

2020

Annual Report on
Corporate Governance &
Remuneration System

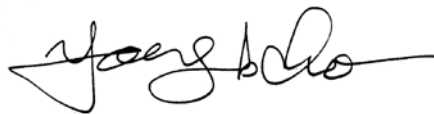




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Annual Report on
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Remuneration System

This Annual Report on Corporate Governance and Remuneration System is in strict compliance with the Company's Internal Code of Corporate Governance.

The data in this report are excerpts from the Korean version of the Annual Report on Corporate Governance and Remuneration System.

A handwritten signature in black ink, appearing to read 'Yong-byung Cho', with a long horizontal stroke extending to the right.

March 5, 2021

Cho Yong-byung

CEO

Shinhan Financial Group

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Shinhan Financial Group (hereafter "the Company") has prepared this report on its corporate governance policy and the operation of the Company and its subsidiaries for the calendar year 2020 in accordance with the Act on Corporate Governance of Financial Companies that became effective on August 1, 2016, and the Standards of Preparing the Annual Report on Corporate Governance and Remuneration System that were revised on January 23, 2017.

Unless otherwise mentioned herein, the information in this report is based on accumulated data as of the end 2020.

The statements on current members of the board of directors ("the Board") as of the end 2020 are ordered by their initial dates of election, following the statement on the chair of the Board. If members share the same date of election, then they are listed in the Korean alphabetical order.

The statements on former directors are set forth in the aforementioned order, following the statements on current directors.

The committees were listed in the order of the committees presented on the table of contents in the Annual Report. The committee members were listed in the Korean alphabetical order, following the name of the chairperson.



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I. Corporate Governance - Overview

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I. Corporate Governance - Overview

1. Principle and Policy of Corporate Governance

Good corporate governance contributes to the long-term success of a company, creating trust and engagement between the company and its stakeholders to create and deliver sustainable shareholder value. To pursue the long-term development of Shinhan Financial Group ("the Company") and protect the interests of shareholders and financial consumers, the Company endeavors to secure transparency, soundness, and stability and establish corporate governance that will lead to positive growth and supportive organizational culture. We further enhance our governance standards with strong internal controls, values and culture which are implemented through our Board and various sub committees. We measure and reward performance both in terms of what employees achieve and how they achieve it, which has a positive effect on how well our culture and values are embedded within the Company.

Through its efforts, the Company has been earning an "A+" integrated rating in the ESG Evaluation conducted by the Korea Corporate Governance Service ("KCGS") under the Korea Exchange 5 years in a row since 2015. The company became the first and only evaluated company to receive an "S" rating in the field of corporate governance in 2017. Also, in the "financial company corporate governance evaluation" which began to apply a more advanced evaluation model in 2018 for financial companies with better corporate governance than manufacturing companies, it received "A+" (top rating)

Upon its evaluation that the Company has established a stable and responsible management system based on active Board activities, the Korea Corporate Governance Service awarded the Company as the "Best Company for Corporate Governance in 2020." [See the press release by the Korea Corporate Governance Service: www.cgs.or.kr "KCGS Awards granted for companies with excellent corporate governance (2020)" (October 27, 2020)]

[Reference] Company's corporate governance rating by the Korea Corporate Governance Service (KCGS)

Classification	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ¹⁾	2019	2020
Corporate governance rating	Strong	A	A	A+	A+	A+	A+	A+	S	A+	A+	A+

Note1) Rating adjustment as a result of introducing a new evaluation model in 2018

The Company's principle and policy of corporate governance are as follows.

A. Transparency of corporate governance

The Company actively discloses the standards, procedures, and results of corporate governance-related matters to achieve transparent corporate governance.

First, the Company discloses its annual corporate governance report on its website, that of the Korea Federation of Banks and the electronic disclosure system (dart.fss.co.kr) at least 20 days prior to the date of its general meeting of shareholders each year. This report transparently notifies all of its stakeholders about all matters related to corporate governance.

Second, the Company provides an annual corporate governance report to its stakeholders to help them understand how the Company handles corporate governance. This report discloses all of its corporate governance-related internal regulations (e.g., articles of incorporation, bylaws, regulations of the Board, regulations of the Board's subcommittees).

Third, the Company promptly discloses the results of the general meeting of shareholders, appointment and dismissal of executives, and cases of non-compliance with its Internal Code of Corporate Governance through its website and that of the Korea Federation of Banks.

Fourth, especially in connection with the general meeting of shareholders, the Company does not exclude the "cumulative voting system" to protect minority shareholders' rights but promotes electronic voting and "exercise of voting right in writing" to guarantee active voting by shareholders, thus enhancing shareholders' rights. The Company also provides real-time videos of its general meeting of shareholders to provide information from these meetings in a fair and timely manner.

On the Company's website, the corporate governance-related disclosure site is as follows.

<http://www.shinhangroup.co.kr/kr/governance/others.jsp>

B. Soundness of corporate governance

For the soundness of corporate governance, the Company has formed and runs an independent and professional board of directors. These directors are chosen for their expertise, and they dutifully comply with applicable laws such as the Commercial Act and the Act on Corporate Governance of Financial Companies ("Corporate Governance Act") and its internal regulations such as the Articles of Incorporation, Internal Code of Corporate Governance, and Board of Directors Regulation.

The Company has also reflected the Corporate Governance Act in its corporate governance, as well as the recommendations made by the Model Corporate Governance in connection with the Board, and dutifully complies with them.

C. Stability of corporate governance

To realize stable corporate governance through checks and balances among its constituents, the Company has delegated its decision-making and operation to the Board and the management respectively. The management reports the status of their execution of duties to the Board.

Independent directors account for 77% of the Board, which is greatly in excess of the majority required by the law. In this way, the Company is creating conditions enabling the Board to dutifully perform its function of checking the management.

The Company also actively promotes the Board's independent directors-centered activities by filling a majority of each subcommittee with independent directors. (The average percentage of independent directors in subcommittees is 95%)

The Board is granted the authorities to appoint and dismiss CEO (executive director) and senior management so that it can actually check the management. Independent directors have the authority to request data, advisory services, etc., and the Company has the obligation to provide this information to independent directors.

Independent directors shown to have outstanding capability to fulfill their role are granted the terms of office to the extent allowed by the applicable laws and internal regulations. When independent directors are appointed, their experience and knowledge as independent directors, stability and continuity of corporate governance, professionalism in subcommittees operations, etc. are comprehensively considered.

To maximize the effectiveness of independent directors, they will be given 2-year terms of office when elected the first time. Thereafter, they will be given 1-year terms of office. This ensures that only independent directors that have dutifully executed their duties will have the chance of being re-elected at the general meeting of shareholders.

To prevent "Clubby Boards" by independent directors, the Board Steering Committee, in charge of reviewing the method of independent director evaluation, includes 1 executive director.

Independent directors that are required to undergo re-election shall not be appointed as members of the Independent Director Recommendation Committee in principle. And even if, for efficient formation of subcommittees, an independent director who is required to undergo re-election unavoidably becomes a member of this committee, he/she is prohibited from recommending himself/herself as a candidate or participating in resolutions related to such recommendations in principle.

The CEO shall not be over 70 years of age for the sake of an effective CEO succession process.

The Company implements corporate governance so that the aforementioned system and devices will help the Board, the management, and independent directors exercise checks and balances against each another.

D. Diversity and expertise in the composition of the Board

The Internal Code of Corporate Governance of the Company specifies the "principle of diversity" in the composition of the Board. These principles keep the Board from sharing a specific common background or advocating specific interests, thereby realizing diversity and expertise of corporate governance.

In its actual operations, the Board consists of members with diverse expertise. This prevents specific backgrounds or skill sets from being over-represented.

The composition of the Board evenly covers 6 areas (finance, business management, economy, legal, accounting, and technology) mentioned in the Corporate Governance Act as expertise requirements and the international business chosen by the Board in connection with the direction of management strategies.

Considering financial holding companies' characteristics, which cover all sectors of the financial industry, the Company endeavors to elect independent directors with expertise across multiple areas.

[Reference] Composition of the Board by area of expertise

(Unit: No. of directors)

Classification	Finance	Economy	Business management	Accounting	Legal	Technology	International business	Total
Before General Meeting of Shareholders (March 2020)	5	1	3	1	1	1	1	13
After General Meeting of Shareholders (March 2020)	5	1	3	1	1	1	1	13

The Company also considers independent recommendation channels and diversity in regard to the Board's composition and the selection of independent director candidates.

In the 2nd Corporate Governance and CEO Recommendation Committee meeting (May 9, 2019), the "Independence of Director" requirement complying with global standards was reviewed and then the result, 'Director Independence Guidelines', was posted on the Company's website.

The 5th Independent Director Recommendation Committee meeting (Aug 23, 2019), as the principle of independent director selection, required that the number and expertise of independent directors shall be decided through review by the Board and that the Independent Director Recommendation Committee shall select those in the independent director long list who meet the qualifications of independent directors and recommend them. In addition, referring to expertise, fair judgment, Integrity, and strong work ethics as listed by the Corporate Governance Act as independent directors' qualifications, prescribed additional review criteria of diversity in the composition of the Board, compatibility with Shinhan Financial Group, and effectiveness in securing a competitive edge. Also, it reviewed requirements for considering the diversity of the Board and then posted the same on the Company's website as 'Guidelines on diversity of the Board'.

In the 6th Independent Director Recommendation Committee meeting (Nov 15, 2019), so that the existing 'shareholders' recommendation of independent director candidates' is further promoted and more shareholders can easily participate, a resolution was made to allow year-round recommendation instead of restricting the recommendation period.

In the 7th Independent Director Recommendation Committee meeting (Dec 19, 2019), we supplemented the criteria of the independent director candidate long list to include candidates who can succeed to and develop the Group's spirit/corporate culture so that Shinhan Financial Group's governance characteristics can be reflected, a strengthened candidate exclusion requirement to maintain reasonable number of quality candidates, and to pursue efficient decision-making in actual candidate recommendation, established a criteria of detailed candidates management, and placed candidates under

circumstantial restrictions, not personal disqualification in separate long list, thus sophisticating the monitoring system so that they can be included after the restrictions disappear.

The Company complies with the 'Board Diversity Guidelines' which requires the long list to include independent director candidates with diverse experiences and perspectives in terms of nationality, gender, age, experience and background, and actually the Board currently has 1 female independent director, thus pursuing its gender diversity, and has independent directors of 4 nationalities (Korean, American, Japanese, and French) and 4 main countries of operation (Korea, Japan, Singapore, and Hong Kong), thus incorporating global perspectives in its management. In addition, in order to continuously expand the number of female independent directors, we are endeavoring to diligently follow the principle of diversity in the Board's composition including clarifying the criteria to maintain a minimum 20% for female candidates in the long list.

[Reference] Number of female independent director candidates in the past 3 years

Classification	Number of independent director candidates	Number of female independent director candidates (Percentage)
As of December 31, 2018	131	33 (25.2%)
As of December 31, 2019	108	30 (27.8%)
As of December 31, 2020	117	29 (24.8%)

E. Corporate governance reflecting growth direction and Shinhan Financial Group's organizational culture ("the Group")

The Company began as Shinhan Bank, which was founded in July 1982 as "the first bank in Korea to be formed solely with private capital". It was born out of the patriotism of 341 Korean national shareholders residing in Japan (100% shareholding, with equity capital of 25.9 billion won).

With the slogan of "Bank for the country," the genuine sense of mission of the aforementioned Korean national shareholders to contribute to the development of their mother country's financial industry was the basis for Shinhan Financial Group's founding spirit, ("the Group"). That spirit is fully reflected in the company name which signifies "Bank of the new (*Shin*) Korea (*Han*)."

From the incorporation of Shinhan Bank to the present, the Company's Korean national shareholders residing in Japan, as the founding shareholders, have been acting as more than just investors.

After Shinhan Bank's incorporation, these shareholders have unwaveringly supported the Company's "no-dividend policy." This policy has been successfully upheld for a long time to secure Shinhan Bank's future growth engines, despite continuously posting a profit.

By launching the "campaign to buy Shinhan shares" despite a heavy fall in its stock price during the 1997 Korean financial crisis, the Korean national shareholders residing in Japan have not only contributed to their home country's economic development, but have also played the role of silently and patiently helping the Group's development.

The founding shareholders' unwavering affection and support have laid the foundation for Shinhan Bank, a small financial company with only 3 branches at the time of its incorporation, to grow into a financial group that proudly represents Korea today.

Based on such full-fledged trust by its founding shareholders, the Group has mainly been run, from its incorporation until now, by professional managers with a deep affection for and understanding of the "Shinhan" value, thus continuing to record stable development.

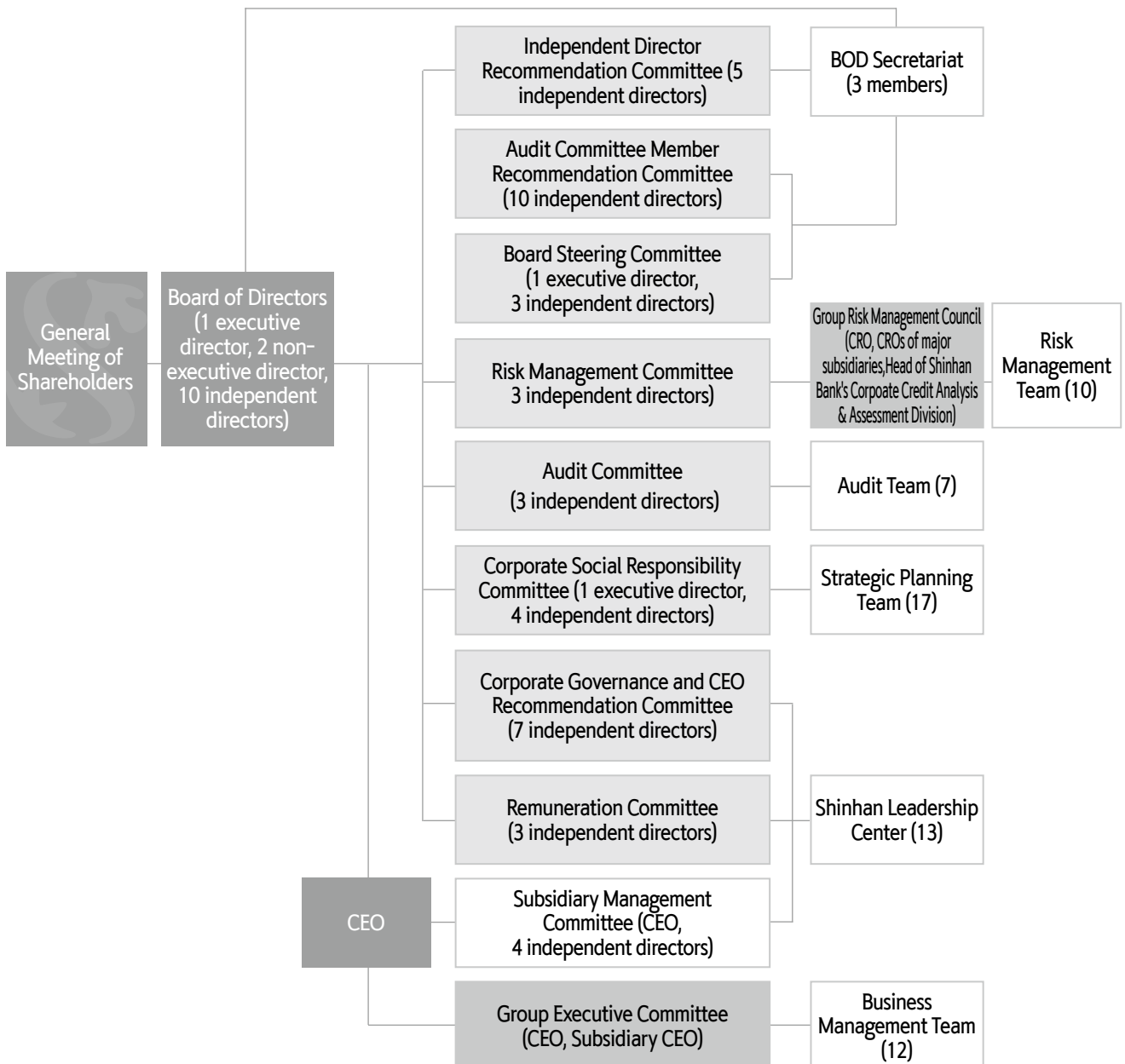
Launched in 2001 as "the first privately-held financial holding company in Korea.", the Company successfully laid the

foundation for a new leap into the future through its strategic partnership with BNP Paribas Group, a global financial group. Also, it attracted investment by IMM PE, a management-participating private equity fund, in 2019 and investment by the global private equity funds Affinity Equity Partners and Baring Private Equity in 2020, thus strengthening communication and cooperation with capital market participants and securing a long-term growth engine.

Members of the Board are chosen to reflect the history of growth and organizational culture of the Group in corporate governance. Independent directors include Koreans nationals, who serve residing in Japan and specialize in management, represent the Group's founding spirit. Finance specialists who are recommended by the BNP Paribas Group and IMM PE, the Company's strategic partner, also act as members of the Board.

2. Current Status of Corporate Governance

A. Organizational chart



B. Characteristics of corporate governance

(1) Independent director-centered composition of the Board

The Board is the Company's supreme and standing decision-making body. It has the authority to appoint and dismiss CEO, and independent directors play a central role in its operation. Currently, 10 out of the 13 members of the Board are independent directors (77%), and the proportion of outside directors is much higher than in other financial companies. This strong presence of independent directors enhances efficiency through greater participation in the Board by those with diverse expertise and backgrounds. It also strengthens checks against the management through multiple independent directors with verified independence.

In addition, the Company's internal regulations were updated in March of 2010 so that chairman of the Board is now required to be an independent director.

(2) Subcommittees-centered operation

There is a total of 8 subcommittees: the Independent Director Recommendation Committee, Corporate Governance and CEO Recommendation Committee, Audit Committee, Remuneration Committee, Risk Management Committee, Board Steering Committee, Audit Committee Member Recommendation Committee, and Corporate Social Responsibility Committee.

Among the subcommittees, the Independent Director Recommendation Committee, Corporate Governance and CEO Recommendation Committee, Audit Committee, Remuneration Committee, Risk Management Committee, and Audit Committee Member Recommendation Committee are required by law, particularly the Corporate Governance Act. The remaining two subcommittees were voluntarily formed by the Board to enhance the Board's expertise, independence, and efficiency.

Independent directors also play a central role in the subcommittees, as is the case in (1) above.

For example, in the case of the Independent Director Recommendation Committee, the Corporate Governance Act requires that independent directors shall account for a majority thereof, and the Company's internal regulations also set this as a requirement. Actually, all its members are independent directors (Article 3 of Independent Director Recommendation Committee Regulation). Likewise, in the case of Corporate Governance and CEO Recommendation Committee, all its members are independent directors despite the law requiring that a majority thereof be independent directors, enhancing transparency and independence in the CEO succession process. (Article 3 of the Corporate Governance and CEO Recommendation Committee Regulation.)

In regard to the Audit Committee, the Corporate Governance Act and the Company's internal regulations (Article 7 of Audit Committee Regulation) mandate that independent directors shall account for two thirds or more. In actuality, all its members are independent directors in the Company so that the Audit Committee can dutifully exercise its role of supervising the management's execution of duties.

In the Board Steering Committee and Corporate Social Responsibility Committee, which were established by the Board's voluntary resolution, independent directors account for a majority of the members.

In addition, all subcommittees excluding Board Steering Committee have independent directors as their chairmen.

(3) Distribution of authorities to recommend candidates for executives

In connection with the recommendation of the candidates for executives, the Company runs the Independent Director Recommendation Committee, Corporate Governance and CEO Recommendation Committee, Audit Committee Member Recommendation Committee, Board Steering Committee, and Subsidiary Management Committee.

The Corporate Governance Act, having become effective on August 1, 2016, obligates that a committee recommending candidates for executives (independent directors, CEO, representative officers, and Audit Committee members) be formed.

The Company had already been running multiple subcommittees depending on the types of executives when the law started being enforced.

The Independent Director Recommendation Committee has been in charge of recommending independent director candidates since May 10, 2004. The Corporate Governance and CEO Recommendation Committee has been in charge of recommending candidates for CEO since August 25, 2011, the Audit Committee Member Recommendation Committee has been in charge of recommending candidates for Audit Committee members since February 4, 2008, and the Board Steering Committee has been in charge of recommending candidates for non-executive directors since August 25, 2011. The Company also separately runs the Subsidiary Management Committee to achieve independence and transparency in the recommendation of candidates for subsidiaries' CEOs.

Independent directors are appointed as members of the subcommittees to avoid overlaps to the maximum extent possible. This prevents certain independent directors from monopolizing their authority to recommend candidates for executives.

Classification	Executives to be recommended	Subcommittee members (independent directors)
Independent Director Recommendation Committee	Recommend candidates for independent directors	Sung Jae-ho, Park Cheul, Yoon Jaewon, Jin Hyun-duk, Yuki Hirakawa
Corporate Governance and CEO Recommendation Committee	Recommend candidates for CEO	Lee Yoon-jae, Park Cheul, Byeon Yang-ho, Sung Jae-ho, Jin Hyun-duk, Choi Kyong-rok, Huh Yong-hak
Audit Committee Member Recommendation Committee	Recommend candidates for Audit Committee members	All independent directors
Board Steering Committee	Recommend candidates for non-executive directors	Park Ansoon, Park Cheul, Yuki Hirakawa
Subsidiary Management Committee	Recommend candidates for subsidiaries' CEOs	Park Ansoon, Byeon Yang-ho, Lee Yoon-jae, Huh Yong-hak

(4) Strengthen expertise of subcommittees

The Corporate Governance Act does not have a separate provision on subcommittees, but in consideration of the purpose of applicable provisions in the former Model Corporate Governance, the Company continues to include at least 1 person with experience working for a financial company or in the areas of corporate finance, or accounting experience in the Risk Management Committee and Remuneration Committee.

In the case of the Risk Management Committee, Director Byeon Yang-ho, a former high-ranking official of the Ministry of Finance and Economy and former CEO of Vogo Fund (Korea's 1st private equity fund), Director Huh Yong-hak, former CIO of Hong Kong Monetary Authority, and Director Park Cheul, former Senior Deputy Governor of the Bank of Korea and former CEO of a securities firm, are the examples, and the Remuneration Committee includes Director Huh Yong-hak and Director Yoon Jaewon, an accounting expert.

The Audit Committee must include at least 1 accounting or financial expert: Director Yoon Jaewon (professor of business administration with accounting major who is a licensed certified public accountant in the US) is serving there, thus meeting the statutory requirement and reinforcing the subcommittee's expertise.

Given the relevant committees' characteristics, members of the Remuneration Committee and Board Steering Committee are not allowed to consecutively serve in excess of 2 years, and exceptions to the foregoing are allowed only when there are unavoidable circumstances, such as when they do not significantly interfere with the composition of the committees.

However, in the case of the Audit Committee, Risk Management Committee, etc., in consideration of expertise in the relevant areas, checks against the management, etc., changes in subcommittee members are minimized during the directors' terms of office.

(5) Strengthen corporate social responsibility and sustainable management

The Company has established and is running a Corporate Social Responsibility Committee as a subcommittee for the first time among financial holding companies. This enables the Company to more actively respond to the demands of internal and external stakeholders, including customers, shareholders, and the community, fulfill its corporate social responsibility, and to actively and systematically realize the Group's mission of "A Better World through Finance, Compassionate Finance, Your Companion for the Future".

(6) Implement responsibility as a financial holding company

As the first privately held financial holding company in Korea, the Company endeavors to operate in compliance with the purpose of its incorporation in the aspect of corporate governance.

The Corporate Governance Act does not have a separate provision regarding this, but in consideration of the purpose of applicable provisions in the former Model Corporate Governance, the Company has established and continues to run its Management and Risk Management Council.

Since September 2011, the Company has been running the Group Executive Committee. This committee discusses the Group's key issues (Business Management Council under the Model Corporate Governance) as an organization that supports decision-making by the CEO.

To discuss the Group's risks in detail, the Company has been running the Group Risk Council (Risk Management Council under the Model Corporate Governance) since December 2001. In November 2009, the Group strengthened Risk Management Committee's role as a working-level policy body.

The subsidiary management committee ensures that while subsidiaries operate in a way to maximize shareholder value, they adhere to the overarching group-wide corporate governance framework.

C. Current status of corporate governance (Summary)

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name/ status as executive, non-executive, or independent director)	Related regulations
Board of Directors	<ol style="list-style-type: none"> 1. Establish and evaluate management plans covering subsidiaries in scope 2. Establish, revise, and abolish important internal regulations such as Articles of Incorporation 3. Matters on budget and settlement of accounts 4. Matters on important organizational changes and contracts 5. Matters on overall corporate governance of the Company 6. Supervise conflict of interest between the Company and major shareholders or executives 7. Establish and revise the Company's internal control system 8. Establish and revise the Company's risk management standards 9. Establish and evaluate CEO succession plan and manage the CEO candidate pool 	10/13	Park Cheul (independent director)	<ul style="list-style-type: none"> · Key roles: Article 4 of the Internal Code of Corporate Governance, Article 10 of the Board of Directors Regulation · Composition: Article 36 of Articles of Incorporation, Article 3 of the Internal Code of Corporate Governance, Article 5 of Board of Directors Regulation · Chairman of the Board: Article 45 of Articles of Incorporation, Article 5 of the Internal Code of Corporate Governance, Article 7 of Board of Directors Regulation

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name/ status as executive, non-executive, or independent director)	Related regulations
Independent Director Recommendation Committee ¹⁾	<ol style="list-style-type: none"> 1. Establish, review, and supplement the principles of electing independent directors 2. Recommend candidates for independent directors to be elected at the general meeting of shareholders 3. Manage the independent director candidate pool and verify the candidates 	5/5	Sung Jae-ho (Independent director)	<ul style="list-style-type: none"> · Key roles: Article 13 of the Internal Code of Corporate Governance, Article 6 of the Independent director Recommendation Committee Regulation · Composition: Article 13 of the Internal Code of Corporate Governance, Article 3 of the Independent director Recommendation Committee Regulation · Chairman: Article 4 of the Independent director Recommendation Committee Regulation
Corporate Governance and CEO Recommendation Committee ²⁾	<ol style="list-style-type: none"> 1. Support the Board in the succession of CEO 2. Set the qualifications of CEO such as talents or business acumen 3. Recommend the candidate for CEO 4. Select the candidate for CEO and manage the candidate pool (e.g, verify whether the candidate meets the qualifications) 5. Matters on corporate governance of the Company 	7/7	Lee Yoon-jae (Independent director)	<ul style="list-style-type: none"> · Key roles: Article 10 of the Internal Code of Corporate Governance, Article 6 of the Corporate Governance and CEO Recommendation Committee · Composition: Article 10 of the Internal Code of Corporate Governance, Article 3 of the Corporate Governance and CEO Recommendation Committee · Chairman: Article 4 of the Corporate Governance and CEO Recommendation Committee
Audit Committee	<ol style="list-style-type: none"> 1. Supervise directors' and the management's execution of duties 2. Select external auditor and request dismissal of the same 3. Other matters prescribed by the Articles of Incorporation or internal regulations in connection with auditing 	3/3	Yoon Jaewon (Independent director)	<ul style="list-style-type: none"> · Key roles: Article 12 of the Internal Code of Corporate Governance, Article 10 of Audit Committee Regulation · Composition: Article 12 of the Internal Code of Corporate Governance, Article 7 of Audit Committee Regulation · Chairman: Article 8 of Audit Committee Regulation

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name/ status as executive, non-executive, or independent director)	Related regulations
Remuneration Committee	<ol style="list-style-type: none"> 1. Matters on determination and payment method of remuneration for the Company's management and financial investment personnel 2. Prepare and disclose an annual report on payment of remuneration to the management and financial investment personnel 3. Design and operate remuneration system for the management and financial investment personnel and evaluate reasonableness of such design and operation 4. Matters on evaluation of, and remuneration for, subsidiaries' executives 5. Decisions on the Company's financial investment personnel 6. Matters on procedure for decision-making concerning remuneration policy 7. Other matters related to remuneration system 	3/3	Huh Yong-hak (Independent director)	<ul style="list-style-type: none"> · Key roles: Article 15 of the Internal Code of Corporate Governance, Article 6 of Remuneration Committee Regulation · Composition: Article 15 of the Internal Code of Corporate Governance, Article 3 of Remuneration Committee Regulation · Chairman: Article 4 of Remuneration Committee Regulation
Risk Management Committee	<ol style="list-style-type: none"> 1. Establishing basic risk management guidelines befitting management strategies 2. Decide the level of risk which the Company and each subsidiary can bear 3. Approve the limits of reasonable investment or allowable loss 4. Enact and revise Group Risk Management Regulation and Group Risk Council Regulation 5. Matters on the structure, and delegation of responsibilities, of the risk management department 6. Operate the risk management system 7. Set the limits and approve exceptions thereof 8. Decision-making related to Group Internal Ratings-Based Approach approval of the Financial Supervisory Service's non-retail and retail credit rating system 9. Matters of risk disclosure policy 10. Result of crisis analysis, and capital management plan and funding plan related thereto 11. Matters deemed necessary by the Board 12. Matters required by outside regulations (e.g., FSC regulations) and matters prescribed by other regulations, guidelines, etc. 13. Matters deemed necessary by the Committee Chairman 	3/3	Byeon Yang-ho (Independent director)	<ul style="list-style-type: none"> · Key roles: Article 14 of the Internal Code of Corporate Governance, Article 6 of Risk Management Committee Regulation · Composition: Article 14 of the Internal Code of Corporate Governance, Article 3 of Risk Management Committee Regulation · Chairman: Article 4 of Risk Management Committee Regulation
Board Steering Committee ³⁾	<ol style="list-style-type: none"> 1. Set the qualifications for non-independent directors (excluding the candidate for CEO) 2. Recommend candidates for non-independent directors (excluding the candidate for CEO) 3. Deliberate appointment and dismissal of non-director executives 4. Deliberate methods of evaluating the Board, subcommittees 5. Deliberate methods of evaluating independent directors 6. Set the goals of BOD Secretariat's performance and deliberate on how to evaluate them 7. Other matters recognized by the Board and subcommittees as necessary for efficient operation of the Board, etc. 	3/4	Cho Yong-byoung (executive director)	<ul style="list-style-type: none"> · Key roles: Article 11 of the Internal Code of Corporate Governance, Article 6 of Board Steering Committee Regulation · Composition: Article 11 of the Internal Code of Corporate Governance, Article 3 of Board Steering Committee Regulation · Chairman: Article 4 of Board Steering Committee Regulation

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name/ status as executive, non-executive, or independent director)	Related regulations
Audit Committee Member Recommendation Committee ⁴⁾	<ol style="list-style-type: none"> 1. Recommend candidates for Audit Committee members 2. Other matters related to Subparagraph 1 above & submitted by the chairman 	11/11	Park Cheul (Independent director)	<ul style="list-style-type: none"> · Key roles: Article 16 of the Internal Code of Corporate Governance, Article 6 of Audit Committee Member Recommendation Committee Regulation · Composition: Article 16 of the Internal Code of Corporate Governance, Article 3 of Audit Committee Member Recommendation Committee Regulation · Chairman: Article 4 of Audit Committee Member Recommendation Committee Regulation
Corporate Social Responsibility Committee	<ol style="list-style-type: none"> 1. Set the direction of socially responsible management 2. Establish, revise, and abolish norms/policies related to socially responsible management (e.g, environmental management norms, human rights policy) 3. Other matters related to socially responsible management and submitted by the chairman 	4/5	Lee Yoon-jae (Independent director)	<ul style="list-style-type: none"> · Key roles: Article 17 of the Internal Code of Corporate Governance, Article 6 of Corporate Social Responsibility Committee Regulation · Composition: Article 17 of the Internal Code of Corporate Governance, Article 3 of Corporate Social Responsibility Committee Regulation
Subsidiary Management Committee	<ol style="list-style-type: none"> 1. Support the Board in the management succession of subsidiaries' CEOs 2. Set the qualifications of subsidiaries' CEOs such as talents or business acumen 3. Recommend candidates for subsidiaries' CEOs 4. Select the candidates, verify whether the candidates the qualifications for subsidiaries' CEOs, and manage the candidate pool 5. Matters on the criteria and deliberation of selection of candidates for executives other than subsidiaries' 	4/5	Cho Yong-byoung (executive director)	<ul style="list-style-type: none"> · Formation and operation: Article 19 of the Internal Code of Corporate Governance, Article 2 of Subsidiary Management Committee Regulation · Matters requiring committee resolution: Article 19 of the Internal Code of Corporate Governance, Article 5 of Subsidiary Management Committee Regulation
Group Executive Committee	<p>Deliberate and discuss the Group's key issues and thereby support decision-making by CEO</p> <ol style="list-style-type: none"> 1. Matters related to establishment of the Group's vision/ strategic direction and management plan/budge. 2. Matters that require cooperation or interest coordination among subsidiaries, etc. and business divisions in order to implement the Group's strategy. 3. Matters related to the various management issues of subsidiaries, etc. and business divisions, that need to be shared and discussed among the subsidiaries. 4. Matters related to the systems jointly applied by subsidiaries, etc. and business divisions. 5. Matters related to the Group-level brand strategy. 6. Other matters deemed necessary by the CEO <p>* Submission may be exempt for agenda items required by laws or contracts to be confidential</p>	-	Cho Yong-byoung (executive director)	<ul style="list-style-type: none"> · Key roles: Article 43 of the Internal Code of Corporate Governance, Articles 2, 6, and 7 of Group Executive Committee Regulation · Composition: Article 43 of the Internal Code of Corporate Governance, Article 3 of Group Executive Committee Regulation · Chairman: Article 3 of Group Executive Committee Regulation

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name/ status as executive, non-executive, or independent director)	Related regulations
Group Risk Management Council	<p>For consistency in the risk policies and strategies of the Group and subsidiaries, discuss on the Group's risks and resolve on matters necessary to implement policies formulated by Risk Management Committee</p> <ol style="list-style-type: none"> 1. Matters on the setting of exposure limits such as countries, critical areas, individual companies and affiliates. 2. Matters on implementation of the Group's integrated crisis analysis. 3. Decision-making related to the Group's non-retail credit rating system, excluding those subject to approval under the Financial Supervisory Service's Internal Ratings-Based Approach. 4. Other matters deemed necessary by the chairperson. 	-	Bang Dong-kwon (Chief Risk Officer)	<ul style="list-style-type: none"> · Key roles: Article 43 of the Internal Code of Corporate Governance, Articles 2, 5, and 6 of Group Risk Management Council Regulation · Composition: Article 74 of the Internal Code of Corporate Governance, Article 3 of Group Risk Management Council Regulation · Chairman: Article 3 of Group Risk Management Council Regulation

Note 1) Independent Director Recommendation Committee: Committee for the recommendation of candidates for executives under the Corporate Governance Act (Recommend candidates for independent directors)

Note 2) Corporate Governance and CEO Recommendation Committee: Committee for the recommendation of candidates for executives under the Corporate Governance Act (Recommend candidate for CEO)

Note 3) Board Steering Committee: Committee for the recommendation of candidates for executives under the Corporate Governance Act (Recommend candidates for non-executive directors)

Note 4) Audit Committee Member Recommendation Committee: Committee for the recommendation of candidates for executives under the Corporate Governance Act (Recommend candidates for Audit Committee members as of February 2020)

3. Related regulations

- (1) Articles of Incorporation
- (2) Internal Code of Corporate Governance
- (3) Group Internal Control Regulation
- (4) Board of Directors Regulation
- (5) Independent Director Recommendation Committee Regulation
- (6) Corporate Governance and CEO Recommendation Committee Regulation
- (7) Audit Committee Regulation
- (8) Remuneration Committee Regulation
- (9) Risk Management Committee Regulation
- (10) Board Steering Committee Regulation
- (11) Audit Committee Member Recommendation Committee Regulation
- (12) Corporate Social Responsibility Committee Regulation
- (13) Subsidiary Management Committee Regulation
- (14) Group Executive Committee Regulation
- (15) Group Risk Council Regulation
- (16) Shinhan Financial Group Code of Ethics

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II. Board of Directors

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II. Board of Directors

1. Roles

A. Overview

The Board is the Company's supreme and standing decision-making body. It decides the Group's and the Company's key issues (e.g., appointment and dismissal of CEO, formulation and approval of the Company's business plan). Through its function of reasonable checks, it supports responsible management by the executives.

The Company endeavors to compose the Board of independent directors that can offer various expertise and insights. They are led by the CEO, executive & non-executive directors, and independent directors who are professional managers in the field of finance and have a deep understanding of "Shinhan Culture." This enables the Group's and the Company's key decision-making to be made from diverse perspectives. The Company also provides support to decision-making by using internal and external specialists, if necessary.

B. Specific roles

Article 4, Paragraph 1 of the Internal Code of Corporate Governance and Article 10, Paragraph 1 of the Board of Directors Regulation states the specific roles of the Board, which are reflected in the Company's Articles of Incorporation.

(1) Establish and evaluate management goals and strategies

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 1) provides that the Board has authority for 'establish and evaluate management plans covering subsidiaries in scope', and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 4 Item a) provides that 'drafting and approval of the Company's business plan (including those of subsidiaries)' requires the Board's resolution.

The Company's Board establishes, evaluates and finally approves the management plan (including business, financial, risk, and budget plans), and in cases of dramatic changes in the management environment, may revise the same.

At the 3rd regular meeting (August 13, 2020), the Board newly established a mid-term strategy from the perspective of "F.R.E.S.H" (Fundamental, Resilience, Eco-system, Sustainability, Human-talent) which aims to build a "First-Class Shinhan," in order to make up for the shortcomings of the '2020 SMART Project' (mid-term strategy for the past three years) and proactively respond to the rapidly changing business environment.

The 10th temporary Board meeting (Dec 10, 2020) approved the 'Group's management plan and budget for 2021' as follows.

The management plan for 2021 began with 'review of the year 2020 and discussion of the direction of the 2021 management plan' at the holding company's working-level workshop on management plan (Aug 2020). The Strategic Planning Team (department in charge of management plan) prepared a draft, and after a team head meeting and executive meeting, came up with a detailed 'Group management plan (draft)'. The Board's workshop (Oct 6, 2020) discussed the draft plan, decided on the Group's strategic direction and shared the result with subsidiary companies. Then, each subsidiary company checked its performance of 2020 in the performance analysis meeting, and reviewed its draft management plan for 2020. Through discussions among the subsidiary companies' executives in charge of management plan and the Group Executive Committee, the 'draft Group management plan for 2021' was produced. The 10th temporary Board meeting (Dec 10, 2020) approved it, finalizing the 'draft Group management plan and budget for 2021'.

Key items are as follows.

The future based on thorough crisis response and efficiency, while maintaining continuity with the group's medium-term strategy 'FRESH' (Fundamental, Resilience, Eco-system, Sustainability, Human-talent) while taking into account the risk factors

of the business environment and a wide paradigm shift. From the perspective of pursuing changes for response, the core tasks of the mid-term strategy were upgraded to establish a management slogan and detail the tasks of “First-class Shinhan”, a solid foundation and quick change.” (‘F.R.E.S.H’(Fundamental, Resilience, Eco-system, Sustainability, Human-talent)

The strategic tasks for 2021 are as follows.

First is the innovative/open digital transformation. Related matters include digital transformation across the value chain, establishment of an open digital ecosystem, and reinforcement of digital competency/driving systems.

Second is the pursuit of efficient growth. Related matters include reinforcement of the efficiency of existing business lines and discovering/investing in future growth areas.

Third is the global connectivity and expansion. Related matters include sophistication of global business execution strategies and expansion of global business models.

Fourth is the creation of sustainable performance. Related matters include reinforcement of an eco-friendly execution system, establishment of a win-win ecosystem for sustainable growth, and establishment of a trust management system for the Group's stakeholders.

Fifth is preemptive risk management. Related matters include reinforcement of preemptive response to changes in environment, reinforcement of differentiated capabilities in risk management, and reinforcement of first conduct risk management for customers.

Sixth is the building of a dynamic organization. Related matters include improvement of the Group's portfolio structure, advancement of the Group's matrix system, and reinforcement of organizational capabilities for each subsidiary.

Seventh is the convergence talent (manpower) management (a base task). Related matters include securing and nurturing of digital talent, building of a convergence talent portfolio, method of working healthy and agile, and building of the first-class Shinhan culture/brand.

In addition, taking into account consistency between the aforesaid strategic tasks and mid-term strategic goals, the characteristics and environment of each business sector, each of the 17 subsidiaries (including Shinhan Bank) and 5 matrix business divisions prepared its business plan, which has been approved by the Board and each company's board of directors to secure a consistent strategic direction for the entire Group.

The Board receives reporting of 'Group management plan/annual business plan: Performance results' every half year and reviews progress of the management plan. The progress is monitored by reporting the performance results to the Board in the first and second half of the year respectively, and through this, we are enhancing Group-level execution thereof by linking the same with the CEO strategic task evaluation and the compensation system reflected in each subsidiary's business plan. In 2020, the matter was reported at the 2nd temporary Board meeting (February 5) and the 3rd regular Board meeting (August 13). In 2021, it was reported at the 1st temporary Board meeting (February 5, 2021).

(2) Enact, amend, and abolish important regulations such as the articles of incorporation

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 2) provides that the Board has authority for 'enactment, amendment, and abolishment of important regulations such as Articles of Incorporation', and designates the Board of Directors Regulation Articles of Incorporation as an important regulation and makes it clear that the Articles' amendment requires the Board's resolution (Article 10 Paragraph 1 Subparagraph 3 ('Enactment, amendment, and abolishment of important regulations')).

At the 1st regular meeting (March 5, 2020) the Board decided to submit to the annual shareholders' meeting a proposed partial amendment to the Company's Articles of Incorporation, reflecting restrictions on the acquisition period of treasury stocks for cancellation (retirement) purpose and on the timing of cancellation in accordance with the amended Commercial Act and the Financial Investment Services and Capital Markets Act ("Capital Markets Act").

In addition to the Articles of Incorporation, the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 3) designates, as important regulations, the Internal Code of Corporate Governance, Board of Directors Regulation, Subcommittee Regulation, Executives Regulation, Subsidiary Management Committee Regulation, Internal Control Regulation, and Anti-Money Laundering Regulation, and provides that enactment, amendment, and abolishment of the foregoing (including other important regulations deemed to require the Board's resolution) requires Board resolution.

At the 2nd temporary meeting (February 5, 2020), the Board approved the 'Revision of Executive Compensation Regulations,' revising the regulations related to long-term performance pay for executives in order to enact a reasonable long-term executive compensation system.

At the 2nd regular meeting (May 21, 2020), the Board approved the 'Revision of corporate governance-related internal regulations,' amending the Internal Code of Corporate Governance, Subsidiary Management Committee Regulation, and Remuneration Committee Regulation in order to strengthen independence of the subsidiaries' boards of directors and support responsible management by the subsidiaries' CEOs and forgoing the deliberation process of the holding company's Subsidiary Management Committee in appointing subsidiaries' executives other than CEOs.

At the 5th temporary meeting (May 22, 2020), the Board approved the 'Revision of the Internal Control of Financial Reporting Regulation,' partially revising the same regulations in order to enhance effectiveness and strengthen independence of the internal accounting management system.

At the 7th temporary meeting (August 14, 2020), the Board enacted the 'Group Regulation for Money Laundering Prevention' in accordance with the Act on reporting and using specified financial transaction information ("Specified Financial Information Act").

At the 11th temporary meeting (December 17, 2020), the Board approved the "Revision of regulations related to the executives, including the Internal Code of Corporate Governance, Executives Regulations, etc." aiming to simplify executive positions by integrating the positions of deputy president and assistant deputy president to reinforce responsible management and speed up decision-making at the division level.

(3) Approve budget and settlement of accounts

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 3) provides that the Board has authority for 'budget and financial statements' and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 4 Item b) more specifically provides that 'approval of budget and financial statements (including remuneration for directors, executives and employees' requires the Board's resolution.

The 2021 budget plan was established in the same process as in the aforesaid (A) 'establishment and evaluation of management goals and strategies, and was finally approved at the 10th temporary Board meeting (Dec 10, 2020) as follows.

Key items of the '2021 budget plan' are as follows.

Total budget for 2021 is KRW 161.1 billion (increase of KRW 29.3 billion over the previous year) and, in details, increase of KRW 12.3 billion in expense budget and KRW 17.0 billion in capital budget.

Expense budget is KRW 138.0 billion, with cost of labor KRW 45.3 billion, other expenses KRW 88.7 billion, and reserves KRW 4.0 billion.

In the Company, financial statements as well as budget plan have to be approved.

As for the 2019 financial statements, a draft was prepared by the internal accounting manager in January 2020, and by resolution of the 2nd temporary Board meeting (Feb 5, 2020), was submitted to the Audit Committee, and via the external auditor's review (Feb 2020), accounting audit of the 19th financial statements was finalized at the 3rd Audit Committee meeting (Mar 4, 2020) and submitted to the AGM, being finally approved by the 19th AGM (Mar 26, 2020).

Key items of the '2019 financial statements' approved at the 2nd temporary Board meeting (Feb 5, 2020) are as follows.

As for profit/loss, the Company realized a total net profit of KRW 2,357.1 billion from banking subsidiaries and KRW 1,338.3 billion from non-banking subsidiaries, and its consolidated Group net profit reflecting simple equity gains/loss and consolidated adjustments was KRW 3,403.5 billion. It is an increase of KRW 246.8 billion over the previous years, whose key factors include increase in interest-bearing assets (in volume), increase in fee revenue, etc.

As for the total assets, thanks to increase in securities, loans, etc., we recorded KRW 552,442.7 billion, an increase of KRW 92,842.1 billion.

Also, the Company resolved to pay KRW 1,850 per share: KRW 851.6 billion as common stock dividends and KRW 32.3 billion as preferred stock dividends, in total.

In addition, the Company periodically (quarterly) report 'financial performance of the Company and Group companies' to the Board, and report on the Group companies' dividend annually.

(4) Important organizational changes such as dissolution, business transfer, merger

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 4) provides that the Board has authority for 'material organizational changes and contracts,' and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 4 Item c ('change of stock and capital'), Subparagraph 5 ('inclusion and exclusion as subsidiaries'), Subparagraph 8 Item a ('capital contribution each of which is in excess of 1/100 of the equity'), Subparagraph 8 Item b ('funding intended for support of subsidiaries and each of which is in excess of 3/100 of the equity'), Subparagraph 8 Item c ('strategic alliance or partnership with foreign financial institutions for purposes of comprehensive business alliance, equity participation, etc.'), and Subparagraph 8 Item d ('approval of dissolution, business transfer, and merger') give details requiring the Board's resolution.

At the 1st temporary meeting (January 21, 2020), the Board approved the 'Disposal of treasury stock' to dispose of the Company's treasury stocks for the purpose of exchanging them with minority shares of Orange Life Insurance Co., Ltd. in order to incorporate the company as the Company's complete subsidiary.

At the 4th temporary meeting (March 26, 2020), as the stock swap with Orange Life Insurance Co., Ltd. has been completed, the Board approved the 'Acquisition and cancellation of treasury stocks' for the purpose of enhancing shareholder value.

At the 2nd regular meeting (May 21, 2020), the Board received reporting on the 'Establishment of Shinhan Life Insurance's GA Subsidiary (Proposal),' and reviewed the incorporation (inclusion) of the GA subsidiary as the holding company's sub-subsidiary in order to actively respond to changes in sales channels in the Korean insurance market and strengthen various business synergies.

At the 3rd regular meeting (August 13, 2020), the Board approved the 'Acquisition of stake (shares) in Neoflux Co., Ltd.' to

enter the startup investment business, which is expected to have high growth potential and multi-faceted synergy with the investment financing business line within the Group. In addition, the Board received and reviewed reporting on the 'Establishment of Shinhan Life Insurance's subsidiary (Shinhan Life Insurance Vietnam)' in Vietnam where high growth is expected, thus incorporating the same as the holding company's sub-subsidiary in order to respond to the stagnant growth and intensifying competition in the Korean life insurance market. In addition, the Board received reporting on the 'Incorporation and Exclusion of Subsidiaries, etc.', wherein the incorporation and exclusion of subsidiaries, etc. falling under the exceptions to Article 10, Paragraph 1, Subparagraph 5 of the Board of Directors Regulation that occurred in the first half of 2020 were collectively reported to the Board.

At the 8th temporary meeting (September 4, 2020), the Board approved the matter of 'Paid-in capital increase allocated to a third party.' The purpose was to proactively respond to future changes in the financial environment by reinforcing loss absorption through expansion of common stock capital, and also to reinforce future growth competitiveness and improve long-term shareholder value through strategic alliances such as exploring new growth areas by attracting global professional investors.

At the 9th temporary meeting (November 13, 2020), the Board approved 'Approval of small-scale stock swap agreement' to acquire the remaining shares held by the minority shareholders of Neoflux Co., Ltd. and incorporate the same as a complete subsidiary, for consistent execution of the Group's strategy and prevention of potential conflicts of interest among shareholders.

At the 10th temporary meeting (December 10, 2020) the Board received reporting on the 'Incorporation and Exclusion of Subsidiaries, etc.', wherein the incorporation and exclusion of subsidiaries, etc. falling under the exceptions (the amount invested by subsidiaries, etc. to sub-subsidiaries, etc. being 1/100 or less of the equity capital of the holding company at the time of incorporation and exclusion) to Article 10, Paragraph 1, Subparagraph 5 of the Board of Directors Regulation that occurred in 2020 were collectively reported to the Board.

At the 11th temporary meeting (December 17, 2020), the Board approved 'stock purchase agreement between affiliates' to sell the subsidiary Shinhan Credit Information to Shinhan Card and convert the former into the Company's sub-subsidiary in order to rationalize the scope of managing the subsidiaries and strengthen collaboration synergy through vertical integration of subsidiaries.

At the 12th temporary meeting (December 30, 2020), the Board approved 'Acquisition of shares of Shinhan BNP Paribas Asset Management Co., Ltd.' to incorporate the same as a complete subsidiary in order to improve the efficiency of the Group's strategy execution regarding the company (partial subsidiary) and secure flexibility in the conducting of business.

(5) Establish and evaluate principles and policies of corporate governance

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 5) provides that the Board has authority for 'the Company's overall policies and principles on governance,' and the Board of Directors Regulation provides that 'matters on the Company's corporate governance' (Article 10 Paragraph 1 Subparagraph 6) and 'matters on directors' (Article 10 Paragraph 1 Subparagraph 7) require the Board's resolution.

The 2nd temporary Board meeting (Feb 5, 2020) reviewed 'composition of the 2020 Board,' and decided the total number of Board members and the percentages of executive/independent/non-executive directors.

At the 3rd temporary meeting (March 4, 2020), the Board approved 'Establishment of qualifications for non-executive directors,' establishing specific qualifications that are much stricter than those of non-executive directors as prescribed in applicable laws and are in line with those of independent directors, in order to induce non-executive directors to faithfully perform director's duties while working independently from the management.

At the first regular meeting (March 5, 2020), the Board, in the matter of 'Deliberation on adequacy of director candidates,' deliberated on the adequacy of all director candidates recommended by the Independent Director Recommendation Committee and the Board Steering Committee. In addition, on the same date, the Board approved the cap on director remuneration. These details were finalized at the 19th annual shareholders' meeting (March 26, 2020).

At the 4th temporary meeting (March 26, 2020), the Board approved 'Appointment of the chair of the Board.' Given the social expectations and roles of financial holding companies, the role of the Board for growth and development of the Group and protection of financial consumers at a time of increased management uncertainty is enormous, and since the chair of the Board, who must lead the Board's efficient operation and reasonable judgment based on the members' collective wisdom, has a much tougher job than other independent directors, and since all directors were of the opinion that independent director Park Cheul, who had been doing an excellent job of leading the Board as the chair for the past 4 years, should continue to serve as the chair, Director Park Cheul was re-appointed as the chair of the Board.

The same Board meeting passed 'appointment of members of Subcommittees.' Members of the subcommittees are as follows.

- Independent Director Recommendation Committee: Sung Jae-ho, Park Cheul, Yoon Jaewon, Jin Hyun-duk, Yuki Hirakawa
- Corporate Governance and CEO Recommendation Committee: Lee Yoon-jae, Byeon Yang-ho, Park Cheul, Sung Jae-ho, Jin Hyun-duk, Choi Kyong-rok, Huh Yong-hak
- Remuneration Committee: Huh Yong-hak, Sung Jae-ho, Yoon Jaewon
- Risk Management Committee: Byeon Yang-ho, Park Cheul, Huh Yong-hak
- Board Steering Committee: Cho Yong-byoung, Park Ansoon, Park Cheul, Yuki Hirakawa
- Corporate Social Responsibility Committee: Lee Yoon-jae, Byeon Yang-ho, Yoon Jaewon, Cho Yong-byoung, Choi Kyong-rok

Audit Committee members were elected by the resolution of the 19th AGM, Audit Committee members are Directors Yoon Jaewon, Sung Jae-ho, and Lee Yoon-jae. Also, pursuant to the Company's internal regulations, all independent directors automatically became the Audit Committee Member Recommendation Committee members.

Also, the same Board meeting passed 'Remuneration for directors'. Remuneration for the CEO, an executive director, was set the same as in 2014 when remuneration was voluntarily reduced, and as for independent directors, the remuneration was set the same as the previous year for purpose of stronger motivation and responsibility for performing the role of independent directors.

At the 5th temporary meeting (May 22, 2020), the Board received reporting on 'Subcommittee Operation Status and Major Issues.' The Board checked subcommittee operation status and major issues and discussed effective improvement measures.

At the 7th temporary meeting (August 14, 2020), the Board received reporting on 'Subcommittee operation system improvement plan (proposal).' Taking into account the regulation of financial holding companies' governance and the changes in business environment, the Board discussed ways to improve formalistic, inefficient elements of the current subcommittee operation system and implement an independent director-centered, effective subcommittee operation system.

At the 4th regular meeting (November 12, 2020), the Board discussed the matter of 'Revision and abolishment of regulations related to the Board'. In order to stipulate the improvement plan for the subcommittee operation system previously discussed at the 7th temporary meeting, the Board decided to re-deliberate and resolve the matter in early 2021 after reviewing the current regulations in depth and deliberating on the improvement plan.

At the 11th temporary meeting (December 17, 2020), in the matter of 'Appointment of non-director executives', the Board approved the appointment of non-director executives which reflected the term of the holding company's non-director executives and reorganization of the holding company, and the appointment of new executives to revitalize the business

divisions under concurrent leadership (headship). In addition, the Board approved 'Supplementation of evaluation criteria for independent directors,' supplementing the evaluation indicators for independent directors in order to evaluate actual activities and efforts by reflecting the expanded scope and level of independent directors' job.

(6) Manage and supervise conflict of interest

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 6) provides that the Board has authority for 'supervision of conflict of interest between large shareholders/executives and the Company,' and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 7 Item d) provides that 'approval of transactions between director and the Company' requires the Board's resolution.

The Company's Board includes Shinhan Bank CEO as a non-executive director. Thus, transactions between the Company and Shinhan Bank are those between director and the Company. To supervise such conflict of interest, the Company restricts the non-executive director's (Shinhan Bank CEO) voting right for such matter, and apply special resolutions requiring concurrence of at least 2/3 of the directors in office.

At the 3rd temporary meeting (Mar. 4, 2020), the Board approved a 'Real estate lease agreement,' renewing the rent and contract period related to the lease of the Jukjeon data center.

At the 4th temporary meeting (March 26, 2020), the Board received reporting on 'Operation of the independent director system,' and after confirming the details of donations for the past two years to non-profit corporations to which the independent directors belong, the Board checked for conflicts of interest.

At the 5th temporary meeting (May 22, 2020), the Board approved 'Entry into a contract for use of "Shinhan trademarks, etc."' The Board approved contract renewal applying the fee recalculated in relation to use of the aforesaid trademarks.

At the 10th temporary meeting (December 10, 2020), the Board decided 'Real estate lease agreement,' approving renewal of the lease agreement for the Shinhan Bank headquarters and Gwanggyo Building and the comprehensive limit on the real estate lease agreement with Shinhan Bank.

(7) Establish and evaluate internal control standards

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 7) provides that the Board has authority for 'establishment and change of the Company's internal control system', and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 10) designates the same as requiring the Board's resolution. Also, the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 10 Item a) designates enactment and abolishment of the Internal Control Regulation as requiring the Board's resolution.

At the 5th temporary meeting (May 22, 2020), the Board decided to partially revise the Internal Control of Financial Reporting Regulation in order to improve operational effectiveness, and strengthen independence, of the internal accounting management system.

At the 7th temporary meeting (August 14, 2020), the Board decided to enact the Group Regulation for Money Laundering Prevention in accordance with the Specified Financial Information Act.

As for other important matters, at the 2nd temporary meeting (February 25, 2020), the Board received reporting on the 'Results of the internal control system and operations checks in 2019', and at the 3rd temporary meeting (March 4, 2020), the Board received reporting on 'Operations of the financial reporting internal control by management in 2019', 'Result of the Audit Committee's evaluation of the financial reporting internal control in 2019', and 'Result of the anti-money laundering audit in 2019'.

Also, in quarterly Board meetings, the Company periodically reports 'quarterly customer information sharing among Group companies and the result of checking them.'

(8) Establish and evaluate risk management standards

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 8) provides that the Board has authority for 'establishment and change of the Company's risk management standards', and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 11) designates the same as requiring the Board's resolution.

Also, the Board of Directors Regulation (Article 10 Paragraph 1), within the limit of applicable laws and the Articles of Incorporation, allows the Board to delegate part of the authorities to subcommittees, and Article 10 Paragraph 3 specifies the procedure of delegation wherein the Board can enact and amend subcommittee regulations (clauses on 'matters requiring resolution') to delegate relevant authorities to subcommittees.

As stated in this annual report (I. Corporate Governance – Overview - 2. Current Status of Corporate Governance - B. Characteristics of corporate governance - (2)), this is related to the subcommittee-centered Board operation. The purpose is to delegate part of the Board's authorities requiring expertise to individual subcommittees, so that agendas can be handled professionally and in depth.

On the other hand, Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 15) provides that subcommittee (except Audit Committee) resolutions deemed to require another resolution can be resolved by the Board.

The purpose is to apply the subcommittee-centered professional, independent, efficient governance in principle, but allow Board-level checks of subcommittees' wrong decisions.

Thus, the Company delegates a large part of 'establishment and change of the Company's risk management standards' requiring professional decision-making as follows, through Article 6 (Matters requiring resolution) of Risk Management Committee Regulation.

Risk Management Committee Regulation Article 6 (Matters requiring resolution)

① The Committee makes resolutions on the following.

1. Establishing basic risk management guidelines befitting management strategies
2. Decide the level of risk which the Company and each subsidiary can bear
3. Approve the limits of reasonable investment or allowable loss
4. Enact and revise Group Risk Management Regulation and Group Risk Council Regulation
5. Matters on the structure, and delegation of responsibilities, of the risk management department
6. Operate the risk management system
7. Set the limits and approve exceptions thereof
8. Decision-making related to Group Internal Ratings-Based Approach approval of the Financial Supervisory Service's non-retail and retail credit rating system
9. Matters on risk disclosure policy
10. Result of crisis analysis, and capital management plan and funding plan related thereto
11. Matters deemed necessary by the Board
12. Matters required by outside regulations (e.g, FSC regulations) and matters prescribed by other regulations, guidelines, etc.
13. Matters deemed necessary by the Committee Chairman

In particular, the 5th temporary Board meeting (Jul 21, 2016) passed 'amendment of regulations on governance' to add the aforesaid Subparagraphs 5, 6, and 7. Through such amendment of Subcommittee Regulation ("matters requiring resolution"), the Board's authorities are systematically delegated to subcommittees.

(9) CEO succession

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 9) provides that the Board has authority for 'establishment and evaluation of CEO succession plan and management of CEO candidate pool,' and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 12) prescribes the same as requiring the Board's resolution.

For the same reason as in the aforesaid (H) "Establish and evaluate risk management standards," the Company designates 'CEO succession' as the Board's authority, but delegate a large part thereof as follows, through Article 6 (Matters requiring resolution) of the Corporate Governance and CEO Recommendation Committee Regulation.

Corporate Governance and CEO Recommendation Committee Regulation Article 6 (Matters requiring resolution) Paragraph 1 Subparagraph 2

① The Committee deliberates and resolves the following.

2. Recommendation of director (CEO candidate)

A. Establishment and review of CEO succession plan

B. Operation of CEO succession plan (e.g, select the CEO candidate pool, verify whether the candidates meet the qualifications, and evaluate)

C. Qualifications of CEO

D. Recommendation of director who is candidate for CEO

In the 2nd Corporate Governance and CEO Recommendation Committee meeting (May 21, 2020), the members conducted evaluation of the Group CEO succession candidates for 2019, selection of the candidates for 2020, and review of development plan for the selected candidates, and reported the results at the 2nd regular Board meeting held on the same date. In the review of selection of the candidates, a total of 7 candidates were selected, with subsidiary CEOs having experience of heading a business division with total assets worth KRW 10 trillion or more being included.

