Compassionate Finance Sharing the Future

Shinhan Financial Group
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I. Shinhan Financial Group

1. Overview & History
About SFG

Korea # 1 Financial Institution

Realizing highest net income among peers (6 consecutive years since 2008)
Market Cap ranked 1st place among peers (22.4 trillion as of Dec 31, 2013)

Successful M&A and Diversification

Establishing the most diversified business portfolio among Korean financial groups through a series of successful M&As

Thorough Risk Management

Maintaining sound asset qualities through preemptive and proactive risk management

Compassionate Finance

Implementing the corporate mission of “Compassionate Finance,” to grow hand in hand with our customers, shareholders and community.
• **Net Income:** KRW 1.9 trillion (FY 2013)
• **Total Consolidated Assets:** KRW 311 trillion
• **Total Market Cap:** KRW 22.4 trillion (Dec, 31, 2013)
• **ROA:** 0.7%
• **ROE:** 7.2%
• 13 direct subsidiaries, 18 indirect subsidiaries
• **Number of Employees:** 24,000
• **Major Shareholders**
  - Korea National Pension Service 8.81%
  - BNP Paribas Group 5.35%
  - SFG ESOP 4.08%

As of Dec 31, 2013

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**Well-diversified Business Portfolio**

- Shinhan Card (Credit Card)
- Shinhan Bank (Banking)
- Shinhan Life (Life Insurance)
- Shinhan Investment (Securities Brokerage)
- Shinhan Capital (Leasing Business)
- Shinhan BNPP AM (Asset Management)

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**Top 500 Banking Brands**

<table>
<thead>
<tr>
<th>Bank Ranking</th>
<th>Company</th>
<th>Nationality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wells Fargo</td>
<td>US</td>
</tr>
<tr>
<td>2</td>
<td>HSBC</td>
<td>UK</td>
</tr>
<tr>
<td>3</td>
<td>Bank of America</td>
<td>US</td>
</tr>
<tr>
<td>6</td>
<td>ICBC</td>
<td>China</td>
</tr>
<tr>
<td>43</td>
<td>Shinhan Financial Group</td>
<td>Korea</td>
</tr>
<tr>
<td>55</td>
<td>DBS</td>
<td>Singapore</td>
</tr>
<tr>
<td>61</td>
<td>KB Financial Group</td>
<td>Korea</td>
</tr>
</tbody>
</table>

* Source: The Banker (Feb. 2014)
About SFG

Outstanding Profitability

- Net Income (FY2012/ FY2013) (KRW billion)
  - SFG: 2,322
  - FY2012: 1,903
  - FY2013: 1,731
  - A: 1,261
  - B: 934
  - C: -538

Diversified Profit Base

- Income Contribution of Non-bank Subsidiaries (FY2013)
  - Non-bank: 38%
  - Bank: 37%
  - A: 9%
  - B: 24%
  - SFG: 37%
SFG was established in September immediately followed by a strategic alliance with BNP Paribas Group.

Shinhan Securities, then-subsidiary of SFG and Good Morning Securities were merged, strengthening brokerage business.

Shinhan Life Insurance joined SFG to diversify the Group’s business portfolio.

Shinhan Bank, an innovator in the industry, and Chohung Bank, a long-standing industry leader merged to become one.

LG Card became an affiliate of SFG and soon merged with Shinhan Card on October 1st to become the number 1 credit card company in Korea.

Shinhan Bank was formed in 1982 with seed money by the Korean Japanese community.

Shinhan Securities, then-subsidiary of SFG and Good Morning Securities were merged, strengthening brokerage business.

Shinhan Life Insurance joined SFG to diversify the Group’s business portfolio.

Integration of SHB and CHB

Merger of Shinhan Card & LG Card

Shinhan Bank was formed in 1982 with seed money by the Korean Japanese community.

Shinhan Securities, then-subsidiary of SFG and Good Morning Securities were merged, strengthening brokerage business.

Shinhan Life Insurance joined SFG to diversify the Group’s business portfolio.

Integration of SHB and CHB

Merger of Shinhan Card & LG Card
About SFG
Persistent Growth and M&A

- Market Capitalization

- 2001: Establishment of SFG
- 2002: Acquisition of Jeju bank & GMS Securities
- 2003: Acquisition of Chohung Bank
- 2004: Acquisition of Shinhan Life
- 2005: Acquisition of LG Card
- 2006: Integrated SHB launched
- 2007: Rights Offering KRW 1.3 trillion
- 2008: Acquisition of Shinhan Savings Bank
- 2010: Market Capitalization 25.1 (KRW trillion)
- 2011: Market Capitalization 18.8
- 2012: Market Capitalization 18.4
- 2013: Market Capitalization 22.4 (KRW trillion)
How SFG is Organized

No. 1 Financial Group in Korea

Shinhan Bank
- The Best Bank in Korea
- Total Assets: KRW 253.8 trillion
- Total Equity: KRW 20.5 trillion

Shinhan Card
- Number 1 Credit Card Company in Korea
- Total Assets: KRW 21.6 trillion
- Total Equity: KRW 6.1 trillion

Shinhan Investment Corp.
- Market leader in the era of Capital market Acts
- Total Assets: KRW 30.0 trillion
- Total Equity: KRW 2.2 trillion

Shinhan Life Insurance
- The Most Profitable Life Insurance Company
- Total Assets: KRW 19.4 trillion
- Total Equity: KRW 1.3 trillion

Shinhan BNPP Asset Management
- The Leading Asset Management Firm in Korea
- Total Assets: KRW 33.7 trillion
- Total Equity: KRW 150.0 billion

Shinhan Capital
- Specialized in facility leases and installment financing
- Total Assets: KRW 3.8 trillion
- Total Equity: KRW 517.4 billion

Jeju Bank
- The Leading Local Bank in Jeju
- Total Assets: KRW 3.2 trillion
- Total Equity: KRW 292.1 billion

Shinhan Savings Bank
- Market Leader in Consumer Finance
- Total Assets: KRW 777.1 billion
- Total Equity: KRW 96.0 billion

Shinhan Data System
- IT Company Specialized in Services for Financial Corporations
- Total Assets: KRW 20.5 billion
- Total Equity: KRW 8.2 billion

Shinhan AITAS
- Number 1 Fund Service Company in Korea
- Total Assets: KRW 34.6 billion
- Total Equity: KRW 30.4 billion

Shinhan Credit Information
- Expert in debt collection and credit research
- Total Assets: KRW 21.0 billion
- Total Equity: KRW 13.7 billion

Shinhan Private Equity
- Private Equity Fund Management Firm
- Total Assets: KRW 572.9 billion
- Total Equity: KRW 9.1 billion
**About SFG**

**Customers and Networks**

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### Customers

SFG serves 29 million, more than half of the total population (million people)

- **SHB**: 21
- **Shinhan Investment**: 1
- **Shinhan Life**: 1
- **Shinhan Card**: 6
- **Total**: 29

* Excluding overlapping customers (As of Dec 31, 2013)

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### Branch Networks

#### Domestic Network

<table>
<thead>
<tr>
<th>Company</th>
<th># of Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shinhan Bank</td>
<td>943</td>
</tr>
<tr>
<td>Shinhan Life Insurance</td>
<td>218</td>
</tr>
<tr>
<td>Shinhan Investment Corp.</td>
<td>99</td>
</tr>
<tr>
<td>Shinhan Card</td>
<td>32</td>
</tr>
<tr>
<td>Jeju Bank / Others</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,366</strong></td>
</tr>
</tbody>
</table>

#### Global Network (71 Networks in 15 Countries)

- **Europe** (2)
- **Asia** (16)
- **China** (16)
- **Japan** (9)
- **Vietnam** (10)
- **America** (19)

* As of Dec 31, 2013
Since its establishment, Shinhan Financial Group has recognized the importance of social responsibility and has been actively engaged in various CRS activities to seek a shared growth of the Group and the society.

