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Shinhan Financial Group



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I. Shinhan Financial Group

1. Overview & History



Shinhan Financial Group Co., Ltd. (“SFG”) is Korea’s first privately established financial holding company incorporated on September 1, 2001. Currently, there are 13 subsidiaries, including Shinhan Bank, Shinhan Card, Shinhan Investment, Shinhan Life, Shinhan BNPP Asset Management, Shinhan Capital etc., which constitutes a powerful network that provides comprehensive financial solutions to customers. Our goal is to further improve this network by encouraging cohesive collaboration and synergy among group companies, thereby adding value to our customers and firmly establishing the best brand within the Korean market.

Our subsidiaries offer quality financial products and services in commercial banking, corporate and investment banking (CIB), private wealth management (WM), credit card, asset management, brokerage and insurance services.

SFG serves about 29 million customers with 20,000 employees and 1,400 network branches nationwide. The Group has 69 offices in 14 countries, including the US, the UK, Japan, China, Germany, India, Hong Kong, Vietnam and Singapore.

Currently, Shinhan Financial Group is listed on both the Korea Exchange (KRX) and the New York Stock Exchange (NYSE).



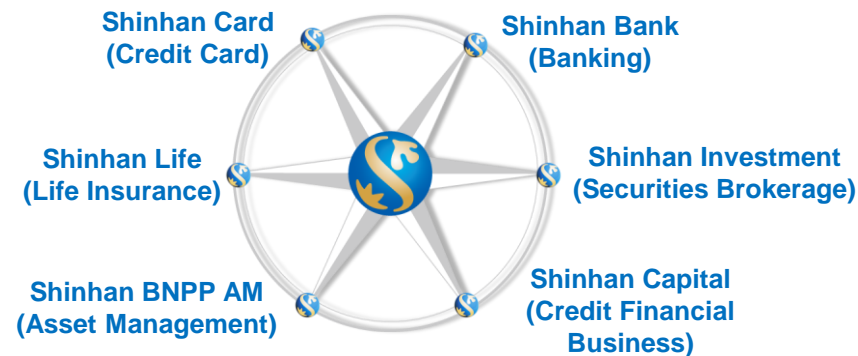
About SFG

SFG at a Glance

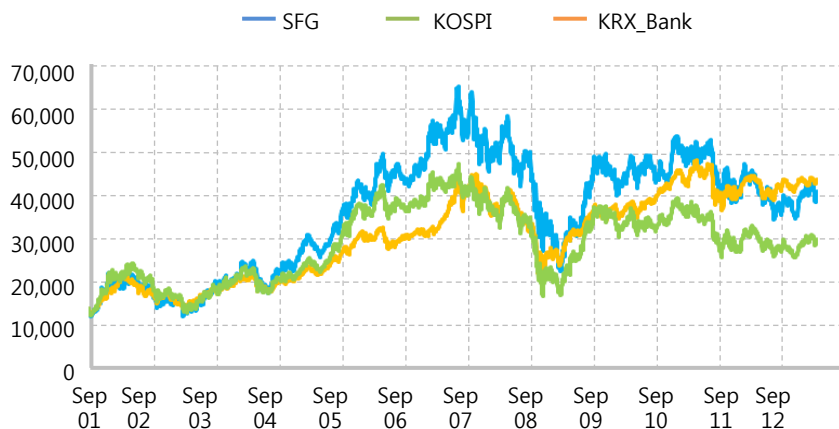
Overview (As of Dec. 31, 2012)

- **Net Income** : KRW 2.32 trillion (1st among peers)
- **Total Assets** : KRW 342 trillion (including AUM)
- **Total Market Cap**: KRW 18.4 trillion (1st among peers)
- **ROE** : 9.3%
- **ROA** : 0.8%
- **BIS Ratio** : 12.4%
- **13 direct subsidiaries, 18 indirect subsidiaries**

Well-diversified Business Portfolio



SFG Stock Price Performance



Top 500 Banking Brands (The Banker)

Bank Ranking	Company	Nationality
1	Wells Fargo	US
2	Chase	US
3	HSBC	UK
15	Bank of China	China
51	Shinhan Financial Group	Korea
57	Nomura	Japan
76	KB Financial Group	Korea

* Source: The Banker (Feb. 2013)

About SFG

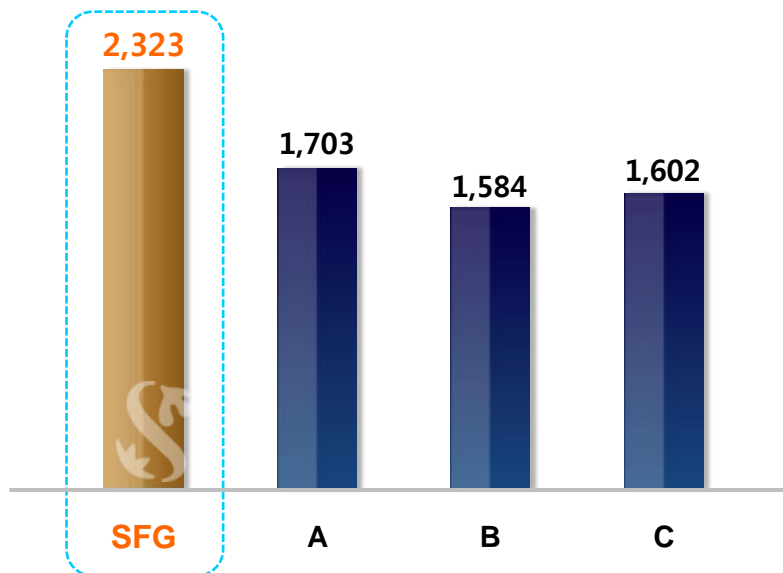
Market Position

Group Consolidated Net Income

Superior Profitability

The efficient asset quality control and steadfast contribution from non-bank subsidiaries differentiate the profitability base of the Group, which was proved by KRW 2,323 billion of net income for 2012.

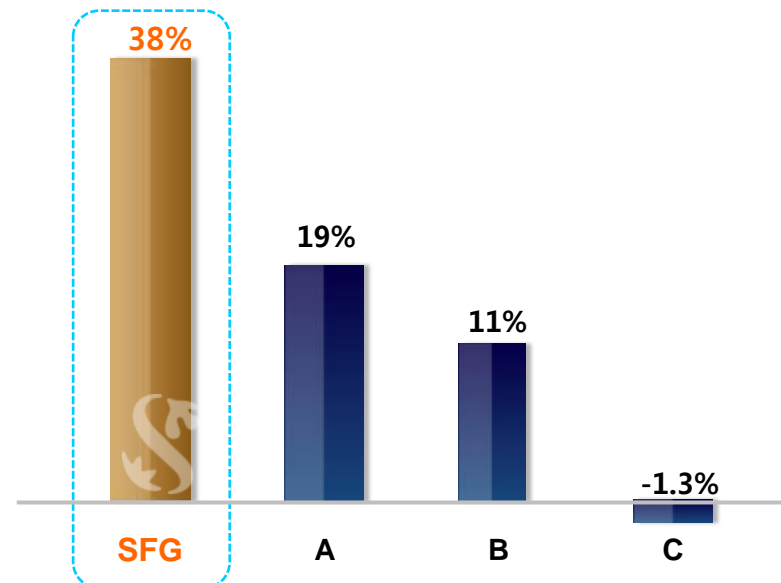
(KRW billion)



Net Income Contribution from non-banks

Diversified Income Sources

The stable net income contribution from non-bank subsidiaries (38%) demonstrates the diversified income source of the Group and the successful financial holding company strategy.





Through continuous organic growth combined with several rounds of noteworthy M&As, SFG has established a well-balanced business platform upon which an array of integrated financial products are provided for customer value maximization. This platform is the key to the differentiating competitiveness that enables higher profitability and sustainable growth.

Shinhan Bank

The Best Bank in Korea

- Total Assets : KRW 256 trillion
- Total Equity : KRW 20 trillion
- Net income (2012) : KRW 1.66 trillion

Shinhan Card

Number 1 Credit Card Company in Korea

- Total Assets : KRW 22 trillion
- Total Equity : KRW 5.7 trillion
- Net Income (2012) : KRW 749.8 billion

Shinhan Investment Corp.