In the 4th Corporate Governance and CEO Recommendation Committee meeting (Aug 13, 2020), the members checked the reasonableness of the Group CEO succession plan and reported the matter at the 3rd regular Board meeting held on the same date.

(10) Miscellaneous

The Board of Directors Regulation (Article 10 Paragraph 1 Subparagraphs 1 and 2) provides that the Board has authority for 'convening of general meeting of shareholders ("GM") and 'its agendas to be voted upon.'

The 1st regular Board meeting (Mar 5, 2020) passed 'approval of convening and agendas of the 19th AGM,' with its agendas including approval of financial statements, partial amendment of Articles of Incorporation, election of directors, election of independent directors who will be Audit Committee members, election of Audit Committee members, and approval of cap on director remuneration, and decided to hold the 19th AGM on Mar 26, 2020.

Additionally, the 3rd temporary Board meeting, held on Mar. 4, 2020, passed a resolution on the 'decision on whether to cancel long-term compensation', and the 5th temporary Board meeting, held on May 22, 2020, adopted a resolution on 'setting of limit on the issuance of foreign-currency bonds' to respond to market volatility and manage foreign currency liquidity on a group-wide level. The 3rd regular meeting held on August 13 passed 'Issuance of Korean-currency, Write-down

contingent capital securities (Tier 1 capital)' and 'Result of issuing foreign-currency, write-down contingent capital securities (tier 2 subordinated debt)' to improve the BIS capital adequacy ratio and the double leverage ratio. The 7th temporary Board meeting held on August 14 passed 'Resetting of limit on fund support to subsidiaries for 2020' to reflect the asset and liability transfers between subsidiaries and promote the liquidity of subsidiaries. The 10th temporary Board meeting held on Dec. 10 passed 'Setting of limit on fund support to subsidiaries' to provide subsidiaries with working capital, secure liquidity when necessary, and increase supplementary capital, and also resolved 'Setting of limit and filing of shelf registration statement for bond issuance' to set the limit on bond issuance in KRW and foreign currencies for 2021 and file for a shelf registration statement in relation to bond issuance in KRW.

(11) Important reports to the Board

First, the Board of Directors Regulation (Article 10 Paragraph 2 Subparagraphs 1 and 2) requires that 'execution and results of Board resolutions' and 'matters to be deliberated and resolved by subcommittees' shall be reported to the Board. Thus, at each Board meeting, execution of Board resolutions passed by its immediately preceding meeting (result) and operation of subcommittees including Subsidiary Management Committee (result) are reported to the Board in their entirety. In particular, operation results (performance) of the Risk Management Committee and the Audit Committee must be reported directly by the risk management manager (responsible person for risk management) and the head of the audit team, so that the committees can fulfill their roles and responsibilities in a position independent from the management. In addition, the compliance officer must be present at each Board meeting to verify whether the Board's decision-making is not in violation of internal control and is legal.

Second, the Board of Directors Regulation (Article 10 Paragraph 2 Subparagraph 4) requires that 'other matters deemed necessary to be reported to the Board by the Chairman' shall be reported to the Board. For the purpose of reporting quarterly economic environment analysis and issue review as per independent directors' request that the Board be provided with an analysis of the economic environment on a quarterly basis and review of key issues for the Board's rational decision-making, reporting was made on 'Macro environment analysis and prospects' at the 3rd temporary Board meeting (March 4, 2020), 'COVID-19 pandemic and macro environment analysis and prospects' at the 2nd regular meeting (May 21), and 'Macro environment analysis and prospects' at the 3rd regular meeting (August 13). In addition, reporting was made on 'Macro environment analysis and prospects for 2021' at the Board workshop (October 6) to help the Board understand changes in the macroeconomic environment and make rational decisions.

The Board received reporting on 'Review of issues related to Lime Asset Management/German Heritage Trust' at the 1st temporary meeting (January 21, 2020), and the 'Results of the internal control system and operations checks in 2019' at the 2nd temporary meeting (February 5, 2020), and 'Result of the anti-money laundering audit in 2019' and 'Performance of credit information manager/custodian in 2019' at the 3rd temporary meeting (March 4, 2020), and checked various internal control systems and operations (status), thus faithfully fulfilling its compliance role.

In order to check the progress and timing of integration between the insurance business lines (Shinhan Life Insurance and Orange Life Insurance), the Board received reporting on 'Integration of insurance business lines' at the 1st regular meeting (March 5, 2020), 'Progress of insurance business line integration' at the 3rd regular meeting (August 13) and 'Progress of insurance business line integration' at the 10th temporary meeting (December 10). Also, in order to strengthen competitiveness of the Group's business portfolio, the Board received reporting on 'Adjustment of the Group's loan finance business line portfolio', 'Upgrading of the Group's alternative investment business', 'Strengthening of the Group's asset management competitiveness,' and 'Strengthening of the Group's venture capital competitiveness' at the 6th temporary meeting (June 26), and 'Progress of the Group's business portfolio adjustment and reinforcement' at the 3rd regular meeting (August 13). In addition, in order to check the current status of the Group's organization and elaborate the role of the holding company as a control tower implementing the Group's mid-term strategic goals, the Board received reporting on 'Direction of corporate reorganization in 2021' at the 11th temporary meeting (December 17).

In addition, the Board received reporting on 'Subcommittee operation status and major issues' at the 5th temporary meeting (May 22, 2020), 'Subcommittee operation system improvement plan' at the 7th temporary meeting (August 14, 2020), and 'Sustainability management' at the 4th regular meeting (November 12th), to preemptively examine issues related to the Board's efficient operation and the Company's sustainability management and discuss improvement measures.

Third, we periodically report to the Board concerning operation of the independent director system. The Internal Code of Corporate Governance (Article 10 Paragraph 3) requires that the Independent Director Recommendation Committee's management of independent director candidate pool shall be reported to the Board twice a year. Thus, the same was reported to the Board at the 3rd temporary Board meeting (Mar 4, 2020), 7th temporary Board meeting (Aug 14), 9th temporary Board meeting (Nov 13), and 11th temporary Board meeting (Dec 17).

2. Composition

A. Overview

The Company's Board shall consist of 3 to 15 directors. (Article 36 of Articles of Incorporation, Article 3 of the Internal Code of Corporate Governance, Article 5 of Board of Directors Regulation).

The Minimum number of directors (3) is based on the minimum number of board members mandated by the Commercial Act (Article 383, Paragraph 1). The upper limit is set at 15 so as to avoid issues such as delayed decision-making due to decreased efficiency of communication, etc., that are common with larger boards.

The Company has maintained an efficient size of the Board in compliance with the regulations. The existing size of the board is optimally set up to smoothly oversee management of the subsidiaries in various sectors of the financial industry and strengthen the professional decision-making function centered on the Board (subcommittees) as the supreme and standing decision-making body.

Reflecting its own philosophy, the Company has maintained the number of Board members between 12 and 15 since its incorporation in September 2001 depending on Company needs and strategy at the given time. There must be at least 3 independent directors, who shall account for a majority of all directors (Article 36 of Articles of Incorporation, Article 3 of the Internal Code of Corporate Governance, Article 5 of Board of Directors Regulation). This is the same as the minimum number of independent directors and the total number of directors as required by Article 12 of the Corporate Governance Act. Since its incorporation, the Company has had at least 8 independent directors at any given time in actual practice. The Company applies the majority requirement more strictly, keeping with our philosophy that a Board that is centered on independent directors. The Board conducts a review and determines the independence of its directors on an annual basis. By Company standards, an independent director in the company is one who is (i) independent from management; (ii) does not have any business relationships with the Company and the substantial shareholders of the Company and (iii) has not served for more than nine years (no more than six years with the Company and nine years in total with the Company and its subsidiaries) on the Board.

As of the end of 2020, our Board consists of a total of 13 directors (1 CEO, 2 non-executive directors, and 10 independent directors).

The term of office for directors is set to not exceed 3 years at the general meeting of shareholders, and directors can serve consecutive terms. Independent directors' term of office may not exceed 2 years. In the case of their re-election, the term may not exceed 1 year and may not exceed 6 years in total. The total period of serving as an independent director in the Company or its subsidiaries cannot exceed 9 years (Article 38, Paragraph 1 of Articles of Incorporation, Article 26, Paragraphs 1 & 4 of the Internal Code of Corporate Governance). In reflection of Article 6, Paragraph 1, Subparagraph 7 of the

Corporate Governance Act, the term of office was limited to prevent "Clubby Boards" of independent directors.

As of the end of 2020, the terms of office of directors currently in office are as follows.

Director Cho Yong-byoung (executive director) was re-elected at the 19th annual shareholders' meeting (March 2020) for a term of 3 years.

Director Jin Ok-dong (non-executive director) was newly elected at the 18th general meeting of shareholders (March 2019) for a term of 2 years. Director Philippe Avril was newly elected at the 19th general meeting of shareholders (March 2020) for a term of 1 years.

The terms of office expired for 7 directors (Kim Hwa-nam, Park Ansoon, Park Cheul, Lee Manwoo, Choi Kyong-rok, Philippe Avril, and Yuki Hirakawa) at the 19th general meeting of shareholders (March 2020). Among them, 4 (Park Ansoon, Park Cheul, Choi Kyong-rok, and Yuki Hirakawa) were re-elected for a 1-year term. 2 independent directors (Yoon Jaewon and Jin Hyun-duk) were newly elected for a 2-year term.

Directors Byeon Yang-ho, Sung Jae-ho, Lee Yoon-jae, and Huh Yong-hak, independent directors whose terms do not expire in 2020, were newly elected at the 18th general meeting of shareholders (March 2019) for a 2-year term.

Directors shall meet both negative and positive qualifications, and keep meeting them during their terms of office.

First, the qualifications under the applicable laws are as follows.

The negative requirements common to all directors of the Company are governed by Article 5, Paragraph 1 and Article 6, Paragraph 1 of the Corporate Governance Act and Articles 7 and 8 of the enforcement decree of the aforementioned act, whose provisions set forth the qualifications of financial holding companies' executives.

In addition, independent directors are subject to negative requirements under Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act.

Qualifications under the internal regulations are as follows.

The CEO who is the executive director shall meet the negative requirement of age restriction under Article 7 of the Corporate Governance and CEO Recommendation Committee Regulation. He/she shall be younger than 67 years old at the time of initial election. A CEO who is 67 years of age or older and re-elected as CEO may not serve past the age of 70. Article 9, Paragraph 2 of the Corporate Governance and CEO Recommendation Committee Regulation requires that the committee recommends a candidate for CEO who possesses ethics, the ability to realize "Shinhan Value," professional expertise, and ability to run an organization, shares the Company's vision, and can endeavor to raise public interest and realize sound management.

As a requirement for non-executive directors, Article 10, Paragraph 3 of Board Steering Committee Regulation stipulates that when a company is the employer of a non-executive director candidate and is engaged in loan transactions, etc. with a subsidiary of the Company, the reasonableness of such transactions shall be verified by the loan review committee, etc. of such subsidiary. In addition, in the case of non-executive directors who do not concurrently serve as full-time employees of the Group, they are required to meet passive and active qualifications similar to those of independent directors, and their appointments are limited to the cases in which they are recommended by a person who has a significant stake (shares) due to an alliance or shareholder agreement and they undergo strict deliberation by the Board.

Article 39, Paragraph 2 of the Articles of Incorporation and Article 23, Paragraph 2 of the Internal Code of Corporate Governance set forth some of the negative requirements for independent directors. They prohibit the concurrent service of

independent directors in companies other than the Group's subsidiaries. Article 39, Paragraph 1 of the Articles of Incorporation and Article 23, Paragraph 1 of the Internal Code of Corporate Governance set forth positive requirements and reflect the standards stated in the Model Corporate Governance. The relevant person is required to have expertise and sufficient practical experience or specialized knowledge in areas related to financial companies. These areas include finance, business administration, economy, legal affairs, accounting, consumer protection, and information technology. In addition to being capable enough of executing their duties, independent directors must also exercise fairness for the interest of all shareholders and financial consumers without being bound by any specific interest. They must also exercise integrity and awareness in their execution of tasks as independent directors, as well as strong work ethics to their role by applying sufficient time and effort to their duties.

Also, the 5th Independent Director Recommendation Committee meeting (Aug 23, 2019), to select independent directors who will contribute to maintaining transparent, independent governance, required that the number and expertise of independent directors shall be decided through review by the Board and that independent director candidates shall be recommended from the independent director long list in principle, and in addition to the aforesaid negative requirement, prescribed as additional review criteria, the diversity of the BOD composition (selection in comprehensive consideration of nationality, gender, age, experience, background and balance with existing directors), the compatibility with Shinhan Financial Group (those who deeply emphasize with Shinhan Financial Group's vision, growth path, and corporate culture and will succeed to and develop the same and contribute the Company's growth), and effectiveness in securing competitive edge (those with managerial, administrative experiences to implant various business-sectoral comparative edge elements in consideration of changes in the paradigm).

As of the end of 2020, the directors can be classified as follows based on their areas of expertise.

When the 13 directors are classified based on their expertise (in case of expertise in multiple areas, the main area of competency shall be applicable), there are 5 financial experts, 3 business administration experts, 1 economic expert, 1 accounting expert, 1 legal affairs expert, 1 technology expert, and 1 global business expert. From the perspective of diversity, the Board shall consist of experts across the areas of core expertise set forth in the Corporate Governance Act.

[Areas of expertise of the directors]

Chair of the Board Park Cheul: Expert in the areas of finance, economy, and business administration

Independent director Yuki Hirakawa: Expert in the areas of business administration and global business

Independent director Park Ansoon: Expert in the area of business administration, and global business

Independent director Choi Kyong-rok: Expert in the area of technology, business administration, and global business

Independent director Byeon Yang-ho: Expert in the areas of finance, business administration, and economy

Independent director Sung Jae-ho: Expert in the areas of legal, and global business

Independent director Lee Yoon-jae: Expert in the areas of economy, finance, and business administration

Non-Executive Director Jin Ok-dong: Expert in the areas of finance, business administration, and global business

Independent director Huh Yong-hak: Expert in the areas of global business, finance, and business administration

Independent director Yoon Jaewon: Expert in the areas of accounting and business administration

Executive Director Cho Yong-byoung: Expert in the areas of finance and business administration

Independent director Jin Hyun-duk: Expert in the area of business administration, and global business

Independent director Philippe Avril: Expert in the areas of finance, business administration, and global business

Independent directors currently in office meet the qualifications under the Corporate Governance Act. Those elected or re-elected before enforcement of that law did meet the positive qualifications mentioned in "Model Code for Independent directors of Banks, etc.," abolished on December 24, 2014, and "Model Corporate Governance for Financial Companies," abolished on August 1, 2016, at the time of the election or re-election.

B. Members

The current status of our board of directors during the 2020 period covered by the annual report is as follows.

(1) Director Park Cheul (Chairman of the Board / Independent director)

Director Park Cheul was initially elected at the 14th AGM (Mar 25, 2015), with term of office to be expired on the date of the 20th AGM (Mar 2021).

Major career is as follows.

2014.3 - 2015.3	Independent director, Shinhan Investment Corp.
2007.7 - 2013.2	CEO, Leading Investment & Securities Co. Ltd.
2003.7 - 2005. 7	Member of the committee, National Economy Advisory Council
2000.7 - 2003.5	Senior Deputy Governor, Bank of Korea
1998.4 - 2000.7	Assistant Secretary of State Department. Governor, Bank of Korea
1995.10 -1 98.4	Head of Fund Department, Bank of Korea
1993.10 - 1995.10	Head of London Representative Office, Bank of Korea
1968.1	Joined the Bank of Korea

An independent director, Director Park Cheul has been serving as the Board Chairman representing the Board and independent directors since the date of the 15th AGM (Mar 24, 2016).

As for subcommittee activities, he served as a member of Independent Director Recommendation Committee (Mar 2015 - Mar 2016, Mar 2017 - Mar 2019, Mar 2020 - present), Corporate Governance and CEO Recommendation Committee (Mar 2016 - Mar 2017, Mar 2018 - present), Remuneration Committee (Mar 2015 - Mar 2017, Mar 2018 - Mar 2020), Risk Management Committee (Mar 2015 - Mar 2019, Mar 2020 - present), and Board Steering Committee (Mar 2017 - Mar 2018, Mar 2019 - present).

In the aforesaid period, he served as Chairman of the Independent Director Recommendation Committee (Mar 2017 - Mar 2019), Chairman of the Remuneration Committee (Mar 2016 - Mar 2017), Chairman of the Risk Management Committee (Mar 2015 - Mar 2017, Jan 2019 - Mar 2019), and Chairman of the Audit Committee Member Recommendation Committee (Feb 2017, and Feb 2019).

(2) Director Yuki Hirakawa (Independent director)

Director Yuki Hirakawa was initially elected at the 14th AGM (Mar. 25, 2015), with term of office to be expired on the date of the 20th AGM (Mar. 2021).

Major career is as follows.

2014 - present	CEO, LLC Primer Korea
1994.4 - 2012.11	CEO, Hirakawa Industry Co.,Ltd (Japan)
1985.4 - 2010.10	Founder and CEO, Primer Development Co., Ltd. (Japan)

As for subcommittee activities, served as a member of Independent Director Recommendation Committee (Mar 2015 - Mar 2016, Mar 2020 - present), Corporate Governance and CEO Recommendation Committee (Mar 2016 - Mar 2020), Board Steering Committee (Mar 2015 - Mar 2017, Mar 2020 - present), and Corporate Social Responsibility Committee (Mar 2015 - Mar 2020).

(3) Director Park Ansoon (Independent director)

Director Park Ansoon was initially elected at the 16th AGM (Mar 23, 2017), with term of office to be expired on the date of the 20th AGM (Mar 2021).

Major career is as follows.

2018 - present	Chairman, the Korean Residents Union in Japan
2012 - 2018	Vice Chairman, Korean Residents Union in Japan Headquarters
2010 - present	Chairman, Taisei Trade Co., Ltd.
1993 - 2010	CEO, Taisei Trade Co., Ltd. (Japan)

As for subcommittee activities, served as a member of Independent Director Recommendation Committee (Mar 2017 - Mar 2019), Board Steering Committee (Mar 2018 - Mar 2019, Mar 2020 - present), and Corporate Social Responsibility Committee (Mar 2017 - Mar 2020).

(4) Director Choi Kyong-rok (Independent director)

Director Choi Kyong-rok was initially elected at the 17th AGM (Mar 22, 2018), with term of office to be expired on the date of the 20th AGM (Mar. 2021).

Major career is as follows.

2010.6 - 2015.3	Independent director, Shinhan Life Insurance
2002.9 - present	CEO, CYS Corporation
2001.11 - 2004.3	Vice president, CYS Corporation
1999.1 - 2001.11	Research Associate, Information Technology Center at Keio University
1997.4 - 1999.1	Research Associate, Network Technology Center, Keio University (Japan)

As for subcommittee activities, served as a member of Independent Director Recommendation Committee (Mar. 2018 - Mar. 2020), Corporate Governance and CEO Recommendation Committee (Mar. 2020 - present), Risk Management Committee (Mar. 2018 - Mar. 2020), and Board Steering Committee (Mar. 2018 - Mar. 2020), and Corporate Social Responsibility Committee (Mar. 2020 - present).

(5) Director Byeon Yang-ho (Independent director)

Director Byeon Yang-ho was initially elected at the 18th AGM (Mar 27, 2019), with term of office to be expired on the date of the 20th AGM (Mar 2021).

Major career is as follows.

2016 - present	Advisor, VIG Partners
2011 - 2015	Non-executive director, Tongyang Life Insurance
2005 - 2016	Co-CEO, Voggo Fund
2004 - 2005	Commissioner, Korea Financial Intelligence Unit
2004	Director General, Ministry of Finance and Economy
2002 - 2004	Head of Financial Policy Bureau (Director general), Ministry of Finance and Economy
2001 - 2002	Head of Financial Policy Bureau (Deputy director general), Ministry of Finance and Economy
2001	Deputy Director General of Policy Coordination, Ministry of Finance and Economy
1999 - 2000	Deputy Director General of International Finance, International Finance Bureau Ministry of Finance and Economy
1998 - 1999	Head of International Finance Division, International Finance Bureau, Ministry of Finance and Economy
1997 - 1998	International Finance Officer, Ministry of Finance and Economy
1997	Head of Policy Coordination Division, Ministry of Finance and Economy
1995 - 1997	Head of Industrial Economy Division, Economic Policy Bureau, Ministry of Finance and Economy
1994	Head of National Savings Division, Ministry of Finance
1993 - 1994	Manager, Office of Presidential Secretary for Economy, Office of President
1990 - 1992	Senior Economist, IMF

As for subcommittee activities, served as a member of Corporate Governance and CEO Recommendation Committee (Mar

2019 - present), Risk Management Committee (Mar 2019 - present), Board Steering Committee (Mar 2019 - Mar 2020), and Corporate Social Responsibility Committee (Mar 2019 - present).

In the aforesaid period, served as the Chair of Risk Management Committee (Mar 2019 - present).

(6) Director Sung Jae-ho (Independent director)

Director Sung Jae-ho was initially elected at the 18th AGM (Mar 27, 2019), with term of office to be expired on the date of the 20th AGM (Mar 2021).

Major career is as follows.

2016 - present	President, International Law Association (ILA) Korean Branch
2009 - present	Professor, Sungkyunkwan University Law School
2015	Chairman of Humanitarian Law Advisory Committee, Korean Red Cross
2015	President, Korea Society of International Law
2014	Bar exam advisory committee member, Ministry of Justice
2011 - 2013	Head of Planning & Coordination Division, Sungkyunkwan University
2009	Policy advisor, Ministry of Unification
2009 - 2010	President, Korean Society of International Economic Law
2009	President, Korea International Law Review
2007 - 2009	Head of Admissions Division, Sungkyunkwan University
2005 - 2007	Head of Student Affairs Division, Sungkyunkwan University
2002 - 2004	Head of Comparative Law Research Center, Sungkyunkwan University
2002 - 2009	Professor, Department of Law, Sungkyunkwan University
2002	Policy advisor, Ministry of Foreign Affairs and Trade
1997 - 2002	Associate professor, Department of Law, Sungkyunkwan University
1994 - 1997	Assistant professor, Department of Law, Sungkyunkwan University
1993	Assistant professor, Georgetown Law Center, US

As for subcommittee activities, has been serving as a member of Independent Director Recommendation Committee (Mar 2019 - present), Corporate Governance and CEO Recommendation Committee (Mar 2019 - present), Audit Committee (Mar 2019 - present), Remuneration Committee (Mar 2020 - present), and Board Steering Committee (Mar 2019 - Mar 2020).

In the aforesaid period, has been serving as the Chair of the Independent Director Recommendation Committee (Mar 2019 - present).

(7) Director Lee Yoon-jae (Independent director)

Director Lee Yoon-jae was initially elected at the 18th AGM (Mar 27, 2019), with term of office to be expired on the date of the 20th AGM (Mar 2021).

Major career is as follows.

2015 - 2019	Independent director, CJ Freshway
2012 - 2016	Independent director, Busan Bank
2009 - 2014	Independent director, LG Corporation
2006 - 2011	Independent director, KT&G
2006 - 2007	Independent director, S-Oil
2000 - 2005	Independent director, Samsung Fire & Marine Insurance
2000 - 2005	Independent director, Jeil Bank/SC Jeil Bank
2001 - 2010	CEO, KorEI
1998 - 1999	Secretary to the President for Financial & Economic Affairs
1998	Secretary to the President for Policy Affairs

1996 - 1998	Head of Economic Policy Bureau, Ministry of Finance and Economy
1994 - 1996	Head of Banking & Insurance, Ministry of Finance and Economy
1994	Chief of Staff to Deputy Prime Minister, Economic Planning Board
1991 - 1994	Director General (for trade) in External Coordination Office, Economic Planning Board
1980 - 1991	Manager (Economic Planning Bureau and Budget Office), Economic Planning Board

As for subcommittee activities, served as a member of Independent Director Recommendation Committee (Mar 2019 - Mar 2020), Corporate Governance and CEO Recommendation Committee (Mar 2020 - present), Audit Committee (Mar 2019 - present), and Corporate Social Responsibility Committee (Mar 2019 - present).

In the aforesaid period, he served as Chair of the Corporate Governance and CEO Recommendation Committee (Mar 2020 - present), and Chair of the Corporate Social Responsibility Committee (Mar 2019 - present).

(8) Director Jin Ok-dong (Non-Executive director)

Director Jin Ok-dong was initially elected at the 18th AGM (Mar 27, 2019), with term of office to be expired on the date of the 20th AGM (Mar 2021).

Major career is as follows.

2019.3 - present	CEO, Shinhan Bank
2017.3 - 2018.12	Deputy president, Shinhan Financial Group
2017.1 - 2017.3	Deputy president for Management Support Group, Shinhan Bank
2015.6 - 2016.12	Head of SBJ Bank
2014.1 - 2015.5	Deputy president, SBJ Bank
2011.12 - 2013.12	President, SH Capital (Japan)
2009.12 - 2011.12	Head of Osaka Branch, SBJ Bank
2008.3 - 2009.12	Head of Osaka Branch, Shinhan Bank
2004.7 - 2008.3	Team head in Fund Department, Shinhan Bank

Director Jin Ok-dong is also serving as CEO of Shinhan Bank. For consistency of the Group's strategies and for smooth communication with the Company's Board (the Group's highest decision-making body), the Company since its establishment has been designating the CEO of Shinhan Bank (largest subsidiary, and the center of the Group's synergy business) as its non-executive director.

(9) Director Huh Yong-hak (Independent director)

Director Huh Yong-hak was initially elected at the 18th AGM (Mar 27, 2019), with term of office to be expired on the date of the 20th AGM (Mar 2021).

Major career is as follows.

2015 - present	CEO, Hong Kong First Bridge Strategy Ltd.
2008 - 2014	Chief Investment Officer (CIO) of Private Markets and Direct Investment, HKMA
2004 - 2008	Head of Financial Institutions Group for Asia and Head of Korea at Investment Banking Division, HSBC
2003 - 2004	Managing director, Olympus Capital Investment LLC
1985 - 2003	Head of M&A Asia, JP Morgan

As for subcommittee activities, has been serving as a member of Corporate Governance and CEO Recommendation Committee (Mar 2020 - present), Remuneration Committee (Mar 2019 - present), and Risk Management Committee (Mar 2019 - present).

In the aforesaid period, has been serving as Chair of the Remuneration Committee (Mar 2019 - present).

(10) Yoon Jaewon (Independent director)

Director Yoon Jaewon was initially elected at the 19th AGM (Mar 26, 2020), with term of office to be expired on the date of the 21th AGM (Mar 2022).

Major career is as follows.

2004 – present	Professor of Business Administration, Hongik University
2018 – present	Insurance Accounting Subcommittee Chair, Korea Accounting Association
2018 – present	Corporate Review Committee member, Korea Exchange
2018 – present	National Tax Administration Reform Commissioner, National Tax Service
2017 – present	Vice President, Korean Tax Association
2017 – present	National Accounting System Deliberation Committee member, Ministry of Strategy and Finance
2017 – present	Tax Rules & Regulations Examiner, Ministry of Strategy and Finance
2017 – present	Tax Development Deliberation Committee member, Ministry of Strategy and Finance
2016 – present	Customs Review Committee member, Korea Customs Service
2013 – 2019	Non-executive Judge, Tax Tribunal
2006 – 2009	Public Enterprise Evaluation Committee member, Ministry of Strategy and Finance
2003 – 2009	National Tax Review Committee member, National Tax Service
2000 – 2002	Senior Researcher, Korea Accounting Standards Institute
1999	US Certified Public Accountant

As for subcommittee activities, served as a member of Independent Director Recommendation Committee (Mar 2020 – present), Audit Committee (Mar 2020 – present), Remuneration Committee (Mar 2020 – present), and Corporate Social Responsibility Committee (Mar 2020 – present).

In the aforesaid period, he served as Chair of the Audit Committee (Mar 2020 – present).

(11) Director Cho Yong-byoung (Executive director)

Executive Director Cho Yong-byoung was initially elected at the 16th AGM (Mar 23, 2017), with term of office to be expired on the date of the 22th AGM (Mar 2023).

Major career is as follows.

2017.3 – present	CEO, Shinhan Financial Group
2015.3 – 2017.3	President and CEO, Shinhan Bank
2013.1 – 2015.3	CEO, Shinhan BNP Paribas Asset Management Co., Ltd.
2011.1 – 2013.1	Deputy President, Shinhan Bank
2009.2 – 2011.1	Senior Executive Director, Shinhan Bank
2007.1 – 2009.2	Head of New York Branch, Shinhan Bank
2006.3 – 2007.1	Head of Gangnam Comprehensive Finance Center, Shinhan Bank
2004.1 – 2006.3	Head of Planning Department, Shinhan Bank
2002.8 – 2004.1	Head of HR Department, Shinhan Bank
2000.12 – 2002.8	Head of Sejongno Branch, Shinhan Bank
1998.6 – 2000.12	Head of Migeumdong Branch, Shinhan Bank

Cho Yong-byoung, CEO manages the Company's entire affairs as executive director, while representing Shinhan Financial Group that has 18 subsidiaries as CEO. He also contributed to the Company's various subcommittees including the Independent Director Recommendation Committee (Mar 2017 – May 2018), Corporate Governance and CEO Recommendation Committee (Mar 2017 – Mar 2019), Board Steering Committee (Mar 2017 – present), and Corporate Social Responsibility Committee (Mar 2017 – present).

In the aforesaid period, he served as the Chair of the Board Steering Committee (Mar 2017 - present).

(12) Director Jin Hyun-duk (Independent director)

Director Jin Hyun-duk was initially elected at the 19th AGM (Mar 26, 2020), with term of office to be expired on the date of the 21th AGM (Mar 2022).

Major career is as follows.

1986.4 - present	CEO of Phoedra Inc.
2018.8 - present	Director, Mindan (Korean Residents Union in Japan) Tochigi
2017.11 - present	Councilor, Korea Education Foundation
2014.4 - present	Visiting Professor, Faculty of Business Administration, Sakushin Gakuin University
2014.4 - present	Visiting Professor, Department of Engineering, Utsunomiya University Graduate School

As for subcommittee activities, served as a member of Independent Director Recommendation Committee (Mar 2020 - present), and Corporate Governance and CEO Recommendation Committee (Mar 2020 - present)

(13) Director Philippe Avril (Non-executive director)

Director Philippe Avril was initially elected at the 14th AGM (Mar 25, 2015), with term of office to be expired on the date of the 20th AGM (Mar 2021).

Major career is as follows.

2019 - present	Director of BNP Paribas Securities Ltd. (Japan)
2011 - 2019	CEO of BNP Paribas Securities Ltd. (Japan)
2009 - 2011	Head of Tokyo Branch, BNP Paribas Securities Ltd. (Japan)
2008 - 2009	Head of Tokyo Branch & head manager of Japan, RBS
2005 - 2008	Head at Japan subsidiary, RBS
2002 - 2004	Head of Global Securities Business Division, Commerzbank
2000 - 2002	Branch head at Japan subsidiary, Commerzbank
1998 - 2000	VP in charge of IB, Dai-ichi Kangyo Bank
1995 - 1997	Head of Tokyo Branch, Deutsche Bank
1994 - 1995	General manager of proprietary trading (Money Market Division), Deutsche Bank
1993 - 1994	Structured product sales manager, Deutsche Bank
1990 - 1993	In charge of proprietary trading and risk (Tokyo Branch), Banque Indosuez
1987 - 1990	Derivatives manager, Banque Indosuez
1985 - 1987	Derivatives dealer, Banque Indosuez

As for subcommittee activities, served as a member of Corporate Governance and CEO Recommendation Committee (Mar 2015 - Mar 2020), Remuneration Committee (Mar 2017 - Mar 2018), and Risk Management Committee (Mar 2015 - Mar 2020).

(14) Director Kim Hwa-nam (Independent director)

Director Kim Hwa-nam was initially elected at the 17th AGM (Mar 22, 2018), and resigned on the date of the 19th AGM at the expiry of term in office (Mar 26, 2020).

Major career is as follows.

2015.3 - present	President, Association of Koreans in Japan for Homeland Investment
2013.7 - 2016.7	President, Federation of Korean Merchants and Industrialists in Japan

2006.6 - 2010.6	Independent director, Shinhan Life Insurance
1999.5 - 2002.5	Independent director, Shinhan Investment Corp.
1996.12 - present	CEO, Gimhae Corporation Co., Ltd.
1995.11 - present	Chairman of Board of Directors, Jeju Girl's School Foundation

As for subcommittee activities, served as a member of Independent Director Recommendation Committee (Mar 2019 - Mar 2020), and Corporate Governance and CEO Recommendation Committee (Mar 2018 - Mar 2020).

(15) Director Lee Manwoo (Independent director)

Director Lee Manwoo was initially elected at the 13th AGM (Mar 26, 2014), with term of office to be expired on the date of the 19th AGM (Mar 2020).

Major career is as follows.

1988 - present	Professor of Business Administration, Korea University
2010 - 2011	Member, National Economic Advisory Council (appointed by the President of Korea)
2007 - 2008	President, Korean Accounting Association
2006 - 2007	President, Korean Academic Society of Taxation
2006 - present	Visiting commentator for KBS
2006 - 2008	Member, National Economic Advisory Council (appointed by the President of Korea)
2003 - 2007	Chairman, Policy Advisory & Evaluation Committee, Ministry of Finance and Economy
2001 - 2007	Member, Securities Listing Committee, Korea Exchange
2001 - 2007	Member, Deposit Insurance Committee, Korea Deposit Insurance Corporation
1999 - 2002	Member, Government-Invested Institution Management Committee (appointed by the President of Korea)
1987	US Certified Public Accountant
1980	Korea Certified Public Accountant

As for subcommittee activities, served as a member of Independent Director Recommendation Committee (Mar 2015 - Mar 2017, Mar 2019 - Mar 2020), Corporate Governance and CEO Recommendation Committee (Mar 2019 - Mar 2020) Audit Committee (Mar 2014 - Mar 2020), Remuneration Committee (Mar 2014 - Mar 2016, Dec 2018 - Mar 2020), Board Steering Committee (Mar 2017 - Mar 2019), and Corporate Social Responsibility Committee (Mar 2015 - Mar 2019).

In the aforesaid period, served as Chair of the Corporate Governance and CEO Recommendation Committee (Mar 2019 - Mar 2020), Chair of the Audit Committee (Mar 2016 - Mar 2020), and Chair of the Corporate Social Responsibility Committee (Mar 2015 - Mar 2016).

C. Summary

Name	Classification	Title	Career	Date of initial election	End of term	Period in office	Committee in charge
Park Cheul	Independent director	· Chairman of the Board	· Assistant Senior Deputy Governor, Bank of Korea (1998 - 2000) · Senior Deputy Governor, Bank of Korea (2000 - 2003) · CEO, Leading Investment & Securities Co., Ltd. (2007 - 2013)	March 25, 2015	General Meeting of Shareholders (March 2021)	69 months	· Independent director Recommendation Committee · Corporate Governance and CEO Recommendation Committee · Risk Management Committee · Board Steering Committee
Yuki Hirakawa	Independent director	-	· CEO, Hirakawa Industry Co., Ltd (Japan) (1994 - 2012) · CEO, LLC Primer Korea (2014 - present)	March 25, 2015	General Meeting of Shareholders (March 2021)	69 months	· Independent director Recommendation Committee · Board Steering Committee
Park Ansoon	Independent director	-	· Chairman, Taisei Trade Co., Ltd. (2010 - present) · Chairman, the Korean Residents Union in Japan (2018 - present)	March 23, 2017	General Meeting of Shareholders (March 2021)	45 months	· Board Steering Committee
Choi Kyong-rok	Independent director	-	· Research Associate, Information Technology Center at Keio University (1997 - 2001) · CEO, CYS Corporation (2004 - present)	March 22, 2018	General Meeting of Shareholders (March 2021)	33 months	· Corporate Governance and CEO Recommendation Committee · Corporate Social Responsibility Committee
Byeon Yang-ho	Independent director	· Chairman of Risk Management Committee	· Commissioner, Korea Financial Intelligence Unit (2004 - 2005) · Advisor, VIG Partners (2016 - present)	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	· Corporate Governance and CEO Recommendation Committee · Risk Management Committee · Corporate Social Responsibility Committee
Sung Jae-ho	Independent director	· Chairman of Independent director Recommendation Committee	· President, International Law Association (ILA) Korean Branch (2016 - present) · Professor, Sungkyunkwan University Law School (2009 - present)	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	· Independent director Recommendation Committee · Corporate Governance and CEO Recommendation Committee · Audit Committee · Remuneration Committee
Lee Yoon-jae	Independent director	· Chairman · Chairman of Corporate Social Responsibility Committee	· Head of Economic Policy Bureau, Ministry of Finance and Economy (1996 - 1998) · Secretary to the President for Financial & Economic Affairs (1998 - 1999)	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	· Corporate Governance and CEO Recommendation Committee · Audit Committee · Corporate Social Responsibility Committee
Jin Ok-dong	Non-executive director		· Deputy president, Shinhan Bank (2017) · Deputy president, Shinhan Financial Group (2017 - 2019) · CEO, Shinhan Bank (2019 - present)	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	-
Huh Yong-hak	Independent director	· Chairman of Remuneration Committee	· CIO of Private Markets and Direct Investment, HKMA (2008 - 2014) · CEO, First Bridge Strategy Ltd. (2015 - present)	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	· Corporate Governance and CEO Recommendation Committee · Risk Management Committee · Remuneration Committee
Yoon Jaewon	Independent director	· Chairman of the Audit Committee	· Professor of Business Administration, Hongik University (2004 - present) · Vice president, Korean Academic Society of Taxation (2017 - present) · US Certified Public Accountant	March 26, 2020	General Meeting of Shareholders (March 2022)	9 months	· Independent director Recommendation Committee · Audit Committee · Remuneration Committee · Corporate Social Responsibility Committee

Name	Classification	Title	Career	Date of initial election	End of term	Period in office	Committee in charge
Cho Yong-byoung	Executive director	· Chairman and CEO · Chairman of Board Steering Committee	· Deputy President, Shinhan Bank (2011 - 2013) · CEO, Shinhan BNP Paribas Asset Management Co., Ltd. (2013 - 2015) · President and CEO, Shinhan Bank (2015 - 2017) · CEO, Shinhan Financial Group (2017 - present)	March 23, 2017	General Meeting of Shareholders (March 2023)	45 months	· Board Steering Committee · Corporate Social Responsibility Committee
Jin Hyun-duk	Independent director	-	· CEO of Phoedra Inc. (1986-present) · Visiting Professor, Department of Engineering, Utsunomiya University Graduate School (2014-present) · Visiting Professor, Faculty of Business Administration, Sakushin Gakuin University(2014-present)	March 26, 2020	General Meeting of Shareholders (March 2022)	9 months	· Independent director Recommendation Committee · Corporate Governance and CEO Recommendation Committee
Philippe Avril	Non-executive director	-	· CEO, BNP Paribas Securities (Japan) Ltd. (2011 - 2019) · Director, BNP Paribas Securities (Japan) Ltd. (2019 - present)	March 25, 2015	General Meeting of Shareholders (March 2021)	69 months	-
Kim Hwa-nam	Independent director	-	· Chairman of Board of Directors, Jeju Girl's School Foundation (1995 - present) · CEO, Gimhae Corporation Co., Ltd. (1996 - present)	March 22, 2018	March 26, 2020	24 months	-
Lee Manwoo	Independent director	· Chairman of Corporate Governance and CEO Recommendation Committee · Chairman of Audit Committee	· Professor of Business Administration, Korea University (1988 - present) · Korea and U.S. Certified Public Accountant · Visiting commentator for KBS (2006 - present) · President, Korean Accounting Association (2007-2008)	March 26, 2014	March 26, 2020	72 months	-

3. Activities

A. Overview

In 2020, a total of 16 meetings of the Board (4 regular meetings, once per quarter, and 12 temporary meetings) were held, and the directors' average participation rate was 97%.

B. Meetings held

(1) 1st temporary meeting of the Board in 2020: January 21, 2020 (Tue)

[Date of notice: January 13, 2020 (Mon)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Lee Manwoo	Yuki Hirakawa	Philippe Avril	Park Ansoon	Kim Hwa-nam	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Cho Yong-byoung	Jin Ok-dong		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. Report on the Board's activities	No particular comments														
B. Report on Audit Committee's activities	No particular comments														
C. Review of issues related to Lime Asset Management/German Heritage Trust	Request made for improvement of internal control system for consumer protection, and for fostering of professional manpower and strengthening of capabilities in the future														
4. Resolutions															
A. Disposal of treasury stocks	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Disposal of treasury stocks: Approved 'Disposal of treasury stocks' in which the Company will dispose of its treasury stocks for the purpose of stock swap with the minority shareholders of Orange Life Insurance Co., Ltd. in order to incorporate the latter as its complete subsidiary.

Reporting - A-B. Operation of the Board and its subcommittees: The Company has a procedure in place by which operation of a subcommittee is reported to the Board on the day of subcommittee meeting. It began with former Board Chair Namgung Hun's direction that Board members who are not member of a specific subcommittee shall be able to timely access operation of such subcommittee. (May 17, 2011)

That is, at each Board meeting, operation of the immediately preceding Board meeting and the operation of subcommittees (including Subsidiary Management Committee) thereafter and up to the present Board meeting are reported to the Board in their entirety.

In the independent directors' conference held on Dec 11, 2014 to further upgrade the foregoing, discussions on the method of operating the Board began, leading to change in the method as agreed in the independent directors' conference on Dec 29, 2014. Instead of the previous method wherein a single department head reported the 'Board/subcommittee operations' in the entirety, a new method wherein the subcommittee chairman or the relevant executive (including the head of relevant department) reports to the Board on the operation of the subcommittee began to apply at the 1st temporary Board meeting (Feb 3, 2015). In particular, operation result (performance) of the Risk Management Committee and the Audit Committee must be reported directly by the risk management manager (responsible person for risk management) and the head of the audit team, so that the committees can fulfill their roles and responsibilities in a position independent from the management.

((Before) 'Reporting 1. Report on operation of Board/subcommittee' → (After) 'Reporting 1. Report on the Board's activities', 'Reporting 2. Report on Audit Committee's activities', 'Reporting 3. Report on Risk Management Committee's activities' ...)

For reporting on operation of the Board and subcommittees for 2020, please refer to the relevant part.

Reporting - C. Review of issues related to Lime Asset Management/German Heritage Trust: Progress and major issues related to Lime Asset Management/German Heritage Trust were reported, and the measures to strengthen product manufacturing,

sales, and internal control processes were reviewed.

(2) 2nd temporary meeting of the Board in 2020: February 5, 2020 (Wed)

[Date of notice: January 28, 2020 (Tue)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Lee Manwoo	Yuki Hirakawa	Philippe Avril	Park Ansoon	Kim Hwa-nam	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Cho Yong-byoung	Jin Ok-dong		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. Results of the Group's management plan (annual business plan) in 2019	No particular comments														
B. Report on the Board's activities	No particular comments														
C. Report on Risk Management Committee's activities	No particular comments														
D. Report on Audit Committee's activities	No particular comments														
E. Report on Board Steering Committee's activities	No particular comments														
F. Result of inspection of internal control system and operation (2019)	No particular comments														
G. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2019 4Q)	No particular comments														
4. Resolutions															
A. Approval of settlement of accounts for the 19th fiscal year (January 1, 2019 to December 31, 2019)	Concur	Concur	Concur	Concur	Concur	Absent	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Appointment of non-director managements	Concur	Concur	Concur	Concur	Concur	Absent	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Revision of the Executive Compensation Regulation	Concur	Concur	Concur	Concur	Concur	Absent	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
D. Composition of the 2020 Board	Concur	Concur	Concur	Concur	Concur	Absent	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Approval of settlement of accounts for the 19th fiscal year (January 1, 2019 to December 31, 2019): As for the key part of the '2019 financial statements,' first, in terms of profit and loss, the net income was KRW 2,357.1 billion for banking subsidiaries and KRW 1,338.3 billion for non-banking subsidiaries, and the Group's net income on a consolidated basis, taking into account simple equity gains/losses and consolidated adjustment, was KRW 3,403.5 billion. This is an increase of KRW 246.8 billion from the previous year, mainly due to an increase in the volume of interest-bearing assets and an increase in fee revenue. In terms of top-line, the increase in securities and loans (lendings) led to KRW 552.4 trillion, showing an increase of KRW 92.8 trillion. In addition, a total dividend of KRW 1,850 per share was decided, with a total of KRW 851.6 billion in common stock dividends and KRW 32.3 billion in preferred stock dividends.

Resolution - B. Appointment of non-director executives: The head of the Group's digital division was appointed to serve as

CEO of both the holding company and Shinhan DS.

Resolution - C. Revision of the Executive Compensation Regulation: The Board approved 'Revision of the Executive Compensation Regulation' in order to revise the regulation related to long-term performance pay of the executives for the purpose of a reasonable long-term compensation for the executives.

Resolution - D. Composition of the 2020 Board: Decided the total number of Board members and the percentages of executive/independent/non-executive directors after the annual shareholders' meeting of March 2020.

Reporting - A. Results of the Group's management plan (annual business plan) in 2019: Each half-year, the Board receives reporting of 'Group management plan/annual business plan: Performance results' and review the management plan's progress. Through semi-annual reporting of the results, progress is checked, by which CEO strategic tasks reflected in each Subsidiary company's business plans is evaluated and linked with remuneration system, leading to enhanced Subsidiary company- level execution. As for results business plan for 1st half of 2020, please refer to the relevant part.

Reporting - F. Result of inspection of internal control system and operation (2019): Each fiscal year, under the Financial Company governance Supervision Regulation and its Group Internal Control Regulation, the Company checks the internal control system and operation and reports the results to the Board.

Reporting - G. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2019 4Q): Under its guideline on sharing and use of customer information, each quarter the Company is obligated to report to the Board on customer information sharing among the subsidiaries and the result of inspection thereof. Key items include 1. use of information through written request for information/notice of sharing, 2. use of information through joint Group DB, and 3. use of information through real-time sharing system. For customer information sharing among the subsidiaries and the result of inspection thereof (each quarter, 2020), please refer to the relevant part.

(3) 3rd temporary meeting of the Board in 2020: March 4, 2020 (Wed)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Lee Manwoo	Yuki Hirakawa	Philippe Avril	Park Ansoon	Kim Hwa-nam	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Cho Yong-byoung	Jin Ok-dong		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. Report on the Board's activities	No particular comments														
B. Macro environment analysis and prospects	Investigation of the economic/industrial forecast and the impact on the Group brought by COVID-19														
C. Report on dividends from the Subsidiary Group companies (FY2019)	No particular comments														
D. Reporting of operations (operation status) of the financial reporting internal control by the management in 2019	No particular comments														
E. Report of operation status of internal control of finance report for Audit Committee in 2019	No particular comments														
F. Report on results of audit in 2019	No particular comments														

Items	Activities of directors	Whether or not approved
G. Report on audit of anti-money laundering audit in 2019	No particular comments	
H. Report on Audit Committee's activities	No particular comments	
I. Report on Risk Management Committee's activities	No particular comments	
J. Report on Independent Director Recommendation Committee's activities	No particular comments	
K. Report on Audit Committee Member Recommendation Committee's activities	No particular comments	
L. Report on activities of credit information manager (2019)	No particular comments	

4. Resolutions

A. Initial filing of shelf registration statement for bond issuance	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Real estate lease agreement	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Approved
C. Decision on whether to cancel long-term compensation	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
D. Establishment of qualifications for non-executive directors	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Initial filing of shelf registration statement for bond issuance: The Company obtained the Board's approval of its initial filing of shelf registration statement for public offering bond issuance for 2020.

Resolution - B. Real estate lease agreement: Renewed the rent and contract period in relation to the Jukjeon data center lease agreement signed with Shinhan Bank.

Resolution - C. Decision on whether to cancel long-term compensation: Decided whether the compensation falls under the relevant provision (ground for return) as to the subsidiary's executives having been granted PS (Performance-linked Stock), and decided whether to cancel the long-term compensation granted.

Resolution - D. Establishment of qualifications for non-executive directors: Established specific qualifications that are much stricter than those of non-executive directors as prescribed in applicable laws and are in line with those of independent directors, in order to induce non-executive directors to faithfully perform directors' duties independently from the management.

Reporting - B. Macro environment analysis and prospects: Quarterly economic environment analysis and issue review were reported (reporting was made on) as per independent directors' request that the Board be provided with an analysis of economic environment on a quarterly basis and review of key issues for the Board's rational decision-making. Please refer to the following for the quarterly macro environment analysis/prospect report for 2020.

Reporting - C. Report on dividends from the Subsidiary Group companies (FY2019): Right after dividends by the subsidiaries each year, the Company reports to the Board on such dividends. The amount of dividends received from subsidiaries in FY2019 is KRW 1,628.9 billion (KRW 205.1 billion lower than business plan of KRW 1,423.9 billion).

Reporting - D. Reporting of operations (operation status) of the financial reporting internal control by the management in 2019: The internal accounting manager's reporting on the operations of the internal accounting management system. Checking of the financial reporting internal control by the Company and its 10 subsidiaries in fiscal year 2019 showed one defect, and a plan for improvement was established and reported to the Board. The matter was reviewed again by the Audit Committee, whose resolution was also reported to the Board (Reporting - E).

Reporting - F. Report on results of audit in 2019: Reported on the results of audit in 2018 under the Audit Committee Regulation (Article 15 Paragraph 1). The results of audit of the Company and subsidiaries are reported to the Board at least once a year, so that soundness of management activities can be checked.

Reporting - G. Report on audit of anti-money laundering audit in 2019: Each fiscal year, under the Audit Committee Regulation (Article 15 Paragraph 4), the Company reports to the Board the results of review and evaluation of anti-money laundering in terms of appropriateness and effectiveness.

Reporting - L. Report on activities of credit information manager (2019): Each fiscal year, under the Credit Information Protection Act, the Company reports to the Board the results of activities by credit information manager/protector, thereby checking the Group's compliance with management and protection of personal credit information.

(4) 1st regular meeting of the Board in 2020: March 5, 2020 (Thu)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of directors													Whether or not approved
	Park Cheul	Lee Manwoo	Yuki Hirakawa	Philippe Avril	Park Ansoon	Kim Hwa-nam	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Cho Yong-byoung	Jin Ok-dong	
1. Name of director														
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters														
A. Report on the Board's activities	No particular comments													
B. Integration of insurance business lines	Request made for sophisticated and rapid integration across IT and finance sectors													
C. Report on Subsidiary Management Committee's activities	No particular comments													
D. Report on Remuneration Committee's activities	No particular comments													
E. Report on Board Steering Committee's activities	No particular comments													
F. Report on Independent Director Recommendation Committee's activities	No particular comments													
G. Report on Audit Committee Member Recommendation Committee's activities	No particular comments													
H. Report on Audit Committee's activities	No particular comments													

Items	Activities of directors														Whether or not approved
4. Resolutions															
A. Partial amendment to the Articles of Incorporation	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Acquisition and cancellation of treasury stocks	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation
C. Deliberation on adequacy of director candidates															
(1) Philippe Avril, other candidate for non-standing director	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(2) Park Ansoon, candidate for independent director	Concur	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(3) Park Cheul, candidate for independent director	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(4) Yoon Jaewon, candidate for independent director	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(5) Jin Hyun-duk, candidate for independent director	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(6) Choi Kyong-rok, candidate for independent director	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(7) Yuki Hirakawa, candidate for independent director	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
D. Approval of cap on remuneration for directors	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
E. Approval of 19th GMS convening and agenda	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution – A. Partial amendment to the Articles of Incorporation: It was resolved that a proposed partial amendment to the Company's Articles of Incorporation, reflecting restrictions on the acquisition period of treasury stocks for cancellation (retirement) purpose and on the timing of cancellation in accordance with the amended Commercial Act and the Capital Markets Act, be submitted to the annual shareholders' meeting.

Resolution – B. Acquisition and cancellation of treasury stocks: As the stock swap agreement process with Orange Life Insurance Co., Ltd. has been completed, the Board discussed acquisition and cancellation of treasury stocks for the purpose of enhancing shareholder value, but for risk and liquidity management due to the spread of COVID-19, the Board decided to suspend the acquisition and cancellation schedule.

Resolution – C. Deliberation on adequacy of director candidates: The Board reviewed suitability of all director candidates recommended by the Independent Director Recommendation Committee and the Board Steering Committee.

Resolution – D. Approval of cap on remuneration for directors: The Board passed a resolution to submit to AGM the cap on remuneration for directors for 2020 in the amount of KRW 3.5 billion, same as the previous year.

Resolution – E. Long-term compensation for the management of the Group: Reviewed and approved (initial grant of long-term performance pay and the number of performance share (PS) granted to those whose amount of grant is subject to change.

Reporting – D. Report on operation of the independent director system: Internal Code of Corporate Governance (Article 29 Paragraph 7) requires that contributions made in relation to independent directors shall be reported to the Board. Thus, checked the contributions made to independent director-related non-profit corporations and reported the same to the Board.

Resolution - E. Approval of 19th GMS convening and agenda: The Board decided to submit to the 19th AGM the agendas of approval of financial statements, partial amendment of Articles of Incorporation, election of directors, election of independent directors who will be Audit Committee members, election of Audit Committee members, and approval of cap on director remuneration, and decided to hold the 19th AGM on March 26, 2020.

Reporting - B. Integration of insurance business lines: Reported the progress and expected benefit of integration between Shinhan Life Insurance and Orange Life Insurance.

(5) 4th temporary meeting of the Board in 2020: March 26, 2020 (Thu)

[Date of notice: March 18, 2020 (Wed)]

Items	Activities of directors													Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avrit	
1. Name of director														
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters														
A. Report on the Board's activities	No particular comments													
B. Report on Risk Management Committee's activities	No particular comments													
C. Report on Remuneration Committee's activities	No particular comments													
D. Report on Subsidiary Management Committee's activities	No particular comments													
E. Report on Audit Committee's activities	No particular comments													
F. Report on operation of the independent director system	No particular comments													
4. Resolutions														
A. Appointment of chair of the Board	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Appointment of CEO	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Appointment of Committee of the Board of Director members	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
D. Remuneration for directors	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Approved to revised proposal
E. Acquisition and cancellation of treasury stocks	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Appointment of chair of the Board: Given the social expectations and roles of financial holding companies, the role of the Board for growth and development of the Group and protection of financial consumers at a time of increased management uncertainty is enormous, and since the chair of the Board, who must lead the Board's efficient operation and reasonable judgment based on the members' collective wisdom, has a much tougher job than other independent directors, and since all directors were of the opinion that independent director Park Cheul, who had been doing an excellent job of leading the Board as the chair for the past 4 years, should continue to serve as the chair, Director Park Cheul was re-appointed as chair of the Board.

Resolution - B. Appointment of CEO: Director Cho Yong-byoung, who was elected as an executive director at the 19th annual shareholders' meeting, was re-elected as CEO.

Resolution - C. Appointment of Committee of the Board of Director members: Members of the subcommittees are as follows.

- Independent Director Recommendation Committee: Sung Jae-ho, Park Cheul, Yoon Jaewon, Jin Hyun-duk, Yuki Hirakawa
- Corporate Governance and CEO Recommendation Committee: Lee Yoon-jae, Byeon Yang-ho, Park Cheul, Sung Jae-ho, Jin Hyun-duk, Choi Kyong-rok, Huh Yong-hak
- Remuneration Committee: Huh Yong-hak, Sung Jae-ho, Yoon Jaewon
- Risk Management Committee: Byeon Yang-ho, Park Cheul, Huh Yong-hak
- Board Steering Committee: Cho Yong-byoung, Park Ansoon, Park Cheul, Yuki Hirakawa
- Corporate Social Responsibility Committee: Lee Yoon-jae, Byeon Yang-ho, Yoon Jaewon, Cho Yong-byoung, Choi Kyong-rok

Members of the Audit Committee, Directors Yoon Jaewon, Sung Jae-ho, and Lee Yoon-jae, were elected by resolution of the 19th annual shareholders' meeting held earlier on the same date. In addition, the Audit Committee Member Recommendation Committee was automatically composed of all independent directors according to the Company regulations.

Resolution - D. Remuneration for directors: The remuneration for the CEO, an executive director, was set the same as in 2014 when remuneration was voluntarily reduced, and as for independent directors, the remuneration was set the same as the previous year for purpose of stronger motivation and responsibility for performing the role of independent directors.

Resolution - E. Acquisition and cancellation of treasury stocks: As the stock swap process with Orange Life Insurance Co., Ltd. has been completed, the Board decided to acquire and cancel the treasury stocks in order to enhance shareholder value.

Reporting - F. Report on operation of the independent director system: Internal Code of Corporate Governance (Article 29 Paragraph 7) requires that contributions made in relation to independent directors shall be reported to the Board. Thus, checked the contributions made to independent director-related non-profit corporations and reported the same to the Board.

(6) 2nd regular meeting of the Board in 2020: May 21, 2020 (Thu)

[Date of notice: May 14, 2020 (Thu)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. COVID-19 pandemic and macro environment analysis/prospect	It is necessary to take a hard look at DT and the current platform system, for an agile response to the shift to "Contactless"														
B. Report on the results of 2020 1Q	No particular comments														
C. Establishment of Shinhan Life Insurance's GA Subsidiary (Proposal)	Request made for establishment and management of robust consumer protection devices such as sales responsibility management														
D. Report on the Board's activities	No particular comments														
E. Report on Risk Management Committee's activities	No particular comments														
F. Report on Audit Committee's activities	No particular comments														
4. Resolutions															
A. Revision of corporate governance-related internal regulations	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Revision of corporate governance-related internal regulations: Revise the Internal Code of Corporate Governance, Subsidiary Management Committee Regulation, and Remuneration Committee Regulation, and forgo deliberation process of the holding company's Subsidiary Management Committee in appointing subsidiaries' executives other than CEOs, in order to strengthen the independence of the subsidiaries' boards of directors and support responsible management by the subsidiaries' CEOs.

Reporting - B. Report on the results of 2020 1Q: The Company reviews its financial performance each quarter. For quarterly financial performance of 2020, please refer to the relevant part.

Reporting - C. Establishment of Shinhan Life Insurance's GA Subsidiary (Proposal): Review incorporation (inclusion) of the GA subsidiary as the holding company's sub-subsidiary, in order to actively respond to changes in sales channels in the Korean insurance market and strengthen various business synergies.

(7) 5th temporary meeting of the Board in 2020: May 22, 2020 (Fri)

[Date of notice: May 14, 2020 (Thu)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. Report on the Board's activities	No particular comments														
B. Report on Corporate Governance and CEO Recommendation Committee's activities	Request made for expansion of exchange opportunities between the Group's CEO succession candidates and independent directors														
C. Report on Subsidiary Management Committee's activities	No particular comments														
D. Report on Corporate Social Responsibility Committee's activities	No particular comments														
E. Subcommittee operation status and major issues	Direct the Corporate Governance and CEO Recommendation Committee to review the improvement plan in depth and to report the result to the Board														
F. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2020 1Q)	No particular comments														
4. Resolutions															
A. Setting of limit on the issuance of foreign-currency bonds	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Revision of the Internal Control of Financial Reporting Regulation	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Entry into a contract for use of Shinhan trademarks, etc.	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Setting of limit on the issuance of foreign-currency bonds: Set a limit on the issuance of foreign-currency bonds, in order to respond to market volatility and manage foreign currency liquidity from the Group's perspective.

Resolution - B. Revision of the Internal Control of Financial Reporting Regulation: Partially revised the aforesaid regulation, in order to enhance effectiveness and strengthen independence of the internal accounting management system.

Resolution - C. Entry into a contract for use of "Shinhan trademarks, etc. : The Board approved contract renewal applying the fee recalculated in relation to use of the aforesaid trademarks.

Reporting - E. Subcommittee operation status and major issues: Checked subcommittee operation status and major issues, and discussed effective improvement measures.

(8) 6th temporary meeting of the Board in 2020: June 26, 2020 (Fri)

[Date of notice: June 18, 2020 (Thu)]

Items	Activities of directors													Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril	
1. Name of director														
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters														
A. Plan to adjust the Group's credit finance business line portfolio	Upon transfer of Shinhan Capital's installment/lease and retail assets to Shinhan Card, check the impact on ROE and profitability indicators													
B. Plan to upgrade the Group's alternative investment business	Request made for Group-level efficiency improvement and specific upgrading measures for the alternative investment business													
C. Plan to strengthen the Group's asset management competitiveness	Direct a detailed legal review, including discussion of acquisition price and various transaction terms													
D. Plan to strengthen the Group's venture capital competitiveness	Request made for a comprehensive plan for growth and synergy with existing businesses, after acquisition of a venture capital company													
E. Report on the Board's activities	No particular comments													

Reporting - A. Plan to adjust the Group's credit finance business line portfolio: Reported a plan to adjust business portfolio between Shinhan Card and Shinhan Capital, the Group's credit finance business lines.

