

Aim Higher and Creatively Pioneering Ahead

Shinhan Financial Group

FY2019



RESILIENCE



FUNDAMENTAL



SUSTAINABILITY



HUMAN-TALENT



ECO-SYSTEM



CONTENTS

01 Shinhan Financial Group

- 1-01 Overview
- 1-02 Vision, Strategy, Core Capability
- 1-03 2020 S·M·A·R·T Project
- 1-04 Sustainable Management

02 Companies in the Group

- 2-01 Shinhan Bank
- 2-02 Shinhan Card
- 2-03 Shinhan Investment
- 2-04 Shinhan Life
- 2-05 OrangeLife
- 2-06 Shinhan Capital
- 2-07 Shinhan BNP Paribas AM
- 2-08 Jeju Bank
- 2-09 Shinhan Savings Bank
- 2-10 Asia Trust
- 2-11 Shinhan DS
- 2-12 Shinhan AITAS
- 2-13 Shinhan Credit Info.
- 2-14 Shinhan Alternative Inv.
- 2-15 Shinhan REITs Mgmt.
- 2-16 Shinhan AI

01

Shinhan Financial Group

1-01 Overview

1-02 Vision, Strategy, Core Capability

1-03 2020 S·M·A·R·T Project

1-04 Sustainable Management



Korea's Leading Financial Institution

Sustainable Net Income growth driven by solid core earnings and consistent ROE enhancing business strategy



Global Expansion and Diversification

Establishing a foundation for the sustainable growth through steady and consistent global expansion and business diversification



Thorough Risk Management

Maintaining sound asset qualities through preemptive and proactive risk management



Focused on Creating Customer and Shareholder Value

Implementing the "Compassionate Finance" to build a virtuous cycle of shared prosperity for the company and society

Shinhan Financial Group

(as of FY2019)

Net Income

3.40 Wtn

Total Assets
(Consolidated)

552 Wtn

Total Market Cap.

20.6 Wtn

ROA

0.70 %

ROE

9.41 %

of Employees

30 thousand

- 16 direct subsidiaries, 27 indirect subsidiaries
- Major Shareholders (Common Shares)
 - Korea National Pension Service 9.92%
 - BlackRock Fund Advisors 6.13%¹⁾
 - SFG ESOP 5.11%
 - BNP Paribas 3.55%
 - Citi Bank [ADR Dept.] 2.80%

1) Based on the Large equity ownership disclosure by BlackRock Fund Advisors with the Financial Supervisory Service on Sep. 27, 2018

Well-diversified Business Portfolio

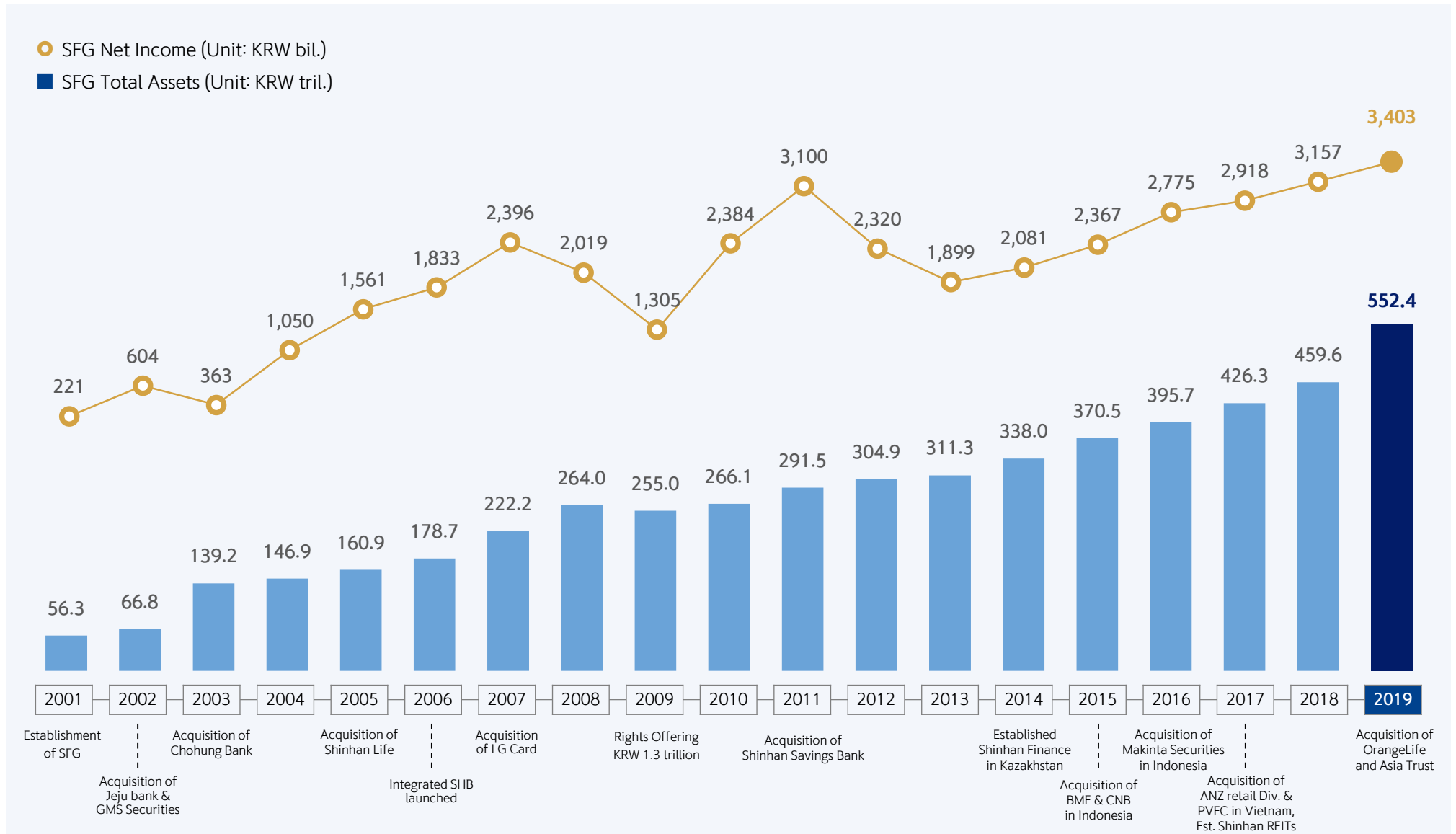


Top 500 Banking Brand

Ranking	Company	Country
1	ICBC	China
5	Wells Fargo	US
10	JP Morgan	US
36	DBS Group	Singapore
47	Mizuho Financial Group	Japan
63	Shinhan Financial Group	Korea

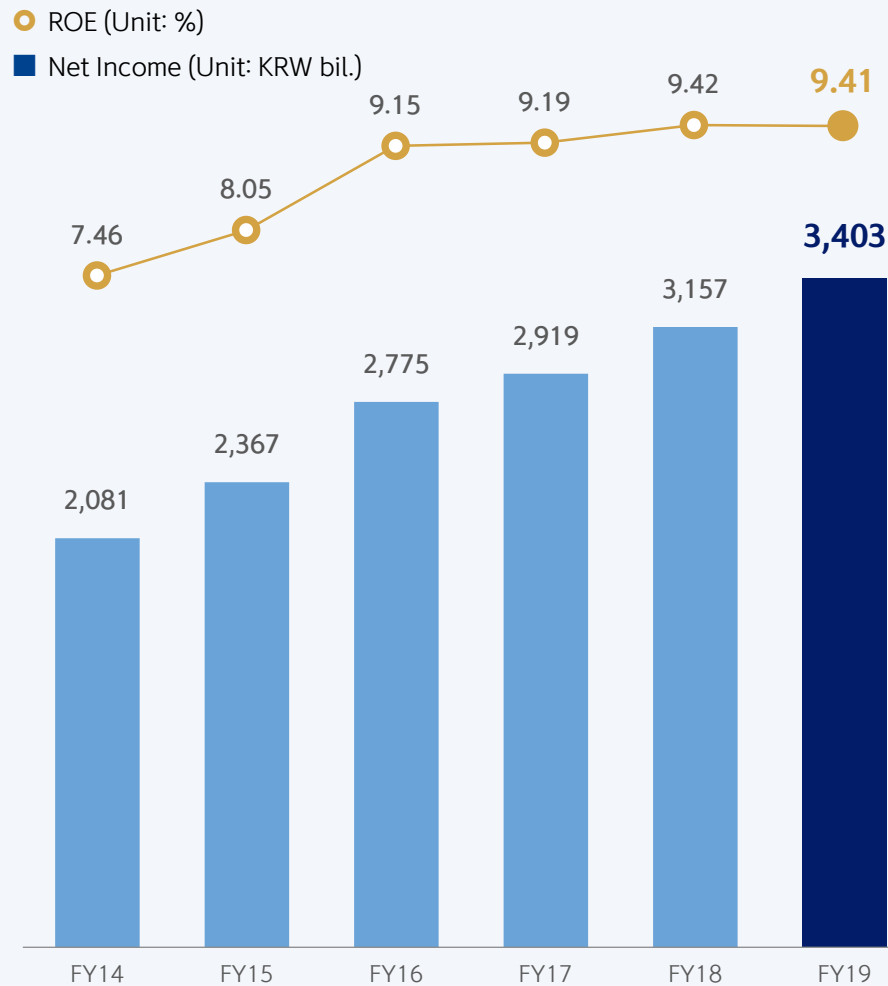
* Source: The Banker (Feb. 2020)

Continuous Growth Through Business Diversification



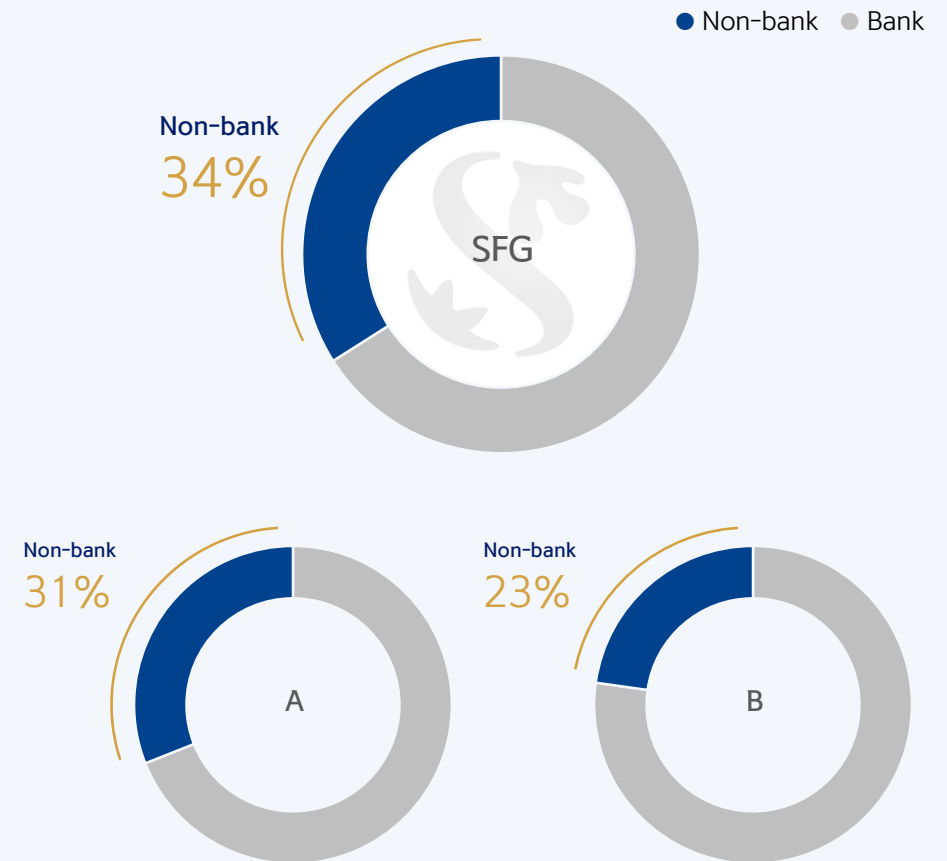
Performance and Portfolio

Consistent Net Income Growth



Diversified Profit Base

Net Income Contribution by Non-bank Subsidiaries (FY19)



SFG's Major Affiliates

Leading Financial Group in Korea



(as of DEC. 2019)

Shinhan Bank	Shinhan Card	Shinhan Investment	Shinhan Life	OrangeLife ²⁾	Shinhan Capital	Shinhan BNP Paribas AM	Jeju Bank
100%	100%	100%	100%	59.15%	100%	65%	75.31%
Top Commercial Bank in Korea	No.#1 Credit Card Company in Korea	Major Securities Firm in Korea	Life Insurance Co. with Strengths in Telemarketing	Highly Profitable Life Insurance Company	Specializes in facility leases & installment financing	Major Asset Management Firm in Korea	The Leading Local Bank in Jeju
Total Assets 477.3 Wtn.	Total Assets 32.9 Wtn.	Total Assets 73.6 Wtn.	Total Assets 34.1 Wtn.	Total Assets 32.8 Wtn.	Total Assets 7.6 Wtn.	Total Assets 50.5 Wtn.	Total Assets 6.4 Wtn.
Total Equity 26.1 Wtn.	Total Equity 6.2 Wtn.	Total Equity 4.2 Wtn.	Total Equity 2.1 Wtn.	Total Equity 3.2 Wtn.	Total Equity 953.9 Wbn.	Total Equity 164.5 Wbn.	Total Equity 497.7 Wbn.
Shinhan Savings Bank	Asia Trust ²⁾	Shinhan DS	Shinhan AITAS	Shinhan Credit Info.	Shinhan Alternative Invest.	Shinhan REITs	Shinhan AI
100%	60%	100%	99.8%	100%	100%	100%	100%
Major Savings Bank in Korea	Major Market Player in Real Estate Trust	Specialized IT Service Provider for Financial Corp.	No.# 1 Fund Service Company in Korea	Expertise in debt collection & credit research	Private Equity Fund & Alternative Investment	Real Estate Investment Management Firm	AI-based Investment Advisory Firm
Total Assets 1.6 Wtn.	Total Assets 36.6 Wtn.	Total Assets 89.1 Wbn.	Total Assets 71.1 Wbn.	Total Assets 25.3 Wbn.	Total Assets 4.1 Wtn.	Total Assets 1.1 Wtn.	Total Assets 42.4 Wbn.
Total Equity 184.6 Wbn.	Total Equity 128.9 Wbn.	Total Equity 21.2 Wbn.	Total Equity 66.1 Wbn.	Total Equity 15.2 Wbn.	Total Equity 12.0 Wbn.	Total Equity 40.2 Wbn.	Total Equity 40.7 Wbn.

1) Based on Consolidated Financial Statements, Trust A/C and AUM are included in Total Assets.

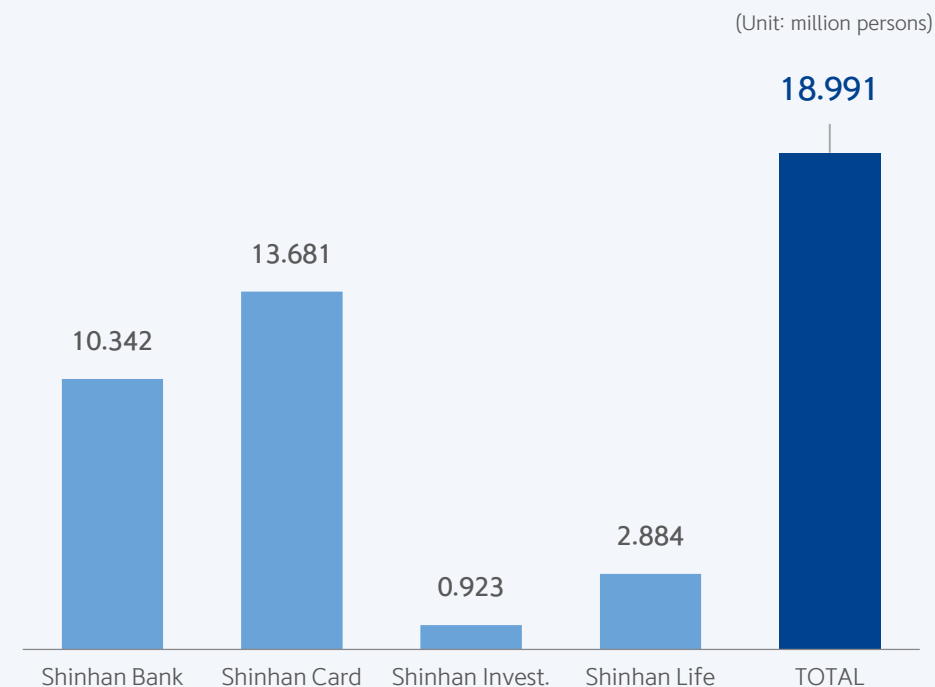
2) Orange Life Insurance joined SFG on Feb. 1. 2019, and Asia Trust joined SFG on May 2, 2019.

Customers and Networks

Customers

SFG serves **18.99 million*** active customers.

* Excluding overlapping customers (as of FY2019)



Branch Networks

Domestic

Company	# of Branches
Shinhan Bank	876
Shinhan Life	123
Shinhan Investment	125
OrangeLife	106
Shinhan Card	26
Jeju Bank/기타	108
TOTAL	1,362

Hybrid Branch

Company	# of Branches
PWM Center	28
PWM Lounge	31
Creative Finance Plaze	8
TOTAL	67

