

*We believe finance should be  
+ More Friendly, More Secure, More Creative*

Excellence beyond comparison

# Shinhan Financial Group

1H 2021



Your Companion  
for the Future



RESILIENCE



FUNDAMENTAL



SUSTAINABILITY



HUMAN-TALENT



ECO-SYSTEM



**Shinhan Financial Group**

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# 01

# Shinhan Financial Group

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**1-01**      **Overview**

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## Shinhan Financial Group

(as of 1H 2021)

Net Income

2.44 Wtn

Total Assets  
(Consolidated)

626 Wtn

Total Market Cap.

21.0 Wtn

ROA

0.82 %

ROE

11.5 %

# of Employees

30 thousand  
(approx.)

- 16 direct subsidiaries, 30 indirect subsidiaries
- Major Shareholders (Common Shares)
  - Korea National Pension Service 9.81%<sup>1</sup>
  - BlackRock Fund Advisors 5.63%<sup>2</sup>
  - SFG ESOP 4.80%<sup>3</sup>
  - Centennial Investment Limited 3.96%<sup>3</sup>
  - BNP Paribas SA 3.62%<sup>3</sup>
  - Supreme, L.P. 3.62%<sup>3</sup>
  - Citi Bank [ADR Dept.] 2.88%<sup>3</sup>

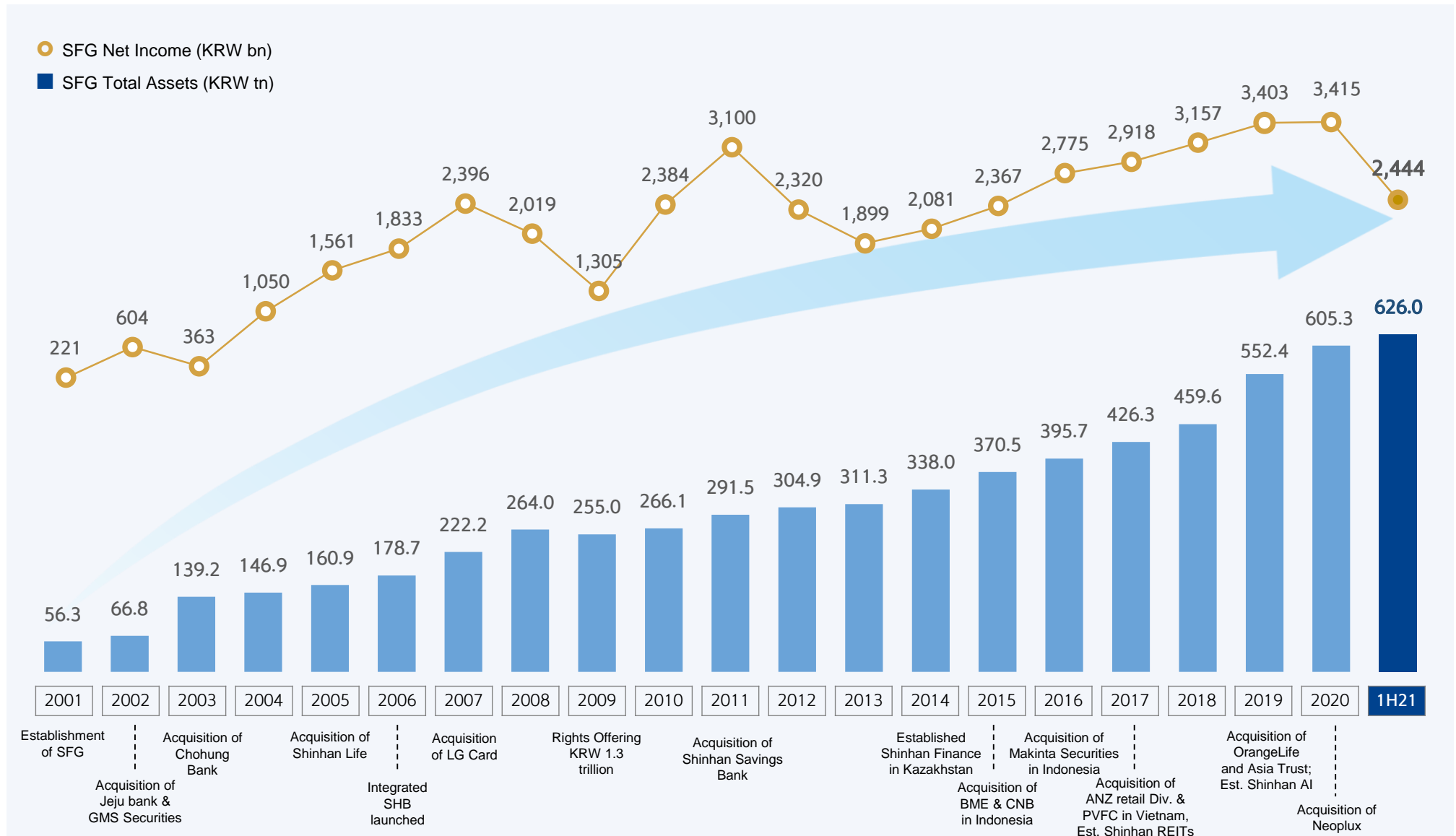
NOTE 1 Based on the Large equity ownership disclosure by NPS with the Financial Supervisory Service (FSS) on FEB. 7, 2020

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

NOTE 3 As of end of FY2020



# Continuous Growth Through Business Diversification



# SFG's Major Affiliates

Leading Financial Group in Korea



(as of 1H 2021)

Banking		Consumer Finance		Insurance		Capital Markets	
Shinhan Bank	Jeju Bank	Shinhan Card	Shinhan Savings Bank	Shinhan Life <sup>2)</sup>	OrangeLife <sup>2)</sup>	Shinhan Investment	Shinhan Capital
100%	75.31%	100%	100%	100%	100%	100%	100%
Top Commercial Bank in Korea	The Leading Local Bank in Jeju	No.#1 Credit Card Company in Korea	Major Savings Bank in Korea	Life Insurance Co. with Strengths in Telemarketing	Highly Profitable Life Insurance Company	Major Securities Firm in Korea	Specializes in facility leases & installment financing
Total Assets <b>532.2</b> Wtn.	Total Assets <b>6.7</b> Wtn.	Total Assets <b>36.7</b> Wtn.	Total Assets <b>2.3</b> Wtn.	Total Assets <b>36.7</b> Wtn.	Total Assets <b>33.7</b> Wtn.	Total Assets <b>70.2</b> Wtn.	Total Assets <b>10.2</b> Wtn.
Total Equity <b>28.1</b> Wtn.	Total Equity <b>514.9</b> Wbn.	Total Equity <b>6.4</b> Wtn.	Total Equity <b>215.5</b> Wbn.	Total Equity <b>2.4</b> Wtn.	Total Equity <b>2.8</b> Wtn.	Total Equity <b>5.0</b> Wtn.	Total Equity <b>1.4</b> Wtn.

Capital Markets					Others			
Shinhan Asset Management <sup>3)</sup>	Shinhan Alternative Invest.	Shinhan REITs	Asia Trust <sup>4)</sup>	Shinhan AI	Shinhan Venture Investment <sup>5)</sup>	Shinhan DS	Shinhan AITAS	Shinhan Credit Information
100%	100%	100%	60%	100%	100%	100%	99.8%	100%
Major Asset Management Firm in Korea	Private Equity Fund & Alternative Investment	Real Estate Investment Management Firm	Major Market Player in Real Estate Trust	AI-based Investment Advisory Firm	Venture Capital investment Firm	Specialized IT Service Provider for Financial Corp.	No.# 1 Fund Service Company in Korea	Expertise in debt collection & credit research
Total Assets <b>61.5</b> Wtn.	Total Assets <b>6.5</b> Wtn.	Total Assets <b>2.1</b> Wtn.	Total Assets <b>54.1</b> Wtn.	Total Assets <b>42.9</b> Wbn.	Total Assets <b>631.4</b> Wbn.	Total Assets <b>119.3</b> Wbn.	Total Assets <b>83.2</b> Wbn.	Total Assets <b>29.2</b> Wbn.
Total Equity <b>188.9</b> Wbn.	Total Equity <b>38.0</b> Wbn.	Total Equity <b>48.6</b> Wbn.	Total Equity <b>209.6</b> Wbn.	Total Equity <b>41.3</b> Wbn.	Total Equity <b>66.0</b> Wbn.	Total Equity <b>38.6</b> Wbn.	Total Equity <b>75.2</b> Wbn.	Total Equity <b>18.1</b> 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 merged with Shinhan Life on Jul. 1, 2021.

3) Renamed from *Shinhan BNP Paribas Asset Management* on Jan. 15, 2021.

4) Asia Trust joined SFG on May 2, 2019.

5) Shinhan Venture Investment joined SFG on Sep. 29, 2020 (corp. figures are as of 3Q 2020)

Renamed from *Neoplux* on Jan. 11, 2021.

# Financial Highlights by Subsidiaries

(as of 1H 2021)

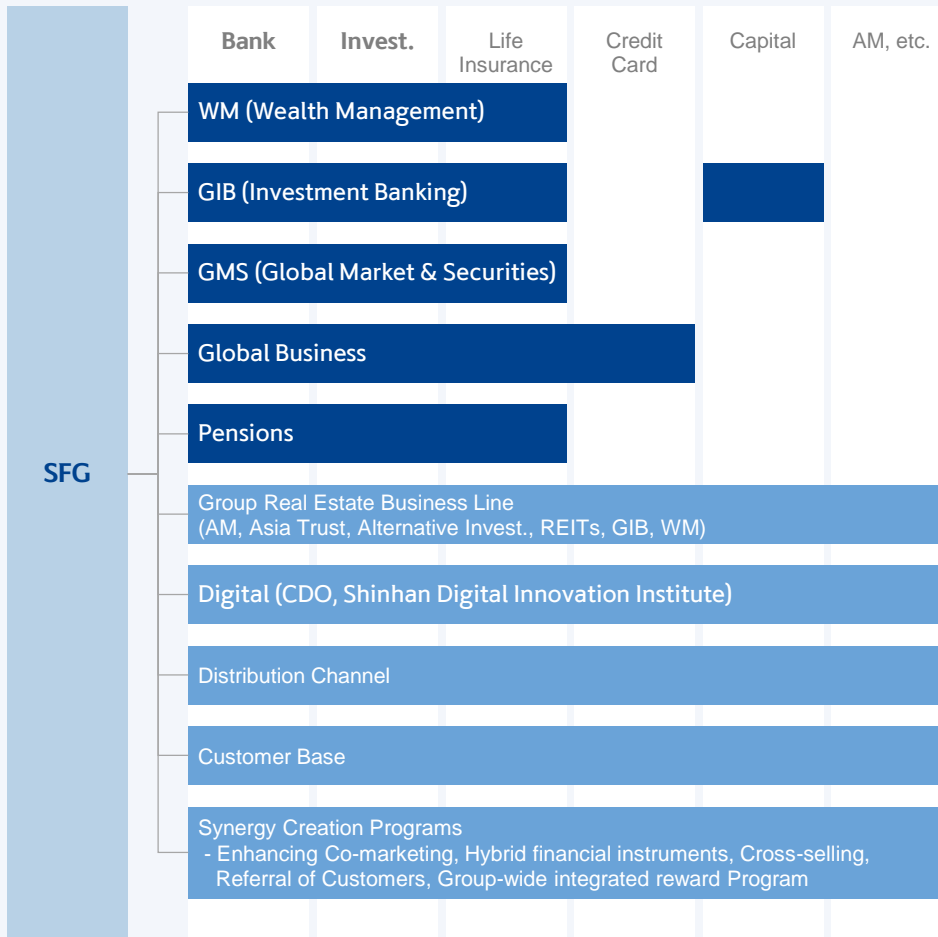
(KRW bn)		Ownership	Total Assets <sup>1</sup>	Shareholder's Equity	Profit for the Period <sup>2</sup>	ROA	ROE
<b>Bank</b>			<b>538,942.1</b>	<b>28,649.7</b>	<b>1,384.9</b>		
Bank	Shinhan Bank	100.0%	532,239.7	28,134.7	1,370.9	0.62%	9.92%
	Jeju Bank	75.3%	6,702.4	514.9	14.1	0.43%	5.53%
<b>Non-bank</b>			<b>319,730.5</b>	<b>19,090.4</b>	<b>1,220.9</b>		
Consumer Finance	Shinhan Card	100.0%	36,661.7	6,426.6	367.2	2.08%	11.61%
	Shinhan Savings Bank	100.0%	2,313.5	215.5	14.0	1.35%	13.27%
Insurance	Shinhan Life Insurance	100.0%	36,726.0	2,439.6	92.2	0.50%	7.40%
	Orange Life Insurance	100.0%	33,707.0	2,831.8	216.8	1.28%	14.29%
Capital Markets	Shinhan Investment Corp	100.0%	70,158.0	5,008.7	322.9	1.40%	13.90%
	Shinhan Capital	100.0%	10,241.1	1,443.9	131.3	2.35%	18.15%
	Shinhan Asset Management	100.0%	61,533.7	188.9	18.4	18.51%	20.43%
	Shinhan Alternative Investment	100.0%	6,515.6	38.0	2.6	5.74%	22.68%
	Shinhan REITs Management	100.0%	2,068.0	48.6	4.6	17.10%	20.08%
	Asia Trust	60.0%	54,090.9	209.6	35.0	24.52%	35.68%
	Shinhan AI	100.0%	42.9	41.3	0.3	1.59%	1.65%
	Shinhan Venture Investment	100.0%	631.4	66.0	6.2	16.52%	19.59%
	Others	Shinhan DS	100.0%	119.3	38.6	3.3	6.40%
	Shinhan AITAS	99.8%	83.2	75.2	4.8	11.27%	12.82%
	Shinhan Credit Information	100.0%	29.2	18.1	1.1	7.97%	12.85%

NOTE 1 Trust A/C of Shinhan, Jeju Bank, Shinhan Investment Corp., Asia Trust and AUM(including ordinary discretionary assets) of Shinhan Asset Management, Shinhan Alternative Investment, Shinhan REITs, Shinhan Venture Investment are included and period end balances

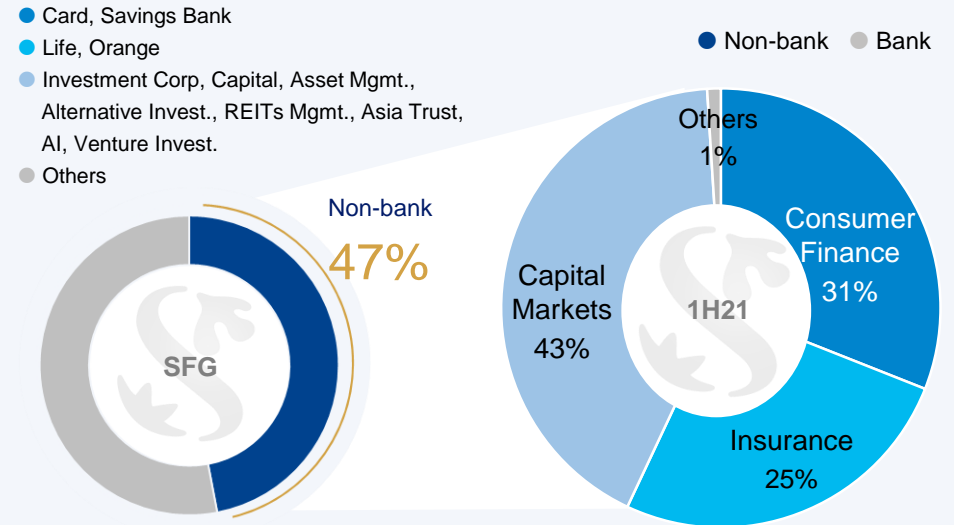
NOTE 2 Net Profit before reflecting ownership

# Customer-centric “One Shinhan” Model

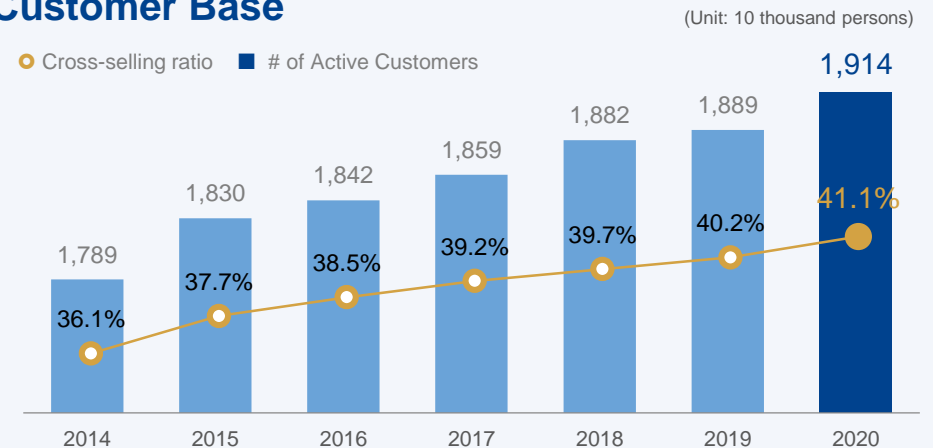
## One Shinhan Business Model



## Diversified Profit Base



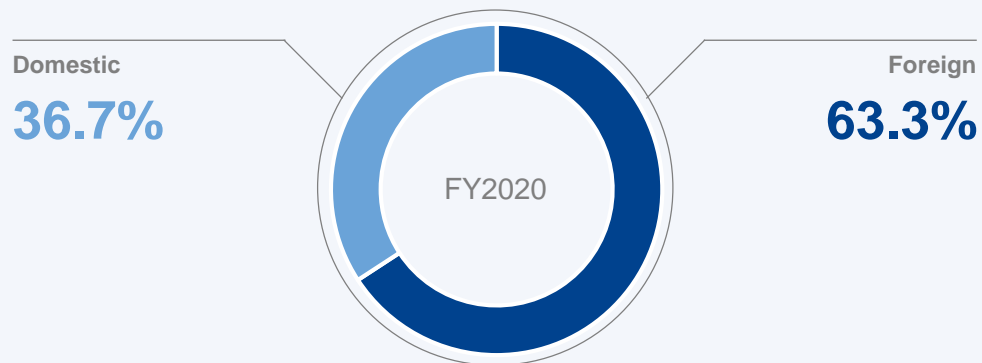
## Customer Base





# Stable Corporate Governance

## Shareholders



## Major Shareholders

(As of 1H 2021)

Company	Ownership (%)
Korea National Pension Service	9.81
BlackRock Fund Advisors <sup>1)</sup>	5.63
SFG ESOP	4.80
CENTENNIAL INVESTMENT LIMITED	3.96
BNP Paribas SA	3.62
SUPREME, L.P.	3.62
Citibank N.A. (ADR dept.)	2.88
The Government of Singapore	1.89
Vanguard Total Int'l Stock Index	1.24
Peoples Bank of China	1.11