Reporting - B. Plan to upgrade the Group's alternative investment business: Reported a plan to integrate (unify) alternative investment business between 'Shinhan BNPP Asset Management and Shinhan Alternative Investment Management,' the Group's asset management business lines.

Reporting - C. Plan to strengthen the Group's asset management competitiveness: Reported a plan to acquire an asset management company to strengthen the Group's asset management competitiveness.

Reporting - D. Plan to strengthen the Group's venture capital competitiveness: Reported a plan to acquire a startup investment company to strengthen the Group's venture capital competitiveness.

(9) 3rd regular meeting of the Board in 2020: August 13, 2020 (Thu)

[Date of notice: August 4, 2020 (Tue)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. Macro environment analysis and prospects	Considering the "real economy" situation, ordered the operation of a careful credit policy in terms of risk management.														
B. Report on the results of 2020 1H	No particular comments														
C. Results of the Group's management plan (first half year business plan) in 2020	No particular comments														
D. Progress in the Group's plan to adjust and reinforce business portfolio	No particular comments														
E. Progress in integration of insurance business lines	No particular comments														
F. Establishment of Shinhan Life Insurance's subsidiary (Shinhan Life Insurance Vietnam)	No particular comments														
G. Report on inclusion and exclusion as subsidiaries	No particular comments														
H. Report on the Board's activities	No particular comments														
4. Resolutions															
A. Issuance of Korean-currency, Write-down contingent capital securities (Tier 1 capital)	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Result of issuing foreign-currency, write-down contingent capital securities (tier 2 subordinated debt)	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Establishment of the Group's mid-term strategy	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
D. Acquisition of stake (shares) in Neoflux Co., Ltd.	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A.Issuance of Korean-currency, Write-down contingent capital securities (Tier 1 capital): Approved issuance of Korean-currency, write-down contingent capital securities (Tier 1 capital) in order to improve the BIS capital adequacy ratio and double leverage ratio.

Resolution - B. Result of issuing foreign-currency, write-down contingent capital securities (tier 2 subordinated debt): Approved issuance of foreign-currency, write-down contingent capital securities (tier 2 subordinated debt) in order to improve the BIS capital adequacy ratio and double leverage ratio.

Resolution - C. Establishment of the Group's mid-term strategy: Established a new mid-term strategy with the perspective of 'FRESH' (Fundamental, Resilience, Eco-system, Sustainability, Human-talent) that aims for "First-Class Shinhan" In order to make up for the shortcomings of '2020 SMART Project" the Group's mid-term strategy of the past three years, and to preemptively respond to the rapidly-changing business environment.

Resolution - D. Acquisition of stake (shares) in Neoflux Co., Ltd.: Acquire a stake in Neoflux Co., Ltd. in order to enter the

startup investment business which is expected to have high growth potential and multi-faceted synergy with the Group's investment financing business line.

Reporting - D. Progress in the Group's plan to adjust and reinforce business portfolio: Reported progress in the Group's plan, previously reported at the 6th temporary Board meeting, to adjust and reinforce business portfolio.

Reporting - E. Progress in integration of insurance business lines: Reported progress in the integration between Shinhan Life Insurance and Orange Life Insurance.

Reporting - F. Establishment of Shinhan Life Insurance's subsidiary (Shinhan Life Insurance Vietnam): Reported on establishing a subsidiary of Shinhan Life Insurance in Vietnam, where high growth is expected, and incorporating the same as the holding company's sub-subsidiary, in order to respond to the stagnant growth and intensifying competition in the Korean life insurance market.

Reporting - G. Inclusion and exclusion as subsidiaries: Reported to the Board inclusion and exclusion as subsidiaries occurring in 2020 and falling under the Board of Directors Regulation (exception to Article 10 Paragraph 1 Subparagraph 5 (subsidiaries' investment in sub-subsidiaries is 1/100 or lower of the holding company's equity)) as of inclusion and exclusion as sub-subsidiaries.

(10) 7th temporary meeting of the Board in 2020: August 14, 2020 (Fri)

[Date of notice: August 4, 2020 (Tue)]

Items	Activities of directors													Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril	
1. Name of director														
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters														
A. Report on the Board's activities	No particular comments													
B. Issuance of new stocks and retirement of treasury stocks	No particular comments													
C. Report on Corporate Governance and CEO Recommendation Committee's activities	Request made for sophistication of the standards for operation of CEO succession candidates													
D. Report on Subsidiary Management Committee's activities	No particular comments													
E. Report on Remuneration Committee's activities	No particular comments													
F. Report on Corporate Social Responsibility Committee's activities	No particular comments													
G. Report on Risk Management Committee's activities	No particular comments													
H. Report on Audit Committee's activities	Share the result of TRS asset review and due diligence related to Shinhan Investment's management issues													
I. Report on Independent Director Recommendation Committee's activities	No particular comments													
J. Improvement plan for subcommittee operation system	No particular comments													

Items	Activities of directors	Whether or not approved
K. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2020 2Q)	No particular comments	

4. Resolutions

A. Resetting of limit on fund support to subsidiaries	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Enactment of regulation related to anti-money laundering	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Resetting of limit on fund support to subsidiaries: Reset the cap on funding to subsidiaries, in order to reflect the transfer of assets and liabilities between subsidiaries and to support liquidity to subsidiaries.

Resolution - B. Enactment of regulation related to anti-money laundering: Enacted the 'Group Regulation for Money Laundering Prevention' in accordance with the Specified Financial Information Act.

Reporting - B. Issuance of new stocks and retirement of treasury stocks: Reported the result of issuing new stocks for stock swap with Orange Life Insurance and cancelling (retiring) treasury stocks approved at the 4th temporary Board meeting.

Reporting - J. Improvement plan for subcommittee operation system: Reported a plan to improve subcommittee operation system, as deliberated by the Corporate Governance and CEO Recommendation Committee based on discussions at the 5th temporary Board meeting, and its future schedule.

(11) 8th temporary meeting of the Board in 2020: September 4, 2020 (Fri)

[Date of notice: August 28, 2020 (Fri)]

Items	Activities of directors														Whether or not approved
1. Name of director	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril		
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended		
3. Comments on reported matters															
A. Report on Risk Management Committee's activities	No particular comments														
B. Report on the Board's activities	No particular comments														
4. Resolutions															
A. Third party rights issue	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Delay of deliberation	Approved

Resolution - A. Third party rights issue: Proactively respond to future changes in the financial environment by reinforcing loss absorption through expansion of common stock capital, and reinforce future growth competitiveness and improve long-term shareholder value through strategic alliances such as exploring new growth areas by attracting global professional investors.

(12) 4th regular meeting of the Board in 2020: November 12, 2020 (Thu)

[Date of notice: November 5, 2020 (Thu)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. Report on the results of 2020 3Q	Request made for supplementing business execution in order to secure future digital growth potential (capacity)														
B. Sustainability management	No particular comments														
C. Report on the Board's activities	No particular comments														
D. Report on Remuneration Committee's activities	No particular comments														
E. Report on Subsidiary Management Committee's activities	No particular comments														
F. Report on Risk Management Committee's activities	No particular comments														
G. Report on Audit Committee's activities	No particular comments														
4. Resolutions															
A. Revision and abolishment of regulations related to the Board	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation

Resolution - A. Revision and abolishment of regulations related to the Board: In order to stipulate the improvement plan (proposal) for the subcommittee operation system previously discussed in the 7th temporary meeting, the Board decided to re-deliberate and resolve the matter in early 2021 by making up for the shortcomings thereof after in-depth review of current regulations and deliberation of the improvement plan.

Reporting - B. Sustainability management: In consideration of the expanded concept of socially responsible management (CSR) and the change in terminology, reported the proposed name change of the Corporate Social Responsibility Committee, currently a subcommittee within the Board, and also reported the Group's Zero Carbon policy.

(13) 9th temporary meeting of the Board in 2020: November 13, 2020 (Fri)

[Date of notice: November 5, 2020 (Thu)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. Report on the Board's activities	No particular comments														
B. Report on Corporate Social Responsibility Committee's activities	No particular comments														
C. Report on Independent Director Recommendation Committee's activities	Request made for detailed reporting on changes in the independent director candidates, including new addition, exclusion, etc.														
D. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2020 3Q)	No particular comments														
4. Resolutions															
A. Approval of small-scale stock swap agreement	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Setting of the date for determining shareholders	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Approval of small-scale stock swap agreement: For the purpose of consistently executing the Group's strategy for Neoflux Co., Ltd. (partial subsidiary) and preventing potential conflicts of interest among shareholders, approved a small-scale stock swap agreement to convert the same into a complete subsidiary

Resolution - B. Setting of the date for determining shareholders: In order to enter into a small-scale stock swap agreement (Resolution - A), set the date for determining shareholders.

(14) 10th temporary meeting of the Board in 2020: December 10, 2020 (Thu)

[Date of notice: December 3, 2020 (Thu)]

Items	Activities of directors														Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters															
A. Progress in integration of insurance business lines	No particular comments														
B. Report on inclusion and exclusion as subsidiaries	No particular comments														
C. Report on the Board's activities	No particular comments														
D. Report on Corporate Social Responsibility Committee's activities	No particular comments														
E. Report on Risk Management Committee's activities	No particular comments														
F. Report on Audit Committee's activities	No particular comments														

Items	Activities of directors													Whether or not approved	
4. Resolutions															
A. Approval of the Group management plan and budget for 2021	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Absent	Concur	Concur	Concur	Concur	Approved
B. Setting of limit on fund support to subsidiaries for 2021	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Absent	Concur	Concur	Concur	Concur	Approved
C. Setting of limit and filing of shelf registration statement for bond issuance	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Absent	Concur	Concur	Concur	Concur	Approved
D. Real estate lease agreement	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Absent	Concur	Concur	Concur	Restriction of voting right	Approved

Resolution - A. Approval of the Group management plan and budget for 2021: Established a plan of key businesses to be pursued in 2021 and a plan of budget required for the businesses.

① 2021 business plan

The future based on thorough crisis response and efficiency, while maintaining continuity with the group's medium-term strategy 'FRESH' (Fundamental, Resilience, Eco-system, Sustainability, Human-talent) while taking into account the risk factors of the business environment and a wide paradigm shift. From the perspective of pursuing changes for response, the core tasks of the mid-term strategy were upgraded to establish a management slogan and detail the tasks of "First-class Shinhan", a solid foundation and quick change." (F.R.E.S.H'(Fundamental, Resilience, Eco-system, Sustainability, Human-talent)

The strategic tasks for 2021 are as follows.

First is the innovative/open digital transformation. Related matters include digital transformation across the value chain, establishment of an open digital ecosystem, and reinforcement of digital competency/driving systems.

Second is the pursuit of efficient growth. Related matters include reinforcement of the efficiency of existing business lines and discovering/investing in future growth areas.

Third is the global connectivity and expansion. Related matters include sophistication of global business execution strategies and expansion of global business models.

Fourth is the creation of sustainable performance. Related matters include reinforcement of an eco-friendly execution system, establishment of a win-win ecosystem for sustainable growth, and establishment of a trust management system for the Group's stakeholders.

Fifth is preemptive risk management. Related matters include reinforcement of preemptive response to changes in environment, reinforcement of differentiated capabilities in risk management, and reinforcement of first conduct risk management for customers.

Sixth is the building of a dynamic organization. Related matters include improvement of the Group's portfolio structure, advancement of the Group's matrix system, and reinforcement of organizational capabilities for each subsidiary.

Seventh is the convergence talent (manpower) management (a base task). Related matters include securing and nurturing of

digital talent, building of a convergence talent portfolio, method of working healthy and agile, and building of the first-class Shinhan culture/brand.

In addition, taking into account consistency between the aforesaid strategic tasks and mid-term strategic goals, the characteristics and environment of each business sector, each of the 17 subsidiaries (including Shinhan Bank) and 5 matrix business divisions prepared its business plan, which has been approved by the Board and each company's board of directors to secure a consistent strategic direction for the entire Group.

② 2021 budget plan

Total budget for 2021 is KRW 161.1 billion (increase of KRW 29.3 billion over the previous year) and, in details, increase of KRW 12.3 billion in expense budget and KRW 17 billion in capital budget. Expense budget is KRW 138 billion, with cost of labor for KRW 45.3 billion, other expenses for KRW 88.7 billion, and reserves for KRW 4 billion.

Resolution - B. Setting of limit for fund support to subsidiaries for 2021: Approved annual limit of fund support per subsidiary to support subsidiaries' operational expense, secure liquidity limit if necessary, and expand capital. It concerned transactions with affiliates (related parties), and underwent the Board's resolution required for management and supervision of conflict of interest.

Resolution - C. Setting of limit and filing of shelf registration statement for bond issuance: Set limit on the issuance of Korean and foreign-currency bonds for 2021, and obtained the Board's approval for filing of shelf registration statement for the issuance of Korean-currency bonds.

Resolution - D. Real estate lease agreement: Approved the renewal of lease agreement for Shinhan Bank headquarters and Gwanggyo Building and the comprehensive limit on real estate lease agreement with Shinhan Bank.

Reporting - A. Progress in integration of insurance business lines: Reported progress in the integration between Shinhan Life Insurance and Orange Life Insurance.

Reporting - B. Inclusion and exclusion as subsidiaries: Reported to the Board inclusion and exclusion as subsidiaries occurring in 2020 and falling under the Board of Directors Regulation (exception to Article 10 Paragraph 1 Subparagraph 5 (subsidiaries' investment in sub-subsidiaries is 1/100 or lower of the holding company's equity)) as of inclusion and exclusion as sub-subsidiaries.

(15) 11th temporary meeting of the Board in 2020: December 17, 2020 (Thu)

[Date of notice: December 10, 2020 (Thu)]

Items	Activities of directors													Whether or not approved
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril	
1. Name of director														
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Absent	
3. Comments on reported matters														
A. Report on the direction of the Company's organizational reshuffle for 2021	Suggestions for effective operation of digital business organization and the Group's business management division													
B. Report on Subsidiary Management Committee's activities	No particular comments													
C. Report on the Board's activities	No particular comments													
D. Report on Board Steering Committee's activities	No particular comments													
E. Report on Audit Committee's activities	No particular comments													
F. Report on Independent Director Recommendation Committee's activities	No particular comments													
4. Resolutions														
A. Revision of regulations related to the executives	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Absent	Approved to revised proposal
B. Appointment of non-director executives	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Absent	Approved
C. Approval of stock purchase agreement between affiliates	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Absent	Approved
D. Supplementation of evaluation criteria for independent directors	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Absent	Approved

Resolution - A. Revision of regulations related to the executives: Revised regulations related to the executives, including the Internal Code of Corporate Governance, Executives Regulations, etc. aiming to simplify executive positions by integrating the positions of deputy president and assistant deputy president to reinforce responsible management and speed up decision-making at the division level.

Resolution - B. Appointment of non-director executives: The Board approved the appointment of non-director executives which reflected the term of the holding company's non-director executives and reorganization of the holding company, and the appointment of new executives to revitalize the business divisions under concurrent leadership (headship).

Resolution - C. Approval of stock purchase agreement between affiliates: Approved stock purchase agreement between affiliates to sell the subsidiary Shinhan Credit Information to Shinhan Card and convert the former into the Company's sub-subsidiary, in order to rationalize the scope of managing the subsidiaries and strengthen collaboration synergy through vertical integration of subsidiaries.

Resolution - D. Supplementation of evaluation criteria for independent directors: Supplementing the evaluation indicators for independent directors, in order to evaluate actual activities and efforts by reflecting the expanded scope and level of independent directors' jobs.

Reporting - A. Report on the direction of the Company's organizational reshuffle for 2021: Reported key direction of the Company's organizational reshuffle for 2021 to specify the role of the holding company as the control tower to realize 'Excellent Shinhan' (Group's mid-term strategic target point).

(16) 12th temporary meeting of the Board in 2020: December 30, 2020 (Wed)

[Date of notice: December 23, 2020 (Wed)]

Items	Activities of directors													Whether or not approved	
	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Cho Yong-byoung	Jin Ok-dong	Philippe Avril		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended		
3. Comments on reported matters															
A. Report on the Board's activities	No particular comments														
B. Report on Risk Management Committee's activities	No particular comments														
4. Resolutions															
A. Acquisition of shares of Shinhan BNP Paribas Asset Management Co., Ltd.	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Approved

Resolution - A. Acquisition of shares of Shinhan BNP Paribas Asset Management Co., Ltd.: Acquire the shares of Shinhan BNP Paribas Asset Management Co., Ltd. to incorporate the same as a complete subsidiary, in order to improve the efficiency of the Group's strategy execution regarding the company (partial subsidiary) and secure flexibility in the conducting of business.

4. Evaluation of the Board and Directors

A. Evaluation of the Board

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Board evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Board, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

Since the details of the evaluation shall be determined by the Board, the Company has conducted and completed the evaluation in January of 2021 based on the resolution, its content shown below, of the 8th temporary meeting of the Board on December 28, 2016. The Company currently refers to the evaluation results in supporting the Board's operations.

(1) **Purpose of evaluation:** For use as reference in supporting the Board's operations

(2) **Evaluator:** Evaluation by all directors

(3) **Criteria for evaluation:**

- ① Operation evaluation: Reasonableness of Board meeting hours, reasonableness of agenda, reasonableness of frequency of Board meetings, and whether the Company has provided sufficient information
- ② Role evaluation: Reasonableness of the Board's performance related to the Board's authorities specified in the Internal Code of Corporate Governance

(4) Method (procedure) of evaluation: Questionnaire survey with 5-point scale and evaluation by third-party evaluating firm for fairness of evaluation and anonymity of evaluator

Evaluation of the Board (2020) showed that the Board's operation and role execution were at an appropriate level. Requests for further improvement included giving sufficient time for prior review of the agenda given that information is provided in writing due to COVID-19, focusing discussions on resolution agenda rather than reported matters, and allowing the schedule (time) to regularly review current corporate governance and seek improvement, and the Company reflected them in the Board Secretariat's sub-tasks in setting the latter's performance goals for 2021.

For the result of evaluating other subcommittees, please refer to the part on evaluation of such subcommittees.

B. Criteria for director evaluation

To reinforce directors' responsibilities and verify their abilities as directors at the time of recommendation for re-election, the Company conducts evaluations of independent directors under Article 30 of the Internal Code of Corporate Governance. The Company also carries out evaluations of the management under Article 50 of the same.

For the criteria used in independent director evaluations, please see "VI. Activities and Remuneration of Independent directors – 5. Evaluation of Independent directors."

Evaluation of the management uses both quantitative and qualitative methods, and is deliberated and resolved by Remuneration Committee in link with organization-level (e.g., a company) job performance. Evaluation criteria for non-executive directors (excluding those concurrently serving as non-executive directors) apply, mutatis mutandis, to those for independent directors.

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III. Corporate Governance and CEO Recommendation Committee

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III. Corporate Governance and CEO Recommendation Committee

1. Roles

The Corporate Governance and CEO Recommendation Committee, a subcommittee consisting of 5 to 7 independent directors, is run for the purpose of electing, as CEO, a person who possesses integrity, the ability to realize "Shinhan Value," expertise for the job and the ability to run an organization, sharing the Company's vision, and a drive for public interest and sound management. The committee performs the steps such as setting qualifications of the CEO candidate, creating a candidate pool, managing the pool, verifying qualifications of and recommending the final succession candidate, and reports these steps to the Board.

2. Composition

The Corporate Governance and CEO Recommendation Committee consists of 7 members including the chair. For its independence and fairness, the committee consists of independent directors only and one of the members serves as the chair.

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Lee Manwoo	Independent director	Chairman	March 27, 2019	March 26, 2020
Park Cheul	Independent director	Member	March 27, 2019	March 26, 2020
Yuki Hirakawa	Independent director	Member	March 27, 2019	March 26, 2020
Philippe Avril	Independent director	Member	March 27, 2019	March 26, 2020
Kim Hwa-nam	Independent director	Member	March 27, 2019	March 26, 2020
Byeon Yang-ho	Independent director	Member	March 27, 2019	March 26, 2020
Sung Jae-ho	Independent director	Member	March 27, 2019	March 26, 2020

<After General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Lee Yoon-jae	Independent director	Chairman	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Park Cheul	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Byeon Yang-ho	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Sung Jae-ho	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Huh Yong-hak	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Jin Hyun-duk	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Choi Kyong-rok	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021

3. Criteria of selection

A. Qualifications of candidates

Refer to this annual report at "VII. Succession of CEO - 2. Recommendation of the candidate for CEO and CEO succession process - A. Overview - (1) Qualifications of CEO (pages 155 - 156)".

B. Procedure of recommending candidates

Refer to this annual report at "VII. Succession of CEO - 2. Recommendation of the candidate for CEO and CEO succession process - A. Overview - (2) Selecting the long list of CEO candidates and verifying their qualifications, etc. (page 156), (3) CEO succession process commencement (grounds) and time (page 156), (4) Final candidate recommendation procedure (page 156), (5) CEO succession process (page 156).

C. Method of evaluating execution of duties as an independent director

The Company evaluates "Group KPIs" and "strategic task performance" in certain proportions, so that its financial performance and non-financial evaluation elements can be reflected in the evaluation of CEO.

Financial performance indicators are Group KPI items: mid- to long-term growth-based indicators (total shareholder return, Group customer base), profitability indicators (ROE, ROA), soundness indicator (non-performing loan coverage ratio), risk-related indicator (RAROC), efficiency indicator (cost income ratio), etc. As for non-financial performance indicators, performance of key strategic tasks arising from the Group's strategic direction are evaluated.

In accordance with the Remuneration Committee Regulation (Article 6), the Remuneration Committee decides CEO evaluation system and deliberates on the result of the evaluation.

4. Activities & Evaluations

A. Overview

In 2020, Corporate Governance and CEO Recommendation Committee meetings were held 4 times, and all 7 agenda items submitted for Committee resolutions were passed.

B. Meetings held

(1) 1st meeting of the Corporate Governance and CEO Recommendation Committee in 2020: March 26, 2020 (Thu)

Items	Activities of directors							Whether or not approved
	Lee Yoon-jae	Park Cheul	Byeon Yang-ho	Sung Jae-ho	Huh Yong-hak	Jin Hyun-duk	Choi Kyong-rok	
1. Name of director	Lee Yoon-jae	Park Cheul	Byeon Yang-ho	Sung Jae-ho	Huh Yong-hak	Jin Hyun-duk	Choi Kyong-rok	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters	(No agenda to report)							
	Not applicable							
4. Resolutions								
A. Agenda #1 ("election of the Chair of the Corporate Governance and CEO Recommendation Committee")	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

In the 1st Corporate Governance and CEO Recommendation Committee meeting of 2020, quorum was present with all 7 members in office attending. Agenda item #1 "election of the Chair of the Corporate Governance and CEO Recommendation Committee" was submitted, and Committee member Lee Yoon-jae was recommended as the chairman.

(2) 2nd meeting of the Corporate Governance and CEO Recommendation Committee in 2020: May 21, 2020 (Thu)

Items	Activities of directors							Whether or not approved
1. Name of director	Lee Yoon-jae	Park Cheul	Byeon Yang-ho	Sung Jae-ho	Huh Yong-hak	Jin Hyun-duk	Choi Kyong-rok	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters	(No agenda to report)							Not applicable
4. Resolutions								
A. Agenda #1 ("election of the Chair of the Corporate Governance and CEO Recommendation Committee")	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Agenda #2 ("deliberation of the evaluation of candidates under the Group CEO succession plan")	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Agenda #3 ("deliberation of development plan for candidates under the Group CEO succession plan")	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

At the 2nd Corporate Governance and CEO Recommendation Committee meeting of 2020, quorum was present with 7 members, out of 7 in total, attending. The committee deliberated and decided Agenda #1 "Evaluation of candidates under the Group CEO succession plan for 2019," (deliberated) Agenda #2 "Selection of candidates under the Group CEO succession plan for 2020," selecting a total of 7 Group CEO succession candidates under the plan, and deliberated and decided Agenda #3 "Development plan for the candidates selected in 2020."

(3) 3rd meeting of the Corporate Governance and CEO Recommendation Committee in 2020: June 26, 2020 (Fri)

Items	Activities of directors							Whether or not approved
1. Name of director	Lee Yoon-jae	Park Cheul	Byeon Yang-ho	Sung Jae-ho	Huh Yong-hak	Jin Hyun-duk	Choi Kyong-rok	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters	(No agenda to report)							Not applicable
4. Resolutions								
A. Agenda #1 (Improvement of the subcommittee operation system)	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Approved to revised proposal

At the 3rd Corporate Governance and CEO Recommendation Committee meeting of 2020, a quorum was present with 7 members, out of 7 in total, attending. Agenda #1 submitted was "Improvement of the subcommittee operation system." The committee deliberated on the ways to improve operational efficiency of the Board and its subcommittees, such as establishing the 'directors' conference(tentative name), integrating the Independent Director Recommendation Committee and the Audit Committee Member Recommendation Committee, changing the Corporate Governance and CEO Recommendation Committee's name and role, abolishing the Board Steering Committee, incorporating the Subsidiary Management Committee as a subcommittee, etc. The committee decided, unanimously among the attending members, to

submit to the Board a revised plan prepared by reviewing and reflecting various opinions presented during the discussion.

(4) 4th meeting of the Corporate Governance and CEO Recommendation Committee in 2020: August 13, 2020 (Thu)

Items	Activities of directors							Whether or not approved
	Lee Yoon-jae	Park Cheul	Byeon Yang-ho	Sung Jae-ho	Huh Yong-hak	Jin Hyun-duk	Choi Kyong-rok	
1. Name of director	Lee Yoon-jae	Park Cheul	Byeon Yang-ho	Sung Jae-ho	Huh Yong-hak	Jin Hyun-duk	Choi Kyong-rok	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters								
(No agenda to report)	Not applicable							
4. Resolutions								
A. Agenda #1 ("checking and reporting of reasonableness of Group CEO succession plan")	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Agenda #2 (Improvement of operation of the Corporate Governance and CEO Recommendation Committee.)	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Approved to revised proposal

In the 4th Corporate Governance and CEO Recommendation Committee meeting of 2020, a quorum was present with 7 members, out of 7 in total, attending. Agenda item #1 "checking and reporting of reasonableness of Group CEO succession plan" was submitted. The committee checked whether the Group CEO succession plan faithfully reflects internal and external laws and regulations (e.g., Act on Corporate Governance of Financial Companies, Supervisory Regulation on Corporate Governance of Financial Companies, and the Company's Internal Code of Corporate Governance reflecting the foregoing), and whether the procedures set forth in the aforesaid plan are properly being run year-round. Also, the committee checked whether the Group CEO succession candidates meet the qualifications set forth in the aforesaid plan. Based on the results of investigation, the committee concluded that "the Group CEO succession plan is appropriately established in accordance with the goal (management continuity through stable CEO succession and the Group's sustainable development)." Agenda #2 submitted was "Improvement of operation of the Corporate Governance and CEO Recommendation Committee." Based on the proposed subcommittee improvement plan discussed at the 3rd Corporate Governance and CEO Recommendation Committee meeting of 2020 (June 26, 2020, previously), the committee deliberated operation of the subcommittees including its (Corporate Governance and CEO Recommendation Committee) membership. The committee came up with a revised plan prescribing that the Corporate Governance and CEO Recommendation Committee shall be run as a permanent deliberating/decision-making body of 5 to 7 independent directors as current, but all independent directors shall participate in the selection of the final CEO candidate (an expanded committee), and unanimously decided to adopt the revised plan.

C. Evaluation

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Corporate Governance and CEO Recommendation Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

For the purpose, subject (evaluator), criteria, and method of evaluation, refer to this annual report at "II. Board of Directors – 4. Evaluation of the Board and Directors – A. Evaluation of the Board".

Evaluation of the Corporate Governance and CEO Recommendation Committee for 2020 shows that the Committee's level of operation and role execution was excellent.

5. Information on recommendation of the candidate for CEO: Not applicable

A. Candidate's name

B. Candidate's profile

C. Recommendation under

D. Reasons for recommending the candidate

E. Review and resolution by the Corporate Governance and CEO Recommendation Committee

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IV. Audit Committee Member Recommendation Committee

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IV. Audit Committee Member Recommendation Committee

1. Roles

The Audit Committee Member Recommendation Committee recommends candidates as Audit Committee members to the general meeting of shareholders by deliberating and resolving matters delegated by the Board.

2. Composition

The Audit Committee Member Recommendation Committee consists of all independent directors.

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Park Cheul	Independent director	Chairman	March 27, 2019	March 26, 2020
Kim Hwa-nam	Independent director	Member	March 27, 2019	March 26, 2020
Park Ansoon	Independent director	Member	March 27, 2019	March 26, 2020
Byeon Yang-ho	Independent director	Member	March 27, 2019	March 26, 2020
Sung Jae-ho	Independent director	Member	March 27, 2019	March 26, 2020
Lee Manwoo	Independent director	Member	March 27, 2019	March 26, 2020
Lee Yoon-jae	Independent director	Member	March 27, 2019	March 26, 2020
Choi Kyong-rok	Independent director	Member	March 27, 2019	March 26, 2020
Philippe Avril	Independent director	Member	March 27, 2019	March 26, 2020
Huh Yong-hak	Independent director	Member	March 27, 2019	March 26, 2020
Yuki Hirakawa	Independent director	Member	March 27, 2019	March 26, 2020

<After General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Park Ansoon	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Park Cheul	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Byeon Yang-ho	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Sung Jae-ho	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Yoon Jaewon	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Lee Yoon-jae	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Jin Hyun-duk	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Choi Kyong-rok	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Sung Jae-ho	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Huh Yong-hak	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Yuki Hirakawa	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021

Note) The chair of the Audit Committee Member Recommendation Committee will be elected by mutual voting when the committee meeting is held in 2021.

3. Criteria of selection of audit committee member

A. Qualifications of candidates

Under the Articles of Incorporation and the Audit Committee Regulation, the Audit Committee is comprised of 3 to 5 directors, with 2/3 or more of the total members being independent directors, and at least 1 member shall be an expert in accounting or finance under applicable laws. In addition, for stronger compliance monitoring by the committee, at least 1 member shall be a legal expert.

B. Procedure of recommending candidates

The Audit Committee Member Recommendation Committee recommends the candidates for the audit committee member by considering the expertise and others of the affairs for the Audit Committee with respect to the director candidates that satisfy the requirements of qualification and it resolves the matters on nominating the candidates for audit members and matters pertinent to the recommendation for the candidates of the independent directors with the consent of 2/3 or more of the total committee members.

C. Method of evaluating execution of duties as an independent director

The Audit Committee Member Recommendation Committee is comprised entirely of independent directors and evaluation of the work performance of the audit committee members is processed by being included in the evaluation of the independent directors. The evaluation on the work performance of the audit committee members may be referred to "5. independent director evaluation of this Annual Report on VI. Activities and Remuneration of Independent directors."

4. Activities & Evaluations

A. Overview

In 2020, the Audit Committee Member Recommendation Committee held a total of 2 meetings, with all members attending, and recommended two Audit Committee member candidates to the shareholders' meeting.

The first Audit Committee Member Recommendation Committee on March 4, 2020, resolved the matters related to the qualification of the candidates for the audit committee member, report on nominating process and the head of the Audit Committee Member Recommendation Committee.

The 2nd Audit Committee Member Recommendation Committee, held on March 5, 2020, recommended director Yoon Jaewon (candidate), a new accounting expert to be appointed, as a new Audit Committee member for a two-year term. Director Lee Yoon-jae, an expert in economy/business management/finance who successfully fulfilled his duties as an Audit Committee member during the past year, was rerecommended as an Audit Committee candidate.

B. Meetings held

(1) 1st meeting of the Audit Committee Member Recommendation Committee in 2020: March 4, 2020 (Wed)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of directors												Whether or not approved
	Park Cheul	Lee Manwoo	Yuki Hirakawa	Philippe Avril	Park Ansoon	Kim Hwa-nam	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho		
1. Name of director													
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters													
A. Audit Committee member qualifications and the member recommendation process for 2020	Request made for sufficient term of office for subcommittee members, for job expertise and continuity												
4. Resolutions													
A. Election, by mutual voting, of the chair of the Audit Committee Member Recommendation Committee	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Election, by mutual voting, of the chair of the Audit Committee Member Recommendation Committee: Elected the chair of the Board, Cheul Park, who represents independent directors, as the chair of the Audit Committee Member Recommendation Committee.

Reporting - A. Audit Committee member qualifications and the member recommendation process for 2020: Reported the composition (formation) of the Audit Committee, and the method, schedule and considerations of electing the Audit Committee members.

(2) 2rd meeting of the Audit Committee Member Recommendation Committee in 2020: March 5, 2020 (Thu)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of directors												Whether or not approved
	Park Cheul	Lee Manwoo	Yuki Hirakawa	Philippe Avril	Park Ansoon	Kim Hwa-nam	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho		
1. Name of director													
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters													
(No agenda to report)	Not applicable												
4. Resolutions													
A. Matters of recommendation of audit committee member candidate	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur (Restricting the voting right of applicable person)	Concur	Concur	Concur	Approved

Resolution - A. Matters of recommendation of audit committee member candidate: Recommended Director Lee Yoon-jae, having demonstrated sufficient expertise and competence as Audit Committee member for the past year, as a candidate for Audit Committee member for one year in office, and Director Yoon Jaewon, possessing expertise in accounting (professor of accounting) to meet the qualifications of Audit Committee member, as a candidate for the same for two years in office.

C. Evaluation

Under Article 9 (Subcommittee) Paragraph 4 of the Company's Internal Code of Corporate Governance, the Audit Committee Member Recommendation Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

Since the details of the evaluation shall be determined by the Board, the Company conducted the assessment in January 2021 based on the resolution passed on the 8th temporary meeting held in December 2018 in 2016 as below.

(1) Purpose of evaluation: For use as reference in supporting operation of Committee

(2) Evaluator: Evaluation by all members

(3) Criteria for evaluation: ① Operation evaluation: Appropriateness of meeting hours, appropriateness of agenda
② Role evaluation: Reasonableness of the Committee's performance related to authorities specified in the Internal Code of Corporate Governance

(4) Method (procedure) of evaluation: Questionnaire survey with 5-point scale and evaluation by third-party evaluating firm for fairness of evaluation and anonymity of evaluator

As a result of evaluating the Audit Committee Member Recommendation Committee in 2020, the operation of the Audit Committee Member Recommendation Committee and the role performance have been confirmed as an extremely outstanding level. For further improvement, there was a request for such criteria that assure not only Audit Committee members but also members of other subcommittees a sufficient term of office as subcommittee members, for purposes of expertise and job continuity.

5. Matters related to the recommendation of audit committee member candidates

(1) Overview

At its 2nd meeting of 2020 (March 5), the Audit Committee Member Recommendation Committee once again recommended Director (candidate) Lee Yoon-jae, an economic, management, and financial expert first elected at the 18th annual shareholders' meeting (March 27, 2019), as a candidate for the Audit Committee for one year in office in consideration of job expertise and continuity for the committee, and newly recommended Director (candidate) Yoon Jaewon, an accounting and financial expert, as a candidate for the same for two years in office. Director (candidate) Sung Jae-ho, with expertise in international law, was first elected as an independent director cum Audit Committee member at the 18th annual shareholders' meeting (March 27, 2019) for two years in office.

● Yoon Jaewon

1. Candidate's profile

(1) Year of birth: 1970

(2) Education: Chungshin Girls' High School - Bachelor, Korea University Business School - Master and Ph.D., of Business Administration (Accounting), Korea University Graduate School

2. Career

- Current Professor of Business Administration, Hongik University
- Current Tax Development Deliberation Committee member, Ministry of Strategy and Finance
- Current National Accounting System Deliberation Committee member, Ministry of Strategy and Finance
- Current Vice-President, Korean Tax Association
- Current Insurance Accounting Subcommittee Chair, Korea Accounting Association
- Current National Tax Administration Reform Commissioner, National Tax Service
- Former Public Corporation Evaluation Committee Member, Ministry of Strategy and Finance
- Former Non-executive Judge, Tax Tribunal
- Former National Tax Review Committee Member, National Tax Service
- Former Public Corporation Evaluation Committee Member, Ministry of Strategy and Finance
- Former Non-executive Judge, Tax Tribunal

3. Experience as an audit committee member of the Company

Not applicable

4. Candidate proposing person: Lee Manwoo (member of the Audit Committee Member Recommendation Committee)

(1) Candidate's profile	Professor of Management at Korea University
(2) Relationship with the candidate ¹⁾	Not applicable
(3) Reason for recommendation	Currently a professor of accounting in the Department of Business Administration at Hongik University and an American CPA, she has sufficient knowledge in the fields as an expert of accounting and management, and with her varied experience (member of Tax Development Deliberation Committee in the Ministry of Strategy and Finance and positions in other government agencies, member of Korea Accounting Association, etc.) and knowledge, is deemed to possess expertise suitable for the Audit Committee. Considering that she meets the requirements for Audit Committee membership as an accounting and financial expert under the Commercial Act and the Corporate Governance Act, she is thus recommended as a new Audit Committee member.

5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

6. Satisfaction of qualification

- (1) Pursuant to Article 19 of the Act on Corporate Governance of Financial Companies, 2/3 or more of the audit committee members must be composed of independent directors that meet the qualification as an independent director.
- (2) A professor of accounting in the college of management at Hongik University as well as Certified Public Accountant in US who meets the qualifications for accounting or finance expert required under Article 19 of the Act on Corporate Governance of Financial Companies and Article 16 of the Enforcement Decree of the same Act.

7. Personal clarification of audit committee member candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

8. Result of resolution of the Audit Committee Member Recommendation Committee

Approval with the consent of 11 members out of 11 registered members

Note 1) Relative relationship under the Civil Act and relationship at high school or higher schools (same major for college or higher), same company group with full-time work relationship, hereinafter the same.

● Lee Yoon-jae

1. Candidate's profile

- (1) Year of birth: 1950
- (2) Education: Gyeonggi High School - LLB from Seoul National University - MBA from Stanford University (USA)

2. Career

- Former director of SC KFB/ Samsung Fire/ S-Oil/ KT&G/ LG Co., Ltd./ Busan Bank/ CJ Fresh Way
- Former president of KorEI
- Former advisor for Law Firm of Kim & Chang
- Former Presidential Secretary in Finance and Economy (Managing Officer)
- Former Presidential Secretary in Policy 1
- Former General Director of Economic Policy Bureau, Ministry of Finance and Economy
- Former General Director of Banking and Insurance, Ministry of Finance and Economy
- Former Secretary General to Deputy Prime Minister and Ministry of Economic Planning
- Former Director General of the Office of External Control (in charge of trade), Ministry of Economic Planning
- Former Director (Bureau of Economic Planning and Office of Budget), Ministry of Economic Planning
- Passed the 11th National Examination for Public Administration

3. Experience as an audit committee member of the Company

- (1) Work period: Mar 27, 2019 ~ As of the end of 2019
- (2) Attendance record during the work period
 - Attended 12 times from a total of 12 Audit Committee meetings (Attendance rate: 100%)

4. Candidate proposing person: Lee Manwoo

(1) Candidate's profile	Current Professor of Management, Korea University
(2) Relationship with the candidate ¹⁾	Not applicable
(3) Reason for recommendation	This candidate is an expert in the areas of economy/finance who served as General Director of Economic Policy Bureau and General Director of Banking and Insurance in the Ministry of Finance and Economy and then served in budget related positions in the Ministry of Economic Planning for a substantial period. In addition to serving as CEO of KorEI (corporate strategic consulting firm), with rich experience as independent director in Korea's leading companies, he is recognized to possess sufficient expertise to perform the duties of the Audit Committee. As his competency for the Audit Committee to monitor, supervise, and check the management has been proven and accumulated (actually he faithfully performed the duties of Audit Committee member for the past year), for purpose of job expertise and continuity for the Audit Committee, he is thus recommended as an Audit Committee member.

5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

6. Satisfaction of qualification

- (1) Pursuant to Article 19 of the Act on Corporate Governance of Financial Companies, 2/3 or more of the audit committee members has to be composed with independent directors that he meets the qualification as an independent director.
- (2) This candidate served as General Director of Banking and Insurance Bureau for the Ministry of Finance and Economy and then served in the budget related works in the Ministry of Economic Planning as an expert in the areas of economy/finance that he meets the requirements as an expert in accounting or finance as required under Article 19 of the Act on Corporate Governance of Financial Companies and Article 16 of the Enforcement Decree of the same Act

7. Personal clarification of audit committee member candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	Not applicable

8. Result of resolution of the Audit Committee Member Recommendation Committee

Approval with the consent of 10 members out of 10 registered members

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V. Independent Director Recommendation Committee

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V. Independent Director Recommendation Committee

1. Roles

The Independent Director Recommendation Committee deliberates and resolves matters delegated by the Board, and has the role of making the recommendation of the Company's independent director candidates transparent and sound. (Article 2 of the Independent Director Recommendation Committee Regulation)

The committee has the authority to establish, review, and supplement the principles of the independent director election, recommend candidates for the independent directors to be elected at the general meeting of shareholders, manage the independent director candidate pool at all times, and verify the qualifications of the candidates. (Article 6, Paragraph 1 of the Independent Director Recommendation Committee Regulation, Article 13, Paragraph 2 of the Internal Code of Corporate Governance)

It is also responsible for recommending independent director candidates befitting the interests of the Company, shareholders, etc. using a fair, transparent procedure, and for verifying in a fair manner whether preliminary independent director candidates meet qualifications under the applicable laws and Internal Code of Corporate Governance, before making the aforementioned recommendation (Article 10, Paragraphs 1 and 2 of the Independent Director Recommendation Committee Regulation, Article 24, Paragraphs 1 and 2 of the Internal Code of Corporate Governance)

Under the principle of diversity of the Board specified in Article 3 of the Internal Code of Corporate Governance, the committee recommends independent director candidates who meet positive and negative qualifications under applicable laws or the Company's internal regulations. These candidates shall be independent and possess expertise and insight befitting the Company in consideration of the characteristics of the Group's growth history and organizational culture. At all times, the committee searches for and manages independent director candidates. (Article 6, Paragraph 1, Subparagraph 3 of the Independent Director Recommendation Committee Regulation, Article 13, Paragraph 2, Subparagraph 3 of the Internal Code of Corporate Governance)

The committee manages the candidate pool by areas of expertise (finance, economy, business management, accounting, legal, technology, international business, and consumer protection) in principle, and checks the candidates' expertise, fair judgment, integrity, strong work ethics, and negative qualifications, through monitoring of publicly available information that can be obtained in compliance with personal information protection laws and through reference check by third party advisors.

As set forth in Article 3 of the Internal Code of Corporate Governance, the committee uses various recommendation channels (e.g., Independent Director Recommendation Committee, independent directors, shareholders, third party advisors) in principle so that specific backgrounds or skill sets will not be overrepresented in the Board in terms of expertise. (Article 10, Paragraph 6 of the Independent Director Recommendation Committee Regulation, Article 24, Paragraph 3 of the Internal Code of Corporate Governance)

The committee is also obligated to check whether independent director candidates' negative and positive qualifications required by the applicable laws and the Model Corporate Governance are met. (Article 10, Paragraph 2 of the Independent Director Recommendation Committee Regulation, Article 24, Paragraph 2 of the Internal Code of Corporate Governance)

In order to periodically check the reasonableness of the independent director candidate pool management, the Independent Director Recommendation Committee is obligated to report to the Board about its management of the independent director candidate pool at least twice a year. (Article 6, Paragraph 3 of the Independent Director Recommendation Committee Regulation, Article 13, Paragraph 3 of the Internal Code of Corporate Governance)

In addition, the verification results for the independent director candidates recommended by the Independent Director Recommendation Committee and reasonableness of the recommendation have to be deliberated and resolved again by the

Board. This encourages the Board to more closely examine the independent director candidates recommended by the Independent Director Recommendation Committee, who will be voted on by the general meeting of shareholders. This results in enhanced transparency in the election of independent directors. (Article 10, Paragraph 5 of the Independent Director Recommendation Committee Regulation)

2. Composition

Under the Company's internal regulations, the Independent Director Recommendation Committee shall consist of between 3 and 5 directors, and independent directors shall account for a majority of the members (Article 3, Paragraph 1 of the Independent Director Recommendation Committee Regulation, Article 13, Paragraph 1 of the Internal Code of Corporate Governance)The foregoing reflects the purpose of "independent director" system by ensuring that the committee shall be independent director-centered and that independent independent directors are elected by a fair, transparent process. In actual practice, all its five members are organized with independent directors.

The Company makes sure that independent directors, who meet the independence requirement set forth in applicable laws and possess financial career experience and expertise from various areas, are included in the Independent Director Recommendation Committee. (Article 3, Paragraph 2 of the Independent Director Recommendation Committee Regulation, Article 22, Paragraph 2 of the Internal Code of Corporate Governance)

Also, for the "independence" of the members, independent directors allowed for re-election are excluded to the greatest extent possible from the Independent Director Recommendation Committee. That is, independent directors with an unexpired term, those having expressed intent to resign as an independent director, and those having served as independent director for 6 years for the Company and 9 years for the Group as a whole, thus making them ineligible for re-election, are given priority consideration. Given the foregoing, the new independent directors, directors Yoon Jaewon and Jin Hyun-duk were newly elected and directors, Park Cheul and Yuki Hirakawa have been appointed as members in March 2020.

If it is unavoidable to include an independent director standing for re-election, in consideration of the committee's expertise and representativeness, such director is strictly restricted from voting in resolutions recommending him/her as an independent director candidate (Article 7, Paragraph 2 of the Independent Director Recommendation Committee Regulation, Article 13, Paragraph 4 of the Internal Code of Corporate Governance)

To achieve diversity in the committee and select members with financial career experience, expertise, and representativeness, the Company filled the committee with Director Yoon Jaewon, an expert in the areas of accounting and business management, Director Jin Hyun-duk and Director Yuki Hirakawa, an expert in the areas of business management and international business, and Director Park Cheul, an expert in the areas of economy, business management, and director Sung Jae-ho, an expert in the area of legal in March 2020.

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/Independent	Title	Date of election	End of term
Sung Jae-ho	Independent director	Chairman	March 27, 2019	March 26, 2020
Kim Hwa-nam	Independent director	Member	March 27, 2019	March 26, 2020
Lee Yoon-jae	Independent director	Member	March 27, 2019	March 26, 2020
Lee Manwoo	Independent director	Member	March 27, 2019	March 26, 2020
Choi Kyong-rok	Independent director	Member	March 27, 2019	March 26, 2020

<After General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Sung Jae-ho	Independent director	Chairman	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Park Cheul	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Yoon Jaewon	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Jin Hyun-duk	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Yuki Hirakawa	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021

3. Criteria of selection

A. Qualifications of candidates

Common qualifications applicable to the selection of candidates are as follows.

In regard to disqualifications, the following laws and internal/external regulations are strictly reviewed. Article 382, Paragraph 3 (Qualifications of corporation's independent directors) and Article 542-8, Paragraph 2 (Qualifications of listed company's independent directors) of the Commercial Act, Article 5, Paragraph 1 (Qualifications of executives) of the Act on Corporate Governance of Financial Companies, Article 6, Paragraphs 1 and 3 (Qualifications of independent directors) of the same, Article 23, Paragraph 2 (Concurrent service as independent director of other companies) of the Internal Code of Corporate Governance, and Article 26, Paragraph 4 (Term limit for independent directors) of the Internal Code of Corporate Governance.

In regard to independent directors' positive qualifications, the Company's Articles of Incorporation and Internal Code of Corporate Governance require whether the relevant person has sufficient practical experience and knowledge in related areas such as finance, economy, business management, accounting, legal, consumer protection, and technology, fair judgment, integrity, and strong work ethics.

Also, the Internal Code of Corporate Governance requires that the Board shall include those who possess the right experience or knowledge for a director's job as acquired from various areas and are capable of carrying on and renewing the Group's founding spirit. Efforts shall be made so that specific backgrounds or skill sets will not be over-represented in the Board in terms of expertise.

In addition to such an internal regulation, at the 1st Independent Director Recommendation Committee meeting (January 15, 2018), the committee established detailed principles to elect independent director candidates to maintain transparent and sound corporate governance, and at the 5th meeting (August 23, 2019), supplemented the aforesaid principles and the criteria of managing the candidate pool (long list). At the 6th meeting (November 13, 2020), the committee supplemented the independent director long list in further detail (e.g., newly including experts in the fields of HR (rich in organizational management experience) and technology strategy, in addition to the aforesaid 7 fields, into the long list).

At first, if the BOD determines the number of new independent directors to be elected, specialized field and others through the resolution of the BOD (proposed), the Independent Director Recommendation Committee regulates the general overview to recommend the independent director candidates by selecting the persons that meet the qualification and deliberation criteria as well as the contents of the BOD resolution from the candidate group (long list) that is constantly managed.

Next, as for the positive qualifications of an independent director, the existing expertise, fair judgment, integrity and strong

work ethics are applied, and in addition, three criteria of deliberation have been established for diversity (an independent director is elected with comprehensive consideration of nationality, gender, age, experience, background recommendation channel, and harmony with current directors) of the BOD composition, reasonableness (elect persons who will contribute to the growth of the Company by profoundly sharing the vision of Shinhan Financial, growth process and corporate culture as well as succeeding and advancing such aspects) with Shinhan Financial Group, and efficacy (elect the person with experience in management for balance in order to link the comparatively advantageous elements for each business type in consideration of paradigm change of business) of management advisory.

In addition, the detailed criteria of 'expertise' and 'diversity' are prepared to take reference when selecting candidates group of independent director. For example, in the example regarding the 'expertise', the financial field acknowledges the expertise only for any person with working 3 years or longer in the position of top management in a financial company, working 3 years or longer in the position of top management for the finance related works in a corporate entity, or working 10 years or longer as an executive, or any person who has the experience of working 5 years or longer for policy establishment, management and supervisory works or works related to financial or related works in financial related government, public institution, supervisory institution, relevant organization and association. In addition, it reflects the 'principle of equal opportunity' based on the 'diversity' to prepare the female candidate group of at least 20% from the candidate group of independent director, and select the candidates in various age groups of ± 15 years based on the CEO age for effective advisory expenses based on long history and flexible response to the change of management environment.

Furthermore, the criteria related to the 'independence of director' as established by the Corporate Governance and CEO Recommendation Committee is referenced when selecting the candidate group of independent director. The 'director independence guideline' and earlier recorded 'BOD diversity guideline' are disclosed in details through the homepage of the Company.

Furthermore, for managing the candidate group for independent directors, the Independent director Recommendation Committee is clearly defined for its meaning (Long list) and recommending route of candidate (Independent director Recommendation Committee, Independent director Recommendation Committee member, shareholder recommendation, outside advisor recommendation), and ① reception and verification of candidate recommendation of independent director through the regular inquiry to third party advisors, ② reflection of special nature of corporate governance of Shinhan Financial Group, ③ maintenance of expertise, independence and stability of BOD, ④ management of candidate group in connection with the group management strategy, ⑤ preference of person having practical experience for each specialized field and female candidate for strengthening gender diversity, and ⑥ principle of election of independent director and qualification by regulating the 6 management criteria of continuously monitoring the candidate group.

Namely, the Company comprehensively considers the independent deliberation criteria that are established by the Independent Director Recommendation Committee other than the laws and regulations and internal regulation for the verification of the qualification of the independent director candidate.

B. Procedure of recommending candidates

For the fair and transparent election of independent directors, the Independent Director Recommendation Committee Regulation and the Internal Code of Corporate Governance details the procedure for the Independent Director Recommendation Committee's recommendation for independent director candidates.

Key provisions and workflow related to the procedure of recommending independent director candidates are as follows.

- Recommend those befitting or serving interests of the Company, shareholders, etc. as independent director candidates in a fair and transparent process (Article 10, Paragraph 1 of the Independent Director Recommendation Committee Regulation, Article 24, Paragraph 1 of the Internal Code of Corporate Governance)

- Maximize use of external recommendations such as recommendations by shareholders, stakeholders, third party advisors if necessary to search for independent director candidates (Article 10, Paragraph 6 of the Independent Director Recommendation Committee Regulation, Article 24, Paragraph 3 of the Internal Code of Corporate Governance).
- In case of recommending candidates for independent directors standing for re-election, the independent director evaluation shall demonstrate the independent director's outstanding capacity as an independent director, and the candidate recommendation form shall be accompanied by the evaluation results and Independent Director Recommendation Committee's review report (Article 10, Paragraphs 3 and 7 of the Independent Director Recommendation Committee Regulation, Article 24, Paragraph 4 of the Internal Code of Corporate Governance).
- Recommend independent director candidates after fair verification of whether preliminary independent director candidates meet qualifications under applicable laws and the Internal Code of Corporate Governance (Article 10, Paragraph 2 of the Independent Director Recommendation Committee Regulation, Article 24, Paragraph 2 of the Internal Code of Corporate Governance).
- From among those verified to meet the foregoing, finalize those selected by Independent Director Recommendation Committee as independent director candidates, and recommend those to the general meeting of shareholders (Article 10, Paragraph 4 of the Independent Director Recommendation Committee Regulation).
- Submit the result of verifying independent director candidates, and reasonableness of the recommendation, to the Board concerning Independent Director Recommendation Committee's activities so that the Board will deliberate and resolve the above (Article 10, Paragraph 5 of the Independent Director Recommendation Committee Regulation).
- When recommending independent director candidates, the Company announces the following before giving notice for convocation of the general meeting of shareholders, and states in such notice the fact of disclosure, method of checking the content of disclosure, etc. (Article 10, Paragraph 8 of the Independent Director Recommendation Committee Regulation, Article 25 of the Internal Code of Corporate Governance).

1. Overview of the procedure for recommending independent director candidates
2. Names and career summaries of the members of the Independent Director Recommendation Committee
3. Relationship between each independent director candidate and his/her recommender (When the Company's current or former independent director is recommended as an independent director candidate, all past recommenders for him/her shall be stated.)
4. Relationship between each independent director candidate and the Company, subsidiaries, and their executives and major shareholders
5. Whether qualifications under applicable laws and Article 20 of the Internal Code of Corporate Governance are met, and the grounds of such determination
6. Reasons for recommending the independent director candidates
7. Career of the independent director candidates
8. Other matters recognized by the Board as necessary in connection with recommending the independent director candidates

Aside from the aforesaid internal regulation, Independent Director Recommendation Committee in its 1st meeting (January 15, 2018) established more objective, transparent criteria, and improved the process of recommending independent director candidates.

First, in electing new independent directors, the existing 3-stage recommendation process ("prepare the long list – recommend preliminary candidates – recommend final candidates") was expanded into a 4-stage process ("prepare the long

list - prepare the short list - recommend preliminary candidates - recommend final candidates), thus enabling more in-depth verification or screening.

In terms of operation, the transparency of the criteria process for the independent directors is secured, and for strengthening the verification of the independent director candidates that have expertise and independence, the inquiry on reputation by the outside advisory agency is carried out for all candidates (long list) to prepare the verification data in advance, and in consideration of personnel of independent directors subject to replace and core principle in diversity for the BOD to resolve the matters related to the BOD composition and the Independent Director Recommendation Committee selects the expertise field and number of independent directors to be newly selected to meet the BOD resolution through the matrix verification, and each member of the Independent Director Recommendation Committee evaluates the conformity of the expertise, fair judgment, integrity, strong work ethics requirement as the positive qualifications of the independent directors through the verification data for the long list in the applicable fields. Then short list is selected from at least 3 times to 5 times among the minimum number of final candidates through multiple votes with anonymous votes or by committee discussions and calls. Then, by implementing the additional reputation inquiry of the separate outside advisory agency, not the outside advisory agency for the long list reputation inquiry for the subject of short list, the conformity of the principle to select independent directors and qualification on the basis of the close verification data to verify in-depth, and the preliminary candidates are selected through the order of most voting through secret voting or through discussion and call between the members. Lastly, after accurate verification of whether a preliminary relevant candidate is willing to serve as independent director and is subject to any ground of disqualification, he/she will be recommended as the final candidate and will be elected in the general meeting of shareholders as an independent director.

The aforesaid process was actually processed to elect 2 persons (Yoon Jaewon and Jin Hyun-duk) as new independent directors at the 19th general meeting of shareholders (March 26, 2020) and it is scheduled to elect new independent directors in accordance with the aforementioned procedure during the general meeting of shareholders in March 2021.

C. Method of evaluating execution of duties as an independent director

From December 2020 to January 2021, the Company conducted the "2020 independent director evaluation" of candidates for all independent directors standing for re-election. This is a thorough, 360-degree feedback process in which the evaluators include the evaluated director himself/herself, other independent directors, executives and employees (e.g., head of the department in charge of supporting the Board). Evaluation items consist of 3 questions under each of the major categories; expertise, fair judgment conduct, integrity, and strong work ethics. Subjective questions are also used for in-depth evaluation. For fairness of evaluation and anonymity of evaluator, the entire process including conduct of evaluation and collection of results is performed by a "External professional evaluation firm."

4. Activities & Evaluations

A. Overview

In order to organize the independent directors with diversified experts, the Company constantly manages the candidate group for independent directors as recommended from the Independent Director Recommendation Committee, shareholders and third party advisors, and for recommending the independent director candidates and management of candidate group, a total of 7 Independent director Recommendation Committee meetings were held during 2020.

B. Meetings held

(1) 1st meeting of the Independent Director Recommendation Committee in 2020: February 5, 2020 (Wed)

[Date of notice: January 28, 2020 (Tue)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Kyong-rok	Kim Hwa-nam	Sung Jae-ho	Lee Manwoo	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Absent	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report of operation process for the Independent director Recommendation Committee in 2020	No particular comments					
B. Report of evaluation result of independent directors in 2019	No particular comments					
4. Resolutions						
A. Matter of management of independent director candidates	Agree to the revised proposal	Absent	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Approved to revised proposal
B. Matters on managing the candidates for independent directors	Concur	Absent	Concur	Concur	Concur	Approved

Report - A. Report of operation process for the Independent Director Recommendation Committee in 2020: Provided information on the schedule and procedure for recommendation of candidate for independent director in 2020 and sought for unanimous consent of all members.

Report - B. Report of evaluation result of independent directors in 2019: Checked the evaluation result based on the contents of independent director activities during 2019.

Resolution - A. Matter of management of independent director candidates: Expended the final candidate group for the recommendation of candidates for independent directors in 2020.

Resolution - B. Matters on managing the candidates for independent directors: Resolved to recommend the independent director subject for re-election and final candidate group for newly elected independent directors (Short list).

(2) 2nd meeting of the Independent Director Recommendation Committee in 2020: February 28, 2020 (Fri)

[Date of notice: February 5, 2020 (Schedule and agenda notified at the 1st Independent Director Recommendation Committee meeting)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Kyong-rok	Kim Hwa-nam	Sung Jae-ho	Lee Manwoo	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matters on managing the candidates for independent directors	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Matters on managing the candidates for independent directors : Short list is verified in-depth and recommend the preliminary candidates for independent director subject for new election. In addition, the acceptance of director candidacy for the applicable candidate, documents for qualification, and verification for additional qualification are provided to the Office of General Affairs for BOD, the supporting department.

(3) 3rd meeting of the Independent Director Recommendation Committee in 2020: March 5, 2020 (Thu)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Kyong-rok	Kim Hwa-nam	Sung Jae-ho	Lee Manwoo	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of managing the candidates for independent directors	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Matter of managing the candidates for independent directors: Reflecting the result of verifying the independent director candidates recommended at the 1st and 2nd Independent Director Recommendation Committee meetings, determined the independent director candidates to be referred to the 19th general meeting of shareholders (March 26, 2020), and reported the details of recommendations at the first regular Board meeting held on the same date.

(4) 4th meeting of the Independent Director Recommendation Committee in 2020: March 26, 2020 (Thu)

[Date of notice: Omitted (Emergency meeting convened by unanimous consent of the members)]

Items	Activities of directors					Whether or not approved
1. Name of director	Park Cheul	Yuki Hirakawa	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Election of the chair of the Independent Director Recommendation Committee	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Election of the chair of the Independent Director Recommendation Committee: Elected new members of the Independent Director Recommendation Committee after the 19th general meeting of shareholders held on the same date, and with the independent director candidate-recommending procedure becoming more stringent, in order to reflect the policy directions of financial authorities and the voice of diverse interested parties, re-elected as the committee chair Director Sung Jae-ho who had faithfully served as the committee chair for the past year.

