

Business Results

1H 2019

Summer

2020 SMART PROJECT

Disclaimer Statement

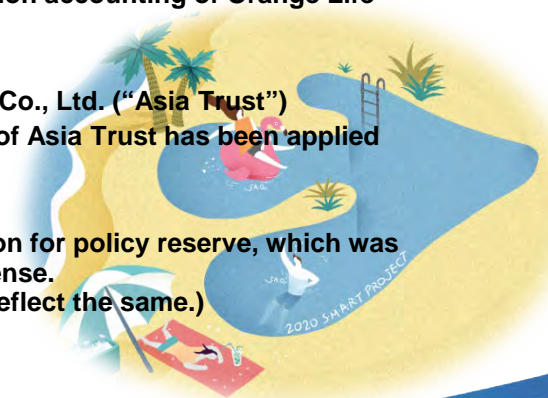
The financial information contained herein has neither been reviewed nor audited by independent auditors.

Therefore, no assurance is given that the financial information contained herein is accurate or complete, and such financial information may differ from the financial information to be contained in our financial statements audited by independent auditors. The information contained herein is subject to change without further notice.

We also note the following:

- 1) Financial information has been prepared in accordance with the Korean IFRS.
- 2) The financial figures have been derived following K-IFRS No.1109, 'Financial instruments' and K-IFRS No.1115, 'Revenue from Contracts with Customers' for years starting January 1, 2018.
(Financial information for periods prior to December 31, 2017 has not been restated.)
- 3) K-IFRS 16 'Leases' replaced existing lease standards and is effective for the year beginning on January 1, 2019.
(Financial information for periods prior to December 31, 2018 has not been restated.)
- 4) The net profit (loss) realized from the 59.15% interest in the newly acquired Orange Life Insurance, Ltd. ("Orange Life") has been included in our consolidated net profit (loss.) The acquisition accounting of Orange Life has been applied starting January 1, 2019 (the deemed acquisition date.)
- 5) The net profit (loss) realized from the 60% interest in the newly acquired Asia Trust Co., Ltd. ("Asia Trust") has been included in our consolidated net profit (loss.) The acquisition accounting of Asia Trust has been applied starting April 1, 2019 (the deemed acquisition date.)
- 6) To present the financial information more effectively, the interest portion of provision for policy reserve, which was previously categorized as non-interest expense, is now categorized as interest expense.
(Financial information for periods prior to December 31, 2018 has been restated to reflect the same.)

This presentation material is available at our website, www.shinhangroup.com.



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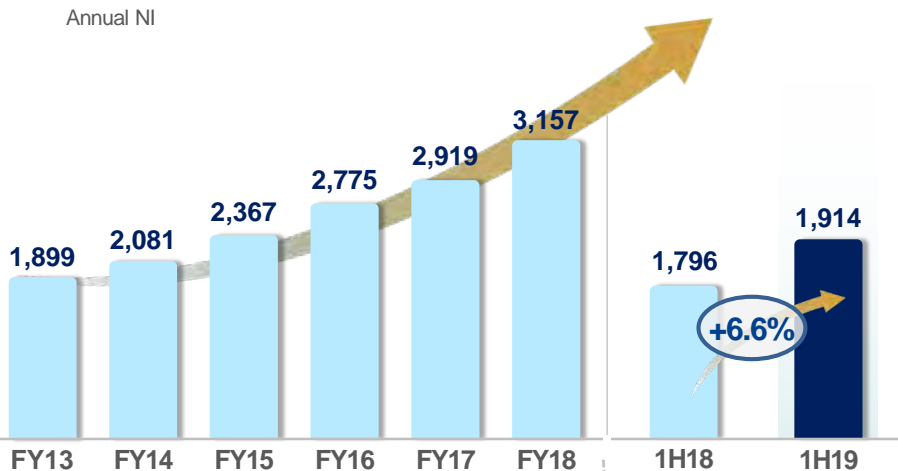
VI. Appendix



2019 1H Business Result Highlights ①

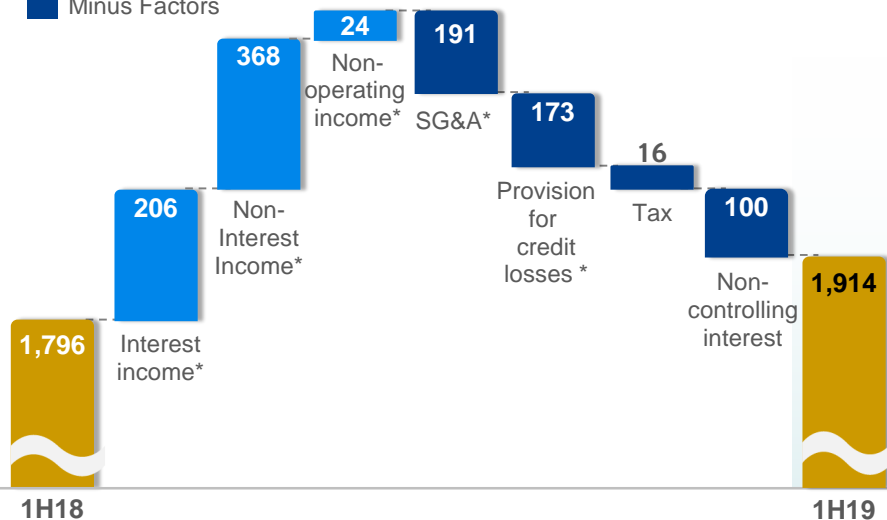
Group Net Income

(KRW bil.)



Plus Factors

Minus Factors



* Earnings before income tax

1

Positive Net Profit Momentum:

Well-balanced earnings growth based on diversified business portfolio

996 bil.

(2019 2Q Net Income)

2

Strategic Loan Growth:

Continuation of quality asset building

4.6%

(2019 1H SHB Loan Growth)

3

Robust Non-interest Income:

Strong performance across non-bank subsidiaries with One Shinhan efforts

+27%

(Year-over-year Group Non-Interest Income Expansion)

4

Disciplined Cost Control:

Sustainable management with operational efficiency

42.6%

(2019 1H Cost-to-Income Ratio)

5

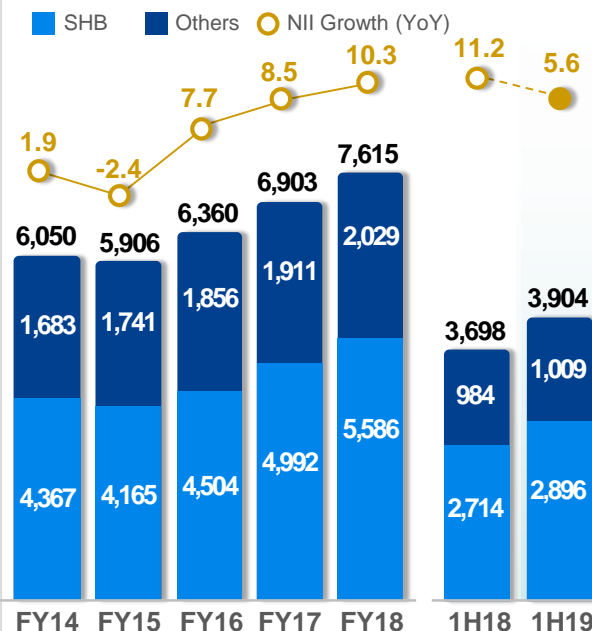
Proactive Risk Management:

Stringent loan underwriting practice with a consistent provisioning policy

35bp
154%

(2019 1H Group cumulative credit cost and NPL coverage ratio)

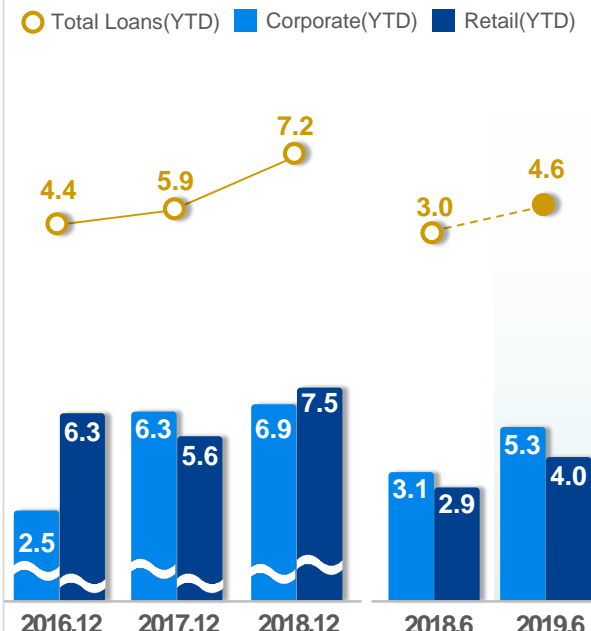
Interest Income (%) (KRW bil.)



NII Riding Upward Trajectory

- SFG's interest income increased by 5.6% YoY attributed to active loan growth and positive additions from non-bank subsidiaries
- Interest income from global hiked by 27.8% YoY improving its contribution to the Group NII from 8.2% in 1H18 to 9.9% in 1H19
- Steady NII improvement resulting from constant drive to focus on quality growth

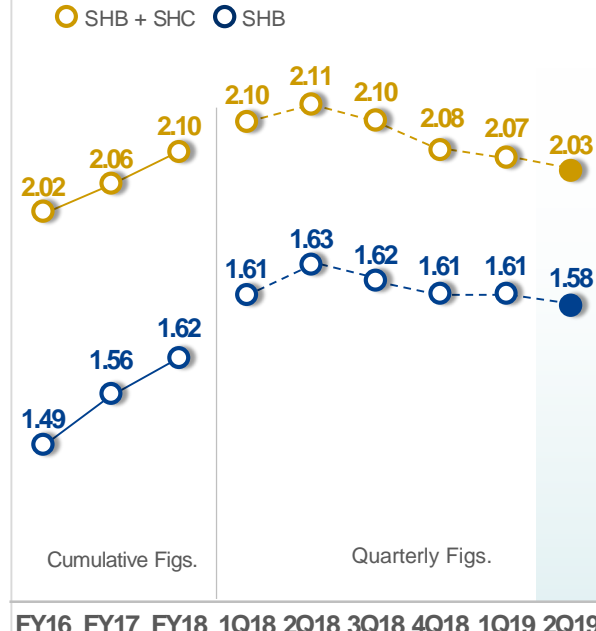
SHB Loan Growth (%)



Balanced Loan Growth

- Through robust and balanced loan growth, SHB's KRW loan assets as end of 1H19 marked 219 tril. up by 4.6% YTD
- Corporate loans up 5.3% YTD with more focus on high quality SOHO loans and retail loans up by 4.0% YTD driven by strong mortgage and Jeonse loan demand
- SHB's KRW deposits up by 6.5% YTD, reaching to 222 tril.

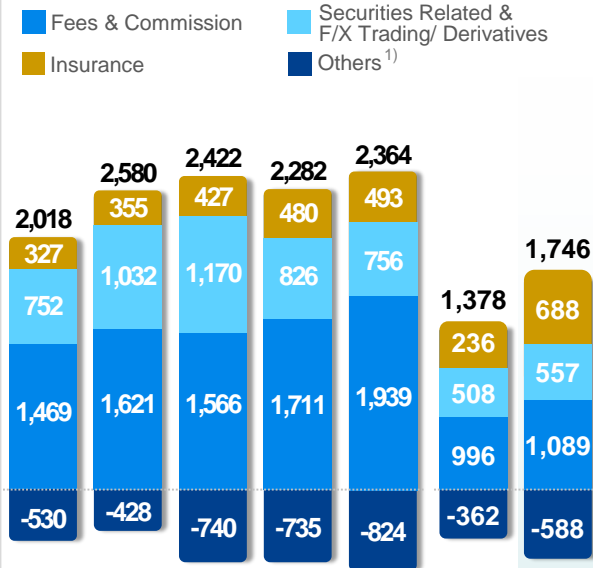
NIM (%)



Preemptive ALM Strategy

- SHB quarterly NIM marked 1.58%, down by 3bp, mainly due to the extended deposit base in an attempt to better cope with the new LDR measure next year
- SHB's NIM incl. Global recorded 1.62% for 2Q evidencing its higher profitability in overseas
- Group NIM marked 2.03%, down 4bp QoQ, partly due to a decline in high margin products, such as cash advances, in SHC

Non-Interest Income (KRW bil.)

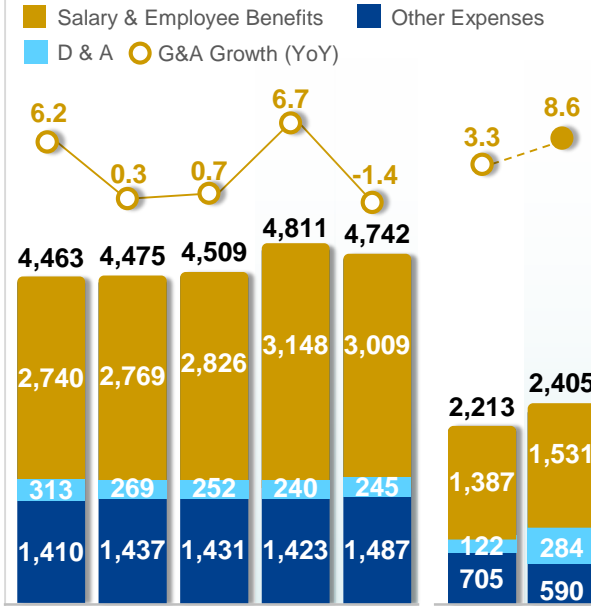


Note 1) Insurance fees on deposits, contribution expenses etc

Diversified Non-interest Income Portfolio

- Non-interest income grew by 26.7% YoY, attributed to a hike in insurance profits coming from the inclusion of Orange Life along with an increase in securities related gains
- Fee income grew up by 9.4% YoY, driven by robust growth in IB business, leases and sales of trust products, despite a decline in brokerage fees amid sluggish trading volume

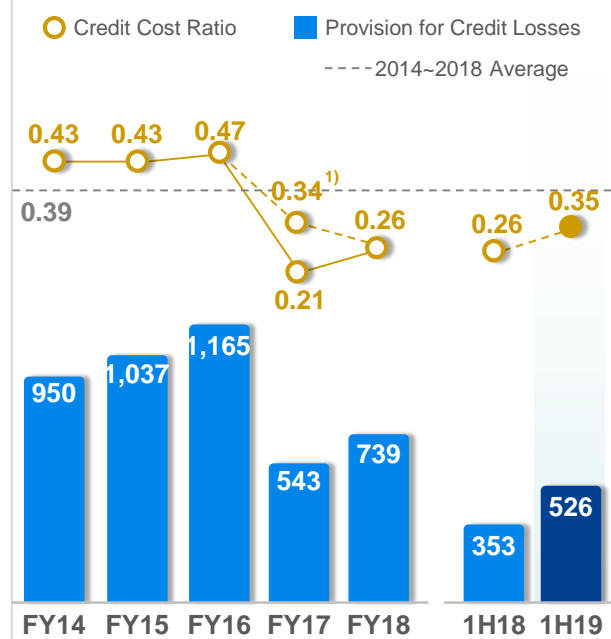
G&A Expenses (% , KRW bil.)



Disciplined Cost Management

- Cost-to-Income ratio improved to 42.6%, running at a historically low level, through cost control efforts and strong earnings stream despite SG&A rise due to the newly added Orange Life and Asia Trust
- SG&A, excluding expenses from Orange Life and Asia Trust, went up by 3.5% YoY

Credit Cost (% , KRW bil.)

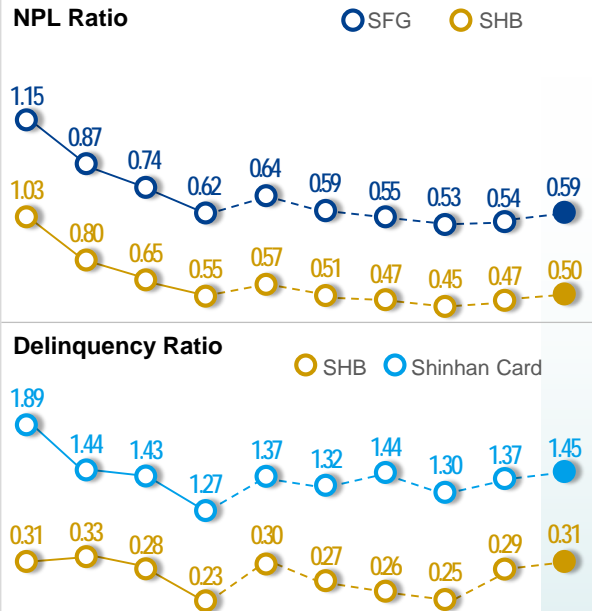


Note 1) Excluding write-backs from Shinhan Card

Prudent Risk Management

- Group credit cost ratio marked 35bp in 1H19, 4bp lower than the 5-year recurring average
- SHB's credit cost ratio increased to 19bp, up by 8bp YoY, attributed to adopting preemptive and rigorous credit standards
- SHC's credit cost ratio increased to 1.99%, up by 39bp, mainly due to strong asset growth in card loans, lease and installment finance

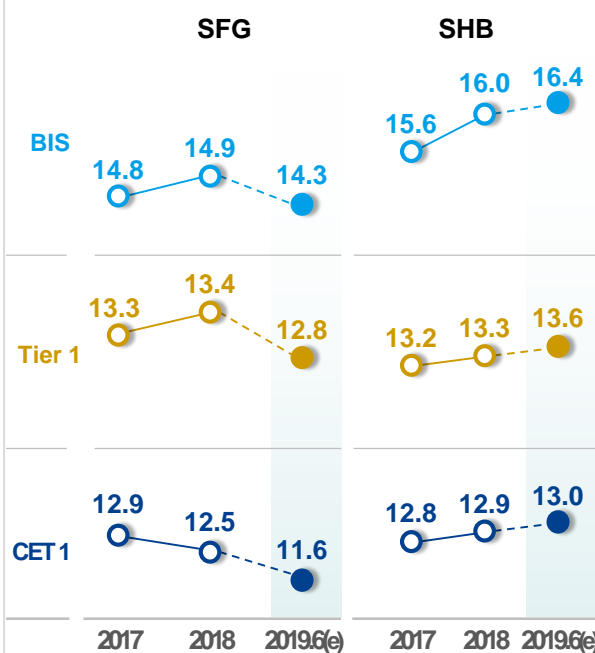
Asset Quality (%)



