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*Your Total Financial Solution : Shinhan Financial Group*

# 2008 4Q Business Results

February 2009

# 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 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. 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 change 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 Insurance and Shinhan Macquarie Financial Advisory

This presentation material is available at our website : [www.shinhangroup.com](http://www.shinhangroup.com)

Note) Some of the totals may not sum due to rounding.



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# 2008 4Q Business Results Highlights(1)

**Net Income**  
**KRW 2.02 tril.**  
**(4Q KRW 283.7 bil.)**

- Group's consolidated net income marked KRW 2.02 tril., a 15.8% decrease YoY.  
On a YoY basis, increase of interest income and tighter SG&A management were weighed down by lower non-interest income and provisioning hike (FYI, approximately KRW 490 bil. of one-offs are included in FY07 non-interest income, of which 336.9 bil. is from sale of LG Card securities)
- 4Q net income recorded KRW 283.7 bil., down 12.2%.  
Pre-provision income increased as interest income improved and there was no loss related to Lehman in the 4Q, however, additional provisioning over restructuring construction and shipbuilding companies together with Shinhan Card's ERP have lowered QoQ net income.

**Shinhan Bank +  
Shinhan Card**  
**NIM 3.52%**

- Combined NIM of Shinhan Bank and Shinhan Card remains at a competitively high level of 3.52%.
- Shinhan Bank's pure 4Q NIM, which excludes credit card contribution, rose 4 bps QoQ to 2.14%.  
Alleviated competition along with improved interest income from variable loans associated with higher market interest rate have attributed to slight NIM improvement.

**Accelerating  
non-bank subsidiaries  
NI contribution :**  
**47.8%**

- Combined earnings from non-bank subsidiaries for FY08 marked KRW 1.33 tril. based on equity method, up 25.5% YoY. Shinhan Card, Shinhan Life Insurance, Shinhan Capital continued their earnings streak, whereas GMSH Securities' NI declined YoY due to loss related to Lehman during 3Q.
- Net income contribution from non-bank subsidiaries significantly increased to 48% from 34% of FY07, further balancing our well diversified business portfolio.

# 2008 4Q Business Results Highlights(2)

**Group Total Asset**  
KRW 321 tril.

- Total Asset, which includes AUM, increased by 16.1% to KRW 321 tril. (Bank 19.6%, Non-bank 7.8%)
- Shinhan Bank's loan in KRW increased by 13.0% to KRW 120 tril. (1H08 8.7%, 2H08 4.3%)  
Loan growth in 4Q was 1.8%, exhibiting a noteworthy decrease compared to 1H08.
- Shinhan Card total asset decreased by 2.7% to KRW 17 tril.  
Receivables increased by 2.9% whereas card loan, a riskier asset, decreased by 20.8%.

**Group NPL Ratio**  
1.14%

**SHB Delinquency Ratio**  
0.72%

**Shinhan Card  
Delinquency Ratio**  
3.14%

- Group NPL ratio inched up to 1.14%, up 8 bps QoQ. (SHB 1.00%, Shinhan Card 2.44%)
- SHB's delinquency ratio climbed 3 bps to 0.72%. (Retail 0.33%, SME 1.25%). 4Q pace and level of asset quality deterioration were similar to that of 3Q.
- Shinhan Card's delinquency ratio (1M overdue) rose 5 bps QoQ to 3.14%, remaining at a stable level.

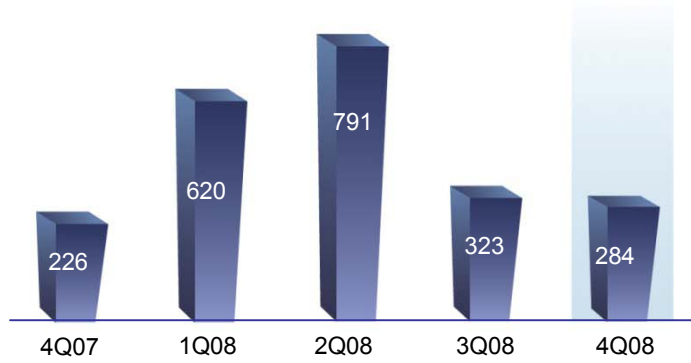


## **II Income Statement Highlights**

- 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**

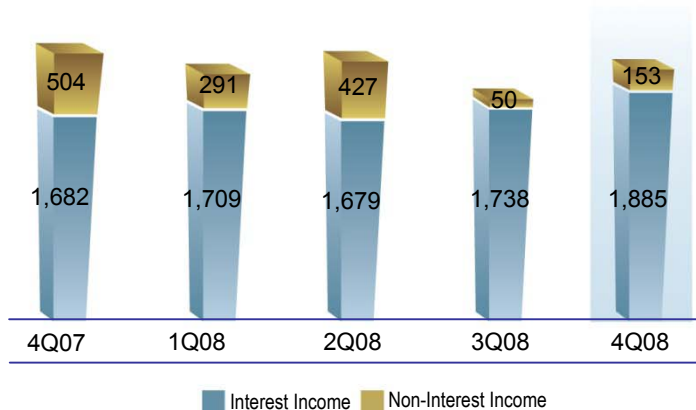
## SFG Net Income

(KRW billion)



## Interest + Non-Interest Income

(KRW billion)

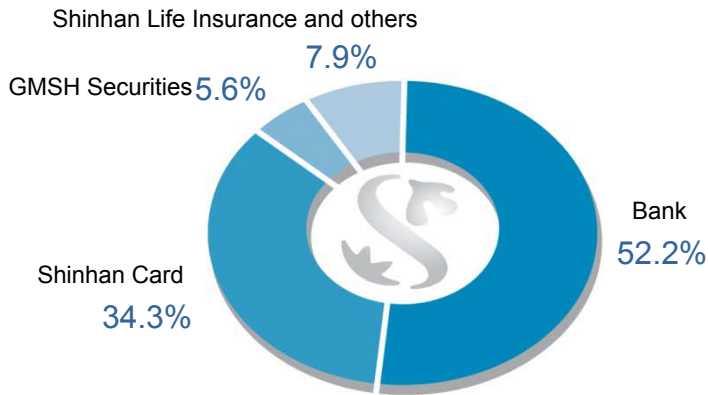


(KRW billion)	FY08	FY07	YoY%	4Q08	3Q08	QoQ%
Total Operating Income (a=b+c)	7,930.7	8,603.6	-7.8	2,037.9	1,788.2	14.0
Interest Income (b)	7,010.9	6,459.9	8.5	1,885.2	1,738.3	8.5
Non-Interest Income (c)	919.7	2,143.6	-57.1	152.7	49.9	205.9
SG&A (d)	3,912.5	3,999.6	-2.2	1,028.5	978.7	5.1
Pre-Provision Operation Income (e=a-d)	4,018.2	4,603.9	-12.7	1,009.4	809.5	24.7
Non-Operating Income (f)	-38.5	175.7	n.a.	-26.0	-20.9	n.a.
Pre-Provision Income (g=e+f)	3,979.6	4,779.6	-16.7	983.4	788.6	24.7
Loan Loss Provision (h)	985.8	866.5	13.8	497.3	294.3	68.9
Earnings before Income Tax (i=g-h)	2,993.8	3,913.1	-23.5	486.1	494.2	-1.6
Income Tax	968.5	549.0	76.4	196.6	172.3	14.1
Net Income of Subsidiaries before purchase date	-0.4	874.1	n.a.	-0.4	-	-
Consolidated Net Income	2,018.6	2,396.4	-15.8	283.7	323.3	-12.2

