

Business Results

2017 1Q

Spring

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.

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



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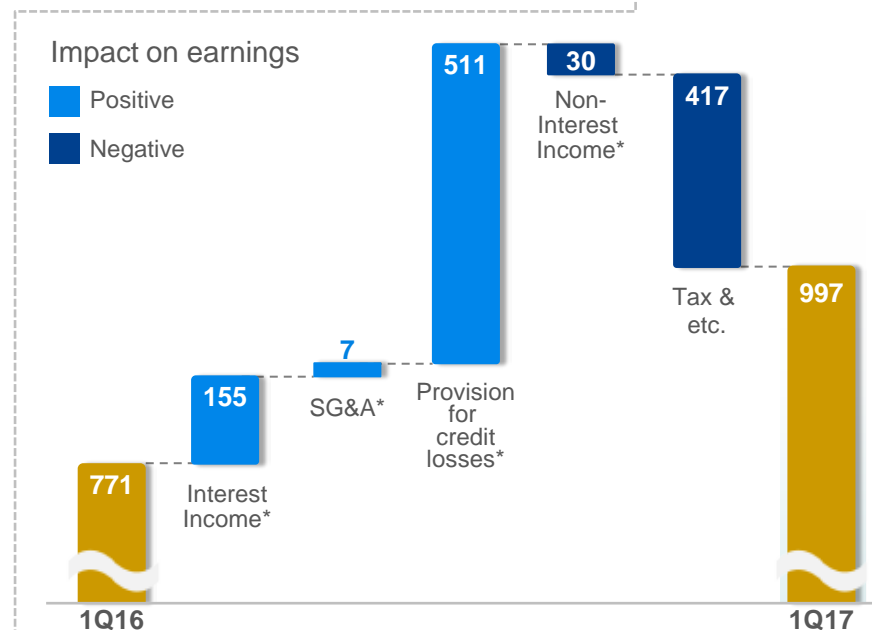
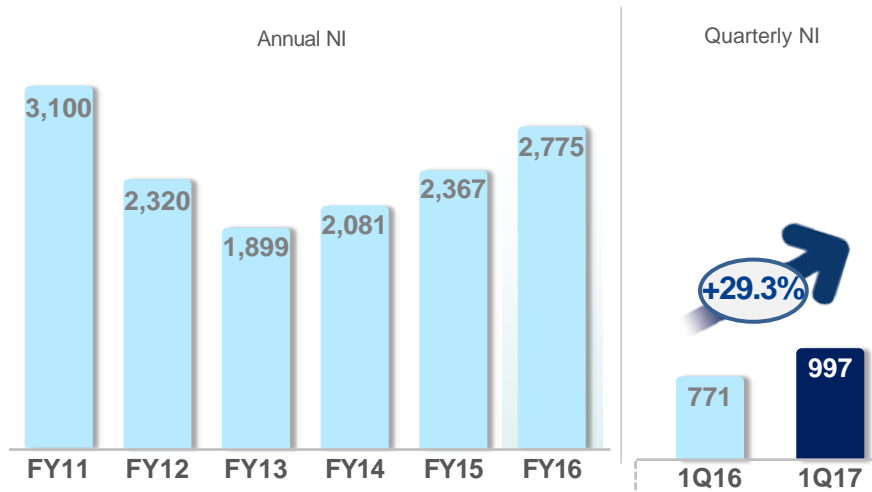
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2017 1Q Business Results Highlights ①

Group Net Income

(KRW bil.)



* Earnings before income tax

1 Net Income growth evidenced across Bank and Non-Bank operations **997 bil.**

2 Strong core earnings driven by NIM expansion with resilient loan growth in SMEs **1.53%**

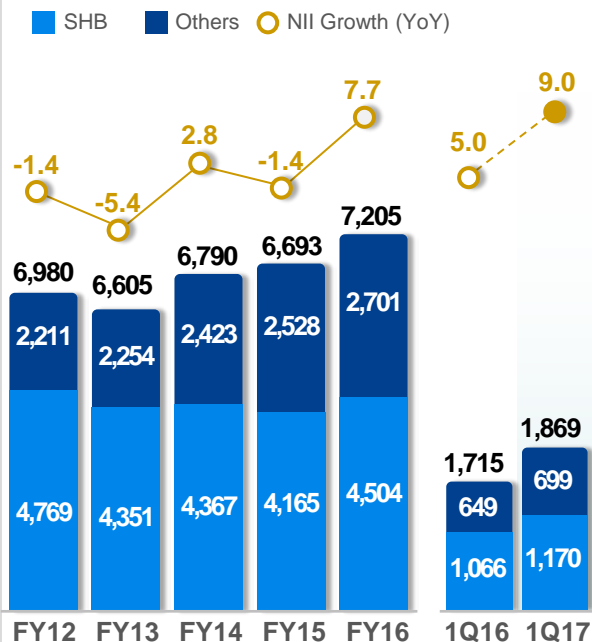
3 Cost management consistently realized throughout the business lines **0.7%**

4 Credit cost on recurring basis brought down to historically lowest level **27bp**

- NI hiked 29.3% YoY and 62.9% QoQ respectively, a quarter record high marking KRW 997.1bil. in 1Q17.
- Strong 2017 1Q operating performance underpinned by strong core earnings and provision improvements.
- 2017 1Q has been a quarter regaining SFG's competitive strengths in operation.

2017 1Q Business Results Highlights ②

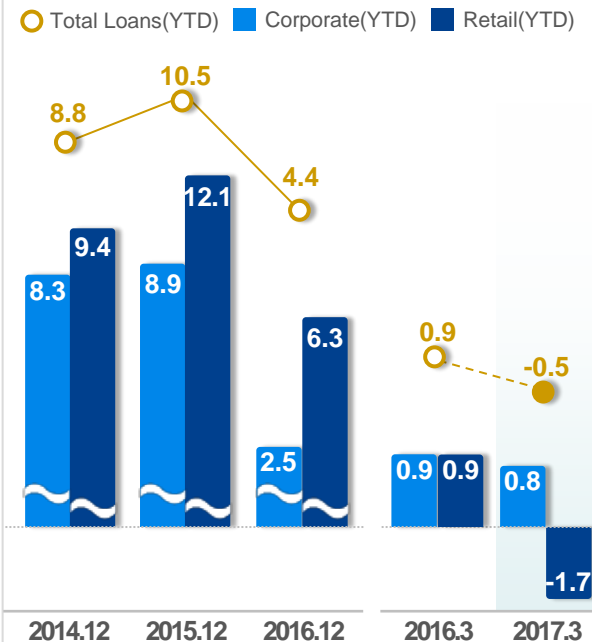
Interest Income (% , KRW bil.)



NII riding Upward Trajectory

- Interest income increased by 9.0% YoY attributed to resilient loan growth coupled with margin improvement.
- NII improvement is attributed to constant drive to grow quality assets over the past 3 years.

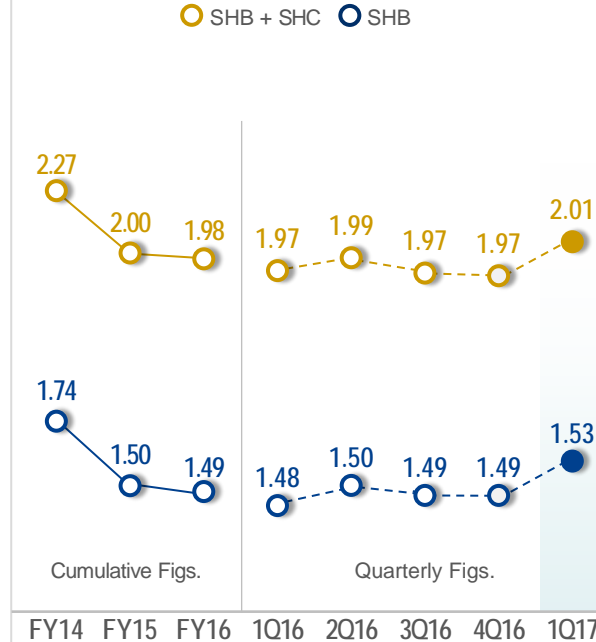
SHB Loan Growth (%)



Resilient Loan Growth

- KRW loan balance as end of 1Q17 marked 184 tril. down by 0.5% YTD.
- Corporate:** High quality unregistered SME loans increased by 3.3%, bringing up corporate loan growth to 0.8% YTD.
- Retail:** Mortgage Loan decreased by 2.4% in 1Q due to mortgage securitization, resulting retail loan down by 1.7% YTD.
- Low cost deposits increased by 2.8% YTD, whereas time savings decreased by 3.2% YTD.

NIM (%)

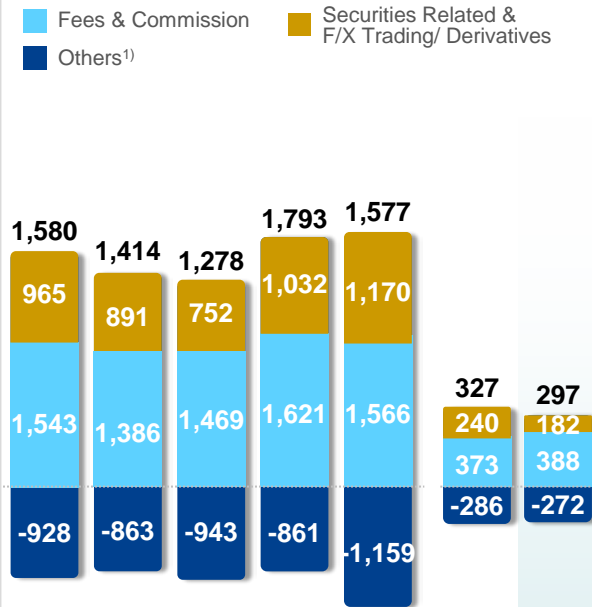


NIM Improvement

- Group NIM marked 2.01%, 4bp improvement QoQ. NIM is consistently showing stabilizing trend.
- SHB's NIM improved by 4bp QoQ to 1.53% from 1.49%. Attributed to 1) stabilizing market interest rate, 2) defensive pricing policy, 3) incremental drop in deposit yield based on effective A&L management along with year-round efforts to draw more low-cost deposits

2017 1Q Business Results Highlights ③

Non-Interest Income (% , KRW bil.)



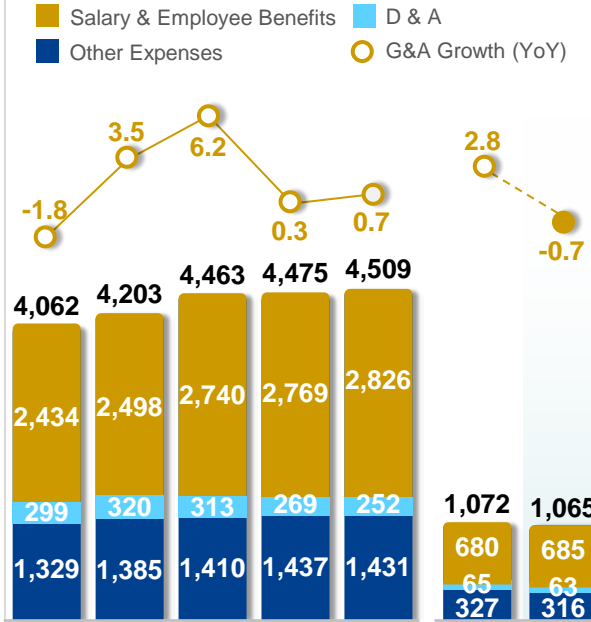
FY12 FY13 FY14 FY15 FY16 1Q16 1Q17

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

Resilient Fee Income

- Non-interest income dropped by 9.2% YoY, mainly due to absence of one-off derivative gains in 1Q16. However, general fee income increased YoY.
- NI contribution from non-bank subsidiaries during 1Q17 improved by 13%p reaching 48% out of the group's total profit.

G&A Expenses (% , KRW bil.)

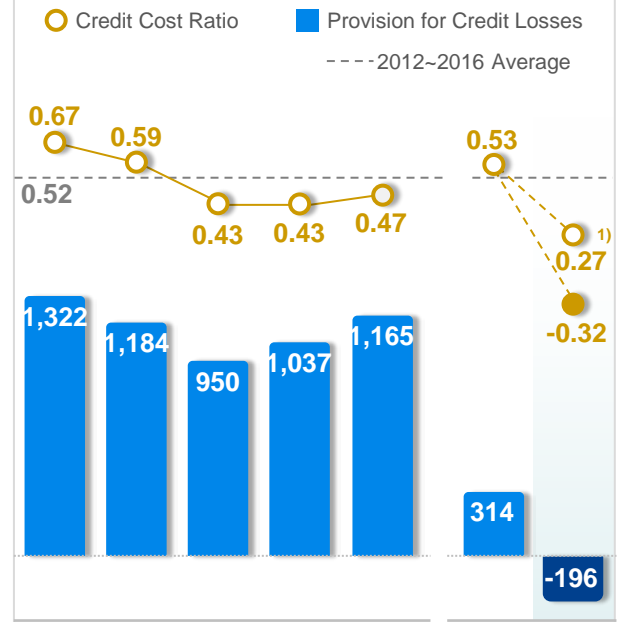


FY12 FY13 FY14 FY15 FY16 1Q16 1Q17

Disciplined Cost Management

- SG&A declined by 0.7% YoY, through continuous tightened cost control.
- QoQ overall cost has been reduced by 16.8% as previous quarter includes ERP and other year-end seasonal factors.

Credit Cost (% , KRW bil.)



FY12 FY13 FY14 FY15 FY16 1Q16 1Q17

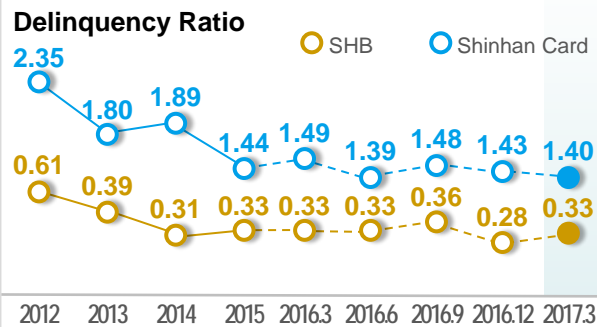
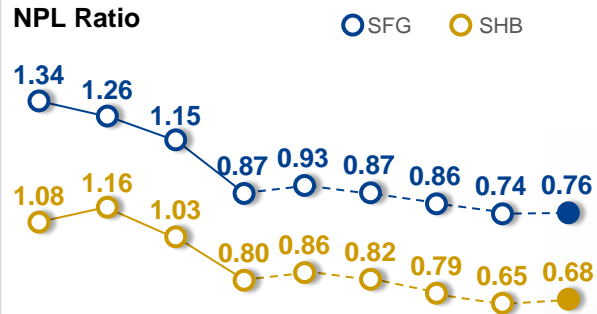
Note 1) Excluding write-backs from Shinhan Card

Record Low Credit Cost

- Recurring credit cost has re-entered into improving trajectory.
- SHB's provision has decreased by 72.8% YoY to 59.5bil., attributed to stable asset quality and elimination of one-off provision burdens related to restructuring companies (Shipping & Shipbuilding) in 1Q16.
- SHC had a significant drop in credit cost due to reversal of allowances caused by a change in provisioning policy after the adoption of IRB approach, along with conservative provision policy in the past.

