby managing our digital transformation as efficiently as possible and communicating with the market in a fully transparent way.

How do you expect Shinhan's digital transformation to affect its business model over the medium- to long-term?

The digitalization of the financial industry is having a radical effect on how a financial company is valued. The focus is increasingly moving away from being capital-based towards an emphasis on measuring the number of digital customers, such as MAU. Shinhan already has an active customer base of 19.5 million, representing approximately 68% of Korea's economically active population. We are dedicated to offering the highest levels of customer experience, based on our financial know-how, financial and non-financial (behavioral) data accumulated from both within and outside the Group, and our competitiveness in customer engagement. We will create our own distinctive value over the mid-to long-term by integrating our traditional, capital-intensive financial businesses with the capital-light platform business. In addition, we will upgrade our performance management systems to measure digital value more accurately, thereby managing our digital transformation as efficiently as possible and communicating with the market in a fully transparent way.

TAKING ACTION FOR A MORE SUSTAINABLE FUTURE

Shinhan's ESG Strategy Framework

Mission



Mid-term Goal

EXCELLENCE SHINHAN

ESG Principle

FINANCE for IMPACT

Vision

+ More Friendly, Secure, Creative

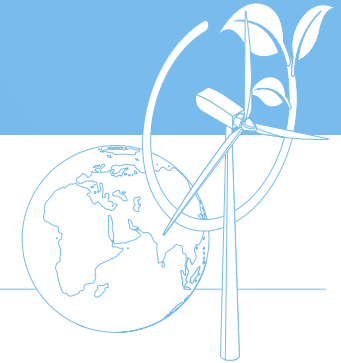
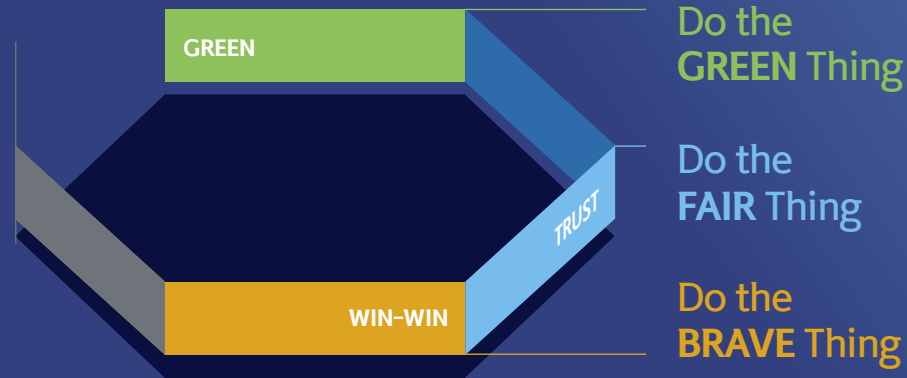
Mid-term Goal

F.R.E.S.H 2020S

ESG Slogan

Do the RIGHT Thing for a wonderful World

Strategic Directions



Do the Right Thing for a Wonderful World

Companies around the world agree that creating environmental, social, and governance (ESG) value is essential for sustainable corporate growth. Most ESG issues are difficult to resolve over the short-term, and require concerted efforts and collective action, which makes effective communications absolutely vital. Accordingly, many global companies have established their own ESG brand, and are striving to improve communications with their stakeholders.

Shinhan Financial Group created its ESG brand slogan in September 2021, “Do the Right Thing for a Wonderful World”, setting its ESG standard as “Is this the right thing?” and embodying its determination to “Do the Right Thing” to create a “Wonderful World” which is a destination of Shinhan’s ESG Way. “Do the Right Thing” is supported by efforts to reduce carbon emissions in order to “Do the Green Thing”, helping startups to “Do the Brave Thing”, and supporting equal opportunities and shared growth to “Do the Fair Thing”.

This ESG brand slogan demonstrates Shinhan Financial Group’s ESG strategy and implementation policies, and it is aligned with “FINANCE for IMPACT”, an ESG principle which refers to Shinhan’s efforts to maximize the positive impact of finance, based on which we have set out three strategic directions – Green, Win-win, and Trust. This redefines Shinhan’s ESG management from the customers’ perspective and aims to communicate our ESG message to customers in an easy-to-understand way, thus forming a consensus on how finance can make positive changes in our society.

Environmental

From Pledge to Action

In 2020, Shinhan Financial Group became the first financial company in East Asia to officially announce net-zero commitments for both our own carbon emissions as well as the financed emissions. Under “Zero Carbon Drive”, we have set ambitious, measurable goals aimed at achieving net-zero by 2050 through carbon reduction efforts of internal and financed emissions, coupled with carbon-offsetting and green financings.

We are increasing loan support for companies with eco-friendly technology, capital investments into renewable energy, and financial support for eco-friendly facilities for our corporate clients. In green finance¹⁾, we have provided a total of KRW 2.69 trillion, exceeding the 2021 target set out in our Green Financing Roadmap for the year with 122% achievement rate.

In order to ensure the systematic management of financed emissions within our asset portfolio, Shinhan measures carbon emissions based on PCAF Guidelines, and uses SBTi methodology to set specific reduction goals. As of the end of 2020, we had measured 43.8 million tCO₂e in financed emissions from KRW 212.3 trillion of the Group financial assets, which was followed by the goal setting of 33.7% reduction by 2030 and 59.5% by 2040. Beginning from 2022, green finance and the reduction of carbon emissions has been included as part of KPIs for Group subsidiaries to ensure that real action is taken.

Zero Carbon Drive is Shinhan’s eco-friendly growth strategy which will drive our successful transition to a green economy. Shinhan is paving the way to a low carbon transition through finance and is making efforts to further widen the path.



We also made pragmatic systemic upgrades to achieve our net-zero targets. In 2021, Shinhan developed a financed emissions measurement system that allows each subsidiary to calculate emissions information of a portfolio company and conduct simulations.

We launched a project to establish a “Group ESG Integrated Risk Management System. At the same time, we have created an “ESG rating” which encourages borrowers and investment companies to improve their ESG management, inducing and leading our corporate clients towards ESG management.

We also accelerated our engagement activities to drive faster change in partnership with our clients. In October 2020, we sent a letter to 242 investment target companies, calling on them to take an interest in climate change and to make climate disclosures in compliance with TCFD recommendations. We sent similar letters to 338 companies in 2021, and 146 companies replied by joining Shinhan’s commitment to net-zero.

In addition, Shinhan Bank newly launched the “ESG Consulting Cell” in 2022, which will work toward sharing its ESG expertise with its SME clients. These efforts will stimulate ESG management at our invested companies while also supporting the eco-transition of our corporate clients.

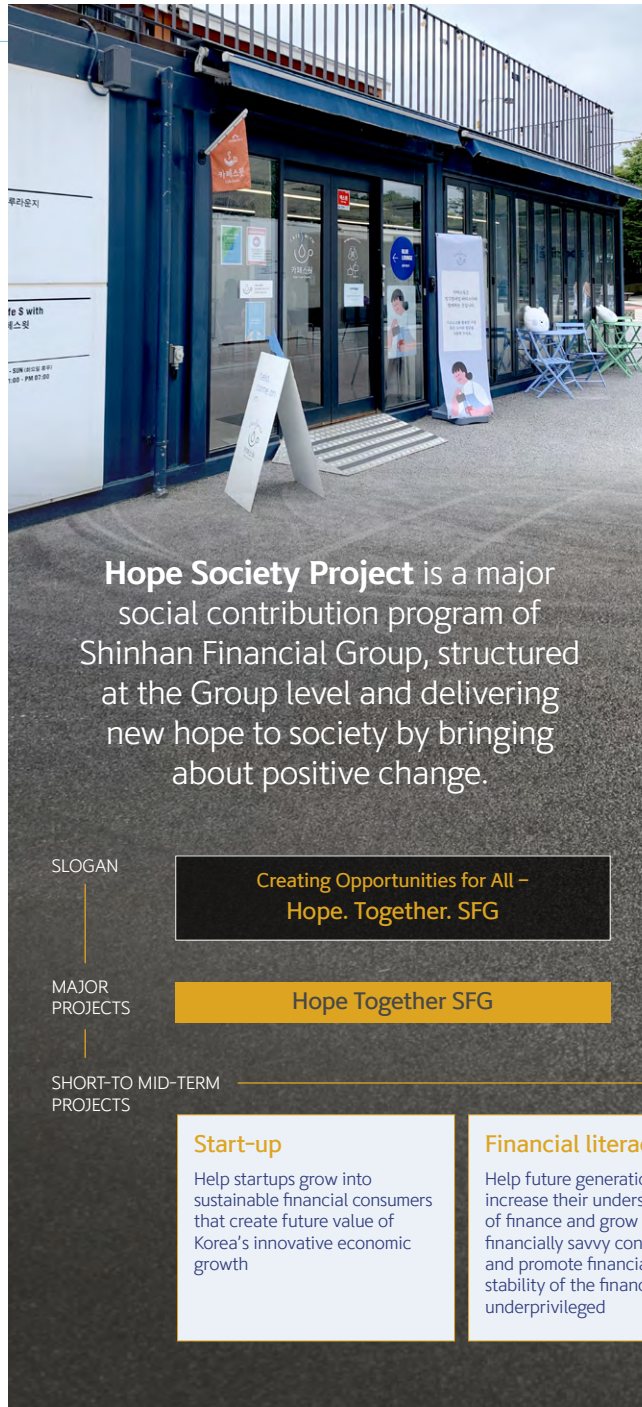
¹⁾ The figures for our green finance results are in line with the Green Bond Principles (GBP) of the International Capital Market Association (ICMA). The figures will be reclassified and reassessed in accordance with K-Taxonomy, once available.

Social

Hope Together SFG

In order to put the Group mission of “Compassionate Finance, Your Companion for the Future” into practice, Shinhan Financial Group has made an annual investment of KRW 90 billion in the Hope Society Project every year since 2017.

In 2021, we used the Shinhan Social Value Measurement Framework (SVMF) to measure the impact of the Hope Society Project for the three years from 2018 to 2020. The results indicated that total input of KRW 46.5 billion generated KRW 140.2 billion in social added value, creating a Social Return On Investment (SROI) of 305%. The social value of the Project was measured by classifying and measuring social savings, social value-added, outcome, influence and others, categorized from the perspective of the beneficiaries and measured using the SVMF framework. We were thus able to arrive at the objective, quantitative conclusion that the resources being invested are directly connected to the creation of social added value and improvements in life in each area, and are making a positive impact. Following this success, we will adopt SVMF for all our CSR programs. Moving forward, we will measure the social value of these programs as well as their financial and quantitative outcomes, thereby increasing the effectiveness and sustainability of our social contribution programs.



Hope Society Project is a major social contribution program of Shinhan Financial Group, structured at the Group level and delivering new hope to society by bringing about positive change.

SLOGAN

Creating Opportunities for All –
Hope. Together. SFG

MAJOR PROJECTS

Hope Together SFG

SHORT-TO MID-TERM PROJECTS

Start-up
Help startups grow into sustainable financial consumers that create future value of Korea’s innovative economic growth

Financial literacy
Help future generations increase their understanding of finance and grow into financially savvy consumers, and promote financial stability of the financially underprivileged

Group of community
Build a future development foundation that contributes to the social, economic value of the local community and its members

VERIFY EFFECTIVENESS

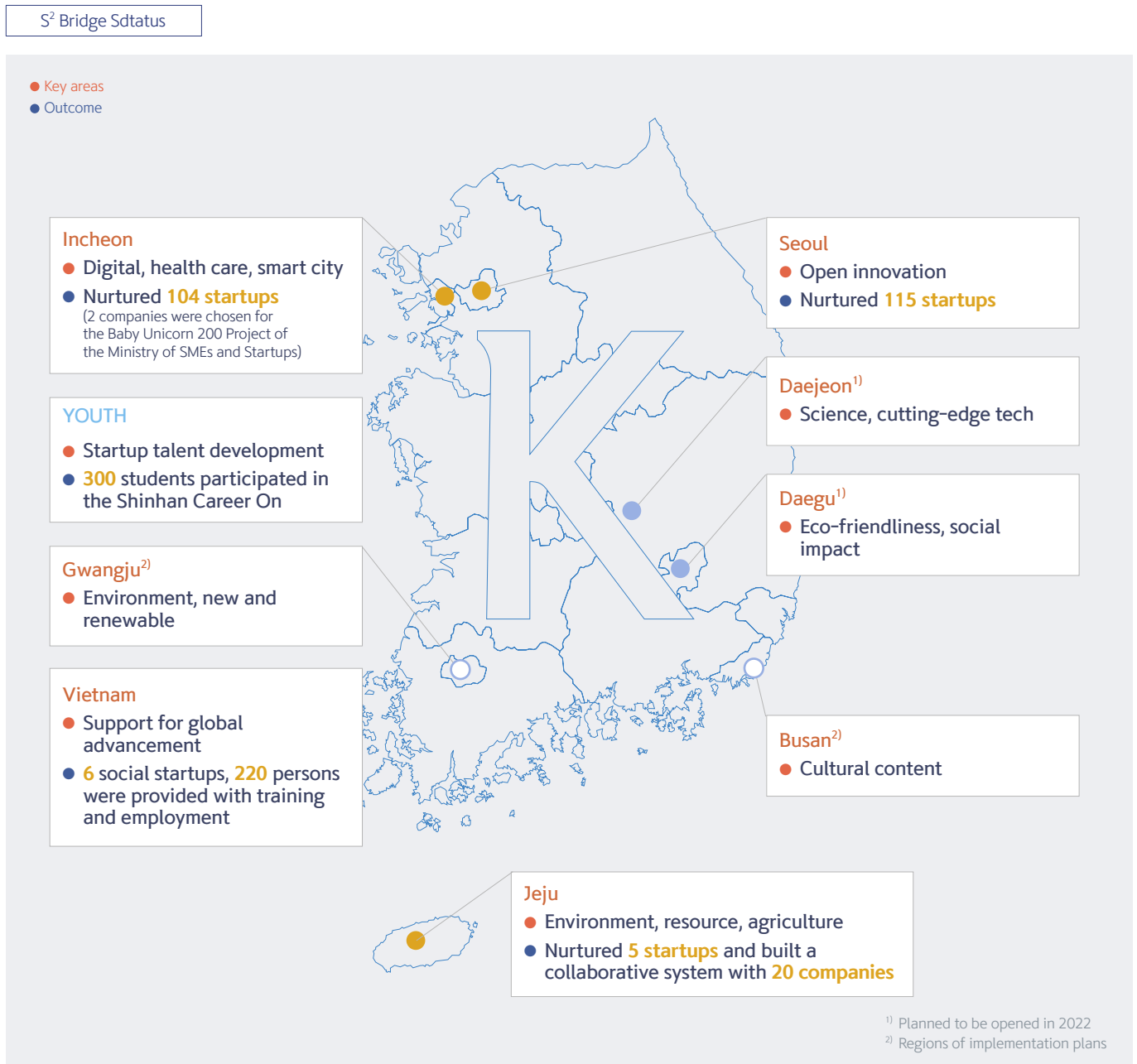
Analyze program effectiveness through Shinhan SVMF-based social value measurement

SFG Hope Foundation
2020 Corporate Social Responsibility Report



START-UP Shinhan Financial Group is a leading investor in startups and has been at the heart of the creation of an innovative growth ecosystem in Korea. In 2015, Shinhan became the first organization in the Korean financial sector to launch a fintech startup accelerator program “Shinhan Future’s Lab”, based on which we have been building long-term win-win relationships with globally competitive startups. Shinhan’s platform for supporting startups, “S² Bridge”, which is pronounced as “S-squared Bridge”, expanded its contact points in 2021, and is now a vital part of the startup ecosystem. S² Bridge has offline bases across Korea, including in Seoul, Incheon, Daejeon, Daegu, Gwangju, Busan and Jeju, and is supporting innovation within local economies. It also established a base in Vietnam which is supporting local startups and helping Korean startups establish a presence in that country.

