

Business Results

FY 2019



2020 SMART PROJECT

FRESH 2020

Winter

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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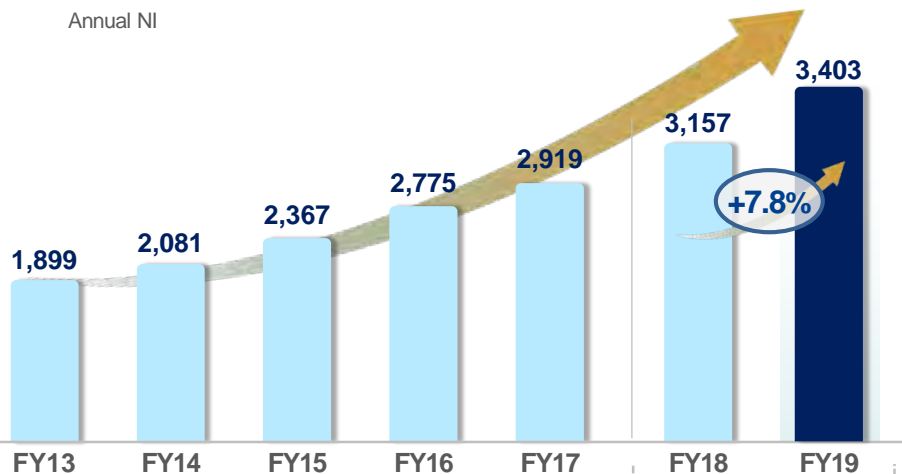


FY2019 Business Result Highlights ①

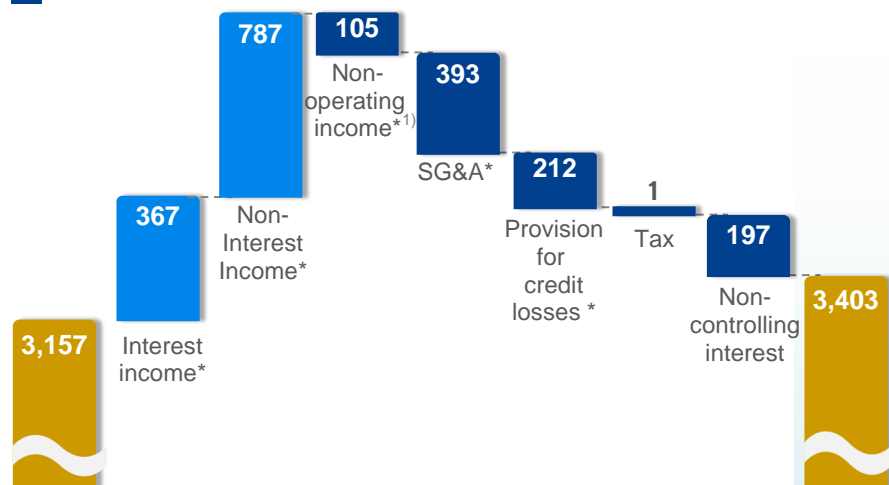
Group Net Income

(KRW bil.)

Annual NI



■ Plus Factors
■ Minus Factors



* Earnings before income tax 1) Including one-off KRW 151.5 bil. impairment losses of intangible assets (capitalized expenses on main depository bank)

- ### 1 Resilient Earnings Growth:

Achieved all-time high earnings from well-diversified earnings base

3,403
KRW bil.

(FY2019 Net income)
- ### 2 Solid Interest Income Growth:

Strong quality loan growth based on balanced loan portfolio

+5.1%
+7.4%

(YoY SHB cumulative interest income growth and YTD loan growth)
- ### 3 Robust Non-interest Income:

Strong performance and synergy across non-bank subsidiaries

+32%

(Year-over-year Group non-interest income growth)
- ### 4 Disciplined Expense Control:

Cost-to-Income ratio down to the lowest level in 8 years

46.1%

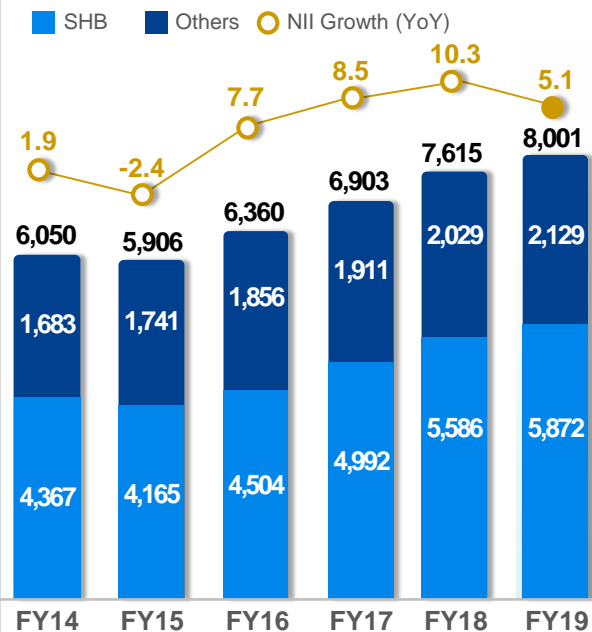
(FY2019 cumulative Cost-to-Income ratio)
- ### 5 Proactive Risk Management:

Maintained solid credit quality and consistent provisioning policy

30bp
152%

(FY2019 Group cumulative credit cost and NPL coverage ratio)

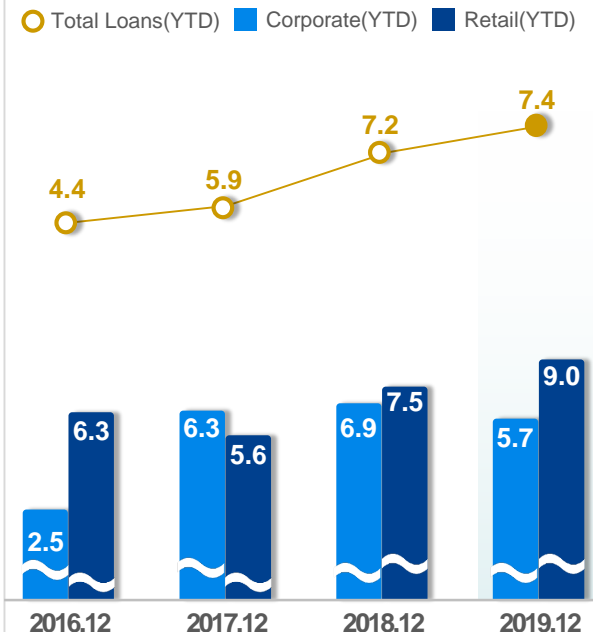
Interest Income (% , KRW bil.)



Stable Interest Income Stream

- SFG's interest income increased by 5.1% YoY attributed to balanced loan portfolio and resilient loan growth
- Interest income from global hiked by 27.8% YoY, improving its contribution to the Group NII from 8.4% in FY18 to 10.3% in FY19
- Consistent drive to focus on quality growth led to steady core earnings growth, despite margin contraction

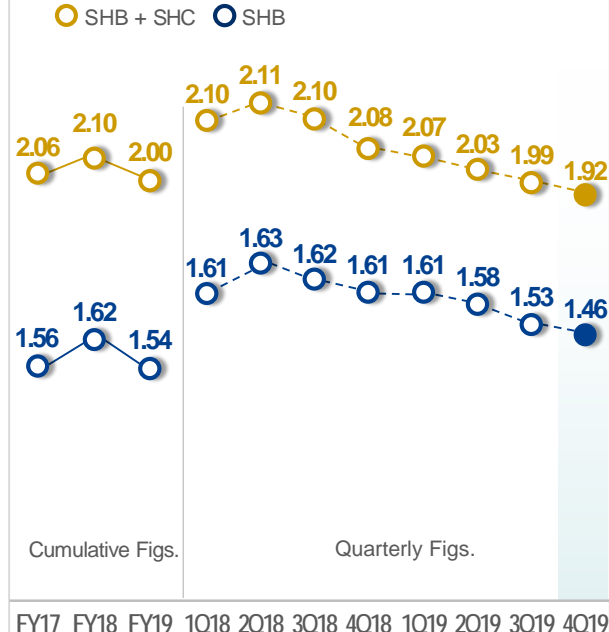
SHB Loan Growth (%)



Well-Balanced Loan Growth

- Under prudent and balanced loan growth strategy, SHB achieved solid growth in both retail and corporate assets, marking 7.4% growth YTD
- Corporate loans grew 9.7% YTD with a focus on high quality SOHO loans, and strong Jeonse loan demand attributed to retail loan growth which marked 9.0% YTD
- SHB's KRW deposits up by 11.8% YTD, reaching to 233 tril.

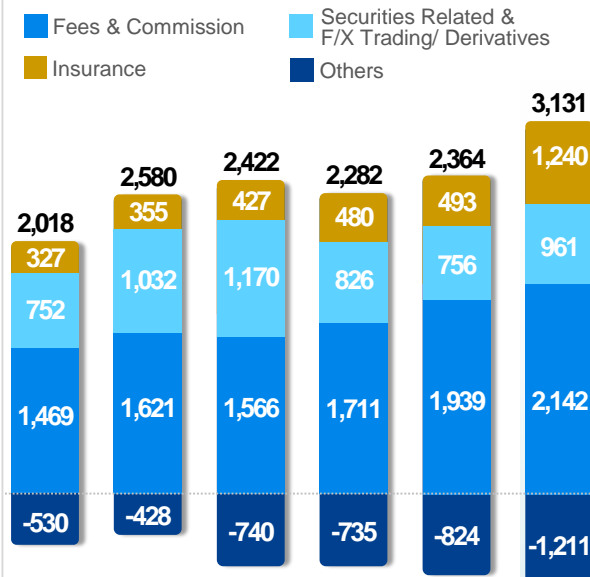
NIM (%)



Margin Pressure from Unfavorable Rate Environment

- SHB quarterly NIM marked 1.46%, down by 7bps, mainly due to falling market interest rates subsequent to BOK's base rate cut
- SHB's NIM incl. Global recorded 1.52% for 4Q, partially offsetting margin compression from domestic
- Despite strong growth in higher margin products in SHC, Group saw 7bps of NIM decline due to the base rate cut and expanded funding from effective ALM

Non-Interest Income (KRW bil.)



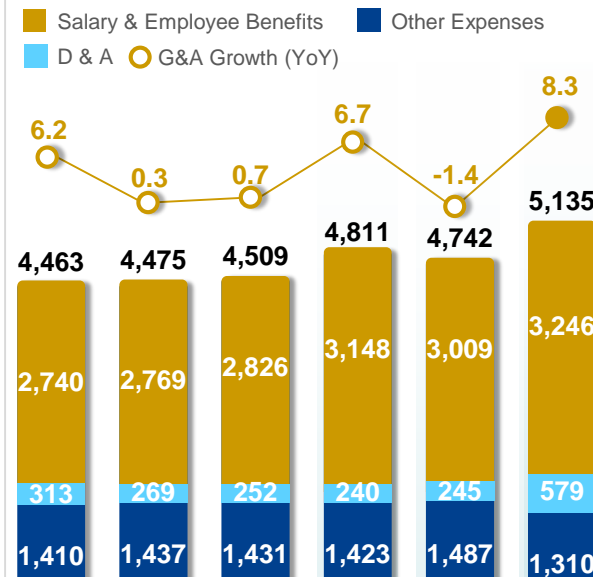
FY14 FY15 FY16 FY17 FY18 FY19

Note 1) Insurance fees on deposits, contribution expenses etc

Well-diversified Non-interest Income Portfolio

- Non-interest income grew by 32.4% 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 by 10.4% YoY, driven by robust growth in IB business, leases and sales of trust products, despite weak performances in brokerage and credit card fee income

G&A Expenses (% , KRW bil.)

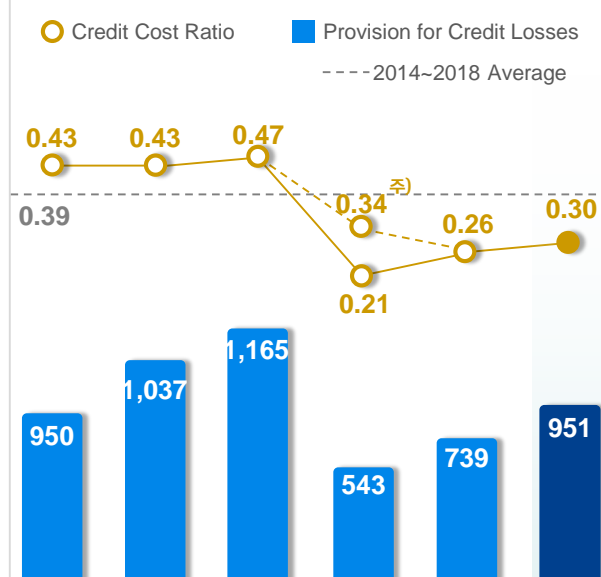


FY14 FY15 FY16 FY17 FY18 FY19

Disciplined Cost Management

- Group recorded an all-time low cost/income ratio of 46.1%, through cost control and strong earnings stream, despite SG&A rise due to the newly added Orange Life and Asia Trust
- SG&A costs went up by 3.4% YoY when excluding expenses from the newly added subsidiaries, maintaining stable level

Credit Cost (% , KRW bil.)



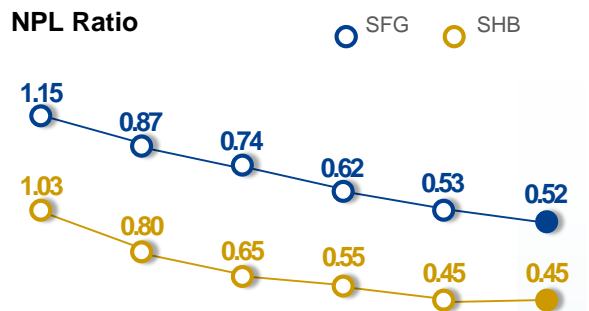
FY14 FY15 FY16 FY17 FY18 FY19

Note 1) Excluding write-backs from Shinhan Card

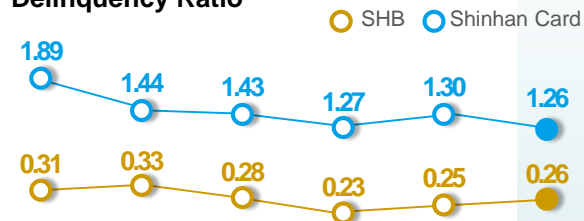
Prudent Risk Management

- Group credit cost ratio marked 30bp in FY19, 9bp lower than the 5-year recurring average
- SHB's FY19 cumulative credit cost ratio increased to 14bp, up by 4bp YoY, reflecting its consistent and rigorous credit standards
- SHC's credit cost ratio increased to 1.84%, up by 19bp YoY, mainly due to accelerated asset growth in card loans, lease and installment finance

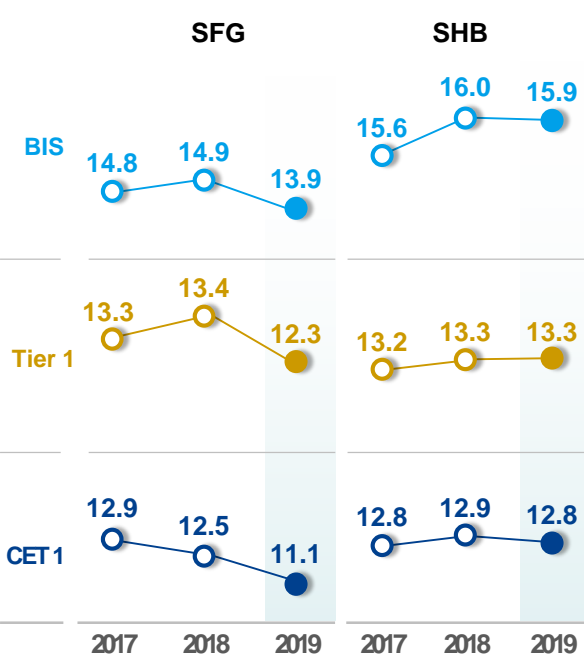
Asset Quality (%)



Delinquency Ratio



Capital Adequacy (%)

