

Business Results

1Q 2019

Spring

2020 SMART PROJECT

One Shinhan



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 the year beginning on 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 Orange Life Insurance, Ltd. ("Orange Life") we acquired has been included in our consolidated net profit (loss) for the three months ended March 31, 2019. As we are currently assessing the fair value of its insurance liabilities, the acquisition accounting of Orange Life as of January 1, 2019 (the deemed acquisition date) was based on the book value of Orange Life prior to the acquisition.
- 5) 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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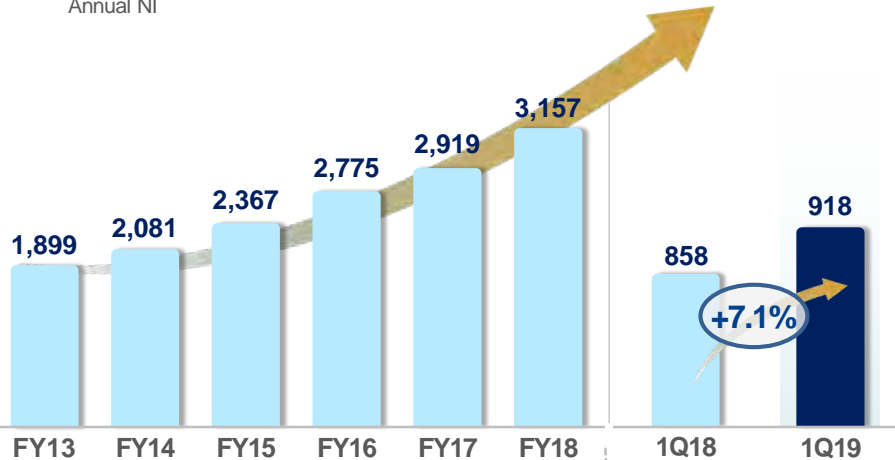


2019 1Q Business Result Highlights ①

Group Net Income

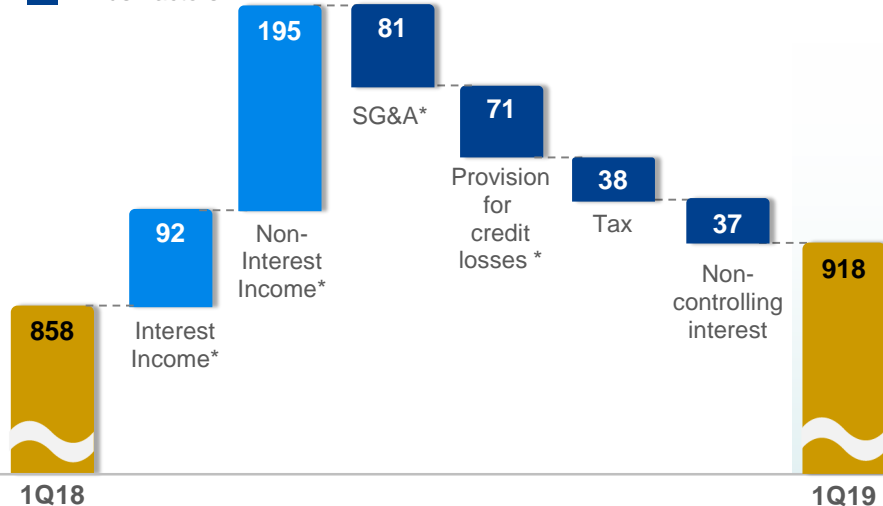
(KRW bil.)

Annual NI



Plus Factors

Minus Factors



* Earnings before income tax

1

Positive Net Profit Momentum:

Well-balanced earnings growth
based on diversified business portfolio

918 bil.

(2019 1Q Net Income)

2

Strategic Loan Growth :

Active loan growth along with
stable margin management

+2.6%

1.61%

(2019 1Q SHB Loan Growth and Quarterly NIM)

3

Robust Non-Interest Income:

Strengthened non-interest income
buttressed by inorganic growth

+31%

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

4

Disciplined Cost Control:

Sustainable management
with operational efficiency

42.8%

(2019 1Q Cost-to-Income Ratio)

5

Sound Risk Management:

Solid asset quality and
high level of coverage

0.54%

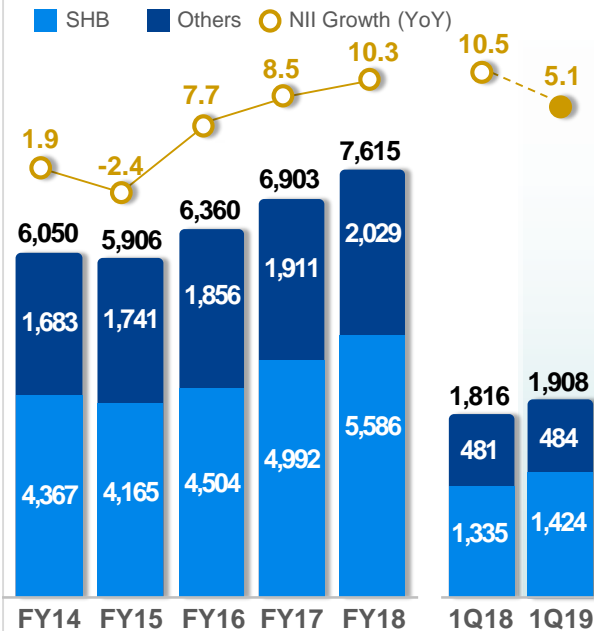
164%

(2019 1Q Group NPL Ratio and NPL Coverage Ratio)

2019 1Q Business Result Highlights ②

Interest Income

(%, KRW bil.)

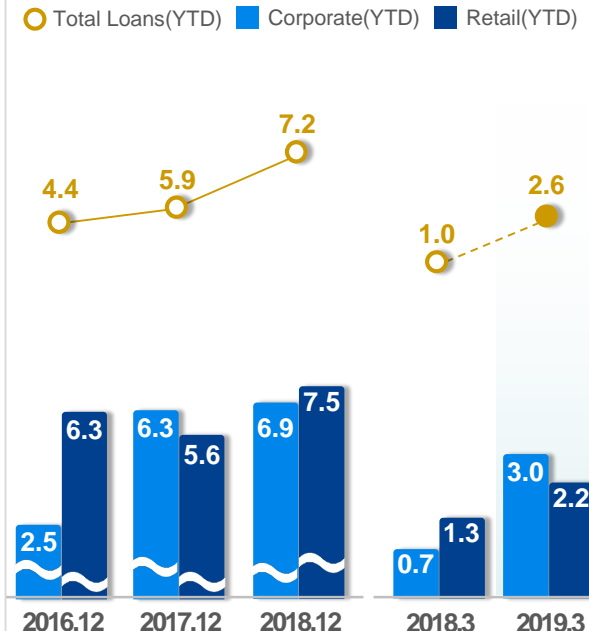


NII Riding Upward Trajectory

- SFG's interest income increased by 5.1% YoY attributed to active loan growth coupled with stable margin control
- Interest income from global hiked by 27.0% YoY improving its contribution to the Group NII from 8.1% in 1Q18 to 9.8% in 1Q19
- Steady NII improvement resulting from constant drive to focus on quality growth

SHB Loan Growth

(%)

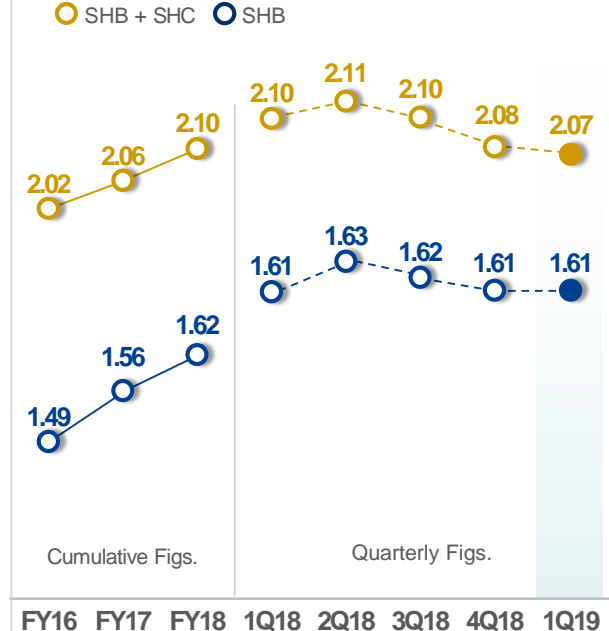


Balanced Loan Growth

- Through robust and balanced loan growth, SHB's KRW loan assets as end of 1Q19 marked 215 tril. up by 2.6% YTD
- Corporate loans up 3.0% YTD with more focus on profitable non-registered SME loans and retail loans up 2.2% YTD driven by strong mortgage and Jeonse loan demand
- SHB's KRW deposit up 4.0% YTD reaching to 215 tril.

NIM

(%)

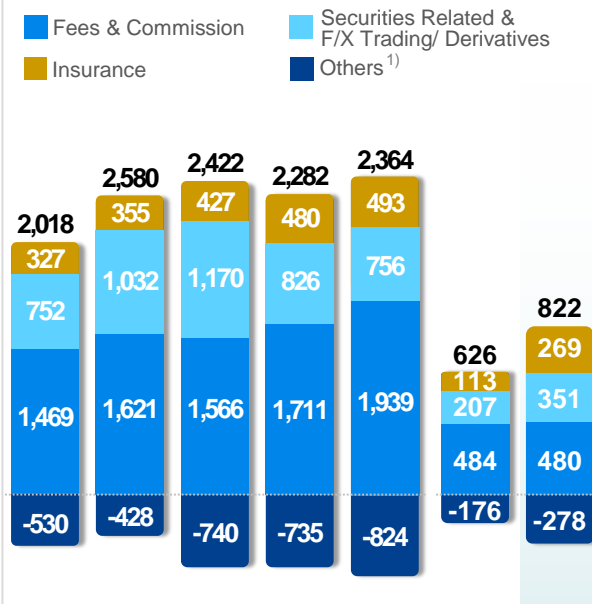


Margin Stabilization

- Despite strong loan growth, SHB well-protected NIM at 1.61%, maintaining the previous quarter level, attributed to its 1) defensive pricing scheme, 2) effective ALM based on stable funding structure
- SHB's NIM incl. Global recorded 1.64%, evidencing its higher profitability in Overseas.
- Group NIM marked 2.07%, down 1bp QoQ, due to high asset growth

2019 1Q Business Result Highlights ③

Non-Interest Income (KRW bil.)

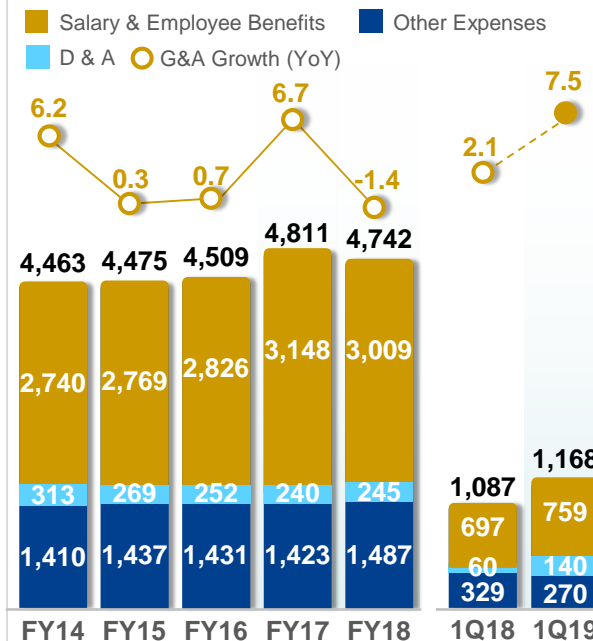


Note 1) Insurance fees on deposits, contribution expenses etc

Diversified Non-interest Income Portfolio

- Non-interest income grew by 31.2% YoY, attributed to hike in insurance profits coming from the inclusion of Orange Life along with securities related gains
- Despite robust fee growth in IB business, leases and sales of trust products, fee income fell slight by 0.8% YoY, mainly due to a decline in brokerage fees amid sluggish capital market

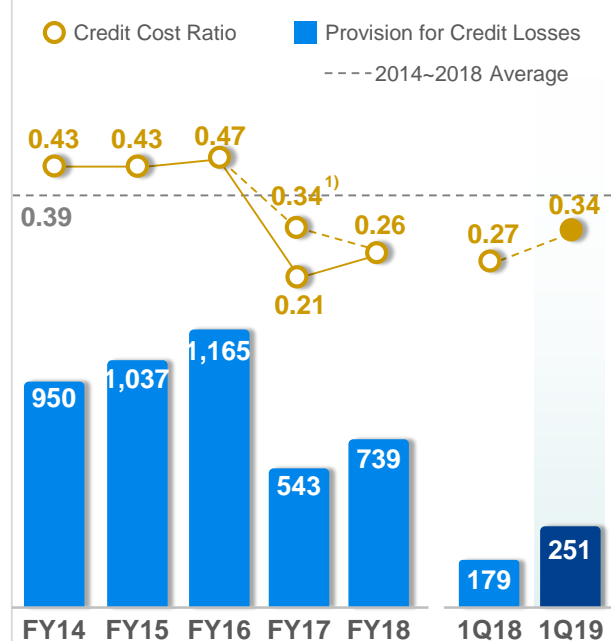
G&A Expenses (% , KRW bil.)



Disciplined Cost Management

- Cost-to-Income ratio improved to 42.8%, running at a historically low level, through cost control efforts and strong earning stream despite SG&A rise due to the newly added Orange Life
- SG&A, excluding expenses from Orange Life, went up by 2.8% YoY
- SG&A declined by 18.8% QoQ due to one-off ERP expenses recognized last quarter

Credit Cost (% , KRW bil.)