Maintaining Stable Asset Quality

- Group NPL ratio maintained its prior year level, while SHB NPL ratio improved by 0.1%p YoY, marking 0.59% and 0.50% respectively
- SHB and SHC's delinquency ratios increased by 2bp and 8bp QoQ respectively, due to, in part, relatively smaller amounts of write-offs and NPL sales
- Group and SHB NPL coverage ratios marked 154% and 125% respectively, maintaining sufficient provision buffer

Capital Adequacy (%)

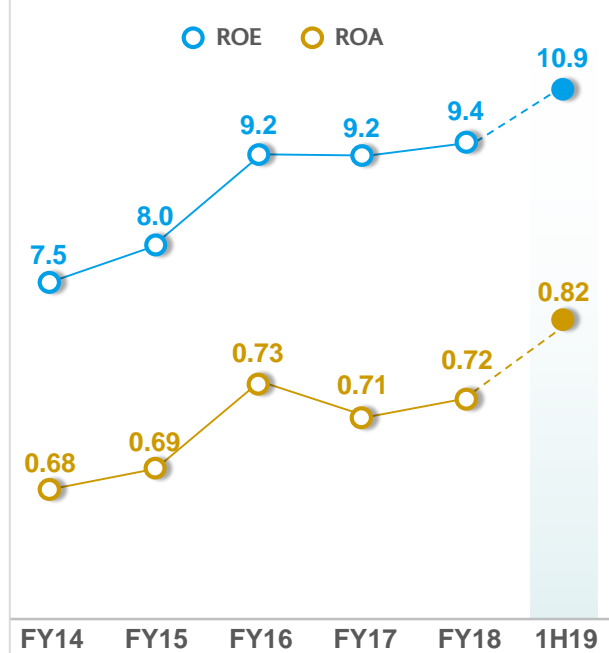


Note) Based on Basel 3

Capital Utilization for Future Growth

- Based on BASEL 3, Group's Common Equity Tier1 ratio experienced a temporary setback due to concentration of compression factors, such as M&As and changes in accounting standards
- Based on BASEL 3, SHB's Common Equity Tier1 and BIS ratio are estimated at 13.0% and 16.4% respectively

ROE & ROA (%)



Sustainable ROA & ROE Improvement

- Group ROE recorded 10.9%, up 1.5%p YTD, driven by successful business portfolio diversification and strong earnings growth
- Group ROA improved by 0.10%p YTD, marking 0.82%, attributed to sturdy operating performances from both bank and non-bank subsidiaries

Project 2020 Initiatives : Year of Tangible Results

1 Balanced Growth

| Bank | Interest Income | Domestic | Organic | Analog (Off-line) | Entity Centric | Business Strategy | Corporate-oriented |
|---------------------|-----------------------|------------------------|----------------|------------------------|--|--|---|
| NI from Banks (YoY) | Interest Income (YoY) | NI from Domestic (YoY) | Group NI (YoY) | Cost-to – Income Ratio | Customized Strategy for each of the subsidiaries | Mid-term Business Strategy 2020 SMART Project | Creative Culture, “The Shinhan Leader” “SHeros” |
| +1% | +6% | +6% | +7% | 42.6% | | | |

| Non-Banks | Non-Interest Income | Overseas | Inorganic | Digital (On-line) | One Shinhan | Corporate Culture | Community-oriented |
|---|--|-------------------------------------|--|---|--|---|--|
| NI from Non-Banks (YoY) | Non-Interest Income (YoY) | Group NI from Global Business (YoY) | New Business Lines (M&As) 2019 1H Orange Life, PVFC, Shinhan REITs, Archipelago AM | Operating Income through Digital Platform ²⁾ | Matrix Business Lines, Cross-Selling Ratio | ESG Recognition A+ Grade from CGS | Compassionate Finance “Society of Hope” Project “ECO Transformation 20-20” |
| +10% | +27% | +9% | Net Income 100.3 bil. | 664.6 bil. | 39.9% | | |
| Non Banks NI Contribution 35% | Non-Interest Income Proportion 31% | Global NI Contribution 9% | | | | | |

2 Global Expansion

3 Digital Transformation

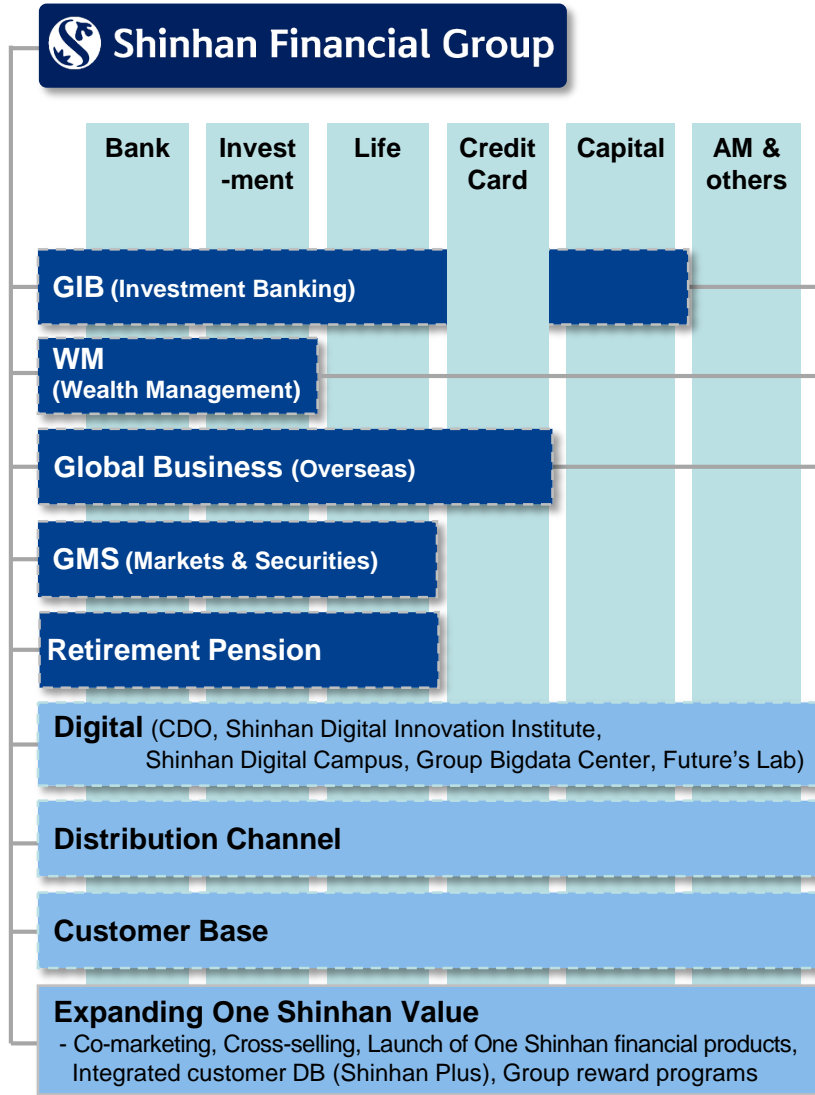
4 Uphold Corp. Culture

1) Financial Figures are as of June 31, 2019

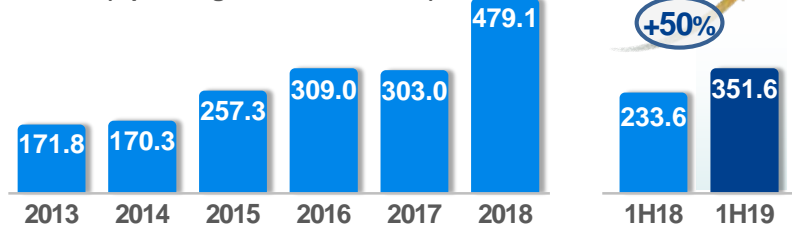
2) Based on 1H19 Operating Income from Shinhan Bank, Card, Investment Corp., Life and Orange Life

One Shinhan : Synergy Creation

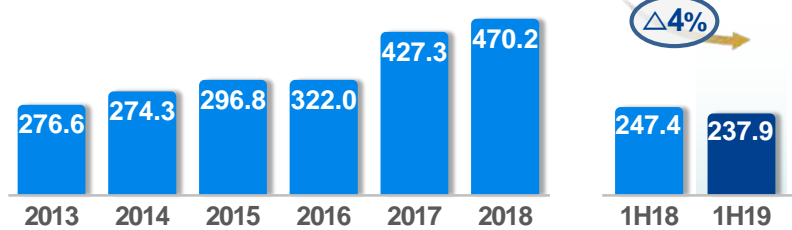
Matrix Structure



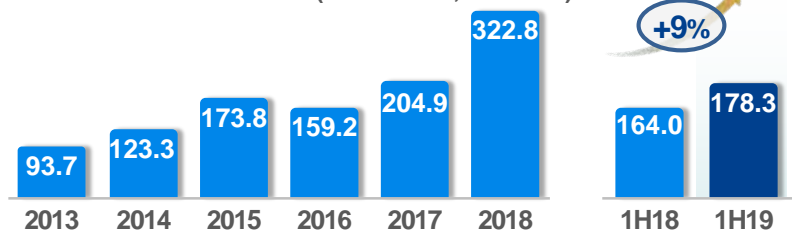
• GIB (Operating Income, KRW bil.)



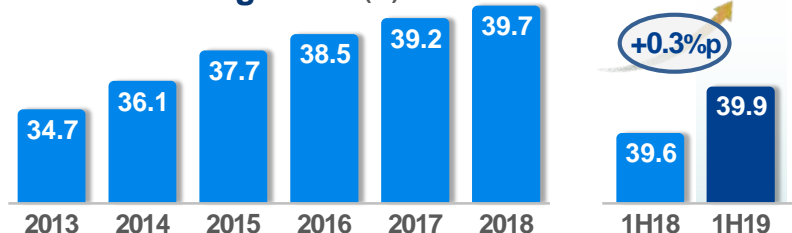
• WM (Operating Income, KRW bil.)



• Global Business (Net Income, KRW bil.)



• Cross-Selling Ratio (%)



Note 1) Financial figures of GIB and WM are based on managerial accounting

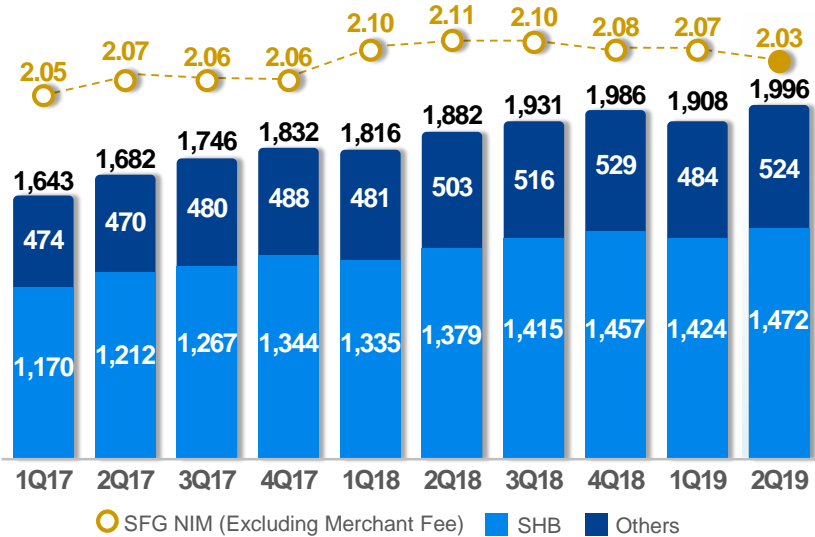
Note 2) Financial figures of GIB from 2013 to 2016 are based on CIB's IB division

II. Income

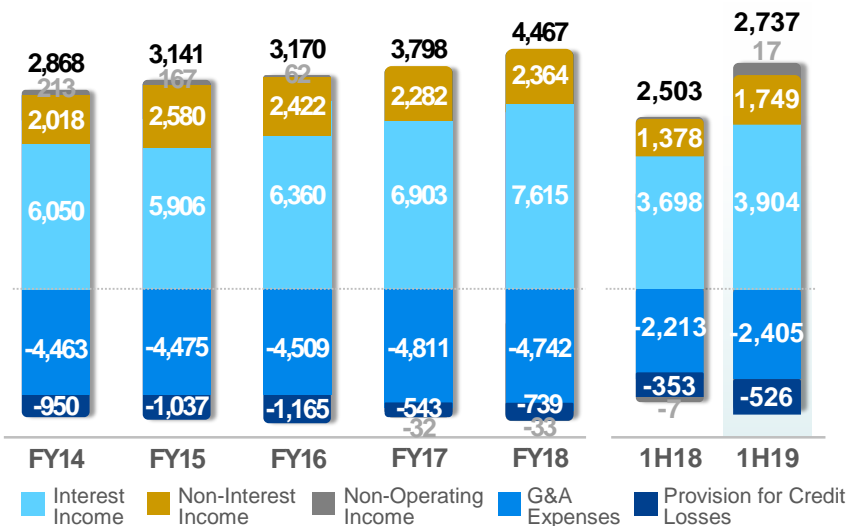
1. SFG Income
2. SFG Non-Interest Income
3. SFG G&A Expenses
4. SFG Income by Subsidiaries
5. Major Subsidiaries Income



SFG Interest Income & NIM (Quarterly) (% , KRW bil.)



SFG Earnings before Income Tax (KRW bil.)



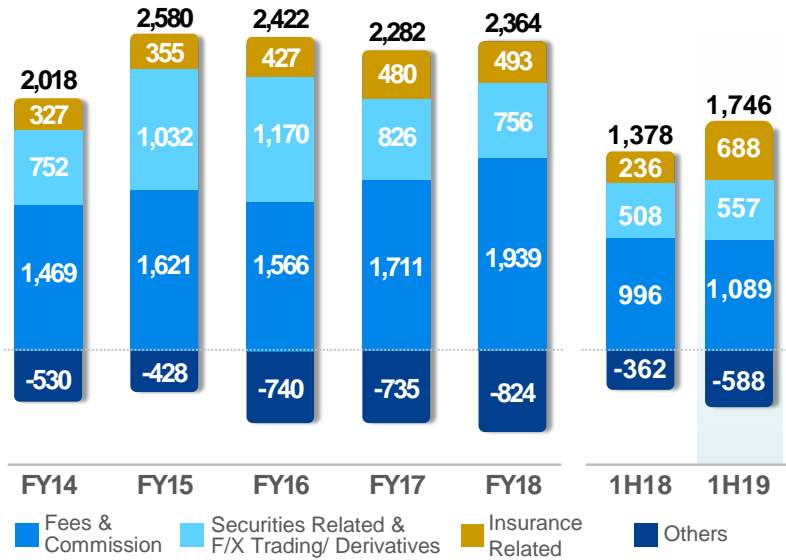
| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|---------------------------------------|----------------|---------|------|---------|---------|-------|
| Operating Income (a=b+c) | 5,650.0 | 5,076.4 | 11.3 | 2,920.5 | 2,729.5 | 7.0 |
| Interest Income (b) | 3,904.1 | 3,698.2 | 5.6 | 1,996.3 | 1,907.9 | 4.6 |
| Non-Interest Income (c) | 1,745.9 | 1,378.2 | 26.7 | 924.2 | 821.7 | 12.5 |
| G&A Expenses (d) | 2,404.7 | 2,213.4 | 8.6 | 1,236.3 | 1,168.4 | 5.8 |
| Pre-Provision Oper. Income (e=a-d) | 3,245.3 | 2,863.0 | 13.4 | 1,684.1 | 1,561.2 | 7.9 |
| Non-Operating Income (f) | 17.0 | -7.1 | n.a. | 4.8 | 12.2 | -61.0 |
| Pre-Provision Income (g=e+f) | 3,262.3 | 2,855.9 | 14.2 | 1,688.9 | 1,573.4 | 7.3 |
| Provision for Credit Losses (h) | 525.7 | 353.1 | 48.9 | 274.9 | 250.8 | 9.6 |
| Earnings before Income Tax (i=g-h) | 2,736.6 | 2,502.8 | 9.3 | 1,414.0 | 1,322.5 | 6.9 |
| Income Tax | 700.2 | 685.7 | 2.1 | 343.5 | 356.7 | -3.7 |
| Consolidated Net Income ¹⁾ | 1,914.4 | 1,795.6 | 6.6 | 996.1 | 918.4 | 8.5 |

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

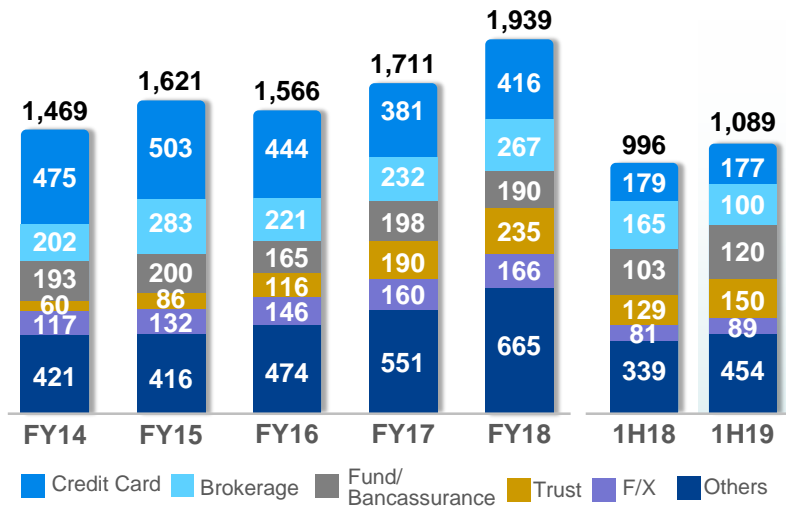
(KRW bil.)



| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|---|----------------|---------|-------|--------|--------|-------|
| Non-Interest Income | 1,745.9 | 1,378.2 | 26.7 | 924.2 | 821.7 | 12.5 |
| Fees & Commission | 1,089.1 | 995.9 | 9.4 | 609.3 | 479.9 | 27.0 |
| Securities Related & FX Trading/ Derivatives | 556.7 | 508.0 | 9.6 | 205.8 | 350.9 | -41.4 |
| (Gains on FVPL Financial Instruments) | -179.1 | 354.6 | n.a. | 69.1 | -248.3 | n.a. |
| (Gains on Derivatives & FX) | 640.1 | 75.0 | 754.0 | 122.2 | 517.9 | -76.4 |
| Insurance Related | 687.7 | 236.2 | 191.2 | 370.1 | 317.7 | 16.5 |
| Others | -587.7 | -361.8 | n.a. | -260.9 | -326.8 | n.a. |
| (Contribution Expenses) | -151.3 | -136.8 | n.a. | -73.1 | -78.2 | n.a. |
| (Insurance Fees on Deposits) | -187.1 | -175.4 | n.a. | -92.0 | -95.1 | n.a. |

SFG Fees & Commission

(KRW bil.)

