



Business Results

FY 2016

Winter

Disclaimer Statement

The financial information contained herein has neither been reviewed or 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 for periods on or following January 1, 2010 has been prepared in accordance with the Korean IFRS.
- 2) Financial information for the years ended December 31, 2011, 2012 and 2013 have been retroactively restated to reflect changes in accounting policies.

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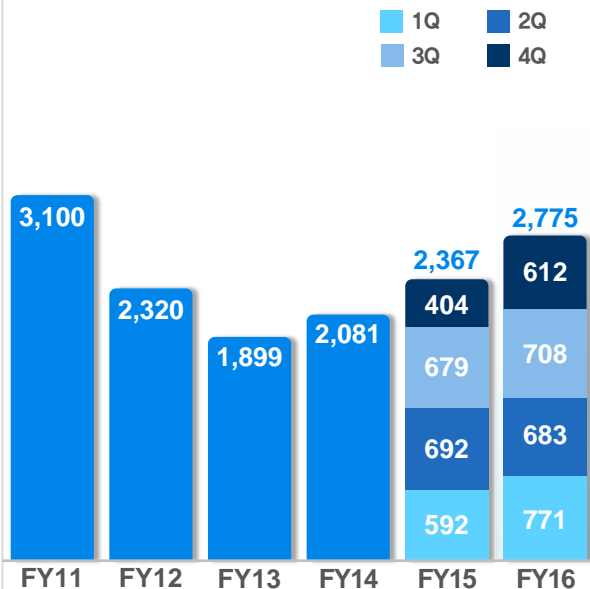
Contents

- I. **FY2016 Business Results Highlights**
- II. **Income**
- III. **Assets & Liabilities**
- IV. **Asset Quality**
- V. **Capital Adequacy**
- VI. **Appendix**



FY2016 Business Results Highlights (1)

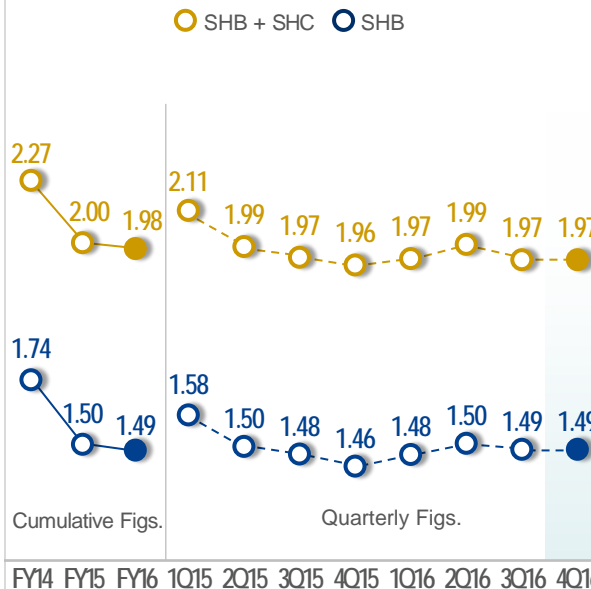
Group Net Income (KRW bil.)



**For 3 consecutive years
NI exceeding 2 tril.**

- SFG posted 2.77tril. of net income in FY2016, 17.2% YoY hike from 2015.
- Interest income increased by 7.7% YoY and 3.6% QoQ attributed to increase in average balance of loans during 4Q coupled with well-protected NIM.
- Non-interest income dropped by 12.0% YoY, due to decreased non-recurring sales gains from securities disposal and Mortgage loans sell-off (Relief Loans).
- SG&A increased 19.8% QoQ, due to seasonality factors such as ERP, while annual increase was tamed at 0.7% YoY through persistent cost control.

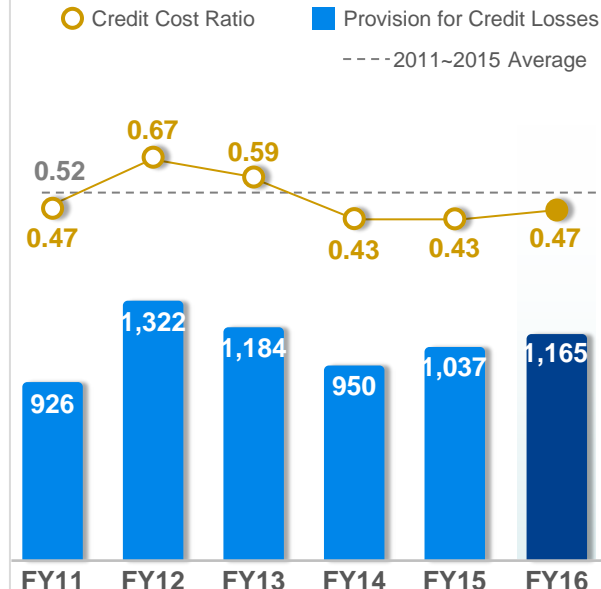
NIM (%)



**NIM Well-protected
through effective A&L Mgt.**

- During 4Q16, SHB's NIM well-protected at 1.49% attributed to 1) Profit sensitive loan pricing 2) Improvement in deposit yield based on effective A&L management along with year-round efforts to draw more low-cost deposits.
- Notwithstanding the pressures on lending yields effected by policy rate cuts in June 2016.
- Group NIM including credit card marked 1.97%, without any change QoQ attributed to increase in card loans.

Credit Cost Ratio (% , KRW bil.)

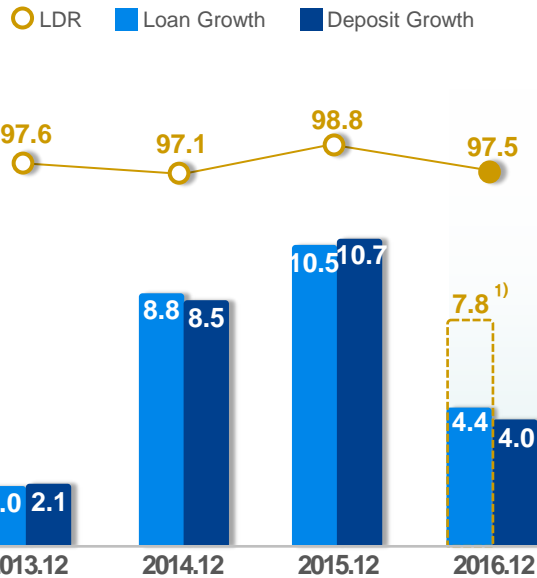


**Maintaining 40bp level
for 3 consecutive years**

- Group credit costs marked 47bp, well-maintained at 40bp level for 3 consecutive years.
- SHB's provision for credit losses increased by 16.4% YoY, mainly due to provisions related to restructuring companies such as shipbuilding and shipping. However recurring credit cost has consistently entered into improving trajectory.
- SHC's provision increased by 13.4% YoY, despite continuing asset quality improvement, mainly due to active loan growth along with decrease in recovery from written-off assets.

FY2016 Business Results Highlights (2)

Loans & Deposits (%)



Note1) Including Loans Securitized

Capturing growth opportunities in quality assets

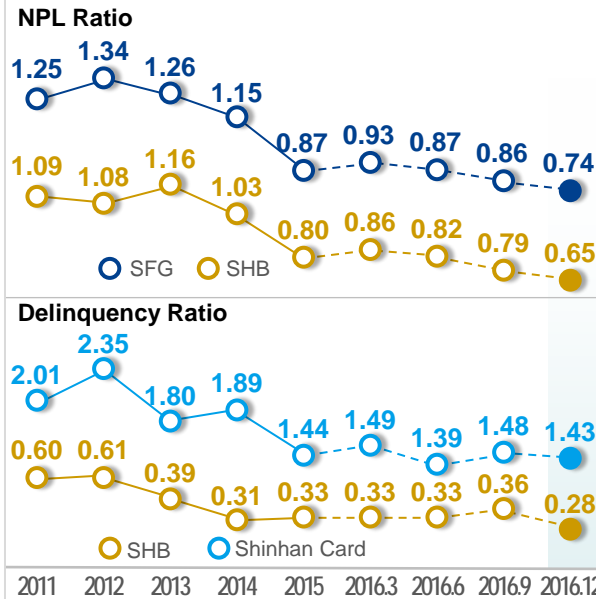
- KRW loan balance as end of 4Q16 marked 185 tril. up by 4.4% YTD. (up by 7.8% YTD, incl. loan securitized)

Corporate: High quality unregistered SME loans increased by 16.9%, bringing up corporate loan growth to 2.5% YTD.

Retail: Personal loans including unsecured Personal loans and Jeonse loans increased by 14.4% YTD shoring up retail loan growth to 6.3% YTD.

- Deposit grew by 4.0% YTD reaching to 188 tril. Low costs deposits increased by 9.9% YTD. with year-round efforts to draw more low-cost funding whereas time savings decreased by 0.2% YTD.

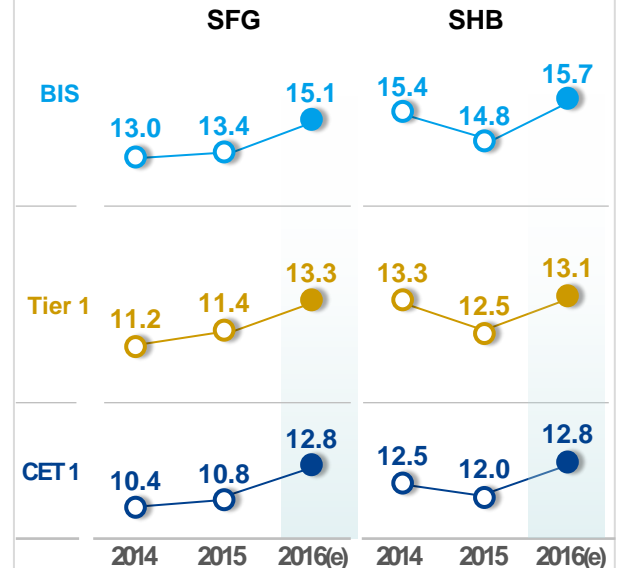
NPL / Delinquency Ratio (%)



Lowest NPL level in history

- NPL ratio for the Group and SHB recorded 0.74% and 0.65%, improved by 0.12%p and 0.14%p QoQ respectively. Asset quality trend reached to lowest NPL level in history for the Group.
- NPL coverage ratio for the Group and SHB each marked 219% and 205%, increasing by 28%p and 32%p respectively.
- SHB and SHC delinquency ratio recorded 0.28% and 1.43%, which improved by 8bp and 5bp respectively. Major factors for improvement attributed to active write-offs & sales and persistent asset quality control.

Capital Adequacy (%)



Note) Based on Basel 3

Strong capital base for future growth

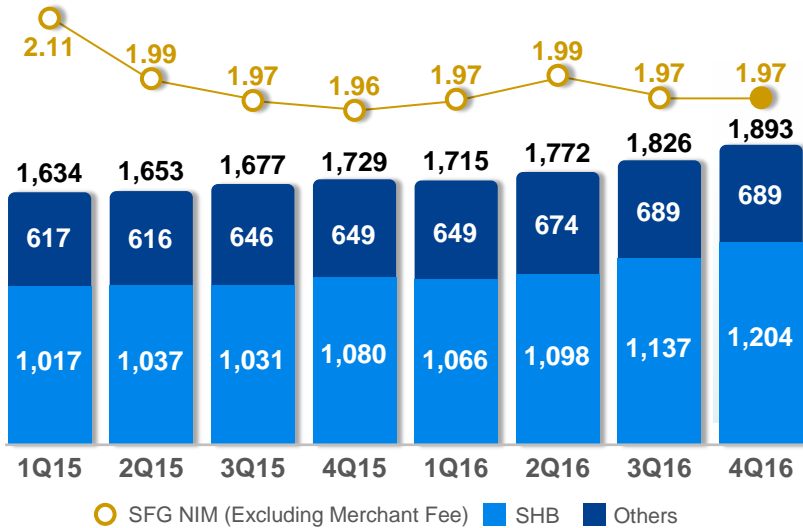
- Based on BASEL3, Group's Common Equity Tier1 marked 12.8% improved by 2%p YTD. driven by growth in earnings with stable level of risk weighted assets along with the adoption of IRB approach for credit card assets and unwinding of regulations on reserve for credit losses.
- Based on BASEL3, SHB's Common Equity Tier1 and BIS ratio each marked 12.8% and 15.7%, maintaining sufficient capital base.

II . Income

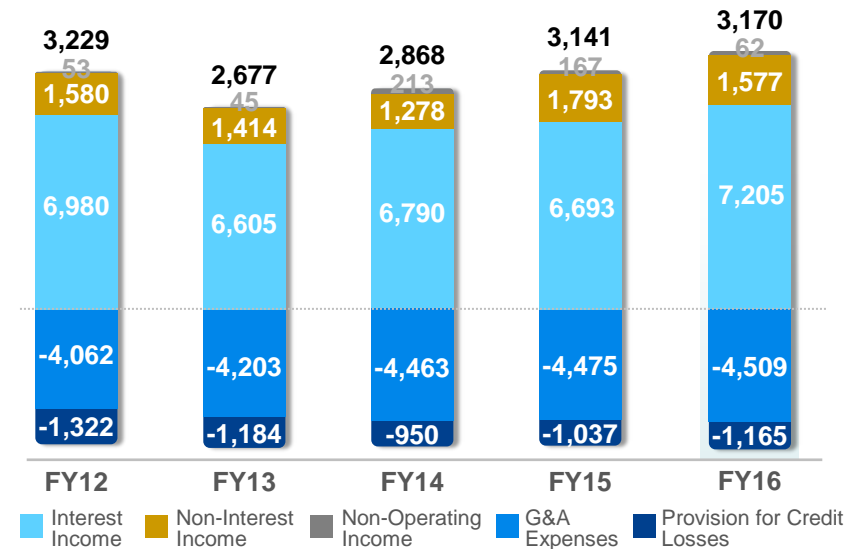
1. SFG Income
2. SFG Non-Interest Income
3. SFG G&A Expenses
4. Subsidiaries Income (1)
5. Subsidiaries Income (2)
6. SHB Income / NIM
7. SHB Non-Interest Income
8. Shinhan Card Income



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



SFG Earnings before Income Tax (KRW bil.)