Market leader in the era of Capital market Acts

- Total Assets : KRW 16 trillion
- Total Equity : KRW 2.2 trillion
- Net Income (2012) : KRW 63.9 billion

Shinhan Life Insurance

The Most Profitable Life Insurance Company

- Total Assets : KRW 17 trillion
- Total Equity: KRW 1.3trillion
- Net income (2012) : KRW 209.4 billion

Shinhan Capital

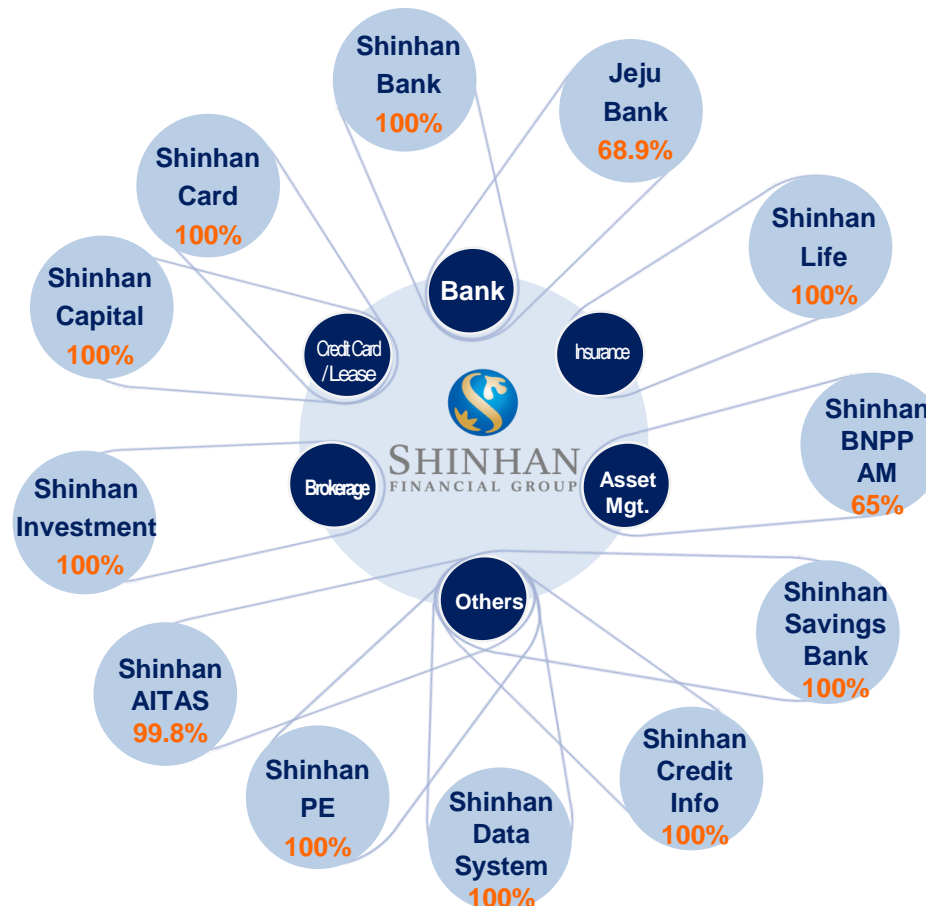
Specialized in facility leases and installment financing

- Total Assets : KRW 3.5 trillions
- Total Equity : KRW 0.5 trillion
- Net income (2012) : 4.7 billion

Shinhan BNPP AM

The 4th largest Asset management in Korea

- Total AUM : KRW 19.3 trillion
- Total Equity : KRW 145.7 billion
- Net income (2012) : KRW 31.3 billion



While National Pension Fund of Korea is the single largest shareholder of SFG, a large portion of SFG shares are owned by international and domestic institutional investors. The stable shareholder base of SFG reflects the market participants' confidence towards SFG, one the group has built through a proven track record and maintained with solid performance even in the toughest times during the financial crises.

Shareholders

(as of Dec. 31, 2012)



Major Shareholders

(as of Dec. 31, 2012)

Shareholder	Ownership %
National Pension Fund of Korea	7.28
BNP PARIBAS GROUP	6.35
SFG ESOP	3.96
Citibank N.A.(ADR dept.)	3.74
Saudi Arabian Monetary Agency	3.31
The Lazard Fund	2.22
The Government of Singapore	1.69
Mizuho	1.26
Abu Dhabi Investment Authority	1.20
Dimensional Emerging Market Value Fund	1.14

Management



Dong Woo Han

- Chairman & CEO
Shinhan Financial Group (incumbent)
- Main Work Experience
2007 – Vice Chairman, Shinhan Life Insurance
2001 – CEO, Shinhan Life Insurance
1999 – Vice President, Shinhan Bank



Jin Won Suh

- President & CEO, Shinhan Bank (incumbent)
- Main Work Experience
2007 – CEO, Shinhan Life Insurance
2006 – Deputy President, Shinhan Financial Group
2004 – Deputy President, Shinhan Bank



SFG serves about 29 million customers with 20,000 employees and 1,400 network branches nationwide.

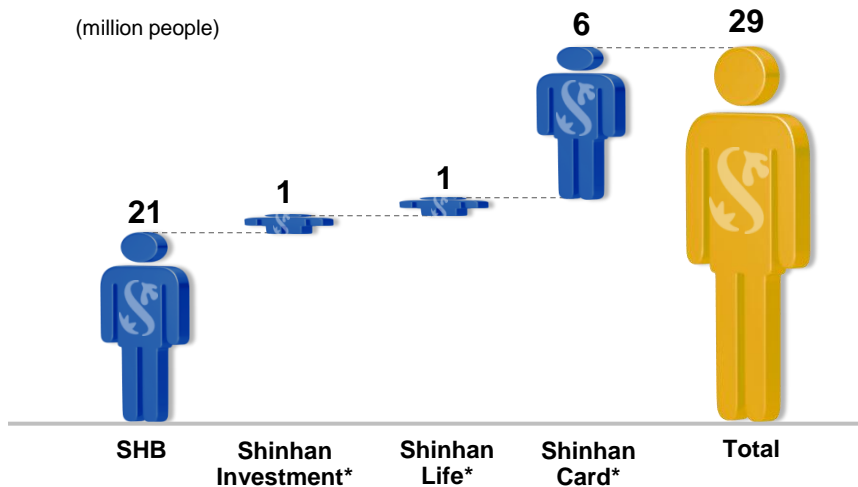
The Group has 69 offices in 14 countries, including the US, the UK, Japan, China, Germany, India, Hong Kong, Vietnam and Singapore.

Customers



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

(million people)



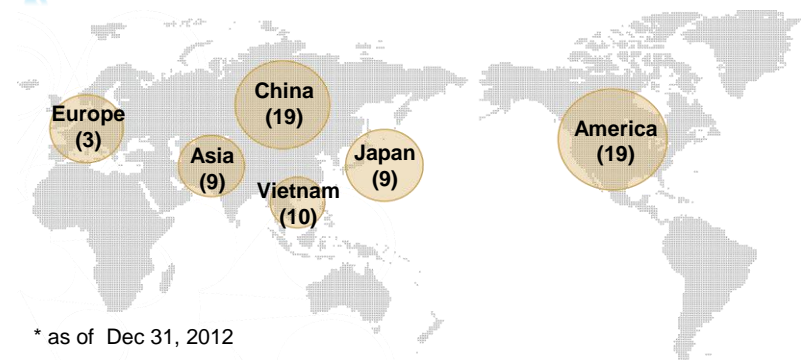
* Excluding overlapping customers (as of Dec 31, 2012)

Branch Networks

Domestic Network

Company	# of Branches
Shinhan Bank	950
Shinhan Life Insurance	226
Shinhan Investment Corp.	103
Shinhan Card	40
Jeju Bank / Others	74
Total	1,393

Global Network (69 Network in 14 Countries)



* as of Dec 31, 2012

SFG History

More than 100 Years of History

SHINHAN WAY

SHINHAN FINANCIAL GROUP

SFG was founded in 2001, however SFG's legacy goes back more than 100 years to Hanseong Bank, the first bank in Korea. Built on the foundation of Shinhan Bank established in 1982, SFG's history encompasses the youth and passion of former Shinhan Bank, the heritage and tradition of Chohung Bank, and the profitability of the Korea's largest LG Card, all of which contributed to the brand and competitiveness of Shinhan today.



