

# PIONEER OF THE NEW NORM

Annual Report 2023

 Shinhan Financial Group



# Pioneer of the New Norm: Advancing Financial Inclusion

Shinhan Financial Group is continually innovating finance to make it simpler and more convenient. As a reliable financial partner—and trailblazer—Shinhan is constantly innovating our core businesses, always embracing bold changes without hesitation. Aiming to be the very best in all aspects of our business, we are proud to be the one setting the new norms for a more positive influence on finance that will impact the world in truly meaningful ways. Indeed, our goal is not tied to comparing ourselves to any other company but to forging a path towards excellence that benefits everyone—our customers and society at large.





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# Letter from CEO

Valued Shareholders,  
It is my honor to address you with  
my second letter as the Chief Executive Officer  
of Shinhan Financial Group.

First and foremost, I extend my heartfelt gratitude for the remarkable interest and support you showed at the 23rd Annual General Shareholders' Meeting on March 26, 2024. This event marked the welcomed addition of Song Seongjoo and Choi Young-Gwon to our board of directors. Following this, at a subsequent provisional board meeting, Yoon Jaewon, our esteemed former Audit Committee Chair, had the honor of becoming the second woman to ever chair the board in Shinhan Financial Group's history. This meeting also culminated in the strategic appointment of chairs and members to various subcommittees, thereby completing the board's composition.

Looking ahead to 2024, Shinhan Financial Group is set to energetically pursue 'Excellence, Shinhan,' in collaboration with our renewed board of directors. We are committed to maintaining open lines of communication and sharing progress updates with our valued shareholders at every available opportunity. At this significant moment, I am prompted to compose this letter to not only reflect on the year 2023 but also share our perspective and strategic focal points for the year ahead.





## Board of Directors

Independence	Name	Sub-committees	Main Work Experience
Executive	Jin Okdong	<ul style="list-style-type: none"> <li>Subsidiaries' CEO Recommendation Committee (Chair)</li> <li>ESG Strategy Committee (Member)</li> </ul>	(2023-present) CEO, Shinhan Financial Group (2019-2022) CEO, Shinhan Bank (2017-2018) Deputy President, Shinhan Financial Group (2015-2016) CEO, Shinhan Bank Japan (SBJ)
Chair of the Board	Yoon Jaewon	<ul style="list-style-type: none"> <li>CEO Recommendation Committee (Chair)</li> <li>Audit Committee (Member)</li> <li>Subsidiaries' CEO Recommendation Committee (Member)</li> </ul>	(2023-present) Non-executive Member of the Accounting Standards Board of the Korea Accounting Institute (2017-present) Vice President of the Korean Tax Association (2004-present) Professor, College of Business Administration, Hogik University
Independent	Kwak Su Keun	<ul style="list-style-type: none"> <li>Audit Committee (Chair)</li> <li>Remuneration Committee (Member)</li> <li>Subsidiaries' CEO Recommendation Committee (Member)</li> </ul>	(2019-present) Chair of Corporate Governance Advisory Board, Korea Listed Companies Association (2019-present) Chairman, POSCO Corporate Citizenship Advisory Committee (2018-present) Honorary Professor of Accounting, Seoul National University Business School
Independent	Kim Jo Seol	<ul style="list-style-type: none"> <li>ESG Strategy Committee (Member)</li> <li>Remuneration Committee (Member)</li> <li>Independent Director and Audit Committee Member Recommendation Committee (Member)</li> </ul>	(2023-present) Standing Director and Vice President, Northeast Asian Society (2020-present) Professor, Osaka University of Commerce Department of Economics
Independent	Bae Hoon	<ul style="list-style-type: none"> <li>Audit Committee (Member)</li> <li>Subsidiaries' CEO Recommendation Committee (Member)</li> <li>CEO Recommendation Committee (Member)</li> </ul>	(2003-present) Representative Attorney, Orbis Legal Profession Corporation (2002-2006) Co-representative lawyer, LAZAK (Lawyers Association of Zainichi Korea)
Independent	Song Seongjoo	<ul style="list-style-type: none"> <li>Risk Management Committee (Chair)</li> <li>Independent Director and Audit Committee Member Recommendation Committee (Member)</li> </ul>	(2022-present) Director of the Korea Risk Management Society (2008-present) Professor, Statistics, Korea University
Independent	Lee Yong Guk	<ul style="list-style-type: none"> <li>ESG Strategy Committee (Chair)</li> <li>Risk Management Committee (Member)</li> <li>Subsidiaries' CEO Recommendation Committee (Member)</li> </ul>	(2020-present) Adjunct Professor, Seoul National University (1992-present) Partner Attorney at New York/Hong Kong Office, Representative and Senior Counsel at Seoul Office, Senior Counsel, Cleary Gottlieb Steen & Hamilton LLP
Independent	Jin Hyun-duk	<ul style="list-style-type: none"> <li>CEO Recommendation Committee (Member)</li> <li>Independent Director and Audit Committee Member Recommendation Committee (Member)</li> </ul>	(2017-present) Councilor, The Korea Educational Foundation (1986-present) CEO, PHOEDRA Co., Ltd.
Independent	Choi Young-Gwon	<ul style="list-style-type: none"> <li>Remuneration Committee (Chair)</li> <li>Risk Management Committee (Member)</li> <li>CEO Recommendation Committee (Member)</li> </ul>	(2023-present) Adjunct Professor, Graduate School of Business Administration, Sogang University (2019-2023) CEO, Woori Asset Management (2014-2017) CIO, Government Employees Pension Service
Independent	Choi Jae Boong	<ul style="list-style-type: none"> <li>Independent Director and Audit Committee Member Recommendation Committee (Chair)</li> <li>ESG Strategy Committee (Member)</li> <li>CEO Recommendation Committee (Member)</li> </ul>	(2023-present) Vice President and Head of Industry-Academia Cooperation Center, Sungkyunkwan University Natural Sciences Campus (2019-present) Member, Presidential Advisory Council on Science & Technology (2009-present) Professor, School of Mechanical Engineering, Sungkyunkwan University
Non-executive	Jung Sang Hyuk	<ul style="list-style-type: none"> <li>ESG Strategy Committee (Member)</li> </ul>	(2023-present) CEO, Shinhan Bank (2023-2023) Head of Capital Markets, Shinhan Bank (2020-2022) Head of Business Management Planning, Shinhan Bank



## Looking Back on 2023

Looking back on the past year brings to mind several issues that we had to deal with over those twelve months. The steep interest rate hikes that commenced in 2022, coupled with the liquidity crisis in the corporate bond market later that year, unsettled numerous players in Korea's economy.

Hit hardest was the real estate market, a foundational element of Korea's domestic economy, causing reverberations across related sectors. It was during this time that concerns regarding the real estate project finance (PF) market began to intensify.

The contracting domestic economy only deepened the financial hardships faced by ordinary households and small business owners. With refinanced maturities drawing near for borrowers who had their loan repayments suspended during the pandemic, anxiety over these debts added to societal tension.

### 4-Year Trends of Real Estate Price and Transaction Volumes



\*. Source: Korea Real Estate Board, Financial Supervisory Service reports

### SOHO Loan Growth Rate by Industry

	2019. 12.	2020. 12.	2021. 12.	2022. 12.	2023. 12.
Total Loans in KRW	9.7%	16.3%	12.7%	5.2%	1.9%
Manufacturing	6.0%	8.9%	13.5%	5.4%	-1.5%
Construction	8.9%	27.6%	22.3%	4.4%	-0.4%
Real Estate	10.3%	11.2%	11.1%	5.9%	5.0%
Wholesale and Retail	7.9%	20.6%	12.8%	5.7%	-0.5%
Accommodation & Food Services	11.6%	22.9%	9.3%	0.3%	-2.3%
Others	11.5%	26.9%	17.6%	6.1%	2.1%



These socio-economic challenges spurred public calls for financial institutions to step forward and ease some of the financial difficulties faced by those in distress.

Indeed, these factors subtly impacted Shinhan's financial outcomes, leading to a modest decline in net income, which had been on a growth trajectory for ten consecutive years up until then. However, factoring in the proactive recognition of provisions for credit costs against uncertainties and efforts to support marginal borrowers to mitigate system risks and sustain our customer base, it is widely acknowledged that our core earning power remains robust. Of particular note, I would like to bring to your attention the quality and sustainability of our profits.

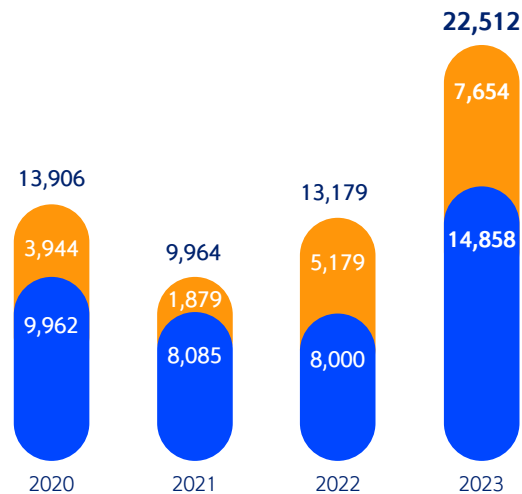
In 2023, operating income rose by 10.7%. Of this, non-interest income markedly increased by 51.0%, bolstered by a rise in fee income. This achievement holds considerable significance for Shinhan, as we aim for the long-term improvement of our return on equity (ROE). At the same time, we view it as reflective of our financial performance aligning with our strategic focus on expanding a capital-light business model.

Furthermore, in terms of costs, the preemptive adjustments to key risk indicators, such as the loss-given default (LGD), have prepared us to effectively buffer against potential future risks.

Shinhan's financial performance has thus established a solid foundation for the ongoing enhancement of shareholder returns. Moving forward, we remain dedicated to fulfilling your expectations with a steadfast return policy.

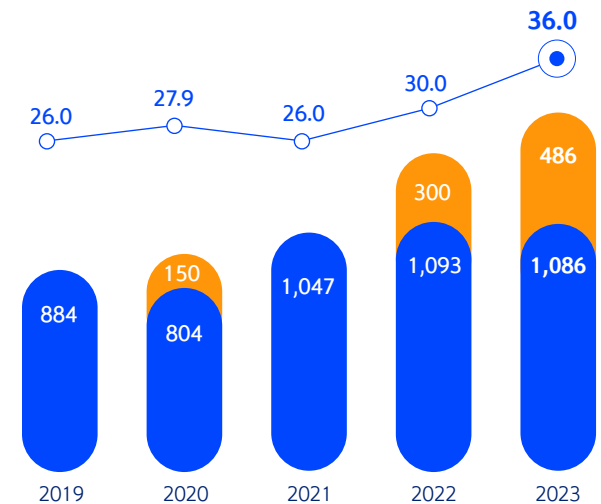
#### 4-Year Provisioning for Credit Losses (KRW billion)

- Nominal Provisioning ● Recurring Provisioning
- COVID-19/Countercyclical Provisioning



#### 5-Year Shareholder Return Rates (% , KRW billion)

- Total Shareholder Return Rate ● Cash Dividends
- Share Buyback and Cancellations





## Looking Ahead to 2024

Like other countries, Korea is also expected to experience the aftermath of an economic downturn, with anticipated difficulties in the credit sector. Despite potential improvements in macroeconomic indicators due to the recovery of key industries such as semiconductors, the Korean economy is expected to exhibit a 'recessionary recovery' amidst sagging domestic market sentiment, particularly in the real estate sector.

This situation will present a number of different challenges for the Korean financial sector, which is highly dependent on the domestic market. Without question, it will be a challenge to maintain financial stability, a prerequisite for continuous improvements in return on equity (ROE) and shareholder return policy. As mentioned above, there is growing concern over the asset soundness of SME loans and real estate PFs.

Nevertheless, Shinhan Bank's overall delinquency rate, as well as that of Shinhan Card—barometers of general economic conditions—has remained stable without any significant changes since the end of 2022. With proactive monitoring of these indicators and effective management of asset quality—and utilizing the KRW 1.9 trillion in loan loss provisions additionally put aside during the pandemic between 2020 and 2023—Shinhan's financial performance is expected to remain stable.

### Korea's Real Estate Market

Now, let's move on to the most pressing topic concerning Korea's financial landscape in 2023: the real estate market.

A significant risk factor often cited for Korea's financial market is the high household-debt-to-GDP ratio, which stems from Koreans' trust and preference for real estate assets. The majority of Koreans, having experienced superior returns from real estate assets compared to the stock market in past decades, tend to believe in the invincibility of the real estate market. This has resulted in a propensity whereby 76% of household assets (according to Shinhan's Future Strategy Research Institute) are concentrated in real estate and other non-financial assets.

More importantly, Korea's unique "*jeonse* system," a rental agreement in which the entire rent is paid in a lump sum up front and refunded at the end of the term, has also contributed to increasing household debt. Consequently, a significant portion of Korea's household debt comprises mortgage loans or *jeonse* loans.

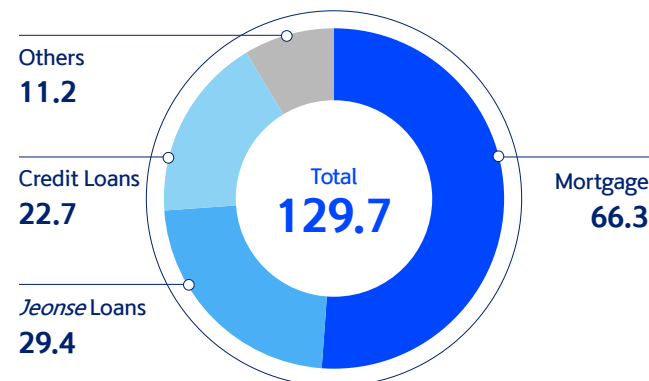
Tied in with this are the rapid interest rate hikes over the past few years that have dragged down housing transactions, leading to price adjustments and, eventually, concerns about the overall health of household debt.

However, let me remind you of the characteristically high entry barrier to the Korean real estate market. Korea's conservative loan-to-value (LTV) and debt service ratio (DSR) requirements result in a relatively low LTV ratio for mortgage loans. Given that borrowers are individuals with a certain credit rating or income level and above, the likelihood of a crisis in the Korean economy due to household debt seems low. In point of fact, Shinhan Bank's mortgage loan delinquency trends support this view.

Therefore, it is safe to say that concerns over the Korean real estate market are less about high household debt, but more about the stability of project financing (PF) market linked to new real estate developments.

### Shinhan Bank's Household Debt by Product

(as of December 2023, KRW trillion)



### 3-Year Trends in Shinhan Bank Delinquency Ratio by Product

(before write-off, %)	2021	2022	2023
Credit Loans	0.78	0.81	1.12
General Credit	2.30	2.13	2.90
Prime Credit	0.42	0.50	0.70
Microfinance	4.44	4.09	5.03
Secured Loans	0.18	0.20	0.35
Mortgage	0.15	0.18	0.31

## Real Estate PF Market Structure

	Land Acquisition/Permit			>	Construction/Sales Phase		>	Completion Phase
Project Phase	Land purchase contract	Final payment (land acquisition completed)	Permit acquisition, contractor selection		Groundbreaking	Pre-sale		Completion, Move-in
Funding	Land purchase contract	Bridge loan (land balance payment, other costs)			Main PF (construction costs, etc.)	Installment payment loans		Mortgage loan
Founding Source	Equity: Developer PF loan: securities firms, etc.	Senior: Mutual finance, savings banks Mid-tier: Asset management firms, investment corporations Subordinate: Securities firms			Financial institutions (securitized finance)	Home buyers (financial institutions)		Financial institutions
Risks	Permit risk Land acquisition feasibility Main PF funding sources, etc.				Sales risk Contractor risk Cash flow risk			Unsold/ Unleased/ Rental risks

## SFG's Real Estate PF Exposure

(KRW billion, %)	Group total	Shinhan Bank	Shinhan Card	Shinhan Securities	Shinhan Life	Shinhan Capital	Jeju Bank	Shinhan Savings Bank
Total	9,006.0	3,055.6	534.6	1,304.8	671.1	2,851.4	142.8	445.8
Substandard & Below Ratio	2.73	0.00	0.00	10.52	0.00	2.71	0.00	7.04
Delinquency Ratio	1.48	0.00	0.00	1.50	0.00	2.15	18.63	5.90
NPL Coverage Ratio	3.64	1.50	1.03	8.32	1.34	5.20	0.60	2.09
Seoul Metropolitan Areas	68.87	74.48	84.79	61.50	82.75	60.59	20.87	80.41
Residential	60.63	69.83	31.85	48.98	49.19	63.13	43.21	72.96

The commercial real estate market in Korea, concentrated around office buildings in and around Seoul, remains relatively resilient, with strong demand and low vacancy rates. Most of the issues concerning the real estate PF market are related to residential development, especially those projects that are being newly initiated or planned in their early stages.

Typically, residential real estate PF in Korea goes through three stages. Given that the majority of sales are made in the pre-sale stage, the likelihood of default decreases after the second stage, when construction usually begins.

As a result, issues in the PF market are likely to arise mainly in the first stage of financing—the bridge loan stage. Key participants in the bridge loan market are securities firms, savings banks, and capital companies, with the government estimating the market size at KRW 30 trillion (according to the Construction & Economy Research Institute of Korea). A temporary liquidity crisis in the Korean bond market in the latter half of 2022 revealed a variety of issues that emerged

around the bridge loan market, and the resultant sagging demand in the residential real estate market gave rise to concerns over the market.

While the bridge loan market problem could die down with an increase in real estate demand and a reduction in development costs, considering the economic developments currently unfolding, this does not seem like a short-term prospect. Well aware of this, the government has shifted its policy from encouraging maturity extensions through consortium agreements to promoting restructuring in the bridge loan market.

In this process of restructuring, additional defaults may occur among bridge loan market participants, necessitating close monitoring of the market situation. Yet considering the market size and the relatively low exposure of major financial institutions, we expect that the market can be managed at an appropriate level, contrary to the concerns some have expressed. Furthermore, in the process of

restructuring, major financial institutions like Shinhan may be presented with opportunities to secure quality deals.

Given the recent demographic changes taking place in Korean society, specifically in the notable rise in single-person households and the recent reduction in housing supply, the residential real estate PF market will regain momentum once market restructuring concludes in a recovering economy. As such, it is vital for us to stay nimble and patient as we wisely ride out the current uncertainties and seize upon emerging opportunities.

As of the end of December 2023, Shinhan's exposure to real estate PF stands at KRW 9 trillion, with bridge loans accounting for KRW 1.8 trillion. Nonetheless, when considering their percentage of our total loans, the magnitude of the loan loss provisions already allocated, and our current asset quality standing, their impact on the Group's financial stability, even in challenging circumstances, is expected to remain within a manageable level.



## Responding to Regulatory Changes

Following the pandemic, central banks worldwide, including the Bank of Korea, adopted contractionary monetary policies. A distinct feature of Korea, however, has been the preemptive and cautious approach to raising the base interest rate, managing its pace and trajectory to stably mitigate economic volatility. This approach has significantly influenced the asset quality management strategies of commercial banks in Korea, as is evidenced in Shinhan's current soundness figures.

Inevitable asset quality deterioration resulting from economic contraction is anticipated, with Shinhan expecting an increase in credit cost ratios and non-performing asset ratios over the previous year. In particular, the slump in the real estate market, which significantly affects the overall domestic market, is likely to have an impact on the soundness of loans to SMEs and SOHO customers. Thus, it is essential to manage the deterioration of asset quality within certain limits and thoroughly prepare to generate profits again once the economy recovers.

As mentioned above, our conservative provisioning policy, maintained post-pandemic until 2023, is poised to serve Shinhan well in the current recessionary climate.

Shinhan's crisis management prowess and achievements across various economic cycles are well-acknowledged in the market. With some central banks, including the Bank of Korea, showing signs of shifting away from contractionary policies, we are hopeful that the array of risk factors currently under scrutiny, including the much-discussed real estate PF issues, will be mitigated to a significant degree in the coming years.

Shinhan's management team, in collaboration with the board of directors, is not only meticulously addressing the current challenges but is also poised to agilely navigate impending regulatory shifts. Particularly in the finance sector, which is highly sensitive to regulatory changes, we are committed to closely monitoring these developments and actively engaging in the regulatory authorities' efforts towards advancing the regulations.

Globally, including Korea, there is a growing demand for enhanced consumer rights. Due to the potential for the information asymmetry inherent in financial products to arise between financial institutions and consumers, disputes have become more frequent. Korean financial supervisory authorities are therefore pushing ahead with measures and systemic reforms in response to this situation.

Leveraging our experiences and lessons learned over the past few years, Shinhan is proactively implementing and expanding systems to actively protect consumers and clearly delineate responsibility in cases of consumer rights infringements. Our objective extends beyond the mere introduction of systems to achieve operational excellence through process establishment and system development. It is our sincere hope that Shinhan's forward-looking efforts will proliferate across the Korean financial landscape, fostering greater customer trust.



## Effective Management of Shareholder Equity

It has been several years since Korea's financial industry entered a low-growth phase. Previously, financial companies used to expand asset growth to improve capital profitability. Yet as Korea's rapid economic growth slowed down, market competition intensified, reducing the margins available to financial companies. Today, relying solely on quantitative growth is no longer a viable strategy for enhancing return on equity (ROE).

In the past, we used to achieve a high ROE in non-banking operations such as the credit card business. Today, however, it has become challenging to realize a high ROE in these sectors, making it difficult to improve ROE solely through revenue expansion.

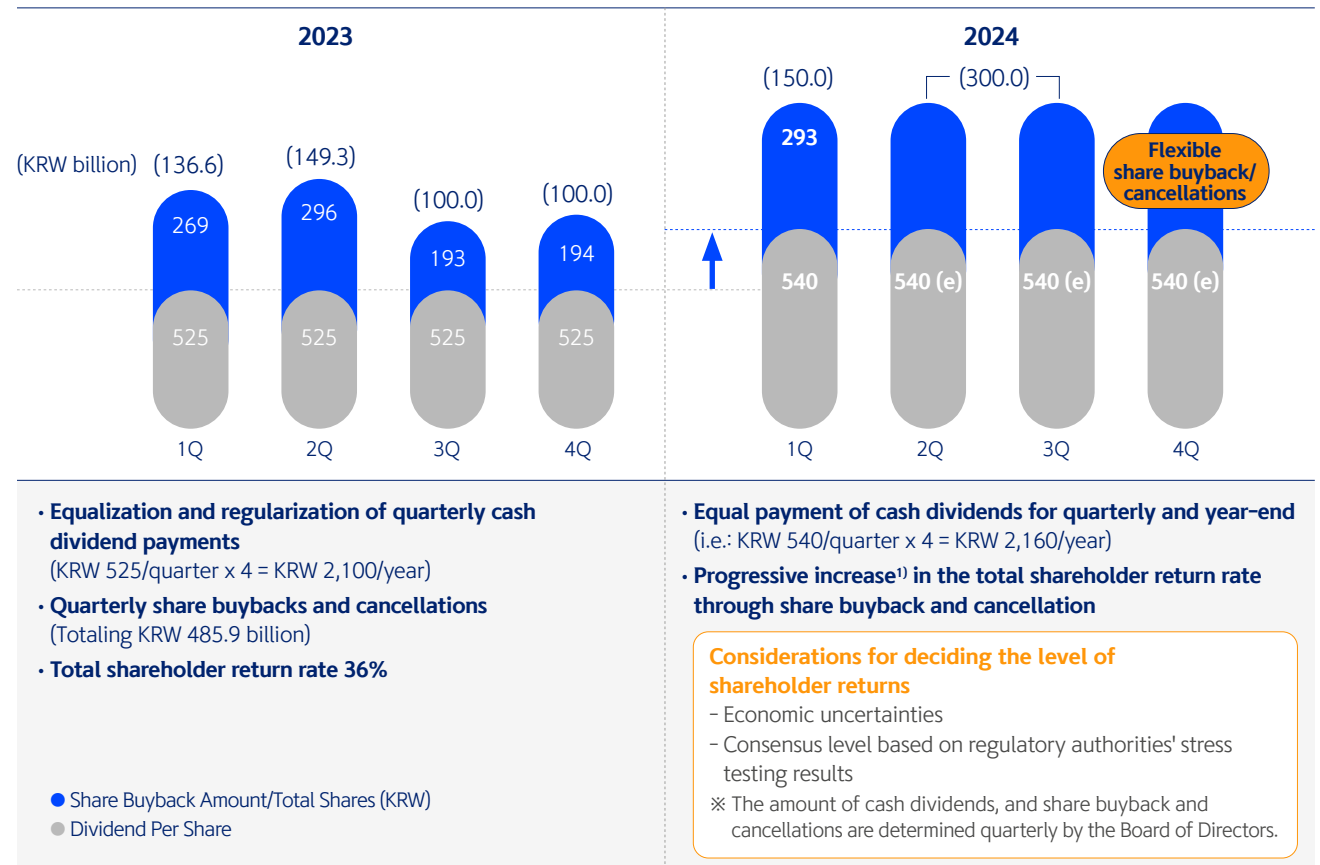
Many shareholders have become aware of this situation and have begun to call for the return of capital that does not guarantee capital profitability. In recognition of that, the government's ongoing Corporate Value-Up Program is a policy being pursued over the medium to long term.

If capital-intensive businesses reach a limit in revenue expansion, reducing the total amount of capital can be a viable alternative for improving ROE. Especially in the current situation of low stock prices, share buyback and cancellation can not only secure stock price elasticity but also increase shareholder benefits at a relatively low cost. Under this rationale, Shinhan has been implementing a share buyback and cancellations policy as a main method of ensuring high returns to shareholders and as an effective capital management policy—and well before the Corporate Value-Up Program was even designed.

I mentioned this commitment in an interview with Bloomberg TV last February. Shinhan is firmly committed to gradually acquire and cancel shares to secure stock price elasticity.

In 2024, Shinhan intends to maintain an appropriate level of capital ratio based on financial stability and proceed with its uniform quarterly cash dividends, as well as the share buyback and cancellations mentioned above. Through these measures, we aim to gradually increase the scale of returns as part of our commitment to a predictable shareholder return policy.

### 2024 Shareholder Return Policy Plan



1) The scale of share buyback and cancellations is determined by considering the 2024 capital allocation plan (with a ratio of 6 for growth and 4 for shareholder return) along with other factors.



## In Closing

The year 2024 will be a crucial year, a time when financial stability could be threatened by any number of risk factors, making meticulous risk management imperative throughout the year.

The newly joined directors—Song Seongjoo and Choi Young-Gwon—are experts in risk management and capital markets. I have no doubt that they, along with the existing board and management team, will resolve the challenges facing the Korean financial market one by one and help build a sustainable Shinhan together.

Although it is my duty to meet every shareholder in person to share my thoughts and listen to your invaluable opinions directly, I appreciate your understanding as I am conveying my message through this letter. I hope this letter has faithfully shed light on the strong will and stable progress of Shinhan Financial Group, and I ask for your unwavering support moving forward.

Once again, I thank all the shareholders who supported us at the 23rd Annual General Meeting of shareholders, and I hope to be back in touch with you in the very near future.

Yours Sincerely,

진옥동

**Jin Okdong**

Chief Executive Officer  
Shinhan Financial Group



"Shinhan is proactively implementing and expanding systems to actively protect consumers and clearly delineate responsibility in cases of consumer rights infringements. It is our sincere hope that Shinhan's forward-looking efforts will proliferate across the Korean financial landscape, fostering greater customer trust."