* As of end of 2019

01

Shinhan Financial Group

1-01 Overview

1-02 Vision, Strategy, Core Capability

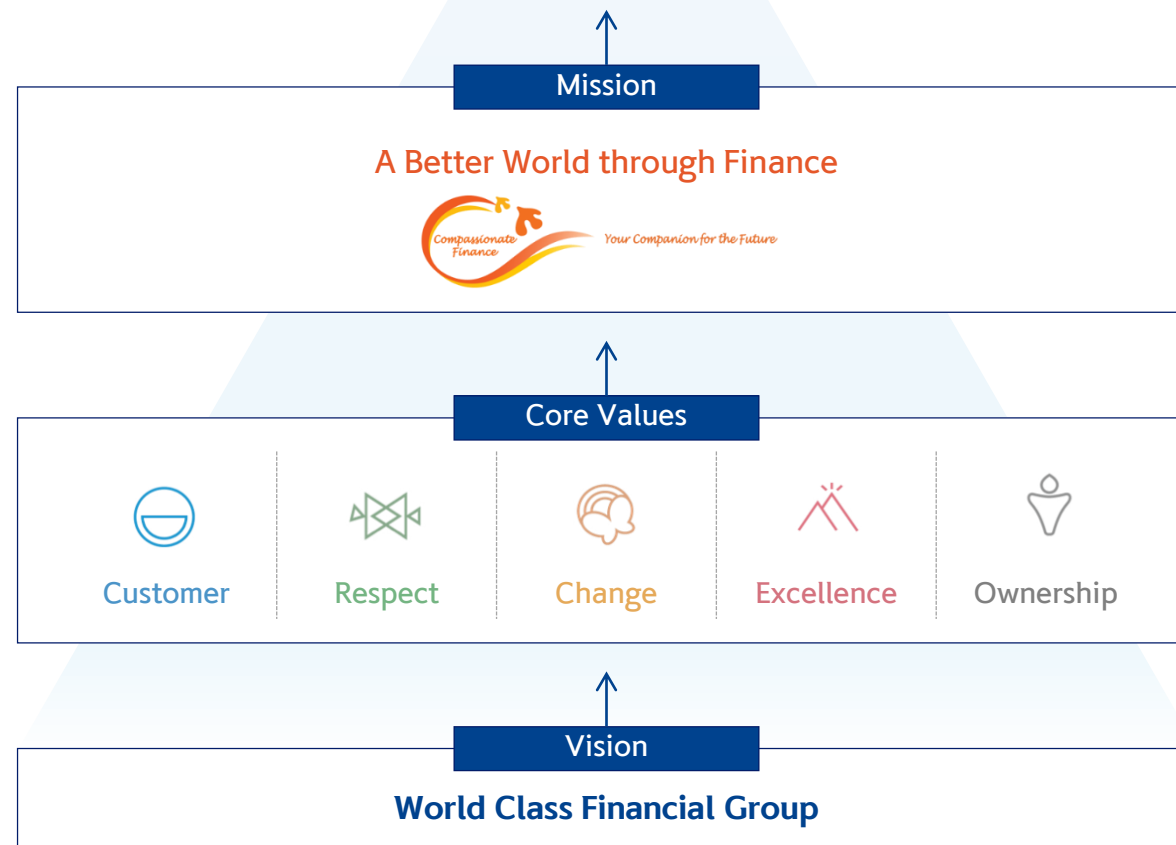
1-03 2020 S·M·A·R·T Project

1-04 Sustainable Management

Value Management System

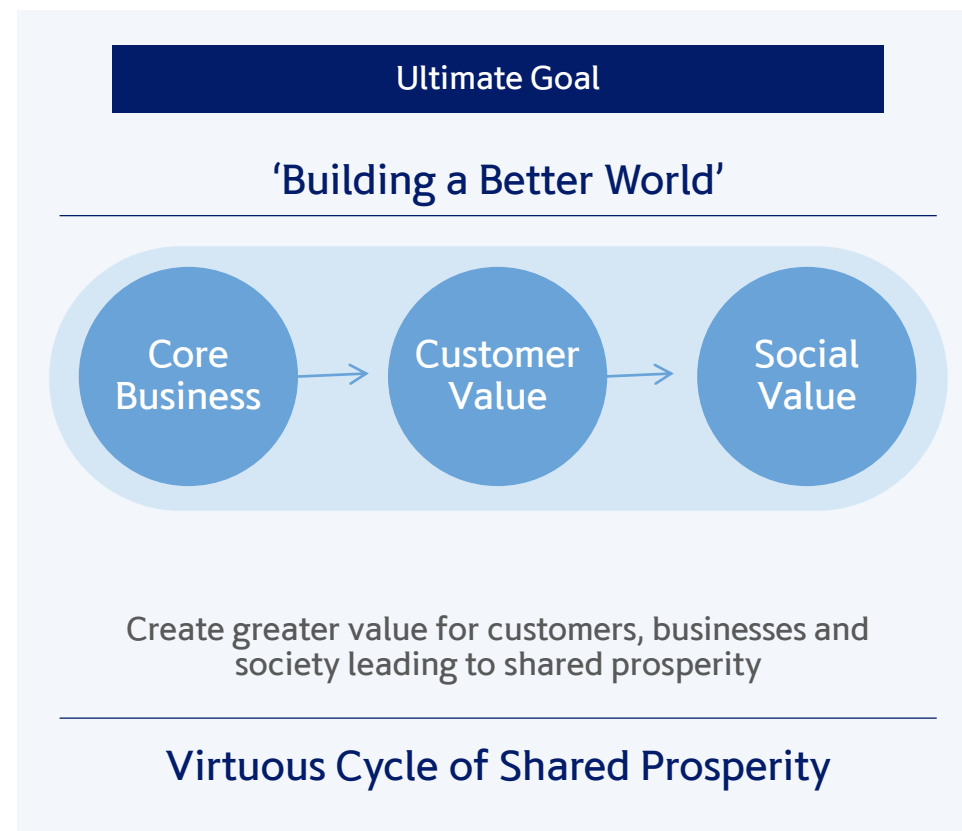
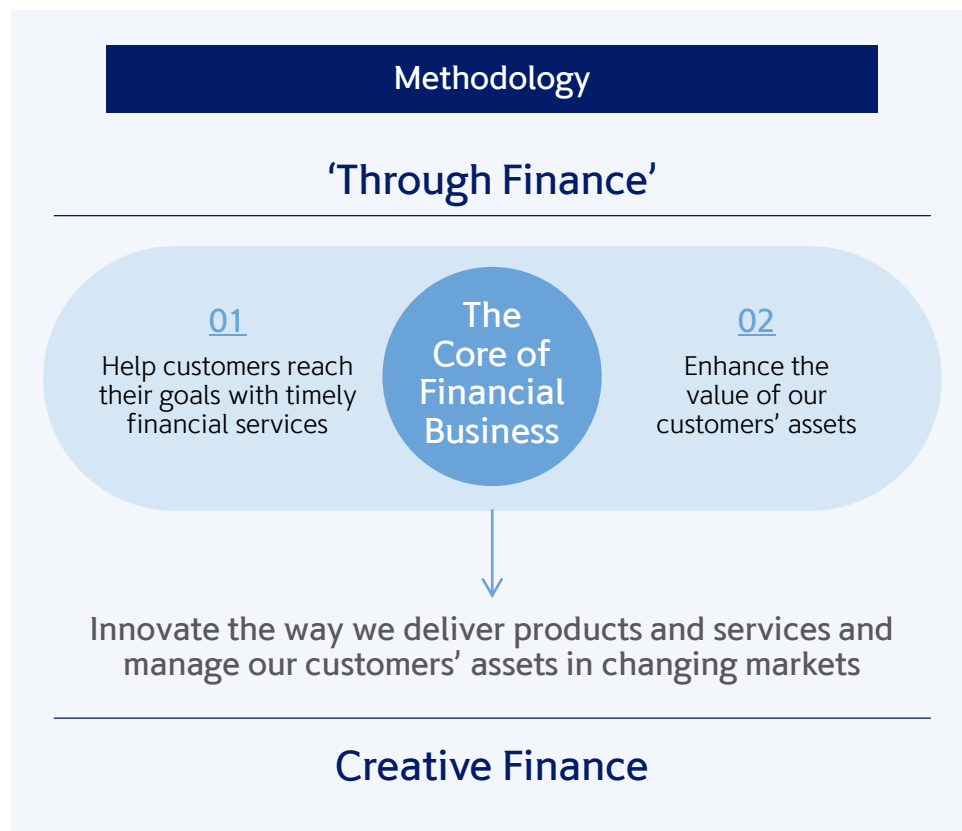
Shinhan WAY

“Shinhan WAY” is the value system and guiding principle for all Shinhan employees’ thoughts and actions.



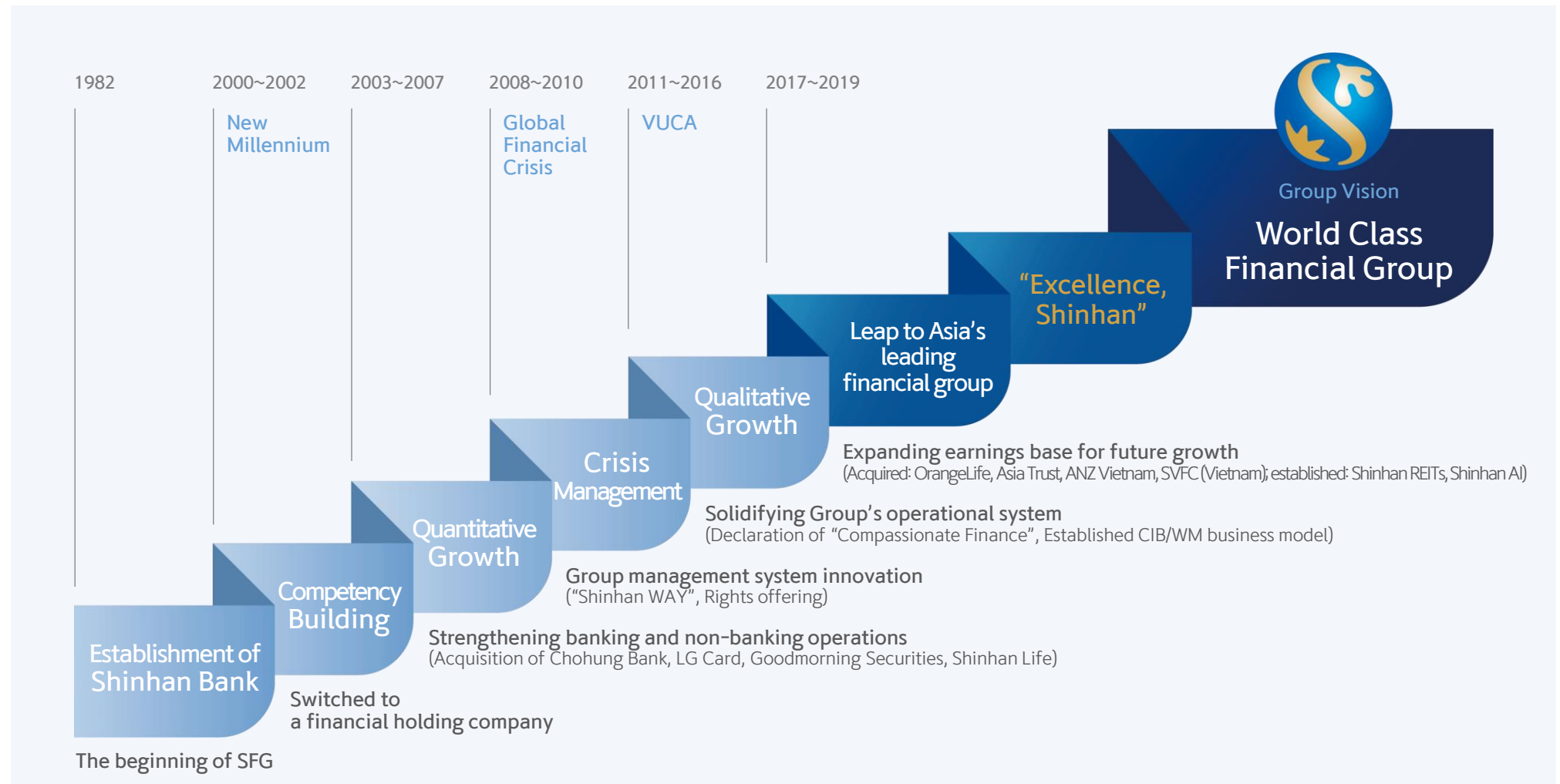
Compassionate Finance, Your Companion for Future

“Promote a virtuous cycle of shared prosperity with creative financial services”



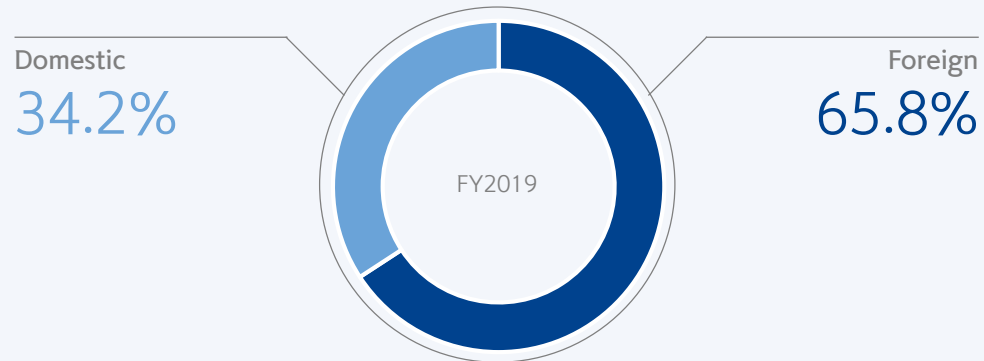
Shinhan's History & Vision

SFG will embody *“Excellence”* while it progress towards its vision, *“World Class Financial Group”*, through accumulated experiences and success in overcoming external headwinds.



Stable Corporate Governance

Shareholders



Major Shareholders

(as of FY2019)

Company	Ownership (%)
Korea National Pension Service	9.92
BlackRock Fund Advisors ¹⁾	6.13
SFG ESOP	5.11
BNP Paribas	3.55
Citibank N.A. (ADR dept.)	2.80
The Government of Singapore	2.54
Norges Bank Investment Management	1.84
Samsung Asset Management	1.75
Vanguard Total Int'l Stock Index	1.43
Peoples Bank of China	1.18

¹⁾ Based on the Large equity ownership disclosure by BlackRock Fund Advisors with the FSS on Sep. 27, 2018

CEO & Subsidiary Management



CHO Yong-byung

CEO, Shinhan Financial Group

Experiences

- 2015 CEO, Shinhan Bank
- 2013 CEO, Shinhan BNPP AM
- 2009 Deputy CEO, Shinhan Bank

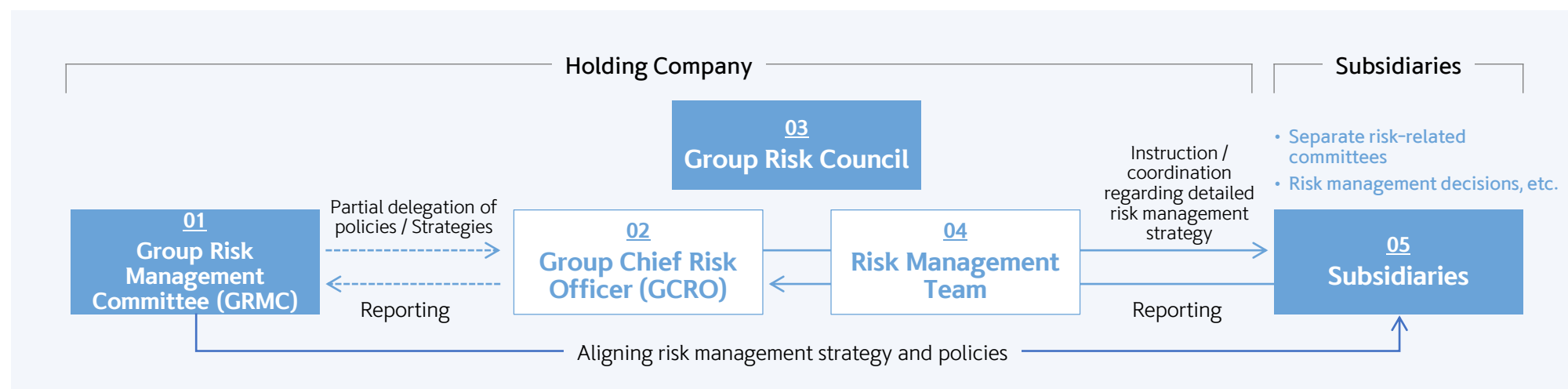
SFG Subsidiaries' CEOs (as of FY2019)

01. Shinhan Bank: JIN Ok-dong	09. Shinhan Savings Bank: KIM Young-pyo
02. Shinhan Card: LIM Young-jin	10. Asia Trust: BAE Il Geu
03. Shinhan Invest.: KIM Byeong Cheol	11. Shinhan DS: YU Dong Uk
04. Shinhan Life: SUNG Dai Gou	12. 신한아이타스: CHOI Byeong Wha
05. OrangeLife: CHEONG Munkuk	13. Shinhan Credit Info.: LEE Ki Jun
06. Shinhan BNPP AM: LEE Chang Goo	14. Shinhan Alternative Invest: KIM Hee-song
07. Shinhan Capital: HEO Young Taeg	15. Shinhan REITs: NAM Koong Hun
08. Jeju Bank: SEO Hyun-joo	16. Shinhan AI: BAE Jin Soo

Thorough Risk Management

The Group's risk management policies are established by the Risk Management Committee, comprised of directors appointed by the BOD, and the Group Risk Council, comprised of Group & Subsidiaries CROs, implements and monitors detailed strategies.

SFG Risk Management Structure



- 01**
- GRMC, a subcommittee under BOD, establishes and approves the Group's risk strategies (policies and limits)
 - Monitors and coordinates whether the Group's risk strategies are appropriate and whether they are properly followed

- 02**
- Supports the GRMC and reviews the results of monitoring of daily tasks / major issues conducted by the risk management team
 - Operates Group Risk Council for implementation of the Group's risk strategies and communication

- 03**
- Role: discusses details to the group's risk management issues
 - Members: Chief Risk Officers of the holding company and subsidiaries

- 04**
- Supports GRMC / Group Risk Council
 - Supports GCRO
 - monitoring, establishment of detailed risk strategies and coordination
 - Allocation of risk capital and limit management, Group risk monitoring

- 05**
- Implements the Group risk strategies
 - Establishes subsidiary-specific policies and strategies in line with the Group risk policies and limits
 - Reports major risk-related issues to the Group CRO

Differentiated Risk Management

To ensure the Group's sustainable growth, SFG pursues a balance of risk and return. SFG conducts integrated and proactive strategic risk management to respond to various business risks and regulations.

SFG Risk Framework

Mission

“Capture the Essence of Change to Promote Group's Balanced Growth.”

Distinctive Growth Methodology

- F** undamental
- R** esilience
- E** co-system
- S** ustainability
- H** uman-talent

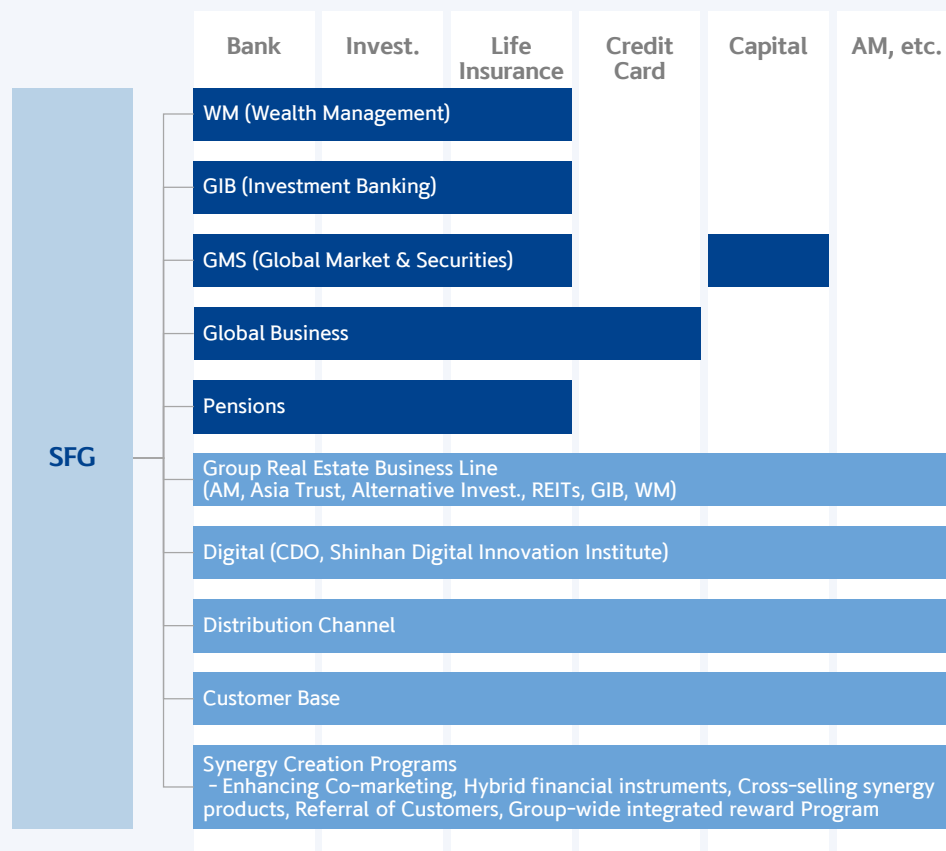
Mid-term Strategic Tasks

- | | |
|----------|--|
| F | 01 Sophistication of risk management on matrix-structured businesses |
| | 02 Effective risk management under Basel 3 standards |
| R | 03 Preemptive risk monitoring |
| | 04 Effective and solid capital management |
| | 05 Stronger risk management control |
| E | 06 Create a risk management ecosystem |
| S | 07 Sophistication of customer asset risk management |
| | 08 Detailed risk management on inclusive financings |
| | 09 Enhance Environment, Social Risk Management (ESRM) framework |
| H | 10 Foster risk management talents |

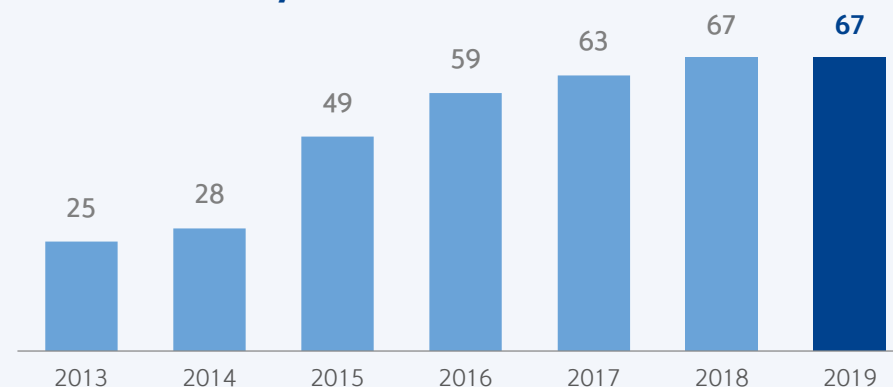
“One Shinhan” Strategy

‘One Shinhan’ strategy focuses on providing the very best products and services to clients by establishing Group-wide collaborative system under customer-centered business structure.

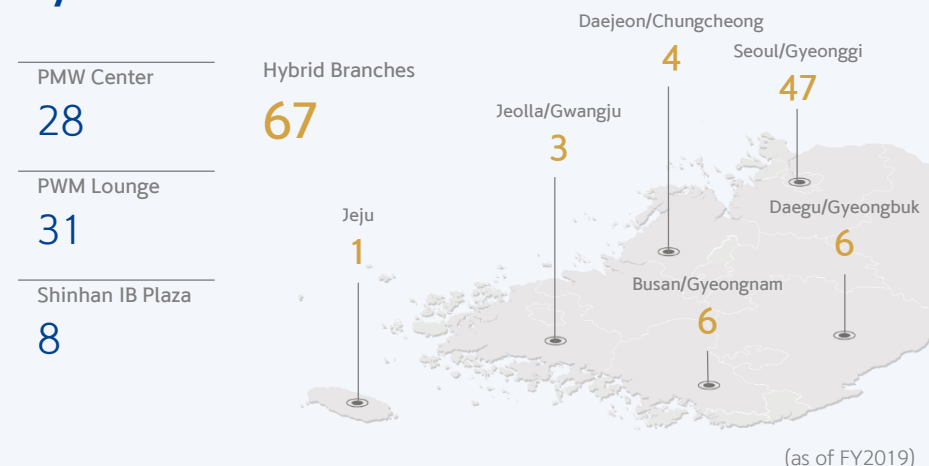
One Shinhan Business Model



Number of Hybrid Branches



Hybrid Branch Network



“One Shinhan” Strategy

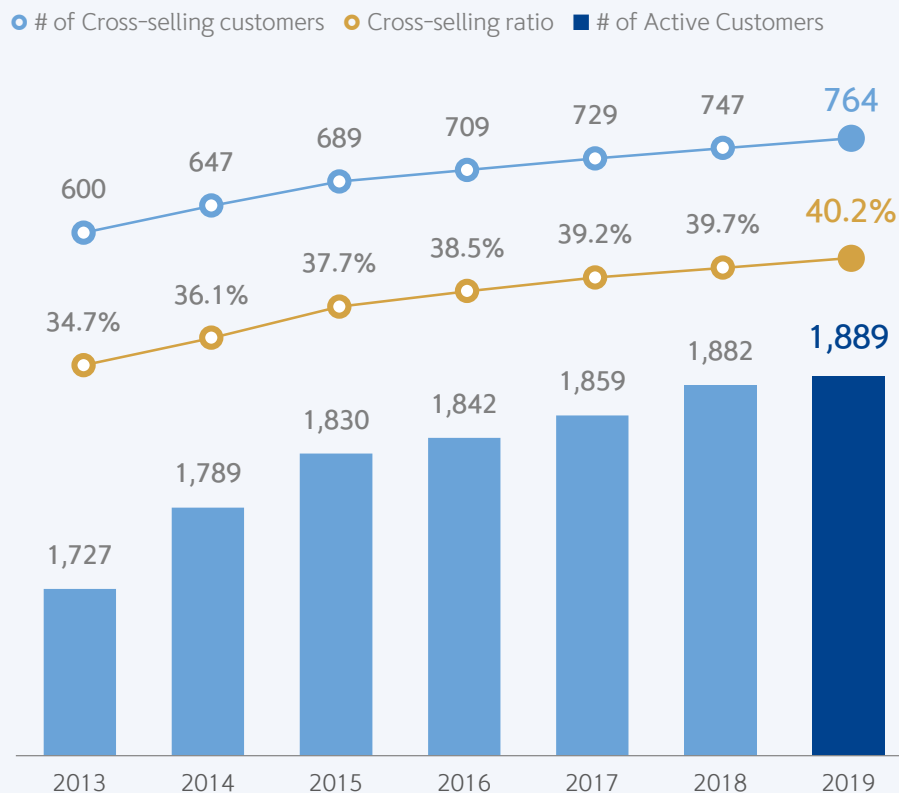
Group Synergy Business Model

[One Shinhan]

A strategy that brings together the products and services of all subsidiaries to provide customers with optimized financial solutions.

