

*Your Total Financial Solution : Shinhan Financial Group*

# 2009 3Q Business Results

November 2009



# Disclaimer Statement

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

For comparison purposes, please note the following facts :

1) On June 26, 2009, Shinhan Financial Group transferred its title of 50%+1 share of SH&C Life Insurance to BNP Paribas Assurance and Shinhan Bank, in which BNP Paribas Assurance purchased 35%+2 shares and Shinhan Bank 15%-1share.

Following this transaction, SH&C Life Insurance is no longer our subsidiary and 2008 figure herein has been restated to reflect this change.

2) As of January 2, 2009, the two asset management companies of Shinhan Financial Group, Shinhan BNP Paribas ITMC and SH Asset Management, merged under the new name of Shinhan BNP Paribas Asset Management. Please note that figures for the pre-merger have been provided in an integrated (pro-forma) basis for comparison purposes.

3) Starting from 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 AM 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.



# **Contents**

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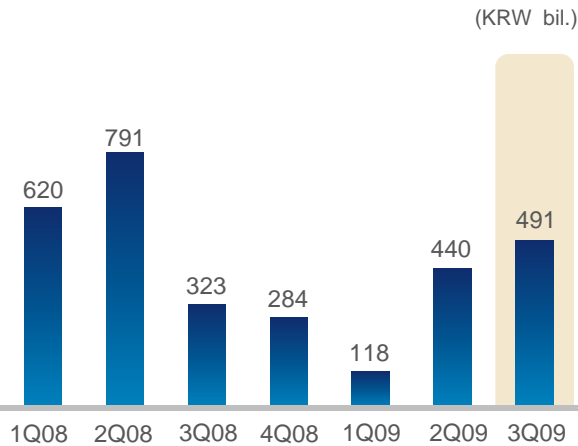
- I . 2009 3Q Highlights**
- II . Income Statements**
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# 2009 3Q Highlights (1)

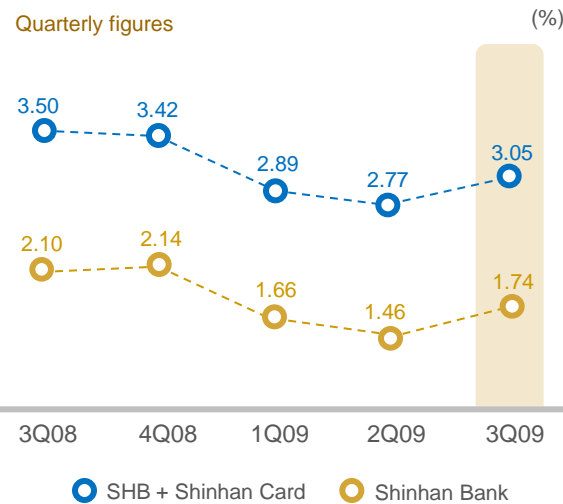
## Group Net Income



2Q09 439.7 bil. → 3Q09 491.3 bil.  
(QoQ +11.7%)

- NIM recovery along with alleviating loan loss provisions propped 3Q09 earnings.
- 28 bp hike in NIM lifted interest income up 10.1% QoQ.
- 3Q09 provisioning dropped by 70.4% QoQ to KRW 157.1 bil.

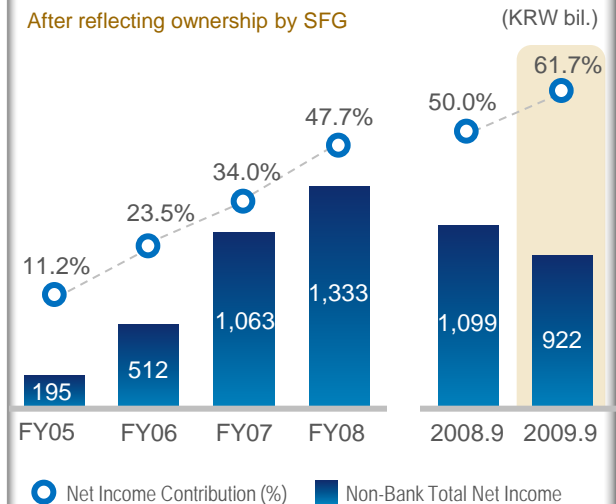
## Group NIM



Group & SHB NIM climb up 28 bp QoQ  
Group NIM returning to the 3% level

- Shinhan Bank: Lower pricing in funding weighed down the average funding cost on liabilities such as deposits, debentures and etc.
- Shinhan Card: Revitalizing consumption led to higher transaction volume and, lower funding cost continued to improve NIM.

## Non-Bank Earnings Contribution



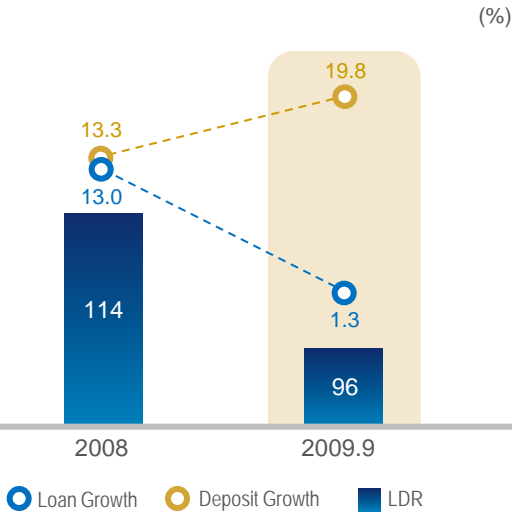
Non-Bank Subsidiaries  
Earnings Contribution 61.7%

- Major non-bank subsidiaries such as Shinhan Card, Shinhan Investment Corp. and Shinhan Life Insurance continued to deliver sound performance.
- Net income of Shinhan Card and Shinhan Life Insurance in 3Q increased by 10.2% and 5.7% QoQ respectively.



# 2009 3Q Highlights (2)

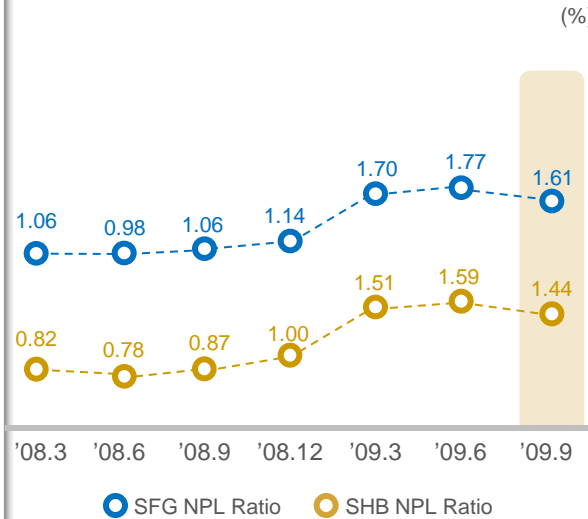
## Loans & Deposits



Faster deposit growth brought LDR down to 96%

- Loan growth(YTD) marked 1.3% only substantially decelerating compared to FY2008.
- 19.8% deposit growth outpaced loan growth and contributed to a more stable LDR.
- Faster deposit growth further lowered LDR

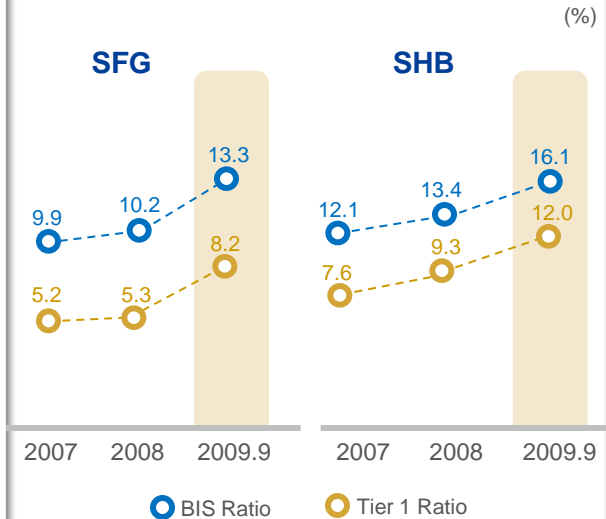
## NPL Ratio



Group & SHB NPL ratio continuously in stabilizing pace

- Group's NPL ratio at 3Q09-end marked 1.61%, showing a 16bp improvement from the previous quarter-end.
- 3Q09-end NPL ratio for SHB & Shinhan Card each marked 1.44% and 2.65%, continuously improving its status.

