

# Business Results

## 1Q 2020



# Disclaimer

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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:

- **Financial information has been prepared in accordance with the Korean IFRS (K-IFRS).**
- **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.)**
- **K-IFRS No. 1116, '*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.)**
- **The net profit (loss) realized from the 59.15% and 100% interest in the newly acquired Orange Life Insurance, Ltd. ("Orange Life") has been included in our consolidated profit (loss) figures for periods following January 1, 2019 and January 1, 2020, respectively.**
- **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, which is the deemed acquisition date.**
- **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](http://www.shinhangroup.com).

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# I. 1Q20 Results Highlights



## Compassionate Finance for our Clients and Communities

### ● COVID-19 relief for both corporate (SMEs and SOHOs) and retail clients

- KRW 4.9 trillion (32,510 cases)\* support to SMEs provided so far.  
\* including interest payment deferrals and debt rescheduling (Shinhan Bank, as of 20 April,2020)
- New credit extensions for SMEs (Shinhan Bank, max. KRW 3 trillion)
- Defer loan and interest payments for SME and SOHO clients (Bank, Card, etc.)
- Reduction in late payment charges for small businesses and retail clients (Bank, Card, etc.)

### ● Participation in government-led market stabilization efforts

- KRW 1.8 trillion funding into *Bond Market Stabilization Fund* (commitment basis)
- KRW 1.0 trillion funding into *Equity Market Stabilization Fund* (Bank, Card, Life Insurance, and Capital)

### ● Support for financially underserved and local communities

- Platform provider for donation through crowd funding (KRW 1.4 billion raised at 1<sup>st</sup> round of funding)
- Donations for financially underserved and the medical staff (in cash and in other necessities)

## Group-wide Risk Management System Launched

- Impact from COVID-19 is only partially reflected in 1Q20 figures (Net Income for 1Q20 recorded KRW 932.4 billion (YoY +1.5%))
- Impact from COVID-19 started to appear from March figures; therefore, earnings uncertainties will be much higher for 2Q20 onwards
  - ⇒ Loans to large corporates increased as demand hiked to preserve liquidity
  - ⇒ Earnings from credit card purchases decreased
  - ⇒ SHB's delinquency ratio before write-offs showing an upward trend
  - ⇒ SHB's low cost deposits are on a rise

	[SHB] Loan to Large Corps. (KRW trn)	[SHC] Earning from Credit Purchase (KRW trn)	[SHB] Delinquency Ratio Before Write-offs (%)	[SHB] Low Cost Deposit (KRW trn)
JAN. 2020	18.1	13.6	0.30	100.3
FEB. 2020	18.6	12.2	0.31	105.9
<b>MAR. 2020</b>	<b>20.3</b>	<b>12.0</b>	<b>0.35</b>	<b>111.2</b>

- 1Q20 figures are stable on all fronts, including the asset quality of SFG's major subsidiaries such as SHB and SHC. However, as economic impacts from COVID-19 are expected to be fully materialized from 2Q20, SFG has set-up risk management protocols for different scenarios

# 1Q20 Financial Overview

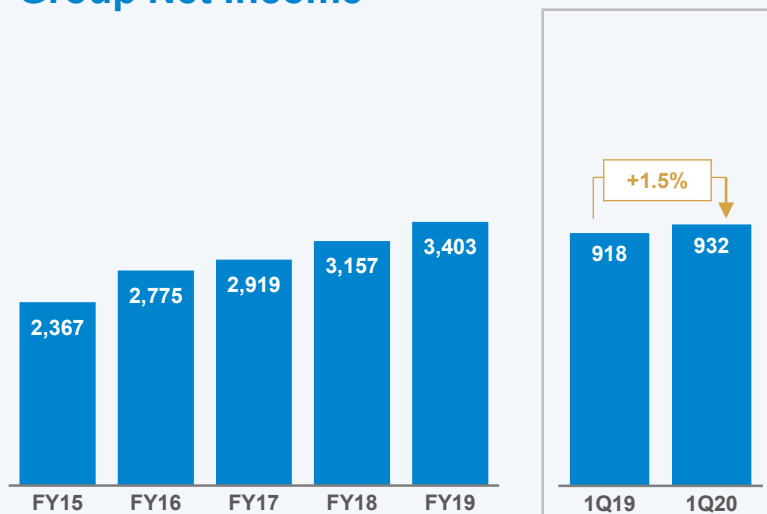
(KRW bln)	1Q20	1Q19	YoY %	4Q19	QoQ %
Operating Income before Expenses	2,738.1	2,729.5	0.3	2,616.8	4.6
Interest Income	2,003.9	1,907.9	5.0	2,072.8	-3.3
Non-interest Income	734.2	821.7	-10.6	544.0	35.0
G&A Expenses	1,197.9	1,168.4	2.5	1,504.3	-20.4
Operating Income	1,540.2	1,561.2	-1.3	1,112.5	38.4
Non-Operating Income	19.2	12.2	57.2	-150.1	n.a.
Pre-Provision Income	1,559.4	1,573.4	-0.9	962.4	62.0
Provision for Credit Losses	282.8	250.8	12.7	203.8	38.8
Earnings before Income Tax	1,276.6	1,322.5	-3.5	758.6	68.3
Income Tax	327.0	356.7	-8.3	201.0	62.7
Consolidated Net Income <sup>1</sup>	932.4	918.4	1.5	507.5	83.7
Loans in KRW (Bank, KRW trn)	231.5	215.0	7.7	225.0	2.9
Group Assets (Consolidated, end of period, KRW trn)	578.2	513.9	12.5	552.4	4.7
NIM <sup>2</sup> (Group)	1.86%	2.07%	-0.21%p	2.00%	-0.14%p
Cost to Income Ratio <sup>2</sup>	43.7%	42.8%	0.9%p	46.1%	-2.4%p
Credit Cost Ratio <sup>2</sup>	0.35%	0.34%	0.01%p	0.30%	0.05%p
NPL Ratio	0.54%	0.54%	-	0.52%	0.02%p
ROE <sup>2</sup>	9.8%	10.6%	-0.8%p	9.4%	0.4%p
ROA <sup>2</sup>	0.68%	0.80%	-0.12%p	0.70%	-0.02%p
CET1 Ratio (Group) <sup>3</sup>	11.4%	11.8%	-0.4%p	11.1%	0.3%p

Note1) Net Income in Controlling Interest

Note2) NIM, Cost to Income ratio, Credit Cost ratio, NPL ratio, ROE, ROA are on an accumulative basis

Note3) Capital ratio is a preliminary estimate

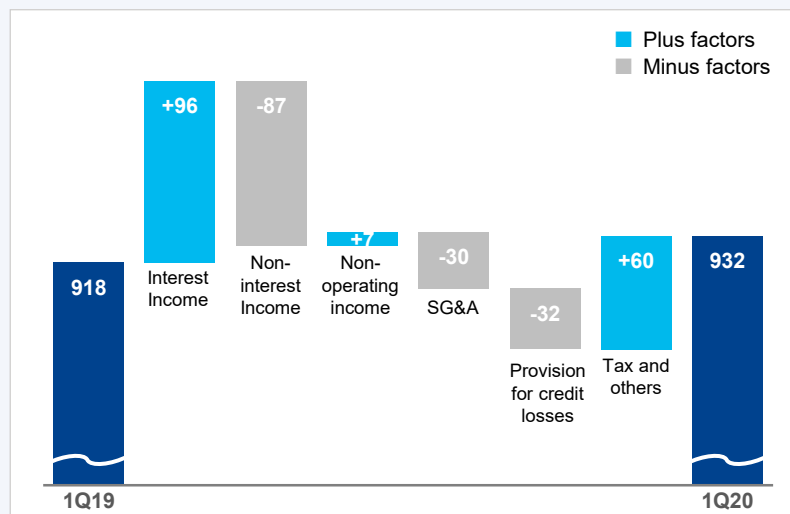
## Group Net Income



Note) Annual and Quarterly figures not to same scale

## Movements

(Unit: KRW bln)



\* All figures before income tax

### Solid earnings, firm fundamentals

Earnings well defended through diversified earnings base.

