

# Business Results

## 1H 2021



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## **II. Supplements**

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

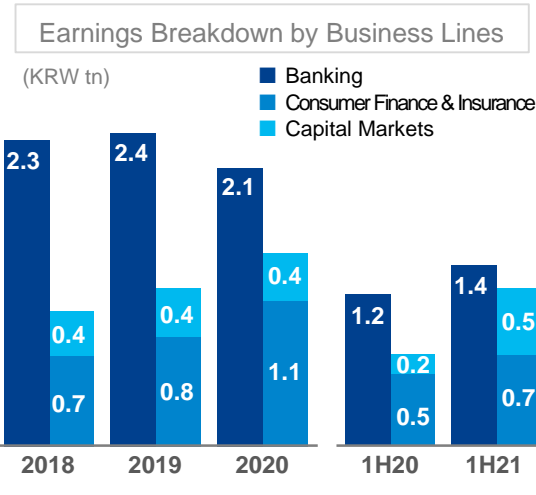
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# I. 1H21 Result Highlights



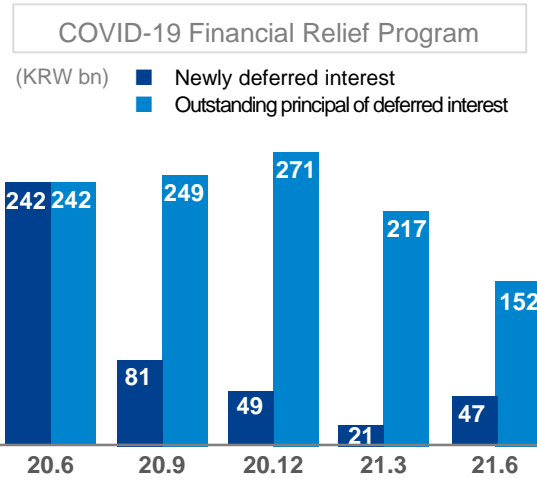
## Record-high Recurring Income



### Strong growth in earnings in all business lines proving stronger fundamentals

- Improved earnings owing to high-ROE subsidiaries. Capital markets business recorded 507.4Wbn in earnings for 1H 2021, and their weight in total earnings jumped from 5% in 2016 to 20% in 1H 2021.
- Margin improvement topped with strategic asset growth led to income growth for the Banking business. (Interest income +7%, Credit cost  $\Delta$ 69% YoY)
- Record-high net income for Non-banks. (Net income +68% YoY, Weight 47%)
- SHB and SHIC recognized ERP one-off costs.

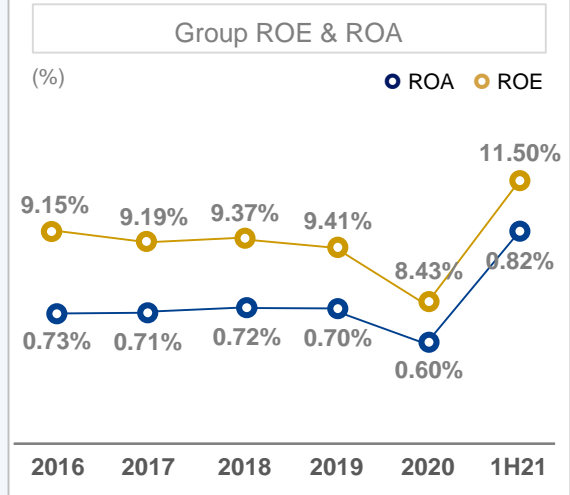
## Uncertainties Alleviated



### Well prepared for the end of the COVID-19 financial support programs

- Thanks to preemptive provisioning, the level of new provisions continue to decrease. (SFG's Provisioning for credit losses:  $\Delta$ 56% YoY,  $\Delta$ 9% QoQ)
- Intensive monitoring and management of credit risk caused by COVID-19. (Outstanding principal of SHB's COVID-19 Interest deferral program amounts to 152.4Wbn)
- Will always take an active stance to remove uncertainty if events, including investment product related issues, arise.

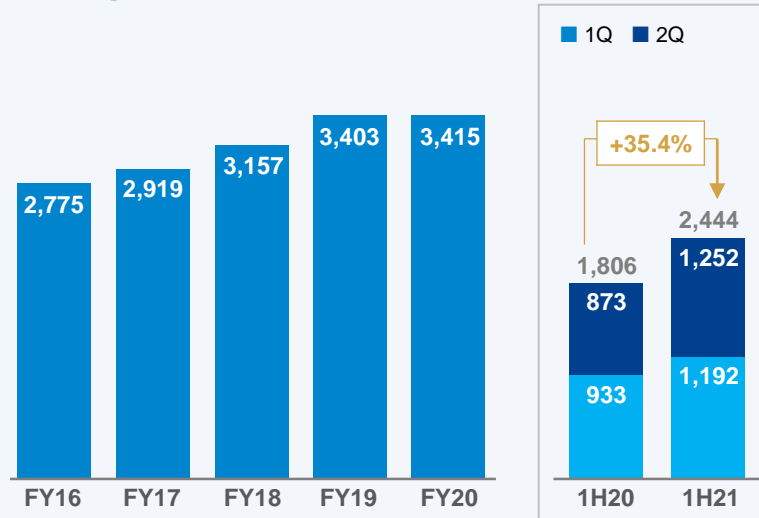
## Improved Profitability



### Creating sustainable profit and establishing predictable capital policies through efficient capital allocation

- Increasing efficiency through optimal growth and effective RWA management. Minimized RWA growth in 2Q through strategic asset growth. (RWA growth: +4.8Wtn (1Q21), +2.2Wtn (2Q21))
- Plans to promote voluntary shareholder return since the regulator's recommendation for tighter capital management has been expired.

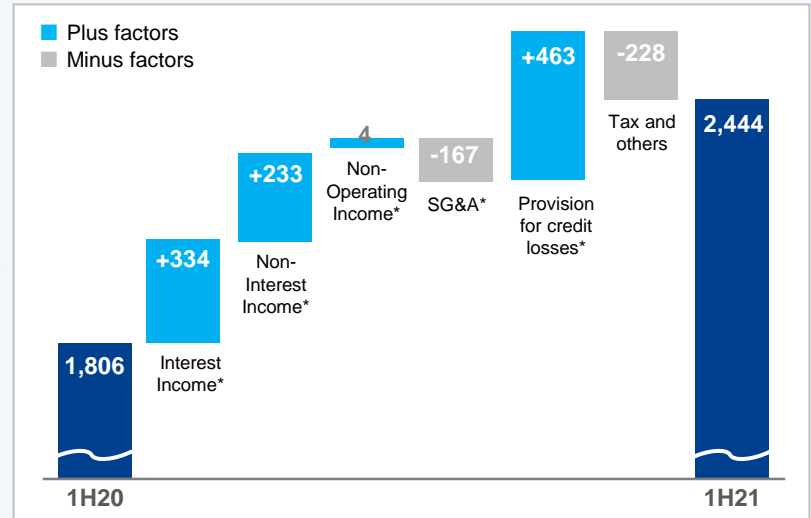
## Group Net Income



NOTE Annual and Quarterly figures not to the same scale

## Movements

(KRW bn)



\* All figures before income tax

### The Highest Half-Year Earnings

Realizing diversified earnings based on strategic consistency

**KRW 2.4 tn**

(1H21 Group net income)

### Stronger Fundamentals via Strategic Growth

SME-led asset growth to secure early business momentum

**+7.3% | +4.2%**

(1H21 SHB Interest Income YoY growth;  
1H21 SHB YTD loan growth)

### Robust Non-Interest Income

Strong growth in non-bank subsidiaries, especially from capital market businesses

**+24.3%**

(1H21 Group fee income YoY growth)

### Continued Strategic Cost Management

Cost reduction efforts by employing digital technology and improving offline channel efficiency

**41.4%**  
(40.4% excluding ERP costs)

(1H21 Group Cost-Income Ratio)

### Sound Credit Risk Management

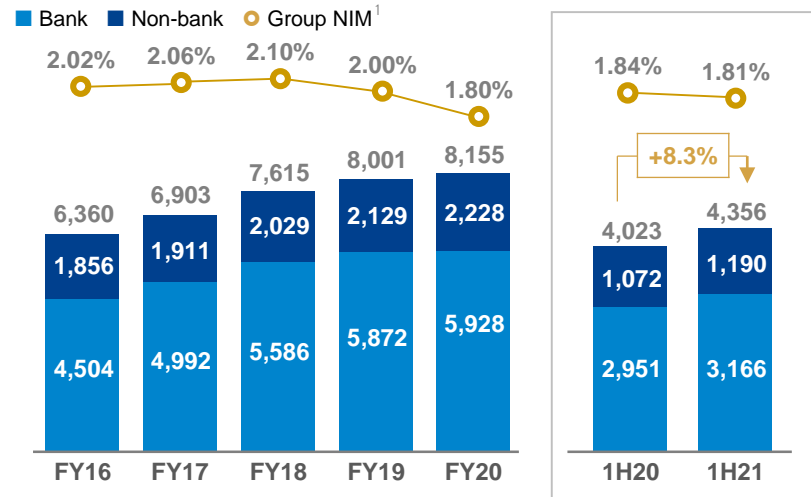
Intensive monitoring and management of credit risk caused by COVID-19

**20bp | 144%**

(1H21 Group credit cost;  
Group NPL coverage ratio)

# Net Interest Income

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

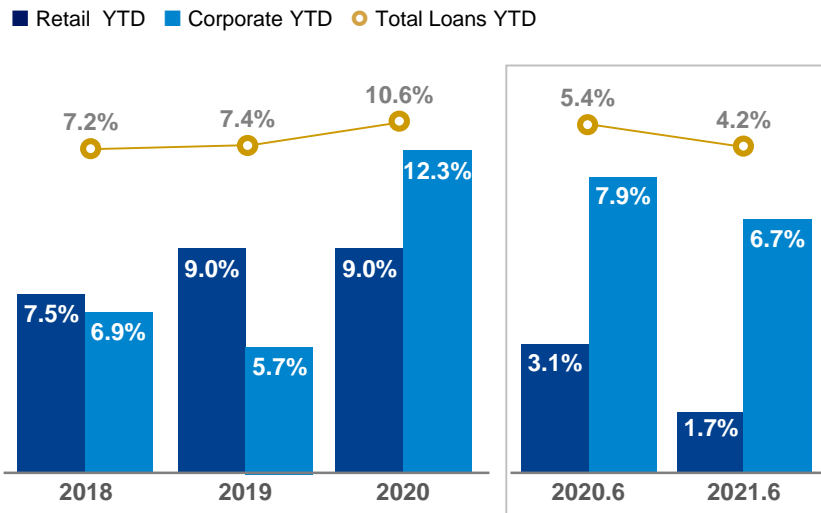


NOTE 1 Excluding Merchant Fee

## Interest Rate & NIM Movement

(%)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
BOK Base rate	0.75	0.50	0.50	0.50	0.50	0.50
3-y T Bond yield (average)	1.23	0.92	0.85	0.95	1.04	1.19
<b>NIS (Bank, for the quarter) (a-b)</b>	<b>1.69</b>	<b>1.68</b>	<b>1.62</b>	<b>1.60</b>	<b>1.68</b>	<b>1.70</b>
Loan interest rate (a)	3.00	2.84	2.63	2.51	2.48	2.46
Deposit interest rate (b)	1.30	1.16	1.01	0.91	0.81	0.76
NIM (Group, for the quarter)	1.86	1.81	1.78	1.76	1.81	1.81
NIM (Bank, for the quarter)	1.41	1.39	1.36	1.34	1.39	1.40
NIM (Group, YTD)	1.86	1.84	1.82	1.80	1.81	1.81
NIM (Bank, YTD)	1.41	1.40	1.38	1.37	1.39	1.39