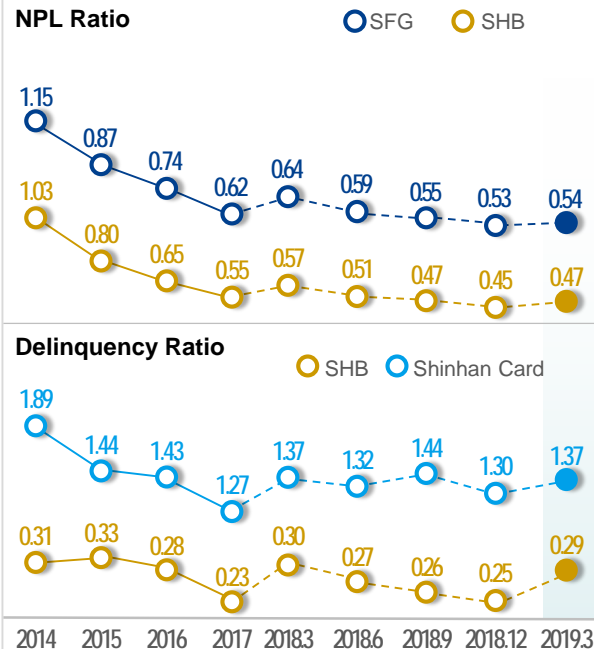
Note 1) Excluding write-backs from Shinhan Card

Prudent Risk Management

- Group credit cost ratio marked 34bp in 1Q19, 5bp lower than the 5-year recurring average
- SHB's credit cost ratio declined to 15bp, down by 1bp YoY, attributed to preemptive quality asset growth strategy
- SHC's credit cost ratio increased by 84bp mainly due to strong asset growth, which increased by 11% YoY, in card loans, lease and installment finance

2019 1Q Business Result Highlights 4

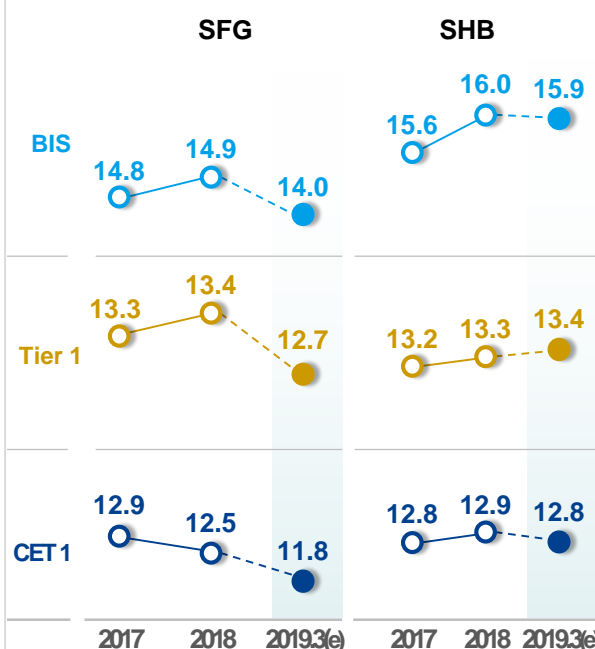
Asset Quality (%)



Benign Asset Quality Concern

- Both Group and SHB NPL ratios improved by 10bp YoY, marking 0.54% and 0.47% respectively for 1Q19
- SHB's delinquency ratio improved by 1bp while SHC maintained its level from 1Q18, through stable asset quality amid concerns over sluggish economy
- Group and SHB NPL coverage ratio marked 164% and 132% respectively, maintaining sufficient provision buffer

Capital Adequacy (%)

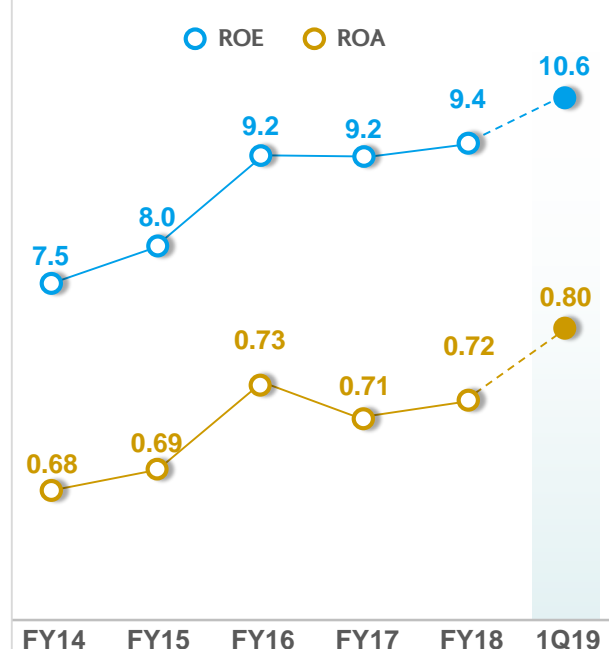


Note) Based on Basel 3

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 changes in accounting standards
- Based on BASEL 3, SHB's Common Equity Tier1 and BIS ratio are estimated at 12.8% and 15.9% respectively

ROE & ROA (%)



Sustainable ROA & ROE Improvement

- Group ROE recorded 10.6%, up 1.2%p, driven by successful business portfolio diversification and strong earning growth
- Group ROA improved by 0.08%p YTD, marking 0.80%, attributed to sturdy operating performances from both banking and non-banking 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%	+7%	+7%	42.8%			

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) 2019 1Q 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”
+16%	+31%	+4%		276.4 bil.	40.0%		
Non Banks NI Contribution 36%	Non-Interest Income Proportion 30%	Global NI Contribution 9%	Net Income 51.3 bil.				

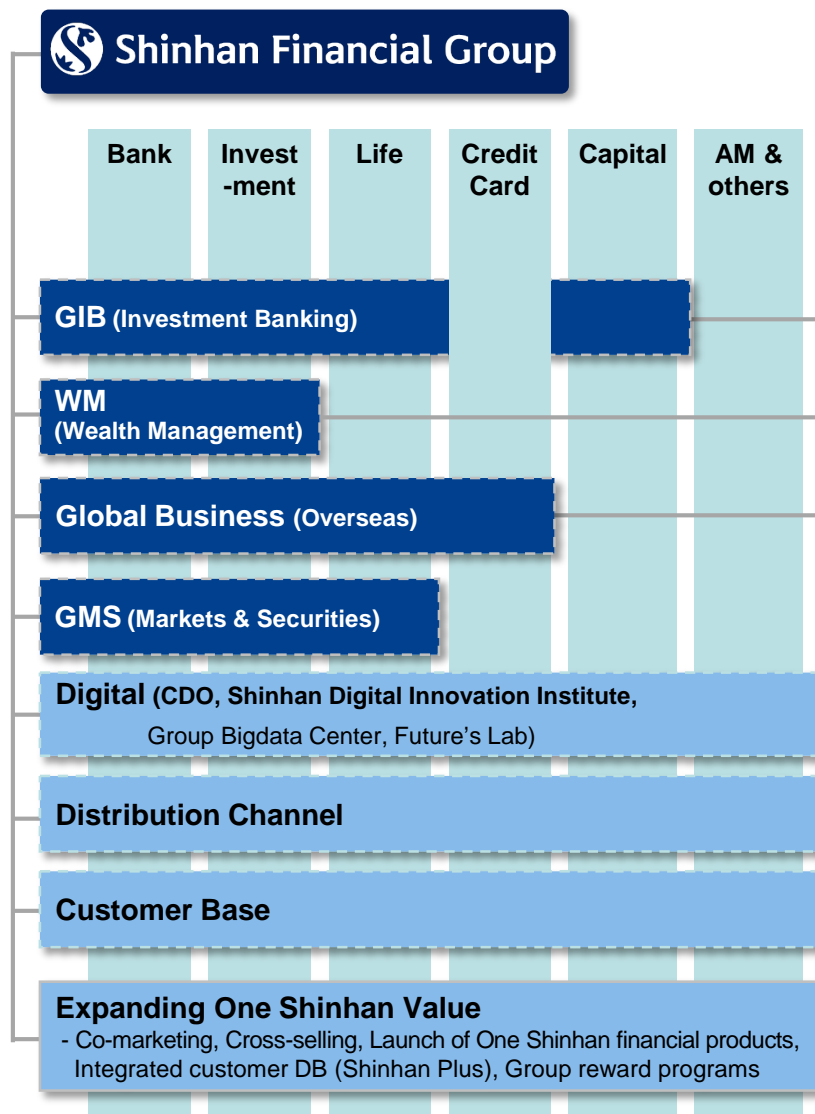
2 Global Expansion

3 Digital Transformation

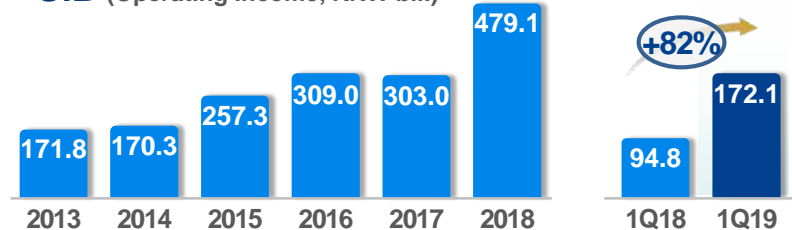
4 Uphold Corp. Culture

One Shinhan : Synergy Creation

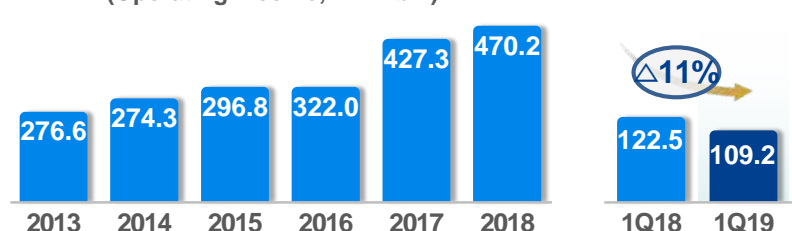
Matrix Structure



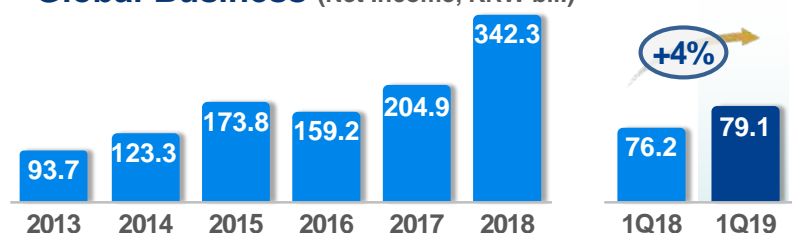
• GIB (Operating Income, KRW bil.)



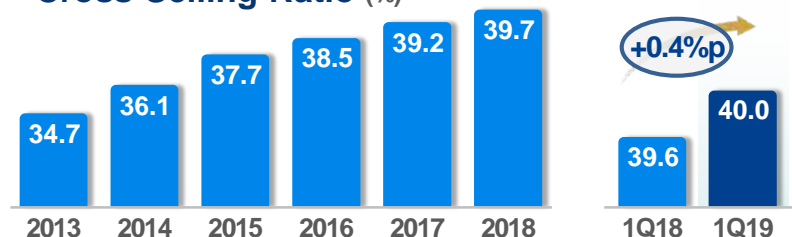
• WM (Operating Income, KRW bil.)



• Global Business (Net Income, KRW bil.)



• Cross-Selling Ratio (%)



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

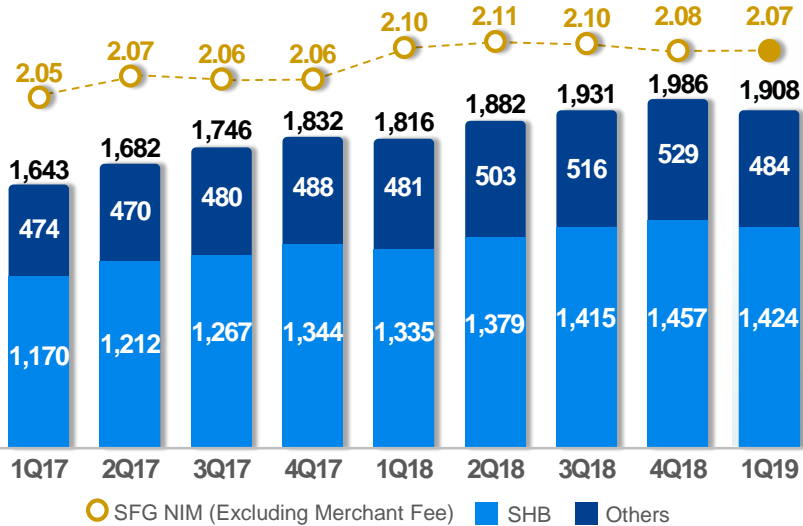
Note 2) Financial figures of GIB from 2013 to 2016 are based on CIB's IB division

II. Income

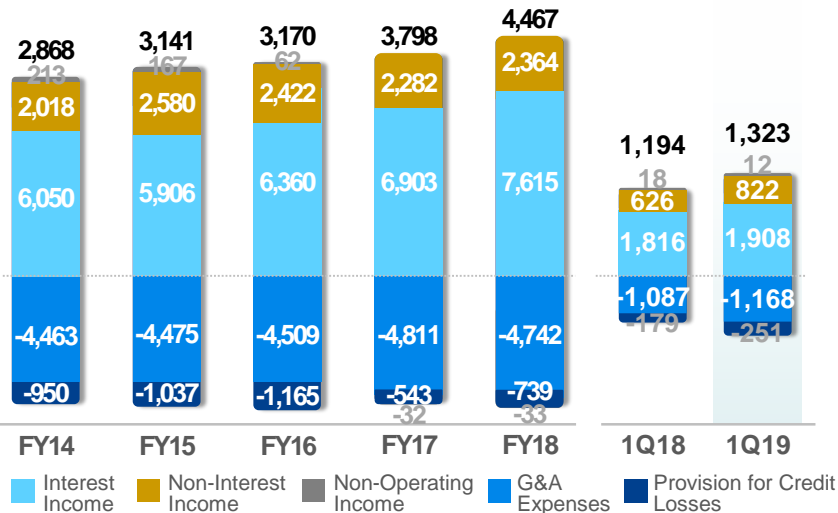
- 1. SFG Income**
- 2. SFG Non-Interest Income**
- 3. SFG G&A Expenses**
- 4. SFG Income by Subsidiaries**
- 5. Major Subsidiaries Income**



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



SFG Earnings before Income Tax (KRW bil.)



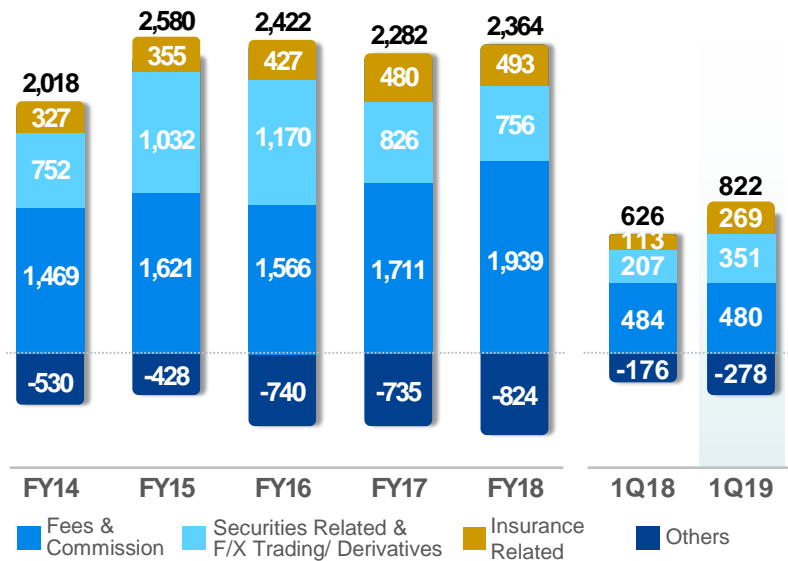
(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Operating Income (a=b+c)	2,729.5	2,442.2	11.8	2,466.6	10.7
Interest Income (b)	1,907.9	1,816.0	5.1	1,986.4	-4.0
Non-Interest Income (c)	821.7	626.3	31.2	480.2	71.1
G&A Expenses (d)	1,168.4	1,087.0	7.5	1,439.0	-18.8
Pre-Provision Oper. Income (e=a-d)	1,561.2	1,355.2	15.2	1,027.6	51.9
Non-Operating Income (f)	12.2	18.2	-32.9	-59.4	n.a.
Pre-Provision Income (g=e+f)	1,573.4	1,373.4	14.6	968.2	62.5
Provision for Credit Losses (h)	250.8	179.4	39.8	170.6	47.0
Earnings before Income Tax (i=g-h)	1,322.5	1,194.0	10.8	797.6	65.8
Income Tax	356.7	325.0	9.8	273.9	30.3
Consolidated Net Income ¹⁾	918.4	857.5	7.1	513.3	78.9

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

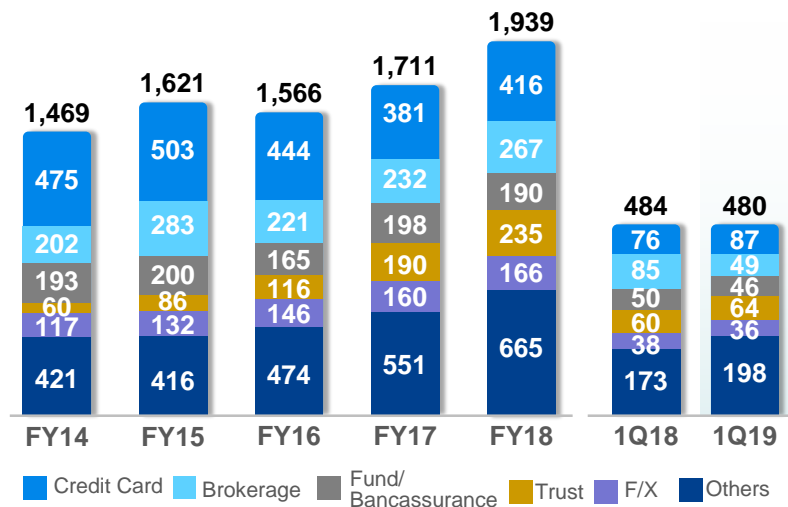
(KRW bil.)



