

Your Total Financial Solution : Shinhan Financial Group

2007 4Q Business Results

February 2008



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 figures provided herein.

LG Card joined Shinhan Financial Group on March 23, 2007 and became a wholly-owned subsidiary through a small-scale share swap on September 21, 2007. Further, LG Card merged with Shinhan Card and the new integrated Shinhan Card was launched on October 1, 2007. Operating results of Shinhan Card are presented on an integrated basis as of 2007 4Q.

For comparison purposes, please note the following facts:

- 1) As of April 1, 2006, the newly integrated Shinhan Bank was incorporated, and the credit card business of Chohung Bank was spun-off and merged into Shinhan Card. Please note that figures for the banking and credit card businesses have been provided in an integrated (pro-forma) basis for comparison purposes.
- 2) Since 2007, in accordance with Article 24 of the Statements of Korea Accounting Standards ("SKAS"), gains or losses related to the disposal or impairment of available for sale securities, loans, and early retirement expenses, which were previously categorized as Non-Operating Income, have been re-classified as Operating Income. Appropriate changes have been reflected to prior periods.

This presentation material is available at our website : www.shinhangroup.com

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Major Earning Highlights

Accumulated Net Income KRW 2.40 Tril

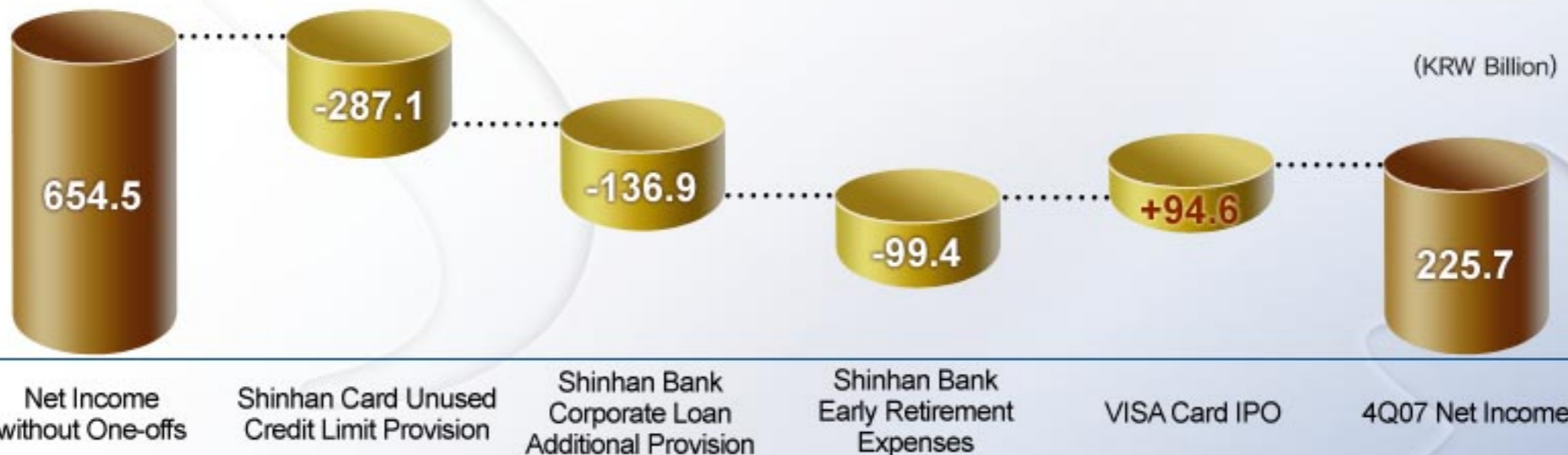
- 4Q07 net income marked 226 bil. Without the one-offs of total 429 bil. 4Q07 net income could have reached 655 bil.
- Net income has surpassed KRW 2 tril. for the first time since the inception of SFG. (30.8% increase YoY from FY06's 1.83 tril.)

Bank NIM Slightly Improved

- Shinhan Bank has been able to maintain its NIM at 2.26% level for the year 2007. NIM during 4Q 2.30%, showing a 9 bp QoQ increase from 2.21% in 3Q.
- Modest improvement of profit margins due to eased loan competition among peers and interest rate hike. Year-end collection of delinquent loans have also contributed to NIM improvement.

Total Asset KRW 275 Tril

- Steady loan growth and LG Card acquisition have resulted in a 27% increase in 2007.
- Shinhan Bank's loan in KRW has increased 18.3% in 2007. (Retail 9.0%, SME 32.3%)



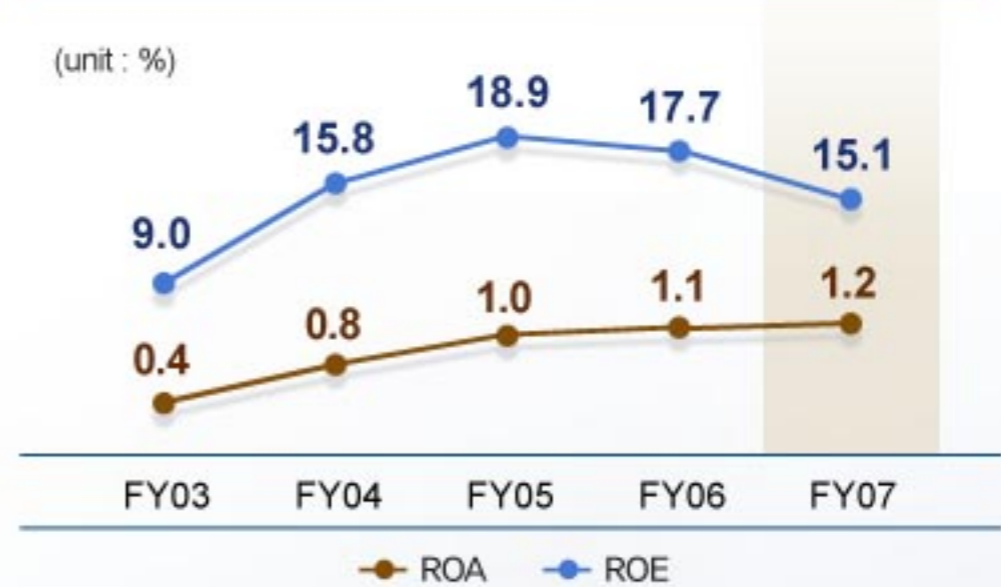
Key Financial Ratios

Net Income



Note) CAGR : Compound Annual Growth Rate

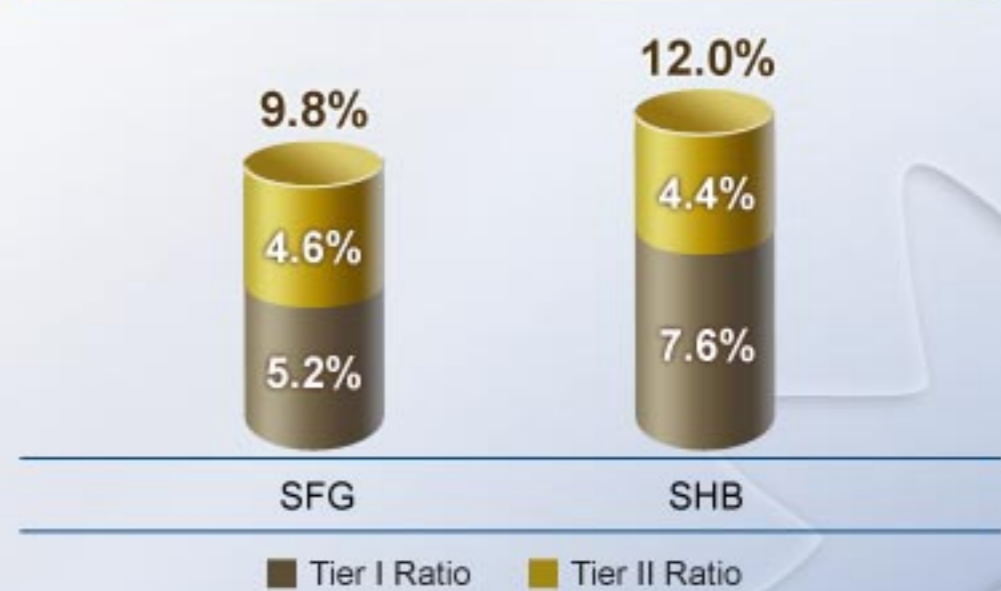
ROA / ROE



NPL Balance & Ratio



BIS Ratio (E)



