



2011 1H Business Results

August 2011



Disclaimer Statement

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 following the adoption of IFRS standards, please note the following facts :

- 1) Financial results for the year 2011 have been derived following IFRS standards, and the 2010 results have been re-derived according to IFRS standards. The main serial financial figures and indices listed herein may be subject to change in the future.**
- 2) Financial results up to 2009 followed K-GAAP standards.**

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

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



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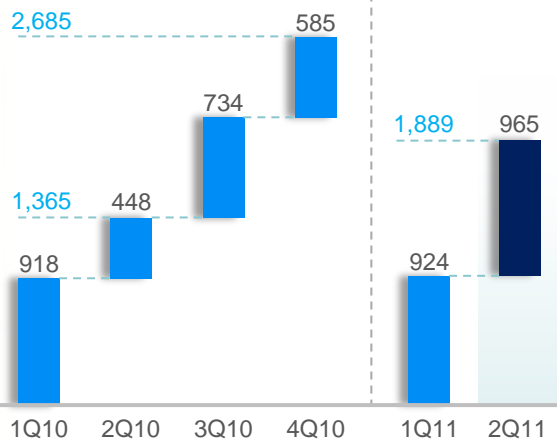
- I . 2011 1H Business Results Highlights**
- II . Income Statements**
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2011 1H Business Results Highlights (1)

Group Net Income

(KRW bil.)

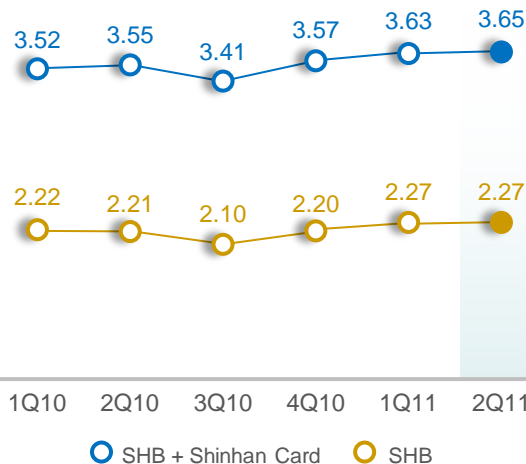
Note) IFRS Standard



NIM

(%)

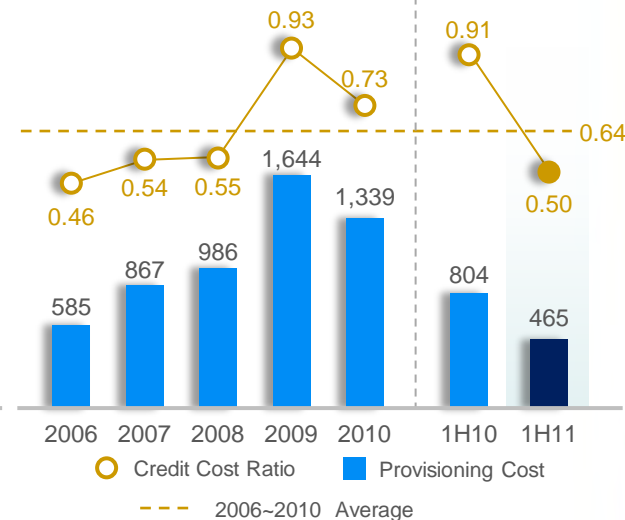
Note) Quarterly Figures, IFRS Standard



Credit Cost Ratio

(KRW bil., %)

Note) Figs. for 2006-2009 K-GAAP, from 2010 IFRS Standard



1H11 Net Income KRW 1,889.1 bil.
(2Q11 Net Income KRW 964.8 bil.)

- (Banks) Improving trends in core profitability, i.e. asset growth, margins, and credit cost, led to 1H11 SHB net income increase by 56.3% YoY.
- (Non-Banks) Increase in operating revenue and reduction in credit cost led Shinhan Card net income to increase by 4.4% YoY, but Shinhan Life's net income decreased by 4.0% YoY.
- 1H11 Bank:Non-Bank income contribution ratio stands at 69% : 31%

2Q11 Bank NIM at 2.27% (flat QoQ)
Group NIM marked 3.65% (+2bp QoQ)

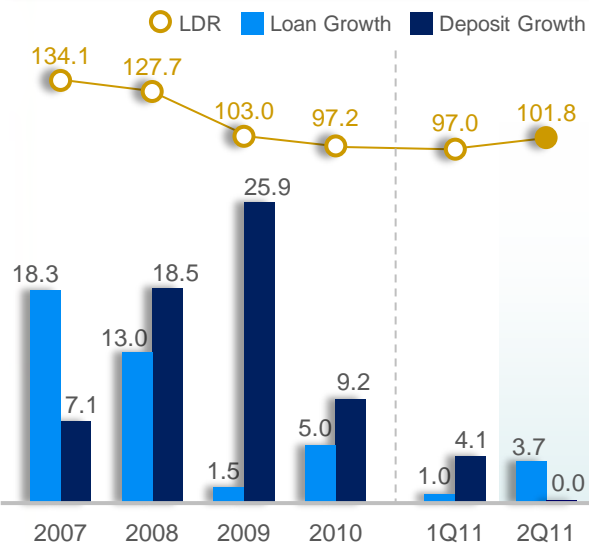
- Loan growth accelerated in 2Q11 with a balanced increase in both lending rate and funding cost, allowing bank NIM for 2Q11 to remain at 2.27%.
- Group NIM for 2Q11 under IFRS, which excludes card merchant fees from interest income, remained flat at 2.72%.

1H11 Credit Cost Ratio marked 0.50%
(14bp drop from avg. of past 5 yrs.)

- For 1H11, SFG credit cost marked 0.5%, which is an improvement of 41bps YoY.
- During 1H11, fewer companies were subject to corporate restructuring, moreover, there were companies graduating from past restructuring programs, resulting write-back of provisioning.
- Shinhan Card provisions returned to a normalized level in 2Q11, during which KRW 43.8 bil. was set aside as provisioning.

2011 1H Business Results Highlights (2)

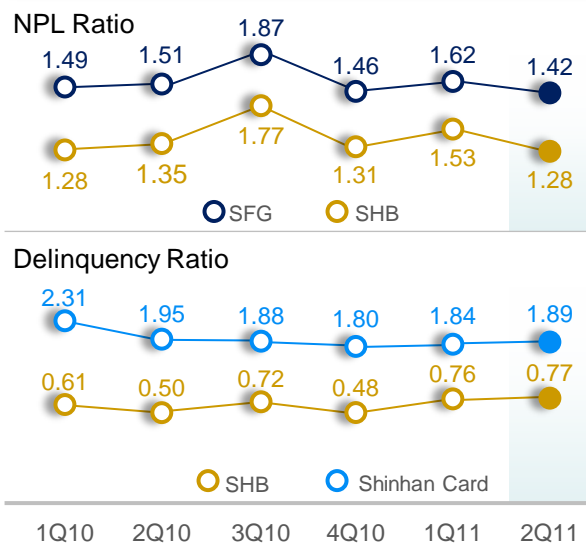
Loans & Deposits (%)



1H11 Loan/Deposit growth at 4.7%/4.1%
Bank resume appropriate growth in 2Q

- KRW loan reached KRW 133.6 tril., and KRW deposit reached KRW 131.7 tril. each increased by 4.7% and 4.1%, respectively YTD. (QoQ, each grew by 3.7%, 0.0%, respectively)
- During 2Q11, loans for large corporates, SOHO and mortgage increased, whereas balances for MMDA and revolving time deposit decreased, which caused a temporary rise of LDR for June above 100%.
- LDR for July returned to a stabilized level at 100.0%.

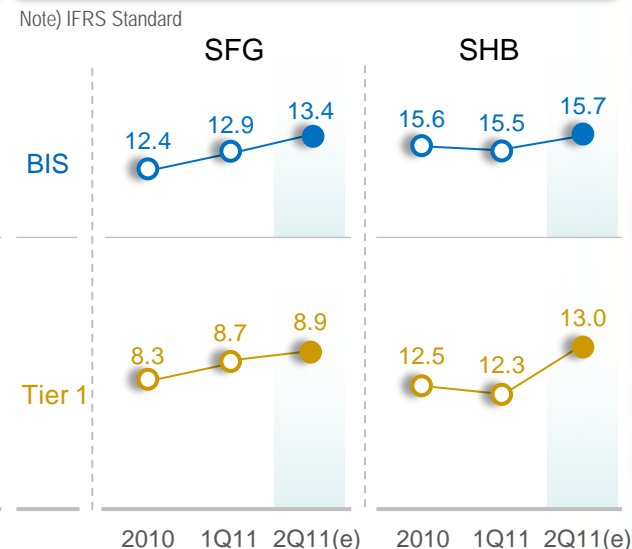
NPL / Delinquency Ratio (%)



2Q11 Group NPL ratio stands at 1.42%
Bank Delinquency ratio at 0.77%

- For the Group, NPL ratio decreased by 0.20%p to 1.42%; for SHB, NPL ratio decreased by 0.25%p to 1.28%, mostly attributed to the fact that fewer companies were subject to corporate restructuring during the quarter.
- For 2Q11, SHB delinquency rate inched up 1bp to 0.77%, similar to the previous quarter mark, whereas card delinquency rose by 5bp to 1.89%.
- During 2Q11, a total of KRW 615.0 bil. of write-offs & NPL sales took place. (1H11 KRW 855.0 bil., 2010 total KRW 1.8 tril.)

Capital Adequacy (%)



2Q11 Group Tier1 ratio at 8.9%
Bank Tier1 ratio at 13.0%

- For 1H11, SFG's income steadily increased, which led to continued improvements in capital adequacy.
- Group BIS ratio stood at 13.4%, an increase of 0.5%p QoQ, and Tier1 ratio stood at 8.9%, an increase of 0.2%p QoQ. (Basel I)
- SHB's BIS ratio stood at 15.7%, an increase of 0.2%p QoQ, and Tier1 ratio stood at 13.0%, an increase of 0.7%p QoQ. (Basel II)

The logo of Shinhan Bank, featuring a stylized blue and gold 'S' shape with a dragon-like head, is positioned on the left side of the slide. The background of the slide shows a close-up of a sailboat's mast and rigging against a clear blue sky.

