

Aim Higher and Creatively Pioneering Ahead

Shinhan Financial Group

1H 2020



RESILIENCE



FUNDAMENTAL



SUSTAINABILITY



HUMAN-TALENT



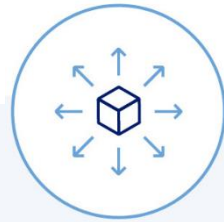
ECO-SYSTEM





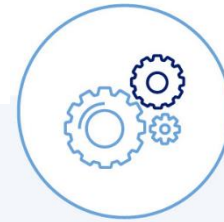
Korea's Leading Financial Institution

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 1H 2020)

Net Income

1.81 Wtn

Total Assets
(Consolidated)

578 Wtn

Total Market Cap.

13.7 Wtn

ROA

0.65 %

ROE

9.55 %

of Employees

30 thousand

- 16 direct subsidiaries, 28 indirect subsidiaries
- Major Shareholders (Common Shares)
 - Korea National Pension Service 9.86%¹
 - BlackRock Fund Advisors 6.09%²
 - SFG ESOP 5.15%³
 - BNP Paribas 3.55%⁴
 - Citi Bank [ADR Dept.] 2.80%⁴

NOTE 1 Based on the Large equity ownership disclosure by NPS with the Financial Supervisory Service (FSS) on FEB. 7, 2020

NOTE 2 Based on the Large equity ownership disclosure by BlackRock with the FSS on Sep. 27, 2018

NOTE 3 As of end of 1H 2020 NOTE 4 As of end of FY2019

Well-diversified Business Portfolio

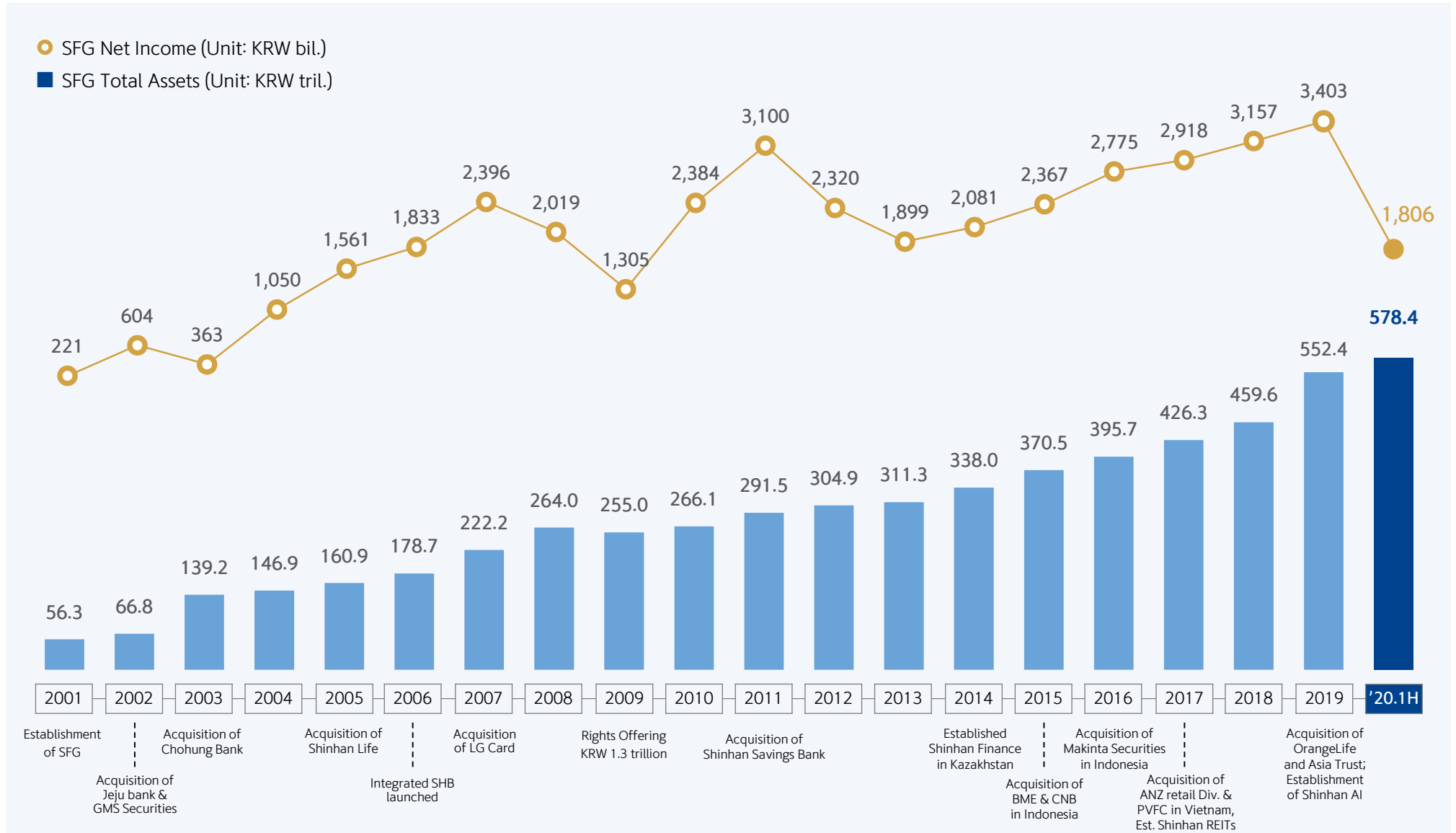


Top 500 Banking Brand

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

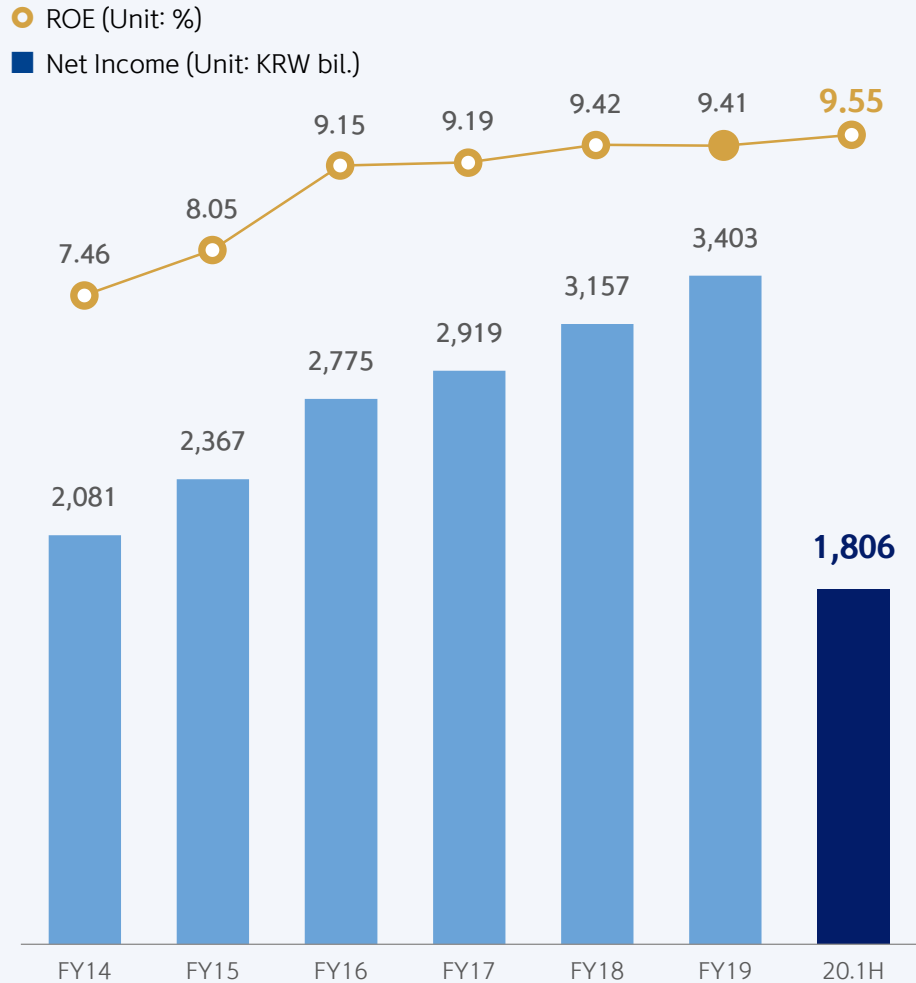
* Source: The Banker (Feb. 2020)

