

Your Total Financial Solution : Shinhan Financial Group
2008 1H Business Results

July 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 provided figures in this presentation.

For comparison purposes, please note the following facts:

- 1) As of October 1, 2007, LG Card merged with Shinhan Card and the new integrated Shinhan Card was launched. Please note that figures for the pre-merger have been provided in an integrated (pro-forma) basis for comparison purposes.
- 2) As of FY 2008, according to the changes in accounting treatment of Joint Venture companies, consolidation methods in lieu of equity methods were applied in accounting our JVs such as Shinhan BNPP ITMC, SH&C Life and Shinhan Macquarie Financial Advisory.

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



Contents

- I 2008 1H Business Results Highlights
- II Income Statement Highlights
- III Balance Sheet Highlights
- IV Asset Quality Highlights
- V Capital Adequacy Highlights
- VI Appendix



I . 2008 1H Business Results Highlights (1)

SHINHAN FINANCIAL GROUP

Net Income
KRW 1.41 tril.
(2Q KRW 791.2 bil.)

- 2Q08 Group's consolidated marked KRW 791.2 bil., a 27.6% QoQ and 15.3% YoY increase.
- Group's consolidated net income for 1H08 amounted to KRW 1.41 tril. Excluding extraordinary one-off gains of approximately KRW 490 bil., mostly from the sale of LG Card securities which accounts for KRW 336.9 bil., our normalized earning is on the increase.
- Despite NIM deterioration driven by increased funding cost and rising concerns over asset quality due to the downturn of the economy, SFG was able to generate a solid underlying growth in recurring income by managing its SG&A expense and credit cost more efficiently.
- Non-bank subsidiaries such as Shinhan Card, GMSH Securities, Shinhan Life Insurance and Shinhan Capital(Lease) have also made substantial contributions to the group's net income increase.

**Shinhan Bank
+ Shinhan Card**
NIM 3.57%

- Shinhan Bank's accumulated NIM, combined with Shinhan Card, is 3.57%.
Shinhan Bank's 2Q NIM excluding Shinhan Card decreased by -15bps QoQ.
- Notwithstanding a controlled asset growth, negative duration gap in a CD rate declining environment and funding cost increase incurred by proactive funding in the 2Q08 with LT debentures have resulted SHB's margin to decline.

**Non-bank subsidiaries
generated strong
earnings**
/ NI contribution 49%

- 1H08 Non-bank net income totals KRW 835.0 bil. after reflecting ownership, a 48.5 bil increase YoY. Noteworthy results by our major players are as follow: GMSH Securities KRW 111.7 bil., a 46% YoY increase from 76.4 bil., Shinhan Life Insurance KRW 77.8 bil., a 19% YoY increase from 65.4 bil., Shinhan Capital KRW 40.8 bil., a 84% YoY increase from 22.2 bil.
- 1H08 Non-bank contribution to SFG's total net income reached 49%. (43% excluding 1Q08 Visa IPO gains)

I. 2008 1H Business Results Highlights (2)

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Group Total Assets
KRW 304 tril.

- Total Assets is at KRW 304 tril. as of June 08, a 9.9% increase YTD. (Bank 10.0%, Non-Bank 11.2%)
- Shinhan Bank's 1H08 loan balance in KRW increased by 8.7% YoY. (1Q08 3.8%, 2Q08 4.9%)
- Retail loans increased by 3.8% YoY. (1Q08 1.7%, 2Q08 2.1%), a stable figure compared with the flat growth in 1H07. SME loans increased by 10.9% YoY (1Q08 4.3%, 2Q08 6.6%), a moderate increase compared with 21.7% in 1H07.
- Notably, loans extended to large corporate have increased 28.8%, compared with last year end, in response to meet their working capital needs and to finance M&A deals.

Group NPL ratio
0.98%
SHB Delinquency
ratio 0.67%

- Group's NPL ratio holds at 0.98%, a -8bp QoQ decrease (SHB 0.78%, Shinhan Card 2.76%), maintaining a stable level.
- Delinquency ratio for SHB is 0.67%, a -7bp QoQ decrease. Moreover, delinquency ratio prior to write off and NPL sales exhibited only a 5bp QoQ increase. Retail delinquency ratio as of 1H08 fell to 0.36%, which is a record low, and SME loans delinquency ratio has improved by 14bp QoQ, standing at 1.05%.
- In particular for SME loans, delinquency ratio for constructions and real estate / renting sector decreased significantly by -22bp to 2.06% and -30bp to 0.82% QoQ respectively. In addition, SOHO delinquency ratio also decreased by -22bp QoQ to 0.83%, reflecting the overall improvement relative to the prior quarter.

II Income Statement

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



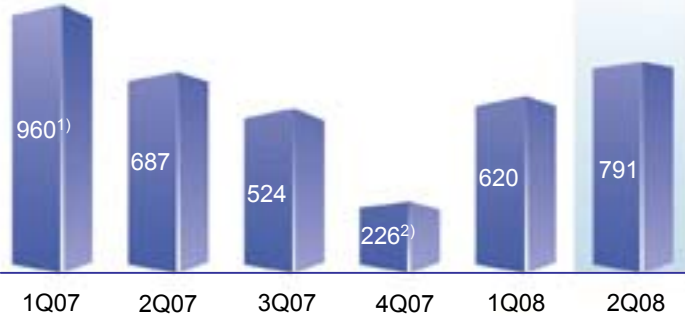


SFG Income

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SFG Net Income

(KRW Billion)

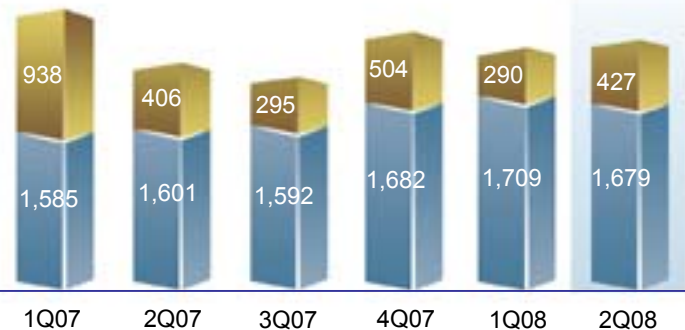


Note1) Including LG Card related income of 337 bil.(after-tax)

Note2) Including Shinhan Card unused credit limit provision 287 bil.,(after-tax) and Shinhan Bank corporate loan additional provision 137 bil. (after-tax)

Interest + Non-Interest Income

(KRW Billion)



■ Interest Income ■ Non-Interest Income

(KRW Billion)	1H08	1H07	YoY%	2Q08	1Q08	QoQ%
Total Operating Income (a=b+c)	4,104.5	4,529.9	-9.4	2,105.5	1,999.0	5.3
Interest Income (b)	3,387.4	3,185.4	6.3	1,678.9	1,708.5	-1.7
Non-Interest Income (c)	717.1	1,344.5	-46.7	426.6	290.5	46.8
SG&A (d)	1,905.3	1,813.0	5.1	865.1	1,040.2	-16.8
Pre-provision Operating Income (e=a-d)	2,199.2	2,716.9	-19.1	1,240.4	958.8	29.4
Non-Operating Income (f)	8.4	43.0	-80.4	-38.1	46.5	n.a.
Pre-Provision Income (g=e+f)	2,207.6	2,759.9	-20.0	1,202.3	1,005.3	19.6
Loan Loss Provision (h)	194.2	86.8	123.8	91.4	102.8	-11.1
Earnings before Income Tax (i=g-h)	2,013.4	2,673.1	-24.7	1,110.9	902.5	23.1
Income Tax (j)	599.7	123.3	n.a.	319.6	280.1	14.1
Net Income of Subsidiaries before Purchase Date(k)	-	843.4	n.a.	-	-	-
Total Net income(l=i-j-k)	1,413.7	1,706.4	-17.1	791.3	622.4	27.1
Consolidated Net Income	1,411.6	1,646.4	-14.3	791.2	620.4	27.6