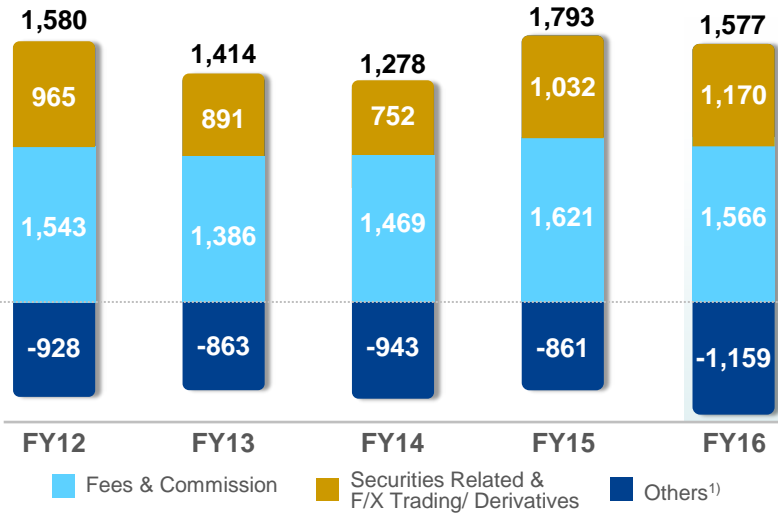
(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Operating Income (a=b+c)	8,782.4	8,485.7	3.5	2,199.3	2,237.7	-1.7
Interest Income (b)	7,205.4	6,692.9	7.7	1,892.6	1,826.1	3.6
Non-Interest Income (c)	1,577.0	1,792.7	-12.0	306.7	411.7	-25.5
G&A Expenses (d)	4,508.6	4,475.1	0.7	1,279.2	1,068.0	19.8
Pre-Provision Oper. Income (e=a-d)	4,273.8	4,010.6	6.6	920.1	1,169.7	-21.3
Non-Operating Income (f)	61.8	167.4	-63.1	7.5	11.3	-33.6
Pre-Provision Income (g=e+f)	4,335.6	4,178.0	3.8	927.7	1,181.1	-21.5
Provision for Credit Losses (h)	1,165.1	1,037.4	12.3	294.0	232.8	26.3
Earnings before Income Tax (i=g-h)	3,170.5	3,140.6	1.0	633.7	948.2	-33.2
Income Tax	345.6	694.6	-50.3	19.3	225.8	-91.5
Consolidated Net Income ¹⁾	2,774.8	2,367.2	17.2	612.1	707.9	-13.5

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

(KRW bil.)

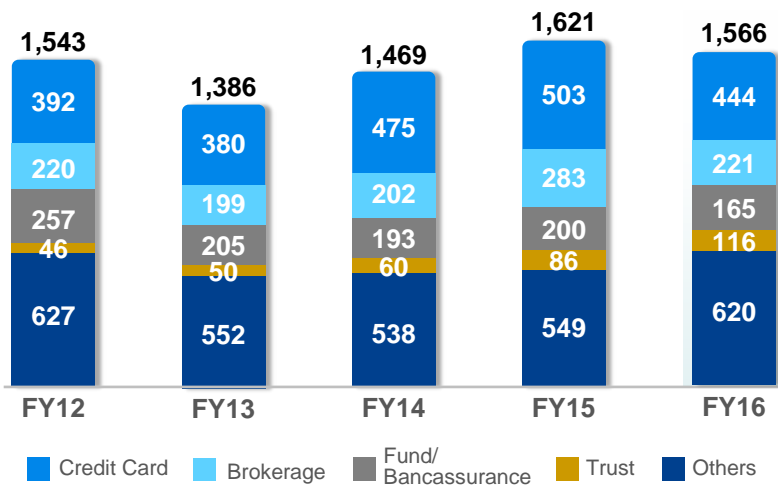


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Non-Interest Income	1,577.0	1,792.7	-12.0	306.7	411.7	-25.5
Fees & Commission	1,565.5	1,621.0	-3.4	400.0	377.4	6.0
Securities Related & FX Trading/Derivatives	1,170.4	1,032.3	13.4	243.6	326.5	-25.4
(Gains on Sale of AFS Securities)	647.5	772.5	-16.2	118.6	174.4	-32.0
(Impairment Loss on AFS Securities)	-88.0	-242.3	n.a.	-15.5	-5.5	n.a.
Others	-1,158.9	-860.6	n.a.	-336.9	-292.2	n.a.
(Contribution Expenses)	-252.2	-274.7	n.a.	-62.8	-63.4	n.a.
(Insurance Fees on Deposits)	-314.1	-282.5	n.a.	-80.9	-80.0	n.a.

SFG Fees & Commission

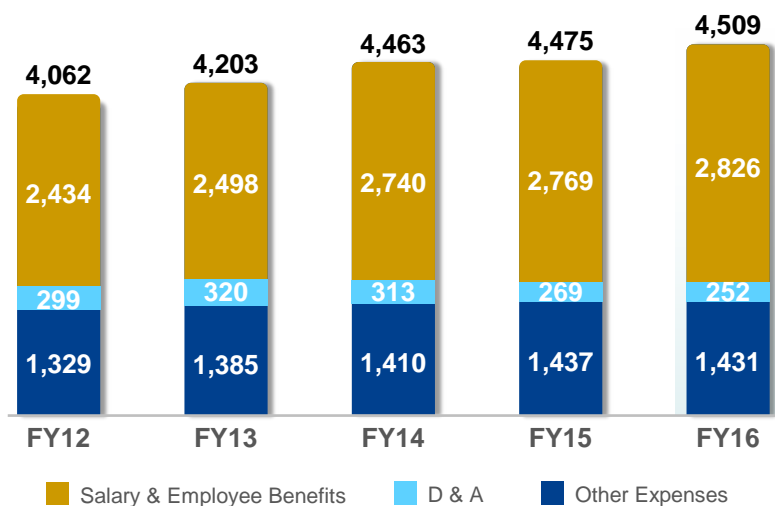
(KRW bil.)



(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Fees & Commission	1,565.5	1,621.0	-3.4	400.0	377.4	6.0
Credit Card Fee Income	443.9	502.6	-11.7	112.5	92.7	21.4
Brokerage Commissions	220.9	283.3	-22.0	48.1	56.2	-14.4
Fund/Bancassurance Fees	165.0	200.0	-17.5	39.8	42.5	-6.5
Trust Fee Income	115.5	86.3	33.8	36.0	29.6	21.8
Others	620.3	548.8	13.0	163.7	156.5	4.6

SFG G&A Expenses

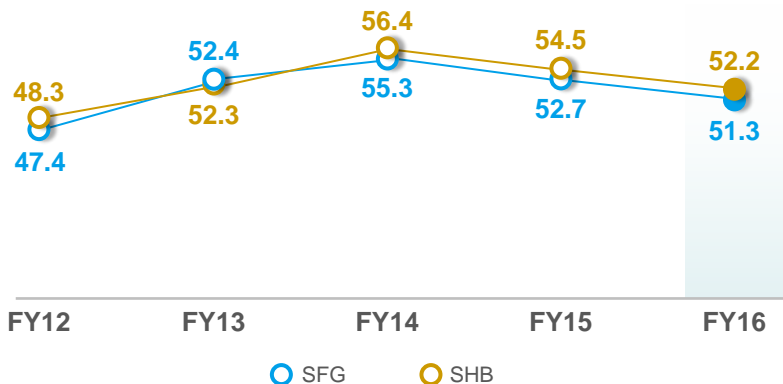
SFG G&A Expenses (KRW bil.)



SFG G&A Expenses

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
G&A Expenses	4,508.6	4,475.1	0.7	1,279.2	1,068.0	19.8
Salary & Employee Benefits	2,826.0	2,769.1	2.1	824.4	660.8	24.8
(Early Retirement Program Expenses)	106.8	105.0	1.7	104.1	0.4	n.m.
D & A	251.6	269.0	-6.5	60.0	61.9	-3.1
Other Expenses	1,430.9	1,437.0	-0.4	394.8	345.3	14.4
(Advertising Expenses)	292.6	255.7	14.4	88.4	70.2	26.0
(Taxes and Dues)	164.2	195.7	-16.1	36.3	37.4	-2.8

Cost-Income Ratio (%)



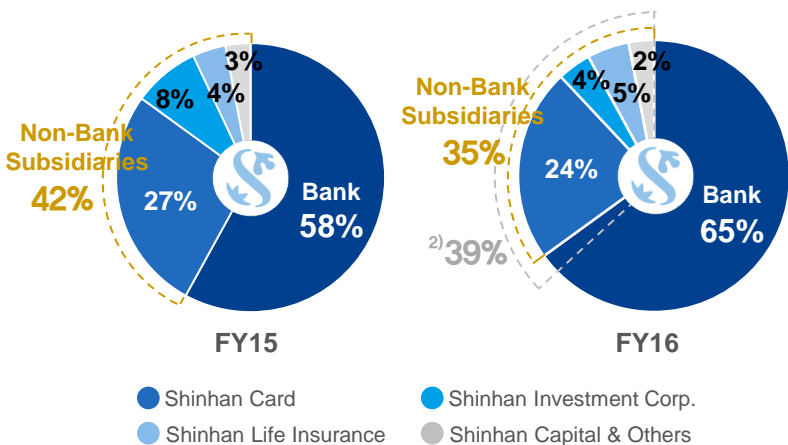
SHB G&A Expenses

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
G&A Expenses	2,889.9	2,785.4	3.7	859.1	677.8	26.7
Salary & Employee Benefits	1,773.5	1,659.6	6.9	538.6	407.0	32.3
(Early Retirement Program Expenses)	94.5	59.5	58.7	94.1	-	n.a.
D & A	160.4	165.4	-3.0	40.3	38.6	4.3
Other Expenses	955.9	960.4	-0.5	280.1	232.2	20.7
(Advertising Expenses)	57.4	58.0	-1.0	24.2	12.4	94.7
(Taxes and Dues)	75.3	78.3	-3.7	15.5	16.7	-7.5

Note) Cumulative Figures

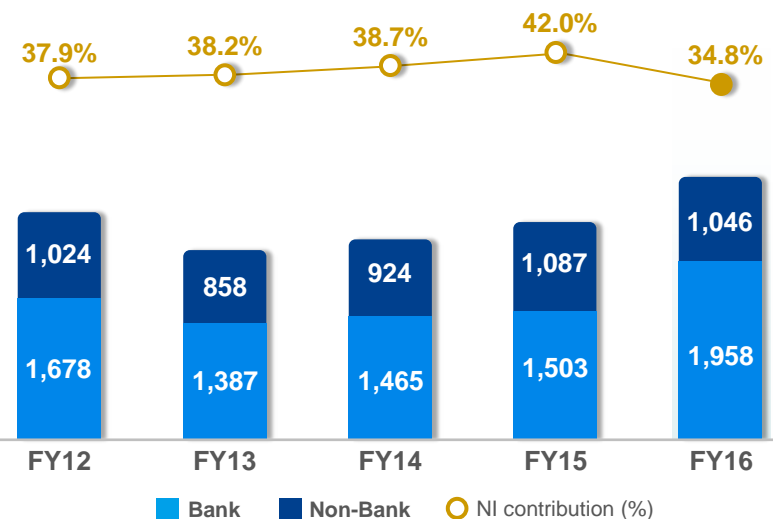
Subsidiaries Income (1)

Net Income Contribution by Subsidiaries¹⁾



Note 1) After reflecting ownership by SFG
2) Excluding deferred tax asset effect

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



Note 1) After reflecting ownership by SFG

(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=AxB]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	1,965.4		1,957.6	-110.1	1,847.5
Shinhan Bank	1,940.3	100.0%	1,940.3	-110.0	1,830.2
Jeju Bank	25.2	68.9%	17.3	-0.1	17.2
Non-Bank (b)	1,050.7		1,045.7	62.9	1,108.5
Shinhan Card	715.9	100.0%	715.9	3.9	719.8
Shinhan Investment Corp.	115.4	100.0%	115.4	34.9	150.3
Shinhan Life Insurance	150.6	100.0%	150.6	33.7	184.2
Shinhan BNPP AM	14.3	65.0%	9.3	0.1	9.4
Shinhan Capital	33.9	100.0%	33.9	-1.2	32.7
Shinhan Savings Bank	12.5	100.0%	12.5	-0.2	12.3
Shinhan Data System	1.2	100.0%	1.2	-3.5	-2.3
Shinhan AITAS	7.6	99.8%	7.6	-4.8	2.8
Shinhan Credit Information	-1.2	100.0%	-1.2	-0.1	-1.3
Shinhan Private Equity	0.5	100.0%	0.5	-	0.5
SFG (c)				-181.2²⁾	-181.2
Total (d=a+b+c)¹⁾	3,016.1		3,003.3	-228.5	2,774.8

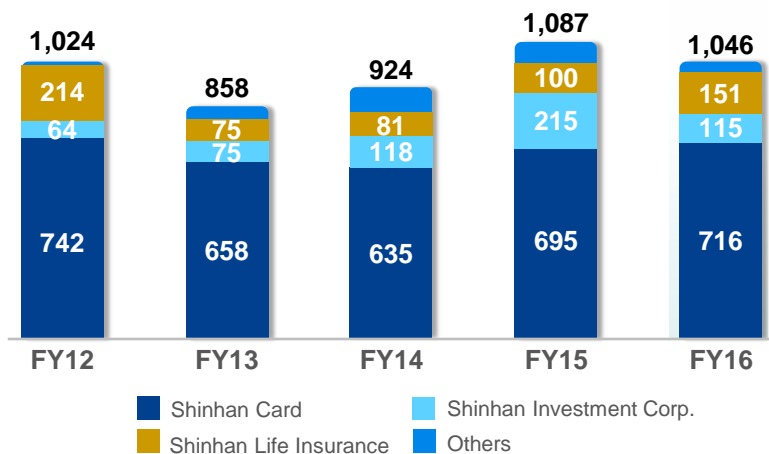
Note 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 46.7bil., Interest Expense KRW -159.8bil., G&A etc. KRW -71.4bil.

Subsidiaries Income (2)

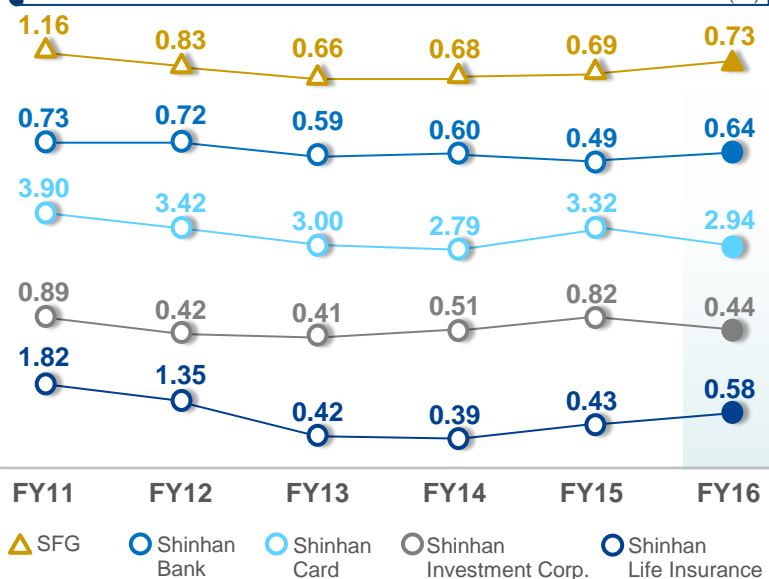
Non-Bank Net Income

(KRW bil.)



