

Business Results

FY2017

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 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.



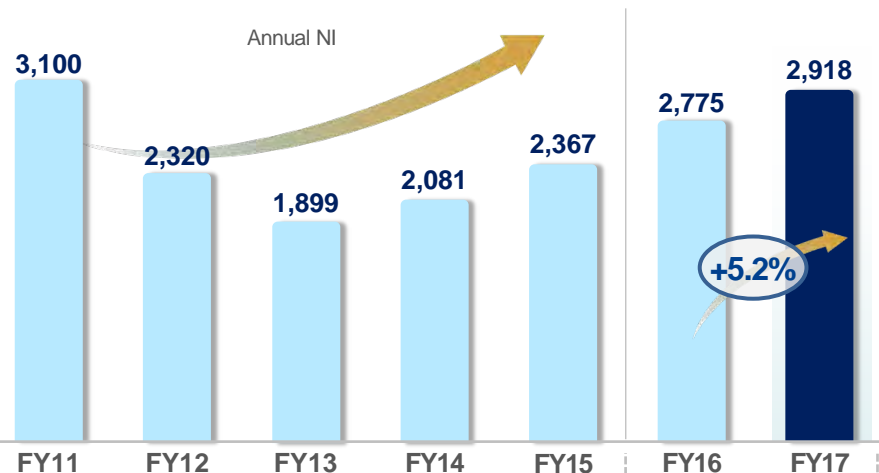
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Group Net Income

(KRW bil.)



1 Sustainable Net Income growth across major business lines : Bank, Card, Securities, AM, Capital etc. **2,918 bil.**

(FY2017 Net Income, Accumulated)

2 Solid Core Earnings growth achieved by active loan growth along with NIM improvement. **8.8 %**

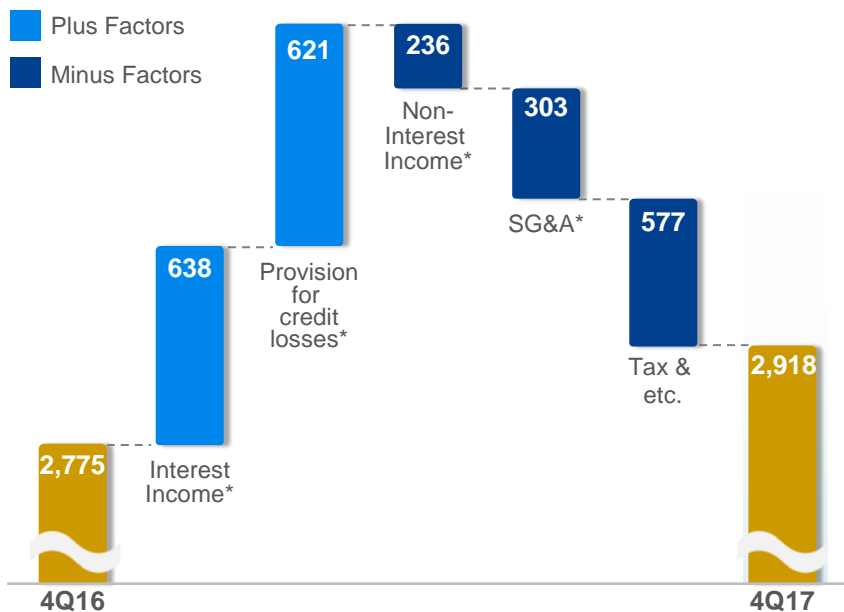
(Net Interest Income Growth YoY)

3 Future Cost-Savings through large scale ERP. **285 bil.**

(FY2017 Early Retirement Program Cost)

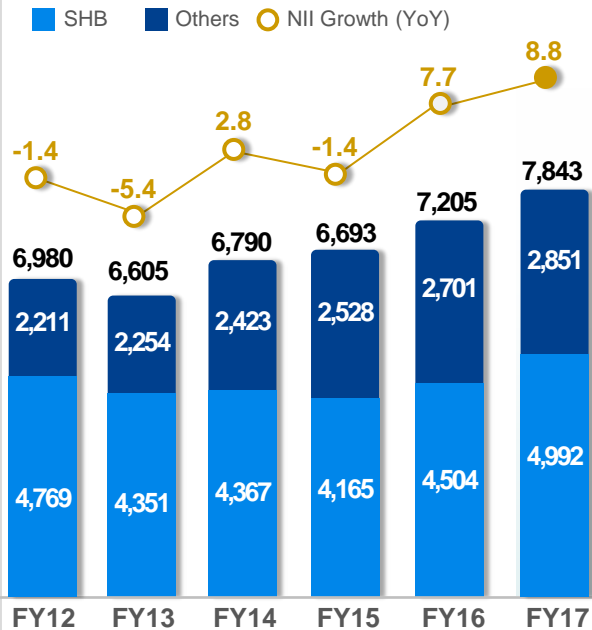
4 Credit Cost brought down to historically lowest level. (on recurring basis) **34 bp**

(Normalized credit cost ratio excluding write-backs from SHC)



* Earnings before income tax

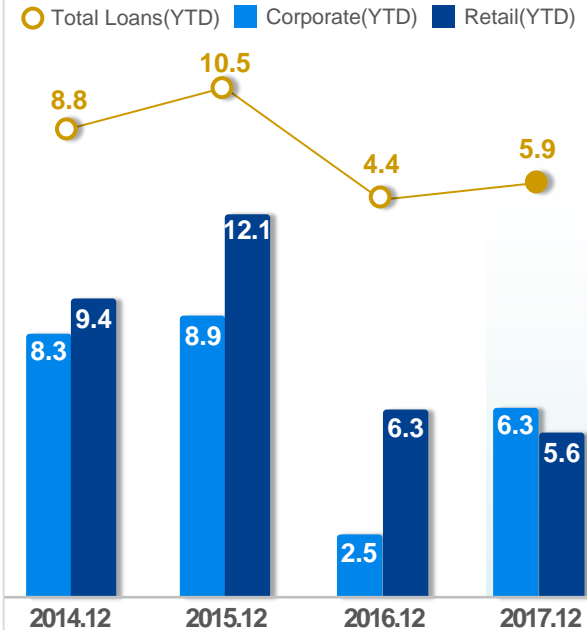
Interest Income (% , KRW bil.)



NII Riding Upward Trajectory

- SFG's Interest income increased by 8.8% YoY attributed to resilient loan growth coupled with continuing margin stabilization.
- NII improvement is attributed to constant drive to focus on quality asset growth.

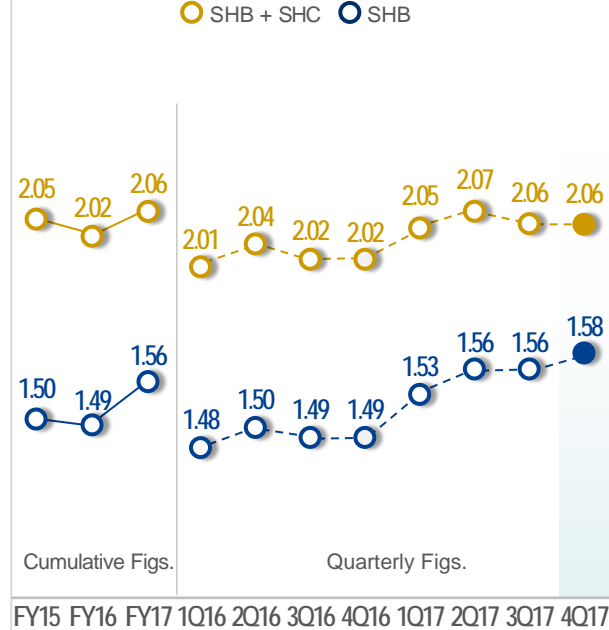
SHB Loan Growth (%)



Active Loan Growth

- KRW loan balance as end of 4Q17 marked 195 tril. up by 5.9% YTD and 1.9% QoQ. (up by 7.9% YTD., incl. mortgage securitization)
- Growth was mostly driven by two sectors; SME loan and Retail personal loan, each increased by 2.0% and 4.6% QoQ respectively.
- Deposit grew by 5.0% YTD reaching to 197 tril., primarily attributed to stable increase in low cost deposits.

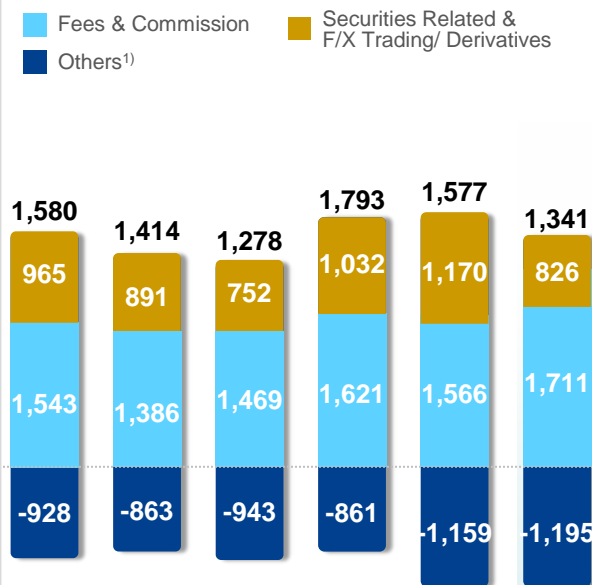
NIM (%)



Margin Improvement

- SHB's NIM improved by 2bp QoQ to 1.58%. Attributed to 1) stabilizing market interest rate, 2) effective A&L management based on active loan growth with defensive pricing policy 3) year-round efforts to draw more low-cost deposits.
- Group NIM including credit card marked 2.06% without any change QoQ mainly due to decrease in cash advance loans and increase in funding ahead of interest rate hike.

Non-Interest Income (% , KRW bil.)



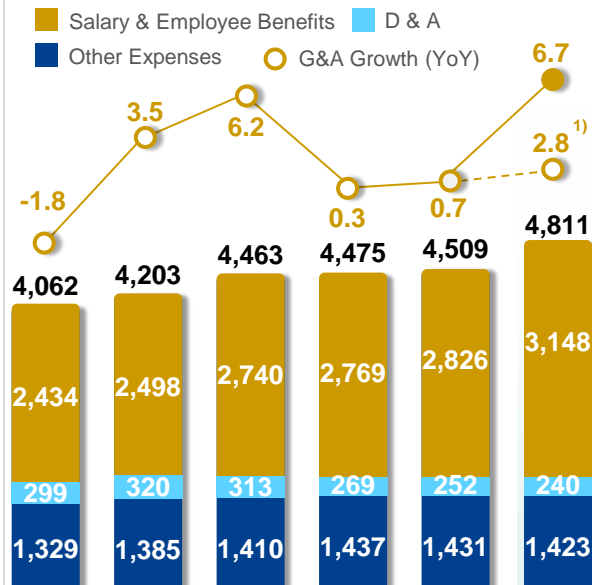
FY12 FY13 FY14 FY15 FY16 FY17

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

Resilient Fee Income

- Non-interest income dropped by 15.0% YoY, due to decreased non-recurring sales gains from securities disposal coupled with impairment losses from debt-to-equity swap securities holdings in 4Q17. However, general fee income increased by 9.3% YoY.

G&A Expenses (% , KRW bil.)



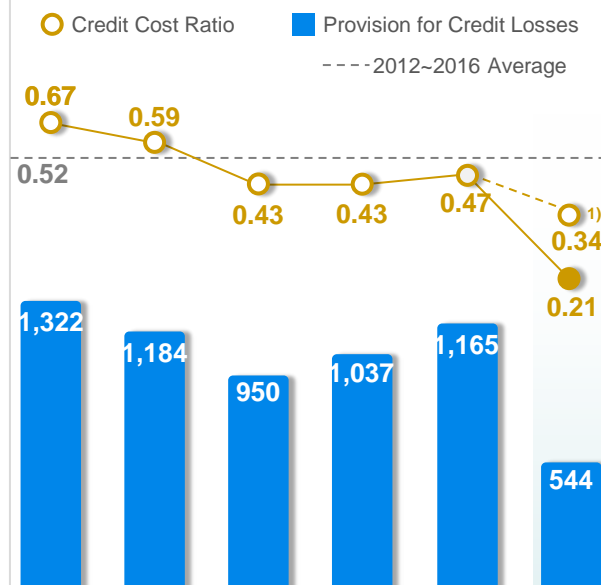
FY12 FY13 FY14 FY15 FY16 FY17

Note 1) Excluding ERP cost

Disciplined Cost Management

- Future cost saving efforts through largest scale ERP since GFC.
- SG&A increased by 2.8% YoY excluding ERP Costs.
- SG&A excluding employee related expenses well-tamed with negative growth for three consecutive years through group-wide tightened cost control notwithstanding the increase in ICT expenses.

Credit Cost (% , KRW bil.)



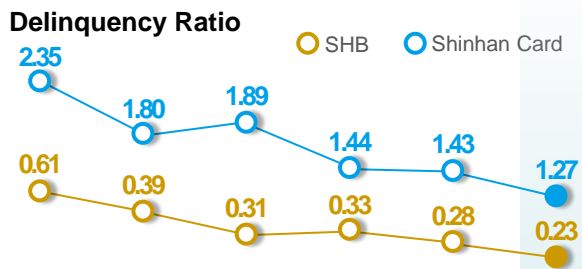
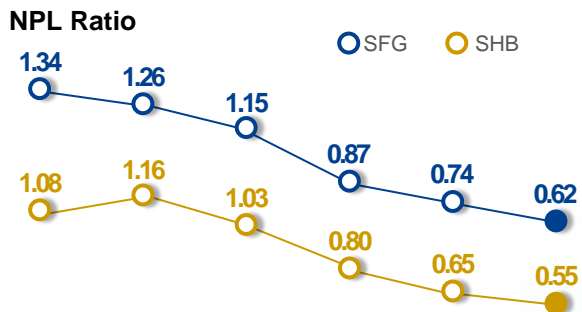
FY12 FY13 FY14 FY15 FY16 FY17

Note 1) Excluding write-backs from Shinhan Card

Record Low Credit Cost

- Credit cost trend entered into a improvement trajectory, continuously stabilizing.
- SHB's provision decreased by 33.1% YoY with continuing asset quality improvement. Notwithstanding the one-off provision burdens related to restructuring companies in 4Q.
- SHC's provision decreased YoY, even after excluding reversal of allowances attributed to continuing asset quality improvement.

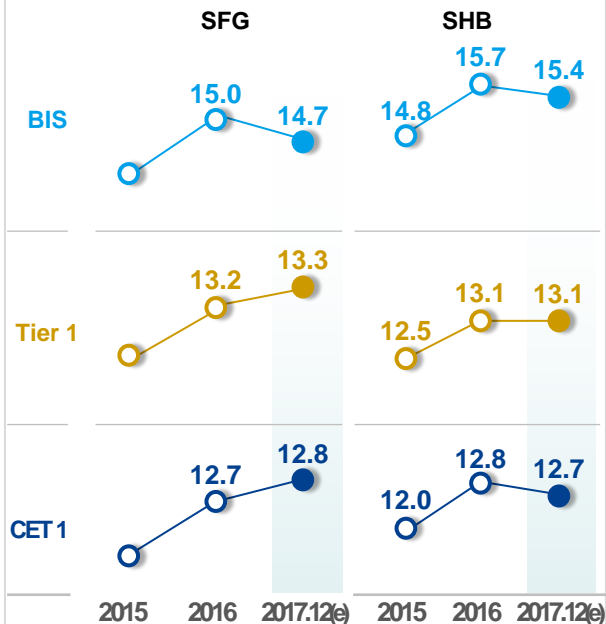
Asset Quality (%)



Lowest Level in History

- NPL ratio for the Group and SHB recorded 0.62% and 0.55%, improved by 12bp and 10bp YoY respectively. Asset quality trend reached to lowest NPL level in history both for the Group and SHB.
- NPL coverage ratio for the Group and SHB each marked 258% and 242%, increasing by 38%p and 37%p QoQ respectively.
- SHB and SHC delinquency ratio recorded 0.23% and 1.27%, which improved by 5bp and 16bp respectively.

