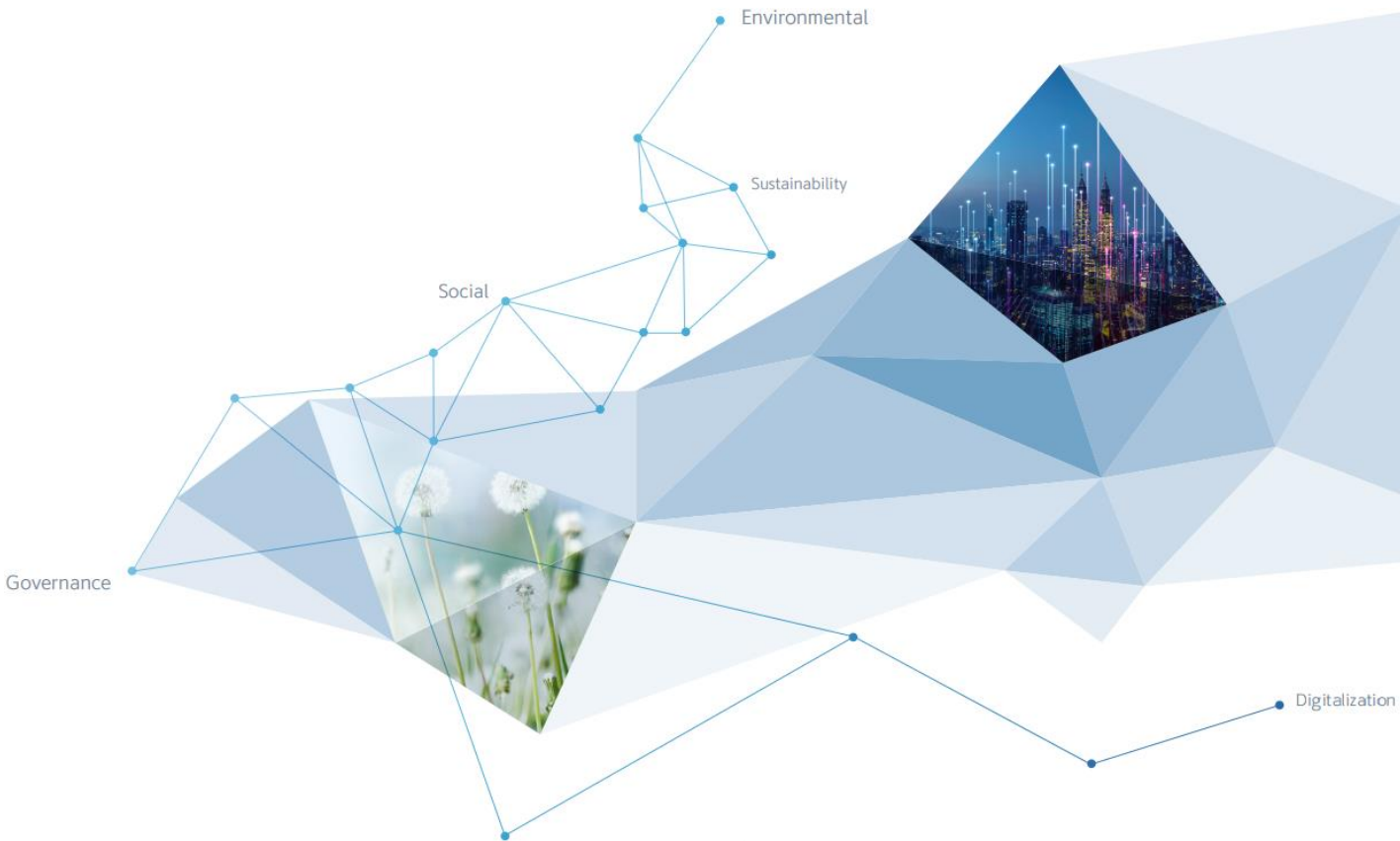


Shinhan Card

2022 ESG Bond Annual Reporting



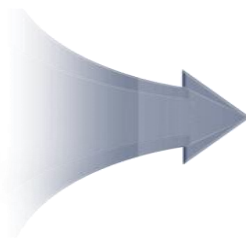
Connect more, Create the most

Overview of Allocation & Impact

Introduction

- ✓ As a wholly-owned subsidiary of Shinhan Financial Group, Shinhan Card has established itself as Korea's No.1 card company in terms of market share, number of memberships and net income. Shinhan Card provides long/short term card loan, installment finance, credit sale service and brokerage service of various products and services. With the popularization of card payment in Korea, Shinhan Card plays a key role as a leading card company to the consumption and the national economy.
- ✓ On January, 2022, Shinhan Card issued USD 400mn Social Bond, solidifying its position as a leading credit card company for ESG initiatives.
- ✓ Shinhan Card has made its best effort to fulfill its social roles and responsibilities as a leading card company in Korea as well as a core subsidiary of Shinhan Financial Group. Shinhan Card will continue its commitment on sustainable financing by consistently issuing ESG bonds under Shinhan Financial Group SDG Financing Framework.