**932.4 KRW bln**

(1Q20 Group net income)

### Providing liquidity to amid COVID-19

Expanded financial support for both SMEs and households

**+3.8% | +2.9%**

(1Q20 SHB cumulative interest income growth and YTD loan growth)

### Increased market volatility weakens non-interest income

Sluggish market translated to drop in non-interest income

**-10.6%**

(Group non-interest income YoY growth)

### Group-wide strategic cost management

Strategic cost control amidst external uncertainties

**43.7%**

(1Q20 Cost-to-income ratio)

### Resilience-building risk management efforts

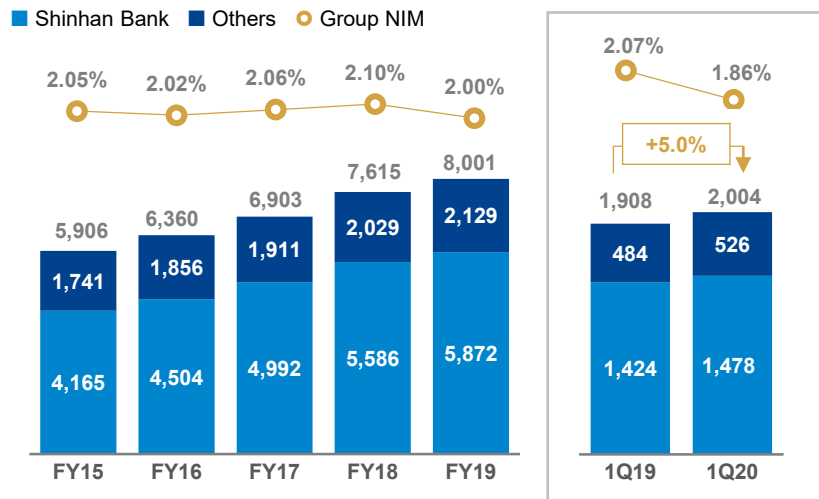
Risk management to minimize COVID-19 shocks

**35bp | 147%**

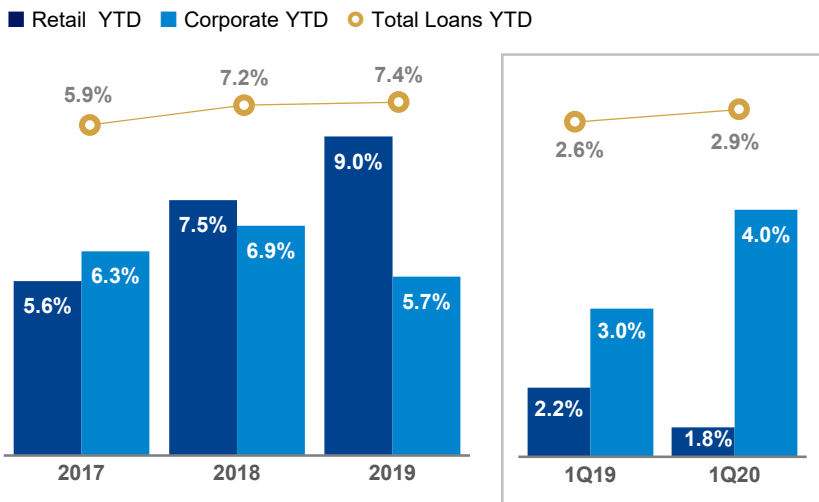
(1Q20 Group credit cost and NPL coverage ratio)



## Group Net Interest Income and NIM (KRW bln)



## KRW Loan Growth



Note1) Group NIM on a YTD basis

Note2) Annual and Quarterly figures not to the same scale

## KEY HIGHLIGHTS

### Net interest income & NIM

- SHB's 1Q20 interest income grew 5.0% YTD: Interest income from overseas rose by 16.2%, improving its contribution to the Group NII by +1.0%p to 10.8% in 1Q20.
- NIM contraction pressure was high due to 25bps and 50 bps base rate drop in 4Q19 and 1Q20, respectively.
- However, NIM contraction was partially offset with a hike in low cost deposits, which increased 9.3% YTD.

### [Interest Rate Movement]

	1Q19	2Q19	3Q19	4Q19	1Q20
BOK Base rate	1.75%	1.75%	1.50%	1.25%	0.75%
KTB 3 year (quarter average)	1.799%	1.643%	1.280%	1.413%	1.234%

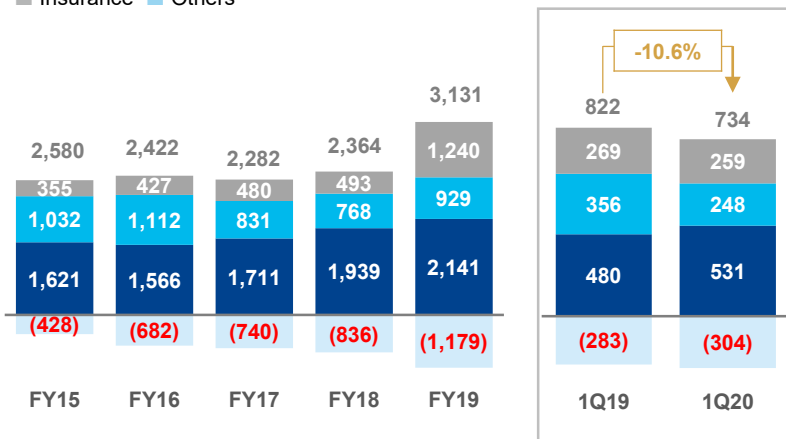
### Loan Growth

- Loans to large corporates increased as demand hiked to preserve liquidity (+15.5% YTD)
- Responsibly extended credit to smaller corporates: Among SME loans (+2.3% YTD), loans to non-audited SMEs and SOHO increased by 3.6% and 2.4% YTD, respectively.

## Non-interest Income

(KRW bln)

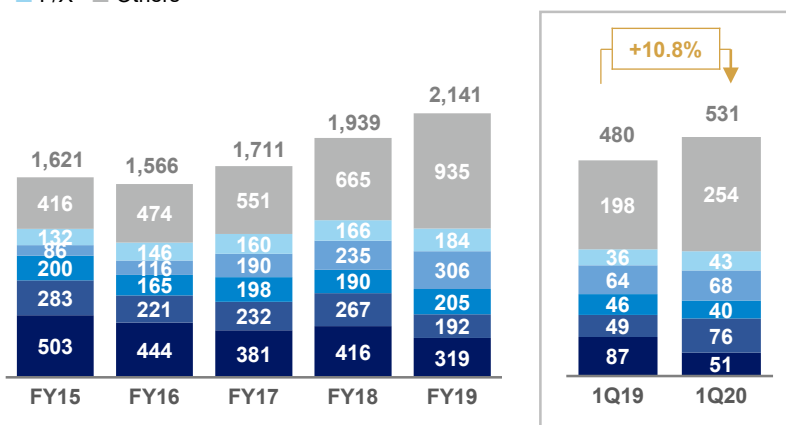
■ Fees & Commission ■ Securities, F/X trading & Derivatives  
■ Insurance ■ Others



## Fees & Commission

(KRW bln)

■ Credit Card ■ Brokerage ■ Fund & Bancassurance ■ Trust  
■ F/X ■ Others



## KEY HIGHLIGHTS

### Non-interest income

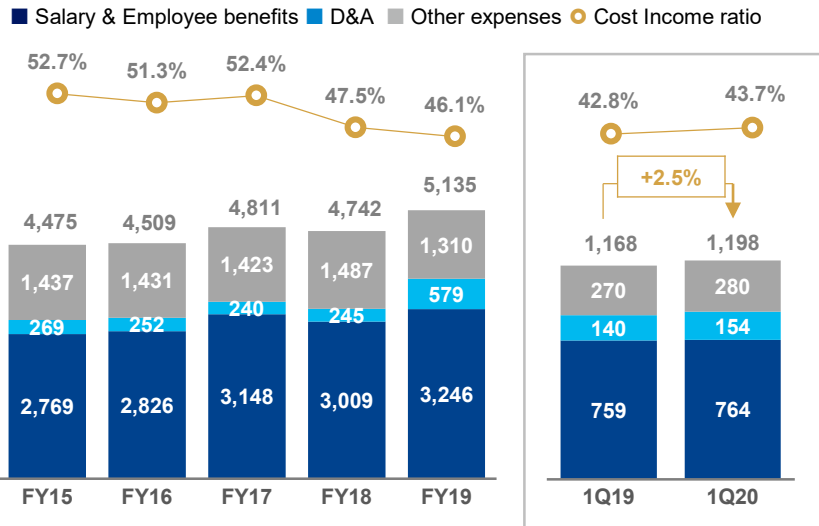
- Although fees and commissions increased, Group non-interest income fell by -10.6% YoY due to a decrease in securities, FX trading, and derivatives related income, reflecting sluggish capital market
- Fees and commissions income increased by +10.8% YoY, driven by robust brokerage commissions and lease financing fees
- Market sensitive revenue, such as securities, FX trading, and derivatives related income fell -30.4% YoY

