




Your Companion
for the Future

One
Shinhan

Aim Higher and 
Creatively Pioneering Ahead

Shinhan Financial Group

FY2018



Shinhan Financial Group

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Korea's Leading Financial Institution

Sustainable Net Income growth driven by solid core earnings and consistent ROE enhancing business strategy (5th consecutive years)



Global Expansion and Diversification

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



Thorough Risk Management

Maintaining sound asset qualities through preemptive and proactive risk management



Growth through Corporate Social Responsibility

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





Overview

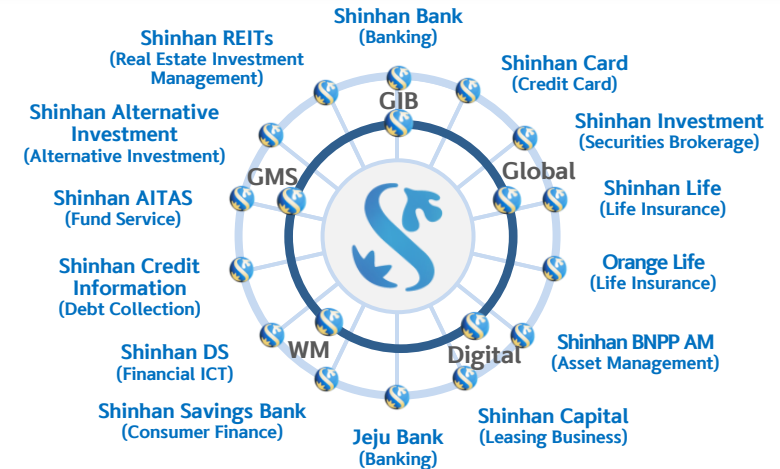
(As of Dec. 31, 2018)

- **Net Income : KRW 3.16 trillion**
- **Total Consolidated Assets : KRW 460 trillion**
- **Total Market Cap: KRW 18.8 trillion**
- **ROA : 0.72%**
- **ROE : 9.37%**
- **14 direct subsidiaries, 26 indirect subsidiaries**
- **Number of Employees : approx. 28 thousand**
- **Major Shareholders**
 - Korea National Pension Service 9.38%
 - BlackRock Fund Advisors 6.13%¹⁾
 - SFG ESOP 4.68%
 - BNP Paribas 3.55%
 - Citi Bank [ADR Dept.] 3.00%

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



Well-diversified Business Portfolio



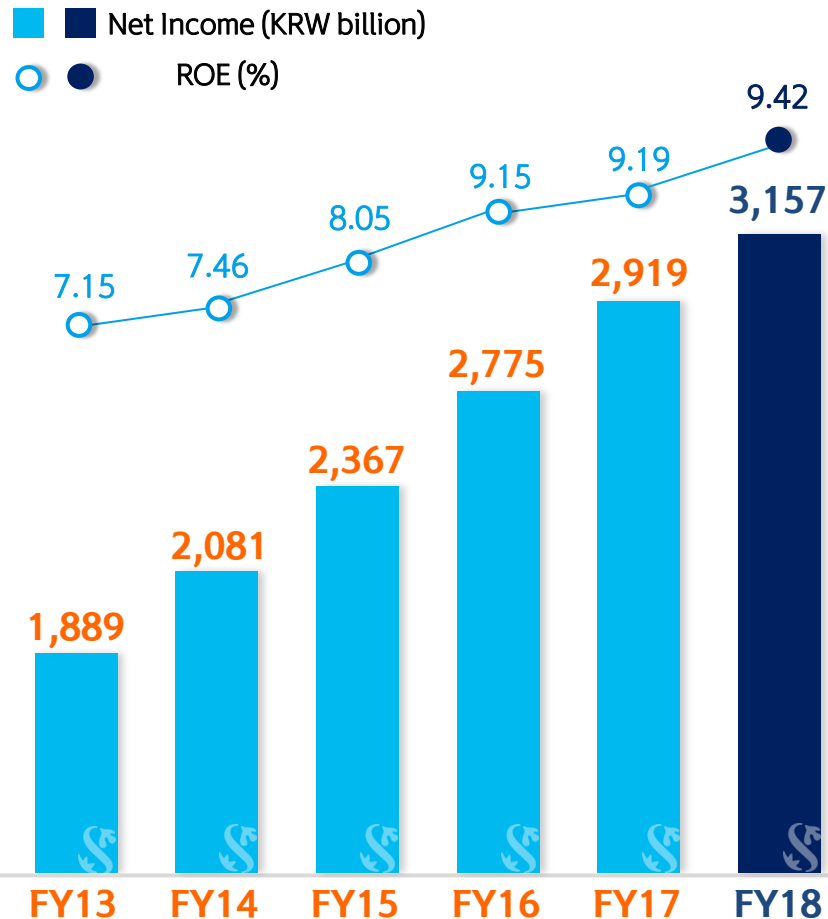
Top 500 Banking Brand

Ranking	Company	Nationality
1	ICBC	China
5	Wells Fargo	US
10	HSBC	UK
34	DBS Group	Singapore
51	Mizuho Financial Group	Japan
67	Shinhan Financial Group	Korea

* Source: The Banker (Feb. 2018)

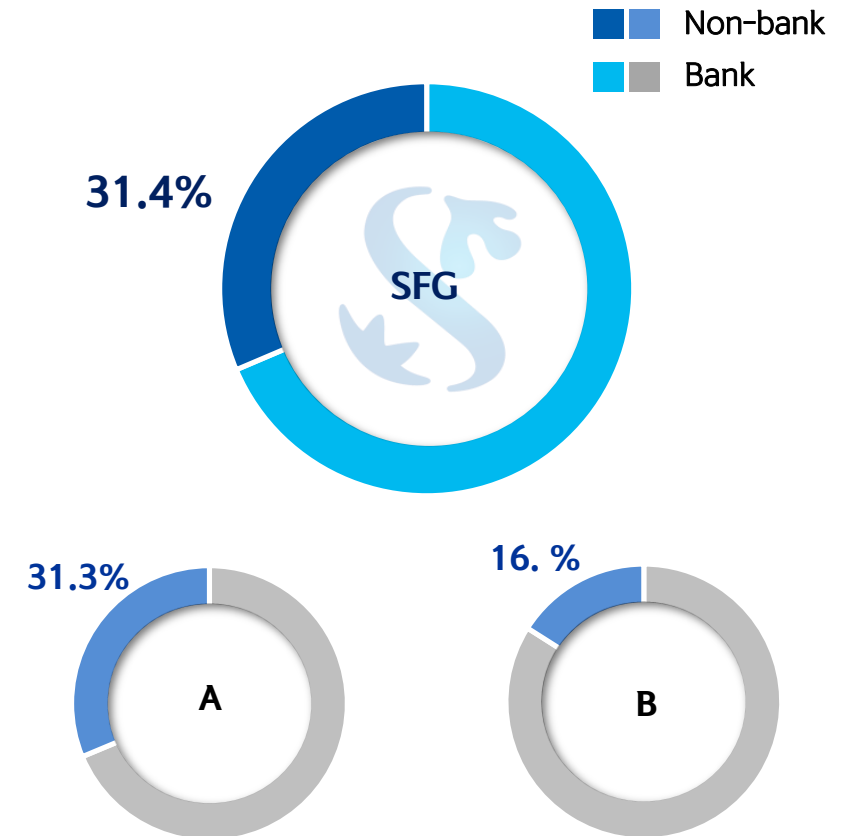


Consistent Net Income Growth



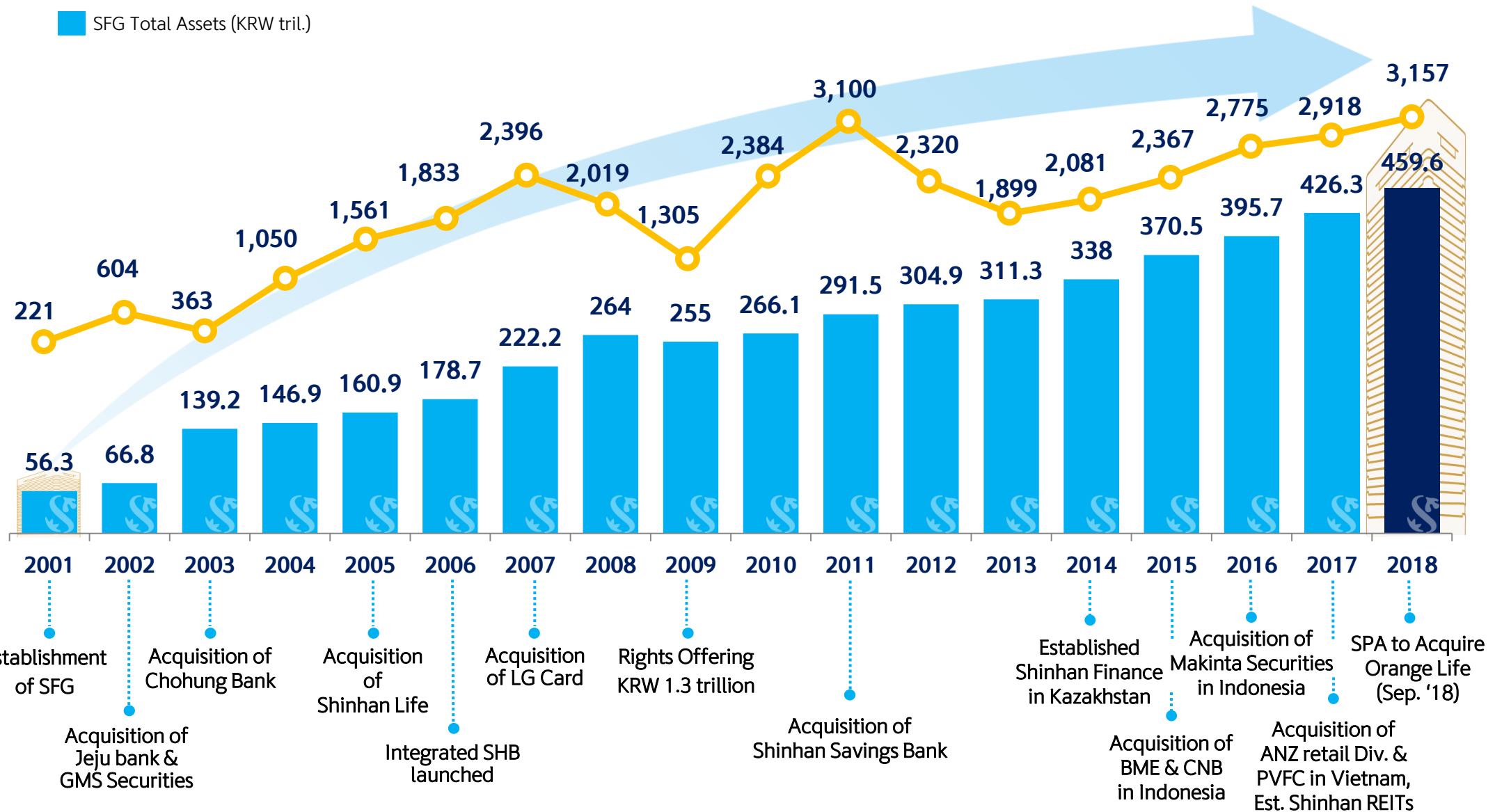
Diversified Profit Base

● Net Income Contribution by Non-bank Subsidiaries (FY18)



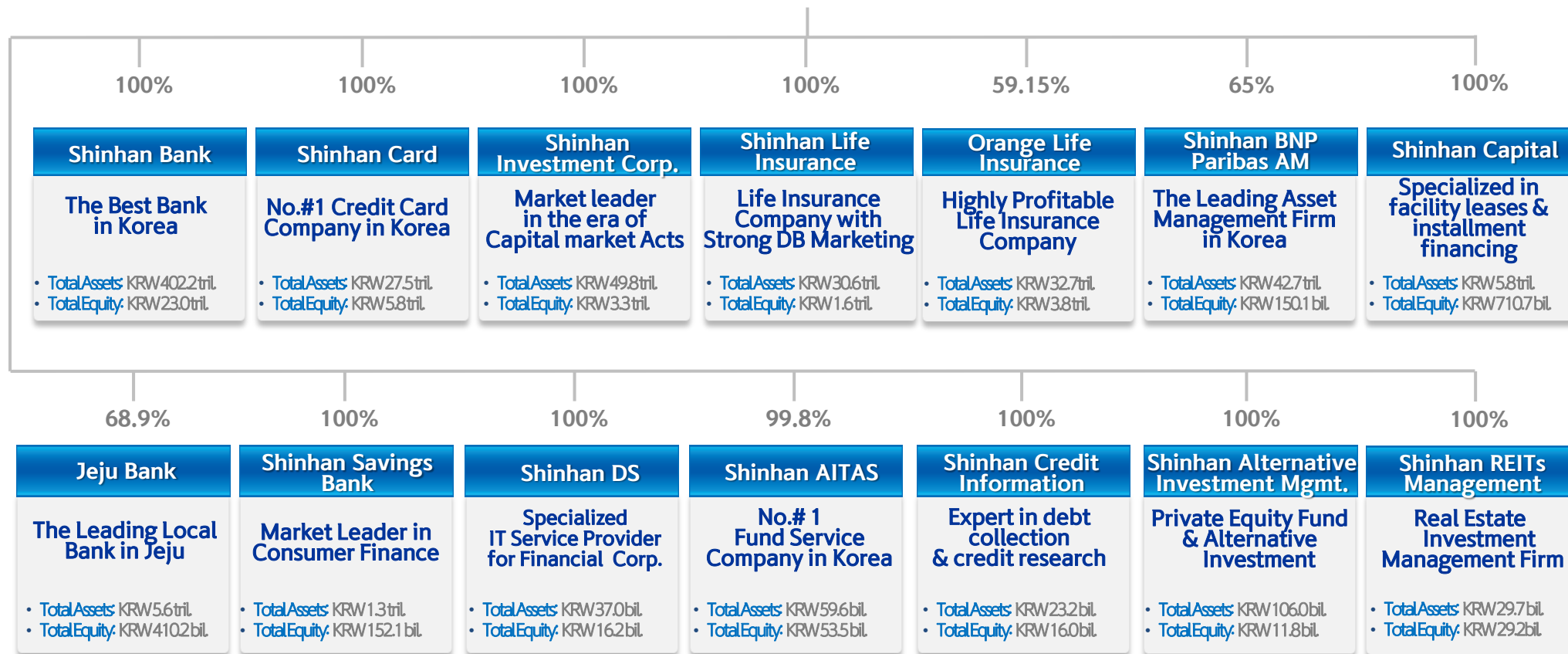
Shinhan Financial Group Overview / Continuous Growth Through Business Diversification

○ SFG Net Income (KRW bil.)
 ■ SFG Total Assets (KRW tril.)





Leading Financial Group in Korea



(As of FY2018)

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



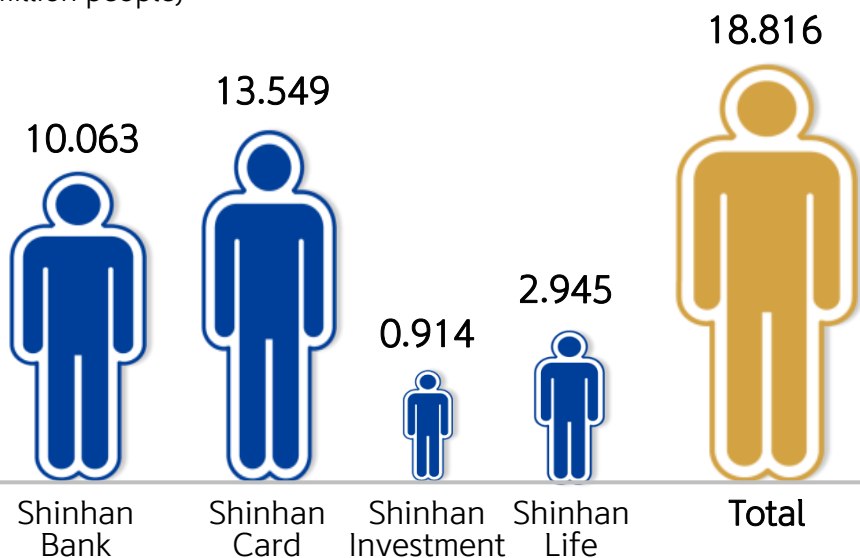
Customers



SFG Serves 18.8* million
Active Customers

* Excluding overlapping customers
(As of Dec. 31, 2018)

(million people)



Branch Networks

● Domestic

Company	# of Branches
Shinhan Bank	876
Shinhan Life Insurance	161
Shinhan Investment Corp.	118
Shinhan Card	24
Jeju Bank / Others	87
Total	1,266

● Hybrid Branch

Company	# of Branches
PWM Center	27
PWM Lounge	26
Creative Finance Plaza	14
Total	67

* As of Dec. 31, 2018

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Shinhan WAY

“Shinhan WAY” is the value system and guiding principle for all Shinhan employees’ thoughts and actions.

Mission

A Better World through Finance



Core Value



Customer



Respect



Change



Excellence



Ownership

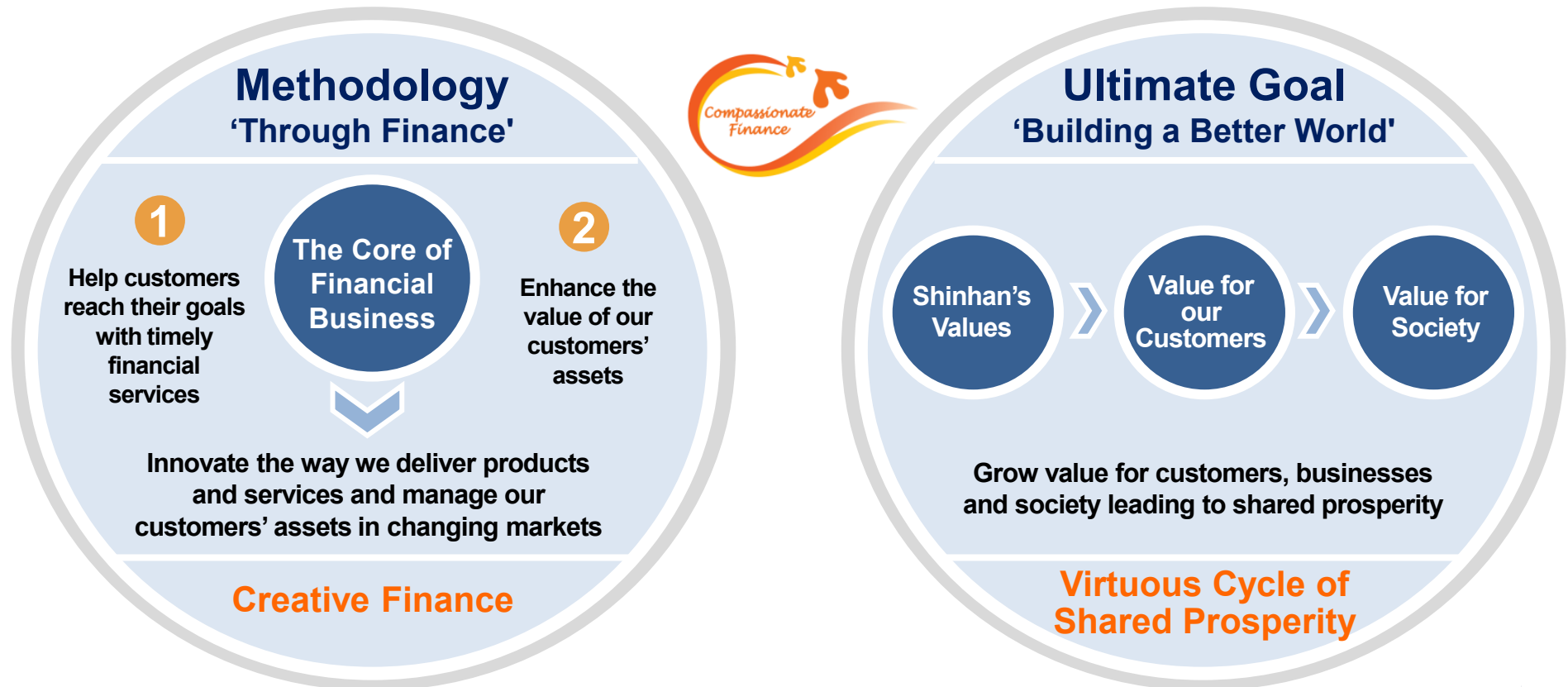
Vision

World Class Financial Group



Compassionate Finance, Your Companion for Future

"Promote a virtuous cycle of shared prosperity with creative financial services"





Group Vision "World Class Financial Group"

2020 S·M·A·R·T PROJECT

Since the establishment of the financial holding company in 2001, Shinhan Financial Group has strived to become Korea's world-class financial group

Set Mid-term Goal

- Leap to the Asia's leading financial group
 - Balanced Growth
 - Glocalization
 - Digital Transformation
 - Uphold the Shinhan Culture

New Initiatives (2017~2020)

Qualitative Growth (2011~2016)

Solidifying Sustainable Growth

- Declaration of Group Mission 『Compassionate Finance』
- Established "CIB/WM" business model

Overcoming Crisis (2008~2010)

Global Financial Crisis

- Enhanced capacity to overcome financial meltdown
- Innovating the group-wide business management system

Quantitative Growth (2002~2007)

Switched to a Financial Holding Company

- Strengthening banking & non-banking operations through a series of successful M&As (bank, credit card, brokerage, asset management and life insurance)

Competency Building (1982~2001)