Startups have infinite potential. We have established a system that supports the entire business cycle, from the very earliest days of a startup right through to its successful development. We are also creating sales channels and other cooperative systems which will help startups to make inroads into global markets, in order to support S² Bridge member companies so that they can produce a J-shaped growth curve and thus to amplify social value.



FINANCIAL LITERACY Shinhan runs a wide range of programs to help future generations of financial consumers to improve their understanding of finance. We also offer such social support to the underprivileged as employment education and skills development programs. In addition, Shinhan runs a program for young people aimed at improving their debt/credit status and increasing opportunities for employment; a project to build stable child-raising environment for double-income families; and a range of IT and software education support programs. In particular, the “Shinhan Easy” financial education platform brings together the capabilities of the Group subsidiaries in our efforts to help every generation in Korea have easy access to financial education.

GROUP OF COMMUNITY Shinhan Financial Group runs a wide range of programs to increase the social and economic value of local communities. We create jobs within our communities by strengthening our connections with companies which make a social impact, including social enterprises and cooperatives, setting a new standard for a model of social contributions through which local issues are assessed by local community members, and all stakeholders work together to solve any problems. In particular, we have worked in unison with local communities and stakeholder organizations to resolve environmental issues which have emerged during the COVID-19 pandemic. We also built an emergency support system for individuals who have suffered problems caused by prolonged quarantine measures.

In 2022, Shinhan will continue with its efforts to enable everyone to enjoy a healthy and stable life. We will increase our financial support for local communities and companies, and will give extra help to people who have thus far been unable to benefit from finance. In addition, we will focus on highly effective activities which generate the greatest possible social value, as measured by the SVMF.



Financial Education Platform

Launched “Shinhan Easy”, an integrated financial education platform of all Group subsidiaries



Youth Debt Total Care

The 3rd Youth Debt Total Care class supported 491 persons, through which 309 persons improved their credit score, 15 persons fully paid back their tuition loans



Shinhan Childcare Center

Provided childcare support by establishing 22 new childcare centers (cumulative 101 centers)



Overseas Employment of Youths, Global Young Challenger

The 3rd Global Young Challenger program supported 46 persons, and received the Minister of Employment and Labor Award for Job Creation in 2021



Job Support Program for the Disabled

Opened the second and third branch of “Cafe S-With”, and provided job support to around 20 persons with hearing impairments



Hope School Software Class

Software education provided to disabled students attending special schools: Education provided to 56 schools (cumulative 113 schools), 1,489 persons and a software contest jointly held with the Ministry of Education

“Shinhan Easy”, a financial education platform for all



Governance

ESG Governance & Organization

In 2015, Shinhan became the first financial holding company in Korea to create the CSR Committee (currently ESG Strategy Committee), a BOD sub-committee, to manage and supervise ESG at the BOD level. Starting in 2019, Shinhan appointed the Chief Strategy and Sustainability Officer (CSSO), an executive in charge of strategies and sustainability, at all Group subsidiaries and assigned working-level ESG employees to strategy departments to implement unified ESG strategies. In 2021, we created an ESG Implementation Committee consisting of the CEOs of all Group subsidiaries as a way to strengthen the driving force of the Group's ESG strategies.

After establishing a driving system in the decision-making phase, we strengthened working-level capabilities through organizational restructuring. An ESG Planning Team, which is a dedicated ESG organization, was created at Shinhan Financial Group in 2021, followed by the establishment of a dedicated ESG organization at major Group subsidiaries, including Shinhan Bank, Shinhan Card, Shinhan Investment, and Shinhan Life Insurance, completing the main elements of a bigger picture for our ESG driving system.

In early 2022, we expanded the scope of our ESG management, which had previously focused mainly on strategy and planning, to include investment and sales by setting up dedicated ESG organizations within

Shinhan Financial Group has always put ESG at the heart of its management strategy, and our **ESG driving system** continues to evolve for efficient and effective ESG actions with sincerity.

Shinhan's ESG Driving System



our unique matrix system, not under the direct charge of the CSSO. In addition, we created the “Green IB Execution Lab” within the GIB business unit. The Lab is in charge of all ESG-related investments, including the research and establishing of ESG investment strategies, as well as its usual front-line sales activities. In addition, an “ESG Global Desk” has been created as part of the Global business unit in order to identify and support new climate-related businesses and potential GIB collaborations overseas. “ESG Consulting Cell” was created at Shinhan Bank to help SMEs that have recognized the importance of ESG management but are experiencing limitations in their material and human resources. All of these new dedicated ESG teams are driving forward the evolution of Shinhan's ESG driving system.

FEATURED CASE

GLOBAL INITIATIVES



Joined in October 2021

- Net-Zero Insurance Alliance (NZIA)

Joined in July 2021

- Net Zero Asset Managers Initiative (NZAMI)

Joined in April 2021

- Net-Zero Banking Alliance (NZBA)



Joined in March 2021

- Value Balancing Alliance (VBA)



Joined in November 2020

- Science Based Target initiative (SBTi)



Joined in November 2020

- Partnership for Carbon Accounting Financials (PCAF)



Joined in September 2020

- Equator Principles



Joined in February 2020

- UNEP FI Principles for Sustainable Insurance (PSI)



Joined in September 2019

- UNEP FI Principles for Responsible Banking (PRB)



Joined in September 2018

- Task Force on Climate-related Financial Disclosures (TCFD)



Joined in May 2008

- UN Global Compact (UNGC)



Joined in May 2008

- UN Environmental Programme Finance Initiative (UNEP FI)



Joined in March 2007

- Carbon Disclosure Project (CDP)

ESG EVALUATION & AWARD

Global

| | | |
|--|---|--------------------------------|
| <p>DJI Included in DJI World for 9 consecutive years</p> | <p>CDP Leadership A- (8 consecutive years, Platinum Club)</p> | <p>MSCI ESG Ratings AA</p> |
| <p>ISS Quality Score Grade:1</p> | <p>Bloomberg GEI Included in the BGEI for 4 consecutive years</p> | |

Korea

| | |
|---|---|
| <p>KCGS A+ (Overall A+ grade for 7 consecutive years)</p> | <p>Sustainvest AA (3 consecutive years)</p> |
|---|---|

* As of March 2022

- First in Korea or Korea's financial industry

CSSO's Reflections on Our Sustainability

SCALING OUR WONDERFUL IMPACT BY DOING THE RIGHT THING

**Koh Seogheon**

Chief Strategy & Sustainability Officer, Shinhan Financial Group

ESG management at Shinhan Financial Group - how is it different, and why is it strong?

Finance is at the heart of the flow of funds within a country. Finance can have a major impact on our society and industry, and shape the world we live in. The ESG strategy of a financial company therefore must be more rigorous than that of an industrial company. The guiding ESG principle for Shinhan Financial Group is "FINANCE for IMPACT" which we define as maximizing the "positive impact of finance which changes stakeholders". We are focusing on five major IMPACT tasks connected to our business. Our first focus is on leading the green finance through our Zero Carbon Drive. Second, going beyond our usual role providing financial support, while also strengthening our capability in corporate screening, we are leveraging the Triple-K Project to facilitate transaction with unicorn companies through non-financial support. Third, we are helping the financially underprivileged through Hope Together SFG project. Our fourth and fifth focus areas are pursuing diversity while increasing creativity and productivity, and protecting financial consumers at all costs. In summary, Shinhan's ESG does not lead to reduced profits, rather it is a challenging but essential part of business, that leads to securing more customers, helping them grow, and making the company grow as well over the long term.

Please tell us about Shinhan Financial Group on the global stage in 2021.

Shinhan has joined various global initiatives and has been gaining experience in collaborating with the global community. We are a founding signatory of the Net-Zero Banking Alliance (NZBA) established under UNEP FI leadership in April 2021 for COP26. Further solidifying our net-zero resolve, we became the first in Korea to join the Net-Zero Insurance Alliance (NZIA) and Net-Zero Asset Management Initiative (NZAMI). In November, Shinhan was invited to the 2021 United Nations Climate Change Conference (COP26) in Glasgow as a representative of private financial companies in Asia, where we shared our thoughts on the role of finance in responding to the climate crisis, outlined our Zero Carbon Drive, and encouraged the global community to continue the fight against climate change.

In December, Shinhan Financial Group CEO Cho Yong-byoung became the only individual from Asia to be elected to a seat in the UNEP FI Leadership Council, a newly launched high-level advisory body composed of CEOs of financial institutions to provide vision and strategic direction to UNEP FI and its members in fulfilling their responsibilities regarding environmental issues. As I also serve at UNEP FI's Global Steering Committee as the Asia Pacific Banking Sector Representative, Shinhan will deepen sustainability integration across our business sectors in line with the global standards, and will work towards mainstreaming ESG within the region.

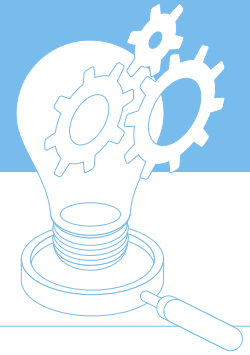
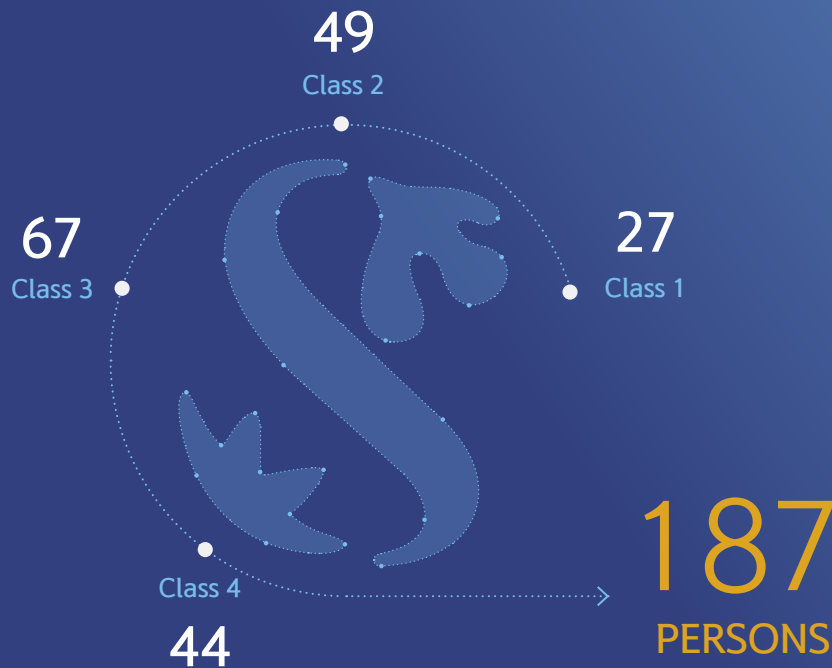
Until now, our focus has been on establishing mid- to long-term ESG strategies centered on the holding company. Starting in 2022, however, we will widen our ESG to include the Group subsidiaries which actually undertake our business.

What plans do you have for Shinhan Financial Group's ESG in 2022?

Until now, our focus has been on establishing mid- to long-term ESG strategies centered on the holding company. Starting in 2022, however, we will widen our ESG to include the Group subsidiaries which actually undertake our business. This is our ESG strategy for the year, so called "2022 Shinhan ESG – Right, Nimble, Different", with four major directions of implementation. First, we will strengthen our ESG driving system by improving our ESG governance. Measures to strengthening our ESG driving system include establishing dedicated ESG organizations and a BOD sub-committee, and making ESG strategic KPIs a key part of subsidiary evaluations. Second, we will expand K-Taxonomy-based green finance and make further advancements in our ESG analysis-based loan and investment evaluation systems. In turn, we will aim to secure net-zero execution capabilities throughout our businesses. Third, we will exploit new ESG market opportunities by increasing ESG investments and rewarding companies which are outstanding in areas of ESG. And fourth, we will be active participants in identifying new ESG agenda, thereby strengthening Shinhan's role as a representative of Asian financial companies.

VERSATILE AND TALENTED PEOPLE TO LEAD FUTURE GROWTH

No. of Shinhan SHeroes Participants



A diverse and inclusive workplace for all our employees

Shinhan Financial Group strives to create a corporate culture where no employee feels her/his capabilities overlooked or fails to seize given opportunities due to their gender, age, disability, or any other reasons. Our organizational culture that encourages all employees to voice their opinions contributes to generating dynamic synergy, which in turn creates new business opportunities and leads to better performance.

As part of these endeavors, Shinhan Financial Group is nurturing female leaders to bridge the gender gap in the management. Since the launch of “Shinhan SHeroes”, a program to nurture female talent, first of its kind in the Korean financial industry set up in 2018, focused efforts have been under way to foster female leaders in a well-structured way. Begun with 27 participants for its first class, the Shinhan SHeroes continues to identify female leaders, support them as they share their vision of growth for themselves and the Group, and run programs to nurture them as leaders. Shinhan SHeroes has been successful in its aim of developing more female leaders and creating role models with extensive experience and outstanding leadership skills, and is now increasing the size of its leadership group while also diversifying the regions and job positions targeted. 187 female talents have been chosen as Shinhan SHeroes so far, including 44 for the fourth class launched in 2021.

Shinhan SHeroes enables Shinhan’s outstanding female employees to expand their networks and share different points of views, contributing to sharpening competitive edge not only of individual employees, but also the company as a whole.

A number of programs are in place as part of Shinhan SHeroes, including expert-led leadership coaching, group mentoring, a platform for distance learning, and an active SHeroes alumni community. The lessons learned from these programs are shared at an annual Shinhan SHeroes conference held each November.

Shinhan is also doing its utmost to establish a corporate culture which supports a work-life balance and encourages female employees to chart a clear career path. The Group subsidiaries are being certified as family-friendly places to work thanks to our family-oriented programs including, among others, block leave of more than five consecutive days and paternity leave for male employees. As a result of these efforts, Shinhan Financial Group has been included in the Bloomberg Gender-Equality Index (GEI) for four years in a row since its first inclusion in 2019 for the first time in Korea.