Increasing Active Customers

(Unit: 10 thousand persons)



Major Synergy Creating Platforms

Shinhan Plus, integrating Group membership reward programs

- Shinhan Plus, which combines Group-wide membership reward programs, was launched in July, 2018
- Number of users of Shinhan Plus exceeded 12.1 million (Dec. 31, 2019)

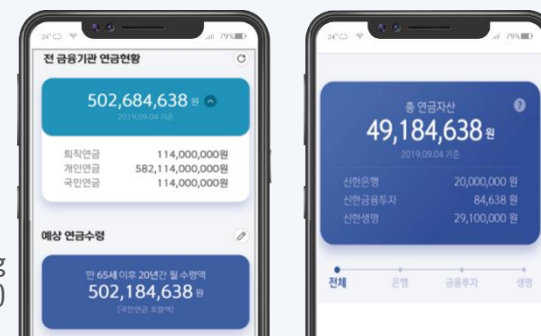
(millions)	2016	2017	2018	2019
# of users	4.92	7.35	9.62	12.13

- Open API-based “App in App” system allows users to subscribe to products offered by various SFG subsidiaries in one app.

Group Retirement Pension Platform

- SFG launched an integrated pension platform, on which users can view all of their pension accounts in different SFG subsidiaries, and easily monitor the return rates and balances of multiple pension accounts.

Smart Pension Madang
(Shinhan Plus)

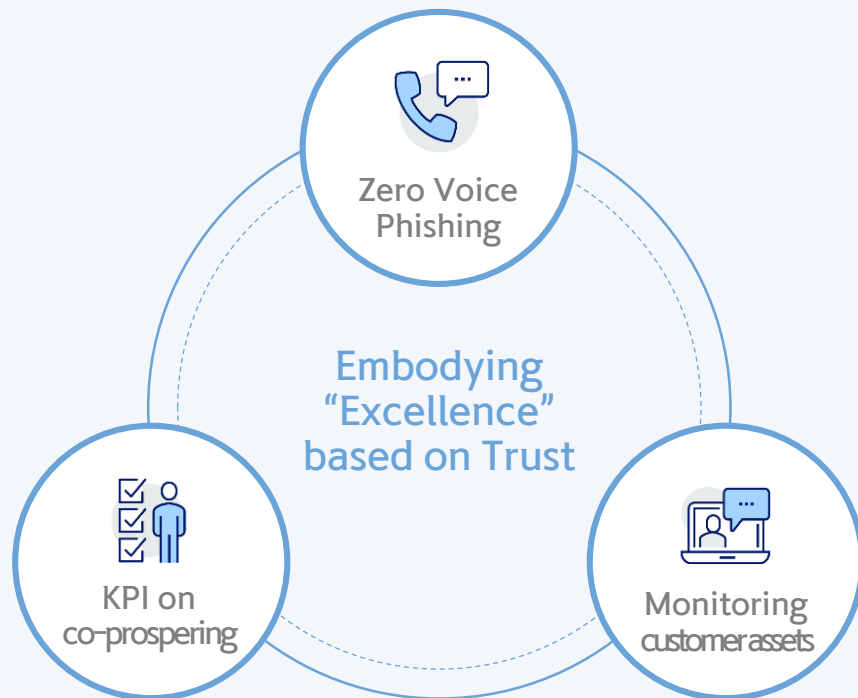


Customer First, Customer-centric

Embodying “Excellence” based on Trust

[Trust] The foremost path toward “Excellence, Shinhan”
– customer trust

Based on solid customer trust, we will pursue a virtuous cycle of trust that enhances the value of employees, share holders, and society.



Customer-centric business management

Group-wide Monitoring on Customer Assets

- Pursuing increase in returns for both the company and customers
- Monitoring and systematically managing customer assets (including customers of Shinhan Bank, Shinhan Investment, Shinhan Life, and OrangeLife) through a dash board system .
- Risk management and monitoring of customer assets are under different categories: by key market indices, by subsidiary, and by country

* Group risk management classifies and labels different levels of risk as follows: ● Normal ● Watch ● Alert ● Serious

Zero Voice Phishing

- Group-wide efforts to prevent cases of voice phishing
- Measures for prevention: ‘delayed transfer service’, ‘designated deposit account service’, etc.
- Finding best practices for preventing voice phishing

KPI on Co-Prospering

- KPI focused on increasing value of both customers and the Bank
- All marketing activities focused on customers
- Evaluating the process of sales and providing more flexibility to front offices for a shift towards “Customer first” sales culture

01

Shinhan Financial Group

1-01 Overview

1-02 Vision, Strategy, Core Capability

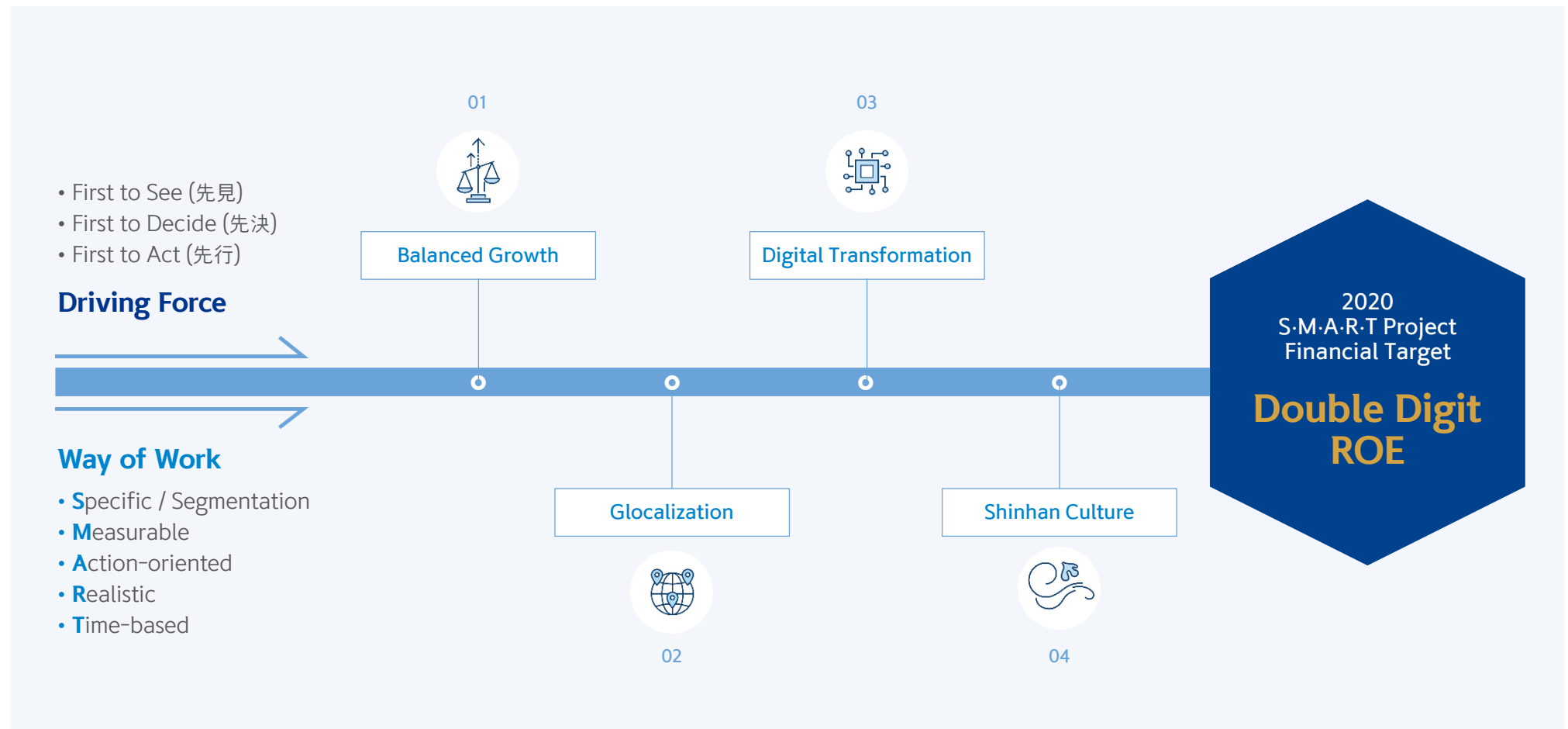
1-03 2020 S·M·A·R·T Project

1-04 Sustainable Management

2020 S·M·A·R·T Project

SFG launched 2020 SMART Project to give Shinhan a practical means of making the leap forward into 'Asia's Leading Financial Group,' which is our mid-term goal.

2020 S·M·A·R·T Project



Balanced Growth

SFG is implementing “Balanced Growth” strategy to strengthen both bank and non-bank subsidiaries by finding new growth drivers to maximize the Group’s value.

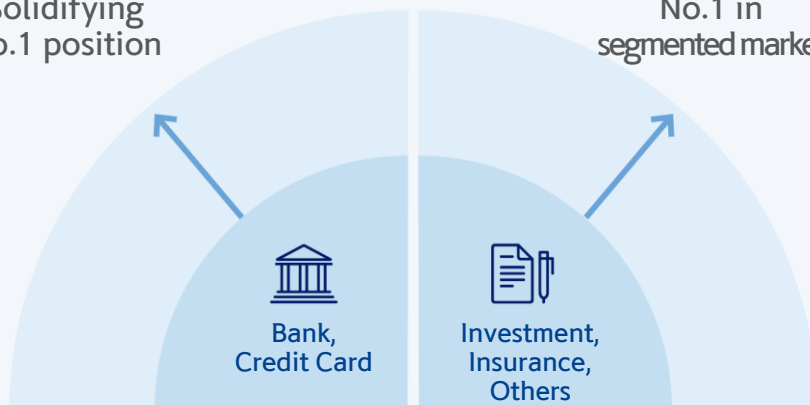
Balanced Growth Strategy

Organic + Inorganic Growth
to maximize the Group’s value

No. 1

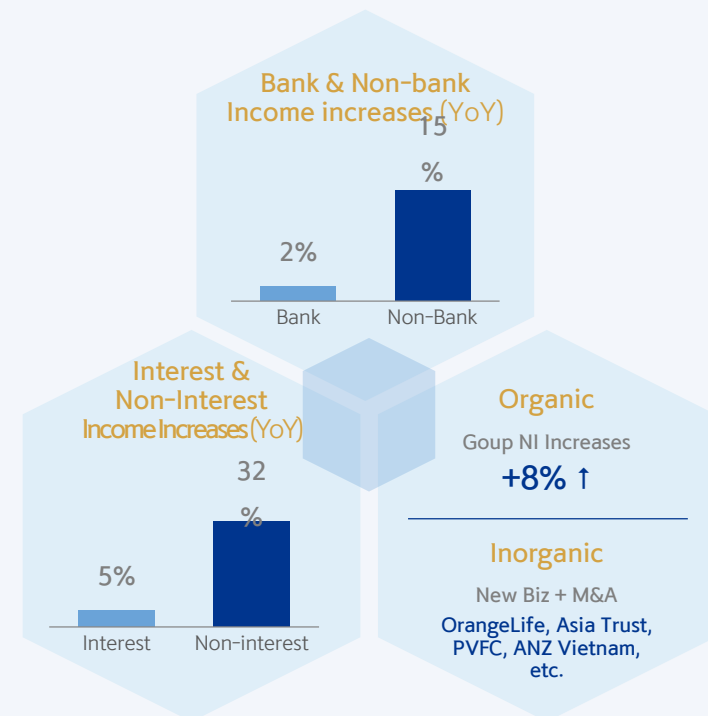
Solidifying
No.1 position

No.1 in
segmented market



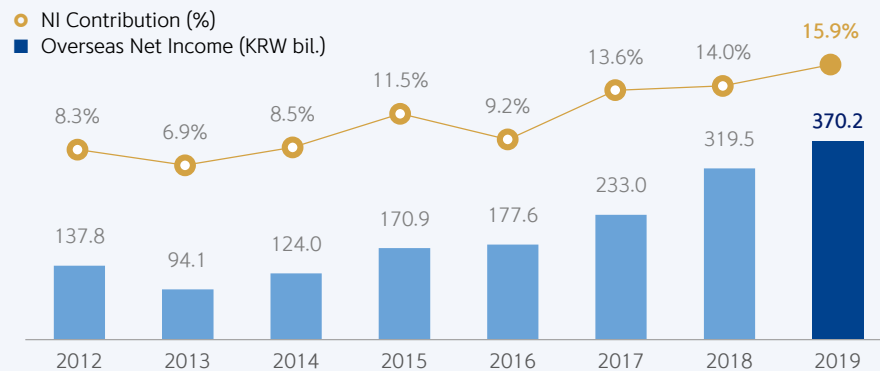
Major Achievements

(as of FY2019)

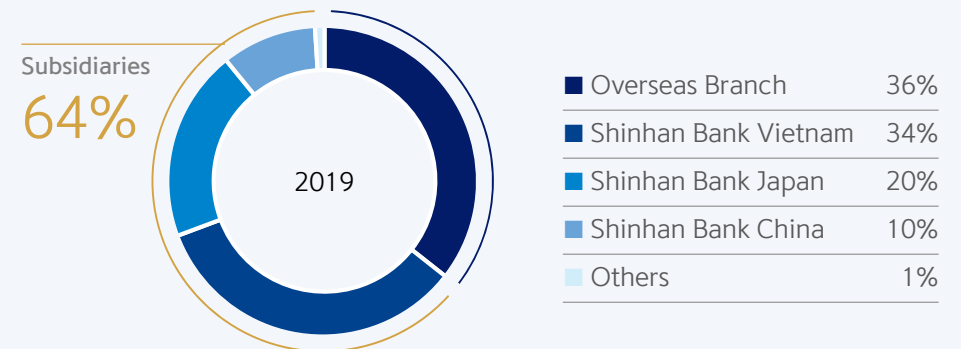


SFG has been prudently expanding its overseas business operations not only to secure the long-term future growth drivers, but also to diversify its profit base.

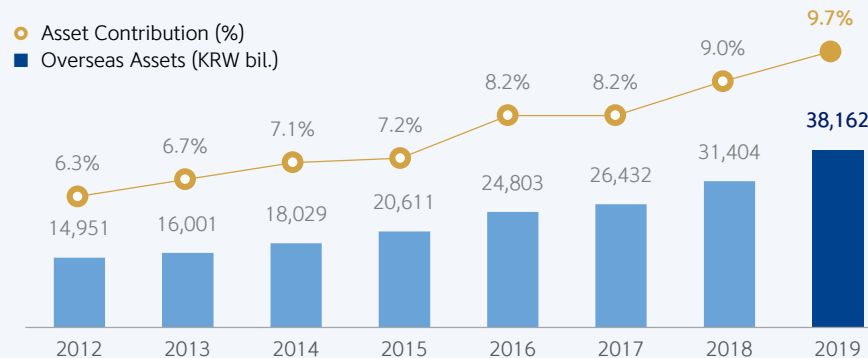
SHB NI Contribution by Overseas Operations



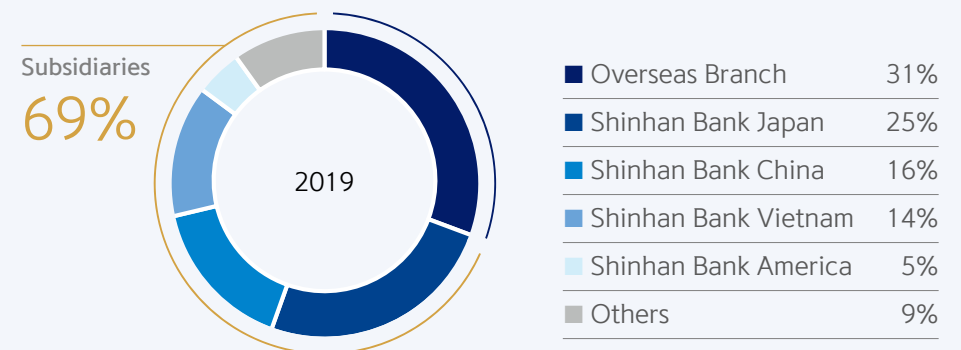
SHB NI Composition by Overseas Operations



SHB Asset Contribution by Overseas Operation



SHB Asset Composition by Overseas Operation



Note) KRW amounts of the net income are converted based on the average FX rates of the fiscal years, and the assets are converted based on the FX rates at the end of the fiscal years

SFG Global Networks: 20 Countries, 219 Networks

(as of FY2019, USD)

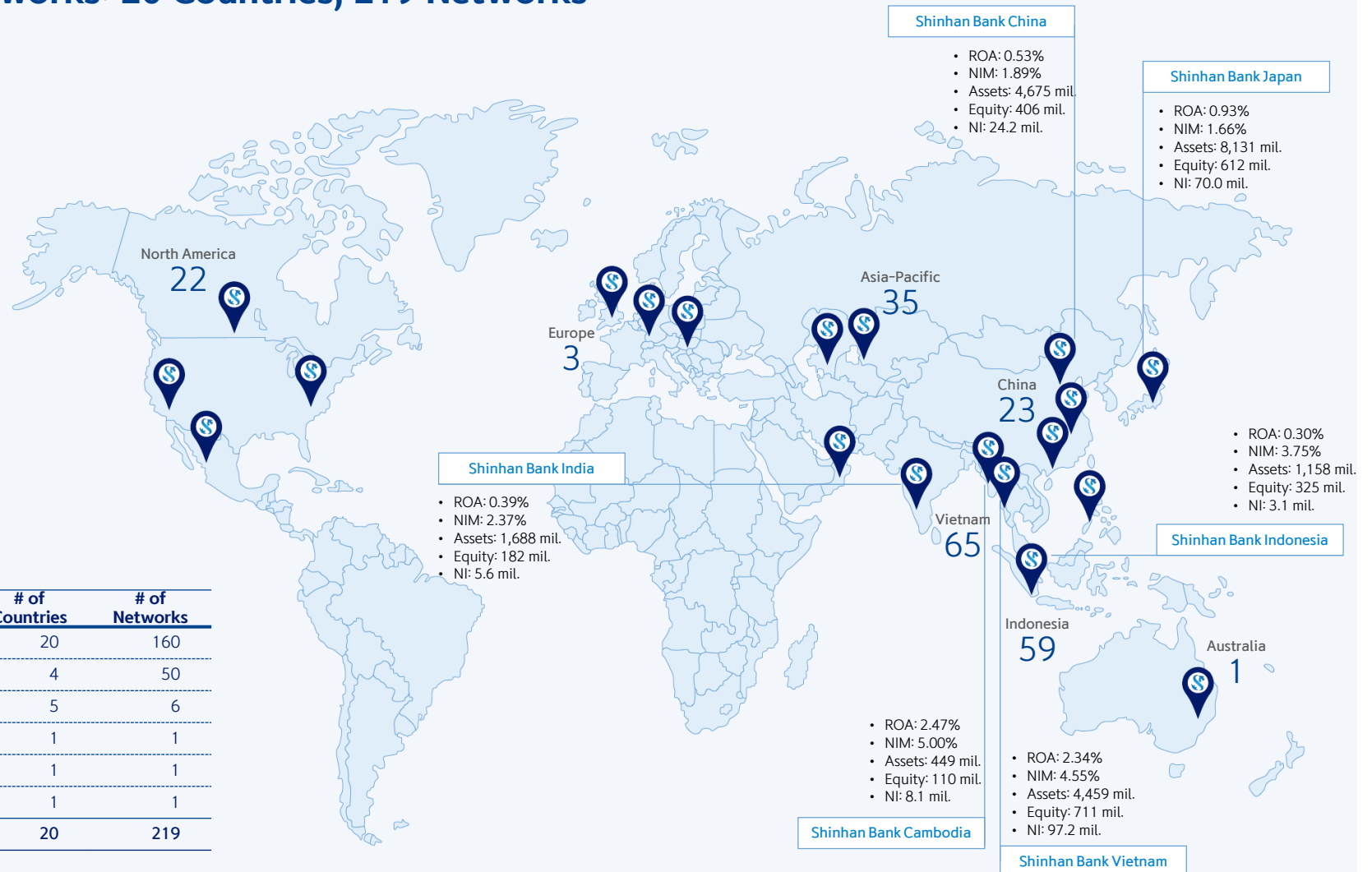
of Countries

20

of Networks

219

Company	# of Countries	# of Networks
Shinhan Bank	20	160
Shinhan Card	4	50
Shinhan Investment	5	6
Shinhan Life	1	1
Shinhan BNPP AM	1	1
Shinhan DS	1	1
TOTAL	20	219