Continuous Growth Through Business Diversification



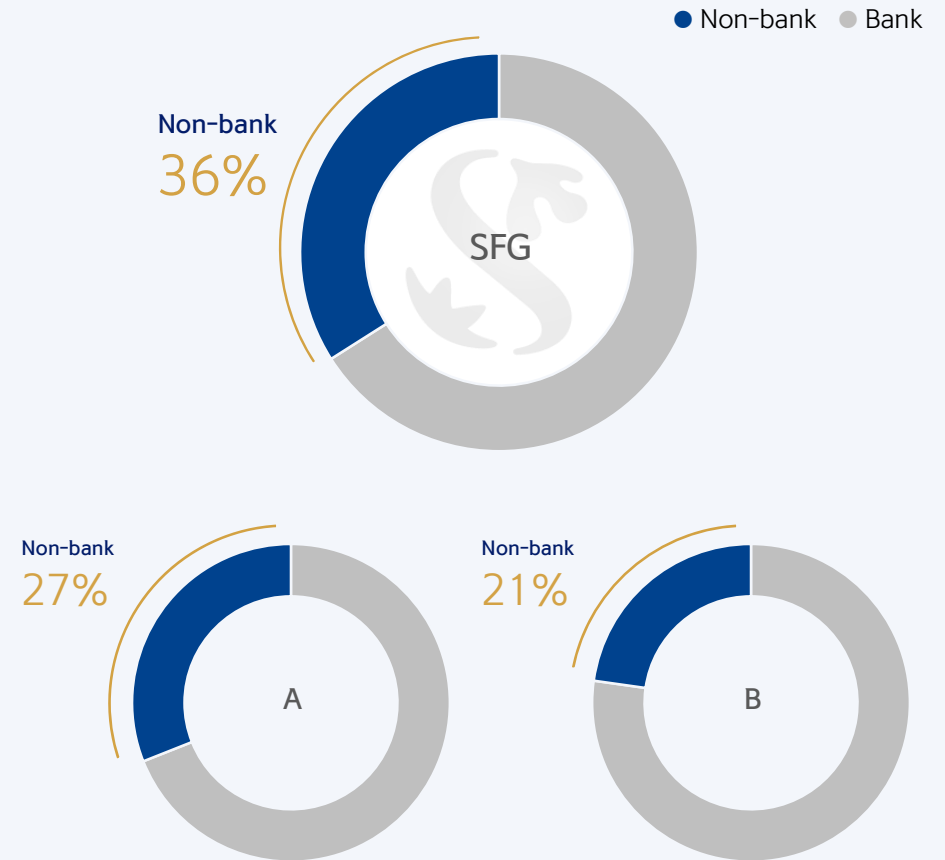
Performance and Portfolio

Consistent Net Income Growth



Diversified Profit Base

Net Income Contribution by Non-bank Subsidiaries ('20.1H)



SFG's Major Affiliates

Leading Financial Group in Korea



(as of 1H 2020)

Shinhan Bank	Shinhan Card	Shinhan Investment	Shinhan Life	OrangeLife ²⁾	Shinhan Capital	Shinhan BNP Paribas AM	Jeju Bank
100%	100%	100%	100%	100%	100%	65%	75.31%
Top Commercial Bank in Korea Total Assets 496.5 Wtn. Total Equity 26.7 Wtn.	No.#1 Credit Card Company in Korea Total Assets 34.0 Wtn. Total Equity 6.1 Wtn.	Major Securities Firm in Korea Total Assets 77.2 Wtn. Total Equity 4.3 Wtn.	Life Insurance Co. with Strengths in Telemarketing Total Assets 35.0 Wtn. Total Equity 2.2 Wtn.	Highly Profitable Life Insurance Company Total Assets 32.9 Wtn. Total Equity 3.2 Wtn.	Specializes in facility leases & installment financing Total Assets 8.5 Wtn. Total Equity 1.1 Wtn.	Major Asset Management Firm in Korea Total Assets 54.7 Wtn. Total Equity 155.4 Wbn.	The Leading Local Bank in Jeju Total Assets 6.6 Wtn. Total Equity 507.6 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 Total Assets 1.6 Wtn. Total Equity 194.7 Wbn.	Major Market Player in Real Estate Trust Total Assets 43.5 Wtn. Total Equity 148.2 Wbn.	Specialized IT Service Provider for Financial Corp. Total Assets 89.1 Wbn. Total Equity 21.1 Wbn.	No.#1 Fund Service Company in Korea Total Assets 79.3 Wbn. Total Equity 69.9 Wbn.	Expertise in debt collection & credit research Total Assets 27.2 Wbn. Total Equity 16.5 Wbn.	Private Equity Fund & Alternative Investment Total Assets 4.6 Wtn. Total Equity 14.8 Wbn.	Real Estate Investment Management Firm Total Assets 1.2 Wtn. Total Equity 38.9 Wbn.	AI-based Investment Advisory Firm Total Assets 42.4 Wbn. Total Equity 40.8 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.

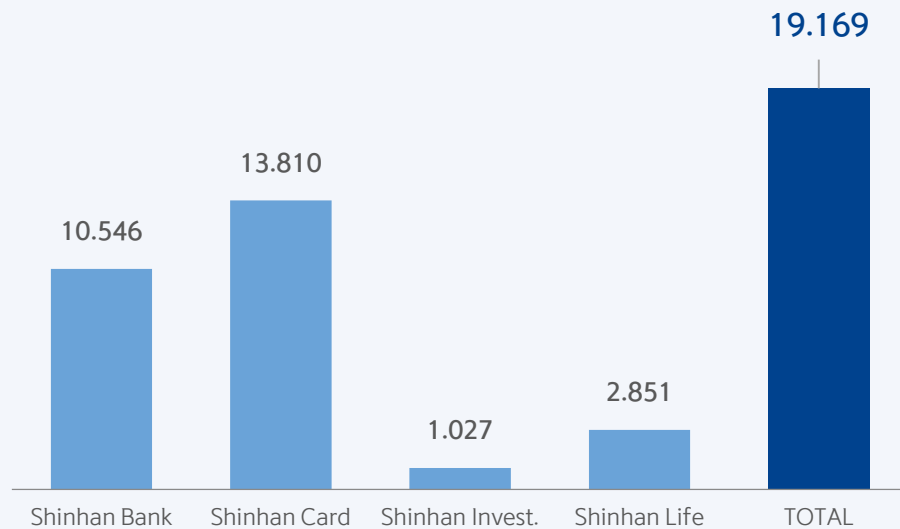
Customers and Networks

Customers

SFG serves **19.17 million*** active customers.

* Excluding overlapping customers (as of 1H 2020)

(Unit: million persons)



Branch Networks (in Korea)

Company	# of Branches
Shinhan Bank	874
Shinhan Life	120
Shinhan Investment	119
OrangeLife	106
Shinhan Card	29
Jeju Bank/기타	106
TOTAL	1,354