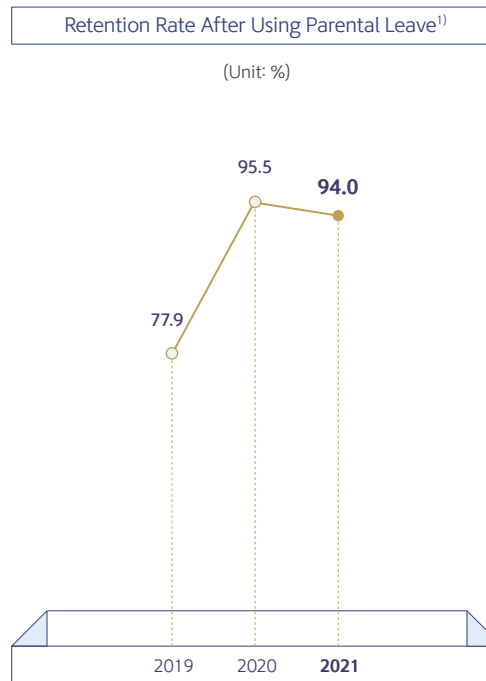
In our efforts to bridge the generation gap within the organization, and to integrate a wide range of opinions in our decision-making processes, Shinhan has established the "Who-friend Committee", consisting of employees in their 20's and 30's, so called Millennials and Generation Z, and expanded opportunities for them to participate in critical decisions such as setting out the Group's mission and core values. The name "Who-friend" refers to the young generations who are capable of becoming a friend to whoever, and it aims to reflect the Group's commitment to creating a corporate culture of open communications without barriers. In addition, Shinhan is running a "Reverse Mentoring" system whereby members of the younger generations mentor executives to improve the way reports are made and meetings are conducted, sharing their ideas on the ideal way of working.

Shinhan Financial Group has a dedicated organization in charge of creating a corporate culture of diversity and inclusion. This includes HR policies which ensure gender equality and support work-life balance, fairer reporting systems, and improvements at subsidiary level. In addition, a number of internal organizations and policies are in place to prevent any form of discriminatory acts, including the Sexual Harassment Prevention Committee, the Workplace Bullying Prevention Committee, the Ombudsman and Grievance Settlement Process, and the Employee Happiness Center. In 2021, Shinhan set out its "Commitment to Diversity and Inclusion", thus embodying our commitment to the values of diversity.

Bloomberg GEI



Included in Bloomberg GEI for four years in a row



¹⁾ Data was updated to reflect OrangeLife's incorporation into the Group in 2019



Who-friend Committee

Shinhan Financial Group's Commitment to Diversity and Inclusion



A total “RE:Boot” of corporate culture

In 2021, Shinhan Financial Group launched its “RE:Boot Shinhan” project, aimed at supporting the company’s progress towards being a leading digital finance group by completely overhauling and upgrading the corporate culture. This strategy will set out a clear corporate direction, and establish efficient and effective systems for executing that strategy. Corporate culture is a major driving force in propelling the Group forward to generate exponential growth. That is why Shinhan Financial Group is now re-interpreting the tradition of the Shinhan culture, which has been in place since the founding of the Group, in order to meet the expectations of the digital era. The RE:Boot Shinhan project is improving the culture from the perspective of customers, employees and markets, and is ensuring that the Group is ready for the future.

In 2021, Shinhan set out a new vision for the Group and rebuilt the core values and standards to which all Shinhan employees must adhere. The new core values, as elucidated in “Shinhan Way 2.0”, are set out in easy-to-understand, intuitive language, and have been shared via multiple channels both in Korea and overseas, which has enabled Shinhan employees around the world to understand and act upon these essential principles.

Celebrating the launch of “RE:Boot Shinhan” project



RE:BOOT!

Core Value



RIGHT

We value doing **what is RIGHT** for our customers and for the future generations.



NIMBLE

We value being **NIMBLE** – executing with flexibility and efficiency, never stop learning and **keep moving forward**.



DIFFERENT

We respect individual **DIFFERENCES** and value having **DIFFERENTIATED outcomes**.

FEATURED CASE

SHINHAN LEADERSHIP CODE

The Shinhan Leadership Code is a set of principles that everyone at Shinhan, whether current leaders or aspiring leaders of the future, must adhere to.

RIGHT



NIMBLE



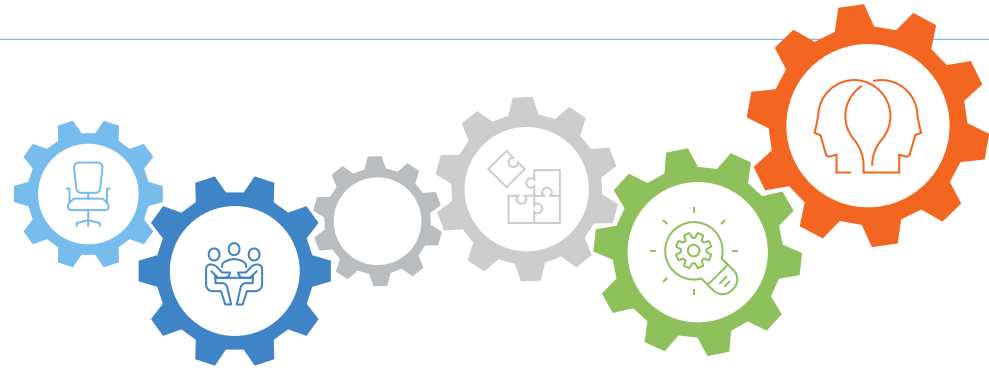
DIFFERENT



| | | |
|--|---|---|
| <p>Customer driven</p> <p>Leaders think and make decisions from the customers' point of view at all times. Leaders do not make compromises in any circumstances, in order that we can uphold the trust placed in us by customers and society.</p> | <p>Always learn</p> <p>Leaders never cease to learn, and can sense changes in advance. Leaders identify new business opportunities and changes in direction at an organization, even in a complex environment.</p> | <p>Empower others</p> <p>Leaders create an environment in which anyone can speak their mind and be listened to respectfully. Leaders enable and encourage employees to shine, not themselves.</p> |
| <p>Lead by example</p> <p>Leaders must embody the standards and guidelines that represent the many "invisibles" of our vision and culture as a company. They define our success, and the way we work.</p> | <p>Delete & simplify</p> <p>Leaders speed up the pace of execution by proactively eliminating and streamlining obstacles against change.</p> | <p>Aim for excellence</p> <p>Leaders strive to become the best they themselves can be. Leaders drive the organization to create something great, rather than something that is simply good enough.</p> |
| <p>Do the right thing</p> <p>Leaders pursue the right way in both process and outcome. Directions are presented with clarity, and evaluations are always fair, so that the right way of working is always put into practice.</p> | <p>Drive challenge</p> <p>Leaders create an organization that is not afraid. Leaders place greater value on the experience and knowledge derived from failures than from easy successes.</p> | <p>Cultivate talent</p> <p>Leaders believe that people are everything. Leaders always seek outstanding talent, actively nurture people, and foster the leaders of the future.</p> |

5 Big Questions for Shinhan's Cultural "Re:Boot"

In 2021, as part of the "Re:BOOT" project, five key tasks were derived which have been refined to "five big questions" and best practices for these key tasks were shared Group-wide.



01

Have we drawn up our blueprint from the perspective of our customers?

First and foremost, we have set up a new vision for the Group that states "We believe finance should be More Friendly, More Secure, More Creative", and the Group subsidiaries have aligned and adjusted their own directions from customer's and long-term perspective, and then formulated detailed execution tasks. The CEOs of each subsidiary shared these tasks with their employees via video messages.

02

Have we adjusted the way we work to focus on data-driven work processes?

We have implemented a data-driven governance system which has fundamentally changed the way we work, especially in meetings and writing reports. We also have put into place management and HR systems, thereby boosting the data literacy of our employees and accelerating the organization's decision-making and business execution.

03

Do we have an agile organizational structure which revolves around customers?

Our definition of being agile is "S.A.Q" – speed, agility, quickness – based on which we formed an S.A.Q taskforce to pursue agile transformation at the Group level. We have thus laid the foundations upon which agile organizational systems can be built, while taking into account the unique characteristics and needs of each subsidiary.

04

What tools do we have to encourage employee creativity and initiative?

Activities such as the data-driven HR RE:Boot, the Open Talent Market, and Objective Key Result (OKR) have further improved the fairness of our HR systems. This encourages employees to self-motivate, thus creating a work culture grounded on creativity and initiative.

05

Are tasks prioritized accurately, and then executed efficiently?

Last but not least, in order to ensure that on-going innovation-spurring activities do not become one-off events, we have formed the CEO Culture Round (CCR), a consultative body composed of Group subsidiary CEOs that focuses on work culture. The CCR establishes firm-wide short- and long-term plans for putting RE:Boot into practice, while also executing and managing them efficiently and systematically.

FEATURED
CASE

ETHICAL MANAGEMENT

Shinhan Financial Group is further solidifying the trust-based relationships with its stakeholders through transparent and ethical business management.

In order to internalize ethical management as an inherent part of our corporate culture, and to increase ethical awareness of employees, we established the “Shinhan Financial Group Code of Ethics” and “Standards of Employee Conduct”, and then aligned our business operations accordingly. We offer a range of Group-wide employee training programs on ethics and compliance, and in addition, each subsidiary is undertaking activities to raise employee awareness of ethical compliance, including the issuance of compliance letters, ethics and compliance self-inspections, and both mandatory and voluntary training programs.

Strengthened Internal Controls

At Shinhan Financial Group, the Compliance Officer of the holding company oversees the Group’s internal controls, and also supports each subsidiary in implementing its internal control activities through the “SFG Joint Compliance Monitoring System”. The holding company receives regular compliance and internal transaction reports to ensure that each subsidiary’s internal control activities are being carried out effectively. In addition, every subsidiary is subject to multiple on-site inspections throughout the year to monitor their actual implementation of internal controls. All subsidiaries have an internal controls committee which is chaired by the CEO. These committees assess the effectiveness of internal control operations over the past year, and also review the status of internal control systems. Their findings are then reported annually to the Group Board of Directors.

Whistleblower System

Shinhan Financial Group continues to promote its whistleblower system to ensure proactive and preventative action against unethical behavior, and to build stronger internal controls. The whistleblower program provides a wide range of anonymous reporting channels, including a website, email, a dedicated phone line, and in-person interviews. The program is offered at both Group-level and at each subsidiary.

Anti-Money Laundering

As the anti-money laundering (AML) obligations placed on financial institutions continue to be strengthened, Shinhan Financial Group continues to upgrade its systems in order to implement global standards of AML. All subsidiaries that are subject to AML-related obligations have their own AML internal control processes, tailored to the risks of their own particular industry. In addition, we offer employees training and incentivize our employees to become certified AML experts.

Promoting Fair and Ethical Financial Trading

Shinhan Financial Group has expanded its training on fair, transparent, and ethical financial trading as a way to ensure that it is in compliance with all related laws and regulations. Employees working in the internal control departments of the Group subsidiaries are required to undertake annual training on ethical transactions, and violations are monitored for preventative purposes. Each subsidiary prepares its own internal guidelines on the prevention of unethical trade practices, and also conducts regular employee training and other monitoring activities.

COO's Reflections on Our Human-talent

HELPING OUR TALENT UNLOCK THEIR FULL POTENTIAL



Lee Een-Kyoon
Chief Operating Officer, Shinhan Financial Group

Shinhan is in the middle of the Shinhan RE:Boot project, aimed at transforming the Shinhan culture – what were the drivers behind the project, and where does it stand now?

Shinhan's power comes from its people. And the power of our people comes from Shinhan's culture.

Since its foundation, Shinhan has placed great value on its organizational culture. For instance, the Group's senior executives are committed to having annual discussions on establishing the right culture, which includes the CEO himself, who serves as the Culture Executive Manager. The Shinhan culture has been guiding Korea's financial industry in new directions, and always stood at the forefront of change.

The accelerated digitalization has spurred rapid changes in trends in the financial industry, as well as Shinhan-specific changes such as newly diversified businesses, the emergence of digital natives, and increased complexity of our internal environment. To strategically respond to such changes, we have launched "Shinhan RE:Boot" project, to seek a thorough transformation of the Shinhan culture.

The Shinhan RE:Boot movement embodies our commitment to renewing the Shinhan culture by listening intently to the voices of customers, society and employees, as if we rebooted the computer operating system. Following the announcement of the RE:Boot project, the Group has set out its new vision and rebuilt its core values, which will serve as standards for Shinhan employees.

We acknowledge that this transformation is a journey, and a never-ending mission – it began with the Shinhan cultural forum held on the Group’s anniversary date in 2021, but it remains ongoing, with no final destination having been set. We are confident that our continued efforts to highlight the importance of culture and to improve it will earn Shinhan Financial Group great respect from our shareholders and customers, and will enable employees to take pride in their workplace.

2022 will mark the 40th anniversary of Shinhan Financial Group. We take pride in what we have achieved over the past 40 years, but we are not complacent. As Korea’s No. 1 financial group, and one which is globally competitive, we will create a corporate culture befitting of a top-tier organization.

What are the challenges of a cultural transformation? In which areas do you want to improve the Shinhan corporate culture?

Inertia always presents challenges to any organization, which is why we have created the “D&R” concept, standing for “Delete and Reload”. We are deleting any obstacles which hinder our pursuit of transformation, and we are continually reloading our values of customer focus, creativity, self-motivation, and challenging the future. Shinhan will move away from the conventional hierarchical structure, empower our customer contact points with decision-making authority and responsibility, and generate customer-oriented innovation. In addition, all biases and discrimination will be eliminated (Delete) and the values of fairness and inclusion will be substantially enhanced (Reload). This in turn will stimulate a corporate culture with much greater diversity.

In particular, we are committed to our “Commitment to Diversity and Inclusion” whereby we will establish an environment in which female employees are empowered to drive the Group’s growth onwards. We will further expand the Shinhan SHeroes program, first female leadership development program among Korea’s financial institutions, to accelerate the strengthening of female leadership. We will also improve our HR policies, personal development programs and organizational culture to assist our female employees grow further and faster.

COVID-19 has shed light on the importance of the well-being of employees. What kind of support programs has Shinhan offered to its employees for their health and safety?

The pandemic has served as a reminder that healthcare is an essential part of good management, and not merely an area of employee welfare. In fact, the World Health Organization (WHO) defines health as a state of complete physical, mental, and social wellbeing. With our top priority placed on the health and safety of our employees, we run a wide range of programs to effectively support and promote employee well-being from physical, mental, and societal perspectives.

In response to quarantine measures limiting physical activities, Shinhan has introduced a digital healthcare service through HowFIT, which also offers a contactless workout program. In addition, our online counseling service is available 24/7, 365 days a year to support our employees’ mental health. We also offer online meditation, family counselling, and stress diagnosis and treatment programs. Furthermore, a wide range of Employee Assistance Programs (EAP), including subsidies for medical expenses, are in place. With employee well-being at the heart of Shinhan’s competitiveness, we will continue to ensure the health and happiness of all our employees.

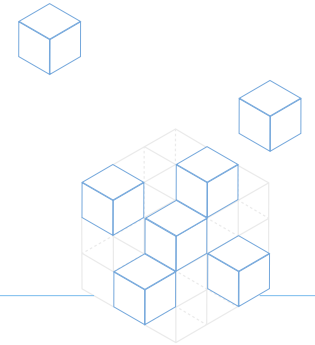


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BUSINESS REPORT

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CORPORATE GOVERNANCE
REPORT

REVIEW OF OPERATIONS

BUSINESS REPORT



Shinhan Business Organization

Shinhan Financial Group consists of 17 direct subsidiaries that include Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Shinhan Capital and Shinhan Asset Management, and 32 indirect subsidiaries. We provide comprehensive financial services, principally consisting of the following:

- commercial banking services, including retail banking, corporate banking, international banking, and other banking services.
- credit card services;
- securities brokerage services;
- life insurance services;
- asset management services; and
- other services, such as savings banking services, loan collection and credit reporting, collective investment administrative services, financial system development services, real estate trust services, investment advisory services, and venture capital services.

