

Aim Higher and Creatively Pioneering Ahead

Shinhan Financial Group

FY2019



RESILIENCE



FUNDAMENTAL



SUSTAINABILITY



HUMAN-TALENT



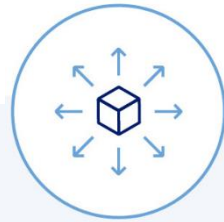
ECO-SYSTEM





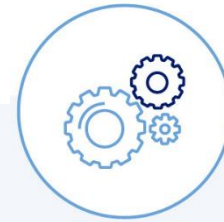
Korea's Leading Financial Institution

Sustainable Net Income growth driven by solid core earnings and consistent ROE enhancing business strategy



Global Expansion and Diversification

Establishing a foundation for the sustainable growth through steady and consistent global expansion and business diversification



Thorough Risk Management

Maintaining sound asset qualities through preemptive and proactive risk management



Focused on Creating Customer and Shareholder Value

Implementing the "Compassionate Finance" to build a virtuous cycle of shared prosperity for the company and society



Shinhan Financial Group

(as of FY2019)

Net Income

3.40 Wtn

Total Assets
(Consolidated)

552 Wtn

Total Market Cap.

20.6 Wtn

ROA

0.70 %

ROE

9.41 %

of Employees

30 thousand

- 16 direct subsidiaries, 27 indirect subsidiaries
- Major Shareholders (Common Shares)
 - Korea National Pension Service 9.92%
 - BlackRock Fund Advisors 6.13%¹⁾
 - SFG ESOP 5.11%
 - BNP Paribas 3.55%
 - Citi Bank [ADR Dept.] 2.80%

1) Based on the Large equity ownership disclosure by BlackRock Fund Advisors with the Financial Supervisory Service on Sep. 27, 2018

Well-diversified Business Portfolio

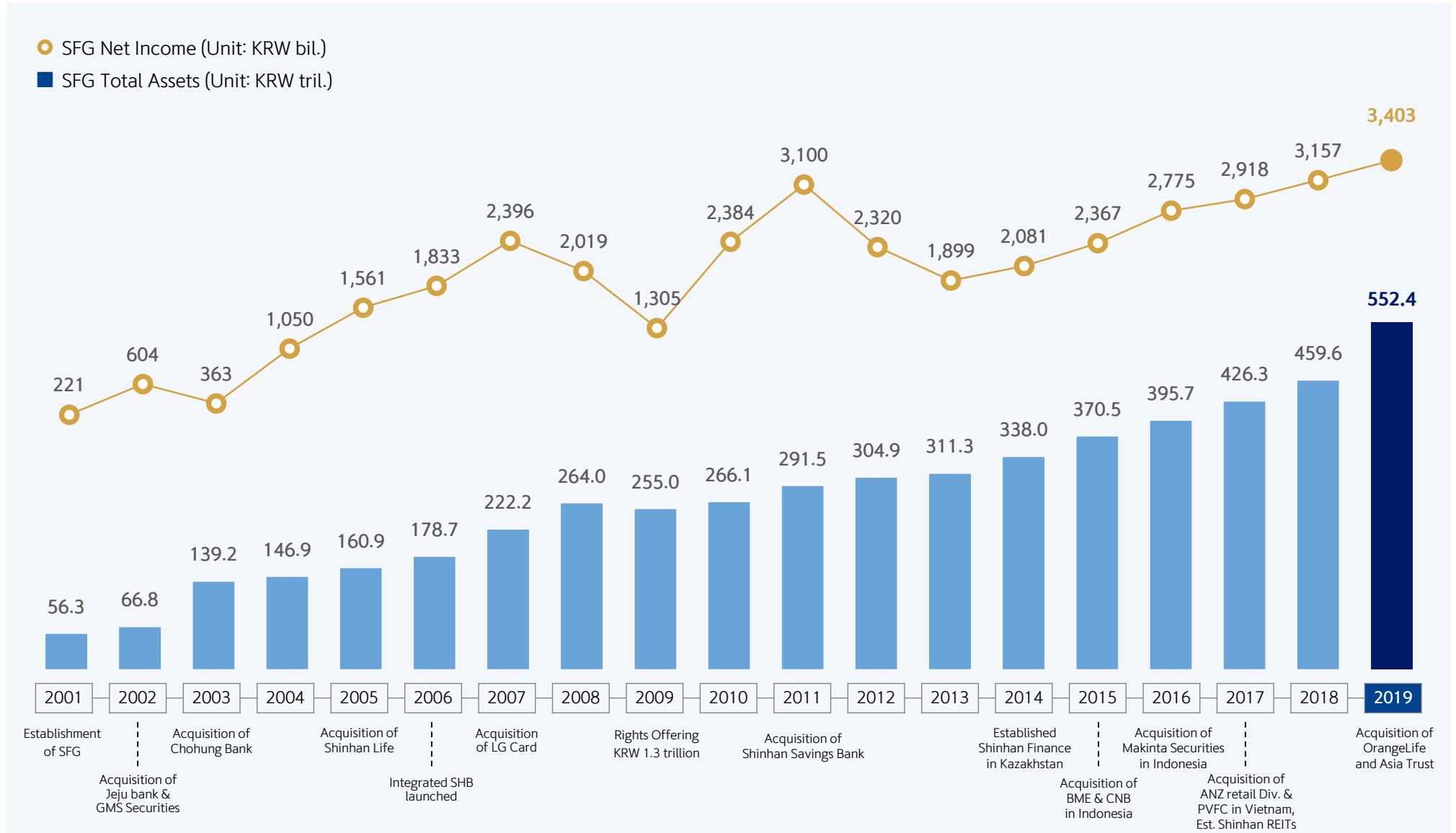


Top 500 Banking Brand

Ranking	Company	Country
1	ICBC	China
5	Wells Fargo	US
10	JP Morgan	US
36	DBS Group	Singapore
47	Mizuho Financial Group	Japan
63	Shinhan Financial Group	Korea

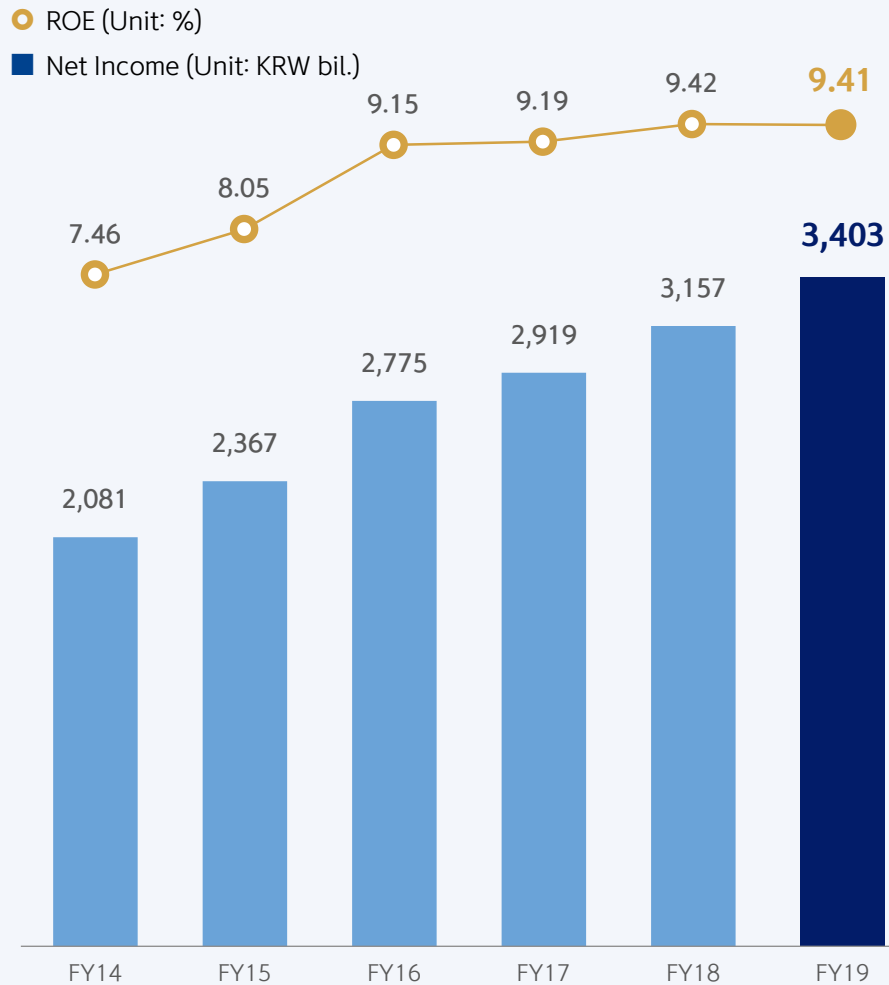
* Source: The Banker (Feb. 2020)