## Capital Adequacy



Tier 1 ratio improvement continues SFG 8.2%, SHB 12.0%

- Capital adequacy of the Group and SHB improved as 1) earnings stream began to substantially recover during 3Q09 and 2) the amount of securities valuation loss declined over the market recovery.
- Tier 1 ratio for SFG & SHB remarkably improved from 2008 year-end by 2.9%p and 2.7%p respectively



# II . Income Statements

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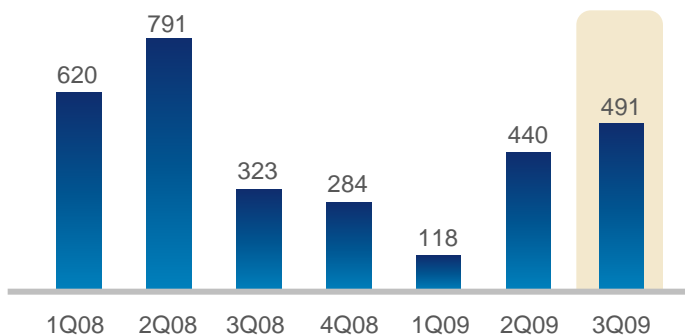
1. SFG Income
2. Subsidiaries Income (1)
3. Subsidiaries Income (2)
4. SHB Income / NIM
5. SHB Non-Interest Income / SG&A
6. Shinhan Card Income





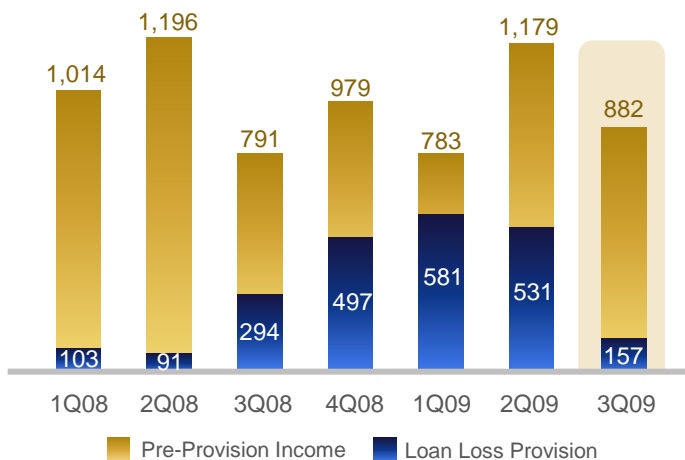
## Net Income

(KRW bil.)



## Pre-Provision Income & LLP

(KRW bil.)

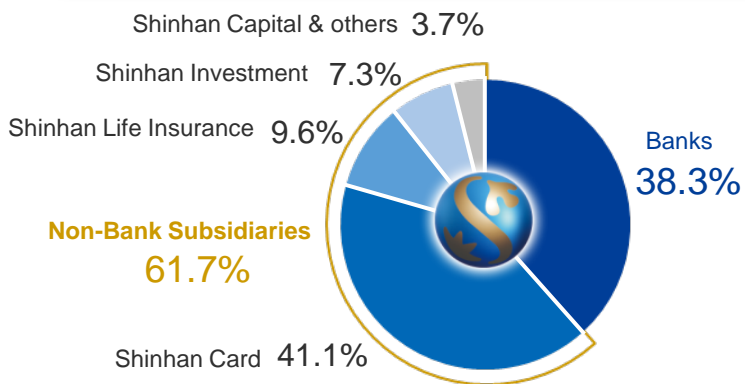


(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY%	3Q09	2Q09	QoQ%
Total Operating Income (a=b+c)	5,655.0	5,897.0	-4.1	1,918.6	1,960.7	-2.1
Interest Income (b)	4,627.7	5,122.1	-9.7	1,633.5	1,484.1	10.1
Non-Interest Income (c)	1,027.4	774.9	32.6	285.0	476.6	-40.2
SG&A (d)	2,780.3	2,883.8	-3.6	998.2	790.4	26.3
Pre-Provision Operating Income (e=a-d)	2,874.7	3,013.1	-4.6	920.4	1,170.3	-21.4
Non-Operating Income (f)	-30.4	-12.4	n.a.	-38.6	9.1	n.a.
Pre-Provision Income (g=e+f)	2,844.3	3,000.7	-5.2	881.8	1,179.4	-25.2
Loan Loss Provision (h)	1,269.6	488.5	159.9	157.1	531.4	-70.4
Earnings before Income Tax (i=g-h)	1,574.7	2,512.2	-37.3	724.7	648.0	11.8
Income Tax	524.3	773.5	-32.2	227.8	216.4	5.3
Consolidated Net Income	1,049.1	1,734.9	-39.5	491.3	439.7	11.7

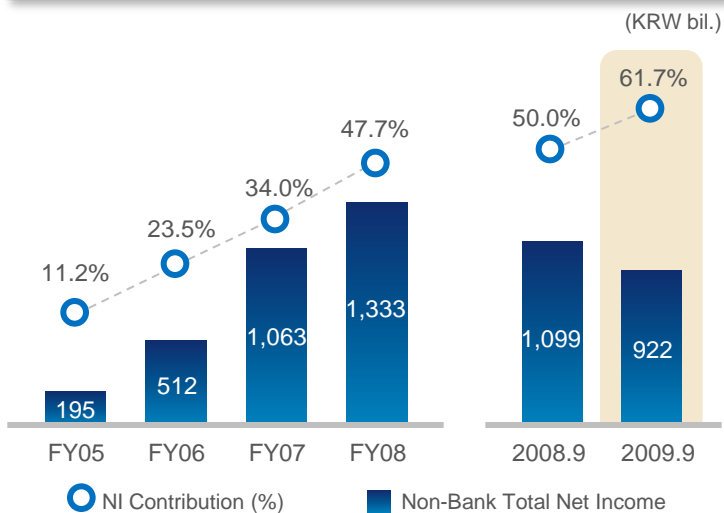


# Subsidiaries Income (1)

## Net Income Contribution by Subsidiaries



## Net Income Contribution by Non-Bank Subsidiaries



Note) After reflecting ownership by SFG

(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x ownership) [C=A x B]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	576.1		572.5	-26.9	545.7
Shinhan Bank	564.6	100.0%	564.6	-27.5 <sup>1)</sup>	537.1
Jeju Bank	11.6	68.9%	8.0	0.6 <sup>1)</sup>	8.6
Non-Bank(b)	930.6		921.7	-273.6	648.1
Shinhan Card	614.6	100.0%	614.6	-227.3 <sup>1)</sup>	387.3
Shinhan Investment	108.4	100.0%	108.4	-12.9 <sup>1)</sup>	95.5
Shinhan Life Insurance	142.8	100.0%	142.8	-30.8 <sup>1)</sup>	112.1
Shinhan Capital	34.6	100.0%	34.6	-2.7 <sup>1)</sup>	31.9
Shinhan BNPP AM	27.7	65.0%	18.0		18.0
Shinhan Credit Information	1.0	100.0%	1.0		1.0
Shinhan PE	3.1	100.0%	3.1		3.1
Shinhan Macquarie Advisory	-1.6	51.0%	-0.8		-0.8
SFG(c)				-144.6 <sup>2)</sup>	-144.6
<b>Total (d=a+b+c)</b>	<b>1,506.8</b>		<b>1,494.2</b>	<b>-445.1</b>	<b>1,049.1</b>

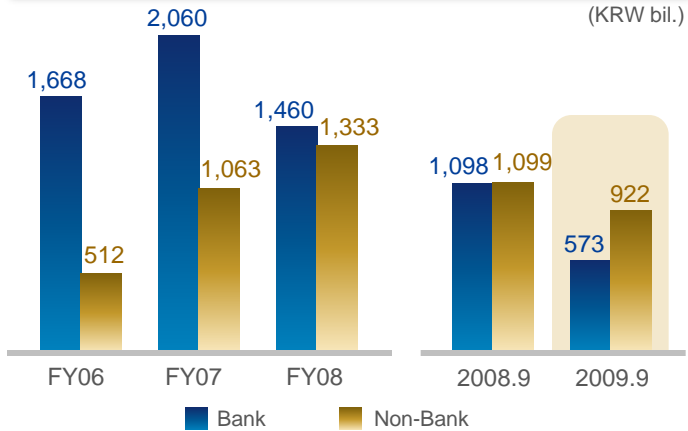
Note 1) Goodwill amortization : SHB 46.1 bil., Shinhan Card 227.5 bil., Shinhan Investment 12.8 bil., Shinhan Life Insurance 31.4 bil. etc.

2) SFG (non-consolidated) : brand fee 102.0 bil., interest expense -216.3 bil., gain on SH&C shares 10.5 bil., SG&A -42.4 bil. etc.

