

2020 S.M.A.R.T PROJECT

Business Results

2019 3Q



S.A.Q.



S.A.Q.



Autumn



Shinhan Financial Group

Disclaimer Statement

The financial information contained herein has neither been reviewed nor audited by independent auditors.

Therefore, no assurance is given that the financial information contained herein is accurate or complete, and such financial information may differ from the financial information to be contained in our financial statements audited by independent auditors. The information contained herein is subject to change without further notice.

We also note the following:

- 1) Financial information has been prepared in accordance with the Korean IFRS.
- 2) The financial figures have been derived following K-IFRS No.1109, 'Financial instruments' and K-IFRS No.1115, 'Revenue from Contracts with Customers' for years starting January 1, 2018.
(Financial information for periods prior to December 31, 2017 has not been restated.)
- 3) K-IFRS 16 'Leases' replaced existing lease standards and is effective for the year beginning on January 1, 2019.
(Financial information for periods prior to December 31, 2018 has not been restated.)
- 4) The net profit (loss) realized from the 59.15% interest in the newly acquired Orange Life Insurance, Ltd. ("Orange Life") has been included in our consolidated net profit (loss.) The acquisition accounting of Orange Life has been applied starting January 1, 2019 (the deemed acquisition date.)
- 5) The net profit (loss) realized from the 60% interest in the newly acquired Asia Trust Co., Ltd. ("Asia Trust") has been included in our consolidated net profit (loss.) The acquisition accounting of Asia Trust has been applied starting April 1, 2019 (the deemed acquisition date.)
- 6) To present the financial information more effectively, the interest portion of provision for policy reserve, which was previously categorized as non-interest expense, is now categorized as interest expense.
(Financial information for periods prior to December 31, 2018 has been restated to reflect the same.)

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



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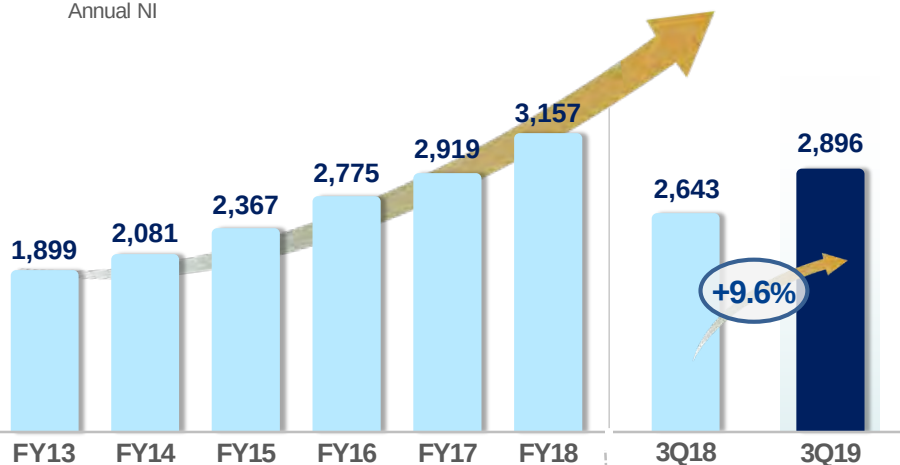


2019 3Q Business Result Highlights ①

Group Net Income

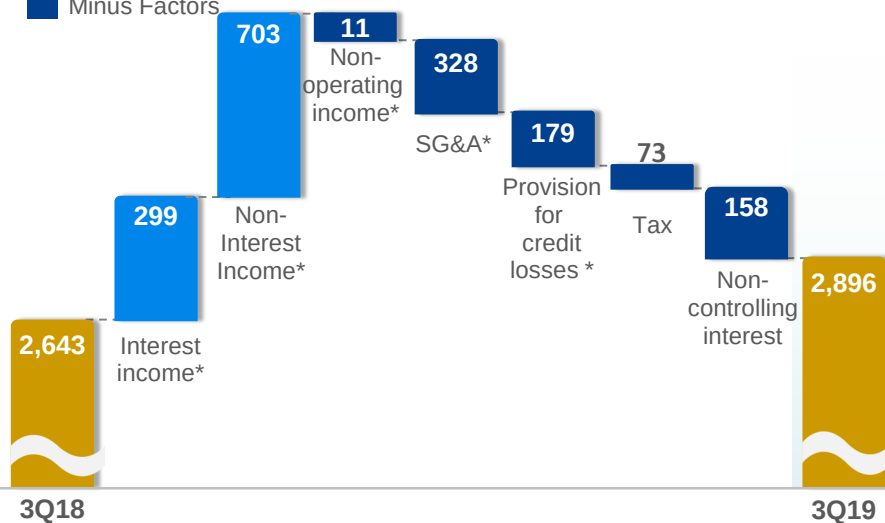
(KRW bil.)

Annual NI



Plus Factors

Minus Factors



* Earnings before income tax

1

Positive Net Profit Momentum:

Consistent earnings growth, reflecting the strength of diversified business model

982 bil.

(2019 3Q Net Income)

2

Solid Interest Income:

Strong quality asset growth based on well-positioned loan mix

+6.4%

+5.3%

(YoY SHB cumulative interest income growth and YTD loan growth)

3

Robust Non-interest Income:

Strong performance across non-bank subsidiaries with One Shinhan efforts

+37%

(Year-over-year Group Non-Interest Income Expansion)

4

Disciplined Cost Control:

Sustainable management with operational efficiency

42.6%

(2019 3Q cumulative Cost-to-Income ratio)

5

Proactive Risk Management:

Continuing risk management efforts with a consistent provisioning policy

33bp

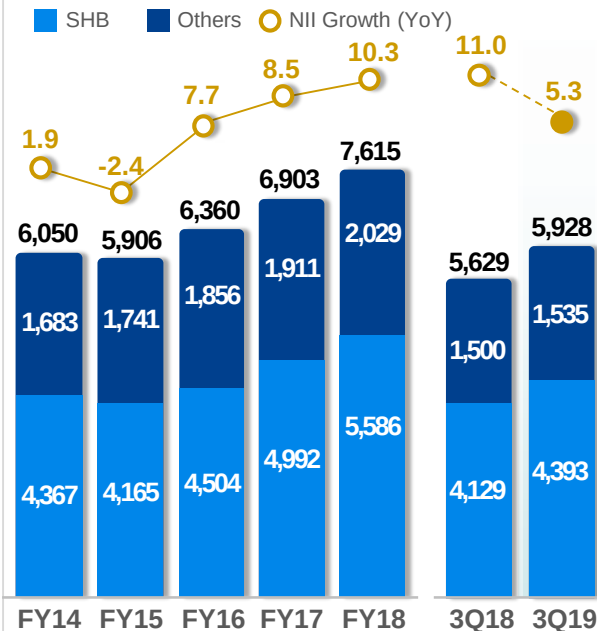
144%

(2019 3Q Group cumulative credit cost and NPL coverage ratio)

2019 3Q Business Result Highlights ②

Interest Income

(%, KRW bil.)

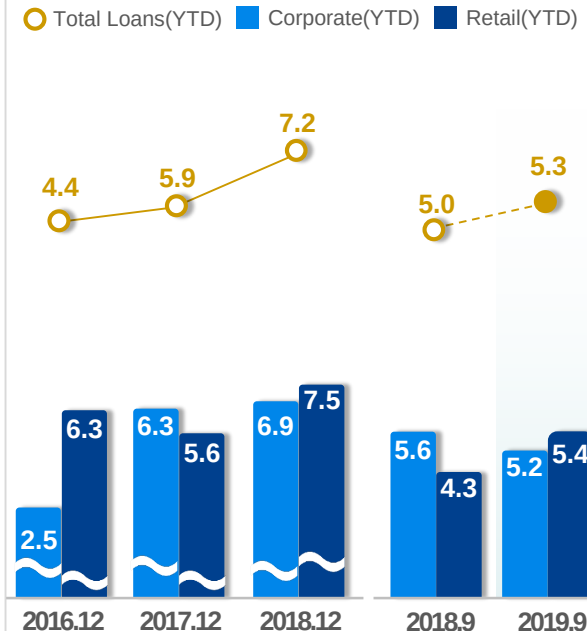


Stable Interest Income Stream

- SFG's interest income increased by 5.3% YoY attributed to balanced loan portfolio and active loan growth
- Interest income from global hiked by 28.1% YoY, improving its contribution to the Group NII from 8.3% in 3Q18 to 10.1% in 3Q19
- Steady NII improvement resulting from constant drive to focus on quality growth

SHB Loan Growth

(%)

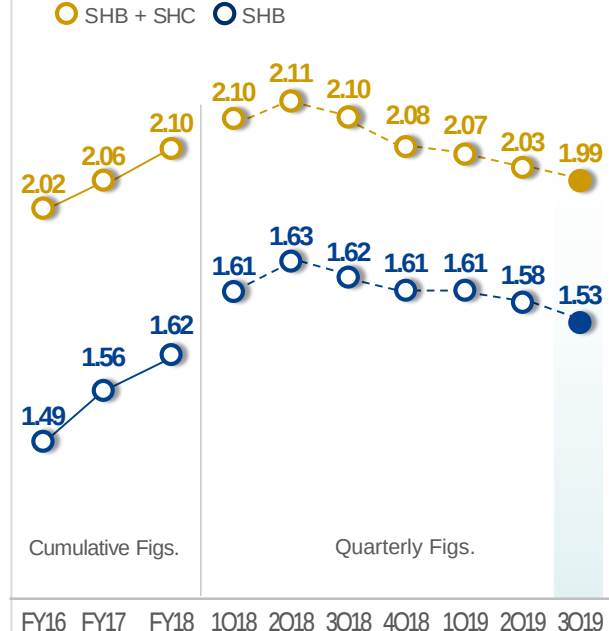


Balanced Loan Growth

- Through robust and balanced loan growth, SHB's KRW loan assets as end of 3Q19 marked 221 tril. up by 5.3% YTD
- Corporate loans up 5.2% YTD with more focus on high quality SOHO loans and retail loans up by 5.4% YTD driven by strong Jeonse loan demand
- SHB's KRW deposits up by 6.3% YTD, reaching to 221 tril.

NIM

(%)

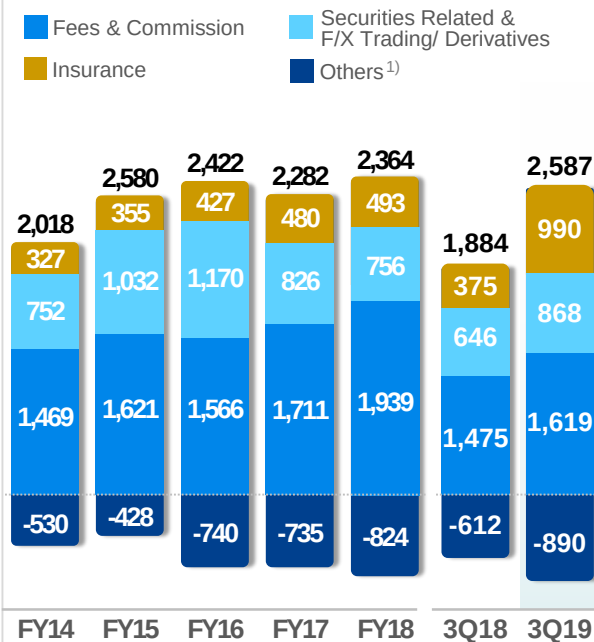


Margin Pressure from Unfavorable Rate Environment

- SHB quarterly NIM marked 1.53%, down by 5bp, mainly due to falling market interest rates and loan portfolio repricing
- SHB's NIM incl. Global recorded 1.57% for 3Q, partially offsetting margin compression from domestic
- Group NIM marked 1.99%, down 4bp QoQ, margin pressure from SHB were partially offset by growth in relatively higher margin products, i.e. card loans, in SHC

2019 3Q Business Result Highlights ③

Non-Interest Income (KRW bil.)

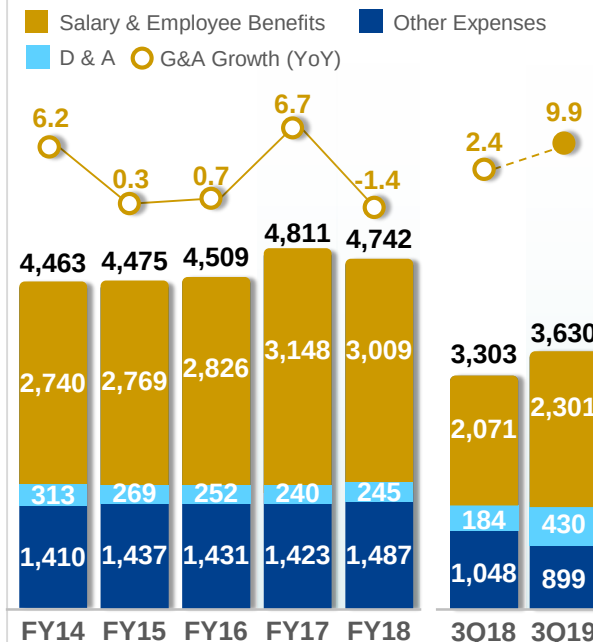


Note 1) Insurance fees on deposits, contribution expenses etc

Well-diversified Non-interest Income Portfolio

- Non-interest income grew by 37.3% YoY, attributed to a hike in insurance profits coming from the inclusion of Orange Life along with an increase in securities related gains
- Fee income grew by 9.8% YoY, driven by robust growth in IB business, leases and sales of trust products, despite weak performances in brokerage and credit card fee income

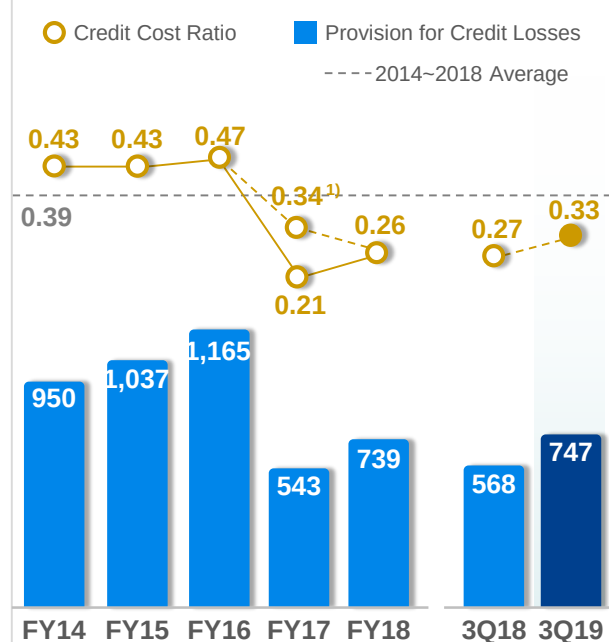
G&A Expenses (% , KRW bil.)



Disciplined Cost Management

- Group recorded industry-leading cost/income ratio of 42.6%, running at a historically low level, through cost control efforts and strong earnings stream despite SG&A rise due to the newly added Orange Life and Asia Trust
- SG&A costs went up by 3.2% YoY when excluding expenses from Orange Life, Asia Trust, marginal salary increases from overseas, etc

Credit Cost (% , KRW bil.)