Continuous Growth Through Business Diversification



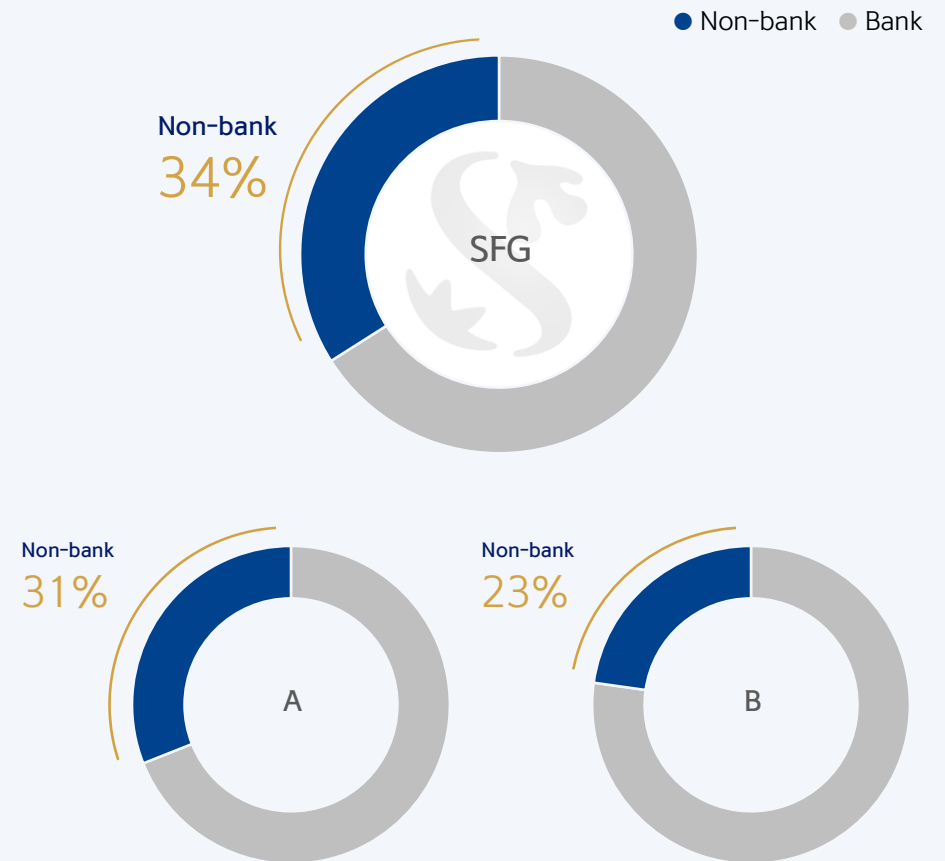
Performance and Portfolio

Consistent Net Income Growth



Diversified Profit Base

Net Income Contribution by Non-bank Subsidiaries (FY19)



SFG's Major Affiliates

Leading Financial Group in Korea



(as of DEC. 2019)

Shinhan Bank	Shinhan Card	Shinhan Investment	Shinhan Life	OrangeLife ²⁾	Shinhan Capital	Shinhan BNP Paribas AM	Jeju Bank
100%	100%	100%	100%	59.15%	100%	65%	75.31%
<p>Top Commercial Bank in Korea</p> <p>Total Assets 477.3 Wtn.</p> <p>Total Equity 26.1 Wtn.</p>	<p>No.#1 Credit Card Company in Korea</p> <p>Total Assets 32.9 Wtn.</p> <p>Total Equity 6.2 Wtn.</p>	<p>Major Securities Firm in Korea</p> <p>Total Assets 73.6 Wtn.</p> <p>Total Equity 4.2 Wtn.</p>	<p>Life Insurance Co. with Strengths in Telemarketing</p> <p>Total Assets 34.1 Wtn.</p> <p>Total Equity 2.1 Wtn.</p>	<p>Highly Profitable Life Insurance Company</p> <p>Total Assets 32.8 Wtn.</p> <p>Total Equity 3.2 Wtn.</p>	<p>Specializes in facility leases & installment financing</p> <p>Total Assets 7.6 Wtn.</p> <p>Total Equity 953.9 Wbn.</p>	<p>Major Asset Management Firm in Korea</p> <p>Total Assets 50.5 Wtn.</p> <p>Total Equity 164.5 Wbn.</p>	<p>The Leading Local Bank in Jeju</p> <p>Total Assets 6.4 Wtn.</p> <p>Total Equity 497.7 Wbn.</p>
Shinhan Savings Bank	Asia Trust ²⁾	Shinhan DS	Shinhan AITAS	Shinhan Credit Info.	Shinhan Alternative Invest.	Shinhan REITs	Shinhan AI
100%	60%	100%	99.8%	100%	100%	100%	100%
<p>Major Savings Bank in Korea</p> <p>Total Assets 1.6 Wtn.</p> <p>Total Equity 184.6 Wbn.</p>	<p>Major Market Player in Real Estate Trust</p> <p>Total Assets 36.6 Wtn.</p> <p>Total Equity 128.9 Wbn.</p>	<p>Specialized IT Service Provider for Financial Corp.</p> <p>Total Assets 89.1 Wbn.</p> <p>Total Equity 21.2 Wbn.</p>	<p>No.#1 Fund Service Company in Korea</p> <p>Total Assets 71.1 Wbn.</p> <p>Total Equity 66.1 Wbn.</p>	<p>Expertise in debt collection & credit research</p> <p>Total Assets 25.3 Wbn.</p> <p>Total Equity 15.2 Wbn.</p>	<p>Private Equity Fund & Alternative Investment</p> <p>Total Assets 4.1 Wtn.</p> <p>Total Equity 12.0 Wbn.</p>	<p>Real Estate Investment Management Firm</p> <p>Total Assets 1.1 Wtn.</p> <p>Total Equity 40.2 Wbn.</p>	<p>AI-based Investment Advisory Firm</p> <p>Total Assets 42.4 Wbn.</p> <p>Total Equity 40.7 Wbn.</p>

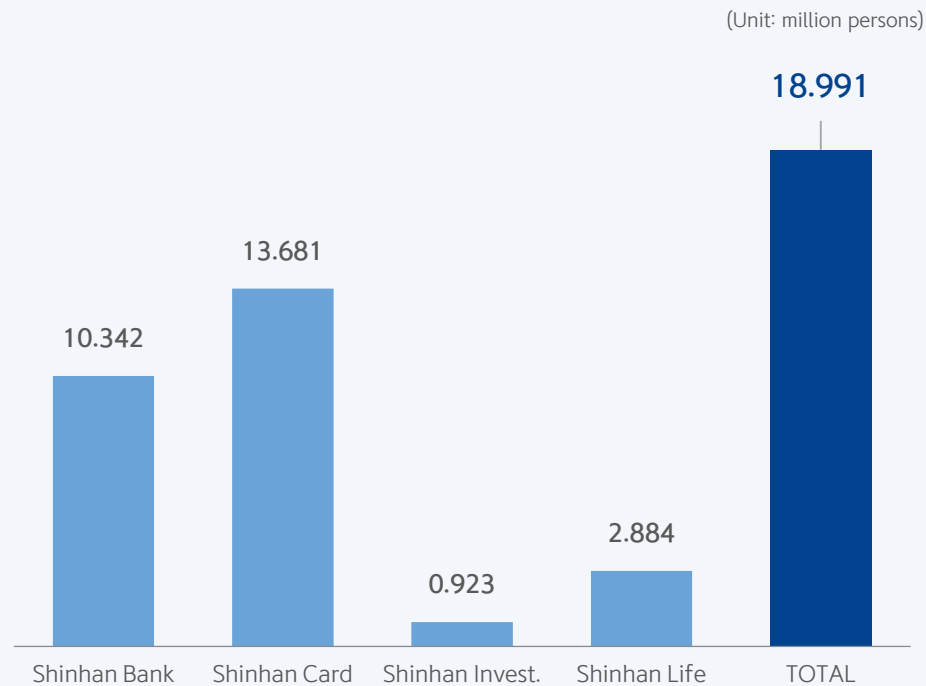
1) Based on Consolidated Financial Statements, Trust A/C and AUM are included in Total Assets.
2) Orange Life Insurance joined SFG on Feb. 1. 2019, and Asia Trust joined SFG on May 2, 2019.

Customers and Networks

Customers

SFG serves **18.99 million*** active customers.