## KRW Loan Growth



NOTE Annual and Quarterly figures not to the same scale

## Bank Loan Breakdown

(KRW tn)	2021.6	2020.12	YTD%	2021.6	2021.3	QoQ%
<b>Loan in KRW</b>	<b>259.2</b>	<b>248.8</b>	<b>4.2%</b>	<b>259.2</b>	<b>255.1</b>	<b>1.7%</b>
Retail	128.4	126.3	1.7%	128.4	128.7	-0.2%
Mortgage	54.5	53.4	2.1%	54.5	54.4	0.2%
Others <sup>2</sup>	73.9	72.9	1.4%	73.9	74.3	-0.5%
Corporate	130.8	122.5	6.7%	130.8	126.4	3.6%
SME	111.8	104.0	7.6%	111.8	107.5	4.2%
SOHO	58.2	54.4	7.1%	58.2	56.1	3.9%
Large Corporate etc.	18.9	18.6	1.9%	18.9	18.9	0.2%

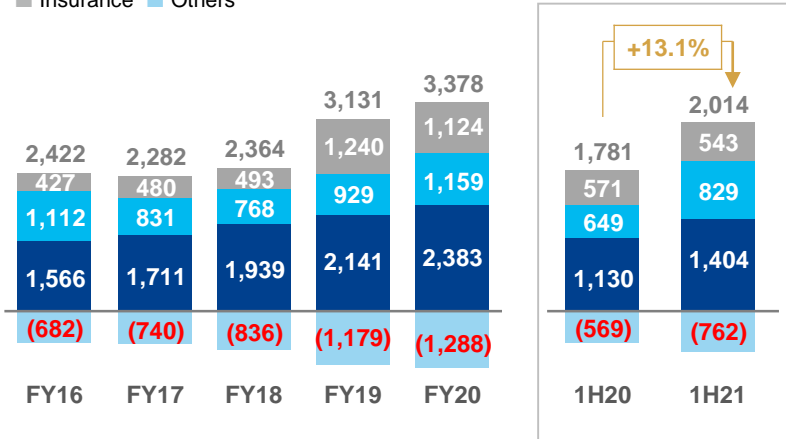
NOTE 2 Includes Unsecured Personal Loans, Secured Loans, Jeonse Loans etc.

# Non-interest income

## Non-interest Income

(KRW bn)

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



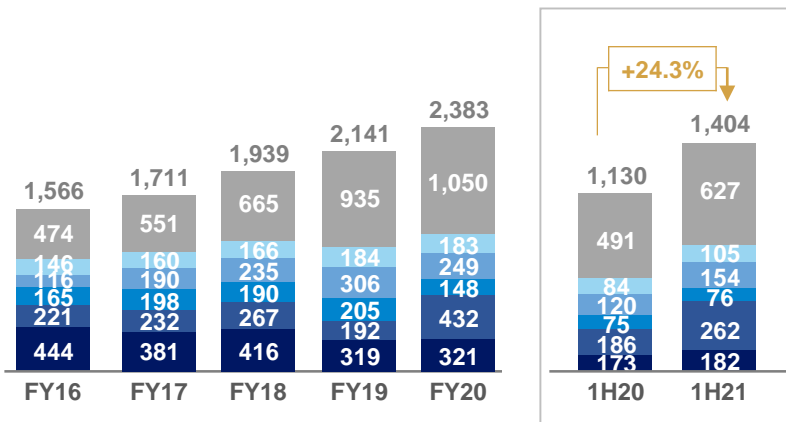
## Details of Non-interest Income and Fees & Commission

(KRW bn)	1H21	1H20	YoY %	2Q21	1Q21	QoQ %
<b>Non-Interest Income</b>	<b>2,014.3</b>	<b>1,781.0</b>	<b>13.1%</b>	<b>983.6</b>	<b>1,030.7</b>	<b>-4.6%</b>
Fees & Commission	1,404.0	1,129.9	24.3%	722.6	681.5	6.0%
Securities related & FX Trading/Derivatives	829.3	648.9	27.8%	406.0	423.3	-4.1%
(Gains on FVPL Financial Instruments)	188.5	1,193.5	-84.2%	47.9	140.6	-65.9%
(Gains on Derivatives & F/X)	497.2	-791.5	n.a.	287.0	210.3	36.5%
Insurance-related Income	543.4	571.0	-4.8%	261.3	282.1	-7.4%
Others	-762.4	-568.7	n.a.	-406.2	-356.2	n.a.
(Contribution Expenses)	-190.4	-179.9	n.a.	-97.7	-92.7	n.a.
(Insurance Fees on Deposits)	-240.6	-198.5	n.a.	-125.9	-114.7	n.a.

## Fees & Commission

(KRW bn)

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



(KRW bn)	1H21	1H20	YoY %	2Q21	1Q21	QoQ %
<b>Fees &amp; Commission</b>	<b>1,404.0</b>	<b>1,129.9</b>	<b>24.3%</b>	<b>722.6</b>	<b>681.5</b>	<b>6.0%</b>
Credit Card Fee Income	181.6	173.2	4.8%	115.0	66.5	72.9%
Brokerage Commissions	261.7	186.2	40.6%	116.5	145.2	-19.8%
Fund & Bancassurance	75.5	75.2	0.4%	37.3	38.2	-2.5%
Trust Fee Income	153.6	119.8	28.2%	77.8	75.8	2.6%
F/X Fee Income	105.0	84.4	24.4%	55.0	50.0	9.9%
Electronic Transaction	75.7	70.9	6.8%	38.3	37.4	2.5%
Investment Banking	77.2	56.7	36.2%	49.9	27.2	83.2%
Lease Financing Fees	167.8	106.2	58.0%	86.9	80.8	7.6%
Others	306.0	257.3	18.9%	145.9	160.2	-8.9%

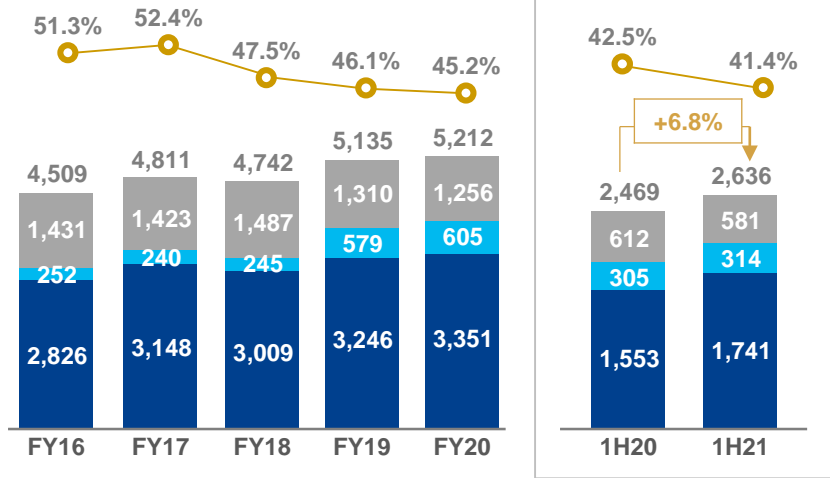
NOTE Annual and Quarterly figures not to the same scale

# Expenses and Provisioning

## G&A Expense

(KRW bn)

■ Salary & Employee benefits ■ D&A ■ Other expenses ● Cost Income ratio



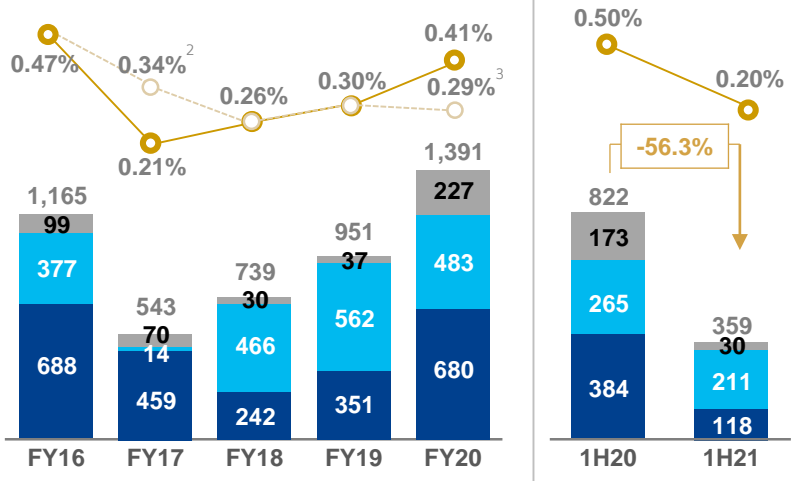
## Details of G&A Expense

(KRW bn)	1H21	1H20	YoY%	2Q21	1Q21	QoQ%
<b>G&amp;A Expense</b>	<b>2,635.9</b>	<b>2,469.2</b>	<b>6.8%</b>	<b>1,356.9</b>	<b>1,279.0</b>	<b>6.1%</b>
Salary & Employee benefits	1,740.6	1,552.6	12.1%	886.9	853.6	3.9%
(Early Retirement Program Expenses)	65.8	1.3	n.m.	65.2	0.6	n.m.
D&A	314.3	305.0	3.0%	153.9	160.4	-4.0%
Other Expenses	581.1	611.6	-5.0%	316.1	265.0	19.3%
(Advertising Expenses)	89.2	95.1	-6.2%	54.5	34.7	57.2%
(Taxes and Dues)	107.0	105.3	1.6%	57.3	49.7	15.4%

## Credit Cost

(KRW bn)

■ Bank ■ Card ■ Others ● Credit Cost ratio



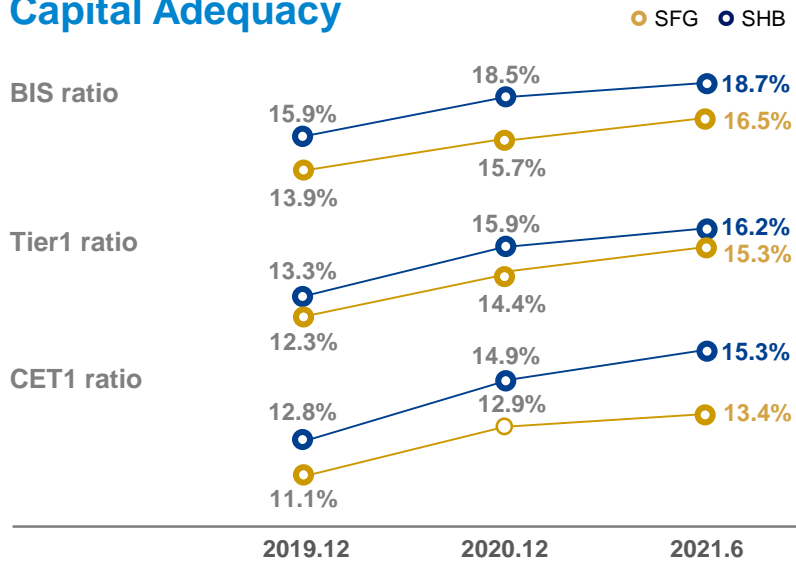
## Delinquency

(%)	2020.3	2020.6	2020.9	2020.12	2021.3	2021.6
<b>Shinhan Bank</b>	<b>0.31%</b>	<b>0.30%</b>	<b>0.26%</b>	<b>0.24%</b>	<b>0.25%</b>	<b>0.25%</b>
SME (incl SOHO)	0.41%	0.39%	0.32%	0.30%	0.34%	0.33%
SOHO	0.22%	0.22%	0.18%	0.15%	0.17%	0.16%
Retail	0.26%	0.28%	0.23%	0.21%	0.20%	0.21%
<b>Shinhan Card</b>	<b>1.35%</b>	<b>1.26%</b>	<b>1.24%</b>	<b>1.04%</b>	<b>0.96%</b>	<b>0.85%</b>