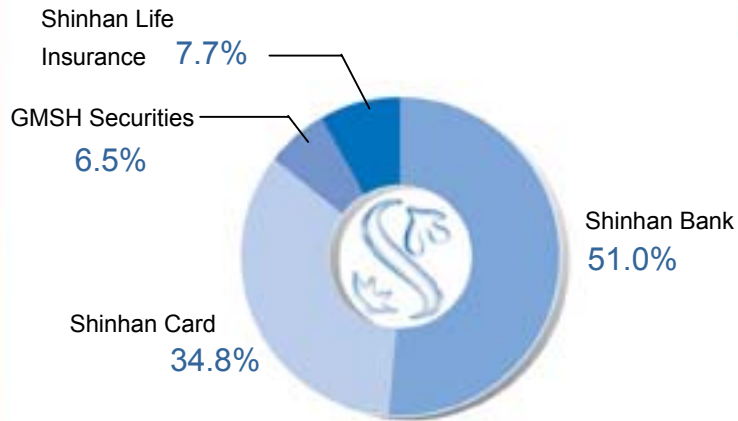
Note) For comparison purpose, 1H07 and 1Q08 figures have been revised according to the changes in accounting treatment of JVs



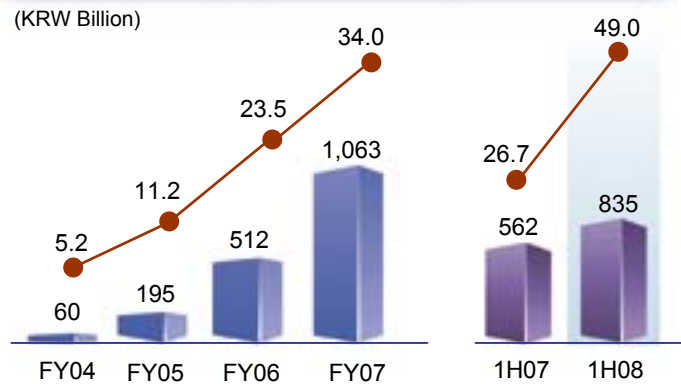
Subsidiaries Income (1)

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Net Income Contribution by Subsidiaries



Net Income contribution by Non-Bank Subsidiaries



● NI Contribution percentage(%) ■ Non-Bank total net income

Note) After reflecting ownership by SFG

(KRW Billion)	Net Income	Ownership	Net Income (1xOwnership)	Adjustments	Net Income (Consolidated)
	[1]	[2]	[3=1 x 2]	[4]	[5=3+4]
Bank (a)	884.9		881.4	-27.7	853.7
Shinhan Bank	875.7	100.0%	875.7	-28.1 ¹⁾	847.6
Jeju Bank	9.2	62.4%	5.7	0.4 ¹⁾	6.1
Non-Bank (b)	841.6		835.0	-191.1	643.9
Shinhan Card	597.3 ²⁾	100.0%	597.3	-145.3 ¹⁾	452.0
GMSH Securities	111.7	100.0%	111.7	-10.8 ¹⁾	100.9
Shinhan Life Insurance	77.8	100.0%	77.8	-33.8 ¹⁾	44.0
Shinhan Capital	40.8	100.0%	40.8	1.2	42.0
Shinhan Credit Information	1.1	100.0%	1.1		1.1
Shinhan Private Equity	-0.5	100.0%	-0.5		-0.5
Shinhan BNPP ITMC	16.5	50.0%	8.3		8.3
SH&C	3.3	50.0%	1.6	-2.4	-0.8
Shinhan Macquarie Financial Advisory	-6.4	51.0%	-3.1		-3.1
SFG (c)				-86.0 ³⁾	-86.0
Total (d=a+b+c)	1,726.5		1,716.4	-304.8	1,411.6

Note1) Goodwill amortization : SHB 30.6 bil., Shinhan Card 154.2 bil., GMSH Securities 8.5 bil., Shinhan Life 20.9 bil. etc

2) Includes 18.3 bil. earnings from SHC Management, a liquidating entity of former Shinhan Card

3) SFG Expense (non-consolidated): brand fee 67.8 bil., interest expense 128.4 bil., SG&A 25.7bil., etc.

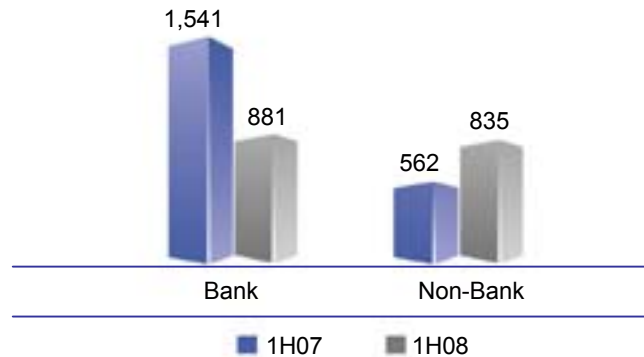


Subsidiaries Income (2)

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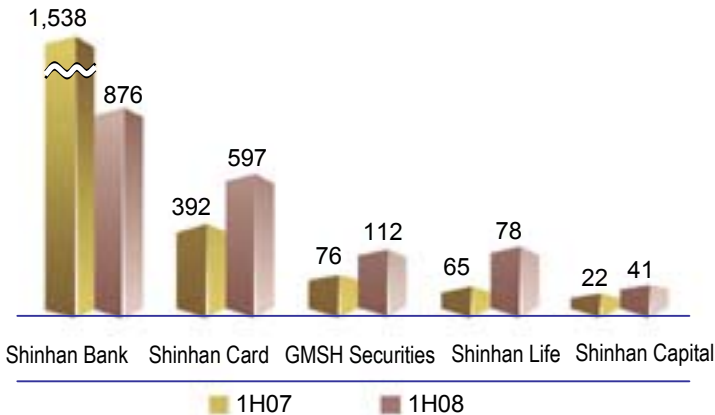
Net Income YoY Comparison

(KRW Billion)



Net Income YoY Comparison by Subsidiaries

(KRW Billion)



(KRW Billion)	1H08	1H07	YoY%	2Q08	1Q08	QoQ%
Bank (a) ¹⁾	881.4	1,540.7	-42.8	497.6	383.8	29.7
Shinhan Bank	875.7	1,537.8	-43.1	493.9	381.8	29.4
Jeju Bank	5.7	2.9	97.4	3.7	2.0	93.0
Non-Bank (b) ¹⁾	835.0	562.3	48.5	390.3	444.7	-12.3
Shinhan Card	597.3	391.9	52.4	262.7	334.6	-21.5
GMSH Securities	111.7	76.4	46.2	55.4	56.3	-1.6
Shinhan Life Insurance	77.8	65.4	19.0	43.5	34.3	26.8
Shinhan Capital	40.8	22.2	83.8	24.3	16.5	47.3
Shinhan Credit Information	1.1	0.9	22.2	0.7	0.4	75.0
Shinhan Private Equity	-0.5	-2.9	n.a	-0.5	0.0	n.a
Shinhan BNPP ITMC	8.3	3.6	126.0	4.3	4.0	8.9
SH&C	1.6	4.1	-61.7	1.1	0.5	58.3
Shinhan Macquarie Financial Advisory	-3.1	0.7	n.a	-1.2	-1.9	n.a
Total (a+b) ¹⁾	1,716.4	2,103.0	-18.4	887.9	828.5	7.2
Consolidated Net Income	1,411.6	1,646.4	-14.3	791.2	620.4	27.6