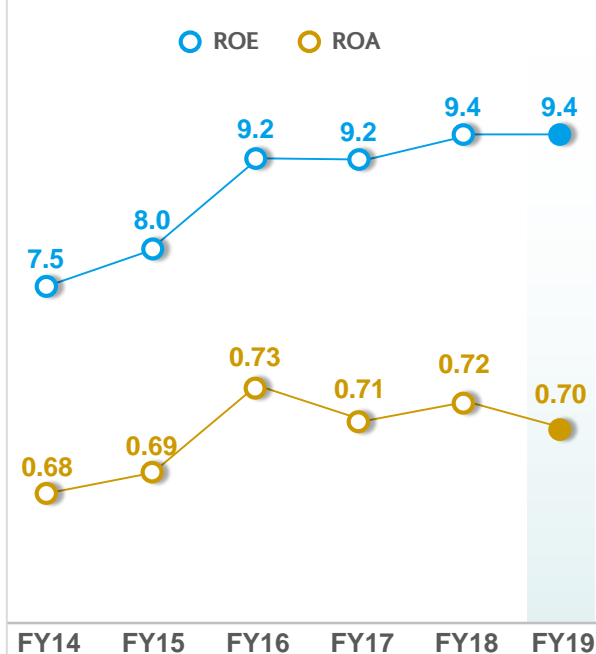


Note) Based on Basel 3

Strategic Capital Utilization for Future Growth

- Under BASEL III, Group's Common Equity Tier1 ratio experienced a temporary setback due to concentration of compression factors, such as M&As and share buybacks
- Based on BASEL III, SHB's Common Equity Tier1 and BIS ratio recorded 12.8% and 15.9% respectively

ROE & ROA (%)



Commitment to Sustainable ROA & ROE Improvement

- Group ROE recorded stable level of 9.4%, driven by successful business portfolio diversification and strong earnings growth
- Despite the strong earnings momentum, Group ROA declined by 0.02%p, marking 0.70%, due to the active asset growth

Maintaining Stable Asset Quality

- Group NPL improved by 1bp YoY and SHB maintained the previous historical low, marking 0.52% and 0.45% respectively
- SHB's and SHC's delinquency ratios recorded solid levels of 0.26%, 1.26% respectively
- Group NPL coverage ratio marked 152%, maintaining sufficient provision buffer

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”
+2%	+5%	+6%	+8%	46.1%			

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) As of FY19 Orange Life, Asia Trust, PVFC, Shinhan REITs, Archipelago AM	Operating Income through Digital Platform ²⁾	Matrix Business Lines, Cross-Selling Ratio	ESG Recognition	Compassionate Finance “Society of Hope” Project
+15%	+32%	+23%		1,380 bil.	40.2% (YoY +0.5%p)	A+ Grade from CGS	“ECO Transformation 20-20”
Non Banks NI Contribution 34%	Non-Interest Income Proportion 28%	Global NI Contribution 12%	Net Income 199.6 bil.				

2 Global Expansion

3 Digital Transformation

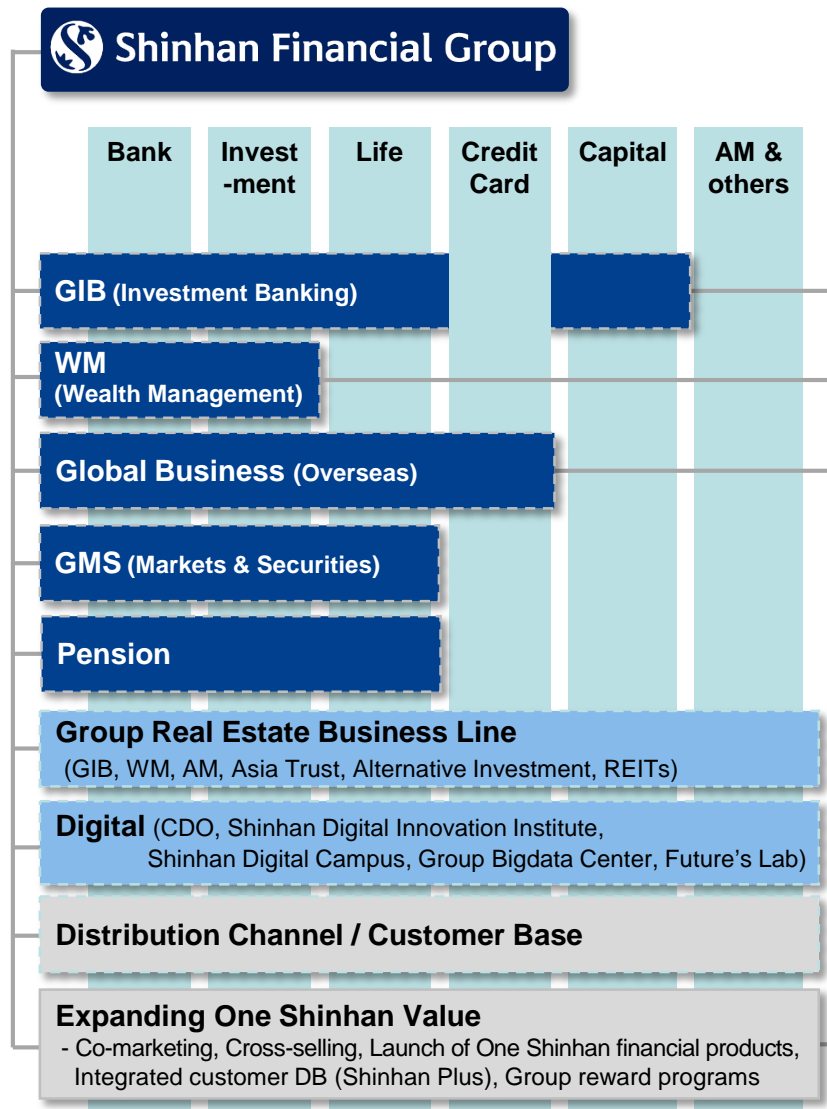
4 Uphold Corp. Culture

1) Financial Figures are as of December 31, 2019

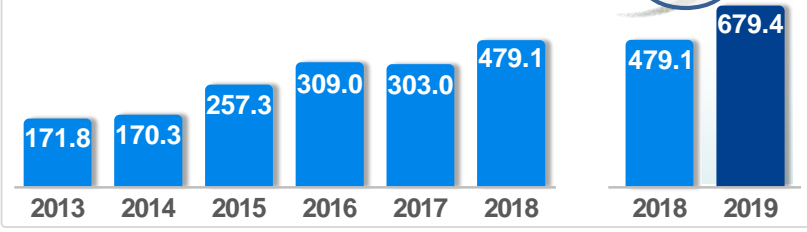
2) Based on FY19 Cumulative Operating Income from Shinhan Bank, Card, Investment Corp., Life and Orange Life

One Shinhan : Synergy Creation

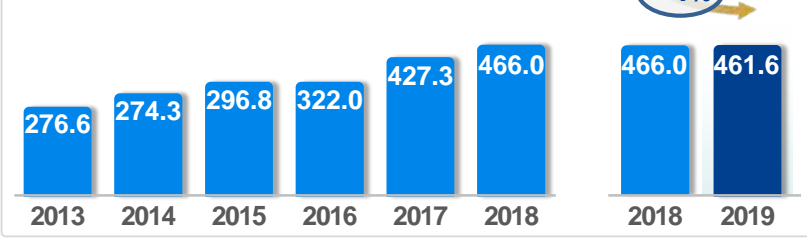
Matrix Structure



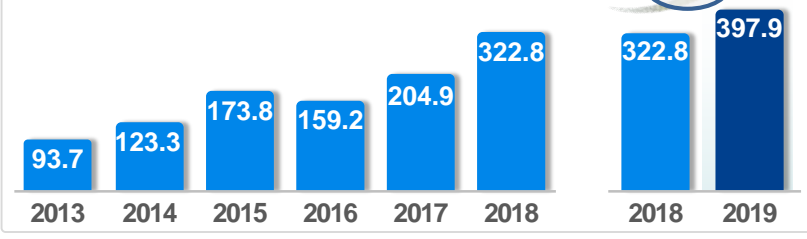
• GIB (Operating Income, KRW bil.)



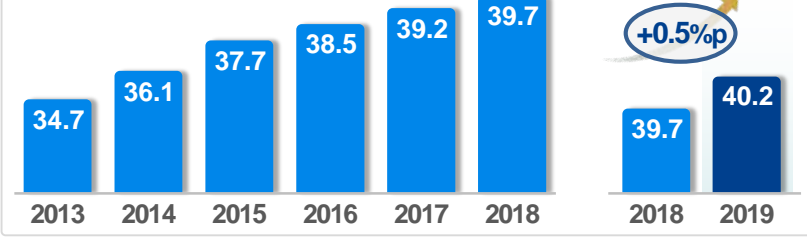
• WM (Operating Income, KRW bil.)



• Global Business (Net Income, KRW bil.)



• Cross-Selling Ratio (%)



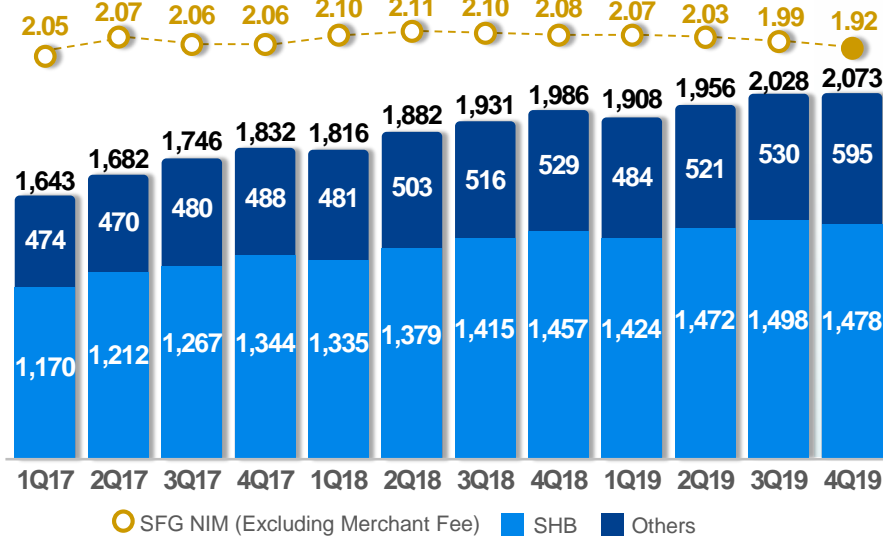
Note 1) Financial figures of GIB and WM are based on managerial accounting
 Note 2) Financial figures of GIB from 2013 to 2016 are based on CIB's IB division

II. Income

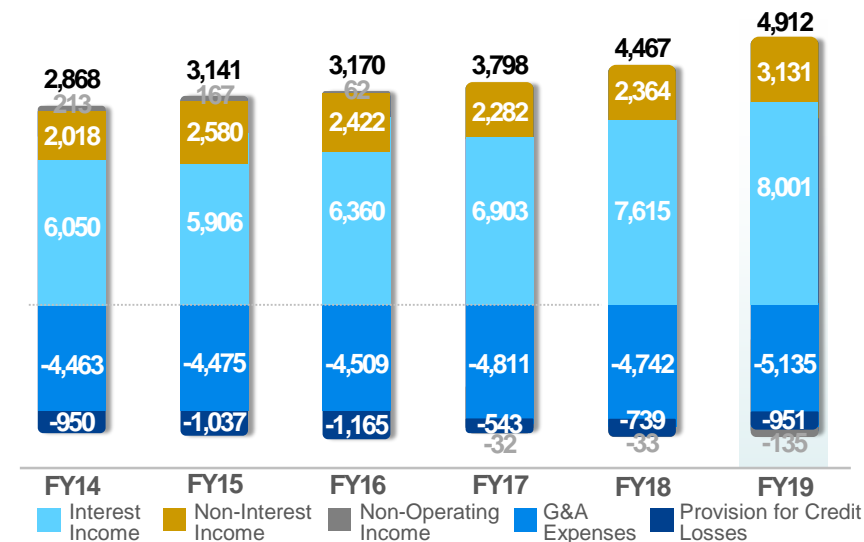
1. SFG Income
2. SFG Non-Interest Income
3. SFG G&A Expenses
4. SFG Income by Subsidiaries
5. Major Subsidiaries Income



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



SFG Earnings before Income Tax (KRW bil.)



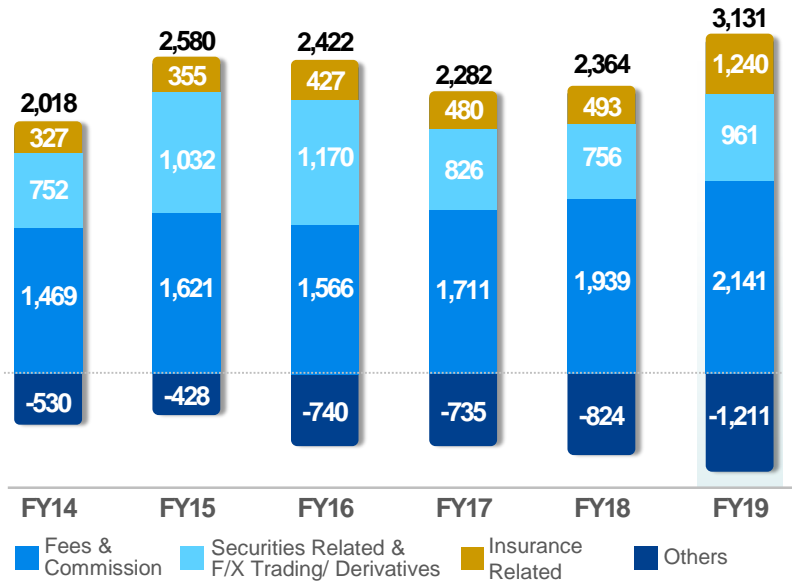
(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Operating Income (a=b+c)	11,131.7	9,979.6	11.5	2,616.8	2,864.9	-8.7
Interest Income (b)	8,001.0	7,615.3	5.1	2,072.8	2,027.9	2.2
Non-Interest Income (c)	3,130.7	2,364.3	32.4	544.0	836.9	-35.0
G&A Expenses (d)	5,134.7	4,741.6	8.3	1,504.3	1,225.6	22.7
Pre-Provision Oper. Income (e=a-d)	5,997.0	5,238.0	14.5	1,112.5	1,639.2	-32.1
Non-Operating Income (f)	-134.7	-32.8	n.a.	-150.1	-1.6	n.a.
Pre-Provision Income (g=e+f)	5,862.3	5,205.2	12.6	962.4	1,637.6	-41.2
Provision for Credit Losses (h)	950.8	738.6	28.7	203.8	221.3	-7.9
Earnings before Income Tax (i=g-h)	4,911.5	4,466.6	10.0	758.6	1,416.3	-46.4
Income Tax	1,269.1	1,268.3	0.1	201.0	367.9	-45.3
Consolidated Net Income ¹⁾	3,403.5	3,156.7	7.8	507.5	981.6	-48.3

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

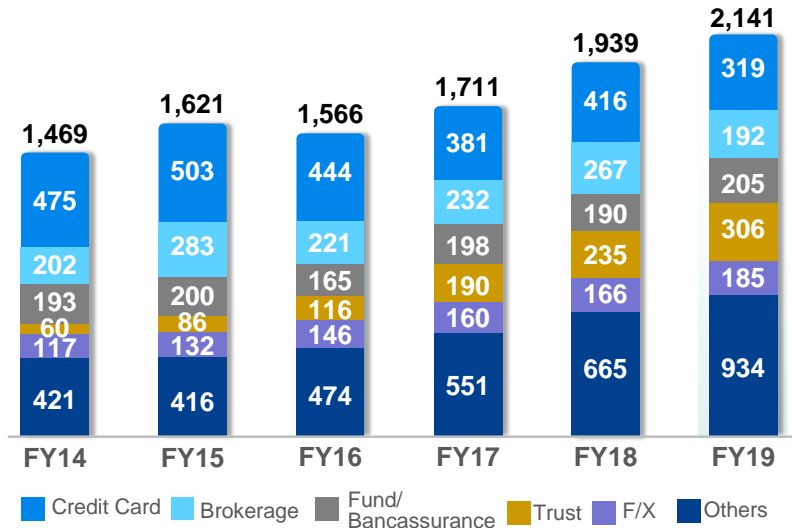
(KRW bil.)