# Key Financial Performance

## Financial Indicators<sup>1)</sup>

		2023	2022	YoY%
Selected Income Statement Data	Operating Income Before Expenses	14,247.4	12,867.6	10.7%
	Interest Income	10,817.9	10,596.9	2.1%
	Non-Interest Income	3,429.5	2,270.8	51.0%
	G&A Expenses	5,895.3	5,644.2	4.5%
	Operating Income	8,352.1	7,223.5	15.6%
	Non-Operating Income	-135.9	461.1	n.a.
	Pre-Provision Income	8,216.2	7,684.5	6.9%
	Provision for Credit Losses	2,251.2	1,317.9	70.8%
	Earnings Before Income Tax	5,965.0	6,366.6	-6.3%
	Income Tax	1,487.0	1,611.1	-7.7%
	Consolidated Net Income <sup>2)</sup>	4,368.0	4,665.6	-6.4%
Selected Balance Sheet Data	Group Assets (Consolidated)	691,795.3	664,433.2	4.1%
	Loans (Bank)	290,336.3	281,380.6	3.2%
	Stockholder's Equity	56,321.9	53,423.6	5.4%
Selected Ratios	ROE <sup>3)</sup>	8.6%	10.0%	-1.3%p
	ROA	0.66%	0.72%	-0.1%p
	Cost to Income Ratio	41.4%	43.9%	-2.5%p
	Credit Cost Ratio	0.57%	0.34%	0.2%p
	Credit Cost Ratio (Excluding One-Offs) <sup>4)</sup>	0.38%	0.20%	0.2%p
	NPL Ratio	0.56%	0.41%	0.1%p
	NPL Coverage Ratio	183.9%	209.26%	-25.3%p
	CET1 Ratio <sup>5)</sup>	13.17%	12.79%	0.3%p

1) The figures are based on the earnings release report. 2) Net Income attributable to controlling interest basis 3) Common share basis

4) One-offs: Covid19-related provisioning and count-cyclical provisioning 5) When not reflecting the early adoption of the revised Basel III credit risk framework

\* The Financial figures for FY2023 have been stated in accordance with K-IFRS No.1117, 'Insurance Contracts'. The figures for FY2022 have been restated for the purpose of improved comparability.



# Stock Information

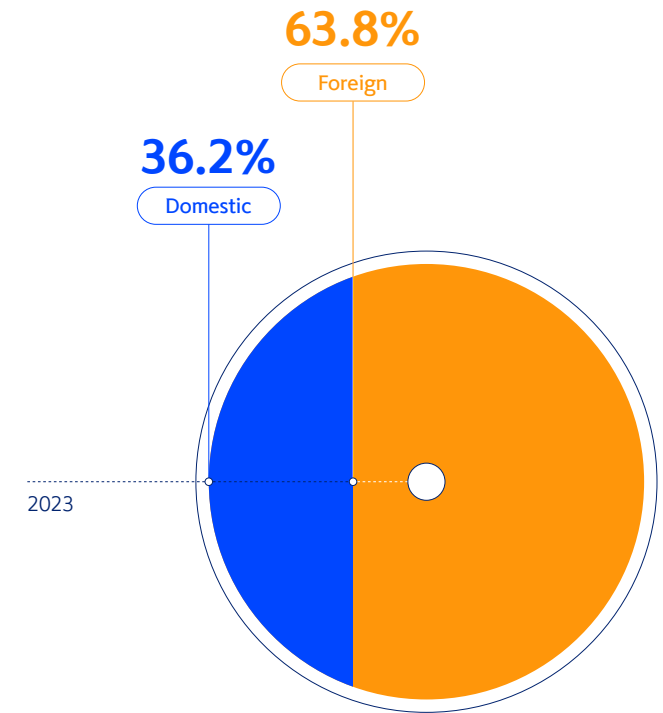
## Major Shareholders<sup>1)</sup>

Name of Shareholder	Number of Shares owned	Ownership
National Pension Service	38,279,553	7.47%
BlackRock Fund Advisors <sup>2)</sup>	29,063,012	5.67%
Shinhan Financial Group Employee Stock Ownership Association	26,654,678	5.20%
Centennial Investment Limited	20,239,539	3.95%
BNP PARIBAS SA	18,690,310	3.65%
Supreme, L.P.	18,588,400	3.63%
Mercury1, INC.	17,482,000	3.41%
Citibank, N.A. (ADR Dept.)	16,091,417	3.14%
KT Corporation	10,877,651	2.12%
THE GOVERNMENT OF SINGAPORE	9,419,543	1.84%
Vanguard Total International Stock Index Fund, a Series of V	6,695,069	1.31%
Peoples Bank of China	5,439,268	1.06%
Natwest Tstee N DPSTRY SRVCS LTD RE ST JAMES'S PL GBL EQ INC	5,146,309	1.00%
Others	290,092,722	56.57%
<b>Total</b>	<b>512,759,471</b>	<b>100%</b>

## Stock Performance

	2023	2022	YoY%
Market Capitalization (Year End)	20.70	17.91	15.6%
Share Price			
Year End	40,150	35,200	14.1%
High	44,900	43,200	3.9%
Low	32,500	33,400	-2.7%
Weighting in the KOSPI (% , Year End)	0.97%	1.01%	-0.04%p
Average Daily Trading Volume (Shares)	1,151,215	1,303,523	-11.7%
Dividend Per Share	2,100	2,065	1.7%
Total Dividend Paid	1,077	1,057	1.9%
Dividend Payout Ratio	24.7%	22.7%	2%p
Total Shareholder Payout Ratio	36.0%	30.0%	6%p
Price Earning Ratio	4.99×	4.14×	-
Price Book Value	0.41×	0.40×	-

## Share Ownership



## Number of Shares Issued

Type of Stock	Number of Shares
Common Stock	512,759,471
Convertible Preferred Stock	-

1) Holding ownership of more than 1% in common stock as of December 31, 2023

2) Based on the large equity ownership disclosure by BlackRock Fund Advisors with the Financial Supervisor Service on September 27, 2018

# Pioneer of the New Norm: Rooted in Excellence

## Consumer Protection →

Customer-Centric  
Excellence

In 2023, Shinhan Financial Group took a number of bold steps and pursued audacious innovations to advance significantly towards our vision of becoming "Excellence, Shinhan." We enhanced shareholder value through predictable and stable shareholder return policies and reinforced customer trust through rigorous management of our asset soundness while also enhancing consumer protection measures. Furthermore, we consistently expanded the scope and level of our digital finance services, exploring ways to spread a beneficial influence that supports tomorrow and is inclusive of everyone. Details of these efforts, achievements, and our future direction are outlined in the next 10 pages.



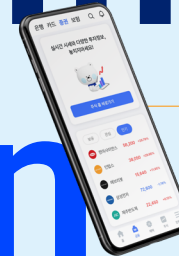
## Capital Management and Shareholder Return Policy →

Sustainable Capital  
Stewardship



## Risk Management →

Forward-Looking  
Risk Control



## Digital to Value →

Empowerment  
through Technology



## ESG Management →

Pioneering  
Responsible Finance

Shinhan Financial Group is dedicated to strengthening its core competencies with a far-sighted approach, focusing on refining and implementing strategies to maximize shareholder value. As the first Korean financial company to introduce quarterly dividends, we are pioneering shareholder-centric policies. We aim to improve the predictability of shareholder return by paying evenly distributed cash dividends for both quarterly and year-end dividend payouts. Additionally, this shareholder return policy is robustly supported by our consistent efforts to enhance corporate value through the regular share buyback and cancellations. We have also delineated our pledge to augment shareholder returns, inclusive of defined annual targets, and actively engage in communications with stakeholders.

## Capital Management and Shareholder Return Policy

# SUSTAINABLE CAPITAL STEWARDSHIP

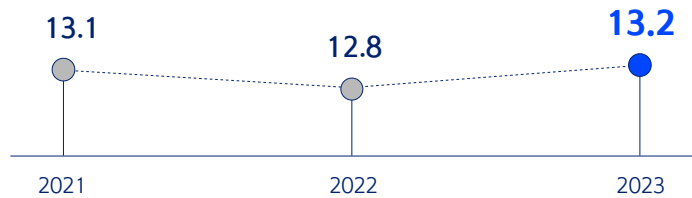




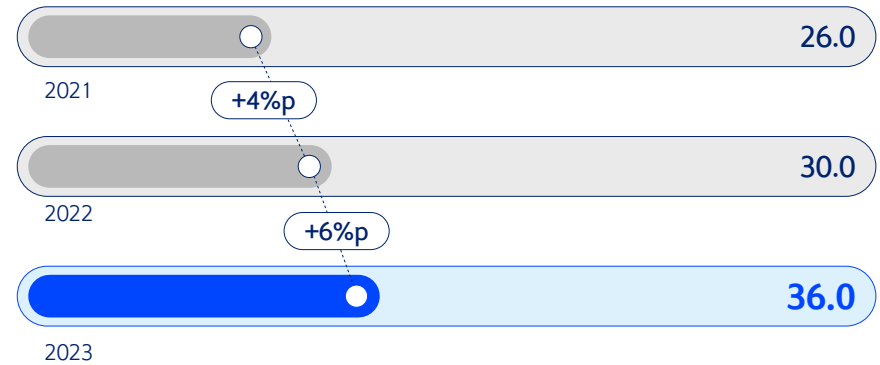
## CAPITAL MANAGEMENT AND SHAREHOLDER RETURN POLICY

[More Information →](#)

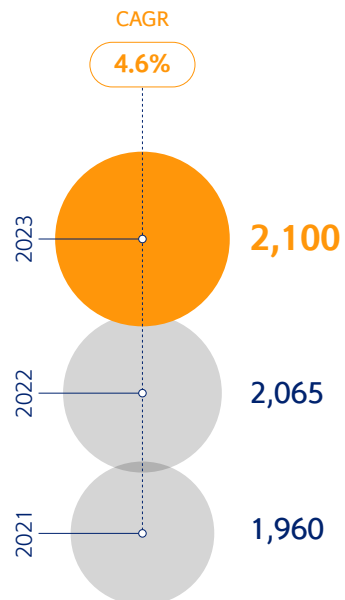
CET1 Ratio (%)



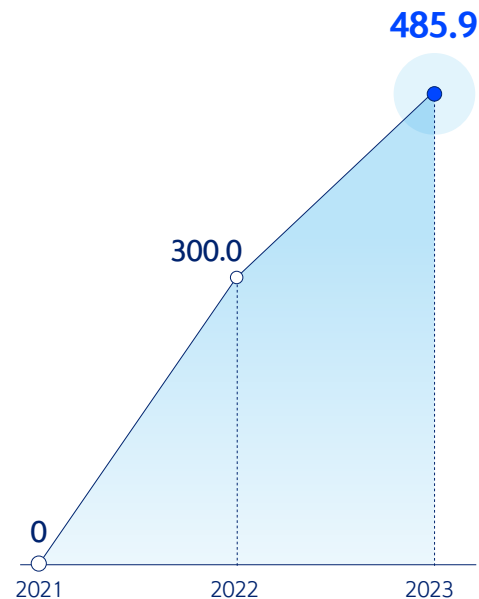
Total Shareholder Return Rate (%)



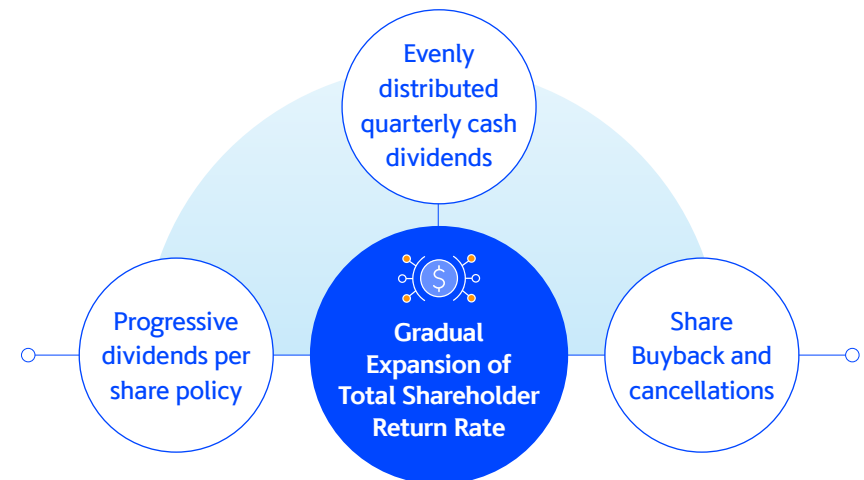
Dividend Per Share (KRW)



Share Buyback and Cancellations (KRW billion)



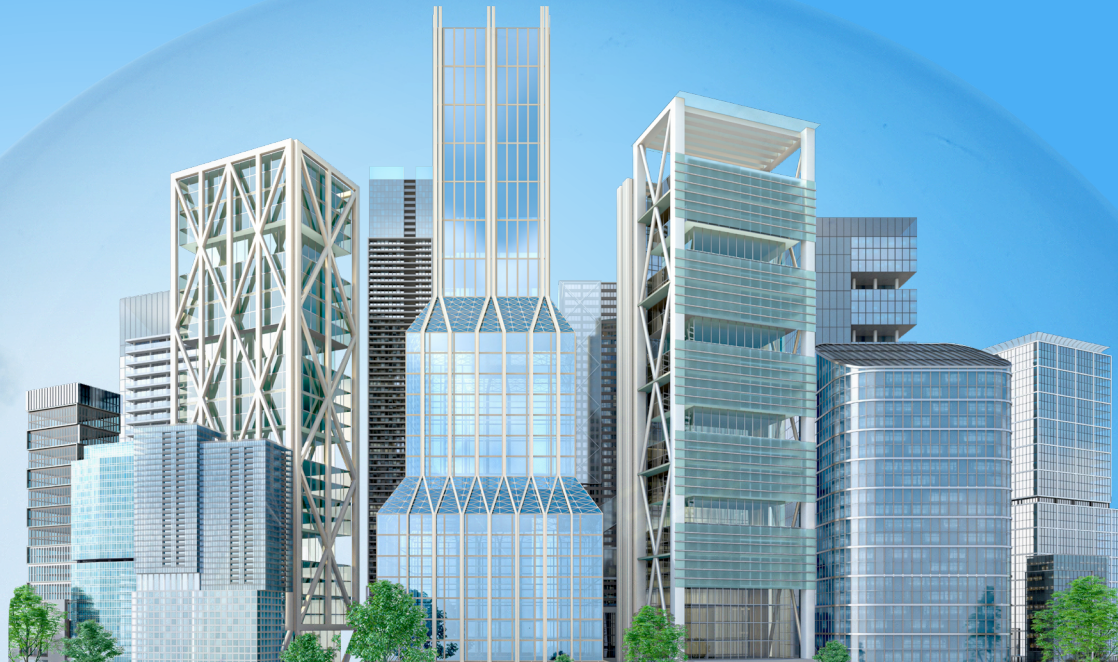
Shareholder Return Policy



Customer trust is undeniably the foundational value in finance. At Shinhan Financial Group, our goal extends beyond merely earning this trust; we strive to enhance our relationship with customers, transforming it into a partnership that instills pride. This commitment drives our first steps, as we are constantly refining our internal principles and systems to bolster integrity and reliability across all our operations. This includes sound management of the Group's assets, proactive responsiveness to potential market risks, and stringent protection of our customers' assets.

## Risk Management

# FORWARD-LOOKING RISK CONTROL

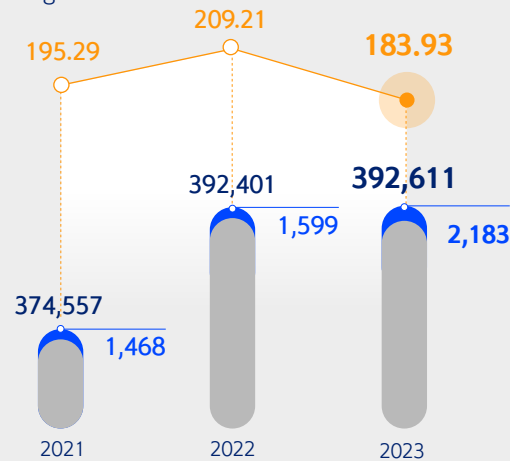


# RISK MANAGEMENT

[More Information →](#)

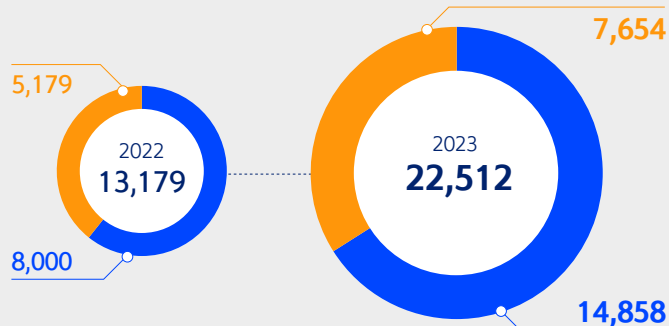
## Asset Quality Indices (KRW billion)

- Total loan assets
- Substandard & Below loans
- NPL coverage ratio



## Consistent Total Loss Absorption Capacity (KRW billion)

- Group provisioning
- Recurring provisioning
- COVID-19 & Countercyclical additional provisioning

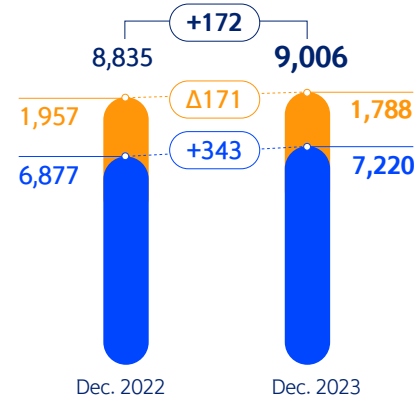


## Group Real Estate-Related Exposure

### Size (KRW billion)

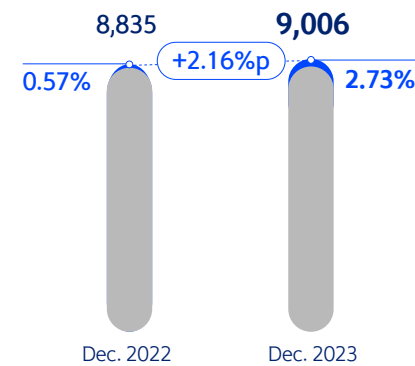
(balance as of the end of 2022)

- Real estate PFs
- Bridge loans

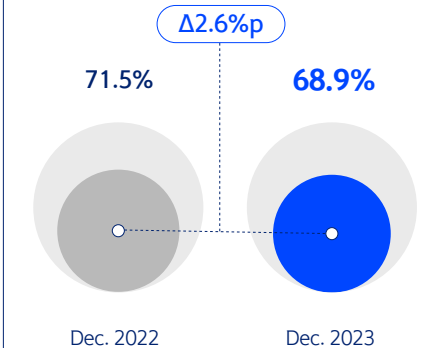


### Asset Quality (KRW billion)

- NPL ratio



### Percentage of PFs Located in the Seoul Metropolitan Area



## Establishing a Responsible Risk Management System for Customer Assets

### Group-Wide Integrated Risk Management Process

1st line	Product Management Department
2nd line	Risk/Compliance/Consumer Protection Department
3rd line	Audit Department

### Systematic and Stringent Management of Customers' Assets

Feb. 2024 Pre-sale	Pre-launch review of all customer assets through a professional evaluation process
Mar. 2024 At sale	Integrated limit management through the unification of management organizations
Mar. 2024 After sale	Establishment of a Group-level audit system



At Shinhan Financial Group, customer-centricity is not mere rhetoric; it dictates our strategic direction and behavioral guidelines. Recognizing that this must be underpinned by binding commitments to protect consumer interests, we have established a cohesive organizational framework and synergistic management that spans every part of the Group, from the holding company to each subsidiary, with a focus on proactive and preemptive actions. Embracing the ethos of “putting customers at the heart of Shinhan,” we pledge to forge ahead with unwavering integrity and earnestness.

## Consumer Protection

# CUSTOMER-CENTRIC EXCELLENCE



# CONSUMER PROTECTION

[More Information →](#)

## Industry-Leading Consumer Protection Measures Timeline

- Shinhan Bank
- Shinhan Financial Group

● **January 2020**

The first Korean commercial bank to set up a Consumer Protection Group

● **May 2023**

Completed drafting the Responsibility Map

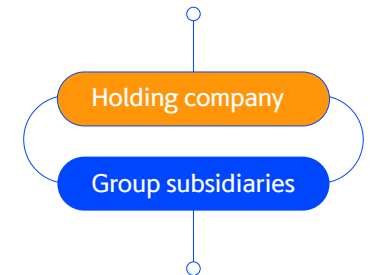
● **July 2023**

Established the Consumer Protection Division under the holding company



### Unified Organizational Structure

Consumer Protection Division  
Consumer Protection Part  
Compliance Team



● **September 2023**

Group-wide joint Consumer Protection Campaign involving all 10 Group subsidiaries implemented



### Group-Wide Campaigns



#### Protect Together

Prevention of financial fraud



#### Find it Together

Tracking down dormant financial assets



#### Stop it Together

Bolstering internal controls

● **January 2020**

Integrated the Consumer Protection Division and the Compliance Division

Established Group-level Consumer Protection Committee and Council consisting of executives, department heads, and working-level staff from all of the Group's subsidiaries

### Establishment of Monitoring System

#### Executives

Group Consumer Protection Committee

#### Department heads

Group Consumer Protection Council

#### Working-level staff

Subdivision Working Groups



● **January 2025 (Plan)**

The remaining 9 Group subsidiaries are set to adopt the Responsibility Map

Shinhan Financial Group's digital innovation helps make finance easier and more convenient, achieving both quantitative growth in platform user numbers and qualitative growth as users' favorite platform. Additionally, the Group is simultaneously increasing its revenues and reducing its operational costs based on digital channels. By continuously strengthening the Group's overall digital capabilities, including AI and Data, and connecting these to new customer experiences, Shinhan aims to implement finance that naturally integrates into customers' lives without the constraints of time and place.

Digital to Value

# EMPOWERMENT THROUGH TECHNOLOGY

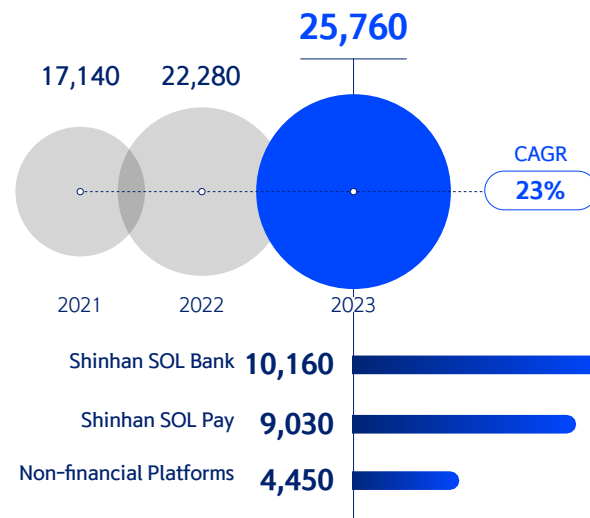




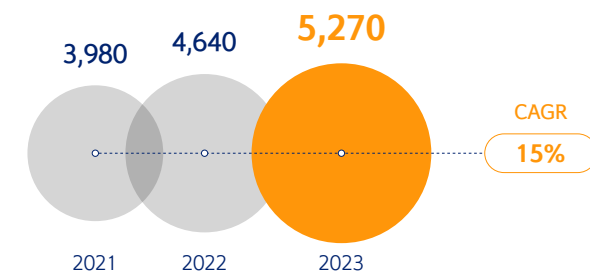
# DIGITAL TO VALUE

## Expanding Customer Base

SFG Gross MAU (persons in thousands)

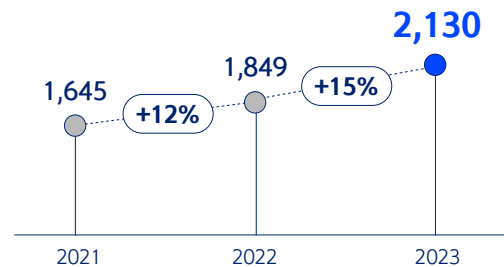


DAU for Major Financial Platforms (persons in thousands)



## Expanding Financial Contribution

Digital Operating Profit before Expenses (KRW billion)



Growth in Revenue from Digital Channels (Web/Apps)

- > Online banking
- > New product sign-ups via non-face-to-face channels
- > Platform revenue

Digital Cost Efficiency (KRW billion)

### 438

Enhancement of work efficiency driven by digital transformation (DT) through expanded use of paperless procedures, chatbot and voicebot functions, and robotic process automation (RPA)

## Digital Innovation Projects

August 2023

### Data

Launched Shinhan ONE Data

Building a platform based on the standardization and integration of the Group's database, tailored for customer-specific utilization and analysis



November 2023

### AI

Established a Groupwide AI contact center

Integrating AI consultation models and establishing a cloud-based AICC to continuously enhance and expand the application of AI services



December 2023

### Platform

Launched Super SOL

Integrating the core functions of five subsidiaries\* (serving over 3 million users as of January 2024) through Shinhan Financial Group's super app

\*. The five subsidiaries connected to the Super SOL app are Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, and Shinhan Savings Bank.



Shinhan Financial Group embraces the role of finance and the importance of conducting it with integrity. We believe in the potential of finance to make a positive impact on the world. Shinhan Financial Group exists to benefit society through finance, extending practical support not only to our customers but also to all those in need. As a responsible corporate citizen, we are dedicated to extending our support to underserved communities, combatting climate change, empowering innovators, and promoting diversity and inclusion across society.

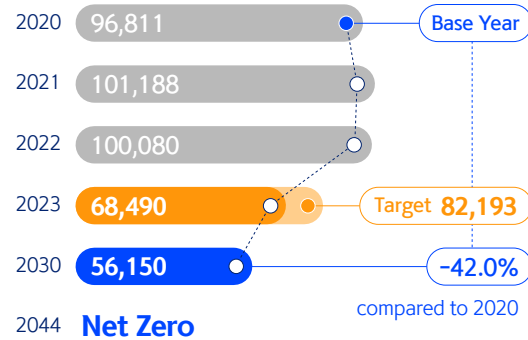
## ESG Management

# PIONEERING RESPONSIBLE FINANCE



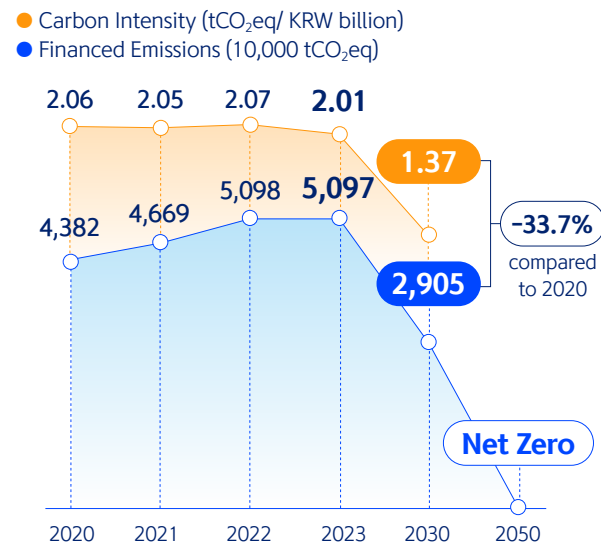
## ESG MANAGEMENT

Shinhan Financial Group 2022 ESG Report

Internal Carbon Emissions (tCO<sub>2</sub>eq)

\*. 2023 data are the result of in-house calculations and are unaudited due to the timing discrepancy between the report publication and third-party assurance.