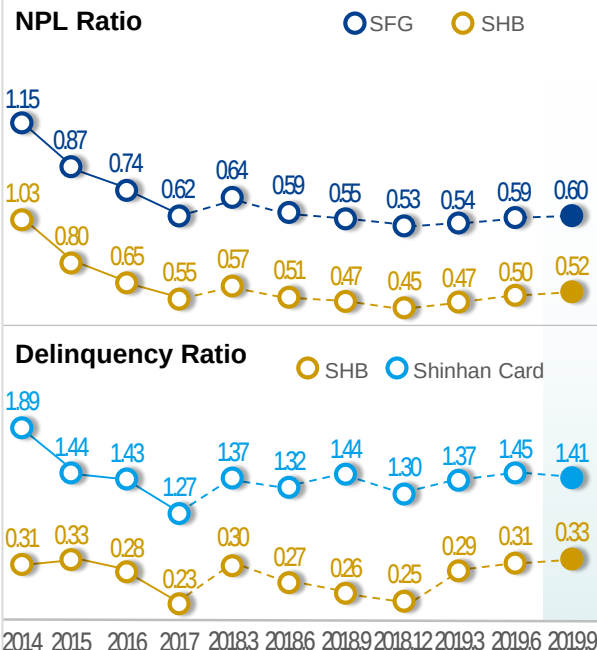
Note 1) Excluding write-backs from Shinhan Card

Prudent Risk Management

- Group credit cost ratio marked 33bp in 3Q19, 6bp lower than the 5-year recurring average
- SHB's credit cost ratio increased to 16bp, up by 6bp YoY, despite one-off allowances release, due to adopting preemptive and rigorous credit standards
- SHC's credit cost ratio increased to 1.91%, up by 15bp, mainly due to strong asset growth in card loans, lease and installment finance

2019 3Q Business Result Highlights 4

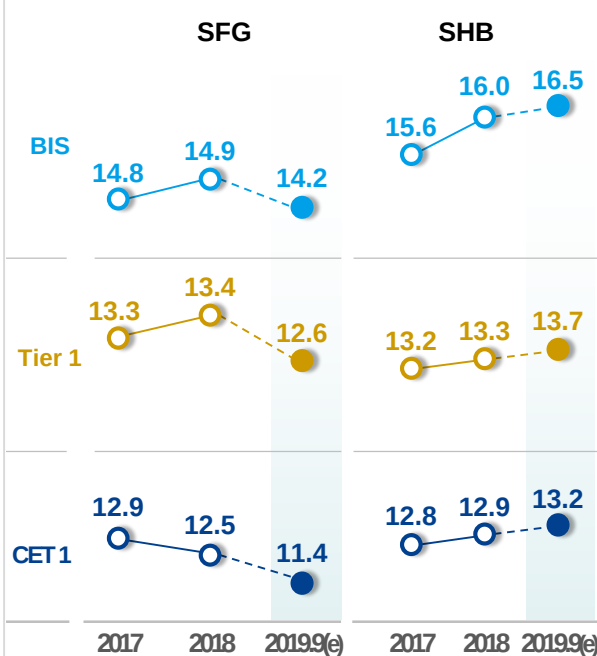
Asset Quality (%)



Maintaining Stable Asset Quality

- Group and SHB NPL ratio both increased by 5bp YoY, marking 0.60% and 0.52% respectively
- SHB's and SHC's delinquency ratios recorded solid levels of 0.33%, 1.41% respectively
- Group NPL coverage ratio marked 144%, maintaining sufficient provision buffer

Capital Adequacy (%)

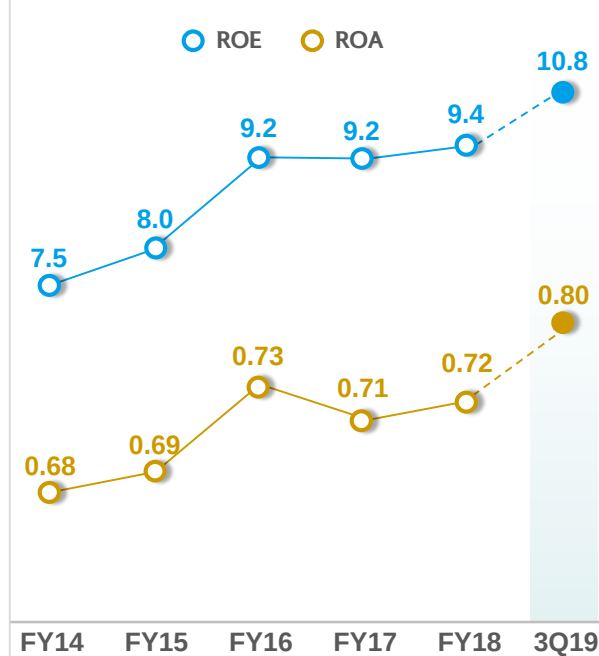


Note) Based on Basel 3

Capital Utilization for Future Growth

- Based on BASEL 3, Group's Common Equity Tier1 ratio experienced a temporary setback due to concentration of compression factors, such as M&As and share buybacks
- Based on BASEL 3, SHB's Common Equity Tier1 and BIS ratio are estimated at 13.2% and 16.5% respectively

ROE & ROA (%)



Sustainable ROA & ROE Improvement

- Group ROE recorded 10.8%, up 1.4%p YTD, driven by successful business portfolio diversification and strong earnings growth
- Group ROA improved by 0.08%p YTD, marking 0.80%, attributed to strong operating performances from both bank and non-bank subsidiaries

Project 2020 Initiatives : Year of Tangible Results

1 Balanced Growth

Bank	Interest Income	Domestic	Organic	Analog (Off-line)	Entity Centric	Business Strategy	Corporate-oriented
NI from Banks (YoY)	Interest Income (YoY)	NI from Domestic (YoY)	Group NI (YoY)	Cost-to - Income Ratio	Customized Strategy for each of the subsidiaries	Mid-term Business Strategy 2020 SMART Project	Creative Culture, "The Shinhan Leader" "SHeros"
+3%	+5%	+9%	+10%	42.6%			

Non-Banks	Non-Interest Income	Overseas	Inorganic	Digital (On-line)	One Shinhan	Corporate Culture	Community-oriented
NI from Non-Banks (YoY)	Non-Interest Income (YoY)	Group NI from Global Business (YoY)	New Business Lines (M&As) As of 3Q19 Orange Life, PVFC, Shinhan REITs, Archipelago AM	Operating Income through Digital Platform ²⁾	Matrix Business Lines, Cross-Selling Ratio	ESG Recognition A ⁺ Grade from CGS	Compassionate Finance "Society of Hope" Project "ECO Transformation 20-20"
+15%	+37%	+19%		1,009 bil.	40.4%		
Non Banks NI Contribution 34%	Non-Interest Income Proportion 30%	Global NI Contribution 10%	Net Income 152.4 bil.				

2 Global Expansion

3 Digital Transformation

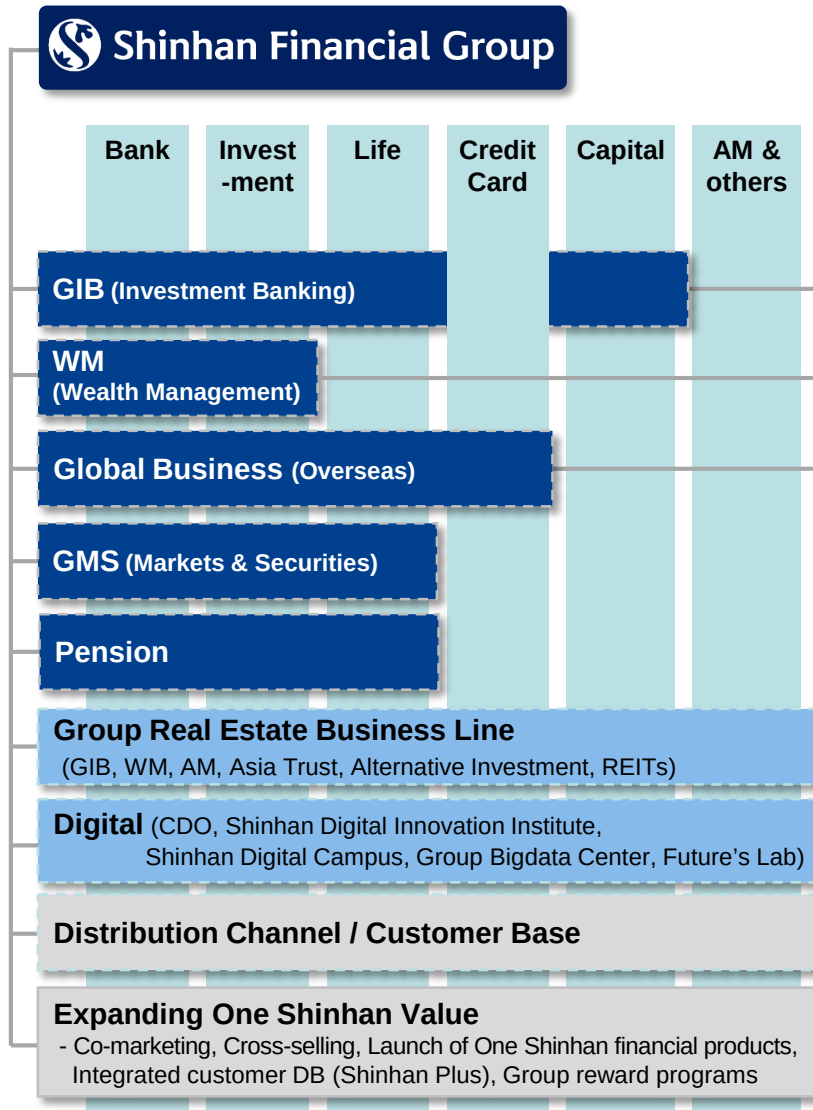
4 Uphold Corp. Culture

1) Financial Figures are as of September 30, 2019

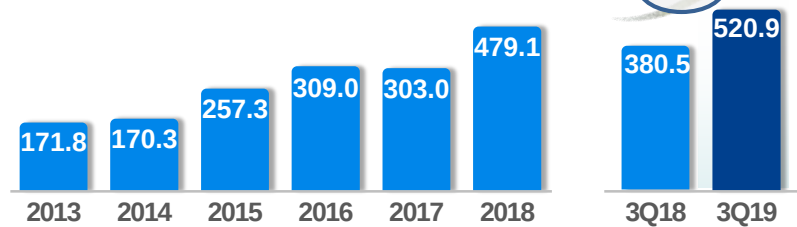
2) Based on 3Q19 Operating Income from Shinhan Bank, Card, Investment Corp., Life and Orange Life

One Shinhan : Synergy Creation

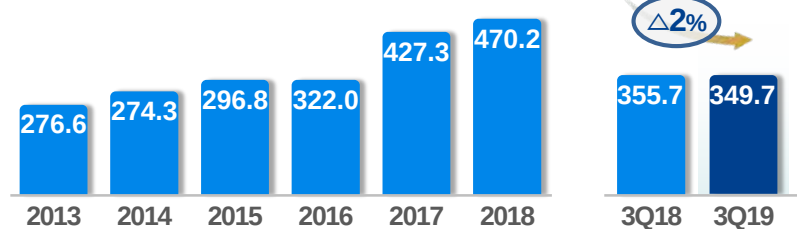
Matrix Structure



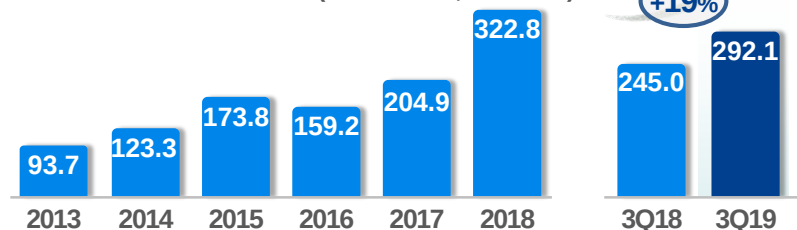
• GIB (Operating Income, KRW bil.)



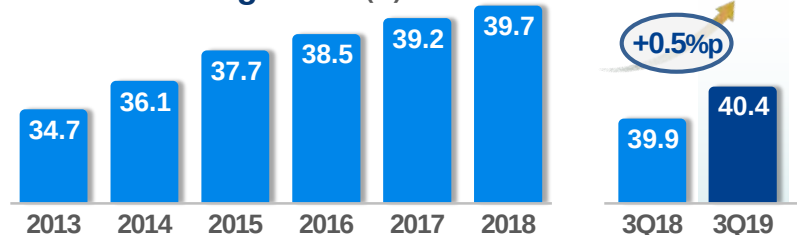
• WM (Operating Income, KRW bil.)



• Global Business (Net Income, KRW bil.)



• Cross-Selling Ratio (%)



Note 1) Financial figures of GIB and WM are based on managerial accounting

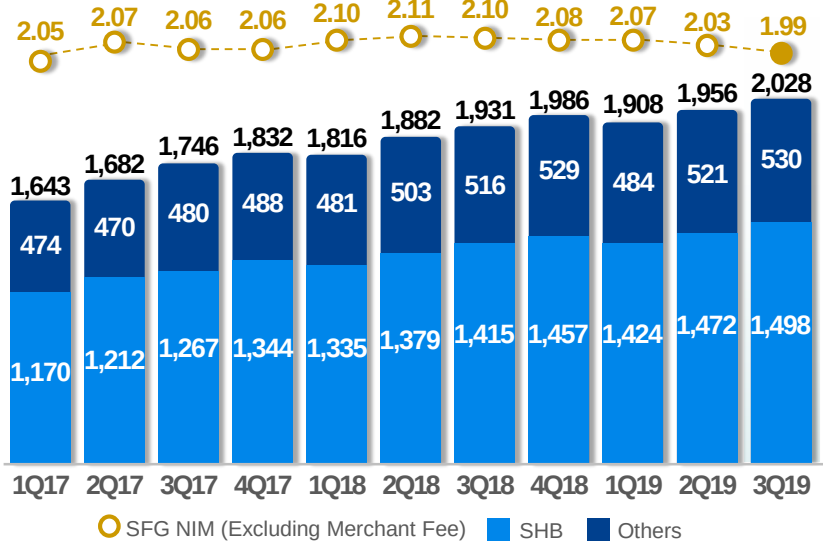
Note 2) Financial figures of GIB from 2013 to 2016 are based on CIB's IB division

II. Income

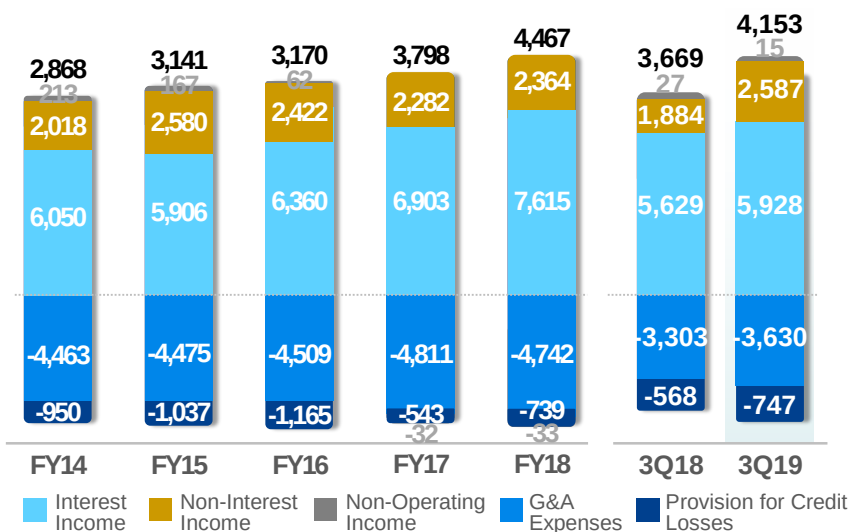
1. SFG Income
2. SFG Non-Interest Income
3. SFG G&A Expenses
4. SFG Income by Subsidiaries
5. Major Subsidiaries Income



SFG Interest Income & NIM (Quarterly) (% , KRW bil.)



SFG Earnings before Income Tax (KRW bil.)