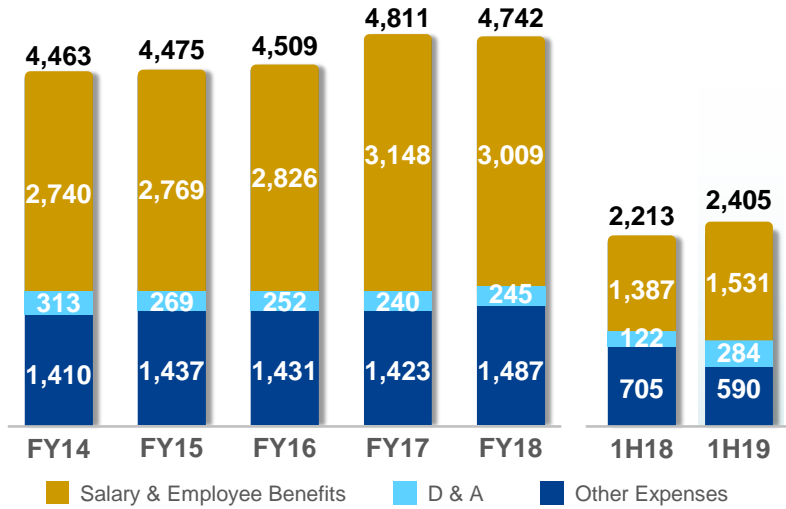


| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|------------------------------------|----------------|-------|-------|-------|-------|-------|
| Fees & Commission | 1,089.1 | 995.9 | 9.4 | 609.3 | 479.9 | 27.0 |
| Credit Card Fee Income | 177.1 | 179.4 | -1.3 | 90.5 | 86.7 | 4.4 |
| Brokerage Commissions | 99.7 | 164.6 | -39.4 | 50.2 | 49.5 | 1.5 |
| Fund/Bancassurance Fees | 119.6 | 102.9 | 16.2 | 73.7 | 45.9 | 60.5 |
| Trust Fee Income | 150.4 | 128.6 | 16.9 | 86.6 | 63.8 | 35.9 |
| FX Fee Income | 88.7 | 81.0 | 9.6 | 53.0 | 35.8 | 48.0 |
| Electronic Transaction Fees | 74.5 | 72.7 | 2.6 | 38.0 | 36.5 | 4.0 |
| IB Related Fees | 85.6 | 34.2 | 150.6 | 62.9 | 22.8 | 175.8 |
| Lease Financing Fees | 63.1 | 31.5 | 100.3 | 32.8 | 30.3 | 8.4 |
| Others | 230.2 | 201.0 | 14.6 | 121.6 | 108.6 | 11.9 |

SFG G&A Expenses

SFG G&A Expenses

(KRW bil.)

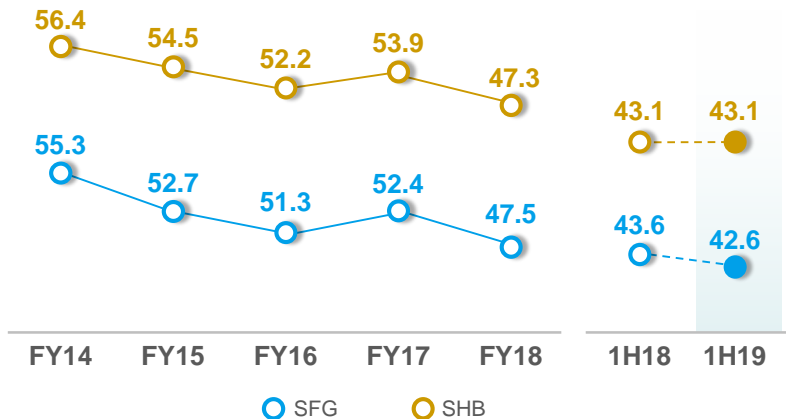


SFG G&A Expenses

| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|-------------------------------------|----------------|---------|-------|---------|---------|-------|
| G&A Expenses | 2,404.7 | 2,213.4 | 8.6 | 1,236.3 | 1,168.4 | 5.8 |
| Salary & Employee Benefits | 1,531.1 | 1,387.2 | 10.4 | 772.5 | 758.6 | 1.8 |
| (Early Retirement Program Expenses) | 0.6 | 1.3 | -56.3 | 0.0 | 0.6 | -99.8 |
| D & A | 283.6 | 121.7 | 133.0 | 144.1 | 139.6 | 3.2 |
| Other Expenses | 590.0 | 704.5 | -16.3 | 319.8 | 270.2 | 18.4 |
| (Advertising Expenses) | 91.8 | 122.0 | -24.8 | 55.1 | 36.6 | 50.5 |
| (Taxes and Dues) | 110.4 | 94.9 | 16.4 | 67.7 | 42.7 | 58.4 |

Cost-Income Ratio¹⁾

(%)



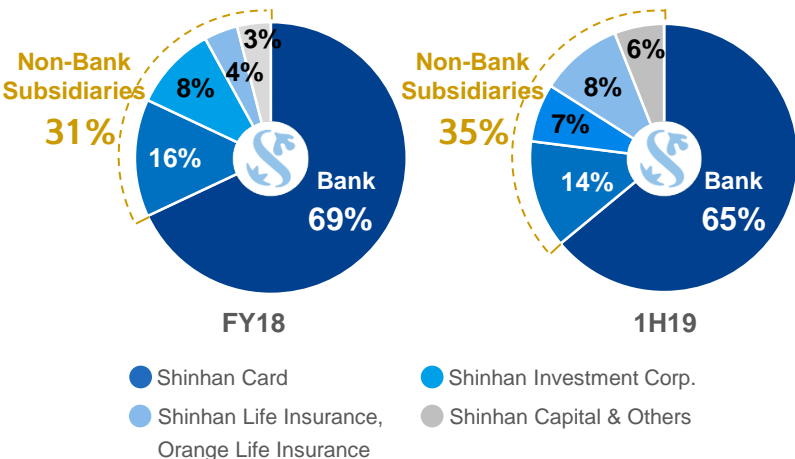
SHB G&A Expenses

| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|-------------------------------------|----------------|---------|-------|-------|-------|-------|
| G&A Expenses | 1,455.4 | 1,395.2 | 4.3 | 750.5 | 704.9 | 6.5 |
| Salary & Employee Benefits | 886.2 | 839.4 | 5.6 | 447.0 | 439.1 | 1.8 |
| (Early Retirement Program Expenses) | 0.6 | 0.2 | 148.5 | 0.0 | 0.6 | -99.8 |
| D & A | 196.3 | 81.0 | 142.5 | 97.7 | 98.5 | -0.8 |
| Other Expenses | 372.9 | 474.8 | -21.5 | 205.7 | 167.3 | 23.0 |
| (Advertising Expenses) | 24.1 | 30.3 | -20.5 | 15.1 | 9.0 | 67.2 |
| (Taxes and Dues) | 57.9 | 46.2 | 25.2 | 38.5 | 19.4 | 98.4 |

Note 1) Cumulative Basis

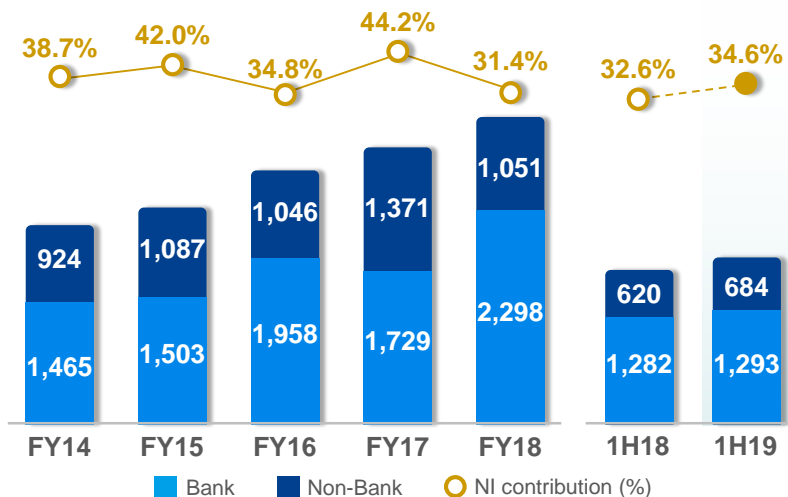
SFG Income by Subsidiaries ①

Net Income Contribution by Subsidiaries¹⁾



Note 1) After reflecting ownership by SFG

Net Income Contribution by Non-Bank Subsidiaries¹⁾ (KRW bil.)



Note 1) After reflecting ownership by SFG

| (KRW bil.) | Net Income [A] | Ownership [B] | Net Income (A x Ownership) [C=AxB] | Adjustment [D] | Net Income (Consolidated) [E=C+D] |
|-------------------------------------|-------------------|------------------|--|---------------------------|---|
| Bank (a) | 1,295.9 | | 1,292.4 | -37.0 | 1,255.4 |
| Shinhan Bank | 1,281.8 | 100.0% | 1,281.8 | -35.5 | 1,246.4 |
| Jeju Bank | 14.1 | 75.3% | 10.6 | -1.6 | 9.0 |
| Non-Bank (b) | 749.6 | | 684.1 | 37.5 | 721.6 |
| Shinhan Card | 271.3 | 100.0% | 271.3 | 4.0 | 275.3 |
| Shinhan Investment Corp. | 142.8 | 100.0% | 142.8 | 1.9 | 144.7 |
| Shinhan Life Insurance | 78.0 | 100.0% | 78.0 | 20.9 | 98.9 |
| Orange Life Insurance | 147.2 | 59.2% | 87.3 | 12.3 | 99.6 |
| Shinhan BNPP AM | 11.5 | 65.0% | 7.5 | -0.1 | 7.4 |
| Shinhan Capital | 70.8 | 100.0% | 70.8 | 4.7 | 75.5 |
| Shinhan Savings Bank | 11.2 | 100.0% | 11.2 | 1.0 | 12.2 |
| Asia Trust | 3.7 | 60.0% | 2.2 | -2.3 | -0.0 |
| Shinhan DS | 1.2 | 100.0% | 1.2 | -5.5 | -4.4 |
| Shinhan AITAS | 5.3 | 99.8% | 5.3 | 0.4 | 5.7 |
| Shinhan Credit Information | 0.6 | 100.0% | 0.6 | -0.0 | 0.5 |
| Shinhan Alternative Investment | 2.1 | 100.0% | 2.1 | 0.1 | 2.2 |
| Shinhan REITs Management | 4.0 | 100.0% | 4.0 | 0.0 | 4.0 |
| SFG (c) | | | | -62.6²⁾ | -62.6 |
| Total (d=a+b+c)¹⁾ | 2,045.5 | | 1,976.6 | -62.2 | 1,914.4 |

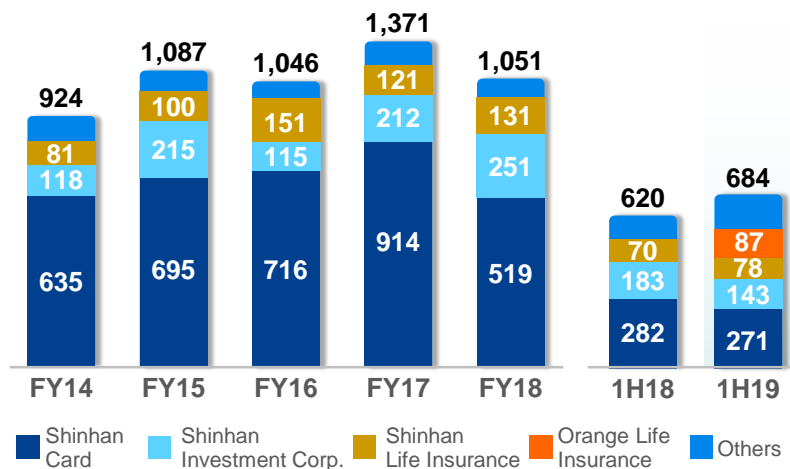
Note 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 24.9bil, Net Interest Expense KRW -69.1bil., G&A etc. KRW -34.6bil.

SFG Income by Subsidiaries ②

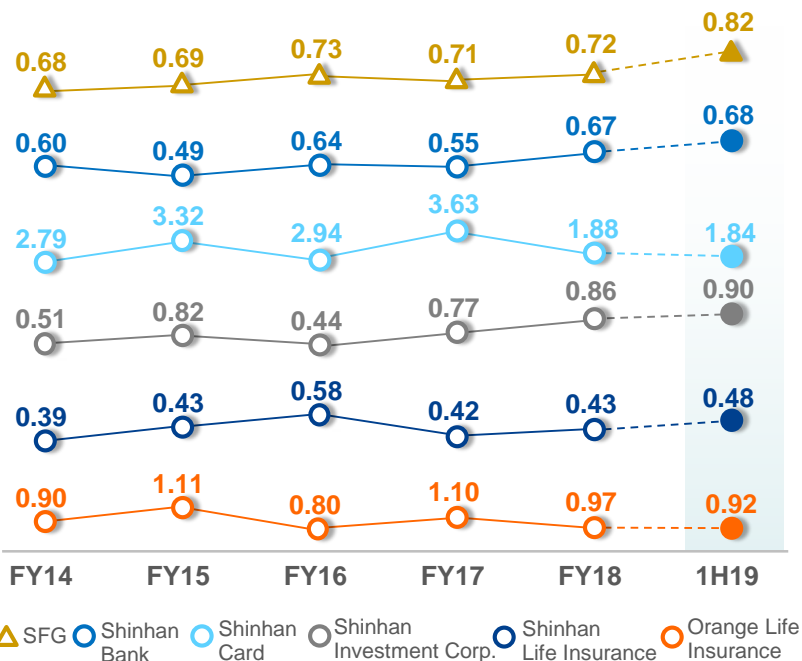
Non-Bank Net Income

(KRW bil.)



ROA

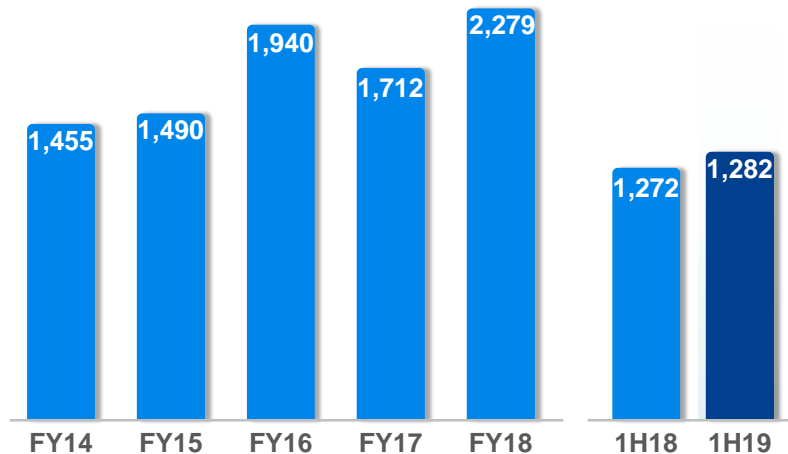
(%)



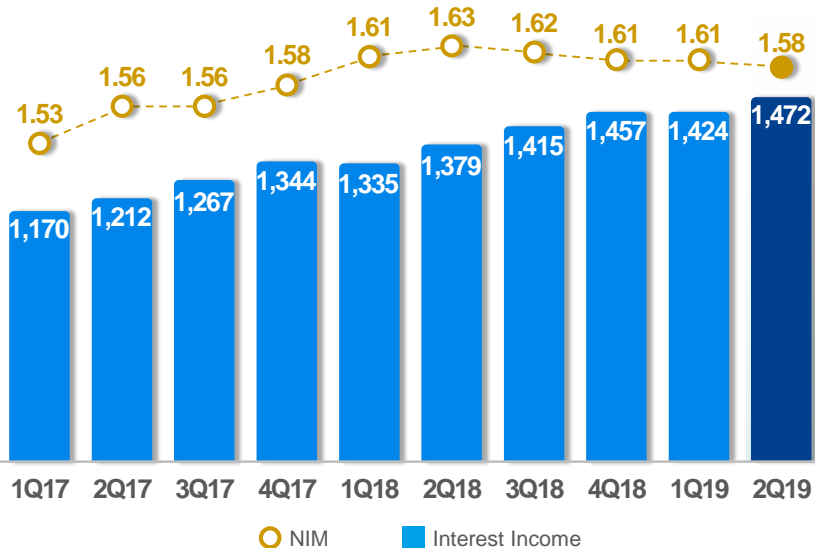
| (Reflecting SFG Ownership, KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|---|----------------|---------|---------|---------|-------|-------|
| Bank (a) | 1,293.2 | 1,281.9 | 0.9 | 670.1 | 623.1 | 7.5 |
| Shinhan Bank | 1,281.8 | 1,271.8 | 0.8 | 663.7 | 618.1 | 7.4 |
| Jeju Bank | 10.6 | 10.1 | 4.6 | 5.6 | 5.0 | 12.0 |
| Non-Bank (b) | 683.9 | 619.8 | 10.3 | 330.8 | 353.1 | -6.3 |
| Shinhan Card | 271.3 | 281.9 | -3.8 | 149.1 | 122.2 | 22.0 |
| Shinhan Investment Corp. | 142.8 | 182.7 | -21.9 | 72.0 | 70.8 | 1.6 |
| Shinhan Life Insurance | 78.0 | 70.0 | 11.4 | 24.1 | 53.9 | -55.2 |
| Orange Life Insurance | 87.3 | - | n.a. | 39.7 | 47.6 | -16.5 |
| Shinhan BNPP AM | 7.5 | 6.6 | 13.6 | 4.0 | 3.5 | 12.9 |
| Shinhan Capital | 70.8 | 63.8 | 11.0 | 25.2 | 45.6 | -44.6 |
| Shinhan Savings Bank | 11.2 | 8.1 | 39.0 | 5.7 | 5.5 | 4.8 |
| Asia Trust | 2.2 | - | n.a. | - | - | n.a. |
| Shinhan DS | 1.2 | 0.2 | 522.2 | 0.4 | 0.7 | -45.6 |
| Shinhan AITAS | 5.3 | 3.7 | 45.0 | 2.8 | 2.6 | 7.7 |
| Shinhan Credit Information | 0.6 | 1.4 | -60.8 | 0.4 | 0.1 | 308.6 |
| Shinhan Alternative Investment | 2.1 | 1.1 | 83.1 | 2.7 | -0.6 | n.a. |
| Shinhan REITs Management | 4.0 | 0.2 | 1,557.5 | 2.7 | 1.3 | 102.9 |
| Total (a+b) | 1,977.1 | 1,901.7 | 4.0 | 1,000.9 | 976.2 | 2.5 |
| Consolidated Net Income¹⁾ | 1,914.4 | 1,795.6 | 6.6 | 996.1 | 918.4 | 8.5 |

Note 1) Net Income in Controlling Interest

Net Income (KRW bil.)