### Fees and Commission

- Credit card fee income decreased by -40.7% YoY due to merchant fee cuts in February and lowered credit card sales amid the spread of COVID-19
- Brokerage commissions increased by +54.0% YoY due to an increase in trading volume
- Lease financing fees increased by +61.8% YoY as SHC strategically increased its lease assets
- Other fees and commission, including fee income from *Relief debt conversion* program, rose by +28.0% YoY

## G&A Expense

(KRW bln)



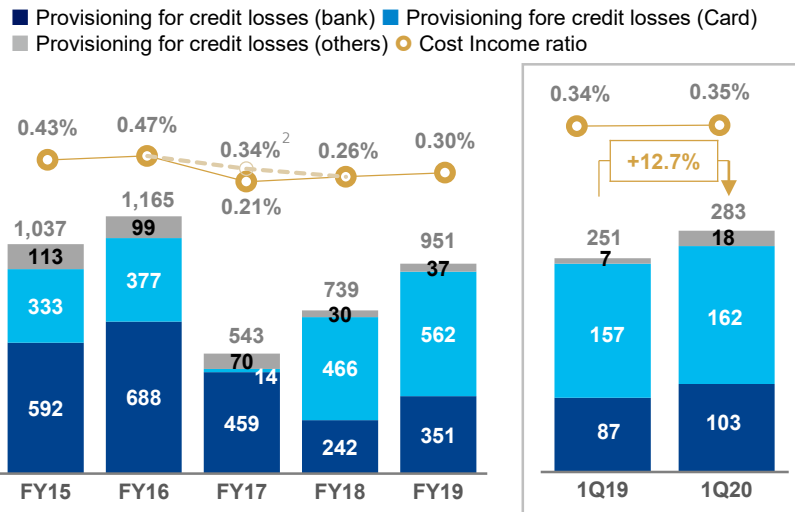
## KEY HIGHLIGHTS

### Cost Management

- Group recorded cost-income ratio of 43.7% through cost control efforts.
- Group's G&A expenses wet up by +2.5% YoY, maintaining a stable level.
- Cost control efforts will continue throughout the year to be well prepared from any COVID-19 uncertainties

## Credit Cost

(KRW bln)



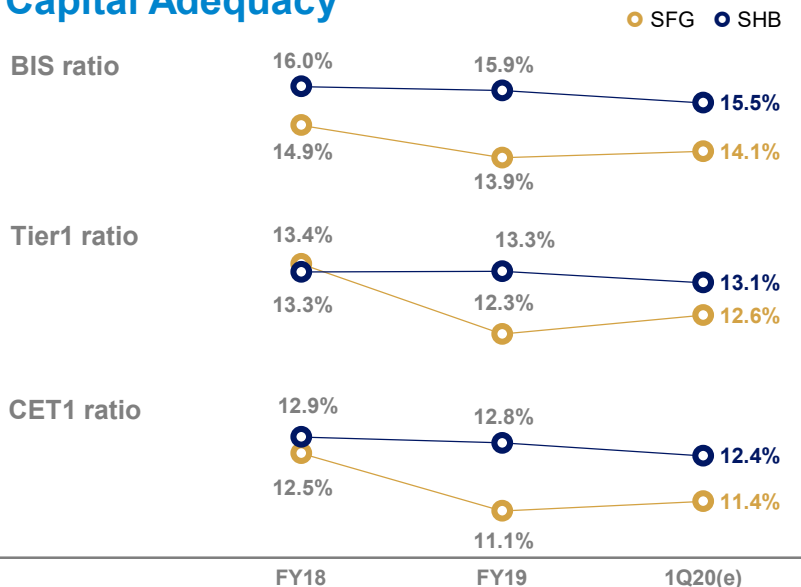
### Credit Cost

- Provision for credit losses increased by +12.7% YoY and credit cost ratio also went up slightly to 35bps.
  - SHB: +16bps (YoY +1bp)
  - SHC: +215bps (YoY  $\Delta$ 14bps)
- Delinquency ratio for SHB and SHC remain stable at 0.31% and 1.35%, respectively. However, delinquency trend is on an upward trajectory due to the impact from COVID-19.

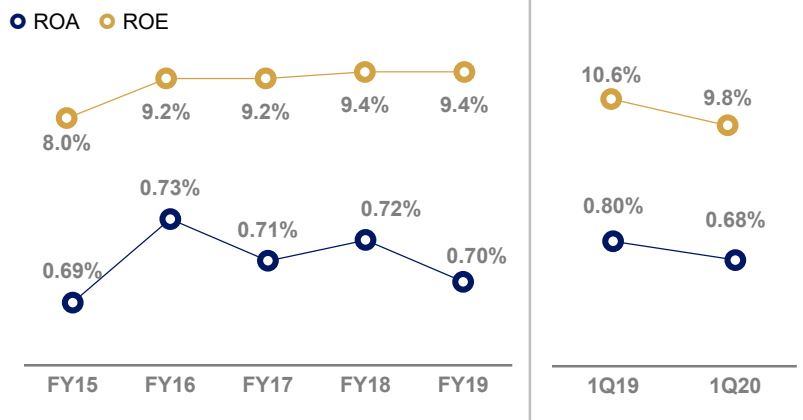
Note1) Annual and Quarterly figures not to the same scale

Note2) Excluding write-backs from Shinhan Card

## Capital Adequacy



## ROE & ROA



Note) Annual and Quarterly figures not to the same scale

## KEY HIGHLIGHTS

### Capital Adequacy

- Under BASEL III, Group's Common Equity Tier 1 ratio is estimated at 11.4%
  - RWA increased by 1.9% YTD to mark 261.8Wtn
  - CET 1 capital increased by 4.0% to 29.7Wtn
- 150Wbn share buyback and cancellation program scheduled for 2Q20<sup>1</sup> (approx. 5.48 million shares, 1.1% of total issued shares)
  - Impact of this share buyback and cancellation expected to be minor, a -6bps drop in Group BIS ratio
- As the credit risk framework under Basel III is to be adopted from 2Q20<sup>2</sup>, Group CET 1 is expected to increase by approx. +100bps.

Note 1) As disclosed on March 26, 2020

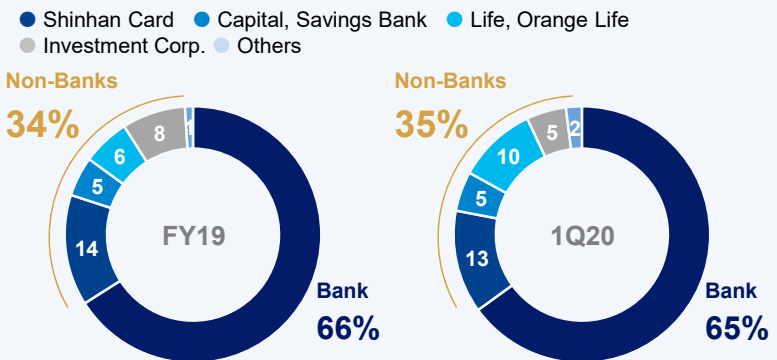
Note 2) The measure is expected to enable banks to boost capital reserves to provide more funding to businesses

### Return on Equity and Return on Assets

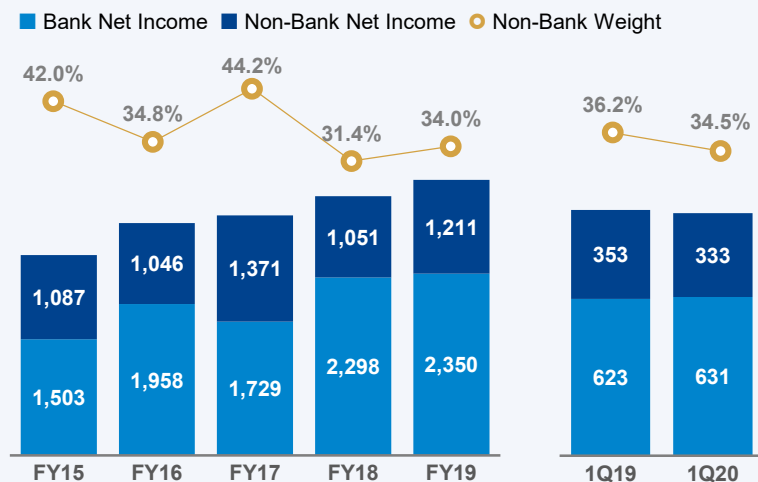
- Group ROE and ROA marked 9.8% and 0.68% respectively.