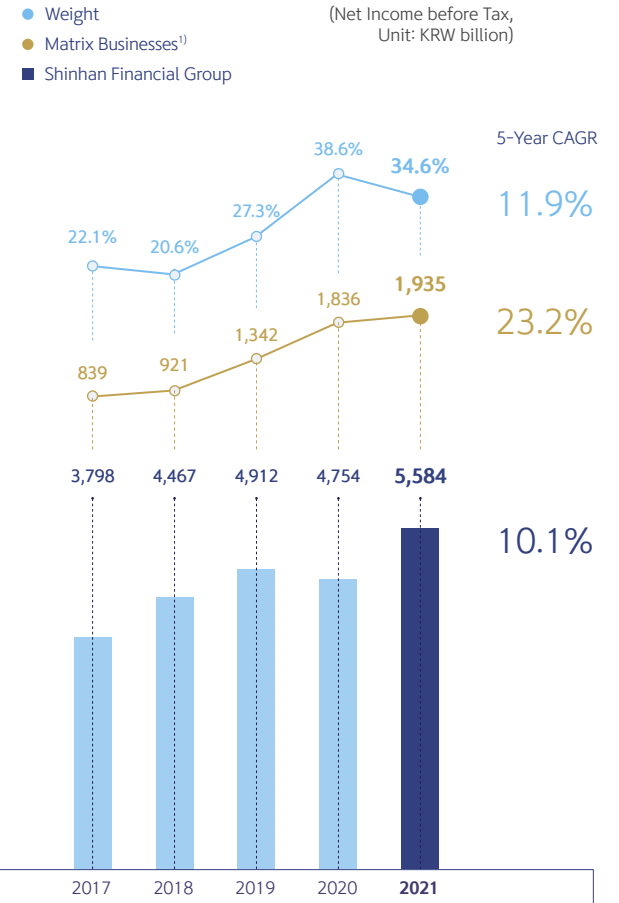
Provider of Optimal Integrated Financial Solutions

In 2011, Shinhan Financial Group adopted a matrix structure in order to maximize the development of synergy among Group subsidiaries by fully leveraging the advantages of a holding company system including the Group's extensive resources, expertise and customer base. With the easing of regulations relating to concurrent positions, we expanded our matrix structure to five divisions (GIB, GMS, Global, WM, Retirement Pension), and also has a separate council for real estate business. This matrix organization has helped the Group to maintain its high growth. The total net income before tax of our matrix businesses grew at a CAGR of 23.2% over the last five years, and their contribution to the Group's total income is expected to continue to increase.

Shinhan's Matrix Organization Structure



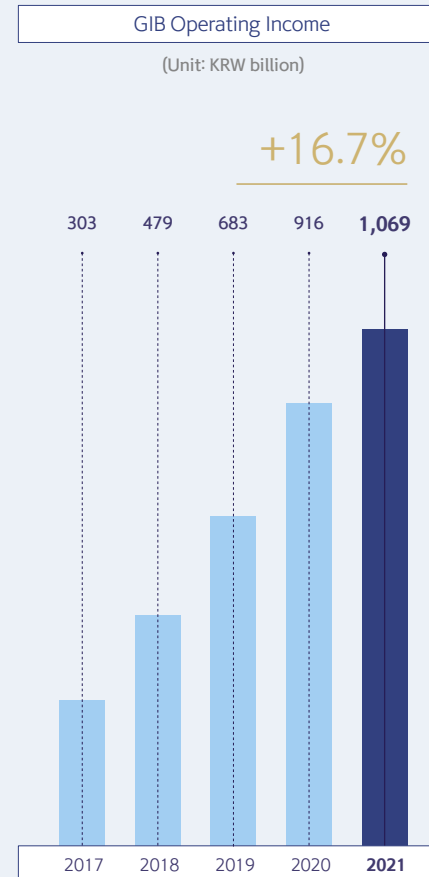
Contribution by Matrix Businesses



GIB (Group and Global Investment Banking)

Operating income of the Group and Global Investment Banking (GIB) Division increased by KRW 153 billion year-on-year in 2021 to reach KRW 1,069 billion, attributable to a higher market share in syndicated loan arrangements and increased domestic and overseas equity investments – the outcome of our efforts to enhance competitiveness in key IB markets. We also changed internal guidelines, thus expanding the asset groups that can be incorporated into GIB. As a result, we were able to increase the range and amount of asset products available to GIB front departments, enabling us to make inroads into new businesses such as hybrid asset securitization, leading to performance improvement. We also strived to generate growth through sustainable investments. We invested some KRW 1.1 trillion in innovative companies, in connection with the Group-level Triple-K Project, and newly launched the Green IB Execution Cell to identify new businesses related to ESG.

In 2022, Shinhan Financial Group will expand cooperation between the Group subsidiaries, including joint marketing, and thus strengthen key IB capabilities centered around solutions as a way to advance the IB revenue model of GIB. In addition, we will establish a more efficient resource management of the Group subsidiaries and enhance organizational operation capabilities to ensure agile responses to risks and opportunities. Also, continued efforts will be made to expand the earning base and the foundation of growth for our GIB business. To this end, we will upgrade the overseas IB sales system, make more investments in eco-friendly and renewable energy, and identify other new businesses to drive sustainable growth.



GIB Earnings Highlights

Market competitiveness
in syndicated loan arrangement

M/S 29.3%
(+3.03%p, YoY)

Global IB revenues

397.1 KRW billion
(+KRW 102.2 billion, YoY)

Support for sustainable finance

Investment in innovative growth

1,111.4 KRW billion
(+KRW 557.5 billion, YoY)

Eco-friendly & renewable energy

958.7 KRW billion
(+KRW 153.0 billion, YoY)

GMS (Global Markets and Securities)

In 2021, the Global Markets and Securities (GMS) Division recorded KRW 278.9 billion in net income before tax, and its assets under management (AUM) at the year-end stood at KRW 124.8 trillion. Despite highly volatile market conditions, including rising interest rates, we were able to achieve a stable performance by countering increased market volatility through defensive management strategies and strict risk management. Furthermore, through diversification of our AUMs and asset fragmentation by maturity, our GMS business was able to deliver strong earnings results.

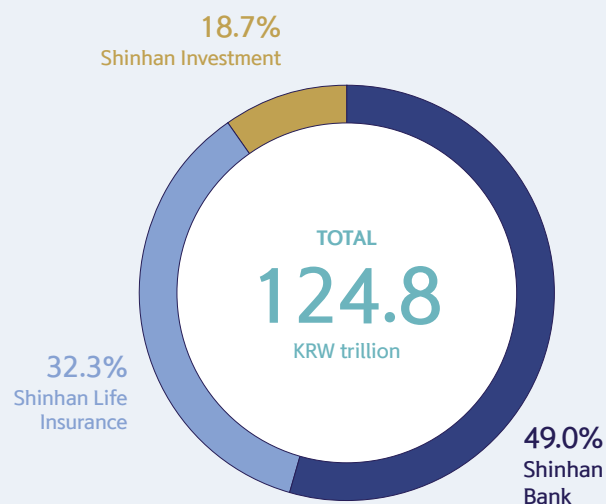
GMS made active inroads into global markets in 2021, with the opening of a local desk in London, and plans to discover diverse overseas income sources in 2022. In particular, we will leverage our expertise to supply quality products to our sales channels, including retail bonds, alternative products and derivative-linked securities, while also strengthening the collaboration system of the Group.

Markets are expected to remain volatile in 2022, GMS will therefore maintain its defensive management strategies. At the same time, we will actively monitor markets in order to seek opportunities for generating income. In addition to upgrading our data-based decision-making, we are increasing our global presence by participating in pre-IPO-related investments managed by leading international investors, and by continuing to improve our products to ensure a strong performance, no matter how volatile markets become.

GMS Assets Under Management

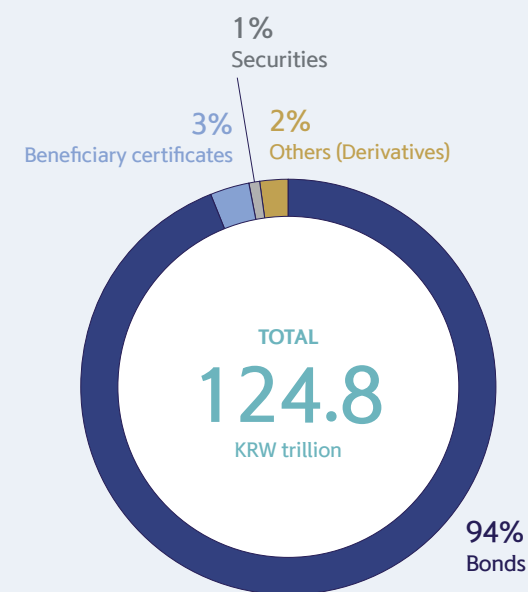
(Unit: %)

Breakdown by Subsidiary



* As of December 31, 2021

Breakdown by Asset Type



* As of December 31, 2021

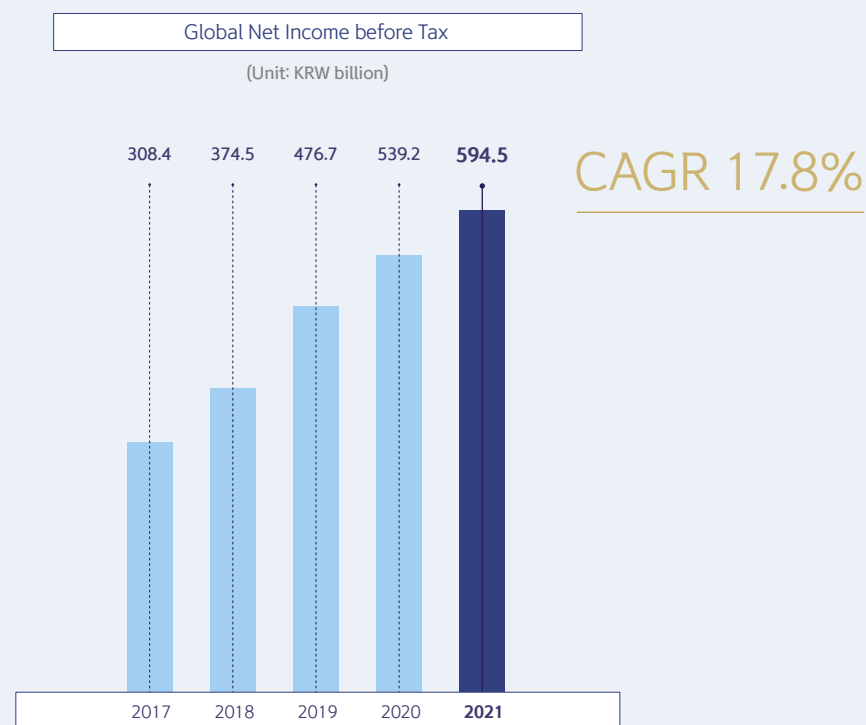
Global (Global Business)

In 2021, the Global Business Division recorded KRW 594.5 billion of net income before tax, a year-on-year increase of 10.2%. This was achieved thanks to its resilience in crisis response and the continued growth in retail and corporate loans, despite the difficult global environment due to COVID-19 and political issues.

Six major overseas subsidiaries (Japan, China, Vietnam, US, India, Indonesia) saw growth in non-interest income (net increase of USD 16.9 million or 16.4%), mainly from F/X and derivatives income as well as loan handling fees and commissions. Our major markets (Hong Kong, New York, Singapore, London) led overall growth, with interest income increasing 52.8% or USD 34.3 million thanks to effective management of funding costs.

In 2022, we will work on developing into Asia's leading global company by using customer-centered and data-based decision-making as our driving force. We will generate growth through digital-focused inorganic investments and our ongoing global digital transformation. We will remain selective in our businesses, including the expansion of our digital-based retail business in Asia. In advanced financial markets, we will focus on financial institutions, IB-centered corporate banking and sourcing global products.

In addition, we will strengthen the non-banking business by building a balanced portfolio. To this end, we will expand the global reach of Shinhan Card and Shinhan Investment, and further strengthen Shinhan Life Insurance's business in Vietnam. We will also leverage the global capabilities of all Group subsidiaries in order to bring about "global connection and expansion" between operations in Korea and the overseas channels.



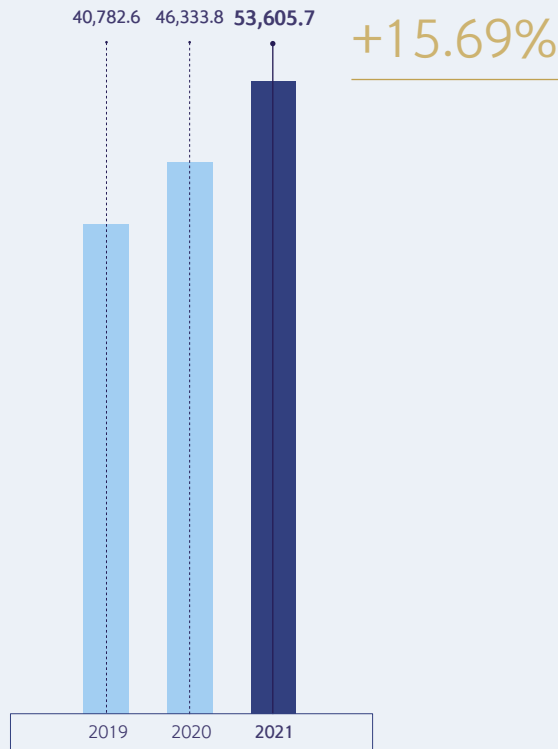
WM (Wealth Management)

The Wealth Management (WM) Division places top priority on customer trust and aims for stable portfolio and increased customer wealth. In 2021, AUM of our WM business rose by KRW 7.3 trillion year-on-year to reach KRW 53.6 trillion, driven by a significant rise in the number of high-net-worth individuals (HNWIs). We have one of the largest number of HNWIs in our client base with 17,500 customers with KRW 1 billion or more, and 46,100 customers with KRW 500 million or more in financial assets entrusted in Shinhan's accounts. Such growth has been achieved thanks to new internal evaluation methods and KPIs focused on customer rates of return and asset growth, and strengthened product-governance which covers products from launch to sales and post-sale follow-up.

We are living in a new era of high capital mobility where the borders between banking and securities are blurring. Against such a backdrop, we have launched the "Family Office Center" in February 2022, providing exceptional total life-cycle wealth management solutions and other financial advisory services for high-net-worth families and entrepreneurs. We are also focused on upgrading our digital wealth management platform so that customers can benefit from all of our WM services without face-to-face contact, in particular through our SOL PB and SOL Premier Lounge platforms. Going forward, we will solidify our leading position by continuing to expand our digital presence and by launching distinctive services for HNW individuals.