ROA

(%)

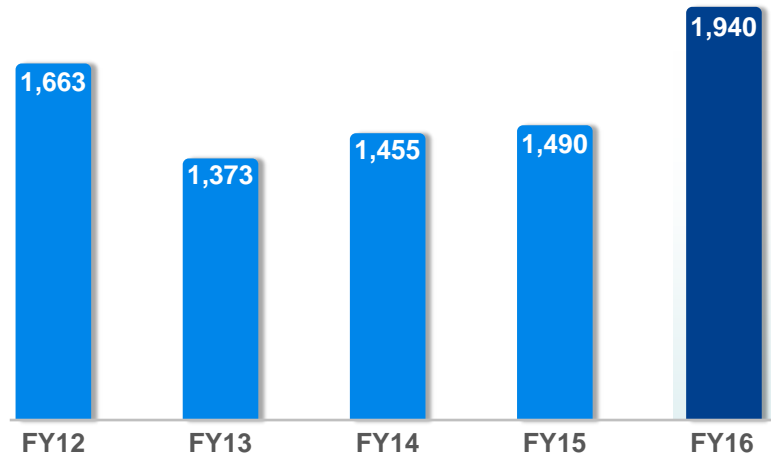


(Reflecting SFG Ownership, KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Bank (a)	1,957.6	1,503.0	30.2	434.2	487.5	-10.9
Shinhan Bank	1,940.3	1,489.7	30.2	428.6	485.0	-11.6
Jeju Bank	17.3	13.4	29.7	5.6	2.5	125.9
Non-Bank (b)	1,045.7	1,087.5	-3.8	242.4	272.0	-10.9
Shinhan Card	715.9	694.8	3.0	183.3	177.4	3.3
Shinhan Investment Corp.	115.4	215.5	-46.4	29.6	35.3	-16.0
Shinhan Life Insurance	150.6	100.2	50.2	23.0	40.0	-42.5
Shinhan BNPP AM	9.3	15.4	-39.5	2.1	2.8	-26.6
Shinhan Capital	33.9	46.1	-26.5	3.8	9.8	-61.5
Shinhan Savings Bank	12.5	8.0	56.0	1.4	3.9	-64.4
Shinhan Data System	1.2	1.0	13.4	-0.5	0.3	n.a.
Shinhan AITAS	7.6	6.4	19.0	1.5	2.3	-36.7
Shinhan Credit Information	-1.2	0.7	n.a.	-1.4	0.2	n.a.
Shinhan Private Equity	0.5	-0.6	n.a.	-0.3	-0.0	n.a.
Total (a+b)	3,003.3	2,590.5	15.9	676.6	759.5	-10.9
Consolidate Net Income¹⁾	2,774.8	2,367.2	17.2	612.1	707.9	-13.5

Note 1) Net Income in Controlling Interest

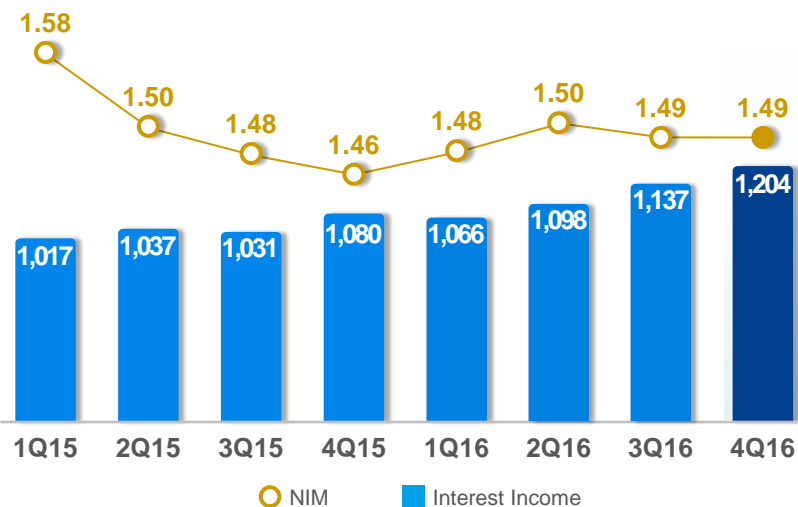
Net Income

(KRW bil.)



Interest Income/NIM(Quarterly)

(%, KRW bil.)



(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Operating Income (a=b+c)	5,537.3	5,110.8	8.3	1,370.9	1,389.8	-1.4
Interest Income (b)	4,504.1	4,164.7	8.1	1,203.6	1,137.0	5.9
Non-Interest Income (c)	1,033.1	946.1	9.2	167.4	252.9	-33.8
G&A Expenses (d)	2,889.9	2,785.4	3.7	859.1	677.8	26.7
Pre-Provision Oper.Income (e=a-d)	2,647.4	2,325.4	13.8	511.9	712.1	-28.1
Non-Operating Income (f)	69.7	141.3	-50.7	8.5	20.1	-57.6
Pre-Provision Income (g=e+f)	2,717.1	2,466.7	10.2	520.4	732.2	-28.9
Provision for Credit Losses (h)	688.4	591.6	16.4	135.4	99.3	36.3
Earnings before Income Tax (i=g-h)	2,028.7	1,875.1	8.2	385.0	632.8	-39.2
Income Tax	88.1	385.1	-77.1	-43.9	147.7	n.a.
Net Income ¹⁾	1,940.3	1,489.7	30.2	428.6	485.0	-11.6

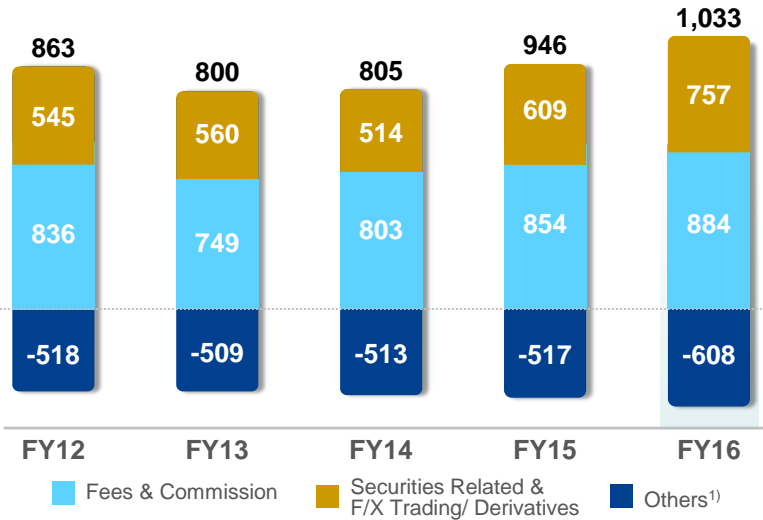
Note 1) Net Income in Controlling Interest

(%)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
NIS (a-b) (quarterly)	1.91	1.89	1.88	1.78	1.70	1.64	1.64	1.62	1.65	1.69	1.68	1.69
Loan interest rate (a)	4.20	4.13	4.05	3.83	3.62	3.37	3.20	3.10	3.10	3.08	2.99	2.97
Deposit interest rate (b)	2.29	2.24	2.17	2.05	1.92	1.73	1.55	1.48	1.45	1.40	1.31	1.28
NIM(quarterly)	1.77	1.77	1.76	1.67	1.58	1.50	1.48	1.46	1.48	1.50	1.49	1.49
NIM(cumulative figures)	1.77	1.77	1.77	1.74	1.58	1.54	1.52	1.50	1.48	1.49	1.49	1.49

SHB Non-Interest Income

Non-Interest Income

(KRW bil.)

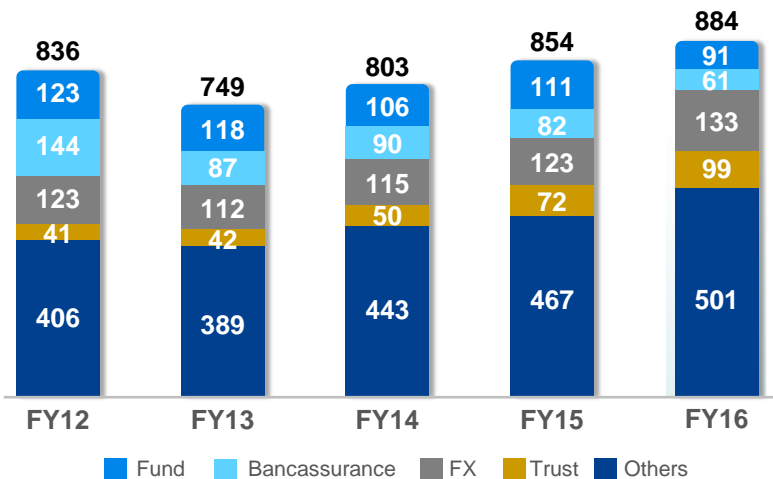


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Non-Interest Income	1,033.1	946.1	9.2	167.4	252.9	-33.8
Fees & Commission	884.5	853.9	3.6	243.9	215.9	13.0
Securities Related & FX Trading/Derivatives	756.7	609.3	24.2	83.9	185.1	-54.7
(Gains on Sale of AFS Securities)	411.4	422.3	-2.6	18.2	102.5	-82.2
(Impairment Loss on AFS Securities)	-82.1	-206.6	n.a.	-16.2	-3.5	n.a.
Others	-608.0	-517.0	n.a.	-160.5	-148.0	n.a.
(Contribution Expenses)	-244.7	-267.5	n.a.	-60.8	-61.4	n.a.
(Insurance Fees on Deposits)	-274.9	-249.0	n.a.	-70.9	-69.4	n.a.

Fees & Commission

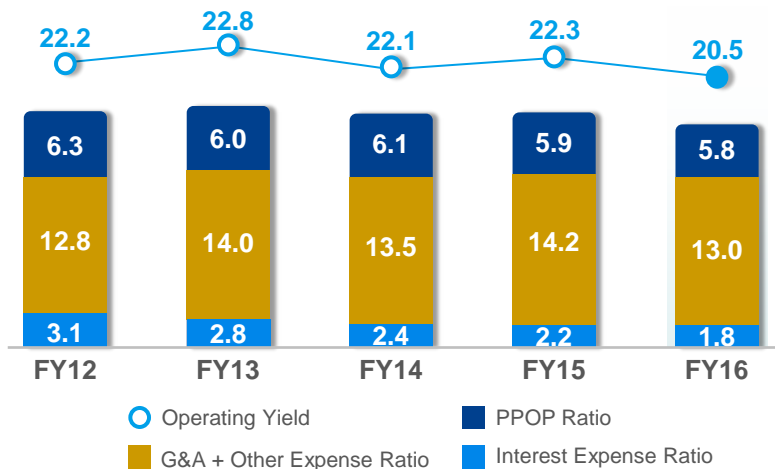
(KRW bil.)



(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Fees & Commission	884.5	853.9	3.6	243.9	215.9	13.0
Fund Fee Income	90.5	110.7	-18.2	22.7	24.3	-6.6
Bancassurance Fee Income	61.2	81.9	-25.3	14.0	14.6	-4.2
FX Fee Income	133.5	122.9	8.6	33.9	32.7	3.7
Trust Fee Income	98.5	71.5	37.7	32.2	25.3	27.4
Others	500.8	466.8	7.3	141.2	119.0	18.6

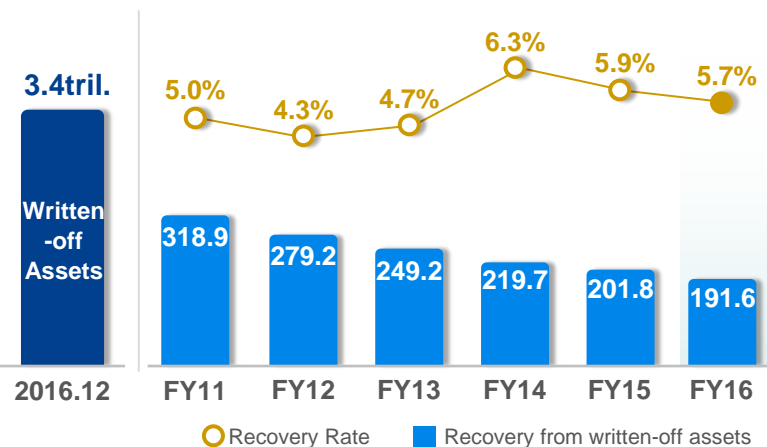
Shinhan Card Income

Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

Recovery from Written-off Assets (KRW bil.)



(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Operating Revenue (a)	4,674.1	4,742.2	-1.4	1,114.9	1,288.8	-13.5
Card Business	3,907.5	3,841.2	1.7	1,002.9	983.9	1.9
Installment Finance	97.3	93.9	3.6	24.8	23.1	7.1
Lease	53.8	37.7	42.9	15.0	15.0	0.3
Others	615.4	769.4	-20.0	72.1	266.7	-73.0
(Derivatives & FX)	101.9	173.0	-41.1	-89.8	137.3	n.a.
Interest Expense (b)	394.6	446.4	-11.6	96.0	98.2	-2.2
G&A Expenses (c)	751.2	763.3	-1.6	196.6	180.4	9.0
Commissions & Other Expenses (d)	2,240.0	2,321.5	-3.5	472.8	691.7	-31.6
(Derivatives & FX)	73.2	143.8	-49.1	-98.3	130.6	n.a.
Pre-Provision Income (e=a-b-c-d)	1,288.3	1,211.0	6.4	349.5	318.5	9.7
Provision for Credit Losses (f)	377.4	332.9	13.4	125.1	88.6	41.1
Earnings before Income Tax (g=e-f)	910.9	878.1	3.7	224.4	229.9	-2.4
Income Tax	203.5	183.3	11.0	49.3	52.8	-6.7
Net Income ¹⁾	715.9	694.8	3.0	183.3	177.4	3.3

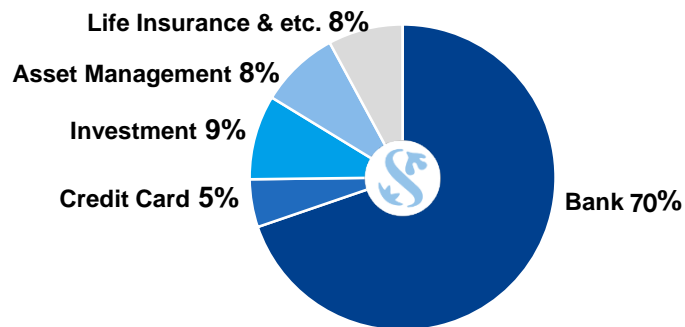
Note 1) Net Income in Controlling Interest