* Excluding overlapping customers (as of FY2019)



Branch Networks

Domestic

Company	# of Branches
Shinhan Bank	876
Shinhan Life	123
Shinhan Investment	125
OrangeLife	106
Shinhan Card	26
Jeju Bank/기타	108
TOTAL	1,362

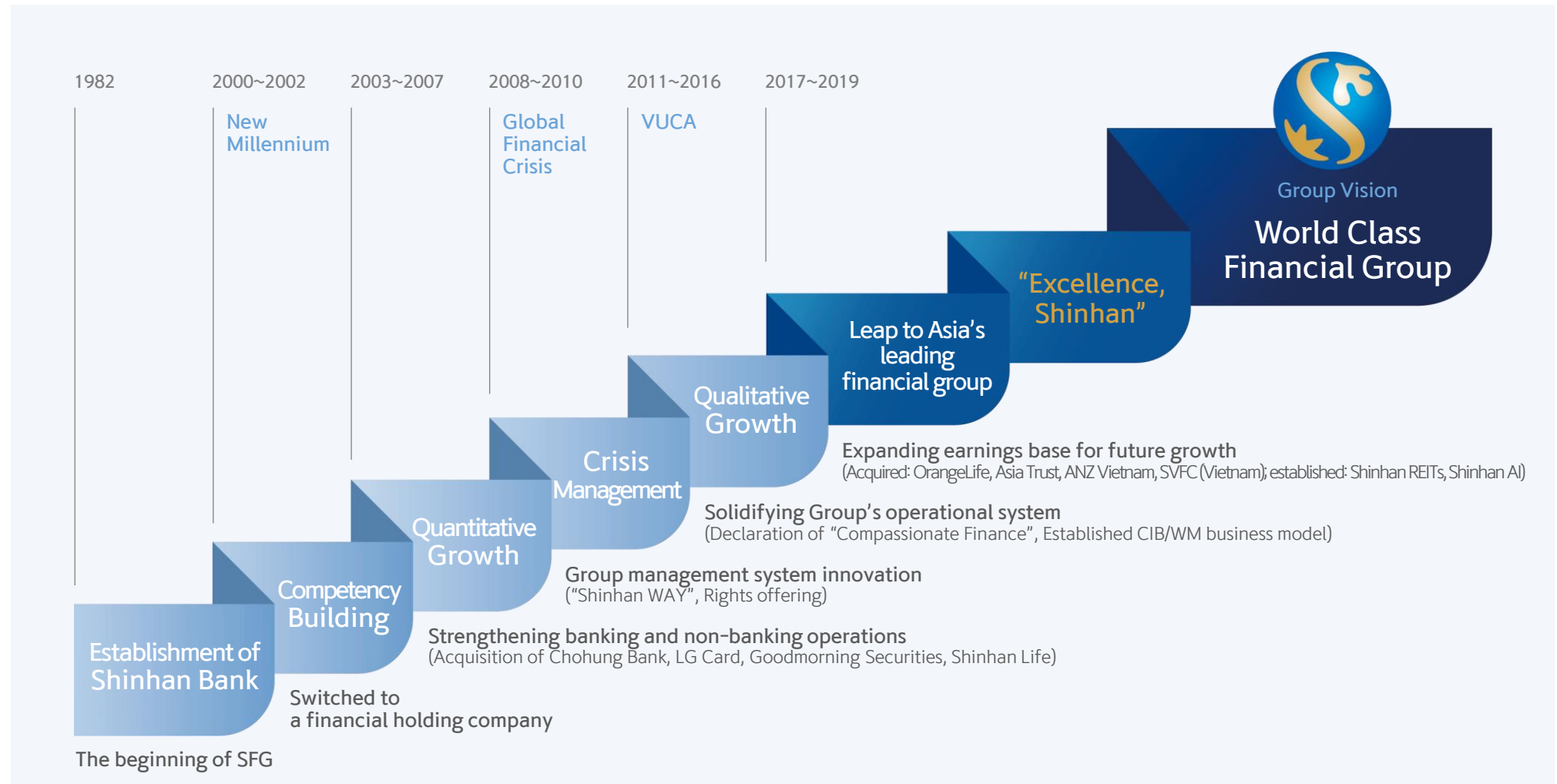
Hybrid Branch

Company	# of Branches
PWM Center	28
PWM Lounge	31
Creative Finance Plaze	8
TOTAL	67

* As of end of 2019

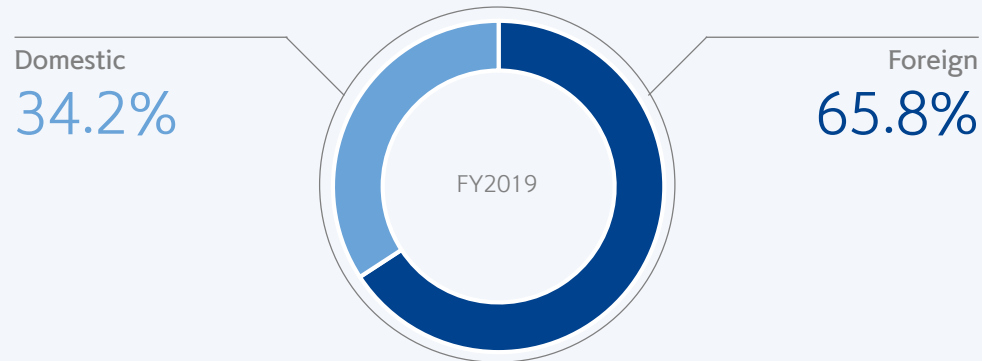
Shinhan's History & Vision

SFG will embody *"Excellence"* while it progress towards its vision, *"World Class Financial Group"*, through accumulated experiences and success in overcoming external headwinds.



Stable Corporate Governance

Shareholders



Major Shareholders

(as of FY2019)

Company	Ownership (%)
Korea National Pension Service	9.92
BlackRock Fund Advisors ¹⁾	6.13
SFG ESOP	5.11
BNP Paribas	3.55
Citibank N.A. (ADR dept.)	2.80
The Government of Singapore	2.54
Norges Bank Investment Management	1.84
Samsung Asset Management	1.75
Vanguard Total Int'l Stock Index	1.43
Peoples Bank of China	1.18

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

CEO & Subsidiary Management



CHO Yong-byung

CEO, Shinhan Financial Group

Experiences

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

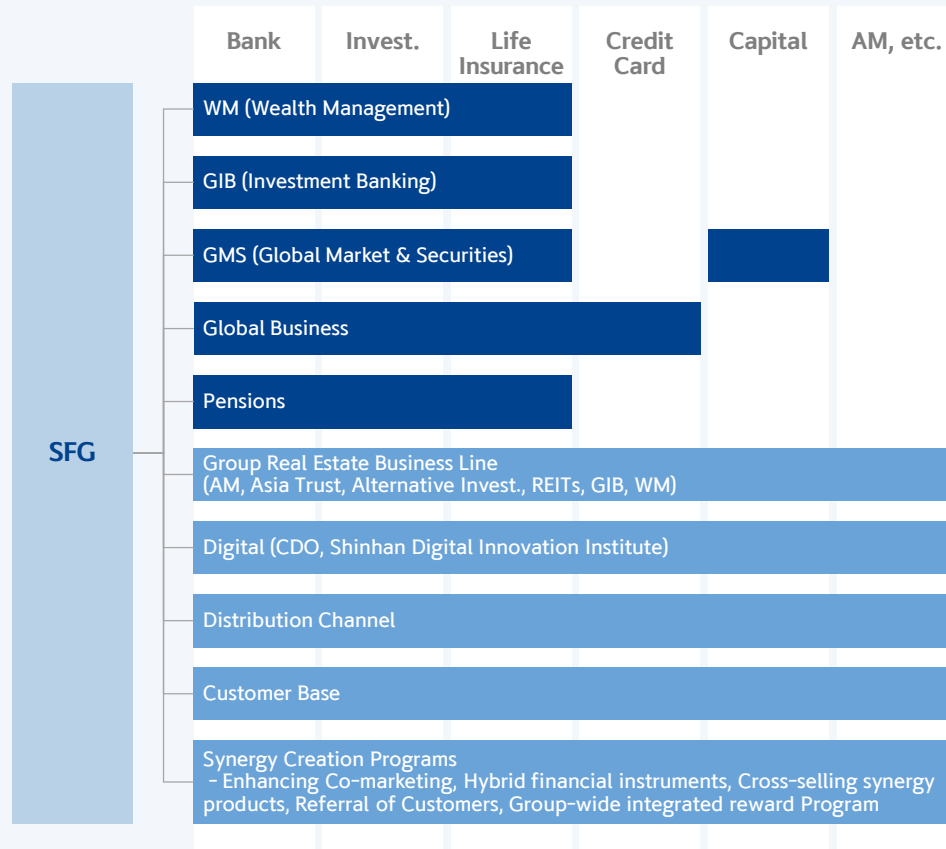
SFG Subsidiaries' CEOs (as of FY2019)