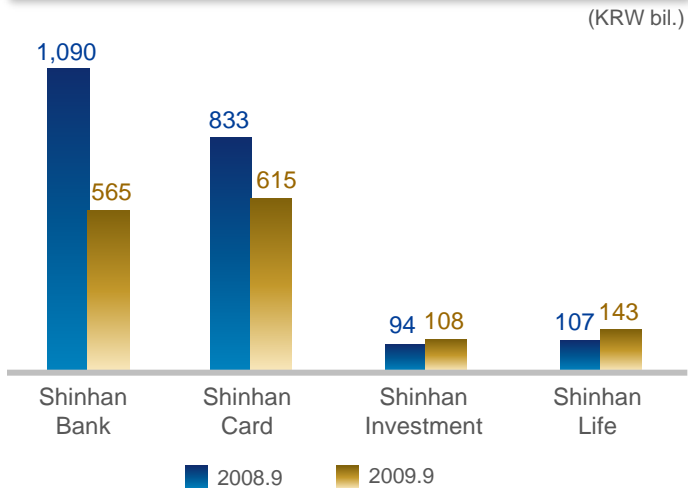


# Subsidiaries Income (2)

## Bank & Non-Bank Net Income Trend



## Net Income YoY Comparison by Subsidiaries

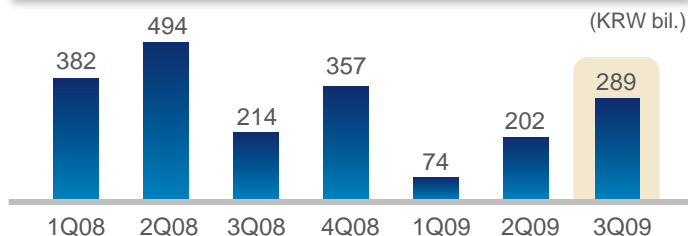


(After reflecting ownership, KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY%	3Q09	2Q09	QoQ%
<b>Bank (a)</b>	<b>572.5</b>	1,097.6	-47.8	<b>292.9</b>	205.5	42.5
Shinhan Bank	<b>564.6</b>	1,090.0	-48.2	<b>288.8</b>	202.0	43.0
Jeju Bank	<b>8.0</b>	7.6	4.8	<b>4.0</b>	3.5	13.7
<b>Non-Bank (b)</b>	<b>921.7</b>	1,099.1	-16.1	<b>352.2</b>	361.0	-2.4
Shinhan Card	<b>614.6</b>	832.7	-26.2	<b>247.5</b>	224.5	10.2
Shinhan Investment Corp.	<b>108.4</b>	93.9	15.4	<b>31.2</b>	70.1	-55.5
Shinhan Life Insurance	<b>142.8</b>	106.9	33.6	<b>51.2</b>	48.4	5.7
Shinhan Capital	<b>34.6</b>	56.0	-38.2	<b>14.5</b>	9.4	54.9
Shinhan BNPP AM	<b>18.0</b>	12.1	49.6	<b>7.2</b>	7.2	-
Shinhan Credit Information	<b>1.0</b>	1.5	-36.0	<b>0.2</b>	0.4	-55.9
Shinhan PE	<b>3.1</b>	-0.3	n.a.	<b>1.0</b>	0.8	22.5
Shinhan Macquarie Advisory	<b>-0.8</b>	-3.7	n.a.	<b>-0.5</b>	0.1	n.a.
<b>Total (a+b)</b>	<b>1,494.2</b>	2,196.7	-32.0	<b>645.1</b>	566.5	13.9
<b>Consolidated Net Income</b>	<b>1,049.1</b>	1,734.9	-39.5	<b>491.3</b>	439.7	11.7

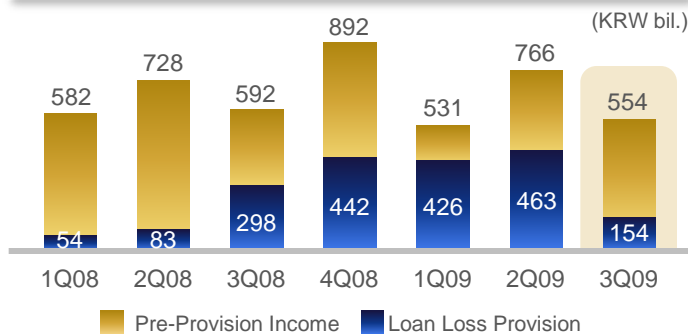


# SHB Income / NIM

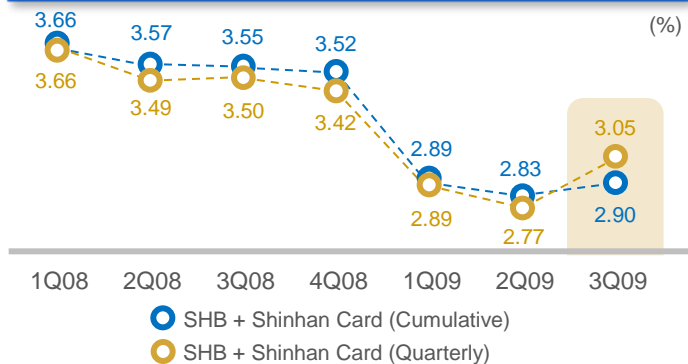
## Net Income



## Pre-Provision Income & LLP



## Group NIM



(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY%	3Q09	2Q09	QoQ%
Total Operating Income (a=b+c)	3,494.5	3,701.5	-5.6	1,167.3	1,205.2	-3.1
Interest Income (b)	2,610.3	2,964.1	-11.9	916.1	805.6	13.7
Non-Interest Income (c)	884.3	737.4	19.9	251.2	399.6	-37.1
SG&A (d)	1,600.1	1,705.5	-6.2	568.4	445.6	27.5
Pre-Provision Operating Income (e=a-d)	1,894.4	1,996.0	-5.1	598.9	759.6	-21.1
Non-Operating Income (f)	-43.2	-94.0	n.a.	-44.6	6.2	n.a.
Pre-Provision Income (g=e+f)	1,851.2	1,902.0	-2.7	554.3	765.8	-27.6
Loan Loss Provision (h)	1,042.4	434.9	139.7	153.7	463.2	-66.8
Earnings before Income Tax (i=g-h)	808.8	1,467.1	-44.9	400.7	302.6	32.4
Net Income	564.6	1,090.0	-48.2	288.8	202.0	43.0

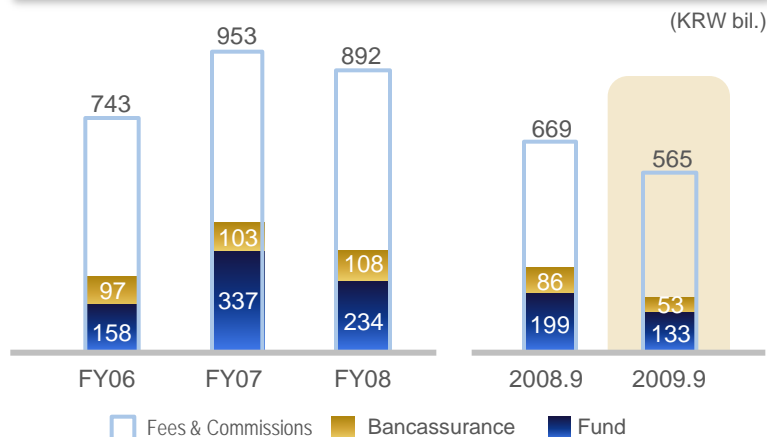
(%)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09
NIS <sup>1)</sup> (a-b)	2.65	2.49	2.48	2.54	1.80	1.65	1.77
Loan interest rate (a)	7.02	6.91	7.05	7.10	6.09	5.58	5.43
Deposit interest rate (b)	4.37	4.42	4.57	4.56	4.29	3.93	3.67
NIM (quarterly)	2.18	2.03	2.10	2.14	1.66	1.46	1.74
NIM <sup>1)</sup>	2.18	2.10	2.10	2.12	1.66	1.56	1.62

Note1) Cumulative figures



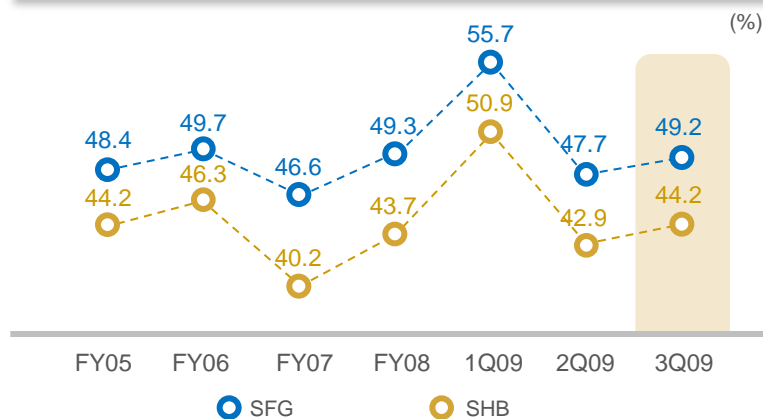
# SHB Non-Interest Income / SG&A

## Fees and Commissions



(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY%	3Q09	2Q09	QoQ%
Non-Interest Income	884.3	737.4	19.9	251.2	399.6	-37.1
Fees & Commissions	565.4	668.9	-15.5	192.7	213.0	-9.5
(Fund)	132.8	198.8	-33.2	53.8	44.3	21.4
(Bancassurance)	52.5	85.9	-38.9	15.8	15.6	1.3
Trust Fees	29.4	33.2	-11.4	9.8	9.5	3.7
Securities related	301.9	184.4	63.7	42.4	176.2	-75.9
Others	-12.4	-149.2	n.a.	6.3	1.0	n.a.

## Cost-Income Ratio



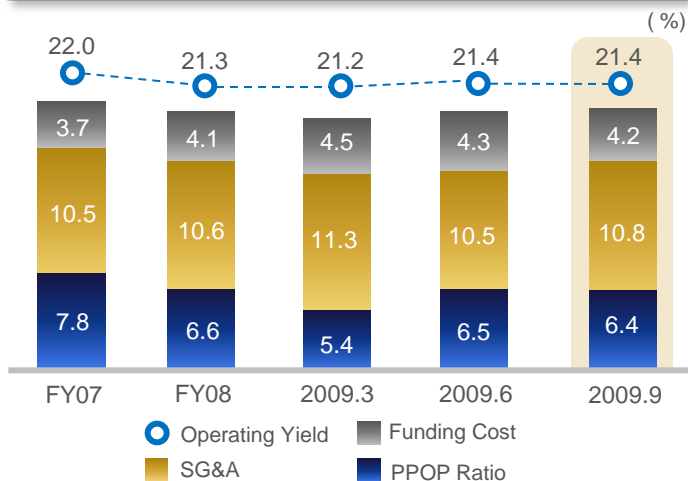
(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY%	3Q09	2Q09	QoQ%
SG&A Expense	1,600.1	1,705.5	-6.2	568.4	445.6	27.5
Labor Cost	763.6	742.4	2.9	251.6	165.6	52.0
Admin. Expense	599.0	682.9	-12.3	235.0	201.8	16.5
D&A	162.6	176.1	-7.7	52.7	58.8	-10.4
Taxes & Dues	74.9	104.2	-28.1	29.0	19.5	49.1

Note) SFG's cost income ratio includes goodwill amortization cost.  
 (97.4 bil., for FY05, 148.4 for FY06, 375.9 for FY07, 491.4 for FY08, 317.7 for FY09)