NOTE 1 Annual and Quarterly figures not to the same scale NOTE 2 Excluding write-backs from Shinhan Card NOTE 3 Excluding one-offs (COVID19-related provisioning: 394.4Wbn)



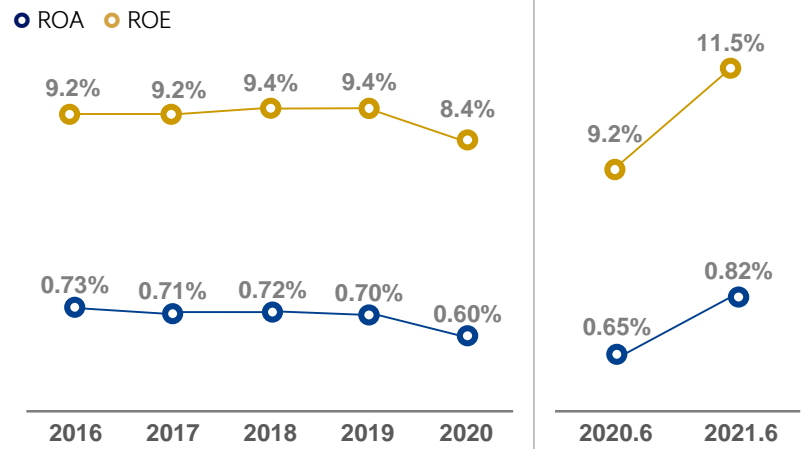
## Capital Adequacy



## Group BIS Ratio

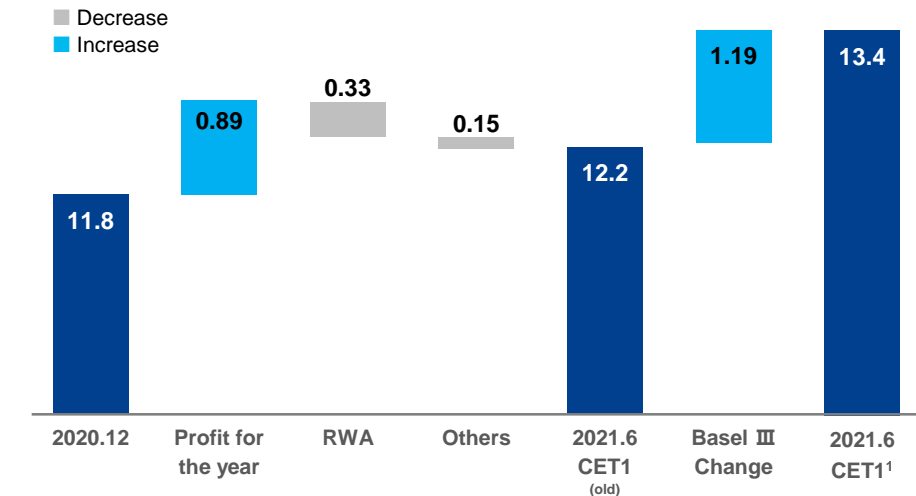
(KRW bn)	2021.6	2020.12	YTD %	2021.3	QoQ %
Risk weighted assets	259,373	252,321	2.8%	257,125	0.9%
Capital	42,826	39,709	7.9%	41,114	4.2%
CET1	34,630	32,462	6.7%	33,551	3.2%
Tier 1	39,559	36,267	9.1%	37,914	4.3%
BIS ratio	16.5%	15.7%	0.8%p	16.0%	0.5%p
CET 1 ratio <sup>1</sup>	13.4%	12.9%	0.5%p	13.0%	0.3%p
CET 1 ratio (old)	12.2%	11.8%	0.4%p	11.9%	0.3%p
Tier 1 ratio	15.3%	14.4%	0.9%p	14.7%	0.5%p

## ROE & ROA



NOTE Annual and Quarterly figures not to the same scale

## CET1 Movement (%)

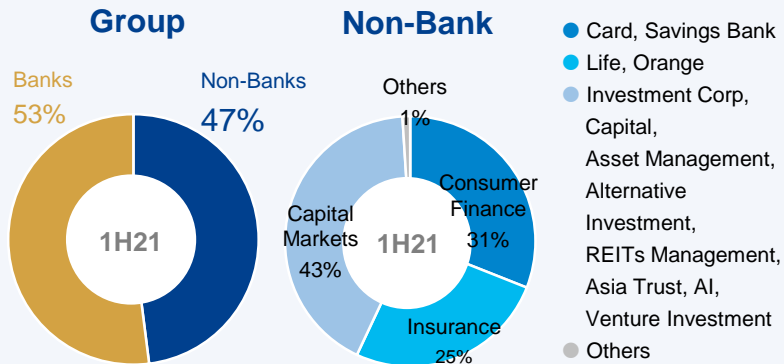


NOTE 1 Reflecting early adoption of the revised BASEL III credit risk framework

# Contribution by Subsidiaries and by Matrix

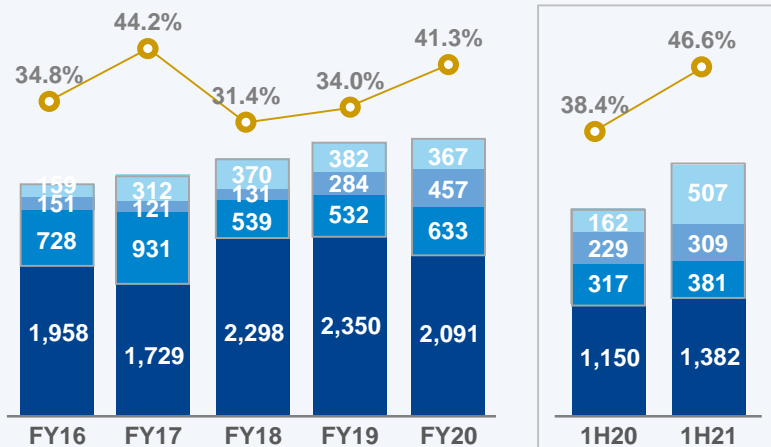
## Net Income Weight by Subsidiaries (%)

(%)



## Net Income Contribution by Non-Bank Subsidiaries<sup>1</sup> (KRW bn)

■ Bank ■ Consumer Finance ■ Insurance ■ Capital Markets & Others  
○ Non-Bank Weight

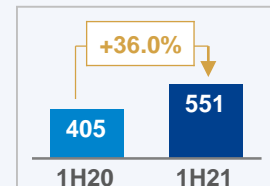
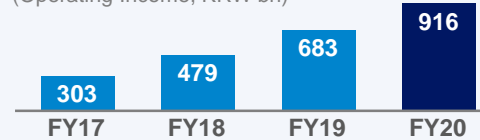


NOTE 1 Net income in controlling interest

NOTE Annual and Quarterly figures not to the same scale

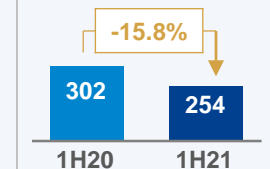
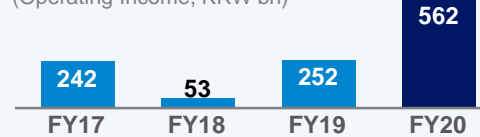
## Global Investment Banking

(Operating Income, KRW bn)



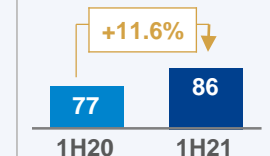
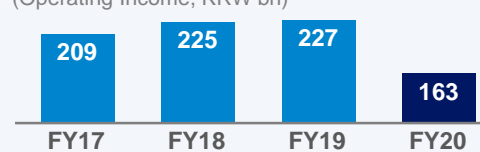
## Global Markets & Securities

(Operating Income, KRW bn)



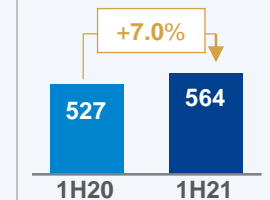
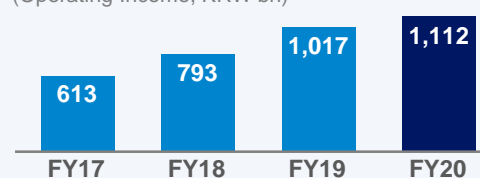
## Wealth Management

(Operating Income, KRW bn)



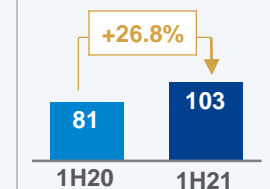
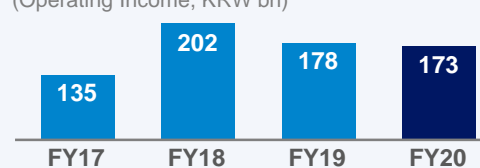
## Global Business

(Operating Income, KRW bn)



## Retirement Pension

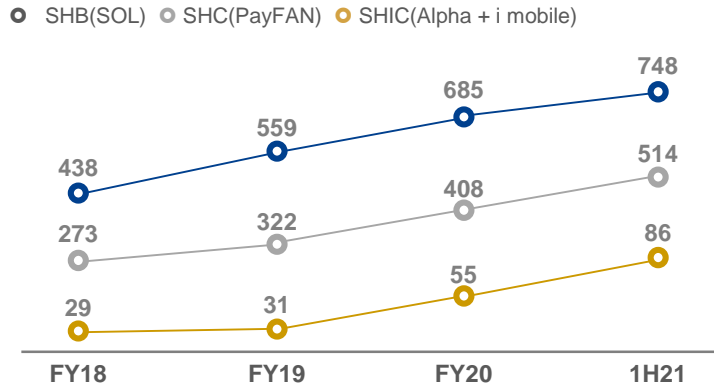
(Operating Income, KRW bn)



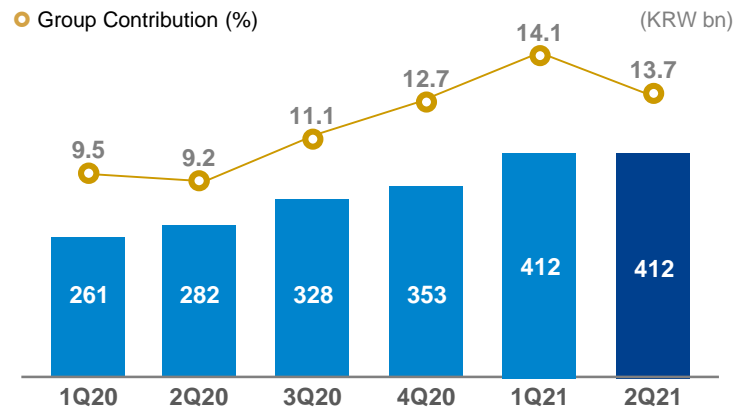
NOTE The above financial figures are based on managerial accounting