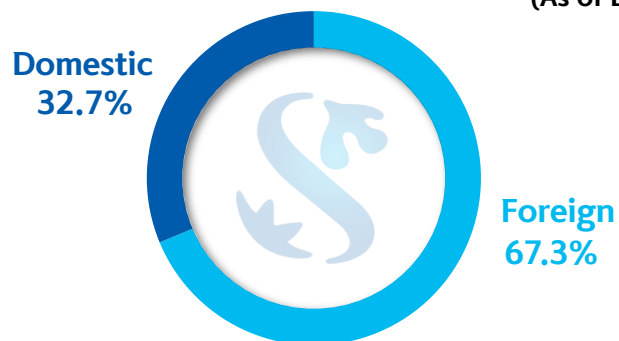
Early stages

- Establishment of Shinhan Bank
- Consistent organic growth through innovated products and services



Shareholders

(As of Dec. 31, 2018)



Major Shareholders

Shareholder	Ownership(%)
National Pension Fund of Korea	9.38
BlackRock Fund Advisors ^{주1)}	6.13
SFG ESOP	4.68
BNP Paribas	3.55
Citibank N.A. (ADR dept.)	3.00
The Government of Singapore	2.52
Norges Bank Investment Management	1.70
Vanguard Total Int'l Stock Index	1.32
Peoples Bank of China	1.07
Lazard Ltd.	1.06

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

CEO & Subsidiary Management



Cho, Yong-byung

- Chairman & CEO, Shinhan Financial Group (incumbent)
- Work Experiences
 - 2015 – President & CEO, Shinhan Bank
 - 2013 – CEO, Shinhan BNP Paribas Asset Management
 - 2009 – Deputy President, Shinhan Bank

Subsidiaries Management

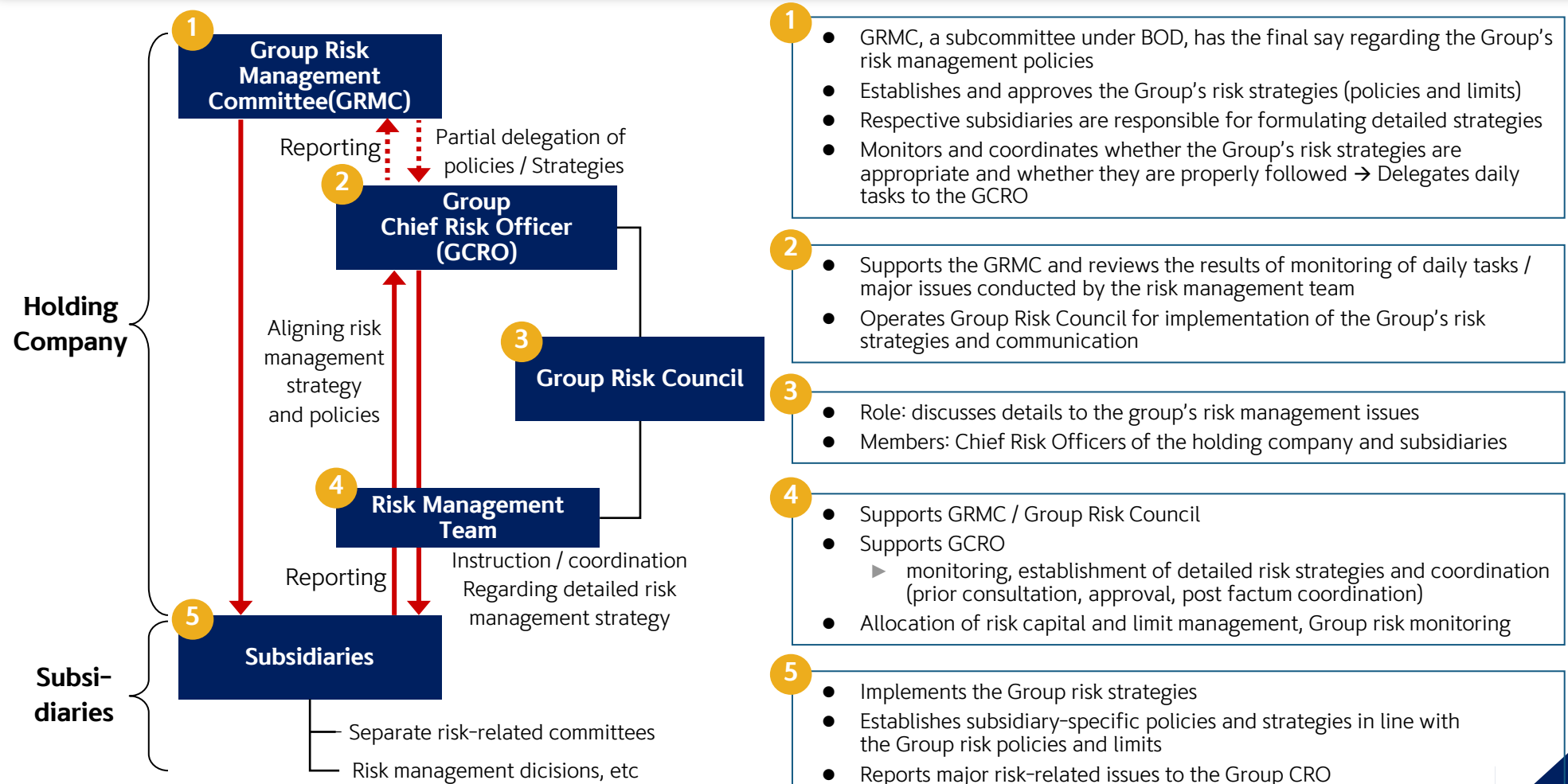
1. Shinhan Bank: Jin, Ok-dong, CEO
2. Shinhan Card: Lim, Young-jin, CEO
3. Shinhan Investment: Kim Byeong Cheol, CEO
4. Shinhan Life Insurance: Sung, Dai Gou, CEO
5. Orange Life Insurance: Cheong, Munkuk, CEO
6. Shinhan BNPP Asset Management: Lee, Chang Goo, CEO
7. Shinhan Capital: Heo, Young Taeg, CEO
8. Jeju Bank: Seo, Hyun-joo, CEO
9. Shinhan Savings Bank: Kim, Young-pyo, CEO
10. Shinhan DS: Yu, Dong Uk, CEO
11. Shinhan AITAS: Choi, Byeong Wha, CEO
12. Shinhan Credit Information: Lee, Ki Jun, CEO
13. Shinhan Alternative Investment: Kim, Hee-song, CEO
14. Shinhan REITs Management: Nam, Koong Hun, CEO



Shinhan Financial Group's Core Capabilities / Thorough Risk Management

The Group's risk management policies are established by the Risk Management Committee (comprised of directors appointed by the BOD) and the Group Risk Council (comprised of Group & Subsidiaries CROs) implements / monitors detailed strategies.

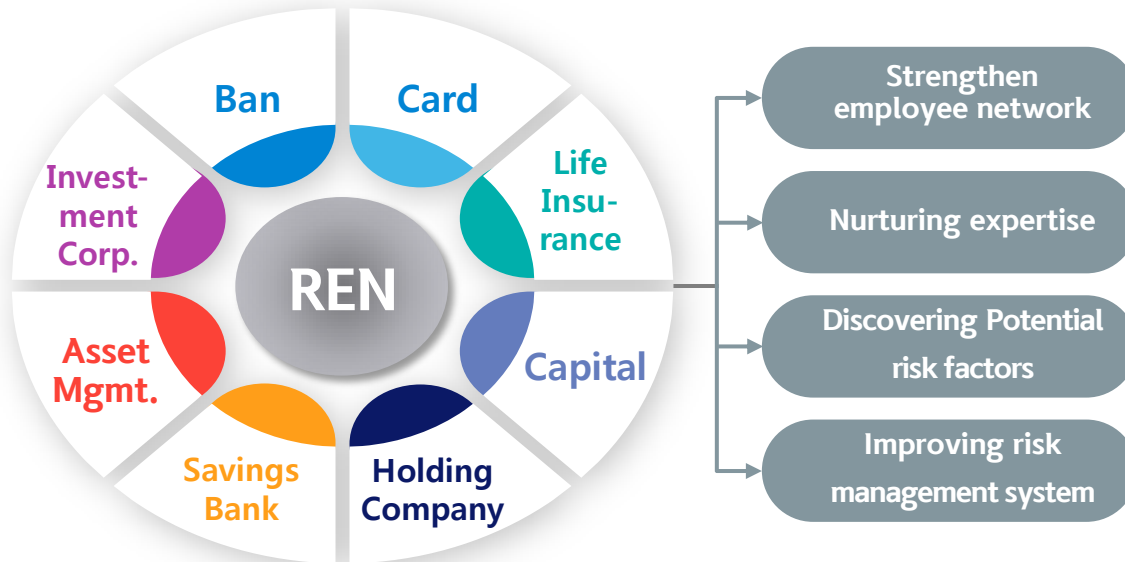
SFG Risk Management Structure





In an effort to expand the depth and width of our risk management capacity, a group of experts in SFG is formed to share their insight and expertise, foster experts through regular meetings.

REN – Risk Expert Network



REN Key Tasks for 2019

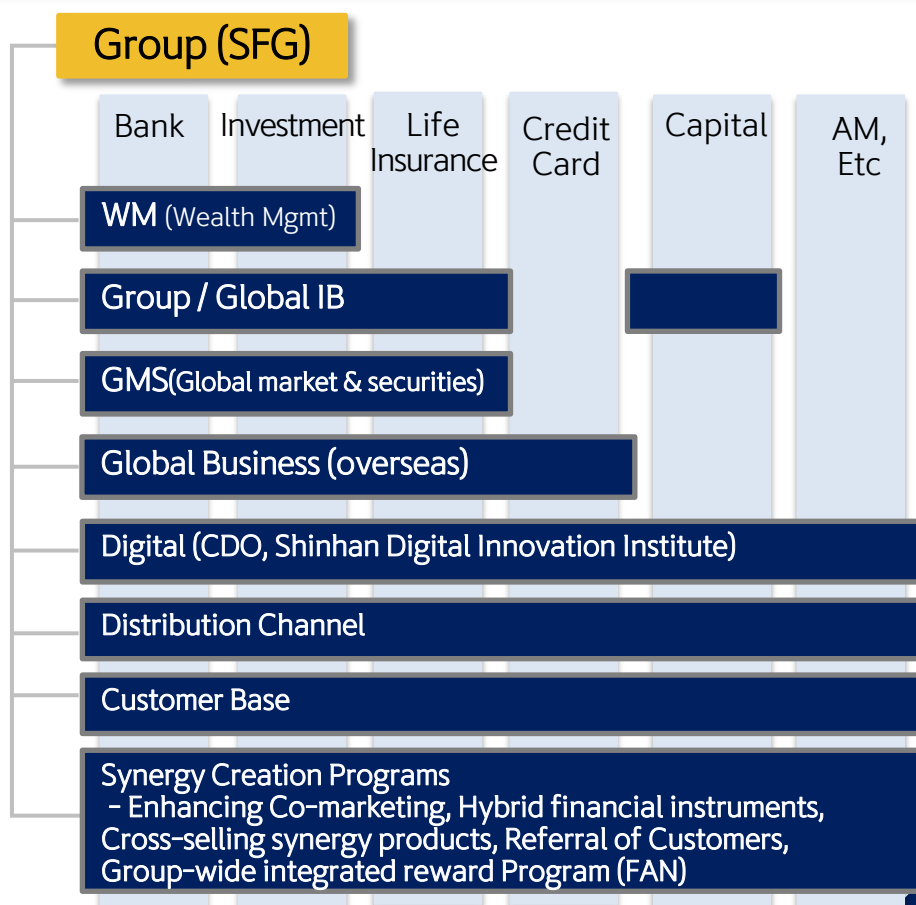
Issue Raising	Early Detection of Global (External) Risks
Risk Management System Upgrade	Adaptive Risk Management to meet Regulatory Changes
Sustainable Risk Management Reflecting Environment and Social Impacts	Innovative Risk Management in line with Development of Technology
Sophisticated Credit Scoring Model	Efficient Risk Management in Real Estate Business



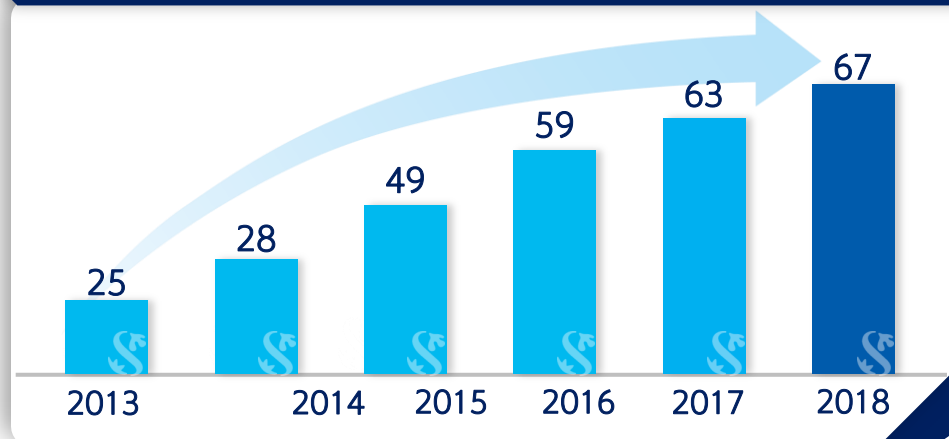
Group Synergy Creation | One Shinhan

SFG pushes forward 'One Shinhan' strategy which focuses on providing the very best products and services to clients by establishing the group-wide customer-centered business structure.

One Shinhan Business Model



Number of Combined Branch



Combined Branch Network



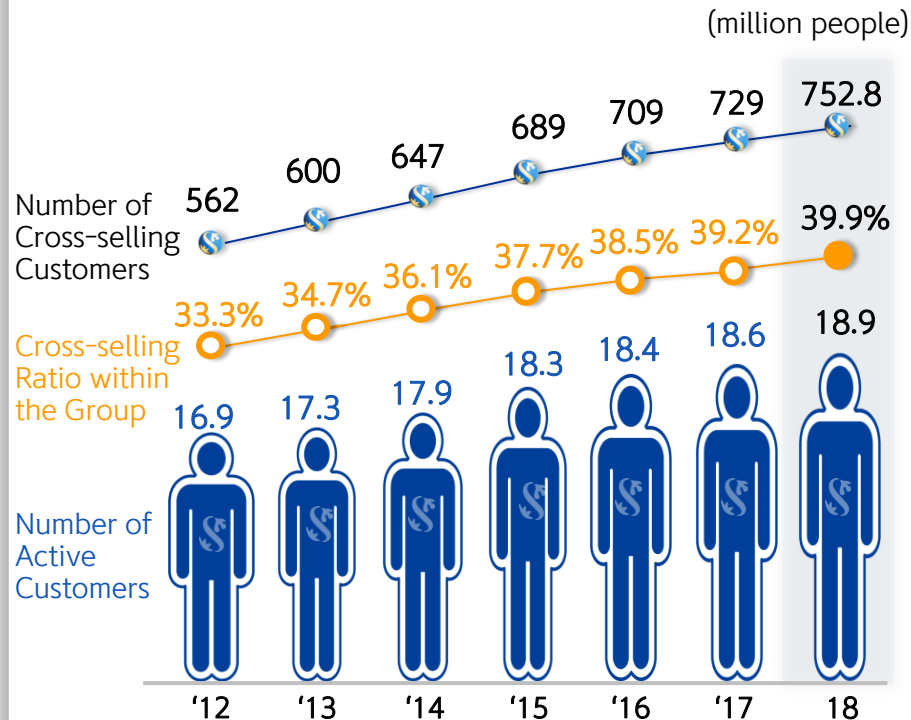
No. of Combined Branch

- PWM Center (27)
- PWM Lounge (24)
- Creative Finance Plaza (14)

**Group Synergy Business Model****[Synergy]**

**Enhance co-marketing among subsidiaries
to increase cross-selling customers**

● **Increasing Active Customers**

**Synergy Creation Activities and Programs**

Increasing Cross-selling Customers

- Among 18.9 mil. Group active customers, 7.5 mil. Customers are cross-selling customers as of FY2018
- Operating Group royalty program to enhance customer value through cross sales (Tops Club Program)

Enhancing Co-marketing

- Co-marketing investment products such as Alpha REITs, Credit Cards
- Established online group co-marketing platforms such as Shinhan Plus, Smarket Loan Market, and Jeju Gini

Hybrid Financial Instruments

- Co-developing and selling hybrid financial products such as Deep Dream, FNA/S-lite (Bank account linked with investment account) etc

Cross-selling Synergy Products

- Promoting of cross-selling non-bank products such as credit card, mutual fund, bancassurance and FNA via various subsidiaries channel (bank, Insurance, Brokerage, etc)

Referral of Customers

- Introducing customers from one subsidiary to another to provide various cross-subsidiary financial products such as investment products, loans, leases, credit card, PI, mezzanine etc

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2020 S·M·A·R·T Project

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

2020 S·M·A·R·T Project | Strategic Direction

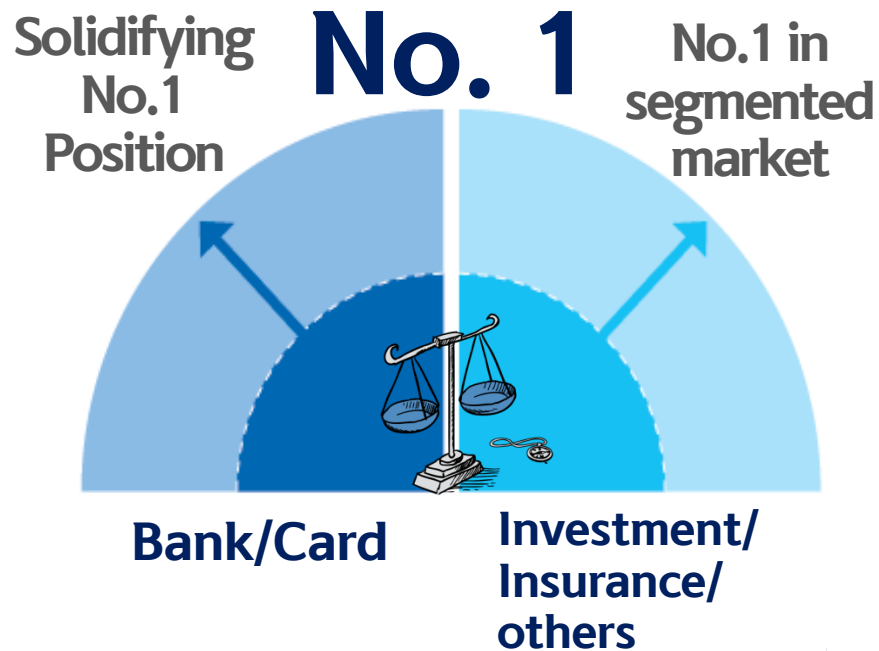




Based on the stable source of income, SFG implements balanced growth strategy for banks and non-bank subsidiaries by finding new growth drivers to maximize the value.

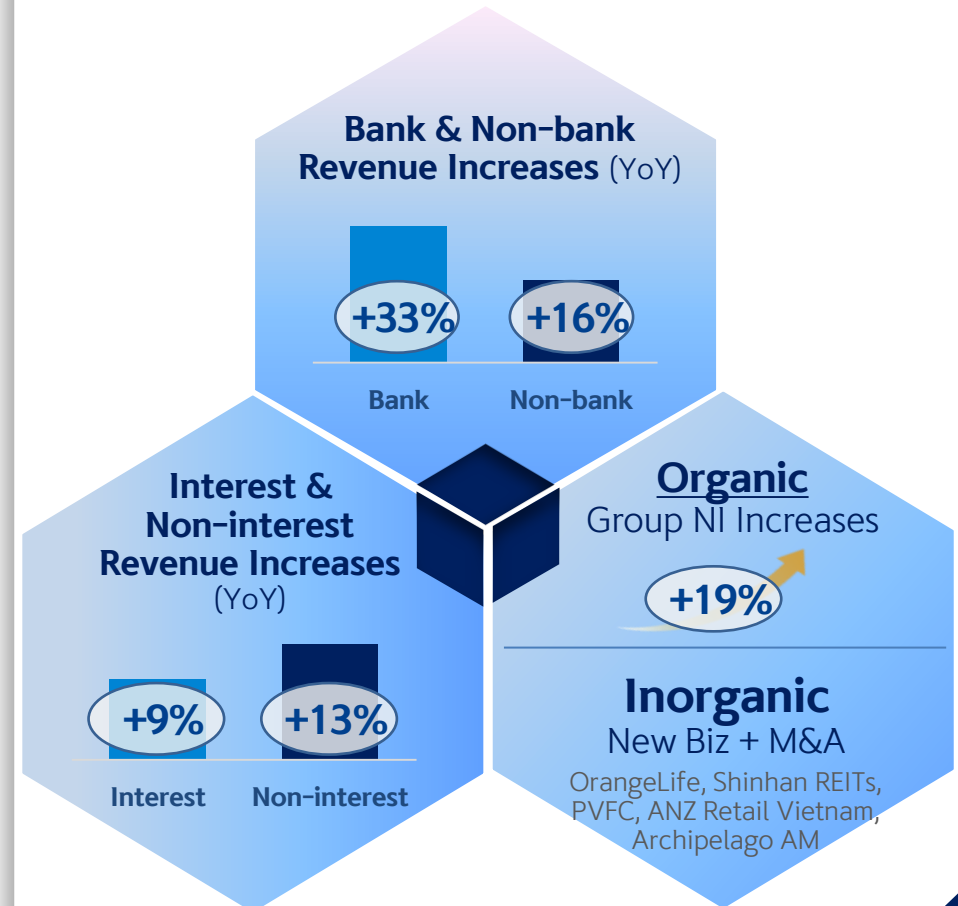
Balanced Growth Strategy

Organic + Inorganic Growth
to Maximize the Group's Value



Major Achievements

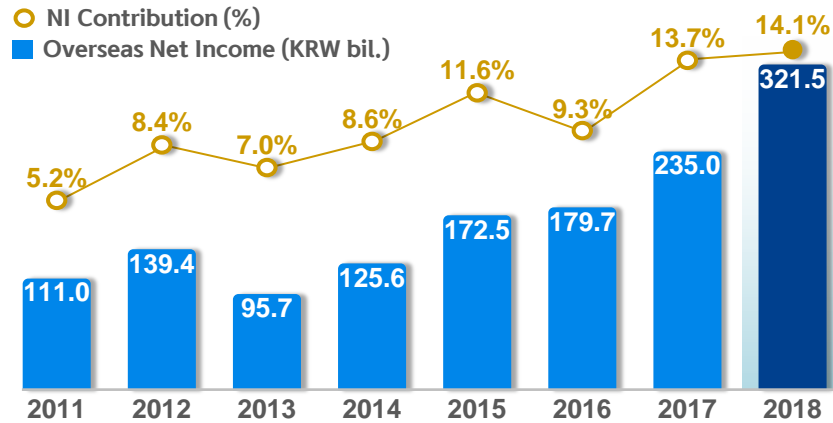
(As of FY2018)



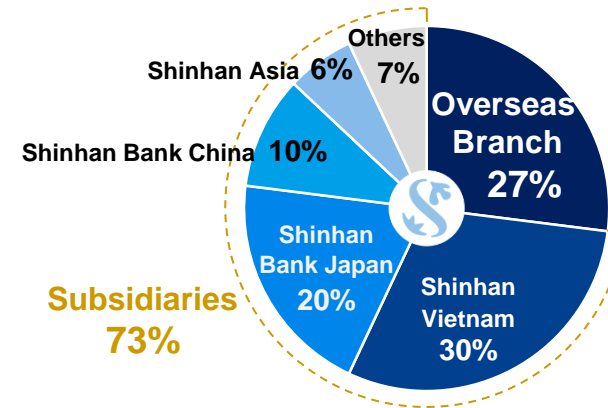


SFG has been consistently putting a lot of effort into the global business operations not only to secure the long-term future growth driver but to diversify the profit base as well.

