

# Business Results

## FY 2021



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

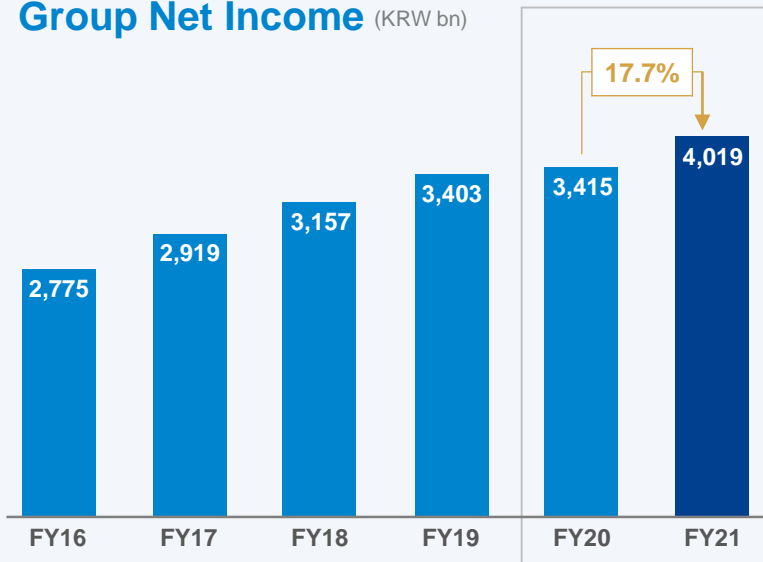
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# I. FY21 Result Highlights

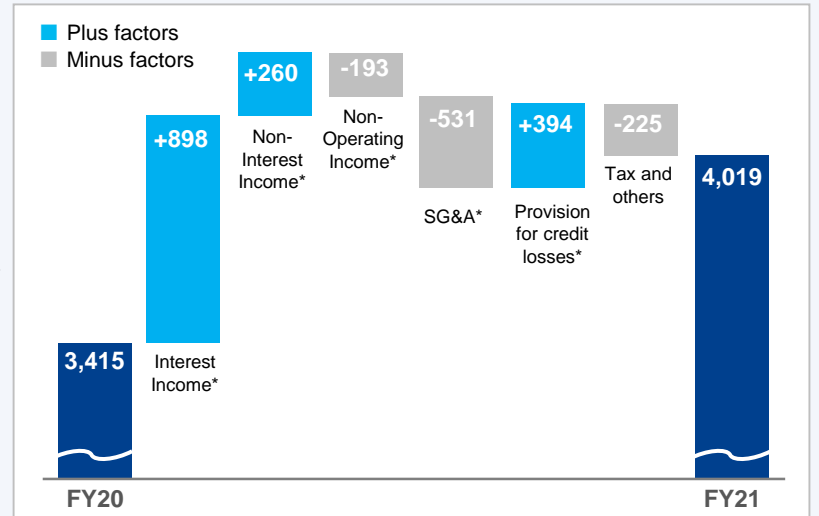


## Group Net Income (KRW bn)



NOTE Annual and Quarterly figures not to the same scale

## Movements (KRW bn)



\* All figures before income tax

### Net income breaking the 4 trillion milestone

Boosted recurring earnings driven by strong asset growth despite large-scale one-off costs

**KRW 4.02 tn**

(FY21 SFG net income)

### Stronger fundamentals via selective growth

Expanded financial support for businesses (SME-focused) and disciplined household loan growth

**+9.0% | +4bp**

(FY21 SHB KRW loan growth, SHB annual NIM growth)

### Robust growth in non-banking sectors

Notable performance improvement among capital market subsidiaries

**+23.4%**

(FY21 Non-bank net income growth rate)

### Consistent cost management

Disciplined cost control despite cost increasing factors (i.e. DT, ERP, Life integration)

43.1% excl. ERP  
(1.3%p improvement YoY)

**45.3%**

(FY21 SFG cost-income ratio)

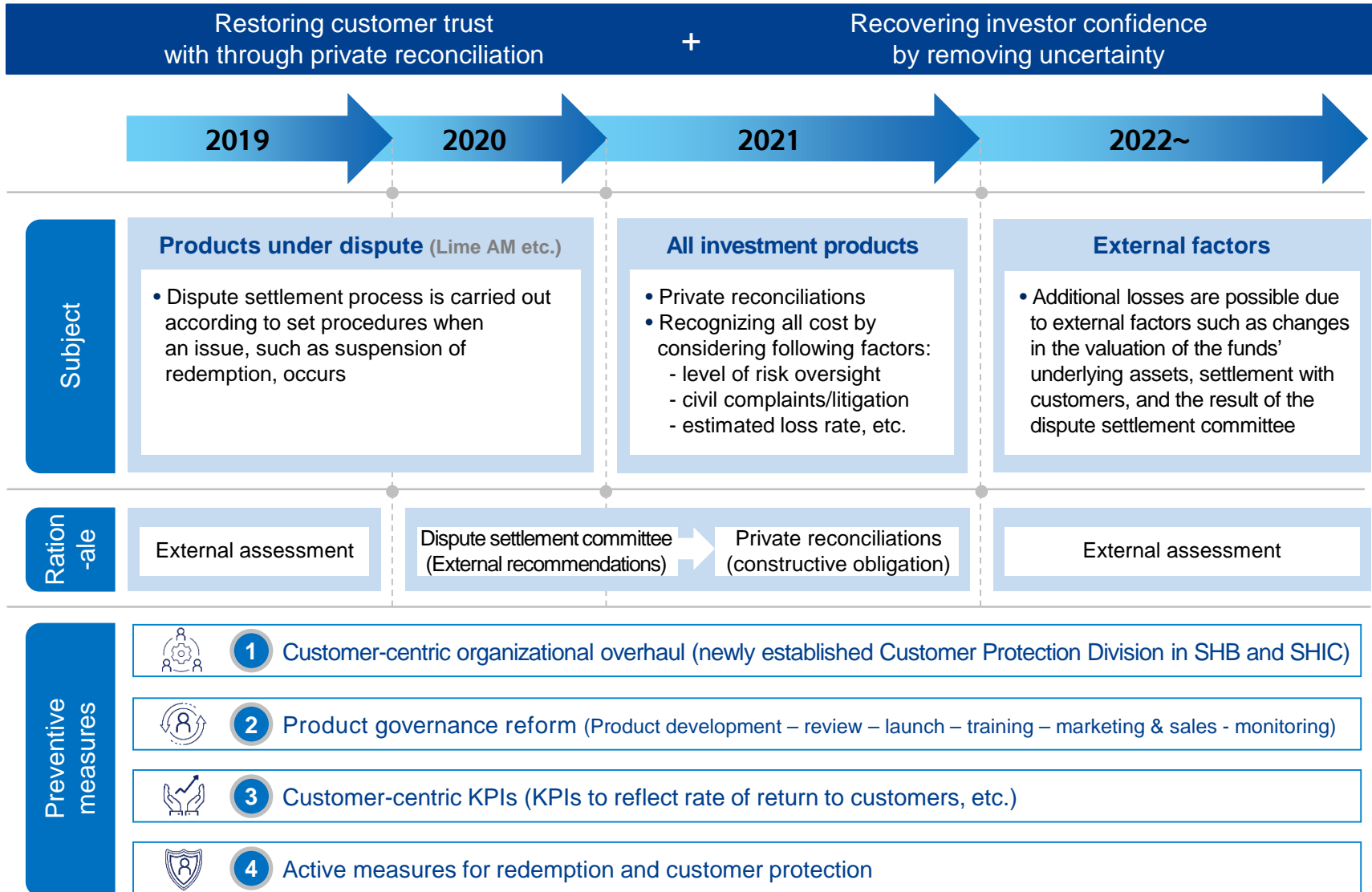
### Sound credit risk management

Stable CCR even after securing additional buffer for post-COVID softlanding

**27bp**

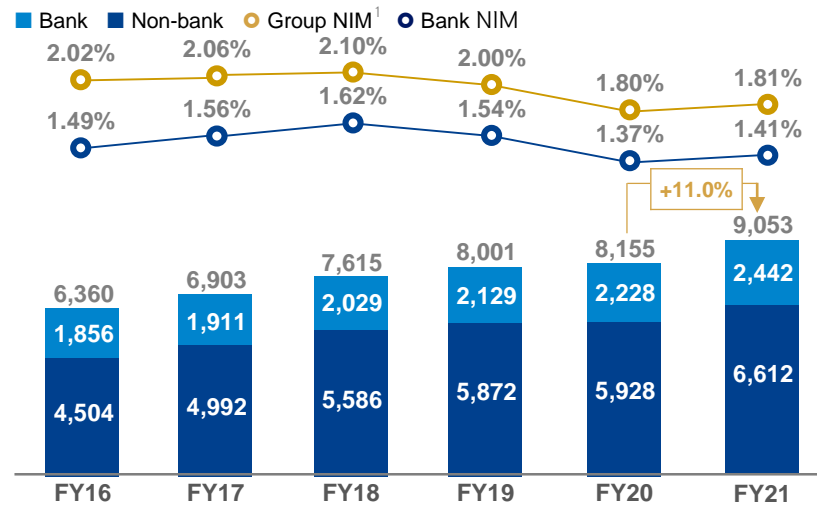
(FY21 SFG credit cost ratio)

# Uncertainties Alleviated



# Net Interest Income

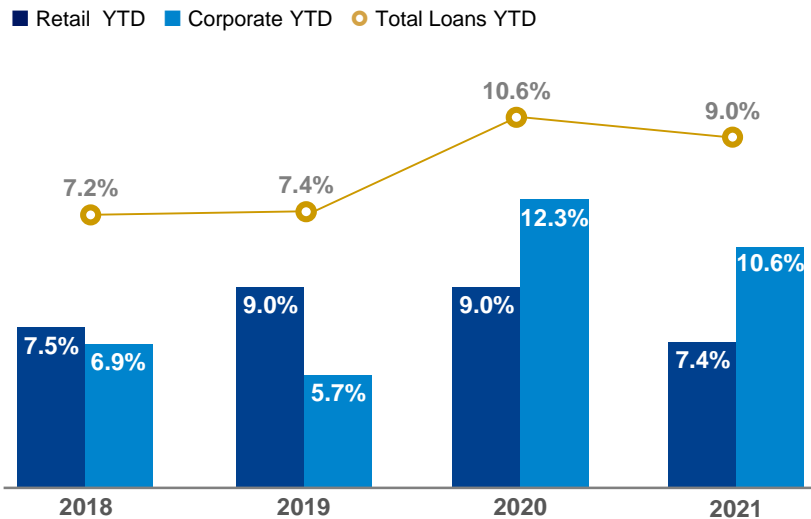
## Group Net Interest Income and NIM (KRW bn)



## Interest Rate & NIM Movement

(%)	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
BOK Base rate	0.50	0.50	0.50	0.50	0.75	1.00
3-y T Bond yield (average)	0.84	0.97	1.13	1.45	1.59	1.80
<b>NIS (Bank, for the quarter) (a-b)</b>	<b>1.62</b>	<b>1.60</b>	<b>1.68</b>	<b>1.70</b>	<b>1.70</b>	<b>1.79</b>
Loan interest rate (a)	2.63	2.51	2.48	2.46	2.47	2.65
Deposit interest rate (b)	1.01	0.91	0.81	0.76	0.77	0.86
NIM (Group, for the quarter)	1.78	1.76	1.81	1.81	1.79	1.83
NIM (Bank, for the quarter)	1.36	1.34	1.39	1.40	1.40	1.45
NIM (Group, YTD)	1.82	1.80	1.81	1.81	1.80	1.81
NIM (Bank, YTD)	1.38	1.37	1.39	1.39	1.40	1.41

## KRW Loan Growth



## Bank Loan Breakdown

(KRW tn)	2021.12	2020.12	YTD%	2021.12	2021.9	QoQ%
<b>Loan in KRW</b>	<b>271.1</b>	<b>248.8</b>	<b>9.0%</b>	<b>271.1</b>	<b>263.7</b>	<b>3.0%</b>
Retail	135.6	126.3	7.4%	135.6	130.1	4.4%
Mortgage	58.9	53.4	10.4%	58.9	55.4	6.5%
Others <sup>2</sup>	76.7	72.9	5.2%	76.7	74.6	2.8%
Corporate	135.5	122.5	10.6%	135.5	133.6	1.6%
SME	117.3	104.0	12.8%	117.3	115.1	2.2%
SOHO	61.3	54.4	12.7%	61.3	60.1	2.1%
Large Corporate etc.	18.2	18.6	-1.7%	18.2	18.6	-1.8%

