

FY2005 Business Results

February 7, 2006

“Evolution to New Bank Accelerates at SFG”





Disclaimer Statement

This presentation material has been prepared based on financial statements for fiscal year 2005 in accordance with Korean GAAP. Financial information contained in this presentation has not been completely audited yet by our external auditor. Even though we do not expect that financial information will be materially changed, no assurance is provided and our final audited financial statements may differ from the provided figures in this presentation material.

As of December 13, 2005, Shinhan Life Insurance has been acquired as wholly-owned subsidiary of Shinhan Financial Group through a share exchange transaction. Based on equity method in accounting, one month of income and goodwill of Shinhan Life Insurance has been reflected in the earnings. Furthermore, in accordance with the FSS guideline related to provision requirements for unused credits and off-balance sheet acceptances and guarantees, we have set aside provisions as accordingly during the fourth quarter of 2005.

This presentation material is also available from our website www.shinhangroup.com.



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Net Income

All time high: KRW 1.73 trillion, 65% higher than FY2004(KRW 1.05trn)

- Net Income: SHB 774.4 bil., CHB 756.5 bil., GMSH 87.3 bil, SHCard 54.2 bil.
- Stable Net Interest Margin(NIM): SHB 2.13%, CHB 3.75%

Asset Growth

Stronger-than-expected Asset Growth during 2005

- SHB : Total 11.2%, Retail 11.4%, SME 7.9%
- CHB : Total 7.2%, Retail 15.5%, SME -5.2%

Asset Quality

Asset Quality further improved in Banks and Credit Card

- SHB : NPL ratio 1.02%, NPL coverage 118.1%, Credit Cost 0.3%
- CHB : NPL ratio 1.10%, NPL coverage 183.2%, Credit Cost 1.4%

Capital Adequacy

BIS Ratio improving with higher profit & lower growth

- SHB : BIS ratio 12.1%, Tier 1 ratio 8.1%
- CHB : BIS ratio 10.9%, Tier 1 ratio 6.5%



I. Income Statement Highlights

- 1. Income of Shinhan Financial Group**
- 2. Income by Subsidiaries**
- 3. Income of Shinhan Bank**
- 4. Income of Chohung Bank**
- 5. Interest Income and NIM (SHB/CHB)**
- 6. Non-Interest Income (SHB/CHB)**
- 7. Non-Interest Income (Group)**
- 8. General & Administration Expense (SHB/CHB)**



1. Income of Shinhan Financial Group

I. Income

Summary of Consolidated Income Statement

(KRW billion)

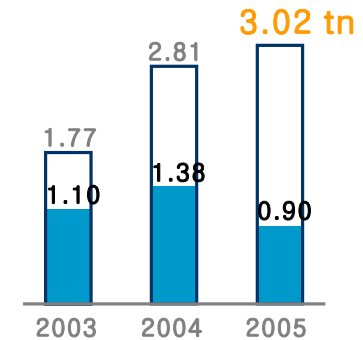
	FY2005	FY2004	YoY		FY2005			
			Chg Amt	Chg %	1Q	2Q	3Q	4Q
Operating Income	2,785.6	2,951.5	-165.9	-5.6%	648.6	728.8	729.2	678.9
Interest Income ¹⁾	4,042.8	3,995.2	47.6	1.2%	931.8	1,014.5	1,032.9	1,063.6
Non-Interest Income ²⁾	1,064.1	1,051.0	13.1	1.2%	280.5	235.3	245.6	302.7
G&A ³⁾	2,321.3	2,094.7	226.6	10.8%	563.7	520.9	549.3	687.4
Non-Operating Income	234.9	-139.6	374.5	n.a.	72.3	58.9	1.2	102.5
Pre-provision Income	3,020.5	2,811.9	208.6	7.4%	720.9	787.7	730.5	781.4
Provision	1,009.3	1,478.0	-468.7	-31.7%	259.5	233.0	258.6	258.1
Loan Loss Provision	902.7	1,384.8	-482.1	-34.8%	225.0	213.0	231.8	232.9
Taxes	263.6	212.7	50.9	23.9%	67.7	80.4	61.2	54.3
Minority Interests	15.5	70.8	-55.3	-78.1%	5.6	3.9	3.3	2.7
Net Income	1,732.1	1,050.3	681.8	64.9%	388.1	470.4	407.4	466.2

※ Figures in income highlight section of this presentation are presented in SFG's consolidated financial basis, however, figures in asset quality and balance sheet highlight sections are in non-consolidated basis of each subsidiaries for consistency in comparison.

1), 2) Interest Income from Credit Card which had been classified as the commission income from credit card business, were reclassified as interest income.

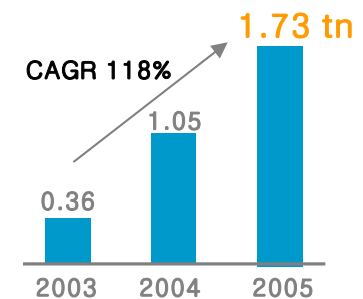
3) Excluding provision for retirement benefit.

PPI/Provision



□ Pre-provision Income (PPI)
■ Loan Loss Provision

Net Income



Note) CAGR(Compound Annual Growth Rate)



2. Income by Subsidiaries

I. Income

»» Income contribution of non-bank subsidiaries substantially increased to 11% in 2005 from 5% in 2004

(KRW billion)					
	Net Income (a)	Ownership (b)	Net Income (c=a*b)	Adjustment (d)	Consolidated Net Income (c+d)
Banks (A)	1,542.0		1,537.8	74.0	1,611.8
Shinhan Bank	774.4	100%	774.4	51.7 ¹⁾	826.1
Chohung Bank	756.5	100%	756.5	21.4 ²⁾	777.9
Jeju Bank	11.1	62%	6.9	0.9	7.8
Non-Banks (B)	203.8		194.8	-17.9	176.9
GMS Securities	87.3	100%	87.3	-12.6 ³⁾	74.7
Shinhan Life Insurance	6.1	100%	6.1	-3.5	2.6
Shinhan Card	54.2	100%	54.2	-1.5	52.7
Shinhan Capital	36.7	100%	36.7	-0.3	36.4
Shinhan BNPP Invest.	7.4	50%	3.7	-	3.7
SMFA	5.3	51%	2.7	-	2.7
Shinhan Credit Info.	2.4	100%	2.4	-	2.4
SH&C Life	5.4	50%	2.7	-	2.7
Shinhan Private Equity	-1.0	100%	-1.0	-	-1.0
SFG (C)		-		-	-56.5 ⁴⁾
Total (A+B+C)	1,745.8	-	1,732.6	56.1	1,732.1

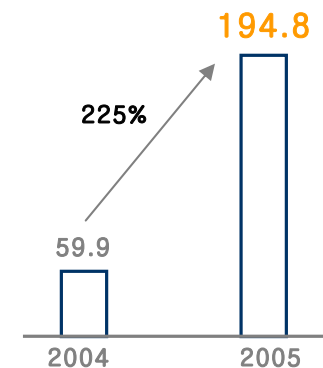
Note 1) Gain on valuation of investment securities of Shinhan Life Insurance

2) Goodwill amortization -77.4 bil., Deferred Tax Credit 63.9 bil., Sales of Fixed Asset etc. 34.9 bil.

3) Goodwill amortization -17.0 bil., Gain on valuation of investment securities of Shinhan Life Insurance 4.5 bil.

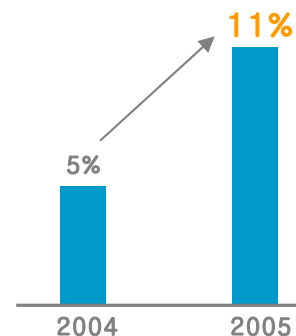
4) SG&A expenses -39.2 bil., Interest expenses and others -17.3 bil.

Net Income (Non-Banks) (KRW billion)



Note) Net income based on equity method

Net Income Contribution (Non-Banks)



Note) Net income based on equity method



3. Income of Shinhan Bank

»» Net income actually increased in 2005 considering the non recurring events such as sales gain of treasury shares in '04, investment in scholarship foundation, and provisioning for unused credit lines.