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

## CEO & Subsidiary Management



### CHO Yong-byoung

CEO, Shinhan Financial Group

#### Experiences

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

## SFG Subsidiaries' CEOs (as of July 2021)

01. Shinhan Bank: <b>JIN Ok-dong</b>	09. Asia Trust: <b>BAE Il Geu</b>
02. Shinhan Card: <b>LIM Young-jin</b>	10. Shinhan DS: <b>YI Sunny</b>
03. Shinhan Invest.: <b>LEE Young-chang</b>	11. Shinhan AITAS: <b>CHOI Byeong Wha</b>
04. Shinhan Life: <b>SUNG Dai Gou</b>	12. Shinhan Credit Info.: <b>LEE Ki Jun</b>
05. Shinhan Capital: <b>JEONG Woon-jin</b>	13. Shinhan Alternative Invest.: <b>KIM Hee-song</b>
06. Shinhan Asset Mgmt.: <b>LEE Chang Goo</b>	14. Shinhan REITs: <b>NAM Koong Hun</b>
07. Jeju Bank: <b>SEO Hyun-joo</b>	15. Shinhan AI: <b>BAE Jin Soo</b>
08. Shinhan Savings Bank: <b>LEE Hee Soo</b>	16. Shinhan Venture Invest.: <b>LEE Dong Hyun</b>

# 01

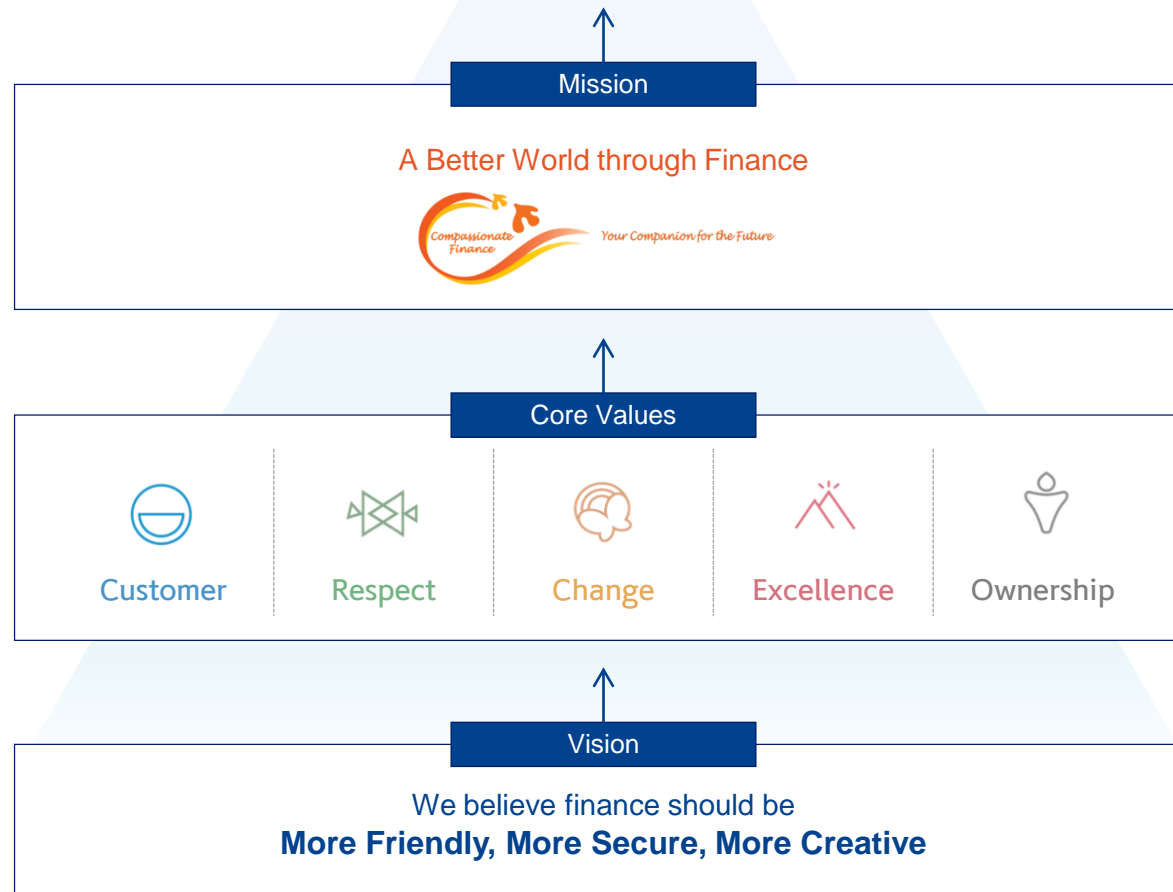
# Shinhan Financial Group

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- 1-01 Overview
  - 1-02 Mission, Vision, and Strategy
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# 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’

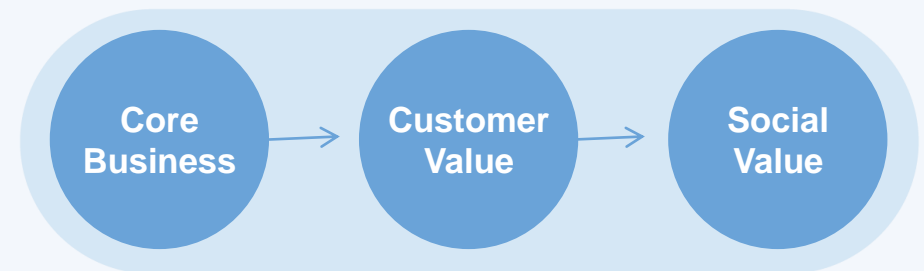


Innovate the way we deliver products and services and manage our customers' assets in changing markets

#### 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

We believe finance should be  
**+ More Friendly, More Secure, More Creative**

Reflecting the most important value that customers want in finance.

*In our customer survey, customers chose convenience, safety, and innovation as the most important factors for finance.  
The expression "More" represents the will to create a differentiated solution unique to Shinhan along with ceaseless efforts toward customers.*

**+ More Friendly**

### Easy, accessible, and convenient

We will improve online and offline financial services so that customers can use finance more easily and conveniently, and connect finance more closely with customers' daily life and business.

**+ More Secure**

### Safe and reliable

We will provide safe, reliable, and secure financial services and support customers realize their dreams.

**+ More Creative**

### Original and innovative

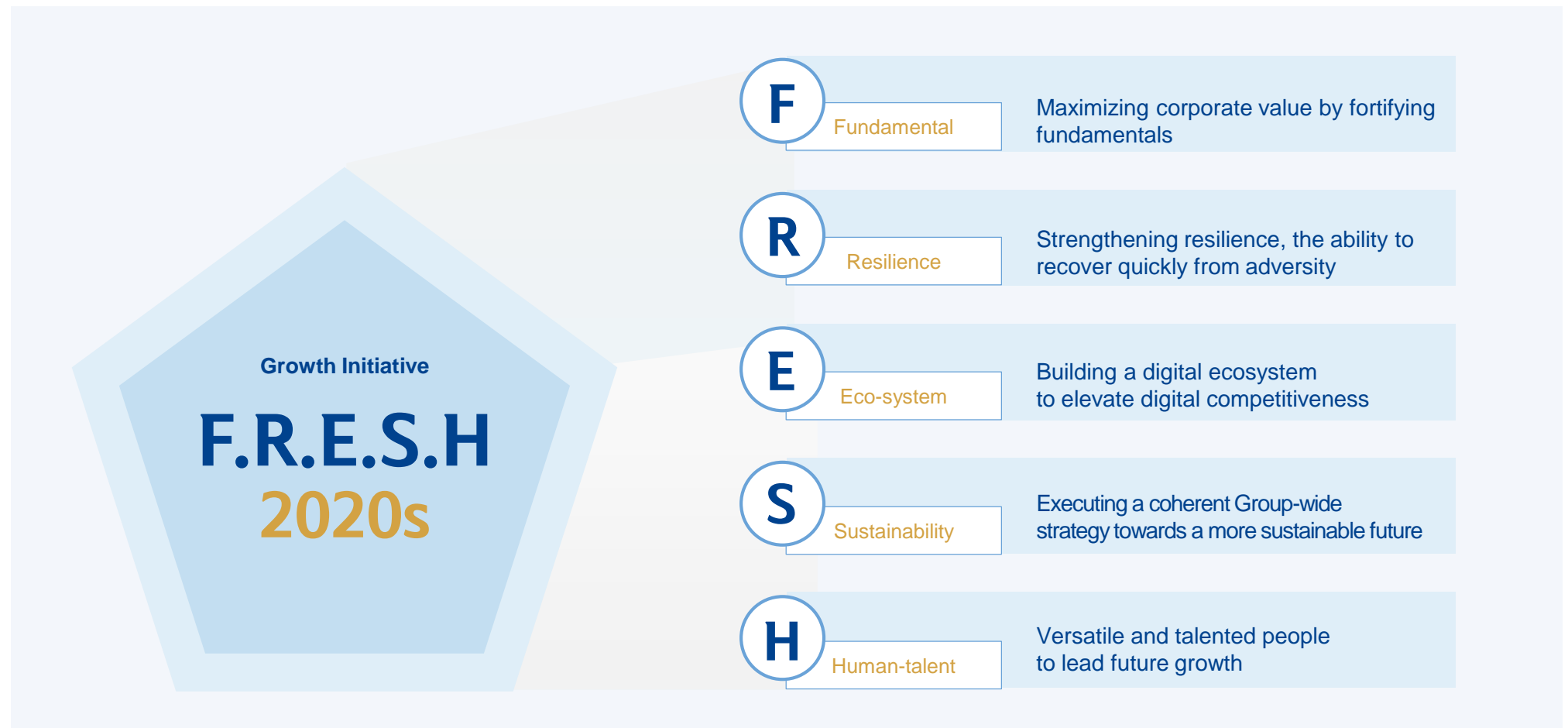
We will provide new value to our customers through innovative and original financial services that creatively converge Shinhan's expertise and innovative digital technology.



# SFG's Midterm Strategic Direction

SFG has set “F.R.E.S.H 2020s” as its growth initiative to realize unrivaled growth in today’s highly volatile external environment. With “F.R.E.S.H 2020s” guiding the way, SFG will embody “Excellence” and progress towards its corporate vision.

## Initiative for a Differentiated Growth



For a precise and efficient implementation of the “F.R.E.S.H 2020s”, SFG has laid out four business strategies and three core competency building tasks.

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



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



## Key Elements for Optimal Growth



## SFG Global Networks: 19 Countries, 241 Networks

(as of 1H 2021, USD)

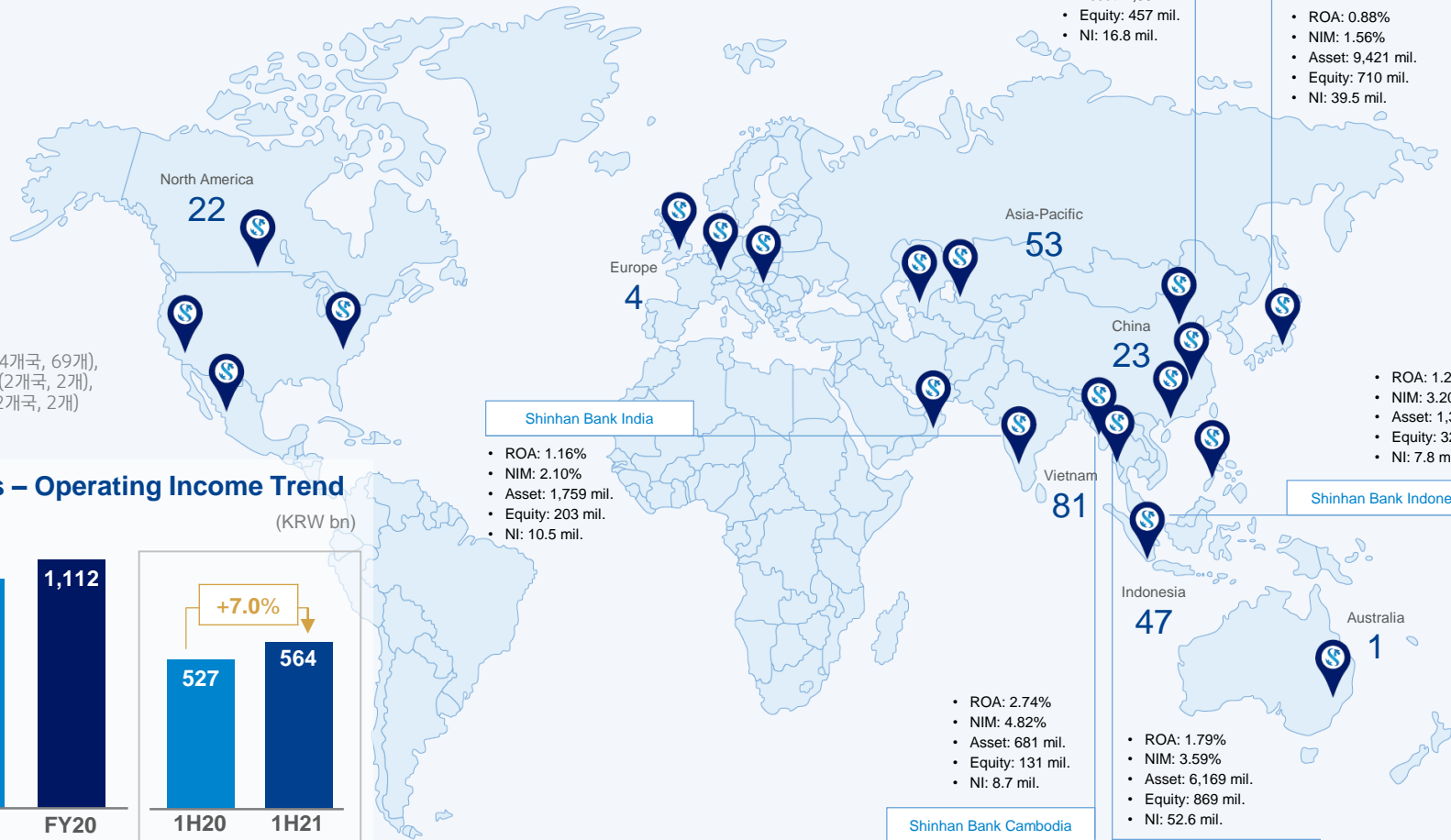
# of Countries

19

# of Networks

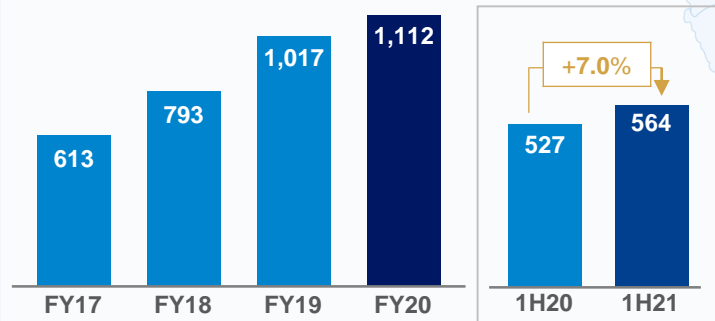
241

신한은행 (19개국, 161개), 신한카드 (4개국, 69개),  
신한금융투자 (5개국, 6개), 신한생명 (2개국, 2개),  
신한자산운용 (1개국, 1개), 신한DS (2개국, 2개)



## SFG Global Business – Operating Income Trend

(KRW bn)



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

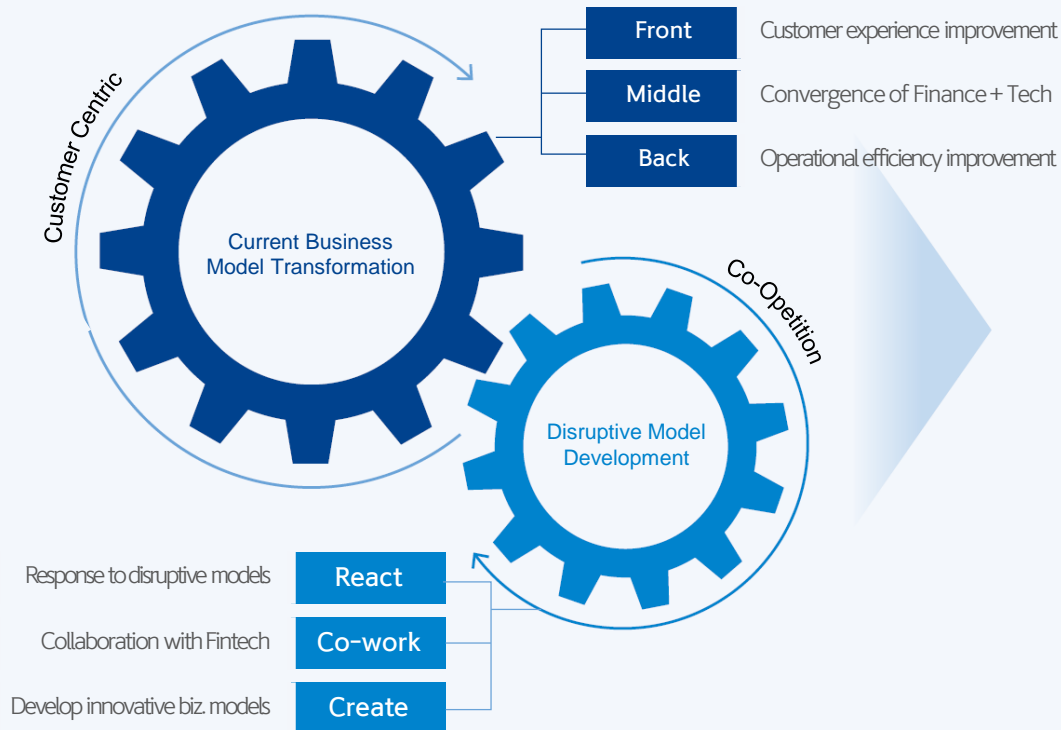




Under efforts for a comprehensive Digital Transformation, SFG has been implementing “2 Tracks + 5Cs” strategy to achieve business innovation by upgrading the Group’s digital capacity, represented by “5Cs”.

## SFG Digital Transformation Strategy Framework

### 2 Tracks 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

- Understand customers on an individual level
- Providing excellent customer experience through a single view, seamless omni channel



### Middle

#### Develop Digitally Innovative Products/Services

- Development of new innovative mobile-based digital products and services using convergent technology

Shinhan FacePay  
Payment system using facial recognition technology



### Back

#### Improve Operational Efficiency

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

AI-based Contact Center  
Building Group Cloud System

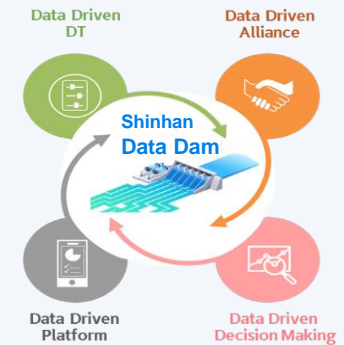


## Disruptive Model Development

### Respond

#### Respond to Regulatory/Environmental Changes

- Enhancing the competitiveness of data-based products/services and platforms
  - Acquired "MyData" permit
  - Building a Group data dam



### Collaborate

#### Collaboration with Fintech/Startups

- Cooperation with other industry leaders
- Discovering collaborative models with fintech/startups and strengthening investments (SI Fund)

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

Joint Investment in Custody Service of Digital Assets  
Entering O2O Market with Delivery Business



## 3rd-Party Partnerships

### Strengthening collaboration with new players

Advancing digital competitiveness and developing new business models through collaboration with 3<sup>rd</sup> parties.

### SFG Major Alliances

#### Global ICT



#### Telecom



#### Healthcare



#### Finance



#### Electronics



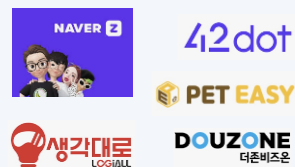
#### Commerce



#### Lifestyle



#### Others



## Creating Fintech Ecosystem

### Shinhan Future's Lab

Shinhan Future's Lab is an Industry-first Fintech support program. 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.
	7-1 (1H 2021)	32	ESG, Digital Marketing, Blockchain, etc.
Vietnam	1 (2017)	5	Payment, e-Wallet etc.
	2 (2018)	6	P2P, small investments, etc.
	3 (2019)	10	Chatbot, Face recognition etc.
	4 (2020)	19	InsureTech, Logistics, Ed Tech
Indonesia	1, 2 (2020)	8	Robo-Advisor, cyber security etc.
	3 (1H 2021)	4	AI, Digital marketing, etc.