II. Income Statements

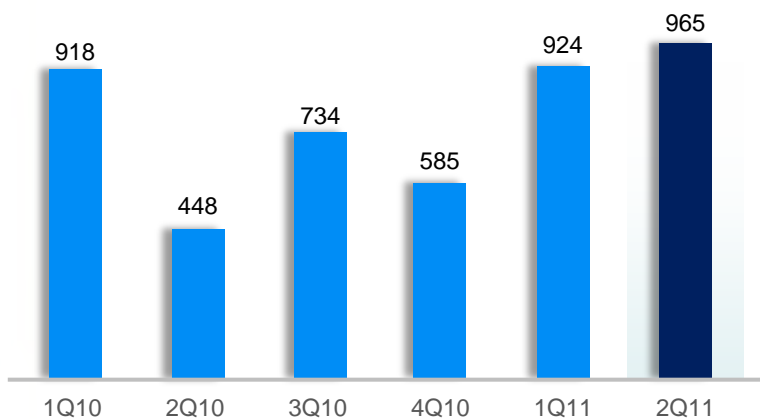
1. SFG Income
2. Subsidiaries Income (1)
3. Subsidiaries Income (2)
4. SHB Income / NIM
5. SHB Non-Interest Income / G&A Expenses
6. Shinhan Card Income



SFG Income

Net Income

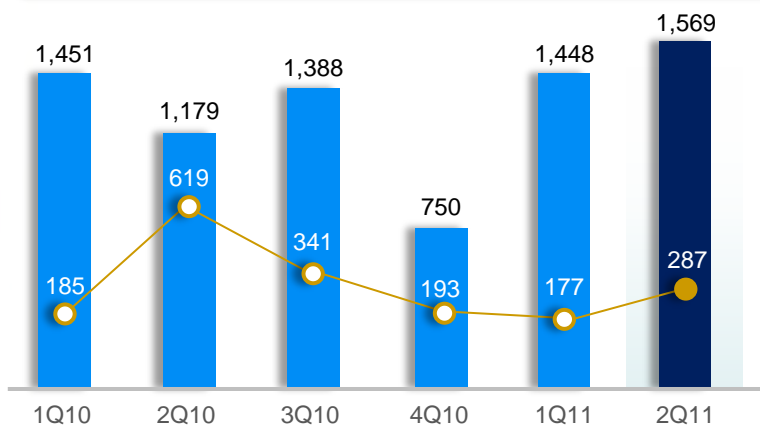
(KRW bil.)



Note) IFRS Standard

Pre-Provision Income & PCL

(KRW bil.)



■ Pre-Provision Income ● Provision for Credit Losses

Note) IFRS Standard

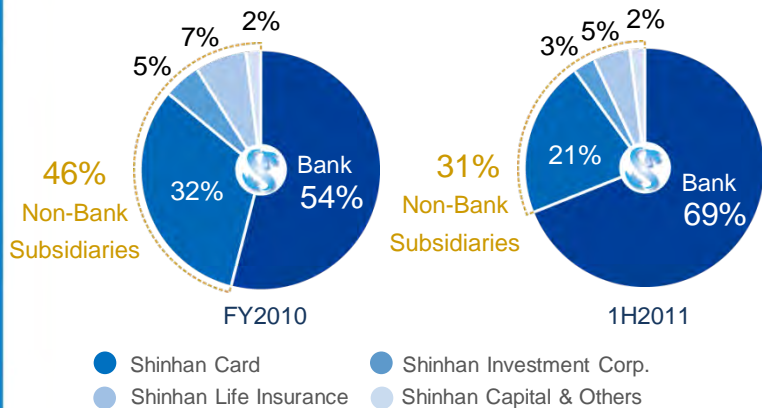
(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Total Operating Income (a=b+c)	4,895.1	4,412.1	10.9	2,556.5	2,338.6	9.3
Interest Income (b)	3,493.9	3,204.4	9.0	1,779.8	1,714.1	3.8
Non-Interest Income (c)	1,401.2	1,207.6	16.0	776.6	624.6	24.4
G&A Expenses (d)	1,900.4	1,785.6	6.4	996.4	903.9	10.2
Pre-Provision Operating Income (e=a-d)	2,994.7	2,626.4	14.0	1,560.0	1,434.7	8.7
Other ¹⁾ (f)	21.7	3.6	496.4	8.9	12.8	-30.9
Pre-Provision Income (g=e+f)	3,016.4	2,630.1	14.7	1,568.9	1,447.5	8.4
Provision for Credit Losses (h)	464.9	804.5	-42.2	287.5	177.5	62.0
Earnings before Income Tax (i=g-h)	2,551.5	1,825.6	39.8	1,281.4	1,270.1	0.9
Income Tax	577.1	372.4	55.0	275.4	301.7	-8.7
Consolidated Net Income ²⁾	1,889.1	1,365.1	38.4	964.8	924.3	4.4

Note) 1) Gains on investment stock using equity method

2) IFRS Standard, Net Income in Controlling Interest

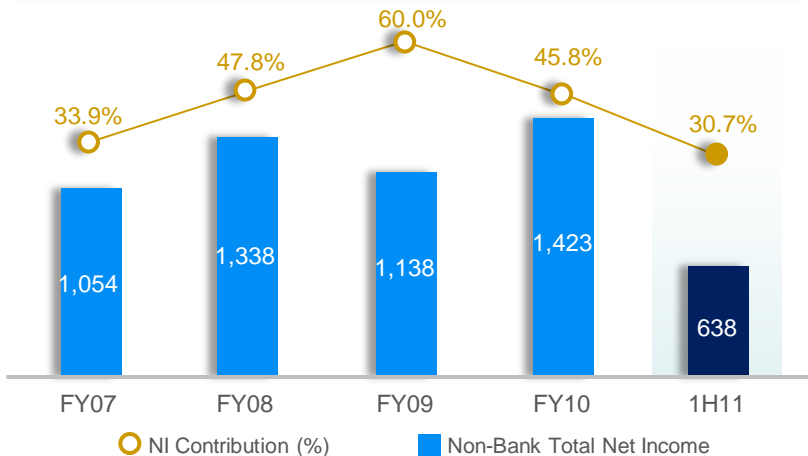
Subsidiaries Income (1)

Net Income Contribution by Subsidiaries



Note) IFRS Standard

Net Income Contribution by Non-Bank Subsidiaries (KRW bil.)



Note) After reflecting ownership by SFG, NI for 2007-2009 K-GAAP, from 2010 IFRS Standard

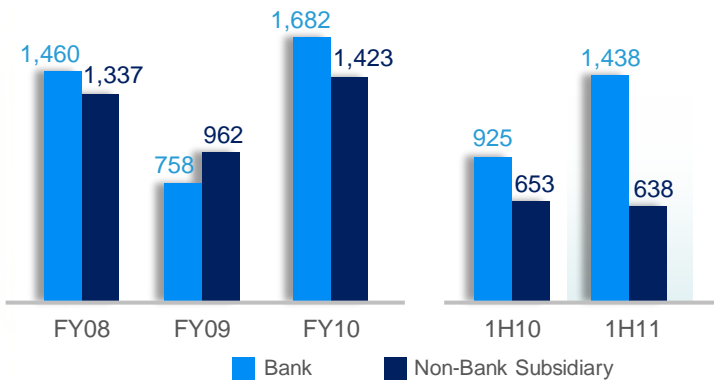
(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=A x B]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	1,440.0		1,437.7	-128.6	1,309.1
Shinhan Bank	1,432.7	100.0%	1,432.7	-128.6	1,304.1
Jeju Bank	7.3	68.9%	5.0		5.0
Non-Bank (b)	645.0		638.2	33.1	671.2
Shinhan Card	442.1	100.0%	442.1	14.1	456.2
Shinhan Investment Corp.	53.3	100.0%	53.3	-3.0	50.3
Shinhan Life Insurance	111.3	100.0%	111.3	-5.4	105.9
Shinhan Capital	18.1	100.0%	18.1	29.7	47.8
Shinhan BNPP AM	19.4	65.0%	12.6		12.6
Shinhan Data System	0.7	100.0%	0.7	-2.4	-1.7
Shinhan Credit Information	0.5	100.0%	0.5		0.5
Shinhan PE	0.3	100.0%	0.3		0.3
Other	-0.8	100.0%	-0.8		-0.8
SFG (c)				-91.2 ²⁾	-91.2
Total (d=a+b+c) ¹⁾	2,085.0		2,075.9	-186.8	1,889.1

Note) 1) IFRS Standard, Net Income in Controlling Interest

2) SFG (non-consolidated) : Brand Fee KRW 60.6 bil., Interest Expense KRW -121.8 bil., G&A, etc. KRW -33.5 bil.

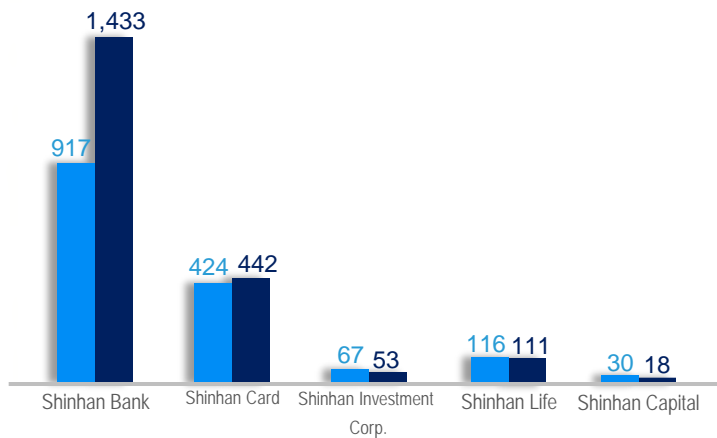
Subsidiaries Income (2)

Bank / Non-Bank Net Income (KRW bil.)



Note) Figs. for 2008~2009 K-GAAP, from 2010 IFRS Standard

Net Income by Subsidiaries (KRW bil.)



Note) IFRS Standard

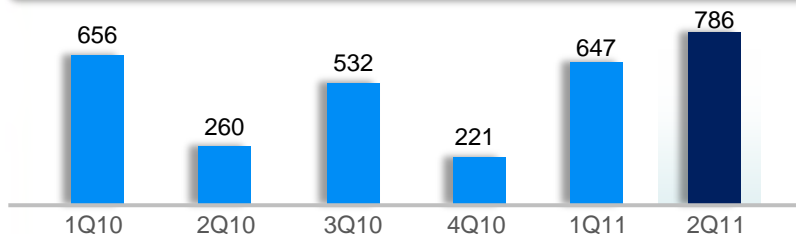
(Reflecting SFG Ownership, KRW. bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Bank (a)	1,437.7	924.7	55.5	786.1	651.6	20.6
Shinhan Bank	1,432.7	916.7	56.3	785.5	647.1	21.4
Jeju Bank	5.0	8.0	-37.2	0.5	4.5	-88.7
Non-Bank (b)	638.2	653.1	-2.3	281.0	357.2	-21.3
Shinhan Card	442.1	423.7	4.4	192.7	249.4	-22.7
Shinhan Investment Corp.	53.3	67.3	-20.8	27.6	25.7	7.5
Shinhan Life Insurance	111.3	115.9	-4.0	45.9	65.4	-29.8
Shinhan Capital	18.1	30.0	-39.7	7.6	10.5	-26.9
Shinhan BNPP AM	12.6	12.9	-2.4	6.1	6.5	-6.1
Shinhan Data System	0.7	0.0	n.a.	0.7	0.0	n.a.
Shinhan Credit Information	0.5	0.8	-29.3	0.2	0.3	-42.9
Shinhan PE	0.3	3.0	-90.2	0.9	-0.6	n.a.
Other	-0.8	-0.4	n.a.	-0.8	0.0	n.a.
Total	2,075.9	1,577.8	31.6	1,067.1	1,008.8	5.8
Consolidated Net Income^(Note)	1,889.1	1,365.1	38.4	964.8	924.3	4.4

Note) IFRS Standard, Net Income in Controlling Interest

SHB Income / NIM

Net Income

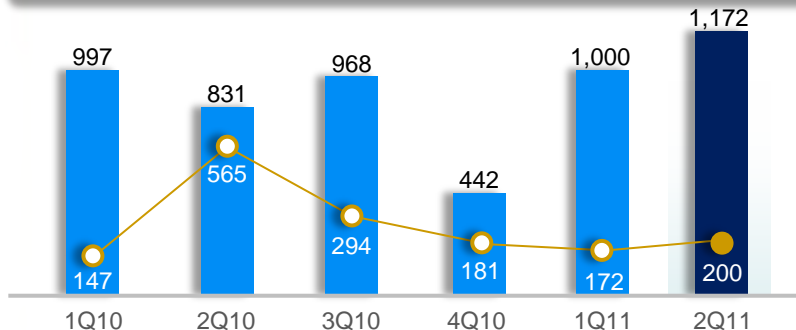
(KRW bil.)