Included in DJSI World index in 2013 (First among its peers)
Included in DJSI Asia Pacific and DJSI Korea for fifth consecutive years (Ranked 1st place among Korean banks)

Evaluation Process for Material Issues

- Analysis of global standards (GRI G4 guidelines DJSI, ESG etc.)
- Analysis of actual situation within the group (appraisal findings, management strategy, etc.)
- Benchmark leading global firms
- Interviews with parties involved and analysis of the results

Promotion program Situational analysis

Compose a pool of CSR Issue

Elicit core issues in socially responsible management

Materiality Test (degree of influence on business/extent of social interest)

Elicit core issues

Draw up socially responsible management strategy and select tasks for improvement

- Draw Up socially responsible management strategy
  - Materiality Test

Addressing core issues

- Agenda for Economics Issues
- Agenda for Social Issues
- Agenda for Environmental Issues

Implement tasks

- Study appropriateness of each task area
- Draw up implementation plan
- Carry out improvement tasks
- Monitor implementation status

Award/Certification

- Dow Jones Sustainability Indexes Member 2011/12
- Global 100
- The 2013 Corporate Governance Award Ceremony
  - The only financial company to receive the Corporate Governance Award (Acquired A+ grade in evaluating ESG integration)

Since its establishment, Shinhan Financial Group has recognized the importance of social responsibility and has been actively engaged in various CRS activities to seek a shared growth of the Group and the society.
Shinhan Financial Group will continually establish the foundation for sustainable growth by having all of our employees work together to make our society a better place through our financial business.

Management Strategy for Social Responsibility Management

Value Creation through Responsible Management

1. Strategy for the Economic Sphere
   - I. Creation of customer value through customer oriented management and information protection
   - II. Building confidence by strengthening ethical management
   - III. Exercising risk management taking key social and environmental factors into account

2. Strategy for the Social Sphere
   - IV. Building a sound corporate culture favoring job creation and the nurturing of human resources
   - V. Helping the development of regional society through activities that contribute to society
   - VI. Improving access to finance for those shut off from financing
   - VII. Striving to work together in harmony with partner companies and support CSR activities

3. Strategy for Environmental Sphere
   - VIII. Develop environmentally friendly products and services
   - IX. Use resources efficiently and reduce environmental footprint
Compassionate Finance
- Provide startup educations for 5,781 small business owners
- Provide preferential interest rates for customers who are experiencing temporary difficulties: KRW 34 billion
- Provide “New Hope Spore Loans” for customers in financial difficulties: KRW 320.5 billion
- Give preferential treatment on commission fees for under-privileged classes: 58,404 cases

Environmental Management
- Acquire the international certification for energy management system (ISO50001)
- Provide financial support to green companies up to KRW 445.5 billion
- Save the social energy expense by KRW 2.7 billion through “Green Love Energy Factoring”
- Introduce deposit products that provide preferential interest rates to customers who save energy

Social Contribution
- Carry out social contribution activities by investing KRW 78.8 billion
- A total of 66,831 employees participated in volunteer works
- Enhance the working classes’ accessibility to financial institutions, up to KRW 60.8 billion
- Provide financial education to 40,223 persons

Win-Win Management with Partners
- Introduce an add-point systems for socially responsible companies with outstanding technology
- Ensure adequate profits through a private contract instead of lowest bidder for small scale business owners
- Exempt guarantee insurances
- Monitor the partner companies’ satisfaction level on the sustainability management and social contribution activities

(As of December 31, 2013)
I. Shinhan Financial Group

2. Shinhan Way & Core Capability
“Shinhan Way” is the value system and guiding principle for all Shinhan employees’ thoughts and actions.

Benefit the World with the power of Finance

Mission

Compassionate Finance
Sharing the Future

Core Value

Customer  Respect  Change  Excellence  Ownership

Vision

World Class Financial Group
SFG Mission
Compassionate Finance Sharing the Future

COMPASSIONATE FINANCE SHARING THE FUTURE
"Benefit the world from creating a virtuous win-win cycle through creative finance"

**METHODOLOGY**
Through the Basic Function of Finance

1. **BASIC FUNCTION OF FINANCE**
   - Help customers achieve their goals through timely financial products and services
   - Pursue different product, service and asset management in a new environment

2. **CREATIVE FINANCE**
   - Produce good returns on consigned assets

**ORIENTATION**
Benefit the World

- **SHINHAN VALUE**
  - Retail
  - Corporate

- **CUSTOMER VALUE**
  - Community
  - Country
  - Global

- **SOCIETAL VALUE**
  - Community
  - Country
  - Global

**VIRTUOUS WIN-WIN CYCLE**
Seek mutual growth with customer, Shinhan and societal value
Group Vision
Since its inception, SFG has strived to accomplish balanced growth between bank and non-bank businesses, to create new value by identifying new growth drivers and further differentiating our business model and, to become a world class financial group with global competence in talent and infrastructure.

Phase 1: Develop Foundation
- 2002

Phase 2: Make a Leap
2003~2009
- Build up Bank’s Scale
- Strengthen non-bank Business

Phase 3: Develop Leadership
2010~2015
- Secure “Local Best” Position
under “New Normal” Environment

Achieve 2015 Vision
World Class Financial Group

- Launched Integrated Shinhan Bank
- Acquired LG Card
- Launched Shinhan BNPP AM
- Acquired 100% ownership of Shinhan Life Insurance
- Launched Integrated Shinhan Bank
- Acquired Jeju Bank
- Acquired Good Morning Securities
- Established Shinhan BNPP ITMC
**Shareholders**

(As of Dec 31, 2013)

- **Domestic** 35.5%
- **Foreigner** 64.5%

**Major Shareholders**

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Ownership %</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Pension Fund of Korea</td>
<td>8.81</td>
</tr>
<tr>
<td>BNP PARIBAS GROUP</td>
<td>5.35</td>
</tr>
<tr>
<td>SFG ESOP</td>
<td>4.08</td>
</tr>
<tr>
<td>Saudi Arabian Monetary Agency</td>
<td>3.61</td>
</tr>
<tr>
<td>Citibank N.A.(ADR dept.)</td>
<td>2.56</td>
</tr>
<tr>
<td>The Government of Singapore</td>
<td>2.03</td>
</tr>
<tr>
<td>The Lazard Fund</td>
<td>1.92</td>
</tr>
<tr>
<td>Samsung Asset Management</td>
<td>1.27</td>
</tr>
<tr>
<td>Mizuho</td>
<td>1.26</td>
</tr>
<tr>
<td>Abu Dhabi Investment Authority</td>
<td>1.17</td>
</tr>
</tbody>
</table>

**Management**

**Dong Woo Han**

- Chairman & CEO, Shinhan Financial Group (incumbent)
- Main Work Experience
  - 2007 – Vice Chairman, Shinhan Life Insurance
  - 2002 – CEO, Shinhan Life Insurance
  - 1999 – Vice President, Shinhan Bank

**Jin Won Suh**

- President & CEO, Shinhan Bank (incumbent)
- Non-executive Director, SFG (Incumbent)
- Main Work Experience
  - 2007 – CEO, Shinhan Life Insurance
  - 2006 – Deputy President, Shinhan Financial Group
  - 2004 – Deputy President, Shinhan Bank
Thorough Risk Management

**Holding Company Level**

**BOD (Risk Mgt. Committee)**
- Group Risk Management Council
- Group CRO/Risk Management Team

**Group Risk Policies**
- Regulations / Standard Guidelines
- Instructions
- Organization-specific roles
- Risk management process for each risk type

**Group Risk Limit**
- Group Total Limit
- Subsidiary Total Limit
- Exposure Limit etc.

- Establish Group risk policies and determine the risk limit (Risk Mgt. Committee)
- Subsidiary specific policies and executions are delegated to each subsidiaries
- Review the appropriateness of the risk management strategies of subsidiaries (GCRO/ Risk Management Team)