(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Non-Interest Income	3,130.7	2,364.3	32.4	544.0	836.9	-35.0
Fees & Commission	2,140.5	1,939.0	10.4	521.0	530.3	-1.8
Securities Related & F/X Trading/ Derivatives	961.0	756.4	27.1	93.3	311.0	-70.0
(Gains on FVPL Financial Instruments)	-456.2	580.3	n.a.	-409.0	131.9	n.a.
(Gains on Derivatives & F/X)	1,189.0	82.2	n.a.	455.0	94.0	384.1
Insurance Related	1,240.0	493.1	151.5	250.4	311.3	-19.6
Others	-1,210.8	-824.2	n.a.	-320.7	-315.7	n.a.
(Contribution Expenses)	-311.3	-283.3	n.a.	-82.9	-77.1	n.a.
(Insurance Fees on Deposits)	-375.0	-353.4	n.a.	-92.3	-95.6	n.a.

SFG Fees & Commission

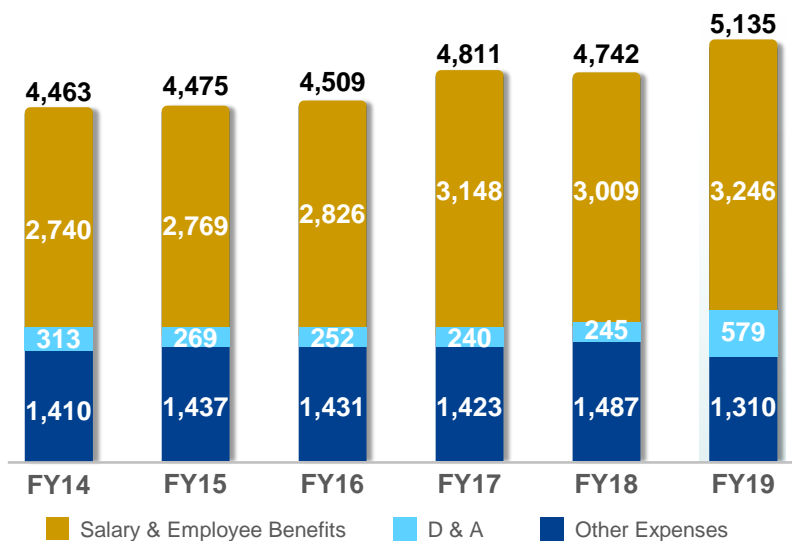
(KRW bil.)



(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Fees & Commission	2,140.5	1,939.0	10.4	521.0	530.3	-1.8
Credit Card Fee Income	318.7	415.8	-23.3	67.1	74.5	-10.0
Brokerage Commissions	192.1	267.3	-28.1	46.5	45.8	1.5
Fund/Bancassurance Fees	204.5	190.4	7.4	45.8	51.6	-11.3
Trust Fee Income	306.2	234.5	30.6	81.0	74.8	8.2
FX Fee Income	185.4	166.3	11.5	51.6	45.1	14.6
Electronic Transaction Fees	151.6	146.3	3.6	38.5	38.6	-0.3
IB Related Fees	151.0	91.3	65.5	32.3	33.1	-2.3
Lease Financing Fees	142.0	82.0	73.2	41.0	37.9	8.0
Others	490.1	345.1	42.0	118.4	128.8	-8.1

SFG G&A Expenses

(KRW bil.)

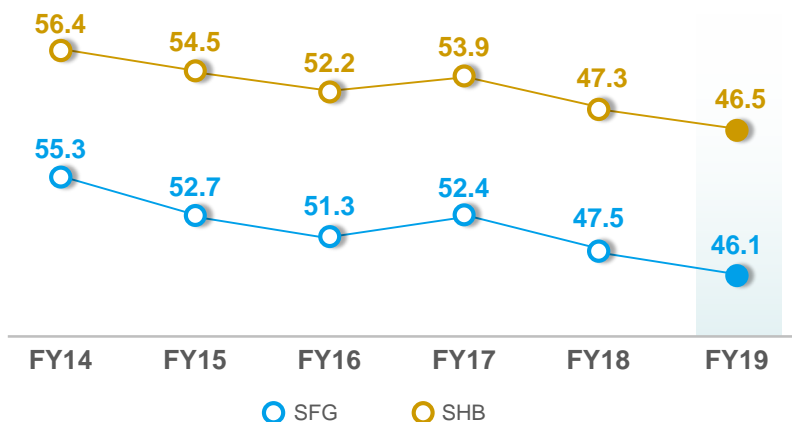


SFG G&A Expenses

(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
G&A Expenses	5,134.7	4,741.6	8.3	1,504.3	1,225.6	22.7
Salary & Employee Benefits (Early Retirement Program Expenses)	3,245.5	3,009.4	7.8	944.4	770.1	22.6
D & A	578.9	245.3	135.9	148.6	146.6	1.4
Other Expenses (Advertising Expenses)	1,310.3	1,486.9	-11.9	411.3	309.0	33.1
(Taxes and Dues)	197.7	176.1	12.2	46.8	40.5	15.5

Cost-Income Ratio¹⁾

(%)



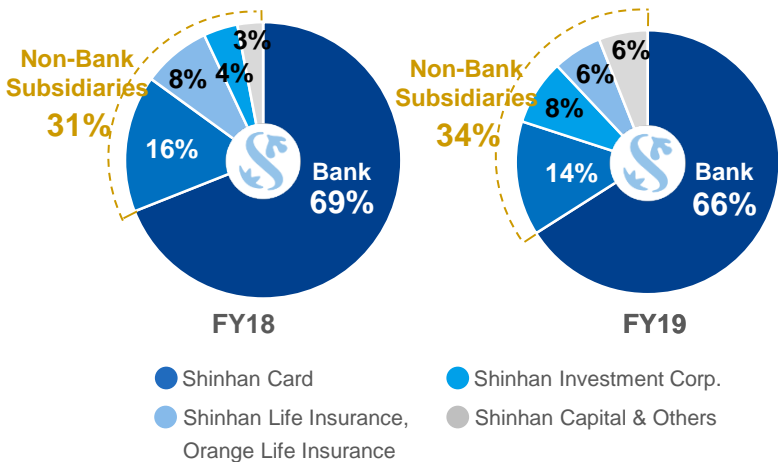
SHB G&A Expenses

(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
G&A Expenses	3,142.4	3,061.8	2.6	928.7	758.3	22.5
Salary & Employee Benefits (Early Retirement Program Expenses)	1,882.5	1,861.6	1.1	547.3	449.0	21.9
D & A	403.9	162.5	148.6	105.6	102.0	3.6
Other Expenses (Advertising Expenses)	856.1	1,037.7	-17.5	275.8	207.4	33.0
(Taxes and Dues)	100.6	84.1	19.6	22.5	20.2	11.2

Note 1) Cumulative Basis

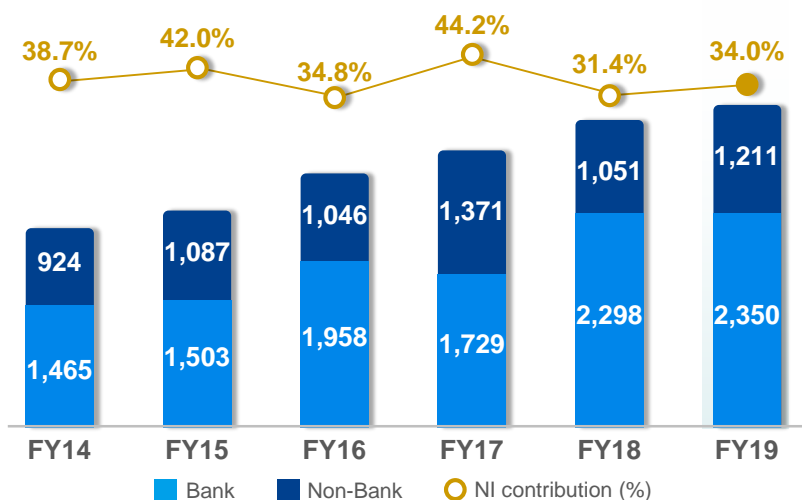
SFG Income by Subsidiaries ①

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

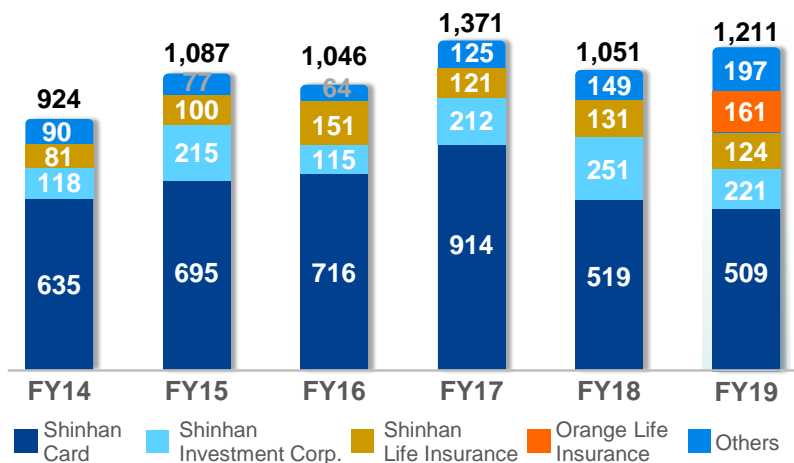
(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=AxB]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	2,357.1		2,350.0	-67.2	2,282.8
Shinhan Bank	2,329.2	100.0%	2,329.2	-64.2	2,265.0
Jeju Bank	27.9	75.3%	20.8	-3.0	17.8
Non-Bank (b)	1,337.4		1,212.8	51.8	1,264.6
Shinhan Card	508.8	100.0%	508.8	9.9	518.7
Shinhan Investment Corp.	220.8	100.0%	220.8	-2.0	218.8
Shinhan Life Insurance	123.9	100.0%	123.9	24.9	148.8
Orange Life Insurance	271.5	59.2%	162.1	11.5	173.6
Shinhan BNPP AM	23.1	65.0%	15.0	-0.1	14.9
Shinhan Capital	126.0	100.0%	126.0	9.8	135.8
Shinhan Savings Bank	23.1	100.0%	23.1	1.3	24.4
Asia Trust	17.8	60.0%	10.7	-	10.7
Shinhan DS	2.1	100.0%	2.1	-4.9	-2.8
Shinhan AITAS	10.8	99.8%	10.8	0.8	11.6
Shinhan Credit Information	0.5	100.0%	0.5	0.0	0.5
Shinhan Alternative Investment	2.1	100.0%	2.1	0.1	2.2
Shinhan REITs Management	7.4	100.0%	7.4	0.0	7.4
Shinhan AI	-0.7	100.0%	-0.7	0.5	-0.1
SFG (c)				-143.8²⁾	-143.8
Total (d=a+b+c)¹⁾	3,694.5		3,562.8	-159.4	3,403.5

Note 1) Net Income in Controlling Interest

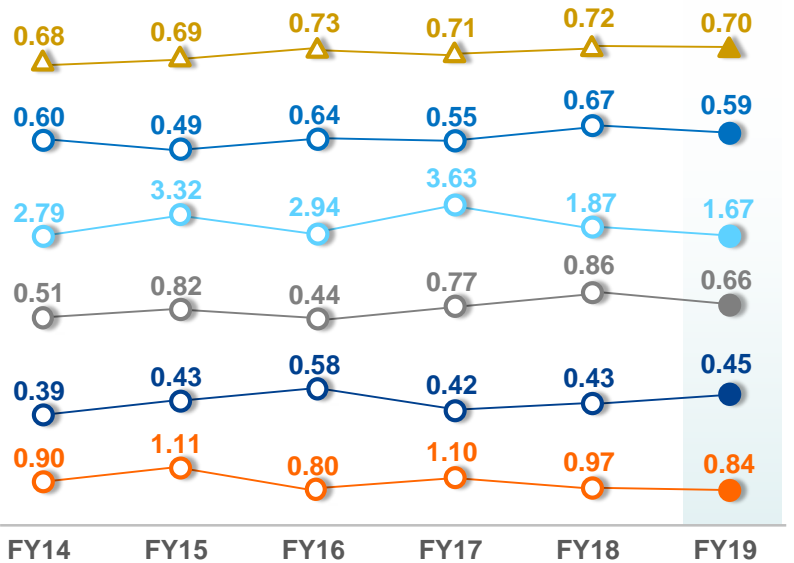
2) SFG (Separate): Brand Fee Income KRW 49.8bil./Net Interest Expense KRW -147.8bil., etc

SFG Income by Subsidiaries ②

Non-Bank Net Income (KRW bil.)

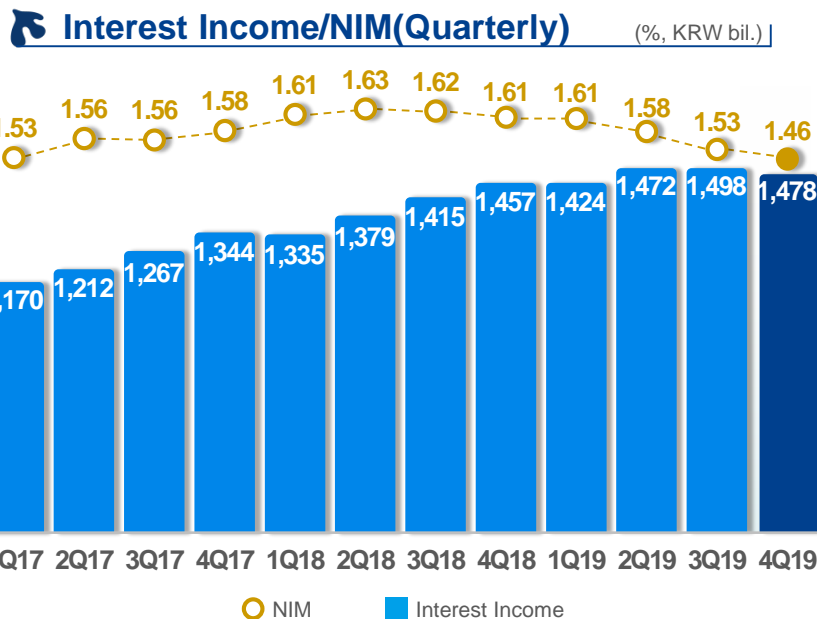
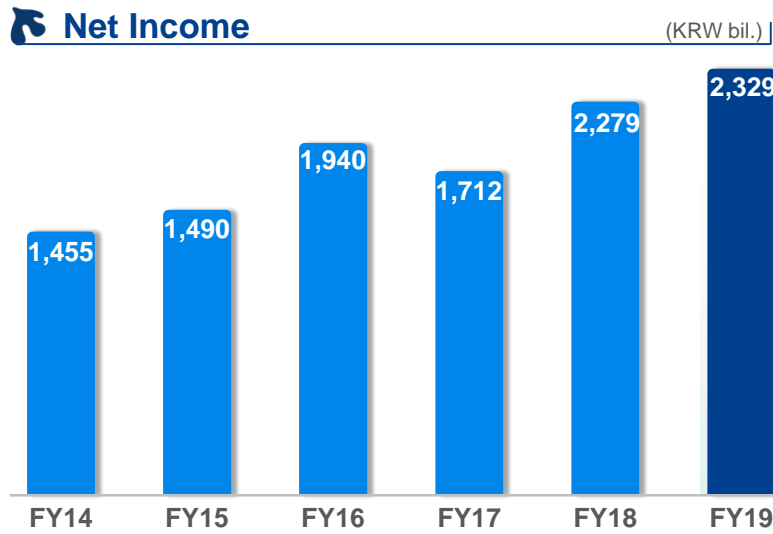


ROA (%)