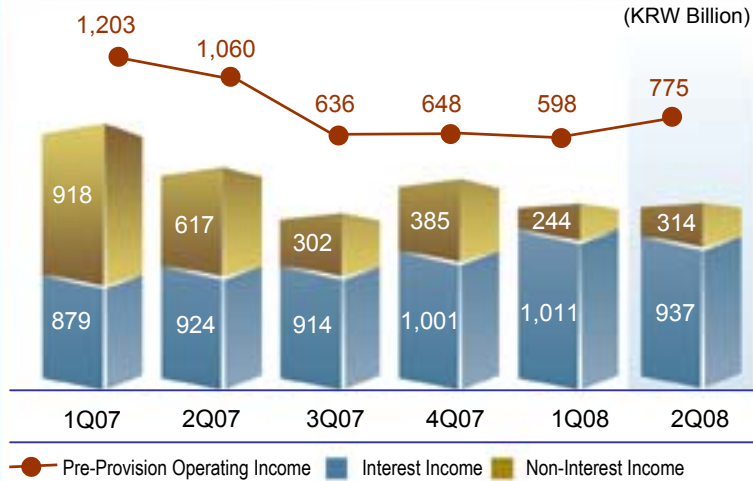
Note1) After reflecting ownership



SHB Income / NIM

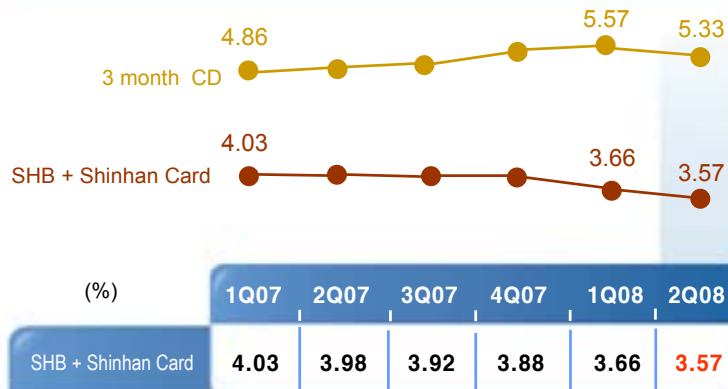
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Interest + Non-Interest



(KRW Billion)	1H08	1H07	YoY%	2Q08	1Q08	QoQ%
Total Operating Income (a=b+c)	2,507.0	3,338.0	-24.9	1,251.1	1,255.9	-0.4
Interest Income (b)	1,948.6	1,803.6	8.0	937.1	1,011.5	-7.4
Non-interest Income (c)	558.4	1,534.4	-63.6	314.0	244.4	28.5
SG&A (d)	1,133.9	1,074.7	5.5	476.4	657.5	-27.5
Pre-provision Operating Income (e=a-d)	1,373.1	2,263.3	-39.3	774.7	598.4	29.5
Non-Operating Income (f)	-63.3	31.2	-303.1	-47.2	-16.1	193.6
Pre-Provision Income (g=e+f)	1,309.8	2,294.5	-42.9	727.5	582.3	24.9
Loan Loss Provision (h)	136.9	171.6	-20.2	82.8	54.1	53.1
Earnings before Income Tax (i=g-h)	1,172.9	2,122.9	-44.7	644.7	528.2	22.1
Net Income	875.7	1,537.8	-43.1	493.9	381.8	29.4

NIM



(KRW Billion)	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08
NIS (a-b)	2.75	2.72	2.66	2.76	2.65	2.49
Loan Interest Rate (a)	6.43	6.51	6.58	6.83	7.02	6.91
Deposit Interest Rate (b)	3.68	3.79	3.92	4.07	4.37	4.42
SHB NIM (Quarterly basis)	2.28	2.27	2.21	2.30	2.18	2.03
SHB NIM (Cumulative basis)	2.28	2.27	2.25	2.26	2.18	2.10

Note) Shinhan Bank stand alone figures, excluding Shinhan Card and one-offs

Note) Cumulative basis with one-offs excluded

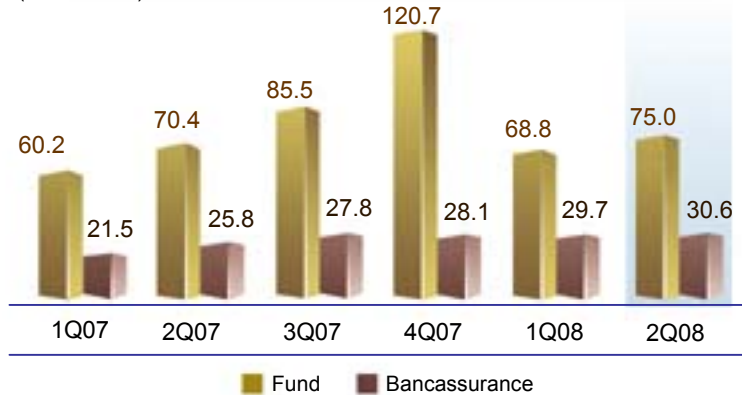


SHB Non-Interest Income / SG&A

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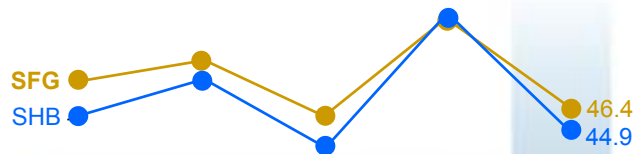
Fund / Bancassurance Sale Fees & Commissions

(KRW Billion)



Note) During FY07, total fees&commissions related to fund and bancassurance were 336.8 bil. and 103.2 bil. respectively

Cost Income Ratio



(%)	FY05	FY06	FY07	1Q08	1H08
SFG	48.4	49.7	46.6	52.0	46.4
SHB	44.2	46.3	40.2	52.2	44.9

Note) SFG's cost income ratio includes goodwill amortization cost (97.4 bil. for FY05, 148.4 bil. for FY06, 375.9 bil. for FY07, 214.3 bil. for 1H08)

(KRW Billion)	1H08	1H07	YoY%	2Q08	1Q08	QoQ%
Non-Interest Income	558.4	1,534.4	-63.6	314.0	244.4	28.5
Fees&Commissions	455.7	441.7	3.2	201.5	254.2	-20.7
(Fund)	143.8	130.6	10.1	75.0	68.8	9.0
(Bancassurance)	60.3	47.3	27.5	30.6	29.7	2.8
Trust Fees	22.5	23.9	-5.8	10.6	11.9	-10.8
Securities Related	137.6	1,100.5	-87.5	85.7	51.9	65.1
Others	-57.4	-31.7	n.a.	16.2	-73.6	n.a.

