

FY2023

Shinhan Financial Group Proxy Supplements for the 23rd AGM



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This document serves solely as a summary of specific information contained within Shinhan Financial Group's Convocation Notice of the 23rd AGM. Shareholders are strongly encouraged to review the Convocation Notice in its entirety before exercising their voting rights.

1. Notice of Meeting

Notice of the 23rd AGM

Notice is hereby given that the 23rd Annual General Meeting of Shareholders of Shinhan Financial Group will be held as described hereunder and your attendance is cordially requested.

01 Date/Time Tuesday March 26, 2024, at 10:00 am (Korea Standard Time)

02 Place Grand Auditorium, 20th Floor, Shinhan Bank, 20 Sejong-daero 9-gil, Jung-gu, Seoul

03 Agendas To Be Voted On

Agenda 1 : Approval of Financial Statements and Annual Dividends for FY2023 (Jan 1, 2023 – Dec 31, 2023)

Agenda 2 : Election of Directors (8 Independent Directors)

Agenda 2-1. Re-election of Ms. KIM Jo Seol as an Independent Director

Agenda 2-2. Re-election of Mr. BAE Hoon as an Independent Director

Agenda 2-3. Re-election of Ms. YOON Jaewon as an Independent Director

Agenda 2-4. Re-election of Mr. LEE Yong Guk as an Independent Director

Agenda 2-5. Re-election of Mr. JIN Hyun-duk as an Independent Director

Agenda 2-6. Re-election of Mr. CHOI Jae Boong as an Independent Director

Agenda 2-7. Election of Ms. SONG Seongjoo as an Independent Director

Agenda 2-8. Election of Mr. CHOI Young-Gwon as an Independent Director

Agenda 3 : Election of an Independent Director who will serve as an Audit Committee Member

Agenda 3. Re-election of Mr. KWAK Su Keun as an Independent Director
who will serve as an Audit Committee member

Agenda 4 : Election of Audit Committee Members (2 Members)

Agenda 4-1. Re-election of Mr. BAE Hoon as an Audit Committee Member

Agenda 4-2. Re-election of Ms. YOON Jaewon as an Audit Committee Member

Agenda 5 : Approval of the Director Remuneration Limit

2. FY2023 Financial Highlights

(Agenda 1)

**Approval of Financial Statements
and Annual Dividends for FY2023**

(Jan 1, 2023 – Dec 31, 2023)

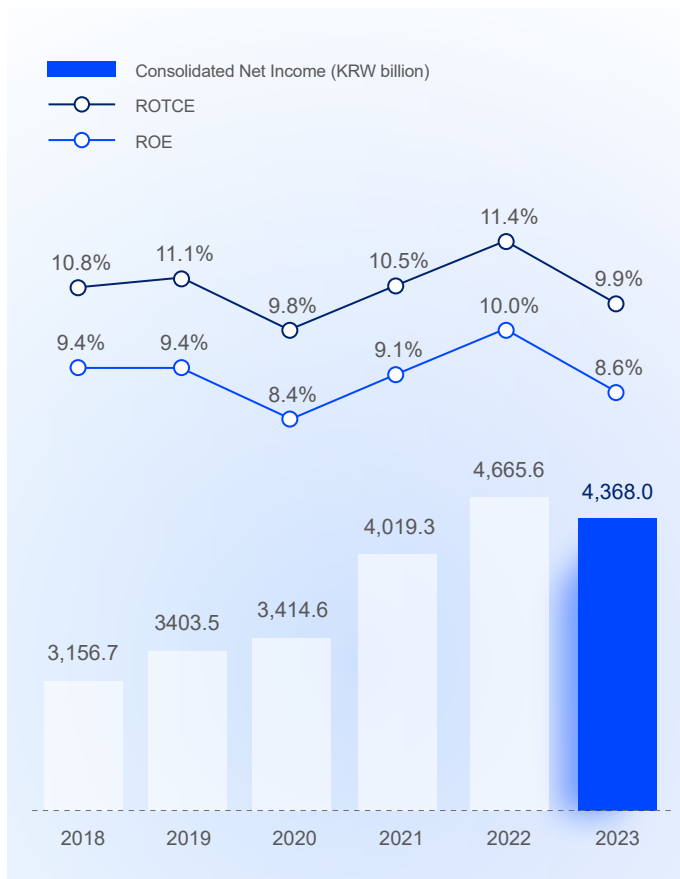
FY2023 Financial Highlights

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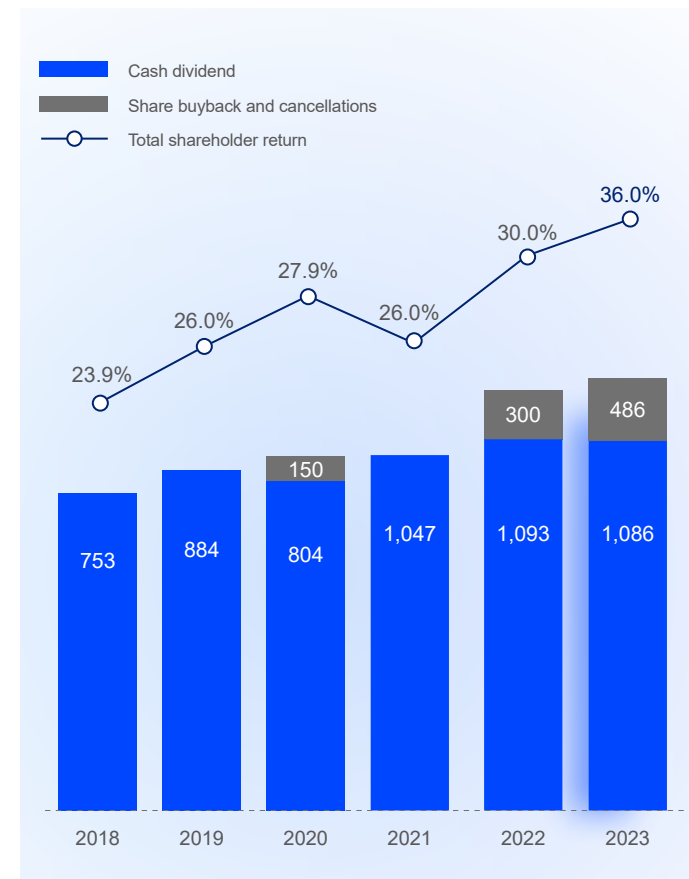
- Through solid financial performance, net income for FY2023 marked KRW 4.37 trillion