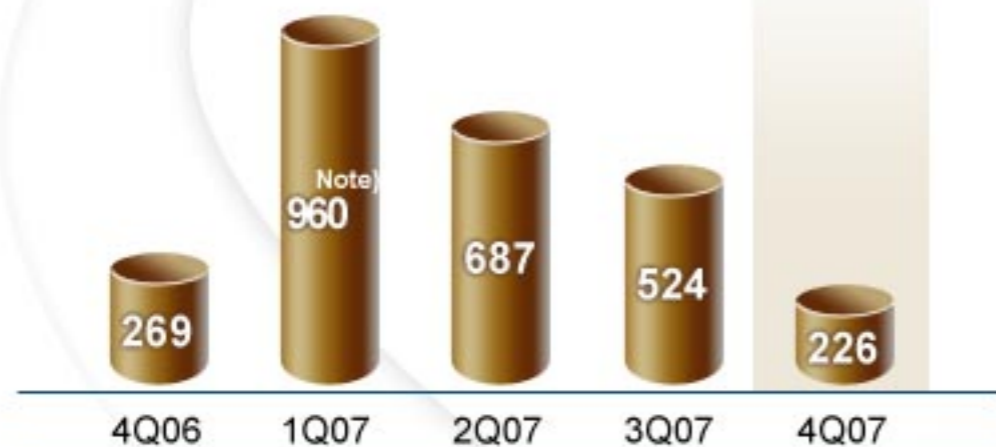


I Income Statement Highlights

1. SFG Income
2. Subsidiaries Income
3. SHB Income / NIM
4. SHB Non-Interest Income / SG&A
5. Shinhan Card Income

SFG Net Income

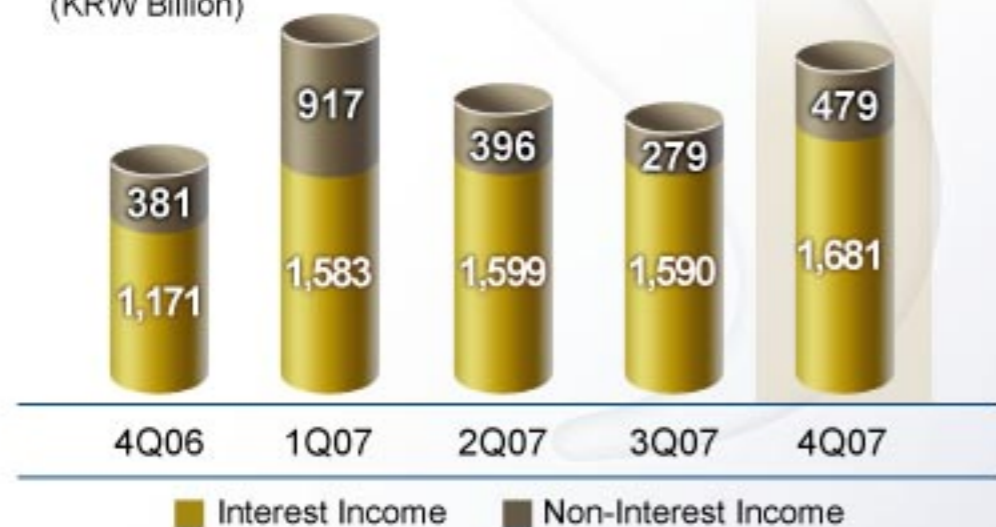
(KRW Billion)



Note) Including LG Card related income of 337 bil.(after-tax)

Interest + Non-Interest Income

(KRW Billion)

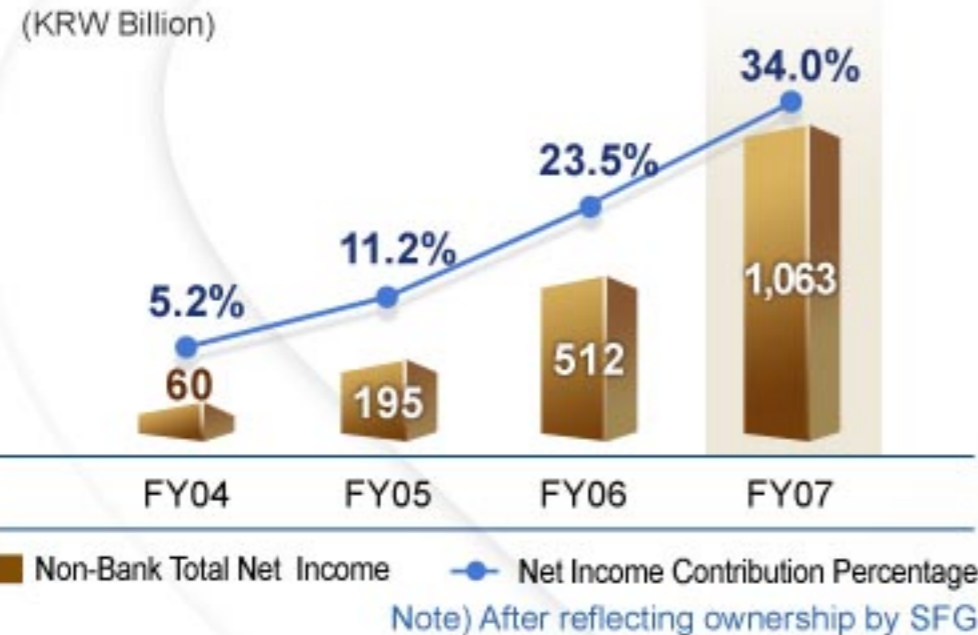


(KRW Billion)	FY07	FY06	%	4Q07	3Q07	%
Total Operating Income (a=b+c)	8,524.4	5,981.8	42.5	2,160.2	1,869.6	15.5
Interest Income (b)	6,453.3	4,480.8	44.0	1,681.4	1,590.2	5.7
Non-interest Income (c)	2,071.1	1,501.0	38.0	478.7	279.5	71.3
SG&A Expenses (d)	3,966.7	2,973.0	33.4	1,169.3	1,002.9	16.6
Operating Income (e=a-d)	4,557.7	3,008.9	51.5	990.8	866.7	14.3
Non-Operating Income (f)	195.2	89.3	118.5	135.7	22.3	508.6
Pre-Provision Income (g=e+f)	4,752.9	3,098.2	53.4	1,126.5	889.0	26.7
Loan Loss Provision (h)	866.4	584.6	48.2	759.9	19.8	n.a.
Earnings before Income Tax (i=g-h)	3,886.5	2,513.6	54.6	366.7	869.2	-57.8
Income Tax (j)	536.9	671.2	-20.0	132.0	298.5	-55.8
Net Income of Subsidiaries before Purchase Date (k)	874.1	-	n.a.	-0.4	31.0	n.a.
Total Net Income (l=i-j-k)	2,475.5	1,842.5	34.4	235.1	539.7	-56.4
Consolidated Net Income	2,396.4	1,832.7	30.8	225.7	524.2	-56.9

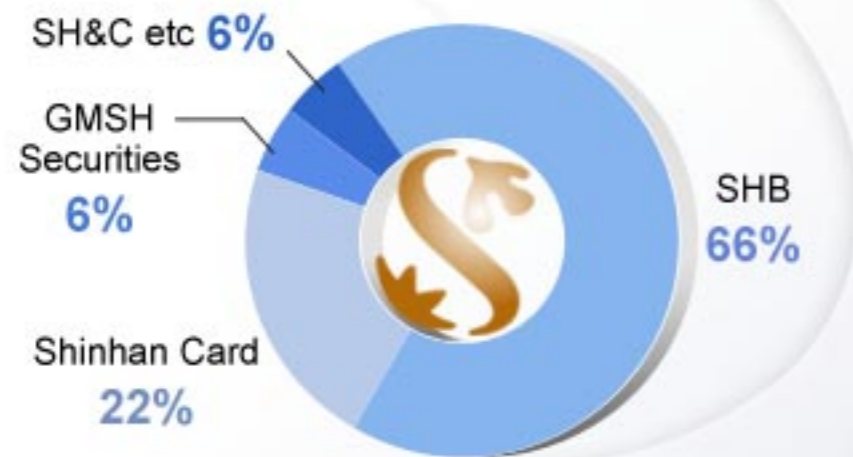
Note) For comparison purposes, 2006 figures have been revised according to changes in accounting standards.