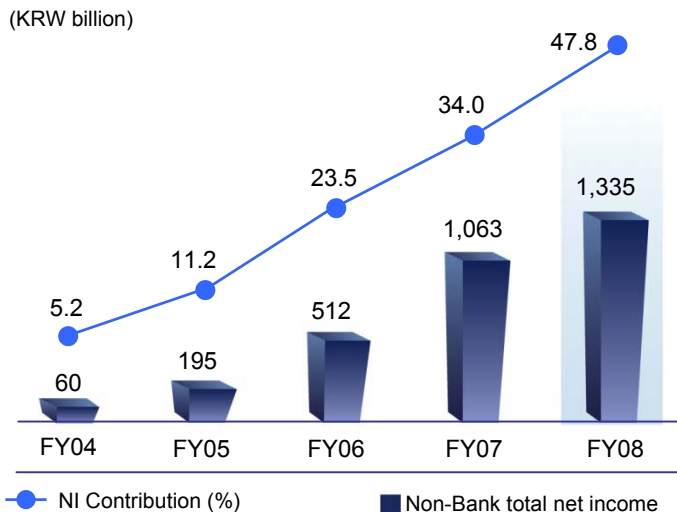
Note) For comparison purposes, previous figures have been revised according to the changes in accounting treatment of JVs

# SFG Income (1)

## Net Income Contribution by Subsidiaries



## Net Income Contribution by Non-Bank Subsidiaries



(FY2008, KRW billion)	Net Income Ownership	Net Income (1XOwnership)	Adjustments	Net Income (Consolidated)	
	[1]	[2]	[3=1 x 2]	[4]	[5=3+4]
<b>Bank (a)</b>	1,468.8		1,460.5	-173.1	<b>1,287.4</b>
Shinhan Bank	1,446.7	100.0%	1,446.7	-173.9 <sup>1)</sup>	<b>1,272.8</b>
Jeju Bank	22.1	62.4%	13.8	0.8 <sup>1)</sup>	<b>14.6</b>
<b>Non-Bank (b)</b>	1,346.5		1,335.0	-444.9	<b>890.1</b>
Shinhan Card	959.6 <sup>2)</sup>	100.0%	959.6	-353.5 <sup>1)</sup>	<b>606.1</b>
GMSH Securities	156.3	100.0%	156.3	-19.7 <sup>1)</sup>	<b>136.6</b>
Shinhan Life Insurance	139.2	100.0%	139.2	-68.6 <sup>1)</sup>	<b>70.6</b>
Shinhan Capital	66.1	100.0%	66.1	1.4	<b>67.5</b>
Shinhan Credit Information	1.9	100.0%	1.9		<b>1.9</b>
Shinhan Private Equity	0.4	100.0%	0.4		<b>0.4</b>
Shinhan BNPP ITMC	28.2	50.0%	14.1		<b>14.1</b>
SH&C	4.6	50.0%	2.3	-4.5	<b>-2.2</b>
Shinhan Macquarie Financial Advisory	-9.8	51.0%	-4.9		<b>-4.9</b>
<b>SFG (c)</b>				-158.9 <sup>3)</sup>	<b>-158.9</b>
<b>Total (a+b+c)</b>	<b>2,815.3</b>		<b>2,795.5</b>	<b>-776.9</b>	<b>2,018.6</b>

Note1) Goodwill amortization : SHB 61.3 bil., Shinhan Card 371.1 bil., GMSH Securities 17 bil., Shinhan Life 41.8 bil.

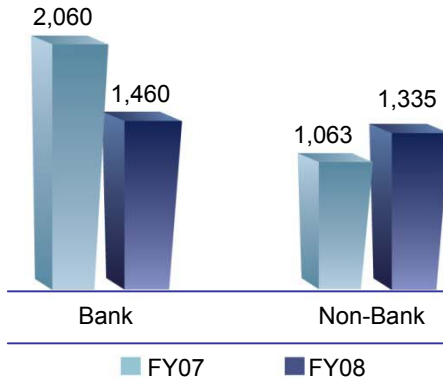
2) Includes 19 bil. earnings from SHC Management, a liquidating entity of former Shinhan Card

3) SFG (non-consolidated) : brand fee income 135.8 bil., interest expense 255.1 bil., SG&A expense 47.0 bil., etc.

Note) After reflecting ownership by SFG

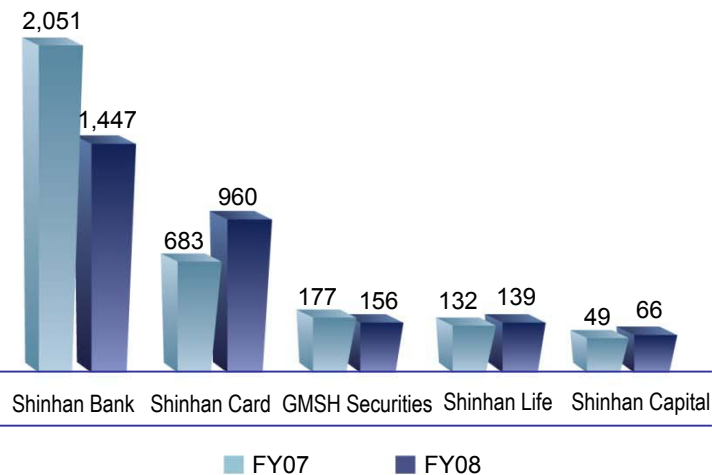
## Net Income YoY Comparison

(KRW billion)



## Net Income YoY Comparison by Subsidiaries

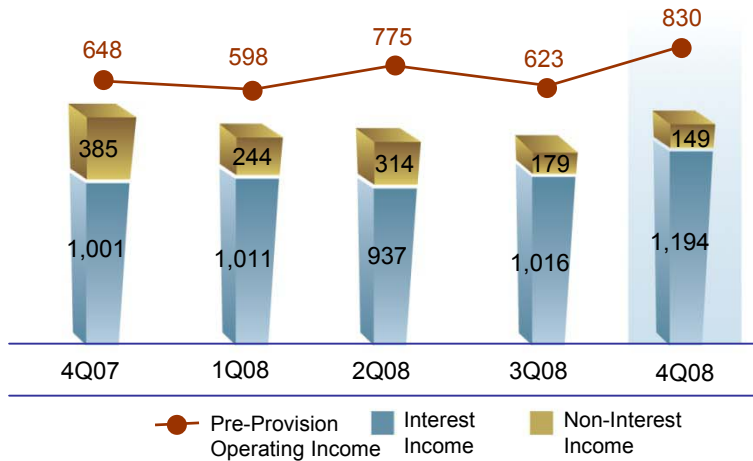
(KRW billion)