(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Non-Interest Income	821.7	626.3	31.2	480.2	71.1
Fees & Commission	479.9	483.6	-0.8	463.7	3.5
Securities Related & FX Trading/Derivatives	350.9	206.5	69.9	110.7	216.9
(Gains on FVPL Financial Instruments)	-248.3	121.4	n.a.	313.3	n.a.
(Gains on Derivatives & FX)	517.9	33.3	1,453.6	-200.5	n.a.
Insurance Related	268.7	112.6	138.6	118.1	127.5
Others	-277.8	-176.5	n.a.	-212.4	n.a.
(Contribution Expenses)	-78.2	-66.8	n.a.	-75.0	n.a.
(Insurance Fees on Deposits)	-95.1	-87.4	n.a.	-89.4	n.a.

SFG Fees & Commission

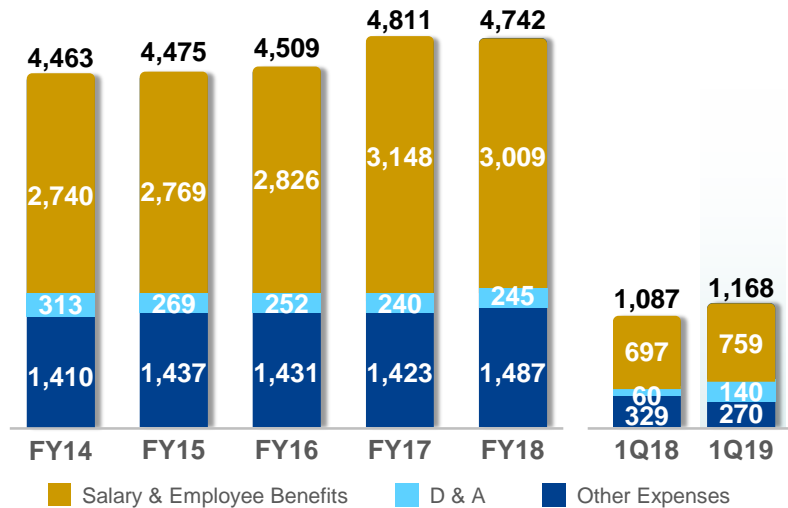
(KRW bil.)



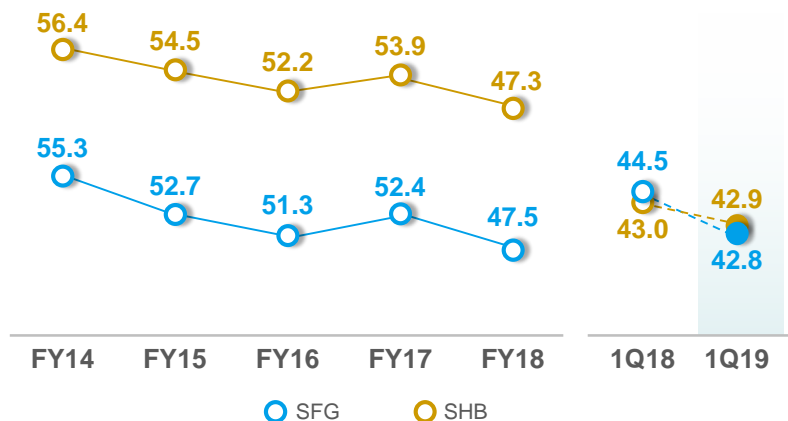
(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Fees & Commission	479.9	483.6	-0.8	463.7	3.5
Credit Card Fee Income	86.7	76.5	13.3	130.8	-33.8
Brokerage Commissions	49.5	85.3	-42.0	50.4	-1.8
Fund/Bancassurance Fees	45.9	50.3	-8.7	44.5	3.2
Trust Fee Income	63.8	60.2	5.9	54.1	17.9
FX Fee Income	35.8	38.0	-5.9	42.0	-14.8
Electronic Transaction Fees	36.5	36.1	1.1	37.3	-2.0
IB Related Fees	22.8	14.9	53.3	30.9	-26.2
Lease Financing Fees	30.3	13.7	121.6	26.5	14.2
Others	108.6	108.6	0.0	47.2	130.0

SFG G&A Expenses

SFG G&A Expenses (KRW bil.)



Cost-Income Ratio¹⁾ (%)



Note 1) Cumulative Basis

SFG G&A Expenses

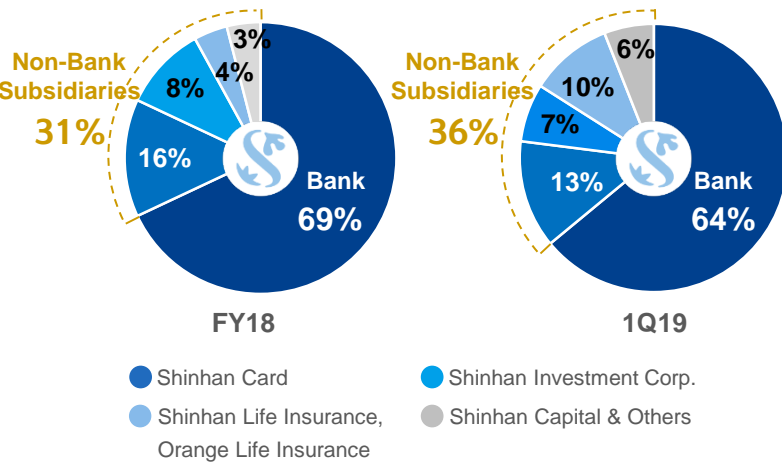
(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
G&A Expenses	1,168.4	1,087.0	7.5	1,439.0	-18.8
Salary & Employee Benefits (Early Retirement Program Expenses)	758.6	697.3	8.8	938.9	-19.2
D & A	139.6	60.4	131.2	61.5	127.1
Other Expenses (Advertising Expenses)	270.2	329.3	-18.0	438.7	-38.4
(Taxes and Dues)	42.7	41.2	3.8	42.3	1.0

SHB G&A Expenses

(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
G&A Expenses	704.9	675.8	4.3	969.6	-27.3
Salary & Employee Benefits (Early Retirement Program Expenses)	439.1	422.9	3.8	607.8	-27.7
D & A	98.5	39.9	146.8	40.1	145.6
Other Expenses (Advertising Expenses)	167.3	213.0	-21.5	321.7	-48.0
(Taxes and Dues)	19.4	15.8	22.4	19.9	-2.6

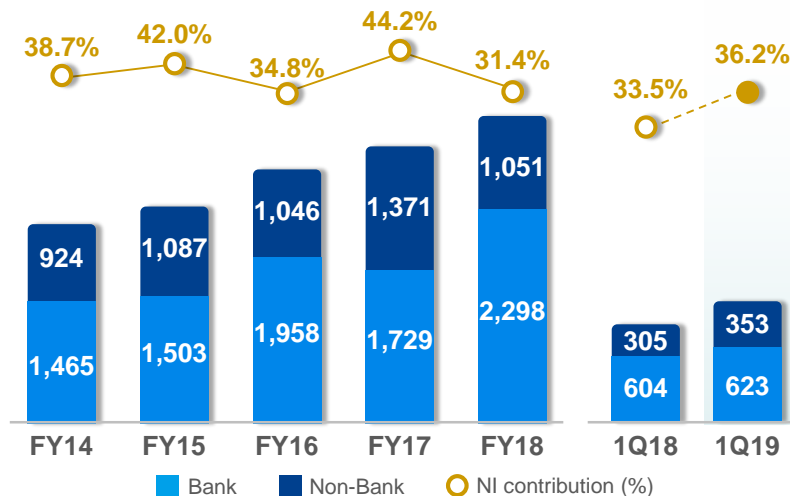
SFG Income by Subsidiaries ①

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)	625.1		623.1	-20.3	602.8
Shinhan Bank	618.1	100.0%	618.1	-19.5	598.6
Jeju Bank	7.0	75.3%	5.0	-0.8	4.2
Non-Bank (b)	387.9		353.1	20.0	373.1
Shinhan Card	122.2	100.0%	122.2	0.4	122.5
Shinhan Investment Corp.	70.8	100.0%	70.8	0.7	71.5
Shinhan Life Insurance	53.9	100.0%	53.9	15.8	69.7
Orange Life Insurance	80.4	59.2%	47.6	4.5	52.0
Shinhan BNPP AM	5.4	65.0%	3.5	-0.1	3.4
Shinhan Capital	45.6	100.0%	45.6	2.2	47.8
Shinhan Savings Bank	5.5	100.0%	5.5	0.6	6.0
Shinhan DS	0.7	100.0%	0.7	-4.2	-3.5
Shinhan AITAS	2.6	99.8%	2.6	0.2	2.7
Shinhan Credit Information	0.1	100.0%	0.1	-0.0	0.1
Shinhan Alternative Investment	-0.6	100.0%	-0.6	0.1	-0.5
Shinhan REITs Management	1.3	100.0%	1.3	0.0	1.3
SFG (c)				-57.6²⁾	-57.6
Total (d=a+b+c)¹⁾	1,012.9		976.2	-57.9	918.4

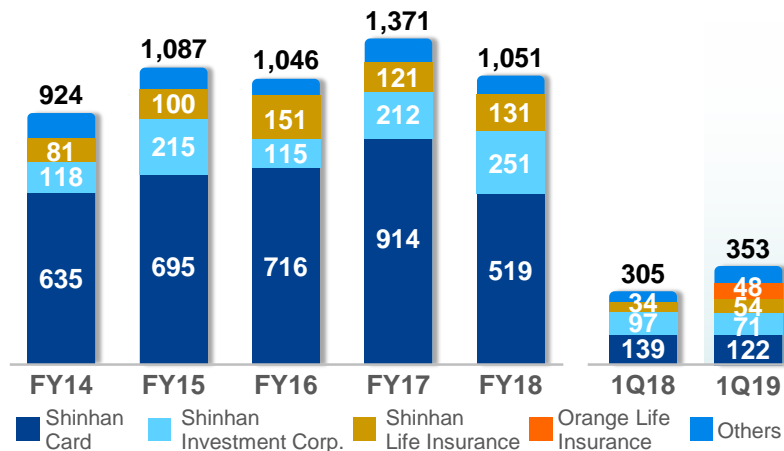
Note 1) Net Income in Controlling Interest

2) SFG (Separate): Interest Expense KRW -36.4bil., G&A etc. KRW -23.3bil.

SFG Income by Subsidiaries ②

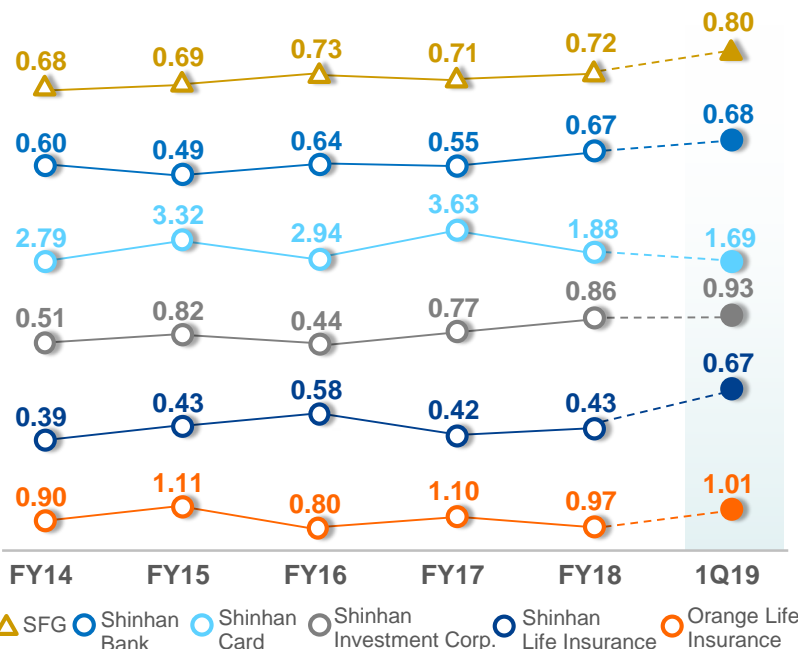
Non-Bank Net Income

(KRW bil.)



ROA

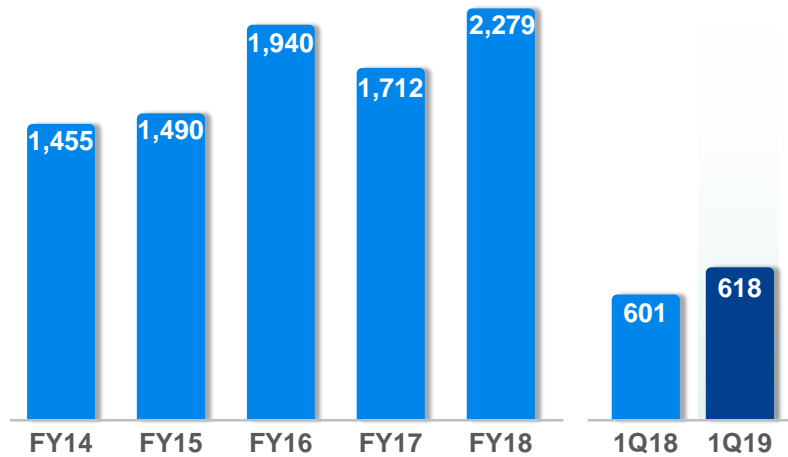
(%)



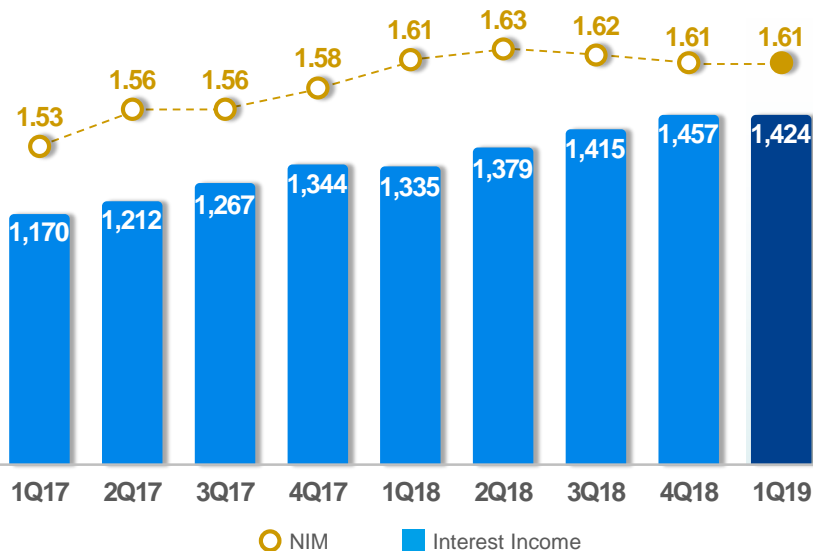
(Reflecting SFG Ownership, KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Bank (a)	623.1	604.3	3.1	365.7	70.4
Shinhan Bank	618.1	600.5	2.9	362.6	70.5
Jeju Bank	5.0	3.8	33.2	3.1	61.6
Non-Bank (b)	353.1	304.6	15.9	170.1	107.6
Shinhan Card	122.2	139.1	-12.2	123.9	-1.4
Shinhan Investment Corp.	70.8	97.0	-27.0	21.2	233.8
Shinhan Life Insurance	53.9	33.8	59.2	1.8	2,820.6
Orange Life Insurance	47.6	-	n.a.	-	n.a.
Shinhan BNPP AM	3.5	3.7	-4.1	2.5	38.7
Shinhan Capital	45.6	25.8	76.8	15.8	188.4
Shinhan Savings Bank	5.5	4.1	35.3	5.9	-7.5
Shinhan DS	0.7	-0.5	n.a.	0.1	462.0
Shinhan AITAS	2.6	1.4	83.3	2.2	18.3
Shinhan Credit Information	0.1	0.7	-84.1	-0.6	n.a.
Shinhan Alternative Investment	-0.6	0.1	n.a.	-3.6	n.a.
Shinhan REITs Management	1.3	-0.5	n.a.	0.8	64.3
Total (a+b)	976.2	908.9	7.4	535.8	82.2
Consolidate Net Income¹⁾	918.4	857.5	7.1	513.3	78.9

Note 1) Net Income in Controlling Interest

Net Income (KRW bil.)