Subsidiaries Income

Net Income Contribution by Non-Bank Subsidiaries



Net Income Contribution Proportion

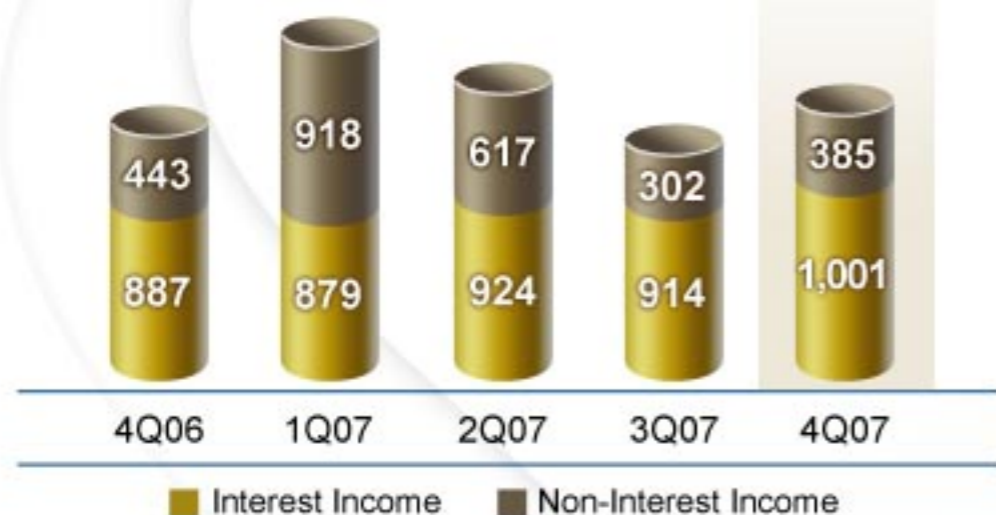


(KRW Billion)	Net Income (1*Ownership)		Adjustments	Net Income (Consolidated)
	1	2		
Bank (a)	2,065.6	2,060.2	-163.0	1,897.2
Shinhan Bank	2,051.3	2,051.3	-163.8 ¹⁾²⁾	1,887.5
Jeju Bank	14.3	8.9	0.8 ¹⁾	9.7
Non-Bank(b)	2,056.6	1,063.3	-328.5	734.8
Shinhan Card ⁴⁾	1,656.8	683.3	-245.8 ¹⁾	437.5
GMSH Securities	176.8	176.8	-25.2 ¹⁾	151.6
Shinhan Life Insurance	132.0	132.0	-52.2 ¹⁾	79.8
Shinhan Capital	49.2	49.2	-	49.2
Shinhan Credit Information	2.1	2.1	-	2.1
Shinhan Private Equity	0.2	0.2	-	0.2
Shinhan BNPP ITMC	21.3	10.7	-	10.7
SH&C Life Insurance	10.6	5.3	-5.3	0.0
Shinhan Macquarie FA	7.6	3.8	-	3.8
SFG (c)			-235.7³⁾	-235.7
Totla (d=a+b+c)	4,122.2	3,123.6	-727.2	2,396.4

- Note 1) 2007 Goodwill amortization : Shinhan Card 256.5 bil., Shinhan Bank 61.3 bil., GMSH Securities 17.0 bil., Shinhan Life Insurance 41.8 bil.
 2) Excluding Shinhan Bank's 217.7 bil. profit from sales of SFG shares, cancellation of -98.7 bil. loss from sales of LG Card
 3) SFG Expense (Non-Consolidated) : Interest Expense -209.7 bil., SG&A -48.4 bil., Non-operating Income etc 22.3 bil.
 4) Through a share swap, LG Card became a wholly-owned subsidiary of SFG on September 21, 2007. On October 1, 2007, LG Card merged with Shinhan Card and the new integrated Shinhan Card has been launched.

Interest + Non-Interest Income

(KRW Billion)



NIM

Accumulated Quarterly



(unit : %)

	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07
Accumulated	2.42	2.42	2.38	2.38	2.28	2.27	2.25	2.26
Quarterly	2.42	2.41	2.33	2.36	2.28	2.27	2.21	2.30

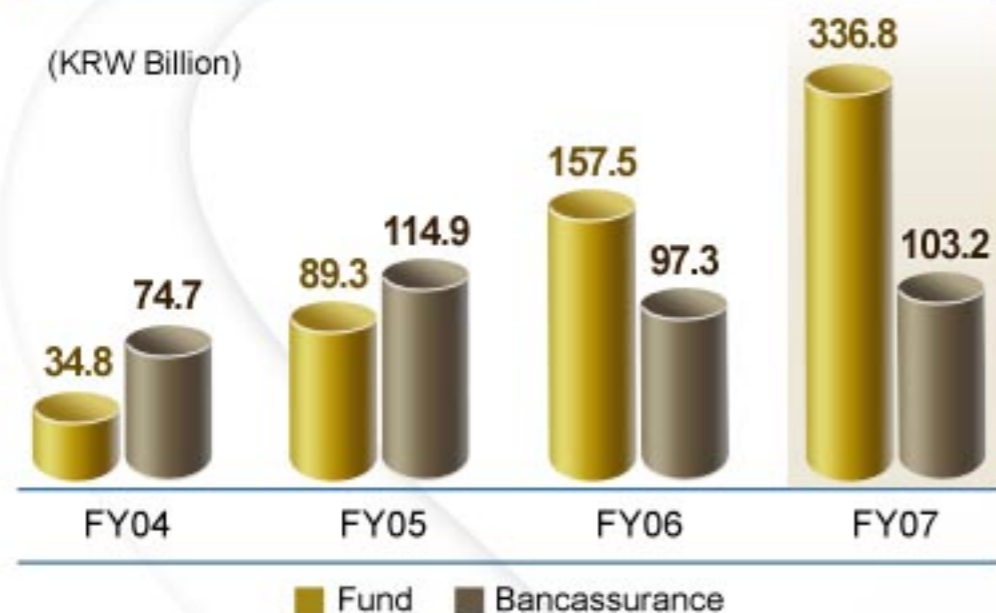
(KRW Billion)	FY07	FY06	%	4Q07	3Q07	%
Total Operating Income (a=b+c)	5,940.1	4,982.4	19.2	1,386.7	1,215.4	14.1
Interest Income (b)	3,718.9	3,405.7	9.2	1,001.4	913.8	9.6
Non-Interest Income (c)	2,221.2	1,576.7	40.9	385.3	301.6	27.8
SG&A Expenses (d)	2,392.7	2,305.6	3.8	738.5	579.5	27.4
Operating Income (e=a-d)	3,547.4	2,676.8	32.5	648.2	635.8	1.9
Non-Operating Income (f)	-91.3	55.4	n.a.	13.0	-124.0	n.a.
Pre-Provision Income (g=e+f)	3,456.1	2,732.3	26.5	661.2	511.8	29.2
Loan Loss Provision (h)	587.9	448.2	31.2	378.8	37.5	909.0
Earnings before Income Tax (i=g-h)	2,868.1	2,284.1	25.6	282.4	474.3	-40.5
Net Income	2,051.3	1,626.1	26.2	197.4	316.1	-37.6