Interest Income/NIM(Quarterly) (% , KRW bil.)



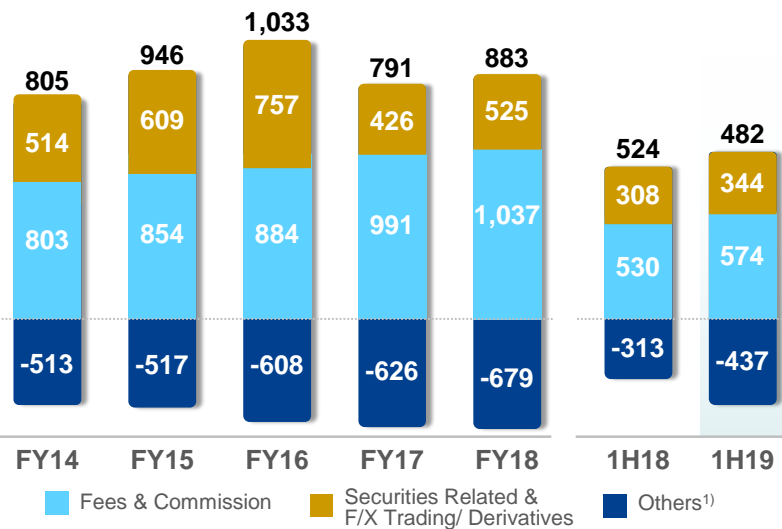
| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|------------------------------------|----------------|---------|------|---------|---------|-------|
| Operating Income (a=b+c) | 3,377.2 | 3,238.1 | 4.3 | 1,732.9 | 1,644.3 | 5.4 |
| Interest Income (b) | 2,895.5 | 2,713.7 | 6.7 | 1,471.9 | 1,423.7 | 3.4 |
| Non-Interest Income (c) | 481.7 | 524.4 | -8.1 | 261.0 | 220.7 | 18.3 |
| G&A Expenses (d) | 1,455.4 | 1,395.2 | 4.3 | 750.5 | 704.9 | 6.5 |
| Pre-Provision Oper.Income (e=a-d) | 1,921.9 | 1,843.0 | 4.3 | 982.4 | 939.4 | 4.6 |
| Non-Operating Income (f) | 4.1 | -2.2 | n.a. | 8.8 | -4.7 | n.a. |
| Pre-Provision Income (g=e+f) | 1,926.0 | 1,840.7 | 4.6 | 991.2 | 934.7 | 6.0 |
| Provision for Credit Losses (h) | 237.5 | 121.7 | 95.2 | 150.6 | 86.9 | 73.2 |
| Earnings before Income Tax (i=g-h) | 1,688.4 | 1,719.0 | -1.8 | 840.6 | 847.8 | -0.8 |
| Income Tax | 406.4 | 447.1 | -9.1 | 176.8 | 229.6 | -23.0 |
| Net Income ¹⁾ | 1,281.8 | 1,271.8 | 0.8 | 663.7 | 618.1 | 7.4 |

Note 1) Net Income in Controlling Interest

| (%) | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 | 2Q19 |
|---------------------------|------|------|------|------|------|------|------|------|------|-------------|
| NIS (a-b) (quarterly) | 1.75 | 1.81 | 1.82 | 1.84 | 1.87 | 1.89 | 1.89 | 1.86 | 1.86 | 1.86 |
| Loan interest rate (a) | 3.00 | 3.03 | 3.04 | 3.10 | 3.19 | 3.27 | 3.32 | 3.35 | 3.38 | 3.37 |
| Deposit interest rate (b) | 1.26 | 1.22 | 1.22 | 1.26 | 1.32 | 1.38 | 1.43 | 1.49 | 1.52 | 1.51 |
| NIM (quarterly) | 1.53 | 1.56 | 1.56 | 1.58 | 1.61 | 1.63 | 1.62 | 1.61 | 1.61 | 1.58 |
| NIM (cumulative figures) | 1.53 | 1.55 | 1.55 | 1.56 | 1.61 | 1.62 | 1.62 | 1.62 | 1.61 | 1.59 |

Non-Interest Income

(KRW bil.)

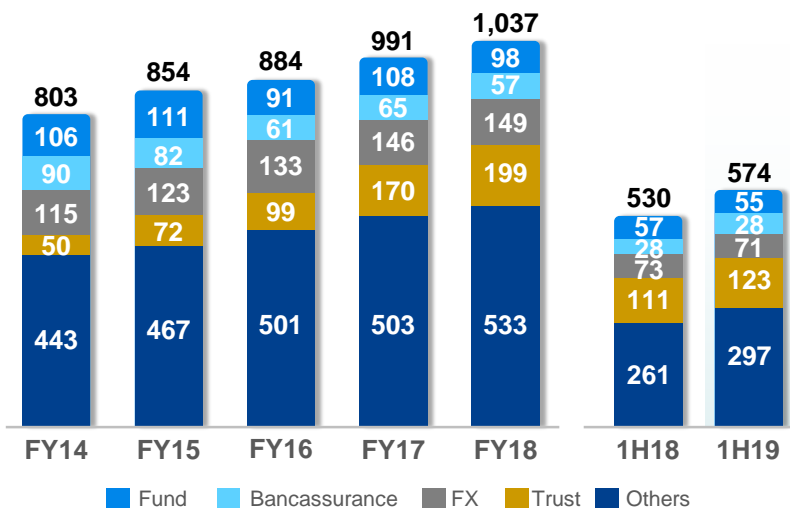


Note 1) Including Deposit Insurance Premium, Contribution Expenses etc.

| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|--|---------------|--------|-------|--------|--------|-------|
| Non-Interest Income | 481.7 | 524.4 | -8.1 | 261.0 | 220.7 | 18.3 |
| Fees & Commission | 574.4 | 529.5 | 8.5 | 323.0 | 251.4 | 28.5 |
| Securities Related & FX Trading/Derivatives | 344.1 | 307.8 | 11.8 | 163.7 | 180.4 | -9.2 |
| (Gains on FVPL Financial Instruments) | 89.6 | 124.4 | -27.9 | 8.4 | 81.2 | -89.7 |
| (Gains on Derivatives & FX) | 211.8 | 158.8 | 33.4 | 129.5 | 82.3 | 57.2 |
| Others | -436.8 | -312.9 | n.a. | -225.7 | -211.1 | n.a. |
| (Contribution Expenses) | -147.3 | -133.0 | n.a. | -71.0 | -76.2 | n.a. |
| (Insurance Fees on Deposits) | -149.7 | -151.6 | n.a. | -72.4 | -77.2 | n.a. |

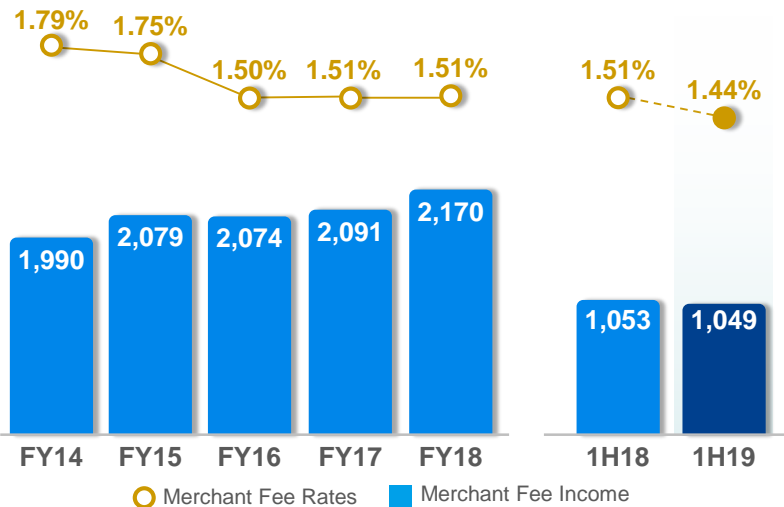
Fees & Commission

(KRW bil.)

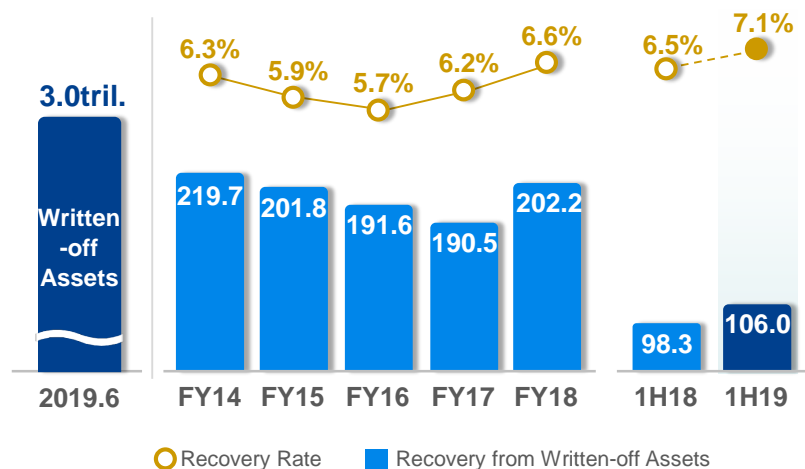


| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|------------------------------------|--------------|-------|-------|-------|-------|-------|
| Fees & Commission | 574.4 | 529.5 | 8.5 | 323.0 | 251.4 | 28.5 |
| Fund Fee Income | 55.0 | 57.2 | -3.8 | 32.2 | 22.8 | 41.3 |
| Bancassurance Fee Income | 28.2 | 28.0 | 0.9 | 14.7 | 13.5 | 8.9 |
| FX Fee Income | 71.1 | 72.5 | -2.0 | 39.3 | 31.8 | 23.8 |
| Trust Fee Income | 123.0 | 111.2 | 10.6 | 65.9 | 57.1 | 15.4 |
| Electronic Transaction Fees | 74.3 | 72.1 | 3.1 | 37.9 | 36.4 | 4.0 |
| IB Related Fees | 73.1 | 26.6 | 174.5 | 56.6 | 16.4 | 245.2 |
| Others | 149.7 | 161.9 | -7.5 | 76.3 | 73.4 | 4.1 |

Merchant Fee Income and Rates (KRW bil.)



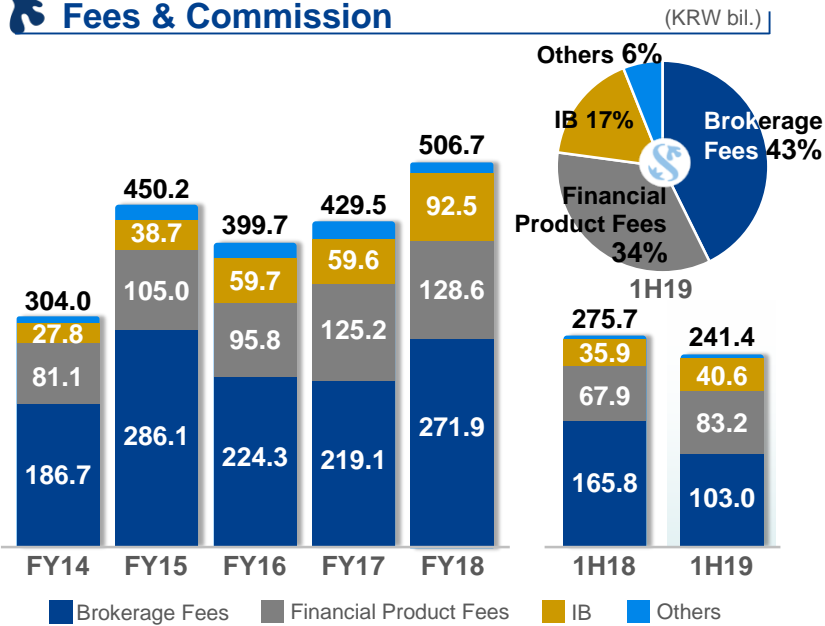
Recovery from Written-off Assets (KRW bil.)



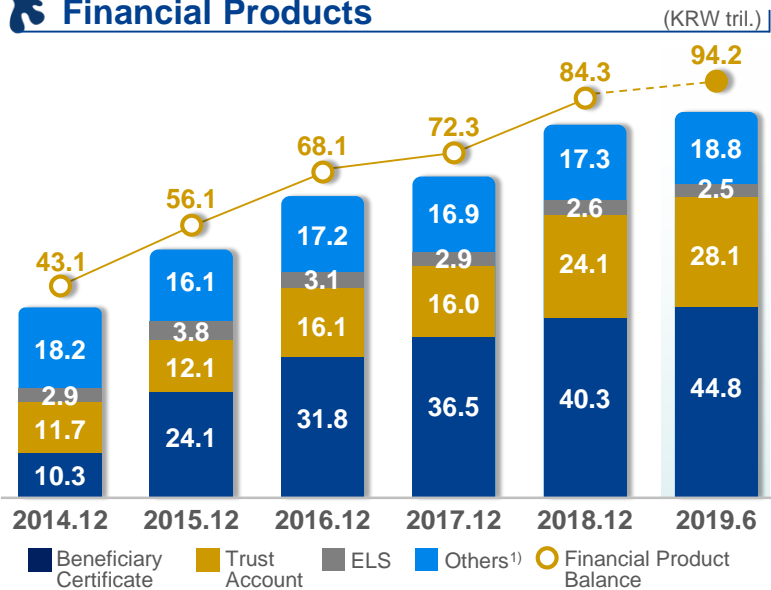
| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|---|----------------|---------|-------|---------|-------|-------|
| Operating Revenue (a) | 1,964.0 | 1,913.0 | 2.7 | 1,001.3 | 962.7 | 4.0 |
| Card Business | 1,470.2 | 1,454.8 | 1.1 | 748.0 | 722.1 | 3.6 |
| Installment Finance | 63.4 | 52.7 | 20.4 | 33.0 | 30.4 | 8.4 |
| Lease | 86.5 | 53.0 | 63.4 | 44.3 | 42.3 | 4.7 |
| Others | 343.9 | 352.6 | -2.5 | 176.0 | 167.9 | 4.9 |
| (Derivatives & FX) | 117.9 | 126.9 | -7.1 | 61.8 | 56.1 | 10.1 |
| Interest Expense (b) | 247.3 | 201.6 | 22.7 | 125.7 | 121.7 | 3.3 |
| G&A Expenses (c) | 315.4 | 335.7 | -6.0 | 158.7 | 156.8 | 1.2 |
| Commissions & Other Expenses (d) | 751.0 | 779.5 | -3.7 | 387.4 | 363.6 | 6.6 |
| (Derivatives & FX) | 100.9 | 109.0 | -7.5 | 51.4 | 49.5 | 3.9 |
| Pre-Provision Income (e=a-b-c-d) | 650.2 | 596.1 | 9.1 | 329.5 | 320.7 | 2.7 |
| Provision for Credit Losses (f) | 290.7 | 211.7 | 37.3 | 133.2 | 157.4 | -15.4 |
| Earnings before Income Tax (g=e-f) | 359.6 | 384.4 | -6.5 | 196.3 | 163.3 | 20.2 |
| Income Tax | 89.1 | 103.6 | -14.0 | 47.3 | 41.8 | 13.3 |
| Net Income¹⁾ | 271.3 | 281.9 | -3.8 | 149.1 | 122.2 | 22.0 |

Note 1) Net Income in Controlling Interest

Fees & Commission



Financial Products



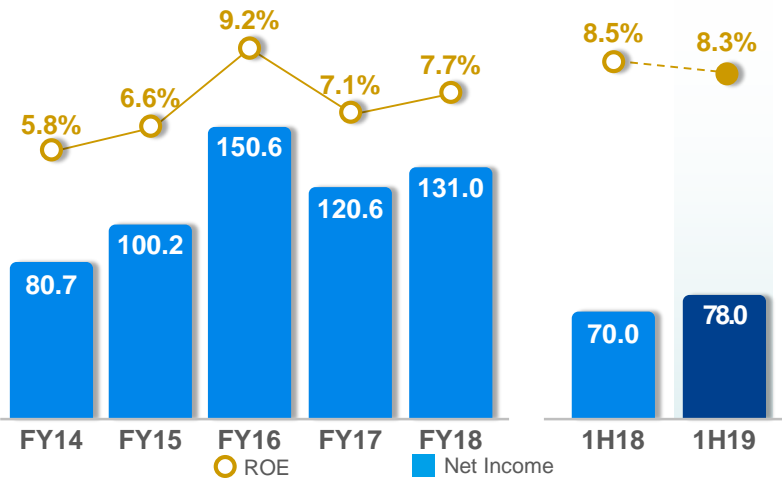
Condensed I/S & Key Financial Indices

| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q19 | QoQ% |
|-----------------------------|-------|-------|--------|-------|-------|-------|
| Operating Revenue | 473.1 | 548.9 | -13.8 | 248.5 | 224.6 | 10.6 |
| Fees & Commission | 241.4 | 275.7 | -12.5 | 139.6 | 101.8 | 37.1 |
| Proprietary Trading | 154.5 | 210.1 | -26.5 | 66.8 | 87.6 | -23.7 |
| Others | 77.2 | 63.0 | 22.6 | 42.1 | 35.1 | 19.8 |
| Operating Expense | 307.2 | 310.4 | -1.0 | 153.4 | 153.9 | -0.3 |
| G&A Expenses | 255.8 | 256.0 | -0.1 | 130.3 | 125.5 | 3.8 |
| Commission Expense | 57.9 | 51.7 | 11.9 | 31.0 | 27.0 | 14.8 |
| Provision for Credit Losses | -6.5 | 2.6 | n.a. | -7.9 | 1.4 | n.a. |
| Operating Income | 165.8 | 238.5 | -30.5 | 95.1 | 70.7 | 34.5 |
| Net Income | 142.8 | 182.7 | -21.9 | 71.9 | 70.8 | 1.6 |
| Net Capital Ratio(%) | 897% | 735% | 162%p | 897% | 949% | -52%p |
| ROE | 8.3% | 11.3% | -2.9%p | 8.3% | 8.3% | - |
| ROA | 0.9% | 1.3% | -0.4%p | 0.9% | 0.9% | - |

Note) ROE, ROA are calculated on a cumulative basis

Key Financial Indices

(KRW bil.)