(5) 5th meeting of the Independent Director Recommendation Committee in 2020: August 14, 2020 (Fri)

[Date of notice: August 4, 2020 (Tue)]

Items	Activities of directors					Whether or not approved
1. Name of director	Park Cheul	Yuki Hirakawa	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of management of independent director candidates	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Matter of management of independent director candidates: From the independent director candidates determined at the 1st Independent Director Recommendation Committee meeting, the same committee finalized the 2nd candidate long list by re-verifying whether the candidates meet the Company's qualification requirements and deliberation criteria for independent directors, and the details of the management of candidates were reported at the 5th temporary Board meeting held on the same date.

(6) 6th meeting of the Independent Director Recommendation Committee in 2020: November 13, 2020 (Fri)

[Date of notice: November 5, 2020 (Tue)]

Items	Activities of directors					Whether or not approved
1. Name of director	Park Cheul	Yuki Hirakawa	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of management of independent director candidates	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Matter of management of independent director candidates: The candidate group finalized in the 5th Independent Director Recommendation Committee is arranged to finalize the candidate group once again, and the contents of the management for the candidate group is reported to the 4th regular BOD, held on the same date.

(7) 7th meeting of the Independent Director Recommendation Committee in 2020: December 17, 2020 (Thu)

[Date of notice: December 10, 2020 (Thu)]

Items	Activities of directors					Whether or not approved
1. Name of director	Park Cheul	Yuki Hirakawa	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of management of independent director candidates	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Matter of management of independent director candidates: Maintained the long list by supplementing the long list determined at the 6th Independent Director Recommendation Committee meeting, and reported the foregoing at the 7th temporary Board meeting held on the same date. Provided information, in advance, on the schedule and procedures of the Independent Director Recommendation Committee for 2021.

C. Evaluation

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Independent Director Recommendation Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

Purpose of evaluation, main theme, criteria and method should refer to the contents on this Annual Report 'II. Board of directors - 4. Evaluation on BOD and Directors - A. BOD evaluation.'

As a result of evaluation for the Independent Director Recommendation Committee in 2020, the operation and role of the Committee is confirmed as at an appropriate level.

5. Matters related to recommendation of outdoor director candidate

● Park Cheul

1. Candidate's profile

- (1) Year of birth: 1946
 (2) Education: Jinju High School - BA in Economics from SNU - MA in Economy from NY University (USA)

2. Career

- Former Assistant Senior Deputy Governor, Bank of Korea
- Former President of London Office, Bank of Korea
- Former Director of the Office of Secretariat, Bank of Korea
- Former member of Depository Insurance Committee, Korea Depository Insurance Corporation
- Former member of steering committee for government investment institution
- Former independent director of Shinhan Investment Corp.
- Former Chairman, Leading Investment & Securities Co., Ltd.
- Former independent director, Korea Citibank
- Former Senior Deputy Governor, Bank of Korea

3. Experience as an independent directors member of the Company

- (1) Work period: March 25, 2015 ~ Present (As of the end of 2019, hereinafter the same)
 (2) Attendance record during the work period:
- Attended in 60 times from a total of 60 BOD meetings (attendance rate: 100%)
 - Attended in 16 times from a total of 16 Independent Director Recommendation Committee meetings (attendance rate: 100%)
 - Attended in 18 times from a total of 18 Corporate Governance and CEO Recommendation Committee meetings (attendance rate: 100%)
 - Attended in 16 times from a total of 16 Remuneration Committee meetings (attendance rate: 100%)
 - Attended in 27 times from a total of 27 Risk Management Committee meetings (attendance rate: 100%)
 - Attended in 5 times from a total of 5 Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)
 - Attended in 8 times from a total of 8 BOD Steering Committee meetings (attendance rate: 100%)

4. Candidate proposing person¹⁾ : Sung Jae-ho (Chair of the Independent Director Recommendation Committee)

(1) Candidate's profile	Current professor at the Graduate School of Law, Sunggyungwan University
(2) Relationship with the candidate ²⁾	Not applicable
(3) Reason for recommendation	As an expert in the areas of finance, economy and business management who has served as the Deputy Governor of the Bank of Korea and CEO of Leading Investment Securities, the candidate is assessed as duly performing the monitoring and supervisory works of the top management as he is equipped with the experience and knowledge in the pertinent field. In addition, he has met for fair judgment, integrity, strong work ethics, diversity and efficacy as an independent director, and in the independent director evaluation in 2019, he participated in all BOD and BOD committees to present his opinion enthusiastically, and in particular, he has duly performed monitoring, advisory and other works of management activities on behalf of independent directors as the chairman of the BOD in a way of contributing to the corporate governance and BOD operation stabilization to earn the assessment of the best work competency as an independent director, and in consideration of the foregoing, he is expected to contribute to the advancement of the group continuously that the Independent Director Recommendation Committee hereby recommends his for the re-election

5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

6. Satisfaction of qualification

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative qualification		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive qualification		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the areas of finance, economy and business management (Deputy Governor of the Bank of Korea, officer of financing company, professional executive)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has been no fact of concurrent position that the possibility for conflict of interest is low.
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	For the activities of BOD and BOD subcommittees, sufficient time and effort have been extended and there has been no concurrent employment with another company
E. Matters of resolution for Section 1 (Diversity) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Possessing the work experience in the Bank of Korea and private financing company
F. Matters of resolution for Section 1 (Reasonableness) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Rich experience as an independent director for Shinhan Financial Group with high level of understanding for corporate culture
G. Matters of resolution for Section 1 (Efficacy) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Possessing experiences in officer and independent director for the Bank of Korea financial companies to enable effective management advisory

7. Clarification of the applicable person for independent director candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Satisfying active requirements submission of resume, the statement of experience
(3) Current concurrent position ³⁾	No concurrent position

8. Result of resolution of the Audit Committee Member Recommendation Committee

Adopted by the consent of 5 persons out of 5 registered members

- Chairman: Sung Jae-ho: Consent
- Member: Kim Hwa-nam: Consent
- Member: Lee Yoon-jae: Consent
- Member: Lee Manwoo: Consent
- Member: Choi Kyong-rok: Consent

Note 1) Proposing person when transferring to candidate group: Independent Director Recommendation Committee / Proposing person for candidate for initial appointment: Chair Lee Manwoo of the Independent Director Recommendation Committee / Mar 2016 ~ Mar 2017
Proposing person for candidate at the time of consecutive service: President of the Independent Director Recommendation Committee / Mar 2018
Proposing person for candidate at the time of consecutive service: Lee Sang-gyeong, member of the Independent Director Recommendation Committee.

Note 2) Relative relationship under the Civil Act and relationship at high school or higher schools (same major for college or higher), same company group with full-time work relationship, hereinafter the same

Note 3) Whether it is applicable to Article 6 of the Act on Corporate Governance of Financial Companies and Article 8 of the Enforcement Decree of the same Act, hereinafter the same

9. Result of evaluation on the independent director candidate: <Attachment> Refer to the report of review on qualification for independent director candidates

10. Review report on the independent director candidate: <Attachment> Refer to the report of review on qualification for independent director candidates

● **Yuki Hirakawa**

1. Candidate's profile

- (1) Year of birth: 1960
- (2) Education: Osaka Hunse High School - BA in Spanish, Osaka University (Japan)

2. Career

- Current CEO of Primer Korea Limited
- Former CEO of Hirakawa Industrial Development Co., Ltd. (located in Japan)
- Former Incorporated Primer Development Co., Ltd. and CEO (located in Japan)
- Former independent director for Shinhan Bank

3. Experience as an independent directors member of the Company

- (1) Work period: March 25, 2015 ~ Present
- (2) Attendance record during the work period:
 - Attended for 58 times from a total of 60 BOD meetings (attendance rate: 97%)
 - Attended for 3 times from a total of 3 Independent Director Recommendation Committee meetings (attendance rate: 100%)
 - Attended for 23 times from a total of 23 Corporate Governance and CEO Recommendation Committee meetings (attendance rate: 100%)
 - Attended for 9 times from a total of 10 BOD Steering Committee meetings (Attendance rate: 90%)
 - Attended for 5 times from a total of 5 Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)
 - Attended for 15 times from a total of 15 Social Responsibility Management Committee meetings (attendance rate: 100%)

4. Candidate proposing person¹⁾ : Sung Jae-ho (Chair of the Independent Director Recommendation Committee)

(1) Candidate's profile	Current professor at the Graduate School of Law, Sunggyungwan University
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	The candidate is a successful business man in the Korean resident in Japan that he is known as an expert in the management and international business fields with various management know-how on the basis of successful business territories in Singapore and other regions beside Japan and he is considered as capable to duly perform monitoring and supervisory works of top management with his extensive experience and knowledge in the pertinent fields. In addition, as an independent director, he has met all categories of fair judgment, integrity, strong work ethics, diversity, conformity and efficacy and participated in all BOD and BOD committees to actively present his opinions in independent director evaluation for the year of 2019, and in particular, he has duly carried out the works in monitoring and advisory in management activities as the chair of the Audit Committee on the basis of his expertise in accounting in a way of earning the evaluation as the highest level in work competency as the independent director, and he is expected to make continuous contribution to the advancement of the group and, on behalf of the Audit Committee Member Recommendation Committee, his re-election is hereby recommended as the chair of the Independent Director Recommendation Committee

5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

6. Satisfaction of qualification

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative qualification		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive qualification		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the areas of business management and international business (professional manager, officer of overseas company)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	For the activities in BOD and BOD subcommittee, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Matters of resolution for Section 1 (Diversity) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Holding experiences in various management activities in many countries.
F. Matters of resolution for Section 1 (Reasonableness) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Holding experiences in independent director at Shinhan Financial Group to have high level of understanding on corporate culture
G. Matters of resolution for Section 1 (Efficacy) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Holding experiences in management activities in multi-nations with the independent director capacity to enable effective management advisory

7. Clarification of the applicable person for independent director candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Satisfying active requirements submission of resume, certificate of employment, etc.
(3) Current concurrent position	No concurrent service other than Prime Korea Limited

8. Result of resolution of the Audit Committee Member Recommendation Committee

Adopted by the consent of 5 persons out of 5 registered members
- Chairman: Sung Jae-ho: Consent
- Member: Kim Hwa-nam: Consent
- Member: Lee Yoon-jae: Consent
- Member: Lee Manwoo: Consent
- Member: Choi Kyong-rok : Consent

Note 1) Proposing person when transferred to candidate group: Lee Jung-il, a member of the Independent Director Recommendation Committee/ Proposing person for candidate at the time of initial appointment: Hisamatzu Genjo a former independent director of Shinhan Bank/ Proposing person for candidate at the time of consecutive service: Chairman of the Independent Director Recommendation Committee

9. Result of evaluation on the independent director candidate: <Attachment> Refer to the report of review on qualification for independent director candidates

10. Review report on the independent director candidate: <Attachment> Refer to the report of review on qualification for independent director candidates

● Park Ansoon

1. Candidate's profile

- (1) Year of birth: 1945
 (2) Education: BA in Philosophy, Waseda University (Japan)

2. Career

- Current Chairman of Taisei Trade Co., Ltd. (located in Japan, hereinafter the same experience)
- Current Chairman, the Korean Residents Union in Japan
- Former Coordinator of ASKA Credit Union, Japan
- Former director of Tokyo Commercial Bank Credit Union
- Former CEO of Taisei Trade Co., Ltd.

3. Experience as an independent directors member of the Company

- (1) Work period: Mar 23, 2017 ~ Present
 (2) Attendance record during the work period:
- Attended in 36 times from a total of 36 BOD meetings (attendance rate: 100%)
 - Attended in 13 times from a total of 13 Independent Director Recommendation Committee meetings (attendance rate: 100%)
 - Attended in 5 times from a total of 5 BOD Steering Committee meetings (attendance rate: 100%)
 - Attended in 3 time from a total of 3 Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)
 - Attended in 9 times from a total of 9 Social Responsibility Management Committee meetings (attendance rate: 100%)

4. Candidate proposing person¹⁾ : Sung Jae-ho (Chair of the Independent Director Recommendation Committee)

(1) Candidate's profile	Current professor at the Graduate School of Law, Sunggyungwan University
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	The candidate is a successful business man in the Korean resident in Japan that he is known as an expert in the management and international business fields with various management know-how on the basis of successful business territories in Singapore and other regions beside Japan and he is considered to duly performing monitoring and supervisory works of top management with his extensive experience and knowledge in the pertinent fields. In addition, as an independent director, he has met all categories of fair judgment, integrity, strong work ethics, diversity, conformity and efficacy and participated in all BOD and BOD committees to actively present his opinions in independent director evaluation for the year of 2019, and in particular, he has duly carried out the works in monitoring and advisory in management activities as the chair of the Audit Committee on the basis of his expertise in accounting in a way of earning the evaluation as the highest level in work competency as the independent director, and he is expected to make continuous contribution to the advancement of the group and, on behalf of the Audit Committee Member Recommendation Committee, his re-election is hereby recommended as the chair of the Independent Director Recommendation Committee

5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

6. Satisfaction of qualification

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative qualification		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive qualification		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the area of management (Professional manager)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	For the activities of BOD and BOD subcommittee, the candidate allocated sufficient hours and efforts, and meets the qualification of laws and regulations, no change in concurrent position after the election, and proven for strong work ethics when considering the attendance rate in BOD and others
E. Matters of resolution for Section 1 (Diversity) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Possessing experience in managing general company and executive for private organizations
F. Matters of resolution for Section 1 (Reasonableness) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	High level of understanding for corporate culture as an professional manager
G. Matters of resolution for Section 1 (Efficacy) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Possible for effective management advisory based on experience in long-term management

7. Clarification of the applicable person for independent director candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Satisfying active requirements submission of resume, certificate of employment, etc.
(3) Current concurrent position	No concurrent position

8. Result of resolution of the Audit Committee Member Recommendation Committee

Adopted by the consent of 5 persons out of 5 registered members

- Chairman: Sung Jae-ho: Consent
- Member: Kim Hwa-nam: Consent
- Member: Lee Yoon-jae: Consent
- Member: Lee Manwoo: Consent
- Member: Choi Kyong-rok : Consent

Note 1) Proposing person when transferred to candidate group: Lee Jung-il, member of the Independent Director Recommendation Committee/ Proposing person for candidate at the time of initial appointment: Han Dong-woo, a former CEO of Shinhan Financial Group/ Proposing person for candidate at the time of consecutive service: Chairman of the Independent Director Recommendation Committee

9. Result of evaluation on the independent director candidate: <Attachment> Refer to the report of review on qualification for independent director candidates**10. Review report on the independent director candidate:** <Attachment> Refer to the report of review on qualification for independent director candidates

• Choi Kyong-rok

1. Candidate's profile

- (1) Year of birth: 1966
 (2) Education: Department of Instrumentation Engineering, Keio University (Japan) - Master of Computer Science, Keio University (Japan)
 - Ph.D. in Computer Science, Keio University (Japan)

2. Career

- Current CEO, CYS Corporation, Japan
- Former Vice president, CYS Corporation, Japan
- Former Research Associate, Information Technology Center at Keio University, Japan
- Former Research Associate, Network Technology Center, Keio University, Japan
- Former Independent director, Shinhan Life Insurance

3. Experience as an independent directors member of the Company

- (1) Work period: March 22, 2018 ~ Present
 (2) Attendance record during the work period:
 Attended in 21 times from a total of 22 BOD meetings (attendance rate: 95%)
 - Attended in 11 times from a total of 11 Independent Director Recommendation Committee meetings (attendance rate: 100%)
 - Attended in 14 times from a total of 15 Risk Management Committee meetings (attendance rate: 93%)
 - Attended in 8 times from a total of 8 BOD Steering Committee meetings (attendance rate: 100%)
 - Attended in 2 times from a total of 2 Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)

4. Candidate proposing person¹⁾: Sung Jae-ho (Chair of the Independent Director Recommendation Committee)

(1) Candidate's profile	Current professor at the Graduate School of Law, Sunggyungwan University
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	A young entrepreneur respected by the Korean Japanese community and an expert in the field of business management, he has excellent digital-related expertise based on not only his experience and knowledge in that field but also his majors and research experience in the field of information technology (IT). He is assessed to have faithfully monitored and supervised the management based on expertise and independence. As an independent director, he satisfies fair judgment, integrity, and strong work ethics, and diversity of the Board, suitability for Shinhan Financial Group, and effectiveness of management advising are also met. Considering that he participated in all Board and subcommittee meetings to present various opinions, providing appropriate advice on IT-related matters in particular, contributed to the Group's development by providing a dynamic, novel perspective to the Board and allowing the Board to hold effective discussions from various perspectives and to faithfully fulfill the roles of monitoring and advising management, and thus was evaluated as faithfully fulfilling the duties of independent director in the independent director evaluation of 2019, he is expected to continue to contribute to the Group. Thus, on behalf of the committee, I, the chair, recommend the candidate for re-election as independent director.

5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

6. Satisfaction of qualification

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative qualification		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive qualification		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the areas of technology, business management and international business (information and technology researcher, professional manager, and officer of overseas company)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	For the activities in BOD and BOD subcommittee, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Matters of resolution for Section 1 (Diversity) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Low age and researcher of technology, and corporate management experience
F. Matters of resolution for Section 1 (Reasonableness) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Rich experience as an independent director for Shinhan Financial Group with high level of understanding for corporate culture
G. Matters of resolution for Section 1 (Efficacy) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Capable of effective advising of management based on business and independent director experience

7. Clarification of the applicable person for independent director candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Satisfying active requirements submission of resume, certificate of employment, etc.
(3) Current concurrent position	No concurrent service other than CEO, CYS Corporation

8. Result of resolution of the Audit Committee Member Recommendation Committee

Adopted by the consent of 4 persons out of 4 registered members
- Chairman: Sung Jae-ho: Consent
- Member: Kim Hwa-nam: Consent
- Member: Lee Yoon-jae: Consent
- Member: Lee Manwoo: Consent
- Member: Choi Kyong-rok : Voting right restricted (Under the Company's regulations, not counted as a Committee member in office for this agenda item, as he himself is recommended as a candidate)

Note 1) Proposing person in the case of inclusion in the long list: Independent Director Recommendation Committee (one who has served as independent director of a subsidiary) / Proposing person in the case of initial election: Independent Director Recommendation Committee (anonymous voting)

9. Result of evaluation on the independent director candidate: <Attachment> Refer to the report of review on qualification for independent director candidates**10. Review report on the independent director candidate:** <Attachment> Refer to the report of review on qualification for independent director candidates

● Yoon Jaewon

1. Candidate's profile

- (1) Year of birth: 1970
 (2) Education: Chungshin Girls' High School - Bachelor, Korea University Business School - Master and Ph.D., of Business Administration (Accounting), Korea University Graduate School

2. Career

- Current Professor of Business Administration, Hongik University
- Current Insurance Accounting Subcommittee Chair, Korea Accounting Association
- Current National Tax Administration Reform Commissioner, National Tax Service
- Current Vice-President, Korean Tax Association
- Current National Accounting System Deliberation Committee member, Ministry of Strategy and Finance
- Current Tax Development Deliberation Committee member, Ministry of Strategy and Finance
- Former Non-executive Judge, Tax Tribunal
- Former Senior Researcher, Korea Accounting Standards Institute
- US Certified Public Accountant

3. Experience as an independent directors member of the Company

Not applicable

4. Candidate proposing person¹⁾: Independent Director Recommendation Committee

(1) Candidate's profile	Not applicable
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	An accounting and management expert with various experience and knowledge as an accounting professor at Hongik University's School of Business and a CPA in the US, and possessing sufficient experience and knowledge in the pertinent field, she is expected to present professional opinions for the Board's key business decision-making and faithfully perform monitoring and supervision of top management based on expertise and independence. She is deemed to possess fair judgment, integrity, and strong work ethics as independent director, and meets the criteria of diversity of the Board, suitability for Shinhan Financial Group, and effectiveness of management advising. As the only female member of the Board, she will contribute to the Board's decision-making from diverse perspectives by supplementing gender diversity in the Board's composition, and as reputation inquiry (reference check) of the candidate showed a proven excellent competency based on activities in the accounting and tax fields, she is expected to faithfully perform accounting and tax advising too in the Board and contribute to the protection of financial consumers and the development of the Group in the future. Thus, on behalf of the committee, I, the chair, recommend the candidate for election as independent director.

5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

6. Satisfaction of qualification

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative qualification		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive qualification		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the areas of accounting and business management (US Certified Public Accountant, professor of management with major in accounting)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate has appropriate business relationship with the Company and Hongik University and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possible to allocate sufficient time and effort for the activities of BOD and BOD subcommittee
E. Matters of resolution for Section 1 (Diversity) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Female, younger age, U.S. CPA, U.S. citizenship, professor experience, various academic activities, government agency advisory experience, etc.
F. Matters of resolution for Section 1 (Reasonableness) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Expected to have a high understanding of corporate culture, as a professor of business administration
G. Matters of resolution for Section 1 (Efficacy) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Expected to be able to provide effective management advising thanks to experience as a professor of business administration and government agency advisory activities

7. Clarification of the applicable person for independent director candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Satisfying active requirements submission of resume, certificate of employment, etc.
(3) Current concurrent position	No concurrent service other than Hongik University

8. Result of resolution of the Audit Committee Member Recommendation Committee

Adopted by the consent of 5 persons out of 5 registered members
- Chairman: Sung Jae-ho: Consent
- Member: Kim Hwa-nam: Consent
- Member: Lee Yoon-jae: Consent
- Member: Lee Manwoo: Consent
- Member: Choi Kyong-rok: Consent

Note 1) Proposing person when transferring to candidate group: Outside advisor

9. Review report on the independent director candidate: <Attachment> Refer to the report of review on qualification for independent director candidates

● Jin Hyun-duk

1. Candidate's profile

- (1) Year of birth: 1955
 (2) Education: Department of Law, Chuo University (Japan) - MBA, Graduate School of Business Administration, Keio University (Japan)

2. Career

- Current CEO of Phoedra Inc.
- Current Visiting Professor, Faculty of Business Administration, Sakushin Gakuin University
- Current Visiting Professor, Department of Engineering, Utsunomiya University
- Current Councilor, Korea Education Foundation
- Former President of the Korean Youth Chamber of Commerce, Tochigi Prefecture, Japan

3. Experience as an independent directors member of the Company

Not applicable

4. Candidate proposing person¹⁾: Sung Jae-ho (Chair of the Independent Director Recommendation Committee)

(1) Candidate's profile	Current professor at the Graduate School of Law, Sunggyungwan University
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	A successful Korean Japanese entrepreneur, a professional manager who has acquired a range of management know-how by successfully running a complex cultural facility business covering distribution, food and beverage, and leisure, and having sufficient experience and knowledge in the pertinent field (teaching business administration in 2 universities, etc.), he is expected to present professional opinions for the Board's key business decision-making and faithfully perform monitoring and supervision of the management (executives) based on expertise and independence. Also, he is deemed to possess fair judgment, integrity, and strong work ethics as outside director, and meets the criteria of diversity of the Board, suitability for Shinhan Financial Group, and effectiveness of management advising. In addition, reputation inquiry of the candidate showed an excellent organization-running capacity and leadership, and he is expected to faithfully advise the Board by keeping a balance between academic knowledge and practical experience in the field of management, and to contribute to the protection of financial consumers and development of the Group in the future. Thus, on behalf of the committee, I, the chair, recommend the candidate for re-election as outside director.

5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

6. Satisfaction of qualification

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative qualification		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive qualification		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the areas of business management and international business (professional manager, professor of management, officer of overseas company)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possible to allocate sufficient time and effort for the activities of BOD and BOD subcommittee
E. Matters of resolution for Section 1 (Diversity) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Recommended by shareholders, professor of business administration, and experience in general company management
F. Matters of resolution for Section 1 (Reasonableness) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Expected to have high understanding of corporate culture, as a professional manager
G. Matters of resolution for Section 1 (Efficacy) of the First Audit Committee Member Recommendation Committee in 2018	Satisfactory	Expected to be able to provide effective management advice thanks to experience as a professor of business administration and of running general companies

7. Clarification of the applicable person for independent director candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Satisfying active requirements submission of resume, certificate of employment, etc.
(3) Current concurrent position	No concurrent service other than Phoedra Inc.

8. Result of resolution of the Audit Committee Member Recommendation Committee

Adopted by the consent of 5 persons out of 5 registered members
- Chairman: Sung Jae-ho: Consent
- Member: Kim Hwa-nam: Consent
- Member: Lee Yoon-jae: Consent
- Member: Lee Manwoo: Consent
- Member: Choi Kyong-rok: Consent

Note 1) Proposing person when transferring to candidate group: Shareholder recommendation system (Shareholder: Son * ho)

9. Review report on the independent director candidate: <Attachment> Refer to the report of review on qualification for independent director candidates

6. Management of independent director candidate pool – Current status

A. Management of independent director candidate pool – Overview

The first principle in searching for and managing the candidate pool is qualifications under the applicable laws and the Internal Code of Corporate Governance.

The committee manages the candidate pool by areas of expertise (finance, management, economy, law, accounting, technology, international business, and consumer protection) in principle, and checks negative qualifications of the candidate pool, fair judgment conduct, integrity, and strong work ethics through the monitoring of public information, which can be obtained in compliance with personal information protection laws, and excludes candidates with problems from the candidate pool.

The second principle is to comply with the principle of diversity of the Board.

It selects certain expert with practical experience or knowledge in diverse fields and considers a number of diversity aspects to advance the competency of the BOD. For more details, the BOD considers the verification of Board Skill Matrix and independent directors subject for replacement to resolve the matters on BOD composition and the Independent Director Recommendation Committee operates the procedure to recommend the new independent directors that meet the resolution of the BOD. The second special BOD held on February 5, 2020 complies with such principle to implement the collective reasonableness of the BOD composition and it establishes the qualification of the newly elected independent directors with the detailed indices with the subject of current independent directors with ① expertise (required expertise, detailed expertise, and competency), ② diversity (nationality /countries of main activities, gender, age, experience /background), and ③ analysis of initial recommendation channel.

The third principle is the management criteria for the candidate group that is established by the Independent Director Recommendation Committee.

The candidate group of independent directors is clearly defined for its meaning (Long list) and recommending route of candidate (Independent Director Recommendation Committee, Independent director Recommendation Committee member, shareholder recommendation, outside advisor recommendation), and ① reception and verification of candidate recommendation of independent director through the regular inquiry to third party advisors, ② reflection of special nature of corporate governance of Shinhan Financial Group, ③ maintenance of expertise, independence and stability of BOD, ④ management of candidate group in connection with the group management strategy, ⑤ preference of person having practical experience for each specialized field and female candidate for strengthening gender diversity, and ⑥ principle of election of independent director and qualification by establishing the 6 management criteria to apply in the management of candidate group.

In actual operation, it regularly inquire to an outside advisor for compliance with the management principle and discovery of the aforementioned candidate group for independent directors to have the recommendation of candidate group for independent directors in appropriate number, and for the facilitation of the shareholder recommendation system, the operation period is expanded and revised all through the year. In addition, the BOD discloses the criteria of election for the independent director of the Company to interested party by transparently disclosing through the company's homepage by establishing the internal criteria in relation to the independence and diversity of independent directors by reflecting in the deliberation criteria.

B. Activities of managing the candidate pool

The Company is putting efforts so that those with diverse experience and knowledge, making them suitable as a financial company's directors, can be included in the pool of candidates for the Board members. Thus, management of the independent director candidate pool is being conducted to serve the objective of composing the Board so that it does not over-represent a specific skill sets or expertise.

The Internal Code of Corporate Governance enacted by the resolution of the 2nd temporary meeting of the Board (February 24, 2015) requires that the Independent Director Recommendation Committee shall be a standing committee and that details of managing the independent director candidate pool shall be reported to the Board at least twice a year. To support the above, the BOD Secretariat receives directions on the principles of managing the independent director candidate pool from the Independent Director Recommendation Committee. The BOD Secretariat then submits details about managing the independent director candidate pool to the Independent Director Recommendation Committee at least twice a year, and the committee deliberates on these details.

The 2nd Independent Director Recommendation Committee meeting (February 12, 2015) formulated the following 4 principles of managing the independent director candidate pool.

- In regard to positive qualifications of independent directors, manage the candidate pool by areas of expertise in principle. For the principles of fair judgment conduct, ethical responsibilities, and strong work ethics, exclude candidates with problems found in the processes used in monitoring, such as reference check, by the BOD Secretariat from the candidate pool.
- In regard to negative qualifications of independent directors, continuously monitor the candidate pool through information which can be obtained in compliance with personal information protection laws.
- Avoid over-representation by specific channels of candidate recommendation and specific areas of the candidate's expertise to reflect the principle of diversity of the Board.
- Manage the candidate pool to reflect the characteristics of the Group's corporate governance.

In its 2nd meeting (January 31, 2018), Independent Director Recommendation Committee supplemented the aforesaid candidate management principles, thus establishing the following 4 criteria of independent director candidate management.

- Periodically have third party advisors recommend independent director candidates, include former and current independent directors of the holding company and the Group companies meeting "7 selection principles" in the candidate pool (state their original recommendation channel as "Independent Director Recommendation Committee"), and expand the candidate pool through other recommendation channels (e.g., shareholders' recommendation)
- In reflection of the unique nature of Shinhan Finance Group's corporate governance, include independent director candidates representing Korean national shareholders residing in Japan for succession to and development of the Group's founding philosophy, include BNP Paribas-recommended independent director candidates for compliance with the strategic alliance MOU, and manage independent director candidates standing for re-election for the Board's expertise, independence, and stability
- Continuously expand the pool of candidates with digital (IT) and global expertise in connection with the Group's management strategy, and in cases of changes in the strategy, search for candidates with relevant expertise
- Continuously monitor independent director candidates in consideration of the selection principles and qualifications for independent directors, and exclude candidates with problems found

Following this principle, existing candidate group is fully initialized, and through the resolution of the Independent Director Recommendation Committee as held on the same date, the independent candidate group for independent directors is newly composed with the recommendation of the third party advisors.

During 2019, the 5th Independent Director Recommendation Committee held on August 23 and the 7th Independent Director Recommendation Committee held on December 19 additionally supplemented the principle of candidate group management to establish the following 6 management criteria for the candidate group for independent directors.

- The candidates of independent directors are recommended through the inquiry of regular third party advisors, and in addition, the verification is processed, and the facilitation for the recommendation channel for other independent directors, such as, shareholder recommendation system at the same time.
- The special features of the corporate governance of Shinhan Financial Group are reflected to understand the founding vision and differentiated growth path of the group and it includes the strong work ethics of independent directors to understand and share
- For maintaining expertise, independence and stability of the BOD, the independent director subject to outstanding re-election is included in the candidate group
- Continuous management of candidate group in connection with the group management strategy (example. Digital, global, capital market, etc.)
- The female candidates are expanded for strengthening the gender diversity while the persons holding practical experience for each specialized field is preferred for strengthening the s9 of BOD
- By considering the principle of independent director election and qualification, the candidate group for independent directors is continuously monitored and the candidate is excluded when detecting any abnormality.

Pursuant to the above management criteria, the 7th Independent Director Recommendation Committee held on December 17, 2020, finalized the candidate group for independent directors for a total of 117 persons through the verification of candidate group, management and operation of the shareholder recommendation system.

C. Current status of candidate pool in 2020

(1) Date of resolution for the 1st independent director candidate pool (2020): 1st Independent director Recommendation Committee meeting (February 5, 2020)

Areas	Number of Candidates	Percentage	Remarks
Finance	16	14.4%	
Business management	16	14.4%	
Economy	13	11.7%	
Legal	18	16.2%	
Accounting	16	14.4%	
Technology	15	13.5%	
International business	10	9.0%	
Consumer protection	7	6.4%	
Total	111	100%	

Note) Where the same person has expertise in multiple areas, only the representative (most notable) area shall be considered. (Hereinafter the same)

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director Recommendation Committee	28	25.2%	
Third party advisors	77	69.4%	
Shareholders	6	5.4%	Shareholder recommendation system
Total	111	100%	

(2) Date of resolution for the 2nd independent director candidate pool (2020): 5th Independent director Recommendation Committee meeting (August 14, 2020)

Areas	Number of Candidates	Percentage	Remarks
Finance	11	11.5%	
Business management	14	14.6%	
Economy	10	10.4%	
Legal	17	17.7%	
Accounting	13	13.5%	
Technology	14	14.6%	
International business	10	10.4%	
Consumer protection	7	7.3%	
Total	96	100%	

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director Recommendation Committee	30	31.3%	
Third party advisors	62	64.6%	
Shareholders	4	3.8%	Shareholder recommendation system
Total	96	100%	

(3) Date of resolution for the 3rd independent director candidate pool (2020): 6th Independent director Recommendation Committee meeting (November 13, 2020)

Areas	Number of Candidates	Percentage	Remarks
Finance	14	13.0%	
Business management	14	13.0%	
Economy	13	12.0%	
Legal	17	15.7%	
Accounting	14	13.0%	
Technology	18	16.7%	
International business	10	9.3%	
Consumer protection	8	7.3%	
Total	108	100%	

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director Recommendation Committee	30	27.7%	
Third party advisors	74	68.5%	
Shareholders	4	3.8%	
Total	108	100%	

(4) Date of resolution for the 4th independent director candidate pool (2020): 7th Independent director Recommendation Committee meeting (December 17, 2020)

Areas	Number of Candidates	Percentage	Remarks
Finance	14	12.0%	
Business management	18	15.4%	
Economy	13	11.1%	
Legal	17	14.5%	
Accounting	14	12.0%	
Technology	21	18.0%	
International business	10	8.5%	
Consumer protection	10	8.5%	
Total	117	100%	

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director Recommendation Committee	30	25.6%	
Third party advisors	83	70.9%	
Shareholders	4	3.5%	
Total	117	100%	

D. During 2020, the contents that the independent director supporting department reported periodically related to the works involved in managing the candidate group to the Independent director Recommendation Committee

(1) Status of establishing the independent director supporting department

- Department name: Office of General Affairs of BOD
- Organization: Supporting department in BOD
- Composition: 1 chief of general affairs (direct), 2 team members

(2) Work report on management of candidate group for independent directors and contents of support on the Independent Director Recommendation Committee

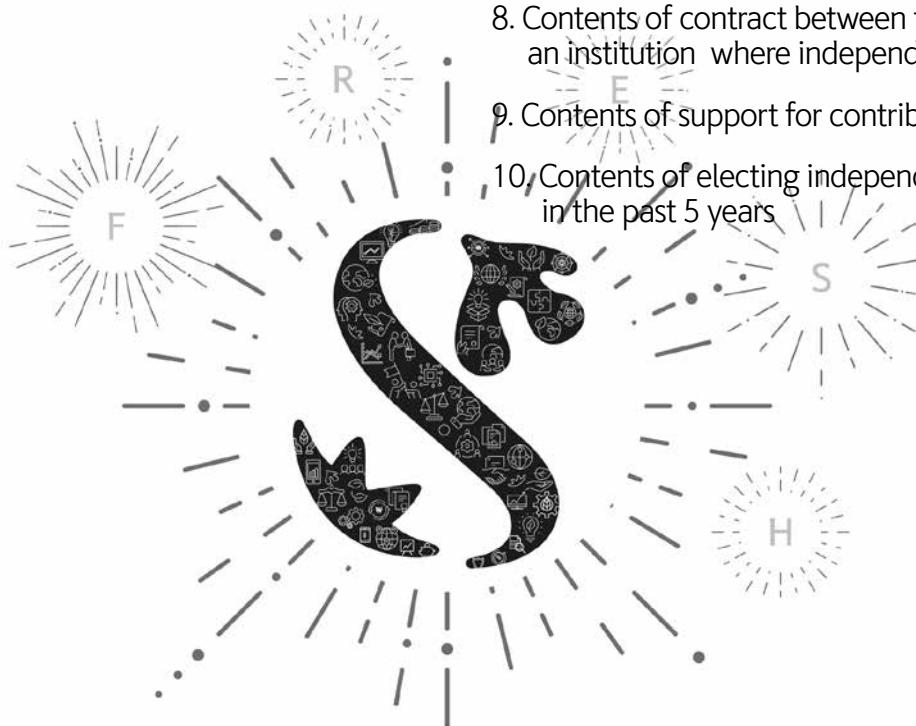
Date	Contents of Report and Support
Dec 26, 2019 ~ Jan 10, 2020	Process of evaluation of independent directors in 2019 (including candidate group of independent directors subject for re-election)
Feb 5, 2020	Report of operation process of the Independent Director Recommendation Committee in 2020 Report of evaluation result of independent directors in 2019 Report of candidate group (long list) arrangement of 1st independent directors in 2020
Feb 28, 2020	Report of verification data of the candidate group for final candidate of new independent directors in 2020 (short list)
Feb 28 ~ Mar 4, 2020	Check on acceptance of candidates following the recommendation for the Independent Director Recommendation Committee, gathering of the confirmation documents and performance of qualification verification
Mar 5, 2020	Report the results of candidate verification, and disclose recommendation of independent director candidates
Mar 26, 2020	Support for corporate registration of independent directors
Mar 26, ~ Aug 13, 2020	Monitoring of the 1st candidate group (long list) of independent directors in 2020 and search for additional candidate group (inquire to third party advisors)
Aug 14, 2020	Report of arranging the 2nd candidate group (long list) in 2020
Aug 14 ~ Nov. 12, 2020	Monitoring of the 2nd candidate group (long list) of independent directors in 2020 and search for additional candidate group (inquire to third party advisors)
Nov. 13, 2020	Report of arranging the 3rd candidate group (long list) in 2020
Nov. 13 ~ Dec 16, 2020	Monitoring of the 3rd candidate group (long list) of independent directors in 2020 and search for additional candidate group (inquire to third party advisors)
Dec 17, 2020	Report of the 4th independent director candidate group (long list) in 2020
Aug 14 ~ Dec 4, 2020	Support recommendation of independent director candidates by shareholders under the shareholders' agreement (verification of candidate qualifications, etc.)

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VI. Activities and Remuneration of Independent directors

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VI. Activities and Remuneration of Independent directors

1. Maintenance of qualification of independent directors

The Company internalize all negative and positive qualifications of the exemplar criteria implemented on December 24, 2014 other than the external law or regulation through the second special BOD resolution held on February 24, 2015, and it complies with the pertinent provisions on the Act on Corporate Governance of Financial Companies implemented on August. 1, 2016.

Maintenance of qualification for independent directors as determined in the external law or internal regulation for each independent director based on these criteria is shown as follows.

A. Independent director Park Cheul

(1) Negative qualification

Director Park Cheul satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Park Cheul has worked for the Bank of Korea, a central bank, for 30 years or longer as the capacity of Deputy Governor and has broad experience and knowledge on the financial field and currency policy related economy field. In addition, he served as the CEO of Leading Investment Securities for over 5 years as the executive on overall financial business, including financial investment business with the insight for executive in the management field. In particular, he worked for Shinhan Investment Corporation, a major subsidiary company, for a year as an independent director to have high level of understanding for the Shinhan culture.

For the internal reputation inquiry, he was confirmed as one of the top 'expert in the financial currency policy field in Korea', and when he was working as the General Manager of Budget Office for the Bank of Korea in 1995, he contributed to settle the indirect control-type currency management policy, and in addition, he had the highest response in the questionnaire survey on suitable person for the next Governor of the Bank of Korea by the domestic financial experts in 2010 and 2014 and he is evaluated to have profound understanding on overall currency policy and financial economy.

② Fair judgment

Director Park Cheul had the transparent and objective work disposition to the highest in the independent position (traded with a company where he worked in full time in recent two years) during his service period as an independent director of the Company, and after the election as the independent director, he considered the interests of all shareholders and financial consumers to carry out the duties fairly.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

③ Integrity

Director Park Cheul has earned excellent personal traits with open and outgoing personality from the internal reputation survey with many employees from the organization to follow him, and in addition, he is confirmed with the reputation with strong trust in the financial industry, and he has displayed his sense of ethics and sense of responsibility to lead the BOD with

strong sense of responsibility when he served as the chairman of the BOD.

④ Strong work ethics

Director Park Cheul attended 100% for BOD, committees in BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 421 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Park Cheul is an expert in the finance and economy fields who worked at the Bank of Korea for a long period of time and has the experience in managing private financial companies that he carries out monitoring and supervisory activities of top management and role of management advisory with diverse insights.

⑥ Suitability with Shinhan Financial Group

Director Park Cheul has the experience of independent director from the Company and Shinhan Financial Group, and he has profound understanding of the vision of Shinhan Financial Group, growth path and corporate culture, and he presents diverse opinions for the succession and development of founding spirit.

⑦ Efficacy of management advisory

Director Park Cheul has rich experience as the independent director together with the experience of executive in the Bank of Korea and private financial companies and has carried out the effective role of management advisory.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company

Review Category	Satisfaction	Reason for Satisfaction
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in the area of finance, economy and business management (Executive in financial companies, Deputy Governor of the Bank of Korea, professional manager)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate has been no fact of concurrent position that the possibility for conflict of interest is low
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	For the activities of BOD and BOD subcommittees, sufficient time and effort have been extended and there has been no concurrent employment with another company
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Possessing the work experience in the Bank of Korea and private financing company
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Rich experience as an independent director for Shinhan Financial Group with high level of understanding for corporate culture
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Possessing experiences in officer and independent director for the Bank of Korea financial companies to enable effective management advisory

B. Independent director Yuki Hirakawa

(1) Negative qualification

Director Yuki Hirakawa satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Yuki Hirakawa is a successful business man as a Korea resident in Japan and has broad experience and knowledge in the management field with expertise through diverse experiences and successful business range. In particular, he has offered unwavering advice for important matters related to the group operation on the basis of knowledge and expertise as a professional manager with substantial experience to manage enterprises for a long period of time in many countries, such as Japan, Singapore, Korea and others.

In addition, he has the experience in serving as independent director of Shinhan Bank, an subsidiary company of Shinhan Financial Group with high level of understanding of founding spirit and value of the group as well as the banking industry.

② Fair judgment

There has been no transactional relationship between the corporate entity where Director Yuki Hirakawa worked as a standing executive within the recent 2 years with the Company and subsidiary companies that there is no problem in

independence, and after the election of independent director, he has fairly carried out in consideration of all shareholders and financial consumers.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

③ Integrity

Director Yuki Hirakawa is considered to have the ethical awareness and sense of responsibility appropriate to the personality and reputation when considering the result of internal reputation inquiry.

④ Strong work ethics

Notwithstanding the issue of overseas residence, Director Yuki Hirakawa has attended in 100% of the BOD, committees in BOD, BOD workshops and others, and he has placed extensive time and effort by allocating 309 hours per year with normal performance of the works of the independent director including advance review.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Yuki Hirakawa is a professional manager who carried out the management activities for a long time not only in Korea, but also in Japan, Singapore, and China, and he has carried out the monitoring and supervisory activities for top management and role of management advisory on the basis of management point of view on global management and dynamic view based on relatively younger generation from the constituents of BOD.

⑥ Suitability with Shinhan Financial Group

Director Yuki Hirakawa has the experience of independent director from the Company and Shinhan Bank, and he has profound understanding of the vision of Shinhan Financial Group, growth path and corporate culture, and he presents diverse opinions for the succession and development of founding spirit.

⑦ Efficacy of management advisory

Director Yuki Hirakawa is a professional manager in various countries with extensive experience that he has carried out effective role of management advisor.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company

Review Category	Satisfaction	Reason for Satisfaction
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in the areas of business management and international business (professional manager, officer of overseas company)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	For the activities in BOD and BOD subcommittee, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Young age and holding experience in various management activities in many countries.
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Holding experiences in independent director at Shinhan Financial Group to have high level of understanding on corporate culture
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Holding experiences in management activities in multi-nations with the independent director capacity to enable effective management advisory

C. Independent director Park Ansoon

(1) Negative qualification

Director Park Ansoon satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Park Ansoon is a successful business man as a Korean resident in Japan and is equipped with broad experience and knowledge on management field on the basis of know how through the successful business territory and diverse experiences, and he offers the unwavering advises on main agenda related to the group operation on the basis of practical knowledge, insight and expertise acquired in the management field as a professional manager who has managed a company for a long period of time

② Fair judgment

There has been no transactional relationship between the corporate entity where Director Park Ansoon worked as a standing executive within the recent 2 years with the Company and subsidiary companies that there is no problem in independence,

and after the election of independent director, he has fairly carried out in consideration of all shareholders and financial consumers.

SBJ Bank, a local corporation of Shinhan Bank in Japan a key affiliated company of the Company, has donated 1 million yen for each year to the Korea People's Organization in Japan where DIRECTOR Park Ansoon works as an executive. This donation has been regularly provided from the past, and there has been no fact of interfering with the fair judgment without any change in the payment period, amount and so forth of donation before and after the election of the executive for the Korea People's Organization in Japan of the director Park Ansoon.

In addition, after director Park Ansoon elected as an independent director, there is no fact of performing the duties or transactions related to the interest relations with the Company.

③ Integrity

Director Park Ansoon is considered to have the ethical awareness and sense of responsibility appropriate to the personality and reputation when considering the result of internal reputation inquiry.

④ Strong work ethics

Despite living abroad, Director Park Ansoon attended most of the Board and subcommittee meetings, and spent sufficient time, including 326 hours a year performing duties of the Company's independent director (e.g., performing independent director's normal duties such as reviewing the agenda in advance), and effort. In particular, in 2020, despite the environmental factor of COVID-19, when an important decision was needed, he attended face-to-face meetings and actively expressed opinions while taking the inconvenience of long-term self-isolation resulting from the immigration procedure, thus fulfilling the responsibilities and duties of independent director.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Park Ansoon is a professional manager who carried out the management activities for a long period of time in Japan, and he has worked for a long time as an executive of the Korea People's Organization in Japan, a private organization that seeks for the mutual cooperation of Korean residents in Japan, international friendship between Korea and Japan, and advancement of mother country and acquired experience and insight for politics, society, international exchange and so forth and dutifully performs the monitoring and supervising activities or the top management and role of management advisor in diversified views.

⑥ Suitability with Shinhan Financial Group

Director Park Ansoon profoundly understands the vision of the Company, growth path and corporate culture and has presented diversified opinions for succession and advancement of the founding spirit.

⑦ Efficacy of management advisory

Director Park Ansoon has worked as a professional manager for a long time, and in addition, he has rich experience in working as an executive for private organizations to carry out the effective role of management advisor.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in management (professional manager)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	For the activities in BOD and BOD subcommittee, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Possessing the experience as management of general companies and executive of private organizations
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	High level of understanding in corporate culture as professional manager
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Available for effective management advisory based on the experience in long-term management activities

D. Independent director Choi Kyong-rok

(1) Negative qualification

Director Choi Kyong-rok satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Choi Kyong-rok is an IT expert working as a researcher in Network Technology Center and Information Technology Center of Geio Kijuku University, a famous private university in Japan during his doctorate process after acquiring the master's degree in measurement engineering. In addition, he is equipped with the management expertise as a successful Korean business man in the Korean resident community in Japan and has worked as an independent director for Shinhan Life Insurance, and while working, he is proven to have outstanding work performance competency in the evaluation of independent directors as a basis of his know how as a professional manager and he has offered unwavering advises for important matters related to the group operation and digital strategy.

② Fair judgment

There has been no transactional relationship between the corporate entity where Director Choi Kyong-rok worked as a standing executive within the recent 2 years with the Company and subsidiary companies that there is no problem in independence, and after the election of independent director, he has fairly carried out in consideration of all shareholders and financial consumers.

In addition, after director Choi Kyong-rok elected as an independent director, there is no fact of performing the duties or transactions related to the interest relations with the Company.

③ Integrity

Director Choi Kyong-rok has excellent personal traits with warm personality with outstanding communication skills with amicable inter-personal relationship and fine contribution to the local community to earn trusts of his surroundings, and he has displayed his sense of ethics and sense of responsibility as appropriate to his personality and reputation.

④ Strong work ethics

Notwithstanding the issue of overseas residence, Director Choi Kyong-rok has attended in 100% of BOD, committees in BOD, BOD workshop and others and he has placed extensive time and effort by allocating 393 hours per year with normal performance of the works of the independent director including advance review.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Choi Kyong-rok is an IT expert as a researcher at the digital research institute of a university after completing an IT-related major acquiring a degree and is a professional manager carrying out management activities in Japan monitoring and supervising activities of top management and role of management advisory with diverse insights based on his dynamic view for relatively young age from the constituents of the BOD.

⑥ Suitability with Shinhan Financial Group

Director Choi Kyong-rok profoundly understands the vision of the Company, growth path and corporate culture with his rich experience as an independent director of the subsidiary company of Shinhan Financial Group and has pre-sented diverse opinions for succession and development of founding spirit.

⑦ Efficacy of management advisory

Director Choi Kyong-rok has undertaken the effective role of management advisor on the basis of his experience in performing the independent director works together with the IT expertise and management expertise.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in the areas of technology, business management and international business (information and technology researcher, professional manager, and officer of overseas company)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	For the activities in BOD and BOD subcommittee, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Low age and expertise in technology, and corporate management experience
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Rich experience as an independent director for Shinhan Financial Group with high level of understanding for corporate culture
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Capable of effective advising of management based on business and independent director experience

E. Independent director Byeon Yang-ho**(1) Negative qualification**

Director Byeon Yang-ho satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Byeon Yang-ho is an expert in the finance and economy fields who carried out the public positions for a long time at the Ministry of Finance and Ministry of Finance and Economy with the extensive experience and knowledge in the pertinent field, and he has outstanding information collection and analytical skills through broad network that he makes contribution to the management and direction of the group by presenting his opinions enthusiastically by finding out the core aspects of agenda. In addition, he has the experience of CEO for a private equity fund to have the expertise in management with extensive practical experience in the capital market that he is given the evaluation to have the balanced competency in both aspects of sound business management and f5 consumer protection of a financial company.

② Fair judgment

Director Byeon Yang-ho has processed the works in transparent and objective ways in independent ways while he was working as an independent director in the Company, and after the criteria as the independent director, he has performed the job fairly in consideration for interests of all directors and financial consumers.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

③ Integrity

Director Byeon Yang-ho has displayed thorough sense of ethics and sense of responsibility by contributing to the sound management and consumer-oriented decision making in management of Shinhan Financial Group, including this company with strong sense of responsibility as he has taken an important position as the chairman of the Risk Management Commission.

④ Strong work ethics

Director Byeon Yang-ho attended 100% for BOD, committees in BOD, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 469 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Byeon Yang-ho has profound understanding on financial policy scheme based on his experience in working in government agencies for a long time, and is equipped with the expertise in the sound management and financial consumer protection fields of the financial company, and in addition, he has the experience as an executive of a private equity fund that he carries out monitoring and supervisory activities of top management and role of management advisory with diverse and balanced view.

⑥ Suitability with Shinhan Financial Group

Director Byeon Yang-ho profoundly understands the vision of the Company, growth path and corporate culture with his rich experience as an independent director of the affiliated company of Shinhan Financial Group and has presented diverse opinions for succession and development of founding spirit.

⑦ Efficacy of management advisory

Director Byeon Yang-ho has rich experiences as he served for Director General of Financial Policy Bureau, President of

Financial Information Analysis Center, CEO of private equity fund, and non-standing director of a financial company and so forth in carrying out the effective role of management advisory.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in finance, economy and business management Expert in accounting and finance under the Corporate Governance Act (high ranking officer in government agency in charge of finance and economy, professional manager)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the benefit of all shareholders and financial consumers Low chance of conflict of interest since there are no transactions, except routine financial transactions, between the corporation for which he serves and Shinhan Financial Group.
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	Allocation of sufficient time and effort for the activities of BOD and others
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Possessing experiences in government agency and private financial companies
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	High level of understanding for corporate culture based on experience in participating in BOD as a professional manager
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Effective performance of management advisory by holding the experience as CEO for private equity fund and experience in performing finance and economy policies

F. Independent director Sung Jae-ho

(1) Negative qualification

Director Sung Jae-ho satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial

Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Sung Jae-ho is a professor majoring in international law and has extensive theory of legal field and practical experience, and has the high level of knowledge on the corporate governance in the financial business field, and on the basis of clear understanding on the role of the independent director, he has presented diverse opinions and legal interpretation on the management agenda of the group to contribute to the development of the group.

② Fair judgment

Director Sung Jae-ho had the transparent and objective work disposition to the highest in the independent position during his service period as an independent director of the Company, and after the election as the independent director, he considered the interests of all shareholders and financial consumers to carry out the duties fairly.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

③ Integrity

Director Sung Jae-ho is a professor of graduate school of law and served as a president of law related association, and based on these experiences, he has displayed the thorough ethical awareness and sense of responsibility by contributing to maintain the sound and reasonable corporate governance system of the Company based on the intermediary and balance on the basis of his experiences.

④ Strong work ethics

Director Sung Jae-ho attended 100% for BOD, committees in BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 453 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Sung Jae-ho is equipped with broad legal knowledge and experience and is the only expert in the legal field from all constituents of the BOD, and based on reasonable and balanced views, he has carried out the monitoring and supervisory activities for the top management and the role of management advisor.

⑥ Suitability with Shinhan Financial Group

Director Sung Jae-ho possesses the experience of independent director for the Company and Shinhan Bank and profoundly understands the vision of Shinhan Financial Group, growth path and corporate culture and has presented diverse opinions for succession and development of founding spirit.

⑦ Efficacy of management advisory

Director Sung Jae-ho is a top-notch expert domestically in the international law field that he has carried out the effective role of legal advisor in various global strategies of the group.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in law (professor of law)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	For the activities of BOD and BOD subcommittees, sufficient time and effort have been extended and there has been no concurrent employment with another company
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Possessing low age, career as law professor, various academic activities and experience in advisory member for government agencies
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	High level of understanding on corporate culture with rich experience as independent director for SFG subsidiary and independent director for other companies
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Available for effective management advisory by having the experiences in law professor and independent director

G. Independent director Lee Yoon-jae**(1) Negative qualification**

Director Lee Yoon-jae satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Lee Yoon-jae is an expert of economy and finance as he worked on public affair in the pertinent fields of economy and finance for a long time including the Director General of Banking and Insurance Bureau and General Director of Economic Policy of the Ministry of Finance and Economy, and Presidential Advisor in Finance and Economy. He has outstanding understanding of works and knowledge through the financial business and excellent in analytical capability on the agenda and collection of information through broad network embracing both private and public sectors by presenting the balanced opinion in the BOD in a way of contributing to the management and advancement of the group. In addition, he has a long experience in the public policy field to have conspicuous ability of fairness in his works and has the sharp analytical skills based on expertise in finance and economy for the discussions and evaluation on various management fields to carry out the role of substantive supervisory role in a way of offering advises for sound management of the Company.

② Fair judgment

Director Lee Yoon-jae fairly acts on behalf of all shareholders on the basis of economy and management related expertise from the IMM PE in a way of having the recommendation on the ground of having high expectation to carry out the duties of independent director with sense of responsibility, and has duly worked as an independent director in his independent position without the transactional relationship with the Company and subsidiary company.

③ Integrity

As a result of the internal reputation inquiry for the time of serving as high-ranking official, director Lee Yoon-jae has strong value on communication along with his outstanding personal traits, and he has the personality with his over-reaching generosity to have strong trust from his surroundings and has served an important position as the chairman of the Social Responsibility Management Commission to emphasize the sound management and continuous social responsibility of Shinhan Financial Group in displaying of activities based on complete ethics awareness and sense of responsibility.

④ Strong work ethics

Director Lee Yoon-jae attended 100% for BOD, committees in BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 495 hours per year to normally carry out the independent director works including the advance review of agenda. He has earned outstanding evaluation from the category of strong work ethics from the independent director evaluation.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Lee Yoon-jae has long been a public servant who has the record of carrying out the national finance and economy policies and he has extensive experience as an independent director in various companies to carry out monitoring and supervisory activities of top management and role of management advisory.

⑥ Suitability with Shinhan Financial Group

Director Lee Yoon-jae profoundly understands the importance of corporate culture based on his experience of carrying out the independent director position in various companies and has presented diverse opinions for succession and development of founding spirit of Shinhan Financial Group.

⑦ Efficacy of management advisory

Director Lee Yoon-jae has rich experience as the government positions in economy and financial fields for a long time in

addition to be an expert in management by serving as the CEO of KorEI, a management consulting company by carrying out the effective role of management advisory to the Company.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in economy, finance and business management, expert in accounting and finance under the Corporate Governance Act (high ranking officer in government agency in charge of finance and economy, professional manager)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	For the activities of BOD and BOD subcommittees, sufficient time and effort have been extended and there has been no concurrent employment with another company
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Possessing experience as executive in government agencies and private company
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	High level of understanding for corporate culture with rich experience as an professional manager and independent director
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Effectively carrying out management advisory by having the experience of independent director in various companies and experiences in economy and financial policies, management consulting, CEO of companies and so forth

H. Independent director Huh Yong-hak

(1) Negative qualification

Director Huh Yong-hak satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and

others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Huh Yong-hak has worked as an executive for a famous global financial company, and in addition, as an expert in comprehensive international business, finance and management fields for investment operation works in Hong Kong Central Bank, he has asserted the expertise to encounter to the domestic and international risks on the basis of broad experience in investment industry and understanding on financial trend in the overseas capital market that he has contributed to the management and advancement of the group by aggressively performing the advisory related to the capital market through various contacts with the top management of the subsidiary company as well as the independent director works.

② Fair judgment

Director Huh Yong-hak had the transparent and objective work disposition to the highest in the independent position (traded with a company where he worked in full time in recent two years) during his service period as an independent director of the Company, and after the election as the independent director, he considered the interests of all shareholders and financial consumers to carry out the duties fairly.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

③ Integrity

Director Huh Yong-hak has displayed his complete sense of ethics and sense of responsibility by contributing to maintain the sound and reasonable corporate governance system of the Company based on the intermediary and balance.

④ Strong work ethics

Notwithstanding the issue of overseas residence, Director Huh Yong-hak attended 100% for BOD, committees in BOD, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 457 hours per year to normally carry out the independent director works including the advance review of agenda. In particular, in 2020, despite the environmental factor of COVID-19, when an important decision was needed, he attended face-to-face meetings and actively expressed opinions while facing the inconvenience of long-term self-isolation resulting from the immigration procedure, thus fulfilling the responsibilities and duties of independent director. In addition, he worked faithfully as a member of the Risk Management Committee, regularly checking whether risk management was properly carried out in response to sudden changes in the business environment.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Huh Yong-hak has carried out monitoring and supervisory activities of top management and role of management advisory with reasonable and objective position based on his work experience in various global financial companies.

⑥ Suitability with Shinhan Financial Group

Director Huh Yong-hak has worked in various global financial companies as an executive and has profound understanding of the importance of corporate culture, and he presents diverse opinions for the succession and development of founding spirit of Shinhan Financial Group.

⑦ Efficacy of management advisory

Director Huh Yong-hak has been the best expert in the global IB field and has the experiences as an executive in various global financial companies and has carried out the role of management advisor for the policy of expanding the pertinent management status and global capital market for the BOD.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in international business, finance and business management (executive in global financial companies and professional manager)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	For the activities of BOD and BOD subcommittees, sufficient time and effort have been extended and there has been no concurrent employment with another company
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Possessing experience in various global financial companies as an executive
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	High level of understanding on corporate culture with rich experience as a financial company executive
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Effectively carrying out the management advisory based on the experience as an executive and rich experience in global capital market

I. Independent director Yoon Jaewon

(1) Negative qualification

Director Yoon Jaewon satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial

Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Yoon Jaewon is a professor of accounting at Hongik University's School of Business. She is a certified public accountant in the U.S. and a leading scholar in accounting and taxation in Korea. As well as her various academic activities, she is an active advisor to government agencies, and is credited with her theories and practice in the field of accounting. Based on her experience, she served as the chair of the Audit Committee, contributing to the growth and development of the Group by carrying out executive monitoring and supervisory roles as well as actively serving as an effective management advisor.

② Fair judgment

During her tenure as an independent director of the Company, Director Yoon Jaewon executed her duties in an independent position as transparently and objectively as possible, and as an independent director, she performed her duties fairly considering the interests of all shareholders and financial consumers.

In addition, since Hongik University, where Yoon Jaewon is currently serving, has no transactions with the Company and Shinhan Financial Group's affiliates except for routine financial transactions, the possibility of a conflict of interest with the Company is low. Director Yoon Jaewon herself has never performed a transaction or performed any duties that had an interest in the Company since being appointed as an independent director.

③ Integrity

As chair of the Audit Committee, Director Yoon Jaewon has a sense of ethics and responsibility that fits her character and reputation, such as carrying out her duties with a strong sense of responsibility. She also received excellent reviews in the ethical responsibility section of her independent director evaluation.

④ Strong work ethics

Director Yoon Jaewon attended 100% in BOD, committees in BOD, sessions for independent directors, BOD workshops and he allocated 355 hours per year to normally perform the independent director works, including the advance review of agenda after appointed in the meeting of shareholders in March 2020 with his extensive time and effort.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Yoon Jaewon is a business administration professor with a U.S. CPA license, and based on her experience in various academic activities and government agency advisory committees, she performed a management advisory role and monitored and supervised management activities from the perspective of an accounting expert. In particular, as the only female independent director of the Board, she added her delicate perspective to the Board's discussions, helping the Board to make rational decisions based on a broader view.