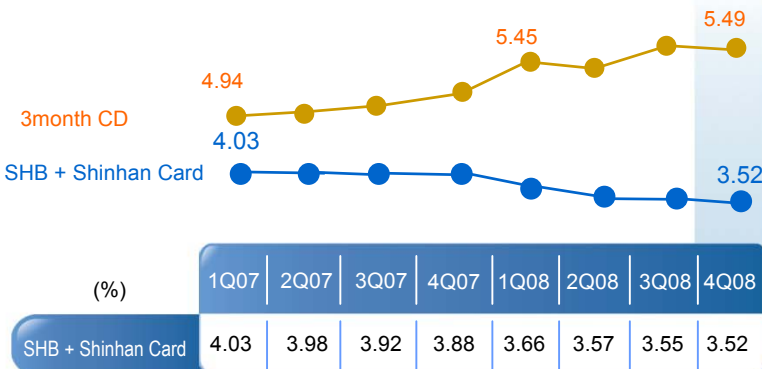
(After reflecting ownership, KRW Billion)	FY08	FY07	YoY%	4Q08	3Q08	QoQ%
<b>Bank (a)</b>	<b>1,460.5</b>	2,060.2	-29.1	362.9	216.2	67.9
Shinhan Bank	1,446.7	2,051.3	-29.5	356.7	214.3	66.4
Jeju Bank	13.8	8.9	54.5	6.2	1.9	230.0
<b>Non-Bank (b)</b>	<b>1,335.0</b>	1,063.3	25.5	234.2	265.8	-11.9
Shinhan Card	959.6	683.3	40.4	126.9	235.4	-46.1
GMSH Securities	156.3	176.8	-11.6	62.4	-17.8	n.a.
Shinhan Life Insurance	139.2	132.0	5.5	32.3	29.1	11.0
Shinhan Capital	66.1	49.2	34.3	10.1	15.2	-33.6
Shinhan Credit Information	1.9	2.1	-9.5	0.4	0.4	0.0
Shinhan Private Equity	0.4	0.2	n.a.	0.7	0.2	n.a.
Shinhan BNPP ITMC	14.1	10.7	32.4	2.1	3.8	-46.1
SH&C	2.3	5.3	-56.6	0.6	0.2	n.a.
Shinhan Macquarie Financial Advisory	-4.9	3.8	n.a.	-1.2	-0.6	n.a.
<b>Total (a+b)</b>	<b>2,795.5</b>	3,123.5	-10.5	597.1	482.0	23.9
<b>Consolidated Net Income</b>	<b>2,018.6</b>	2,396.4	-15.8	283.7	323.3	-12.2

## Interest + Non-Interest

(KRW billion)



## NIM



Note) Cumulative basis with one-offs excluded

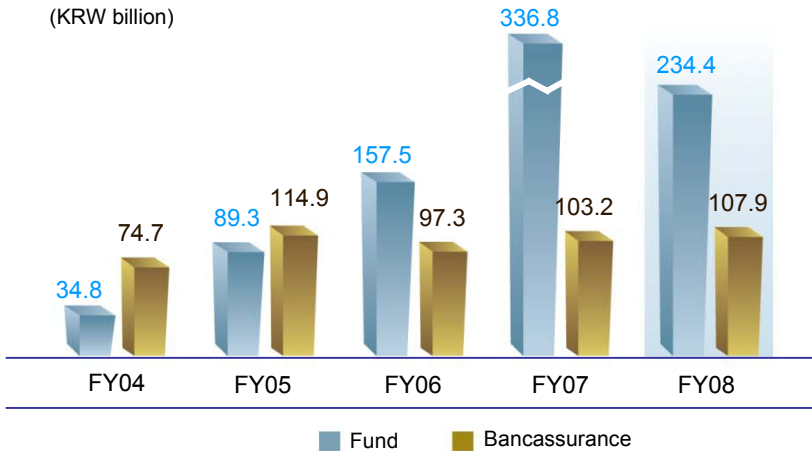
(KRW billion)	FY08	FY07	YoY%	4Q08	3Q08	QoQ%
Total Operating Income (a=b+c)	5,044.6	5,940.1	-15.1	1,343.1	1,194.4	12.5
Interest Income (b)	4,158.3	3,718.9	11.8	1,194.1	1,015.5	17.6
Non-Interest Income (c)	886.4	2,221.2	-60.1	149.0	178.9	-16.7
SG&A (d)	2,218.4	2,392.7	-7.3	512.9	571.6	-10.3
Pre-Provision Operating Income (e=a-d)	2,826.2	3,547.4	-20.3	830.3	622.8	33.3
Non-Operating Income (f)	-32.6	-91.3	n.a.	61.4	-30.6	n.a.
Pre-Provision Income (g=e+f)	2,793.6	3,456.1	-19.2	891.7	592.2	50.6
Loan Loss Provision (h)	877.2	587.9	49.2	442.3	298.0	48.4
Earnings before Income Tax (i=g-h)	1,916.5	2,868.1	-33.2	449.4	294.2	52.8
Net Income	1,446.7	2,051.3	-29.5	356.7	214.3	66.4

(KRW billion)	4Q07	1Q08	2Q08	3Q08	4Q08
NIS (a-b)	2.76	2.65	2.49	2.48	2.54
Loan Interest Rate (a)	6.83	7.02	6.91	7.05	7.10
Deposit Interest Rate (b)	4.07	4.37	4.42	4.57	4.56
SHB NIM (Quarterly Basis)	2.30	2.18	2.03	2.10	2.14
SHB NIM (Cumulative Basis)	2.26	2.18	2.10	2.10	2.12

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

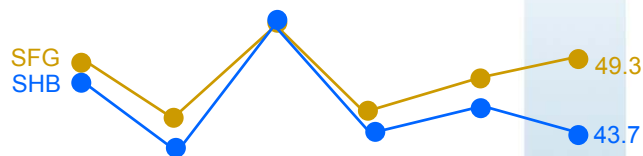
## Fund / Bancassurance Sale Fees & Commissions

(KRW billion)



(KRW billion)	FY08	FY07	YoY%	4Q08	3Q08	QoQ%
Non-Interest Income	886.4	2,221.2	-60.1	149.0	178.9	-16.7
Fees&Commissions	891.8	953.3	-6.5	222.9	213.2	4.5
(Fund)	234.4	336.8	-30.4	35.6	55.0	-35.2
(Bancassurance)	107.9	103.2	4.6	22.0	25.6	-14.1
Trust Fees	43.8	48.0	-8.7	10.7	10.7	-0.1
Securities Related	292.1	1,237.0	-76.4	107.7	46.9	129.6
Others	-341.3	-17.1	n.a.	-192.2	-91.8	n.a.

## Cost Income Ratio



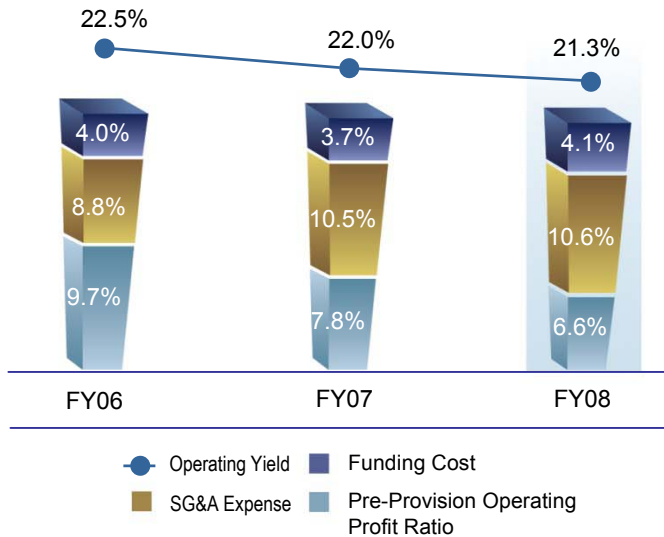
FY08	FY08					
	FY06	FY07	1Q	2Q	3Q	4Q
SFG	49.7	46.6	52.0	46.4	48.9	49.3
SHB	46.3	40.2	52.2	44.9	45.8	43.7

