

# Business Results

1H 2020



# Disclaimer

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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:

- **Financial information has been prepared in accordance with the Korean IFRS (K-IFRS).**
- **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.)**
- **K-IFRS No. 1116, '*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.)**
- **The net profit (loss) realized from the 59.15% and 100% interest in the newly acquired Orange Life Insurance, Ltd. ("Orange Life") has been included in our consolidated profit (loss) figures for periods following January 1, 2019 and January 1, 2020, respectively.**
- **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, which is the deemed acquisition date.**
- **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](http://www.shinhangroup.com).

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# I. 1H20 Result Highlights





## Continued COVID19-related Support while Bolstering Risk Management

### ● Financial Relief for Corporates (SMEs) and Retail Clients

- ⊙ KRW 16.7 trillion\* support for SMEs

⇒ Including new credit extensions (KRW 7 tn.), loan rescheduling (KRW 9.4 tn.), interest deferrals (KRW 4.8 bn)

\*134,917 support cases by Shinhan Bank

### ● Added KRW 180.6 bn<sup>(SHB, SHC)</sup> in Provisions to Preemptively Reflect COVID19-related Uncertainties

- ⊙ Adjusted risk components to reflect deterioration in economic outlook (+KRW 115.5 bn)

\* Adjustment in FLC including economic growth and consumer spending outlook

- ⊙ Based on corporate credit reviews, identified and applied DCF valuation for vulnerable loans (+KRW 65.1 bn)

### ● Staying Alert to Changes in the Market, Real Economy, and Potential Impacts

- ⊙ Focus on maintaining balance between financial support and credit discipline, while protecting both proprietary and client assets
- ⊙ Introduced RWA cap to pursue optimal growth and capital efficiency

## Leveraging Digital Capabilities to Capture Changing Client Behaviors

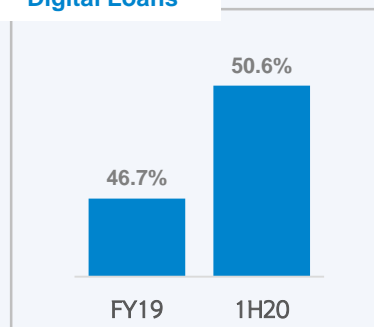
- Operating Income through Shinhan's Digital Platform: KRW 830.6 bn<sup>1</sup> (+26.6% YoY)

(Unit:KRW bn)	2019	1H 2019	1H 2020	YoY Comparison	
				amount	change %
<b>Total</b>	<b>1,380</b>	<b>656</b>	<b>831</b>	<b>174</b>	<b>26.6%</b>
Shinhan Bank	284	132	159	27	20.4%
Shinhan Card	885	420	494	74	17.7%
Shinhan Investment	125	64	132	68	105.3%
Shinhan Life	21	10	12	2	17.4%
OrangeLife	62	30	33	4	11.8%



## Shinhan's Digital Transformation Update

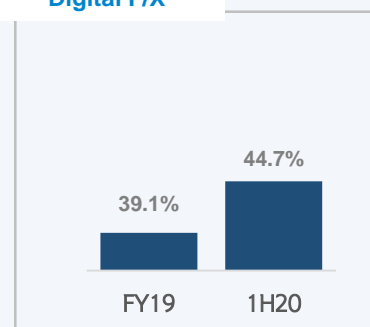
Digital Loans<sup>2</sup>



Digital Deposits<sup>2</sup>

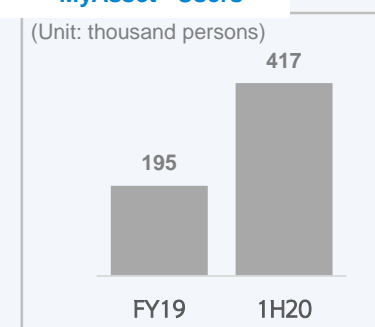


Digital F/X<sup>2</sup>



"MyAsset" Users

(Unit: thousand persons)



NOTE 1 On a managed bases, NOTE 2 Figures represent the percentage of transactions done online out of total number of transactions

- **Preemptive action on investment products under dispute (*Lime, Heritage, etc.*)**

- Decided to provide liquidity to clients impacted by suspended redemption of certain investment products by paying a portion of the principal in advance
- Impact on 2Q20 Earnings: KRW 201.6 bn<sup>(before taxes)</sup> (Credit Costs +124.8 bn, Non-Operating Costs +76.9 bn)

Product (Sales Window)	Amount Sold (KRW bn)	Amount Paid-in-Advance (KRW bn)	NOTES
<b>Lime Fund</b>			
(SHIC)	211.9	76.9	- In accordance with FSS's dispute settlement board's recommendations <sup>1</sup> - Reflected in Non-Operating Costs
(SHB)	274.0	137.0	- Impact on earnings not likely given that the amount calculated with expected recoverable amount exceeds the amount paid-in-advance
<b>Heritage DLS</b>			
(SHIC)	379.9	189.9	- Added to credit costs to reflect expected rate of return on collaterals

NOTE <sup>1</sup> SFG is yet to accept FSS's dispute settlement board's recommendations. The decision will be made after an internal legal review, which is currently under process.

- **Preventive action – sales process reform, customer-centric KPIs, revamped risk management**

- 3-layered checks and balances: product sourcing – assessment – sales
  - ① Separating product “sourcing”, “review and audit” functions
  - ② Customer-centric KPIs (KPIs to reflect rate of return to customers)
  - ③ Providing a follow-up call and a right to withdraw from the investment contract to all customers

# 1H20 Financial Overview

(KRW bn)	1H20	1H19	YoY %	2Q20	1Q20	QoQ %
Operating Income before Expenses	5,803.3	5,650.0	2.7%	3,065.2	2,738.1	11.9%
Interest Income	4,022.8	3,900.2	3.1%	2,018.9	2,003.9	0.7%
Non-interest Income	1,780.5	1,749.8	1.8%	1,046.3	734.2	42.5%
G&A Expenses	2,469.2	2,404.7	2.7%	1,271.3	1,197.9	6.1%
Operating Income	3,334.0	3,245.3	2.7%	1,793.9	1,540.2	16.5%
Non-Operating Income	-5.1	17.0	n.a.	-24.3	19.2	n.a.
Pre-Provision Income	3,328.9	3,262.3	2.0%	1,769.5	1,559.4	13.5%
Provision for Credit Losses	821.5	525.7	56.3%	538.7	282.8	90.5%
Earnings before Income Tax	2,507.4	2,736.6	-8.4%	1,230.9	1,276.6	-3.6%
Income Tax	665.2	700.2	-5.0%	338.2	327.0	3.4%
Consolidated Net Income <sup>1</sup>	1,805.5	1,914.4	-5.7%	873.1	932.4	-6.4%
Loans in KRW (Bank, KRW tn)	237.2	219.2	8.2%	237.2	231.5	2.6%
Group Assets (Consolidated, end of period, KRW tn)	578.4	530.1	9.1%	578.4	578.2	0.0%
NIM (Group)	1.84%	2.05%	-0.22%p	1.81%	1.86%	-0.05%p
Cost to Income Ratio	42.5%	42.6%	-0.01%p	41.4%	43.7%	-2.3%p
Credit Cost Ratio	0.50%	0.35%	0.15%p	0.66%	0.35%	0.31%p
(Credit Cost Ratio excluding one-offs <sup>2</sup> )	0.32%	0.35%	-0.03%p	0.28%	0.35%	-0.07%p
NPL Ratio	0.56%	0.59%	-0.02%p	0.56%	0.54%	0.02%p
ROE	9.6%	10.9%	-1.3%p	9.4%	9.8%	-0.4%p
ROA	0.65%	0.82%	-0.17%p	0.62%	0.68%	-0.06%p
CET1 Ratio (Group) <sup>3</sup>	11.4%	11.6%	-0.2%p	11.4%	11.3%	0.1%p

NOTE 1 Net Income in Controlling Interest

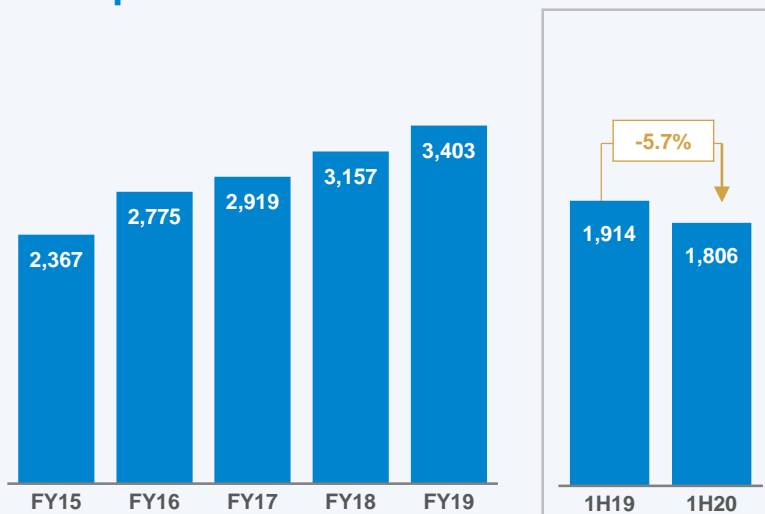
NOTE 2 One-offs: Preemptive provisioning based on FLC (184.7Wbn), provisioning for DLS-related potential losses (124.8Wbn)