## Asset Carbon Emissions



## Global Recognition

AA

Received a AA grade for 8 consecutive years



A/A-

First Korean financial company to receive a Leadership A or A-rating for 11 consecutive years



AA+

Obtained an overall rating of A+ for 9 consecutive years



5

Included for 5 consecutive years



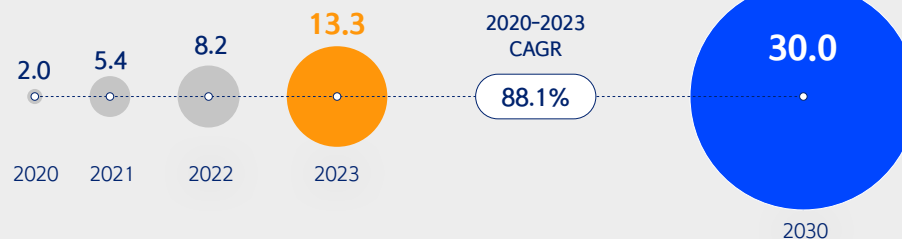
11

Included in the S&amp;P Dow Jones Sustainability Indices World for 11 consecutive years



## Green Finance

(KRW trillion)



## Inclusive &amp; Co-prosperity Finance

(KRW billion)





2023 Milestones →

Capital Management and Shareholder Return Policy →

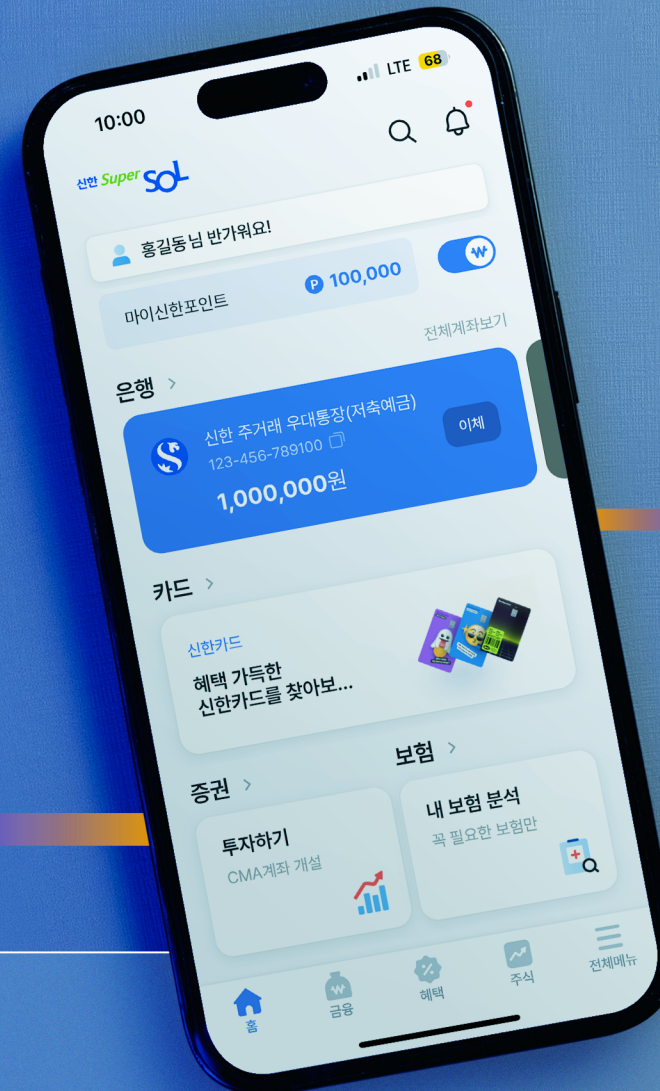
Risk Management →

Consumer Protection →

Human-Led Talent and Shinhan Culture →

▲ Please click the button

# MANAGEMENT REVIEW





# 2023 Milestones

January

## Shinhan Bank Waves Fees

Shinhan Bank has pioneered a comprehensive fee waiver program, the first of its kind among Korean commercial banks. Customers can now utilize money transfer services free of charge for all interbank and automatic transfers via the bank's mobile app, Shinhan SOL, and internet banking platforms. For senior customers who find visiting one of our branches in person more convenient, the bank offers a complete waiver of branch transfer fees for customers aged 60 and above.

**Fee Waiver**



January

## Launch of Shinhan One Data

Shinhan Financial Group has become the first Korean financial group to establish an integrated data platform. Called 'Shinhan One Data,' this platform standardizes and consolidates data from major subsidiaries of the Group, supporting customized data analysis and utilization for users.

**Shinhan  
One Data**



March

## Most Respected Companies in Korea

In March, Shinhan Bank and Shinhan Card were awarded top honors in the banking and credit card sectors, respectively, at Korea Management Association Consulting's Korea's Most Respected Companies awards ceremony. Shinhan Bank has consistently held the top spot for 20 consecutive years, and Shinhan Card has been the leader for 16 years. Marking its 20th anniversary in 2023, this award stands as one of Korea's most prestigious recognitions, evaluating the comprehensive capabilities and value of companies to identify and celebrate exceptional enterprises.

**Shinhan Bank  
20 years**

**Shinhan Card  
16 years**



April

## Group CEO Jin's First Overseas IR Event in Japan

In April, CEO Jin Okdong presided over his first overseas investor relations (IR) event, targeting institutional investors in Japan. This session was part of efforts to attract investment and foster private economic exchanges between Korea and Japan. In addition, CEO discussed with the Japanese Financial Services Agency the expansion of Korean startups into Japan and support plans for local startups in Japan. The event also focused on exploring opportunities for enhanced cooperation and private exchanges between SFG and Japanese financial institutions.



- Customer Value
- Digital Value
- International Business
- ESG Value

May

### Shinhan Bank Adopts Facial Recognition Service

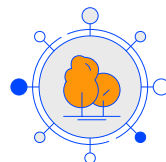
Shinhan Bank has introduced a facial recognition service that uses biometric data to increase convenience and security on its Shinhan SOL platform and at bank branches. The service enables single sign-on (SSO) through Shinhan SOL and allows access to a wide range of services on the platform. Additionally, this technology simplifies the money withdrawal process when at a branch by eliminating the need for traditional identification procedures, such as presenting an ID card, passbook, or debit card.



May

### Shinhan Financial Group Establishes ESG Data Platform

In May, Shinhan Financial Group pioneered the establishment of an ESG data platform, a first among Korean financial groups, which is geared towards addressing ESG disclosure requirements. Organized into four key segments—environment, social, governance, and ESG finance—the platform encompasses a diverse array of data, including details from regulatory and rating agencies. It consolidates ESG data from all subsidiaries and tier 2 subsidiaries, enhancing the Group's overall ESG reporting capabilities.



June

### Shinhan Card Introduces Sign Language Financial Guidebook

Specifically designed for the hearing impaired, Shinhan Card has published a guidebook titled "Financial Terms in Sign Language." This resource covers crucial financial terminology and concepts, featuring QR codes that users can scan to access video demonstrations of the appropriate finance-related signing. By significantly improving user convenience, this guidebook aims to boost financial literacy among financially underserved individuals, helping them stay vigilant against the pitfalls of financial scams.



June

### Jeju Bank Implements Financial Education for Children and Seniors

In June, Jeju Bank launched targeted financial education initiatives for local seniors and elementary school students. The program for seniors was designed to enhance mobile skills and prevent voice phishing, featuring hands-on, practical training to provide tangible assistance and support. Meanwhile, the "Financial Education for Children" initiative was conducted in partnership with 100 local schools, with the aim of fostering continuous financial literacy through annual engagements.



- Customer Value
- Digital Value
- International Business
- ESG Value

June

### Shinhan Bank Introduces Financial Product Comparison Service

In June, Shinhan Bank launched its Financial Product Comparison Service, a comprehensive platform that compares and recommends savings and loan products across various financial institutions. Featuring savings products from 51 institutions and loan products from 48, the service streamlines the entire process, from product selection through to registration and ongoing management. It does this by significantly reducing the time and effort customers spend searching for suitable products, thereby heightening transactional convenience.

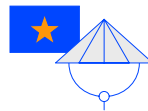


August

### Shinhan Bank Celebrates 30th Anniversary in Vietnam

In August, Shinhan Bank hosted a special event to celebrate its 30th anniversary of operations in Vietnam. Since entering the Vietnamese market as the first Korean financial institution in 1993, Shinhan Bank has grown to operate 50 branches across the country. By 2022, it had distinguished itself as the leading foreign bank in Vietnam, topping key financial metrics such as total assets and net income.

## 30 years



November

### Shinhan Bank Partners with UK Department for Business and Trade

In November, Shinhan Bank entered into an MOU with the UK Department for Business and Trade to enhance investment cooperation. The bank has committed to investing over 1 billion pounds over the next five years in new SOC and ESG projects within the UK. This includes joint investments with financial investment firms affiliated with the UK government. At the Group-wide level, Shinhan plans to channel an additional 1 billion pounds into these sectors through cross-selling with peer subsidiaries within the Group.

## 2 GBP billion



December

### Launch of Super SOL: Shinhan Financial Group's Super App

Launched in December, Super SOL is the Group's super app that consolidates key products and services from the Group's subsidiaries into one unified platform. It provides customers with access to frequently used services, including savings, money transfers, payments, investments, and insurance. Featuring the SSO authentication system, the app also bolsters user convenience by allowing seamless navigation between subsidiary apps without the need for additional logins.

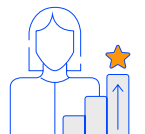


December

### Shinhan Financial Group Hosts 5th Shinhan SHeroes Conference

In December, Shinhan Financial Group held its 5th annual Shinhan SHeroes Conference. The event drew over 100 attendees, including female leaders from within the Group and 33 members from the 5th class of SHeroes. This gathering provided a platform to reaffirm the Group's dedication to fostering female leadership and to strengthen networking among all employees engaged in the SHeroes initiative.

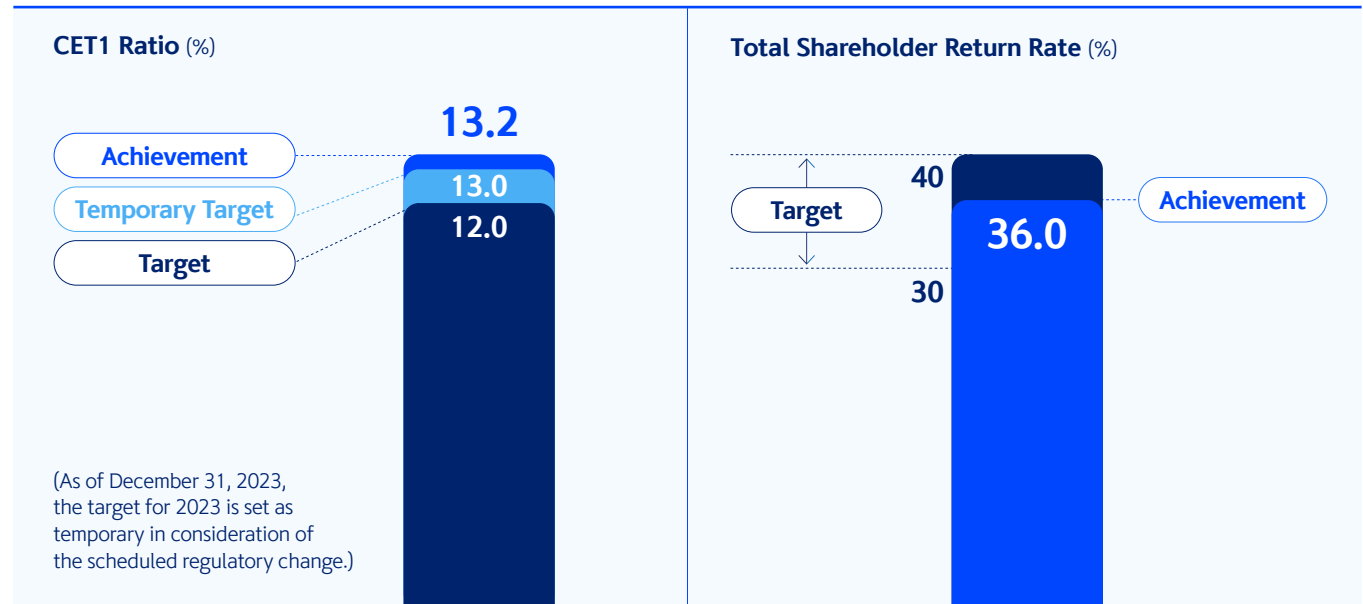
## SHeroes



- Customer Value
- Digital Value
- International Business
- ESG Value

# Capital Management and Shareholder Return Policy

Shinhan Financial Group maintains sound capital management in compliance with the capital regulations set by financial authorities and is constantly bolstering shareholder value. By enacting efficient capital management practices that meet the expectations of diverse stakeholders—including potential investors, customers, and credit rating agencies—we uphold a steadfast shareholder return policy and diligently engage in stakeholder communication to foster deep-seated trust.



## Establishing Mid-term Financial Goals for Sustainable Growth

In 2022, Shinhan Financial Group established mid-term financial goals aimed at enhancing corporate value for various stakeholders—including shareholders, customers, employees, and society as a whole—and achieving sustainable growth. The goals were set at achieving a return on equity (ROE) of 10.5% and a return on tangible common equity (ROTCE) of 12%, underpinned by a CET1 ratio of 12%.

In anticipation of the new capital regulations scheduled

for introduction at the end of 2024, we temporarily raised the CET1 ratio target to 13% in 2023. Since then, the CET1 ratio has been consistently maintained at a stable level above 13%, permitting the use of excess capital for shareholder returns and guaranteeing sufficient total loss-absorption capacity (TLAC) along with the ability to pay dividends. Once the regulatory requirements are established, we plan on reassessing and potentially readjusting the CET1 target after an exhaustive review of the regulatory impacts and implications, followed by a reevaluation of the ROE and ROTCE targets.





### Expanding Shareholder Returns through Sound Capital Management

Shinhan Financial Group upholds a consistent and predictable shareholder return policy, based on a stable CET1 ratio, while actively communicating with investors regarding these initiatives. Our earnings release in early 2023 outlined the objectives for the year, which included aiming for a total shareholder return rate of 30-40%, maintaining or increasing dividends per share, standardizing the distribution of equal quarterly and year-end dividends, and executing share buyback and cancellations. We are happy to report that we fulfilled these plans throughout the year.

In fact, we implemented equal dividends of KRW 525 for both quarterly and year-end periods, bringing the total annual cash dividends to KRW 2,100, which marked a modest increase from the previous year. At the same time, we carried out quarterly share buybacks and cancellations, achieving a total shareholder return rate of 36%. This solid shareholder return policy was underpinned by a robust CET1 ratio. As of the end of 2023, the Group's CET 1 ratio was stably managed at 13.17%, surpassing both regulatory and internal management benchmarks.

### Implementing a Consistent and Predictable Capital and Shareholder Return Policy

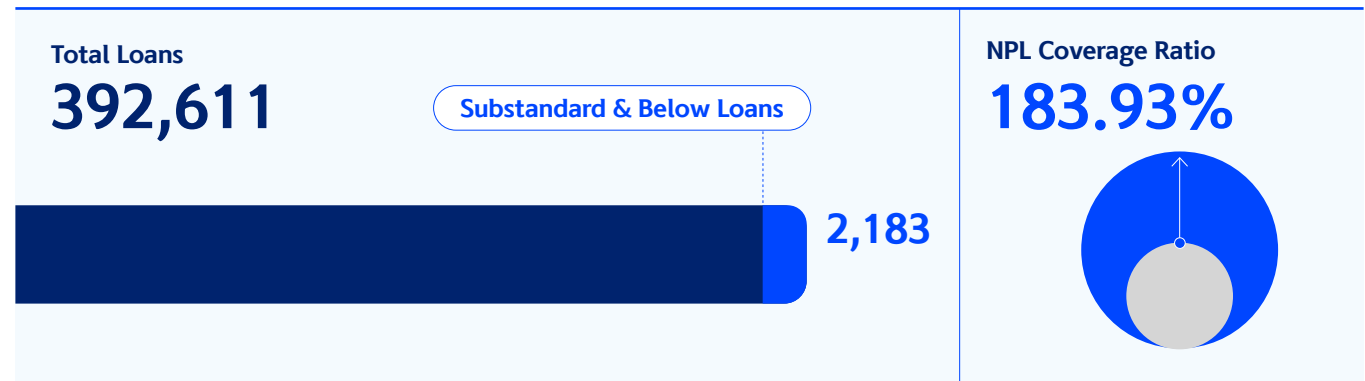
In 2024, Shinhan Financial Group remains unwavering in its dedication to maintaining predictable capital and shareholder return policies, further strengthening trust through ongoing communication with the market. In light of regulatory demands and our financial goals, we intend

to maintain our CET1 ratio target at 13% or higher. This target will be achieved through efficient management of risk-weighted assets and anchored in our solid profitability.

In terms of shareholder returns, we aim to enhance our total shareholder return rate by either maintaining or increasing the dividends per share from 2023 payouts, ensuring the equal distribution of cash dividends throughout the year, while also carrying out share buyback and cancellations above the previous year's level. While closely monitoring changes in the economic environment, we are committed to pursuing stable capital management and augmenting shareholder value, adeptly navigating through situational variables, such as outcomes from supervisory authorities' stress tests, regulatory adjustments, and our entry into new business territories.

# Risk Management

When it comes to internal controls and risk containment, Shinhan prioritizes principle over efficiency, with our focus on customer value. Along the path of innovating our financial business, Shinhan Financial Group has maintained rigorous internal controls and adheres to principled management, offering convenience and satisfaction to our customers. In 2023, we established a Group-level risk management strategy dubbed S.M.A.R.T., which has since gone on to improve Group-wide risk management processes and responsiveness.



## Solidifying the Foundation for Sustainable Growth

### Exhaustive Management of Asset Quality and Liquidity

In response to the growing complexity in crisis migration routes and increased interdependency across different sectors, we have revamped our monitoring system to take into account any lags in risk migration among the Groups' asset portfolio, enabling early detection and proactive response to potential risks. Anticipating the detrimental effects of high interest rates and economic downturns on our soundness, we assessed the responsiveness of each subsidiary and established a risk management organization to ensure consistent asset quality management across the Group. Specifically, we have established and implemented a daily monitoring system to enhance liquidity management stability in the securities and credit finance sectors. Additionally, our stress testing now incorporates a bank run scenario to preemptively review and prepare the Group's banking operations' overall response system.

### Proactively Addressing Real Estate Risks

The Group periodically updates pinpoint scenarios of our stress testing framework to address real estate market risks in anticipation of any potential financial impact, including credit costs. These efforts have enabled us to establish a framework that supports robust decision-making, even in the face of an abrupt deepening of the current real estate crisis.

Notably, long before real estate market issues intensified in the second half of 2022, we were closely monitoring market developments and conducted a comprehensive review of the Group's real estate financing. This proactive approach allowed us to identify vulnerable segments and project sites requiring intensive monitoring early on. In anticipation that real estate market challenges may persist, we are committed to continuously improving and strengthening our overall real estate finance risk management system.

### Reinforcing Customer-Centric Risk Management

Our Group-wide efforts towards achieving our vision, “Excellence, Shinhan,” which is endorsed by customers carry over in our risk management practices. In particular, managing the risk associated with customer assets takes precedence over the management of the Group’s proprietary assets. Reflecting on both internal and external issues related to the security of customer assets, and in consideration of the Group’s customer-centric management principles, we have established a risk management system for customer assets that is on par with our system for managing proprietary assets. To enhance the growth potential of the Group, we have proactively realigned the risk-weighted assets (RWA) management system to support stable capital strength, while also refining the simulation function of this system to aid in the more efficient management of our entire portfolio.

### Balanced Risk Management

In 2024, we will continue our thorough risk management focus on soundness and liquidity, which is in balance with the Group’s non-financial risk management system. Furthermore, we will channel our resources into managing risks in non-financial areas such as operational risk and customer asset risk. With the goal of achieving zero incidents involving customer assets, we will continue to build a solid foundation for the Group’s sustainable growth.

### Asset Quality Indices

(KRW billion)	2021	2022	2023
<b>Total Loans</b>	374,557	392,401	<b>392,611</b>
<b>Substandard &amp; Below</b>	1,468	1,599	<b>2,183</b>
<b>NPL Ratio</b>	0.39%	0.41%	<b>0.56%</b>
<b>Precautionary &amp; Below</b>	3,930	4,631	<b>6,587</b>
<b>Precautionary &amp; Below Ratio</b>	1.05%	1.18%	<b>1.68%</b>
<b>NPL Coverage Ratio</b>	195.29%	209.21%	<b>183.93%</b>
<b>Shinhan Bank Delinquency Ratio</b>	0.19%	0.21%	<b>0.26%</b>
<b>SME Loans</b>	0.26%	0.26%	<b>0.32%</b>
<b>Retail Loans</b>	0.17%	0.20%	<b>0.25%</b>
<b>Shinhan Card Delinquency Ratio</b>	0.80%	1.04%	<b>1.45%</b>
<b>2M Delinquency Migration Ratio</b>	0.25%	0.38%	<b>0.46%</b>

### Group Provisioning & COVID-19 and Countercyclical Additional Provisioning

(KRW billion)	2021		2022		2023	
		Credit Cost Ratio		Credit Cost Ratio		Credit Cost Ratio
<b>Group Provisioning</b>	9,964	0.27%	13,179	0.34%	<b>22,512</b>	<b>0.57%</b>
<b>Recurring Provisioning</b>	8,085	0.22%	8,000	0.20%	<b>14,858</b>	<b>0.38%</b>
<b>COVID-19 and Countercyclical Additional Provisioning</b>	1,879	0.05%	5,179	0.14%	<b>7,654</b>	<b>0.19%</b>

## Risk Management Governance

Everyone at Shinhan shares the same risk management philosophy, one that emphasizes a sense of ownership in considering risk factors in their day-to-day duty performance. Indeed, the Group's risk management principles are grounded in this philosophy. From the decisions made by the Risk Management Committee under the BOD to routine operations at our front office, risk management is woven into our daily work processes as we remain steadfast in uncertain environments while bolstering external trust and internal pride.

## Risk Management Tools

### • Integrated Risk Monitoring System

We operate a comprehensive monitoring system for macroeconomic indicators and the Group's key risk indicators, as well as the current state of the Group's risk management, to timely identify potential risks and key issues. We analyze the impact of each identified potential risk and key issue to establish and implement Group-level countermeasures. In particular, we operate a risk dashboard system that detects anomalies in advance and controls risks in each subsidiary's portfolio assets as well as in external environmental issues.

### • Risk Expert Network (REN)

The Group-wide risk expert network (REN) cultivates risk experts and strengthens overall risk management capabilities through risk education and workshops. REN members are selected based on work experience and knowledge competencies in various business areas and risk types, and play a pivotal role in spreading the Group's risk management culture.

### • Group-Wide Corporate Credit Assessment System

For proactive credit risk management, we operate a Group-wide credit review system for corporate borrowers that is uniformly applied across all subsidiaries. Since obtaining approval for the internal ratings-based (IRB) approach by the Financial Supervisory Service in 2016, the system has been instrumental in enhancing the quality of the Group's credit portfolio management.

### • Group-Wide Risk Management System

We have established a Group-wide process for the preemptive management of risks, covering everything from risk detection and determining risk levels to devising and implementing countermeasures. Specifically, we operate a Group liquidity risk management system to monitor the liquidity management status of subsidiaries and to facilitate preemptive, efficient decision-making and emergency responses in case of a crisis.

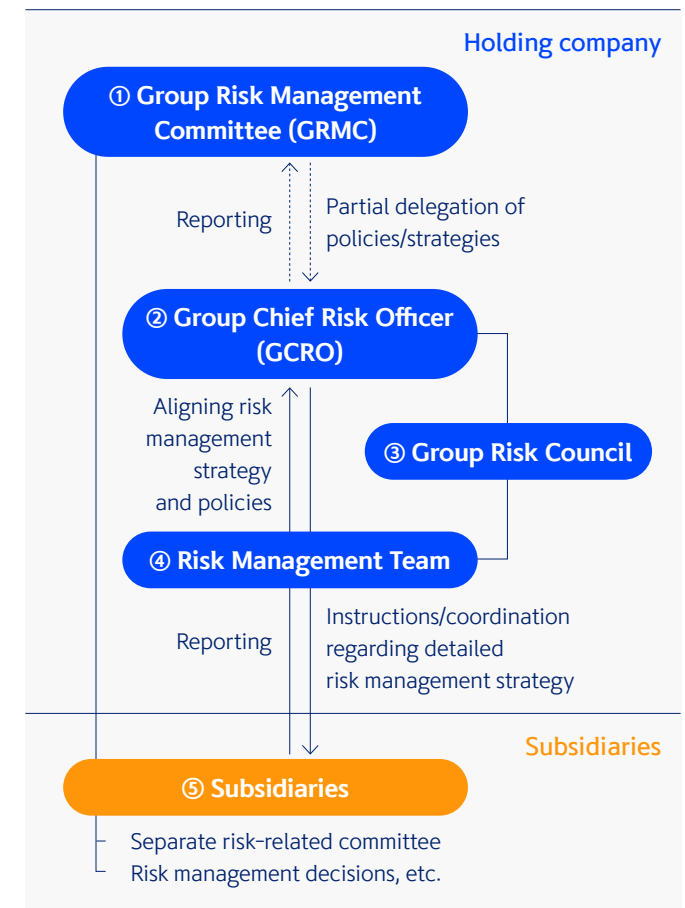
Furthermore, in response to climate risk, we have developed a system for gauging the Group's financed emissions, which helps identify our areas for improvement in addressing climate change and support our Zero Carbon Drive strategy. Moreover, we have established risk measurement systems for credit, market, and operational risks, reflecting Basel III regulatory requirements and utilizing them for regulatory compliance and portfolio management.

## Risk Management Organization

Shinhan Financial Group's risk management organization operates on two levels: at the holding company level and at the subsidiary level. At the holding company are the Group

Risk Management Committee (GRMC), Group Risk Council (GRC), Group Chief Risk Officer (GCRO), and the Group's Risk Management Team. Each subsidiary also operates their own risk committees, Chief Risk Officers (CRO), and dedicated teams.

## Risk Management Structure





### • Group Risk Management Committee (GRMC)

As the highest decision-making body for establishing the Group's fundamental policies and strategies concerning risk management, the GRMC is composed of independent directors within the holding company's Board of Directors.

#### The key resolutions of the committee include:

1. Establishing basic risk management policies in line with management strategies
2. Deciding on the level of risk that the Group and its subsidiaries can bear
3. Approving appropriate investment limits or loss tolerance limits
4. Enacting and revising the Group's risk management regulations and the Group Risk Consultation Council regulations
5. Matters related to the structure and division of duties within the risk management organization
6. Operational matters of the risk management system
7. Setting various limits and approving the exceedances of those limits
8. Decisions related to obtaining the FSS's approval of the Group's IRB approach for non-retail and retail credit review systems
9. Matters related to risk disclosure policy
10. Results of crisis situation analysis and related capital management plans, funding plans
11. Matters deemed necessary by the Board of Directors

12. Requirements from external regulations, such as the Financial Services Commission and other regulations and guidelines
13. Matters deemed necessary by the committee's chairperson

### • Group Risk Council (GRC)

The council discusses and decides on matters necessary for implementing policies set by the Group Risk Management Committee. The GRC comprises the Group's Chief Risk Officer and the chief risk officers of major subsidiaries.

#### The key decisions include:

1. Setting exposure limits for countries, watchlist groups, individual companies and affiliated companies
2. Conducting Group-wide integrated stress testing
3. Decision-making related to the Group's non-retail credit review system, not subject to the FSS's approval of the IRB approach.

#### Key deliberation and discussion points include:

1. Determining risk tolerance for the Group and subsidiaries
2. Results of the Group's integrated stress testing and related capital management plans and funding plans

3. Matters related to risk disclosure policy
4. Other matters deemed necessary by the council's chairperson

### • Group Chief Risk Officer

The Group Chief Risk Officer assists the Group Risk Management Committee, implements risk policies and strategies already decided upon, and ensures their consistent execution across all subsidiaries. In addition, this officer evaluates the performance of each subsidiary's Chief Risk Officers (CROs) and reviews the risk management status of each subsidiary.

### • Risk Management Teams

The holding company's Risk Management Team assists the Group CRO. Risk committees and dedicated organizations at each subsidiary implement the Group's risk policies and strategies, and report the status of risk management to the holding company. They also control risks that may arise within subsidiaries and continuously improve each subsidiary's risk management system.

## Featured Case

# Liquidity Management

In the wake of the March 2020 liquidity crisis associated with the COVID-19 outbreak and the 2022 credit crunch in Korean capital markets, Shinhan Financial Group has since fortified its liquidity crisis response capabilities.

This enhancement comes through the maintenance of ample liquidity reserves and the continuous refinement of our liquidity crisis management processes. Utilizing daily, weekly, and monthly liquidity monitoring systems, we conduct comprehensive liquidity management. Through the integration of liquidity indicators with the Group's broader crisis management framework, including our Recovery Plan, we proactively address potential liquidity challenges.

## Foreign Currency Liquidity Management

Since the 2008 financial crisis, Shinhan Financial Group has upheld a consistent approach to managing liquidity across both Korean won and foreign currencies, employing currency-specific liquidity management techniques.

The escalation of geopolitical risks, especially since the outbreak of the Ukraine-Russia war in February 2022, has prompted us to intensify our foreign currency liquidity management efforts.

With a substantial share of the Group's foreign exchange exposure, Shinhan Bank has recently expanded its readily available foreign currency liquidity reserves. Similarly, Shinhan Securities has established a robust foreign currency liquidity buffer, securing additional committed

lines to ensure its readiness for potential crises. In addition, the company maintains sufficient liquidity to comfortably cover margin call obligations and other such contingencies.

Also, the overseas subsidiaries of Shinhan Bank, Shinhan Card, Shinhan Securities, and Shinhan Life all maintain liquidity levels surpassing local regulatory requirements and internal guidelines. This is particularly critical in emerging markets, where the risk of capital flight from developed countries poses a significant concern, necessitating a cohesive and detailed liquidity management strategy across the Group's global operations, including local subsidiaries, affiliates, and the Group as a whole.