SHB Condensed Income Statement

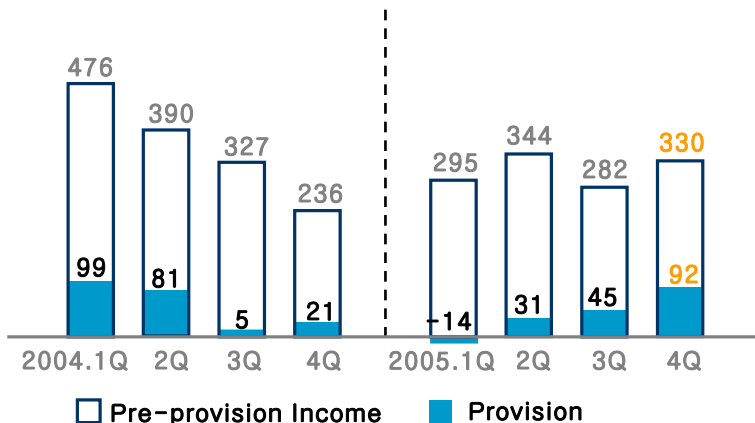
(KRW billion)

	FY2005	FY2004	Chg Amt	Chg %	FY2005			
					1Q	2Q	3Q	4Q
Operating Income	1,137.7	1,270.6	-132.9	-10.5%	248.8	316.7	271.8	300.3
Interest Income	1,513.1	1,517.0	-3.9	-0.3%	347.4	375.7	387.5	402.5
Non-Interest Income	432.2	463.2	-31.0	-6.7%	120.2	101.9	86.6	123.5
G&A Expense(Δ)	807.6	709.7	97.9	13.8%	218.8	160.8	202.4	225.6
Non-Operating Income	113.0	158.1	-45.0	-28.5%	46.1	27.2	9.7	30.0
Pre-Provision Income	1,250.7	1,428.6	-177.9	-12.5%	294.9	343.9	281.5	330.3
Loan Loss Provision	153.2	205.5	-52.3	-25.4%	-13.7	30.6	44.6	91.7
Taxes	293.7	355.6	-61.9	-17.4%	77.4	87.1	63.7	65.5
Net Income	774.4	844.1	-69.7	-8.3%	218.3	225.3	160.9	169.9

Note 1) Provision for retirement benefit excluded

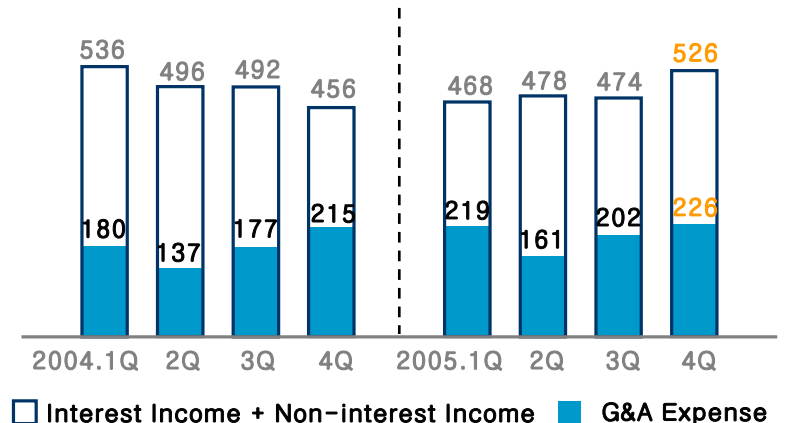
Pre-provision Income / Provision

(KRW billion)



G&A Expense / Interest Income + Non-interest Income

(KRW billion)





4. Income of Chohung Bank

I. Income

»» Earnings substantially increased with considerable reduction in provisions and prominent increase in fees and commission income

CHB Condensed Income Statement

(KRW billion)

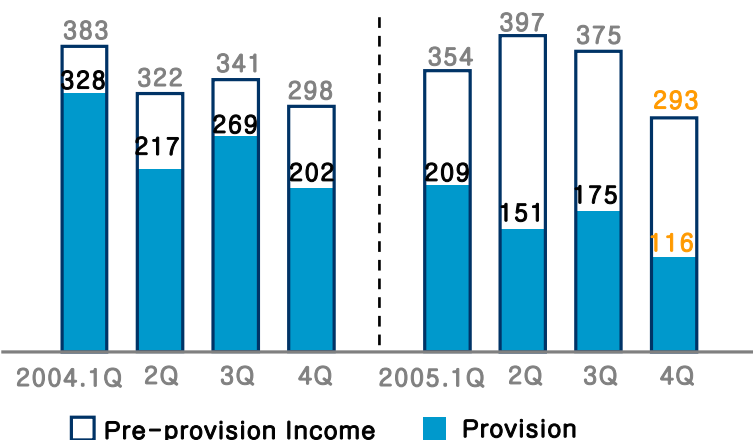
	FY2005	FY2004	Chg Amt	Chg %	FY2005			
					1Q	2Q	3Q	4Q
Operating Income	1,379.2	1,412.0	-32.8	-2.3%	332.2	370.8	386.5	289.7
Interest Income	2,116.8	2,090.5	26.2	1.3%	495.5	542.1	539.8	539.4
Non-Interest Income	268.5	249.5	19.0	7.6%	58.0	73.8	69.0	67.7
G&A Expense(Δ) ¹⁾	1,006.1	928.0	78.1	8.4%	221.3	245.1	222.3	317.4
Non-Operating Income	40.5	-67.9	108.4	-	22.2	26.5	-11.5	3.3
Pre-Provision Income	1,419.7	1,344.1	75.6	5.6%	354.4	397.3	375.0	293.0
Loan Loss Provision	650.4	1,016.2	-365.8	-36.0%	208.6	150.8	175.3	115.7
Taxes	-50.5	7.1	-57.6	-	2.1	1.9	6.1	-60.6 ²⁾
Net Income	756.5	265.2	491.3	185.2%	125.9	229.3	181.8	219.5

Note) Figures for FY2004 presented in 100% ownership of CHB instead of actual ownership 81.15%. 1) Excluding provision for retirement benefit

2) Deferred Tax Credit -105.4 bil., Actual Tax Expense 44.9 bil.

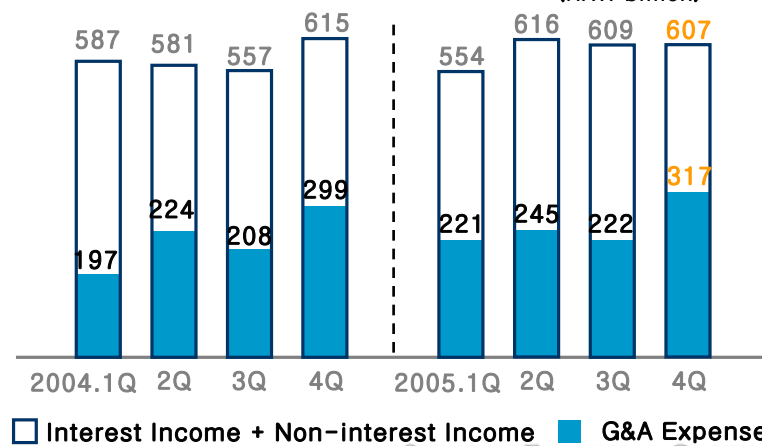
Pre-provision Income / Provision

(KRW billion)



G&A Expense / Interest Income + Non-interest Income

(KRW billion)





5. Interest Income & NIM (SHB/CHB)

»» Despite escalating competition, NIM has been stable for both two banks

1) Shinhan Bank

(KRW billion)

	FY2005	FY2004	Chg Amt	Chg %
Interest Revenue(A)	3,640.5	3,672.9	-32.5	-0.9%
Interest on Loans	3,064.7	2,935.5	129.2	4.4%
Interest Expense(B)	2,127.4	2,155.9	-28.5	-1.3%
Interest on Deposits	1,289.6	1,326.2	-36.6	-2.8%
Interest Income(A-B)	1,513.1	1,517.0	-3.9	-0.3%
NIM	2.13%	2.22%	-0.09%p	-
NIS	2.64%	2.60%	0.04%p	-

2) Chohung Bank

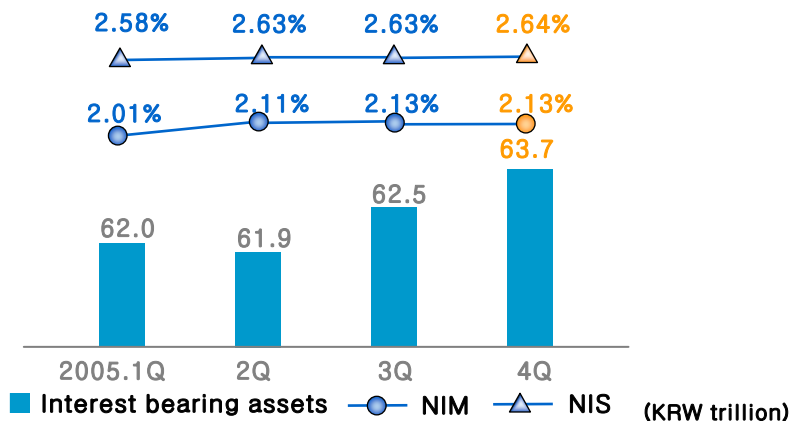
(KRW billion)

	FY2005	FY2004	Chg Amt	YoY
Interest Revenue(A)	3,661.0	3,796.9	-135.9	-3.6%
Interest on Loans	3,168.8	3,308.6	-139.8	-4.2%
Interest Expense(B)	1,544.2	1,706.4	-162.2	-9.5%
Interest on Deposits	1,046.5	1,219.7	-173.2	-14.2%
Interest Income(A-B)	2,116.8	2,090.5	26.2	1.3%
NIM	3.75% ¹⁾	3.16%	0.59%p	-
NIS	4.51% ¹⁾	3.96%	0.55%p	-

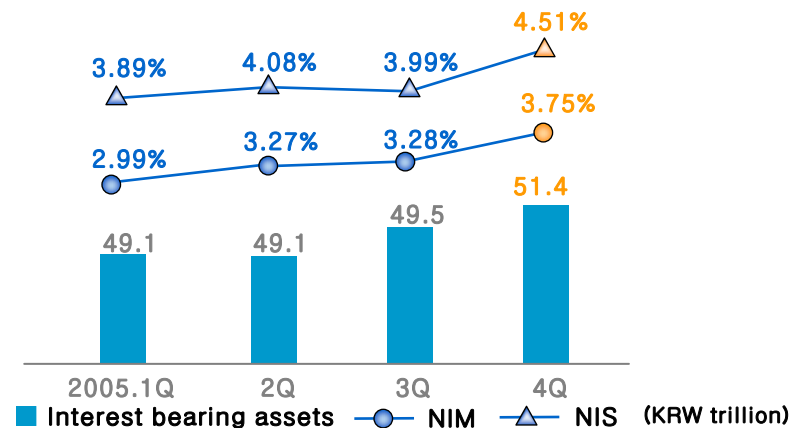
Note) Figures for FY2004 presented in 100% ownership of CHB instead of actual ownership 81.15%.