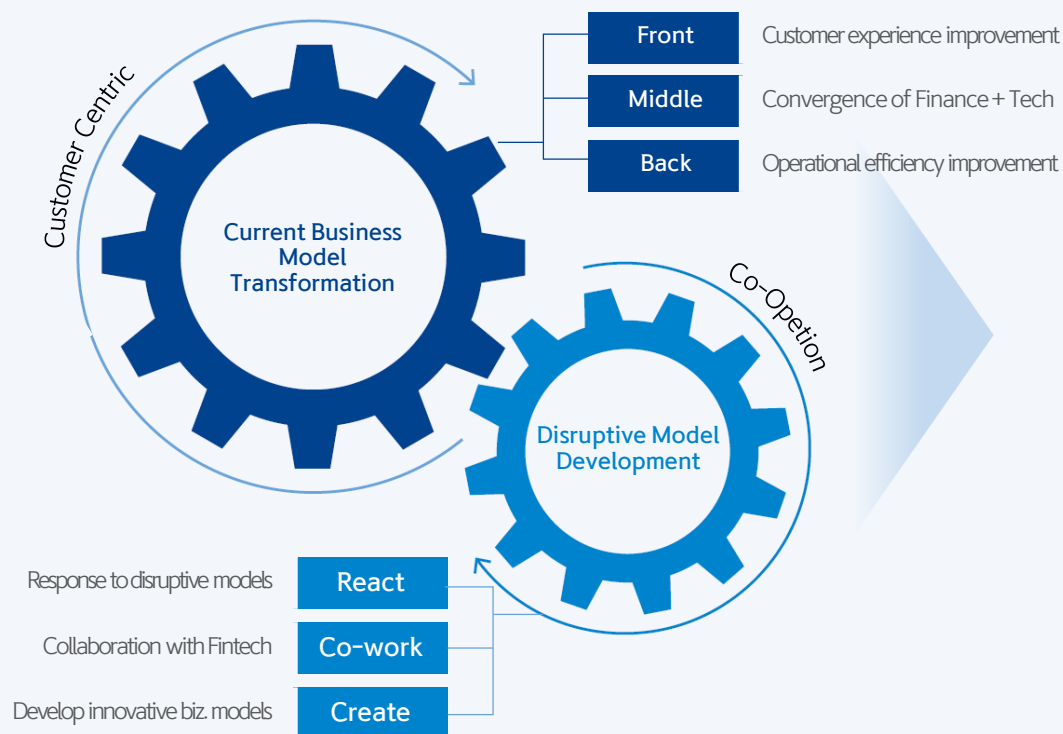


Digital Transformation






Under efforts for a comprehensive Digital Transformation, SFG has been implementing “2 Tracks + 5Cs” strategy to achieve business innovation by upgrading the Group’s digital capacity, represented by “5Cs”.

SFG Digital Transformation Strategy Framework

2Track for Business Innovation



5 Cs for the Group's Readiness

 Core Tech	01. Digital Technology	AI/IoT, Blockchain, Open Innovation, Cloud, DX(Digital Experience)
 Capability	02. HR development	Digital specialists training program, Education
 Culture	03. Recruiting, academy coop.	Securing professionals, Industry and academy cooperation
 Collaboration	04. Work Culture	Agile, Test & Learn, Magnanimity to new trials and failures
	05. Organization	Chief Digital Officer(CDO), Matrix system, Shinhan digital campus
 Change	06. Platform	Renewal financial platform, Connect non-financial platform
	07. Partnership, Joint venture	Partnership with ICT / retail leaders, Construct Digital ecosystem
	08. Intellectual property	'Digital Shinhan' intellectual property
	09. Change Management	Define strategic destination, 'To-Be', Prioritization of plans, Communications
	10. Regulatory reform	Improvement of company regulations, Persuade authorities

Current Business Model Transformation

Front

Improve Customer Experience

- Providing excellent customer experience through a single view, seamless omni channel



Middle

Develop Digitally Innovative Products/Services

- Digitally specialized, mobile, convergence products and services



Back

Improve Operational Efficiency

- Optimization of channel, risk management, UW model, FDS, RPA, chatbot, etc.



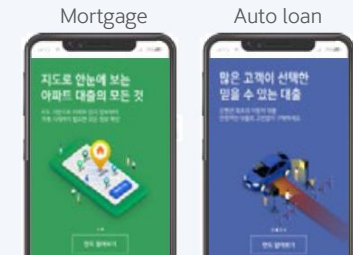
Disruptive Model Development

Respond

Respond to Online Banks

- Enhancing product, service, platform competitiveness

Launching preemptive services/
Maximize convenience of
existing services



Collaborate

Collaboration with Fintech

- Developing collaborative models by creating fintech ecosystem in Shinhan
- Establishing Open innovation Platform

Fostering fintech start-ups
and exploring collaborative models
(in and out of Korea)

- Shinhan Future's Lab



Create

Develop Innovative Biz Models

- Shinhan's unique digital business model development
- Connecting life platform via digital technology

Non-financial platform
- Jeju-jini



Business Areas with Key Digital Technologies

Block-chain

Focusing on cost-efficiency

- SFG integrated authentication service
- Internal process efficiency project (trade finance, remittance, card coupon etc.)

Cloud

Use of Public Cloud & Establishment of Preemptive response system

- AWS's cloud conversion fitness model
- Building cloud COE, training for specialists

UX (User Experience)

Reinforcing UX Capability based on Increased UX Awareness

- Launching new platforms (SOL, Jeju Gini etc)
- Provide Stat-based optimal visit-time Service

AI

Launched AI based services (Chatbot, Robo-advisor)

- Use of IBM Watson AI Tech
- AI Credit-Scoring Model Advancement - RPA(Robotic Process Automation)

Big-data

Reinforcing Organization System and Strengthening capacity at the Group level

- Optimal merchant-customer Matching
- Real-time location based marketing using Geo-fencing tech

Open Innovation

Group Standard Open API Infra

- Group integration API platform (Shinhan Open API Market)
- Partner API service creation by alliance with Fintech, O2O, etc



Digital Transformation

External Partnership

Need for Collaboration with Competitors

An essential capability under the regulation of 'separation of industrial and financial capital'

SFG Major Alliances

Global ICT



Telecom



Portal



Messenger



Electronics



Commerce



Game



Sharing Platform



Creating Fintech Ecosystem

Shinhan Future's Lab

An Industry-first Fintech support program and Shinhan reinforces its alliances by nurturing and investing in promising start-ups.

Country	Program (year)	No. of Companies	Related Fields	
Korea	1~5 (2015~2019)	111	P2P, AI, VR/AR etc.	62 coop. models
	6 (2020)	36	Data Analytics, Health Tech etc.	
Vietnam	1 (2017)	5	Payment, e-Wallet etc.	
	2 (2018)	6	P2P, etc.	
	3 (2019)	10	Chatbot, Face recognition etc.	
Indonesia	1 (2020)	4	Robo-Advisor, cyber security etc.	

Shinhan Future's Lab Development

Investment of USD 17.1 M in 40 Future's Lab companies

- Current Market Valuation : 736.5Wbn
- Current Investment Value: 34.5Wbn

Launched "Oneshinhan Future's Fund" (25Wbn, 5yrs)

- Successfully launched 1st Fund (10.8Wbn, Jun. 2019)
- 2nd Fund to be launched

Established "Shinhan Future's Lab Indonesia" (Sep. 2019)

- Fostering 4 companies in 2020

Digital Transformation

SFG promotes efficiency of ICT infrastructure through various projects using new digital technologies. Since 2017, SFG saved approx. KRW 288.1 bil., and our annual target for 2020 is to save KRW 150 bil.

Cost-saving through Digital Transformation (from 2017 to 2019)



SFG has established the Group Mission based on Shinhan Bank's founding spirit. Under the Group mission, "Compassionate Finance", SFG has established various initiatives to contribute to the enhancement of the value of its customers, society and shareholders.

Development of SFG's Sustainable Management Strategy & Initiatives

1982 Incorporation of Shinhan Bank

"Be Original, Productive,
and Compassionate"

→ The founding spirit

2011 ~ Establishment of Group Mission



→ To make a better world through finance

Initiatives

01

2020 CSR Project

02

ECO Transformation 20-20

03

Society of Hope Project

04

Triple-K Project

05

Shinhan SHeroes

etc.

01

Shinhan Financial Group

1-01 Overview

1-02 Vision, Strategy, Core Capability

1-03 2020 S·M·A·R·T Project

1-04 Sustainable Management

2020 CSR Strategy

To enhance the mid to long-term values of customers, society and shareholders, SFG has set up 2020 CSR Strategies” in an attempt to proactively respond to a changing sustainability management environment. The strategies formulate the three pillars as well as six commitment strategies ranging from products to service to management.

2020 CSR Strategy Framework



2020 CSR Strategy

In 2017, SFG established 10 strategic indicators to effectively gauge the implementation status of mid to long-term CSR strategies, and prepared yearly targets to achieve by 2020. The implementation performance is designed to be reflected in the evaluation system of annual management performance as the linchpin of mid to long-term execution.

2020 CSR Dashboard

3 Pillars	6 Commitments	10 Strategic Indicators / 4-year Target (2017~2020)	Major Achievements
Responsible Growth	Provide Solutions to enhance value for customers	① Customer satisfaction index - 0.2 points increase per year	<ul style="list-style-type: none"> • ECO Transformation 20·20 • Innovative Growth Project • Establishment of Group Environment & Society Risk Management (ESRM) framework • Hope Society Project • Shinhan SHeroes program • UNEP FI 'Principles for Responsible Banking (PRB)' • Application of TCFD recommendations • Introduction of Stewardship Code (Shinhan BNPP AM) • Obtained ISO 14001 certification • Issued Sustainable Bonds
		② Popularity of digital financing services - increase to 72.2%	
		③ # of participants in financial literacy courses - 1 million participants (accumulated from 2012)	
	Fair & Ethical Business Practice	④ # of employees taking ethical behavior trainings & pledges - 98% of employees	
Social Partnerships	Increase Financial Inclusiveness	⑤ Financial support for the underserved - KRW 6.3 trillion	
		⑥ Support for the start-up ecosystem - KRW 6.6 trillion	
	Establish a Creative & Open Corporate Culture	⑦ Gender equality - increase female management to 24%	
		⑧ Participation in flexible(smart) work system - more than 65% participation	
Investments for the Future	Carry out Corporate Social Responsibilities	⑨ Investments in & loans for eco-friendly industries - KRW 20 trillion (from 2017 to 2030)	
	Environment & Society Risk Management	⑩ GHG emissions reduction - reduce by 20% from 2012 to 2030	

Global ESG Initiatives

Shinhan Financial Group has been partaking in a major global sustainability management intuitive as part of its endeavors to join the initiatives of international society to ensure sustainable development.

Major Global ESG Initiatives



Carbon Disclosure Project

- Shinhan Bank(2007), Shinhan BNPP AM(2008) join as a signatory
- SFG becomes a signatory (2009)

UN Global Compact

- SFG joins UN Global Compact (2008) as part of an ongoing commitment to human rights, labor empowerment, and the environment.

Principles for Responsible Banking

- SFG participates in drafting UN PRB (2018)
- SFG becomes an official signatory (2019)

Principles for Sustainable Insurance

- Shinhan Life becomes an official signatory of UN PSI (2020)

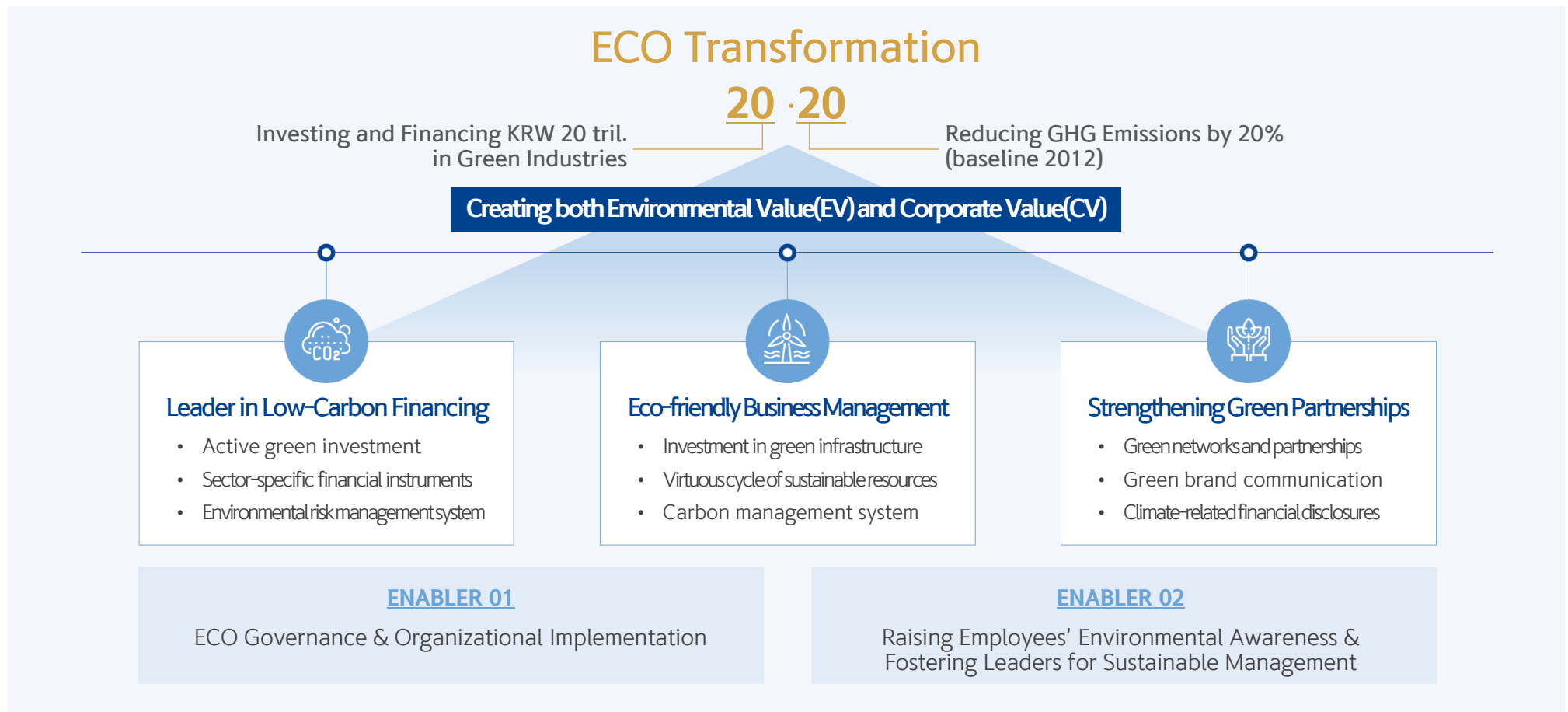
TCFD Pilot Program

- SFG participates in the 2nd pilot program led by UNEP FI for the implementation of TCFD recommendations (2019)

ECO Transformation 20·20

SFG announced “ECO Transformation 20·20” as its environmental vision for 2030 in order to ensure that its management operations are sustainable, future-oriented and environmentally friendly. As part of this vision, SFG is planning to invest KRW 20 trillion in green industries and to reduce its GHG emissions by 20% by the year 2030.

ECO Transformation 20·20



Society of Hope Project

SFG launched a “Society of Hope Project” geared towards solving social problems such as the eradication of polarization and job creation, and is injecting resources amounting to KRW270 billion by 2020. This Project builds a new social contribution system structured at the Group level, thus eliminating overlap at the subsidiary level.

Society of Hope Project



Triple-K Project

SFG launched 'Triple-K Project', under which the Group plans to invest KRW 2.1 trillion in startups by year 2023. With this Project, the Group aims to help around 2,000 venture firms, and among the 2,000 venture firms, the Group seeks to foster 10 Unicorn enterprises with more than US\$1 billion in total assets.

Triple-K Project

[2019] Beginning → [2020] Big-Bang

Korea Cross-Country Plan

Expanding national coverage of SFG's online and offline innovative growth platform

Creating reinvestment funds to recover investments of venture companies [\[Financial Support\]](#)

Korea to Global Plan

Supporting startups to expand their business into Southeastern countries

Liaising startups with Plug&Play, a global accelerator, for a business expansion to developed markets

Providing research and applying best practices for overseas business expansion

K-Unicorn Project

Shinhan Future's Lab
[\[Finding Promising Startups\]](#)

Do-Dream Space
[\[Supporting entrepreneurs & startups\]](#)

Inno-talk [\[Online platform\]](#)

Financial Support

Creating funds for commercialization of technology and overseas expansion

Creating an environment in which any firms with great ideas and technology can get a systematic financial support

Cultivating Female Leaders

In efforts to encourage the long-term development of female talents and evolving them into leaders at every Level of the Group's operations, SFG introduced a program called "SHeroes," which offers a wide range of opportunities for its female employees such as training, mentoring, and networking.

SHeroes

Guide to Fostering Female Leaders

'SHeroes' refers to Shinhan (SH)'s female (She) heroes (Heroes).



Guide to Fostering
Female Leaders

R.O.S.E

- **R**elationships (Strengthen relationships)
- **O**pportunity (Offer more opportunities)
- **S**egmentation (Define targets)
- **E**nvironment (Create an environment for gender equality)

Executive Officers

3 persons

Managing Directors

6 persons



Note) Number of SHeroes graduates who have been promoted to managerial positions

Mid-term Goals & Key Tasks



Build foundations
(2018)

- Build a platform to foster female leaders



Full Implementation
(2019)

- More support for developing competencies












Build a healthy cycle
(2020)

- Continuous cycle of fostering female leaders

ESG-related Recognitions

SFG is included in major SRI indices at home and abroad, and are targeted for investment by socially responsible fund investors who selectively invest in top ESG companies. We are also recognized and evaluated by various global investors and research firms as a leading company in ESG initiatives.