NOTE 3 Capital ratio is a preliminary estimate



# Group Net Income

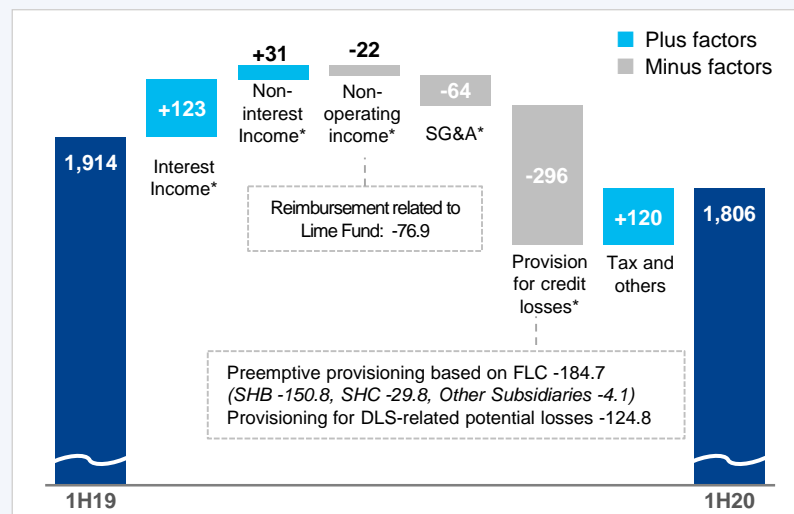
## Group Net Income



NOTE Annual and Quarterly figures not to same scale

## Movements

(Unit: KRW bn)



\* All figures before income tax

### Strong Fundamentals

Solid earnings despite sizable provisioning reflecting market uncertainties

**KRW 1,805.5 bn**

(1H20 Group net income)

### Financial Relief backed by Proactive ALM Measures

Interest income increase owing to robust asset growth and stable margin

**+5.4% | 1.84%**

(SHB YTD loan growth and Group NIM)

### Resilient Non-Interest Income

Non-interest income recovery amid market stabilization and fee-income increase

**+1.8%**

(Group non-interest income YoY growth)

### Disciplined Cost Management

Strategic cost control amidst external uncertainties

**42.5%**

(Cost-to-income ratio)

### Preemptive Risk Management

Building a sufficient buffer to reflect challenging environment

**50bp | 148%**

\* 32bp (excl. one-offs)

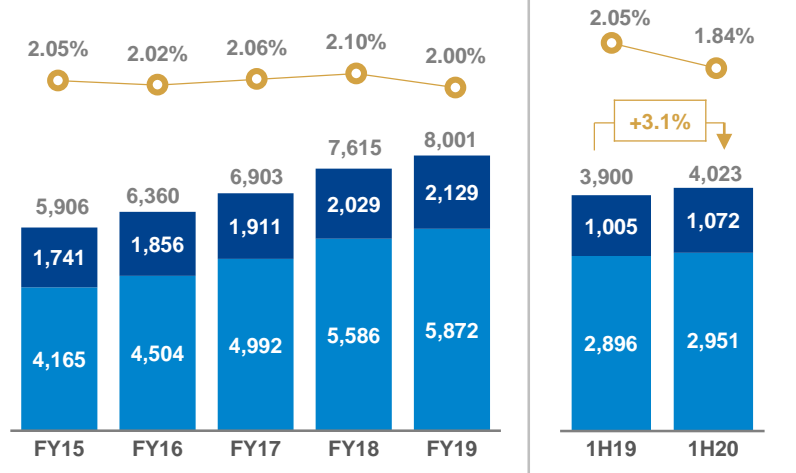
(Group credit cost and NPL coverage ratio)

# Net Interest Income

## Group Net Interest Income and NIM

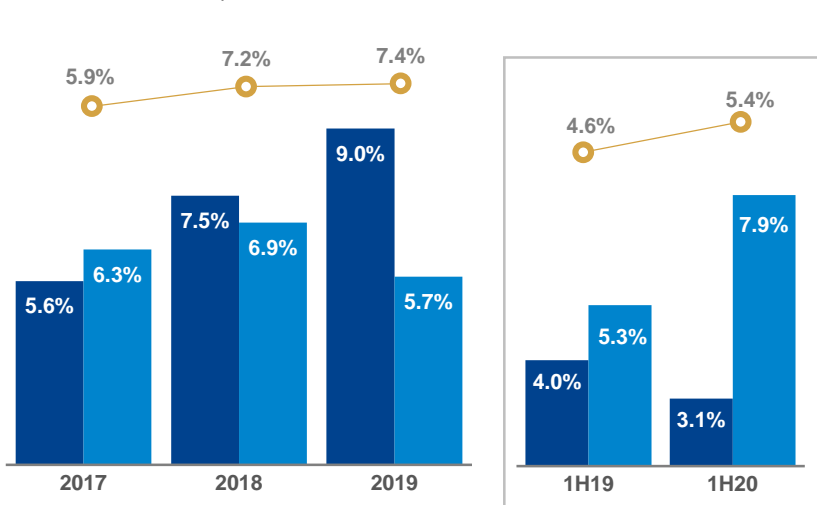
(KRW bn)

■ Shinhan Bank ■ Others ● Group NIM



## KRW Loan Growth

■ Retail YTD ■ Corporate YTD ● Total Loans YTD



NOTE 1 Annual and Quarterly figures not to the same scale

## KEY HIGHLIGHTS

### Net Interest Income & NIM

- SFG's 1H20 interest income grew +3.1% YoY  
- SHB's 1H20 interest income rose by +1.9% YoY.
- NIM downward pressure still high due to 75bps base rate drop in 1H20.
- However, proactive ALM measures minimized NIM contraction.

### [Interest Rate & NIM Movement]

(%)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
BOK Base rate	1.75	1.75	1.50	1.25	0.75	0.50
KTB 3Y (quarterly)	1.799	1.643	1.280	1.413	1.234	0.842
Group NIM (quarterly)	2.07	2.03	1.99	1.92	1.86	1.81
SHB NIM (quarterly)	1.61	1.58	1.53	1.46	1.41	1.39
Group NIM (cumulative)	2.07	2.05	2.03	2.00	1.86	1.84
SHB NIM (cumulative)	1.61	1.59	1.57	1.54	1.41	1.40

### Loan Growth

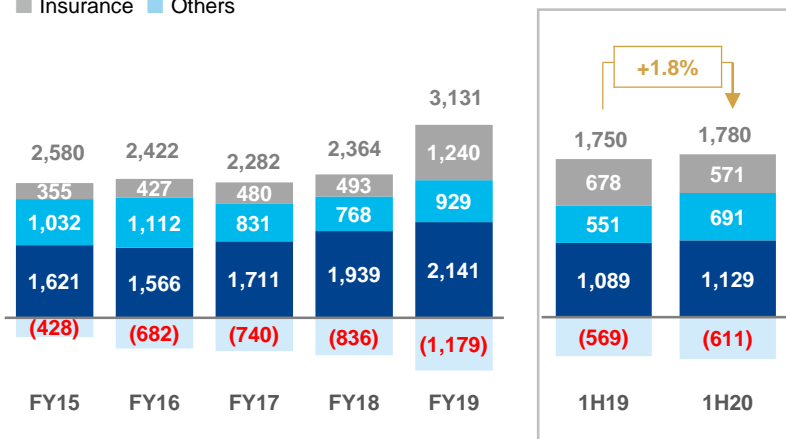
- As of end of 2Q20, COVID19-related loans amounts to 15.3 Wtn (11% of total corporate loans), where growth of the relief loans has slowed in June.
- Large corporate loans increased +11.6% YTD as corporate demand to preserve liquidity slowed but continued.
- SME loans increased by 7.2% YTD.

# Non-interest income

## Non-interest Income

(KRW bn)

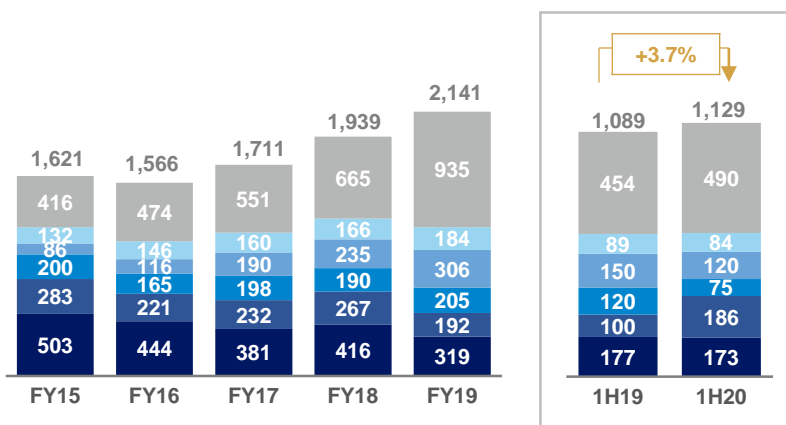
■ Fees & Commission ■ Securities, F/X trading & Derivatives  
■ Insurance ■ Others



## Fees & Commission

(KRW bn)

■ Credit Card ■ Brokerage ■ Fund & Bancassurance ■ Trust  
■ F/X ■ Others



NOTE Annual and Quarterly figures not to the same scale

## KEY HIGHLIGHTS

### Non-interest Income

- Group non-interest income increased by +1.8% YoY due to a increase in securities, FX trading, and derivatives related income.
- Market sensitive revenue, such as securities, FX trading, and derivatives related income hiked +25.4% YoY on the back of market stabilization.