## MAU & Digital Revenue Creation

MAU of Major Digital Platforms<sup>1</sup> (ten thousand users)

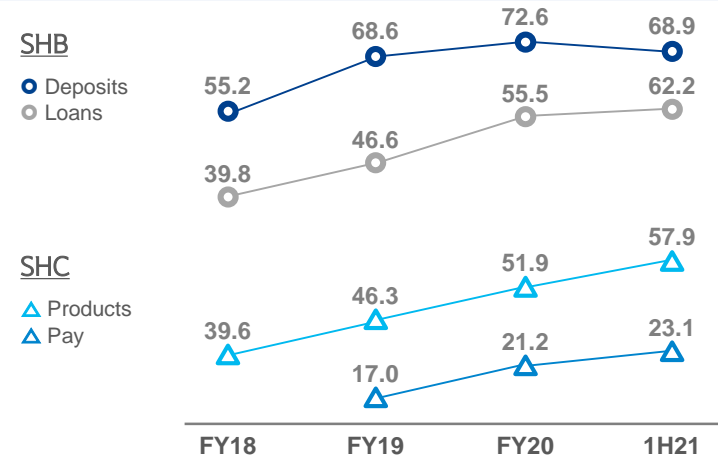


## Operating Income before Expenses via Digital Channels

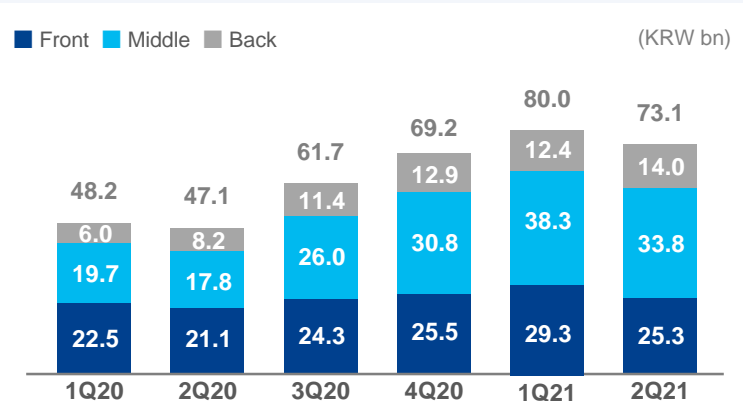


## Digital Coverage & Cost Efficiencies

Digital Coverage<sup>2</sup> (%)



## Costs Saved via Digital Transformation<sup>3</sup>

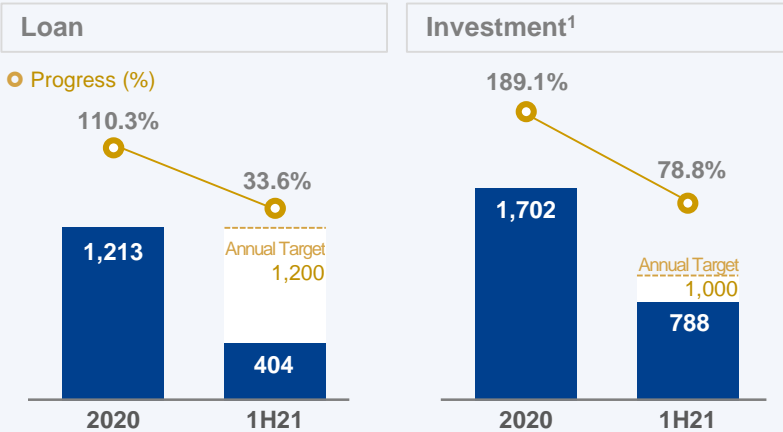


NOTE 1, 2, 3 Refer to "Disclaimer and Additional Notes" section

## Zero Carbon Drive

### Green Finance

(KRW bn)



Green Finance Breakdown	2021 (YTD)	2Q21
<b>Green Loan</b>	<b>404.3</b>	<b>287.6</b>
Eco-friendly Loan	118.5	99.8
Green Project Financing	285.8	189.6
<b>Green Investment<sup>1</sup></b>	<b>787.7</b>	<b>447.4</b>
Reusable energy/Energy efficiency	601.4	341.9
Green transportation	183.9	104.7
Natural Resources	2.3	0.8

NOTE 1 Includes sales of eco-friendly funds and green AUM of Shinhan Asset Mgmt

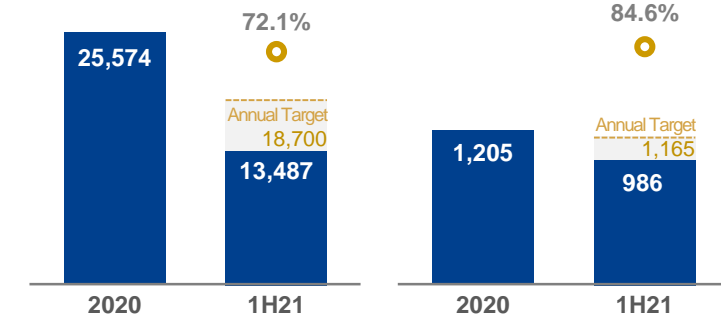
## Innovative Finance

(KRW bn)

### Loan<sup>2</sup>

### Investment<sup>3</sup>

○ Progress (%)



NOTE 2 Includes technology finance, IP-backed loans, movable asset-backed loans, and New Deal loans (N.E.O Project)

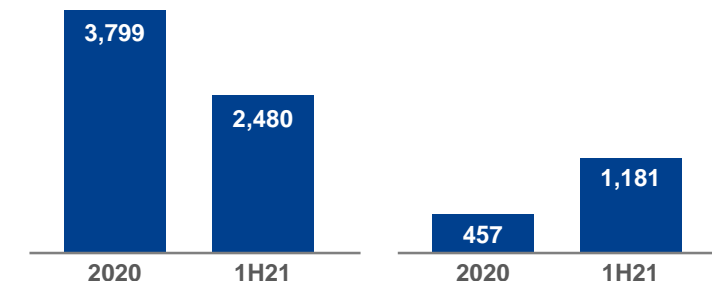
NOTE 3 Includes investments in innovative corporates, digital SOC, eco-friendly technology, and New Deal funds (N.E.O Project)

## Inclusive Finance

(KRW bn)

### Loan<sup>4</sup>

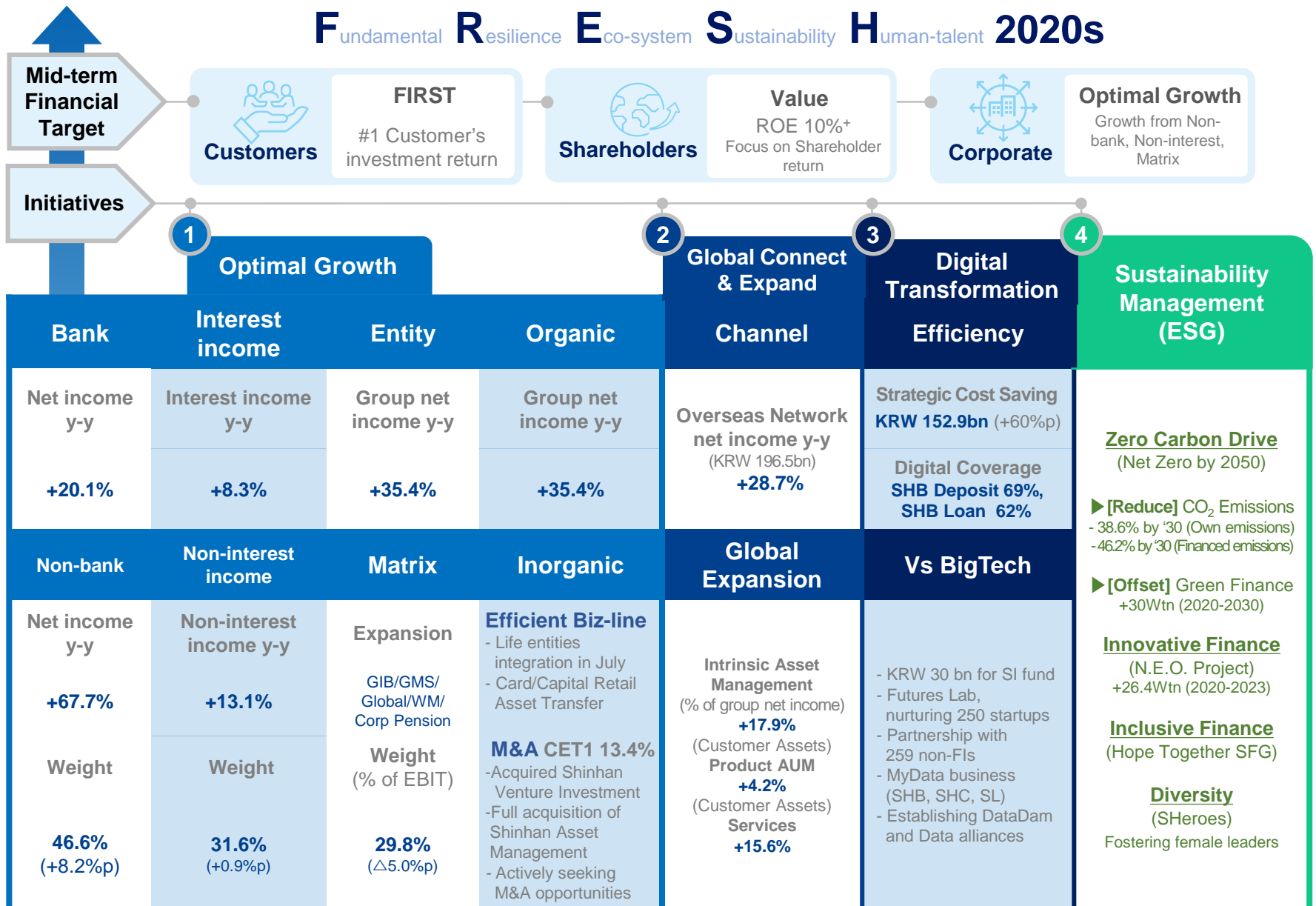
### Social Investment



NOTE 4 Sum of mid-interest rate loan for the working class offered by Shinhan Bank, Shinhan Card, Jeju Bank, Shinhan Savings Bank