**Subsidiary Level**

**Detailed Risk Strategies**

**Detailed Risk Policies**
- Organization-specific roles
- Risk management process for each risk type

**Detailed Risk Limit**

**Risk Management System**

- Establish and execute subsidiary-specific risk strategies in line with Group risk policies and limit
- Report risk related issues to Group CRO

**Controlling**
**Monitoring**
**Coordination**
**Reporting**
[Synergy Creation]
Enhance co-marketing among subsidiaries to increase overlapping customers

**Increasing Overlapping Customers**

- **Number of Customers in the Group**
  - 2009: 26,000
  - 2010: 27,280
  - 2011: 28,8140
  - 2012: 28,590
  - 2013: 28,590

- **Overlapping Customer Ratio**
  - 2009: 50.1%
  - 2010: 52.8%
  - 2011: 54.8%
  - 2012: 56.5%
  - 2013: 58.0%

- **Number of Overlapping Customers**
  - 2009: 13,020
  - 2010: 14,410
  - 2011: 15,420
  - 2012: 16,150
  - 2013: 16,580

**Synergy Creation Activities and Programs**

- **Increase Overlapping Customers**
  - Enhancing Customer Relation Management
  - Among 28,590 thousand, 16,580 are overlapping (2013)

- **Enhancing Co-marketing**
  - Co-marketing by investing the Group’s common resources
  - Co-marketing through the Group’s external partners

- **Hybrid Financial Instruments**
  - Co-developing and selling hybrid financial products such as S-More Point account/card and FNA

- **Cross-selling Synergy Products**
  - Non-bank products such as credit card, mutual fund, bancassurance, and FNA are cross-sold via the sales channels of Shinhan Bank

- **Referral of Customers**
  - Introduce customers to sister companies
  - Shinhan Bank makes a referral of its corporate customers to Shinhan Investment for IPO services.
Corporate & Investment Banking (CIB)

**Combine**
SHB & SH Invest combine to complement each other in terms of their respective products and services.

**Cooperate**
SHB & SH Invest provide products/services to corporate customers as if they are one entity.

**Grow**
Secure professionalism on par with Global IB’s in terms of financial solutions so as to promote customer’s success and development.

Wealth Management (WM)

**SHB ↔ SH Invest Coop.**
SHB/SH Invest’s Separate Model
Transformation of the model into actual cooperation based on co-location.

**3-Layer Customer Group**
Classification of Asset Holders into 3 Layers
- Ultra High Net Worth
- High Net Worth
- Affluent

Introducing differentiated Biz Model for each Layer of customers.

**IPS Division**
Investment Product & Service
Developing and providing professional comprehensive asset management solutions across the group.

**WM ↔ Retail Coop.**
PWM Center ↔ Retail Branch
Cooperation between PWM Centers and Retail Branches which provide customer management and asset management services.
I. Shinhan Financial Group

3. Financial Highlights
Shinhan Financial Group
Financial Highlights

Group Consolidated Net Income (KRW billion)
Note) From 2010, IFRS standard

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,019</td>
<td>1,305</td>
<td>2,685</td>
<td>3,100</td>
<td>2,323</td>
<td>1,903</td>
</tr>
</tbody>
</table>

Total Consolidated Assets (KRW trillion)
Note) From 2010, IFRS standard

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>264</td>
<td>255</td>
<td>268</td>
<td>288</td>
<td>305</td>
<td>311</td>
</tr>
</tbody>
</table>

Loans and Deposits of SHB (KRW trillion)
Note) From 2010, IFRS standard

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan</td>
<td>120</td>
<td>123</td>
<td>127</td>
<td>141</td>
<td>147</td>
<td>150</td>
</tr>
<tr>
<td>Deposit</td>
<td>105</td>
<td>122</td>
<td>128</td>
<td>139</td>
<td>144</td>
<td>147</td>
</tr>
</tbody>
</table>

Net Interest Margin (NIM) (%)
Note) From 2010, IFRS standard

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFG</td>
<td>3.52</td>
<td>3.01</td>
<td>3.51</td>
<td>3.59</td>
<td>3.36</td>
<td>3.17</td>
</tr>
<tr>
<td>Shinhan Bank</td>
<td>2.12</td>
<td>1.72</td>
<td>2.18</td>
<td>2.22</td>
<td>1.99</td>
<td>1.76</td>
</tr>
</tbody>
</table>
Financial Highlights

**NPL Ratio (%)**
- **SFG**
  - 2008: 1.14%
  - 2009: 1.30%
  - 2010: 1.46%
  - 2011: 1.25%
  - 2012: 1.34%
  - 2013: 1.26%
- **Shinhan Bank**
  - 2008: 1.00%
  - 2009: 1.00%
  - 2010: 1.31%
  - 2011: 1.09%
  - 2012: 1.08%
  - 2013: 1.16%

**Capital Adequacy (%)**
- **SFG**
- **Shinhan Bank**

**ROA / ROE (%)**
- **ROE**
  - 2008: 12.4%
  - 2009: 6.8%
  - 2010: 11.9%
  - 2011: 12.6%
  - 2012: 9.3%
  - 2013: 7.2%
- **ROA**
  - 2008: 0.8%
  - 2009: 0.5%
  - 2010: 1.1%
  - 2011: 1.2%
  - 2012: 0.8%
  - 2013: 0.7%

**BPS / EPS (KRW)**
- **BPS**
  - 2008: 35,312 KRW
  - 2009: 36,256 KRW
  - 2010: 44,660 KRW
  - 2011: 48,610 KRW
  - 2012: 52,145 KRW
  - 2013: 54,614 KRW
- **EPS**
  - 2008: 4,384 KRW
  - 2009: 2,324 KRW
  - 2010: 5,077 KRW
  - 2011: 5,837 KRW
  - 2012: 4,691 KRW
  - 2013: 3,819 KRW

Note: From 2010, IFRS standard
II. Companies in the Group

1. Shinhan Bank
Shinhan Bank is the flagship company of Shinhan Financial Group

- Total Assets (including trust account): KRW 253.8 trillion ¹)
- Net Income for 2013: KRW 1,373 billion ²) (1st among peers)

Note ¹) Total Assets : Banking Account + Merchant Banking Account + Trust Account
²) Net Income derived on consolidated bases

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>F/C LT Debt Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOODY’S</td>
<td>A1 (Stable)</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>A (Stable)</td>
</tr>
<tr>
<td>FITCH RATINGS</td>
<td>A (Stable)</td>
</tr>
</tbody>
</table>

Shinhan Bank's Key milestones

- ▼1897: Hanseung Bank (established)
- ▼1943: Chohung Bank (Merged with Dongil Bank)
- ▼2003: CHB acquired by SFG

- ▼2006. 04. 01: Integrated Shinhan Bank (Merger of SHB & CHB)
- ▼2006. 10: IT Integration

962 branches in total
- Domestic 943
- Overseas 19
Balanced Loan Portfolio

- **Loan Composition**
  - Corporate: 51%
  - Retail: 49%

Stable Funding Base

- **Funding Composition**
  - Debentures 8%
  - CD 1%
  - Low Cost Funding 32%
  - Time Savings 59%

Outstanding Risk Management

- **NPL Ratio**
  - SHB: 1.16%
  - A: 1.65%
  - B: 2.99%
  - C: 1.47%

High Per Capita Productivity

- **Per Capita Pre-provisioning Income**
  - SHB: 175
  - A(E): 120
  - B(E): 180
  - C(E): 150
Shinhan Bank
Market Position (as of Dec 31, 2013)

Net Income (KRW billion)

<table>
<thead>
<tr>
<th></th>
<th>SHB</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>1,373</td>
<td>842</td>
<td>785</td>
<td>576</td>
</tr>
</tbody>
</table>