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

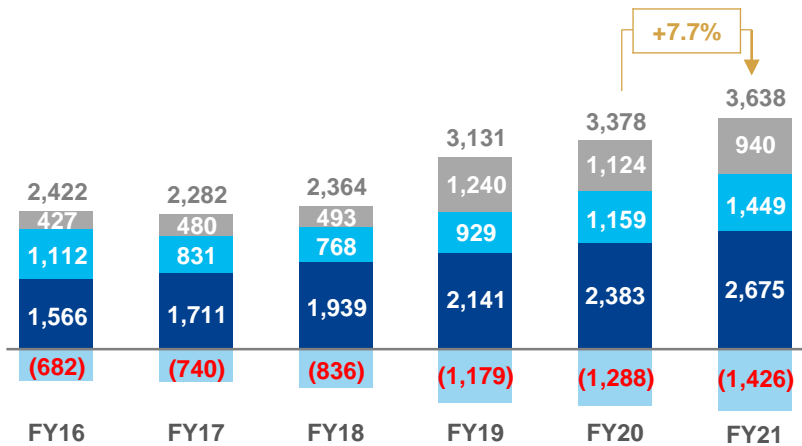
NOTE Annual and Quarterly figures not to the same scale

# Non-interest income

## Non-interest Income

(KRW bn)

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



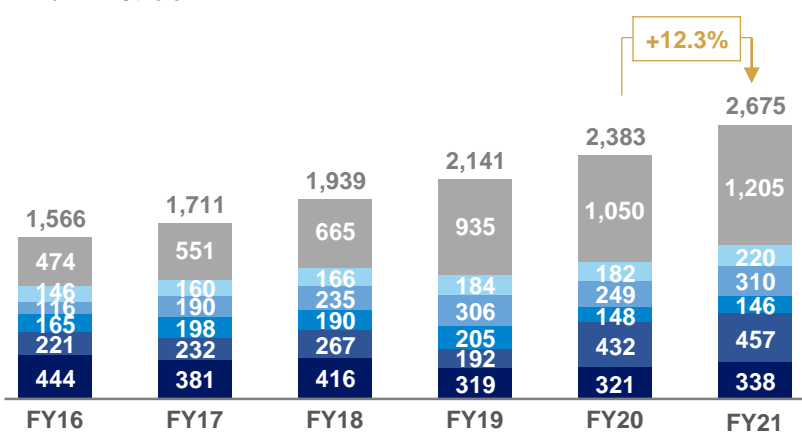
## Details of Non-interest Income

(KRW bn)	FY21	FY20	YoY %	4Q21	3Q21	QoQ %
<b>Non-Interest Income</b>	<b>3,638.1</b>	<b>3,377.8</b>	<b>7.7%</b>	<b>815.7</b>	<b>808.0</b>	<b>0.9%</b>
Fees & Commission	2,675.0	2,382.9	12.3%	650.1	620.8	4.7%
Securities related & FX Trading/Derivatives	1,448.7	1,159.3	25.0%	329.5	290.0	13.6%
(Gains on FVPL Financial Instruments)	693.9	750.3	-7.5%	158.8	347.1	-54.2%
(Gains on Derivatives & F/X)	570.0	42.1	n.m.	171.1	-98.2	n.a.
Insurance-related Income	940.4	1,123.7	-16.3%	201.8	195.2	3.4%
Others	-1,426.1	-1,288.1	n.a.	-365.7	-298.0	n.a.
(Contribution Expenses)	-397.9	-368.0	n.a.	-106.8	-100.7	n.a.
(Insurance Fees on Deposits)	-473.5	-405.5	n.a.	-112.6	-120.4	n.a.

## Fees & Commission

(KRW bn)

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



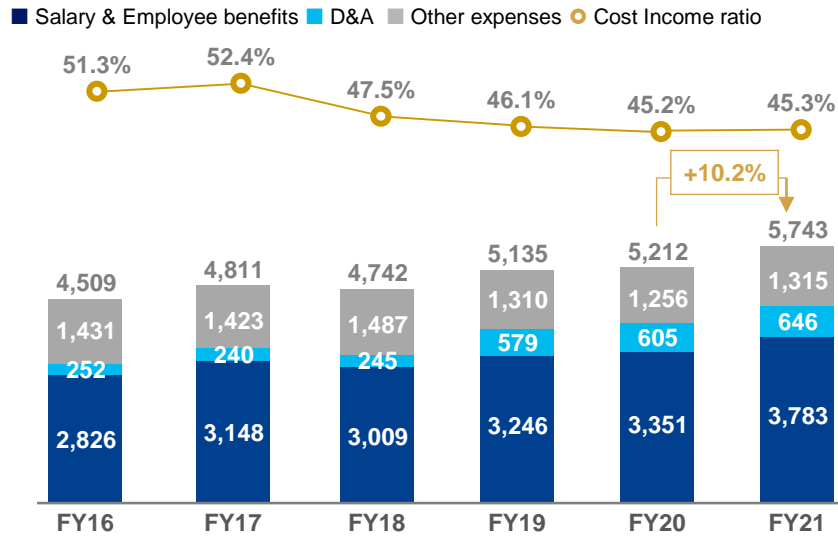
## Details of Fees & Commission

(KRW bn)	FY21	FY20	YoY %	4Q21	3Q21	QoQ %
<b>Fees &amp; Commission</b>	<b>2,675.0</b>	<b>2,382.9</b>	<b>12.3%</b>	<b>650.1</b>	<b>620.8</b>	<b>4.7%</b>
Credit Card Fee Income	338.1	320.8	5.4%	73.0	83.6	-12.7%
Brokerage Commissions	457.3	432.2	5.8%	91.0	104.6	-13.0%
Fund & Bancassurance	145.6	148.4	-1.9%	32.9	37.2	-11.4%
Trust Fee Income	309.7	248.9	24.5%	80.9	75.3	7.5%
F/X Fee Income	219.6	182.5	20.3%	63.8	50.7	25.8%
Electronic Transaction	148.6	143.4	3.6%	36.7	36.3	1.2%
Investment Banking	188.6	161.4	16.9%	64.8	46.7	38.7%
Lease Financing Fees	365.4	245.2	49.1%	103.2	94.5	9.2%
Others	501.9	500.1	0.4%	103.8	92.0	12.8%

# Expenses and Provisioning

## G&A Expense

(KRW bn)

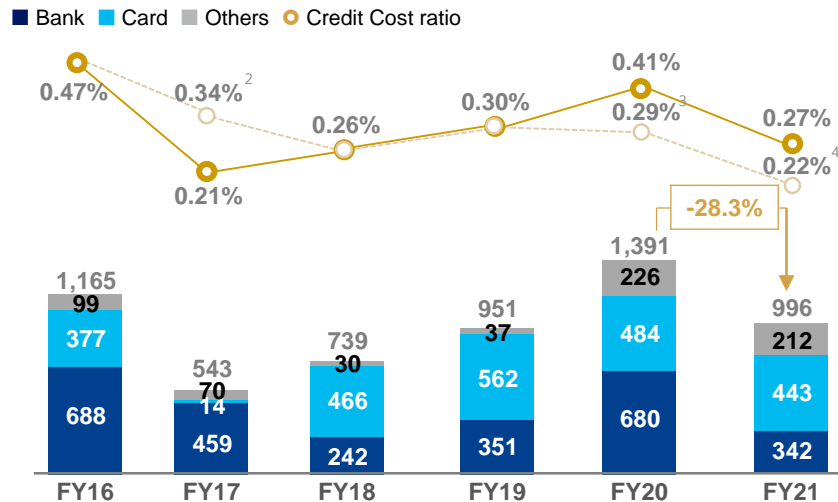


## Details of G&A Expense

(KRW bn)	FY21	FY20	YoY%	4Q21	3Q21	QoQ%
<b>G&amp;A Expense</b>	<b>5,743.1</b>	<b>5,212.5</b>	<b>10.2%</b>	<b>1,810.9</b>	<b>1,296.2</b>	<b>39.7%</b>
Salary & Employee benefits	3,782.7	3,350.7	12.9%	1,215.4	826.7	47.0%
(Early Retirement Program Expenses)	268.1	94.7	183.0%	201.5	0.7	n.m.
D&A	645.7	605.5	6.6%	173.8	157.6	10.3%
Other Expenses	1,314.7	1,256.3	4.6%	421.7	311.9	35.2%
(Advertising Expenses)	280.8	204.3	37.4%	122.2	69.4	76.2%
(Taxes and Dues)	187.4	198.0	-5.3%	44.8	35.6	25.6%

## Credit Cost

(KRW bn)



## Delinquency

(%)	2020.9	2020.12	2021.3	2021.6	2021.9	2021.12
<b>Shinhan Bank</b>	<b>0.26%</b>	<b>0.24%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>0.23%</b>	<b>0.19%</b>
SME (incl SOHO)	0.32%	0.30%	0.34%	0.33%	0.31%	0.26%
SOHO	0.18%	0.15%	0.17%	0.16%	0.16%	0.14%
Retail	0.23%	0.21%	0.20%	0.21%	0.20%	0.17%
<b>Shinhan Card</b>	<b>1.24%</b>	<b>1.04%</b>	<b>0.96%</b>	<b>0.85%</b>	<b>0.89%</b>	<b>0.80%</b>

NOTE 1 Annual and Quarterly figures not to the same scale

NOTE 3 Excluding one-offs (COVID19-related provisioning: 394.4Wbn)

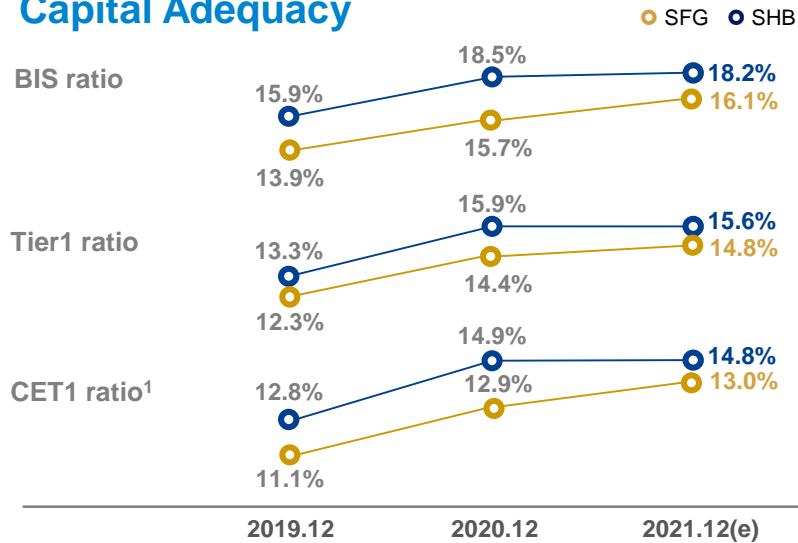
NOTE 2 Excluding write-backs from Shinhan Card

NOTE 4 Excluding one-offs (COVID19-related provisioning: 187.9Wbn)



# Capital and Profitability

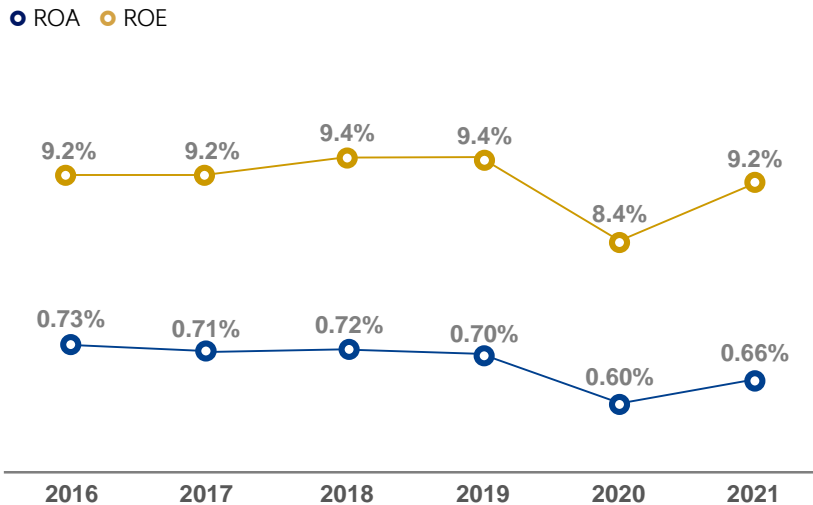
## Capital Adequacy



## Group BIS Ratio

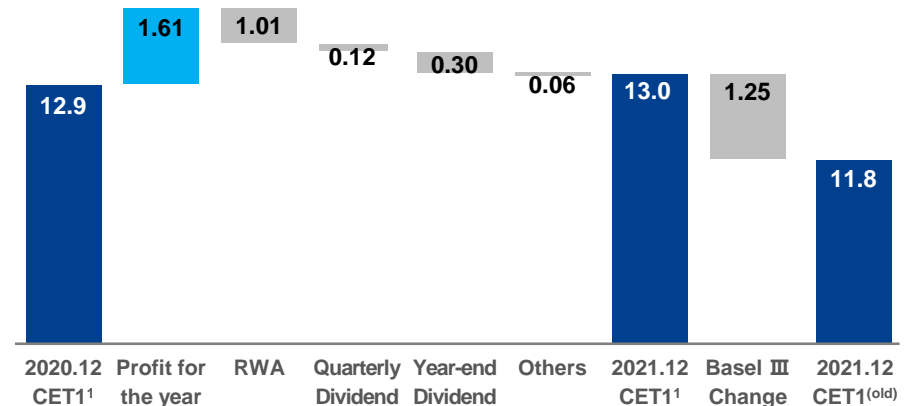
(KRW bn)	2021.12(e)	2020.12	YTD %	2021.9	QoQ %
Risk weighted assets	271,861	252,321	7.7%	267,081	1.8%
Capital	43,722	39,709	10.1%	44,031	-0.7%
CET1	35,338	32,462	8.9%	35,807	-1.3%
Tier 1	40,297	36,267	11.1%	40,741	-1.1%
BIS ratio	16.1%	15.7%	0.34%p	16.5%	-0.4%p
CET 1 ratio <sup>1</sup>	13.0%	12.9%	0.13%p	13.4%	-0.4%p
CET 1 ratio <sup>(old)</sup>	11.8%	11.8%	0.01%p	12.1%	-0.3%p
Tier 1 ratio	14.8%	14.4%	0.45%p	15.3%	-0.4%p