Key Financial Indices

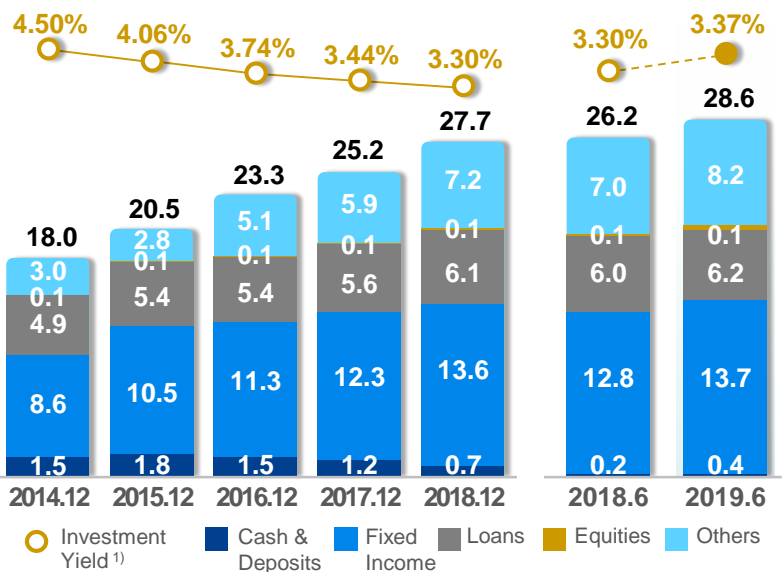
| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q18 | QoQ% |
|-------------------------------|---------|---------|--------|---------|---------|--------|
| Prem. Received | 2,182.8 | 2,329.0 | -6.3 | 1,078.8 | 1,104.0 | -2.3 |
| Annual Prem. Equivalent (APE) | 192.0 | 237.8 | -19.3 | 99.7 | 92.3 | 8.1 |
| Protection APE | 184.4 | 221.7 | -16.8 | 96.5 | 87.9 | 9.7 |
| Net Income | 78.0 | 70.0 | 11.4 | 24.1 | 53.9 | -55.2 |
| ROE | 8.3% | 8.6% | -0.2%p | 8.3% | 11.9% | -3.6%p |
| ROA | 0.5% | 0.5% | 0.0%p | 0.5% | 0.7% | -0.2%p |
| RBC | 243.0% | 199.6% | 43.4%p | 243.0% | 244.0% | -1.1%p |

Note1) Excluding Retirement Pension

2) ROE, ROA are calculated on a cumulative basis.

Operating Assets

(KRW tril.)



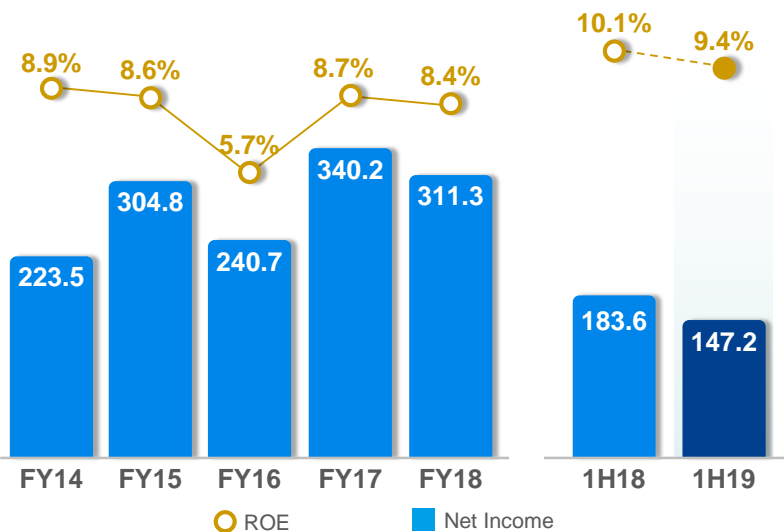
Operating Assets

| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|------------------|----------|----------|--------|----------|--------|
| Operating Assets | 28,571.8 | 27,705.7 | 3.1 | 28,023.1 | 2.0 |
| Cash & Deposits | 411.4 | 619.7 | -33.6 | 228.7 | 79.9 |
| Fixed Income | 13,652.9 | 13,636.9 | 0.1 | 13,585.6 | 0.5 |
| Loans | 6,161.2 | 6,136.6 | 0.4 | 6,140.3 | 0.3 |
| Equities | 111.0 | 132.0 | -15.9 | 104.7 | 6.0 |
| Others | 8,235.3 | 7,180.5 | 14.7 | 7,963.8 | 3.4 |
| Investment yield | 3.37% | 3.30% | 0.07%p | 3.36% | 0.01%p |

Note 1) Investment Yield: Total return, 12-month rolling basis, under IFRS9

Key Financial Indices

(KRW bil.)



Key Financial Indices

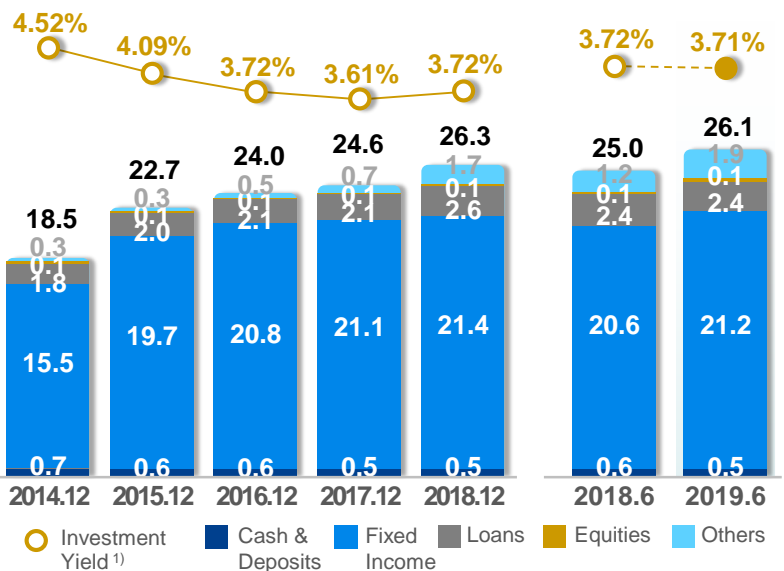
| (KRW bil.) | 1H19 | 1H18 | YoY% | 2Q19 | 1Q18 | QoQ% |
|-------------------------------|---------|---------|--------|---------|---------|--------|
| Prem. Received | 2,142.6 | 2,089.6 | 2.5 | 1,053.9 | 1,088.7 | -3.2 |
| Annual Prem. Equivalent (APE) | 348.5 | 286.8 | 21.5 | 166.6 | 181.9 | -8.4 |
| Protection APE | 193.2 | 167.2 | 15.5 | 91.7 | 101.5 | -9.7 |
| Net Income | 147.2 | 183.6 | -19.9 | 66.8 | 80.4 | -17.0 |
| ROE | 9.4% | 10.1% | -0.7%p | 9.4% | 10.7% | -1.2%p |
| ROA | 0.9% | 1.2% | -0.3%p | 0.9% | 1.0% | -0.1%p |
| RBC | 435.1% | 437.9% | -2.8%p | 435.1% | 431.1% | 4.0%p |

Note1) Excluding Retirement Pension

2) ROE, ROA are calculated on a cumulative basis.

Operating Assets

(KRW tril.)



Operating Assets

| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|------------------|----------|----------|---------|----------|---------|
| Operating Assets | 26,078.1 | 26,319.3 | -0.9 | 24,964.8 | 4.5 |
| Cash & Deposits | 493.6 | 539.3 | -8.5 | 580.1 | -14.9 |
| Fixed Income | 21,187.0 | 21,401.5 | -1.0 | 20,624.5 | 2.7 |
| Loans | 2,389.9 | 2,588.6 | -7.7 | 2,415.7 | -1.1 |
| Equities | 131.7 | 135.1 | -2.5 | 112.3 | 17.3 |
| Others | 1,875.9 | 1,654.9 | 13.4 | 1,232.2 | 52.2 |
| Investment yield | 3.71% | 3.72% | -0.02%p | 3.72% | -0.01%p |

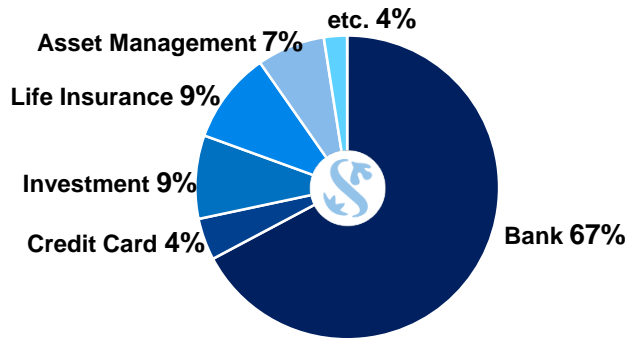
Note 1) Investment Yield: Total return, 12-month rolling basis, under IFRS9 (Pre-acquisition Orange Life figures are under IAS39)

Ⅲ. Assets & Liabilities

- 1. SFG Asset Growth**
- 2. SHB Loan / Deposit Growth**
- 3. Shinhan Card Asset Growth**

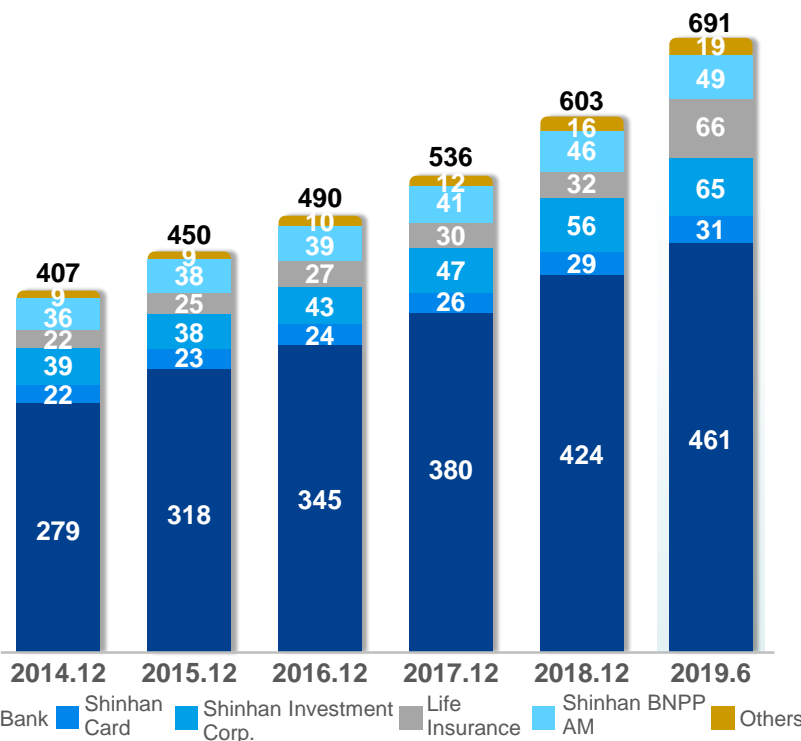


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)

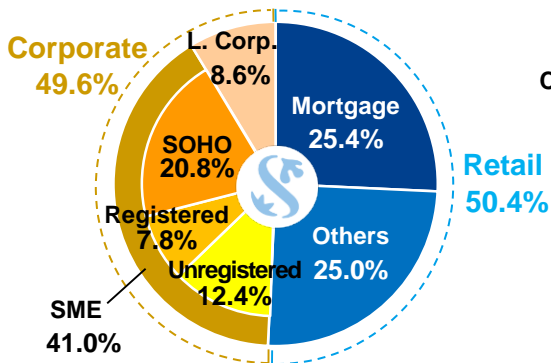


| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|--------------------------------|------------------|-----------|-------|-----------|------|
| Bank (a) | 461,390.4 | 423,928.2 | 8.8 | 445,893.7 | 3.5 |
| Shinhan Bank | 455,413.4 | 417,947.3 | 9.0 | 439,944.6 | 3.5 |
| Jeju Bank | 5,977.0 | 5,980.9 | -0.1 | 5,949.0 | 0.5 |
| Non-Bank (b) | 224,772.1 | 175,787.8 | 27.9 | 213,749.0 | 5.2 |
| Shinhan Card | 30,581.2 | 29,429.5 | 3.9 | 29,455.8 | 3.8 |
| Shinhan Investment Corp. | 64,822.1 | 55,703.6 | 16.4 | 58,984.3 | 9.9 |
| Shinhan Life Insurance | 32,898.3 | 31,823.6 | 3.4 | 32,389.8 | 1.6 |
| Orange Life | 32,659.3 | - | - | 32,287.2 | 1.2 |
| Shinhan BNPP AM | 49,116.8 | 46,165.7 | 6.4 | 47,944.6 | 2.4 |
| Shinhan Capital | 6,802.3 | 6,116.6 | 11.2 | 6,292.8 | 8.1 |
| Shinhan Savings Bank | 1,494.7 | 1,454.3 | 2.8 | 1,427.7 | 4.7 |
| Asia Trust | 151.3 | - | - | - | - |
| Shinhan DS | 90.7 | 43.1 | 110.4 | 83.5 | 8.6 |
| Shinhan AITAS | 68.7 | 65.7 | 4.6 | 66.9 | 2.8 |
| Shinhan Credit Information | 23.9 | 24.4 | -2.1 | 23.9 | -0.3 |
| Shinhan Alternative Investment | 2,400.6 | 1,211.6 | 98.1 | 1,538.8 | 56.0 |
| Shinhan REITs Management | 988.0 | 801.3 | 23.3 | 857.8 | 15.2 |
| Others | 2,671.6 | 2,948.6 | -9.4 | 2,393.2 | 11.6 |
| Total ¹⁾ | 690,539.3 | 603,453.5 | 14.4 | 663,363.1 | 4.1 |
| Consolidated Total Assets | 530,148.8 | 459,600.5 | 15.3 | 513,865.3 | 3.2 |

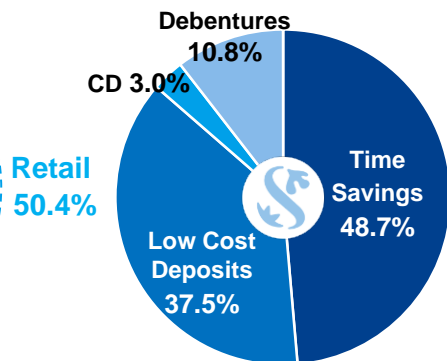
Note 1) Trust A/C of Shinhan Bank, Shinhan Investment Corp. and AUM(including ordinary discretionary assets) of Shinhan BNPP AM, Shinhan Alternative Investment, Shinhan REITs are included

SHB Loan / Deposit Growth

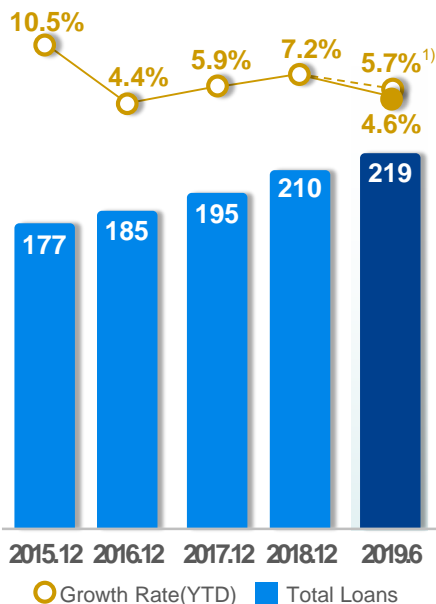
Loan Composition



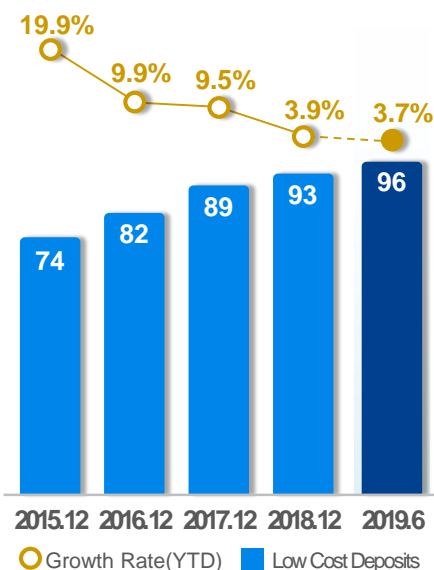
Funding Composition



KRW Loan Growth (KRW tril.)



Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|----------------------|---------|---------|------|---------|------|
| Loan in KRW | 219,230 | 209,568 | 4.6 | 215,007 | 2.0 |
| Retail | 110,529 | 106,304 | 4.0 | 108,593 | 1.8 |
| Mortgage | 55,707 | 53,935 | 3.3 | 55,028 | 1.3 |
| Others ¹⁾ | 54,822 | 52,369 | 4.7 | 53,566 | 2.4 |
| Corporate | 108,701 | 103,264 | 5.3 | 106,413 | 2.2 |
| SME | 89,856 | 84,974 | 5.7 | 87,584 | 2.7 |
| SOHO | 45,534 | 42,665 | 6.7 | 44,077 | 3.4 |
| Large Corporate etc. | 18,845 | 18,290 | 3.0 | 18,829 | 0.1 |
| Loan in FX | 9,546 | 7,807 | 22.3 | 9,105 | 5.6 |

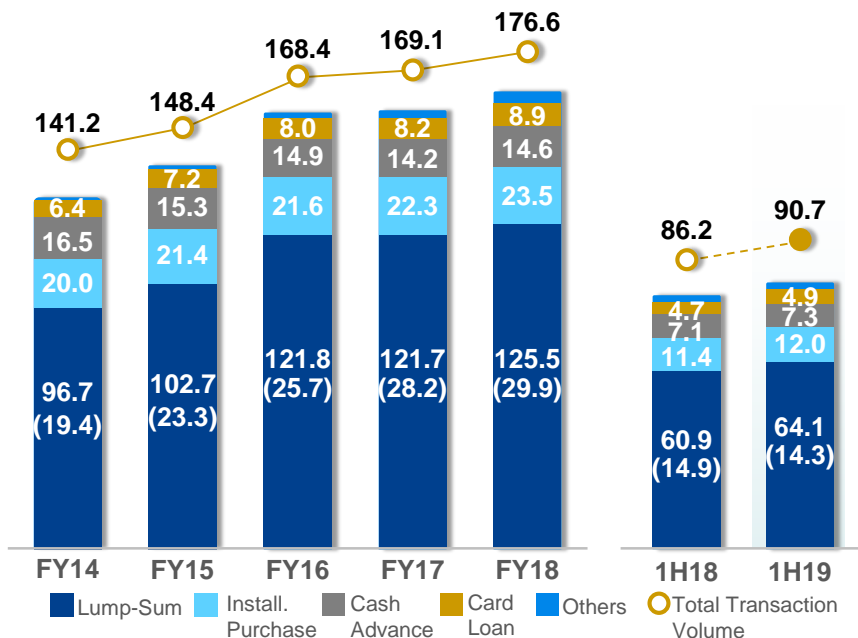
Note 1) Including Unsecured Personal Loans, Secured Loans, Jeonse Loans etc.

| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|-------------------------|---------|---------|-------|---------|------|
| Total Deposits in KRW | 221,795 | 208,349 | 6.5 | 216,748 | 2.4 |
| Low Cost Deposits | 96,398 | 92,950 | 3.7 | 94,745 | 1.8 |
| Demand | 30,246 | 28,455 | 6.3 | 29,349 | 3.2 |
| Savings | 66,152 | 64,495 | 2.6 | 65,396 | 1.2 |
| Time Savings | 125,397 | 115,399 | 8.7 | 122,002 | 2.9 |
| Time Deposits | 116,618 | 106,684 | 9.3 | 113,306 | 3.1 |
| Accumulative etc. | 8,778 | 8,715 | 0.7 | 8,697 | 0.9 |
| Certificate of Deposits | 7,708 | 8,603 | -10.4 | 7,828 | -1.4 |
| Debtentures in KRW | 27,778 | 23,814 | 16.6 | 26,310 | 6.2 |

Shinhan Card Asset Growth

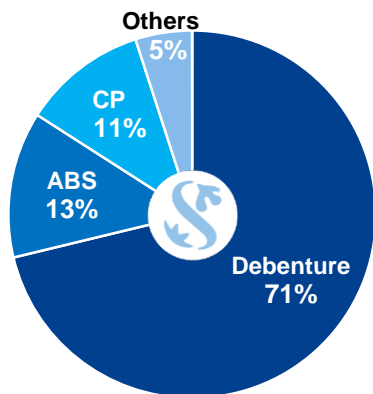
Transaction Volume

(KRW tril.)



Note) Figs. in parenthesis represent debit card transaction volume

Funding Composition



| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|---|---------------|---------|------|--------|------|
| Earning Assets | 28,662 | 27,254 | 5.2 | 27,704 | 3.5 |
| Credit Purchase | 14,114 | 14,015 | 0.7 | 13,786 | 2.4 |
| Cash Advances | 1,901 | 1,986 | -4.3 | 1,914 | -0.7 |
| Card Loan | 6,805 | 6,276 | 8.4 | 6,586 | 3.3 |
| (Re-aged Loan) | 243 | 239 | 1.8 | 243 | - |
| Installment Finance | 3,013 | 2,671 | 12.8 | 2,816 | 7.0 |
| Lease etc. | 2,828 | 2,306 | 22.6 | 2,601 | 8.7 |
| Effective Cardholders (in thousands) | 12,533 | 12,495 | 0.3 | 12,481 | 0.4 |
| Merchants (in thousands) | 2,868 | 2,810 | 2.1 | 2,835 | 1.2 |

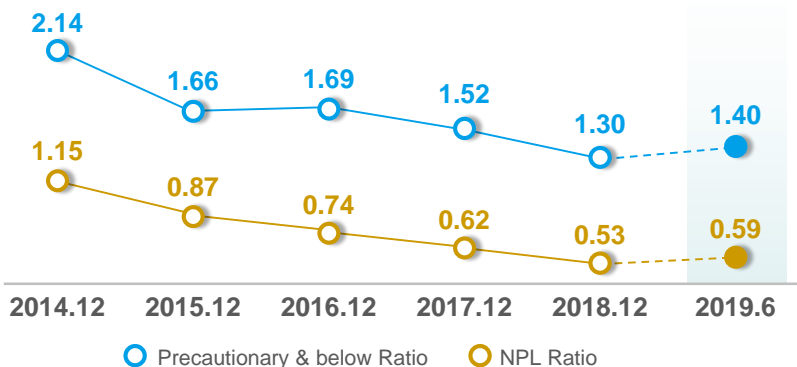
| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|----------------------|---------------|---------|------|--------|------|
| Total Funding | 20,108 | 19,033 | 5.6 | 19,175 | 4.9 |
| Debentures | 14,321 | 14,112 | 1.5 | 14,334 | -0.1 |
| ABS | 2,586 | 2,556 | 1.1 | 2,621 | -1.3 |
| CP | 2,200 | 1,665 | 32.1 | 1,520 | 44.7 |
| Others | 1,002 | 700 | 43.1 | 700 | 43.0 |

IV. Asset Quality

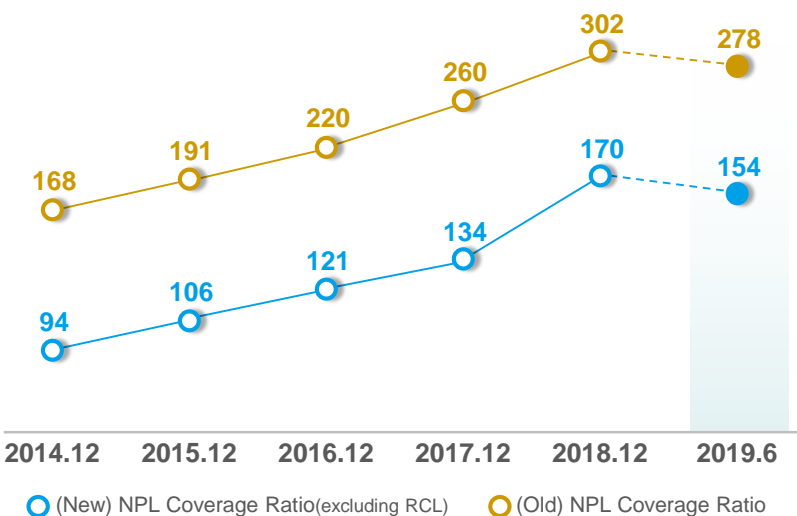
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|---|----------------|---------|--------|---------|--------|
| Total Loans¹⁾ | 302,193 | 287,918 | 5.0 | 295,961 | 2.1 |
| Normal | 297,960 | 284,181 | 4.8 | 292,025 | 2.0 |
| Precautionary | 2,461 | 2,226 | 10.6 | 2,335 | 5.4 |
| Substandard | 610 | 479 | 27.4 | 507 | 20.1 |
| Doubtful | 450 | 498 | -9.7 | 542 | -17.0 |
| Estimated Loss | 712 | 535 | 33.2 | 552 | 29.1 |
| Substandard & Below | 1,772 | 1,512 | 17.2 | 1,601 | 10.6 |
| NPL Ratio | 0.59% | 0.53% | 0.06%p | 0.54% | 0.05%p |
| Loan Loss Allowance²⁾ | 4,918 | 4,562 | 7.8 | 4,758 | 3.4 |
| Reserve for credit losses³⁾ | 2,182 | 1,987 | 9.8 | 2,135 | 2.2 |
| (New) NPL Coverage Ratio⁴⁾ | 154% | 170% | -16%p | 164% | -9%p |
| (Old) NPL Coverage Ratio | 278% | 302% | -24%p | 297% | -19%p |

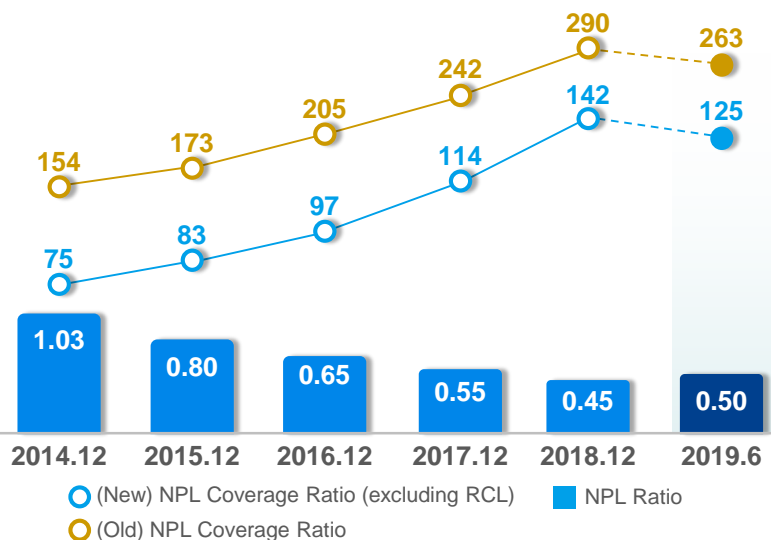
Note 1) Sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Orange Life, Shinhan Capital, Shinhan Savings Bank and Asia Trust.

2) Sum of IFRS standard LLA and reserves for credit losses

3) Excluding reserve for contingent acceptances & guarantees and unused credit lines

4) Excluding reserve for credit losses in accordance with the revision of relevant regulation (starting Dec. 2016)

NPL Coverage Ratio & NPL Ratio (%)



Delinquency Ratio (%)

Total Delinquency



SME(+SOHO)



SOHO



Retail



Note) 1 month overdue

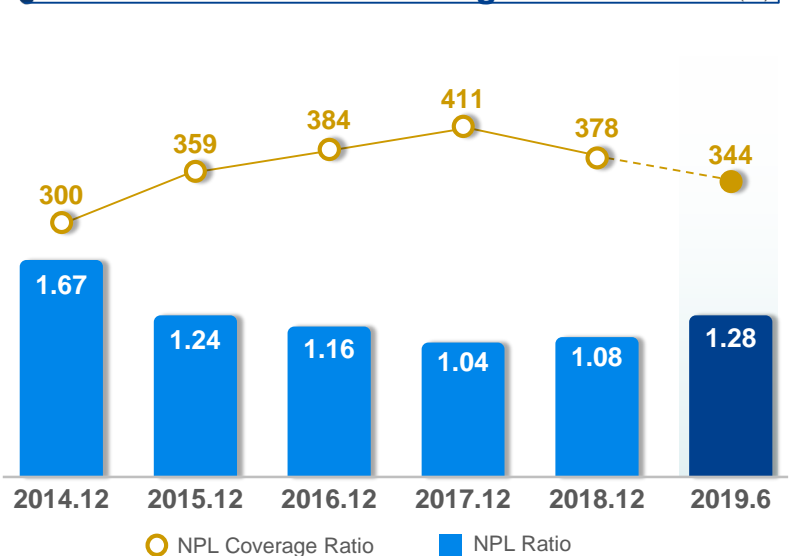
| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|---|----------------|---------|--------|---------|--------|
| Total Loans | 247,340 | 236,572 | 4.6 | 242,056 | 2.2 |
| Normal | 244,764 | 234,335 | 4.5 | 239,686 | 2.1 |
| Precautionary | 1,330 | 1,167 | 13.9 | 1,237 | 7.5 |
| Substandard | 554 | 424 | 30.8 | 457 | 21.3 |
| Doubtful | 261 | 334 | -21.7 | 349 | -25.2 |
| Estimated Loss | 431 | 313 | 37.8 | 326 | 32.1 |
| Substandard & Below | 1,246 | 1,070 | 16.5 | 1,133 | 10.1 |
| NPL Ratio | 0.50% | 0.45% | 0.05%p | 0.47% | 0.03%p |
| Loan Loss Allowance¹⁾ | 3,282 | 3,105 | 5.7 | 3,213 | 2.2 |
| Reserve for credit losses²⁾ | 1,724 | 1,588 | 8.5 | 1,715 | 0.5 |
| (New) NPL Coverage Ratio³⁾ | 125% | 142% | -17%p | 132% | -7%p |
| (Old) NPL Coverage Ratio | 263% | 290% | -27%p | 284% | -21%p |

Note 1) Sum of IFRS standard LLA and reserves for credit losses

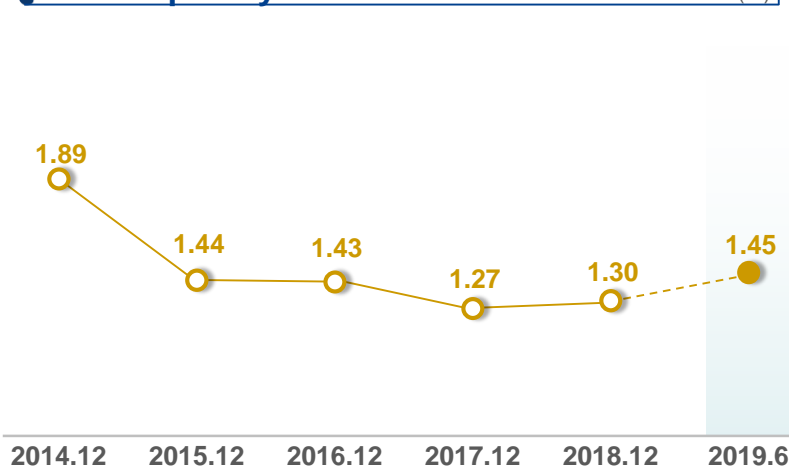
2) Excluding reserve for contingent acceptances & guarantees and unused credit lines

3) Excluding reserve for credit losses in accordance with the revision of relevant regulation (Dec. 2016)

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



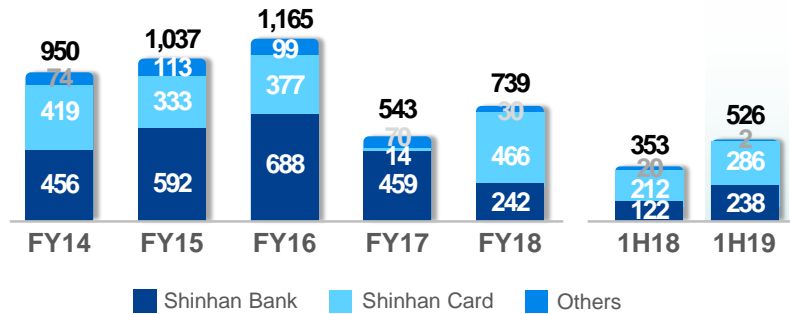
Note) 1 month overdue from total credit

| (KRW bil.) | 2019.6 | 2018.12 | YTD% | 2019.3 | QoQ% |
|---|---------------|---------|--------|--------|--------|
| Total Loans | 28,993 | 28,311 | 2.4 | 27,963 | 3.7 |
| Normal | 27,761 | 27,244 | 1.9 | 26,832 | 3.5 |
| Precautionary | 860 | 760 | 13.1 | 799 | 7.6 |
| Substandard | - | - | - | - | - |
| Doubtful | 144 | 135 | 6.3 | 161 | -10.7 |
| Estimated Loss | 228 | 170 | 34.0 | 172 | 32.9 |
| Substandard & Below | 372 | 306 | 21.7 | 333 | 11.8 |
| NPL Ratio | 1.28% | 1.08% | 0.20%p | 1.19% | 0.09%p |
| Loan Loss Allowance¹⁾ | 1,278 | 1,155 | 10.7 | 1,209 | 5.8 |
| Reserve for credit losses | 315 | 293 | 7.2 | 293 | 7.3 |
| NPL Coverage Ratio | 344% | 378% | -34%p | 363% | -20%p |

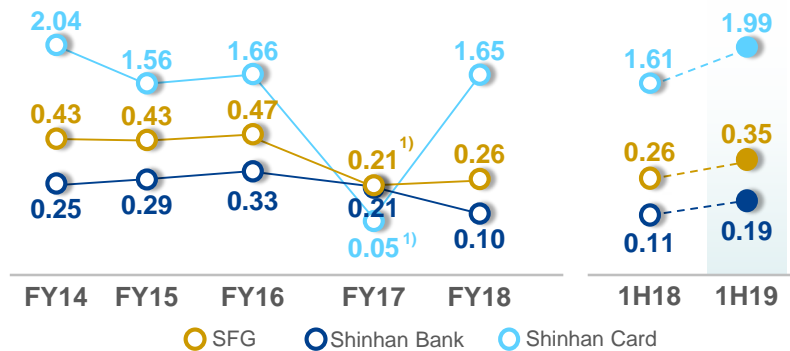
Note 1) Sum of IFRS standard LLA and reserves for credit losses (Excluding reserve for unused credit lines)

Provision for Credit Losses / Write-Offs

Provision for Credit Losses (KRW bil.)