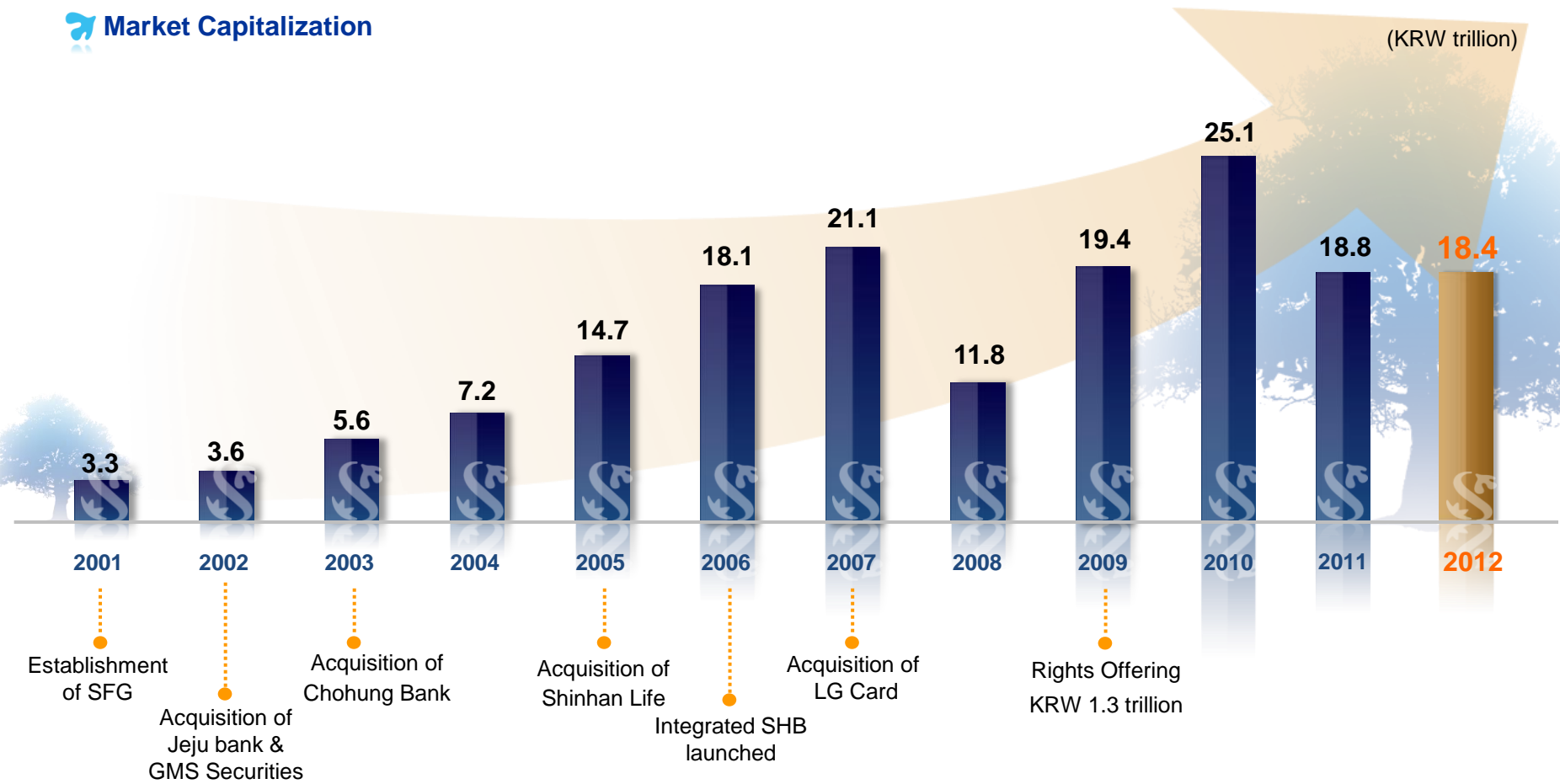
SFG History

Persistent Growth and M&A



SFG was able to sustain organic and inorganic growth by persistently facing challenges at hand and successfully closing meaningful rounds of M&As. By acquiring Good Morning Shinhan Securities in 2002, Chohung Bank in 2003 and LG Card in 2007, SFG has been establishing a well-balanced portfolio as a comprehensive financial group.

Market Capitalization



I. Shinhan Financial Group

2. Vision, Strategy & Core Capability



SFG Vision Group Vision



Since its inception, SFG has strived to accomplish balanced growth between bank and non-bank businesses, to create new value by identifying new growth drivers and further differentiating our business model and, to become a world class financial group with global competence in talent and infrastructure.



To realize the long term vision of emerging as a “World Class Financial Group”, SFG has set its strategic objective as to “establish local best financial brand” by 2015, and will first pursue “good growth” and “customer value.”





'Compassionate Finance' is the mission of Shinhan Financial Group. 'Compassionate Finance' means making the world a better place through the main business of finance. We intend to make every effort in creating customer values and protecting our customers, based on the consideration that each of our customers is our partner. In addition, we will be considerate to the social weak and fulfilling social responsibilities in accordance with the demands of our time.

Management Paradigm of Shinhan Financial Group



Core Value



Customer

We always think and act from the perspective of customers based on honesty and trust in order to grow together with our customers.



Respect

We try to maximize our organizational cohesion and pursue to grow together by practicing mutual respect among Group companies, departments and individuals.



Change

We aim to secure differentiated competitiveness that can set us apart from others by making creative approaches to potential markets.



Excellence

We set challenging goals to become the best and act swiftly and resolutely to attain them by obtaining expertise and constantly stretching ourselves.



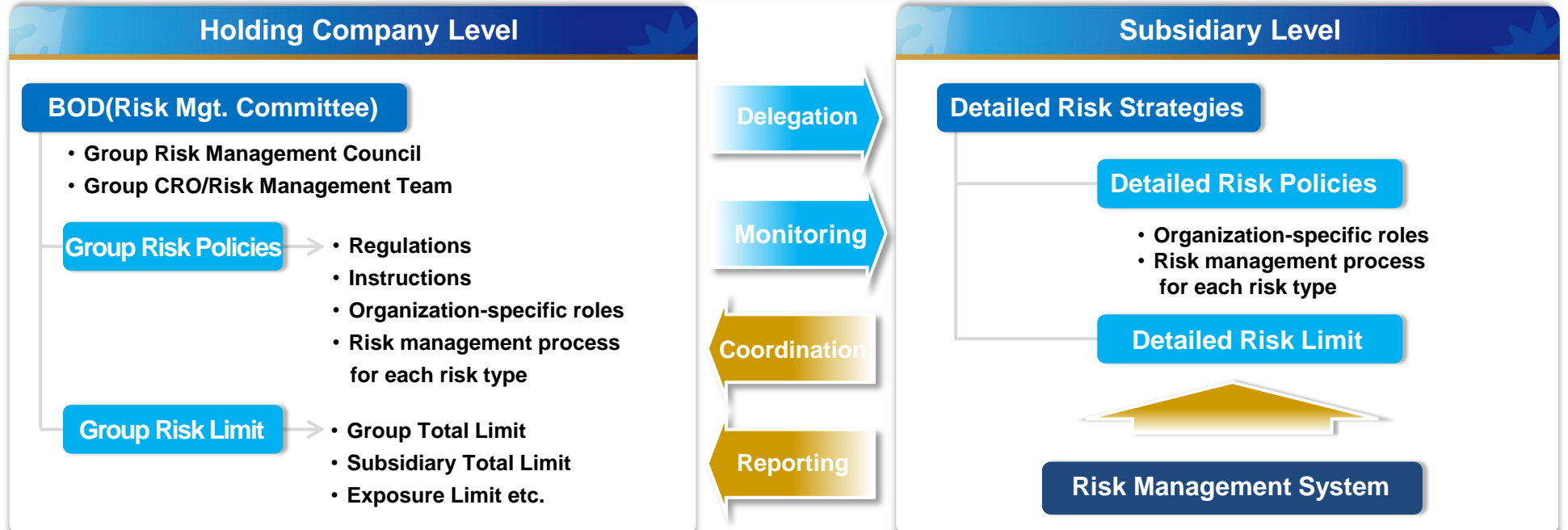
Ownership

We take the initiative in our work with a strong sense of responsibility as we believe our organization's growth is closely in line with personal growth.

SFG Capability Risk Management



Shinhan's proactive risk management system has proved its effectiveness, evidenced by Shinhan's continuing surplus earnings with the exception of its first year net loss in 1982. Weathering through several difficulties such as the Asian Financial Crisis of 1997 and credit card bubble in 2003, risk management system of Shinhan was the key contributor to the strong and stable growth of SFG.



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

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

SFG Capability Synergy Creation



SFG's synergy activities involves collaboration of business marketing and pooling of core assets between group subsidiaries to boost their respective performances and, at the same time, contributing collectively to the group. Creating synergy within and among the well-diversified business platform with economy of scale is the core competitive advantage that differentiates SFG from industry peers.