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



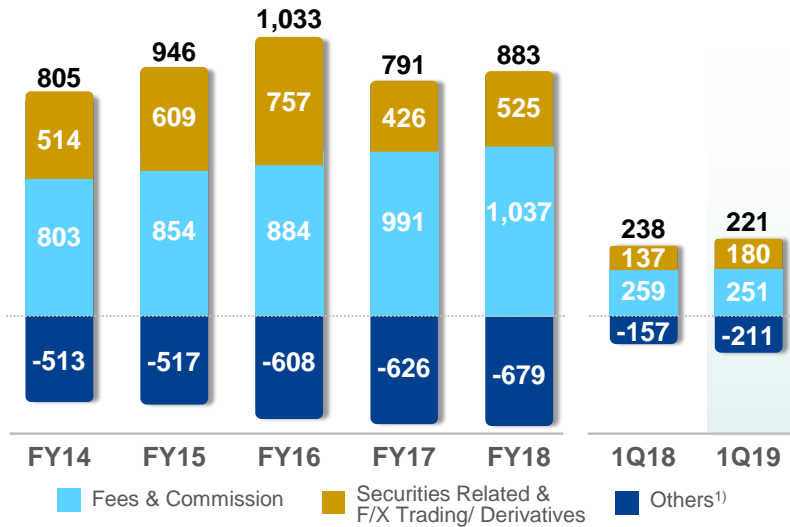
(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Operating Income (a=b+c)	1,644.3	1,573.5	4.5	1,625.8	1.1
Interest Income (b)	1,423.7	1,335.0	6.6	1,457.2	-2.3
Non-Interest Income (c)	220.7	238.5	-7.5	168.6	30.9
G&A Expenses (d)	704.9	675.8	4.3	969.6	-27.3
Pre-Provision Oper.Income (e=a-d)	939.4	897.6	4.7	656.2	43.2
Non-Operating Income (f)	-4.7	2.0	n.a.	-25.9	n.a.
Pre-Provision Income (g=e+f)	934.7	899.6	3.9	630.2	48.3
Provision for Credit Losses (h)	86.9	86.7	0.2	65.8	32.1
Earnings before Income Tax (i=g-h)	847.8	812.9	4.3	564.4	50.2
Income Tax	229.6	212.3	8.2	201.8	13.8
Net Income ¹⁾	618.1	600.5	2.9	362.6	70.5

Note 1) Net Income in Controlling Interest

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

Non-Interest Income

(KRW bil.)

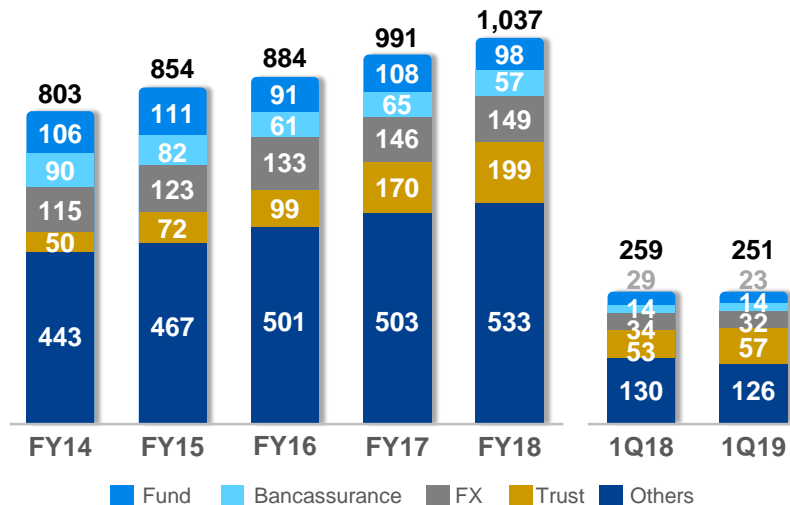


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Non-Interest Income	220.7	238.5	-7.5	168.6	30.9
Fees & Commission	251.4	259.0	-2.9	257.8	-2.5
Securities Related & FX Trading/Derivatives	180.4	137.0	31.6	90.7	98.8
(Gains on FVPL Financial Instruments)	81.2	33.6	141.8	-6.8	n.a.
(Gains on Derivatives & FX)	82.3	84.4	-2.4	104.5	-21.2
Others	-211.1	-157.5	n.a.	-179.9	n.a.
(Contribution Expenses)	-76.2	-64.9	n.a.	-72.9	n.a.
(Insurance Fees on Deposits)	-77.2	-75.5	n.a.	-77.4	n.a.

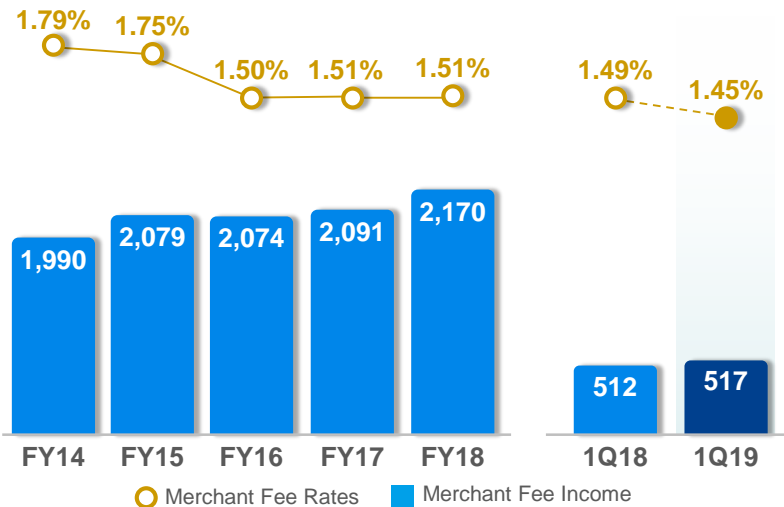
Fees & Commission

(KRW bil.)

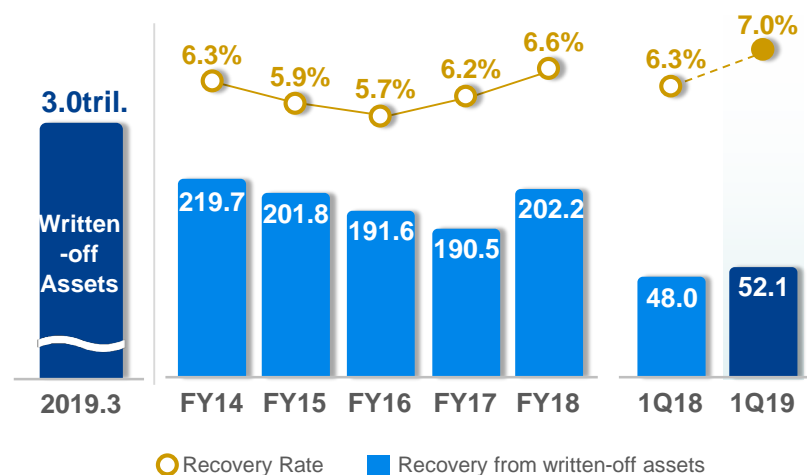


(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Fees & Commission	251.4	259.0	-2.9	257.8	-2.5
Fund Fee Income	22.8	29.1	-21.5	20.5	11.1
Bancassurance Fee Income	13.5	13.6	-0.9	14.7	-8.2
FX Fee Income	31.8	33.5	-5.4	37.6	-15.7
Trust Fee Income	57.1	53.0	7.7	45.9	24.3
Electronic Transaction Fees	36.4	36.0	1.2	37.7	-3.4
IB Related Fees	16.4	12.5	30.9	22.3	-26.3
Others	73.4	81.1	-9.6	79.0	-7.1

Merchant Fee Income and Rates (KRW bil.)



Recovery from Written-off Assets (KRW bil.)

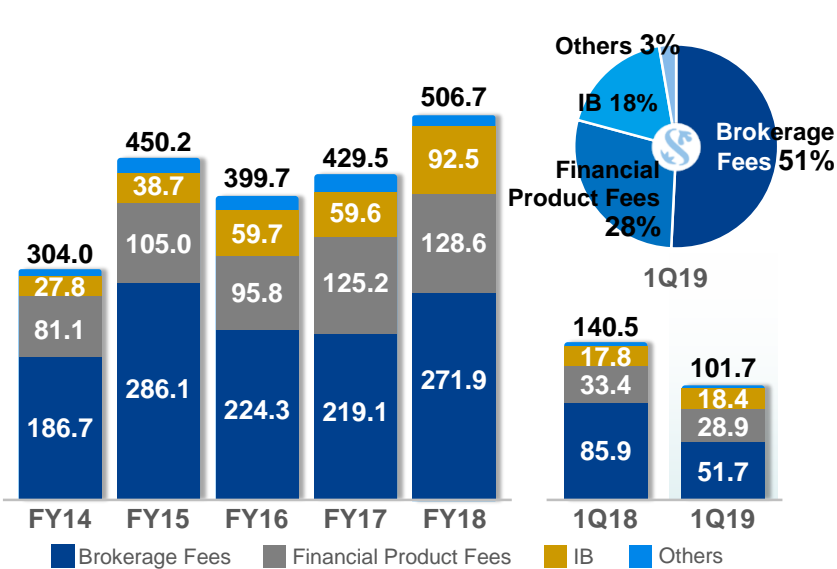


(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Operating Revenue (a)	962.7	893.4	7.8	940.8	2.3
Card Business	722.1	709.4	1.8	757.6	-4.7
Installment Finance	30.4	25.6	18.9	28.9	5.0
Lease	42.3	24.7	71.1	38.7	9.3
Others	167.9	133.8	25.5	115.6	45.3
(Derivatives & FX)	56.1	11.1	404.6	28.4	97.2
Interest Expense (b)	121.7	97.2	25.2	116.6	4.3
G&A Expenses (c)	156.8	168.5	-7.0	201.9	-22.4
Commissions & Other Expenses (d)	363.6	345.5	5.2	359.9	1.0
(Derivatives & FX)	49.5	2.1	2,206.6	19.2	158.4
Pre-Provision Income (e=a-b-c-d)	320.7	282.2	13.7	262.4	22.2
Provision for Credit Losses (f)	157.4	90.8	73.3	98.2	60.4
Earnings before Income Tax (g=e-f)	163.3	191.3	-14.6	164.2	-0.6
Income Tax	41.8	53.1	-21.2	40.4	3.5
Net Income ¹⁾	122.2	139.1	-12.2	123.9	-1.4

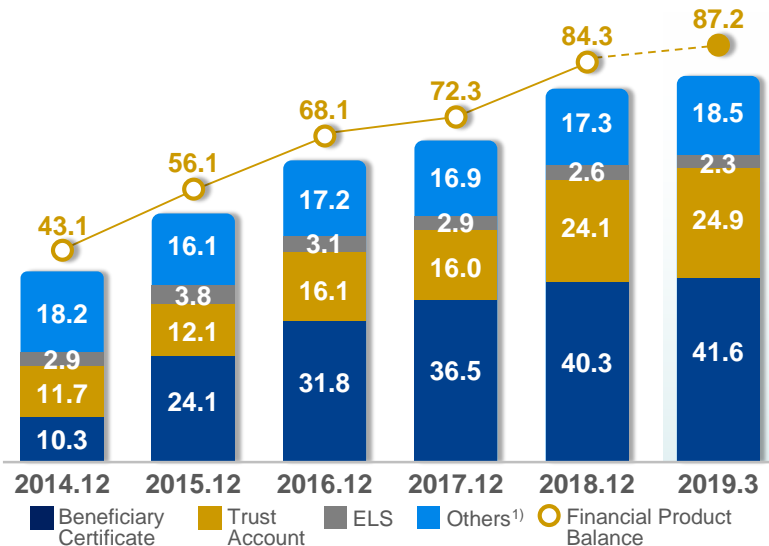
Note 1) Net Income in Controlling Interest

Shinhan Investment Corp. Income

Fees & Commission (KRW bil.)



Financial Products (KRW tril.)



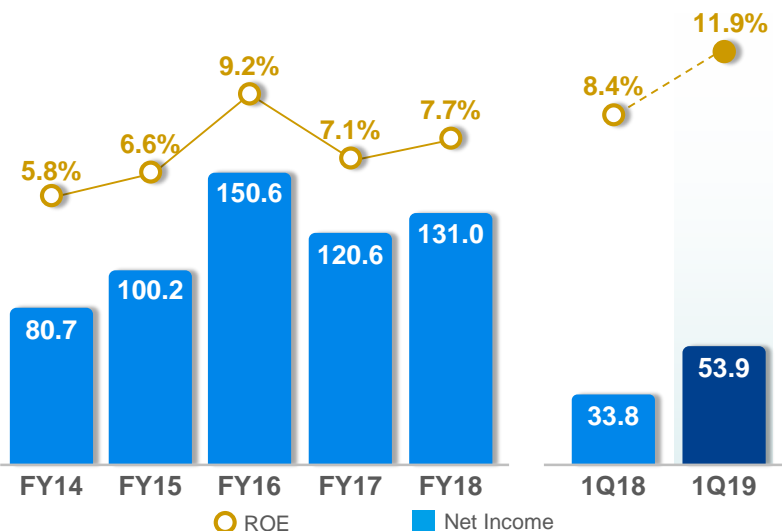
Condensed I/S & Key Financial Indices

(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Operating Revenue	224.6	267.9	-16.2	208.2	7.9
Fees & Commission	101.7	140.5	-27.6	114.8	-11.4
Proprietary Trading	87.7	94.9	-7.5	60.3	45.4
Others	35.1	32.6	7.8	33.0	6.6
Operating Expense	153.9	153.9	-0.0	172.8	-11.0
G&A Expenses	125.5	127.3	-1.4	129.3	-2.9
Commission Expense	27.0	26.0	3.6	33.7	-19.9
Provision for Credit Losses	1.4	0.6	126.2	9.9	-85.5
Operating Income	70.7	114.0	-38.0	35.3	100.2
Net Income	70.8	97.0	-27.0	21.2	233.8
Net Capital Ratio(%)	862%	475%	387%p	797%	65%p
ROE	8.3%	12.0%	-3.7%p	7.6%	0.7%p
ROA	0.9%	1.4%	-0.5%p	0.9%	0.0%p

Note) ROE, ROA are calculated on a cumulative basis

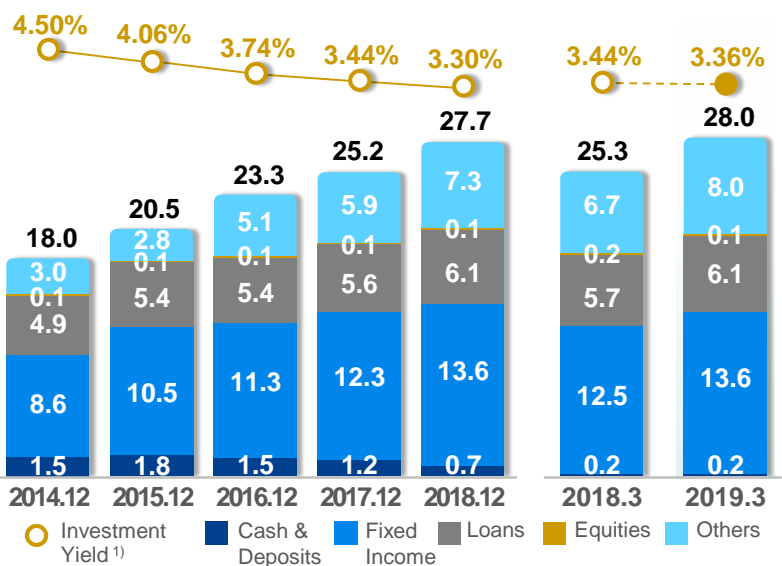
Key Financial Indices

(KRW bil.)