Note1) SFG's cost income ratio includes goodwill amortization cost.  
(148.4 bil. for FY06, 375.9 bil. for FY07, 491.4 bil. for FY08)

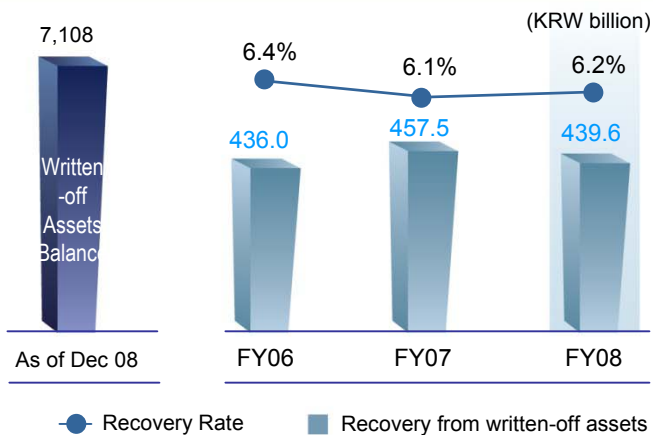
Note2) Cumulative basis.

(KRW billion)	FY08	FY07	YoY%	4Q08	3Q08	QoQ%
SG&A Expenses	2,218.4	2,392.7	-7.3	512.9	571.6	-10.3
Labor Cost	876.4	1,092.3	-19.8	134.0	239.7	-44.1
Admin. Expenses	956.4	924.6	3.4	273.5	228.9	19.5
D&A Cost	241.9	252.0	-4.0	65.9	63.2	4.2
Taxes & Dues	143.7	123.8	16.1	39.5	39.8	-0.8

## Operating Yield and PPOP Ratio



## Recovery from Written-off Assets



(KRW billion)	FY08	FY07	YoY%	4Q08	3Q08	QoQ%
Operating Revenue(a)	4,275.5	3,906.4	9.4	1,031.4	1,118.5	-7.8
Receivables	3,377.6	3,313.2	1.9	837.5	855.0	-2.0
Installment Finance	164.1	140.2	17.0	40.1	41.8	-4.1
Loans	2.0	18.4	-89.1	0.4	0.5	-18.7
Lease	70.4	89.2	-21.1	14.8	17.0	-12.7
Others	661.5	345.3	91.6	138.6	204.3	-32.1
Interest Expense (b)	731.6	618.3	18.3	188.5	189.0	-0.3
SG&A Expense / Others (c)	2,245.3	1,858.6	20.8	600.1	633.1	-5.2
Operating Income (d=a-b-c)	1,298.5	1,429.5	-9.2	242.8	296.4	-18.1
Non-Operating Income (e)	49.8	146.6	-66.0	-4.4	2.1	n.a.
Pre-Provision Income (f=d+e)	1,348.4	1,576.1	-14.4	238.4	298.4	-20.1
Loan Loss Provision (g)	24.0	285.5	n.a.	36.5	-24.2	n.a.
Earnings before Income Tax (h=f-g)	1,324.4	1,290.6	2.6	201.9	322.7	-37.4
Income Tax	383.8	-361.8	n.a.	75.1	87.8	-14.5
Net Income	940.6	1,652.4	-43.1	126.8	234.8	-46.0

Note) FY08 figures exclude KRW 19 bil. earnings from SHC Management, a liquidating entity of former Shinhan Card. FY07 figures are Pro Forma based : former Shinhan Card + LG Card

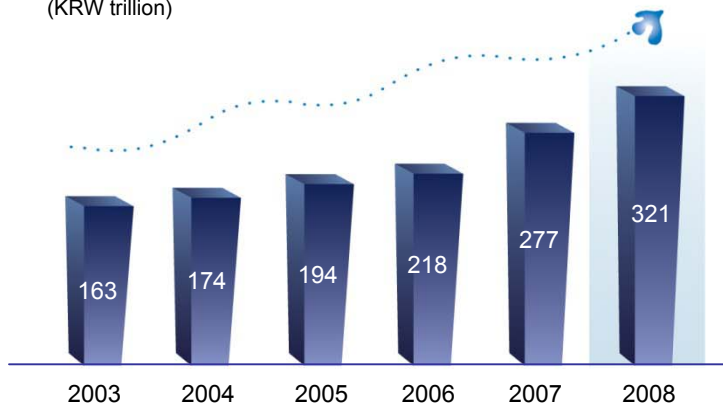


## **III Balance Sheet**

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

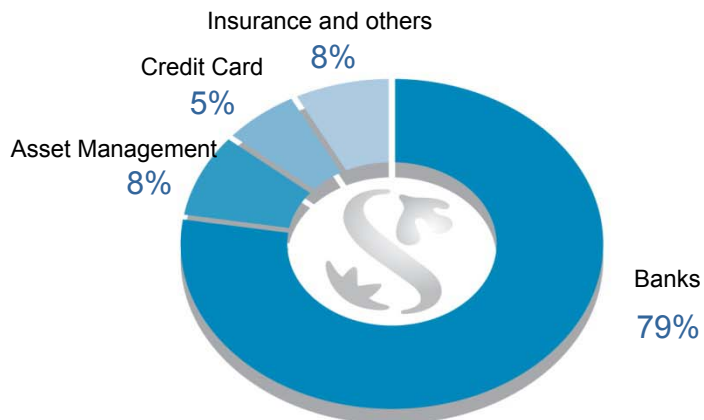
## SFG Total Assets

(KRW trillion)



Note) Including Trust A/C and AUM (Shinhan BNPP ITMC + SH Asset Management)  
Sum of subsidiaries' stand-alone assets

## Asset Contribution by Subsidiaries

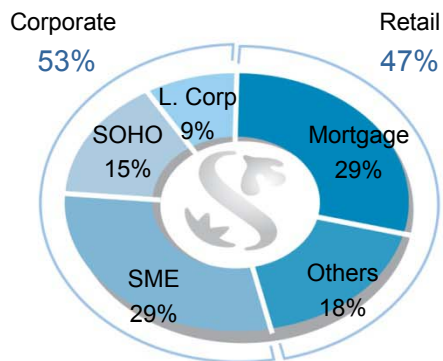


(KRW billion)	2008.12	2007.12	YTD%	2008.9	QoQ%
<b>Bank</b>	<b>252,413</b>	211,100	19.6	245,263	2.9
Shinhan Bank	249,509	208,315	19.8	242,351	3.0
Jeju Bank	2,903	2,785	4.2	2,912	-0.3
<b>Non-Bank</b>	<b>64,038</b>	59,430	7.8	64,726	-1.1
Shinhan Card	17,076	16,881	1.2	17,393	-1.8
GMSH Securities	7,315	6,686	9.4	7,185	1.8
Shinhan Life	8,517	7,411	14.9	8,204	3.8
Shinhan Capital	4,008	2,963	35.2	4,090	-2.0
Shinhan BNPP ITMC	15,101	15,142	-0.3	15,474	-2.4
SH Asset Mgt.	12,022	10,347	16.2	12,380	-2.9
<b>Total Asset <sup>1)</sup></b>	<b>321,263</b>	276,666	16.1	315,241	1.9