### Fees and Commission

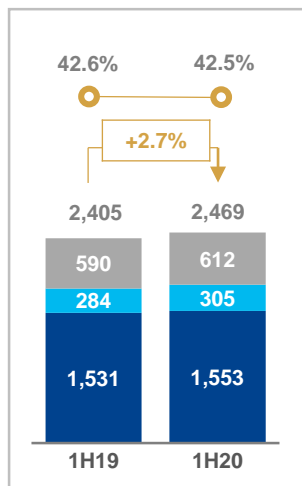
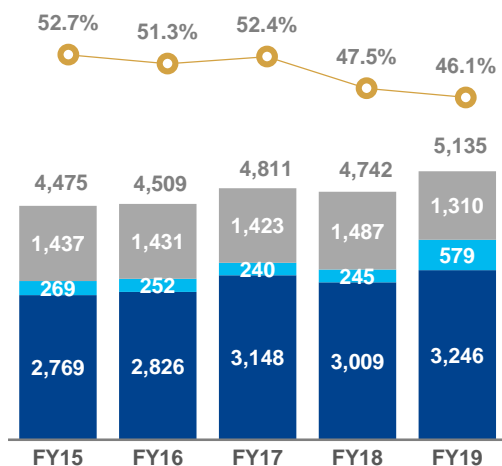
- Fees and commissions income in 1H20 grew by +3.7% YoY driven by a hike in brokerage fee income.
- In 2Q20, credit card fee income jumped by +137.0% QoQ driven by pent up demand.
- However, on a YoY basis, credit card fee income decreased by -2.2% YoY due to merchant fee cuts in February 2019.
- Brokerage commissions in 1H20 up by +86.7% YoY reflecting an increase in trading volume.
- Fund and bancassurance fees down by -37.1% YoY

# Expenses and Provisioning

## G&A Expense

(KRW bn)

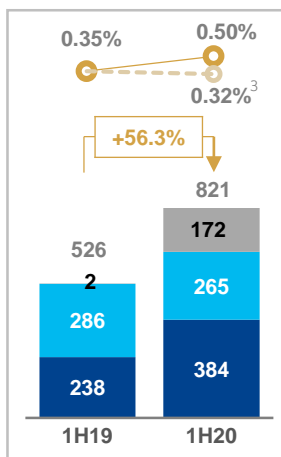
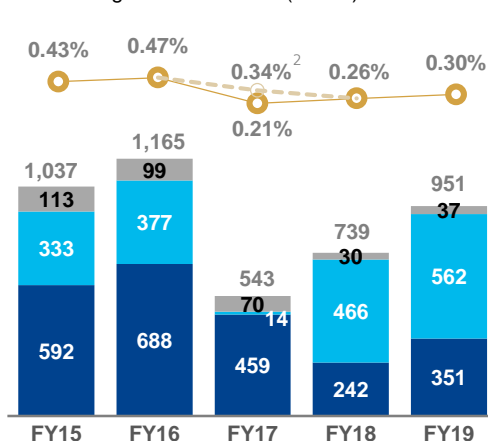
■ Salary & Employee benefits ■ D&A ■ Other expenses ● Cost Income ratio



## Credit Cost

(KRW bn)

■ Provisioning for credit losses (bank) ■ Provisioning fore credit losses (Card) ■ Provisioning for credit losses (others) ● Cost Income ratio



NOTE 1 Annual and Quarterly figures not to the same scale

NOTE 2 Excluding write-backs from Shinhan Card

NOTE 3 Excluding one-offs

## KEY HIGHLIGHTS

### Cost Management

- Group's G&A expenses went up by +2.7% YoY, and recorded cost-income ratio of 42.5% through cost control efforts.
- Group-wide strategic cost control efforts will continue throughout the year.

### Credit Cost

- Provision for credit losses in 1H20 increased by +56.3% (+295.8Wbn) YoY
  - Preemptive provisioning based on FLC: 184.7Wbn
  - Provisioning for DLS-related provisional payments: 124.8Wbn
  - ※ Excluding one-offs, provision for credit losses down by -13.7Wbn (-2.6%)
- Credit cost ratio marked 50bps, up +15bps YoY
  - Preemptive provisioning based on FLC: +11bps
  - Provisioning for DLS-related provisional payments: +8bps
  - ※ Excluding one-offs, credit cost ratio is 32bps, down -3bps YoY

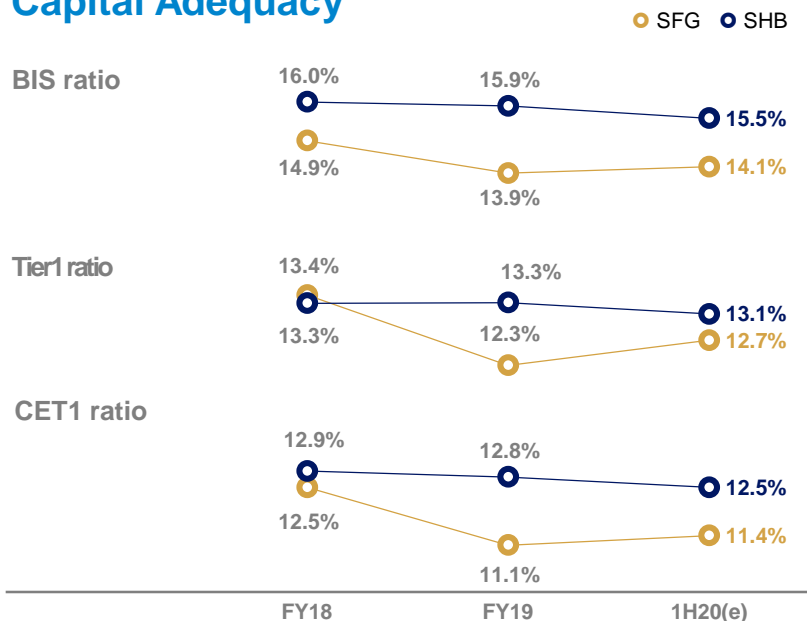
### Delinquency Ratio

- Delinquency ratio for SHB and SHC remain stable at 0.30% and 1.26%, respectively.

Delinquency Ratio (%)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
<b>Shinhan Bank</b>	<b>0.29%</b>	<b>0.31%</b>	<b>0.33%</b>	<b>0.26%</b>	<b>0.31%</b>	<b>0.30%</b>
<i>SMEs (incl. SOHO)</i>	0.27%	0.27%	0.29%	0.23%	0.26%	0.28%
<i>SOHO</i>	0.34%	0.38%	0.43%	0.33%	0.41%	0.39%
<i>Retail</i>	0.23%	0.23%	0.26%	0.20%	0.22%	0.22%
<b>Shinhan Card</b>	<b>1.37%</b>	<b>1.45%</b>	<b>1.40%</b>	<b>1.26%</b>	<b>1.35%</b>	<b>1.26%</b>

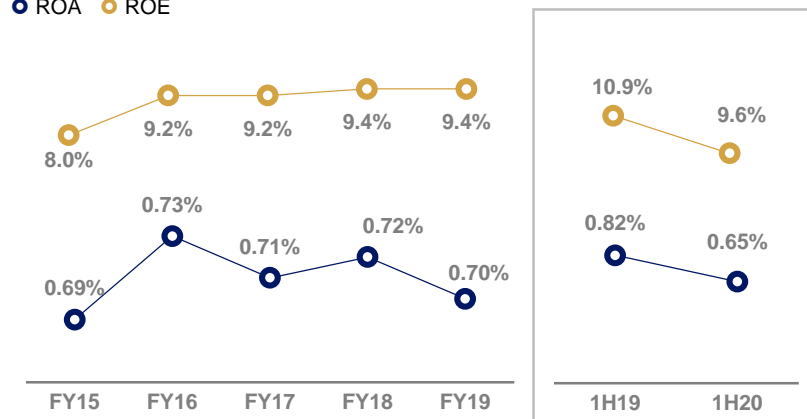
NOTE After NPL sales and write-offs, 1 month overdue from total credit

## Capital Adequacy



## ROE & ROA

Legend: ROA (Blue circle), ROE (Orange circle)



NOTE Annual and Quarterly figures not to the same scale

## KEY HIGHLIGHTS

### Capital Adequacy

- Under BASEL III, Group's Common Equity Tier 1 ratio is estimated at 11.4%, up +0.3%p YTD.
  - RWA increased by 4.4% YTD to mark 268.3Wtn
  - CET 1 capital increased by 7.3% YTD to 30.6Wtn
- Executed 150Wbn share buyback and cancellation program in May 2020, which has a -6bps impact on Group BIS ratio.
- With strong fundamentals, capital adequacy improved despite a high growth in the loan book driven by continued credit support to clients.

### Return on Equity and Return on Assets

- Group ROE and ROA marked 9.6% and 0.65% respectively in 1H20.

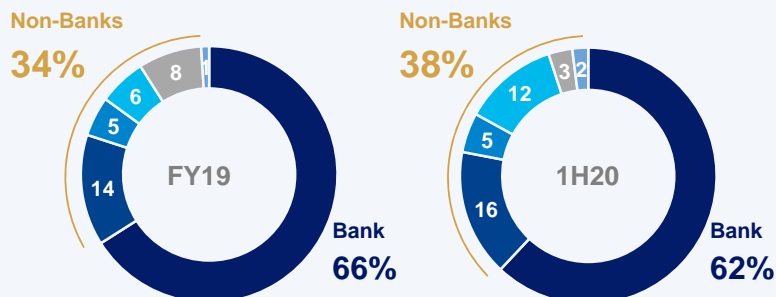


# Contribution by Subsidiaries and by Matrix

## Net Income Weight by Subsidiaries (%)

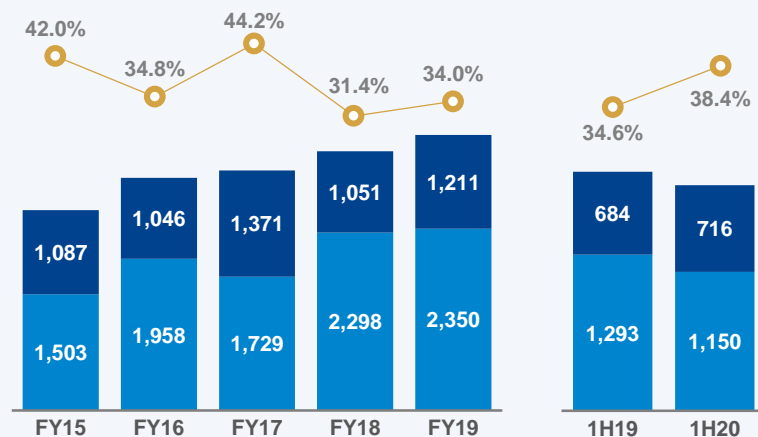
(%)