Total Assets (KRW trillion)

<table>
<thead>
<tr>
<th></th>
<th>SHB</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>254</td>
<td>265</td>
<td>182</td>
<td>270</td>
</tr>
</tbody>
</table>

Asset Quality (%)

<table>
<thead>
<tr>
<th></th>
<th>SHB</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delinquency Ratio</td>
<td>1.16</td>
<td>0.77</td>
<td>1.47</td>
<td>1.14</td>
</tr>
<tr>
<td>NPL Ratio</td>
<td>0.39</td>
<td>0.39</td>
<td>0.39</td>
<td>0.39</td>
</tr>
</tbody>
</table>

ROA / ROE (%)

<table>
<thead>
<tr>
<th></th>
<th>SHB</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>7.28</td>
<td>4.21</td>
<td>5.94</td>
<td>2.93</td>
</tr>
<tr>
<td>ROE</td>
<td>0.59</td>
<td>0.30</td>
<td>0.38</td>
<td>0.22</td>
</tr>
</tbody>
</table>

Delinquency Ratio, NPL Ratio, ROA, ROE
Financial Highlights (as of Dec 31, 2013)

Net Income (KRW billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL Ratio</td>
<td>749</td>
<td>1,670</td>
<td>2,118</td>
<td>1,661</td>
</tr>
<tr>
<td>Delinquency Ratio</td>
<td>1,373</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Profitability (ROA, ROE)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>5.9%</td>
<td>11.4%</td>
<td>8.6%</td>
<td>9.00%</td>
<td>7.28%</td>
</tr>
<tr>
<td>ROA</td>
<td>0.34%</td>
<td>0.77%</td>
<td>0.69%</td>
<td>0.72%</td>
<td>0.59%</td>
</tr>
</tbody>
</table>

Asset Quality (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL Ratio</td>
<td>133%</td>
<td>166%</td>
<td>171%</td>
<td>149%</td>
</tr>
<tr>
<td>Delinquency Ratio</td>
<td>1.31</td>
<td>1.09</td>
<td>1.08</td>
<td>1.16</td>
</tr>
<tr>
<td>NPL Coverage Ratio</td>
<td>0.48</td>
<td>0.60</td>
<td>0.61</td>
<td>0.39</td>
</tr>
</tbody>
</table>

Capital Adequacy (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>15.1</td>
<td>15.5</td>
<td>15.3</td>
<td>15.8</td>
<td>16.3</td>
</tr>
<tr>
<td>Tier 2</td>
<td>3.5</td>
<td>3.1</td>
<td>2.9</td>
<td>3.2</td>
<td>2.4</td>
</tr>
<tr>
<td>1) Basel III</td>
<td>11.6</td>
<td>12.4</td>
<td>12.4</td>
<td>12.6</td>
<td>13.9</td>
</tr>
</tbody>
</table>
II. Companies in the Group

2. Shinhan Card
Merits of Credit Card Division under Bank

- Benefits of the bank credit rating and deposits
- Attract new customers through the bank’s channels

Shinhan Card is the No. 1 credit card company in Korea which encompasses the strengths of both the credit card division of a bank as well as an independent credit card company.

- Retains efficient decision making process, marketing expertise and independence
- Benefits from the high credit rating of SFG and Shinhan Bank as well as direct liquidity access
- Utilize Shinhan Bank’s distribution channels to attract new customers

- Ability to focus on the card business only with greater expertise
- Efficient decision-making process
- Active marketing activities

Merits of Mono-line Credit Card Company

Shinhan Card’s Corporate Milestone

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>Received approval for credit card biz</td>
</tr>
<tr>
<td>June 2002</td>
<td>Former SHC spun-off from Shinhan Bank</td>
</tr>
<tr>
<td>Jan. 2004</td>
<td>LG Card separated from LG Group</td>
</tr>
<tr>
<td>April 2006</td>
<td>Chohung Card merged with former SHC</td>
</tr>
<tr>
<td>Dec. 2006</td>
<td>SFG signed MOU on LG Card acquisition</td>
</tr>
<tr>
<td>Mar. 2007</td>
<td>LG Card became a subsidiary of SFG</td>
</tr>
<tr>
<td>Oct. 2007</td>
<td>Integration of LG Card and former SHC</td>
</tr>
<tr>
<td>Oct. 2012</td>
<td>Open Next Generation IT System</td>
</tr>
</tbody>
</table>

Incorporation of LG Card and former Shinhan Card

Expansion of Business

LG Card Acquisition

Integrated Growth Platform
Shinhan Card
Market Position

Earning Assets and Cardholders (As of Dec 31, 2013)

No. 1 by asset size and # of cardholders

Shinhan Card (19.6 tril. / 13.4 mil.)
- C (11.7 tril. / 8.4 mil.)
- A (14.8 tril. / 8.6 mil.)
- D (7.8 tril. / 7.2 mil.)
- B (9.9 tril. / 6.8 mil.)

Number of effective Cardholders (million)

Earning Assets (KRW trillion)

Credit Rating (As of Dec 31, 2013)

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>Shinhan Card</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>AA+</td>
<td>AA+</td>
<td>AA+</td>
<td>AA+</td>
<td>AA</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>BBB+</td>
<td>-</td>
<td>BBB</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fitch</td>
<td>A-</td>
<td>-</td>
<td>BBB</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Bona fide No.1 Credit Card Company in Korea

Market Share by Credit Purchase Volume (As of Dec 31, 2013)

Shinhan Card
- 22.3%
- 14.8%
- 14.4%
- 13.9%
- 8.4%

No.1 Brand in Korea selected by three major Research agencies and Awarded Triple Crown for 2 consecutive years

Ranked 1st in Customer Satisfaction by Research Agencies
Shinhan Card
Financial Highlights

Operating Revenue & Net Income (KRW billion)

- 2009: Operating Income 3,775, Net Income 857
- 2010: Operating Income 4,264, Net Income 990
- 2011: Operating Income 4,526, Net Income 876
- 2012: Operating Income 4,595, Net Income 742
- 2013: Operating Income 4,609, Net Income 658

ROA, ROE

- 2009: ROE 26.7%, ROA 4.7%
- 2010: ROE 1.80%, ROA 4.5%
- 2011: ROE 20.7%, ROA 4.7%
- 2012: ROE 17.0%, ROA 3.9%
- 2013: ROE 13.8%, ROA 3.4%

Adjusted Equity Capital Ratio

- 2009: 26.7%
- 2010: 25.2%
- 2011: 24.8%
- 2012: 27.4%
- 2013: 30.4%

Delinquency Ratio 1)

- 2009: 2.67%
- 2010: 1.80%
- 2011: 2.01%
- 2012: 2.35%
- 2013: 1.80%

1) From 2010, IFRS Standard
1) 1 month and over delinquent
II. Companies in the Group

3. Shinhan Investment Corp.
Company Overview

Good Morning Shinhan Securities changed its name to ‘Shinhan Investment Corporation’ to respond to the changes in the financial environment incurred by the enactment of the Financial Investment Services and Capital Market Act.