(Reflecting SFG Ownership, KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Bank (a)	2,350.2	2,297.9	2.3	358.2	698.9	-48.8
Shinhan Bank	2,329.2	2,279.0	2.2	352.9	694.4	-49.2
Jeju Bank	21.0	18.9	11.5	5.3	4.5	17.7
Non-Bank (b)	1,211.2	1,050.7	15.3	202.4	324.9	-37.7
Shinhan Card	508.8	519.4	-2.0	97.7	139.8	-30.1
Shinhan Investment Corp.	220.9	251.3	-12.1	18.8	59.3	-68.4
Shinhan Life Insurance	123.9	131.0	-5.5	14.1	31.8	-55.6
Orange Life Insurance	160.6	-	n.a.	35.4	38.1	-7.0
Shinhan BNPP AM	15.0	12.3	22.4	3.2	4.3	-25.2
Shinhan Capital	126.0	103.4	21.9	26.9	28.3	-4.9
Shinhan Savings Bank	23.1	19.4	19.3	2.5	9.4	-73.8
Asia Trust	10.7	-	n.a.	3.3	5.1	-35.0
Shinhan DS	2.1	1.3	57.8	-0.1	1.0	n.a.
Shinhan AITAS	10.8	8.4	27.9	2.1	3.4	-38.6
Shinhan Credit Information	0.5	1.4	-63.6	-0.4	0.3	n.a.
Shinhan Alternative Investment	2.1	-0.8	n.a.	-0.7	0.8	n.a.
Shinhan REITs Management	7.4	3.6	108.0	-0.4	3.8	n.a.
Shinhan AI	-0.7	-	n.a.	-0.0	-0.6	n.a.
Total (a+b)	3,561.5	3,348.6	6.4	560.6	1,023.8	-45.2
Consolidated Net Income¹⁾	3,403.5	3,156.7	7.8	507.5	981.6	-48.3

Note 1) Net Income in Controlling Interest



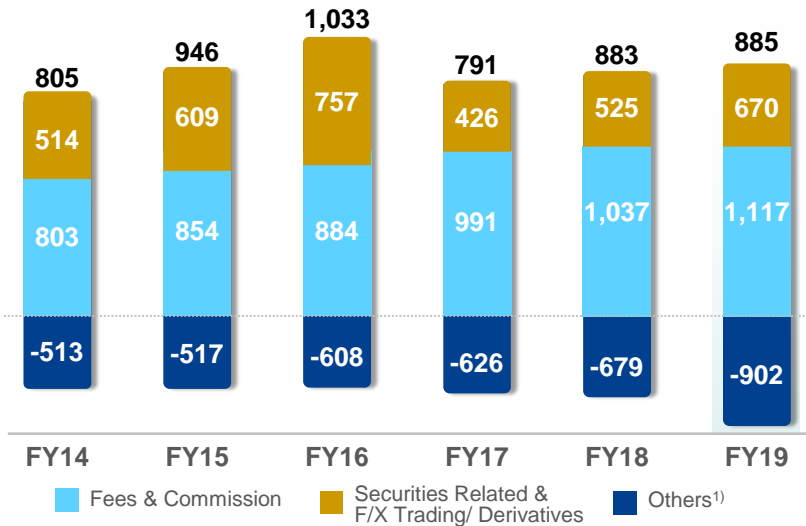
(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Operating Income (a=b+c)	6,757.0	6,468.6	4.5	1,624.6	1,755.2	-7.4
Interest Income (b)	5,871.7	5,586.0	5.1	1,478.3	1,497.9	-1.3
Non-Interest Income (c)	885.3	882.6	0.3	146.2	257.4	-43.2
G&A Expenses (d)	3,142.4	3,061.8	2.6	928.7	758.3	22.5
Pre-Provision Oper.Income (e=a-d)	3,614.6	3,406.8	6.1	695.9	996.9	-30.2
Non-Operating Income (f)	-186.4	-18.3	n.a.	-180.6	-9.9	n.a.
Pre-Provision Income (g=e+f)	3,428.2	3,388.5	1.2	515.2	987.0	-47.8
Provision for Credit Losses (h)	351.3	242.1	45.1	45.3	68.5	-33.9
Earnings before Income Tax (i=g-h)	3,076.9	3,146.4	-2.2	470.0	918.5	-48.8
Income Tax	747.6	867.0	-13.8	117.2	224.0	-47.7
Net Income ¹⁾	2,329.2	2,279.0	2.2	352.9	694.4	-49.2

Note 1) Net Income in Controlling Interest

(%)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
NIS (a-b) (quarterly)	1.75	1.81	1.82	1.84	1.87	1.89	1.89	1.86	1.86	1.86	1.81	1.74
Loan interest rate (a)	3.00	3.03	3.04	3.10	3.19	3.27	3.32	3.35	3.38	3.37	3.27	3.12
Deposit interest rate (b)	1.26	1.22	1.22	1.26	1.32	1.38	1.43	1.49	1.52	1.51	1.46	1.38
NIM (quarterly)	1.53	1.56	1.56	1.58	1.61	1.63	1.62	1.61	1.61	1.58	1.53	1.46
NIM (cumulative figures)	1.53	1.55	1.55	1.56	1.61	1.62	1.62	1.62	1.61	1.59	1.57	1.54

Non-Interest Income

(KRW bil.)

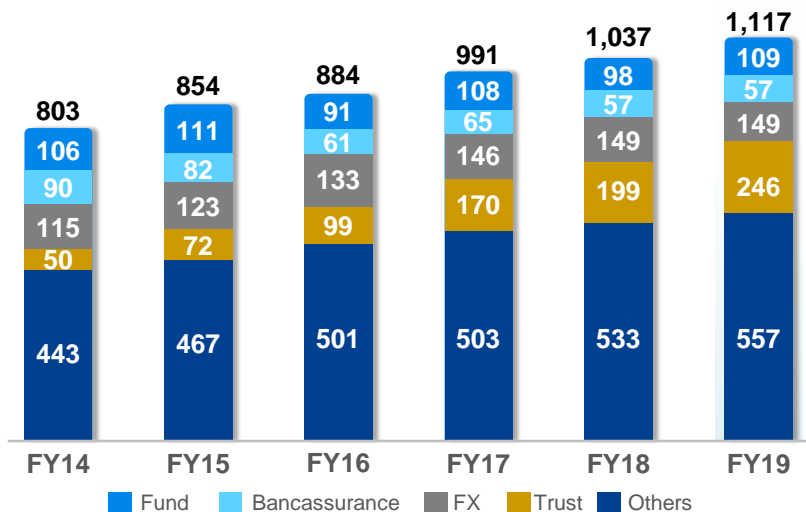


Note 1) Including Deposit Insurance Premium, Contribution Expenses etc.

(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Non-Interest Income	885.3	882.6	0.3	146.2	257.4	-43.2
Fees & Commission	1,117.3	1,036.5	7.8	270.1	272.8	-1.0
Securities Related & FX Trading/Derivatives	669.9	525.0	27.6	128.8	197.0	-34.6
(Gains on FVPL Financial Instruments)	107.7	188.3	-42.8	9.0	9.1	-0.5
(Gains on Derivatives & FX)	432.3	312.0	38.6	89.5	131.0	-31.7
Others	-901.9	-679.0	n.a.	-252.7	-212.4	n.a.
(Contribution Expenses)	-303.0	-275.3	n.a.	-80.8	-75.0	n.a.
(Insurance Fees on Deposits)	-299.2	-305.9	n.a.	-74.9	-74.5	n.a.

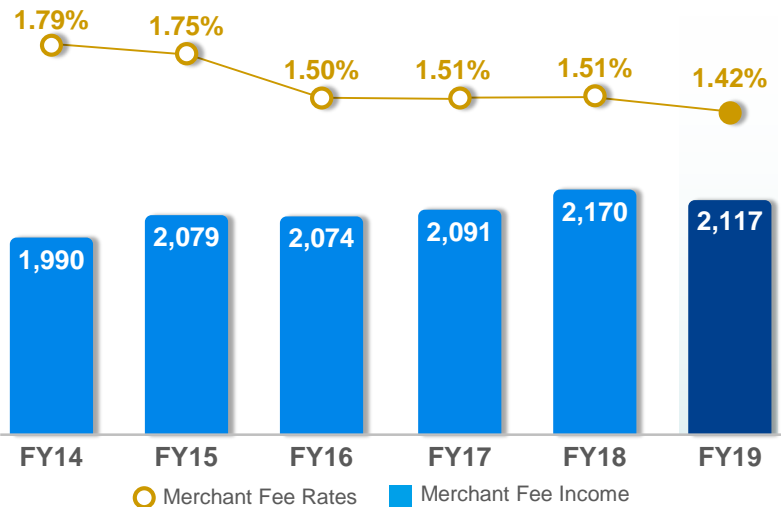
Fees & Commission

(KRW bil.)

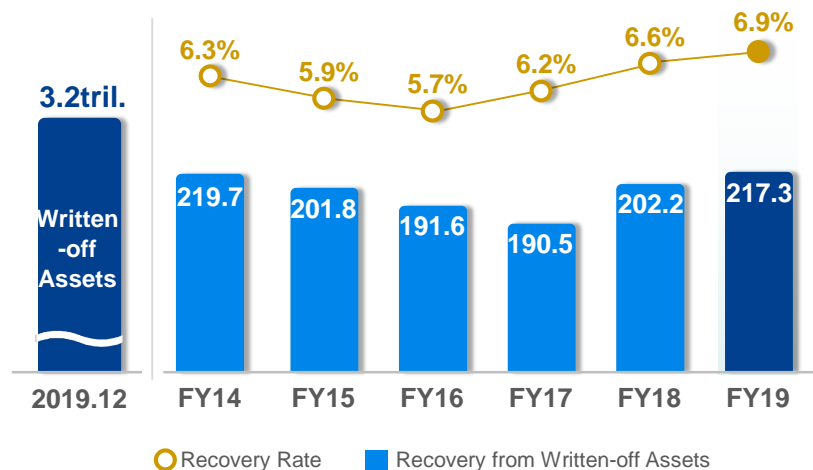


(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Fees & Commission	1,117.3	1,036.5	7.8	270.1	272.8	-1.0
Fund Fee Income	109.3	97.9	11.6	25.6	28.7	-10.6
Bancassurance Fee Income	56.8	56.9	-0.3	13.8	14.7	-6.4
FX Fee Income	148.5	149.3	-0.5	39.5	37.9	4.3
Trust Fee Income	246.1	199.3	23.5	64.8	58.3	11.1
Electronic Transaction Fees	151.2	145.9	3.6	38.4	38.5	-0.2
IB Related Fees	107.4	71.1	51.0	15.7	18.6	-15.5
Others	298.0	316.1	-5.7	72.3	76.1	-5.0

Merchant Fee Income and Rates (KRW bil.)



Recovery from Written-off Assets (KRW bil.)



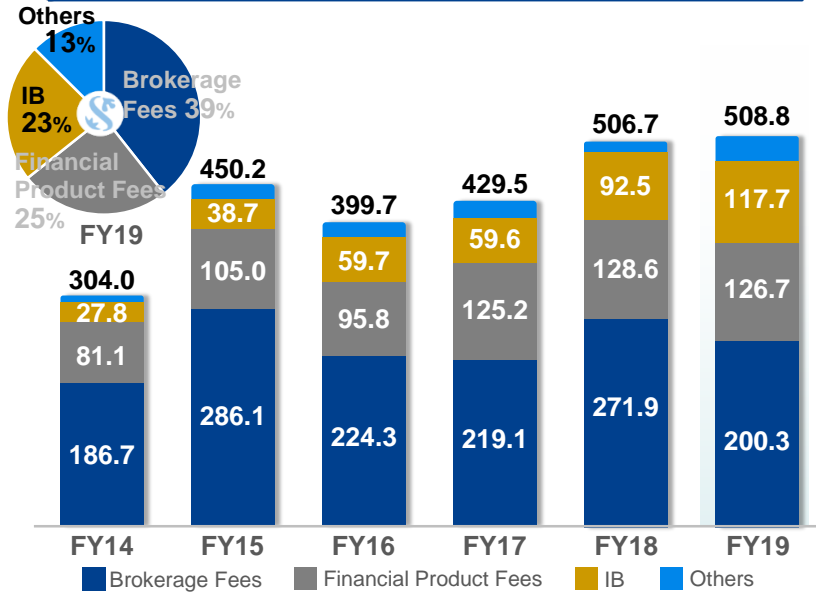
(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Operating Revenue (a)	3,894.6	3,753.9	3.7	905.3	1,025.4	-11.7
Card Business	2,953.5	2,960.9	-0.3	746.1	737.2	1.2
Installment Finance	134.8	110.0	22.5	35.6	35.8	-0.4
Lease	187.4	126.5	48.1	52.1	48.8	6.8
Others	619.0	556.4	11.2	71.5	203.5	-64.9
(Derivatives & FX)	163.8	152.2	7.6	-41.4	87.3	n.a.
Interest Expense (b)	499.5	430.7	16.0	126.8	125.4	1.1
G&A Expenses (c)	702.2	703.0	-0.1	223.1	163.7	36.3
Commissions & Other Expenses (d)	1,454.0	1,452.4	0.1	292.3	410.7	-28.8
(Derivatives & FX)	129.5	116.3	11.4	-50.1	78.8	n.a.
Pre-Provision Income (e=a-b-c-d)	1,238.9	1,167.7	6.1	263.1	325.6	-19.2
Provision for Credit Losses (f)	562.2	466.4	20.5	134.6	136.9	-1.7
Earnings before Income Tax (g=e-f)	676.8	701.3	-3.5	128.5	188.7	-31.9
Income Tax	167.7	183.5	-8.6	30.6	48.0	-36.3
Net Income¹⁾	508.8	519.4	-2.0	97.7	139.8	-30.1

Note 1) Net Income in Controlling Interest

Shinhan Investment Corp. Income

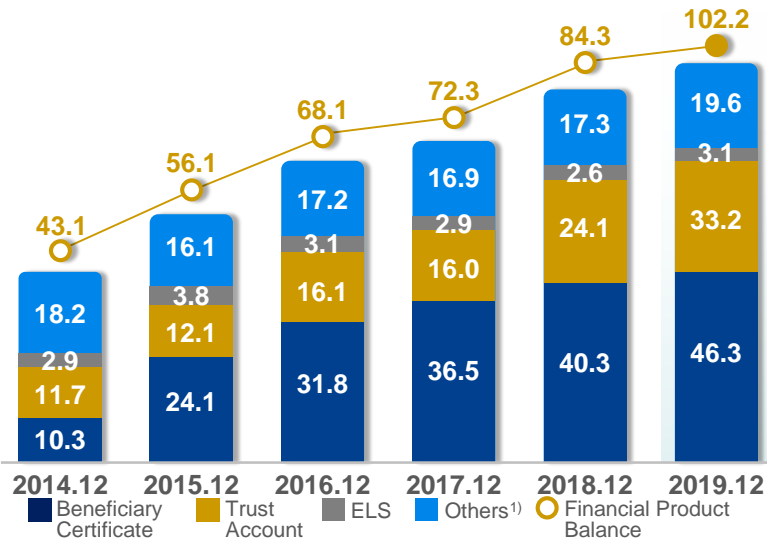
Fees & Commission

(KRW bil.)



Financial Products

(KRW tril.)



