

In order to promote more systematic activities for protecting financial consumers, Shinhan Card established a consumer protection process characterized by preliminary assessment, VOC(Voice of Customers) collection, prevention activities, work improvements, follow-up measures, and feedback. Through this process, Shinhan Card actively reflects the demands of financial consumers in management activities, preventing consumer complaints and providing prompt follow-up aid. Shinhan Card also strives to improve company-wide awareness and capabilities for protecting financial consumers by operating consumer protection meetings, educating employees on consumer protection, etc.

Shinhan Investment Corp. is performing stringent monitoring on financial fraud through education of employees and system construction. Also, it is carrying out role-playing activities by branch with the goals of understanding product sales based on Standard Guidelines for Investment Recommendations and preventing complaints. In 2015, it conducted 35,486 Happy Calls by expanding products subject to examination on completed sales.

In 2015, Shinhan Life Insurance launched its 'Consumer Protection System(CPS)' in order to upgrade its processes on consumer protection and to improve user convenience. The company enacted 'Consumer Protection Day,' strengthening employees' awareness on consumer protection through on-site educational broadcasts, consumer protection reports, etc. Additionally, it is operating a Quality Index and giving awards to outstanding branches in an effort to promote flawless sales through complete sales activity.

System for Predicting Retention Rate of New Contracts

For the first time in the insurance industry, Shinhan Life Insurance developed a system for predicting retention of new contracts by analyzing characteristics of insurers. This system analyzes the characteristics of insurers, such as job, age, breakaway from previous contracts and time of signing insurance contracts, in order to analyze changes in retention rate, and utilizes systems like underwriting and Happy Call to carry out sales customized to each customer. This system is expected to have huge effects in eliminating inflow of unsound insurance contracts, improving retention rate, which is a major indicator for insurance companies, while reducing customer complaints.



Customer value • The company analyzes and examines contract suitability factors, such as overlapping guarantee and payment capacity, providing products fit for customers

Shinhan value • The company ensures objective assessment on the qualitative level of contracts and attaining prior understanding of matters that deserve special attention, ensuring quality contracts, improving profitability, and promoting corporate values

Social value • The company contributes to the healthy development of the insurance industry by promoting a sales culture characterized by quality contracts

Improvement of Customer Satisfaction

In an effort to expand an admirable CS culture in 2015, Shinhan Bank conducted its internal campaign during the year by selecting and carrying out quarterly thematic activities, strengthening the power of execution for on-site CS. Shinhan Bank is also utilizing the results from regular customer satisfaction surveys as the indicators for evaluating the management board and branches, and is carrying out concentrated improvement activities on weak factors. In addition, the company is operating on-site support CS RM, which administers practical CS-strengthening activities, such as education on CS at regional HQ and visits to branches with weak CS, contributing to the overall improvement of service quality in branches. Also, in 2015, Shinhan Bank developed its 'Comprehensive SCALE System,' an upgrade from the existing CS system, in order to promote systematic CS management in branches. This drastically improved the convenience of branch employees in using the system, increased the amount of data provided by results of CS evaluation, and strengthened statistical analysis capabilities, ultimately upgrading the capacity for improving service quality.



Shinhan Bank, conducting CS campaign

Shinhan Card operates its 'Yes-Reward Policy on Excellent Suggestions from Customers', which selects and awards customers' suggestions that yield outstanding effects on work improvement and have high preventive effects on potential risks. A total of 8 suggestions have been selected and awarded in 2015. The company also strives to induce work improvement and improve the level of company-wide consumer protection activities through 'Daily VOC Report Feedback,' a program for delivering live feedback on major VOC to department heads every day. In acknowledgement of such activities in favor of customer satisfaction, Shinhan Card recently obtained certification on Consumer Centered Management(CCM), administered by the Fair Trade Commission, in 2015.