Note) IFRS Standard

Pre-Provision Income & LLP

(KRW bil.)

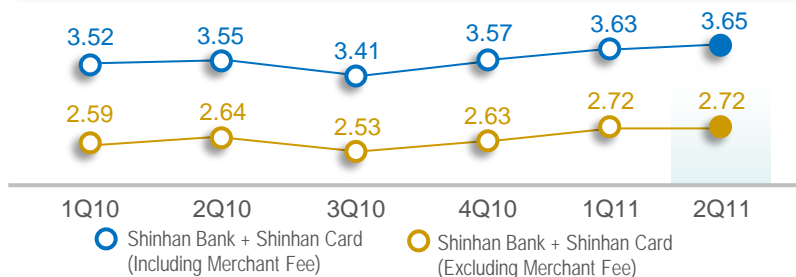


Note) IFRS Standard

■ Pre-Provision Income ● Provision for Credit Losses

Group NIM

(%)



Note) IFRS Standard, Quarterly basis

(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Total Operating Income (a=b+c)	3,407.3	2,967.5	14.8	1,818.2	1,589.1	14.4
Interest Income (b)	2,459.4	2,315.1	6.2	1,244.6	1,214.7	2.5
Non-Interest Income (c)	947.9	652.4	45.3	573.5	374.4	53.2
G&A Expenses (d)	1,251.8	1,143.2	9.5	652.9	598.9	9.0
Pre-Provision Operating Income (e=a-d)	2,155.5	1,824.2	18.2	1,165.3	990.2	17.7
Other ¹⁾ (f)	16.2	4.4	270.3	6.5	9.7	-33.5
Pre-Provision Income (g=e+f)	2,171.7	1,828.6	18.8	1,171.7	1,000.0	17.2
Provision for Credit Losses (h)	371.4	712.4	-47.9	199.6	171.7	16.2
Earnings before Income Tax (i=g-h)	1,800.4	1,116.2	61.3	972.1	828.2	17.4
Net Income ²⁾	1,432.7	916.7	56.3	785.5	647.1	21.4

Note) 1) Gains on investment stock using equity method

2) IFRS Standard, Net Income in Controlling Interest

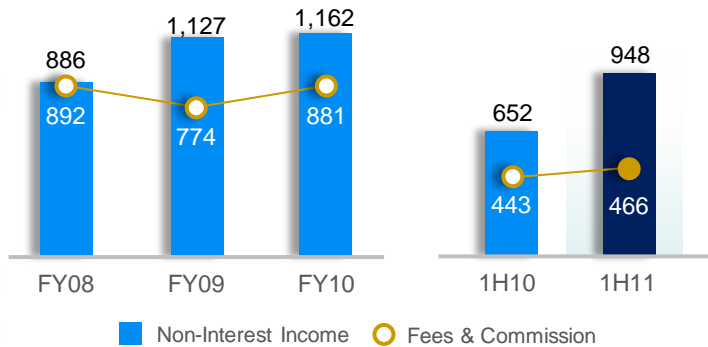
(%)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11
NIS (a-b) (cumulative figures)	2.43	2.39	2.33	2.34	2.45	2.46
Loan interest rate (a)	5.62	5.54	5.45	5.41	5.40	5.49
Deposit interest rate (b)	3.19	3.15	3.11	3.07	2.96	3.03
NIM(quarterly)	2.22	2.21	2.10	2.20	2.27	2.27
NIM(cumulative figures)	2.22	2.21	2.18	2.18	2.27	2.27

Note) IFRS Standard

SHB Non-Interest Income / G&A Expenses

Fees and Commission

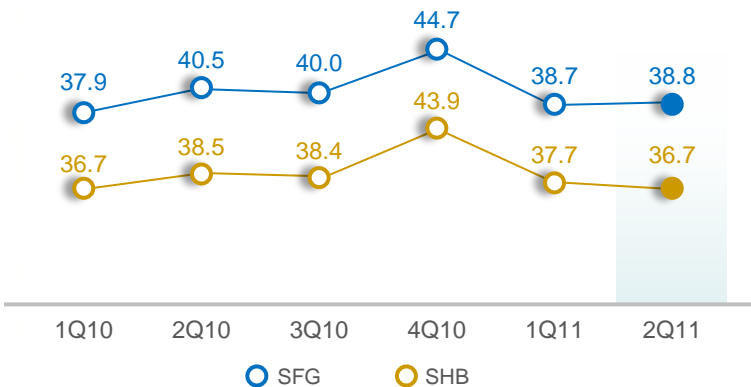
(KRW bil.)



Note) Figs. for 2008~2009 K-GAAP, from 2010 IFRS standard

Cost-Income Ratio

(%)



Note) IFRS Standard, Cumulative Figures

(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Non-Interest Income	947.9	652.4	45.3	573.5	374.4	53.2
Fees & Commission	465.9	443.4	5.1	229.2	236.7	-3.2
(Fund)	97.7	92.7	5.3	50.8	46.9	8.4
(Bancassurance)	47.3	47.0	0.7	23.6	23.7	-0.8
(Trust Fees)	29.2	28.1	4.0	15.0	14.2	5.9
Securities Related	560.2	367.9	52.3	367.0	193.2	90.0
FX Trading/Derivatives	159.4	74.4	114.3	79.2	80.2	-1.4
Others	-237.7	-233.4	n.a.	-101.9	-135.8	n.a.

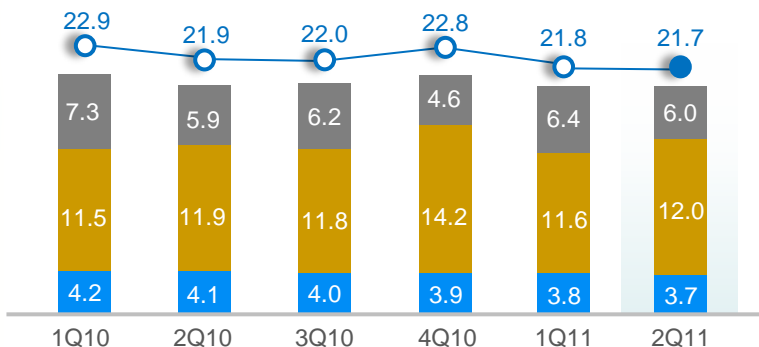
Note) IFRS Standard

(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
G&A Expenses	1,251.8	1,143.2	9.5	652.9	598.9	9.0
Salary & Employee Benefits	528.2	454.0	16.4	268.5	259.7	3.4
D & A	77.0	102.5	-24.9	37.7	39.3	-4.1
Other Expenses	646.5	586.7	10.2	346.7	299.9	15.6

Note) IFRS Standard

Shinhan Card Income

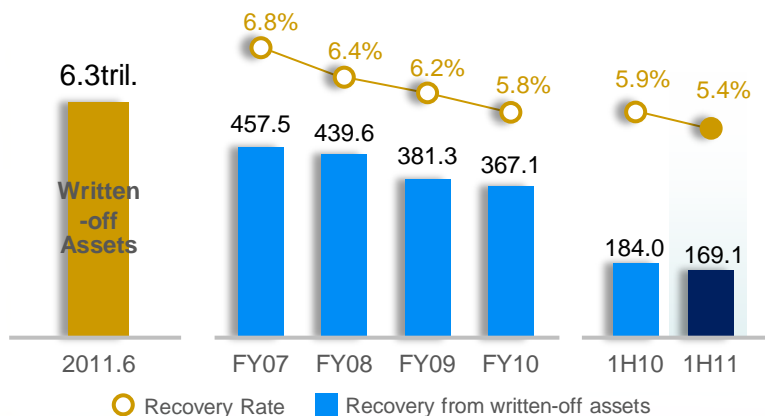
Operating Yield and PPOP Ratio (%)



○ Operating Yield
 ■ PPOP Ratio
 ■ G&A + Other Expense Ratio
 ■ Interest Expense Ratio

Note) IFRS Standard, Quarterly basis, Net of Derivatives & F/X

Recovery from Written-off Assets (KRW bil.)



(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Operating Revenue (a)	2,251.8	2,119.1	6.3	1,136.7	1,115.1	1.9
Card Business	1,886.5	1,764.6	6.9	960.0	926.5	3.6
Installment Finance	53.5	54.0	-0.9	26.9	26.6	1.3
Lease	26.1	26.8	-2.6	12.8	13.3	-4.0
Others	285.6	273.6	4.4	137.0	148.6	-7.8
(Derivatives & FX)	109.8	130.6	-15.9	52.6	57.2	-8.2
Interest Expense (b)	372.3	366.6	1.6	187.1	185.2	1.0
G&A Expenses (c)	312.0	317.8	-1.8	163.7	148.3	10.4
Commissions & Other Expenses (d)	961.1	850.2	13.0	489.0	472.1	3.6
(Derivative & FX)	104.7	124.9	-16.2	49.2	55.5	-11.4
Pre-Provision Income (e=a-b-c-d)	606.4	584.5	3.7	296.9	309.4	-4.0
Provision for Credit Losses (f)	37.7	64.7	-41.7	43.8	-6.0	n.a.
Earnings before Income Tax (g=e-f)	568.6	519.8	9.4	253.2	315.4	-19.7
Income Tax	126.5	96.1	31.6	60.5	66.0	-8.4
Net Income	442.1	423.7	4.4	192.7	249.4	-22.7

Note) IFRS Standard



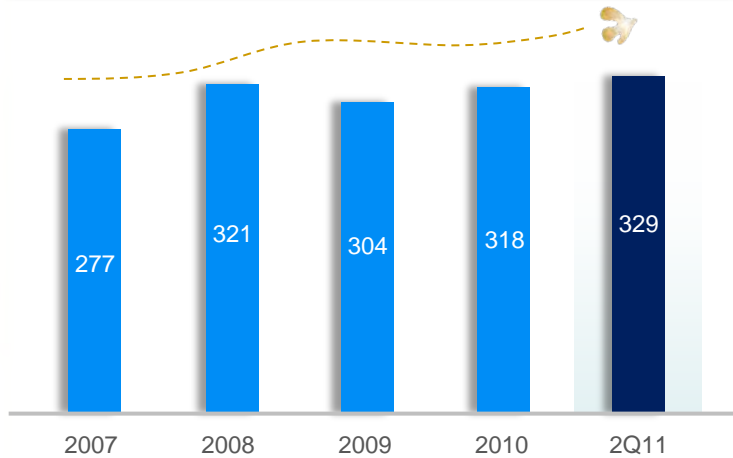
III . Assets & Liabilities

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

SFG Asset Growth

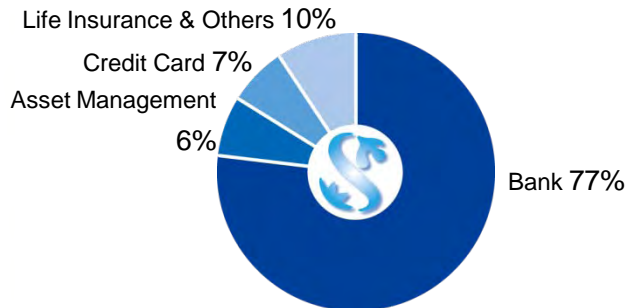
SFG Total Assets

(KRW tril.)