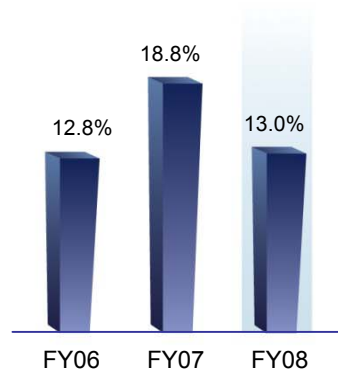
Note1) Including Trust A/C and AUM (Shinhan BNPP ITMC + SH Asset Management)  
Sum of subsidiaries' stand-alone assets

# SHB Loan / Deposit Growth

## Loan Composition

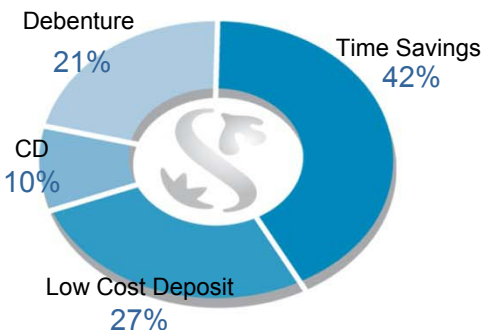


## Loan Growth Trend

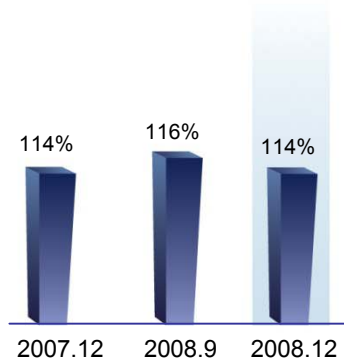


Note) Based on YTD Loans in KRW figures

## Funding Composition



## Loan-to-Deposit Ratio



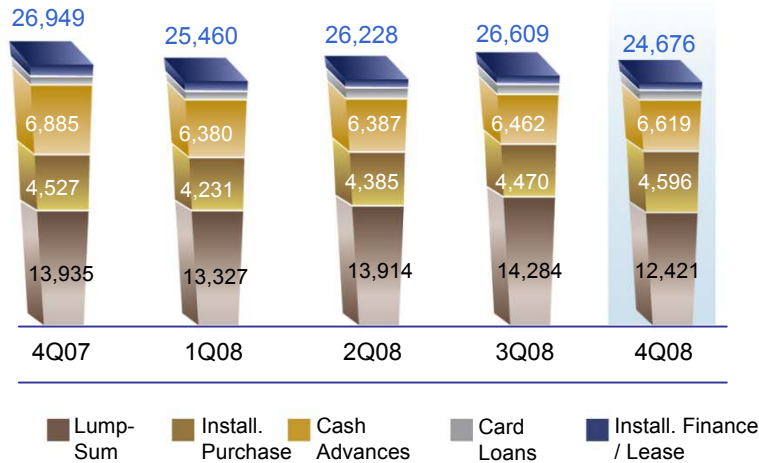
(KRW billion)	2008.12	2007.12	YTD%	2008.9	QoQ%
Loans in KRW	119,797	105,995	13.0	117,892	1.8
Retail	56,131	52,257	7.4	55,214	1.8
Mortgage	34,510	31,744	8.7	33,606	2.8
Others	21,622	20,513	5.4	21,608	0.1
Corporate	63,666	53,737	18.5	62,678	1.8
SME	52,414	46,093	13.7	51,997	0.9
SOHO	18,189	17,109	6.3	18,461	-1.6
Large Corp. etc	11,252	7,644	47.2	10,681	7.5
Loans in Foreign Currency	7,648	6,899	10.9	7,135	7.4

(KRW billion)	2008.12	2007.12	YTD%	2008.9	QoQ%
Total Deposits in KRW	105,247	92,907	13.3	101,915	3.6
Low Cost Deposits	36,002	37,993	-5.2	36,401	-1.0
Demands	11,725	12,406	-5.5	12,161	-3.5
Savings	24,277	25,586	-5.1	24,240	0.1
Other Savings	56,121	39,747	41.2	50,166	15.0
Time Deposits	50,516	34,293	47.3	44,901	16.4
Accumulative etc	5,605	5,453	2.8	5,265	6.2
Certificate of Deposit	13,124	15,168	-13.5	15,348	-14.7
Debentures in KRW	28,783	25,122	14.6	28,437	1.4

# Shinhan Card Asset Growth

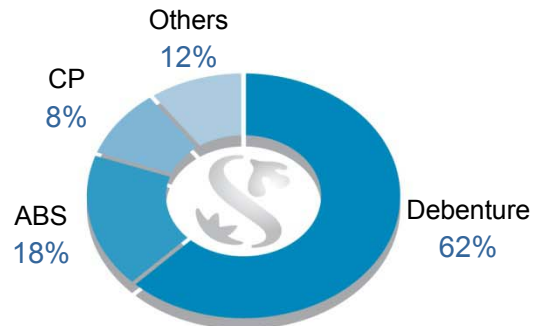
## Transaction Volume

(KRW billion)



(KRW billion)	2008.12	2007.12	YTD%	2008.9	QoQ%
Assets (Managed)	16,815	17,273	-2.7	16,975	-0.9
Receivables	8,325	8,093	2.9	8,188	1.7
Cash Advances	3,810	3,727	2.2	3,764	1.2
Card Loans	2,718	3,432	-20.8	3,009	-9.7
(Re-aged Loans)	395	717	-44.9	444	-11.0
Installment Finance	1,263	1,219	3.6	1,307	-3.4
Lease	699	802	-12.8	706	-1.0
Active Customers (thousands)	13,617	13,346	2.0	13,525	0.7
Merchants (thousands)	2,268	2,154	5.3	2,240	1.3

## Funding Composition



(KRW billion)	2008.12	2007.12	YTD%	2008.9	QoQ%
Total Funding	12,408	12,347	0.5	12,280	1.0
Debentures	7,755	6,967	11.3	7,552	2.7
ABS	2,267	2,799	-19.0	2,243	1.1
CP	999	1,762	-43.3	1,172	-14.8
Others	1,387	819	69.4	1,312	5.7