Capital Adequacy (%)

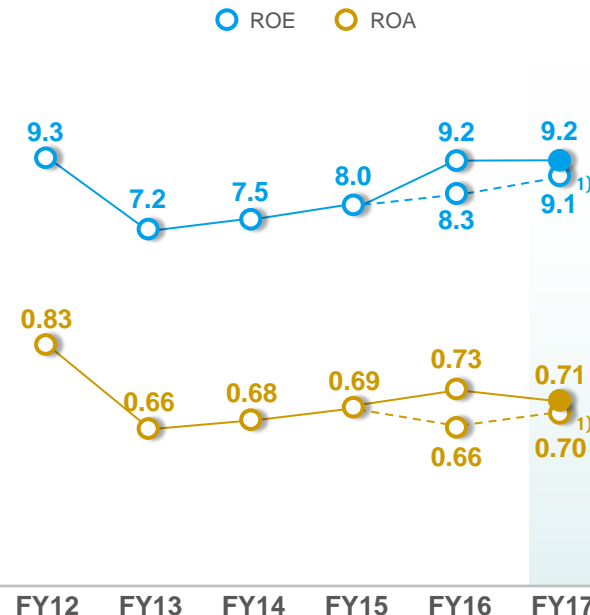


Note) Based on Basel 3

Strong Capital Base

- Based on BASEL3, Group's Common Equity Tier1 and BIS ratio each marked 12.8% and 14.7% 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 12.7% and 15.4%.

ROE & ROA (%)



Note 1) excluding deferred tax asset effect (2016), write-backs from Shinhan Card (2017), ERP Cost (2016 & 2017)

ROE and ROA Improvement

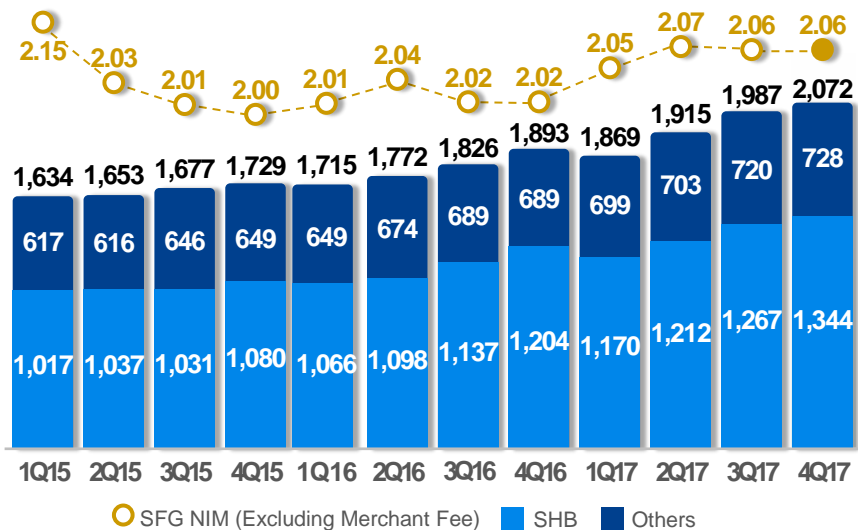
- Group recurring ROE recorded 9.1%, 0.8%p hike YTD driven by solid earning growth.
- Group recurring ROA recorded 0.70%, 0.04%p improvement YTD attributed to strong operating performance both from bank and non-bank subsidiaries with healthy trend in NIM and credit cost.

II. Income

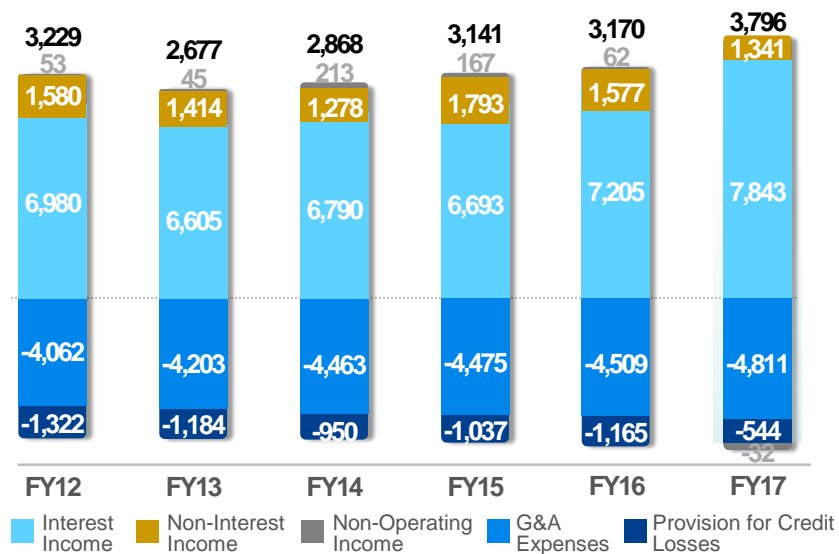
1. SFG Income
2. SFG Non-Interest Income
3. SFG G&A Expenses
4. Subsidiaries Income (1)
5. Subsidiaries Income (2)
6. SHB Income / NIM
7. SHB Non-Interest Income
8. Shinhan Card Income



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



SFG Earnings before Income Tax (KRW bil.)

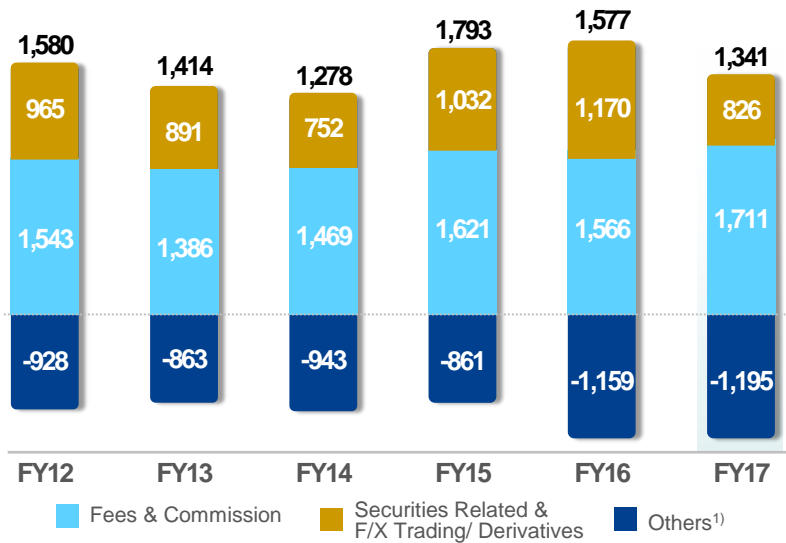


(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Operating Income (a=b+c)	9,184.2	8,782.4	4.6	2,308.4	2,328.1	-0.8
Interest Income (b)	7,843.0	7,205.4	8.8	2,072.2	1,986.8	4.3
Non-Interest Income (c)	1,341.3	1,577.0	-14.9	236.2	341.2	-30.8
G&A Expenses (d)	4,811.2	4,508.6	6.7	1,587.5	1,080.6	46.9
Pre-Provision Oper. Income (e=a-d)	4,373.0	4,273.8	2.3	720.9	1,247.5	-42.2
Non-Operating Income (f)	-32.4	61.8	n.a.	-115.0	41.1	n.a.
Pre-Provision Income (g=e+f)	4,340.6	4,335.6	0.1	606.0	1,288.6	-53.0
Provision for Credit Losses (h)	544.3	1,165.1	-53.3	385.4	208.1	85.2
Earnings before Income Tax (i=g-h)	3,796.3	3,170.5	19.7	220.5	1,080.5	-79.6
Income Tax	848.1	345.6	145.4	10.0	252.0	-96.0
Consolidated Net Income ¹⁾	2,917.7	2,774.8	5.2	211.3	817.3	-74.1

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

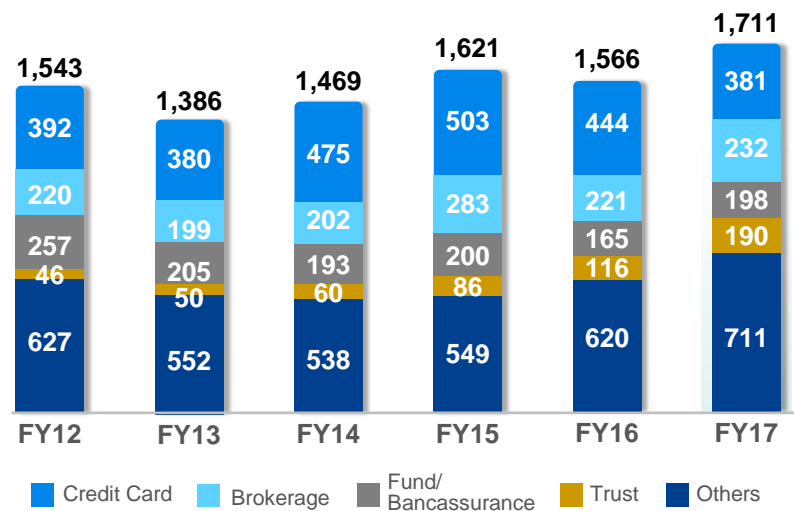
SFG Non-Interest Income (KRW bil.)



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

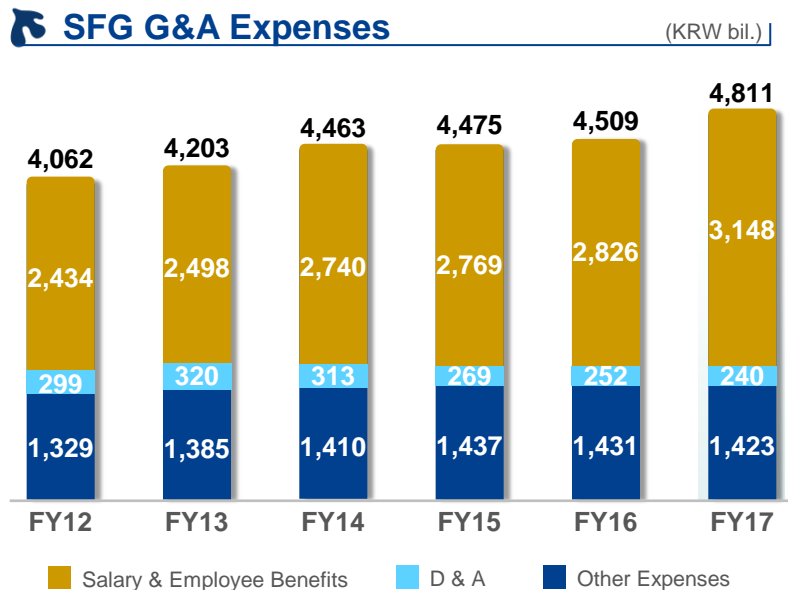
(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Non-Interest Income	1,341.3	1,577.0	-14.9	236.2	341.2	-30.8
Fees & Commission	1,711.0	1,565.5	9.3	431.7	454.6	-5.0
Securities Related & FX Trading/Derivatives	825.6	1,170.4	-29.5	82.3	229.4	-64.1
(Gains on Sale of AFS Securities)	499.2	647.5	-22.9	160.7	87.6	83.5
(Impairment Loss on AFS Securities)	-198.3	-88.0	n.a.	-170.6	-8.7	n.a.
Others	-1,195.3	-1,158.9	n.a.	-277.8	-342.8	n.a.
(Contribution Expenses)	-252.4	-252.2	n.a.	-65.0	-63.6	n.a.
(Insurance Fees on Deposits)	-335.8	-314.1	n.a.	-85.6	-83.6	n.a.

SFG Fees & Commission (KRW bil.)



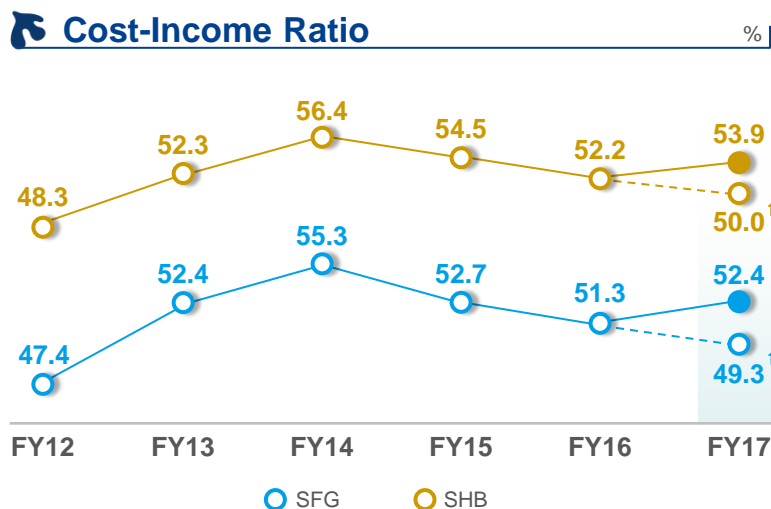
(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Fees & Commission	1,711.0	1,565.5	9.3	431.7	454.6	-5.0
Credit Card Fee Income	380.9	443.9	-14.2	84.0	115.6	-27.3
Brokerage Commissions	231.5	220.9	4.8	66.2	53.7	23.2
Fund/Bancassurance Fees	197.8	165.0	19.9	50.0	49.7	0.7
Trust Fee Income	190.1	115.5	64.6	56.3	50.5	11.5
Others	710.6	620.3	14.6	175.1	185.1	-5.4

SFG G&A Expenses



SFG G&A Expenses

(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
G&A Expenses	4,811.2	4,508.6	6.7	1,587.5	1,080.6	46.9
Salary & Employee Benefits	3,147.5	2,826.0	11.4	1,104.9	683.2	61.7
(Early Retirement Program Expenses)	285.2	106.8	166.9	283.1	0.2	n.m.
D & A	240.4	251.6	-4.5	59.2	58.6	1.1
Other Expenses	1,423.3	1,430.9	-0.5	423.4	338.8	24.9
(Advertising Expenses)	271.8	292.6	-7.1	100.4	65.8	52.5
(Taxes and Dues)	165.7	164.2	0.9	36.9	40.7	-9.3



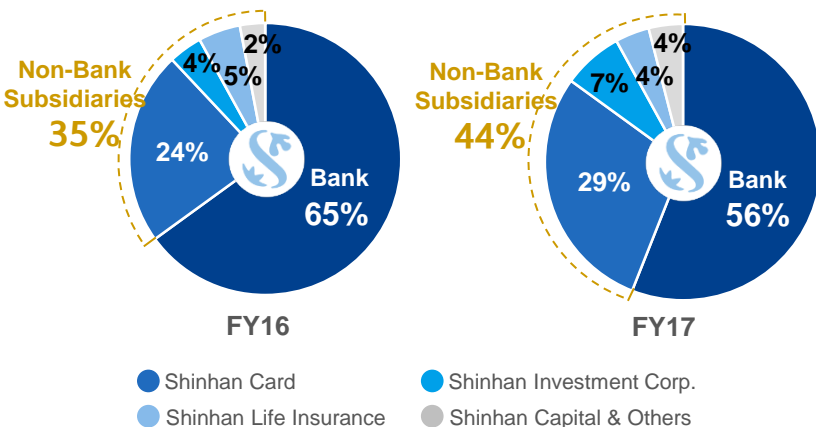
SHB G&A Expenses

(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
G&A Expenses	3,118.1	2,889.9	7.9	1,083.0	676.6	60.1
Salary & Employee Benefits	1,990.1	1,773.5	12.2	747.3	409.6	82.4
(Early Retirement Program Expenses)	224.0	94.5	137.1	223.8	-	n.a.
D & A	159.0	160.4	-0.9	38.9	38.4	1.2
Other Expenses	969.0	955.9	1.4	296.8	228.5	29.9
(Advertising Expenses)	60.3	57.4	5.1	29.4	12.5	136.1
(Taxes and Dues)	76.2	75.3	1.1	16.1	15.8	1.7