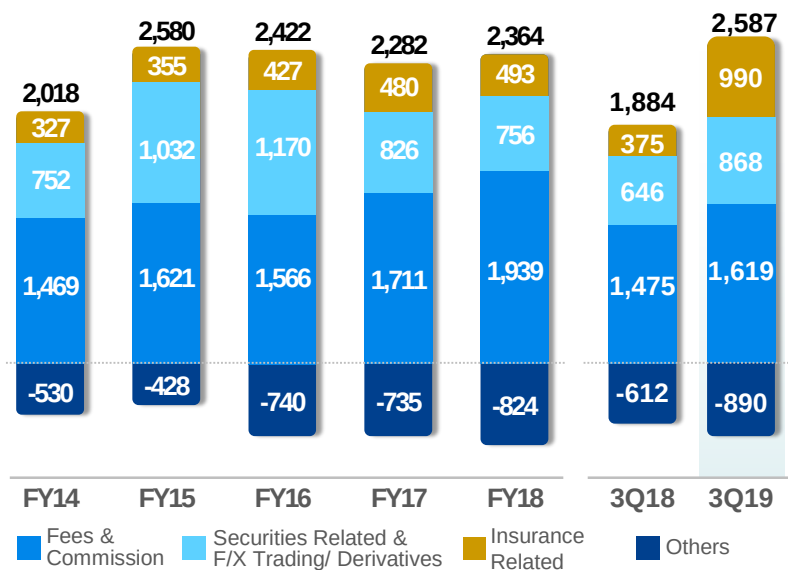
(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Operating Income (a=b+c)	8,514.9	7,513.0	13.3	2,864.9	2,920.5	-1.9
Interest Income (b)	5,928.2	5,628.9	5.3	2,027.9	1,992.4	1.8
Non-Interest Income (c)	2,586.7	1,884.1	37.3	836.9	928.1	-9.8
G&A Expenses (d)	3,630.4	3,302.6	9.9	1,225.6	1,236.3	-0.9
Pre-Provision Oper. Income (e=a-d)	4,884.5	4,210.4	16.0	1,639.2	1,684.1	-2.7
Non-Operating Income (f)	15.4	26.6	-42.1	-1.6	4.8	n.a.
Pre-Provision Income (g=e+f)	4,899.9	4,237.0	15.6	1,637.6	1,688.9	-3.0
Provision for Credit Losses (h)	747.0	568.0	31.5	221.3	274.9	-19.5
Earnings before Income Tax (i=g-h)	4,152.9	3,669.1	13.2	1,416.3	1,414.0	0.2
Income Tax	1,068.1	994.5	7.4	367.9	343.5	7.1
Consolidated Net Income ¹⁾	2,896.0	2,643.4	9.6	981.6	996.1	-1.5

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

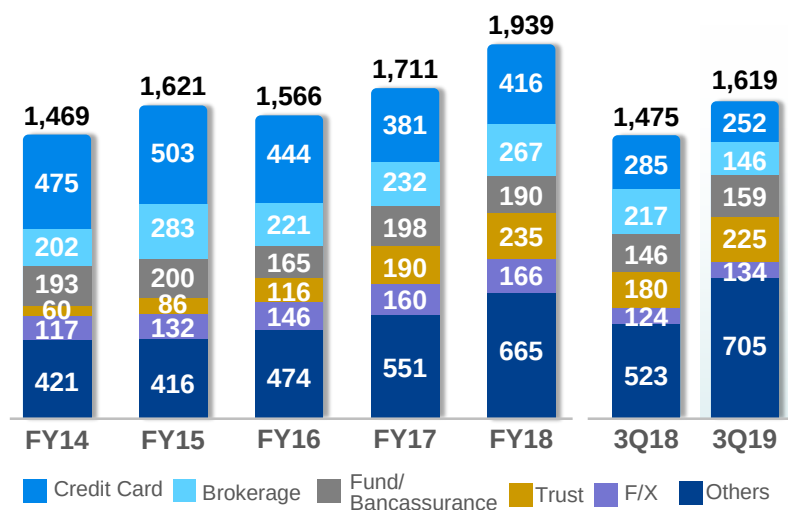
(KRW bil.)



(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Non-Interest Income	2,586.7	1,884.1	37.3	836.9	928.1	-9.8
Fees & Commission	1,619.5	1,475.3	9.8	530.3	609.3	-13.0
Securities Related & FX Trading/Derivatives	867.7	645.6	34.4	311.0	205.8	51.1
(Gains on FVPL Financial Instruments)	-47.2	267.0	n.a.	131.9	69.1	90.9
(Gains on Derivatives & FX)	734.1	282.6	159.7	94.0	122.2	-23.1
Insurance Related	989.7	375.0	163.9	311.3	409.6	-24.0
Others	-890.1	-611.8	n.a.	-315.7	-296.6	n.a.
(Contribution Expenses)	-228.4	-208.3	n.a.	-77.1	-73.1	n.a.
(Insurance Fees on Deposits)	-282.8	-264.0	n.a.	-95.6	-92.0	n.a.

SFG Fees & Commission

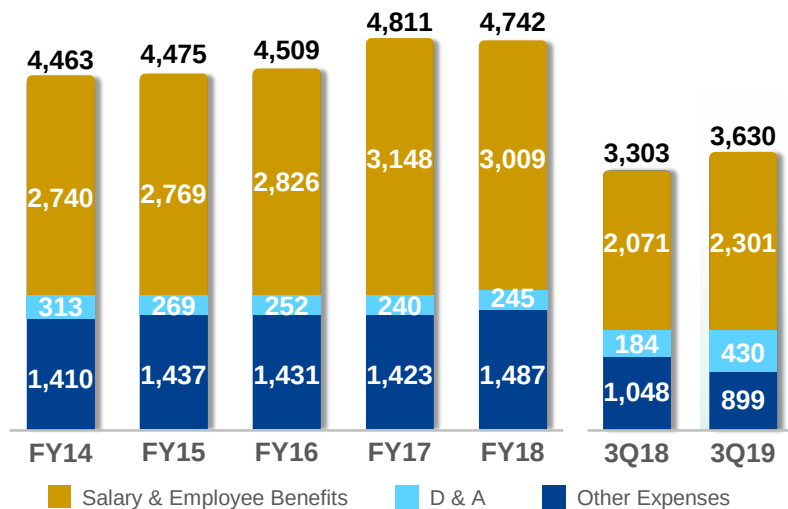
(KRW bil.)



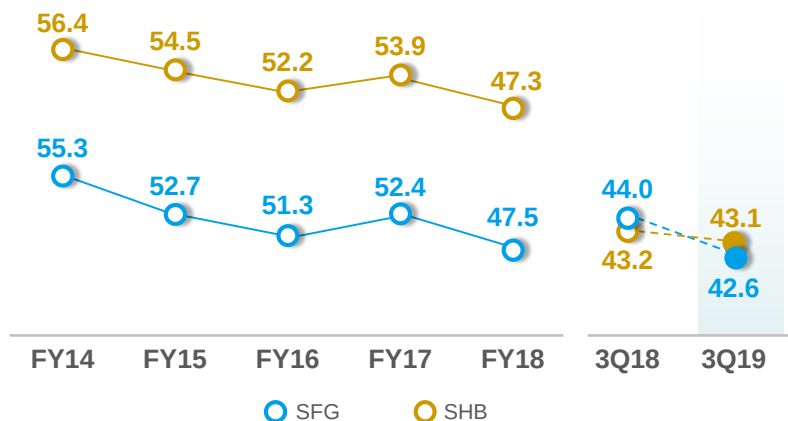
(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Fees & Commission	1,619.5	1,475.3	9.8	530.3	609.3	-13.0
Credit Card Fee Income	251.6	284.9	-11.7	74.5	90.5	-17.6
Brokerage Commissions	145.5	216.9	-32.9	45.8	50.2	-8.7
Fund/Bancassurance Fees	158.7	145.9	8.8	39.1	73.7	-47.0
Trust Fee Income	225.3	180.4	24.9	74.8	86.6	-13.6
FX Fee Income	133.8	124.3	7.6	45.1	53.0	-14.9
Electronic Transaction Fees	113.1	109.0	3.7	38.6	38.0	1.6
IB Related Fees	118.7	60.4	96.5	33.1	62.9	-47.4
Lease Financing Fees	101.1	55.5	82.1	37.9	32.8	15.6
Others	371.6	297.9	24.8	141.4	121.6	16.3

SFG G&A Expenses

SFG G&A Expenses (KRW bil.)



Cost-Income Ratio¹⁾ (%)



Note 1) Cumulative Basis

SFG G&A Expenses

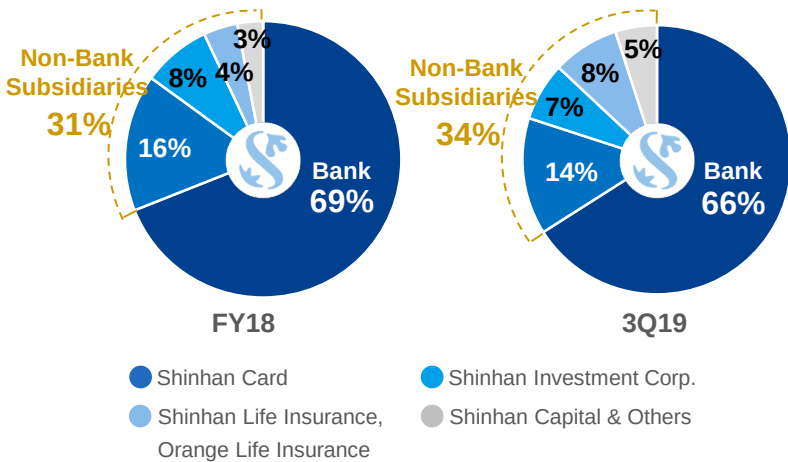
(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
G&A Expenses	3,630.4	3,302.6	9.9	1,225.6	1,236.3	-0.9
Salary & Employee Benefits (Early Retirement Program Expenses)	2,301.1	2,070.5	11.1	770.1	772.5	-0.3
D & A	430.2	183.9	134.0	146.6	144.1	1.8
Other Expenses (Advertising Expenses)	899.0	1,048.2	-14.2	309.0	319.8	-3.4
(Taxes and Dues)	155.7	184.1	-15.4	63.9	55.1	15.9
	150.9	133.8	12.8	40.5	67.7	-40.2

SHB G&A Expenses

(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
G&A Expenses	2,213.7	2,092.2	5.8	758.3	750.5	1.0
Salary & Employee Benefits (Early Retirement Program Expenses)	1,335.1	1,253.8	6.5	449.0	447.0	0.4
D & A	298.2	122.3	143.8	102.0	97.7	4.3
Other Expenses (Advertising Expenses)	580.3	716.0	-19.0	207.4	205.7	0.8
(Taxes and Dues)	46.7	45.9	1.7	22.6	15.1	50.3
	78.1	64.2	21.7	20.2	38.5	-47.4

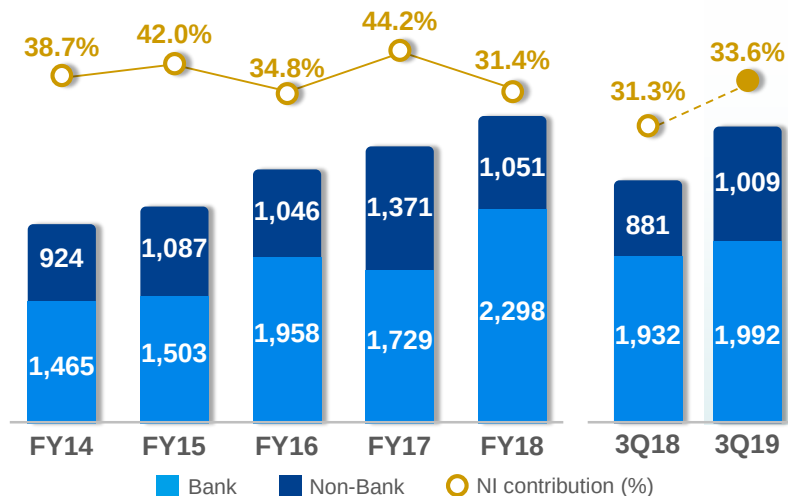
SFG Income by Subsidiaries ①

Net Income Contribution by Subsidiaries¹⁾



Note 1) After reflecting ownership by SFG

Net Income Contribution by Non-Bank Subsidiaries¹⁾ (KRW bil.)



Note 1) After reflecting ownership by SFG

(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=AxB]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	1,997.2		1,991.8	-61.1	1,930.7
Shinhan Bank	1,976.3	100.0%	1,976.3	-58.9	1,917.4
Jeju Bank	21.0	75.3%	15.5	-2.2	13.3
Non-Bank (b)	1,107.2		1,010.4	42.1	1,052.5
Shinhan Card	411.1	100.0%	411.1	7.2	418.3
Shinhan Investment Corp.	202.1	100.0%	202.1	-0.1	202.0
Shinhan Life Insurance	109.8	100.0%	109.8	24.8	134.6
Orange Life Insurance	211.6	59.2%	126.1	11.6	137.7
Shinhan BNPP AM	18.1	65.0%	11.8	-0.1	11.7
Shinhan Capital	99.1	100.0%	99.1	3.1	102.2
Shinhan Savings Bank	20.6	100.0%	20.6	1.3	22.0
Asia Trust	12.3	60.0%	7.4	-	7.4
Shinhan DS	2.2	100.0%	2.2	-6.5	-4.3
Shinhan AITAS	8.7	99.8%	8.7	0.6	9.3
Shinhan Credit Information	0.9	100.0%	0.9	-	0.9
Shinhan Alternative Investment	2.8	100.0%	2.8	0.2	3.0
Shinhan REITs Management	7.8	100.0%	7.8	-	7.8
SFG (c)				-87.3²⁾	-87.3
Total (d=a+b+c)¹⁾	3,104.4		3,002.2	-106.2	2,896.0

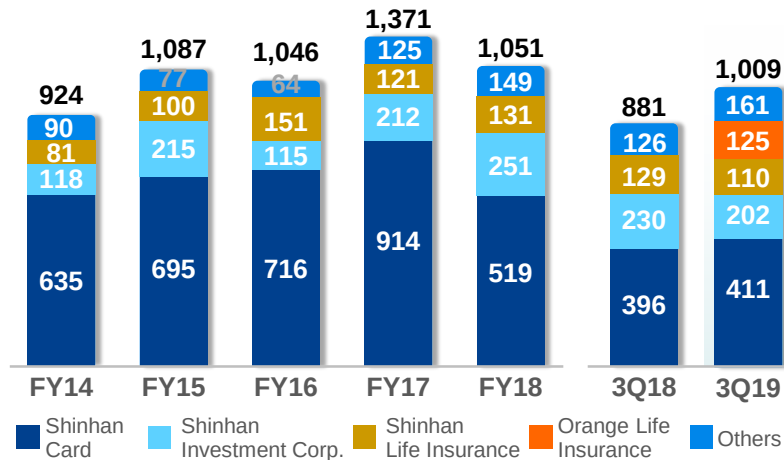
Note 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 37.3bil.Net Interest Expense KRW -107.4bil., etc

SFG Income by Subsidiaries ②

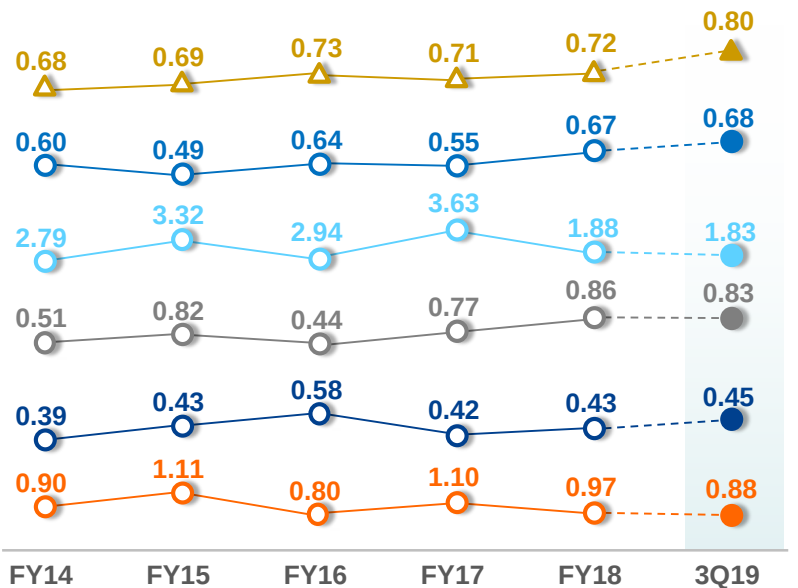
Non-Bank Net Income

(KRW bil.)