ESG-related Evaluations

Institution	Index title	Grade / Score	Benchmark Index	Award / Certification
 KCGS Korea Corporate Governance Service	Corporate Governance Grades	Grade: A	–	Received A grade and higher for 5 consecutive years (2015~2019)
 MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM	DJSI	Score: 84	DJSI World DJSI Asia-Pacific DJSI Korea	Included in DJSI World index for the first time among Korean financial groups for 7 consecutive years
 2019 GLOBAL100	Global 100	Rank: 6th Score: 69.29	Global 100	Selected Global 100 Most Sustainable Corporations by Davos Forum for 8 consecutive years
 CDP DISCLOSURE INSIGHT ACTION	CDP	Leadership A	–	Included in the Honors Club for 5 consecutive years
 MSCI ESG Research	MSCI ESG	Grade: AA	MSCI ACWI ESG MSCI EM ESG MSCI Korea ESG	Received AA Grade for 3 consecutive years
 FTSE4Good	FTSE4Good	Grade: 2.9	FTSE ACWI ESG FTSE Asia Pacific ESG FTSE Korea ESG	Included in FTSE4Good index for 8 consecutive years
 ISS	ISS Quality Score	Grade: 1	–	–
 대신지배구조연구소 Daeshin Corporate Governance Institute	Daeshin Corporate Governance Inst.	The Best Company among Korean financial groups	–	–
 Bloomberg	Gender Equality Index	Score: 61.80	GEI	Included in Bloomberg GEI for 2 consecutive years

02

Companies in the Group

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

02

Companies in the Group Shinhan Bank

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

Overview

Shinhan Bank Overview

Total Asset (including Trust A/C)

453.7 KRW tril.¹⁾

(Largest among domestic peers)

FY2019 Net Income

2,329.2 KRW bil.²⁾

(2nd largest among domestic peers)

1) Total Asset: Banking Account (Separate) + Merchant Banking Account + Trust Account

2) Net Income: Consolidated basis

Rating Agency

F/C LT Debt Rating

Moody's

Aa3

S&P

A+

Fitch Ratings

A

Network

1,037

(As of FY2019)

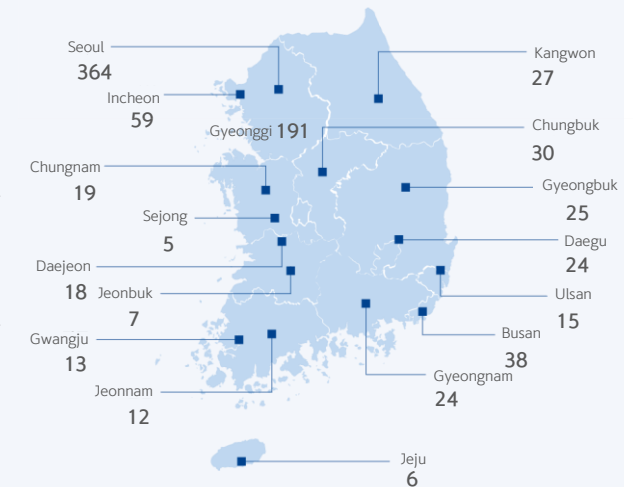
Domestic

877

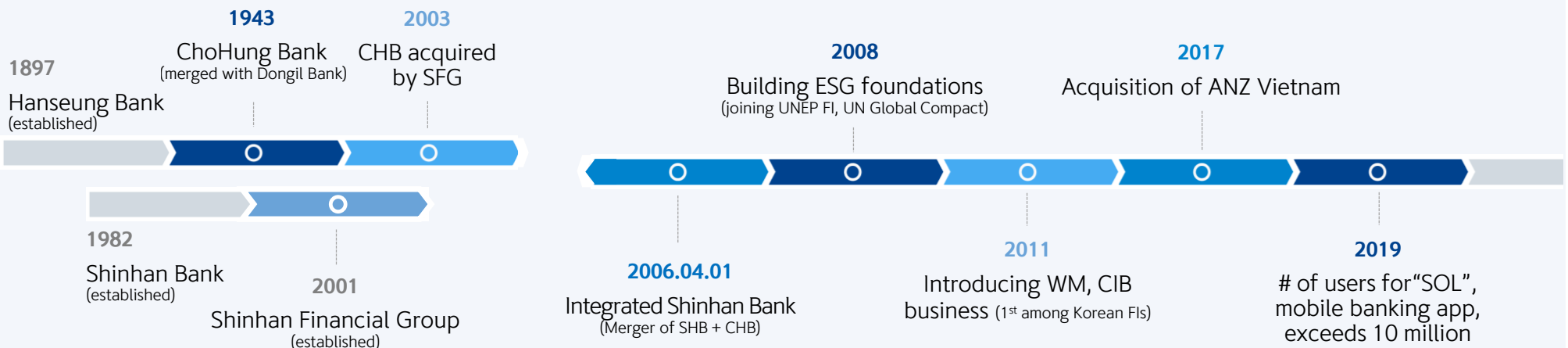
Overseas

160

* Including local subsidiaries, branches, and offices

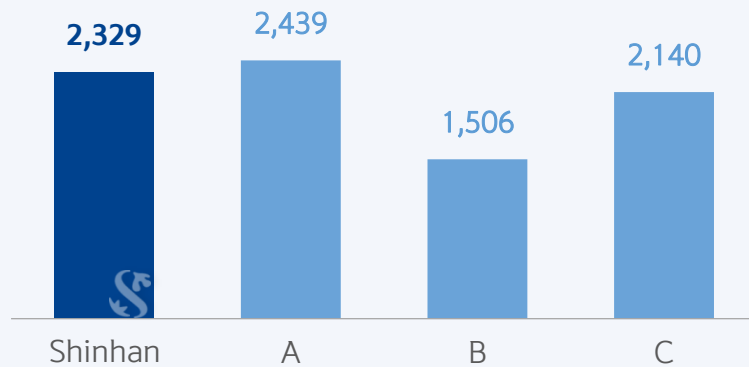


Key Milestones

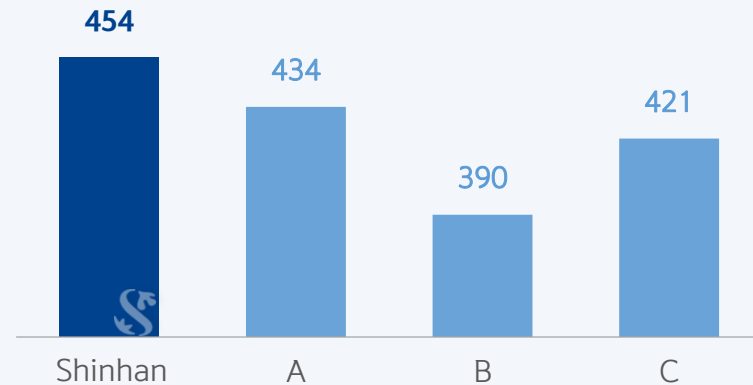


Market Position

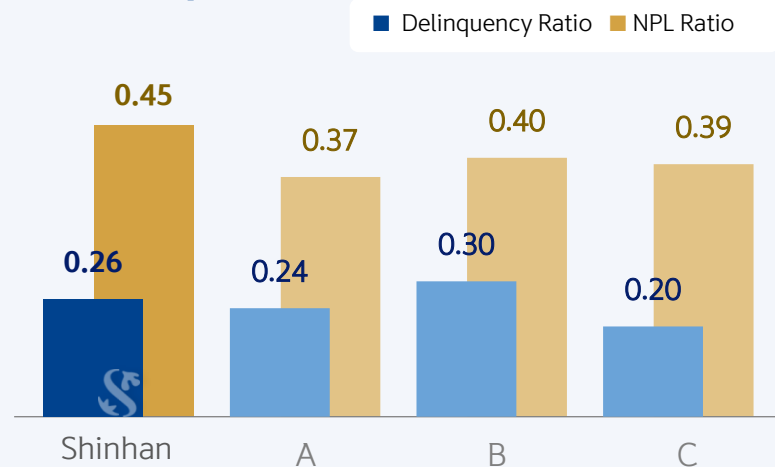
Consolidated Net Income (Unit: KRW bil.)



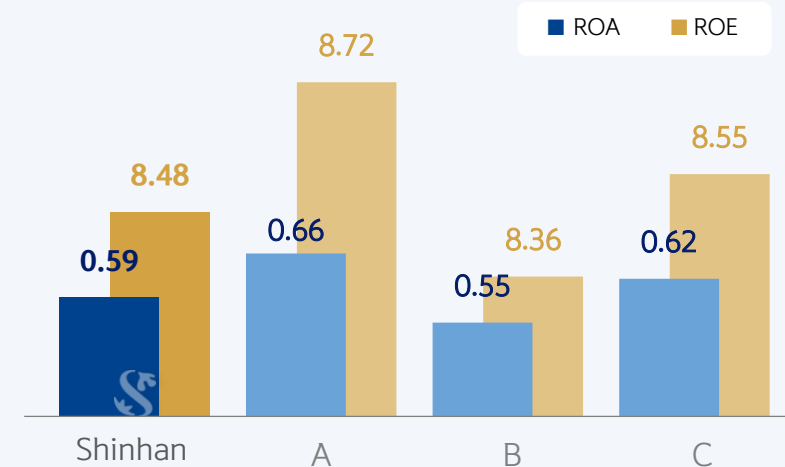
Total Assets (Unit: KRW tril.)



Asset Quality (Unit: %)

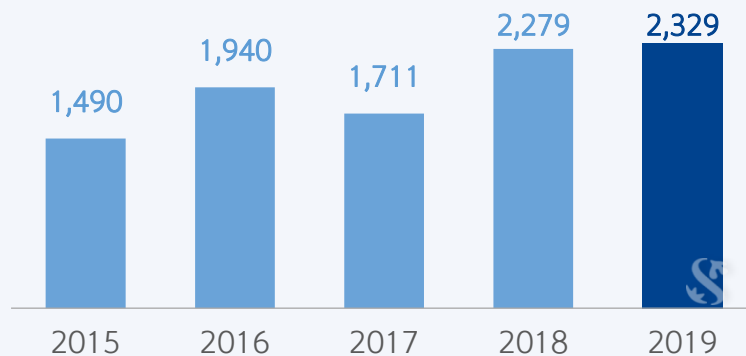


ROA, ROE (Unit: %)

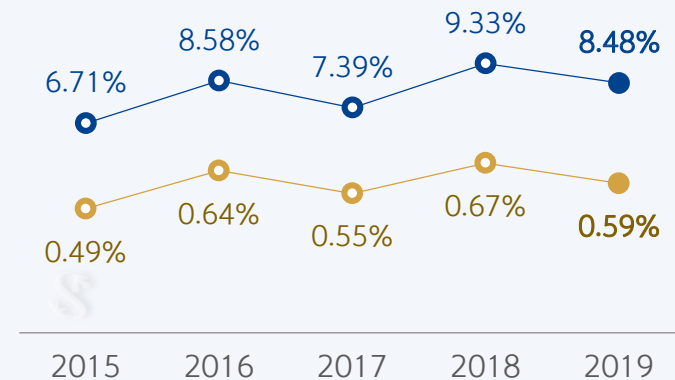


Financial Highlights

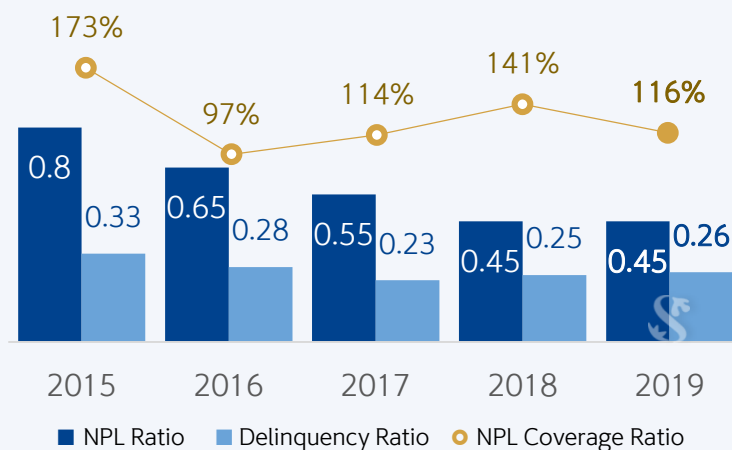
Consolidated Net Income (Unit: KRW bil.)



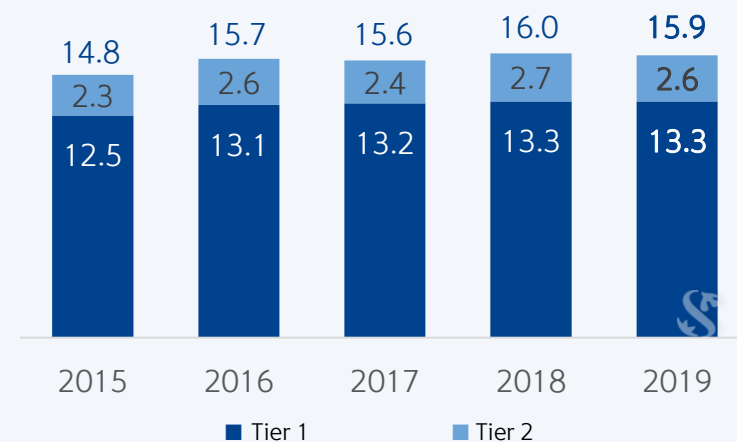
ROA, ROE (Unit: %)



Asset Quality (Unit: %)

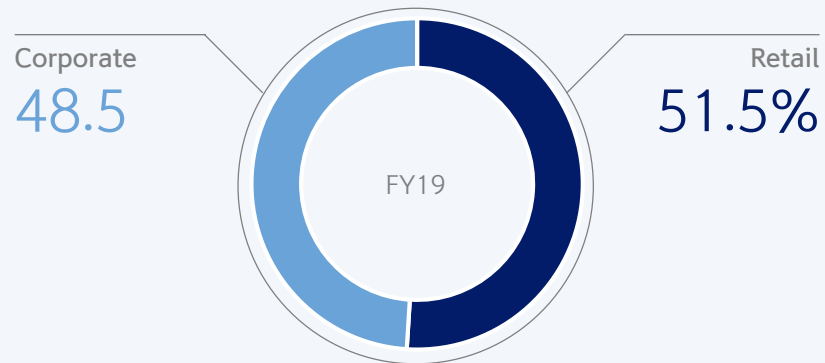


Capital Adequacy (Unit: %)

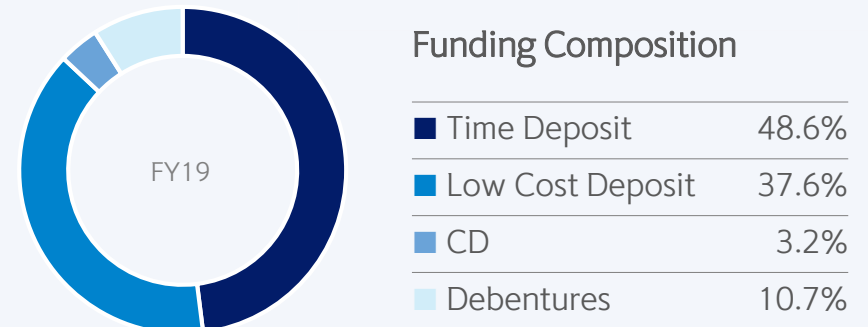


Competitive Edge

Balanced Loan Portfolio

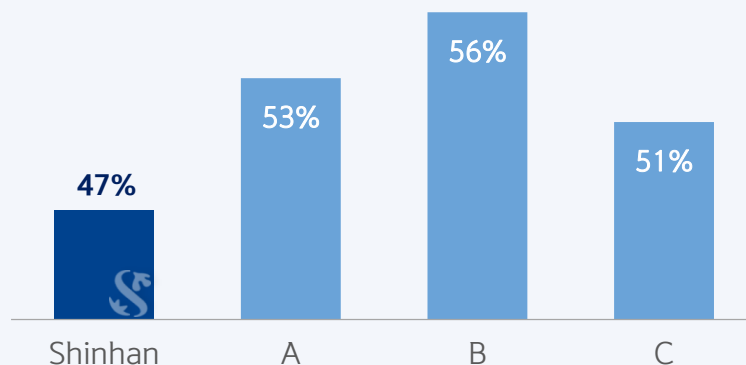


Stable Funding Base



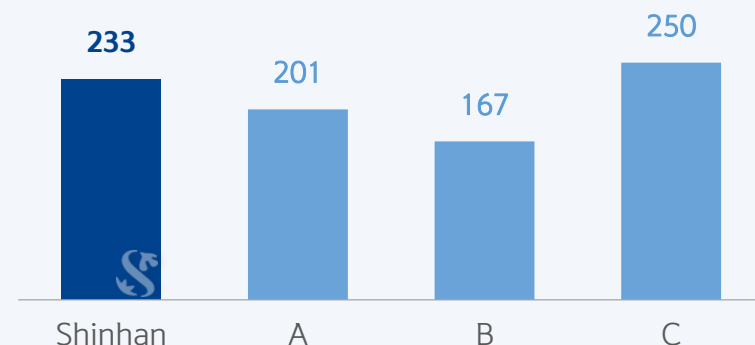
Outstanding Cost Management

| Cost to Income Ratio (CIR) Comparison (%)



High Per-Capita Productivity

| Per-Capita Pre-provisioning Income Comparison (Domestic, Unit: KRW mil.)



02

Companies in the Group

Shinhan Card

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

Shinhan Card Overview

Shinhan Card is the No. 1 credit card company in Korea which encompasses the strengths of both the credit card division of a bank as well as an independent credit card company.

Merits of Credit Card Division under Bank

- Attract new customers through the bank's channel
- Secure diversified funding sources and stable liquidity management under holding company

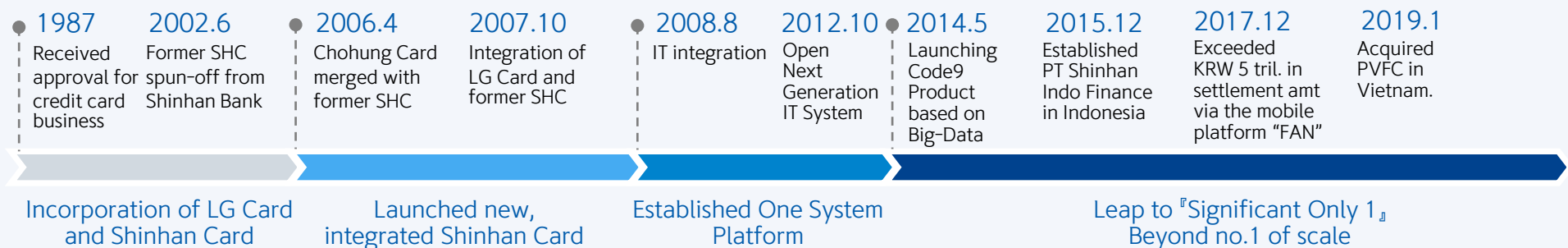
No. 1 Credit Card in Korea **Shinhan Card**

- Retains efficient decision making process, marketing expertise;
- Benefits from the high credit rating of SFG and Shinhan Bank as well as direct liquidity access;
- Utilize Shinhan Bank's distribution channels to attract new customers

Merits of Mono-line Credit Card Company

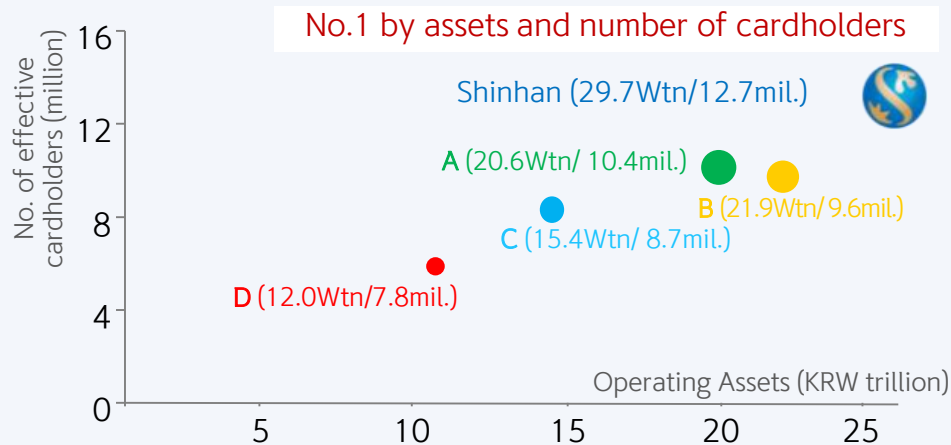
- Ability to focus on the card business only with greater expertise
- Efficient decision-making process
- Active marketing activities

Key Milestones (Incorporation Date: 1996.08.26)



Market Position

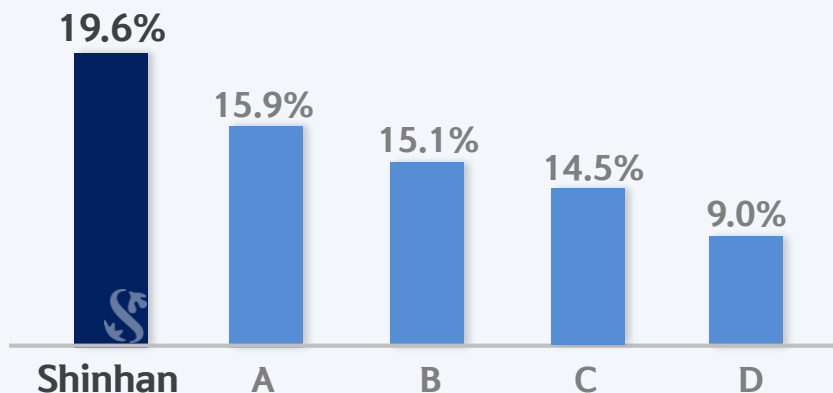
Operating Assets and Cardholders



Credit Rating

	Shinhan Card	A	B	C	D
Domestic	AA+	AA+	AA+	AA	AA-
Moody's	A2	-	A2	-	-
S&P	A-	-	-	BBB	-
Fitch	-	-	A-	BBB	-

M/S by Credit Purchase Volume



Bona fide No.1 Credit Card Company in Korea



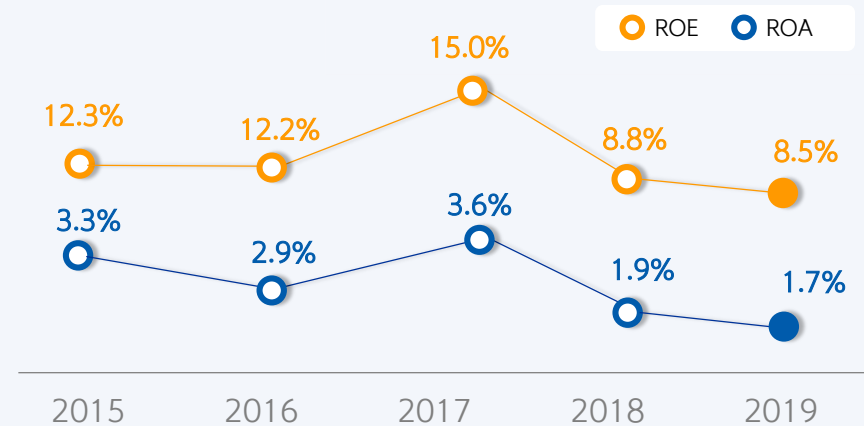
- 2019.09 Awarded **1st place** in 3 categories for 8 consecutive years by Korea Brand Power Index (K-BPI)
- 2019.08 Awarded **Presidential Marking** in "2019 Reading Culture Awards" by Ministry of Culture, Sports and Tourism
- 2019.08 Awarded **Presidential Award** at 2019 Korea Digital Management Innovation Awards
- 2019.07 Awarded **1st place** for 2 years in a row by "Korean Standard-Service Quality Index (KS-SQI)"
- 2019.02 Awarded **"Korea's Most Admired Company in Korea"** for 12 consecutive years, becoming "All Star Company"

Financial Highlights

Operating Revenue & Net Income (Unit: KRW bil.)