Operating Assets

(KRW tril.)



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

Key Financial Indices

(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Prem. Received	1,104.0	1,184.0	-6.8	1,122.6	-1.7
Annual Prem. Equivalent (APE)	92.3	125.8	-26.6	94.9	-2.8
Protection APE	87.9	114.3	-23.1	90.0	-2.3
Net Income	53.9	33.8	59.2	1.8	n.m.
ROE	11.9%	8.4%	3.5%p	7.7%	4.2%p
ROA	0.7%	0.5%	0.2%p	0.4%	0.3%p
RBC	243.6%	174.3%	69.3%p	238.7%	4.9%p

Note1) Excluding Retirement Pension

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

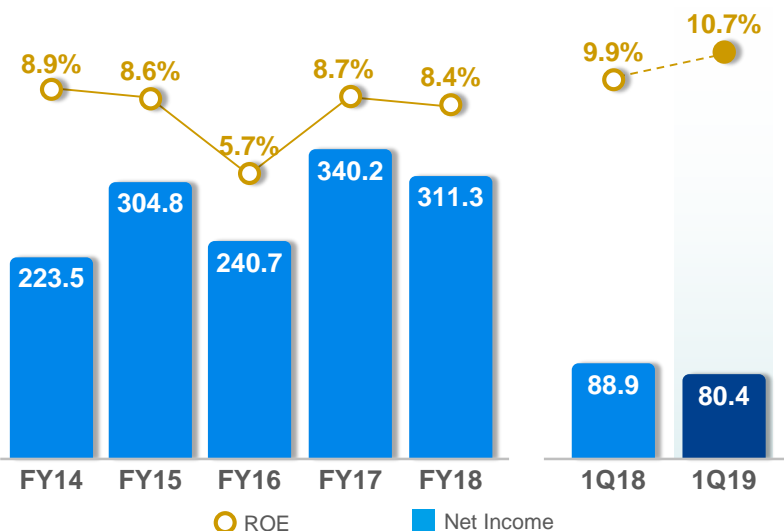
Operating Assets

(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Operating Assets	28,023.1	27,705.7	1.1	25,251.6	11.0
Cash & Deposits	228.7	619.7	-63.1	185.4	23.3
Fixed Income	13,585.6	13,636.9	-0.4	12,514.0	8.6
Loans	6,140.3	6,136.6	0.1	5,712.1	7.5
Equities	104.7	132.0	-20.7	165.3	-36.6
Others	7,963.8	7,180.5	10.9	6,674.8	19.3
Investment yield	3.36%	3.30%	0.06%p	3.44%	-0.08%p

Orange Life Insurance Income

Key Financial Indices

(KRW bil.)



Key Financial Indices

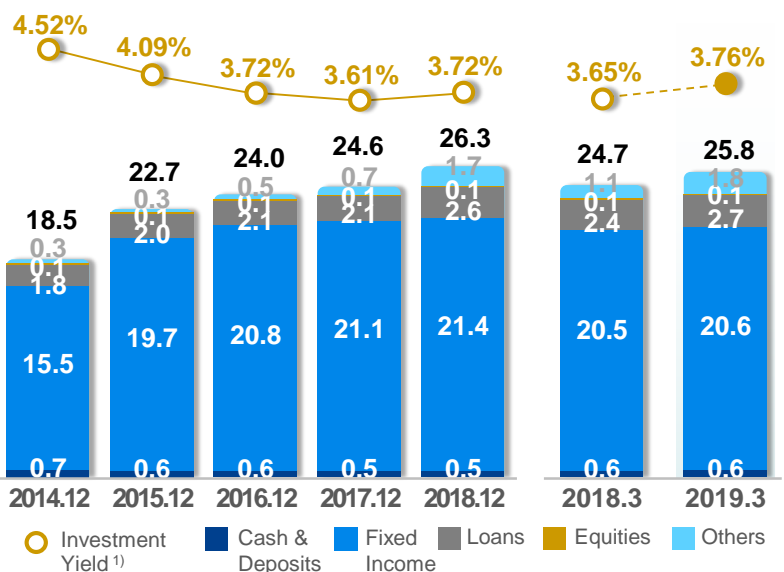
(KRW bil.)	1Q19	1Q18	YoY%	4Q18	QoQ%
Prem. Received	1,088.7	1,043.6	4.3	1,199.3	-9.2
Annual Prem. Equivalent (APE)	181.9	149.9	21.4	179.7	1.2
Protection APE	101.5	85.4	19.0	80.7	25.9
Net Income	80.4	88.9	-9.5	46.2	74.0
ROE	10.7%	9.9%	0.7%p	8.4%	2.3%p
ROA	1.0%	1.1%	-0.1%p	1.0%	0.0%p
RBC	420.2%	440.9%	-20.7%p	425.0%	-4.8%p

Note1) Excluding Retirement Pension

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

Operating Assets

(KRW tril.)



Operating Assets

(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Operating Assets	25,792.0	26,319.3	-2.0	24,738.0	4.3
Cash & Deposits	612.4	539.3	13.6	603.2	1.5
Fixed Income	20,567.2	21,401.5	-3.9	20,497.2	0.3
Loans	2,684.3	2,588.6	3.7	2,417.7	11.0
Equities	140.4	135.1	3.9	109.4	28.3
Others	1,787.8	1,654.9	8.0	1,110.5	61.0
Investment yield	3.76%	3.72%	0.04%p	3.65%	0.11%p

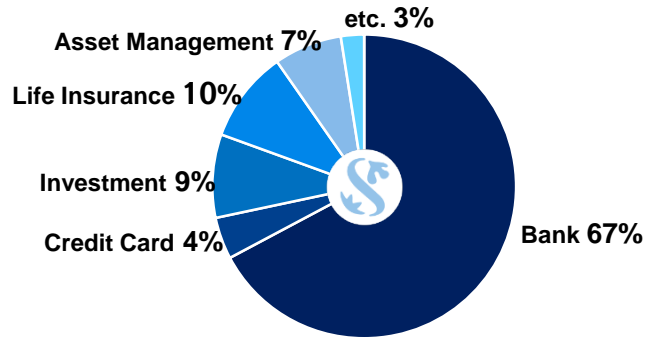
Note 1) Investment Yield: Total return, 12-month rolling basis, under IFRS9 (Pre-acquisition Orange Life figures are under IAS39)

Ⅲ. Assets & Liabilities

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

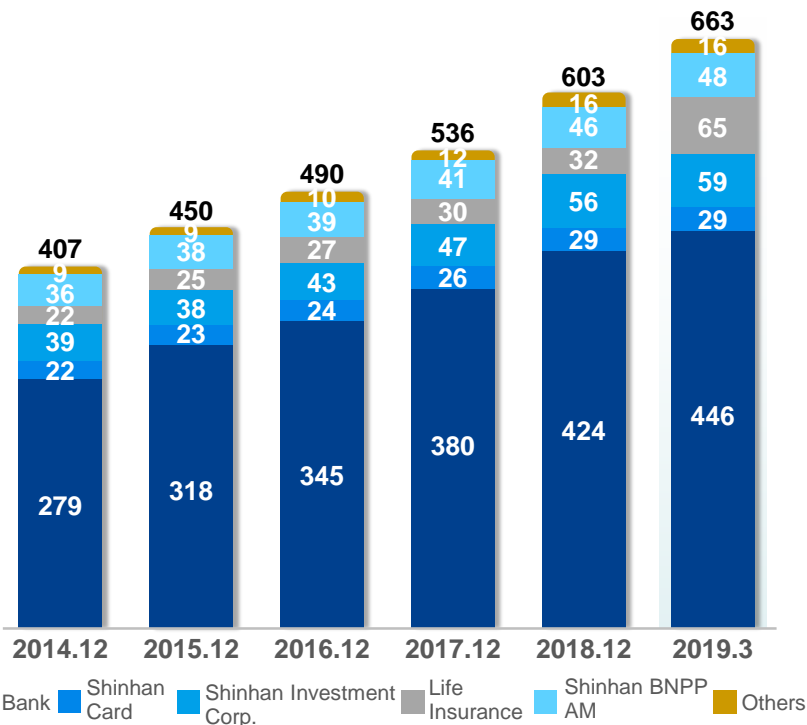


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)



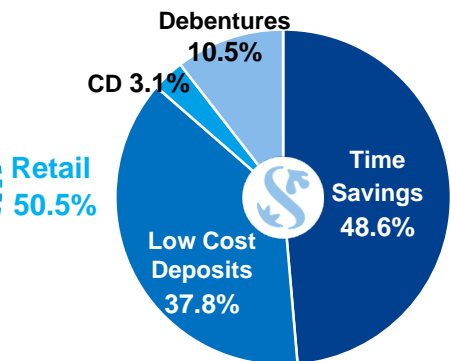
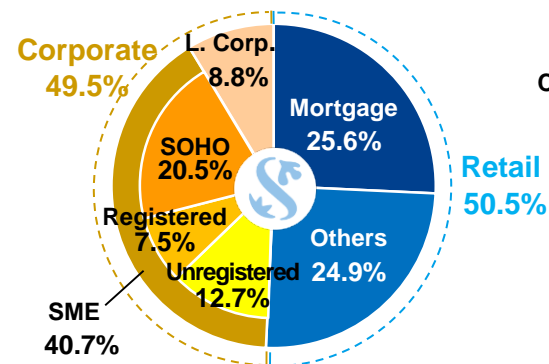
(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Bank (a)	445,893.7	423,928.2	5.2	388,426.1	14.8
Shinhan Bank	439,944.6	417,947.3	5.3	382,726.5	15.0
Jeju Bank	5,949.0	5,980.9	-0.5	5,699.7	4.4
Non-Bank (b)	213,749.0	175,787.8	21.6	155,437.3	37.5
Shinhan Card	29,455.8	29,429.5	0.1	26,377.5	11.7
Shinhan Investment Corp.	58,984.3	55,703.6	5.9	47,144.3	25.1
Shinhan Life Insurance	32,389.8	31,823.6	1.8	29,843.1	8.5
Orange Life	32,287.2	-	n.a.	-	n.a.
Shinhan BNPP AM	47,944.6	46,165.7	3.9	42,091.9	13.9
Shinhan Capital	6,292.8	6,116.6	2.9	5,470.0	15.0
Shinhan Savings Bank	1,427.7	1,454.3	-1.8	1,281.7	11.4
Shinhan DS	83.5	43.1	93.7	38.0	119.5
Shinhan AITAS	66.9	65.7	1.7	57.9	15.6
Shinhan Credit Information	23.9	24.4	-1.8	22.8	4.8
Shinhan Alternative Investment	1,538.8	1,211.6	27.0	514.3	199.2
Shinhan REITs Management	857.8	801.3	7.1	28.9	2,866.9
Others	2,393.2	2,948.6	-18.8	2,566.8	-6.8
Total ¹⁾	663,363.1	603,453.5	9.9	547,176.7	21.2
Consolidate Total Assets	513,865.3	459,600.5	11.8	433,688.1	18.5

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

SHB Loan / Deposit Growth

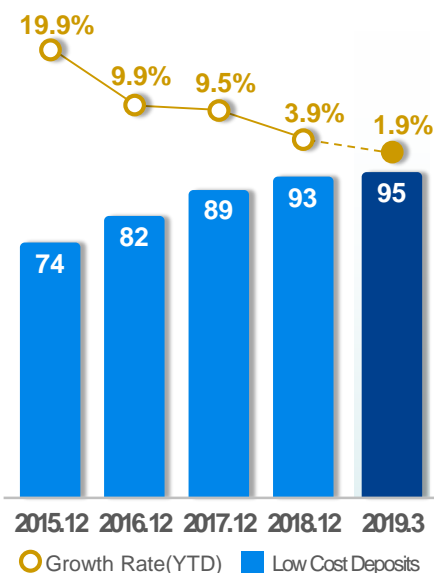
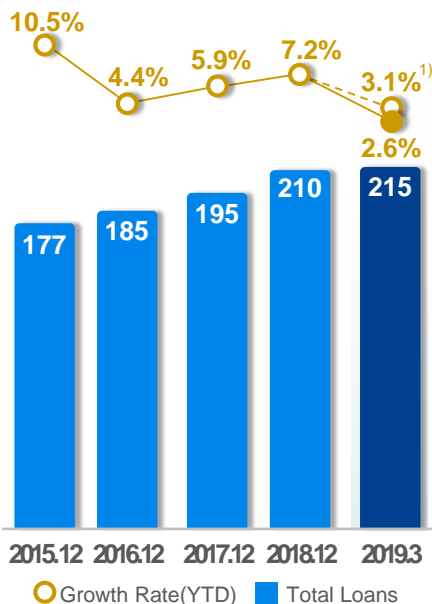
Loan Composition

Funding Composition



KRW Loan Growth (KRW tril.)

Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

Note 1) Including Deposits Securitized

(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Loan in KRW	215,007	209,568	2.6	197,409	8.4
Retail	108,593	106,304	2.2	100,115	8.0
Mortgage	55,028	53,935	2.0	52,746	4.2
Others ¹⁾	53,566	52,369	2.3	47,369	11.8
Corporate	106,413	103,264	3.0	97,294	8.8
SME	87,584	84,974	3.1	79,674	9.3
SOHO	44,077	42,665	3.3	39,398	11.0
Large Corporate etc.	18,829	18,290	2.9	17,620	6.6
Loan in FX	9,105	7,807	16.6	7,379	22.1

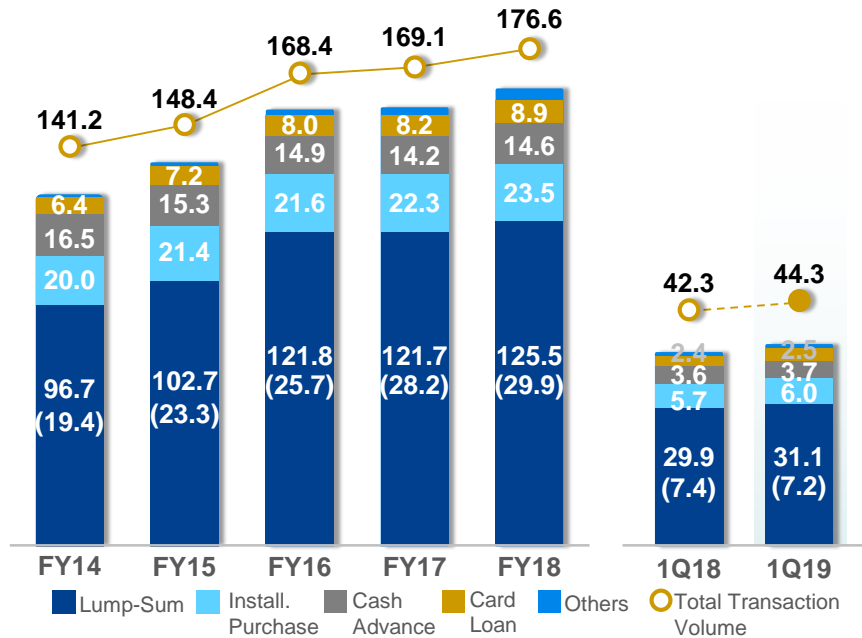
Note 1) Including Unsecured Personal Loans, Secured Loans, Jeonse Loans etc.