1) Including credit card income based on new FSS guidelines in 2005

Interest bearing assets / NIM



Interest bearing assets / NIM





6. Non-Interest Income (SHB/CHB)

»» Fees and commission substantially increased due to extremely strong hike in funds and bancassurance sales

1) Shinhan Bank

(KRW billion)

	FY2005	FY2004	Chg Amt	YoY
Non-Interest Income	432.2	463.2	-31.1	-6.7%
Fees & Commissions	357.6	291.5	66.1	22.7%
Funds	47.7	20.7	27.0	130.4%
Bancassurance	34.7	24.5	10.2	41.6%
Trust Fees & Income	29.1	27.2	1.9	7.1%
F/X Comm. & Others	45.5	144.6	-99.1	-68.5%

2) Chohung Bank

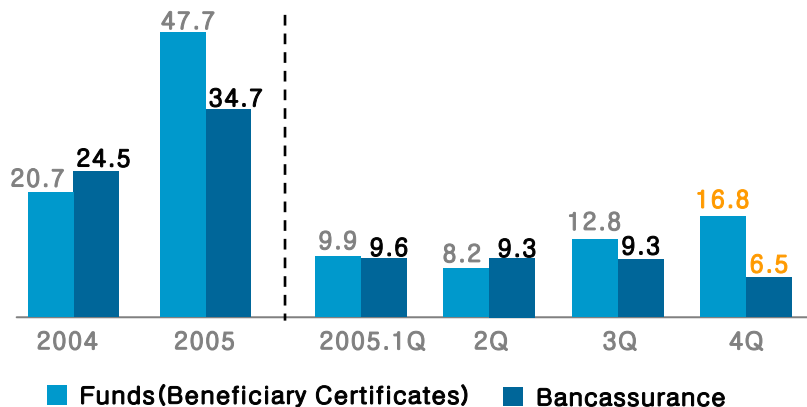
(KRW billion)

	FY2005	FY2004	Chg Amt	YoY
Non-Interest Income	268.5	249.5	19.0	7.6%
Fees & Commissions	296.3	208.6	87.7	42.0%
Funds	42.4	14.8	27.6	186.5%
Bancassurance	80.2	50.2	30.0	59.8%
Trust Fees & Income	15.4	14.5	0.8	5.6%
F/X Comm. & Others	-43.1	26.3	-69.4	n.a.

Note) Figures for FY2004 presented in 100% ownership of CHB instead of actual ownership 81.15%.

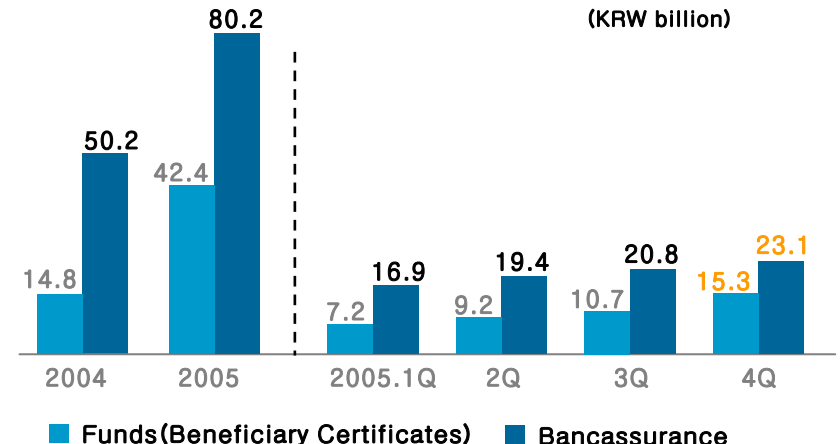
Funds(Beneficiary Certificates) / Bancassurance

(KRW billion)



Funds(Beneficiary Certificates) / Bancassurance

(KRW billion)

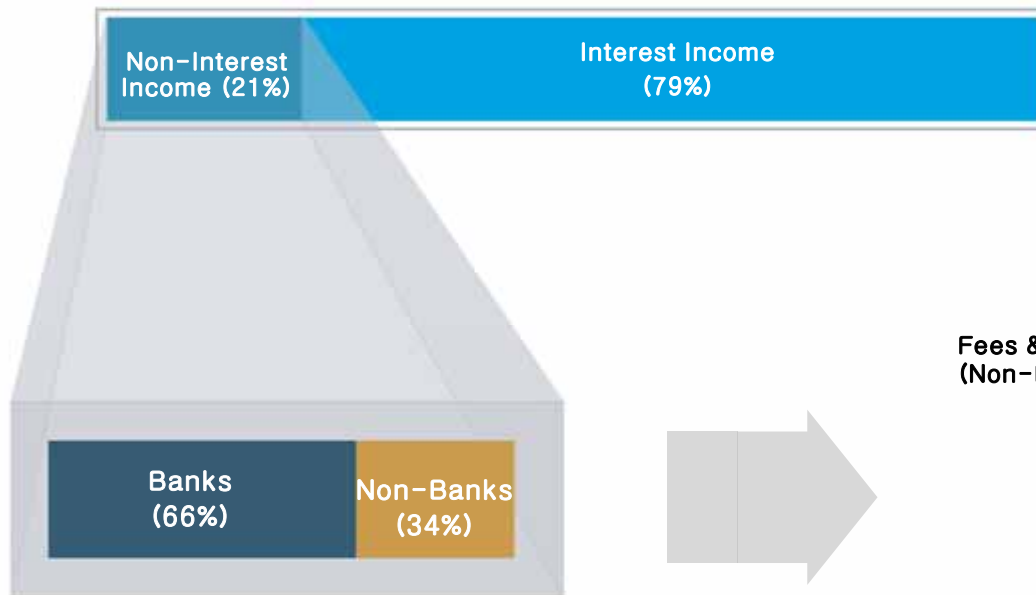




7. Non-Interest Income (Group)

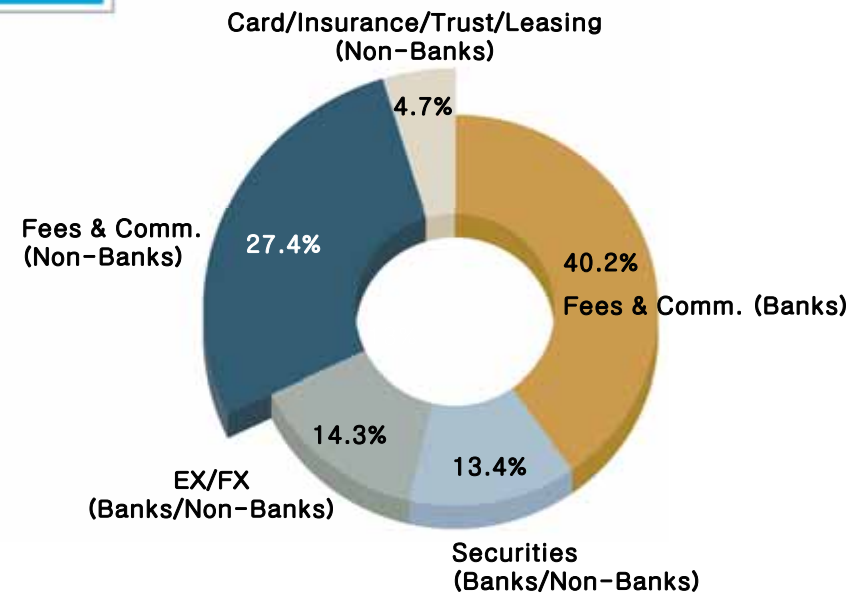
»» Non-interest income steadily increasing based on stronger performance from non-bank subsidiaries

Interest Income vs. Non-Interest Income (Group)