ROA

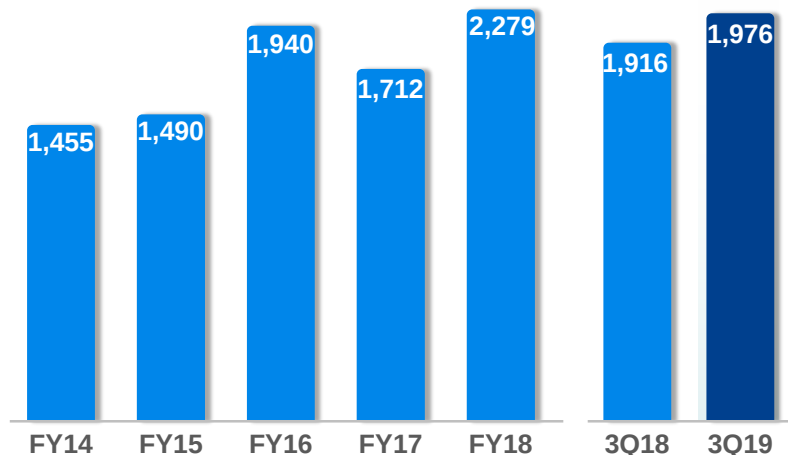
(%)



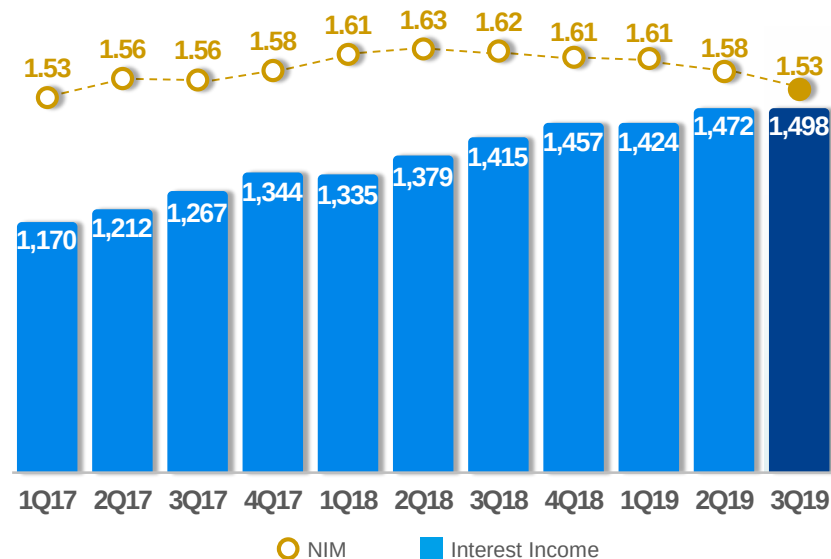
(Reflecting SFG Ownership, KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Bank (a)	1,992.1	1,932.2	3.1	698.9	670.1	4.3
Shinhan Bank	1,976.3	1,916.5	3.1	694.4	663.7	4.6
Jeju Bank	15.8	15.8	0.1	4.5	6.3	-29.4
Non-Bank (b)	1,009.4	880.6	14.6	325.5	330.8	-1.6
Shinhan Card	411.1	395.5	3.9	139.8	149.1	-6.2
Shinhan Investment Corp.	202.1	230.0	-12.1	59.3	72.0	-17.6
Shinhan Life Insurance	109.8	129.2	-15.0	31.8	24.1	31.6
Orange Life Insurance	125.1	-	n.a.	38.1	39.5	-3.6
Shinhan BNPP AM	11.8	9.7	21.2	4.3	4.0	8.4
Shinhan Capital	99.1	87.6	13.2	28.3	25.2	12.1
Shinhan Savings Bank	20.6	13.5	53.4	9.4	5.7	64.2
Asia Trust	7.4	-	n.a.	5.1	2.2	128.3
Shinhan DS	2.2	1.2	85.9	1.0	0.4	155.6
Shinhan AITAS	8.7	6.3	38.8	3.4	2.8	23.0
Shinhan Credit Information	0.9	2.0	-56.0	0.3	0.4	-25.0
Shinhan Alternative Investment	2.8	2.8	-1.1	0.8	2.7	-71.7
Shinhan REITs Management	7.8	2.8	181.1	3.8	2.7	42.7
Total (a+b)	3,001.5	2,812.9	6.7	1,024.4	1,000.9	2.4
Consolidated Net Income ¹⁾	2,896.0	2,643.4	9.6	981.6	996.1	-1.5

Note 1) Net Income in Controlling Interest

Net Income (KRW bil.)



Interest Income/NIM(Quarterly) (% , KRW bil.)

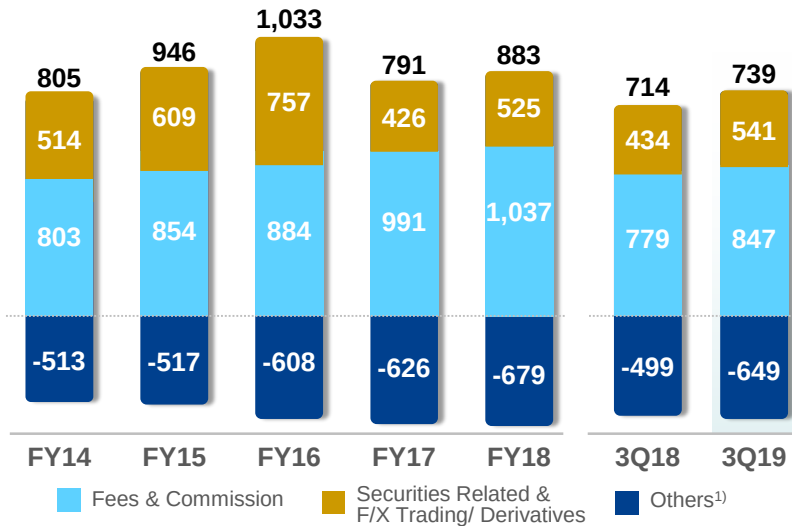


(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Operating Income (a=b+c)	5,132.5	4,842.8	6.0	1,755.2	1,732.9	1.3
Interest Income (b)	4,393.4	4,128.8	6.4	1,497.9	1,471.9	1.8
Non-Interest Income (c)	739.1	714.0	3.5	257.4	261.0	-1.4
G&A Expenses (d)	2,213.7	2,092.2	5.8	758.3	750.5	1.0
Pre-Provision Oper.Income (e=a-d)	2,918.8	2,750.6	6.1	996.9	982.4	1.5
Non-Operating Income (f)	-5.8	7.7	n.a.	-9.9	8.8	n.a.
Pre-Provision Income (g=e+f)	2,913.0	2,758.3	5.6	987.0	991.2	-0.4
Provision for Credit Losses (h)	306.1	176.3	73.6	68.5	150.6	-54.5
Earnings before Income Tax (i=g-h)	2,606.9	2,582.0	1.0	918.5	840.6	9.3
Income Tax	630.4	665.3	-5.2	224.0	176.8	26.7
Net Income ¹⁾	1,976.3	1,916.5	3.1	694.4	663.7	4.6

Note 1) Net Income in Controlling Interest

(%)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
NIS (a-b) (quarterly)	1.75	1.81	1.82	1.84	1.87	1.89	1.89	1.86	1.86	1.86	1.81
Loan interest rate (a)	3.00	3.03	3.04	3.10	3.19	3.27	3.32	3.35	3.38	3.37	3.27
Deposit interest rate (b)	1.26	1.22	1.22	1.26	1.32	1.38	1.43	1.49	1.52	1.51	1.46
NIM (quarterly)	1.53	1.56	1.56	1.58	1.61	1.63	1.62	1.61	1.61	1.58	1.53
NIM (cumulative figures)	1.53	1.55	1.55	1.56	1.61	1.62	1.62	1.62	1.61	1.59	1.57

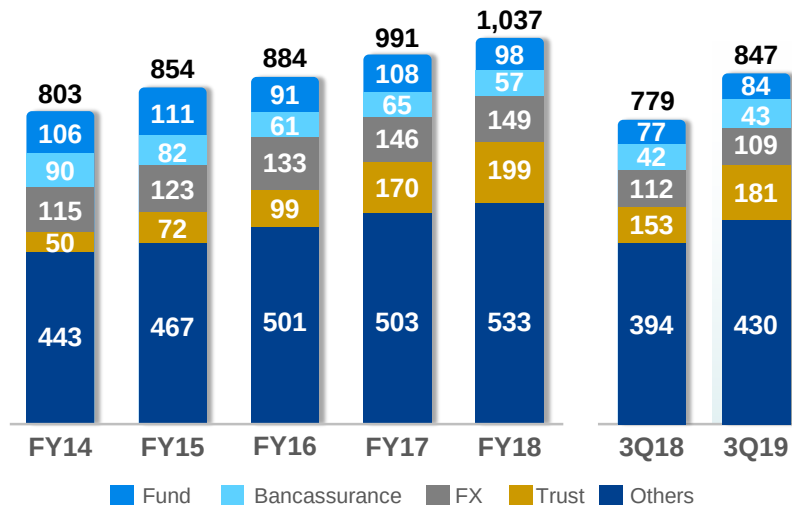
Non-Interest Income (KRW bil.)



Note 1) Including Deposit Insurance Premium, Contribution Expenses etc.

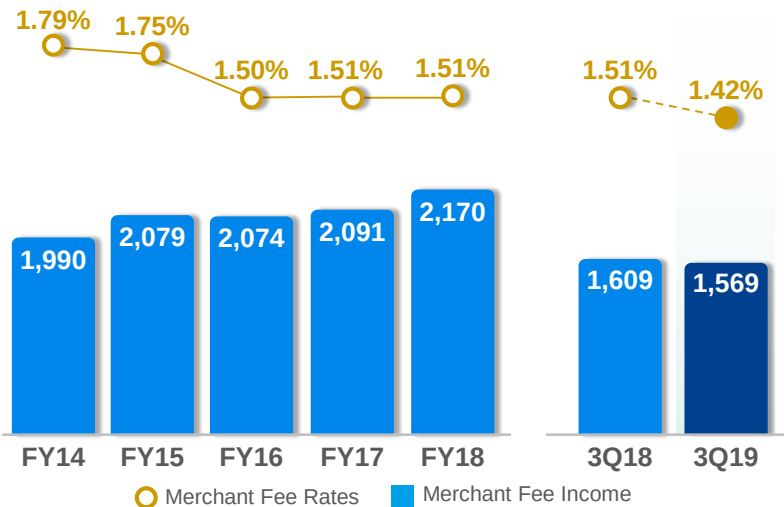
(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Non-Interest Income	739.1	714.0	3.5	257.4	261.0	-1.4
Fees & Commission	847.2	778.7	8.8	272.8	323.0	-15.6
Securities Related & FX Trading/Derivatives	541.1	434.3	24.6	197.0	163.7	20.3
(Gains on FVPL Financial Instruments)	98.7	195.0	-49.4	9.1	8.4	8.9
(Gains on Derivatives & FX)	342.8	207.5	65.2	131.0	129.5	1.2
Others	-649.2	-499.0	n.a.	-212.4	-225.7	n.a.
(Contribution Expenses)	-222.2	-202.4	n.a.	-75.0	-71.0	n.a.
(Insurance Fees on Deposits)	-224.2	-228.4	n.a.	-74.5	-72.4	n.a.

Fees & Commission (KRW bil.)

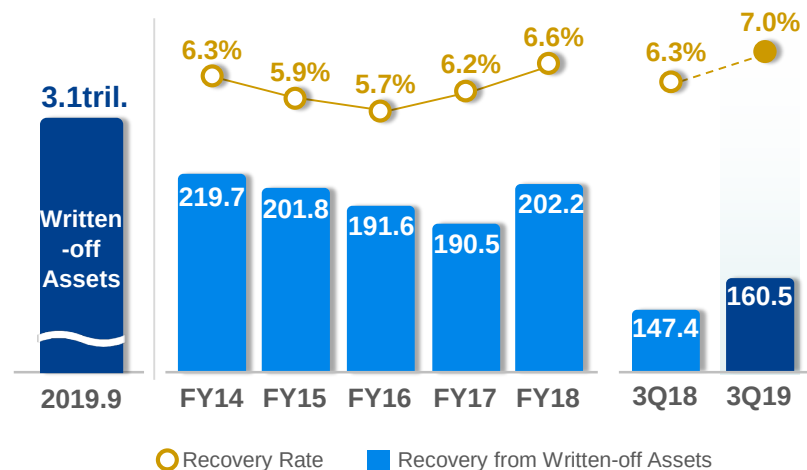


(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Fees & Commission	847.2	778.7	8.8	272.8	323.0	-15.6
Fund Fee Income	83.7	77.4	8.1	28.7	32.2	-11.1
Bancassurance Fee Income	43.0	42.2	1.8	14.7	14.7	0.2
FX Fee Income	109.0	111.7	-2.4	37.9	39.3	-3.6
Trust Fee Income	181.3	153.3	18.2	58.3	65.9	-11.5
Electronic Transaction Fees	112.8	108.1	4.3	38.5	37.9	1.5
IB Related Fees	91.7	48.8	87.7	18.6	56.6	-67.2
Others	225.8	237.2	-4.8	76.1	76.3	-0.3

Merchant Fee Income and Rates (KRW bil.)



Recovery from Written-off Assets (KRW bil.)



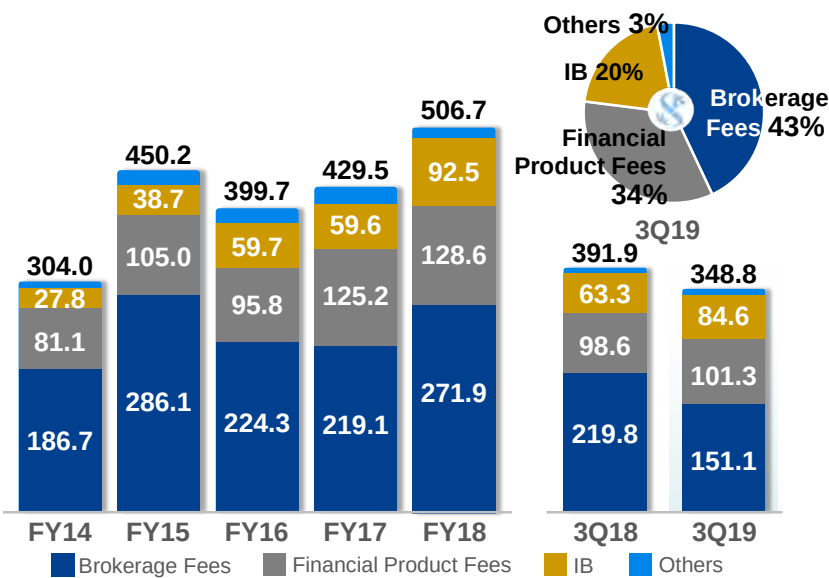
(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Operating Revenue (a)	2,989.4	2,813.1	6.3	1,025.4	1,001.3	2.4
Card Business	2,207.4	2,203.3	0.2	737.2	748.0	-1.4
Installment Finance	99.2	81.1	22.3	35.8	33.0	8.5
Lease	135.3	87.9	54.0	48.8	44.3	10.2
Others	547.5	440.9	24.2	203.5	176.0	15.6
(Derivatives & FX)	205.2	123.8	65.7	87.3	61.8	41.3
Interest Expense (b)	372.8	314.1	18.7	125.4	125.7	-0.2
G&A Expenses (c)	479.1	501.1	-4.4	163.7	158.7	3.1
Commissions & Other Expenses (d)	1,161.7	1,092.6	6.3	410.7	387.4	6.0
(Derivatives & FX)	179.7	97.1	85.0	78.8	51.4	53.3
Pre-Provision Income (e=a-b-c-d)	975.8	905.3	7.8	325.6	329.5	-1.2
Provision for Credit Losses (f)	427.6	368.3	16.1	136.9	133.2	2.7
Earnings before Income Tax (g=e-f)	548.3	537.0	2.1	188.7	196.3	-3.9
Income Tax	137.1	143.2	-4.2	48.0	47.3	1.4
Net Income ¹⁾	411.1	395.5	3.9	139.8	149.1	-6.2

Note 1) Net Income in Controlling Interest

Shinhan Investment Corp. Income

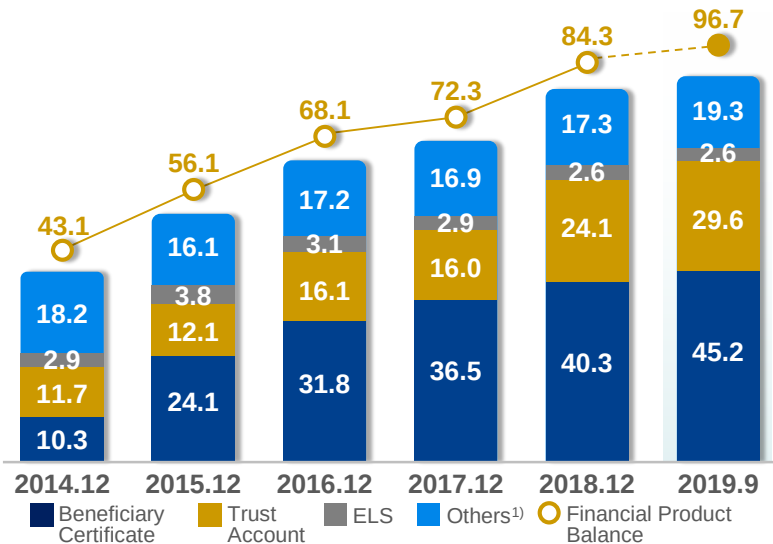
Fees & Commission

(KRW bil.)