250  
coop.  
models

### Shinhan Future's Lab Development

Investment of 42.7 Wbn in 60 Future's Lab companies

- Direct Invest. : 29.9 Wbn | Indirect Invest. : 12.7 Wbn

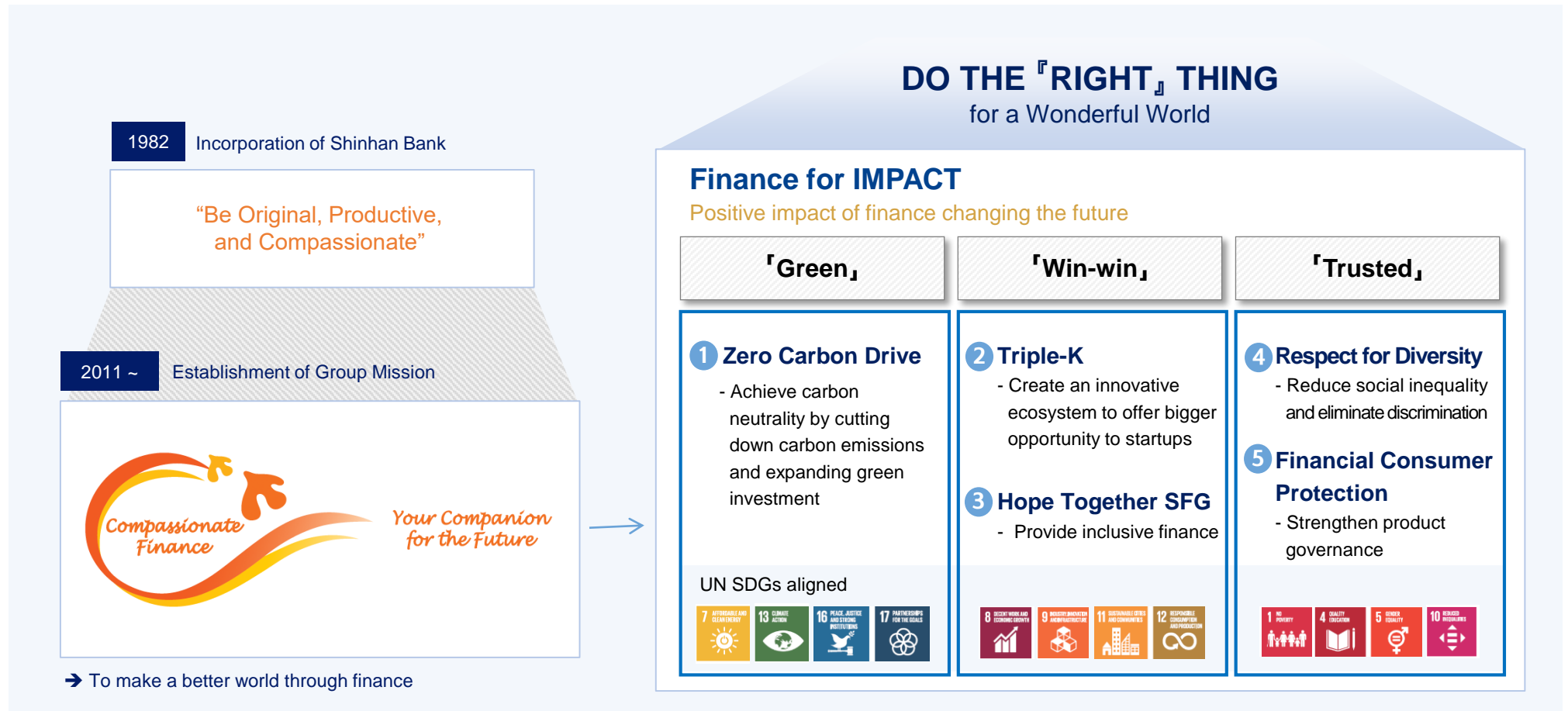
Launched "One-Shinhan Future's Fund" (investing 25 Wbn for 5 yrs)

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

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

- Fostering 8 companies in 2020, and 4 companies in 2021

Under the Group mission, “Compassionate Finance”, which reflects the founding spirit, SFG has adopted “Finance for IMPACT” as the principle of its ESG management, and set three strategic directions – Green, Win-win, and Trusted – and 5 ESG tasks. Recently, to raise awareness and encourage action, SFG announced its ESG Slogan, “Do the RIGHT thing for a wonderful world.”



Shinhan Financial Group has been partaking in major global sustainability management initiatives, and joined hands with global financial authorities and companies to raise the awareness of ESG at home and abroad.

## Major Global ESG Initiatives



### Global Initiatives

<b>NZAMI</b> (Net-Zero Asset Management Initiative)	Jul. 2021
<b>NZBA</b> (Net-Zero Banking Alliance)	Apr. 2021
<b>VBA</b> (Value Balancing Alliance)	Mar. 2021
<b>SBTi</b> (Science Based Target initiative)	Nov. 2020
<b>PCAF</b> (Partnership for Carbon Accounting Financials)	Nov. 2020
<b>Equator Principles</b>	Sept. 2020
<b>UNEP FI PSI</b> (Principles for Sustainable Insurance)	Feb. 2020
<b>UNEP FI PRB</b> (Principles for Responsible Banking)	Sept. 2019
<b>TCFD</b> (Taskforce on Climate-related Financial Disclosure)	Sept. 2018
<b>UN Global Compact</b>	May 2008
<b>UNEP FI</b> (UN Environment Programme Finance Initiative)	Jan. 2008
<b>CDP</b> (Carbon Disclosure Project)	Mar. 2007





# 01



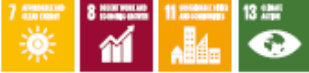
# Shinhan Financial Group

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# Shinhan's ESG Strategy

SFG has adopted “Finance for IMPACT” as the principle of its ESG management, and set three strategic directions – Green, Win-win, and Trusted. More specifically, SFG has identified five IMPACT tasks: ① Zero Carbon Drive, ② Triple-K, ③ Hope Together SFG, ④ Diversity, and ⑤ Consumer Protection.

ESG Principle	Finance for IMPACT Positive impact of finance changing the future		
Strategic Directions	Green	Win-win	Trusted
5 IMPACT Tasks	<p><b>Zero Carbon Drive</b></p> <p>Achieve carbon neutrality by cutting down carbon emissions and expanding green investment</p>	<p><b>Triple-K</b></p> <p>Create an innovative ecosystem in Korea to offer bigger opportunity to startups</p> <p><b>Hope Together SFG</b></p> <p>Provide inclusive finance</p>	<p><b>Respect for Diversity</b></p> <p>Reduce social inequality and eliminate discrimination</p> <p><b>Consumer Protection</b></p> <p>Strengthen product governance and offer financial education</p>
Goals	<p>Cut down CO<sub>2</sub> emissions within the Group asset portfolio to zero</p> <p><b>0</b></p> <p><b>Carbon</b></p>	<p>Nurture 10 unicorns by discovering and fostering innovative companies</p> <p><b>10</b></p> <p><b>Unicorns</b></p>	<p>Ensure all stakeholders of the Group to be 100% satisfied</p> <p><b>100%</b></p> <p><b>Satisfaction</b></p>
Alignment with UN SDGs			

# Shinhan's ESG Governance

Shinhan Financial Group has a multi-layered ESG governance in place to ensure working-level cooperation, C-level discussion and monitoring, as well as Board-level oversight on a wide range of ESG-related issues.

## Shinhan's ESG Driving System



# Climate Initiative Zero Carbon Drive

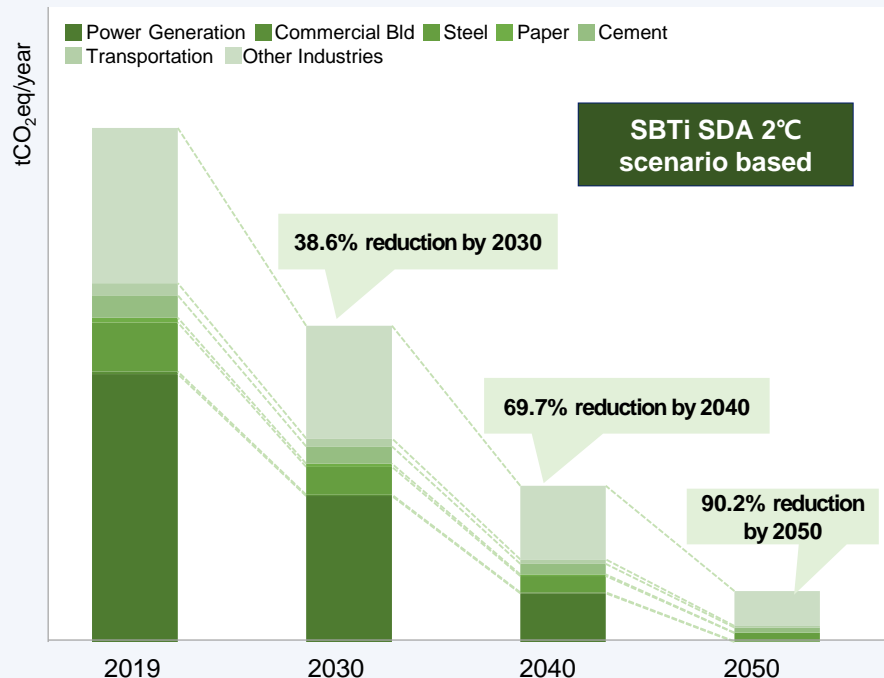
Zero Carbon Drive is SFG's climate initiative towards achieving carbon neutrality. Under this initiative, SFG plans to reduce its own CO2 emissions by 2043 to net-zero, and to reduce its financed emissions to net-zero by 2050. Moreover, SFG will Provide 30Wtn in green financings by 2030 with a focus in new and renewable energy.

## Zero Carbon Drive

### Carbon Emissions Reduction Target<sup>1</sup>



38.6% reduction by 2030, **net-zero by 2050**

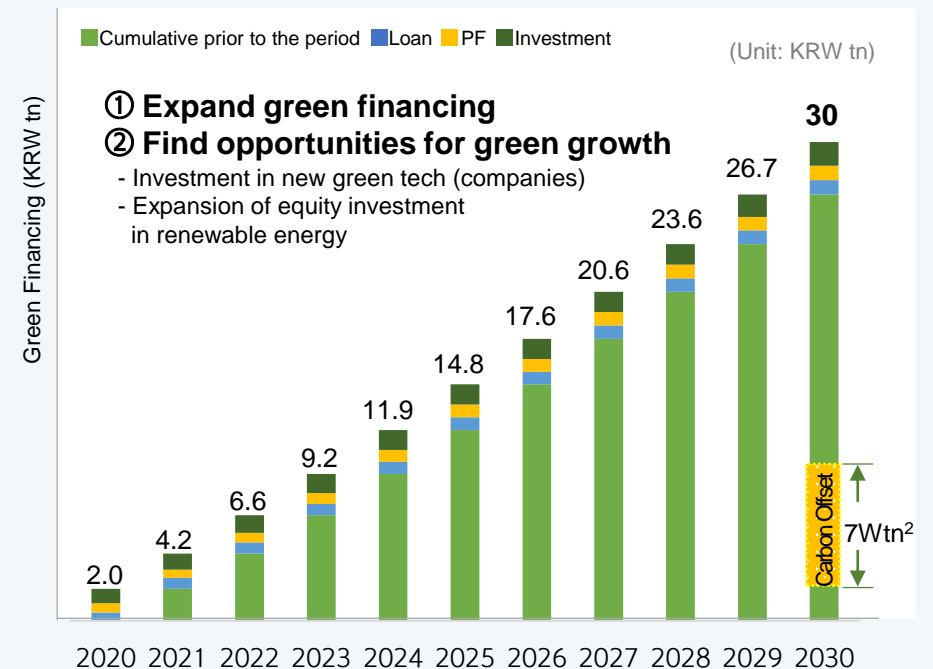


NOTE 1 Carbon emission reduction target for SFG's asset portfolio

### Green Financing Target (Carbon Offset)



Providing KRW 30 trillion in green financing by 2030



NOTE 2 The carbon offset target is the proportion of renewable energy PFs on solar/wind power, and the estimated amount of CO<sub>2</sub> reduction levels are based on levels that can be achieved without any reduction efforts

# Promoting Innovation Triple-K Project

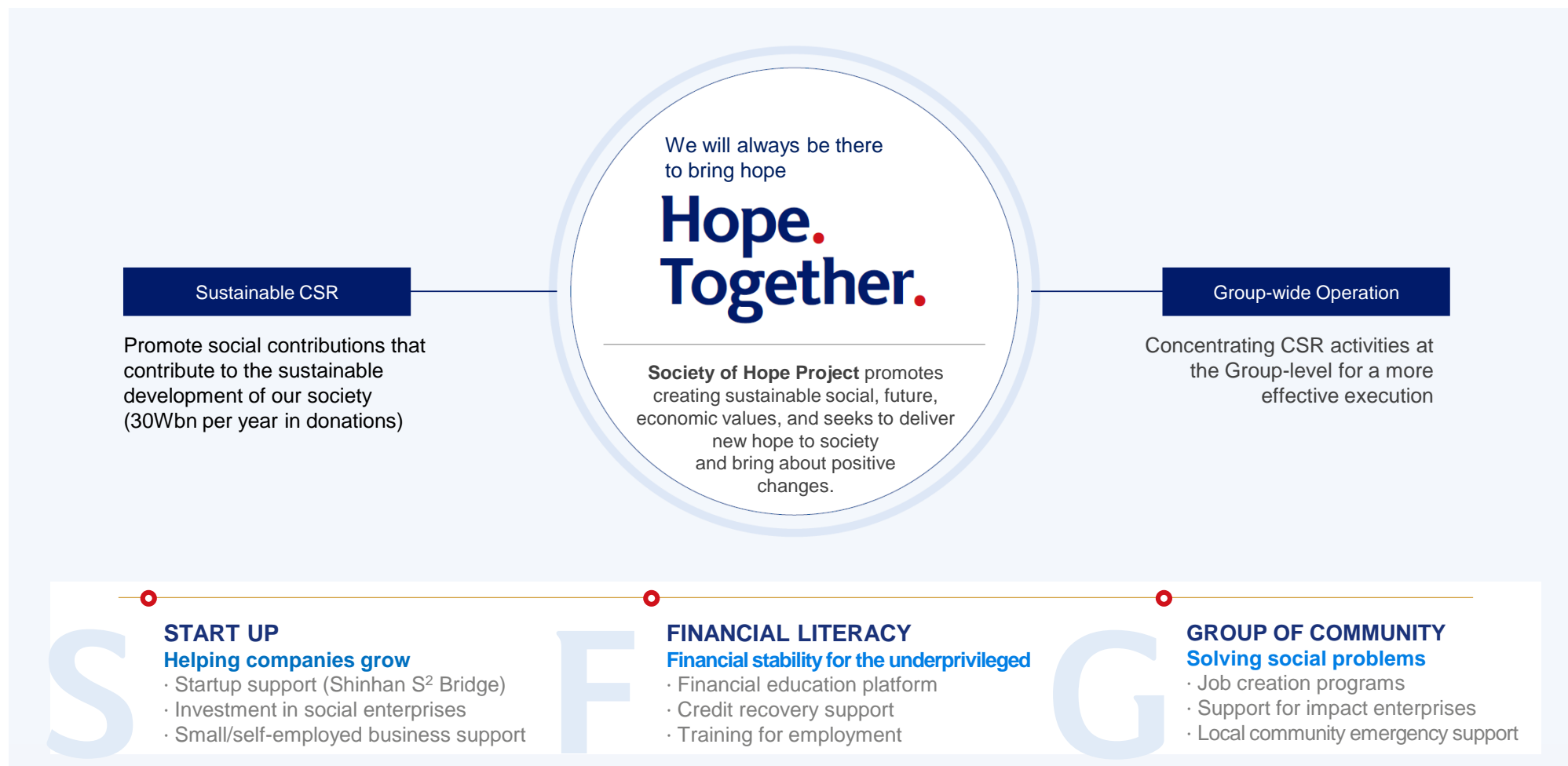
SFG launched 'Triple-K Project', under which the Group plans to invest KRW 2.1 trillion in startups by year 2023. With this Project, the Group aims to help around 2,000 venture firms, and among the 2,000 venture firms, the Group seeks to foster 10 Unicorn enterprises with more than US\$1 billion in total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

## Triple-K Project



SFG is committed to providing support to individuals, communities, and society through finance. Under the slogan, ‘Opportunity for all. Hope. Together. SFG’, we aim to expand inclusive finance by focusing on three major areas:

- ① **Start-ups**, ② **Financial literacy**, and ③ **Group of community**.



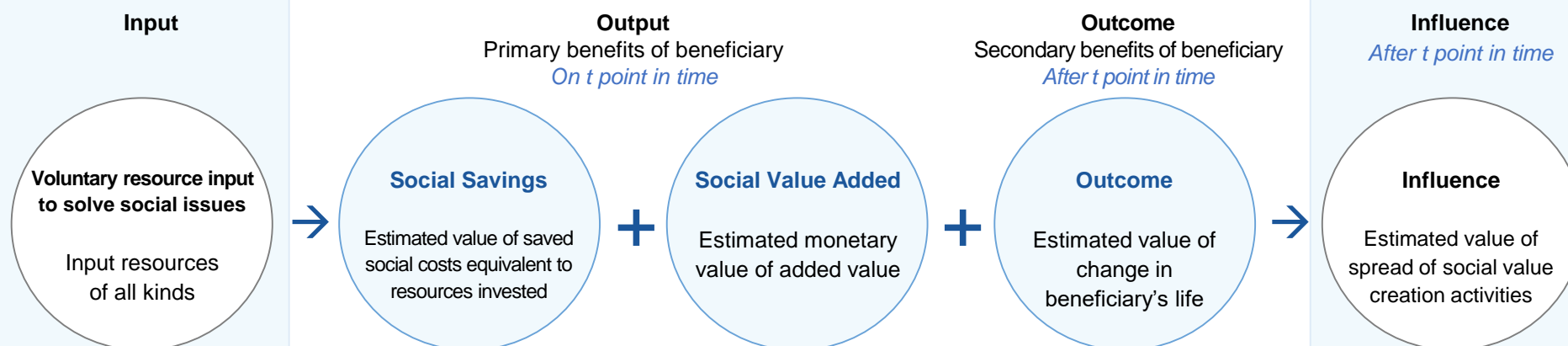
# Quantifying Social Impact **Shinhan SVMF**

In collaboration with the Center for Global Business Ethics and Responsibility of Yonsei University, SFG has developed the Shinhan Social Value Measurement Framework (SVMF) to better quantify the social value created from Group's ESG programs. With SVMF, we aim to measure and manage our ESG-related activities and to create greater value.

## Shinhan Social Value Measurement Framework



### Measuring Social Value



**Total Social Value**  
**= Output + Outcome +  $\epsilon$**   
**= (Social Savings + Social Value Added) + Outcome +  $\epsilon$**

- Output : Primary benefits of beneficiary resulting from ESG programs ( $t$  point in time)
- Social Savings : Value of social cost reductions resulting from invested personnel and material resources
- Social Value Added : Estimated monetary value of added value created by beneficiary based on invested personnel and material resources
- Outcome : Secondary benefits of beneficiary resulting from ESG programs (after  $t$  point in time)
- $\epsilon$  : Adjusted value for external effects

\* Based on cost-based approach, market-based approach, and income-based approach.