2017 1Q Business Results Highlights 4

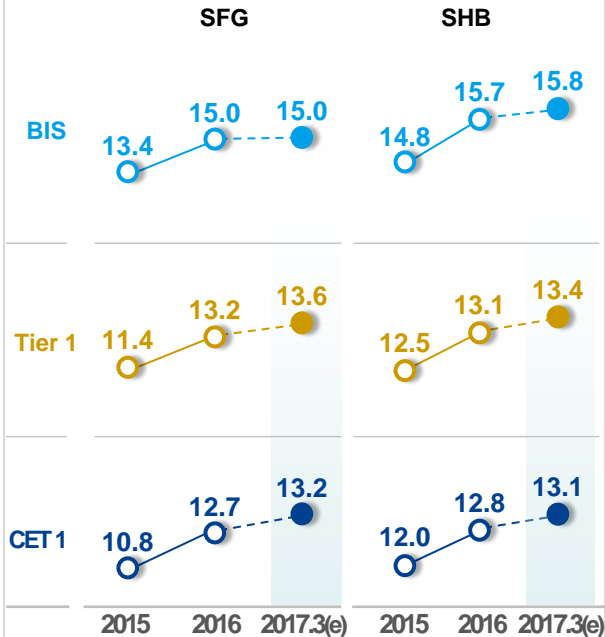
Asset Quality (%)



Benign Asset Quality Issues

- NPL ratio for the Group and SHB recorded 0.76% and 0.68%, increased by 0.02%p and 0.03%p respectively.
- NPL coverage ratio for the Group and SHB each marked 216% and 200%, decreased by 4%p and 5%p respectively.
- During 1Q17, SHB's delinquency ratio increased by 5bp to 0.33% mainly due to reduction in write-off and decrease in credit balance, whereas credit card delinquency ratio improved by 3bp to 1.40%.

Capital Adequacy (%)

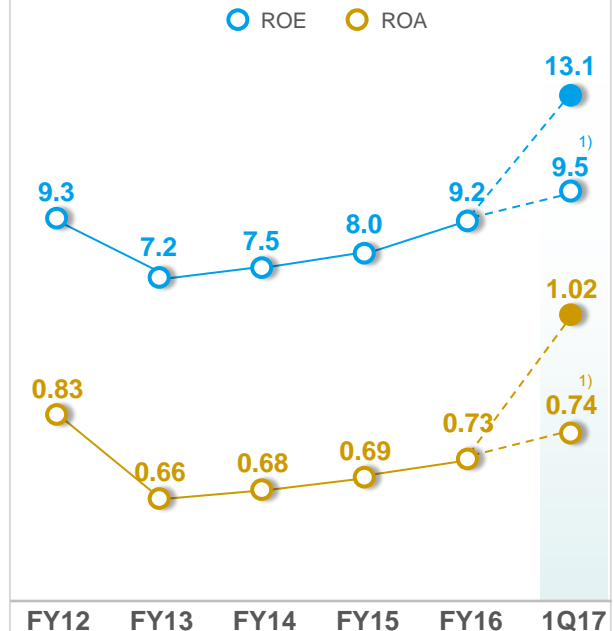


Note) Based on Basel 3

Strong Capital Base

- Based on BASEL3, Group's Common Equity Tier1 and BIS ratio each marked 13.2% and 15.0% driven by growth in earnings with suitable level of risk weighted asset growth.
- Based on BASEL3, SHB's Common Equity Tier1 and BIS ratio each marked 13.1% and 15.8%.

Productivity Indices (%)



Note 1) Excluding write-backs from Shinhan Card

ROA / ROE Improvement

- Group ROE recorded 13.1%, 3.9%p hike YTD driven by solid earning growth.
- Group ROA recorded 1.02%, 0.29%p improvement YTD attributed to strong operating performance both from bank and non-bank subsidiaries with healthy trend in NIM and credit cost.

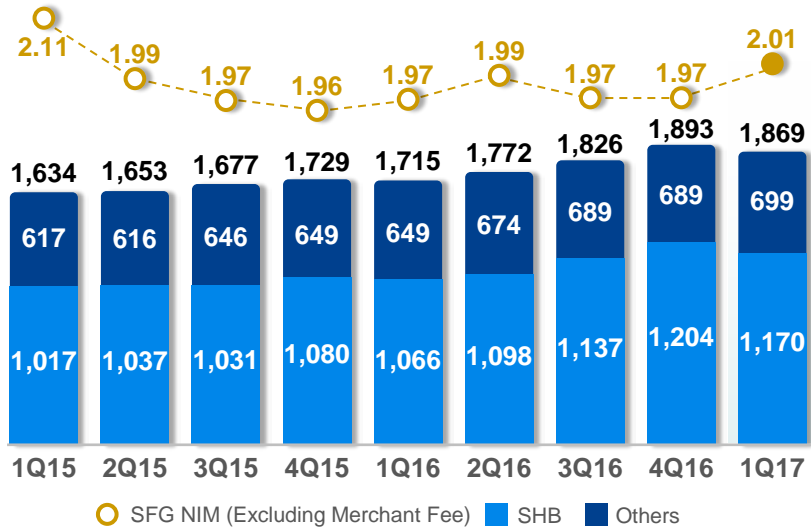
. Income

- 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**

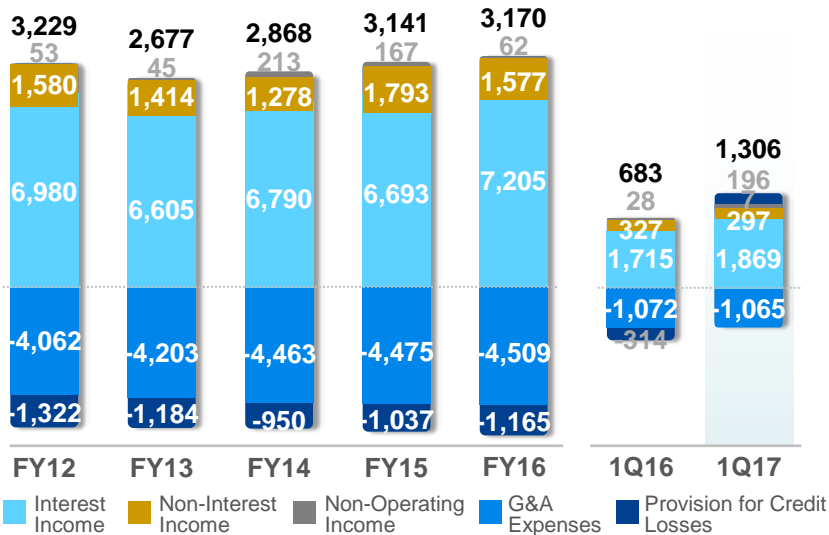


SFG Income

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



SFG Earnings before Income Tax (KRW bil.)

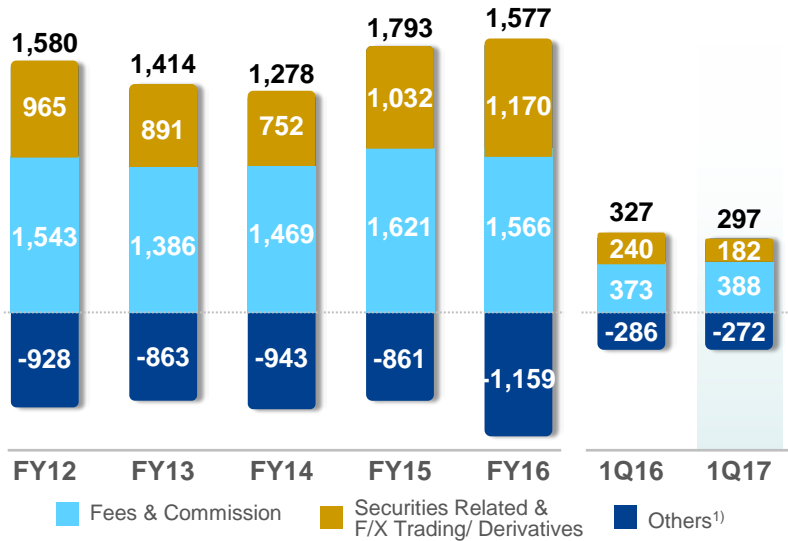


(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Operating Income (a=b+c)	2,166.6	2,042.0	6.1	2,199.3	-1.5
Interest Income (b)	1,869.2	1,714.7	9.0	1,892.6	-1.2
Non-Interest Income (c)	297.4	327.4	-9.2	306.7	-3.0
G&A Expenses (d)	1,064.8	1,072.2	-0.7	1,279.2	-16.8
Pre-Provision Oper. Income (e=a-d)	1,101.8	969.9	13.6	920.1	19.7
Non-Operating Income (f)	7.5	27.7	-73.1	7.5	-1.1
Pre-Provision Income (g=e+f)	1,109.3	997.6	11.2	927.7	19.6
Provision for Credit Losses (h)	-196.5	314.4	n.a.	294.0	n.a.
Earnings before Income Tax (i=g-h)	1,305.7	683.2	91.1	633.7	106.1
Income Tax	298.5	-104.6	n.a.	19.3	n.m.
Consolidated Net Income ¹⁾	997.1	771.4	29.3	612.1	62.9

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

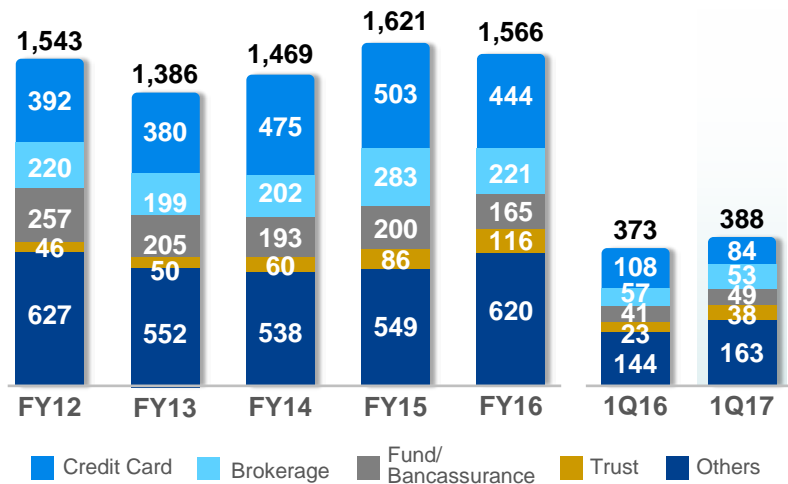
SFG Non-Interest Income (KRW bil.)



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

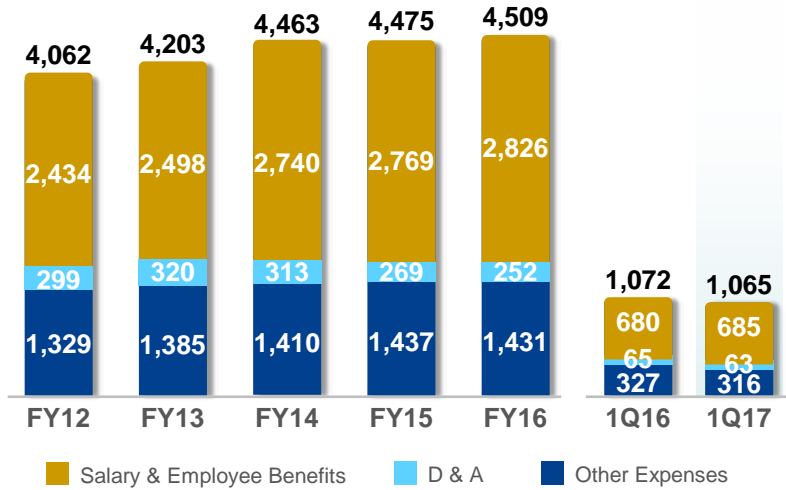
(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Non-Interest Income	297.4	327.4	-9.2	306.7	-3.0
Fees & Commission	387.6	372.9	3.9	400.0	-3.1
Securities Related & FX Trading/Derivatives	181.9	240.5	-24.4	243.6	-25.3
(Gains on Sale of AFS Securities)	53.7	52.0	3.4	118.6	-54.7
(Impairment Loss on AFS Securities)	-7.0	-35.5	n.a.	-15.5	n.a.
Others	-272.1	-286.0	n.a.	-336.9	n.a.
(Contribution Expenses)	-61.2	-63.7	n.a.	-62.8	n.a.
(Insurance Fees on Deposits)	-83.4	-75.3	n.a.	-80.9	n.a.

SFG Fees & Commission (KRW bil.)



(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Fees & Commission	387.6	372.9	3.9	400.0	-3.1
Credit Card Fee Income	83.9	108.5	-22.7	112.5	-25.5
Brokerage Commissions	53.5	56.7	-5.7	48.1	11.2
Fund/Bancassurance Fees	49.1	40.8	20.4	39.8	23.4
Trust Fee Income	37.8	23.4	61.6	36.0	5.2
Others	163.4	143.6	13.8	163.7	-0.2

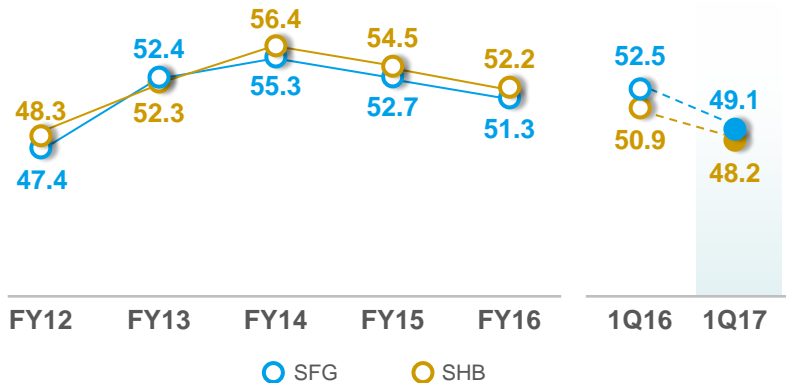
SFG G&A Expenses (KRW bil.)