- Total Shareholder Return ratio went up by 6%p, YoY, to 36% through continued efforts to enhance shareholder value

Financial Performance



Total Shareholder Return (Incl. preferred shares, KRW bil.)



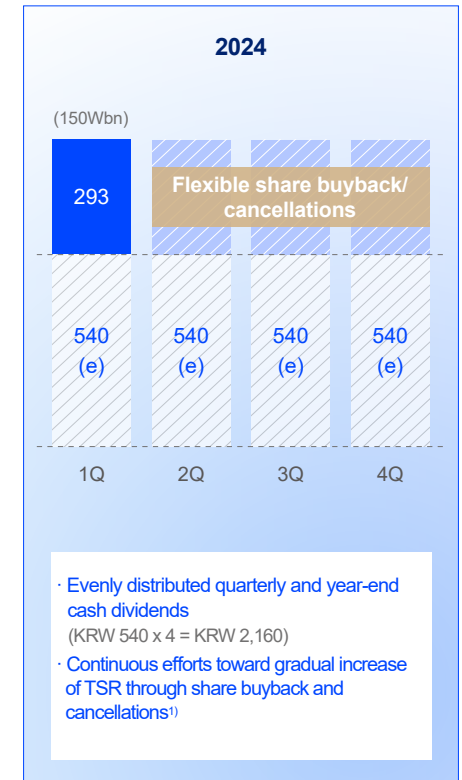
FY2023 Financial Highlights

(2/3)

<Shareholder Return Plan for FY2024>

- Cash dividend: Continue evenly distributed quarterly and year-end cash dividends
- Continuous efforts toward gradual increase of total shareholder return(TSR) through share buyback and cancellations

□ DPS(KRW) ■ Amount of canceled shares / Total shares(KRW)



Consideration Factors

- Macroeconomic conditions and outlook
 - Regulatory consensus on stress test results
 - Total shareholder return of 30%
- ※ BOD is to decide the exact amount of dividends and buybacks every quarter

Note 1) Under 2024 capital allocation plan (Growth 60%, Shareholder 40%) and other factors

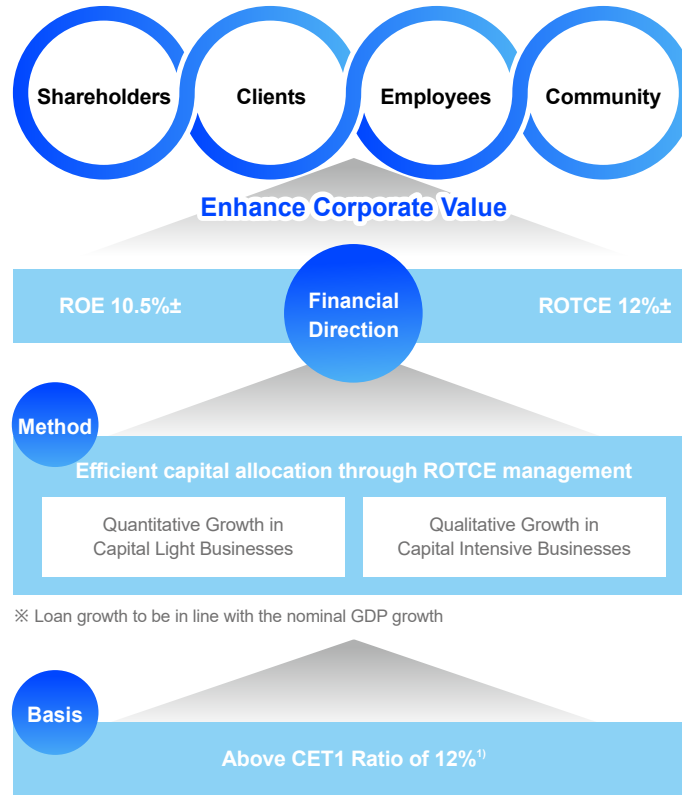
FY2023 Financial Highlights

(3/3)

- ROE and ROTCE targets set at 10.5% and 12%, respectively, according to 2025 financial targets
 - Manage CET1 ratio stably and utilize excess capital for shareholder return

Mid-term Financial Direction for 2025

(BOD resolution, AUG 2022)



※ Loan growth to be in line with the nominal GDP growth

Note 1) Temporarily raising the CET1 ratio management target from 12% to 13%
 - CET1 ratio management target to be reconsidered in consideration of regulatory requirements and an adequate management buffer; and, excess capital to be returned to shareholders

Shareholder Return Policy

(Board Meeting, FEB 2022)

1. Progressive Dividend per Share
2. Cash Dividends & Share Buyback/Cancellations
3. Evenly Distributed Quarterly Cash Dividends
4. Continued efforts to improve Total Shareholder Returns