ROA, ROE



Adjusted Equity Capital Ratio (Unit: %)



Delinquency Ratio¹⁾



1) 1 month and over delinquent

02

Companies in the Group Shinhan Investment

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

Overview

Shinhan Investment Overview

Total Asset

37.4 KRW tril.

Net Income

220.9 KRW bil.¹⁾

1) Consolidated basis

Rating Agency	F/C LT Debt Rating
Moody's	A3
S&P	A-

Network

132

(As of FY2019)

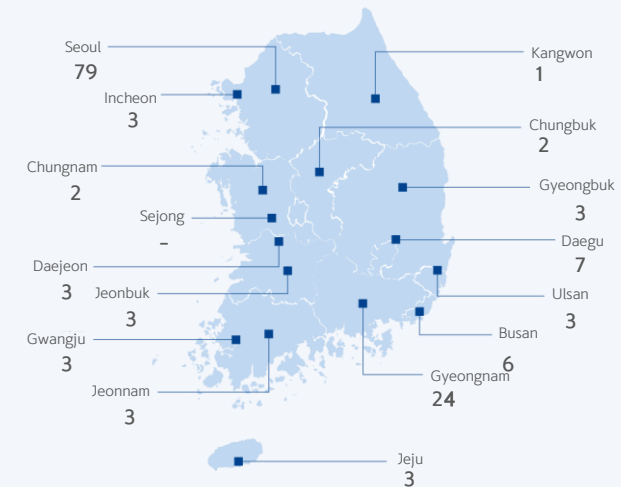
Domestic

125

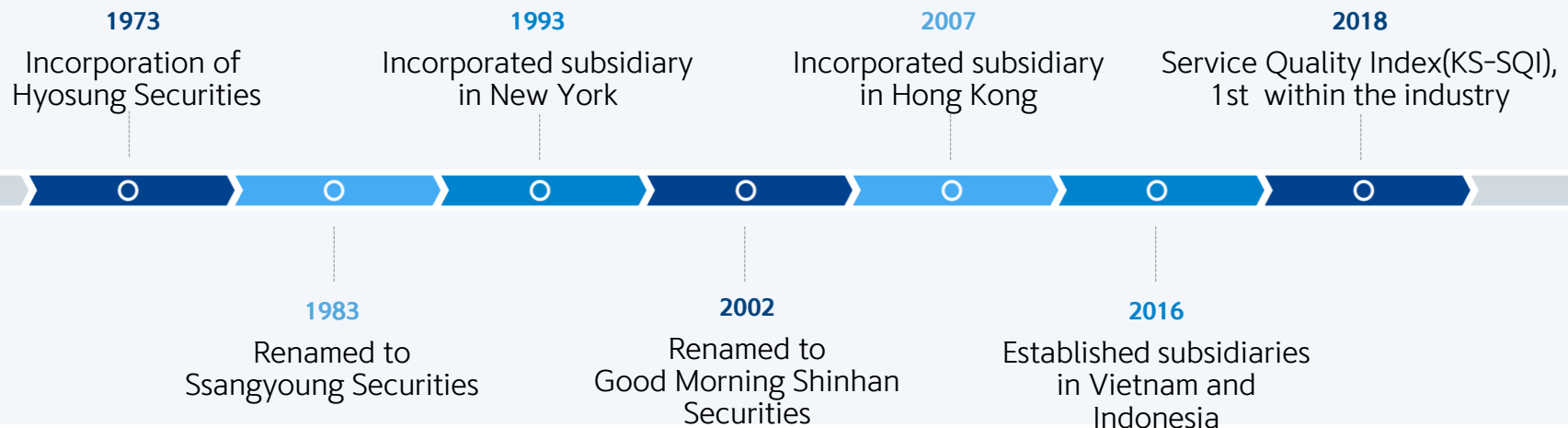
Overseas

7

* Including local subsidiaries, branches, offices, and PWM Lounges



Key Milestones



Market Position

Ranking of IB Business

* 2019 (Source: the bell)

	2017	2018	2019
ABS	5 th	2 nd	2 nd
Corp. Bonds	6 th	5 th	6 th
IPO	8 th	4 th	9 th

Best Corporate Marketing

(Source: Hankyung)

	2017	2018	2019
1 st Half	2 nd	1 st	1 st
2 nd Half	2 nd	2 nd	2 nd

Market Share in Brokerage

	2017	2018	2019
Equities	5.1%	5.9%	5.6%
Futures	6.7%	9.6%	18.8%
Options	6.7%	6.8%	6.3%

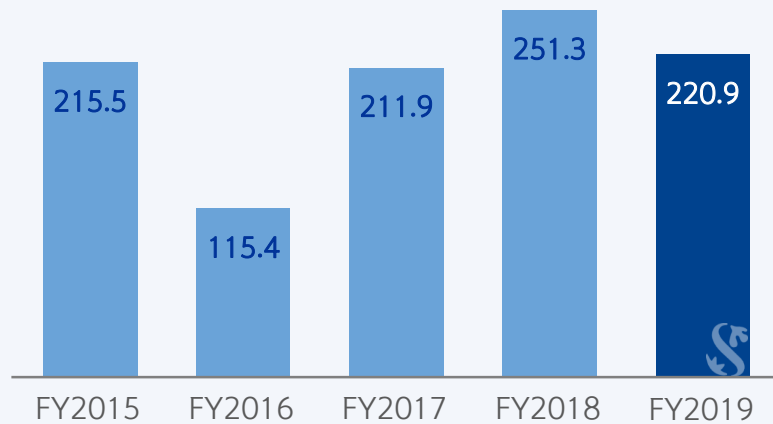
Rank by AUM from Corporates

	Rank	AUM
1	Shinhan Investment	41 Wtn.
2	M	36 Wtn.
3	H	31 Wtn.
4	N	21 Wtn.

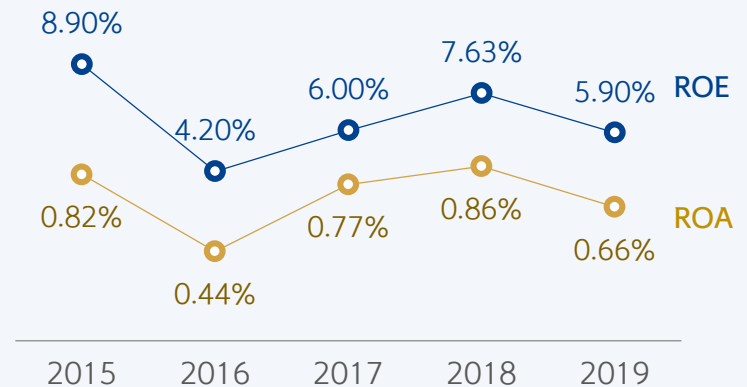
(Source: KOFIA, as of Dec. 2019)

Financial Highlights

Consolidated Net Income (Unit: KRW bil.)



ROA, ROE (Unit: %)

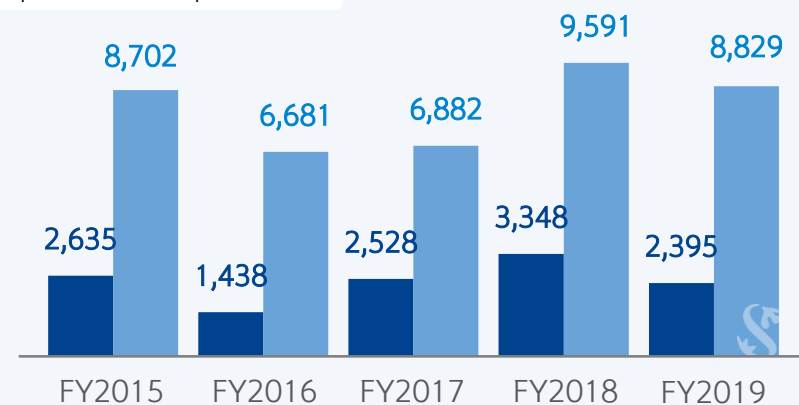


AUM (Unit: KRW tril.)



Operating Income, Revenue (Unit: KRW bil.)

■ Oper. Income ■ Oper. Revenue



02

Companies in the Group Shinhan Life

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

Overview

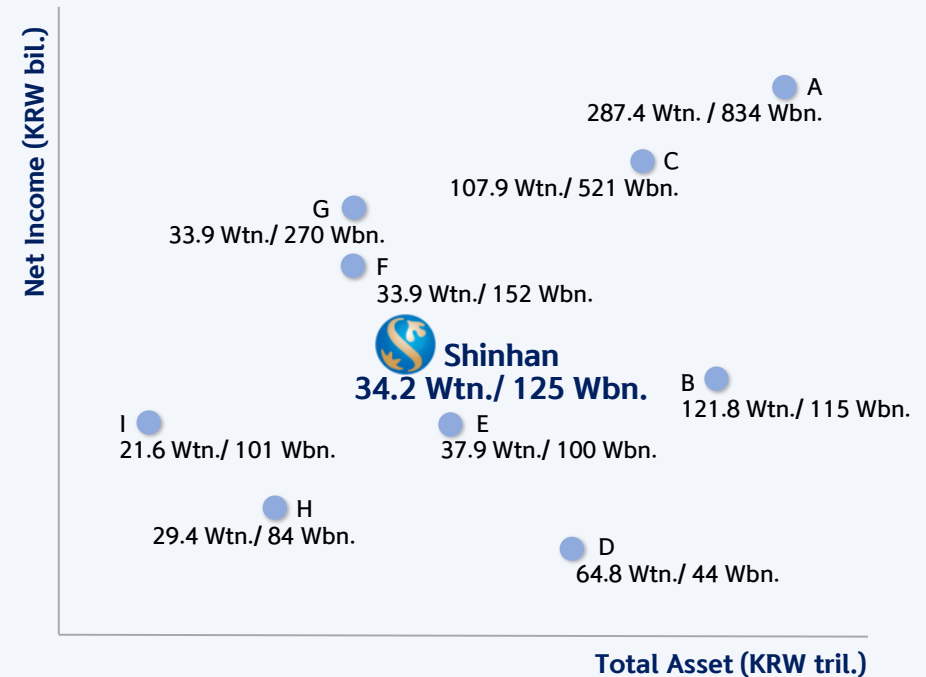
Shinhan Life Overview

Shinhan Life Insurance provides sophisticated and customized insurance and financial services through diversified channels to meet customer needs.

Key Milestones

1990.01	Shinhan Life Insurance established
1997.01	Started Tele-Marketing Sales
2003.09	Launched Bancassurance products
2005.12	Joined SFG as a subsidiary
2006.07	Launched Financial Full-service named as "Tops Club" for the first time in the industry
2008.11	Established new internal insurance management system
2013.10	Awarded the Excellence Prize in the Knowledge Category by Prime Minister (Ministry of Security & Public Administration)
2013.11	Awarded Harmonious Labor-Management Prize (Ministry of Employment and Labor)
2015.06	Established the overseas office in Hanoi, Vietnam
2015.12	Consumer Centered Management certification acquired from Korea Consumer Agency
2016.02	Relocated Headquarters to "Shinhan L Tower"
2019.05	Acquired AAA rating for Insurance solvency for 12 years in a row
2019.07	Included in Hall of Fame by Korea Service Grand Prix

Market Position



Note) as of DEC, 2019

Source) Korea Life Insurance statistics, Top 10 based on total assets
(based on Separate Financial Statements)

Financial Highlights

Condensed Income Statements¹⁾

(KRW bil., %)	2016	2017	2018	2019
Operating Income	146.3	164.9	185.5	210.0
Operating Revenue	5,693.8	6,002.1	5,634.7	5,406.0
Operating Expense	5,547.5	5,837.3	5,449.2	5,196.0
Non-operating Income	6.6	-2.2	-4.7	-10.0
Net Income before tax	152.9	162.6	180.7	200.0
Net Income	150.1	121.2	130.5	125.4

1) under K-IFRS standards, separate basis

Asset Composition

(KRW bil.)		2016	2017	2018	2019
General Accounts	Cash & Equivalent	1,454	1,165	1,613	1,411
	Securities	16,252	18,150	19,950	21,791
	Loans	5,541	5,780	6,274	6,338
	Others	1,516	1,590	1,404	1,388
Separated Account		2,738	3,041	2,783	3,251
Total Assets		27,501	29,725	32,023	34,179

Note) under K-IFRS standards, separate basis

Policies in Force¹⁾

(KRW bil., %)		2019	(%)	2018	(%)
General ²⁾ Account	Individual Insurance	111,733	98.1	113,627	98.5
	Pure Endowment	10,779	9.5	11,930	10.3
	Against Death	92,019	80.8	91,807	79.6
	Endowment	8,934	7.8	9,890	8.6
	Group Insurance	475	0.4	556	0.5
	Sub total	112,207	98.5	114,183	99.0
Separated Account		1,744	1.5	1,149	1.0
Total		113,952	100.0	115,332	100.0

1) based on subscription amount of an insurance contracts

2) including variable insurance

Key Financial Indicators

(%)	2016	2017	2018	2019
RBC ¹⁾	178.3	175.4	238.7	227.9
ROA	0.58	0.42	0.42	0.38
ROE	9.17	7.06	7.18	6.27

1) consolidated, under IAS39 standards

02

Companies in the Group OrangeLife

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

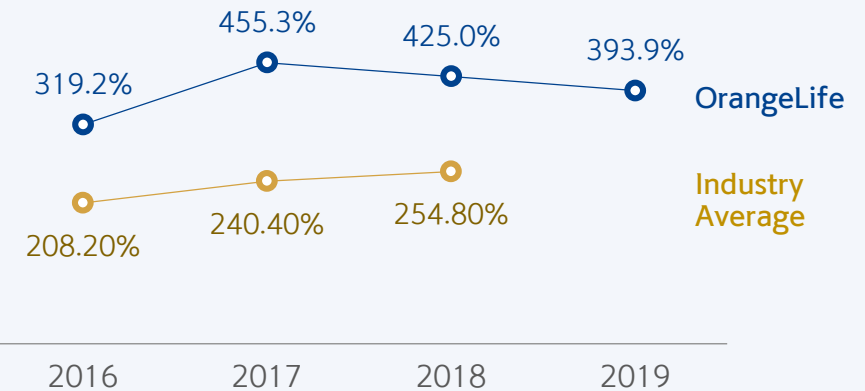
OrangeLife Overview

OrangeLife is a leading insurance company with distinguished global management capability, outstanding financial soundness, competitive FC channel, and dynamic organizational culture.

Key Milestones

1987.01	Established Life Insurance Company of Georgia (Korea Office)
1991.09	Renamed to Netherlands Life Insurance (Korea Subsidiary)
1999.03	Renamed to ING Life Insurance Korea
2000.06	First Korean life insurer to receive an "A(Excellent)" rating from A.M. Best
2006.03	Received the "Anti-Corruption Merit Commendation" in the group category from the Korea Independent Commission Against Corruption
2008.10	Received the "Silver Tower Order of Industrial Service Merit" from the Ministry of Knowledge Economy
2012.03	Chosen as "Korea's Most Ethical Company" by Fortune Korea
2015.07	Launched the industry's first low cash surrender value product with lower premium
2016.11	Received the Anti-Money Laundering Award by the Prime Minister on the 10th Anti-Money Laundering Day
2017.05	Listed on KOSPI (as #079440.KS)
2018.04	Industry's first to implement an "Agile" organization
2018.09	Renamed to OrangeLife Insurance, Ltd
2019.02	Joined SFG as a subsidiary
2019.06	Received 'AAA (Stable)' rating from NICE Investor Service In the insurer financial strength ratings

RBC (Unit: %)



Protection APE (Unit: KRW bil.)



APE: Annualized Premium Equivalent

Financial Highlights

Condensed Income Statements¹⁾

(KRW bil., %)	2016	2017	2018	2019
Operating Income	321.9	450.3	413.0	387.4
Operating Revenue	4,265.7	4,342.3	5,048.0	4,662.1
Operating Expense	3,943.9	3,891.9	4,635.0	4,274.6
Non-operating Income	-6.8	1.9	-0.1	-2.4
Net Income before tax	315.1	452.2	412.9	385.1
Net Income	240.7	340.2	311.3	271.5

1) IAS39 standards for 2016–2017 figures, IFRS9 standards for 2018–2019 figures

Asset Composition

(KRW bil.)		2016	2017	2018	2019
General Accounts	Cash & Equivalent	565.4	560.1	539.3	472.3
	Securities	21,329.8	21,864.4	23,191.6	23,416.0
	Loans	2,765.1	2,812.3	3,238.8	2,970.3
	Others	655.6	640.1	651.1	716.6
Separated Account		5,352.9	5,578.4	5,123.4	5,266.2
Total Assets		30,668.7	31,455.4	32,744.1	32,841.4

1) IAS39 standards for 2016–2017 figures, IFRS9 standards for 2018–2019 figures

Policies in Force¹⁾

(KRW bil., %)		2019	(%)	2018	(%)
General ²⁾ Account	Individual Insurance	3,764.9	80.7	3,301.9	79.0
	Pure Endowment	445.7	9.6	385.0	9.2
	Against Death	1,870.4	40.1	1,940.9	46.5
	Endowment	1,448.9	31.1	976.1	23.4
	Group Insurance	0	0	0	0
	Sub total	3,764.9	80.7	3,301.9	79.0
Separated Account		899.8	19.3	876.0	21.0
Total		4,664.7	100.0	4,177.9	100.0

1) based on subscription amount of an insurance contracts

2) including variable insurance

Key Financial Indicators

(%)	2016	2017	2018	2019
RBC ¹⁾	319.2	455.3	425.0	393.9
ROA	0.8	1.1	1.0	0.8
ROE	5.7	8.7	8.4	8.8

1) IAS39 standards for 2016–2017 figures, IFRS9 standards for 2018–2019 figures

02

Companies in the Group **Shinhan Capital**

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

Shinhan Capital Overview

Incorporation Date: April 19, 1991

Networks: Headquarters (Seoul)

Branches (Gangnam, Yeouido, Busan, Ansan, Daejeon)

Main Business Areas:

- Leasing in relation to autos, medical instruments, and other PP&Es
- Installment Financing / Venture Capital / Corporate restructuring financing
- Real Estate PF / Loans / Factoring, etc.

Total Equity

854.1 Wbn.

(Paid-in Capital 180Wbn)

Total Asset

7.5 KRW tril.

Key Milestones

APR 1991	Incorporation of Shinhan Lease
OCT 1994	Listed in KOSDAQ
MAY 1999	Renamed to Shinhan Capital, registered and started Installment Finance Business
AUG 2000	Joined SFG as a subsidiary
SEP 2001	Registered on Corporate Restructuring Financing business
SEP 2002	Rating upgrade (A → A+)
APR 2004	Rating upgrade (A+ → AA-)
NOV 2006	Paid in capital increase by KRW 100 billion
NOV 2007	Implementation of Next-generation IT system "WINK"
MAY 2014	Launched Online mobile system
JUN 2018	Incorporation of Shinhan Lease
JUN 2019	Acquired ISO14001 certificate

Vision & Strategy

Vision

Leading credit-specialized financial company in Korea

Strategic Goal

**Leading the future,
CREATIVE CHARGERS!**

Strategic Direction

- Expert Platform Marketing**
- Efficient Support System**
- Exciting Corporate Culture**

Shinhan Capital has set out its vision of emerging as **Korea's benchmark credit specialized company** and playing a major role in achieving Shinhan Financial Group's goal of becoming a 'World Class Financial Group'.

Financial Highlights

Financial Highlights

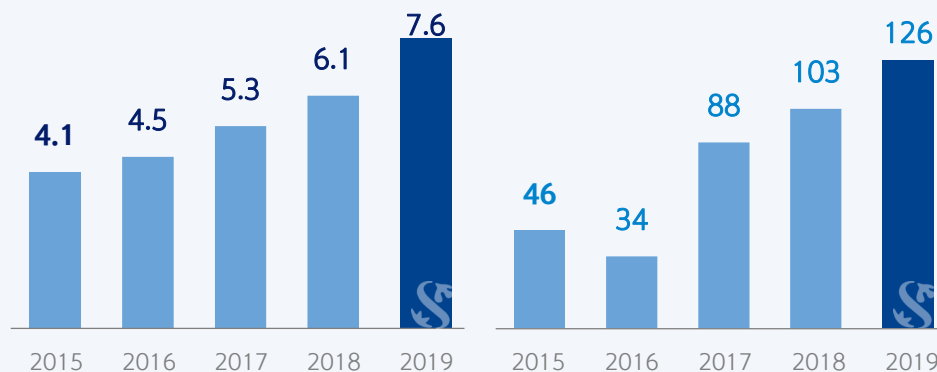
(KRW billion, %)	2015	2016	2017	2018	2019
Condensed IS					
Operating Revenue	4,076.6	4,506.8	5,315.4	6,116.6	7,566.4
Operating Expense	3,458.4	3,862.4	4,603.8	5,368.3	6,612.5
(SG&A)	618.1	644.4	711.6	748.3	854.0
Operating Income	180.0	180.0	180.0	180.0	180.0
Net Income					
Condensed BS					
Total Assets	56.2	40.9	110.7	142.9	167.7
Total Equity	46.1	33.9	87.6	103.4	126.1
Key Financial Indicators					
ROE	7.7%	5.4%	13.0%	14.5%	15.0%
ROA	1.2%	0.8%	1.8%	1.8%	1.9%
Cost-Income Ratio	16.8%	14.9%	14.1%	13.2%	13.1%
(KRW billion, %)	3.1%	2.6%	1.4%	0.96%	0.76%

Total Asset

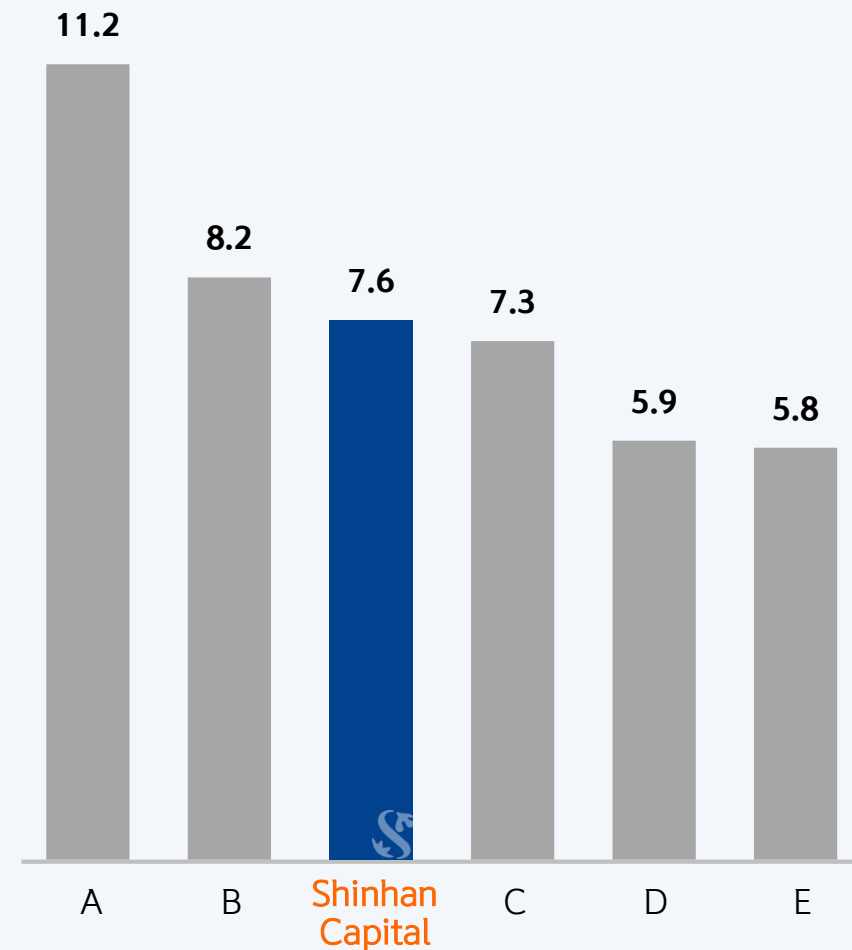
(Unit: KRW tril.)