SFG Synergy Network

	Shinhan Bank	Shinhan Card	Shinhan Investment	Shinhan Life	BNPP Asset Mgt.	Shinhan Capital	...
1	Share Customer Data						
2	Provide Synergy Product						
3	Offer Hybrid Product						
4	Co-marketing / Co-location of Branches						
5	Share Customer Privilege Service						

Synergy Creation Activities

- Enhancing Group-wide CRM
- 29 million of Group customers (16 million of overlapping customers)
- Utilizing bank branches as distribution channels
- Credit cards, mutual funds and Bankassurances etc.
- Joint development and sales of financial products tailed to specific customer needs
- FNA accounts, S-MORE point accounts etc.
- Joint Marketing and channel sharing
- Bank-Brokerage co-location / Branch In Branch
- Provide customer services as "One Firm" (Tops mileage points)
- Prestige customers service (Customer service ranking will be applied group-wide.)

SFG Capability PWM & CIB



PWM & CIB Group, which seek to promote close cooperation between Shinhan Bank and Shinhan Investment, were introduced to provide more systematic and further segmented financial services to the Group's individual and corporate customers

Private Wealth Management(PWM)

SHB↔ SH Invest Coop.

SHB/SH Invest's Separate Model



Transformation of the model into actual cooperation based on co-location

3-Layer Customer Group

Classification of Asset Holders into 3 Layers

Ultra High Net Worth
High Net Worth
Affluent

Introducing differentiating Biz Model for each Layer of customers

SHINHAN PWM

IPS Division

Investment Product & Service

Developing and providing professional comprehensive asset management solutions across the group

PWM↔Retail Coop.

PWM Center ↔ Retail Branch

Cooperation between PWM Centers and Retail Branches which provide customer management and asset management services

Corporate & Investment Banking (CIB)

Combine

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

SHINHAN CIB

Cooperate

SHB & SH Invest. will provide products/services to corporate customers as one

Grow

Secure professionalism on par with Global IB's in terms of financial solutions so as to promote customer's growth and development

I. Shinhan Financial Group

3. Financial Highlights

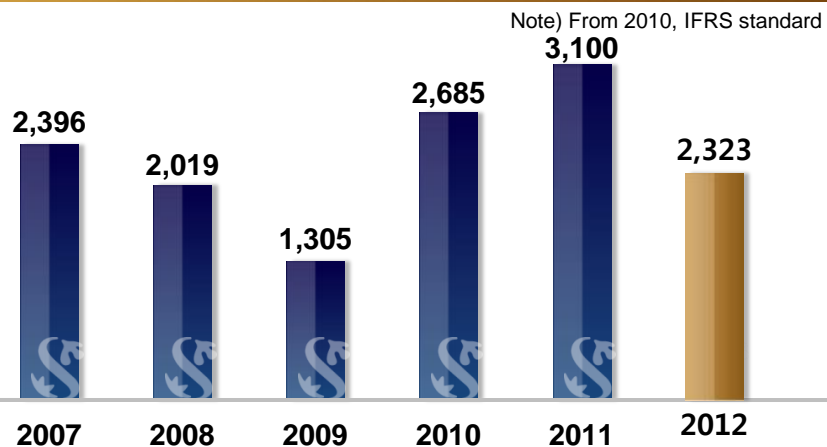


SFG Key Financials

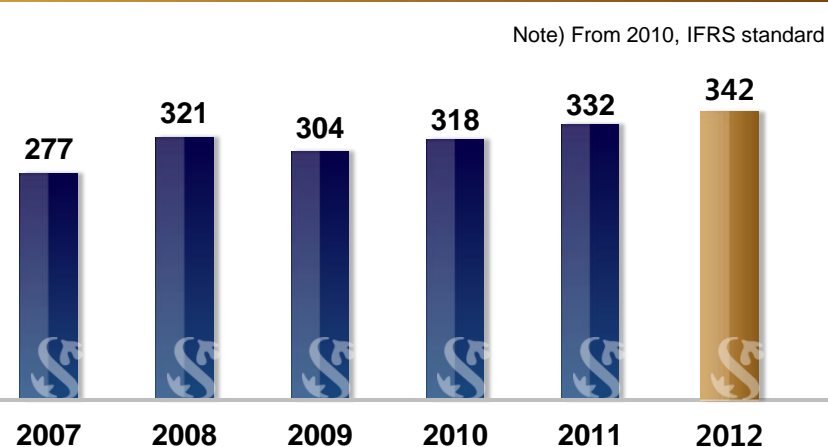
Financial Highlights



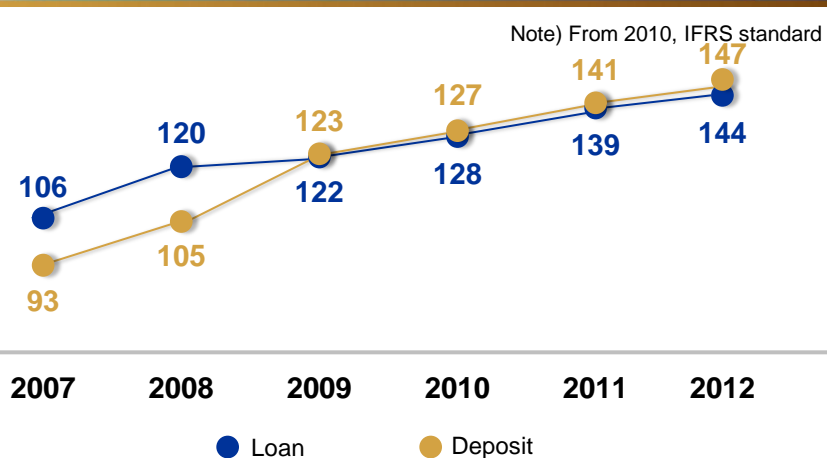
Group Consolidated Net Income (KRW billion)



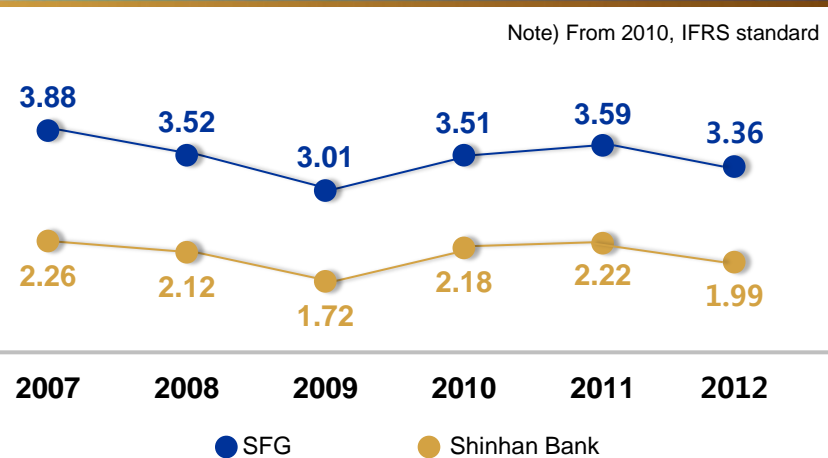
Total Assets (KRW trillion)



Loans and Deposits of SHB (KRW trillion)



Net Interest Margin (NIM) (%)



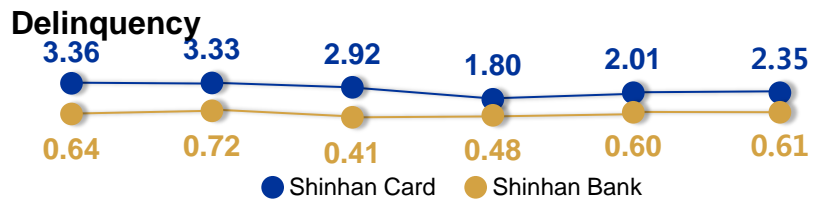
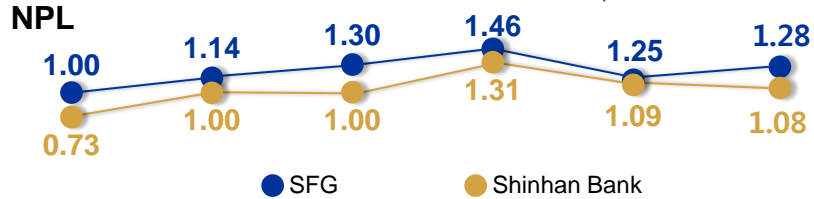
SFG Key Financials

Financial Highlights

NPL and Delinquency (%)

(%)