2023 Capital Management Results

<p>TSR 36.0%</p>	<ul style="list-style-type: none"> Increased DPS, continued quarterly dividend payouts - DPS: KRW 2,065(FY2022) → KRW 2,100(FY2023) Gradual increase of share buyback and cancellations - 300.0Wbn(FY2022) → 485.9Wbn(FY2023)
<p>CET1 Ratio 13.1%</p>	<ul style="list-style-type: none"> Achieved CET1 ratio management target Improved CET1 ratio despite regulatory changes - CET1 ratio 12.79%(FY2022) → 13.13%(FY2023) ※ Impact from BASEL3 implementation △54bp
<p>ROE 8.6% ROTCE 9.9%</p>	<ul style="list-style-type: none"> Maintained solid levels, excluding Co-prosperity finance and temporary increase in CET1 management target. Balanced management of capital light and capital intensive businesses

3. Election of Directors

(Agenda 2)

Election of Directors (8 Independent Directors)

Agenda 2-1. Re-election of Ms. **KIM Jo Seol** (IND)

Agenda 2-2. Re-election of Mr. **BAE Hoon** (IND)

Agenda 2-3. Re-election of Ms. **YOON Jaewon** (IND)

Agenda 2-4. Re-election of Mr. **LEE Yong Guk** (IND)

Agenda 2-5. Re-election of Mr. **JIN Hyun-duk** (IND)

Agenda 2-6. Re-election of Mr. **CHOI Jae Boong** (IND)

Agenda 2-7. Election of Ms. **SONG Seongjoo** (IND)

Agenda 2-8. Election of Mr. **CHOI Young-Gwon** (IND)

Board Nominees

(1/4)



Reappointment

KIM Jo Seol

- Year of Birth : 1957
- Gender : Female
- Role : Independent Director Nominee
- Key Expertise : Economics
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee, a Korean-Japanese professor teaching economics at a university in Japan, possesses a profound understanding of Northeast Asian economies and actively advocates for the rights of social minorities in her community. With a distinguished track record of research on human rights and social welfare, along with extensive knowledge of East Asian economies, she has served on the Peaceful Unification Advisory Council.

Her expertise enables her to offer expert opinions to the Board of Directors on crucial decisions, while diligently overseeing management. Recognized for her strong logic, composure, and integrity, she maintains a flexible perspective that transcends national affiliations, emphasizing multiculturalism and coexistence.

Drawing on her academic and social experience, she effectively advises the Group on its ESG strategy, contributing to the protection of financial Customers and the overall development of the Group. Consequently, she has been nominated for reappointment due to her significant contributions and unwavering commitment to the company's values.



Reappointment

BAE Hoon

- Year of Birth : 1953
- Gender : Male
- Role : Independent Director Nominee
- Key Expertise : Legal
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee, a Korean-Japanese lawyer and assistant certified public accountant in Japan, specializes in providing legal advice on Korea-Japan relations. With expertise in law, accounting, and global affairs, he offers valuable insights to the Board during major decision-making processes, ensuring rigorous oversight of management.

Drawing from his legal practice, he provides insightful perspectives on legal issues and detailed provisions relevant to Shinhan Financial Group's major management matters. Furthermore, he presents professional opinions on financial soundness and corporate social responsibility, enriching discussions within the BOD. His active participation in Board and Committee meetings reflects his commitment to faithfully fulfilling his responsibilities as an independent director.

Recommended for re-appointment by the Independent Director and Audit Committee Member Recommendation Committee, his contributions demonstrate his dedication to the company's governance and excellence.

Board Nominees

(2/4)



YOON Jaewon

- Year of Birth : 1970
- Gender : Female
- Role : Independent Director Nominee
- Key Expertise : Accounting
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee, a professor at Hongik University, is an accounting expert holding a US Certified Public Accountant license, bringing extensive expertise to the field. Her wide-ranging experience includes serving on the Tax Development Review Committee of the Ministry of Strategy and Finance and the Korea Accounting Institute, as well as active involvement in various tax and accounting-related academic societies and committees. This depth of knowledge positions her well to oversee and supervise the Group's management as an independent director.

As the chair of the Audit Committee for the past four years, she has played a pivotal role in enhancing transparency in financial reporting by actively engaging with external auditors. Emphasizing the strengthening of internal controls to protect financial Customers, she has demonstrated strong leadership and a keen sense of responsibility. Her efforts have significantly advanced the internal control and accounting systems, fostering a culture of sound and transparent management through proactive measures in addressing accounting issues.

In recognition of her contributions, the Independent Director and Audit Committee Member Recommendation Committee has nominated her for reappointment, highlighting her dedication to upholding best practices and maintaining integrity within the Group.



LEE Yong Guk

- Year of Birth : 1964
- Gender : Male
- Role : Independent Director Nominee
- Key Expertise : Legal
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee, initially recommended by a private equity fund, possesses legal and financial expertise, allowing him to represent shareholders fairly and fulfill the duties of an independent director responsibly. With a background as a lawyer at a prominent global law firm, he brings extensive knowledge and experience to the role. He consistently provides informed opinions at board meetings, listens attentively to stakeholder input, and approaches discussions with caution, fostering fairness and objectivity for effective management.

In 2023, the nominee advocated for a comprehensive review of risk factors associated with customer asset management and provided valuable insights for the Group to prioritize risk-weighted assets in achieving its mid-term financial objectives.

