

2006 3Q Business Results

November 2006



*“Your Total Financial Solution:
Shinhan Financial Group”*



SHINHAN FINANCIAL GROUP



Disclaimer Statement

The financial information contained in this presentation has not been completely audited by our external auditor. Therefore, no assurance is provided that our financial statements are fully accurate, and thus our final audited financial statements may differ from the provided figures in this presentation.

As of April 1, 2006, the newly integrated Shinhan Bank was launched, and the credit card business of Chohung Bank was spun-off and merged into Shinhan Card. Please note that for comparison purposes, 3Q and past figures for the banking and credit card businesses have been provided in an integrated (pro forma) basis.

This presentation material is available on our website (www.shinhangroup.com).



Table of Contents

- I. Income Statement Highlights
- II. Balance Sheet Highlights
- III. Asset Quality Highlights
- IV. Capital Adequacy Highlights
- V. Key Financial Ratios
- VI. Appendix



2006 3Q Earnings Highlights (1) - Income

Group

3Q Accumulated Net Income of KRW1.58 tril. (510.1 bil. for 3rd quarter), 25% increase YoY, 85.6 bil. (14.4%) decrease compared to 595.7bil. in 2Q

- Deductions include Goodwill Amortization of KRW112.7 bil. on a consolidated basis (53.5 bil. for Bank, 31.4 bil. for Life Insurance, 15.0 bil. for Credit Card, 12.8 bil. for Securities), 91.7 bil. of gains from sales of SFG shares etc., and SFG expenses of 50.7 bil.

Bank

3Q Accumulated Net Income of KRW1.42 tril. (464.2 bil. for 3rd quarter), a 23.8% increase YoY

- For Shinhan Bank, 1.41 tril.(461.7 bil. for 3Q), 23.5% increase YoY
- Net Interest Margin (accumulated) at 2.38%, improved by 3bp YoY, decreased by 3bp since end of Dec. 2005

Non-Bank

3Q Accumulated Net Income of KRW417.5 bil. (140.2 bil. for 3rd quarter), 206% increase YoY

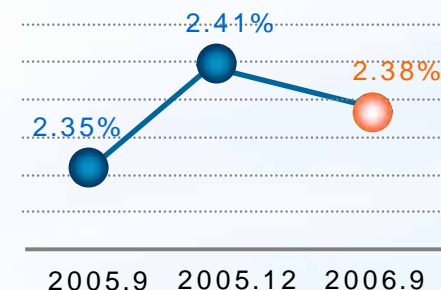
- Continuing improvement of business performance of major non-bank businesses: Credit Card 187.1 bil.(3Q, 67.0 bil.), Life Insurance 97.2 bil.(3Q, 36.5 bil.), Securities 81.0 bil., Capital 43.1 bil.
- 22.7% of the Group's total net income contributed by non-bank subsidiaries, an 11.5%p increase from 11.2% in Dec. 2005

SFG Net Income (Accumulated)



Note) CAGR: Compound Annual Growth Rate

Bank NIM (Accumulated)





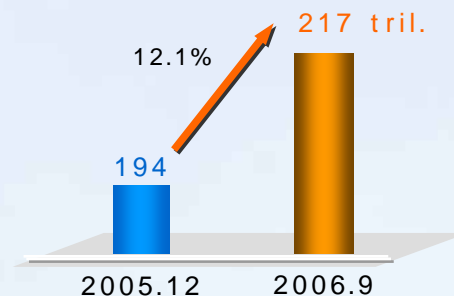
2006 3Q Earnings Highlights (2) - Asset Growth

Group

KRW217 tril. of Total Assets as of Sept. 2006, a 23.5 tril.(12.1%) increase from end of Dec. 2005

- 184 tril. for Bank Subsidiaries (85% of SFG Total Assets), 33 tril. for Non-Bank Subsidiaries (15% of SFG Total Assets)

SFG Total Assets



Bank

KRW184 tril. of Total Assets for Bank Sector as of Sept. 2006, an 18.4 tril.(11.1%) increase from end of Dec. 2005

- Loan balance (KRW + Foreign Currency) of Shinhan Bank totaling 92.9 tril., an 8.7 tril.(10.4%) increase from end of Dec. 2005

6.1 tril.(7.7%) and 2.6 tril.(55.8%) respective increase in Loans in Won and Loans in foreign currencies, from end of Dec. 2005

Bank Loans (KRW)



- Mortgages remain the core source of loan growth, while total retail loans increased 4.5 tril.(11%) from Dec. 2005

As a result of strengthened customer management and aggressive efforts to attract new corporate customers after the integration, corporate loans (KRW + Foreign Currency) increased by 4.2 tril.(9.9%) from end of Dec. 2005

Bank Loans (Foreign Currency)





2006 3Q Earnings Highlights (3) – Asset Quality & Capital Adequacy

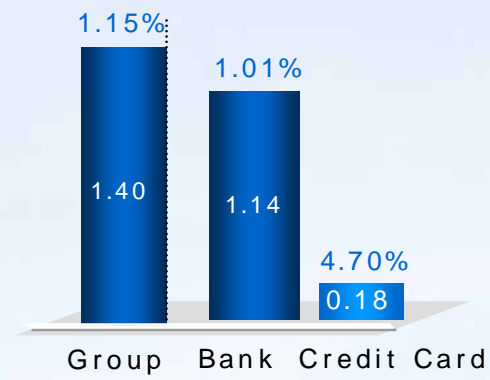
Asset Quality & Capital Adequacy

Asset Quality

Group's NPL Ratio at 1.15%, 0.03%p decrease from end of Dec. 2005

- Shinhan Bank's NPL ratio at 1.01%, and NPL Coverage at 145% - maintaining top levels of asset quality in the financial industry
- Shinhan Card's NPL Ratio at 4.70%, NPL Coverage Ratio at 128% - asset quality figures that have been temporarily aggravated after merger with CHB Card are gradually showing improvement

NPL Balance & Ratio (KRW Trillion)

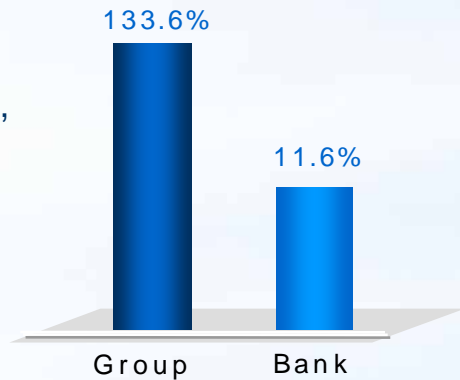


Capital Adequacy

SFG Required Capital Adequacy Ratio at 133.6%(E), Shinhan Bank BIS Ratio at 11.6%

- Shinhan Bank's Tier 1 Ratio at 8.0% and Tier 2 Ratio at 3.6%

Capital Adequacy Ratio



Note) Required Capital Adequacy for the Group, BIS ratio for Bank.



