

# LETTER FROM CEO

## 01 In Pursuit of Excellence

The autumn of 1991 remains vivid in my memory—the day my first child was born. On that day, my only prayer was, “Please, just grow up healthy.”

My wish was not for my child to become wealthy or attend a prestigious school, but my sole desire was for her to grow up without illness. I merely hoped my child would uphold basic human decency and dedicate themselves fully to their responsibilities. I firmly believe this sentiment is shared by most parents when they welcome a newborn into the world.

How, then, does a company’s founder feel when establishing a business? Before aspiring to become the undisputed leader in their respective field, they would undoubtedly wish for their company to endure the inevitable trials and tribulations of operating such a company, and, of course, to remain in business for decades—perhaps even 50 or 100 years. At the same time, they would want nothing less than for their company to earn the trust and affection of customers and investors alike.

Since taking office as CEO of Shinhan Bank in 2019, I have made sustainability the cornerstone of my management philosophy. Further to that, I have worked to embed a deep sense of customer-centricity, procedural integrity, unwavering loyalty, and fiduciary duty to customers into the very DNA of our organization. Later, after assuming my current position as CEO of Shinhan Financial Group in 2023, I put forth a vision for “Excellence, Shinhan”—a standard of excellence not merely defined by our own metrics but recognized and respected by our customers and society at large. While industry leadership can often be measured by financial scale or profitability, these figures alone do not guarantee sustainability. History has shown that even the most financially sound companies can quickly falter once they lose the trust of their customers and communities. Without trust, such success is as fragile as a sandcastle in the wind.

That is why I have emphasized three essential principles to all our employees in our pursuit of excellence: to achieve SCANDAL ZERO, to further ENRICH CUSTOMER EXPERIENCE and to generate SUSTAINABLE REVENUE. These are the very pillars that will uphold Shinhan as a top-tier financial group—one that is both trusted and highly regarded by customers, shareholders and our communities in which we operate. What’s more is that we aim to achieve sustainable growth, and to do that we must root that growth in a shared sense of ownership, one in which every member of the Group faithfully fulfills their roles and responsibilities.

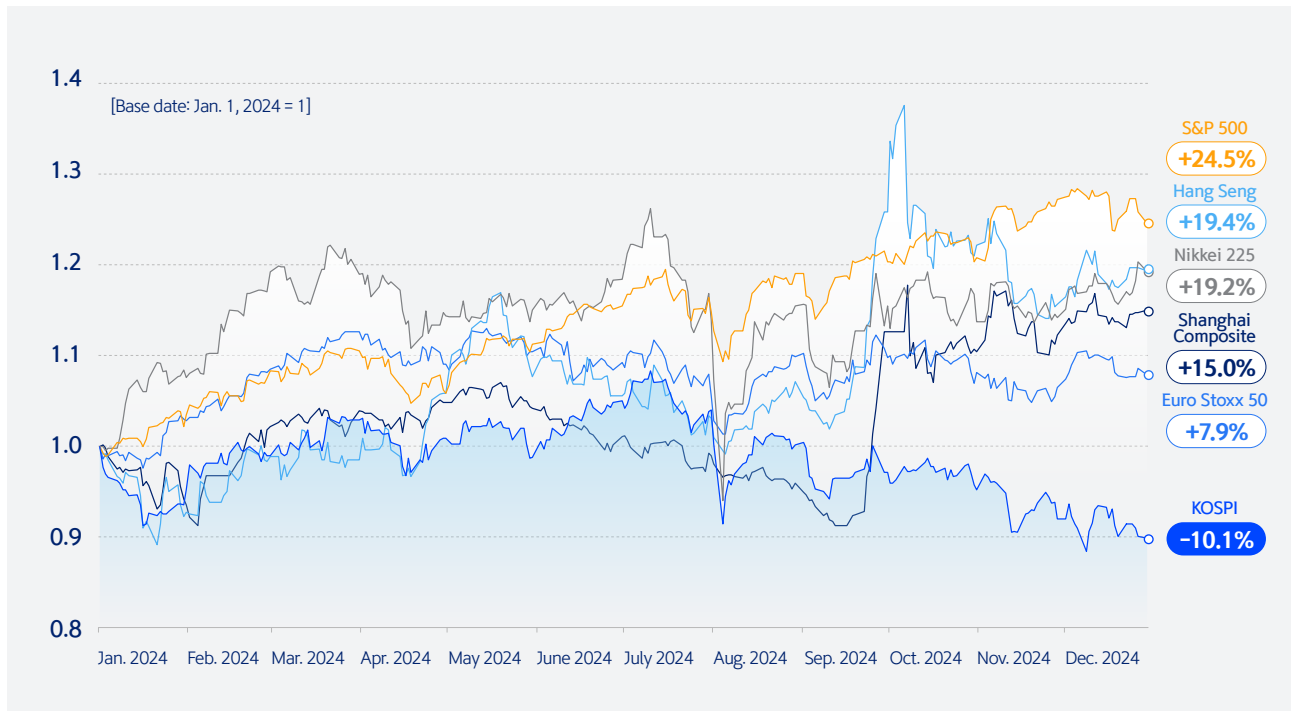
In *De Officiis (On Duties)*, the Roman philosopher Cicero wrote that all honor and virtue in life rest in fulfilling one’s duties, while all dishonor and all unseemliness lie in neglecting them. At the beginning of 2024, I invited the Group’s leadership team to a two-day management forum. Unlike previous forums that focused on financial targets and strategic direction, this gathering was solely devoted to one virtue: duty. All the participants read *De Officiis* and discussed their thoughts about the book and its theme—duty—at the forum.

Cicero argues in *De Officiis* that a society can only endure when all its members dutifully uphold their individual responsibilities. As members of humanity, as financial professionals, and as employees of Shinhan, what are the duties we must fulfill? What are our obligations to customers, shareholders, business partners, and colleagues? These were the profound questions that drove our in-depth discussions. There may be no single correct answer, but what matters most is that today, more than ever, my leadership team and I are wholly committed to the pursuit of sustainability—for Shinhan and for those we serve.

## 02 Reflections on 2024

Now, as we enter April, let us take a moment to reflect on the past year before turning our attention to the future. Compounded uncertainty was the hallmark of 2024. The persistent geopolitical tensions worldwide, mounted by the U.S. presidential election, created unprecedented external and internal unpredictability. Despite uncertainties, stock markets around the world rallied, as central banks in major economies sought a soft landing through interest rate cuts in response to the multifaceted uncertainties.

### Major Global Stock Market Indices



Meanwhile, the Korean economy, despite a solid export performance, grappled with sluggish domestic consumption and persistent household debt issues. In addition, toward the end of the year, currency volatility escalated, further complicating macroeconomic conditions. Even so, the Korean government, the Bank of Korea, and financial authorities exerted maximum effort to navigate these difficulties, with financial institutions playing an active role in managing all risks effectively.