01. Shinhan Bank: JIN Ok-dong	09. Shinhan Savings Bank: KIM Young-pyo
02. Shinhan Card: LIM Young-jin	10. Asia Trust: BAE Il Geu
03. Shinhan Invest.: KIM Byeong Cheol	11. Shinhan DS: YU Dong Uk
04. Shinhan Life: SUNG Dai Gou	12. 신한아이타스: CHOI Byeong Wha
05. OrangeLife: CHEONG Munkuk	13. Shinhan Credit Info.: LEE Ki Jun
06. Shinhan BNPP AM: LEE Chang Goo	14. Shinhan Alternative Invest: KIM Hee-song
07. Shinhan Capital: HEO Young Taeg	15. Shinhan REITs: NAM Koong Hun
08. Jeju Bank: SEO Hyun-joo	16. Shinhan AI: BAE Jin Soo

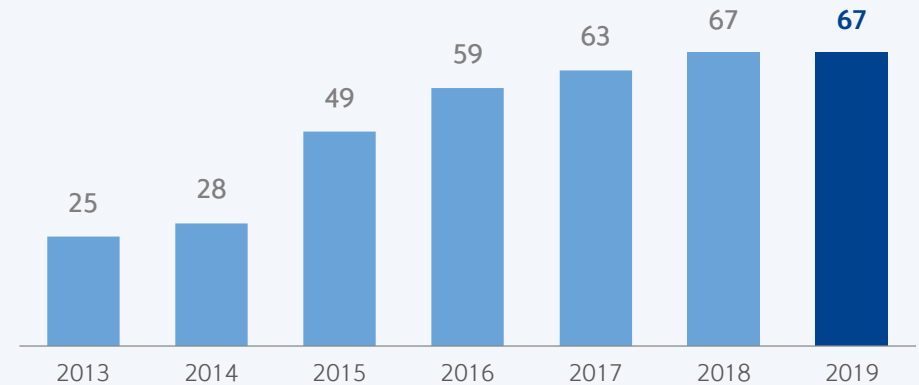
“One Shinhan” Strategy

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

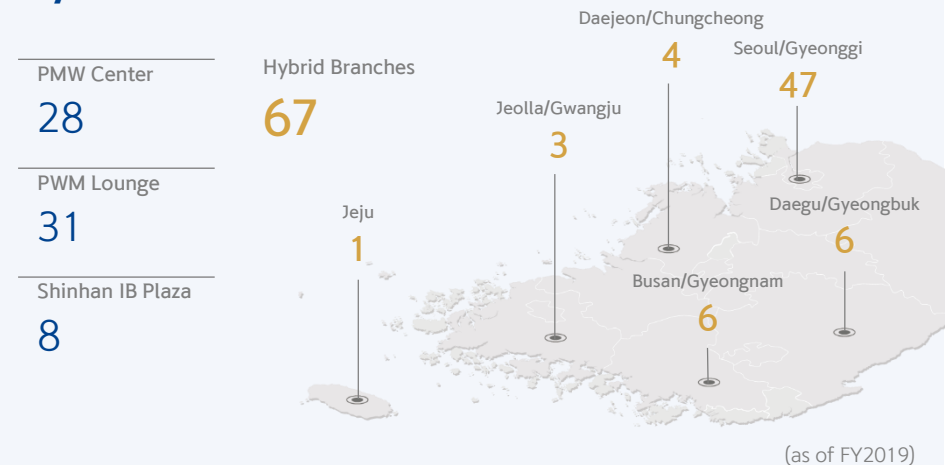
One Shinhan Business Model



Number of Hybrid Branches



Hybrid Branch Network



“One Shinhan” Strategy

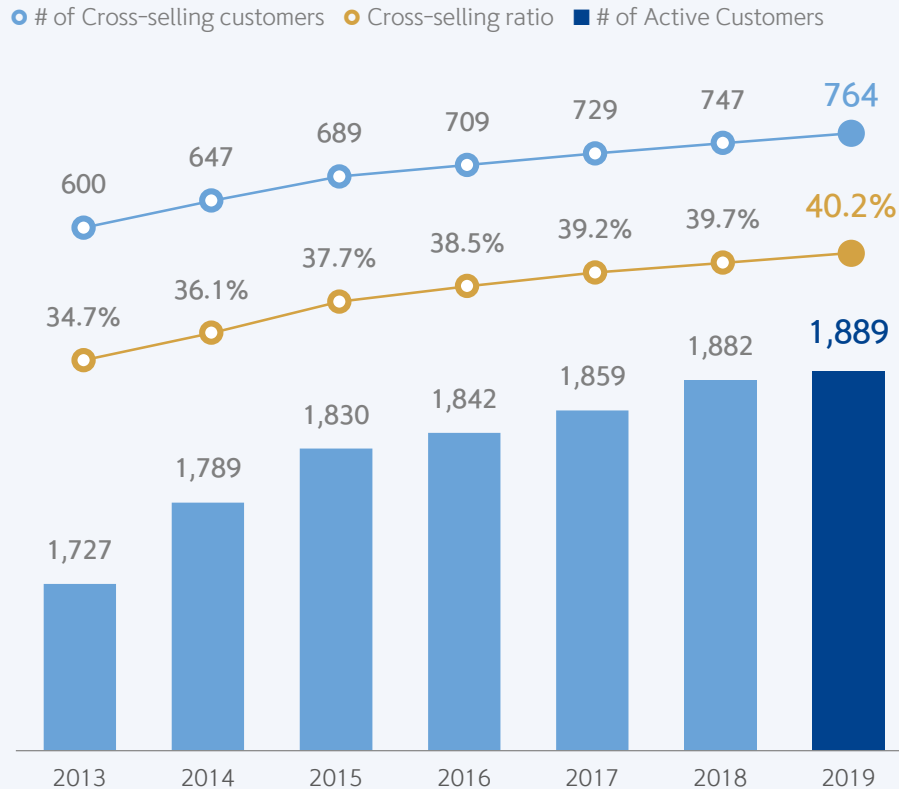
Group Synergy Business Model

[One Shinhan]

A strategy that brings together the products and services of all subsidiaries to provide customers with optimized financial solutions.

Increasing Active Customers

(Unit: 10 thousand persons)



Major Synergy Creating Platforms

Shinhan Plus, integrating Group membership reward programs

- Shinhan Plus, which combines Group-wide membership reward programs, was launched in July, 2018
- Number of users of Shinhan Plus exceeded 12.1 million (Dec. 31, 2019)

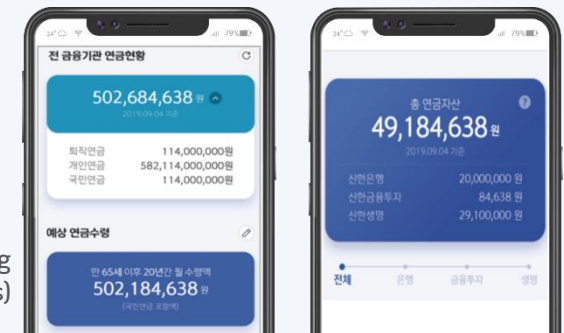
(millions)	2016	2017	2018	2019
# of users	4.92	7.35	9.62	12.13

- Open API-based “App in App” system allows users to subscribe to products offered by various SFG subsidiaries in one app.

Group Retirement Pension Platform

- SFG launched an integrated pension platform, on which users can view all of their pension accounts in different SFG subsidiaries, and easily monitor the return rates and balances of multiple pension accounts.