## ROE & ROA



## CET1 Movement (%)

■ Decrease ■ Increase ■ Total



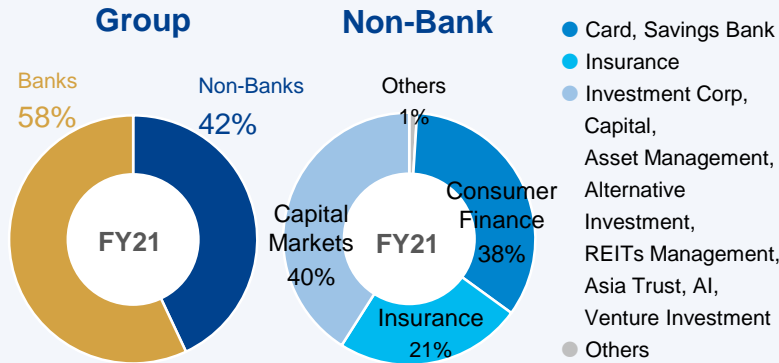
NOTE Annual and Quarterly figures not to the same scale

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

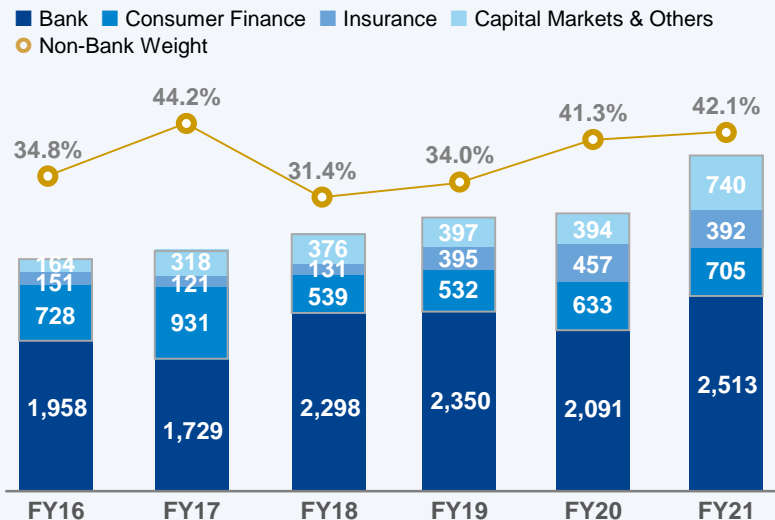
# Contribution by Subsidiaries and by Matrix

## Net Income Weight by Subsidiaries (%)

(%)



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



NOTE 1 Net income in controlling interest

NOTE Annual and Quarterly figures not to the same scale

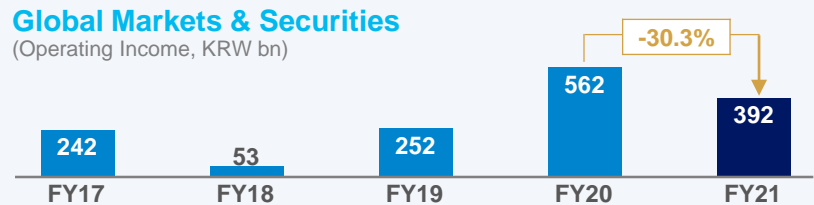
## Global Investment Banking

(Operating Income, KRW bn)



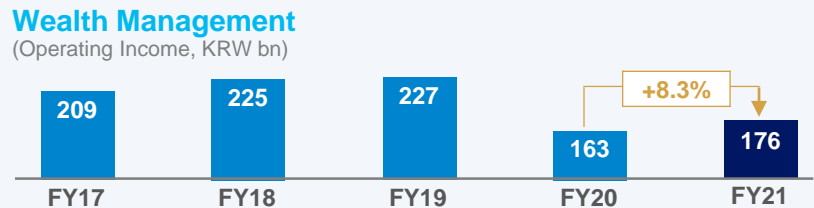
## Global Markets & Securities

(Operating Income, KRW bn)



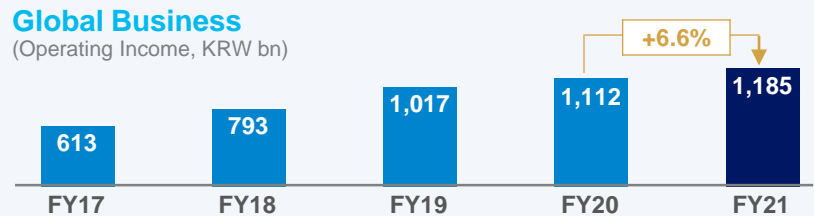
## Wealth Management

(Operating Income, KRW bn)



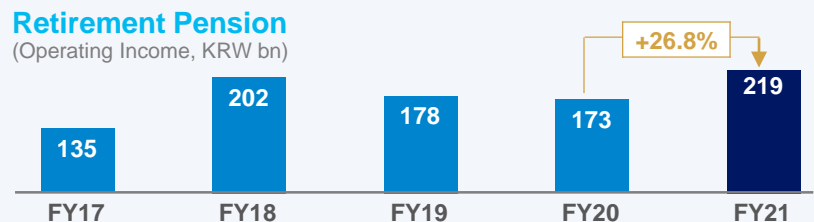
## Global Business

(Operating Income, KRW bn)



## Retirement Pension

(Operating Income, KRW bn)

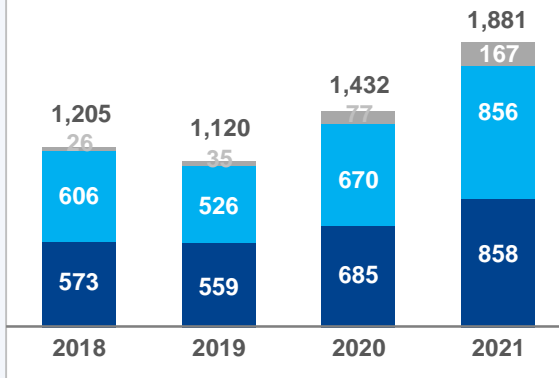


NOTE The above financial figures are based on managerial accounting

## MAU Growth driven by DT Innovation

MAU Trend of SFG's Main Platforms<sup>1</sup>

(ten thousand users) ■ SHB(SOL) ■ SHC(SHpLay) ■ SHIC(Alpha + i mobile)



### Highest level of MAU growth: +4.5 million users (+31% YoY)

- SFG's major platforms SHB SOL and SHC pLay grew +25% and +28% respectively, marking the highest MAU growth within the industry
- Strengthening digital competitiveness with the launch of "Shinhan pLay", and MZ-focused marketing strategy (BTS as the main muse). Other digital innovations (i.e. healthcare app, food delivery app, and MyData service) are also in progress

## Accelerating Digital Transformation

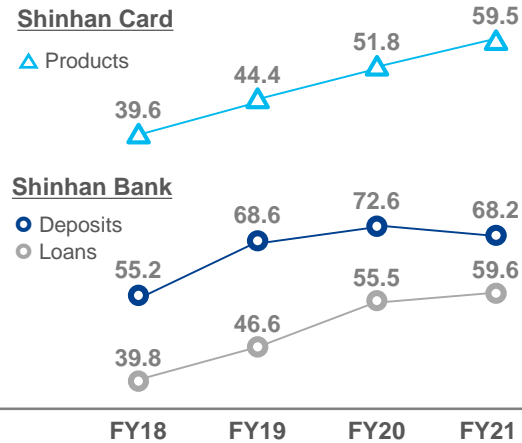
Digital Coverage<sup>2</sup>

### Shinhan Card

△ Products

### Shinhan Bank

● Deposits  
○ Loans



### Expanding digital coverage to reduce costs and increase operation revenue

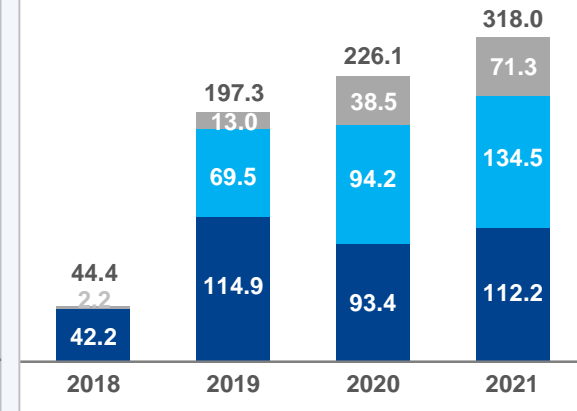
- Optimizing the use of resources by redefining existing channels → reducing offline channels → redistributing resources
- Offline channel strategy:
  - SHB, SHIC: Bigger and more efficient
  - SHC, SHL: More productive (in FC management)
- SHB's digital coverage slightly declined due to strengthened regulations (Financial Consumer Protection Act)

## Reducing Cost with Digital Technology

Digital Cost Efficiency<sup>3</sup>

(KRW bn)

■ Front ■ Middle ■ Back

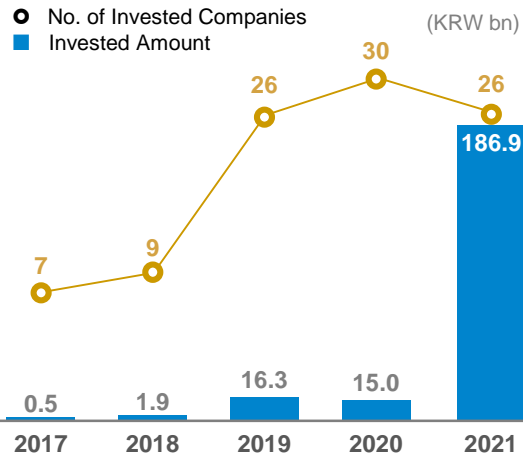


### DT innovation across SFG's entire value chain in line with SFG's mid-term strategy of achieving "optimal growth"

- Saving costs by increasing the usage of app notifications and digital financial statements
- Cutting down costs in offline channels with efforts to go paperless (using tablets instead)
- Improving cost efficiency for back office functions with digital technology: RPA, chatbots, Robo-Advisors, AICC

## Investing in the Digital Sector

DT Investment Trend



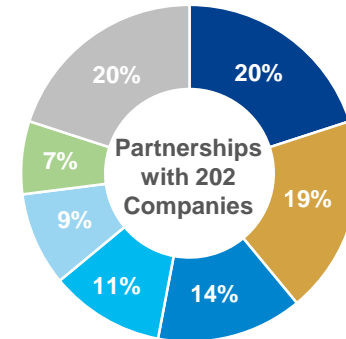
### Invested 187Wbn in digital sector through SFG's SI fund and start-up platform (Future's Lab)

- Plans to form a broad investment portfolio that transcends industry boundaries, secures new markets and technologies by investing 300Wbn in a strategic investment funds (Invested 173Wbn as of Dec. 2021)
- Discovering promising startups through "Shinhan Future's Lab" (10 firms selected as baby unicorns, 32 firms with corporate values exceeding 20Wbn)

## 3<sup>rd</sup>-party Alliances

Fintech and Inter-industry Partnerships

■ Fintech ■ ICT ■ Lifestyle ■ Distribution  
■ Finance/Real Estate ■ Healthcare ■ Others