I. Income Statement Highlights

1. Income of SFG
2. Income by Subsidiaries (1)
3. Income by Subsidiaries (2)
4. Income of Shinhan Bank
5. Interest Income/NIM of SHB
6. Non-Interest Income of SHB
7. SG&A Expenses of SHB



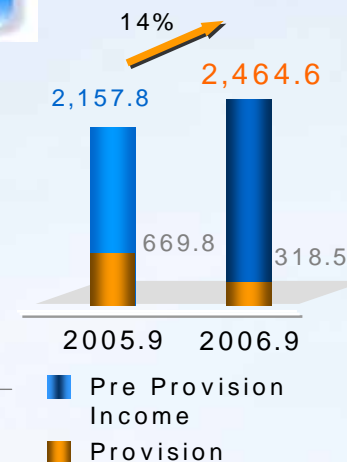
1. Income of SFG

I. Income Statement Highlights

(KRW Billion)

	2006	2005	YoY		2006	2006	QoQ		FY		
	Sept.	Sept.	Chg	Amt	Chg%	3Q	2Q	Chg	Amt	2005	
Total Operating Income (a=b+c)	4,125.5	3,740.6	384.9		10.3%	1,346.3	1,357.5	-11.2		-0.8%	5,107.0
Interest Income (b)	3,309.9	2,979.2	330.6		11.1%	1,122.7	1,073.6	49.1		4.6%	4,042.8
Non-Interest Income (c)	815.7	761.4	54.3		7.1%	223.6	283.9	-60.3		-21.2%	1,064.1
SG&A Expenses (d)	2,036.3	1,715.3	321.0		18.7%	673.5	699.0	-25.6		-3.7%	2,428.0
Operating Income (e=a-d)	2,089.2	2,025.3	63.9		3.2%	672.8	658.5	14.4		2.2%	2,679.0
Non-Operating Income (f)	375.4	132.4	243.0		183.5%	105.9	206.4	-100.5		-48.7%	234.9
Pre-Provision Income (g=e+f)	2,464.6	2,157.8	306.9		14.2%	778.8	864.8	-86.1		-10.0%	2,913.9
Loan Loss Provision (h)	318.5	669.8	-351.3		-52.4%	50.4	147.8	-97.5		-65.9%	902.7
Earnings before Income Tax (i=g-h)	2,146.1	1,488.0	658.1		44.2%	728.4	717.0	11.4		1.6%	2,011.2
Net Income	1,582.2	1,265.9	316.3		25.0%	510.1	595.7	-85.6		-14.4%	1,732.1

PPI/Provision



Group Net Income



2. Income by Subsidiaries (1)

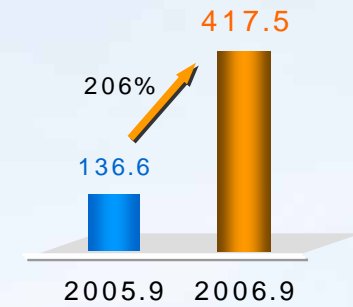
I. Income Statement Highlights

(KRW Billion)

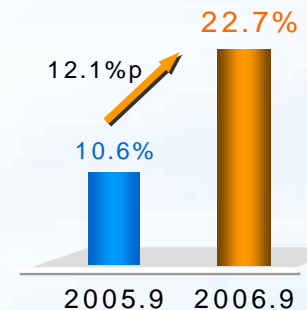
	Net Income [1]	Ownership [2]	Net Income [3=1*2]	Goodwill [4]	Consolidated Net Income [5=3+4]
Bank (a)	1,427.5		1,420.9	-130.7	1,290.2
Shinhan Bank ³⁾	1,410.1	100.0%	1,410.1	-131.3 ¹⁾	1,278.8
Jeju Bank	17.4	62.4%	10.8	0.6 ¹⁾	11.4
Non-Bank (b)	424.6		417.5	-74.9	342.6
GMS Securities	81.0	100.0%	81.0	-16.9 ¹⁾	64.1
Shinhan Life Insurance	97.2	100.0%	97.2	-42.0 ¹⁾	55.2
Shinhan Card	187.1	100.0%	187.1	-16.0 ¹⁾	171.1
Shinhan Capital	43.1	100.0%	43.1		43.1
Shinhan BNPP Invest	6.8	50.0%	3.4		3.4
SH&C Life Insurance	7.3	50.0%	3.6		3.6
SMFA	-0.1	51.0%	-0.1		-0.1
Shinhan Credit Info	2.2	100.0%	2.2		2.2
Shinhan Private Equity	0.0	100.0%	0.0		0.0
SFG (c)				-50.7 ²⁾	-50.7
Total (d=a+b+c)	1,852.1		1,838.5	-256.3	1,582.2

SFG Net Income

(Non-Bank)



Net Income Contributions of Non-Bank Subsidiaries



Notes:

- 1) Goodwill Amortization: Shinhan Bank, 53.5 bil., GMS Securities 12.8 bil., Shinhan Life Insurance 31.4 bil., Shinhan Card 15.0 bil., Jeju Bank, -0.5 bil.
Cancellations of gains from sales of SFG shares previously held by Shinhan Bank, 91.7 bil., and by GMS Securities, 4.6 bil.
- 2) SFG Expenses: Interest Expenses -29.5 bil., SG&A Expenses -32.8 bil., Non-Operating Income etc. 11.6 bil.
- 3) Pre-Merger SHB's 1Q income is included

3. Income by Subsidiaries (2)

I. Income Statement Highlights

(KRW Billion)