Furthermore, he actively engages in all board and committee meetings, conducts thorough reviews of meeting agendas, and demonstrates proactive involvement in training sessions. Given his contributions and commitment to sound governance practices, the Independent Director and Audit Committee Member Recommendation Committee reached a consensus to recommend his reappointment.

Board Nominees

(3/4)



Reappointment

JIN Hyun-duk

- Year of Birth : 1955
- Gender : Male
- Role : Independent Director Nominee
- Key Expertise : Management
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee, a seasoned businessman with extensive experience in company management, has demonstrated profound insights and problem-solving skills acquired over the course of his career. Leveraging his background as a professor of Business Administration, he has effectively applied established management theories to enhance the Group's operational efficiency.

Of particular significance is the candidate's **contribution to the board's strategic decision-making process. He has emphasized the importance of forward-thinking finance and advocated for the promotion of sustainable management aligned with the Group's core values, prioritizing long-term objectives over short-term gains.**

Moreover, the candidate has consistently demonstrated a strong sense of social responsibility, concurrently serving as a visiting professor at a university and engaging in educational foundation activities. He has fulfilled his duties impartially and equitably, prioritizing the collective interests of diverse stakeholders while avoiding undue influence from specific interest groups.

Despite residing abroad, the candidate has actively participated in all board and sub-committee meetings, offering valuable insights derived from his multifaceted roles as a business leader, educator, and researcher. Based on the aforementioned contributions, the Independent Director and Audit Committee Member Recommendation Committee has unanimously recommended his reappointment.



Reappointment

CHOI Jae Boong

- Year of Birth : 1965
- Gender : Male
- Role : Independent Director Nominee
- Key Expertise : IT
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee was initially recommended as an independent director nominee by a private equity fund due to his ability to impartially represent the opinions of all shareholders, grounded in his expertise in IT and digital domains.

As **a prominent figure in the field of engineering and a leading authority in the digital realm in Korea**, he brings extensive experience and knowledge in information technology-related domains. This includes active participation in ICT-related industry-academia cooperation activities and government-led innovation projects.

Leveraging his background, he has effectively served as a management advisor by presenting digital strategic directions and visions for Shinhan FG to navigate the rapidly evolving IT landscape. He possesses valuable insights into digital transformation, the metaverse ecosystem, and trends among the MZ generation. Utilizing this insight, he collaborated with management to expand daily touchpoints between Shinhan FG and financial Customers. Furthermore, he significantly **contributed to innovative management practices by emphasizing the importance of data-based risk management during BOD meetings.**

His commitment to his role as an independent director is evident through his unwavering attendance at all BOD meetings and sub-committee meetings, coupled with thorough preparation and review of meeting agendas. Based on these significant contributions, the Independent Director and Audit Committee Member Recommendation Committee has unanimously recommended his reappointment.

Board Nominees

(4/4)



SONG Seongjoo

- Year of Birth : 1971
- Gender : Female
- Role : Independent Director Nominee
- Key Expertise : Economics
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee is a statistician who holds a doctorate in statistics from the University of Chicago. She previously served as an assistant professor of statistics at Purdue University and currently holds the position of professor of statistics at Korea University, where she focuses on research and student training. Her primary research area is financial engineering, and she is recognized as an expert in financial statistics, employing mathematical and statistical analysis to determine derivative prices, formulate investment strategies, and manage risks within financial markets.

She is a respected scholar, having received the 'Seoktop Lecture Award' numerous times for her commitment to student mentorship alongside her research endeavors. Additionally, she actively participates in various academic societies such as the Korea Risk Management Society, Risk Management Research Association, and the Korean Statistical Society. Furthermore, she contributes to societal advancement by serving as an advisory member in public institutions such as the Korean Exchange and Korea Post Insurance.

The nominee has been nominated as an independent director based on her **expertise in financial engineering and statistics, as well as her proficiency in risk management within financial institutions**, which will add value to Shinhan's Board in enhancing the Group's risk management capabilities.



CHOI Young-Gwon

- Year of Birth : 1964
- Gender : Male
- Role : Independent Director Nominee
- Key Expertise : Finance
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee is an esteemed equity investment professional with **over 30 years of experience as a fund manager**. He has served as the Chief Investment Officer at the Government Employees Pension Service and CEO of Hi-Asset Management, where he has demonstrated expertise in alternative investments. He is also recognized for his keen interest in ESG, referring to it as a potential catalyst for industrywide structural transformation.

During his tenure as the CEO of Woori Asset Management in 2019, he dedicated his efforts to elevating the company into a comprehensive asset management firm aligned with the scale of its holding company, Woori Financial Group. He is acknowledged for his capabilities, notably in launching and managing New Deal funds, which focused on investing in shares of innovative and eco-friendly enterprises. With a longstanding career within the financial industry, He is characterized by his principled and upright character, emphasizing the ethics of finance as the foremost virtue. His leadership roles at Hi-Asset Management and Woori Asset Management have solidified his reputation as a capital market expert and demonstrated his competence as a financial leader.

The nominee is recommended as an independent director based on his **profound understanding and expertise in ESG and capital markets, along with his experience as a business leader**. It is expected that he will greatly contribute to Shinhan's strategic direction and ESG management.