SFG recognizes diversity as a new opportunity for the Group's sustainable development. With the **Group's Commitment to Diversity and Inclusion** laying the foundation, SFG will continue to actively promote and implement its efforts toward diversity. Moreover, SFG has set ambitious goals for nurturing female leaders and is operating a female leader training program.

## SHeroes

## Commitment to Diversity

### SHeroes Programs



New Female Executives and Department Heads

18 persons

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



### Mid-term Goals & Key Tasks



### SFG's Commitment to Diversity and Inclusion

**Shinhan Financial Group's Commitment to Diversity and Inclusion**

Shinhan Financial Group pursues **diversity** in people and culture. We cherish and **embrace** employees, clients, and all the members of society. Diversity and inclusion are key values underpinning Shinhan Financial Group's mission, '**Compassionate Finance, Your Companion for the Future**'.

We will not take prejudice or discriminate against any personal characteristics, background, identity, or cultural differences including, but not restricted to, gender, disability, nationality, personal ties, religion, and sexual orientation. To ensure diversity and inclusion :

1. We provide **equal opportunities** and make fair and transparent evaluations in employee **recruitment and personnel management**.
2. We pursue **diversity in board and management**. We will primarily establish gender diversity targets, and focus on achieving these targets.
3. We create an **inclusive culture** where all members can work with respect and a sense of belonging.
4. We respect the individuality of **all our business partners** including clients, and **treat them equally**.
5. We **embrace the socially vulnerable** and actively support them to enrich their hope as members of the society.

### Gender Diversity Targets

	Present	'25	'30
Management	8%	10%	15%
Head of Division	9%	14%	25%
Others	40%	43%	45%

# Customer-centric Product Governance

SFG has reshaped its product governance to strengthen customer protection, and has overhauled its organizational structure so that checks and balances function is intact throughout the full lifecycle of its financial products.

## Shinhan's Product Governance



### System

*Organizational overhaul to allow customer-centered checks and balances of financial products and services.*

#### **Shinhan Bank**

- Newly established "Customer Protection Group" and appointed its Head as the CCO (Chief Compliance Officer)

#### **Shinhan Investment**

- Newly established "Customer Protection Division" and appointed its Head as the CCO

### Process

*Reshaped the entire process (develop-sales-review), and the KPIs for the sales channel to reflect Customers' Investment Return over product sales.*

#### **Product Development**

- CCO holds veto rights
- Supervision by Customer protection committee

#### **Marketing and Sales**

- Appointed CPOs(Consumer Protection Officer)
- Shinhan Bank introduced 'Temporary Termination of Sales' policy
- Shinhan Investment introduced 'Pre-sales Happy Call' system









#### **Post- Sales Review**

- Regular monitoring and review on investment products
- Disclosure of the details on the management of private funds

# ESG-related Recognitions

SFG is included in major ESG and SRI indices at home and abroad, and is 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
 Korea Corporate Governance Service	Corporate Governance Grades	Grade: A+	KRX ESG Leaders 150 KRX Governance Leaders 100 KOSPI200 ESG Index, etc.	Received A+ grade for 6 consecutive years (2015~2020)
 MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM	DJSI	Grade: 83 point	DJSI World DJSI Asia-Pacific DJSI Korea	Included in DJSI World index for the first time among Korean financial groups for 8 consecutive years
	Global 100	Asia Banking Sector: 1st Total: 84th	Global 100	Selected Global 100 Most Sustainable Corporations by Davos Forum for 9 consecutive years
	CDP	Leadership A	–	Included in the Honors Club for 7 consecutive years, Hall of Fame for 3 consecutive years
 ESG Research	MSCI ESG	Grade: AA	MSCI ACWI ESG MSCI EM ESG MSCI Korea ESG	Received AA Grade for 5 consecutive years
	ISS Quality Score	Grade: 1	–	–
	Gender Equality Index	The Best Company among Korean financial groups	BGEI	Included in BGEI for the first time among Korean companies for 3 consecutive years
 ESG Information, Analytics & Investment	Sustainvest	Grade : AA		The only Korean financial institution to receive the highest(AA) grade

# 02

## Companies in the Group

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

# 02

## Companies in the Group Shinhan Bank

- 
- |      |                      |      |                          |
|------|----------------------|------|--------------------------|
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| 2-08 | Shinhan Savings Bank | 2-16 | Shinhan Venture Inv.     |

# Overview

(As of 1H 2021)

## Shinhan Bank Overview

Shinhan Bank is a leading commercial bank in Korea.

Total Asset (including Trust A/C)

**532.2** KRW tn<sup>1)</sup>

1H 2021 Net Income

**1.37** KRW tn<sup>2)</sup>

1) Total Asset: Banking Account (Consolidated) + 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

**1,016**

(as of 1H 2021)

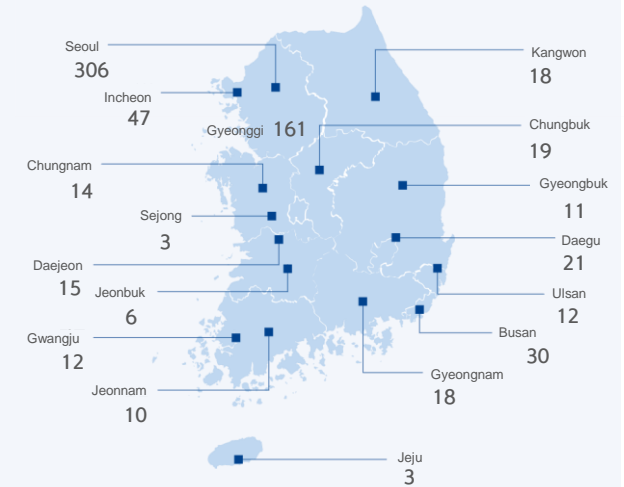
Domestic

**855**

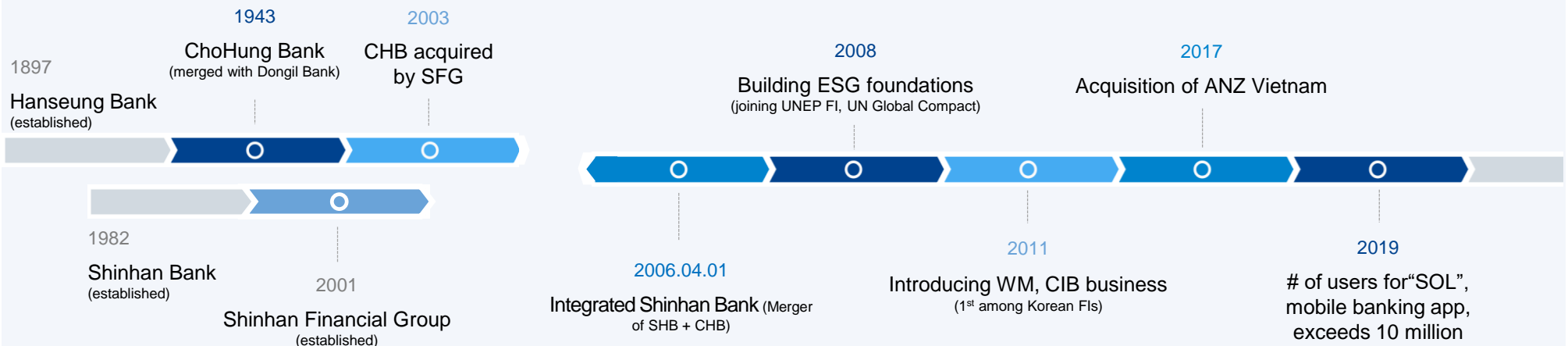
Overseas

**161**

\* Including local subsidiaries, branches, and offices



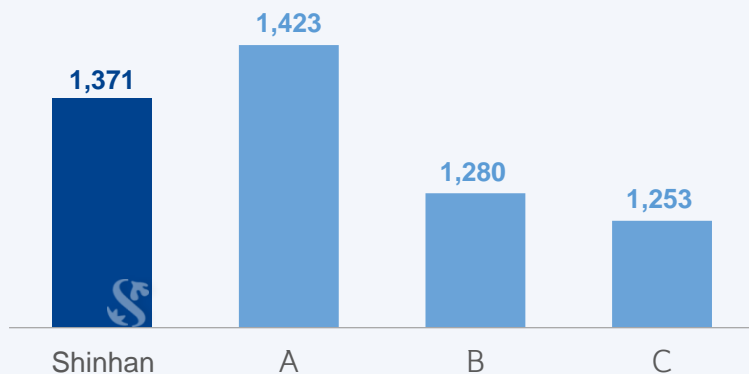
## Key Milestones



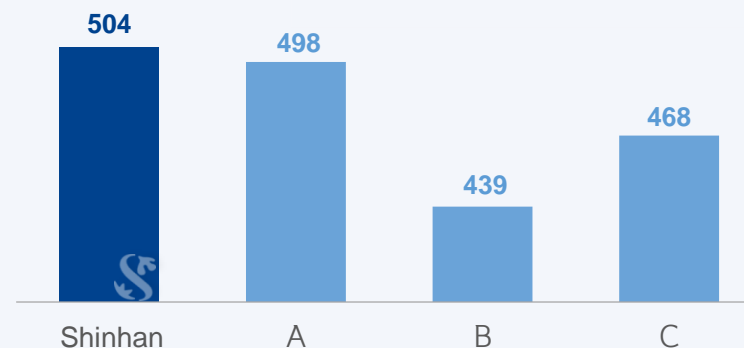
# Market Position

(As of 1H 2021)

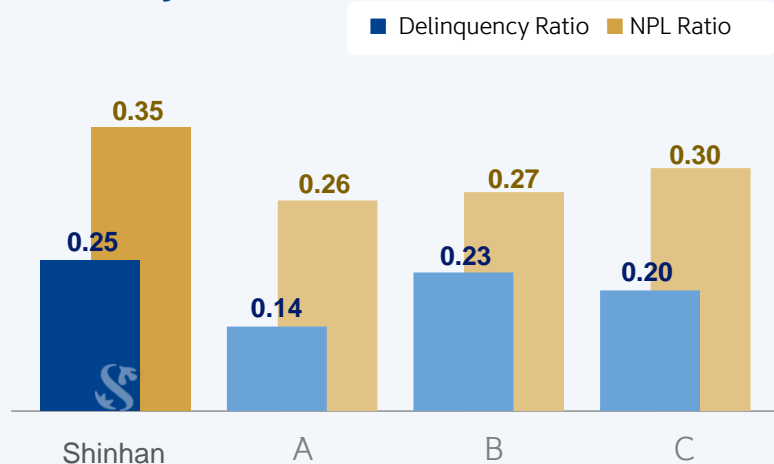
### Consolidated Net Income (Unit: KRW bn)



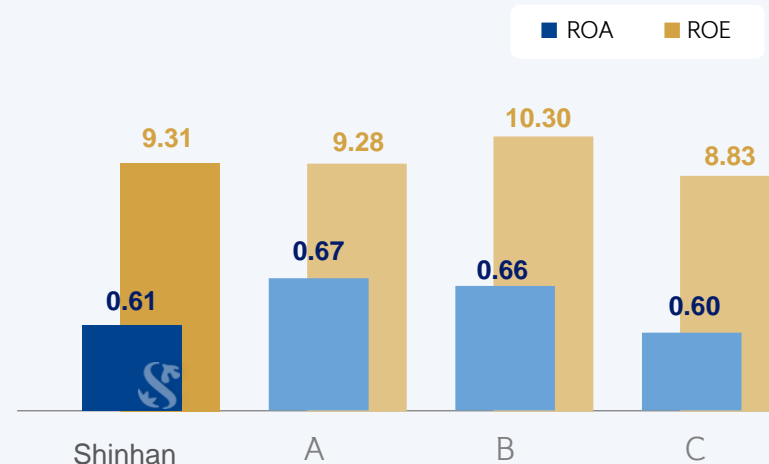
### Total Assets (Unit: KRW tn)



### Asset Quality (Unit: %)



### ROA, ROE (Unit: %)

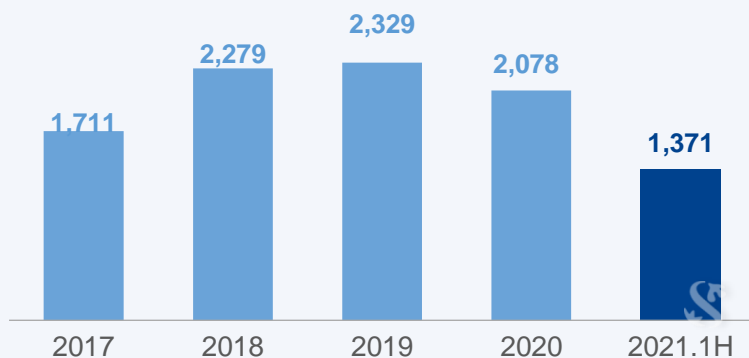




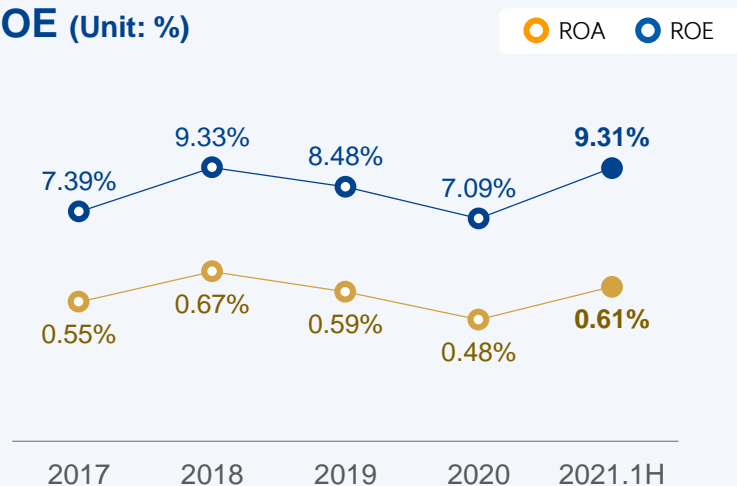
# Financial Highlights

(As of 1H 2021)

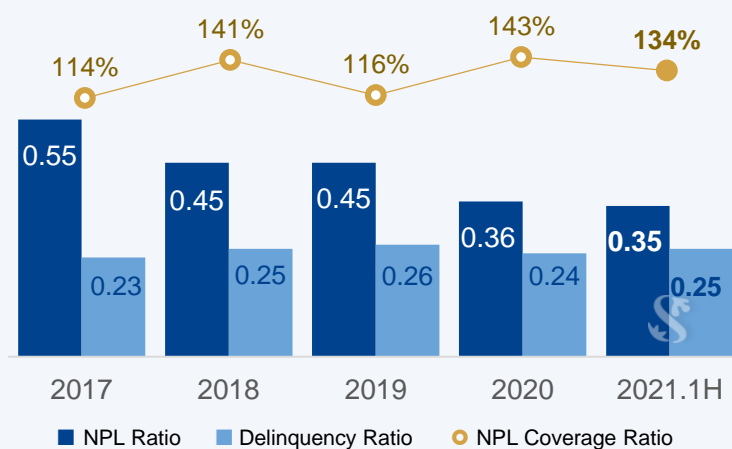
### Consolidated Net Income (Unit: KRW bn)



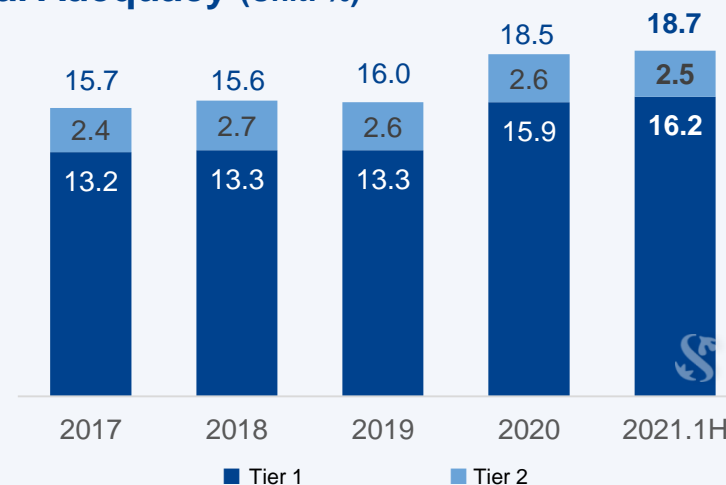
### ROA, ROE (Unit: %)



### Asset Quality (Unit: %)



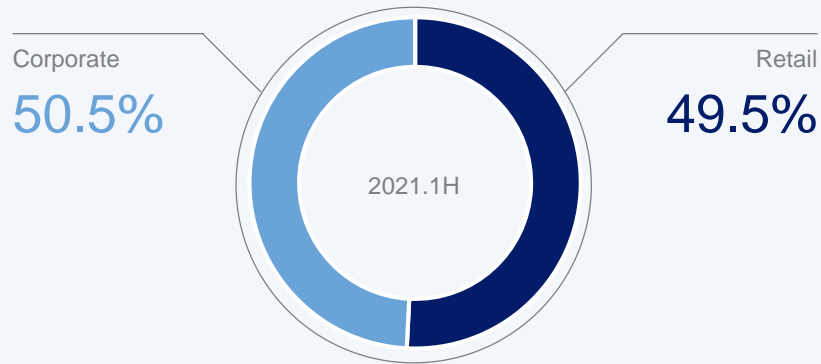
### Capital Adequacy (Unit: %)



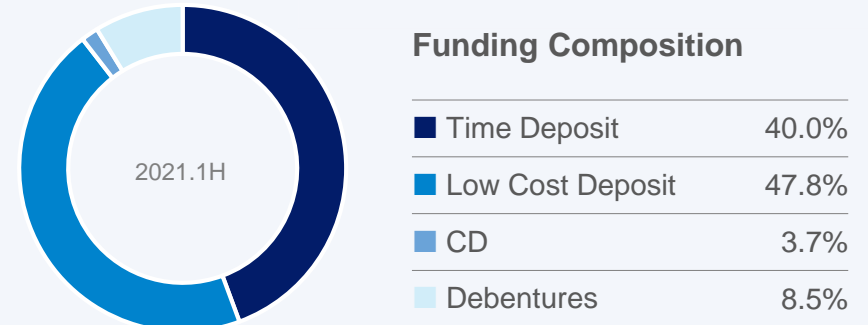
# Competitive Edge

(As of 1H 2021)

## Balanced Loan Portfolio

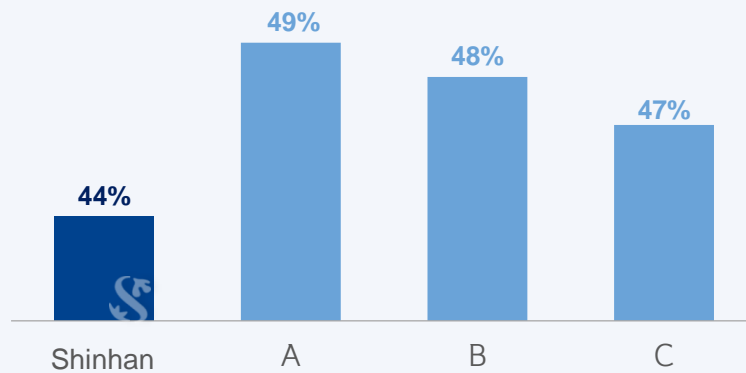


## Stable Funding Base



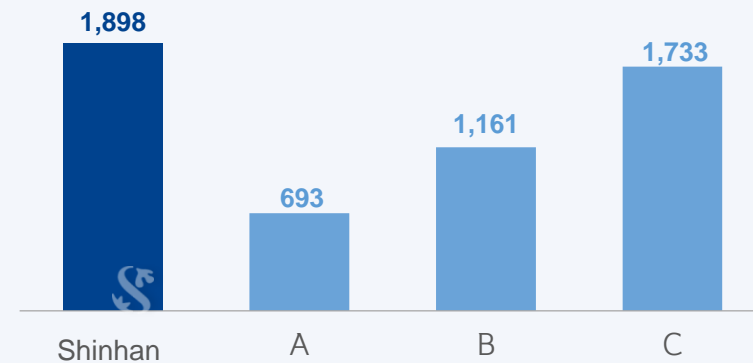
## Stable Cost Management

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



## Competitiveness in Overseas Business

| Overseas Business Net Income Comparison (KRW mil.)