⑥ Suitability with Shinhan Financial Group

Director Yoon Jaewon is a professor of management with profoundly understands the importance of corporate culture and he presents various opinions for succession and development of founding spirit of Shinhan Financial Group.

⑦ Efficacy of management advisory

Director Yoon Jaewon is a professor of business administration, and based on her experience in various academic activities and in government agency advisory committees, she performed a management advisory role and monitored and supervised management activities from the perspective of the only accounting expert among the Board members.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in the areas of accounting and business management (US Certified Public Accountant, professor of management with major in accounting)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	For the activities of BOD and BOD subcommittees, sufficient time and effort have been extended and there has been no concurrent employment with another company
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Female, younger age, U.S. CPA, U.S. citizenship, professor experience, various academic activities, government agency advisory experience, etc.
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	High understanding of corporate culture, as a professor of business administration
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Can provide effective management advising thanks to experience as a professor of business administration and government agency advisory activities

J. Independent director Jin Hyun-duk

(1) Negative qualification

Director Jin Hyun-duk satisfies all qualifications set forth under laws and regulations, such as, qualification for out-side

director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Act on Corporate Governance of Financial Companies and others. In addition, he also satisfies the negative qualification set forth by the Act on Corporate Governance of Financial Companies and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

(2) Positive qualification

① Expertise

Director Jin Hyun-duk is a successful entrepreneur in the Korean-Japanese society, and is an expert in the field of management who keeps a balance between theories and practices related to management through his experience of managing a successful business and of teaching business administration as a professor. Based on his extensive experience and knowledge in the field of management and his long-term business management experience, he generously provided varied expertise such as practical knowledge and insight gained in the field of management, and academic management theory as a professor of business administration.

② Fair judgment

There is no problem with the independence of Director Jin Hyun-duk, since Corporations where Director Jin Hyun-duk worked as a full-time employee within the past two years have no business relationship with the Company or its subsidiaries. After being elected as an independent director, he performed his duties fairly, taking into account the interests of all shareholders and financial consumers.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

③ Integrity

According to the internal reputation inquiry, Director Jin Hyun-duk is judged to have a sense of ethics and responsibility that fits his character and reputation, such as having a strong trust in the surroundings and an excellent reputation due to stable business management and active educational development contribution activities.

④ Strong work ethics

Director Jin Hyun-duk attended 100% in BOD, committees in BOD, BOD workshops and he allocated 246 hours per year to normally perform the independent director works, including the advance review of agenda after appointed in the meeting of shareholders in March 2020 with his extensive time and effort.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

⑤ Diversity of BOD composition

Director Jin Hyun-duk is a professional manager who has been involved in business activities in Japan for a long time, and is an expert in the field of management with a background as a professor of business administration. In addition, he has participated in education projects over a long time, and based on his experience and insights in education, economy, and international exchange gained by serving as executive at various private organizations for mutual economic cooperation among Koreans in Japan, he faithfully performs a management advisory role and monitors and supervises management activities from various perspectives.

⑥ Suitability with Shinhan Financial Group

Director Jin Hyun-duk deeply understands the Company's vision, growth path and corporate culture, and presents various opinions for the succession and development of the Company's founding spirit.

⑦ Efficacy of management advisory

Director Jin Hyun-duk plays an effective management advisory role based on his long-term professional management experience and his management theory acquired as a business administration professor.

(3) Summary

Review Category	Satisfaction	Reason for Satisfaction
1. Negative qualification		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Satisfactory	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Satisfactory	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Satisfactory	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Satisfactory	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive qualification		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Satisfactory	Expert in accounting and management (Certified Public Accountant in US, professor of management with major in accounting)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers. The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Satisfactory	Allocation of sufficient time and effort for the activities of BOD and BOD subcommittees
E. Diversity (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Recommended by shareholders, professor of business administration, and experience in general company management
F. Reasonableness (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	High understanding of corporate culture as a professional manager
G. Efficacy (Resolution No. 1 of the First Audit Committee Member Recommendation Committee held on Jan 15, 2018)	Satisfactory	Can provide effective management advising thanks to experiences as a professor of business administration and in general company management

2. Activities of independent directors

A. Independent director Park Cheul

Director Park Cheul has attended all BOD meetings and Committee in BOD held during 2020. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: reviewing issues related to Lime Asset Management/German Heritage Trust; checking detailed loss factors for the settlement of accounts of 2019; instructing a plan to improve operation of the Board; checking the direction of the Board formation (composition) for 2020; deliberating on long-term remuneration for former executives; checking adequacy of the proposed establishment of the non-executive director qualifications; formulating subcommittee formation principles; checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; checking difficulties of major subsidiaries' businesses under the COVID-19 environment; requesting consumer protection devices by Shinhan Life Insurance's GA subsidiary and requesting sales responsibility management; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's DT strategy; checking the Group's mid-term strategy; instructing checking of the gap between finance and the real economy due to the prolonged COVID-19; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; suggesting effective operation of the independent director conference; checking adequacy of the paid-in capital increase allocated to a third party; suggesting on the proposed name change of the Corporate Social Responsibility Committee; instructing supplementation of the matter of enacting/abolishing the Board regulations; checking adequacy of the Group's management plan (2021); checking issues of the 2021 reorganization; deliberating on adequacy of the plan to improve independent director evaluation criteria; reviewing adequacy of the price of shares of Shinhan BNP Paribas Asset Management Co., Ltd., etc., thus contributing for the Board to complete its roles and responsibilities.

Furthermore, as the chairman of the BOD, he has arbitrated for the BOD to draw the best conclusion by collectively gathering the various opinions of directors while managing the roles of CEO, and candidate pool to attend the board meetings regularly to take measures to make the report related to the key management issues in a way of leading the development of competency for the candidate pool. In addition, requesting a preemptive report to the Board on major issues of the Group (Lime Asset Management case, etc.), requesting an analysis of the Group's future prospects under uncertain management/economic/financial environments caused by COVID-19, and identifying internal and external trends related to corporate governance and deliberating them on the Board, he convened Board meetings in a timely manner to deal with current, relevant management issues, shared management issues with the directors, and led decision-making.

In addition, for reviewing the agenda, attending in meetings and so forth during 2020, a total of 421 hours (including preceding explanation of BOD agendas and BOD, time to review agendas and meeting minutes, BOD workshop/independent director session/training time, hereinafter the same) have been allocated.

B. Independent director Yuki Hirakawa

Director Yuki Hirakawa has attended all board meeting and Committee in BOD during 2020. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: reviewing issues related to Lime Asset Management/German Heritage Trust; requesting confirmation of differences in authority and roles between independent directors and non-executive directors; checking the direction of the Board formation (composition) for 2020; deliberating on long-term remuneration for former executives; checking adequacy of the proposed establishment of the non-executive director qualifications; requesting global reputation risk management and active employee protection upon the spreading of COVID-19; requesting establishment of a process to confirm adequacy of the independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; confirming adequacy of the proposed amendment to the Subsidiary Management Committee Regulation; requesting effective promotion of the consumer protection strategy of Shinhan Life's GA subsidiary; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's DT strategy; checking the Group's mid-term strategy; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; checking adequacy of the paid-in capital increase allocated to a third party and the impact on governance; checking adequacy of the Group's management plan (2021); checking the issues of subsidiary funding (subsiding) in 2021;

deliberating on adequacy of the plan to improve independent director evaluation criteria; checking the issues of cooperation with BNP Paribas Group, etc., thus contributing for the Board to complete its roles and responsibilities.

In addition, he has allocated a total of 309 hours for reviewing the agenda, attending meetings etc. during 2020.

C. Independent director Park Ansoon

Director Park Ansoon attended all of the Audit Committee Member Recommendation Committee and the Board Steering Committee meetings held in 2020, and 15 Board meetings. (Attendance rate 95%)

In the Board meetings and workshops held during the year, he performed: reviewing issues related to Lime Asset Management/German Heritage Trust; checking the direction of the Board formation (composition) for 2020; deliberating on long-term remuneration for former executives; checking adequacy of the proposed establishment of the non-executive director qualifications; checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; confirming adequacy of the proposed amendment to the Subsidiary Management Committee Regulation; requesting confirmation of the Group's direction upon the spreading of COVID-19; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's DT strategy; checking the Group's mid-term strategy; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; suggesting effective operation of the independent director conference; checking adequacy of the paid-in capital increase allocated to a third party and requesting a plan to improve shareholder value; requesting establishment of the concept of "acting CEO"; confirming the method of approving real estate lease agreements; instructions to provide independent directors with materials that explain Shinhan Financial Group's corporate culture; deliberating on adequacy of the plan to improve independent director evaluation criteria; reviewing adequacy of the price of shares of Shinhan BNP Paribas Asset Management Co., Ltd., etc., thus contributing for the Board to complete its roles and responsibilities.

In addition, he has allocated a total of 326 hours for reviewing the agenda, attending meetings etc. during 2020.

D. Independent director Choi Kyong-rok

Director Choi Kyong-rok has attended all board meeting and Committee in BOD during 2020. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: reviewing issues related to Lime Asset Management/German Heritage Trust; checking the direction of the Board formation (composition) for 2020; deliberating on long-term remuneration for former executives; checking adequacy of the proposed establishment of the non-executive director qualifications; checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; confirming the business model of Shinhan Life Insurance's GA subsidiary; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's DT strategy; checking the Group's mid-term strategy; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; checking adequacy of the paid-in capital increase allocated to a third party; instructing detailed reports of changes in the independent director candidates (long list); checking adequacy of the Group's management plan (2021); directing active promotion of digital-related businesses and forming a consensus for budget support at the Board level; checking adequacy of the subsidiary funding (subsidizing) limit in 2021; checking issues of the 2021 reorganization; deliberating on adequacy of the plan to improve independent director evaluation criteria; checking the issues of cooperation with BNP Paribas Group, etc., thus contributing for the Board to complete its roles and responsibilities.

Furthermore, as the only technology expert from the BOD constituents, he has carried out the advance review on the issues related to IT from the agenda of BOD and Committee in BOD, and at the same time, he has instructed for additional report and presented his opinions aggressively.

In addition, he has allocated a total of 393 hours for reviewing the agenda, attending meetings etc. during 2020.

E. Independent director Byeon Yang-ho

Director Byeon Yang-ho has attended all board meeting and Committee in BOD during 2020. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: reviewing issues related to Lime Asset Management/German Heritage Trust and directing strengthening of consumer protection devices; requesting a strategy to respond to specialized Internet banks; checking detailed loss factors for the settlement of accounts of 2019; requesting reports on the progress of Shinhan Bank's business related to Seoul City treasury; checking the direction of the Board formation (composition) for 2020; requesting efficient reports to the Board; directing thorough management of the Group's liquidity at the beginning of the COVID-19 outbreak; deliberating on long-term remuneration for former executives; checking adequacy of the proposed establishment of the non-executive director qualifications; requesting an analysis of the economic and industrial outlook due to COVID-19 and of the impact on the Group; checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; proposing unification of the Group's financial transaction platforms in preparation for the "untact" era; checking adequacy of the amount of contract for use of the Shinhan trademark; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's mid-term strategy; checking the Group's DT strategy and directing preparation of innovative initiatives; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; suggesting effective operation of the independent director conference; checking adequacy of the paid-in capital increase allocated to a third party; requesting reports on the status of competition with big tech companies other than financial companies; asking for thorough confidentiality for important management decisions and closer communication with the Board; suggesting on the proposed name change of the Corporate Social Responsibility Committee; instructing supplementation of the matter of enacting/abolishing the Board regulations; requesting establishment of the concept of "acting CEO" and requesting legal review and reports on the authority and role; checking adequacy of the Group's 2021 management plan and digital budget plan; checking issues of the 2021 reorganization; deliberating on adequacy of the plan to improve independent director evaluation criteria; reviewing adequacy of the price of shares of Shinhan BNP Paribas Asset Management Co., Ltd., etc., thus contributing to the Board to complete its roles and responsibilities.

In particular, he requested reports to the Board to focus on the essentials, and emphasized the Group's bold investment in the digital field and the establishment of a digital environment that is quicker than competitors. In addition, he urged a review of plans to enhance shareholder value along with a harmonious growth strategy in accordance with the Group's mid- to long-term capital policy.

In addition, as chair of the Risk Management Committee, he contributed to the elaboration of the Company's risk management policy by providing timely advice and supervision, such as examining the impact on the Group due to acquisition and retirement of treasury stocks, deliberating on the Group's integrated stress test and the adequacy of countermeasures, checking adequacy of the amount of bank mortgage loans and requesting careful credit management, reviewing the need for paid-in capital increase allocated to a third party, etc.

Director Byeon Yang-ho has allocated a total of 469 hours for reviewing the agenda, attending meetings etc. during 2020.

F. Independent director Sung Jae-ho

Director Sung Jae-ho has attended all board meeting and Committee in BOD during 2020. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: reviewing issues related to Lime Asset Management/German Heritage Trust; checking the direction of the Board formation (composition) for 2020; deliberating on long-term remuneration for former executives; checking adequacy of the proposed establishment of the non-executive director qualifications; checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; suggesting innovation of the Group's platform in line with the shift to the "untact" era; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's DT strategy; checking the Group's mid-term strategy; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; checking adequacy of the paid-in capital increase allocated to a third party; instructing supplementation of the matter of enacting/abolishing the Board regulations; checking adequacy of the Group's management plan (2021); checking issues of the 2021 reorganization; deliberating on adequacy of the plan to improve independent director evaluation criteria; reviewing

adequacy of the price of shares of Shinhan BNP Paribas Asset Management Co., Ltd., etc., thus contributing to the Board to complete its roles and responsibilities.

In particular, as the only legal expert among members of the Board, he responsibly carried out the advance review of legal issues on the agendas of the Board and subcommittees. He also actively expressed his opinions, such as providing faithful legal advice to detailed contract terms so that legal review does not remain in a simple subsidiary role, and requesting an intra-Group measures for advance inspection of legal risks.

In addition, he has allocated a total of 453 hours for reviewing the agenda, attending meetings etc. during 2020.

G. Independent director Lee Yoon-jae

Director Lee Yoon-jae has attended all board meeting and Committee in BOD during 2020. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: reviewing issues related to Lime Asset Management/German Heritage Trust; confirming the process of finalizing financial statements and preparing audit report; directing preparation of measures to improve the process of reports and providing data to the Board; checking the direction of the Board formation (composition) for 2020; directing establishment of the non-executive director qualifications; requesting efficient reports to the Board; instructing a review of whether a comprehensive approval of real estate lease agreements with subsidiaries is possible; deliberating on long-term remuneration for former executives; suggesting an improved method of submitting agendas to the Board; checking adequacy of the proposed establishment of the non-executive director qualifications; checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; requesting a review of the possibility of revising the Group management plan In the COVID-19 environment; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's DT strategy; checking the Group's mid-term strategy; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; suggesting effective operation of the independent director conference; checking adequacy of the paid-in capital increase allocated to a third party; suggesting on the proposed name change of the Corporate Social Responsibility Committee; requesting a review of whether to stipulate the ranking of candidates for acting CEO on paper; instructing supplementation of the matter of enacting/abolishing the Board regulations; checking adequacy of the Group's management plan (2021); checking issues of the 2021 reorganization; checking adequacy of the personnel appointment of the holding company's executives; deliberating on adequacy of the plan to improve independent director evaluation criteria; reviewing adequacy of the price of shares of Shinhan BNP Paribas Asset Management Co., Ltd., etc., thus contributing for the Board to complete its roles and responsibilities.

In addition, as chair of the Corporate Governance and CEO Recommendation Committee, he expanded the CEO succession candidates (long list) and elaborated the criteria for the (long list), while expanding exchanges between independent directors and the candidates (long list) so that rational and fair deliberation can proceed during the CEO succession process. In addition, he examined the status of the subcommittee's operation and took the lead in devising effective improvement measures.

As chair of the Corporate Social Responsibility Committee, he urged the Company to report major issues and projects related to socially-responsible management to the Board and discuss them together with the Board, including preparing the framework for the Group's socially-responsible management strategy and reviewing the Group's Zero Carbon Drive initiative.

In addition, he has allocated a total of 495 hours for reviewing the agenda, attending meetings etc. during 2020.

H. Independent director Huh Yong-hak

Director Huh Yong-hak has attended all board meeting and Committee in BOD during 2020. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: review issues related to Lime Asset Management/German Heritage Trust and directing reinforcement of the Group's investment competency; checking the direction of the

Board formation (composition) for 2020; deliberating on long-term remuneration for former executives; checking adequacy of the proposed establishment of the non-executive director qualifications; directing a conservative provisioning policy in accordance with COVID-19; checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's DT strategy; checking the Group's mid-term strategy; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; checking adequacy of the paid-in capital increase allocated to a third party; suggesting on the proposed name change of the Corporate Social Responsibility Committee; checking adequacy of the Group's management plan (2021); instructing preparation of shareholder return policies (dividends, etc.) to enhance shareholder value; checking issues of the 2021 reorganization; checking fairness of the plan to improve independent director evaluation criteria; reviewing adequacy of the price of shares of Shinhan BNP Paribas Asset Management Co., Ltd. and instructing preparation of a competitive vision after incorporating it as a complete subsidiary, etc., thus contributing to the Board to complete its roles and responsibilities.

In addition, as chair of the Remuneration Committee, he deliberated on the performance evaluation system for the management of the subsidiaries newly incorporated into the Group in 2020, and also established and refined the Group's overall performance evaluation, remuneration system, and strategic tasks, leading the establishment of a reasonable performance evaluation system. In addition, as a member of the Risk Management Committee, he contributed to the advancement of the Group's risk management system by regularly inspecting the Group's risk management indicators for timely risk management by the Board and instructing analysis of the sensitivity to profitability. In addition, as a member of the Subsidiary Management Committee, he was actively engaged in meetings with the CEOs of major subsidiaries to ensure that personnel appointment appropriate for the business conditions and characteristics of each subsidiary could be achieved. In particular, with COVID-19 restricting entry of overseas Koreans to the country, in order to participate in major decision-making by the Board in 2020, he risked the disadvantage of self-isolation in order to attend face-to-face meetings, and performed various activities that cannot be measured simply by the spent hours based on his firm conviction and enthusiasm as an independent director.

Director Huh Yong-hak has allocated a total of 457 hours for reviewing the agenda, attending meetings etc. during 2020.

I. Independent director Yoon Jaewon

Director Yoon Jaewon attended all of the Board and subcommittee meetings held in 2020 after being elected at the annual shareholders' meeting (March 2020). (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; checking the Group's business portfolio and instructing competitiveness strengthening; checking the Group's DT strategy; checking the Group's mid-term strategy; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; checking adequacy of the paid-in capital increase allocated to a third party; suggesting on the proposed name change of the Corporate Social Responsibility Committee; instructing supplementation of the matter of enacting/abolishing the Board regulations; checking adequacy of the Group's management plan (2021); checking issues of the 2021 reorganization; directing the securing and fostering of a digital talent pool; deliberating on adequacy of the plan to improve independent director evaluation criteria; reviewing adequacy of the price of shares of Shinhan BNP Paribas Asset Management Co., Ltd., etc., thus contributing to the Board to complete its roles and responsibilities.

In addition, as chair of the Audit Committee, he led the work of the Audit Committee, monitored such as checking the impact of COVID-19 on financial gains and losses, checking the internal control system of the business units, sophisticating the collaboration system with the external auditor, checking quarterly settlement (accounting) issues and verifying financial statements prepared by the external auditor, supplementing the provisioning policy by reflecting changes in business environment and future prospects, upgrading the method of evaluating and auditing OTC derivatives, etc., and supervised the activities of the management, and worked hard to ensure that internal controls were effectively operated:

After being elected at the annual shareholders' meeting in March 2020, Director Yoon Jaewon has devoted a total of 355 hours to review agendas and attend meetings in 2020.

J. Independent director Jin Hyun-duk

Director Jin Hyun-duk attended all of the Corporate Governance and CEO Recommendation Committee and Independent Director Recommendation Committee meetings and 11 Board meetings held in 2020 after being elected at the annual shareholders' meeting (March 2020). (Attendance rate: 95%)

In the Board meetings and workshops held during the year, he performed: checking adequacy of independent director remuneration system; checking adequacy of acquisition and cancellation of treasury stocks; checking the Group's business portfolio and instructing competitiveness strengthening; requesting strict risk management and new business opportunities in connection with acquisition of venture capital; checking the Group's DT strategy; checking the Group's mid-term strategy; deliberating on adequacy of the price of shares of Neoflux Co., Ltd.; checking adequacy of the paid-in capital increase allocated to a third party; instructing supplementation of the matter of enacting/abolishing the Board regulations; checking adequacy of the Group's management plan (2021); checking issues of the 2021 reorganization; deliberating on adequacy of the plan to improve independent director evaluation criteria; reviewing adequacy of the price of shares of Shinhan BNP Paribas Asset Management Co., Ltd., etc., thus contributing to the Board to complete its roles and responsibilities.

After being elected at the annual shareholders' meeting in March 2020, Director Jin Hyun-duk has devoted a total of 246 hours to review agendas and attend meetings in 2020.

3. Remuneration of independent directors

The company reformed the remuneration system for independent directors at the third temporary Board meeting held on March 24, 2016. For substantiating BOD activities with strong sense of obligation and responsibility for the respective role of independent director, the base allowance was reduced by KRW 1 million per month from April 2016 and strengthened the remuneration system in connection with the activity records, such as participation in the Committee in BOD etc. In the third temporary Board meeting held on March 27, 2019, the resolution was made to increase the base allowance by KRW 0.5 million per month in consideration of Group scale growth, expansion of business portfolio and extended scope of work and responsibility of independent directors.

The contents of remuneration for each independent director in 2020 are shown as follows.

A. Independent director Park Cheul

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 83.5 million	
Base payment	KRW 42 million	KRW 3.5 million per month
Bonus	-	
Other allowances	KRW 29.5 million	Meeting allowance ¹⁾ : KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	KRW 12 million	Position allowance ²⁾ : KRW1 million per month for the chairman of the BOD
2. Other benefits over compensation		
Work activities	None	
Health examination	Once	General examination
Vehicle provision	None	
Office	None	
Other benefits	None	

Note 1) Other than the above-mentioned compensation, there are certain non-taxable allowance on expenses as required, such as transportation, accommodation etc. (when held on the same date, it is paid once, hereinafter the same as the independent director compensation)

- Domestic-resident independent director for KRW 0.3 million and settle for actual cost for overseas-resident independent director

2) When performing overlapped position, there is no overlapping payment to pay only the notified amount (hereinafter the same as the independent director wage)

B. Independent director Yuki Hirakawa

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 62 million	
Base payment	KRW 42 million	KRW 3.5 million per month
Bonus	-	
Other allowances	KRW 20 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	-	
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

C. Independent director Park Ansoon

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 63.5 million	
Base payment	KRW 40.5 million	KRW 3.5 million per month
Bonus	-	
Other allowances	KRW 21.5 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

D. Independent director Choi Kyong-rok

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 68.5 million	
Base payment	KRW 42 million	KRW 3.5 million per month
Bonus	-	
Other allowances	KRW 26.5 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	-	
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

E. Independent director Byeon Yang-ho

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 81 million	
Base payment	KRW 42 million	KRW 3.5 million per month
Bonus	-	
Other allowances	KRW 33 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	KRW 6 million	Position allowance: KRW 0.5 million per month for the chair of Subcommittee
2. Other benefits over compensation		
Work activities	None	
Health examination	Once	General examination
Vehicle provision	None	
Office	None	
Other benefits	None	

F. Independent director Sung Jae-ho

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 80.5 million	
Base payment	KRW 42 million	KRW 3.5 million per month
Bonus	-	
Other allowances	KRW 32.5 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	KRW 6 million	Position allowance: KRW 0.5 million per month for the chair of the Subcommittee
2. Other benefits over compensation		
Work activities	None	
Health examination	Once	General examination
Vehicle provision	None	
Office	None	
Other benefits	None	

G. Independent director Lee Yoon-jae

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 83.5 million	
Base payment	KRW 42 million	KRW 3.5 million per month
Bonus	-	
Other allowances	KRW 35.5 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	KRW 6 million	Position allowance: KRW 0.5 million per month for the chair of the Subcommittee
2. Other benefits over compensation		
Work activities	None	
Health examination	Once	General examination
Vehicle provision	None	
Office	None	
Other benefits	None	

H. Independent director Huh Yong-hak

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 80.5 million	
Base payment	KRW 42 million	KRW 3.5 million per month
Bonus	-	
Other allowances	KRW 32.5 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	KRW 6 million	Position allowance: KRW 0.5 million per month for the chairman of Subcommittee
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

I. Independent director Yoon Jaewon

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 60.2 million	
Base payment	KRW 32.1 million	KRW 3.5 million per month (including salary for the number of days in March after appointment)
Bonus	-	
Other allowances	KRW 23.5 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	KRW 4.6 million	Position allowance: KRW 0.5 million per month for the chair of the Subcommittee (including salary for the number of days in March after appointment)
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

J. Independent director Jin Hyun-duk

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 47.1 million	
Base payment	KRW 32.1 million	KRW 3.5 million per month (including salary for the number of days in March after appointment)
Bonus	-	
Other allowances	KRW 15 million	Meeting allowance: KRW 1 million per session for BOD and KRW 0.5 million per session for subcommittee
	-	
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

4. Education and training of independent directors

In order to enhance the expertise of independent directors, provide faithful information on the financial environment, and improve understanding of the business characteristics of the financial holding company and each subsidiary, the Company provided the following education and training.

Name of director	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon
Date of election	15.3.25	15.3.25	17.3.23	18.3.22	19.3.27	19.3.27	19.3.27	19.3.27	20.3.26	20.3.26
2015-1 Date and contents of education and training	- Date and time: February 3, 2015 (2 hours, independent director session) - Contents: Discussion of establishment and revision of pertinent regulation on the corporate governance / advance discussion on agenda for the 1st general BOD									
Attendance of independent director (reasons for absence)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-2 Date and contents of education and training	- Date and time: April 1, 2015 (2 hours, external training) - Contents: Influence of Korean insurance industry following the introduction of IFR subsidiary companies (held by Korea Accounting Standards Center)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-3 Date and contents of education and training	- Date and time: May 20, 2015 (30 minutes, independent director session) - Contents: Sharing of promotion status to improve the financial supervisory system									
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-4 Date and contents of education and training	- Date and time: May 21, 2015 (3 hours, new independent director orientation) - Contents: Mid- to long-term strategy and business plan in 2015, 2015 finance plan, work report for Committee in BOD, information on main matters related to independent director, equity disclosure and process disclosure information									
Attendance of independent director (reasons for absence)	(Not subject)	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)

Activities and Remuneration of Independent Directors

Name of director	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon
Date of election	15.3.25	15.3.25	17.3.23	18.3.22	19.3.27	19.3.27	19.3.27	19.3.27	20.3.26	20.3.26
2015-5 Date and contents of education and training	- Date and time: May 21, 2015 (1 hour, internal education of the Risk Management Committee) - Contents: Risk management system of Shinhan Financial Group									
Attendance of independent director (reasons for absence)	Attended	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-6 Date and contents of education and training	- Date and time: August 19, 2015 (30 minutes, independent director session) - Contents: Listening to the report related to the advancement to the global business									
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-7 Date and contents of education and training	- Date and time: September 4, 2015 (2 hours, outside seminar) - Contents: Seminar on trend of international accounting criteria (held by Korea Accounting Standards Center)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-8 Date and contents of education and training	- Date and time: September 18, 2015 (3 hours, outside seminar) - Contents: Prerequisite and response plan on introducing international audit criteria related to the revision of the audit report (held by Korea Accounting Standards Center)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-9 Date and contents of education and training	- Date and time: September 22, 2015 (3 hours, outside symposium) - Contents: Seeking for plan for strengthening the accounting transparency of order industry (held by Korea CPA Association)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-10 Date and contents of education and training	- Date and time: September 23, 2015 (2 hours, outside symposium) - Contents: Related to the consolidated financial statements, equity approach, same control company transaction (held by Korea CPA Association)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-11 Date and contents of education and training	- Date and time: October 7~8, 2015 (9 hours, outside workshop) - Contents: Workshop for the conceptual system based IFRS education (held by Korea Accounting Standards Center)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-12 Date and contents of education and training	- Date and time: October 29, 2015 (3 hours, BOD workshop) - Contents: Prospect of economy and financial environment in 2016 (Lecturer, PhD Cho Dong-cheol, Korea Development Institute) Prospect and main issues for domestic financial industry in 2016 Mid-term strategy in 2015 and establishment of management plan in 2016 to report scheme/ discussion related to management plan/ report and discussion for plan to enhance independence for audit team/ report of operation status of integrated stores and evaluation system									
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2015-13 Date and contents of education and training	- Date and time: November 19, 2015 (2 hours, BOD seminar) - Contents: Reality of international financial market and path of Korean economy (lecturer: Professor Shin Jang-seop of economics at Singapore National University)									
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)

Name of director	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon
Date of election	15.3.25	15.3.25	17.3.23	18.3.22	19.3.27	19.3.27	19.3.27	19.3.27	20.3.26	20.3.26
2016-1 Date and contents of education and training	Date and time: February 22, 2016 (30 minutes, independent director session)									
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2016-2 Date and contents of education and training	- Date and time: May. 20, 2016 (3 hours, new independent director orientation) - Contents: Mid- to long-term strategy and business plan in 2016, finance plan in 2016 Main matters related to independent director: Equity disclosure and fair disclosure training									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2016-3 Date and contents of education and training	- Date and time: July 21, 2016 (1 hour, internal education of Risk Management Committee) - Contents: Change and issue of global capital regulation									
Attendance of independent director (reasons for absence)	Attended	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2016-4 Date and contents of education and training	- Date and time: August 18, 2016 (2 hours, independent director session)									
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2016-5 Date and contents of education and training	- Date and time: October 25, 2016 (3 hours, BOD workshop) - Contents: Prospect of economy and financial environment in 2017 (lecturer: Shin Sung-hwan, president of Korea Financial Institute) Prospect and implication for each domestic Group business sector in 2017 Report of direction to establish the management plan in 2017 / discussion related to management plan									
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2017-1 Date and contents of education and training	- Date and time: May 18, 2017 (1 hour, new independent director orientation) - Contents: Business plan and finance plan of 2017 Information on main matters related to independent director, equity disclosure and fair disclosure training									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2017-2 Date and contents of education and training	- Date and time: May 19, 2017 (3 hours, overseas-residing independent director workshop) - Contents: Status of Shinhan Financial Group, '2020 Project' strategy sharing									
Attendance of independent director (reasons for absence)	(Not subject)	Absence	Attended	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2017-3 Date and contents of education and training	- Date and time: September. 19, 2017 (4 hours, outside seminar) - Contents: Enhancing the understanding level on the stewardship code (APG stewardship forum)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2017-4 Date and contents of education and training	- Date and time: September 21, 2017 (4 hours, outside seminar) - Contents: Legal system environment for audit organization, Audit Committee, best practice study and others (Samjong KPMG ACI Seminar)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)

Activities and Remuneration of Independent Directors

Name of director	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon
Date of election	15.3.25	15.3.25	17.3.23	18.3.22	19.3.27	19.3.27	19.3.27	19.3.27	20.3.26	20.3.26
2017-5 Date and contents of education and training	- Date and time: October 25, 2017 (3 hours, BOD workshop) - Contents: Prospect of economic and financial environment and financial business in 2018 (Shinhan Financial Group Research Center) Establishment of management plan in 2018 and discussion of direction and management plan Focusing around the development plan-4th industrial revolution and response to the VUCA era for financial group (lecturer: professor Ju Hyeongwhan)									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Absence	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2017-6 Date and contents of education and training	- Date and time: December. 6, 2017 (4 hours, outside seminar) - Contents: Corporate governance, Audit Committee system/ operation/ facilitation plan (Samjong KPMG Audit Committee education program)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2017-7 Date and contents of education and training	- Date and time: December. 26, 2017 (1 hour, internal education of Risk Management Committee) - Contents: Non-finance/non-measurement risk management									
Attendance of independent director (reasons for absence)	Attended	(Not subject)	(Not subject)	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-1 Date and contents of education and training	- Date and time: May 18, 2018 (1 hour, new independent director orientation) - Contents: Business plan and finance plan in 2018, information on main matters related to independent directors, equity disclosure and fair notice training)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-2 Date and contents of education and training	- Date and time: May 18, 2018 (3 hours, overseas-residing independent director workshop) - Contents: Discussion of cases of status for Shinhan Financial Group, sharing of digital strategy and global pin-deck (Japan, Singapore, etc.)									
Attendance of independent director (reasons for absence)	(Not subject)	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-3 Date and contents of education and training	- Date and time: June 5, 2018 (2 hours, outside seminar) - Contents: Role of the Audit Committee and advanced corporate governance, main contents of exemplar regulation of operation for the Audit Committee (EY Hanyoung Accounting Firm Seminar)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-4 Date and contents of education and training	- Date and time: June 12, 2018 (3 hours, outside seminar) - Contents: Role and responsibility of the Audit Committee regarding the financial report following the full revision of the Act on External Audit (Samjong KPMG ACI Seminar)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-5 Date and contents of education and training	- Date and time: August 20, 2018 (2 hours, outside seminar) - Contents: Insurance accounting workshop by Korea Accounting Society									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-6 Date and contents of education and training	- Date and time: October 17, 2018 (2 hours, BOD workshop) - Contents: Prospect of economy and finance market in 2019 / prospect and main issues for each financial industry (Shinhan Holdings Future Strategy Research Institute, Shinhan Financial Group Research Center) Discussions related to the scheme of establishing the management plan and management scheme in 2019									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)

Name of director	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Y oon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae- ho	Jin Hyun-duk	Yoon Jaewon
Date of election	15.3.25	15.3.25	17.3.23	18.3.22	19.3.27	19.3.27	19.3.27	19.3.27	20.3.26	20.3.26
2018-7 Date and contents of education and training	- Date and time: October 31 2018 (1 hour, risk management internal training) - Contents: Change in major potential risk regulatory environment following the global variability									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-8 Date and contents of education and training	- Date and time: November 14, 2018 (2 hours, global BOD workshop) - Contents: Prospect of financial market and economy of Vietnam/ Global financial strategy and financial Hallyu brand strategy in Vietnam									
Attendance of independent director (reasons for absence)	Attended	Attended	Absence	Absence	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-9 Date and contents of education and training	- Date and time: December 11, 2018 (1 hour, internal education of Risk Management Committee) - Contents: Trend and prospect of real estate market									
Attendance of independent director (reasons for absence)	Attended	(Not subject)	(Not subject)	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-10 Date and contents of education and training	- Date and time: December 12, 2018 (1 hour, BOD seminar) - Contents: Recent trend of Domestic and Overseas Fund Laundering Prevention and Economic Sanctioning Regulation (Lecturer: Lawyer Jung Young-ki, Law Firm of Kim & Chang)									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2018-11 Date and contents of education and training	- Date and time: December 21, 2018 (1 hour, BOD seminar) - Contents: Understanding of politics and economy of North Korea and role of finance (Lecturer: professor Kim Young-soo, Dept. of Politics and Foreign Affairs, Seokang University)									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2019-1 Date and contents of education and training	- Date and time: April 8, 2019 (3 hours, new independent director orientation) - Contents: 2019 business plan and finance planning; information on main matters related to independent directors, equity notice and fair notice training									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)
2019-2 Date and contents of education and training	- Date and time: May 14, 2019 (3 hours, outside seminar) - Contents: First year to introduce new external audit law, task of the Audit Committee and plan for role performance (Samjong KPMG)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	(Before inauguration)	(Before inauguration)
2019-3 Date and contents of education and training	- Date and time: October. 10, 2019 (2 hours, BOD workshop) - Contents: Prospect of Korean economy in 2020 Perspective from the Outside Investor and Shinhan Financial Group (Morgan Stanley, Executive Director Seok Jun)									
Attendance of independent director (reasons for absence)	Attended	Attended	Absence	Attended	Absence	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)
2019-4 Date and contents of education and training	- Date and time: October. 11, 2019 (3 hours, BOD workshop) - Contents: Macro-environment and Q&A prospect for each business sector (Shinhan Future Strategy Research Institute, Shinhan Financial Group Research Center)									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Absence	Attended	Attended	(Before inauguration)	(Before inauguration)

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Name of director	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon
Date of election	15.3.25	15.3.25	17.3.23	18.3.22	19.3.27	19.3.27	19.3.27	19.3.27	20.3.26	20.3.26
2019-5 Date and contents of education and training	- Date and time: October 31, 2019 (1 hour, Audit Committee Member Recommendation Committee, internal education) - Contents: Evaluation of internal accounting management system and exemplary regulatory education (Accounting Firm of Jungin, Executive Director Wi Seol-hyang)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	(Not subject)	(Not subject)	Attended	(Before inauguration)	(Before inauguration)
2019-6 Date and contents of education and training	- Date and time: November. 14, 2019 (1 hour, internal education of Risk Management Committee) - Contents: Influence level and response roadmap for the group following the Bazel 3 Regulatory Reform									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	Attended	(Not subject)	Attended	Attended	(Not subject)	(Before inauguration)	(Before inauguration)
2019-7 Date and contents of education and training	- Date and time: December. 13, 2019 (1 hour, internal education of Risk Management Committee) - Contents: Understanding of credit risk									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	Attended	(Not subject)	Attended	Attended	(Not subject)	(Before inauguration)	(Before inauguration)
2020-1 Date and contents of education and training	- Date and time: January 21, 2020 (1 hour, compliance training) - Contents: Anti-money laundering education for independent directors									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)
2020-2 Date and contents of education and training	- Date and time: April 23, 2020 (3 hours, new independent director orientation) - Contents: 2020 business plan and finance planning, information on main matters related to independent directors, equity notice and fair notice training									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended
2020-3 Date and contents of education and training	- Date and time: May 20, 2020 (1 hour, audit team) - Contents: Internal accounting management system education for audit committee members									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	(Not subject)	(Not subject)	Attended	(Not subject)	Attended
2020-4 Date and contents of education and training	- Date and time: July 24, 2020 (3 hours, outside seminar) - Contents: 6th Samjong KPMG Audit Committee Institute (Samjong KPMG)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	(Not subject)	(Not subject)	Attended	(Not subject)	Attended
2020-5 Date and contents of education and training	- Date and time: September 2, 2020 (4 hours, Corporate Social Responsibility Committee workshop) - Contents: Trends in Climate Change (TCFD) (UNEP FI Korea Representative Lee Dong-woong) Global ESG trends and response strategies with stakeholders (MORROW SODAL)									
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	Attended	(Not subject)	(Not subject)	(Not subject)	Attended
2020-6 Date and contents of education and training	- Date and time: October 6, 2020 (3 hours, BOD workshop) - Contents: "Presentation on the economic outlook for 2021 (Director Kunhyuk Lee, Future Strategy Research Institute) "Measures to improve stock price flow and valuation (Credit Suisse)									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Name of director	Park Cheul	Yuki Hirakawa	Park Ansoon	Choi Kyong-rok	Lee Yoon-jae	Byeon Yang-ho	Huh Yong-hak	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon
Date of election	15.3.25	15.3.25	17.3.23	18.3.22	19.3.27	19.3.27	19.3.27	19.3.27	20.3.26	20.3.26
2020-7 Date and contents of education and training	- Date and time: November 12, 2020 (1 hours, ESG training) - Contents: Strategic utilization of sustainable management and ESG (Professor Jaehyuk Lee, Business School, Korea University)									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2020-8 Date and contents of education and training	- Date and time: November 12, 2020 (1 hours, internal education of the Risk Management Committee) - Contents: 'Market risk-weighted assets (RWA) calculation and Basel 3 market risk (FRTB)'									
Attendance of independent director (reasons for absence)	Attended	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	(Not subject)	(Not subject)	(Not subject)
2020-9 Date and contents of education and training	- Date and time: November 13, 2020 (1 hour, compliance training) - Contents: Anti-money laundering education (CEO Lee Chang-joo, Able Consulting)									
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2020-10 Date and contents of education and training	- Date and time: December 10, 2020 (1 hours, internal education of the Risk Management Committee) - Contents: ESG risk management (Risk Management Team, Deputy Chief Kim Soo-hyuk)									
Attendance of independent director (reasons for absence)	Attended	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	(Not subject)	(Not subject)	(Not subject)

5. Evaluation of independent directors

A. Overview of evaluation

The Company's independent directors have a 2-year initial term of office and 1-year terms of office thereafter. Recommendations for independent director candidates for re-election reflect the result of annual independent director evaluations (Article 24, Paragraph 4 of the Internal Code of Corporate Governance, Article 10, Paragraphs 3 and 7 of the Independent Director Recommendation Committee Regulation). Currently, the Board conducts internal evaluation based on the evaluation method resolved by the Board and contracts a third-party firm to handle evaluation to ensure fairness in the evaluation and anonymity of the evaluator. The 2nd temporary meeting of the Board of 2015 (February 24, 2015) revised various regulations related to corporate governance, thus laying the foundation for seeking a specialized outside institution's assessment of the criteria for internal evaluation of independent directors and introducing external evaluation of independent directors as specified in the Model Corporate Governance.

B. Internal evaluation

(1) Overview

(A) Evaluator:

The Board conducts evaluation of independent directors' activities of the previous year early in the following year.

(B) Criteria of evaluation:

At the 2nd temporary meeting of the Board (March 24, 2010), the Board resolved the "Evaluation method for the independent director system" thus establishing the internal evaluation system for independent directors for the first time.

The 4th temporary meeting of the Board (April 7, 2011) passed a resolution on the "matter of method of performance evaluation of independent directors," partially revising the evaluation method. The 2nd temporary meeting of the Board (February 24, 2015) passed the resolution, restructuring evaluation indexes into four items of expertise, fair judgment, integrity, and a strong work ethics—the positive qualifications for independent directors under the former Model Corporate Governance—and 12 sub-indexes thereof, thereby building a system serving the purpose of Model Corporate Governance. At the 11th temporary meeting (December 17, 2020), the Board passed a resolution on the 'matter of supplementing the evaluation criteria for independent directors' based on consulting by an external professional evaluation agency. The Board supplemented the evaluation indicators to practically evaluate the activities and efforts of independent directors by reflecting the expanded scope and level of independent directors' duties.

The "2020 independent director evaluation" was conducted in January of 2021. To take into account the evaluation results in the case of independent directors standing for re-election, the results of the independent director evaluations were reported at the 1st Independent Director Recommendation Committee meeting (February 5, 2021).

Here, the evaluation consists of self-evaluation (evaluation by the evaluatee), evaluation by the Board (evaluation by all independent directors other than the evaluatee), and evaluation by employees. The evaluation indexes consist of expertise, fair judgment, integrity, and a strong work ethics, and 12 sub-indexes thereof. In addition, comprehensive opinions on individual independent directors are prepared, thus integrating qualitative evaluation elements.

(C) Procedure of evaluation:

The evaluations of independent directors are conducted by survey through mail.

(D) Device for enhancing objectivity in evaluation:

To enhance objectivity and transparency of the evaluator, evaluation criteria, evaluation method, etc., the Board contracts a third-party firm to handle the entire process of independent director evaluation. The 2nd temporary meeting of the Board of 2015 (February 24, 2015) revised various regulations related to corporate governance, thus laying the foundation for seeking a specialized outside institution's assessment of the internal evaluation criteria for independent directors' performance.

(2) Result of internal evaluation

(1) Overview

The "2020 independent director evaluation" can be divided into self-evaluation (evaluation by the evaluatee), evaluation by the Board (evaluation by all independent directors other than the evaluatee), and evaluation by employees.

The evaluation results, as of end of 2020, revealed all 10 independent directors are passed the expected level of competence of independent directors. Among the candidates for independent directors standing for re-election as of the 19th general meeting of shareholders (March of 2021), 6 were shown to have outstanding capacity as independent directors and were recommended for re-election.

The averages, across the evaluation items (expertise, fair judgment, integrity, and strong work ethics), also showed a level of effectiveness greater than expected of independent directors.

As for common supplementation, there was an opinion that efforts to improve multilateral capabilities to cope with the rapidly changing business environment are needed, and that in-depth considerations of the detailed tasks of digital transformation in the financial industry and the profit analysis and risk management from a financial perspective are necessary. In addition, there was an opinion that interest in and understanding of the role of future finance that meets social expectations, i.e., sustainable management from the perspective of ESG, need to be raised, and that it is necessary to actively

express opinions and actively participate in discussions in various fields besides each member's field of expertise. In addition, notwithstanding the peculiarity that mutual clear communication is restricted since all meetings are conducted as video conferences due to COVID-19, there was a minority view that soft expression of opinions from a macroscopic and rational perspective is necessary by excluding preconceived notions on specific agendas.

(2) Evaluations of individual independent directors

- Park Cheul

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Based on his long-term central bank experience, Director Park Cheul has a wide range of experience and expertise in macro-economy and finance as a whole and broad understanding and rational judgment. He contributed to smooth proceedings of the Board by providing appropriate opinions and feedback based on sufficient advance review and understanding of the entire agenda. In particular, he promoted sound and transparent management by placing importance on the interests of all stakeholders by performing duties fairly from the perspective of shareholders and financial consumers, and based on his outstanding character, morality, and affinity, he faithfully performed the role of converging and coordinating between independent directors and management. In addition, he has a high degree of understanding of Shinhan culture by serving as an independent director of Shinhan Investment Corp., a subsidiary, and gave a lot of advice for the succession and development of the Company's founding spirit. In addition, he is considered to have performed exemplary duties of independent directors as chair of the Board, including participating in the entire schedule of the Board and subcommittees.

- Yuki Hirakawa

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

A professional manager with extensive experience and knowledge in the field of global management, Director Yuki Hirakawa has a wealth of business experience in various countries such as Japan and Singapore, and presented constructive opinions on the Company's internal and external investment strategies based on an excellent global sense. In addition, with a background as an independent director of Shinhan Bank in addition to the Company, he deeply understands the Group's vision, growth path, and corporate culture. He gave a lot of advice for the succession and development of the Company's founding spirit, and performed his duties fairly from a balanced perspective for the benefit of all stakeholders including shareholders. In addition, he faithfully performed his management supervision and advisory role due to a strong sense of responsibility as an independent director, and promoted the long-term development of the Group through sound management, such as checking the Company's operations from time to time.

- Park Ansoon

- ① Expertise: Demonstrate top-level strength as independent director

- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate a level of strength greater than expected of independent directors
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Park Ansoon presented reasonable opinions on major management issues based on the insights and problem-solving skills he gained while serving as a business manager for a long time, and offered various opinions for the sustainable growth of the Group based on a deep understanding of the history and culture of Shinhan Financial Group. He strives for harmony among members of the Board with his excellent communication skills and his character trusted by everyone, and clearly recognizes the importance of the independence of the Board, contributing to the overall operation of the Board and improvement of corporate governance. In addition, based on his long-term experience as an auditor of credit unions, he expressed his opinions fairly in everything so as not to focus on specific interest groups from an objective and independent point of view. In addition, he expressed a deep interest in ESG management and performed his duties emphasizing corporate social responsibility. In particular, faced with the difficulty of cross-border movement due to COVID-19, he attended most of the meetings through video conferences, etc., and furthermore, in the case of important decision-making by his subcommittee, he took the inconvenience of long-term self-isolation resulting from the immigration procedure and attended face-to-face meetings, thus being evaluated as faithfully performing the duties of independent director.

- Choi Kyong-rok

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

As a professional manager with expertise in the technology sector, Director Choi Kyong-rok contributed to the operation of the Board and supervision of the management environment by presenting realistic issue-raising and analytical alternatives in major management issues of the Company based on deep knowledge and rich experience in the overall management. He performed the duties of the Company's independent directors fairly, not bound by shareholders and members of the Board, and presented objective opinions for the benefit of all stakeholders. In particular, he played a responsible role as an independent director based on his field of specialty, including actively consulting on the Company's reinforcement of digital strategy and direction of ESG, and sharing the Group vision in a large framework. In addition, faced with the difficulty of cross-border movement due to COVID-19 this year, he faithfully served as independent director by actively utilizing digital devices and conference calls to participate in the Board and subcommittee meetings and various related training programs, and served as some kind of catalyst for active use of the non-face-to-face video conferencing system in various meetings within the Group including the Board meetings.

- Byeon Yang-ho

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Byeon Yang-ho has been working in government agencies and private financial institutions for a long time, and

based on his highly cultivated expertise and keen insight, he has contributed greatly to the establishment of the Board's constructive discussion environment by actively expressing reasonable and trustworthy opinions at Board meetings. In addition, he pursued the long-term development of the Group by examining the management's business policies and execution in detail with information gathering and detailed analysis using his wide network of public and private sectors, and faithfully performed a management advisory role. He performed his duties fairly, showing an independence that prioritizes the interests of all stakeholders, including shareholders and financial consumers. In particular, he actively expressed opinions at the Board meetings on the direction and vision of the Company in relation to digital transformation and consumer protection, the Company's main agenda this year. He attended the entire schedule of the Board and subcommittees, and was evaluated as having faithfully performed his duties as an independent director, activating discussions at Board meetings by actively expressing his opinions.

- Sung Jae-ho

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Sung Jae-ho is a professor of international law, possessing high expertise and knowledge in law, and performed duties fairly with an objective perspective and a sense of balance in everything based on "compliance management", thus greatly contributing to maintaining a sound and rational governance system and building a transparent management environment. He promoted smooth proceedings of the Board based on his sociable and gentle personality. In particular, he not only provided effective legal advice for the Company's overall management strategy, but also sharply reviewing the issues and presenting logical views as a legal expert in concluding major contracts and making and revising regulations, thus contributing to efficient operation of the Board. In addition, he has a background as an independent director of Shinhan Card (our main subsidiary), so he has a high understanding of the Group's vision, growth path, and corporate culture, and presented various opinions for the succession and development of the Company's founding spirit. He was evaluated to have worked faithfully as an independent director by devoting sufficient time and effort to advance review of key issues of the Board and subcommittee meetings and participating in the entire schedule of the Board and subcommittees.

- Lee Yoon-jae

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Lee Yoon-jae has a wide range of knowledge that encompasses public and private sectors based on his long-term public service at government agencies related to finance and experience as independent directors at various companies. He has an excellent understanding of the industry as a whole, contributing to the business and development of the Group by presenting balanced opinions so that the management's decision-making does not lean toward a specific point of view. He provided a comprehensive review and constructive opinion on the Group's governance based on a high level of ethical awareness and a variety of expertise in finance and economy. In addition, as a member of the Audit Committee, he made sufficient and meticulous preparations for all agendas and led the Board to make rational decisions. In addition, as chair of the Corporate Social Responsibility Committee, he presented a clear philosophy and vision for the social role of finance, and actively encouraged the promotion of leading specific ESG projects by revitalizing the committee's activities. He was very

active in attendance at the Board and subcommittee meetings and training, and delivered brief and meaningful knowledge at the time of presentation at the Board meetings by diligently preparing in advance, thus being evaluated as faithfully working as an independent director.

- Huh Yong-hak

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

As top expert in the global IB field, Director Huh Yong-hak greatly contributed to establishing the Group's rational M&A strategy and efficient management environment by actively presenting opinions on the Group's business risk management and faithfully serving as an advisor on global investment and capital market expansion policies. In particular, using his experience as an executive at a leading global financial company and his networking, he contributed to the successful completion of the Company's important acquisitions. In addition, he maintains a balanced view for the interests of various stakeholders including shareholders, based on the fair judgment he gained while serving as the CEO of a private management strategy consulting company. In addition, he made full use of his wealth of information and knowledge on financial industry trends to suggest the direction of the Group's digital, alternative investment business, and capital market revitalization strategies, and communicate with subsidiaries' management regularly and actively express opinions on the direction of the Group's personnel matters, thus actively playing a management advisory role as independent director. In particular, despite many restrictions on cross-border movement due to COVID-19 this year, he took the inconvenience of long-term self-isolation resulting from the immigration procedure in order to attend face-to-face meetings, and participated in all of the Board and subcommittee schedules based on his firm conviction and enthusiasm, thus being evaluated as faithfully performing the duties of independent director.

- Yoon Jaewon

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

An expert in the field of accounting and tax, Director Yoon Jaewon contributed to the advancement of the Group's internal control system and accounting system. As the only female independent director on the Board, she proactively responded to various accounting issues by actively communicating with the Company's management and the external auditor with her unique gentle leadership and full sense of responsibility. In particular, as chair of the Audit Committee, she pursued sound and transparent management by actively communicating with academic and industry stakeholders and performing duties fairly based on clear recognition of the independence of the Board and its function of checking the management. In addition, she quickly grasped the latest global trends related to the Company's sustainable management, presented leading directions and tasks, and also suggested challenging goals and detailed action plans to support sincere ESG promotion. Director Yoon Jaewon participated in the schedule of the entire Board and subcommittees held this year and attended various educational training programs, thus being evaluated as faithfully fulfilling her responsibilities as an independent director.

- Jin Hyun-duk

- ① Expertise: Demonstrate a level of strength greater than expected of independent directors
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate a level of strength greater than expected of independent directors
- ④ Strong work ethics: Demonstrate a level of strength greater than expected of independent directors
- ⑤ Overall

Based on the insights and problem-solving skills gained from running a business for a long time as a professional manager, and the management theory he established as a business administration professor, Director Jin Hyun-duk shared, with the Board, management strategies and the latest best practices of global companies in relation to the Group's major agendas. In particular, he contributed to the strategic decision-making of the Board, emphasizing the role of future-oriented finance that breaks the framework of existing financial industry, and suggesting that the Group's mid- to long-term strategy requires bold support for new fields. In addition, he had a sense of calling about social responsibility of individuals and companies, such as concurrently conducting educational foundation activities as well as teaching at universities as visiting professor, and performed his duties objectively and fairly for the benefit of various stakeholders, regardless of specific interest groups. In 2020, despite many difficulties in attending meetings due to restrictions on cross-border movement resulting from COVID-19, he attended most of the Board and subcommittee meetings through video and audio conferences, and generously shared various knowledge and experiences acquired as an educator and researcher as well as an executive, thus being evaluated as contributing to strengthening the diversity of the Board.

C. External evaluation

Currently, the Company does not conduct external evaluation of independent directors.

At the 2nd temporary meeting of the Board of 2015 (February 24 of 2015), a provision for external evaluation was included in the Company's internal regulations, and the agenda "Determination of the method of independent director evaluation" was submitted there. At the meeting, the Board resolved to review whether to introduce "Outside advising or consulting on the criteria for internal evaluation of independent directors" and "External evaluation of independent directors" if they deem it necessary in the future.

6. Status of Subscription in Officer Compensation Liability Insurance

The Company has subscribed to employee liability compensation insurance on the independent directors of the Company and following 15 subsidiary companies.

(Shinhan Financial Group, Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Shinhan Capital, Shinhan BNP Paribas Asset Management, Jeju Bank, Shinhan Savings Bank, Asia Trust, Shinhan DS, Shinhan AITAS, Shinhan Credit Information, Shinhan Alternative Investment Management, Shinhan REITs, Shinhan AI)

The terms and conditions of the insurance contract are shown as follows.

A. Loss for main compensation

(1) Directors and Officers Liability: Reimbursement of damage compensation and litigation costs paid by the applicable executive officer when a shareholder or a third party (employee, consumer, competing company or others) against certain executive officer due to a wrongful act of an executive officer. The wrongful act includes the cases of breach of duty as an executive officer, neglect, negligence, omission, false statement, act to cause inappropriate decision, or causing any claim for compensation based on wrongful act (the scope of security is subject to differ depending on the general terms and conditions or conditions of contract).

(2) **Company reimbursement to executive officer:** With respect to the above claim for compensation, the loss to the Company arising from the Company compensating the damage responsibility is reimbursed in accordance with the provisions of laws or Articles of Incorporation.

B. Loss without main compensation

- (1) Any claim for damage compensation arising from an intentionally fraudulent act, neglect of obligation, or intentional violation of law of executive
- (2) Claim for damage compensation brought by majority shareholder or controlling shareholder
- (3) Claim for damage compensation against profit gained from share purchase by using inside information
- (4) Claim for damage compensation for an intentional act involving illegal activity
- (5) Claim for damage compensation from any act irrelevant to the work performance of an executive officer
- (6) Claim for damage compensation against an executive officer who acquired private profit or benefit by illegal activity
- (7) Claim for damage compensation for property damage or physical interference of other people
- (8) Penalty and punitive damage
- (9) Claim for damage compensation from the specialized work performance

C. Insurance period: April 2020 ~ March 2021

D. Compensation limit: Total compensation limit for Group: KRW 50 Billion (Per claim/ for each subsidiary company)

E. Area of security: Entire world including North America

However, reflecting the intention to ensure responsible decision-making by independent directors of the Company and its subsidiaries, the independent directors' officer liability insurance stipulates that the independent director's deductible is 20% up to a maximum of 100 million won. (In our case, as stated in Article 29 (6) of the Internal Code of Corporate Governance)

The above-referenced contents are maintained with the executive officer liability insurance by inserting special covenants to the executive officer liability insurance.

[Specific Covenants]

Newly established specific covenants following the Internal Code of Corporate Governance: For the independent directors of the insured companies, the independent payment amount shall be 20% of the compensation liability amount within the scope of up to KRW 100 million.

7. Contents of activities for senior independent director and support department

A. Contents of senior independent director activities

The Company elects the chairman of the board from the independent directors. Therefore, the chairman of the board (current chairman: Park Cheul) represents the independent directors in that it does not elect any new independent directors separately.

B. Contents of independent director and support department activities

The Company is in charge of independent director-related works and it operates the Board of Directors Secretariat that supports the works required for performing the role and responsibility of the independent directors.

Under the jurisdiction of the Head of Board of Directors Secretariat, two responsible staff members carry out the following works in accordance with the roles specified under Article 32, Paragraphs 2 and 3 of the Internal Code of Corporate Governance.

- (1) Support of practical affairs for convening and proceeding BOD meetings, etc.
- (2) Record maintenance of meetings' materials and minutes, etc.
- (3) Support for establishment of annual operation plan of BOD, etc.
- (4) Support on report, provision and forwarding of management information, etc. of the Company and subsidiary companies regarding independent directors
- (5) Support on matters as required for the work of independent director
- (6) Development/introduction and practical affair support of director training program
- (7) Implementing training on duty performance of new senior director
- (8) Support on compliance with various laws and regulations of BOD and directors
- (9) Support on Article 30 BOD (including a Committee in BOD) of the Internal Code of Corporate Governance and of evaluation work on Article 8
- (10) Disposition of instruction for other BOD and others

8. Contents of contract between the Company and an institution where independent director belongs

The Company and subsidiary companies have no contents of entering into any separate contract except the regular transactions following the general terms and conditions for ordinary financial transactions and institutions for independent directors

9. Contents of support for contribution, etc.

Name of independent director	Non-profit organizations receiving donation		Financial company to donate	Contents of donation	
	Name of corporation, etc.	Relationship with independent director		Period	Amount
Park Ansoon	Korean Residents Union in Japan	Executive (Chairman)	SBJ Bank	Dec 2018	JPY 1 million
				Dec 2019	JPY 1 million
Yoon Jaewon	Hongik University (an educational foundation)	School where the director teaches (as a professor of business administration)	Shinhan Bank	Jan 2019	KRW 1.4 billion
				Jan 2020	KRW 1.4 billion

The Company has regularly paid donations or made contributions under the main bank agreement to non-profit corporations to which independent directors belong. It was confirmed that there was no change in the amount of donation and payment timing before and after the relevant independent directors' appointment as officers of the non-profit corporation and before and after their appointment as independent directors of the Company, and that the details of donations over the past two years reported to the Board showed no conflict of interest.