# Strategic Initiatives and its Overview

Fundamental Resilience E-co-system Sustainability Human-talent 2020s



NOTE Growth rate figures are on YoY basis

## II. Supplements



# 1H21 Financial Overview

(KRW bn)	1H21	1H20	YoY		2Q21	1Q21	QoQ	
			YoY	YoY %			QoQ	QoQ %
Operating Income before Expenses	<b>6,370.8</b>	5,803.8	567.0	9.8%	<b>3,221.8</b>	3,148.9	72.9	2.3%
Interest Income	<b>4,356.4</b>	4,022.8	333.7	8.3%	<b>2,238.2</b>	2,118.1	120.1	5.7%
Non-interest Income	<b>2,014.3</b>	1,781.0	233.3	13.1%	<b>983.6</b>	1,030.8	-47.1	-4.6%
G&A Expenses	<b>2,635.9</b>	2,469.2	166.7	6.8%	<b>1,356.9</b>	1,279.0	77.9	6.1%
Operating Income	<b>3,734.8</b>	3,334.6	400.2	12.0%	<b>1,864.9</b>	1,869.9	-5.0	-0.3%
Non-Operating Income	<b>-1.5</b>	-5.1	3.6	n.a.	<b>35.5</b>	-37.0	72.6	n.m.
Pre-Provision Income	<b>3,733.3</b>	3,329.5	403.9	12.1%	<b>1,900.5</b>	1,832.9	67.6	3.7%
Provision for Credit Losses	<b>359.0</b>	822.0	-463.0	-56.3%	<b>171.2</b>	187.8	-16.6	-8.8%
Earnings before Income Tax	<b>3,374.4</b>	2,507.4	866.9	34.6%	<b>1,729.0</b>	1,645.3	83.7	5.1%
Income Tax	<b>878.5</b>	665.2	213.3	32.1%	<b>451.1</b>	427.4	23.7	5.5%
Consolidated Net Income <sup>1</sup>	<b>2,443.8</b>	1,805.5	638.3	35.4%	<b>1,251.8</b>	1,191.9	59.9	5.0%
Loans in KRW (Bank, KRW tn)	<b>259.2</b>	237.2	22.0	9.3%	<b>259.2</b>	255.1	4.1	1.6%
Group Assets (Consolidated, end of period, KRW tn)	<b>626.0</b>	578.4	47.6	8.2%	<b>626.0</b>	618.8	7.2	1.2%
NIM (Group)	<b>1.81%</b>	1.84%		-0.03%p	<b>1.81%</b>	1.81%		-0.00%p
Cost to Income Ratio	<b>41.4%</b>	42.5%		-1.2%p	<b>42.1%</b>	40.6%		1.5%p
Credit Cost Ratio	<b>0.20%</b>	0.50%		-0.30%p	<b>0.19%</b>	0.22%		-0.03%p
NPL Ratio	<b>0.52%</b>	0.56%		-0.04%p	<b>0.52%</b>	0.56%		-0.04%p
ROE <sup>1</sup>	<b>11.50%</b>	9.40%		2.11%p	<b>11.50%</b>	11.17%		0.34%p
ROA <sup>1</sup>	<b>0.82%</b>	0.65%		0.17%p	<b>0.82%</b>	0.81%		0.01%p
CET1 Ratio (Group) <sup>2</sup>	<b>13.4%</b>	11.4%		2.0%p	<b>13.4%</b>	13.0%		0.3%p

NOTE 1 Net Income in Controlling Interest. ROE and ROA are year-to-date cumulative basis

NOTE 2 Capital ratio is a preliminary estimate. Before reflecting the early adoption of the revised BASEL III credit risk framework, CET1 is 12.2% for 1H21.

# SFG Income by Subsidiaries

(KRW bn)	Net Profit (before reflecting ownership)						Ownership	
	1H21	1H20	YoY %	2Q21	1Q21	QoQ %		
<b>Bank</b>	<b>1,384.9</b>	<b>1,152.7</b>	<b>20.1%</b>	<b>720.7</b>	<b>664.2</b>	<b>8.5%</b>		
Shinhan Bank	1,370.9	1,140.7	20.2%	714.4	656.4	8.8%	100.0%	
Jeju Bank	14.1	12.0	17.2%	6.3	7.8	-19.9%	75.3%	
<b>Non-bank</b>	<b>1,220.9</b>	<b>728.0</b>	<b>67.7%</b>	<b>605.1</b>	<b>615.8</b>	<b>-1.7%</b>		
<b>Consumer Finance</b>	Shinhan Card	367.2	302.5	21.4%	199.1	168.1	18.5%	100.0%
	Shinhan Savings Bank	14.0	14.8	-5.1%	8.6	5.4	58.6%	100.0%
<b>Insurance</b>	Shinhan Life Insurance	92.2	91.6	0.7%	19.4	72.8	-73.4%	100.0%
	Orange Life Insurance	216.8	137.5	57.7%	109.1	107.7	1.4%	100.0%
<b>Capital Markets</b>	Shinhan Investment Corp	322.9	57.1	465.5%	154.7	168.1	-8.0%	100.0%
	Shinhan Capital	131.3	84.7	55.0%	72.2	59.2	22.0%	100.0%
	Shinhan Asset Management <sup>1</sup>	18.4	11.4	62.2%	7.2	11.2	-35.8%	100.0%
	Shinhan Alternative Investment	2.6	2.3	12.2%	2.3	0.3	585.7%	100.0%
	Shinhan REITs Management	4.6	-1.3	n.a.	2.8	1.9	47.4%	100.0%
	Asia Trust	35.0	19.3	81.5%	18.3	16.7	9.0%	60.0%
	Shinhan AI <sup>2</sup>	0.3	0.1	354.1%	0.2	0.2	-6.3%	100.0%
	Shinhan Venture Investment <sup>3</sup>	6.2	-	n.a.	2.0	4.2	-53.1%	100.0%
<b>Others</b>	Shinhan DS	3.3	-0.7	n.a.	1.9	1.4	39.3%	100.0%
	Shinhan AITAS	4.8	7.7	-37.8%	2.8	1.9	45.5%	99.8%
	Shinhan Credit Information	1.1	1.0	8.9%	0.3	0.8	-59.3%	100.0%





NOTE 1 Shinhan BNP Paribas Asset Management was renamed to Shinhan Asset Management on JAN 15, 2021

NOTE 2 Shinhan AI was newly established in SEPT 2019

NOTE 3 Neoplux was newly acquired on SEPT 29, 2020; and was renamed to Shinhan Venture Investment on JAN 11, 2021



# Financial Highlights by Subsidiaries

(KRW bn)		Ownership	Total Assets <sup>1</sup>	Shareholder's Equity	Profit for the Period <sup>2</sup>	ROA	ROE
<b>Bank</b>			<b>538,942.1</b>	<b>28,649.7</b>	<b>1,384.9</b>		
	Shinhan Bank	100.0%	532,239.7	28,134.7	1,370.9	0.62%	9.92%
	Jeju Bank	75.3%	6,702.4	514.9	14.1	0.43%	5.53%
<b>Non-bank</b>			<b>319,730.5</b>	<b>19,090.4</b>	<b>1,220.9</b>		
<b>Consumer Finance</b>	 Shinhan Card	100.0%	36,661.7	6,426.6	367.2	2.08%	11.61%
	Shinhan Savings Bank	100.0%	2,313.5	215.5	14.0	1.37%	13.49%
<b>Insurance</b>	 Shinhan Life Insurance	100.0%	36,726.0	2,439.6	92.2	0.50%	7.40%
	Orange Life Insurance	100.0%	33,707.0	2,831.8	216.8	1.28%	14.29%
<b>Capital Markets</b>	Shinhan Investment Corp	100.0%	70,158.0	5,008.7	322.9	1.40%	13.90%
	Shinhan Capital	100.0%	10,241.1	1,443.9	131.3	2.75%	21.13%
	Shinhan Asset Management	100.0%	61,533.7	188.9	18.4	18.51%	20.43%
	Shinhan Alternative Investment	100.0%	6,515.6	38.0	2.6	5.74%	22.68%
	Shinhan REITs Management	100.0%	2,068.0	48.6	4.6	17.10%	20.08%
	Asia Trust	60.0%	54,090.9	209.6	35.0	24.29%	34.83%
	Shinhan AI	100.0%	42.9	41.3	0.3	1.59%	1.65%
	Shinhan Venture Investment	100.0%	631.4	66.0	6.2	16.52%	19.59%
<b>Others</b>	Shinhan DS	100.0%	119.3	38.6	3.3	6.40%	22.44%
	Shinhan AITAS	99.8%	83.2	75.2	4.8	11.27%	12.82%
	 Shinhan Credit Information	100.0%	29.2	18.1	1.1	7.97%	12.85%

NOTE 1 Trust A/C of Shinhan, Jeju Bank, Shinhan Investment Corp., Asia Trust and AUM(including ordinary discretionary assets) of Shinhan Asset Management, Shinhan Alternative Investment, Shinhan REITs, Shinhan Venture Investment are included and period end balances

NOTE 2 Net Profit before reflecting ownership

# Shinhan Bank Income (1)

(KRW bn)	1H21	1H20	YoY %	2Q21	1Q21	QoQ %
<b>Operating Income (a=b+c)</b>	<b>3,546.0</b>	<b>3,415.8</b>	<b>3.8%</b>	<b>1,803.4</b>	<b>1,742.6</b>	<b>3.5%</b>
Interest Income (b)	3,166.2	2,950.5	7.3%	1,619.5	1,546.7	4.7%
Non-interest Income (c)	379.8	465.3	-18.4%	183.9	195.9	-6.1%
G&A Expenses (d)	1,559.4	1,511.5	3.2%	822.4	737.1	11.6%
Pre-Provision Operating Income (e=a-d)	1,986.6	1,904.3	4.3%	981.0	1,005.5	-2.4%
Non-operating Income (f)	-36.6	9.3	n.a.	20.7	-57.3	n.a.
<b>Pre-Provision Income (g=e+f)</b>	<b>1,949.9</b>	<b>1,913.6</b>	<b>1.9%</b>	<b>1,001.7</b>	<b>948.2</b>	<b>5.6%</b>
Provision for Credit Losses (h)	118.2	383.9	-69.2%	47.6	70.6	-32.6%
Earnings Before Income Tax (i=g-h)	1,831.8	1,529.7	19.7%	954.2	877.6	8.7%
Income Tax	460.7	388.8	18.5%	239.6	221.0	8.4%
<b>Net Profit<sup>1</sup></b>	<b>1,370.9</b>	<b>1,140.7</b>	<b>20.2%</b>	<b>714.4</b>	<b>656.4</b>	<b>8.8%</b>

NOTE 1 Net income in controlling interest

(%)	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
<b>NIS (a-b, for the quarter)</b>	<b>1.86</b>	<b>1.81</b>	<b>1.74</b>	<b>1.69</b>	<b>1.68</b>	<b>1.62</b>	<b>1.60</b>	<b>1.68</b>	<b>1.70</b>
Loan Interest Rate (a)	3.37	3.27	3.12	3.00	2.84	2.63	2.51	2.48	2.46
Deposit Interest Rate (b)	1.51	1.46	1.38	1.30	1.16	1.01	0.91	0.81	0.76
<b>NIM (for the quarter)</b>	<b>1.58</b>	<b>1.53</b>	<b>1.46</b>	<b>1.41</b>	<b>1.39</b>	<b>1.36</b>	<b>1.34</b>	<b>1.39</b>	<b>1.40</b>
<b>NIM (cumulative figures)</b>	<b>1.59</b>	<b>1.57</b>	<b>1.54</b>	<b>1.41</b>	<b>1.40</b>	<b>1.38</b>	<b>1.37</b>	<b>1.39</b>	<b>1.39</b>