# 02

## Companies in the Group Shinhan Card

- 
- |      |                      |      |                          |
|------|----------------------|------|--------------------------|
| 2-01 | Shinhan Bank         | 2-09 | Asia Trust               |
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| 2-03 | Shinhan Investment   | 2-11 | Shinhan AITAS            |
| 2-04 | Shinhan Life         | 2-12 | Shinhan Credit Info.     |
| 2-05 | Shinhan Capital      | 2-13 | Shinhan Alternative Inv. |
| 2-06 | Shinhan Asset Mgmt.  | 2-14 | Shinhan REITs Mgmt.      |
| 2-07 | Jeju Bank            | 2-15 | Shinhan AI               |
| 2-08 | Shinhan Savings Bank | 2-16 | Shinhan Venture Inv.     |

## 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

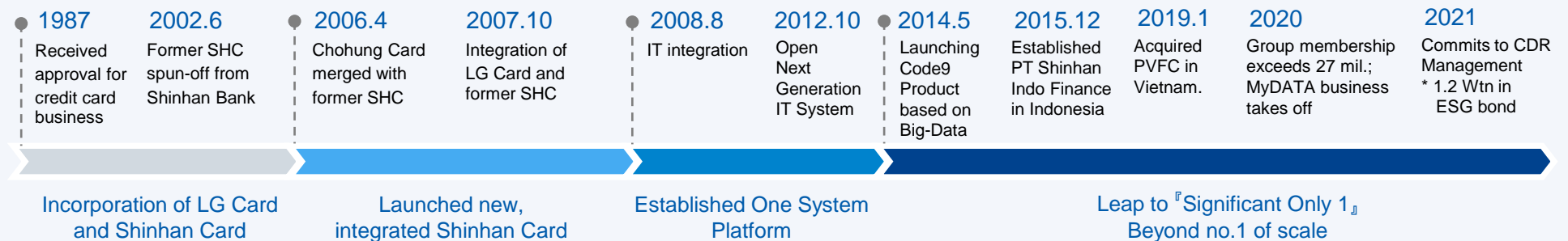
### No. 1 Credit Card in Korea **Shinhan Card**

- 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

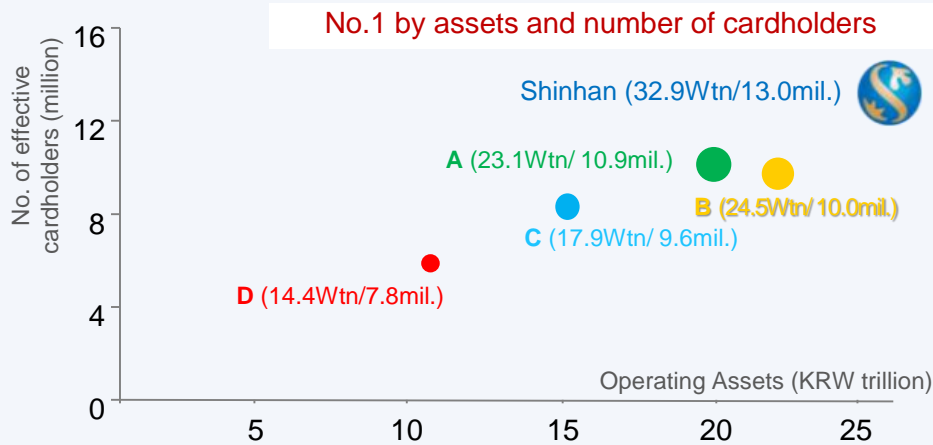
## Key Milestones



# Market Position

(As of 1H 2021)

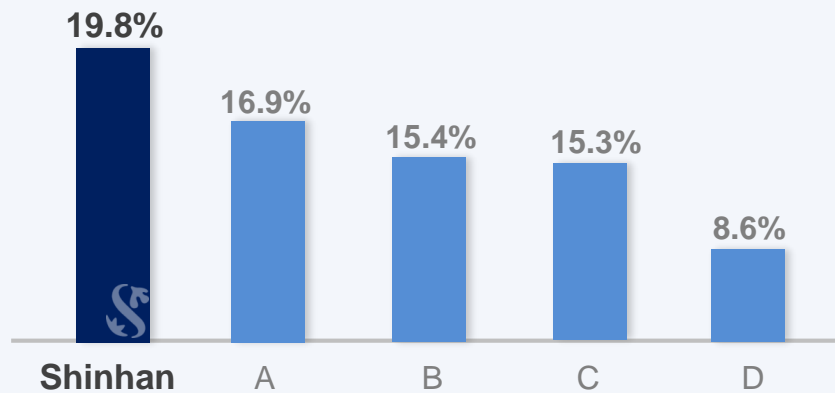
## Operating Assets and Cardholders



## Credit Rating

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

## M/S by Credit Purchase Volume



## Bona fide No.1 Credit Card Company in Korea



- (APR. 2021) Received '**2021 National Productivity Award**' on social contribution for 2 consecutive years
- (FEB. 2021) Ranked **1st** in '**2021 Korea's Most Admired Companies**'
- (DEC. 2020) **Presidential Award** at the **44th National Productivity Awards**
- (DEC. 2020) Award from the Minister of Culture, Sports and Tourism at the '**2020 Mecenat Awards**'
- (DEC. 2020) **Award for "Best Chief Executive Officer"**, and **Grand Prize for Digital Innovation** at 'Korea's Management Awards'

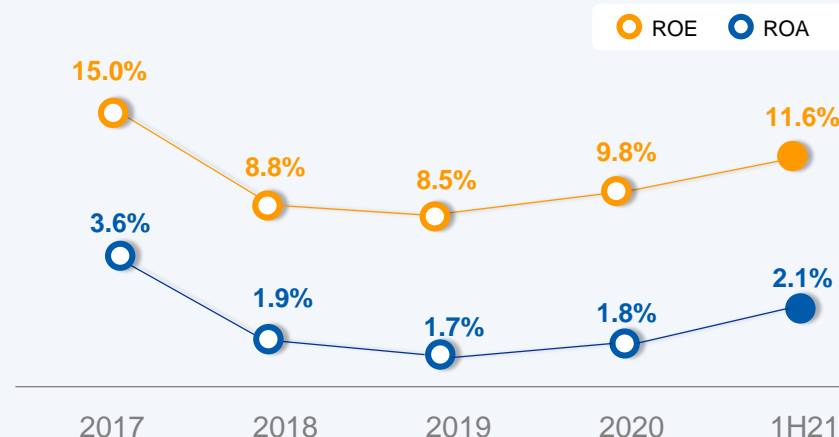
# Financial Highlights

(As of 1H 2021)

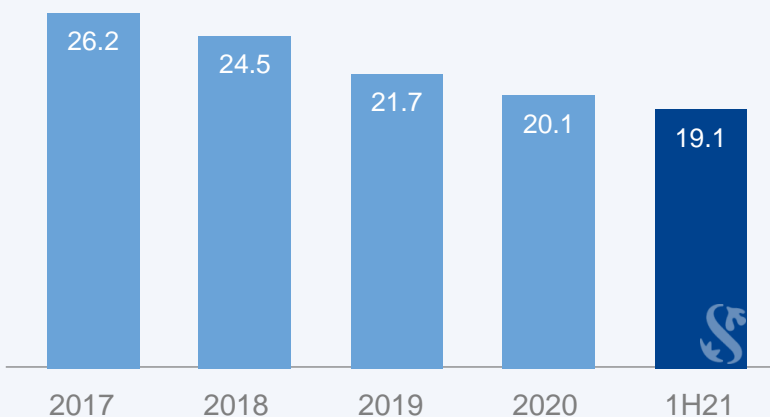
## Operating Revenue & Net Income (KRW bn)



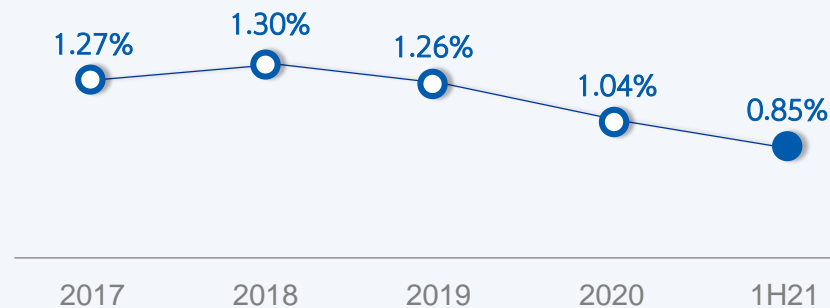
## ROA, ROE (%)



## Adjusted Equity Capital Ratio (%)



## Delinquency Ratio<sup>1)</sup> (%)



# 02

## Companies in the Group Shinhan Investment

- 
- |      |                           |      |                          |
|------|---------------------------|------|--------------------------|
| 2-01 | Shinhan Bank              | 2-09 | Asia Trust               |
| 2-02 | Shinhan Card              | 2-10 | Shinhan DS               |
| 2-03 | <b>Shinhan Investment</b> | 2-11 | Shinhan AITAS            |
| 2-04 | Shinhan Life              | 2-12 | Shinhan Credit Info.     |
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| 2-06 | Shinhan Asset Mgmt.       | 2-14 | Shinhan REITs Mgmt.      |
| 2-07 | Jeju Bank                 | 2-15 | Shinhan AI               |
| 2-08 | Shinhan Savings Bank      | 2-16 | Shinhan Venture Inv.     |



# Overview

(As of 1H 2021)

## Shinhan Investment Overview

Shinhan Investment Corp. is taking a lead in the Korean securities industry by combining its firm and stable corporate governance and financial structure with advanced management skills.

Total Asset

**45.0** KRW tn

1H 2021 Net Income

**322.9** KRW bn<sup>1)</sup>

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

1) Consolidated basis

## Network

**115**

(As of 1H 2021)

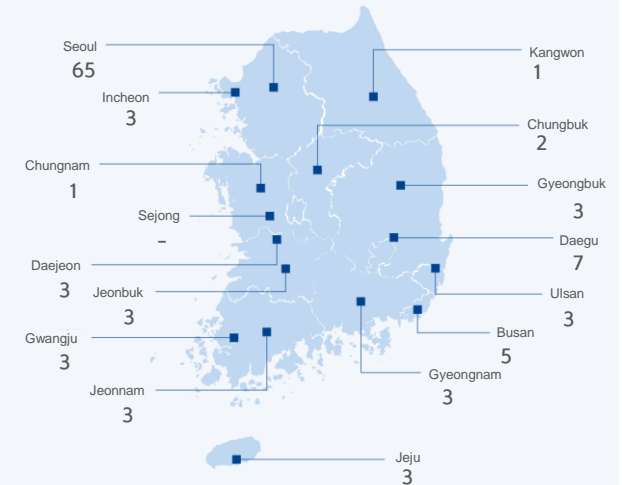
Domestic

**108**

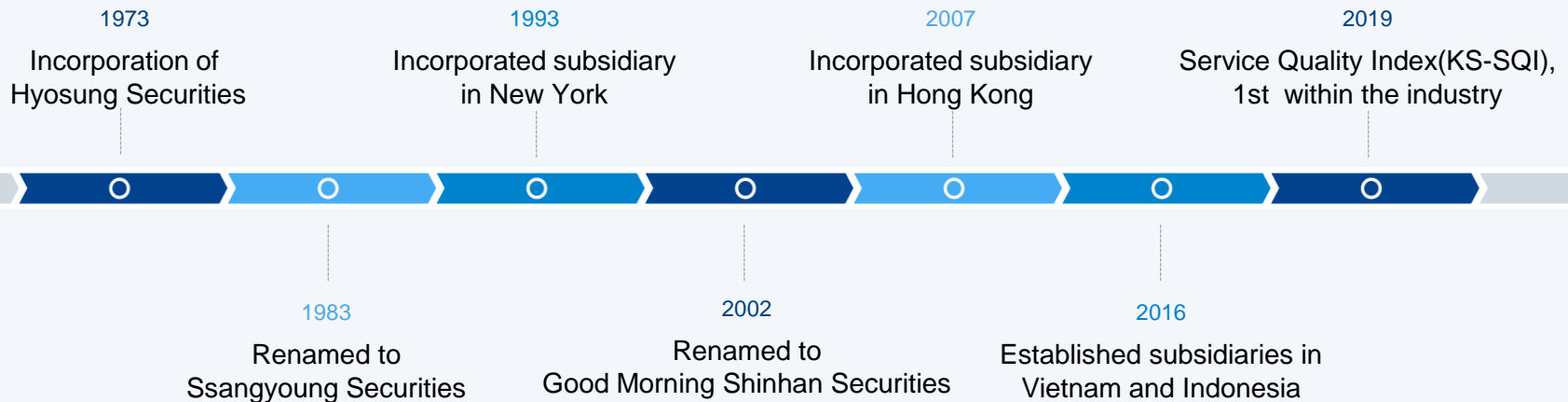
Overseas

**7**

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



## Key Milestones



(As of 1H 2021)

## IB League Table Rankings

\* June 2020 (Source: the bell)

	2019	2020	2021
ABS	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>
Corp. Bonds	6 <sup>th</sup>	6 <sup>th</sup>	5 <sup>th</sup>
IPO	9 <sup>th</sup>	9 <sup>th</sup>	7 <sup>th</sup>

## Best Corporate Marketing

(Source: Hankyung)

	2019	2020	2021
1 <sup>st</sup> Half	1 <sup>st</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>
2 <sup>nd</sup> Half	2 <sup>nd</sup>	3 <sup>rd</sup>	-

## Market Share in Brokerage

	2019	2020	1H21
Equities	5.6%	7.4%	7.4%
Futures	18.8%	14.3%	13.1%
Options	6.3%	7.8%	8.3%

## Rank by AUM from Corporates

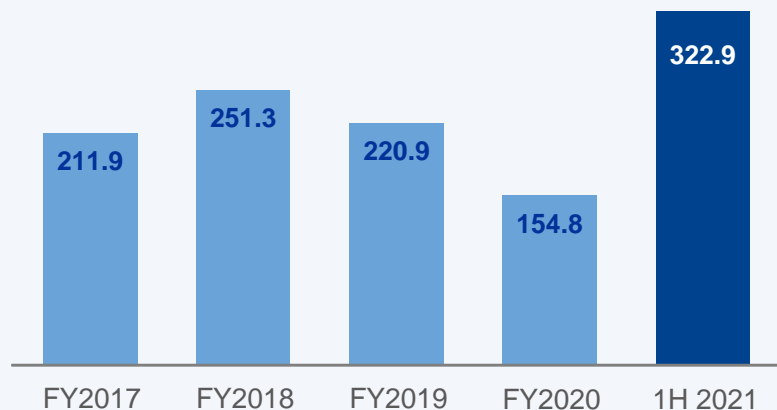
	Rank	AUM
1	N	60 Wtn
2	<b>Shinhan Investment</b>	<b>55 Wtn</b>
3	M	48 Wtn
4	H	38 Wtn

(Source: KOFIA, as of June. 2021)

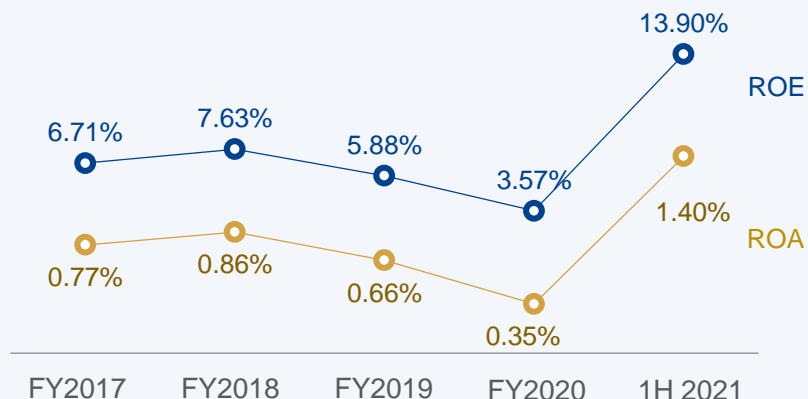
# Financial Highlights

(As of 1H 2021)

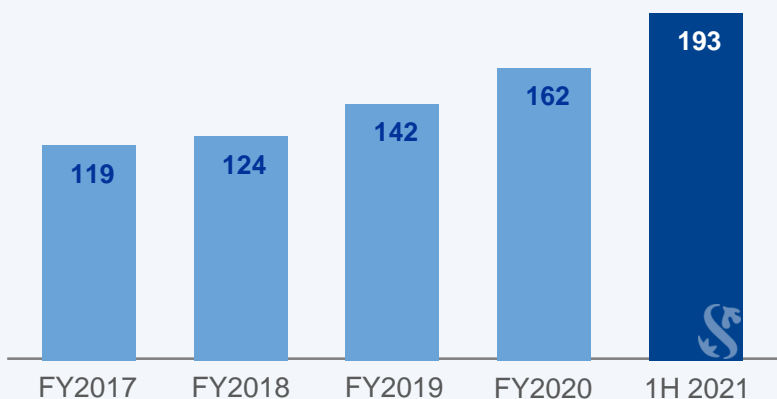
### Consolidated Net Income (Unit: KRW bn)



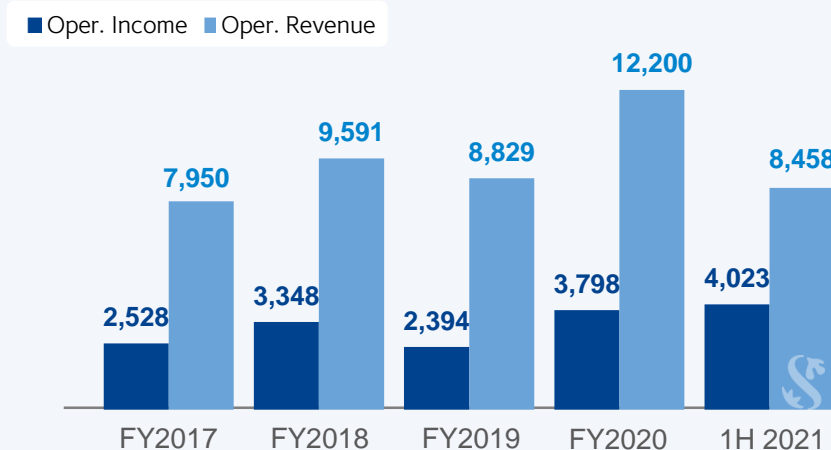
### ROA, ROE (Unit: %)



### AUM (Unit: KRW tn)



### Operating Income, Revenue (Unit: KRW bn)



# 02

## Companies in the Group **Shinhan Life**

---

- |             |                      |      |                          |
|-------------|----------------------|------|--------------------------|
| 2-01        | Shinhan Bank         | 2-09 | Asia Trust               |
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| 2-03        | Shinhan Investment   | 2-11 | Shinhan AITAS            |
| <b>2-04</b> | <b>Shinhan Life</b>  | 2-12 | Shinhan Credit Info.     |
| 2-05        | Shinhan Capital      | 2-13 | Shinhan Alternative Inv. |
| 2-06        | Shinhan Asset Mgmt.  | 2-14 | Shinhan REITs Mgmt.      |
| 2-07        | Jeju Bank            | 2-15 | Shinhan AI               |
| 2-08        | Shinhan Savings Bank | 2-16 | Shinhan Venture Inv.     |

## Shinhan Life Overview

Shinhan Life, newly branded after a merger of Shinhan's two life insurance arms in July 2021, brings together the extraordinary financial services and resources of Shinhan Life and Orange Life. Shinhan Life aims to lead the life insurance industry in Korea by achieving excellence.