# Contribution by Subsidiaries and by Matrix

## Net Income Weight by Subsidiaries (%)

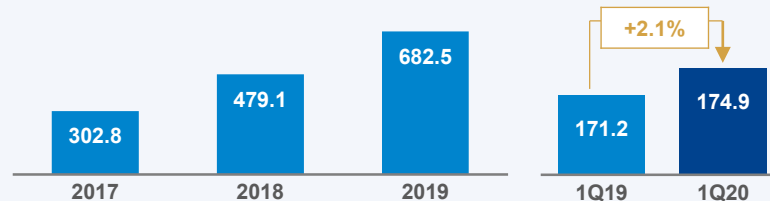


## Net Income Contribution by Non-Bank Subsidiaries (KRW Bln)

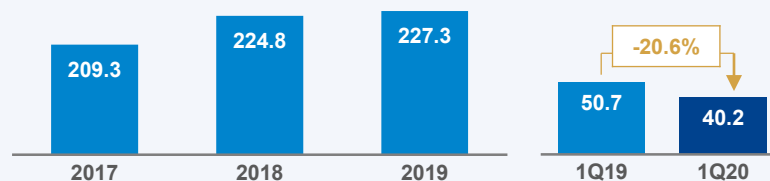


Note1) Net Income in Controlling Interest

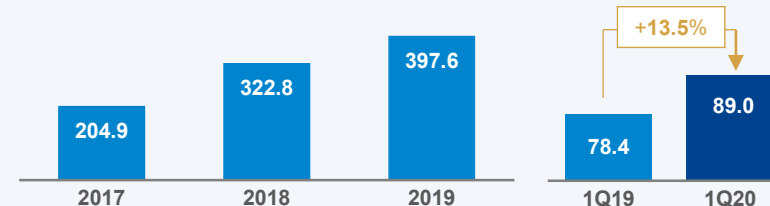
## Global Investment Banking (Operating Income, KRW bln)



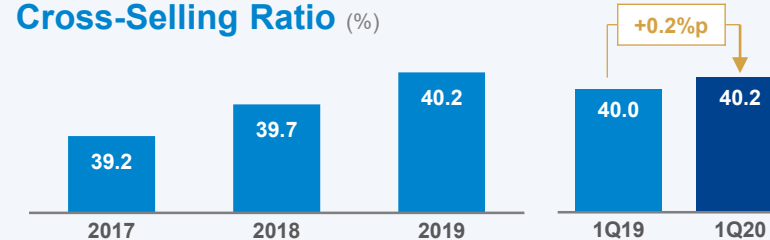
## Wealth Management (Operating Income, KRW bln)



## Global Business (Net profit, KRW bln)

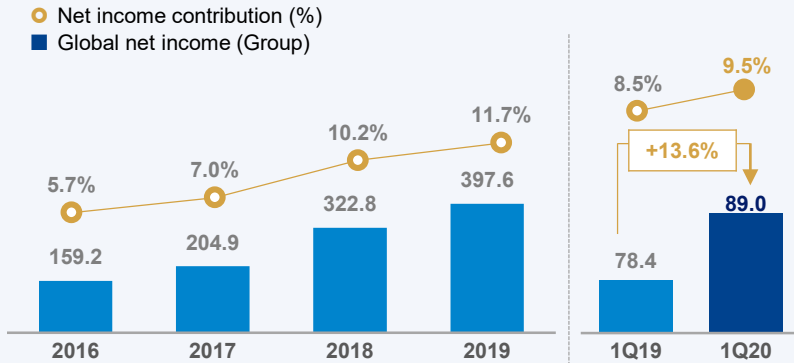


## Cross-Selling Ratio (%)



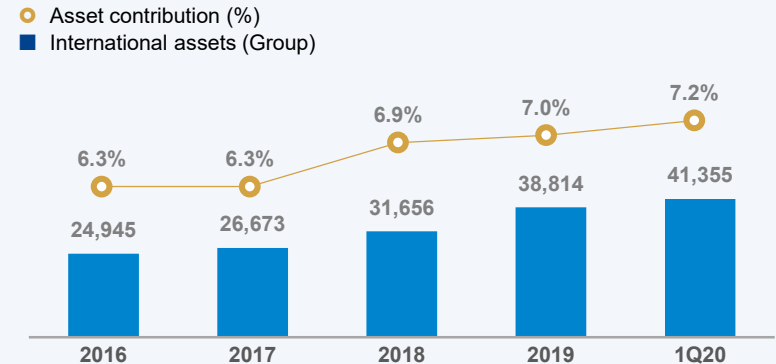
Note) Annual and Quarterly figures not to same scale

## Net Income contribution from International Business (KRW Bln)



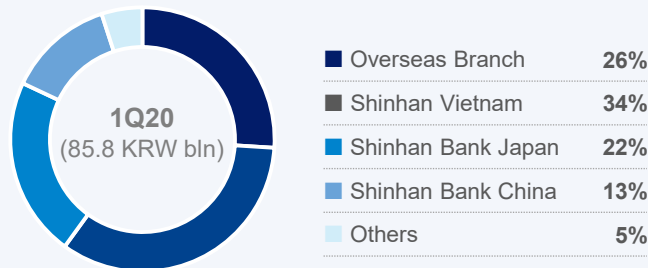
Note) KRW converted from average F/X rate of the respective periods

## Asset Contribution from International Business (KRW Bln)



Note) KRW converted from F/X rates at the end of the respective periods

## SHB International Business – Profit Composition

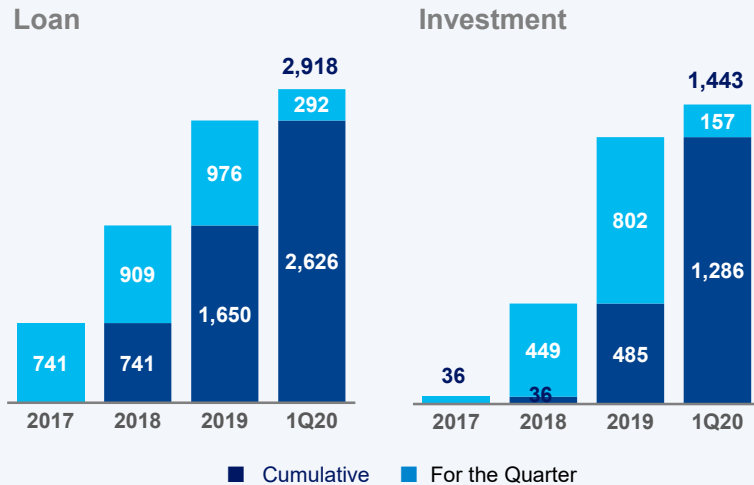


## KEY DEVELOPMENTS

- Net income from overseas grew by +13.6% YoY to 89.0Wbn
- Earnings from Asia, including Vietnam and Japan, continued its growth momentum
  - SHB's NI from overseas: 85.8Wbn (+11.4% YoY)
  - NI contribution by international business: SFG 9.5%, SHB 13.7%
- Country-specific risk monitoring and business strategy, especially regarding COVID-19 impacts

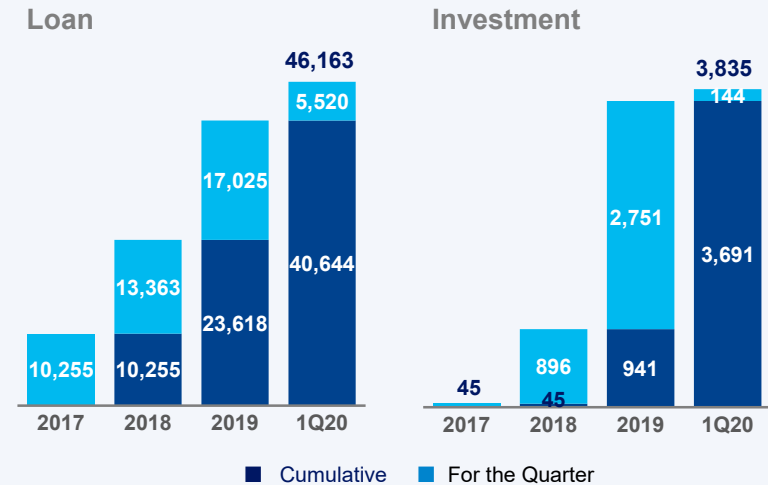
## Green Finance

(Unit: KRW bln)