# Shinhan Bank Income (2)

(KRW bn)	1H21	1H20	YoY %	2Q21	1Q21	QoQ %
<b>Non-interest Income (a+b+c)</b>	<b>379.8</b>	<b>465.3</b>	<b>-18.4%</b>	<b>183.9</b>	<b>195.9</b>	<b>-6.1%</b>
<b>Fee &amp; Commission (a)</b>	<b>495.4</b>	<b>495.2</b>	<b>0.0%</b>	<b>255.2</b>	<b>240.2</b>	<b>6.2%</b>
Fund Fees	48.0	43.3	10.9%	23.2	24.7	-6.0%
Bancassurance Fees	15.9	24.8	-35.6%	8.6	7.3	17.0%
F/X Fees	74.7	65.5	13.9%	41.6	33.1	25.5%
Trust Fees	99.1	83.7	18.4%	48.5	50.6	-4.3%
Electronic Transaction Fees	75.6	70.8	6.8%	38.3	37.3	2.6%
Investment banking	34.1	36.7	-7.0%	24.3	9.8	147.2%
Others	148.1	170.6	-13.2%	70.8	77.3	-8.4%
<b>Securities Related &amp; F/X Trading, Derivatives (b)</b>	<b>325.3</b>	<b>372.7</b>	<b>-12.7%</b>	<b>167.3</b>	<b>157.9</b>	<b>6.0%</b>
<b>Others<sup>1</sup> (c)</b>	<b>-440.9</b>	<b>-402.7</b>	<b>n.a.</b>	<b>-238.6</b>	<b>-202.3</b>	<b>n.a.</b>
<b>G&amp;A Expenses Details</b>						
<b>G&amp;A Details</b>	<b>1,559.4</b>	<b>1,511.5</b>	<b>3.2%</b>	<b>822.4</b>	<b>737.1</b>	<b>11.6%</b>
<b>Salary &amp; Employee Benefits</b>	<b>966.3</b>	<b>914.8</b>	<b>5.6%</b>	<b>508.2</b>	<b>458.1</b>	<b>10.9%</b>
(Early Retirement Program Expenses)	46.4	0.9	n.m.	46.4	-	n.m.
<b>D&amp;A</b>	<b>200.5</b>	<b>210.4</b>	<b>-4.7%</b>	<b>99.0</b>	<b>101.5</b>	<b>-2.5%</b>
<b>Other Expenses</b>	<b>392.6</b>	<b>386.4</b>	<b>1.6%</b>	<b>215.2</b>	<b>177.4</b>	<b>21.3%</b>
(Advertising)	27.3	27.4	-0.4%	17.3	10.0	72.8%
(Taxes and Dues)	56.1	58.6	-4.2%	38.6	17.5	121.1%
<b>Cost to Income Ratio (YTD)</b>	<b>44.0%</b>	<b>44.3%</b>	<b>-0.3%p</b>	<b>44.0%</b>	<b>45.6%</b>	<b>-1.6%p</b>

NOTE 1 Including Deposit Insurance Premium, Contribution Expenses etc.

# Shinhan Card Income

(KRW bn)	1H21	1H20	YoY %	2Q21	1Q21	QoQ %
<b>Operating Revenue (a)</b>	<b>2,134.6</b>	<b>2,046.0</b>	<b>4.3%</b>	<b>1,049.0</b>	<b>1,085.6</b>	<b>-3.4%</b>
Card business	1,417.8	1,456.8	-2.7%	734.8	682.9	7.6%
Installment Finance	77.1	71.2	8.3%	39.9	37.2	7.2%
Lease	185.6	127.8	45.1%	95.3	90.2	5.7%
Others	454.2	390.2	16.4%	179.0	275.2	-35.0%
<b>Interest Expense (b)</b>	<b>246.1</b>	<b>258.0</b>	<b>-4.6%</b>	<b>123.3</b>	<b>122.8</b>	<b>0.4%</b>
<b>G&amp;A Expenses (c)</b>	<b>336.6</b>	<b>324.2</b>	<b>3.8%</b>	<b>167.6</b>	<b>168.9</b>	<b>-0.8%</b>
<b>Commissions &amp; Other Expenses (d)</b>	<b>843.8</b>	<b>794.0</b>	<b>6.3%</b>	<b>382.5</b>	<b>461.3</b>	<b>-17.1%</b>
<b>Pre-Provision Income (e=a-b-c-d)</b>	<b>708.0</b>	<b>669.9</b>	<b>5.7%</b>	<b>375.6</b>	<b>332.5</b>	<b>13.0%</b>
Provision for credit losses (f)	210.7	265.5	-20.6%	108.7	102.0	6.6%
Earnings Before Income Tax (g=e-f)	497.3	404.5	23.0%	266.8	230.5	15.8%
Income Tax	129.6	102.5	26.4%	67.6	62.0	8.9%
<b>Net Income<sup>1</sup></b>	<b>367.2</b>	<b>302.5</b>	<b>21.4%</b>	<b>199.1</b>	<b>168.1</b>	<b>18.5%</b>
Merchant Fee Rates <sup>2</sup>	1.38%	1.36%	0.02%p	1.38%	1.37%	0.01%p
Credit Card Merchant Fee Rate	1.48%	1.52%	-0.04%p	1.48%	1.45%	0.03%p
Delinquency ratio (One Month)	0.85%	1.26%	-0.41%p	0.85%	0.96%	-0.11%p
2 months delinquency migration ratio <sup>3</sup>	0.23%	0.27%	-0.04%p	0.23%	0.26%	-0.03%p

NOTE 1 Net income in controlling interest

NOTE 2 Including merchant fee rates for credit cards, check cards, prepaid cards, and others

NOTE 3 (2 months overdue assets outstanding as of the end of base month) / (normal assets outstanding as of the end of (base month-2 months))

# Life Insurance Income

## Shinhan Life

(KRW bn)	1H21	1H20	YoY%	2Q21	1Q21	QoQ%
Premium Income	1,941.9	2,064.5	-5.9%	960.5	981.4	-2.1%
<b>Net Profit</b>	<b>92.2</b>	<b>91.6</b>	<b>0.7%</b>	<b>19.4</b>	<b>72.8</b>	<b>-73.4%</b>
<b>APE</b>	<b>162.8</b>	<b>217.4</b>	<b>-25.1%</b>	<b>79.6</b>	<b>83.2</b>	<b>-4.4%</b>
Protection	158.8	213.4	-25.6%	77.3	81.5	-5.2%
Savings, Annuities	4.0	4.0	0.1%	2.3	1.7	30.8%
<b>Investment Assets</b>	<b>30,704.3</b>	<b>30,140.8</b>	<b>1.9%</b>	<b>30,704.3</b>	<b>30,423.9</b>	<b>0.9%</b>
Cash and Cash equivalents	536.3	402.3	33.3%	536.3	529.6	1.3%
Bond	16,057.4	15,477.2	3.7%	16,057.4	15,824.7	1.5%
Loans	6,461.3	6,256.4	3.3%	6,461.3	6,521.9	-0.9%
Equities	185.6	143.8	29.1%	185.6	142.8	30.0%
Others	7,463.6	7,861.1	-5.1%	7,463.6	7,405.0	0.8%
<b>Key Indicators</b>						
# of FCs	7,284	7,669	-5.0%	7,284	7,397	-1.5%
Loss Ratio <sup>1</sup>	91.3%	94.1%	-2.8%p	94.6%	89.2%	5.4%p
Expense Ratio <sup>2</sup>	11.4%	10.7%	0.7%p	11.5%	11.4%	0.1%p
Investment Yield <sup>3</sup>	3.10%	3.23%	-0.1%p	3.10%	3.17%	-0.1%p

NOTE 1 Accumulated loss ratio on a rolling 12 month basis

NOTE 2 Expense ratio on year-to-date basis

NOTE 3 Yield on a 12-month rolling basis, under IFRS9

## Orange Life

(KRW bn)	1H21	1H20	YoY%	2Q21	1Q21	QoQ%
Premium Income	1,696.4	1,850.4	-8.3%	822.7	873.7	-5.8%
<b>Net Profit</b>	<b>216.8</b>	<b>137.5</b>	<b>57.7%</b>	<b>109.1</b>	<b>107.7</b>	<b>1.4%</b>
<b>APE</b>	<b>196.2</b>	<b>234.2</b>	<b>-16.2%</b>	<b>89.7</b>	<b>106.6</b>	<b>-15.9%</b>
Protection	105.0	145.4	-27.8%	47.2	57.8	-18.2%
Savings, Annuities	91.2	88.8	2.7%	42.4	48.8	-13.1%
<b>Investment Assets</b>	<b>26,933.9</b>	<b>26,502.3</b>	<b>1.6%</b>	<b>26,933.9</b>	<b>26,711.4</b>	<b>0.8%</b>
Cash and Cash equivalents	714.0	913.3	-21.8%	714.0	480.0	48.8%
Bond	21,946.9	20,992.5	4.5%	21,946.9	22,042.0	-0.4%
Loans	2,386.2	2,169.6	10.0%	2,386.2	2,271.0	5.1%
Equities	0.0	323.0	-100.0%	0.0	0.1	-100.0%
Others	1,886.7	2,103.9	-10.3%	1,886.7	1,918.3	-1.6%
<b>Key Indicators</b>						
# of FCs	5,088	5,177	-1.7%	5,088	5,112	-0.5%
Loss Ratio <sup>1</sup>	75.6%	74.9%	0.7%p	81.9%	73.7%	8.2%p
Expense Ratio <sup>2</sup>	9.5%	9.3%	0.2%p	9.7%	9.3%	0.4%p
Investment Yield <sup>3</sup>	3.74%	3.48%	0.26%p	3.74%	3.49%	0.25%p

# Shinhan Investment Corp. Income

(KRW bn)	1H21	1H20	YoY %	2Q21	1Q21	QoQ %
<b>Operating Revenue</b>	<b>845.8</b>	<b>493.8</b>	<b>71.3%</b>	<b>422.9</b>	<b>422.9</b>	<b>0.0%</b>
Fee & Commission	433.7	321.8	34.8%	206.1	227.7	-9.5%
Brokerage fees	287.3	198.4	44.8%	125.7	161.6	-22.2%
Financial Product fees	42.9	43.7	-1.9%	20.0	22.9	-12.4%
Investment Banking	84.1	57.0	47.6%	47.4	36.7	29.1%
Others	19.4	22.7	-14.8%	12.9	6.4	101.2%
Proprietary Trading	351.9	268.2	31.2%	213.4	138.5	54.1%
Others	60.2	-96.2	n.a.	3.4	56.7	-94.0%
<b>Operating Expenses</b>	<b>443.5</b>	<b>437.8</b>	<b>1.3%</b>	<b>223.0</b>	<b>220.5</b>	<b>1.2%</b>
G&A Expenses	357.5	277.6	28.8%	184.9	172.6	7.1%
Commission Expenses	90.4	72.8	24.3%	47.2	43.3	9.0%
Provisioning for Credit Losses	-4.5	87.4	n.a.	-9.1	4.6	n.a.
<b>Operating Income</b>	<b>402.3</b>	<b>56.0</b>	<b>618.1%</b>	<b>199.9</b>	<b>202.4</b>	<b>-1.3%</b>
<b>Net Income</b>	<b>322.9</b>	<b>57.1</b>	<b>465.5%</b>	<b>154.7</b>	<b>168.1</b>	<b>-8.0%</b>
<b>Financial Product<sup>1</sup> (at the end of period , KRW tn)</b>	<b>107.0</b>	<b>104.1</b>	<b>2.8%</b>	<b>107.0</b>	<b>103.4</b>	<b>3.5%</b>
Funds (Beneficiary Certificates)	55.0	50.5	8.9%	55.0	44.6	23.3%
Trust Account	24.9	28.4	-12.3%	24.9	24.5	1.6%
ELS	2.8	3.2	-12.5%	2.8	2.6	7.7%
Others (WRAP + RP + Micro Debentures)	24.3	22.0	10.5%	24.3	31.6	-23.1%