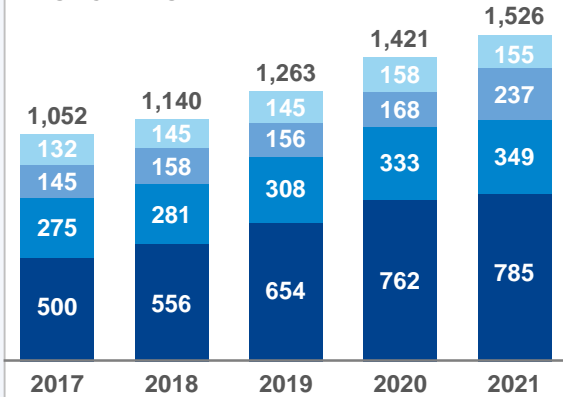
### Expanding alliances with 3<sup>rd</sup>-parties to achieve innovative and open DT

- KT: 17million customer base; business alliances in wide range of fields (i.e. real estate, distribution, media platform)
- Douzone: Build a platform for SMEs by leveraging its corporate customer base, which is the largest in Korea
- Bungaejangter: Secure MZ customers with its Re-Sell technology. Develop product authentication service using NFTs
- 42DOT : Jointly advance into future markets with its leading auto-driving technology

## Securing Digital Talents

Digital Manpower in Main Subsidiaries

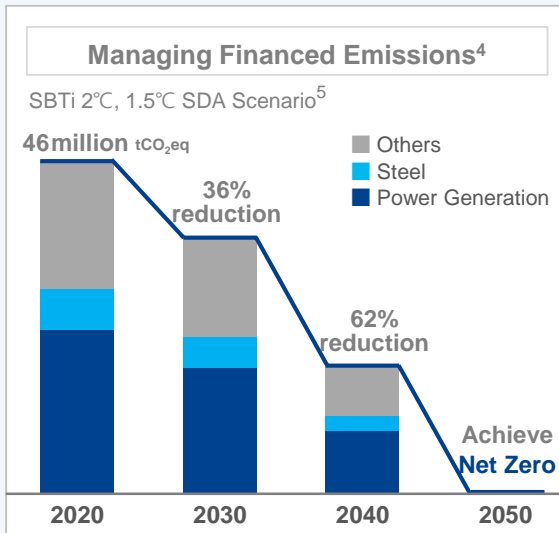
■ SHB ■ SHC ■ SHL  
■ SHIC



### Transforming into a digital company by securing and nurturing digital manpower

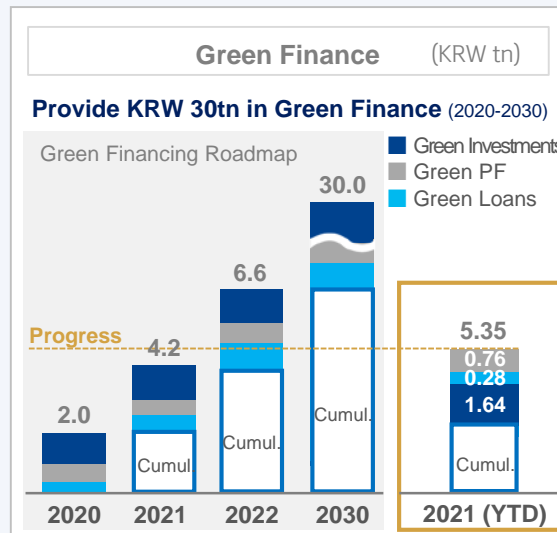
- Continue to increase digital talents to promote Group's digital business initiatives
- Recruiting and fostering digital talents (offering digital masters courses in collaboration with top-tier universities)
- Built a Group-wide a digital education system and a one-stop educational platform that offers data literacy trainings to employees

## Zero Carbon Drive



### Solidifying the foundations for better implementation of Net-Zero ambitions

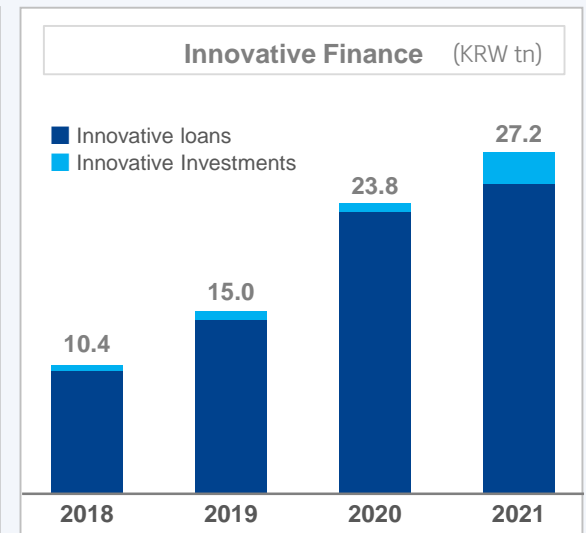
- Expanded CO<sub>2</sub> measurement and management scope in accordance with PCAF<sup>6</sup> Standard (for 210Wtn, incl. 6 asset classes<sup>7</sup>)
- Refining reduction targets for the financed emissions of the Group's portfolio
  - Expect to acquire SBTi certification in 2022
- Establishing a Group-wide ESG management system by developing ESG-integrated credit scoring system and measures to effectively apply K-Taxonomy<sup>7</sup>



### Supporting low-carbon transition through green finance

- Green Finance results for FY2021: 2.7Wtn<sup>9</sup>:
  - Green loans 283.1Wbn,
  - Green PF 767.8Wbn<sup>10</sup>,
  - Green investments 1,641.2Wbn (Green investments by sector: reusable energy 75.3%, green transportation 24.4%, etc.)
- New business opportunities in financing low-carbon transition
  - Energy transition, energy usage, waste management, etc.

## Innovative Finance



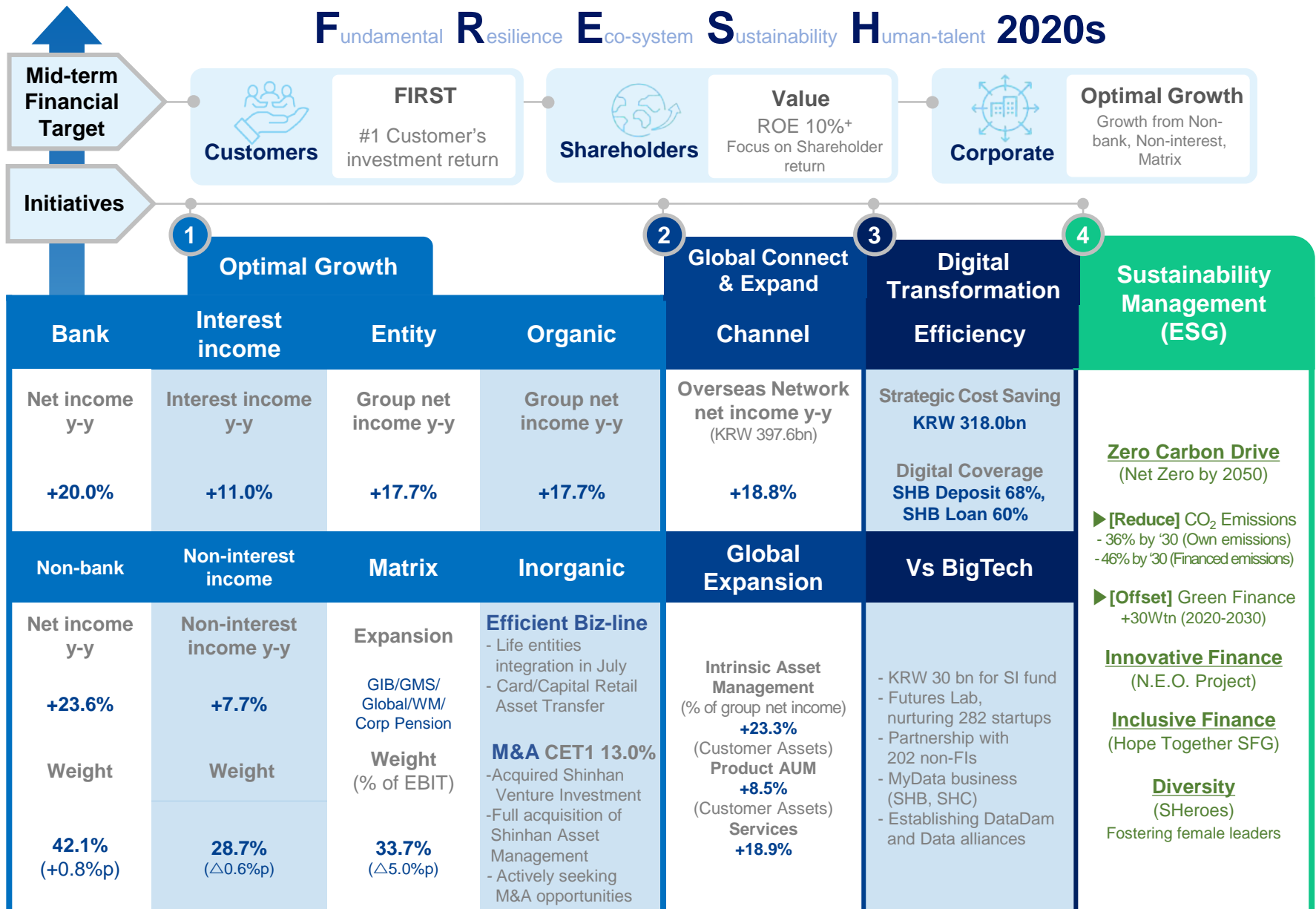
### Spurring innovative growth through financial support

- Innovative loans in FY2021: 25.2Wtn
  - Technology finance(TCB\* loans) 19.4Wtn
  - Innovative growth guarantee loans 2.5Wtn
  - IP\*\*/Moveable asset-backed loans 0.25Wtn
  - K-New Deal loans 2.9Wtn
- Innovative investment in FY2021: 2.1Wtn
  - (Innovative finance) direct investment, project funds etc. 1.1Wtn
  - (K-New Deal) SOC digitization etc. 0.95Wtn

\* TCB: Technology Credit Bureau \*\* IP: Intellectual Property

# Strategic Initiatives and its Overview

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



NOTE Growth rate figures are on YoY basis

## II. 2022 Outlook



## Opportunities and Challenges foreseen in 2022

### Tailwinds

- **Improved NIM and NII as interest rates rise**
- **Robust loan growth with an SME-focus**
- **Boosted sales in the consumer finance sector (credit cards, etc.) thanks to recovery in private consumption**

### Headwinds

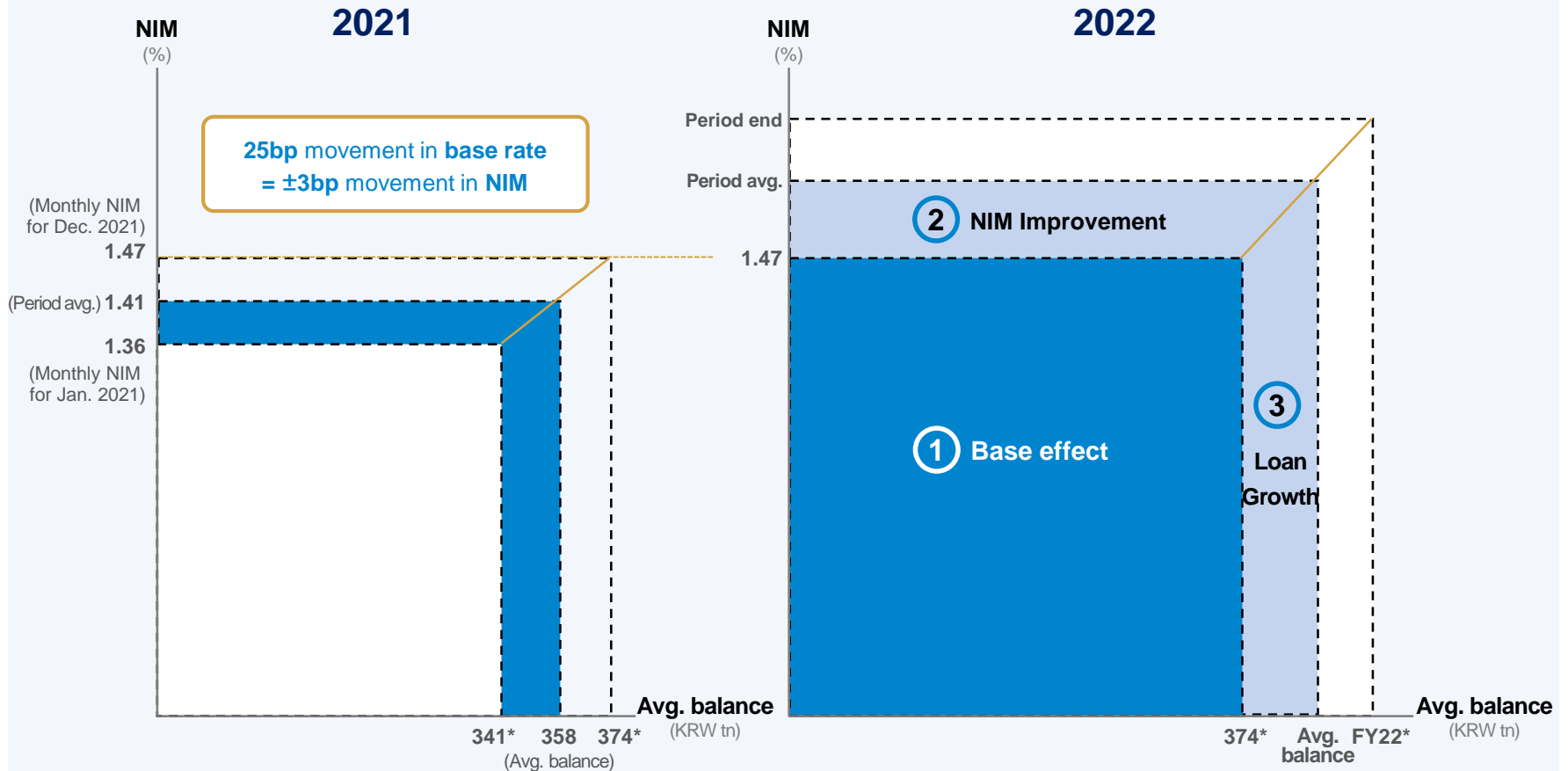
- **Deteriorated asset quality from external factors** (i.e. the Fed's tapering schedule, spread of the omicron variant, and supply chain disruptions)
- **Normalization of growth in capital market sectors** (i.e. stock markets)
- **Inflation-led increase in G&A expenses** (i.e. salary and employee benefits)