- Shinhan Card
- Capital, Savings Bank
- Life, Orange Life
- Investment Corp.
- Others



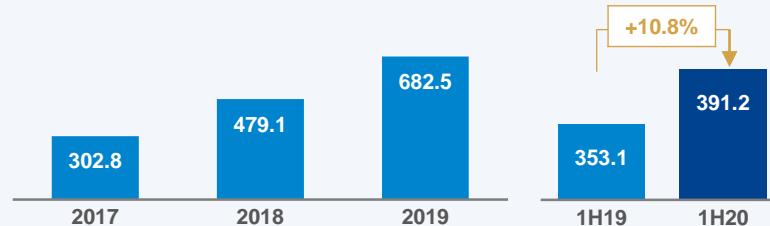
## Net Income Contribution by Non-Bank Subsidiaries (KRW bn)

- Bank Net Income
- Non-Bank Net Income
- Non-Bank Weight

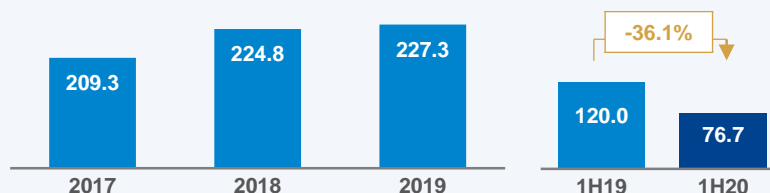


NOTE 1 Net income in controlling interest

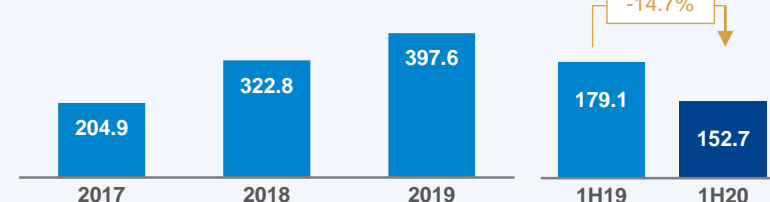
## Global Investment Banking (Operating Income, KRW bn)



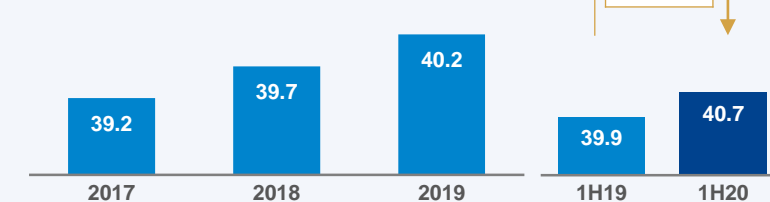
## Wealth Management (Operating Income, KRW bn)



## Global Business (Net profit, KRW bn)



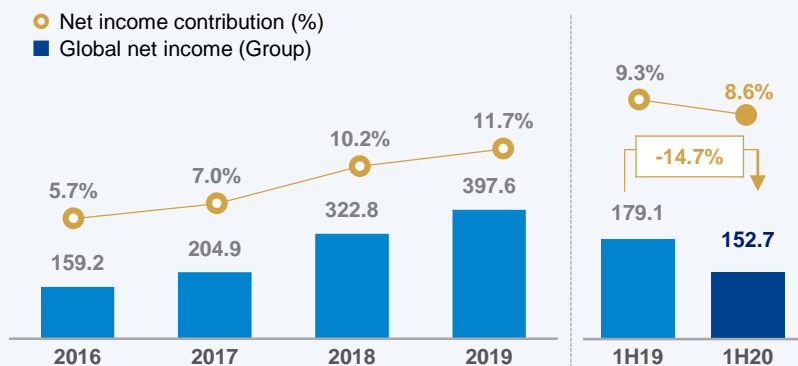
## Cross-Selling Ratio (%)



NOTE Annual and Quarterly figures not to same scale

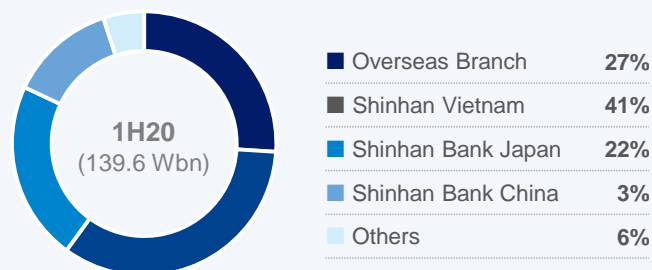
NOTE Financial figures of GIB and WM are based on managerial accounting

## Net Income contribution from International Business (KRW bn)

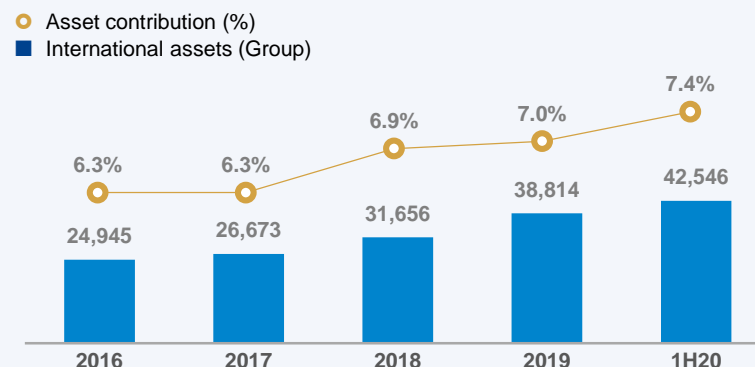


NOTE KRW converted from average F/X rate of the respective periods

## SHB International Business – Profit Composition



## Asset Contribution from International Business (KRW bn)



NOTE KRW converted from F/X rates at the end of the respective periods

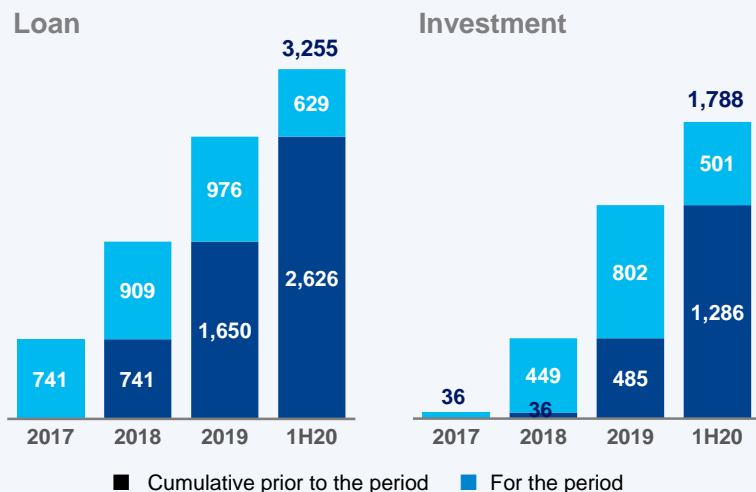
## KEY DEVELOPMENTS

- Net income from overseas in 1H20 marked 152.7Wbn, down by -14.7% YoY.
- Both interest and non-interest income from major overseas network remained resilient.
- Excluding the increase in provisions for credit cost, largely reflecting COVID19-spurred global economic uncertainties, which amounts to 18.2Wbn for SHB overseas branches, net income from overseas stayed solid.
- Established an agile, country-specific risk monitoring and business strategy, especially regarding COVID-19 impacts

# Responsible Financing (ESG)

## Green Finance

(Unit: KRW bn)

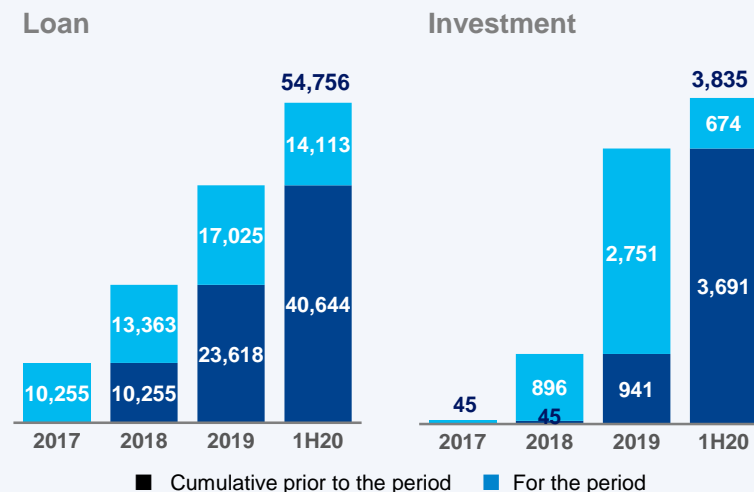


- SFG's Green Financings in 1H20: 1,129.6Wbn  
- Loan 628.9Wbn, Investment 500.7Wbn
- Total amount committed in Green PF in 1H20: 320.1Wbn
- SHB extended 67.2Wbn green loans in 1H20 through its 14 different eco-friendly loan products.
- In 1H20, SHC Eco-Card marked 113.0Wbn in card usage.