Financial Products

(KRW tril.)



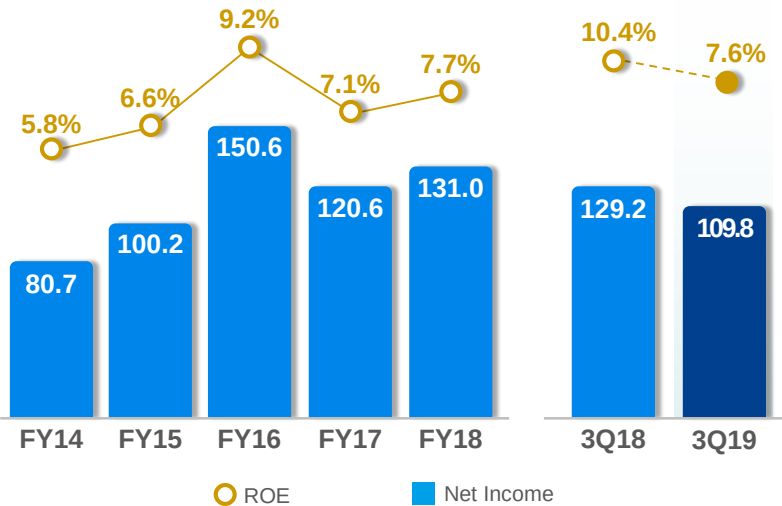
Condensed I/S & Key Financial Indices

(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Operating Revenue	697.3	751.0	-7.1	224.2	248.5	-9.8
Fees & Commission	348.8	392.0	-11.0	107.4	139.6	-23.1
Proprietary Trading	240.5	261.0	-7.9	86.0	66.8	28.7
Others	108.0	98.0	10.2	30.8	42.1	-26.8
Operating Expense	464.3	451.5	2.9	157.1	153.4	2.4
G&A Expenses	384.8	371.0	3.7	129.0	130.3	-1.0
Commission Expense	83.8	79.8	5.0	25.8	31.0	-16.5
Provision for Credit Losses	-4.2	0.7	n.a.	2.3	-7.9	n.a.
Operating Income	233.0	299.5	-22.2	67.1	95.1	-29.5
Net Income	202.1	230.0	-12.1	59.3	72.0	-17.6
Net Capital Ratio(%)	1,342%	679%	663%p	1,342%	902%	440%p
ROE	7.4%	9.4%	-2.0%p	7.4%	8.3%	-0.9%p
ROA	0.8%	1.1%	-0.2%p	0.8%	0.9%	-0.1%p

Note) ROE, ROA are calculated on a cumulative basis

Key Financial Indices

(KRW bil.)



Key Financial Indices

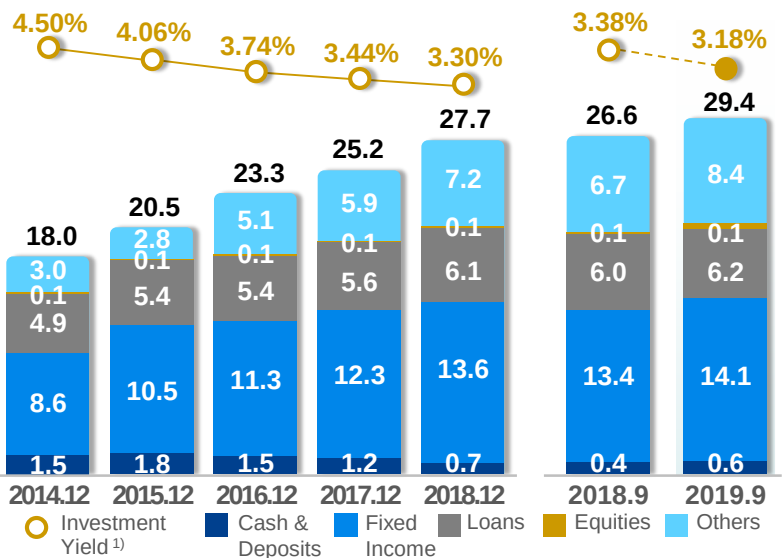
(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Prem. Received	3,247.4	3,465.2	-6.3	1,064.6	1,078.8	-1.3
Annual Prem. Equivalent (APE)	292.2	330.8	-11.7	100.2	99.7	0.5
Protection APE	282.5	310.7	-9.1	98.2	96.5	1.8
Net Income	109.8	129.2	-15.0	31.8	24.1	31.6
ROE	7.6%	10.4%	-2.8%p	7.6%	8.3%	-0.8%p
ROA	0.4%	0.6%	-0.1%p	0.4%	0.5%	-0.0%p
RBC	236.0%	201.4%	34.6%p	236.0%	243.5%	-7.5%p

Note1) Excluding Retirement Pension

2) ROE, ROA are calculated on a cumulative basis.

Operating Assets

(KRW tril.)



Note 1) Investment Yield: Total return, 12-month rolling basis, under IFRS9

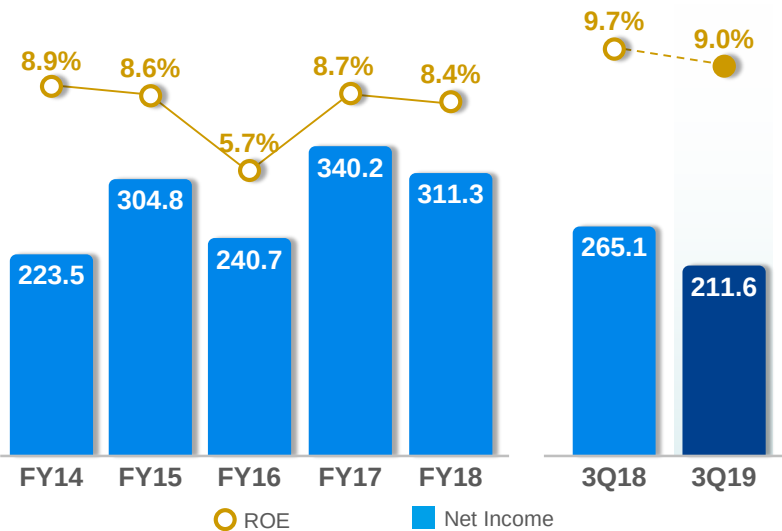
Operating Assets

(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Operating Assets	29,381.7	27,705.7	6.0	28,571.8	2.8
Cash & Deposits	582.6	619.7	-6.0	411.4	41.6
Fixed Income	14,120.2	13,636.9	3.5	13,652.9	3.4
Loans	6,193.8	6,136.6	0.9	6,161.2	0.5
Equities	117.2	132.0	-11.2	111.0	5.6
Others	8,368.0	7,180.5	16.5	8,235.3	1.6
Investment yield	3.18%	3.30%	-0.12%p	3.31%	-0.13%p

Orange Life Insurance Income

Key Financial Indices

(KRW bil.)



Key Financial Indices

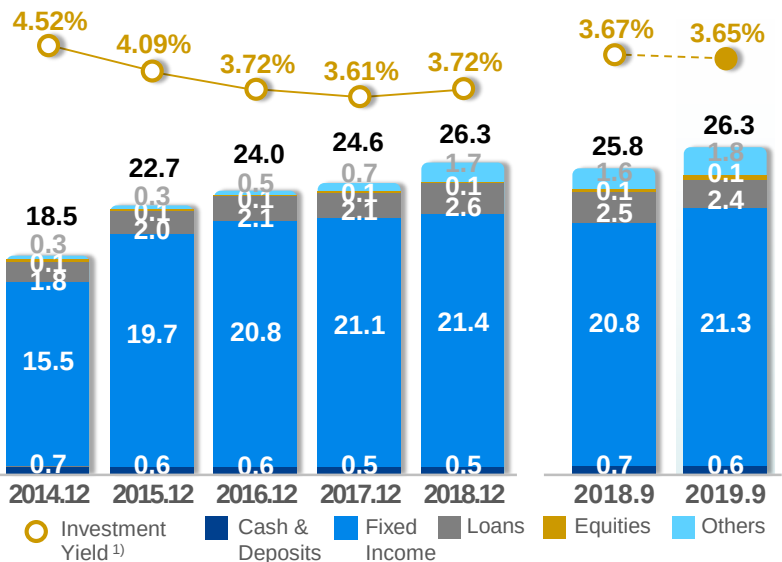
(KRW bil.)	3Q19 (Acc.)	3Q18 (Acc.)	YoY%	3Q19	2Q19	QoQ%
Prem. Received	3,127.4	3,465.4	-9.8	984.8	1,053.9	-6.6
Annual Prem. Equivalent (APE)	474.1	538.3	-11.9	125.6	166.6	-24.6
Protection APE	274.6	246.7	11.3	81.4	91.7	-11.2
Net Income	211.6	265.1	-20.2	64.4	66.8	-3.6
ROE	9.0%	9.7%	-0.7%p	9.0%	9.4%	-0.5%p
ROA	0.9%	1.1%	-0.2%p	0.9%	0.9%	-0.0%p
RBC	437.9%	438.1%	-0.2%p	437.9%	428.0%	9.9%p

Note1) Excluding Retirement Pension

2) ROE, ROA are calculated on a cumulative basis.

Operating Assets

(KRW tril.)



Operating Assets

(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Operating Assets	26,283.3	26,319.3	-0.1	26,078.1	0.8
Cash & Deposits	550.1	539.3	2.0	493.6	11.5
Fixed Income	21,345.7	21,401.5	-0.3	21,187.0	0.7
Loans	2,417.0	2,588.6	-6.6	2,389.9	1.1
Equities	128.6	135.1	-4.8	131.7	-2.4
Others	1,841.8	1,654.9	11.3	1,875.9	-1.8
Investment yield	3.65%	3.72%	-0.07%p	3.71%	-0.06%p

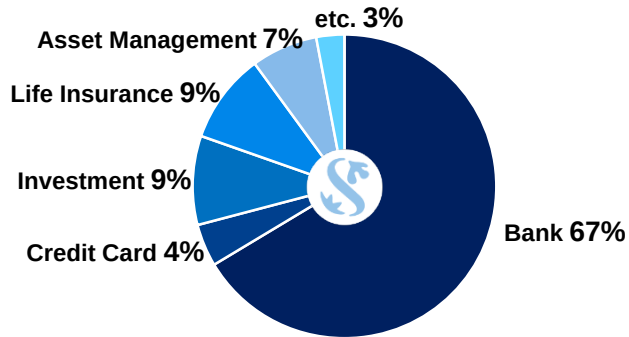
Note 1) Investment Yield: Total return, 12-month rolling basis, under IFRS9 (Pre-acquisition Orange Life figures are under IAS39)

III. Assets & Liabilities

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

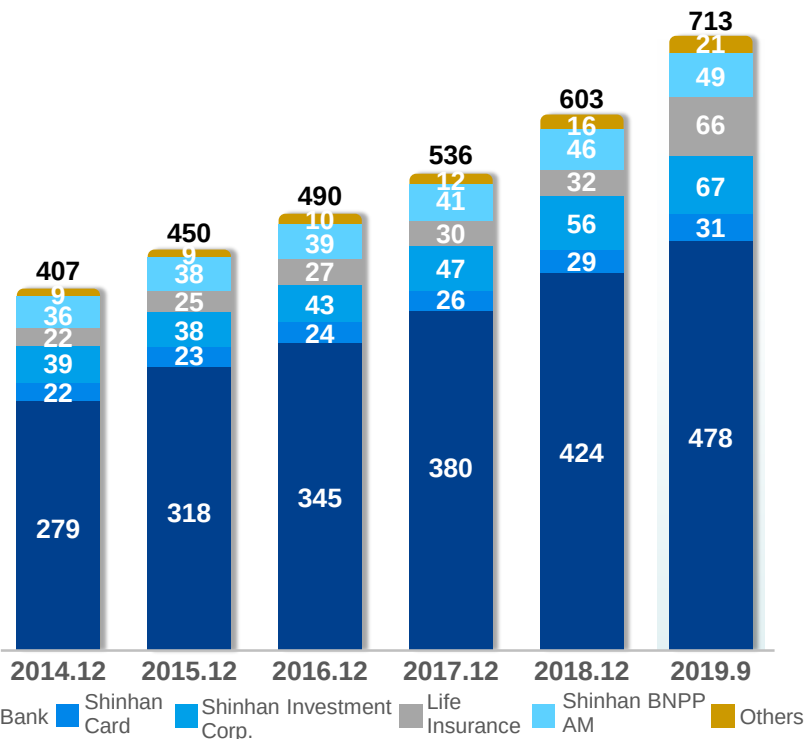


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)

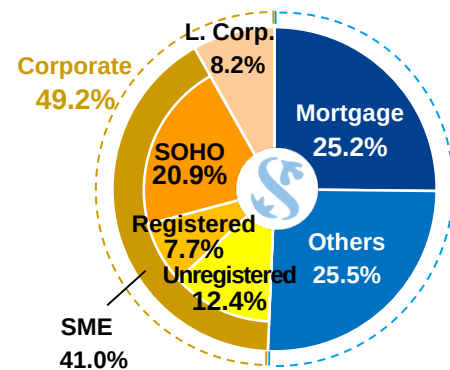


(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Bank (a)	478,240.1	423,928.2	12.8	461,390.4	3.7
Shinhan Bank	472,212.2	417,947.3	13.0	455,413.4	3.7
Jeju Bank	6,027.9	5,980.9	0.8	5,977.0	0.9
Non-Bank (b)	230,767.4	175,787.8	31.3	224,772.1	2.7
Shinhan Card	31,365.0	29,429.5	6.6	30,581.2	2.6
Shinhan Investment Corp.	67,238.1	55,703.6	20.7	64,822.1	3.7
Shinhan Life Insurance	33,635.1	31,823.6	5.7	32,898.3	2.2
Orange Life	32,697.5	-	n.a.	32,659.3	0.1
Shinhan BNPP AM	49,371.0	46,165.7	6.9	49,116.8	0.5
Shinhan Capital	7,120.3	6,116.6	16.4	6,802.3	4.7
Shinhan Savings Bank	1,609.8	1,454.3	10.7	1,494.7	7.7
Asia Trust	163.8	-	n.a.	151.3	8.3
Shinhan DS	92.6	43.1	114.9	90.7	2.1
Shinhan AITAS	72.7	65.7	10.6	68.7	5.8
Shinhan Credit Information	24.5	24.4	0.6	23.9	2.7
Shinhan Alternative Investment	3,311.8	1,211.6	173.3	2,400.6	38.0
Shinhan REITs Management	994.4	801.3	24.1	988.0	0.6
Others	3,029.0	2,948.6	2.7	2,671.6	13.4
Total ¹⁾	713,459.5	603,453.5	18.2	690,539.3	3.3
Consolidated Total Assets	546,004.6	459,600.5	18.8	530,148.8	3.0

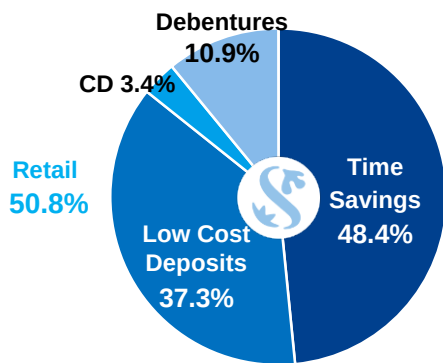
Note 1) Trust A/C of Shinhan Bank, Shinhan Investment Corp. and AUM(including ordinary discretionary assets) of Shinhan BNPP AM, Shinhan Alternative Investment, Shinhan REITs are included

SHB Loan / Deposit Growth

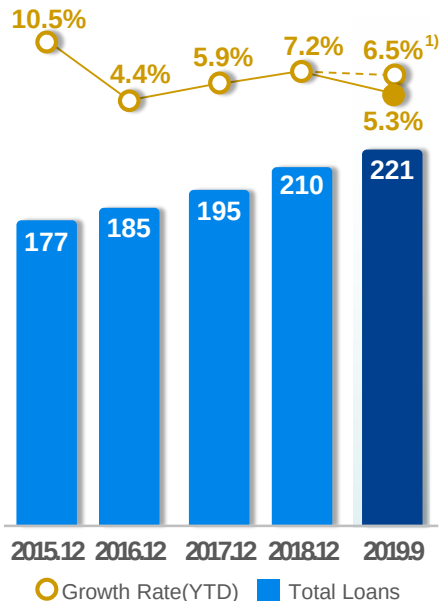
Loan Composition



Funding Composition

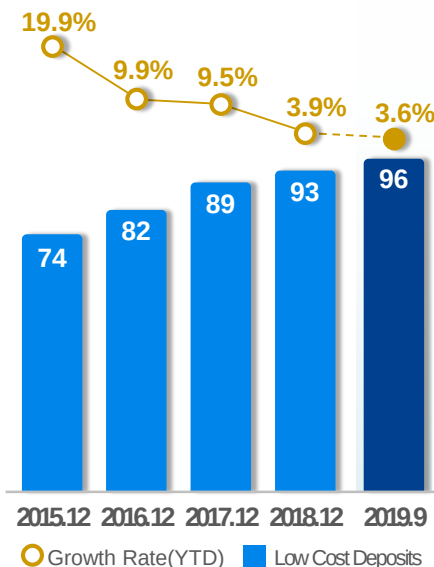


KRW Loan Growth (KRW tril.)