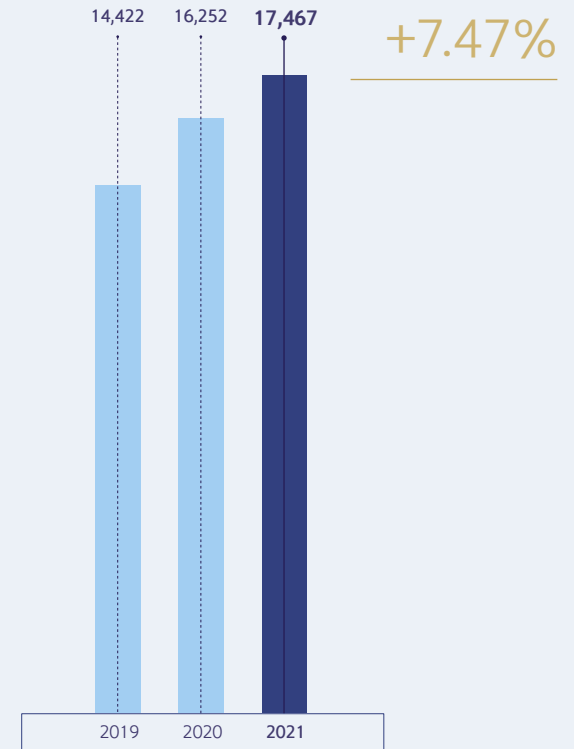
WM Assets Under Management

(Unit: KRW billion)



WM Assets Client Base*

(Unit: Persons)



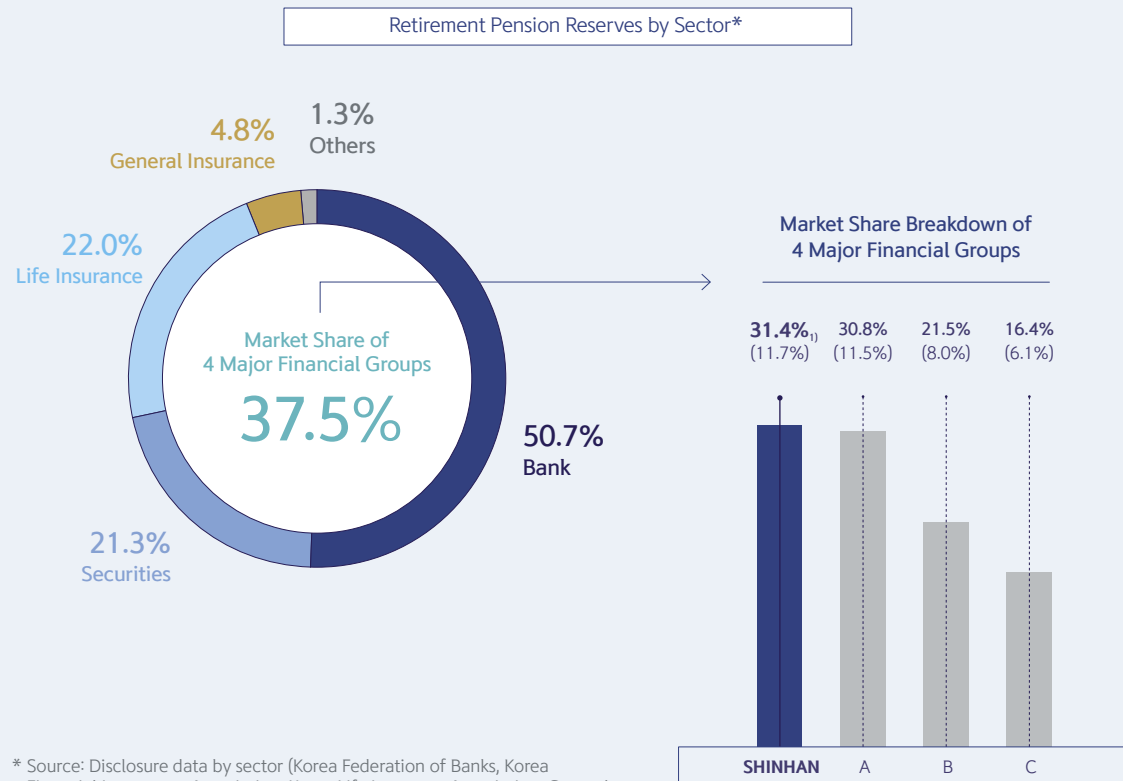
* Customers with more than KRW 1 billion financial assets in Shinhan accounts

Retirement Pension

With the retirement pension market increasingly focused on customer rates of return, there has been a shift towards defined-benefit (DB) pension and individual retirement pension (IRP) products. In addition, the collapse of the boundaries between banking, securities and insurance has been disadvantageous to the banking sector. Despite this challenging environment, the Retirement Pension Division had managed reserves of KRW 34.7 trillion as of 2021 year-end, a year-on-year increase of KRW 4.2 trillion, thanks to increased sales of DC and IRP products, making Shinhan Financial Group maintain its leading position, with 11.7% of market share, in the retirement pension market for five consecutive years. In particular, Shinhan Bank achieved stronger growth than any other commercial banks in Korea in terms of a net increase in deductibles, maintaining its solid growth pace.

In order to better respond to the large capital flows across different financial industrial segments, the Division changed its growth strategy for 2022. Under the new growth strategy, the Division will focus on generating growth from DC and IRP products and minimizing customer attrition. The sales focus will be on encouraging installments or monthly payments throughout the year, rather than a year-end lump sum payment. We will also strive to expand our non-face-to-face sales channels and to use big data-based analysis to better understand our customers. We will also increase our range of ETF and TDF investment products and diversify our product groups, while improving our asset management by more effectively measuring and managing customer rates of return.

As a way to strengthen our customer management, we are improving our DC/IRP customer management system by opening more Customer Management Centers. We are also upgrading non-face-to-face customer service infrastructure by offering AI voice counseling, and using both target-date funds and robo-advisors.



* Source: Disclosure data by sector (Korea Federation of Banks, Korea Financial Investment Association, Korea Life Insurance Association, General Insurance Association of Korea); and as of the end of 2021

¹⁾ Figures in brackets mean the share of entire market

Real Estate

The Real Estate Business Line was launched in August 2019, after the acquisition of Asia Trust in May 2019, to provide customers with products and services right across the real estate lifecycle. The Group Real Estate Strategy Committee, where the Real Estate Sector within the GIB Division plays a leading role, is held twice a year to discuss strategic directions of the Group-level real estate business, and to promote Group-wide synergy in real estate. The Real Estate Sector is composed of staff from Shinhan Bank, Shinhan Investment, Shinhan Life Insurance, and Shinhan Capital, and staff from Asia Trust and Shinhan Asset Management also participate in the Committee.

With the acquisition of Asia Trust, we are now licensed to offer financial services across the entire value chain in real estate from planning and development to sales and disposal after management. Moreover, we can leverage the wide range of financial services offered by our different subsidiaries by, for example, including, among others, offering real estate debt funds and trusts to our retail products through our banking and securities subsidiaries, and connecting our WM clients with a wide range of real estate advisory services such as development as well as sales and management.

In 2021, our Real Estate Business Line focused on Group-wide collaboration and synergy creation. As a result, we were involved in 50 deals and KRW 5.4 trillion worth of financial arrangements, with direct participation amounting to KRW 2 trillion.

In particular, we worked successfully on several large-scale projects, including the Magok CP4 complex development project, the Busan BIFC phase 3 development project, and the Uiwang Baegun Valley 2-1, 2 block development project.

In 2022, we will improve how we source information on the real estate market and innovate our internal systems by building a real estate network platform. In addition, we will leverage capabilities across the Group to target deals and win multiple large-scale projects, which will be supported by a working-level council under the Group Real Estate Strategy Committee.



Magok CP4 complex development project



Busan BIFC phase 3 development project

RE-VALUATION OF SHINHAN ON THE VERGE OF BREAKTHROUGH



Heo Young Taeg
Chief Management Officer, Shinhan Financial Group

What are the roles and responsibilities of the Chief Management Officer (CMO), and what is your business plan for 2022?

I was appointed to oversee the business management and performance of our subsidiaries, as well as the matrix-structured businesses when the Group Business Management teams were newly launched in January 2021. My primary responsibility is to generate synergy between the Group subsidiaries, and to manage the 15 subsidiaries and five matrix business lines in order to achieve optimal performance across markets and industries.

My goal for 2022 is to make it the first year of Shinhan's "Re-valuation". The Group's strategic direction is "Breakthrough 2022, RE:Boot Shinhan", setting out how Shinhan will renew itself by breaking through the challenges of markets and the competitive environment. Taking a step in this direction, our teams will thoroughly manage and fully support all Group subsidiaries and matrix business lines so that they can generate extraordinary outcomes.

In 2022, in particular, we will focus on subsidiary management as a way to help them achieve outstanding performance. To this end, we will offer active support to secure leading positions in areas we excel in, and to build competence in other business areas.

We will also continue to generate the highest levels of market confidence in Shinhan by delivering market-leading performance in its digital strategy, capital markets business, and asset management business. In addition, we are motivating all Group subsidiaries to develop more drivers of future growth by, for example, upgrading our subsidiary evaluations to include quantitative indicators related to digital technology and the customer base.

What do the Business Management teams view as the key tasks for 2022?

The most important tasks for this year are to strengthen our completeness based on strong fundamentals, and to enhance our position in the capital markets. We will therefore increase monitoring of business fundamentals from the perspective of profitability and efficiency.

We will also support and coordinate between Group subsidiaries so that they can achieve ground-breaking increases in MAUs of their digital platforms and the size of the customer base targeting digital natives, including Millennials and Generation Z.

While pursuing strong growth in interest income, we believe that it is also important in the current regulatory environment to build the foundations for mid- to long-term growth by diversifying our non-interest income.

To this end, we plan to focus on three major areas for a robust growth of our non-interest income. First, we will further strengthen our capabilities in capital markets business. We will aim to increase investment banking (IB) and FX derivative-related income by offering more of such services to more corporate clients. We will also strengthen our capital market-related retail sales, strive for higher rates of return on key asset management products, and further advance our position in alternative investments. Second, we will focus on bolstering our trust fee income. At Shinhan Bank, we plan to offering even more attractive retirement pension products, while at Asia Trust, we are expecting an increased commission income through growth in the property trust business as well as an increase in ownership. Lastly, we will focus on other sources of income, including an increase in dividends and gains on valuation through expanded investments in new technologies and venture firms. We will also generate income from our new data-based businesses.

Shinhan benefits from its matrix business system, but there must be other areas in which synergy can be generated between the Group subsidiaries. Do you have any specific plans for enhancing cooperation between them?

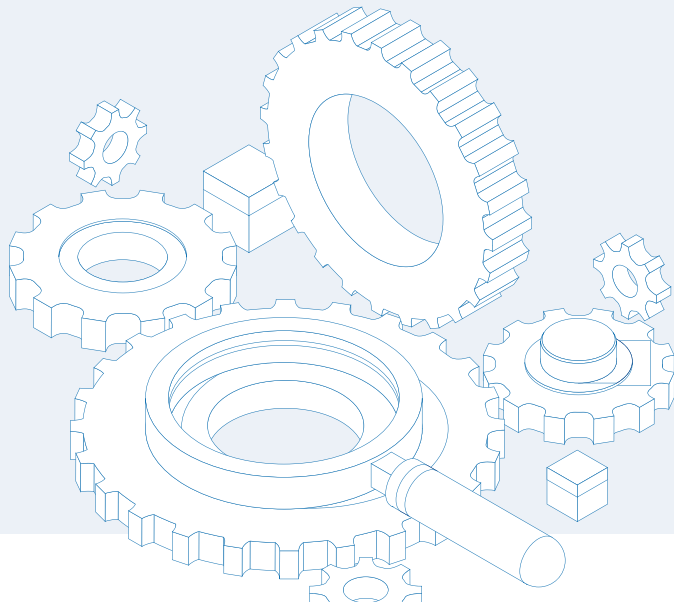
When it comes to synergy between the Group subsidiaries, many people generally first think of the matrix business system, and the cooperation across the Group's real estate business line. This is entirely natural since these businesses connect several Group subsidiaries. However, cooperation within the Group is not limited to the matrix system. In 2021, a number of internal organizations held discussions on generating positive outcomes through collaboration, including the One Shinhan Strategy Council, the Joint Business Council, and the Group MZ¹⁾ Working Group. These discussions led to positive and tangible outcomes, including a bigger MZ customer base, better performance in auto finance, and linked-up marketing in connection with the launch of integrated payment service.

Based on these successes, in 2022 we will increase cooperation between all the Group organizations which focus on the MZ customer. We will aim for seamless connections between Shinhan Plus and other Group subsidiary apps in order to increase our offerings of services and content, and to add more external alliances. In addition, we will implement targeted cross-subsidiary marketing to expand the key customer base. Finally, we will quickly respond to changes in the market environment by providing full support for increased cooperation among Group subsidiaries in key areas such as digital transformation, new business, and IPOs.

¹⁾ Compound word of Millennials and Generation Z

Focusing the capabilities of all of Shinhan into one powerful synergy generation

Shinhan Financial Group is implementing its “One Shinhan” strategy in order to promote close cooperation between the Group subsidiaries and to build an effective management system at the Group level. One Shinhan is not just a slogan, but a strategy shared by all the Group subsidiaries, aimed at providing all customers with optimized products and services. We will create more customer value by adapting to changes in our business environment, including money movement and the accelerated transition to a digital economy, and also by leveraging digital technology to make One Shinhan truly distinctive in a “right, nimble, different” way.



In 2021, Shinhan Financial Group segmented customers and markets from the perspective of actual transactions, and used this information to develop areas of cooperation between the Group subsidiaries, thereby expanding the Group customer base. Shinhan Bank launched “The More” installment savings product in connection with Shinhan Card’s “The More” credit and debit card”, targeting customers in their 20s and 30s. Building upon the success of “The More” product series, the Group launched various sets of hybrid products, including the launch of Shinhan Card’s “Meme Card” for teenagers, and increased the overall cross-selling of the Group’s products. In response to the huge capital inflow into the capital market, we undertook a more aggressive Group-wide marketing of brokerage-type ISAs and securities-related products. In addition, as the transition to a digital economy moves ever faster, we leveraged the Group’s wide customer base to spur increased cross-selling among our subsidiaries through our digital platforms, including the integrated Shinhan Pay and Shinhan MyCar joint platform. The Group subsidiaries also made joint efforts in speeding up the distribution of COVID-19 government subsidies.

In 2022, Shinhan Financial Group will increase customer value and expand cooperation between the Group subsidiaries by building a digital-based One Shinhan collaboration system and strengthening the new business value chain. In order to better respond to changes in the digital environment while also increasing the cross-selling ratio within our customer base, we will offer more financial products and services through digital channels and upgrade non-face-to-face marketing through the stronger connection between the Group integrated platform “Shinhan Plus” and the apps run by subsidiaries.

In addition, we will expand areas of collaboration among the Group subsidiaries to offer a more comprehensive financial solution for our clients by, for example, establishing a comprehensive financial service model¹⁾ offered by the exceptional financial consultants (FCs) from our newly-integrated insurance subsidiary, and offering a comprehensive real estate service²⁾ which brings together the capabilities of our Real Estate Business Line and Asia Trust. One key task will be to increase the number of customers in their 20s and 30s, as they will be the foundation of our future growth. To this end, we will strengthen collaboration between our subsidiaries, namely Shinhan Bank, Shinhan Card, Shinhan Investment, and Shinhan Life Insurance, and expand both internal and external communications while also working together with our customer advisory groups to make our products and services truly distinctive and attractive to the young generation.