Note) From 2010, IFRS standard

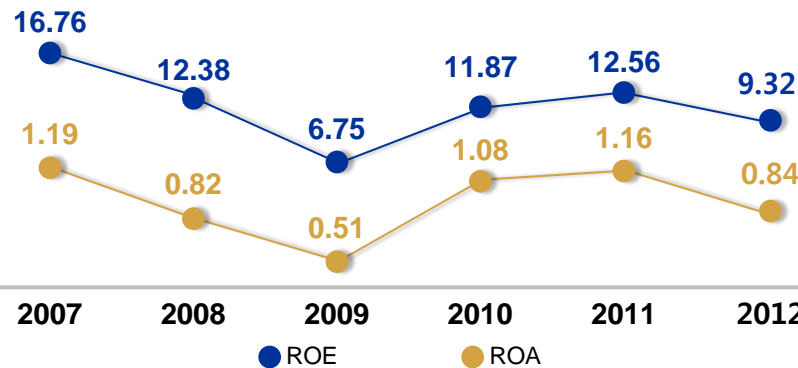


2007 2008 2009 2010 2011 2012

ROA / ROE (%)

(%)

Note) From 2010, IFRS standard

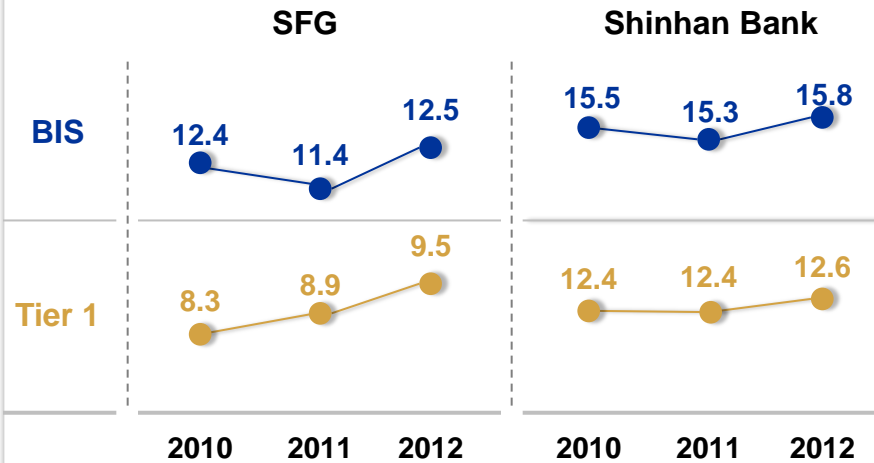


2007 2008 2009 2010 2011 2012

Capital Adequacy (%)

(%)

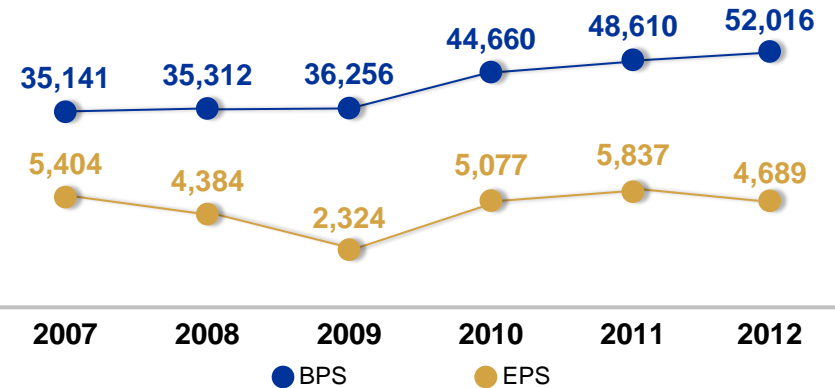
Note) From 2010, IFRS standard



BPS / EPS (KRW)

(KRW)

Note) From 2010, IFRS standard



2007 2008 2009 2010 2011 2012

II. Companies in the Group

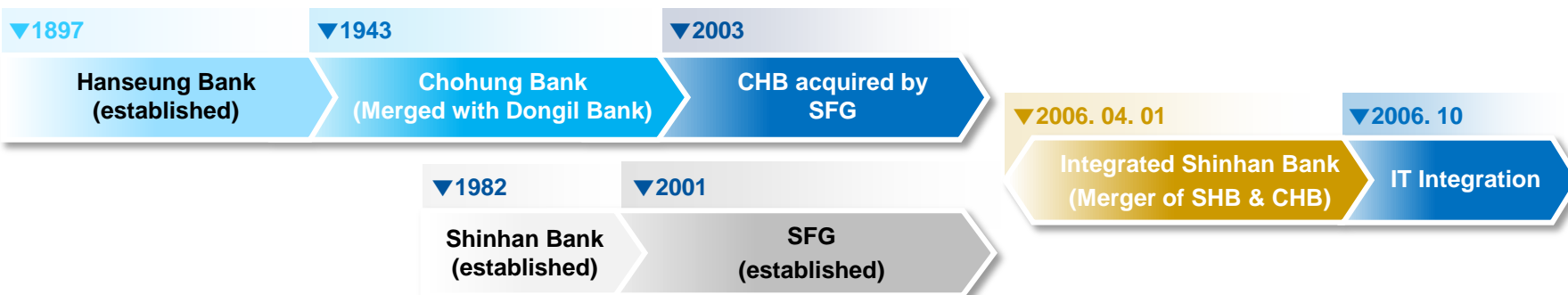
1. Shinhan Bank



Shinhan Bank Company Overview



Shinhan Bank's Key milestones



Corporate Profile

(as of Dec. 31, 2012)

Shinhan Bank is the flagship company of Shinhan Financial Group.

- Total Assets (including trust account): KRW 256 trillion
- Net Income for 2012: KRW 1,656.8 billion (1st among peers)

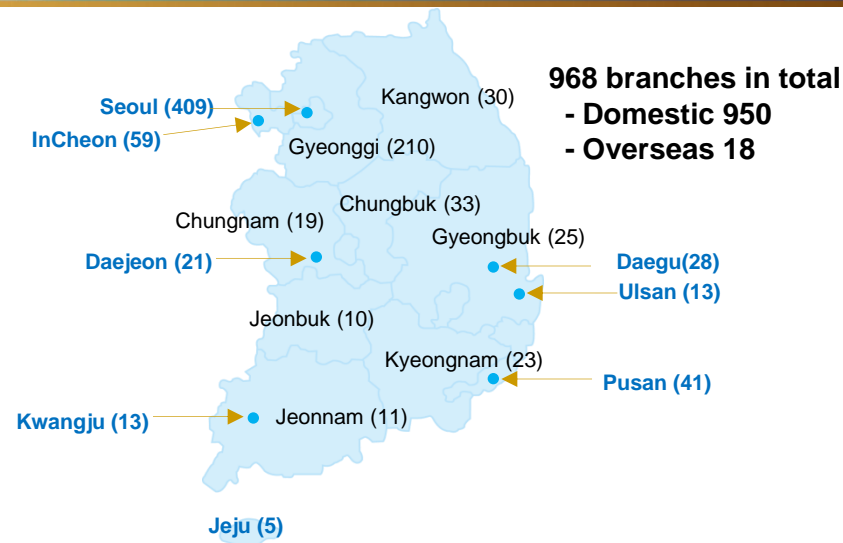
Note ¹⁾ Total Assets : Banking Account + Merchant Banking Account + Trust Account

²⁾ Net Income derived on consolidated bases

Rating Agency	F/C LT Debt Rating
MOODY'S	A1 (Stable)
S&P	A (Stable)
FITCH RATINGS	A (Stable)

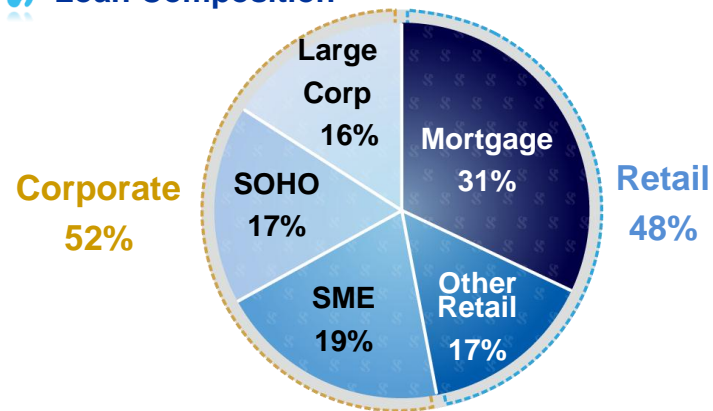
Nation-wide Channel

(as of Dec. 31, 2012)