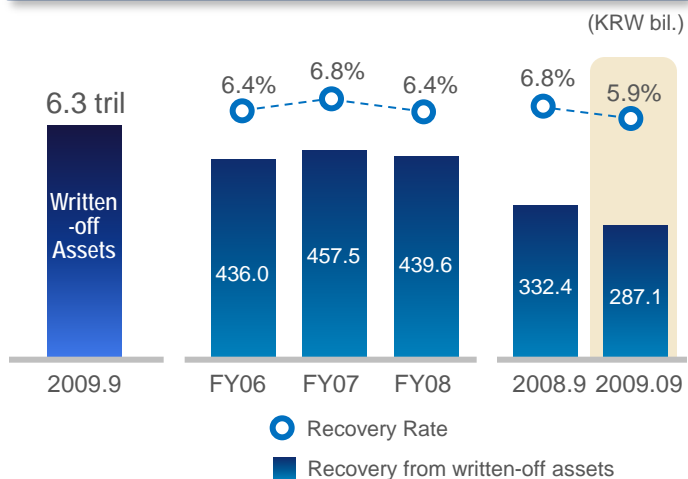


# Shinhan Card Income

## Operating Yield and PPOP Ratio



## Recovery from Written-off Assets



(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY%	3Q09	2Q09	QoQ%
Operating Revenue (a)	2,794.1	3,244.1	-13.9	970.0	814.5	19.1
Receivables	2,403.5	2,540.0	-5.4	818.4	799.9	2.3
Installment Finance	104.8	124.0	-15.5	33.3	34.2	-2.7
Loans	0.1	1.6	-92.4	0.0	0.0	n.a.
Lease	34.5	55.6	-38.0	11.5	11.7	-2.0
Others	251.2	522.9	-52.0	106.8	-31.3	n.a.
Interest Expense (b)	512.3	543.1	-5.7	162.4	167.5	-3.0
Other expenses (c)	78.2	283.5	-72.4	46.2	-80.9	n.a.
SG&A (d)	1,334.2	1,361.7	-2.0	472.7	398.1	18.7
Operating Income (e=a-b-c-d)	869.3	1,055.7	-17.7	288.7	329.7	-12.4
Non-Operating Income (f)	4.0	54.2	-92.6	0.8	-0.3	n.a.
Pre-Provision Income (g=e+f)	873.3	1,109.9	-21.3	289.5	329.4	-12.1
Loan Loss Provision (h)	79.1	-12.6	n.a.	-37.1	34.8	n.a.
Earnings before Income Tax (i=g-h)	794.3	1,122.5	-29.2	326.6	294.7	10.8
Income Tax	179.7	308.7	-41.8	79.1	70.1	12.8
Net Income	614.6	813.8	-24.5	247.5	224.5	10.2

Note) Managed basis



## **III. Assets & Liabilities**

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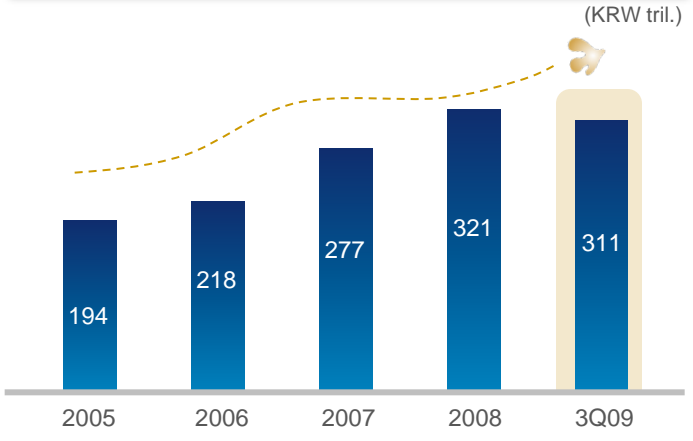
- 1. SFG Asset Growth**
- 2. SHB Loan / Deposit Growth**
- 3. Shinhan Card Asset Growth**



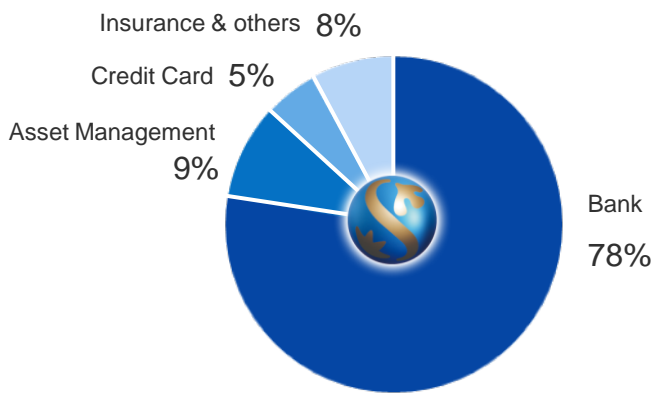


# SFG Asset Growth

## SFG Total Assets



## Asset Contribution by Subsidiary



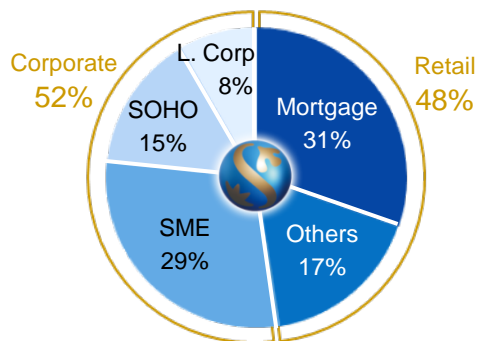
(KRW bil.)	2009.9	2008.12	YTD%	2009.6	QoQ%
Bank	242,158	252,413	-4.1	243,140	-0.4
Shinhan Bank	239,233	249,509	-4.1	240,274	-0.4
Jeju Bank	2,925	2,903	0.7	2,867	2.0
Non-Bank	64,925	64,038	1.4	66,622	-2.5
Shinhan Card	16,367	17,076	-4.2	15,723	4.1
Shinhan Investment	8,274	7,315	13.1	8,564	-3.4
Shinhan Life Insurance	9,570	8,517	12.4	9,177	4.3
Shinhan Capital	3,511	4,008	-12.4	3,697	-5.0
Shinhan BNPP AM	27,204	27,123	0.3	29,461	-7.7
<b>Total Asset <sup>1)</sup></b>	<b>311,219</b>	<b>321,263</b>	<b>-3.1</b>	<b>313,956</b>	<b>-0.9</b>

Note 1) Including trust A/C and AUM

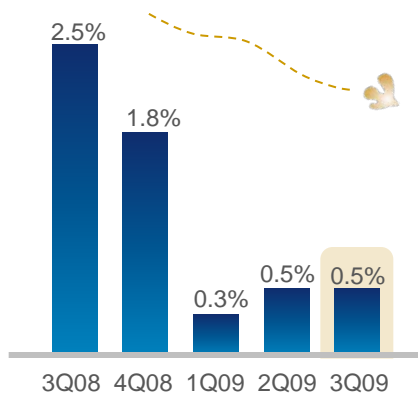


# SHB Loan / Deposit Growth

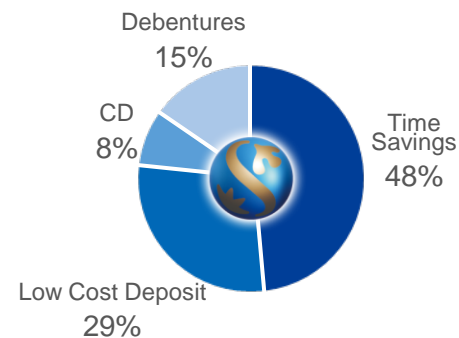
## Loan Composition



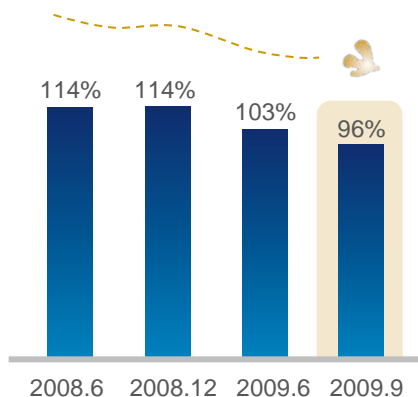
## Loan Growth



## Funding Composition



## LDR (including CDs)



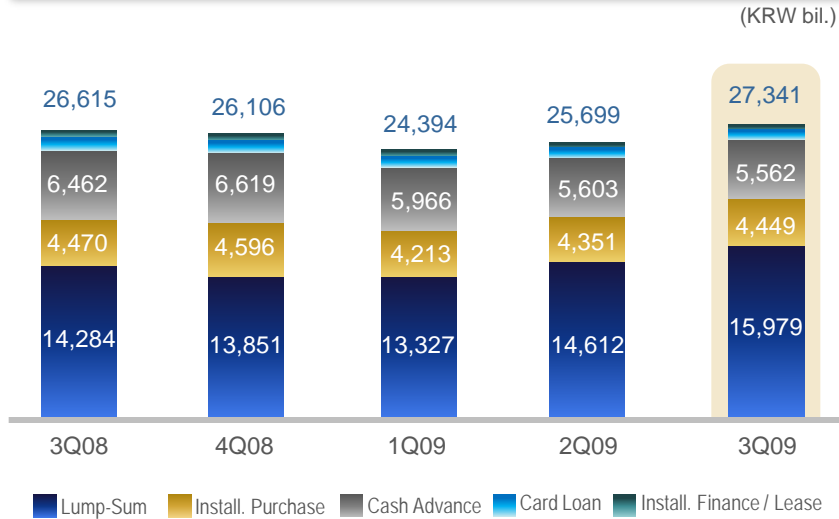
((KRW bil.)	2009.9	2008.12	YTD%	2009.6	QoQ%
Loan in KRW	121,379	119,797	1.3	120,756	0.5
Retail	57,708	56,131	2.8	57,279	0.8
Mortgage	37,299	34,510	8.1	36,547	2.2
Others	20,410	21,622	-5.6	20,731	-1.5
Corporate	63,671	63,666	0.0	63,477	0.3
SME	53,184	52,414	1.5	53,390	-0.4
SOHO	18,266	18,189	0.4	18,075	1.1
Large Corporate etc.	10,487	11,252	-6.8	10,087	3.6
Loan in FX	5,004	7,648	-34.6	6,376	-17.9