(Reflecting Ownership by SFG)	2006 Sept.	2005 Sept.	YoY		2006 3Q	2006 2Q	QoQ		FY 2005
			Chg Amt	Chg%			Chg Amt	Chg%	
Bank (a)	1,420.9	1,147.2	273.6	23.8%	464.2	524.4	-60.2	-11.5%	1,537.8
Shinhan Bank	1,410.1¹⁾	1,141.5	268.6	23.5%	461.7	519.4	-57.7	-11.1%	1,530.9
Jeju Bank	10.8	5.7	5.0	87.4%	2.5	5.0	-2.5	-49.5%	6.9
Non-Bank (b)	417.5	136.6	280.9	205.7%	140.2	179.5	-39.4	-21.9%	194.8
GMS Securities	81.0	54.2	26.8	49.4%	19.8	36.1	-16.3	-45.2%	87.3
Shinhan Life Insurance	97.2	n.a.	n.a.	n.a.	36.5	30.7	5.8	18.9%	6.1
Shinhan Card	187.1	53.5	133.6	249.7%	67.0	103.6	-36.6	-35.3%	54.2
Shinhan Capital	43.1	19.7	23.4	118.8%	13.8	8.1	5.7	70.4%	36.7
Shinhan BNPP Invest.	3.4	2.7	0.8	28.3%	1.2	1.1	0.1	14.3%	3.7
SH&C Life Insurance	3.6	2.2	1.4	61.4%	2.1	0.5	1.7	366.7%	2.7
SMFA	-0.1	2.8	-2.9	n.a.	-1.4	-1.2	-0.3	n.a.	2.7
Shinhan Credit Info.	2.2	2.1	0.1	4.8%	0.9	0.8	0.1	12.5%	2.4
Shinhan Private Equity	0.0	-0.6	0.6	n.a.	0.3	-0.1	0.4	n.a.	-1.0
SFG (c=a+b)	1,838.5	1,283.8	554.7	43.2%	604.4	704.0	-99.6	-14.2%	1,732.6
Total	1,582.2	1,265.9	316.3	25.0%	510.1	595.7	-85.6	-14.4%	1,732.1

Note 1) SHB's 1Q income is included

4. Income of SHB (Pro Forma basis)

I. Income Statement Highlights

(KRW Billion)

	2006 Sept.	2005 Sept.	YoY		2006 3Q	2006 2Q	QoQ	
			Chg Amt	Chg%			Chg Amt	Chg%
Total Operating Income (a=b+c)	3,226.4	2,910.9	315.5	10.8%	1,066.9	1,047.1	19.8	1.9%
Interest Income (b)	2,518.7	2,309.7	209.1	9.1%	862.2	811.3	50.9	6.3%
Non-Interest Income (c)	707.7	601.3	106.4	17.7%	204.7	235.8	-31.1	-13.2%
SG&A Expenses (d)	1,531.8	1,281.0	250.8	19.6%	509.2	536.9	-27.6	-5.1%
Operating Income (e=a-d)	1,694.5	1,629.9	64.6	4.0%	557.6	510.2	47.4	9.3%
Non-Operating Income (f)	441.6	92.8	348.8	375.7%	130.8	275.1	-144.3	-52.5%
Pre-Provision Income (g=e+f)	2,136.1	1,722.7	413.4	24.0%	688.4	785.4	-96.9	-12.3%
Loan Loss Provision (h)	211.0	508.9	-297.9	-58.5%	45.0	80.3	-35.3	-44.0%
Earnings before Income Tax (i=g-h)	1,925.2	1,213.8	711.3	58.6%	643.4	705.0	-61.6	-8.7%
Net Income	1,377.0	959.2	417.8	43.6%	461.7	519.5	-57.8	-11.1%

Note) Pro Forma basis: the above figures assume that the integration of SHB+CHB and spin off of credit card operations of CHB have occurred.



Note) Including 1Q Income of pre-merger Shinhan Bank and excluding that of CHB credit card business



Note) Parenthesis show increase YoY

5. Interest Income/NIM of SHB

I. Income Statement Highlights

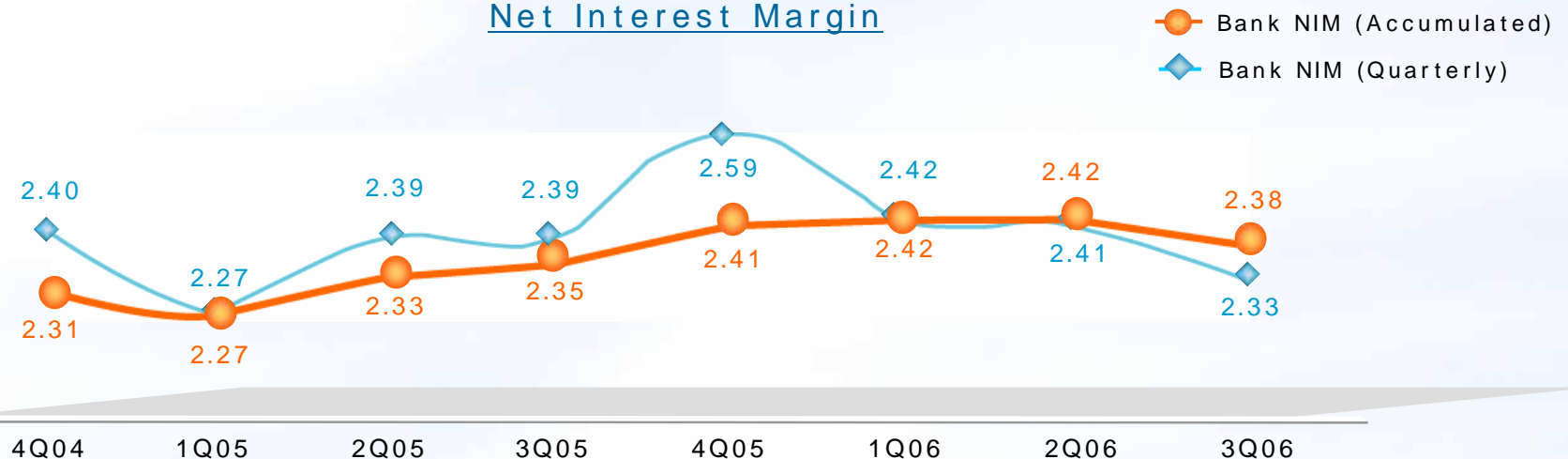
1) Interest Income

(KRW Billion)