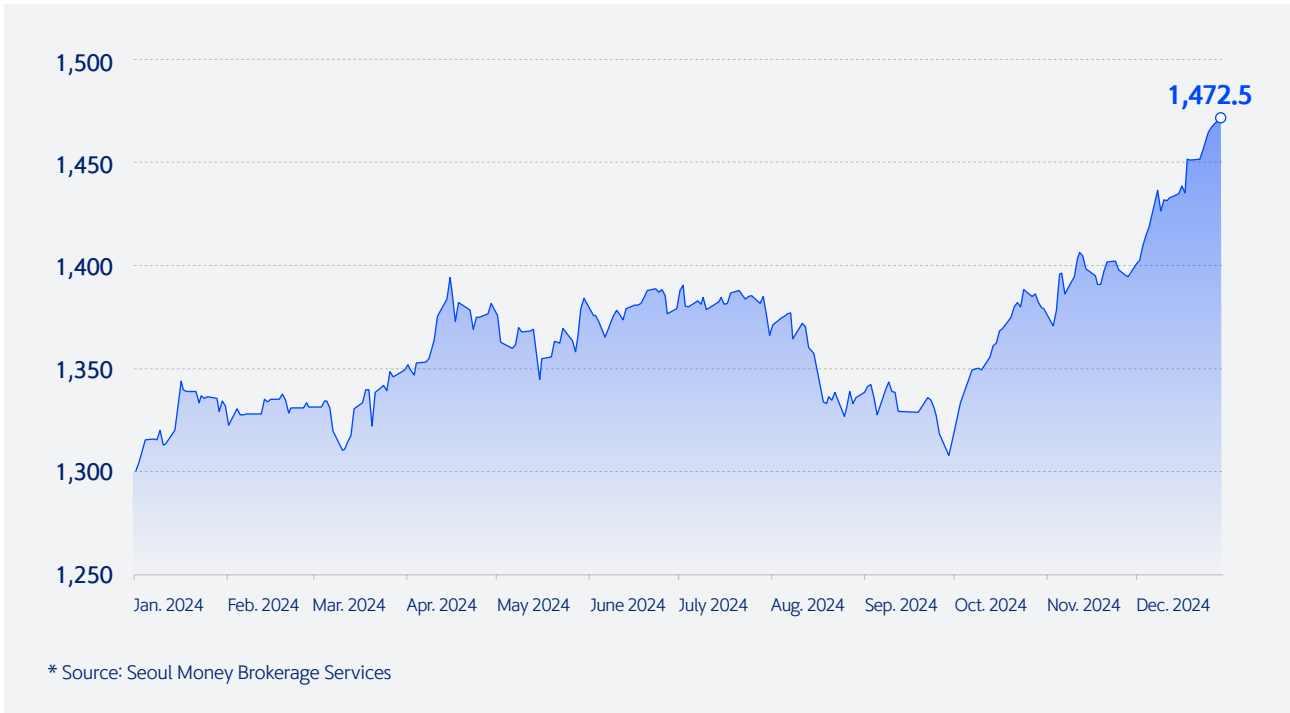
### Household Debt and Export Indicators

(KRW trillion, %)

	2020	2021	2022	2023	2024
Household Debts	1,729	1,863	1,868	1,886	<b>1,883</b>
Nominal GDP	2,058	2,222	2,324	2,401	<b>2,549</b>
Real GDP Growth Rate	-0.7	4.6	2.7	1.4	<b>2.0</b>
Current Account-to-GDP Ratio	4.4	4.4	1.4	1.8	<b>5.3</b>

## 2024 USD-KRW Exchange Rates

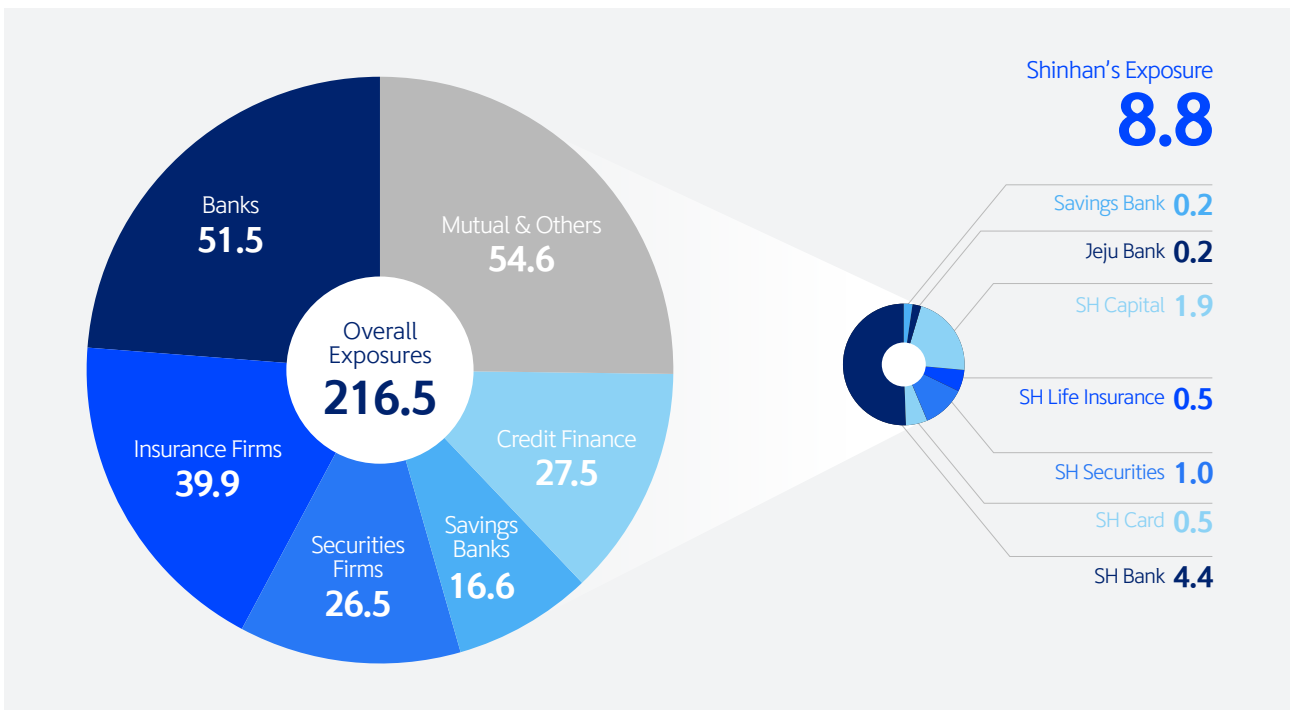
(KRW)



One particularly lingering concern was the prolonged burden of real estate project financing (PF). Despite collaborative efforts between financial institutions and authorities to resolve the issue, it remained a substantial weight on the Korean economy. Fortunately, thanks to regulatory guidelines, the situation has been stabilizing, and we expect a smooth resolution within the year.