Note) Figs. for 2007~2009 K-GAAP, from 2010 IFRS standard

Asset Contribution by Subsidiary



Note) IFRS Standard

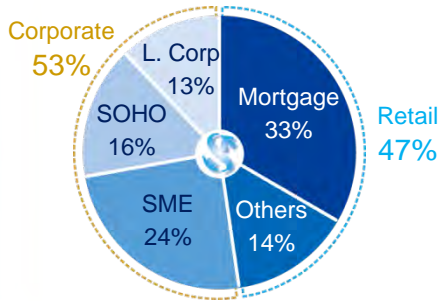
(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Bank	254,470	245,107	3.8	254,393	0.0
Shinhan Bank	251,401	242,089	3.8	251,347	0.0
Jeju Bank	3,069	3,018	1.7	3,046	0.8
Non-Bank	70,308	69,598	1.0	70,546	-0.3
Shinhan Card	21,875	22,124	-1.1	21,800	0.3
Shinhan Investment Corp.	10,641	9,811	8.5	11,039	-3.6
Shinhan Life Insurance	13,029	11,974	8.8	12,594	3.5
Shinhan Capital	3,470	3,735	-7.1	3,543	-2.1
Shinhan BNPP AM	20,796	21,456	-3.1	21,105	-1.5
Shinhan Data System	15	11	27.8	12	22.5
Shinhan Credit Information	19	20	-4.3	19	2.3
Shinhan PE	418	447	-6.6	416	0.5
Other	45	19	142.6	19	142.3
Total	328,888	318,091	3.4	328,603	0.1
Consolidated Net Income	283,454	267,871	5.8	279,095	1.6

Note) IFRS Standard, including trust A/C of SHB and AUM of Shinhan BNPP AM

SHB Loan / Deposit Growth

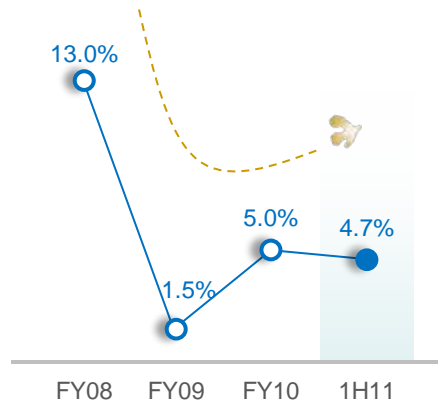
Loan Composition

Note) As of June 30, 2011



Loan Growth

Note) Loan in KRW basis

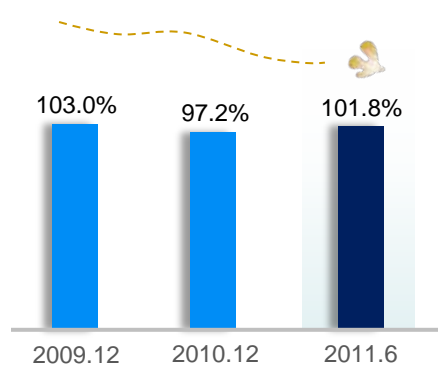
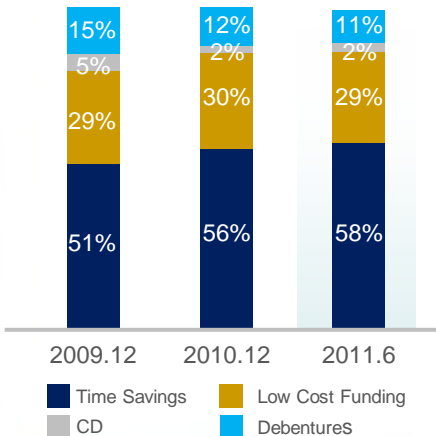


(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Loan in KRW	133,622	127,632	4.7	128,889	3.7
Retail	63,199	60,859	3.8	61,161	3.3
Mortgage	44,324	42,535	4.2	43,396	2.2
Others	18,874	18,323	3.0	17,766	6.1
Corporate	70,424	66,774	5.5	67,728	4.0
SME	53,314	51,266	4.0	52,048	2.5
SOHO	21,579	19,984	8.0	20,522	5.3
Large Corporate etc.	17,110	15,508	10.3	15,680	9.2
Loan in FX	4,719	4,977	-5.2	4,790	-1.4

Funding Composition

Loan to Deposit Ratio

Note) Excluding CDs & monthly average basis

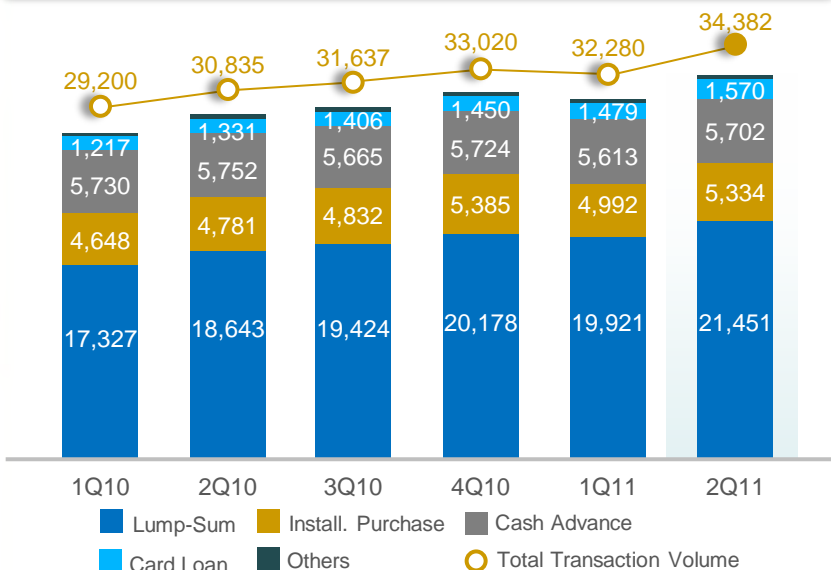


(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Total Deposits in KRW	131,750	126,583	4.1	131,797	0.0
Low Cost Deposits	44,301	44,022	0.6	44,863	-1.3
Demand	15,141	14,517	4.3	15,045	0.7
Savings	29,161	29,504	-1.2	29,819	-2.2
Other Savings	87,448	82,562	5.9	86,933	0.6
Time Deposits	81,439	77,117	5.6	81,379	0.1
Accumulative etc.	6,009	5,444	10.4	5,554	8.4
Certificate of Deposits	3,061	2,848	7.5	2,944	4.1
Debentures in KRW	16,197	17,501	-7.4	15,831	2.1

Shinhan Card Asset Growth

Transaction Volume

(KRW bil.)

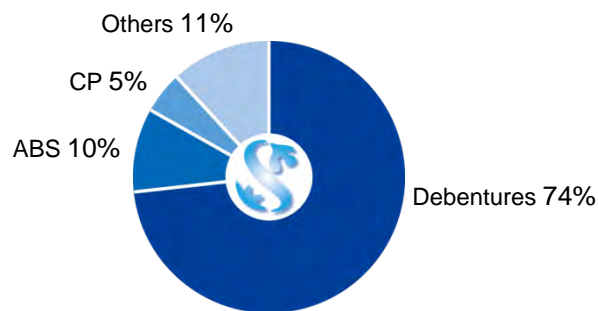


(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Earning Assets	19,593	19,460	0.7	19,101	2.6
Credit Purchase	10,905	10,915	-0.1	10,576	3.1
Cash Advances	3,260	3,219	1.3	3,204	1.7
Card Loan	3,538	3,479	1.7	3,476	1.8
(Re-aged Loan)	198	211	-6.4	202	-2.2
Installment Finance	1,181	1,159	1.9	1,155	2.3
Lease etc.	708	688	2.9	690	2.7
Effective Cardholders (in thousands)	15,435	15,183	1.7	15,308	0.8
Merchants (in thousands)	2,610	2,552	2.3	2,575	1.4

Note) IFRS Standard

Funding Composition

(As of June 30, 2011)



Note) IFRS Standard

(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Total Funding	13,751	13,566	1.4	13,940	-1.4
Debentures	10,117	10,174	-0.6	10,068	0.5
ABS	1,320	1,075	22.8	1,347	-1.9
CP	715	825	-13.3	825	-13.3
Others	1,598	1,490	7.2	1,700	-6.0

Note) IFRS Standard



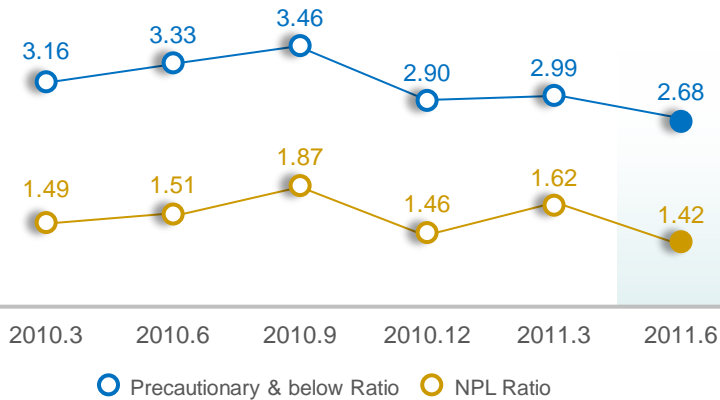
IV. Asset Quality

- 1. SFG Asset Quality**
- 2. SHB Asset Quality**
- 3. Shinhan Card Asset Quality**
- 4. Provision for Credit Losses / Write-offs**

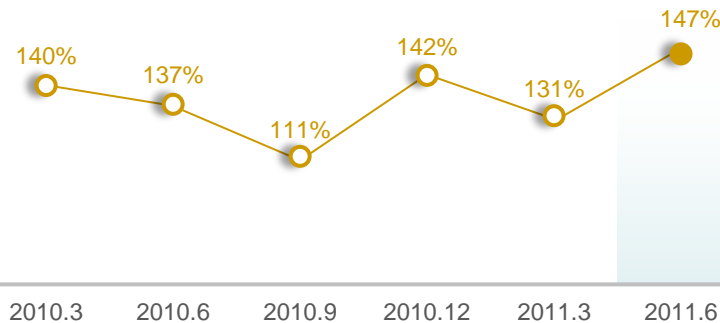


SFG Asset Quality

Precautionary & below Ratio / NPL Ratio (%)