Note 1) Including Loans Securitized

Low Cost Deposits (KRW tril.)



(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Loan in KRW	220,737	209,568	5.3	219,230	0.7
Retail	112,068	106,304	5.4	110,529	1.4
Mortgage	55,696	53,935	3.3	55,707	-0.0
Others ¹⁾	56,372	52,369	7.6	54,822	3.0
Corporate	108,668	103,264	5.2	108,701	-0.0
SME	90,462	84,974	6.5	89,856	0.7
SOHO	46,144	42,665	8.2	45,534	1.4
Large Corporate etc.	18,206	18,290	-0.5	18,845	-3.5
Loan in FX	10,601	7,807	35.8	9,546	13.5

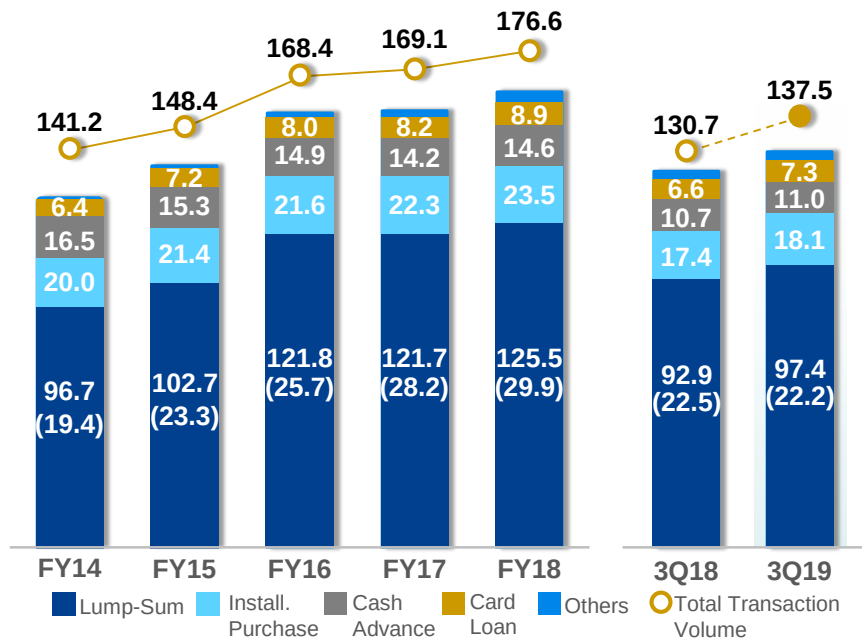
Note 1) Including Unsecured Personal Loans, Secured Loans, Jeonse Loans etc.

(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Total Deposits in KRW	221,376	208,349	6.3	221,795	-0.2
Low Cost Deposits	96,317	92,950	3.6	96,398	-0.1
Demand	29,899	28,455	5.1	30,246	-1.2
Savings	66,418	64,495	3.0	66,152	0.4
Time Savings	125,058	115,399	8.4	125,397	-0.3
Time Deposits	116,052	106,684	8.8	116,618	-0.5
Accumulative etc.	9,006	8,715	3.3	8,778	2.6
Certificate of Deposits	8,673	8,603	0.8	7,708	11.2
Debtentures in KRW	28,204	23,814	18.4	27,778	1.8

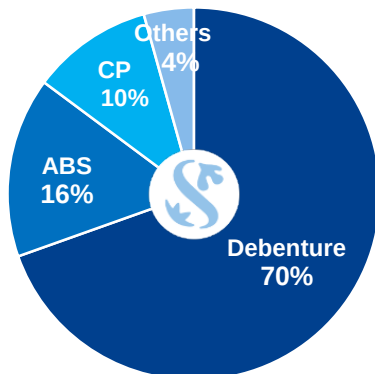
Shinhan Card Asset Growth

Transaction Volume

(KRW tril.)



Funding Composition



(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Earning Assets	29,333	27,254	7.6	28,662	2.3
Credit Purchase	14,306	14,015	2.1	14,114	1.4
Cash Advances	1,902	1,986	-4.3	1,901	0.0
Card Loan	6,945	6,276	10.7	6,805	2.1
(Re-aged Loan)	268	239	12.0	239	12.0
Installment Finance	3,126	2,671	17.1	3,013	3.7
Lease etc.	3,054	2,306	32.5	2,828	8.0
Effective Cardholders (in thousands)	12,596	12,495	0.8	12,533	0.5
Merchants (in thousands)	2,887	2,810	2.7	2,868	0.7

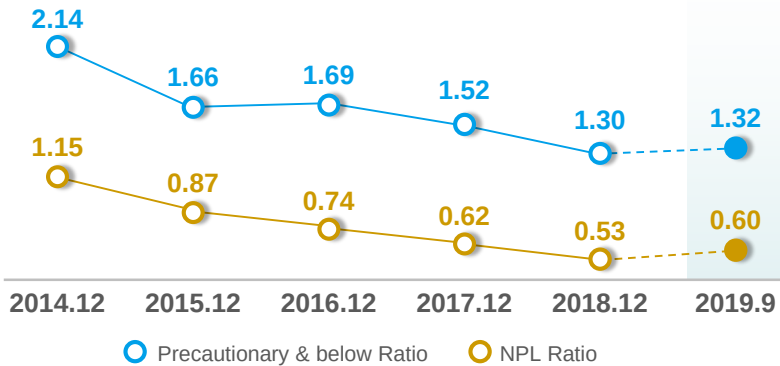
(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Total Funding	20,782	19,033	9.2	20,108	3.4
Debitures	14,455	14,112	2.4	14,321	0.9
ABS	3,247	2,556	27.0	2,586	25.6
CP	2,180	1,665	30.9	2,200	-0.9
Others	901	700	28.7	1,002	-10.1

IV. Asset Quality

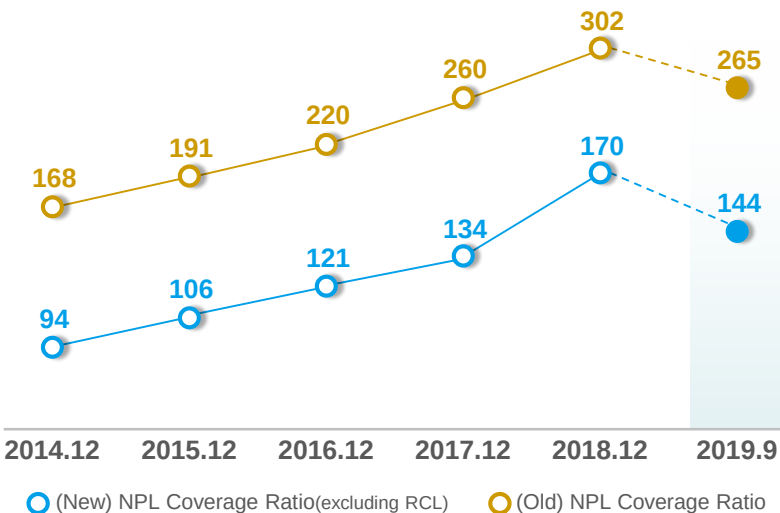
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Total Loans ¹⁾	305,648	287,918	6.2	302,193	1.1
Normal	301,599	284,181	6.1	297,960	1.2
Precautionary	2,220	2,226	-0.3	2,461	-9.8
Substandard	693	479	44.9	610	13.8
Doubtful	454	498	-9.0	450	0.9
Estimated Loss	682	535	27.5	712	-4.3
Substandard & Below	1,829	1,512	21.0	1,772	3.2
NPL Ratio	0.60%	0.53%	0.07%p	0.59%	0.01%p
Loan Loss Allowance ²⁾	4,854	4,562	6.4	4,918	-1.3
Reserve for credit losses ³⁾	2,214	1,987	11.4	2,182	1.5
(New) NPL Coverage Ratio ⁴⁾	144%	170%	-26%p	154%	-10%p
(Old) NPL Coverage Ratio	265%	302%	-36%p	278%	-12%p

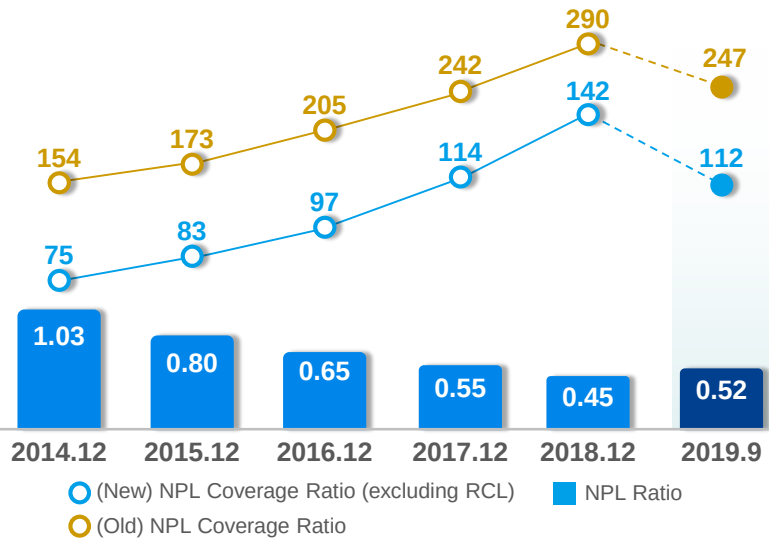
Note 1) Sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Orange Life, Shinhan Capital, Shinhan Savings Bank and Asia Trust.

2) Sum of IFRS standard LLA and reserves for credit losses

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

4) Excluding reserve for credit losses in accordance with the revision of relevant regulation (starting Dec. 2016)

NPL Coverage Ratio & NPL Ratio (%)



Delinquency Ratio (%)

Total Delinquency



SME(+SOHO)



SOHO



Retail



Note) 1 month overdue

(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Total Loans	249,423	236,572	5.4	247,340	0.8
Normal	247,031	234,335	5.4	244,764	0.9
Precautionary	1,095	1,167	-6.2	1,330	-17.7
Substandard	630	424	48.7	554	13.7
Doubtful	267	334	-20.1	261	2.1
Estimated Loss	400	313	28.1	431	-7.1
Substandard & Below	1,297	1,070	21.2	1,246	4.1
NPL Ratio	0.52%	0.45%	0.07%p	0.50%	0.02%p
Loan Loss Allowance ¹⁾	3,197	3,105	3.0	3,282	-2.6
Reserve for credit losses ²⁾	1,744	1,588	9.8	1,724	1.2
(New) NPL Coverage Ratio ³⁾	112%	142%	-30%p	125%	-13%p
(Old) NPL Coverage Ratio	247%	290%	-44%p	263%	-17%p

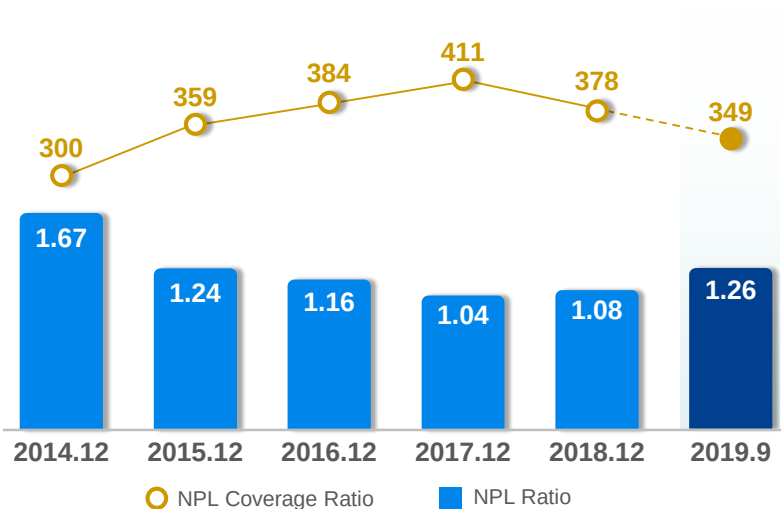
Note 1) Sum of IFRS standard LLA and reserves for credit losses

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

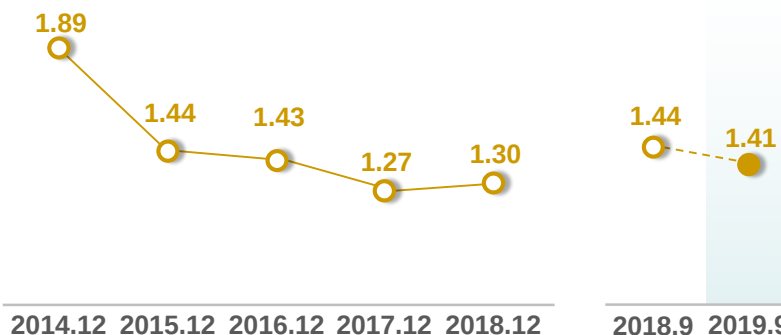
3) Excluding reserve for credit losses in accordance with the revision of relevant regulation (Dec. 2016)

Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



2014.12 2015.12 2016.12 2017.12 2018.12

2018.9 2019.9

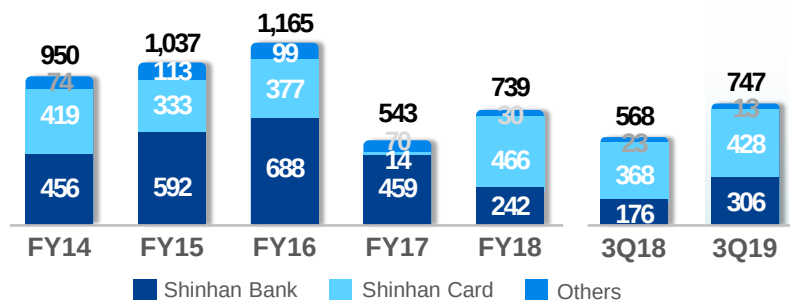
Note) 1 month overdue from total credit

(KRW bil.)	2019.9	2018.12	YTD%	2019.6	QoQ%
Total Loans	29,851	28,311	5.4	28,993	3.0
Normal	28,606	27,244	5.0	27,761	3.0
Precautionary	870	760	14.3	860	1.1
Substandard	-	-	-	-	-
Doubtful	143	135	5.9	144	-0.3
Estimated Loss	232	170	36.0	228	1.5
Substandard & Below	375	306	22.7	372	0.8
NPL Ratio	1.26%	1.08%	0.18%p	1.28%	-0.03%p
Loan Loss Allowance ¹⁾	1,307	1,155	13.2	1,278	2.2
Reserve for credit losses	320	293	9.0	315	1.7
NPL Coverage Ratio	349%	378%	-29%p	344%	5%p

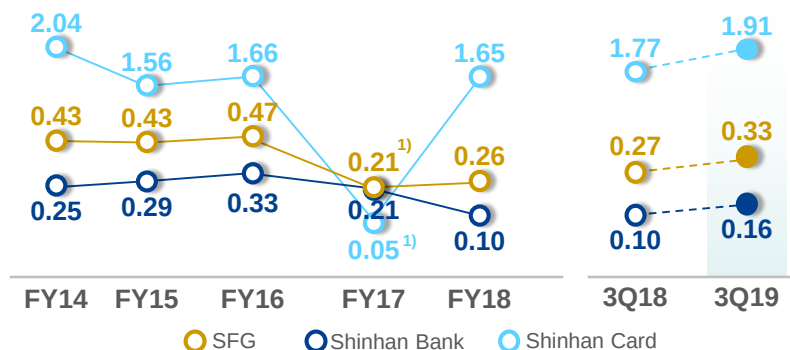
Note 1) Sum of IFRS standard LLA and reserves for credit losses (Excluding reserve for unused credit lines)

Provision for Credit Losses / Write-Offs

Provision for Credit Losses (KRW bil.)