(KRW bil.)	2009.9	2008.12	YTD%	2009.6	QoQ%
Total Deposit in KRW	126,088	105,247	19.8	116,718	8.9
Low Cost Deposit	43,303	36,002	20.3	41,977	3.7
Demand	13,763	11,725	17.4	13,637	1.1
Savings	29,540	24,277	21.7	28,340	4.9
Other savings	71,524	56,121	27.4	63,276	14.7
Time Deposits	65,055	50,516	28.8	56,907	16.1
Accumulative etc.	6,469	5,605	15.4	6,369	1.8
Certificate of Deposits	11,261	13,124	-14.2	11,465	-1.6
Debentures in KRW	22,301	28,783	-22.5	24,299	-6.9

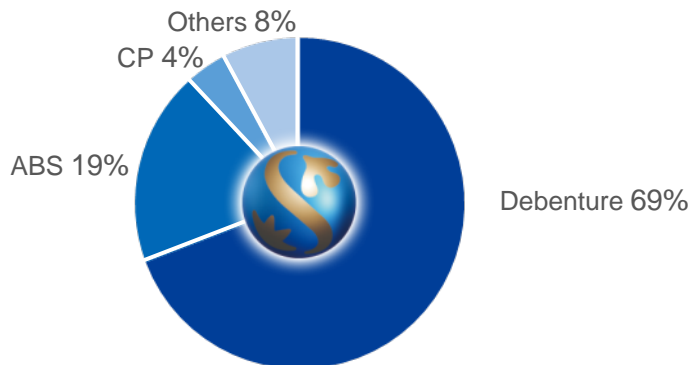


# Shinhan Card Asset Growth

## Transaction Volume



## Funding Composition



(KRW bil.)	2009.9	2008.12	YTD%	2009.6	QoQ%
Asset (Managed)	16,179	16,815	-3.8	15,772	2.6
Receivables	8,599	8,325	3.3	8,265	4.0
Cash Advances	3,282	3,826	-14.2	3,357	-2.2
Card Loan	2,550	2,701	-5.6	2,380	7.2
(Re-aged Loan)	322	395	-18.6	337	-4.4
Installment Finance	1,080	1,263	-14.5	1,089	-0.8
Lease	665	699	-4.9	681	-2.4
Active Customers <sup>1)</sup>	14,154	13,617	3.9	13,871	2.0
Merchants <sup>1)</sup>	2,394	2,268	5.6	2,330	2.7

Note 1) in thousands

(KRW bil.)	2009.9	2008.12	YTD%	2009.6	QoQ%
Total Funding	11,020	12,408	-11.2	10,848	1.6
Debenture	7,630	7,755	-1.6	7,147	6.8
ABS	2,111	2,267	-6.9	2,111	0.0
CP	429	999	-57.0	440	-2.4
Others	850	1,387	-38.7	1,150	-26.1



# IV. Asset Quality

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

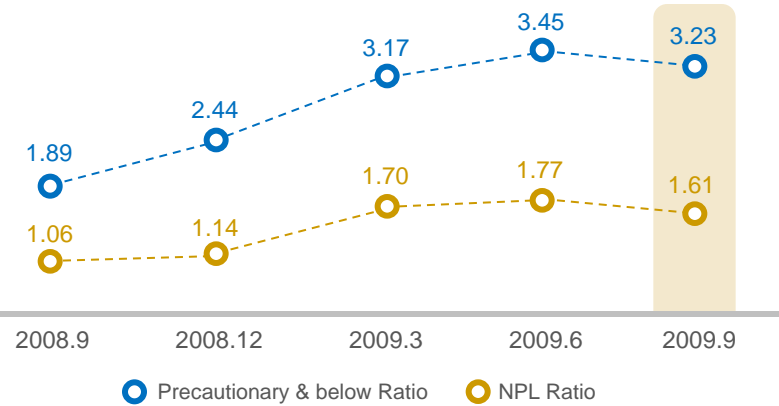




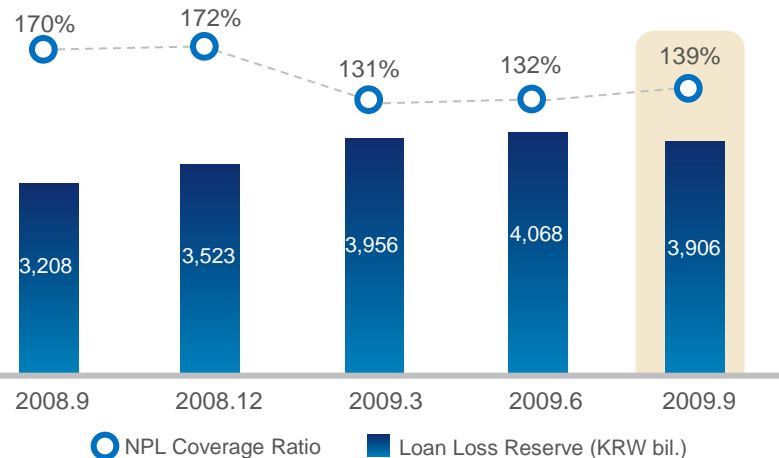
# SFG Asset Quality

## Precautionary & below Ratio / NPL Ratio

(%)



## NPL Coverage Ratio



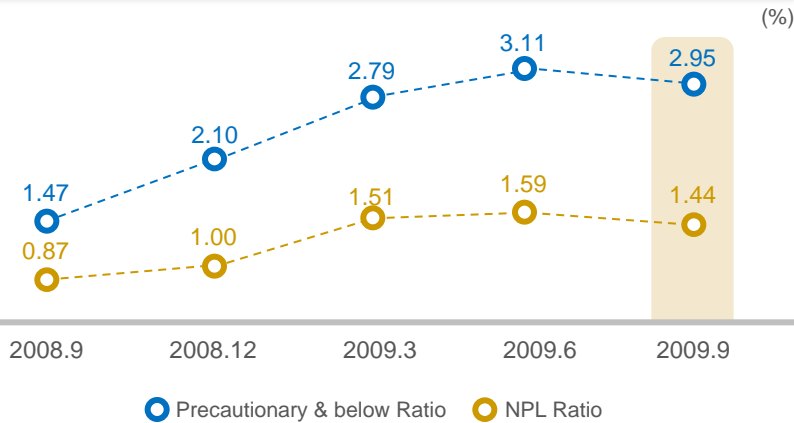
(KRW bil.)	2009.9	2008.12	YTD% (%P)	2009.6	QoQ% (%P)
Total Loan <sup>1)</sup>	173,938	179,561	-3.1	174,657	-0.4
Normal	168,325	175,182	-3.9	168,638	-0.2
Precautionary	2,807	2,332	16.1	2,930	-4.2
Substandard	1,277	764	67.2	1,360	-6.1
Doubtful	605	430	40.8	699	-13.4
Estimated Loss	923	853	8.3	1,031	-10.4
Substandard & below	2,806	2,047	37.1	3,090	-9.2
NPL Ratio	1.61%	1.14%	0.47	1.77%	-0.16
Loan Loss Reserve	3,906	3,523	10.9	4,068	-4.0
NPL Coverage Ratio	139%	172%	-32.9	132%	7.5

Note 1) Sum of loans of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment, Shinhan Life Insurance and Shinhan Capital

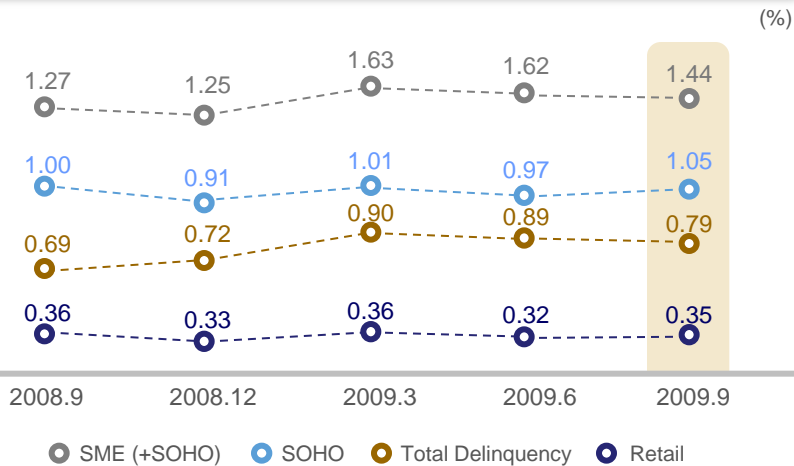


# SHB Asset Quality

## Precautionary & below Ratio / NPL Ratio



## Delinquency Ratio



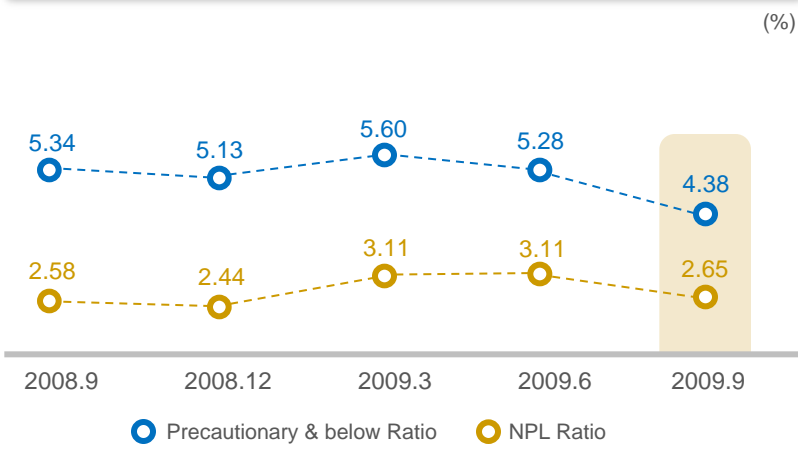
Note) 1 month overdue (new FSS standard)