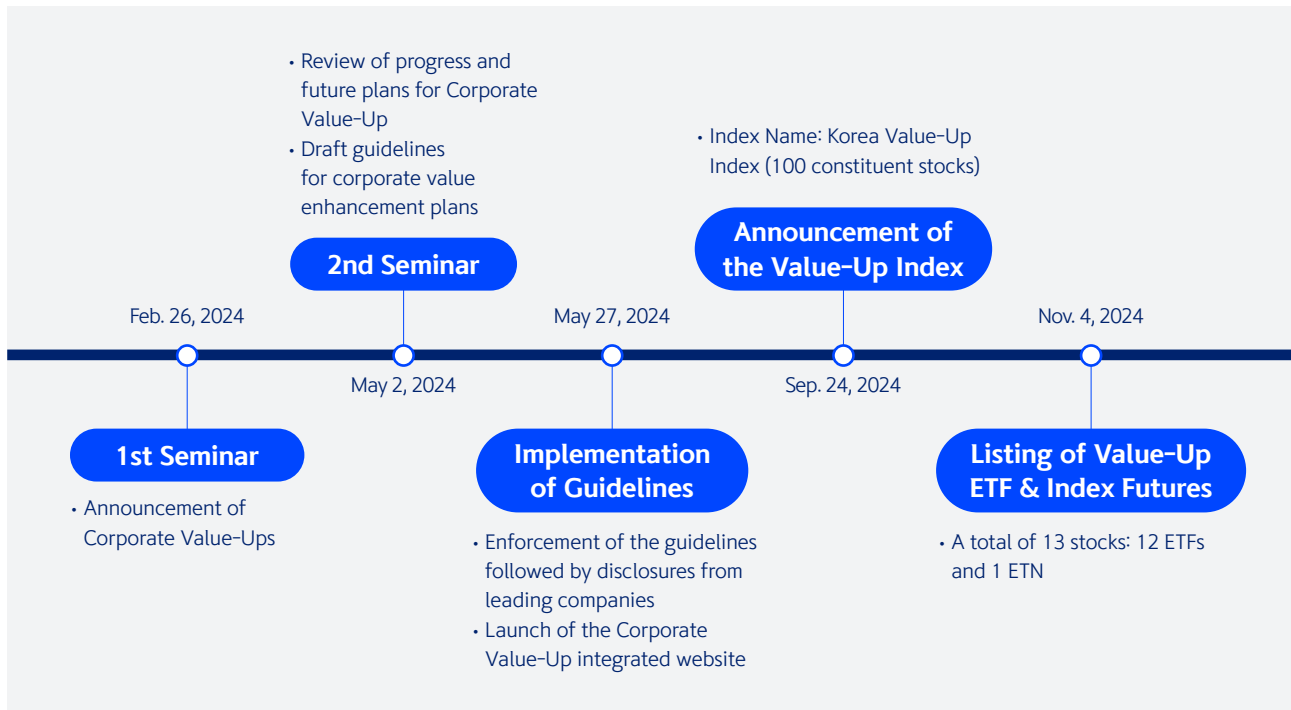
## Exposure to Korean Real Estate PFs

(KRW trillion)

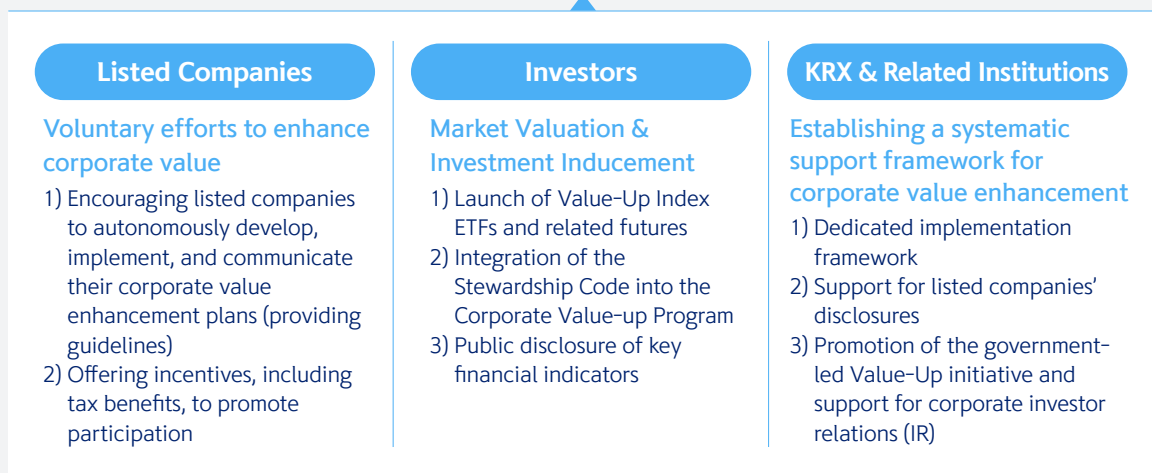




## KRX Value-Up Program



### A voluntary shift toward a shareholder value-driven corporate culture, leading to the strengthening of the Korean stock market



The "Korea Discount" phenomenon persists even with quantitative growth in Korea's capital markets

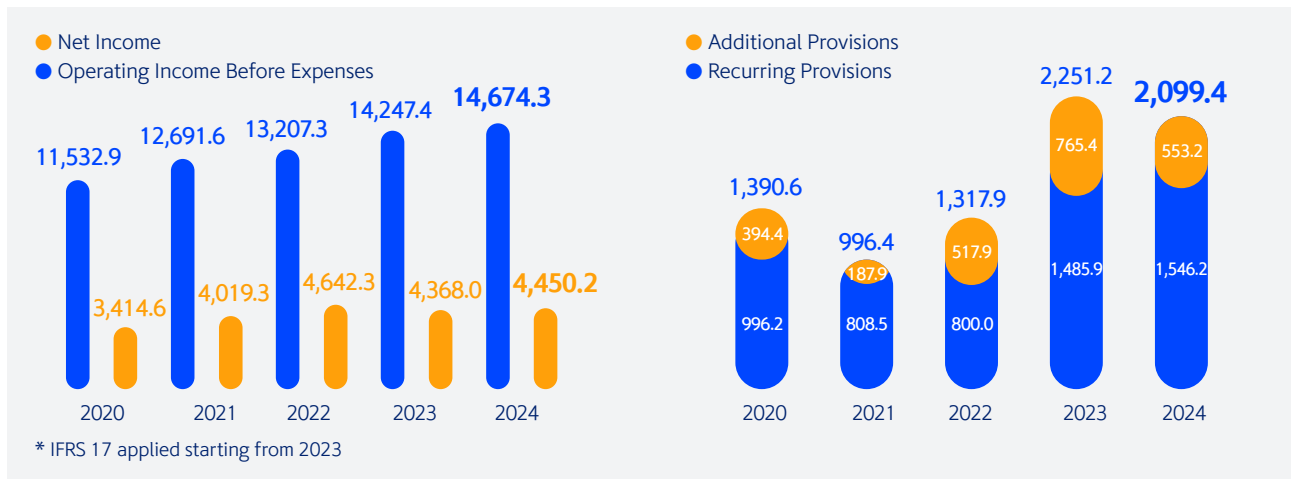
## 03 Shinhan Financial Group 2024 Review

Now, let us turn to Shinhan's financial performance. In 2024, Shinhan Financial Group reported a net income of KRW 4,450.2 billion, up 1.9% year on year. Despite two separate policy rate cuts last year, interest income grew by 5.4%, driven by strategic loan asset expansion and proactive margin management by Shinhan Bank. However, non-interest income declined by 4.6% compared to the previous year. While fee income from IB, FX, funds, bancassurance, leasing, and brokerage services continued to grow steadily, the primary drag on non-interest income came from valuation losses on securities and derivatives, which were conservatively recognized.

In terms of credit cost, Shinhan delivered solid improvement. Credit costs fell by 6.7% year on year, reflecting both the base effect of preemptively accrued counter-cyclical additional provisions in 2023 and the tangible results of our comprehensive risk management system. Meanwhile, Shinhan also maintained a sufficient loss-absorbing buffer for real estate PF loans, underscoring our prudent risk posture.