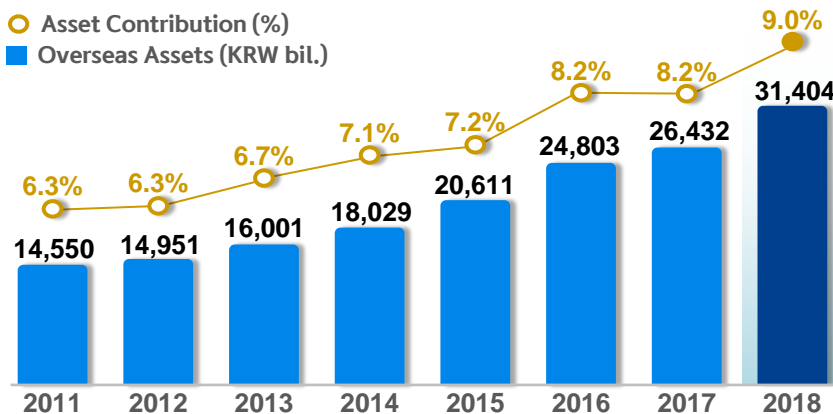
SHB NI Contribution by Overseas Operation



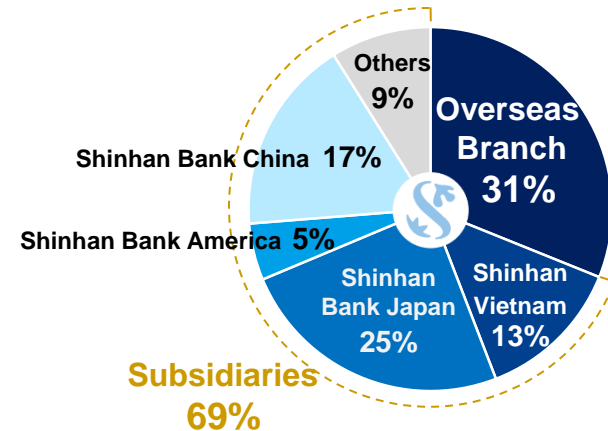
SHB NI Composition



SHB Asset Contribution by Overseas Operation



SHB Asset Composition

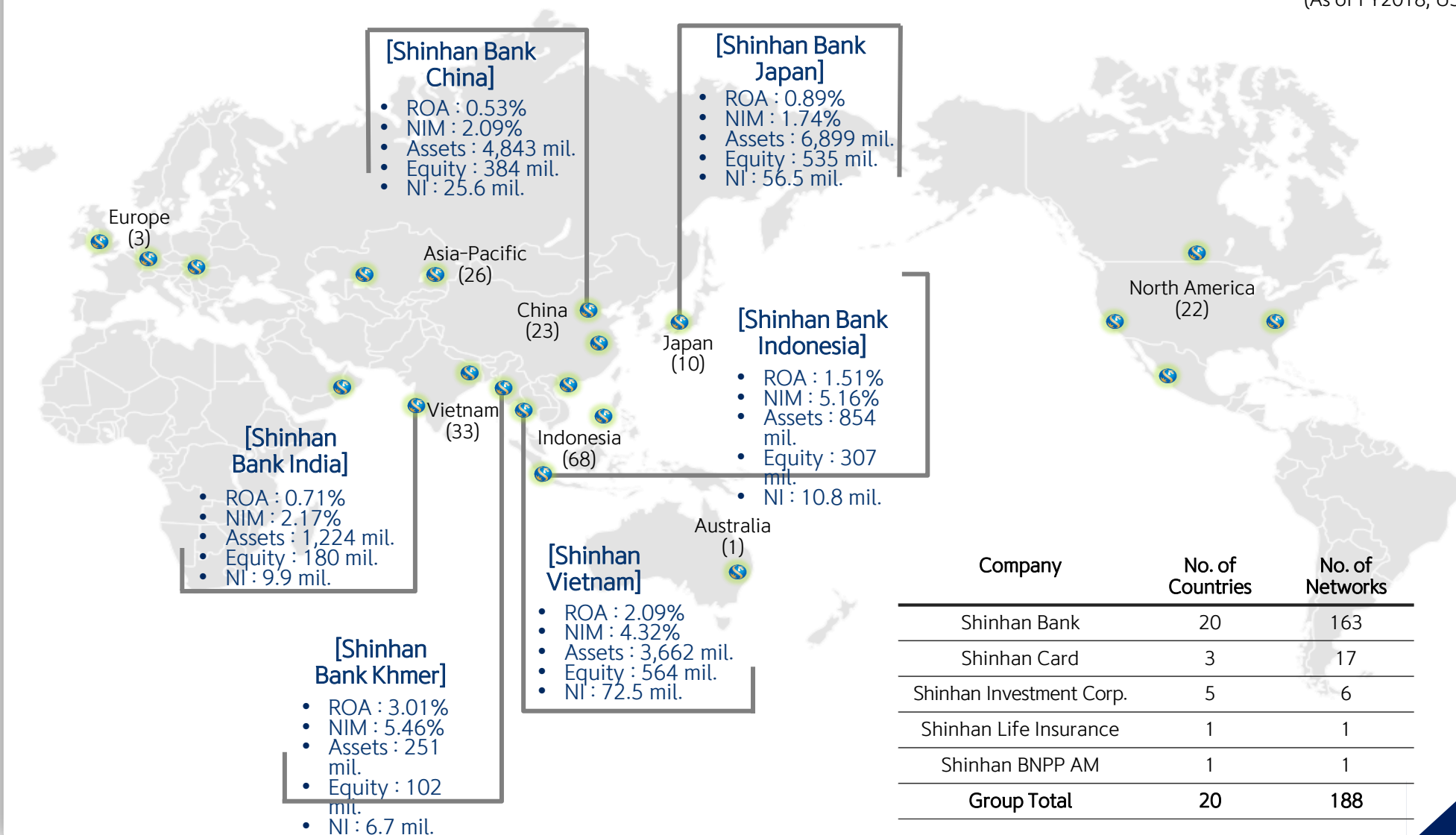


Note) KRW amounts of the net income are converted based on the average FX rates of the fiscal years, and the assets are converted based on the FX rates at the end of the fiscal years



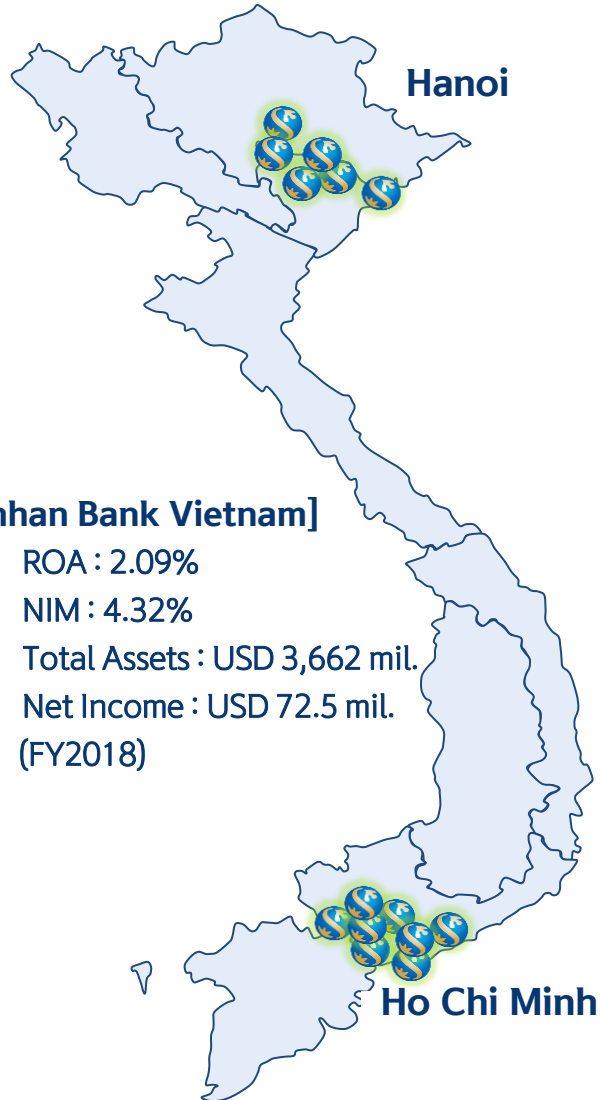
SFG Global Networks : 20 Countries, 188 Networks

(As of FY2018, USD)





Shinhan's Presence in Vietnam



[Shinhan Bank Vietnam]

- ROA : 2.09%
- NIM : 4.32%
- Total Assets : USD 3,662 mil.
- Net Income : USD 72.5 mil. (FY2018)

- **Largest foreign Bank in Vietnam** (in terms of network base and loans)

- **Largest network base among foreign banks**
(33 Networks : Bank 30, Investment 2, Life Insurance 1)

- **Experiences over 20 years in Vietnam**

1993

Established Presence (Multi-block Strategy)

- JV with Local Bank (Vietcom Bank, 50:50)
- Rep. office → Branch → Subsidiary

2011

Achieved economy of scale

- Acquired 50% stake of JV & merged with Subsidiary

2015

Localization & Synergy Creation

- Joint expansion with Group subsidiaries
- Acquisition of ANZ Vietnam Retail Division (2017)
- Acquisition of Prudential Vietnam Financial Company (2018)

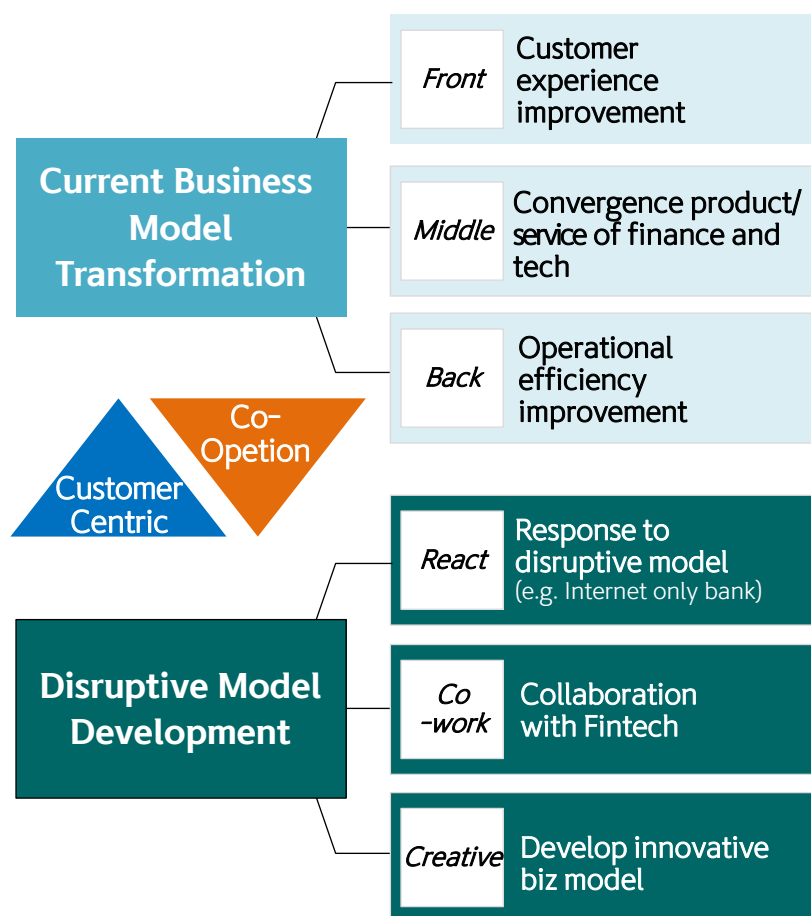
- **Joint expansion with group subsidiaries**

- 1) Credit Card : 7th out of 32 credit card companies
(in terms of transaction amount of retail customers)
- 2) Brokerage : Acquired local Brokerage company,
Launched Shinhan Securities Vietnam (2016)
- 3) Life Insurance : Established Representative office (2015)
- 4) Consumer Finance : Acquired ANZ Retail Division (2017), PVFC (2018)

In order to perfect 2020 SMART Project and take the Group business model to a next level,
 SFG established “Digital Shinhan” upgrade plan, “2 Tracks + 5Cs.”

Shinhan Financial Group Digital Strategy

2 Tracks for Business Innovation



5 Cs for the Group's Readiness

Core Tech	① Digital Technology	AI/IoT, Blockchain, Open Innovation, Cloud, DX(Digital Experience)
Capability	② Human Resources Development	Digital specialists training program, Education
	③ Recruiting, Industry-academy coop.	Securing professionals, Industry and academy cooperation
Culture	④ Way of work, Culture	Agile, Test & Learn, Magnanimity to new trials and failures
	⑤ Organization, Governance	Chief Digital Officer(CDO), Matrix system, Shinhan digital campus
Collaboration	⑥ Enhance & Connect Platform	Renewal financial platform, Connect non-financial platform
	⑦ Partnership, Joint Venture	Partnership with ICT / retail leaders, Construct Digital ecosystem
Change	⑧ Intellectual Property	'Digital Shinhan' intellectual property
	⑨ Strategic Roadmap, Change Management	Define strategic destination, 'To-Be', Prioritization of plans, Communications
	⑩ Regulatory Reform	Improvement of company regulations, Persuade authorities



Current Business Model Transformation

Front

Improve Customer Experience

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



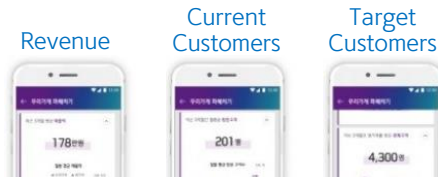
Middle

Develop New Digitally Innovative Products and Services

- Digitally specialized, mobile, convergence products and services



Bigdata-based
Affiliate Marketing
Platform(MyShop)
- Shinhan Card

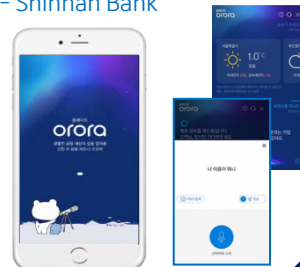


Back

Improve Operational Efficiency

- Optimization of channel, risk management, FDS1), RPA1), chatbot

SOLmate ORORA (Chatbot)
- Shinhan Bank



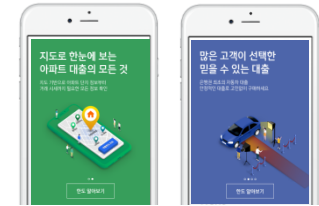
Disruptive Model Development

Respond

Respond to Online Banks

- Enhancing product/service/platform competitiveness

Launching preemptive services/
Maximize convenience of
existing services



-Mortgage - Auto loan

Collaborate

Fostering fintech start-ups and exploring
collaborative models (in and out of Korea)
- Shinhan Future's Lab

Collaboration with Fintech

- Developing collaborative models by creating fintech ecosystem in Shinhan



Create

Develop Innovative Biz Models

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

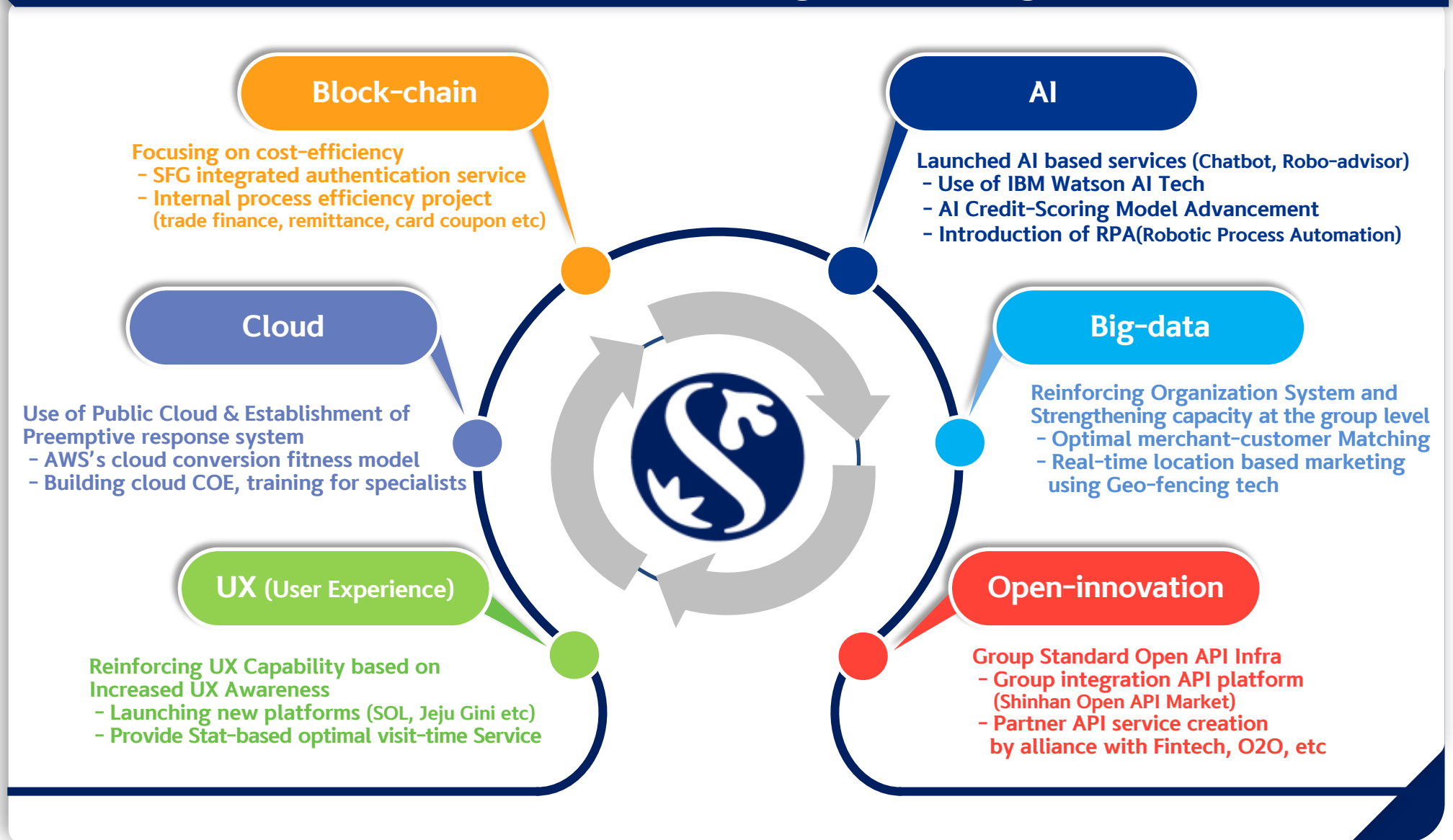


Non-financial platform
- New biz service in Travel (Jeju-jini)



Internalization of Digital Technologies

Business Areas with Key Digital Technologies





External Partnership

● Need for Collaboration with Competitors

Collaboration/alliance with other industry leaders is an essential capability under the regulation of 'separation of industrial and financial capital'

【SFG Major Alliances】



Creating Fintech Ecosystem

● Shinhan Future's Lab

『Shinhan Future's Lab』 is an Industry-first Fintech support program and Shinhan reinforces its alliances by nurturing and investing in promising start-ups

Country	Order	No. of Companies	Related Fields	Co-work Companies
Korea	1 (2015)	7	P2P, Block Chain etc	8
	2 (2016)	16	AI, Robo-Advisor etc	11
	3 (2017)	17	Platform Contents etc	11
	4 (2018)	21	VR/AR, Insurance Tech etc	13
	5 (2019)	40	Bigdata, FDS, Security etc	In Process
Vietnam	1 (2017)	5	Payment, e-Wallet etc	In Process
	2 (2018)	6	P2P, etc	In Process