### Mission

#### “Compassionate Finance” A better world through finance

This is the reason for the existence of Shinhan Financial Group and Shinhan Life, and the ultimate goal that we should pursue.

### Vision

#### “New Life, Adding New Value to Life”

We aim to become a company that continues to grow in the trust of customers through ethical management that fulfills its social responsibilities.

### Core Strategy

#### “New Life, Beyond One life” Embodying Excellence

We aim to become the standard of the life insurance industry by securing our status as a company recognized for value management and practicing compassionate finance.

## Key Milestones

<b>JAN 1990</b>	Shinhan Life Insurance established
<b>JAN 1997</b>	Started Tele-Marketing Sales
<b>SEP 2003</b>	Launched Bancassurance products
<b>DEC 2005</b>	Joined SFG as a subsidiary
<b>JUL 2006</b>	Launched Financial Full-service named as “Tops Club” for the first time in the industry
<b>NOV 2008</b>	Established new internal insurance management system
<b>OCT 2013</b>	Awarded the Excellence Prize in the Knowledge Category by Prime Minister (Ministry of Security & Public Administration)
<b>NOV 2013</b>	Awarded Harmonious Labor-Management Prize (Ministry of Employment and Labor)
<b>JUN 2015</b>	Established the overseas office in Hanoi, Vietnam
<b>DEC 2015</b>	Consumer Centered Management certification acquired from Korea Consumer Agency
<b>FEB 2019</b>	OrangeLife Joined SFG as a subsidiary
<b>FEB 2016</b>	Relocated Headquarters to “Shinhan L Tower”
<b>MAY 2019</b>	Acquired AAA rating for Insurance solvency for 12 years in a row
<b>JUL 2019</b>	Included in Hall of Fame by Korea Service Grand Prix
<b>DEC 2019</b>	Awarded for Consumer Centered Management (Korea Consumer Agency) and received Presidential Award
<b>FEB 2020</b>	Joined UNEP FI PSI (Principles for Sustainable Insurance)
<b>JUN 2020</b>	Established Shinhan Financial Plus as a wholly-owned subsidiary
<b>MAY 2021</b>	Acquired AAA rating for Insurance solvency for 14 years in a row
<b>JUL 2021</b>	Launch of Shinhan Life (merging (old) Shinhan Life and OrangeLife)

# Financial Highlights

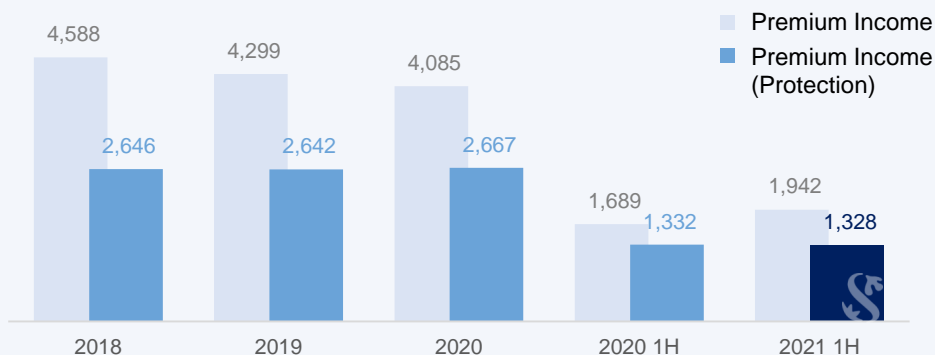
\* As of 1H 2021; before the merger of the two companies

## Shinhan Life

(KRW bn, %)	2018	2019	2020	2021 1H
Condensed I/S				
Operating Income	186	208	213	141
Operating Revenue	5,634	5,413	5,406	2,632
Operating Expense	5,448	5,205	5,193	2,491
Net Income	131	124	178	92
Condensed B/S				
Total Asset	31,824	34,134	36,777	36,726
Total Equity	1,745	2,071	2,545	2,440
Key Indices				
ROA	0.43	0.38	0.50	0.50
ROE	7.72	6.49	7.70	7.40
RBC	238.7	227.9	249.5	243.5

1) under K-IFRS standards, separate basis

### | Premium Income (KRW bn)

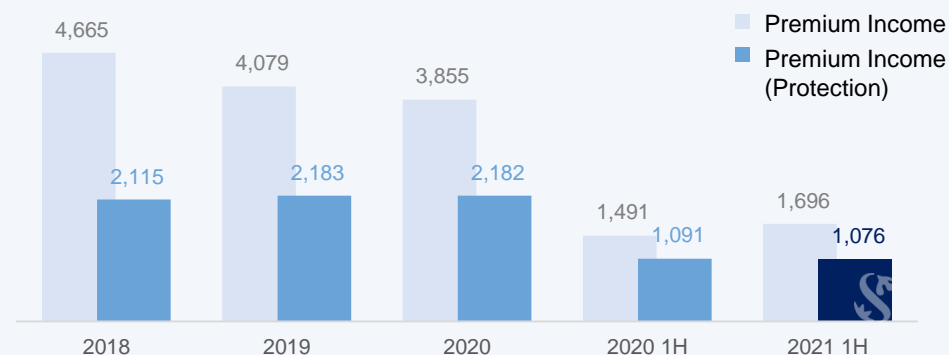


## OrangeLife

(KRW bn, %)	2018	2019	2020	2021 1H
Condensed I/S				
Operating Income	186	208	213	141
Operating Revenue	5,634	5,413	5,406	2,632
Operating Expense	5,448	5,205	5,193	2,491
Net Income	131	124	178	92
Condensed B/S				
Total Asset	31,824	34,134	36,777	36,726
Total Equity	1,745	2,071	2,545	2,440
Key Indices				
ROA	0.43	0.38	0.50	0.50
ROE	7.72	6.49	7.70	7.40
RBC	238.7	227.9	249.5	243.5

1) under K-IFRS standards, separate basis

### | Premium Income (KRW bn)



# 02

## Companies in the Group Shinhan Capital

- 
- |             |                        |      |                          |
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| 2-08        | Shinhan Savings Bank   | 2-16 | Shinhan Venture Inv.     |



## 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

**1,444** Wbn.

(Paid-in Capital 330Wbn)

Total Asset

**10.2** Wtn.

### 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
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
OCT 2020	Transferred retail assets to Shinhan Card
JUN 2021	Capital increase of 150 Wbn

## Vision & Strategy



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

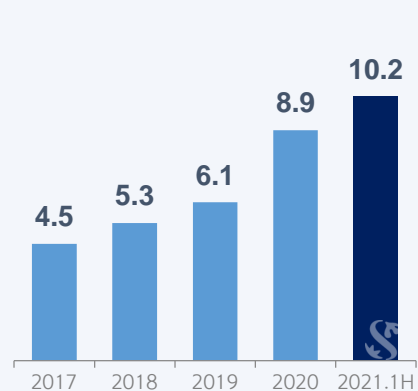
(As of 1H 2021)

## Financial Highlights

(KRW billion, %)	2017	2018	2019	2020	1H 2021
<b>Condensed BS</b>					
Total Assets	5,315.4	6,116.6	7,566.4	8,883.9	10,241.1
Total Liability	4,603.8	5,368.3	6,612.5	7,705.8	8,797.2
Total Equity	711.6	748.3	854.0	1,178.1	1,443.9
(Paid-in Capital)	180.0	180.0	180.0	180.0	330.0
<b>Condensed IS</b>					
Operating Income	351.8	439.0	455.2	626.5	352.3
Operating Revenue	110.7	142.9	167.7	211.1	178.7
Net Income	87.6	103.4	126.1	160.6	131.3
<b>Key Financial Indicators</b>					
ROE	13.00%	14.50%	15.00%	14.72%	21.13%
ROA	1.80%	1.80%	1.90%	1.88%	2.75%
CAR	14.05%	13.15%	13.09%	15.24%	15.63%
NPL Ratio	1.40%	0.96%	0.76%	0.71%	0.55%

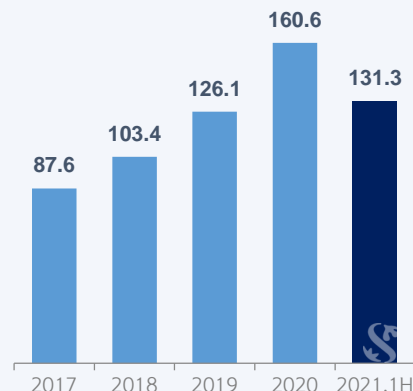
### Total Asset

(Unit: KRW tn)

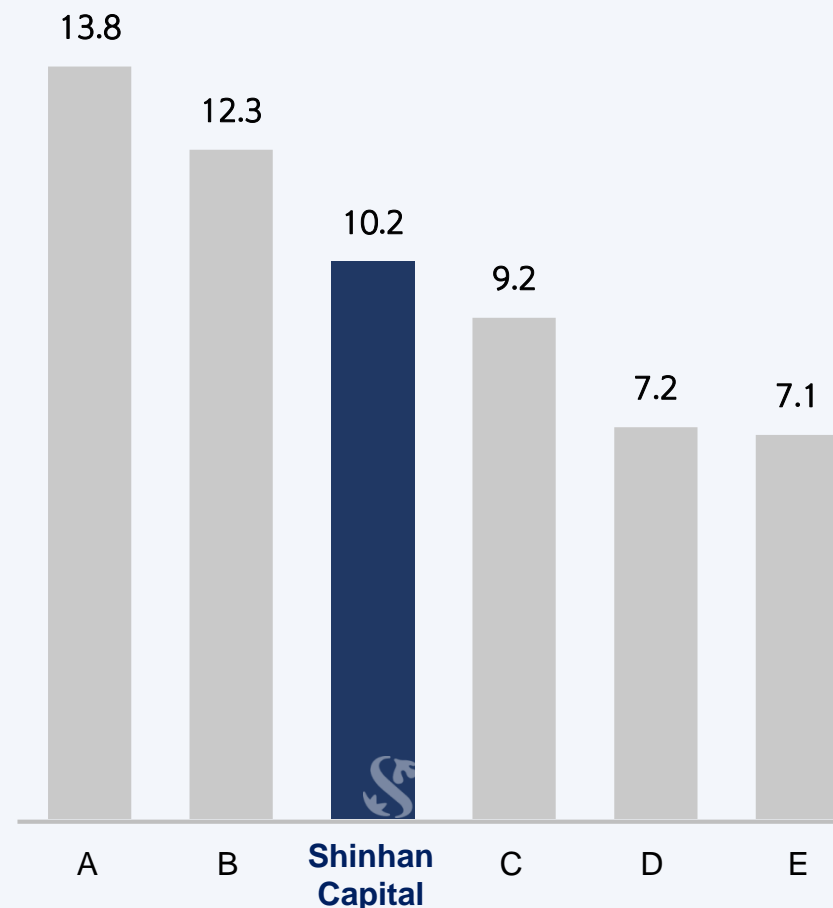


### Net Income

(Unit: KRW bn)



## Market Position (Total Asset basis, Unit: KRW tn)



# 02

## Companies in the Group Shinhan Asset Management

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

(As of 1H 2021)

## Shinhan Asset Management Overview

Since its establishment in August 1996, **Shinhan Asset Management** has been providing and managing financial products that meet the diverse investment needs of customers.

**Shinhan Asset Management** provides asset management services that customers can trust and satisfy, and has created solid management capabilities and performance. Going forward, we will continue to grow as a leading asset management company in the ESG-based investment sector in order to further build customer trust and expand socially responsible investment.

Total Equity

**188.9** KRW bn

AUM

**71.7** KRW tn

\* Including discretionary accounts

Participation in ESG Initiatives

**Net Zero Asset  
Manager Initiative**

(2021.07)

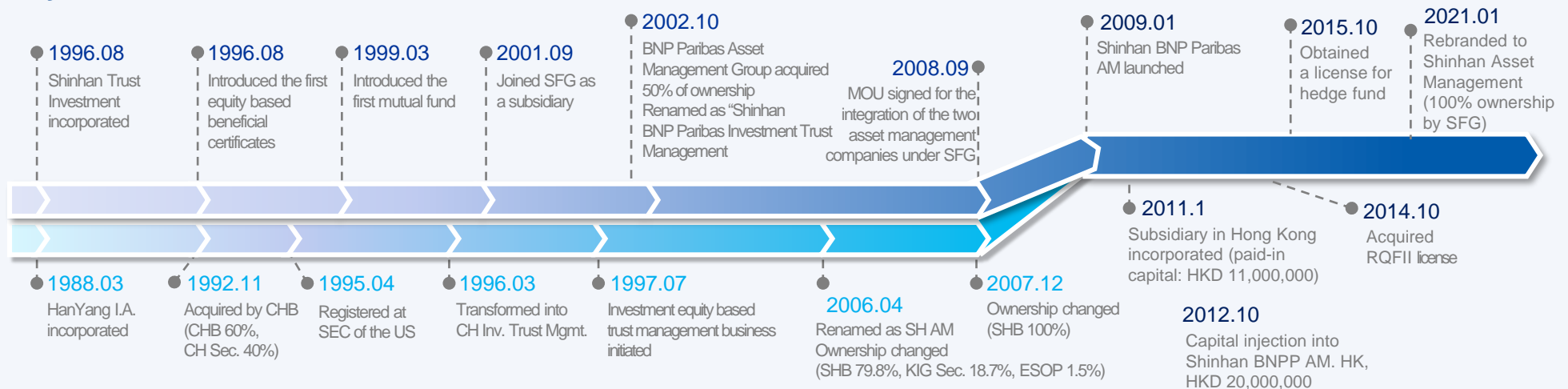
**TCFD**

(2020.10)

**Korea  
Stewardship Code**

(2017.12)

## Key Milestones (Incorporation Date: 1996.08.26)

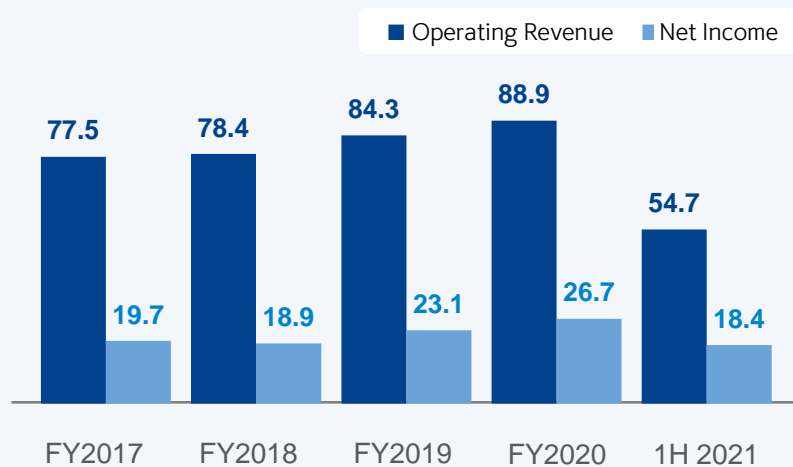


# Financial Highlights

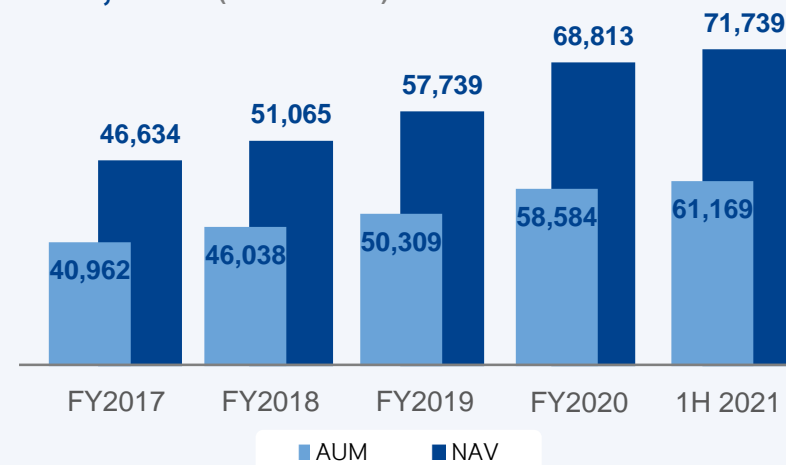
(As of 1H 2021)

## Financial Highlights

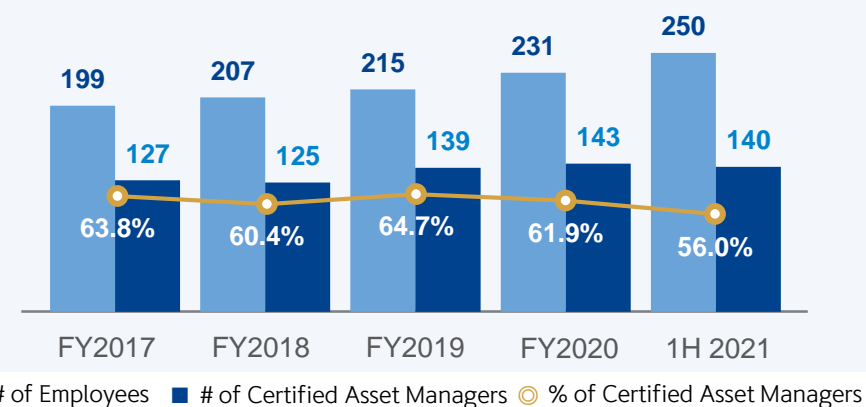
(KRW billion, %)	2017	2018	2019	2020	1H 2021
<b>Condensed IS</b>					
Operating Revenue	77.5	78.4	84.3	88.9	54.7
Operating Expense	51.8	53.8	53.1	54.0	29.6
(SG&A)	42.5	44.6	46.7	47.6	25.4
Operating Income	25.7	24.6	31.2	34.9	25.1
Net Income	19.7	18.9	23.1	26.7	18.4
<b>Condensed BS</b>					
Total Assets	174.8	174.0	184.2	191.1	206.2
Total Equity	156.6	159.1	164.5	170.6	188.9
<b>Key Financial Indicators</b>					
ROE	13.25%	12.31%	14.71%	16.62%	20.43%
ROA	11.97%	11.07%	13.09%	14.94%	18.51%



## AUM, NAV (Unit: KRW bn)



## Human talent (Unit: persons, %)



# 02

## Companies in the Group

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

## Jeju Bank Overview

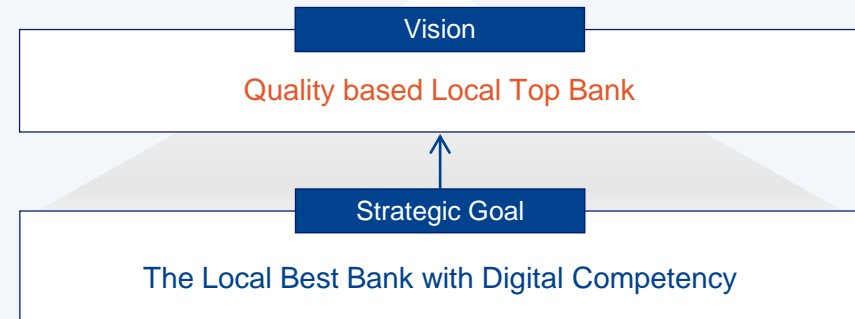
Incorporated in Jeju Island in 1969, Jeju Bank had been posting healthy growth amid strong support of the Jeju residents, playing a central role in the development of the Island's local economy.