(KRW bil.)	2009.9	2008.12	YTD% (%P)	2009.6	QoQ% (%P)
Total Loan	148,558	153,851	-3.4	149,854	-0.9
Normal	144,169	150,627	-4.3	145,189	-0.7
Precautionary	2,249	1,693	32.8	2,287	-1.7
Substandard	1,188	743	59.9	1,278	-7.0
Doubtful	417	302	38.0	491	-15.1
Estimated Loss	535	486	10.2	609	-12.1
Substandard & below	2,140	1,531	39.8	2,378	-10.0
NPL Ratio	1.44%	1.00%	0.45	1.59%	-0.15
Loan Loss Reserve	2,851	2,509	13.6	2,939	-3.0
NPL Coverage Ratio	133%	164%	-30.7	124%	9.6

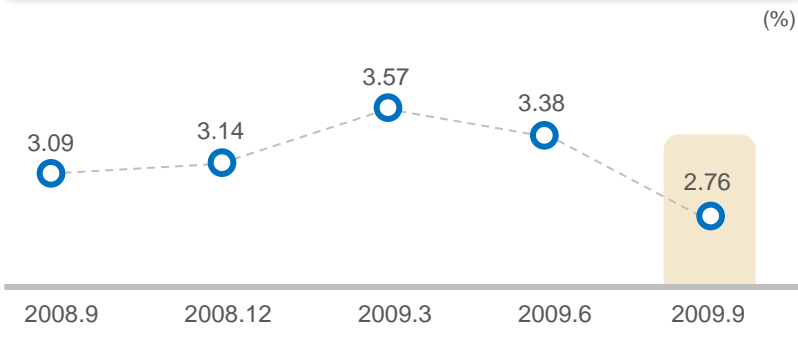


# Shinhan Card Asset Quality

## Precautionary & below Ratio / NPL Ratio



## Delinquency Ratio



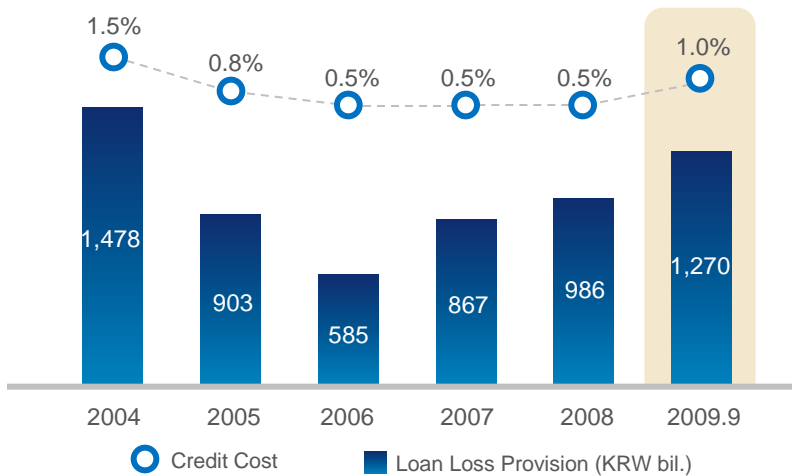
Note) 1 month overdue

(KRW bil.)	2009.9	2008.12	YTD% (%P)	2009.6	QoQ% (%P)
Total Asset (Managed)	16,179	16,815	-3.8	15,772	2.6
Normal	15,470	15,953	-3.0	14,940	3.6
Precautionary	281	452	-37.7	342	-17.7
Substandard	-	-	n.a	-	n.a
Doubtful	88	102	-13.0	122	-27.4
Estimated Loss	340	309	9.8	369	-8.0
Substandard & below	428	411	4.2	491	-12.8
NPL Ratio	2.65%	2.44%	0.20	3.11%	-0.47
Loan Loss Reserve (Managed)	823	848	-2.9	903	-8.8
NPL Coverage Ratio	192%	206%	-14.0	184%	8.4

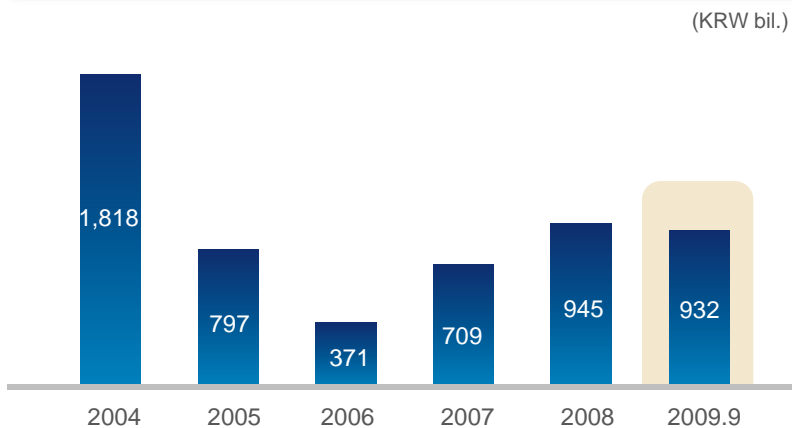


# Loan Loss Provision / Write-off

## SFG Loan Loss Provision



## Write-off (SHB + Shinhan Card)



(KRW bil.)	2008				2009				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
Shinhan Bank <sup>1)</sup>	865	53	82	296	434	1,032	421	460	152
Retail	94	2	1	49	42	93	31	41	21
Corporate	771	51	81	247	392	940	390	419	131
Shinhan Card <sup>1)</sup>	24	3	8	-24	37	79	81	35	-37
<b>Total</b>	<b>889</b>	<b>56</b>	<b>91</b>	<b>272</b>	<b>470</b>	<b>1,111</b>	<b>502</b>	<b>495</b>	<b>115</b>

Note) Shinhan Bank's figures are non-consolidated basis.  
Shinhan Card's figures are managed basis.

(KRW bil.)	2008				2009				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
Shinhan Bank <sup>1)</sup>	341	32	69	156	85	526	131	180	215
Retail	75	14	13	36	13	65	31	20	14
Corporate	266	18	56	120	72	461	100	160	201
Shinhan Card <sup>1)</sup>	604	118	152	167	167	406	106	158	142
<b>Total</b>	<b>945</b>	<b>150</b>	<b>221</b>	<b>322</b>	<b>251</b>	<b>932</b>	<b>237</b>	<b>338</b>	<b>356</b>

Note) Shinhan Bank's figures are non-consolidated basis.  
Shinhan Card's figures are managed basis.



# V. Capital Adequacy

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## 1. Capital Adequacy





# Capital Adequacy

## Group BIS Ratio

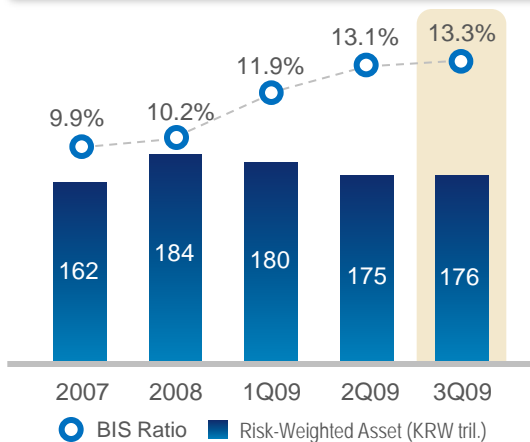
(KRW bil.)	2009.9(E)	2009.6	Chg	QoQ% (%p)
Risk-Weighted Assets	176,042	175,209	833	0.5
Capital	23,458	22,973	513	2.2
Tier 1	14,415	13,920	495	3.6
Tier 2	9,071	9,053	18	0.2
BIS Ratio	13.3%	13.1%		0.2
Tier 1	8.2%	7.9%		0.2
Tier 2	5.2%	5.2%		0.0

## Shinhan Bank BIS Ratio

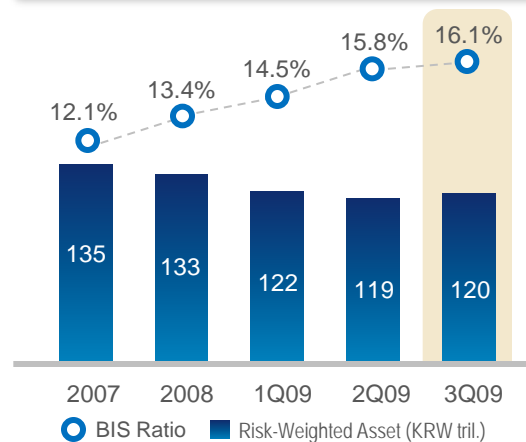
(KRW bil.)	2009.9(E)	2009.6	Chg	QoQ% (%p)
Risk-Weighted Assets	120,223	119,272	951	0.8
Capital	19,303	18,895	408	2.2
Tier 1	14,388	13,885	503	3.6
Tier 2	4,915	5,010	-95	-1.9
BIS Ratio	16.1%	15.8%		0.2
Tier 1	12.0%	11.6%		0.3
Tier 2	4.1%	4.2%		-0.1