● Shinhan Future's Lab Development

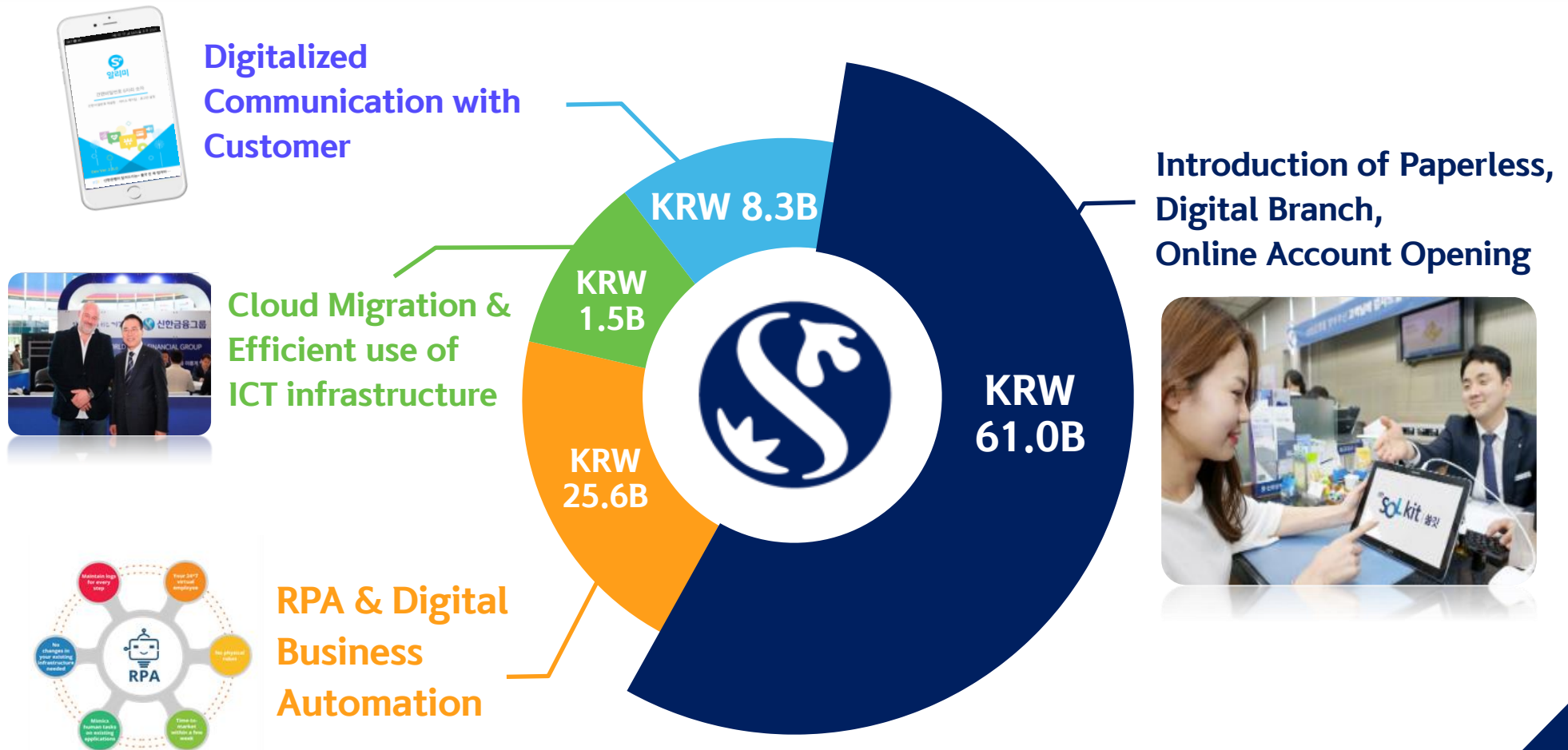
- **Investment of USD 8.1 M in 24 Future's Lab companies**
 - Current Market Valuation : USD 270 M
 - Current Investment Value : USD 19 M
- **Investment of USD 51 M in promising start-ups**
 - Direct investment USD 14 M, indirect Investment USD 37M
- **Case : Balance Hero (Financial Service APP in India)**
 - USD 3.8 M Investment in global Fintech Co.
 - 40 million current customers in India



Digital Transformation : Cost Saving

SFG promotes efficiency of ICT infrastructure through various projects using new digital technologies. In 2018, SFG saved approx. KRW 96.4 bil., and our target for 2020 is to save KRW 100 bil.

Cost-saving through Digital Transformation (from 2017 to 2018)



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In order to carry out sustainable management under more systematic framework, SFG established a new direction for 'Responsible Growth' 'Social Partnerships' and 'Investments for the future' and suggested the 6 strategic directions (Commitments) spanning products, services, and management.

Shinhan Financial Group CSR Strategies



- 1 Responsible Growth**
 - I . Provide solution to improve customer value
 - II . Fair and ethical business
- 2 Social Partnership**
 - III . Improvement of financial inclusion
 - IV . Establishment of creative and open culture
- 3 Improvements for the Future**
 - V . Realization of positive social responsibility
 - VI . Risk management considering environment and society



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

ECO Transformation 20·20

ECO Transformation

2020

Investing and Financing **KRW 20 tril.**
in Green Industries

Reducing GHG Emissions by **20%**
(baseline 2012)

Creating both **Environmental Value(EV)** and **Corporate Value(CV)**

01

Leader in Low-Carbon Financing

- Active investment in green industrial sectors
- Customized financial products and services for each sector
- Environmental risk management system

Enabler ①

ECO Governance & Organizational Implementation

02

Eco-friendly Business Management

- Expanding investment in green infrastructure
- Creating a virtuous cycle of sustainable resources
- Establishing a Carbon management system

Enabler ②

Raising Employees' Environmental Awareness
& Fostering Leaders for Sustainable Management

03

Strengthening Green Partnerships

- Building green networks and partnerships
- Eco-friendly brand communication
- Disclosing financial data of environment-related business

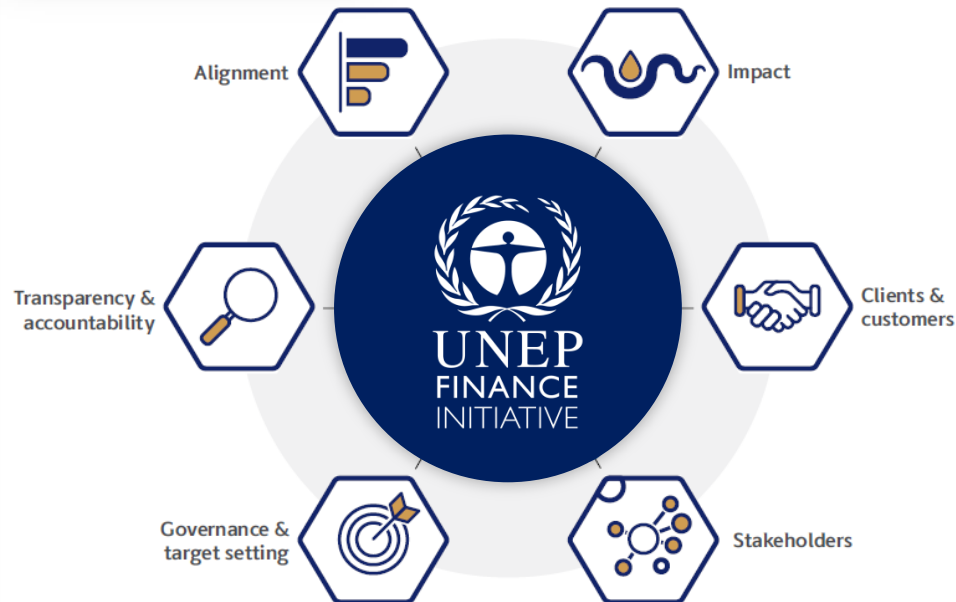


Principles for Responsible Banking

In November of 2018, the UN Environment Programme Finance Initiative (UNEP FI) announced the “Principles for Responsible Banking” developed by twenty-eight Core Group Members, including SFG and other global financial institutions.

Principles for Responsible Banking: Reshaping the Future of Banking

6 Principles



Core Group Members
(Total 28 banks)



26 NOV, 2018 SFG's CEO Cho Yong-byoung speaks at the UNEP FI's Global Roundtable in Paris, France.

- **The Principles for Responsible Banking outline the banking industry's roles and responsibilities in aligning its business operations with the objective of the UN's Sustainable Development Goals and the Paris Climate Agreement.**



SFG launched the “Society of Hope” project, which is a Group-level CSR platform that focuses on assisting underprivileged and low-income people and supporting the growth of small- and medium-sized venture and/or social enterprises.

Areas Supported by “Society of Hope” Project

We will always be there
to bring hope

**Hope.
Together.**

**Social
Value**

- Supporting people with low credit ratings
- Supporting women experiencing career disruptions
- Establishing after-school childcare centers for elementary students
- Helping families in crisis

**Future
Value**

- Training for the youth in preparation for the Fourth industrial Revolution
- Youth overseas employment program

**Economic
Value**

- Supporting urban regeneration projects undertaken by provincial governments
- Providing investments and loans for SMEs and social enterprises

**Spreading
Social
Impact**

- Promoting Group CSR activities



Cultivating Female Leaders

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

Sheroes

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

Guide to Fostering Female Leaders

Relationships

- Strengthen relationships

R

Opportunity

- Offer more opportunities

O

S

Segmentation

- Define targets

E

Environment

- Create a positive environment



Mid-term Goals sand Key Tasks

Create conditions
for fostering
(2018)

- Build a platform to foster female leaders

Increase
consistency (2019)

- More support for developing competencies

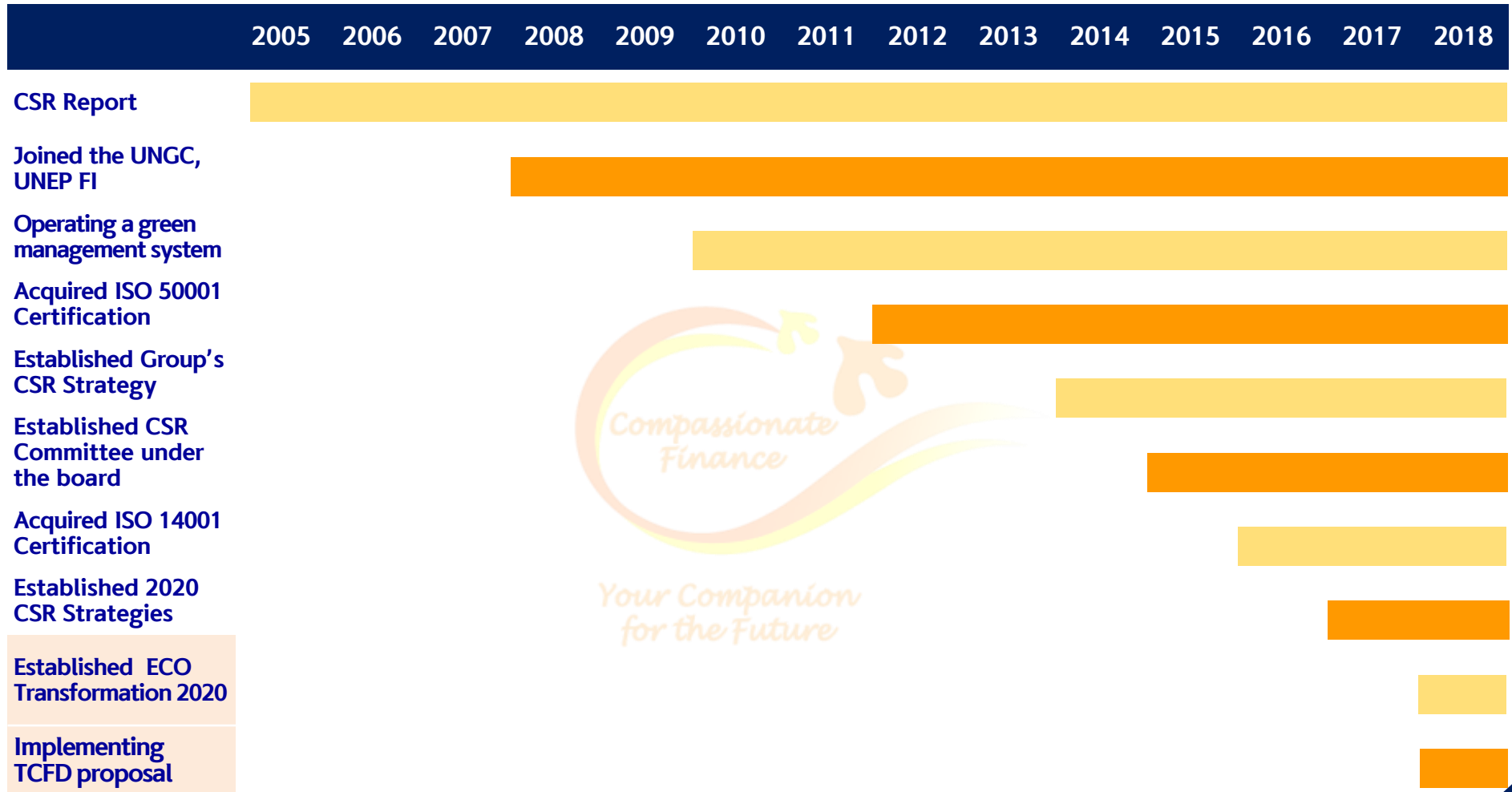
Build healthy
cycle (2020)

- Continuous cycle of fostering female leaders












History of Shinhan's ESG Management

Since its establishment, Shinhan Financial Group has recognized the importance of social responsibility and has been actively engaged in various CSR activities to seek a shared growth of the Group and the society.



Sustainable Management / **CSR-related Recognitions**

SFG is included in global CSR initiatives, as well as composed of Socially Responsible Investment funds following ESG indices. Due to continuous CSR activities, SFG is recognized as a role model that fits the global CSR standard by global investment and research firms. The evaluation is above the industrial average.

Institution	Index title	Grade / Score	Benchmark Index	Award / Certification
	Corporate Governance Grades	Grade: A+	-	Highest Grade among Korean Companies (affiliate of Korea Exchange)
	DJSI	Score: 81	DJSI World DJSI Asia-Pacific DJSI Korea	Included in DJSI World index for the first time among Korean financial groups for 6 consecutive years
	Global 100	Rank: 9 th Score: 78.15	Global 100	Selected Global 100 Most Sustainable Corporations by the Davos Forum for 7 consecutive years
	CDP	Leadership A	-	First financial group in Korea to be included in the Honors Club for 5 consecutive years
	MSCI ESG	Grade: AA	MSCI ACWI ESG MSCI EM ESG MSCI Korea ESG	Received AA Grade for 3 consecutive years
	FTSE4Good	Grade: 2.9	FTSE ACWI ESG FTSE Asia Pacific ESG FTSE Korea ESG	Included in FTSE4Good index for 8 consecutive years
	ISS Quality Score	Grade: 1	-	-
	Daeshin Corporate Governance Inst.	The Best Company among Korean financial groups	-	-
	Gender Equality Index	Score : 85.54	BEI	-

- 1-1 SFG Overview
- 1-2 Vision, Strategy & Core Capability
- 1-3 2020 SMART Project
- 1-4 Sustainable Management
- 1-5 Financial Highlights 

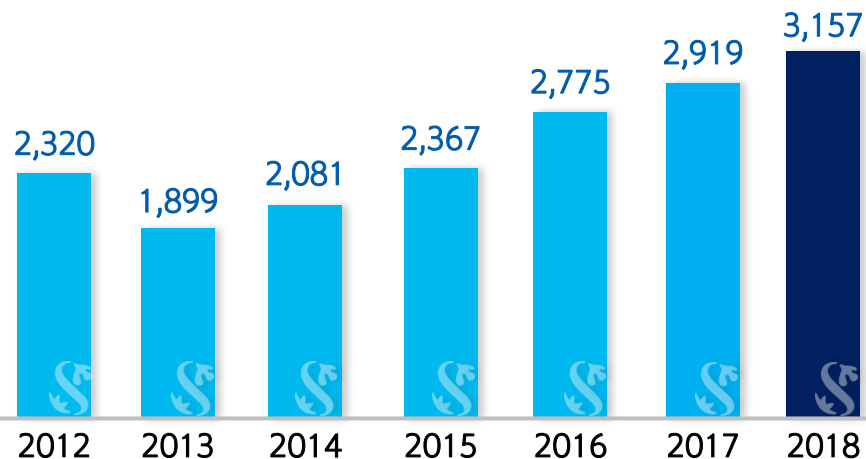




Shinhan Financial Group / Financial Highlights

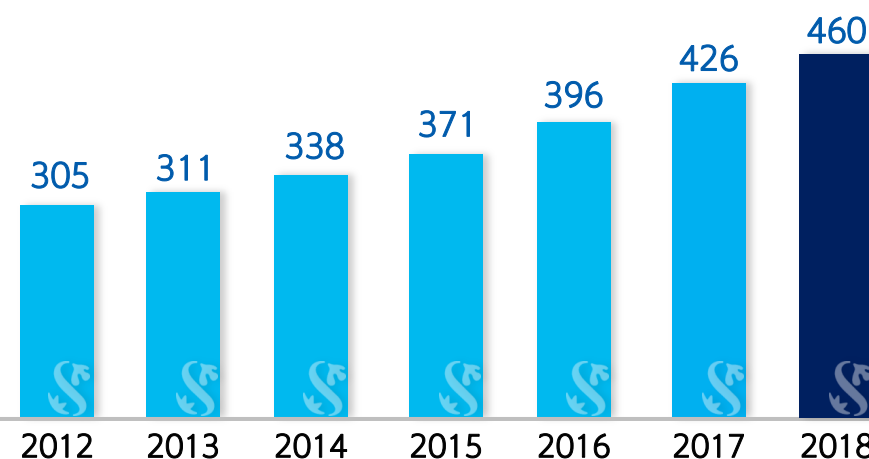
Group Consolidated NI

(KRW billion)



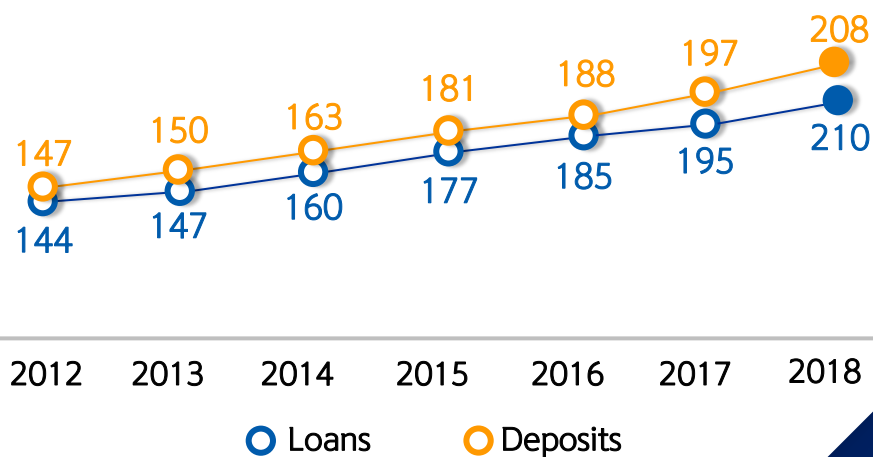
Group Consolidated Assets

(KRW trillion)



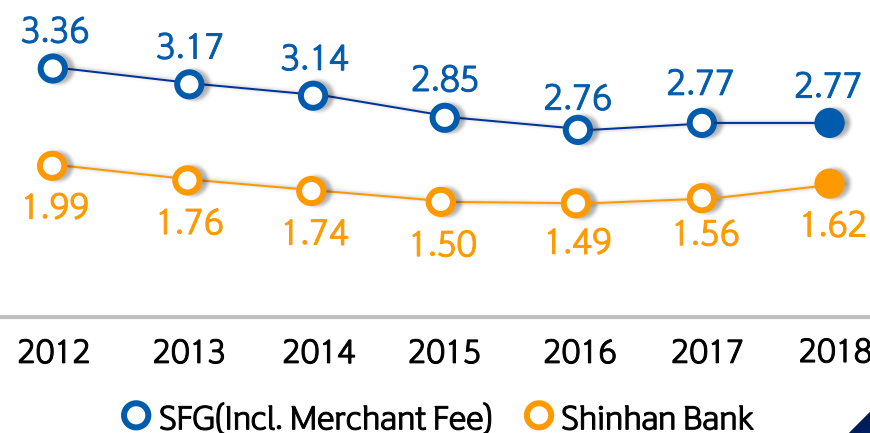
Loans and Deposits of SHB

(KRW trillion)



Net Interest Margin (NIM)

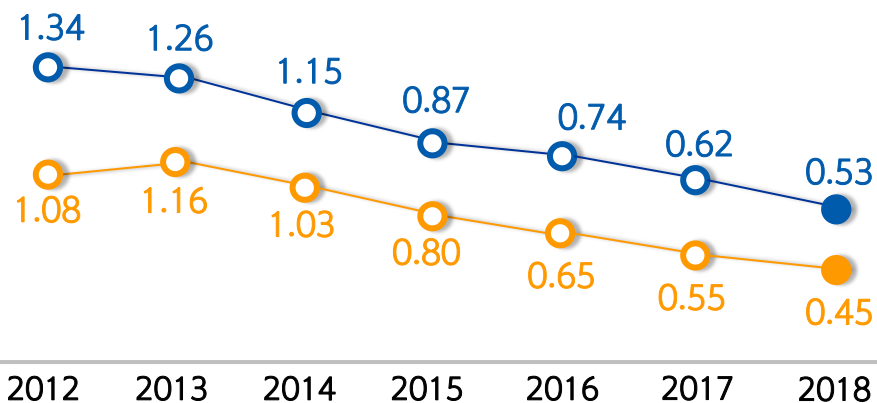
(%)