10. Contents of electing independent directors in the past 5 years

Name	Date of initial election	End of term	Period in office	Committee in charge	Title	Career
Park Cheul	March 25, 2015	General Meeting of Shareholders (March 2021)	69 months	· Independent Director Recommendation Committee · Corporate Governance and CEO Recommendation Committee · Risk Management Committee · Board Steering Committee	Chair of the Board	· Senior Deputy Governor, Bank of Korea (2000 - 2003) · CEO, Leading Investment (2007- 2013)
Yuki Hirakawa	March 25, 2015	General Meeting of Shareholders (March 2021)	69 months	· Independent Director Recommendation Committee · Board Steering Committee	-	· CEO, Hirakawa Industry Development Co., Ltd. (1994-2012) · CEO, Level River Co., Ltd. (2014 - current)
Park Ansoon	March 23, 2017	General Meeting of Shareholders (March 2021)	45 months	· Board Steering Committee	-	· Chairman, Taisei Trade Co., Ltd. (2010 - current) · Chairman, the Korean Residents Union in Japan (2018 - current)
Choi Kyong-rok	March 22, 2018	General Meeting of Shareholders (March 2021)	33 months	· Corporate Governance and CEO Recommendation Committee · Corporate Social Responsibility Committee	-	· Research Associate, Information Technology Center at Keio University (1997 - 2001) · CEO, CYS Corporation (2004 - current)
Byeon Yang-ho	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	· Corporate Governance and CEO Recommendation Committee · Risk Management Committee · Corporate Social Responsibility Committee	Chair of the Risk Management Committee	· Commissioner of Korea Financial Intelligence Unit (2004-2005) · Advisor of VIG Partners (2016 - current)
Sung Jae-ho	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	· Independent Director Recommendation Committee · Corporate Governance and CEO Recommendation Committee · Audit Committee · Remuneration Committee	Chair of the Independent Director Recommendation Committee	· President of Korea Branch of World International Association (2016 - current) · Professor of Graduate School of Law at Sunggyungwan University (2009 - current)
Lee Yoon-jae	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	· Corporate Governance and CEO Recommendation Committee · Audit Committee · Corporate Social Responsibility Committee	Chair of the Corporate Governance and CEO Recommendation Committee Chair of the Corporate Social Responsibility Committee	· Head of Economic Policy Bureau, Ministry of Finance and Economy (1996 - 1998) · Secretary to the President on Finance and Economy (1998 - 1999) · CEO, KorEI (2001 - 2010)
Huh Yong-hak	March 27, 2019	General Meeting of Shareholders (March 2021)	21 months	· Corporate Governance and CEO Recommendation Committee · Risk Management Committee · Remuneration Committee	Chair of the Remuneration Committee	· CIO of Private Markets and Direct Investmen, HKMA (2008 - 2014) · CEO, First Bridge Strategy Ltd. (2015 - present)
Yoon Jaewon	March 26, 2020	General Meeting of Shareholders (March 2022)	9 months	· Independent Director Recommendation Committee · Audit Committee · Remuneration Committee · Corporate Social Responsibility Committee	Chair of the Audit Committee	· Professor of Business Administration, Hongik University (2004 - current) · Vice president, Korean Academic Society of Taxation (2017 - current) · US Certified Public Accountant
Jin Hyun-duk	March 26, 2020	General Meeting of Shareholders (March 2022)	9 months	· Independent Director Recommendation Committee · Corporate Governance and CEO Recommendation Committee	-	· CEO of Phoedra Inc. (1986-current) · Visiting Professor, Department of Engineering, Utsunomiya University Graduate School (2014-current) · Visiting Professor, Faculty of Business Administration, Sakushin Gakuin University (2014-current)

Name	Date of initial election	End of term	Period in office	Committee in charge	Title	Career
Lee Sang-kyung (Retirement)	March 29, 2012	March 22, 2018	72 months	-	-	<ul style="list-style-type: none"> · Chief Judge, Constitutional Court of Korea (2004 - 2005) · Attorney, DW Partners, Attorneys at Law (2009 - 2010) · Representative Attorney, Law Firm WONJON (2010 - 2014) · Attorney, Lee Sang-kyung Law Office (2014 - current)
Ko Boo-in (Retirement)	March 28, 2013	March 23, 2017	48 months	-	-	<ul style="list-style-type: none"> · Vice President of Korean Chamber of Commerce in Tokyo (1998) · CEO of Sinsaeha Co., Ltd. (2005~current)
Lee Manwoo (Retirement)	March 26, 2014	March 26, 2020	72 months	-	-	<ul style="list-style-type: none"> · Professor of Business Administration, Korea University (1988 - current) · Certified Public Accountant in Korea and the U.S. · Visiting commentator for KBS
Philippe Avril (Retirement)	March 25, 2015	March 26, 2020	60 months	-	-	<ul style="list-style-type: none"> · CEO of BNP Paribas Securities (Japan) Ltd. (2011 - 2019) · Director of BNP Paribas Securities (Japan) Ltd. (2019 - current)
Lee Jung-il (Retirement)	March 24, 2016	March 22, 2018	24 months	-	-	<ul style="list-style-type: none"> · Vice President, Korean Chamber of Commerce and Industry in Japan (1995) · CEO, Hirakawa Shoji Co., Ltd (1985 - current)
Lee Heun-ya (Retirement)	March 24, 2016	March 22, 2018	24 months	-	-	<ul style="list-style-type: none"> · Executive Director, Korean Chamber of Commerce and Industry in Japan (2014) · Former CEO, Marushin Co., Ltd.
Lee Steven Sung-ryang (Retirement)	March 24, 2016	March 27, 2019	36 months	-	-	<ul style="list-style-type: none"> · Director, Dongguk University Institute of Social Sciences (2015 - 2018) · Professor of Economics, Dongguk University (2007 - current)
Joo Jaeseong (Retirement)	March 23, 2017	December 26, 2018	19 months	-	-	<ul style="list-style-type: none"> · Senior Advisor, law firm of Kim and Chang (2016 - 2018) · CEO, Woori Finance Research Institute Co., Ltd. (2013 - 2015)
Park Byoung dae (Retirement)	March 22, 2018	March 26, 2019	12 months	-	-	<ul style="list-style-type: none"> · Justice, the Supreme Court (2011 - 2017) · Minister, the National Court Administration (2014 - 2016) · Chair Professor, Sungkyunkwan University Law school (2017 - 2018)
Kim Hwa-nam (Retirement)	March 22, 2018	March 26, 2020	24 months	-	-	<ul style="list-style-type: none"> · Chairman of Board of Directors, Jeju Girl's School Foundation (1995 - current) · CEO, Gimhae Corporation Co., Ltd. (1996 - current)

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VII. Succession of CEO

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VII. Succession of CEO

1. Internal regulations on succession of CEO

The Company's Board has enacted the Corporate Governance and CEO Recommendation Committee Regulation on August 25, 2011 to secure stability in CEO succession. The person selected as CEO must have integrity, the ability to realize "Shinhan Value," professional expertise, and the competence to run an organization. The CEO also shares the Company's vision and can endeavor for public interest and sound management. To reflect the part of the Model Corporate Governance, which covers the CEO succession plan and became effective on December 24, 2014, and to minimize risks involved in the succession of CEO, the Board revised the Corporate Governance and CEO Recommendation Committee Regulation on February 24, 2015. The main provisions of the Corporate Governance and CEO Recommendation Committee Regulation deal with the qualifications of CEO, reasons and timing of commencement and end of the CEO succession process, procedure of candidate recommendation and CEO succession, selection method, qualification-checking, managing the pool of CEO candidates, and contingency CEO succession plan.

2. Recommendation of the candidate for CEO and CEO succession process

A. Overview

In 2011, The Company developed its CEO succession program and established the Corporate Governance and CEO Recommendation Committee as a subcommittee of the Board. In this way, it will continuously manage its corporate governance and CEO succession plan for transparent and fair corporate governance. The Corporate Governance and CEO Recommendation Committee formulates the Company's CEO succession plan and reports the reasonableness of the CEO succession plan to the Board at least once a year.

When the term for the current CEO nears its end, the Corporate Governance and CEO Recommendation Committee commences the succession process by recommending the candidate for CEO to the Board after comprehensive review of the candidate pool. The committee completes the candidate recommendation at least 2 months before expiration of the term. The Board finalizes the candidate for CEO by deliberating and resolving the suitability of the recommended candidate. The candidate for CEO prepares for the succession for about 2 months until he/she is elected by a general meeting of shareholders as director. This process ensures continuity and stability in management of the Company.

To prevent the CEO's term in office from continuing too long, the Corporate Governance and CEO Recommendation Committee Regulation limits the age of the CEO at the time of his/her appointment.

(1) Qualifications of CEO

The CEO shall meet the qualifications for executives under Article 5 of the Act on Corporate Governance of Financial Companies and Article 7 of the Enforcement Decree thereof.

The Corporate Governance Act and the Enforcement Decree prevent "a minor, a person under adult guardianship, or a person under limited guardianship," "a person declared bankrupt but not yet reinstated," "a person in whose case 5 years have not yet passed since imprisonment without labor or heavier punishment to which he/she was sentenced was completely executed or was remitted," "a person who was sentenced to the suspension of imprisonment without labor or heavier punishment, and is still in the period of suspension," "a person in whose case 5 years have not yet passed since a fine or heavier punishment to which he/she was sentenced under this Act or any other finance-related statutes was completely executed or was remitted," "a person who serves or served as an executive or employee of a corporation or a financial company in which case 5 years have not yet passed since a revocation of permission or authorization for, or registration, etc. of business under a finance-related statute was taken against the former or a measure of timely correction or an administrative disposition under the Act on the Structural Improvement of the Financial Industry was taken against the latter," "a person in whose case the period specified by the Presidential Decree not exceeding 5 years for each category of sanctions has not yet passed since a sanction was taken against him/her under the Corporate Governance Act or any finance-related statute for his/her conduct as an

executive or an employee," and "a person specified by the Presidential Decree as likely to undermine public interest and sound management of the relevant financial company or undermine the credit order from becoming an executive." If such a person falls under the foregoing after becoming an executive, he/she is removed from the position.

Article 7 of the Corporate Governance and CEO Recommendation Committee Regulation requires that the CEO shall be less than 67 years old at the time of initial election and that a CEO who is 67 years of age or older and re-elected as CEO may not serve past the age of 70. Article 9 of the same requires that one who possesses has integrity, the ability to realize "Shinhan Value," professional expertise, and the competence to run an organization, shares the Company's vision, and can endeavor for public interest and sound management shall be recommended as candidate for CEO in a fair and transparent process.

(2) Selecting a pool of CEO candidates and how to manage the pool including qualification check.

Under Article 8 of the Corporate Governance and CEO Recommendation Committee Regulation, the Corporate Governance and CEO Recommendation Committee selects a pool of CEO candidates in consideration of their qualifications, statutory requirement, age requirement as candidate for CEO at the time of succession, etc., and reports to the Board at least once a year concerning the selection of the candidate pool and verification of their qualifications. For greater sustainable management, the Company has designated the CEOs of its major subsidiaries and trains them as candidates for the Group's future CEO. The Company may utilize outside recommendations by shareholders, stakeholders, third party advisors, etc. in the search for CEO candidates if necessary.

(3) Reasons and timing for commencement of CEO succession process

Under Article 9 of the Corporate Governance and CEO Recommendation Committee Regulation, the Corporate Governance and CEO Recommendation Committee commences the succession process and then completes candidate recommendation at least 2 months before the new CEO's term of office begins for stability in CEO succession.

(4) Procedure of final candidate recommendation

The Corporate Governance and CEO Recommendation Committee selects a pool of CEO candidates in consideration of their qualifications, statutory requirement, age requirement as candidate for CEO at the time of succession, etc., and deliberates on the pool based on considerations on the strategic role required of the Group's CEO at the time of succession. Under Article 9 of the Corporate Governance and CEO Recommendation Committee Regulation, the Corporate Governance and CEO Recommendation Committee recommends a CEO candidate who possesses ethics, the ability to realize "Shinhan Value," professional expertise, and the competence to run an organization, shares the Company's vision, and can endeavor for public interest and sound management in a fair and transparent process.

(5) CEO succession process

When the Corporate Governance and CEO Recommendation Committee recommends the candidate for CEO by its resolution under Article 6 of the Corporate Governance and CEO Recommendation Committee Regulation, the Board finalizes the candidate for CEO by deliberating and resolving the suitability of the recommended candidate. When the finalized candidate is elected at the general meeting of shareholders as a director who is also the candidate for CEO and is appointed as CEO by the Board's subsequent resolution, the CEO succession process is completed.

(6) Training program for the candidates

To reinforce sustainable management, the Company has selected the CEO candidates and trains them as its future CEO. It conducts various development programs for the candidates, covering items such as insights into the financial industry, decision-making from the Group's perspective, strategy implementation/drive, leadership and talent training, and internal and external influence/CEO brand, upon approval by the Corporate Governance and CEO Recommendation Committee. The Corporate Governance and CEO Recommendation Committee periodically deliberates and evaluates the candidates' management performance and the result of the

development programs, and then recommends the candidate for CEO based on the result of the evaluation.

B. Contingency succession plan

When the CEO cannot execute his/her duties any longer due to unexpected accidents, sudden health reasons, etc., Article 9 of the Corporate Governance and CEO Recommendation Committee Regulation requires that a candidate for CEO shall be recommended through the expedited succession process, which accelerates the procedures for the succession plan.

In that case, If the appointment is delayed due to force majeure, material disqualification, accident on the part of the expected successor, or other unavoidable circumstances, the Company shall disclose such circumstances, the interim CEO, and the Company's operation plan until the appointment, schedule for CEO appointment, etc., under Article 9 of the Corporate Governance and CEO Recommendation Committee Regulation.

When the recommended CEO candidate is a director of the Company, the CEO succession process is completed after the Board appoints the candidate as CEO. If the candidate is not a director of the Company, the CEO succession process is completed after the general meeting of shareholders is convened as speedily as possible under the Commercial Act. The candidate is elected as director there, and the Board appoints him/her as CEO.

3. Description of candidate recommendation for and succession to CEO:

Not applicable

A. Description of candidate recommendation for and succession to CEO

B. Key deliberations and resolutions related to CEO succession

4. Whether meet the qualifications for CEO: Not applicable

A. Negative requirement

B. Qualifications prescribed by financial companies

5. Management of the pool of CEO candidates – Current status

A. Guidelines on the pool of CEO candidates

Article 8 of the Corporate Governance and CEO Recommendation Committee Regulation requires that the Corporate Governance and CEO Recommendation Committee shall select a pool of CEO candidates in consideration of their qualifications, statutory requirement, age requirement as candidate for CEO at the time of succession, etc., and report to the Board at least once a year concerning the selection of the candidate pool and verification of their qualifications. Under the same provision, the Corporate Governance and CEO Recommendation Committee oversees the overall CEO succession process including selection and composition of the candidate pool, evaluation and qualification-check of the candidate pool, and final candidate recommendation.

B. Activities of managing the candidate pool

In order to establish a sustainable management system through stable CEO succession, the Company selects CEOs of its major subsidiaries as candidates (long list) for the Group's CEO succession and cultivates them as candidates for future Group CEO. The Corporate Governance and CEO Recommendation Committee has selected 7 CEOs of the major subsidiaries as candidates (long list) on May 21, 2020, and continues to train such candidates.

The Corporate Governance and CEO Recommendation Committee is in charge of managing the pool of CEO candidates, and the Committee periodically deliberates and evaluates management performance and development activities for each candidate. Also, under the Corporate Governance and CEO Recommendation Committee regulation (Article 9), the Company has in place a process by which it can secure a broad range of Group CEO candidates through recommendations by shareholders, stakeholders, or third parties (e.g., third party advisors) if necessary, and the Company's Shinhan Leadership Center is in charge of practical support related to management of the long list of candidates.

C. Current status of the candidate pool

Classification	Number of candidates	Recommendation channel
Internal	7	At the Corporate Governance and CEO Recommendation Committee meeting (May 21, 2020), potential candidates were selected in accordance with the CEO succession plan.

6. Reviewing reasonableness of CEO succession plan

Under Article 8 of the Corporate Governance and CEO Recommendation Committee Regulation, the Corporate Governance and CEO Recommendation Committee establishes the CEO succession plan by deliberating on the reasonableness of the CEO's proposal for such a plan, and reports on the reasonableness of the CEO succession plan to the Board at least once a year.

7. Operation of support department for CEO succession – Current status

In the Company, Shinhan Leadership Center is in charge of supporting CEO succession.

Shinhan Leadership Center consists of the team head and 10 team members, and is in charge of training and managing management leaders (e.g., running the Group's management succession plan), compensating and evaluating executives' performance, establishing and executing the direction of the Group's HR policies, establishing and disseminating the direction of the Group's corporate culture, etc. Also, under Article 38 of Internal Code of Corporate Governance, it is in charge of managing, evaluating, and verifying the long list of CEO candidates, supporting evaluation of CEO candidates, supporting CEO succession) etc. In addition, it conducts practical measures related to Corporate Governance and CEO Recommendation Committee's annual reporting to the Board under Article 8 of Corporate Governance and CEO Recommendation Committee Regulation regarding adequacy of the management succession plan and verification of the CEO candidates' qualifications.

<Operation of support department for CEO succession – Current status>

- Name of department: Shinhan Leadership Center
- Number of employees: 10
- Operation (activities)

Date	Operation (activities)	Remarks
Mar 26, 2020	Practical support for election of the Chair of the Corporate Governance and CEO Recommendation Committee	1st Corporate Governance and CEO Recommendation Committee meeting
May 21, 2020	Practical support for deliberating (draft) evaluation of the Group's CEO succession candidates for 2019 Practical support for selecting the Group's CEO succession candidates for 2020 Practical support for reviewing (draft) development plan for the Group's CEO succession candidates for 2020	2nd Corporate Governance and CEO Recommendation Committee meeting
Jun 26, 2020	Practical support related to improving operation of the subcommittees	3rd Corporate Governance and CEO Recommendation Committee meeting
Aug 13, 2020	Practical support for checking and reporting reasonableness of the Group's CEO succession plan Deliberation on improving operation of the Corporate Governance and CEO Recommendation Committee	4th Corporate Governance and CEO Recommendation Committee meeting

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VIII. Audit Committee

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VIII. Audit Committee

1. Roles

A. Overview

The Audit Committee deliberates and resolves accounting and operational audits and such matters as delegated by the Board. It supervises the directors' and executives' execution of duties so that they can make reasonable business judgments.

Under the Articles of Incorporation and the Audit Committee Regulation, the Audit Committee consists of between 3 and 5 directors, with independent directors accounting for at least two-thirds of the members. When conducting an audit, they shall maintain objectivity independent from the Board and executive bodies including the management.

When its chairman deems it necessary, the Audit Committee may request the management and the relevant personnel to appear before the committee and give statements or to provide necessary materials. Audit Committee may also request a third party to appear before the committee and give opinions. It can also receive assistance from experts at the Company's expenses.

B. Specific roles

In the Company, Article 12, Paragraph 5 of the Internal Code of Corporate Governance and Article 10 of the Audit Committee Regulation set forth the specific roles of the Audit Committee.

(A) Supervise directors' and executives' execution of duties

① Supervision of agenda of BOD, etc.

The Audit Committee present the audit team to implement an advance audit pursuant to the audit work regulations regarding the agenda of the meeting of shareholders and BOD and report to the Audit Committee on important matters.

Accordingly, with respect to the agenda of BOD the audit team executed an advance audit, and as a result of the advance audit, it reported to the Audit Committee that no noteworthy matters were detected.

② Supervision of work execution of top management

The Audit Committee may request top management for work report, data submittal and the like on the work execution (Article 412 of the Commercial Act, Article 4 and Article 19 of the Audit Committee Regulation), and regarding the work execution under laws and regulations and Articles of Incorporation, it may demand suspension of processing (Article 402 of the Commercial Act and Article 10 of the Audit Committee Regulation)

With respect to the major affairs of top management, such as, entering into contracts for certain amount or more and modification of contract contents, exclusive use of budget, waiver of credit, establishment and repeal of internal regulation, etc., the Audit Committee may cause the audit team to implement an advance audit in accordance with the audit regulation and report important matters to the Audit Committee.

The Audit Team, an auxiliary unit of the Audit Committee, implemented ten reviews of the appropriateness of the implementation and execution of the Company's disclosure policy and four comprehensive and partial subsidiary reviews during 2020, and reported the outcome to the Audit Committee.

(B) Approve and supervise appointment of external auditors

At the 2nd meeting of 2017 (February 8), the Audit Committee approved Samjong Accounting Firm as the external auditor for 3 consecutive fiscal years from fiscal year 2017 to fiscal year 2019. The external audit contract ended on April 30, 2020.

In the meantime, in the periodically designated system of the external auditors following the Act on External Audit of Listed Companies, etc. as implemented from November 1, 2018, Samil Pricewaterhouse Coopers was designated as the external auditors of the Company from the 2020 fiscal year to the 2022 fiscal year.

When the election of the external auditors for the Company was approved, the Audit Committee comprehensively evaluates the work performance on audit and non-audit on financial institution and others, understanding of the Group, audit plan, audit quality control plan, contents of supervision and litigation related to accounting audit, and audit participating personnel and expertise.

During 2020, the status for the audit work, US listing related audit work, and non-audit work contract between the Company and Samil Accounting Firm was shown as follows.

① Audit affairs

Contents	Annual remuneration (except VAT)
Review and audit of quarterly, semi-annual and annual financial statements	KRW 976 million
Audit of international accounting standards of consolidation for Shinhan Savings Bank	KRW 120 million
Total	KRW 1,096 million

② Listing related audit work in the US (SEC 20-F Filing)

Contents	Annual remuneration (except VAT)
Audit international accounting standards related to listing in the US and audit for internal control on financial reporting	KRW 2,061 million

③ Works of non-audit

Contents	Annual remuneration (except VAT)
Issuance work of comfort letter	KRW 85 million

The Audit Committee evaluates the results of the external auditor's audit activities every year (Article 10 of the Audit Committee Regulations), and at the 7th Audit Committee meeting, held on May 20, 2020, reviewed the activities of the external auditor for 2019 to examine whether audit fees, audit hours, and personnel required for the audit met the requirements, in accordance with Article 10, Paragraph 6 of the Act on External Audit of Stock Companies.

The Audit Committee is required to have the advance approval of the audit and non-audit contracts with Samil Accounting Firm and its affiliated accounting firm, PWC, to ensure independence as an external auditor. (Article 202 of the US Sarbanes Oxley Act and Article 10 of the Audit Committee Regulation)

The Audit Committee approves of limited cases of works considered as having no particular problem to the independence of external auditors, such as some non-audit works that is required for external auditors to carry out in accordance with tax adjustment work and pertinent laws and regulations and others regarding the non-audit works between the Group companies and external auditors including the Company in principle. When making the approval, it comprehensively reviews if the contract subject work complies with Article 201 of the US Sarbanes Oxley Act, Article 21 (Restriction of Duty) of the Certified Public Accountant Act, Article 14 (Restriction of Duty) of the Enforcement Decree of the same Act, possibility to damage independence, appropriateness of need for contract and amount of contract and others.

The Audit Committee approved the audit and non-audit works between the subsidiary Group companies and the external auditors as it considers that there is no particular issue on the independence management of the external auditors with respect to the approval of audit contract for the Company and subsidiary companies during 2020 and contract to draft the confirming letter of the Company and its subsidiary companies, Shinhan Bank.

In order to check the Group's important accounting standards, the results of the audit/review of the financial statements of the Group every quarter (half year), misconduct regarding the performance of the management's duties, or material facts that violate laws or the Articles of Incorporation, the Audit Committee receives direct reports from, and exchanges opinions with, the external auditor on important matters (Article 10 of the Audit Committee Regulations).

Samjong Accounting Firm, external auditor for fiscal year 2019, reported the accounting audit results for the financial statements for fiscal year 2019 at the 3rd Audit Committee meeting of 2020 (March 4), and reported the results of SEC 20-F filing for fiscal year 2019 at the 6th meeting of 2020 (May 8).

Samil Accounting Firm, external auditor for fiscal year 2020, reported the external audit plan for fiscal year 2020 and the review results of the financial statements for the 1st quarter of 2020 at the 7th Audit Committee meeting of 2020 (May 20).

In addition, Samil Accounting Firm reported the review results for the financial statements for the first half of 2020 at the 9th Audit Committee meeting of 2020 (August 12), reported the review results for the financial statements for the 3rd Quarter 2020 at the 10th meeting of 2020 (November 12), and reported the results of the interim evaluation of the 2020 internal accounting management system at the 13th meeting of 2020 (December 29).

(C) Matters on standing audit committee members: Not applicable

(D) Review financial statements, etc.

① Review of financial statements of the Audit Committee

The Audit Committee prepares the Audit Committee Member Recommendation of the financial statements and business report to submit to directors (Article 447-4 of the Commercial Act, Article 10 of the Audit Committee Regulation).

Following Article 6 (Responsibility to Prepare the Financial Statements and Submittal) of the Act on External Audit of Listed Companies, etc., the chair of the Audit Committee, Lee Manwoo, an accounting expert, reviewed the financial statements before external audit by the Company submitting the same on January 23, 2020 in relation to the audit of the financial statements for the fiscal year of 2019, and the Company submitted the financial statements before the external audit to the external auditors and Securities and Futures Commission.

In addition, chairman Lee Manwoo of the Audit Committee confirmed the contents of fluctuation of main accounts, procedure of external audit, issues of external audit, procedure for confirmation and removal for the internal transactions in preparation of the consolidated financial statements with the accountants in charge for accounting team manager of the applicable subsidiary companies and subsidiary companies of Samjong Accounting Firm in order to confirm the appropriateness of the financial statements of the Company and main subsidiary companies (Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance) on February 20, 2020, with respect to the audit of financial statements of the 2019 fiscal year.

The Audit Committee resolved the audit report of the 2019 fiscal year at the 2nd Audit Committee on March 4, 2020.

The audit report resolved the 3rd Audit Committee on March 4, 2020, is shown as follows.

First, the Audit Committee confirms the contents of the financial statements by having the report of its review from the

external auditors for each quarter.

For the accounting audit at the end of the term, the Audit Committee had the internal audit department conduct an audit by browsing, comparing, inspecting and inquiring about the accounting ledgers and relevant documents and taking other appropriate audit measures, and reviewed the outcome.

The Audit Committee confirmed the details of major changes in accounts, contents of removing the consolidation subject company and internal transactions, main accounting issue for each company and external auditors' opinions, audit procedure of external auditors on main accounts with the subjects of person in charge of settlement and CPA in charge of audit of the Company and major subsidiary companies.

In the event that it is acknowledged as required to attend the Board meeting and other important meetings for the work audit, the Audit Committee has reported on the works from directors and it has used appropriate methods by accessing the documents on important works and reviewed the contents thereof.

Second, the statement of financial position, consolidated statement of financial position, comprehensive statement of income and consolidated comprehensive statement of income are appropriately indicated for finance condition and management outcome of the Company in accordance with laws and regulations and Articles of Incorporation.

Third, the statement of appropriation of retained earnings is appropriately prepared on the laws and regulations and Articles of Incorporation.

And fourth, the business report is appropriately indicated for the Company in accordance with the laws and regulations and Articles of Incorporation.

② Audit of financial statements by the external auditors (Article 10 and Articles 12 of Audit Committee Regulation)

Samjong Accounting Firm, the external audit firm, implements the audit in accordance with accounting audit standards to see if the financial statements of the Company are prepared in accordance with Korean International Financial Reporting Standard, K-IFRS.

With respect to the accounting audit of the financial statements of the fiscal year of 2019, Samjong Accounting Firm reported the result of the accounting audit in the 3rd Audit Committee on March 4, 2020, and the result of SEC 20-F Filing was reported to the 6th Audit Committee on May 8, 2020, and it expressed its audit opinion of the external auditors on the financial statements of the 2019 fiscal year as appropriate on March 5, 2020 (indicate fairly the point of view of importance in accordance with the Korea-adopted international accounting standards).

In addition, Samjong Accounting Firm has reviewed in accordance with the financial statements review regulation for quarterly or semi-annual basis to see if the financial statements of the Company have any matter not fairly indicated in the point of view of importance in accordance with K-IFRS No. 1034 Interim Financial Report, and as a result of review of the external auditor on the quarterly and semi-annual financial statements, there was no detection of matters not fairly marked from the point of view of importance.

③ Report of operation of Internal Control on Financial Reporting of CEO, etc.

The CEO of the Company reported that the internal control on financial reporting of the Company and Group as of December 31, 2019 to the 3rd Audit Committee on March 4, 2020, was effectively devised to operate from the point of view of importance when looking at the basis of K-SOX.

(E) Request convocation of a temporary general meeting of shareholders and temporary meeting of the Board

The Audit Committee may request to convene the special BOD and temporary meeting of shareholders by submitting the written document to the BOD with the time and place, purpose of meeting and reason for convening. (Article 412-3 and Article 412-4 of the Commercial Act and Article 10 of the Audit Committee Regulation)

In the past 3 years, there is no record of an Audit Committee request for convening of a special meeting of shareholders or temporary meetings.

(F) Request injunction for directors' illegal acts

The Audit Committee may request injunctive right from the contravention act of the director (Article 402 of the Commercial Act), and this is applicable to preemptive control against an act of the director on the act of contravention. (Article 10 of the Audit Committee Regulation)

In the past 3 years, there is no record of the Audit Committee exercising the injunctive right from the contravention act of the director.

(G) Evaluate operation of internal accounting system

The Audit Committee evaluates the operation status of the internal control on financial reporting of the Company and Group to report it to the BOD for each fiscal year. (Article 8 of the Act on External Audit of Listed Companies, etc., and Article 10 and Article 15 of the Audit Committee Regulations).

The 3rd Audit Committee of March 4, 2020, independently checked on the internal accounting manager of main subsidiary companies through the audit team and internal audit department if internal control on financial reporting was appropriately designated and operated, and as of December 31, 2019, the internal control on financial reporting of subsidiaries and the Group has been evaluated as effectively designed and operated from the point of view of importance on the basis of K-SOX, and the result of the operation status evaluation of the internal control on financial reporting was reported to the BOD that was held on the same date.

The external auditor for the fiscal year of 2019, Samjong Accounting Firm, reported to the 3rd Audit Committee of March 4, 2020, that internal control on financial reporting of the Company and Group has been evaluated as effectively designed and operated from the point of view of importance on the basis of K-SOX as of December 31, 2019.

(H) Establish annual audit plan

The Audit Committee resolved for approval of annual audit plan for the following year at the end of the previous year, and it deliberated the audit work performance for semi-annual term and reported the audit performance result to the BOD at least once for each year. (Article 10 and Article 15 of the Audit Committee Regulation)

The 15th Audit Committee on December 31, 2019, approved the annual audit plan in 2020, and the 9th Audit Committee on August 12, 2020 deliberated the audit work performance for the first half of 2020, and the 3rd Audit Committee on March 3, 2021 deliberated the annual audit work performance in 2020, and the audit work performance in 2020 was reported to the BOD that was held on the same date.

(I) State opinions on the legality of the agenda and documents to be submitted to the general meeting of shareholders

The Audit Committee is required to testify its opinion to the meeting of shareholders if the agenda and documents to be submitted by a director to the meeting of shareholders have any violation or matter conspicuously unjust in the laws and regulations or Articles of Incorporation (Article 413 of the Commercial Act and Article 10 of the Audit Committee Regulation).

At the 4th meeting of 2020 (March 5), the Audit Committee decided that the agenda of the 19th general meeting of

shareholders was not in violation of laws and the Articles of Incorporation or was unfair. At the 19th general meeting of shareholders (March 26, 2020), the chair of the Audit Committee reported that the agenda of the 19th general meeting of shareholders was not in violation of laws and the Articles of Incorporation or was unfair.

(J) Consent to appointment/dismissal of the head of Audit Team and evaluate his/her performance

The Audit Committee enhances the independence of audit work performance through the consent to appointment of the audit team manager and work outcome evaluation. (Article 10 of the Audit Committee Regulation)

At the 11th meeting of 2020 (December 10), the Audit Committee evaluated the performance of the audit team head for 2020, and at the 12th meeting (December 17), consented to reappointment of the audit team head.

(K) Enact, revise, and abolish the Audit Regulation

The Audit Committee operates the audit regulation in order to set forth the detailed work standards and procedure on the internal audit, such as accounting and work audit and others, and it shall obtain the approval of the Audit Committee when establishing or repealing such regulation.

There has been no revision to the audit regulation during 2020.

(L) Approve special audit of subsidiaries

The Audit Committee may implement a special audit for accident or vulnerable part of the subsidiary companies. (Article 10 of the Audit Committee Regulation)

In the past 3 years, the Audit Committee has no record of approving a special audit on the subsidiary companies.

(M) Evaluate reasonableness of the internal control system's operations

The Audit Committee may evaluate the appropriateness of internal control system operation of the Company once a year, and if there is any problem or matter to improve, an opinion may be submitted. (Article 10 of the Audit Committee Regulation)

The 7th Audit Committee on May 20, 2020 was equipped with the appropriate internal control system and organization, and as a result of evaluating the internal control system for the Company, it was evaluated as effectively operating the internal control system through the appropriate control means and communication.

(N) Review reasonableness of formulation and implementation of disclosure policies

The Audit Committee evaluates the establishment of the disclosure policy and appropriateness of execution of the policy once a year. (Article 10 of the Audit Committee Regulation)

The 3rd Audit Committee on March 4, 2020 evaluated that there was no defect in any material issue, such as falsified disclosure, omission of disclosure or the like with the disclosure policy of the Company, including the establishment of the annual disclosure plan. It was appropriately established in accordance with the disclosure related regulations as a result of the review of appropriateness of establishment and execution of the disclosure policy of the Company.

(O) Review reports from the compliance officer

The compliance officer may report the matters of the internal control plan and any violation of the internal control standard to the Audit Committee, and the Audit Committee reviews the contents of report of the compliance officer. (Article 10 Article 16 of the Audit Committee Regulation)

The Audit Committee reports on the activity plan (annual) and activity result (semi-annual) for Group compliance officer to review the appropriateness of the activities of the compliance officer for Group.

The compliance officer of the Group reported the activity outcome for 2019 and the plans for 2020 to the 1st Audit Committee on February 4, 2020, and the activity outcome of the first half of 2020 to the 9th Audit Committee on August 12, 2020.

2. Composition

A. Overview

Under the Articles of Incorporation and the Audit Committee Regulation (Article 51 of the Articles of Incorporation, Article 7 of the Audit Committee Regulation), the Audit Committee consists of between 3 and 5 directors, with independent directors accounting for two thirds of the members, and at least 1 member shall be an accounting or financial expert as required by the applicable laws.

At its 2nd meeting of 2020 (March 5), the Audit Committee Member Recommendation Committee once again recommended Director (candidate) Lee Yoon-jae, an economic, management, and financial expert first elected at the 18th annual shareholders' meeting (March 27, 2019), as a candidate for the Audit Committee for one year in office in consideration of job expertise and continuity for the committee, and newly recommended Director (candidate) Yoon Jaewon, an accounting and financial expert, as a candidate for the same for two years in office. The two candidates recommended by the Audit Committee Member Recommendation Committee were elected as Audit Committee members at the 19th general meeting of shareholders (March 26, 2020).

Director (candidate) Sung Jae-ho, with expertise in international law, was first elected as an independent director-cum-Audit Committee member at the 18th annual shareholders' meeting (March 27, 2019) for two years in office.

As at the end of 2020, the Audit Committee consisted of 3 independent directors including experts in accounting, finance and legal and it presents independent opinions concerning reasonable business management decisions for top management.

The Audit Committee member, Lee Manwoo, is a CPA and the Audit Committee member Lee Yoon-jae was a direct general for the Ministry of Economy and Planning and they are applicable to accounting or finance expert as follows pursuant to Article 16 of the Enforcement Decree of the Act on the Corporate Governance of Financial Companies.

1. A CPA who has at least 5 years' work experience in an area related to his/her license after he/she obtained the license
2. A person who possesses at least a master's degree in finance or accounting and who has at least 5 years' post-qualification experience as a researcher or an assistant professor or higher-ranking professor in finance or accounting in a research institute or a university
3. A person who has at least 5 years' work experience as an executive or at least 10 years' work experience as an executive or employee in an area related to finance or accounting in a stock-listed corporation
4. A person who has at least 5 years' work experience in an area related to finance or accounting or supervision of such work in the State, a local government, a public institution under the Act on the Management of Public Institutions, the Financial Supervisory Service under the Act on the Establishment, etc. of the Financial Services Commission, the Korea Exchange under the Financial Investment Services and Capital Markets Act, or an institution related to financial investment business under Article 9, Paragraph 17 of the aforementioned Act (excluding organizations related to financial investment under Article 9, Paragraph 17 Subparagraph 8 of the aforementioned Act)
5. A person who has at least 5 years' work experience in an area related to finance or accounting in an institution subject to the inspection under Article 38 of the Act on the Establishment, etc. of Financial Services Commission (including equivalent foreign financial institutions)

6. Other qualified persons specified and announced by the Financial Services Commission as equivalent to those specified in Subparagraphs 1 through 5.

B. Members

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/ Non-Executive/ Independent	Title	Date of election	End of term	Accounting or financial expert
Lee Manwoo	Independent director	Chairman	March 27, 2019	March 26, 2020	Applicable (Accounting)
Lee Yoon-jae	Independent director	Member	March 27, 2019	March 26, 2020	Applicable (the Economic Planning Board)
Sung Jae-ho	Independent director	Member	March 27, 2019	Date of General Meeting of Shareholders in March 2021	

<After General Meeting of Shareholders in March of 2020>

Name	Executive/ Non-Executive/ Independent	Title	Date of election	End of term	Accounting or financial expert
Yoon Jaewon	Independent director	Chairman	March 26, 2020	Date of General Meeting of Shareholders in March 2022	Applicable (PhD Accounting)
Lee Yoon-jae	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021	Applicable (the Economic Planning Board)
Sung Jae-ho	Independent director	Member	March 27, 2019	Date of General Meeting of Shareholders in March 2021	

3. Activities & Evaluations

A. Overview

In 2020, a total of 13 Audit Committee meetings were held. It discussed a total of 58 agenda items, including 22 cases of resolution, 36 cases of deliberation etc., and the contents of Audit Committee activities are periodically reported to the BOD.

The Audit Committee provides each Audit Committee member with an explanation of agenda items in advance by having the Audit Team manager and the external auditor present them to the members so they can properly review the items. Information additionally requested by the Audit Committee members and opinions collected from the members during the information sessions are reflected in the meetings.

In 2020, the Audit Committee passed resolutions on the approval of the audit contract between the external auditor and the Company/subsidiaries, the financial audit outcome for the 19th fiscal year, the evaluation on the operation of the financial reporting internal control for 2019, the evaluation of the operation of the internal monitoring system, the statement of opinions on the agenda items of the 19th annual shareholders' meeting, the approval of subsidiaries' audit/non-audit contract, the performance review of the Audit Team manager, and the approval of the 2021 audit plan, etc.

In addition, during 2020, the Audit Committee deliberated the following: contents of independent audit plan for the subsidiary companies, performance of audit work promotion, activity plan and activity result of compliance officer of the Group result of op status evaluation of internal control on financial reporting of CEO and external auditor, result of review (audit) of financial statements by external auditor for each quarter, appropriateness of internal control system operation, audit activities of external auditor, establishment of disclosure policy and appropriateness of execution.

Samil Accounting Firm, the external auditor, attends the Audit Committee at least once each quarter. The external auditor directly reports to the Audit Committee regarding the appropriateness of the Group's accounting treatment and the validity of the Group's accounting standards and discusses matters with Audit Committee members.

With respect to the audit of the financial statements for the fiscal year 2019, Audit Committee Chairperson Lee Manwoo, an accounting expert, received and reviewed the financial statements on January 23, 2020 prior to the external audit. The Company submitted the financial statements before the external audit to the external auditor and the Securities and Futures Commission in accordance with the Act on External Audit of Listed Companies, etc.

In addition, the Audit Committee confirmed the contents of fluctuation of main accounts, procedure of external audit, issues of external audit, procedure for confirmation and removal for the internal transactions in preparation of the consolidated financial statements with the heads of subsidiaries' accounting teams and subsidiaries external auditors of Samjong Accounting Firm in order to confirm the appropriateness of the financial statements of the Company and main subsidiary companies (Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance) on February 20, 2020, with respect to the audit of financial statements of the 2019 fiscal year.

The Audit Committee Chairperson Yoon Jaewon, an accounting expert, voiced his opinions on the Group's accounting control, the review of the external auditor's audit activities, the need to strengthen the internal control review for the holding company and the subsidiaries, the systematization of monitoring indicators for conduct risk control, the need to improve the communication with full-time audit committee members of the subsidiaries, the effectiveness of the evaluation of the financial audit conducted by the internal audit department and the internal accounting control system, and the documentation of the audit activities.

The Audit Committee member Lee Yoon-jae, a financial expert, presented his opinions on strengthening the evaluation of the appropriateness of budget planning and implementation, the need for monitoring to ensure transparent operation cost implementation, the importance of the examination on the division system and multi-purpose stores, and the importance of feedback and making sure to adopt discussed matters.

The Audit Committee member Sung Jae-ho, a legal expert, discussed the importance of a matrix organization review from a compliance perspective, the need for strengthening the monitoring of multi-purpose store operations, the assessment of internal control standards and operations in relation to the Financial Consumer Protection Act, the fairness in the performance review standards for the full-time audit committee members of the subsidiaries, and the importance of cooperation with the audit departments of the subsidiaries.

B. Meetings held

(1) 1st meeting of the Audit Committee in 2020: February 4, 2020 (Tue)

[Date of notice: January 28, 2020 (Tue)]

Items	Activities of members			Whether or not approved
	Lee Manwoo	Sung Jae-ho	Lee Yoon-jae	
1. Name of director	Lee Manwoo	Sung Jae-ho	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Inspection and report of audit plan for subsidiary companies in 2020	No particular comments			
B. Budget plan of Audit Team in 2020 and execution, performance and report in 2019	No particular comments			
C. Audit work-related report	No particular comments			

Items	Activities of members	Whether or not approved
D. Report of status to hold the Audit Committee of subsidiary companies	No particular comments	
E. Report of performance evaluation system for full-time audit committee members (standing audit member) in 2020	No particular comments	
F. Report of activity contents in 2019 and work plan of 2020 for compliance officer for Group	No particular comments	
G. Budget plan of Compliance Team in 2020 and execution, performance and report in 2019	No particular comments	

4. Resolutions

A. Matters of ratification of non-audit contract for subsidiary companies, etc.	Concur	Concur	Concur	Approved
B. Matters of work performance goal of audit team manager in 2020	Concur	Concur	Concur	Approved
C. Matters of approval of audit contract for subsidiary companies, etc.	Concur	Concur	Concur	Approved

The 1st Audit Committee had all audit members in attendance to discuss 3 cases of resolution, 7 cases of report and deliberation for a total of 10 agenda items.

With respect to the audit team head's performance goals for 2020 (resolution matter ("a matter requiring resolution of the committee")), the Audit Committee, reflecting the 2020 audit plan, approved detailed tasks to change the direction of the Group audit (from management audit to operation audit), check compliance with laws and regulations in the Group's collaboration sectors, expand internal audit of the holding company, upgrade the level of internal control at the Group level, and improve support for the Audit Committee.

With respect to the reports of the performance evaluation system for full-time Audit Committee member (reports/deliberation agenda) for 2020, the Audit Committee confirmed the details of the performance evaluation system for subsidiaries' full-time audit committee members.

The audit team manager reported the contents of activities by chairman Lee Manwoo of the Audit Committee as a matter other than agenda item to the Audit Committee.

- Review of consolidated financial statements before external audit on February 3

(2) 2nd meeting of the Audit Committee in 2019: February 20, 2020 (Thu)

[Date of notice: February 13, 2020 (Thu)]

Items	Activities of members			Whether or not approved
1. Name of director	Lee Manwoo	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Communication with external auditors	No particular comments			

The 2nd Audit Committee had all audit members in attendance to discuss one cases of report and deliberation.

With respect to the communication with the external auditors as the report and deliberation agenda, the Audit Committee confirmed contents of fluctuation in main accounts, procedure of external audit, issues in the process of external audit, procedure to confirm and remove the internal transaction for preparing the consolidated financial statements, and others for the subject of the accounting team manager of the applicable subsidiary companies and accountant in charge for each subsidiary companies of Samjong Accounting Firm in order to confirm the appropriateness of the financial statements of the Company and main subsidiary companies (Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance).

(3) 3rd meeting of the Audit Committee in 2020: March 4, 2020 (Wed)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of members			Whether or not approved
	Lee Manwoo	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Lee Manwoo	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of operation status of internal control of finance report for top management in 2019	No particular comments			
B. Review and report of establishment of notification policy and appropriateness of execution in 2019	No particular comments			
C. Report on results of audit	No particular comments			
D. Report of audit result for fund laundering prevention work	No particular comments			
E. Report of evaluation of Audit Committee activities	No particular comments			
F. Report of result of financial statements audit of external auditor in 2019	No particular comments			
G. Report of evaluation for internal control of finance report of external auditor in 2019	No particular comments			
4. Resolutions				
A. Matter of result of the 19th final accounting audit	Concur	Concur	Concur	Approved
B. Matters on evaluation of operation status of the internal control on financial reporting in 2019	Concur	Concur	Concur	Approved
C. Matter of approval for audit contract of the Company and subsidiary companies, etc.	Concur	Concur	Concur	Approved
D. Matters of ratification of non-audit contract for subsidiary companies, etc.	Concur	Concur	Concur	Approved
E. Matter of evaluation opinion of operation status of the internal monitoring system	Concur	Concur	Concur	Approved

The 3rd Audit Committee had all audit members in attendance to discuss 5 cases of resolution, 7 cases of report and deliberation for a total of 12 agenda items.

With respect to the evaluation of operation of the financial reports internal control for 2019 (resolution matter), the Audit Committee made the following judgment: In the light of the "conceptual system of design and operation of an internal accounting management system", the Company's internal accounting management system is, in terms of importance, designed and operated effectively.

With respect to the results of the audit of financial statements by the external auditor for 2019 (reports/deliberation agenda), the Audit Committee confirmed as follows: According to the audit of financial statements by the external auditor, the financial statements make a fair representation in terms of importance in accordance with the Korean International Financial Reports Standards.

The audit team manager reported the contents of activities by chairman Lee Manwoo of the Audit Committee as a matter other than agenda item to the Audit Committee.

- February 5: Confirmed the default rate of Shinhan Card
- March 3: Shinhan Investment Corp.'s legal opinion on the Lime-related interim report by the Financial Supervisory Service

(4) 4th meeting of the Audit Committee in 2020: March 5, 2020 (Thu)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of members			Whether or not approved
	Lee Manwoo	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Lee Manwoo	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of audit result of the agenda presented for the 19th general meeting of shareholders	Concur	Concur	Concur	Approved

The 4th Audit Committee had all audit members in attendance to discuss one cases of resolution.

With respect to the audit (resolution matter) of the agenda of the 19th general meeting of shareholders, the Audit Committee decided that the agenda was not in violation of laws and the Articles of Incorporation or unfair.

(5) 5th meeting of the Audit Committee in 2020: March 26, 2020 (Thu)

[Date of notice: March 19, 2020 (Thu)]

Items	Activities of members			Whether or not approved
	Lee Manwoo	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Lee Manwoo	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of mutual voting for the chair of the Audit Committee and delegation of rights	Concur	Concur	Concur	Approved
B. Matter of ratification of the non-audit contract of subsidiary companies	Concur	Concur	Concur	Approved

The 5th Audit Committee had all audit members in attendance to discuss 2 case to resolve.

With respect to election of the Audit Committee chair and delegation of authority (resolution matter), Audit Committee member Sung Jae-ho recommended Audit Committee member Yoon Jaewon (accounting expert) as the chair. Audit Committee member Lee Yoon-jae agreed, and thus committee member Yoon Jaewon was elected as chair, and the Audit Committee decided to delegate authority to the chair Yoon Jaewon in accordance with Article 13 (Delegation of Authority) of the Audit Committee Regulation.

The audit team manager reported the contents of activities by chairman Lee Manwoo of the Audit Committee as a matter other than agenda item to the Audit Committee.

- March 24: Confirmation of the external auditor's opinions on Shinhan Financial Group and its subsidiaries for 2019

(6) 6th meeting of the Audit Committee in 2020: May 8, 2020 (Fri)

[Date of notice: April 29, 2020 (Wed)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of evaluation for internal control of finance report of external auditor in 2019	No particular comments			
B. Audit work-related report	No particular comments			
C. Report of status of holding the Audit Committee of subsidiary companies	No particular comments			
D. Communication with external auditors	No particular comments			
4. Resolutions				
A. Matter of performance evaluation criteria for subsidiary's full-time audit committee members (proposal) in 2020	Concur	Concur	Concur	Approved

The 6th Audit Committee had all audit members in attendance to discuss 1 cases of resolution, 4 cases of report and deliberation for a total of 5 agenda items.

The Audit Committee passed a resolution on the performance review standards for the full-time audit committee members of the subsidiaries for 2020.

With respect to communication with the external auditor (reports/deliberation agenda), the Audit Committee checked the external auditor's preparations for 2020 (audit team composition and audit schedule of Samil Accounting Firm).

The Audit Team Manager provided the Audit Committee with the details of regularly conducted audit activities from Chair of the committee Yoon Jaewon as a non-agenda item.

- April 2: Check "contracts signed with the external auditor in the past 3 years" and "approval process for non-audit service by the external auditor"

- April 29: Reviewed the external audit outcome based on the PCAOB standards of the U.S.

(7) 7th meeting of the Audit Committee in 2020: May 20, 2020 (Wed)

[Date of notice: May 13, 2020 (Wed)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of plan for the operation of Internal Accounting Management System in 2020	No particular comments			
B. Report of review of appropriateness of internal control on financial reporting system	No particular comments			
C. Report of evaluation of audit activities of external auditors in 2019	No particular comments			
D. Report of audit work plan of external auditor in 2020	No particular comments			
G. Report of result of review of the financial statements of external auditor in the 1Q in 2020	No particular comments			
4. Resolutions				
A. Matters of approval of revision for the internal control on financial reporting regulation.	Agree to the revised proposal	Agree to the revised proposal	Agree to the revised proposal	Approved to revised proposal

The 7th Audit Committee had all audit members in attendance to discuss 1 cases of resolution, 5 cases of report and deliberation for a total of 6 agenda items.

With respect to approval (resolution matter) of the revision of the Internal Control of Financial Reports Regulation, the Audit Committee modified the proposed revision: "In principle, the head-level (leader-level) person shall evaluate the internal control of financial reports, but an employee with recognized expertise may be designated as the evaluator."

With respect to the plan to check operation of the financial reports internal control for 2020 (report/deliberation agenda), the internal accounting manager reported detailed plan for operation of the internal accounting management system to the Audit Committee, and invited external experts to conduct in-depth training on the internal accounting management system for the Audit Committee.

With respect to the results of the external auditor's review of financial statements (reports/deliberation agenda) for the 1st quarter of 2020, the Audit Committee received reports from Samil Accounting Firm on major accounting issues (impact of COVID-19 on evaluation of the principal-preserved trusts to be linked to Shinhan Bank, etc.).

(8) 8th meeting of the Audit Committee in 2020: May 22, 2020 (Fri)

[Date of notice: May 14, 2020 (Thu)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of approval for non-audit contract of the Company and external auditors	Concur	Concur	Concur	Approved

The 8th Audit Committee had all audit members in attendance to discuss one case to resolve.

With respect to the approval of non-audit contracts (resolution matter) between the external auditor and the Company, the Audit Committee approved the contract, as it determined that there was no conflict of interest in the issuance of comfort letter by the external auditor.

(9) 9th meeting of the Audit Committee in 2020: August 12, 2020 (Wed)

[Date of notice: August 5, 2020 (Wed)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of performance for audit work in the first half of 2020	No particular comments			
B. Report of activity result of the compliance officer for Group in the first half of 2020	No particular comments			
C. Report of audit works	No particular comments			
D. Report of status of holding the Audit Committee of subsidiary companies	No particular comments			
E. Report of review result of the financial statements of external auditors in the first half of 2020	No particular comments			
4. Resolutions				
A. Matter of ratification for audit contract of subsidiary companies, etc.	Concur	Concur	Concur	Approved
B. Matter of approval for audit contract of subsidiary companies, etc.	Concur	Concur	Concur	Approved

The 9th Audit Committee had all audit members in attendance to discuss a total of 7 agenda items, including 2 resolution and 5 report and deliberation agenda items.

With respect to the approval of a subsidiary's audit contract (resolution matter), the Audit Committee approved Shinhan Bank's trust account audit contract. In applying the US SEC independence standard to the investment company complex, the Audit Committee decided to apply the independence rule regardless of whether the subsidiary's is subject to consolidation or not.

With respect to the results of the external auditor's review of financial statements (reports/deliberation agenda) for the first half of 2020, the Audit Committee received reports from Samil Accounting Firm on major accounting issues (Shinhan Investment Corp.'s trade finance fund, etc.).

The Audit Team Manager provided the Audit Committee with details of the regularly conducted audit activities of the Committee as a non-agenda item.

- June 26: Progress of accounting for provisions (provisioning) related to Covid-19 (chair Yoon Jaewon)
- July 22: Accounting issues related to settlement of accounts for the first half of 2020 (chair Yoon Jaewon)
- July 24: Current status and financial impact of the redemption suspension fund (member Lee Yoon-jae)

- July 24: Participated in Samjong KPMG webinar
- : Changes in the activities of audit committees according to revision of the law, examples of the activities of audit committees and implications

(10) 10th meeting of the Audit Committee in 2020: November 12, 2020 (Thu)

[Date of notice: November 5, 2020 (Thu)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of result of intermediary evaluation for internal accounting management system of top management in 2020	No particular comments			
B. Report of audit works	No particular comments			
C. Report of status of holding the Audit Committee of subsidiary companies	No particular comments			
D. Report of the progress of the Group's external audit contract in 2021	No particular comments			
E. Report of review result of the financial statements of external auditors in 3Q of 2020	No particular comments			
4. Resolutions				
A. Matter of ratification for audit and non-audit contract of subsidiary companies, etc.	Concur	Concur	Concur	Approved

The 10th Audit Committee had all audit members in attendance to discuss a total of 6 agenda items, including 1 resolution and 5 report and deliberation agenda items.

With respect to the reports related to audit (reports/deliberation agenda), the Audit Committee confirmed the results of the inspection by the Financial Supervisory Service (2019) and the results of the comprehensive audit of the Jeju Bank and Shinhan Savings Bank by the audit team of the holding company.

With respect to the management's interim evaluation of the financial reports internal control in 2020 (reports/deliberation agenda), the Audit Committee confirmed the results of the interim evaluation by the management of the Company and its affiliates (a total of 11).

The Audit Team Manager provided the Audit Committee with details of the regularly conducted audit activities of the Committee as a non-agenda item.

- August 27: Reports on the response plan for the redemption suspension fund (chair Yoon Jaewon)
- September 26: Reports on the review of accounting for the redemption suspension fund (chair Yoon Jaewon)
- October 8: Participated in a luncheon meeting organized by the Financial Supervisory Service, with audit committee chairs of financial holding companies (chair Yoon Jaewon)
- October 22: Reports on the accounting of the paid-in capital increase allocated to third party (chair Yoon Jaewon)
- November 3: Current status and financial impact of the redemption suspension fund (member Lee Yoon-jae)

(11) 11th meeting of the Audit Committee in 2020: December 10, 2020 (Thu)

[Date of notice: December 3, 2020 (Thu)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of interim evaluation of the operation of the internal accounting management system	No particular comments			
4. Resolutions				
A. Matter of work outcome evaluation by audit team manager in 2020	Concur	Concur	Concur	Approved
B. Matter of approval for audit contract of the Company and subsidiary companies, etc.	Concur	Concur	Concur	Approved

The 11th Audit Committee had all audit members in attendance to discuss a total of 3 agenda items, including 1 resolution and 2 report and deliberation agenda items.

The performance of the Audit Team Manager for 2020 was evaluated as a resolution.

The Audit Committee examined the interim assessment outcome for the operation of the internal accounting control system as a reporting/deliberation agenda item.

(12) 12th meeting of the Audit Committee in 2020: December 17, 2020 (Thu)

[Date of notice: December 10, 2020 (Thu)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
1. Name of director	Yoon Jaewon	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of reappointment of the audit team head	Concur	Concur	Concur	Approved

The 12th Audit Committee had all audit members in attendance to discuss one case to resolve.

The Committee passed a resolution on the appointment of the Audit Team Manager.

(13) 13th meeting of the Audit Committee in 2020: November 29, 2020 (Tue)

[Date of notice: December 22, 2020 (Tue)]

Items	Activities of members			Whether or not approved
1. Name of director	Lee Manwoo	Lee Yoon-jae	Sung Jae-ho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. External auditor's interim evaluation report of the internal accounting management system, etc.	No particular comments			
4. Resolutions				
A. Matter of approval of audit plain in 2021	Concur	Concur	Concur	Approved
B. Matter of outcome evaluation of standing audit member of subsidiary companies in 2020	Concur	Concur	Concur	Approved

The 13th Audit Committee had all audit members in attendance to discuss a total of 3 agenda items, including 1 resolution and 2 report and deliberation agenda items.

With respect to the performance evaluation of full-time audit committee members of subsidiaries for 2020 (resolution matter), the committee evaluated the same in accordance with the subsidiary management performance evaluation system.

With respect to the interim evaluation of the internal accounting management system (reports/deliberation agenda) by the external auditor, the Audit Committee checked the external auditor's evaluation procedures and interim evaluation results, external auditor's independence, change in the organization performing audit, and the status of audit personnel and time spent.

The Audit Team Manager provided the Audit Committee with the details of regularly conducted audit activities from Chair of the committee Yoon Jaewon as a non-agenda item.

- December 8: Request the external auditor to report the results of interim evaluation of the internal accounting management system

C. Evaluation

Under Article 9 (Subcommittee) Paragraph 4 of the Company's Internal Code of Corporate Governance, the Risk Management Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

Since the details of the evaluation shall be determined by the Board, the Company conducted the assessment in January 2021 based on the resolution passed on the 8th temporary meeting held in December 2018 in 2016 as below.

(1) Purpose of evaluation: For use as reference in supporting the Committee's operations

(2) Evaluator: Evaluation by all members

(3) Criteria for evaluation: ① Operation evaluation: Reasonableness of Committee meeting hours, reasonableness of agenda, reasonableness of frequency of Committee meetings, and whether the Company has provided sufficient information

② Role evaluation: Reasonableness of the Committee's performance related to the Committee's authorities specified in the Internal Code of Corporate Governance

(4) Method (procedure) of evaluation: Questionnaire survey with 5-point scale and evaluation by third-party evaluating firm for fairness of evaluation and anonymity of evaluator

As a result of the Audit Committee evaluation in 2020, the operation and role performance of the Audit Committee was confirmed as at extremely appropriate level.

4. Audit support organization, etc.

In order to assist the efficient audit work performance of the Audit Committee, the Company operates the audit team as an internal audit department.

The Audit Team consists of 1 Team Manager and 5 team members (as of the end of 2020) and the Audit Team members are senior-level employees, including a Financial Risk Manager (FRM), a Certified Public Accountant (CPA), and a Certified Internal Auditor (CIA) etc.

The audit team implements the general audit and consulting-oriented management audit of the Company and subsidiary companies and the person in charge for each subsidiary company is designated to monitor the audit activities of the subsidiary companies.

Pursuant to the annual audit plan that acquired the approval of the Audit Committee at the end of the previous year, the audit team implements the audit of the Company and subsidiary companies and regularly reports the result to the Audit Committee, and the work procedure of audit is reported to the BOD once a year.

Reporting Date	Audit activity outcomes
March 4, 2020	Appropriateness of the establishment and execution of a notification policy
March 4, 2020	Appropriateness of the management control/ internal control operation of the holding company and subsidiary companies
March 4, 2020	Appropriateness and effectiveness of Anti Money Laundering, etc.
March 4, 2020	Appropriateness of financial statements and business report
March 4, 2020	Appropriateness of operation status for internal control on financial reports
May 20, 2020	Appropriateness of operation the internal control on financial reports system
August 12, 2020	Appropriateness of operation management control/internal control of holding company and subsidiary companies

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IX. Risk Management Committee

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IX. Risk Management Committee

1. Roles

A. Overview

The Company's Risk Management Committee deliberates and resolves matters delegated by the Board. It has installed and comprehensively manages a system to properly manage risks. This system is capable of recognizing, measuring, monitoring, and controlling risks occurring from transactions of the Company and subsidiaries in a timely manner.

Under Article 3 of the Risk Management Committee Regulation, the Risk Management Committee consists of between 2 and 5 directors, with independent directors accounting for a majority of the members. At least 1 member shall have experience working for a financial company or in an area related to finance or accounting in a corporation under the Commercial Act. As of 2020, the Risk Management Committee consists of 3 independent directors, and includes at least 1 expert with experience working for a financial company.

If the chairman deems it necessary under Article 8 of the Risk Management Committee Regulation, the committee may request the management and relevant personnel to appear before the committee and give statements or to provide necessary materials. The committee may also request a third party to appear before the committee and give opinions.

Under Article 10 of the Risk Management Committee Regulation, the Company has established and is running the Group Risk Management Council to discuss the Group's various risks and to implement policies formulated by the Risk Management Committee.

B. Specific roles

(1) Establish basic policies and strategies of risk management

The Risk Management Committee of the Company provides the basic policy on the risk management of the Company and subsidiary companies in accordance with Article 6 (1) (i) of the Risk Management Committee Regulation, and for the purpose of aiming for the sound development of Shinhan Financial Group, it provides the guideline on the philosophy and principle of Group risk, risk management organization and role, basic policy of Group risk management, risk limit management system and management.

The 7th Risk Management Committee of 2019, held on November 12, 2009 set forth the Group risk philosophy in "striving for the balance of risk and profit in performing the pertinent business with the ownership of the risk by all constituents of the organization for sustainable growth" and the constituents consider such point at all times when carrying out the works.