# Interest Income Outlook

Robust interest income growth is expected due to the previous year's base effect. Additional NII growth could come from base-rate hike(s) and loan growth in 2022.

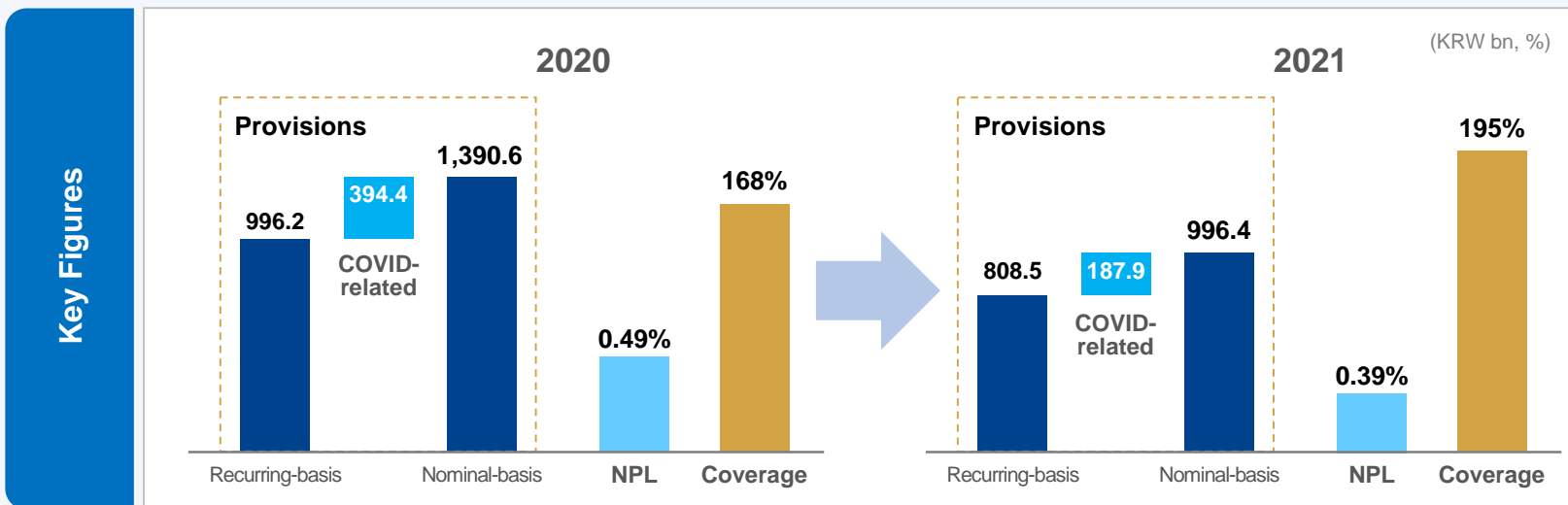
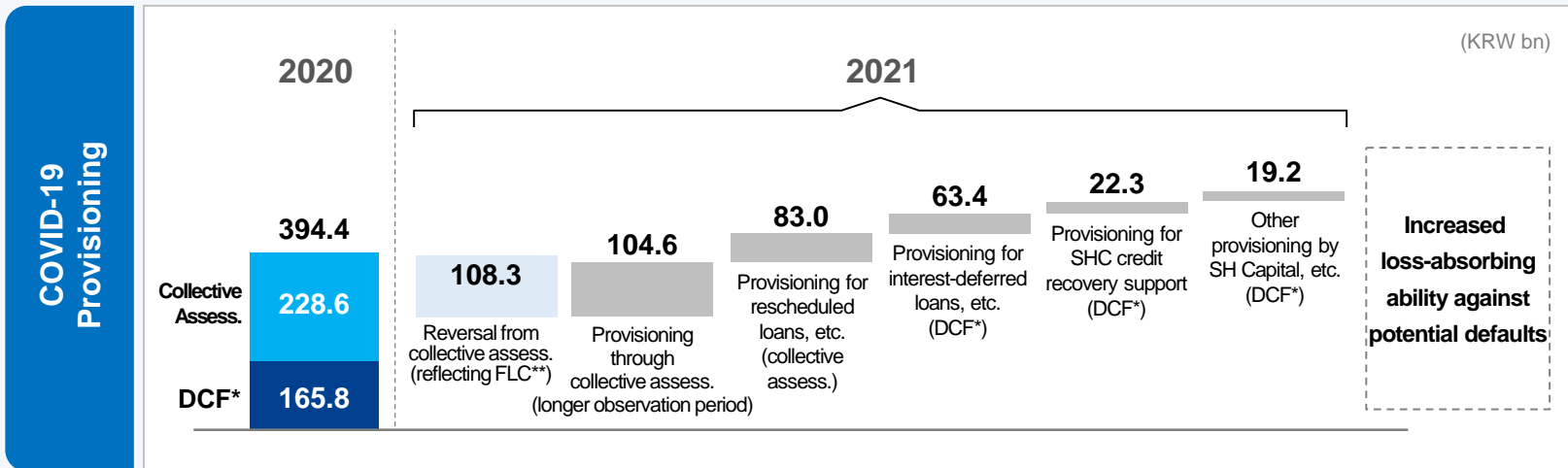
(KRW tn, %)



\* End of period balance

# Boosted Loss Absorption Capacity

Securing sufficient buffer against the possibility of deterioration in asset quality due to increased market volatility



\* DCF: Discounted Cash Flow \*\* FLC: Forward-Looking Criteria

# III. Supplements



# FY21 Financial Overview

(KRW bn)	FY21	FY20	YoY		4Q21	3Q21	QoQ	
			YoY	YoY %			QoQ	QoQ %
Operating Income before Expenses	<b>12,691.6</b>	11,532.9	1,158.7	10.0%	<b>3,214.4</b>	3,106.3	108.1	3.5%
Interest Income	<b>9,053.5</b>	8,155.1	898.4	11.0%	<b>2,398.7</b>	2,298.3	100.4	4.4%
Non-interest Income	<b>3,638.1</b>	3,377.8	260.3	7.7%	<b>815.7</b>	808.0	7.7	0.9%
G&A Expenses	<b>5,743.1</b>	5,212.5	530.6	10.2%	<b>1,810.9</b>	1,296.2	514.7	39.7%
Operating Income	<b>6,948.5</b>	6,320.4	628.1	9.9%	<b>1,403.4</b>	1,810.1	-406.6	-22.5%
Non-Operating Income	<b>-368.4</b>	-175.9	-192.6	n.a.	<b>-307.4</b>	-59.5	-248.0	417.0%
Pre-Provision Income	<b>6,580.0</b>	6,144.5	435.5	7.1%	<b>1,096.0</b>	1,750.6	-654.6	-37.4%
Provision for Credit Losses	<b>996.4</b>	1,390.6	-394.2	-28.3%	<b>431.1</b>	206.2	224.9	109.0%
Earnings before Income Tax	<b>5,583.7</b>	4,753.9	829.8	17.5%	<b>664.9</b>	1,544.4	-879.5	-56.9%
Income Tax	<b>1,471.0</b>	1,255.8	215.2	17.1%	<b>189.9</b>	402.6	-212.7	-52.8%
Consolidated Net Income <sup>1</sup>	<b>4,019.3</b>	3,414.6	604.7	17.7%	<b>459.8</b>	1,115.7	-655.9	-58.8%
Loans in KRW (Bank, KRW tn)	<b>271.1</b>	248.8	22.3	9.0%	<b>271.1</b>	263.7	7.4	2.8%
Group Assets (Consolidated, end of period, KRW tn)	<b>648.2</b>	605.2	42.9	7.1%	<b>648.2</b>	638.7	9.5	1.5%
NIM (Group)	<b>1.81%</b>	1.80%		0.01%p	<b>1.83%</b>	1.79%		0.04%p
Cost to Income Ratio	<b>45.3%</b>	45.2%		0.1%p	<b>56.3%</b>	41.7%		14.6%p
Credit Cost Ratio	<b>0.27%</b>	0.41%		-0.14%p	<b>0.46%</b>	0.22%		0.23%p
NPL Ratio	<b>0.39%</b>	0.49%		-0.10%p	<b>0.39%</b>	0.44%		-0.05%p
ROE <sup>1</sup>	<b>9.17%</b>	8.43%		0.74%p	<b>9.17%</b>	10.89%		-1.72%p
ROA <sup>1</sup>	<b>0.66%</b>	0.60%		0.05%p	<b>0.66%</b>	0.78%		-0.12%p
CET1 Ratio (Group) <sup>2</sup>	<b>13.0%</b>	12.9%		0.1%p	<b>13.0%</b>	13.4%		-0.4%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 11.8% for FY21.

# SFG Income by Subsidiaries





(KRW bn)	Net Profit (before reflecting ownership)						Ownership	
	FY21	FY20	YoY %	4Q21	3Q21	QoQ %		
<b>Bank</b>	<b>2,512.8</b>	<b>2,095.3</b>	<b>19.9%</b>	<b>361.1</b>	<b>766.8</b>	<b>-52.9%</b>		
Shinhan Bank	2,494.4	2,077.8	20.0%	364.2	759.3	-52.0%	100.0%	
Jeju Bank	18.4	17.5	5.3%	-3.1	7.5	n.a.	75.3%	
<b>Non-bank</b>	<b>1,852.4</b>	<b>1,501.1</b>	<b>23.4%</b>	<b>198.1</b>	<b>433.5</b>	<b>-54.3%</b>		
<b>Consumer Finance</b>	Shinhan Card	675.0	606.5	11.3%	136.3	171.5	-20.6%	100.0%
	Shinhan Savings Bank	30.3	27.0	12.5%	8.6	7.7	11.0%	100.0%
<b>Insurance</b>	Shinhan Life Insurance <sup>1</sup>	391.6	457.1	-14.3%	-10.2	92.8	n.a.	100.0%
<b>Capital Markets</b>	Shinhan Investment Corp	320.8	154.8	107.3%	-46.7	44.6	n.a.	100.0%
	Shinhan Capital	274.9	160.6	71.2%	65.9	77.6	-15.0%	100.0%
	Shinhan Asset Management <sup>2</sup>	32.2	26.7	20.6%	6.7	7.1	-5.9%	100.0%
	Shinhan Alternative Investment	9.2	3.4	166.9%	2.1	4.5	-53.0%	100.0%
	Shinhan REITs Management	8.5	3.8	125.3%	1.9	1.9	1.5%	100.0%
	Asia Trust	77.8	45.8	69.9%	25.9	16.9	53.0%	60.0%
	Shinhan AI	0.5	0.3	57.2%	0.0	0.1	-80.6%	100.0%
	Shinhan Venture Investment <sup>3</sup>	15.9	-1.1	n.a.	6.9	2.8	143.1%	100.0%
<b>Others</b>	Shinhan DS	4.1	1.9	120.2%	-1.7	2.4	n.a.	100.0%
	Shinhan AITAS	9.8	13.0	-24.6%	2.2	2.9	-24.3%	99.8%
	Shinhan Credit Information	1.9	1.5	29.7%	0.3	0.5	-51.4%	100.0%