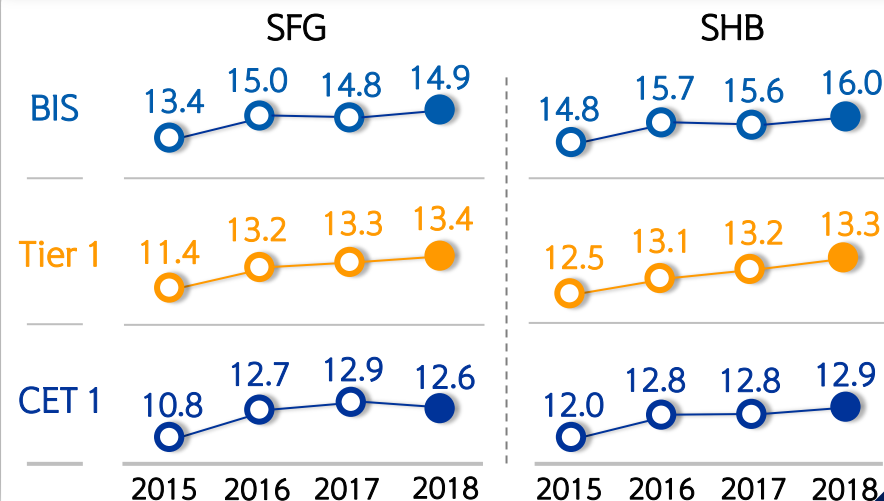
NPL Ratio

(%)



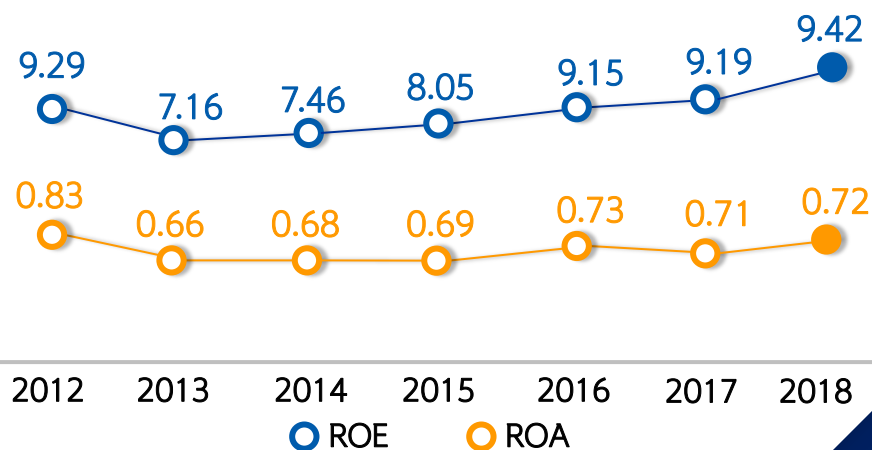
Capital Adequacy

(%)



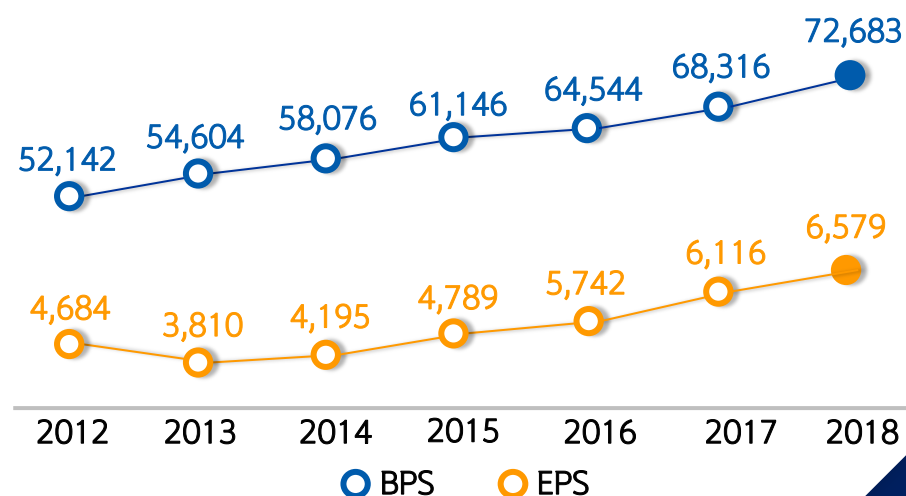
ROA / ROE

(%)



BPS / EPS

(KRW)



Companies in the Group FY2018

02

2-1 **Shinhan Bank** 

2-2 **Shinhan Card**

2-3 **Shinhan Investment Corp.**

2-4 **Shinhan Life Insurance**

2-5 **Shinhan BNP Paribas
Asset Management**

2-6 **Shinhan Capital**

2-7 **Jeju Bank**

2-8 **Shinhan Savings Bank**

2-9 **Shinhan DS**

2-10 **Shinhan ALTAS**

2-11 **Shinhan Credit Information**

2-12 **Shinhan Private Equity**

2-13 **Shinhan REITs Management**



Corporate Profile

(As of FY2018)

Shinhan Bank is the flagship company of SFG.

*** Total Asset KRW 397.8 trillion¹⁾**

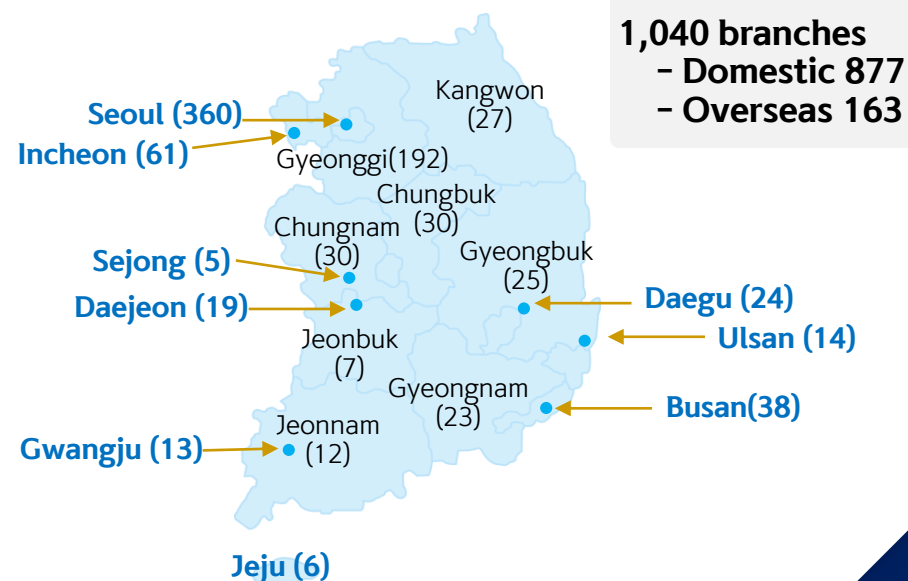
*** FY2018 Net Income : 2,279.0 billion** (Consolidated)

1) Total Asset : Banking Account (Separate) + Merchant Banking Account
+ Trust Account

Rating Agency	F/C LT Debt Rating
MOODY'S	Aa3
S&P	A+
FITCH RATINGS	A

Network

(As of FY2018)



Key Milestones



Balanced Loan Portfolio

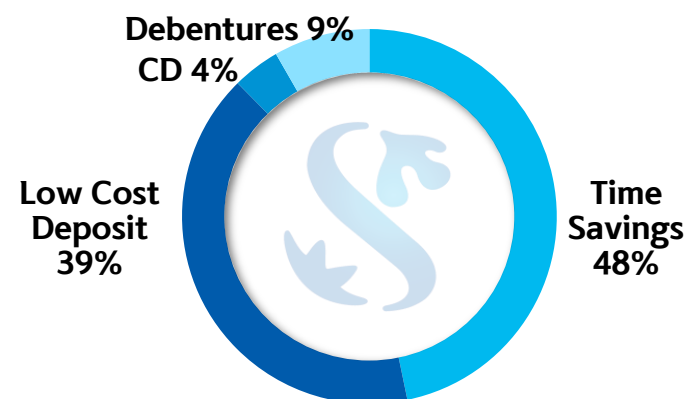
| Loan Composition



Note) Based on Loan in Korean Won

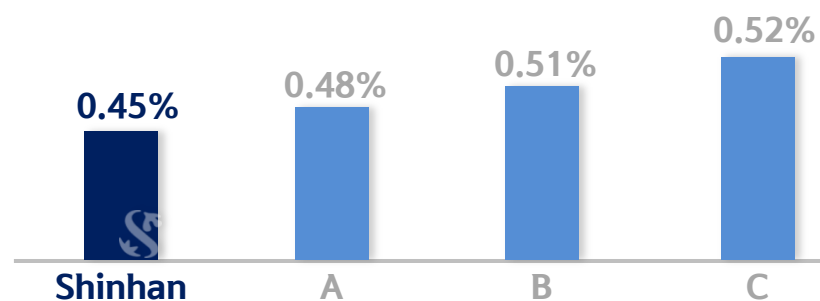
Stable Funding Base

| Funding Composition



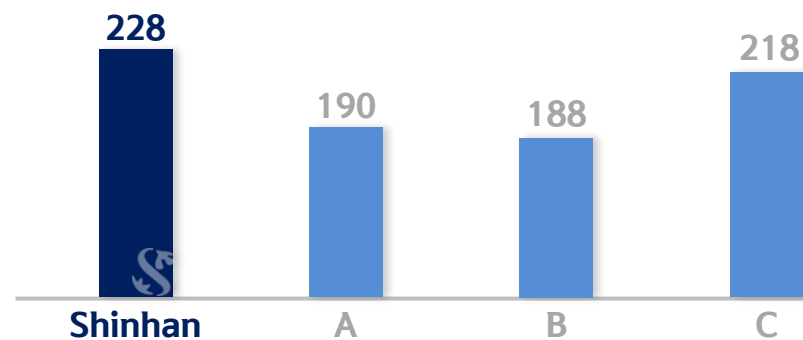
Outstanding Risk Management

| NPL Ratio Comparison



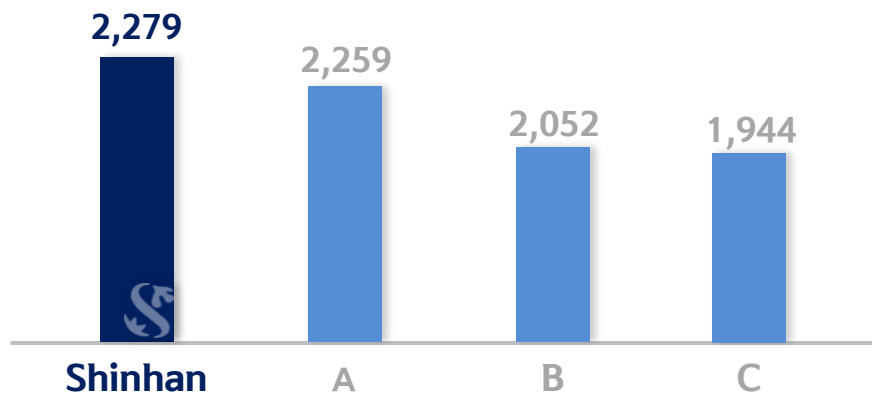
High Per-Capita Productivity (KRW million)

| Per-Capita Pre-provisioning Income (Domestic)

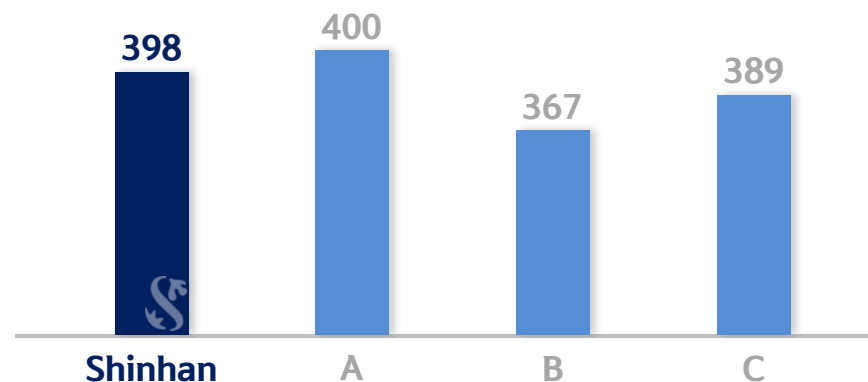




Consolidated Net Income (KRW billion)

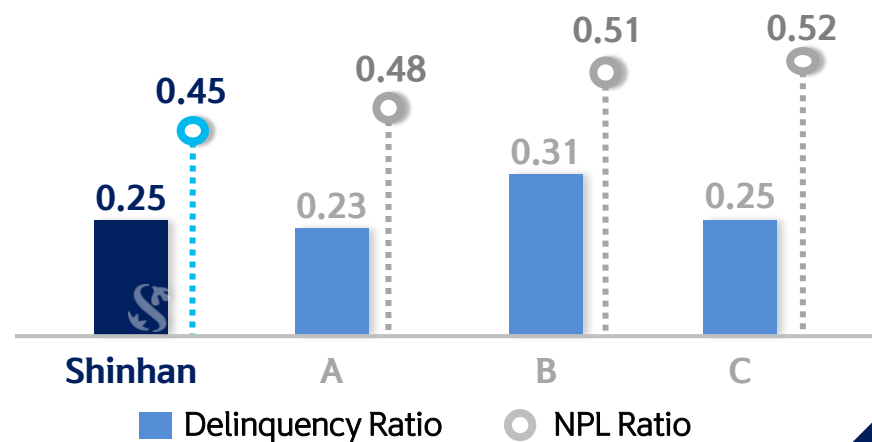


Total Assets (KRW trillion)

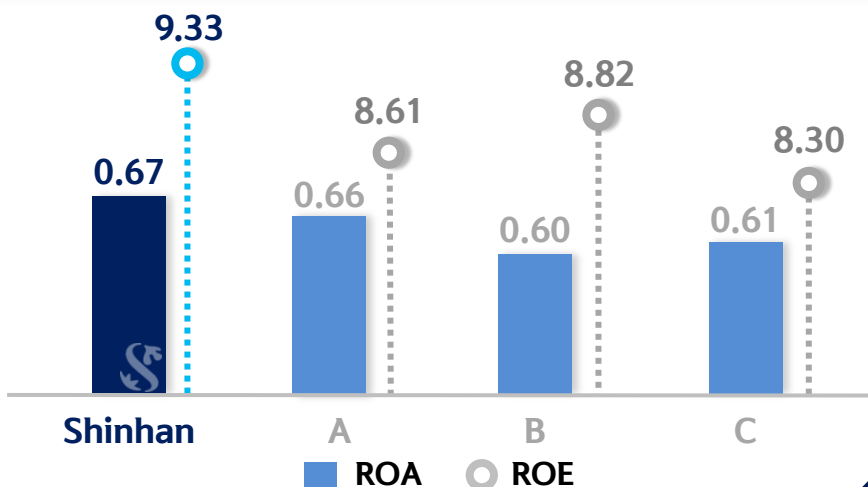


Note) Total Assets: Banking Account(Separate) + Merchant Banking Account + Trust Account

Asset Quality (%)

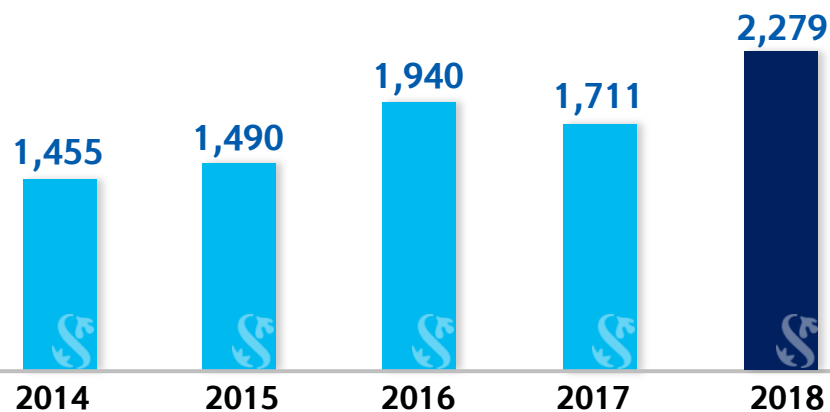


ROA / ROE (%)

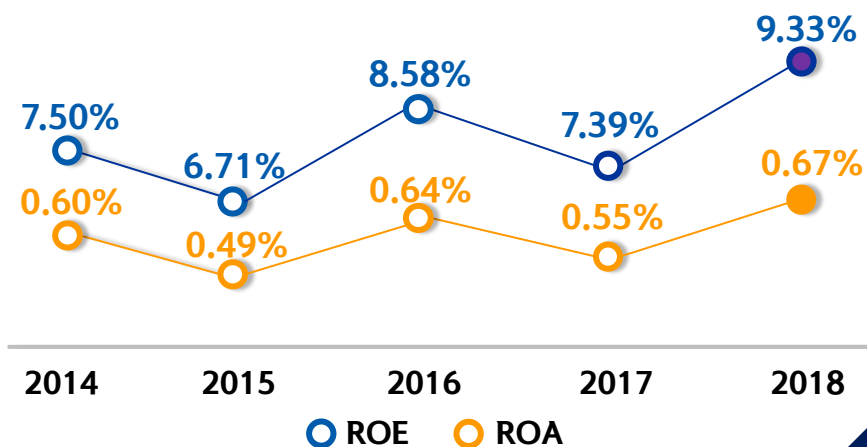




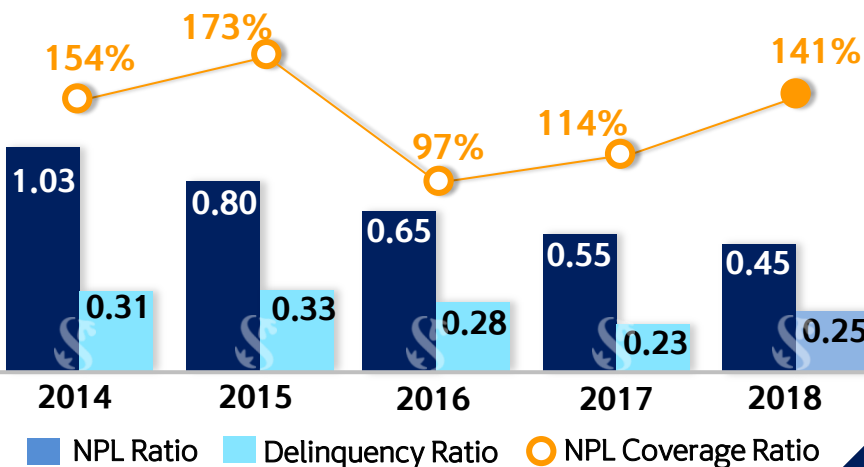
Net Income (Consolidated) (KRW billion)



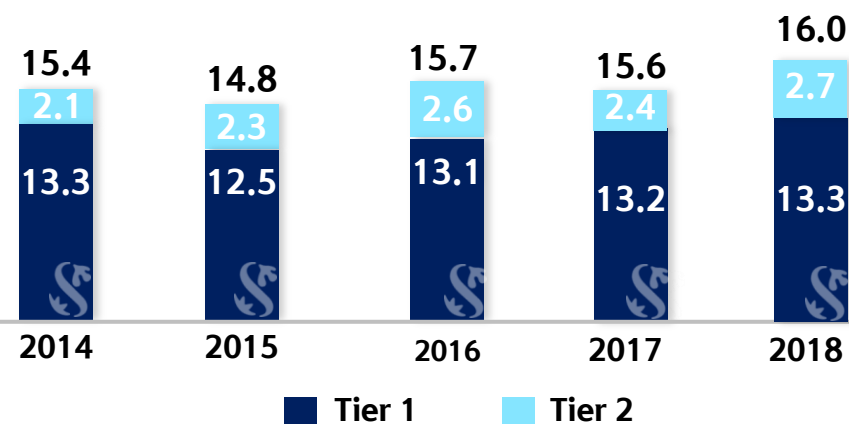
Profitability (ROA, ROE)



Asset Quality (%)



Capital Adequacy (%)



Note) Due to regulatory changes, calculation methodology for NPL Coverage Ratio has been revised since FY2016

Companies in the Group FY2018

02

2-1 Shinhan Bank

2-2 Shinhan Card 

2-3 Shinhan Investment Corp.

2-4 Shinhan Life Insurance

2-5 Shinhan BNP Paribas
Asset Management

2-6 Shinhan Capital

2-7 Jeju Bank

2-8 Shinhan Savings Bank

2-9 Shinhan DS

2-10 Shinhan ALTAS

2-11 Shinhan Credit Information

2-12 Shinhan Private Equity

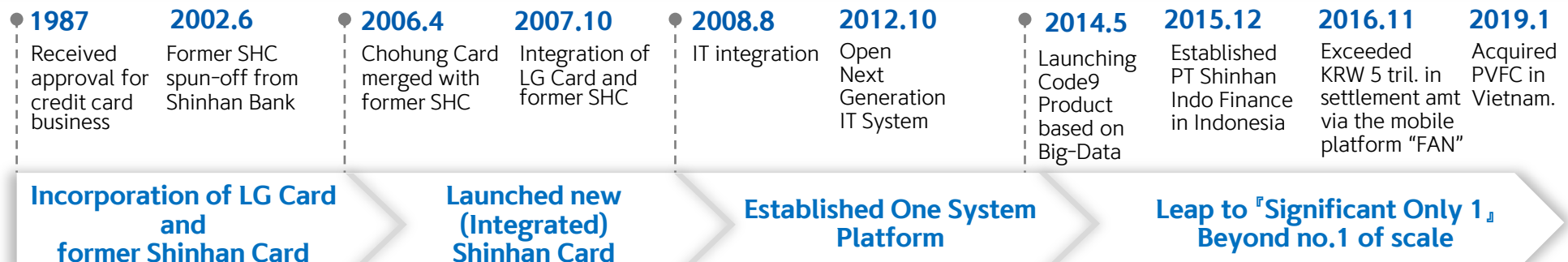
2-13 Shinhan REITs Management

Number 1 Credit Card Company in Korea

The No. 1 credit card company in Korea which encompasses the strengths of both the credit card division of a bank as well as an independent credit card company.