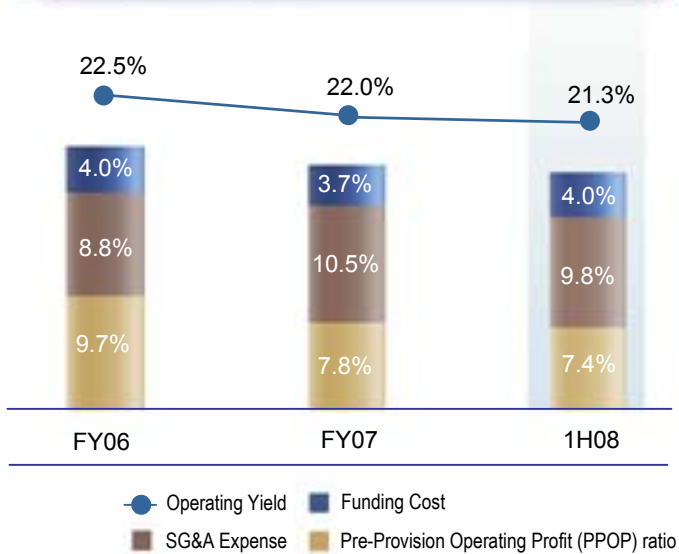
(KRW Billion)	1H08	1H07	YoY%	2Q08	1Q08	QoQ%
SG&A Expenses	1,133.9	1,074.7	5.5	476.4	657.5	-27.5
Labor Cost	502.7	536.3	-6.3	146.9	355.8	-58.7
Admin Expenses	454.0	382.9	18.6	245.6	208.4	17.8
D&A Cost	112.9	114.5	-1.4	59.1	53.8	9.7
Taxes&Dues	64.3	41.0	57.1	24.8	39.5	-36.7



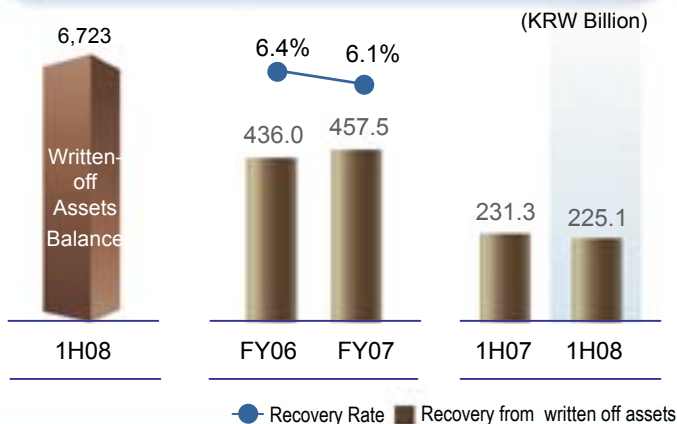
Shinhan Card Income

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Operating Yield and PPOP Ratio



Recovery from Written-off Assets



(KRW Billion)	1H08	1H07	YoY%	2Q08	1Q08	QoQ%
Operating Revenue (a)	2,125.6	1,874.2	13.4	1,041.8	1,083.8	-3.9
Credit Card	1,685.0	1,628.3	3.5	852.9	832.1	2.5
Installment Finance	82.1	66.0	24.4	41.7	40.4	3.5
Loans	1.2	16.0	-92.6	-0.9	2.1	n.a.
Lease	38.6	43.2	-10.6	19.0	19.6	-2.7
Others	318.7	120.7	163.9	129.1	189.6	-32.1
Interest Expense (b)	354.1	284.7	24.4	180.4	173.7	3.9
SG&A Expense / Others (c)	1,012.1	863.3	17.2	493.2	518.9	-4.9
Operating Income (d=a-b-c)	759.4	726.2	4.6	368.2	391.2	-5.9
Non-Operating Income (e)	52.1	8.3	529.4	1.3	50.8	-97.2
Pre-provision Income (f=d+e)	811.5	734.5	10.5%	369.5	442.0	-16.4
Loan Loss Provision (g)	11.7	-121.7	n.a.	8.5	3.2	160.3
Earnings before Income Tax (h=f-g)	799.8	856.2	-6.6	361.0	438.8	-17.7
Income Tax	220.8	-455.7	n.a.	99.5	121.3	-17.9
Net Income	579.0	1,311.9	-55.9	261.5	317.5	-17.6

Note) 1H07 figures are Pro Forma based : former Shinhan Card + LG Card

Ⅲ Balance Sheet

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

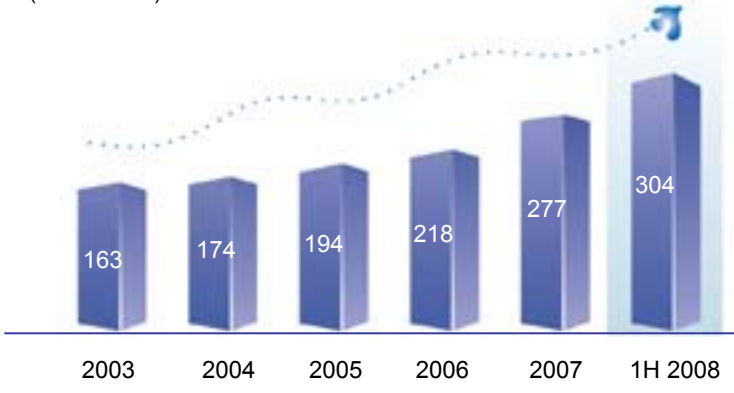




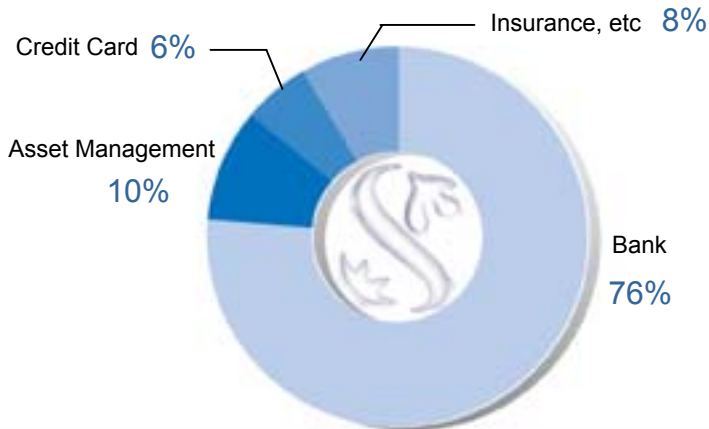
SFG Asset Growth

SFG Total Assets

(KRW Trillion)



Asset Contribution by Subsidiaries



(KRW Billion)	2008.6	2007.12	YTD%	2008.3	QoQ%
Bank	232,300	211,100	10.0	235,130	-1.2
Shinhan Bank	229,381	208,315	10.1	232,344	-1.3
Jeju Bank	2,919	2,785	4.8	2,786	4.8
Non-Bank	66,074	59,430	11.2	62,025	6.5
Shinhan Card	17,255	16,881	2.2	16,755	3.0
GMSH Securities	7,121	6,686	6.5	6,502	9.5
Shinhan Life insurance	7,961	7,411	7.4	7,700	3.4
Shinhan Capital	3,770	2,963	27.2	3,546	6.3
Shinhan BNPP ITMC	16,625	15,142	9.8	15,751	5.5
SH Asset Mgt.	13,342	10,347	28.9	11,771	13.3
Total Assets ¹⁾	303,994	276,666	9.9	304,270	-0.1