Allocation & Impact Highlights



100% Allocated to a Social Category to Create Social Impacts

Supports UN SDGs



1. No Poverty

Social Category & Project

Access to
Essential Services



Loans to low- to
moderate-income
population
(100%)

Social Impact Created




USD 400bn
Amount of Loan Provided

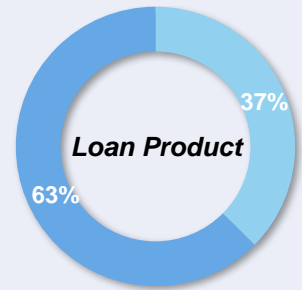
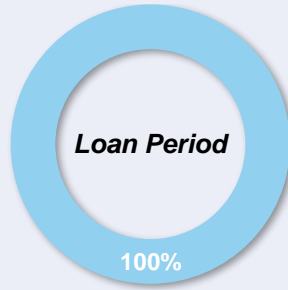
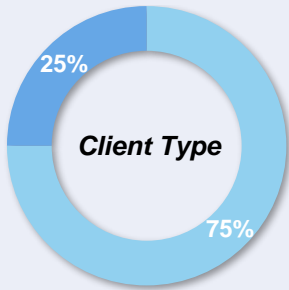


220,014 beneficiaries
of Loans Provided

[Jan'22] USD 400mn Social Bond

Allocation Report

ESG	Category	UN SDGs	Project	Size (USD mn)	% of Total
Social	Access to Essential Services	 1. No Poverty	Loans to low- to moderate- income populations	400	100%
Total				400	100%



Client Type	Size (USD mn)
Annual Income of KRW 35mn or below	324.0
Annual Income of KRW 45mn and with credit rating of 6 or below	76.0
Total	400.0

Loan Period	Size (KRW mn)
February 2021	400.0
Total	400.0

Loan Product	Size (KRW mn)
Long-term Card Loan	163.2
Cash Advance	236.8
Total	400.0

Impact Report



USD 400mn

Amount of Loans Provided



KRW 2.17mn

Average Amount of Loans Provided



5.7

Average Credit Rating of Beneficiaries



220,014 beneficiaries

of Loans Provided



KRW 29.8mn

Average Yearly Income of Beneficiaries



Age 50.0

Average Age of Beneficiaries

Shinhan Financial Group's SDG Framework

- ✓ In order to finance Shinhan Financial Group's activities that are directly supporting the UN Sustainable Development Goals, SFG has prepared this Sustainable Development Goals Financing Framework ("SDG Financing Framework") with an intention of issuing Green, Social or Sustainability Financings.
- ✓ The Framework is designed in line with the ICMA's Green Bond Principles (GBPs) 2018, Social Bond Principles (SBPs) 2018, Sustainability Bond Guidelines (SBGs) 2018 and the Loan Market Association's Green Loan Principles.



Proceeds



* Excluding Shinhan Bank which has their own Framework

Use of Proceeds



Eligible Green Projects



Renewable Energy

Loans/financing to Companies for generation of electricity from renewable sources.



Energy Efficiency

Loans/financing to technology, products or systems resulting at least a 30% improvement in energy efficiency.



Pollution Prevention and Control

Loans/financing aimed at reducing or capturing GHG emissions and harmful air particles.



Green Buildings

Loans/financing to the development of building with LEED, BREAAAM, G-SEED 2 certification.



Clean Transportation

Loans/financing to electric vehicle charging stations & GTX.

Eligible Social Projects



Access to Essential Services

The development of public hospitals and institutions that have programmes to offer free services for low income patients and underserved populations, public medical facilities, public outpatient and inpatient care facilities and healthcare properties and services for the elderly.



Affordable Housing

Increase affordable housing by lending to tenants of public housing provided by public housing providers under the Special Act of Public Housing and public housing providers approved by the Korean Housing Finance Corporation.