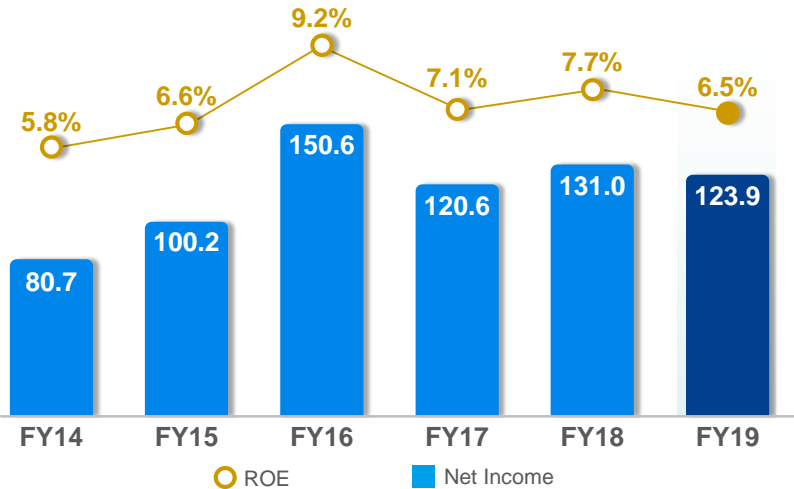
Note 1) Sum of Wrap, RP and Micro Debentures

Condensed I/S & Key Financial Indices

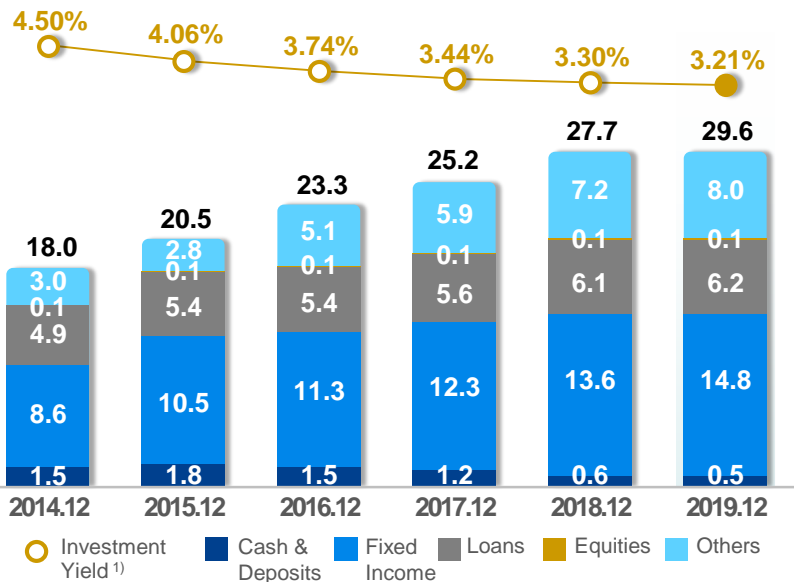
(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Operating Revenue	882.9	959.1	-8.0	185.5	224.2	-17.2
Fees & Commission	508.8	506.7	0.4	135.5	115.3	17.5
Proprietary Trading	476.0	321.4	48.1	260.1	78.1	232.9
Others	-102.0	131.0	n.a.	-210.0	30.8	n.a.
Operating Expense	643.4	624.3	3.1	179.1	157.1	14.0
G&A Expenses	521.6	500.3	4.2	136.8	129.0	6.0
Commission Expense	123.2	113.5	8.6	39.0	25.8	50.8
Provision for Credit Losses	-1.3	10.5	n.a.	3.3	2.3	46.7
Operating Income	239.4	334.8	-28.5	6.5	67.1	-90.4
Net Income	220.9	251.3	-12.1	18.8	59.3	-68.4
Net Capital Ratio(%)	1,248%	797%	451%p	1,248%	1,342%	-94%p
ROE	5.9%	7.6%	-1.8%p	5.9%	7.4%	-1.5%p
ROA	0.7%	0.9%	-0.2%p	0.7%	0.8%	-0.2%p

Note) ROE, ROA are calculated on a cumulative basis

Key Financial Indices (KRW bil.)



Operating Assets (KRW tril.)



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

Key Financial Indices

(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Prem. Received	4,299.3	4,587.8	-6.3	1,052.0	1,064.6	-1.2
Annual Prem. Equivalent (APE)	401.5	425.6	-5.7	109.4	100.2	9.1
Protection APE	389.7	400.6	-2.7	107.1	98.2	9.2
Net Income	123.9	131.0	-5.5	14.1	31.8	-55.6
ROE	6.5%	7.7%	-1.2%p	6.5%	7.6%	-1.1%p
ROA	0.4%	0.4%	-0.1%p	0.4%	0.4%	-0.1%p
RBC	226.6%	238.7%	-12.1%p	226.6%	237.4%	-10.8%p

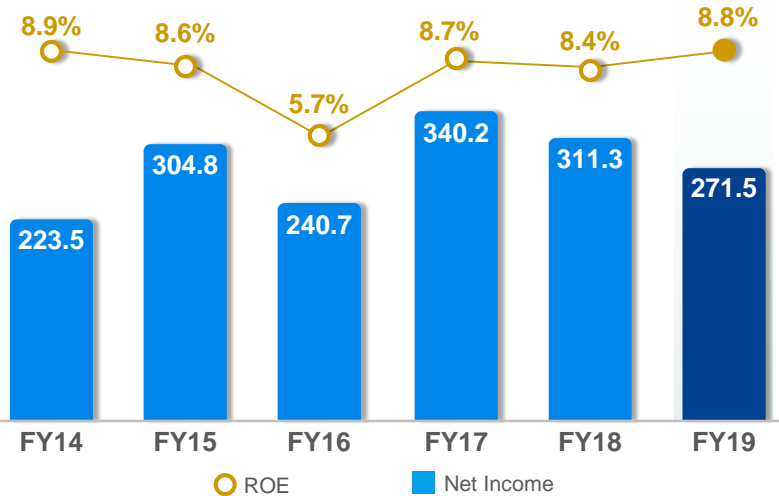
Note1) Excluding Retirement Pension

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

Operating Assets

(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Operating Assets	29,585.7	27,705.7	6.8	29,381.7	0.7
Cash & Deposits	490.1	619.7	-20.9	582.6	-15.9
Fixed Income	14,787.0	13,636.9	8.4	14,120.2	4.7
Loans	6,203.0	6,136.6	1.1	6,193.8	0.1
Equities	109.0	132.0	-17.4	117.2	-7.0
Others	7,996.6	7,180.5	11.4	8,368.0	-4.4
Investment yield	3.21%	3.30%	-0.09%p	3.18%	0.04%p

Key Financial Indices (KRW bil.)



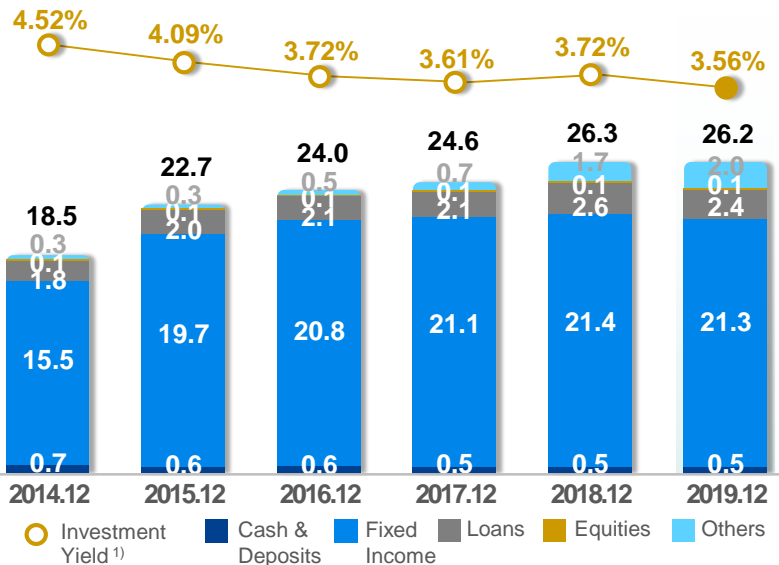
Key Financial Indices

(KRW bil.)	FY19	FY18	YoY%	4Q19	3Q19	QoQ%
Prem. Received	4,079.1	4,664.7	-12.6	951.7	984.8	-3.4
Annual Prem. Equivalent (APE)	584.5	718.0	-18.6	110.4	125.6	-12.1
Protection APE	354.1	327.3	8.2	79.5	81.4	-2.3
Net Income	271.5	311.3	-12.8	59.9	64.4	-7.0
ROE	8.8%	8.4%	0.4%p	8.8%	9.0%	-0.2%p
ROA	0.8%	1.0%	-0.1%p	0.8%	0.9%	-0.0%p
RBC	420.6%	425.0%	-4.4%p	420.6%	437.9%	-17.3%p

Note1) Excluding Retirement Pension

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

Operating Assets (KRW tril.)



Operating Assets

(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Operating Assets	26,243.5	26,319.3	-0.3	26,078.1	0.6
Cash & Deposits	472.3	539.3	-12.4	493.6	-4.3
Fixed Income	21,315.8	21,401.5	-0.4	21,187.0	0.6
Loans	2,355.3	2,588.6	-9.0	2,389.9	-1.4
Equities	124.9	135.1	-7.5	131.7	-5.2
Others	1,975.3	1,654.9	19.4	1,875.9	5.3
Investment yield	3.56%	3.72%	-0.16%p	3.71%	-0.14%p

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

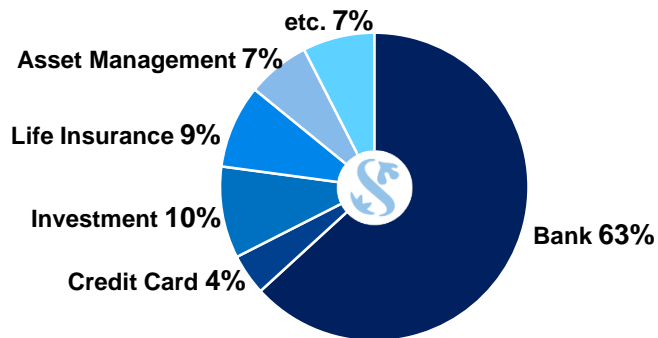
Ⅲ. Assets & Liabilities

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



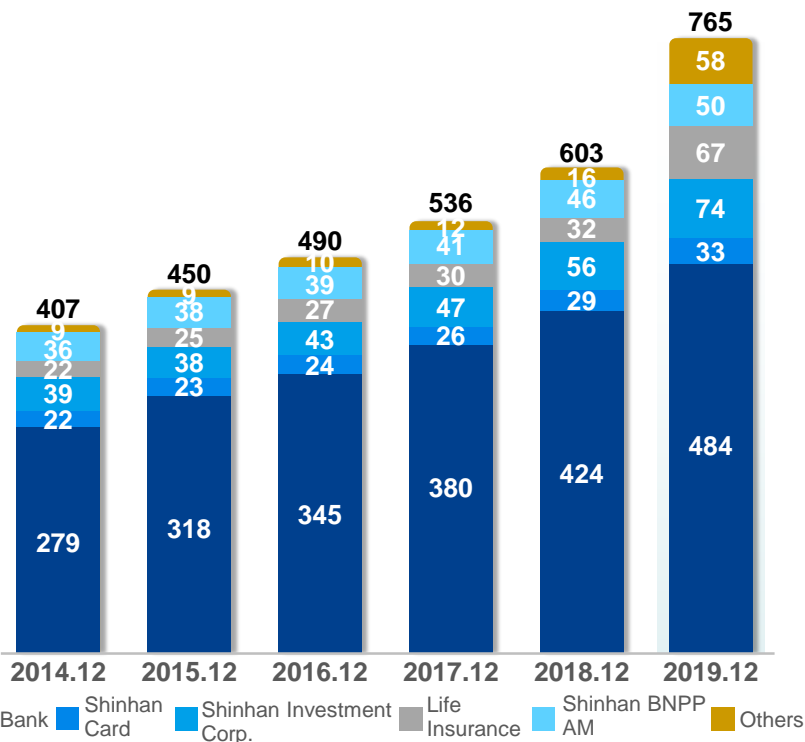
SFG Asset Growth

Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)



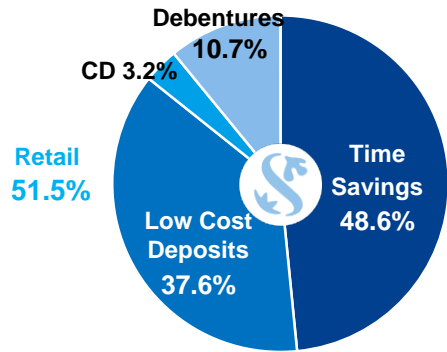
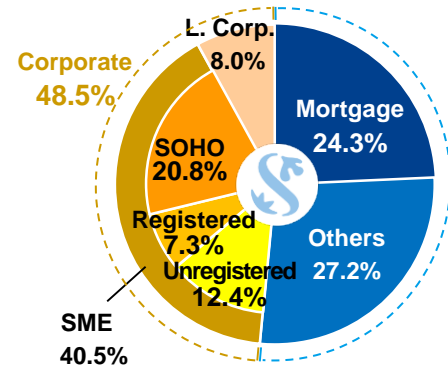
(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Bank (a)	483,644.9	423,928.2	14.1	478,487.7	1.1
Shinhan Bank	477,289.6	417,947.3	14.2	472,212.2	1.1
Jeju Bank	6,355.3	5,980.9	6.3	6,275.4	1.3
Non-Bank (b)	278,401.9	175,787.8	58.4	265,391.5	4.9
Shinhan Card	32,917.9	29,429.5	11.9	31,365.0	5.0
Shinhan Investment Corp.	73,589.7	55,703.6	32.1	67,238.1	9.4
Shinhan Life Insurance	34,133.6	31,823.6	7.3	33,635.1	1.5
Orange Life	32,841.4	-	n.a.	32,697.5	0.4
Shinhan BNPP AM	50,466.9	46,165.7	9.3	49,371.0	2.2
Shinhan Capital	7,566.4	6,116.6	23.7	7,120.3	6.3
Shinhan Savings Bank	1,602.9	1,454.3	10.2	1,609.8	-0.4
Asia Trust	36,560.7	-	n.a.	34,788.0	5.1
Shinhan DS	89.1	43.1	106.8	92.6	-3.7
Shinhan AITAS	77.1	65.7	17.3	72.7	6.0
Shinhan Credit Information	25.3	24.4	3.8	24.5	3.2
Shinhan Alternative Investment	4,114.3	1,211.6	239.6	3,311.8	24.2
Shinhan REITs Management	1,071.6	801.3	33.7	994.4	7.8
Others	42.4	-	n.a.	41.8	1.4
Shinhan AI	3,302.6	2,948.6	12.0	3,029.0	9.0
Total ¹⁾	765,085.7	603,453.5	26.8	748,331.2	2.2
Consolidated Total Assets	552,419.6	459,600.5	20.2	546,004.6	1.2

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

SHB Loan / Deposit Growth

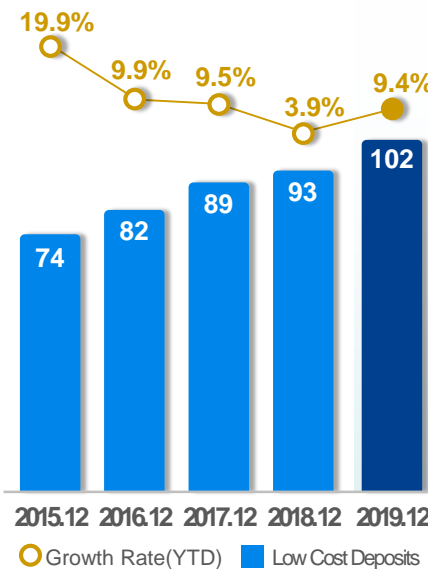
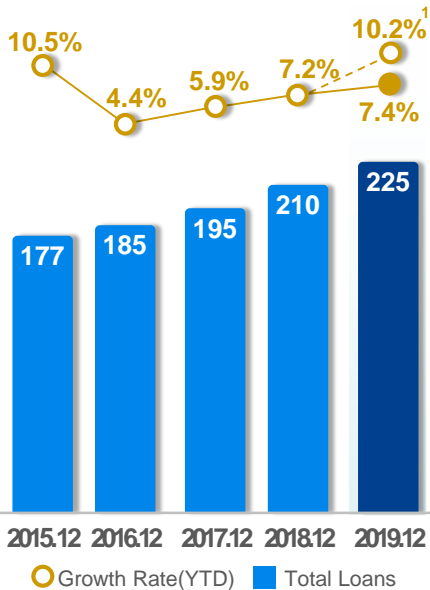
Loan Composition

Funding Composition



KRW Loan Growth (KRW tril.)

Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

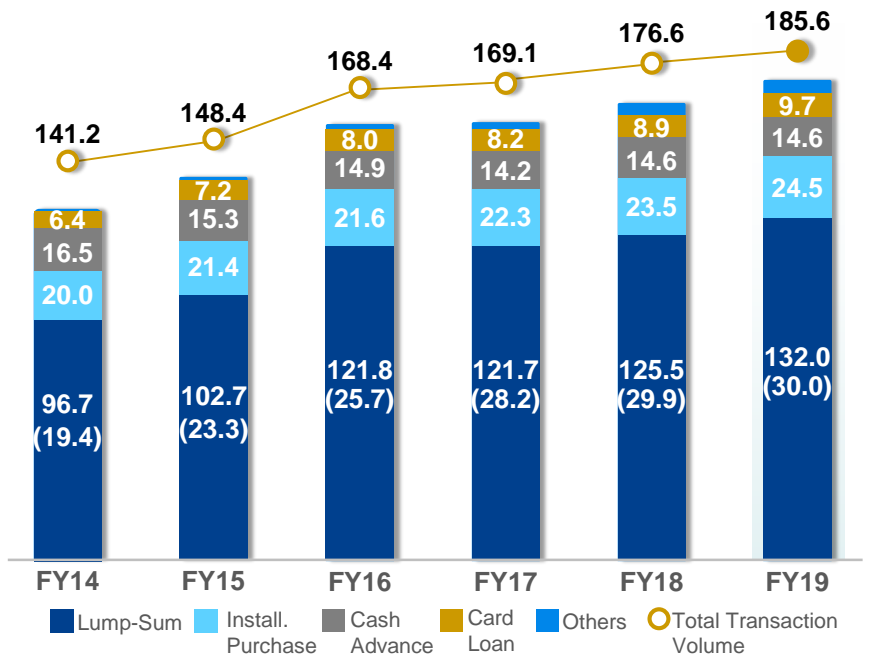
(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Loan in KRW	225,002	209,568	7.4	220,737	2.0
Retail	115,875	106,304	9.0	112,068	3.6
Mortgage	54,605	53,935	1.2	55,696	-2.0
Others ¹⁾	61,270	52,369	17.0	56,372	9.4
Corporate	109,127	103,264	5.7	108,668	0.4
SME	91,162	84,972	7.3	90,459	0.8
SOHO	46,785	42,664	9.7	46,144	1.5
Large Corporate etc.	17,965	18,292	-1.8	18,209	-1.3
Loan in FX	10,779	7,807	38.1	10,601	2.3

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

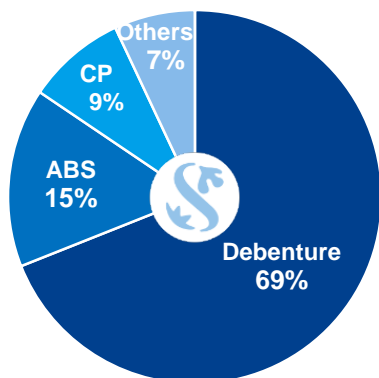
(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Total Deposits in KRW	232,997	208,349	11.8	221,376	5.6
Low Cost Deposits	101,700	92,950	9.4	96,317	5.8
Demand	30,455	28,455	7.0	29,899	2.0
Savings	71,245	64,495	10.5	66,418	7.5
Time Savings	131,297	115,399	13.8	125,058	5.4
Time Deposits	122,073	106,684	14.4	116,052	5.6
Accumulative etc.	9,225	8,715	5.8	9,006	2.5
Certificate of Deposits	8,602	8,603	-0.0	8,673	-0.8
Debtentures in KRW	28,813	23,814	21.0	28,204	2.6

Shinhan Card Asset Growth

Transaction Volume



Funding Composition



(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Earning Assets	30,180	27,254	10.7	29,333	2.9
Credit Purchase	15,184	14,015	8.3	14,306	6.1
Cash Advances	1,864	1,986	-6.2	1,902	-2.0
Card Loan	6,761	6,276	7.7	6,945	-2.7
(Re-aged Loan)	269	239	12.7	268	0.6
Installment Finance	3,212	2,671	20.3	3,126	2.7
Lease etc.	3,159	2,306	37.0	3,054	3.4
Effective Cardholders (in thousands)	12,667	12,495	1.4	12,596	0.6
Merchants (in thousands)	2,909	2,810	3.5	2,887	0.8

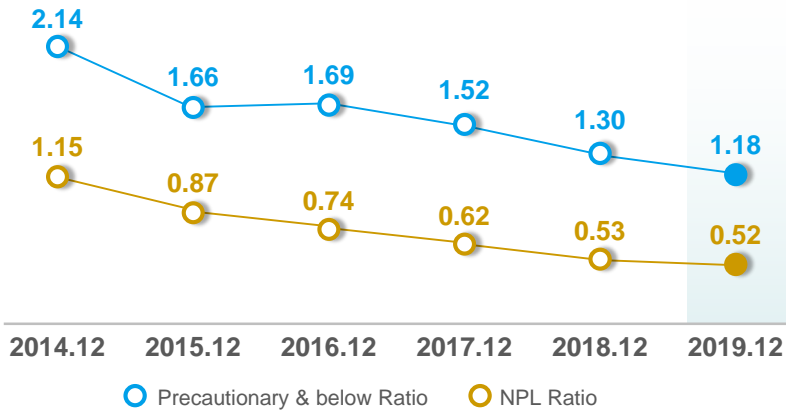
(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Total Funding	21,670	19,033	13.9	20,782	4.3
Debentures	14,945	14,112	5.9	14,455	3.4
ABS	3,357	2,556	31.3	3,247	3.4
CP	1,850	1,665	11.1	2,180	-15.1
Others	1,518	700	116.9	901	68.6

IV. Asset Quality

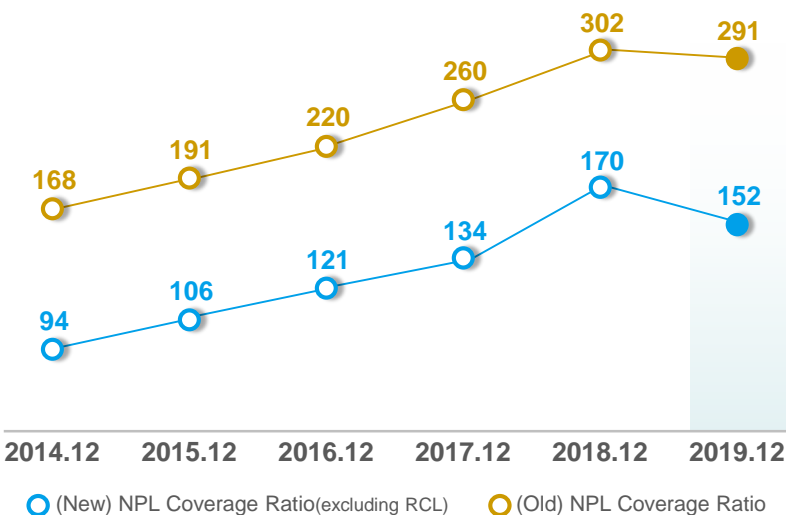
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Total Loans¹⁾	312,243	287,918	8.4	305,648	2.2
Normal	308,565	284,181	8.6	301,599	2.3
Precautionary	2,040	2,226	-8.3	2,220	-8.1
Substandard	621	479	29.8	693	-10.4
Doubtful	404	498	-19.0	454	-11.0
Estimated Loss	613	535	14.7	682	-10.0
Substandard & Below	1,638	1,512	8.4	1,829	-10.4
NPL Ratio	0.52%	0.53%	-0.01%p	0.60%	-0.08%p
Loan Loss Allowance²⁾	4,774	4,562	4.7	4,854	-1.6
Reserve for credit losses³⁾	2,286	1,987	15.0	2,214	3.2
(New) NPL Coverage Ratio⁴⁾	152%	170%	-18%p	144%	8%p
(Old) NPL Coverage Ratio	291%	302%	-11%p	265%	26%p

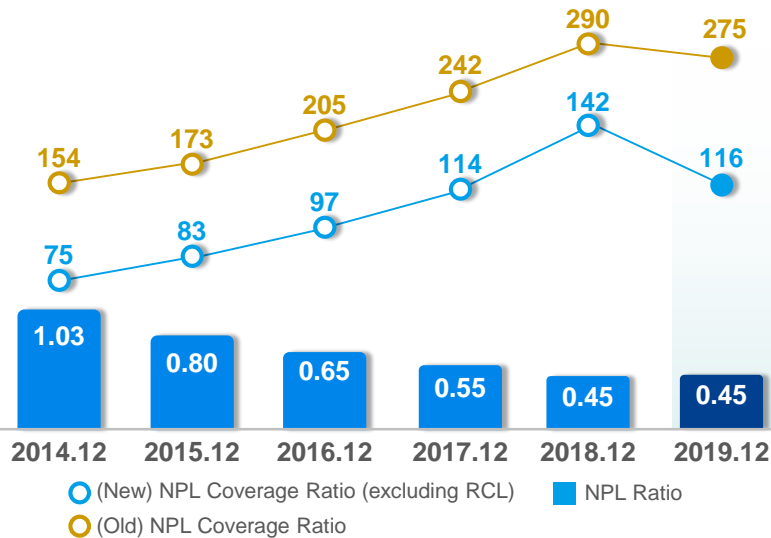
Note 1) Sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Orange Life, Shinhan Capital, Shinhan Savings Bank and Asia Trust.

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

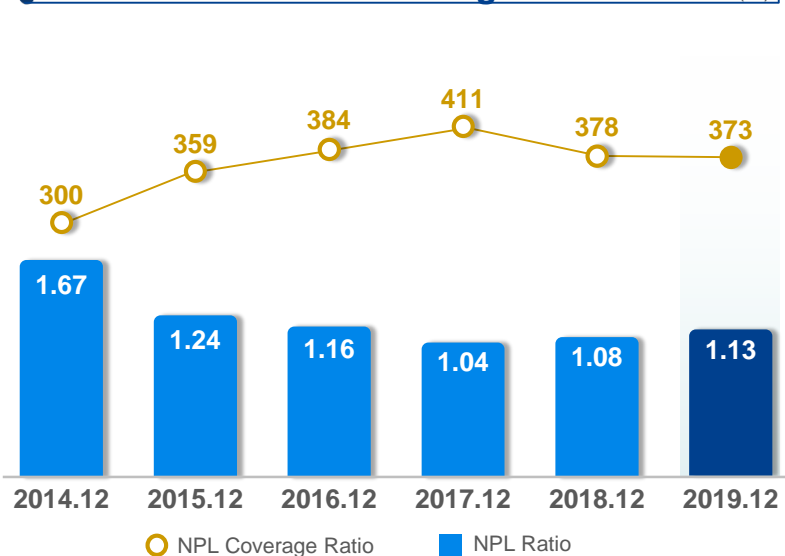
(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Total Loans	254,065	236,572	7.4	249,423	1.9
Normal	251,969	234,335	7.5	247,031	2.0
Precautionary	960	1,167	-17.7	1,095	-12.3
Substandard	566	424	33.5	630	-10.2
Doubtful	217	334	-34.9	267	-18.5
Estimated Loss	353	313	12.9	400	-11.9
Substandard & Below	1,136	1,070	6.1	1,297	-12.4
NPL Ratio	0.45%	0.45%	-	0.52%	-0.07%p
Loan Loss Allowance¹⁾	3,118	3,105	0.4	3,197	-2.5
Reserve for credit losses²⁾	1,801	1,588	13.4	1,744	3.2
(New) NPL Coverage Ratio³⁾	116%	142%	-26%p	112%	4%p
(Old) NPL Coverage Ratio	275%	290%	-15%p	247%	28%p

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

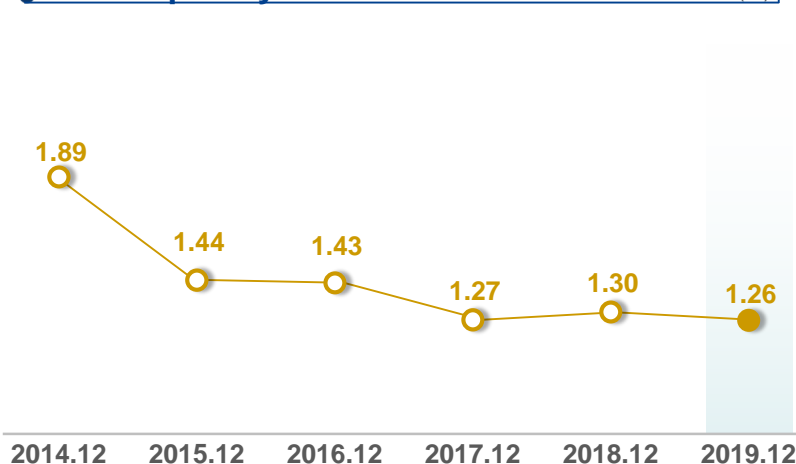
2) Excluding reserve for contingent acceptances & guarantees and unused credit lines

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

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



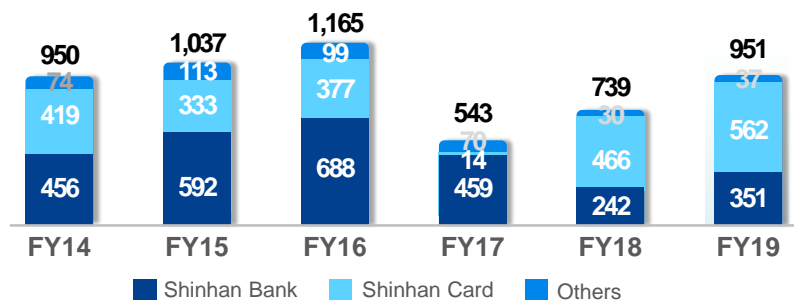
Note) 1 month overdue from total credit

(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Total Loans	30,597	28,311	8.1	29,851	2.5
Normal	29,414	27,244	8.0	28,606	2.8
Precautionary	838	760	10.2	870	-3.6
Substandard	-	-	-	-	-
Doubtful	146	135	8.0	143	1.9
Estimated Loss	199	170	16.8	232	-14.2
Substandard & Below	345	306	12.9	375	-8.0
NPL Ratio	1.13%	1.08%	0.05%p	1.26%	-0.13%p
Loan Loss Allowance¹⁾	1,288	1,155	11.5	1,307	-1.5
Reserve for credit losses	327	293	11.5	320	2.3
NPL Coverage Ratio	373%	378%	-5%p	349%	24%p

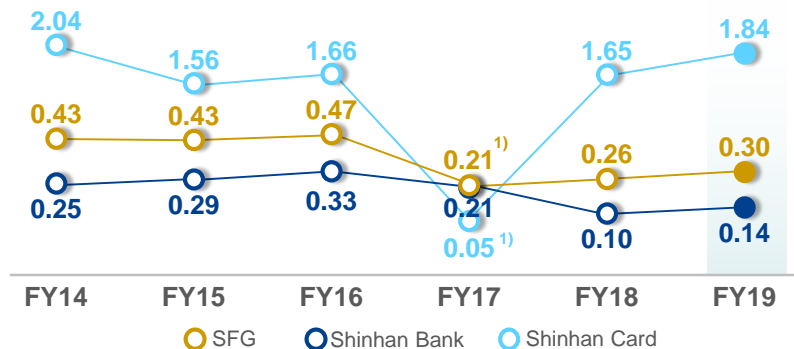
Note 1) Sum of IFRS standard LLA and reserves for credit losses (Excluding reserve for unused credit lines)

Provision for Credit Losses / Write-Offs

Provision for Credit Losses (KRW bil.)