Board Composition

(After the 23rd AGM)

Director	Independence	Gender	Year of Birth	Main Key Expertise and Work Experience						
				Finance	Economics	Accounting	Business Mgt.	IT/Digital	Int'l Business	Legal
JIN Okdong	Executive	M	1961	●			●		●	
KWAK Su Keun	Independent	M	1953			●	●			
KIM Jo Seol	Independent	F	1957		●				●	
BAE Hoon	Independent	M	1953			●			●	●
SONG Seongjoo	Independent	F	1971	●	●				●	
YOON Jaewon	Independent	F	1970			●	●			
LEE Yong Guk	Independent	M	1964						●	●
JIN Hyun-duk	Independent	M	1955				●		●	
CHOI Young-Gwon	Independent	M	1964	●			●			
CHOI Jae Boong	Independent	M	1965					●		
JUNG Sang Hyuk	Non-executive	M	1964	●			●			

4. Election of Audit Committee Members

(Agenda 3)

Election of an Independent Director who will serve as an Audit Committee Member*

Agenda 3. Re-election of Mr. **KWAK Su Keun** as an Independent Director who will serve as an Audit Committee Member

* Pursuant to paragraph 5 of Article 19 of the Act on Corporate Governance of Financial Companies, financial companies shall appoint one or more independent directors to serve as Audit Committee Members separately from other directors to ensure the independence of Audit Committee members

(Agenda 4)

Election of Audit Committee Members (2 Members)

Agenda 4-1. Re-election of Mr. **BAE Hoon** (IND) as an Audit Committee Member

Agenda 4-2. Re-election of Ms. **YOON Jaewon** (IND) as an Audit Committee Member

Director Nominee for an Audit Committee Member



Reappointment

KWAK Su Keun

- Year of Birth : 1953
- Gender : Male
- Role : Audit Committee Member Nominee
- Key Expertise : Accounting
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The Audit Committee is required to have at least one accounting professional in accordance to the Korean commercial code and governance act. The nominee is **not just a long time seasoned professor in accounting but also had active involvements in advising public institutions and academia.** His long experiences provided valuable insights to the management not just in the field of accounting but also in the field of overall advice in finance and general operations while performing prudent oversights to the management.

The nominee **added value to the Board by performing his role as an expert in finance and audit. He also made significant contribution to sound development of the Group in establishing Group's ESG strategy as the Chair of ESG committee and took active participations in engagements with international investors to understand their interests.**

Displaying good amount of time and dedications in previewing key agenda of the Board and Committee meetings, his proven capability to perform his oversight role as an Audit Committee member and performing his role as a bridge between the shareholders and the company, his contributions to build sound and transparent governance has been considered in nominating him as the Audit Committee member and an independent director.

Audit Committee Members



BAE Hoon

- Year of Birth : 1953
- Gender : Male
- Role : Audit Committee Member Nominee
- Key Expertise : Legal
- Standing for Reappointment
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee possesses various professional expertise as a Korean Japanese lawyer with specialty in corporate advisory and a Japanese certified accountant with Postgraduate degree in Business Administration.

The Audit Committee not just requires knowledge of accounting but also expertise in compliance field with legal knowledge. The nominee has both the legal expertise as a professional lawyer and accounting profession as a certified accountant.

During the last 2 years he has shown active involvement in Audit Committee based on outstanding balanced judgments and precise checks on amending corporate rules and regulations. By displaying his abundant experiences and knowledge, we recommend him as a member of the Audit Committee.



YOON Jaewon

- Year of Birth : 1970
- Gender : Female
- Role : Independent Director Nominees to
become a member of the
Audit Committee
- Key Expertise : Accounting
- Standing for Reappointment
- Recommender :
Independent Director and Audit Committee
Member Recommendation Committee

Reasons for recommendation

The nominee has sufficient insights in auditing as an accounting professor at Hongik University while possessing abundant experiences in performing roles at various accounting and tax-related professional bodies such as the Korea Accounting Institute, the Korean Accounting Association and Taxation Development Review Committee of the Ministry of Strategy and Finance.

As the Audit Committee requires high level of professional understanding and maintain consistency and stability of its operation, its members are desired to be re-elected. The nominee has contributed in building transparent operating foundations, reviewed internal control over financial reporting and provided candid advices to the management for better governance and sound operation of the company while serving as the Chair of the Audit Committee during the last 4 years.

With good understanding of her expertise and to maintain sound and stable operation of the Audit Committee, we recommend her as a member of the Audit Committee.

5. Director Remuneration

(Agenda 5)

Approval of the Director Remuneration Limit

Director Remuneration

FY2024 (Proposed)	FY2023 (Approved)	FY2022 (Approved)	FY2021 (Approved)
3.0 billion*	3.0 billion	3.5 billion	3.5 billion

* Separately, a long-term performance-linked incentive in performance shares ("PS") is granted. The Company determines the PS by conducting performance evaluation on the next four-year period. The performance indicators include the increase in share price relative to the comparison group, Return on Equity(ROE) and Return on Tangible Common Equity(ROTCE) and Non-Performing Loan(NPL) ratio before sales and write-off relative to a pre-established target. The maximum number of performance shares to be granted to the directors of the Board in respect of fiscal year 2024 is 30,000 shares, ranging from 0% to 100% of the maximum shares, provided that payments accrued in relation thereto shall be made in fiscal year 2028. It should be noted, however, that in addition to such limit, additional compensation in the form of performance shares and annual incentives be made in fiscal year 2024 to the extent that the total number of such shares falls within the limit approved at previous shareholders' meetings held.