¹⁾ Comprehensive financial service model seeking to widen the range of products offered by our FCs to include credit cards, retirement pension products, loans, etc.

²⁾ Comprehensive real estate service that combines the real estate investment advisory capabilities of Shinhan Bank and Shinhan Investment with the real estate development consulting, development agency, and management capabilities of Asia Trust

Active Customers and Cross-selling Ratio

(Unit: million persons, %)

| Classification | 2018 | 2019 | 2020 | 2021 | YoY |
|---|-------|-------|-------|-------|--------|
| No. of active customers ¹⁾ | 18.82 | 18.99 | 19.14 | 19.54 | +0.40 |
| No. of cross-selling customer ²⁾ | 7.47 | 7.64 | 7.87 | 8.22 | +0.34 |
| Cross selling ratio | 39.7% | 40.2% | 41.1% | 42.0% | +0.9%p |

¹⁾ Sum of active customers of Shinhan Bank, Shinhan Card, Shinhan Investment, and Shinhan Life Insurance (excluding double counts)

²⁾ No. of active customers who have business with two or more of Shinhan's major subsidiaries, which are Shinhan Bank, Shinhan Card, Shinhan Investment, and Shinhan Life Insurance.

Synergy Creation

We are going beyond the collaboration centered around Shinhan Bank and Shinhan Card, and increasing collaboration in new business segments centering on other subsidiaries, such as Shinhan Investment and Asia Trust.

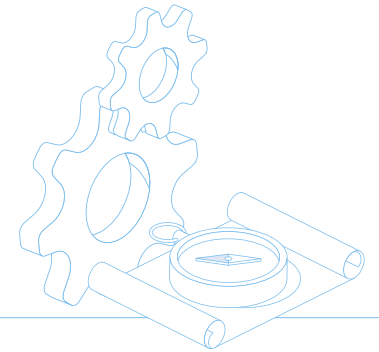
(Unit: KRW billion)

| Classification | 2020 | 2021 | YoY | Growth rate |
|--|--------------------|-------|-------|-------------|
| Profits generated through synergy effect ¹⁾ | 257.2 | 308.7 | +51.5 | +20.0% |
| Shinhan Bank & Shinhan Card | 76.0 ²⁾ | 84.7 | +8.7 | +11.4% |
| Others | 181.3 | 224.0 | +42.8 | +23.6% |

¹⁾ Sum of profits generated through the collaboration of major subsidiaries of Shinhan – Shinhan Bank, Shinhan Card, Shinhan Investment, Shinhan Life Insurance, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, and Asia Trust (excluding private equity investments and IB-related earnings)

²⁾ Excluding one-off factors

CORPORATE GOVERNANCE REPORT



Shinhan Corporate Governance

Shinhan Financial Group has established a governance structure and principles that promote the interests of shareholders, protect the rights of stakeholders, enhance corporate value, and achieve sustainable growth. Thanks to our commitment to these principles and policies, we run our business ethically and with a sense of responsibility.

Our outstanding corporate governance has garnered outside recognition. For example, in the ESG assessment carried out by the Korea Corporate Governance Service (KCGS), we have received an integrated assessment rating of A+ for seven consecutive years since 2015, and obtained an S rating in the governance category in 2017. In addition, we continued to receive the highest-possible rating even when a more demanding assessment model was applied to financial institutions beginning in 2018..

[SFG's Corporate Governance Report](#)



[Convocation Notice of the 21st AGM & Proxy Supplements](#)



Principles of Governance Structure

Transparent Governance Structure

We actively disclose our governance-related standards, procedures, and outcomes to ensure transparent corporate governance. We share corporate governance-related matters with all stakeholders by publishing an annual corporate governance report, disclosing it on the company website, and then submitting it to the Korea Federation of Banks, 20 days prior to the annual general meeting (AGM). In March 2022, we made improvements in the contents of our convocation notice while also providing an additional proxy supplement material, thus offering a more in-depth information on the AGM agenda as well as on the Group's overall corporate governance structure in a more reader-friendly format.

In addition, we help our stakeholders understand operational practices concerning corporate governance by disclosing the full text of our internal corporate governance regulations in the annual corporate governance report. These include the Articles of Incorporation, BOD regulations, and the regulations of each sub-committee of the BOD.

It is particularly noteworthy that we use a cumulative voting methodology in order to protect the rights of minority shareholders at AGMs, and use both an electronic voting system and a system enabling shareholders to vote in writing in order to actively guarantee shareholder voting rights. We also offer fair and timely information at AGMs by providing real-time video streaming.

Sound Governance Structure

We have formed a Board of Directors (BOD) equipped with the independence and expertise necessary to maintain sound corporate governance. We faithfully abide by all laws, including the Commercial Act and the Act on Corporate Governance of Financial Companies, and all internal regulations, including the Articles of Incorporation, the code of corporate governance, and the regulations of the BOD. In addition, all recommendations in relation to BODs stipulated in the Act on Corporate Governance of Financial Companies and the KCGS Corporate Governance Code are reflected in the Group's corporate governance, and strictly observed.

Stable Governance Structure

In order to ensure stable governance structure through checks and balances among our constituents, we have delegated our decision-making and operation to the Board and the management, respectively, and the management reports the status of their execution of duties to the Board. The Company also actively promotes the Board's Independent Directors-centered activities by filling a majority of each subcommittee with Independent Directors. The Board is granted the authorities to appoint and dismiss CEO (executive director) and senior management. Independent Directors have the authority to request data, advisory services, etc., while the Company has the obligation to provide this information to Independent Directors.

In particular, if an Independent Director has excellent abilities in handling duties, the Independent Director's tenure is guaranteed within the scope of observing external laws and internal rules, in consideration of the Company's governance stability and continuity as well as Board expertise.

In addition, to keep Clubby Boards of Independent Directors in check, we do not appoint an Independent Director who is included in the group of candidates subject to re-appointment as a member of the Independent Director and Audit Committee Member Recommendation Committee unless there are inefficiencies in Committee composition. Even if an Independent Director who is a part of the group of candidates subject to re-appointment unavoidably becomes a member of the Independent Director and Audit Committee Member Recommendation Committee for efficient Committee composition, the Independent Director is fundamentally prohibited from recommending him/herself and participating in a vote on his/her own recommendation agenda item pursuant to regulations. Also, the age of the CEO & President is restricted to 70 or less to result in the full establishment of a virtuous cycle of management succession.

Diversity and Expertise of the Board of Directors

Shinhan Financial Group specifies the principle of diversity in the composition of the BOD in its internal code of corporate governance, so that Board members do not all share a common background or represent certain interests. Moreover, we use a “Board Skill Matrix” to confirm diversity and expertise of the Board members. They also have a wide range of expertise, which prevents the BOD from leaning too much towards a specific background or occupational group. The independent members of the BOD evenly represent the six sectors stipulated as required expertise in the Act on Corporate Governance of Financial Companies, specifically finance, business administration, economics, legal affairs, accounting, and information technology.

The Company also considers diverse recommendation channels and perspectives regarding the Board’s composition and the selection of Independent Director candidates, including from shareholders, the Independent Director and Audit Committee Member Recommendation Committee, and outside agencies. By operating a system which invites shareholders to recommend candidates as independent directors, we receive recommendations for candidates who are fully committed to independently representing shareholder value, and also enable shareholders to participate in management.

We are dedicated to increasing female representation on the Board. At the 2020 AGM, Yoon Jaewon, a female independent director with expertise in accounting, was appointed to join our Board, and in March 2022, Kim Jo Seol, a female independent director with expertise in economics, was appointed.

We also ensure that the candidate group represents diversity in experience, background, and age, while factors that could restrict diversity, such as race, ethnicity, and religion are strictly taken out of the consideration for the candidacy. This is helping us in our efforts to abide faithfully by the principle of diversity in the composition of the BOD.

[Board Diversity Guidelines](#) 

Board Composition

* As of March 2022

| Director | Independence | Gender | Key Expertise ¹⁾ | Director Since |
|-----------------|---------------|--------|--|----------------|
| Cho Yong-byoung | Executive | M | Finance , Business Management | March 2017 |
| Lee Yoon-jae | Independent | M | Economics , Finance, Business Management | March 2019 |
| Kwak Su Keun | Independent | M | Accounting , Business Management | March 2021 |
| Kim Jo Seol | Independent | F | Economics , International Business | March 2022 |
| Park Ansoon | Independent | M | Business Mgt. , International Business | March 2017 |
| Bae Hoon | Independent | M | Legal , Accounting, Business Management, International Business | March 2021 |
| Byeon Yang-ho | Independent | M | Finance , Business Management, Economics | March 2019 |
| Sung Jaeho | Independent | M | Legal , International Business | March 2019 |
| Yoon Jaewon | Independent | F | Accounting , Business Management | March 2020 |
| Lee Yong Guk | Independent | M | Legal , International Business | March 2021 |
| Jin Hyun-duk | Independent | M | Business Management , International Business | March 2020 |
| Choi Jae Boong | Independent | M | Technology | March 2021 |
| Huh Yong-hak | Independent | M | International Business , Finance, Business Management | March 2019 |
| Jin Ok-dong | Non-executive | M | Finance , Business Management, International Business | March 2019 |

¹⁾

| Skills/Qualifications | Description |
|------------------------|--|
| Finance | Understanding of financial market, reporting, and management strategies |
| Economics | Ability to interpret macro-economic trends and events |
| Business management | Current or past leadership roles as top or senior executives |
| Accounting | Accounting expertise overseeing the integrity of financial reporting |
| Legal | Legislative experiences gained as policy practitioners and legal professionals, or from the academia and relevant associations |
| Technology | Experience with or oversight of information system, fin-tech or privacy, cyber security and their related risks |
| International Business | Experience in diverse geographic, political and regulatory environments |

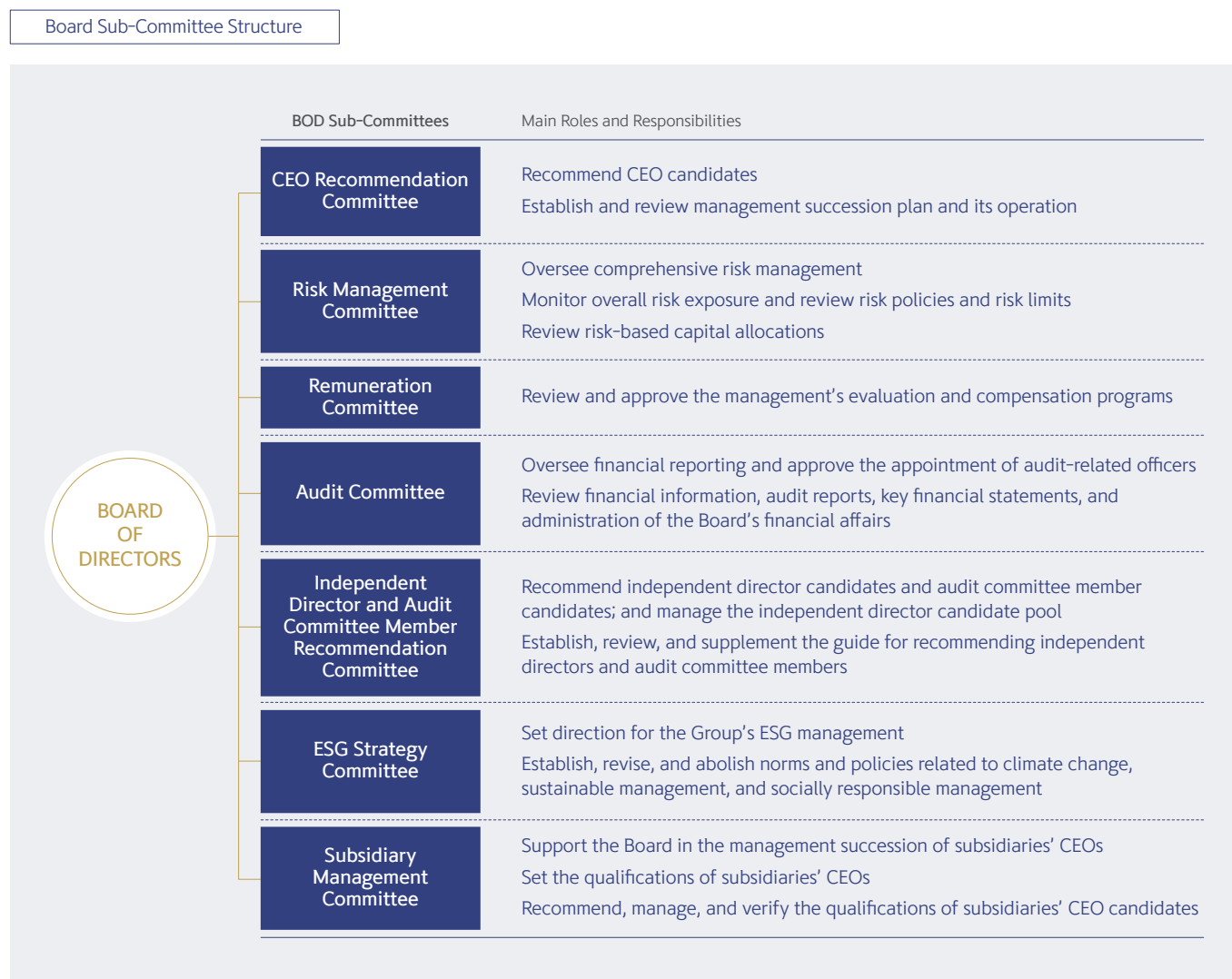
Board Sub-Committee Structure

As the company's top-level standing decision-making body, Shinhan Financial Group's BOD is vested with the authority to appoint and dismiss the CEO, and mainly consists of independent directors. As of the end of March, 2022, the BOD comprises a total 14 members, of which 12 are independent directors. Since March 2010, it has been regulated that an independent director serves as the BOD Chairperson.

As of March 2022, there are a total seven sub-committees of the Board – the Independent Director and Audit Committee Member Recommendation Committee, CEO Recommendation Committee, Audit Committee, Remuneration Committee, Risk Management Committee, ESG Strategy Committee, and Subsidiary Management Committee. Of these, the establishment of the Independent Director and Audit Committee Member Recommendation Committee, CEO Recommendation Committee, Audit Committee, Remuneration Committee, and Risk Management Committee has been made mandatory by such laws as the Act on Corporate Governance of Financial Companies. The BOD autonomously established the other two remaining committees to enhance BOD expertise, independence, and efficiency.

With regards to recommending candidates for executive positions, the Group operates the Independent Director and Audit Committee Member Recommendation Committee and CEO Recommendation Committee. Enforced on August 1, 2016, the Act on Corporate Governance of Financial Companies obligates the establishment of the executive recommendation committee, which recommends candidates for executives, such as independent directors, chairman, CEO, and audit committee members.

Even before the enforcement of relevant laws, the Group segmented the authority to recommend executives and divided it among sub-committees of the Board.