NPL Coverage Ratio (%)



Note) IFRS Standard

(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Total Loans ¹⁾	188,220	183,750	2.4	184,309	2.1
Normal	183,168	178,426	2.7	178,805	2.4
Precautionary	2,381	2,651	-10.2	2,518	-5.4
Substandard	1,428	1,513	-5.6	1,706	-16.3
Doubtful	673	654	2.9	615	9.4
Estimated Loss	570	507	12.4	665	-14.3
Substandard & below	2,671	2,674	-0.1	2,986	-10.5
NPL Ratio	1.42%	1.46%	-0.04%p	1.62%	-0.20%p
Loan Loss Allowance ²⁾	3,933	3,793	3.7	3,913	0.5
NPL Coverage Ratio	147%	142%	5%p	131%	16%p
Reserve for credit losses ³⁾	1,305	1,055	23.6	1,106	18.0

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

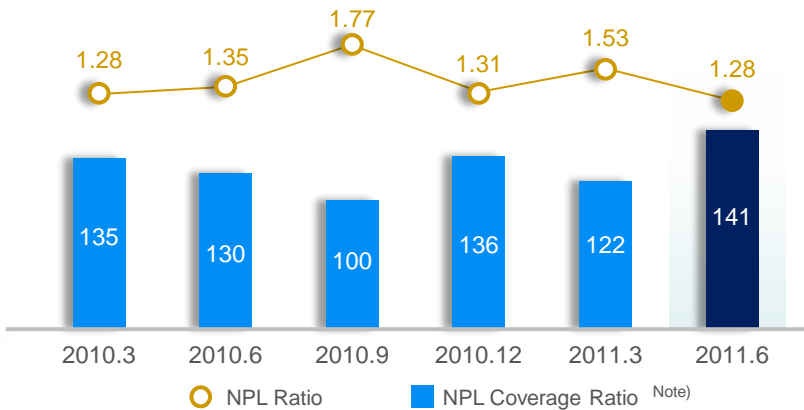
2) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

3) Excluding reserve for contingent acceptances & guarantees and unused credit lines



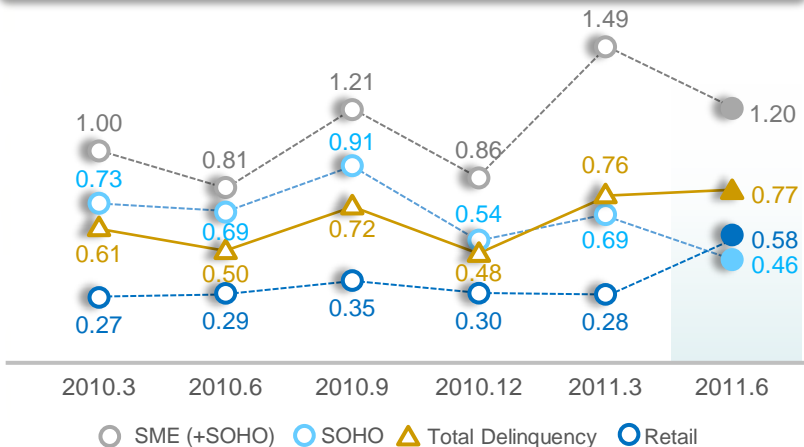
SHB Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Note) IFRS Standard

Delinquency Ratio (%)



Note) 1 month overdue

(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Total Loans	159,626	155,005	3.0	156,087	2.3
Normal	155,550	150,803	3.1	151,620	2.6
Precautionary	2,030	2,169	-6.4	2,072	-2.1
Substandard	1,293	1,406	-8.0	1,590	-18.7
Doubtful	484	407	19.1	430	12.6
Estimated Loss	269	222	21.3	375	-28.3
Substandard & below	2,046	2,034	0.6	2,395	-14.6
NPL Ratio	1.28%	1.31%	-0.03%p	1.53%	-0.25%p
Loan Loss Allowance ¹⁾	2,885	2,768	4.2	2,924	-1.3
NPL Coverage Ratio	141%	136%	5%p	122%	19%p
Reserve for Credit Losses ²⁾	1,181	989	19.4	1,039	13.7

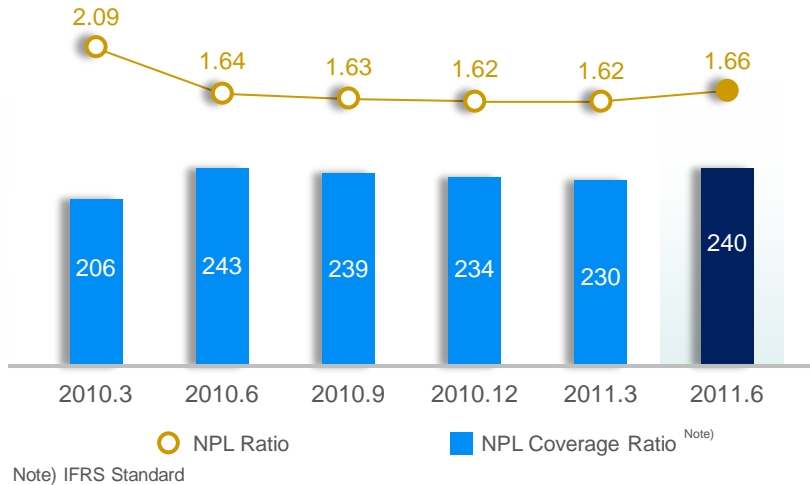
Note 1) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

2) Excluding reserve for contingent acceptances & guarantees and credit lines

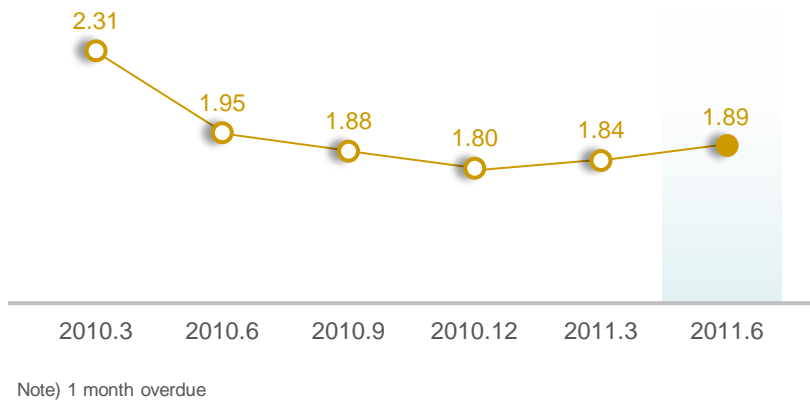


Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



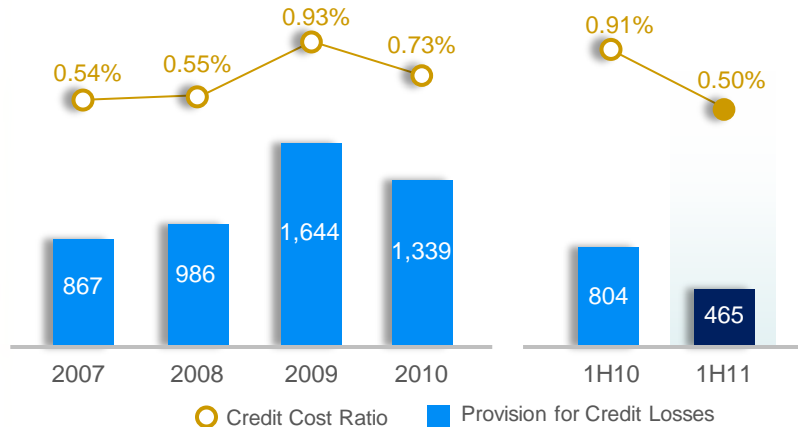
(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Earning Assets	19,593	19,460	0.7	19,101	2.6
Normal	19,055	18,930	0.7	18,580	2.6
Precautionary	212	215	-1.1	210	0.8
Substandard	-	-	n.a.	-	n.a.
Doubtful	88	77	14.0	81	9.0
Estimated Loss	237	239	-0.6	230	3.3
Substandard & below	325	316	3.0	310	4.8
NPL Ratio	1.66%	1.62%	0.04%p	1.62%	0.04%p
Loan Loss Allowance ¹⁾	781	740	5.6	713	9.5
NPL Coverage Ratio	240%	234%	6%p	230%	10%p
Reserve for Credit Losses ²⁾	103	54	89.7	55	88.6

Note 1) Sum of IFRS standard LLA and reserves for credit losses, excluding those for unused credit lines

2) Excluding reserve for unused credit lines

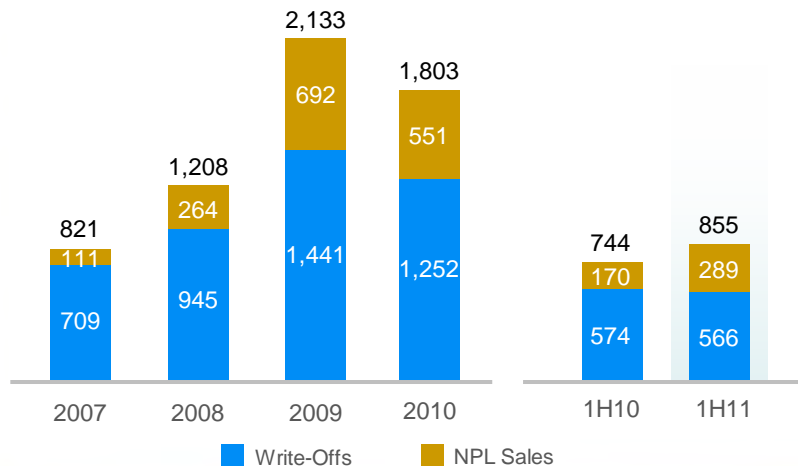
Provision for Credit Losses / Write-Offs

SFG Provision for Credit Losses (KRW bil.)



Note) Figs. for 2007~2009 K-GAAP, from 2010 IFRS Standard

Write-offs & NPL Sales (KRW bil.)



Credit Costs

(KRW bil.)	2011	1Q	2Q	2010	1Q	2Q	3Q	4Q
Shinhan Bank	360	164	196	1,084	166	535	280	103
Retail	38	19	19	103	17	50	26	10
Corporate	322	145	177	981	149	485	254	93
Shinhan Card	38	-6	44	70	29	35	6	0
Total	398	158	240	1,154	195	570	286	103

Note) IFRS Standard, Shinhan Bank figures are non-consolidated basis.