Smart Pension Madang (Shinhan Plus)

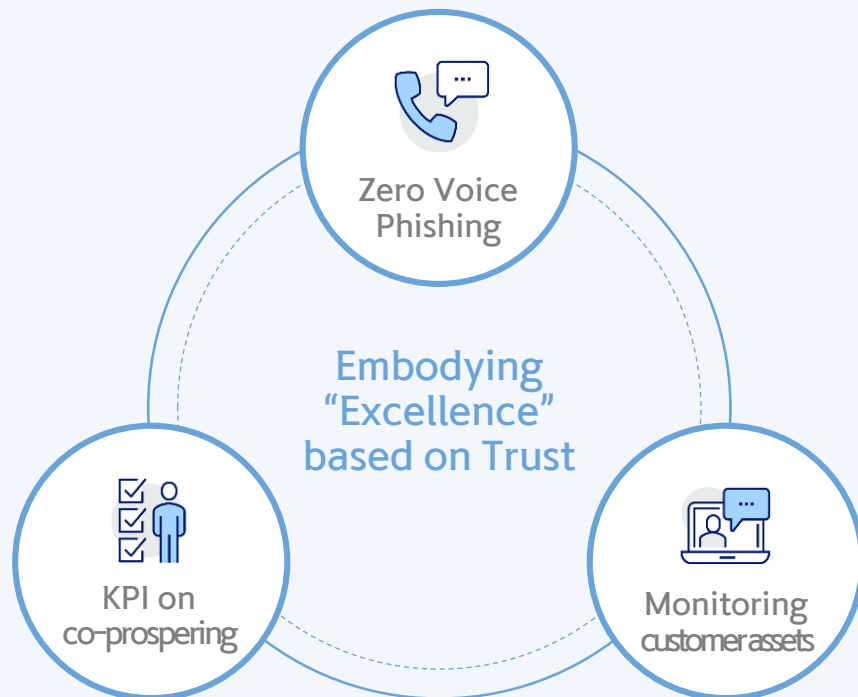


Customer First, Customer-centric

Embodying “Excellence” based on Trust

[Trust] The foremost path toward “Excellence, Shinhan”
– customer trust

Based on solid customer trust, we will pursue a virtuous cycle of trust that enhances the value of employees, share holders, and society.



Customer-centric business management

Group-wide Monitoring on Customer Assets

- Pursuing increase in returns for both the company and customers
- Monitoring and systematically managing customer assets (including customers of Shinhan Bank, Shinhan Investment, Shinhan Life, and OrangeLife) through a dash board system .
- Risk management and monitoring of customer assets are under different categories: by key market indices, by subsidiary, and by country

* Group risk management classifies and labels different levels of risk as follows: ● Normal ● Watch ● Alert ● Serious

Zero Voice Phishing

- Group-wide efforts to prevent cases of voice phishing
- Measures for prevention: ‘delayed transfer service’, ‘designated deposit account service’, etc.
- Finding best practices for preventing voice phishing

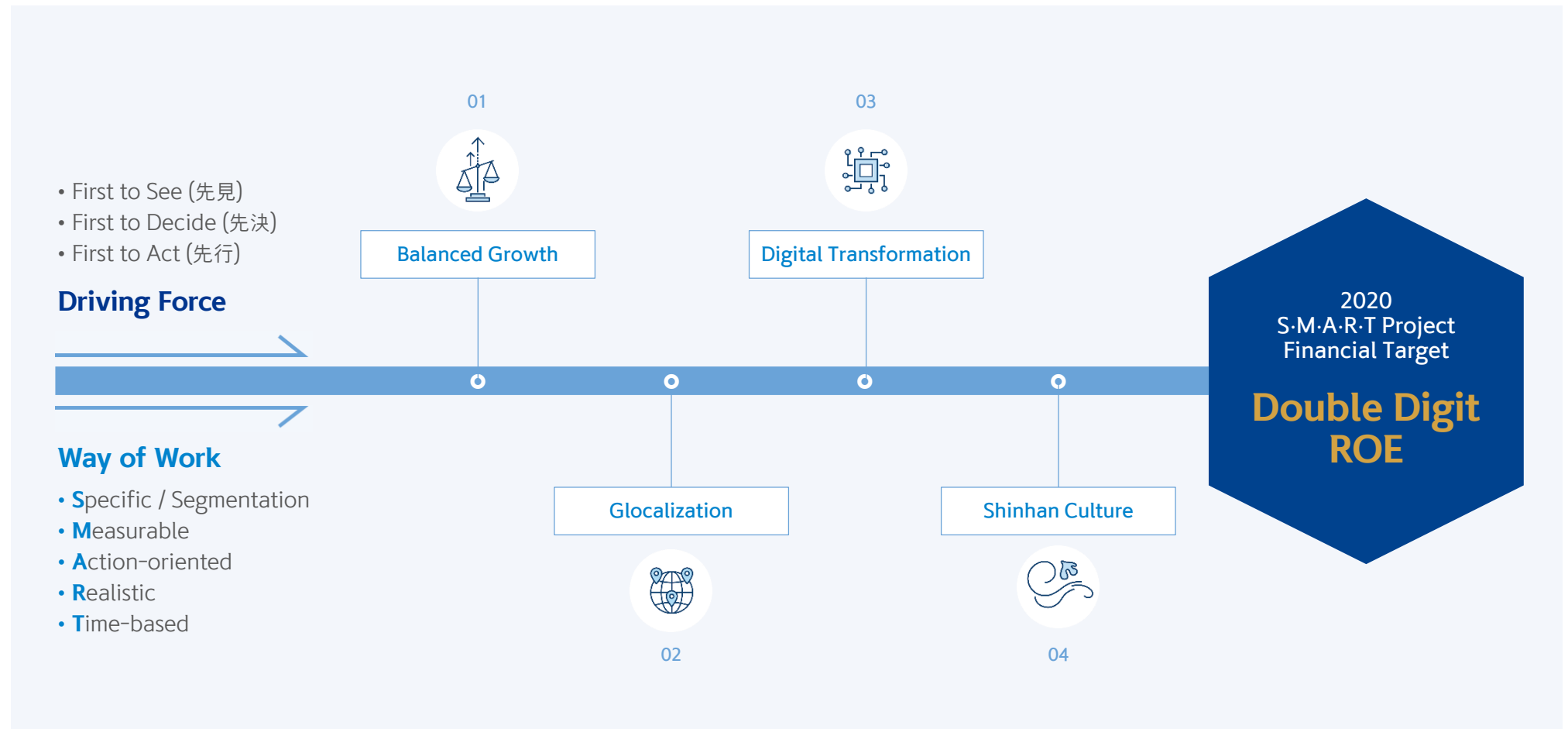
KPI on Co-Prospering

- KPI focused on increasing value of both customers and the Bank
- All marketing activities focused on customers
- Evaluating the process of sales and providing more flexibility to front offices for a shift towards “Customer first” sales culture

2020 S·M·A·R·T Project

SFG launched 2020 SMART Project to give Shinhan a practical means of making the leap forward into 'Asia's Leading Financial Group,' which is our mid-term goal.