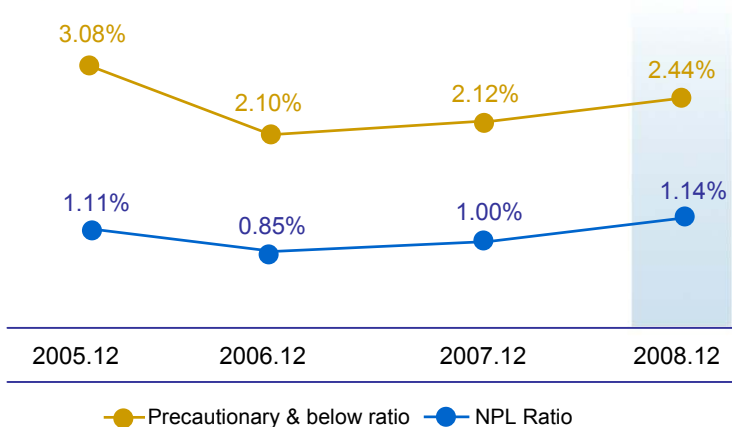


**IV**

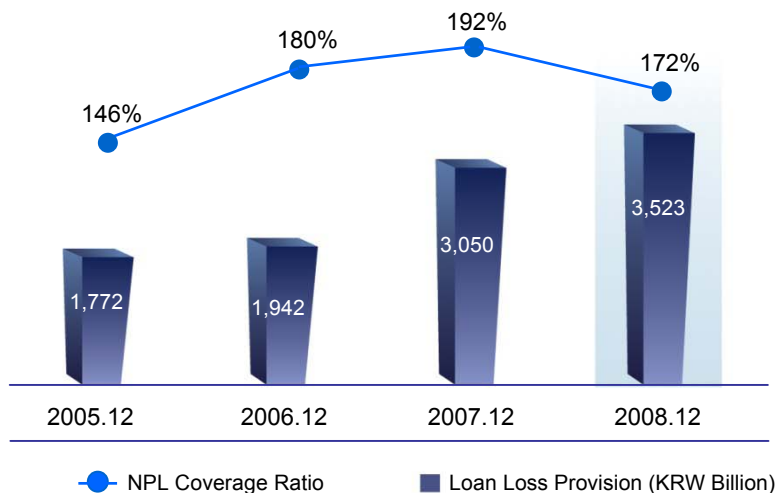
## **Asset Quality**

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

## Precautionary & below Ratio / NPL Ratio



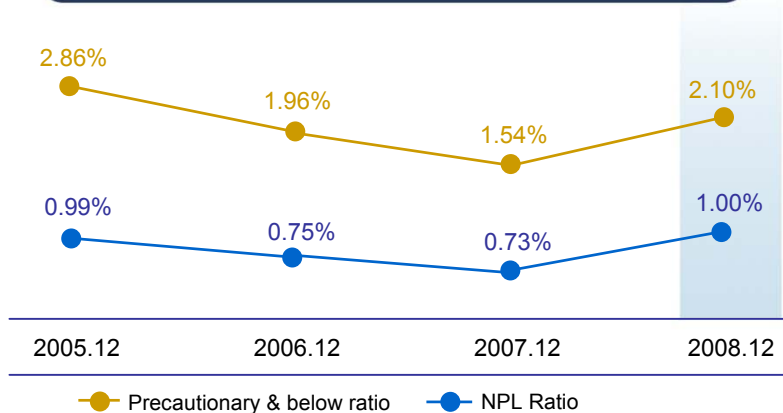
## NPL Coverage Ratio



(KRW billion)	2008.12	2007.12	YTD% (%p)	2008.9	QoQ% (%p)
Total Loan	179,561	159,486	12.6	178,719	0.5
Normal	175,182	156,109	12.2	175,334	-0.1
Precautionary	2,332	1,786	30.5	1,493	56.2
Substandard	764	518	47.5	789	-3.1
Doubtful	430	241	78.7	290	48.1
Estimated Loss	853	831	2.6	813	4.9
Substandard & below	2,047	1,590	28.7	1,892	8.2
NPL ratio	1.14%	1.00%	0.14	1.06%	0.08
Loan Loss Reserves	3,523	3,050	15.5	3,208	9.8
NPL Coverage Ratio	172%	192%	-20.0	170%	2.0

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

## Precautionary & below Ratio / NPL Ratio



## Delinquency Ratio



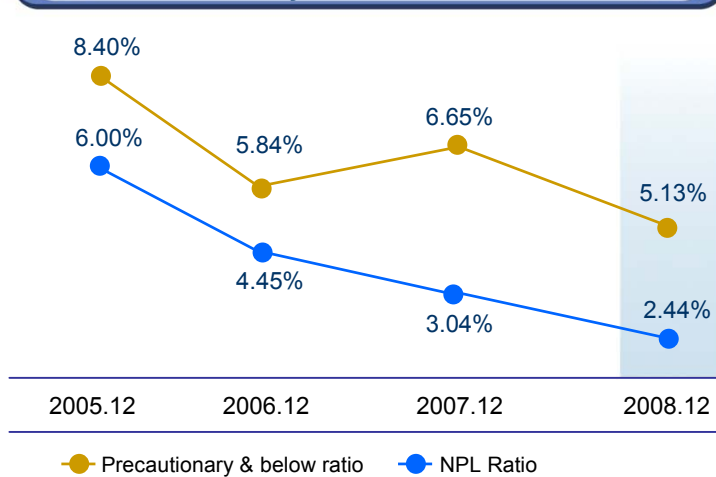
(%)	2007				2008			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total	0.63	0.62	0.73	0.64	0.74	0.67	0.69	0.72
Retail	0.62	0.50	0.48	0.38	0.42	0.36	0.36	0.33
SME(+SOHO)	0.78	0.78	1.10	0.94	1.19	1.05	1.27	1.25
SOHO	0.86	0.86	1.06	0.84	1.05	0.83	1.00	0.91

Note) 1 month overdue (FSS new standard)

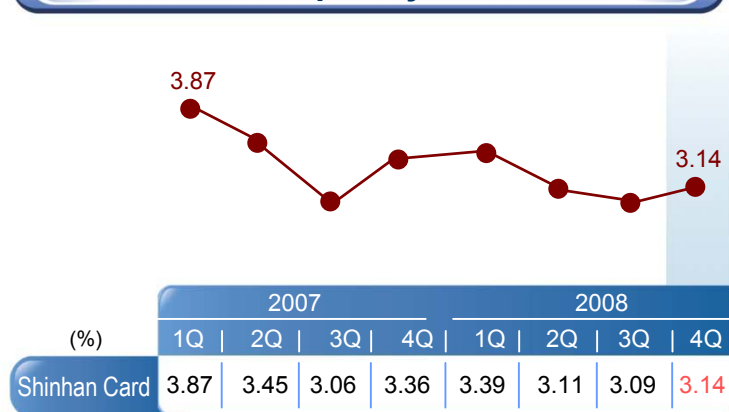
(KRW billion)	2008.12	2007.12	YTD% (%p)	2008.9	QoQ% (%p)
Total Loans	153,851	134,241	14.6	152,531	0.9
Normal	150,627	132,180	14.0	150,288	0.2
Precautionary	1,693	1,081	56.7	910	86.1
Substandard	743	503	47.9	767	-3.0
Doubtful	302	124	143.2	146	106.8
Estimated Loss	486	354	37.3	420	15.5
Substandard & below	1,531	981	56.1	1,333	14.8
NPL ratio	1.00%	0.73%	0.27	0.87%	0.13
Loan Loss Reserves	2,509	1,869	34.2	2,145	17.0
NPL Coverage Ratio	164%	191%	-27.0	161%	3.0