NOTE 1 Includes retail and institutional clients

# SFG Subsidiaries Asset

(KRW bn)		2021.06	2020.12	YTD %	2021.03	QoQ %	2021.06 Weight %
<b>Bank</b>		<b>538,942.1</b>	<b>523,700.1</b>	<b>2.9%</b>	<b>534,608.3</b>	<b>0.8%</b>	<b>62.8%</b>
	Shinhan Bank	532,239.7	517,111.1	2.9%	528,045.8	0.8%	62.0%
	Jeju Bank	6,702.4	6,589.0	1.7%	6,562.5	2.1%	0.8%
<b>Non-Bank</b>		<b>319,730.5</b>	<b>309,629.3</b>	<b>3.3%</b>	<b>312,822.8</b>	<b>2.2%</b>	<b>37.2%</b>
<b>Consumer Finance</b>	Shinhan Card	36,661.7	34,885.2	5.1%	35,522.2	3.2%	4.3%
	Shinhan Savings Bank	2,313.5	1,842.2	25.6%	2,045.9	13.1%	0.3%
<b>Insurance</b>	Shinhan Life Insurance	36,726.0	36,777.5	-0.1%	36,520.6	0.6%	4.3%
	Orange Life Insurance	33,707.0	33,813.6	-0.3%	33,478.7	0.7%	3.9%
<b>Capital Markets</b>	Shinhan Investment Corp	70,158.0	71,864.8	-2.4%	71,026.2	-1.2%	8.2%
	Shinhan Capital	10,241.1	8,901.3	15.1%	9,780.4	4.7%	1.2%
	Shinhan Asset Management <sup>2</sup>	61,533.7	58,869.2	4.5%	61,604.5	-0.1%	7.2%
	Shinhan Alternative Investment	6,515.6	5,499.5	18.5%	5,762.4	13.1%	0.8%
	Shinhan REITs Management	2,068.0	2,270.8	-8.9%	1,971.5	4.9%	0.2%
	Asia Trust	54,090.9	49,717.1	8.8%	50,365.8	7.4%	6.3%
<b>Others</b>	Shinhan AI	42.9	42.9	0.0%	42.7	0.5%	0.0%
	Shinhan Venture Investment <sup>3</sup>	631.4	527.3	19.7%	571.9	10.4%	0.1%
<b>Others</b>	Shinhan DS	119.3	95.1	25.4%	95.8	24.5%	0.0%
	Shinhan AITAS	83.2	87.4	-4.8%	83.0	0.3%	0.0%
	Shinhan Credit Information	29.2	27.8	5.0%	28.2	3.5%	0.0%
	Others	4,809.1	4,407.4	9.1%	3,923.1	22.6%	0.6%

NOTE 1 Trust A/C of Shinhan, Jeju Bank, Shinhan Investment Corp., Asia Trust and AUM(including ordinary discretionary assets) of Shinhan Asset Management, Shinhan Alternative Investment, Shinhan REITs, Shinhan Venture Investment are included and period end balances

NOTE 1 Shinhan BNP Paribas Asset Management was renamed to Shinhan Asset Management on JAN 15, 2021

NOTE 3 Neoplux was newly acquired on SEPT 29, 2020; and was renamed to Shinhan Venture Investment on JAN 11, 2021

# Shinhan Bank Loans & Deposits

(KRW bn)	2021.06	2020.12	YTD %	2021.03	QoQ %	2021.06 Weight %
<b>Loans in KRW</b>	<b>259,192</b>	<b>248,808</b>	<b>4.2%</b>	<b>255,079</b>	<b>1.7%</b>	<b>100.0%</b>
<b>Retail</b>	<b>128,422</b>	<b>126,266</b>	<b>1.7%</b>	<b>128,689</b>	<b>-0.2%</b>	<b>49.5%</b>
Mortgage	54,482	53,355	2.1%	54,398	0.2%	21.0%
Others <sup>1</sup>	73,939	72,911	1.4%	74,291	-0.5%	28.5%
<b>Corporate</b>	<b>130,771</b>	<b>122,542</b>	<b>6.7%</b>	<b>126,390</b>	<b>3.6%</b>	<b>50.5%</b>
SME	111,842	103,974	7.6%	107,501	4.2%	43.2%
SOHO	58,236	54,387	7.1%	56,139	3.9%	22.5%
Large Corporate etc.	18,929	18,568	1.9%	18,889	0.2%	7.3%
Loans in FX	13,604	13,320	2.1%	12,931	5.0%	
<b>Total Deposits</b>	<b>268,629</b>	<b>260,212</b>	<b>3.2%</b>	<b>267,824</b>	<b>0.3%</b>	<b>100.0%</b>
<b>Low cost Deposits</b>	<b>146,223</b>	<b>131,223</b>	<b>11.4%</b>	<b>139,799</b>	<b>4.9%</b>	<b>54.4%</b>
Demand	50,643	40,743	24.3%	47,502	7.7%	18.9%
Savings	95,580	90,481	5.6%	92,297	3.6%	35.6%
<b>Time Savings</b>	<b>122,405</b>	<b>128,989</b>	<b>-5.1%</b>	<b>128,025</b>	<b>-4.4%</b>	<b>45.6%</b>
Time Deposits	114,438	120,018	-4.6%	119,859	-4.5%	42.6%
Accumulative etc.	7,967	8,971	-11.2%	8,166	-2.2%	4.2%
Certificate of Deposits	11,293	4,870	131.9%	5,386	121.3%	
Debentures in KRW	26,057	25,507	2.2%	24,578	5.8%	
<b>Loan to Deposit Ratio<sup>2</sup></b>	<b>97.4%</b>	<b>98.2%</b>	<b>-0.7%p</b>	<b>96.8%</b>	<b>0.7%p</b>	

NOTE 1 Includes Jeonse loans, Secured loans and Unsecured loans, and etc.

NOTE 2 Based on monthly average balance, Excluding CD



# Shinhan Bank Loans (Retail, Large Corporates)

(KRW bn, %)	2021.06	Weight %	2020.12	YTD %	2021.03	QoQ %	Delinquency				
							2020.06	2020.09	2020.12	2021.03	2021.06
<b>Mortgage Loans</b>	<b>54,482</b>	<b>42.4%</b>	<b>53,355</b>	<b>2.1%</b>	<b>54,398</b>	<b>0.2%</b>	<b>0.14%</b>	<b>0.12%</b>	<b>0.10%</b>	<b>0.09%</b>	<b>0.09%</b>
<b>Personal Loans</b>	<b>73,939</b>	<b>57.6%</b>	<b>72,911</b>	<b>1.4%</b>	<b>74,291</b>	<b>-0.5%</b>	<b>0.56%</b>	<b>0.44%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.41%</b>
High credit unsecured	30,283	23.6%	29,739	1.8%	30,003	0.9%					
Secured (Deposits, etc.)	8,481	6.6%	8,583	-1.2%	8,516	-0.4%					
Jeonse Loans	26,732	20.8%	24,770	7.9%	26,429	1.1%					
Others <sup>1</sup>	8,442	6.6%	9,819	-14.0%	9,342	-9.6%					
<b>Retail Loan Total</b>	<b>128,422</b>	<b>100.0%</b>	<b>126,266</b>	<b>1.7%</b>	<b>128,689</b>	<b>-0.2%</b>	<b>0.28%</b>	<b>0.23%</b>	<b>0.21%</b>	<b>0.20%</b>	<b>0.21%</b>
Mortgage loan LTV (%)	42.0%		45.6%	-3.6%p	43.4%		47.8%	46.4%	45.6%	43.4%	42.0%

NOTE 1 Secured and Unsecured loans, and etc,

NOTE 2 Proportion of collateralized loan as of June 2021 is 72% (Real estate 41%, Guarantee 30%, Others 1%), unsecured loan 28%

(KRW bn, %)	2021.06	Weight %	2020.12	YTD %	2021.03	QoQ %	Delinquency				
							2020.06	2020.09	2020.12	2021.03	2021.06
<b>Large Corporates Loans<sup>3</sup></b>	<b>14,657.8</b>	<b>100.0%</b>	<b>14,262</b>	<b>2.8%</b>	<b>14,602</b>	<b>0.4%</b>	<b>0.06%</b>	<b>0.15%</b>	<b>0.11%</b>	<b>0.07%</b>	<b>0.13%</b>
Manufacturing	6,142.7	41.9%	5,924	3.7%	6,325	-2.9%	0.06%	0.35%	0.17%	0.16%	0.30%
Oil Refinery, Chemical	1,070.6	7.3%	896	19.4%	976	9.7%	0.27%	0.29%	0.36%	0.33%	1.07%
Metal Production	238.3	1.6%	255	-6.5%	235	1.2%	-	-	-	-	-
Auto	1,203.3	8.2%	1,279	-5.9%	1,294	-7.0%	-	1.49%	0.54%	0.54%	0.58%
Financials and Insurance	3,065.0	20.9%	2,988	2.6%	2,904	5.5%	-	-	-	-	-
Construction	361.3	2.5%	380	-5.0%	411	-12.2%	-	-	-	-	-
Real Estate & Renting	478.3	3.3%	361	32.7%	389	23.0%	-	-	-	-	-
Wholesalers & Retailers	1,730.6	11.8%	1,770	-2.3%	1,725	0.3%	-	-	-	-	-
Hotel & Restaurants	333.3	2.3%	378	-11.8%	337	-1.0%	-	-	-	-	-

NOTE 3 Large Corporates exclude government agencies and others, and total Large Corporate Loans include unused credit lines and others  
The sum of the sub-sector loans does not equal the Large Corporates Loans as only the major sub-sectors are shown in the table

# Shinhan Bank SME Loans

(KRW bn, %)	2021.06	Weight %	2020.12	YTD %	2021.03	QoQ%	Delinquency				
							2020.06	2020.09	2020.12	2021.03	2021.06
<b>SME Total</b>	<b>111,861</b>	<b>100.0%</b>	<b>91,185</b>	<b>22.7%</b>	<b>107,522</b>	<b>4.0%</b>	<b>0.39%</b>	<b>0.32%</b>	<b>0.30%</b>	<b>0.34%</b>	<b>0.33%</b>
SOHO	58,236	52.1%	46,785	24.5%	56,139	3.7%	0.22%	0.18%	0.15%	0.17%	0.16%
Audited SME	18,039	16.1%	15,543	16.1%	17,412	3.6%	0.37%	0.19%	0.21%	0.26%	0.27%
Unaudited SME	35,586	31.8%	28,856	23.3%	33,971	4.8%	0.66%	0.60%	0.58%	0.65%	0.62%
<b>By Sectors</b>											
<b>SME Total</b>	<b>111,861</b>	<b>100.0%</b>	<b>103,995</b>	<b>7.6%</b>	<b>107,522</b>	<b>4.0%</b>	<b>0.39%</b>	<b>0.32%</b>	<b>0.30%</b>	<b>0.34%</b>	<b>0.33%</b>
Manufacturing	31,760	28.4%	29,650	7.1%	30,637	3.7%	0.61%	0.52%	0.54%	0.61%	0.63%
Construction	2,514	2.2%	2,284	10.1%	2,421	3.8%	0.64%	0.31%	0.39%	0.44%	0.35%
Real Estate & Renting	30,214	27.0%	28,266	6.9%	28,759	5.1%	0.08%	0.08%	0.05%	0.06%	0.08%
Wholesalers & Retailers	18,636	16.7%	17,119	8.9%	17,783	4.8%	0.36%	0.32%	0.32%	0.38%	0.31%
Accommodations & Restaurants	8,083	7.2%	7,493	7.9%	7,832	3.2%	0.67%	0.20%	0.17%	0.16%	0.21%
Others	20,654	18.5%	19,182	7.7%	20,090	2.8%					
<b>SOHO</b>	<b>58,236</b>	<b>100.0%</b>	<b>46,785</b>	<b>24.5%</b>	<b>56,139</b>	<b>3.7%</b>	<b>0.22%</b>	<b>0.18%</b>	<b>0.15%</b>	<b>0.17%</b>	<b>0.16%</b>
Manufacturing	7,093	12.2%	6,086	16.6%	6,802	4.3%	0.42%	0.40%	0.38%	0.39%	0.35%
Construction	681	1.2%	473	44.0%	640	6.4%	0.43%	0.29%	0.25%	0.29%	0.30%
Real Estate & Renting	24,090	41.4%	20,527	17.4%	23,247	3.6%	0.08%	0.09%	0.05%	0.06%	0.06%
Wholesalers & Retailers	9,444	16.2%	7,268	29.9%	9,094	3.8%	0.36%	0.24%	0.22%	0.24%	0.23%
Accommodations & Restaurants	6,846	11.8%	5,181	32.1%	6,678	2.5%	0.36%	0.21%	0.18%	0.15%	0.19%
Others	10,082	17.3%	7,251	39.1%	9,678	4.2%					