	2006	2005	YoY		2006	2006	QoQ	
	Sept.	Sept.	Chg Amt	Chg%	3Q	2Q	Chg Amt	Chg%
Interest Revenue (a)	5,722.1	4,913.3	808.8	16.5%	2,030.0	1,846.3	183.7	9.9%
Loans	4,783.5	4,120.9	662.6	16.1%	1,683.7	1,566.1	117.6	7.5%
Securities & Others	938.6	792.4	146.2	18.5%	346.3	280.2	66.1	23.6%
Interest Expense (b)	3,203.3	2,603.7	599.6	23.0%	1,167.8	1,035.1	132.7	12.8%
Deposits	1,942.7	1,707.1	235.6	13.8%	706.8	617.3	89.5	14.5%
Debentures/Borrowings	1,260.6	896.6	364.0	40.6%	461.0	417.8	43.2	10.3%
Interest Income (a-b)	2,518.7	2,309.6	209.1	9.1%	862.2	811.3	50.9	6.3%

Note) Pro Forma basis

Net Interest Margin



6. Non-Interest Income of SHB

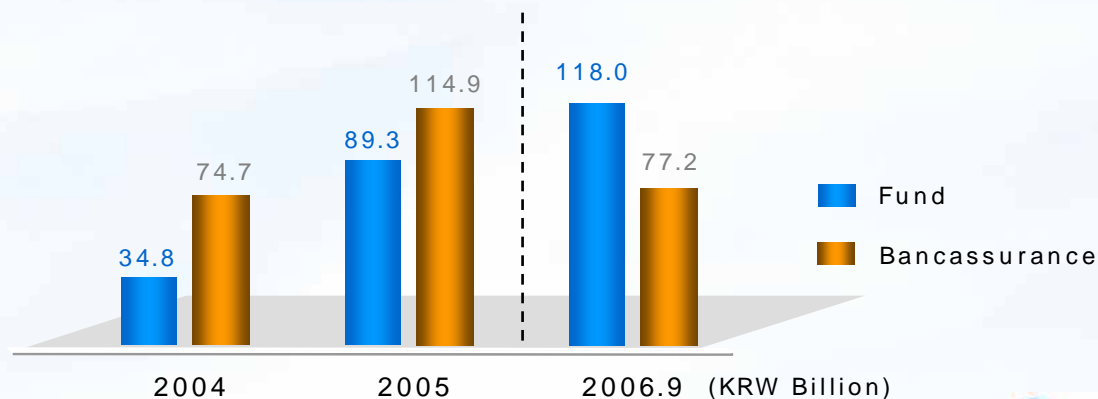
I. Income Statement Highlights

(KRW Billion)

	2006 Sept.	2005 Sept.	YoY		2006 3Q	2006 2Q	QoQ	
			Chg Amt	Chg%			Chg Amt	Chg%
Non-Interest Income	707.7	601.2	106.4	17.7%	204.7	235.9	-31.1	-13.2%
Fees & Commissions	567.1	531.6	35.6	6.7%	180.2	210.9	-30.7	-14.6%
(Fund)	118.0	57.5	60.5	105.2%	35.9	41.6	-5.7	-13.7%
(Bancassurance)	77.2	85.3	-8.1	-9.5%	22.2	25.3	-3.1	-12.3%
Trust Fees	32.8	32.6	0.2	0.6%	12.1	11.5	0.6	5.1%
F/X Comm. & Others	107.7	37.1	70.7	190.6%	12.5	13.5	-1.0	-7.6%

Note) Pro Forma basis

Fund/Bancassurance Fees & Commissions





7. SG&A Expenses of SHB

I. Income Statement Highlights

(KRW Billion)

	2006	2005	YoY		2006	2006	QoQ	
	Sept.	Sept.	Chg Amt	Chg%	3Q	2Q	Chg Amt	Chg%
SG&A Expenses	1,531.8	1,281.0	250.8	19.6%	509.3	536.8	-27.5	-5.1%
Labor Costs	637.4	567.6	69.8	12.3%	181.3	222.3	-41.0	-18.5%
Admin Expenses	725.4	556.3	169.1	30.4%	262.8	260.7	2.1	0.8%
D&A Costs	124.4	110.4	14.0	12.7%	49.5	40.4	9.1	22.6%
Taxes & Dues	44.6	46.7	-2.1	-4.4%	15.7	13.4	2.3	16.9%

Note) Pro Forma basis



II. Balance Sheet Highlights

1. SFG Asset Growth (1)
2. SFG Asset Growth (2)
3. SHB Loan Growth
4. SHB Deposits/Finance Debentures
5. Shinhan Card

1. SFG Asset Growth (1)

II. Balance Sheet Highlights

1) SFG Total Assets

(KRW Billion)

	2004.12	2005.12	2006.9	YTD	
				Chg Amt	Chg%
Bank	155,538	165,358	183,794	18,436.0	11.1%
Shinhan Bank	153,655	163,289	181,472	18,183.2	11.1%
Jeju Bank	1,883	2,069	2,322	252.8	12.2%
Non-Bank	18,255	27,085	32,758	5,672.6	20.9%
GMS Securities	2,955	3,883	4,217	334.6	8.6%
Shinhan Life Insurance	-	5,129	5,782	652.5	12.7%
Shinhan Card	1,470	1,532	3,533	2,000.6	130.6%
Shinhan Capital	1,321	1,401	1,648	247.2	17.6%
Shinhan BNPP Invest.	6,071	7,353	7,256	-96.8	-1.3%
SH Asset Mgmt	6,438	7,788	10,322	2,534.5	32.5%
Total Assets*	174,341	193,739	217,234	23,494.8	12.1%

SFG Total Assets



Note) Parenthesis show contributions of Non-Bank Businesses

■ Bank
■ Non-Bank

* Note) Including AUM (Shinhan BNPP Invest. + SH Asset Mgmt.) and Trust A/C

2. SFG Asset Growth (2)

II. Balance Sheet Highlights

2) SFG Consolidated Balance Sheet

(KRW Billion)