# Shinhan Card Asset Quality

## Precautionary & below Ratio / NPL Ratio



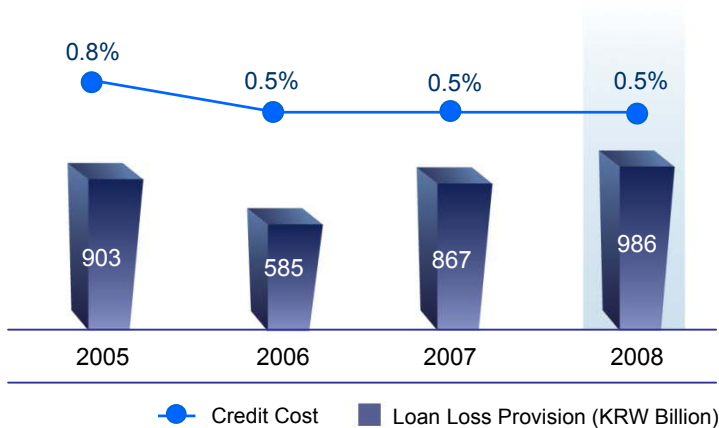
## Delinquency ratio



Note) 1 month overdue

(KRW billion)	2008.12	2007.12	YTD% (%p)	2008.9	QoQ% (%p)
Total Assets (Managed)	16,815	17,273	-2.7	16,975	-0.9
Normal	15,953	16,125	-1.1	16,068	-0.7
Precautionary	452	623	-27.5	469	-3.6
Substandard	-	-	n.a	-	n.a
Doubtful	102	106	-3.8	98	3.9
Estimated Loss	309	420	-26.3	340	-9.1
Substandard & below	411	525	-21.8	438	-6.2
NPL ratio	2.44%	3.04%	-0.6	2.58%	-0.1
Loan Loss Reserve (Managed)	848	1,052	-19.4	902	-6.1
NPL Coverage Ratio	206%	200%	6.0	206%	0.3

## SFG Loan Loss Provision

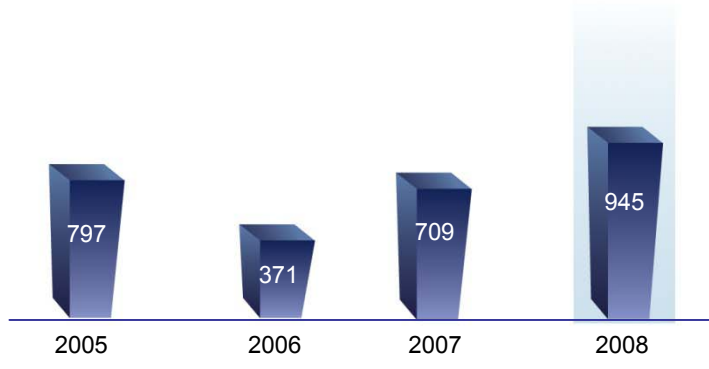


	(KRW billion)	2005	2006	2007	2008				
						1Q	2Q	3Q	4Q
Shinhan Bank	671	475	586	865	53	82	296	434	
Retail	275	265	151	94	2	1	49	42	
Corporate	396	210	435	771	51	81	247	392	
Shinhan Card	249	117	286	24	3	8	-24	37	
<b>Total</b>	<b>920</b>	<b>592</b>	<b>872</b>	<b>889</b>	<b>56</b>	<b>90</b>	<b>272</b>	<b>471</b>	

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

## Write-Off (SHB + Shinhan Card)

(KRW billion)



	(KRW billion)	2005	2006	2007	2008				
						1Q	2Q	3Q	4Q
Shinhan Bank	444	164	186	341	32	69	156	84	
Retail	247	82	114	75	14	13	36	12	
Corporate	197	82	72	266	18	56	120	72	
Shinhan Card	353	207	523	604	118	152	167	167	
<b>Total</b>	<b>797</b>	<b>371</b>	<b>709</b>	<b>945</b>	<b>150</b>	<b>221</b>	<b>323</b>	<b>251</b>	



## **v Capital Adequacy**

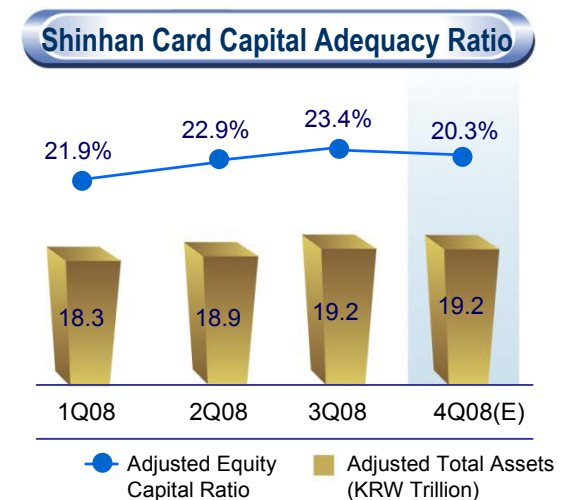
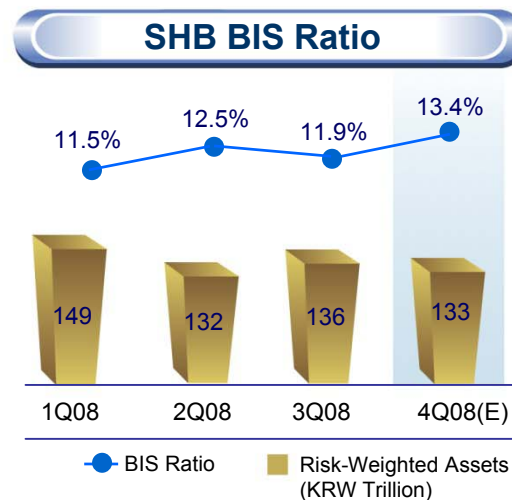
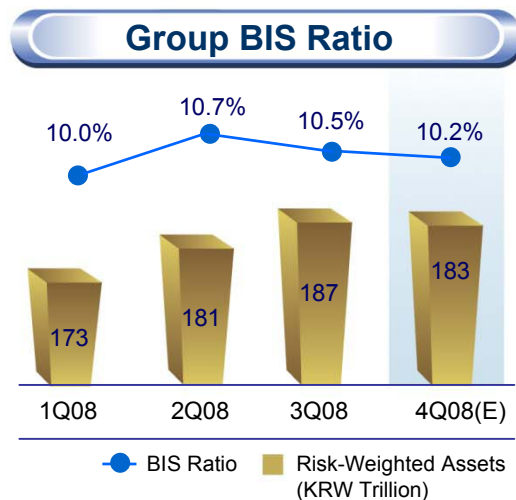
### **1. Capital Adequacy**

Group BIS Ratio				
(KRW billion)	2008.12(E)	2008.9	Chg	QoQ% (%p)
Risk-Weighted Assets	183,343	185,584	-2,241	-1.2
Capital	18,656	19,449	-793	-4.1
Tier 1	9,779	10,131	-352	-3.5
Tier 2	8,877	9,318	-441	-4.7
BIS Ratio	10.2%	10.5%		-0.3
Tier 1	5.3%	5.5%	n.a.	-0.2
Tier 2	4.9%	5.0%		-0.1

Note) Based on Basel I standard

SHB BIS Ratio				
(KRW billion)	2008.12(E)	2008.9	Chg	QoQ% (%p)
Risk-Weighted Assets	133,369	136,097	-2,728	-2.0
Capital	17,894	16,201	1,693	10.4
Tier 1	12,411	11,575	836	7.2
Tier 2	5,483	4,626	857	18.5
BIS Ratio	13.4%	11.9%		1.5
Tier 1	9.3%	8.5%	n.a.	0.8
Tier 2	4.1%	3.4%		0.7