Hybrid Branch Network

PMW Center

27

PWM Lounge

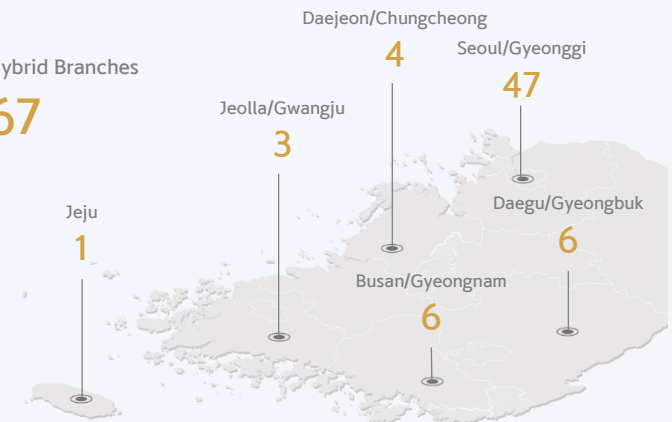
31

Shinhan IB Plaza

8

Hybrid Branches

67

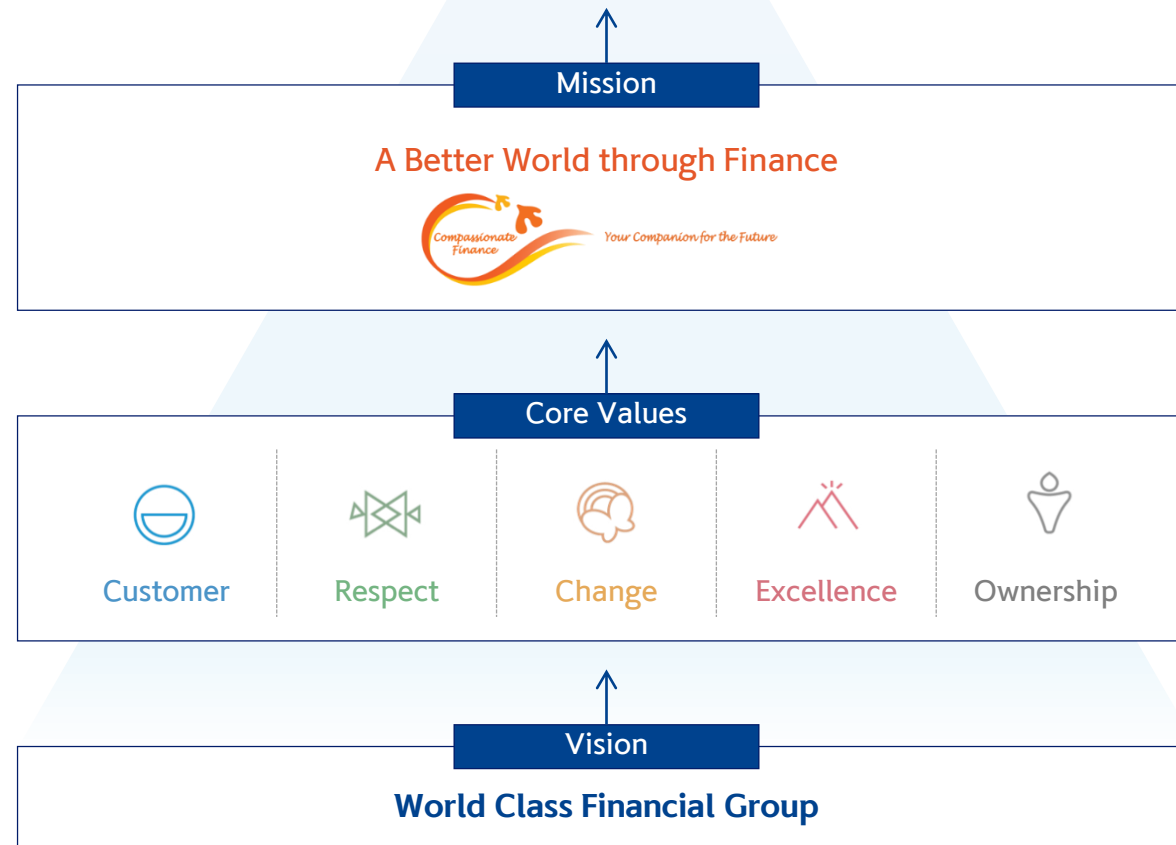


(as of 1H 2020)

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”

Methodology

‘Through Finance’

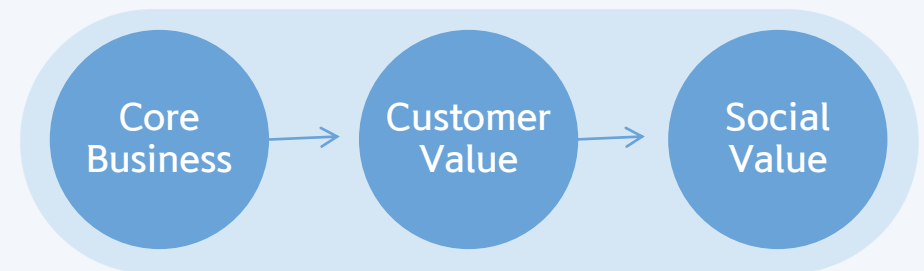


Innovate the way we deliver products and services and manage our customers' assets in changing markets

Creative Finance

Ultimate Goal

‘Building a Better World’

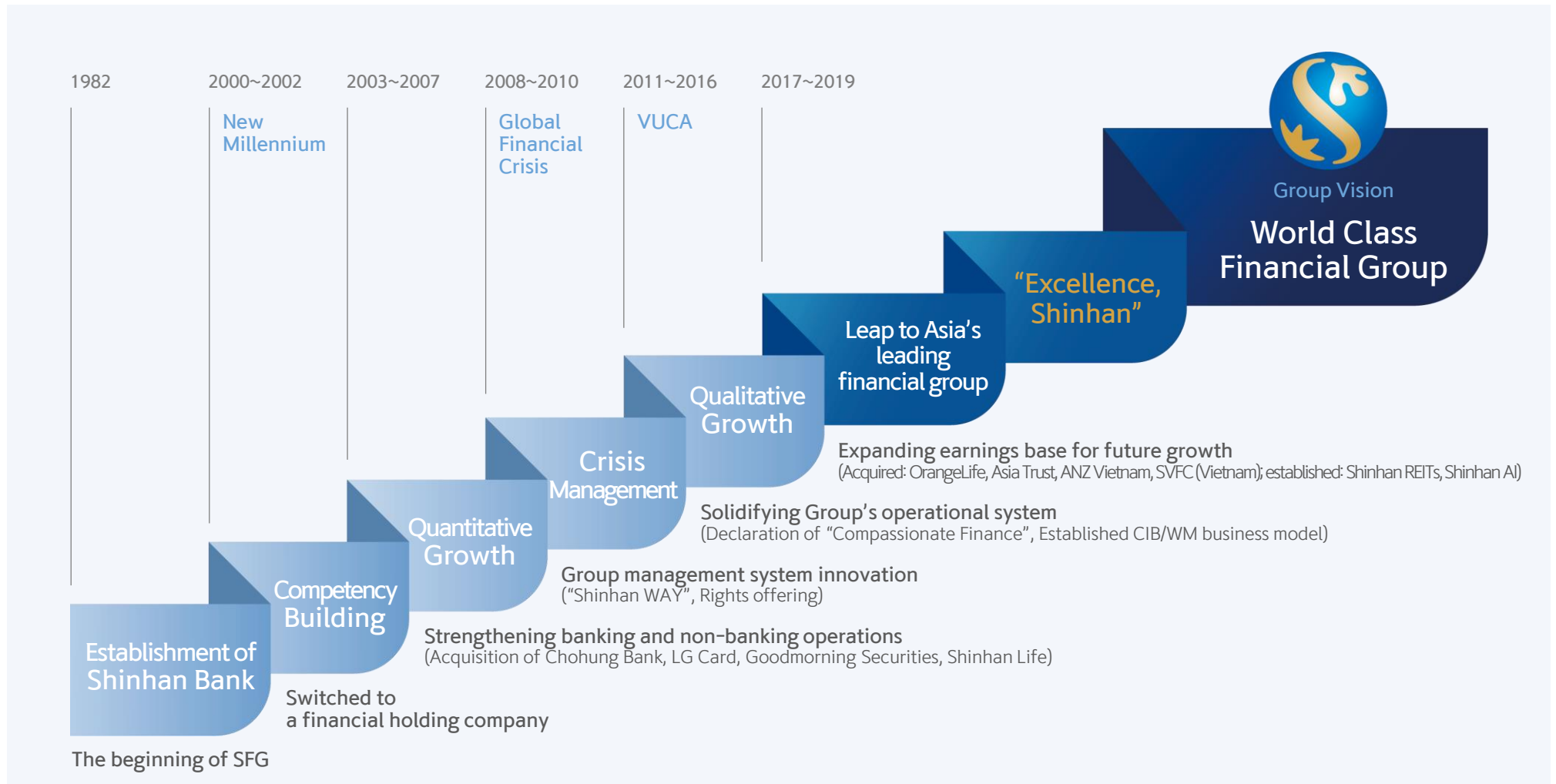


Create greater value for customers, businesses and society leading to shared prosperity

Virtuous Cycle of Shared Prosperity

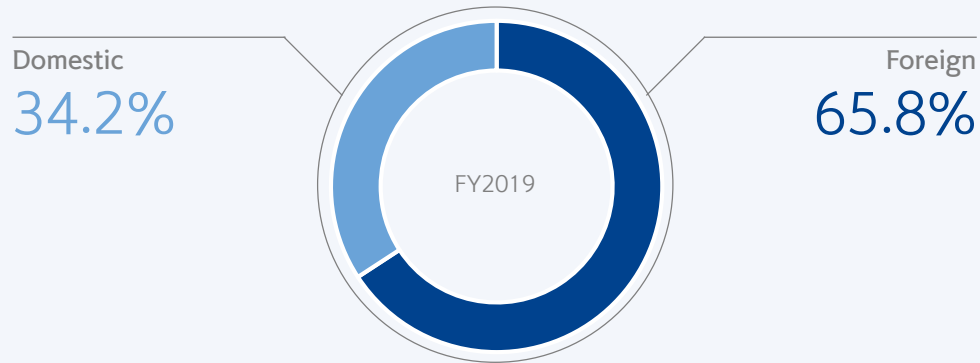
Shinhan's History & Vision

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 1H 2020)