	2006.9	2005.12	YTD		2006.6	QoQ	
			Chg Amt	Chg%		Chg Amt	Chg%
Loans (KRW)	90,080.7	83,197.9	6,882.8	8.3%	85,512.4	4,568.3	5.3%
Loans (FC)*	10,714.6	7,935.5	2,779.1	35.0%	9,309.4	1,405.1	15.1%
Securities	33,377.8	30,224.4	3,153.4	10.4%	31,834.7	1,543.2	4.8%
Credit Card	3,492.0	3,861.5	-369.5	-9.6%	3,509.2	-17.2	-0.5%
Fixed Assets	3,608.4	3,486.8	121.6	3.5%	3,495.5	112.9	3.2%
Others	38,755.8	31,511.8	7,244.0	23.0%	37,452.8	1,303.0	3.5%
Total Assets	180,029.4	160,217.9	19,811.5	12.4%	171,114.0	8,915.4	5.2%
Deposits (KRW)	92,041.4	87,888.0	4,153.4	4.7%	86,534.2	5,507.2	6.4%
Deposits (FC)	3,844.1	3,647.3	196.8	5.4%	3,671.6	172.5	4.7%
Debentures	46,068.7	38,756.5	7,312.2	18.9%	44,583.2	1,485.5	3.3%
Others	27,096.5	19,715.3	7,381.2	37.4%	26,251.4	845.1	3.2%
Shareholders' Equity	10,978.8	10,210.9	767.9	7.5%	10,073.6	905.2	9.0%
Total Liabilities	180,029.4	160,217.9	19,811.5	12.4%	171,114.0	8,915.4	5.2%

* Loans (Foreign Currency): Loans in Foreign Currency + Offshore Loans in Foreign Currency + Due from Banks + Domestic Import Usance Bills

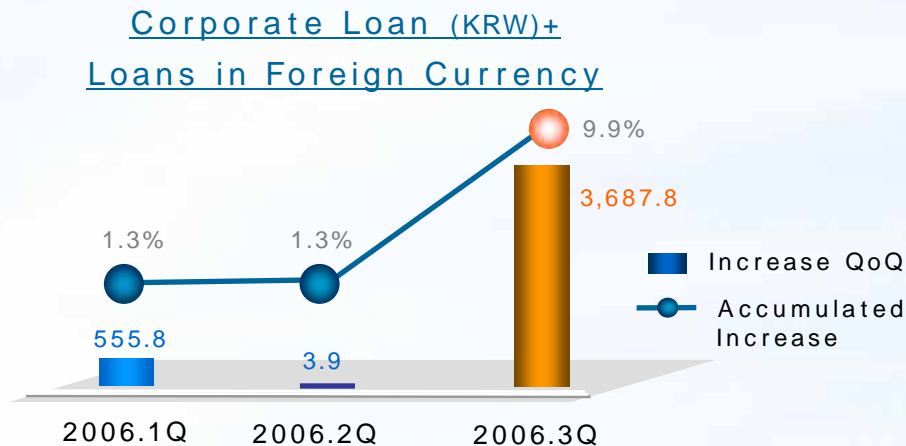
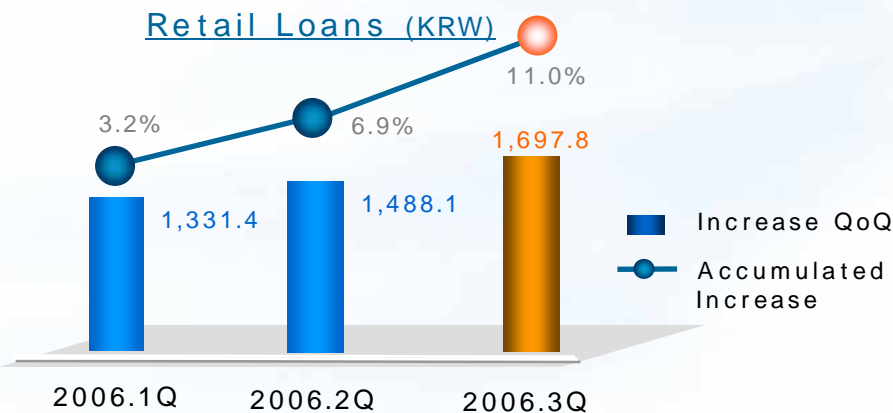
3. SHB Loan Growth

II. Balance Sheet Highlights

(KRW Billion)

	2006.9	2005.12 ¹⁾	YTD		2006.6	QoQ	
			Chg Amt	Chg%		Chg Amt	Chg%
Loans in Won (A)	85,593.6	79,452.3	6,141.3	7.7%	81,389.4	4,204.2	5.2%
Retail	45,641.4	41,124.2	4,517.2	11.0%	43,943.6	1,697.8	3.9%
Mortgage	28,687.5	25,126.1	3,561.4	14.2%	27,462.4	1,225.1	4.5%
Others	16,953.9	16,002.6	951.3	5.9%	16,481.2	472.7	2.9%
Corporate	39,952.2	38,328.1	1,624.1	4.2%	37,445.8	2,506.4	6.7%
SME	33,204.7	31,054.8	2,149.9	6.9%	30,952.9	2,251.8	7.3%
SOHO	12,220.4	11,449.4	771.0	6.7%	11,206.8	1,013.6	9.0%
Large Corp	6,747.4	7,273.3	-525.9	-7.2%	6,492.9	254.5	3.9%
Loans in Foreign Currency (B)	7,322.8	4,699.4	2,623.4	55.8%	6,141.4	1,181.4	19.2%
Total Loans (A+B)	92,916.4	84,151.7	8,764.7	10.4%	87,530.8	5,385.6	6.2%

Note 1) Pro Forma basis



4. SHB Deposits/Finance Debentures

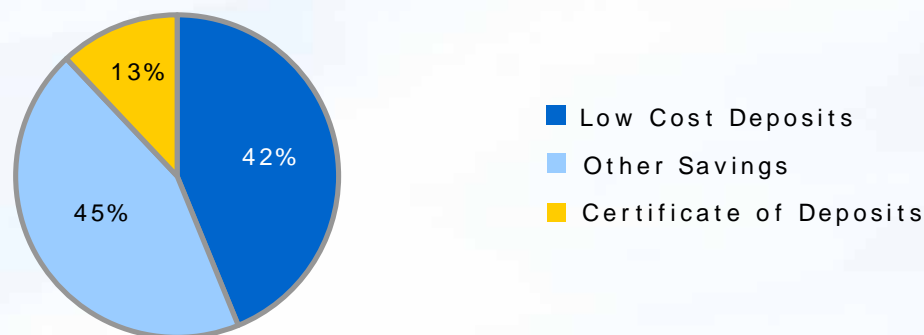
II. Balance Sheet Highlights

(KRW Billion)