The principle of risk management means the standard to formulate policy, regulation, management system, decision making and others for realizing the risk philosophy of Group as follows.

- ① All sales activities shall be carried out in consideration of balance of risk and profit within the risk tendency established in advance.
- ② The Company presents the internal code of risk management, supervises the compliance and possesses the responsibility and authority on monitoring of the Group level.
- ③ The decision-making system related to the risk to enhance the involvement of the top management is operated.
- ④ The sales part and independent risk management organization are organized and operated.
- ⑤ The outcome management system to clearly consider the risk at the time of business decision making is operated.
- ⑥ It strives for preemptive and practical risk management functions.
- ⑦ It shares the careful view to prepare for the possibility of possible worsening situation at all times.

(2) Decide the level of risk that the Company and each subsidiary can bear

Following Article 6 (1) (ii) of the Risk Management Committee Regulation, the Risk Management Committee sets the minimal equity capital ratio for the Group and each subsidiary companies for managing the risk of Group to be an appropriate level for its equity capital. The 10th Risk Management Committee of 2020, held on December 10, 2020 resolved minimum equity capital ratio of Group, Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Orange Life, Shinhan BNP Paribas Asset Management, Shinhan Capital, Jeju Bank, Shinhan Savings Bank and Asia Trust.

In addition, in connection to the annual business plan, the risk limit of Group and total risk limit for each subsidiary companies are set, and the subsidiary companies establishes and operates the total risk limit for each subsidiary companies and limit for each risk type within the risk limit set by the Risk Management Committee of the holding company. The 10th Risk Management Committee of 2020 resolved the risk limit of Group, Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Orange Life, Shinhan Capital, Jeju Bank and Shinhan Savings Bank, and within the risk limit set forth by the Risk Management Committee of the Company for each applicable subsidiary companies, the limit for each type and total limit of risk for each company was set.

In order to manage the Group's by-country risk related to international lending and investment business, the Risk Management Committee, at its 4th meeting of 2015 (December 10), decided to operate a system to manage the Group-level by-country exposure limit: The exposure limit would be set from 2016, and setting and managing the limit would be delegated to the Group Risk Council, and the limits set and management thereof would be reported to the committee. The Group-level by-country exposure limit was set once in the first and second half of 2020 each. In the first half, the limit for the first half of 2020 was set at the 2nd Group Risk Council meeting of 2020 (February 25) and reported at the 2nd committee meeting of 2020 (March 4). In the second half, the limit for the second half of 2020 was set at the 6th Group Risk Council meeting of 2020 (August 6) and reported at the 7th committee meeting of 2020 (August 13).

(3) Approve the limits of reasonable investment or allowable loss

Following Article 6 (1) (iii) of the Risk Management Committee Regulation, for the concentrated risk management of the Group level regarding the core management territory, setting the limit for Group exposure of the core management areas and its management are delegated to the Group Risk Council, and the contents of limit setting and management status are reported for each term. The 10th Group Risk Management Council of 2019, held on December 18, 2019 resolved the exposure limit of Group for the core management areas of 2020, and the applicable resolution contract were reported to the 1st Risk Management Committee of 2020 held on February 4, 2020. The approval for detailed appropriate investment limit and permitted loss limit for each subsidiary companies is set by each subsidiary companies as prearranged with the risk management team of the Company.

(4) Enact and revise Group Risk Management Regulation and the Group Risk Council Regulation

Following Article 6 (1) (iv) of the Risk Management Committee Regulation, and for providing the basic policy of Shinhan Financial Group, the Group Risk Management Council Regulation was established (December 7, 2001) to manage, and if necessary revised. In addition, for the efficient performance of risk management works and risk management work support of the Risk Management Committee, the Group Risk Management Council is established and operated and it revises the Group Risk Management Council Regulation for setting forth the matters on composition and operation of the Group Risk Council. The 2nd Risk Management Committee of 2020 held on March 4, 2020 resolved the matter of revision of the Group Risk Management Regulation and the Group Risk Management Council Regulation.

(5) Other matters recognized by the Board and Risk Management Committee as necessary

It is reported for each quarter for the status of bad debt cost compared to expected loss of the subsidiary companies, status of main index and management system for risk management of Group, status of exposure management of Group, status of risk management of overseas corporation etc. and the status of main risk changes connected to the subsidiary companies and others to be comprehensively recognized and monitored.

In 2020, at its 4th meeting, the Risk Management Committee deliberated on the acquisition and retirement of treasury stocks (resolution matter), and at its 6th meeting, passed a resolution on the application for early introduction of the credit risk Basel III (final draft). At its 7th meeting, the committee deliberated on the acquisition of shares of Neoflux Co., Ltd., issuance of Korean-currency, write-down contingent capital securities and issuance of foreign-currency, write-down contingent capital securities (all resolution matters), and at its 9th meeting, deliberated on the risk review on small-scale stock swap agreements and passed a resolution on the result of the Group's integrated stress test and the resulting capital management plan and emergency procurement plan. At its 11th meeting, the committee deliberated on the risk review on stock purchase agreement between affiliates (resolution matter), and at its 12th meeting, deliberated on the risk review on the acquisition of shares of Shinhan BNP Paribas Asset Management Co., Ltd. (resolution matter).

2. Composition

A. Overview

The Company's Risk Management Committee consisted of 2 to 5 directors (Article 3 of the Risk Management Committee Regulation), with a majority of the members being independent directors and at least 1 member having experience of working for a financial company or in the financial or accounting section of a company under the Commercial Act. In 2020, the committee consisted of 3 independent directors, including at least 1 expert having experience of working for a financial company. Chair Byeon Yang-ho is an expert in the global finance, business and economic fields who held positions in the Ministry of Finance and Ministry of Finance and Economy, and member Huh Yong-hak is an expert in the global finance and business fields who oversaw investment banking affairs in a global financial company, and member Park Cheul is an expert in the economic fields of finance and monetary policy who worked for the Bank of Korea (central bank of Korea) and left there as vice-governor.

B. Members

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/ Non-Executive/ Independent	Title	Date of election	End of term	Experience working for a financial company or in an area related to finance or accounting in a corporation
Byeon Yang-ho	Independent director	Chairman	March 27, 2019	Date of General Meeting of Shareholders in March 2021	Yes
Huh Yong-hak	Independent director	Member	March 27, 2019	Date of General Meeting of Shareholders in March 2021	Yes
Philippe Avril	Independent director	Member	March 27, 2019	March 25, 2020	Yes
Choi Kyong-rok	Independent director	Member	March 22, 2018	March 25, 2020	

<After General Meeting of Shareholders in March of 2020>

Name	Executive/ Non-Executive/ Independent	Title	Date of election	End of term	Experience working for a financial company or in an area related to finance or accounting in a corporation
Byeon Yang-ho	Independent director	Chairman	March 27, 2019	Date of General Meeting of Shareholders in March 2021	Yes
Huh Yong-hak	Independent director	Member	March 27, 2019	Date of General Meeting of Shareholders in March 2021	Yes
Park Cheul	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021	Yes

3. Activities & Evaluations

A. Overview

The Risk Management Committee is convened once a quarter in accordance with Article 5 of the Risk Management Committee Regulation in principle, and the Chairman may convene the Committee from time to time if necessary. In 2020, a total of 12 Risk Management Committee meetings were held, and the agenda presented during the quarter was a total of 49 cases, and all Risk Management Committee members attended all meetings. The risk management team of the Company had a face-to-face preliminary explanation session for the members to understand the contents of the agenda to discuss in-depth and efficiently, and the contents of activities for the Risk Management Committee was reported to the BOD.

At its 1st meeting of 2020, the Risk Management Committee revised the capital adequacy and risk disclosure items.

At its 2nd meeting of 2020, the Risk Management Committee deliberated on the acquisition and retirement of treasury stocks, and revised the Group Risk Management Regulation and Group Risk Council Regulation.

At its 4th meeting of 2020, the Risk Management Committee reviewed and deliberated on the acquisition and retirement of treasury stocks.

At its 5th meeting of 2020, the Risk Management Committee elected the Committee chair.

At its 6th meeting of 2020, the Risk Management Committee passed resolutions on the result of the Group's integrated stress test and the resulting capital management plan and emergency funding plan, application for early introduction of credit risk Basel III (final draft) and for change in the Group's credit risk internal rating method.

At its 7th meeting of 2020, the Risk Management Committee deliberated on the acquisition of shares of Neoflux Co., Ltd., issuance of Korean-currency additional tier 1 capital, and issuance of foreign-currency write-down contingent capital securities (subordinated bonds).

At its 8th meeting of 2020, the Risk Management Committee deliberated on the paid-in capital increase allocated to a third party, and at its 9th meeting of 2020, reviewed and deliberated on the stock swap agreement, and approved the capital management plan and emergency funding plan resulting from the Group's integrated stress test.

At its 10th meeting of 2020, the Risk Management Committee set the minimum equity ratio of 2021, the risk limit of 2021, and the holding company's liquidity risk limit of 2021.

At its 11th meeting of 2020, the Risk Management Committee deliberated on the risk review for the conclusion of stock purchase agreement between affiliates, and at its 12th meeting of 2020, reviewed and deliberated on the risk review for the acquisition of shares of Shinhan BNP Paribas Asset Management Co., Ltd.

In addition, each quarter the Risk Management Committee received reports on and checked the management status of the Group's and each subsidiary's minimum equity ratio and risk limit for 2020, which had been resolved to set the level of risk that can be borne by the Group and each subsidiary at the 8th committee meeting of 2019 (December 13), and received reports on the details and management status of the Group's exposure in the core management areas and the Group's by-country exposure limit whose setting (amount) had been delegated to the Group Risk Council to manage the Group-level risk in the core management areas and the Group's by-country risk. Each quarter, the committee received reports on the status of bad debt costs against the expected loss of subsidiaries, resolutions and reports of the subsidiaries' risk management committees, the Group's key risk management indicators and management thereof, and status of the Group's exposure limit management. Further, it received reports on the contributions to bond market stabilization fund and stock market stabilization

fund, status of domestic/Group household debt and countermeasures thereto, the Group's integrated stress test related to COVID-19, risk management plan following addition of new subsidiary, early introduction of the Basel III credit risk sector (final draft), etc., and presented various opinions on risks.

B. Meetings held

(1) 1st meeting of the Risk Management Committee in 2020: February 4, 2020 (Tue)

[Date of notice: January 28, 2020 (Tue)]

Items	Activities of members				Remarks
1. Name of director	Byeon Yang-ho	Huh Yong-hak	Philippe Avril	Choi Kyong-rok	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Report of operation of the outcome evaluation index for risk adjustment in 2020	No particular comments				
B. Direction of risk management strategy for Group in 2020	No particular comments				
C. Report of setting the limit of Group exposure in core management areas in 2020	No particular comments				
4. Resolutions					
A. Matter of revision of capital adequacy and risk disclosure items	Concur	Concur	Concur	Concur	Approved as presented

At the 1st meeting of 2020, the Risk Management Committee revised the capital adequacy and risk disclosure items, and received reports on the operation of risk-adjusted performance evaluation indicators for 2020, direction of the Group's risk management strategy for 2020, and setting of the Group's exposure limit in the core management areas for 2020. Member Huh Yong-hak asked about the revision of the asset/liability cash flow method, and chair Byeon Yang-ho expressed his opinion for the need to improve profitability versus risk.

(2) 2nd meeting of the Risk Management Committee in 2020: March 4, 2020 (Wed)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of members				Remarks
1. Name of director	Byeon Yang-ho	Huh Yong-hak	Philippe Avril	Choi Kyong-rok	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Result of risk analysis for each country for Group in 2020	No particular comments				
B. Report of setting the exposure limit for each country for Group in 2020	No particular comments				
C. Matter of regular report on 4Q, 2019	No particular comments				
4. Resolutions					
A. Matter of acquisition and retirement of treasury stocks	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation	Delay of deliberation
B. Matter of revision of the Group Risk Management Regulation and the Group Risk Management Council Regulation	Concur	Concur	Concur	Concur	Approved as presented

At the 2nd meeting of 2020, the Risk Management Committee passed a resolution on the revision (resolution matter) of the Group Risk Management Regulation and Group Risk Council Regulation, withholding deliberation on the acquisition and retirement of treasury stocks (subject to Board resolution) and deciding to resume the deliberation after further review. The committee received reports on the result of the Group's by-country risk analysis, reports on the result of the Group's by-country exposure limit for 2020 whose setting had been delegated to the Group Risk Council, and regular reports on the 4th quarter of 2019. Chair Byeon Yang-ho requested a flexible operation of the by-country exposure limit in consideration of the global economic direction expected to deteriorate due to COVID-19, and member Huh Yong-hak asked about the low burnout rate compared to the limits in India and Indonesia. Also, member Philip Avril asked about the cyber risks from telecommuting under the COVID-19 situation.

(3) 3rd meeting of the Risk Management Committee in 2020: March 17, 2020 (Tue)

[Date of notice: March 16, 2020 (Mon)]

Items	Activities of members				Remarks
1. Name of director	Byeon Yang-ho	Huh Yong-hak	Philippe Avril	Choi Kyong-rok	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Report of contributions to the securities market stabilization fund	No particular comments				
4. Resolutions					
(No resolutions)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

At the 3rd meeting of 2020, the Risk Management Committee received reports on the contributions to the stock market stabilization fund. Member Huh Yong-hak requested additional explanations on its management period and structure, and chair Byeon Yang-ho expressed his opinion on the matters necessary to check before contributing to the fund and asked about how to allocate the contribution amount among the Group companies. Member Philip Avril expressed his opinion on the importance of asking for additional information and communicating with government agencies.

(4) 4th meeting of the Risk Management Committee in 2020: March 25, 2020 (Wed)

[Date of notice: March 18, 2020 (Wed)]

Items	Activities of members				Remarks
1. Name of director	Byeon Yang-ho	Huh Yong-hak	Philippe Avril	Choi Kyong-rok	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Report of contributions to the bond market stabilization fund	No particular comments				
B. Report of contributions to the securities market stabilization fund	No particular comments				
C. Current status of the Group's crisis management and response	No particular comments				
D. Report of the results of the Group Crisis Management Committee and Group Crisis Management Council meetings	No particular comments				
4. Resolutions					
A. Matter of acquisition and retirement of treasury stocks	Attended	Attended	Attended	Attended	Deliberation completed

At the 4th meeting of 2020, the Risk Management Committee deliberated on the matter of acquisition and retirement of treasury stocks (resolution matter) whose deliberation was withheld by the committee at its 2nd meeting of 2020. Also, it received reports on the results of contributions to bond market stabilization fund and stock market stabilization fund, status of the Group's crisis management and response, and results of the Group's Crisis Management Committee and Crisis Management Council meetings. The members, including chair Byeon Yang-ho, requested additional explanations to be given at the Board meeting on the matter of acquisition and retirement of treasury stocks and agreed to present opinions on that matter (agenda item) at the Risk Management Committee meeting. With respect to the status of the Group's crisis management and response (reports matter), chair Byeon Yang-ho requested an additional explanation on the status of liquidity check, and member Huh Yong-hak expressed his opinion on the need for additional stress test of Group companies with weak liquidity).

(5) 5th meeting of the Risk Management Committee in 2020: March 26, 2020 (Thu)

[Date of notice: March 18, 2020 (Wed)]

Items	Activities of members			Remarks
1. Name of director	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matters on criteria of the chair of the Risk Management Committee	Concur	Concur	Concur	Approval of agenda

The 5th Risk Management Committee in 2020 appointed Byeon Yang-ho as the chair of the Risk Management Committee for 2020.

(6) 6th meeting of the Risk Management Committee in 2020: May 21, 2020 (Thu)

[Date of notice: May 14, 2020 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Matter of regular report of 1Q, 2020	No particular comments			
B. Report of the results of the Group Crisis Management Committee meeting	No particular comments			
4. Resolutions				
A. Basic management plan and emergency capital raising plan following result of situation analysis of integrated crisis of Group	Concur	Concur	Concur	Approval of agenda
B. Matter of application for early introduction of the credit risk Basel III (final draft)	Concur	Concur	Concur	Approval of agenda
C. Matter of application of approval to modify the internal ratings-based approach of Group credit risk	Concur	Concur	Concur	Approval of agenda

At the 6th meeting of 2020, the Risk Management Committee received reports on the result of the Group's integrated stress test and approved the resulting capital management plan and emergency funding plan, and approved the application for early introduction of the credit risk Basel III (final draft) and for change in the Group's credit risk internal rating method. Also, it received reports on the matters to be reported for the 1st quarter of 2020 and the result of the Group Crisis Management Committee meeting.

Chair Byeon Yang-ho asked, in connection with the result of the Group's integrated stress test and the resulting capital management plan and emergency funding plan, about how to derive a scenario of the crisis, and member Park Cheul asked about the change in the GDP growth rate and portfolio insolvency rate, and member Huh Yong-hak asked about foreign currency liquidity funding in the case of crisis. Chair Byeon Yang-ho asked, in connection with the matter of application for early introduction of the credit risk Basel III (final draft), about the reason why early introduction is limited to credit risk sector and not market and operational risks and requested that changes in the Basel III market and operational risks be reported later. Member Park Cheul asked about the impact on the COVID-19-related industries in the core management area of the periodic report.

(7) 7th meeting of the Risk Management Committee in 2020: August 13, 2020 (Thu)

[Date of notice: August 4, 2020 (Tue)]

Items	Activities of members			Remarks
	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
1. Name of director	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of the status of domestic/Group household debt and countermeasures	No particular comments			
B. Report of the Group's integrated stress test related to COVID-19	No particular comments			
C. Report of the Group's integrated stress test as of the end of June 2020	No particular comments			
D. Report of the result of the Group's by-country risk analysis and exposure limit setting for the 2nd half of 2020	No particular comments			
E. Report of the result of individual companies' and affiliates' credit exposure limit setting	No particular comments			
F. Result of approval to modify the internal ratings-based approach of Group credit risk	No particular comments			
G. Matter of regular report of 2Q, 2020	No particular comments			
H. Report of the results of the Group Crisis Management Committee meeting	No particular comments			
4. Resolutions				
A. Matter of acquisition of shares of Neoflux Co., Ltd.	Attended	Attended	Attended	Deliberation completed
B. Matter of issuance KRW currency, redeemable contingent equity securities (new type)	Attended	Attended	Attended	Deliberation completed
C. Matter of issuing foreign-currency, redeemable contingent equity securities (subordinated bond)	Attended	Attended	Attended	Deliberation completed

At the 7th meeting of 2020, the Risk Management Committee deliberated on the matters of acquisition of shares of Neoflux Co., Ltd., issuance of Korean-currency additional tier 1 capital, and issuance of foreign-currency depreciated contingent capital securities (subordinated bonds) (all resolution matters). It received reports on the status of COVID-19 related household debt and countermeasures thereto, integrated stress test related to COVID-19, and integrated stress test as of the end of June 2020, and reports on the result of the by-country risk analysis and exposure limit setting and the individual companies' and affiliates' credit exposure limit setting, which had been delegated to the Group Risk Council. Also, it received reports on the result of approval of change in the Group's credit risk internal rating method, matters reported for the 2nd quarter of 2020, and the result of the Group Crisis Management Committee meeting.

Member Huh Yong-hak asked, in connection with the acquisition of Neoflux shares, about the adequacy of acquisition price, and asked about the status of issuance market in relation to the contingent capital securities. With respect to the status of domestic/Group household debt and countermeasures, member Park Cheul asked about the reason for increase in the household debt of banks, unlike non-banking financial institutions, and chair Byeon Yang-ho asked about the cause of increase in the delinquency rate, and member Huh Yong-hak expressed opinion on the risk of additional insolvency increase due to deferment of loan repayment.

(8) 8th meeting of the Risk Management Committee in 2020: September 4, 2020 (Fri)

[Date of notice: August 28, 2020 (Fri)]

Items	Activities of members			Remarks
1. Name of director	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of paid-in capital increase allocated to a third party	Attended	Attended	Attended	Deliberation completed

At the 8th meeting of 2020, the Risk Management Committee deliberated on the matter of paid-in capital increase allocated to a third party (resolution matter). Chair Byeon Yang-ho asked about the discount rate applied to the issuance price, and member Huh Yong-hak asked if the Company had reviewed methods other than capital increase, and member Park Cheul asked about the mandatory holding period of common stocks.

(9) 9th meeting of the Risk Management Committee in 2020: November 12, 2020 (Thu)

[Date of notice: November 15, 2020 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Risk management plan following the new transfer of subsidiary companies	No particular comments			
B. Matter of regular report of 3Q, 2020	No particular comments			
C. Report of the results of the Group Crisis Management Committee meeting	No particular comments			

Items	Activities of members			Remarks
4. Resolutions				
A. Matter of risk review on entering into stock exchange contract	Attended	Attended	Attended	Deliberation completed
B. Capital management plan and emergency procurement plan following the result of integrated crisis situation analysis for Group	Concur	Concur	Concur	Approved as presented

At the 9th meeting of 2020, the Risk Management Committee deliberated on the stock swap agreement (resolution matter), and approved the capital management plan and emergency funding plan resulting from the Group's integrated stress test. It received reports on the risk management plan as a result of the inclusion of Neoflux as a new subsidiary, and reports on the matters to be reported for the 3rd quarter of 2020 and the result of the Group Crisis Management Committee meetings. Also, training ("understanding market risk") was provided to the committee members.

Chair Byeon Yang-ho asked about the GDP growth rate and stock indices in the Group's integrated stress test scenario, and member Park Cheul requested a more elaborate stress test by comparing the current market situation with the situation at the time of the IMF bailout (historical scenario), and member Huh Yong-hak asked about the increase in bad debt costs in the stress test scenario. Also, member Park Cheul asked about the schedule for including Neoflux into the Group's risk management system.

(10) 10th meeting of the Risk Management Committee in 2020: December 10, 2020 (Thu)

[Date of notice: December 3, 2020 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Direction of risk management strategy for Group in 2021	No particular comments			
B. Matter of regular report of 3Q, 2020	No particular comments			
C. Report of early introduction of the Basel III credit risk sector (final draft)	No particular comments			
D. Report of verification result of regular reasonableness for calculation system of credit risk added asset for Group	No particular comments			
E. Report of result of verification for regular reasonableness of integrated stress testing for global business	No particular comments			
F. Report of the result of regular reasonableness (conformity) check (verification) and post RC check of the Group's internal rating method credit rating model	No particular comments			
4. Resolutions				
A. Matter of setting the minimal equity capital ratio in 2021	Concur	Concur	Concur	Approved as presented
B. Matter of setting the risk limit in 2021	Concur	Concur	Concur	Approved as presented
C. Matter of setting the liquidity risk limit of holding company in 2021	Concur	Concur	Concur	Approved as presented

At the 10th meeting of 2020, the Risk Management Committee set the minimum equity ratio and risk limit for the Group and each subsidiary for 2021 in order to set the level of risk that can be borne by the Group and each subsidiary, and set the holding company's liquidity risk limit. It received reports on the Group's risk management strategy direction for 2021 and early introduction of the Basel III credit risk sector (final draft), and reports on the result of the Group's internal capital adequacy assessment, result of reasonableness check (validation) for the Group's credit risk-weighted asset calculation system, result of reasonableness check for the Group's integrated stress test, and result of regular reasonableness check for the Group's internal rating method-based credit rating model and RC (Risk Component). Also, training ("ESG risk management") was provided to the committee members).

Chair Byeon Yang-ho asked about the reason risk appetite increased over the previous year and why Shinhan Investment's risk appetite was lower than that of other Group companies in setting the risk limit in 2021, and member Park Cheul asked about the system for allocating risk limits among the Group companies.

(11) 11th meeting of the Risk Management Committee in 2020: December 17, 2020 (Thu)

[Date of notice: December 10, 2020 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of reviewing the risk of stock swap agreement between affiliates	Attended	Attended	Attended	Deliberation completed

At the 11th meeting of 2020, the Risk Management Committee deliberated on the stock purchase agreement between affiliates (resolution matter). Member Park Cheul asked about the revenue structure of Shinhan Credit Information, and member Huh Yong-hak asked about the status of credit information companies owned by other financial holding companies.

(12) 12th meeting of the Risk Management Committee in 2020: December 30, 2020 (Wed)

[Date of notice: December 23, 2020 (Wed)]

Items	Activities of members			Remarks
1. Name of director	Byeon Yang-ho	Park Cheul	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of reviewing the risk of acquiring shares of Shinhan BNP Paribas Asset Management Co., Ltd.	Attended	Attended	Attended	Deliberation completed

At the 12th meeting of 2020, the Risk Management Committee deliberated on the acquisition of shares of Shinhan BNP Paribas Asset Management (resolution matter). Member Huh Yong-hak requested a holding company-level review of the operation management manual, and Member Park Cheul asked about the status of seeding investment. Chair Byeon Yang-ho asked about the reason for the low proportion of seeding investment compared to others in the same industry.

C. Evaluation

Pursuant to Article 9 (Subcommittee) (4) of the Company's Internal Code of Corporate Governance, the Risk Management Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

Since the details of the evaluation shall be determined by the Board, the Company conducted the assessment in January 2021 based on the resolution passed on the 8th temporary meeting held in December 2018 in 2016 as below.

(1) Purpose of evaluation: For use as reference in supporting the Committee's operations

(2) Evaluator: Evaluation by all members

(3) Criteria for evaluation:

- ① Operation evaluation: Reasonableness of Committee meeting hours, reasonableness of agenda, reasonableness of frequency of Committee meetings, and whether the Company has provided sufficient information
- ② Role evaluation: Reasonableness of the Committee's performance related to the Committee's authorities specified in the Internal Code of Corporate Governance

(4) Method (procedure) of evaluation: Questionnaire survey with 5-point scale and evaluation by third-party evaluating firm for fairness of evaluation and anonymity of evaluator

Evaluation of the Risk Management Committee for 2020 showed that operation and role performance of the committee was excellent. As for the requests made, there were opinions that frequent reports and discussions on the impact on the Group arising from concerns about economic downturn were necessary, and that it was necessary to elaborate the stress test scenario and impact analysis. When major issues such as an increase in household debt due to the impact of COVID-19 occur, reports and discussions are performed, and with the recent emphasis on financial institutions' role for ESG, a training ('ESG risk management') was provided at the 10th Risk Management Committee meeting of 2020.

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X. Board Steering Committee

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X. Board Steering Committee

1. Roles

A. Overview

The Board Steering Committee deliberates and resolves matters delegated by the Board, thereby supporting efficient operation of the Board. (Article 2 of the Board Steering Committee Regulation)

In terms of corporate governance, the committee recommends candidates for non-independent directors (excluding the candidate for CEO). (Article 11 of the Internal Code of Corporate Governance)

Article 17, Paragraph 1 of the Corporate Governance Act requires that a committee recommending candidates for executives shall only recommend candidates for independent directors, CEO, representative officers, and audit committee members. However, to prevent a specific committee from monopolizing the authority to recommend director candidates and to realize transparency in corporate governance, the Company authorizes the Corporate Governance and CEO Recommendation Committee to recommend the candidate for CEO. It also authorizes the Independent Director Recommendation Committee to recommend independent director candidates, and the Board Steering Committee to recommend candidates for directors outside of the two categories above.

Since the Board consists of the CEO, non-executive directors, and independent directors, the Board Steering Committee performs the function of recommending non-executive directors.

B. Specific roles

(1) Set the qualifications of non-independent directors (excluding the candidate for CEO)

Article 11 (3) (i) of the Internal Code of Corporate Governance and Article 6 (1) (i) of the Board Steering Committee Regulation set forth the role of the Committee as 'Setting of Qualification of Non-independent directors of the Company (excluding the candidate for CEO)'.

(2) Recommend candidates for non-independent directors (excluding the candidate for CEO)

Article 11 (3) (ii) of the Internal Code of Corporate Governance and Article 6 (1) (ii) of the Board Steering Committee Regulation set forth the role of the Committee as 'Matters related to the candidate recommendation of non-independent directors, of the Company (excluding the candidate for CEO)'

At the 2nd meeting of 2020 (March 5), the Board Steering Committee recommended Director Philip Avril as a non-executive director candidate for one year in office.

(3) Deliberate appointment and dismissal of non-director executives

Article 11 (3) (iii) of the Internal Code of Corporate Governance and Article 6 (1) (iii) of the Board Steering Committee Regulation set forth the role of the Committee as Matters on 'Deliberate appointment and dismissal of non-director executives'.

At the 1st meeting of 2020 (February 5), the Board Steering Committee recommended Shinhan DS CEO Sung-Yong Lee as a candidate for the head of the Group's head of the group's digital business division.

The 4th Board Steering Committee held on December 17, 2020 processed and recommended for deliberation the newly appointed top management candidate for facilitation of business field in concurrent position and personnel action following the maturity period of the term, not a director and the result is shown as follows.

- Head of Group Management Division: Deputy president Heo Young-taek, new (2-year term), head of GMS Business Group:

Deputy president Jang Dong-ki, reappointed (1-year term), head of Retirement Pension Business Group: Lee Byeong-cheol, reappointed (1-year term), head of Group Brand Promotion Division, Deputy president Ahn Joon-sik, new (2-year term), head of GIB Business Group: Deputy president Jung Geun-soo, new (2-year term), Compliance Officer: Wang Ho-min, new (2-year term), head of Group Operation Division: Deputy president Lee Een-kyoon, new (2-year term), head of Group Strategy/Sustainable Management Division: Deputy president Park Sung-hyun, new (2-year term) head of Audit Team: Deputy president Kim Seong-ju, new (2-year term), head of Global Business Group: Deputy president Kang Shin-tae, new (2-year term), head of Group Big Data Division: Executive Director Kim Hye-joo, new (2-year term)

(4) Deliberate on how to evaluate the Board and subcommittees

The Article 11 (3) (iv) of the Internal Code of Corporate Governance and Article 6 (1) (iv) of the Board Steering Committee Regulation assign the role of 'deliberate on how to evaluate the Board and subcommittees' to the committee.

The 6th Board Steering Committee held on the 28th of December in 2016 saw a resolution on the committee's 'deliberation on the assessment method for the performance of the Board and others'. As set forth by the Article 8 of the Internal Code of Corporate Governance of the Company, the committee clarified the purpose, subject, standards and methodology of assessments on the appropriateness of resolutions and reports related to the operation of the Board, the scope of business management data, the roles of the Board, etc.

The details were submitted to the 8th Special Board Meeting held on the same date and then finalized. The conclusion has been applicable to the performance assessment of the Board and others to date.

(5) Deliberate methods of evaluating independent directors

Article 11 (3) (v) of the Internal Code of Corporate Governance and Article 6 (1) (v) of the Board Steering Committee Regulation set forth the role of the Committee as 'Deliberate methods of evaluating independent directors'.

The 2nd Board Steering Committee held on February 24, 2015 structured the detailed evaluation index on four categories of expertise, fair judgment, integrity and strong work ethic as the positive qualifications of independent director through the 'Deliberate methods of evaluating independent directors', and it finalized the evaluation method of independent director through the resolution of the 2nd special BOD resolution held on the same date.

Thereafter, the applicable evaluation method is facilitated to implement the evaluation of activity contents of independent director for the previous year in the early part of each year.

For the case of the independent director candidates for re-election, the recommendation for re-election is possible only for the cases where the applicable evaluation result is outstanding. During January 2020, it implemented '2019 independent director evaluation', and considering the applicable evaluation result on recommendation for re-election of the independent director subject for re-election, it reported the evaluation result to the 1st Independent Director Recommendation Committee held on February 5, 2020.

(6) Set the goals of BOD Secretariat's performance, and deliberate on how to evaluate them

Articles of Incorporation 11 (3) (vi) of the Internal Code of Corporate Governance and Article 6 (1) (vi) of the Board Steering Committee Regulation set forth the role of the Committee as the 'Set the goals of BOD Secretariat's performance, and deliberate on how to evaluate them'.

The 2nd Board Steering Committee held on May 18, 2018 guaranteed the substantive duty performance of the BOD supporting department, 'BOD Secretariat', by resolving the 'matters on improvement of the outcome evaluation of the BOD Secretariat for strengthening the independence of the independent director support works'.

The process to set and evaluate the annual performance goals for the Board Secretariat is decided by resolution of the Board Steering Committee, and all independent directors are obligated to carry out the role of evaluator of the performance and the committee is obligated to fix the evaluation grade as confirmer. By excluding the CEO and non-standing directors throughout the evaluation process, a systemic device is in place so that the Board Secretariat, in an independent position, can faithfully carry out its role as the supporting department directly under the Board.

At the 1st meeting of 2020 (February 5), the Board Steering Committee confirmed the level of the Board Secretariat's achievement of the goals set in 2019 and the evaluation of independent directors and fixed the evaluation grade of the Board Secretariat. Also, the committee set the performance goal, detailed tasks, and evaluation criteria for the Board Secretariat for 2020 and set the evaluation schedule for the goals.

(7) Other matters deemed by the Board and subcommittees necessary for efficient running of the Board, etc

Article 11 (3) (vii) of the Internal Code of Corporate Governance and Article 6 (1) (vii) of the Board Steering Committee Regulation set forth the role of the Committee as the 'Other matters deemed by the Board and subcommittees necessary for efficient operation of the Board, etc.'

2. Composition

A. Overview

The committee consists of up to 5 directors including the CEO, and a majority of its members are independent directors. (Article 11, Paragraph 2 of Internal Code of Corporate Governance; Article 3, Paragraph 1 of Board Steering Committee Regulation) The members who are independent directors cannot consecutively serve in excess of 2 years. (Article 3, Paragraph 2 of Board Steering Committee Regulation)

The foregoing is to prevent "clubby boards" by independent directors and build a systemic device for fair, transparent running of the Board, in consideration of the committee's role of evaluating and deliberating on the activities of the Board, subcommittees and independent directors.

As of 2020, Board Steering Committee consists of the CEO (Executive director) and 3 independent directors.

One of the members is elected as the chairman by the committee's resolution. (Article 4, Paragraph 1 of Board Steering Committee Regulation)

Currently, the chairman of Board Steering Committee is director Cho Yong-byoung.

B. Composition

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Cho Yong-byoung	Executive director	Chairman	March 27, 2019	March 26, 2020
Byeon Yang-ho	Independent director	Member	March 27, 2019	March 26, 2020
Park Cheul	Independent director	Member	March 27, 2019	March 26, 2020
Sung Jae-ho	Independent director	Member	March 27, 2019	March 26, 2020
Choi Kyong-rok	Independent director	Member	March 27, 2019	March 26, 2020

<After General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/Independent	Title	Date of election	End of term
Cho Yong-byoung	Executive director	Chairman	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Park Ansoon	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Park Cheul	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Yuki Hirakawa	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021

3. Activities & Evaluations

A. Overview

During 2020, the Board Steering Committee was held a total of 4 times.

B. Meetings held

(1) 1st meeting of the Board Steering Committee in 2020: February 5, 2020 (Wed)

[Date of notice: January 28, 2020 (Tue)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Kyong-rok	Park Cheul	Byeon Yang-ho	Sung Jae-ho	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of deliberation for candidate of top management not director	Concur	Concur	Concur	Concur	Concur	Approved
B. Matter of evaluation of work outcome for the Office of General Affairs of BOD in 2019	Concur	Concur	Concur	Concur	Concur	Approved
C. Matter of setting the work outcome goal for the Office of General Affairs of BOD in 2020	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Matter of deliberation for candidate of top management not director: Shinhan DS CEO Sung-Yong Lee was recommended as a candidate for the head of the Group's head of the group's digital business division

Resolution - B. Matter of evaluation of work outcome for the Office of General Affairs of BOD in 2019: The level of the Board Secretariat's achievement of the goals set in 2019 and the evaluation of independent directors were confirmed and the evaluation grade of the Board Secretariat was fixed.

Resolution - C. Matter of setting the work outcome goal for the Office of General Affairs of BOD in 2020: The committee set the performance goal, detailed tasks, and evaluation criteria for the Board Secretariat for 2020 and set the evaluation schedule for the goals.

(2) 2nd meeting of the Board Steering Committee in 2020: March 4, 2020 (Wed)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Kyong-rok	Park Cheul	Byeon Yang-ho	Sung Jae-ho	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of recommend candidates for non-executive directors	Concur	Concur	Concur	Concur	Concur	Approved

Resolution - A. Matter of recommend candidates for non-executive directors: Director Philip Avril was recommended as a non-executive director candidate for one year in office.

(3) 3rd meeting of the Board Steering Committee in 2020: March 26, 2020 (Thu)

[Date of notice: N/A (held on the day following the unanimous consent of members)]

Items	Activities of directors				Whether or not approved
1. Name of director	Park Cheul	Park Ansoon	Yuki Hirakawa	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Absent	Attended	
3. Comments on reported matters					
(No agenda to report)	Not applicable				
4. Resolutions					
A. Matter of election of the chair of the Board Steering Committee	Concur	Concur	Absent	Concur	Approved

Resolution - A. Election of the chair of the Board Steering Committee: Elected Director Yong-Byeong Cho as the chair of the Board Steering Committee with the consent of all members.

(4) 4th meeting of the Board Steering Committee in 2020: December 17, 2020 (Thu)

[Date of notice: December 9, 2020 (Wed)]

Items	Activities of directors				Whether or not approved
1. Name of director	Park Cheul	Park Ansoon	Yuki Hirakawa	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Absent	Attended	
3. Comments on reported matters					
(No agenda to report)	Not applicable				
4. Resolutions					
A. Matter of deliberation for candidate of top management not director	Concur	Concur	Absent	Concur	Approved

Resolution - A. Matter of deliberation for candidate of top management not director: The deliberation of the newly appointed top management candidate was processed and recommended to facilitate business areas in concurrent position and personnel appointment following the maturity period of the non-director management members' term. The result is shown as follows.

- Head of Group Management Division: Deputy president Heo Young-taek, new (2-year term), head of GMS Business Group: Deputy president Jang Dong-ki, reappointed (1-year term), head of Retirement Pension Business Group: Lee Byeong-cheol, reappointed (1-year term), head of Group Brand Promotion Division, Deputy president Ahn Joon-sik, new (2-year term), head of GIB Business Group: Deputy president Jung Geun-soo, new (2-year term), Compliance Officer: Wang Ho-min, new (2-year term), head of Group Operation Division: Deputy president Lee Een-kyoon, new (2-year term), head of Group Strategy/Sustainable Management Division: Deputy president Park Sung-hyun, new (2-year term) head of Audit Team: Deputy president Kim Seong-ju, new (2-year term), head of Global Business Group: Deputy president Kang Shin-tae, new (2-year term), head of Group Big Data Division: Executive Director Kim Hye-joo, new (2-year term)

C. Evaluation

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Board Steering Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

For the purpose of evaluation, main subject, criteria and method, refer to the contents of this Annual Report II. Board of directors and 4. Evaluation of the Board and directors - A. Evaluation of the Board.

As a result of evaluating the Board Steering Committee of 2020, it was confirmed that the operation of the Committee and role performance were at an appropriate level.

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XI. Corporate Social Responsibility Committee

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XI. Corporate Social Responsibility Committee

1. Roles

A. Overview

The Company has established its Corporate Social Responsibility Committee on March 25, 2015 to more actively respond to the demands of internal and external stakeholders including customers, shareholders, and the community. This committee shall lead the Company in fulfilling its corporate social responsibility and will actively and systematically realize the Group's mission of "Compassionate Finance, Your Companion for the Future".

The Corporate Social Responsibility Committee deliberates and resolves matters delegated by the Board, thereby establishing the direction of the Company's corporate social responsibility, ("CSR") and determines related matters.

B. Specific roles

In the Company, the Corporate Social Responsibility Committee's specific roles are set forth in Article 17, Paragraph 2 of the Internal Code of Corporate Governance and Article 6 of the Corporate Social Responsibility Committee Regulation.

(1) Set the direction of the Company's CSR

The Corporate Social Responsibility Committee discusses major issues related to sustainable management such as CSR (corporate social responsibility), eco-friendly management including climate change response, etc., and sets the direction of the socially-responsible management for the Group to implement, in the areas of economy, environment, and society.

(2) Establish, revise, and abolish norms/policies related to socially responsible management

The Company has established the policies related to the social responsibility management of Group, such as, environment management code, declaration of human rights and others and this Committee revises the existing regulations related to the CSR management of Group or deliberates and resolves the establishment of new regulation.

(3) Others

As a result of external evaluation related to the publication of social responsibility report and CSR management, the Company reports the status of performance to the Corporate Social Responsibility Committee.

2. Composition

(1) Overview

The Company's Corporate Social Responsibility Committee consists of 5 members (4 independent directors and 1 executive director).

(2) Members

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Lee Yoon-jae	Independent director	Chairman	March 27, 2019	March 26, 2020
Park Ansoon	Independent director	Member	March 27, 2019	March 26, 2020
Byeon Yang-ho	Independent director	Member	March 27, 2019	March 26, 2020
Cho Yong- byoung	Executive director	Member	March 27, 2019	March 26, 2020
Yuki Hirakawa	Independent director	Member	March 27, 2019	March 26, 2020

<After General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Lee Yoon-jae	Independent director	Chairman	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Byeon Yang-ho	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Choi Kyong-rok	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Yoon Jaewon	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Cho Yong- byoung	Executive director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021

3. Activities & Evaluations

A. Overview

In 2020, the Corporate Social Responsibility Committee was held a total of 6 times and all members were in attendance for 100%.

B. Meetings held

(1) 1st meeting of the Corporate Social Responsibility Committee in 2020: March 26, 2020 (Thu)

[Date of notice: March 18, 2020 (Wed)]

Items	Activities of directors					Whether or not approved
	Lee Yoon-jae	Byeon Yang-ho	Choi Kyong-rok	Yoon Jaewon	Cho Yong-byoung	
1. Name of director	Lee Yoon-jae	Byeon Yang-ho	Choi Kyong-rok	Yoon Jaewon	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matters on election of the chair of the Corporate Social Responsibility Committee	Concur	Concur	Concur	Concur	Concur	Approved

The 1st Corporate Social Responsibility Committee of 2020 elected the member Lee Yoon-jae as the chair of the Corporate Social Responsibility Committee in 2020.

(2) 2nd meeting of the Corporate Social Responsibility Committee in 2020: April 27, 2020 (Mon)

[Date of notice: April 20, 2020 (Mon)]

Items	Activities of directors					Whether or not approved
1. Name of director	Lee Yoon-jae	Byeon Yang-ho	Choi Kyong-rok	Yoon Jaewon	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report of performance of sustainable management (ESG) in 1Q 2020	No particular comments					
B. 2020 Corporate Social Responsibility Committee Expansion Plan	No particular comments					
C. Global Benchmarks	No particular comments					
D. 2020 Key Tasks	No particular comments					
4. Resolutions						
(No resolutions)	Not applicable					

At the 2nd meeting of 2020, the Corporate Social Responsibility Committee, through a new type of sustainable finance dashboard, received reports on the results (1st quarter of 2020) and plan, along with key results and performances for 2019. Also, with internal and external interest and importance of the sustainable management being enhanced, the Company reported to the committee on its plan to expand the committee in 2020 for reinforced drive. For advancement of Shinhan Financial Group's sustainable management, global benchmarking was conducted and specific tasks for the Group were reviewed. In this regard, major tasks for 2020 were reported, highlighting new tasks to take the lead and improvement measures for existing tasks.

(3) 3rd meeting of the Corporate Social Responsibility Committee in 2020: May 22, 2020 (Fri)

[Date of notice: May 14, 2020 (Thu)]

Items	Activities of directors					Whether or not approved
1. Name of director	Lee Yoon-jae	Byeon Yang-ho	Choi Kyong-rok	Yoon Jaewon	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report of publishing the social responsibility report for Group in 2019	No particular comments					
B. Report of the results of "developing a social value measurement model"	No particular comments					
4. Resolutions						
(No resolutions)	Not applicable					

At the 3rd meeting of 2020, the Corporate Social Responsibility Committee received reports on publication of the 'Group's Social Responsibility Report (2019)' (annually-published voluntary disclosure of sustainable management), where the composition (framework), reports principles, and differentiation points in consideration of various stakeholders were explained. Also, it received reports on the 'Social value measurement model' (2020) developed in collaboration with the Yonsei University Business Ethics/CSR Research Center for the first time among Korean financial companies. The results of review on which activities create the most social value in various areas (support for the vulnerable social group, job creation, support for small/innovative companies and social economy, education support, social contribution donation, Mecenat, etc.) were explained.

(4) 4th meeting of the Corporate Social Responsibility Committee in 2020: August 14, 2020 (Fri)

[Date of notice: August 7, 2020 (Fri)]

Items	Activities of directors					Whether or not approved
1. Name of director	Lee Yoon-jae	Byeon Yang-ho	Choi Kyong-rok	Yoon Jaewon	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report of performance of sustainable management (ESG) in the first half of 2020	No particular comments					
4. Resolutions						
A. Establishing the framework of the Group's corporate social responsibility strategy	Concur	Concur	Concur	Concur	Concur	Approved

At the 4th meeting of 2020, the Corporate Social Responsibility Committee received reports on the performance of sustainability management (ESG) in the first half of 2020 through the sustainable finance dashboard and the key execution plans of the holding company and each group company in the second half. With the deadline of the '2020 CSR Strategy' (Shinhan Group's CSR strategy established in 2017), the committee established the Group's new CSR strategy framework. Shinhan Financial Group's sustainability management has been redefined as "finance that enables sustainable growth with stakeholders through finance (the essence of business)" and under the principle of "Finance for Impact" and the strategic direction of "Eco-friendly/Win-Win/Trust", 5 impact projects were selected and approved.

(5) 5th meeting of the Corporate Social Responsibility Committee in 2020: November 13, 2020 (Fri)

[Date of notice: November 6, 2020 (Fri)]

Items	Activities of directors					Whether or not approved
1. Name of director	Lee Yoon-jae	Byeon Yang-ho	Choi Kyong-rok	Yoon Jaewon	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report of performance of sustainable management (ESG) in 3Q 2020	No particular comments					
B. Report of the performance of Zero Carbon Drive TF	No particular comments					
4. Resolutions						
(No resolutions)	Not applicable					

At the 5th meeting of 2020, the Corporate Social Responsibility Committee received reports on the sustainable management (ESG) performance for the 3rd quarter of 2020. The Company reports the results every quarter, and reflecting the opinions of the committee members, continuously implemented ESG. Also, TF was performed to implement Zero Carbon Drive (one of the 5 Impact projects), and interim results were reported. Shinhan Group's "Zero Carbon Drive" goes beyond the "de-coal" of existing financial companies, manages loans and investments to high-carbon companies/industries, and contributes to the transition to a low-carbon economy by expanding financial support to eco-friendly companies. For carbon neutrality in 2050, the Company measures asset carbon emissions and set reduction targets, and explained its participation in the Partnership for Carbon Accounting Financials (PCAF) and Science Based Target initiative (SBTi) initiatives for measurement and target setting purposes.

(6) 6th meeting of the Corporate Social Responsibility Committee in 2020: December 10, 2020 (Thu)

[Date of notice: December 4, 2020 (Fri)]

Items	Activities of directors					Whether or not approved
	Lee Yoon-jae	Byeon Yang-ho	Choi Kyong-rok	Yoon Jaewon	Cho Yong-byoung	
1. Name of director	Lee Yoon-jae	Byeon Yang-ho	Choi Kyong-rok	Yoon Jaewon	Cho Yong-byoung	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of Zero Carbon Drive (proposal)	Concur	Concur	Concur	Concur	Concur	Approved

At the 6th meeting of 2020, the Corporate Social Responsibility Committee approved the proposal for Zero Carbon Drive (Shinhan Financial Group's eco-friendly strategy). The proposal explained the targets for reducing carbon emissions by each group by 2030 and the major initiatives, and determined the target amount of eco-friendly financial support for offsetting carbon emissions. In addition, the proposal included the establishment of infrastructure and a ESG governance for practical implementation, and the committee members asked for strengthened capacity of the loan/investment screening system for carbon neutrality.

C. Evaluation

Under Article 9 (Subcommittee) Paragraph 4 of the Company's Internal Code of Corporate Governance, the Corporate Social Responsibility Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

For the purpose of evaluation, main subject, criteria and method, refer to the contents on this Annual Report II. Board of directors and 4. Evaluation of the Board and directors - A. Evaluation of the Board.

According to the evaluation of the Corporate Social Responsibility Committee (2020), the operation and role performance of the committee is excellent (grade 5). There was an opinion that it was necessary to operate the committee focused on policy matters related to sustainable management, and to fulfill the request, integration of ESG into the overall management will be promoted through activation of the Group's governance. In selecting and submitting the committee agenda, the Company plans to strengthen management of the committee schedule.

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XII. Subsidiary Management Committee

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XII. Subsidiary Management Committee

1. Roles

The Company composes the Subsidiary Management Committee with 6 or less directors (1/2 or more of the total members is independent director) including the top management as the director in order to carry out the election standard and candidate deliberation of top management other than CEO and recommendation of candidate for CEO and establishment of qualification for the CEO of subsidiary company for operation.

2. Composition

The Subsidiary Management Committee consists of total of 5 persons including the Chairman. For the independence and fairness of the Committee, CEO and 4 independent directors were elected as the members on March 26, 2020 as it is composed of 5 persons, and CEO was elected as the Chairman in the third Subsidiary Management Committee that was held on the same date.

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Cho Yong-byoung	Executive director	Chairman	March 27, 2019	March 26, 2020
Park Ansoon	Independent director	Member	March 27, 2019	March 26, 2020
Park Cheul	Independent director	Member	March 27, 2019	March 26, 2020
Lee Yoon-jae	Independent director	Member	March 27, 2019	March 26, 2020
Huh Yong-hak	Independent director	Member	March 27, 2019	March 26, 2020

<After General Meeting of Shareholders in March of 2020>

Name	Executive/Non-Executive/ Independent	Title	Date of election	End of term
Cho Yong-byoung	Executive director	Chairman	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Byeon Yang-ho	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Lee Yoon-jae	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Huh Yong-hak	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021
Park Ansoon	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021

3. Related to the management succession of CEO of the subsidiary companies

A. Internal code on the management succession of CEO of the subsidiary companies

The Company established the Subsidiary Management Committee Regulation on May 10, 2004 for setting forth the matters of composition and operation of the Subsidiary Management Committee. Based on the foregoing, it reflected the contents of CEO succession plan for CEO under the model standard implemented on December 24, 2014, and for minimizing the risk of the process of CEO succession, the Subsidiary Management Committee Regulation was revised in the BOD of February 26, 2015.

On May 21, 2020, in order to strengthen independence of the subsidiaries' boards of directors and support responsible management by the subsidiaries' CEOs, the Company revised the Subsidiary Management Committee Regulation so that the

subsidiaries' boards of directors take charge of the selection criteria and deliberation functions regarding candidates for subsidiaries' executives other than CEOs which used to be the job of the Subsidiary Management Committee. Key parts of the Subsidiary Management Committee Regulation include the qualifications of subsidiaries' CEOs, the grounds and timing of the start and end of the CEO succession procedure, the procedure of candidate recommendation and CEO succession, the selection, qualification check and management of the candidates for subsidiaries' CEOs, emergency succession plan, etc.

B. Procedure of recommendation for CEO candidate of subsidiary company and management succession

The Company prepared the CEO succession program of the subsidiary company in 2011 for stable CEO succession and the CEO succession plan of the subsidiary company is managed at all times to operate transparent and sound corporate governance. The Subsidiary Management Committee establishes the CEO succession plan of the subsidiary company and reports the appropriateness of the CEO succession plan at least once a year to the BOD.

The Subsidiary Management Committee considers qualification, legal requirements and others to select the candidate pool for CEO of a subsidiary company, and deliberates the candidate pool of the CEO of the subsidiary company on the basis of consideration on the strategic role required as the CEO of the subsidiary company at the time of succession.

The CEO of the subsidiary company, a financial company, must satisfy the requirements on the qualification of the executive officers as set forth under Article 5 of the Act on the Corporate Governance of Financial Companies and Article 7 of the Enforcement Decree of the same Act. The same Act and its Enforcement Decree state that the following persons cannot be an executive officer: A minor, a person under adult guardianship, or a person under limited guardianship, a person declared bankrupt but not yet reinstated, a person in whose case five years have not passed yet since imprisonment without labor or heavier punishment to which he/she was sentenced was completely executed, a person who was sentenced to the suspension of imprisonment without labor or heavier punishment, and is still in the period of suspension, a person in whose case five years have not passed yet since a fine or heavier punishment to which he/she was sentenced under this Act or any other finance-related statute was completely executed, a Revocation of permission or authorization for, or registration, etc. of, business under a finance-related statute or measure of timely correction or administrative disposition of the Act on the Structural Improvement of the Financial Industry as a person who serves and served as an executive officer or an employee of a financial company in which case five years have not yet passed, a person in whose case the period specified by Presidential Decree not exceeding five years for each category of sanctions has not yet passed since a sanction was taken against him/her under any finance-related statute for his/her conduct as an executive officer or an employee following the Act or pertinent laws and regulations on finance, or a person specified by Presidential Decree, by whom public interest and sound management of the relevant financial company or credit order are likely to be undermined.

Furthermore, following Article 7 of the Subsidiary Management Committee Regulation, the Subsidiary Management Committee is equipped with sense of ethics, competency to realize Shinhan value, work expertise, competency of organizational management to share the vision of the Company, and it recommends the person who is capable of this effort for public benefit and sound management as the CEO candidate of the subsidiary company.

The Subsidiary Management Committee comprehensively deliberates the candidate pool to commence the succession procedure before the expiration of the term for the CEO of the subsidiary companies to complete the candidate recommendation. Management Candidate Recommendation Committee for a subsidiary companies that is a financial company reviews the conformity for qualification set forth under the pertinent laws and regulations regarding the CEO candidate recommended by the Subsidiary Management Committee to recommend to the meeting of shareholders of the applicable subsidiary companies and the recommended CEO candidate is elected as the CEO through the resolution of the meeting of shareholders for the applicable subsidiary companies.

In addition, in order to strengthen the sustainable management system, the Company selects the candidate pool for CEO of the

subsidiary company and develops them as the CEO candidates of the subsidiary company in the future.

Various elements of development program, such as insight on financial business, decision making for enterprise point of view, strategy execution/driving force, leadership, internal and external influence etc., are implemented by obtaining the approval of the Subsidiary Management Committee, and the result of the management outcome and development activities of the candidate pool is regularly reviewed and evaluated, and in recommending the CEO of subsidiary company, the result of the candidate pool evaluation is considered.

In the meantime, in the event that the CEO of subsidiary company is unable to perform its duties, due to unexpected accident, sudden health issue or similar, the CEO of subsidiary company is recommended through the accelerated succession process that quickens the procedure of the CEO succession plan in accordance with Article 7 of the Subsidiary Management Committee Regulation. In addition, in the event that the election is delayed by having the unavoidable cause in natural disaster, material cause of disqualification to the person scheduled for election, or an accident, the cause and the person acting on behalf of CEO until the election and company operation plan, election schedule of CEO for the subsidiary company are required to disclose.

C. Status of management for CEO candidate of subsidiary company

The Subsidiary Management Committee selects candidates for the subsidiaries' CEOs according to the subsidiary CEO succession plan, and reports to the Board at least once a year on the selection of candidates and verification of their qualifications in accordance with Article 6 of the Subsidiary Management Committee Regulation. In order to establish a sustainable management system through stable CEO succession, the Company selects candidates (long list) for subsidiaries' CEOs and trains them as candidates for future subsidiary CEOs. At the 4th meeting of 2020 (May 21), the Subsidiary Management Committee selected a total of 43 candidates (long list) by expanding the scope of candidates (long list) to all executives at or above the assistant vice-president level in the subsidiaries to which the succession plan applies, or in the holding company as of the year end. The Company conducts activities to train such candidates throughout the year. In addition, in accordance with Article 2 of the Subsidiary Management Committee Regulation, recommendations from outside the Company such as shareholders, stakeholders, and external advisory organizations can be used if necessary. The Subsidiary Management Committee is in charge of managing the candidates for CEO, and Shinhan Leadership Center of the holding company provides practical support related to candidate management. In addition, the Subsidiary Management Committee regularly deliberates and evaluates the performance and development activities of the candidates (long list).

<Status of candidate pool of CEO for subsidiary company>

Classification	Number of candidates	Recommendation channel
Internal	43 persons	In the Subsidiary Management Committee on May 21, 2020, the candidate pool was selected in accordance with the CEO succession plan of the subsidiary companies

D. Status of supporting department for succession of CEO of subsidiary company

The Company operates Shinhan Leadership Center to support the works related to the CEO succession of CEO for the subsidiary company. Shinhan Leadership Center consists of a total of 10 persons for team manager and team members, and they carry out the affairs of development of management leader in operation of CEO succession plan, remuneration and evaluation of outcome by top management, establishment and execution of scheme for personnel policy of Group. Following Article 38 of the Internal Code of Corporate Governance, Shinhan Leadership Center is in charge of the affairs of management of CEO candidate pool, evaluation and verification, support of evaluation work of CEO candidate and other CEO succession support works.

In addition, following Article 6 of the Subsidiary Management Committee Regulation, Shinhan Leadership Center carries out the practical procedure to report to the BOD with the contents of verification if the qualification for selecting the CEO candidate as well as the appropriateness of CEO succession plan by the Committee
 <Status of operation for the supporting department for succession work of CEO>

- Name of department: Shinhan Leadership Center
- Number of employees: 10 persons
- Contents of operation

Date	Contents of operation	Remarks
March 5, 2020	Practical support related to the evaluation of subsidiary CEOs' leadership (2019) Practical support related to the establishment of an evaluation system for subsidiary executives' leadership (2020)	The 1st Subsidiary Management Committee
March 20, 2020	Support of practical affairs related to deliberation of top management candidates of subsidiary companies	The 2nd Subsidiary Management Committee
March 26, 2020	Support of practical affairs related to matters on mutual voting of the chair of the Subsidiary companies Management Committee	The 3rd Subsidiary Management Committee
May 21, 2020	Practical support related to the revision of the CEO succession plan for subsidiaries (subsidiary CEO succession plan) and deliberation of the improvement of the subsidiary's management selection process Support of practical affairs related to evaluation for candidate pool in CEO succession of subsidiary companies in 2019 Support of practical affairs related to deliberation of criteria for candidate pool in CEO succession of subsidiary companies in 2020 Support of practical affairs related to deliberation of development plan for candidate pool in CEO succession of subsidiary companies in 2020	The 4th Subsidiary Management Committee
August 13, 2020	Support of practical affairs related to modification report of development plan for candidate pool in CEO succession of subsidiary companies in 2020	The 5th Subsidiary Company Management Committee
September 24, 2020	Support of practical affairs related to deliberation of top management candidates of subsidiary companies	The 6th Subsidiary Company Management Committee
November 12, 2020	Support of practical affairs related to appropriateness inspection of CEO succession plan of subsidiary companies Support of practical affairs related to evaluation of leadership for top management of subsidiary companies	The 7th Subsidiary companies Management Committee
December 10, 2020	Practical support related to deliberation of the selection of candidates for succession to the CEO of a subsidiary Practical support related to deliberation of the selection of the candidates short list of the subsidiary CEO	The 8th Subsidiary companies Management Committee
December 17, 2020	Support of practical affairs related to deliberation of top management candidates of subsidiary companies	The 9th Subsidiary companies Management Committee

4. Activities

A. Overview

In 2020, a total of 9 Subsidiary Management Committee meetings were held, and all 15 resolution agenda items submitted were approved. At the 2nd meeting of 2020 (March), the committee recommended a candidate for CEO of Shinhan Investment Corp., and at the 4th meeting of 2020 (May), revised the subsidiary CEO succession plan (change the criteria of

selecting candidates (long list)), selected 43 candidates (long list) for subsidiaries' CEOs, and deliberated and resolved the development plan for such candidates. In addition, the committee deliberated the amendment to the aforesaid regulation related to the appointment process for subsidiaries' executives excluding CEOs. At the 6th meeting of 2020 (September), the committee recommended a candidate for the new CEO of Shinhan Venture Investment (formerly Neoflux). In November 2020, at the 7th meeting, the committee checked adequacy of the subsidiary CEO succession plan, and at the 8th and 9th meetings of 2020 (December), recommended CEO candidates for Shinhan Bank, Shinhan Card, and Shinhan Life Insurance, Orange Life Insurance, Shinhan Capital, Shinhan Asset Management (formerly Shinhan BNP Paribas Asset Management), Jeju Bank, Shinhan Savings Bank, Asia Trust, Shinhan Aitas, Shinhan Credit Information, Shinhan Alternative Investment Management, Shinhan REITs Management, and Shinhan AI.