III. Assets & Liabilities

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

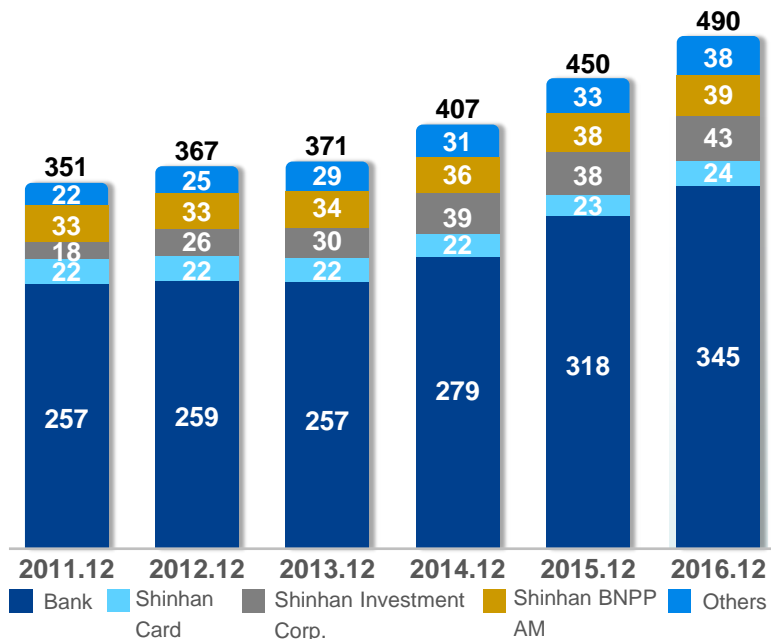


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)

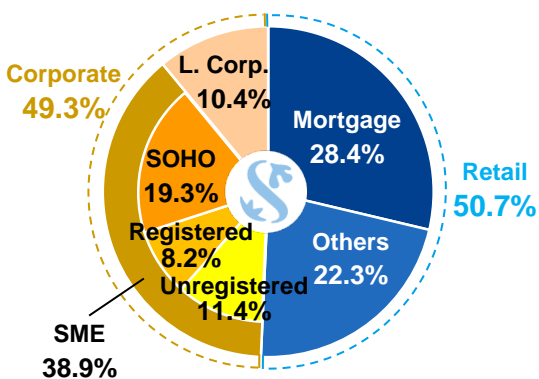


(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Bank (a)	345,421.3	318,121.3	8.6	344,412.9	0.3
Shinhan Bank	340,236.4	313,656.7	8.5	339,339.0	0.3
Jeju Bank	5,184.8	4,464.6	16.1	5,073.9	2.2
Non-Bank (b)	142,646.8	128,969.0	10.6	142,800.7	-0.1
Shinhan Card	24,419.9	23,347.7	4.6	24,571.6	-0.6
Shinhan Investment Corp.	43,329.1	37,792.3	14.7	44,613.6	-2.9
Shinhan Life Insurance	27,499.8	24,544.6	12.0	26,636.6	3.2
Shinhan BNPP AM	39,439.5	37,973.3	3.9	39,605.6	-0.4
Shinhan Capital	4,506.8	4,076.6	10.6	4,182.7	7.7
Shinhan Savings Bank	970.1	795.1	22.0	968.0	0.2
Shinhan Data System	34.4	26.7	29.0	37.2	-7.6
Shinhan AITAS	53.9	42.8	25.9	48.5	11.0
Shinhan Credit Information	23.1	23.9	-3.4	21.8	5.8
Shinhan Private Equity	114.9	119.0	-3.5	108.4	5.9
Others	2,255.3	227.1	893.2	2,006.5	12.4
Total ¹⁾	490,115.1	450,446.8	8.8	489,677.6	0.1
Consolidate Total Assets	395,680.3	370,548.0	6.8	398,985.5	-0.8

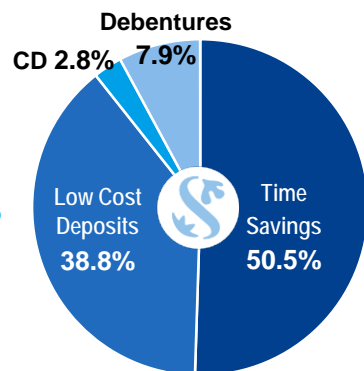
Note 1) Trust A/C of Shinhan Bank, Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included.

SHB Loan / Deposit Growth

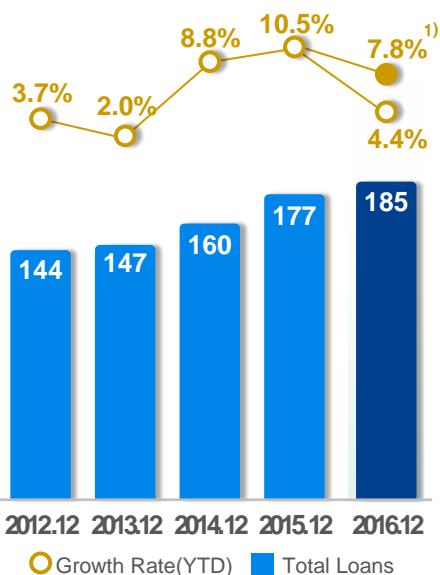
Loan Composition



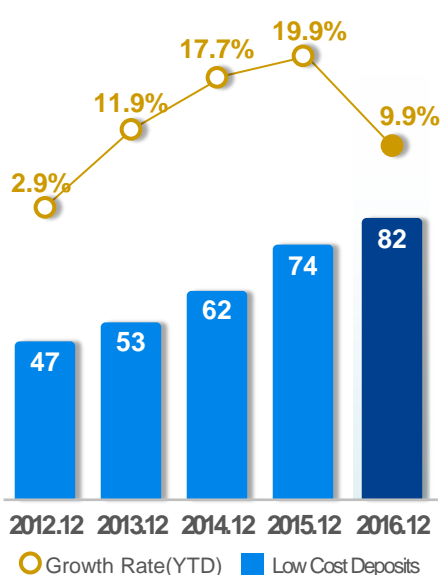
Funding Composition



KRW Loan Growth (KRW tril.)



Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

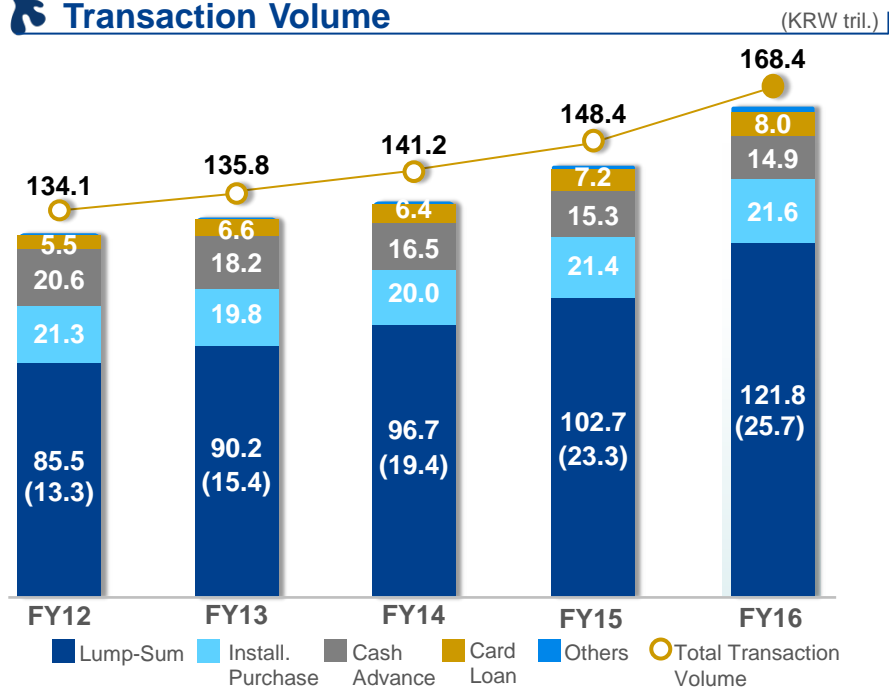
(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Loan in KRW	184,559	176,810	4.4	187,438	-1.6
Retail	93,628	88,085	6.3	95,054	-1.6
Mortgage	52,392	52,054	0.6	53,811	-2.7
Others ¹⁾	41,236	36,031	14.4	41,242	-0.0
Corporate	90,931	88,725	2.5	92,384	-1.6
SME	71,757	67,336	6.6	71,841	-0.1
SOHO	35,539	34,223	3.8	35,609	-0.2
Large Corporate etc.	19,173	21,389	-10.4	20,544	-6.4
Loan in FX	7,919	8,114	-2.4	7,718	2.5

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

(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Total Deposits in KRW	187,932	180,766	4.0	191,290	-1.9
Low Cost Deposits	81,681	74,325	9.9	79,466	3.0
Demand	25,149	21,858	15.1	24,478	3.1
Savings	56,532	52,467	7.7	54,989	2.9
Time Savings	106,251	106,441	-0.2	111,824	-5.2
Time Deposits	97,793	97,940	-0.1	103,182	-5.5
Accumulative etc.	8,458	8,501	-0.5	8,641	-2.2
Certificate of Deposits	5,828	4,073	43.1	3,501	57.1
Debtentures in KRW	16,605	15,989	3.9	17,722	-7.0

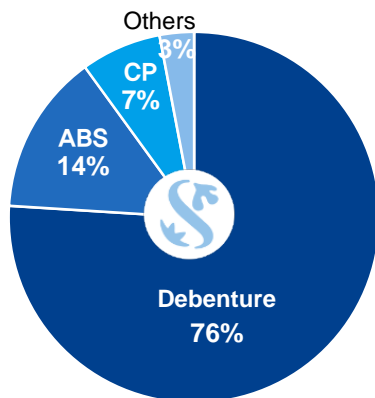
Shinhan Card Asset Growth

Transaction Volume



Note) Figs. in parenthesis represent debit card transaction volume

Funding Composition



(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Earning Assets	22,859	21,323	7.2	21,931	4.2
Credit Purchase	11,795	11,353	3.9	11,189	5.4
Cash Advances	1,953	2,051	-4.7	1,980	-1.4
Card Loan	5,618	5,057	11.1	5,506	2.0
(Re-aged Loan)	241	234	3.3	237	1.8
Installment Finance	2,165	1,865	16.1	2,098	3.2
Lease etc.	1,328	998	33.0	1,158	14.7
Effective Cardholders (in thousands)	12,097	12,052	0.4	12,009	0.7
Merchants (in thousands)	2,626	2,513	4.5	2,592	1.3

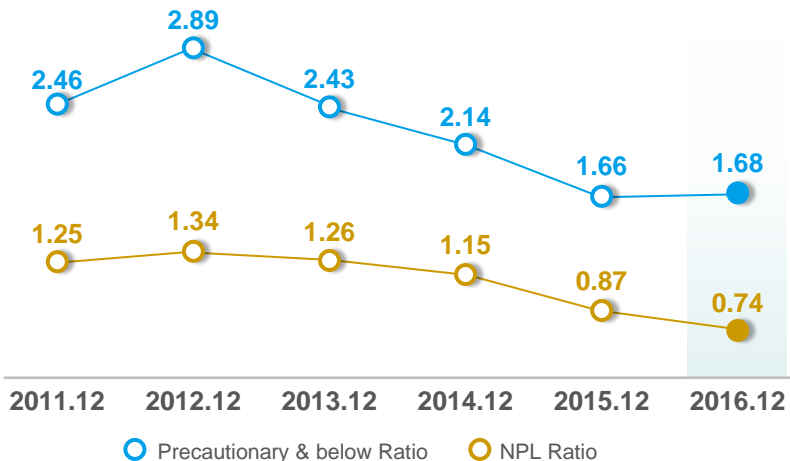
(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Total Funding	14,310	13,325	7.4	14,090	1.6
Debentures	10,842	9,780	10.9	10,836	0.1
ABS	1,934	1,992	-2.9	1,864	3.8
CP	935	770	21.4	750	24.7
Others	599	783	-23.5	640	-6.3

IV. Asset Quality

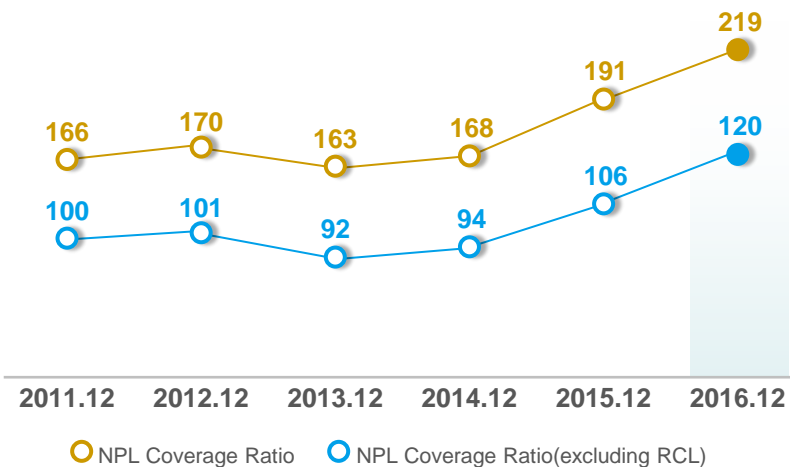
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



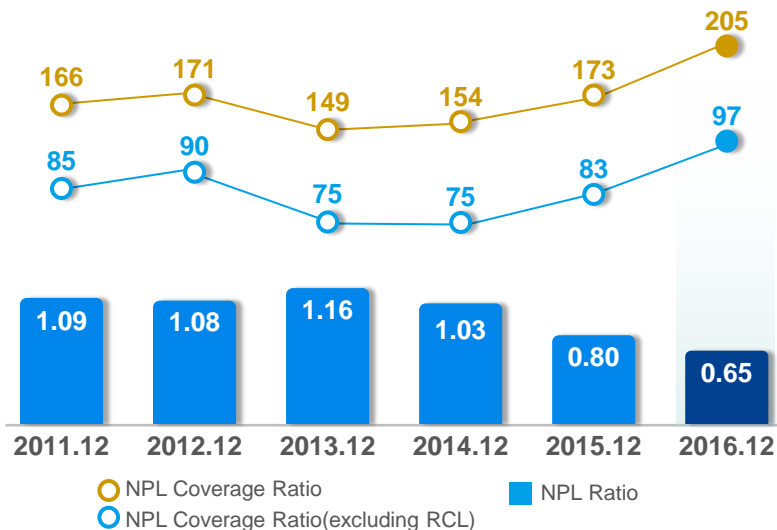
(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Total Loans ¹⁾	249,237	238,776	4.4	248,773	0.2
Normal	245,053	234,818	4.4	244,612	0.2
Precautionary	2,336	1,878	24.4	2,010	16.2
Substandard	795	955	-16.8	933	-14.9
Doubtful	426	591	-27.9	450	-5.4
Estimated Loss	626	533	17.5	767	-18.3
Substandard & Below	1,848	2,080	-11.2	2,151	-14.1
NPL Ratio	0.74%	0.87%	-0.13%p	0.86%	-0.12%p
Loan Loss Allowance ²⁾	4,050	3,969	2.0	4,202	-3.6
NPL Coverage Ratio	219%	191%	28%p	195%	24%p
Reserve for credit losses ³⁾	1,830	1,768	3.5	1,956	-6.4