	2006.9	2005.12 ¹⁾	YTD		2006.6	QoQ	
			Chg Amt	Chg%		Chg Amt	Chg%
Total Deposits in Won	82,934.9	80,093.0	2,841.9	3.5%	78,103.9	4,831.0	6.2%
Low Cost Deposits	34,971.1	34,022.4	948.7	2.8%	34,242.5	728.6	2.1%
Demands	11,577.6	11,160.8	416.8	3.7%	10,949.0	628.6	5.7%
Savings	23,393.5	22,861.6	531.9	2.3%	23,293.5	100.0	0.4%
Other Savings	37,184.1	35,408.6	1,775.5	5.0%	34,680.7	2,503.4	7.2%
Time Deposits	30,000.8	27,226.0	2,774.8	10.2%	27,272.8	2,728.0	10.0%
Other Deposits	7,183.3	8,182.6	-999.3	-12.2%	7,407.9	-224.6	-3.0%
Certificate of Deposits	10,779.7	10,662.0	117.7	1.1%	9,180.7	1,599.0	17.4%
Finance Debentures in Won	20,490.0	18,056.8	2,433.2	13.5%	19,158.3	1,331.7	7.0%

Note 1) Pro Forma basis

Total Deposits in KRW



5. Shinhan Card

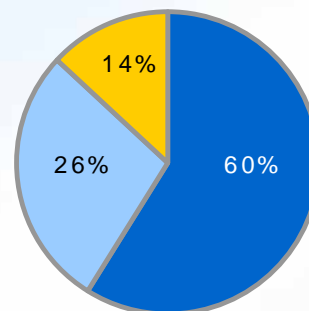
II. Balance Sheet Highlights

(KRW Billion)

	2006.9	2005.12 ¹⁾	YTD		2006.6	QoQ	
			Chg Amt	Chg%		Chg Amt	Chg%
Assets (Managed)	3,875.3	4,220.7	-345.4	-8.2%	3,882.4	-7.0	-0.2%
Receivables	2,314.8	2,539.5	-224.7	-8.8%	2,289.4	25.4	1.1%
(Purchase Card Assets)	181.0	462.5	-281.5	-60.9%	187.7	-6.7	-3.6%
Cash Advances	1,022.4	1,135.6	-113.2	-10.0%	1,077.8	-55.4	-5.1%
Card Loans	538.2	545.7	-7.5	-1.4%	515.2	23.0	4.5%
(Re-Aged Loans)	142.8	274.2	-131.4	-47.9%	191.0	-48.2	-25.2%
Sales Volume (Quarterly)	6,707.7	6,655.9	51.8	0.8%	6,652.4	55.3	0.8%
Lump-Sum	3,913.1	3,534.1	379.0	10.7%	3,759.0	154.1	4.1%
Installments	914.8	955.0	-40.2	-4.2%	922.1	-7.3	-0.8%
Cash Advances	1,879.8	2,166.8	-287.0	-13.2%	1,971.3	-91.5	-4.6%
Card Holders (thousands)	6,246	5,666	580	10.2%	6,036	210	3.5%
Merchants (thousands)	3,458	3,181	277	8.7%	3,369	89	2.7%

Note 1) Pro Forma basis: Pre-Merger Shinhan Card + CHB Card

Assets Breakdown



- Receivables
- Cash Advances
- Card Loans



III. Asset Quality

1. Asset Quality of SFG
2. Asset Quality of SHB
3. Asset Quality of Shinhan Card
4. Loan Loss Provision/Write-Off

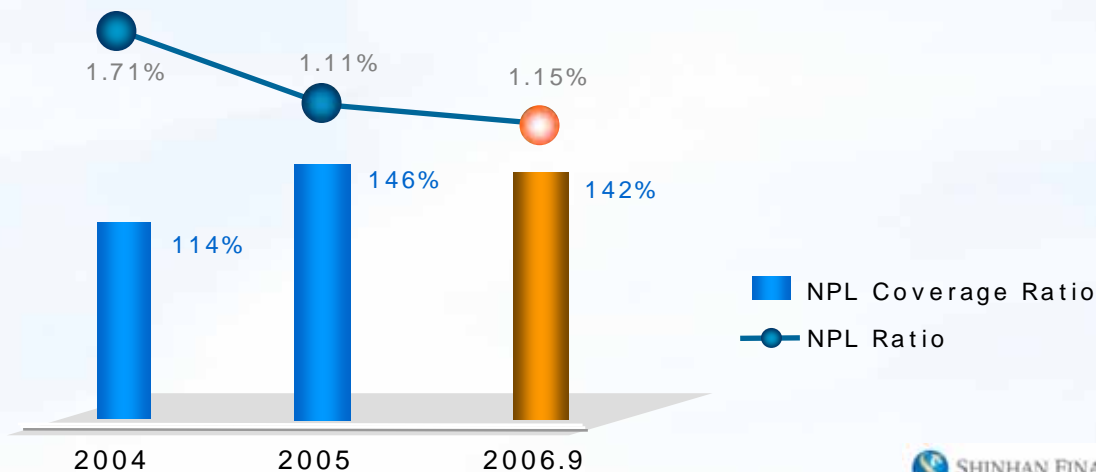
1. Asset Quality of SFG

III. Asset Quality

(KRW Billion)

	2006.9	2005.12	YTD		2006.6	QoQ	
			Chg Amt	Chg%		Chg Amt	Chg%
Total Loans ¹⁾	122,178.1	109,005.5	13,172.6	12.1%	113,196.6	8,981.4	7.9%
Normal	118,876.5	105,645.8	13,230.7	12.5%	109,954.5	8,922.0	8.1%
Precautionary	1,902.4	2,149.2	-246.8	-11.5%	1,793.8	108.6	6.1%
Substandard	720.3	680.4	39.9	5.9%	725.5	-5.2	-0.7%
Doubtful	244.2	189.9	54.3	28.6%	288.6	-44.5	-15.4%
Estimated Loss	434.7	340.1	94.6	27.8%	434.2	0.5	0.1%
Substandard & Below	1,399.2	1,210.4	188.7	15.6%	1,448.3	-49.2	-3.4%
NPL Ratio	1.15%	1.11%	n.a.	0.03%p	1.28%	n.a.	-0.13%p
Loan Loss Reserves	1,990.8	1,772.4	218.4	12.3%	2,022.5	-31.7	-1.6%
NPL Coverage Ratio	142.3%	146.4%	n.a.	-4.1%p	139.6%	n.a.	2.6%p

Note 1) Including assets of Shinhan Bank, Jeju Bank, Good Morning Shinhan Securities, Shinhan Life Insurance, Shinhan Card, and Shinhan Capital