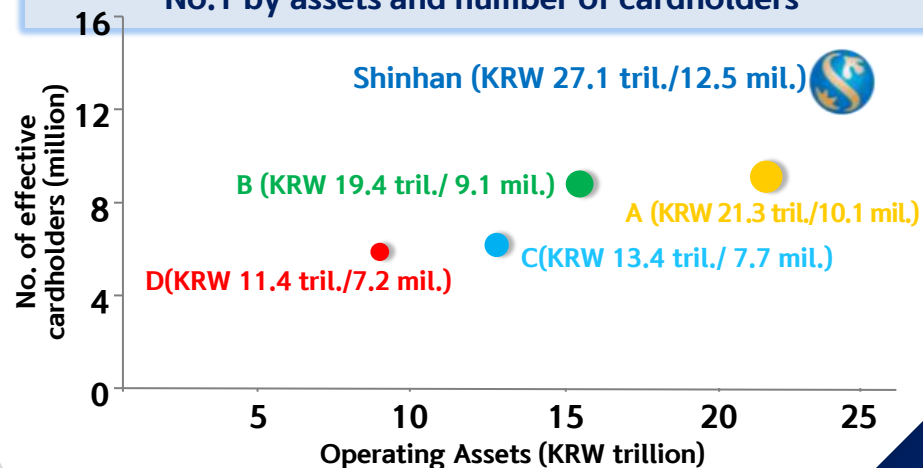


Key Milestones



Operating Assets and Cardholders

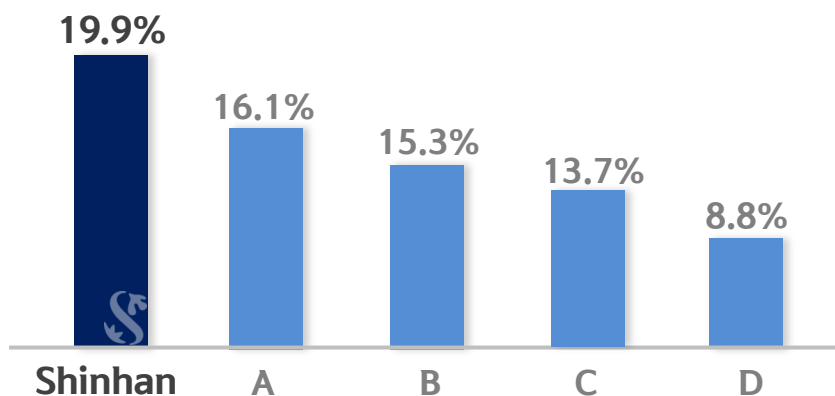
No.1 by assets and number of cardholders



Credit Rating

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

M/S by Credit Purchase Volume



Bona fide No.1 Credit Card Company in Korea

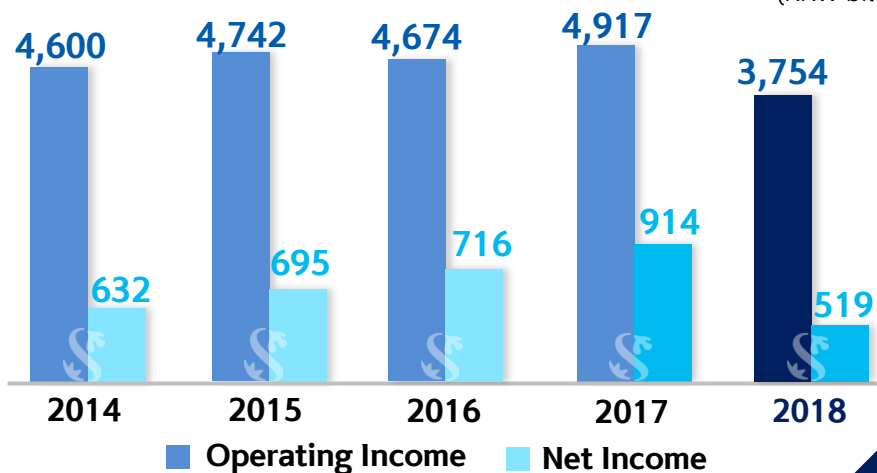


- 2018.12 Awarded President of Korea's citation at the 'Consumer Day' hosted by the Fair Trade Commission
- 2018.11 Awarded the Grand Prize for 10 consecutive years by GPTW Institute
- 2018.07 Premium Brand Index (KS-PBI), 1st for 9 consecutive years
- 2018.03 Korea Brand Power Index(K-BPI), No. 1 brand for 7 consecutive years
- 2018.02 Awarded the "Most Admired Company in Korea" for 11 consecutive years

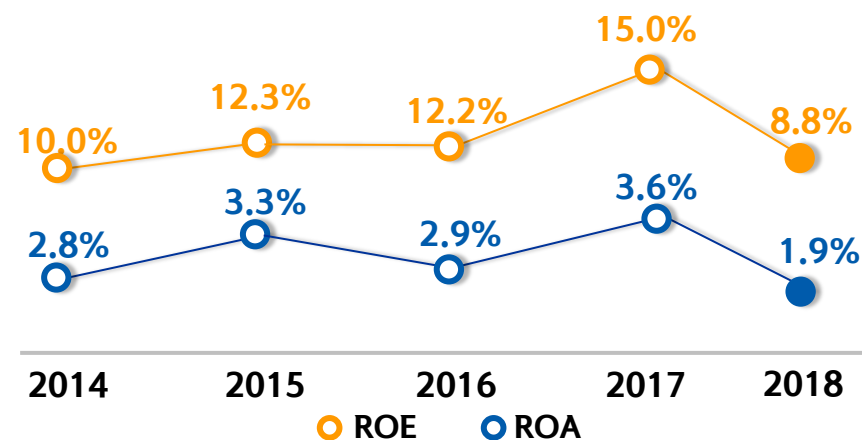


Operating Revenue & Net Income

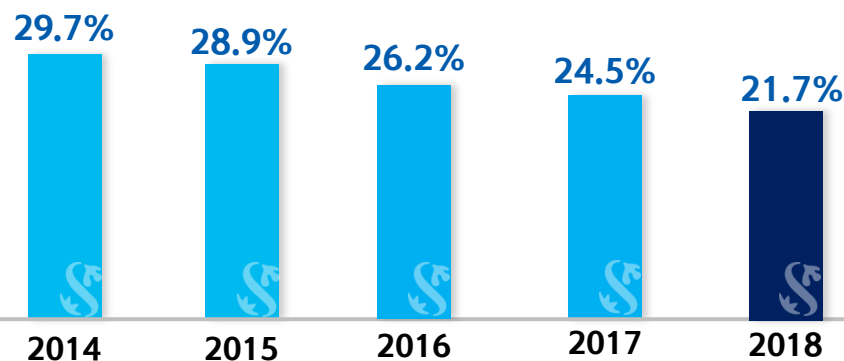
(KRW billion)



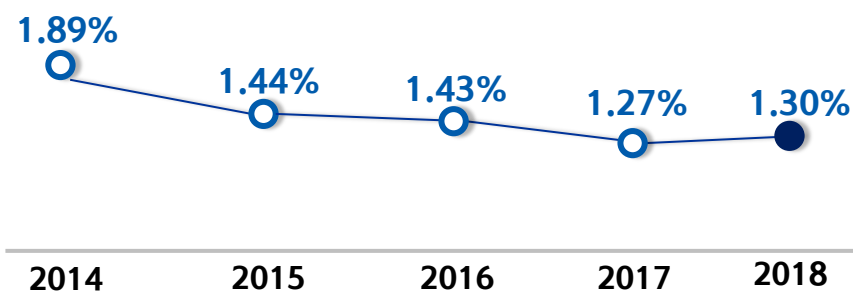
ROA, ROE



Adjusted Equity Capital Ratio



Delinquency Ratio¹⁾



1) 1 month and over delinquent

Companies in the Group FY2018

02

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2-13 Shinhan REITs Management

Overview

● Company Overview

Shinhan Investment Corporation is an integrated Financial Investment Company to respond to the changes in the financial market incurred by the enactment of the Financial Investment Services and Capital Market Act.

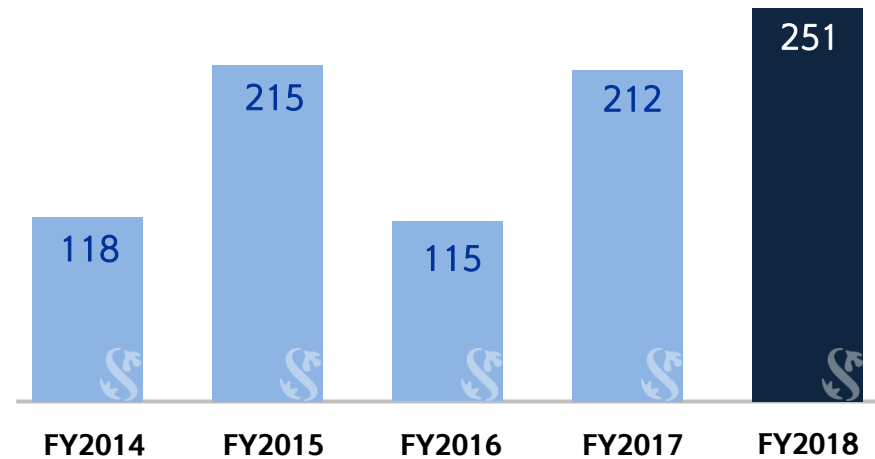
● Key Milestones

1973.	Incorporation of Hyosung Securities
1983.	Renamed to Ssangyoung Securities
1999.	Renamed to Good Morning Securities
2002.04	SFG acquired a 31.7% share of Good Morning Securities
2002.07	Good Morning Securities was merged with Shinhan Sec.
2002.08	Renamed to Good Morning Shinhan Securities ("GMSH")
2004.12	SFG acquired the remaining shares of GMSH
2007.05	Overseas subsidiary in Hong Kong incorporated
2009.08	Changed the company's name to 'Shinhan Investment Corp.
2015.07	Acquired a Vietnamese securities services firm
2016.07	Acquired an Indonesian investment banking firm
2017.03	Received approval for 'Integrated Investment Management Services'
2018.06	Received highest credit ratings (Moody's A3, S&P A-)
2018.07	Service Quality Index(KS-SQI), 1 st within the industry
2018.09	Acquired PT Archipelago Asset Management in Indonesia

Growth Trend

(KRW billion)

● Net Income (Consolidated)



Year	Total Assets (KRW billion)	Total Equity (KRW billion)	No. of Branches ¹⁾	No. of Customers (Thousands)
2013	19,098	2,236	93	2,079
2014	25,928	2,330	93	2,175
2015	24,337	2,526	92	2,247
2016	25,554	3,076	92	2,685
2017	28,644	3,253	92	3,089
2018	29,140	3,373	92	3,467

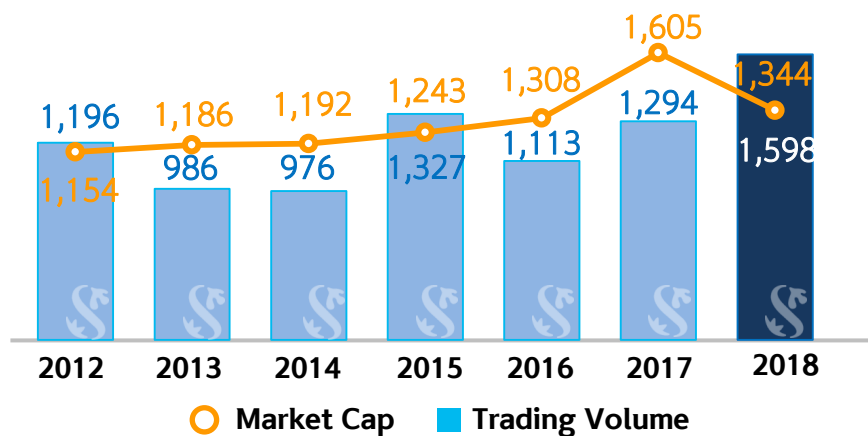
1) Excluding branches collocated within Shinhan Bank branches and PWM branches are included



Industry Overview

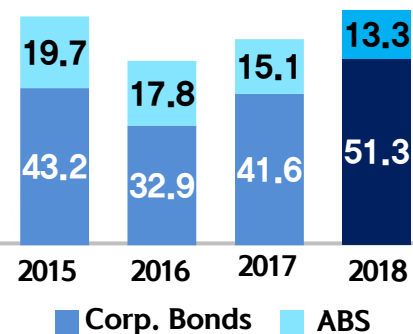
(KRW trillion)

● Securities Market

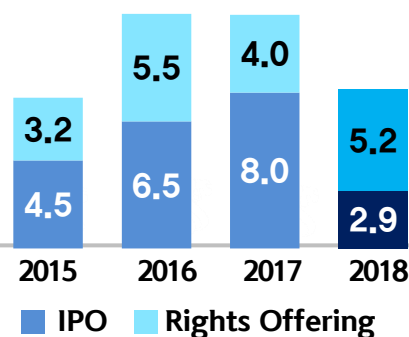


● Capital Market

1) DCM



2) ECM



* Source) KRX

Market Position

● Market Share in Brokerage

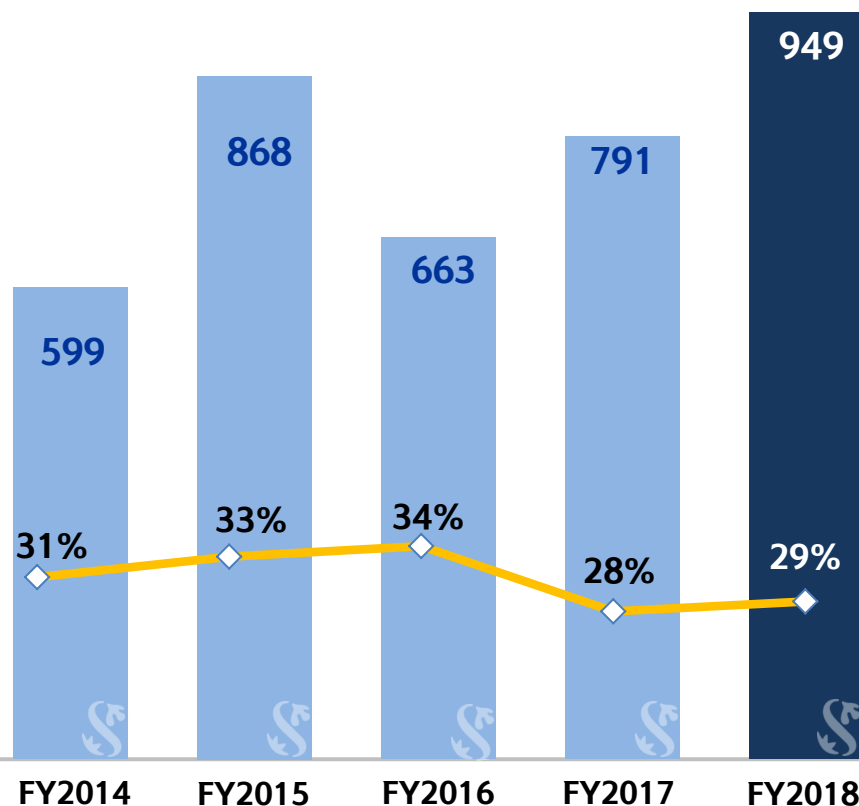
	2016	2017	2018
Equities	5.6%	5.1%	5.9%
Futures	5.9%	6.7%	9.6%
Options	6.9%	6.7%	6.8%

● Ranking of IB Business

	2016	2017	2018
ABS	(5위)	(5위)	(2위)
Corp. Bonds	(7위)	(6위)	(5위)
IPO	(7위)	(8위)	(4위)

* Source) The Bell

Operating Revenue Trend (KRW billion)



• IFRS Consolidated

■ Operating Revenue ○ % of Securities Brokerage Commission

Management Strategy

● Strategic Objective : The Best Solution Provider and a Top Player in the Capital Market

- Expanding profit through GIB capacity mobilization
- Improving investment yield with investment strategy · asset diversification
- Enhancing asset management capacity and market leadership
- Upgrading brokerage sales
- Improving profitability of retail credit service business
- Securing competitiveness in corporate and institutional customers
- Increasing sales efficiency
- Expanding performances under Digital Transformation
- Efficiency check in the resources, organization, and channel operations
- Securing the qualitative growth of international operations
- Exploring future growth engines and increasing competitiveness
- Expanding digital and mobile businesses

Companies in the Group FY2018

02

2-1 Shinhan Bank

2-2 Shinhan Card

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2-4 Shinhan Life Insurance 

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Asset Management

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2-7 Jeju Bank

2-8 Shinhan Savings Bank

2-9 Shinhan DS

2-10 Shinhan AITAS

2-11 Shinhan Credit Information

2-12 Shinhan Private Equity

2-13 Shinhan REITs Management

Overview

● Company Overview (As of FY2018)

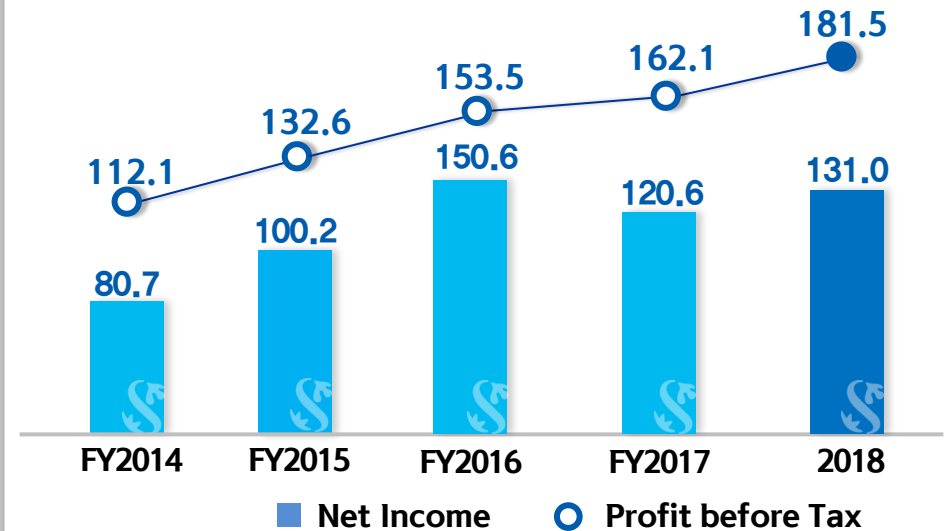
Shinhan Life Insurance provides sophisticated and customized insurance and financial services through diversified channels to meet customer needs.

• Key Milestones

1990.01	Shinhan Life Insurance established
1997.01	Started Tele-Marketing Sales
2003.09	Launched Bancassurance products
2005.12	Joined SFG as a subsidiary
2006.07	Launched Financial Full-service named as "Tops Club" for the first time in the industry
2008.11	Established new internal insurance management system
2013.10	Awarded the Excellence Prize in the Knowledge Category by Prime Minister (Ministry of Security & Public Administration)
2013.11	Awarded Harmonious Labor-Management Prize (Ministry of Employment and Labor)
2015.06	Established the overseas office in Hanoi, Vietnam
2015.12	Consumer Centered Management certification acquired from Korea Consumer Agency
2018.05	Acquired AAA, top rating for Insurance solvency for 10 consecutive years

Net Income and Financial Positions (KRW bil.)