Note 1) Excluding ERP Cost

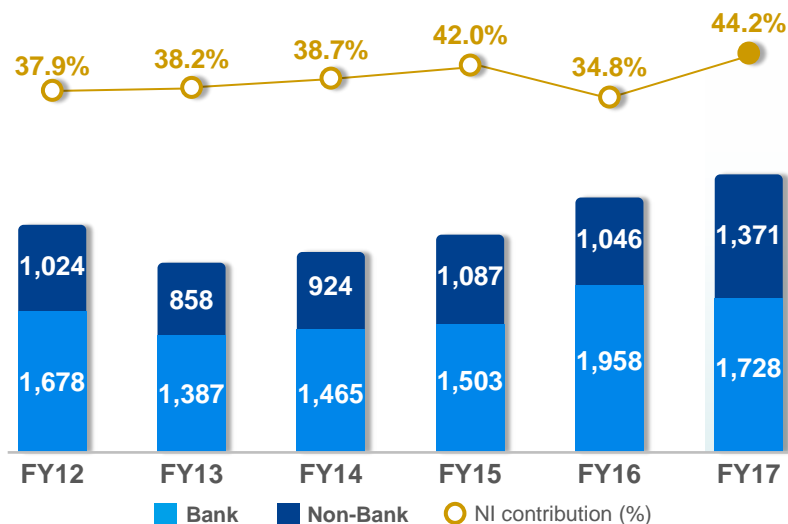
Subsidiaries Income ①

Net Income Contribution by Subsidiaries¹⁾



Note 1) After reflecting ownership by SFG

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



Note 1) After reflecting ownership by SFG

(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=AxB]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	1,736.1		1,728.3	-20.0	1,708.3
Shinhan Bank	1,711.0	100.0%	1,711.0	-19.4	1,691.6
Jeju Bank	25.1	68.9%	17.3	-0.5	16.8
Non-Bank (b)	1,377.9		1,371.0	5.9	1,376.8
Shinhan Card	913.8	100.0%	913.8	0.4	914.2
Shinhan Investment Corp.	211.9	100.0%	211.9	0.4	212.3
Shinhan Life Insurance	120.6	100.0%	120.6	5.2	125.8
Shinhan BNPP AM	19.7	65.0%	12.8	0.1	12.9
Shinhan Capital	87.6	100.0%	87.6	0.9	88.6
Shinhan Savings Bank	16.8	100.0%	16.8	-0.6	16.2
Shinhan Data System	1.4	100.0%	1.4	-0.1	1.3
Shinhan AITAS	6.5	99.8%	6.5	-0.3	6.2
Shinhan Credit Information	0.3	100.0%	0.3	-0.1	0.2
Shinhan Alternative Investment	-0.8	100.0%	-0.8	-	-0.8
SFG (c)				-167.4²⁾	-167.4
Total (d=a+b+c)¹⁾	3,114.0		3,099.3	-181.5	2,917.7

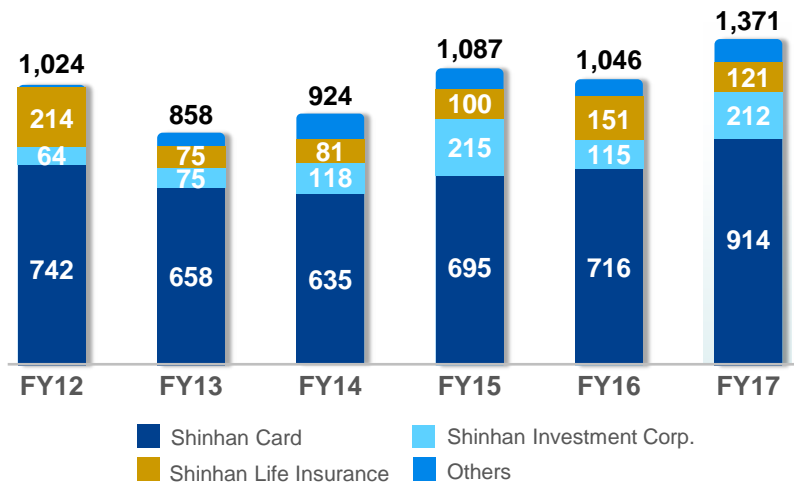
Note 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 46.7bil., Interest Expense KRW -151.5bil., G&A etc. KRW -73.8bil.

Subsidiaries Income ②

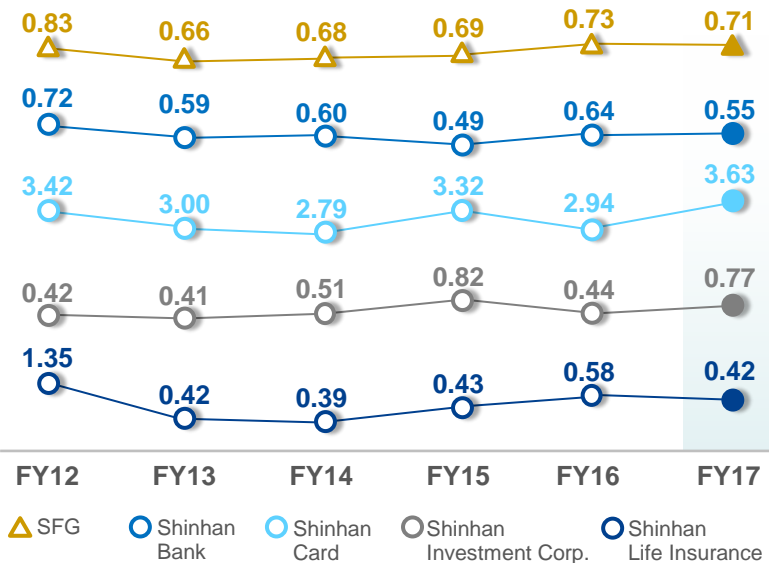
Non-Bank Net Income

(KRW bil.)



ROA

(%)



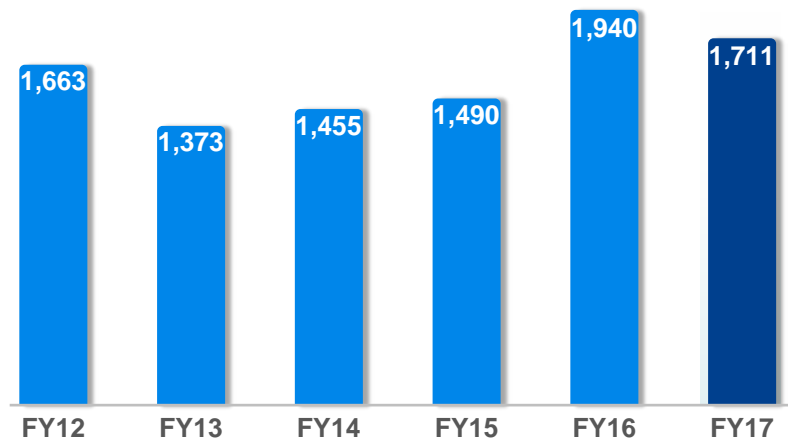
(Reflecting SFG Ownership, KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Bank (a)	1,728.3	1,957.6	-11.7	16.7	596.6	-97.2
Shinhan Bank	1,711.0	1,940.3	-11.8	15.1	591.6	-97.4
Jeju Bank	17.3	17.3	-0.1	1.6	5.0	-67.2
Non-Bank (b)	1,371.0	1,045.7	31.1	232.8	272.8	-14.7
Shinhan Card	913.8	715.9	27.6	133.2	149.5	-10.9
Shinhan Investment Corp.	211.9	115.4	83.6	54.7	63.4	-13.8
Shinhan Life Insurance	120.6	150.6	-19.9	17.3	27.7	-37.5
Shinhan BNPP AM	12.8	9.3	37.8	2.5	3.8	-33.9
Shinhan Capital	87.6	33.9	158.8	20.8	20.7	0.2
Shinhan Savings Bank	16.8	12.5	34.3	3.8	4.8	-19.9
Shinhan Data System	1.4	1.2	18.4	0.1	0.9	-91.1
Shinhan AITAS	6.5	7.6	-15.1	1.1	1.8	-37.5
Shinhan Credit Information	0.3	-1.2	n.a.	0.1	0.3	-71.5
Shinhan Alternative Investment	-0.8	0.5	n.a.	-0.7	-0.1	n.a.
Total (a+b)	3,099.3	3,003.3	3.2	249.5	869.4	-71.3
Consolidate Net Income¹⁾	2,917.7	2,774.8	5.2	211.3	817.3	-74.1

Note 1) Net Income in Controlling Interest

SHB Income / NIM

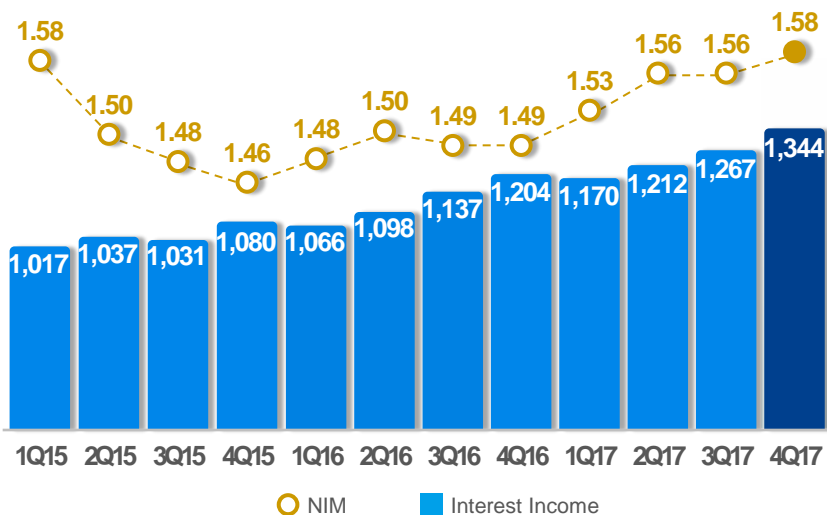
Net Income

(KRW bil.)



Interest Income/NIM(Quarterly)

(%, KRW bil.)



(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Operating Income (a=b+c)	5,782.8	5,537.3	4.4	1,386.2	1,538.8	-9.9
Interest Income (b)	4,992.1	4,504.1	10.8	1,343.8	1,266.9	6.1
Non-Interest Income (c)	790.7	1,033.1	-23.5	42.5	271.9	-84.4
G&A Expenses (d)	3,118.1	2,889.9	7.9	1,083.0	676.6	60.1
Pre-Provision Oper.Income (e=a-d)	2,664.7	2,647.4	0.7	303.2	862.2	-64.8
Non-Operating Income (f)	-46.6	69.7	n.a.	-108.2	30.6	n.a.
Pre-Provision Income (g=e+f)	2,618.1	2,717.1	-3.6	195.0	892.8	-78.2
Provision for Credit Losses (h)	460.3	688.4	-33.1	219.6	132.6	65.6
Earnings before Income Tax (i=g-h)	2,157.7	2,028.7	6.4	-24.6	760.2	n.a.
Income Tax	446.5	88.1	406.8	-39.8	168.5	n.a.
Net Income ¹⁾	1,711.0	1,940.3	-11.8	15.1	591.6	-97.4

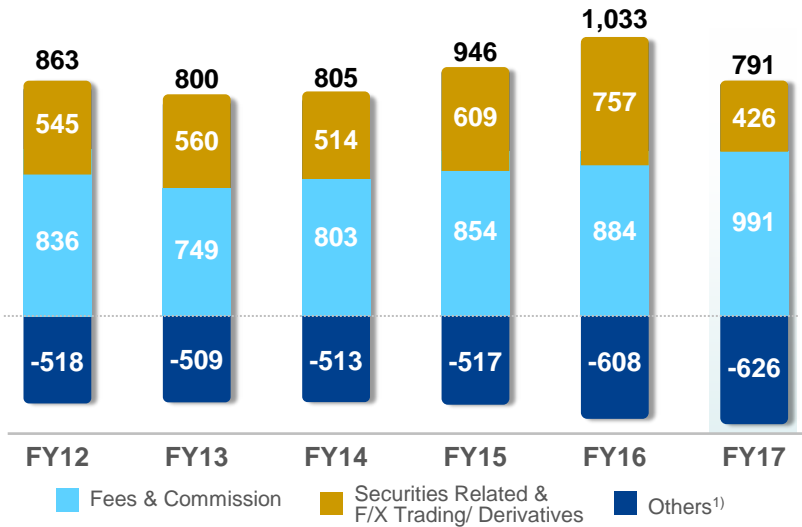
Note 1) Net Income in Controlling Interest

(%)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
NIS (a-b) (quarterly)	1.70	1.64	1.64	1.62	1.65	1.69	1.68	1.69	1.75	1.81	1.82	1.84
Loan interest rate (a)	3.62	3.37	3.20	3.10	3.10	3.08	2.99	2.97	3.00	3.03	3.04	3.10
Deposit interest rate (b)	1.92	1.73	1.55	1.48	1.45	1.40	1.31	1.28	1.26	1.22	1.22	1.26
NIM (quarterly)	1.58	1.50	1.48	1.46	1.48	1.50	1.49	1.49	1.53	1.56	1.56	1.58
NIM (cumulative figures)	1.58	1.54	1.52	1.50	1.48	1.49	1.49	1.49	1.53	1.55	1.55	1.56

SHB Non-Interest Income

Non-Interest Income

(KRW bil.)

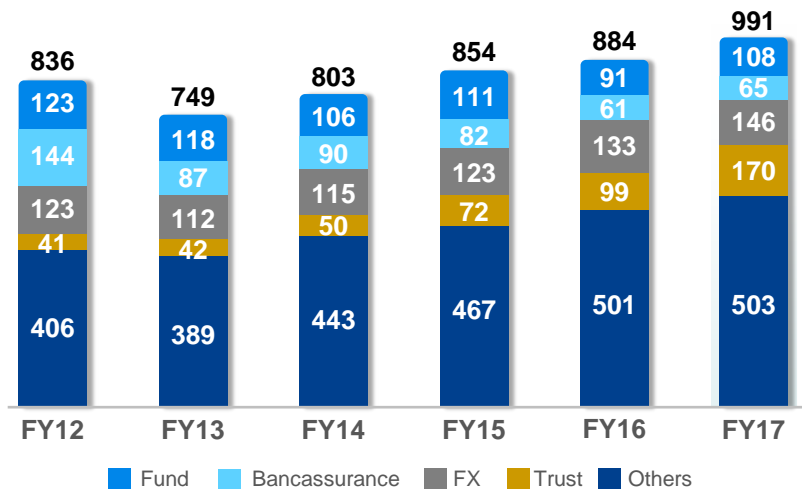


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Non-Interest Income	790.7	1,033.1	-23.5	42.5	271.9	-84.4
Fees & Commission	991.1	884.5	12.0	254.5	262.0	-2.9
Securities Related & FX Trading/Derivatives	425.8	756.7	-43.7	-36.6	167.9	n.a.
(Gains on Sale of AFS Securities)	195.8	411.4	-52.4	20.1	76.5	-73.7
(Impairment Loss on AFS Securities)	-178.2	-82.1	n.a.	-145.8	-10.7	n.a.
Others	-626.1	-608.0	n.a.	-175.4	-158.0	n.a.
(Contribution Expenses)	-244.4	-244.7	n.a.	-63.0	-61.6	n.a.
(Insurance Fees on Deposits)	-291.8	-274.9	n.a.	-74.2	-72.5	n.a.