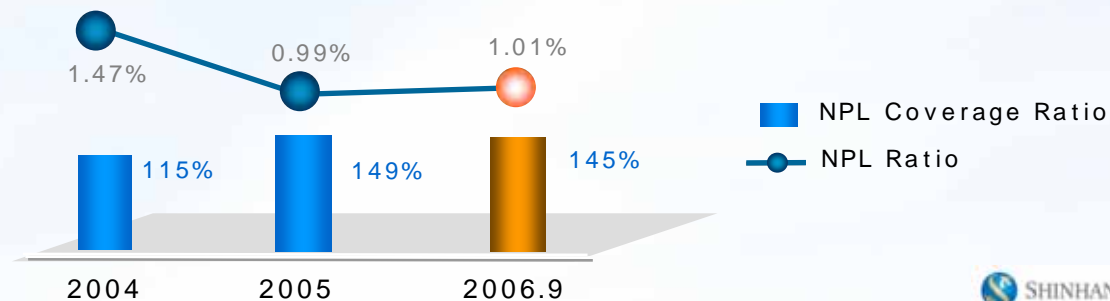
2. Asset Quality of SHB

III. Asset Quality

(KRW Billion)

	2006.9	2005.12 ¹⁾	YTD		2006.6	QoQ	
			Chg Amt	Chg%		Chg Amt	Chg%
Total Loans	113,287.8	100,333.7	12,954.1	12.9%	104,774.1	8,513.7	8.1%
Normal	110,411.1	97,466.5	12,944.6	13.3%	102,014.3	8,396.8	8.2%
Precautionary	1,734.1	1,878.2	-144.1	-7.7%	1,619.1	115.0	7.1%
Substandard	704.9	662.4	42.5	6.4%	709.7	-4.8	-0.7%
Doubtful	135.8	86.6	49.2	56.8%	138.0	-2.2	-1.6%
Estimated Loss	302.0	240.0	62.0	25.8%	293.0	9.0	3.1%
Substandard & Below	1,142.7	989.0	153.7	15.5%	1,140.7	2.0	0.2%
NPL Ratio	1.01%	0.99%	n.a.	0.02%p	1.09%	n.a.	-0.1%p
Loan Loss Reserves	1,657.1	1,471.6	185.5	12.6%	1,657.0	0.1	0.0%
NPL Coverage Ratio	145.0%	148.8%	n.a.	-3.8%p	145.3%	n.a.	-0.2%p
Write-off (Quarterly)	38.7	75.0	n.a.	n.a.	13.0	n.a.	n.a.
Delinquency Ratio	1.02%	0.92%		0.10%p	1.01%		0.01%p
Retail	0.87%	0.77%		0.10%p	0.85%		0.02%p
Mortgage	0.38%	0.35%		0.03%p	0.37%		0.01%p
Others	1.70%	1.40%		0.30%p	1.64%		0.06%p
Corporate	1.69%	1.29%	n.a.	0.40%p	1.69%		0.00%p
SME	1.73%	1.55%		0.18%p	1.73%	n.a.	0.00%p
SOHO	1.94%	1.53%		0.41%p	1.93%		0.01%p
Large Corp	1.49%	0.01%		1.48%p	1.51%		-0.02%p

Note 1) Pro Forma basis



3. Asset Quality of Shinhan Card

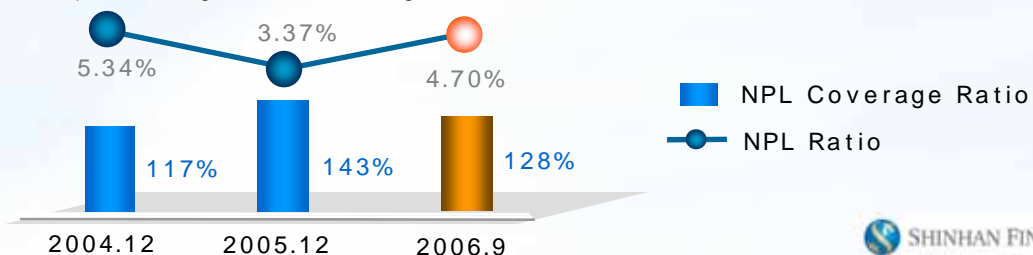
III. Asset Quality

(KRW Billion)

	2006.9	2005.12 ¹⁾	YTD		2006.6	QoQ	
			Chg Amt	Chg%		Chg Amt	Chg%
Assets (Managed)	3,875.3	4,220.7	-345.4	-8.2%	3,882.4	-7.0	-0.2%
Normal	3,581.5	3,869.8	-288.4	-7.5%	3,532.9	48.6	1.4%
Precautionary	111.8	208.5	-96.6	-46.4%	116.9	-5.0	-4.3%
Substandard	0.0	1.0	-1.0	n.a.	0.0	0.0	n.a.
Doubtful	101.1	92.7	8.5	9.1%	142.3	-41.1	-28.9%
Estimated Loss	80.9	48.8	32.1	65.9%	90.3	-9.5	-10.5%
Substandard & Below	182.0	142.4	39.6	27.8%	232.6	-50.6	-21.8%
NPL Ratio	4.70% ²⁾	3.37%	n.a.	1.32%p	5.99%	n.a.	-1.3%p
Loan Loss Reserves (Managed)	233.4	204.2	29.2	14.3%	267.6	-34.2	-12.8%
NPL Coverage Ratio	128.2%	143.4%	n.a.	-15.2%p	115.0%	n.a.	13.2%p
NPL Sales	2.9	0.0	2.9	n.a.	0.0	2.9	n.a.
ABS Issuance (Quarterly)	0.0	0.0	0.0	n.a.	0.0	0.0	n.a.
Write-Off (Quarterly)	55.0	74.8	-19.8	-26.5%	43.9	11.1	25.3%
<hr/>							
Assets	3,875.3	4,220.8	-345.4	-8.2%	3,882.4	-7.0	-0.2%
Delinquent Amount (1day and over)	200.9	150.6	50.3	33.4%	200.3	0.6	0.3%
Less than 1M	79.9	54.5	25.4	46.6%	83.0	-3.0	-3.7%
1M and Over	121.0	96.1	24.9	25.9%	117.3	3.6	3.1%
Delinquency Ratio (1day and over)	5.18%	3.57%	n.a.	1.62%p	5.16%	n.a.	0.03%p
Less than 1M	2.06%	1.29%	n.a.	0.77%p	2.14%	n.a.	-0.07%p
1M and Over	3.12%	2.28%	n.a.	0.85%p	3.02%	n.a.	0.10%p