Note) Interest Income vs. Non-Interest Income (Banks) → 78% vs. 22%

Non-Interest Income Structure





8. General & Administration Expense (SHB/CHB)

I. Income

»» Cost-income-ratio upwards due to integration related investments

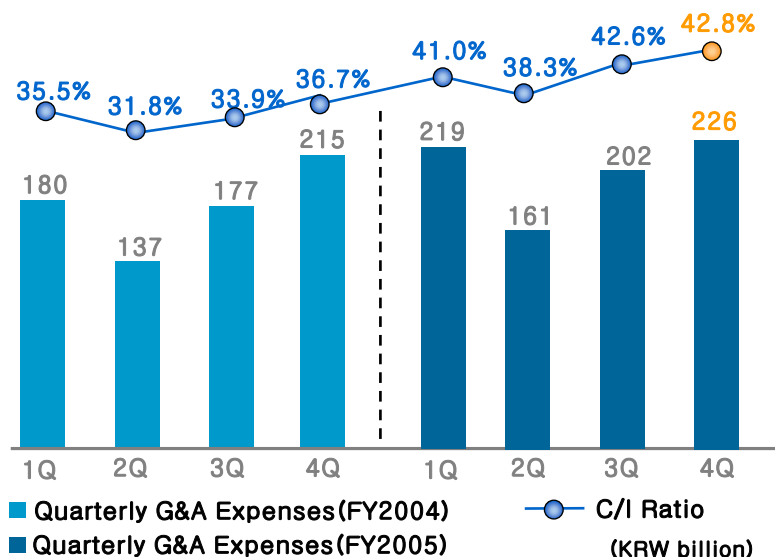
1) Shinhan Bank

(KRW billion)

	FY2005	FY2004	Chg Amt	YoY
G&A Expenses	807.6	709.7	97.9	13.8%
Labor/Admin.	711.0	611.3	99.7	16.3%
D&A/Taxes/Others	96.6	98.4	-1.8	-1.8%
C/I ratio	42.8%	36.7%	6.1%p	-

Note) D&A(Depreciation & Amortization)

G&A Expenses / Cost Income Ratio



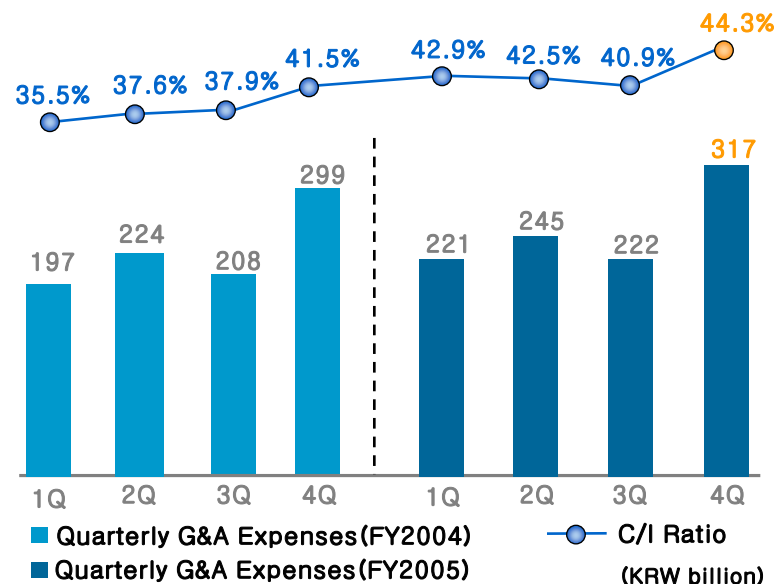
2) Chohung Bank

(KRW billion)

	FY2005	FY2004 ¹⁾	Chg Amt	YoY
G&A Expenses	1,006.1	928.0	78.1	8.4%
Labor/Admin.	861.1	770.0	91.1	11.8%
D&A/Taxes/Others	145.1	158.0	-12.9	-8.2%
C/I ratio	44.3%	41.5%	2.8%p	-

Note) Figures for FY2004 presented in 100% ownership of CHB instead of actual ownership 81.15%.

G&A Expenses / Cost Income Ratio





II. Balance Sheet Highlights

- 1. Asset Growth (Group/Banks)**
- 2. Loan Growth (Shinhan Bank)**
- 3. Loan Growth (Chohung Bank)**
- 4. Credit Card (Shinhan Card/CHB Card)**
- 5. Deposit (SHB/CHB)**



1) Group

(KRW trillion)

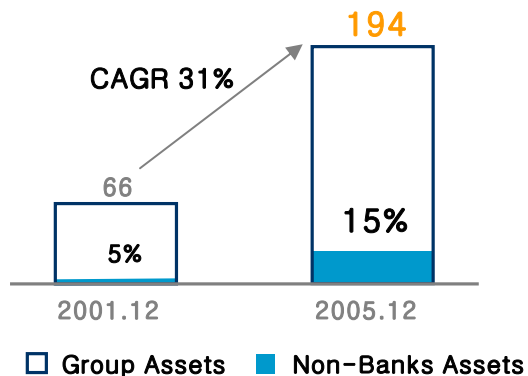
	2003.12	2004.12	2005.12	CAGR ²⁾
Banks	149.3	155.5	165.3	5.3%
Non-Banks	13.8	18.8	28.4	43.2%
Total	163.1	174.3	193.7	9.0%

Note) Including AUM(Shinhan BNP ITMC + Chohung ITMC) and Trust A/C

1) CAGR: Compound Annual Growth Rate

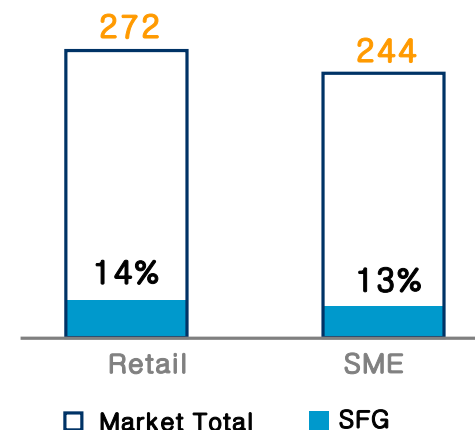
Group Assets/Non-Banks Assets

(KRW trillion)



SFG Market Share (Loan)

(KRW trillion)



(source : FSS Statistics)

2) Banks

(KRW trillion)

	2003.12	2004.12	2005.12	CAGR
Retail	34.1	36.7	41.6	10.5%
SME	30.9	31.3	31.9	1.6%
Large Corp & Others	6.8	7.2	8.8	13.8%
Total	71.8	75.2	82.3	7.1%

Note) Banks= Shinhan+Chohung+Jeju, Won-denominated Loan basis



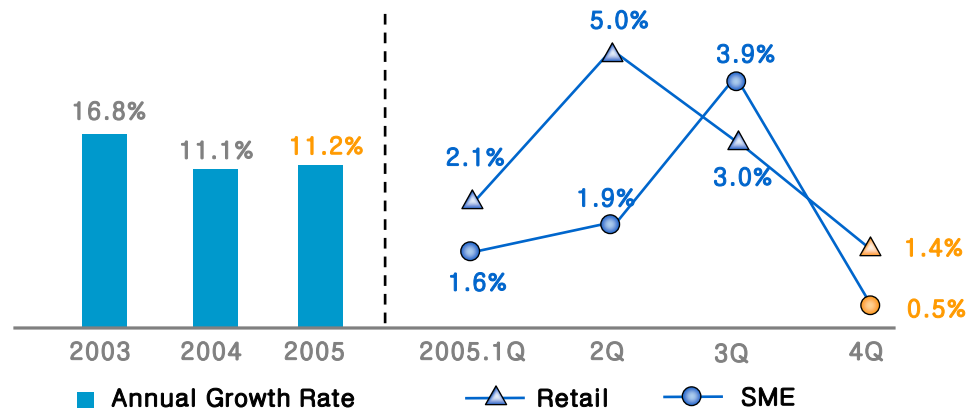
2. Loan Growth (Shinhan Bank)

»» Total loan increased by 11.2%: steady mortgage and stronger than expected corporate loan growth

(KRW billion)

	2005.12	2004.12	YTD		2005.9	QoQ Chg %
			Chg Amt	Chg %		
Retail	22,903.8	20,556.8	2,347.0	11.4%	22,612.0	1.3%
Mortgage	15,019.9	13,751.6	1,268.3	9.2%	14,839.4	1.2%
Others	7,883.9	6,805.2	1,078.7	15.9%	7,772.6	1.4%
SME	18,065.2	16,747.8	1,317.4	7.9%	17,984.0	0.5%
SOHO	6,903.7	6,386.8	516.9	8.1%	6,759.9	2.1%
Large Corp.	4,125.6	3,461.5	664.1	19.2%	4,147.9	-0.5%
Public & Others	675.2	387.6	287.6	74.2%	531.0	27.2%
Total	45,769.8	41,153.7	4,616.1	11.2%	45,274.9	1.1%