Note) Based on Basel II FIRB approach

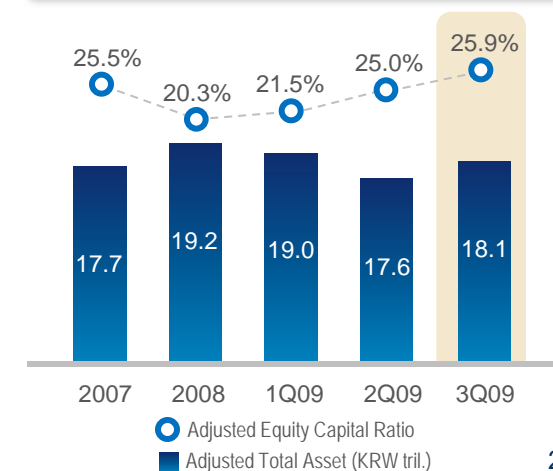
## Group BIS Ratio



## SHB BIS Ratio



## Shinhan Card Capital Adequacy Ratio





# VI. Appendix

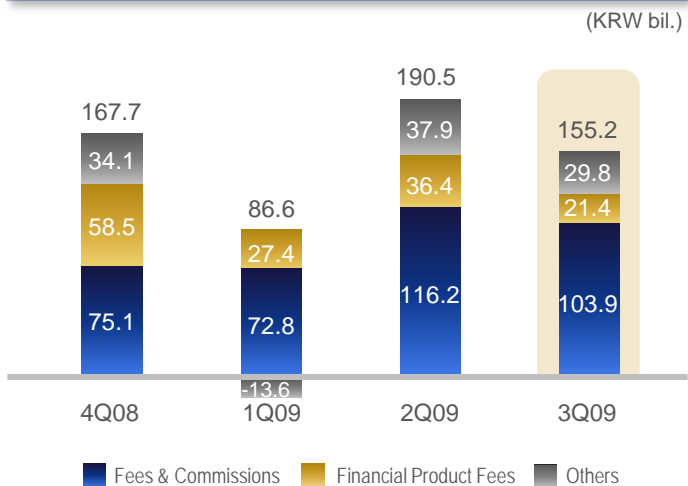
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1. SFG Subsidiaries Highlights
2. Key Financial Ratios
3. SHB SME Loans

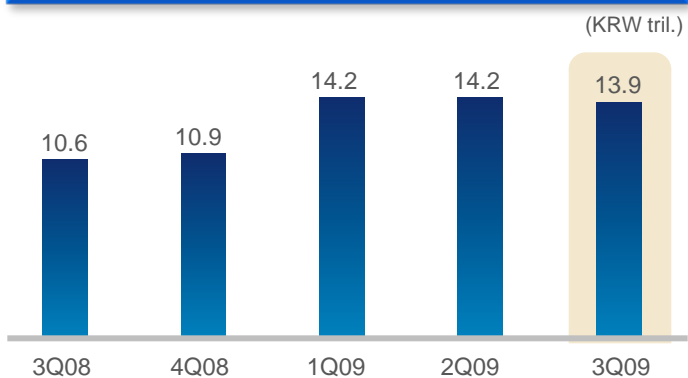




## Operating Revenue



## Asset (Financial Products) Balance



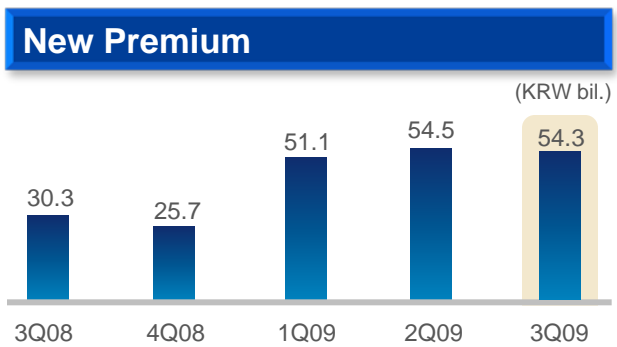
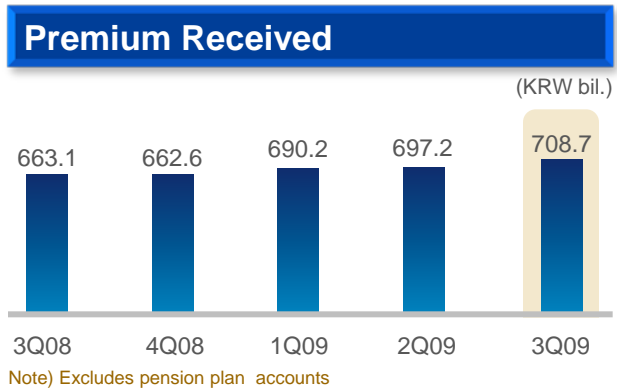
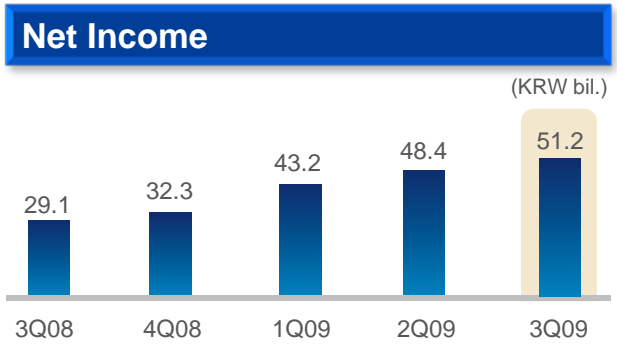
Note 1) Balance of financial products sold to clients such as beneficiary certificate, trust account, WRAP, ELS, RPs and micro debentures

## Income & Capital Adequacy Ratio

(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY% (%p)	3Q09	2Q09	QoQ% (%p)
Operating Revenue	432.3	364.1	18.7	155.2	190.5	-18.5
Fees & Commissions	292.9	220.5	32.9	103.9	116.2	-10.5
Financial Product Fees	85.2	82.9	2.8	21.4	36.4	-41.2
Others	54.1	60.7	-10.8	29.8	37.9	-21.3
Operating Expense	308.3	253.6	21.6	118.9	99.1	20.0
Operating Income	124.0	110.5	12.2	36.3	91.4	-60.3
Net Income	108.4	93.9	15.4	31.2	70.1	-55.5
Net Capital Ratio (%)	676	525	151	676	694	-18



# SFG Subsidiaries \_ Shinhan Life Insurance



## Income & Capital Adequacy Ratio

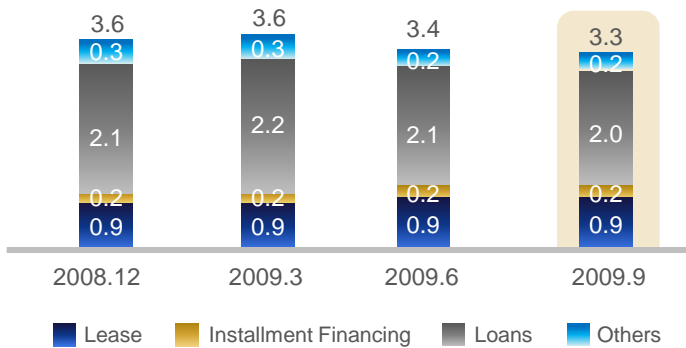
(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY% (%p)	3Q09	2Q09	QoQ% (%p)
Total Income	1,079.8	1,024.7	5.4	381.2	379.3	0.5
Net Premium Income	822.7	787.6	4.5	268.9	284.5	-5.5
Net Investment Income	325.1	265.1	22.6	117.9	100.4	17.4
Special Account / Others	-68.0	-28.0	n.a.	-5.6	-5.6	n.a.
Policy Reserve	896.0	883.1	1.5	313.1	323.3	-3.2
Net Income	142.8	106.9	33.6	51.2	48.4	5.7
Solvency Margin Ratio (%)	262	205	57	262	238	24



## Shinhan Capital

### Operating Assets

(KRW tril.)



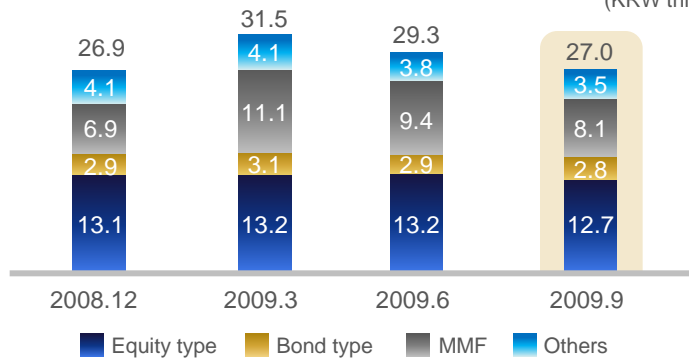
## Income Highlights

(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY%	3Q09	2Q09	QoQ%
Operating Revenue	353.3	450.0	-21.5	112.9	57.5	96.3
Operating Expense	271.2	377.7	-28.2	87.2	29.7	193.6
Interest Expense	134.5	129.2	4.1	39.7	44.0	-9.8
SG&A	14.5	12.3	17.9	5.1	4.1	24.4
Provision	35.6	15.5	129.7	6.4	15.5	-58.7
Net Income	34.6	56.0	-38.2	14.5	9.4	54.9

## Shinhan BNPP AM

### Assets Under Management

(KRW tril.)