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

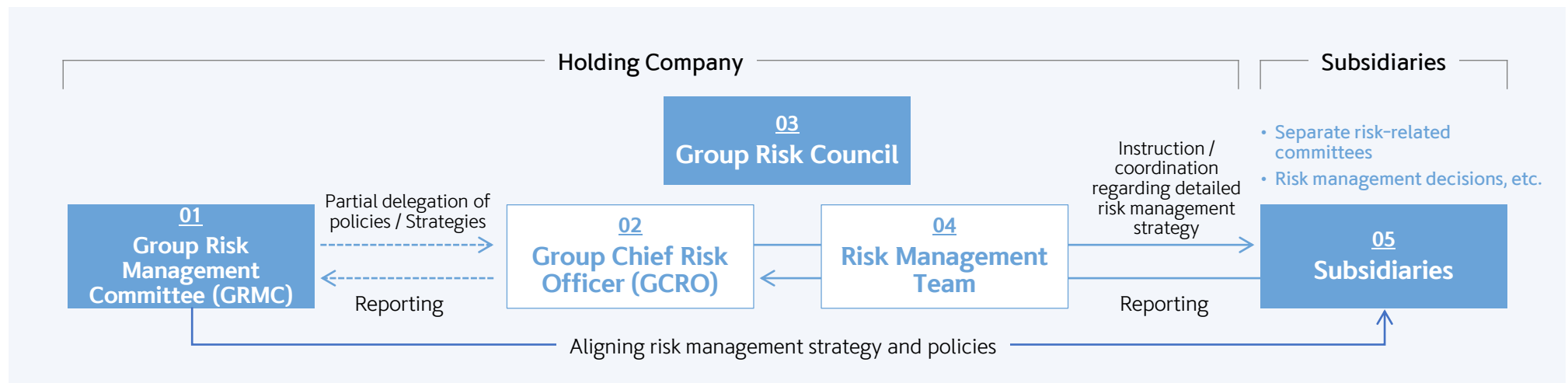
SFG Subsidiaries' CEOs (as of 1H 2020)

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.: LEE Young-chang	11. Shinhan DS: YI Sunny
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, which includes 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

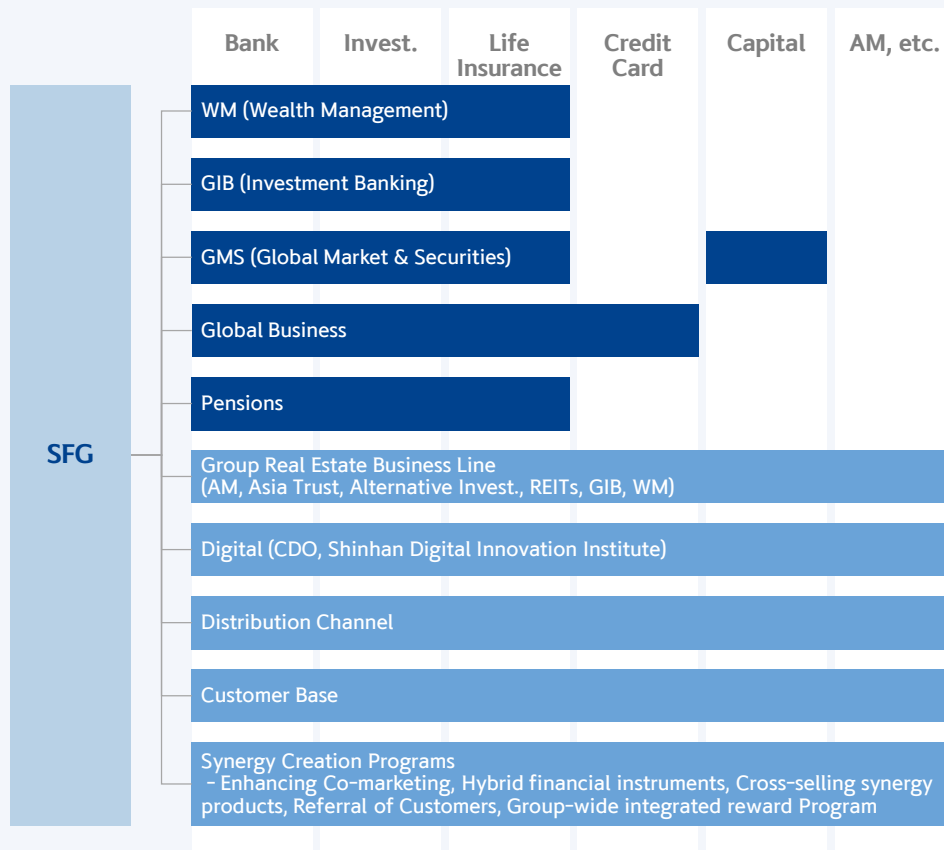
Mid-term Strategic Tasks

- | | |
|----------|--|
| 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 |

Customer-centric “One Shinhan” Model

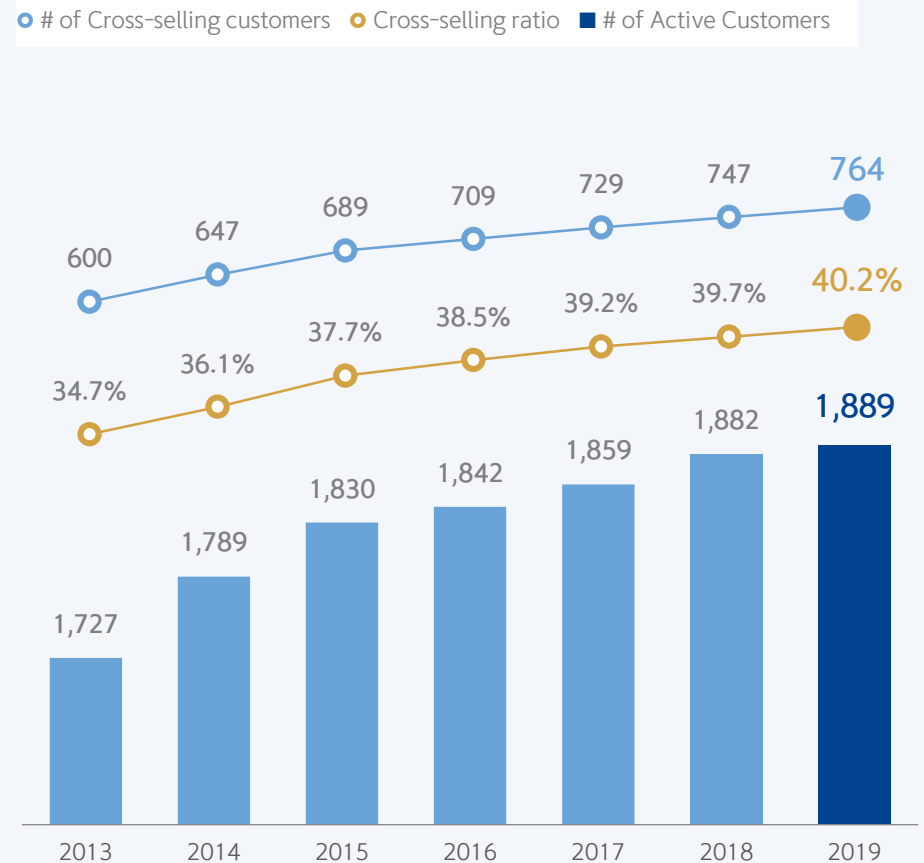
‘One Shinhan’ business model focuses on providing the very best products and services to clients by establishing Group-wide collaborative system under customer-centered business structure.

One Shinhan Business Model



Increasing Active Customers

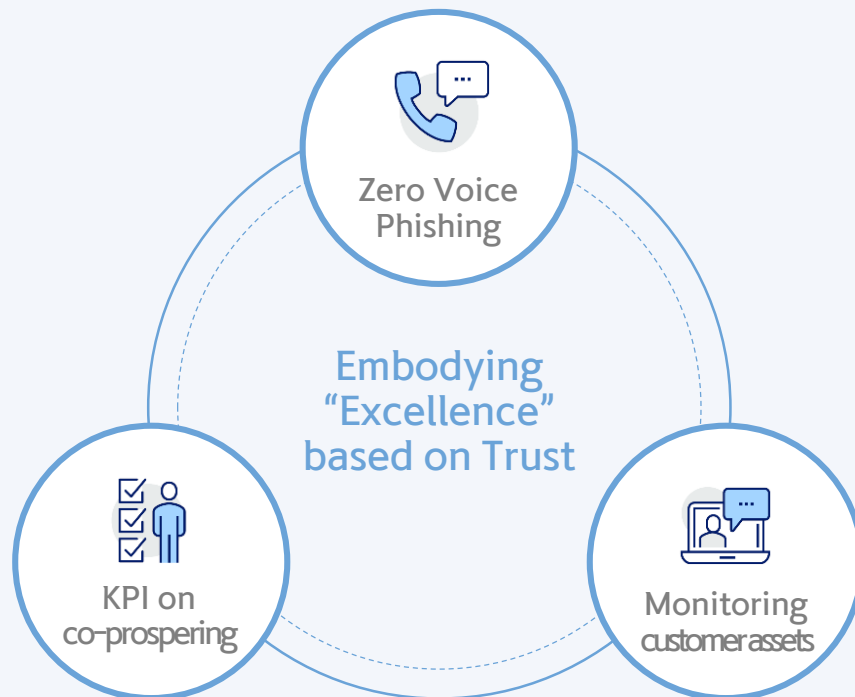
(Unit: 10 thousand persons)