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

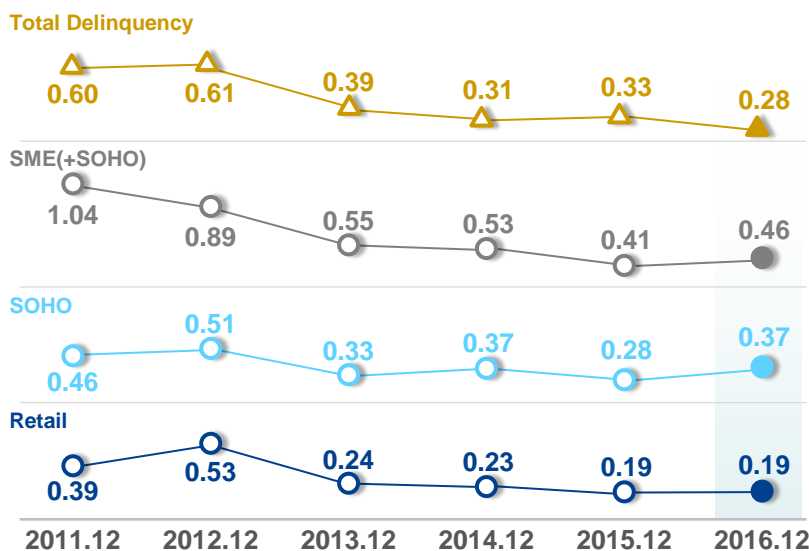
2) Loan Loss Allowance : Sum of IFRS standard LLA and reserves for credit losses

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

NPL Coverage Ratio & NPL Ratio (%)



Delinquency Ratio (%)



Note) 1 month overdue

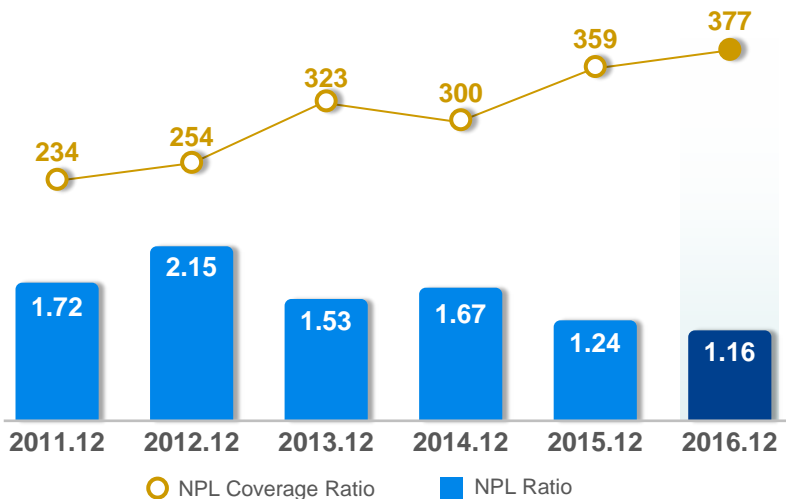
(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Total Loans	209,419	202,003	3.7	210,197	-0.4
Normal	206,894	199,534	3.7	207,602	-0.3
Precautionary	1,155	855	35.1	930	24.1
Substandard	688	850	-19.0	828	-16.8
Doubtful	263	453	-42.0	274	-4.0
Estimated Loss	420	312	34.4	564	-25.6
Substandard & Below	1,371	1,615	-15.1	1,665	-17.7
NPL Ratio	0.65%	0.80%	-0.15%p	0.79%	-0.14%p
Loan Loss Allowance ¹⁾	2,804	2,790	0.5	2,968	-5.5
NPL Coverage Ratio	205%	173%	32%p	178%	27%p
Reserve for credit losses ²⁾	1,480	1,442	2.7	1,611	-8.1

Note 1) Loan Loss Allowance : Sum of IFRS standard LLA and reserves for credit losses

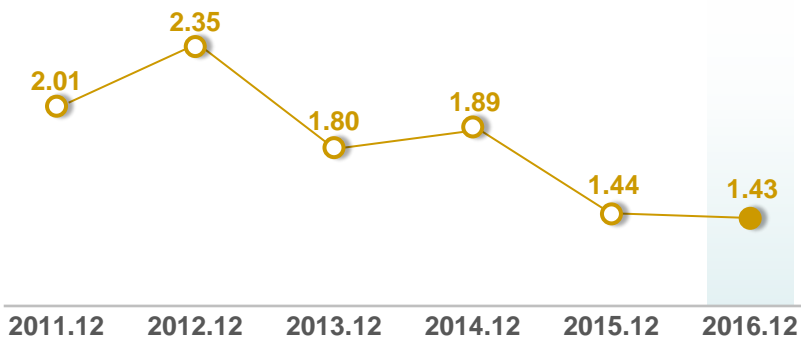
2) Excluding reserve for contingent acceptances & guarantees and unused credit lines

Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



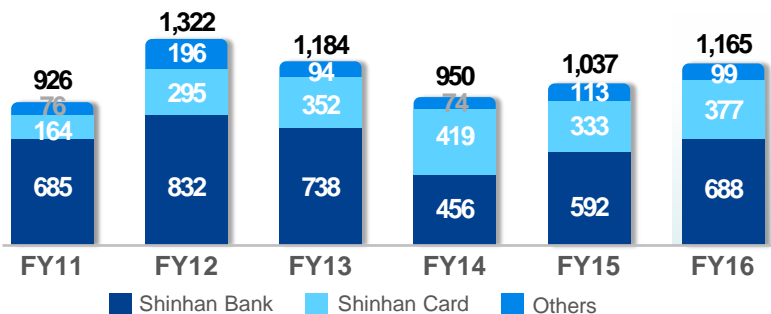
Note) 1 month overdue from total credit

(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Total Loans	22,765	21,323	6.8	21,848	4.2
Normal	21,686	20,332	6.7	20,789	4.3
Precautionary	815	725	12.5	803	1.6
Substandard	-	-	-	-	-
Doubtful	90	79	13.7	87	2.7
Estimated Loss	175	186	-6.3	169	3.3
Substandard & Below	265	265	-0.3	257	3.1
NPL Ratio	1.16%	1.24%	-0.08%p	1.17%	-0.01%p
Loan Loss Allowance ¹⁾	998	953	4.7	979	2.0
NPL Coverage Ratio	377%	359%	18%p	382%	-5%p
Reserve for credit losses	275	262	4.9	270	1.7

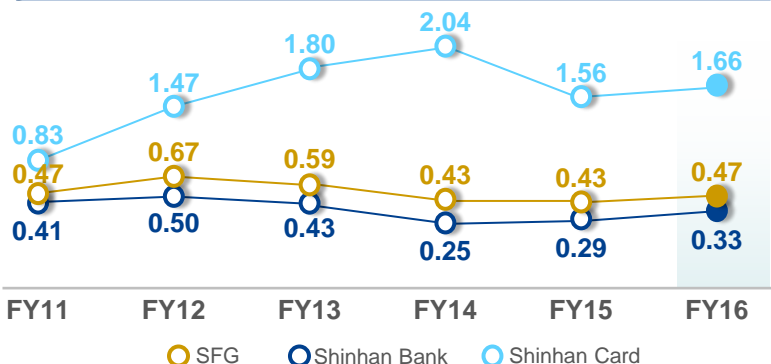
Note 1) Excluding reserve for unused credit lines

Provision for Credit Losses / Write-Offs

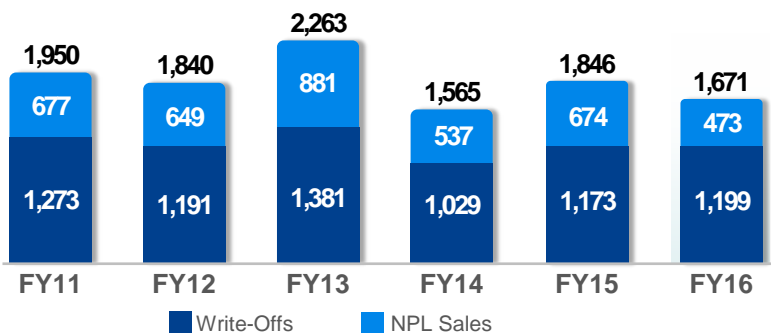
Provision for Credit Losses (KRW bil.)



Credit Cost Ratio (%)



Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

(KRW bil.)	FY16	1Q16	2Q16	3Q16	4Q16	FY15	1Q15	2Q15	3Q15	4Q15
Shinhan Bank ¹⁾	677	206	230	95	145	596	232	222	50	92
Retail	157	31	23	40	63	128	32	27	32	37
Corporate	520	175	207	55	82	468	199	195	18	55
Shinhan Card	377	79	85	89	125	333	81	83	126	43
Total	1,054	285	315	184	270	929	313	305	176	135

Note 1) SHB figures are separate basis

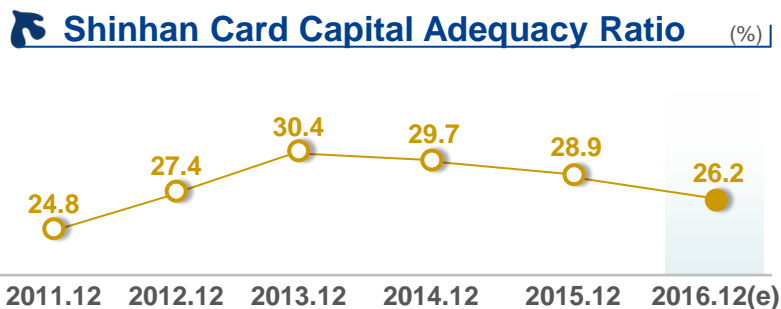
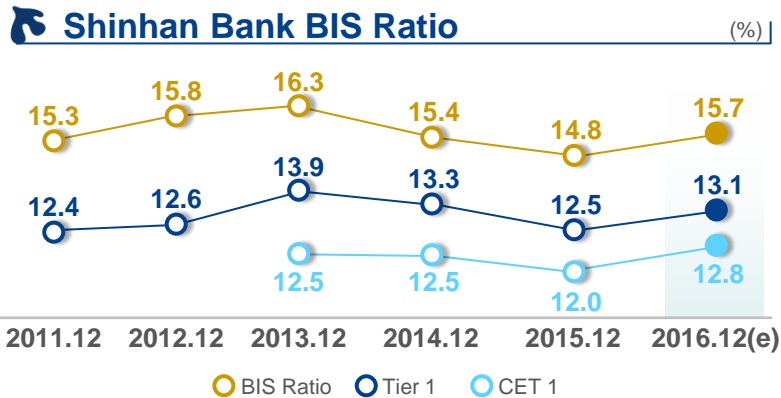
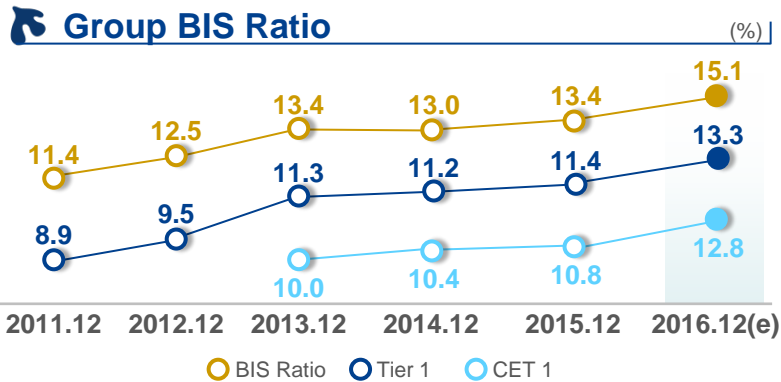
Write-Offs & NPL Sales

(KRW bil.)	FY16	1Q16	2Q16	3Q16	4Q16	FY15	1Q15	2Q15	3Q15	4Q15
Shinhan Bank	1,089	182	369	195	343	1,233	371	330	207	325
(Sale)	330	51	123	72	84	561	222	106	76	158
Retail	196	15	55	34	91	207	35	49	46	77
(Sale)	73	12	27	10	25	93	21	24	16	32
Corporate	894	167	313	161	252	1,026	336	281	161	249
(Sale)	257	39	96	62	59	469	201	81	60	126
Shinhan Card	582	107	243	112	120	614	147	219	96	152
Total	1,671	289	612	307	464	1,846	517	549	302	477

V . Capital Adequacy & Key Financial Indices

1. Capital Adequacy
2. Key Financial Indices





Note) Figs. from 2013.12 Group/Bank based on Basel3, Figs. up to 2012.12, Group based on Basel1, Bank based on Basel2

Group BIS Ratio

(KRW bil.)	2016.12(e)	2015.12	YTD%	2016.9	QoQ%
Risk-Weighted Assets	197,633	203,275	-2.8	209,192	-5.5
Capital	29,768	27,216	9.4	29,060	2.4
CET 1	25,327	21,883	15.7	23,584	7.4
Tier 1	26,213	23,194	13.0	24,512	6.9
BIS Ratio	15.1%	13.4%	1.7%p	13.9%	1.2%p
CET 1	12.8%	10.8%	2.0%p	11.3%	1.5%p
Tier 1	13.3%	11.4%	1.9%p	11.7%	1.6%p

Note) Based on Basel3

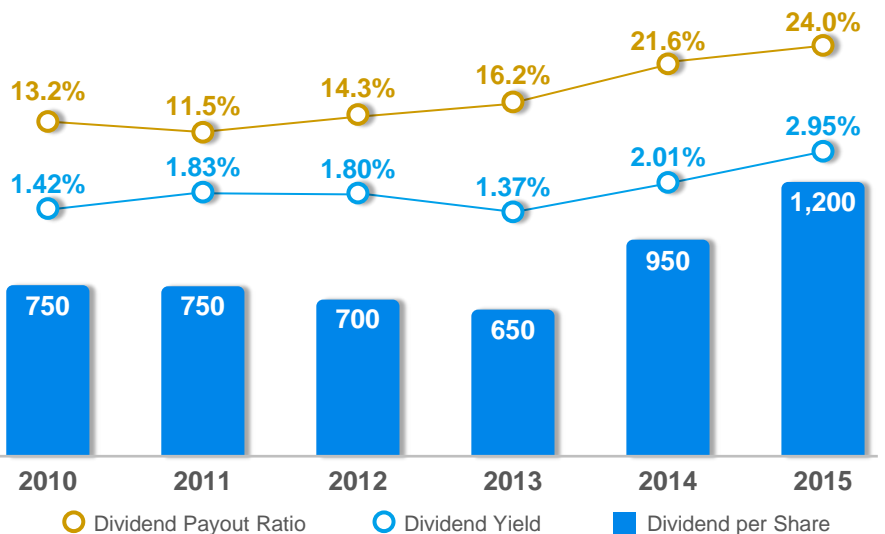
Shinhan Bank BIS Ratio

(KRW bil.)	2016.12(e)	2015.12	YTD%	2016.9	QoQ%
Risk-Weighted Assets	155,027	144,844	7.0	151,641	2.2
Capital	24,339	21,370	13.9	22,902	6.3
CET 1	19,913	17,324	14.9	18,364	8.4
Tier 1	20,385	18,130	12.4	18,838	8.2
BIS Ratio	15.7%	14.8%	1.0%p	15.1%	0.6%p
CET 1	12.8%	12.0%	0.9%p	12.1%	0.7%p
Tier 1	13.1%	12.5%	0.6%p	12.4%	0.7%p