Fees & Commission

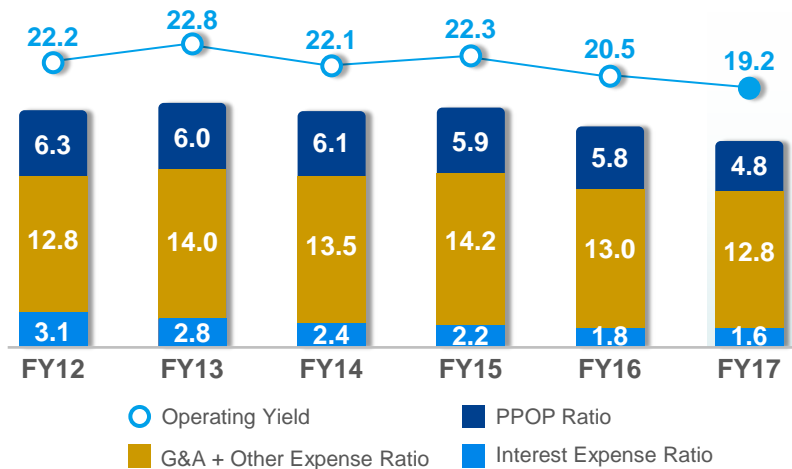
(KRW bil.)



(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Fees & Commission	991.1	884.5	12.0	254.5	262.0	-2.9
Fund Fee Income	107.8	90.5	19.0	28.9	27.5	5.2
Bancassurance Fee Income	65.0	61.2	6.1	14.5	15.2	-4.4
FX Fee Income	145.7	133.5	9.2	36.8	38.3	-3.9
Trust Fee Income	169.6	98.5	72.2	50.1	45.4	10.2
Others	503.0	500.8	0.5	124.2	135.6	-8.4

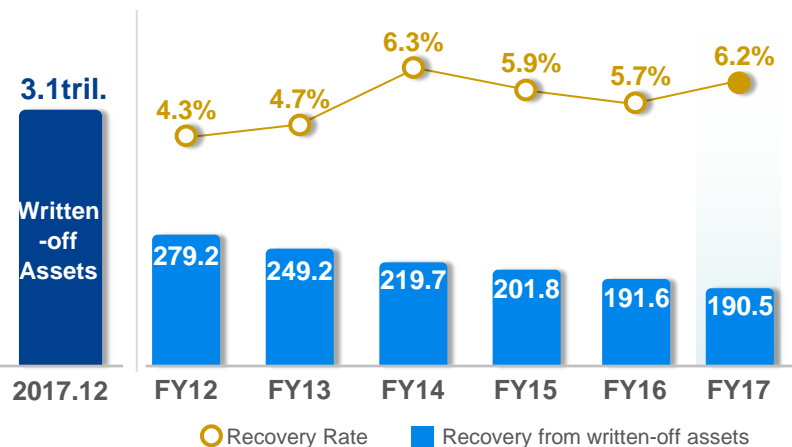
Shinhan Card Income

Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

Recovery from Written-off Assets (KRW bil.)



(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Operating Revenue (a)	4,916.8	4,674.1	5.2	1,360.6	1,130.3	20.4
Card Business	3,911.6	3,907.5	0.1	988.9	988.2	0.1
Installment Finance	102.5	97.3	5.3	26.3	26.1	0.8
Lease	68.7	53.8	27.7	21.4	17.9	19.6
Others	834.0	615.4	35.5	324.0	98.2	230.1
(Derivatives & FX)	299.6	101.9	193.9	121.6	35.8	239.3
Interest Expense (b)	379.9	394.6	-3.7	97.8	97.9	-0.1
G&A Expenses (c)	796.9	751.2	6.1	271.2	181.3	49.6
Commissions & Other Expenses (d)	2,578.1	2,240.0	15.1	734.1	597.8	22.8
(Derivatives & FX)	266.1	73.2	263.4	113.5	26.8	323.9
Pre-Provision Income (e=a-b-c-d)	1,161.9	1,288.3	-9.8	257.5	253.3	1.6
Provision for Credit Losses (f)	13.8	377.4	-96.4	125.0	60.6	106.3
Earnings before Income Tax (g=e-f)	1,148.2	910.9	26.0	132.4	192.7	-31.3
Income Tax	249.4	203.5	22.6	11.3	44.8	-74.8
Net Income ¹⁾	913.8	715.9	27.6	133.2	149.5	-10.9

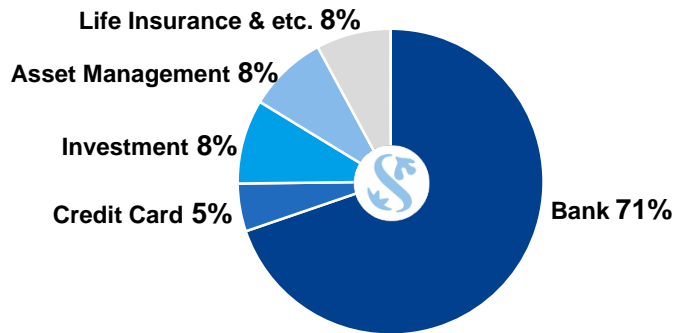
Note 1) Net Income in Controlling Interest

III. Assets & Liabilities

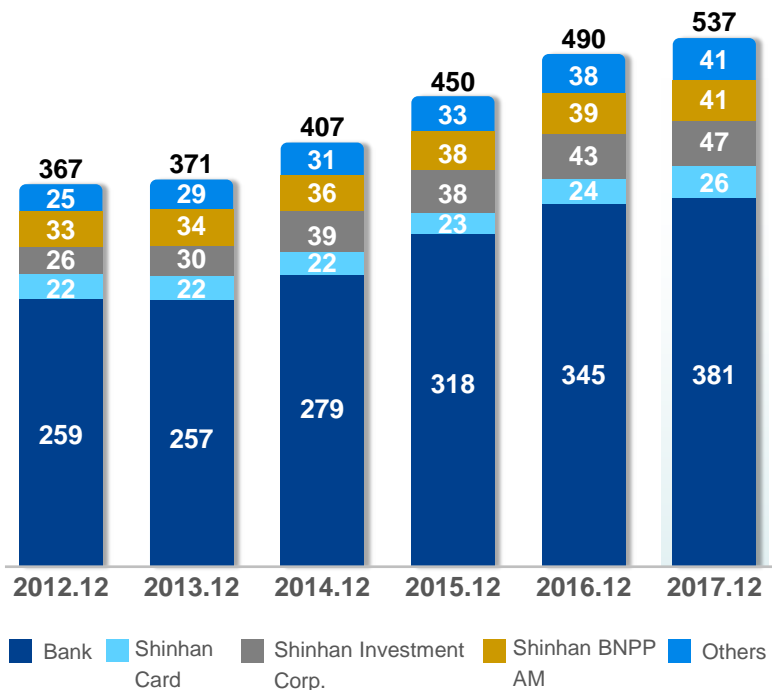
1. SFG Asset Growth
2. SHB Loan / Deposit Growth
3. Shinhan Card Asset Growth



Asset Contribution by Subsidiary



SFG Total Assets

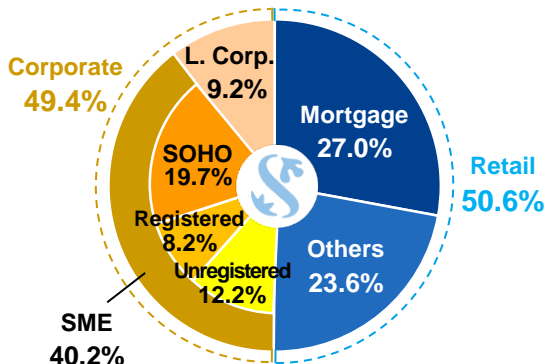


(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Bank (a)	381,283.2	345,421.3	10.4	380,887.7	0.1
Shinhan Bank	375,720.2	340,236.4	10.4	375,175.1	0.1
Jeju Bank	5,562.9	5,184.8	7.3	5,712.6	-2.6
Non-Bank (b)	153,584.1	142,646.8	7.7	152,573.7	0.7
Shinhan Card	26,367.6	24,419.9	8.0	26,595.9	-0.9
Shinhan Investment Corp.	46,721.0	43,329.1	7.8	45,460.0	2.8
Shinhan Life Insurance	29,719.4	27,499.8	8.1	29,236.1	1.7
Shinhan BNPP AM	41,134.5	39,439.5	4.3	42,218.5	-2.6
Shinhan Capital	5,315.4	4,506.8	17.9	5,202.2	2.2
Shinhan Savings Bank	1,287.2	970.1	32.7	1,179.1	9.2
Shinhan Data System	39.8	34.4	15.7	38.7	2.8
Shinhan AITAS	58.2	53.9	7.9	60.4	-3.7
Shinhan Credit Information	22.7	23.1	-1.5	22.3	2.0
Shinhan Alternative Investment	86.9	114.9	-24.3	104.4	-16.8
Others	2,831.5	2,255.3	25.5	2,456.1	15.3
Total ¹⁾	536,783.5	490,115.1	9.5	535,591.9	0.2
Consolidate Total Assets	426,305.7	395,680.3	7.7	429,792.7	-0.8

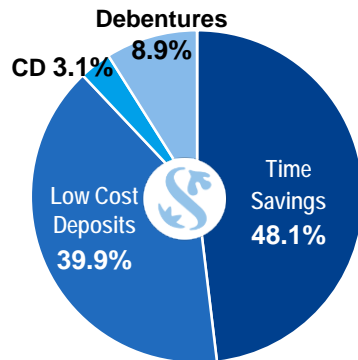
Note 1) Trust A/C of Shinhan Bank, Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included.

SHB Loan / Deposit Growth

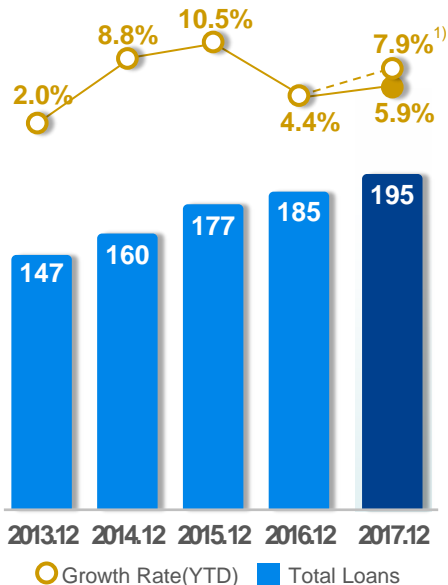
Loan Composition



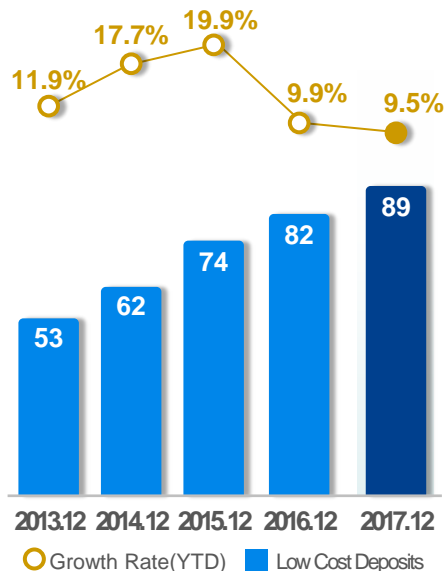
Funding Composition



KRW Loan Growth (KRW tril.)



Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

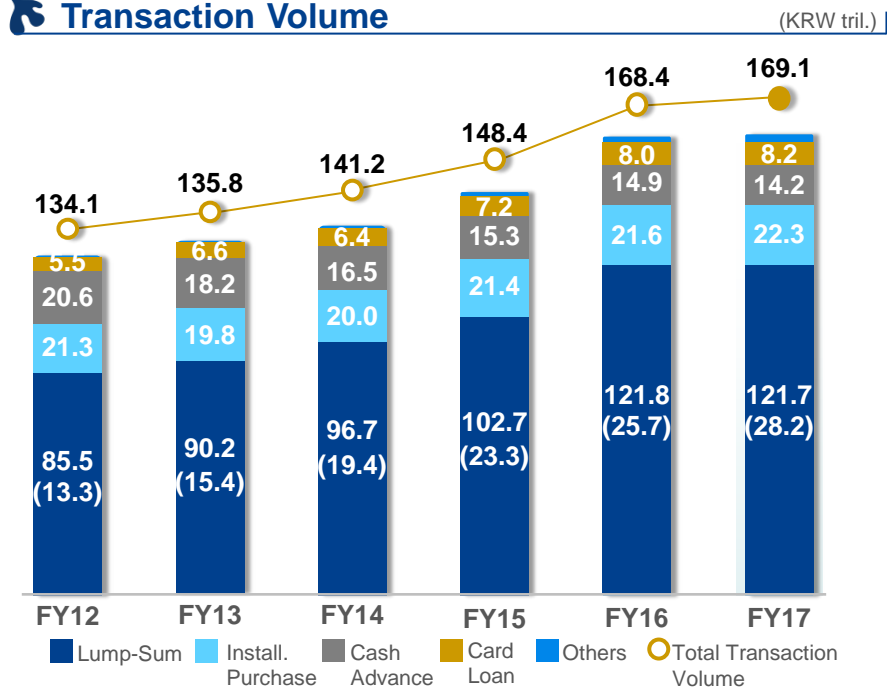
(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Loan in KRW	195,497	184,559	5.9	191,912	1.9
Retail	98,877	93,628	5.6	96,409	2.6
Mortgage	52,808	52,392	0.8	52,253	1.1
Others ¹⁾	46,069	41,236	11.7	44,156	4.6
Corporate	96,620	90,931	6.3	95,503	1.2
SME	78,556	71,757	9.5	77,088	2.0
SOHO	38,610	35,539	8.6	37,447	3.3
Large Corporate etc.	18,064	19,173	-5.8	18,415	-1.8
Loan in FX	7,658	7,919	-3.3	8,177	-6.6

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

(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Total Deposits in KRW	197,355	187,932	5.0	195,736	0.9
Low Cost Deposits	89,462	81,681	9.5	91,479	-2.5
Demand	26,936	25,149	7.1	29,123	-8.7
Savings	62,525	56,532	10.6	62,357	0.3
Time Savings	107,894	106,251	1.5	104,256	3.4
Time Deposits	99,491	97,793	1.7	95,826	3.7
Accumulative etc.	8,403	8,458	-0.6	8,430	-0.3
Certificate of Deposits	6,973	5,828	19.7	8,927	-33.5
Debtentures in KRW	20,057	16,605	20.8	19,162	5.4

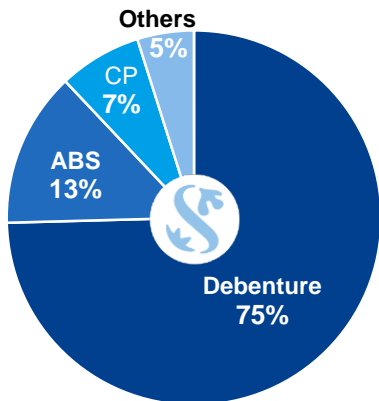
Shinhan Card Asset Growth

Transaction Volume



Note) Figs. in parenthesis represent debit card transaction volume

Funding Composition



(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Earning Assets	24,553	22,859	7.4	24,130	1.8
Credit Purchase	12,620	11,795	7.0	12,398	1.8
Cash Advances	1,921	1,953	-1.7	1,851	3.8
Card Loan	5,944	5,618	5.8	5,958	-0.2
(Re-aged Loan)	250	241	3.4	249	0.3
Installment Finance	2,270	2,165	4.8	2,242	1.2
Lease etc.	1,798	1,328	35.4	1,680	7.0
Effective Cardholders (in thousands)	12,295	12,097	1.6	12,262	0.3
Merchants (in thousands)	2,724	2,626	3.8	2,702	0.8