SFG G&A Expenses

(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
G&A Expenses	1,064.8	1,072.2	-0.7	1,279.2	-16.8
Salary & Employee Benefits	685.4	679.6	0.9	824.4	-16.9
(Early Retirement Program Expenses)	1.9	2.3	-20.8	104.1	-98.2
D & A	63.5	65.2	-2.6	60.0	5.9
Other Expenses	315.9	327.4	-3.5	394.8	-20.0
(Advertising Expenses)	50.0	59.1	-15.3	88.4	-43.4
(Taxes and Dues)	41.1	44.6	-7.7	36.3	13.2

Cost-Income Ratio (%)



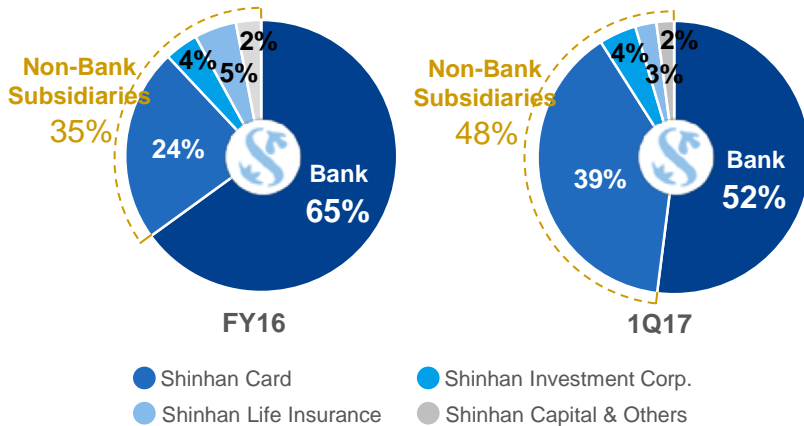
SHB G&A Expenses

(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
G&A Expenses	671.7	662.8	1.3	859.1	-21.8
Salary & Employee Benefits	424.6	421.3	0.8	538.6	-21.2
(Early Retirement Program Expenses)	0.2	0.4	-46.1	94.1	-99.8
D & A	43.3	41.0	5.5	40.3	7.5
Other Expenses	203.8	200.4	1.7	280.1	-27.3
(Advertising Expenses)	7.0	6.3	10.4	24.2	-71.2
(Taxes and Dues)	15.2	15.2	0.1	15.5	-1.9

Note) Cumulative Figures

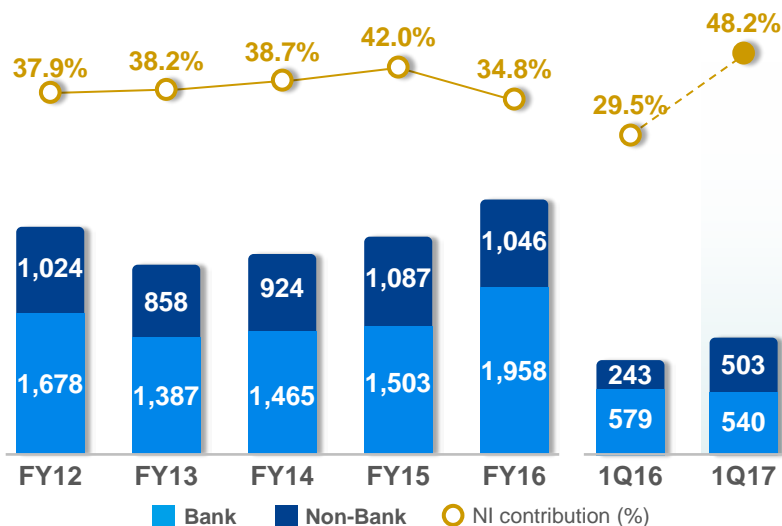
Subsidiaries Income ①

Net Income Contribution by Subsidiaries ¹⁾



Note1) After reflecting ownership by SFG

Net Income Contribution by Non-Bank Subsidiaries ¹⁾ (KRW bil.)



Note 1) After reflecting ownership by SFG

(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=A x B]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	542.9		540.3	81.1	621.4
Shinhan Bank	534.6	100.0%	534.6	81.1	615.7
Jeju Bank	8.3	68.9%	5.7	-0.0	5.7
Non-Bank (b)	504.6		503.2	-88.1	415.1
Shinhan Card	401.8	100.0%	401.8	0.2	402.0
Shinhan Investment Corp.	46.0	100.0%	46.0	-32.0	13.9
Shinhan Life Insurance	30.8	100.0%	30.8	-56.9	-26.1
Shinhan BNPP AM	4.0	65.0%	2.6	-0.0	2.6
Shinhan Capital	18.6	100.0%	18.6	2.4	21.0
Shinhan Savings Bank	2.0	100.0%	2.0	0.0	2.0
Shinhan Data System	0.1	100.0%	0.1	-1.8	-1.7
Shinhan AITAS	1.7	99.8%	1.7	-0.0	1.7
Shinhan Credit Information	-0.3	100.0%	-0.3	-0.0	-0.3
Shinhan Private Equity	-0.1	100.0%	-0.1	-	-0.1
SFG (c)				-39.4²⁾	-39.4
Total (d=a+b+c) ¹⁾	1,047.5		1,043.5	-46.4	997.1

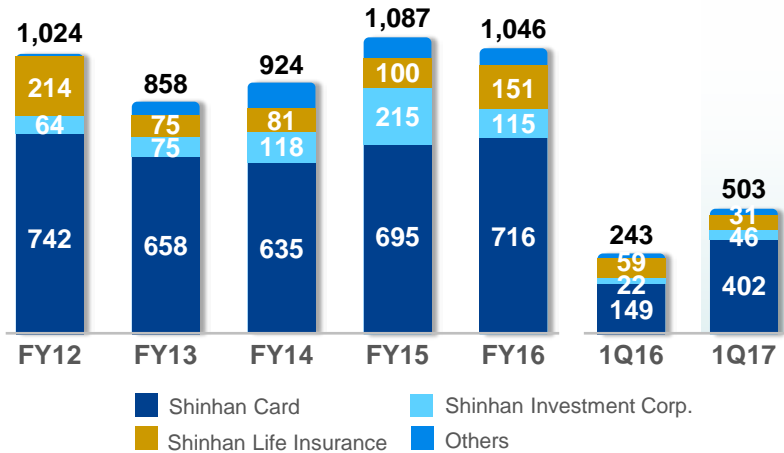
Note 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 11.7bil., Interest Expense KRW -37.9bil., G&A etc. KRW -15.9bil.

Subsidiaries Income ②

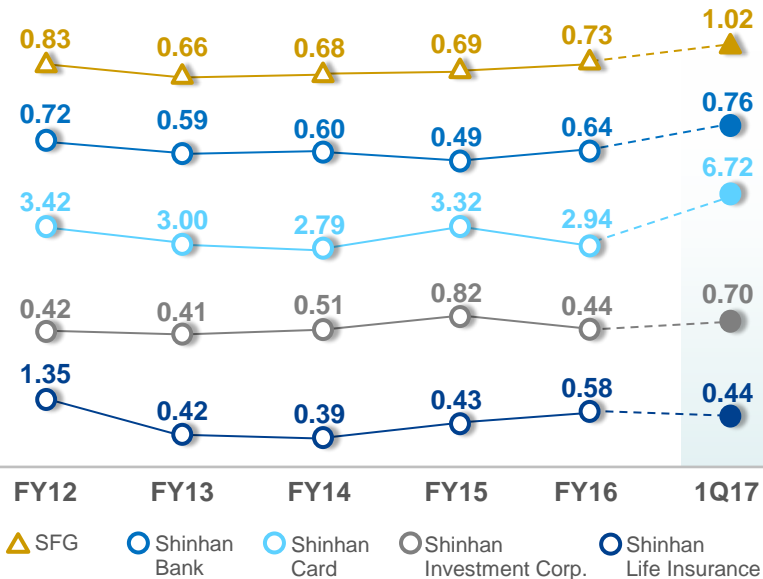
Non-Bank Net Income

(KRW bil.)



ROA

(%)



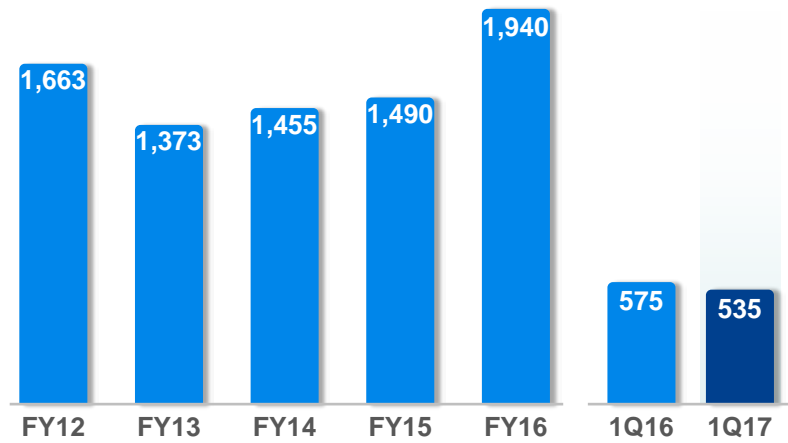
(Reflecting SFG Ownership, KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Bank (a)	540.3	579.0	-6.7	434.2	24.4
Shinhan Bank	534.6	574.9	-7.0	428.6	24.7
Jeju Bank	5.7	4.2	37.9	5.6	2.7
Non-Bank (b)	503.2	242.6	107.4	242.4	107.6
Shinhan Card	401.8	148.8	170.0	183.3	119.2
Shinhan Investment Corp.	46.0	21.8	111.1	29.6	55.2
Shinhan Life Insurance	30.8	58.7	-47.6	23.0	33.8
Shinhan BNPP AM	2.6	2.3	11.5	2.1	25.7
Shinhan Capital	18.6	2.6	621.2	3.8	392.4
Shinhan Savings Bank	2.0	5.0	-60.2	1.4	42.6
Shinhan Data System	0.1	1.0	-88.2	-0.5	n.a.
Shinhan AITAS	1.7	1.8	-1.4	1.5	18.3
Shinhan Credit Information	-0.3	-0.1	n.a.	-1.4	n.a.
Shinhan Private Equity	-0.1	0.7	n.a.	-0.3	n.a.
Total (a+b)	1,043.5	821.6	27.0	676.6	54.2
Consolidate Net Income ¹⁾	997.1	771.4	29.3	612.1	62.9

Note 1) Net Income in Controlling Interest

SHB Income / NIM

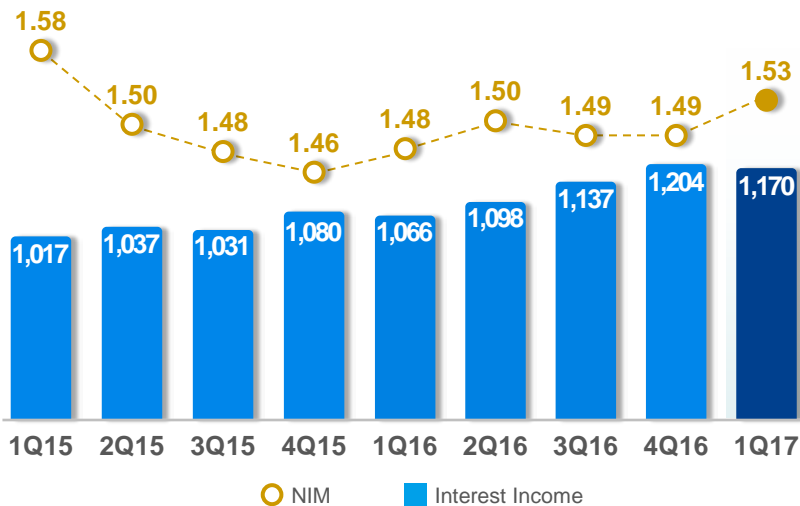
Net Income

(KRW bil.)



Interest Income/NIM(Quarterly)

(%, KRW bil.)



(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Operating Income (a=b+c)	1,393.5	1,302.9	7.0	1,370.9	1.6
Interest Income (b)	1,169.7	1,065.7	9.8	1,203.6	-2.8
Non-Interest Income (c)	223.7	237.1	-5.6	167.4	33.7
G&A Expenses (d)	671.7	662.8	1.3	859.1	-21.8
Pre-Provision Oper.Income (e=a-d)	721.8	640.1	12.8	511.9	41.0
Non-Operating Income (f)	10.1	22.8	-55.8	8.5	18.5
Pre-Provision Income (g=e+f)	731.9	662.9	10.4	520.4	40.6
Provision for Credit Losses (h)	59.5	218.6	-72.8	135.4	-56.0
Earnings before Income Tax (i=g-h)	672.4	444.4	51.3	385.0	74.6
Income Tax	137.8	-130.3	n.a.	-43.9	n.a.
Net Income ¹⁾	534.6	574.9	-7.0	428.6	24.7

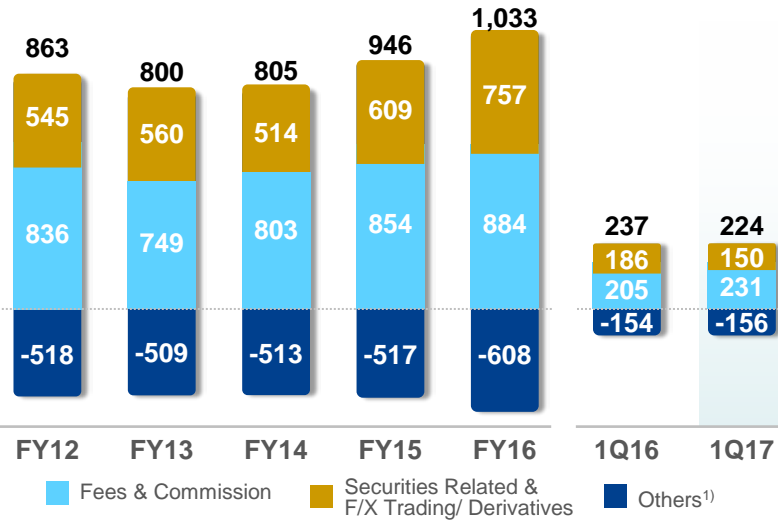
Note 1) Net Income in Controlling Interest

(%)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
NIS (a-b) (quarterly)	1.70	1.64	1.64	1.62	1.65	1.69	1.68	1.69	1.75
Loan interest rate (a)	3.62	3.37	3.20	3.10	3.10	3.08	2.99	2.97	3.00
Deposit interest rate (b)	1.92	1.73	1.55	1.48	1.45	1.40	1.31	1.28	1.26
NIM(quarterly)	1.58	1.50	1.48	1.46	1.48	1.50	1.49	1.49	1.53
NIM(cumulative figures)	1.58	1.54	1.52	1.50	1.48	1.49	1.49	1.49	1.53

SHB Non-Interest Income

Non-Interest Income

(KRW bil.)