## Inclusive Finance

(Unit: KRW bn)



- Inclusive/innovative financing in 1H20: 14,787.3Wtn  
- Loan 14,112.9Wbn, Investment 674.4Wbn
- Technological finance in 1H20: 10.8Wtn
- Job creation & innovative growth guarantee loan in 1H20: 1,418.4Wbn
- Intellectual property-backed loan: 173.5Wbn
- Loans secured by movable assets: 77.9Wbn
- Retail loan for the underserved: 781.3Wbn<sup>1</sup>



NOTE 1 Sum of Shinhan New Hope Spore Loan and Sunshine Loan

## II. Supplements





# SFG Income by Subsidiaries

(KRW bn)		Net Profit (before reflecting ownership)					Ownership	
		1H20	1H19	YoY %	2Q20	1Q20		QoQ %
Bank		1,152.7	1,296.9	-11.1%	520.5	632.2	-17.7%	
Shinhan Bank		1,140.7	1,281.8	-11.0%	514.2	626.5	-17.9%	100.0%
Jeju Bank		12.0	15.0	-20.2%	6.4	5.6	12.4%	75.3%
Non-bank		728.0	749.7	-2.9%	390.7	337.3	15.8%	
<div>Consumer Finance</div>	Shinhan Card	302.5	271.3	11.5%	176.0	126.5	39.1%	100.0%
	Shinhan Capital	84.7	70.8	19.6%	42.0	42.7	-1.6%	100.0%
	Shinhan Savings Bank	14.8	11.2	31.9%	8.5	6.3	35.4%	100.0%
<div>Insurance</div>	Shinhan Life Insurance	91.6	78.0	17.5%	51.9	39.7	30.9%	100.0%
	Orange Life Insurance	137.5	147.2	-6.6%	77.9	59.5	31.0%	100.0%
<div>Capital Markets</div>	Shinhan Investment Corp	57.1	142.8	-60.0%	10.4	46.7	-77.6%	100.0%
	Shinhan BNPP AM	11.4	11.5	-1.4%	6.7	4.6	44.5%	65.0%
	Shinhan Alternative Investment	2.3	2.1	13.2%	0.8	1.6	-50.9%	100.0%
	Shinhan REITs Management	-1.3	4.0	n.a.	-0.1	-1.2	n.a.	100.0%
	Asia Trust	19.3	3.8	407.9%	11.9	7.4	60.5%	60.0%
	Shinhan AI <sup>1</sup>	0.1	-	-	0.0	0.1	-80.8%	100.0%
<div>Others</div>	Shinhan DS	-0.7	1.2	n.a.	0.2	-0.9	n.a.	100.0%
	Shinhan AITAS	7.7	5.3	43.6%	4.0	3.6	10.9%	99.8%
	Shinhan Credit Information	1.0	0.6	85.8%	0.3	0.7	-53.3%	100.0%

NOTE 1 1H19 figures for Shinhan AI not available since it was established in September 2019



# Shinhan Bank Income (1)

(KRW bn)	1H20	1H19	YoY %	2Q20	1Q20	QoQ %
<b>Operating Income (a=b+c)</b>	<b>3,415.8</b>	<b>3,377.2</b>	<b>1.1%</b>	<b>1,740.9</b>	<b>1,674.9</b>	<b>3.9%</b>
Interest Income (b)	2,950.5	2,895.5	1.9%	1,472.3	1,478.2	-0.4%
Non-interest Income (c)	465.3	481.7	-3.4%	268.6	196.7	36.6%
G&A Expenses (d)	1,511.5	1,455.4	3.9%	767.9	743.6	3.3%
Pre-Provision Operating Income (e=a-d)	1,904.3	1,921.9	-0.9%	973.0	931.3	4.5%
Non-operating Income (f)	9.3	4.1	126.2%	8.2	1.1	670.4%
<b>Pre-Provision Income (g=e+f)</b>	<b>1,913.6</b>	<b>1,926.0</b>	<b>-0.6%</b>	<b>981.2</b>	<b>932.4</b>	<b>5.2%</b>
Provision for Credit Losses (h)	383.9	237.5	61.6%	280.4	103.5	170.9%
Earnings Before Income Tax (i=g-h)	1,529.7	1,688.4	-9.4%	700.8	828.9	-15.5%
Income Tax	388.8	406.4	-4.3%	186.5	202.3	-7.8%
<b>Net Profit<sup>1</sup></b>	<b>1,140.7</b>	<b>1,281.8</b>	<b>-11.0%</b>	<b>514.2</b>	<b>626.5</b>	<b>-17.9%</b>

NOTE 1 Net income in controlling interest

(%)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
<b>NIS (a-b, for the quarter)</b>	<b>1.87</b>	<b>1.89</b>	<b>1.89</b>	<b>1.86</b>	<b>1.86</b>	<b>1.86</b>	<b>1.81</b>	<b>1.74</b>	<b>1.69</b>	<b>1.68</b>
Loan Interest Rate (a)	3.19	3.27	3.32	3.35	3.38	3.37	3.27	3.12	3.00	2.84
Deposit Interest Rate (b)	1.32	1.38	1.43	1.49	1.52	1.51	1.46	1.38	1.30	1.16
<b>NIM (for the quarter)</b>	<b>1.61</b>	<b>1.63</b>	<b>1.62</b>	<b>1.61</b>	<b>1.61</b>	<b>1.58</b>	<b>1.53</b>	<b>1.46</b>	<b>1.41</b>	<b>1.39</b>
<b>NIM (cumulative figures)</b>	<b>1.61</b>	<b>1.62</b>	<b>1.62</b>	<b>1.62</b>	<b>1.61</b>	<b>1.59</b>	<b>1.57</b>	<b>1.54</b>	<b>1.41</b>	<b>1.40</b>

# Shinhan Bank Income (2)

(KRW bn)	1H20	1H19	YoY %	2Q20	1Q20	QoQ %
<b>Non-interest Income (a+b+c)</b>	<b>465.3</b>	<b>481.7</b>	<b>-3.4%</b>	<b>268.6</b>	<b>196.7</b>	<b>36.6%</b>
<b>Fee &amp; Commission (a)</b>	<b>495.2</b>	<b>574.4</b>	<b>-13.8%</b>	<b>235.4</b>	<b>259.8</b>	<b>-9.4%</b>
Fund Fees	43.3	55.0	-21.4%	20.9	22.3	-6.1%
Bancassurance Fees	24.8	28.2	-12.3%	11.3	13.4	-15.7%
F/X Fees	65.5	71.1	-7.8%	31.8	33.8	-6.0%
Trust Fees	83.7	123.0	-32.0%	31.3	52.4	-40.2%
Electronic Transaction Fees	70.8	74.3	-4.8%	34.6	36.1	-4.1%
Investment banking	36.7	73.1	-49.8%	23.2	13.5	71.9%
Others	170.6	149.7	13.9%	82.2	88.3	-6.9%
<b>Securities Related &amp; F/X Trading, Derivatives (b)</b>	<b>414.8</b>	<b>352.3</b>	<b>17.7%</b>	<b>261.5</b>	<b>153.3</b>	<b>70.6%</b>
<b>Others<sup>1</sup> (c)</b>	<b>-444.8</b>	<b>-445.0</b>	<b>n.a.</b>	<b>-228.4</b>	<b>-216.4</b>	<b>n.a.</b>
<b>G&amp;A Expenses Details</b>						
<b>G&amp;A Details</b>	<b>1,511.5</b>	<b>1,455.4</b>	<b>3.9%</b>	<b>767.9</b>	<b>743.6</b>	<b>3.3%</b>
<b>Salary &amp; Employee Benefits</b>	<b>914.8</b>	<b>886.2</b>	<b>3.2%</b>	<b>453.1</b>	<b>461.6</b>	<b>-1.8%</b>
(Early Retirement Program Expenses)	0.9	0.6	58.2%	0.2	0.7	-67.5%
<b>D&amp;A</b>	<b>210.4</b>	<b>196.3</b>	<b>7.2%</b>	<b>104.3</b>	<b>106.0</b>	<b>-1.6%</b>
<b>Other Expenses</b>	<b>386.4</b>	<b>372.9</b>	<b>3.6%</b>	<b>210.4</b>	<b>176.0</b>	<b>19.6%</b>
(Advertising)	27.4	24.1	13.8%	17.4	10.0	73.6%
(Taxes and Dues)	58.6	57.9	1.3%	38.3	20.3	88.8%
<b>Cost to Income Ratio (YTD)</b>	<b>44.3%</b>	<b>43.1%</b>	<b>1.2%p</b>	<b>44.1%</b>	<b>44.4%</b>	<b>-0.3%p</b>

NOTE 1 Including Deposit Insurance Premium, Contribution Expenses etc.

# Shinhan Card Income

(KRW bn)	1H20	1H19	YoY %	2Q20	1Q20	QoQ %
<b>Operating Revenue (a)</b>	<b>2,046.0</b>	<b>1,964.0</b>	<b>4.2%</b>	<b>954.5</b>	<b>1,091.6</b>	<b>-12.6%</b>
Card business	1,456.8	1,470.2	-0.9%	748.8	708.0	5.8%
Installment Finance	71.2	63.4	12.3%	36.0	35.2	2.2%
Lease	127.8	86.5	47.8%	65.6	62.2	5.5%
Others	390.2	343.9	13.5%	104.0	286.2	-63.6%
<b>Interest Expense (b)</b>	<b>258.0</b>	<b>247.3</b>	<b>4.3%</b>	<b>127.6</b>	<b>130.3</b>	<b>-2.1%</b>
<b>G&amp;A Expenses (c)</b>	<b>324.2</b>	<b>315.4</b>	<b>2.8%</b>	<b>170.5</b>	<b>153.6</b>	<b>11.0%</b>
<b>Commissions &amp; Other Expenses (d)</b>	<b>794.0</b>	<b>751.0</b>	<b>5.7%</b>	<b>312.9</b>	<b>481.1</b>	<b>-35.0%</b>
<b>Pre-Provision Income (e=a-b-c-d)</b>	<b>669.9</b>	<b>650.2</b>	<b>3.0%</b>	<b>343.4</b>	<b>326.5</b>	<b>5.2%</b>
Provision for credit losses (f)	265.5	290.7	-8.7%	103.7	161.8	-35.9%
Earnings Before Income Tax (g=e-f)	404.5	359.6	12.5%	239.8	164.7	45.6%
Income Tax	102.5	89.1	15.0%	64.1	38.4	67.0%
<b>Net Income<sup>1</sup></b>	<b>302.5</b>	<b>271.3</b>	<b>11.5%</b>	<b>176.0</b>	<b>126.5</b>	<b>39.1%</b>
Merchant Fee Rates <sup>2</sup>	1.36%	1.44%	-0.08%p	1.36%	1.36%	-
Credit Card Merchant Fee Rate	1.49%	1.54%	-0.05%p	1.49%	1.46%	+0.03%p
Delinquency ratio (One Month)	1.26%	1.45%	-0.19%p	1.26%	1.35%	-0.09%p
2 months delinquency migration ratio <sup>3</sup>	0.27%	0.33%	-0.6%p	0.27%	0.32%	-0.05%p