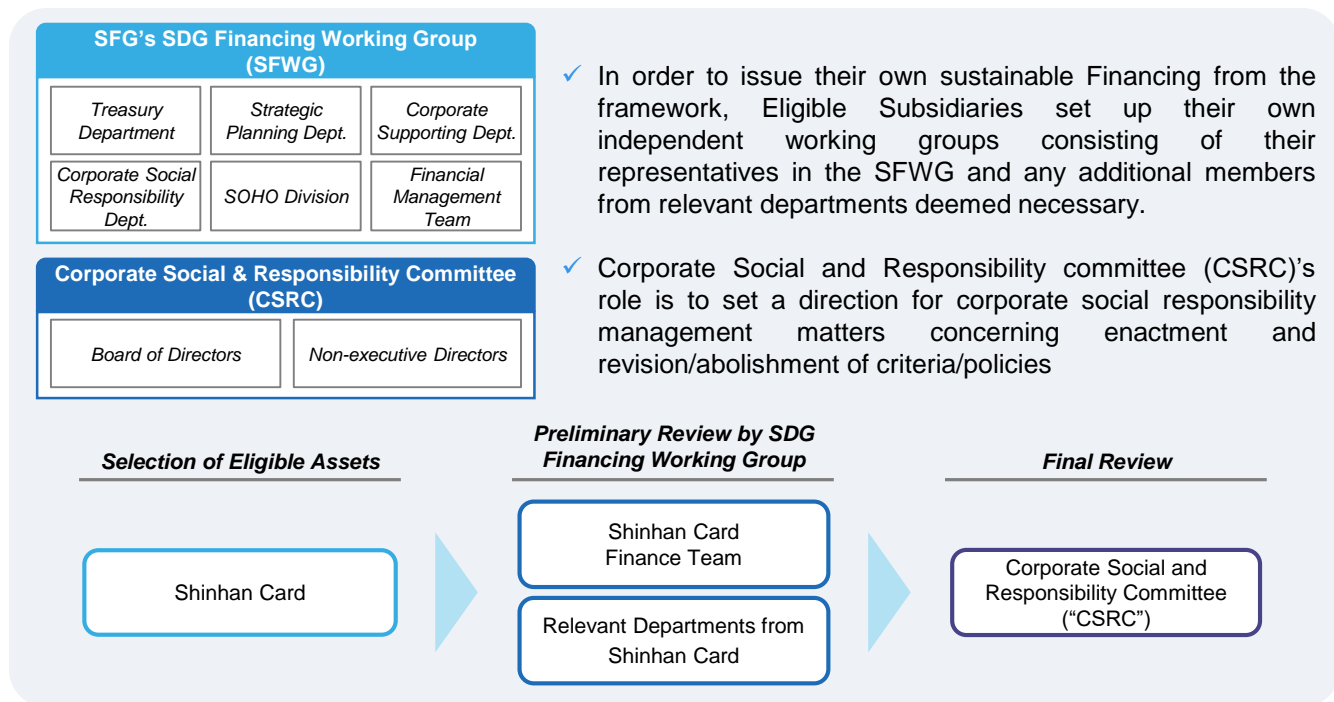
Exclusion Criteria

- ✓ The SDG Framework of Shinhan Financial Group excludes sensitive and controversial activities and sectors as well as projects and assets directly related to fossil fuels.



Shinhan Financial Group's SDG Framework

Project Evaluation and Selection



Management of Proceeds

Net Proceeds	<ul style="list-style-type: none"> > Allocated to eligible green and / or social projects only > Shinhan Card's Finance Team manages the project registry > Balance of tracked proceeds monitored annually
Unallocated Funds	<ul style="list-style-type: none"> > The unallocated proceeds will be invested in cash or cash equivalent > Follow Shinhan Financial Group's usual liquidity management policy
Re-allocation	<ul style="list-style-type: none"> > In case of divestment, if an eligible assets no longer meets eligible criteria, or if it matures before the life of the bond, the funds will be re-allocated to other eligible projects

Reporting

Allocation Reporting	<ul style="list-style-type: none"> > Complete list of eligible assets, mapping of UN SDG's and a brief description of each project > Amount allocated to each project and proportion of financing and refinancing > Amount allocated to each individual eligible subsidiary and the proportionate split
Impact Reporting	<ul style="list-style-type: none"> > Shinhan Card will report on relevant environmental and social impact metrics, where feasible, for their issuances > Green house gas emissions reduced > Estimated USD and KRW value of reduced pollution

External Review

"Sustainalytics believes that Shinhan Financial Group's Framework is aligned with the overall mission of the Group and that the environmental and social use of proceed categories will advance a number of key SDGs in Korea. Sustainalytics is of the opinion that the **Shinhan Financial Group's Sustainable Development Goals Bond Framework is robust, transparent, and in alignment with the four core components of the Green Loan Principles 2018 and the Social Bond Principles 2018**"