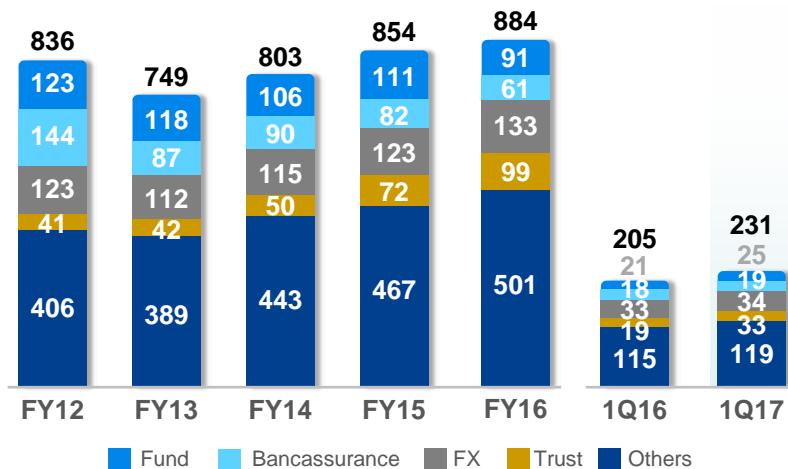


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Non-Interest Income	223.7	237.1	-5.6	167.4	33.7
Fees & Commission	230.6	205.1	12.4	243.9	-5.5
Securities Related & FX Trading/Derivatives	149.6	185.6	-19.4	83.9	78.3
(Gains on Sale of AFS Securities)	40.8	48.8	-16.4	18.2	123.9
(Impairment Loss on AFS Securities)	-7.7	-33.1	n.a.	-16.2	n.a.
Others	-156.4	-153.7	n.a.	-160.5	n.a.
(Contribution Expenses)	-59.3	-62.0	n.a.	-60.8	n.a.
(Insurance Fees on Deposits)	-72.5	-65.2	n.a.	-70.9	n.a.

Fees & Commission

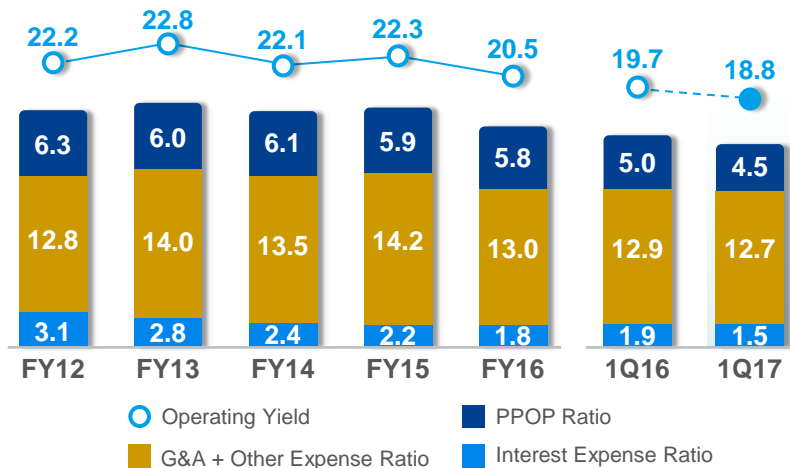
(KRW bil.)



(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Fees & Commission	230.6	205.1	12.4	243.9	-5.5
Fund Fee Income	24.9	20.6	21.1	22.7	9.9
Bancassurance Fee Income	19.4	17.6	10.2	14.0	38.7
FX Fee Income	34.5	33.3	3.5	33.9	1.9
Trust Fee Income	33.1	18.9	75.5	32.2	2.8
Others	118.6	114.7	3.4	141.2	-16.0

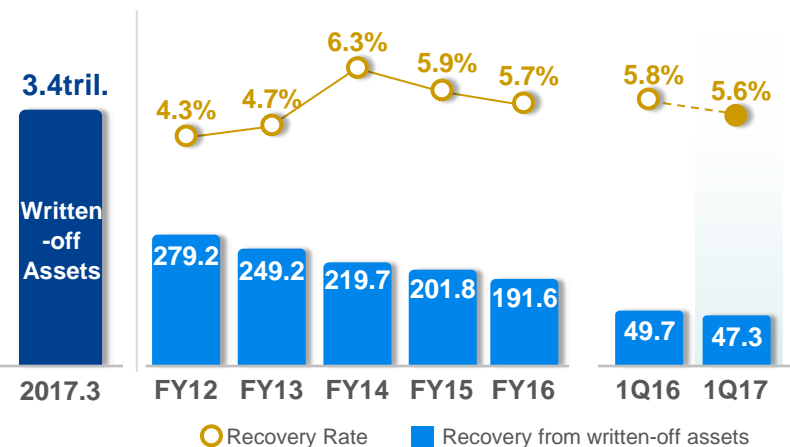
Shinhan Card Income

Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

Recovery from Written-off Assets (KRW bil.)



(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Operating Revenue (a)	1,266.5	1,131.2	12.0	1,114.9	13.6
Card Business	960.0	951.1	0.9	1,002.9	-4.3
Installment Finance	24.7	24.4	1.1	24.8	-0.4
Lease	13.8	11.5	19.4	15.0	-8.3
Others	268.1	144.1	86.0	72.1	271.6
(Derivatives & FX)	181.5	68.1	166.6	-89.8	n.a.
Interest Expense (b)	89.2	101.5	-12.2	96.0	-7.1
G&A Expenses (c)	175.3	184.4	-4.9	196.6	-10.8
Commissions & Other Expenses (d)	740.0	576.9	28.3	472.8	56.5
(Derivatives & FX)	173.4	61.3	182.8	-98.3	n.a.
Pre-Provision Income (e=a-b-c-d)	262.1	268.3	-2.3	349.5	-25.0
Provision for Credit Losses (f)	-264.5	79.1	n.a.	125.1	n.a.
Earnings before Income Tax (g=e-f)	526.6	189.2	178.3	224.4	134.6
Income Tax	125.2	40.4	210.2	49.3	154.0
Net Income ¹⁾	401.8	148.8	170.0	183.3	119.2

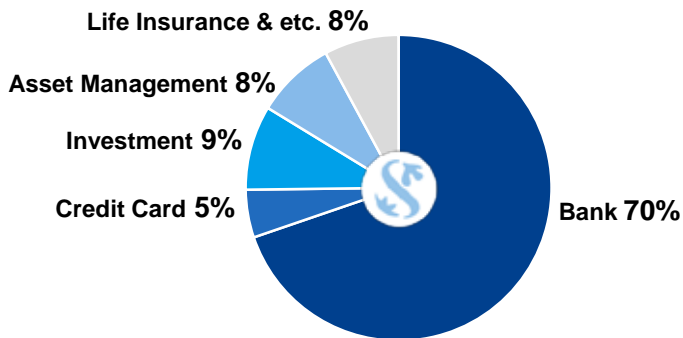
Note 1) Net Income in Controlling Interest

. Assets & Liabilities

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

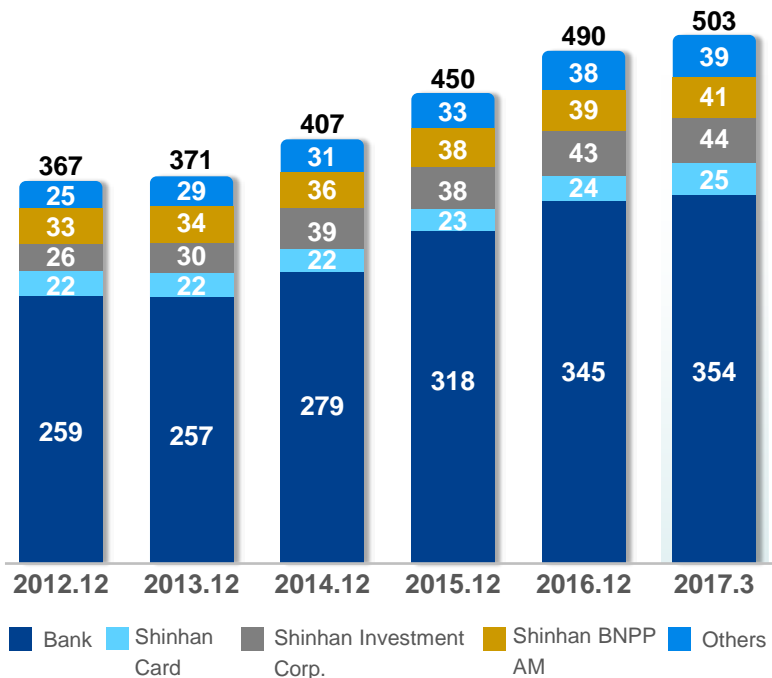


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)

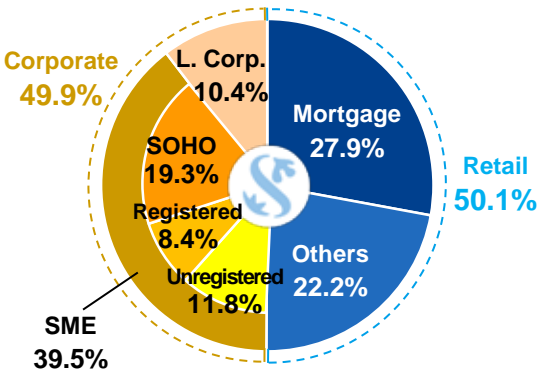


(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Bank (a)	353,894.7	345,421.3	2.5	322,757.9	9.6
Shinhan Bank	348,400.3	340,236.4	2.4	318,117.9	9.5
Jeju Bank	5,494.4	5,184.8	6.0	4,640.0	18.4
Non-Bank (b)	145,633.2	142,646.8	2.1	134,602.7	8.2
Shinhan Card	25,126.3	24,419.9	2.9	23,258.3	8.0
Shinhan Investment Corp.	43,677.7	43,329.1	0.8	41,894.9	4.3
Shinhan Life Insurance	28,017.6	27,499.8	1.9	25,236.6	11.0
Shinhan BNPP AM	40,867.0	39,439.5	3.6	38,233.0	6.9
Shinhan Capital	4,702.0	4,506.8	4.3	3,845.8	22.3
Shinhan Savings Bank	1,042.7	970.1	7.5	836.8	24.6
Shinhan Data System	32.0	34.4	-7.0	30.4	5.4
Shinhan AITAS	52.8	53.9	-2.1	43.8	20.6
Shinhan Credit Information	21.5	23.1	-6.7	22.0	-2.0
Shinhan Private Equity	114.8	114.9	-0.0	119.7	-4.1
Others	1,978.7	2,255.3	-12.3	1,081.5	83.0
Total ¹⁾	502,581.4	490,115.1	2.5	462,310.5	8.7
Consolidate Total Assets	404,996.0	395,680.3	2.4	378,547.0	7.0

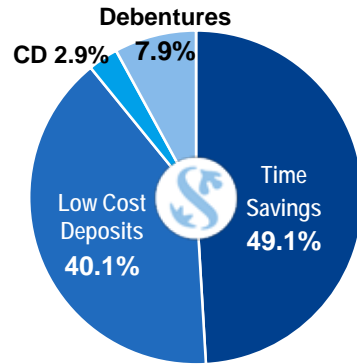
Note 1) Trust A/C of Shinhan Bank, Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included.

SHB Loan / Deposit Growth

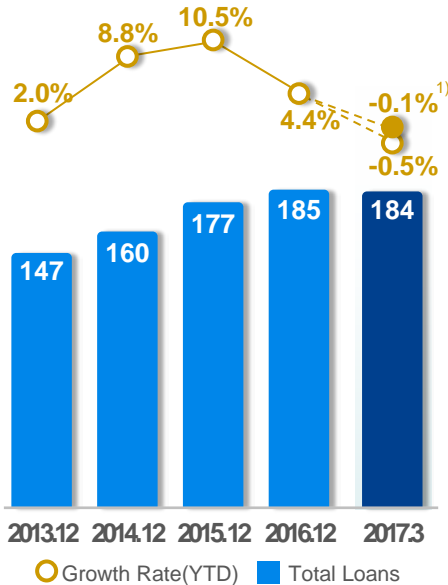
Loan Composition



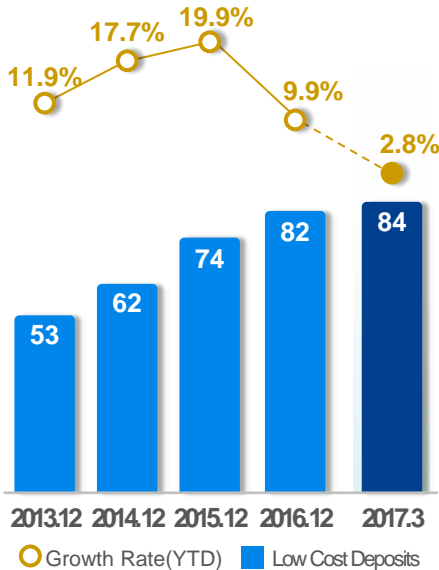
Funding Composition



KRW Loan Growth (KRW tril.)



Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Loan in KRW	183,637	184,559	-0.5	178,412	2.8
Retail	92,002	93,628	-1.7	88,909	3.3
Mortgage	51,155	52,392	-2.4	52,769	-3.1
Others ¹⁾	40,847	41,236	-0.9	36,141	11.4
Corporate	91,635	90,931	0.8	89,502	2.3
SME	72,575	71,757	1.1	68,236	6.0
SOHO	35,369	35,539	-0.5	34,458	2.6
Large Corporate etc.	19,060	19,173	-0.6	21,266	-11.5
Loan in FX	7,884	7,919	-0.4	7,799	1.1

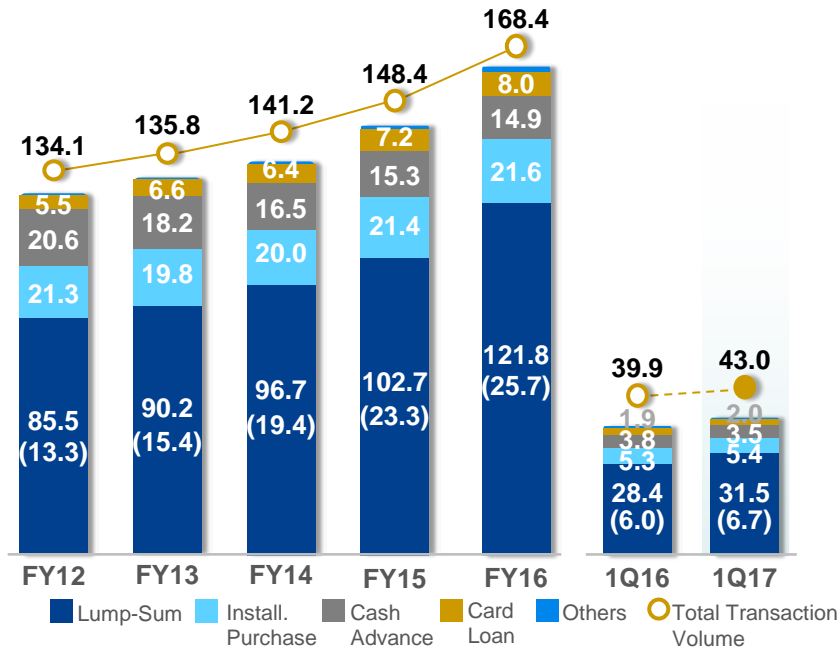
Note 1) Including Unsecured Personal Loans, Secured Loans, Jeonse Loans etc.

(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Total Deposits in KRW	186,876	187,932	-0.6	180,494	3.4
Low Cost Deposits	83,998	81,681	2.8	74,818	11.2
Demand	27,237	25,149	8.3	23,091	16.5
Savings	56,761	56,532	0.4	51,726	8.9
Time Savings	102,877	106,251	-3.2	105,677	-2.6
Time Deposits	94,664	97,793	-3.2	97,365	-2.8
Accumulative etc.	8,213	8,458	-2.9	8,312	-1.2
Certificate of Deposits	6,120	5,828	5.0	4,093	34.8
Debtentures in KRW	16,664	16,605	0.4	15,596	6.4

Shinhan Card Asset Growth

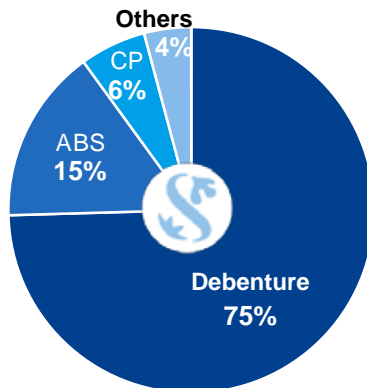
Transaction Volume

(KRW tril.)



Note) Figs. in parenthesis represent debit card transaction volume

Funding Composition



(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Earning Assets	23,262	22,859	1.8	21,450	8.4
Credit Purchase	12,129	11,795	2.8	11,299	7.3
Cash Advances	1,880	1,953	-3.8	2,024	-7.1
Card Loan	5,630	5,618	0.2	5,288	6.5
(Re-aged Loan)	251	241	4.0	234	7.3
Installment Finance	2,177	2,165	0.6	1,938	12.3
Lease etc.	1,447	1,328	9.0	901	60.6
Effective Cardholders (in thousands)	12,133	12,097	0.3	11,959	1.5
Merchants (in thousands)	2,640	2,626	0.6	2,530	4.4

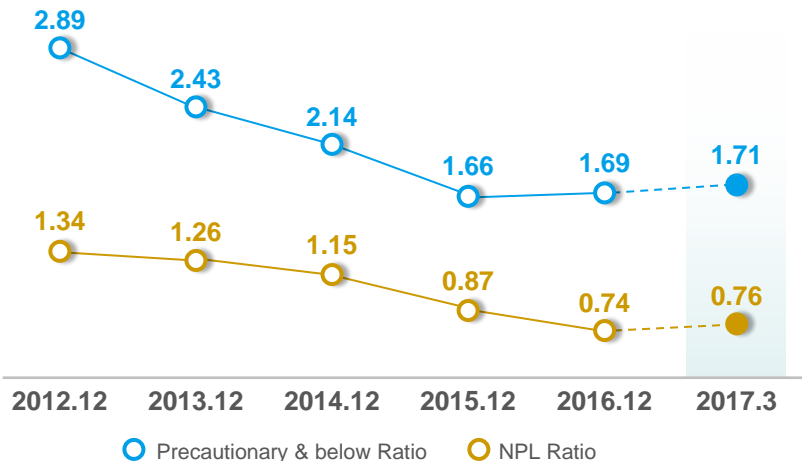
(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Total Funding	14,461	14,310	1.1	13,399	7.9
Debentures	10,780	10,842	-0.6	9,831	9.7
ABS	2,234	1,934	15.5	2,192	1.9
CP	845	935	-9.6	710	19.0
Others	602	599	0.5	667	-9.7

. Asset Quality

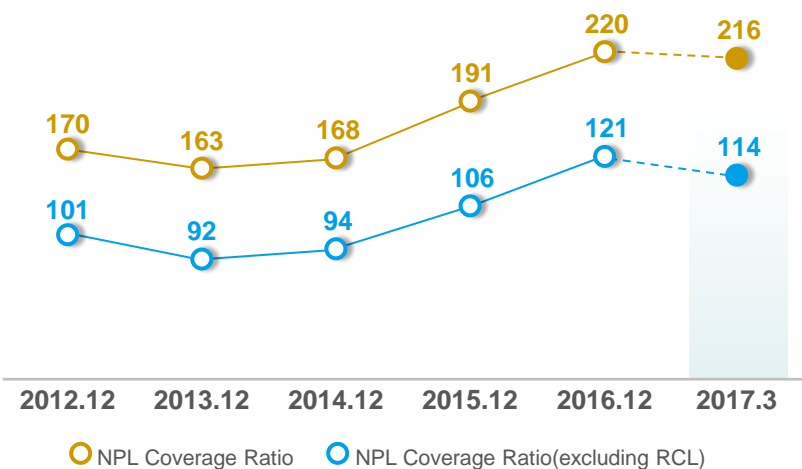
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



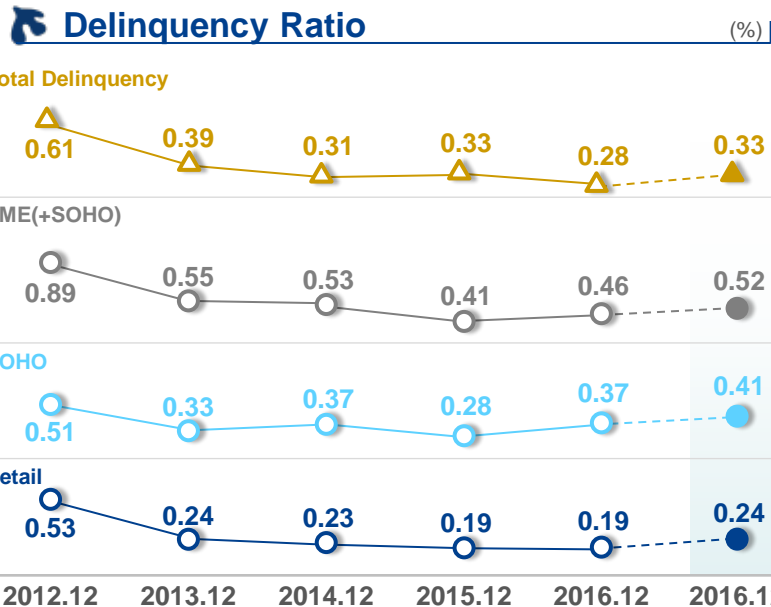
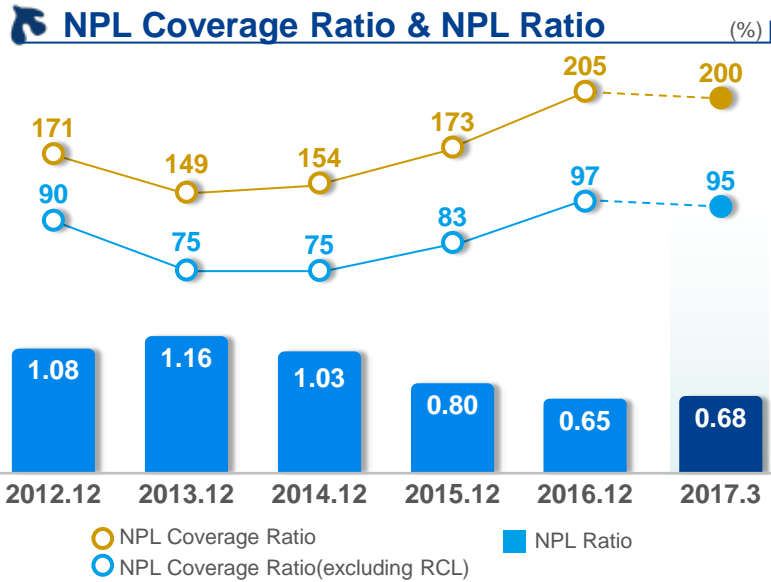
NPL Coverage Ratio (%)



(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Total Loans ¹⁾	247,045	249,237	-0.9	239,945	3.0
Normal	242,810	245,026	-0.9	235,686	3.0
Precautionary	2,354	2,363	-0.4	2,020	16.5
Substandard	798	798	-0.0	949	-16.0
Doubtful	430	423	1.6	553	-22.2
Estimated Loss	653	626	4.3	736	-11.3
Substandard & Below	1,881	1,848	1.8	2,239	-16.0
NPL Ratio	0.76%	0.74%	0.02%p	0.93%	-0.17%p
Loan Loss Allowance ²⁾	4,069	4,066	0.1	4,137	-1.6
NPL Coverage Ratio	216%	220%	-4%p	185%	31%p
Reserve for credit losses	1,915	1,830	4.6	1,838	4.2

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

2) Sum of IFRS standard LLA and reserves for credit losses (Excluding reserve for contingent acceptances & guarantees and unused credit lines)



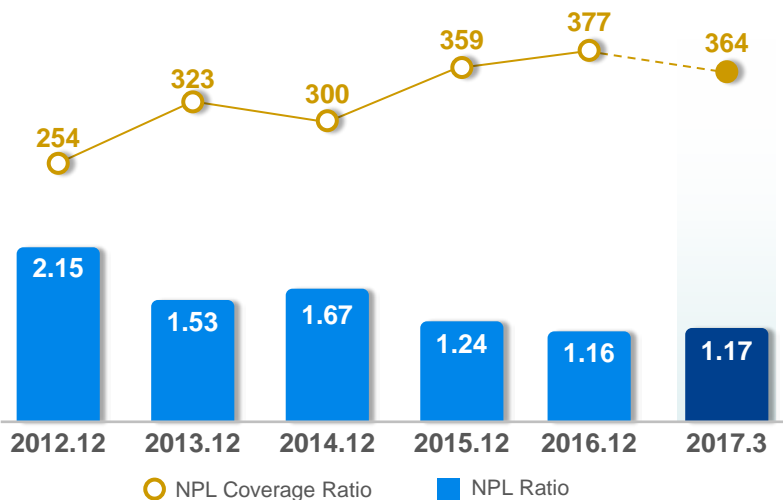
Note) 1 month overdue

(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Total Loans	205,820	209,419	-1.7	202,851	1.5
Normal	203,264	206,894	-1.8	200,114	1.6
Precautionary	1,165	1,155	0.9	985	18.3
Substandard	707	688	2.8	845	-16.3
Doubtful	241	263	-8.3	401	-39.9
Estimated Loss	442	420	5.3	505	-12.6
Substandard & Below	1,390	1,371	1.4	1,751	-20.6
NPL Ratio	0.68%	0.65%	0.03%p	0.86%	-0.18%p
Loan Loss Allowance ¹⁾	2,786	2,804	-0.6	2,921	-4.6
NPL Coverage Ratio	200%	205%	-5%p	167%	33%p
Reserve for credit losses	1,471	1,480	-0.6	1,503	-2.1

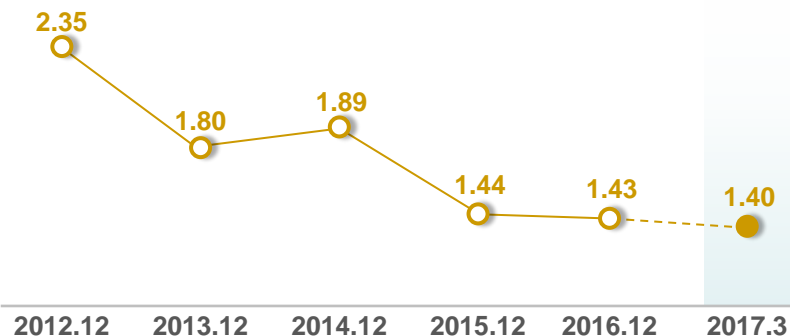
Note 1) Sum of IFRS standard LLA and reserves for credit losses (Excluding reserve for contingent acceptances & guarantees and unused credit lines)

Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



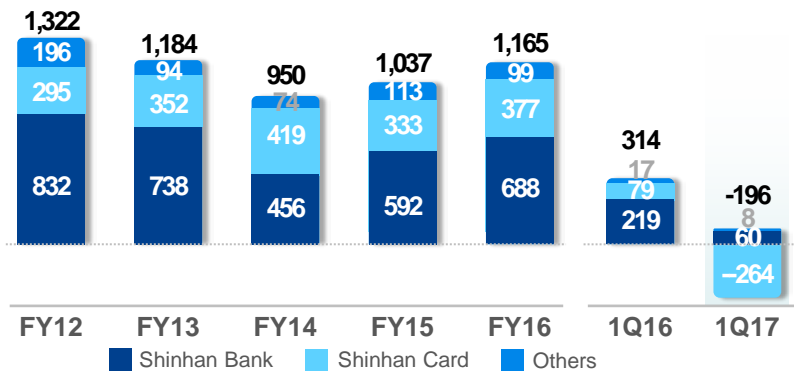
Note) 1 month overdue from total credit

(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Total Loans	23,881	22,765	4.9	21,450	11.3
Normal	22,767	21,686	5.0	20,425	11.5
Precautionary	834	815	2.3	755	10.4
Substandard	-	-	-	-	-
Doubtful	104	90	15.6	78	32.8
Estimated Loss	176	175	0.7	192	-8.5
Substandard & Below	280	265	5.7	270	3.5
NPL Ratio	1.17%	1.16%	0.01%p	1.26%	-0.09%p
Loan Loss Allowance ¹⁾	1,019	1,015	0.5	969	5.2
NPL Coverage Ratio	364%	384%	-20%p	358%	6%p
Reserve for credit losses	351	275	27.5	266	32.0

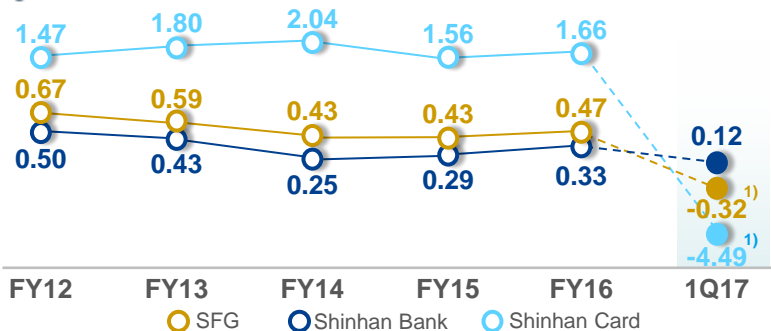
Note 1) Sum of IFRS standard LLA and reserves for credit losses (Excluding reserve for unused credit lines)

Provision for Credit Losses / Write-Offs

Provision for Credit Losses (KRW bil.)