Director Remuneration Paid in 2023

Total amount paid (A+B)		KRW 1,720.1 million	
Non-Independent Directors (A)		Independent Directors (B)	
	KRW 936.6 million		KRW 783.5 million
Executive Director JIN Okdong	KRW 658.9 million	Independent Director LEE Yoon-jae	KRW 87.5 million
Executive Director CHO Yong-byoung (Retired in March 2023)	KRW 277.7 million ¹⁾	Independent Director SUNG Jaeho	KRW 85.5 million
Non-Executive Director JUNG Sang Hyuk	No remuneration ²⁾	Independent Director YOON Jaewon	KRW 86.5 million
		Independent Director JIN Hyun-duk	KRW 72.5 million
		Independent Director KWAK Su Keun	KRW 88.0 million
		Independent Director BAE Hoon	KRW 80.5 million
		Independent Director LEE Yong Guk	KRW 85.0 million
		Independent Director CHOI Jae Boong	KRW 87.5 million
		Independent Director KIM Jo Seol	KRW 76.0 million
		Independent Director PARK Ansoon (Term ended in March 2023)	KRW 16.5 million
		Independent Director HUH Yong-hak (Term ended in March 2023)	KRW 18.0 million

Note 1) Excludes KRW 488.9 million of performance-linked incentives withheld

Note 2) Considering the concurrent position of an executive at a subsidiary, no separate remuneration is paid

6. BOD Activities in FY2023

Board Performance

(1/8)

The Board is dedicated to the sustainable growth of the Group, prioritizing customer protection and internal control to gain customer trust, and consistently implementing the shareholder return policy for enhanced shareholder value.

BOD Performance Highlights for FY2023

Efforts to Protect Customers

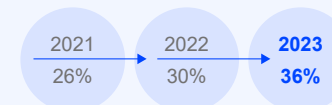
- Established and reorganized the Customer Protection Division
 - Establishment of a new Customer Protection Division within the holding company
 - Dedicated teams and personnel at each Group subsidiaries (approx. 300 personnel)
- Established Group-wide Customer protection governance structure
 - Customer Protection Committee (Executive level)
 - Group Customer Protection Council (Department Head level)
 - 3 working-level committees (①Policy making, ②Internal control on financial Customer protection, ③Support for telecom financial fraud response)
- Set Customer protection strategy for the Group and launch Group-wide Customer protection campaigns

Strengthening Internal Control

- Introduction of the responsibilities map
 - Establishment of the three lines of defense in internal control
 - Creating responsibilities maps that fit the unique business conditions of each subsidiary
- Improvements to executive remuneration
 - Establishment of new clawback policy

Efforts to Enhance Shareholder Value

- Execution of Shinhan's mid- to long-term shareholder return policy
 - Achieved recurring ROE and ROTCE levels that exceed regulatory requirements and COE
 - Total shareholder return rate for FY2023 reached 36%



- Ongoing implementation of quarterly dividends and share buyback and cancellations
- Improvement in the independent director nomination process
 - Introduction of a Nomination Advisory Group composed of external experts

Board Performance

(2/8)

Enhancing Customer Protection _ ① Reorganization

- ① **Holding Company:** Established a Customer Protection Division at the holding company to establish and implement an integrated Group-wide customer protection strategy.
- ② **Subsidiaries:** Subsidiaries that directly sell financial products (bank, card, securities, life, asset management, Jeju Bank, and savings bank) have their own independent Customer Protection Organizations and 300 professionals.

Structure of Shinhan Financial Group's Customer Protection Organization



Board Performance

(3/8)

Enhancing Customer Protection _ ② Establishing Governance

Newly established Group-wide governance to ensure timely response to customer protection-related issues

- ① Group Customer Protection Committee (executives of the holding company and 10 subsidiaries, biannually)
- ② Group Customer Protection Council (department heads of the holding company and 10 subsidiaries, quarterly)
- ③ Divisional Working Councils (representatives from the holding company and 10 subsidiaries, quarterly)

Shinhan Financial Group's Customer Protection Governance Structure



Board Performance

(4/8)

Enhancing Customer Protection _ ③ Major Activities in 2023

Continued efforts to protect financial Customers by bolstering the Group's Customer Protection Organization and governance.

- ① Announced the strategic direction of the Group's Customer Protection Division (August 2023); and
- ② Internalizing Customer Protection across the entire Group through a joint Group campaign (September 2023).




Group Customer Protection Strategic Direction

(August 2023, announcement of the Group Customer Protection Strategy)

Mission		
 Building a Better World Through Finance		
Core Value		
Right	Nimble	Different
Choose the right path for customers and the future	Execute, learn and grow fast	Respect differences and create outstanding results
Vision		
We believe finance should be + <i>More Friendly, More Secure, More Creative</i>		
Strategic Goals		
Create a superior financial Customer protection environment through proactive responses		
Strategic Direction		
Enhance proactive response to protect financial Customer	Create a superior financial Customer protection environment	
Strategic Tasks		
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Respond proactively to financial customer risk factors <input checked="" type="checkbox"/> Strengthen telecommunication financial fraud prevention 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Establish a culture of complete sales <input checked="" type="checkbox"/> Enhance internal controls for financial customer protection 	
2023 Slogan		
Put Customers at the Center of Shinhan		

Group Joint Campaign for Customer Protection

(launched September 2023)

Item	Key Activities	Participating Group Companies
 Protect Together	Voice phishing prevention training	Shinhan Bank, Shinhan Securities, Shinhan Life, Jeju Bank, Shinhan Savings Bank
	'Create a family password' campaign Voice phishing prevention campaigns for young adults	10 participating subsidiaries* Shinhan Bank, Shinhan Securities, Shinhan Life, Jeju Bank, Shinhan Savings Bank
 Find it Together	'Find hidden financial assets' campaign	Shinhan Bank, Shinhan Securities, Shinhan Life, Jeju Bank, Shinhan Savings Bank
 Stop it Together	Seminar on the Financial Customer Protection Act	10 participating subsidiaries*
	Inspection of internal control themes in the second half of 2023 Financial Customer Protection Act internal control consulting	10 participating subsidiaries* Shinhan Securities, Shinhan Life, Jeju Bank

* 10 Group Companies : Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan Asset Trust, Shinhan EZ General Insurance

Board Performance

(5/8)

Strengthening Internal Control _ Adoption of the Responsibilities Map

Implementation of a responsibilities map to clarify internal control duties for the Board, CEO, and executives with an aim to preemptively prevent financial accidents through effective execution of internal control measures.