Loan Growth Rate





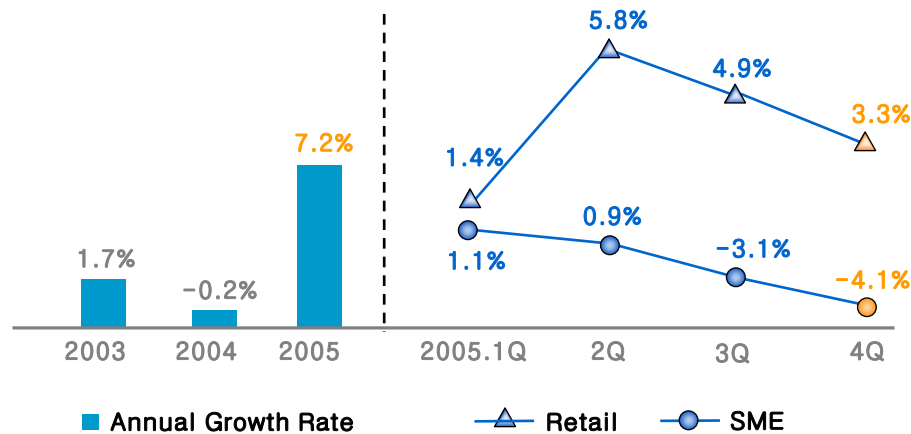
3. Loan Growth (Chohung Bank)

»» Prominent increase in mortgage loan fuels 7.2% loan growth of CHB

(KRW billion)

	2005.12	2004.12	YTD		2005.9	QoQ Chg %
			Chg Amt	Chg %		
Retail	18,220.2	15,781.5	2,438.7	15.5%	17,694.1	3.0%
Mortgage	10,101.6	7,864.3	2,237.3	28.4%	9,645.4	4.7%
Others	8,186.8	7,917.2	269.6	3.4%	8,109.5	1.0%
SME	12,939.3	13,651.0	-711.7	-5.2%	13,501.6	-4.2%
SOHO	4,537.9	4,900.8	-362.9	-7.4%	4,671.3	-2.9%
Large Corp.	3,490.6	2,900.0	590.6	20.4%	3,544.5	-1.5%
Public & Others	457.9	421.9	36.0	8.5%	407.0	12.5%
Total	35,108.0	32,754.3	2,353.7	7.2%	35,147.2	-0.1%

Loan Growth Rate





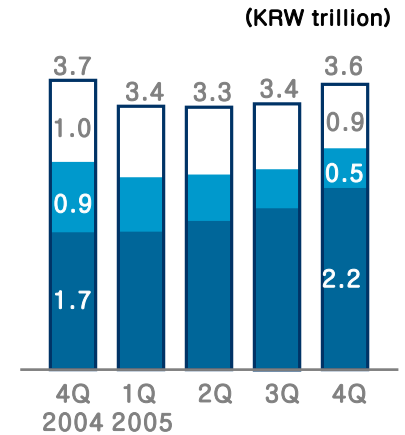
4. Credit Card (Shinhan Card & CHB Card)

»» Recovery in receivables growth evidenced in 4Q, while overall cash advance and card loan continues to decrease

1) Shinhan Card

	(KRW billion)						
	2005.12	2004.12	YTD		2005.9	QoQ	
			Chg Amt	Chg %		Chg Amt	Chg %
Assets (Managed)	1,938.4	2,003.8	-65.4	-3.3%	1,784.7	153.7	8.6%
Receivables	1,257.5	1,292.3	-34.8	-2.7%	1,130.6	126.9	11.2%
Cash Advances	425.2	477.3	-52.1	-10.9%	422.8	2.4	0.6%
Card Loans	255.7	234.2	21.5	9.2%	231.3	24.4	10.5%
Re-aged Loans	4.0	9.9	-5.9	-59.6%	5.3	-1.3	-24.5%
Card Holders (thousands)	3,467	3,002	465	15.5%	3,333	134	4.0%

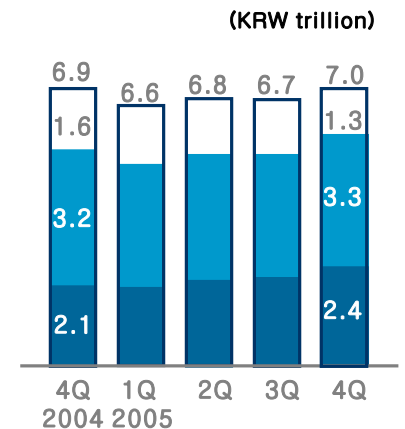
Sales Volume (Quarterly)



- Cash Advances
- Purchasing
- Receivables

2) Chohung Card

	(KRW billion)						
	2005.12	2004.12	YTD		2005.9	QoQ	
			Chg Amt	Chg %		Chg Amt	Chg %
Assets (Managed)	2,282.3	2,702.0	-419.7	-15.5%	2,362.2	-79.9	-3.4%
Receivables	1,282.0	1,317.3	-35.3	-2.7%	1,283.8	-1.8	-0.1%
Cash Advances	710.4	853.7	-143.3	-16.8%	741.7	-31.3	-4.2%
Card Loans	289.9	531.0	-241.1	-45.4%	336.7	-46.8	-13.9%
Re-aged Loans	270.2	496.7	-226.5	-45.6%	313.8	-43.6	-13.9%
Card Holders (thousands)	4,182	3,802	380	10.0%	4,104	78	1.9%





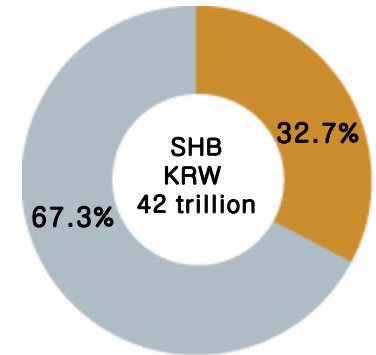
5. Deposit (Shinhan Bank/ Chohung Bank)

1) Shinhan Bank

(KRW billion)

	2005.12	2004.12	YTD		2005. 9	QoQ	
			Chg Amt	Chg %		Chg Amt	Chg %
Low Cost Deposit	13,677.7	12,629.1	1,048.6	8.3%	15,063.6	-1,386.0	-9.2%
Demand	1,729.4	1,444.7	284.7	19.7%	1,842.0	-112.6	-6.1%
Savings	11,948.3	11,184.4	763.9	6.8%	13,221.7	-1,273.4	-9.6%
Other Savings	20,325.8	20,044.1	281.7	1.4%	22,824.6	-2,498.8	-10.9%
Time Deposit	15,800.3	15,288.9	511.4	3.3%	18,108.6	-2,308.3	-12.7%
Certificate of Deposits	7,886.8	4,938.2	2,948.6	59.7%	7,153.4	733.4	10.3%
Total	41,890.3	37,611.4	4,278.9	11.4%	45,041.6	-3,151.3	-7.0%
Finance Debentures in Won	10,586.5	9,731.7	854.9	8.8%	9,632.8	953.7	9.9%

Deposit / Low Cost Deposit

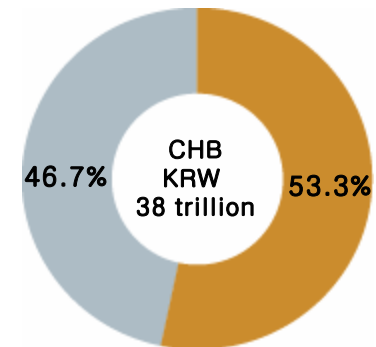


■ Low Cost Deposit

2) Chohung Bank

(KRW billion)

	2005.12	2004.12	YTD		2005. 9	QoQ	
			Chg Amt	Chg %		Chg Amt	Chg %
Low Cost Deposit	20,344.7	17,630.7	2,714.0	15.4%	19,779.4	565.3	2.9%
Demand	9,431.4	8,131.8	1,299.6	16.0%	8,849.1	582.3	6.6%
Savings	10,913.3	9,498.9	1,414.4	14.9%	10,930.3	-17.0	-0.2%
Other Savings	15,082.8	17,566.6	-2,483.8	-14.1%	15,822.0	-739.2	-4.7%
Time Deposit	11,425.7	13,198.8	-1,773.1	-13.4%	11,790.1	-364.4	-3.1%
Certificate of Deposits	2,775.2	3,080.8	-305.6	-9.9%	3,662.6	-887.4	-24.2%
Total	38,202.7	38,278.1	-75.4	-0.2%	39,264.0	-1,061.3	-2.7%
Finance Debentures in Won	7,470.3	6,241.3	1,229.0	19.7%	6,495.5	974.8	15.0%





III. Asset Quality Highlights

- 1. Asset Quality (Group/SHB/CHB)**
- 2. Asset Quality (Credit Card)**
- 3. Delinquency Status (SHB/CHB)**
- 4. Loan Loss Provision (SHB/CHB/SHCard)**