## Inclusive Finance

(Unit: KRW bln)



- In March, 2020, Shinhan Life became a signatory of The UNEP FI Principles for Sustainable Insurance (PSI)  
\* First among domestic peers
- SFG's Green Financings in 1Q20: 449.4Wbn  
- Loan 292.4Wbn, Investment 157.0Wbn
- 10 new cases of Green PF: 179.4Wbn in total
- Investment to new renewable energy and eco-friendly infrastructure in 1Q20: 86.1Wbn
- Loan to new renewable energy in 1Q20: 23.0Wbn



- Inclusive financing in 1Q20: 5.66Wtn  
- Loan 5,520Wbn, Investment 144Wbn
- Technological finance in 1Q20: 4.24Wtn
- Job creation & innovative growth guarantee loan in 1Q20: 464.0Wbn
- Intellectual property-backed loan: 31.0Wbn
- Loans secured by moveable assets: 14.9Wbn
- Retail loan for the underserved: 395.2Wbn<sup>1</sup>



Note1) Sum of Shinhan New Hope Spore Loan and Sunshine Loan

## II. Supplements





# SFG Income by Subsidiaries

(KRW bln)		Net Profit (before reflecting ownership)				Ownership	
		1Q20	4Q19	1Q19	YoY%		QoQ %
<b>Bank</b>		<b>632.2</b>	<b>625.1</b>	<b>1.1</b>	<b>359.9</b>	<b>75.7</b>	
	Shinhan Bank	626.5	618.1	1.4	352.9	77.5	100.0%
	Jeju Bank	5.6	7.0	-18.7	7.0	-19.0	75.3%
<b>Non-bank</b>		<b>337.3</b>	<b>387.9</b>	<b>-13.0</b>	<b>230.9</b>	<b>46.1</b>	
<b>Consumer Finance</b>	Shinhan Card	126.5	122.2	3.6	97.7	29.5	100.0%
	Shinhan Capital	42.7	45.6	-6.3	26.9	58.7	100.0%
	Shinhan Savings Bank	6.3	5.5	14.8	2.5	154.4	100.0%
<b>Insurance</b>	Shinhan Life Insurance	39.7	53.9	-26.3	14.1	181.5	100.0%
	Orange Life Insurance	59.5	80.4	-26.0	59.9	-0.6	100.0%
<b>Capital Markets</b>	Shinhan Investment Corp	46.7	70.8	-34.1	18.8	148.8	100.0%
	Shinhan BNPP AM	4.6	5.4	-14.1	5.0	-6.1	65.0%
	Shinhan Alternative Investment	1.6	-0.6	n.a.	-0.7	n.a.	100.0%
	Shinhan REITs Management	-1.2	1.3	n.a.	-0.4	n.a.	100.0%
	Asia Trust	7.4	7.3	1.3	5.6	31.5	60.0%
<b>Others</b>	Shinhan AI <sup>1</sup>	0.1	-	-	-0.0	n.a.	100.0%
	Shinhan DS	-0.9	0.7	n.a.	-0.1	n.a.	100.0%
	Shinhan AITAS	3.6	2.6	41.3	2.1	73.8	99.8%
	Shinhan Credit Information	0.7	0.1	544.1	-0.4	n.a.	100.0%

Note1) 1Q19 figures for Shinhan AI not available since it was established in September 2019

# Shinhan Bank Income (1)

(KRW bln)	1Q20	1Q19	YoY %	4Q19	QoQ %
<b>Operating Income (a=b+c)</b>	<b>1,674.9</b>	<b>1,644.3</b>	<b>1.9</b>	<b>1,624.6</b>	<b>3.1</b>
Interest Income (b)	1,478.2	1,423.7	3.8	1,478.3	-0.0
Non-interest Income (c)	196.7	220.7	-10.9	146.2	34.5
G&A Expenses (d)	743.6	704.9	5.5	928.7	-19.9
Pre-Provision Operating Income (e=a-d)	931.3	939.4	-0.9	695.9	33.8
Non-operating Income (f)	1.1	-4.7	n.a.	-180.6	n.a.
<b>Pre-Provision Income (g=e+f)</b>	<b>932.4</b>	<b>934.7</b>	<b>-0.3</b>	<b>515.2</b>	<b>81.0</b>
Provision for Credit Losses (h)	103.5	86.9	19.0	45.3	128.6
Earnings Before Income Tax (i=g-h)	828.9	847.8	-2.2	470.0	76.4
Income Tax	202.3	229.6	-11.9	117.2	72.6
<b>Net Profit<sup>1</sup></b>	<b>626.5</b>	<b>618.1</b>	<b>1.4</b>	<b>352.9</b>	<b>77.5</b>

Note1) Net income in controlling interest

(%)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
<b>NIS (a-b, for the quarter)</b>	<b>1.87</b>	<b>1.89</b>	<b>1.89</b>	<b>1.86</b>	<b>1.86</b>	<b>1.86</b>	<b>1.81</b>	<b>1.74</b>	<b>1.69</b>
Loan Interest Rate (a)	3.19	3.27	3.32	3.35	3.38	3.37	3.27	3.12	3.00
Deposit Interest Rate (b)	1.32	1.38	1.43	1.49	1.52	1.51	1.46	1.38	1.30
<b>NIM (for the quarter)</b>	<b>1.61</b>	<b>1.63</b>	<b>1.62</b>	<b>1.61</b>	<b>1.61</b>	<b>1.58</b>	<b>1.53</b>	<b>1.46</b>	<b>1.41</b>
<b>NIM (cumulative figures)</b>	<b>1.61</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.61</b>	<b>1.59</b>	<b>1.57</b>	<b>1.54</b>	<b>1.41</b>

# Shinhan Bank Income (2)

(KRW bln)	1Q20	1Q19	YoY %	4Q19	QoQ %
<b>Non-interest Income (a+b+c)</b>	<b>196.7</b>	<b>220.7</b>	<b>-10.9</b>	<b>146.2</b>	<b>34.5</b>
<b>Fee &amp; Commission (a)</b>	<b>259.8</b>	<b>251.4</b>	<b>3.4</b>	<b>270.1</b>	<b>-3.8</b>
Fund Fees	22.3	22.8	-2.3	25.6	-12.9
Bancassurance Fees	13.4	13.5	-0.6	13.8	-2.7
F/X Fees	33.8	31.8	6.4	39.5	-14.6
Trust Fees	52.4	57.1	-8.3	64.8	-19.1
Electronic Transaction Fees	36.1	36.4	-0.9	38.4	-6.0
Investment banking	13.5	16.4	-17.8	15.7	-14.2
Others	88.3	73.4	20.4	72.3	22.3
<b>Securities Related &amp; F/X Trading, Derivatives (b)</b>	<b>153.3</b>	<b>183.6</b>	<b>-16.5</b>	<b>120.8</b>	<b>26.9</b>
<b>Others<sup>1</sup> (c)</b>	<b>-216.4</b>	<b>-214.4</b>	<b>n.a.</b>	<b>-244.7</b>	<b>n.a.</b>
<b>G&amp;A Expenses Details</b>					
<b>G&amp;A Details</b>	<b>743.6</b>	<b>704.9</b>	<b>5.5</b>	<b>928.7</b>	<b>-19.9</b>
<b>Salary &amp; Employee Benefits</b>	<b>461.6</b>	<b>439.1</b>	<b>5.1</b>	<b>547.3</b>	<b>-15.7</b>
(Early Retirement Program Expenses)	0.7	0.6	19.6	93.2	-99.3
<b>D&amp;A</b>	<b>106.0</b>	<b>98.5</b>	<b>7.6</b>	<b>105.6</b>	<b>0.4</b>
<b>Other Expenses</b>	<b>176.0</b>	<b>167.3</b>	<b>5.2</b>	<b>275.8</b>	<b>-36.2</b>
(Advertising)	10.0	9.0	11.1	34.5	-71.0
(Taxes and Dues)	20.3	19.4	4.6	22.5	-9.8
<b>Cost to Income Ratio (YTD)</b>	<b>44.4%</b>	<b>42.9%</b>	<b>1.5%p</b>	<b>46.5%</b>	<b>-2.1%p</b>

Note1) Including Deposit Insurance Premium, Contribution Expenses etc.