Note) 2006 figures are Pro Forma based
(Chohung Bank merger and Chohung Bank's credit card business spin-off reflected)

	4Q06	1Q07	2Q07	3Q07	4Q07
NIS (a-b)	2.99	2.75	2.72	2.66	2.76
Loan Interest Rate (a)	6.59	6.43	6.52	6.58	6.83
Deposit Interest Rate (b)	3.60	3.68	3.79	3.92	4.07
NIM	2.36	2.28	2.27	2.21	2.30
Interest Income	753	734	770	792	847
Interest Bearing Assets (KRW Bil.)	126,819	130,749	136,326	142,129	146,026

Note) Quarterly basis (One-offs excluded)

Fund/Bancassurance related Fees & Commissions



Cost Income Ratio



(unit : %)	FY05	FY06	2007			
			1Q	2Q	3Q	4Q
SFG	48.4	49.7	37.6	39.9	43.9	46.6
SFG2 ^{Note)}	46.5	47.2	35.1	36.3	39.6	42.2
SHB	44.2	46.3	32.9	32.1	36.3	40.2

Note) Excluding goodwill amortization for 97.4 bil., 148.4 bil., 375.9 bil., for FY05, FY06, FY07

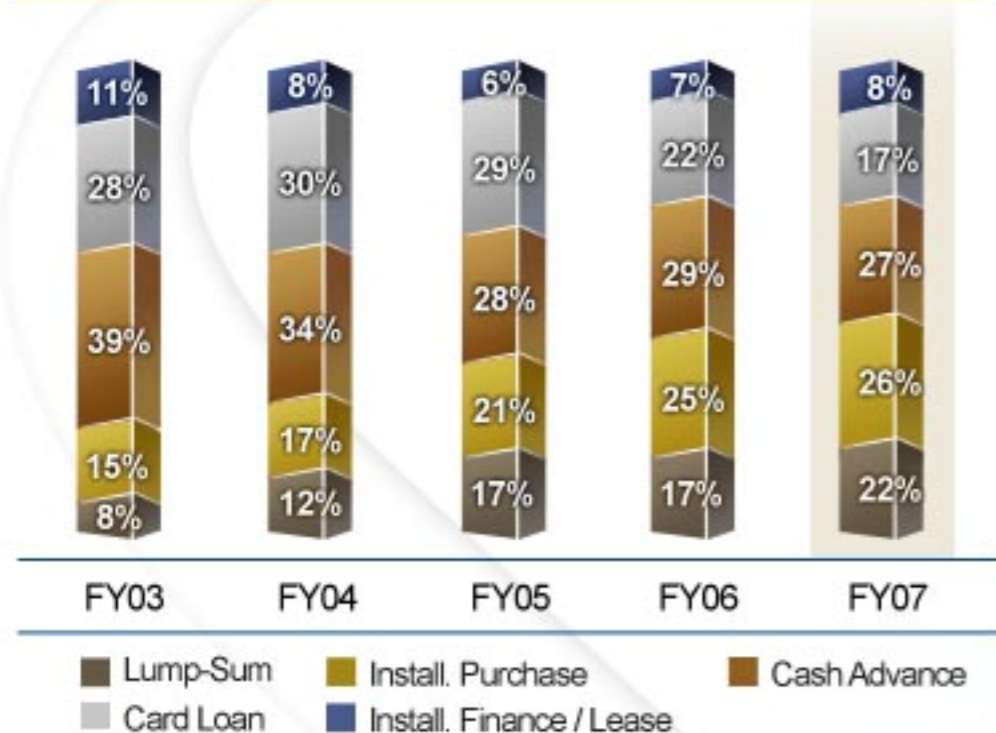
(KRW Billion)	FY07	FY06	%	4Q07	3Q07	%
Non-Interest Income	2,221.2	1,576.7	40.9	385.3	301.6	27.8
Fees & Commissions	953.3	742.5	28.4	291.7	219.9	32.7
(Fund)	336.8	157.5	113.8	120.7	85.5	41.2
(Bancassurance)	103.2	97.3	6.1	28.1	27.8	1.1
Trust Fees	48.0	44.6	7.6	11.9	12.2	-2.4
Securities related	1,237.0	709.3	74.4	70.5	66.0	6.8
Others	-17.1	80.3	n.a.	11.1	3.5	220.6

Note) 2006 figures are Pro Forma based

(KRW Billion)	FY07	FY06	%	4Q07	3Q07	%
SG&A Expenses	2,392.7	2,305.6	3.8	738.5	579.5	27.5
Labor Costs	1,092.3	1,038.8	5.2	306.4	249.6	22.8
Admin Expenses	924.6	1,015.3	-8.9	327.5	214.2	52.9
D&A Costs	252.0	180.7	39.5	71.1	66.4	7.1
Taxes & Dues	123.8	70.8	74.8	33.5	49.3	-32.2

Note) 2006 figures are Pro Forma based

Operating Revenue Breakdown



Recovery from Written-Off Assets



Note) 436 bil. for FY06(LG Card 369 bil.), 457.5 bil. for FY07 (LG Card 371.3 bil.)

(KRW Billion)	FY07	FY06	%	4Q07	3Q07	%
Operating Revenue (a)	3,906.4	3,726.9	4.8	1,059.5	972.6	8.9
Credit Card	3,313.2	3,230.6	2.6	869.4	815.6	6.6
Installment Finance	140.2	109.1	28.6	39.6	34.6	14.3
Loans	18.4	44.6	-58.8	-3.7	6.1	-161.2
Lease	89.2	78.0	14.4	24.3	21.8	11.6
Others	345.3	264.7	30.5	130.0	94.6	37.4
Interest Expense (b)	618.3	609.2	1.5	178.8	154.8	15.5
SG&A Expenses/ Others (c)	1,858.6	1,554.8	19.5	474.2	521.1	-9.0
Operating Income (d=a-b-c)	1,429.5	1,563.0	-8.5	406.5	296.7	37.0
Non-Operating Income (e)	146.6	-30.3	n.a.	135.9	2.4	n.a.
Pre-Provision Income (f=d+e)	1,576.1	1,532.7	2.8	542.5	299.1	81.4
Loan Loss Provision (g)	285.5	157.3	81.5	416.4	-9.3	n.a.
Earnings before Income Tax (h=f-g)	1,290.6	1,375.4	-6.2	126.0	308.4	-59.1
Income Tax	-361.8	-50.4	n.a.	33.3	60.5	-44.9
Net Income	1,652.4	1,425.8	15.9	92.7	247.8	-62.6

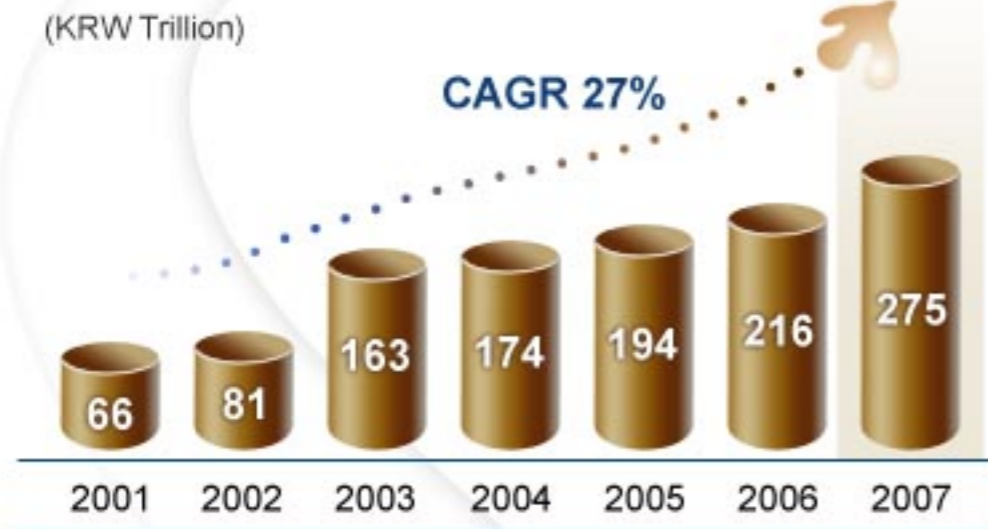
Note) Pro Forma based (Shinhan Card + LG Card)