(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Total Deposits in KRW	216,748	208,349	4.0	199,214	8.4
Low Cost Deposits	94,745	92,950	1.9	90,956	4.1
Demand	29,349	28,455	3.1	27,848	5.3
Savings	65,396	64,495	1.4	63,108	3.5
Time Savings	122,002	115,399	5.7	108,258	11.9
Time Deposits	113,306	106,684	6.2	100,134	12.3
Accumulative etc.	8,697	8,715	-0.2	8,125	6.6
Certificate of Deposits	7,828	8,603	-9.0	6,097	20.1
Debtentures in KRW	26,310	23,814	10.5	19,337	29.3

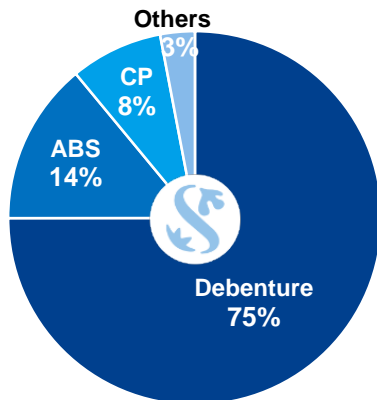
Shinhan Card Asset Growth

Transaction Volume

(KRW tril.)



Funding Composition



(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Earning Assets	27,704	27,254	1.7	25,010	10.8
Credit Purchase	13,786	14,015	-1.6	12,612	9.3
Cash Advances	1,914	1,986	-3.6	1,870	2.4
Card Loan	6,586	6,276	5.0	6,261	5.2
(Re-aged Loan)	243	239	1.8	254	-4.2
Installment Finance	2,816	2,671	5.4	2,301	22.4
Lease etc.	2,601	2,306	12.8	1,966	32.3
Effective Cardholders (in thousands)	12,481	12,495	-0.1	12,345	1.1
Merchants (in thousands)	2,835	2,810	0.9	2,728	3.9

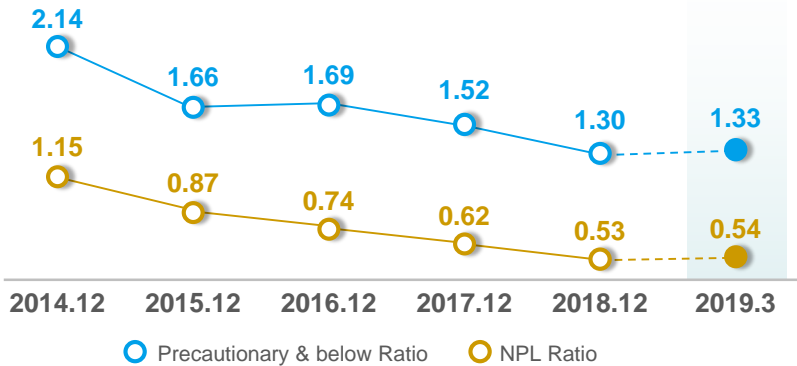
(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Total Funding	19,175	19,033	0.7	16,677	15.0
Debentures	14,334	14,112	1.6	12,054	18.9
ABS	2,621	2,556	2.5	2,407	8.9
CP	1,520	1,665	-8.7	1,390	9.4
Others	700	700	0.0	826	-15.2

IV. Asset Quality

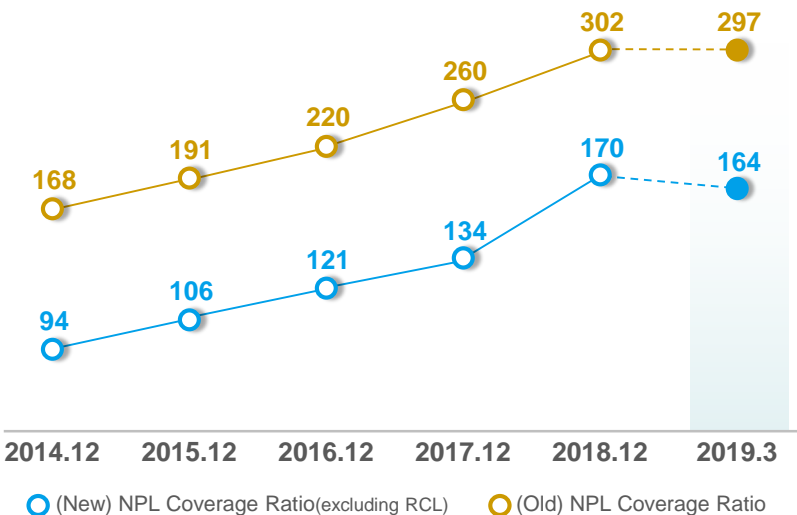
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Total Loans ¹⁾	295,961	287,918	2.8	266,659	11.0
Normal	292,025	284,181	2.8	262,737	11.1
Precautionary	2,335	2,226	4.9	2,216	5.3
Substandard	507	479	6.1	549	-7.5
Doubtful	542	498	8.7	536	1.1
Estimated Loss	552	535	3.1	620	-11.1
Substandard & Below	1,601	1,512	5.9	1,705	-6.1
NPL Ratio	0.54%	0.53%	0.01%p	0.64%	-0.10%p
Loan Loss Allowance ²⁾	4,758	4,562	4.3	4,472	6.4
Reserve for credit losses ³⁾	2,135	1,987	7.5	1,693	26.1
(New) NPL Coverage Ratio ⁴⁾	164%	170%	-7%p	163%	1%p
(Old) NPL Coverage Ratio	297%	302%	-5%p	262%	35%p

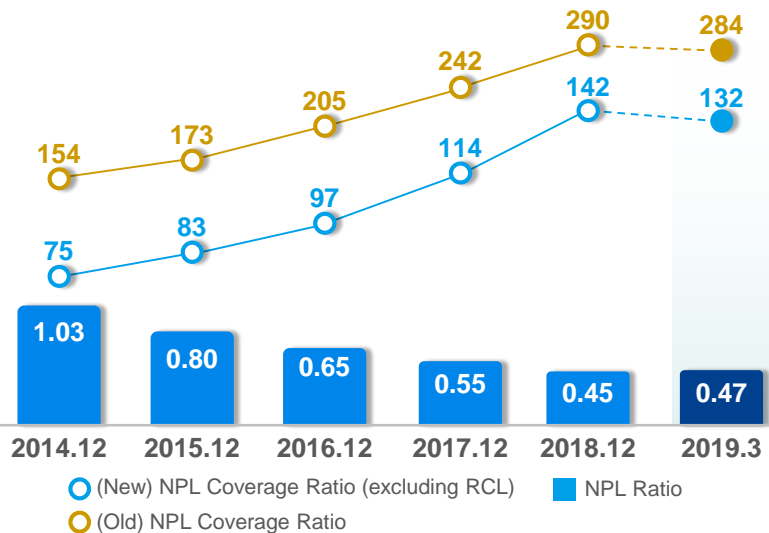
Note 1) Sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Orange Life, Shinhan Capital and Shinhan Savings Bank

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.)	2019.3	2018.12	YTD%	2018.3	YoY %
Total Loans	242,056	236,572	2.3	220,038	10.0
Normal	239,686	234,335	2.3	217,672	10.1
Precautionary	1,237	1,167	6.0	1,109	11.6
Substandard	457	424	7.9	467	-2.2
Doubtful	349	334	4.6	374	-6.7
Estimated Loss	326	313	4.3	414	-21.3
Substandard & Below	1,133	1,070	5.8	1,256	-9.8
NPL Ratio	0.47%	0.45%	0.02%p	0.57%	-0.10%p
Loan Loss Allowance ¹⁾	3,213	3,105	3.5	3,093	3.9
Reserve for credit losses ²⁾	1,715	1,588	8.0	1,333	28.6
(New) NPL Coverage Ratio ³⁾	132%	142%	-10%p	140%	-8%p
(Old) NPL Coverage Ratio	284%	290%	-6%p	246%	37%p

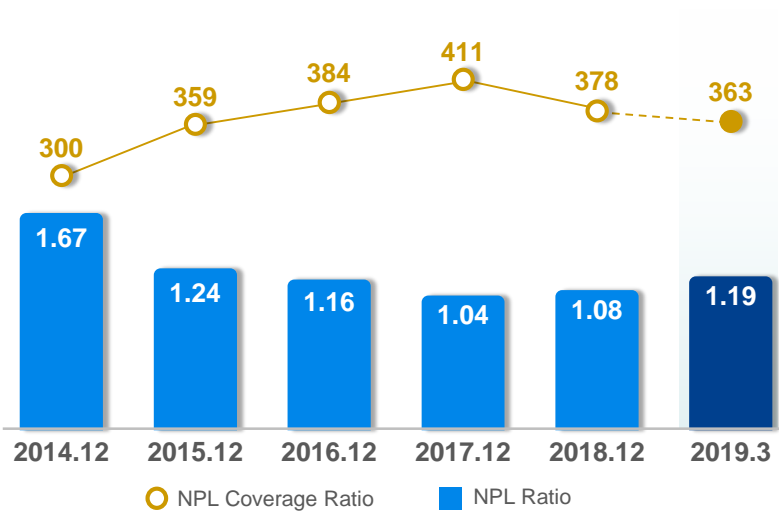
Note 1) Sum of IFRS standard LLA and reserves for credit losses

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

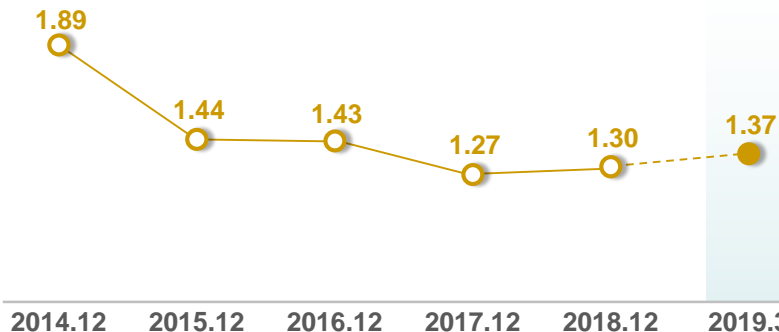
3) Excluding reserve for credit losses in accordance with the revision of relevant regulation (Dec. 2016)

Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



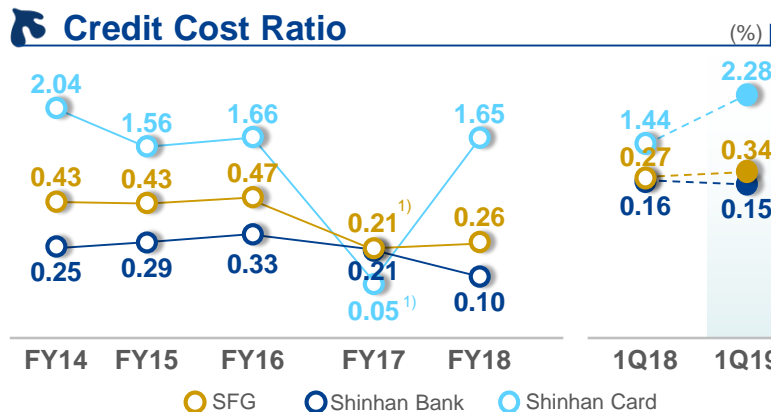
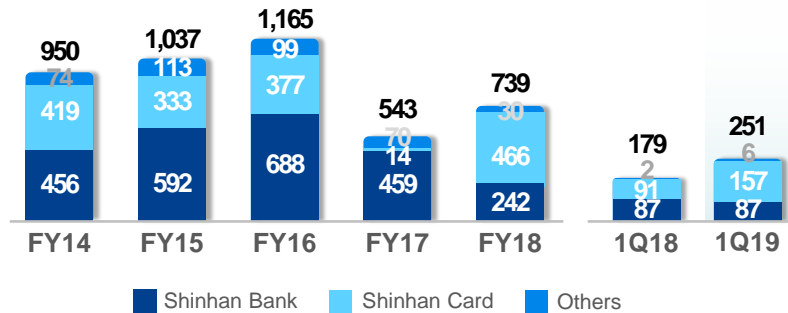
Note) 1 month overdue from total credit

(KRW bil.)	2019.3	2018.12	YTD%	2018.3	YoY%
Total Loans	27,963	28,311	-1.2	25,533	9.5
Normal	26,832	27,244	-1.5	24,498	9.5
Precautionary	799	760	5.0	743	7.5
Substandard	-	-	-	-	-
Doubtful	161	135	19.0	133	20.6
Estimated Loss	172	170	0.8	159	8.1
Substandard & Below	333	306	8.9	292	13.8
NPL Ratio	1.19%	1.08%	0.11%p	1.14%	0.05%p
Loan Loss Allowance ¹⁾	1,209	1,155	4.6	1,100	9.8
Reserve for credit losses	293	293	-0.1	281	4.5
NPL Coverage Ratio	363%	378%	-15%p	376%	-13%p

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

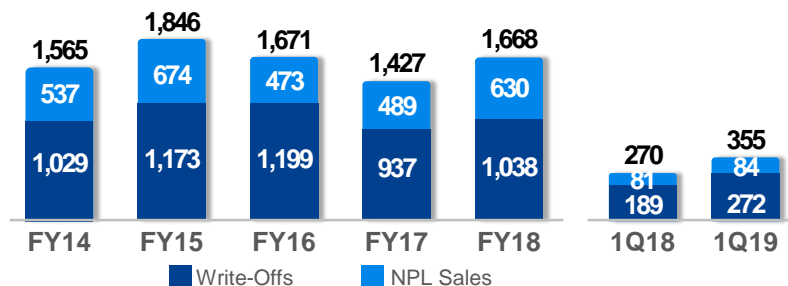
Provision for Credit Losses / Write-Offs

Provision for Credit Losses (KRW bil.)