Net Income

(Unit: KRW bil.)



Market Position (Total Asset basis, Unit: KRW tril.)



02

Companies in the Group

Shinhan BNP Paribas AM

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

Overview

Shinhan BNP Paribas Asset Management Overview

Shinhan BNP Paribas Asset Management was launched through an integration of two outstanding asset management companies; **SH Asset Management**, specialized in investment in domestic equities and bonds, and **Shinhan BNP Paribas Trust Investment**, whose specialty was foreign equity funds. .

Shinhan BNP Paribas Asset Management has provided trustworthy asset management services to our clients for several years and showed fundamentally solid management skills and performance. Beloved 50 million people in Korea, **we will strive to be recognized as the best asset management company in Korea.**

Total Equity

164.5 KRW bil.

AUM

50.3 KRW tril.

* Including discretionary accounts

Major Shareholders

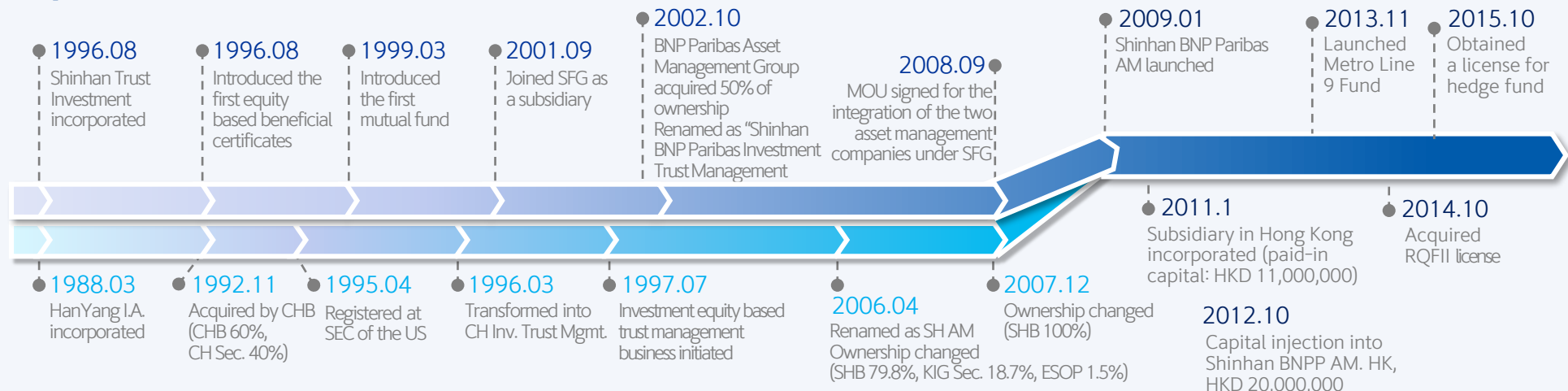
Shinhan Financial Group

65%

BNP PARIBAS Asset Management Holding

35%

Key Milestones (Incorporation Date: 1996.08.26)



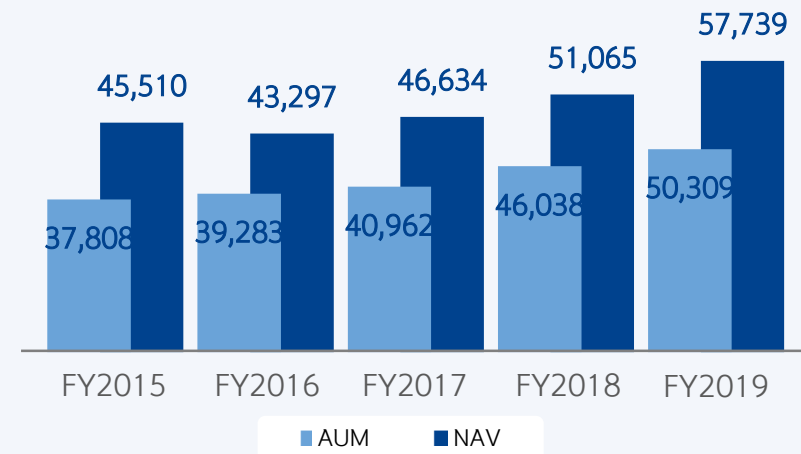
Financial Highlights

Financial Highlights

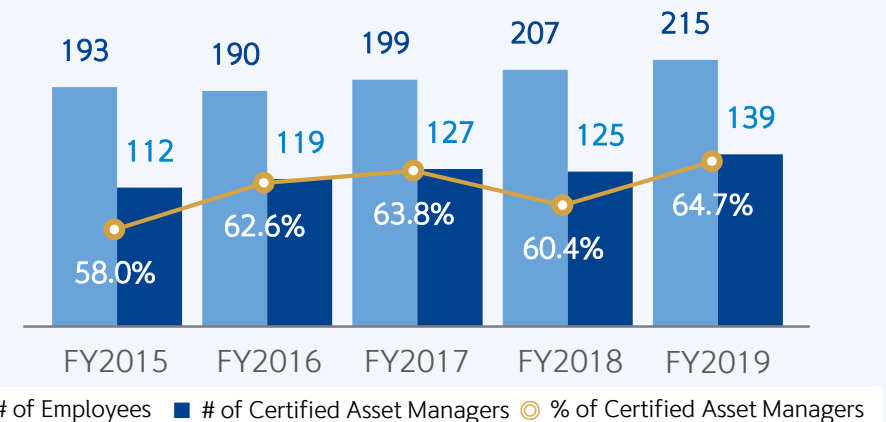
(KRW billion, %)	2015	2016	2017	2018	2019
Condensed IS					
Operating Revenue	83.7	69.8	77.5	78.4	84.3
Operating Expense (SG&A)	51.8	51.0	51.8	53.8	53.1
Operating Income	41.6	42.8	42.5	44.6	46.7
Net Income	31.9	18.8	25.7	24.6	31.2
Net Income	23.7	14.3	19.7	18.9	23.1
Condensed BS					
Total Assets	170.2	161.2	174.8	174.0	184.2
Total Equity	154.8	147.8	156.6	159.1	164.5
Key Financial Indicators					
ROE	15.20%	9.93%	13.25%	12.31%	14.71%
ROA	13.18%	8.42%	11.97%	11.07%	13.09%



AUM, NAV (Unit: KRW bil.)



Human talent (Unit: persons, %)



02

Companies in the Group

2-01 Shinhan Bank

2-02 Shinhan Card

2-03 Shinhan Investment

2-04 Shinhan Life

2-05 OrangeLife

2-06 Shinhan Capital

2-07 Shinhan BNP Paribas AM

2-08 Jeju Bank

2-09 Shinhan Savings Bank

2-10 Asia Trust

2-11 Shinhan DS

2-12 Shinhan AITAS

2-13 Shinhan Credit Info.

2-14 Shinhan Alternative Inv.

2-15 Shinhan REITs Mgmt.

2-16 Shinhan AI

Overview

Jeju Bank Overview

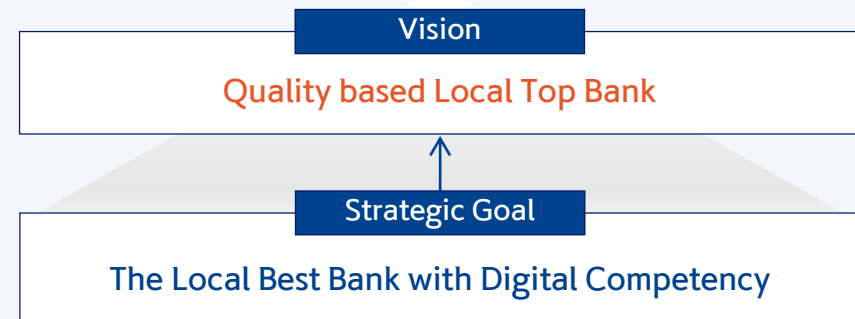
Incorporated in Jeju Island in 1969, Jeju Bank had been posting healthy growth amid strong support of the Jeju residents, playing a central role in the development of the Island's local economy.

- **Major Shareholders:** SFG (75.31%), ESOP (6.19%)
- **Total Equity:** 497.7 Wbn **Total Assets:** 6.3 Wtn.
- **Networks:** 35 branches and sub-branches (33 in Jeju)
- **Market share in Jeju:** 34.27% of deposits, 24.85% of loans (as of FY2019)

Key Milestones

MAR 1969	Jeju Bank (Ltd) founded
DEC 1972	Shares listed on the Korean Stock Exchange
MAY 2002	Became subsidiary of Shinhan Financial Group
DEC 2012	Launched smartphone banking service
NOV 2013	Awarded the CSR prize by Minister of Public Administration
NOV 2014	Launched tax-deductible long-term mutual funds
APR 2015	Launched a special desk for Chinese
DEC 2015	Launched barcode payment system on Bank wallet Kakao
MAR 2016	Contracted with Jeju Techno Park for Venture & SME support
JUL 2016	Launched new mobile platform 'J-BANK'
NOV 2016	Business Agreement for Jeju Transportation Card Service
FEB 2017	Launched new mobile banking app 'JBANK Plus'
OCT 2017	Launched "Innovation Pioneer Division" for new businesses
JUL 2018	Launched a non-financial app "Jeju Jini"
NOV 2018	Capital Increase by issuing new stocks
OCT 2019	Launched open banking system

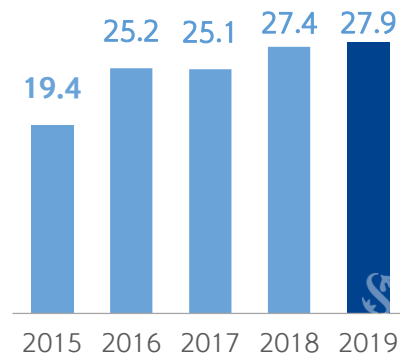
Vision & Strategy



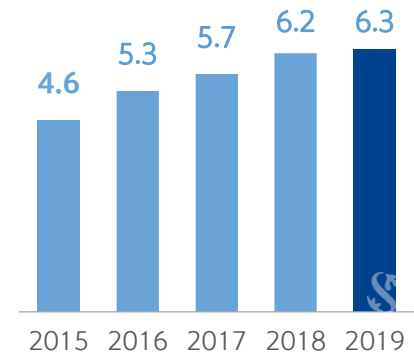
The "Local Best Bank" that enhances value for customers and for Jeju, enshrining them in basic business guidelines.

Financial Highlights

Net Income (Unit: KRW bil.)



Total Asset (Unit: KRW tril.)



Overview

Shinhan Savings Bank Overview

Through sound and transparent management and active discourse with the local community, Shinhan Savings Bank will strive to become a new benchmark for savings banks in Korea.

Total Equity

184.6 Wbn.

Total Asset

1.6 Wtn.

Networks

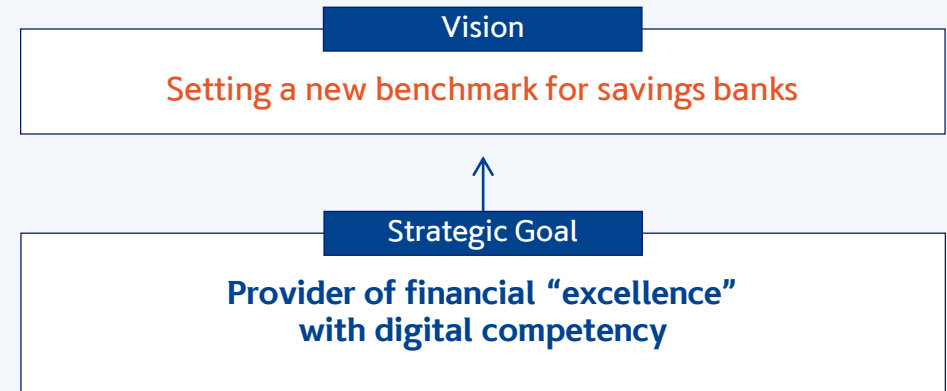
7 branches

* In Seoul metropolitan area

Key Milestones

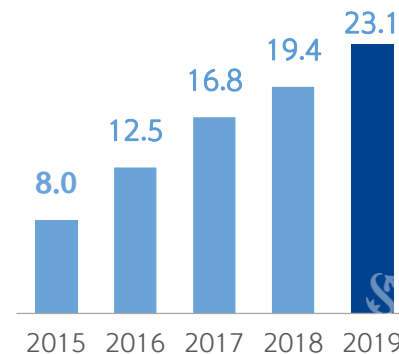
2011. 12	Acquired a savings bank licenses and changed its name to Shinhan Savings Bank upon joining Shinhan Financial Group
2012. 01	Launched business operations
2013. 01	Yehanbyeol Savings Bank joined Shinhan Financial Group
2013. 04	The former Shinhan Savings Bank and Yehanbyeol Savings Bank were merged and new Shinhan Savings Bank was launched

Vision and Strategy

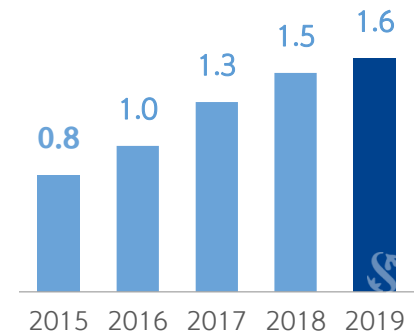


Financial Highlights

Net Income (Unit: KRW bil.)



Total Asset (Unit: KRW tril.)



Overview

Asia Trust Overview

Asia Trust is a comprehensive real estate service company that brings together the best experts in the real estate and finance sectors to inspire customers with creative ideas and approaches, rich knowledge and experience in real estate.

Total Equity

128.9 Wbn.

AUM

29.2 Wtn.

Key Milestones

2006.10.18.	Company established
2007.07.06.	Obtained Trust Business License
2007.08.24.	Renamed to 'Asia Asset Trust'
2008.02.21.	Obtained Managed Land Trust License
2008.11.25.	Renamed to 'Asia Trust'
2009.01.15.	Obtained Borrowed Land Trust License
2010.03.17.	Increased Paid-in capital (173,400 shares, price per share KRW 15,000won)
2010.05.19.	Stock Split (price per share 10,000won → 500won)
2016.12.08.	Joined Shinhan Financial Group as a subsidiary
2018.03.21.	Company established
2019.05.02.	Obtained Trust Business License

Vision and Strategy

Mission

A+ Company, Providing Best Service
with the Best Manpower

Vision

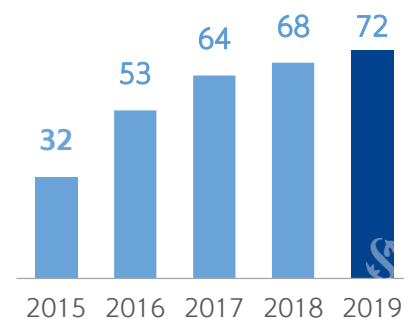
Trusted Industry Leader

Strategic Goal

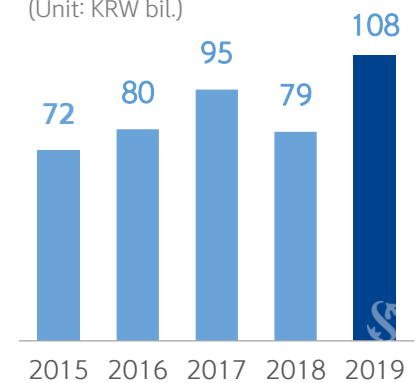
Domestic Top 5 Real Estate Trust Company

Financial Highlights

Net Income
(Unit: KRW bil.)



Order Performance
(Unit: KRW bil.)



Shinhan DS Overview

Shinhan DS is **Korea's no. 1 digital solution creator** that leads SFG's digital transformation.

Total Equity

21.4 Wbn.

Total Asset

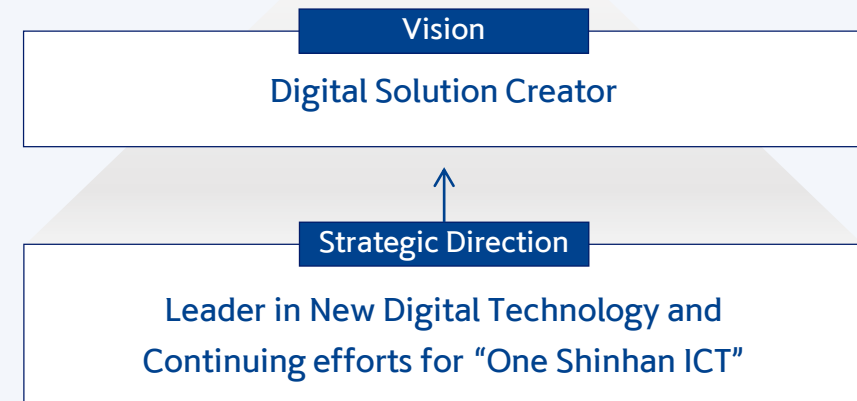
88.9 Wbn.

Key Milestones

MAY 1991	Shinhan System(Ltd.) established
OCT 2003	Changed its name to Shinhan Data System (Ltd.)
OCT 2009	Commenced 'Shared Service Center' operations to support SFG's IT
JAN 2010	Joined SFG as a subsidiary
NOV 2012	ISO/IEC 20000(services management), BS 100012 (individual information protection) certification acquired
JUN 2014	Implementation of Next-generation IT system "WINK"
JAN 2016	Implementation of main bank system in SEMAS
FEB 2017	Implementation of main bank system
FEB 2018	Developed Shinhan Bank SOL App
APR 2018	First in the market to be certified as an Information Security Service Professional Institution
MAY 2018	Renamed to Shinhan DS
JUL 2018	Establishment of Shinhan DS Vietnam (overseas subsidiary)
FEB 2019	Renamed to Shinhan DS
AUG 2019	Shinhan System(Ltd.) established
SEP 2019	Incorporated a representative office in Indonesia

Vision & Strategy

**Compassionate ICT,
Your Companion for the future**



Business Scope

- Digital Financial Services (cyber Security, ICT R&D, etc)
- System Integration (SI), System Management (SM)
- IT Outsourcing (ITO), IT Consulting
- BPO (Business Process Outsourcing)

Shinhan AITAS Overview

Shinhan AITAS, founded in June 2000, is the best fund service specialty provider with unparalleled market competitiveness and the largest domestic market share. It provides general fund related administrative services as well as comprehensive system for asset management, including Accounting System, Trading System, and Asset Management System.

In 2020, Shinhan AITAS expanded its business overseas to Vietnam, providing top-tier back office services including cross-boarder Consulting, ASP (Application Service Provider), TSS (Total Service Outsourcing).

Incorporation Date
July 15, 2000

CEO
CHOI Byoung-hwa

Shareholders
SFG (99.79%), Others (0.21%)

Total Equity (as of FY2019)
66.1 KRW bil.