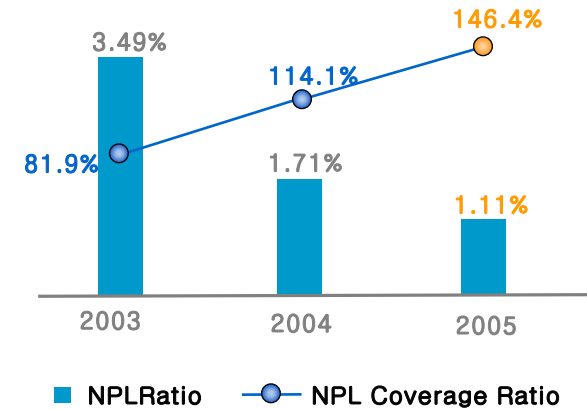
1. Asset Quality (Group/SHB/CHB)

III. Asset Quality

1) Group

(KRW billion)

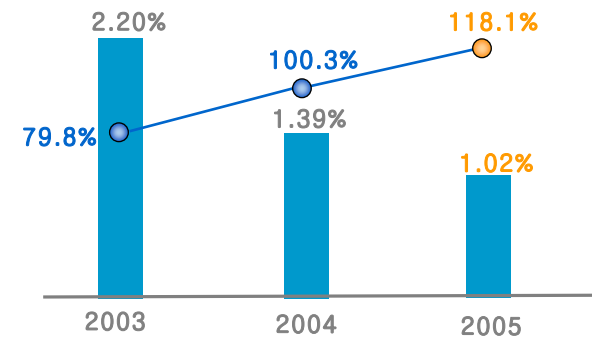
	2003.12	2004.12	2005.12	Chg Amt	Chg %
Normal	92,408.5	95,535.7	105,645.8	10,110.1	10.6%
Precautionary	2,980.8	2,427.7	2,149.2	-278.5	-11.5%
Substandard & Below	3,444.8	1,702.0	1,210.4	-491.6	-28.9%
Total Loans	98,834.1	99,665.4	109,005.5	9,340.1	9.4%
NPL ratio	3.49%	1.71%	1.11%	-0.60%p	-
Loan Loss Reserves	2,823.0	1,941.7	1,772.4	-169.2	-8.7%
NPL Coverage Ratio	81.9%	114.1%	146.4%	32.3%p	-



2) SHB

(KRW billion)

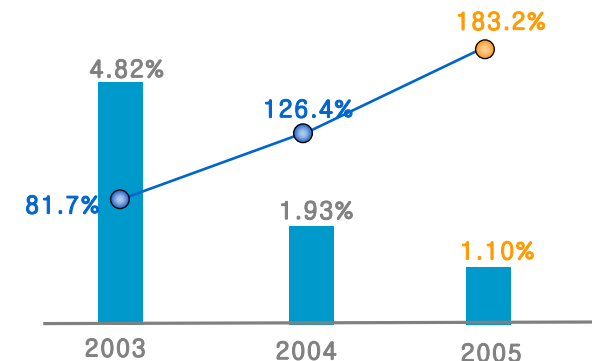
	2003.12	2004.12	2005.12	Chg Amt	Chg %
Normal	46,916.7	50,287.7	54,877.9	4,590.2	9.1%
Precautionary	832.9	1,007.0	963.4	-43.6	-4.3%
Substandard & Below	1,071.7	723.5	575.5	-148.0	-20.5%
Total Loans	48,821.3	52,018.2	56,416.8	4,398.6	8.5%
NPL ratio	2.20%	1.39%	1.02%	-0.37%p	-
Loan Loss Reserves	855.1	726.0	679.5	-46.5	-6.4%
NPL Coverage Ratio	79.8%	100.3%	118.1%	17.7%p	-



3) CHB

(KRW billion)

	2003.12	2004.12	2005.12	Chg Amt	Chg %
Normal	40,934.5	41,016.9	44,625.6	3,608.7	8.8%
Precautionary	1,789.5	1,216.2	1,066.6	-149.6	-12.3%
Substandard & Below	2,165.8	833.2	507.0	-326.2	-39.2%
Total Loans	44,889.8	43,066.2	46,199.2	3,133.0	7.3%
NPL ratio	4.82%	1.93%	1.10%	-0.83%p	-
Loan Loss Reserves	1,770.1	1,053.0	928.6	-124.4	-11.8%
NPL Coverage Ratio	81.7%	126.4%	183.2%	56.8%p	-





1) Shinhan Card

(KRW billion)

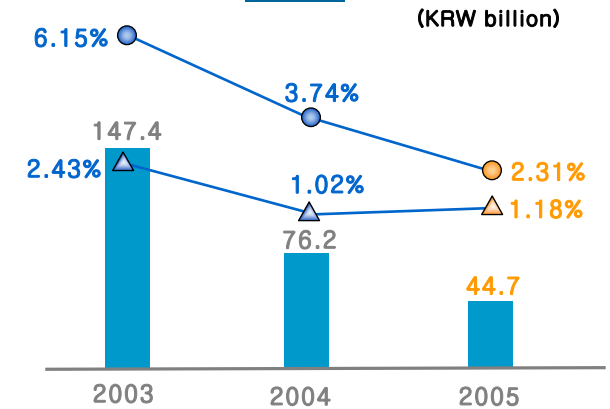
	2003.12	2004.12	2005.12	Chg Amt	Chg %
Normal	2,072.3	1,850.4	1,832.8	-17.6	-0.9%
Precautionary	233.9	132.7	56.7	-76.0	-57.3%
Substandard & Below	92.0	52.9	49.0	-3.9	-7.5%
Total Loans	2,398.2	2,036.0	1,938.5	-97.5	-4.8%
NPL ratio	3.84%	2.60%	2.53%	-0.07%p	-
Loan Loss Reserves	120.7	74.1	67.0	-7.1	-9.6%
NPL Coverage Ratio	131.2%	140.1%	136.9%	-3.2%p	-

2) Chohung Card

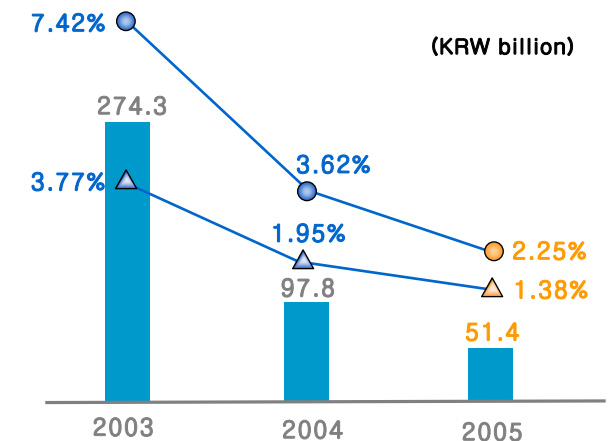
(KRW billion)

	2003.12	2004.12	2005.12	Chg Amt	Chg %
Normal	2,678.3	2,253.0	2,037.0	-216.0	-9.6%
Precautionary	594.5	250.2	151.8	-98.4	-39.3%
Substandard & Below	425.9	198.7	93.5	-105.2	-53.0%
Total Loans	3,698.7	2,701.9	2,282.3	-419.6	-15.5%
NPL ratio	11.51%	7.35%	4.10%	-3.26%p	-
Loan Loss Reserves	378.6	220.9	137.2	-83.7	-37.9%
NPL Coverage Ratio	88.9%	111.2%	146.8%	35.6%p	-

Card Delinquency Amount & Ratio



- Delinquent Amt (1M and Over)
- △ Delinquency Ratio (Less than 1M)
- Delinquency Ratio (1M and Over)





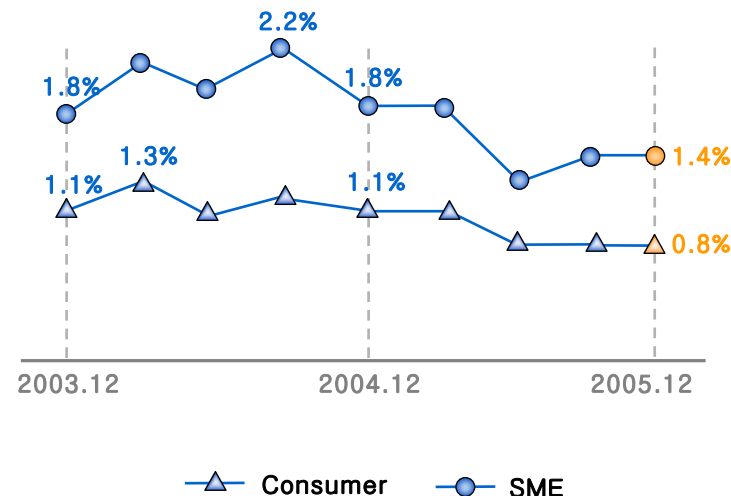
3. Delinquency Status (SHB/CHB)

»» *SME delinquency ratio stable at 1% level while consumer delinquency is all-time low based on credit quality improvement and base effect*