NOTE 1 Net income in controlling interest

NOTE 2 Including merchant fee rates for credit cards, check cards, prepaid cards, and others

NOTE 3 (2 months overdue assets outstanding as of the end of base month) / (normal assets outstanding as of the end of (base month-2 months))

NOTE 4 2Q20 figures for Merchant Fee Rates, Delinquency ratio, and migration ratio are YTD figures

# Life Insurance Income (Shinhan Life)

(KRW bn)	1H20	1H19	YoY %	2Q20	1Q20	QoQ %
Premium Income	2,064.5	2,182.8	-5.4%	1,022.5	1,042.0	-1.9%
<b>Net Profit</b>	<b>91.6</b>	<b>78.0</b>	<b>17.5%</b>	<b>51.9</b>	<b>39.7</b>	<b>30.9%</b>
<b>APE</b>	<b>217.4</b>	<b>192.0</b>	<b>13.2%</b>	<b>90.1</b>	<b>127.3</b>	<b>-29.2%</b>
Protection	213.4	184.4	15.8%	88.7	124.7	-28.8%
Savings, Annuities	4.0	7.6	-47.9%	1.4	2.6	-45.2%
<b>Investment Assets<sup>1</sup></b>	<b>30,140.8</b>	<b>28,571.8</b>	<b>5.5%</b>	<b>30,140.8</b>	<b>29,674.0</b>	<b>1.6%</b>
Cash and Cash equivalents	402.3	411.4	-2.2%	402.3	477.7	-15.8%
Bond	15,477.2	13,652.9	13.4%	15,477.2	15,031.4	3.0%
Loans	6,256.4	6,161.2	1.5%	6,256.4	6,220.1	0.6%
Equities	143.8	111.0	29.6%	143.8	122.5	17.4%
Others	7,861.1	8,235.3	-4.5%	7,861.1	7,822.2	0.5%
<b>Key Indicators</b>						
# of Financial Consultants	8,066	7,121	13.3%	8,066	7,316	10.3%
Loss Ratio <sup>1</sup>	94.1%	90.8%	3.3%p	87.1%	96.9%	-9.8%p
Expense Ratio	10.7%	10.5%	0.3%p	10.1%	11.4%	-1.3%p
Investment Yield <sup>2</sup>	3.23%	3.31%	-0.08%p	3.23%	3.25%	-0.02%p

NOTE 1 Accumulated loss ratio on a rolling 12 month basis, quarterly loss ratio on a quarterly basis

NOTE 2 Yield on a 12-month rolling basis, under IFRS9

# Life Insurance Income (Orange Life)

(KRW bn)	1H20	1H19	YoY %	2Q20	1Q20	QoQ %
Premium Income	1,850.4	2,142.6	-13.6%	943.7	906.7	4.1%
<b>Net Profit</b>	<b>137.5</b>	<b>147.2</b>	<b>-6.6%</b>	<b>77.9</b>	<b>59.5</b>	<b>31.0%</b>
<b>APE</b>	<b>234.2</b>	<b>348.5</b>	<b>-32.8%</b>	<b>115.8</b>	<b>118.4</b>	<b>-2.2%</b>
Protection	145.4	193.2	-24.7%	66.8	78.6	-14.9%
Savings, Annuities	88.8	155.3	-42.8%	49.0	39.8	22.8%
<b>Investment Assets<sup>1</sup></b>	<b>26,502.3</b>	<b>26,078.1</b>	<b>1.6%</b>	<b>26,502.3</b>	<b>26,233.3</b>	<b>1.0%</b>
Cash and Cash equivalents	913.3	493.6	85.0%	913.3	501.7	82.0%
Bond	20,992.5	21,187.0	-0.9%	20,992.5	20,893.7	0.5%
Loans	2,169.6	2,389.9	-9.2%	2,169.6	2,593.1	-16.3%
Equities	323.0	131.7	145.2%	323.0	310.4	4.1%
Others	2,103.9	1,875.9	12.2%	2,103.9	1,934.4	8.8%
<b>Key Indicators</b>						
# of Financial Consultants	5,177	4,938	4.8%	5,177	4,843	6.9%
Loss Ratio <sup>1</sup>	74.9%	79.1%	-4.11%p	72.6%	83.6%	-11.0%p
Expense Ratio	9.3%	9.6%	-0.27%p	8.9%	9.7%	-0.8%p
Investment Yield <sup>2</sup>	3.48%	3.71%	-0.22%p	3.48%	3.63%	-0.14%p

NOTE 1 Accumulated loss ratio on a rolling 12 month basis, quarterly loss ratio on a quarterly basis

NOTE 2 Yield on a 12-month rolling basis, under IFRS9



# Shinhan Investment Corp. Income

(KRW bn)	1H20	1H19	YoY %	2Q20	1Q20	QoQ %
<b>Operating Revenue</b>	<b>493.8</b>	<b>473.1</b>	<b>4.4%</b>	<b>267.2</b>	<b>226.6</b>	<b>17.9%</b>
Fee & Commission	321.8	258.0	24.7%	169.5	152.4	11.2%
Brokerage fees	198.4	103.0	92.6%	114.4	84.0	36.1%
Financial Product fees	43.7	83.2	-47.4%	21.0	22.7	-7.4%
Investment Banking	57.0	40.6	40.3%	25.6	31.4	-18.4%
Others	22.7	31.2	-27.1%	8.5	14.3	-40.7%
Proprietary Trading	268.2	137.9	94.5%	221.2	47.0	371.0%
Others	-96.2	77.2	n.a.	-123.4	27.2	n.a.
<b>Operating Expenses</b>	<b>437.8</b>	<b>307.2</b>	<b>42.5%</b>	<b>269.2</b>	<b>168.6</b>	<b>59.7%</b>
G&A Expenses	277.6	255.8	8.5%	147.3	130.3	13.1%
Commission Expenses	72.8	58.4	24.6%	39.6	33.2	19.2%
Provisioning for Credit Losses	87.4	-6.9	n.a.	82.3	5.1	1,524.8%
<b>Operating Income</b>	<b>56.0</b>	<b>165.8</b>	<b>-66.2%</b>	<b>-2.0</b>	<b>58.0</b>	<b>n.a.</b>
<b>Net Income</b>	<b>57.1</b>	<b>142.8</b>	<b>-60.0%</b>	<b>10.4</b>	<b>46.7</b>	<b>-77.6%</b>
<b>Financial Product (at the end of period<sup>1</sup>, KRW trn)</b>	<b>104.1</b>	<b>94.2</b>	<b>10.5%</b>	<b>104.1</b>	<b>104.2</b>	<b>-0.1%</b>
Funds (Beneficiary Certificates)	50.5	44.8	12.8%	50.5	49.4	2.2%
Trust Account	28.4	28.1	1.0%	28.4	31.3	-9.3%
ELS	3.2	2.5	27.3%	3.2	3.2	-0.0%
Others (WRAP + RP + Micro Debentures)	22.0	18.8	17.0%	22.0	20.2	8.5%

NOTE 1 Includes retail and institutional clients

# SFG Subsidiaries Asset

(KRW bn)		2020.06	2019.12	YTD %	2020.03	QoQ %	2020.06 Weight %
<b>Bank</b>		<b>503,084.6</b>	<b>483,644.9</b>	<b>4.0%</b>	<b>507,556.6</b>	<b>-0.9%</b>	<b>62.9%</b>
Shinhan Bank		496,508.3	477,289.6	4.0%	501,207.3	-0.9%	62.1%
Jeju Bank		6,576.2	6,355.3	3.5%	6,349.4	3.6%	0.8%
<b>Non-Bank</b>		<b>296,246.6</b>	<b>278,401.9</b>	<b>6.4%</b>	<b>291,730.9</b>	<b>1.8%</b>	<b>37.1%</b>
<b>Consumer Finance</b>	Shinhan Card	34,031.8	32,917.9	3.4%	32,599.3	4.4%	4.3%
	Shinhan Capital	8,529.4	7,566.4	12.7%	8,102.9	5.3%	1.1%
	Shinhan Savings Bank	1,644.9	1,602.9	2.6%	1,586.9	3.7%	0.2%
<b>Insurance</b>	Shinhan Life Insurance	34,967.5	34,133.6	2.4%	34,410.9	1.6%	4.4%
	Orange Life Insurance	32,853.8	32,841.4	0.0%	32,374.3	1.5%	4.1%
<b>Capital Markets</b>	Shinhan Investment Corporation	77,165.8	73,589.7	4.9%	79,771.9	-3.3%	9.7%
	Shinhan BNPP AM	54,707.7	50,466.9	8.4%	54,501.9	0.4%	6.8%
	Shinhan Alternative Inv.	4,644.9	4,114.3	12.9%	4,512.5	2.9%	0.6%
	Shinhan REITs Mgmt	1,180.6	1,071.6	10.2%	1,152.1	2.5%	0.1%
	Asia Trust	43,486.9	36,560.7	18.9%	39,719.0	11.5%	5.4%
	Shinhan AI <sup>2</sup>	42.4	42.4	0.1%	43.6	-2.7%	0.0%
	Others	2,795.4	3,302.6	-15.4%	2,764.8	1.1%	0.3%
<b>Others</b>	Shinhan DS	89.1	89.1	-0.0%	90.1	-1.1%	0.0%
	Shinhan AITAS	79.3	77.1	2.8%	75.5	5.0%	0.0%
	Shinhan Credit Info.	27.2	25.3	7.3%	25.3	7.4%	0.0%
Others		2,795.4	3,302.6	-15.4%	2,764.8	1.1%	0.3%