Key Milestones

1983. Renamed to Ssangyoung Securities
1999. Renamed to Good Morning Securities
2002. 04 SFG acquired a 31.7% share of Good Morning Securities
07 Good Morning Securities was merged with Shinhan Sec.
08 renamed to Good Morning Shinhan Securities (“GMSH”)
2004. 12 SFG acquired the remaining shares of GMSH
2007. 05 Overseas subsidiary in Hong Kong incorporated
2009. 08 Changed the company’s name to ‘Shinhan Investment Corporation’
2010. 06 Opened Ho Chi Minh office In Vietnam

Growth Trend

Net Income (KRW billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets (KRW billion)</th>
<th>Total Equity (KRW billion)</th>
<th>No. of Branches ¹)</th>
<th>No of Customers (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>7,316</td>
<td>1,710</td>
<td>87</td>
<td>1,479</td>
</tr>
<tr>
<td>2009</td>
<td>7,552</td>
<td>1,766</td>
<td>86</td>
<td>1,596</td>
</tr>
<tr>
<td>2010</td>
<td>9,540</td>
<td>1,898</td>
<td>88</td>
<td>1,714</td>
</tr>
<tr>
<td>2011</td>
<td>12,166</td>
<td>2,118</td>
<td>89</td>
<td>1,810</td>
</tr>
<tr>
<td>2012</td>
<td>16,465</td>
<td>2,178</td>
<td>91</td>
<td>1,926</td>
</tr>
<tr>
<td>2013</td>
<td>19,098</td>
<td>2,236</td>
<td>93</td>
<td>2,079</td>
</tr>
</tbody>
</table>

Note 1) Net income decreased due to large provisioning against PF loans
2) Since CY2011, IFRS was applied.

Note ¹) Excluding branches collocated within Shinhan Bank branches but, PWM branches were included.
Industry Overview

Securities Market (KRW trillion)

- Market Cap
- Trading Volume

* Source: KRX

Capital Market

1) DCM
2) ECM

Market Position

Market Share for Brokerage Business

<table>
<thead>
<tr>
<th></th>
<th>CY 2011</th>
<th>CY 2012</th>
<th>CY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>4.4% (9)</td>
<td>4.9% (5)</td>
<td>6.0% (3)</td>
</tr>
<tr>
<td>Futures</td>
<td>8.4% (1)</td>
<td>6.7% (1)</td>
<td>7.1% (2)</td>
</tr>
<tr>
<td>Options</td>
<td>6.0% (2)</td>
<td>4.9% (4)</td>
<td>3.5% (5)</td>
</tr>
</tbody>
</table>

* ( ) represents the ranking in the industry

Ranking of IB Business

<table>
<thead>
<tr>
<th></th>
<th>CY 2011</th>
<th>CY 2012</th>
<th>CY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPO</td>
<td>(7)</td>
<td>(8)</td>
<td>(N/A)</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>(5)</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td>ABS</td>
<td>(10)</td>
<td>(8)</td>
<td>(2)</td>
</tr>
</tbody>
</table>

* Source: The Bell
* ( ) represents the ranking in the industry
Shinhan Investment Corp.
Operation & Strategies

Operating Revenue Trend (KRW billion)

- CY2009: 437 1)
- CY2010: 571  (54%)
- CY2011: 527 2)  (60%)
- CY2012: 463  (48%)
- CY2013: 523  (36%)

Note 1) Net income decreased due to large provisioning against PF loans
2) Since CY2011, IFRS was applied.

Management Strategy

- Expand our customer base through differentiation in products and services
  - Migration to Asset Management-based Businesses
    - Bring a substantial upgrade to our product and services
    - Diversifying in channels such as smart finance and on face-to face mediums
    - Increasing our asset management capability
  - Completion of the Sales and Trading Models
    - Expand our customer base with stronger product development
    - Increase asset management returns by enhancing our investment skills and capabilities
    - Systematically increase risk management capabilities
  - Increasing WM/CIB Competitiveness
    - Upgrade WM channels and increase its profitability
    - Develop the expertise of IPS Division
    - Expand our IB customer base by building IB track records
    - Develop CDP programs for IB RMs and PMs
    - Secure product competitiveness in IB and diversify profit sources
  - Strengthening Surviving Capabilities in case of Emergencies
    - Increase operational efficiency in organizations, functions and HR
    - Make process improvements and IT innovation
    - Implement compassionate finance and improve brand images
    - Overhaul our synergy system,

[Graph showing Operating Revenue Trend]
II. Companies in the Group

4. Shinhan Life Insurance
Company Overview

Shinhan Life Insurance provides sophisticated insurance and financial services that meet diversified customers’ needs helping customers fulfill their dreams.

Key Milestones

- **1990. 01** Shinhan Life Insurance established
- **1997. 01.** Tele-marketing initiated
- **2003. 09** Bancassurance initiated
- **2003. 10** First to develop and introduce Children CI insurance
- **2005. 12** Joined SFG as a subsidiary
- **2006. 07** Launched Financial Full-service named as “TopsClub” for the first time in the industry
- **2007. 10** Launched automated insurance payment service for the first time in the industry
- **2013. 05** Acquired AAA, the best grade for Insurance solvency for 6 consecutive years
- **2013. 07** Received the Grand Prize in the Best Korea service Company (Korean Standards Association)
- **2013. 10** Awarded the Excellence Prize in the Knowledge Category by Prime Minister (Ministry of Security & Public Administration)
- **2013. 10** Received the Grand Prize in the Best Customer Satisfaction management Company Category (Korea Management Association)

Net Income and Financial Positions

<table>
<thead>
<tr>
<th>(KRW billion)</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY20131)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributors2)</td>
<td>8,519</td>
<td>9,325</td>
<td>11,621</td>
<td>11,085</td>
</tr>
<tr>
<td>YoY(%)</td>
<td>-13.9</td>
<td>9.5</td>
<td>24.6</td>
<td>-4.7</td>
</tr>
<tr>
<td>Insurance Premium4)</td>
<td>3,925</td>
<td>4,210</td>
<td>5,149</td>
<td>3,532</td>
</tr>
<tr>
<td>YoY(%)</td>
<td>24.6</td>
<td>7.3</td>
<td>22.3</td>
<td>-7.6</td>
</tr>
<tr>
<td>Total Assets</td>
<td>12,571</td>
<td>14,682</td>
<td>17,766</td>
<td>19,385</td>
</tr>
<tr>
<td>YoY(%)</td>
<td>20.4</td>
<td>16.8</td>
<td>21.0</td>
<td>14.4</td>
</tr>
</tbody>
</table>

1) Due to changes in Fiscal Year, FY2013 includes 9 months starting from April 1, 2013 to Dec 31, 2013
2) Calculated on a Year-on-Year basis
3) Includes financial planners and agents
Industry Overview

- Insurance premium dropped by 8.0% YoY to 77.2 trillion mostly due to absence of tax benefits on savings products and retirement pension products
- Total assets increased by 4.9% YTD. on the back of growing insurance premiums

Market Position

- Total assets of Shinhan Life increased by 14.4% YoY marking 19.4 tril. as of Dec 31, 2013 (7th largest among 24 peers)
- Shinhan Life Insurance generated net income of KRW 39.3 billion in 2013 decreased by 73%(104.1bil.) YoY largely attributed to externalities such as reduced interest margin and changes in regulatory framework. (9th among 24 peers)

Notes) Net income for the 9 months ended on Dec 31, 2013
* Source : Korea Life Insurance statistics, Top 10 based on total assets

Notes) Fiscal Year Basis
Shinhan Life Insurance
Financial Highlights

Condensed Income Statements

<table>
<thead>
<tr>
<th>(KRW billion)</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Margin</td>
<td>1,460.4</td>
<td>1,555.1</td>
<td>2,181.4</td>
<td>1074.7</td>
</tr>
<tr>
<td>Premium Income</td>
<td>3,469.4</td>
<td>3,607.5</td>
<td>4,585.5</td>
<td>3,033.3</td>
</tr>
<tr>
<td>Claims Paid</td>
<td>2,009.0</td>
<td>2,052.4</td>
<td>2,404.1</td>
<td>1,958.6</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>534.1</td>
<td>618.8</td>
<td>694.5</td>
<td>505.9</td>
</tr>
<tr>
<td>Policy Reserve (△)</td>
<td>1,745.0</td>
<td>1,901.1</td>
<td>2,678.8</td>
<td>1,557.8</td>
</tr>
<tr>
<td>Operating Income</td>
<td>249.5</td>
<td>272.8</td>
<td>197.2</td>
<td>22.8</td>
</tr>
<tr>
<td>Net Income before tax</td>
<td>287.2</td>
<td>313.0</td>
<td>239.3</td>
<td>51.1</td>
</tr>
<tr>
<td>Net Income</td>
<td>218.2</td>
<td>240.0</td>
<td>189.8</td>
<td>39.3</td>
</tr>
</tbody>
</table>