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

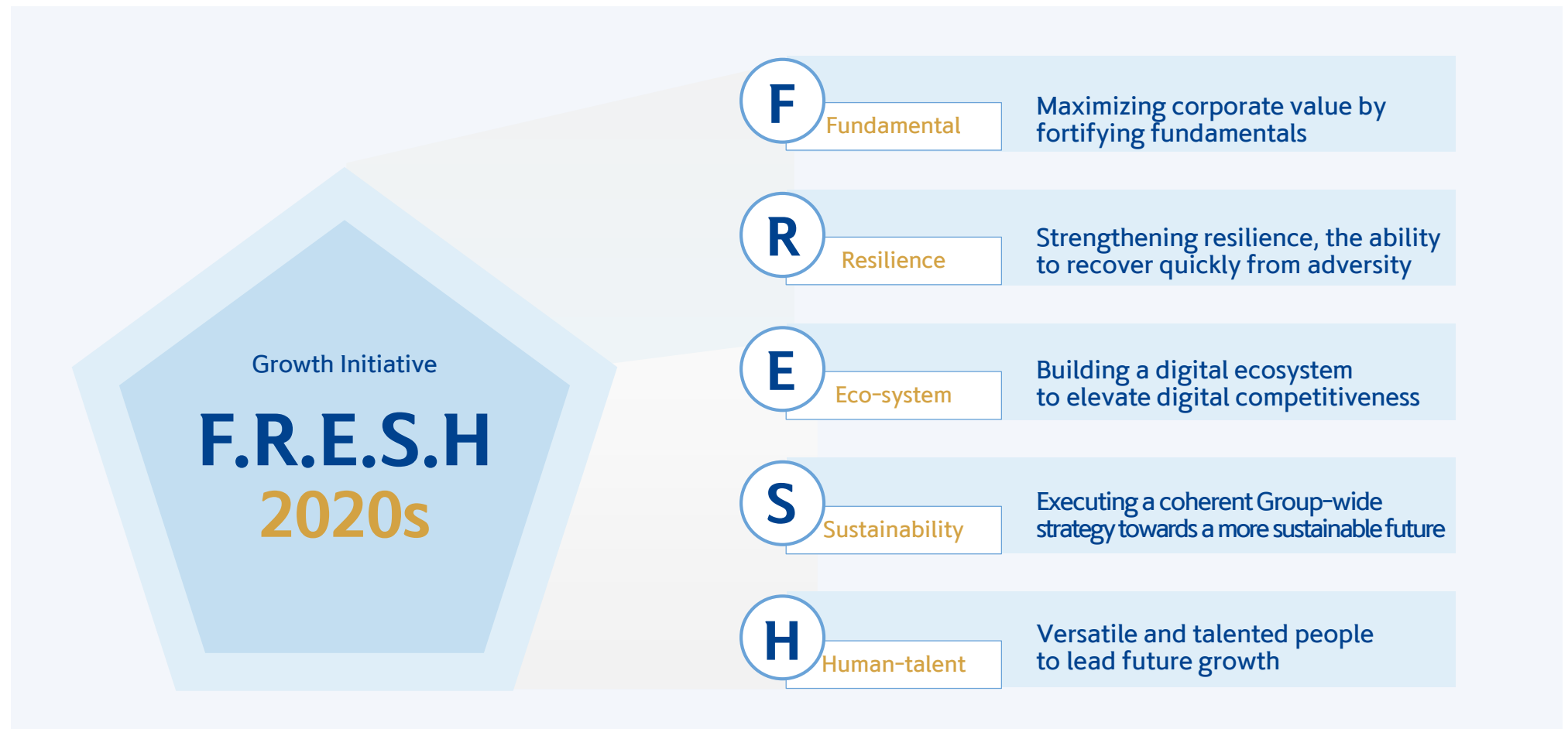
KPI on Co-Prospering

- 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

F.R.E.S.H 2020s

Amidst a highly volatile external environment, SFG has newly set “F.R.E.S.H 2020s” as its growth initiative to realize unrivaled growth, embody “Excellence, Shinhan”, and progress towards “World Class Financial Group”

Initiative for a Differentiated Growth



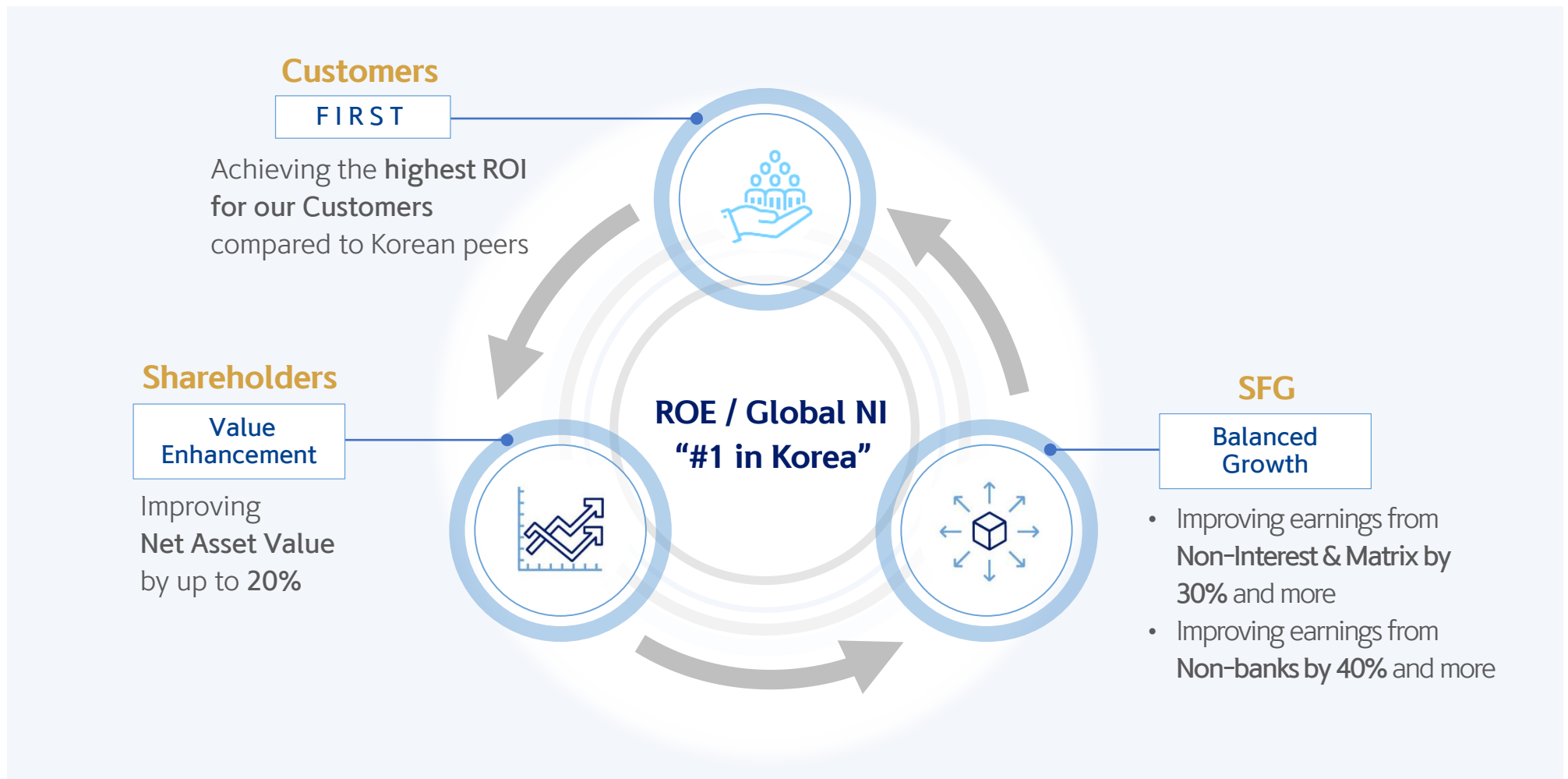
For a precise and efficient implementation, the guide for “F.R.E.S.H 2020s” initiative lays out four strategies and three core competency building tasks.

The Guide for “F.R.E.S.H 2020s”: 4 Strategies & 3 Core Competencies



[F.R.E.S.H 2020s] Mid-term Financial Target

By establishing a virtuous cycle of “Customer First”, “Shareholder Value Enhancement”, and “Balanced Growth of SFG”, SFG aims to embody “Excellence” from the perspective of our customers and shareholders rather than from the sole perspective of the company.