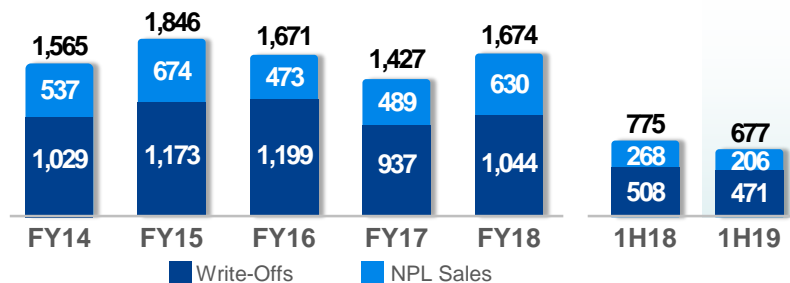


Credit Cost Ratio (%)



Note 1) Normalized credit cost excluding write-backs from SHC : Group 0.34%, SHC 1.50%

Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

| (KRW bil.) | FY19 | 1Q19 | 2Q19 | FY18 | 1Q18 | 2Q18 | 3Q18 | 4Q18 |
|----------------------------------|------------|------|------|------|------|------|------|------|
| Shinhan Bank¹⁾ | 211 | 76 | 135 | 217 | 86 | 37 | 28 | 65 |
| Retail | 111 | 53 | 58 | 180 | 49 | 32 | 64 | 34 |
| Corporate | 100 | 23 | 77 | 37 | 38 | 5 | -37 | 30 |
| Shinhan Card | 286 | 157 | 129 | 466 | 91 | 121 | 157 | 98 |
| Total | 497 | 233 | 264 | 683 | 177 | 158 | 184 | 163 |

Note 1) SHB figures are separate basis

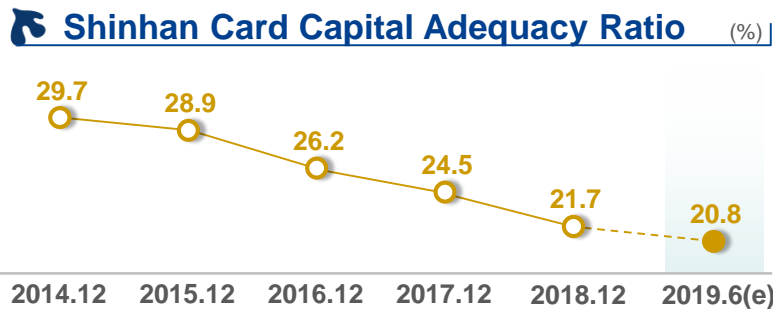
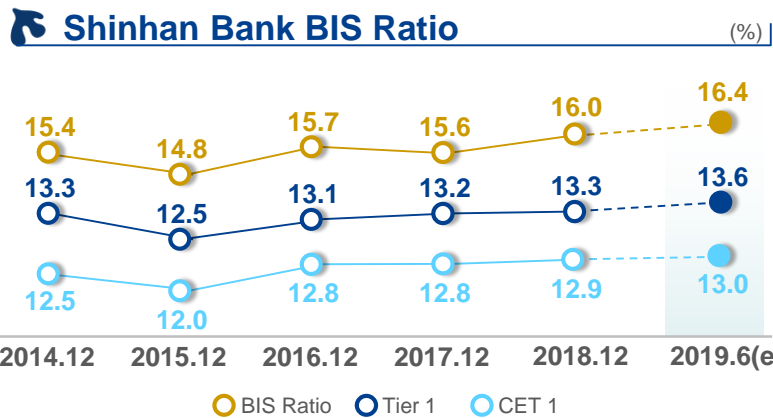
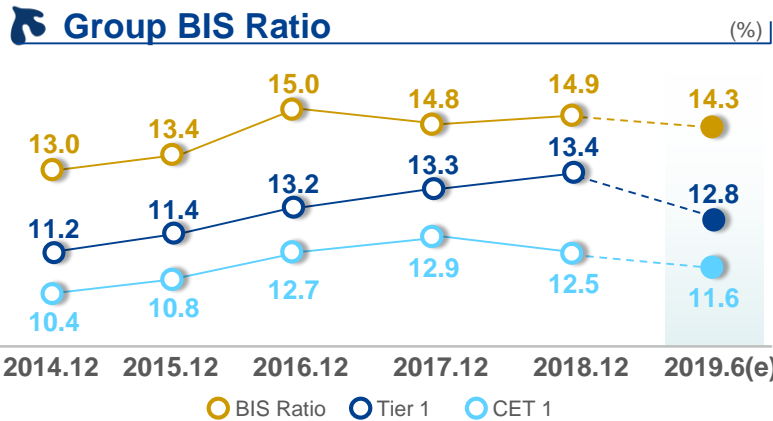
Write-Offs & NPL Sales

| (KRW bil.) | FY19 | 1Q19 | 2Q19 | FY18 | 1Q18 | 2Q18 | 3Q18 | 4Q18 |
|---------------------|------------|------|------|-------|------|------|------|------|
| Shinhan Bank | 396 | 198 | 198 | 1,097 | 149 | 361 | 265 | 322 |
| Write-Off | 190 | 83 | 108 | 467 | 69 | 174 | 113 | 112 |
| Retail | 107 | 48 | 59 | 200 | 47 | 64 | 51 | 38 |
| Corporate | 83 | 35 | 48 | 267 | 22 | 109 | 61 | 74 |
| Sale | 205 | 115 | 90 | 630 | 81 | 187 | 152 | 210 |
| Retail | 42 | 22 | 20 | 80 | 13 | 20 | 21 | 26 |
| Corporate | 163 | 93 | 70 | 550 | 68 | 167 | 132 | 184 |
| Shinhan Card | 282 | 157 | 124 | 577 | 120 | 145 | 154 | 158 |
| Total | 677 | 355 | 322 | 1,674 | 270 | 506 | 419 | 480 |

V . Capital Adequacy & Key Financial Indices

1. Capital Adequacy
2. Key Financial Indices





Group BIS Ratio

| (KRW bil.) | 2019.6(e) | 2018.12 | YTD% | 2019.3 | QoQ% |
|----------------------|--------------|--------------|---------------|--------------|---------------|
| Risk-Weighted Assets | 245,123 | 228,678 | 7.2 | 236,903 | 3.5 |
| Capital | 34,985 | 33,993 | 2.9 | 33,224 | 5.3 |
| CET 1 | 28,385 | 28,696 | -1.1 | 27,853 | 1.9 |
| Tier 1 | 31,496 | 30,678 | 2.7 | 30,016 | 4.9 |
| BIS Ratio | 14.3% | 14.9% | -0.6%p | 14.0% | 0.3%p |
| CET 1 | 11.6% | 12.5% | -1.1%p | 11.8% | -0.2%p |
| Tier 1 | 12.8% | 13.4% | -0.6%p | 12.7% | 0.2%p |

Note) Based on Basel3

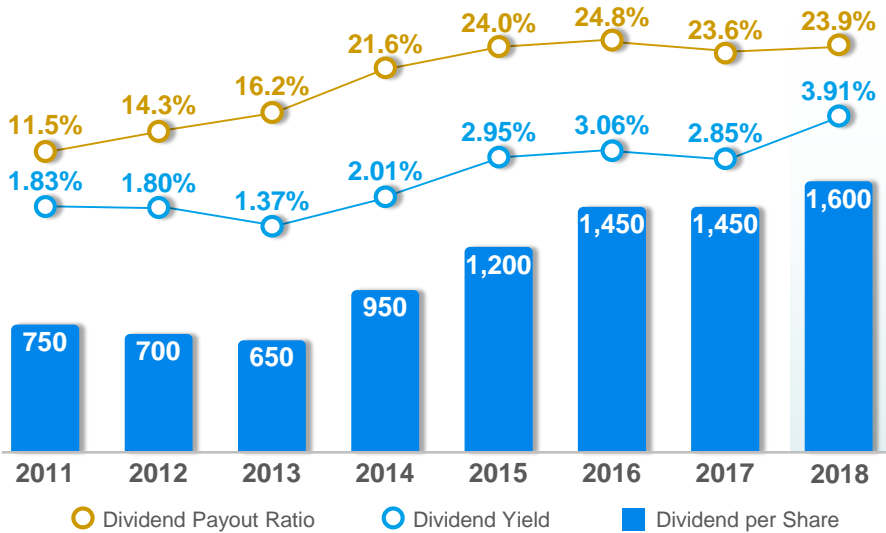
Shinhan Bank BIS Ratio

| (KRW bil.) | 2019.6(e) | 2018.12 | YTD% | 2019.3 | QoQ% |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Risk-Weighted Assets | 177,237 | 171,593 | 3.3 | 174,083 | 1.8 |
| Capital | 28,992 | 27,500 | 5.4 | 27,746 | 4.5 |
| CET 1 | 23,028 | 22,114 | 4.1 | 22,291 | 3.3 |
| Tier 1 | 24,026 | 22,812 | 5.3 | 23,289 | 3.2 |
| BIS Ratio | 16.4% | 16.0% | 0.4%p | 15.9% | 0.5%p |
| CET 1 | 13.0% | 12.9% | 0.1%p | 12.8% | 0.2%p |
| Tier 1 | 13.6% | 13.3% | 0.3%p | 13.4% | 0.2%p |

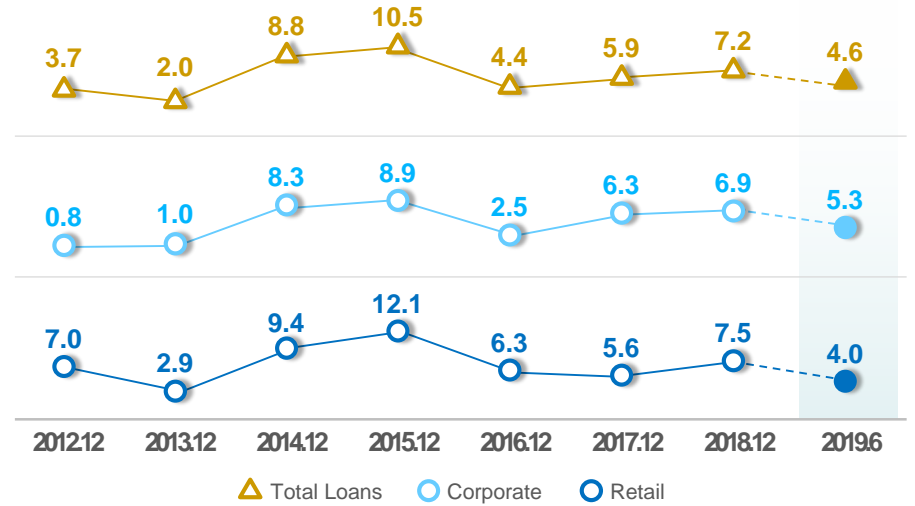
Note) Based on Basel3

Key Financial Indices

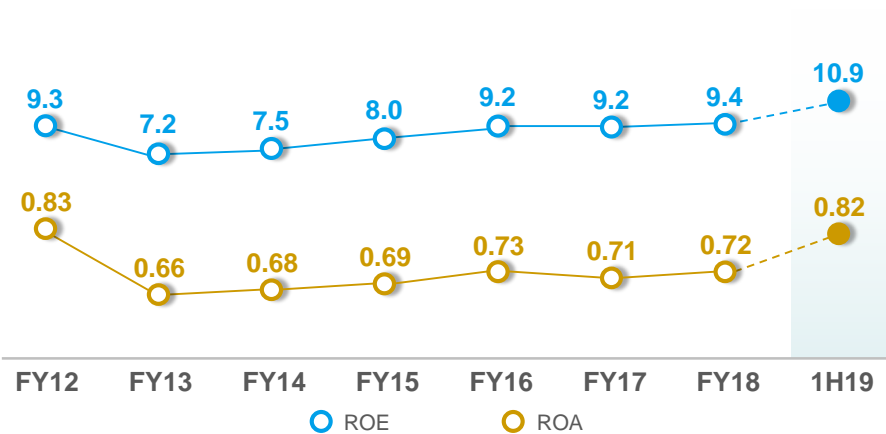
Dividend (KRW)



SHB Loan Growth Rate (%)

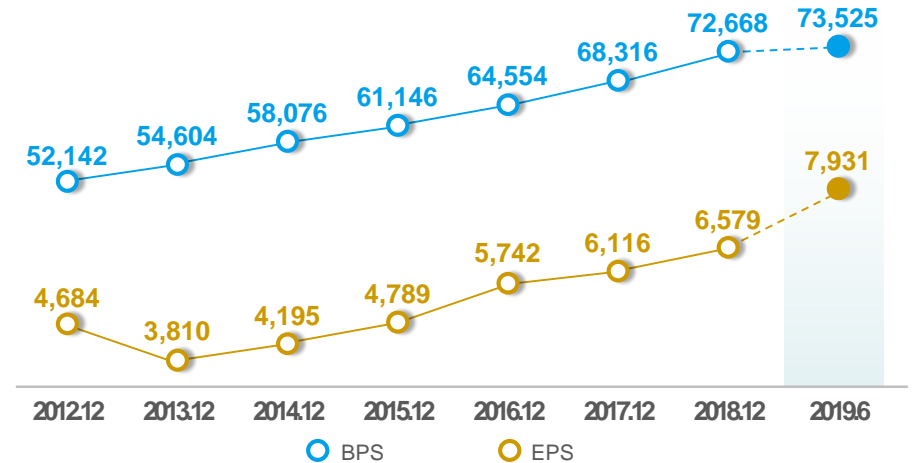


ROA / ROE (%)



Note) ROEs are based on common stocks excluding treasury shares

BPS / EPS (KRW)



Note) Based on common stocks excluding treasury shares

VI. Appendix

1. SHB SME Loans
2. SHB Retail Loans
3. SHB International Business

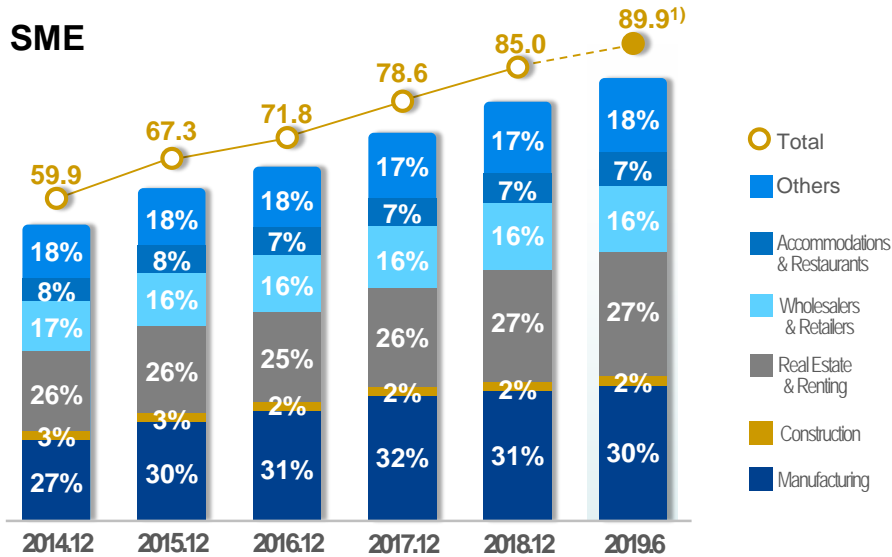


SHB SME Loans ①

Loans

(KRW tril.)

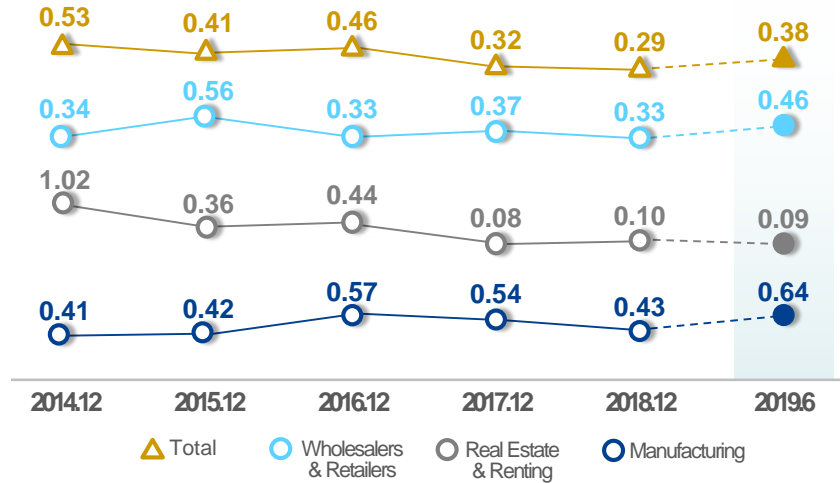
SME



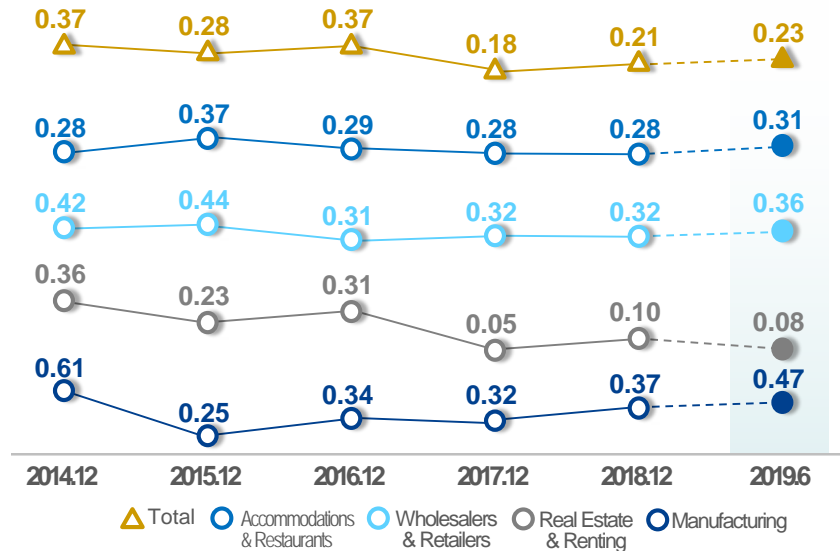
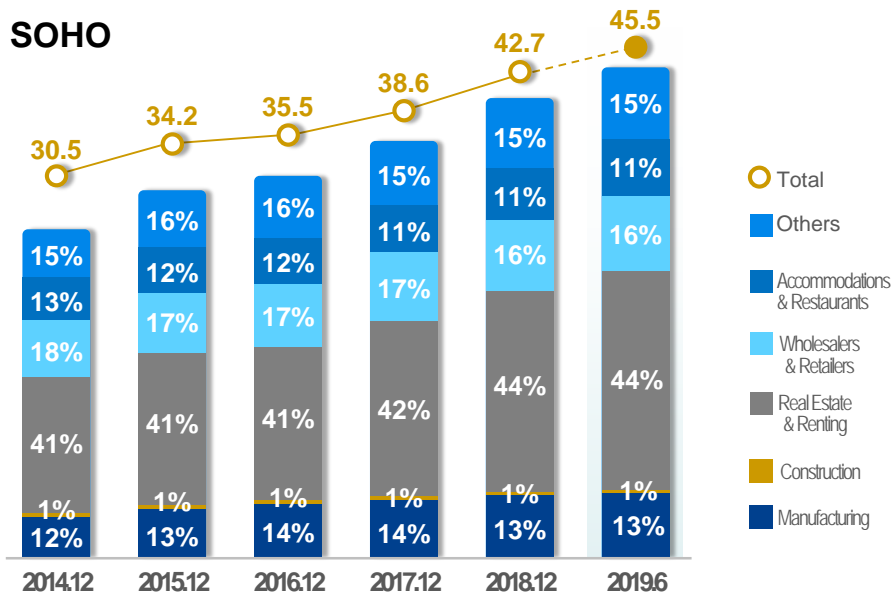
Note 1) SOHO 51%, Registered 19%, Unregistered 30%

Delinquency

(%)