## Responsiveness to Digital Bank Runs

The Silicon Valley Bank collapse and subsequent bank run rumors involving savings banks in the first half of 2023 underscored the importance of a robust response framework for digital bank runs. Shinhan Financial Group has since established—and is actively managing—a dedicated response system for such scenarios.

This involves conducting crisis situation analyses under potential bank run scenarios for Shinhan Bank, Jeju Bank, and Shinhan Savings Bank, followed by the formulation of Contingency Funding Plans. Additionally, by expanding our intraday liquidity management indicators, we aim to enhance early detection and proactive management of bank run risks.

We remain dedicated to continuously strengthening our market volatility monitoring system and refining our liquidity management framework. We aim to ensure that Shinhan Financial Group's foundation for sustainable growth remains steadfast, regardless of the challenges that may arise.

## Featured Case

## Real Estate Financial Risk Management System

Shinhan Financial Group conducts monthly monitoring of real estate finance (including overseas real estate) to respond to real estate finance crises that arise domestically and internationally, identifying high-profile assets and watchlist assets along the way. Furthermore, we have selected real estate supply businesses and real estate PFs (including bridge loans) as key areas for managing group concentration risk. At the same time, we have set appropriate exposure limits for each Group subsidiary in these areas, conducting monthly monitoring and management. Through a comprehensive inspection of real estate finance by each Group company, a preemptive response system related to loss absorption capacity has been enhanced by predicting the magnitude of losses. Post-management has also been bolstered through overseas real estate site inspections and due diligence.

To manage ongoing real estate finance crises more timely and systematically throughout 2024, we plan to further strengthen the internal risk management system across all areas of deal sourcing, underwriting, monitoring, and post-management processes. With respect to the deal-sourcing process, a Group-wide joint deal guide will be established to control risks at appropriate levels regarding investment ratios and tranches. In the underwriting process, the type of internal limit management will be further detailed to adequately consider concentration risks from the underwriting stage.

Moreover, in the monitoring process, we plan to enhance our continuous monitoring system at the Group level by operating a common PF project viability evaluation system. Lastly, in the post-management process, the Group intends to continue securing a greater proactive loss absorption capacity by bolstering the regular inspection system for overseas real estate by applying pinpoint scenarios in real estate PF crisis analysis and loss magnitude prediction.

In the long term, Shinhan Financial Group aims to ensure its stable growth beyond the current real estate crisis by continuously upgrading its internal risk management system and further heightening the joint crisis response capabilities among Group subsidiaries.

### SFG's Real Estate Finance Exposures

(KRW billion)	Dec. 2022	Dec. 2023	YoY Change
<b>Total</b>	8,835	9,006	+172
PF Real Estate PF	6,877	7,220	+343
Bridge Loans	1,957	1,788	Δ171
<b>By Asset Quality</b>	8,835	9,006	
Substandard & Below	0.57%	2.73%	+2.16%p
Normal	8,345	7,571	Δ774
Precautionary	439	1,189	+750
Substandard & Below	51	248	+196
<b>By Region</b>	100.0%	100.0%	
Seoul Metropolitan Area	71.5%	68.9%	Δ2.6%p
Other Metropolitan Areas	18.0%	21.6%	+3.6%p
Others	10.5%	9.6%	Δ0.9%p
<b>Percentage of Residential Real Estate</b>	61.4%	60.6%	Δ0.8%p

## Featured Case

# Customer Asset Risk Management System

Recent developments have heightened concerns within the customer wealth management sector, primarily due to falling asset values amidst rising interest rates, potential losses to customer assets from expanded market volatility, and growing social demands for social responsibility on financial institutions. In response, since the latter half of 2023, we have embarked on creating a robust customer asset risk management system, which includes establishing dedicated organizations and operational frameworks. Moreover, we have identified four core tasks for an integrated risk management system at the Group level, with detailed execution strategies devised for each task.

## Enhancing Expertise in Investment Product Evaluation

A specialized unit has been set up to assess investment products, ensuring operational independence. We introduced a comprehensive evaluation framework capable of encompassing all customer assets, including funds, trusts, and retirement pensions. A nuanced product selection process was also designed, categorizing products based on their risk levels.

## Establishing a System for Investment Product Concentration and Limit Control

We have developed a strategic plan to mitigate concentration risk across different product types, establishing caps on the underlying assets of high-profile assets within the Group's portfolio, such as ELS and alternative investment vehicles. A significant aspect of this strategy involves managing ultra-high-risk assets at a Group level to ensure their size remains within tolerable limits, taking into account financial market fluctuations through the selection and limit management of such assets.

## Improving the Post-management System

We have established a uniform monitoring and inspection system across the Group and its subsidiaries, fostering an integrated management stance. This framework facilitates continuous oversight of customer asset-related issues, including the overall status of customer assets, limit management effectiveness, fluctuations in each underlying asset and segment, and inspection results.

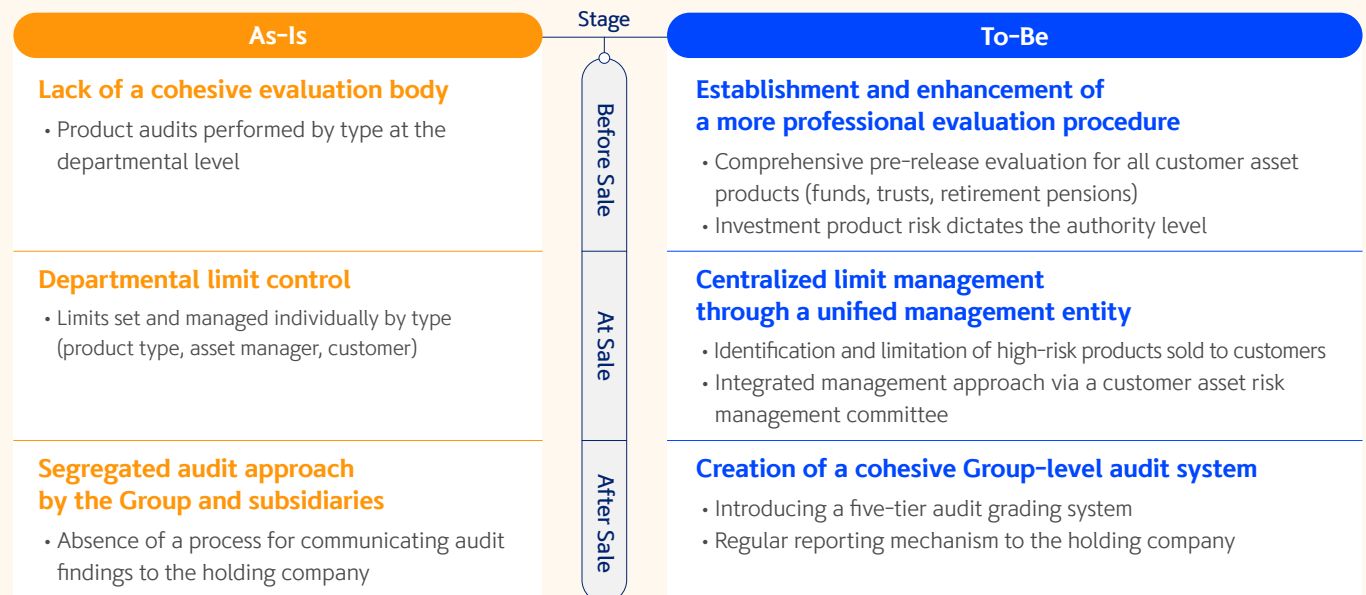
## Strengthening Consumer Protection

Our commitment to customer-centric consumer protection is unwavering. We focus on enhancing the suitability

assessment of investment vehicles from the customer's viewpoint and delivering tailored portfolios based on individual investment profiles.

In 2024, Shinhan Financial Group aims to complete and fully implement a dynamic customer asset risk management system, pivoting on the four core tasks outlined above, based on the strategic direction set in the second half of 2023. This initiative is geared towards offering only products with manageable risks and executing customer-oriented portfolio management for consumer protection, ultimately fostering a customer-centric risk management system.

## Advancement of Customer Asset Management System





## Featured Case

# ESG Risk Management System

 SFG's Environment and Social Risk Management Policy Framework

In response to the escalating awareness among stakeholders about ESG (environmental, social, and governance) issues—chiefly the pressing need to address climate change—global efforts are underway to weave these considerations into the fabric of decision-making processes, particularly within the financial sector. The creation of frameworks such as the TCFD (Task Force on Climate-related Financial Disclosures) highlights the urgent need to assess and disclose the financial impacts of climate change. This urgency has, in turn, amplified the call from various stakeholders, including governments, evaluators, and investors, for more transparent information disclosure.

Although non-financial data, such as climate change-related information, is currently subject to voluntary disclosures, there's a noticeable shift towards mandatory sustainability data disclosure. This trend is gaining momentum not only in advanced markets like the United States and Europe but is also being observed in Korea, indicating a significant stride towards transparency.

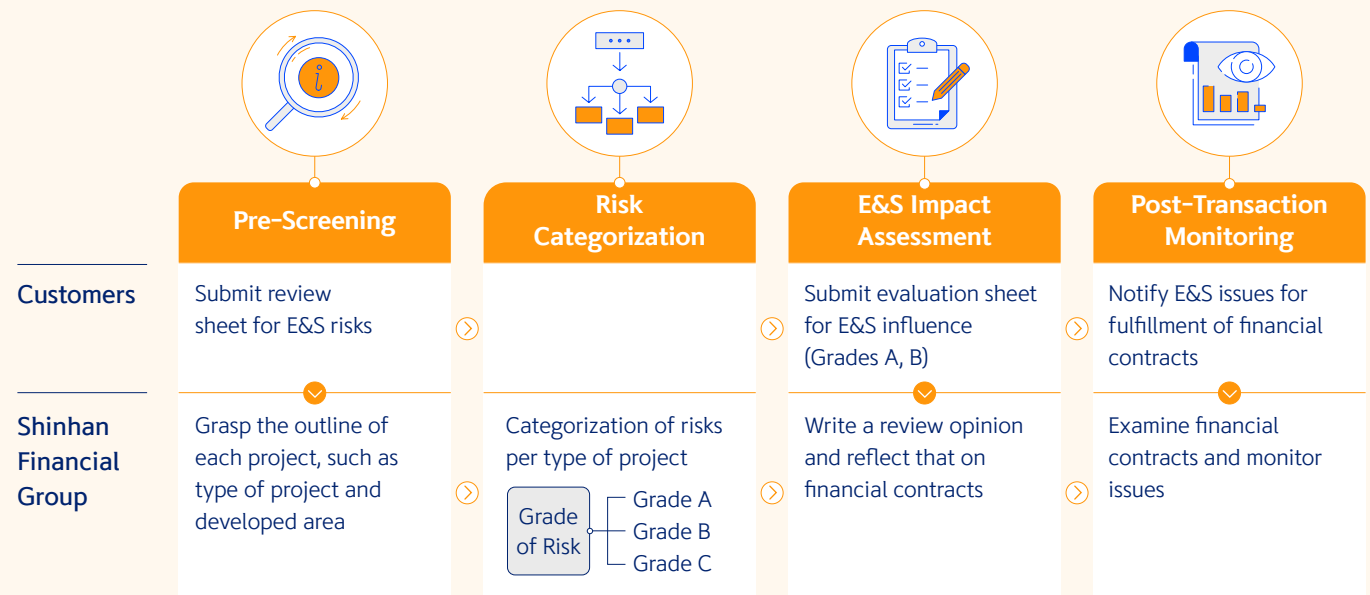
Shinhan Financial Group has long acknowledged the critical importance of ESG risk management. Since 2018, we have spearheaded the operation of Korea's first environmental and social risk management system, adopting an ESG-centric approach in managing credit and investment portfolios. Our strategies encompass divesting from coal-fired power generation in response

to climate change, diligently monitoring and managing areas of vulnerability, and conducting comprehensive environmental impact assessments for large-scale development project financing (PF). Specifically, for development PFs with the potential for significant environmental harm, we have instituted a rigorous process that mandates mitigation measures for environmental impacts and integrates these considerations into our financial contracts.

## Climate Risk Scenario Analysis

Recognizing the channels through which transitional and physical risks linked to climate change might impact financial institutions, we are analyzing and strategizing responses to the potential effects of this on our portfolios, among other factors. We have developed and operationalized models capable of assessing any financial impact stemming from climate risks by establishing various parameters for climate scenario analysis. These models help identify risk spread paths and quantify impacts under each scenario.

## Environmental and Social Risk Review Procedure



### • Transitional Risks

In analyzing transitional risk scenarios, we have crafted a proprietary scenario analysis model that mirrors the characteristics of our portfolio. This model benchmarked various methodologies, such as the climate stress tests of the European Central Bank (ECB), while taking into account the characteristics of climate risks. Utilizing variables presented in climate scenarios from the Network for Greening the Financial System (NGFS)—such as GDP growth rates, market interest rates, carbon pricing, and the energy mix—we distinguished any impact according to macroeconomic and carbon policy scenarios. Accordingly, we project the future financial statements of individual subsidiaries, reassess their credit ratings based on these projections, and subsequently analyze the Group's risk-weighted assets (RWA) and expected losses. This analysis extends to determining the capital ratios all the way up to 2050 based on these reassessed credit ratings.

### • Physical Risks

For physical risk scenario analysis, we have devised a unique methodology that reflects Korea's climate conditions, benchmarking the ECB's physical risk analysis methods. By deriving a correlation between rainfall and damage from heavy rain/typhoons, we can estimate the frequency and severity of such damage. Utilizing maximum rainfall scenarios from the UN's IPCC Assessment Reports (AR5, AR6) RPC 8.5/SSP5 8.5 and data on Korea's tangible assets, we calculate the annual rate of physical capital damage for each region in Korea up to 2050. This enables us to analyze the Group's RWA and expected losses under each scenario.

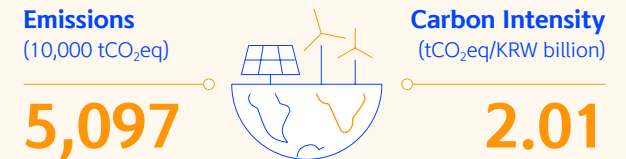
### Financed Emissions Calculation System

To ascertain the impact and risk areas within the Group's portfolio attributable to climate change, we have developed and implemented Korea's first financed emissions calculation system. This system facilitates the regular measurement of the Group's financed emissions by aggregating greenhouse gas emissions, financial data, and other pertinent information from companies within the Group's portfolio. The calculations adhere to the standards set by the Partnership for Carbon Accounting Financials (PCAF), enabling a detailed and multi-faceted analysis by Group subsidiary, asset, industry, and company-specific segments.

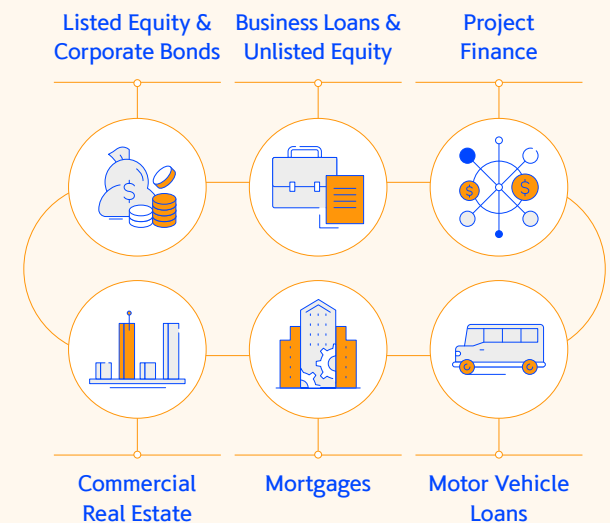
Additionally, we have introduced a financed emissions simulation feature to monitor shifts in financed emissions stemming from new transactions or changes in the emission levels of portfolio companies. Utilizing these financed emission figures, we have established a credit/investment decision-making process that factors in greenhouse gas emission levels and trends, along with the carbon reduction initiatives of target companies, especially those in emission-intensive sectors like steel/non-ferrous metals and utilities. These sectors are under close watch, with exposure limits set and managed separately.

In the short term, this system enables us to pinpoint and address vulnerabilities to climate change. Over the long haul, it will aid in financial support and portfolio management as we transition to a low-carbon economy. Moving forward, we aim to bolster measurement capabilities, expand the collection and analysis of climate-related data, and integrate the financed emissions calculation system into our broader climate risk scenario analysis framework.

### Financed Emissions Data



### Application of PCAF Methodology for Measuring Financed Emissions

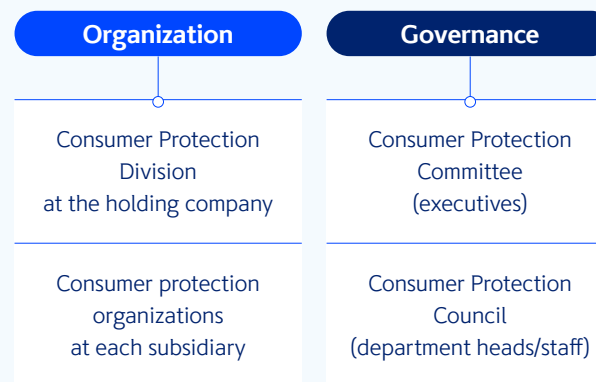


# Consumer Protection

Shinhan Financial Group is pioneering the consumer protection movement within the Korean financial sector with its proactive adoption of policies to establish a corporate culture that prioritizes customer value. We have established an integrated system and a bottom-up council that facilitates close communication and prompt sharing of consumer protection policies across the board. Following our declaration of a Group-wide consumer protection strategy, we have been deepening our consumer protection practices through Group-wide joint campaigns and use of our Responsibility Map.



## Group-Wide Organization and Governance



## Establishment of Consumer Protection Strategy System



## Pioneering Consumer Protection Policy

The development of advanced financial techniques has given rise to a plethora of complex financial products. Accordingly, protecting consumer assets requires a proactive and preemptive approach, a departure from the more passive and reactive approach of the past. To this end, Shinhan Financial Group has revamped its systems and frameworks so as to protect customer assets and bolster the trust of customers. Since 2020, Shinhan Bank has been steadily implementing heightened consumer protection measures. In June 2023, the bank was awarded a grand prize, endorsed by the FSS Chairman, at the Financial Services Commission-sponsored 2023 Korea Financial Consumer Rights Awards. In November, it won the Grand

Prize in the Consumer Protection category at the 2023 Korea Management Awards, which was organized by Korea Management Association Consultants Inc. (KMAC), in recognition of its efforts and accomplishments.

## Establishment of a Unified Organizational Structure

Shinhan Bank's pioneering commitment to a customer-centric culture took shape in January 2020 when it became the first Korean commercial bank to establish an independent Consumer Protection Group. That was also when the bank introduced the disciplinary measure of suspending investment product sales for underperforming branches based on Mystery Shopper assessments. In April, Shinhan Bank formed and deployed a team of 23 personnel

to branches for on-site inspections and support of consumer protection practices at the branch level. In July, the bank then organized the Product Audit Team, which is responsible for investment product audits, comprehensive inspection of private equity funds, and institution of audit guidelines.

Today, Shinhan Financial Group is expanding these systems initiated by Shinhan Bank right across the Group, promoting an integrated and systematic consumer protection strategy. In July 2023, we established a Consumer Protection Division within the holding company and formed a Consumer Protection Team, one that now concurrently serves under Shinhan Bank to streamline the Group's initiatives. Later, in January 2024, we subsequently undertook a revamp of integrating and expanding the Consumer Protection Division and Compliance Division under the control of the Chief Compliance Officer, thereby facilitating interconnection between the two operations. The holding company, which does not have any consumer contact points, serves as the control tower of the Group-wide consumer protection functions, while individual subsidiaries that sell financial products directly to customers (Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Shinhan Asset Management, Jeju Bank, and Shinhan Savings Bank) operate their own consumer protection organizations with a combined workforce of 300 specialists, promoting a cohesive direction based on a unified system.

### Integrated Consumer Protection Governance across the Group

Shinhan Financial Group operates a comprehensive

#### Consumer Protection Division Organization Chart

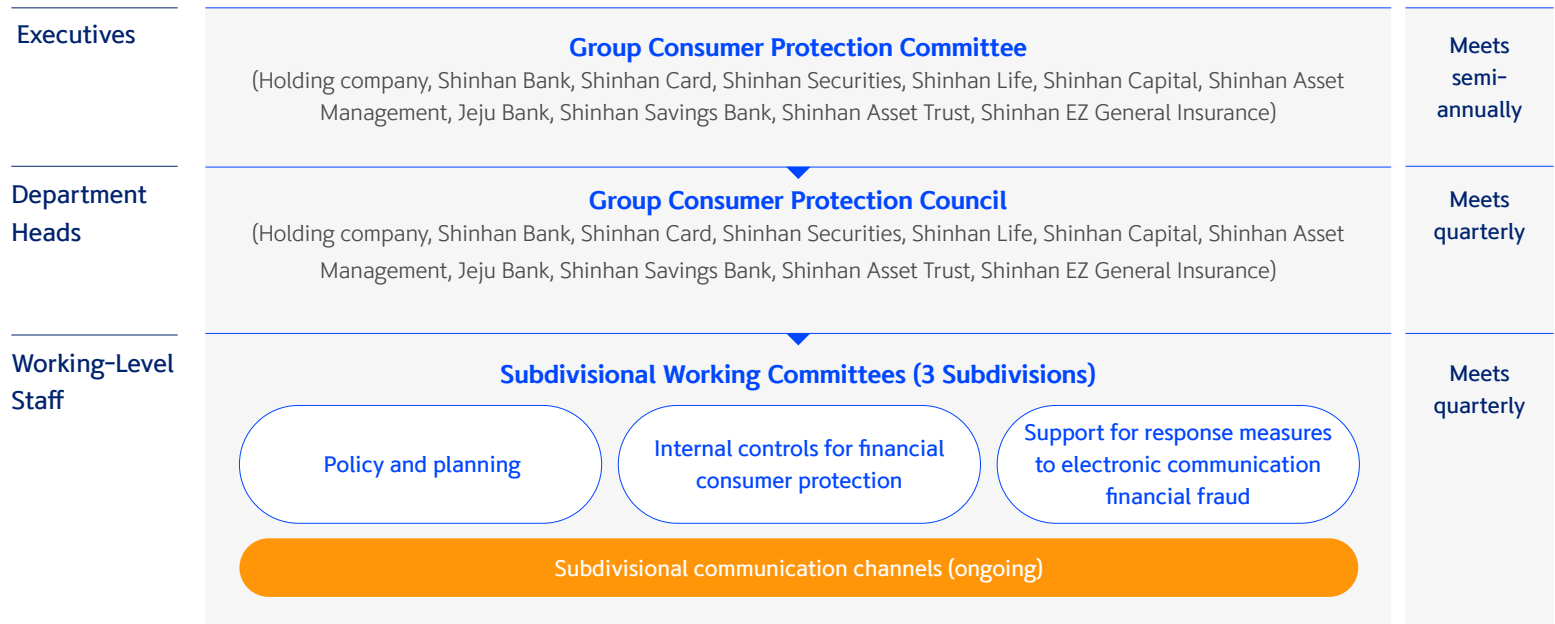


\*. As of January 2024, the Chief Compliance Officer concurrently serves Shinhan Capital, Shinhan Asset Trust, and Shinhan EZ General Insurance

governance system, with the recently revamped Consumer Protection Division serving as its cornerstone. In January 2024, we formed a dedicated committee and council with the aim of facilitating timely responses to consumer protection issues and fostering cohesive connections between the holding company and all Group subsidiaries. Additionally, we implemented a Group-wide three-lines-of-defense system which encompasses strategy formulation, implementation, and monitoring at the Group level. The

committee and council comprise consumer protection staff, department heads, and executives from the holding company and 10 subsidiaries.

The Group Consumer Protection Committee, consisting of Chief Consumer Protection Officers from the holding company and 10 subsidiaries, convenes semiannually to define the fundamental direction of Group-wide consumer strategies, deliberate on key policies, and establish the consumer protection tone at the top.

**SFG's Consumer Protection Governance**

The Group Consumer Protection Council, comprising consumer protection department heads from the holding company and subsidiaries, along with the Subdivisional Working Committees that consist of working-level staff, meets quarterly to discuss response measures based on monitoring of consumer protection activities and internal control checks. To facilitate in-depth communication among working-level staff, communication channels for each division—policy and planning, internal controls for financial consumer protection, and support for response measures to electronic communication financial fraud—remain operational year-round.

Since 2023, Shinhan Financial Group has been actively working on establishing an integrated governance system to facilitate effective communication among departmental

heads responsible for consumer protection at the holding company and its subsidiaries. This includes sharing best practices among the subsidiaries and establishing a mutually reinforcing system where the holding company can provide consulting support upon identifying consumer protection-related vulnerabilities at individual subsidiaries. Furthermore, the governance structure has been refined to ensure prompt dissemination of information within the Group in the event of consumer protection issues arising in individual subsidiaries, minimizing the scope of damage and swiftly formulating measures for prevention of recurrence. Based on these efforts, we plan to continue driving customer-centric business activities and playing a more stringent role in consumer protection beyond regulatory compliance.

**Declaration of Commitment to Consumer Protection**

Attended by CEO Jin Okdong and Chief Consumer Protection Officers from 10 subsidiaries, Shinhan Financial Group held a declaration ceremony for consumer protection strategy in August 2023. At the ceremony, we declared “proactive measures to create an excellent financial consumer protection environment” as our consumer protection strategy. This reaffirmed our commitment to enhancing the consumer protection capabilities of all subsidiaries to the highest level, with the aim of becoming the most trusted financial group by customers.



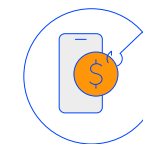
## Consumer Protection Strategy

Mission	 <b>A Better World Through Finance</b>		
Core Value	 <b>Right</b> We value doing what is RIGHT for our customers and for the future generations.	 <b>Nimble</b> We value being NIMBLE- executing with flexibility and efficiency, never stop learning and keep moving forward.	 <b>Different</b> We respect individual DIFFERENCES and value having DIFFERENTIATED outcomes.
Vision	 <i>We believe finance should be More Friendly, More Secure, More Creative</i>		
Strategic Goal	<b>Proactive measures to create an excellent financial consumer protection environment</b>		
Strategic Direction	<b>To fortify proactive measures to protect financial consumer To create an excellent financial consumer protection environment</b>		
Tasks	<ul style="list-style-type: none"> <li>Proactive measures concerning financial consumer risk factors</li> <li>Strengthening prevention of electronic communication financial fraud</li> <li>Eradicating mis-selling practices from across the Group</li> <li>Enhancing internal controls for financial consumer protection</li> </ul>		
2023 Slogan	<b>Putting customer-centricity at the core of Shinhan</b>		

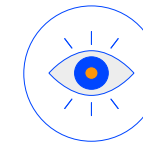
## SFG Joint Campaign for Consumer Protection

In September 2023, 10 subsidiaries of Shinhan Financial Group launched a joint consumer protection campaign. The campaign consisted of three activities: preventing financial fraud, uncovering dormant financial assets, and strengthening internal controls for financial consumers. The campaign helped raise employee awareness about consumer protection, while also providing practical assistance to customers and publicizing the Group's commitment to consumer protection. Shinhan Financial Group is committed to sustaining these campaign activities over time and incorporating them into the consumer protection efforts of all Group subsidiaries.

## Joint Consumer Protection Campaign

**Protect Together**

- Voice phishing prevention drills
- Creating family passcodes
- Voice phishing prevention campaign for young adults

**Find it Together**

- Tracking down dormant financial assets

**Stop it Together**

- Seminars on financial consumer protection laws
- Target checks on the internal controls for the second half of 2023
- Consultation on internal controls related to the Financial Consumer Protection Act

## Featured Case

# Responsibility Map

A Responsibility Map clearly delineates responsibilities (who) for all tasks within a financial company and defines the actual operational procedures (what and how) rather than formal obligations. It articulates the internal control responsibilities and duties of the board of directors, CEO, and executives, empowering executives to effectively implement internal control measures and contribute to the proactive prevention of financial incidents.

Shinhan Financial Group has committed itself to proactively adopting this Responsibility Map to prevent financial incidents and ensure compliance across all business processes via comprehensive internal oversight and verification. Indeed, our 9 subsidiaries are on track to adopt the Responsibility Map by January 2025, well ahead of the deadline for initial submission mandated by the Act on Corporate Governance of Financial Companies. Smaller subsidiaries are also planning to implement internal control enhancement measures equivalent to the Responsibility Map. Preparations are currently underway to draft and apply the Responsibility Map, which will be tailored to the business characteristics of each subsidiary.