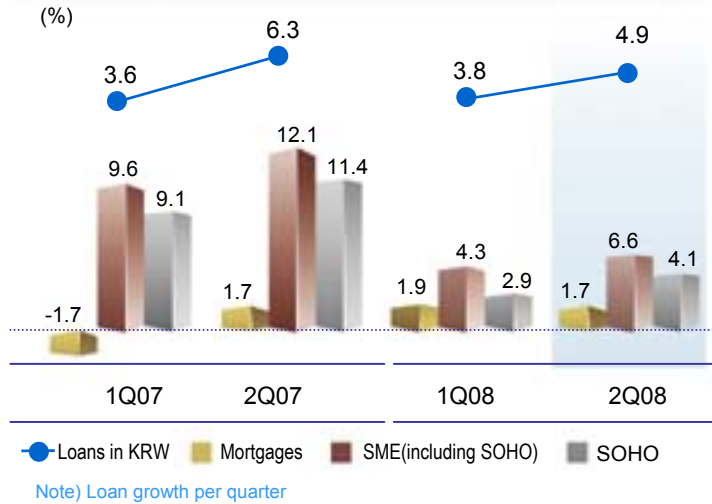
Note1) Including Trust A/C and AUM (Shinhan BNPP ITMC + SH Asset Management)
Sum of non-consolidated subsidiaries assets



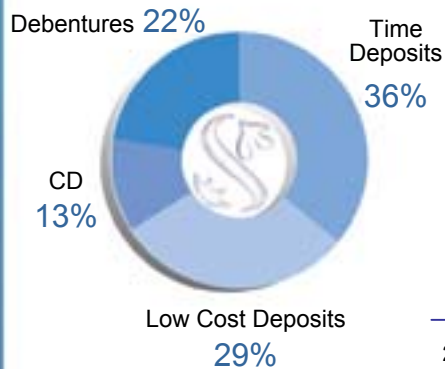
SHB Loan / Deposit Growth

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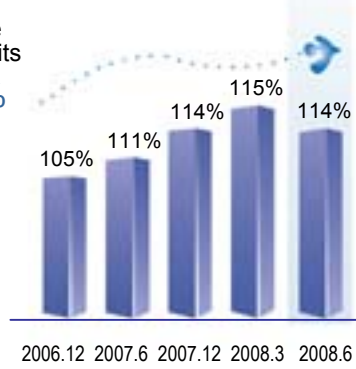
Mortgage and SME Loan Growth



Funding Composition



Loan-to-Deposit Ratio



(KRW Billion)	2008.6	2007.12	YTD%	2008.3	QoQ%
Loans in KRW	115,230	105,995	8.7	110,060	4.9
Retail	54,260	52,257	3.8	53,173	2.1
Mortgage	32,880 ¹⁾	31,744	3.6	32,336	1.7
Others	21,380	20,513	4.2	20,837	2.6
Corporate	60,970	53,738	13.5	56,887	7.6
SME	51,121	46,094	10.9	48,093	6.6
SOHO	18,300	17,109	7.0	17,598	4.1
Large Corp. etc	9,849	7,644	28.8	8,794	13.8
Loans in Foreign Currency	6,521	6,899	-5.5	7,750	-17.8

Note1) Excluding KRW 780 bil. of securitized RMBS assets

(KRW Billion)	2008.6	2007.12	YTD%	2008.3	QoQ%
Total Deposits in KRW	101,498	92,907	9.2	95,830	6.1
Low Cost Deposits	37,985	37,993	0.0	35,708	6.0
Demands	12,629	12,406	1.8	12,279	2.8
Savings	25,356	25,587	-0.9	23,429	7.5
Other Savings	47,164	39,747	18.7	45,107	5.2
Time Deposits	41,969	34,294	22.4	39,903	6.0
Accumulative etc	5,195	5,453	-4.7	5,204	-0.2
Certificate of Deposit	16,349	15,167	7.8	15,015	8.8
Debentures in KRW	28,465	25,122	13.3	27,649	3.2

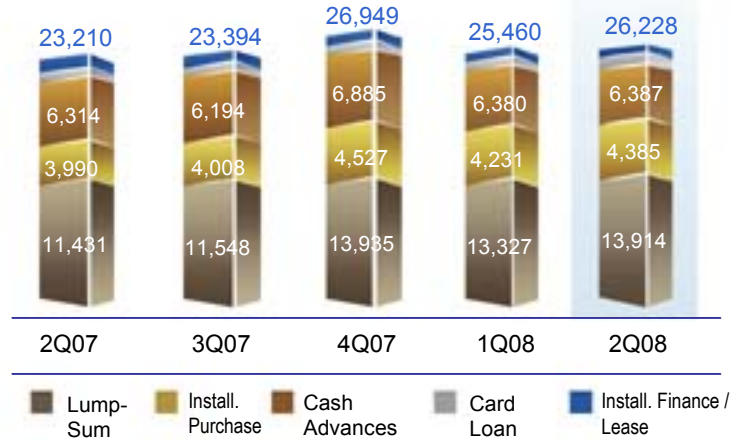


Shinhan Card Asset Growth

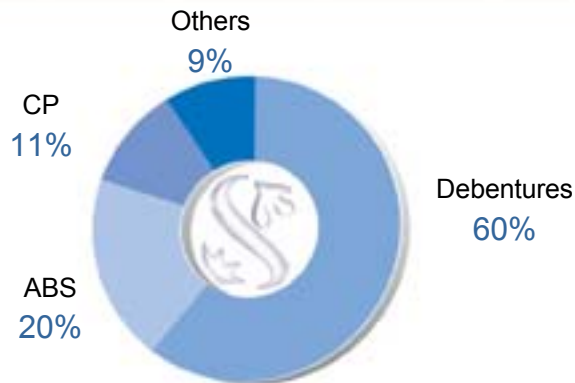
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Transaction Volume

(KRW Billion)



Funding Composition



(KRW Billion)	2008.6	2007.12	YTD%	2008.3	QoQ%
Assets (Managed)	17,229	17,273	-0.3	17,109	0.7
Receivables	8,364	8,093	3.3	8,218	1.8
Cash Advances	3,721	3,727	-0.2	3,709	0.3
Card Loans	3,157	3,432	-8.0	3,260	-3.2
(Re-Aged Loan)	518	717	-27.7	630	-17.7
Installment Finance	1,308	1,219	7.4	1,285	1.8
Lease	679	802	-15.3	637	6.6
Active Customers (thousands)	13,680	13,346	2.5	13,503	1.3
Merchants (thousands)	2,206	2,154	2.4	2,182	1.1

(KRW Billion)	2008.6	2007.12	YTD%	2008.3	QoQ%
Total Funding	12,899	12,347	4.5	12,530	2.9
Debentures	7,825	6,967	12.3	7,178	9.0
ABS	2,548	2,799	-9.0	2,442	4.3
CP	1,364	1,762	-22.6	1,955	-30.2
Others	1,162	819	41.8	955	21.7