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	FY18	1Q18	2Q18	3Q18	4Q18
Shinhan Bank¹⁾	76	76	217	86	37	28	65
Retail	53	53	180	49	32	64	34
Corporate	23	23	37	38	5	-37	30
Shinhan Card	157	157	466	91	121	157	98
Total	233	233	683	177	158	184	163

Note 1) SHB figures are separate basis

Write-Offs & NPL Sales

(KRW bil.)	FY19	1Q19	FY18	1Q18	2Q18	3Q18	4Q18
Shinhan Bank	198	198	1,097	149	361	265	322
Write-Off	115	115	467	69	174	113	112
Retail	22	22	200	47	64	51	38
Corporate	93	93	267	22	109	61	74
Sale	83	83	630	81	187	152	210
Retail	48	48	80	13	20	21	26
Corporate	35	35	550	68	167	132	184
Shinhan Card	157	157	571	120	145	148	158
Total	355	355	1,668	270	506	413	480

V . Capital Adequacy & Key Financial Indices

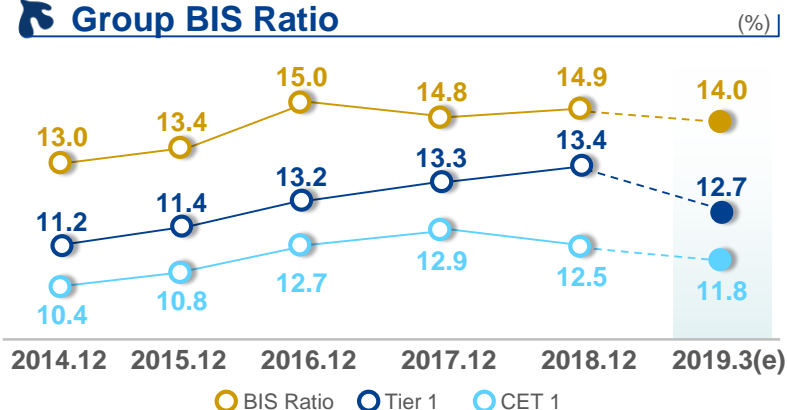
1. Capital Adequacy

2. Key Financial Indices

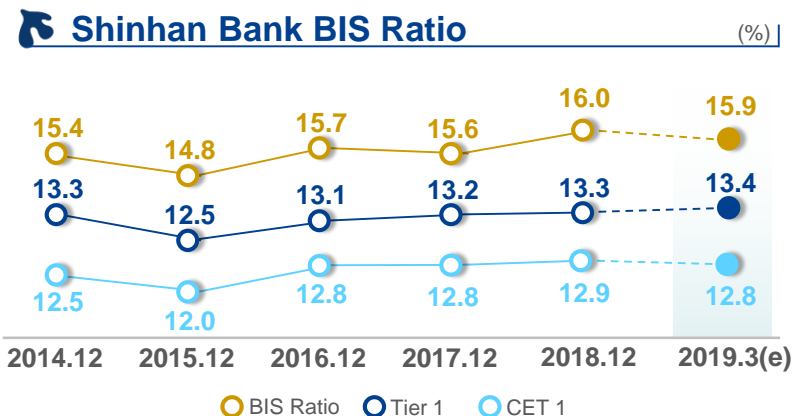


Capital Adequacy

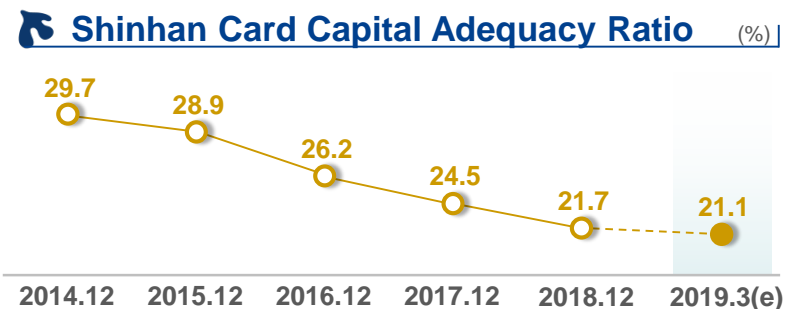
Group BIS Ratio



Shinhan Bank BIS Ratio



Shinhan Card Capital Adequacy Ratio



Note) Figs. from 2013.12 Group/Bank based on Basel3, Figs. up to 2013.09, Group based on Basel1, Bank based on Basel2

Group BIS Ratio

(KRW bil.)	2019.3(e)	2018.12	YTD%	2018.3	YoY%
Risk-Weighted Assets	236,690	228,678	3.5	210,177	12.6
Capital	33,205	33,993	-2.3	31,238	6.3
CET 1	27,812	28,696	-3.1	27,481	1.2
Tier 1	29,979	30,678	-2.3	28,228	6.2
BIS Ratio	14.0%	14.9%	-0.8%p	14.9%	-0.8%p
CET 1	11.8%	12.5%	-0.8%p	13.1%	-1.3%p
Tier 1	12.7%	13.4%	-0.8%p	13.4%	-0.8%p

Note) Based on Basel3

Shinhan Bank BIS Ratio

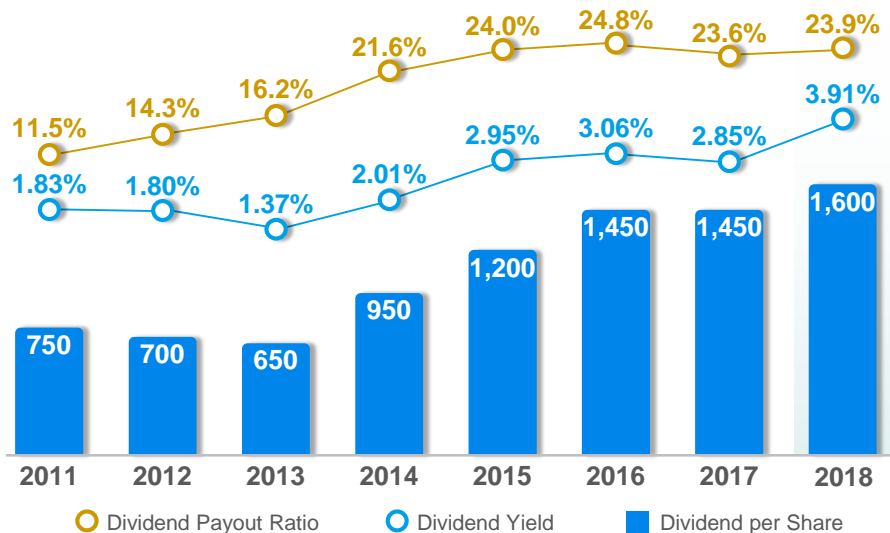
(KRW bil.)	2019.3(e)	2018.12	YTD%	2018.3	YoY%
Risk-Weighted Assets	173,941	171,593	1.4	164,292	5.9
Capital	27,719	27,499	0.8	26,356	5.2
CET 1	22,264	22,114	0.7	21,469	3.7
Tier 1	23,262	22,812	2.0	21,969	5.9
BIS Ratio	15.9%	16.0%	-0.1%p	16.0%	-0.1%p
CET 1	12.8%	12.9%	-0.1%p	13.1%	-0.3%p
Tier 1	13.4%	13.3%	0.1%p	13.4%	-

Note) Based on Basel3

Key Financial Indices

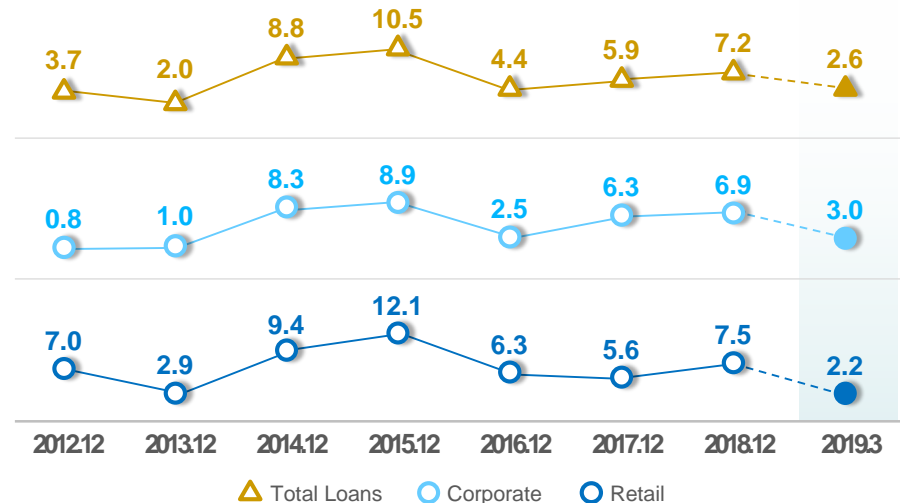
Dividend

(KRW)



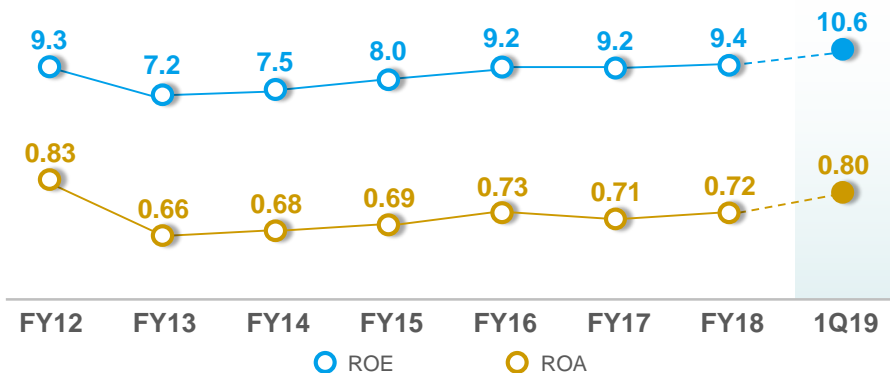
SHB Loan Growth Rate

(%)



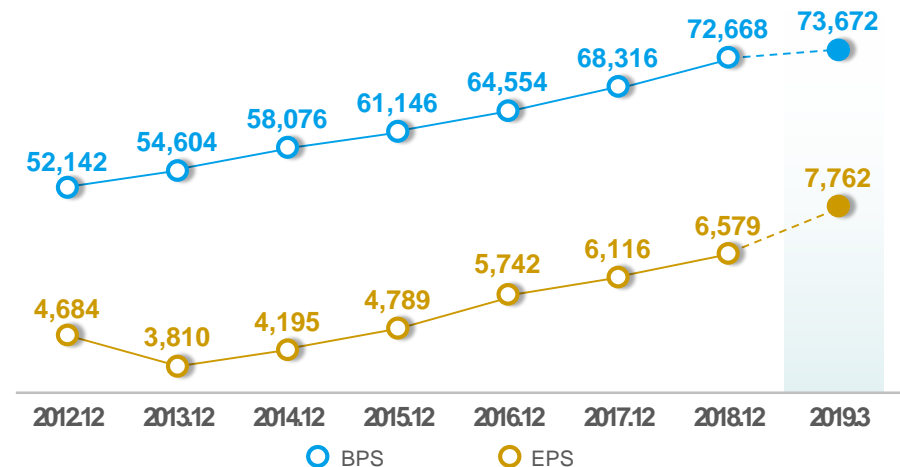
ROA / ROE

(%)



BPS / EPS

(KRW)



Note) Based on common stock

VI. Appendix

- 1. SHB SME Loans**
- 2. SHB Retail Loans**
- 3. SHB International Business**
- 4. Orange Life**



SHB SME Loans

Loans

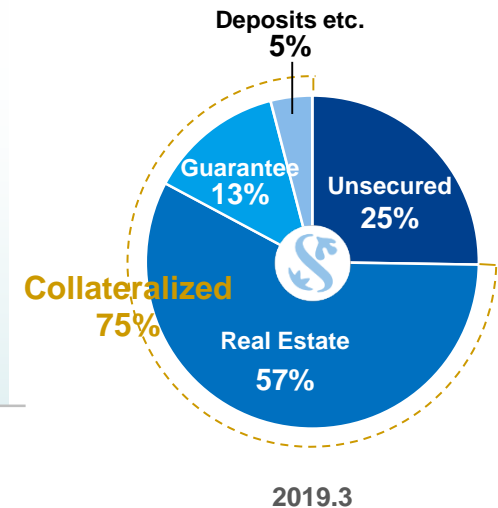
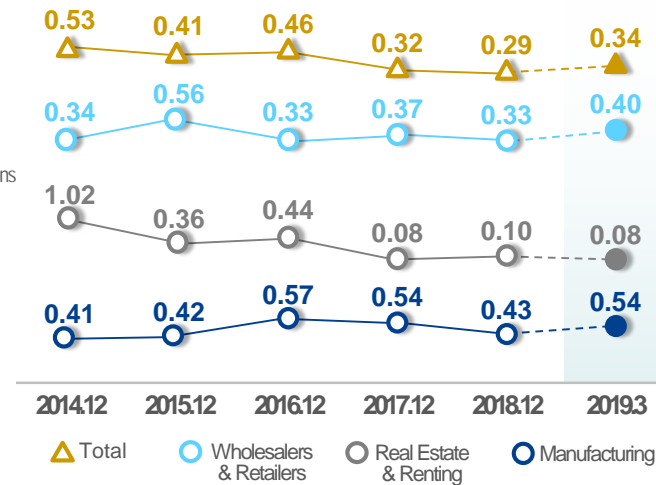
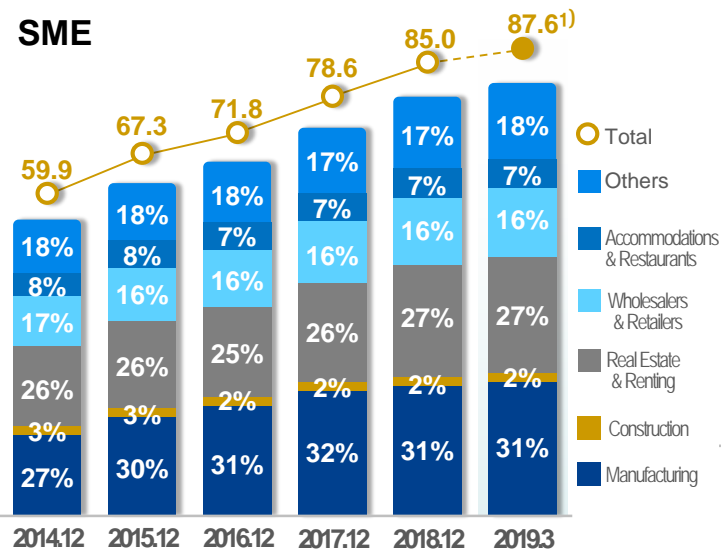
(KRW tril.)

Delinquency

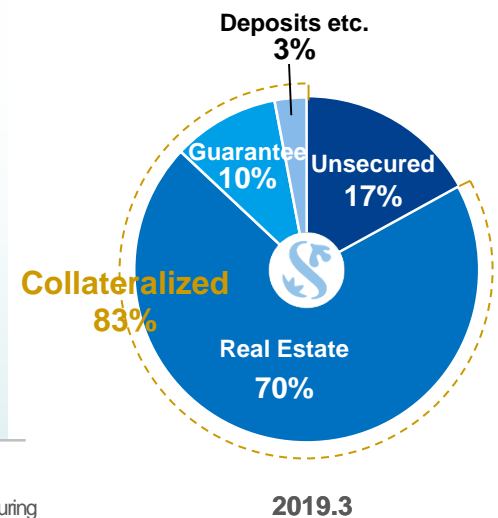
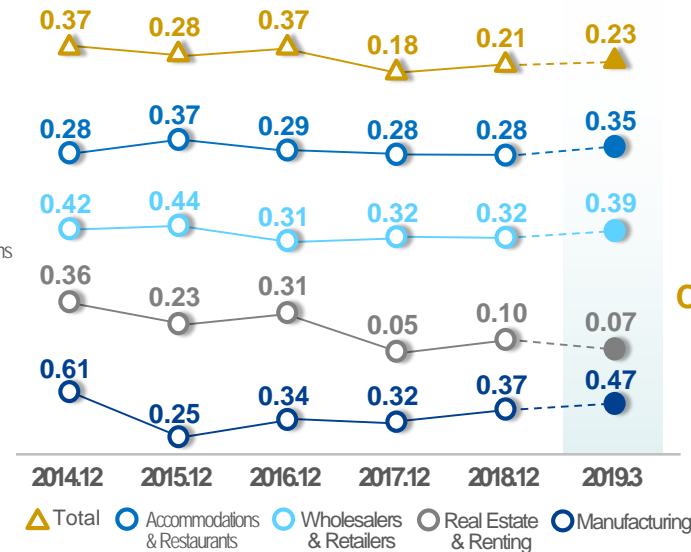
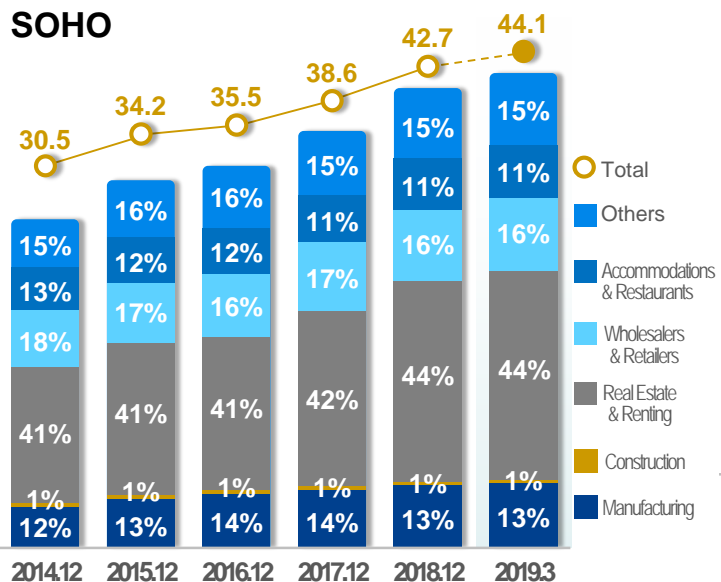
(%)