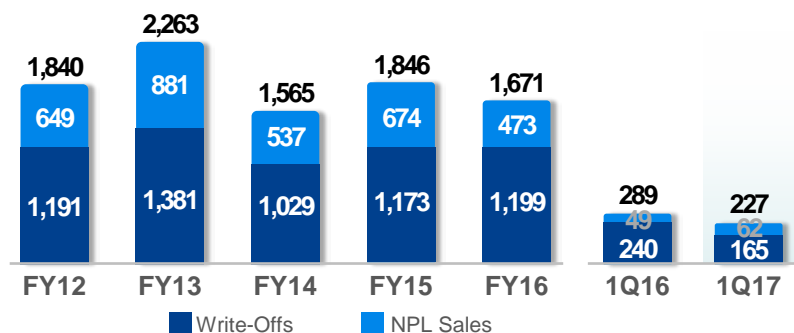


Credit Cost Ratio (%)



Note 1) Normalized credit cost excluding write-backs from SHC : Group 0.27%, SHC 1.69%

Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

(KRW bil.)	FY17	1Q17	FY16	1Q16	2Q16	3Q16	4Q16
Shinhan Bank ¹⁾	59	59	677	206	230	95	145
Retail	30	30	157	31	23	40	63
Corporate	28	28	520	175	207	55	82
Shinhan Card	-264	-264	377	79	85	89	125
Total	-206	-206	1,054	285	315	184	270

Note 1) SHB figures are separate basis

Write-Offs & NPL Sales

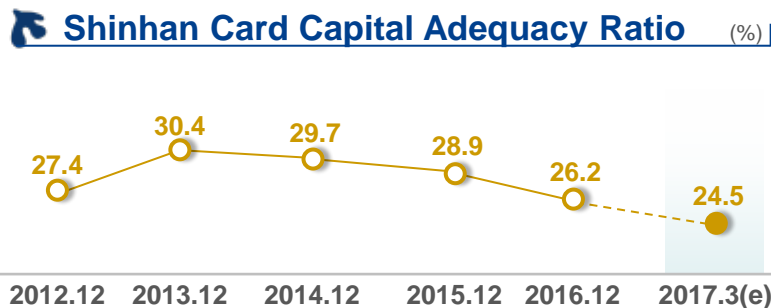
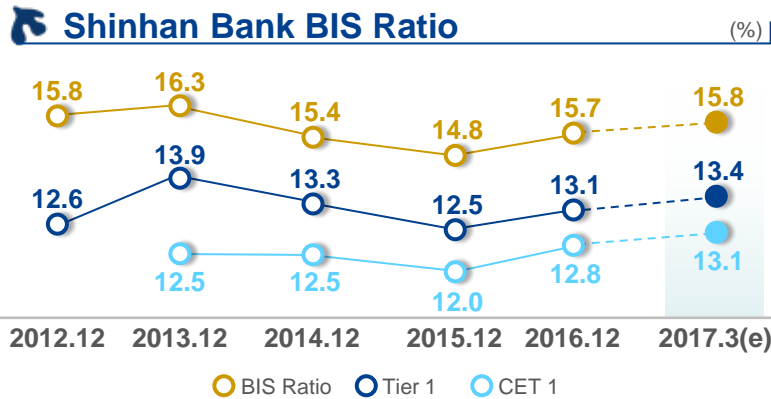
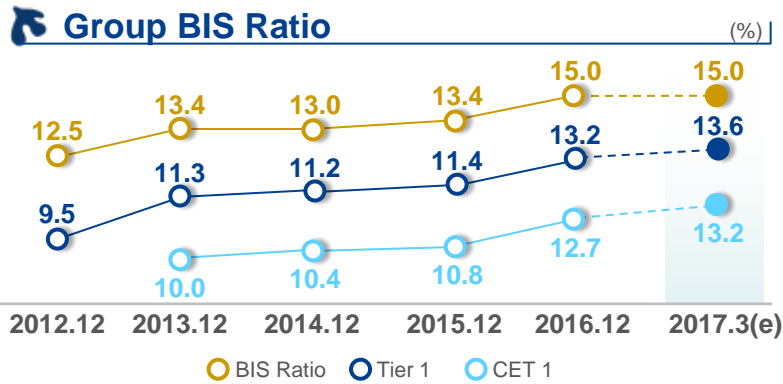
(KRW bil.)	FY17	1Q17	FY16	1Q16	2Q16	3Q16	4Q16
Shinhan Bank	102	102	1,089	182	369	195	343
Write - Off	41	41	759	131	246	123	260
Retail	15	15	123	3	29	24	67
Corporate	26	26	636	128	217	99	193
Sale	62	62	330	51	123	72	84
Retail	8	8	73	12	27	10	25
Corporate	53	53	257	39	96	62	59
Shinhan Card	124	124	582	107	243	112	120
Total	227	227	1,671	289	612	307	464

. Capital Adequacy & Key Financial Indices

1. Capital Adequacy
2. Key Financial Indices



Capital Adequacy



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.)	2017.3(e)	2016.12	YTD%	2016.3	YoY%
Risk-Weighted Assets	196,841	198,643	-0.9	204,784	-3.9
Capital	29,582	29,787	-0.7	28,028	5.5
CET 1	25,900	25,325	2.3	22,733	13.9
Tier 1	26,684	26,210	1.8	23,915	11.6
BIS Ratio	15.0%	15.0%	0.0%p	13.7%	1.3%p
CET 1	13.2%	12.7%	0.5%p	11.1%	2.1%p
Tier 1	13.6%	13.2%	0.4%p	11.7%	1.9%p

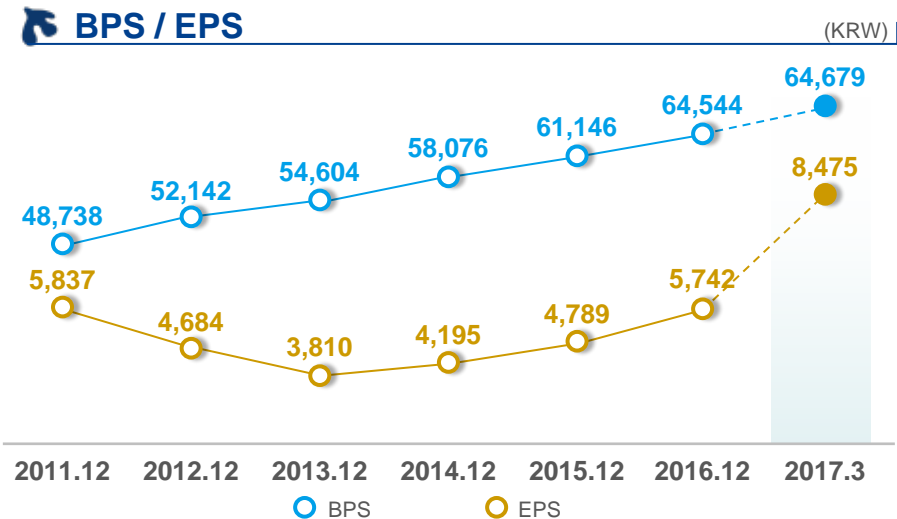
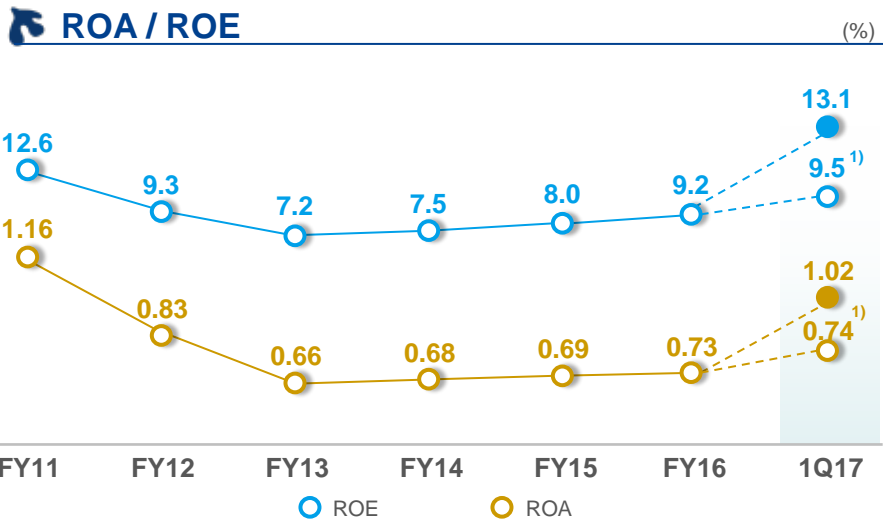
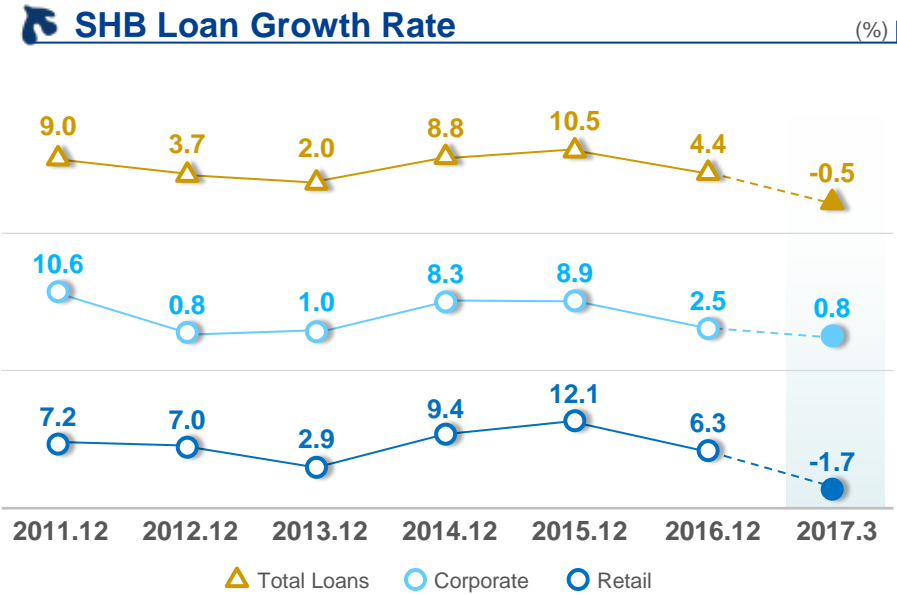
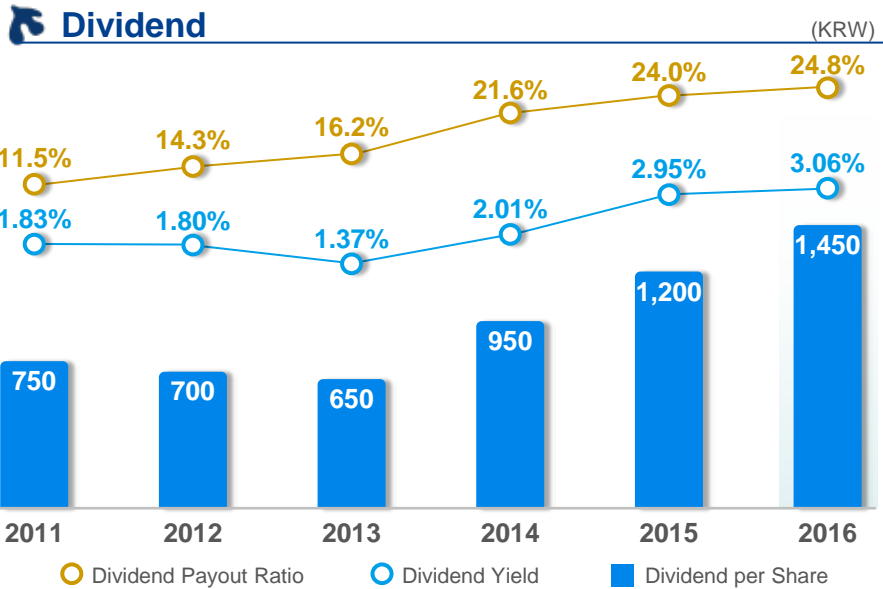
Note) Based on Basel3

Shinhan Bank BIS Ratio

(KRW bil.)	2017.3(e)	2016.12	YTD%	2016.3	YoY%
Risk-Weighted Assets	154,586	155,027	-0.3	149,022	3.7
Capital	24,399	24,339	0.2	22,322	9.3
CET 1	20,303	19,913	2.0	17,934	13.2
Tier 1	20,776	20,385	1.9	18,739	10.9
BIS Ratio	15.8%	15.7%	0.1%p	15.0%	0.8%p
CET 1	13.1%	12.8%	0.3%p	12.0%	1.1%p
Tier 1	13.4%	13.1%	0.3%p	12.6%	0.9%p

Note) Based on Basel3

Key Financial Indices



Note 1) Excluding write-backs from Shinhan Card, ROE based on common stock

Note) Based on common stock

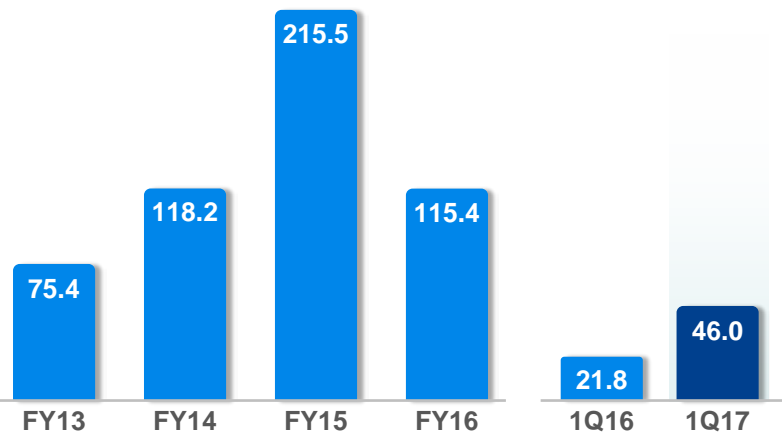
. Appendix

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



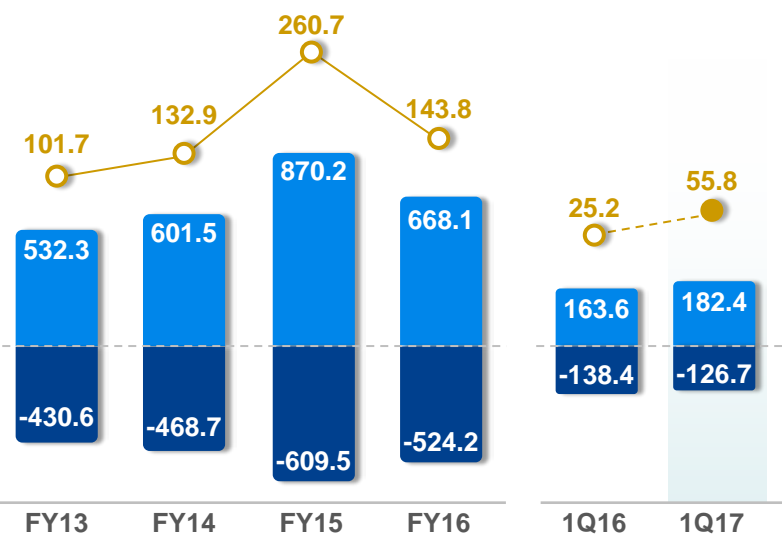
Net Income

(KRW bil.)