II Balance Sheet Highlights

1. SFG Asset Growth
2. SHB Loan / Deposit Growth
3. Shinhan Card Asset Growth

SFG Total Assets



M&A



(KRW Billion)	2007	2006	YTD%	2005
Bank	211,100	179,489	17.6	165,358
Shinhan Bank	208,315	177,008	17.7	163,289
Jeju Bank	2,785	2,482	12.2	2,069
Non-Bank	59,340	35,412	67.6	27,085
Shinhan Card	16,881	3,558	374.4	1,532
GMSH Securities	6,686	4,127	62.0	3,883
Shinhan Life Insurance	7,411	6,226	19.0	5,129
Shinhan Captial	2,963	1,948	52.1	1,401
Shinhan BNPP ITMC	15,052	8,511	76.9	7,353
SH Asset Mgmt.	10,347	11,041	-6.3	7,788
Total Asset^{Note)}	274,834	216,362	27.0	193,739

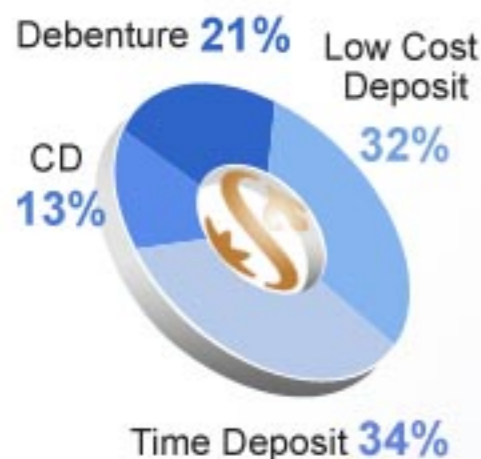
Note) Including Trust A/C and AUM (Shinhan BNPP ITMC + SH Asset Mgmt.)

SHB Loan / Deposit Growth

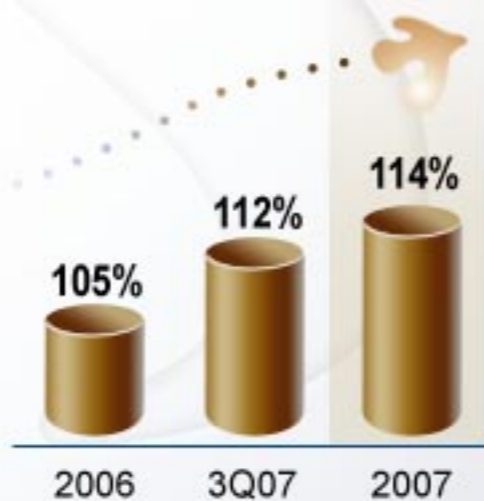
Loan Growth in KRW



Funding Composition



Loan-to-Deposit Ratio

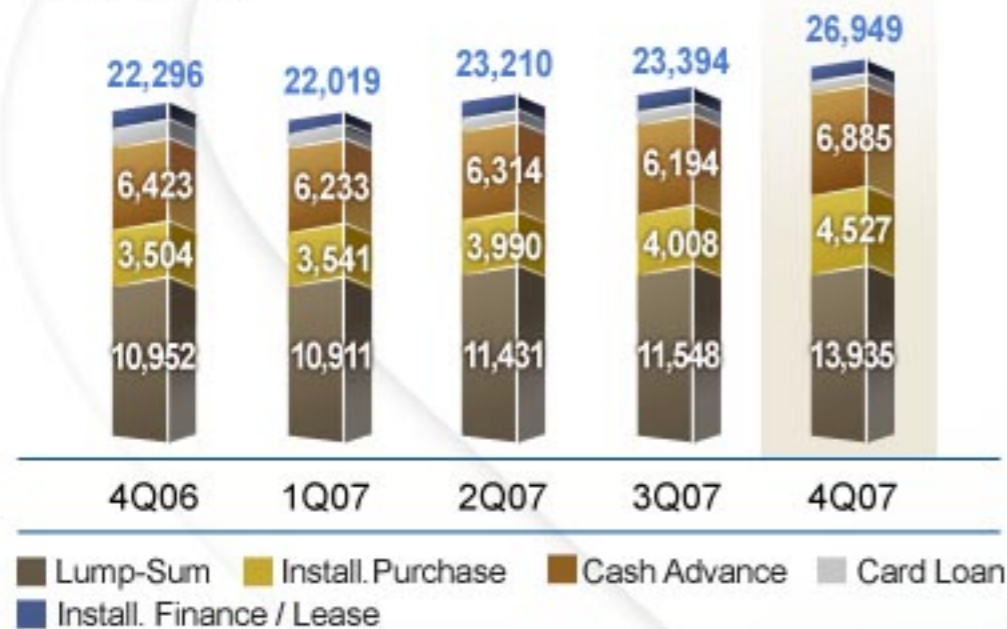


(KRW Billion)	2007	2006	YTD%	3Q07	QoQ%
Loans in KRW	105,995	89,592	18.3	101,829	4.1
Retail	52,257	47,943	9.0	50,543	3.4
Mortgage	31,744	30,452	4.2	30,659	3.5
Others	20,513	17,491	17.3	19,884	3.2
Corporate	53,737	41,649	29.0	51,286	4.8
SME	46,093	34,866	32.3	44,262	4.1
SOHO	17,109	13,023	31.4	16,411	4.3
Large Corp etc.	7,644	6,784	12.7	7,024	8.8

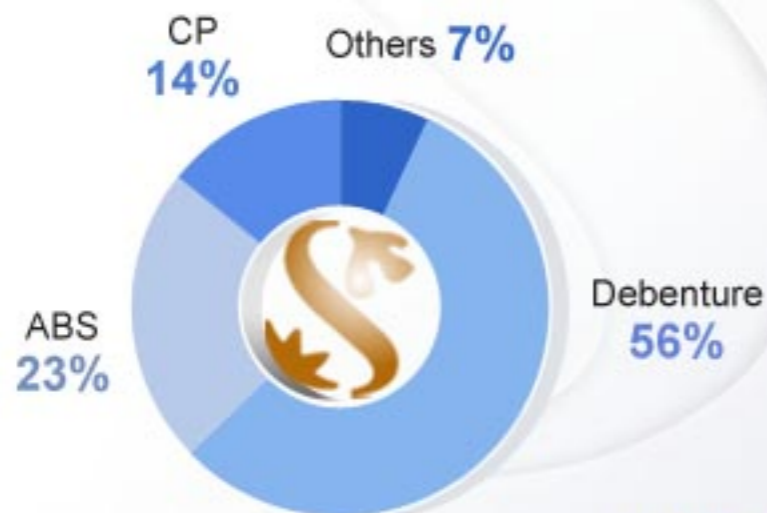
(KRW Billion)	2007	2006	YTD%	3Q07	QoQ%
Total Deposits in KRW	92,907	85,562	8.6	91,209	1.9
Low Cost Deposits	37,993	37,290	1.9	36,246	4.8
Demands	12,406	12,481	-0.6	12,389	0.1
Savings	25,586	24,809	3.1	23,858	7.2
Other Savings	39,747	35,305	12.6	38,566	3.1
Time Deposits	34,293	28,394	20.8	32,384	5.9
Accumulative /Others	5,453	6,911	-21.0	6,182	-11.8
Certificate of Deposit	15,168	12,967	17.0	16,396	-7.5
Debentures in KRW	25,122	21,704	15.8	24,857	1.1