Policies in Force

<table>
<thead>
<tr>
<th>(KRW billion, %)</th>
<th>FY2012</th>
<th>%</th>
<th>FY2013</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance General</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Insurance</td>
<td>94,094</td>
<td>98.6</td>
<td>95,618</td>
<td>98.6</td>
</tr>
<tr>
<td>Pure Endowment</td>
<td>9,739</td>
<td>10.2</td>
<td>10,447</td>
<td>10.8</td>
</tr>
<tr>
<td>Against Death</td>
<td>69,153</td>
<td>72.4</td>
<td>70,270</td>
<td>72.5</td>
</tr>
<tr>
<td>Endowment</td>
<td>15,203</td>
<td>16.0</td>
<td>14,901</td>
<td>15.3</td>
</tr>
<tr>
<td>Group Insurance</td>
<td>1,174</td>
<td>1.2</td>
<td>993</td>
<td>1.0</td>
</tr>
<tr>
<td>Sub total</td>
<td>95,268</td>
<td>99.8</td>
<td>96,611</td>
<td>99.6</td>
</tr>
<tr>
<td>Separated Account</td>
<td>200</td>
<td>0.2</td>
<td>349</td>
<td>0.4</td>
</tr>
<tr>
<td>Total</td>
<td>95,469</td>
<td>100</td>
<td>96,960</td>
<td>100</td>
</tr>
</tbody>
</table>

Condensed Balance Sheets

<table>
<thead>
<tr>
<th>(KRW billion)</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td>775</td>
<td>864</td>
<td>1,253</td>
<td>917</td>
</tr>
<tr>
<td>Securities</td>
<td>6,142</td>
<td>6,647</td>
<td>9,136</td>
<td>10,541</td>
</tr>
<tr>
<td>Loans</td>
<td>2,527</td>
<td>3,059</td>
<td>3,677</td>
<td>4,160</td>
</tr>
<tr>
<td>Others</td>
<td>1,338</td>
<td>2,332</td>
<td>1,745</td>
<td>1,659</td>
</tr>
<tr>
<td>Separated Account</td>
<td>1,789</td>
<td>1,779</td>
<td>1,955</td>
<td>2,109</td>
</tr>
<tr>
<td>Total Assets</td>
<td>12,571</td>
<td>14,682</td>
<td>17,766</td>
<td>19,385</td>
</tr>
</tbody>
</table>

Key Financials 1)

<table>
<thead>
<tr>
<th>(%)</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solvency Ratio 2)</td>
<td>361.4(6)</td>
<td>309.0(6)</td>
<td>287.8(5)</td>
<td>253.1(5)</td>
</tr>
<tr>
<td>ROA</td>
<td>1.90(2)</td>
<td>1.70(2)</td>
<td>1.13(1)</td>
<td>0.28(7)</td>
</tr>
<tr>
<td>ROE</td>
<td>22.60(1)</td>
<td>20.70(1)</td>
<td>13.98(1)</td>
<td>3.89(7)</td>
</tr>
</tbody>
</table>

1) Numbers in ( ) indicate ranking among Top 10 players
2) Solvency Ratio is RBC based.
II. Companies in the Group

5. Shinhan BNPP Asset Management
Incorporation: August 26, 1996
Paid-in Capital: KRW 75.4 billion
Employees: 173
Major Shareholders: SFG (65%), BNPP IP (35%)
AUM: KRW 33.5 trillion (including discretionary accounts)

Shinhan BNP Paribas Asset Management was launched in January 2009 through an integration of two outstanding asset management companies; SH Asset Management, specialized in investment in domestic equities and bonds, and Shinhan BNP Paribas Trust Investment, whose specialty was foreign equity funds.

We are trying our very best to pursue our utmost goal of ‘customer satisfaction’ on the back of global standard investment know-how, efficient system and the best crew in our investment team.

Key Milestone of Shinhan BNP Paribas Asset Management

- Aug. 1996: Shinhan Trust Inv. Incorporated
- Aug. 1996: Introduced the first equity based beneficial certificates
- Mar. 1999: Introduced the first mutual fund product
- Sept. 2001: Joined SFG as a subsidiary
- Oct. 2002: BNP Paribas Asset Management Group acquired 50% of ownership Renamed as ‘Shinhan BNP Paribas Investment Trust Management’
- Sept. 2008: MOU signed for the integration of two asset management companies under SFG
- Jan. 2009: Shinhan BNPP AM Launched (SFG 65%, BNP Paribas Group 35%)
- Oct. 2012: Capital Injection into Shinhan BNPP AM. HKD 20,000,000
- Nov. 2013: Launch a Metro Line 9 Fund
- Jan. 2011: A subsidiary was incorporated at Hong Kong with capital of HKD 11 million. (Obtained a license for asset mgt. and investment advisory)
- Dec. 2007: Ownership Changed (SHB 100%)
- Jul. 1997: Initiated investment trust management business (Equity based)
- April. 2006: Renamed as ‘SH Asset Mgt’ Ownership Changed (SHB 79.8%, KIG Sec. 18.7%, ESOP 1.5%)
- Apr. 1995: Registered at SEC of the US
- Mar. 1996: Transformed into ‘CH Inv. Trust Management’
- Nov. 1992: Acquired by CHB (CHB 60%, CH Sec. 40%)
- Mar. 1988: HanYang Inv. Advisory Incorporated
### Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Condensed IS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>115.2</td>
<td>119.2</td>
<td>109.8</td>
<td>102.5</td>
<td>98.0</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>71.6</td>
<td>65.5</td>
<td>61.7</td>
<td>59.2</td>
<td>58.0</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>42.8</td>
<td>35.7</td>
<td>38.2</td>
<td>38.6</td>
<td>37.9</td>
</tr>
<tr>
<td>Operating Income</td>
<td>43.6</td>
<td>53.7</td>
<td>48.1</td>
<td>43.3</td>
<td>40.1</td>
</tr>
<tr>
<td>Net Income</td>
<td>31.7</td>
<td>39.7</td>
<td>35.0</td>
<td>31.3</td>
<td>31.5</td>
</tr>
<tr>
<td><strong>Condensed BS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Asset</td>
<td>168.0</td>
<td>172.1</td>
<td>170.7</td>
<td>168.9</td>
<td>169.6</td>
</tr>
<tr>
<td>Total Equity</td>
<td>140.9</td>
<td>147.2</td>
<td>146.3</td>
<td>145.7</td>
<td>140.0</td>
</tr>
<tr>
<td><strong>Key Financial Indications</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>23.28%</td>
<td>27.59%</td>
<td>23.89%</td>
<td>21.44%</td>
<td>22.49%</td>
</tr>
<tr>
<td>ROA</td>
<td>18.18%</td>
<td>23.38%</td>
<td>20.45%</td>
<td>18.43%</td>
<td>18.55%</td>
</tr>
<tr>
<td>Cost-Income Ratio</td>
<td>49.54%</td>
<td>39.93%</td>
<td>44.26%</td>
<td>47.13%</td>
<td>48.60%</td>
</tr>
</tbody>
</table>

### Market Share

<table>
<thead>
<tr>
<th>Market Share % (including discretionary account)</th>
<th>25</th>
<th>20</th>
<th>15</th>
<th>10</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012.12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013.6</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2013.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013.12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Shinhan BNPP AM**
- **A**
- **B**
- **C**
- **D**
II. Companies in the Group

6. Shinhan Capital
Shinhan Capital
Company Overview

Profile

Overview
- Incorporation Date: April 19, 1991
- Shareholders’ Equity: KRW 519.8 billion (Paid in Capital: KRW 180 billion)
- Total Assets: KRW 3.8 trillion
- Networks: Headquarter (Seoul) / Branches (Gangnam, Yeouido, Busan, Ansan, Daejeon)
- Key Milestones

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991. 04</td>
<td>Incorporation of Shinhan Capital</td>
</tr>
<tr>
<td>2005. 11</td>
<td>Selected as the fund of funds mgt. company for SMBA</td>
</tr>
<tr>
<td>2006. 11</td>
<td>Rating upgrade (A+ → AA-)</td>
</tr>
<tr>
<td>2007. 12</td>
<td>Assumed Shinhan Card’s Corporate leasing assets</td>
</tr>
<tr>
<td>2010. 05</td>
<td>Selected as Investment Trust Management Agency for KoFC Fund to foster New Growth Driver Corporation</td>
</tr>
<tr>
<td>2012. 12</td>
<td>Opened Yoido Financial Center</td>
</tr>
</tbody>
</table>

Business
- Leasing in relation to ships, medical instruments, and other PP&Es
- Installment Financing / Venture Capital / Corporate restructuring financing
- Real Estate PF / Loans / Factoring, etc.