## Group-Wide Responsibility Map Governance

Shinhan Bank became the first Korean bank to complete the drafting of its Responsibility Map in May 2023. At present, the bank is developing an implementation system. Similarly, Shinhan Card, Shinhan Securities, and Shinhan Life have also embarked on drafting their own Responsibility Maps,

setting a precedent within their respective sectors.

The adoption of a Responsibility Map in each subsidiary will involve clearly defined authorities for internal controls to effectively activate the three-lines-of-defense system at each stage of the subsidiaries' respective internal control systems. As such, subsidiary CEOs will take charge of the overall management of internal controls, subsidiary BODs will oversee the adequacy of the internal control system's operation, and each executive will be tasked with managing internal control duties within their areas of responsibility.

## Enhancing Internal Control Governance of the Holding Company

The holding company is preparing a new system to support and oversee the effective operation of internal controls within subsidiaries. Enhancing the Group-wide internal control system will empower the holding company to assess the adequacy of internal control operations, monitor implementation progress, and take corrective actions at each subsidiary. Furthermore, the holding company will facilitate an integrated approach to addressing common issues among subsidiaries or significant internal control challenges. This will be achieved by enabling proactive sharing and reporting to the holding company's board of directors, with the aim of developing Group-wide response measures.

## Responsibility Map Governance

### BOD

Oversees the adequacy of the overall operation of internal controls

### CEO

Responsible for drafting the Responsibility Map and overall management of internal controls

### Executives

Responsible for internal controls within their respective areas of responsibility

### Business Groups

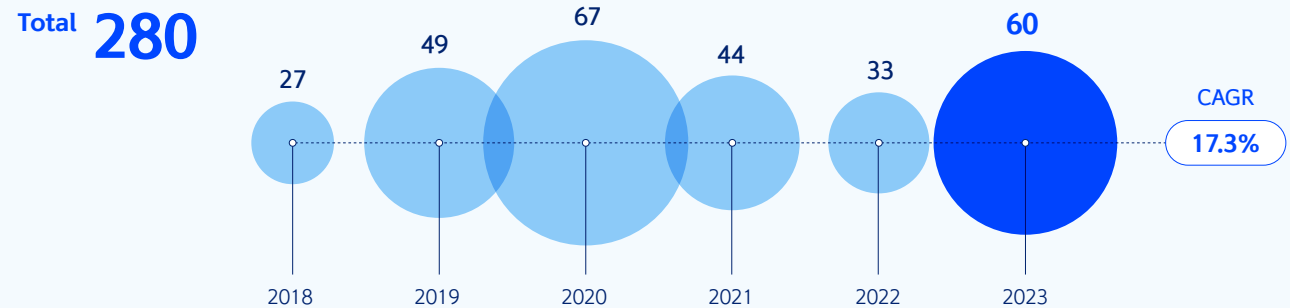
Reviews and examines operational activities from an internal control perspective by identifying and managing risks inherent in business operations

# Human-Led Talent and Shinhan Culture

Our people are the driving force behind implementing strategies and achieving the Group's vision. They are the ones who make it all possible. Shinhan Financial Group is dedicated to consistently enhancing institutional support to ensure that employees feel a sense of accomplishment in their work, achieve personal growth, and enjoy a fulfilling balance between their professional and personal lives. We strive to cultivate a forward-looking culture where sincere cooperation and mutual respect thrive under a fair system, together building one Shinhan.



Number of Participants of Shinhan SHeroes (persons)



Group-Wide Organizational Culture Re-creation Project Launched in 2021

## RE:Boot

### Versatile and Talented People Leading Future Growth

Shinhan Financial Group is dedicated to fostering a dynamic synergy where diverse talents thrive in a fair corporate culture that values individual abilities, irrespective of gender, age, or any other factor. Our aim is to create a virtuous cycle where new business opportunities are discovered and achievements are expanded.

### A Diverse and Inclusive Workplace for All Employees

We have established dedicated organizations and reporting systems to promote a corporate culture that embraces diversity and inclusion. Shinhan's human

resource management policies advocate gender equality and support a healthy work-life balance. Not only the Group but also individual subsidiaries are implementing policies tailored to their respective needs under the same direction. Furthermore, we have implemented measures and committees to prevent unfair discrimination, including committees that address sexual harassment and prevent workplace bullying. At the same time, we maintain an Ombudsman, oversee grievance handling procedures, and run an independent center for employee well-being. Since the declaration of "Shinhan's Commitment to Diversity and Inclusion" in 2021, we have been steadfast in practicing our commitment to diversity and inclusion.

### Nurturing Female Talent and Leaders

Our commitment to gender equality is encapsulated in the Group-wide common principle of C.O.R.E., which has helped reduce gender disparities among managers across the Group by nurturing female leaders. C.O.R.E. is an acronym that stands for “Confidence and pride, Opportunity for growth, Reinforcement of mutual growth and relationships, and Embracing an inclusive culture.”

Since its launch in 2018, Shinhan SHeroes, our industry-first female leader development program, has systematically fostered female leaders through various support programs aimed at cultivating leadership within our female workforce. Shinhan SHeroes has been highly successful in its goal of nurturing more female leaders and creating role models with extensive experience and outstanding leadership skills. It is progressively expanding the size of its leadership group by diversifying the regions and job positions targeted. As of 2023, a total of 280 female future leaders, including the latest sixth group of 60 members, have received support in sharing their vision of growth for themselves and the Group.

The SHeroes program enhances both personal and Group competitiveness by providing opportunities for outstanding female talents to expand their networks and exchange diverse opinions. Through various development programs such as leadership coaching, group mentoring, self-directed learning platforms, and community building, we promote growth and share achievements annually at the Shinhan SHeroes Conference.

At the same time, Shinhan is making every effort to foster a corporate culture that supports the best possible work-life balance and enables female employees to chart a clear career path. Group subsidiaries are being certified as family-friendly workplaces thanks to a range of family-oriented policies, such as promoting block leave of five consecutive days and active paternity leave for male employees. These efforts have led to our inclusion in the Bloomberg Gender-Equality Index (GEI) for five consecutive years since we became the first Korean company named to the list in 2019.

### A Total “RE:Boot” of Corporate Culture

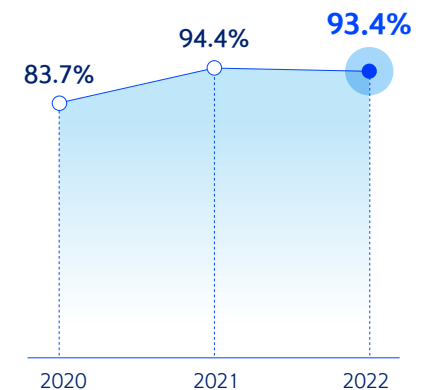
Shinhan Financial Group launched the RE:Boot Shinhan project at the inaugural Shinhan Culture Forum in 2021 to redefine and better Shinhan culture. The name “RE:Boot,” which symbolizes a reboot, reflects our determination to position Shinhan as a leading group in digital finance. The project’s two key strategies are setting a clear direction for the organization to pursue and implementing a system to pursue this direction. We firmly believe that a clearly defined strategy, supported by an appropriate corporate culture, can drive exponential success. With this belief in mind, Shinhan Financial Group has reinterpreted traditional Shinhan culture, which has been in place since the Group’s founding, to align with the digital era. We have also initiated various RE:Boot Shinhan projects aimed at enhancing Shinhan culture from the perspectives of customers, the future, and employees.

### Number of Subsidiaries Participating in the SHeroes Project

# 12

### Post-Parental Leave Employee Retention Rate

# 93.4%



### Selected to the Bloomberg GEI Consecutively from 2019 to 2023

# 5 years

### 2023 Progress with the RE:Boot Shinhan Project

In 2021, we formulated a new vision for the Group and redefined our core values as the guiding principles for all our employees. Shinhan Way 2.0, our new and core value system incorporates diverse opinions from customers and employees to represent values that resonate in the field and are expressed in a simple and intuitive manner, and has since been disseminated to all Shinhan employees in Korea and abroad.

In celebration of the Group's 40th anniversary, the focus of the RE-Boot Project in 2022 was a major transformation of cultural codes (mindset and processes) to adapt to paradigm shifts in the business environment, such as external environments and generational shifts among customers and employees. The second Shinhan Culture

Forum, held to share insights with employees on the project's progress and accomplishments, was a recap of the Group's 40-year history. The forum revealed an official book titled Shinhan's 40 Year History to review Shinhan's past success formula and determine the cultural direction that Shinhan should take based on the opinions of our front-office employees.

In 2023, the Project focused on spreading the Group CEO's management principles and messages across the board. During Culture Week events, a relay lecture program took place in which the Group CEO interacted with employees to communicate and share business goals. Additionally, a code of conduct for leaders' actions was established to ensure the spread of Shinhan Culture throughout the organization.





[Group Business Overview](#)[Retail Banking](#)[Corporate & Investment Banking](#)[Insurance & Asset Management](#)[International Business](#)

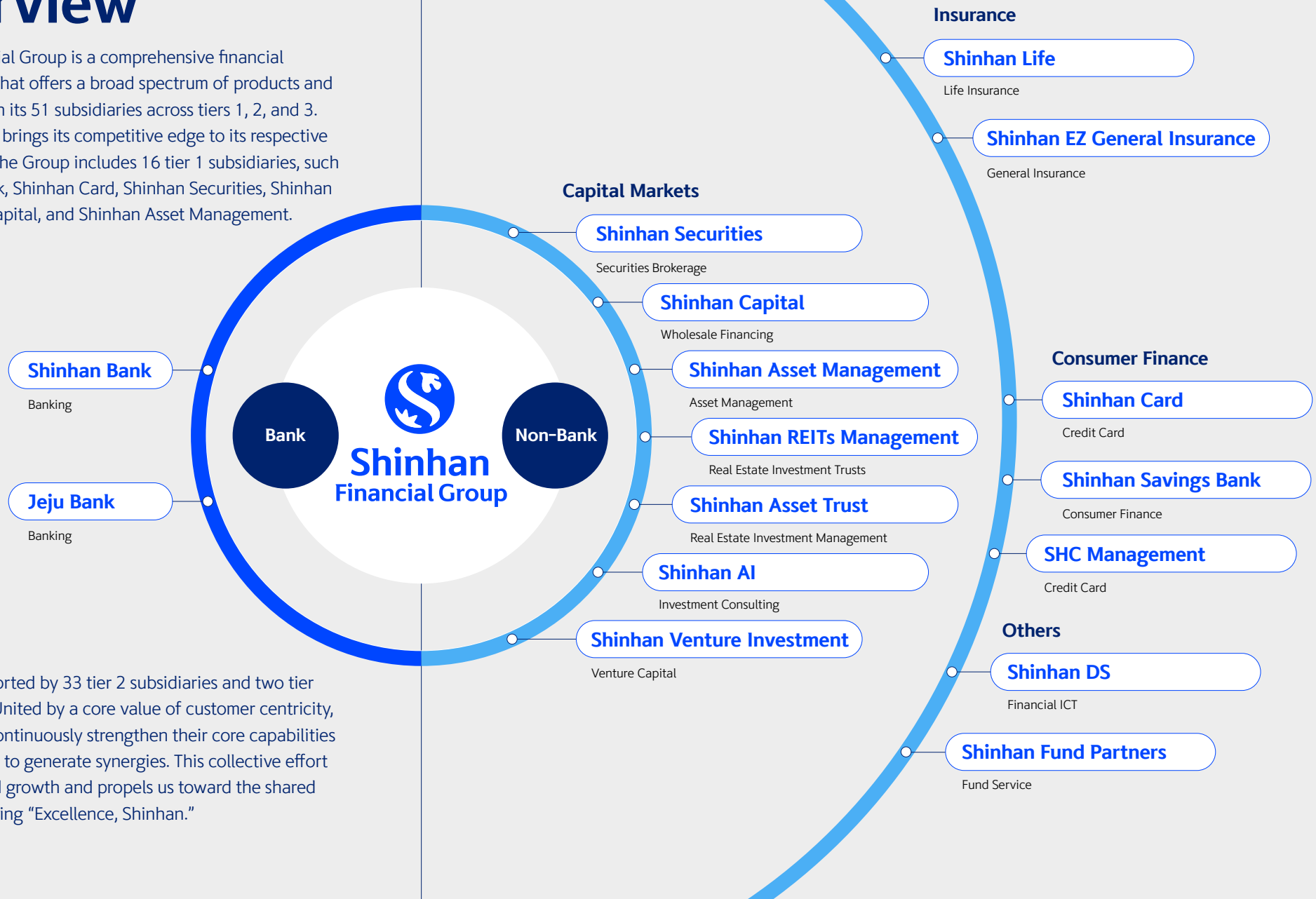
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# BUSINESS OPERATIONS



# Group Business Overview

Shinhan Financial Group is a comprehensive financial services group that offers a broad spectrum of products and services through its 51 subsidiaries across tiers 1, 2, and 3. Each subsidiary brings its competitive edge to its respective business area. The Group includes 16 tier 1 subsidiaries, such as Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Shinhan Capital, and Shinhan Asset Management.



These are supported by 33 tier 2 subsidiaries and two tier 3 subsidiaries. United by a core value of customer centricity, these entities continuously strengthen their core capabilities and collaborate to generate synergies. This collective effort drives sustained growth and propels us toward the shared vision of achieving "Excellence, Shinhan."

| Snapshot |

# Retail Banking

Shinhan Financial Group excels in providing optimal financial solutions to retail and SME customers, with Shinhan Bank and Shinhan Card at the forefront. They design and deliver an array of products and services across retail banking, payments, and SME support projects. Operating under a synergistic model, they closely collaborate and draw on the strengths of their respective sectors, aligning meticulously with customer needs to maximize convenience and satisfaction.

In 2023, Shinhan Bank's retail customer base expanded by 383,000 to 27,172,000, achieving balanced performance across all areas through strategic initiatives. The bank focused on reinforcing core competencies and actively engaging customers at every life stage. Efforts included attracting younger customers by leveraging its channel competitiveness, expanding the number of salary account holders via Group-wide cross-selling and third-party affiliations, proactively marketing pension products, and launching specialized products and services aimed at elderly customers.

For 2024, Shinhan Bank pursues the establishment of strategic objectives focused on fundamental fidelity and trust reinforcement under the direction of customer centricity.

To that end, Shinhan Bank plans to implement four initiatives: targeted growth and data-driven segmentation of three primary customer demographics (future generations, working professionals, and seniors), creating value within its platform business, strategically expanding its FX marketing, and pursuing efficient asset growth to fortify its funding base.

Meanwhile, Shinhan Card's integrated membership base continued to grow, increasing from 30,157,000 in 2022 to 31,631,000 in 2023. After successfully rolling out its "Deep Value" strategy, the company sustained its leadership in the payment market by delivering unique customer experiences, transitioning towards a Multi-Finance Company through asset portfolio optimization, and evolving into a digital and data-engineered platform.

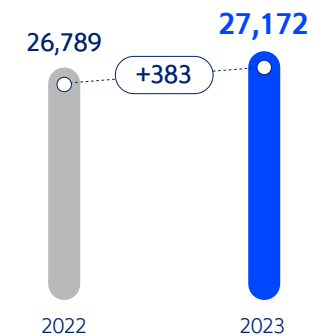
In the face of ongoing uncertainty stemming from prolonged high interest rates and inflation and lingering domestic and international real estate risks in 2024, Shinhan Card is pursuing a "Triple 1" strategy to secure the foundation for sustained growth while striving to become the undisputed No. 1 company for the market, customers, and employees.



## 2023 Highlights

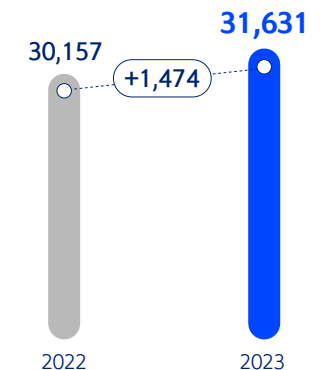
### Shinhan Bank Retail Customer Base

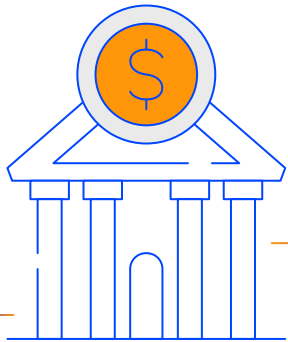
(in thousands)



### Shinhan Card Integrated Membership Holders

(in thousands)





## Retail Banking \_01

# Retail Banking

Shinhan Bank's Retail Division aspires to be an "Everywhere Bank," providing the most suitable and distinctive financial solutions at the very heart of customers' daily lives. With the aim of enhancing customer accessibility and broadening its appeal across diverse age groups, the bank has built upon its progress in 2023 to further transform into a more customer-engaged organization in 2024, fully committed to addressing customer needs with sincerity.

## Key Performance Results in 2023

The year 2023 presented a challenging business environment and was marked by a net population decrease in Korea due to low birth rates, a real estate market downturn, continued interest rate hikes, and heightened social demands on banks. In the face of such adversities, Shinhan Bank's Retail Division pursued a life cycle-specific preemptive strategy to increase its core customer base, adopting a long-term perspective to prepare for the future and address current challenges.

## Attracting Future Generations through Channel Competitiveness

Shinhan Bank has launched new services tailored to youth customers, such as the 'Pre-registration Service from Birth' and 'Little Shinhan' services, while upgrading the Pre-Written Minor AccountService' originally introduced in 2022. By offering vouchers for new accounts in subscriptions and securities, the bank successfully improved its transaction retention rate.

It also expanded its outreach to young adult customers through targeted marketing efforts in schools and universities and by drawing on its institutional partnerships already in place. Furthermore, Shinhan Bank secured a solid customer base through targeted products and marketing strategies tailored for young adults, leveraging external partnerships, such as its KBO sponsorship, PayCo, as well as government policy initiatives like the Seoul Youth Allowance. These initiatives culminated in a significant increase of 100,000 youth customers and 200,000 customers in their twenties, with a net increase of 52,000 in active young customer base, securing our future customer base.

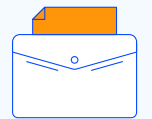
## Net Increase in Active Young Customer Base (in thousands)

# +52.0



## Salary Club Members (in thousands)

# +265.0



## Enhancing Engagement with Salaried Customers through Cross-Selling

Shinhan Bank revamped its 'Salary Club,' a membership exclusively for salary account holders, and introduced tiered rewards for first-salary recipients, thus reinforcing its customer retention. The bank also strengthened the competitiveness of its credit loan interest offerings for affiliated companies to activate employee transactions.

At the same time, it launched online loan offerings exclusively for companies affiliated with Seoul Guarantee Insurance to attract salaried customers. Enhanced on-site collaboration between relationship managers (RMs) and retail relationship managers (RRMs) and preferential

interest rates for the loan transfer program helped secure demand-focused loan customers. As a result, 'Salary Club' membership increased by 265,000 from the previous year, and salary account-holding customers grew by 91,000 to 2.57 million.

### Expanding the Senior Customer Base through Pension Marketing

Shinhan Bank intensified its efforts to attract senior customers by concentrating its marketing on the four major public pension accounts. Initiatives included promotional events for transferring pension accounts from other banks, and specialized training for the sales force.

Furthermore, Shinhan Bank launched the 'Pension Lounge' service on the SOL Bank app, and strengthened customer solutions through the enhancement of competitiveness in Group products such as senior-specialized cards. In order to attract individual taxi drivers, who comprise a significant portion of senior customers, Shinhan Bank conducted marketing efforts to change payment accounts through partnerships with taxi unions and Kakao Mobility.

#### **Pension-Receiving Customers**

(in thousands)

# +70.0



Additionally, to increase the uptake of Shinhan Bank's specialized taxi loan, 'My Taxi Happiness Loan,' Shinhan Bank supported the linkage between gas stations and Shinhan Bank branches. In addition, a pilot project was implemented with the Korea Housing Finance Corporation to expand consultations and applications for reverse mortgages. In all, these efforts helped develop the bank's reach to senior customers, increasing pension-receiving customers by 70,000 from the previous year to 587,000.

### Plans for 2024

According to many experts, the outlook for 2024 indicates slowing growth in the domestic market, which we believe calls for a bold pivoting to a different growth model. Keenly aware of this fact, Shinhan Bank aims to establish an 'Excellence' retail operation by driving substantive changes focused on providing distinctive solutions.

This entails the three key objectives: strengthening the core business through customer engagement; creating value in the Biz Platform, including deriving strategic FX marketing solutions; and pursuing efficient asset growth and funding base enhancement.

### Data-Driven Core Customer Group Growth Enhancement

Shinhan Bank plans to strengthen its retail base centered on the three core customer groups—future generations, working professionals, and seniors—to increase its active customer base. For future generations, customer needs will be identified through life cycle-specific data analysis

of everyone from infants to middle and high school and college students, deriving solutions based on key transaction factors to improve the retention rate.

For working professionals, total financial solutions will be provided to companies and employees to attract both corporate and retail customers, and supported by a shift to a new team-based sales approach. For senior customers, financial solutions and re-employment marketing strategies will be targeted at those struggling with cash flow post-retirement, while we will also continue our marketing efforts for both credit cards and pension-receiving accounts simultaneously as key transaction factors for senior transactions.

### Value Creation in Our Biz Platform and Strategic FX Marketing

We will strengthen partnerships with big tech firms and drive the expansion of customer inflow to our bank through internal and external platforms. To achieve this, we will stimulate active transactions with the bank through targeted marketing based on data analysis from incoming customers.

As travel restrictions ease and the appetite for international travel rebounds in the wake of the pandemic, we have observed a significant upsurge in demand for foreign currency exchanges. Aligning with this trend, the adoption of digital wallets—where customers preload foreign currencies on their debit/credit cards for easy withdrawals and payments overseas—has surged in popularity. In response, we are launching an aggressive marketing



initiative centered on the SOL Travel Card, which was introduced in February 2024. This campaign is designed to attract a vibrant demographic of customers in their 20s and 30s who seek currency exchange services.

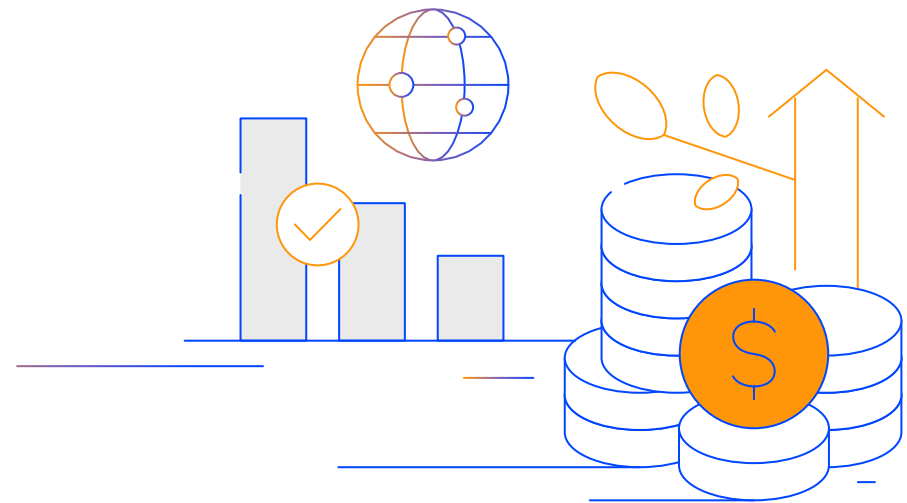
#### **Efficient Asset Growth and Fortifying Our Funding Base**

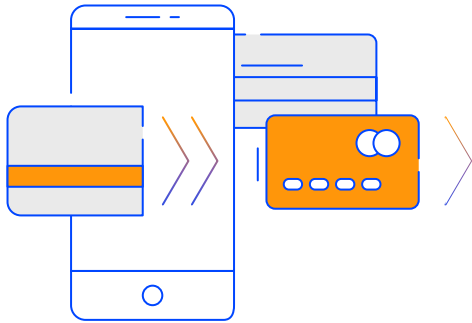
Since late 2021, and in response to escalating interest rates and associated credit risks, Shinhan Bank has strategically been focusing on a growth strategy centered on prime assets to proactively mitigate these risks.

For 2024, this strategy extends to the agile and timely administration of mortgage and *jeonse* loans, which are squarely aimed at bolstering housing stability and catering to genuine funding needs, while also judiciously considering risk-weighted assets. For collective loans for

real estate, we plan to pursue selective bidding strategies in consideration of current real estate market developments. For unsecured personal loans, we aim to expand our pool of premium borrowers through our total financial solutions.

Lastly, strengthening our funding base will be a key to enhancing our operational competitiveness. This involves the expansion of our core customer base and support for payment/settlement transaction solutions to broaden our liquidity pipeline. Starting in February, a key initiative will focus on actively promoting transactions centered on youth-specific products and onboarding new clientele, with the aim of significantly minimizing churn rates upon the maturity of Youth Hope Savings accounts and ultimately achieving zero departures at this critical juncture.





## Retail Banking \_02

# Consumer Finance

Under the vision of “Connect More, Create the Most,” Shinhan Card is not only harnessing its distinctive strengths and expertise to cultivate more connections but also sharing unparalleled value with customers. In an operating landscape fraught with uncertainties, Shinhan Card remains committed to reinforcing its core business foundation, embarking on a steady transformation into a premier life & finance platform company.

## Key Performance Results in 2023

In 2023, Shinhan Card rolled out its ‘Deep Value’ strategy, which is designed to navigate through multifaceted crises by crafting distinct value that meets the evolving needs of customers, society, and the environment, and a strategy built on our deeply rooted capabilities. This approach yielded impressive results across all business areas, notably earning a Presidential Citation at the Digital Management Innovation Awards and achieving the “triple crown” in brand value assessment for the 12th consecutive year—a testament to its unparalleled corporate value within the industry.

## Strengthening Leadership in the Payment Market

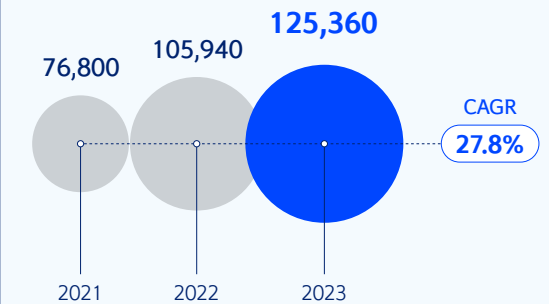
Driven by its trend-setting credit card product lineup and sophisticated marketing channels, Shinhan Card has amassed an integrated membership of 31.63 million. We have also secured the top position in the domestic platform arena, not just in the credit card sector but across platform services as well, with an integrated MAU figure now exceeding 12.53 million.

This was facilitated by fostering connections and expanding services between financial and non-financial platforms, including Shinhan SOL Pay, All That, and MyCar, thus affirming our leadership position.

## Transformation into a Multi-Finance Company

In line with the shifting market landscape, Shinhan Card strategically realigned its auto finance asset portfolio towards more profitable avenues. Furthermore, to overcome the growth constraints of traditional financial products

## Integrated Platform MAU (in thousands)



## Shinhan SOL Pay MAU (in thousands)

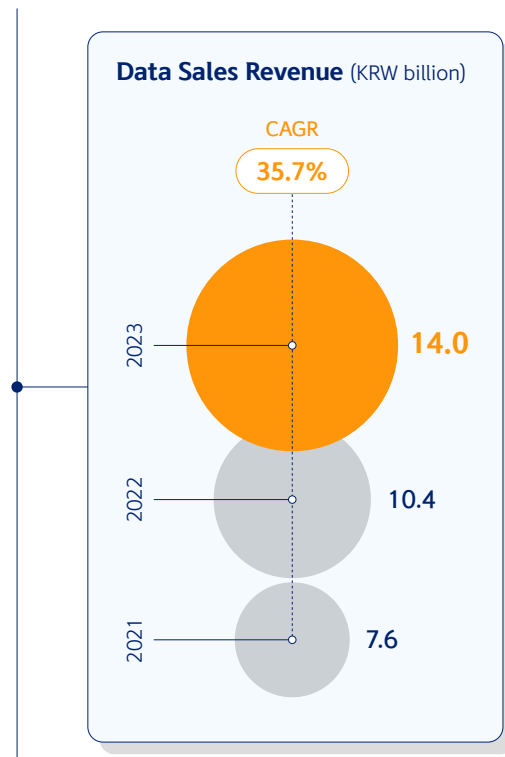


such as credit card loans, we proactively expanded our new financial asset portfolio, including unsecured personal loans and corporate loans.