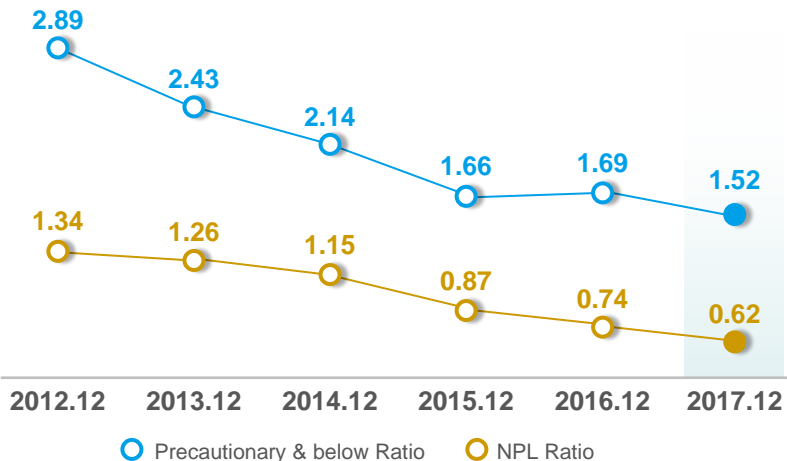
(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Total Funding	15,840	14,310	10.7	16,450	-3.7
Debentures	11,814	10,842	9.0	11,862	-0.4
ABS	2,121	1,934	9.7	2,604	-18.6
CP	1,130	935	20.9	1,025	10.2
Others	775	599	29.4	959	-19.1

IV. Asset Quality

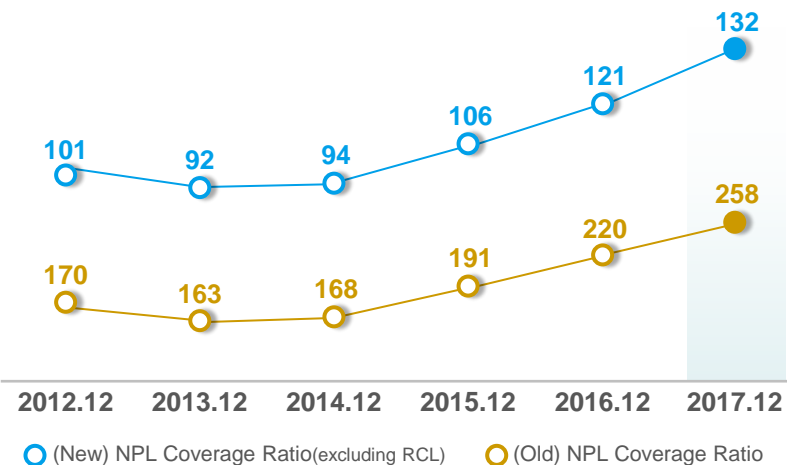
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Total Loans ¹⁾	263,976	249,237	5.9	260,625	1.3
Normal	259,957	245,026	6.1	256,507	1.3
Precautionary	2,384	2,363	0.9	2,446	-2.5
Substandard	551	798	-30.9	705	-21.9
Doubtful	518	423	22.3	396	30.8
Estimated Loss	567	626	-9.6	570	-0.7
Substandard & Below	1,635	1,848	-11.5	1,672	-2.2
NPL Ratio	0.62%	0.74%	-0.12%p	0.64%	-0.02%p
Loan Loss Allowance ²⁾	4,226	4,066	3.9	4,114	2.7
Reserve for credit losses ³⁾	2,059	1,830	12.5	2,044	0.8
(New) NPL Coverage Ratio ⁴⁾	132%	121%	11%p	124%	8%p
(Old) NPL Coverage Ratio	258%	220%	38%p	246%	12%p

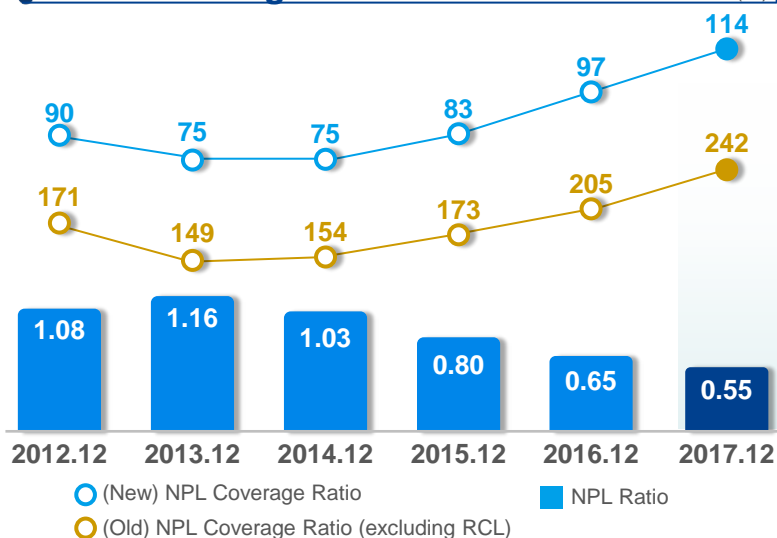
Note 1) Sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Shinhan Capital and Shinhan Savings Bank

2) Sum of IFRS standard LLA and reserves for credit losses

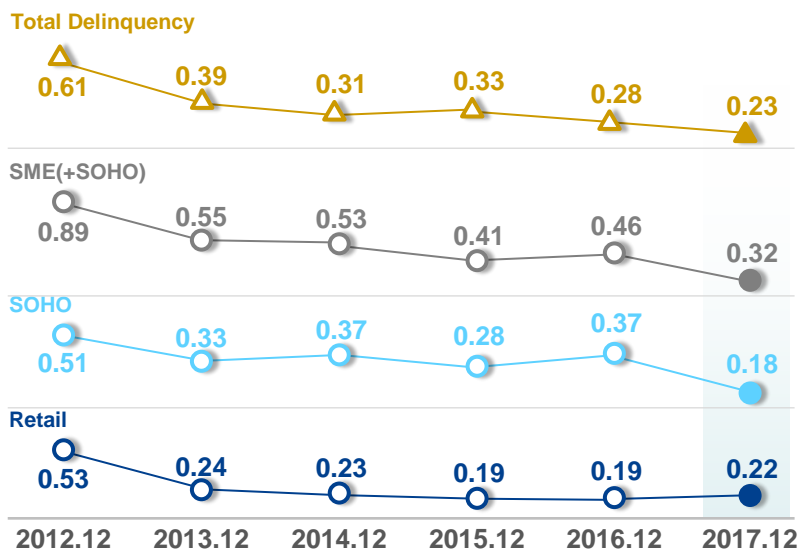
3) Excluding reserve for contingent acceptances & guarantees and unused credit lines

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

NPL Coverage Ratio & NPL Ratio (%)



Delinquency Ratio (%)



Note) 1 month overdue

(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Total Loans	219,230	209,419	4.7	216,770	1.1
Normal	216,941	206,894	4.9	214,333	1.2
Precautionary	1,084	1,155	-6.1	1,211	-10.5
Substandard	462	688	-32.9	616	-25.0
Doubtful	363	263	38.2	233	55.9
Estimated Loss	381	420	-9.3	378	0.9
Substandard & Below	1,206	1,371	-12.0	1,226	-1.7
NPL Ratio	0.55%	0.65%	-0.10%p	0.57%	-0.02%p
Loan Loss Allowance ¹⁾	2,914	2,804	3.9	2,808	3.8
Reserve for credit losses ²⁾	1,539	1,480	4.0	1,526	0.9
(New) NPL Coverage Ratio ³⁾	114%	97%	17%p	105%	9%p
(Old) NPL Coverage Ratio	242%	205%	37%p	229%	13%p

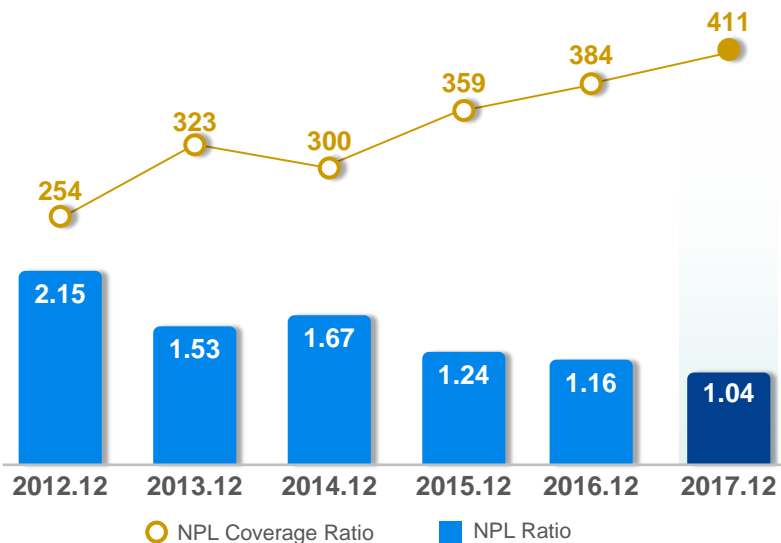
Note 1) Sum of IFRS standard LLA and reserves for credit losses

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

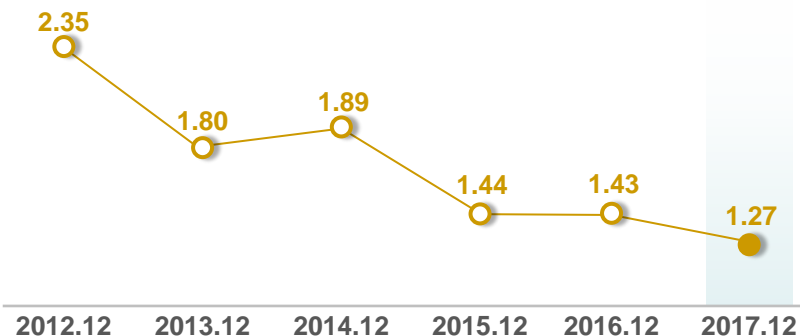
3) Excluding reserve for credit losses in accordance with the revision of relevant regulation (Dec. 2016)

Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



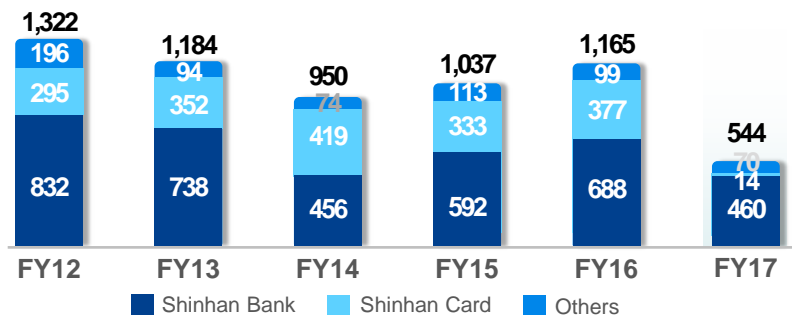
Note) 1 month overdue from total credit

(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Total Loans	25,250	22,765	10.9	25,004	1.0
Normal	24,067	21,686	11.0	23,850	0.9
Precautionary	919	815	12.8	880	4.4
Substandard	-	-	-	-	-
Doubtful	122	90	36.1	122	0.4
Estimated Loss	141	175	-19.0	152	-7.0
Substandard & Below	264	265	-0.3	274	-3.7
NPL Ratio	1.04%	1.16%	-0.12%p	1.10%	-0.06%p
Loan Loss Allowance ¹⁾	1,083	1,015	6.8	1,063	1.9
Reserve for credit losses	431	275	56.8	430	0.2
NPL Coverage Ratio	411%	384%	27%p	388%	23%p

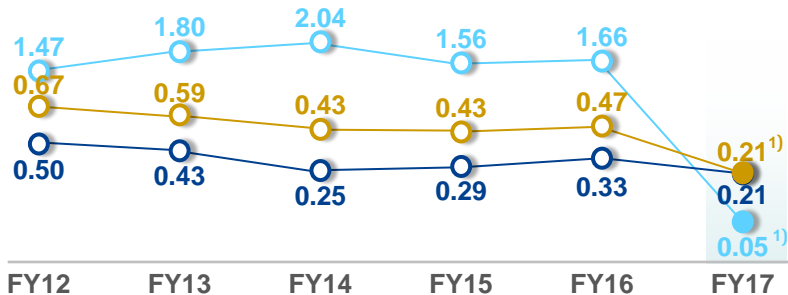
Note 1) Sum of IFRS standard LLA and reserves for credit losses (Excluding reserve for unused credit lines)

Provision for Credit Losses / Write-Offs

Provision for Credit Losses (KRW bil.)

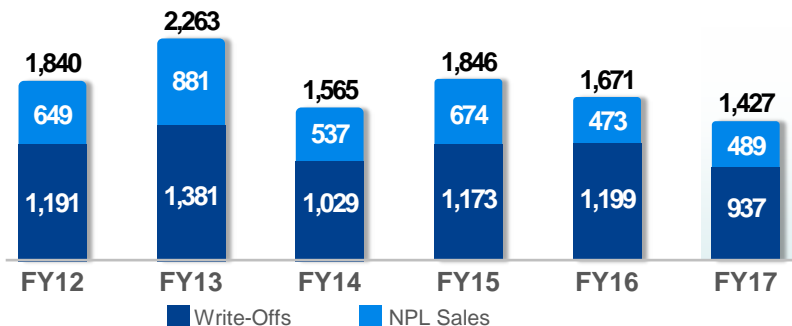


Credit Cost Ratio (%)



Note 1) Normalized credit cost excluding write-backs from SHC : Group 0.34%, SHC 1.50%

Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

(KRW bil.)	FY17	FY16				FY16	FY16			
		1Q17	2Q17	3Q17	4Q17		1Q16	2Q16	3Q16	4Q16
Shinhan Bank ¹⁾	445	59	74	123	190	677	206	230	95	145
Retail	168	30	44	45	49	157	31	23	40	63
Corporate	277	28	30	78	141	520	175	207	55	82
Shinhan Card	14	-264	93	61	125	377	79	85	89	125
Total	459	-206	166	183	315	1,054	285	315	184	270

Note 1) SHB figures are separate basis

Write-Offs & NPL Sales

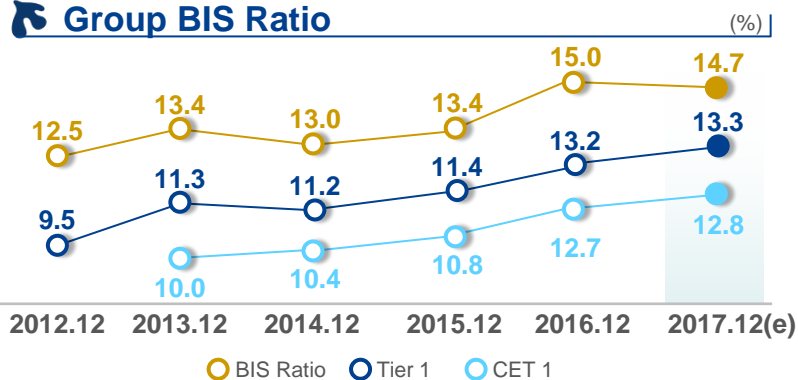
(KRW bil.)	FY17	FY16				FY16	FY16			
		1Q17	2Q17	3Q17	4Q17		1Q16	2Q16	3Q16	4Q16
Shinhan Bank	878	102	240	269	267	1,089	182	369	195	343
Write-Off	388	41	111	128	109	759	131	246	123	260
Retail	127	15	51	22	39	123	3	29	24	67
Corporate	261	26	60	106	70	636	128	217	99	193
Sale	489	62	129	141	158	330	51	123	72	84
Retail	67	8	20	22	18	73	12	27	10	25
Corporate	422	53	109	119	140	257	39	96	62	59
Shinhan Card	549	124	128	148	149	582	107	243	112	120
Total	1,427	227	368	416	415	1,671	289	612	307	464