Write-offs & NPL Sales

(KRW bil.)	2011	1Q	2Q	2010	1Q	2Q	3Q	4Q
Shinhan Bank	650	134	516	1,324	25	416	70	813
(Sale)	289	44	245	551	-	170	10	371
Retail	56	12	44	172	7	41	30	94
(Sale)	29	-	29	85	-	22	-	63
Corporate	594	122	472	1,152	18	375	40	719
(Sale)	260	44	216	466	-	148	10	308
Shinhan Card	205	106	99	479	150	153	90	86
Total	855	240	615	1,803	175	569	160	899



V. Capital Adequacy

1. Capital Adequacy



Capital Adequacy

Group BIS Ratio

(KRW bil.)	2011.6(e)	2011.3	QoQ%	
			Difference	%(%p)
Risk-Weighted Assets	191,506	187,929	3,577	1.9
Capital	25,729	24,162	1,567	6.5
Tier 1	17,097	16,279	818	5.0
Tier 2	8,632	7,883	749	9.5
BIS Ratio	13.4%	12.9%		0.5%p
Tier 1	8.9%	8.7%		0.2%p
Tier 2	4.5%	4.2%		0.3%p

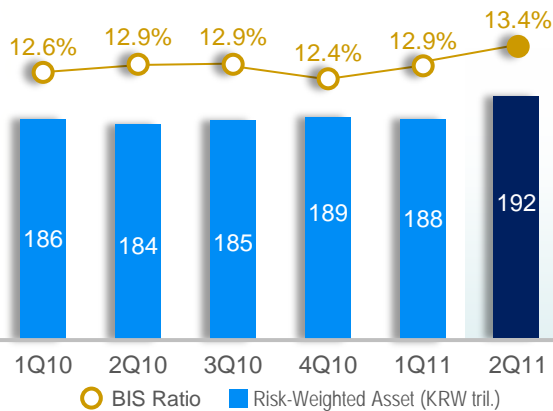
Note) IFRS Standard

Shinhan Bank BIS Ratio

(KRW bil.)	2011.6(e)	2011.3	QoQ%	
			Difference	%(%p)
Risk-Weighted Assets	122,602	122,819	-217	-0.2
Capital	19,308	19,025	283	1.5
Tier 1	15,878	15,166	712	4.7
Tier 2	3,430	3,859	-429	-11.1
BIS Ratio	15.7%	15.5%		0.2%p
Tier 1	13.0%	12.3%		0.7%p
Tier 2	2.8%	3.1%		-0.3%p

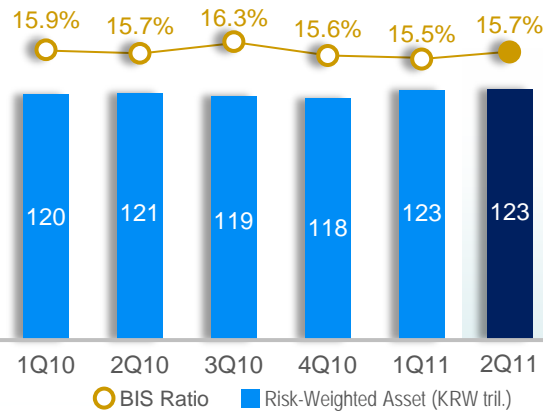
Note) IFRS Standard, Based on Basel II FIRB approach

Group BIS Ratio



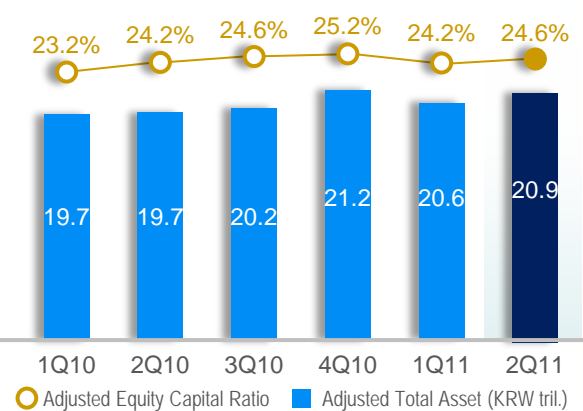
Note) IFRS Standard

SHB BIS Ratio



Note) IFRS Standard

Shinhan Card Capital Adequacy Ratio



Note) IFRS Standard



VI. Appendix

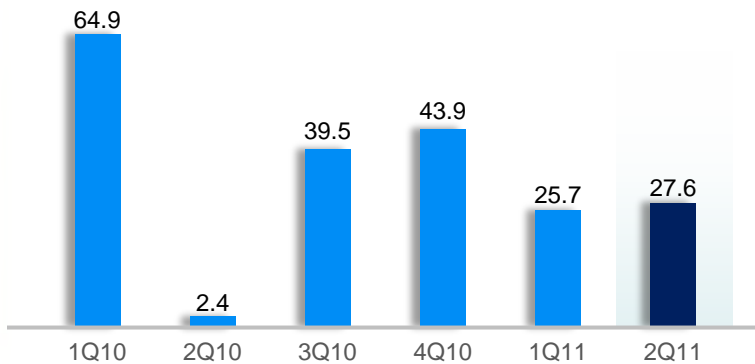
- 1. SFG Subsidiaries**
- 2. Key Financial Indices**
- 3. SHB SME Loans**



SFG Subsidiaries _ Shinhan Investment Corp. (1)

Net Income

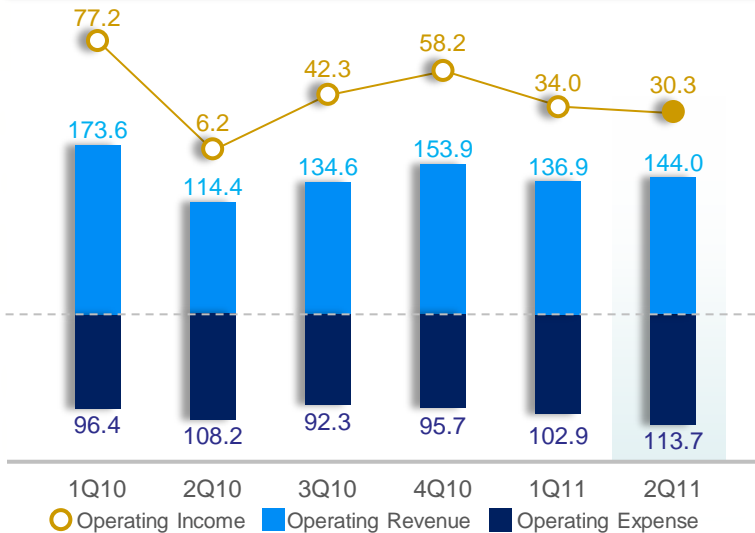
(KRW bil.)



Note) IFRS Standard

Operating Income

(KRW bil.)



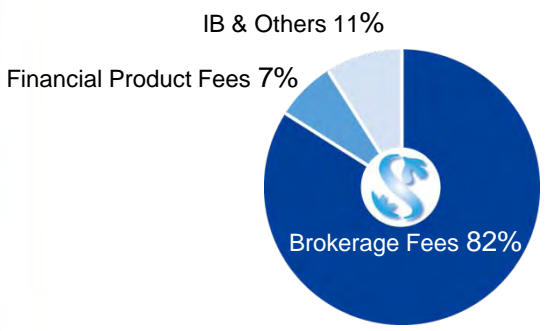
Note) IFRS Standard

Condensed I/S & Key Financial Indices

(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Operating Revenue	280.9	288.0	-2.5	144.0	136.9	5.2
Fees & Commission	197.1	197.9	-0.4	101.1	96.0	5.2
Proprietary Trading	21.2	39.4	-46.2	13.9	7.2	92.7
Others	62.6	50.7	23.4	29.0	33.6	-13.9
Operating Expense	216.6	204.7	5.8	113.7	102.9	10.5
G&A Expenses	182.1	180.4	1.0	93.3	88.8	5.0
Commission Expense	29.9	22.6	32.3	16.1	13.8	16.2
Provision for Credit Losses	4.5	1.7	166.5	4.3	0.2	1914.5
Operating Income	64.3	83.4	-22.9	30.3	34.0	-11.0
Net Income	53.3	67.3	-20.8	27.6	25.7	7.5
Net Capital Ratio (%)	700.7	636.9	63.8%p	700.7	608.6	92.1%p
ROE	5.2%	7.1%	-1.9%p	5.2%	5.0%	0.2%p
ROA	1.0%	1.6%	-0.6%p	1.0%	1.0%	0.0%p

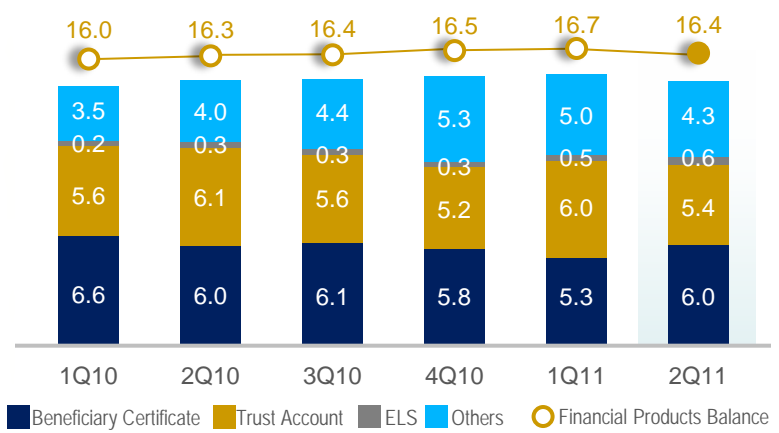
Note) IFRS Standard

Fees & Commission



Note) IFRS Standard

Financial Products ^{Note)} (KRW tril.)



Note) Sum of Beneficiary Certificate, Trust Account, Wrap, ELS, RP, Micro Debentures

Fees & Commission

(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Fees & Commission	197.1	197.9	-0.4	101.1	96.0	5.2
Brokerage Commission	162.5	154.2	5.4	82.3	80.2	2.6
Financial Product Fees	14.3	14.7	-2.8	7.3	7.0	5.1
IB	20.1	24.5	-18.0	12.5	7.6	63.4
Others	0.3	4.6	-94.4	-1.0	1.2	n.a.