Note 1) Pro Forma basis: figures include performances of Shinhan Card and CHB Card before merger

2) 1.72%, excluding re-aged loans (CHB card) resulting from the integration of credit card businesses



4. Loan Loss Provision/Write-Off

1) Loan Loss Provision

(KRW Billion)

	FY2004	FY2005	1Q	2Q	3Q	FY2006
Shinhan Bank*						
Retail	482.4	275.1	178.9	87.7	-15.8	250.8
Corporate	253.6	395.8	-89.1	-3.6	54.3	-38.3
Sub-Total	736.0	670.9	89.8	84.2	38.5	212.5
Shinhan Card**	690.6	249.4	31.7	67.6	2.1	101.4
Total	1,426.6	920.3	121.5	151.8	40.6	313.9

* Shinhan Bank + Chohung Bank before merger

** Shinhan Card + credit card business of CHB before merger

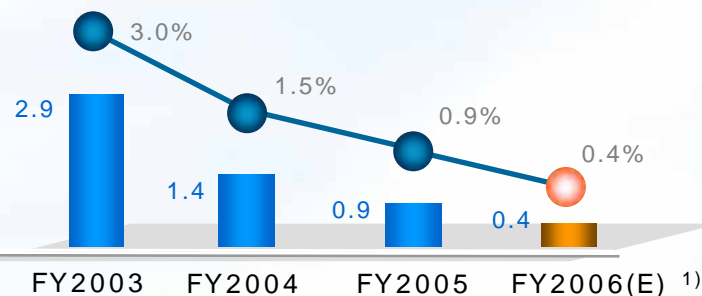
2) Write-Off

(KRW Billion)

	FY2004	FY2005	1Q	2Q	3Q	FY2006
Shinhan Bank*						
Retail	538.7	246.7	34.5	6.0	9.5	50.0
Corporate	381.6	197.3	25.6	7.0	29.2	61.8
Sub-Total	920.3	444.0	60.1	13.0	38.7	111.8
Shinhan Card**	897.5	353.2	45.7	43.9	55.0	144.6
Total	1,817.8	797.2	105.8	56.9	93.7	256.4

* Shinhan Bank + Chohung Bank before merger

** Shinhan Card + credit card business of CHB before merger



● Credit Cost (Loan Loss Provision/Total Loans)
 ■ Loan Loss Provision (KRW tril.)

Note 1) Annualized figures using 3Q06 results



IV. Capital Adequacy Highlights

1. Capital Adequacy of SFG and SHB

1. Capital Adequacy of SFG and SHB

IV. Capital Adequacy

1) Required Capital Adequacy Ratio of SFG

(KRW Billion)

	2006.9(E)	2005.12	YTD		2006.6	QoQ	
			Chg Amt	Chg %		Chg Amt	Chg%
Net Capital (a)	13,172.0	11,434.0	1,738.0	15.2%	13,158.6	13.4	0.1%
Required Capital (b)	9,860.7	8,609.1	1,251.6	14.5%	9,884.2	-23.5	-0.2%
Required Capital Ratio (a/b)	133.6%	132.8%	n.a.	0.8%p	133.1%	n.a.	0.5%p

Note) Minimum guideline by FSS is 100%

2) Shinhan Bank*

(KRW Billion)

	2006.9(E)	2005.12	YTD		2006.6	QoQ	
			Chg Amt	Chg %		Chg Amt	Chg%
Risk-Weighted Assets	111,540.7	99,255.3	12,285.4	12.4%	102,892.2	8,648.5	8.4%
Tier 1 Capital	8,930.3	7,349.6	1,580.7	21.5%	8,143.4	786.9	9.7%
Tier 2 Capital	4,048.1	4,202.3	-154.2	-3.7%	3,938.0	110.1	2.8%
BIS Ratio	11.6%	11.6%	n.a.	0.0%p	11.7%	n.a.	-0.1%p
Tier 1 Ratio	8.0%	7.4%	n.a.	0.6%p	7.9%	n.a.	0.1%p
Tier 2 Ratio	3.6%	4.2%	n.a.	-0.6%p	3.8%	n.a.	-0.2%p

* Shinhan Bank + Chohung Bank before merger



V. Key Financial Ratios

1. Key Financial Ratios of SFG and SHB



1. Key Financial Ratios of SFG and SHB

V. Key Financial Ratios

	FY 2004	FY2005	1Q06	1H06	3Q06
SFG					
ROA	0.77%	1.14%	1.19%	1.31%	1.26%
ROE	15.82%	20.97%	19.68%	21.89%	20.88%
BVPS (KRW)	19,006	23,991	23,164	24,238	26,309
EPS (KRW)	2,577	4,099	4,715	5,243	5,107
Cost / Income	43.4%	47.6%	46.7%	49.0%	49.4%
Cost / Income ¹⁾	41.8%	45.6%	44.1%	46.4%	46.6%
Shinhan Bank					
ROA	0.81%	1.09%	1.19%	1.32%	1.29%
ROE	18.00%	20.72%	20.70%	22.65%	21.68%
Loan / Deposit	96.7%	99.2%	104.7%	104.2%	103.2%
Cost / Income	39.3%	43.7%	42.1%	46.5%	47.1%
NPL	1.64%	1.05%	1.09%	1.09%	1.01%

Note 1) Excluding the effect of goodwill amortization



VI. Appendix

1. Investment Securities of SHB

1. Investment Securities of SHB

VI. Appendix

(As of Sept. 2006)

	Shares (thousands)	Ownership (%)	Acquisition Cost/Share (KRW)	Book Value/Share (KRW)	Valuation Gain (KRW Billion)
Hynix	27,979	6.09	3,862	31,474	772.6
SFG*	7,130	1.86	15,217	42,650	195.6
LG Card	8,960	7.15	7,156	47,319	359.9
SK Networks	22,615	9.46	5,016	20,258	344.7
Hyundai Eng. & Con.	5,637	5.15	26,378	43,516	96.6
Ssangyong Cement	10,000	13.39	9,520	10,768	12.5
Daewoo Eng. & Con.	8,908	2.62	3,701	13,189	84.5
Daewoo International	1,523	1.60	3,406	31,258	42.4
Ssangyong Eng. & Con.	1,365	4.58	4,230	11,325	9.7
Total					1,918.5

* Treasury shares of SFG (consolidated basis)