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

Optimal Growth Strategy

Organic + Inorganic Growth
to maximize the Group’s value

No. 1

Solidifying
No.1 position

No.1 in
segmented market


Bank,
Credit Card


Investment,
Insurance,
Others

Key Elements for Optimal Growth



SFG Global Networks: 20 Countries, 225 Networks

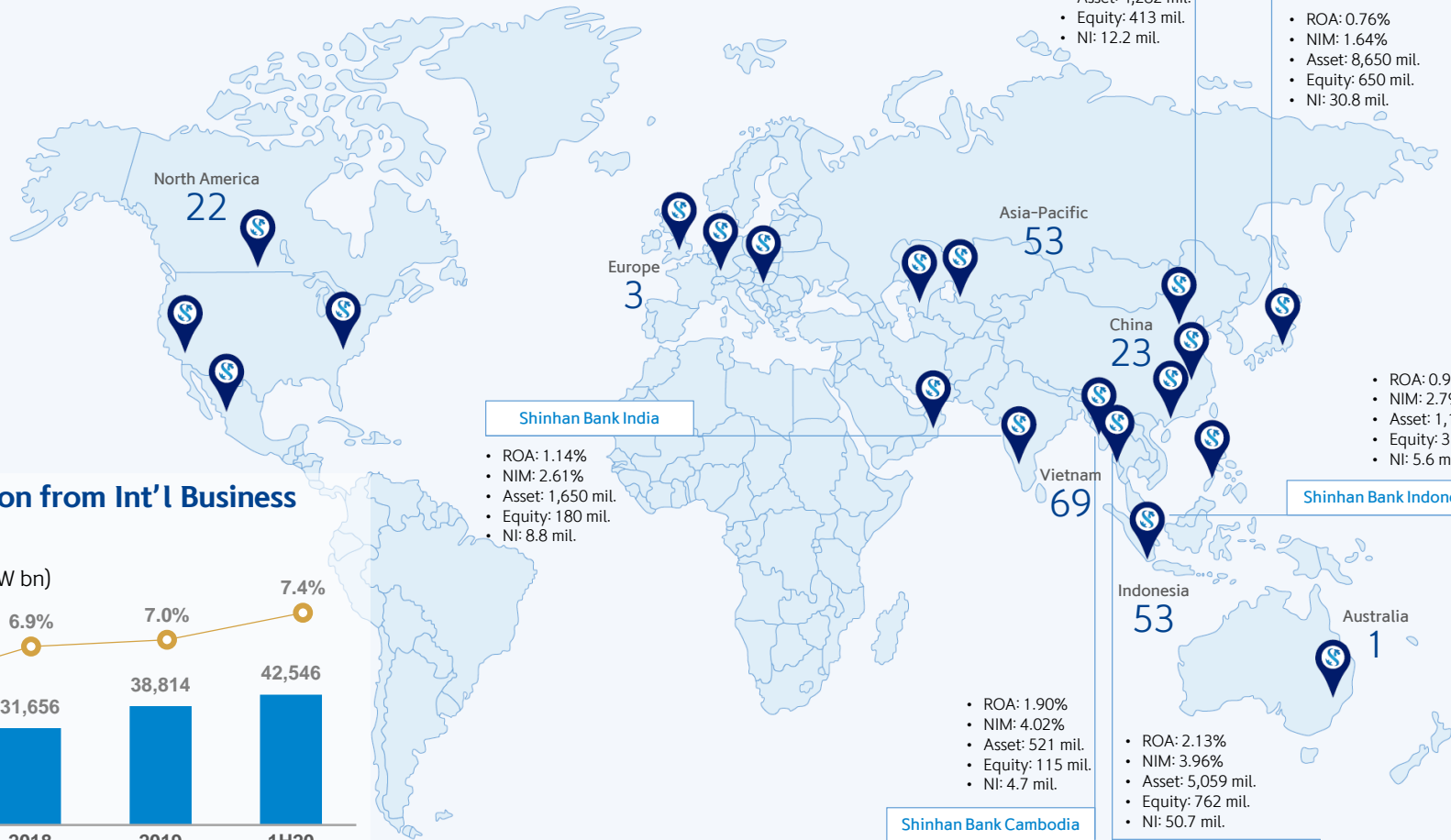
(as of 1H 2020, USD)

of Countries

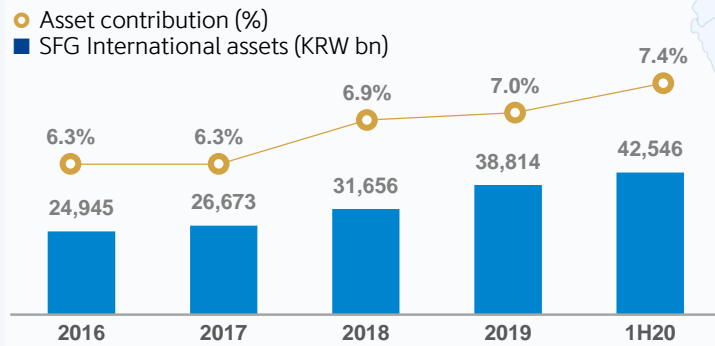
20

of Networks

225



Asset Contribution from Int'l Business



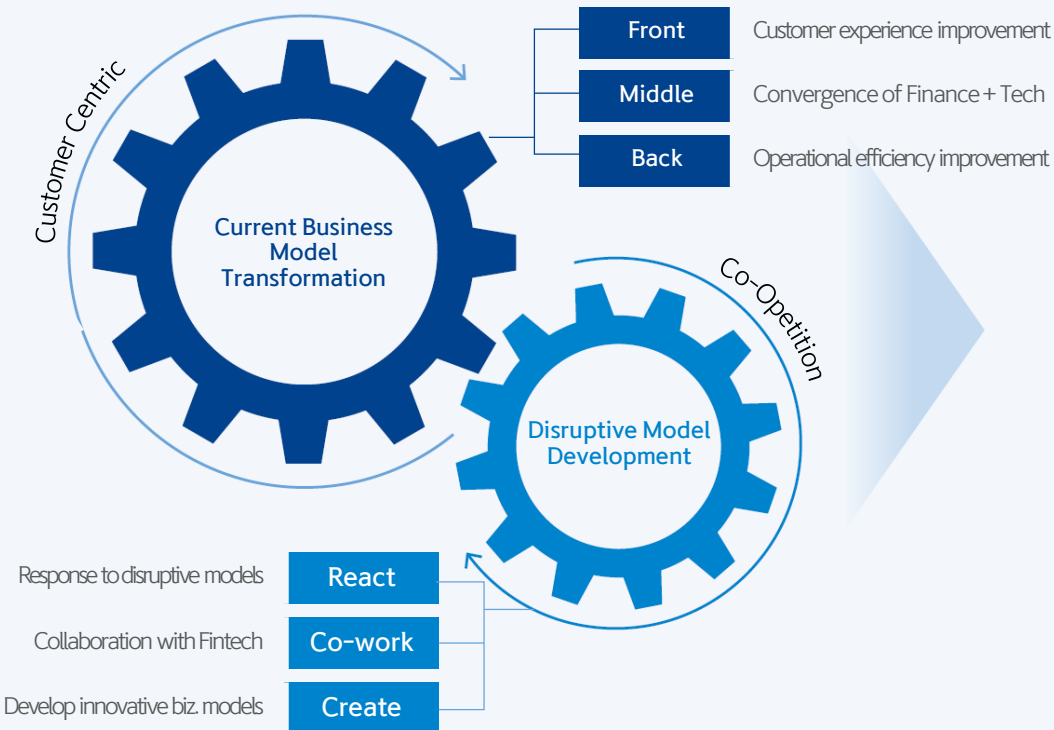
NOTE KRW converted from F/X rates at the end of the respective periods



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
	03. Recruiting, academy coop.	Securing professionals, Industry and academy cooperation
Culture	04. Work Culture	Agile, Test & Learn, Magnanimity to new trials and failures
	05. Organization	Chief Digital Officer(CDO), Matrix system, Shinhan digital campus
Collaboration	06. Platform	Renewal financial platform, Connect non-financial platform
	07. Partnership, Joint venture	Partnership with ICT / retail leaders, Construct Digital ecosystem
Change Management	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.

SOLmate ORORA
SHB chatbot



Disruptive Model Development

Respond

Respond to Online Banks

- Enhancing product, service, platform competitiveness

Shinhan FacePay
Payment system using facial recognition technology



Collaborate

Collaboration with Fintech

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

Shinhan Future's Lab
Fostering start-ups and exploring collaborative models (in and out of Korea)



Create

Develop Innovative Biz Models

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

Shinhan AI "NEO"
AI-based investment advisory services



3rd-Party Partnerships

Collaboration with approx. 170 companies

Advancing digital competitiveness and developing new business models through collaboration with 3rd parties.