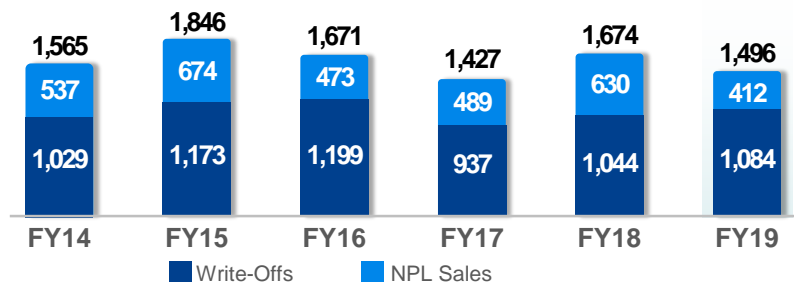


Credit Cost Ratio (%)



Note 1) Normalized credit cost excluding one-off 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	3Q19	4Q19	FY18	1Q18	2Q18	3Q18	4Q18
Shinhan Bank¹⁾	284	76	135	64	9	217	86	37	28	65
Retail	217	53	58	53	53	180	49	32	64	34
Corporate	67	23	77	11	-44	37	38	5	-37	30
Shinhan Card	562	157	129	141	135	466	91	121	157	98
Total	846	233	264	206	144	683	177	158	184	163

Note 1) SHB figures are separate basis

Write-Offs & NPL Sales

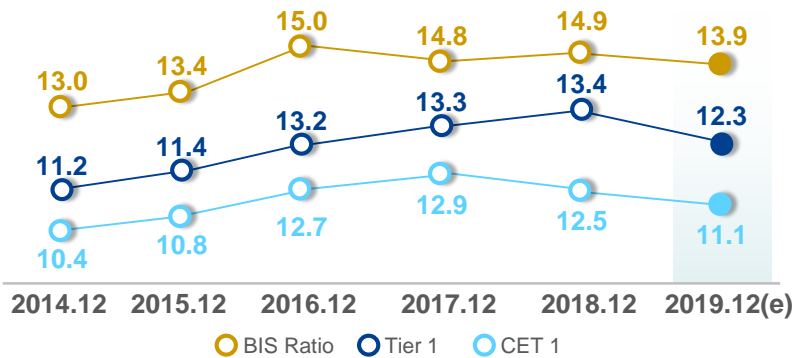
(KRW bil.)	FY19	1Q19	2Q19	3Q19	4Q19	FY18	1Q18	2Q18	3Q18	4Q18
Shinhan Bank	861	198	198	152	313	1,097	149	361	265	322
Write-Off	449	83	108	80	178	467	69	174	113	112
Retail	223	48	59	29	87	200	47	64	51	38
Corporate	225	35	48	51	91	267	22	109	61	74
Sale	412	115	90	71	135	630	81	187	152	210
Retail	92	22	20	20	30	80	13	20	21	26
Corporate	320	93	70	51	105	550	68	167	132	184
Shinhan Card	636	156	124	156	199	577	120	145	154	158
Total	1,496	354	322	307	512	1,674	270	506	419	480

V. Capital Adequacy & Key Financial Indices

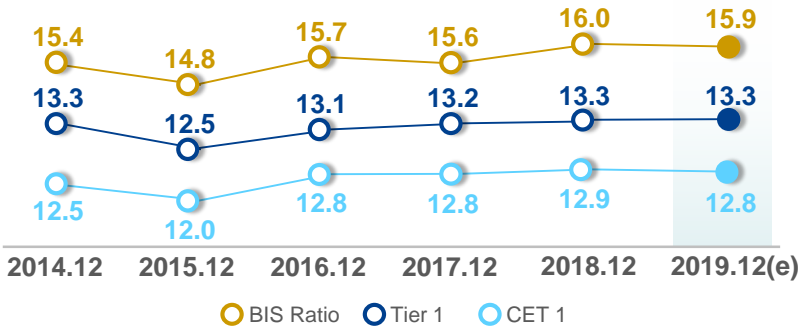
1. Capital Adequacy
2. Key Financial Indices



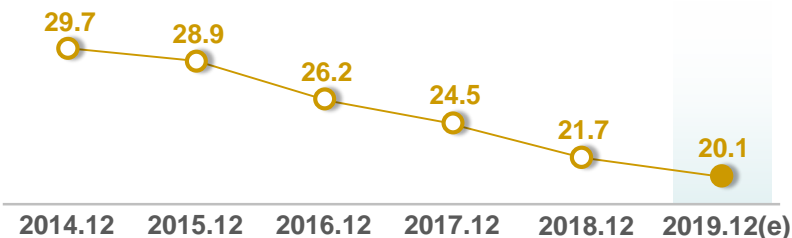
Group BIS Ratio (%)



Shinhan Bank BIS Ratio (%)



Shinhan Card Capital Adequacy Ratio (%)



Group BIS Ratio

(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Risk-Weighted Assets	256,892	228,678	12.3	255,848	0.4
Capital	35,712	33,993	5.1	36,261	-1.5
CET 1	28,559	28,696	-0.5	29,170	-2.1
Tier 1	31,698	30,678	3.3	32,262	-1.7
BIS Ratio	13.9%	14.9%	-1.0%p	14.2%	-0.3%p
CET 1	11.1%	12.5%	-1.4%p	11.4%	-0.3%p
Tier 1	12.3%	13.4%	-1.1%p	12.6%	-0.3%p

Note) Based on Basel3

Shinhan Bank BIS Ratio

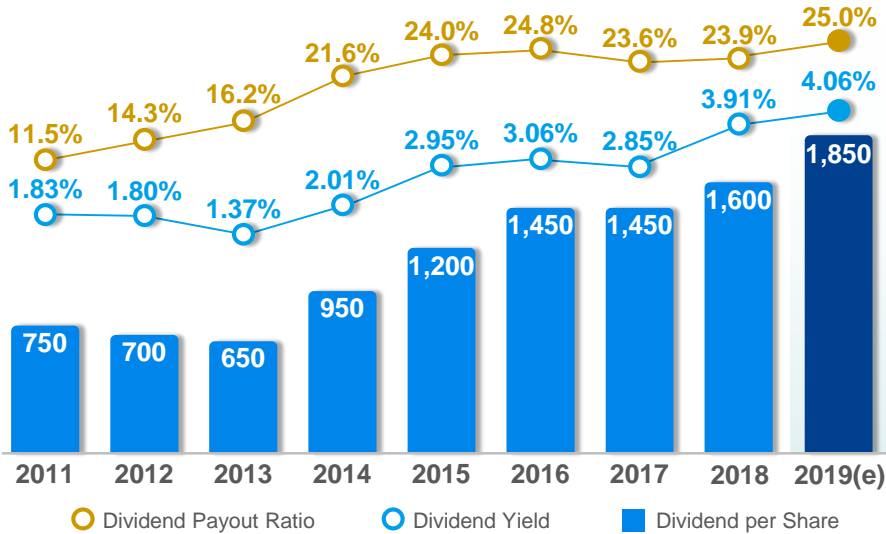
(KRW bil.)	2019.12	2018.12	YTD%	2019.9	QoQ%
Risk-Weighted Assets	181,637	171,593	5.9	180,758	0.5
Capital	28,905	27,500	5.1	29,752	-2.8
CET 1	23,159	22,114	4.7	23,773	-2.6
Tier 1	24,157	22,812	5.9	24,771	-2.5
BIS Ratio	15.9%	16.0%	-0.1%p	16.5%	-0.6%p
CET 1	12.8%	12.9%	-0.1%p	13.2%	-0.4%p
Tier 1	13.3%	13.3%	0.0%p	13.7%	-0.4%p

Note) Based on Basel3

Key Financial Indices

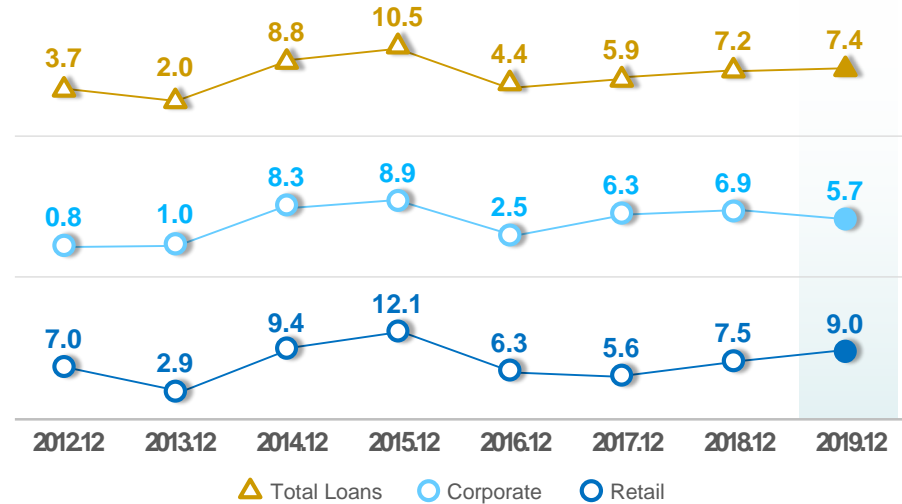
Dividend

(KRW)



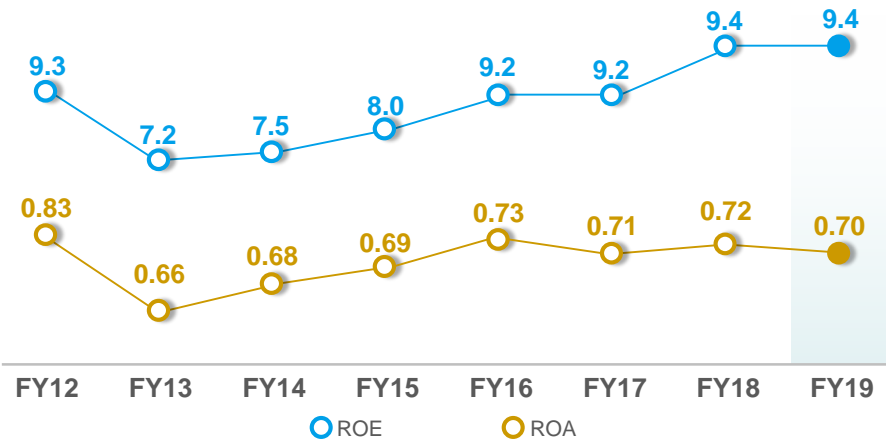
SHB Loan Growth Rate

(%)



ROA / ROE

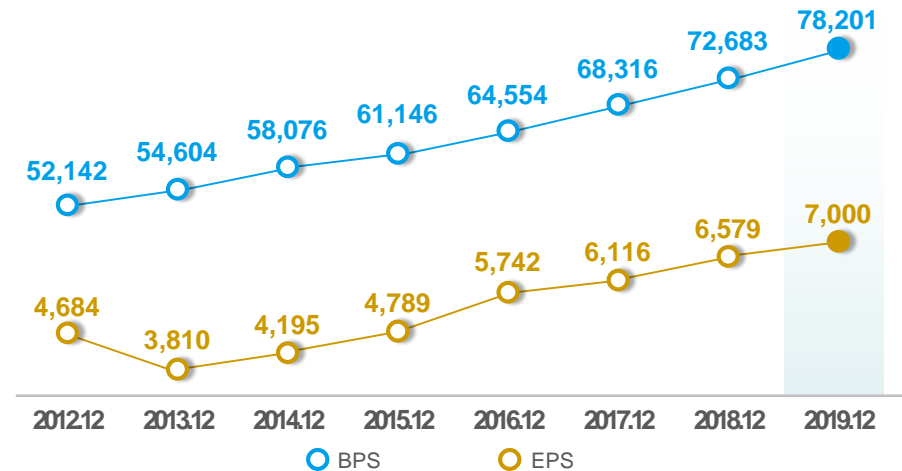
(%)



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

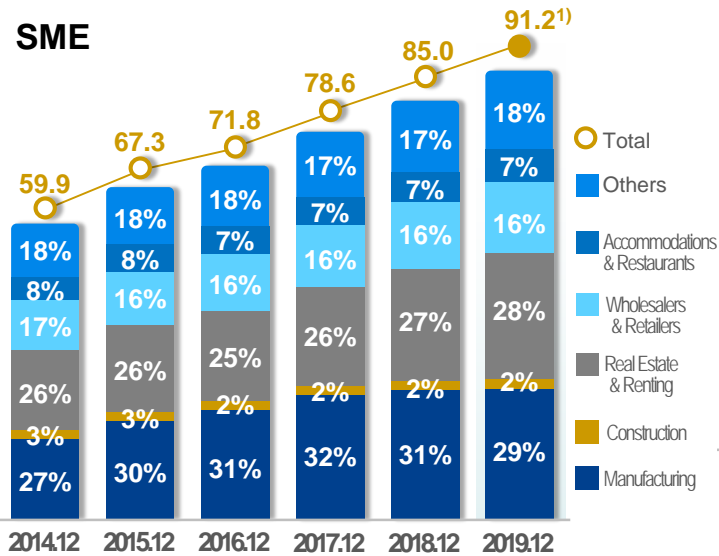


SHB SME Loans

Loans

(KRW tril.)

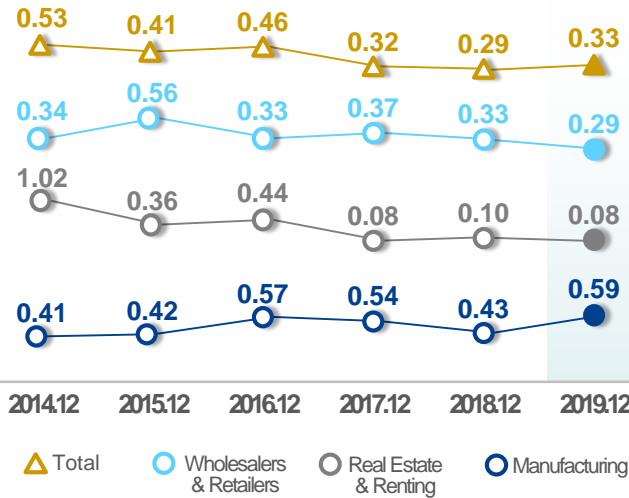
SME



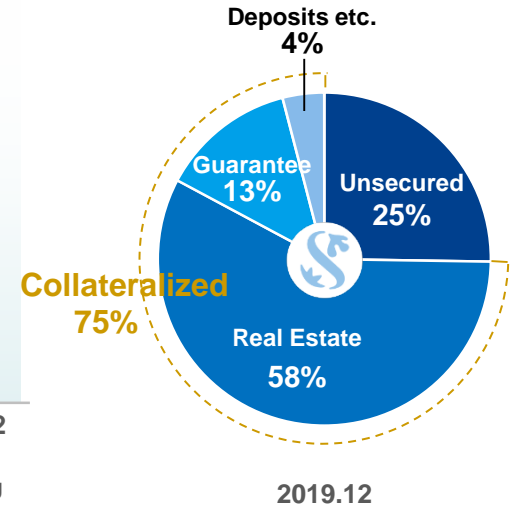
Note 1) SOHO 51%, Registered 19%, Unregistered 30%