Transaction Volume

(KRW Billion)



Funding Composition



(As of Dec 2007)

(KRW Billion)	2007	2006	YTD%	3Q07	QoQ%
Assets (Managed Basis)	17,273	15,829	9.1	16,385	5.4
Receivables	8,093	7,160	13.0	7,571	6.9
(Purchase Card)	441	569	-22.5	645	-31.6
Cash Advances	3,727	3,670	1.6	3,519	5.9
Card Loans	3,432	3,458	-0.8	3,418	0.4
(Re-Aged Loans)	717	1,150	-37.7	783	-8.5
Installment Finance	1,219	965	26.4	1,147	6.3
Lease	802	576	39.3	731	9.7
Active Customers (thousands)	13,346	12,992	2.7	13,267	0.6
Merchants (thousands)	2,154	2,011	7.1	2,120	1.6

Note) Pro Forma based : LG Card + Shinhan Card

(KRW Billion)	2007	2006	YTD%	3Q07	QoQ%
Total Funding	12,347	10,898	13.3	11,529	7.1
Debiture	6,967	6,235	11.7	6,543	6.5
ABS	2,799	3,129	-10.5	2,719	2.9
CP	1,762	596	195.6	1,598	10.3
Others	819	938	-12.7	669	22.4

Note) Pro Forma based : LG Card + Shinhan Card



III Asset Quality

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

NPL Ratio



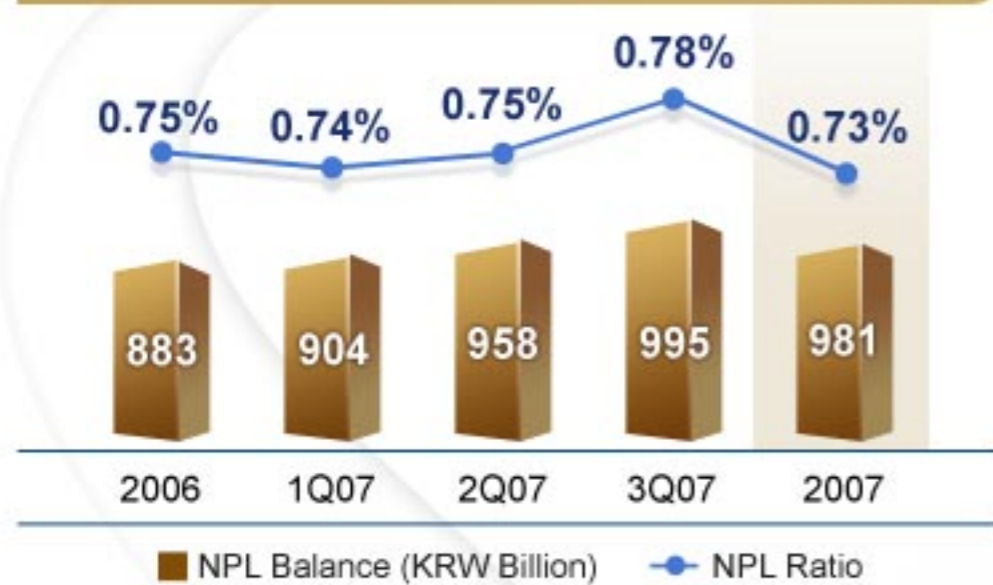
NPL Coverage



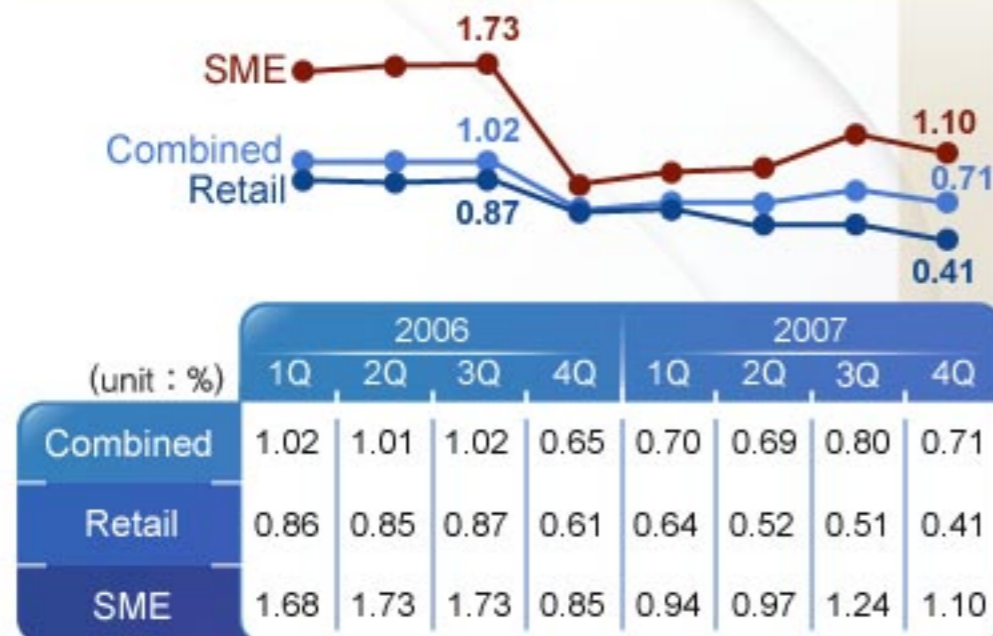
(KRW Billion)	2007	2006	YTD% (%p)	3Q07	QoQ% (%p)
Total Loans	159,486	127,095	25.5	152,308	4.7
Normal	156,109	124,424	25.5	148,772	4.9
Precautionary	1,786	1,593	12.2	1,920	-7.0
Substandard	518	492	5.2	592	-12.5
Doubtful	241	200	20.3	209	15.3
Estimated Loss	831	386	115.3	815	2.0
Substandard & Below	1,590	1,079	47.4	1,615	-1.6
NPL Ratio	1.00%	0.85%	0.15	1.06%	-0.06
Loan Loss Reserves	3,050	1,942	57.1	2,872	6.2
NPL Coverage Ratio	192%	180%	12.0	178%	14.0

Note) Sum of assets of Shinhan/Jeju Bank, Shinhan Card, GMSH Securities, Shinhan Life Insurance and Shinhan Capital

NPL Ratio

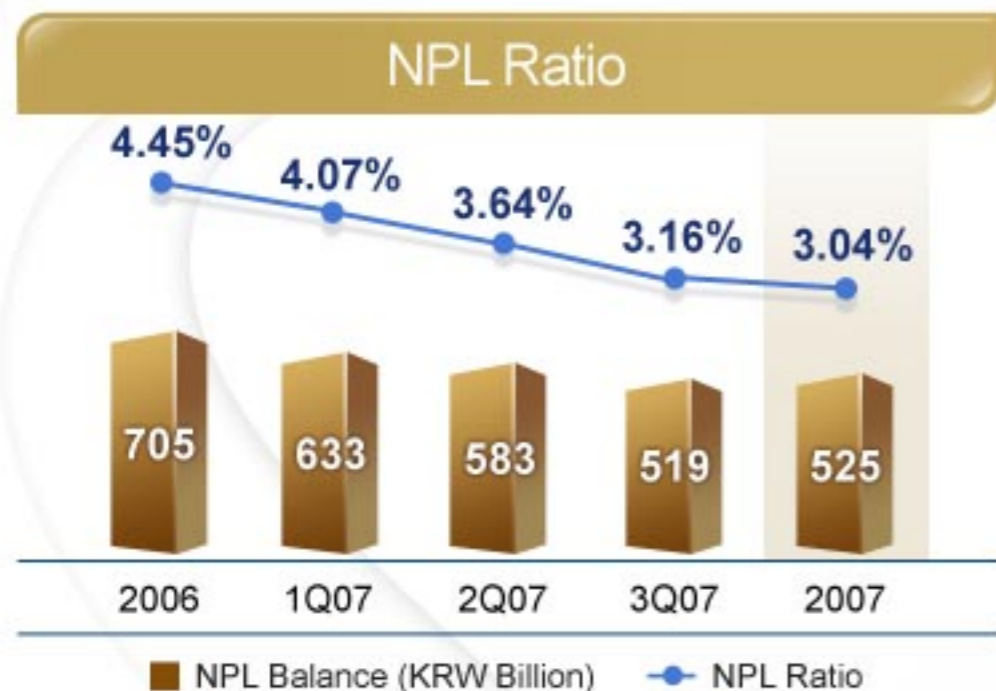


Delinquency Ratio (1M overdue)