- **Major Shareholders:** SFG (75.31%), ESOP (0.88%)
- **Total Equity:** 514.9 Wbn **Total Assets:** 6.7 Wtn.
- **Networks:** 31 branches and sub-branches (29 in Jeju)
- **Market share in Jeju:** 28.76% of deposits, 22.95% of loans (As of May 2021)

### 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
FEB 2017	Launched new mobile banking app 'JBANK Plus'
JUL 2018	Launched a non-financial app "Jeju Jini"
NOV 2018	Capital Increase by issuing new stocks
OCT 2019	Launched open banking system
DEC 2019	Recognized as "Family Friendly Company" by MOGEF
MAR 2020	Launched "Total Support Program for Customers and Local Society"
DEC 2020	Released "JEJUJINI Air Money Card" and "J Driving Card"
MAY 2021	Committed to stop financing coal and to promote ESG management

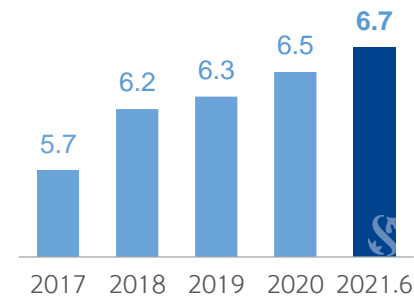
## Vision & Strategy



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

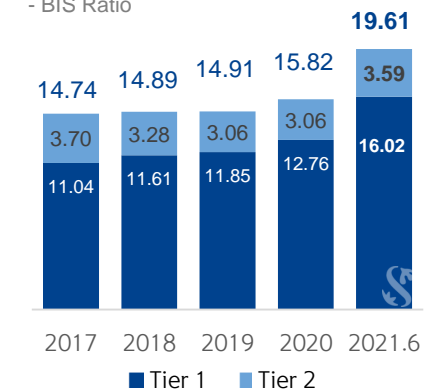
## Financial Highlights

Total Asset (KRW tn)



Capital Adequacy<sup>1)</sup> (%)

- BIS Ratio



## 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

**215.5** Wbn.

Total Asset

**2.3** Wtn.

Networks

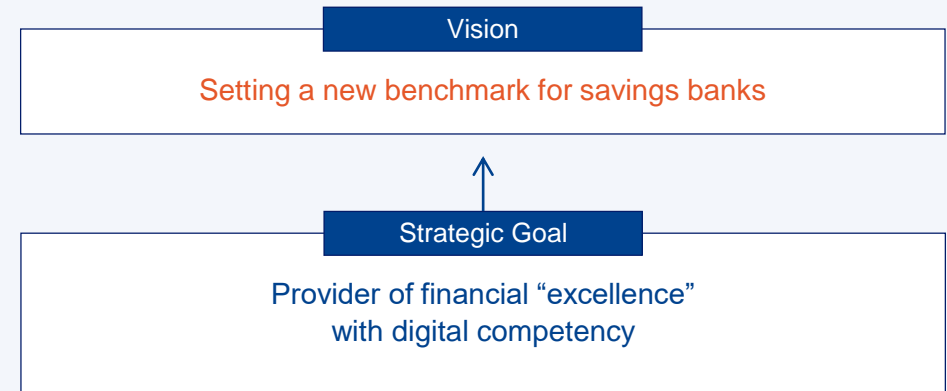
**6** branches

\* In Seoul metropolitan area

### Key Milestones

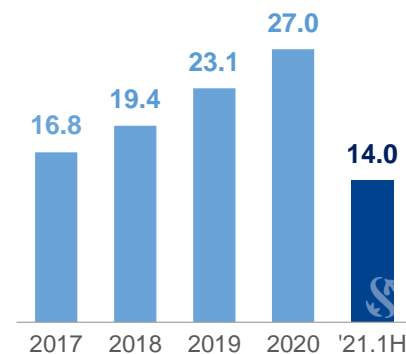
2011. 12	Acquired a savings bank licenses and changed its name to Shinhan Savings Bank upon joining Shinhan Financial Group
2012. 01	Launched business operations
2013. 01	Yehanbyeol Savings Bank joined Shinhan Financial Group
2013. 04	The former Shinhan Savings Bank and Yehanbyeol Savings Bank were merged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

## Vision and Strategy

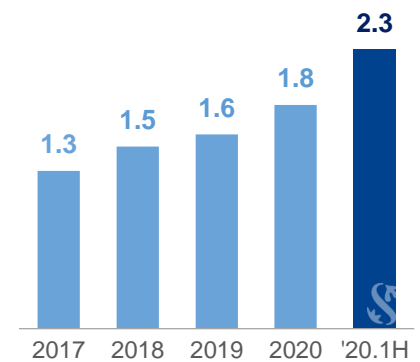


## Financial Highlights

Net Income (Unit: KRW bn)



Total Asset (Unit: KRW tn)





## 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	AUM
<b>209.6</b> Wbn.	<b>46</b> Wtn.

### Key Milestones

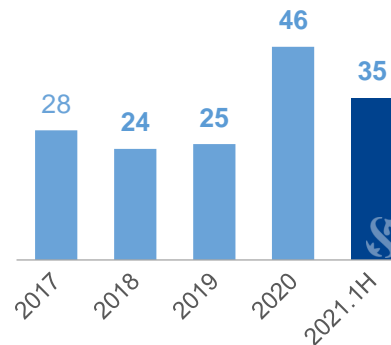
2006.10.18.	Company established
2007.07.06.	Obtained Trust Business License
2007.08.24.	Renamed to 'Asia Asset Trust'
2008.02.21.	Obtained Managed Land Trust License
2008.11.25.	Renamed to 'Asia Trust'
2009.01.15.	Obtained Borrowed Land Trust License
2010.03.17.	Increased Paid-in capital (173,400 shares, 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

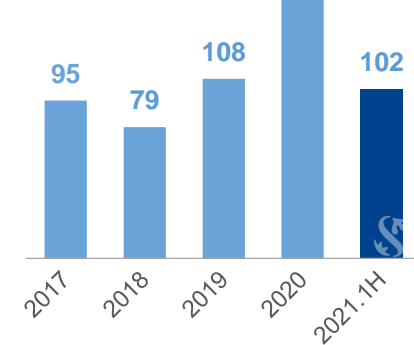


## Financial Highlights

Net Income  
(Unit: KRW bn)



Order Performance  
(Unit: KRW bn)



## Shinhan DS Overview

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

Total Equity

**38.6** Wbn.

Total Asset

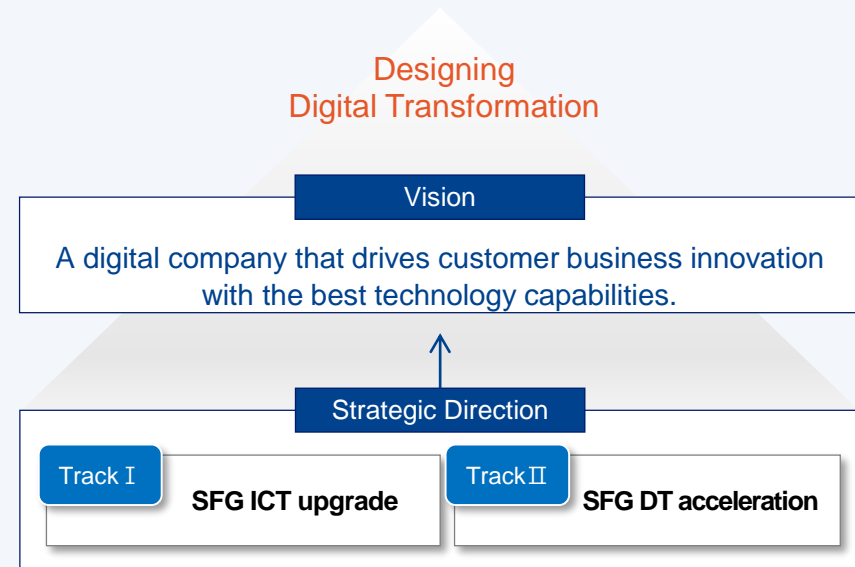
**119.3** Wbn.

\* As of 1H 2021 (Consolidated basis)

### 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 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
NOV 2020	Signed dev. contract for integrated messenger system for Shinhan FG
APR 2021	ISO27701 certification acquired (Personal information management)

## Vision & Strategy



## 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%)**

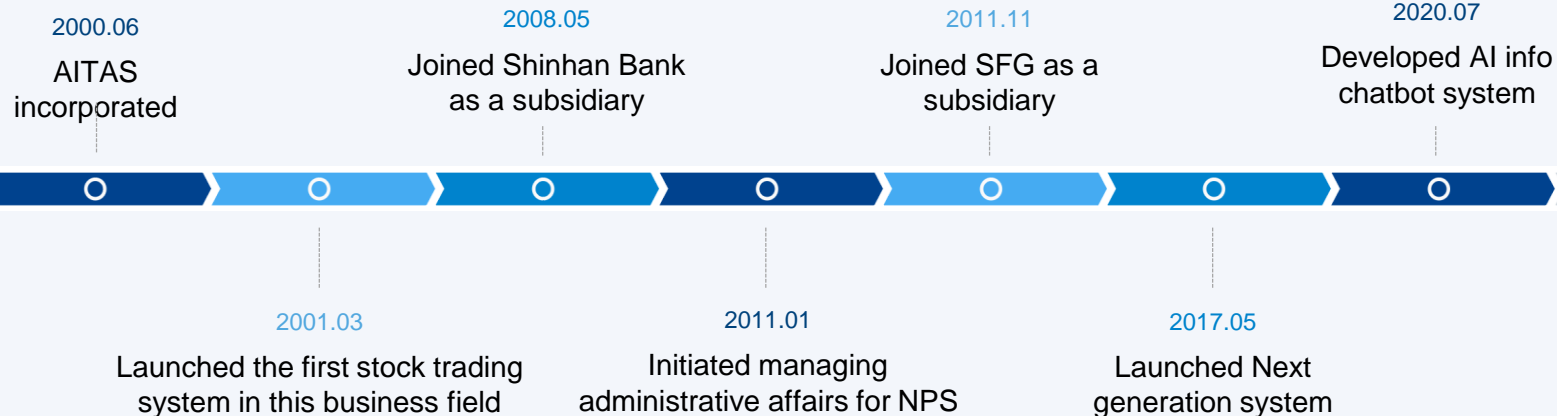
Total Equity

**83.2** KRW bn

No. of Employees

**253** persons

## Key Milestones

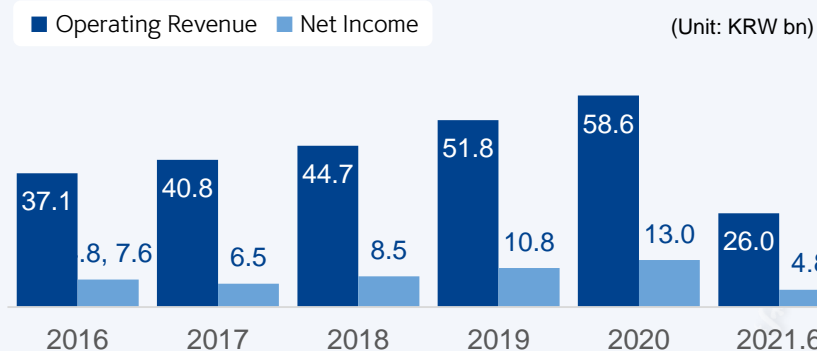


# Financial Highlights

(As of 1H 2021)

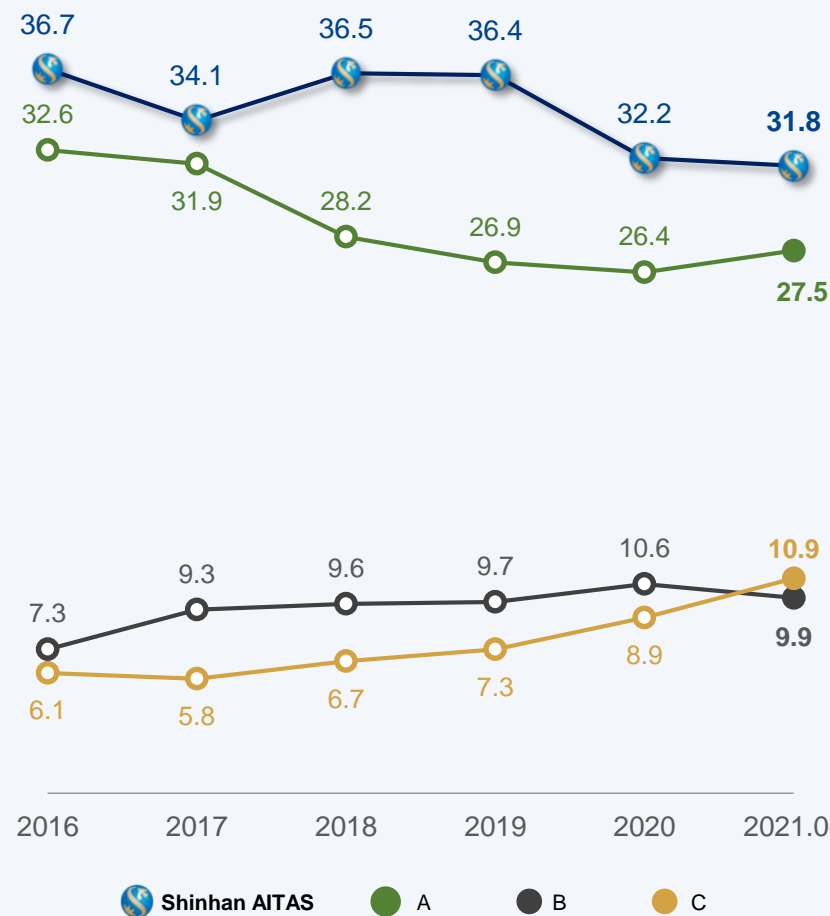
## Financial Highlights

(Unit: KRW bn)	FY2017	FY2018	FY2019	FY2020	1H 2021
<b>Condensed IS</b>					
Operating Revenue	40.8	44.7	51.8	58.6	26.0
Operating Expense	33.0	34.4	38.7	42.2	20.1
(SG&A)	33.0	34.4	38.7	42.2	20.1
Operating Income	7.9	10.4	13.1	16.4	5.7
Net Income	6.5	8.5	10.8	13.0	4.8
<b>Condensed BS</b>					
Total Asset	58.2	65.7	77.1	87.4	83.2
Total Equity	52.0	58.4	66.1	75.2	75.2
<b>Key Financial Indications</b>					
ROE	12.48%	14.50%	17.56%	18.56%	13.82%
ROA	11.14%	12.87%	15.46%	16.15%	12.15%
Cost-Income Ratio	80.76%	76.82%	74.70%	71.98%	77.44%



## 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

**A0** (e-30)

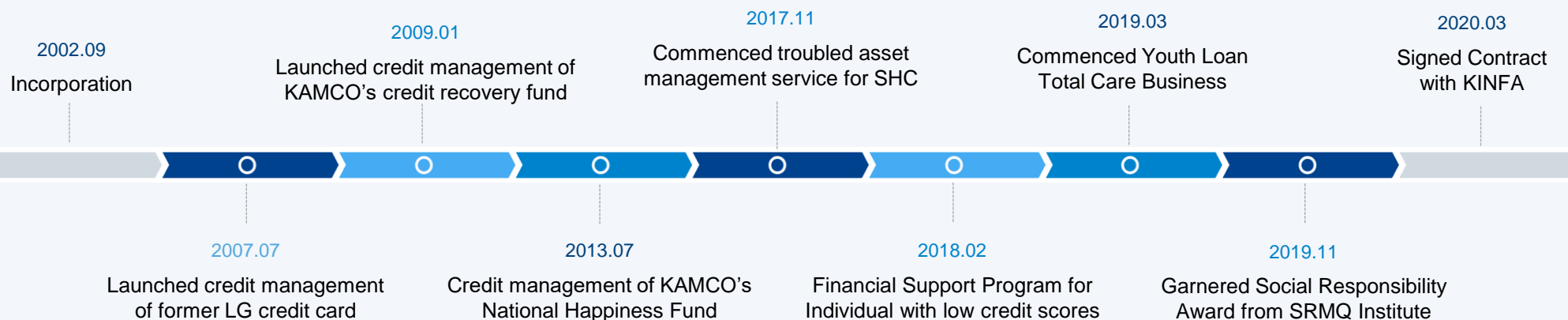
- Sales Revenue: 21.3 Wbn
- Customers: approx. 450,000
- Debt Collection: 106.9 Wbn

## 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, and the National Happiness Fund
- Operations in support of SFG Hope Foundation's "Youth Total Debt Care" and "SOHO Restart" program

- Credit under management : 3.8 Wtn. (for Group companies), 4.8 Wtn. (Public credit)
- # of credit research: approx. 160,000 cases
- Beneficiaries of financial support program: 500 youths, 127 SOHO customers

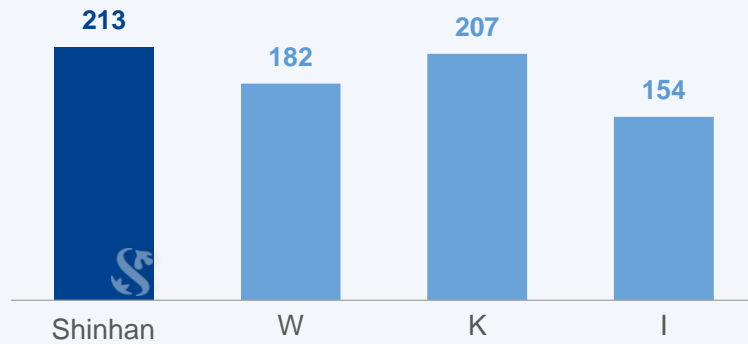
## Key Milestones



# Market Position & Network

(As of 1H 2021)