Vision & Strategy

No.1 credit-specialized financial company in Korea leading the financial market

Shinhan Capital’s mid-to-long term corporate vision is ‘No.1 credit-specialized financial company in Korea leading the financial market.’ This vision is in line with SFG’s vision of ‘World Class Leading Financial Group’ and its strategic objective of ‘establishing Korea No. 1 (Local Best) Financial Brand’ by 2015. For the year 2013, we set our strategic objective as ‘Change for the Future; Overcoming the Crisis and Securing Future Competitiveness.’ In this regard, we have been pursuing 3 core business strategies such as ‘establishing solid business line, strengthening market responding capability, and overhauling the system and infrastructure.

2015 Target

<table>
<thead>
<tr>
<th></th>
<th>2012 (KRW billion)</th>
<th>2013 (KRW billion)</th>
<th>2015 (KRW billion)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>3,526.2</td>
<td>3,772.4</td>
<td>4,240.0</td>
<td>3.8%</td>
</tr>
<tr>
<td>Net Income</td>
<td>4.7</td>
<td>50.4</td>
<td>55.5</td>
<td>1.7%</td>
</tr>
<tr>
<td>ROA</td>
<td>0.1%</td>
<td>1.4%</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>No. of Employees</td>
<td>155</td>
<td>165</td>
<td>195</td>
<td></td>
</tr>
</tbody>
</table>
Financial Highlights

<table>
<thead>
<tr>
<th>(KRW billion)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condensed B/S</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>3,652.0</td>
<td>3,734.7</td>
<td>3,518.3</td>
<td>3,526.2</td>
<td>3,772.4</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>3,253.8</td>
<td>3,288.3</td>
<td>3,037.9</td>
<td>3,053.9</td>
<td>3,252.6</td>
</tr>
<tr>
<td>Total Shareholders’ Equity</td>
<td>398.2</td>
<td>446.5</td>
<td>480.4</td>
<td>472.3</td>
<td>519.8</td>
</tr>
<tr>
<td>(Paid in Capital)</td>
<td>180.0</td>
<td>180.0</td>
<td>180.0</td>
<td>180.0</td>
<td>180.0</td>
</tr>
<tr>
<td>Condensed P/L</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>449.0</td>
<td>403.4</td>
<td>365.9</td>
<td>376.3</td>
<td>319.7</td>
</tr>
<tr>
<td>Operating Income</td>
<td>51.5</td>
<td>52.9</td>
<td>67.4</td>
<td>3.9</td>
<td>65.4</td>
</tr>
<tr>
<td>Net Income</td>
<td>38.4</td>
<td>40.1</td>
<td>51.1</td>
<td>4.7</td>
<td>50.4</td>
</tr>
<tr>
<td>Key Financial Indicators</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>10.1%</td>
<td>13.0%</td>
<td>11.0%</td>
<td>1.0%</td>
<td>10.2%</td>
</tr>
<tr>
<td>ROA</td>
<td>1.0%</td>
<td>1.5%</td>
<td>1.4%</td>
<td>0.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Capital Adequacy Ratio</td>
<td>13.2%</td>
<td>14.2%</td>
<td>14.5%</td>
<td>15.0%</td>
<td>15.1%</td>
</tr>
<tr>
<td>NPL ratio</td>
<td>2.2%</td>
<td>2.4%</td>
<td>2.2%</td>
<td>3.0%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Market Position

- Total Assets

[Graph showing total assets for different entities from 2009 to 2013]

※ As of Dec 31, 2013, Shinhan Capital is 2nd largest company among its peers in terms of total assets.
II. Companies in the Group

7. Jeju Bank
8. Shinhan Savings Bank
9. Shinhan Data System
10. Shinhan AITAS
11. Shinhan Credit Information
12. Shinhan Private Equity
Incorporated in Jeju Island in 1969, Jeju Bank had been posting healthy growth amid strong support of the Jeju residents, playing a central role in the development of the Island’s local economy.

- **Major Shareholders**: SFG (68.88%), KDIC (16.38%)
- **Shareholders’ Equity**: 292.1 billion
- **Total Assets**: KRW 3.2 Trillion
- **Networks**: total of 39 branches and sub-branches (36 in the Jeju region)
- **Market share in the Jeju region**: 33% of deposits and 27% of loans

**Key Milestones**

- **1969. 03**: Cheju Bank (Ltd) founded
- **1972. 12**: Shares listed on the Korean Stock Exchange
- **2002. 05**: Became subsidiary of Shinhan Financial Group
- **2009. 10**: Launched pension fund operations
- **2010. 08**: Launched smartphone banking service
- **2012. 12**: Commended by the Minister of Public Administration and Security of the Republic of Korea for best CSR
- **2013. 12**: Awarded the Korea Nanum Prize by the Minister of Health & Welfare

**Financial Highlights**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income (KRW billion)</th>
<th>Total Assets (KRW trillion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>22.4</td>
<td>3.2</td>
</tr>
<tr>
<td>2012</td>
<td>23.0</td>
<td>3.1</td>
</tr>
<tr>
<td>2013</td>
<td>20.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

**Vision & Strategy**

- **Vision**: Quality based Local Top Bank
- **Goal**: Differentiation through competitive advantages as a regional bank specialized in retail banking

- Strengthen business based on the characteristics of a regional bank and achieving superiority over peers through a strategy of differentiation while striving for fundamental and qualitative improvement
Shinhan Savings Bank
Company Overview

Profile

Company Overview (As of Dec 31, 2013)
Shinhan Savings Bank was launched on April 1, 2013 following the merger of Shinhan Savings Bank (established December 2011) and Yehanbyeol Savings Bank (established November 2012)

- Shareholders’ Equity: 96.0 billion
- Total Assets: KRW 777.1 billion
- Networks: 8 branches (Seoul metropolitan area)
- Key Milestones

2011. 12
Acquired a savings bank licenses and changed its name to Shinhan Savings Bank upon joining Shinhan Financial Group

2012. 01
Launched business operations

2013. 01
Yehanbyeol Savings Bank joined the Shinhan Financial Group

2013. 04
The former Shinhan Savings Bank and Yehanbyeol Savings Bank were merged and a new Shinhan Savings Bank was launched

Vision & Strategy

"Bringing a bright smile to the face of the people through compassionate finance"
Shinhan Savings Bank will exert every effort to become Korea’s benchmark financial company for the customers by conducting business centering on micro-and community finance in tune with the rhythm of the local community under sound and transparent management.