This expansion was part of a broader diversification strategy that included enhancing the data business sector, fortifying collaboration efforts with the subsidiary Shinhan Credit Information, and diversifying our global growth efforts.

### Evolution into a Platform Company

Leveraging our unrivaled data analytical prowess, Shinhan Card achieved annual data sales revenue of KRW 14 billion in 2023. We reinforced our leading position in the database market through the continuous expansion of the GranData private data dam project and the successful launch of Shinhan Financial Group's data dam Shinhan One Data center. Additionally, the platform business significantly contributed to our core business operations, generating KRW 563.5 billion in digital operating profits and KRW 86.5 billion in digital cost savings.



### Plans for 2024

In 2024, a challenging domestic and international business environment is anticipated, one that will be characterized by prolonged high interest rates and inflation, as well as persistent real estate risks both domestically and internationally, leading to continued uncertainty and increased volatility. In response, Shinhan Card aims to proactively address these challenges with its “Triple 1” strategy, aiming to become the unequivocal No. 1 company for the market, customers, and employees by overcoming the upcoming challenges and laying a foundation for sustained growth into the next decade.

#### Transform

Shinhan Card seeks to elevate the quality of our membership and credit card sales structure, pre-empting the future customer base. This entails optimizing our customer engagement and sales channels to maximize resource utilization, while also enhancing the core business contribution of Shinhan SOL Pay and bolstering our standing in the digital payment business market.

#### Reframe

Our objective is to refine our financial lending business's asset portfolio, incorporating innovative marketing strategies that draw on memberships, databases, and AI. We will focus on profitability within our auto finance segment, strengthening our B2B and B2G ventures, and foster greater collaboration across the Shinhan Financial Group.

#### Increase

By boosting the competitiveness of our digital and data-

driven business, we aim to amplify our core contributions and secure new growth momentum through the introduction of new revenue streams such as Payment as a Service (PaaS). At the same time, a systematic “Go&Stop” approach will guide selective investments and restructuring within our digital domain for optimal efficiency.

#### Progress

In addition, we will ensure the stability and growth of our overseas subsidiaries, seizing new growth opportunities through strategic partnerships and joint ventures with local companies. Strengthening our international business capabilities and infrastructure will also be key, and will be supported by seamless collaboration between local subsidiaries and our headquarters.

#### Leverage

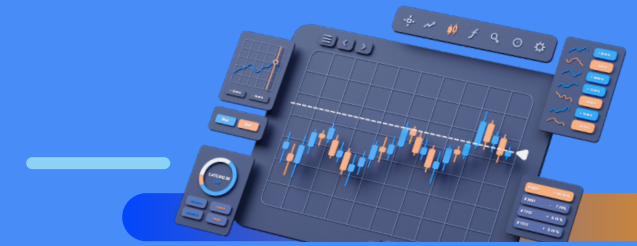
In response to evolving challenges, we are committed to developing our HR system and fostering a constructive organizational culture that supports mutual growth. Moreover, we will innovate our organizational systems to hone our digital and data competencies.

#### Enforce

Proactive risk management and internal control enhancements form the core of our strategy to navigate uncertainties. This includes championing carbon-neutral initiatives, exploring sustainable financial business models, and expanding our cooperative finance and social contribution efforts, all of which are underpinned by a robust ESG framework.

| Snapshot |

# Corporate & Investment Banking



Shinhan Financial Group's subsidiaries leverage their expertise in banking, brokerage, capital, asset trusts, REITs, and venture investments to generate Group-wide synergies in corporate & investment banking (CIB) operations.

Faced with challenging market conditions in 2023, including rising interest rates and a downturn in the real estate market, our focus intensified on proactive risk management and the expansion of efficiency-driven investments. In capital-intensive areas such as domestic and international real estate, we fastidiously monitored our exposure and risky assets, selectively directing investments into profitable deals to safeguard the soundness of our asset portfolio. By adopting a capital efficiency approach, we strategically scaled down operations in less profitable business areas given the risks involved, while intensifying our efforts in capital-light segments like equity capital markets (ECM) and debt capital markets (DCM) to enhance our performance results.

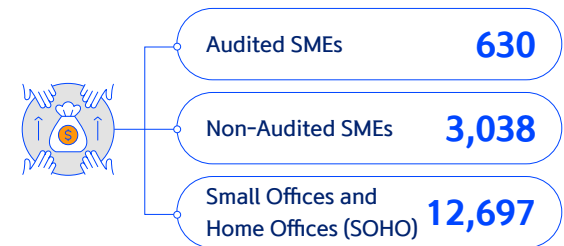
Continuing with this strategic direction in 2024, we will channel Group-wide resources into the key initiatives of traditional investment banking (IB), real estate, and

alternative investments, as well as nurture the venture ecosystem. In traditional IB operations, our subsidiaries will collaborate to identify the needs of corporate customers and proactively deliver tailored financial solutions, including rights offerings, IPOs, bond issuances, and loan support. Furthermore, we will build on our recent successes in DCM to expand our ECM market share, with our goal being to reinforce our foundation to become an IB powerhouse.

We will also focus on investing primarily in high-potential deals, considering both the soundness and growth prospects from a balanced perspective, as alternative investments and real estate are expected to face industry-wide challenges and significantly constraints from a risk-weighted asset (RWA) standpoint. We also plan to explore new opportunities like data center projects and mixed-use developments that redevelop urban areas. To foster the venture ecosystem, our existing venture investment platforms—the Shinhan Strategic Investment (SI) Fund and Shinhan Future's Lab—will expand their support to provide venture firms with timely financial solutions for investment, business collaboration opportunities, and IPOs, thereby fostering mutual growth.

## 2023 Highlights

### Corporate Banking New Prime Customers in Corporate Banking (in thousands)



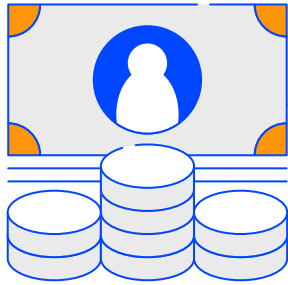
\*. Internal ratings BBB+ and above, the number of companies

### Shinhan Investment & Securities Equity Capital (KRW billion)



### Shinhan Capital Net Profit (KRW billion)





## Corporate & Investment Banking \_01

# Corporate Banking

Shinhan Financial Group's Corporate Banking (CB) Division harnesses the Group's IB capabilities and profound corporate finance experience to provide financial services finely tuned to the evolving needs of businesses amid current market changes. Throughout 2023, the CB Division focused on expanding the core customer base and digital service offerings. As we progress into 2024, our goal is to continually strengthen Shinhan's unique expertise and distinction as a corporate banking service provider, all while staying rooted in mutual trust.

### Key Performance Results in 2023

Facing increasing uncertainties in 2023, both domestically and internationally, along with heightened competition, we worked diligently to strengthen our core customer base, accelerate digital transformation, and develop future business capabilities under the strategic goal of "Strategic Growth Towards No. 1! Developing Distinctive Capabilities for 'Excellence'."

### Strengthening the Core Customer Base

Our past year's growth strategy, which was centered on high-quality assets, resulted in not only quantitative growth but also qualitative growth substantially. Through various marketing strategies, including customized services tailored to each stage of business growth, we locked in over 50,000 medium-sized corporate borrowers, with loans exceeding KRW 100 million and ranking first among commercial banks in terms of SME loans. Additionally, we attracted 630 audited and 3,038 non-audited SMEs as new customer, achieving prime asset-oriented sizeable growth—the key behind future competitiveness and the source of growth drivers for corporate banking operations.

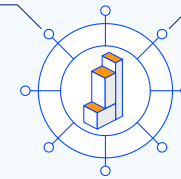
To ensure efficient asset management and sustainable profitability, we also enhanced our loan support system based on overall profitability, achieving proper earnings through robust asset growth and increased liquidity.

#### New Prime Corporate Customer Base (companies)

# 16,365

Audited &  
Non-Audited  
SMEs

# 3,668

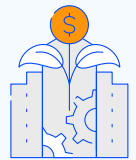


Small Offices and  
Home Offices  
(SOHO)

# 12,697

#### SME Borrowers with Loans Over KRW 100 Million (companies)

# 51,135

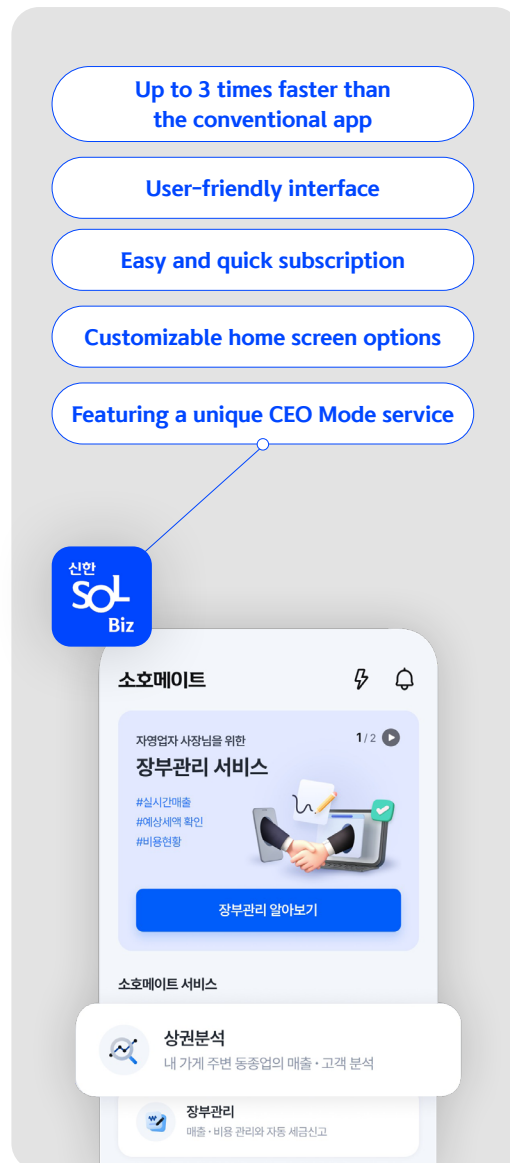


### Digital Paradigm Shift

Our digital paradigm shift initiative focused not only on streamlining core business operations from the perspective of customers and employees but also on securing a competitive edge. Efforts to enhance customer convenience and operational efficiency at the branch level included improving the digital credit review application process, expanding the coverage of digital corporate FX operations, and introducing a digital completion process for regional credit guarantee foundations. Furthermore, we strengthened our platform competitiveness by upgrading SOL Biz, our banking platform for corporate customers, and by launching SOHO Mate, a finance-embedded corporate service for SOHO owners, thus expanding our customer inflow channels through the platform.



## Launch of the New SOL Biz App



## Developing Future Business Capabilities

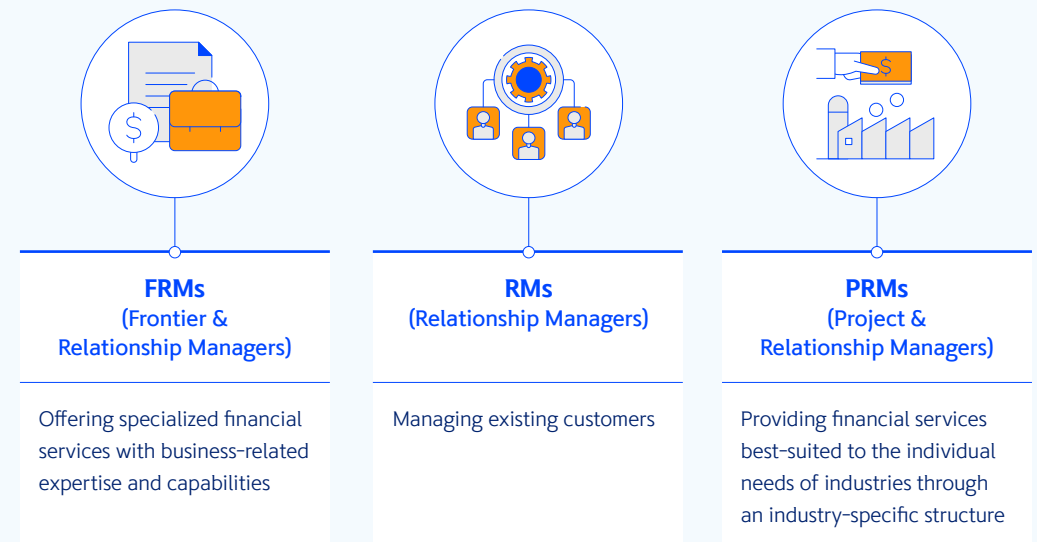
Introduced in 2023, the role of new frontier & relationship managers (FRM) has been crucial in strengthening new customer acquisition, while branch relationship managers (RM) have focused on enhancing existing customer engagement, thus boosting sales competitiveness.

At the same time, we reorganized the operations structure, going from a regional project & relationship managers (PRM) framework to an industry-specific PRM setup, promoting RMs' expertise in their respective industries. Under a three-cell structure, 10 industries were organized for efficient industry-specific PRM marketing processes through collaboration with related departments, providing

specialized financial services tailored to the specific needs of each industry.

Committed to reinforcing our ESG management practices, we also expanded our green finance portfolio by launching new products in collaboration with the Ministry of Environment, enhanced our ESG consulting services for client companies, and supported a wide range of methods to reduce financed emissions, thereby driving the establishment and expansion of ESG finance across the Group's ecosystem.

## Customer-Centric Professional Sales System



## Plans for 2024

In 2024, the Corporate Banking Division has set its strategic goal as “Customer-Focused Total Solution Provider, ‘Excellence’ in Corporate Banking.” This slogan reflects our commitment to navigating the challenges of a stagnant market environment in a low-growth era and striving for distinctive growth that disrupts conventional competitive frameworks. In line with this goal, we have come up with three detailed action plans: TO BE THE BEST (strengthening the core customer base for cross-selling opportunities); TO BE UNIQUE (establishing Shinhan’s unique identity through innovative solutions); and TO BE IN HARMONY (harmonizing our operations with society and the environment).

### TO BE THE BEST

To strengthen the core customer base for cross-selling opportunities, we will engage in aggressive marketing efforts aimed at national strategic advanced industries, cutting-edge biotech sectors, and materials, components, and equipment industries. We will also develop specialized products to attract tenant companies of the new government-sponsored specialized complexes for advanced strategic industries. Additionally, in support of the newly introduced RM One Team program, we are setting up a key-person management process to ensure that One Team synergies deliver optimal solutions.

### TO BE UNIQUE

The launch of the Shinhan S.O.L Cluster marks our commitment to establishing Shinhan’s unique identity through innovative solutions. This cluster is a collaborative organization between the back and front office operations,

identifying hubs that require strategic portfolio expansion and dispatching field-driven collaborative resources to provide comprehensive solutions. This will help foster an environment conducive to mutual growth between Shinhan and future growth enterprises.

In addition, while presenting our loan offerings on third-party loan comparison platforms, we will develop our own digital platform to induce more customer influx via online channels. With Shinhan’s loan products currently available on Naver Pay and Toss, we will take advantage of our presence on these big tech platforms to expand our customer touchpoints, enhancing the competitiveness of our digital products through constant monitoring and product upgrades. Also in the pipeline for 2024 is a loan comparison platform for SOHO owners. On top of all this, we will reinforce our own platform by introducing platform-exclusive new products as we expand our financial partnerships.

### TO BE HARMONY

In 2024, we aim to harmonize our operations with society and the environment to achieve ‘Excellence’ in corporate banking. To ensure high-quality services with our front office operations, we will introduce competency-building programs and provide customized consulting services to corporate clients. In fulfilling the bank’s social responsibilities, we will also enhance our comprehensive support for SOHO owners with a specialized class at our SOHO Business School for young entrepreneurs, while at the same time adding non-financial services such as the SOHO Mate bookkeeping service.

In anticipation of the Carbon Border Adjustment Mechanism (CBAM), slated for implementation in 2026, we plan to launch specialized financial products for high-carbon industries and diversify ESG consulting channels to spearhead green finance. This initiative aims to motivate our corporate clients to actively participate in and support ESG initiatives.



## Corporate & Investment Banking \_02

# Brokerage & Securities

As the anchor of the Group's capital markets businesses, Shinhan Securities constantly enhances its competitiveness and business fundamentals as a trusted brokerage house that grows alongside its clients. Despite a challenging business environment in 2023, significant achievements in WM and DCM operations laid a strong foundation for future growth. In 2024, we are committed to translating this solid groundwork into substantial results and continuing to move forward with our customer-centric growth.

### Key Performance Results in 2023

Even amidst an economic slowdown and high inflation in 2023, we navigated difficult domestic and international conditions to strengthen customer trust, guided by four strategic directions—tapping the corporate customer ecosystem, building competencies to become an IB powerhouse, spearheading digital innovation, and adhering to our core principles.

As a result, the GMS Group maintained its top-tier status based on solid returns from fixed-income investments, with its ranking improving in both the DCM and ECM sectors. Nevertheless, net profit declined from the previous year, eroded by deteriorating real estate risks and the resultant increase in provisioning and valuation losses to hedge those risks.

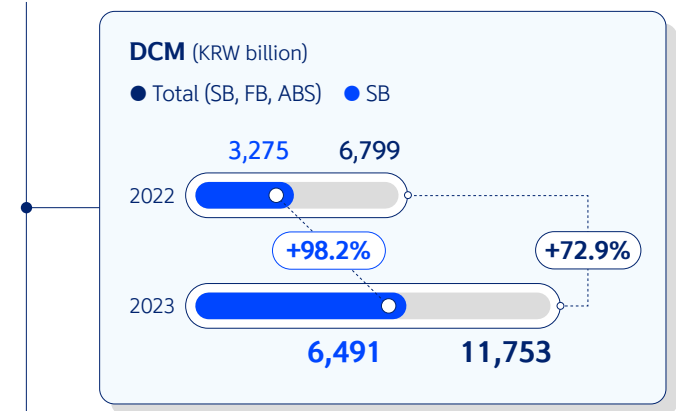
### Tapping the Corporate Customer Ecosystem

Shinhan's Wealth Management (WM) Division expanded its base of high-net-worth (HNW) and corporate customers by offering differentiated products and services and strengthening corporate network marketing. We also intensified WM-IB cross-selling through tailored solutions based on corporate needs, thereby expanding the synergies between our retail operations and IB business sectors.

### Building Competencies as an IB Powerhouse

The GIB Group cemented its position as a top-tier player in the traditional IB market by boosting its sales efforts towards large corporate customers and fostering Group-wide collaboration, thus raising our DCM and ECM market share.

To diversify our revenue sources and secure a future growth foundation, we have increased investments in promising startups and expanded our networking with venture capital and private equity funds. Additionally, we are constantly expanding our international business operations. Our subsidiaries in Indonesia are striving to bolster their market influence, while those in Vietnam are enhancing their retail operations through strategic local collaboration initiatives, particularly with local fintech firms.



### Spearheading Digital Innovation

We are proactively gearing up for a digital-led future, focusing on strategic investments in blockchain and digital healthcare, and launching a security token offerings (STO) platform to capture a competitive edge in the digital asset market. We are also heightening our digital competitiveness from internal systems to customer interfaces, increasing financial product offerings through mobile platforms, and improving app functionalities to enhance the overall customer experience.

At the same time, our adoption of cloud systems across operations and mobile trading systems (MTS) supports various applications. Furthermore, we are expanding our customer base and advancing our open platform initiatives, which provide modular financial service technologies to fintech and startup firms.

### **Adhering to Core Principles**

We drive corporate culture improvements and increase organizational efficiency through strategic downsizing and restructuring. Our focus remains on optimizing capital allocation based on a thorough risk and profitability analysis of each business line. Furthermore, we are committed to ESG management by reducing carbon emissions, hosting ESG forums for corporate customers, and engaging in diverse CSR activities.

### **Plans for 2024**

For 2024, Shinhan Securities is focused on achieving growth centered on customers, sales, and efficiency. Our priorities are accelerating innovation in retail WM operations, expanding our competitive edge in capital markets, and transitioning into a tech-driven company. Key initiatives include establishing leadership in fixed-income/ETFs, solidifying a top 3 position in ECM and DCM, and securing new growth engines through technology partnerships and business innovation. We will also bolster risk management, improve internal controls, and continue our commitment to ESG practices to ensure sustainable growth.

### **Securing Top Market Positions in Fixed-Income/ETFs**

We aim to offer unique WM services by enhancing our fixed-income and ETF solutions and boosting our WM consulting capabilities. By diversifying our fixed-income offerings to cover the varied needs of customers, from HNW to mass market clients, we will take advantage of high interest rates to significantly expand the supply of premium corporate bonds, government bonds, and hybrid bonds. In addition, we will strengthen our tax-saving bond lineup to meet the demands of HNW clients and distribute our bonds across an array of platform apps to broaden digital touchpoints with customers.

For ETFs, we will offer a simplified investment tool based on a pre-packaged solution. A pre-packaged solution is a digital WM service that bundles various ETFs and products into one package tailored to the customer's risk profile. As such, we will promote our ETF offerings as a convenient investment option across various areas, such as DC/IRP, pension savings, and ISAs.

### **Solidifying a Top 3 Position in ECM and DCM**

With respect to DCM, we plan to strengthen our strategic marketing and have it centered on Korea's top 20 large corporate groups. We will also expand C-level marketing and collaborate with Shinhan Bank to increase our influence over these corporations. Additionally, we will solicit growth sector businesses to diversify our corporate client base by assigning dedicated RMs.

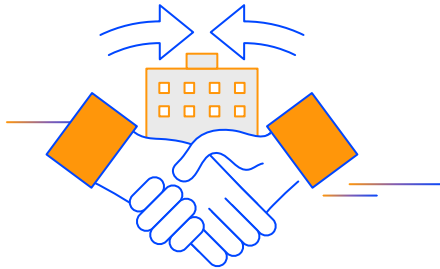
In terms of ECM, we will make it our mission to better understand customer needs and enhance our analysis of

deal cases for each client to maximize their satisfaction. Our approach includes recruiting top external talents and leveraging in-house talent through internal contests to bolster our competitiveness and drive innovation.

### **Securing New Growth Engines through Technology Partnerships and Business Innovation**

We plan to expand our customer base through partnerships with tech firms and enhance the competitiveness of our platform using AI technologies. This includes services like AI-powered automatic translation of disclosures and news released in foreign languages, providing high-quality investment information while integrating our solutions with those of leading tech firms on numerous platforms to expand customer touchpoints.

Organizational and operational process innovation will continue to drive tech-driven businesses forward. A scrum-based organizational system will be at the forefront of this innovation, drawing on a technology-push strategy that defines our core technologies and the customer value they can create.



### Corporate & Investment Banking \_03

## Wholesale & Financing

Shinhan Capital has solidified its identity as a specialist in corporate & investment banking (CIB), consolidating its role as a pivotal deal maker in the mid-risk market. Indeed, we have now positioned ourselves as a major market player through systematic asset quality management and sophisticated risk management, enabling quick and diverse portfolio strategies to secure future growth engines. In 2023, we expanded our capabilities in core businesses and actively pursued growth sectors to continue on our current growth trajectory. For 2024, we plan to further strengthen our expertise and reorganize our internal systems and culture, aiming to carry out fundamental improvements across the company.

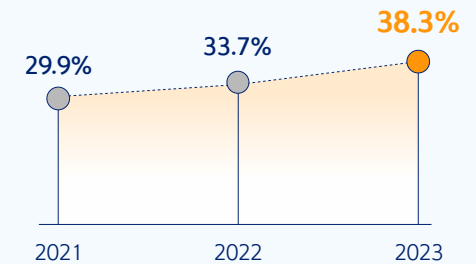
### Key Performance Results in 2023

In 2023, Shinhan Capital innovatively responded to complex crises, such as the onset of the multi-dilemma era and increased regulatory limits in real estate/construction, to turn crises into opportunities under the strategic goal of "Deep Innovation." This approach led us to realize historic-high performance results, even in the midst of an unfavorable business environment.

### Strengthening Core Business Capabilities

We strategically expanded our offerings in structured/securitized products centered on acquisition finance to pursue a stable revenue stream from a balanced business domain and proactive risk management. We also increased investments based on our expertise and diversified our offerings in the mezzanine market, firmly establishing our leading market position.

### IB Percentage of the Asset Portfolio



Lastly, we advanced our asset allocation strategy, selectively handling highly profitable assets based on a database built on years of accumulated know-how and networks.

### Expanding Growth Businesses

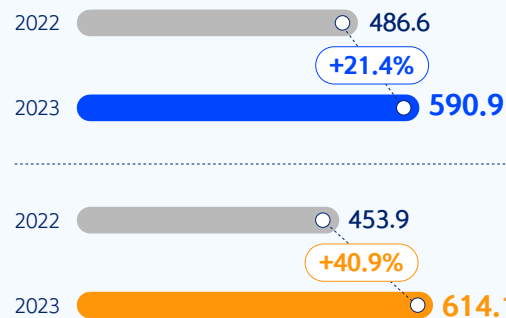
Throughout 2023, we strategically diversified our investment portfolio strategies by sector, product, and duration to enhance our swift adaptation to the changes going on in market circumstances. We also developed a data mart, refining the database usable in operations and further focusing on management and risk management based on this data.

### Organizational Restructuring

We not only revamped the organizational structure to better reflect product characteristics and maximize collaboration and expertise among investment divisions but also expanded our role as a general partner (GP) and a limited partner (LP) within the Group.

### Operating Income (KRW billion)

● Interest Income ● Non-interest Income





We also streamlined the front-middle-back functions to enhance the checks and collaboration systems across our operations. As adequate internal controls have become more critical than ever, we segmented our operational groups to sophisticate the internal control system at the operational group level.

### **Initiating a Unique Corporate Culture**

In addition, we focused on stabilizing the new personnel system that was introduced to develop an IB-suitable corporate culture. We worked tirelessly to realize the core values of what we term “Right, Nimble, and Different.” In Fact, we strengthened the system employed to nurture experts in various fields to build a unique corporate culture based on expertise while also operating various communication channels, such as forums on the humanities, to drive continuous cultural innovation.

### **Plans for 2024**

In 2024, as complex crises are expected to persist with continuous low growth and high interest rates, along with strengthened capital regulations, Shinhan Capital, which has grown rapidly since its transformation into a CIB-specialized finance company in 2020, sees the necessity for fundamental changes to ensure its survival and sustained growth. We have therefore set a strategic goal which we call “STEP-UP 2024: Structural Reform” and plan to implement four key initiatives:

#### **Instituting Unique Specialty Domains**

To build specialty domains with a clear competitive

advantage, we will strengthen our portfolio rebalancing framework to respond to market changes and facilitate proactive risk management. We also plan to structuralize finance and to expand firm-commitment underwriting to efficiently manage assets and solidify our market position. Finally, we aim to expand our revenue base by discovering new growth sectors, such as national strategic technologies and ESG-related businesses, while continuously increasing selective follow-on investments and investing in promising sectors.

#### **Building a Cooperative Competition System**

We plan to focus on building a cooperative competition system to strengthen One-Shinhan’s competitiveness. To this end, we will heighten collaboration between groups and divisions to expand direct networks, clarify product coverage of each investment division, and bolster the headquarters-level operating system to maximize expertise.

Additionally, we will enhance our data-based analysis and decision-making system, leverage our most agile organizations to respond proactively and timely to market changes, and reinforce a dedicated organization for internal accounting management to ensure a dependable internal control system.

#### **Establishing an Inclusive System**

As a stepping stone to establishing an IB-suitable corporate culture, we are developing an inclusive system by upgrading the operations of our new personnel system and non-face-to-face communication channels. Moreover, we will modernize our IT infrastructure to enhance digital

core capabilities and IT resource efficiency and establish proprietary investment (PI) contests to spread S.A.Q. Culture. Lastly, we will refine our risk weight (RW) limit allocation and management process to build a capital efficiency-driven growth foundation.

#### **Enhancing IB Solutionist Capabilities**

A new education program will offer various courses tailored to different growth levels to cultivate expertise within our workforce—a key success factor to our goal of establishing a dominant position in the market. Furthermore, we will promote CoP (community of practice) systems for each headquarters to explore new growth areas and operate an in-house expert training program to diversify the profile of our specialist talent pool.