NOTE 1 Orange Life Insurance was merged into Shinhan Life Insurance on July 1, 2021

NOTE 2 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

# 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>559,566.1</b>	<b>29,751.6</b>	<b>2,512.8</b>			
Shinhan Bank	100.0%	552,554.8	29,235.6	2,494.4	0.55%	8.75%	
Jeju Bank	75.3%	7,011.3	515.9	18.4	0.27%	3.54%	
<b>Non-bank</b>		<b>326,467.5</b>	<b>19,685.8</b>	<b>1,852.4</b>			
<b>Consumer Finance</b> 	Shinhan Card	100.0%	38,472.2	6,735.0	675.0	1.85%	10.38%
	Shinhan Savings Bank	100.0%	2,644.9	231.8	30.3	1.32%	13.98%
<b>Insurance</b> 	Shinhan Life Insurance	100.0%	70,535.6	5,152.6	391.6	0.56%	7.29%
<b>Capital Markets</b>	Shinhan Investment Corp	100.0%	69,953.5	5,025.5	320.8	0.70%	6.67%
	Shinhan Capital	100.0%	10,921.7	1,732.7	274.9	2.70%	19.02%
	Shinhan Asset Management	100.0%	58,124.7	202.6	32.2	15.25%	17.10%
	Shinhan Alternative Investment	100.0%	7,386.6	44.5	9.2	8.31%	22.00%
	Shinhan REITs Management	100.0%	2,460.5	52.4	8.5	14.35%	16.79%
	Asia Trust	60.0%	61,559.0	252.6	77.8	25.42%	36.88%
	Shinhan AI 	100.0%	44.0	41.5	0.5	1.10%	1.15%
Shinhan Venture Investment	100.0%	731.8	75.6	15.9	18.25%	22.71%	
<b>Others</b> 	Shinhan DS	100.0%	92.6	39.8	4.1	3.68%	10.30%
	Shinhan AITAS	99.8%	90.1	80.3	9.8	11.33%	12.60%
	Shinhan Credit Information	100.0%	31.4	19.0	1.9	6.42%	10.40%

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)	FY21	FY20	YoY %	4Q21	3Q21	QoQ %
<b>Operating Income (a=b+c)</b>	<b>7,289.4</b>	<b>6,796.8</b>	<b>7.2%</b>	<b>1,903.9</b>	<b>1,839.4</b>	<b>3.5%</b>
Interest Income (b)	6,611.8	5,927.6	11.5%	1,775.4	1,670.2	6.3%
Non-interest Income (c)	677.6	869.3	-22.0%	128.5	169.3	-24.1%
G&A Expenses (d)	3,361.0	3,202.9	4.9%	1,042.8	758.8	37.4%
Pre-Provision Operating Income (e=a-d)	3,928.3	3,593.9	9.3%	861.1	1,080.6	-20.3%
Non-operating Income (f)	-238.8	-130.2	n.a.	-201.9	-0.3	n.a.
<b>Pre-Provision Income (g=e+f)</b>	<b>3,689.5</b>	<b>3,463.7</b>	<b>6.5%</b>	<b>659.2</b>	<b>1,080.3</b>	<b>-39.0%</b>
Provision for Credit Losses (h)	341.6	680.2	-49.8%	162.4	61.1	165.8%
Earnings Before Income Tax (i=g-h)	3,347.9	2,783.4	20.3%	496.9	1,019.2	-51.2%
Income Tax	853.0	705.2	21.0%	132.5	259.8	-49.0%
<b>Net Profit<sup>1</sup></b>	<b>2,494.4</b>	<b>2,077.8</b>	<b>20.0%</b>	<b>364.2</b>	<b>759.3</b>	<b>-52.0%</b>

NOTE 1 Net income in controlling interest

(%)	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
<b>NIS (a-b, for the quarter)</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>	<b>1.70</b>	<b>1.79</b>
Loan Interest Rate (a)	3.12	3.00	2.84	2.63	2.51	2.48	2.46	2.47	2.65
Deposit Interest Rate (b)	1.38	1.30	1.16	1.01	0.91	0.81	0.76	0.77	0.86
<b>NIM (for the quarter)</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>1.40</b>	<b>1.45</b>
<b>NIM (cumulative)</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>	<b>1.40</b>	<b>1.41</b>

# Shinhan Bank Income (2)

(KRW bn)	FY21	FY20	YoY %	4Q21	3Q21	QoQ %
<b>Non-interest Income (a+b+c)</b>	<b>677.6</b>	<b>869.3</b>	<b>-22.0%</b>	<b>128.5</b>	<b>169.3</b>	<b>-24.1%</b>
<b>Fee &amp; Commission (a)</b>	<b>977.7</b>	<b>987.0</b>	<b>-0.9%</b>	<b>239.3</b>	<b>243.0</b>	<b>-1.5%</b>
Fund Fees	92.7	88.5	4.7%	20.8	23.9	-13.1%
Bancassurance Fees	30.5	45.1	-32.5%	6.7	7.8	-13.7%
F/X Fees	154.9	142.3	8.9%	43.6	36.6	19.2%
Trust Fees	193.5	174.1	11.1%	48.8	45.6	7.0%
Electronic Transaction Fees	150.0	143.2	4.7%	37.4	37.1	0.8%
Investment banking	88.3	92.3	-4.3%	28.7	25.5	12.6%
Others	267.8	301.4	-11.2%	53.2	66.5	-19.9%
<b>Securities Related &amp; F/X Trading, Derivatives (b)</b>	<b>591.4</b>	<b>783.8</b>	<b>-24.6%</b>	<b>128.4</b>	<b>137.6</b>	<b>-6.7%</b>
<b>Others<sup>1</sup> (c)</b>	<b>-891.4</b>	<b>-901.5</b>	<b>n.a.</b>	<b>-239.2</b>	<b>-211.3</b>	<b>n.a.</b>
<b>G&amp;A Expenses Details</b>						
<b>G&amp;A Details</b>	<b>3,361.0</b>	<b>3,202.9</b>	<b>4.9%</b>	<b>1,042.8</b>	<b>758.8</b>	<b>37.4%</b>
<b>Salary &amp; Employee Benefits</b>	<b>2,192.0</b>	<b>1,946.3</b>	<b>12.6%</b>	<b>690.9</b>	<b>480.7</b>	<b>43.7%</b>
(Early Retirement Program Expenses)	128.5	77.7	65.4%	82.0	0.2	n.m.
<b>D&amp;A</b>	<b>412.2</b>	<b>411.0</b>	<b>0.3%</b>	<b>107.4</b>	<b>104.3</b>	<b>3.0%</b>
<b>Other Expenses</b>	<b>756.9</b>	<b>845.6</b>	<b>-10.5%</b>	<b>244.4</b>	<b>173.8</b>	<b>40.6%</b>
(Advertising)	98.4	80.8	21.8%	49.4	21.6	128.5%
(Taxes and Dues)	92.6	96.3	-3.8%	19.5	16.9	15.5%
<b>Cost to Income Ratio (YTD)</b>	<b>46.1%</b>	<b>47.1%</b>	<b>-1.0%p</b>	<b>46.1%</b>	<b>43.0%</b>	<b>3.1%p</b>

NOTE 1 Including Deposit Insurance Premium, Contribution Expenses etc.



# Shinhan Card Income

(KRW bn)	FY21	FY20	YoY %	4Q21	3Q21	QoQ %
<b>Operating Revenue (a)</b>	<b>4,375.4</b>	<b>4,100.2</b>	<b>6.7%</b>	<b>1,066.4</b>	<b>1,174.4</b>	<b>-9.2%</b>
Card business	2,862.3	2,848.6	0.5%	724.4	720.1	0.6%
Installment Finance	158.7	147.5	7.6%	41.4	40.3	2.8%
Lease	399.3	292.7	36.4%	111.2	102.6	8.4%
Others	955.1	811.4	17.7%	189.4	311.5	-39.2%
<b>Interest Expense (b)</b>	<b>506.9</b>	<b>507.5</b>	<b>-0.1%</b>	<b>134.6</b>	<b>126.2</b>	<b>6.7%</b>
<b>G&amp;A Expenses (c)</b>	<b>749.3</b>	<b>650.6</b>	<b>15.2%</b>	<b>242.0</b>	<b>170.7</b>	<b>41.8%</b>
<b>Commissions &amp; Other Expenses (d)</b>	<b>1,769.4</b>	<b>1,639.1</b>	<b>7.9%</b>	<b>405.4</b>	<b>520.1</b>	<b>-22.0%</b>
<b>Pre-Provision Income (e=a-b-c-d)</b>	<b>1,349.8</b>	<b>1,303.0</b>	<b>3.6%</b>	<b>284.4</b>	<b>357.4</b>	<b>-20.4%</b>
Provision for credit losses (f)	442.9	483.4	-8.4%	104.8	127.4	-17.7%
Earnings Before Income Tax (g=e-f)	906.9	819.1	10.7%	179.5	230.1	-22.0%
Income Tax	230.6	214.7	7.4%	42.8	58.2	-26.5%
<b>Net Income<sup>1</sup></b>	<b>675.0</b>	<b>606.5</b>	<b>11.3%</b>	<b>136.3</b>	<b>171.5</b>	<b>-20.6%</b>
Merchant Fee Rates <sup>2</sup>	1.38%	1.37%	0.01%p	1.40%	1.38%	0.02%p
Credit Card Merchant Fee Rate	1.48%	1.49%	-0.01%p	1.49%	1.47%	0.02%p
Delinquency ratio (One Month)	0.80%	1.04%	-0.24%p	0.80%	0.89%	-0.09%p
2 months delinquency migration ratio <sup>3</sup>	0.25%	0.26%	-0.02%p	0.25%	0.24%	0.00%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))

# Shinhan Life Insurance Income

(KRW bn, %)	FY21	FY20	YoY %	4Q21	3Q21	QoQ %
<b>APE<sup>1</sup></b>	<b>756.7</b>	<b>921.6</b>	<b>-17.9%</b>	<b>170.3</b>	<b>227.4</b>	<b>-25.1%</b>
Protection	577.8	704.4	-18.0%	143.0	170.9	-16.3%
Savings, Annuities	178.9	217.2	-17.6%	27.3	56.4	-51.7%
<b>Net Profit<sup>2</sup></b>	<b>391.6</b>	<b>457.1</b>	<b>-14.3%</b>	<b>-10.2</b>	<b>92.8</b>	<b>n.a</b>
<b>Premium Income</b>	<b>8,282.4</b>	<b>9,637.3</b>	<b>-14.1%</b>	<b>2,752.6</b>	<b>1,757.7</b>	<b>56.6%</b>
Protection	4,792.3	4,849.0	-1.2%	1,196.4	1,192.0	0.4%
Savings, Annuities	3,490.1	4,788.3	-27.1%	1,556.2	565.8	175.1%
<b>Total Assets</b>	<b>70,535.6</b>	<b>70,591.1</b>	<b>-0.1%</b>	<b>70,535.6</b>	<b>70,291.4</b>	<b>0.3%</b>
<b>Investment Assets</b>	<b>58,124.0</b>	<b>58,127.6</b>	<b>0.0%</b>	<b>58,124.0</b>	<b>57,963.9</b>	<b>0.3%</b>
Cash and Cash equivalents	1,776.9	1,764.8	0.7%	1,776.9	1,004.7	76.9%
Bond	41,240.2	41,269.4	-0.1%	41,240.2	41,057.5	0.4%
Loans	8,627.9	9,042.5	-4.6%	8,627.9	8,632.5	-0.1%
Equities	292.5	297.4	-1.7%	292.5	272.7	7.3%
Others	6,186.5	5,753.5	7.5%	6,186.5	6,996.5	-11.6%
<b>Key Indicators (%)</b>						
ROE	7.29	8.27	-0.98%p	7.29	9.90	-2.61%p
RBC	284.9	314.5	-29.6%p	284.9	298.4	-13.4
Loss Ratio <sup>3</sup>	87.7	83.3	4.39%p	89.7	88.8	0.90%p
Investment Yield <sup>4</sup>	3.42	3.24	0.18%p	3.42	3.40	0.03%p