Ⅳ Asset Quality

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

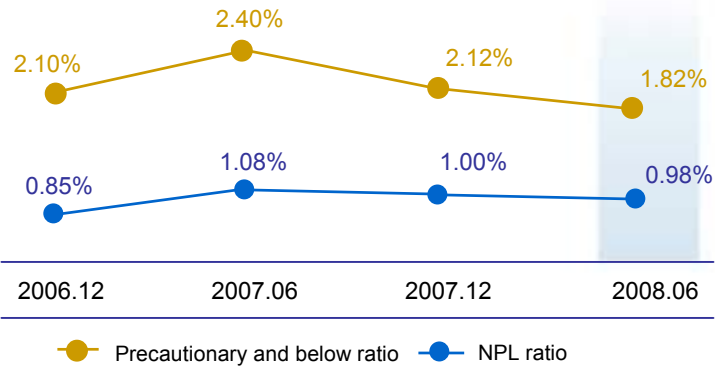




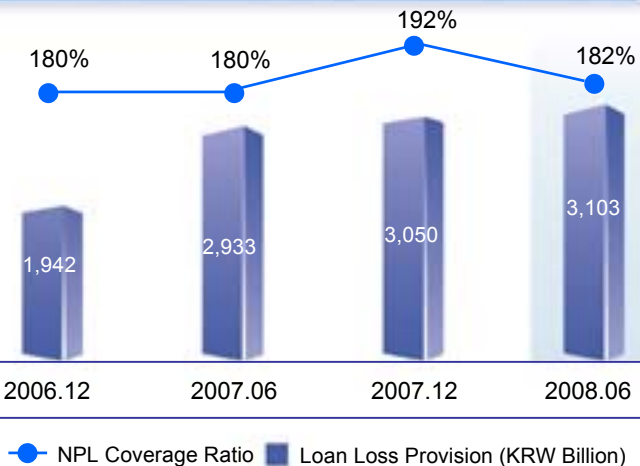
SFG Asset Quality

SHINHAN FINANCIAL GROUP

Precautionary & below ratio / NPL ratio



NPL Coverage Ratio



(KRW Billion)	2008.6	2007.12	YTD% (%p)	2008.3	QoQ% (%p)
Total Loan	173,244	159,486	8.6	166,681	3.9
Normal	170,089	156,109	9.0	163,362	4.1
Precautionary	1,451	1,787	-18.8	1,557	-6.9
Substandard	676	518	30.4	641	5.5
Doubtful	195	241	-19.0	227	-14.1
Estimated Loss	833	831	0.2	894	-6.8
Substandard & below	1,704	1,590	7.1	1,762	-3.3
NPL ratio	0.98%	1.00%	-0.02	1.06%	-0.08
Loan Loss Reserves	3,103	3,050	1.7	3,130	-0.9
NPL Coverage Ratio	182%	192%	-10.0	178%	4.0

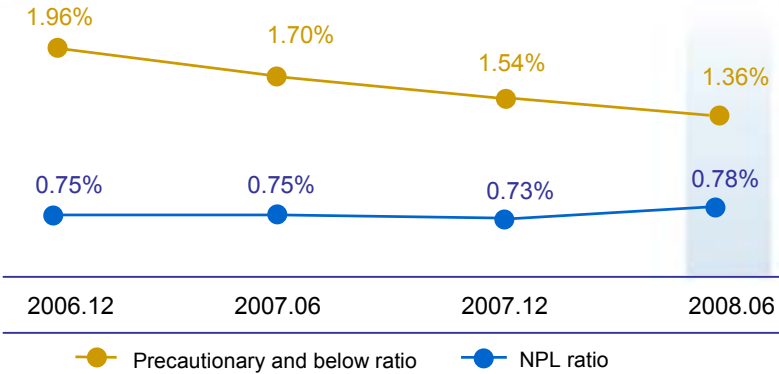
Note) Sum of assets of Shinhan Bank, Jeju Bank, Shinhan Card, GMSH Securities, Shinhan Life Insurance and Shinhan Capital



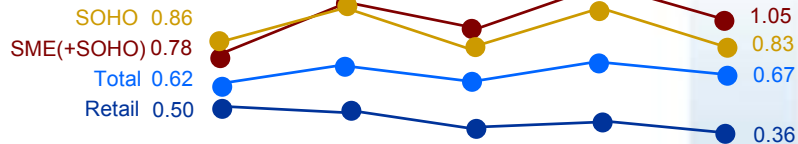
SHB Asset Quality

SHINHAN FINANCIAL GROUP

Precautionary & below ratio / NPL ratio



Delinquency ratio



(%)	2007			2008	
	2Q	3Q	4Q	1Q	2Q
Total	0.62%	0.73%	0.64%	0.74%	0.67%
Retail	0.50%	0.48%	0.38%	0.42%	0.36%
SME(+SOHO)	0.78%	1.10%	0.94%	1.19%	1.05%
SOHO	0.86%	1.06%	0.84%	1.05%	0.83%

Note) 1 month overdue (FSS new standard)

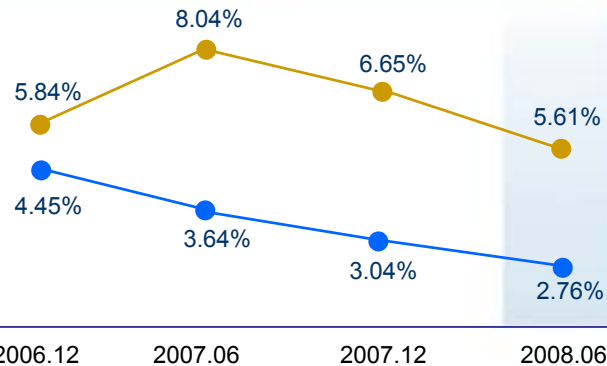
(KRW Billion)	2008.6	2007.12	YTD% (%p)	2008.3	QoQ% (%p)
Total Loans	146,907	134,241	9.4	140,860	4.3
Normal	144,905	132,179	9.6	138,798	4.4
Precautionary	857	1,081	-20.7	911	-6.0
Substandard	653	503	29.9	608	7.3
Doubtful	87	124	-29.8	119	-26.5
Estimated Loss	405	354	14.4	424	-4.5
Substandard & below	1,145	981	16.7	1,151	-0.5
NPL ratio	0.78%	0.73%	0.05	0.82%	-0.04
Loan Loss Reserves	2,018	1,869	7.9	1,987	1.5
NPL Coverage Ratio	176%	191%	-15.0	173%	3.0



Shinhan Card Asset Quality

SHINHAN FINANCIAL GROUP

Precautionary & below ratio / NPL ratio



● Precautionary and below ratio ● NPL ratio

Delinquency ratio



Shinhan Card (%)	2007			2008	
	2Q	3Q	4Q	1Q	2Q
	3.45	3.06	3.36	3.39	3.11

Note) 1 month overdue

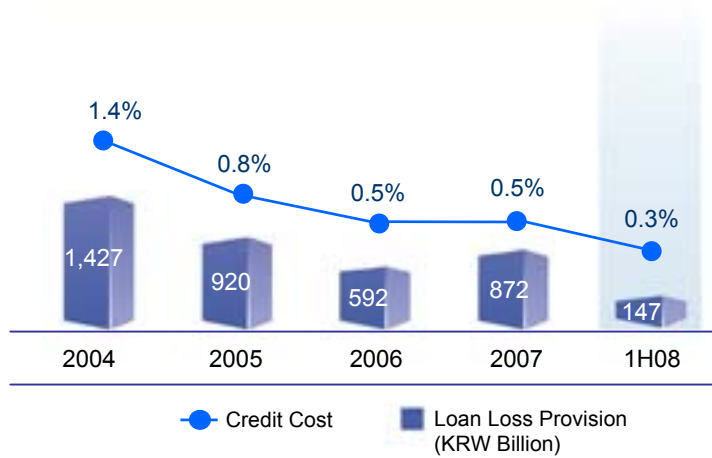
(KRW Billion)	2008.6	2007.12	YTD% (%p)	2008.3	QoQ% (%p)
Total Assets (Managed)	17,229	17,273	-0.3	17,109	0.7
Normal	16,262	16,125	0.9	16,040	1.4
Precautionary	491	623	-21.3	561	-12.6
Substandard	-	-	n.a	-	n.a
Doubtful	98	105	-7.6	98	-0.4
Estimated Loss	378	420	-10.0	410	-7.9
Substandard & below	476	525	-9.5	508	-6.4
NPL ratio	2.76%	3.04%	-0.28	2.97%	-0.21
Loan Loss Reserve (Managed)	955	1,052	-9.2	1,003	-4.8
NPL Coverage Ratio	201%	200%	1.0	197%	4.0