### Net Income and Provisions

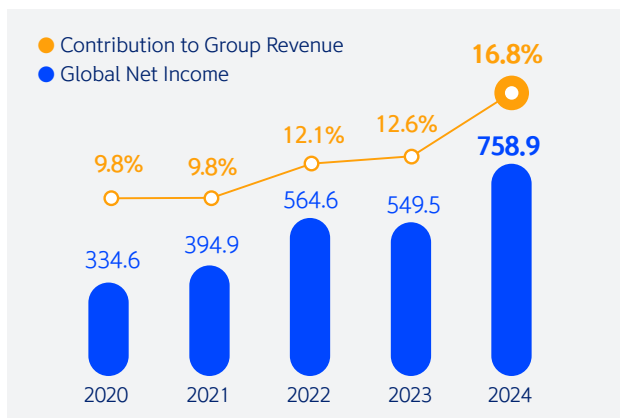
(KRW billion)



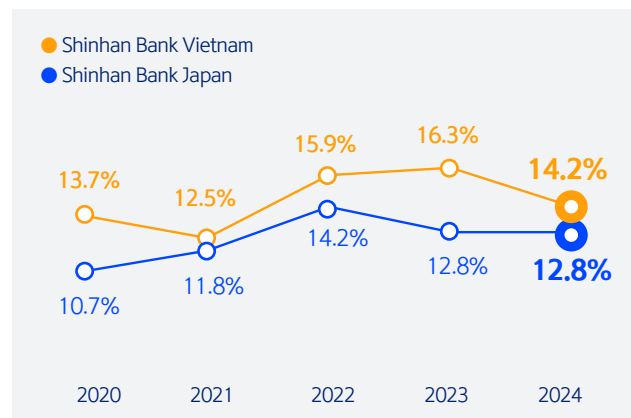
Shinhan's overseas business, a core strength of the Group, reached a record-high profit of KRW 758.9 billion in 2024, led by Shinhan Bank Japan and Shinhan Bank Vietnam—two subsidiaries that have long pursued rigorous localization strategies. Overseas operations accounted for 16.8% of the Group's total net income and continued to serve as a key pillar of the corporate value enhancement plan announced last year. Regional portfolio diversification is also underway, with markets such as Kazakhstan delivering impressive growth over the past two years.

### Overseas Business Profit Growth and Contribution to Group Revenue

(KRW billion)



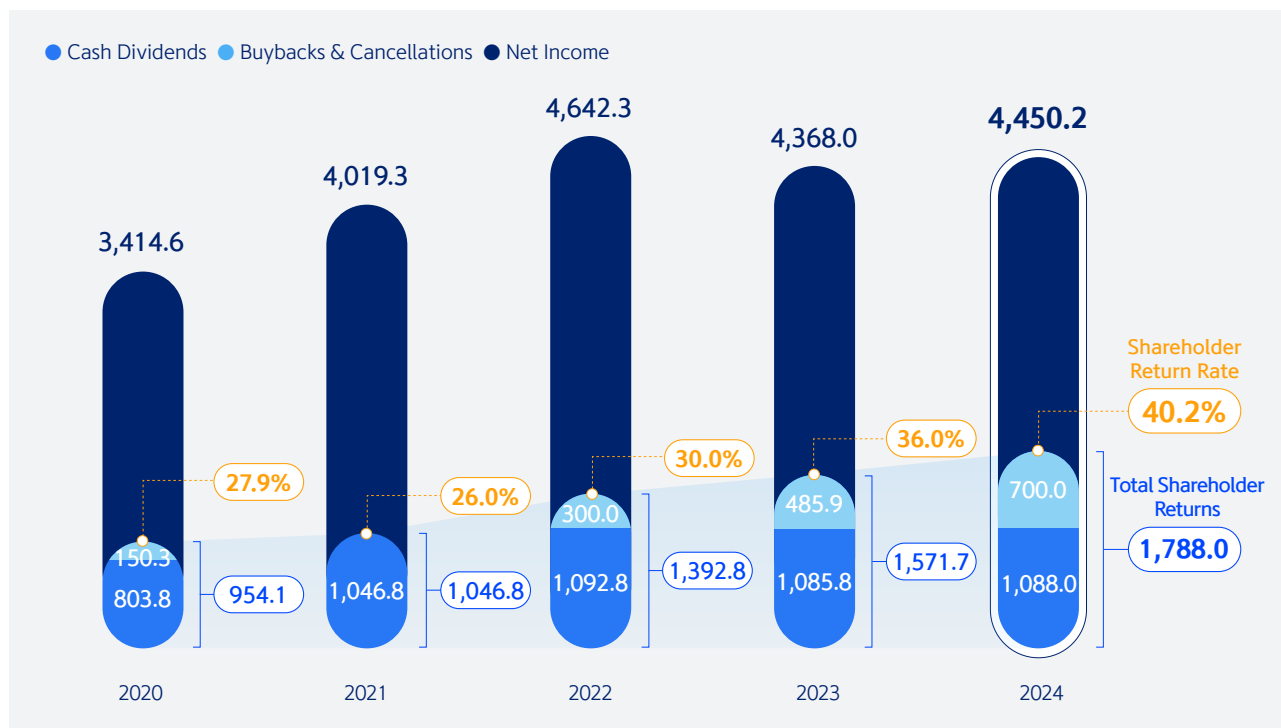
### Overseas ROE



Supported by this robust financial foundation, we successfully maintained our CET1 ratio at 13.06% despite sharp currency fluctuations at the end of 2024. These efforts translated into enhanced shareholder value: through KRW 1.1 trillion in cash dividends and KRW 700 billion in share buybacks, the Group achieved a shareholder return rate of 40.2%, an improvement of approximately 4 percentage points year on year.

## Shareholder Return

(KRW billion)



Nevertheless, 2024 was still a year that left us somewhat disappointed. Even when accounting for heightened external uncertainties, the recognition of large-scale impairment losses in securities such as in overseas alternative investments—during the fourth quarter led to a year-on-year decline in our return on equity (ROE), a financially sobering outcome. Furthermore, the Group’s traditionally strong non-banking businesses fell slightly short of expectations, with several subsidiaries encountering asset quality pressures amid the ongoing downturn in the real estate market.

What was most disheartening, however, was the crisis that struck our Scandal Zero initiative, a key pillar of our “Excellence, Shinhan” vision. This involved an incident in ETF LP operations at Shinhan Securities in October 2024. The issue extended beyond financial losses; it revealed critical gaps in our internal controls, which lie at the heart of our pursuit of excellence. The shock was profound and served as a sobering reminder of the critical importance of rigorous internal control systems.

As communicated in two separate letters from the Chair of the Board last year, the Group and Shinhan Securities immediately activated an emergency task force and undertook a series of response measures. Through our own cause analysis and a supervisory inspection by the Financial Supervisory Service, we identified systemic deficiencies in our internal controls. We are now fully implementing the derived improvement measures.

In fact, we have already carried out a sweeping leadership overhaul at Shinhan Securities, appointing a new CEO and executive team, and enacted a large-scale organizational restructuring. The company has been reorganized into three divisions—Wealth Management, Corporate & Investment Banking, and Operations—with each led by its own president to articulate the clear lines of accountability. Notably, the Operations, overseen directly by the CEO of Shinhan Securities, has been structurally separated from business developments so that it can focus solely on enterprise-wide risk management, internal controls, and strategic oversight. With these changes in leadership and organizational structure, we are driving the recovery and normalization of Shinhan Securities with urgency and consistency, while also laying the groundwork for a more sustainable growth model going forward.

## 04 Shinhan's Outlook for 2025

Let us now return to the present and share Shinhan's perspective on the outlook for 2025 and our vision for the future. As the pace of interest rate cuts is accelerating globally, the first quarter of the year in Korea proved challenging, as the country's economy was weighed down by sluggish domestic demand and heightened exchange rate volatility. Compounding this, the resurgence of protectionism emerging globally is expected to exert significant pressure on Korea's export-driven economy.