● Consolidated Net Income Trend

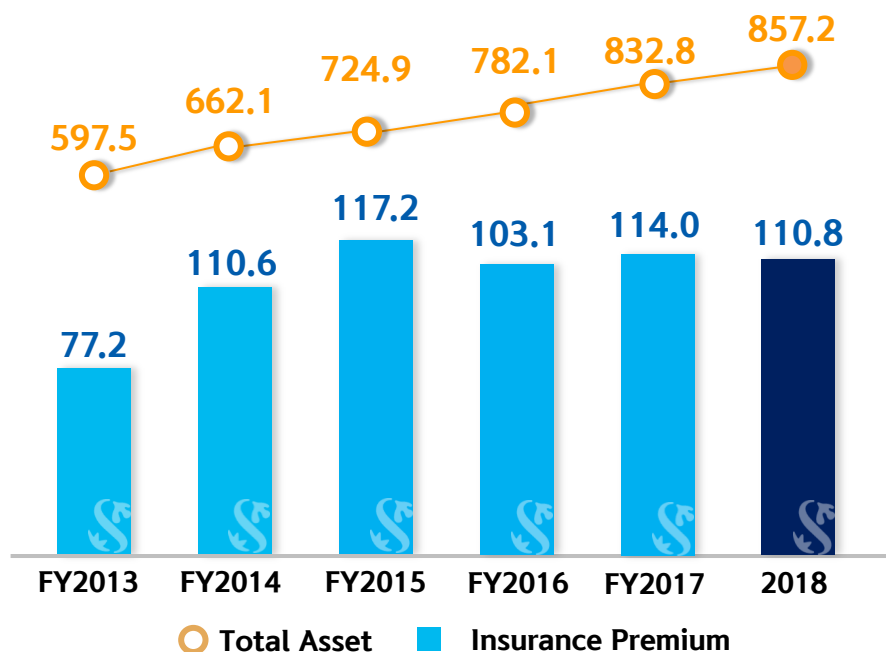


(persons, KRW billion)	FY2015	FY2016	FY2017	FY2018
Distributors	10,884	8,983	8,579	7,339
YTD(%)	5.5	-17.5	-4.5	-14.5
Premium	4,788	4,871	4,825	4,588
YoY(%)	3.9	1.7	-1.0	-4.9
Total Assets*	24,545	27,501	29,719	31,824
YTD(%)	11.9	12.0	8.1	7.1

* FY2014-FY2017 IAS39 standards, 'FY2018 IFRS9 standards



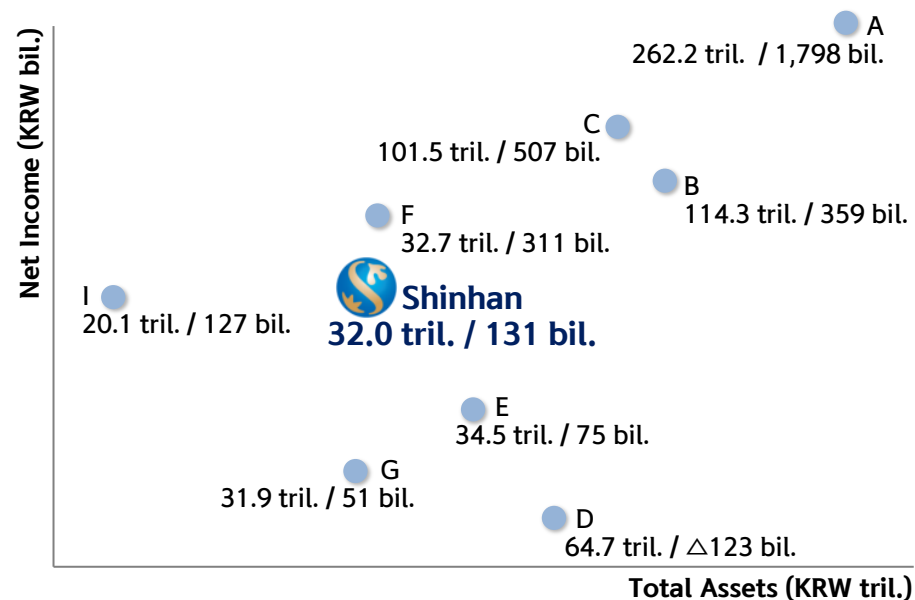
Insurance Industry Overview (KRW tril.)



Note) Due to changes in Fiscal Year of Insurance Companies, FY2013 includes 9 months starting from April 1, 2013 to Dec. 31, 2013

- Industry-wide insurance premiums decreased by 2.8% YoY to KRW 110.8 trillion
- Total assets increased by 2.9% YTD to 857.2 trillion

Market Position



Notes) As of FY2018

Source : Korea Life Insurance statistics, Top 10 based on total assets (Based on Separate Financial Statements)

- Total assets of Shinhan Life increased by 7.7% YoY marking KRW 32.0 tril. as of FY2018 (7th largest)
- Net income increased by 7.7% YoY to KRW 130.5 billion (5th among Top 10 life insurance companies)



Condensed Income Statements ^{NOTE)}

KRW billion, %	FY2015	FY2016	FY2017	FY2018
Operating Income	131.0	146.3	164.9	185.5
Operating Revenue	5,455.5	5,693.8	6,002.1	5,634.7
Operating Expense	5,324.5	5,547.5	5,837.3	5,449.2
Non-operating Income	△0.4	6.6	△2.2	△4.7
Net Income before tax	130.6	152.9	162.6	180.7
Net Income	98.7	150.1	121.2	130.5

NOTE) under K-IFRS standards

Policies in Force ¹⁾

KRW billion, %		FY2017	(%)	FY2018	(%)
General Accounts ²⁾	Individual Insurance	113,587	98.5	113,627	98.5
	Pure Endowment	13,156	11.4	11,930	10.3
	Against Death	89,512	77.6	91,807	79.6
	Endowment	10,920	9.5	9,890	8.6
	Group Insurance	577	0.5	556	0.5
	Sub total	114,164	99.0	114,183	99.0
Separated Account		1,135	1.0	1,149	1.0
Total		115,299	100.0	115,332	100.0

1) based on subscription amount of an insurance contracts

2) including variable insurance

Condensed Balance Sheets

KRW billion		FY2015	FY2016	FY2017	FY2018
General Accounts	Cash & Equivalent	1,828	1,454	1,165	1,613
	Securities	13,362	16,252	18,150	19,950
	Loans	5,297	5,541	5,780	6,274
	Others	1,583	1,516	1,590	1,404
Separated Account		2,474	2,738	3,041	2,783
Total Assets		24,543	27,501	29,725	32,023

NOTE) under K-IFRS standards

Key Financials

(%)	FY2015	FY2016	FY2017	FY2018
RBC ^{NOTE)}	204.2	178.3	175.4	238.7
ROA	0.42	0.58	0.42	0.42
ROE	6.45	9.17	7.06	7.18

NOTE) consolidated, under IAS39 standards

Companies in the Group FY2018

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Company Overview

Your Investment Partner, Shinhan BNP Paribas AM

Shinhan BNP Paribas Asset Management was launched in January 2009 through an integration of two outstanding asset management companies; SH Asset Management, specialized in investment in domestic equities and bonds, and Shinhan BNP Paribas Trust Investment, whose specialty was foreign equity funds.

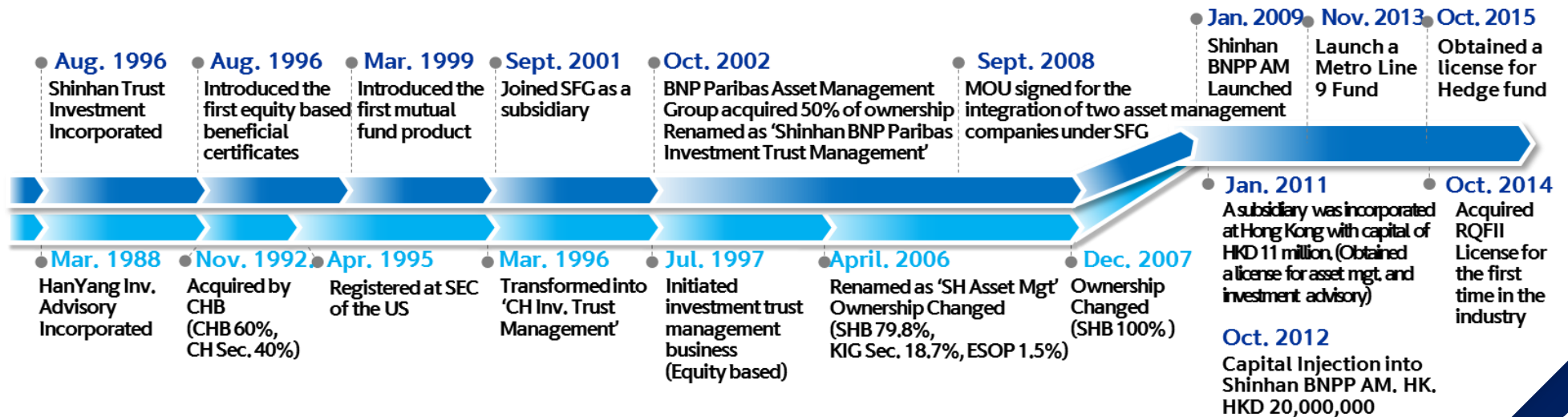
Shinhan BNP Paribas Asset Management has provided trustworthy asset management services to our clients for several years and showed fundamentally solid management skills and performance. Beloved 50 million people in Korea, We will strive to be recognized as the best asset management company in Korea.

Overview

(FY2018)

- **Incorporation** : August 26, 1996
- **Total Equity** : KRW 150.1 billion
- **Employees** : 204
- **Major Shareholders** : Shinhan Financial Group (65%),
BNP PARIBAS Asset Management Holding (35%)
- **AUM** : KRW 46.0 trillion (including discretionary accounts)

Key Milestone

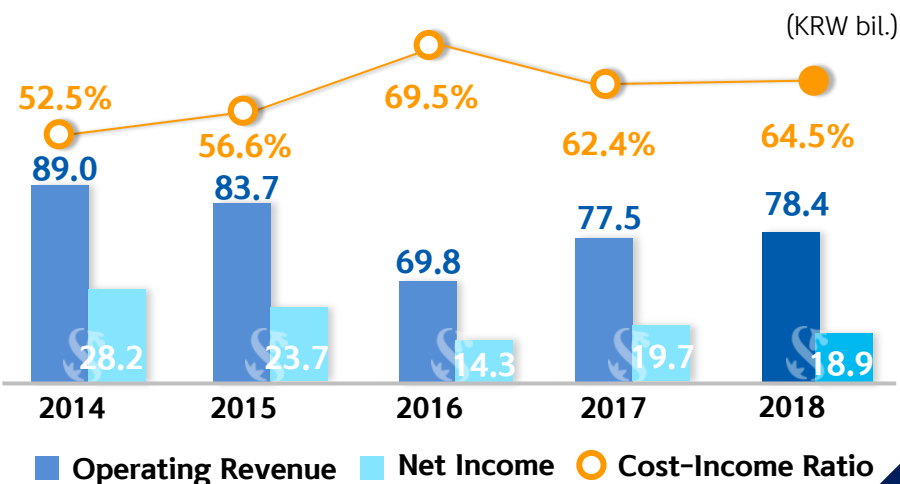




Financial Highlights & Market Position

Financial Highlights

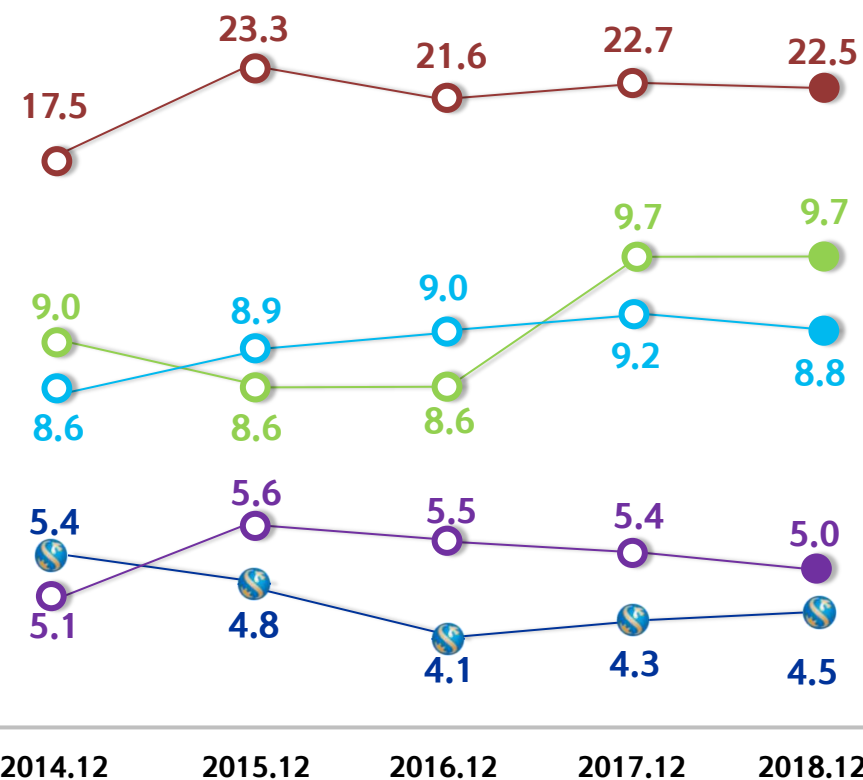
(KRW billion, %)	2014	2015	2016	2017	2018
Condensed IS					
Operating Revenue	89.0	83.7	69.8	77.5	78.4
Operating Expense	53.6	51.8	51.0	51.8	53.8
(SG&A)	39.2	41.6	42.8	42.5	44.6
Operating Income	35.4	31.9	18.8	25.7	24.6
Net Income	28.2	23.7	14.3	19.7	18.9
Condensed BS					
Total Assets	188.9	170.2	161.2	174.8	174.0
Total Equity	156.5	154.8	147.8	156.6	159.1
Key Financial Indicators					
ROE	18.94%	15.20%	9.93%	13.25%	12.31%
ROA	16.52%	13.18%	8.42%	11.97%	11.07%
Cost-Income Ratio	52.54%	56.57%	69.46%	62.37%	64.46%



Market Share

Market Share %

(including discretionary account)



🌐 Shinhan BNP Paribas AM ○ A ○ B ○ C ○ D

Companies in the Group FY2018

02

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2-13 Shinhan REITs Management

Overview

● Overview

- **Incorporation Date** : April 19, 1991
- **Total Equity** : KRW 748.3 billion
(Paid in Capital : KRW 180 billion)
- **Total Assets** : KRW 6.1 trillion
- **Networks** : Headquarter (Seoul), Branches (Gangnam, Yeouido, Busan, Ansan, Daejeon)
- **Key Milestones**

1991.04	Incorporation of Shinhan Lease
1994.10	Listed in KOSDAQ
1999.05	Renamed to Shinhan Capital, registered and started Installment Finance Business
2001.09	Joined SFG as a subsidiary
2002.09	Registered on Corporate Restructuring Financing business
2004.04	Rating upgrade (A → A+)
2006.11	Rating upgrade (A+ → AA-)
2007.11	Paid in capital increase by KRW 100 billion
2014.05	Implementation of Next-generation IT system "WINK"
2018.06	Launched Online mobile system

● Main Business

- Leasing in relation to autos, medical instruments, and other PP&Es
- Installment Financing / Venture Capital / Corporate restructuring financing
- Real Estate PF / Loans / Factoring, etc.

Vision & Strategy

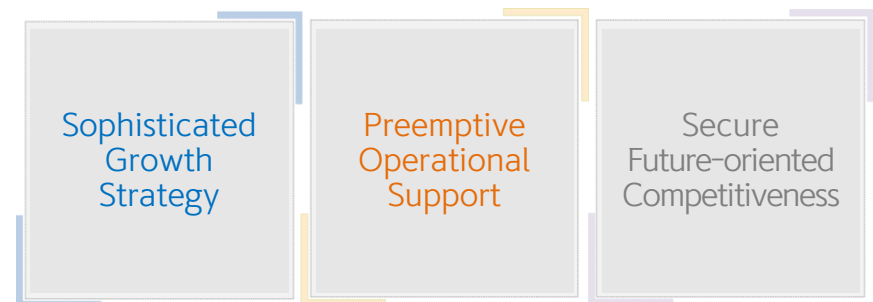
Leading credit-specialized financial company in Korea

Shinhan Capital has set out its vision of emerging as Korea's benchmark credit specialized company and playing a major role in achieving Shinhan Financial Group's goal of becoming a 'World Class Financial Group'.

• Strategic Goal

**Beyond Limits,
Challenge for The Best!**

• Strategic direction and initiatives



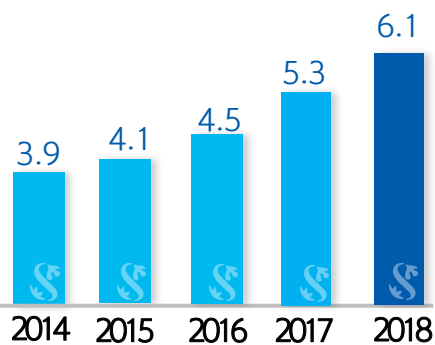


Financial Highlights

KRW billion, %	2014	2015	2016	2017	2018
Condensed B/S					
Total Assets	3,939.5	4,076.6	4,506.8	5,315.4	6,116.6
Total Liabilities	3,369.1	3,458.4	3,862.4	4,603.8	5,368.3
Total Equity	570.4	618.1	644.4	711.6	748.3
(Paid in Capital)	180.0	180.0	180.0	180.0	180.0
손익계산서					
Operating Revenue	321.8	374.7	302.6	351.8	439.0
Operating Income	64.2	56.2	40.9	110.7	142.9
Net Income	51.9	46.1	33.9	87.6	103.4
재무지표					
ROE	9.6%	7.7%	5.4%	13.0%	14.5%
ROA	1.4%	1.2%	0.8%	1.8%	1.8%
CAR	15.6%	16.8%	14.9%	14.1%	13.2%
NPL Ratio	2.9%	3.1%	2.6%	1.4%	0.96%

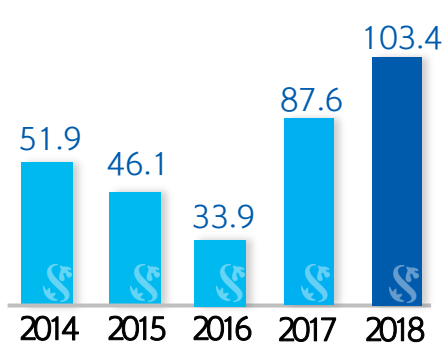
● Total Assets

(KRW tril.)



● Net Income

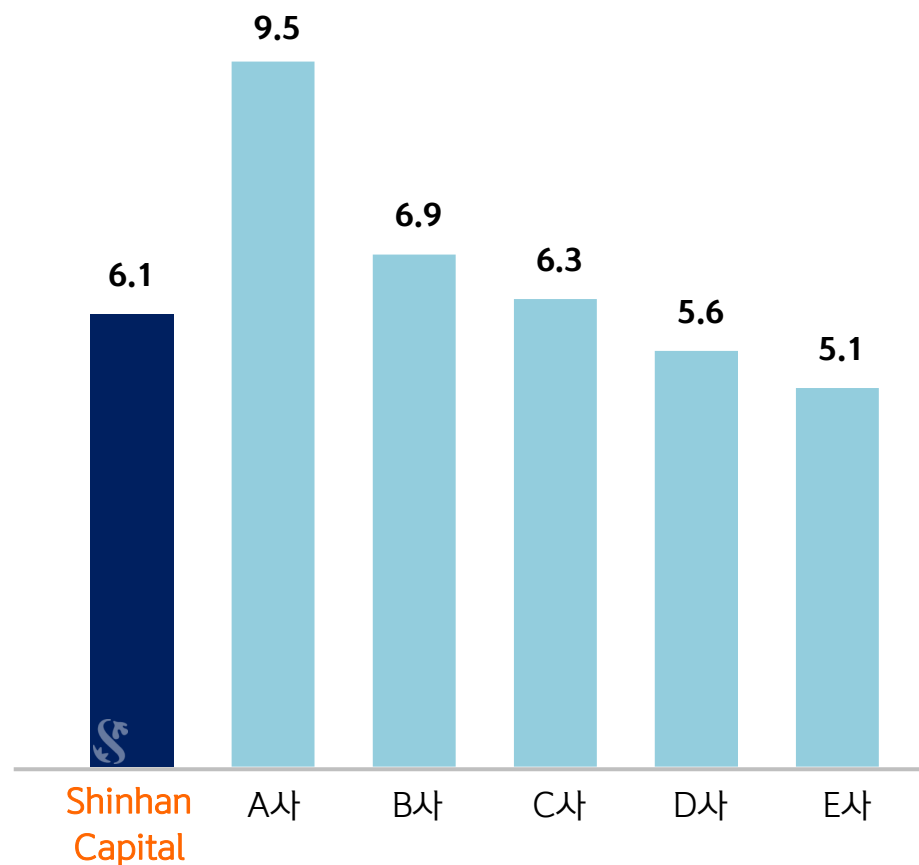
(KRW bil.)



Market Position

(as of FY2018)

● Total Assets



Companies in the Group FY2018

02

2-1 Shinhan Bank

2-2 Shinhan Card

2-3 Shinhan Investment Corp.

2-4 Shinhan Life Insurance

2-5 Shinhan BNP Paribas
Asset Management

2-6 Shinhan Capital

2-7 Jeju Bank 

2-8 Shinhan Savings Bank

2-9 Shinhan DS

2-10 Shinhan AITAS

2-11 Shinhan Credit Information

2-12 Shinhan Private Equity

2-13 Shinhan REITs Management

Overview

(As of FY2018)

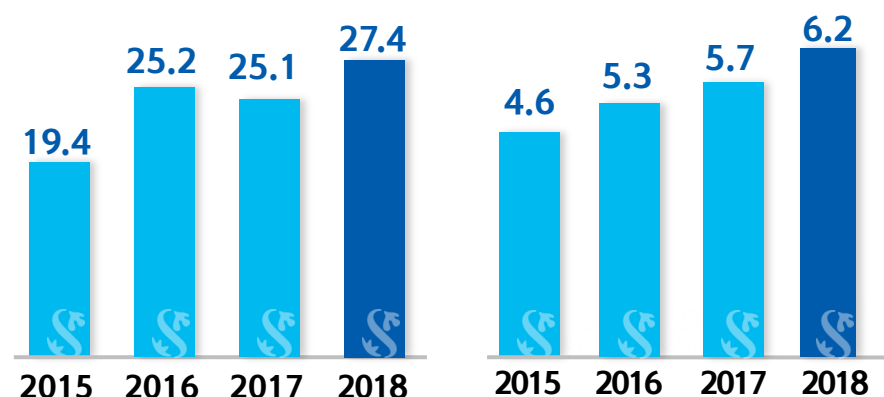
Incorporated in Jeju Island in 1969, Jeju Bank had been posting healthy growth amid strong support of the Jeju residents, playing a central role in the development of the Island's local economy.