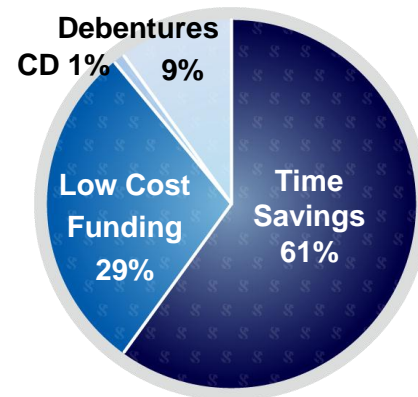
Balanced Loan Portfolio

Loan Composition



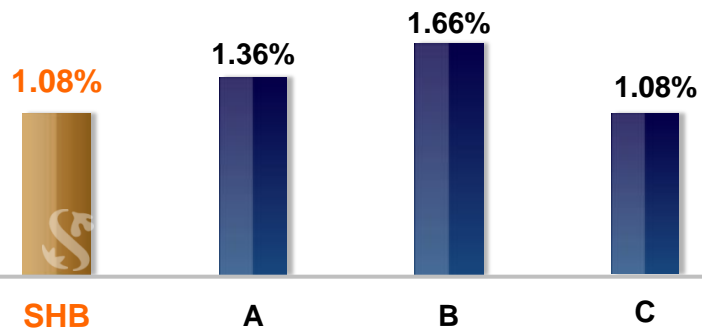
Stable Funding Base

Funding Composition



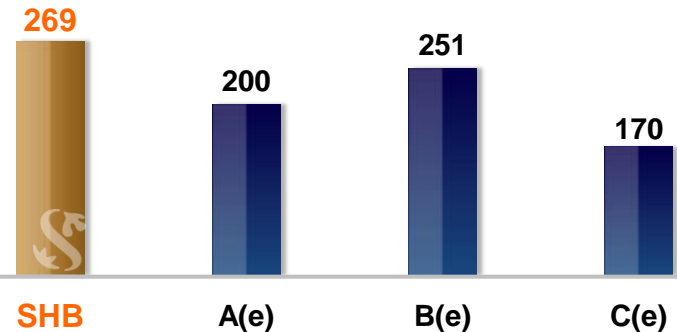
Outstanding Risk Management (%)

NPL Ratio



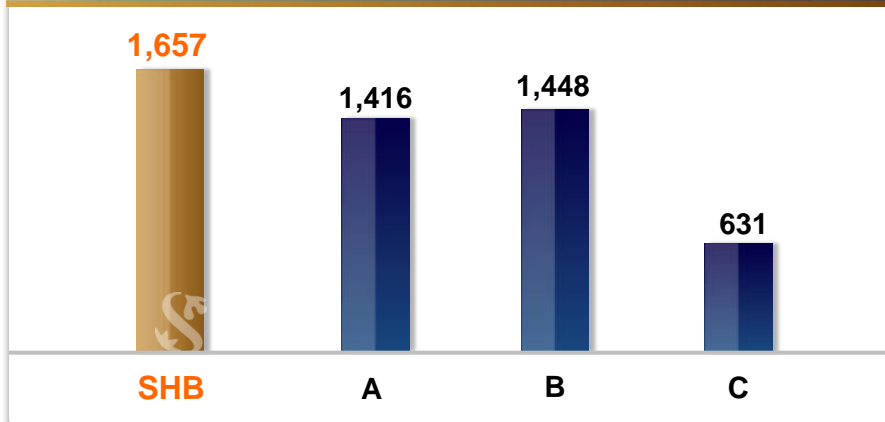
High Per Capita Productivity (KRW million)

Per Capita Pre-provisioning Income



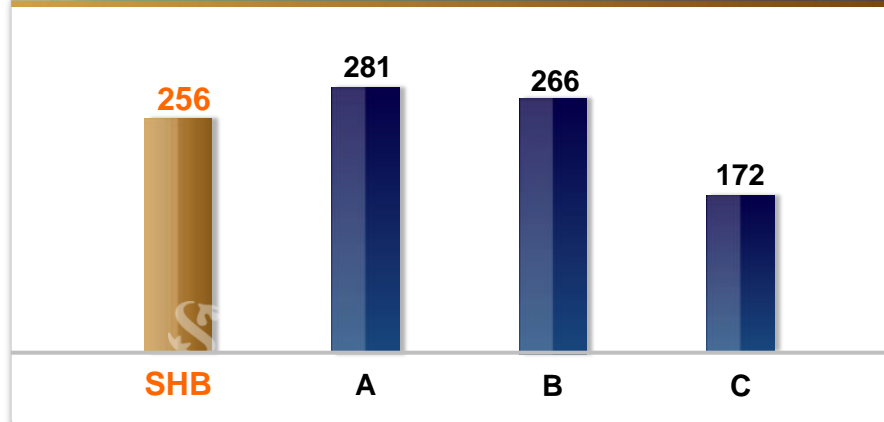
Net Income

(KRW billion)



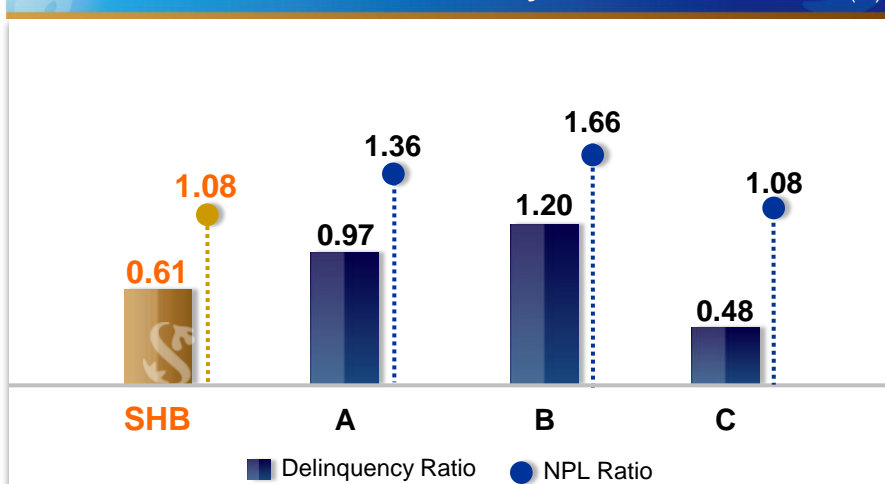
Total Assets

(KRW trillion)



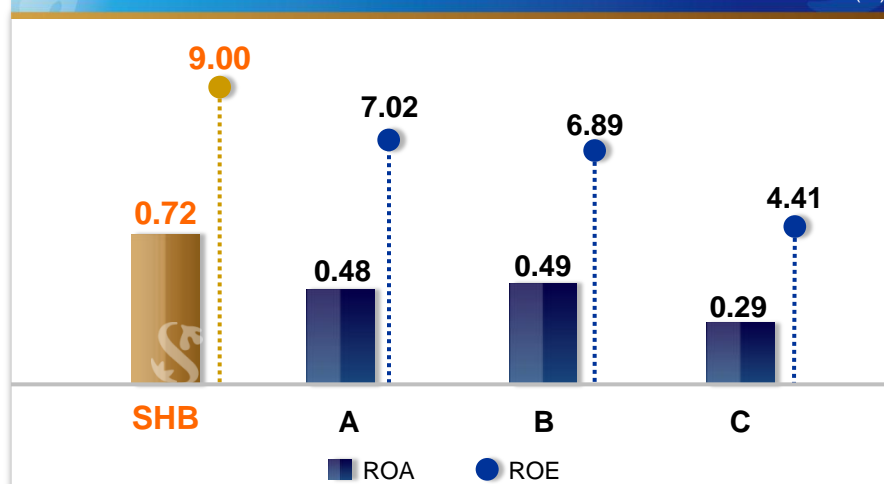
Asset Quality

(%)