# Shinhan Card Income

(KRW bln)	1Q20	1Q19	YoY %	4Q19	QoQ %
<b>Operating Revenue (a)</b>	<b>1,091.6</b>	<b>962.7</b>	<b>13.4</b>	<b>905.3</b>	<b>20.6</b>
Card business	708.0	722.1	-2.0	746.1	-5.1
Installment Finance	35.2	30.4	15.7	35.6	-1.2
Lease	62.2	42.3	47.2	52.1	19.4
Others	286.2	167.9	70.5	71.5	300.2
<b>Interest Expense (b)</b>	<b>130.3</b>	<b>121.7</b>	<b>7.1</b>	<b>126.8</b>	<b>2.8</b>
<b>G&amp;A Expenses (c)</b>	<b>153.6</b>	<b>156.8</b>	<b>-2.0</b>	<b>223.1</b>	<b>-31.1</b>
<b>Commissions &amp; Other Expenses (d)</b>	<b>481.1</b>	<b>363.6</b>	<b>32.3</b>	<b>292.3</b>	<b>64.6</b>
<b>Pre-Provision Income (e=a-b-c-d)</b>	<b>326.5</b>	<b>320.7</b>	<b>1.8</b>	<b>263.1</b>	<b>24.1</b>
Provision for credit losses (f)	161.8	157.4	2.8	134.6	20.2
Earnings Before Income Tax (g=e-f)	164.7	163.3	0.9	128.5	28.2
Income Tax	38.4	41.8	-8.1	30.6	25.6
<b>Net Income<sup>1</sup></b>	<b>126.5</b>	<b>122.2</b>	<b>3.6</b>	<b>97.7</b>	<b>29.5</b>
Merchant Fee Rates <sup>2</sup>	1.36%	1.45%	-0.09%p	1.42%	-0.06%p
Credit Card Merchant Fee Rate	1.46%	1.55%	-0.09%p	1.51%	-0.05%p
Delinquency ratio (One Month)	1.35%	1.37%	-0.02%p	1.26%	0.09%p
2 months delinquency migration ratio <sup>3</sup>	0.32%	0.34%	0.02%p	0.31%	0.01%p

Note1) Net income in controlling interest

Note2) Including merchant fee rates for credit cards, check cards, prepaid cards, and others

Note3) (2 months overdue assets outstanding as of the end of base month) / (normal assets outstanding as of the end of (base month-2 months))

## Shinhan Life Insurance

(KRW bln)	1Q20	1Q19	YoY %	4Q19	QoQ % (YTD %)
Premium Income	1,042.0	1,104.0	-5.6	1,052.0	-0.9
<b>Net Profit</b>	<b>39.7</b>	<b>53.9</b>	<b>-26.3</b>	<b>14.1</b>	<b>181.5</b>
<b>APE</b>	<b>127.3</b>	<b>92.3</b>	<b>37.9</b>	<b>109.4</b>	<b>16.4</b>
Protection	124.7	87.9	41.8	107.1	16.4
Savings, Annuities	2.6	4.4	-41.0	2.3	15.7
<b>Investment Assets<sup>1</sup></b>	<b>29,674.0</b>	<b>28,023.1</b>	<b>5.9</b>	<b>29,585.7</b>	<b>0.3</b>
Cash and Cash equivalents	477.7	228.7	108.9	490.1	-2.5
Bond	15,031.4	13,585.6	10.6	14,787.0	1.7
Loans	6,220.1	6,140.3	1.3	6,203.0	0.3
Equities	122.5	104.7	17.0	109.0	12.4
Others	7,822.2	7,963.8	-1.8	7,996.6	-2.2
<b>Key Indicators</b>					
# of Financial Consultants	7,310	6,976	4.8	7,172	1.9
Loss Ratio <sup>2</sup>	95.0%	89.8%	5.2%p	92.9%	2.1%p
Expense Ratio <sup>3</sup>	11.4%	9.7%	1.7%p	9.3%	2.1%p
Investment Yield <sup>4</sup>	3.25%	3.36%	-0.11%p	3.21%	0.04%p

Note1) Period-end-balances

Note2) Loss ratio on a rolling 12 month basis

Note3) Expense ratio on a YTD basis

Note4) Yield on a 12-month rolling basis, under IFRS9

## Orange Life Insurance

(KRW bln)	1Q20	1Q19	YoY %	4Q19	QoQ % (YTD %)
Premium Income	906.7	1,088.7	-16.7	951.7	-4.7
<b>Net Profit</b>	<b>59.5</b>	<b>80.4</b>	<b>-26.0</b>	<b>59.9</b>	<b>-0.6</b>
<b>APE</b>	<b>118.4</b>	<b>181.9</b>	<b>-34.9</b>	<b>110.4</b>	<b>7.3</b>
Protection	78.6	101.5	-22.6	79.5	-1.2
Savings, Annuities	39.8	80.4	-50.4	30.9	29.3
<b>Investment Assets<sup>1</sup></b>	<b>26,233.3</b>	<b>25,792.0</b>	<b>1.7</b>	<b>26,243.5</b>	<b>-0.0</b>
Cash and Cash equivalents	501.7	612.4	-18.1	472.3	6.2
Bond	20,893.7	20,567.2	1.6	21,315.8	-2.0
Loans	2,593.1	2,684.3	-3.4	2,355.3	10.1
Equities	310.4	140.4	121.1	124.9	148.5
Others	1,934.4	1,787.8	8.2	1,975.3	-2.1
<b>Key Indicators</b>					
# of Financial Consultants	4,843	4,922	-1.6	4,983	-2.8
Loss Ratio <sup>2</sup>	77.9%	76.1%	1.8%p	76.4%	1.5%p
Expense Ratio <sup>3</sup>	9.7%	9.0%	0.7%p	9.6%	0.1%p
Investment Yield <sup>4</sup>	3.63%	3.76%	-0.13%p	3.56%	0.07%p

# Shinhan Investment Corp. Income

(KRW bln)	1Q20	1Q19	YoY %	4Q19	QoQ % (YTD %)
<b>Operating Revenue</b>	<b>226.6</b>	<b>224.6</b>	<b>0.9</b>	<b>185.5</b>	<b>22.1</b>
Fee & Commission	152.4	110.6	37.8	135.5	12.5
Brokerage fees	84.0	51.7	62.6	49.2	70.7
Financial Product fees	22.7	28.9	-21.6	25.4	-21.1
Investment Banking	31.4	18.4	70.3	41.6	-24.5
Others	14.3	11.6	23.1	19.2	-26.0
Proprietary Trading	47.0	78.8	-40.4	260.1	-81.9
Others	27.2	35.1	-22.5	-210.0	n.a.
<b>Operating Expenses</b>	<b>168.6</b>	<b>153.9</b>	<b>9.5</b>	<b>179.1</b>	<b>-5.9</b>
G&A Expenses	130.3	125.5	3.8	136.8	-4.7
Commission Expenses	33.2	27.4	21.1	39.0	-14.8
Provisioning for Credit Losses	5.1	1.0	411.7	3.3	53.0
<b>Operating Income</b>	<b>58.0</b>	<b>70.7</b>	<b>-18.0</b>	<b>6.5</b>	<b>795.5</b>
<b>Net Income</b>	<b>46.7</b>	<b>70.8</b>	<b>-34.1</b>	<b>18.8</b>	<b>144.4</b>
<b>Financial Product (at the end of period<sup>1</sup>, KRW trn)</b>	<b>104.2</b>	<b>87.2</b>	<b>19.5</b>	<b>102.2</b>	<b>1.9</b>
Funds (Beneficiary Certificates)	49.4	41.6	18.8	46.3	6.8
Trust Account	31.3	24.9	26.0	33.2	-5.8
ELS	3.2	2.3	40.7	3.1	4.1
Others (WRAP + RP + Micro Debentures)	20.2	18.5	9.7	19.6	3.0