NOTE 1 Trust A/C of Shinhan, Jeju Bank, Shinhan Investment Corp., Asia Trust and AUM(including ordinary discretionary assets) of Shinhan BNPP AM, Shinhan Alternative Investment, Shinhan REITs are included and period end balances

# Shinhan Bank Loans & Deposit

(KRW bn)	2020.06	2019.12	YTD %	2020.03	QoQ %	2020.06 Weight %
<b>Loans in KRW</b>	<b>237,212.3</b>	<b>225,001.9</b>	<b>5.4%</b>	<b>231,468</b>	<b>2.6%</b>	<b>100.0%</b>
<b>Retail</b>	<b>119,434.2</b>	<b>115,874.8</b>	<b>3.1%</b>	<b>117,925</b>	<b>1.3%</b>	<b>50.3%</b>
Mortgage	52,699.1	54,604.9	-3.5%	53,202	-0.9%	22.2%
Others <sup>1</sup>	66,735.1	61,269.9	8.9%	64,723	3.3%	28.1%
<b>Corporate</b>	<b>117,778.1</b>	<b>109,127.0</b>	<b>7.9%</b>	<b>113,543</b>	<b>3.9%</b>	<b>49.7%</b>
SME	97,735.8	91,161.7	7.2%	93,258	4.9%	41.2%
SOHO	50,429.2	46,784.8	7.8%	47,907	5.4%	21.3%
Large Corporate etc.	20,042.3	17,965.4	11.6%	20,285	-1.4%	8.4%
Loans in FX	12,811.6	10,778.7	18.9%	12,107	6.5%	
<b>Total Deposits</b>	<b>243,617.4</b>	<b>232,997.5</b>	<b>4.6%</b>	<b>244,183</b>	<b>-0.2%</b>	<b>100.0%</b>
<b>Low cost Deposits</b>	<b>118,057.8</b>	<b>101,700.0</b>	<b>16.1%</b>	<b>111,191</b>	<b>6.8%</b>	<b>48.5%</b>
Demand	36,499.5	30,454.7	19.8%	34,845	5.4%	15.0%
Savings	81,558.4	71,245.4	14.5%	76,346	7.3%	33.5%
<b>Time Savings</b>	<b>125,559.6</b>	<b>131,297.5</b>	<b>-4.4%</b>	<b>132,992</b>	<b>-5.7%</b>	<b>51.5%</b>
Time Deposits	116,620.1	122,072.9	-4.5%	124,055	-6.1%	47.9%
Accumulative etc.	8,939.5	9,224.5	-3.1%	8,937	0.0%	3.7%
Certificate of Deposits	8,349.2	8,602.2	-2.9%	9,233	-10.3%	
Debentures in KRW	25,534.6	28,813.3	-11.4%	28,061	-8.8%	
<b>Loan to Deposit Ratio<sup>2</sup></b>	<b>99.4%</b>	<b>95.4%</b>	<b>4.0%p</b>	<b>96.5%</b>	<b>2.9%p</b>	

NOTE 1 Includes Jeonse loans, Secured loans and Unsecured loans, and etc.

NOTE 2 Based on monthly average balance, Excluding CD

# Shinhan Bank Loans (Retail, Large Corporates)



(KRW bn)	2020.06	Weight %	2019.12	YTD %	2020.03	QoQ %	Delinquency				
							2019.06	2019.09	2019.12	2020.03	2020.06
<b>Mortgage Loans</b>	<b>52,860</b>	<b>44.3%</b>	<b>54,605</b>	<b>-3.2%</b>	<b>53,202</b>	<b>-0.6%</b>	<b>0.13%</b>	<b>0.15%</b>	<b>0.13%</b>	<b>0.14%</b>	<b>0.14%</b>
<b>Personal Loans</b>	<b>66,501</b>	<b>55.7%</b>	<b>61,270</b>	<b>8.5%</b>	<b>64,723</b>	<b>2.7%</b>	<b>0.54%</b>	<b>0.58%</b>	<b>0.43%</b>	<b>0.52%</b>	<b>0.56%</b>
High credit unsecured	21,796	18.3%	20,712	5.2%	21,212	2.8%					
Secured (Deposits, etc.)	8,350	7.0%	8,660	-3.6%	8,453	-1.2%					
Jeonse Loans	22,489	18.8%	19,393	16.0%	21,215	6.0%					
Others <sup>1</sup>	13,866	11.6%	12,504	10.9%	13,843	0.2%					
<b>Retail Loan Total</b>	<b>119,362</b>	<b>100.0%</b>	<b>115,875</b>	<b>3.0%</b>	<b>117,925</b>	<b>1.2%</b>	<b>0.27%</b>	<b>0.29%</b>	<b>0.23%</b>	<b>0.26%</b>	<b>0.28%</b>
Mortgage loan LTV (%)	47.8%		49.6%	-1.9%p	48.6%	%p	50.2%	50.0%	49.6%	48.6%	47.8%

NOTE 1 Secured and Unsecured loans, and etc,

NOTE 2 Proportion of collateralized loan as of June 2020 is 72% (Real estate 43%, Guarantee 29%), unsecured loan 28%

(KRW bn)	2020.06	Weight %	2019.12	YTD %	2020.03	QoQ %	Delinquency				
							2019.06	2019.09	2019.12	2020.03	2020.06
<b>Large Corporates Loans<sup>3</sup></b>	<b>15,871</b>	<b>100.0%</b>	<b>14,027</b>	<b>13.1%</b>	<b>16,199</b>	<b>-2.0%</b>	<b>0.30%</b>	<b>0.19%</b>	<b>0.16%</b>	<b>0.14%</b>	<b>0.06%</b>
Manufacturing	7,045	44.4%	5,666	24.3%	6,872	2.5%	0.60%	0.35%	0.39%	0.32%	0.06%
Oil Refinery, Chemical	1,199	7.6%	959	25.0%	1,592	-24.7%	1.65%	2.05%	2.24%	1.35%	0.27%
Metal Production	303	1.9%	214	41.4%	229	32.6%	-	-	-	-	-
Auto	1,411	8.9%	1,161	21.5%	1,208	16.8%	1.75%	-	-	-	-
Financials and Insurance	3,174	20.0%	2,919	8.8%	3,415	-7.0%	-	-	-	-	-
Construction	502	3.2%	659	-23.9%	488	2.8%	1.00%	1.04%	-	-	-
Real Estate & Renting	324	2.0%	353	-8.2%	334	-3.1%	-	-	-	-	-
Wholesalers & Retailers	2,020	12.7%	1,927	4.8%	2,343	-13.8%	0.002%	-	-	-	-
Hotel & Restaurants	428	2.7%	337	26.9%	391	9.4%	-	-	-	-	-

NOTE 3 Large Corporates exclude government agencies and others, and total Large Corporate Loans include unused credit lines and others  
The sum of the sub-sector loans does not equal the Large Corporates Loans as only the major sub-sectors are shown in the table

# Shinhan Bank SME Loans

(KRW bn)	2020.06	Weight %	2019.12	YTD %	2020.03	QoQ %	Delinquency				
							2019.06	2019.09	2019.12	2020.03	2020.06
<b>SME Total</b>	<b>97,758</b>	<b>100.0%</b>	<b>91,185</b>	<b>7.2%</b>	<b>93,280</b>	<b>4.8%</b>	<b>0.38%</b>	<b>0.42%</b>	<b>0.33%</b>	<b>0.41%</b>	<b>0.39%</b>
SOHO	50,429	51.6%	46,785	7.8%	47,907	5.3%	0.23%	0.26%	0.20%	0.22%	0.22%
Audited SME	16,895	17.3%	15,543	8.7%	15,627	8.1%	0.24%	0.32%	0.18%	0.22%	0.37%
Unaudited SME	30,433	31.1%	28,856	5.5%	29,745	2.3%	0.69%	0.74%	0.59%	0.80%	0.66%
<b>By Sectors</b>											
<b>SME Total</b>	<b>97,758</b>	<b>100.0%</b>	<b>91,185</b>	<b>7.2%</b>	<b>93,280</b>	<b>4.8%</b>	<b>0.38%</b>	<b>0.42%</b>	<b>0.33%</b>	<b>0.41%</b>	<b>0.39%</b>
Manufacturing	28,401	29.1%	26,872	5.7%	27,277	4.1%	0.64%	0.79%	0.59%	0.73%	0.61%
Construction	2,206	2.3%	2,025	8.9%	2,099	5.1%	0.26%	0.47%	0.63%	0.76%	0.64%
Real Estate & Renting	26,502	27.1%	25,251	5.0%	25,897	2.3%	0.09%	0.09%	0.08%	0.09%	0.08%
Wholesalers & Retailers	15,895	16.3%	14,550	9.2%	14,937	6.4%	0.46%	0.44%	0.29%	0.41%	0.36%
Accommodations & Restaurants	7,059	7.2%	6,323	11.6%	6,482	8.9%	0.26%	0.32%	0.25%	0.25%	0.67%
Others	17,695	18.1%	16,163	9.5%	16,588	6.7%					
<b>SOHO</b>	<b>50,429</b>	<b>100.0%</b>	<b>46,785</b>	<b>7.8%</b>	<b>47,907</b>	<b>5.3%</b>	<b>0.23%</b>	<b>0.26%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.22%</b>
Manufacturing	6,387	12.7%	6,086	5.0%	6,167	3.6%	0.47%	0.55%	0.42%	0.49%	0.42%
Construction	555	1.1%	473	17.4%	489	13.7%	0.27%	0.40%	0.51%	0.46%	0.43%
Real Estate & Renting	21,390	42.4%	20,527	4.2%	20,978	2.0%	0.08%	0.09%	0.07%	0.09%	0.08%
Wholesalers & Retailers	8,031	15.9%	7,268	10.5%	7,455	7.7%	0.36%	0.38%	0.28%	0.34%	0.36%
Accommodations & Restaurants	5,912	11.7%	5,181	14.1%	5,367	10.1%	0.31%	0.38%	0.29%	0.27%	0.36%
Others	8,154	16.2%	7,251	12.5%	7,453	9.4%					