## Operating Revenue (Unit: KRW mil.)



## Global Certification (Information Security)



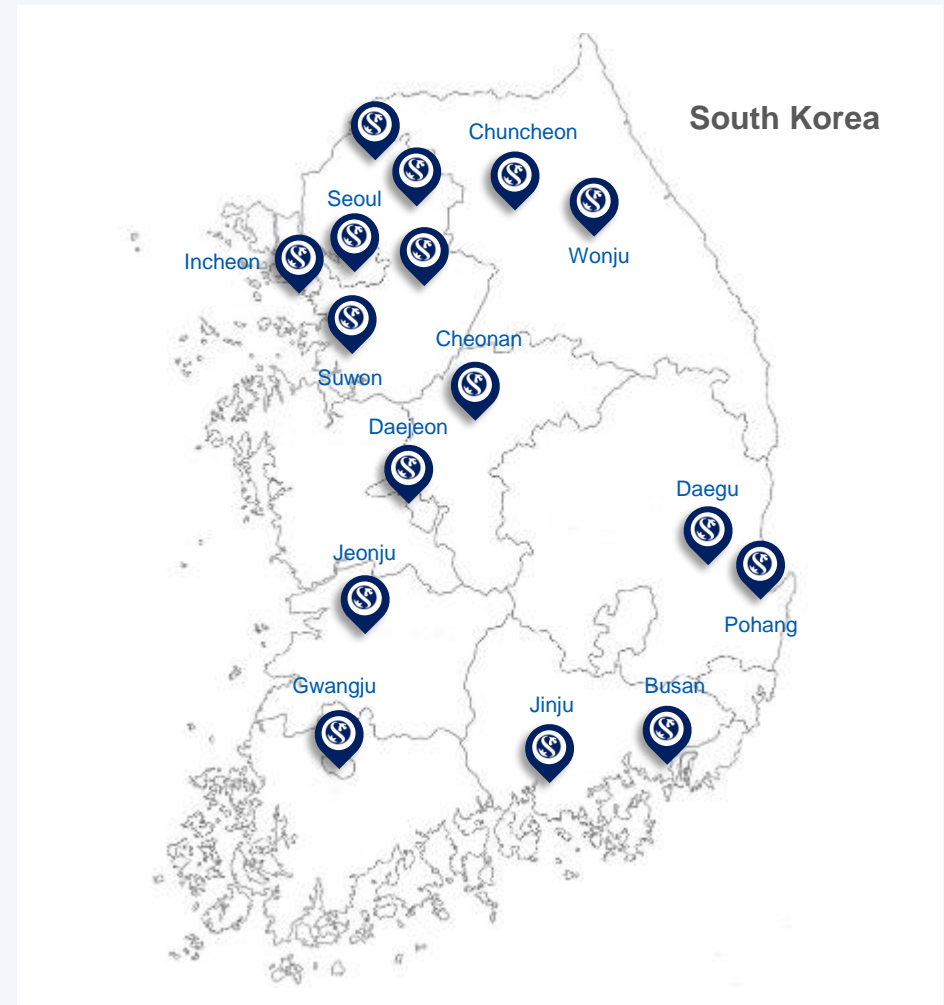
### ISO 27001

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

(As of 1H 2021)

## 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

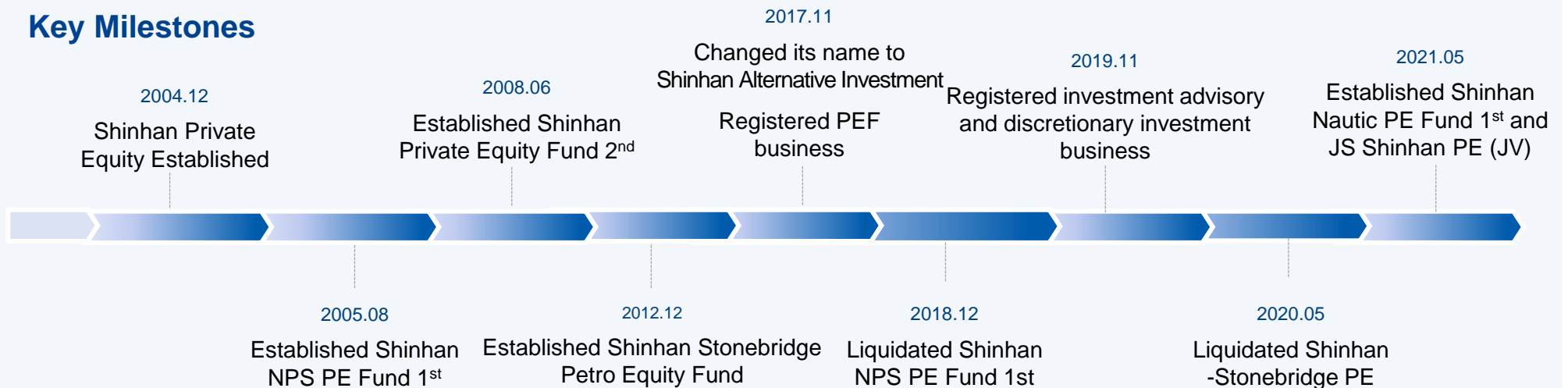
Incorporation Date  
**Dec. 8, 2004**

CEO  
**KIM Hee-song**

Total Equity  
**37.5** KRW bn

AUM (committed basis)  
Approx. **9.4** KRW tn

## Key Milestones

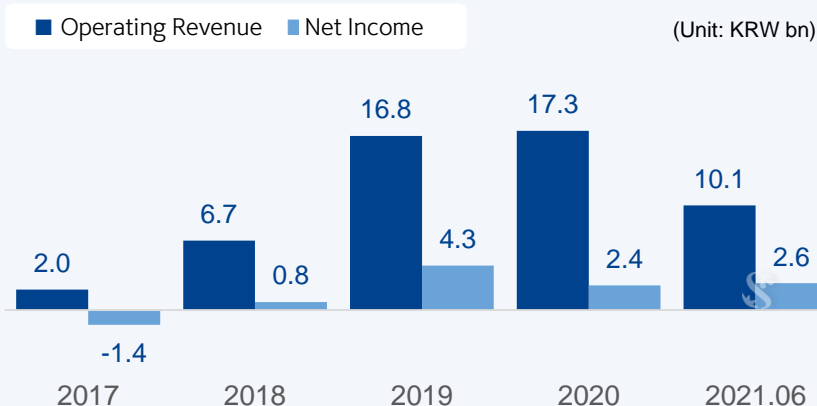


# Financial Highlights

(As of 1H 2021)

## Financial Highlights

Unit: KRW bn, %	2017	2018	2019	2020	1H 2021
<b>Condensed IS</b>					
Operating Revenue	2.0	6.7	16.8	17.3	10.1
Operating Expense	2.9	6.1	11.2	10.9	6.6
(SG&A)	2.8	6.0	11.1	10.4	6.3
Operating Income	-0.9	0.5	5.6	6.4	3.5
Net Income	-1.4	0.8	4.3	2.4	2.6
<b>Condensed BS</b>					
Total Assets	13.1	15.2	19.7	63.6	80.8
Total Equity	7.4	8.2	12.5	14.9	37.5
<b>Key Financial Indicators</b>					
ROE	-19.2%	9.9%	34.2%	16.1%	7.0%
ROA	-10.8%	5.4%	21.7%	3.7%	3.3%
Cost-to-Income Ratio	142.5%	91.9%	66.6%	63%	64.4%



## Operation Overview

### Private Equity Funds

<b>Shinhan Private Equity Fund 2<sup>nd</sup></b>	<ul style="list-style-type: none"> <li>Investment Amount : KRW 460 billion</li> <li>Independently managed by Shinhan PE</li> <li>Liquidated in June, 2017 and currently in process of selling the remaining assets to 'Jeonju paper'</li> </ul>
<b>Shinhan Nautic PE Fund 1<sup>st</sup></b>	<ul style="list-style-type: none"> <li>Established date : May 27, 2021</li> <li>Launch date : June 18, 2021</li> <li>Committed amount : 26.0 Wbn (Share %: 9.2%)</li> </ul>
<b>JS Shinhan PE Joint Venture</b>	<ul style="list-style-type: none"> <li>Established date : May 28, 2021</li> <li>Launch date : scheduled for July 2021</li> <li>Committed amount : 132.0 Wbn (Share %: 0.06%)</li> </ul>

### Private Placement Funds

<b>Real Estate Funds</b> (Real estate, structured, etc.)	<ul style="list-style-type: none"> <li># of Funds: 39</li> <li>Committed amount: 5,289.9 Wbn</li> <li>Launch date: DEC 22, 2017</li> </ul>
<b>Infrastructure</b> (Infrastructure, FOF, Credit, etc.)	<ul style="list-style-type: none"> <li># of Funds: 34</li> <li>Committed amount: 3,944.7 Wbn</li> <li>Launch date: FEB 28, 2018</li> </ul>
<b>Others</b> (Social Enterprise, etc.)	<ul style="list-style-type: none"> <li># of Funds: 4</li> <li>Committed amount: 168.7 Wbn</li> <li>Launch date: OCT 31, 2018</li> </ul>



## 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	AUM
48.6 Wbn.	2.21 Wtn.

### Key Milestones

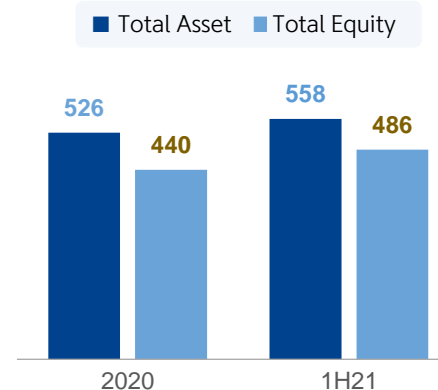
OCT 2017	Shinhan REITs Management Established (100% owned by SFG)
DEC 2017	Selected as a preferred bidder for Pangyo Alpha dome(6-4BL) Project
DEC 2017	Launched 1st REITs (Shinhan Alpha REITs)
APR 2018	Shinhan Alpha REITs acquired underlying assets (Pangyo Alpha dome 6-4BL, The Prime Tower equity)
JUL 2018	IPO (JUL 2018), Listed on KOSPI (AUG 2018)
OCT 2018	Shinhan Alpha REITs adds <i>Yongsan The Prime Tower</i> to its asset
APR 2019	Launched Shinhan Alpha Gangnam REITs
MAY 2019	Shinhan Alpha Gangnam REITs adds <i>Seolleung WeWork Tower</i>
JUL 2019	Launched Shinhan Hotel Cheonan REITs
SEP 2019	Shinhan Hotel Cheonan REITs adds <i>Cheonan Shilla Stay</i> to its asset
JAN 2020	Launched Shinhan SeoBu TND REITs
MAY 2020	Rights offering for Shinhan Alpha REITs
JUN 2020	Launched Shinhan Logis REITs 1 <sup>st</sup> and Shinhan Alpha Namsan REITs
MAR 2021	Launched and acquired underlying assets for Shinhan Alpha Yeoksam REITs 1 <sup>st</sup>

## Vision and Strategy

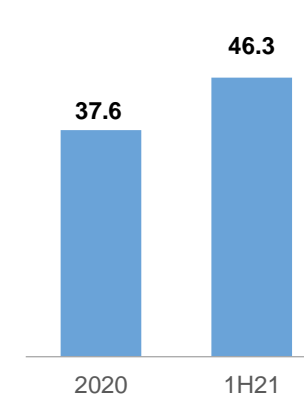
Strategic Direction	Strategic Tasks
<b>Leading the Real Estate Finance Business</b>	① Expand AUM ② Increase REITs returns ③ Preemptive response to regulatory changes
<b>Accelerating One Shinhan Synergy</b>	① Increase collaboration within the Group ② Develop diversified products ③ Increase the asset management capacity
<b>Strengthening Management Infrastructure</b>	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  
Crafton Tower

### Shinhan Alpha REITs

<b>Launch Date</b>	DEC 18, 2017
<b>Listed Date</b>	AUG 8, 2019
<b>Underlying Assets</b>	- Crafton Tower (Pangyo)                      - Twin City (Namsan) - The Prime Tower (Wonhyo-ro)           - Shinhan L Tower - Daeil Building (Gwanggyo)
<b>AUM</b>	1,531.7 KRW bn  - Market Capital: 429.1 KRW bn (as of end of June 2021)
<b>Other Info.</b>	Entrusted and managed 100% by Shinhan REITs Mgmt.

### Shinhan Alpha Gangnam REITs

<b>Launch Date</b>	APR 10, 2019
<b>Underlying Assets</b>	Seolleung WeWork Tower
<b>AUM</b>	134.7 KRW bn

### Shinhan Hotel Cheonan REITs

<b>Launch Date</b>	JUL 18, 2019
<b>Underlying Assets</b>	Cheonan Shilla Stay
<b>AUM</b>	81.1 KRW bn

### Shinhan Seobu T&D REITs

<b>Launch Date</b>	JAN 2, 2020
<b>Underlying Assets</b>	Incheon Square One
<b>AUM</b>	406.0 KRW bn

### Shinhan Logis No. 1 REITs

<b>Launch Date</b>	JUL 11, 2020
<b>Underlying Assets</b>	Taeun Logistics Center (Icheon)
<b>AUM</b>	65.3 KRW bn

## 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 in July 2019)
- Currently focusing on AI-based investment advisory services, and aims to apply AI technology in various financial businesses

Established

**July 31<sup>st</sup>, 2019**

CEO

**BAE Jin Soo**

Total Assets

**42.9** Wbn

No. of Employees

**31** persons

## Key Milestones

2019.02

Incorporation of Shinhan AI

2019.08

Increase in Total Equity  
(2Wbn → 42Wbn)

2020.01

Launched Shinhan AI investment products

2020.10

Signed investment advisory agreement with Shinhan AM

- Registered for business at FCS
- Officially joins SFG

2019.07

Official Establishment of Shinhan AI

2019.09

Launched **Market Warning System**

2020.09

# Business Highlights

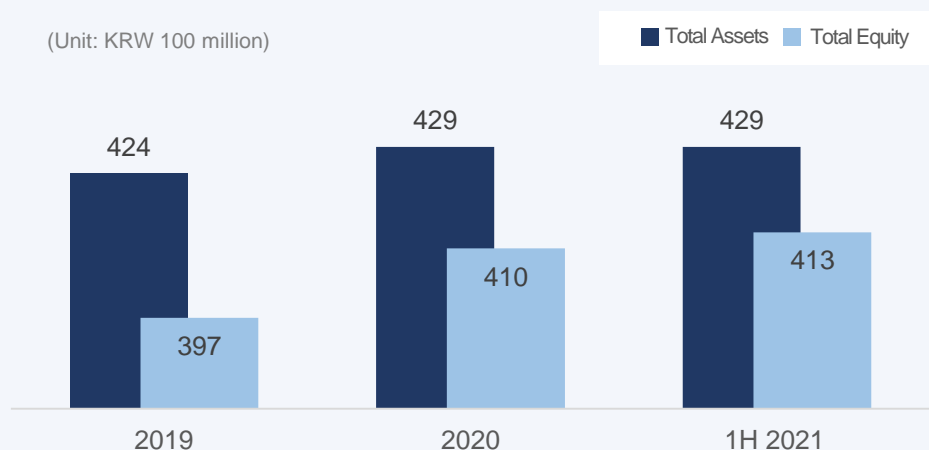
(As of 1H 2021)

## Financial Highlights

(Separate basis)

(KRW millions)	2019	2020	1H 2021
<b>Condensed IS</b>			
Operating Revenue	3,088	10,246	5,908
Operating Expense	3,973	10,049	5,546
Operating Income	-885	198	362
Net Income	-655	304	340
<b>Condensed BS</b>			
Total Assets	42,402	42,903	42,911
Total Equity	39,731	41,013	41,348
<b>Key Financial Indicators</b>			
CIR	122.69%	95.90%	92.65%

(Unit: KRW 100 million)

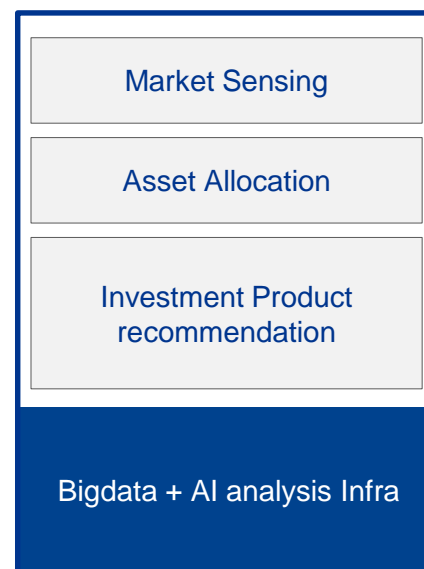


## Operation Highlights

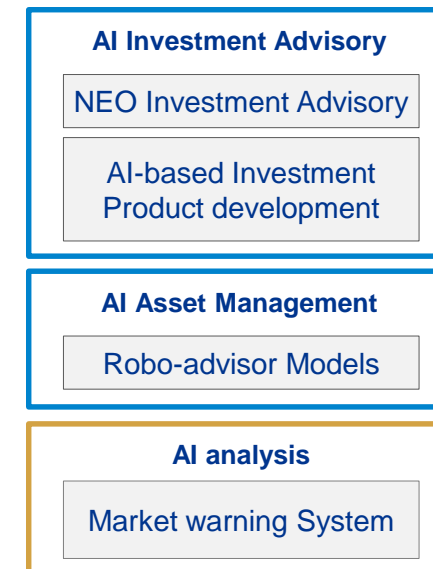
- Based on the AI-based investment advisory platform “**NEO**”, the company provides investment advisory services to subsidiaries of the Group. Shinhan AI also provides “**Market Warning System**” which can be used to predict and manage market risks in advance.

AI-based investment advisory platform

### NEO



### Business Scope



Capital Market

Other financial sectors

## Shinhan Venture Investment Overview

Neoplux Capital, founded for the purpose of supporting SMEs on April 1, 2000, was acquired by Shinhan Financial Group on September 29, 2000, and on January 11, 2021, it was rebranded to **Shinhan Venture Investment**.

Our main business is to invest in small and medium-sized venture companies through the formation of venture investment funds, and to form and operate a private equity fund (PEF).

### Key Milestones

APR 2000	<b>Established Neoplux Capital (Paid-in capital 10Wbn)</b>
APR 2000	Registered as SME startup investment company
JAN 2001	Capital increase (Paid-in capital 22Wbn)
JUN 2002	Registered as a company specializing in corporate restructuring
DEC 2004	Acquired Nobes Co. Ltd.; rebranded to Neoplux
DEC 2004	NPS 04-2 Neoplux corporate restructuring fund (63.0Wbn, IRR 13.4%)
MAR 2007	New Wave #3 fund (20.0Wbn, IRR 25.2%)
APR 2007	NPS 07-4 Neoplux Venture fund (28.0Wbn, IRR 20.6%)
DEC 2008	Neoplux #1 PEF (200.0Wbn, IRR 11.5%)
JUN 2017	Acquired Neo Holdings Co. Ltd.
SEP 2020	Shinhan Financial Group become the biggest shareholder
DEC 2020	Shinhan-Neo material, parts, equipment investment fund (19.9Wbn)
JAN 2021	Shinhan-Neo Market-Frontier fund #2 (100.0Wbn)
JAN 2021	Rebranded to Shinhan Venture Investment

### Corporate History

**21** Years

### CEO

**Dong Hyun Lee**

# of funds / # of corp. investing in

**30** funds\*, **380** corp\*

AUM (Committed basis)

approx **1.8** Wtn\*

\* On cumulative basis

### Financial Highlights

(KRW million)	2017	2018	2019	2020	2021.1H
<b>Condensed IS</b>					
<b>Operating Revenue</b>	19,129	22,219	15,486	12,737	14,095
<b>Operating Expense</b>	15,129	11,649	21,875	14,675	5,621
<b>Operating Income</b>	4,000	10,570	(6,389)	(1,938)	8,474
<b>Net Income</b>	2,862	8,452	(5,335)	(863)	6,199
<b>Condensed BS</b>					
<b>Total Assets</b>	63,495	81,283	71,602	72,550	77,778
<b>Total Equity</b>	57,369	65,978	60,400	59,853	65,984

## Forward-Looking Statements

Shinhan Financial Group's 1H 2021 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](http://ir.shinhangroup.com) or ②