Operating Income

(KRW bil.)



○ Operating Income ■ Operating Revenue ■ Operating Expense

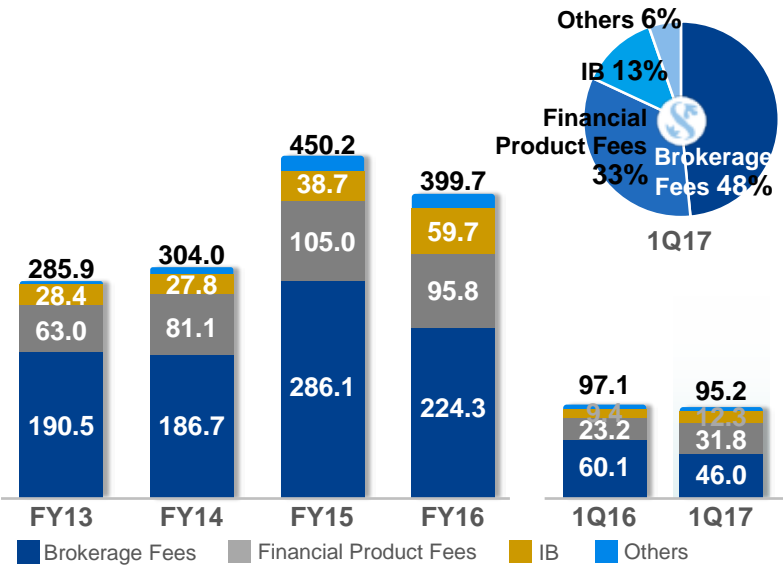
Condensed I/S & Key Financial Indices

(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Operating Revenue	182.4	163.6	11.5	158.8	14.9
Fees & Commission	95.2	97.1	-1.9	88.1	8.0
Proprietary Trading	54.7	37.3	46.5	57.4	-4.6
Others	32.5	29.2	11.4	13.3	144.4
Operating Expense	126.7	138.4	-8.5	120.7	4.9
G&A Expenses	106.3	108.5	-2.0	92.7	14.7
Commission Expense	19.9	30.3	-34.3	22.9	-13.4
Provision for Credit Losses	0.5	-0.4	n.a.	5.1	-90.5
Operating Income	55.8	25.2	121.0	38.1	46.5
Net Income	46.0	21.8	111.1	29.6	55.2
Net Capital Ratio(%)	849%	733%	116%p	1,032%	-183%p
ROE	6.0%	3.5%	2.5%p	4.2%	1.8%p
ROA	0.7%	0.3%	0.4%p	0.4%	0.3%p

Note) ROE, ROA are calculated on a cumulative basis

Fees & Commission

(KRW bil.)

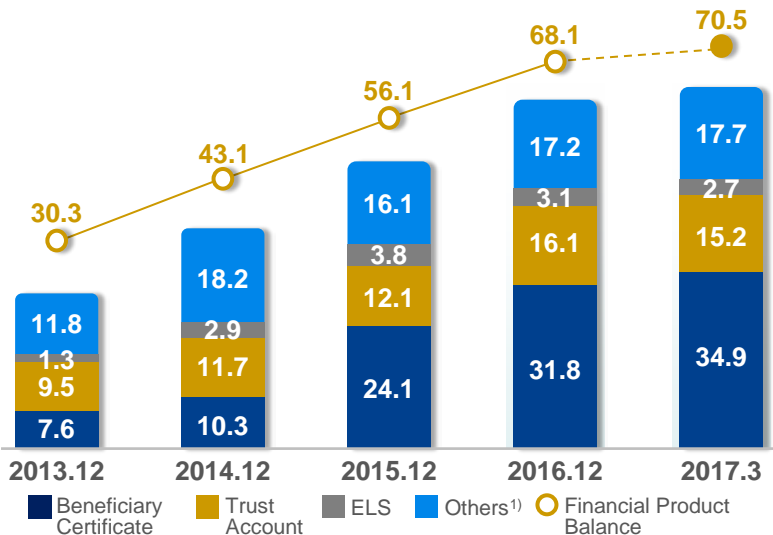


Fees & Commission

(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Fees & Commission	95.2	97.1	-1.9	88.1	8.0
Brokerage Fees	46.0	60.1	-23.5	46.5	-1.2
Financial Product Fees	31.8	23.2	37.1	23.4	35.7
IB	12.3	9.4	30.5	12.9	-5.2
Others	5.1	4.4	18.2	5.2	-1.2

Financial Products

(KRW tril.)

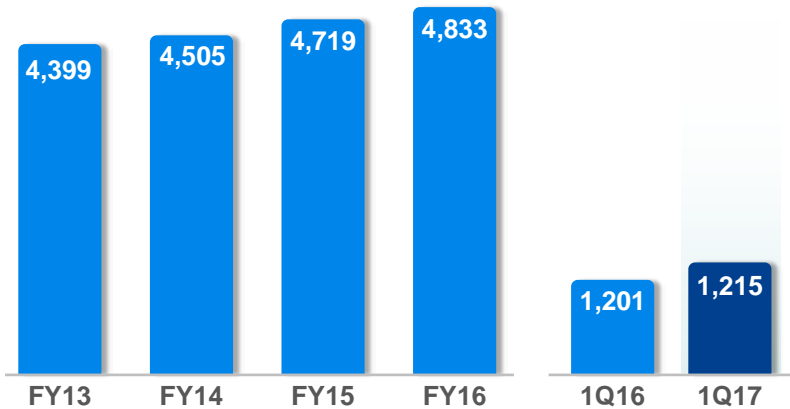


Balance of Financial Products

(KRW tril.)	2017.3	2016.12	YTD%	2016.3	YoY%
Financial Products	70.5	68.1	3.4	61.3	15.0
Beneficiary Certificate	34.9	31.8	9.8	27.9	24.7
Trust Account	15.2	16.1	-5.6	13.7	10.9
ELS	2.7	3.1	-11.0	3.8	-28.0
Others	17.7	17.2	2.7	15.8	11.5

Note 1) Sum of Wrap, RP and Micro Debentures

Premium Income (KRW bil.)



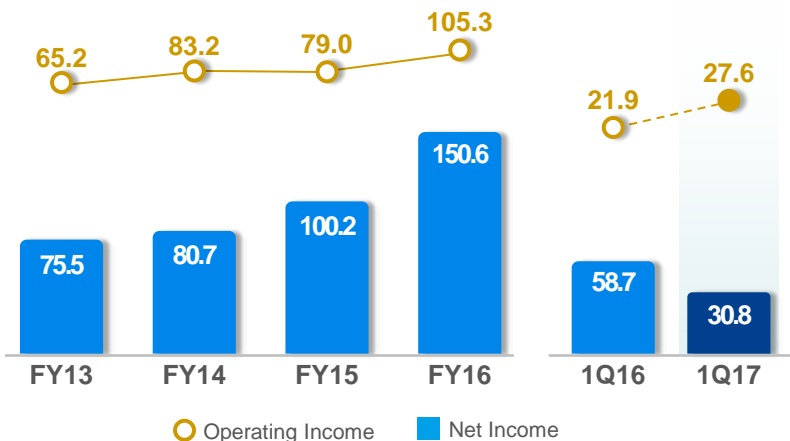
Note) Excluding non-monthly premium and Retirement Pension

Premium Breakdown

(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Prem. Received	1,228.5	1,216.1	1.0	1,224.5	0.3
New Premium	27.6	30.6	-9.7	22.7	21.6
Monthly Premium	14.5	15.9	-8.7	15.2	-4.2
Non-Monthly Premium	13.1	14.6	-10.7	7.5	73.6
Recurring Premium	1,200.9	1,185.5	1.3	1,201.8	-0.1

Note) Excluding Retirement Pension

Net Income (KRW bil.)



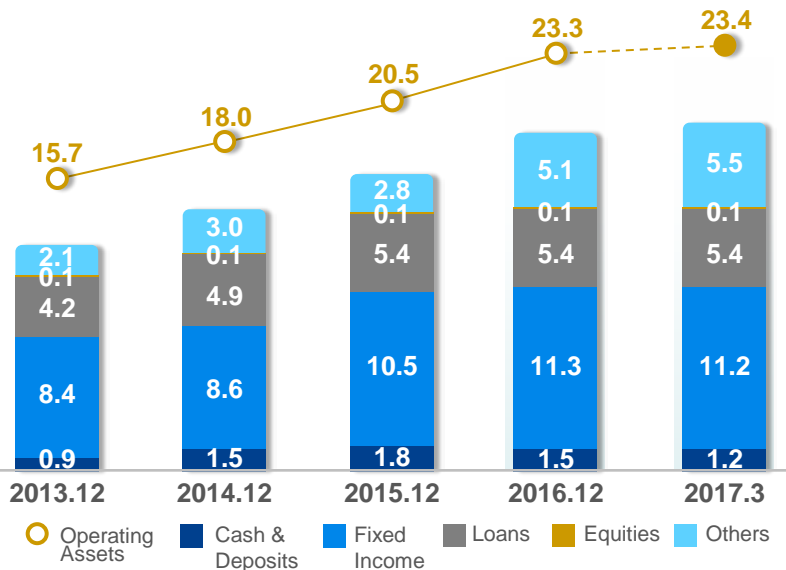
Profitability & Key Financial Indices

(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Operating Income	27.6	21.9	26.0	16.6	66.2
Separate Account profit & Loss	17.2	11.6	47.5	10.3	67.1
Net Income	30.8	58.7	-47.6	23.0	33.8
ROE	7.2%	14.4%	-7.2%p	8.9%	-1.7%p
ROA	0.4%	0.9%	-0.5%p	0.6%	-0.2%p

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

Operating Assets

(KRW tril.)

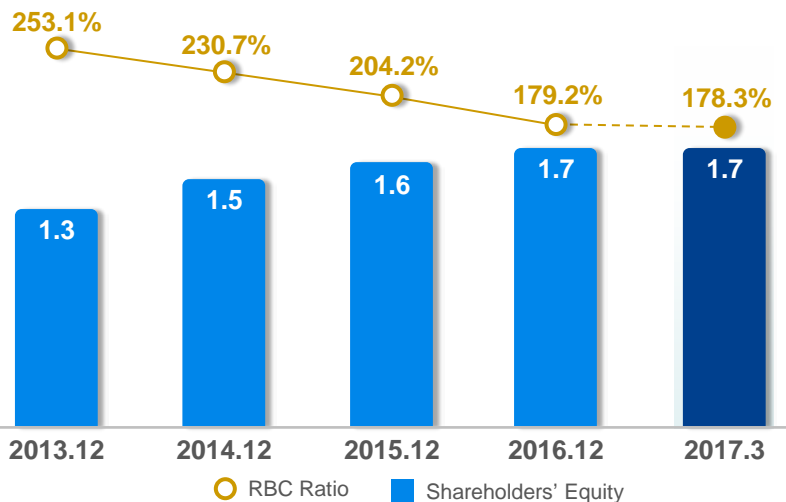


Operating Assets

(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Operating Assets	23,430.6	23,316.3	0.5	21,141.0	10.8
Cash & Deposits	1,167.9	1,457.8	-19.9	2,096.6	-44.3
Fixed Income	11,240.2	11,281.7	-0.4	10,413.2	7.9
Loans	5,420.2	5,404.7	0.3	5,383.5	0.7
Equities	84.8	72.7	16.6	86.7	-2.2
Others	5,517.6	5,099.4	8.2	3,161.0	74.6

Equity & Capital Adequacy Ratio

(%, KRW tril.)

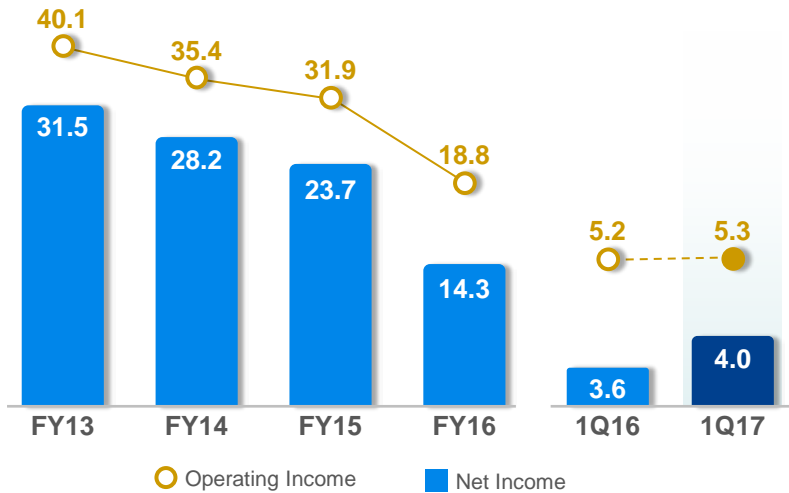


Equity & Capital Adequacy Ratio

(KRW bil.)	2017.3	2016.12	YTD%	2016.3	YoY%
Shareholders' Equity	1,713.4	1,685.5	1.7	1,675.9	2.3
Capital & Retained Earnings	1,677.9	1,647.1	1.9	1,555.7	7.9
Accumulated Other Comprehensive Income	35.6	38.5	-7.5	120.2	-70.4
RBC Ratio	178.3%	179.2%	-0.9%p	203.2%	-24.9%p

Net Income

(KRW bil.)