Note1) Includes retail and institutional clients

# SFG Subsidiaries Asset

(KRW bln)		2020.03	2019.12	YTD %	2019.03	YoY %	2020.03 Weight (%)
<b>Bank</b>		<b>507,556.6</b>	<b>483,644.9</b>	<b>4.9</b>	<b>445,893.7</b>	<b>13.8</b>	<b>63.5%</b>
	Shinhan Bank	501,207.3	477,289.6	5.0	439,944.6	13.9	62.7%
	Jeju Bank	6,349.4	6,355.3	-0.1	5,949.0	6.7	0.8%
<b>Non-Bank</b>		<b>291,730.9</b>	<b>278,401.9</b>	<b>4.8</b>	<b>213,749.0</b>	<b>36.5</b>	<b>36.5%</b>
<b>Consumer Finance</b>	Shinhan Card	32,599.3	32,917.9	-1.0	29,455.8	10.7	4.1%
	Shinhan Capital	8,102.9	7,566.4	7.1	6,292.8	28.8	1.0%
	Shinhan Savings Bank	1,586.9	1,602.9	-1.0	1,427.7	11.2	0.2%
<b>Insurance</b>	Shinhan Life Insurance	34,410.9	34,133.6	0.8	32,389.8	6.2	4.3%
	Orange Life Insurance	32,374.3	32,841.4	-1.4	32,287.2	0.3	4.1%
<b>Capital Markets</b>	Shinhan Investment Corporation	79,771.9	73,589.7	8.4	58,984.3	35.2	10.0%
	Shinhan BNPP AM	54,501.9	50,466.9	8.0	47,944.6	13.7	6.8%
	Shinhan Alternative Inv.	4,512.5	4,114.3	9.7	1,538.8	193.2	0.6%
	Shinhan REITs Mgmt	1,152.1	1,071.6	7.5	857.8	34.3	0.1%
	Asia Trust	39,719.0	36,560.7	8.6	-	-	5.0%
	Shinhan AI <sup>2</sup>	43.6	42.4	2.8	-	-	0.0%
	Shinhan DS	90.1	89.1	1.0	83.5	7.9	0.0%
<b>Others</b>	Shinhan AITAS	75.5	77.1	-2.1	66.9	12.9	0.0%
	Shinhan Credit Info.	25.3	25.3	-0.1	23.9	5.6	0.0%
	Others	2,764.8	3,302.6	-16.3	2,393.2	15.5	0.3%

Note1) 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 and period end balances

Note2) 1Q19 figures for Shinhan AI not available since it was established in September 2019

# Shinhan Bank Loans & Deposit

(KRW bln)	2020.03	2019.12	YTD %	2019.03	YoY %	2020.03 Weight (%)
<b>Loans in KRW</b>	<b>231,468.1</b>	<b>225,001.9</b>	<b>2.9</b>	<b>215,006.7</b>	<b>7.7</b>	<b>100.0%</b>
<b>Retail</b>	<b>117,925.0</b>	<b>115,874.8</b>	<b>1.8</b>	<b>108,593.4</b>	<b>8.6</b>	<b>50.9%</b>
Mortgage	53,202.1	54,604.9	-2.6	55,027.8	-3.3	23.0%
Others <sup>1</sup>	64,723.0	61,269.9	5.6	53,565.6	20.8	28.0%
<b>Corporate</b>	<b>113,543.1</b>	<b>109,127.0</b>	<b>4.0</b>	<b>106,413.3</b>	<b>6.7</b>	<b>49.1%</b>
SME	93,257.8	91,161.7	2.3	87,582.5	6.5	40.3%
SOHO	47,907.4	46,784.8	2.4	44,075.9	8.7	20.7%
Large Corporate etc.	20,285.3	17,965.4	12.9	18,830.8	7.7	8.8%
Loans in FX	12,107.3	10,778.7	12.3	9,105.5	33.0	
<b>Total Deposits</b>	<b>244,182.6</b>	<b>232,997.5</b>	<b>4.8</b>	<b>216,747.8</b>	<b>12.7</b>	<b>100.0%</b>
<b>Low cost Deposits</b>	<b>111,190.9</b>	<b>101,700.0</b>	<b>9.3</b>	<b>94,745.4</b>	<b>17.4</b>	<b>45.5%</b>
Demand	34,845.0	30,454.7	14.4	29,349.3	18.7	14.3%
Savings	76,345.9	71,245.4	7.2	65,396.1	16.7	31.3%
<b>Time Savings</b>	<b>132,991.7</b>	<b>131,297.5</b>	<b>1.3</b>	<b>122,002.4</b>	<b>9.0</b>	<b>54.5%</b>
Time Deposits	124,054.8	122,072.9	1.6	113,305.6	9.5	50.8%
Accumulative etc.	8,937.0	9,224.5	-3.1	8,696.8	2.8	3.7%
Certificate of Deposits	9,232.8	8,602.2	7.3	7,828.1	17.9	
Debentures in KRW	28,061.1	28,813.3	-2.6	26,309.6	6.7	
<b>Loan to Deposit Ratio<sup>2</sup></b>	<b>96.5%</b>	<b>95.4%</b>	<b>1.1%p</b>	<b>97.3%</b>	<b>-0.8%p</b>	

\*Period-end-balances

Note1) Includes Jeonse loans, Secured loans and Unsecured loans, and etc.

Note2) Based on monthly average balance, Excluding CD



# Shinhan Bank Loans (Retail, Large Corporates)

(KRW bln)	2020.03	Weight (%)	2019.12	YTD %	Delinquency				
					2019.03	2019.06	2019.09	2019.12	2020.03
<b>Mortgage Loans</b>	<b>53,202</b>	<b>45.1%</b>	<b>54,605</b>	<b>-2.6</b>	<b>0.13%</b>	<b>0.13%</b>	<b>0.15%</b>	<b>0.13%</b>	<b>0.14%</b>
<b>Personal Loans</b>	<b>64,723</b>	<b>54.9%</b>	<b>61,270</b>	<b>5.6</b>	<b>0.56%</b>	<b>0.54%</b>	<b>0.58%</b>	<b>0.43%</b>	<b>0.52%</b>
High credit unsecured	21,212	18.0%	20,712	2.4					
Secured (Deposits, etc.)	8,453	7.2%	8,660	-2.4					
Jeonse Loans	21,215	18.0%	19,393	9.4					
Others <sup>1</sup>	13,843	11.7%	12,504	10.7					
<b>Retail Loan Total</b>	<b>117,925</b>	<b>100.0%</b>	<b>115,875</b>	<b>1.8</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.29%</b>	<b>0.23%</b>	<b>0.26%</b>
Mortgage loan LTV (%)	48.6%		49.6%	-1.0%p	50.0%	50.2%	50.0%	49.6%	48.6%

Note1) Jeonse loans, Secured and Unsecured loans, and etc, Note 2) Proportion of collateralized loan in March 2020 73% (Real estate 44%, Guarantee 28%), unsecured loan 27%

(KRW bln)	2020.03	Weight (%)	2019.12	YTD %	Delinquency				
					2019.03	2019.06	2019.09	2019.12	2020.03
<b>Large Corporates Loans<sup>3</sup></b>	<b>16,199</b>	<b>100.0%</b>	<b>14,027</b>	<b>15.5</b>	<b>0.16%</b>	<b>0.30%</b>	<b>0.19%</b>	<b>0.16%</b>	<b>0.14%</b>
Manufacturing	6,872	42.4%	5,666	21.3	0.36%	0.60%	0.35%	0.39%	0.32%
Oil Refinery, Chemical	1,592	9.8%	959	65.9	0.29%	1.65%	2.05%	2.24%	1.35%
Metal Production	229	1.4%	214	6.7	-	-	-	-	-
Auto	1,208	7.5%	1,161	4.0	1.47%	1.75%	-	-	-
Financials and Insurance	3,415	21.1%	2,919	17.0	-	-	-	-	-
Construction	488	3.0%	659	- 26.0	-	1.00%	1.04%	-	-
Real Estate & Renting	334	2.1%	353	- 5.3	-	-	-	-	-
Wholesalers & Retailers	2,343	14.5%	1,927	21.6	0.002%	0.002%	-	-	-
Hotel & Restaurants	391	2.4%	337	16.0	-	-	-	-	-

Note3) Large Corporates loans include unused credit lines and others, excluding government agencies and others and the sum of large corporate loan does not equal to the sub sectors as only the major subsectors have been shown in the table