2020 S·M·A·R·T Project



Balanced Growth

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

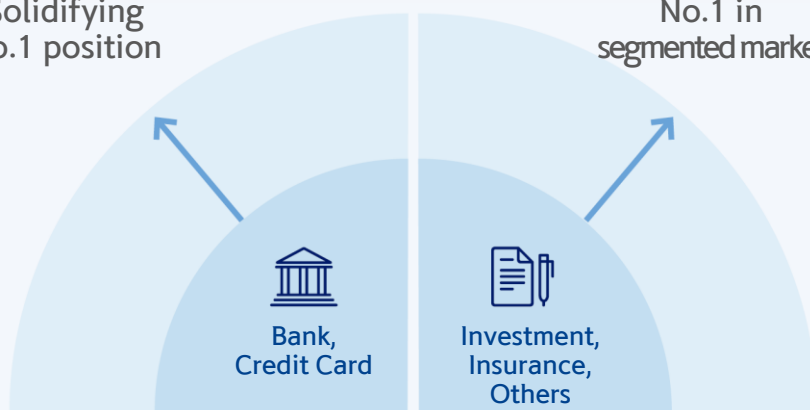
Balanced Growth Strategy

Organic + Inorganic Growth
to maximize the Group’s value

No. 1

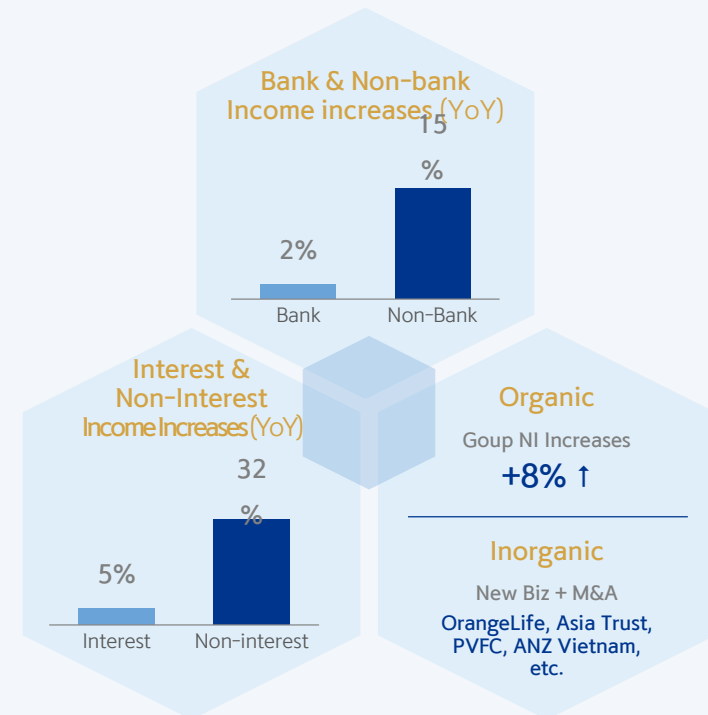
Solidifying
No.1 position

No.1 in
segmented market



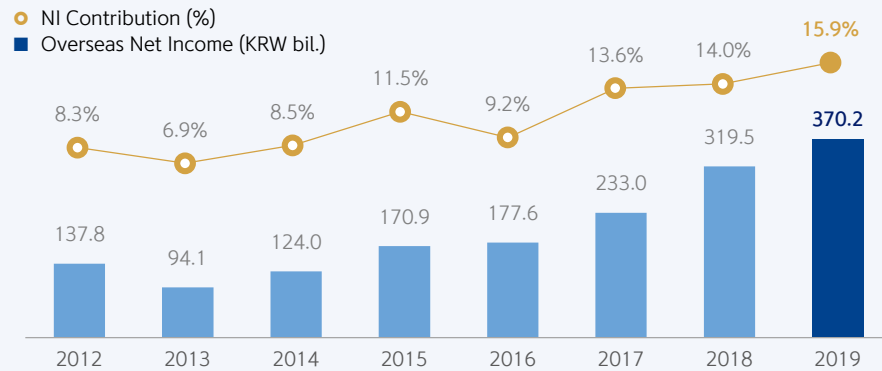
Major Achievements

(as of FY2019)

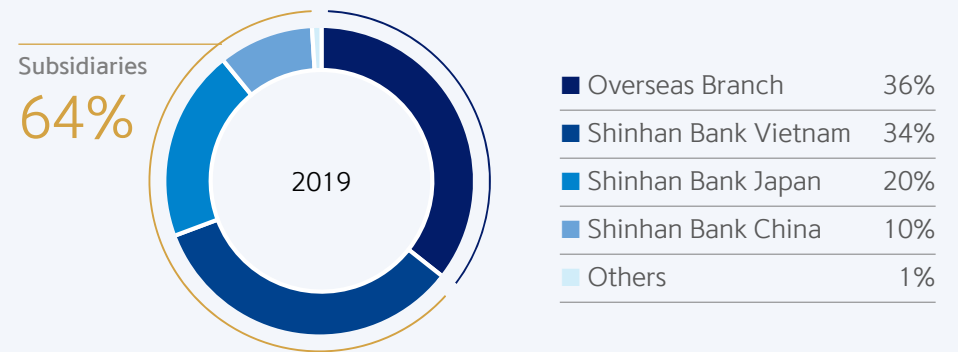


SFG has been prudently expanding its overseas business operations not only to secure the long-term future growth drivers, but also to diversify its profit base.

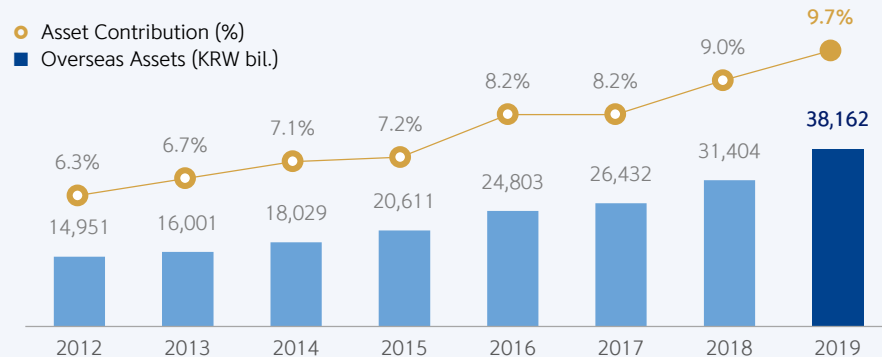
SHB NI Contribution by Overseas Operations



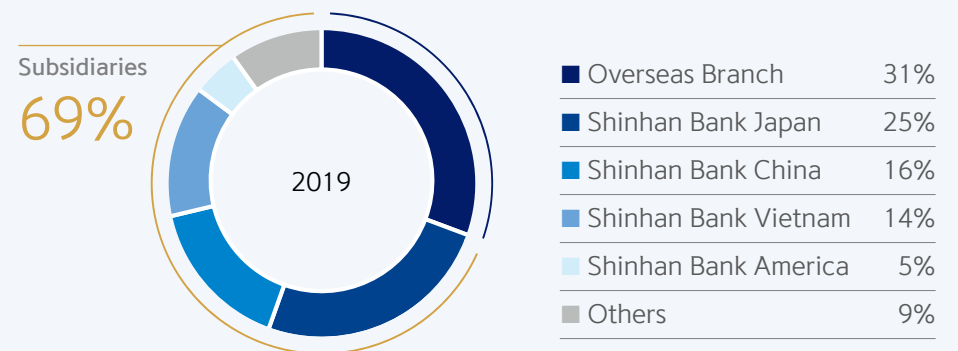
SHB NI Composition by Overseas Operations



SHB Asset Contribution by Overseas Operation



SHB Asset Composition by Overseas Operation



Note) KRW amounts of the net income are converted based on the average FX rates of the fiscal years, and the assets are converted based on the FX rates at the end of the fiscal years

SFG Global Networks: 20 Countries, 219 Networks

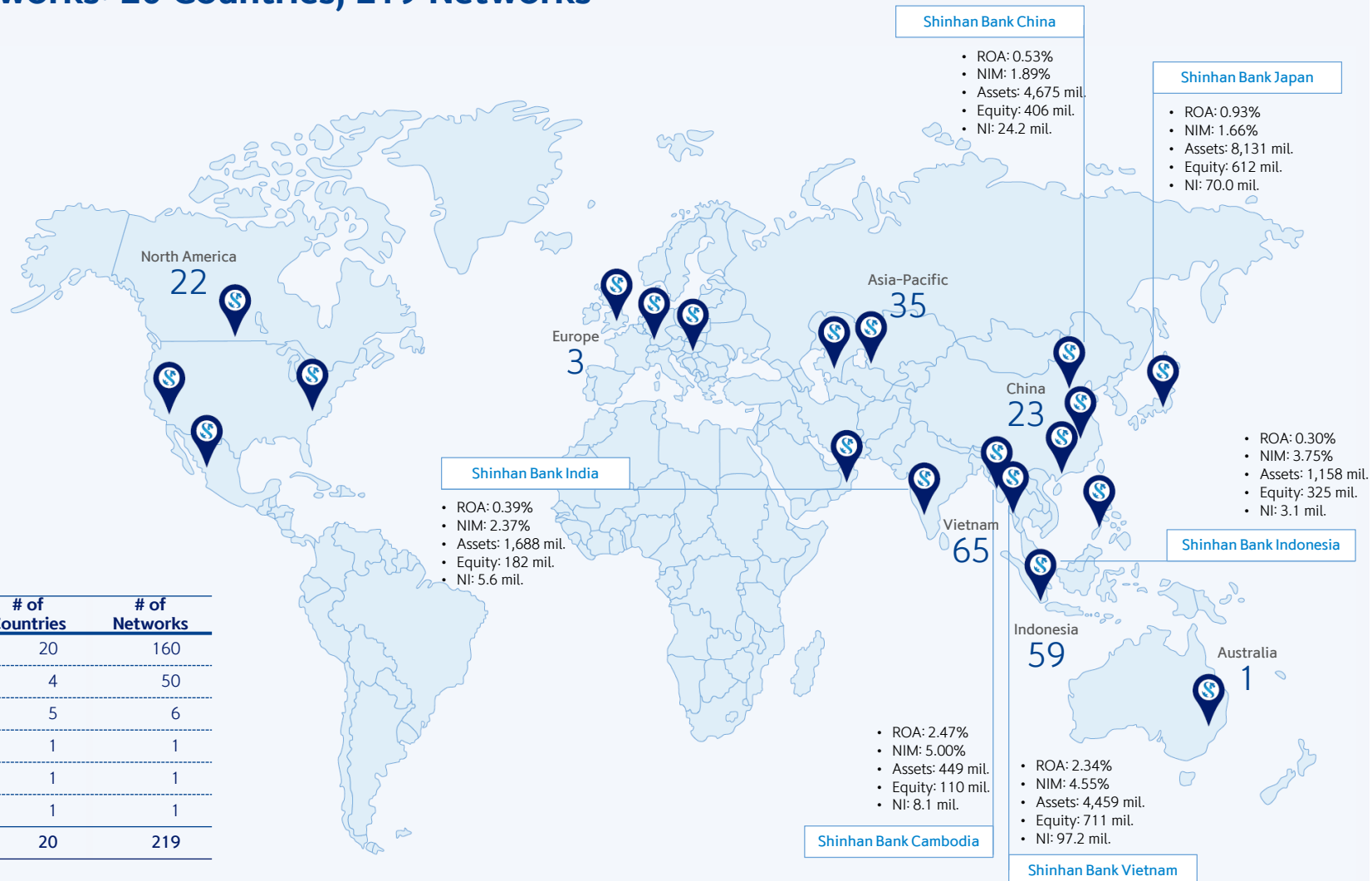
(as of FY2019, USD)

of Countries

20

of Networks

219



Company	# of Countries	# of Networks
Shinhan Bank	20	160
Shinhan Card	4	50
Shinhan Investment	5	6
Shinhan Life	1	1
Shinhan BNPP AM	1	1
Shinhan DS	1	1
TOTAL	20	219