\*Proportion of Collateralized SME loans as of June 2020: 76% (Real Estate 58%, Guarantee 14%, Deposits and others 4%)

\*Proportion of Collateralized SOHO loans as of June 2020: 85% (Real Estate 69%, Guarantee 12%, Deposits and others 4%)



# Shinhan Card Assets and Funding

(KRW bn)	2020.06	2019.12	YTD %	2020.03	QoQ %	2020.06 Weight %
<b>Earning Assets</b>	<b>29,283.6</b>	<b>30,180.3</b>	<b>-3.0%</b>	<b>29,488.3</b>	<b>-0.7%</b>	<b>100.0%</b>
Credit Purchase	13,835.3	15,184.4	-8.9%	13,847.8	-0.1%	47.2%
Cash Advances	1,620.2	1,864.1	-13.1%	1,771.6	-8.5%	5.5%
Card Loan	6,712.1	6,760.9	-0.7%	7,013.4	-4.3%	22.9%
(Re-aged Loan)	286.4	269.2	6.4%	273.1	4.9%	1.0%
Installment Finance	3,392.7	3,211.8	5.6%	3,243.9	4.6%	11.6%
Lease etc.	3,723.2	3,159.1	17.9%	3,611.6	3.1%	12.7%
<b>Total Funding</b>	<b>22,787.0</b>	<b>21,670.2</b>	<b>5.2%</b>	<b>22,086.8</b>	<b>3.2%</b>	<b>100.0%</b>
Debentures	15,375.0	14,945.0	2.9%	15,145.0	1.5%	67.5%
ABS	3,196.5	3,357.0	-4.8%	3,062.2	4.4%	14.0%
CP	2,735.2	1,850.0	47.8%	2,390.0	14.4%	12.0%
Others	1,480.3	1,518.1	-2.5%	1,489.6	-0.6%	6.5%

(KRW bn)	1H20	1H19	YoY %	2Q20	1Q20	QoQ %	1H20 Weight %
<b>Transaction Volume</b>	<b>91,369.6</b>	<b>90,678.2</b>	<b>0.8%</b>	<b>46,309.5</b>	<b>45,060.1</b>	<b>2.8%</b>	<b>100.0%</b>
Lump-sum	65,964.7	64,062.7	3.0%	33,910.1	32,054.6	5.8%	72.2%
(Debit Card)	15,287.7	14,638.1	4.4%	8,283.2	7,004.5	18.3%	16.7%
Installment Purchase	11,313.2	12,007.7	-5.8%	5,581.9	5,731.3	-2.6%	12.4%
Cash Advance	6,669.1	7,303.5	-8.7%	3,189.4	3,479.6	-8.3%	7.3%
Card Loan	4,949.5	4,912.3	0.8%	2,306.3	2,643.2	-12.7%	5.4%
Others	2,473.3	2,392.0	3.4%	1,321.8	1,151.4	14.8%	2.7%

# Asset Quality

(KRW bn)		Total Loans	Normal	Precautionary	Substandard	Doubtful	Estimated Loss	Substandard & Below	NPL Ratio	Loan Loss Allowance	NPL Coverage Ratio
<b>Group<sup>1</sup></b>	<b>2020.06</b>	<b>329,243</b>	<b>325,420</b>	<b>1,963</b>	<b>709</b>	<b>542</b>	<b>609</b>	<b>1,860</b>	<b>0.56%</b>	<b>2,761</b>	<b>148%</b>
	2019.12	312,243	308,565	2,040	621	404	613	1,638	0.52%	2,488	152%
	YTD %	5.4%	5.5%	-3.8%	14.1%	34.2%	-0.7%	13.5%	0.04%p	10.9%	-4%p
	2020.03	321,808	318,057	2,001	672	434	645	1,751	0.54%	2,572	147%
	QoQ %	2.3%	2.3%	-1.9%	5.5%	24.9%	-5.5%	6.2%	0.02%p	7.3%	1%p
<b>Bank</b>	<b>2020.06</b>	<b>268,231</b>	<b>266,099</b>	<b>966</b>	<b>580</b>	<b>269</b>	<b>318</b>	<b>1,167</b>	<b>0.43%</b>	<b>1,474</b>	<b>126%</b>
	2019.12	254,065	251,969	960	566	217	353	1,136	0.45%	1,317	116%
	YTD %	5.6%	5.6%	0.6%	2.5%	23.6%	-9.8%	2.7%	-0.01%p	11.9%	10%p
	<b>2020.03</b>	<b>262,543</b>	<b>260,409</b>	<b>915</b>	<b>617</b>	<b>254</b>	<b>347</b>	<b>1,219</b>	<b>0.46%</b>	<b>1,346</b>	<b>110%</b>
	QoQ %	2.2%	2.2%	5.6%	-6.1%	5.7%	-8.4%	-4.3%	-0.03%p	9.5%	16%p
<b>Card</b>	<b>2020.06</b>	<b>31,454</b>	<b>30,316</b>	<b>748</b>	<b>-</b>	<b>159</b>	<b>232</b>	<b>391</b>	<b>1.24%</b>	<b>988</b>	<b>253%</b>
	2019.12	30,597	29,414	838	-	146	199	345	1.13%	961	278%
	YTD %	2.8%	3.1%	-10.7%	n.a.	8.9%	16.5%	13.3%	0.11%p	2.8%	-26%p
	<b>2020.03</b>	<b>30,321</b>	<b>29,415</b>	<b>815</b>	<b>-</b>	<b>136</b>	<b>225</b>	<b>361</b>	<b>1.19%</b>	<b>995</b>	<b>275%</b>
	QoQ %	3.7%	4.0%	-8.2%	n.a.	16.4%	3.1%	8.1%	0.05%p	-0.8%	-23%p

NOTE 1 Group Total Loans are sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp. Shinhan Life Insurance, Orange Life, Shinhan Capital, Shinhan Savings Bank and Asia Trust.

# Provisioning and Write-Offs

## Provision for Credit Losses and Credit Cost Ratio

(KRW bn)	1H20	1Q20	2Q20	FY19	1Q19	2Q19	3Q19	4Q19
<b>Shinhan Bank<sup>1</sup></b>	<b>336.2</b>	<b>96.8</b>	<b>239.3</b>	<b>284.3</b>	<b>75.9</b>	<b>135.0</b>	<b>64.4</b>	<b>9.0</b>
Retail	96.6	47.6	49.0	217.2	52.8	57.9	53.3	53.3
Corporate	239.5	49.2	190.3	67.0	23.1	77.1	11.2	-44.3
<b>Shinhan Card</b>	<b>265.5</b>	<b>161.8</b>	<b>103.7</b>	<b>562.2</b>	<b>157.4</b>	<b>129.0</b>	<b>141.1</b>	<b>134.6</b>
<b>Provision for Credit Loss Total</b>	<b>601.6</b>	<b>258.6</b>	<b>343.0</b>	<b>846.4</b>	<b>233.3</b>	<b>263.9</b>	<b>205.6</b>	<b>143.6</b>
<b>Credit Cost Ratio<sup>2</sup></b>								
Group	0.50%	0.35%	0.50%	0.30%	0.34%	0.35%	0.33%	0.30%
Bank	0.29%	0.16%	0.29%	0.14%	0.15%	0.19%	0.16%	0.14%
Card	1.70%	2.15%	1.70%	1.84%	2.28%	1.99%	1.91%	1.84%

NOTE 1 Shinhan Bank figures are separate basis, NOTE 2 Credit Cost Ratio based YTD basis

## Write-Offs and NPL Sales

(KRW bn)	1H20	1Q20	2Q20	FY19	1Q19	2Q19	3Q19	4Q19
<b>Shinhan Bank</b>	<b>320.7</b>	<b>134.6</b>	<b>186.1</b>	<b>860.6</b>	<b>197.9</b>	<b>197.7</b>	<b>151.7</b>	<b>313.2</b>
Write-Off	163.2	88.8	74.4	448.6	82.7	107.7	80.3	177.8
Retail	61.0	37.5	23.5	223.4	47.8	59.3	29.5	86.8
Corporate	102.2	51.4	50.9	225.2	34.9	48.4	50.8	91.0
Sale	157.5	45.8	111.8	411.9	115.2	89.9	71.4	135.4
Retail	35.8	19.1	16.7	92.4	21.9	19.8	20.5	30.2
Corporate	121.7	26.7	95.1	319.5	93.2	70.1	51.0	105.2
<b>Shinhan Card</b>	<b>310.7</b>	<b>147.6</b>	<b>163.1</b>	<b>636.4</b>	<b>157.2</b>	<b>124.4</b>	<b>155.7</b>	<b>199.1</b>
<b>Total</b>	<b>631.4</b>	<b>282.2</b>	<b>349.3</b>	<b>1,496.9</b>	<b>355.1</b>	<b>322.1</b>	<b>307.5</b>	<b>512.3</b>

NOTE Write-Offs and NPL Sales data for Shinhan Bank on a separate basis, Card on a consolidated basis