Shinhan Financial Group's Responsibilities Map Operating System

- ① First Line of Defense: Identify and manage risks inherent in the business ⇒ Review/check internal control perspectives on business activities
- ② Second and Third Lines of Defense: Perform internal control tasks by specialized area (e.g., risk, audit, etc.)
- ③ CEO: Responsibility for creating an accountability structure and general management of internal control
- ④ Board of Directors: Responsible for monitoring the adequacy of the overall operation of the internal control system

Adoption Schedule for the Responsibilities Maps by Group Subsidiaries

Category	Schedule	Category	Schedule
Holding Company	Apr 2024 ~	Jeju Bank	Apr 2024 ~
Shinhan Bank	Complete the first structure	Shinhan Savings Bank	1st half of 2024
Shinhan Card	Nov 2023 ~ Mar 2024	Shinhan Asset Trust	2nd half of 2024
Shinhan Securities	Sep 2023 ~ Mar 2024	Shinhan DS, Shinhan REIT's Management, Shinhan Fund Partners, Shinhan Venture Investment, Shinhan EZ General Insurance	2nd half of 2024
Shinhan Life Insurance	Jan 2024 ~ Apr 2024		
Shinhan Capital	1st half of 2024		
Shinhan Asset Managemen	2nd half of 2024		

* Shinhan Bank was the first among its peers to complete the creation of its own responsibilities map, and is currently developing an implementation system.

* Shinhan Securities, Shinhan Card, and Shinhan Life have started to their own responsibilities maps for the first time in the industry, and the development of the responsibilities map implementation system is expected to be completed by the end of the year.

Board Performance

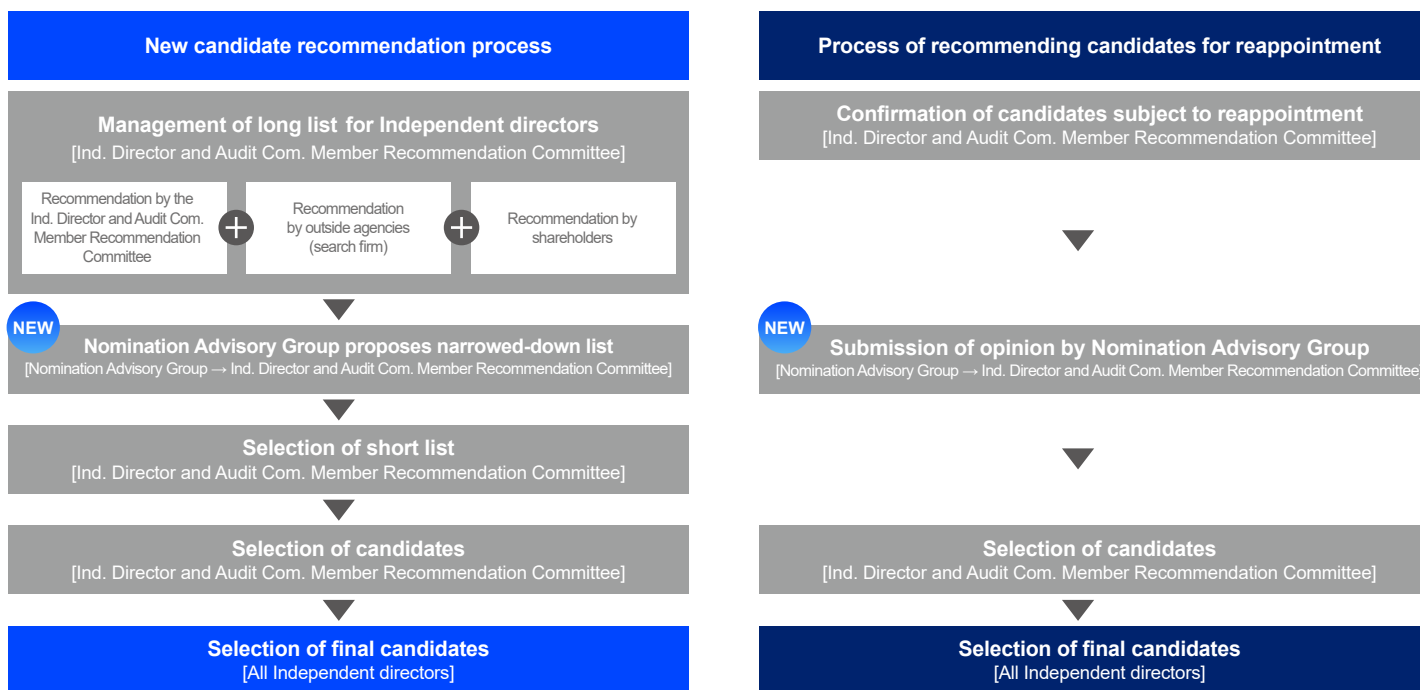
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Improvement in the Independent Director Nomination Process

Introduction of Nomination Advisory Group system in order to operate an objective and transparent independent director candidate recommendation system (November 2023).