Loan Loss Provision / Write-Off

SHINHAN FINANCIAL GROUP

Loan Loss Provision



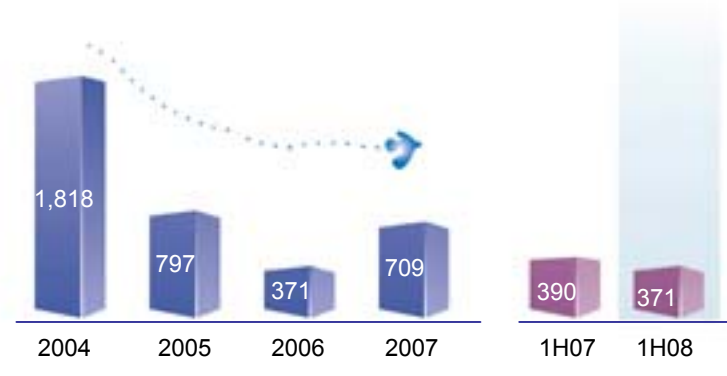
(KRW Billion)	1H07		1H08		1H08	
	1Q	2Q	1Q	2Q		
Shinhan Bank ¹⁾	52	119	171	53	82	135
Retail	53	15	68	2	1	3
Corporate	-1	104	103	51	81	132
Shinhan Card ¹⁾	-87	-34	-121	3	9	12 ²⁾
Total	-35	85	50	56	91	147

Note1) Non-consolidated basis. Shinhan Card's figures are managed basis

Note2) KRW 51.1 bil. on reported basis

Write-Off

(KRW Billion)



(KRW Billion)	1H07		1H08		1H08	
	1Q	2Q	1Q	2Q		
Shinhan Bank	56	50	106	32	69	101
Retail	19	41	60	14	13	27
Corporate	37	9	46	18	56	74
Shinhan Card	147	138	285	118	152	270
Total	203	188	391	150	221	371

v Capital Adequacy

1. Capital Adequacy





Capital Adequacy

SHINHAN FINANCIAL GROUP

Group BIS Ratio

(KRW Billion)	2008.6(E)	2008.3	Chg	QoQ% (%p)
Risk-Weighted Assets	181,903	173,001	8,902	5.1
Capital	19,250	17,269	1,981	11.5
Tier 1	10,047	9,069	978	10.8
Tier 2	9,203	8,200	1,003	12.2
BIS Ratio	10.6%	10.0%		0.6
Tier 1	5.5%	5.2%	n.a.	0.3
Tier 2	5.1%	4.8%		0.3

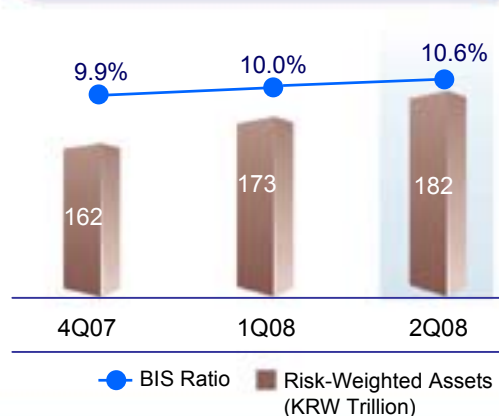
SHB BIS Ratio

(KRW Billion)	2008.6(E)	2008.3	Chg	QoQ% (%p)
Risk-Weighted Assets	133,039	149,164	-16,125	-10.8
Capital	16,404	17,194	-799	-4.6
Tier 1	11,450	11,126	324	2.9
Tier 2	4,954	6,068	-1,114	-18.4
BIS Ratio	12.3% ¹⁾	11.5%		0.8
Tier 1	8.6%	7.5%	n.a.	1.1
Tier 2	3.7%	4.0%		-0.3

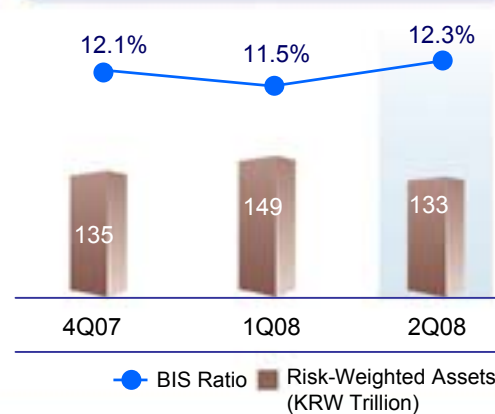
Note) Based on Basel I standard

Note1) Calculated in accordance with Basel II FIRB approach
1Q08 figures are based on Basel II standardized approach

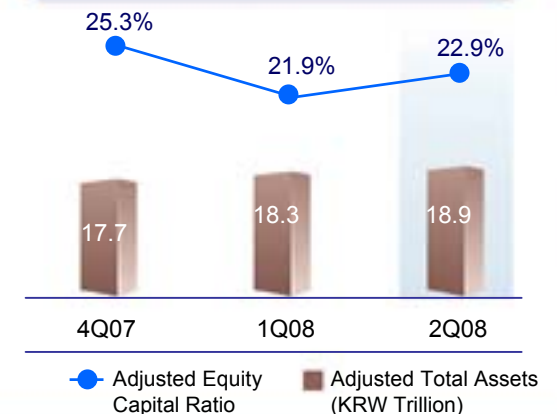
Group BIS Ratio



SHB BIS Ratio



Shinhan Card Capital Adequacy Ratio



VI Appendix

- 1. Key Financial Ratios**
- 2. SHB Investment Securities**
- 3. SHB SME Loans**



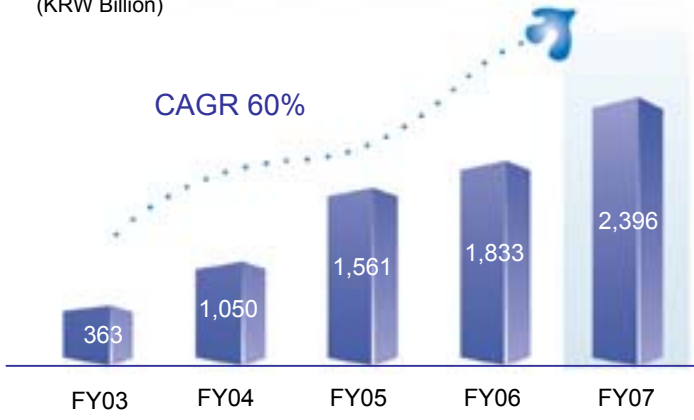


Key Financial Ratios

SHINHAN FINANCIAL GROUP

Group Net Income

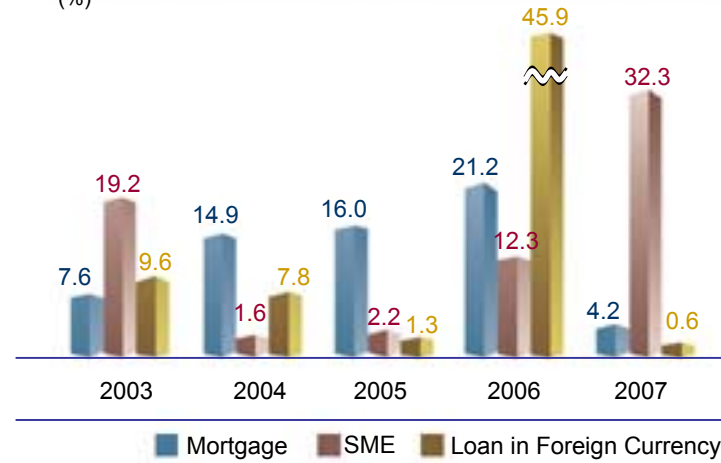
(KRW Billion)