- **Major Shareholders** : SFG (71.89%), ESOP (6.92%), NPS (4.21%),
- **Total Equity / Total Assets** : KRW 473.0 billion, KRW 6.2 trillion
- **Networks** : 38 branches and sub-branches (35 in Jeju)
- **Market share in Jeju**: 37.50% of deposits and 25.95% of loans
- **Key Milestones**

1969.03	Jeju Bank (Ltd) founded
1972.12	Shares listed on the Korean Stock Exchange
2002.05	Became subsidiary of Shinhan Financial Group
2012.12	Launched smartphone banking service
2013.11	Awarded the CSR prize by Minister of Public Administration
2014.07	Launched tax-deductible long-term mutual funds
2014.11	Launched a special desk for Chinese
2015.12	Launched barcode payment system on Bank wallet Kakao
2016.03	Contracted with Jeju Techno Park for Venture & SME support
2016.07	Launched new mobile platform 'J-BANK'
2017.02	Business Agreement for Jeju Transportation Card Service
2017.10	Launched new mobile banking app 'JBANK Plus'
2018.01	Launched "Innovation Pioneer Division" for new businesses
2018.07	Launched a non-financial app "Jeju Jini"
2018.11	Capital Increase by issuing new stocks

Financial Highlights

● **Net Income** (KRW billion) ● **Total Assets** (KRW trillion)



Vision & Strategy

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

Vision

**Quality based
Local Top Bank**

**Strategic
Goal**

**Solidifying Customer Base
as Local Best Bank**

Overview

(As of FY2018)

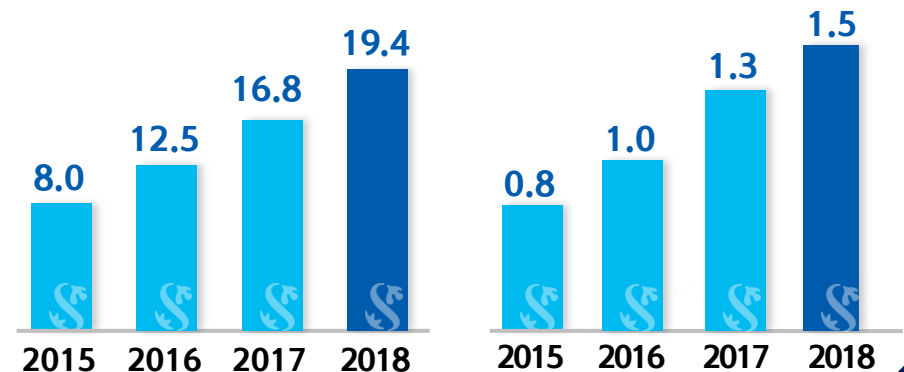
Shinhan Savings Bank was launched on April 1, 2013 following the merger of Shinhan Savings Bank (established in December 2011) and Yehanbyeol Savings Bank (established in November 2012)

- **Total Equity : KRW 163.3 billion**
- **Total Assets : KRW 1.5 trillion**
- **Networks : 7 branches**
(Seoul metropolitan area)
- **Key Milestones**

2011.12	Acquired a savings bank licenses and changed its name to Shinhan Savings Bank upon joining Shinhan Financial Group
2012.01	Launched business operations
2013.01	Yehanbyeol Savings Bank joined Shinhan Financial Group
2013.04	The former Shinhan Savings Bank and Yehanbyeol Savings Bank were merged and new Shinhan Savings Bank was launched

Financial Highlights

● **Net Income** (KRW billion) ● **Total Assets** (KRW trillion)



Vision & Strategy

Shinhan Savings Bank will exert every effort to become Korea's benchmark financial company for the customers by conducting business centering on micro-and community finance in tune with the rhythm of the local community under sound and transparent management.

Vision

Setting a new benchmark for savings banks as a leader in the field

Strategic goal

A Leading Savings Bank specializing in Mid-range Interest Rate Loans

Overview

(As of FY2018)

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

- **Incorporation Date : May 13, 1991**
- **Total Equity : KRW 20.0 billion**
- **Total Assets : KRW 43.1 billion**
- **Key Milestones**

1991.05	Shinhan System(Ltd.) established
2003.10	Changed its name to Shinhan Data System (Ltd.)
2009.10	Commenced 'Shared Service Center' operations to support SFG's IT infrastructure
2010.01	Joined SFG as a subsidiary
2012.11	ISO/IEC 20000(services management), BS 100012 (individual information protection) certification acquired
2014.06	Implementation of Next-generation IT system "WINK"
2016.01	Implementation of main bank system in SEMAS
2017.02	Implementation of main bank system
2018.02	Developed Shinhan Bank SOL App
2018.04	First in the market to be certified as an Information Security Service Professional Institution
2018.05	Renamed to Shinhan DS
2018.07	Establishment of Shinhan DS Vietnam (overseas subsidiary)
2018.08	System Integration project for Mizuho Bank
2018.05	Renamed to Shinhan DS

- **Business Scope**
Digital Financial Services (cyber Security, ICT R&D, etc)
System Integration(SI), System Management
IT Outsourcing(ITO), IT Consulting

Vision & Strategy

Mission

**Compassionate ICT,
Your Companion for the future**

Vision

Digital Solution Creator

Strategic goal

**Leader in New Digital Technology and
Continuing efforts for "One Shinhan ICT"**

**Strategic
Priorities**

**Taking the
lead in
New
Digital
ICT**

**Support for
"One
Shinhan"
Strategy**

**Building
basis for
sustainable
develop-
ment**

**Secure
and
foster
ICT
profe-
ssionals**

**Established strong corporate culture for
strengthening the execution of
compassionate finance**

No. 1, Fund Service Company In Korea

Shinhan AITAS, founded in June 2000, is the best fund service specialty provider with unparalleled market competitiveness and the largest domestic market share. It provides general fund related administrative services as well as comprehensive system for asset management, including Accounting System, Trading System, and Asset Management System.

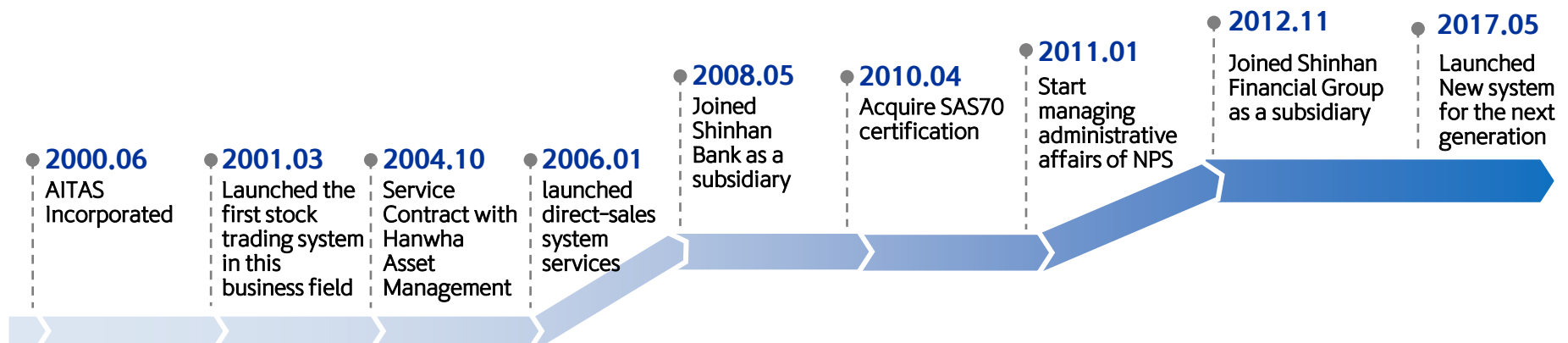
Shinhan AITAS will provide the best differentiated services to its customers based on know-how accrued from supporting them in system, consulting, and solutions for various securities businesses, and its in-house specialists.

Overview

(As of FY2018)

- **Incorporation Date** : June 15, 2000
- **CEO** : Choi Byoung-hwa
- **Total Equity** : KRW 58.4 billion
- **No. of Employees** : 229
- **Major Shareholders** : SFG (99.79%), Others (0.21%)

Key Milestones

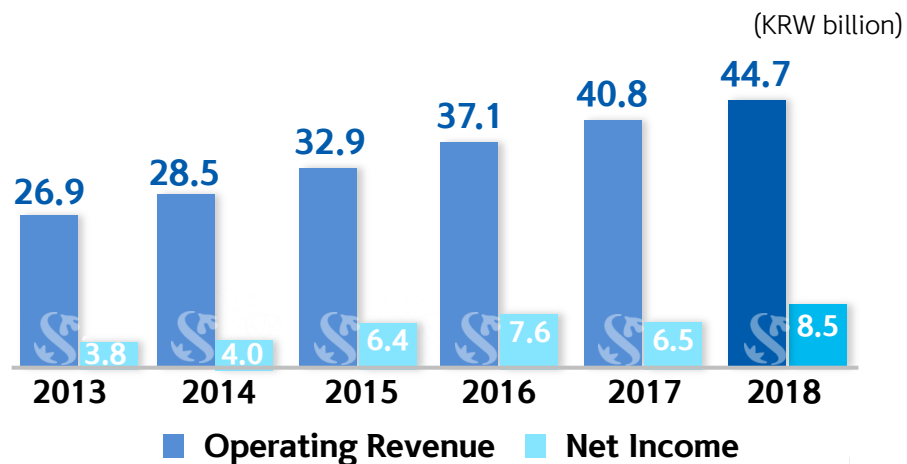




Financial Highlights & Market Position

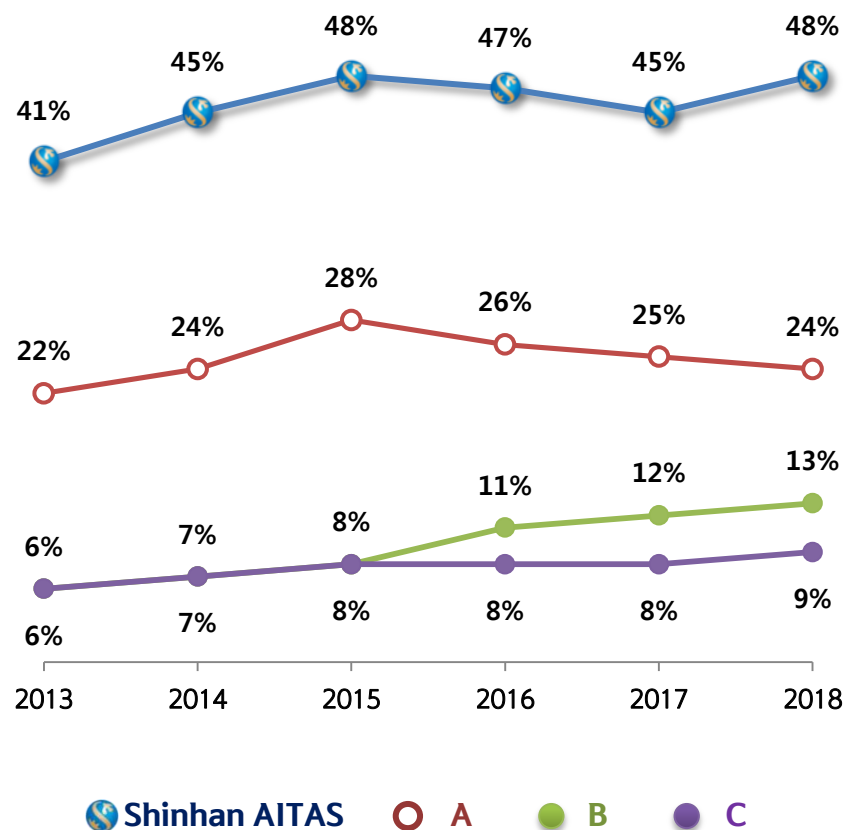
Financial Highlights

(KRW billion)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Condensed IS						
Operating Revenue	26.9	28.5	32.9	37.1	40.8	44.7
Operating Expense	22.7	24.0	25.1	27.6	33.0	34.4
(SG&A)	22.7	24.0	25.1	27.6	33.0	34.4
Operating Income	4.1	4.6	7.8	9.5	7.9	10.4
Net Income	3.8	4.0	6.4	7.6	6.5	8.5
Condensed BS						
Total Asset	34.6	37.7	42.7	53.9	58.2	65.7
Total Equity	30.4	31.4	37.8	45.5	52.0	58.4
Key Financial Indications						
ROE	12.39%	12.69%	16.96%	16.79%	12.48%	14.50%
ROA	10.90%	10.59%	14.99%	14.16%	11.14%	12.87%
Cost Income Ratio	84.64%	84.00%	76.18%	74.37%	80.76%	76.82%



Market Position (일임 포함)

<말잔 기준>



Profile

Shinhan Credit Information, a wholly-owned subsidiary of SFG, is a specialist in credit information business. With integrated management of non-performing assets, the company allows synergy creation amongst the Group's subsidiaries and robust asset quality.

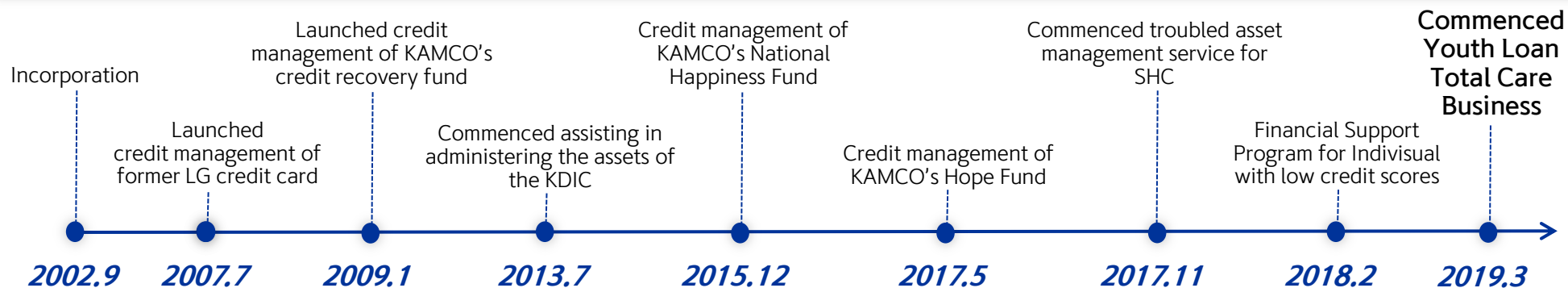
- **Sales revenue** : KRW 37.6 billion (FY2018)
- **Customers under management** : approx. 460,000
- **Debt Collection** : KRW 200 billion
- **Credit Rating** : A⁻(e-3⁻)

Business Scope

(As of FY 2018)

- Debt collection and credit reporting
 - Civil application/petition services, Receiving documents as an agent and CRM operation
 - Operations in support of KAMCO and the National Happiness Fund
- **Credit under management**
 - for Group Companies : KRW 3.5 trillion
 - Public Credit : KRW 1.7 trillion
 - **No. of credit research** : 280,000
 - **Current Beneficiaries of Financial Support Program** : approx. 2,255 persons

Key Milestones

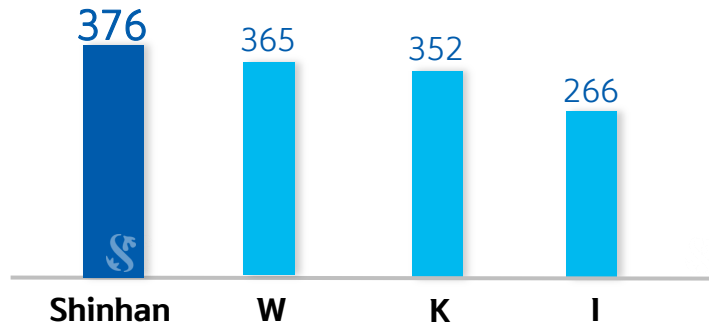




Market Position

(KRW billion)

● Operating Income



※ FY2018

Global Certification (Information Security)



ISO 27001

ISO 27001 Certified
(Global certificate for Information Security Management System)

BS 10012

Attained global certification to BS 10012 (Information Security Standards) from BSI (British Standards Institution)

Network

South Korea





Overview

● Company Overview (As of FY2018)

- ✓ The first local private equity company in Korea established in Dec. 2004 with a 100% capital contribution by Shinhan Financial Group.
- ✓ Shinhan AI obtained a license for hedge fund business and changed its name

- **Incorporation Date : December 8, 2004**
- **Total Equity : KRW 8.2 billion**
- **AUM : KRW 3.7 trillion**
- **Key Milestones**

2004.12	Shinhan Private Equity Established
2004.12	Joined Shinhan Financial Group as a subsidiary
2005.08	Established Shinhan NPS Private Equity Fund 1 st
2008.06	Established Shinhan Private Equity Fund 2 nd
2008.12	KOREA Capital Market the bell League Table Awards – Best M&A Deal by PEF
2011.11	Changed its name to Shinhan Private Equity Investment Management
2012.12	Established Shinhan Stonebridge Petro Equity Fund
2014.02	Changed its name to Shinhan Private Equity
2015.02	Relocated its HQ to Yeongdeungpo-gu
2017.11	Changed its name to Shinhan Alternative Investment with Additional Mandate

Operation Overview

● Private Equity Funds

Shinhan Private Equity Fund 2nd	<ul style="list-style-type: none"> • Investment Amount : KRW 460 billion • Independently managed by Shinhan PE • Liquidated in June, 2017 and currently in process of selling the remaining assets to 'Jeonju paper'
Shinhan Stonebridge Petro Equity Fund	<ul style="list-style-type: none"> • Investment Amount : KRW 818.2 billion • Jointly invested and operated by Shinhan PE & Stonebridge • Invested KRW 800 billion in SK Incheon Petrochem



Operation Overview

● Real Estate Funds

Shinhan AIM Real Estate Private Equity 1st	<ul style="list-style-type: none"> Investment Amount: KRW 206 billion Invested in Senior Mezzanine Loan ABS backed by Worldwide Tower based in NYC
Shinhan AIM Real Estate Private Equity 2nd	<ul style="list-style-type: none"> Investment Amount : KRW 111 billion Invested in Senior Mezzanine Loan ABS backed by 29 hotels based in the US
Shinhan AIM Real Estate Private Equity 3rd	<ul style="list-style-type: none"> Investment Amount : KRW 716 billion Asset Facility(Senior Secured Delayed Draw Note) for Goldman Sachs' Broad Street Real Estate Credit Partners III, LP.
Shinhan AIM Real Estate Private Equity 4th	<ul style="list-style-type: none"> Investment Amount : KRW 65 billion Invested in B Note ABS backed by Aliso Creek Apartments in Orange County
Shinhan AIM Real Estate Private Equity 8th	<ul style="list-style-type: none"> Investment Amount : KRW 65 billion Invested in Mezzanine Loan backed by The Ritz Hotel in the UK
Shinhan AIM Real Estate Private Equity 5 / 5-A / 6 / 7th	<ul style="list-style-type: none"> Investment Amount : KRW 311.8 billion Invested in B-note and Mezzanine backed by 'Dumbo Heights' in Brooklyn, USA

● Infrastructure, Fund of Funds (FOF), Social Enterprise

Shinhan AIM Private Equity Fund of Funds 1st	<ul style="list-style-type: none"> Investment Amount : KRW 302 billion Invested in North American Middle Market Corporate Senior Loans
Shinhan AIM Private Equity Fund of Funds 1st (A)	<ul style="list-style-type: none"> Investment Amount : KRW 43 billion Invested in North American Middle Market Corporate Senior Loans
Shinhan AIM Infrastructure Private Equity 1st	<ul style="list-style-type: none"> Investment Amount : KRW 173 billion Invested in SOC projects based in Europe, North America (Equity Investment in Private-Public Partnership(PPP) in countries with high credit ratings (above AA-))
Shinhan AIM Infrastructure Private Equity 2nd	<ul style="list-style-type: none"> Investment Amount : KRW 96.8 billion Equity investment in Attero, a waste treatment facility based in the Netherlands
Shinhan AIM Private Equity Fund of Funds 2nd	<ul style="list-style-type: none"> Investment Amount : KRW 45.5 billion Invested in C-class beneficiary certificate issued by Bain Capital Special Situation Europe ICAV(SSE)
Shinhan Credit Infrastructure Private Equity 1st	<ul style="list-style-type: none"> Investment Amount : KRW 222 billion Invested in senior loan receivables of Brunswick Asset Financing LLC, an SPC invested by KKR
Shinhan AIM Social Enterprise Private Equity 1st	<ul style="list-style-type: none"> Investment Amount : KRW 15 billion Investment to be made on mezzanine backed by social enterprises and social enterprise start-ups in accordance with the 'Social Enterprise Promotion Act,'

Overview

● Company Overview (As of FY2018)

Shinhan REITs Management is Real Estate Asset Management Company established in Oct. 2017 with a 100% capital contribution by Shinhan Financial Group.

- **Incorporated Date** : Oct. 18, 2017
- **Total Equity** : KRW 32.8 billion
- **AUM** : approx. KRW 750 billion
- **Key Milestones**

2017.10	- Shinhan REITs Management Established - Joined SFG as a subsidiary
2017.12	- Selected as a preferred bidder for project of Pangyo Alpha dome(6-4BL)
2017.12	- Launched 1st REITs (Shinhan Alpha REITs)
2018.04	- Shinhan Alpha REITs Acquired underlying assets (Pangyo Alpha dome 6-4BL, The Prime Tower equity)
2018.07	- IPO
2018.08	- Listed on KOSPI
2018.10	- Shinhan Alpha REITs included additional assets (Yongsan The Prime Tower)

Operation Overview

● REITs under Management (As of FY2018)

Shinhan K-REITs Real Estate Investment Company

- **Incorporated on Dec. 18, 2017**
- **Investment Assets:**
 - Alpha Dome 6-4BL (Pangyo)
 - The Prime Tower (Wonhyo-ro)
- **AUM: KRW 795.5 billion**
 - Market Cap. : KRW 214.2 billion
- **Wholly managed by Shinhan REITs Management**
- **IPO in July 2018 and listed on KOSPI in August 2018**



Forward-Looking Statements[✦]

Shinhan Financial Group's FY2018 e-Brochure may contain forward-looking statements to provide value-added account of Shinhan Financial Group's businesses and results of operations.

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

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

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



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