(KRW Billion)	2007	2006	YTD% (%p)	3Q07	QoQ% (%p)
Total Loans	134,241	117,552	14.2	128,184	4.7
Normal	132,180	115,253	14.7	125,993	4.9
Precautionary	1,081	1,416	-23.7	1,197	-9.7
Substandard	503	471	6.7	569	-11.7
Doubtful	124	126	-1.6	88	41.9
Estimated Loss	354	285	24.0	338	4.6
Substandard & Below	981	883	11.1	995	-1.4
NPL Ratio	0.73%	0.75%	-0.02	0.78%	-0.05
Loan Loss Reserves	1,869	1,626	14.9	1,689	10.7
NPL Coverage Ratio	191%	184%	6.4	170%	21.0

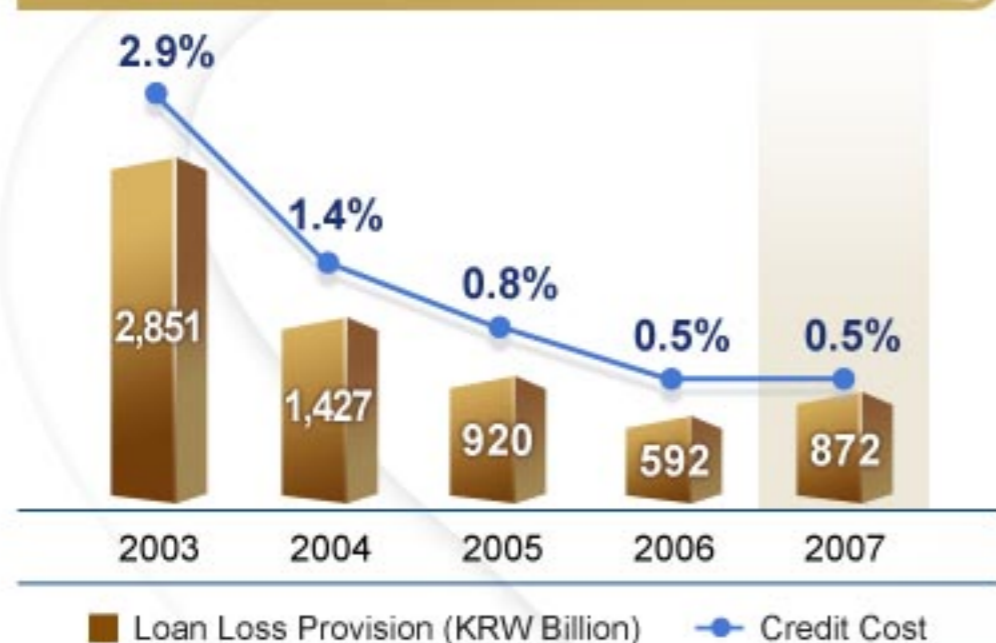
Shinhan Card Asset Quality



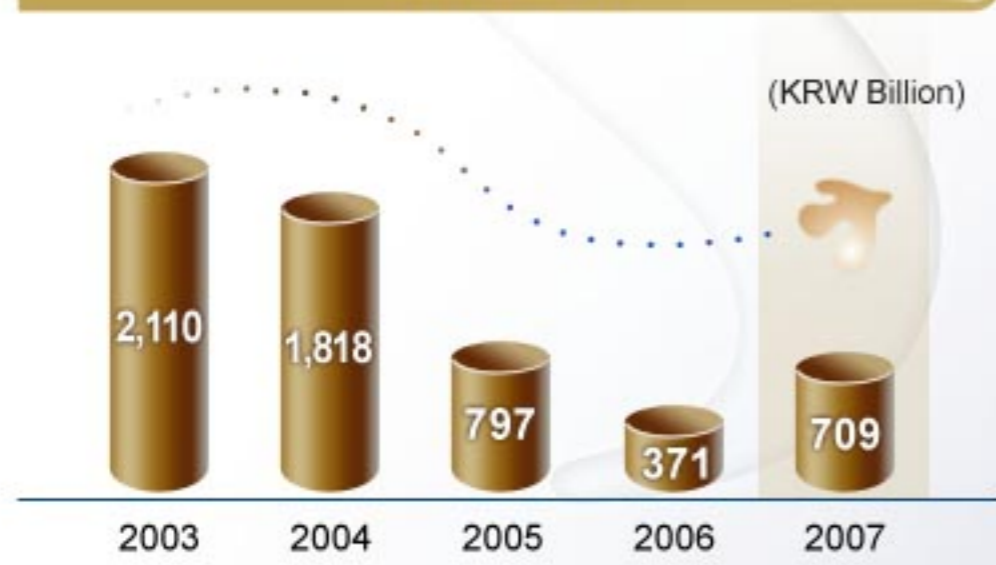
(KRW Billion)	2007	2006	YTD% (%p)	3Q07	QoQ% (%p)
Total Loans	17,273	15,829	9.1	16,385	5.4
Normal	16,125	14,905	8.2	15,217	6.0
Precautionary	623	219	184.1	650	-4.1
Substandard	-	-	-	-	-
Doubtful	106	160	-34.0	107	-0.9
Estimated Loss	420	544	-22.9	411	2.1
Substandard & Below	525	705	-25.4	519	1.3
NPL Ratio	3.04%	4.45%	-1.4	3.16%	-0.1
Loan Loss Reserves	1,052	1,316	-20.1	1,047	0.5
NPL Coverage Ratio	200%	187%	13.0	202%	-1.7

Note) Pro Forma based (Shinhan Card + LG Card)

Loan Loss Provision



Write-Off



(KRW Billion)	2005	2006	2007	1Q	2Q	3Q	4Q
Shinhan Bank	671	475	586	52	119	36	379
Retail	275	265	151	53	15	-	83
Corporate	396	210	435	-1	104	36	296
Shinhan Card ^{Note)}	249	117	286	-87	-35	-9	416
Total	920	592	872	-35	84	27	795

Note) 2005, 2006 figures are based on pre-merged Shinhan Card (LG Card excluded)

(KRW Billion)	2005	2006	2007	1Q	2Q	3Q	4Q
Shinhan Bank	444	164	186	56	49	47	34
Retail	247	82	115	19	41	30	26
Corporate	197	82	72	37	8	17	9
Shinhan Card ^{Note)}	353	207	523	147	138	147	91
Total	797	371	709	203	188	194	125

Note) 2005, 2006 figures are based on pre-merged Shinhan Card (LG Card excluded)