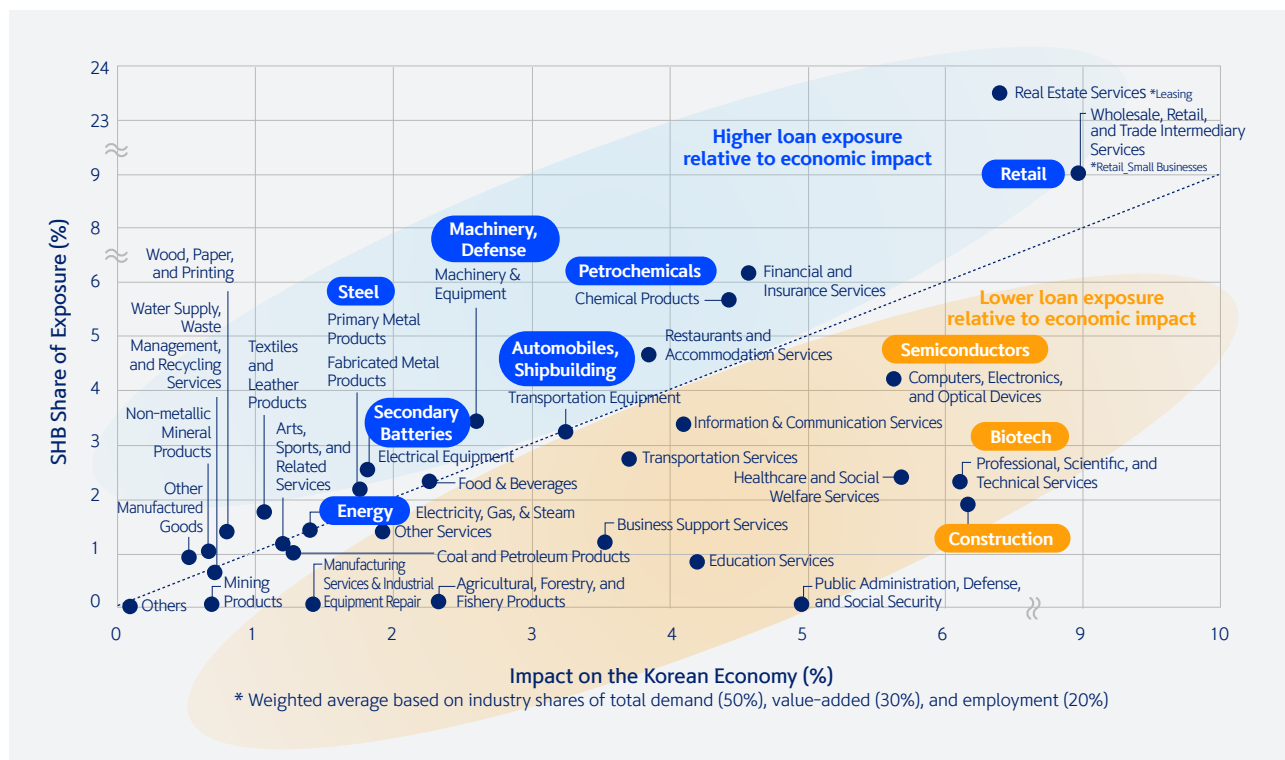
Recently, Shinhan Financial Group's Future Strategy Research Institute conducted a sectoral outlook analysis for the Korean economy in 2025. The report anticipates [FAVORABLE] conditions for the [defense, shipbuilding, semiconductor, and energy] sectors; a [NEUTRAL] outlook for the [machinery, automotive, retail, and biotech] sectors; and [CHALLENGING] conditions for the [secondary battery, petrochemical, steel, and construction] sectors.

### The Financial Sector's Perspective on Industries According to the Shinhan Future Strategy Research Institute

	Industry Assessment Scores from a Strategic Finance Perspective 1 (Low) ← → 5 (High)				Finance Sector Insights
	Rise of China	Trump Policies	New Tech	Overall	
Defense	4.0	4.5	3.5	4.0	Supplementing the shortfall in policy finance with private-sector funding is essential. Effective management of foreign currency exposure is a key priority.
Shipbuilding	3.0	4.0	3.5	3.5	The transition to eco-friendly vessels is fueling demand for ship financing, presenting opportunities for increased private-sector participation.
Semiconductors	3.5	4.0	2.5	3.3	Strengthened due diligence is required for component, materials, and equipment suppliers vulnerable to underpricing from China and U.S.-led protectionist measures. Financing for new technologies should be selectively supported.
Energy	1.5	3.5	4.0	3.0	With long-term R&D investment needed, capital support must be provided with an extended time horizon. Financing services related to RE100 are also gaining importance.
Machinery	3.0	3.0	2.5	2.8	Investment trends in construction equipment depend on developments in the U.S. and emerging markets. In robotics, the market is restructuring due to the exits and M&A of marginal borrowers.
Automotive	3.0	2.5	2.5	2.7	Supply chain reform poses profitability risks across the sector. Caution is advised regarding potential deterioration in supplier creditworthiness.
Retail	2.5	3.0	2.0	2.5	Support is needed for SMEs and small business owners hit hard by the rise of Chinese e-commerce. Financial solutions and overseas expansion strategies should be explored.
Biotech	2.5	3.5	1.5	2.5	Financing and investment should be concentrated on large firms with stable business lines, competitive technologies, and proven export capabilities.
Secondary Batteries	1.5	2.0	2.5	2.0	A more rigorous cash flow assessment is required in anticipation of heavy capital expenditures (CAPEX) spending. Identifying viable new revenue models is now essential.
Petrochemicals	1.0	2.5	2.0	1.8	A prolonged sector downturn has heightened latent credit risks. Financial attention should shift to SMEs with strong technological capabilities.
Steel	1.0	2.0	1.5	1.5	With continued profitability challenges, credit risk is expected to rise. Funding should be selectively extended to firms with strong financial health and liquidity.
Construction	1.0	2.0	1.0	1.3	Focus on soundness management, while selectively supporting future-oriented initiatives such as AI integration and the pursuit of global infrastructure projects.

Fortunately, many of the industries projected to face [NEUTRAL] or [CHALLENGING] conditions are primarily driven by large conglomerates, which generally possess strong financial fundamentals and maintain global competitiveness within their respective sectors. However, a more measured and discerning approach is warranted when assessing the SMEs on the value chains of these conglomerates from a financial institution's perspective.

## Industry-wise Loans by Shinhan Bank Relative to Economic Impact (From the Future Strategy Research Institute's report)



We are paying particularly close attention to the automotive sector. Korea's auto industry is characterized by a vast and complex value chain, with a small number of major players at the top and a broad base of SMEs and MEs supporting them. As leading automakers expand their production bases overseas, we are closely monitoring changes in the forms of collaboration with domestic SMEs. As of the end of 2024, Shinhan Bank's exposure to the automotive sector amounted to KRW 8.8 trillion, accounting for 2.7% of its won-denominated loan portfolio totaling KRW 320 trillion. The delinquency rate was well managed at 0.21%, reflecting both sound risk management and ample loss-absorbing capacity.

### Exposure to Automotive Sector

(KRW billion)

	2020	2021	2022	2023	2024
Total Loans	7,566.6	7,569.2	8,100.7	7,180.0	8,758.8
Substandard & Below Loans	38.2	32.0	22.0	21.1	27.4
NPL Ratio	0.51%	0.42%	0.27%	0.29%	0.31%
Delinquency Rate	0.33%	0.14%	0.07%	0.15%	0.21%
Provisioning	120.3	97.6	87.1	94.1	72.6
NPL Coverage Ratio	315%	305%	395%	445%	265%

Another area of concern is the retail industry, which continues to struggle under the weight of subdued consumer spending. Since the onslaught of cost-competitive Chinese e-commerce platforms into Korea, many Korean SMEs and small business owners have experienced mounting pressure. With U.S. tariffs limiting Chinese access to other markets, Korea has grown in strategic importance as a target for Chinese e-commerce expansion. We will continue to closely monitor this sector and assess latent risks within the domestic retail landscape.