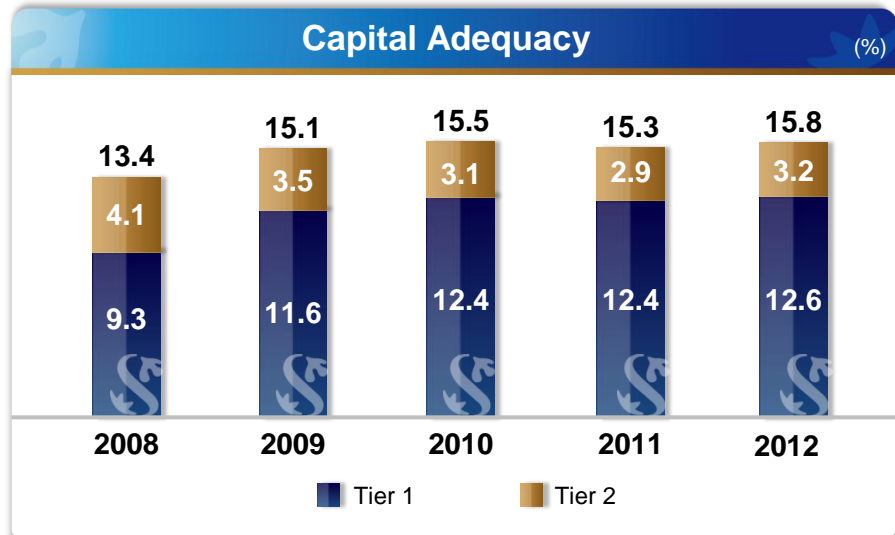
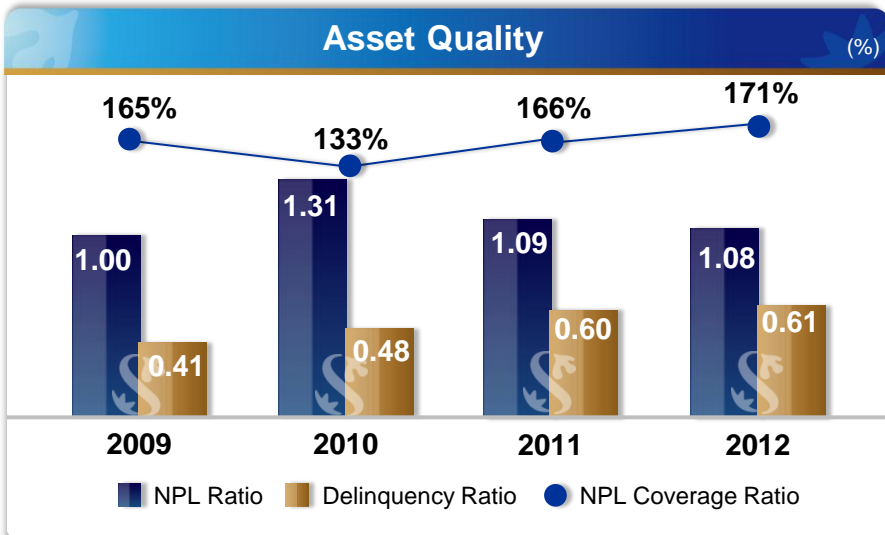
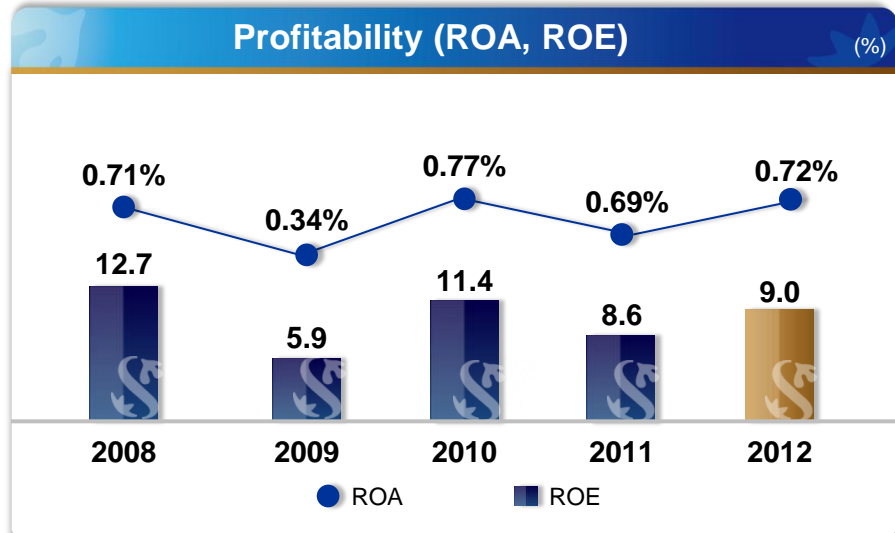
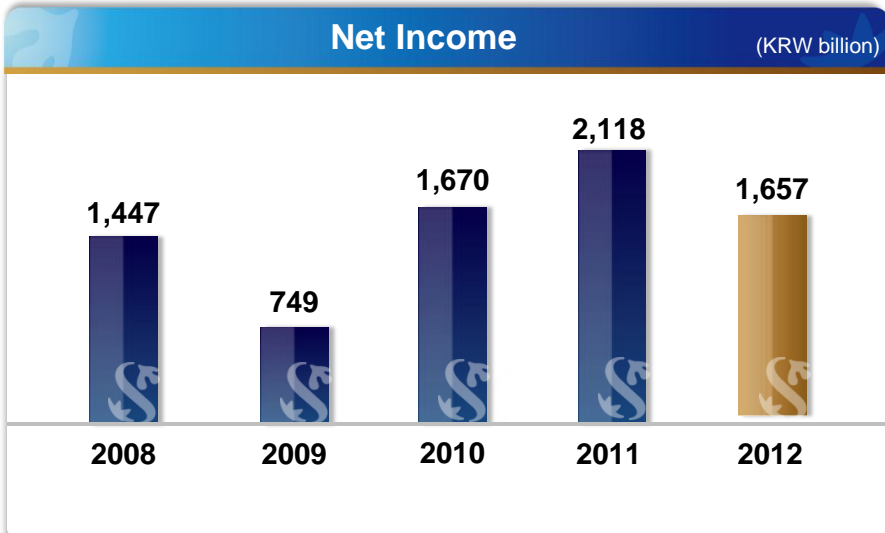


ROA/ROE

(%)



Shinhan Bank Financial Highlights



II. Companies in the Group

2. Shinhan Card



Shinhan Card Company Overview



Shinhan Card's Corporate Milestone

- | | | | | | | | | |
|--|---|---|---|---|--|---|---|--|
| ● 1987
Received approval for credit card biz | ● June 2002
Former SHC spun-off from Shinhan Bank | ● Jan. 2004
LG Card separated from LG Group | ● April 2006.
Chohung Card merged with former SHC | ● Dec. 2006
SFG signed MOU on LG Card acquisition | ● Mar. 2007
LG Card became a subsidiary of SFG | ● Oct. 2007
Integration of LG Card and former SHC | ● Aug ~ Dec. 2008
August: IT integration
December: Integration of Labor Unions | ● Oct. 2012
Open Next Generation IT System |
|--|---|---|---|---|--|---|---|--|

Incorporation of LG Card and former Shinhan Card

Expansion of Business

LG Card Acquisition

Integrated Growth Platform

Number 1 Credit Card Company in Korea

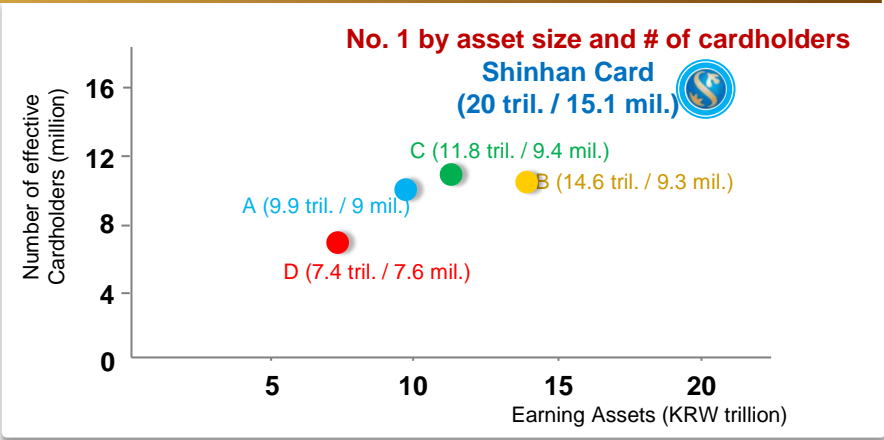
Shinhan Card is the No. 1 credit card company in Korea which encompasses the strengths of both the credit card division of a bank as well as an independent credit card company.