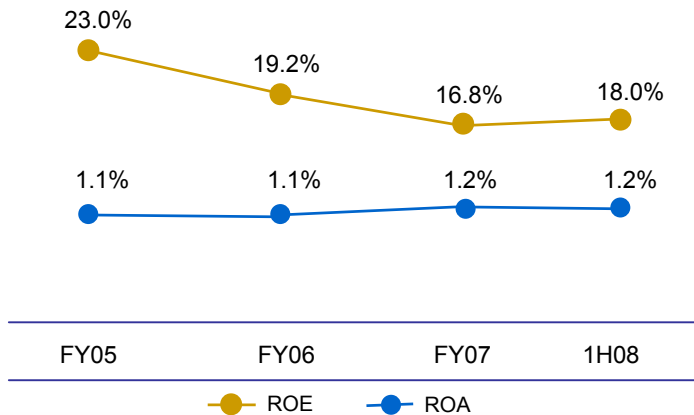
Note) CAGR(Compound Annual Growth Rate)

SHB Loan Growth Rate

(%)



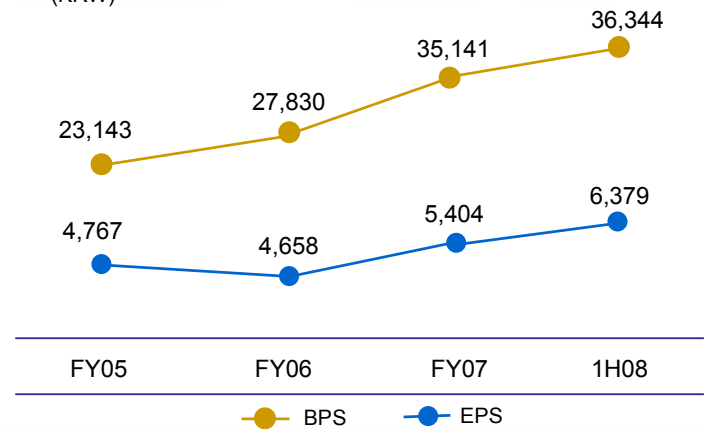
ROA / ROE



Note) ROE based on common stocks

BPS / EPS

(KRW)





SHB Investment Securities

SHINHAN FINANCIAL GROUP

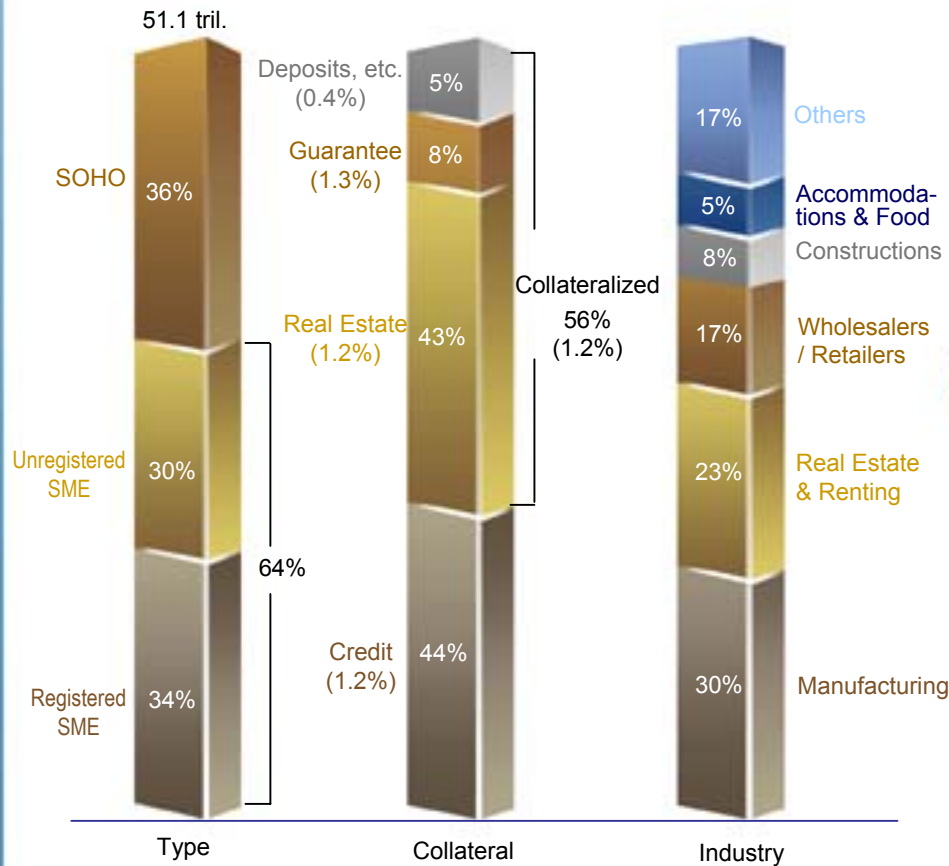
(As of June 2008)	No. of Shares (thousands)	Ownership (%)	Acquisition Cost (KRW)	Book Value Per Share (KRW)	Valuation Gain (KRW Billion)
Hynix	27,979	6.1	3,984	23,980	559
SK Networks	22,615	9.4	5,016	16,456	259
Hyundai Eng. & Con.	4,534	4.1	32,293	57,199	113
Ssangyoung Cement	10,000	13.4	10,661	9,048	-16
Total					915



SHB SME Loans

SHINHAN FINANCIAL GROUP

SME Loans



Note) Figures in parenthesis indicate delinquency ratio

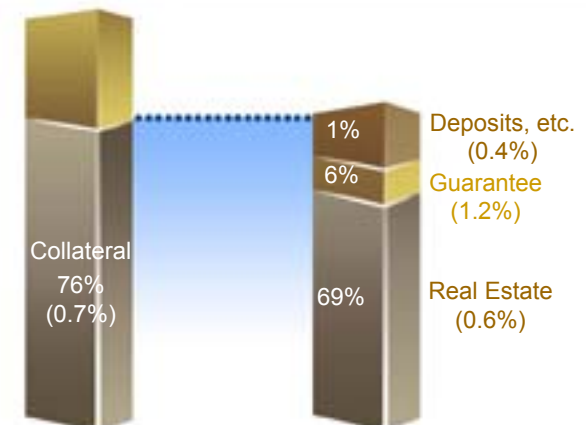
(As of June 2008)

Delinquency Ratio by Industry for SME Loans

(%)	2008.06	2007.12	YTD%p	2008.3	QoQ%p
Manufacturing	1.09	1.15	-0.06	1.23	-0.14
Real Estate & Renting	0.82	0.82	0.00	1.12	-0.30
Wholesalers/Retailers	1.03	0.71	0.32	0.99	0.04
Constructions	2.06	1.33	0.73	2.28	-0.22
Total	1.05	0.94	0.11	1.19	-0.14

Note) 1 month overdue

SOHO Collateralization



Note) Figures in parenthesis indicate delinquency ratio

(As of June 2008)