## Exposure to Distribution Sector

(KRW billion)

	2020	2021	2022	2023	2024
Total Loans	5,930.9	7,173.7	7,598.9	8,159.4	<b>9,309.8</b>
Substandard & Below Loans	16.2	9.2	14.4	19.5	<b>27.6</b>
NPL Ratio	0.27%	0.13%	0.19%	0.24%	<b>0.30%</b>
Delinquency Rate	0.20%	0.14%	0.29%	0.36%	<b>0.47%</b>
Provisioning	32.2	28.4	39.2	45.8	<b>53.4</b>
NPL Coverage Ratio	198%	307%	272%	235%	<b>193%</b>

No outlook for 2025 would be complete without addressing the issue of capital concentration in real estate and the burden of household debt. Korea's household debt-to-disposable income ratio rose steadily from 148% in 2014 to 194% in 2022. While it slightly eased to 187% in 2023 amid high interest rates, this ratio fundamentally mirrors housing price trends. *Jeonse* loans, in particular, have come under scrutiny as a contributing factor to housing price inflation.

\* *Jeonse* is a rental agreement in which the entire rent is paid in a lump sum up front and refunded at the end of the term.

In response, financial authorities have deployed a range of policy tools to mitigate risks stemming from real estate-linked household debt. The Financial Services Commission's 2025 Household Debt Management Plan includes several key measures, such as the implementation of Stress DSR Phase 3 and a reduction in *jeonse* loan guarantee coverage from 100% to 90%. If these initiatives are executed effectively, they should help to temper excessive housing price growth and bring household debt to more sustainable levels.

## Average Housing Sale Prices

(KRW 1,000)

	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023	Dec. 2024	Feb. 2025
Nationwide	341,347	427,501	399,620	389,902	401,603	<b>401,816</b>
Seoul Metropolitan Area	479,017	626,986	582,248	564,292	587,434	<b>588,440</b>
Provinces	215,405	255,829	242,396	233,295	233,864	<b>233,363</b>
Seoul	703,270	881,835	835,729	818,750	866,276	<b>870,924</b>

## Average *Jeonse* (Lease) Prices

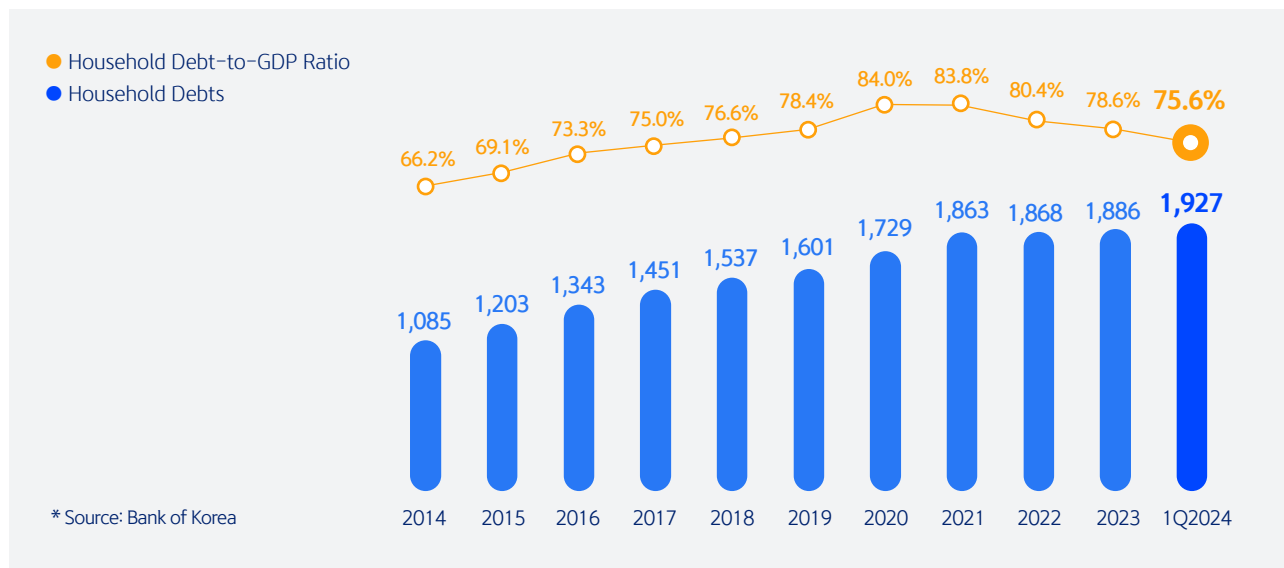
(KRW 1,000)

	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023	Dec. 2024	Feb. 2025
Nationwide	205,624	255,445	233,752	223,556	231,535	<b>231,562</b>
Seoul Metropolitan Area	282,316	368,766	333,145	313,546	328,020	<b>328,061</b>
Provinces	135,465	158,706	148,980	143,559	145,254	<b>145,269</b>
Seoul	379,938	489,646	451,653	424,484	443,825	<b>444,187</b>

\* Source: Korea Real Estate Board—Housing Price Trend Report

## Household Debts

(KRW trillion)



To resolve these issues, Korea's Corporate Value-Up Program must continue—and succeed. Following last year's 22nd National Assembly election, I met with foreign investors who asked how the program might evolve post-election. My answer was clear: "Korea's Value-Up program must be understood in light of increasing pressure on the public pension system. With declining birth rates and an aging population, the current replacement rate remains in the low 40% range. Amid underperformance in capital markets, real estate has become the preferred vehicle for retirement savings, fueling price inflation and socioeconomic polarization. Unless Korea revitalizes its capital markets, this dynamic will persist. Therefore, expanding direct financing channels through capital markets for corporates is imperative—and there is broad consensus on this need." In short, Korea's commitment to the Value-Up program remains unwavering.

Although some point out that the Korean stock market did not perform as well as they had hoped in 2024, I am cautiously optimistic about the program's future. There is now broad societal alignment on the importance of corporate value enhancement, and stakeholders across Korea's capital markets are taking proactive steps within their spheres of influence. Japan's own Value-Up experience demonstrates that such reforms require time and persistence. Korea must adopt a similarly steady and principled approach, one guided by strong policy frameworks and public-private collaboration. The path forward demands consistency, patience, and resolve.

In many conversations with investors and market participants, I occasionally hear concerns raised about financial industry regulations. When I do, I respond with conviction:

"Korea's financial sector has grown through decades of close communication between the government, financial authorities, and financial institutions. The policies and regulatory frameworks established through this cooperation have played a vital role in shielding the market from systemic risks and supporting its long-term development. We saw this resilience in action during the 1997 Asian Financial Crisis and the 2008 Global Financial Crisis—moments when various economic actors came together to overcome unprecedented challenges. Today, the Korean economy stands on much stronger and more resilient footing than ever before. It should be noted that Shinhan Financial Group has also faced and overcome its share of challenges along the way, growing stronger through each one."

In such an environment, I believe one of the most important responsibilities of a financial group CEO, while representing our investors, is to serve as a bridge—narrowing any and all gaps between investor expectations and institutional realities, while also fostering constructive dialogue. Just as I have done every single day up until now, I will continue to actively engage with the government and financial authorities for the ongoing advancement of Korea's financial markets.