B. Meetings held

(1) 1st meeting of the Subsidiary Management Committee in 2020: March 5, 2020 (Thu)

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report of the direction of improving operation of the subsidiary CEO succession plan	No particular comments					
4. Resolutions						
A. No. 1 agenda item (Matter of leadership evaluation for the CEOs of subsidiaries for 2019)	Concur	Concur	Concur	Concur	Concur	Approved
B. No. 2 agenda item (Matter of establishment of leadership evaluation system for the executives of subsidiaries for 2020)	Concur	Concur	Concur	Concur	Concur	Approved

The 1st Subsidiary Management Committee meeting of 2020 had all 5 members in attendance for a quorum. The committee deliberated and resolved Agenda Item #1 (matter of leadership evaluation for the CEOs of subsidiaries for 2019), and Agenda Item #2 (matter of establishment of leadership evaluation system for the executives of subsidiaries for 2020). In addition, the committee received reports on the direction of improving operation of the subsidiary CEO succession plan.

(2) 2nd meeting of the Subsidiary Management Committee in 2020: March 20, 2020 (Fri)

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. No. 1 agenda (Matter of deliberation of top management candidate of subsidiary companies)	Concur	Concur	Concur	Concur	Concur	Approved

The 2nd Subsidiary Management Committee of 2020 had all 5 registered members in attendance for a quorum, and it presented the matters of the top management candidates of the subsidiary companies as the No. 1 Agenda to recommend the CEO candidates of Shinhan Investment.

(3) 3rd meeting of the Subsidiary Management Committee in 2020: March 26, 2020 (Thu)

Items	Activities of directors					Whether or not approved
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. No. 1 agenda (Matter of election of the chair of the Subsidiary Management Committee)	Concur	Concur	Concur	Concur	Concur	Approved

The 3rd Subsidiary Management Committee of 2020 had all 5 registered members in attendance for a quorum, and it presented the matter of mutual voting of the Chair of the Subsidiary Management Committee as No. 1 Agenda to recommend the member Cho Yong-byoung as the chairman.

(4) 4th meeting of the Subsidiary Management Committee in 2020: May 21, 2020 (Thu)

Items	Activities of directors					Whether or not approved
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. No. 1 (Matter agenda item of revision of the subsidiary CEO succession plan and improvement of the subsidiary executives appointment procedure)	Concur	Concur	Concur	Concur	Concur	Approved
B. No. 2 agenda (Matter of evaluation of the candidate pool for CEO succession of the subsidiary companies in 2019)	Concur	Concur	Concur	Concur	Concur	Approved
A. No. 3 agenda (Matter of evaluation of the election of the candidate pool for management of the succession of subsidiary companies in 2020)	Concur	Concur	Concur	Concur	Concur	Approved
C. No. 4 agenda (Matter of deliberation of the development plan for CEO succession of the subsidiary companies in 2020)	Concur	Concur	Concur	Concur	Concur	Approved

The 4th Subsidiary Management Committee meeting of 2020 had all 5 members in attendance for a quorum. As for Agenda Item #1 (matter of revision of the subsidiary CEO succession plan and improvement of the subsidiary executives appointment procedure), the committee revised the subsidiary CEO succession plan in order to expand the pool of next-generation candidates, and decided not to recommend candidate for subsidiaries' executives other than CEOs and introduced the

procedure for reports of the subsidiary CEO succession plan to subsidiaries' boards of directors in order to strengthen independence of the subsidiaries' boards of directors and support responsible management by the subsidiaries' CEOs. The proposed revision of regulation prepared based on the committee's deliberation was approved at the Board meeting on the same date. As for Agenda Item #2 (evaluation of candidates (long list) for subsidiaries' CEO succession for 2019"), the committee affirmed the result of evaluating candidates (long list) for subsidiaries' CEO succession. As for Agenda #3 (matter of selection of candidates (long list) for subsidiaries' CEO succession ("subsidiary CEO succession") for 2020), the committee selected all 43 executives at or above the assistant vice-president level in the subsidiaries to which the subsidiary CEO succession plan applies, as candidates (long list) for subsidiary CEO succession for 2020. As for Agenda Item #4 (plan to develop candidates (long list) for subsidiary CEO succession for 2020), the committee deliberated and approved the same.

(5) 5th meeting of the Subsidiary Management Committee in 2020: August 13, 2020 (Thu)

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. No. 1 agenda (Report of modification of the development plan for training candidate pool of CEO succession of the subsidiary companies)	No particular comments					
4. Resolutions						
No resolutions	Not applicable					

The 5th Subsidiary Management Committee of 2020 had all 5 registered members in attendance for a quorum, and it reported the matters to modify the development plan of the candidate pool with modified works in charge in accordance with the modification of work division for executive officers or organizational revision for the subsidiary companies.

(6) 6th meeting of the Subsidiary Management Committee in 2020: September 24, 2020 (Thu)

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. No. 1 agenda (Matter of deliberation for top management candidates of the subsidiary companies)	Concur	Concur	Concur	Concur	Concur	Approved

The 6th Subsidiary Management Committee of 2020 had all 5 registered members in attendance for a quorum, and it presented the matters of the top management candidates of the subsidiary companies as the No. 1 Agenda to recommend the CEO candidates of Shinhan Venture Investment (former Neoplux).

(7) 7th meeting of the Subsidiary Management Committee in 2020: November 12, 2020 (Thu)

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. No. 1 agenda (Report of inspection of the appropriateness for CEO succession plan of the subsidiary companies)	Concur	Concur	Concur	Concur	Concur	Approved
B. No. 2 agenda (Matter of evaluation of the top management leadership of the subsidiary companies)	Concur	Concur	Concur	Concur	Concur	Approved

The 7th Subsidiary Management Committee meeting of 2020 had all 5 members in attendance for a quorum. As for Agenda Item #1 ("matter of checking adequacy of the subsidiary CEO succession plan"), the committee checked whether the subsidiary CEO succession plan faithfully reflected the Corporate Governance Act, Supervisory Regulation on Corporate Governance of Financial Companies and the Company's Internal Code of Corporate Governance reflecting the foregoing, etc., and whether the procedures set forth in the plan are properly being run year-round. Also, it checked whether the candidates (long list) for subsidiary CEO succession meet the qualifications set out in the subsidiary CEO succession plan. Based on the result of checking, the committee presented the opinion that "the subsidiary CEO succession plan is appropriately established in accordance with the goal of management continuity through stable CEO succession and the Group's sustainable development." As for Agenda Item #2 (matter of leadership evaluation for the executives of subsidiaries), it deliberated and finalized the result of evaluating the leadership of subsidiaries' non-CEO executives.

(8) 8th meeting of the Subsidiary Management Committee in 2020: December 10, 2020 (Thu)

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. No. 1 agenda (Matter of selection of subsidiary CEO candidates (long list))	Concur	Concur	Concur	Concur	Concur	Approved
B. No. 2 agenda item (Matter of selection of subsidiary CEO candidates (short list))	Concur	Concur	Concur	Concur	Concur	Approved

The 8th Subsidiary Management Committee meeting of 2020 had all 5 members in attendance for a quorum. As for Agenda Item #1 ("matter of selection of CEO succession candidates for subsidiaries), the committee deliberated and finalized CEO candidates for the 14 subsidiaries whose CEOs had term of office to expire at the end of 2020. As for Agenda Item #2 ("matter of selection of candidates (short list)) for subsidiaries' CEOs), the committee deliberated and selected 3 to 5 candidates (short list) for each of the 14 subsidiaries covered by Agenda Item #1.

(9) 9th meeting of the Subsidiary Management Committee in 2020: December 17, 2020 (Thu)

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Park Cheul	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. No. 1 agenda (Matter of deliberation for top management candidates of the subsidiary companies)	Concur	Concur	Concur	Concur	Concur	Approved

The 9th Subsidiary Management Committee meeting of 2020 had all 5 members in attendance for a quorum. As for Agenda Item #1 ("matter of deliberation of candidates for subsidiaries' executives), the committee deliberated, based on 'Group-wide qualifications required' and by-subsidiary 'strategic competency required' under the subsidiary CEO succession plan, on each subsidiary's candidates (short list) selected at the 8th Subsidiary Management Committee meeting of 2020, and recommended the final candidate for the CEO of each company. Recommendations were made to 14 companies (Shinhan Bank, Shinhan Card, Shinhan Life Insurance, Orange Life Insurance, Shinhan Capital, Shinhan Asset Management (formerly Shinhan BNP Paribas Asset Management), Jeju Bank, Shinhan Savings Bank, Asia Trust, Shinhan Aitas, Shinhan Credit Information, Shinhan Alternative Investment Management, Shinhan REITs Management, and Shinhan AI). At the 4th meeting (May 2020), the committee had decided not to recommend candidates for subsidiaries' executives other than CEOs, but this time recommended the candidate for the vice-president of Jeju Bank, whose articles of incorporation had not been revised.

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XIII. Group Executive Committee

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XIII. Group Executive Committee

1. Roles

The Company deliberated and stipulated for main issues of Group in accordance with Article 2 of the Operation Regulation of Group Executive Committee, and for supporting the decision making of CEO that represents Group with deliberation and stipulation of main issues and it established and operated Group Executive Committee.

The Group Executive Committee deliberates the following matters from the agenda subject to present to the BOD of the Company.

- (1) Matter of direction of Group's vision/strategy and establishment of management plan and budget
- (2) Matter of decision making of strategic investment of Group
- (3) Other matters acknowledged as needed by CEO

The Group Executive Committee stipulates the following matters from major issues of Group.

- (1) Agenda required to adjust understanding or cooperation between subsidiary companies and business division for strategic execution of Group
- (2) Agenda required for sharing and stipulation with subsidiary companies and others, including various management status for each business field and subsidiary companies and others
- (3) Agenda related to the system jointly applied by business fields and subsidiary companies and others
- (4) Agenda related to the brand strategy of the Group level
- (5) Other agenda acknowledged are required by CEO

Matters reported to the Group Executive Committee are shown as follows.

- (1) Result of promotion and execution of main matters from various businesses of business fields and subsidiary companies
- (2) Trend of financial market
- (3) Other agenda acknowledged as necessary by CEO

2. Composition

The Group Executive Committee is composed of CEO and CEO of each subsidiary company in accordance with Article 3 of the Operation Regulation of Group Executive Committee. In addition, any person acknowledged as required by the heads of main business divisions of Group and top management of holding company, Group and Group Chief Risk Officer(GCRO) may attend, and the Head of Strategic Planning Team attends as a coordinator of the Committee. The chairman of the meeting is CEO, and if CEO is vacated or absent, a member designated by CEO acts on behalf of such duties.

3. Stipulation procedure (operation status)

The Group Executive Committee is held bi-weekly in accordance with the convening of the chairman and it may be adjusted, if necessary. Time, date and place of the meeting are designated by the Chairman and the coordinator notifies the date, time and place of the meeting to each member and attendee in advance.

The CEOs of all subsidiaries of the Group (including members of the Group Executive Committee, through the secretary, may

submit discussion/reports matters for the meeting, and the CEO may have the Group Risk Council present opinions at the meeting regarding the aforesaid discussion matters that he/she deems as requiring review of risk management.

4. Activities

A total of 11 Group Executive Committee meetings were held in 2019 to discuss key issues of the Group. The key issues include the Group's management plan, reports on Digilog's core tasks and building of implementation engine, current status of the Group's brand competitiveness and strategic tasks, plan to run the 2020 Future Strategy Institute, reorganization of the Group's "excellent customer" system, schedule and direction of the mid-term management planning, setting of core Kingpin for Shinhan Financial Group's DT execution, Group BCP and business response plans due to re-proliferation of COVID-19, current status of strengthening the Group's customer base, Shinhan N.E.O. Project execution plan, Group's Digital Transformation driver and key DT initiatives in the second year half, Shinhan T.O.D.P plan, key parts of the Gartner Symposium, reports on launch of Zero Carbon Drive TF, etc.

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XIV. Group Risk Management Council

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XIV. Group Risk Management Council

1. Roles

The Group Risk Management Council of the Company stipulates on matters related to the pertinent risk of Group for maintaining the risk policy and strategy consistently for the subsidiary companies and Group in accordance with Article 2 of the Group Risk Management Council Regulation and it resolves the matters required for the professional manager of policies set forth by the Risk Management Committee. The Risk Management Committee of the Company delegated the Group exposure limit and management to the Group Risk Management Council for the high risk territory in order to maintain the risk management of Group in the 4th Risk Management Committee of 2010 held on August 25, 2010, and the Group Risk Management Council set the Group exposure limit on high risk territory for each year and report the status of management to the Risk Management Committee. The 1st Group Risk Management Council of 2016 held on January 20, 2016 modified the name of the high risk territory to the core management territory. In addition, the 4th Risk Management Committee of 2015, held on December 10, 2015, delegated setting and management of exposure limit for each country related to international loan and investment works of Group to the Group Risk Management Council, and the Group Risk Management Council sets the Group exposure limit for each country is for each year and reports the management status.

The Group Risk Management Council resolves the following matters.

- (1) Matters on the setting of exposure limits such as countries, critical areas, individual companies and affiliates.
- (2) Matters on implementation of the Group's integrated crisis analysis.
- (3) Decision-making related to the Group's non-retail credit rating system, excluding those subject to approval under the Financial Supervisory Service's Internal Ratings-Based Approach.
- (4) Other matters deemed necessary by the chairperson.

The Group Risk Management Council deliberates the following matters.

- (1) Decide the level of risk that the Company and each subsidiary can bear
- (2) Result of the Group's integrated stress test, and the related capital management plan and funding plan
- (3) Matters on risk disclosure policy
- (4) Other matters deemed necessary by the chairperson.

The Group Risk Management Council stipulates the following matters.

- (1) Matter of operation of the risk measurement system of Group and subsidiary companies
- (2) Matters requiring the stipulation jointly regarding the risk management of the Group level
- (3) Matter of risk management related to fund support of the subsidiary companies
- (4) Matters requested by the Group Executive Committee as the matter determined as necessary for the review on risk management on Article 43 (3) pursuant to Article 43 (4) of the Internal Code of Corporate Governance
- (5) Other matters set forth by the Chairman

2. Composition

In accordance with Article 3 of the Group Risk Council Regulation, the Group Risk Council consists of the Company's risk manager, subsidiaries' risk managers under the Corporate Governance Act, and the head of Shinhan Bank's corporate credit review division. The chair of the Group Risk Council is the Company's risk manager, and the chair may designate a subsidiary's executive in charge of the relevant matters, not the risk manager, attend the council meeting, depending on the agenda.

<Composition of the Group Risk Management Council of the Company>

Name	Group company	Title	Date of election for responsible person for risk management	End of term	Remarks
Bang Dong-kwon	Shinhan Financial Group	Responsible person for risk management	January 1, 2020	December 31, 2021	Chairman
Kim Im-geun	Shinhan Bank	Responsible person for risk management	January 1, 2020	December 31, 2022	Responsible persons of risk management for the key subsidiary companies
Oh Han-sub	Shinhan Bank	Head of Corporate Credit Analysis & Assessment Division	January 1, 2020	December 31, 2020	Appointment date: Date of appointment as head of division
Song Joo-young	Shinhan Card	Responsible person for risk management	January 1, 2018	December 31, 2021	
Kim Beong-kook	Shinhan Investment Corp.	Responsible person for risk management	January 1, 2020	December 31, 2021	
Jung Bong-hyun	Shinhan Life Insurance	Responsible person for risk management	July 6, 2017	December 31, 2021	
Kim Jin-won	Orange Life	Responsible person for risk management	November 1, 2016	December 31, 2020	
Kwak Woo-hong	Shinhan Capital	Responsible person for risk management	March 20, 2020	March 31, 2022	
Meong Jung-wan	Shinhan BNP Paribas Asset Management	Responsible person for risk management	August 1, 2016	January 31, 2022	
Jang Woo-cheon	Jeju Bank	Responsible person for risk management	March 28, 2019	December 31, 2020	
Kang Hyuk	Shinhan Savings Bank	Responsible person for risk management	May 2, 2019	March 27, 2021	
Jang Rae-gwan	Asia Trust	Responsible person for risk management	May 2, 2019	May 1, 2021	
Kim Gyu-wan	Shinhan Alternative Investment Management	Responsible person for risk management	July 29, 2019	July 29, 2021	

3. Stipulation procedure (operation status)

The Group Risk Management Council of the Company is held once each quarter following Article 4 of the Group Risk Management Council Regulation in principle, and when the Chairman acknowledges as necessary, or upon request by a member, it is convened from time to time. The Council resolves with the attendance of majority members and resolves with majority of attending members. The resolution on matters delegated from the Risk Management Committee reports the contents to the Risk Management Committee and it is notified in electronic document to the risk department. to the subsidiary companies.

4. Activities

The Group Risk Management Council was held a total of 9 times in 2020, and it resolved the matters delegated by the Risk Management Committee, such as setting the exposure limit of Group in the core management areas and others and it stipulated the matters related to pertinent risks of Group.

At the 1st meeting of 2020 (January 29), the Group Risk Council decided to conduct the Group's integrated stress test as of the end of 2019, and deliberated on the revision of the capital adequacy and risk disclosure items (resolution matter). It received reports on the proposed risk-adjusted performance evaluation indicators for 2020, and shared the status of the Group's real estate shadow finance and discussed response measures. In addition, it received reports on the direction of risk management strategy for the Group and subsidiaries for 2020, reports on the result of checking each subsidiary's Top-3 operational risks for the first half of 2020, and reports on the response measures to the spread of Wuhan pneumonia.

At the 2nd meeting of 2020 (February 25), the Group Risk Council deliberated on the revision of the Group Risk Management Regulation and the Group Risk Council Regulation (resolution matter), and set the Group's by-country exposure limit as delegated by the Risk Management Committee. In addition, it received reports on the direction of building the Group's operational risk management system following changes in the Basel III operational risk regulation.

At the 3rd meeting of 2020 (March 10), the Group Risk Council urgently checked the Group's risk factors arising from the spread of COVID-19 and a sharp decline in oil prices, and discussed the impact analysis and the countermeasures required.

At the 4th meeting of 2020 (May 14), the Group Risk Council deliberated on the results of the Group's integrated stress test, and the resulting capital management plan and emergency funding plan, and the application for early introduction of the Basel III credit risk regulation. In addition, it discussed the application for approval of change in the Group's credit risk internal rating method and the plan to improve the Group's crisis management and response system, and received reports on the review of the Board and the Risk Management Committee's deliberation and resolution matters in accordance with the Corporate Governance Act.

At the 5th meeting of 2020 (June 23), the Group Risk Council set the credit exposure limits of individual companies and affiliates for 2020, received reports on the introduction of RWA Budget to improve capital efficiency, and reports on the project to build the credit risk monitoring system per business division of the Group, and the Group's operational risk management system.

At the 6th meeting of 2020 (August 6), the Group Risk Council received reports on the implementation (proposal) of the Group's integrated stress test as of the end of June 2020, checked its adequacy, and set the Group's by-country exposure limit for the second half of 2020 as delegated by the Risk Management Committee. In addition, it received reports on the results of analyzing the portfolio impact of climate change and discussed risk management plan, and reports on the plan to use the AI-utilizing market warning system in the risk management sector. It received reports on the results of checking each subsidiary's Top-3 operational risks for the second half of 2020, and reports on the results of approving change in the Group's credit risk internal rating method.

At the 7th meeting of 2020 (November 10), the Group Risk Council received reports on the results of the Group's integrated stress test and deliberated on the capital management plan and emergency funding plan. In addition, it received reports on the plan of the project to build the Group's operational risk management system, and reports on the risk assessment by the Financial Supervisory Service (2020).

At the 8th meeting of 2020 (December 8), the Group Risk Council deliberated on setting the minimum equity capital ratio and risk limit for 2021, received reports on the direction of the Group's risk management strategy for 2021 and the Group's risk cost of capital (COC) calculated for 2021. It received reports on the results of the early introduction of the final draft of the Basel III credit risk sector as approved by the Financial Supervisory Service, and reports on the result of regular

reasonableness verification for the Group's credit risk-weighted asset calculation system. In addition, it received reports on the result of adequacy evaluation for the Group's internal capital, result of regular reasonableness verification for the Group's integrated stress test, and result of reasonableness verification for the internal rating method-based credit rating model and RC.

At the 9th meeting of 2020 (December 21), the Group Risk Council set the Group's exposure limit in the core management areas for 2021 as delegated by the Risk Management Committee, received reports on the results of the Group's Zero Carbon Drive initiative to respond to climate change, and discussed the risk management plan.

<Contents of hosting the Group Risk Management Council meeting>

Sequence	Date	Meeting agenda	Whether or not approved
The 1st in 2020	January 29, 2020	[Resolution] Implementing the comprehensive stress testing of Group as of the end of 2019 (proposed)	Approved
		[Deliberation] Matter of revision of the capital adequacy and risk disclosure items	Deliberation completed
		[Report] Setting the outcome evaluation index for risk adjustment in 2020 (proposed)	
		[Report] Status of the Group's real estate shadow finance and the response measures (plan)	
		[Report] Direction of risk management strategy of Group and Subsidiary company in 2020	
		[Report] Top-3 operation risk for each subsidiary companies in the first half of 2020	
		[Report] Response measures (plan) against the spread of Wuhan pneumonia	
The 2nd in 2020	February 25, 2020	[Deliberation] Matter of revision of the Group Risk Management Regulation and the Group Risk Management Council Regulation	Deliberation completed
		[Resolution] Setting the limit of exposure for each country of Group in 2020 (proposed)	Approved
		[Report] Plan to build the Group's operational risk management system according to changes in the Basel III operational risk regulation	
		[Report] Matter of regular report of 4Q 2019	
The 3rd in 2020	March 10, 2020	[Stipulation] Emergency checking of the Group's risk factors arising from the spread of COVID 19 and the plunge in oil prices	
The 4th in 2020	May 14, 2019	[Deliberation] Result of integrated stress testing for Group and ensuing equity management plan and emergency procurement plan	Deliberation completed
		[Deliberation] Matter of application for early introduction of the Basel III credit risk regulation	Deliberation completed
		[Stipulation] Matter of application for approval of change in the Group's credit risk internal rating method	
		[Stipulation] Plan to improve the Group's crisis management and response system	
		[Report] Review of deliberation and resolution matters by the Board and the Risk Management Committee in accordance with the Corporate Governance Act	
		[Report] Matter of regular report of 1Q 2020	

Sequence	Date	Meeting agenda	Whether or not approved
The 5th in 2020	June 23, 2020	[Resolution] Setting the limit of credit exposure of individual enterprises and affiliated companies in 2020 (proposed)	Approved
		[Report] Roadmap for introducing RWA Budget	
		[Report] Report of building a credit risk monitoring system for each business division of the Group	
		[Report] Project to build the Group's operational risk management system (proposal)	
The 6th in 2020	August 6, 2020	[Resolution] Implementing the comprehensive stress testing of Group based on the end of June 2020 (proposed)	Approved
		[Resolution] Setting the limit of exposure for each country of Group in the second half of 2020 (proposed)	Approved
		[Report] Plan to analyze the portfolio impact of climate change and manage risk	
		[Report] Plan to use the AI market warning system in the risk management sector	
		[Report] Top-3 operation risk for each subsidiary companies in the second half of 2020	
		[Report] Result of approving change in the Group's credit risk internal rating method	
		[Report] Matter of regular report of 2Q 2020	
The 7th in 2020	November 10, 2020	[Deliberation] Result of integrated stress testing for Group and ensuing equity management plan and emergency procurement plan	Deliberation completed
		[Report] Plan of the project to build the Group's operational risk management system	
		[Report] Report of risk assessment by the Financial Supervisory Service (2020)	
		[Report] Matter of regular report of 3Q 2020	
The 8th in 2020	December 8, 2020	[Deliberation] Matter of setting the minimal equity capital ratio in 2021	Deliberation completed
		[Deliberation] Matter of setting the risk limit in 2021	Deliberation completed
		[Report] Direction of risk management strategy of Group in 2021	
		[Report] Report of calculating the Group's risk cost of capital (CoC) applicable in 2021	
		[Report] Report of evaluation on the appropriateness of internal capital for Group	
		[Report] Report of early introduction of the Basel III credit risk sector (final draft)	
		[Report] Report of result of regular reasonableness verification for calculation system of credit risk added-weight assets for Group	
		[Report] Report of result of verification for regular reasonableness of integrated stress testing for global business	
		[Report] Report of result after verification for RC and verification of regular reasonableness of credit evaluation model for internal ratings based approach for Group	
The 9th in 2020	December 21, 2020	[Resolution] Setting the limit for Group exposure for core management areas in 2021 (proposed)	Approved
		[Report] Report of result of the Group's Zero Carbon Drive	

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XV. Recommendation of Supervisory Authority and Improvement Plan



XV. Recommendation of Supervisory Authority and Improvement Plan

The Company was notified of the results of the Financial Supervisory Service's comprehensive inspection in October 2020, and the measures taken against the request therefor will be reported within the deadline.

The measures requested by the Financial Supervisory Service are as follows.

Precaution on management (5 cases)

- Enhancing of consistency in the composition of the Board

When recommending candidates for independent directors, it is necessary to ensure that the Board is structured in a manner, such as faithfully verifying whether or not they meet the requirements of expertise, diversity, etc.

- Strengthening of procedures for recommending candidates for subsidiaries' executives

When recommending candidates for subsidiaries' CEOs, it is necessary to strengthen the deliberation and resolution functions and minimize the holding company's involvement in the appointment of subsidiaries' executives such as vice-president.

- Strengthening of the role of the Remuneration Committee in deciding the remuneration of subsidiaries' executives

It is necessary to have subsidiaries' remuneration committees decide and execute the method of deciding and paying long-term performance remuneration for subsidiaries' executives.

- Strengthening of setting subsidiaries' risk limit

It is necessary to decide the level of risk for each subsidiary within the Group's risk limit

- Strengthening of internal control to prevent conflicts of interest between subsidiaries due to dual-duty executives who manage proprietary assets

It is necessary to strengthen internal control such as periodic checks on the use of trading information of other affiliates

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[Annual Report on Remuneration System]

I. Remuneration Committee

II. Remuneration System

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I. Remuneration Committee

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I. Remuneration Committee

1. Overview

The basic operating principle of the Company's Remuneration Committee is that it shall execute its fiduciary duty toward the Company's remuneration policy and achieve harmony between the remuneration system for the executives, etc. and the Company's performance and risk structure so that a sound, performance-based corporate culture will be established.

The Remuneration Committee, a subcommittee under the Board, is governed by the Remuneration Committee Regulation, one of the Company's internal regulations. The committee has been run since May of 2004 when it was established under Article 48, Paragraph 1, Subparagraph 6 of the Articles of Incorporation and Article 13, Paragraph 1, Subparagraph 6 of the Board of Directors Regulation. The name of the Committee was modified from the existing 'Compensation Committee' to the 'Remuneration Committee' by reflecting the contents of the Act on the Corporate Governance of Financial Companies in March 2017.

Under Article 3 of the Remuneration Committee Regulation, a Remuneration Committee member who is an independent director cannot serve over 2-years consecutively. However, exceptions may be made if there are unavoidable circumstances, such as inconsistencies in the time of term expiration or existence of a concern that it may significantly interfere with the composition of the committee when the term of office is restricted. As of the end of 2020, all committee members have served less than 2-years.

In connection with the obligation to preserve documents on the Remuneration Committee's activities, minutes that state the agenda, proceedings, results, objecting members, and the grounds of objection in the committee meetings are prepared and kept under Article 9 of the Remuneration Committee Regulation. Article 57 of the Internal Code of Corporate Governance requires that details about the establishment and operations of the Remuneration Committee and about activities by the risk management and compliance monitoring departments shall be documented and preserved.

2. Composition

A. Overview

Under Articles 3 and 4 of the Remuneration Committee Regulation and Article 15 of the Internal Code of Corporate Governance, the Company's Remuneration Committee consists of between 3 and 5 directors. An independent director serves as the chairman and independent directors account for a majority of the members so that the committee can be run independently from the management.

As of the end of 2020, the Remuneration Committee consists of 3 members (Huh Yong-hak, Sung Jae-ho and Yoon Jaewon), and all the members including Chair Huh Yong-hak were independent directors, thus meeting the independence requirement in the composition of the Remuneration Committee.

At least 1 Committee member shall have experience working for a financial company or in the areas of corporate finance or accounting, thus contributing to the committee's expertise. At least 1 Risk Management Committee member shall participate so that the aspect of the Company's risk management can sufficiently be reflected in the operations of the Remuneration Committee.

Of the members, Director Huh Yong-hak has been the CEO of First Bridge Strategy Ltd. of Hong Kong after serving as the CEO of JP Morgan Asia M&A and Chief Investment Officer (CIO) for HKMA Alternative Investment Division and also is a current member of Risk Management Committee, thus the Remuneration Committee enabling a close link between the remuneration system and risk management in the Company.

B. Members

<Before General Meeting of Shareholders in March of 2020>

Name	Executive/ Non-Executive/ Independent	Title	Date of election	End of term	Experience working for a financial company or in an area related to finance or accounting in a corporation	Whether a member of Risk Management Committee
Huh Yong-hak	Independent director	Chairman	March 27, 2019	March 26, 2020	Yes	Yes
Park Cheul	Independent director	Member	March 27, 2019	March 26, 2020	Yes	
Lee Manwoo	Independent director	Member	March 27, 2019	March 26, 2020	Yes	

<After General Meeting of Shareholders in March of 2020>

Name	Executive/ Non-Executive/ Independent	Title	Date of election	End of term	Experience working for a financial company or in an area related to finance or accounting in a corporation	Whether a member of Risk Management Committee
Huh Yong-hak	Independent director	Chairman	March 26, 2020	Date of General Meeting of Shareholders in March 2021	Yes	Yes
Sung Jae-ho	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021		
Yoon Jaewon	Independent director	Member	March 26, 2020	Date of General Meeting of Shareholders in March 2021	Yes	

3. Rights and responsibility

A. Overview

Pursuant to Article 8 of the Remuneration Committee Regulation, the Remuneration Committee of the Company may demand the executive officer and relevant employees attend the Committee to receive support on professional and independent decision making or request the necessary data, and it may have outside personnel to listen to its opinion in the Committee. In addition, it may request advice from professional outside institutions, if necessary.

However, the members shall not disclose to outside for information of experience on officer and employee of the Committee and the Company or use the information for the benefit of a third party during the time of employment or after resignation.

B. Deliberation and resolution on matters regarding the determination and payment method of remuneration

The Remuneration Committee of the Company deliberate the matters on the decision of remuneration and payment method in the 1st Risk Management Committee of 2020 as held on March 5, 2020. It determines the remuneration including the base payment and performance remuneration on the top management of the Company and it deliberates and resolves the payment method of remuneration.

C. Deliberation and resolution on matters regarding the preparation and disclosure of Annual Report on the experience payment

The Remuneration Committee of the Company deliberated the matters on preparation and disclosure of the annual report on the experience payment in the 1st Remuneration Committee in 2020, held on March 5, 2020. It deliberated on contents of preparation and subject of preparing the annual report of remuneration system, and it was resolved to disclose on the home page of the Company and the Korea Federation of Banks from March 6, 2020, 20 days prior to the date of general meeting of shareholders.

D. Deliberation and resolution of matters regarding design and operation of the remuneration system and evaluation of appropriateness of design and operation

The Remuneration Committee of the Company deliberated and resolved outcome evaluation system and experience system (proposed) of the top management of the Company in the 1st and 4th Remuneration Committee in 2020. In addition, in the 1st Remuneration Committee in 2020 held on March 5, 2020, it evaluates on appropriateness of design and operation of experience system for the top management of the Company, remuneration related risk business administration, structuring compliance monitoring system and others of the previous year to confirm if the pertinent laws and regulations, such as the Act on the Corporate Governance of Financial Companies, is appropriately complied with regarding the remuneration system of the Company.

E. Deliberation and resolution of matters regarding decision-making procedure on experience policy

The decision -making procedure on the remuneration policy of the Company is operated in accordance with '4. A. Decision Making Procedure', and there were no modifications related to the decision-making procedure on the remuneration policy during 2020.

F. Constant inspection of remuneration system of financial company, relativity with financial status and risks, and compliance with the laws and regulations

The Remuneration Committee of the Company confirmed if the experience system is related to the finance status and risk of the Company in the 1st, 2nd, 4th and 5th Remuneration Committee in 2020, and it checked on compliance of the Act on the Corporate Governance of Financial Companies regarding the remuneration related risk management and compliance audit system at the time of evaluating the appropriateness of design and operation of the remuneration system of the previous year as implemented in the 1st Remuneration Committee in 2020.

G. Independently implementing the annual experience evaluation from the top management in order to check if the remuneration system of the finance company complies with the laws and regulations.

The Remuneration Committee of the Company implemented independently from the top management with the evaluation of appropriateness of design and operation of the remuneration system as set forth from the outside regulation in the 1st Remuneration Committee in 2020 as held on March 5, 2020 and it has confirmed that the remuneration policy and operation of the Company has complied with the pertinent outside regulations, such as the Act on the Corporate Governance of Financial Companies.

H. Scope of application for the remuneration policy of the Remuneration Committee

- (1) Applying to executive officer and front office personnel
- (2) Overseas: Not applicable

I. Determination of subject person of variable remuneration of executive officers and front office personnel

The Company defined under Article 6 of the Remuneration Committee Regulation to determine the subject person requiring the deliberation and resolution for the committee from front office personnel from the Remuneration Committee, and the subject persons for variable remuneration at the 1st Remuneration Committee in 2020 as held on March 5, 2020, were determined as follows.

Classification	No. of personnel (December 31, 2020)	Title
Executives, etc.	13 persons	Chairman, deputy president, executive director, division manager
Front office personnel	0 person	-

4. Contents of Remuneration Committee activities and evaluation

A. Decision-making procedure

The Remuneration Committee of the Company requires the Chairman to convene the Committee, and the applicable contents are notified to each member at least 7 days prior to the meeting. However, the convening procedure of all members may be skipped but there were no cases of skipping the convening procedure in 2020.

After the notice of meeting date, the presented agenda of the Remuneration Committee is sufficiently acknowledged through the procedure of the separate advance explanation to members of the Remuneration Committee, and the opinions of independent directors are gathered and reflected in the Committee agenda when making the advance explanation.

The resolution of the Committee is made with the majority consent of registered members and it restricts the exercise of voting right for any party having interests in the resolution of the Committee. Furthermore, participating in the meeting of the Committee by the telecommunication to send and forward the voice at the same time is permitted.

B. Overview

The Remuneration Committee of the Company deliberates and resolves matters delegated by the BOD and it manages the evaluation experience system to be soundly established and operated for top management and others of holding companies. The Remuneration Committee of 2020 held a total of 5 meetings and it processed the decision of performance evaluation and remuneration system for top management of the Company in 2020, deliberation of performance evaluation and remuneration (proposed) for top management of the Company in 2019, agenda on appropriateness evaluation of design and operation of the remuneration system in 2019, and others.

Furthermore, the Company processed the advance session on the main agenda to individual members each time the Remuneration Committee is held to enhance the sense of understanding of the Remuneration Committee agenda to listen to various opinions in the procedure.

C. Meetings held

(1) 1st meeting of the Remuneration Committee in 2020: March 5, 2020 (Thu)

[Date of notice: February 26, 2020 (Wed)]

Items	Activities of members			Whether or not approved
	Huh Yong-hak	Park Cheul	Lee Manwoo	
1. Name of director	Huh Yong-hak	Park Cheul	Lee Manwoo	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of evaluation of CEO strategic task for Group in 2019	Concur	Concur	Concur	Approved
B. Matter of establishment of outcome evaluation system of the subsidiary companies in 2020	Concur	Concur	Concur	Approved
C. Matter of establishment of outcome evaluation and remuneration system of top management of the Company in 2020	Concur	Concur	Concur	Approved
D. Matter of evaluation of appropriateness for design and operation of remuneration system in 2019	Concur	Concur	Concur	Approved
E. Matter of preparation and notification of the annual report of the remuneration system in 2019	Concur	Concur	Concur	Concur

The 1st Remuneration Committee meeting had all members in attendance for a quorum and passed resolutions on a total of 5 agenda items. The committee performed evaluation of the Group CEO's strategic tasks for 2019, and it deliberated and resolved the performance evaluation system and remuneration system for the management for 2020. Furthermore, it deliberated and resolved the performance evaluation system for subsidiaries for 2020. In addition, it evaluated adequacy of the remuneration system design and operation for 2019 to assess whether the Company's remuneration system properly complies with external laws and regulations such as the Corporate Governance Act.

(2) 2nd meeting of the Remuneration Committee in 2020: March 12, 2020 (Thu)

[Date of notice: March 3, 2020 (Tue)]

Items	Activities of members			Whether or not approved
	Huh Yong-hak	Park Cheul	Lee Manwoo	
1. Name of director	Huh Yong-hak	Park Cheul	Lee Manwoo	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of outcome evaluation of the subsidiary companies in 2019	Concur	Concur	Concur	Approved
B. Matter of outcome evaluation and remuneration of top management of the Company in 2019	Concur	Concur	Concur	Approved

The 2nd Remuneration Committee had all members in attendance for the quorum and it resolved a total of 2 agenda items. This Committee resolved the matters on outcome evaluation (proposed) of the subsidiary companies in 2019. Furthermore, the outcome evaluation and remuneration of the top management in 2019 was deliberated and resolved if the outcome evaluation and remuneration of the top management was appropriately operated and calculated in accordance with the

evaluation and remuneration system of the previous year.

(3) 3rd meeting of the Remuneration Committee in 2020: March 26, 2020 (Thu)

[Date of notice: March 18, 2020 (Wed)]

Items	Activities of members			Whether or not approved
	Huh Yong-hak	Sung Jae-ho	Yoon Jaewon	
1. Name of director	Huh Yong-hak	Sung Jae-ho	Yoon Jaewon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of appointment of the Chair of the Remuneration Committee	Concur	Concur	Concur	Approved

The 3rd Remuneration Committee was the first Remuneration Committee held after the general meeting of shareholders that all new members attended to make the quorum, and director Hur Yong-hak was elected as the Chair of the Remuneration Committee.

(4) 4th meeting of the Remuneration Committee in 2020: August 13, 2020 (Thu)

[Date of notice: August 4, 2020 (Tue)]

Items	Activities of members			Whether or not approved
	Huh Yong-hak	Sung Jae-ho	Yoon Jaewon	
1. Name of director	Huh Yong-hak	Sung Jae-ho	Yoon Jaewon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of revision of the performance evaluation system for the Group's executives with dual duties	Concur	Concur	Concur	Approved

The 4th Remuneration Committee meeting had all members in attendance for a quorum, and the committee passed a resolution on one agenda item. The committee deliberated and resolved the performance evaluation system for the head of GMS business division following Orange Life's inclusion into the Group's GMS business division.

(5) 5th meeting of the Remuneration Committee in 2020: November 12, 2020 (Thu)

[Date of notice: November 5, 2020 (Thu)]

Items	Activities of members			Whether or not approved
1. Name of director	Huh Yong-hak	Sung Jae-ho	Yoon Jaewon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of deliberation of outcome evaluation system for subsidiary companies newly acquired in 2020	Concur	Concur	Concur	Approved

The 5th Remuneration Committee had all members in attendance to make a quorum and it resolved an agenda. This Committee deliberated and resolved on the outcome evaluation system of Neoplux, newly acquired subsidiary companies in 2020.

D. Evaluation

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Remuneration Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

For the purpose of evaluation, main subject, criteria and method, refer to the contents on this Annual Report II. Board of directors and 4. Evaluation of the Board and directors - A. Evaluation of the Board.

As a result of the evaluation of the Remuneration Committee in 2020, the operation and role of the Committee is confirmed as at an extremely outstanding level.

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II. Remuneration System

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II. Remuneration System

1. Important matters

A. Measurement of performance, and linking between performance and remuneration

(1) Key Performance Indicators of the Company's executives

Financial performance indexes of the Company's CEO include Group KPI items including shareholder value related index (total shareholder return ratio), profitability index (ROE, ROA), soundness index (substandard and below loans ratio), risk-related index (RAROC), and efficiency index (total cost-income ratio).

As for non-financial performance indicators, we evaluate performance of key strategic tasks based on the Group's strategic direction (reinforcement of the customer-centered One Shinhan system, expansion of market-leading business models, execution of advanced global growth strategies, innovation-led digital transformation, value-creating, sustainable and innovative finance, and differentiated capabilities for change-responding risk management, etc.)

As for other executives of the Company, Group KPI items and the achievement rate of each executive's key strategic tasks are used as performance indicators. In addition, in the case of executives in charge of risk management, compliance monitoring, and audit that require independence in the execution of duties, we use performance indicators that are not linked to the Company's financial performance, to secure independence.

(2) Key performance indicators of subsidiaries

Group KPIs, subsidiary KPIs, and strategic tasks are performance indicators of subsidiaries.

(3) Linking between the results of company-wide and individual performance measurement and the remuneration for individuals

In the case of executives, the Company uses a remuneration system centered on performance remuneration, with the performance remuneration making up 50% or more of the total compensation, and the result of performance evaluation is reflected in the payment of performance remuneration.

Performance evaluation for annual performance remuneration payment consists of company-wide financial performance (results) and non-quantitative strategic tasks, and an individual's performance grade calculated through the evaluation is reflected in the rate of annual performance remuneration.

Performance evaluation for long-term performance remuneration consists of shareholder value-related indicators, profitability indicators, and soundness indicators, and the evaluation result is reflected in the rate of long-term performance remuneration.

B. Performance remuneration: Deferral, adjustment, and recollection, and the criteria of fixing the payment

(1) Policy on immediate and deferred payment of performance remuneration

The Company's performance remuneration consists of annual and long-term performance remuneration, and the proportion of long-term performance remuneration out of the total performance remuneration is 50% or more for general executives and 60% or more for top management. Annual performance remuneration is paid as a lump sum in cash based on evaluation of the previous year's performance, and long-term performance remuneration is paid in deferral based on evaluation of performance for 4 years after the grant.

(2) Adjustment policy for deferred or paid remuneration

In the performance remuneration, the final quantity of shares for long-term performance remuneration is decided according to the average performance for 4 years after the grant. The amount of its payment is decided according to the share price at the time of payment. Due to the structure of the Company's long-term performance remuneration, the total amount of long-term performance remuneration can be adjusted if losses occur or goals not met before the payment. The amount can also be automatically adjusted when a decrease in the Company's value leads to a decrease in the share price.

When an executive or employee resigns or retires due to his/her fault, causing material damage to the company or heavy disciplinary sanctions from a regulatory agency, the Company can recollect the performance remuneration, thus adjusting the remuneration.

(3) Fixing of deferred remuneration

As mentioned above, the Company's long-term performance remuneration is granted in a certain number of shares as at the time of grant, and the number of shares varies according to evaluation of performance for 4 years. The final amount of payment is fixed according to the share price as at the end of the final operation period, showing that the amount of deferred payment is fixed only when the final operation period ends.

C. Standards to determine the allocation between cash, share and other remuneration

(1) Standard and basis to determine the allocation of fixed remuneration amount and variable remuneration amount from the entire remuneration amount

The fixed remuneration of the Company's executives consists of base salary and business allowance, and the variable remuneration whose amount is determined by performance evaluation consists of annual performance remuneration and long-term performance remuneration. The scale (amount) of variable remuneration is determined as a fixed multiple of the base salary by the resolution of the Remuneration Committee each year, and the multiple is different for each executive position.

(2) Payment type of performance remuneration (cash, stock, stock linked product, etc.)

The annual performance remuneration from the performance remunerations of the officer and employee of the Company is paid in cash and the long-term performance remuneration operates on the basis of the Shinhan Financial Group stocks.

(3) Standard and basis to determine the allocation between cash, stock and others from the performance remuneration amount

As mentioned earlier, the annual performance remuneration from the variable remunerations operates in cash and the long-term performance remuneration is operated based on the Shinhan Financial Group stocks, and the ratio of the long-term performance remuneration from the overall variable remuneration is maintained at 50% or more.

(4) Standard and basis to determine the allocation of immediate payment and deferred payment from the performance remuneration amount

The ratio of the long-term performance remuneration paid in deferment from the outcome remuneration is 50% or more for ordinary executive officers and 60% or more for top management.

D. Independence of the performance remuneration system for executives in charge of risk management and compliance monitoring

Performance evaluation for executives in charge of risk management, compliance monitoring, and audit is run in a way not

linked to the Company's financial performance in order to prevent conflicts of interest, thus ensuring independence. Performance of such executives is evaluated and then compensation is determined based on the result.

E. Remuneration system for employees other than executives

(1) Remuneration system to establish performance-based corporate culture

For improvement of productivity, cooperation between labor and management, and sharing of the fruits of operation by enhancing employee ownership through greater ownership mentality among employees, the Company established the Employee Stock Ownership Association of Shinhan Financial Group on December 9, 2002, is operating ESOP, and based on the rate of achieving its performance indicators, pay management incentive each year in the mixture of cash and ESOP.

Each year, payment is made in cash in part and in shares based on the Group's KPI achievement rate. The Company contributed an amount of 787,351,037 won in 2019, acquiring 17,725 shares of ESOP and distributing the same to its employees.

A separate incentive system wherein the amount of remuneration varies based on individual employee's annual performance (goal achievement rate) each year is being run.

(2) Rationalizing the remuneration system

In order to rationalize its remuneration system under the Remuneration Regulation, the Company has simplified the items of remuneration.

Under the Remuneration Regulation, the range of the Company's base salary shall vary by rank according to the value of job/roles, magnitude of responsibility, and performance capacity.

F. Contents of advisory of external expert

The Company grants the authority to request for external advisory to members of the Remuneration Committee in accordance with Article 8 of the Remuneration Committee Regulation, but for the case of 2019, it was not implemented without a separate request.

G. Contents of facilitating the remuneration related insurance

Following Article 65 of the Internal Code of Corporate Governance, the executive officer and employee of the Company are not allowed to facilitate insurance related to personal risk avoidance strategy or remuneration that may damage the risk connectivity of the remuneration system.

H. Main modifications on remuneration system

In 2020, the Company introduced soundness indicator as a performance indicator for long-term performance remuneration, and reorganized the system by excluding the application of the relative stock price increase rate (indicator) for the compliance officer, risk manager, and audit executive.

2. Details of remuneration

A. Total remuneration for executives and employees

(Unit: Person, 100 million won)

Classification	Total remuneration for executives and employees (A) ¹⁾	EBT (earnings before taxes) (B) ²⁾	Ratio (A/B)	Number of executives and employees (C)	Average remuneration for executives and employees (A/C)
Previous year (2019)	246	44,666	0.55%	185	1.33
Current year (2020)	255	49,115	0.52%	180	1.42

Note1) This is based on earned income in the payment statement of earned income submitted to the tax office under Article 20 of the Income Tax Act as of the end of the corresponding year.

Note2) State the amount corresponding to FY (t-1) on a consolidated basis for the Group (e.g, for the current year of 2020, state EBT (earnings before taxes) as of the end of 2019).

B. Total remuneration and performance remuneration, by rank

(Unit: Person, 100 million won)

Classification		Executives			Employees		
		CEO	Independent/ non-standing director	Un-registered executive officer	Manager	Responsible person	Staff, etc.
Previous year (2019)	Total remuneration	13	7	18	40	148	20
	Performance remuneration	5	-	4	7	12	1
	Number of executives and employees	1	12	6	21	121	24
Current year (2020)	Total remuneration	13	8	19	43	152	21
	Performance remuneration	5	-	7	12	24	1
	Number of executives and employees	1	12	6	20	119	22

3. Detailed matters of remuneration of executive officer and front office personnel

* Limited to the executive officer and front office personnel of the holding company (The details of the executive officer and front office personnel of subsidiary companies are included in the Annual Report of the subsidiary companies)

A. Classification of remuneration (based on the amount of applicable year)

(Unit: Person, 100 million won)

Classification		Number of recipient ¹⁾	Base payment ²⁾	Performance remuneration amount ²⁾	
				Subject for deferred payment	
Previous year (2019)	Executive officers, etc.	14	38	58	31
	Front office personnel	0	0	0	0
Current year (2020)	Executive officers, etc.	13	34	43	20
	Front office personnel	0	0	0	0

Note 1) Record for executive officers (executive officers and heads of division) and employees working as the front office personnel with 6 months or longer from the applicable year (hereinafter the same)

Note 2) It includes all monetary sources (allowances, actual expenses and others regardless of its category) paid as the remuneration and it is classified as 'performance-based remuneration' when paid in relation to the outcome as the 'base payment'

B. Type of performance remuneration (based on the amount of the approval year)

(Unit: 100 million won)

Classification			Performance remuneration amount			
			Cash	Shares ¹⁾	Stock-related instrument ²⁾	Others ³⁾
Previous year (2019)	Executive officers, etc.	58	27	31	0	0
	Front office personnel	0	0	0	0	0
Current year (2020)	Executive officers, etc.	43	23	20	0	0
	Front office personnel	0	0	0	0	0

Note 1) It is evaluated and calculated by the market price (final price) as of the end of fiscal year, and if there is no market price, it is evaluated and calculated by a reasonable method (for example: amount calculated with the evaluation from two or more outside evaluation agencies) set forth by the Company

Note 2) Evaluated and calculated as applicable to stocks (Evaluated and calculated with the fair value as of the end of the year of occurrence)

Note 3) Monetary term for all types excluding the cash, stock, stock linked instrument and others, such as gift certificate, right to use condominium and others

* For the case of the stock-related remuneration even for the type of final payment in cash, it is recorded as 'stock' or 'stock-linked instrument'

C. Classification of experience of deferred remuneration amount (based on the accumulated amount of the approval year)

(Unit: 100 million won)

Classification		Deferred remuneration amount ¹⁾		
			Confirmation of payment	Payment
Previous year (2019)	Executive officers, etc.	52	0	52
	Front office personnel	0	0	0
Current year (2020)	Executive officers, etc.	47	0	47
	Front office personnel	0	0	0

Note 1) Total deferred remuneration amount accumulated as of the end of the applicable year

* In the event that the payment scale is finalized regardless of the payment from the accumulated deferred remuneration amount at the end of the specific year, it is classified and recorded as the 'payment finalized', and if it is not finalized, it is recorded as 'payment not finalized' In the event that the deferred size is finalized by evaluating during 1/4Q of 2021 for the outcome remuneration amount for 2020, the deferred remuneration amount is included in the accumulated deferred remuneration as of the end of 2020 (hereinafter the same)

D. Classification for each type of deferred remuneration amount (based on the accumulated amount at the end of applicable year)

(Unit: 100 million won)

Classification		Performance remuneration amount ¹⁾				
		Cash	Shares	Stock-related instrument	Others	
Previous year (2019)	Executive officers, etc.	52	0	52	0	0
	Front office personnel	0	0	0	0	0
Current year (2020)	Executive officers, etc.	47	0	47	0	0
	Front office personnel	0	0	0	0	0

Note 1) Total deferred remuneration amount accumulated as of the end of the applicable year

E. Classification of remuneration of deferred remuneration amount (classify the criteria of accumulated amount of the applicable year for each year of occurrence)

(Unit: 100 million won)

Classification		Performance remuneration amount ¹⁾					
		t term	t-1 term	t-2 term	t-3 term	Before	
Previous year (2019)	Executive officers, etc.	52	31	10	9	2	0
	Front office personnel	0	0	0	0	0	0
Current year (2020)	Executive officers, etc.	47	20	17	5	5	0
	Front office personnel	0	0	0	0	0	0

Note 1) The accumulated deferred remuneration amount at the end of the applicable year is classified for each year of occurrence to record [For example: The accumulated deferred remuneration amount as of the end of 2020 is classified for occurred portion for 2020 (t-1st term), 2019 (t-1st term) and 2018 (t-2nd term)]

F. Adjustment of deferred Remuneration

(Unit: 100 million won)

Classification		Deferred decreased compensation amount ¹⁾			Amount exposed to direct and indirect adjustment ⁴⁾
			Direct adjustment ²⁾	Indirect adjustment ³⁾	
Previous year (2019)	Executive officers, etc.	0	0	0	0
	Front office personnel	0	0	0	0
Current year (2020)	Executive officers, etc.	0	0	0	0
	Front office personnel	0	0	0	0

Note 1) From the accumulated deferred remuneration amount (settlement based) at the time of the end of the previous year of the applicable year, it is the amount reduced in accordance with the direct (decrease, return and others) and indirect (stock price change and others) adjustment.

However, the outcome evaluation and others are reflected to reduce the deferred remuneration, but due to the stock price changes, it is recorded on the same category even for the case where the actual deferred remuneration amount is increased.

Note 2) Record the part reduced in accordance with the direct (decrease, return and others) adjustment of the deferred remuneration

Note 3) Record the decreased part in accordance with the indirect adjustment (stock price change and others) for the deferred remuneration

Note 4) The deferred remuneration amount exposed to potential direct and indirect adjustment (based on accumulated amount at the end of applicable year)

G. Retirement remuneration on retired persons

(Unit: 100 million won)

Classification		Number of recipients	Retirement allowance amount ¹⁾	Highest amount for a person
Previous year (2019)	Executive officers, etc.	0	0	0
	Front office personnel	0	0	0
Current year (2020)	Executive officers, etc.	0	0	0
	Front office personnel	0	0	0

Note 1) Excluding the legal retirement pay under the Labor Standards Act

2020
Annual Report on
Corporate Governance &
Remuneration System



[Attachment]

Independent director candidates qualification review report

Independent director candidates qualification review report

Name	Comprehensive opinion
Park Cheul	Conforming
Yuki Hirakawa	Conforming
Park Ansoon	Conforming
Choi Kyong-rok	Conforming
Yoon Jaewon	Conforming
Jin Hyun-duk	Conforming

This Committee confirms the qualifications of the independent director candidate.

March 5, 2020

Shinhan Financial Group
Independent Director Recommendation Committee

Chairman **Sung Jae-ho**




Review report on independent director candidates subject for re-election

Name	Comprehensive opinion
Park Cheul	Conforming
Yuki Hirakawa	Conforming
Park Ansoon	Conforming
Choi Kyong-rok	Conforming

This Committee confirms the qualifications of the independent director candidate subject for re-election.

March 5, 2020

Shinhan Financial Group
Independent Director Recommendation Committee

Chairman **Sung Jae-ho** 

Assessment outcome by candidate

Candidate	Park Cheul	Company	Former Senior Deputy Governor, Bank of Korea
* Compliance with the laws, regulations and codes of qualification for independent director			
Article 382(3) of the Commercial Act.- Requirement of disqualification for independent director of a corporation			Not applicable
Article 542-8(2) of the Commercial Act.- Requirement of disqualification for independent director of a listed company			Not applicable
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company			Not applicable
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company			Not applicable
Article 23(1) of the Internal Code of Corporate Governance- Positive qualification			Satisfactory
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors			Not applicable
* Main category of qualification for independent director			
Relationship between company and candidate		Applicability	Remarks
Relationship with the Company or affiliated company		Not applicable	No particular issue
Relationship with majority shareholder		Not applicable	No particular issue
Relationship with officers		Not applicable	No particular issue
Negative qualification (Main information)		Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital		Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person		Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies		Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)		Not applicable	No particular issue
Positive qualification	Satisfaction	Remarks	
Expertise	Satisfactory	Expert in the areas of finance, business management and economy (Officer of financing company, deputy Governor of the Bank of Korea, professional executive)	
Fair judgment, Integrity, Strong work ethics	Satisfactory		
Diversity, Reasonableness, Efficacy	Satisfactory		
Evaluation result of independent director subject for re-election	Outstanding competency of independent director for work performance (expected level or higher on the duties)		

Candidate	Yuki Hirakawa	Company	CEO of Primer Korea Limited
* Compliance with the laws, regulations and codes of qualification for independent director			
Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation		Not applicable	
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company		Not applicable	
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company		Not applicable	
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company		Not applicable	
Article 23(1) of the Internal Code of Corporate Governance- Positive qualification		Satisfactory	
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors		Not applicable	
* Main category of qualification for independent director			
Relationship between company and candidate		Applicability	Remarks
Relationship with the Company or affiliated company		Not applicable	No particular issue
Relationship with majority shareholder		Not applicable	No particular issue
Relationship with officers		Not applicable	No particular issue
Negative qualification (Main information)		Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital		Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person		Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies		Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)		Not applicable	No particular issue
Positive qualification	Satisfaction	Remarks	
Expertise	Satisfactory	Expert in the areas of business management and international business (professional manager of overseas company)	
Fair judgment, Integrity, Strong work ethics	Satisfactory		
Diversity, Reasonableness, Efficacy	Satisfactory		
Evaluation result of independent director subject for re-election		Outstanding competency of independent director for work performance (expected level or higher on the duties)	

Candidate	Park Ansoon	Company	Chairman of Taisei Group Co., Ltd. (located in Japan)
* Compliance with the laws, regulations and codes of qualification for independent director			
Article 382(3) of the Commercial Act.- Requirement of disqualification for independent director of a corporation		Not applicable	
Article 542-8(2) of the Commercial Act.- Requirement of disqualification for independent director of a listed company		Not applicable	
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company		Not applicable	
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company		Not applicable	
Article 23(1) of the Internal Code of Corporate Governance- Positive qualification		Satisfactory	
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors		Not applicable	
* Main category of qualification for independent director			
Relationship between company and candidate		Applicability	Remarks
Relationship with the Company or affiliated company		Not applicable	No particular issue
Relationship with majority shareholder		Not applicable	No particular issue
Relationship with officers		Not applicable	No particular issue
Negative qualification (Main information)		Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital		Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person		Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies		Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)		Not applicable	No particular issue
Positive qualification	Satisfaction	Remarks	
Expertise	Satisfactory	Expert in the areas of business management and international business (professional manager of overseas company)	
Fair judgment, Integrity, Strong work ethics	Satisfactory		
Diversity, Reasonableness, Efficacy	Satisfactory		
Evaluation result of independent director subject for re-election		Outstanding competency of independent director for work performance (expected level or higher on the duties)	

Candidate	Choi Kyong-rok	Company	CEO of CYS Corporation
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*** Compliance with the laws, regulations and codes of qualification for independent director**

Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation	Not applicable
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company	Not applicable
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company	Not applicable
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company	Not applicable
Article 23(1) of the Internal Code of Corporate Governance- Positive qualification	Satisfactory
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors	Not applicable

*** Main category of qualification for independent director**

Relationship between company and candidate	Applicability	Remarks
Relationship with the Company or affiliated company	Not applicable	No particular issue
Relationship with majority shareholder	Not applicable	No particular issue
Relationship with officers	Not applicable	No particular issue

Negative qualification (Main information)	Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital	Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person	Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies	Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)	Not applicable	No particular issue

Positive qualification	Satisfaction	Remarks
Expertise	Satisfactory	Expert in the area of technology, business administration, and global business (researcher of technology, professional manager of overseas company)
Fair judgment, Integrity, Strong work ethics	Satisfactory	
Diversity, Reasonableness, Efficacy	Satisfactory	

Evaluation result of independent director subject for re-election	Outstanding competency of independent director for work performance (expected level or higher on the duties)
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Candidate	Jin Hyun-duk	Company	CEO of Phoedra Inc.
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*** Compliance with the laws, regulations and codes of qualification for independent director**

Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation	Not applicable
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company	Not applicable
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company	Not applicable
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company	Not applicable
Article 23(1) of the Internal Code of Corporate Governance- Positive qualification	Satisfactory
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors	Not applicable

*** Main category of qualification for independent director**

Relationship between company and candidate	Applicability	Remarks
Relationship with the Company or affiliated company	Not applicable	No particular issue
Relationship with majority shareholder	Not applicable	No particular issue
Relationship with officers	Not applicable	No particular issue

Negative qualification (Main information)	Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital	Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person	Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies	Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)	Not applicable	No particular issue

Positive qualification	Satisfaction	Remarks
Expertise	Satisfactory	Expert in the areas of business management and international business (professional manager of overseas company, Professor of Management)
Fair judgment, Integrity, Strong work ethics	Satisfactory	
Diversity, Reasonableness, Efficacy	Satisfactory	

Candidate	Yoon Jaewon	Company	Professor of Business Administration, Hongik University
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*** Compliance with the laws, regulations and codes of qualification for independent director**

Article 382(3) of the Commercial Act.- Requirement of disqualification for independent director of a corporation	Not applicable
Article 542-8(2) of the Commercial Act.- Requirement of disqualification for independent director of a listed company	Not applicable
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company	Not applicable
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company	Not applicable
Article 23(1) of the Internal Code of Corporate Governance- Positive qualification	Satisfactory
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors	Not applicable

*** Main category of qualification for independent director**

Relationship between company and candidate	Applicability	Remarks
Relationship with the Company or affiliated company	Not applicable	No particular issue
Relationship with majority shareholder	Not applicable	No particular issue
Relationship with officers	Not applicable	No particular issue

Negative qualification (Main information)	Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital	Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person	Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies	Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)	Not applicable	No particular issue

Positive qualification	Satisfaction	Remarks
Expertise	Satisfactory	Expert in the areas of accounting and business management (US Certified Public Accountant, professor of management with major in accounting)
Fair judgment, Integrity, Strong work ethics	Satisfactory	
Diversity, Reasonableness, Efficacy	Satisfactory	



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