1) SHB

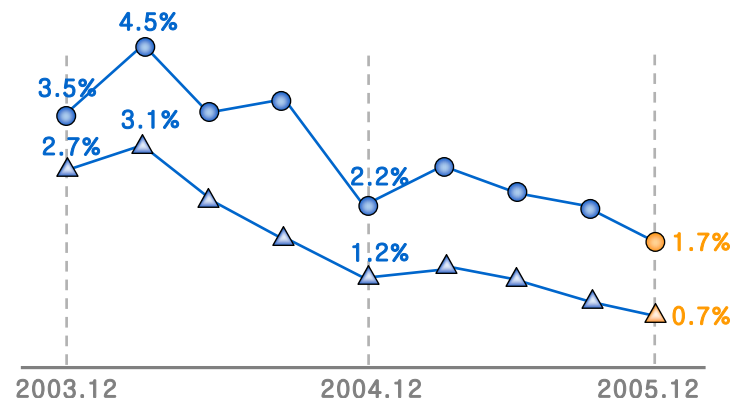
	2003.12	2004.12	2005.12	Chg Amt
Delinquency Ratio	1.10%	1.11%	0.85%	-0.26%p
Consumer	1.06%	1.07%	0.79%	-0.28%p
Mortgage	0.52%	0.66%	0.41%	-0.25%p
SME	1.75%	1.80%	1.44%	-0.36%p
SOHO	1.56%	2.07%	1.46%	-0.61%p
Large Corp	0.26%	0.01%	0.02%	0.01%p

Delinquency Ratio(Quarterly)



2) CHB

	2003.12	2004.12	2005.12	Chg Amt
Delinquency Ratio	3.24%	1.69%	1.00%	-0.69%p
Consumer	2.72%	1.22%	0.73%	-0.49%p
Mortgage	1.12%	0.52%	0.28%	-0.24%p
SME	3.49%	2.21%	1.70%	-0.51%p
SOHO	3.03%	1.99%	1.64%	-0.35%p
Large Corp	0.02%	0.35%	0.00%	-0.35%p





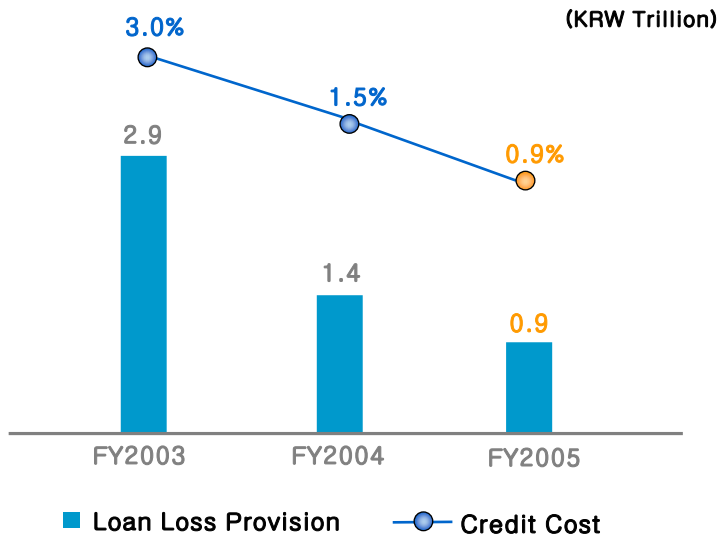
4. Loan Loss Provision (SHB/CHB/SHCard)

»» Credit cost of the Group continuously decreasing with substantial improvement in CHB asset quality

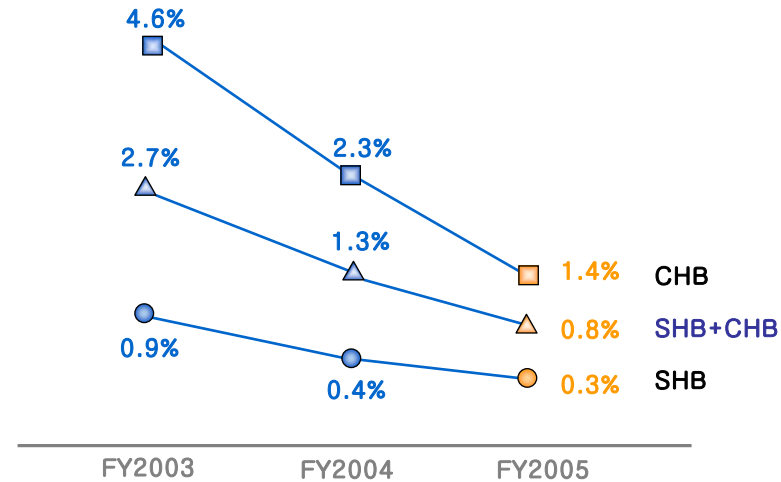
(KRW billion)

		FY2003	FY2004	FY2005	1Q05	2Q05	3Q05	4Q05
Total LLP		2,851.4	1,426.6	920.3	229.7	209.4	232.5	248.8
SHB	Consumer	82.4	73.8	90.5	20.6	28.8	25.0	16.1
	Corporate	352.7	146.9	83.0	-23.6	2.8	21.4	82.4
	Sub-Total	435.1	220.7	173.5	-3.0	31.6	46.4	98.6
CHB	Consumer	439.0	408.6	184.6	64.4	60.3	40.2	19.7
	Corporate	344.2	106.7	312.8	99.3	40.0	92.7	80.8
	Credit Card	1,350.0	514.8	163.3	45.4	50.6	42.8	24.5
	Sub-Total	2,133.2	1,030.1	660.7	209.1	150.9	175.7	125.0
Shinhan Card		283.1	175.8	86.1	23.6	26.9	10.4	25.2

Loan Loss Provision(Bank/Card)
& Credit Cost (SFG)



Credit Cost (Banks)





IV. Capital Adequacy Highlights

1. Capital Adequacy

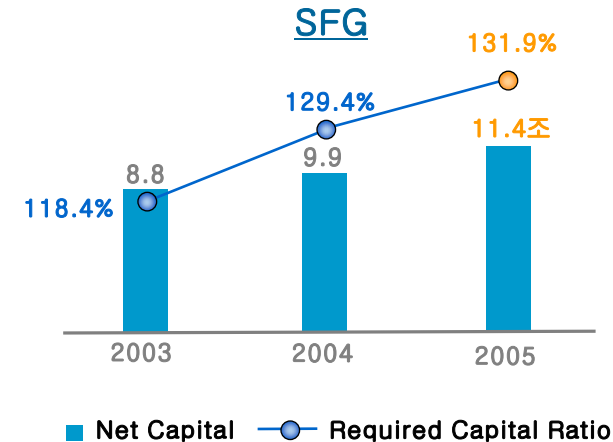
: SFG, Shinhan & Chohung Bank



»» Continuing improvement in capital base including Tier 1 supported by profit increase

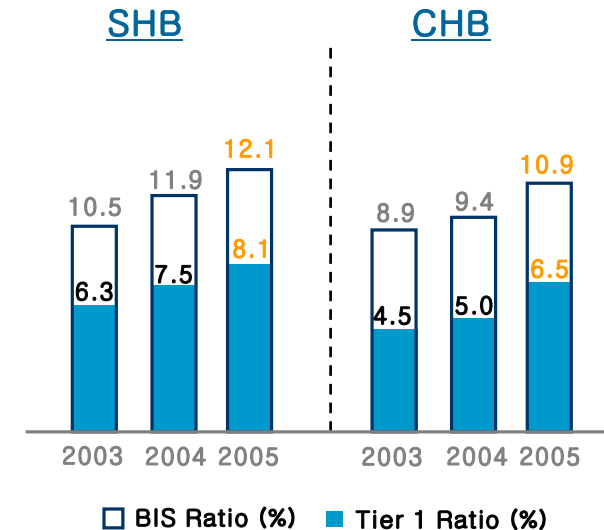
1) SFG Required Capital Adequacy Ratio

	2003.12	2004.12	2005.12(e)	Chg Amt
	(KRW billion)			
Net Capital (a)	8,847.7	9,867.9	11,417.2	1,549.4
Required Capital (b)	7,472.0	7,625.3	8,653.2	1,028.0
Required Capital Ratio(a/b)	118.4%	129.4%	131.9%	2.5%p



2) Shinhan Bank

	2003.12	2004.12	2005.12(e)	Chg Amt
	(KRW billion)			
Risk-Weighted Assets	47,064.9	48,578.6	54,134.5	5,555.9
Tier 1 Capital	2,984.8	3,618.2	4,381.1	762.8
Tier 2 Capital	1,951.7	2,183.3	2,184.1	0.8
BIS Ratio	10.49%	11.94%	12.1%	0.2%p
Tier 1 Ratio	6.34%	7.45%	8.1%	0.6%p
Tier 2 Ratio	4.15%	4.49%	4.0%	-0.5%p



3) Chohung Bank

	2003.12	2004.12	2005.12(e)	Chg Amt
	(KRW billion)			
Risk-Weighted Assets	40,260.9	40,580.9	45,547.2	4,966.3
Tier 1 Capital	1,800.9	2,023.1	2,968.5	945.4
Tier 2 Capital	1,771.5	1,792.7	2,015.8	223.1
BIS Ratio	8.87%	9.40%	10.9%	1.5%p
Tier 1 Ratio	4.47%	4.99%	6.5%	1.5%p
Tier 2 Ratio	4.40%	4.42%	4.4%	-



