



Developing Human Resources and Creating a Great Workplace Culture

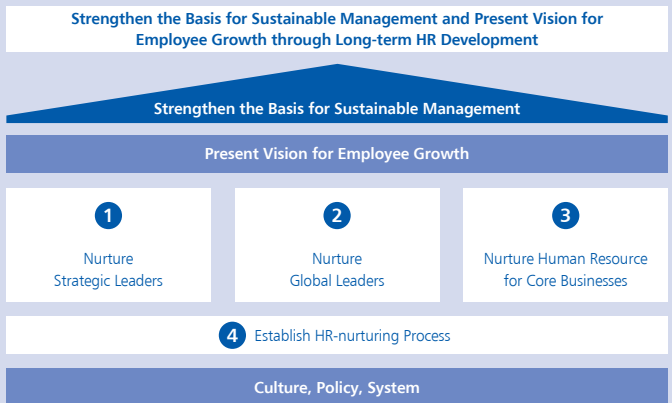
For corporate management activities, the capabilities of individual employees are core success factors that are directly linked to the results of the company. Along with the rapidly changing market and the progress of globalization beyond Korea, the financial industry especially faces increased needs for improvement of professionalism and global capabilities of employees.

Accordingly, Shinhan Financial Group is nurturing financial experts who can create customer values and social values in an effort to practice the group's mission, 'compassionate finance, your companion for the future'. Also, it presents a vision for employees to grow as experts in the fields that they want to pursue by supporting self-directed learning through various policies on educational support. Based on such educational philosophy, Shinhan Financial Group seeks to create a sustainable virtuous cycle of value creation by providing reasonable rewards and various welfare benefits to employees striving to improve their capabilities.

Project for Nurturing the Group's Human Resources

In 2015, TFT, the project for nurturing human resources, established four programs and processes for developing human resources. 'Shinhan Management School' is a program designed to nurture strategic leaders, targeting assistant directors who seek to develop their management knowledge and leadership capabilities. It was conducted from September 2015 to March 2016 through coordination with Graduate School of Business of Seoul National University on core business and specialized finance areas such as management strategies, marketing, human resources, accounting, M&A, and risk management as well as an Action Learning and overseas benchmarking program. 'Shinhan Global Business School,' a course for obtaining Master of Science in Global management through coordination with the Hong Kong University of Science and Technology

(HKUST), aims to develop global human resources in a systematic manner. It consists of curriculum, which combines general business administration and global projects. Conducted on Friday afternoons and on Saturdays for 12 months starting on January 2016, this course, targeting deputy general managers and section managers, provides an opportunity for learning on the HKUST campus. Furthermore, Shinhan Bank, Shinhan Card, and Shinhan Investment Corp. plan to operate Shinhan Global Channel-linked MBA which dispatches their employees to MBA courses of top colleges in their core business regions, such as China, Vietnam, Indonesia, Mexico, Russia, and Kazakhstan, assesses the education results in a comprehensive manner and dispatches the graduates as resident employees in the regions to utilize their capabilities.



- 1 Shinhan Management School**
 - Develop professionalism and leadership capabilities for next-generation group leaders
- 2 Shinhan Global Business School**
 - Develop Long-term HR Development Process for Carrying Out Global Businesses
- 3 Strengthen Process on Development of Core Tasks by Group Affiliates**
 - Shinhan Bank: Asset management, WM, corporate finance, technological finance, IB, global
 - Shinhan Card: Marketing, brand, strategy, global
 - Shinhan Investment Corp.: Asset management, WM, wholesale, IB, research
 - Shinhan Life Insurance: Asset management, product actuary service
- 4 Establish Process for Long-term HR Development**

Enhancing the Capacity of Employees

In order to acquire competitiveness in core capabilities of employees, Shinhan Bank strives to nurture project experts and their capabilities through Shinhan Finance Academy, Asset Management Expert Course, Corporate Finance Academy, etc. The bank continues to expand its professional workforce in technological finance by coordinating its technological finance course with Graduate School of Business of KAIST. Also, in order to promote a strong organizational culture unique to Shinhan, it newly created its Grade 4 Manager Training Course, which established the educational system by position, in order to promote understanding of the management directives of the CEO and to strengthen on-site execution initiative. In addition, Shinhan Bank operates Task Champion Course to develop employees as financial experts through self-directed learning based on voluntary participation. A total of 1,286 employees participated in 2015.

Shinhan Bank is also conducting annual performance assessment for all employees in order to promote fair and rational performance rewards. Assessment criteria consists of project outcome, which is the result of work performance, and capabilities, which is the knowledge, technology, and behavioral standards that employees need to acquire and develop in order to conduct their work. The assessment results are utilized in the forms of payment, promotion, career development, transfer, assignment, and education and training of employees



Shinhan Bank, Operating Task Champion

Number of employees participating in education of sustainable management in Shinhan Bank

Unit: persons



12,416

Shinhan Card is providing special lectures and humanities lectures to employees in order to improve their insights and strengthen their initiatives, and to share information on latest trends. It is also conducting a global academy and work-training program in Vietnam and Kazakhstan with the goal of nurturing global human resources. In addition, Shinhan Card is conducting company-wide activities for building a strong organizational culture in order to spread customer-centered thinking and behavior based on the Shinhan WAY. Notably, Shinhan Card created virtual on-site department units called 'Unit,' consisting of all employees according to department, gender, position, etc., to provide Great Rally Communication & Creativity training, and is utilizing them to carry out various communication activities during the year.

Shinhan Investment Corp. is operating various educational courses in order to improve customers' rate of return by acquiring elite capabilities from its employees. It is conducting programs such as S-Pro course for Retail PWM PB, a specialized course for nurturing a professional workforce by field, and S-Academy, a customized course centering on educational consumers, and is supporting overseas MBA training in order to nurture global human resources. The company is also providing an environment for self-directed learning to the employees through mandatory completion of education hours by position, monthly online education, tuition support policy, etc.

In 2015, Shinhan Life Insurance re-established its competency expectations and established a new educational system to help all employees grow as experts in the insurance industry. Through total reforms on company lecturer policy designed to improve employees' work capabilities and performance, Shinhan Life Insurance is accepting various educational needs and is seeking opportunities to share and expand the intellectual assets of the organization. The company also offered educational opportunities for acquiring humanistic qualities and business trends by operating Hero's Club - designed to strengthen managers' leadership and creative business thinking ability - and Hero's Choice contents - provided to all employees.

Enhancing Capabilities of Local Employees of Global Business Department

In an effort to establish a stable basis for its global projects, Shinhan Financial Group is operating various educational courses in order to improve the professionalism of local employees and to improve the capacities as Shinhan employees.

In order to localize its global workforce, Shinhan Bank is selecting 'Global Leader Group' from local employees in order to motivate communication between Korea and local countries, and is conducting global business education in order to improve business results. By changing the previous system of one-way training to a system of mutual communication, Shinhan Bank is increasing the efficiency of education of local employees and is providing them with vision and motivation, systematically increasing the retention rate of core workforce with high performance. Shinhan Bank also conducts work-related education, such as 'Global Loan Academy' and 'Global Foreign Exchange Academy,' as well as Global Shinhan Way training in order to spread its Best Practices and to share core values of Shinhan Bank.