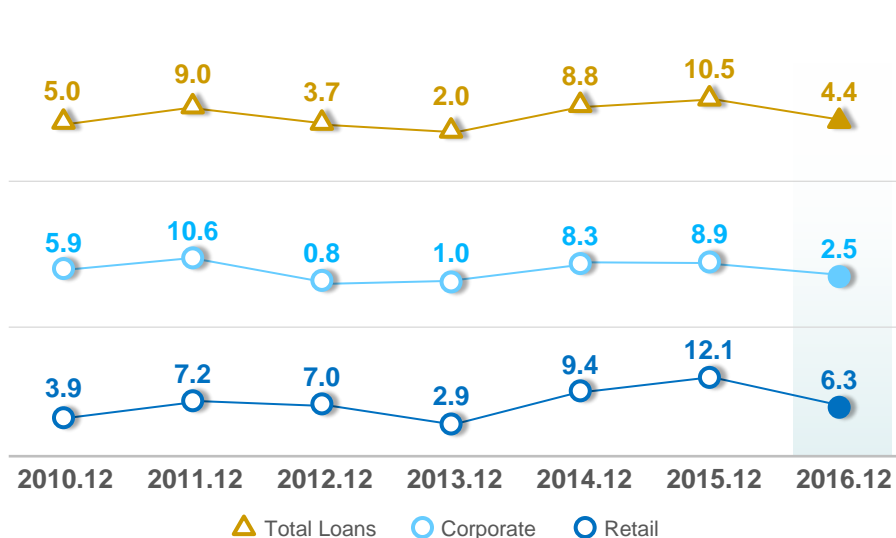
Note) Based on Basel3

Key Financial Indices

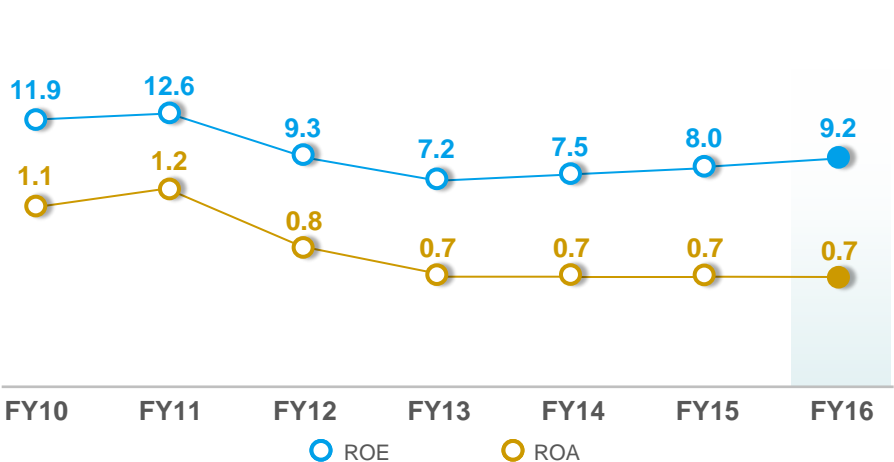
Dividend (KRW)



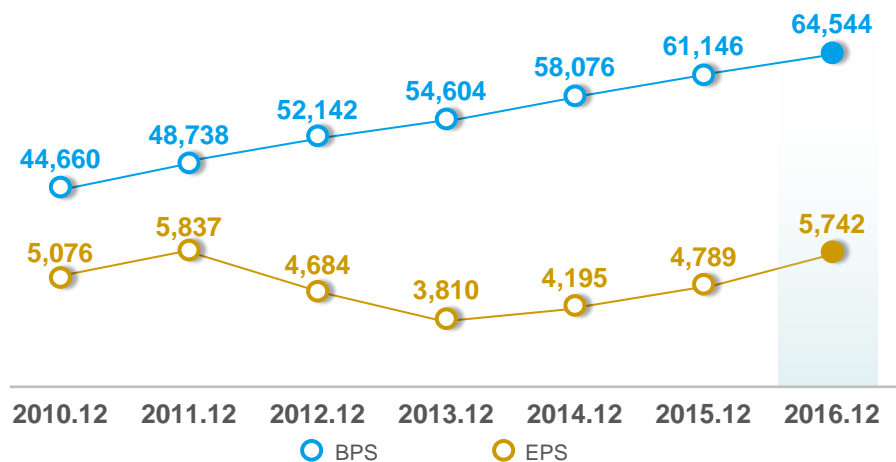
SHB Loan Growth Rate (%)



ROA / ROE (%)



BPS / EPS (KRW)



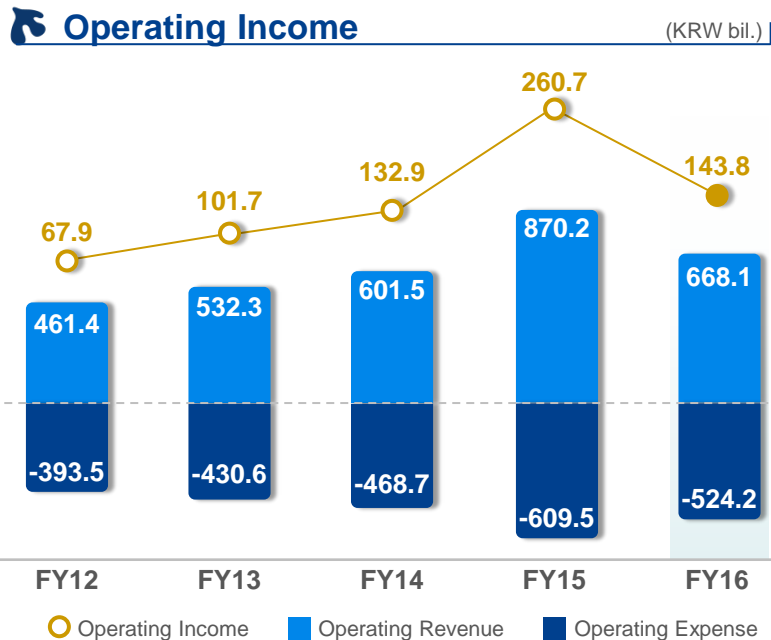
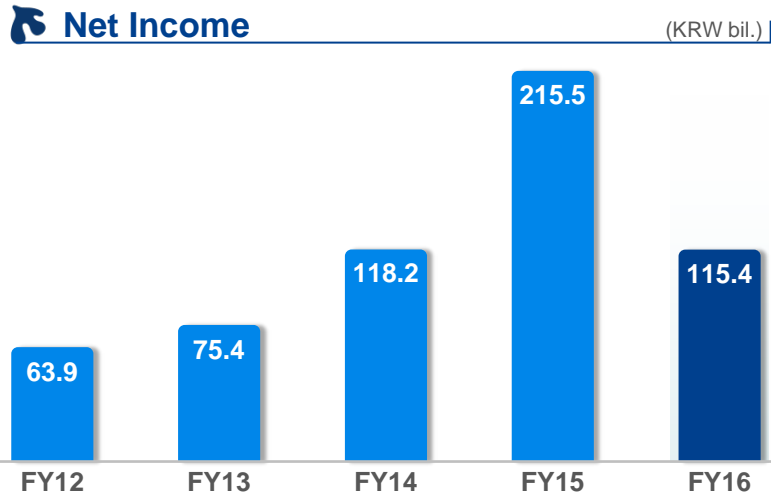
Note) ROE based on common stock

Note) Based on common stock

VI. Appendix

1. SFG Subsidiaries
2. SHB SME Loans
3. SHB Retail Loans





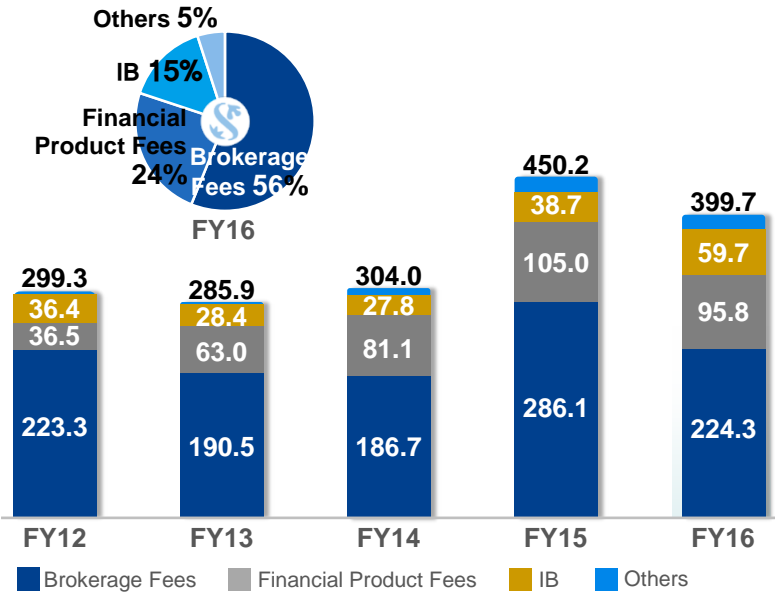
Condensed I/S & Key Financial Indices

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Operating Revenue	668.1	870.2	-23.2	158.8	174.2	-8.8
Fees & Commission	399.7	450.2	-11.2	88.1	102.4	-14.0
Proprietary Trading	95.9	324.7	-70.5	57.4	-24.1	n.a.
Others	172.4	95.3	80.9	13.3	95.8	-86.1
Operating Expense	524.2	609.5	-14.0	120.7	129.0	-6.4
G&A Expenses	414.6	488.5	-15.1	92.7	105.8	-12.4
Commission Expense	104.1	118.8	-12.4	22.9	24.0	-4.3
Provision for Credit Losses	5.5	2.2	151.8	5.1	-0.7	n.a.
Operating Income	143.8	260.7	-44.8	38.1	45.1	-15.7
Net Income	115.4	215.5	-46.4	29.6	35.3	-16.0
Net Capital Ratio(%)	1,032%	807%	225%p	1,032%	606%	426%p
ROE	4.2%	8.9%	-4.7%p	4.2%	4.3%	-0.1%p
ROA	0.4%	0.8%	-0.4%p	0.4%	0.4%	0.0%p

Note) ROE, ROA are calculated on a cumulative basis

Fees & Commission

(KRW bil.)

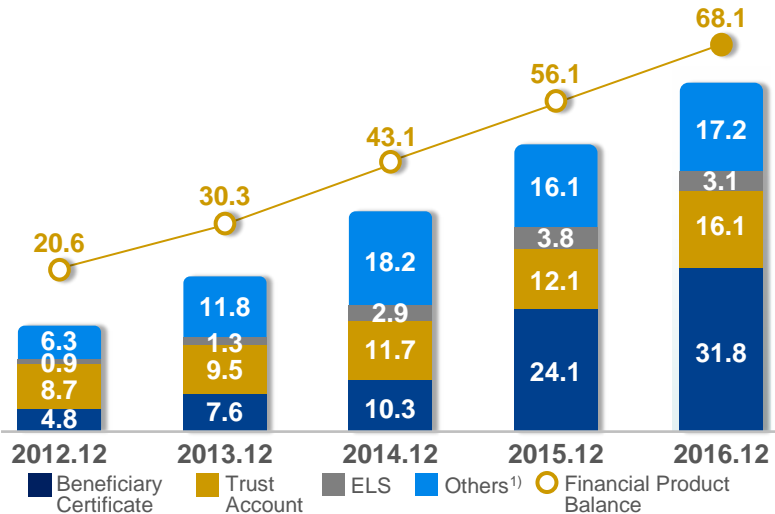


Fees & Commission

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Fees & Commission	399.7	450.2	-11.2	88.1	102.4	-14.0
Brokerage Fees	224.3	286.1	-21.6	46.5	55.7	-16.4
Financial Product Fees	95.8	105.0	-8.8	23.4	25.5	-8.2
IB	59.7	38.7	54.3	12.9	16.4	-21.0
Others	19.9	20.3	-2.4	5.2	4.9	7.1

Financial Products

(KRW tril.)

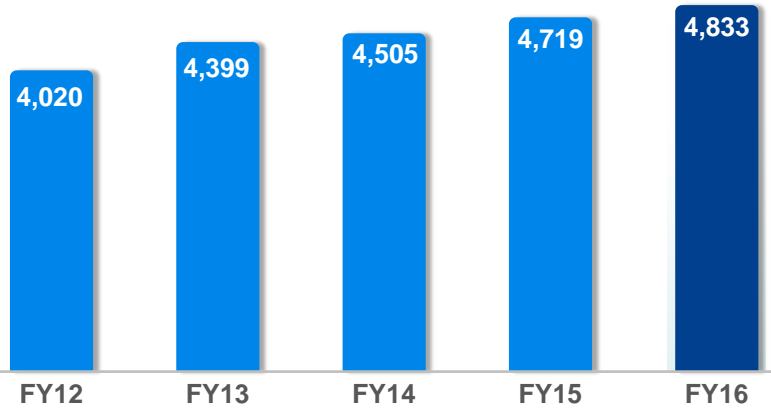


Balance of Financial Products

(KRW tril.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Financial Products	68.1	56.1	21.6	66.3	2.8
Beneficiary Certificate	31.8	24.1	32.0	31.0	2.6
Trust Account	16.1	12.1	33.8	15.7	2.5
ELS	3.1	3.8	-19.4	3.2	-4.2
Others	17.2	16.1	6.6	16.4	4.8

Note 1) Sum of Wrap, RP and Micro Debentures

Premium Income (KRW bil.)



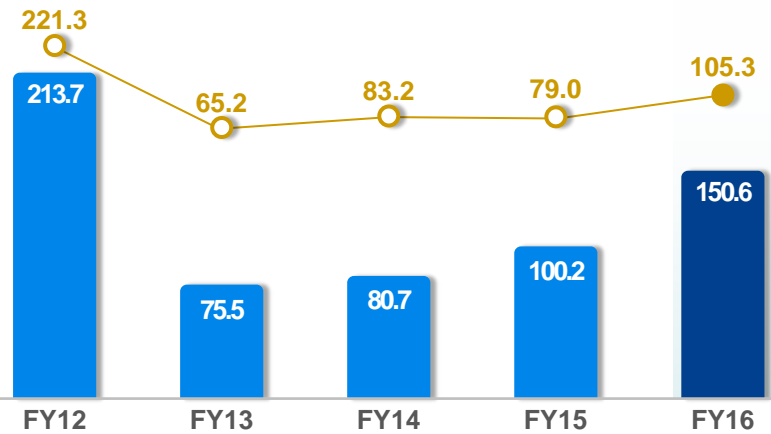
Note) Excluding non-monthly premium and Retirement Pension

Premium Breakdown

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Prem. Received	4,871.4	4,787.9	1.7	1,224.5	1,220.9	0.3
New Premium	99.1	141.9	-30.2	22.7	23.0	-1.2
Monthly Premium	60.7	73.0	-16.9	15.2	14.5	4.4
Non-Monthly Premium	38.4	68.9	-44.3	7.5	8.4	-10.8
Recurring Premium	4,772.4	4,646.0	2.7	1,201.8	1,197.9	0.3

Note) Excluding Retirement Pension

Net Income (KRW bil.)