Shinhan Card, Proclamation Ceremony to Acquire CCM Certification

Shinhan Investment Corp. strives to improve customer satisfaction by providing various customer-oriented convenience services, such as privileged services for long-term group customers and Shinhan Tops Club service. Shinhan Investment Corp. also ensures constant response on customers' inquiries through VOC, and received and processed a total of 3,219 cases of VOC in 2015.

In an effort to express its willingness to compose and improve all management activities centering on customers in 2015, Shinhan Life Insurance hosted a Proclamation Ceremony on Customer Centered Management(CCM), enacted a charter on consumer protection, and recently obtained certification on Customer Centered Management(CCM). In addition, the company actively practices customer-centered management by promoting policy improvement using VOC, conducting customer satisfaction surveys, etc.

Customer Satisfaction Survey Performance

		2013	2013	2015	Ranking
Shinhan Bank	KS-SQI (Korea Standards Association)	73.4	72.7	74.7	1 st
	KCSI (Korea Management Association Consulting)	74.4	75.9	76.9	1 st
	KSQI (Korea Management Association Consulting)	92.0	94.0	93.0	1 st
	GCSI (JMAC)	71.9	72.8	72.9	1 st
	NCSI (Korea Productivity Center)	75.0	75.0	76.0	1 st
Shinhan Card	KCSI (Korea Management Association Consulting)	75.1	74.0	74.5	1 st
Shinhan Life Insurance	GCSI (JMAC)	-	-	70.3	1 st

Besides such efforts, Shinhan Financial Group operates various customer panel policies in its affiliates in order to practice compassionate finance by improving customer values.

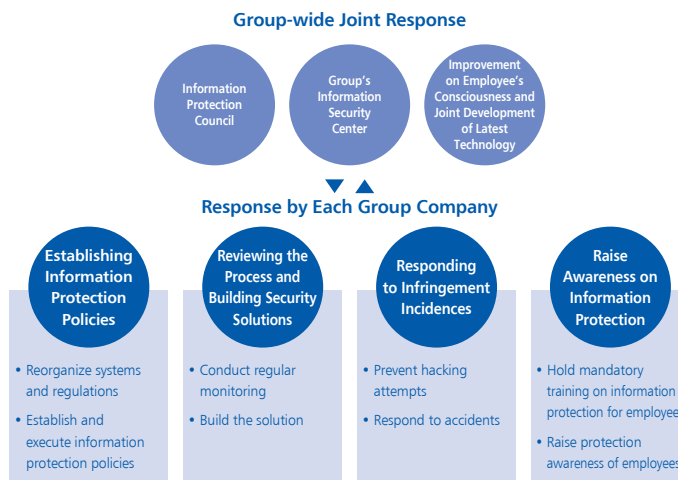
Shinhan Card has further divided panel groups according to characteristics of customers, such as a consumer protection advisory board, compassionate finance supporters panel, and compassionate finance online panel, and is operating customized channels accordingly, enabling a more strategic approach on understanding customer needs.

The customer panel group of Shinhan Life Insurance performs activities like mystery shopping, hands-on insurance service experience, new product monitoring, and also operates regular discussion meetings, through which it actively suggests areas of improvement for policies and services and contributes to the promotion of customer-centered work.

Personal Information Protection

In 2015, Shinhan Financial Group upgraded its compliance system on group information protection, and established a self-examination process for each affiliate. The company also improved its level of security by upgrading the group's security control function and integrated service on information protection, and established a system for detecting abnormalities in internal control, in order to prevent security accidents by internal employees.

A system of Information Protection Activities for Financial Consumers



Shinhan Bank is actively complying with legislation and policies on customer information protection by preparing a self-standard on compliance with information protection, and is improving the level of management of protecting customer information through preliminary training and the detection/control system. The company has also strengthened monitoring on external leakage of customer information by building a document export system, and is striving to improve general awareness on protecting customer information through customized education for all employees, on-site examination on branches and HQ departments, and reflection of assessment outcomes.