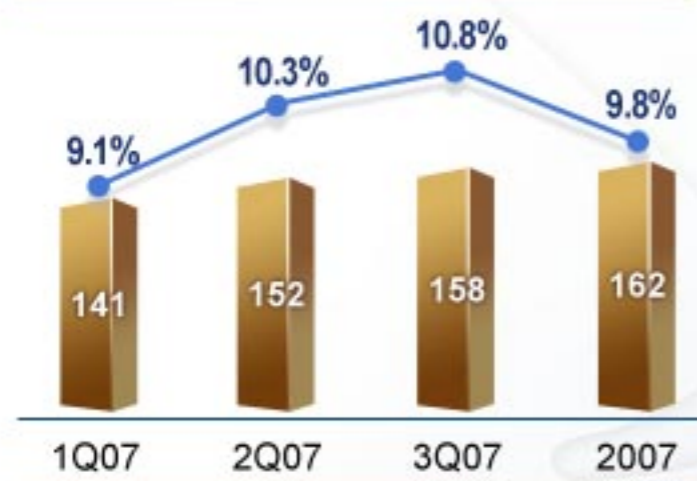
IV Capital Adequacy Highlights

1. Capital Adequacy

SFG BIS Ratio				
(KRW Billion)	2Q07	3Q07	2007(E)	QoQ% (%p)
Risk-Weighted Assets	152,455	157,661	162,162	2.9
Capital	15,754	17,097	15,948	-6.7
Tier I	8,288	8,964	8,406	-6.2
Tier II	7,466	8,133	7,542	-7.3
BIS Ratio	10.3%	10.8%	9.8%	-1.0
Tier I	5.4%	5.7%	5.2%	-0.5
Tier II	4.9%	5.1%	4.6%	-0.5

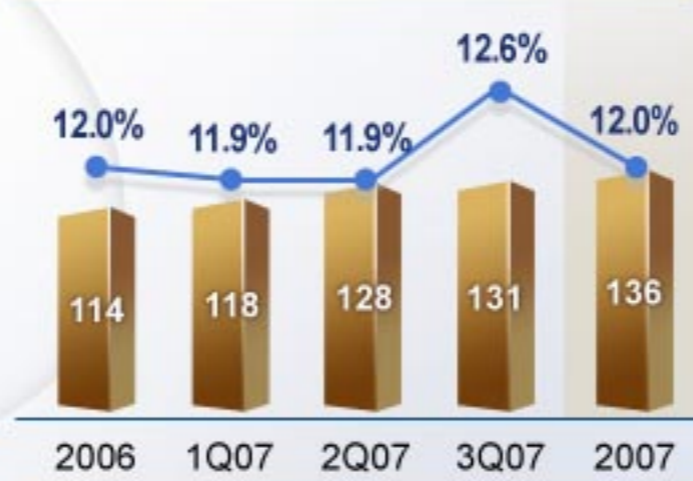
SHB BIS Ratio				
(KRW Billion)	2Q07	3Q07	2007(E)	QoQ% (%p)
Risk-Weighted Assets	127,722	130,962	135,997	3.8
Capital	15,254	16,499	16,375	-0.8
Tier I	10,354	10,603	10,347	-2.4
Tier II	4,900	5,896	6,028	2.2
BIS Ratio	11.9%	12.6%	12.0%	-0.6
Tier I	8.1%	8.1%	7.6%	-0.5
Tier II	3.8%	4.5%	4.4%	-0.1

SFG BIS Ratio



■ Risk-Weighted Assets (KRW Trillion) ● BIS Ratio

SHB BIS Ratio



■ Risk-Weighted Assets (KRW Trillion) ● BIS Ratio

Shinhan Card Capital Adequacy Ratio



■ LG Card ■ Shinhan Card ■ Shinhan Card(New)



V Appendix

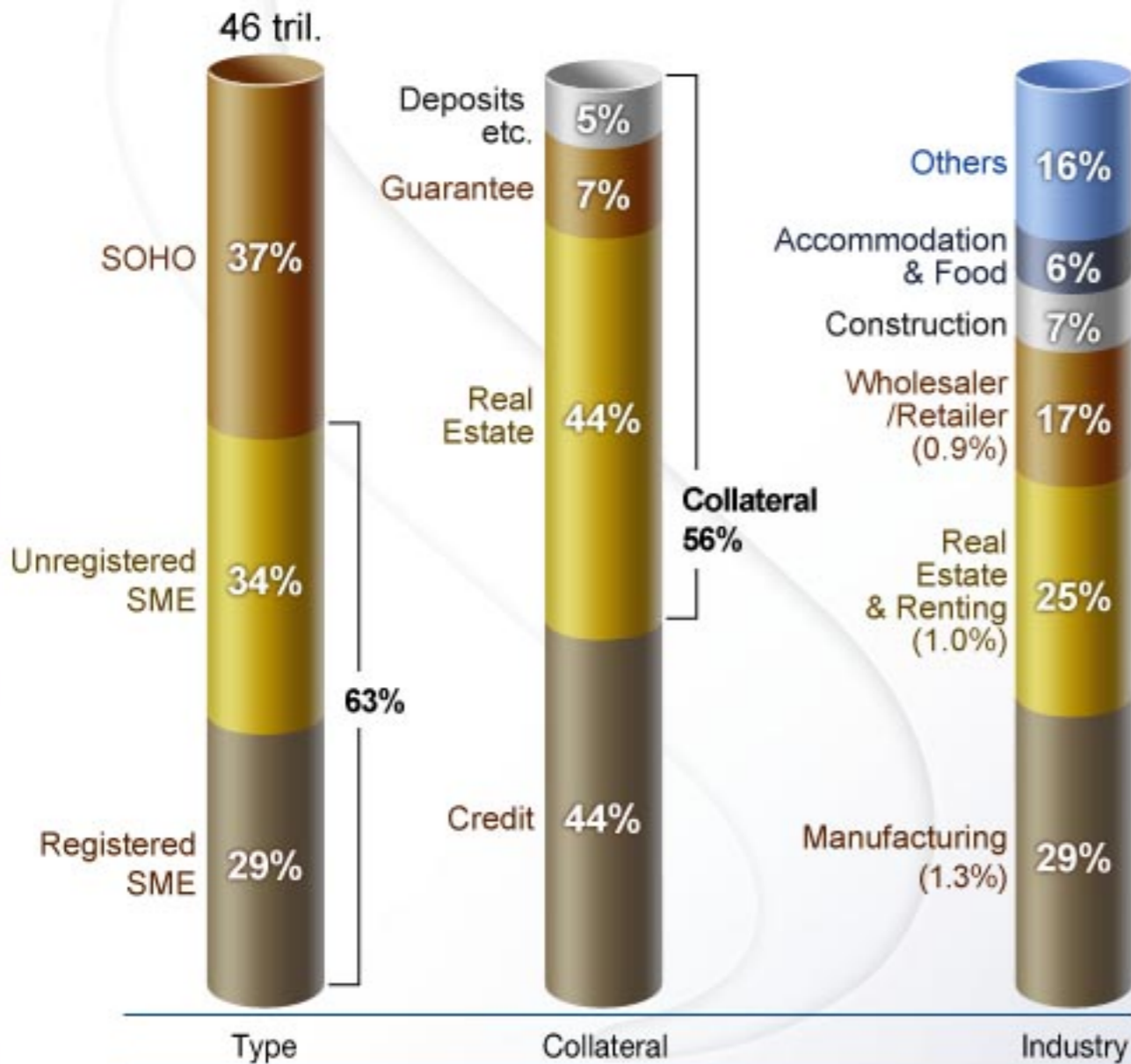
1. SHB Investment Securities
2. SHB SME Loans

1. SHB Investment Securities

(As of Dec 2007)	Number of Shares (thousands)	Ownership (%)	Acquisition Cost per Share (KRW)	Book Value per Share (KRW)	Valuation Gain (KRW Billion)
Hynix	27,979	6.10	3,984	24,725	580.3
SK Networks	22,615	9.45	5,016	21,012	361.7
Hyundai Eng. & Con.	4,534	4.09	32,293	69,817	170.1
Ssangyong Cement	10,000	13.39	10,661	12,556	19.0
Total					1,131.1

2. SHB SME Loans (As of Dec 2007)

SME Loans



Note) Parenthesis show delinquency

SME Loan Growth during FY2007

(KRW Trillion)	Net Increase Amt	Delinquency Ratio
Registered SME	3.1	1.19%
Unregistered SME	4.0	1.11%
SOHO	4.1	1.04%
Total	11.2	1.10%

SOHO Collateral