Delinquency

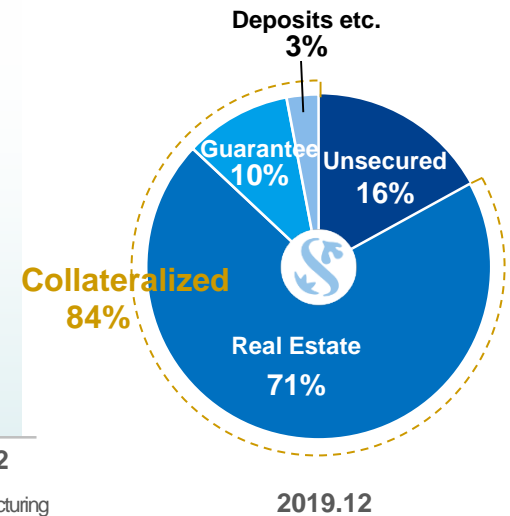
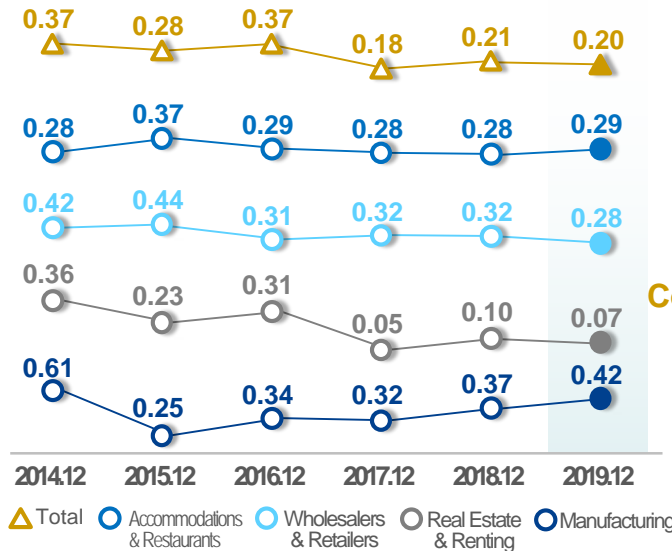
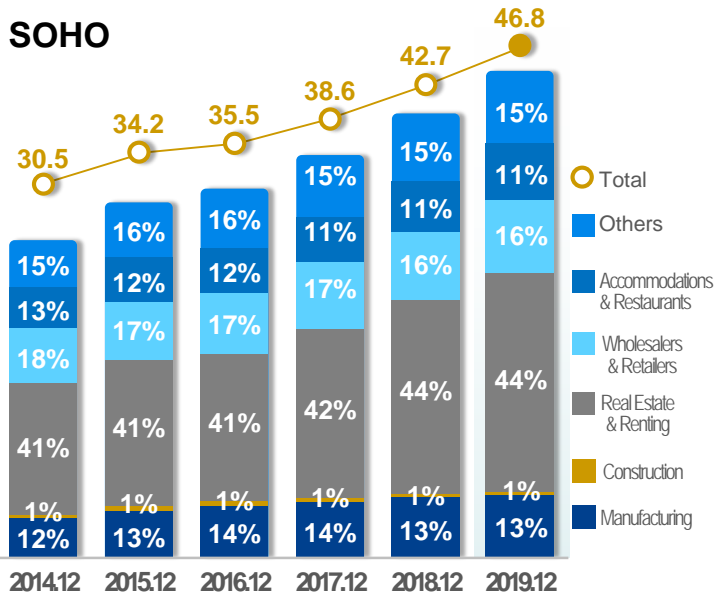
(%)



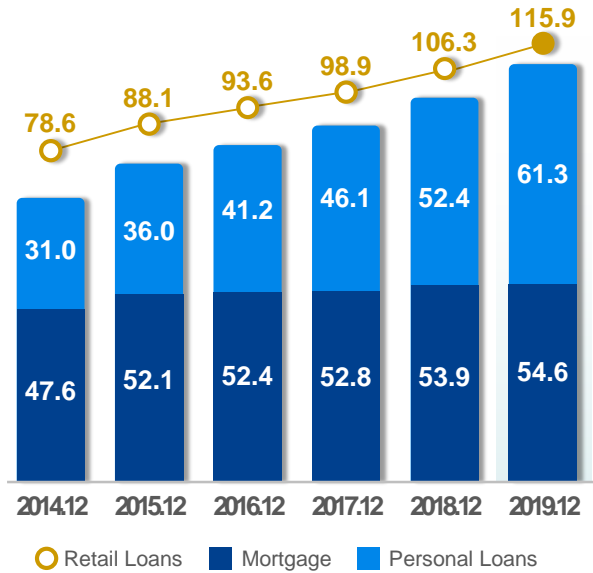
Collateral



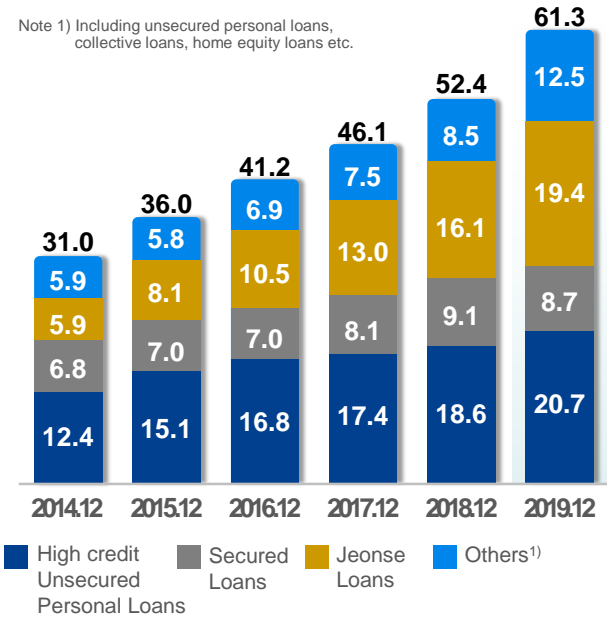
SOHO



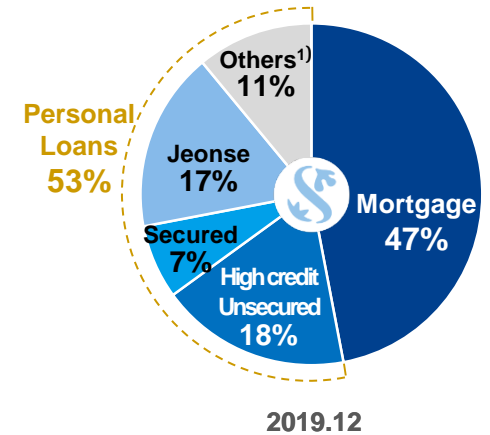
Loans (KRW tril.)



Retail Personal Loans (KRW tril.)

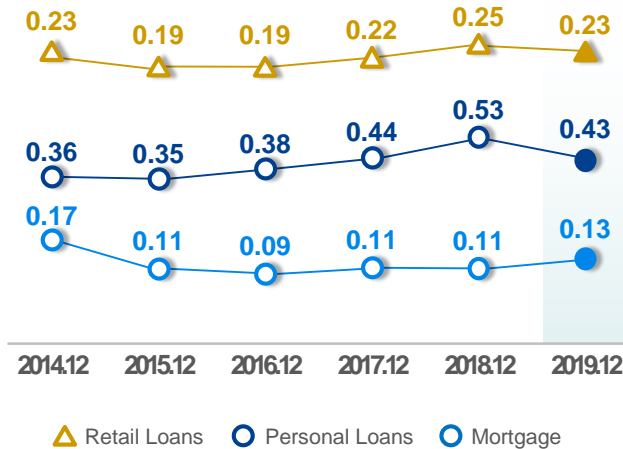


Loan Composition

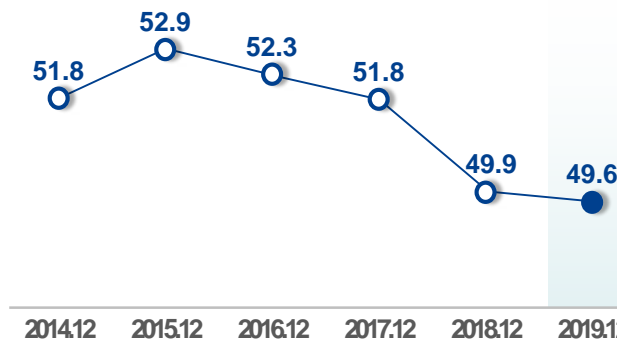


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

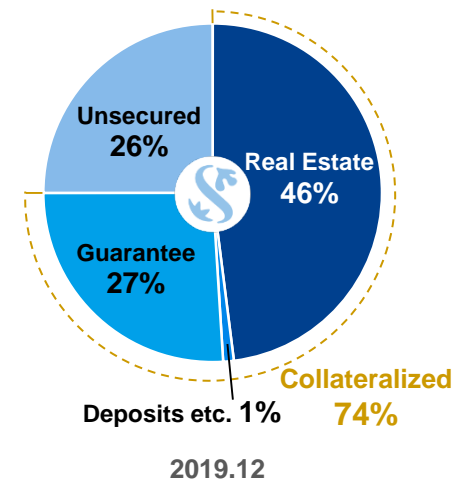
Delinquency (%)



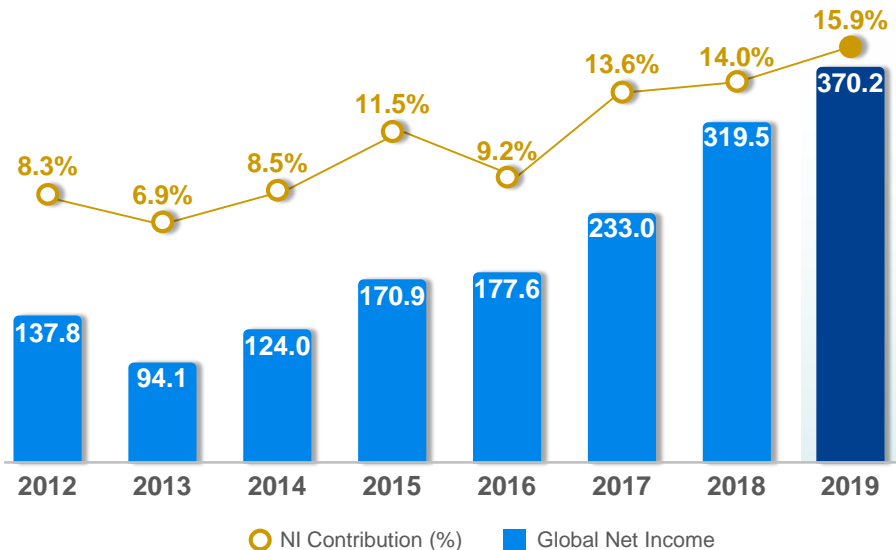
LTV (%)



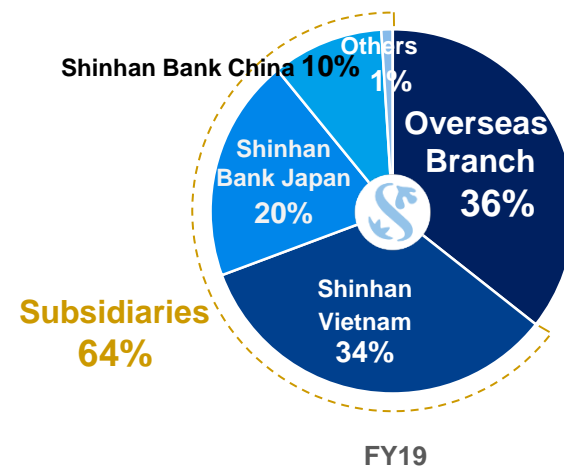
Collateral



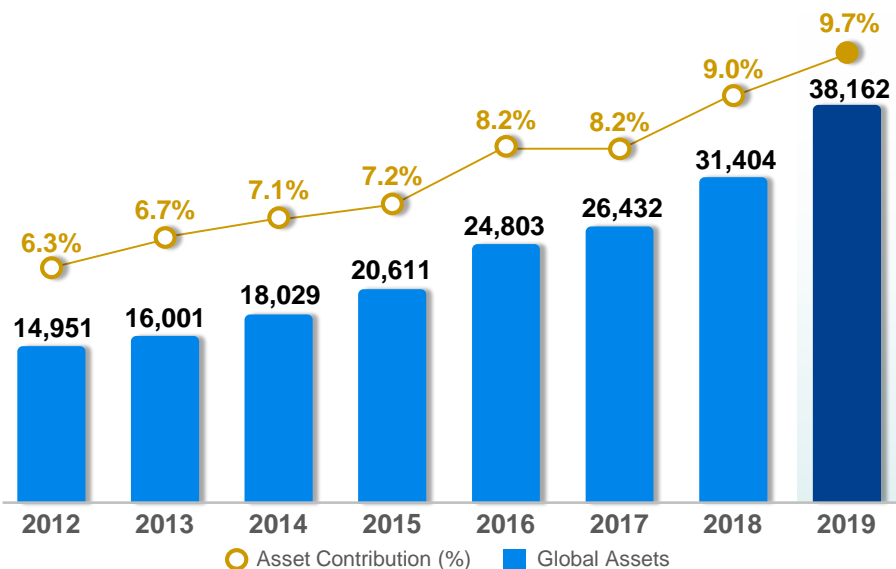
Net Income Contribution by International Business (KRW bil.)



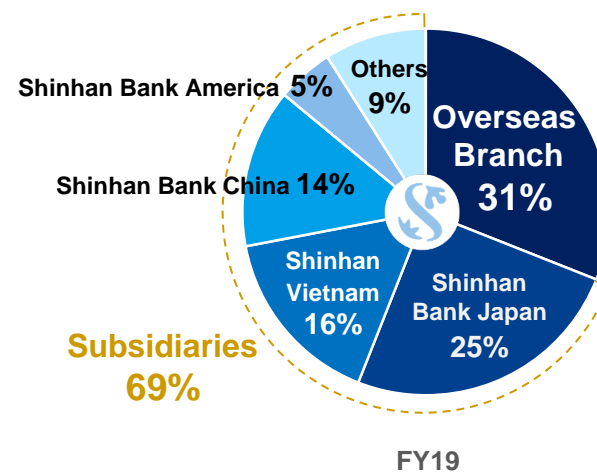
Net Income Composition



Asset Contribution by International Business (KRW bil.)



Asset Composition



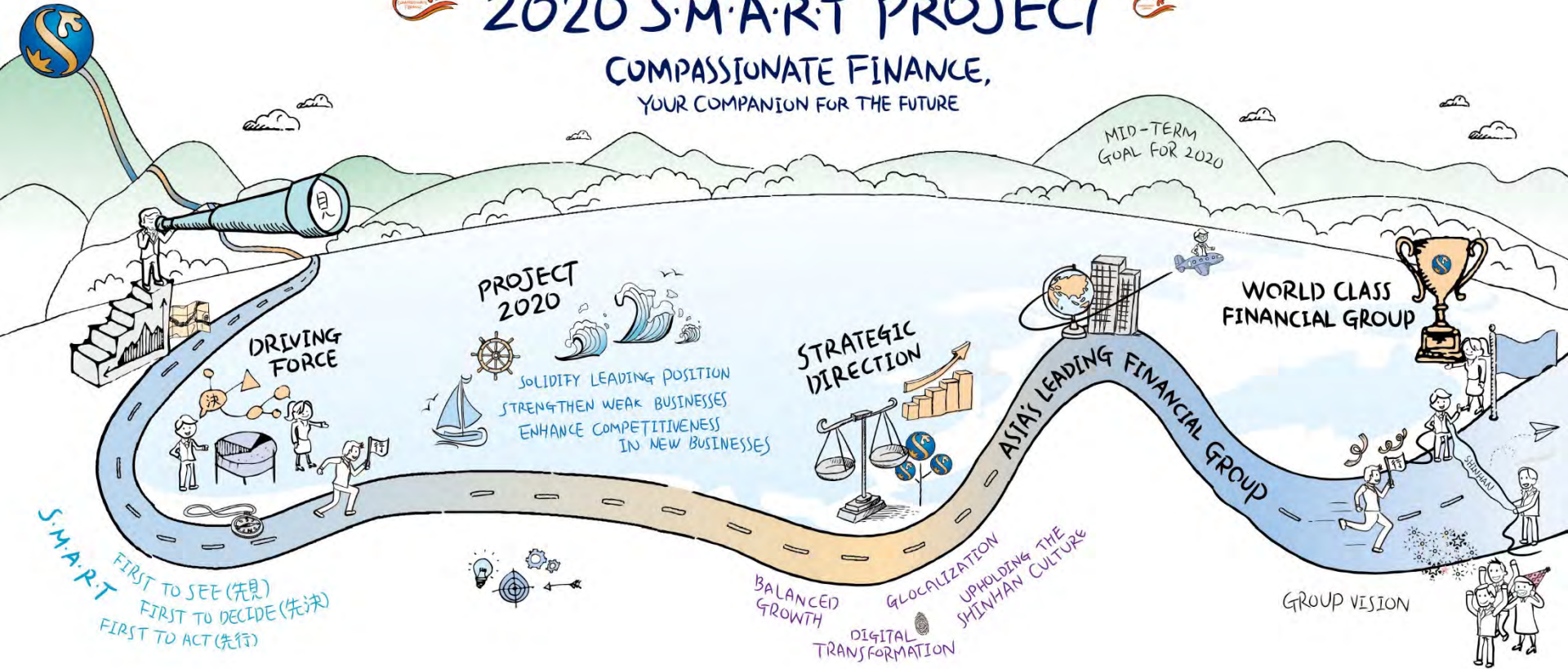
Note) KRW amounts of the net income are converted based on the average FX rates of the respective periods, and the assets are converted based on the FX rates at the end of the respective periods



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