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APPENDIX

INDEPENDENT DIRECTORS

Lee Yoon-jae (Chair of the Board)

Date of Birth November 3, 1950
Current Position Retired CEO, KorEI
Education AMP, Harvard Business School
 MBA, Stanford Graduate School of Business

Main Work Experience

2015-2018 Independent Director, CJ Freshway
 2012-2016 Independent Director, Busan Bank
 2009-2014 Independent Director, LG
 2001-2010 CEO, KorEI

Kwak Su Keun

Date of Birth August 16, 1953
Current Position Honorary Professor of Accounting, Seoul National University, Business School
Education Ph.D. in Business Administration, University of North Carolina Chapel Hill
 M.A in Business Administration, Seoul National University
 B.B.A, Seoul National University

Main Work Experience

2018-Current Honorary Professor of Accounting, Seoul National University, Business School
 2019-Current Chair of Corporate Governance Advisory Board, Korea Listed Companies Association
 2012-2014 Chair of Financial Supervisory Advisory Committee, Financial Supervisory Service
 2011-2020 Independent Director, LS
 2004-2012 Non-executive Member, Securities and Futures Commission

Kim Jo Seol

Date of Birth December 5, 1957
Current Position Professor, Department of Economics, Osaka University of Commerce
Education Ph.D. in Economics, Osaka City University

Main Work Experience

2020-Current Professor, Department of Economics, Osaka University of Commerce
 2021-Current Executive Director and Vice-chairman of the Association of North-east Asia
 2017-2019 Advisory member of the Presidential Advisory Committee for the Peaceful Unification Advisory Council

Park Ansoon

Date of Birth January 24, 1945
Current Position Chairman, Taisei Group Co., Ltd.
Education B.A. in Philosophy, Waseda University

Main Work Experience

2010-Current Chairman, Taisei Group Co., Ltd.
 2018-Current Chairman, the Korean Residents Union in Japan
 2012-2018 Vice Chairman, the Korean Residents Union in Japan

BOARD OF DIRECTORS (continued)

Bae Hoon

Date of Birth March 30, 1953
Current Position Representative Attorney,
Orbis Legal Profession Corporation
Education MBA, Kobe University Graduate School
B.A in Economics, Kyoto University
Main Work Experience
2003-Current Representative Attorney,
Orbis Legal Profession Corporation
2006-2012 Director, LAZAK
(Lawyers Association of Zainichi Korea)
2002-2006 Co-representative Attorney, LAZAK
(Lawyers Association of Zainichi Korea)

Byeon Yang-ho

Date of Birth July 30, 1954
Current Position Company Advisor, VIG Partners
Education Ph.D. in Economics, Northern Illinois University
M.A in Economics, Northern Illinois University
B.A in International Trade, Seoul National University
Main Work Experience
2016-Current Company Advisor, VIG Partners
2011-2015 Non-Executive Director, TongYang Life Insurance
2005 Founder of Korean 1st Private Equity Fund,
Vogo Fund
2004-2005 President, Korea Financial Intelligence Unit

Sung Jaeho

Date of Birth March 18, 1960
Current Position Professor, Sungkyunkwan University School of Law
Education Ph.D. in Law, Sungkyunkwan University
Masters in Law, Sungkyunkwan University
Bachelor of Laws, Sungkyunkwan University
Main Work Experience
1994-Current Professor, Sungkyunkwan University School of Law
2018-2019 Independent Director, NICE Holdings
2015-2019 Independent Director, Shinhan Card
2015 Chairman, Korea Council of International Law

Yoon Jaewon

Date of Birth August 29, 1970
Current Position Professor, College of Business Administration,
Hongik University
Education Ph.D. in Accounting, Korea University
Main Work Experience
2004-Current Professor, College of Business Administration,
Hongik University
2017-Current Member, Committee on Development Tax System,
Ministry of Economy and Finance
2017-Current Member, Committee on National Accounting policy,
Ministry of Economy and Finance
2013-2019 Non-executive Judge, Tax Tribunal

Lee Yong Guk

Date of Birth May 11, 1964
Current Position Clinical Professor, Seoul National University,
School of Law
Education J.D., Harvard University Law School
B.A. Princeton University, Woodrow Wilson School
of Public and International Affairs
Main Work Experience
2020-Current Clinical Professor, Seoul National University,
School of Law
1992-2019 Attorney, Cleary Gottlieb Steen & Hamilton LLP.
2014-2019 Director, Foreign Law Firm Association

Jin Hyun-duk

Date of Birth September 10, 1955
Current Position CEO, PHOEDRA Co., Ltd.
Education MBA, Keio Business School
Main Work Experience
1988-Current CEO, PHOEDRA Co., Ltd.
Current Councilor, The Korea Educational Foundation
2014-Current Visiting Professor, Business administration,
Sakushin-gakuin University, Japan
2014-Current Visiting Professor, Engineering,
Utsunomiya University, Graduate School, Japan

BOARD OF DIRECTORS (continued)

Choi Jae Boong

Date of Birth February 18, 1965
Current Position Professor, Sungkyunkwan University,
College of Engineering
Education Ph.D. in Mechanical Engineering,
University of Waterloo
M.A. in Mechanical Engineering,
University of Waterloo
B.A. in Mechanical Engineering,
Sungkyunkwan University

Main Work Experience

2009–Current Professor, Sungkyunkwan University,
College of Engineering
2019–Current Director, Sungkyunkwan University,
Human-centered Convergence Design Project
(BK21+)
2018–2019 Policy Advisor, Innovative Growth Committee,
Ministry of Strategy and Finance
2014–2021 Independent Director, E-mart

Huh Yong-hak

Date of Birth September 10, 1958
Current Position CEO, First Bridge Strategy Ltd.
Education M.S. in International Affairs, Columbia University

Main Work Experience

2015–Current CEO, First Bridge Strategy Ltd.
2008–2014 CIO of Alternative Investment,
Hong Kong Monetary Authority
2004–2008 Executive Director of Asia Investment Banking
Division, HSBC
2003–2004 Managing Director, Olympus Capital Investment

EXECUTIVE DIRECTOR

Cho Yong-byoung

Date of Birth June 30, 1957
Current Position CEO, Shinhan Financial Group
Education B.A. in Law, Korea University

Main Work Experience

2017–Current CEO, Shinhan Financial Group
2015–2017 President & CEO, Shinhan Bank
2013–2015 CEO, Shinhan BNP Paribas Asset Management
2011–2013 Deputy President, Shinhan Bank

NON-EXECUTIVE DIRECTOR

Jin Ok-dong

Date of Birth February 21, 1961
Current Position President & CEO, Shinhan Bank
Education MBA, Chung Ang University

Main Work Experience

2018–Current President & CEO, Shinhan Bank
2017–2018 Deputy President, Shinhan Financial Group
2017 Deputy President, Shinhan Bank
2015–2016 CEO, Shinhan Bank Japan

MANAGEMENT

EXECUTIVE MANAGEMENT TEAM

Cho Yong-byoung

Date of Birth June 30, 1957

Current Position Chief Executive Officer (CEO),
Shinhan Financial Group

Education B.A. in Law, Korea University

Main Work Experience

2017-Current CEO, Shinhan Financial Group

2015-2017 President & CEO, Shinhan Bank

2013-2015 CEO, Shinhan BNP Paribas Asset Management

2011-2013 Deputy President, Shinhan Bank

Heo Young Taeg

Date of Birth August 13, 1961

Current Position Deputy President & Chief Management Officer (CMO),
Shinhan Financial Group

Education B.A. in Business Administration, Korea University

Main Work Experience

2021-Current Deputy President & CMO, Shinhan Financial Group

2019-2020 CEO, Shinhan Capital

2016-2018 Head of Global Business, Shinhan Bank

Jang Dong-ki

Date of Birth January 2, 1964

Current Position Deputy President & Head of Global Markets and
Securities (GMS), Shinhan Financial Group

Education B.A. in Economics, Seoul National University

Main Work Experience

2019-Current Deputy President & Head of GMS,
Shinhan Financial Group

2018-2019 Deputy President & CFO, Shinhan Financial Group

An Hyo Ryul

Date of Birth May 26, 1965
Current Position Deputy President & Head of Wealth Management (WM), Shinhan Financial Group
Education B.A. in Business Administration, Korea University
Main Work Experience
 2021–Current Deputy President & Head of WM, Shinhan Financial Group
 2020–2021 Executive Director & Head of Retirement Pension, Shinhan Financial Group
 2018–2020 Head of Management Planning and Consumer Protection, Shinhan Bank

Wang Ho-min

Date of Birth March 4, 1964
Current Position Deputy President & Chief Compliance Officer (CCO), Shinhan Financial Group
Education B.A. in Law, Hankuk University of Foreign Studies
Main Work Experience
 2019–Current Executive Director & CCO, Shinhan Financial Group
 2017–2019 General Manager of Jamsil-nam Branch, Shinhan Bank

Ahn Jun Sik

Date of Birth May 1, 1965
Current Position Deputy President & Chief Public Relation Officer (CPRO), Shinhan Financial Group
Education B.A. in Economics, Pusan National University
Main Work Experience
 2021–Current Deputy President & CPRO, Shinhan Financial Group
 2019–2020 Head of Seocho Division, Shinhan Bank

Lee Young Jong

Date of Birth February 7, 1966
Current Position Deputy President & Head of Retirement Pension, Shinhan Financial Group
Education B.A. in Business Administration, Seoul National University
Main Work Experience
 2022–Current Deputy President & Head of Retirement Pension, Shinhan Financial Group
 2021–2022 Chief Strategic Officer (CSO), Shinhan Life Insurance
 2019–2021 Deputy President, OrangeLife Insurance

Lee Een-Kyoon

Date of Birth April 1, 1967
Current Position Deputy President & Chief Operation Officer (COO), Shinhan Financial Group
Education B.A. in English Literature, Hanyang University
Main Work Experience
 2019–Current Executive Director & COO, Shinhan Financial Group
 2017–2019 Head of Management Support Team, Shinhan Financial Group

Jung Keun Soo

Date of Birth April 11, 1966
Current Position Deputy President & Head of Group and Global Investment Banking (GIB), Shinhan Financial Group
Education B.A. in Chinese Language & Literature, Korea University
Main Work Experience
 2021–Current Deputy President & Head of GIB, Shinhan Financial Group
 2019–2020 Managing Director, Investment & Finance Division, Shinhan Bank

Kim Soung Jo

Date of Birth January 18, 1967

Current Position Deputy President, Shinhan Financial Group

Education B.A. in Economics, Seoul National University

Main Work Experience

2021–Current Deputy President and Head of Audit Shinhan Financial Group

2018–2020 Head of Audit Team, Shinhan Financial Group

Bang Dong Kwon

Date of Birth February 10, 1966

Current Position Deputy President & Chief Risk Officer (CRO), Shinhan Financial Group

Education B.A. in English Literature, Sungkyunkwan University

Main Work Experience

2020–Current Deputy President & CRO, Shinhan Financial Group

2019–2020 General Manager, Risk Management Department, Shinhan Bank

Seo Seung Hyeon

Date of Birth March 4, 1967

Current Position Deputy President & Head of Global Business, Shinhan Financial Group

Education M.A. in Economics, Korea University
B.A. in Agricultural Economics, Korea University

Main Work Experience

2022–Current Deputy President & Head of Global Business, Shinhan Financial Group

2020–2021 Head of Global Business Division, Shinhan Bank

2018–2020 General Manager, Shinhan Bank London Branch

Lee Taekyung

Date of Birth May 30, 1966

Current Position Deputy President & Chief Financial Officer (CFO), Shinhan Financial Group

Education B.A. in Economics, Seoul National University

Main Work Experience

2022–Current Deputy President & CFO, Shinhan Financial Group

2021–2022 CEO, Shinhan Bank Vietnam

2019–2021 CEO, Shinhan Bank Cambodia

Kim Myoung Hee

Date of Birth January 16, 1968

Current Position Deputy President and Chief Digital Officer (CDO), Shinhan Financial Group

Education Ph. D. in Knowledge Consulting, Dankook University
M.A. in Management Information System (MIS), Sogang University

B.A. in Management Science, KAIST

Main Work Experience

2022–Current Deputy President and CDO, Shinhan Financial Group

2020–2021 CEO, Hancor MDS Inc.

2013–2017 Senior Vice President and Head of Solutions consulting and IoT Solutions Division, SK Telecom

2010–2013 Executive Director and Head of Service Management & Infra Technology Services, IBM Korea Inc.

Koh Seogheon

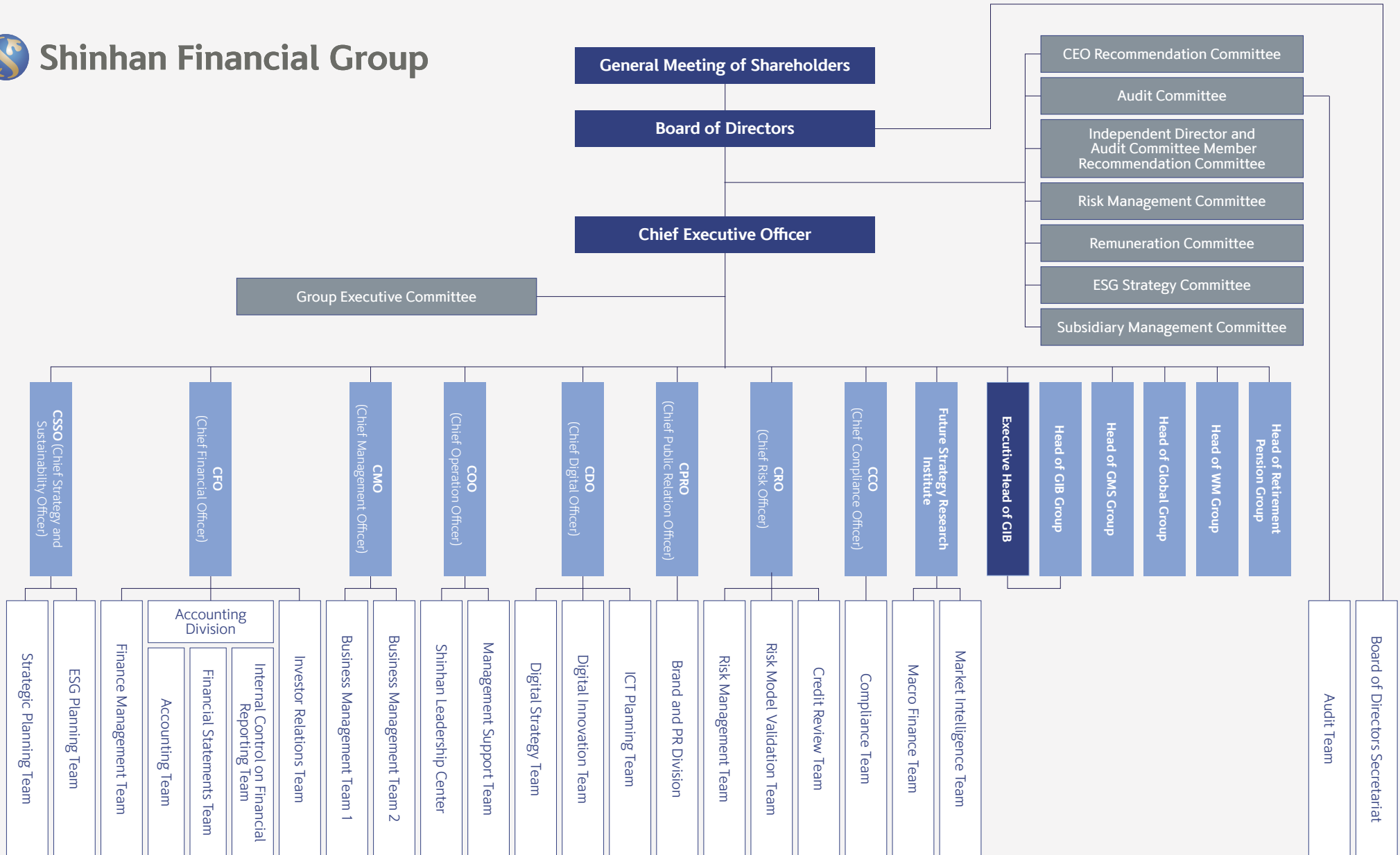
Date of Birth September 27, 1968
Current Position Executive Director & Chief Strategy and Sustainability Officer (CSSO), Shinhan Financial Group
Education Bachelor of Economics, Seoul National University
Main Work Experience
2022–Current Executive Director & CSSO, Shinhan Financial Group
2020–2021 Head of Business Management Division, Shinhan Financial Group
2019–2020 Head of Strategic Planning Team, Shinhan Financial Group