※ Composition of the Nomination Advisory Group: 5 external experts

Independent Director Candidate Nomination Process



Major roles of the Nomination Advisory Group

- ① Submitting narrowed down list to the Ind. Director and Audit Com. Member Recommendation Committee before the Committee selects the short list from the long list of candidates
- ② Submitting opinion on the reappointment of Independent directors whose term is expiring
- ③ Provides recommendations on the direction of independent director appointments for the following year and beyond

Board Performance

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Improvements to Executive Remuneration _ Clawback Policy

In order to respond to regulatory changes and operate a reasonable executive remuneration system, clawback policy was newly stipulated.

- Applicable to: Holding company executives and managing directors
- Compensation subject to clawback: Performance compensation paid based on the achievement of financial performance (including both annual and long-term performance compensation)

Clawback Policy Overview

Category	Highlights
Applicable to	<ul style="list-style-type: none"> · Holding company executives and managing directors · Other persons who perform major policy-making tasks
Incentive compensation subject to clawback	<ul style="list-style-type: none"> · Remuneration paid in whole or in part based on the achievement of financial performance indicators, where the financial performance indicators include <ul style="list-style-type: none"> - Metrics determined in accordance with the accounting principles used to prepare the financial statements - Share price and total shareholder return - Other indicators derived from the above · Includes both annual incentive compensation and long-term incentive compensation (PS) · Performance-based compensation paid within the past three fiscal years
Reasons for clawback	<ul style="list-style-type: none"> · The financial statements on which the performance award is based have been restated due to an error or have been determined by the Company or a legally authorized body, such as a court or financial regulator, to be in error and in need of restatement. · The financial statements are restated to remedy a violation of financial reporting obligations under U.S. securities laws and regulations and include <ul style="list-style-type: none"> - A material error in the previously issued financial statements - If corrected within the current fiscal year or left uncorrected, would result in a material misstatement
Amount	<ul style="list-style-type: none"> · The amount of actual incentive compensation paid in excess of the amount of incentive compensation calculated based on the corrected financial statements.
Decision body	<ul style="list-style-type: none"> · Remuneration Committee

Board Performance

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Efforts for Diversity

Based on the Board Skill Matrix(BSM), the BOD is composed of competent directors with diverse expertise and practical experience. The BOD also remains committed to increasing female representation on the Board while also setting numeric targets for 2023 to bolster the number of female executives and managing directors within the Group.

Females Representation on the Board

Category	As of Dec, 2022	As of Dec, 2023	As of Mar, 2024 (After 23rd AGM)
No. of Female Directors	2	2	3
No. of Directors within the Board	14	11	11
Proportion	14.3%	18.2%	27.3%

Number of Female Independent Director Candidates

Division	# of female independent director candidates (A)	# of independent director candidates in total (B)	ratio (A÷B)
As of Dec 31, 2020	29	117	24.8%
As of Dec 31, 2021	49	131	37.4%
As of Dec 31, 2022	50	140	35.7%
As of Dec 31, 2023	56	164	34.1%

Percentage of Female Executives and Department Heads

Category	As of Dec, 2021	As of Dec, 2022	As of Dec, 2023	2030 [Target]
Department Heads	9.7%	13.0%	14.9%	25.0%
Executives	7.5%	8.7%	9.8%	15.0%

Target: Shinhan Financial Group , Shinhan Bank , Shinhan Card, Shinhan Securities, Shinhan Life, Shinhan Capital, Shinhan Asset Management, Shinhan REITs Management, Jeju Bank

7.

Appendix

**Matters related to Legal Proceedings of
the Former Group CEO**

Matters related to Legal Proceedings of the Former Group CEO

- Six years have passed since the trial of the former CEO, which concluded with a final not guilty verdict.
- All of the remaining independent directors newly joined the Board after the reappointment of the former CEO (March 2020).
- Recommending a vote against all directors for reappointment without a sunset period is an overly simplistic judgement of the matter.

Timeline regarding the Former CEO's Legal Case

Date	Main Events regarding the Former CEO's Legal Case	Appointment of Independent Directors	Actions taken by the Board of Directors
Oct. 2018	Prosecutors indict the former CEO CHO Yong-byoung		
Jan. 2020	Trial court finds CHO partially guilty (acquitted charges on violation of Employment Equality Act by partially guilty on business obstruction)	-	[2019~2020] · The Board resolved to recommend the re-appointment of CHO as the Group CEO upon reviewing the eligibility and capability of the candidate
Mar. 2020	CHO re-appointed as the Group CEO	New appointment of JIN Hyun-duk, YOON Jaewon	
Mar. 2021	-	New appointment of KWAK Su Keun, BAE Hoon, LEE Yong Guk, CHOI Jae Boong	[1H 2021] · Conducted a full review on the re-appointment of CHO from both procedural and factual perspective, and decided the decision to reappoint CHO was upon rational grounds · Sent a letter to shareholders
Nov. 2021	Appellate court acquits CHO of all legal charges	-	[Nov. 2021] · Decided to convene a separate meeting immediately after the result of the second trial, if necessary, to discuss countermeasures and follow-ups · Concluded a meeting would be unnecessary at this point as the appellate court acquitted CHO of all charges · Sent a letter to shareholders
Mar. 2022	-	New appointment of KIM Jo Seol	-
Jun. 2022	Supreme Court acquits CHO of all legal charges	-	[Jun. 2022] · Concluded all governance-related uncertainties have been resolved with the Supreme Court's final verdict to acquit all charges · Sent a letter to shareholders
Dec. 2022	CHO resigns from CEO candidacy	-	-

This document serves solely as a summary of specific information contained within Shinhan Financial Group's Convocation Notice of the 23rd AGM. Shareholders are strongly encouraged to review the Convocation Notice in its entirety before exercising their voting rights.

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