Vision
Setting a new benchmark for savings banks as the leader in this field

Strategic goals
Construct stable basis for growth and secure competitive age through differentiation

Priority near-term objectives
Build basis for sound credit business
Secure crisis response capacity by strengthening management
Strive for customer oriented business operations
Upgrade organizational capacity and infrastructure
Company Overview

(As of Dec 31, 2013)

Since establishment in 1991 as a specialized financial IT company, Shinhan Data System has been reinforcing generation of IT synergies within Shinhan Financial Group and offering the best-of-its kind financial IT services to its customers.

- Incorporation Date: May 13, 1991
- Shareholders’ Equity: KRW 8.2 billion
- Total Assets: KRW 20.5 billion

Key Milestones

1991. 05  Shinhan System( Ltd.) established
2003.10 Changed its name to Shinhan Data System (Ltd.)
2005. 09 Operation of Group Electronic Data Processing Center commenced
2009. 10 Operation of Shared Service Center providing SFG’s group IT infrastructure
2010. 01 Joined SFG as a subsidiary
2012. 11 ISO/IEC 20000 (services management), BS100012 (individual information protection) certification acquired
2013.02 Established (constructed) a total system for the Credit

Business Scope

- SI(System Integration), SM(System Management)
- ITO(IT Outsourcing), BPO(Business Process Outsourcing)
- IT consulting business

Mission

Compassionate ICT sharing future

Your IT Partner Creating Business Value

Vision

Business Value Creator

2015 Strategic goal

ICT expert leading smart finance

Strategic Priorities

- Secure Smart ICT Leadership
- Enhance customer satisfaction through Upgrading service Capabilities
- Strategic cost saving
- Establish foothold for continuous growth

Build IT Shared Service Center within the Group
Shinhan AITAS
Company Overview

Profile

Company Overview (As of Dec 31, 2013)
Shinhan AITAS, founded in June 2000, is the best fund service specialty provider with unparalleled market competitiveness and the largest domestic market share. Shinhan AITAS provides general fund related administrative services as well as comprehensive system for asset management, including Accounting System, Trading System, and Asset Management System.

- Incorporation Date: June 15, 2000
- Shareholders’ Equity: KRW 30.4 billion
- Total Assets: KRW 34.6 billion
- Key Milestones
  - 2001. 03: Launched the first stock trading system in this business field
  - 2007. 09: Achieved KRW 100 trillion of custody assets
  - 2009. 06: Developed overseas public disclosure system
  - 2012. 11: Joined Shinhan Financial Group as a subsidiary
  - 2013. 01: Launch a next generation trading system

Business Scope
- Accounting services relating to Funds and beneficiary certificates
- Delivery and operation of trading systems for the management of funds and beneficiary certificates
- Provision and operation of systems for fund and beneficiary certificates performance analysis
- Consulting on financial systems and their construction

Domestic & Global Market Share

Domestic Market (No. 1)
- No. of operating agreements with companies: 45 (Out of a total of 85)
- No. of Funds under Management: 4,950 (Out of a total of 10,807)
- Assets under administration: KRW 114 trillion (Out of a total of KRW 328 trillion)

Global Market (No. 12)
- Ranked 12th globally for Assets under administration according to fundservices.net

- Ranked 12th globally for Assets under administration according to fundservices.net

- Ranked 12th globally for Assets under administration according to fundservices.net

- Ranked 12th globally for Assets under administration according to fundservices.net

- Ranked 12th globally for Assets under administration according to fundservices.net
Company Overview (As of Dec 31, 2013)

Shinhan Credit Information Co. was established on July 8, 2002 with the full financing of KRW 3 billion in paid-in capital by Shinhan Financial Group. As the Company’s main business is credit investigation, it plans to centrally manage all bad credit of the Group’s subsidiaries to create operational synergy and is thus expected to play a central role in strengthening the financial soundness of the Group.

- Incorporation Date: July 8, 2002
- Shareholders’ Equity: KRW 13.7 billion
- Total Assets: KRW 21.0 billion

Key Milestones

- 2002. 08. Acquired credit information business license from FSC
- 2002. 09. Commenced credit information business operations (Administering the credits of the group companies)
- 2007. 07. Launched credit management of former LG credit card after Acquisition
- 2009. 01. Launched credit management of KAMCO’s credit recovery fund
- 2011. 07. Launched business assisting in administering UAMCO’s assets
- 2013. 02. Commenced business assisting in administering the assets of the KDIC
- 2013. 08. Commenced credit management of KAMCO’s National Happiness Fund
- 2014. 03. Commenced credit management of KAMCO’s Hope Fund

Business Scope

- Debt collection and credit reporting
- Civil application/petition services, Receiving documents as an agent and CRM operation
- Operations in support of the National Happiness Fund

Credit under management:
- Group Companies: KRW 2~3 trillion
- Public Credit: KRW 3~4 trillion
- External Credit: KRW 1~2 trillion

Sales volume of credit research:
- Group Companies: KRW 2.8 billion
- Public Credit: KRW 14 billion
- External Credit: KRW 1.5 billion

Launched application/petition services and CRM operation starting from 2012

Launched supporting business for the National Happiness Fund in 2013

Credit under management:
- Group Companies: KRW 3~4 trillion
- Public Credit: KRW 3~4 trillion
- External Credit: KRW 1~2 trillion

Amount administered in asset management assistance business:
- Group Companies: KRW 14 billion
- Public Credit: KRW 14 billion
- External Credit: KRW 1.5 billion

Comprehensive credit information service
**Company Overview (As of Dec 31, 2013)**

Shinhan Private Equity is the first local private equity company in Korea established in Dec. 2004 with a 100% capital contribution by Shinhan Financial Group.

- **Incorporation Date**: December 8, 2004
- **Shareholders’ Equity**: KRW 10 billion
- **Asset under Management**: KRW 1.6 trillion
- **Key Milestones**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004. 12.</td>
<td>Shinhan Private Equity Established</td>
</tr>
<tr>
<td>2004. 12</td>
<td>Joined Shinhan Financial Group as a subsidiary</td>
</tr>
<tr>
<td>2005. 08</td>
<td>Established Shinhan NPS private Equity Fund 1st</td>
</tr>
<tr>
<td>2008. 06</td>
<td>Established Shinhan Private Equity Fund 2nd</td>
</tr>
<tr>
<td>2008. 12</td>
<td>KOREA Capital Market the bell League Table Awards—Best M&amp;A Deal by PEF</td>
</tr>
<tr>
<td>2011. 10</td>
<td>Acquired discretionary investment advisory license</td>
</tr>
<tr>
<td>2011. 11</td>
<td>Changed its name to Shinhan Private Equity Investment Management</td>
</tr>
<tr>
<td>2012. 12</td>
<td>Established Shinhan Stonebridge Petro Equity Fund</td>
</tr>
<tr>
<td>2014. 02</td>
<td>Changed its name to Shinhan Private Equity</td>
</tr>
</tbody>
</table>

**Operation Overview**

- **Shinhan NPS private Equity Fund 1st**
  - **Investment Amount**: KRW 300 billion
  - Independently managed by Shinhan PE
  - Currently in liquidation proceedings

- **Shinhan Private Equity Fund 2nd**
  - **Investment Amount**: KRW 460 billion
  - Independently managed by Shinhan PE
  - Invested KRW 280.7 billion in domestic market no 1 newsprint paper manufacturing company Jinju paper and other 4 companies

- **Shinhan Stonebridge Petro Equity Fund**
  - **Investment Amount**: KRW 818.2 billion
  - jointly invested and operated by Shinhan PE & Stonebridge
  - Invested KRW 800 billion in SK Incheon Petrochem
Forward-Looking Statements

Shinhan Financial Group’s 2013 e-Brochure may contain forward-looking statements to provide value-added account of Shinhan Financial Group’s businesses and results of operations.

These forward-looking statements reflect our current views with respect to future events and performance, and are generally identified by the use of forward-looking terminology, such as “expect”, “plan”, “intend”, and similar expressions.

You are cautioned not to place undue reliance in these forward-looking statements, which reflect management’s current analysis of future events.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.