Kim Tae Youn

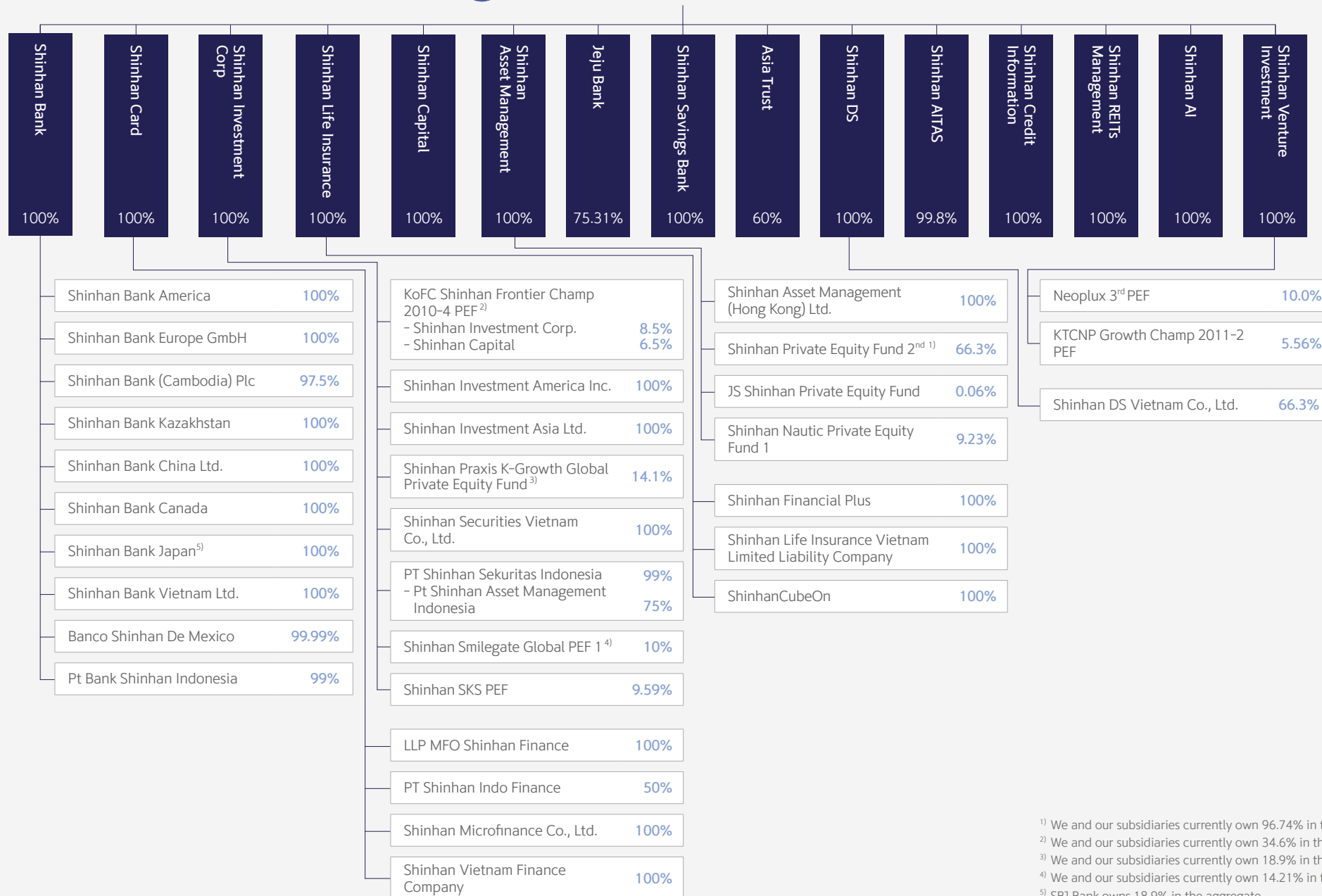
Date of Birth July 7, 1968
Current Position Executive Director & Head of Accounting Division, Shinhan Financial Group
Education B.A. in Economics, Yonsei University
Main Work Experience
2022–Current Executive Director & Head of Accounting Division, Shinhan Financial Group
2017–2021 Managing Director, head of Finance Management Team, Shinhan Financial Group
2009–2017 Deputy General Manager of Finance Management Team, Shinhan Financial Group

Lee Keon Hyok

Date of Birth July 17, 1963
Current Position Head of Future Strategy Research Institute, Shinhan Financial Group
Education M.A. and Ph. D. in Economics, London School of Economics (LSE)
Main Work Experience
2020–Current Head of Future Strategy Research Institute, Shinhan Financial Group
2018–2019 Senior Advisor, Kim & Chang Law Firm
2016–2018 Vice President, Samsung Economic Research Institute



Shinhan Financial Group



¹⁾ We and our subsidiaries currently own 96.74% in the aggregate.

²⁾ We and our subsidiaries currently own 34.6% in the aggregate.

³⁾ We and our subsidiaries currently own 18.9% in the aggregate.

⁴⁾ We and our subsidiaries currently own 14.21% in the aggregate.

⁵⁾ SBJ Bank owns 18.9% in the aggregate.

SHINHAN BANK

| Country | Name | Telephone | Address |
|-------------|---|------------------|--|
| Japan | Shinhan Bank Japan | +81-3-6403-0505 | The Mita Bellju Building 5F, 108-0014 5-36-7 Shiba, Minato-ku, Tokyo, Japan |
| China | Shinhan Bank (China) | +86-10-8529-0088 | 12th Fl. Zhongyu Plaza No.6, Workers' Stadium Road N., Chaoyang District, Beijing 100027, China |
| Vietnam | Shinhan Bank Vietnam | +84-8-3829-1581 | Ground Floor, Mezzanine, 2nd & 3rd floor, Empress Tower, 138 – 142 Hai Ba Trung, Dakao Ward, District 1, Ho Chi Minh City, Vietnam |
| USA | Shinhan Bank America | +1-646-843-7300 | 475 Park Ave South 4th(5th) FL New York, NY 10016 |
| Indonesia | PT Bank Shinhan Indonesia | +62-21-2975-1500 | International Financial Centre Tower 2, Ground floor, Mezzanine, 30th and 31st floor, Jl. Jenderal Sudirman Kav.22-23 South Jakarta, Indonesia |
| Germany | Shinhan Bank Europe GmbH | +49-69-975-7130 | An der Welle 7, 60322 Frankfurt am Main, Germany |
| Canada | Shinhan Bank Canada | +1-416-250-3500 | 5140 Yonge Street Suite 2300 Toronto, Ontario, M2N6L7, Canada |
| Cambodia | Shinhan Bank (Cambodia) Plc | +855-23-971-100 | No.79 Kampuchea Krom, Sangkat Mororom, Khan 7 Makara, Phnom Penh, Cambodia |
| Kazakhstan | Shinhan Bank Kazakhstan | +7-727-356-9620 | 38 Dostyk ave. Almaty, 050010, Kazakhstan |
| Mexico | Banco Shinhan de Mexico | +52-55-6722-8000 | Av. Paseo de la Reforma 250, Reforma Capital Torre B Cuauhtemoc, Juarez, 06600, Mexico D.F., Mexico |
| Hong Kong | Hong Kong Branch | +852-2867-0100 | Unit 7703, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong |
| USA | New York Branch | +1-212-371-8000 | 600 3rd Ave, 17th Floor, New York, NY10016, USA |
| UK | London Branch | +44-207-600-0606 | 6th Floor, 77 Gracechurch Street, London, EC3V 0AS. UK |
| Singapore | Singapore Branch | +65-6536-1144 | 1 George St. #15-03, Singapore 049145 |
| India | Mumbai Branch | +91-22-6199-2000 | Unit No 1, Peninsula Tower 1, Peninsula Corporate Park, G K Marg, Lower Parel, Mumbai, 400013, India |
| India | New Delhi Branch | +91-11-4500-4800 | 2nd & 3rd Floor, D-5, South Extension, Part-2, New Delhi |
| India | Kancheepuram Branch | +91-44-2714-3500 | Survey No:69/4A1 B No.101A, Bangalore Highway Road, Thandalam Village, Kancheepuram, Tamilnadu, India 602105 |
| India | Pune Branch | +91-20-3086-4800 | Ground Floor, Red Building. Plot No.2, Galaxy Society, Boat Club Road, Pune, Maharashtra, India 411001 |
| India | Ahmedabad Branch | +91-79-7117-0400 | FF2&FF3, 1st Floor, Shapath V Building, Opp. Karnavati Club, S.G.Highway, Ahmedabad, Gujarat, India 380015 |
| India | Ranga Reddy Branch | +91-40-6635-2000 | SLN Terminus, 1st Floor, Survey No 133, Gachibowli, Serilingampally, Mandal, Ranga Reddy District, Telangana State, India 500032 |
| Myanmar | Yangon Branch | +95-1-9345-170 | No.192, 10th Floor, Myanmar Centre Tower 1, Kabaraye Pagoda Road, Bahan Township, Yangon, Myanmar |
| Australia | Sydney Branch | +61-2-9224-7901 | Level 25, 52 Martin Place, Sydney, NSW 2000, Australia |
| Philippines | Manila Branch | +63-2-405-6300 | 21st Floor, RCBC Savings Bank Corporate Center (RSBCC), 26th & 25th Street, Bonifacio South, Bonifacio Global City, Taguig City, Manila, Philippines |
| UAE | Dubai Branch | +971-4-551-2820 | S1204, Emirates Financial Tower, DIFC, P.O. Box 507001, Dubai, UAE |
| Uzbekistan | Shinhan Bank Uzbekistan Representative Office | +998-71-150-1184 | Neworld Bldg. 3rd Fl., Oybek St. 22 Tashkent, Uzbekistan 100015 |
| Hungary | Shinhan Bank Hungary Representative Office | +36-30-969-5829 | 1117 Budapest, Irinyi Jozsef utca 4-20, 225/1, Hungary |

SHINHAN CARD

| Country | Name | Telephone | Address |
|------------|--|------------------|---|
| Indonesia | PT Shinhan Indo Finance | +62-21-857+9095 | Wisma Indomobil 1, 10th Floor, Jl. Letjen M.T. Haryono Kav. 8, Jakarta 13330, Indonesia |
| Kazakhstan | LLP MFO Shinhan Finance | +7-727-355-2550 | 2nd Floor, 48 Auezov street, Almaty, Kazakhstan |
| Myanmar | Shinhan Microfinance Co., Ltd. | +95-94-5296-7837 | No.206, Thiri Mingalar Street, East Ywama, Insein Township, Yangon, Myanmar |
| Vietnam | Shinhan Vietnam Finance Limited (SVFC) | +84-1900-5454 49 | Units 2301-06 & 2311 23F, Saigon Trade Center, No. 37 Ton Duc Thang Street, Ben Nghe, District 1, Ho Chi Minh City, Vietnam |
| Myanmar | Shinhancard Co., LTD (Representative Office) | +95-9251890332 | Level 3, Business Suite 03-08, No.1, Kaba Aye Pagoda Road Ward, Yankin Township, Yangon, Myanmar |

SHINHAN INVESTMENT

| Country | Name | Telephone | Address |
|-----------|---|------------------|---|
| Indonesia | PT. Shinhan Sekuritas Indonesia | +62-21-8086-9900 | Equity Tower, 50th Floor, Jl. Jend. Sudirman No. Kav. 52-53, South Jakarta 12190, Indonesia |
| Hong Kong | Shinhan Investment Asia Ltd. | +852-3713-5301 | Units 7705A, Level 77 International Commerce Center (ICC), 1 Austin Road West, Kowloon, Hong Kong |
| Vietnam | Shinhan Securities Vietnam Co., Ltd. | +84-28-6299-8000 | 22nd floor, Centec Tower, 72-74 Nguyen Thi Minh Khai, Phuong 6, District 3, Ho Chi Minh City, Vietnam |
| USA | Shinhan Investment America Inc. | +1-212-397-4000 | 1325 Avenue of the Americas #2002A, New York, NY 10019, USA |
| China | Shinhan Investment Shanghai Representative Office | +86-21-6194-6624 | #3222, 32/F, One Lujiazui, 68 Yin Cheng Road, Pudong, Shanghai, China |
| Vietnam | Shinhan Investment Ho-Chi-Minh City Representative Office | +84-28-6287-8034 | 22nd Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai, Phuong 6, District 3, Ho Chi Minh City, Vietnam |
| Indonesia | Shinhan Asset Management Indonesia | +62 21 3100078 | Equity Tower, 50th Floor, Jl. Jend. Sudirman No. Kav. 52-53, South Jakarta 12190, Indonesia |

SHINHAN LIFE INSURANCE

| Country | Name | Telephone | Address |
|---------|---|------------------|--|
| Vietnam | Shinhan Life Insurance Vietnam Limited Liability Company (SHLV) | +84-28-7300-9920 | 20th Floor, Friendship Tower, 31 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam |
| UK | Shinhan Life Insurance London Office | +44-7494-712945 | Level 30, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB, UK |

SHINHAN ASSET MANAGEMENT

| Country | Name | Telephone | Address |
|-----------|--|----------------|--|
| Hong Kong | Shinhan Asset Management (HK) Ltd. | +852-2525-9110 | Unit 7702B, Level 77, International Commerce Centre, 1 Austin Road West Kowloon, Hong Kong |

SHINHAN DS

| Country | Name | Telephone | Address |
|-----------|--|-------------------|---|
| Vietnam | Shinhan DS Vietnam Company Limited | +84-28-3823-7255 | Room 201, 2nd Floor, Center Tower, 72-74 Nguyen Thi Minh Khai, Ward 6, District 3, Ho Chi Minh City, Vietnam |
| Indonesia | Shinhan DS Indonesia Office | +62-813-1532-3465 | Gedung Equity Tower Lantai 8 Unit B Sudirman Central Business District (SCBD) lot 9, Jalan Jenderal Sudirman Kav. 52-53 Kelurahan Senayan, kecamatan Kebayoran Baru, Jakarta Selatan 12190, Indonesia |