## Future Value-Up Plans

### Awarding Outstanding Value-Up Performance

#### Awarding Best Practices (May 2025)

- Date: every May (starting in 2025)
- Recipients: 10 companies (planned)
- Incentives: benefits such as additional points in periodic exemption reviews for designated audits and preferential inclusion in the Value-Up Index

#### Announcement of the Criteria (Feb. 11, 2025)

- Procedure: Step 1 → Step 2 → Step 3
- Evaluation: Quantitative + Qualitative
- Feedback: Participation by external experts → Feedback from market participants

### Publication of the Corporate Value-Up Program White Paper

#### Publication Plan (May 2025)

- Purpose: a recap of the Value-Up program progress and selection of best practices → Spreading Value-Up practices throughout the market
- Publication Schedule: every May (starting in 2025)
- Best Practices: selected based on input from global investors and market participants

#### White Paper Key Contents

- Analysis of shareholder return trends, such as share buybacks and cancellations, as well as cash dividends + best practices of disclosures by key guideline category, and rationale for selection

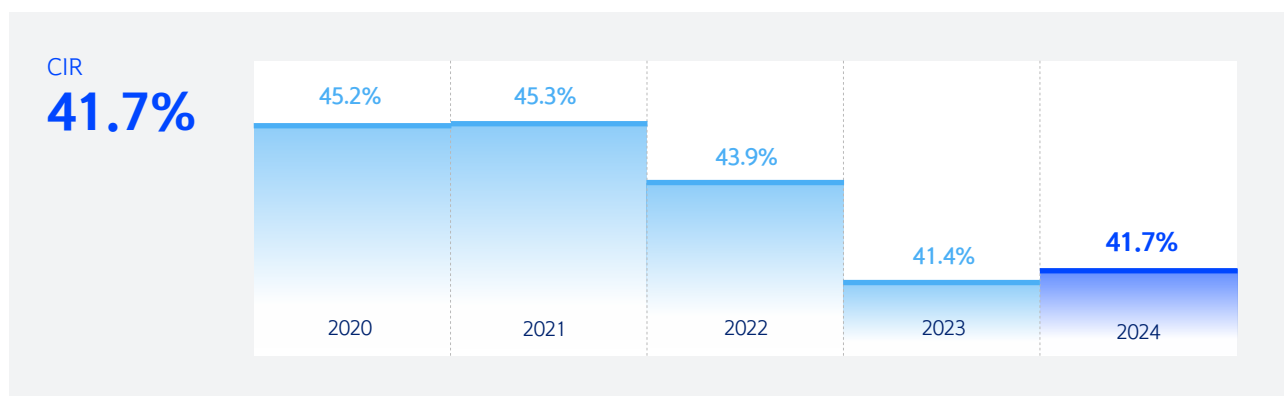
## 05 Shinhan's Vision for 2025

In 2025, Shinhan Financial Group is accelerating its pursuit of qualitative growth. Building upon the strong fundamentals that were put to the test last year, we are now reinforcing operational efficiency and strengthening asset quality management. With a disciplined approach to capital allocation, we remain committed to maintaining a stable CET1 ratio, while actively expanding non-interest income across Group-wide business lines. This year, we aim to highlight Shinhan's distinct competitive edge in three key areas: wealth management (WM), overseas business, and digital innovation.

Despite an environment of declining market interest rates, we expect interest income to remain at a healthy level, supported by the average balance effect of our loan assets, which we strategically expanded early on in 2024. Recognizing the growing importance of RWA and CET1 management, we are transitioning from an asset-driven funding model to a funding-led operation approach—prioritizing profitability and margin-focused management.

In the meantime, operational efficiency will continue to be closely managed as a core performance indicator. By actively leveraging AI technologies to enhance efficiency across channels and operations, we will continue our multifaceted efforts to maintain the cost-to-income ratio (CIR) at the low-40% level.

### Group CIR



With respect to credit costs, a modest increase may materialize due to a continued downturn in domestic consumption and global trade uncertainties. However, our accumulated loss-absorbing capacity—thanks to our proactive provisioning in recent years—positions us to manage these costs in a stable manner. If the real estate PF resolution process led by financial authorities gains further traction, the conservative provisioning reflected in 2024 may yield positive base effects. Regardless, considering the rising macro and sectoral uncertainties—including visible signs of distress in the construction and retail sectors—we will continue to maintain close, cautious monitoring across all potential areas of risk exposure.

### Group's CCR

	2020	2021	2022	2023	2024
Credit Cost Ratio	0.41%	0.27%	0.34%	0.57%	0.49%
Recurring	0.29%	0.22%	0.20%	0.38%	0.36%
Additional	0.12%	0.05%	0.14%	0.19%	0.13%

\* CCR: Credit Cost Ratio

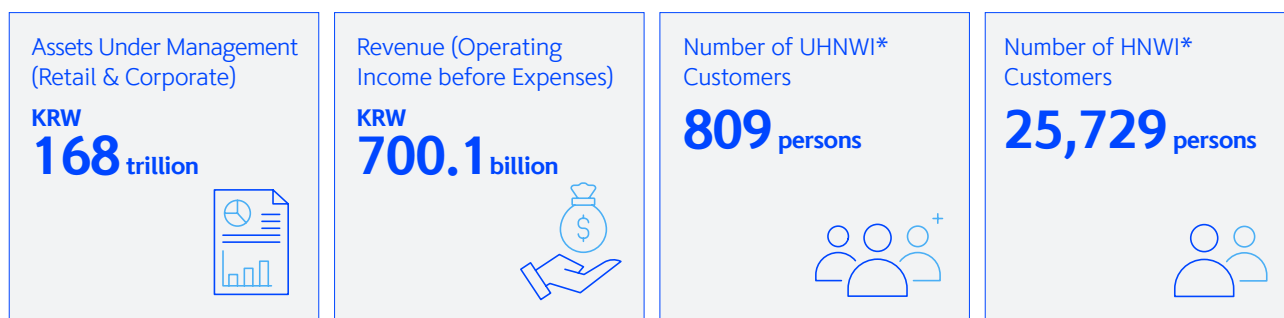
In terms of wealth management (WM), we are strengthening non-interest income through deeper collaboration across Group subsidiaries—spearheaded by Shinhan Securities and supported by full engagement from our banking and other subsidiaries. Today, Korea is experiencing a sharp increase in its ultra-high-net-worth (UHNW) population. While our WM business has traditionally focused on delivering strong returns for individual clients, we are now placing equal importance on meeting the full lifecycle needs of diverse client segments, including family offices.

While WM in global markets is typically led by securities firms, Korea’s model remains largely bank-centric—a structure that often constrains the ability to offer a fully diversified product suite aligned with evolving client needs. To address this, Shinhan is advancing a “One WM Governance” strategy that integrates the operational governance of all WM businesses across its banking and securities subsidiaries. This approach enables seamless collaboration across the Group, allowing us to deliver a differentiated, end-to-end customer experience—from product development through to distribution. Furthermore, the global WM landscape is shifting toward the institutionalization of assets through IB-oriented structuring. In response, Shinhan is evolving its model by developing a private investment banking (PIB) model based on structured IB deal assets, while expanding advisory fee income through high-value solutions.

Our differentiated capabilities in international markets continue to evolve as well. In Vietnam, we have pursued deep localization from the outset and are expanding a competitive, diversified business portfolio. Among the foreign banks active in the country, Shinhan is achieving standout growth. In Japan, our strong retail base is generating stable income while advancing into high-growth areas such as IT services. This multi-engine growth—anchored in localized strategy execution—is a core pillar of Shinhan’s international business. We will continue to leverage our success in Vietnam and Japan as we explore model replication in additional markets.

We are also accelerating our digital transformation and AI innovation. For Shinhan, “going digital” is more than a means of enhancing customer convenience—it is a catalyst for a fundamental transformation in productivity and organizational efficiency through PROCESS INNOVATION. We are currently preparing to launch the next-generation *Super SOL App* in the first half of 2026. This universal platform will integrate key services across Group subsidiaries, offering customers a seamless, differentiated experience. At the same time, we are advancing the sophistication of our AI branch and AI contact center (AICC), all while scaling new digital businesses, including virtual assets and banking-as-a-service (BaaS).

## ONE WM Performance Results



\* as of the end of 2024

\* Ultra-high-net-worth individual (UHNWI) are customers with assets over KRW 10 billion.