V. Key Financial Ratios

1. Key Financial Ratios



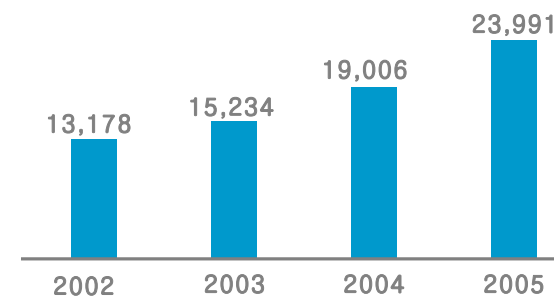
»» Reasonable asset growth with major reduction in credit cost enhancing corporate value

(KRW, shares in million)

	2002	2003	2004	2005
Asset growth				
SHB ¹⁾	30.0%	16.8%	11.1%	11.2%
CHB ¹⁾	48.2%	1.7%	-0.2%	7.2%
ROA				
Group	0.94%	0.39%	0.77%	1.14%
SHB	1.05%	0.71%	1.15%	1.03%
CHB	-0.97%	-1.48%	0.42%	1.16%
ROE				
Group	17.57%	8.99%	15.82%	20.97%
SHB	19.79%	15.05%	22.48%	18.26%
CHB	-22.31%	-46.28%	11.01%	24.02%
BVPS	13,178	15,234	19,006	23,991
EPS	2,066	963	2,577	4,099
Cost Income Ratio				
Group	45.0%	41.7%	43.4%	47.6%
SHB	36.3%	37.7%	36.7%	42.8%
CHB	36.4%	38.5%	41.5%	44.3%
Loan to Deposit Ratio				
SHB	95.7%	94.3%	108.1%	105.9%
CHB	74.6%	89.0%	85.6%	91.9%
Number of Common shares ²⁾	292	294	319	359
(Diluted Common shares) ³⁾	292	338	363	381

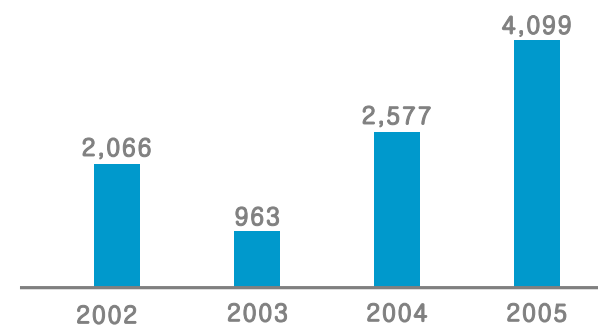
BVPS

(KRW)



EPS

(KRW)



N1) Ending balance of Loan in Korean Won

N2) Common share basis

N3) Including conversion of RCPS



VI. Appendix

- 1. Changes in Provision Requirements (SHB/CHB)**
- 2. Equity Securities Holdings (SHB/CHB)**
- 3. Overall Information of SFG**



1) Changes in Provision Requirement for Off-balance Sheet Transactions

Before		After
Credit Line	-	Normal Unused Credit Line (Consumer/Corp./Card and etc.)
Acceptances & Guarantees	Outstanding A&G (Substandard & Below)	Outstanding A&G (Including Normal/Pre-Caut.), A&G, Unused A&G

2) Summary of Provision Amount Related to FSS Requirement Change

(KRW Billion)

Description	SHB				CHB				
	Unused Credit Line	Provision Amount	3Q		Unused Credit Line	Provision Amount	3Q		
			3Q	4Q			3Q	4Q	
Credit Line	Corporate	30,445.9	88.5	17.0	71.5	17,034.2	36.8	77.9	-41.1
	Consumer	1,945.8	11.1	-	11.1	3,879.5	15.7	-	15.7
	Credit Card	-	-	-	-	11,542.1	41.7	7.1	34.6
	Merchant Banking	-	-	-	-	5,573.8	20.9	-	20.9
A&G	Outstanding A&G	1,364.6	11.0	-	11.0	1,006.2	6.8	-	6.8
	A&G	1,539.8	8.0	-	8.0	1,453.0	3.2	-	3.2
	Note endorsed	20.4	0.3	-	0.3	45.4	0.8	-	0.8
Sub total		35,316.5	118.8	17.0	101.8	40,534.2	125.9	85.0	40.9



2. Equity Securities Holdings (SHB/CHB)

VI. Appendix

1) Shinhan Bank

(as of Dec. 2005)

	Shares (thousands)	Ownership	Acquisition cost (KRW)	Book Value/share (KRW)	Valuation Gain (KRW billion)
LG Card	4,805	3.8%	9,156	36,564	131.7
Hyundai Eng.&Con.	3,408	3.1%	17,915	45,150	92.8
SK networks	13,865	5.8%	4,950	10,178	72.5
Treasury*	2,421	0.7%	12,125	41,050	70.0
Samsung corporation	6,622	3.8%	16,741	21,600	32.2
SK networks (p)	1,159	-	44,625	62,818	21.1
SK	2,502	1.9%	47,778	52,100	10.8
sub total					431.1

* Treasury shareholding of SFG (consolidated basis)

Total Valuation Gain **468.6**

2) Chohung Bank

(as of Dec. 2005)

	Shares (thousands)	Ownership	Acquisition cost (KRW)	Book Value/share (KRW)	Valuation Gain (KRW billion)
Hynix	31,740	7.1%	3,862	35,300	997.8
Treasury *	8,986	2.5%	16,050	41,050	224.6
LG Card	4,155	3.3%	7,141	36,564	122.3
Daewoo Eng.&Con.	8,908	2.6%	3,701	13,400	86.4
Hyundai Eng.&Con.	2,119	1.9%	10,362	45,150	73.7
Daewoo International	1,523	1.6%	3,405	38,250	53.1
Ssangyong Cement	10,000	13.4%	9,520	14,200	46.8
SK networks	8,457	3.6%	4,945	10,178	44.3
Ssangyong	23,757	70.2%	2,803	3,850	24.9
Ssangyong Eng.&Con.	1,135	3.9%	2,367	11,900	10.8
sub total					1,684.7

* Treasury shareholding of SFG (consolidated basis)

Total Valuation Gain **1,681.1**



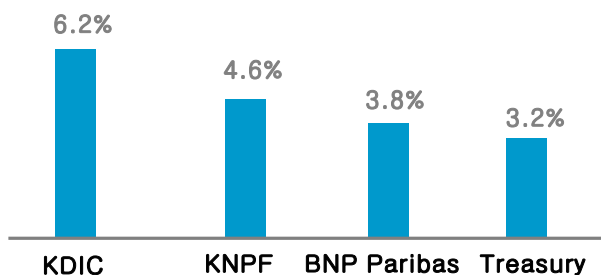
1) Fact of Shinhan Financial Group

	Subsidiary of SFG as of					Ownership (%)	Total Asset ¹⁾ (KRW Trillion)	Net Income ¹⁾ (KRW Billion)	Customer ²⁾ (thousands)	Branch ²⁾	Employee ²⁾
	01	02	03	04	05						
Banks											
1. Shinhan Bank						100%	90.6	826.1	6,291	405	5,202
2. Chohung Bank						100%	72.7	777.9	9,256	541	6,146
3. Jeju Bank						62%	2.1	7.8	381	31	344
Non-Banks											
4. GMS Securities						100%	3.9	74.7	1,130	104	1,645
5. Shinhan Life Insurance						100%	5.1	2.6		113	852
6. Shinhan Card						100%	1.5	52.7	2,721	18	214
7. Shinhan Capital						100%	1.4	36.4	n.a.	4	69
8. SH BNPP Invest.						50%	0.1	3.7	n.a.	1	53
9. SMFA						51%	0.1	2.7	n.a.	1	46
10. Shinhan Credit Info.						100%	0.1	2.4	n.a.	4	69
11. SH&C Life						50%	0.7	2.7	155	1	74
12. Shinhan Private Equity						100%	0.1	-1.0	n.a.	1	11
Total							193.7¹⁾	1,732.1		1,224	14,725

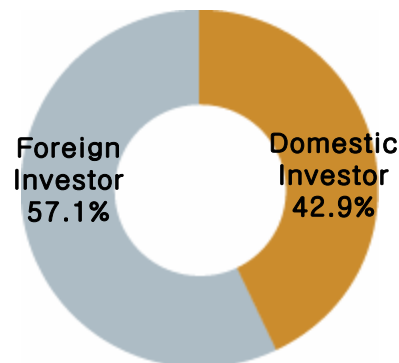
Note 1) As of Dec. 2005 (Total Asset Includes trust account and AUM(Shinhan BNP + Chohung Invest), net income is consolidated basis)

2) As of Sep. 2005

2) Major Shareholders (as of Dec. 2005)



Note 1) KDIC : Korea Deposit Insurance Corporation
 2) KNPF : Korea National Pension Fund



(Based on 359,207,313 Common Shares)