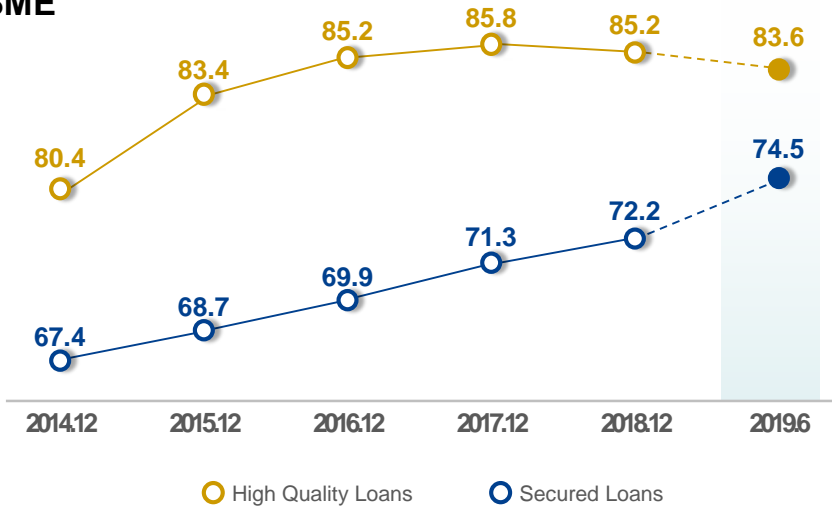


SOHO

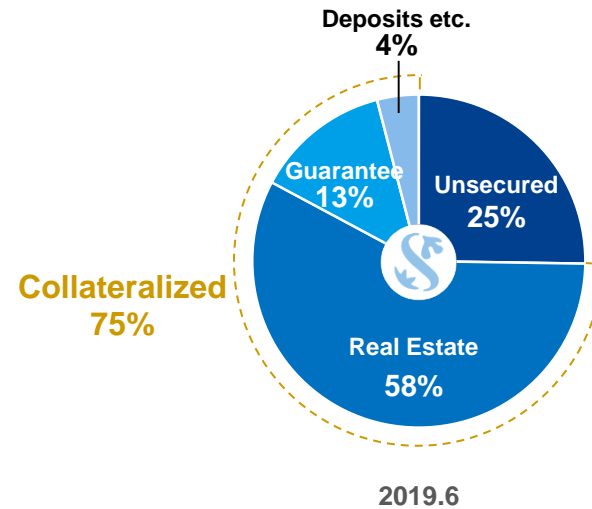


Quality Loans¹⁾ and Collateralization (%)

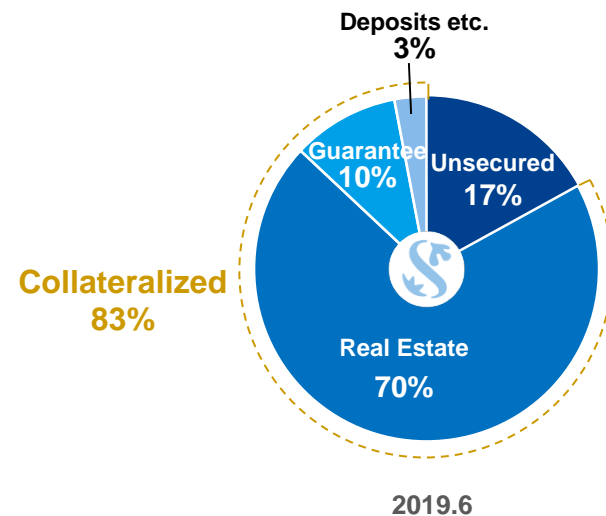
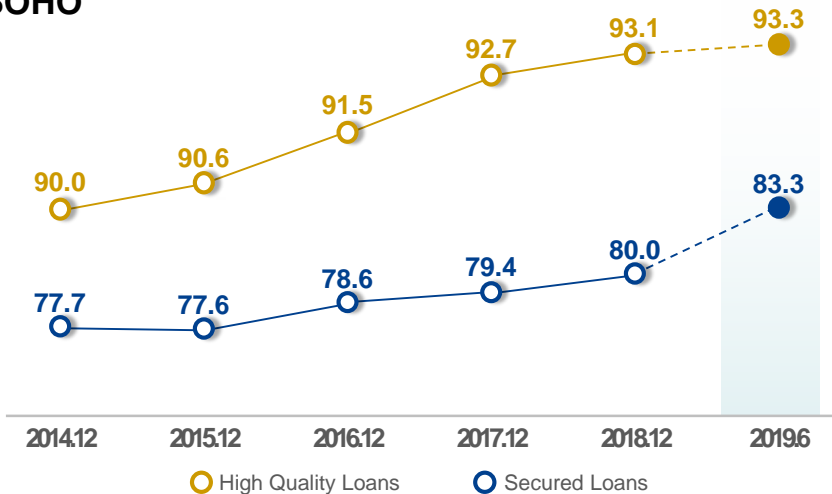
SME



Collateral

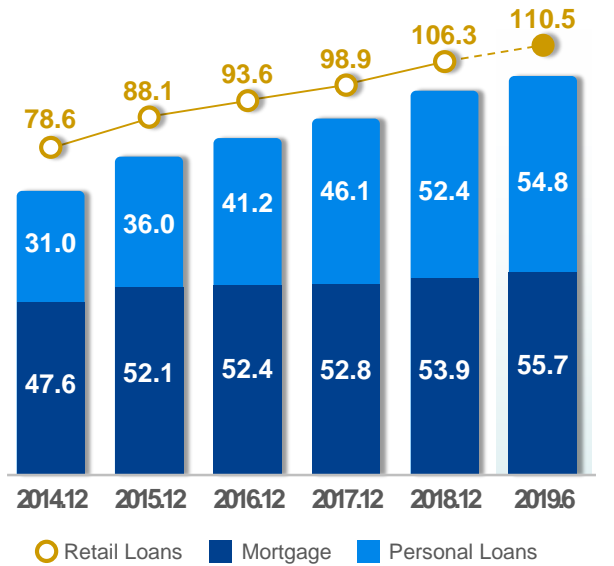


SOHO

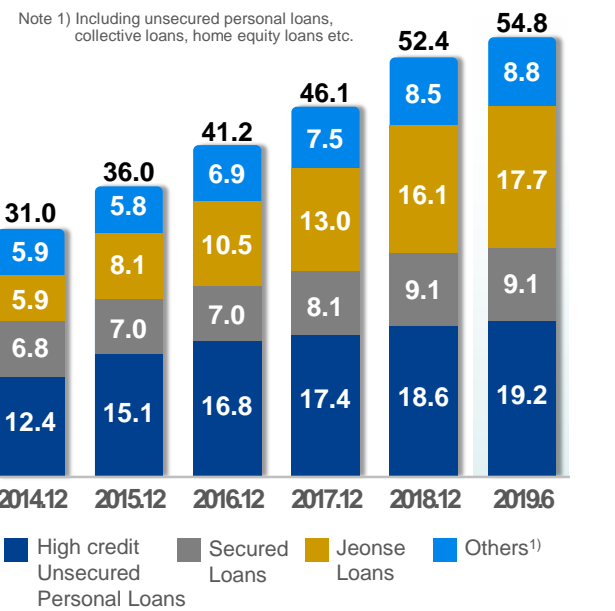


1) SHB Loans with above BBB- credit standing

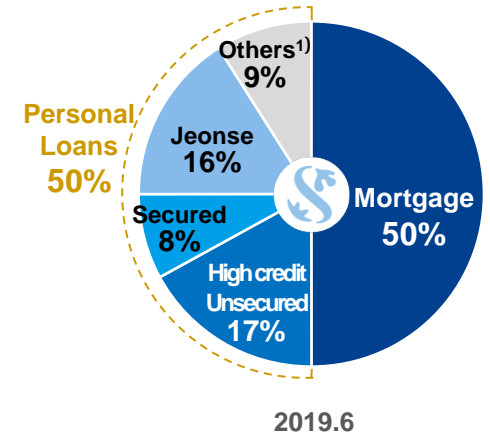
Loans (KRW tril.)



Retail Personal Loans (KRW tril.)

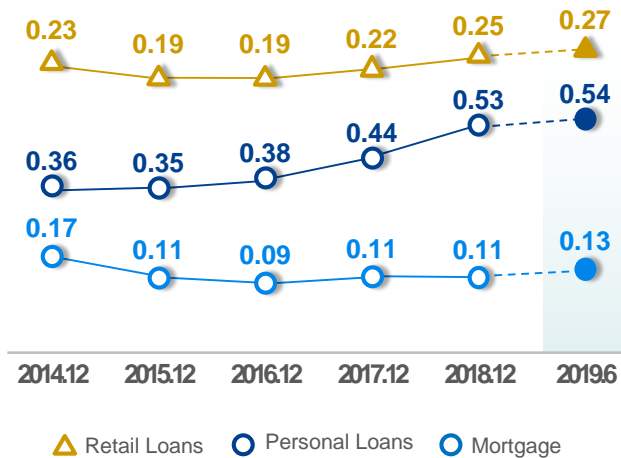


Loan Composition

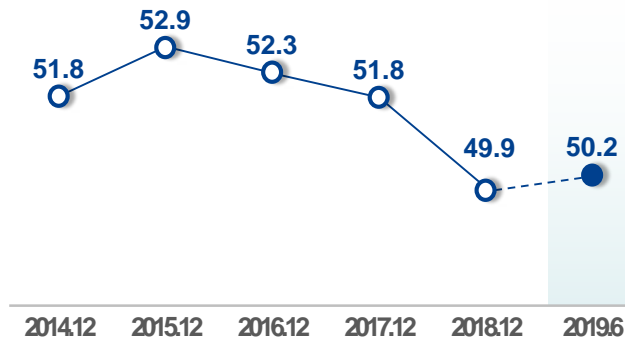


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

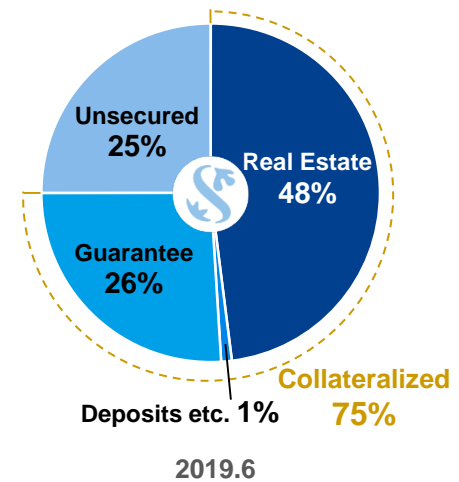
Delinquency (%)



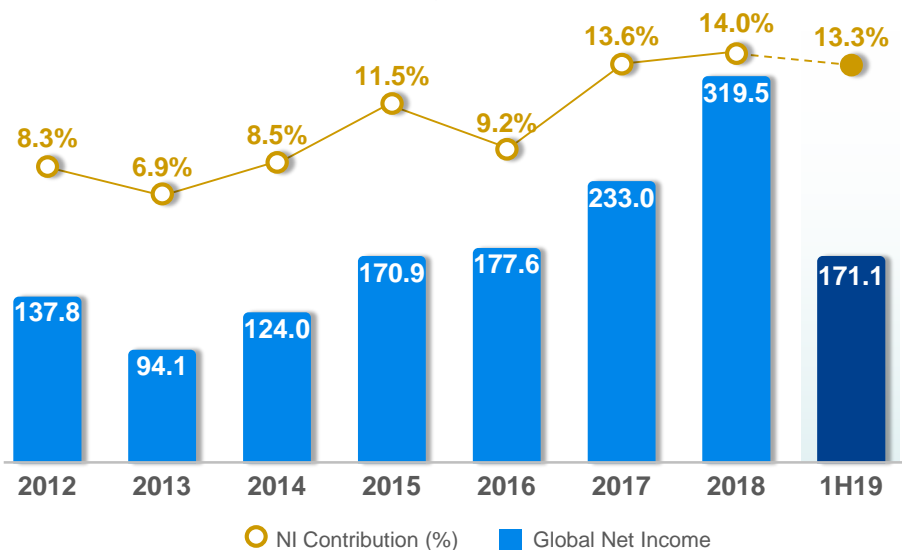
LTV (%)



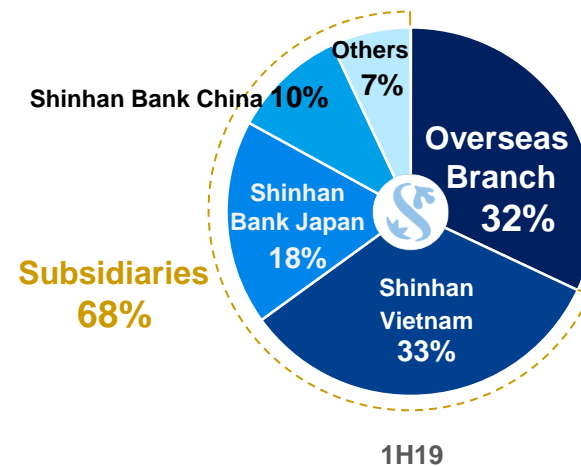
Collateral



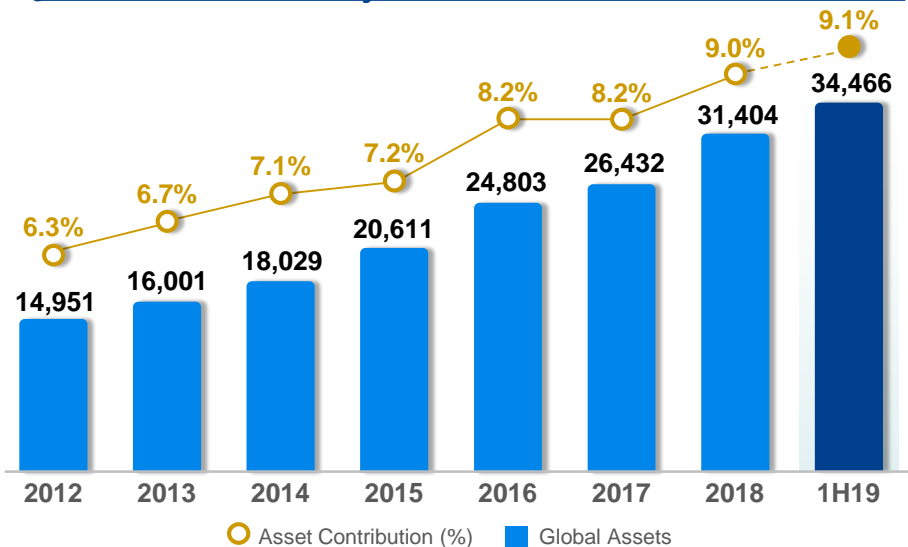
Net Income Contribution by International Business (KRW bil.)



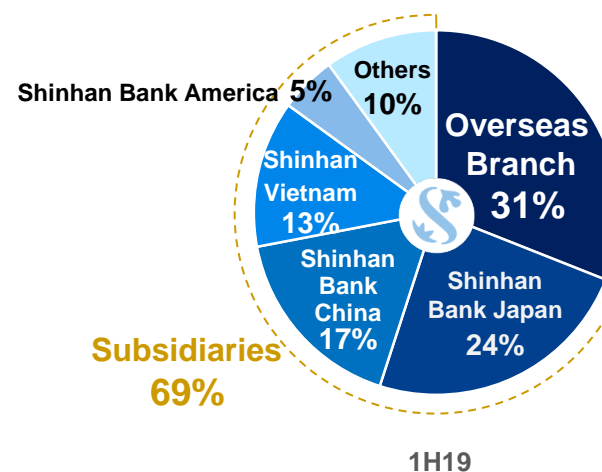
Net Income Composition



Asset Contribution by International Business (KRW bil.)



Asset Composition



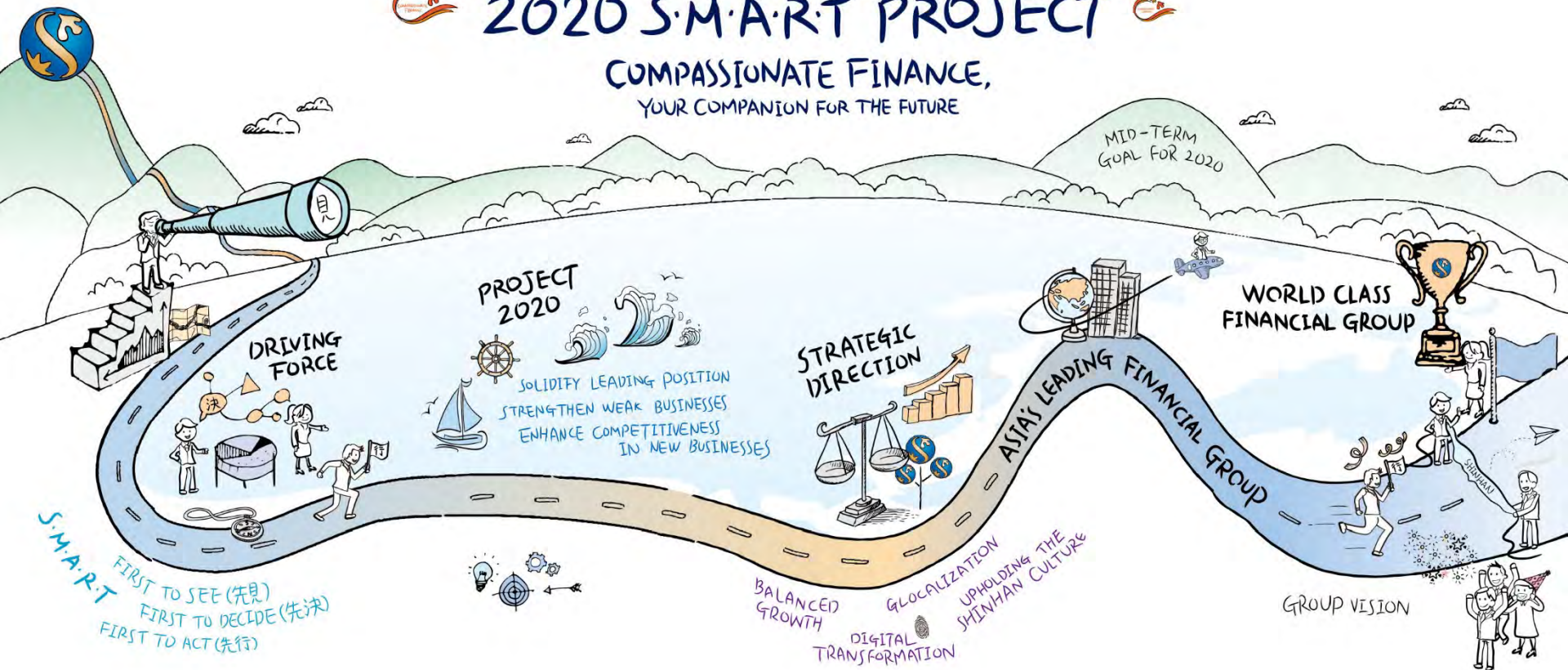
Note) KRW amounts of the net income are converted based on the average FX rates of the respective periods, and the assets are converted based on the FX rates at the end of the respective periods



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