○ Operating Income ■ Net Income

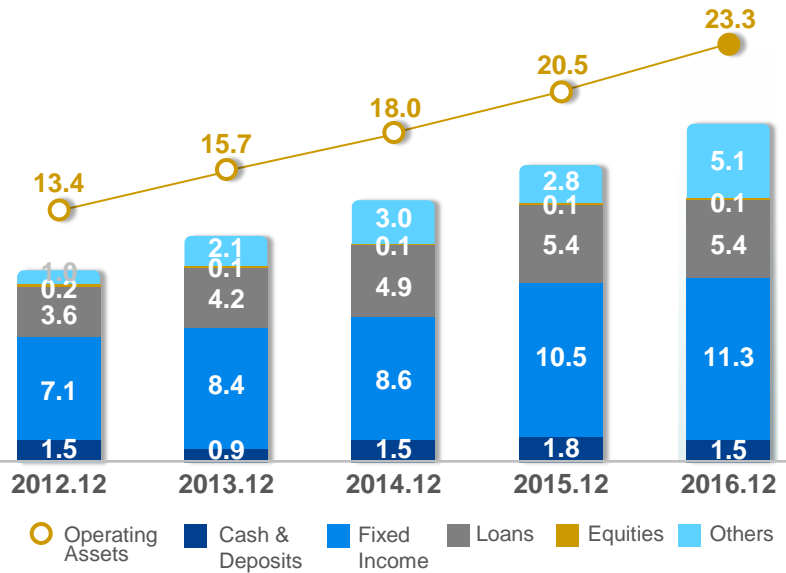
Profitability & Key Financial Indices

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Operating Income	105.3	79.0	33.2	16.6	43.2	-61.5
Non-Operating Income	48.2	53.6	-10.0	13.5	4.1	226.8
(Separate Account profit & Loss)	45.8	58.8	-22.1	10.3	10.8	-5.1
Net Income	150.6	100.2	50.2	23.0	40.0	-42.5
ROE	8.9%	6.5%	2.4%p	8.9%	10.0%	-1.1%p
ROA	0.6%	0.4%	0.2%p	0.6%	0.7%	-0.1%p

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

Operating Assets

(KRW tril.)

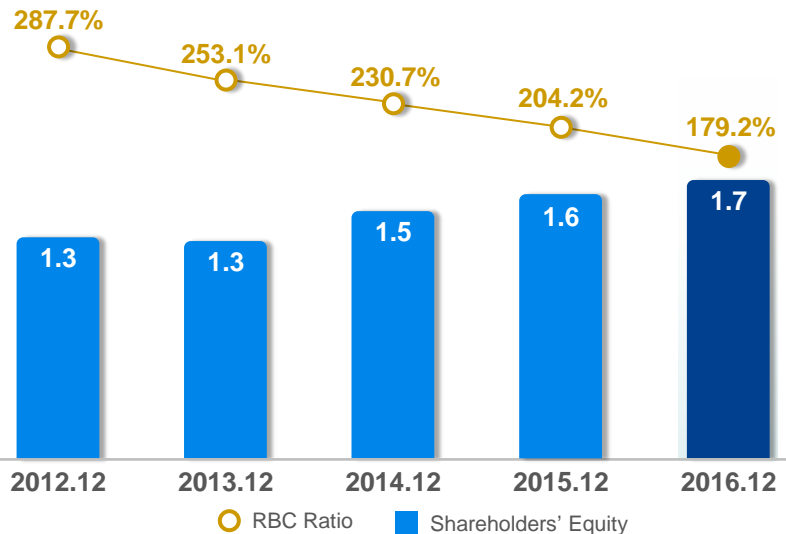


Operating Assets

(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Operating Assets	23,316.3	20,545.0	13.5	22,383.7	4.2
Cash & Deposits	1,457.8	1,831.6	-20.4	1,653.2	-11.8
Fixed Income	11,281.7	10,505.2	7.4	10,898.9	3.5
Loans	5,404.7	5,372.1	0.6	5,301.2	2.0
Equities	72.7	80.7	-9.9	96.9	-25.0
Others	5,099.4	2,755.4	85.1	4,433.4	15.0

Equity & Capital Adequacy Ratio

(%, KRW tril.)

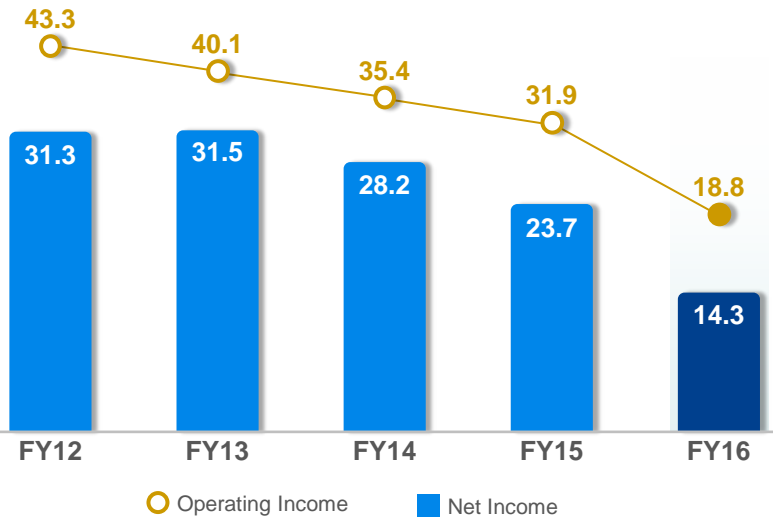


Equity & Capital Adequacy Ratio

(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Shareholders' Equity	1,685.5	1,581.4	6.6	1,804.8	-6.6
Capital & Retained Earnings	1,647.1	1,502.1	9.7	1,624.7	1.4
Accumulated Other Comprehensive Income	38.5	79.3	-51.5	180.1	-78.6
RBC Ratio	179.2%	204.2%	-25.0%p	204.8%	-25.6%p

Net Income

(KRW bil.)



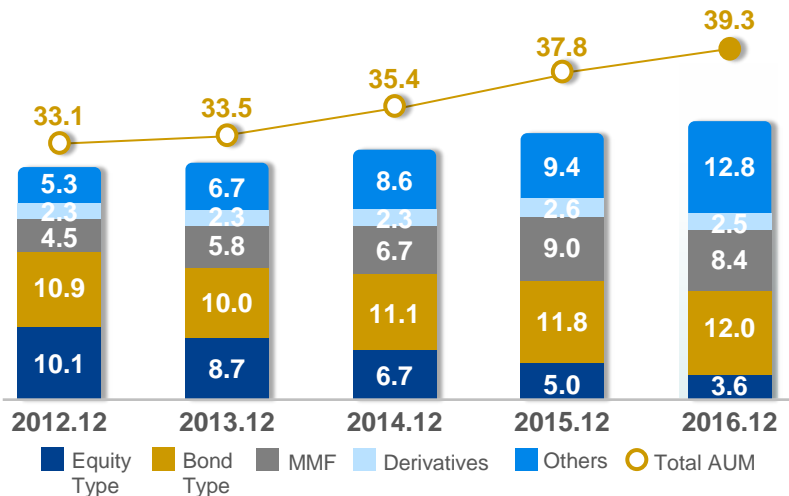
Condensed I/S & Key Financial Indices

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Operating Revenue	69.8	83.7	-16.6	17.3	17.6	-1.3
Operating Expense	51.0	51.8	-1.5	13.3	12.6	5.0
(G&A Expenses)	42.8	41.6	3.0	11.2	10.6	5.9
Operating Income	18.8	31.9	-41.0	4.1	4.9	-17.6
Net Income	14.3	23.7	-39.5	3.2	4.3	-26.6
ROE	9.9%	15.9%	-6.0%p	9.9%	10.3%	-0.4%p

Note) ROE is calculated on a cumulative basis

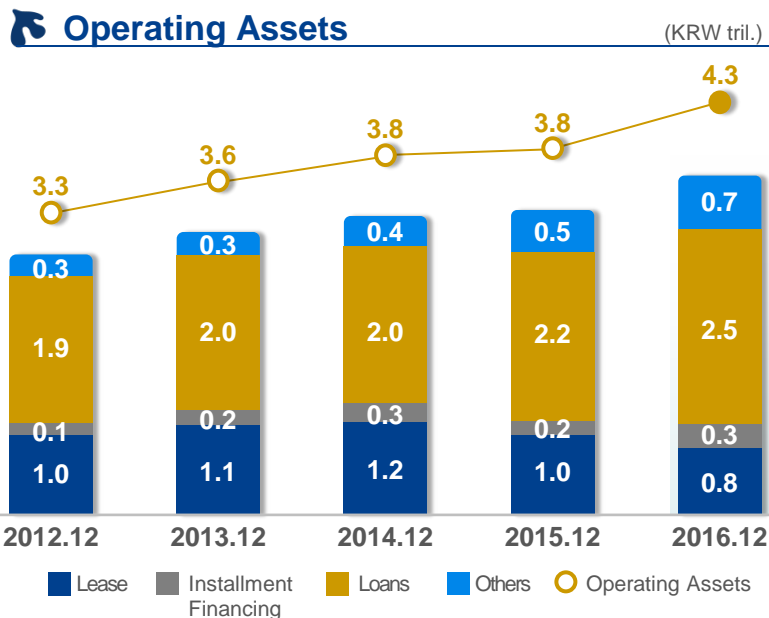
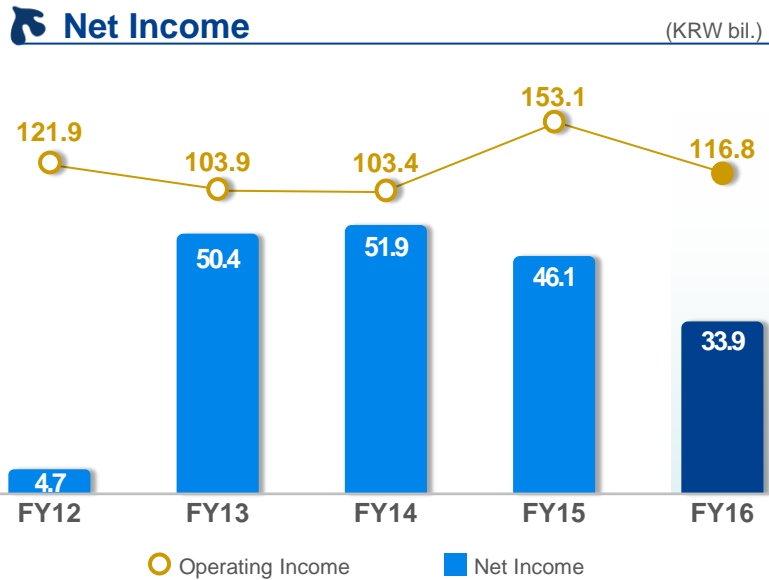
Assets Under Management

(KRW tril.)



Assets Under Management

(KRW tril.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Total AUM	39.3	37.8	3.9	39.5	-0.4
Equity Type	3.6	5.0	-28.4	4.1	-12.3
Bond Type	12.0	11.8	1.8	12.5	-3.7
MMF	8.4	9.0	-6.2	8.6	-1.9
Derivatives	2.5	2.6	-5.9	2.5	-2.0
Others	12.8	9.4	36.0	11.8	8.5



Condensed I/S & Key Financial Indices

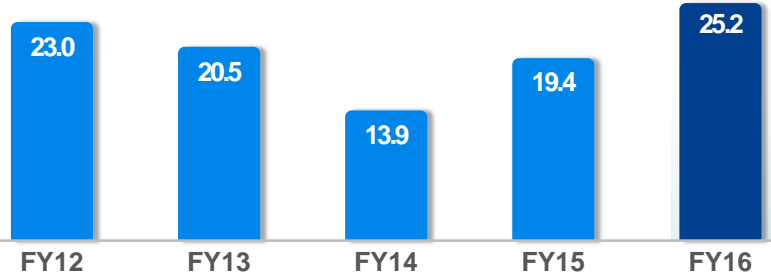
(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Operating Revenue	302.6	373.6	-19.0	70.0	86.4	-19.0
Operating Expense	156.8	191.4	-18.1	32.7	46.2	-29.2
G&A Expenses	28.9	29.1	-0.4	6.6	7.4	-11.0
Operating Income	116.8	153.1	-23.7	30.7	32.8	-6.4
Non-Operating Income	-0.0	-2.1	n.a.	0.1	-0.0	n.a.
Pre-Provision Income	116.8	151.0	-22.7	30.8	32.8	-6.0
Provision for Credit Losses	76.0	96.9	-21.6	26.2	20.0	30.6
Earnings before Income Tax	40.8	54.1	-24.5	4.6	12.7	-63.5
Net Income	33.9	46.1	-26.5	3.8	9.8	-61.5
ROE	5.4%	7.7%	-2.3%p	5.4%	6.4%	-1.0%p
ROA	0.8%	1.2%	-0.4%p	0.8%	1.0%	-0.2%p

Note) ROE, ROA are calculated on a cumulative basis

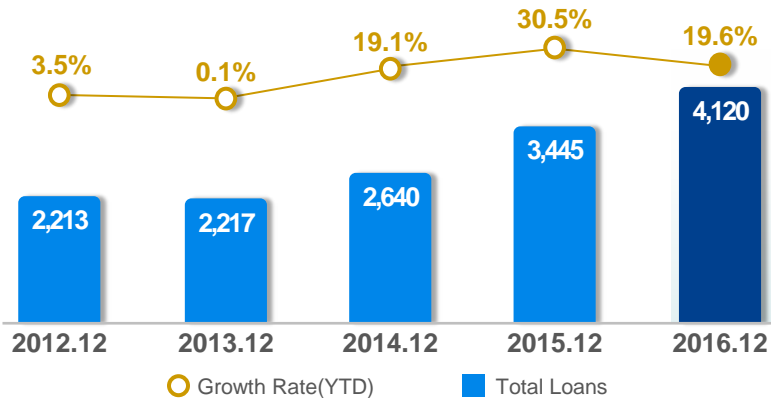
Operating Assets

(KRW tril.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Operating Assets	4.3	3.8	12.2	4.1	5.8
Lease	0.8	1.0	-17.3	0.8	0.2
Installment Financing	0.3	0.2	62.6	0.3	-6.7
Loans	2.5	2.2	14.2	2.3	9.2
Others	0.7	0.5	43.0	0.7	7.0

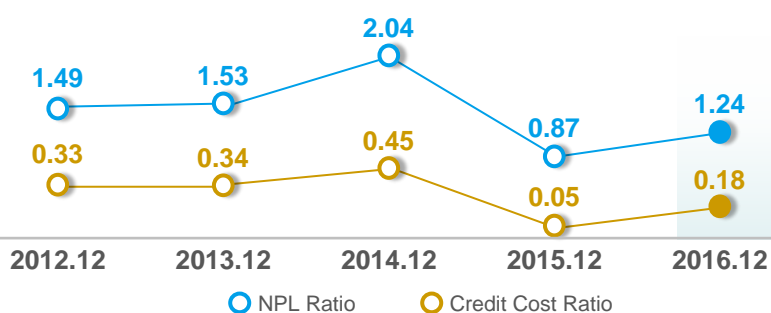
Net Income (KRW bil.)