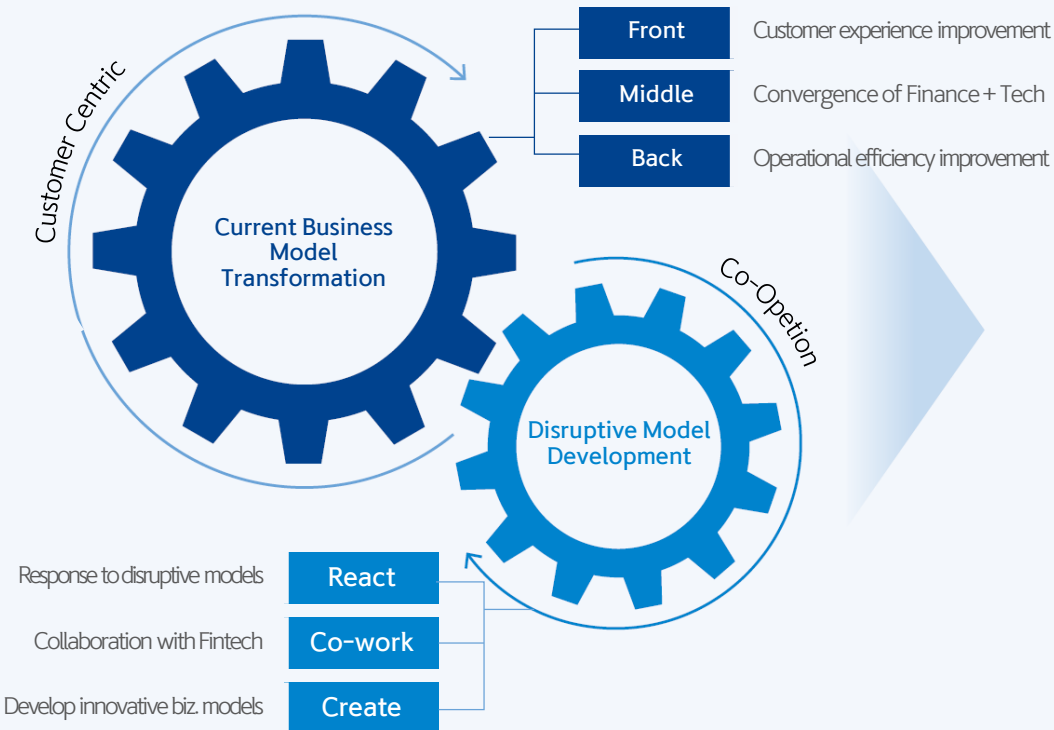


Digital Transformation





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

SFG Digital Transformation Strategy Framework

2Track for Business Innovation



5 Cs for the Group’s Readiness

 Core Tech	01. Digital Technology	AI/IoT, Blockchain, Open Innovation, Cloud, DX(Digital Experience)
 Capability	02. HR development	Digital specialists training program, Education
 Culture	03. Recruiting, academy coop.	Securing professionals, Industry and academy cooperation
 Collaboration	04. Work Culture	Agile, Test & Learn, Magnanimity to new trials and failures
 Change	05. Organization	Chief Digital Officer(CDO), Matrix system, Shinhan digital campus
	06. Platform	Renewal financial platform, Connect non-financial platform
	07. Partnership, Joint venture	Partnership with ICT / retail leaders, Construct Digital ecosystem
	08. Intellectual property	'Digital Shinhan' intellectual property
	09. Change Management	Define strategic destination, 'To-Be', Prioritization of plans, Communications
	10. Regulatory reform	Improvement of company regulations, Persuade authorities

Current Business Model Transformation

Front

Improve Customer Experience

- Providing excellent customer experience through a single view, seamless omni channel



Middle

Develop Digitally Innovative Products/Services

- Digitally specialized, mobile, convergence products and services



Back

Improve Operational Efficiency

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

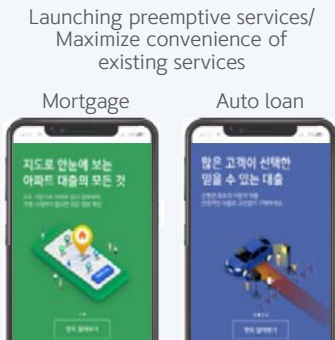


Disruptive Model Development

Respond

Respond to Online Banks

- Enhancing product, service, platform competitiveness



Collaborate

Collaboration with Fintech

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



Create

Develop Innovative Biz Models

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



Business Areas with Key Digital Technologies

Block-chain

Focusing on cost-efficiency

- SFG integrated authentication service
- Internal process efficiency project (trade finance, remittance, card coupon etc.)

Cloud

Use of Public Cloud & Establishment of Preemptive response system

- AWS's cloud conversion fitness model
- Building cloud COE, training for specialists

UX (User Experience)

Reinforcing UX Capability based on Increased UX Awareness

- Launching new platforms (SOL, Jeju Gini etc)
- Provide Stat-based optimal visit-time Service

AI

Launched AI based services (Chatbot, Robo-advisor)

- Use of IBM Watson AI Tech
- AI Credit-Scoring Model Advancement - RPA(Robotic Process Automation)

Big-data

Reinforcing Organization System and Strengthening capacity at the Group level

- Optimal merchant-customer Matching
- Real-time location based marketing using Geo-fencing tech

Open Innovation

Group Standard Open API Infra

- Group integration API platform (Shinhan Open API Market)
- Partner API service creation by alliance with Fintech, O2O, etc



External Partnership

Need for Collaboration with Competitors

An essential capability under the regulation of 'separation of industrial and financial capital'

SFG Major Alliances

Global ICT



Electronics



Telecom



Commerce



Portal



Game



Messenger



Sharing Platform



Creating Fintech Ecosystem

Shinhan Future's Lab

An Industry-first Fintech support program and Shinhan reinforces its alliances by nurturing and investing in promising start-ups.

Country	Program (year)	No. of Companies	Related Fields	
Korea	1~5 (2015~2019)	111	P2P, AI, VR/AR etc.	62 coop. models
	6 (2020)	36	Data Analytics, Health Tech etc.	
Vietnam	1 (2017)	5	Payment, e-Wallet etc.	
	2 (2018)	6	P2P, etc.	
	3 (2019)	10	Chatbot, Face recognition etc.	
Indonesia	1 (2020)	4	Robo-Advisor, cyber security etc.	

Shinhan Future's Lab Development

Investment of USD 17.1 M in 40 Future's Lab companies

- Current Market Valuation : 736.5Wbn
- Current Investment Value: 34.5Wbn

Launched "Oneshinhan Future's Fund" (25Wbn, 5yrs)

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

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

- Fostering 4 companies in 2020

Digital Transformation

SFG promotes efficiency of ICT infrastructure through various projects using new digital technologies. Since 2017, SFG saved approx. KRW 288.1 bil., and our annual target for 2020 is to save KRW 150 bil.

Cost-saving through Digital Transformation (from 2017 to 2019)



SFG has established the Group Mission based on Shinhan Bank's founding spirit. Under the Group mission, "Compassionate Finance", SFG has established various initiatives to contribute to the enhancement of the value of its customers, society and shareholders.

Development of SFG's Sustainable Management Strategy & Initiatives

Initiatives

01

2020 CSR Project

02

ECO Transformation 20-20

03

Society of Hope Project

04

Triple-K Project

05

Shinhan SHeroes

etc.

2011 ~ Establishment of Group Mission



→ To make a better world through finance

1982 Incorporation of Shinhan Bank

"Be Original, Productive,
and Compassionate"

→ The founding spirit

2020 CSR Strategy

To enhance the mid to long-term values of customers, society and shareholders, SFG has set up 2020 CSR Strategies” in an attempt to proactively respond to a changing sustainability management environment. The strategies formulate the three pillars as well as six commitment strategies ranging from products to service to management.