Note) IFRS Standard

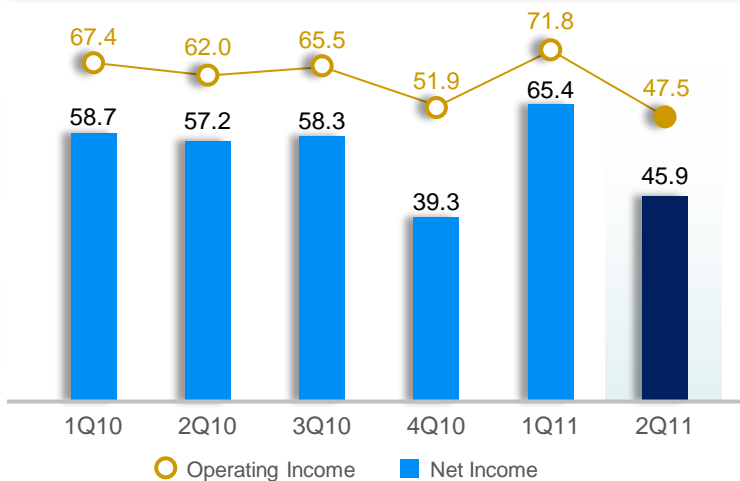
Balance of Financial Products

(KRW tril.)	2011.6	2010.12	YoY%	2011.3	QoQ%
Financial Products	16.4	16.5	-1.0	16.7	-2.1
Beneficiary Certificate	6.0	5.8	4.1	5.3	13.0
Trust Account	5.4	5.2	5.5	6.0	-8.9
ELS	0.6	0.3	87.0	0.5	30.6
Others	4.3	5.3	-18.3	5.0	-12.9

SFG Subsidiaries _ Shinhan Life Insurance (1)

Net Income

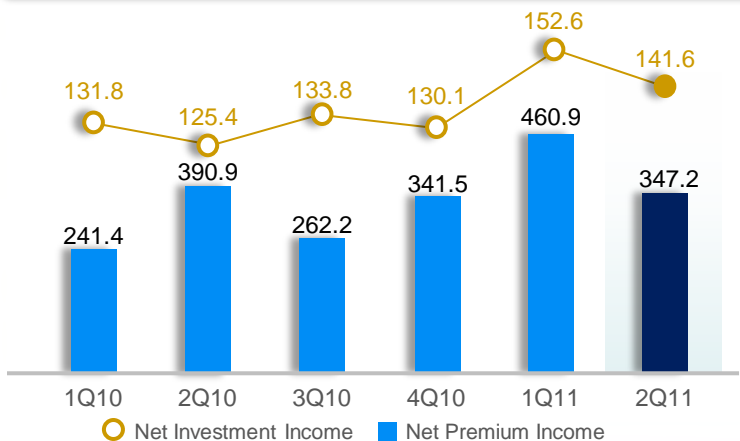
(KRW bil.)



Note) IFRS Standard

Total Income

(KRW bil.)



Note) IFRS Standard

Condensed I/S & Key Financial Indices

(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Total Income	1,128.3	910.2	24.0	502.1	626.1	-19.8
Net Premium Income	808.1	632.3	27.8	347.2	460.9	-24.7
Net Investment Income	294.2	257.2	14.4	141.6	152.6	-7.2
Special Account / Others	26.0	20.6	26.2	13.4	12.6	5.9
Policy Reserve Write Back (Δ)	983.0	760.2	29.3	441.4	541.6	-18.5
Operating Income	119.3	129.3	-7.7	47.5	71.8	-33.8
Net Income	111.3	115.9	-4.0	45.9	65.4	-29.8
Solvency Margin Ratio (%)	325.8	329.7	-3.9%p	325.8	361.4	-35.6%p
ROE	21.2%	27.2%	-6.0%p	21.2%	25.1%	-3.9%p
ROA	1.8%	2.2%	-0.4%p	1.8%	2.1%	-0.3%p

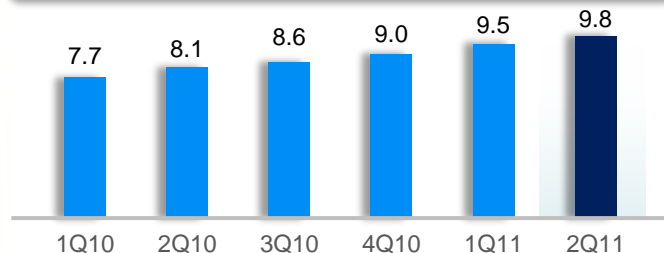
Note) IFRS Standard, ROE,ROA computed on a quarterly average basis



SFG Subsidiaries _ Shinhan Life Insurance (2)

Operating Assets

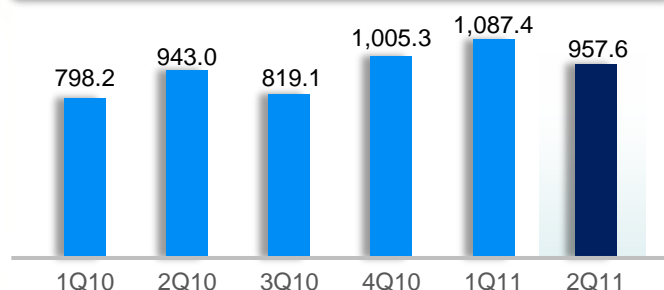
(KRW tril.)



Note) IFRS Standard

Premium Received

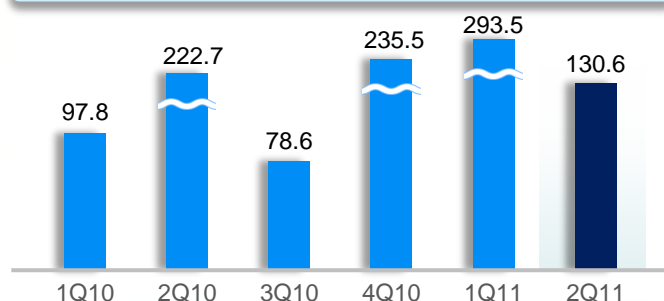
(KRW bil.)



Note) IFRS Standard, excluding retirement pension

New Premium

(KRW bil.)



Note) IFRS Standard, excluding retirement pension

Operating Assets & Special Account Assets

(KRW bil.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Operating Assets	9,848.4	8,954.2	10.0	9,486.2	3.8
Fixed Income	5,654.5	5,283.9	7.0	5,426.1	4.2
Loans	2,578.4	2,613.2	-1.3	2,569.0	0.4
Equities	161.7	166.4	-2.8	148.2	9.1
Cash & Deposits	828.1	362.2	128.6	755.7	9.6
Others	625.7	528.5	18.4	587.2	6.6
Special Account	1,779.1	1,734.2	2.6	1,788.5	-0.5

Note) IFRS Standard

Premium Breakdown

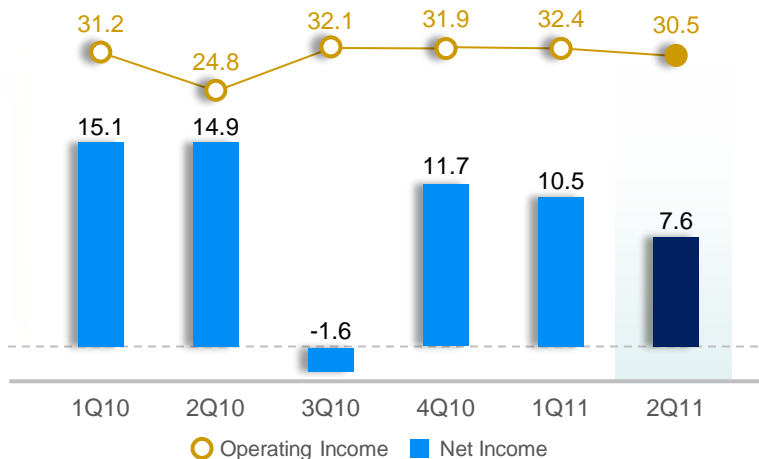
(KRW bil.)	2011	2011		2010	2010			
		1Q	2Q		1Q	2Q	3Q	4Q
Premium Received	2,045.0	1,087.4	957.6	3,565.6	798.2	943.0	819.1	1,005.3
New Premium	424.1	293.5	130.6	634.6	97.8	222.7	78.6	235.5

Note) IFRS Standard, excluding retirement pension

SFG Subsidiaries _ Shinhan Capital

Net Income

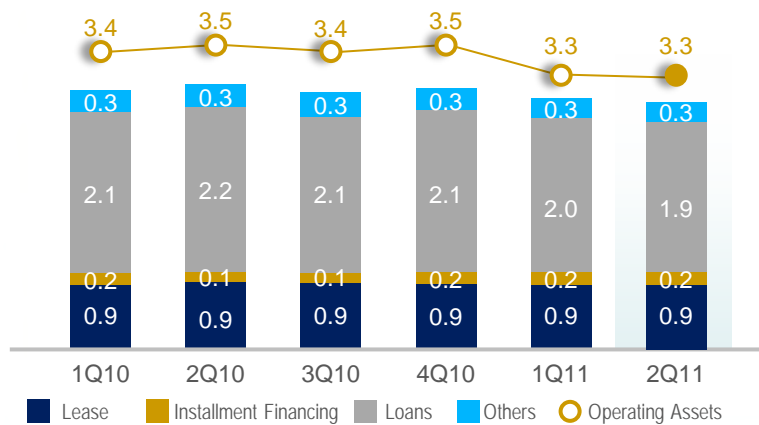
(KRW bil.)



Note) IFRS Standard

Operating Assets

(KRW tril.)



Note) IFRS Standard

Condensed I/S & Key Financial Indices

(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Operating Revenue	212.5	216.1	-1.7	104.7	107.8	-2.9
Operating Expense	149.5	160.1	-6.6	74.1	75.4	-1.7
(Interest Expense)	71.5	80.1	-10.7	35.1	36.4	-3.6
(G&A Expenses)	9.5	7.9	19.1	5.5	3.9	40.1
Operating Income	62.9	56.0	12.4	30.5	32.4	-5.7
Provision for Credit Losses	30.2	16.4	84.4	17.1	13.1	30.4
Net Income	18.1	30.0	-39.7	7.6	10.5	-26.9
ROE	8.1%	14.7%	-6.6%p	8.1%	9.5%	-1.4%p
ROA	1.0%	1.7%	-0.7%p	1.0%	1.1%	-0.1%p

Note) IFRS Standard

Operating Assets

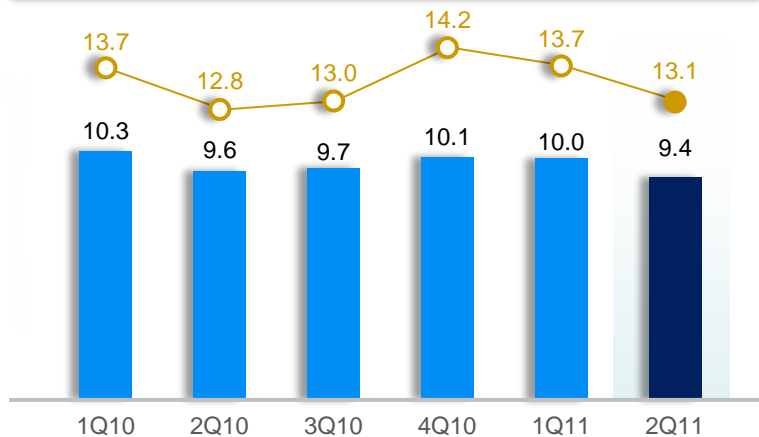
(KRW tril.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Operating Assets	3.3	3.5	-5.6	3.3	-0.6
Lease	0.9	0.9	0.3	0.9	1.0
Installment Financing	0.2	0.2	7.9	0.2	6.9
Loans	1.9	2.1	-8.9	2.0	-2.7
Others	0.3	0.3	-0.3	0.3	4.6

Note) IFRS Standard

SFG Subsidiaries _ Shinhan BNPP AM

Net Income

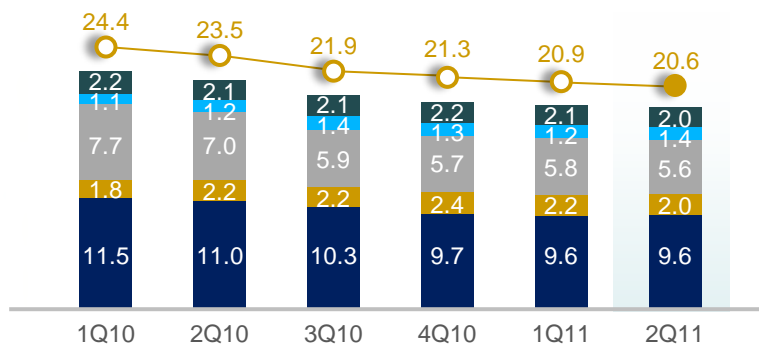
(KRW bil.)