Finally, we plan to improve our legitimacy-based internal control processes and assessments while also regularizing the ‘Compliance Culture Week’ program to internalize compliance practices across the board.

| Snapshot |

# Insurance & Asset Management

Shinhan Financial Group's Insurance and Asset Management (AM) Division oversees all Group-wide insurance development strategies and AM operations. It spearheads transformative shifts to create synergies through collaborative frameworks in liability-driven investments (LDI) for life/non-life insurance, which are entrusted to AM-based core operations.

Throughout 2023, we navigated a complex environment that was characterized by diminished expectations for U.S. interest rate reductions, a domestic interest rate freeze, continued inflationary pressures, real estate PF issues, and overseas commercial real estate challenges. Anchored by our customer-centric management philosophy, our focus was on bolstering sustainable operations. Key initiatives included crafting differentiated sales models within our exclusive and non-exclusive channels through business innovation to enhance our competitive edge, expanding our capabilities in future growth sectors such as ETFs and target date funds (TDFs), and ingraining ESG principles across the board, thereby laying a solid foundation for future growth.

In the insurance business sector, both organizational and sales growth contributed to increasing corporate value, with expanded ETF product lineups and improved AUM performance in the strategic TDF business. Shinhan Life was singled out as the best corporate governance company in the financial company category by the Korea Institute of Corporate Governance and Sustainability (KCGS) for the second consecutive year, while

Shinhan Asset Management expanded its ESG commitment to sustainable finance for the third year running by disseminating shareholder letters concerning carbon-neutrality plans and climate change response inquiries to its portfolio companies.

Elevating our asset management capabilities throughout the insurance portfolio is key to the Group's qualitative growth. From this perspective, we plan to intensify intra-Group collaboration in 2024 to increase the competitive standing of our insurance business lines and to develop cohesive asset management strategies at the Group level.

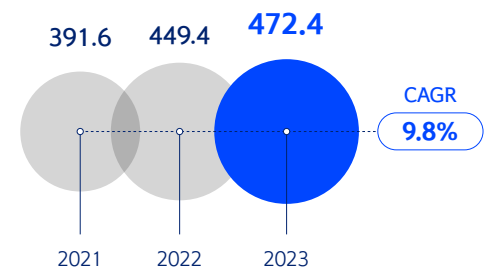
As part of our qualitative growth model, we will refine our discretionary management systems between Shinhan Life and Shinhan Asset Management. This initiative will include recruiting market experts through industry-leading HR practices to foster internal expertise.

Furthermore, in response to demographic shifts characterized by a declining population in Korea, we will accelerate our innovation trajectory, becoming a proactive market-leading product provider by launching customer-oriented products through collaborative efforts between Shinhan Life and Shinhan EZ General Insurance. We are also poised to vigorously pursue new ventures through channel innovation that aligns with our mid- to long-term Group strategies, which includes expanding platforms related to seniors-focused businesses, diversifying global partnerships, and enhancing our general agency (GA) subsidiaries.

## 2023 Highlights

### Shinhan Life's Net Income

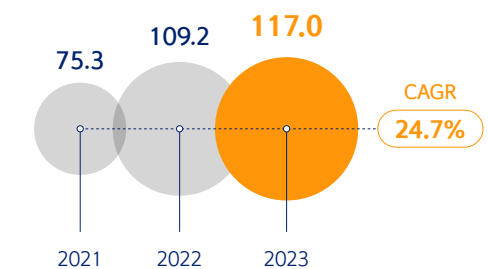
(KRW billion)



\* Net income for 2021 based on IFRS 4 Standards, with net income for 2022 and 2023 based on IFRS 17 Standards

### Shinhan Asset Management's Assets Under Management

(KRW trillion)



\* Based on the total net asset value (NAV) of the integrated entity, Shinhan Asset Management



## Insurance & Asset Management \_01

# Insurance

Guided by its vision of “New Life: Adding New Value to Life,” Shinhan Life continues its steady growth based on the synergies it has achieved from combining core competencies of the former Shinhan Life Insurance and Orange Life. We saw yet another year of significant growth in 2023 from enhanced sales capabilities brought about by company-wide business process innovation and strengthened channel competitiveness. In 2024, we will deliver greater value to all stakeholders and advance towards becoming the very best insurance company in Korea.

### Key Performance Results in 2023

Due to stable international oil prices and a freeze on the base interest rate throughout 2023, the consumer price inflation rate slowed down to some degree. However, the domestic real economy was somewhat sluggish as a result of decreased real purchasing power and significantly high household debt. Meanwhile, in the insurance industry, the emphasis on managing operations centered on a new revenue indicator, the Contractual Service Margin (CSM), has been highlighted with the full implementation of the new accounting standard, IFRS 17, which focuses on the fair value assessment of liabilities. In addition, the year saw a noticeable consensus spread on the social role and responsibility of financial institutions as corporate citizens.

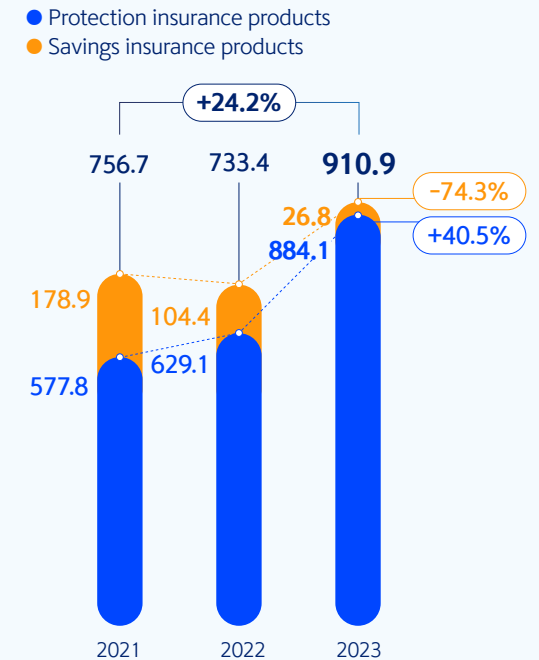
### Building a Competitive Sales Model

In terms of insurance sales channels, business innovation in the financial consultant (FC) channel drove growth both within the organization and sales volume as a whole, thus enhancing corporate value. The FC channels have developed efficient, performance-driven store operation models and a robust sales support infrastructure backed by the headquarters. Meanwhile, the general agency (GA) channels have realigned their entire support system, from developing and marketing competitive products to systems and operations, thereby solidifying their growth foundation.

### Laying the Foundation for New Business Ventures

The Vietnamese subsidiary (SHLV) is focusing on establishing key sales channels in the local market by leveraging our business acumen derived from the Korean market.

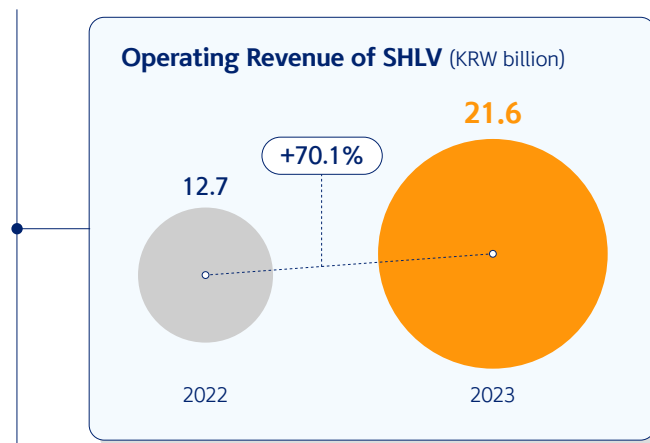
### Annual Premium Equivalent (KRW billion)



### CSM (KRW billion)



The telemarketing (TM) channel is refining its sales model to continuously improve its productivity, while the FC channels have commenced operations with completed sales organizations and newly launched products. Additionally, we are set to enter the local insurance market for seniors with a mid- to long-term masterplan that is already finalized. With the sites secured for nursing facilities and senior towns, the company is continuously enhancing its senior care expertise, including facility management capabilities, by benchmarking global best practices.



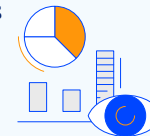
### Strengthening Sustainable Management

As a result of company-wide initiatives to internalize ESG principles, Shinhan Life has been singled out to have the best corporate governance among financial companies by the Korea Institute of Corporate Governance and Sustainability (KCGS) for two consecutive years. Notably, it became the first Korean insurance company to score an A+ in the governance evaluation of financial companies in 2023. Furthermore, to support the building of stable

assets for young adults, Shinhan Life launched its 'Shinhan Beautiful Pension' product, which was recognized as an excellent new financial product for promoting cooperative and win-win partnership by Korea's Financial Supervisory Service.

### KCGS's Financial Companies Corporate Governance Ratings

**A+**



### Plans for 2024

In 2024, Shinhan Life is committed to becoming the very best insurance company in Korea, focusing not only on growth and efficiency but also on FC and employee satisfaction. To this end, we have established a strategic direction we call "Sprint towards the Top 2: Speed-Up! Value-Up!" By actively realizing two core values—innovation in our core business and embracing new challenges—we aim to significantly enhance the company's intrinsic value.

### Strengthening the Foundation of Insurance Sales Channels

In 2024, the business innovation in our GA channels, coupled with our differentiated product competitiveness and agile market response abilities, will accelerate our penetration into the health insurance market. At the same time, the FC channels will aggressively scale up their

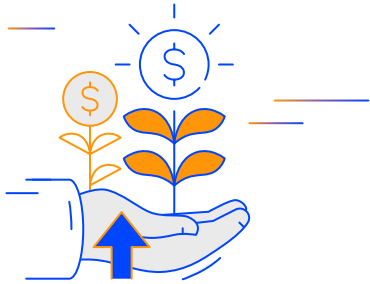
organization to further expand sales performance. We will also pursue cross-selling opportunities with Group subsidiaries and third-party platforms to expand our customer base, thus securing a competitive edge in our core businesses by introducing market-leading innovative products and a nimble sales support system.

### Securing Future Growth Drivers

Our international business will continue its steady investments in the Vietnamese market to intensify the growth of sales channels locally. With respect to the business for seniors, our international business has set its goal at opening its first urban premium nursing center in 2025 to capitalize on the stable post-retirement life of local seniors. Moreover, we will establish a new insurance company-led asset management system to secure differentiated AM capabilities that will contribute to the qualitative growth of both customer and corporate value.

### Solidifying Our Internal Controls

Based on a One-Team collaboration framework, our internal controls and consumer protection practices go beyond legal compliances to the extent of establishing the processes and proactive responses required of an 'Excellent' financial company to further strengthen customer trust. In the meantime, our commitment to ESG management remains steadfast as we strive to meet increased social demand and enhance company-wide engagement through flexible organizational and personnel operations that promote diversity, fairness, and inclusivity, while fully supporting our employees' competency-building efforts at the same time.



## Insurance & Asset Management \_02

# Asset Management

Shinhan Asset Management works hard as an investment partner to empower the success of customers, prioritizing their future under the vision of “Your Total Investment Solution for a Better Future.” Drawing on our exceptional competitiveness in both traditional and alternative investment assets, we achieved record results in 2023—the highest since the company’s establishment in 2009. We are determined to continue this success to further enhance customer value through strategic investments and proactive market expansion.

### Key Performance Results in 2023

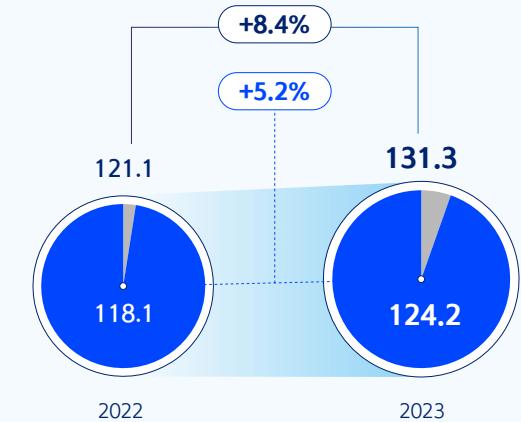
Despite an uncertain market environment in 2023, Shinhan Asset Management offered differentiated products based on a management philosophy that puts the future of its customers above all else, achieving significant results in fund activation and profitability based on excellent investment returns from ETFs and TDFs.

After the transfer of liability-driven investment (LDI) funds was completed following the merger with Shinhan Alternative Investment Management in 2022, we actively explored various investment strategies, ending the year with a total net asset value (NAV) of KRW 117 trillion. This milestone achievement marked our entry into the KRW 100 trillion club, placing us 4th in total NAV and 1st in alternative investment assets (excluding discretionary management) among the more than 400 asset management companies in Korea.

### Realization of a Mega-size Asset Management Firm

Since the merger with Shinhan Alternative Investment Management in January 2022, Shinhan Asset Management has focused on leveraging economies of scale, enhancing market competitiveness through the release of differentiated products and creating synergies between traditional and alternative asset portfolios, and managing LDI funds. In the field of alternative asset management, the company solidified its market position when it rose from 2nd place at the end of 2022 to 1st place (excluding discretionary management) by the end of 2023 in terms of total NAV in the Korean asset management industry’s alternative investment market.

### Operating Profit (KRW billion)



### Future Growth Drivers

The expansion of ETF product lineups and the improved performance of the AUM of target date funds (TDF)—our future growth driver—have enhanced the competitiveness of strategic products. In 2023, 14 new products were listed, including an ETF Monthly Dividend and a Semiconductor Materials/Components/Equipment ETF, to meet the diverse needs of customers, with our market share steadily increasing ever since then.

We also excelled with TDFs, generating the top performance results among the top five asset managers in AUM size. In the alternative sector, we are consolidating our market-leading position by expanding our international business and industry-leading business models.



### [ESG Practices for Sustainable Finance](#)

Our practice of sustainable finance is only part of our commitment to benefiting the world through our core business of finance. For three consecutive years, we have been sending shareholder letters calling for carbon-neutrality initiatives and countermeasures mitigating climate change to the companies in our investment portfolio. In addition, Shinhan Asset Management is actively exercising voting rights to foster stakeholder-friendly management and to engage with investee companies to promote a healthy corporate culture focused on environmental stewardship, social responsibility, and transparent management.

### [Plans for 2024](#)

Both the role and importance of asset management firms are emerging as subjects of public interest, especially in an uncertain market environment characterized by inflation, unstable interest rates, and spreading real estate risks. By capitalizing on ample market opportunities, providing differentiated customer yields, and implementing rigorous risk management, we aim to emerge as the top asset manager in Korea.

### [Solid Growth Based on Strong Fundamentals](#)

We are set to increase the business competitiveness and scope of the institutional investor sector. As for the retail investor group, we will segment the customer base and employ customized marketing strategies to sustain substantial growth that is firmly rooted in customer trust. Additionally, given the current heightened interest in the

ETF market, we plan to strengthen our competitive edge for market leadership by focusing our capabilities on growth businesses. We also aim to expand and enhance our differentiated product lineup tailored to specific targets, fostering the development of new products.

To capitalize on the outsourced chief investment officer (OCIO) market, which is anticipated to rapidly grow, we will develop a dedicated investment strategy as the manager of the Radioactive Waste Management Fund (RWMF) and establish strategic directions to bolster the AUM size. Moreover, we plan to diversify brand promotion methodologies using various media and utilize digital marketing to build strategic product positioning in the online market.

### [Focusing on the Growth of the Alternative Investment Sector](#)

Building on the remarkable results Shinhan Asset Management achieved in 2023, we will explore a wide range of new funding sources to transition to an advanced business model, diversify fields and strategies to discover products that meet investor needs, and continue to boost ESG investments both domestically and internationally.

Furthermore, we plan to launch new funds and expand co-investments through increased collaboration with global general partners (GPs), while in the long term we will launch funds targeting overseas real assets, and therefore strengthen proactive risk management for overseas investment assets.

### [Enhancing Internal Controls and Resources](#)

We will also offer a variety of systems and opportunities to retain and nurture key talent and create an organizational system that can support the execution of key initiatives and new tasks in each operational division.

Through constant monitoring of problem assets and regular communication with fund manager departments, we will take swift and effective countermeasures as needed, thereby strengthening internal controls to proactively prevent any financial incidents.



# International Business

Shinhan Financial Group is actively expanding its international business operations in a long-term, scalable solutions-oriented way to grow beyond the mature Korean financial market. The Group's global initiatives aim to establish Shinhan as a sustainable, top-tier global financial institution by executing region-specific strategies grounded in substantive qualitative growth. Indeed, we maintained a stable growth trend in 2023 as we capitalized on the volatile economic environment. In 2024, we are committed to accelerating this qualitative growth through stringent risk management and diversified business portfolios across varied regions.

## Key Performance Results in 2023

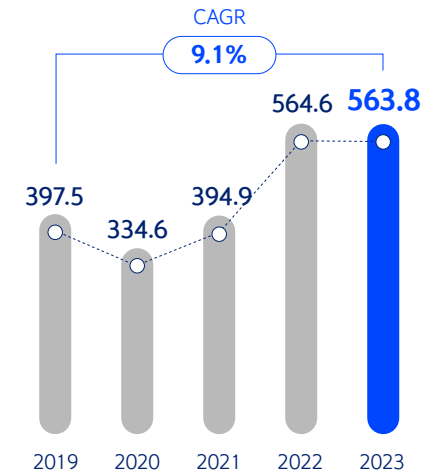
In 2023, amid uncertain external economic conditions exacerbated by increased global economic fluctuations, Korean commercial banks maintained a conservative growth stance, resulting in a slowdown in the growth trajectory of their global businesses.

Even amid this challenging environment, however, Shinhan Financial Group achieved a notable increase in global total assets to KRW 57.2 trillion, an increase of 3.6% from KRW 55.2 trillion in 2022. The proportion of global assets within the Group's total assets held steady at 8.3%, mirroring an overall 4.1% increase in the Group's total assets, from KRW 664.4 trillion in 2022 to KRW 691.8 trillion in 2023. In fact, Shinhan Financial Group's international assets sustained a compound annual growth rate of 10.2% from 2019 to 2022. Given the unstable market developments in 2023, YoY growth of 3.6% still stands out, although lower compared to previous years.

The earnings from international business operations saw a slight decrease of 0.1% from the previous year to KRW 563.8 billion, impacted by reduced loan and interest income in advanced markets such as the U.S., London, and Singapore due to inflation and prolonged high interest rates, which necessitated increased provisions in Southeast Asia to hedge against a global economic slowdown. This outcome still affirmed Shinhan's leading position among Korean banks in terms of international business performance.

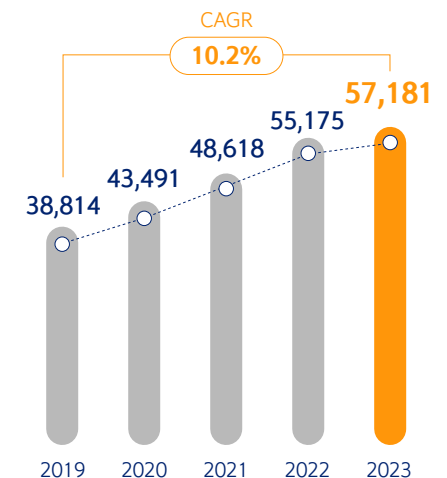
### International Operations Profit

(KRW billion, on a consolidated basis)



### International Total Assets

(KRW billion, on a consolidated basis)



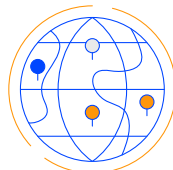
### Profit Growth Led by Southeast Asian Subsidiaries

As of the end of 2023, Shinhan Financial Group was operating 249 networks across 20 countries, a significant achievement compared to the 8 networks in 6 countries held by Shinhan Bank at the inception of the Group in 2001. In particular, Shinhan Bank Vietnam and SBJ Bank in Japan are the mainstays of the international business, with Shinhan Bank Vietnam earning KRW 232.8 billion and SBJ Bank earning KRW 127 billion in profit, ranking first and second, respectively, in profit contribution from overseas branches of the Group.

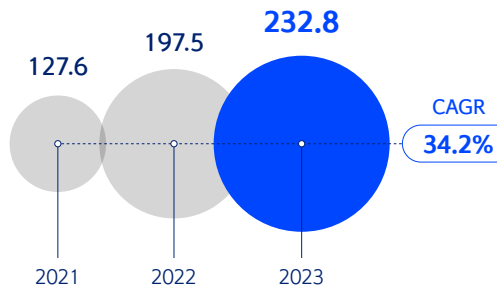
Shinhan Bank Vietnam celebrated the 30th anniversary of its entry into Vietnam in 2023, demonstrating robust performance in both retail and corporate banking. For its part, SBJ Bank laid the groundwork for a full-scale digital transformation through an MOU entered into with a local internet-only bank for transferring its mobile banking expertise and developing a digital platform. Shinhan Bank Kazakhstan, amid the prolonged Russia-Ukraine war, provided timely support to Korean companies in the region, resulting in a six-fold profit increase compared to 2022, reaching KRW 68.7 billion.

#### Global Network

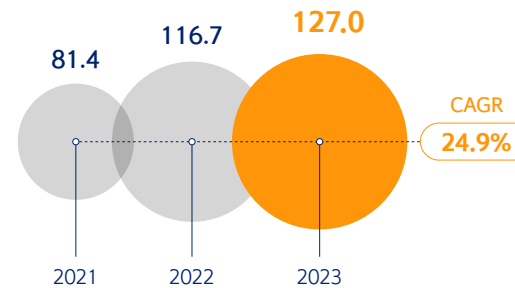
**249 networks**  
in **20 countries**



#### Shinhan Bank Vietnam Income (KRW billion)



#### SBJ Bank Profit (KRW billion)



The proportion of revenue from overseas operations to the Group's total increased 0.8%p from 12.1% in 2022 to 12.9% in 2023. This performance reflects our capability to flexibly adapt to global environmental changes through a balanced portfolio across regions and markets, and the synergistic collaboration system that connects and expands domestic and overseas branches. Additionally, Shinhan Bank's 5G\* success model has been expanded globally to strengthen competitive sales capabilities, backed by comprehensive back-office support, including compliance,

risk, treasury, and AML management, all of which brought their domestically accumulated capacities to our international operations.

\*5G includes global investment banking (GIB), global trading centers (GTC), global transaction banking (GTB), global custody (GCD), and global market securities (GMS).

### Diversifying Non-Bank International Businesses

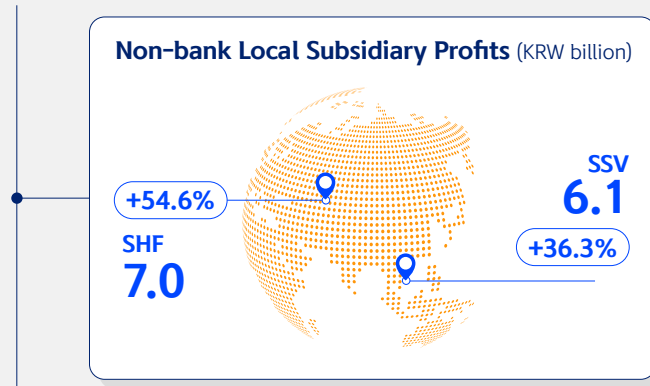
Shinhan Finance Kazakhstan (SHF), a subsidiary of Shinhan Card, achieved a profit of KRW 7 billion in 2023, marking a growth of 54.6% from the previous year. The company is now launching a joint venture with a KRW 31 billion investment from a local top-tier auto dealer, positioning itself to become a specialized retail finance company.

Shinhan Finance Vietnam (SVFC) is leveraging Group synergies with Shinhan Bank Vietnam (SHBVN) and Shinhan Life Vietnam (SHLV) in the local consumer financing market. Despite the economic downturn in Vietnam in 2023, SVFC is actively enhancing its sales capabilities and improving profitability through rigorous risk management. Efforts include launching new products, such as auto loans and durable goods, and diversifying into the credit card business.

Shinhan Securities Vietnam (SSV) has continued its growth trajectory for the second consecutive year. Its profit increased by 36.3% year on year to KRW 6.1 billion in 2023, driven by a strong digital-based retail business. By strategically pricing its brokerage commissions for mobile and home trading systems (MTS, HTS) targeted at the local MZ generation, SSV is accelerating growth through innovative retail strategies and expanding its customer base by localizing its retail services.

Since beginning operations in January 2022, Shinhan Life Vietnam (SHLV) has been advancing its international business value-up initiative by building a growth foundation through collaborative strategies with local Group companies and gradual channel diversification. SHLV is also preparing to formally launch its own local insurance business through the initiation of its FC channel, a dedicated sales organization.

Since establishing the local entity in 2018, Shinhan DS Vietnam (SHDSV) has focused on expanding the Group's ICT infrastructure and digital channels. Recently, SHDSV has also been actively pursuing new business opportunities through offshore projects and diversifying its business portfolio to drive performance.



## Plans for 2024

The global financial market outlook for 2024 anticipates continued uncertainty due to prolonged inflation and high interest rates. In response, we will reinforce our international business operations with robust management

of ALM, heightened financial soundness, and stronger internal controls to achieve qualitative growth, while also pursuing sustainable growth through global channel expansion and business diversification.

### Growth Strategy and Business Diversification

In this volatile market environment, the global division of Shinhan Financial Group aims to generate considerable results. To that end, we are expanding sales coverage in promising growth areas, particularly those poised to benefit from the restructuring of the global value chain and by advancing our international business diversification efforts through synergies between domestic and international branches.

Notably, the establishment of a representative office in the American state of Georgia is under way to facilitate smooth financial support for Korean companies entering North America, specifically in sectors like semiconductors and automobiles. In Eastern Europe, where the value chain for electric vehicles and secondary batteries is developing, we will staff up our local offices in Hungary and Poland to capitalize on the growing local financial demands there. At the same time, we are also pursuing more opportunities in markets with significant growth potential like India and Africa as we consider diverse market entry strategies that go beyond merely expanding our existing channels.

In order to harness the myriad synergies between domestic and international branches for business diversification, we plan to enhance collaborative business efforts with Korean policy financial institutions, such as credit unions and

Seoul Guarantee Insurance Company, to diversify financial support solutions, including financing cross-border projects of Korean companies. Furthermore, Shinhan Bank intends to utilize its extensive global network to provide differentiated financial solutions to Korean companies abroad, thereby playing an active role in supporting the overseas business ecosystems of Korean exporters, while maximizing collaborative synergies across the Group.

### Enhancing Non-Bank International Business Competitiveness and Local Market Presence Based on Risk Management

In 2024, Shinhan Card's global division plans to employ rigorous risk management and enhance its collaboration with headquarters to overcome the previous year's setbacks in the Southeast Asian market. As part of this effort, the company is focusing on early profit recovery based on stringent debt management as it aims to generate more profitable business results through the launch of joint ventures (JVs) with competitive local partners.

Through its Vietnamese subsidiary, Shinhan Securities will foster distinctive businesses that cater to the specific needs of the local market, while also augmenting its digital-based retail business centered on premium assets. Shinhan Life is pushing for a international business value-up growth initiative to secure future growth drivers, with plans to bolster its sales force and formalize its local insurance business through the launch of an FC channel that will serve as a dedicated sales force of Shinhan Life Vietnam (SHLV).