V . Capital Adequacy & Key Financial Indices

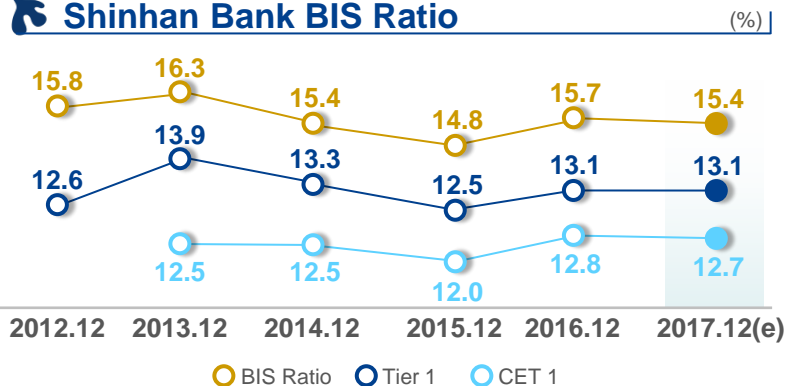
1. Capital Adequacy
2. Key Financial Indices



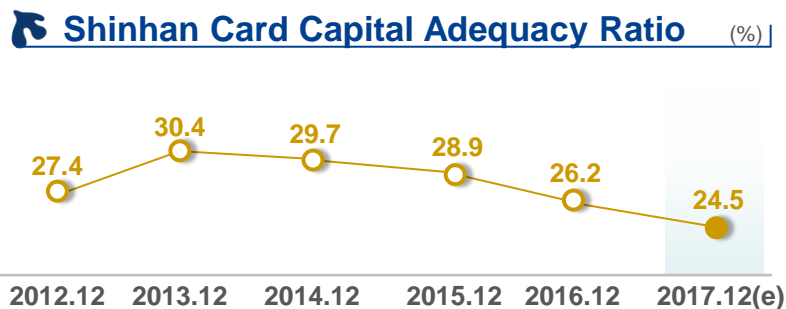
Group BIS Ratio



Shinhan Bank BIS Ratio



Shinhan Card Capital Adequacy Ratio



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

Group BIS Ratio

(KRW bil.)	2017.12(e)	2016.12	YTD%	2017.9	QoQ%
Risk-Weighted Assets	208,733	198,643	5.1	208,205	0.3
Capital	30,757	29,787	3.3	31,450	-2.2
CET 1	26,794	25,325	5.8	27,408	-2.2
Tier 1	27,712	26,210	5.7	28,325	-2.2
BIS Ratio	14.7%	15.0%	-0.3%p	15.1%	-0.4%p
CET 1	12.8%	12.7%	0.1%p	13.2%	-0.3%p
Tier 1	13.3%	13.2%	0.1%p	13.6%	-0.3%p

Note) Based on Basel3

Shinhan Bank BIS Ratio

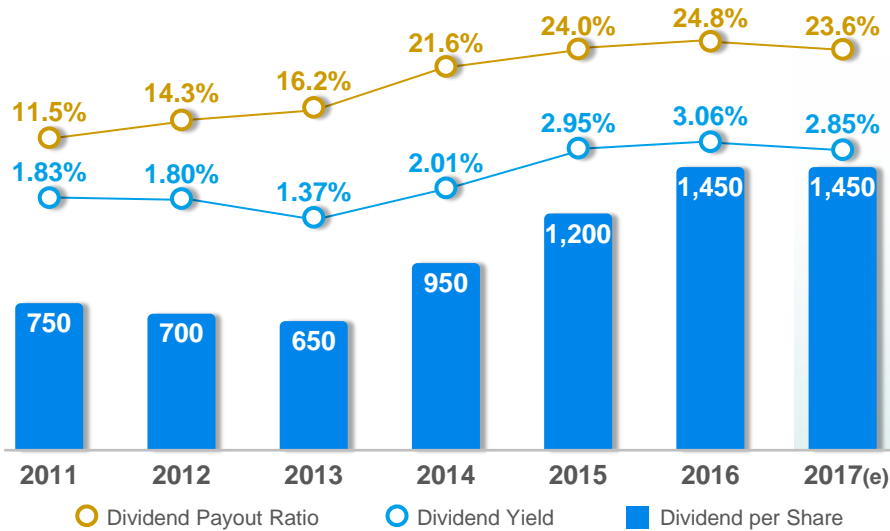
(KRW bil.)	2017.12(e)	2016.12	YTD%	2017.9	QoQ%
Risk-Weighted Assets	164,718	155,027	6.3	162,814	1.2
Capital	25,398	24,339	4.4	26,145	-2.9
CET 1	20,899	19,913	5.0	21,452	-2.6
Tier 1	21,569	20,385	5.8	22,122	-2.5
BIS Ratio	15.4%	15.7%	-0.3%p	16.1%	-0.7%p
CET 1	12.7%	12.8%	-0.1%p	13.2%	-0.5%p
Tier 1	13.1%	13.1%	-0.0%p	13.6%	-0.5%p

Note) Based on Basel3

Key Financial Indices

Dividend

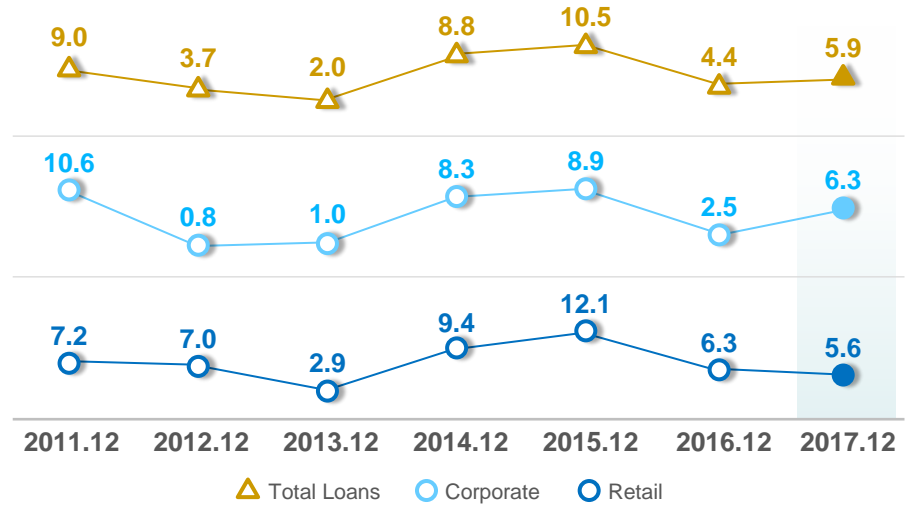
(KRW)



Note) To be approved by upcoming General Shareholders Meeting

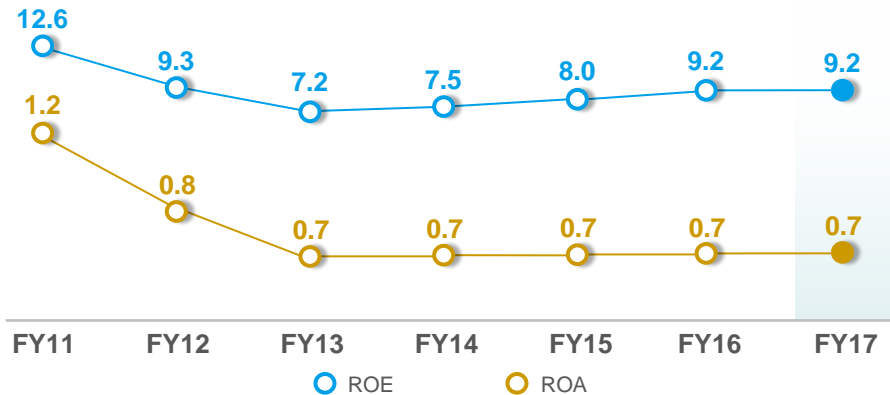
SHB Loan Growth Rate

(%)



ROA / ROE

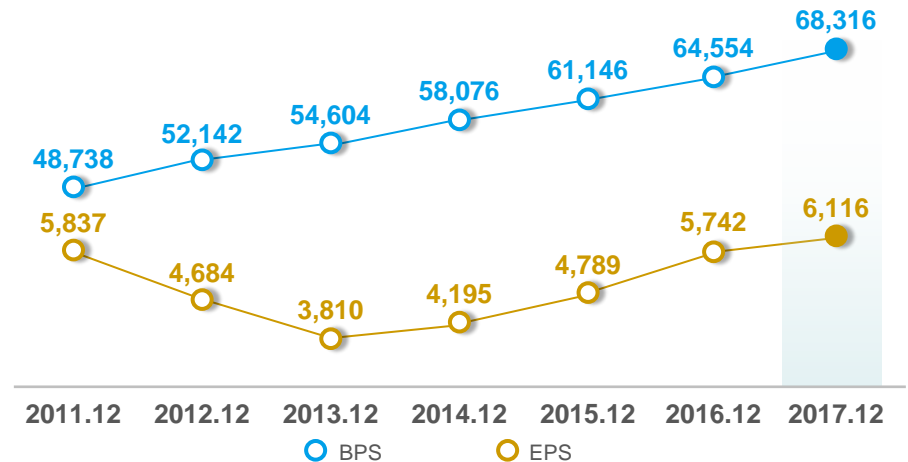
(%)



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

BPS / EPS

(KRW)

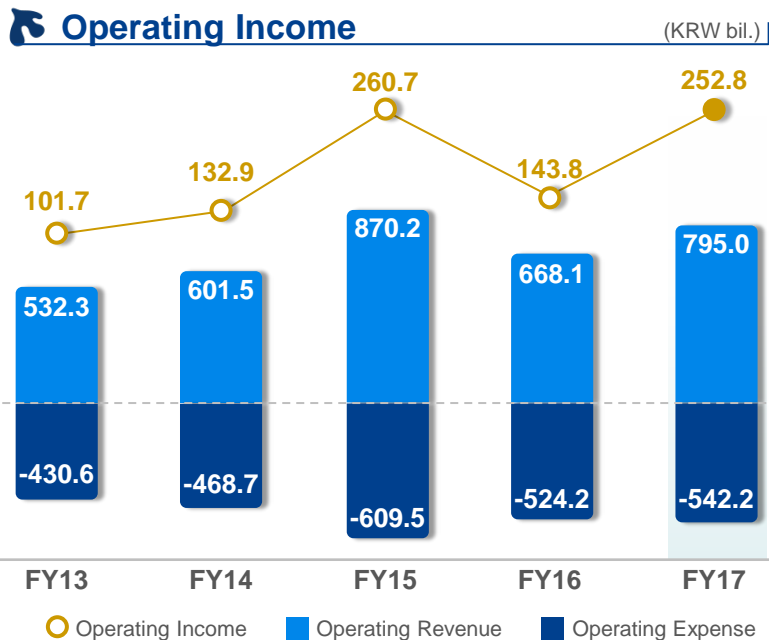
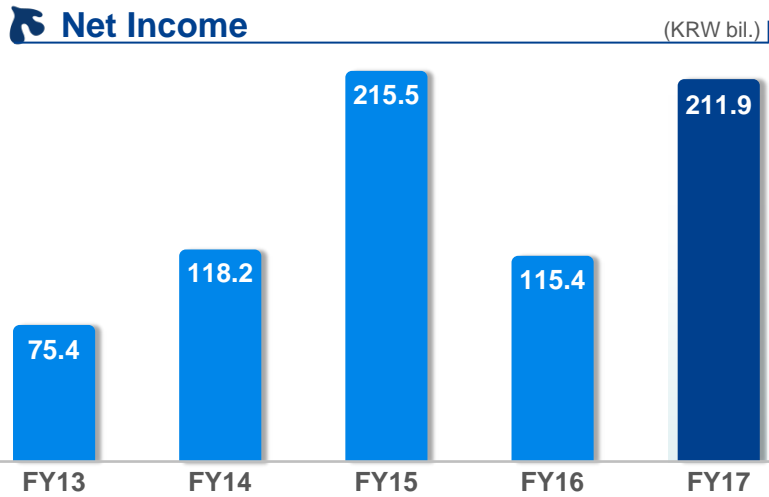


Note) Based on common stock

VI. Appendix

1. SFG Subsidiaries
2. SHB SME Loans
3. SHB Retail Loans
4. SHB Global Business





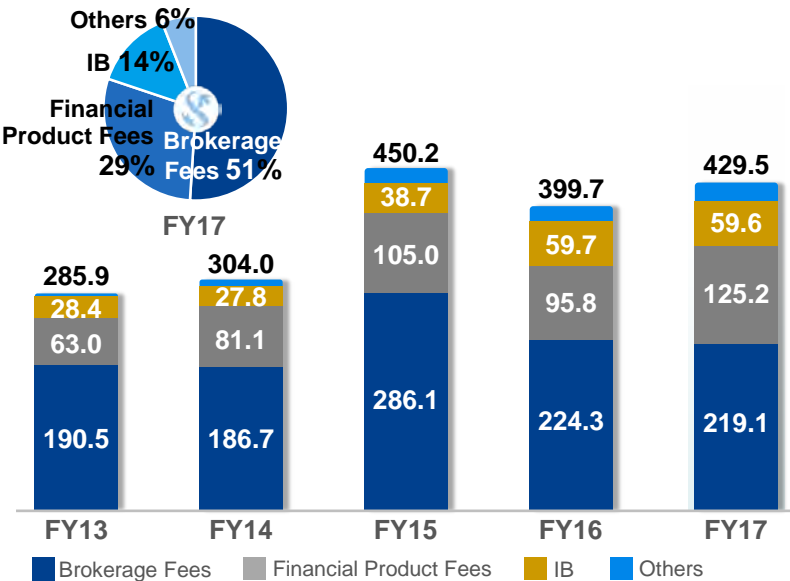
Condensed I/S & Key Financial Indices

(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Operating Revenue	795.0	668.1	19.0	208.6	210.9	-1.1
Fees & Commission	429.5	399.7	7.4	118.6	110.0	7.8
Proprietary Trading	239.3	182.4	31.2	67.3	65.8	2.4
Others	126.3	85.9	47.0	22.7	35.1	-35.5
Operating Expense	542.2	524.2	3.4	139.0	137.9	0.8
G&A Expenses	456.3	414.6	10.0	117.5	117.0	0.4
Commission Expense	81.9	104.1	-21.4	21.0	19.7	6.8
Provision for Credit Losses	4.1	5.5	-26.1	0.5	1.2	-62.5
Operating Income	252.8	143.8	75.8	69.6	73.0	-4.6
Net Income	211.9	115.4	83.6	54.7	63.4	-13.8
Net Capital Ratio(%)	799%	1,032%	-233%p	799%	826%	-27%p
ROE	6.7%	4.2%	2.5%p	6.7%	6.7%	0.0%p
ROA	0.8%	0.4%	0.4%p	0.8%	0.8%	0.0%p

Note) ROE, ROA are calculated on a cumulative basis

Fees & Commission

(KRW bil.)