## Income Highlights

(KRW bil.)	3Q09 (Acc.)	3Q08 (Acc.)	YoY%	3Q09	2Q09	QoQ%
Operating Revenue	84.2	111.0	-24.1	31.0	29.6	4.9
Operating Expense	46.5	60.5	-23.1	16.5	14.8	11.1
SG&A	26.3	29.1	-9.7	8.4	8.0	4.8
Operating Income	37.7	49.3	-23.6	14.5	14.8	-1.4
Net Income	27.7	35.2	-21.2	11.0	11.1	-1.1

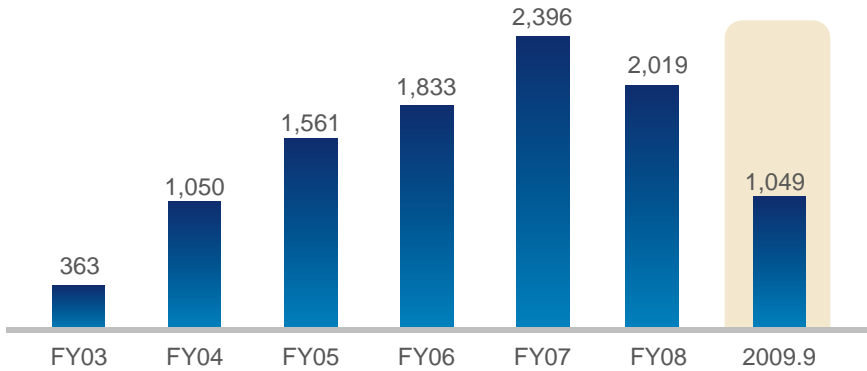
Note) 2008 figures are a simple sum of Shinhan BNPP ITMC and SH Asset Management results



# Key Financial Ratios

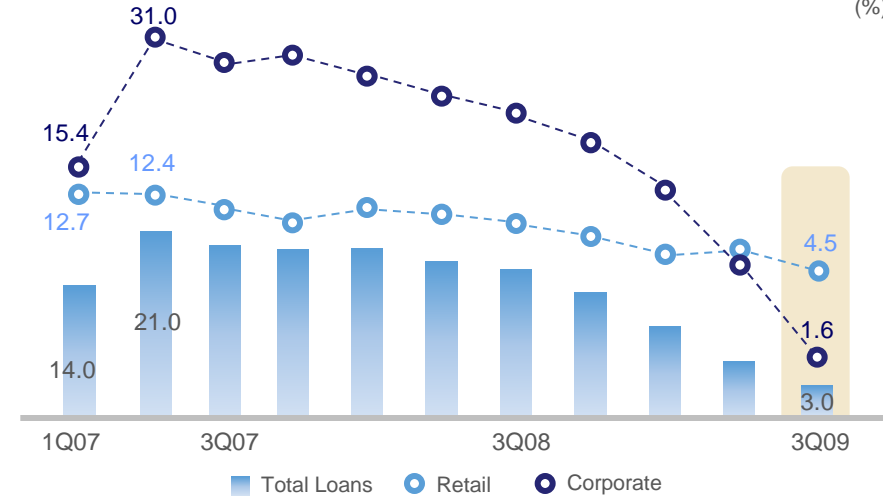
## Group Net Income

(KRW bil.)



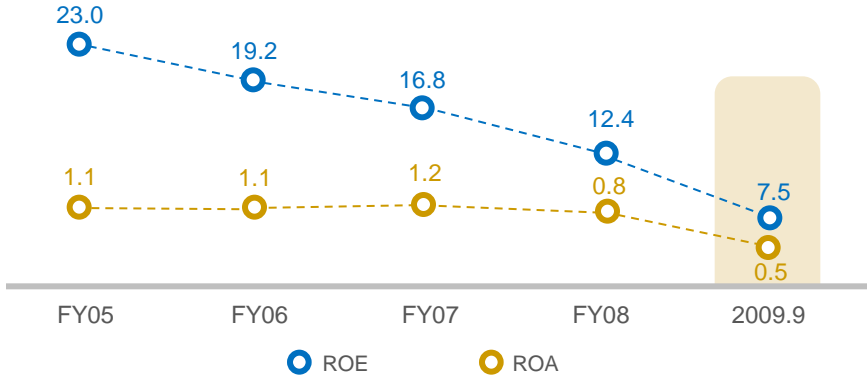
## SHB Loan (in KRW) Growth Rate (YoY)

(%)



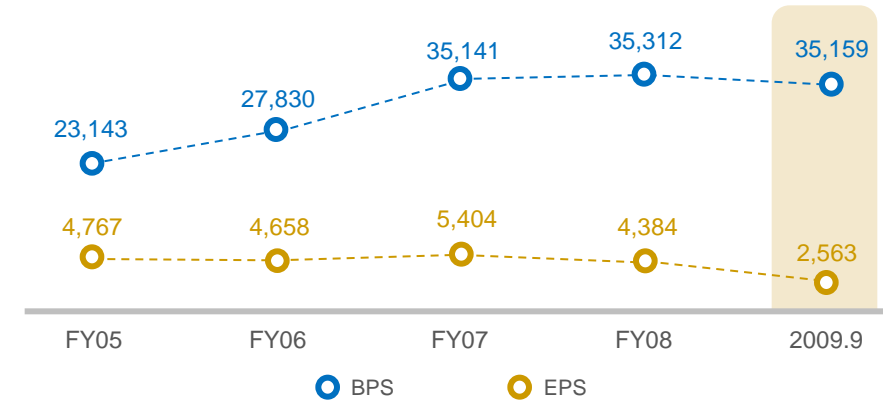
## ROA / ROE

(%)



## BPS / EPS

(KRW)



Note) ROE based on common stock (including RCPS)

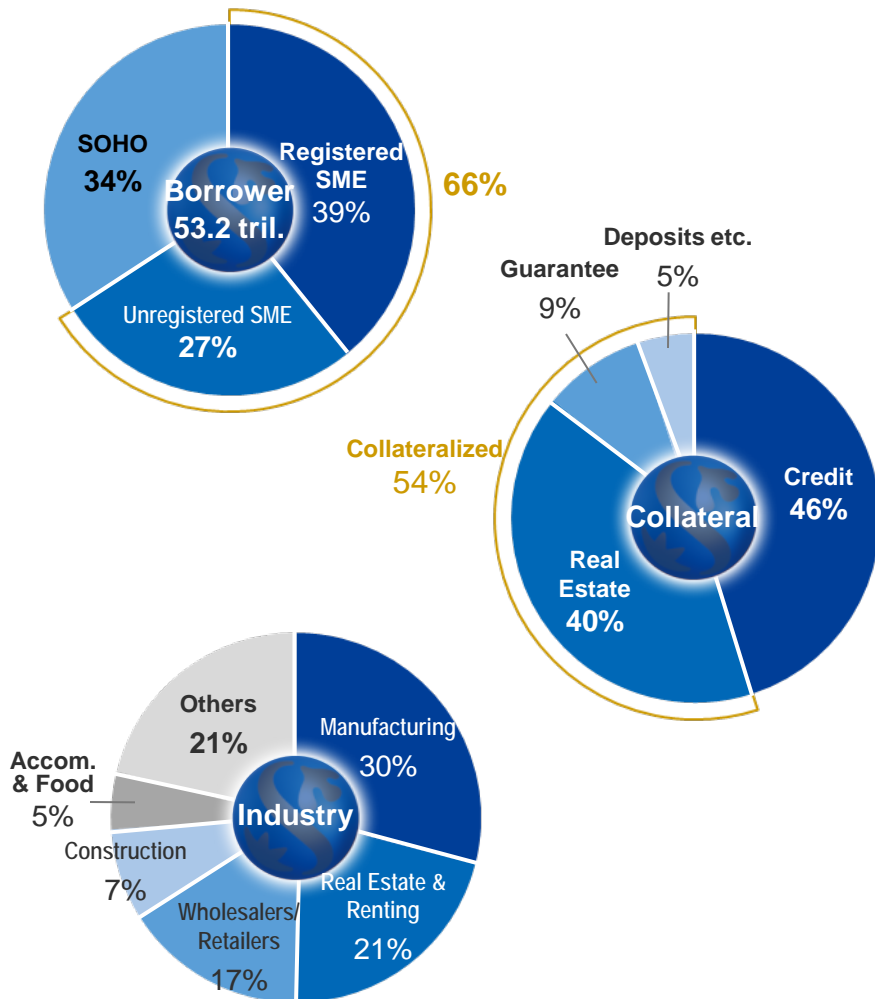
Note) Based on common stocks(including RCPS)



# Shinhan Bank SME Loans

## SME Loans

(As of end of September 2009)



## Delinquency Ratio by Industry

(%)	2009.9	2008.12	YTD%p	2009.6	QoQ%p
Manufacturing	1.41	1.48	-0.07	1.68	-0.27
Real Estate & Renting	1.39	1.09	0.30	1.83	-0.44
Wholesalers/Retailers	0.91	0.95	-0.04	1.03	-0.12
Construction	2.78	2.53	0.25	3.48	-0.70
<b>Total</b>	<b>1.44</b>	<b>1.25</b>	<b>0.19</b>	<b>1.62</b>	<b>-0.18</b>

(As of end of September 2009)