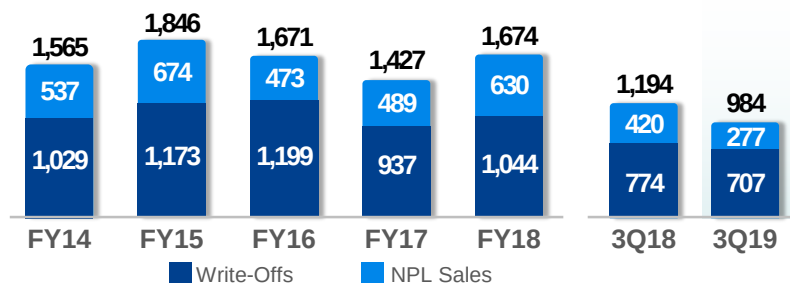


Credit Cost Ratio (%)



Note 1) Normalized credit cost excluding write-backs from SHC : Group 0.34%, SHC 1.50%

Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

(KRW bil.)	FY19	1Q19	2Q19	3Q19	FY18	1Q18	2Q18	3Q18	4Q18
Shinhan Bank ¹⁾	275	76	135	64	217	86	37	28	65
Retail	164	53	58	53	180	49	32	64	34
Corporate	111	23	77	11	37	38	5	-37	30
Shinhan Card	428	157	129	141	466	91	121	157	98
Total	703	233	264	206	683	177	158	184	163

Note 1) SHB figures are separate basis

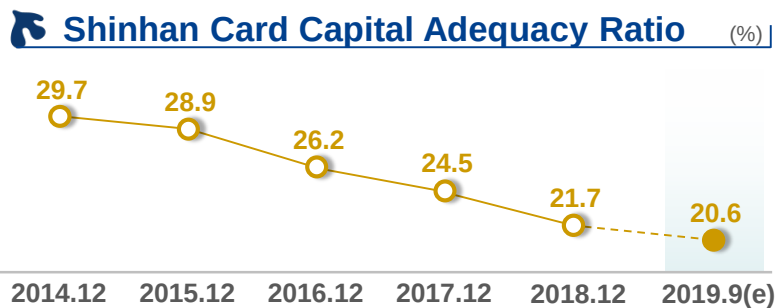
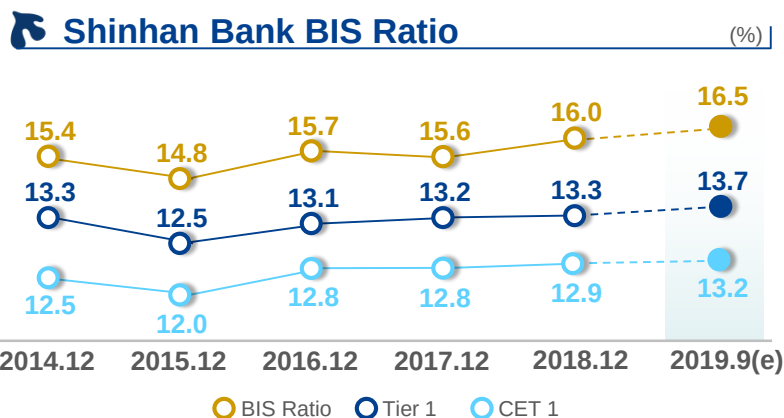
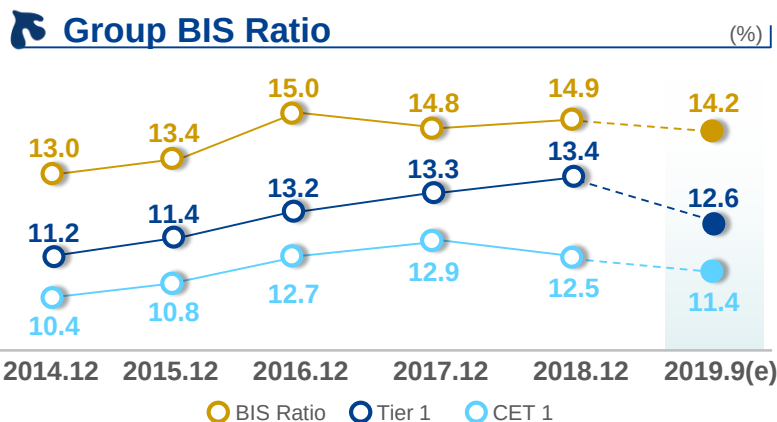
Write-Offs & NPL Sales

(KRW bil.)	FY19	1Q19	2Q19	3Q19	FY18	1Q18	2Q18	3Q18	4Q18
Shinhan Bank	547	198	198	152	1,097	149	361	265	322
Write-Off	271	83	108	80	467	69	174	113	112
Retail	137	48	59	29	200	47	64	51	38
Corporate	134	35	48	51	267	22	109	61	74
Sale	277	115	90	71	630	81	187	152	210
Retail	62	22	20	20	80	13	20	21	26
Corporate	214	93	70	51	550	68	167	132	184
Shinhan Card	436	156	124	156	577	120	145	154	158
Total	984	354	322	307	1,674	270	506	419	480

V . Capital Adequacy & Key Financial Indices

- 1. Capital Adequacy**
- 2. Key Financial Indices**





Group BIS Ratio

(KRW bil.)	2019.9(e)	2018.12	YTD%	2019.6	QoQ%
Risk-Weighted Assets	255,890	228,678	11.9	245,505	4.2
Capital	36,213	33,993	6.5	35,001	3.5
CET 1	29,124	28,696	1.5	28,404	2.5
Tier 1	32,216	30,678	5.0	31,515	2.2
BIS Ratio	14.2%	14.9%	-0.7%p	14.3%	-0.1%p
CET 1	11.4%	12.5%	-1.2%p	11.6%	-0.2%p
Tier 1	12.6%	13.4%	-0.8%p	12.8%	-0.2%p

Note) Based on Basel3

Shinhan Bank BIS Ratio

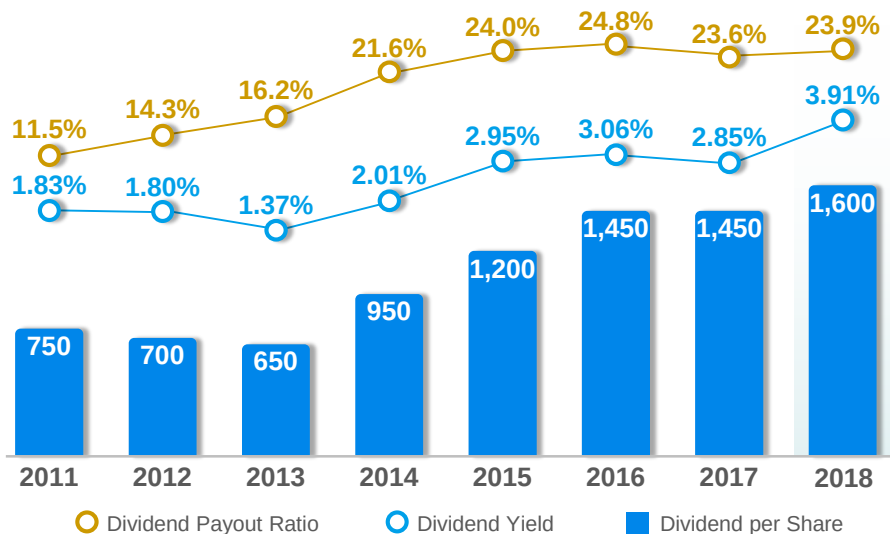
(KRW bil.)	2019.9(e)	2018.12	YTD%	2019.6	QoQ%
Risk-Weighted Assets	180,896	171,593	5.4	177,185	2.1
Capital	29,769	27,500	8.3	29,256	1.8
CET 1	23,790	22,114	7.6	23,311	2.1
Tier 1	24,788	22,812	8.7	24,309	2.0
BIS Ratio	16.5%	16.0%	0.4%p	16.5%	-0.1%p
CET 1	13.2%	12.9%	0.3%p	13.2%	-
Tier 1	13.7%	13.3%	0.4%p	13.7%	-

Note) Based on Basel3

Key Financial Indices

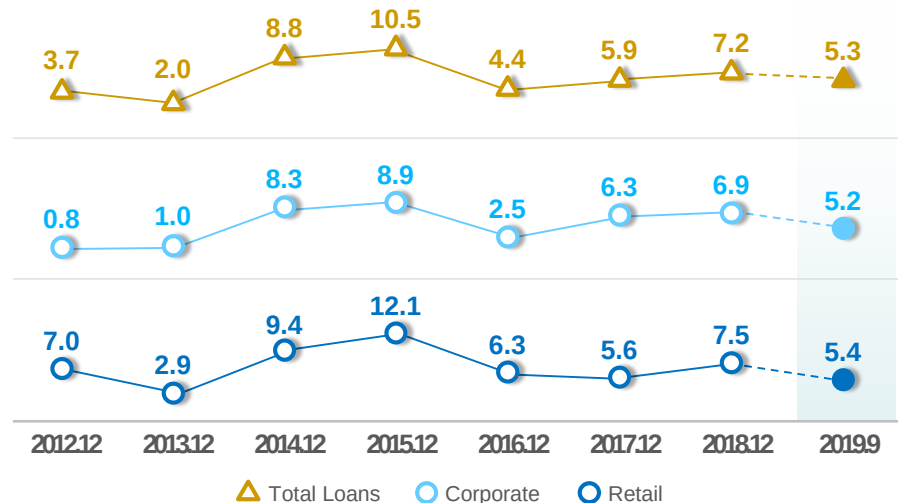
Dividend

(KRW)



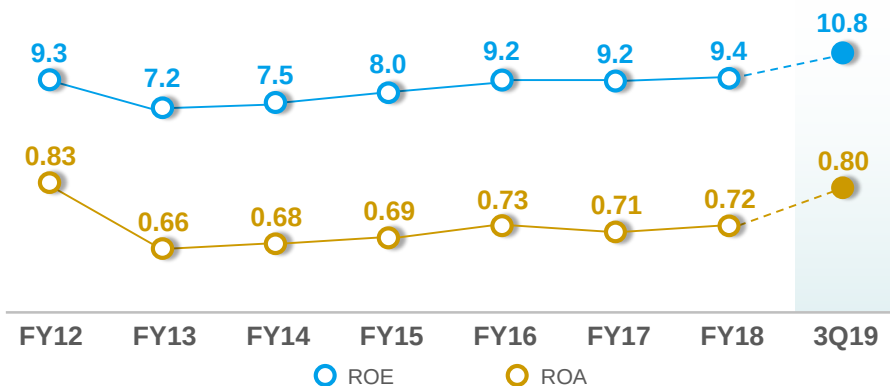
SHB Loan Growth Rate

(%)



ROA / ROE

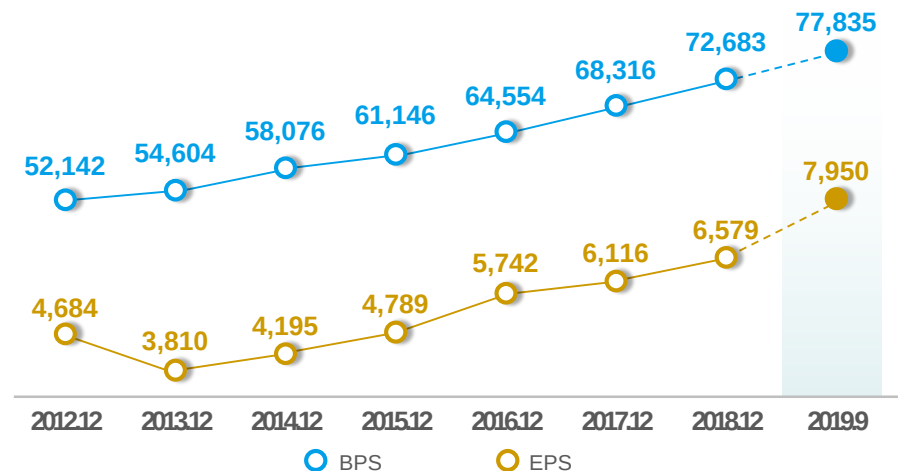
(%)



Note) ROEs are based on common stocks excluding treasury shares

BPS / EPS

(KRW)



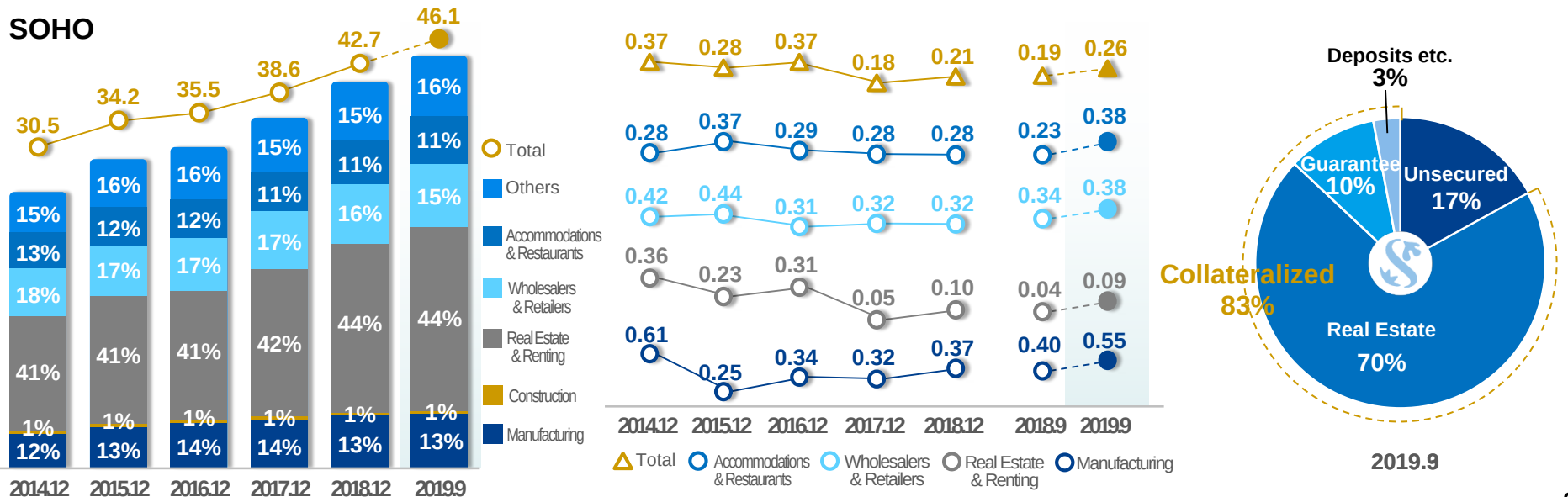
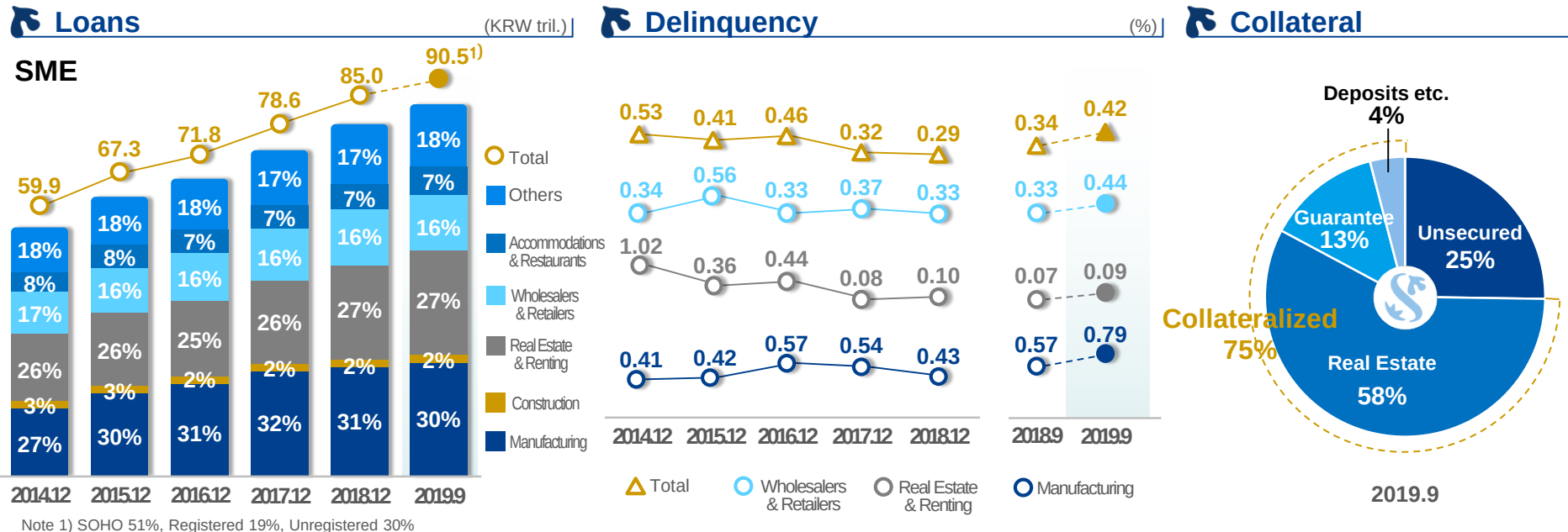
Note) Based on common stocks excluding treasury shares