Note) IFRS Standard
 ○ Operating Income ■ Net Income

Assets Under Management

(KRW tril.)



■ Equity Type ■ Bond Type ■ MMF ■ Derivatives ■ Others ○ Total AUM

Condensed I/S & Key Financial Indices

(KRW bil.)	1H11	1H10	YoY%	2Q11	1Q11	QoQ%
Operating Revenue	58.2	59.2	-1.7	28.8	29.4	-2.0
Operating Expense	31.4	32.7	-4.0	15.7	15.7	0.0
(G&A Expenses)	18.1	17.5	3.4	9.2	8.9	3.4
Operating Income	26.8	26.5	1.1	13.1	13.7	-4.4
Net Income	19.4	19.9	-2.5	9.4	10.0	-6.0
ROE	28.0%	28.7%	-0.8%p	28.0%	26.7%	1.3%p

Note) IFRS Standard

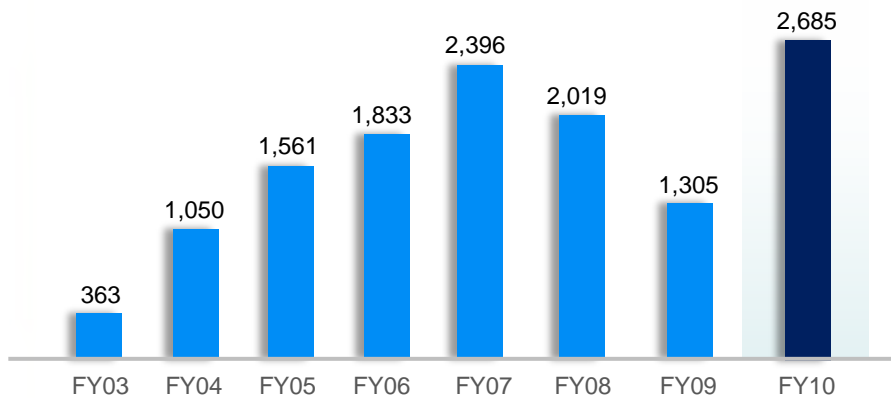
Assets Under Management

(KRW tril.)	2011.6	2010.12	YTD%	2011.3	QoQ%
Total AUM	20.6	21.3	-3.2	20.9	-1.4
Equity Type	9.6	9.7	-1.5	9.6	0.0
Bond Type	2.0	2.4	-15.8	2.2	-9.1
MMF	5.6	5.7	-2.0	5.8	-3.4
Derivatives	1.4	1.3	11.7	1.2	16.7
Others	2.0	2.2	-8.9	2.1	-4.8

Key Financial Indices

Group Net Income

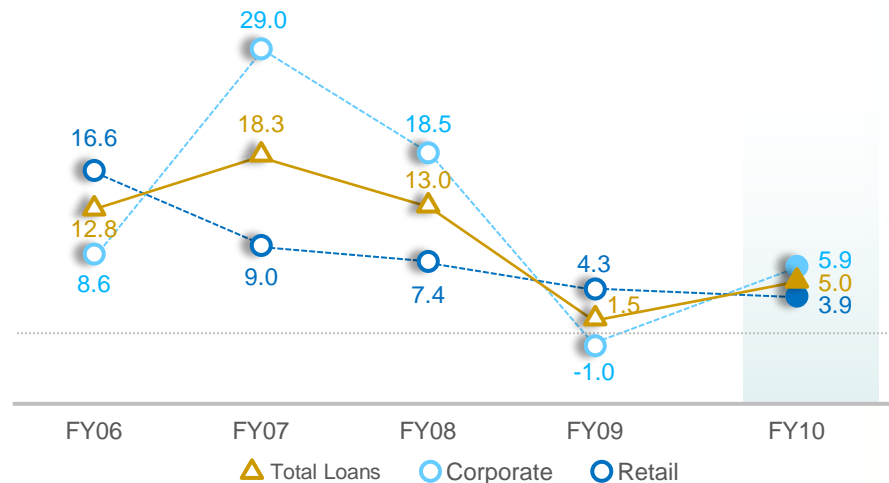
(KRW bil.)



Note) Figs. for 2003-2009 K-GAAP, from 2010 IFRS Standard

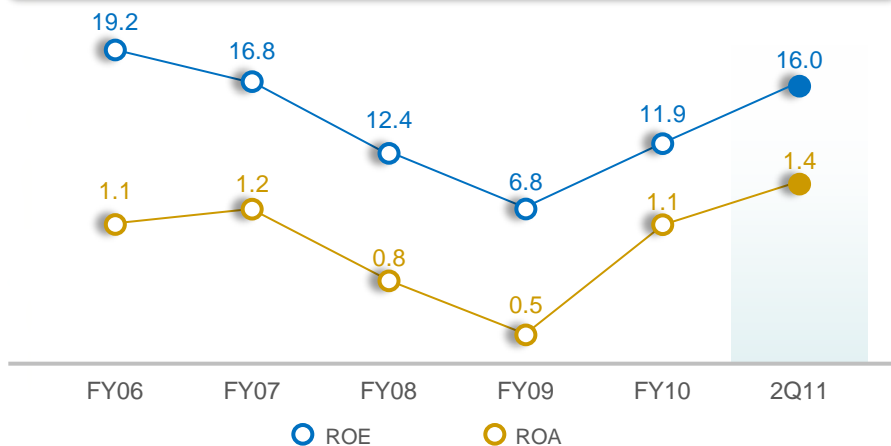
SHB Loan Growth Rate

(%)



ROA / ROE

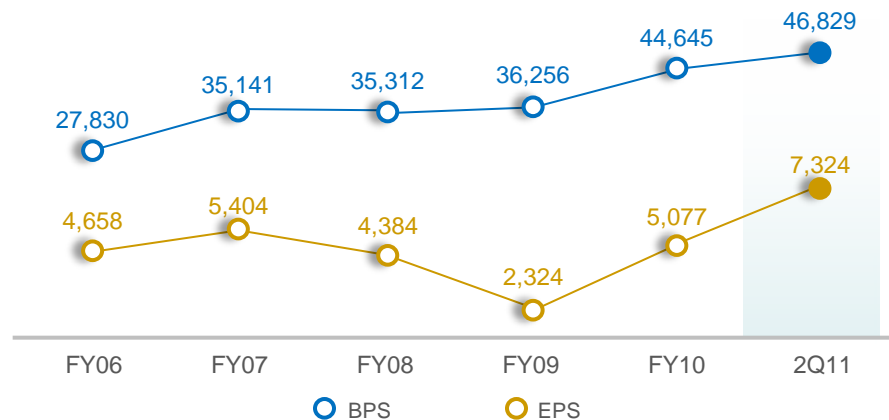
(%)



Note) Figs. for 2006-2009 K-GAAP, from 2010 IFRS Standard, ROE based on common stock (including RCPS)

BPS / EPS

(KRW)

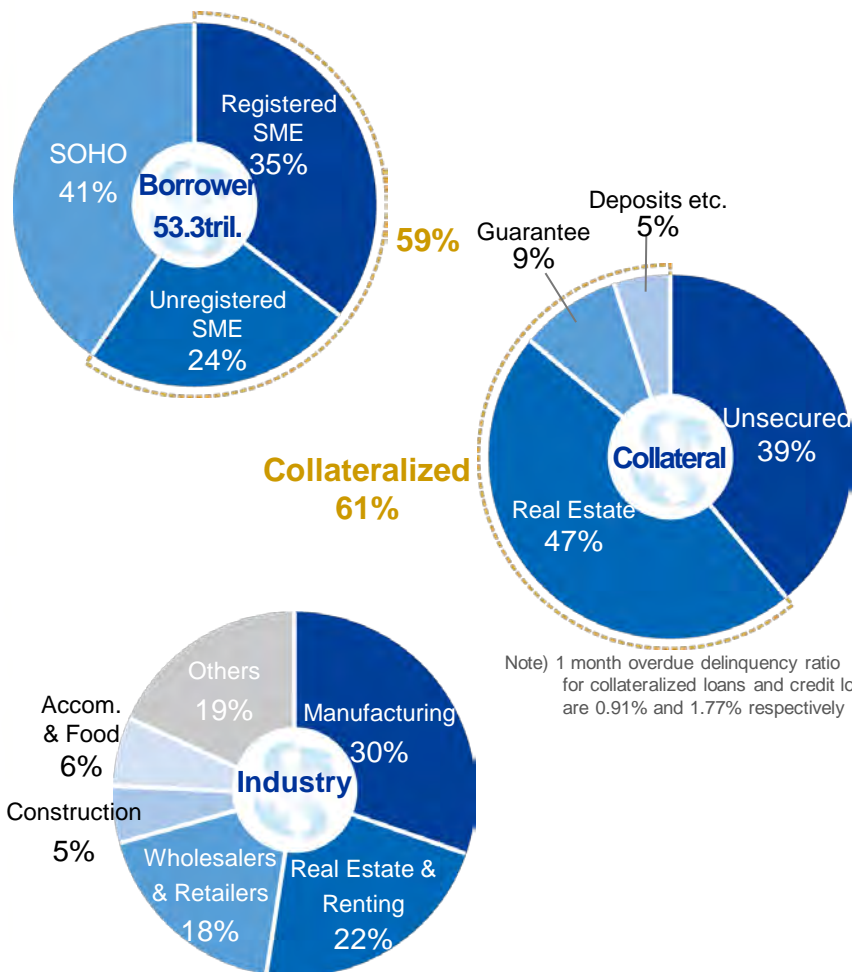


Note) Figs. for 2006-2009 K-GAAP, from 2010 IFRS Standard, Based on common stock (including RCPS)

Shinhan Bank SME Loans

SME Loans Note)

(As of June 30, 2011)



Note) 1 month overdue delinquency ratio for collateralized loans and credit loans are 0.91% and 1.77% respectively

Note) Loans in KRW basis

Delinquency Ratio by Industry

(%)

	2011.6	2010.12	YTD%p	2011.3	QoQ%p
Manufacturing	0.69	0.63	0.06	1.03	-0.34
Real Estate & Renting	2.26	1.36	0.90	2.10	0.16
Wholesalers/Retailers	0.64	0.39	0.25	0.62	0.02
Construction	0.82	0.70	0.12	1.55	-0.73
Total	1.20	0.86	0.34	1.49	-0.29

(As of June 30, 2011)

(%)



■ SME (ex SOHO) ■ SOHO