NOTE 1 Annual Premium Equivalent

NOTE 2 Includes Orange Life's net profit for 1H21

NOTE 3 Accumulated loss ratio on a rolling 12-month basis






NOTE 4 Yield on a 12-month rolling basis, under IFRS9

# Shinhan Investment Corp. Income

(KRW bn)	FY21	FY20	YoY %	4Q21	3Q21	QoQ %
<b>Operating Revenue</b>	<b>1,574.9</b>	<b>1,220.0</b>	<b>29.1%</b>	<b>389.8</b>	<b>339.3</b>	<b>14.9%</b>
Fee & Commission	848.5	740.6	14.6%	202.6	212.2	-4.5%
Brokerage fees	510.4	459.5	11.1%	107.3	115.7	-7.3%
Financial Product fees	83.8	87.0	-3.7%	19.7	21.1	-6.6%
Investment Banking	204.5	158.6	28.9%	59.1	61.2	-3.5%
Others	49.8	35.5	40.2%	16.4	14.1	16.6%
Proprietary Trading	652.3	574.3	13.6%	202.6	97.8	107.2%
Others	74.2	-94.9	n.a.	-15.3	29.3	n.a.
<b>Operating Expenses</b>	<b>989.3</b>	<b>840.3</b>	<b>17.7%</b>	<b>343.9</b>	<b>201.9</b>	<b>70.3%</b>
G&A Expenses	734.5	592.4	24.0%	202.2	174.7	15.7%
Commission Expenses	170.5	142.1	20.0%	48.3	31.7	52.2%
Provisioning for Credit Losses	84.4	105.8	-20.3%	93.4	-4.5	n.a.
<b>Operating Income</b>	<b>585.6</b>	<b>379.8</b>	<b>54.2%</b>	<b>45.9</b>	<b>137.4</b>	<b>-66.6%</b>
<b>Non-Operating Income</b>	<b>-170.1</b>	<b>-171.6</b>	<b>n.a.</b>	<b>-114.5</b>	<b>-79.0</b>	<b>n.a.</b>
<b>Net Income</b>	<b>320.8</b>	<b>154.8</b>	<b>107.3%</b>	<b>-46.7</b>	<b>44.6</b>	<b>n.a.</b>
<b>Financial Product<sup>1</sup> (at the end of period , KRW tn)</b>	<b>83.5</b>	<b>100.1</b>	<b>-16.6%</b>	<b>83.5</b>	<b>83.6</b>	<b>-0.2%</b>
Funds (Beneficiary Certificates)	30.6	48.7	-37.2%	30.6	32.3	-5.3%
Trust Account	25.1	25.0	0.3%	25.1	23.7	5.8%
ELS	2.7	2.8	-4.7	2.7	2.7	-2.2
Others (WRAP + RP + Micro Debentures)	25.1	23.5	6.6	25.1	24.9	0.9

NOTE 1 Includes retail and institutional clients

# SFG Subsidiaries Asset

(KRW bn)	2021.12	2020.12	YTD %	2021.09	QoQ %	2021.12 Weight %
<b>Bank</b>	<b>559,566.1</b>	<b>523,700.1</b>	<b>6.8%</b>	<b>548,791.8</b>	<b>2.0%</b>	<b>63.2%</b>
Shinhan Bank	552,554.8	517,111.1	6.9%	541,905.2	2.0%	62.4%
Jeju Bank	7,011.3	6,589.0	6.4%	6,886.6	1.8%	0.8%
<b>Non-Bank</b>	<b>326,467.5</b>	<b>309,629.3</b>	<b>5.4%</b>	<b>325,301.5</b>	<b>0.4%</b>	<b>36.8%</b>
<b>Consumer Finance</b>						
 Shinhan Card	38,472.2	34,885.2	10.3%	37,513.5	2.6%	4.3%
 Shinhan Savings Bank	2,644.9	1,842.2	43.6%	2,598.9	1.8%	0.3%
<b>Insurance</b>						
 Shinhan Life Insurance	70,535.6	70,591.1	-0.1%	70,291.4	0.3%	8.0%
<b>Capital Markets</b>						
Shinhan Investment Corp	69,953.5	71,864.8	-2.7%	70,633.8	-1.0%	7.9%
Shinhan Capital	10,921.7	8,901.3	22.7%	10,873.7	0.4%	1.2%
Shinhan Asset Management <sup>2</sup>	58,124.7	58,869.2	-1.3%	61,342.2	-5.2%	6.6%
Shinhan Alternative Investment	7,386.6	5,499.5	34.3%	6,885.9	7.3%	0.8%
Shinhan REITs Management	2,460.5	2,270.8	8.4%	2,455.2	0.2%	0.3%
Asia Trust	61,559.0	49,717.1	23.8%	56,982.0	8.0%	6.9%
Shinhan AI	44.0	42.9	2.6%	43.3	1.8%	0.0%
 Shinhan Venture Investment <sup>3</sup>	731.8	527.3	38.8%	663.2	10.3%	0.1%
<b>Others</b>						
Shinhan DS	92.6	95.1	-2.7%	122.3	-24.3%	0.0%
Shinhan AITAS	90.1	87.4	3.1%	86.5	4.1%	0.0%
Shinhan Credit Information	31.4	27.8	12.8%	29.9	4.9%	0.0%
 Others	3,418.9	4,407.4	-22.4%	4,779.5	-28.5%	0.4%

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)	2021.12	2020.12	YTD %	2021.09	QoQ %	2021.12 Weight %
<b>Loans in KRW</b>	<b>271,148.4</b>	<b>248,808.2</b>	<b>9.0%</b>	<b>263,719.7</b>	<b>3.0%</b>	<b>100.0%</b>
<b>Retail</b>	<b>135,599.4</b>	<b>126,266.4</b>	<b>7.4%</b>	<b>130,081.3</b>	<b>4.4%</b>	<b>50.0%</b>
Mortgage	58,893.4	53,355.3	10.4%	55,436.2	6.5%	21.7%
Others <sup>1</sup>	76,706.0	72,911.1	5.2%	74,645.0	2.8%	28.3%
<b>Corporate</b>	<b>135,549.1</b>	<b>122,541.8</b>	<b>10.6%</b>	<b>133,638.4</b>	<b>1.6%</b>	<b>50.0%</b>
SME	117,302.1	103,973.8	12.8%	115,061.0	2.2%	43.3%
SOHO	61,298.9	54,387.4	12.7%	60,145.7	2.1%	22.6%
Large Corporate etc.	18,247.0	18,567.9	-1.7%	18,577.4	-1.8%	6.7%
<b>Loans in FX</b>	<b>14,241.1</b>	<b>13,320.2</b>	<b>6.9%</b>	<b>14,092.9</b>	<b>1.1%</b>	
<b>Total Deposits</b>	<b>281,910.6</b>	<b>260,212.3</b>	<b>8.3%</b>	<b>267,368.4</b>	<b>5.6%</b>	<b>100.0%</b>
<b>Low cost Deposits</b>	<b>150,311.8</b>	<b>131,223.5</b>	<b>14.5%</b>	<b>147,301.4</b>	<b>2.3%</b>	<b>53.3%</b>
Demand	47,809.5	40,742.8	17.3%	49,939.3	-5.2%	17.0%
Savings	102,502.3	90,480.7	13.3%	97,362.0	5.7%	36.4%
<b>Time Savings</b>	<b>131,598.8</b>	<b>128,988.8</b>	<b>2.0%</b>	<b>120,067.0</b>	<b>8.9%</b>	<b>46.7%</b>
Time Deposits	123,556.0	120,017.5	2.9%	112,018.2	9.6%	43.8%
Accumulative etc.	8,042.8	8,971.3	-10.3%	8,048.9	-0.1%	2.9%
<b>Certificate of Deposits</b>	<b>15,073.4</b>	<b>4,869.5</b>	<b>209.5%</b>	<b>13,488.5</b>	<b>32.5%</b>	
<b>Debentures in KRW</b>	<b>28,418.9</b>	<b>25,507.4</b>	<b>11.4%</b>	<b>25,421.6</b>	<b>11.8%</b>	
<b>Loan to Deposit Ratio<sup>2</sup></b>	<b>99.0%</b>	<b>98.2%</b>	<b>0.9%p</b>	<b>98.8%</b>	<b>0.2%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, %)	2021.12	Weight %	2020.12	YTD %	2021.09	QoQ %	Delinquency				
							2020.12	2021.03	2021.06	2021.09	2021.12
<b>Mortgage Loans</b>	<b>58,893</b>	<b>43.4%</b>	<b>53,355</b>	<b>10.4%</b>	<b>55,436</b>	<b>6.2%</b>	<b>0.10%</b>	<b>0.09%</b>	<b>0.09%</b>	<b>0.09%</b>	<b>0.08%</b>
<b>Personal Loans</b>	<b>76,706</b>	<b>56.6%</b>	<b>72,911</b>	<b>5.2%</b>	<b>74,645</b>	<b>2.8%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.35%</b>
High credit unsecured	29,762	21.9%	29,739	0.1%	30,296	-1.8%					
Secured (Deposits, etc.)	8,393	6.2%	8,583	-2.2%	8,459	-0.8%					
Jeonse Loans	29,340	21.6%	24,770	18.4%	27,354	7.3%					
Others <sup>1</sup>	9,211	6.8%	9,819	-6.2%	8,536	7.9%					
<b>Retail Loan Total</b>	<b>135,599</b>	<b>100.0%</b>	<b>126,266</b>	<b>7.4%</b>	<b>130,081</b>	<b>4.2%</b>	<b>0.21%</b>	<b>0.20%</b>	<b>0.21%</b>	<b>0.20%</b>	<b>0.17%</b>
Mortgage loan LTV (%)	40.7%		45.6%	-4.9%p	41.0%		45.6%	43.4%	42.0%	41.0%	40.7%

NOTE 1 Secured and Unsecured loans, and etc. NOTE 2 Proportion of collateralized loan as of December 2021 is 72% (Real estate 41%, Guarantee 31%, Others 1%), unsecured loan 27%

(KRW bn, %)	2021.12	Weight %	2020.12	YTD %	2021.09	QoQ %	Delinquency				
							2020.12	2021.03	2021.06	2021.09	2021.12
<b>Large Corporates Loans<sup>3</sup></b>	<b>14,516.2</b>	<b>100.0%</b>	<b>14,262</b>	<b>1.8%</b>	<b>14,718</b>	<b>-1.4%</b>	<b>0.11%</b>	<b>0.07%</b>	<b>0.13%</b>	<b>0.00%</b>	<b>0.00%</b>
Manufacturing	5,965.0	41.1%	5,924	0.7%	6,057	-1.5%	0.17%	0.16%	0.30%	-	-
Oil Refinery, Chemical	991.3	6.8%	896	10.6%	1,019	-2.7%	0.36%	0.33%	1.07%	-	-
Metal Production	239.2	1.6%	255	-6.2%	232	2.9%	-	-	-	-	-
Auto	1,175.0	8.1%	1,279	-8.1%	1,196	-1.8%	0.54%	0.54%	0.58%	-	-
Financials and Insurance	3,047.2	21.0%	2,988	2.0%	3,221	-5.4%	-	-	-	-	-
Construction	481.9	3.3%	380	26.7%	340	41.6%	-	-	-	-	-
Real Estate & Renting	455.5	3.1%	361	26.3%	466	-2.2%	-	-	-	-	-
Wholesalers & Retailers	1,779.0	12.3%	1,770	0.5%	1,745	1.9%	-	-	-	-	-
Hotel & Restaurants	253.0	1.7%	378	-33.1%	278	-8.9%	-	-	-	-	-