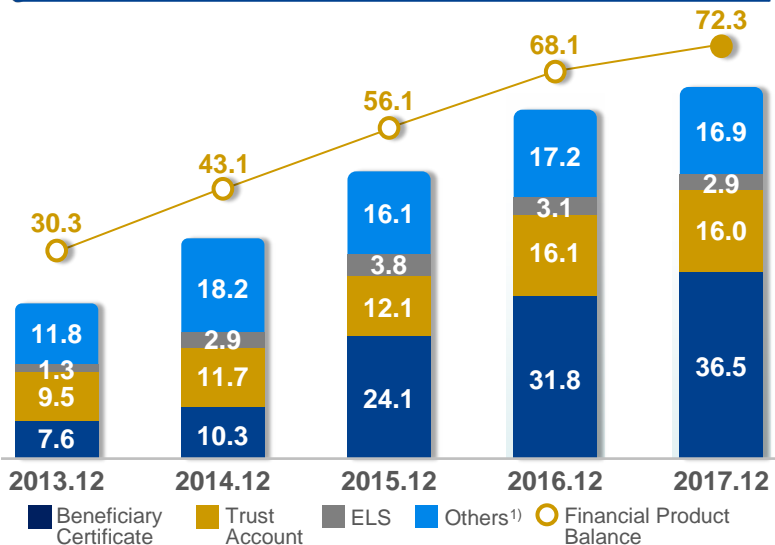


Fees & Commission

(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Fees & Commission	429.5	399.7	7.4	118.6	110.0	7.8
Brokerage Fees	219.1	224.3	-2.4	65.2	52.3	24.7
Financial Product Fees	125.2	95.8	30.6	32.9	29.8	10.3
IB	59.6	59.7	-0.2	13.5	21.8	-37.9
Others	25.6	19.9	29.0	7.0	6.1	13.9

Financial Products

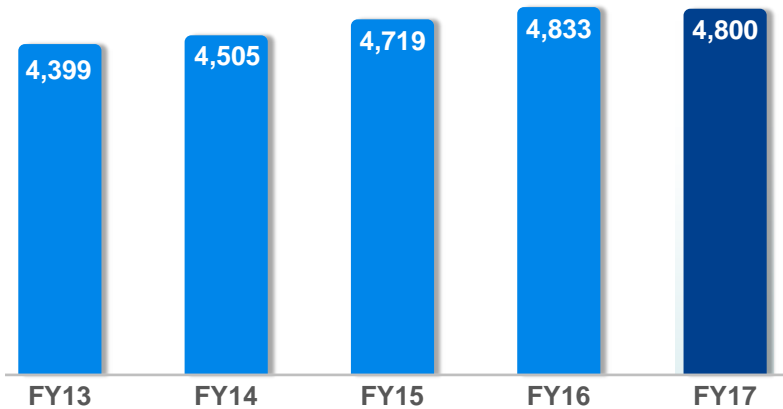
(KRW tril.)



Balance of Financial Products

(KRW tril.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Financial Products	72.3	68.1	6.1	72.4	-0.1
Beneficiary Certificate	36.5	31.8	15.1	37.5	-2.6
Trust Account	16.0	16.1	-1.0	14.7	8.6
ELS	2.9	3.1	-4.0	2.3	30.4
Others	16.9	17.2	-2.0	17.9	-5.6

Premium Income (KRW bil.)



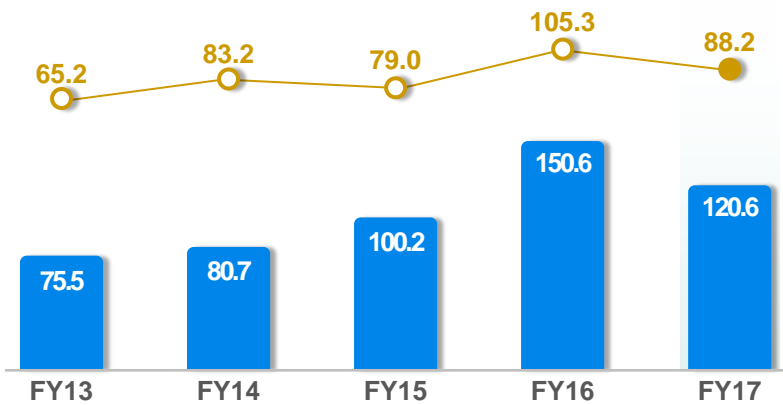
Note) Excluding non-monthly premium and Retirement Pension

Premium Breakdown

(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Prem. Received	4,824.6	4,871.4	-1.0	1,189.3	1,202.0	-1.1
New Premium	71.9	99.1	-27.4	15.5	13.9	11.6
Monthly Premium	47.6	60.7	-21.5	11.0	10.5	5.3
Non-Monthly Premium	24.2	38.4	-36.8	4.5	3.4	30.9
Recurring Premium	4,752.7	4,772.4	-0.4	1,173.8	1,188.1	-1.2

Note) Excluding Retirement Pension

Net Income (KRW bil.)



○ Operating Income ■ Net Income

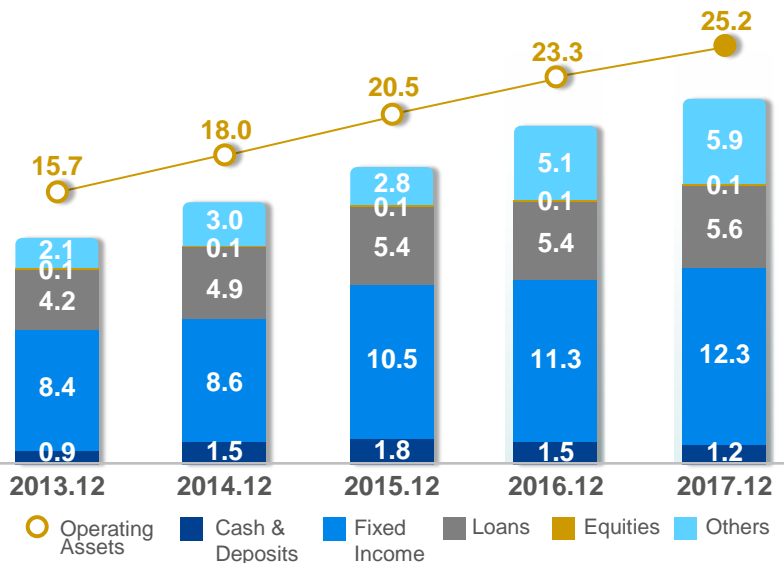
Profitability & Key Financial Indices

(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Operating Income	88.2	105.3	-16.3	12.0	9.9	20.9
Separate Account profit & Loss	80.8	45.8	76.4	17.4	26.8	-35.1
Net Income	120.6	150.6	-19.9	17.3	27.7	-37.5
ROE	7.0%	8.9%	-1.9%p	7.0%	8.0%	-1.0%p
ROA	0.4%	0.6%	-0.2%p	0.4%	0.5%	-0.1%p

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

Operating Assets

(KRW tril.)

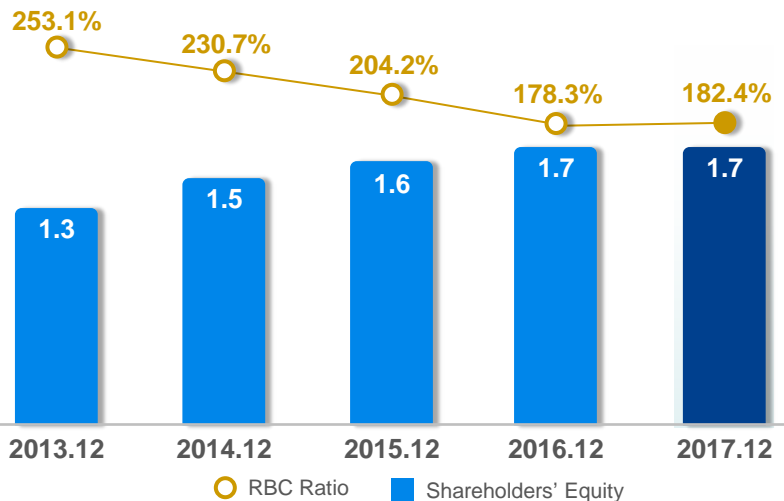


Operating Assets

(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Operating Assets	25,156.9	23,316.3	7.9	24,761.3	1.6
Cash & Deposits	1,170.6	1,457.8	-19.7	1,114.5	5.0
Fixed Income	12,344.2	11,281.7	9.4	11,933.6	3.4
Loans	5,643.3	5,404.7	4.4	5,527.0	2.1
Equities	66.0	72.7	-9.3	64.9	1.7
Others	5,932.9	5,099.4	16.3	6,121.4	-3.1

Equity & Capital Adequacy Ratio

(%, KRW tril.)

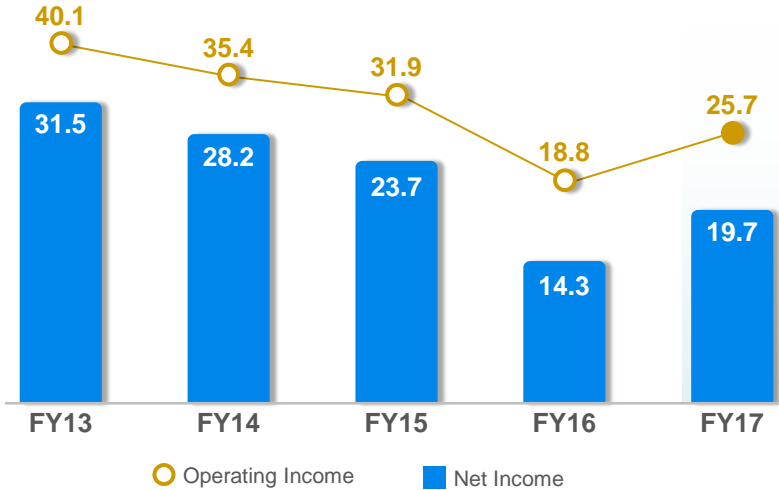


Equity & Capital Adequacy Ratio

(KRW bil.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Shareholders' Equity	1,731.9	1,685.5	2.8	1,747.6	-0.9
Capital & Retained Earnings	1,768.0	1,647.1	7.3	1,750.4	1.0
Accumulated Other Comprehensive Income	-36.1	38.5	-193.9	-2.8	1,197.7
RBC Ratio	182.4%	178.3%	4.1%p	177.1%	5.3%p

Net Income

(KRW bil.)



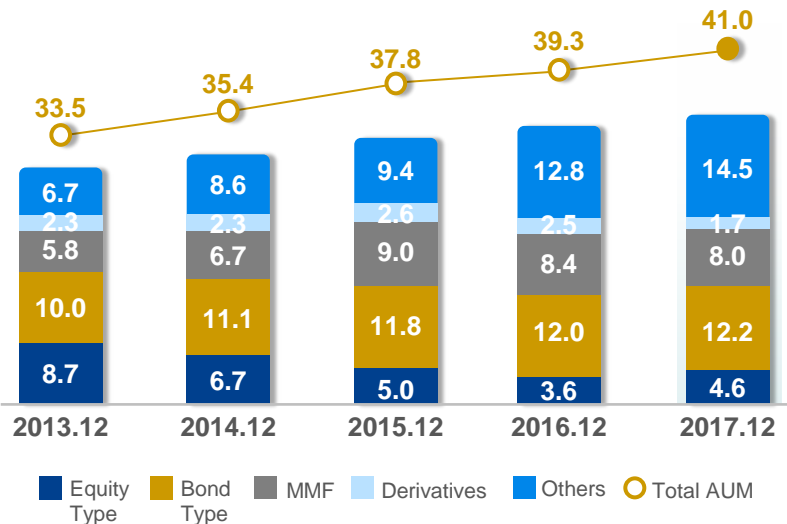
Condensed I/S & Key Financial Indices

(KRW bil.)	FY17	FY16	YoY%	4Q17	3Q17	QoQ%
Operating Revenue	77.5	69.8	10.9	20.7	20.0	3.4
Operating Expense	51.8	51.0	1.6	15.0	12.6	18.9
(G&A Expenses)	42.5	42.8	-0.7	12.2	10.5	16.2
Operating Income	25.7	18.8	36.3	5.7	7.4	-23.2
Net Income	19.7	14.3	37.8	3.9	5.9	-33.9
ROE	13.3%	9.9%	3.4%p	13.3%	14.4%	-1.1%p

Note) ROE is calculated on a cumulative basis

Assets Under Management

(KRW tril.)



Assets Under Management

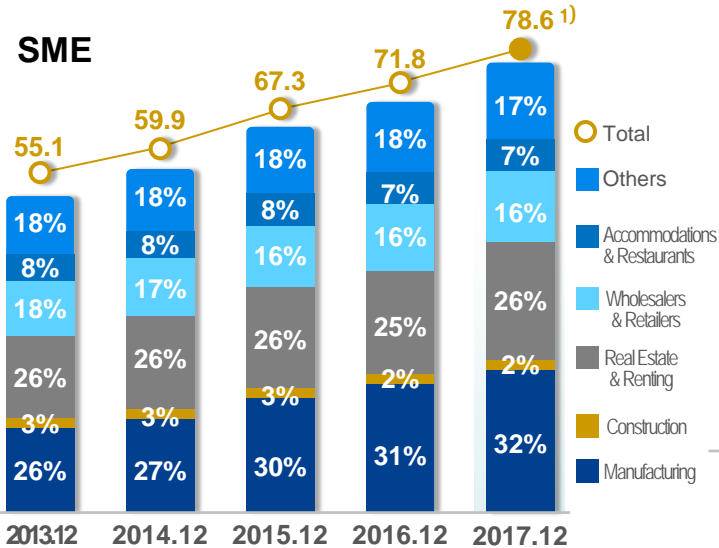
(KRW tril.)	2017.12	2016.12	YTD%	2017.9	QoQ%
Total AUM	41.0	39.3	4.3	42.1	-2.6
Equity Type	4.6	3.6	29.8	4.6	0.0
Bond Type	12.2	12.0	1.4	13.1	-6.7
MMF	8.0	8.4	-5.0	8.5	-5.1
Derivatives	1.7	2.5	-33.0	1.9	-11.5
Others	14.5	12.8	13.2	14.1	3.0

SHB SME Loans

Loans

(KRW tril.)

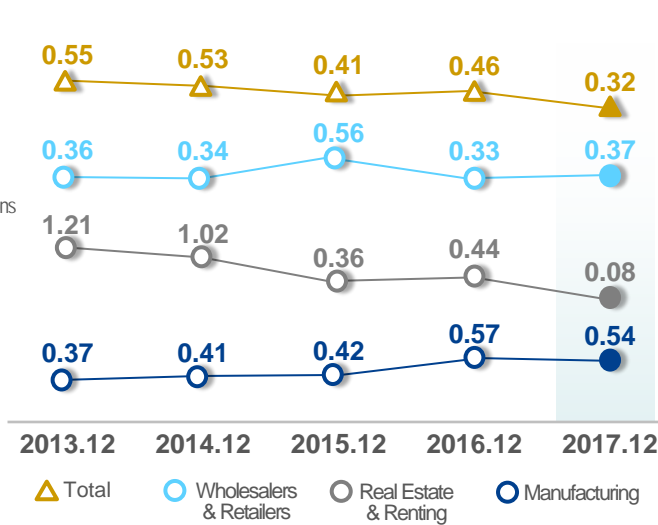
SME



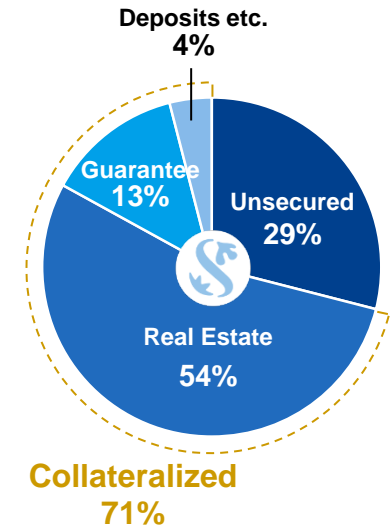
Note 1) SOHO 49%, Registered 20%, Unregistered 30%