VI. Appendix

1. SHB SME Loans
2. SHB Retail Loans
3. SHB International Business

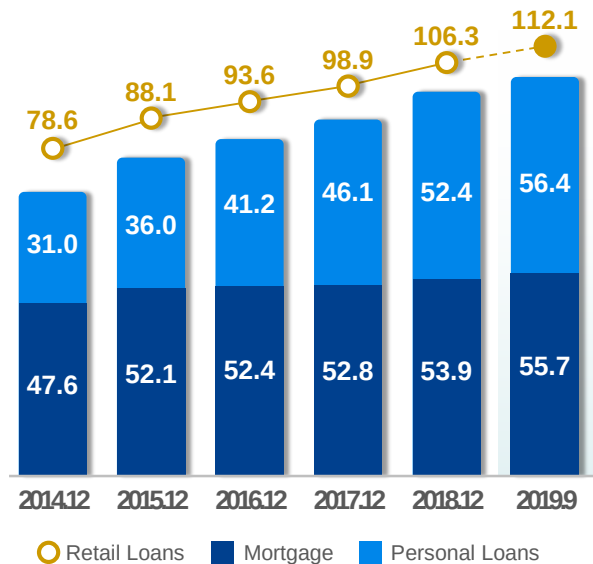


SHB SME Loans



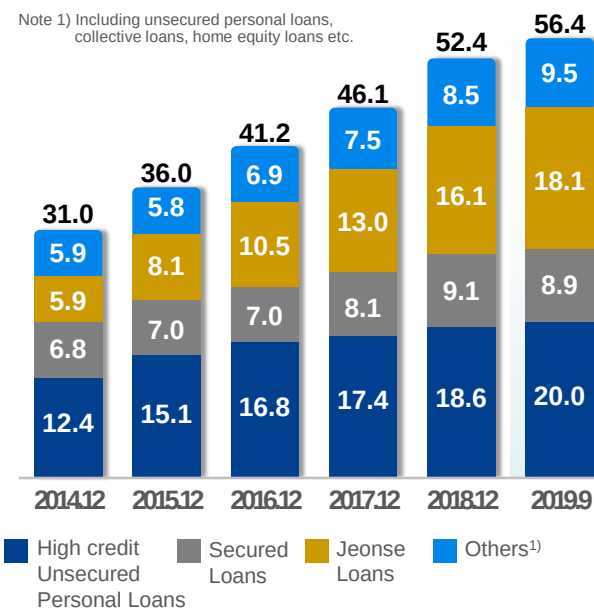
SHB Retail Loans

Loans (KRW tril.)

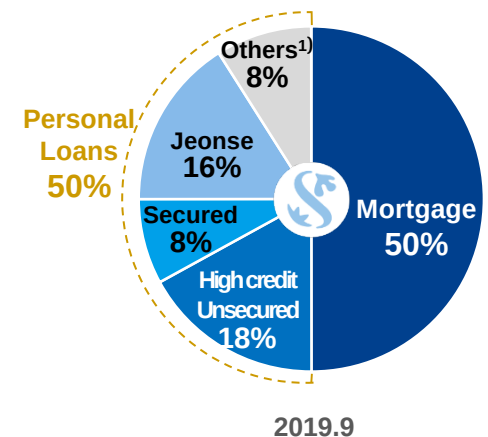


Retail Personal Loans (KRW tril.)

Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

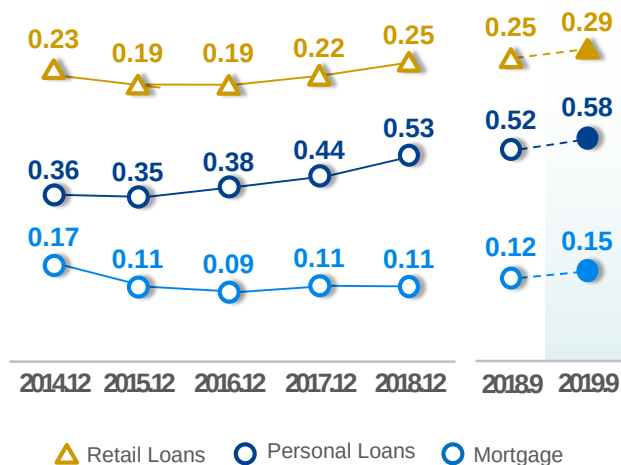


Loan Composition

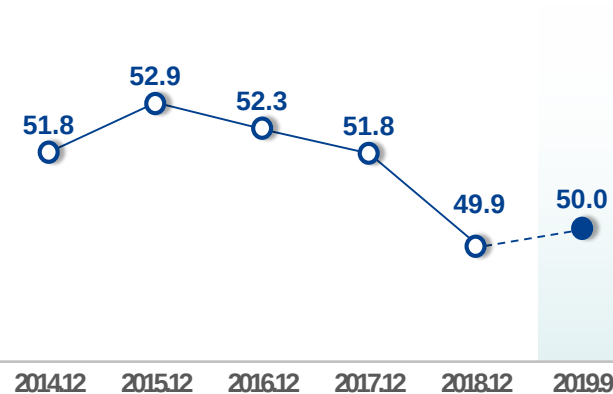


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

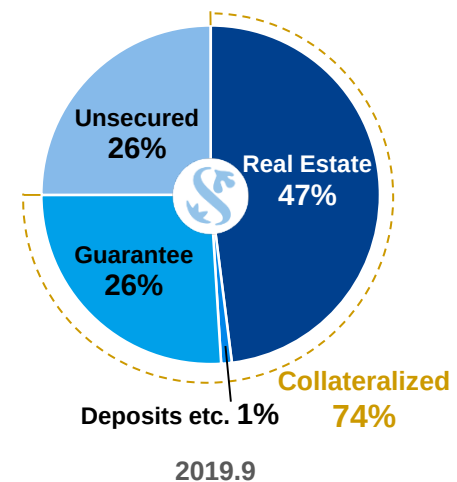
Delinquency (%)



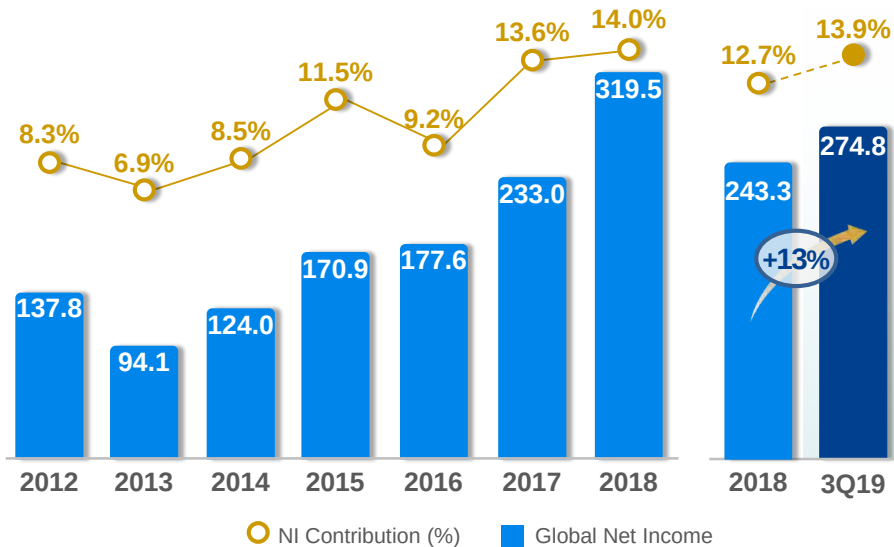
LTV (%)



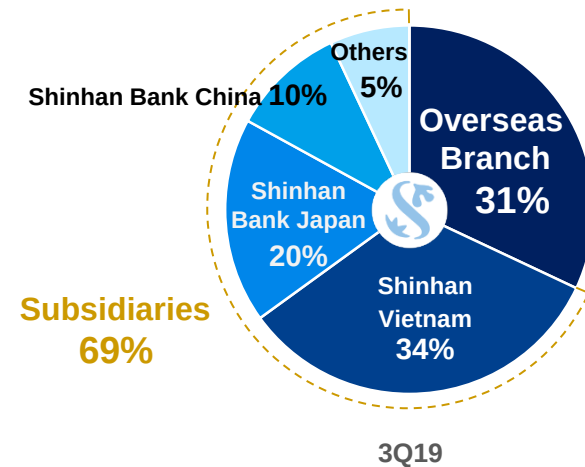
Collateral



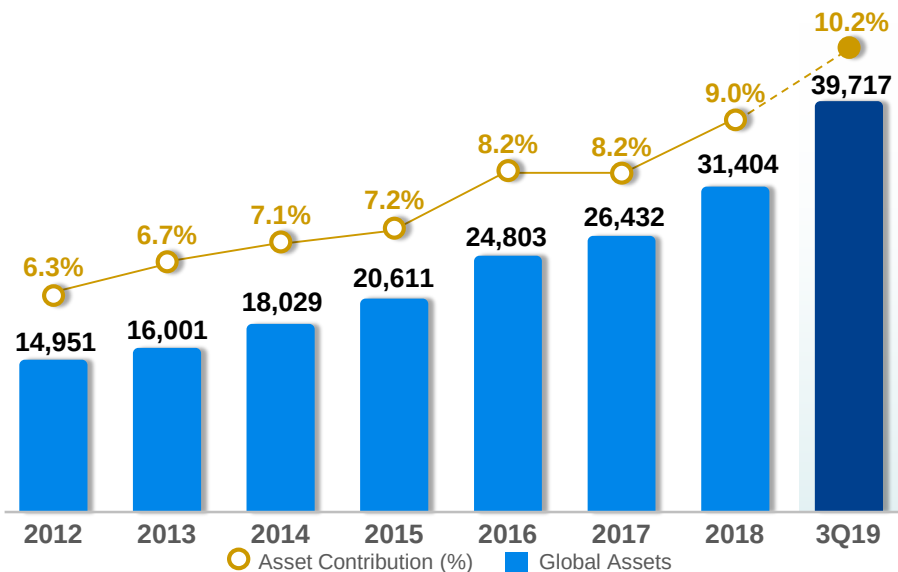
Net Income Contribution by International Business (KRW bil.)



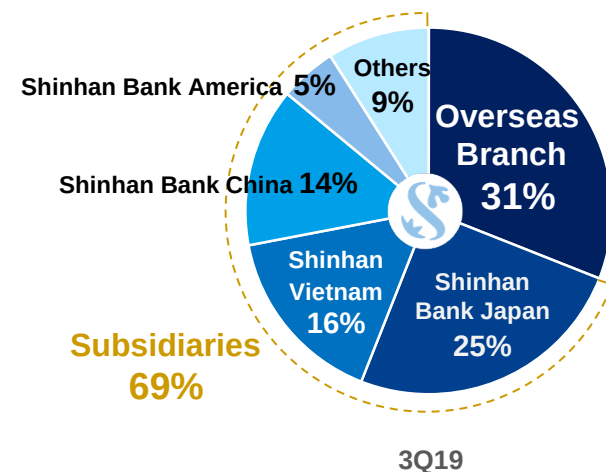
Net Income Composition



Asset Contribution by International Business (KRW bil.)



Asset Composition



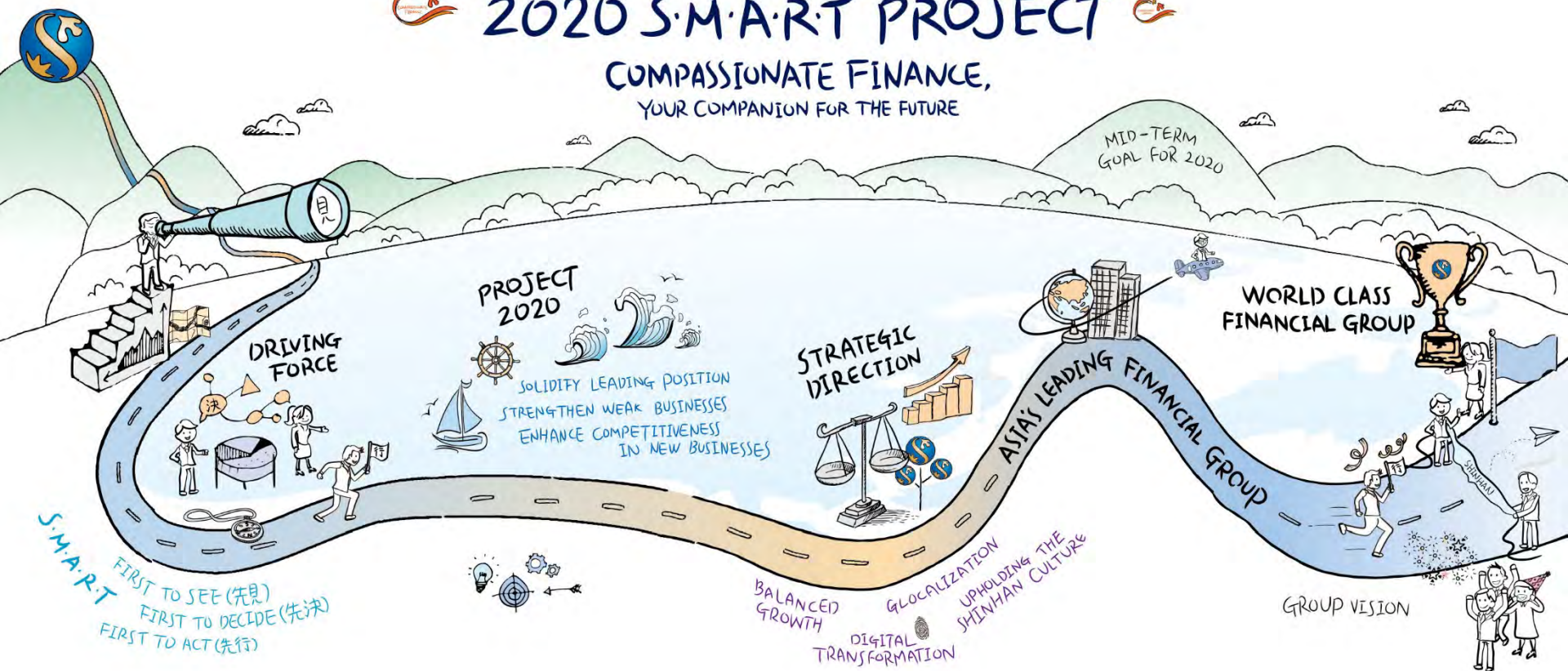
Note) KRW amounts of the net income are converted based on the average FX rates of the respective periods, and the assets are converted based on the FX rates at the end of the respective periods



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