# APPENDIX

Group  
Governance



Corporate  
Governance

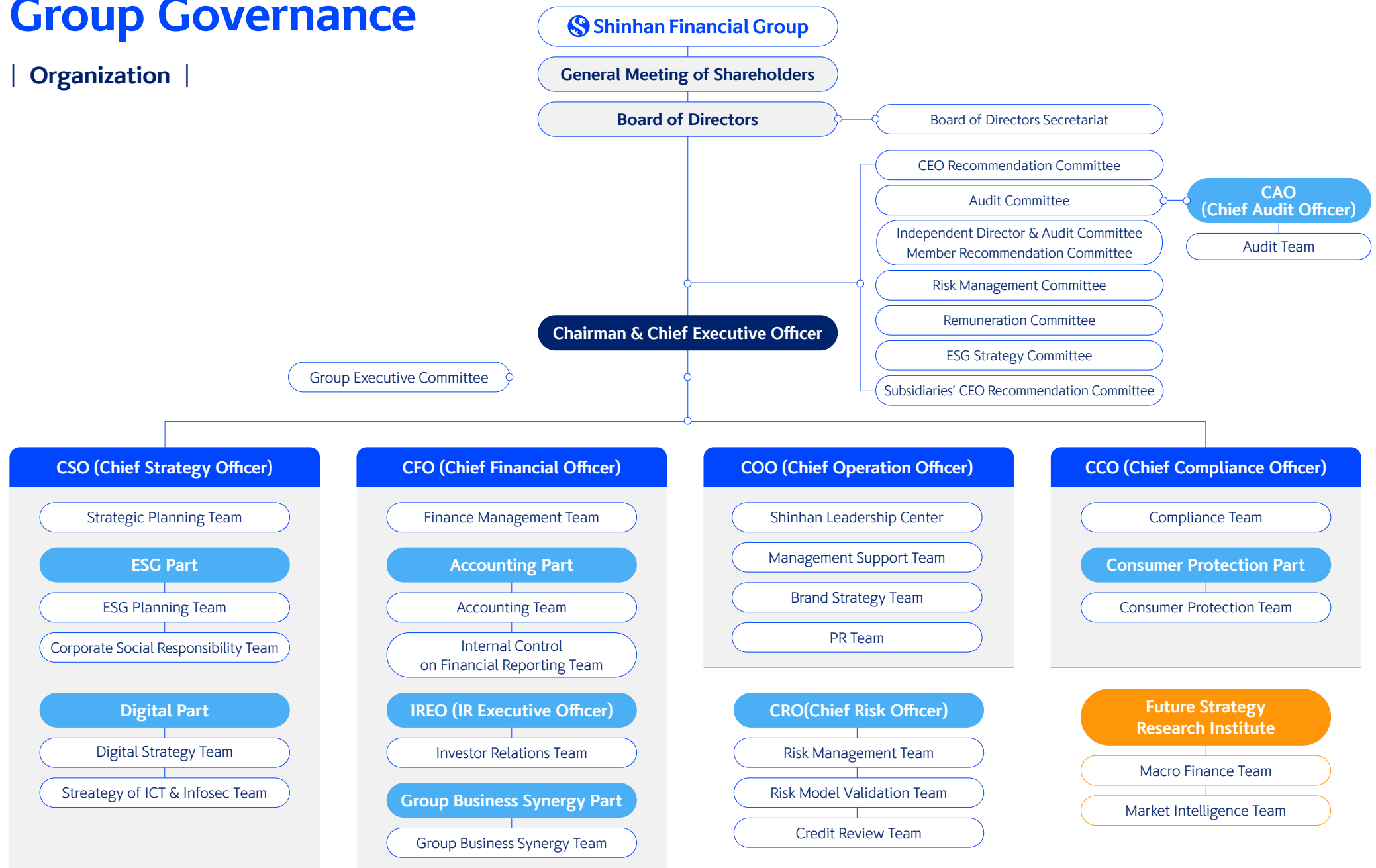


Global  
Network



# Group Governance

## | Organization |



## | Management Team |

Name	Date of Birth	Current Position	Education	Main Work Experience
<b>Koh Seogheon</b>	September 27, 1968	Deputy President & Chief Strategy Officer (CSO)	Bachelor of Economics, Seoul National University	<ul style="list-style-type: none"> <li>• 2022-present: Deputy President &amp; CSO, Shinhan Financial Group</li> <li>• 2021-2022: Head of Business Management Division 3, Shinhan Financial Group</li> <li>• 2020-2021: Head of Business Management Division, Shinhan Financial Group</li> <li>• 2019-2020: Head of Strategic Planning Team, Shinhan Financial Group</li> </ul>
<b>Chun Sang Yung</b>	July 25, 1969	Deputy President & Chief Financial Officer (CFO)	Bachelor of Business Administration, Yonsei University	<ul style="list-style-type: none"> <li>• 2024-present: Deputy President &amp; CFO, Shinhan Financial Group</li> <li>• 2023-2023: Head of One-Shinhan Support Division, Shinhan Financial Group</li> <li>• 2022-2022: Head of Business Management Division, Shinhan Financial Group</li> </ul>
<b>Lee Een-kyoon</b>	April 1, 1967	Deputy President & Chief Operation Officer (COO)	B.A. in English Literature, Hanyang University	<ul style="list-style-type: none"> <li>• 2019-present: Deputy President &amp; COO, Shinhan Financial Group</li> <li>• 2017-2018: Head of Management Support Team, Shinhan Financial Group</li> </ul>
<b>Wang Ho-min</b>	March 4, 1964	Deputy President & Chief Compliance Officer (CCO)	B.A. in Law, Hankuk University of Foreign Studies	<ul style="list-style-type: none"> <li>• 2019-present: CCO, Shinhan Financial Group</li> <li>• 2017-2018: General Manager of Jamsil-nam Branch, Shinhan Bank</li> </ul>
<b>Bang Dong-kwon</b>	February 10, 1966	Deputy President & Chief Risk Officer (CRO)	B.A. in English Literature, Sungkyunkwan University	<ul style="list-style-type: none"> <li>• 2020-present: Deputy President &amp; CRO, Shinhan Financial Group</li> <li>• 2019-2019: General Manager, Risk Management Dept., Shinhan Bank</li> </ul>
<b>Park Hyun Joo*</b>	April 22, 1965	Deputy President & Chief Consumer Protection Officer (CCPO)	Seoul Girls' Commercial High School	<ul style="list-style-type: none"> <li>• 2023-present: CCPO, Shinhan Financial Group (concurrently serving at Shinhan Bank)</li> <li>• 2022-present: CCPO, Shinhan Bank (concurrently serving at Shinhan Financial Group)</li> <li>• 2020-2021: Head of Western Regional Headquarters, Shinhan Bank</li> </ul>
<b>Kim Jion</b>	May 12, 1968	Executive Director & Chief Audit Officer (CAO)	Bachelor of Economics, Yonsei University	<ul style="list-style-type: none"> <li>• 2024- present: Head of Audit Team, Shinhan Financial Group</li> <li>• 2022-2024: Head of PRM Marketing Dept., Shinhan Bank</li> <li>• 2021-2022: Head of Corporate Credit Review Dept., Shinhan Bank</li> <li>• 2020-2021: Head of FX Business Dept., Shinhan Bank</li> <li>• 2019-2020: Head of FX Business Support Dept., Shinhan Bank</li> </ul>
<b>Kim Junhwan*</b>	June 23, 1972	Executive Director & Head of Digital Part	Bachelor of Precision Engineering, KAIST M.S./Ph.D. in Computer-Aided Design KAIST	<ul style="list-style-type: none"> <li>• 2024- present: Head of Digital Part, Shinhan Financial Group (concurrently)</li> <li>• 2021-present: Head of Digital Innovation Group, Shinhan Bank (concurrently serving at Shinhan Financial Group)</li> <li>• 2020-2020: Head of Data Unit, Shinhan Bank</li> </ul>

\* Concurrently serving both positions

# Corporate Governance

Shinhan Financial Group has established a governance structure that reflects its milestones and organizational culture while also ensuring transparency, soundness, and stability in order to achieve long-term growth and protect the interests of all its stakeholders.

## Our Legacy, Our Future

Shinhan Financial Group traces its origins to Shinhan Bank, which was established in July 1982. Initially funded with a 100% equity investment of KRW 25.9 billion in paid-in capital from 341 Korean-Japanese shareholders, Shinhan was the first bank in Korea to be financed entirely by private capital. This group of founding shareholders laid a solid foundation, enabling the bank to expand from just three branches at its inception to becoming a leading financial group in Korea. These shareholders have consistently supported Shinhan Financial Group since its formation, including through initiatives like the “Campaign for Holding Shinhan Shares” during the 1997 Asian Financial Crisis, even amid significant declines in share prices. Thanks to the unwavering trust of our founding shareholders, Shinhan has maintained stable growth, led by a management team that possesses not only financial expertise but also a profound understanding of Shinhan Culture from its early days.

## Principles of Our Governance Structure

Shinhan Financial Group has established a governance structure and principles that promote the interests of shareholders, protect the rights of stakeholders, enhance corporate value, and achieve sustainable growth. Thanks to our commitment to these principles and policies, we run our business ethically and responsibly.

Our governance excellence continues to earn recognition on both domestic and international platforms. Notably, we have consistently secured an integrated assessment rating of A+ for nine consecutive years in the ESG evaluation by the

Korean Institute of Corporate Governance and Sustainability (KCGS), which is affiliated with the Korea Exchange (KRX). In a landmark achievement, we received the first-ever S grade in the governance category in 2017.

In addition, we continued to receive the highest possible rating even when a more demanding assessment model was applied to financial institutions beginning in 2018. At the same time, our decade-old inclusion in the DJSI World Index and consistently high marks in governance and board operations reflect our unwavering commitment to excellence. Domestically, we have also consistently received excellent evaluations, including our obtaining the highest grade (AA) for five consecutive years in ESG evaluations conducted by SUSTINVEST.

## ESG Evaluations and Ratings

KCGS ESG Evaluation

**A+**

KCGS Financial Company  
Governance Evaluation

**A+**

DJSI

**Included in the Dow  
Jones Sustainability  
World Index**

SUSTINVEST ESG Evaluation

**AA**

### Transparent Governance Structure

Committed to implementing a transparent governance structure, we actively disclose standards, procedures, and outcomes related to our governance. We publish an annual corporate governance report on the Group website and through the Korea Federation of Banks 20 days prior to our annual general shareholders' meeting (AGM). Starting this year, we have enhanced the contents of the convocation notice and provided additional proxy supplement materials to ensure that adequate information is available about the AGM agenda items.

Furthermore, the annual corporate governance report reveals the full text of internal regulations related to governance, including the articles of incorporation, board regulations, and the regulations of sub-committees under the board of directors, thereby aiding stakeholders' understanding of our governance operations.

In particular, to protect the rights of minority shareholders at AGMs, we support the use of cumulative voting and have introduced an electronic voting system to ensure proactive shareholder voting rights. As a result, shareholders can execute their voting rights online via the Korea Securities Depository's electronic voting site. Additionally, to provide fair and timely information about the shareholders' meeting, we livestream the meeting on the Group's website.

### Sound Governance Structure

We have formed a BOD equipped with the independence and expertise necessary to maintain sound corporate governance. Our commitment involves strict adherence to all applicable laws, including the Commercial Act and the Act on Corporate Governance of Financial Companies, as well as all internal regulations, such as the Articles of Incorporation, the Code of Corporate Governance, and regulations pertaining to the BOD. Furthermore, all recommendations regarding the BOD operations are performed in accordance with the Act on Corporate Governance of Financial Companies and the KCGS Corporate Governance Code and are diligently implemented and observed within the Group's corporate governance framework.

### Stable Governance Structure

In order to ensure a stable governance structure with effective checks and balances, we have delineated the roles of decision-making and execution between the board and management. Specifically, the board focuses on decision-making while management is responsible for execution, regularly reporting their progress to the BOD.

The composition of each sub-committee is predominantly independent directors, ensuring that board activities are led impartially. The BOD is empowered to request data, advisory services, and any necessary assistance, which the Group is obliged to provide, especially to independent directors. Notably, if an independent director demonstrates exceptional competence in their duties, their tenure is guaranteed within the limits in compliance with external laws and internal regulations. This policy supports the Group's commitment to governance stability and continuity.

To prevent the self-empowerment of independent directors, and therefore, a clubby board, we do not appoint any independent directors involved in the Independent Director and Audit Committee Member Recommendation Committee if they are eligible for re-appointment unless there are specific issues with the committee's composition.

Even if an independent director from the re-appointment pool must unavoidably serve on this committee to ensure proper composition, they are strictly prohibited from recommending themselves or voting on their own re-appointment, which is in line with our regulations. Additionally, the age limit for the CEO is set at 70 years or younger to promote a healthy and virtuous cycle of management succession.



## 2023 Board Key Activities

### Establishing Consumer Protection System



#### Established and restructured of the Consumer Protection Division

- Established the Consumer Protection Division under the holding company
- Created independent organizations staffing CP specialists across all subsidiaries (totaling 300 employees)

#### Established the governance for systematic implementation of strategies

- Group Consumer Protection Committee (Executive level)
- Group Consumer Protection Council (Department head level)
- 3 working-level committees (①Policy making, ②Internal control on financial consumer protection, ③Support for telecom financial fraud response)

#### Set the direction of the Group Consumer Protection strategies and promoted SFG Joint Campaign for Consumer Protection

### Strengthening Internal Controls



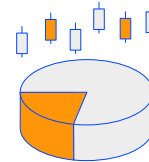
#### Adoption of the Responsibility Map

- Established a three-line internal control system
- Created responsibility maps that fit the unique business conditions of each subsidiary

#### Improved the executive compensation scheme

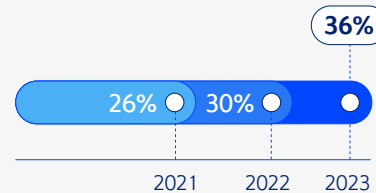
- Expanded and specified the internal control-related criteria in the Group CEO's key performance indicators
- Introduced a clawback policy

### Enhancing Shareholder Value



#### Sustained implementation of the shareholder return policy as promised in line with the mid-to long-term financial orientation

- Achieved recurring ROE and ROTCE levels that exceed regulatory requirements and the cost of equity (COE)
- FY2023 total shareholder return rate: 36%



- Continuous implementation of quarterly dividends and share buyback andr cancellation

#### Improved the independent director nomination process

- Introduced a Nominating Advisory Group composed of external experts

## BOD Diversity and Expertise

Shinhan Financial Group emphasizes the principle of diversity in the composition of the BOD, as outlined in our Internal Code of Corporate Governance. To ensure this diversity, as well as the breadth of expertise among members, we utilize a “Board Skill Matrix.” This tool helps confirm that the board’s composition avoids an overrepresentation of any specific background or occupational group.

Our independent members of the BOD collectively represent a balanced mix of the six key sectors—finance, business administration, economics, legal affairs, accounting, and information technology—as mandated by the Act on Corporate Governance of Financial Companies. This diverse expertise supports effective governance and informed decision-making within the board.

### Recommendation & Appointment of Independent Directors

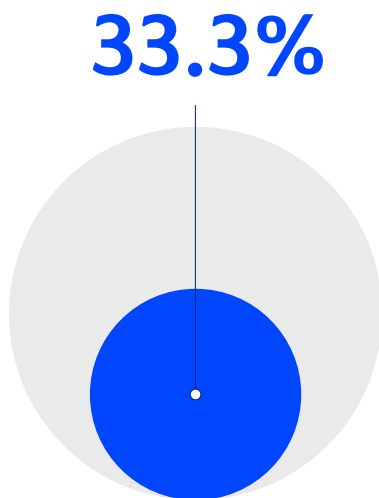
Shinhan Financial Group employs diverse channels for selecting independent director candidates, including consultations with shareholders, recommendations from the Independent Director and Audit Committee Member Recommendation Committee, and engagement with external agencies. We actively encourage shareholders’ participation by soliciting nominations for candidates who are dedicated to upholding shareholder interests, thereby amplifying shareholder voices within management.

Furthermore, we enhance the board’s global perspective by including independent directors from at least two nationalities (Korean or American) and those with professional experience in at least two countries (Korea or Japan).

Our commitment to diversity extends to increasing female representation on the board. At the 2020 annual general meeting (AGM), Yoon Jaewon, a female independent director with expertise in accounting, was appointed to the board. This was followed by the appointment of Kim Jo Seol, a female independent director with a background in economics, in March 2022. In March 2024, we further bolstered our board's diversity by appointing Song Seongjoo, a risk management expert, as an independent director. With these appointments, females now comprise over 30% of our independent directors.

Shinhan Financial Group is dedicated to fostering diversity in board composition by assembling a candidate pool that spans a broad spectrum of experience, backgrounds, and ages, and strictly avoiding any restrictions based on race, ethnicity, or religion.

#### Female Representation on SFG's BOD



#### BOD Sub-committee Structure

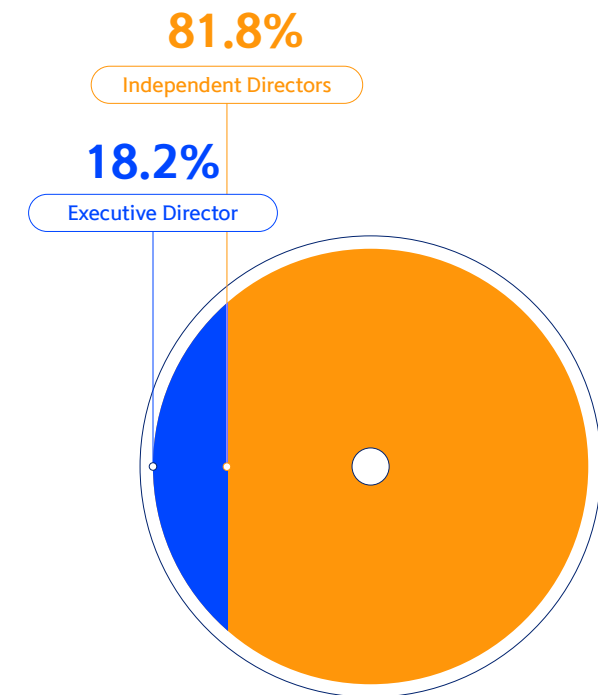
As the top decision-making body of Shinhan Financial Group, the board of directors (BOD), which primarily consists of independent directors, holds the authority to appoint and dismiss the CEO. As of the end of March 2024, the BOD comprised 11 members, including nine independent directors. Since March 2010, it has been a formal requirement for the chairperson of the BOD to be an independent director.

The BOD oversees seven sub-committees: the Independent Director and Audit Committee Member Recommendation Committee, CEO Recommendation Committee, Audit Committee, Remuneration Committee, Risk Management Committee, ESG Strategy Committee, and Subsidiaries' CEO Recommendation Committee. The first five committees are established in compliance with all relevant laws and regulations, including the Act on Corporate Governance of Financial Companies. The remaining two committees were voluntarily created by the SFG board of directors to enhance the expertise, independence, and efficiency of the BOD.

Shinhan Financial Group operates three committees dedicated to nominating executive candidates: the Independent Director and Audit Committee Member Recommendation Committee, the CEO Recommendation Committee, and the Subsidiaries' CEO Recommendation Committee. Effective August 1, 2016, the Act on Corporate Governance of Financial Companies mandates the establishment of a separate committee for recommending executives, including independent directors, the chairman, CEO, and audit committee members.

Even before the enforcement of this legislation, Shinhan Financial Group had already divided the authority to recommend executives among various sub-committees to ensure a balanced distribution of power. Additionally, we appoint independent directors to these committees in a manner that prevents any overlap, thereby avoiding the concentration of executive nomination powers among specific directors.

#### Independent Directors' Ratio on SFG's BOD



Board Sub-committee Structure	Sub-committees	Main Roles and Responsibilities
	<b>CEO Recommendation Committee</b> Yoon Jaewon (Chair) Bae Hoon, Jin Hyun-duk, Choi Young-Gwon, Choi Jae Boong	<ul style="list-style-type: none"> <li>• Recommend CEO candidates</li> <li>• Establish and review management succession plan</li> </ul>
	<b>Risk Management Committee</b> Song Seongjoo (Chair) Lee Yong Guk, Choi Young-Gwon	<ul style="list-style-type: none"> <li>• Establish the basic risk management policies in line with business strategies</li> <li>• Determine the level of risk that the holding company and its subsidiaries can bear</li> <li>• Approve the appropriate investment limits or loss tolerance levels</li> </ul>
	<b>Remuneration Committee</b> Choi Young-Gwon (Chair) Kwak Su Keun, Kim Jo Seol	<ul style="list-style-type: none"> <li>• Evaluate and decide the compensation system for the management of the holding company and its subsidiaries</li> <li>• Review the design and operational appropriateness of the compensation system</li> </ul>
	<b>Audit Committee</b> Kwak Su Keun (Chair) Bae Hoon, Yoon Jaewon	<ul style="list-style-type: none"> <li>• Oversee the audit reporting</li> <li>• Approve the appointment and dismissal of independent auditors</li> <li>• Review the operational status of the internal accounting management system</li> <li>• Establish the annual audit plans</li> <li>• Enact and abolish audit regulations</li> </ul>
	<b>Independent Director and Audit Committee Member Recommendation Committee</b> Choi Jae Boong (Chair) Kim Jo Seol, Jin Hyun-duk, Song Seongjoo	<ul style="list-style-type: none"> <li>• Establish, monitor, and supplement the principles for appointing independent directors and audit committee members</li> <li>• Recommend candidates for independent directors and audit committee members to be appointed; and manage the independent director candidate pool</li> </ul>
	<b>ESG Strategy Committee</b> Lee Yong Guk (Chair) Kim Jo Seol, Choi Jae Boong, Jin Okdong, Jung Sang Hyuk	<ul style="list-style-type: none"> <li>• Set direction for the Group's ESG management</li> <li>• Establish, revise, and abolish norms and policies related to climate change, sustainable management, and socially responsible management</li> </ul>
	<b>Subsidiaries' CEO Recommendation Committee</b> Jin Okdong (Chair) Kwak Su Keun, Bae Hoon, Yoon Jaewon, Lee Yong Guk	<ul style="list-style-type: none"> <li>• Recommend, manage, and verify the qualifications of subsidiaries' CEO candidates</li> <li>• Recommend and select CEO candidates for subsidiaries</li> <li>• Evaluate the leadership of the management team of subsidiaries</li> </ul>

# Global Network

## Shinhan Bank

Country	Name	Telephone	Address
Japan	Shinhan Bank Japan	+81-3-6403-0505	The Mita Bellju Building 5F, 108-0014 5-36-7 Shiba, Minato-ku, Tokyo, Japan
China	Shinhan Bank (China)	+86-10-8529-0088	12th Fl. Zhongyu Plaza No. 6, Workers' Stadium Road N., Chaoyang District, Beijing 100027, China
Vietnam	Shinhan Bank Vietnam	+84-8-3829-1581	The Mett Tower, Thu Thiem New Urban Area, Ho Chi Minh City
USA	Shinhan Bank America	+1-646-843-7300	475 Park Ave South 4th (5th) FL New York, NY 10016
Indonesia	PT Bank Shinhan Indonesia	+62-21-2975-1500	International Financial Centre Tower 2, Ground floor, Mezzanine, 30th, 31st and 32nd floor, Jl. Jenderal Sudirman Kav. 22-23 South Jakarta, Indonesia
Germany	Shinhan Bank Europe GmbH	+49-69-975-7130	An der Welle 7, 60322 Frankfurt am Main, Germany
Canada	Shinhan Bank Canada	+1-416-250-3500	5140 Yonge Street Suite 2300 Toronto, Ontario, M2N6L7, Canada
Cambodia	Shinhan Bank (Cambodia) Plc	+855-23-971-100	No. 79 Kampuchea Krom, Sangkat Mororom, Khan 7 Makara, Phnom Penh, Cambodia
Kazakhstan	Shinhan Bank Kazakhstan	+7-727-356-9620	38 Dostyk ave.Almaty, 050010, Republic of Kazakhstan
Mexico	Banco Shinhan de Mexico	+52-55-6722-8000	Av. Paseo de la Reforma 250, Reforma Capital Torre B, Piso17, Cuauhtemoc, Juarez, 06600, Mexico City
Hong Kong	Hong Kong Branch	+852-2867-0100	Unit 7703, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
USA	New York Branch	+1-212-371-8000	750 7th Avenue, 26th Floor, New York, NY10019, USA
UK	London Branch	+44-207-256-3400	6th Floor, 77 Gracechurch Street, London, U.K. EC3V 0AS.
Singapore	Singapore Branch	+65-6536-1144	1 George St. #15-03, Singapore 049145
India	Mumbai Branch	+91-22-6199-2000	Unit No. 1, Peninsula Tower 1, Peninsula Corporate Park, G K Marg, Lower Parel, Mumbai, 400013, India
India	New Delhi Branch	+91-11-4500-4800	2nd & 3rd Floor, D-5, South Extension, Part-2, New Delhi
India	Poonamallee Branch	+91-44-6714-4400	No. 84/1C2B1, Bangalore Highway Road, Madavilakam Village, Nazarathpettai, Poonamallee Taluk, Thiruvallur District-600123, Tamil Nadu State, India
India	Pune Branch	+91-20-3086-4800	Ground Floor, Red Building. Plot No. 2, Galaxy Society, Boat Club Road, Pune, Maharashtra, India 411001
India	Ahmedabad Branch	+91-79-7117-0400	FF2 & FF3, 1st Floor, Shapath V Building, Opp. Karnavati Club, S.G.Highway, Ahmedabad, Gujarat, India 380015
India	Ranga Reddy Branch	+91-40-6635-2000	SLN Terminus, 1st Floor, Survey No. 133, Gachibowli, Serilingampally, Mandal, Ranga Reddy District, Telangana State, India 500032
Myanmar	Yangon Branch	+95-1-9345-170	No.192, 10th Floor, Myanmar Centre Tower 1, Kabaraye Pagoda Road, Bahan Township, Yangon, Myanmar
Australia	Sydney Branch	+61-2-9224-7901	Level 25, 52 Martin Place, Sydney, NSW 2000, Australia
Philippines	Manila Branch	+63-2-8405-6300	21st Floor, RCBC Savings Bank Corporate Center (RSBCC), 25th & 26th Street, Bonifacio Global City, Taguig 1634, Manila, Philippines
UAE	Dubai Branch	+971-4-551-2820	S1204, Emirates Financial Tower, DIFC, P.O. Box 507001, Dubai, UAE
Uzbekistan	Shinhan Bank Uzbekistan Representative Office	+998-71-150-1184	Neworld Bldg. 3rd FL, Oybek St. 22 Tashkent, Uzbekistan 100015
Hungary	Shinhan Bank Hungary Representative Office	+36-30-500-5860	1123, Budapest, Alkotás utca 53, Building A, Hungary

## Shinhan Card

Country	Name	Telephone	Address
Indonesia	PT Shinhan Indo Finance	+62-21-8579095	Wisma Indomobil I LT. 10 Jl. MT. Haryono Kav. 8, Jakarta, Indonesia 13330
Kazakhstan	LLP MFO Shinhan Finance	+7-727-355-2550	Office 2/3 2nd Floor, 48 Auezov street, Almaty, Kazakhstan 050000
Myanmar	Shinhan Microfinance Co., Ltd.	+95-1-645685	No. (206) Thiri Mingalar Street, East Ywama Quarter, Insein Towership, Yangon, Myanmar
Vietnam	Shinhan Vietnam Finance Limited (SVFC)	+84-28-391-13666	The Mett Tower, Thu Thiem New Urban Area, Ho Chi Minh City

## Shinhan Securities

Country	Name	Telephone	Address
Indonesia	PT. Shinhan Sekuritas Indonesia	+62-21-8086-9900	Equity Tower, 50th Floor, Jl. Jend. Sudirman No. Kav. 52-53, South Jakarta 12190, Indonesia
Hong Kong	Shinhan Securities Asia Ltd.	+852-3713-5301	Units 7705A, Level 77 International Commerce Center (ICC), 1 Austin Road West, Kowloon, Hong Kong
Vietnam	Shinhan Securities Vietnam Co., Ltd.	+84-28-6299-8000	The Mett Tower, Thu Thiem New Urban Area, Ho Chi Minh City
USA	Shinhan Securities America Inc.	+1-212-397-4000	750 7th Avenue 26th Floor, New York, NY 10019, USA
USA	Shinhan Securities Silicon Valley	+1-650-561-5531	480 S. California Avenue, Suite 304, Palo Alto, CA 94306 USA
China	Shinhan Investment Shanghai Representative Office	+86-21-2050-3052	#3222, 32/F, One Lujiazui, 68 Yin Cheng Road, Pudong, Shanghai, 200120, China
Indonesia	Shinhan Asset Management Indonesia	+62-21-3952-5500	Equity Tower, 50th Floor, Jl. Jend. Sudirman No. Kav. 52-53, South Jakarta 12190, Indonesia

## Shinhan Life Insurance

Country	Name	Telephone	Address
Vietnam	Shinhan Life Insurance Vietnam Limited Liability Company (SHLV)	+84-28-7300-9920	The Mett Tower, Thu Thiem New Urban Area, Ho Chi Minh City

## Shinhan Asset Management

Country	Name	Telephone	Address
Hong Kong	Shinhan Asset Management (HK) Ltd.	+852-2525-9110	Unit 7702B, Level 77, International Commerce Centre, 1 Austin Road West Kowloon, Hong Kong

## Shinhan DS

Country	Name	Telephone	Address
Vietnam	Shinhan DS Vietnam Company Limited	+84-28-3823-7255	The Mett Tower, Thu Thiem New Urban Area, Ho Chi Minh City