No. of Employees
266 persons

Key Milestones



Financial Highlights

Financial Highlights

(Unit: KRW bil.)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Condensed IS						
Operating Revenue	28.5	32.9	37.1	40.8	44.7	51.8
Operating Expense	24.0	25.1	27.6	33.0	34.4	38.7
(SG&A)	24.0	25.1	27.6	33.0	34.4	38.7
Operating Income	4.6	7.8	9.5	7.9	10.4	13.1
Net Income	4.0	6.4	7.6	6.5	8.5	10.8
Condensed BS						
Total Asset	37.7	42.7	53.9	58.2	65.7	77.1
Total Equity	31.4	37.8	45.5	52.0	58.4	66.1
Key Financial Indications						
ROE	12.69%	16.96%	16.79%	12.48%	14.50%	17.56
ROA	10.59%	14.99%	14.16%	11.14%	12.87%	15.46
Cost-Income Ratio	84.00%	76.18%	74.37%	80.76%	76.82%	74.70%

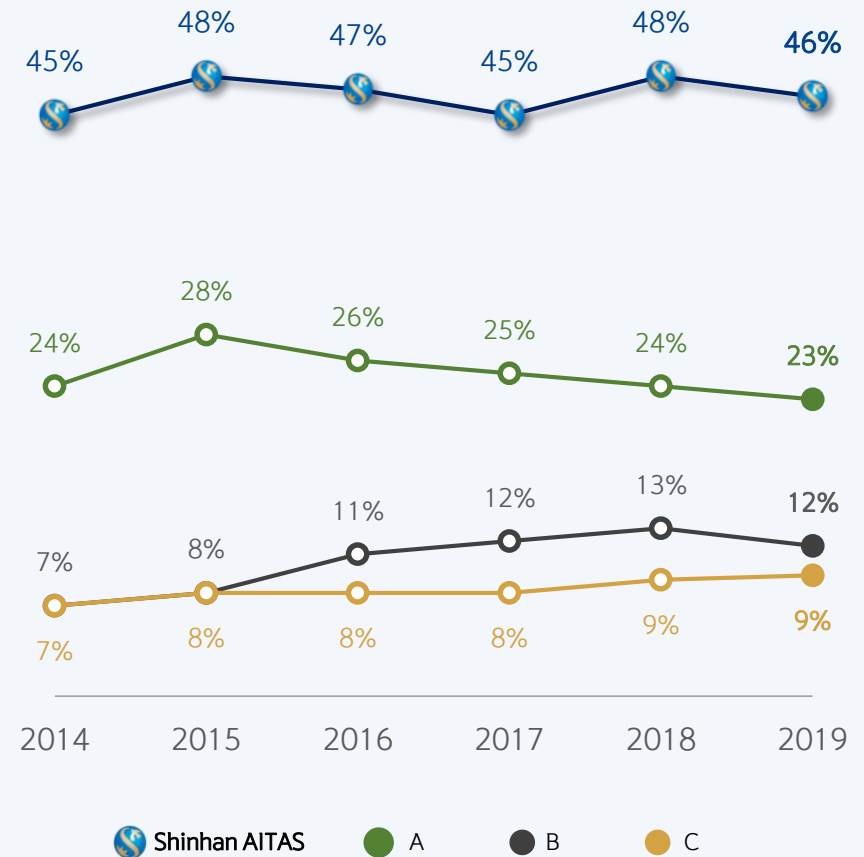
■ Operating Revenue ■ Net Income

(Unit: KRW bil.)



Market Position

(term-end basis, including discretionary assets)



Shinhan Credit Information Overview

Shinhan Credit Information, a wholly-owned subsidiary of SFG, is **a specialist in credit information business**. With integrated management of non-performing assets, the company allows synergy creation amongst the Group's subsidiaries and robust asset quality.

Credit Rating

A- (e-3-)

- Sales Revenue: 38.7 Wbn.
- Customers: approx. 410,000
- Debt Collection: 202.4 Wbn.

Business Scope

- Debt collection and credit reporting, Civil application and petition services, document collection and CRM operation for SFG and its subsidiaries
- Operations in support of KAMCO, the National Happiness Fund and SFG Hope Foundation

- Credit under management : 3.5 Wtn. (for Group companies), 1.5 Wtn. (Public credit)
- # of credit research: approx. 320,000 cases
- Beneficiaries of financial support program: 4,433 persons

Key Milestones

2002.09
Incorporation

2009.01
Launched credit management of KAMCO's credit recovery fund

2017.11
Commenced troubled asset management service for SHC

2019.03
Commenced Youth Loan Total Care Business

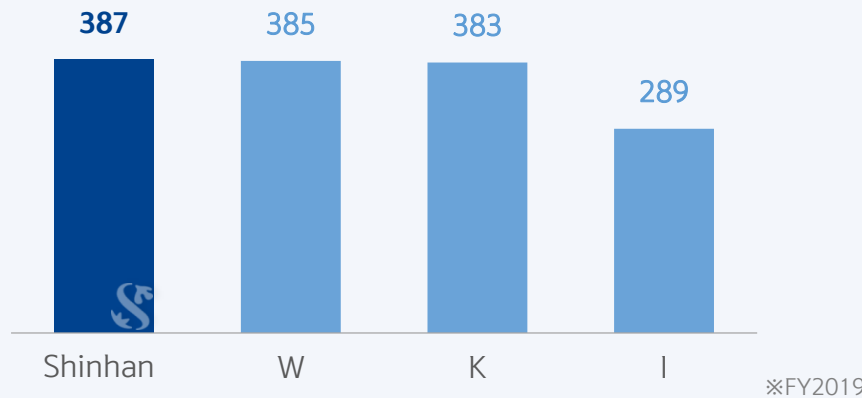
2007.07
Launched credit management of former LG credit card

2013.07
Credit management of KAMCO's National Happiness Fund

2018.02
Financial Support Program for Individual with low credit scores

Market Position & Network

Operating Revenue (Unit: KRW mil.)



Global Certification (Information Security)



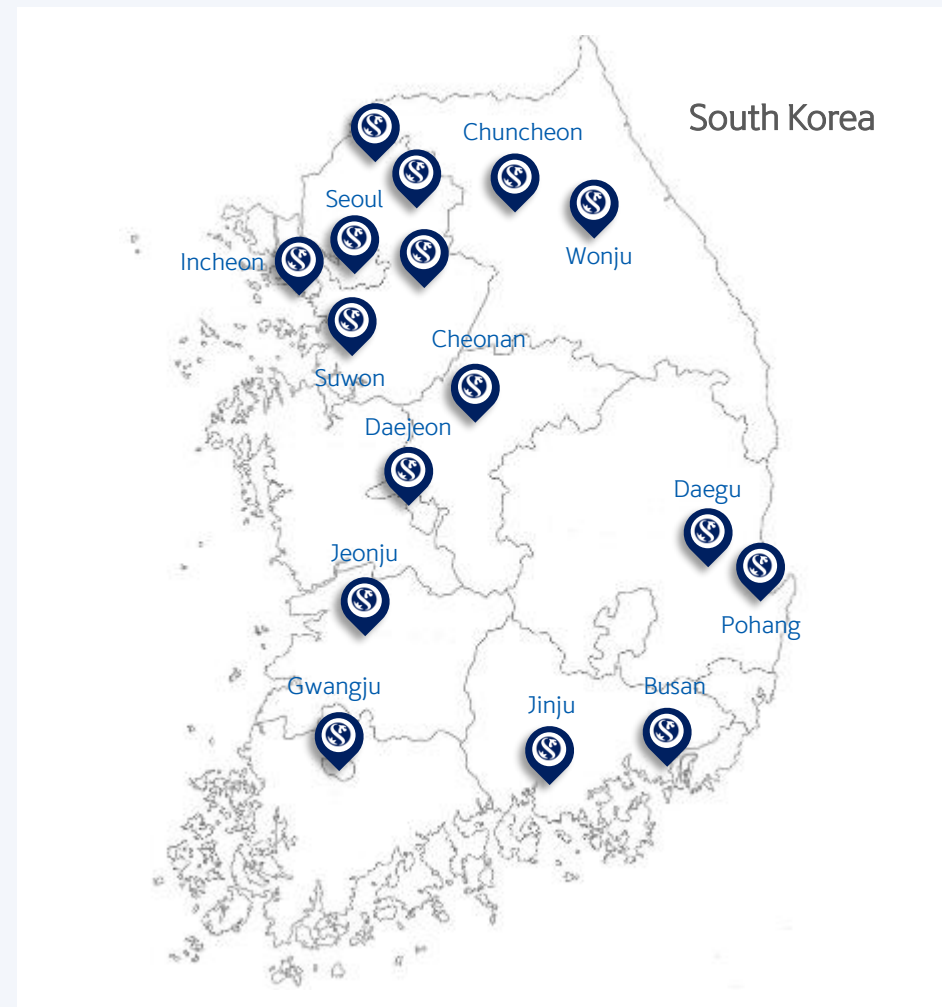
ISO 27001

ISO 27001 Certified
(Global certificate for Information Security Management System)

BS 10012

Attained global certification to BS 10012 (Information Security Standards) from BSI (British Standards Institution)

Network



Overview

Shinhan Alternative Asset Management

Shinhan Alternative Asset Management is **the first local private equity company in Korea** established in Dec. 2004 with a 100% capital contribution by Shinhan Financial Group.

In 2017, the company expanded its business to emerge as an asset management company specializing in alternative investments.

Overview

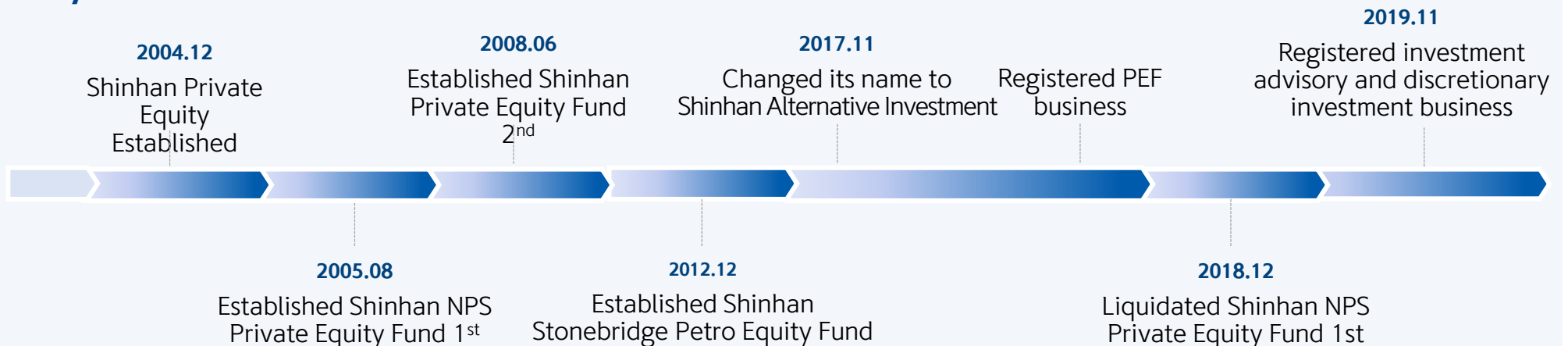
Incorporation Date
Dec. 8, 2004

CEO
KIM Hee-song

Total Equity
12.5 KRW bil.

AUM (committed basis)
Approx. **8.1** KRW tril.

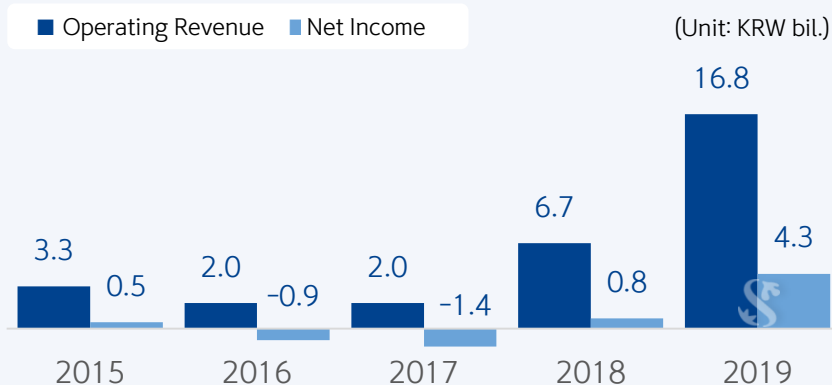
Key Milestones



Financial Highlights

Financial Highlights

Unit: KRW bil., %	2015	2016	2017	2018	2019
Condensed IS					
Operating Revenue	3.3	2.0	2.0	6.7	16.8
Operating Expense (SG&A)	2.7	2.2	2.9	6.1	11.2
Operating Income	0.6	-0.2	-0.9	0.5	5.6
Net Income	0.5	-0.9	-1.4	0.8	4.3
Condensed BS					
Total Assets	15.3	14.2	13.1	15.2	19.7
Total Equity	9.8	8.8	7.4	8.2	12.5
Key Financial Indicators					
ROE	4.14%	-10.8%	-19.2%	10.1%	42.2%
ROA	2.66%	-6.7%	-10.8%	5.8%	23.3%
Cost-to-Income Ratio	81.44%	56.1%	171.5%	91.8%	66.3%



Operation Overview

Private Equity Funds

Shinhan Private Equity Fund 2nd	<ul style="list-style-type: none"> Investment Amount : KRW 460 billion Independently managed by Shinhan PE Liquidated in June, 2017 and currently in process of selling the remaining assets to 'Jeonju paper'
Shinhan Stonebridge Petro Equity Fund	<ul style="list-style-type: none"> Investment Amount : KRW 818.2 billion Jointly invested and operated by Shinhan PE & Stonebridge Invested KRW 800 billion in SK Incheon Petrochem

Private Placement Funds

Real Estate Funds (Real estate, structured, etc.)	<ul style="list-style-type: none"> # of Funds: 26 Committed amount: 3,726 Wbn Launch date: DEC 22, 2017
Infrastructure (Infrastructure, FOF, Credit, etc.)	<ul style="list-style-type: none"> # of Funds: 23 Committed amount: 3,014 Wbn Launch date: FEB 28, 2018
Others (Social Enterprise, etc.)	<ul style="list-style-type: none"> # of Funds: 3 Committed amount: 77 Wbn Launch date: OCT 31, 2018

Overview

Shinhan REITs Management Overview

Incorporated in 2017, Shinhan REITs Management is a real estate asset management company, wholly-owned by Shinhan Financial Group.

Total Equity

40.2 Wbn.

AUM

0.95 Wtn.

Key Milestones

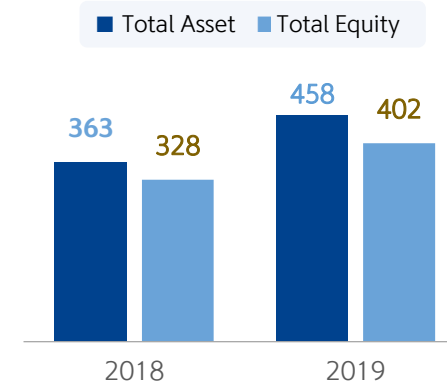
2017.10	Shinhan REITs Management Established (100% owned by SFG)
2017.12	Selected as a preferred bidder for Pangyo Alpha dome(6-4BL) Project
2017.12	Launched 1st REITs (Shinhan Alpha REITs)
2018.04	Shinhan Alpha REITs Acquired underlying assets (Pangyo Alpha dome 6-4BL, The Prime Tower equity)
2018.07	IPO
2018.08	Listed on KOSPI
2018.10	Shinhan Alpha REITs adds <i>Yongsan The Prime Tower</i> as an additional asset
2019.04	Launched Shinhan Alpha Gangnam REITs
2019.05	Shinhan Alpha Gangnam REITs adds <i>Seolleung WeWork Tower</i> as an additional asset
2019.07	Launched Shinhan Hotel Cheonan REITs
2019.09	Shinhan Hotel Cheonan REITs adds <i>Cheonan Shilla Stay</i> as an additional asset
2019.12	MOU with SeoBu TND for incorporating anchor REITs

Vision and Strategy

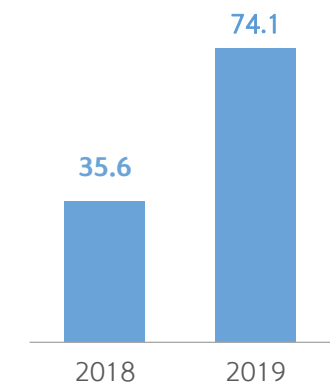
Strategic Direction	Strategic Tasks
Leading the Real Estate Finance Business	① Expand AUM ② Increase REITs returns ③ Preemptive response to regulatory changes
Accelerating One Shinhan Synergy	① Increase collaboration within the Group ② Develop diversified products ③ Increase the asset management capacity
Strengthening Management Infrastructure	① Sound HR management ② Sophisticated internal operation system ③ Stronger ties with customers built on trust

Financial Highlights

Total Asset, Total Equity (KRW mil.)



Net Income (KRW mil.)



Business Highlights

Shinhan REITs Management Business Highlights



Pangyo
Alpha Dome City

Shinhan Alpha REITs

Launch Date	DEC 18, 2017
Listed Date	AUG 8, 2019
Underlying Assets	- Pangyo Alpha Dome City 6-4BL - The Prime Tower (Wonhyo-ro)
AUM	631.9 KRW bil. - Market Capital: 362.4 KRW bil. (as of DEC 2019)
Other Info.	Entrusted and managed 100% by Shinhan REITs Mgmt.

Shinhan Alpha Gangnam REITs

Launch Date	APR 10, 2019
Underlying Assets	Seolleung WeWork Tower
AUM	132.8 KRW bil. (as of DEC, 2019)

Shinhan Hotel Cheonan REITs

Launch Date	JUL 18, 2019
Underlying Assets	Cheonan Shilla Stay
AUM	83.8 KRW bil. (as of DEC, 2019)

Shinhan AI Overview

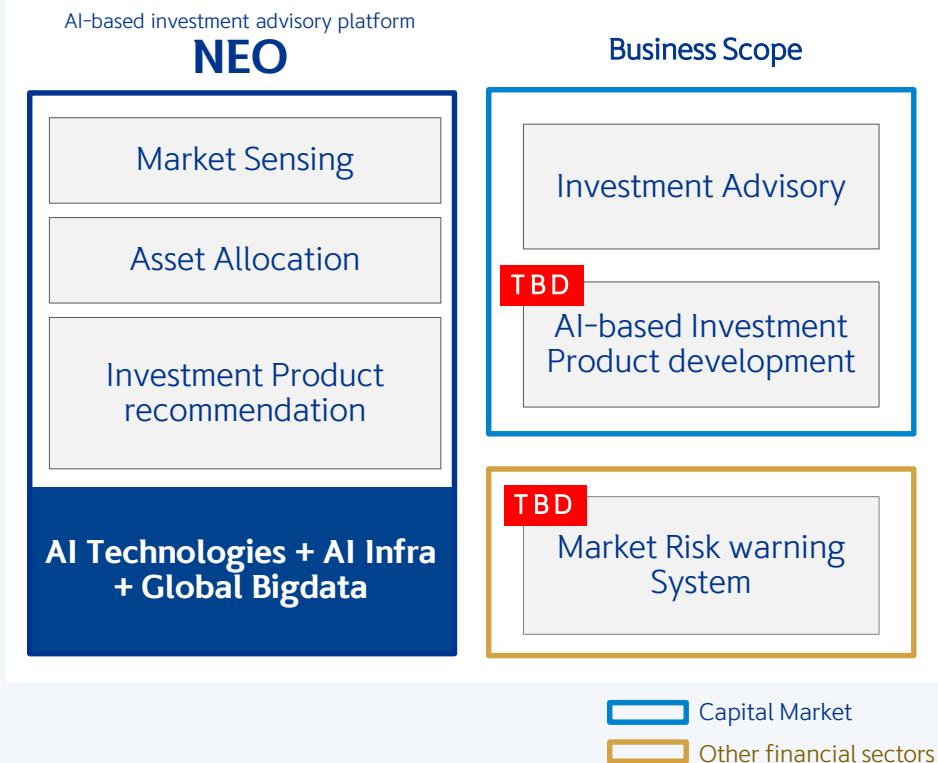
- Shinhan AI, a wholly-owned subsidiary of SFG, is an artificial intelligence based investment consulting firm, which is the first of a kind to be incorporated under a financial holding company
- Officially registered under the Capital Market and Financial Investment Business Act in July 2019
- Currently focusing on AI-based investment advisory services, and aims to apply AI technology in various financial businesses
 - Incorporation Date: July 31, 2019
 - Total Equity: KRW 42.4 billion
 - Main Business: Investment advisory, software development

Key Milestones

DEC 2018	<ul style="list-style-type: none"> SFG's BoD decides to incorporate a subsidiary under the holding company
JAN 2019	<ul style="list-style-type: none"> Completes corporate registration (Total Equity: KRW 2 billion)
JUL 2019	<ul style="list-style-type: none"> Registered for business (investment advisory) at FCS Officially joins Shinhan Financial Group as a subsidiary
AUG 2019	<ul style="list-style-type: none"> Increase in Total Equity (2Wbn → 42Wbn) Completes administrative procedures for joining SFG
SEP 2019	<ul style="list-style-type: none"> Shinhan AI opening ceremony

Operation Highlights (as of DEC, 2019)

- Based on the AI-based investment advisory platform “NEO”, the company provides investment advisory services to subsidiaries of the Group, and is preparing to invest in AI-based investment products, risk detection/alert systems.



Forward-Looking Statements

Shinhan Financial Group's FY2019 e-Brochure may contain forward-looking statements to provide value-added account of Shinhan Financial Group's businesses and results of operations.

These forward-looking statements reflect our current views with respect to future events and performance, and are generally identified by the use of forward-looking terminology, such as "expect", "plan", "intend", and similar expressions.

You are cautioned not to place undue reliance in these forward-looking statements, which reflect management's current analysis of future events.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.



Shinhan Mobile IR Application

1

ir.shinhangroup.com

or

2