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, %)	2021.12	Weight %	2020.12	YTD %	2021.09	QoQ%	Delinquency				
							2020.12	2021.03	2021.06	2021.09	2021.12
<b>SME Total</b>	<b>117,319</b>	<b>100.0%</b>	<b>103,995</b>	<b>12.8%</b>	<b>115,080</b>	<b>1.9%</b>	<b>0.30%</b>	<b>0.34%</b>	<b>0.33%</b>	<b>0.31%</b>	<b>0.26%</b>
SOHO	61,298	52.2%	54,387	12.7%	60,146	1.9%	0.15%	0.17%	0.16%	0.16%	0.14%
Audited SME	18,262	15.6%	17,097	6.8%	18,449	-1.0%	0.21%	0.26%	0.27%	0.20%	0.22%
Unaudited SME	37,759	32.2%	32,510	16.1%	36,485	3.5%	0.58%	0.65%	0.62%	0.59%	0.45%
<b>By Sectors</b>											
<b>SME Total</b>	<b>117,319</b>	<b>100.0%</b>	<b>103,995</b>	<b>12.8%</b>	<b>115,080</b>	<b>1.9%</b>	<b>0.30%</b>	<b>0.34%</b>	<b>0.33%</b>	<b>0.31%</b>	<b>0.26%</b>
Manufacturing	32,800	28.0%	29,650	10.6%	32,441	1.1%	0.54%	0.61%	0.63%	0.54%	0.46%
Construction	2,583	2.2%	2,284	13.1%	2,640	-2.1%	0.39%	0.44%	0.35%	0.47%	0.49%
Real Estate & Renting	32,125	27.4%	28,266	13.7%	31,162	3.1%	0.05%	0.06%	0.08%	0.07%	0.04%
Wholesalers & Retailers	19,669	16.8%	17,119	14.9%	19,323	1.8%	0.32%	0.38%	0.31%	0.31%	0.24%
Accommodations & Restaurants	8,215	7.0%	7,493	9.6%	8,226	-0.1%	0.17%	0.16%	0.21%	0.25%	0.24%
Others	21,927	18.7%	19,182	14.3%	21,288	3.0%					
<b>SOHO</b>	<b>61,298</b>	<b>100.0%</b>	<b>54,387</b>	<b>12.7%</b>	<b>60,146</b>	<b>1.9%</b>	<b>0.15%</b>	<b>0.17%</b>	<b>0.16%</b>	<b>0.16%</b>	<b>0.14%</b>
Manufacturing	7,522	12.3%	6,625	13.5%	7,342	2.4%	0.38%	0.39%	0.35%	0.32%	0.31%
Construction	738	1.2%	603	22.3%	731	1.0%	0.25%	0.29%	0.30%	0.25%	0.16%
Real Estate & Renting	25,372	41.4%	22,827	11.1%	24,742	2.5%	0.05%	0.06%	0.06%	0.05%	0.04%
Wholesalers & Retailers	9,888	16.1%	8,764	12.8%	9,743	1.5%	0.22%	0.24%	0.23%	0.23%	0.19%
Accommodations & Restaurants	6,959	11.4%	6,365	9.3%	6,982	-0.3%	0.18%	0.15%	0.19%	0.25%	0.23%
Others	10,819	17.7%	9,203	17.6%	10,606	2.0%					

\* Proportion of Collateralized SME loans as of December 2021: 80% (Real Estate 61%, Guarantee 15%, Deposits and others 4%)

\* Proportion of Collateralized SOHO loans as of December 2021: 87% (Real Estate 70%, Guarantee 14%, Deposits and others 3%)

# Shinhan Card Assets and Funding

(KRW bn, %)	2021.12	2020.12	YTD %	2021.09	QoQ %	2021.12 Weight %
<b>Earning Assets</b>	<b>35,371.7</b>	<b>31,963.9</b>	<b>10.7%</b>	<b>33,967.7</b>	<b>4.1%</b>	<b>100.0%</b>
Credit Purchase	16,439.0	14,602.3	12.6%	15,438.6	6.5%	46.5%
Cash Advances	1,672.7	1,571.0	6.5%	1,634.4	2.3%	4.7%
Card Loan	7,653.4	7,371.7	3.8%	7,692.2	-0.5%	21.6%
(Re-aged Loan)	289.2	307.1	-5.9%	291.3	-0.7%	0.8%
Installment Finance	3,974.5	3,591.5	10.7%	3,869.9	2.7%	11.2%
Lease etc.	5,632.1	4,827.3	16.7%	5,332.5	5.6%	15.9%
<b>Total Funding</b>	<b>27,181.1</b>	<b>24,011.4</b>	<b>13.2%</b>	<b>26,208.0</b>	<b>3.7%</b>	<b>100.0%</b>
Debentures	17,274.9	16,700.2	3.4%	17,014.4	1.5%	63.6%
ABS	3,021.4	2,936.0	2.9%	3,113.9	-3.0%	11.1%
CP	4,275.0	2,340.0	82.7%	4,070.0	5.0%	15.7%
Others	2,609.8	2,035.2	28.2%	2,009.6	29.9%	9.6%

(KRW bn, %)	FY21	FY20	YoY%	4Q21	3Q21	QoQ %	FY21 YTD Weight %
<b>Transaction Volume</b>	<b>200,804.2</b>	<b>186,734.7</b>	<b>7.5%</b>	<b>52,303.9</b>	<b>51,249.1</b>	<b>2.1%</b>	<b>100.0%</b>
Lump-sum	144,856.5	134,009.0	8.1%	37,793.3	37,002.2	2.1%	72.1%
(Debit Card)	31,398.2	31,619.3	-0.7%	8,052.8	8,248.4	-2.4%	15.6%
Installment Purchase	24,897.5	23,527.0	5.8%	6,528.6	6,404.8	1.9%	12.4%
Cash Advance	13,148.9	13,073.2	0.6%	3,420.7	3,322.3	3.0%	6.5%
Card Loan	11,327.3	10,977.3	3.2%	2,719.2	2,966.3	-8.3%	5.6%
Others	6,574.0	5,148.2	27.7%	1,842.2	1,553.4	18.6%	3.3%



# Asset Quality

(KRW bn)		Total Loans					Estimated Loss	Substandard & Below	NPL Ratio	Loan Loss Allowance	NPL Coverage Ratio
			Normal	Precautionary	Substandard	Doubtful					
Group <sup>1</sup>	2021.12	374,573	370,643	2,463	564	292	612	1,468	0.39%	2,867	195%
	2020.12	340,971	337,046	2,239	686	367	633	1,686	0.49%	2,830	168%
	YTD %	9.9%	10.0%	10.0%	-17.9%	-20.4%	-3.3%	-12.9%	-0.10%p	1.3%	27.43%p
	2021.09	364,895	361,154	2,128	687	351	575	1,613	0.44%	2,734	169%
	QoQ %	2.7%	2.6%	15.7%	-18.0%	-16.8%	6.4%	-9.0%	-0.05%p	4.8%	25.80%p
SHB	2021.12	307,188	305,439	918	495	143	192	830	0.27%	1,354	163%
	2020.12	279,487	277,541	936	531	203	277	1,010	0.36%	1,444	143%
	YTD %	9.9%	10.1%	-1.9%	-6.7%	-29.6%	-30.6%	-17.8%	-0.09%p	-6.3%	20.12%p
	2021.09	298,504	296,629	907	518	197	253	968	0.32%	1,344	139%
	QoQ %	2.9%	3.0%	1.2%	-4.4%	-27.6%	-24.1%	-14.2%	-0.05%p	0.7%	24.26%p
SHC	2021.12	35,636	34,411	914	-	126	186	311	0.87%	1,050	337%
	2020.12	32,732	31,471	911	-	133	216	349	1.07%	1,009	289%
	YTD %	8.9%	9.3%	0.3%	-	-5.5%	-14.2%	-10.9%	-0.19%p	4.1%	48.63%p
	2021.09	35,290	34,081	887	-	127	195	322	0.91%	1,040	323%
	QoQ %	1.0%	1.0%	3.1%	-	-1.1%	-4.9%	-3.4%	-0.04%p	1.0%	14.66%p

NOTE 1 Group Total Loans are sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp. Shinhan Life Insurance, Shinhan Capital, Shinhan Savings Bank and Asia Trust.

# Provisioning and Write-Offs

## Provision for Credit Losses and Credit Cost Ratio

(KRW bn)	FY21	1Q21	2Q21	3Q21	4Q21	FY20	1Q20	2Q20	3Q20	4Q20
<b>Shinhan Bank<sup>1</sup></b>	<b>236.1</b>	<b>58.6</b>	<b>9.4</b>	<b>43.4</b>	<b>124.7</b>	<b>592.4</b>	<b>96.8</b>	<b>239.3</b>	<b>118.1</b>	<b>138.1</b>
Retail	165.4	39.9	37.2	44.8	43.5	210.4	47.6	49.0	58.2	55.5
Corporate	70.7	18.7	-27.8	-1.4	81.1	382.0	49.2	190.3	59.9	82.6
<b>Shinhan Card<sup>1</sup></b>	<b>442.9</b>	<b>102.1</b>	<b>108.6</b>	<b>127.4</b>	<b>104.8</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>679.0</b>	<b>160.7</b>	<b>118.0</b>	<b>170.8</b>	<b>229.5</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	<b>0.27%</b>	0.22%	0.19%	0.22%	0.46%	<b>0.41%</b>	0.35%	0.66%	0.27%	0.40%
Bank	<b>0.11%</b>	0.10%	0.07%	0.08%	0.21%	<b>0.24%</b>	0.16%	0.42%	0.19%	0.24%
Card	<b>1.24%</b>	1.24%	1.27%	1.43%	1.17%	<b>1.48%</b>	2.15%	1.33%	1.12%	1.55%

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)	FY21	1Q21	2Q21	3Q21	4Q21	FY20	1Q20	2Q20	3Q20	4Q20
<b>Shinhan Bank</b>	<b>583.0</b>	<b>141.2</b>	<b>125.6</b>	<b>146.0</b>	<b>170.1</b>	<b>788.1</b>	<b>134.6</b>	<b>186.1</b>	<b>277.7</b>	<b>189.7</b>
Write-Off	423.6	115.7	90.8	95.9	121.2	455.1	88.8	74.4	174.8	117.2
Retail	196.8	50.1	38.7	48.8	59.2	206.0	37.5	23.5	88.5	56.5
Corporate	226.8	65.6	52.1	47.1	62.0	249.1	51.4	50.9	86.2	60.7
Sale	159.5	25.5	34.8	50.1	49.0	333.0	45.8	111.8	102.9	72.6
Retail	39.7	7.3	7.8	14.4	10.2	68.7	19.1	16.7	14.7	18.2
Corporate	119.8	18.2	27.0	35.7	38.8	264.3	26.7	95.1	88.2	54.4
<b>Shinhan Card</b>	<b>595.2</b>	<b>154.0</b>	<b>153.8</b>	<b>137.8</b>	<b>149.7</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>1,178.2</b>	<b>295.2</b>	<b>279.4</b>	<b>283.8</b>	<b>319.8</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 (1)

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 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 BNP Paribas Asset Management (Rebranded to Shinhan Asset Management on the same day).
- Orange Life Insurance was merged into Shinhan Life Insurance on July 1, 2021.
- 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.)

# Disclaimer and Additional Notes (2)

## Digital Transformation (pg. 11)

NOTE 1 The MAU figures are average MAU of the given period.

We used *Appminder* (Shinhan Bank SoL, Shinhan Card Shinhan pLay) and *Wiseapp* (Shinhan Investment Alpha + i mobile) to measure our MAU.

NOTE 2 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

NOTE 3 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

## Sustainability Initiative (ESG) (pg. 13)

- NOTE 4 The methodology from the *PCAF Global GHG Accounting & Reporting Standard for the Financial Industry* was applied to measure the financed emissions of Shinhan Financial Group's asset portfolio. The formula for the general approach to calculate financed emissions is as follows:  $\text{Financed emissions} = \text{Emissions}_i \times (\text{Outstanding amount}_i / \text{Total asset}_i)$   
(with  $i$  = borrower or investee)
- NOTE 5 Science Based Targets initiative (SBTi)'s Sectoral Decarbonization Approach (SDA) categorizes financial assets' carbon emissions by industry (power generation, real estate, steel, cement, etc.), and calculates the greenhouse gas (GHG) reduction targets in accordance with the scenario by industry. For those sectors where SDA methodology has not yet been developed, such as chemical and other industries, the Absolute Contraction Approach (ACA) has been applied. The ACA aims to reduce emissions in a simple, linear fashion. Under the ACA, the annual reduction target is 2.5% and 4.2% according to the 2°C and 1.5°C scenarios, respectively. As required by the International Energy Agency (IEA)'s World Energy Outlook, the SDA may be aligned with Beyond 2 Degree Scenario (B2DS, which seeks to limit the average global temperature well-below 2°C, approximately 1.75°C) or 1.5°C scenarios. However, since the 1.5°C pathway tool was developed only for the power generation sector at the time when the target was devised in December 2021, the 1.5°C pathway was applied only to the power generation sector, and the B2DS pathway was applied to other sectors.
- NOTE 6 PCAF (Partnership for Carbon Accounting Financials) is a global initiative that enables financial institutions to measure and disclose GHG emissions of their asset portfolios such as loans and investments.
- NOTE 7 In accordance with the PCAF Standard, six asset classes – listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, and motor vehicle loans – are included in the calculation of financed emissions.
- NOTE 8 K-Taxonomy refers to a Korean classification system that establishes a list of what environmentally sustainable economic activities are, and distinguish them from environmentally non-sustainable economic activities.
- NOTE 9 Green Finance results are in line with the Green Bond Principle (GBP) of the International Capital Market Association (ICMA). The figures will be reclassified and reassessed in accordance with K-Taxonomy once made available.
- NOTE 10 The performance of fund investments are excluded from the Green PF figures, but is included in the Green investment figures. Green investment figures include the AUM of Shinhan Asset Management, Shinhan Bank, and Shinhan Investment Corp.