Collateral

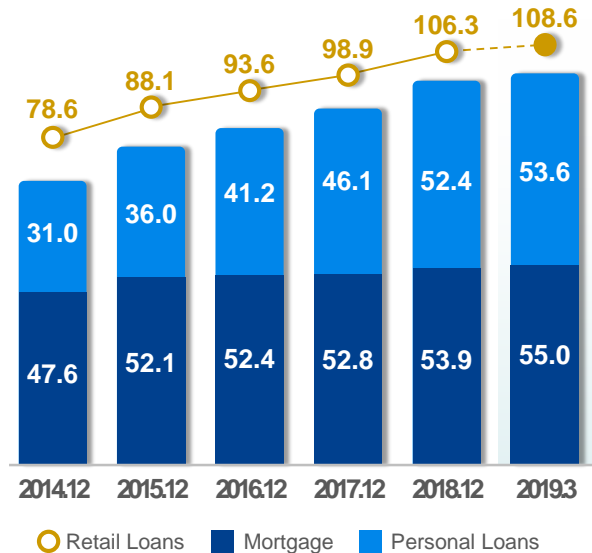
SME



SOHO

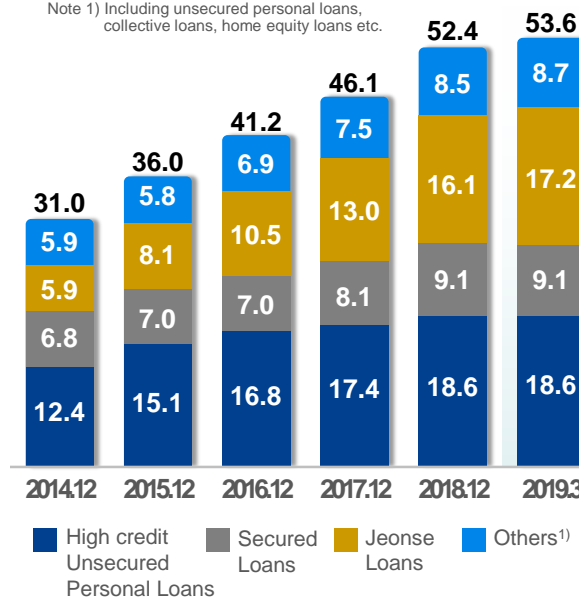


Loans (KRW tril.)

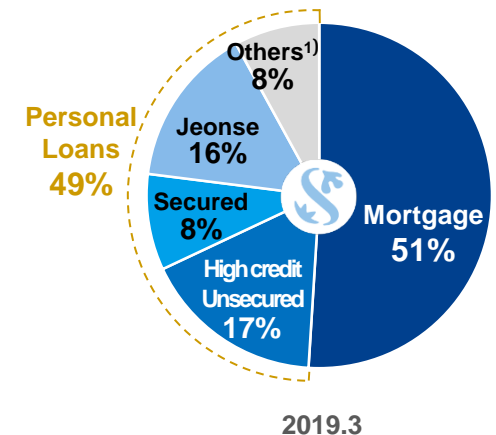


Retail Personal Loans (KRW tril.)

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

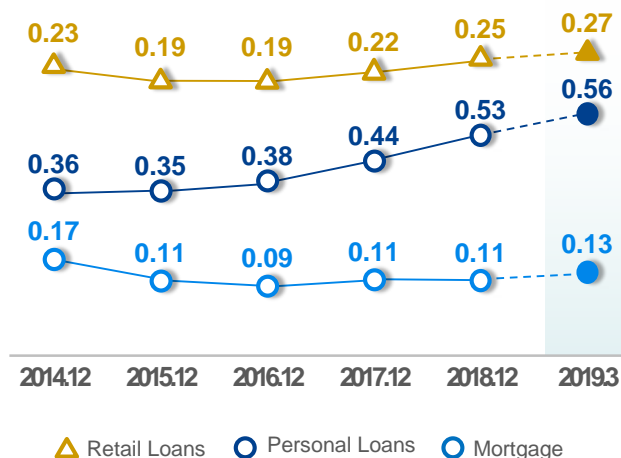


Loan Composition

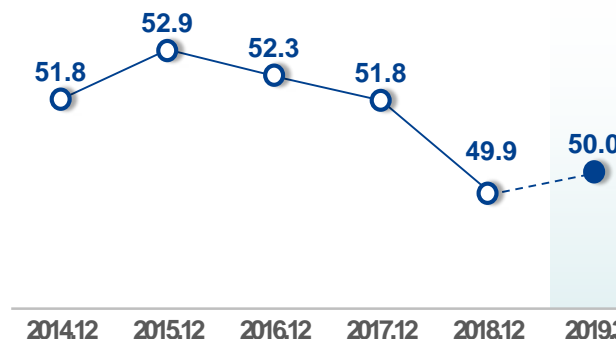


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

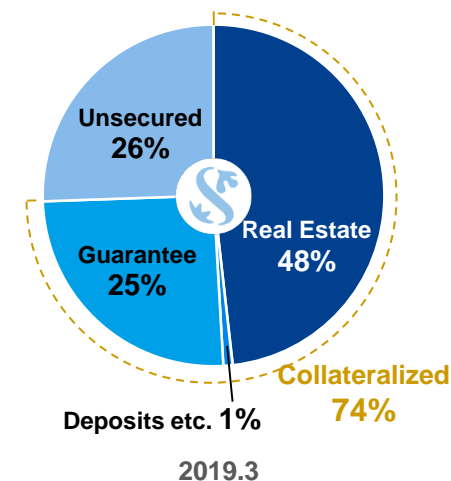
Delinquency (%)



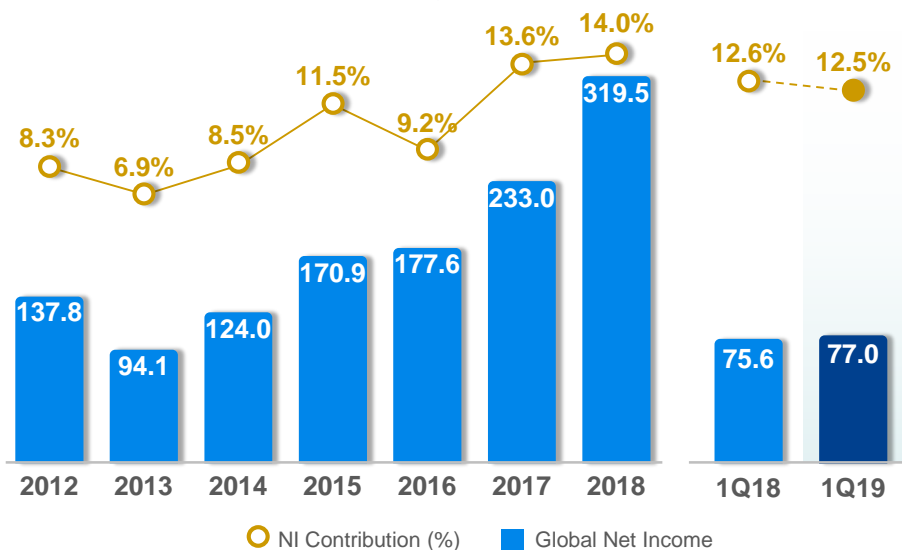
LTV (%)



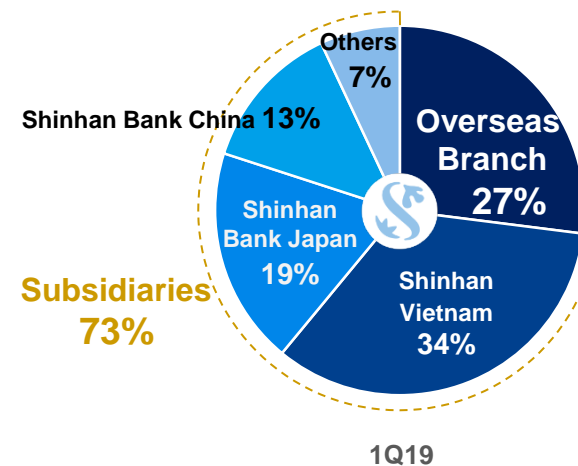
Collateral



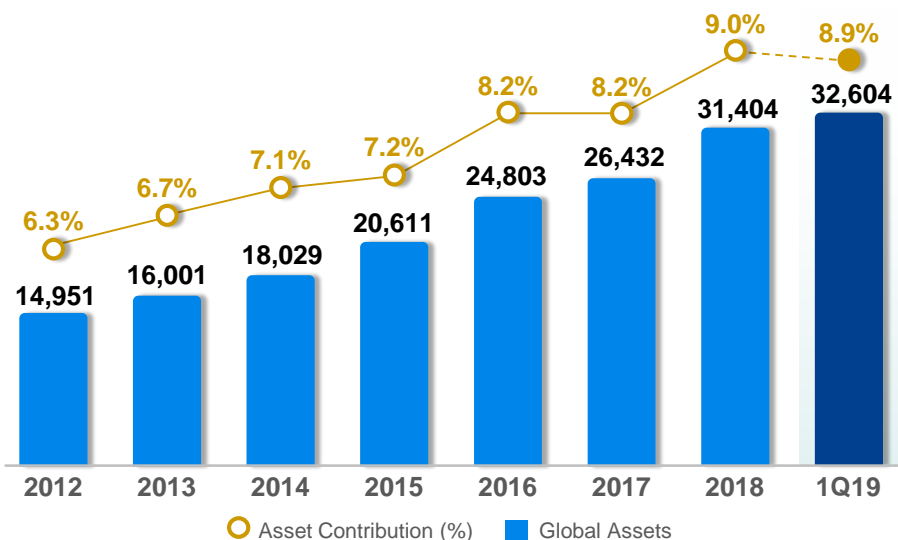
Net Income Contribution by International Business (KRW bil.)



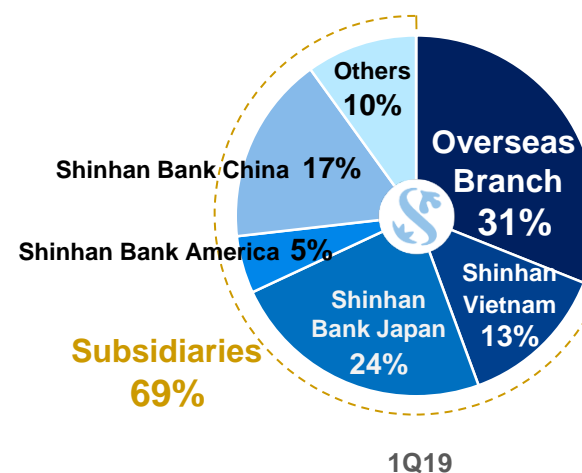
Net Income Composition



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

Financial & Business Status

(As of FY2018)

(As of FY2018)			
Financials	Total Assets	32.7 tril.	31.8 tril.
	Stockholder's Equity	3,772 bil.	1,745 bil.
	Prem. Received	4.7 tril.	4.6 tril.
	APE	718 bil.	426 bil.
	Protection %	45.6%	94.1%
	Net Profit	311.3 bil.	131.0 bil.
	RBC	425.0%	238.7%
	ROA	0.97 %	0.43 %
ROE	8.4 %	7.7 %	
Business	Customer Base	Metropolitan City 1.22 mil.	Regional, Suburban Cities 2.95 mil.
	Channel	Face-to-Face, Network Marketing	Multi Channel (DB Marketing)
	Products	Whole Life, Variable	Whole Life, Mid-Prem. Protection-type
	Characteristics of FC Channel	Avg. Age: 36 Professional FCs	Avg. Age: 47 Traditional FCs

(IAS39)

(IFRS9)

Synergy

Acquisition of Business

- EPS Growth / ROE Improvement
- Meaningful Market Share in Life Insurance Industry

Acquisition of Customers

- Sharing of Customer Information :
Group Market Platform(Shinhan Plus), WM Customers

Acquisition of Sales Channels

- Cross-Selling of Group Products
- Orange FCs, Bancassurance Channels

Group Level Synergy

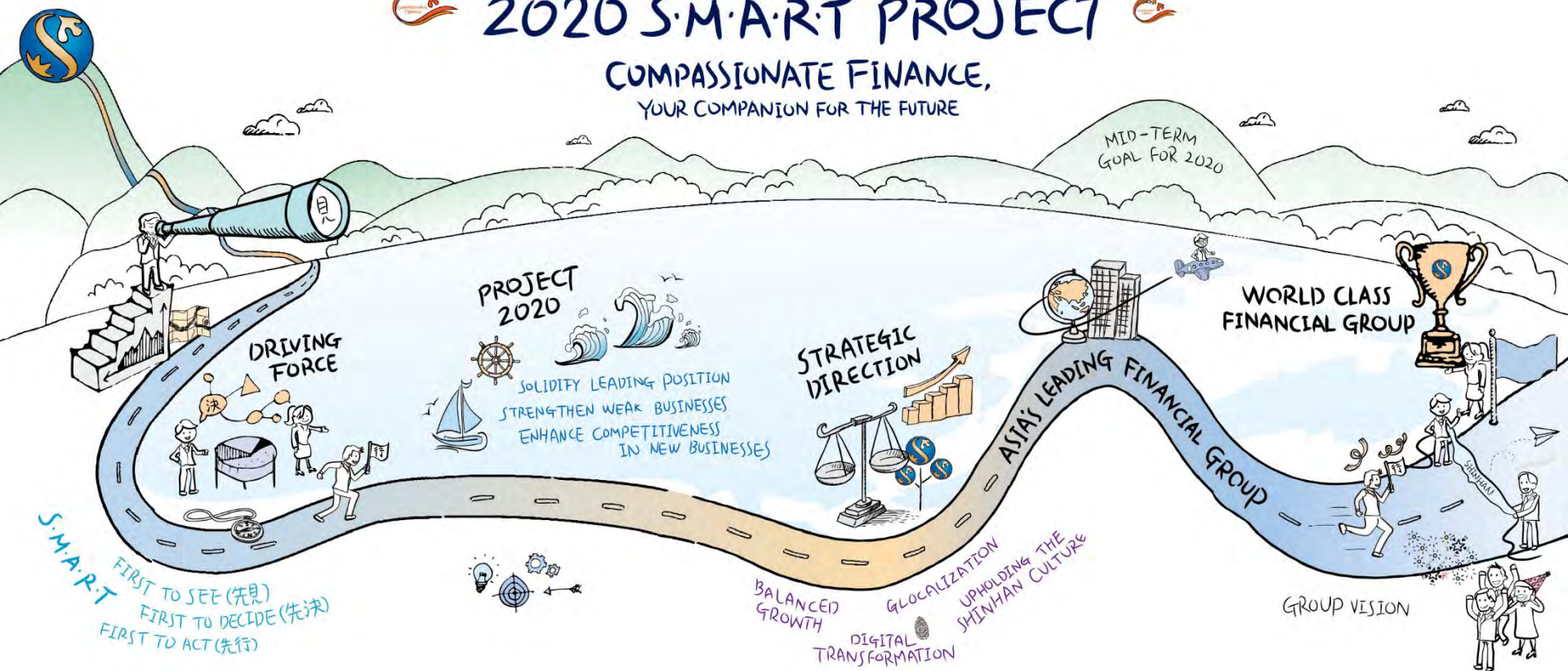
- Matrix Synergy : PWM, GIB, GMS
- Captive Synergy : Asset Management
- Cost Synergy : Back Office, Overlapping Channels (G/A, Bancassurance), etc



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