2020 CSR Strategy Framework



Global ESG Initiatives

Shinhan Financial Group has been partaking in a major global sustainability management initiative as part of its endeavors to join the initiatives of international society to ensure sustainable development.

Major Global ESG Initiatives



Carbon Disclosure Project

- Shinhan Bank(2007), Shinhan BNPP AM(2008) join as a signatory
- SFG becomes a signatory (2009)

UN Global Compact

- SFG joins UN Global Compact (2008) as part of an ongoing commitment to human rights, labor empowerment, and the environment.

Principles for Responsible Banking

- SFG participates in drafting UN PRB (2018)
- SFG becomes an official signatory (2019)

Principles for Sustainable Insurance

- Shinhan Life becomes an official signatory of UN PSI (2020)

TCFD Pilot Program

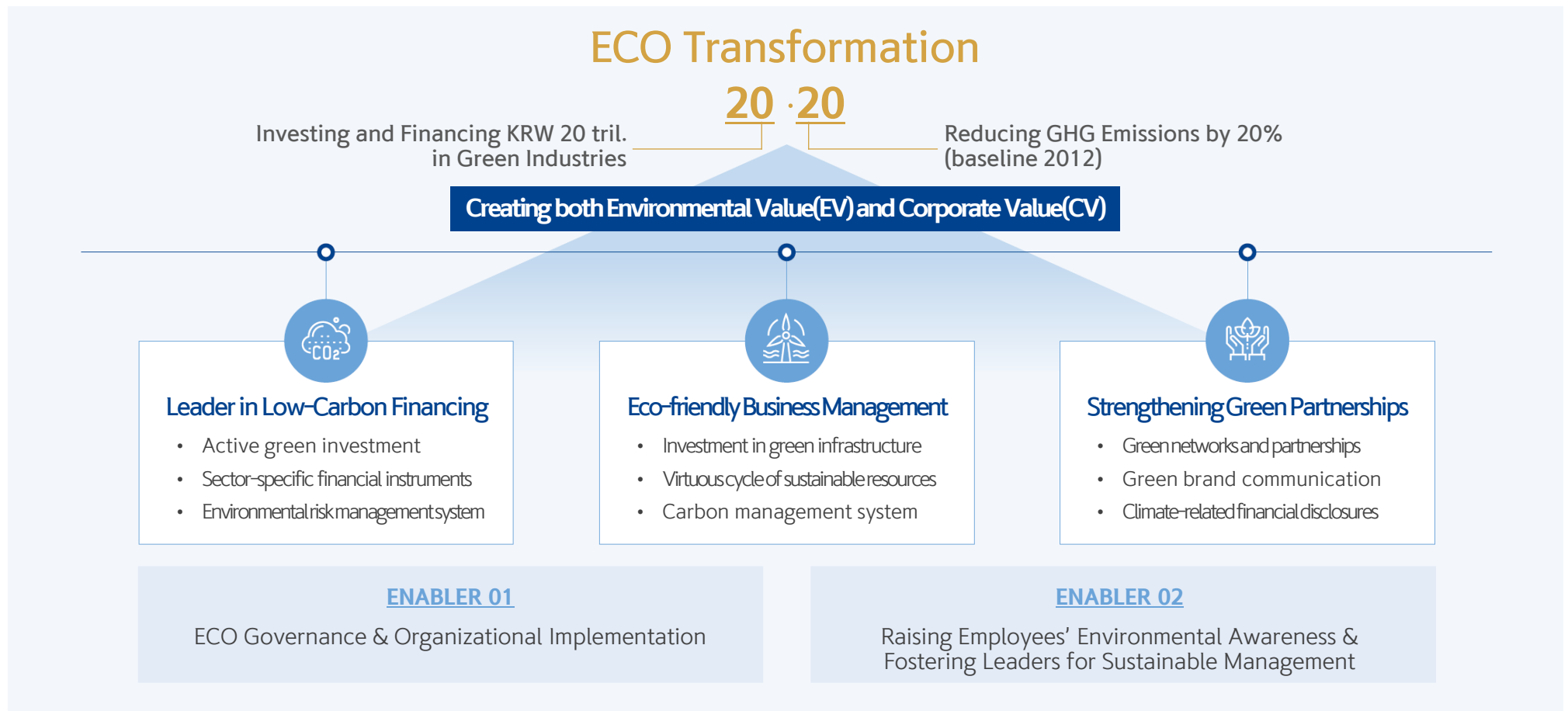
- SFG participates in the 2nd pilot program led by UNEP FI for the implementation of TCFD recommendations (2019)



ECO Transformation 20·20

SFG announced “ECO Transformation 20·20” as its environmental vision for 2030 in order to ensure that its management operations are sustainable, future-oriented and environmentally friendly. As part of this vision, SFG is planning to invest KRW 20 trillion in green industries and to reduce its GHG emissions by 20% by the year 2030.

ECO Transformation 20·20



Society of Hope Project

SFG launched a “Society of Hope Project” geared towards solving social problems such as the eradication of polarization and job creation, and is injecting resources amounting to KRW270 billion by 2020. This Project builds a new social contribution system structured at the Group level, thus eliminating overlap at the subsidiary level.

Society of Hope Project



Triple-K Project

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

Triple-K Project

[2019] Beginning → [2020] Big-Bang

Korea Cross-Country Plan

Expanding national coverage of SFG's online and offline innovative growth platform

Creating reinvestment funds to recover investments of venture companies [Financial Support]

Korea to Global Plan

Supporting startups to expand their business into Southeastern countries

Liaising startups with Plug&Play, a global accelerator, for a business expansion to developed markets

Providing research and applying best practices for overseas business expansion

K-Unicorn Project

Shinhan Future's Lab
[Finding Promising Startups]

Do-Dream Space
[Supporting entrepreneurs & startups]

Inno-talk [Online platform]

Financial Support

Creating funds for commercialization of technology and overseas expansion

Creating an environment in which any firms with great ideas and technology can get a systematic financial support

Cultivating Female Leaders

In efforts to encourage the long-term development of female talents and evolving them into leaders at every Level of the Group's operations, SFG introduced a program called "SHeroes," which offers a wide range of opportunities for its female employees such as training, mentoring, and networking.

SHeroes

Guide to Fostering Female Leaders

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



Guide to Fostering Female Leaders

R.O.S.E

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

Executive Officers

3 persons

Managing Directors

6 persons



Note) Number of SHeroes graduates who have been promoted to managerial positions

Mid-term Goals & Key Tasks



Build foundations
(2018)

- Build a platform to foster female leaders



Full Implementation
(2019)

- More support for developing competencies












Build a healthy cycle
(2020)

- Continuous cycle of fostering female leaders

ESG-related Recognitions

SFG is included in major SRI indices at home and abroad, and are targeted for investment by socially responsible fund investors who selectively invest in top ESG companies. We are also recognized and evaluated by various global investors and research firms as a leading company in ESG initiatives.

ESG-related Evaluations

Institution	Index title	Grade / Score	Benchmark Index	Award / Certification
	Corporate Governance Grades	Grade: A	-	Received A grade and higher for 5 consecutive years (2015~2019)
	DJSI	Score: 84	DJSI World DJSI Asia-Pacific DJSI Korea	Included in DJSI World index for the first time among Korean financial groups for 7 consecutive years
	Global 100	Rank: 6th Score: 69.29	Global 100	Selected Global 100 Most Sustainable Corporations by Davos Forum for 8 consecutive years
	CDP	Leadership A	-	Included in the Honors Club for 5 consecutive years
	MSCI ESG	Grade: AA	MSCI ACWI ESG MSCI EM ESG MSCI Korea ESG	Received AA Grade for 3 consecutive years
	FTSE4Good	Grade: 2.9	FTSE ACWI ESG FTSE Asia Pacific ESG FTSE Korea ESG	Included in FTSE4Good index for 8 consecutive years
	ISS Quality Score	Grade: 1	-	-
	Daeshin Corporate Governance Inst.	The Best Company among Korean financial groups	-	-
	Gender Equality Index	Score: 61.80	GEI	Included in Bloomberg GEI for 2 consecutive years

Forward-Looking Statements

Shinhan Financial Group's FY2019 e-Brochure may contain forward-looking statements to provide value-added account of Shinhan Financial Group's businesses and results of operations.

These forward-looking statements reflect our current views with respect to future events and performance, and are generally identified by the use of forward-looking terminology, such as "expect", "plan", "intend", and similar expressions.

You are cautioned not to place undue reliance in these forward-looking statements, which reflect management's current analysis of future events.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.



Shinhan Mobile IR Application ① ir.shinhangroup.com or ②