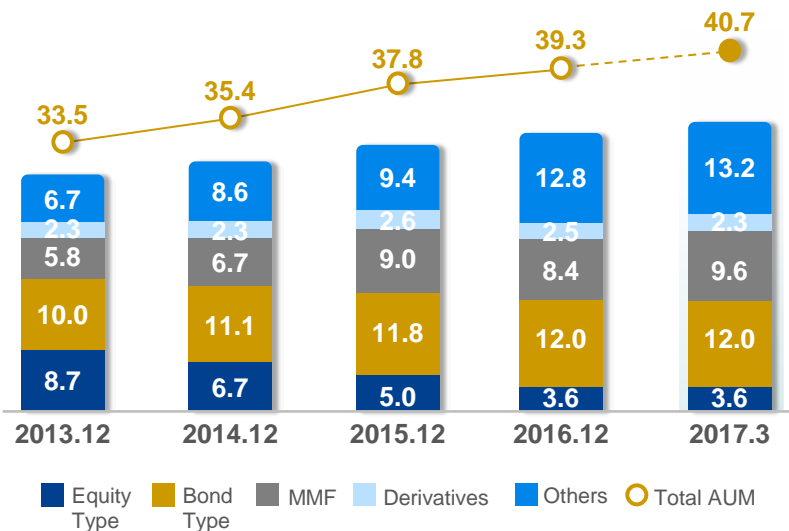
Condensed I/S & Key Financial Indices

(KRW bil.)	1Q17	1Q16	YoY%	4Q16	QoQ%
Operating Revenue	17.1	17.6	-3.1	17.3	-1.5
Operating Expense	11.8	12.4	-4.6	13.3	-10.8
(G&A Expenses)	9.8	10.4	-5.6	11.2	-12.8
Operating Income	5.3	5.2	0.5	4.1	29.1
Net Income	4.0	3.6	11.5	3.2	25.7
ROE	11.0%	9.8%	1.2%p	9.9%	1.1%p

Note) ROE is calculated on a cumulative basis

Assets Under Management

(KRW tril.)

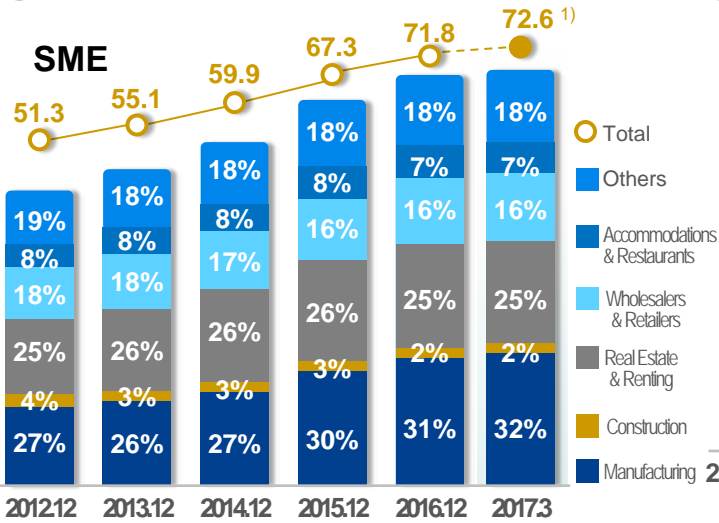


Assets Under Management

(KRW tril.)	2017.3	2016.12	YTD%	2016.3	YoY%
Total AUM	40.7	39.3	3.6	38.1	6.9
Equity Type	3.6	3.6	2.0	4.4	-18.0
Bond Type	12.0	12.0	-0.1	11.5	4.0
MMF	9.6	8.4	14.2	9.3	3.4
Derivatives	2.3	2.5	-8.6	2.7	-14.8
Others	13.2	12.8	3.0	10.1	30.0

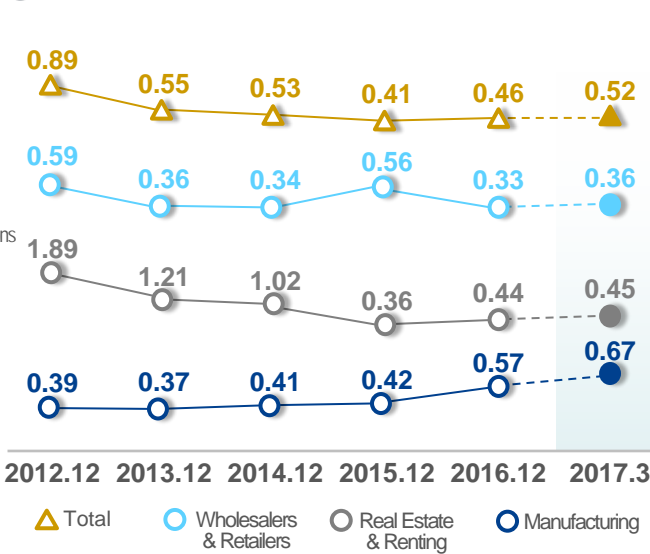
SHB SME Loans

Loans (KRW tril.)

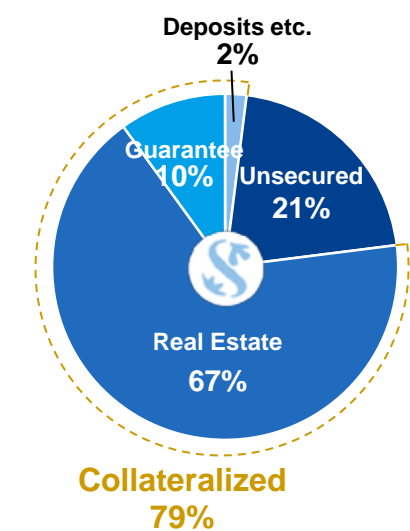
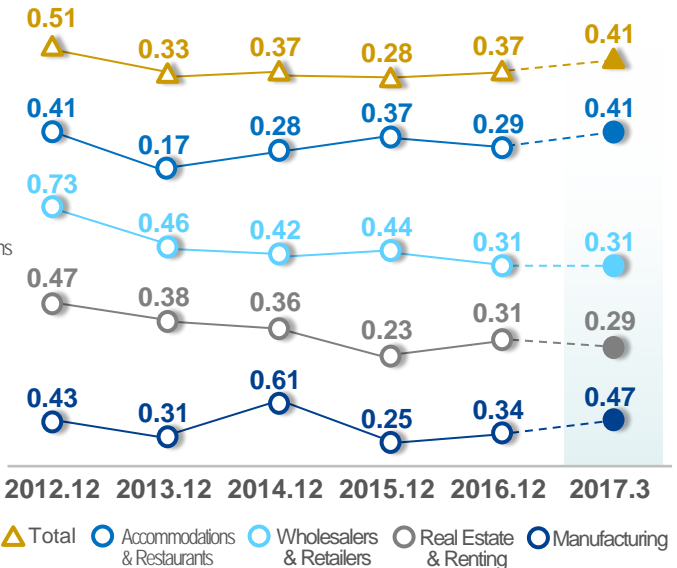
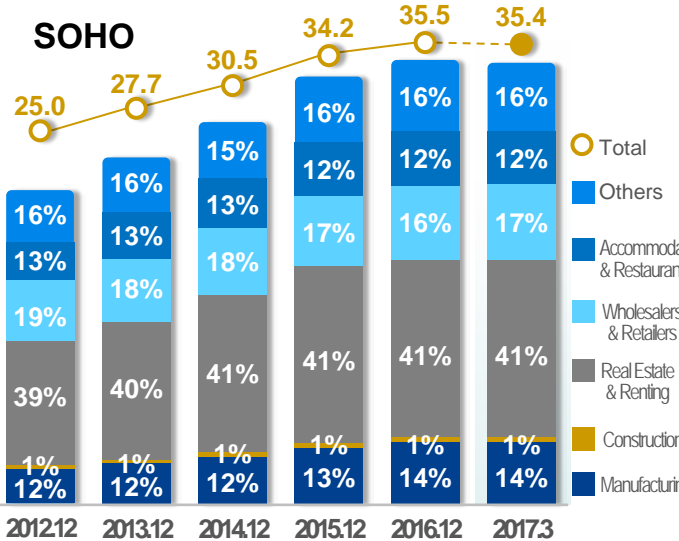
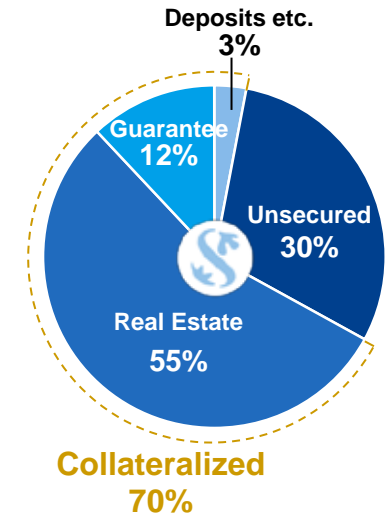


Note 1) SOHO 49%, Registered 21%, Unregistered 30%

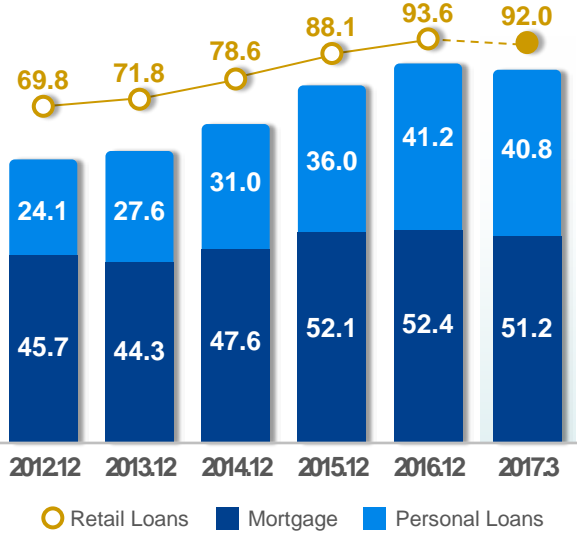
Delinquency (%)



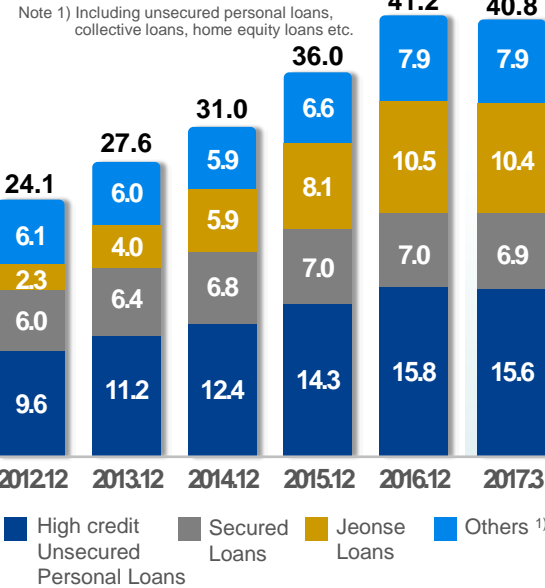
Collateral



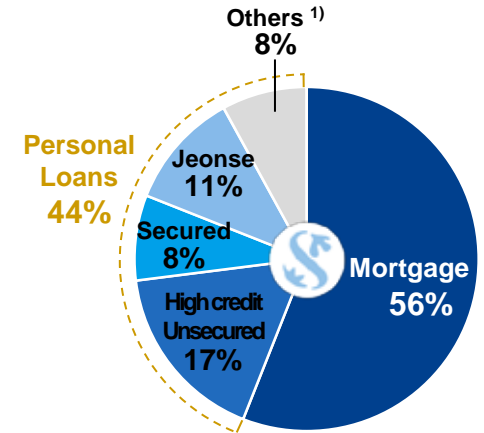
Loans (KRW tril.)



Retail Personal Loans (KRW tril.)

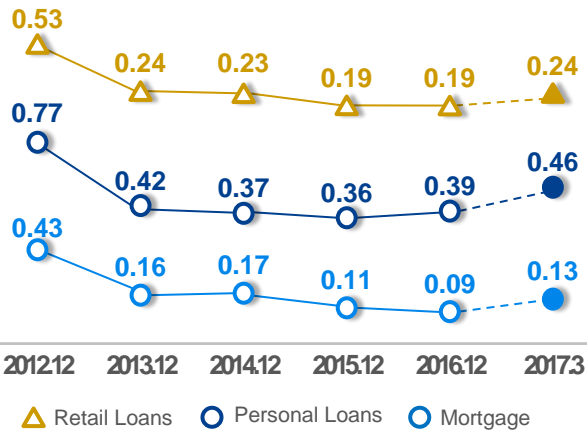


Loan Composition

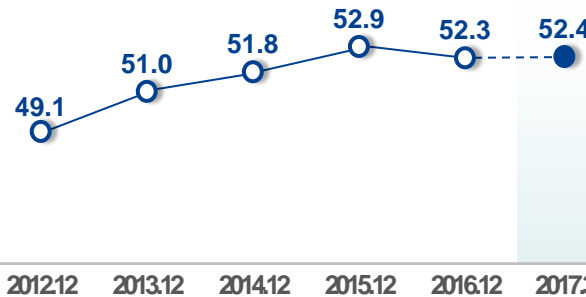


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

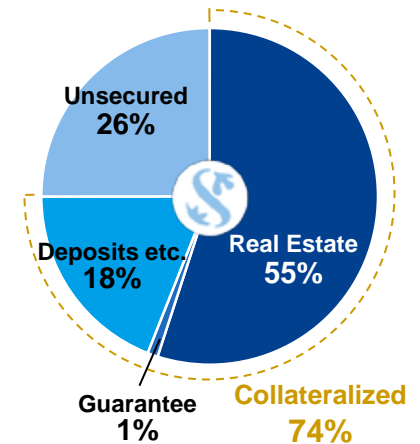
Delinquency (%)



LTV (%)



Collateral



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