SFG Major Alliances

Global ICT



Telecom



Fintech



Messenger



Electronics



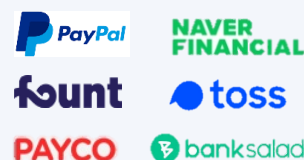
Commerce



Portal/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.
	6-1, 6-2 (2020)	55	Data Analytics, Health Tech etc.
Vietnam	1 (2017)	5	Payment, e-Wallet etc.
	2 (2018)	6	P2P, small investments, etc.
	3 (2019)	10	Chatbot, Face recognition etc.
Indonesia	1 (2020)	4	Robo-Advisor, cyber security etc.

191 coop. models

Shinhan Future's Lab Development

Investment of 27.7 Wbn in 46 Future's Lab companies

- Direct Investment : 20.2 Wbn
- Indirect Investment : 7.5 Wbn

Launched "One-Shinhan Future's Fund" (25Wbn, 5yrs)

- Successfully launched 2nd Fund (10.1Wbn, Jun. 2020)
- 1st Fund (10.8Wbn, Jun. 2019)

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

- Fostering 4 companies in 2020

[F.R.E.S.H 2020s] 04 Sustainability Management

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

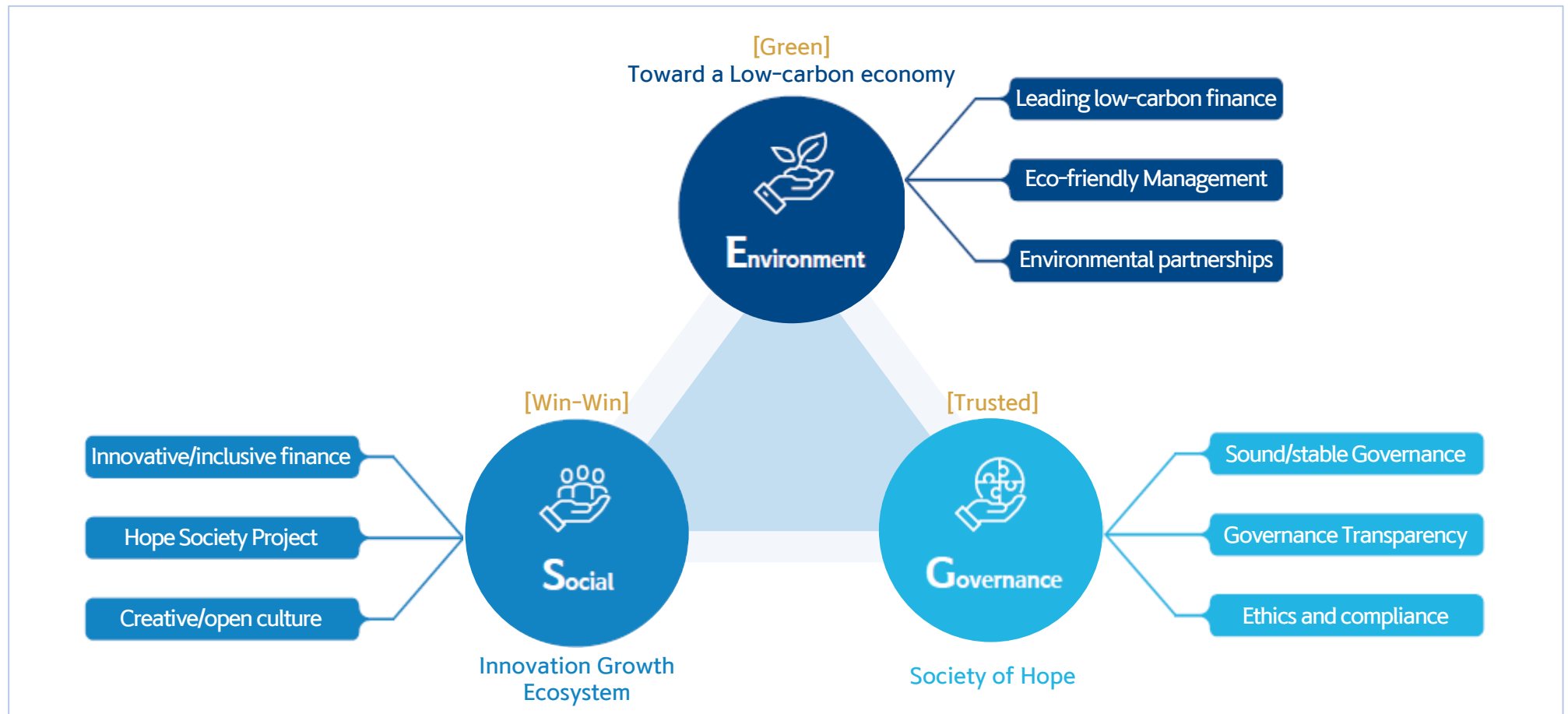
Shinhan SHeroes

etc.

[F.R.E.S.H 2020s] 04 Sustainability Management

To expand the values of sustainability and innovative finance across our entire business portfolio, and achieve systematic progress in our ESG efforts, SFG will promote the development of our ESG system in three directions: “Green Management”, “Win-Win Management”, and “Trusted Management.”

Shinhan Financial Group’s ESG Table



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



Global ESG Initiatives

Shinhan Financial Group has been partaking in a major global sustainability management initiative 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

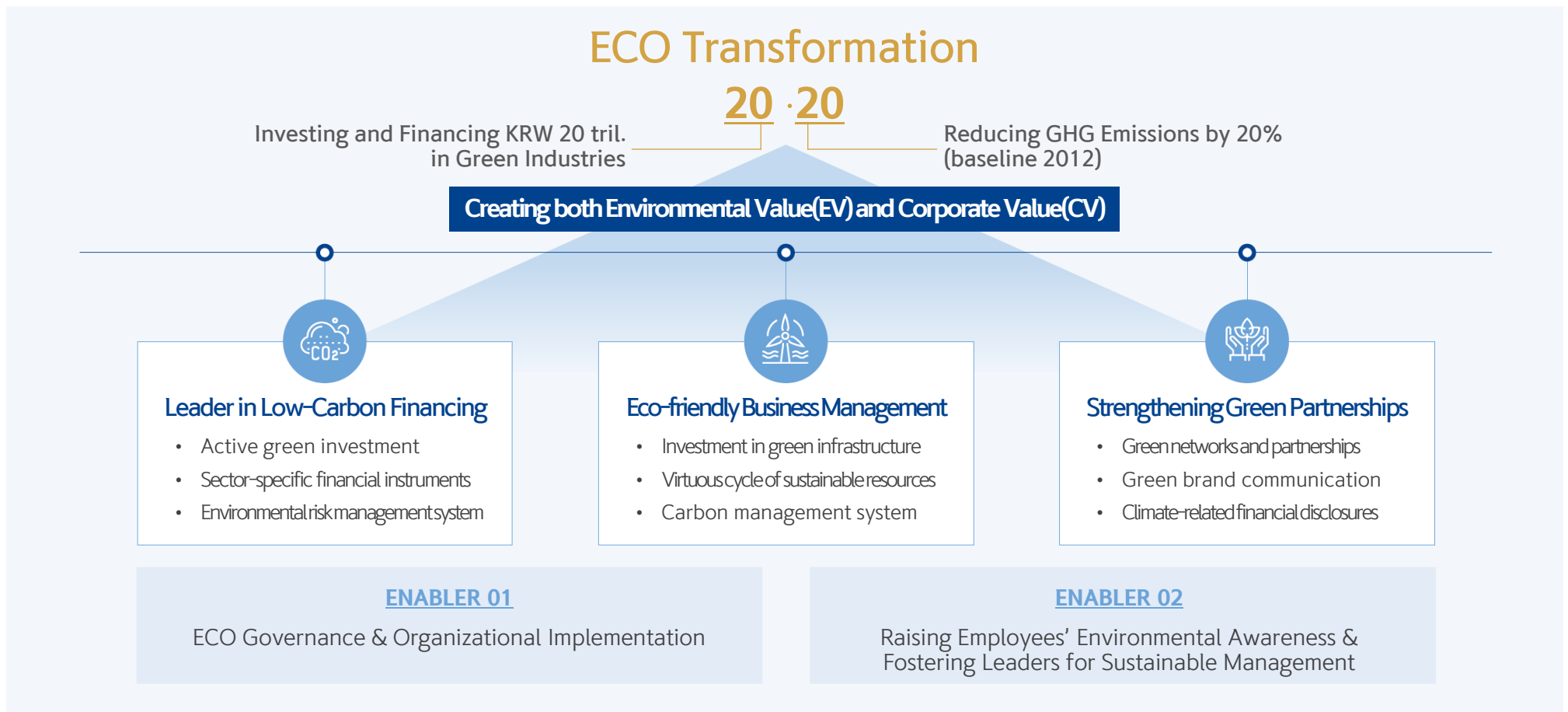
- SFG participates in the 2nd pilot program led by UNEP FI for the implementation of TCFD recommendations (2019)



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.