Note) Based on Basel II FIRB approach





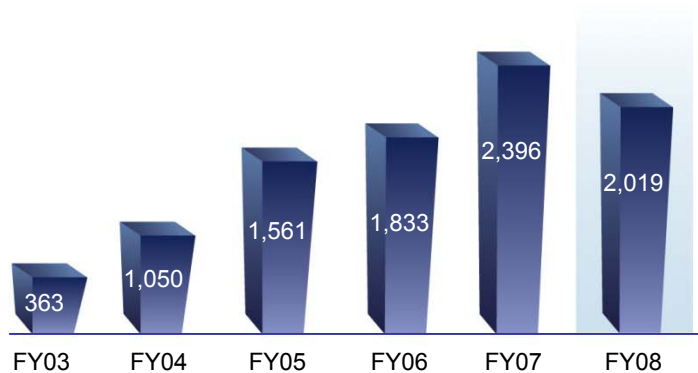
## **VI Appendix**

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

# Key Financial Ratios

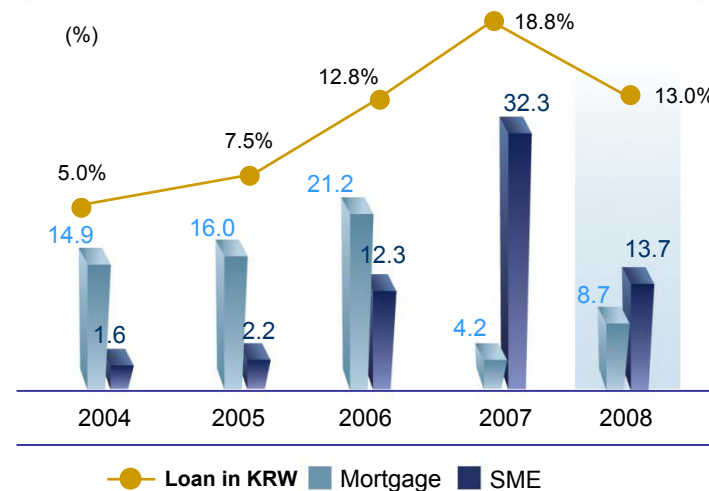
## Group Net Income

(KRW billion)

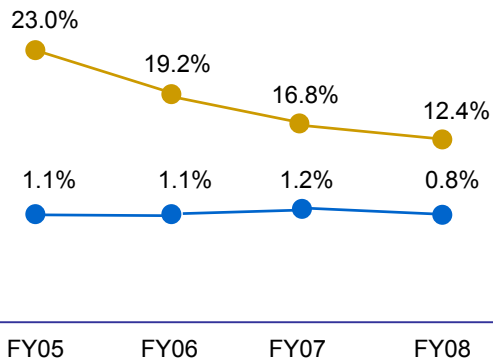


## SHB KRW Loan Growth Rate

(%)

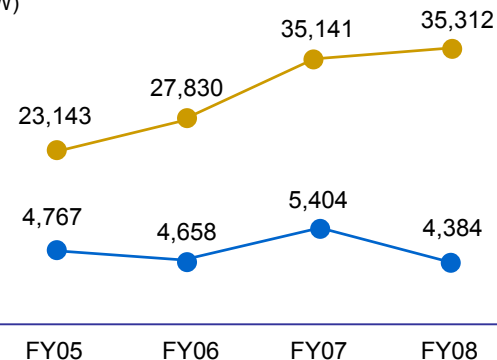


## ROA / ROE



## BPS / EPS

(KRW)



● ROE ● ROA

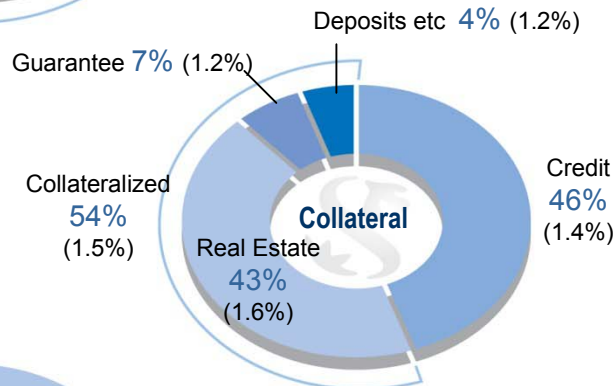
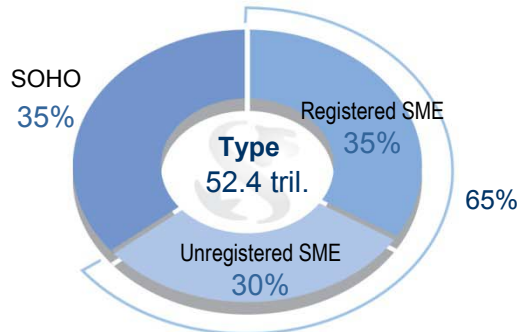
● BPS ● EPS

Note) ROE based on common stocks

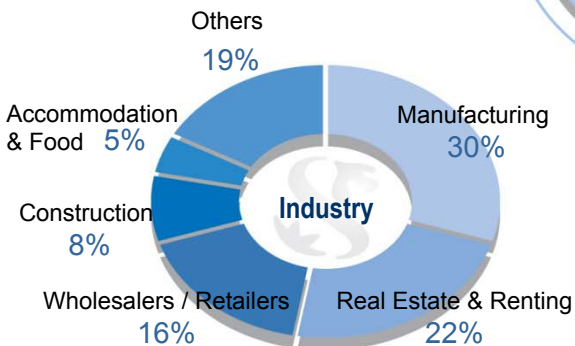
(As of end of Dec. 2008)	No. of Shares (thousands)	Ownership (%)	Acquisition Cost (KRW)	Book Value Per Share (KRW)	Valuation Gain (KRW Billion)
<b>Hynix</b>	27,979	6.1	3,984	6,164	61
<b>SK Networks</b>	22,615	9.3	5,016	8,115	70
<b>Hyundai Eng. &amp; Con.</b>	4,534	4.1	32,293	50,961	85
<b>Ssangyoung Cement</b>	10,000	13.4	10,661	6,082	-46
<b>Total</b>					<b>170</b>

## SME Loans

(As of Dec. 2008)



Note) Figures in parenthesis indicate delinquency ratio.



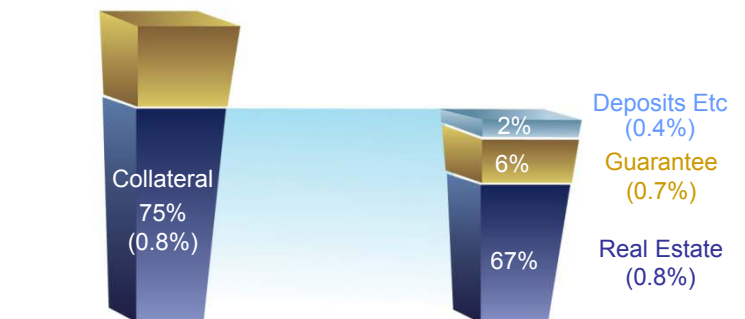
## Delinquency Ratio by Industry for SME Loans

(%)	2008.12	2007.12	YTD%p	2008.9	QoQ%p
Manufacturing	1.48	1.15	0.33	1.41	0.07
Real Estate & Renting	1.09	0.82	0.27	1.03	0.06
Wholesalers / Retailers	0.95	0.71	0.24	0.97	-0.02
Constructions	2.53	1.33	1.20	2.64	-0.11
Total	1.25	0.94	0.31	1.27	-0.02

Note) 1 month overdue

## SOHO Collateralization

(As of Dec. 2008)



Note) Figures in parenthesis indicate delinquency ratio.