# Shinhan Bank SME Loans

(KRW bln, %)	2020.03	Weight (%)	2019.12	YTD %	Delinquency				
					2019.03	2019.06	2019.09	2019.12	2020.03
<b>SME Total</b>	<b>93,258</b>	<b>100.0%</b>	<b>91,162</b>	<b>2.3</b>	<b>0.34%</b>	<b>0.38%</b>	<b>0.42%</b>	<b>0.33%</b>	<b>0.41%</b>
SOHO	47,907	51.4%	46,785	2.4	0.23%	0.23%	0.26%	0.20%	0.22%
Audited SME	15,627	16.8%	16,451	0.5	0.26%	0.24%	0.32%	0.18%	0.22%
Unaudited SME	29,745	31.9%	27,926	3.1	0.54%	0.69%	0.74%	0.59%	0.80%
<b>By Sectors</b>									
<b>SME Total</b>	<b>93,258</b>	<b>100.0%</b>	<b>91,162</b>	<b>2.3</b>	<b>0.34%</b>	<b>0.38%</b>	<b>0.42%</b>	<b>0.33%</b>	<b>0.41%</b>
Manufacturing	27,277	29.2%	26,872	1.5	0.54%	0.64%	0.79%	0.59%	0.73%
Construction	2,099	2.3%	2,025	3.6	0.25%	0.26%	0.47%	0.63%	0.76%
Real Estate & Renting	25,897	27.8%	25,251	2.6	0.08%	0.09%	0.09%	0.08%	0.09%
Wholesalers & Retailers	14,937	16.0%	14,550	2.7	0.40%	0.46%	0.44%	0.29%	0.41%
Accommodations & Restaurants	6,482	7.0%	6,323	2.5	0.29%	0.26%	0.32%	0.25%	0.25%
Others	16,588	17.8%	16,163	2.6					
<b>SOHO</b>	<b>47,907</b>	<b>100.0%</b>	<b>46,785</b>	<b>2.4</b>	<b>0.23%</b>	<b>0.23%</b>	<b>0.26%</b>	<b>0.20%</b>	<b>0.22%</b>
Manufacturing	6,167	12.9%	6,086	1.3	0.47%	0.47%	0.55%	0.42%	0.49%
Construction	489	1.0%	473	3.3	0.37%	0.27%	0.40%	0.51%	0.46%
Real Estate & Renting	20,978	43.8%	20,527	2.2	0.07%	0.08%	0.09%	0.07%	0.09%
Wholesalers & Retailers	7,455	15.6%	7,268	2.6	0.39%	0.36%	0.38%	0.28%	0.34%
Accommodations & Restaurants	5,367	11.2%	5,181	3.6	0.35%	0.31%	0.38%	0.29%	0.27%
Others	7,452	15.6%	7,251	2.8					

\*Proportion of Collateralized loan within 1Q20 SME loans: 76% (Real Estate 59%, Guarantee 13%, Deposits and others 4%)

\*Proportion of Collateralized loan within 1Q20 SOHO loans 84% Real Estate 71%, Guarantee 10%, Deposits and others 3%)

# Shinhan Card Assets and Funding

(KRW bln, %)	2020.03	2019.12	YTD %	2019.03	YoY %	2020.03 Weight %
<b>Earning Assets</b>	<b>29,488.3</b>	<b>30,180.3</b>	<b>-2.3</b>	<b>27,703.8</b>	<b>6.4</b>	<b>100.0%</b>
Credit Purchase	13,847.8	15,184.4	-8.8	13,786.2	0.4	47.0%
Cash Advances	1,771.6	1,864.1	-5.0	1,914.4	-7.5	6.0%
Card Loan	7,013.4	6,760.9	3.7	6,586.2	6.5	23.8%
(Re-aged Loan)	273.1	269.2	1.4	243.4	12.2	0.9%
Installment Finance	3,243.9	3,211.8	1.0	2,815.7	15.2	11.0%
Lease etc.	3,611.6	3,159.1	14.3	2,601.3	38.8	12.2%
<b>Total Funding</b>	<b>22,086.8</b>	<b>21,670.2</b>	<b>1.9</b>	<b>19,175.0</b>	<b>15.2</b>	<b>100.0%</b>
Debentures	15,145.0	14,945.0	1.3	14,333.8	5.7	68.6%
ABS	3,062.2	3,357.0	-8.8	2,620.9	16.8	13.9%
CP	2,390.0	1,850.0	29.2	1,520.0	57.2	10.8%
Others	1,489.6	1,518.1	-1.9	700.3	112.7	6.7%

(KRW bln, %)	1Q20	1Q19	YoY%	4Q19	QoQ %	2020.03 Weight %
<b>Transaction Volume</b>	<b>45,060.1</b>	<b>44,333.4</b>	<b>1.6</b>	<b>48,123.3</b>	<b>-6.4</b>	<b>100.0%</b>
Lump-sum	32,054.6	31,104.4	3.1	34,635.9	-7.5	71.1%
(Debit Card)	7,004.5	7,213.3	-2.9	7,739.4	-9.5	15.5%
Installment Purchase	5,731.3	5,993.5	-4.4	6,347.7	-9.7	12.7%
Cash Advance	3,479.6	3,665.8	-5.1	3,618.2	-3.8	7.7%
Card Loan	2,643.2	2,479.0	6.6	2,371.7	11.4	5.9%
Others	1,151.4	1,090.6	5.6	1,149.8	0.1	2.6%

# Asset Quality

(KRW bln)		Total Loans						Substandard & Below	NPL Ratio	Loan Loss Allowance	NPL Coverage Ratio
			Normal	Precautionary	Substandard	Doubtful	Estimated Loss				
Group <sup>1</sup>	2020.03	321,808	318,057	2,001	672	434	645	1,751	0.54%	2,572	147%
	2019.12	312,243	308,565	2,040	621	404	613	1,638	0.52%	2,488	152%
	YTD %	3.1	3.1	-1.9	8.2	7.5	5.1	6.9	0.02%p	3.4	-5%p
Bank	2020.03	262,543	260,409	915	617	254	347	1,219	0.46%	1,346	110%
	2019.12	254,065	251,969	960	566	217	353	1,136	0.45%	1,317	116%
	YTD %	3.3	3.3	-4.7	9.1	17.0	-1.5	7.3	0.02%p	2.2	-6%p
Card	2020.03	30,321	29,415	815	-	136	225	361	1.19%	995	275%
	2019.12	30,597	29,414	838	-	146	199	345	1.13%	961	278%
	YTD %	-0.9	-0.9	-2.7	-	-6.5	13.0	4.8	0.06%p	3.6	-3%p

Note1) Group total loans are sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp. Shinhan Life Insurance, Orange Life, Shinhan Capital, Shinhan Savings Bank and Asia Trust.

# Provisioning and Write-Offs

## Provision for Credit Losses and Credit Cost Ratio

(KRW bln)	1Q20	FY19	1Q19	2Q19	3Q19	4Q19
<b>Shinhan Bank<sup>1</sup></b>	<b>96.8</b>	<b>284.3</b>	<b>75.9</b>	<b>135.0</b>	<b>64.4</b>	<b>9.0</b>
Retail	47.6	217.2	52.8	57.9	53.3	53.3
Corporate	49.2	67.0	23.1	77.1	11.2	-44.3
<b>Shinhan Card</b>	<b>161.8</b>	<b>562.2</b>	<b>157.4</b>	<b>129.0</b>	<b>141.1</b>	<b>134.6</b>
<b>Provision for Credit Loss Total</b>	<b>258.6</b>	<b>846.4</b>	<b>233.3</b>	<b>263.9</b>	<b>205.6</b>	<b>143.6</b>
<b>Credit Cost Ratio<sup>2</sup></b>						
Group	0.35%	0.30%	0.34%	0.35%	0.33%	0.30%
Bank	0.16%	0.14%	0.15%	0.19%	0.16%	0.14%
Card	2.15%	1.84%	2.28%	1.99%	1.91%	1.84%

Note1) Shinhan Bank figures are separate basis, Note2) Credit Cost Ratio based YTD basis

## Write-Offs and NPL Sales

(KRW bln)	1Q20	FY19	1Q19	2Q19	3Q19	4Q19
<b>Shinhan Bank</b>	<b>135.3</b>	<b>860.6</b>	<b>197.9</b>	<b>197.7</b>	<b>151.7</b>	<b>313.2</b>
Write-Off	89.5	448.6	82.7	107.7	80.3	177.8
Retail	37.5	223.4	47.8	59.3	29.5	86.8
Corporate	52.0	225.2	34.9	48.4	50.8	91.0
Sale	45.8	411.9	115.2	89.9	71.4	135.4
Retail	19.1	92.4	21.9	19.8	20.5	30.2
Corporate	26.7	319.5	93.2	70.1	51.0	105.2
<b>Shinhan Card</b>	<b>147.6</b>	<b>636.4</b>	<b>157.2</b>	<b>124.4</b>	<b>155.7</b>	<b>199.1</b>
<b>Total</b>	<b>282.9</b>	<b>1,496.9</b>	<b>355.1</b>	<b>322.1</b>	<b>307.5</b>	<b>512.3</b>

Note) Write-Offs and NPL Sales data for Shinhan Bank on a separate basis, Card on a consolidated basis