KRW Loan Growth (KRW bil.)



NPL Ratio & Credit Cost Ratio (%)



Income

(KRW bil.)	FY16	FY15	YoY%	4Q16	3Q16	QoQ%
Operating Income (a=b+c)	107.3	89.0	20.6	28.0	27.9	0.3
Interest Income (b)	100.9	81.4	23.9	27.0	26.1	3.6
Non-Interest Income (c)	6.4	7.6	-15.6	1.0	1.8	-47.7
G&A Expenses (d)	68.4	61.9	10.6	17.9	16.4	8.8
Pre-Provision Oper.Income (e=a-d)	38.9	27.1	43.4	10.1	11.5	-12.0
Non-Operating Income (f)	1.7	-0.6	n.a.	1.4	0.1	1,143.6
Pre-Provision Income (g=e+f)	40.6	26.6	52.6	11.5	11.6	-0.8
Provision for Credit Losses (h)	7.7	1.7	348.5	1.2	6.6	-82.6
Earnings before Income Tax (i=g-h)	32.9	24.9	32.2	10.3	5.0	108.7
Income Tax	7.7	5.5	41.0	2.2	1.4	63.0
Net Income ¹⁾	25.2	19.4	29.7	8.1	3.6	125.9

Note 1) Net Income in Controlling Interest

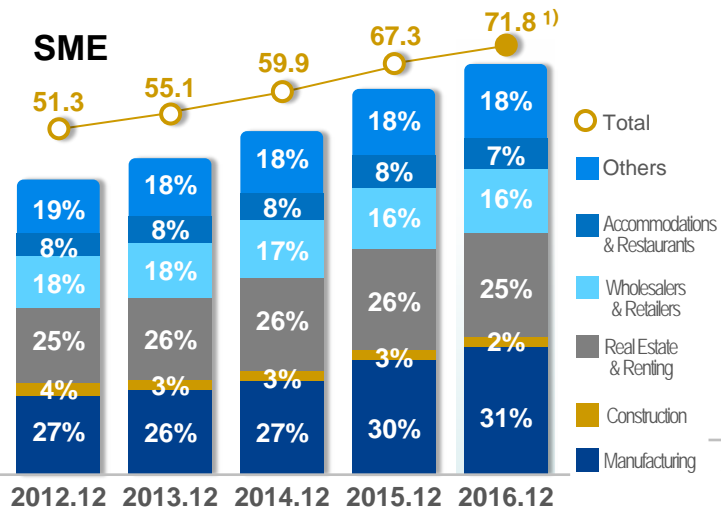
Loan in KRW

(KRW bil.)	2016.12	2015.12	YTD%	2016.9	QoQ%
Loan in KRW	4,120.0	3,445.3	19.6	4,057.2	1.8
Retail	1,713.6	1,224.1	40.0	1,594.8	9.7
Mortgage	896.8	585.1	53.3	816.7	13.7
Others	816.9	639.0	27.8	778.1	6.1
Corporate	2,406.4	2,221.2	8.3	2,462.4	-2.5
SME	2,279.7	2,086.3	9.3	2,322.1	-2.0
SOHO	1,338.4	1,156.1	15.8	1,324.4	1.2
Large Corporate etc.	126.7	134.9	-6.0	140.3	-10.1

SHB SME Loans

Loans

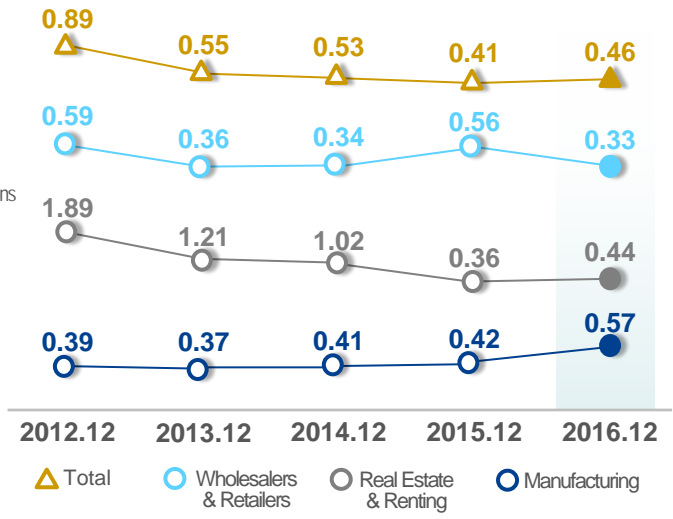
(KRW tril.)



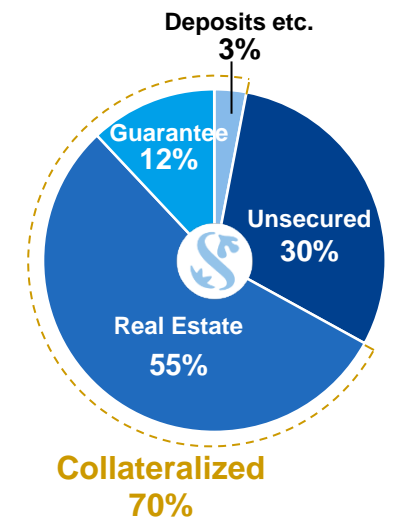
Note 1) SOHO 50%, Registered 21%, Unregistered 29%

Delinquency

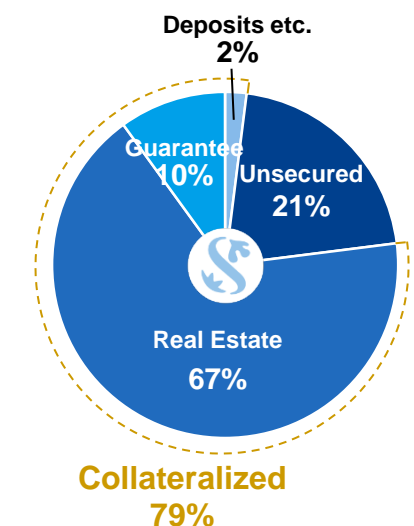
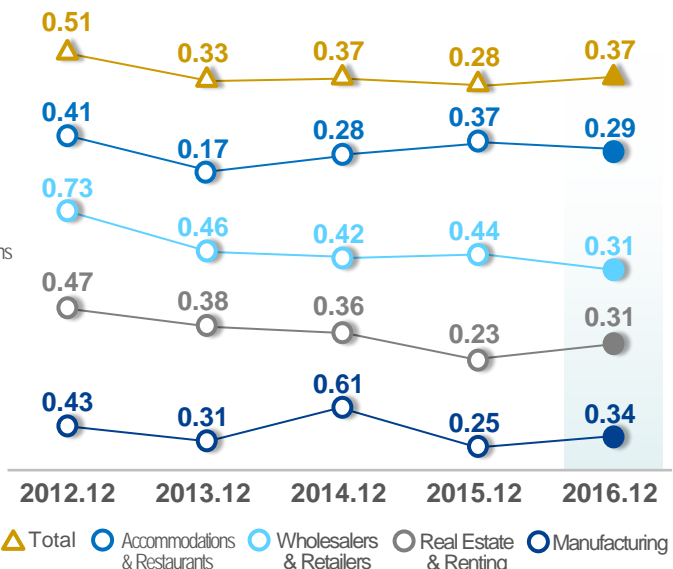
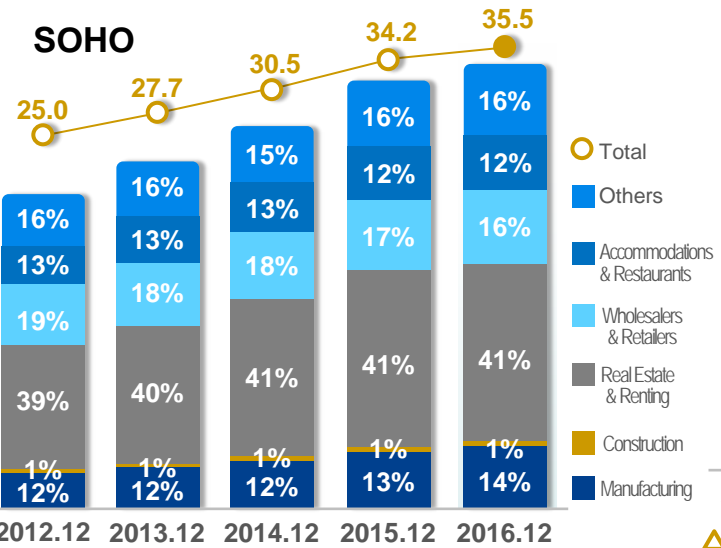
(%)



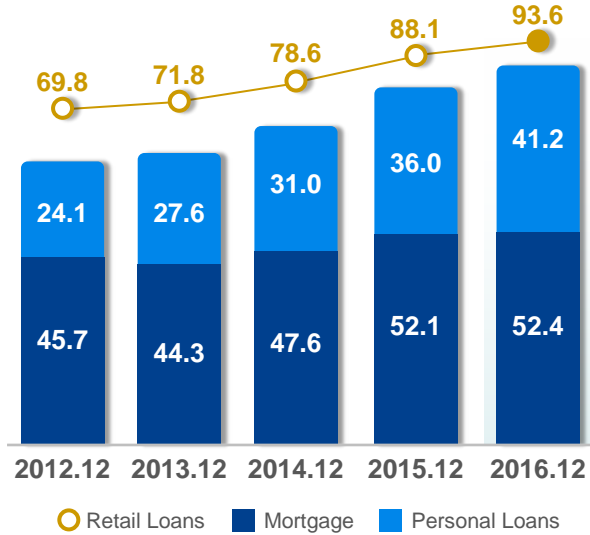
Collateral



SOHO

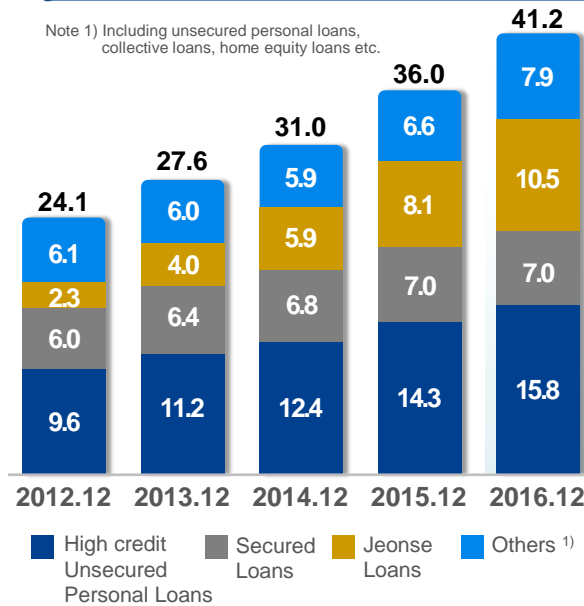


Loans (KRW tril.)

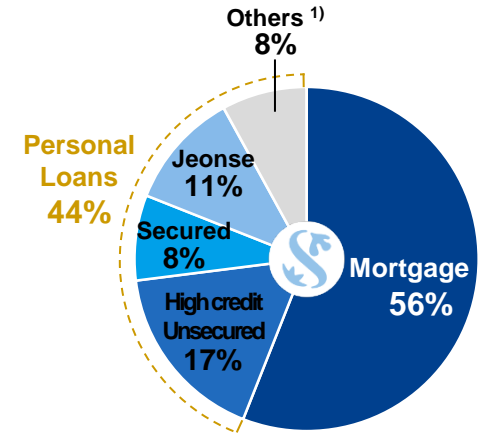


Retail Personal Loans (KRW tril.)

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

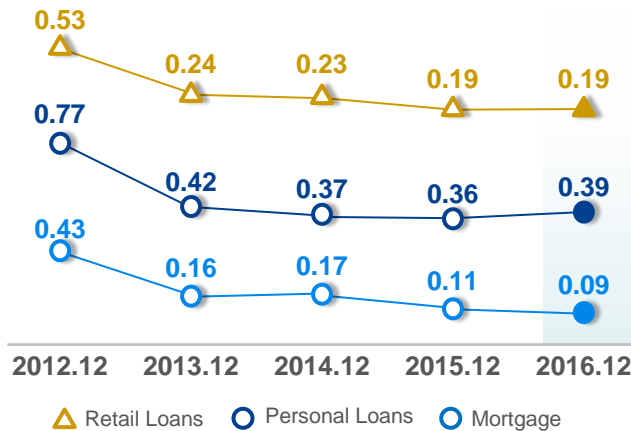


Loan Composition

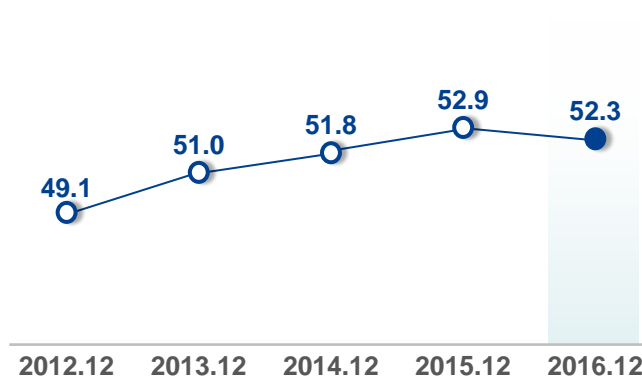


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

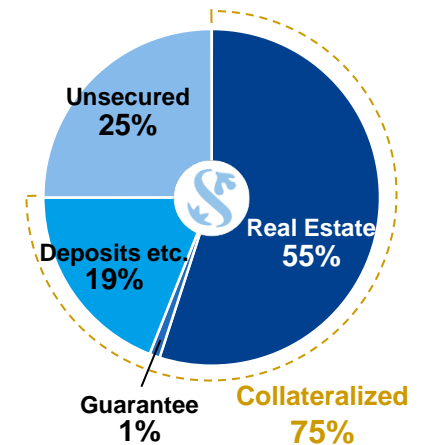
Delinquency (%)



LTV (%)



Collateral



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