\* Proportion of Collateralized SME loans as of June 2021: 78% (Real Estate 59%, Guarantee 15%, Deposits and others 4%)

\* Proportion of Collateralized SOHO loans as of June 2021: 85% (Real Estate 69%, Guarantee 14%, Deposits and others 3%)

# Shinhan Card Assets and Funding

(KRW bn, %)	2021.06	2020.12	YTD %	2021.03	QoQ %	2021.06 Weight %
<b>Earning Assets</b>	<b>33,386.3</b>	<b>31,963.9</b>	<b>4.4%</b>	<b>32,408.9</b>	<b>3.0%</b>	<b>100.0%</b>
Credit Purchase	15,222.7	14,602.3	4.2%	14,775.5	3.0%	45.6%
Cash Advances	1,598.0	1,571.0	1.7%	1,530.6	4.4%	4.8%
Card Loan	7,513.7	7,371.7	1.9%	7,401.5	1.5%	22.5%
(Re-aged Loan)	296.9	307.1	-3.4%	299.9	-1.0%	0.9%
Installment Finance	3,806.9	3,591.5	6.0%	3,666.2	3.8%	11.4%
Lease etc.	5,245.0	4,827.3	8.7%	5,035.2	4.2%	15.7%
<b>Total Funding</b>	<b>25,670.5</b>	<b>24,011.4</b>	<b>6.9%</b>	<b>25,023.9</b>	<b>2.6%</b>	<b>100.0%</b>
Debentures	17,296.0	16,700.2	3.6%	17,058.4	1.4%	67.4%
ABS	2,648.6	2,936.0	-9.8%	3,001.9	-11.8%	10.3%
CP	3,640.0	2,340.0	55.6%	2,960.0	23.0%	14.2%
Others	2,085.9	2,035.2	2.5%	2,003.6	4.1%	8.1%

(KRW bn, %)	1H21	1H20	YoY%	2Q21	1Q21	QoQ %	1H 2021 Weight %
<b>Transaction Volume</b>	<b>97,251.2</b>	<b>91,369.6</b>	<b>6.4%</b>	<b>50,499.0</b>	<b>46,752.2</b>	<b>8.0%</b>	<b>100.0%</b>
Lump-sum	70,061.0	65,964.7	6.2%	36,675.4	33,385.5	9.9%	72.0%
(Debit Card)	15,097.0	16,272.7	-7.2%	7,898.8	7,198.2	9.7%	15.5%
Installment Purchase	11,964.1	11,313.2	5.8%	6,054.1	5,910.0	2.4%	12.3%
Cash Advance	6,405.9	6,669.1	-3.9%	3,258.3	3,147.5	3.5%	6.6%
Card Loan	5,641.8	4,949.5	14.0%	2,870.4	2,771.3	3.6%	5.8%
Others	3,178.5	2,473.3	28.5%	1,640.6	1,537.8	6.7%	3.3%

# Asset Quality

(KRW bn)	Total Loans						Estimated Loss	Substandard & Below	NPL Ratio	Loan Loss Allowance	NPL Coverage Ratio
		Normal	Precautionary	Substandard	Doubtful						
<b>Group<sup>1</sup></b>	<b>2021.06</b>	<b>357,634</b>	<b>353,712</b>	<b>2,048</b>	<b>935</b>	<b>366</b>	<b>574</b>	<b>1,875</b>	<b>0.52%</b>	<b>2,703</b>	<b>144%</b>
	2020.12	341,817	337,673	2,238	906	367	633	1,906	0.56%	2,839	149%
	YTD %	4.6%	4.7%	-8.5%	3.2%	-0.3%	-9.2%	-1.6%	-0.03%p	-4.8%	-5%p
	2021.03	349,696	345,604	2,134	962	365	631	1,959	0.56%	2,780	142%
	QoQ %	2.3%	2.3%	-4.1%	-2.8%	0.2%	-9.0%	-4.3%	-0.04%p	-2.8%	2%p
<b>SHB</b>	<b>2021.06</b>	<b>292,247</b>	<b>290,406</b>	<b>831</b>	<b>532</b>	<b>214</b>	<b>264</b>	<b>1,011</b>	<b>0.35%</b>	<b>1,350</b>	<b>134%</b>
	2020.12	279,487	277,541	936	531	203	277	1,010	0.36%	1,444	143%
	YTD %	4.6%	4.6%	-11.2%	0.3%	5.8%	-4.6%	0.0%	-0.02%p	-6.6%	-9%p
	2021.03	286,053	284,125	885	558	207	278	1,043	0.36%	1,413	135%
	QoQ %	2.2%	2.2%	-6.1%	-4.6%	3.6%	-5.1%	-3.1%	-0.01%p	-4.5%	-1%p
<b>SHC</b>	<b>2021.06</b>	<b>34,400</b>	<b>33,177</b>	<b>913</b>	<b>-</b>	<b>123</b>	<b>187</b>	<b>310</b>	<b>0.90%</b>	<b>1,001</b>	<b>323%</b>
	2020.12	32,732	31,471	911	-	133	216	349	1.07%	1,009	289%
	YTD %	5.1%	5.4%	0.2%	-	-7.7%	-13.5%	-11.3%	-0.17%p	-0.7%	34%p
	2021.03	33,498	32,295	860	-	128	215	343	1.03%	996	290%
	QoQ %	2.7%	2.7%	6.2%	-	-4.6%	-12.9%	-9.8%	-0.13%p	0.6%	33%p

NOTE 1 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 bn)	1H21	1Q21	2Q21	FY20	1Q20	2Q20	3Q20	4Q20
<b>Shinhan Bank<sup>1</sup></b>	<b>68.0</b>	<b>58.6</b>	<b>9.4</b>	<b>592.4</b>	<b>96.8</b>	<b>239.3</b>	<b>118.1</b>	<b>138.1</b>
Retail	77.1	39.9	37.2	210.4	47.6	49.0	58.2	55.5
Corporate	-9.1	18.7	-27.8	382.0	49.2	190.3	59.9	82.6
<b>Shinhan Card<sup>1</sup></b>	<b>210.7</b>	<b>102.0</b>	<b>108.7</b>	<b>483.4</b>	<b>161.8</b>	<b>103.7</b>	<b>90.7</b>	<b>127.3</b>
<b>Total</b>	<b>278.7</b>	<b>160.6</b>	<b>118.1</b>	<b>1,075.8</b>	<b>258.6</b>	<b>343.0</b>	<b>208.8</b>	<b>265.4</b>
<b>Credit Cost Ratio<sup>2</sup></b>								
Group	0.20%	0.22%	0.20%	0.41%	0.35%	0.50%	0.42%	0.41%
Bank	0.08%	0.10%	0.08%	0.24%	0.16%	0.29%	0.25%	0.24%
Card	1.24%	1.24%	1.24%	1.48%	2.15%	1.70%	1.48%	1.48%

NOTE 1 Shinhan Bank figures are on a separate basis, Shinhan Card on a consolidated basis

NOTE 2 Credit Cost Ratio based YTD basis

## Write-Offs and NPL Sales

(KRW bn)	1H21	1Q21	2Q21	FY20	1Q20	2Q20	3Q20	4Q20
<b>Shinhan Bank</b>	<b>266.8</b>	<b>141.2</b>	<b>125.6</b>	<b>788.1</b>	<b>134.6</b>	<b>186.1</b>	<b>277.7</b>	<b>189.7</b>
Write-Off	206.5	115.7	90.8	455.1	88.8	74.4	174.8	117.2
Retail	88.8	50.1	38.7	206.0	37.5	23.5	88.5	56.5
Corporate	117.7	65.6	52.1	249.1	51.4	50.9	86.2	60.7
Sale	60.3	25.5	34.8	333.0	45.8	111.8	102.9	72.6
Retail	15.1	7.3	7.8	68.7	19.1	16.7	14.7	18.2
Corporate	45.2	18.2	27.0	264.3	26.7	95.1	88.2	54.4
<b>Shinhan Card</b>	<b>307.8</b>	<b>154.0</b>	<b>153.8</b>	<b>595.4</b>	<b>147.6</b>	<b>163.1</b>	<b>136.2</b>	<b>148.4</b>
<b>Total</b>	<b>574.6</b>	<b>295.2</b>	<b>279.4</b>	<b>1,383.5</b>	<b>282.2</b>	<b>349.3</b>	<b>413.9</b>	<b>338.2</b>

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

# Disclaimer and Additional Notes

Please 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.
- On September 29, 2020, Shinhan Financial Group acquired a 96.77% stake of Neoplux Co, Ltd. (Rebranded to Shinhan Venture Investment on January 11, 2021). As of the end of the current quarter, acquisition accounting is applied. And, as of the end of December, 2020, we have acquired the remaining shares.
- On January 15, 2021, Shinhan Financial Group acquired the remaining 35% stake of Shinhan BNPP Asset Management (Rebranded to Shinhan Asset Management on the same day).
- 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.)

## Digital Transformation (pg. 11)

NOTE<sup>1</sup> The MAU figures are average MAU of the given period.

We used appminder (Shinhan Bank SoL) and wiseapp (Shinhan Card PayFAN, Shinhan Investment Alpha + i mobile) to measure our MAU.

NOTE<sup>2</sup> Digital Coverage (Shinhan Bank) = # of new retail transaction via digital channels / Total # of new retail transactions

Digital Coverage (Shinhan Card) = # of new transaction via digital channels / Total # of new transactions

Digital Coverage (Shinhan Bank) = Transaction amount done on mobile / Total transaction amount

NOTE<sup>3</sup> The definition and calculation details for figures included in the Costs Saved via Digital Transformation graph

	Definition	Calculation
<b>Front</b>	Digitalizing customer channels (Financial services offered via digital means, etc.)	Front = Total # of offered services (on+offline) X Digital coverage X Reduced cost per task
<b>Middle</b>	Innovating offline customer experience (paperless branch, etc.)	Middle = Total # of offered digital services X Reduced work time per task X Average wage
<b>Back</b>	Streamlining back office operations (Robotic Process Automation, etc.)	Back(DT <sup>1</sup> ) = Total RPA time X Average wage Back(DT <sup>2</sup> ) = # of transactions turned digital X Reduced cost per task Back(ICT) = # of new tech installation X Reduced cost per task