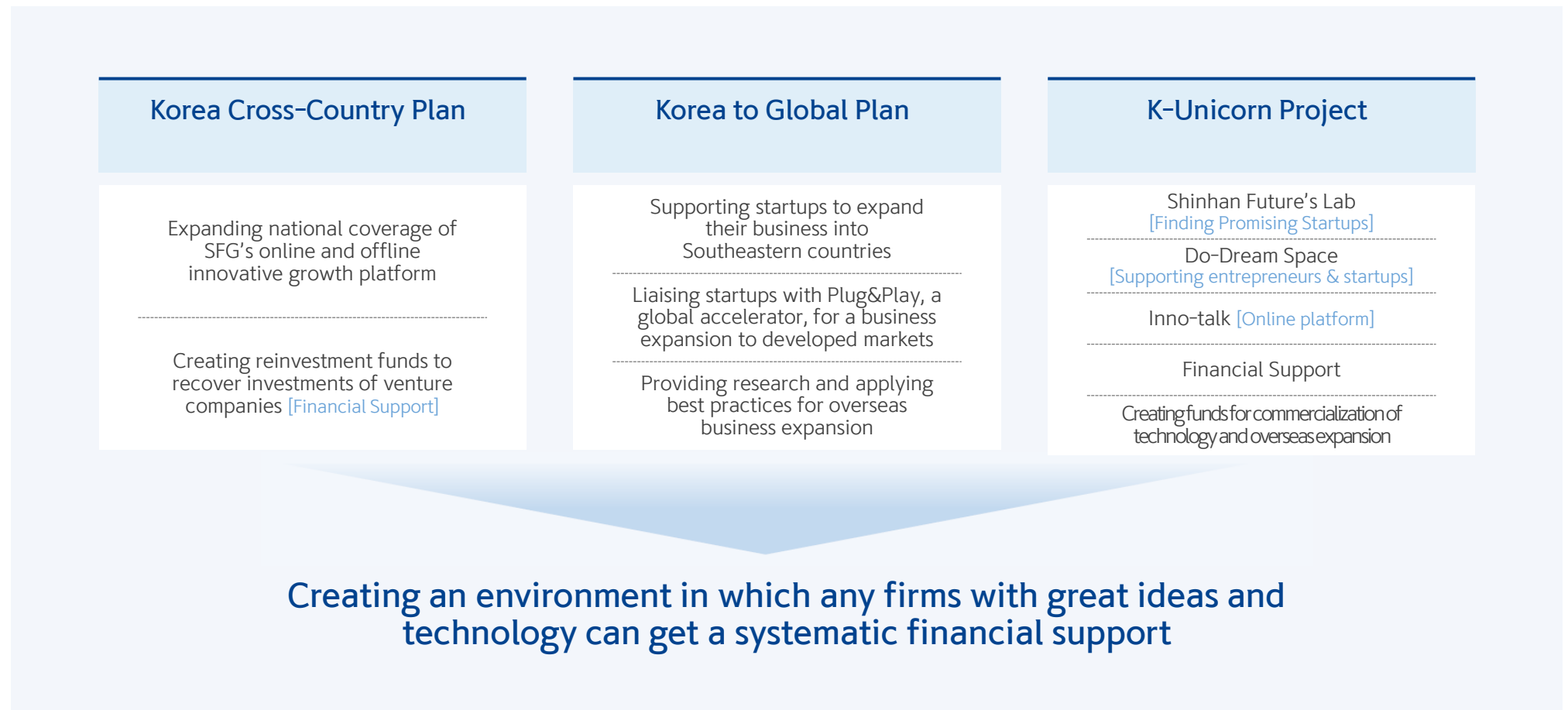
Society of Hope Project



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.

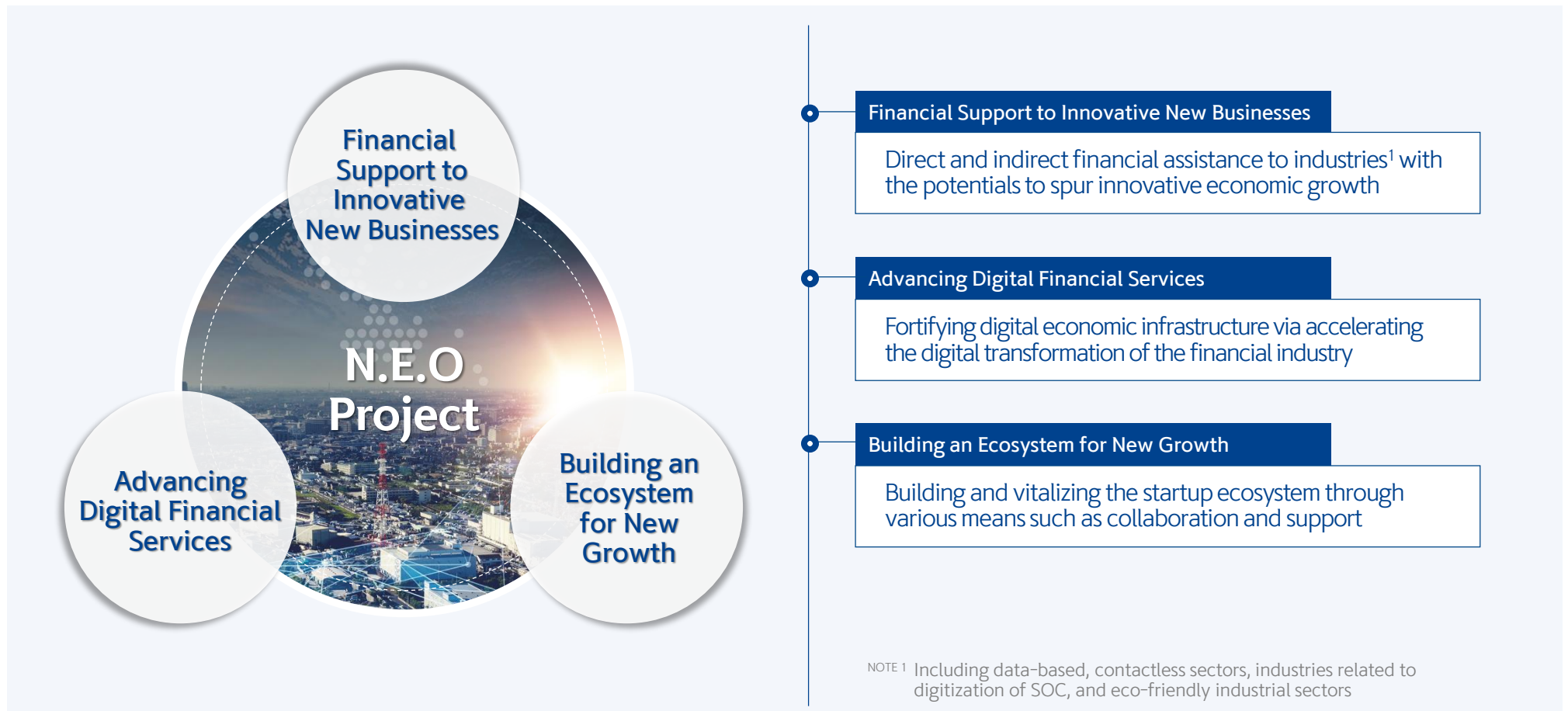
Triple-K Project



Shinhan N.E.O Project

SFG has launched “N.E.O Project”, through which it will provide financial support to innovative new businesses while advancing digital financial services. With “N.E.O Project”, SFG will fully assume the role as a leading financial group to spur economic growth whilst capturing new opportunities of growth in the post-pandemic era.

N.E.O (New Economic growth supporting Operations) Project



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

New Female Executives and Department Heads

13 persons

NOTE Number of SHeroes graduates who have been promoted to managerial positions



SHeroes Programs



Mid-term Goals & Key Tasks



Build foundations

- Build a platform to foster female leaders

Full Implementation

- More support for developing competencies

Build a healthy cycle

- Continuous cycle of fostering female leaders

Guide to Fostering Female Leaders

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

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

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	Ranking : 6th 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	Banking Sector: 6th Total: 43rd	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
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	-	GEI	Included in Bloomberg GEI for 2 consecutive years (2019-2020)

Forward-Looking Statements

Shinhan Financial Group's 1H 2020 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.



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