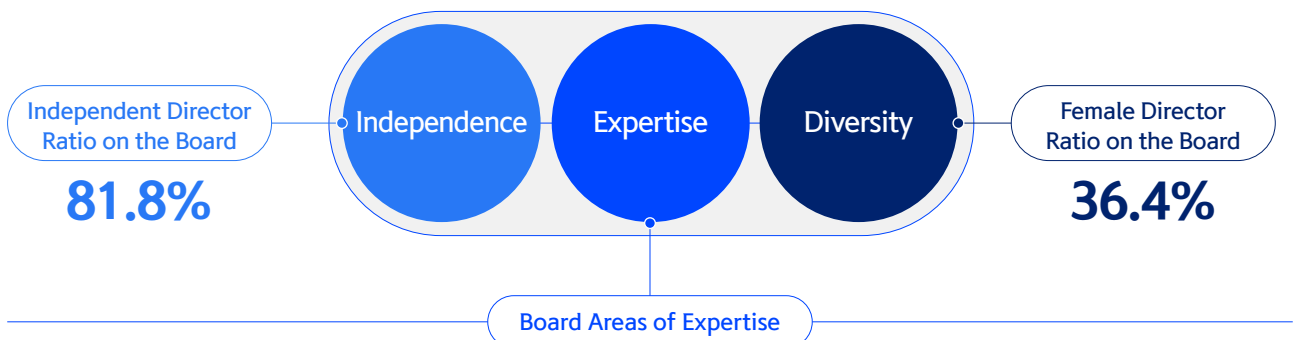
\* High-net-worth individual (HNWI) are customers with assets over KRW 1 billion.

## 06 Toward a More Sustainable Shinhan

We are grateful for the continued trust and support shown at this year's General Shareholders' Meeting. With the reappointment of six directors and the addition of two new members, our Board now consists of 11 members—of which nine (82%) are independent and four (36%) are women. This composition reflects a well-balanced, independent, and diverse governance structure. As with last year, we appointed directors with hands-on industry expertise, further strengthening the Board's strategic capabilities. Going forward, our Board of Directors will continue to provide insightful counsel while fulfilling its responsibility to independently keep management in check.

Shinhan Financial Group's BOD also remains committed to transparency and authentic communication. Since 2023, we have shifted investor engagement from one-on-one formats to broader roundtable discussions, thereby expanding participation and deepening dialogue. This approach enables us to listen more actively to market voices and reflect their insights in our key decisions, contributing to long-term corporate value enhancement in meaningful ways.

### BOD Composition



Directors					Expertise & Experiences								
Name	Position	Gender	Initial Appointment	Term End	Finance	Business Management	Economics	Legal & Internal Control	Financial Planning & Accounting	Digital & ICT	Int'l Business & Capital Markets	Risk Management	Consumer Protection & ESG
Kwak Su Keun	Independent	Male	Mar. 2021	Mar. 2026		●			●				●
Kim Jo Seol	Independent	Female	Mar. 2022	Mar. 2026			●				●		●
Bae Hoon	Independent	Male	Mar. 2021	Mar. 2026				●			●		
Song Seongjoo	Independent	Female	Mar. 2024	Mar. 2026	●		●					●	
Yang In Jip	Independent	Male	Mar. 2025	Mar. 2027	●	●				●	●		
Yoon Jaewon	Independent	Female	Mar. 2020	Mar. 2026		●			●				
Lee Yong Guk	Independent	Male	Mar. 2021	Mar. 2026				●			●		
Chun Myo Sang	Independent	Female	Mar. 2025	Mar. 2027					●		●		
Choi Young-Gwon	Independent	Male	Mar. 2024	Mar. 2026	●	●					●		
Jin Okdong	Executive	Male	Mar. 2023	Mar. 2026	●	●					●		
Jung Sang Hyuk	Non-executive	Male	Mar. 2023	Mar. 2027	●	●							

A stable and forward-looking governance system is essential for sustainable growth. In May 2012, Shinhan became the first Korean financial group to institutionalize a Group CEO Succession Plan. Since then, we have continually updated the plan to reflect evolving societal expectations and ensure transparency. The CEO Recommendation Committee under the BOD maintains a regularly updated and managed pool of internal and external candidates. The names are drawn from a well-developed talent pool, including CEOs of key subsidiaries, as well as other talented candidates.

## Group CEO Succession Plan

### ① Pooling of CEO Candidates

#### 1) Internal Candidates

- CEOs of major group subsidiaries
- Former CEOs of group subsidiaries
- Other individuals recommended by the CEO

#### 2) External Candidates

- Professionals with substantial experience in the financial industry
- Candidates nominated by external advisory institutions
- Candidates recommended by shareholders or other stakeholders

### ② Establishment of the Long-list

#### • Long-listing Criteria

- Maintain an appropriately sized pool of candidates to enable sufficient outreach, taking into account the current status of internal and external candidates
- Verify the absence of any legal disqualifications or statutory restrictions
- Recruit based on relevant qualifications including prior experience as a CEO of a financial institution, domain expertise, and suitability in terms of age and leadership capacity

#### Internal Development Programs for Succession Readiness

- Group CEO Academy
- BOD participation programs designed to enhance competencies of independent directors
- Coaching and mentoring by the current CEO
- Participation in Group-level decision-making processes
- Execution of strategic initiatives and projects
- Self-directed development activities
- Executive leadership and management programs

### ③ Initiation of Succession Procedures & Shortlisting

• The succession process shall be initiated no later than three months prior to the expiration of the incumbent's current term

#### • Short-listing

- Conduct in-depth evaluations of long-listed candidates in accordance with final assessment criteria
- Narrow the list to a final slate of candidates—up to three-five times the number of final candidates—through an anonymous voting process

### ④ Final Candidate Selection

#### • Final Candidates Evaluation Criteria

- Integrity, professional expertise, organizational leadership skills, and a deep understanding of the Group's vision and core values
- Additional qualifications that reflect the current business environment and the Group's strategic direction

#### • Presentation of management philosophy and vision, followed by a structured, in-depth interview

• The final candidate shall be determined through anonymous voting by all independent directors.

## BOD Roundtable



Through the CEO Academy—launched in 2024—and ongoing leadership development initiatives, we are instilling Shinhan’s founding values and culture in the next generation of leaders, which includes CEOs and senior executives of our subsidiaries. A key message we emphasize is what we call <BEING SHINHAN>: a cultural DNA rooted in customer-centricity. Regardless of who assumes the role of CEO in the future, this identity must remain steadfast.

Since becoming CEO of Shinhan Bank in 2019, and now as Group CEO, I have done my utmost to contribute to Shinhan’s long-term sustainability. I take pride in helping entrench a culture of fairness and customer value, and in laying the groundwork for a shift from volume-based competition to quality-oriented growth. Looking ahead, I believe my mission is to evolve and pass on <BEING SHINHAN> in line with the times, and to lead the Group to become a top-tier financial institution that is respected by all stakeholders.

Recently, I revisited my copy of *De Officiis*. A passage I had marked in an earlier reading during the forum last year caught my attention once again: “Trust begins with fulfilling what you say.” Last year, we preemptively announced Shinhan’s Corporate Value-Up Plan and were encouraged by the strong response it generated in the market. Now is the time to deliver on our commitment. We are firmly committed to achieving our 2027 targets: 10% ROE, a 50% shareholder return ratio, and a reduction of our outstanding shares by 50 million. It is our mission to turn the aspirations of 2024 into the realities of 2027.

While there is much more I hope to convey I will conclude this letter here and look forward to continuing the dialogue in the months ahead. Thank you, as always, for your unwavering support. We humbly ask for your continued encouragement as Shinhan advances on its journey toward *Excellence, Shinhan*.

March 2025

Yours Sincerely,

진옥동

**Jin Okdong**

Chief Executive Officer  
Shinhan Financial Group