Delinquency

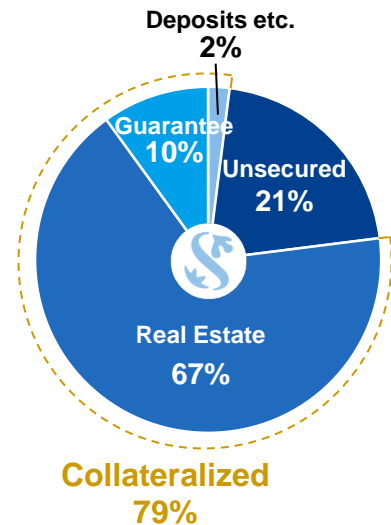
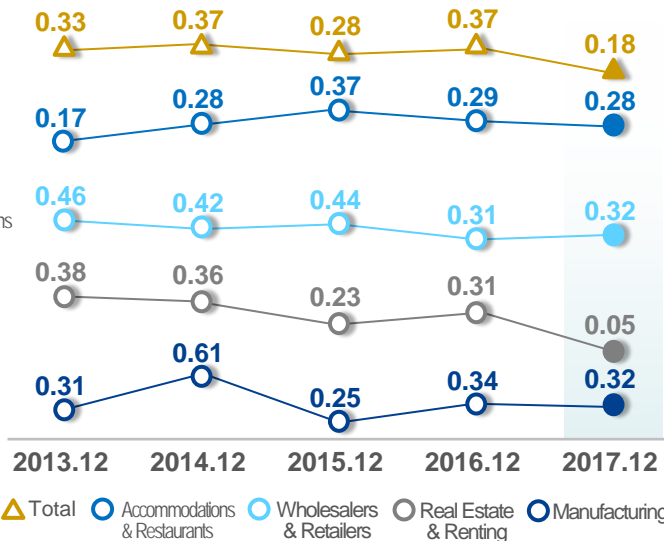
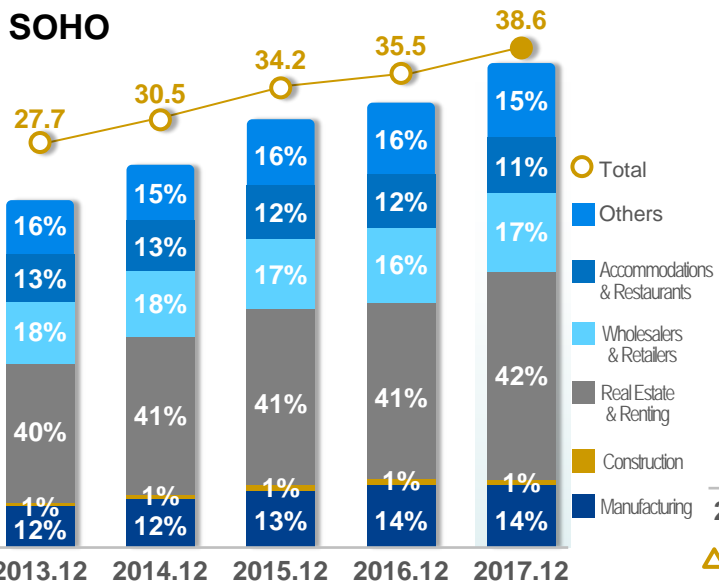
(%)



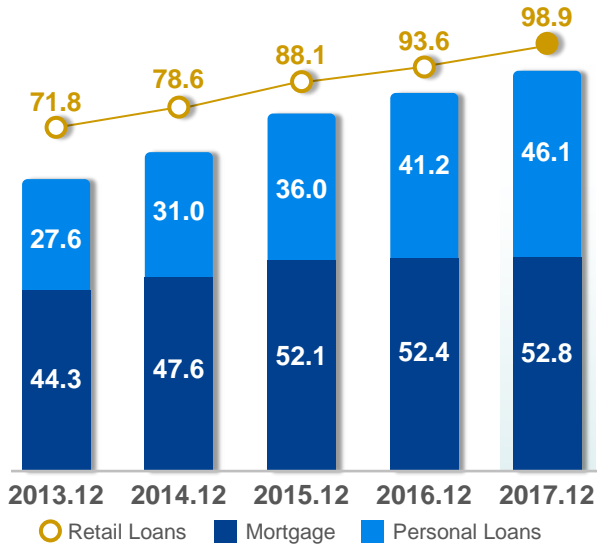
Collateral



SOHO

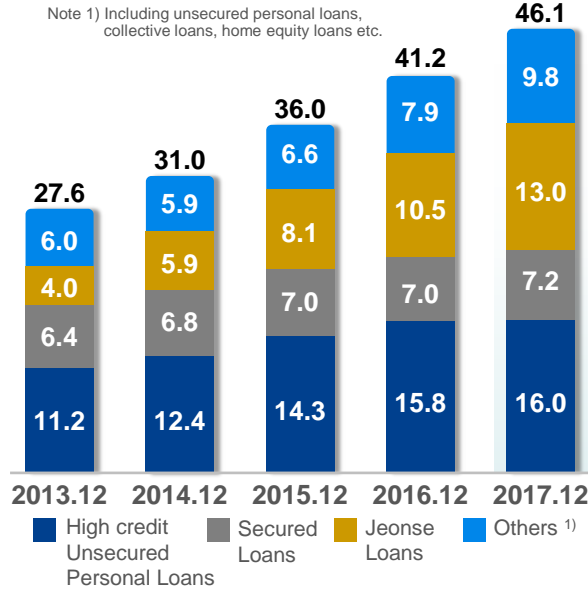


Loans (KRW tril.)

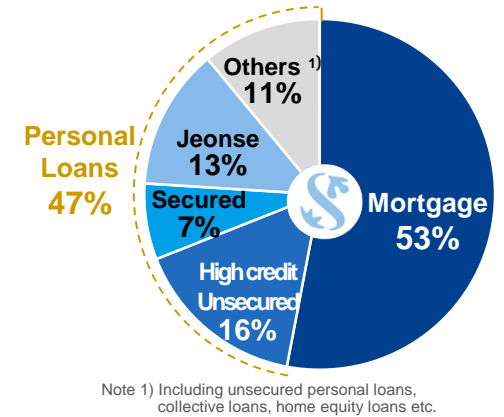


Retail Personal Loans (KRW tril.)

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

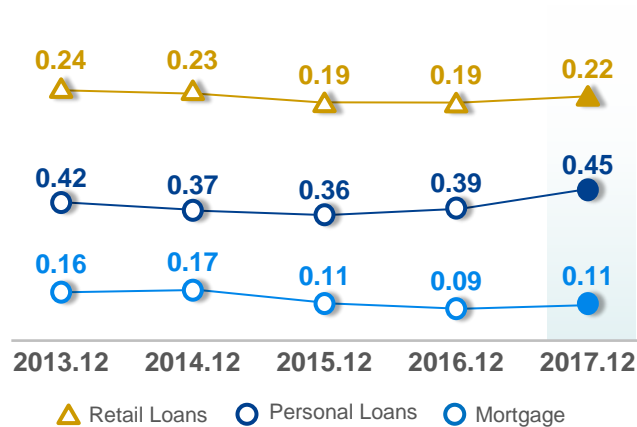


Loan Composition

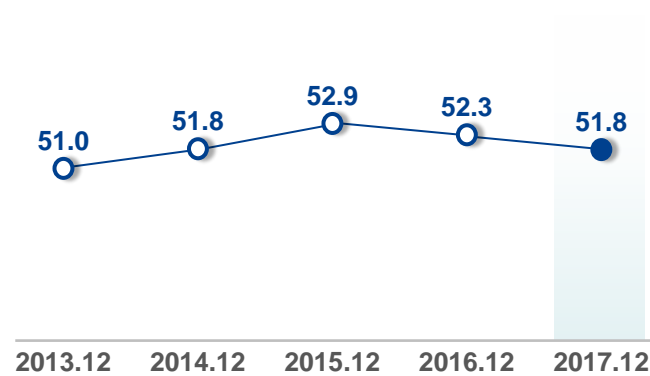


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

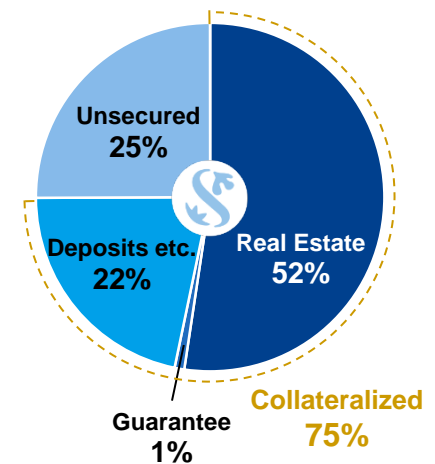
Delinquency (%)



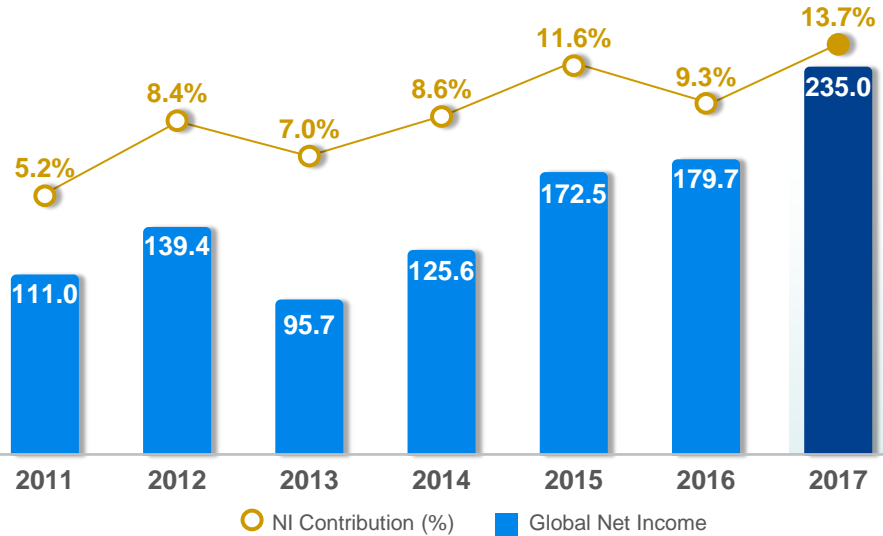
LTV (%)



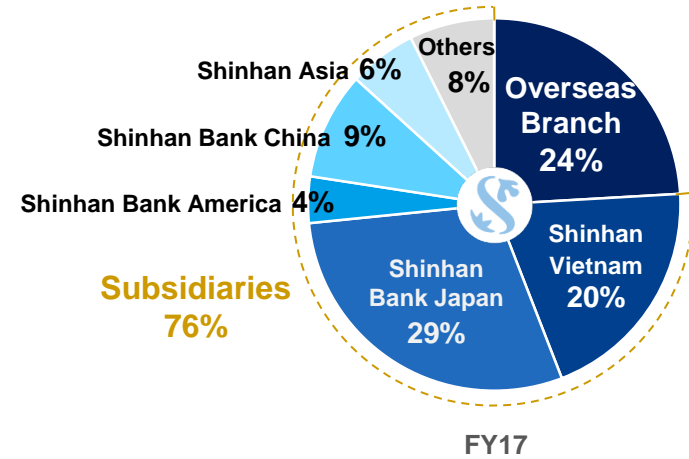
Collateral



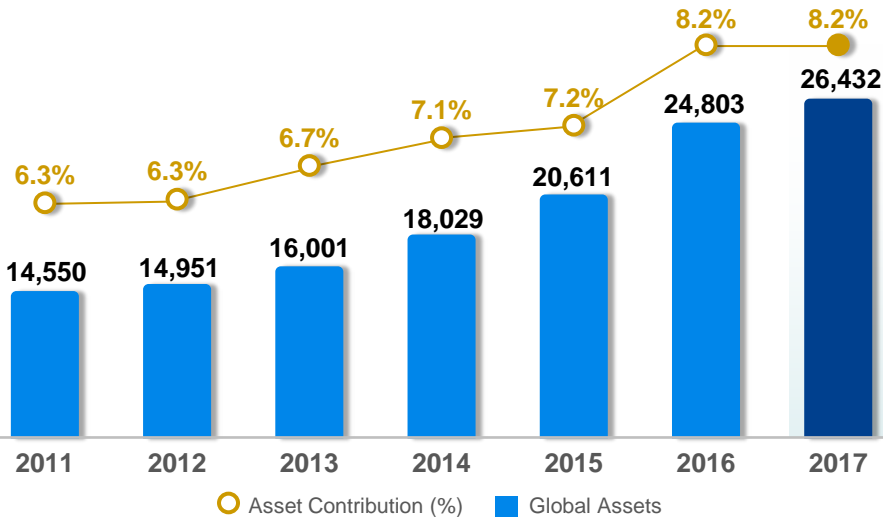
Net Income Contribution by Global Business (KRW bil.)



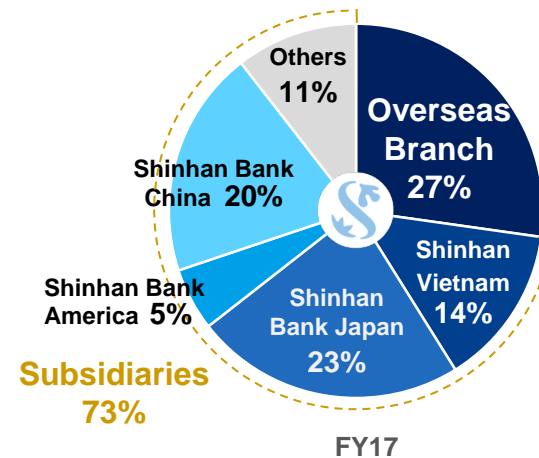
Net Income Composition



Asset Contribution by Global Business (KRW bil.)



Asset Composition

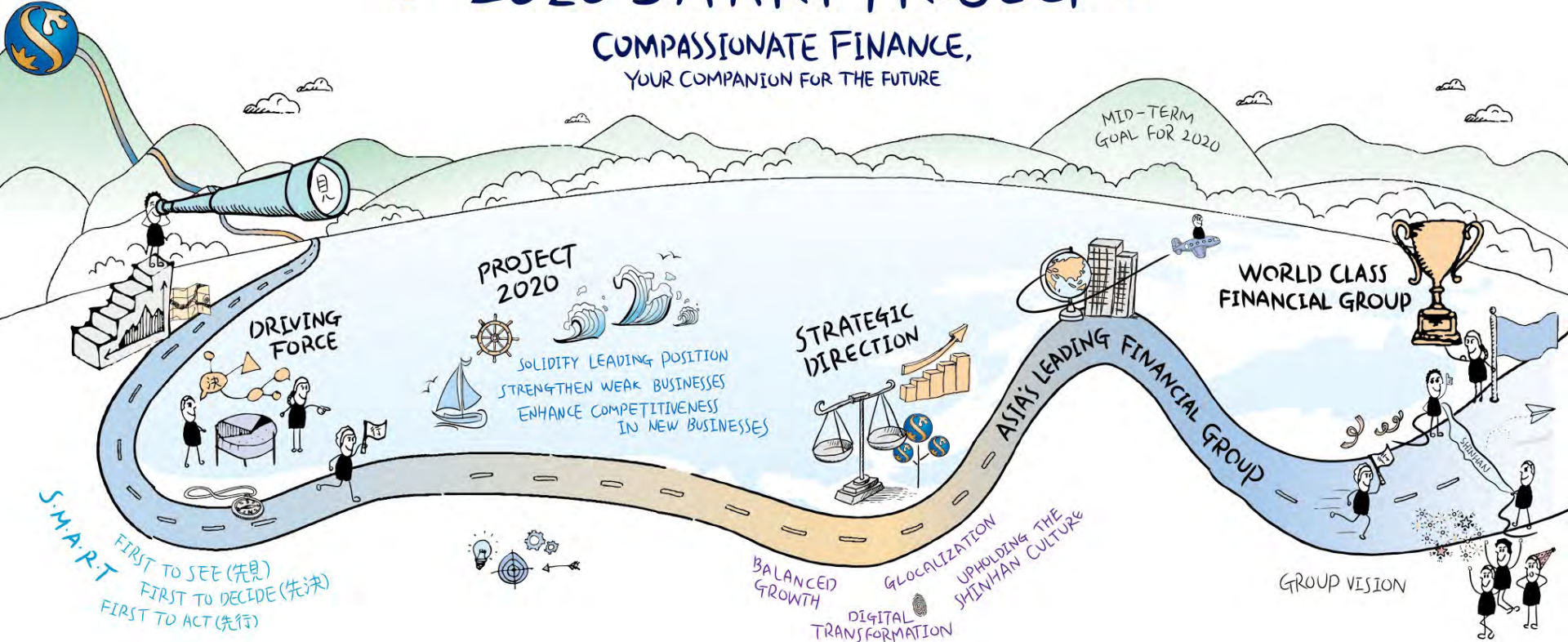




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