Shinhan Card Market Position



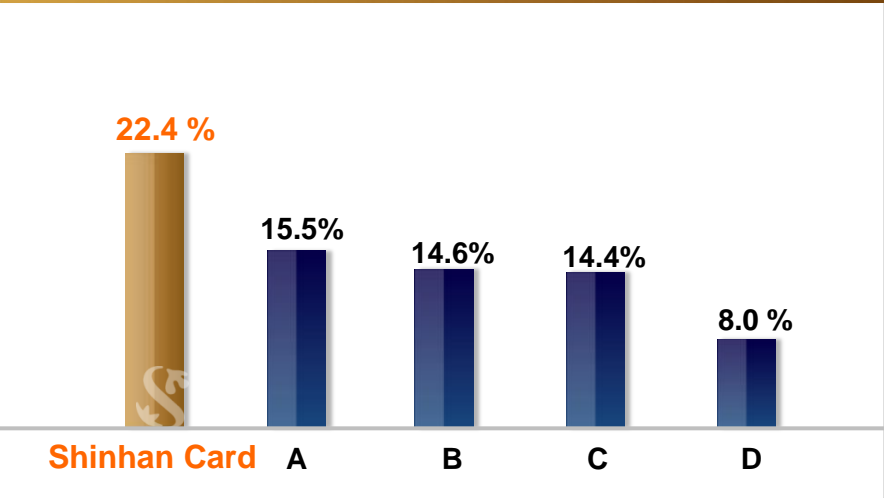
Earning Assets and Cardholders (As of Dec. 31, 2012)



Credit Rating (As of Dec. 31, 2012)

	Shinhan Card	A	B	C
Domestic	AA+	AA+	AA+	AA
S&P	BBB+	BBB	-	-
Fitch	A-	BBB+	-	-

Market Share by Credit Purchase Volume (As of Dec. 31, 2012)



Bona fide No.1 credit card company in Korea



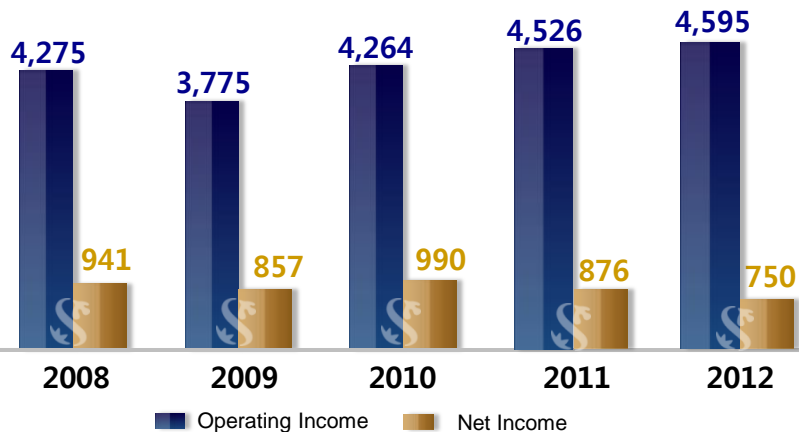
Point Plus, received 'Stevie Awards' (IBA) Gold Medals in 4 sections (Aug.23, '12)

Shinhan Card

Financial Highlights

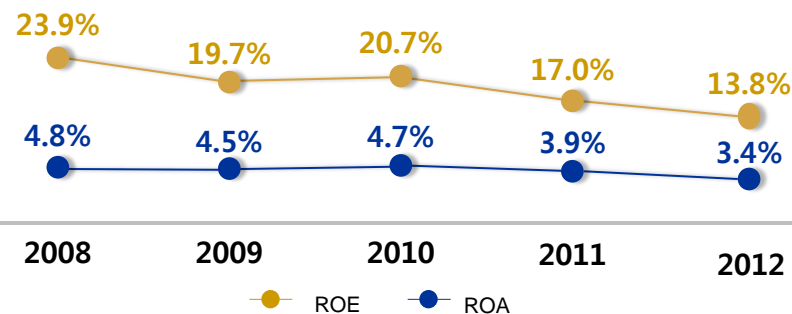


Operating Revenue & Net Income (KRW billion)

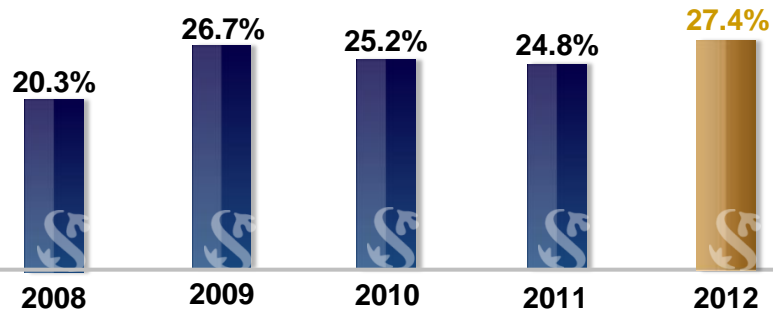


1) From 2010, IFRS Standard

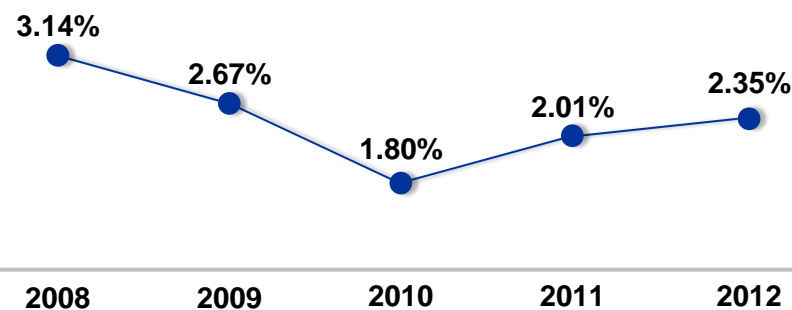
ROA, ROE



Adjusted Equity Capital Ratio



Delinquency Ratio ¹⁾



1) 1 month and over delinquent

II. Companies in the Group

3. Shinhan Investment Corp.



Shinhan Investment Corp. Company Overview

Key Milestones

~2001

- 1973 Incorporation of Hyosung Securities
- 1983 Renamed to Ssangyoung Securities
- 1999 Renamed to Good Morning Securities

2002

- SFG acquired a 31.7% share of Good Morning Securities and subsequently, Good Morning Securities was merged with Shinhan Securities and renamed to Good Morning Shinhan Securities ("GMSH")
- As of December 31, 2002, following the foregoing transactions, SFG effectively owned 60.5% of GMSH

2003

- Obtained licenses for OTC derivative trading and discretionary investment management
- Opened a first BIB (a branch collocated with a Shinhan Bank's Branch)

2004

- SFG acquired the remaining shares of GMSH

2005

- Registered for retirement pension business, and obtained license for trust business
- Opened on-line shopping mall for financial products

2007

- Jan./ May Paid in capital increase of KRW 500 billion
- May Overseas subsidiary in Hong Kong incorporated

2009

- Aug. Changed the company's name to 'Shinhan Investment Corporation'
- Dec. Opened Tokyo office

2010

- June. Opened Ho Chi Minh office

2011

- Strategic Alliance with PSI Securities in Vietnam

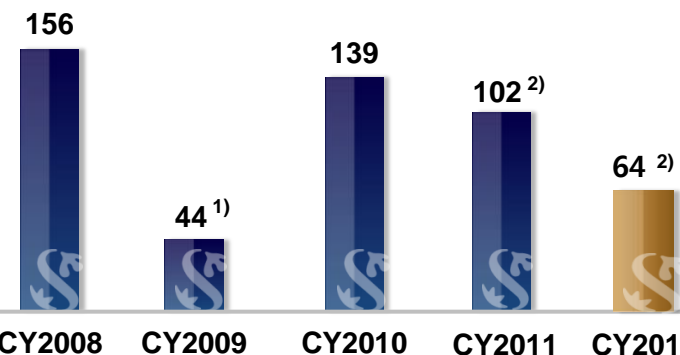
2012

- 19th of April, The day of vision 2015 declaration

Net Income Trend

(KRW billion)

Net Income



Note ¹⁾ Net income decreased due to large provisioning against PF loans
²⁾ CY2011, 2012 IFRS Standard

Year	Total Assets (KRW billion)	Total Equity (KRW billion)	No. of Branches ¹⁾	No of Customers (thousands)
2007	6,686	1,584	83	1,362
2008	7,316	1,710	87	1,479
2009	7,552	1,766	86	1,596
2010	9,540	1,898	88	1,714
2011	12,166	2,118	89	1,810
2012	16,465	2,178	91	1,926

Note ¹⁾ Excluding branches collocated within Shinhan Bank branches but, PWM branches included

Industry Overview

(KRW trillion)

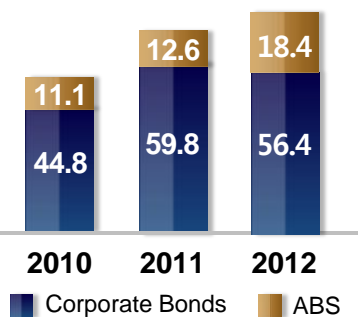
Securities Market

* Source: KRX

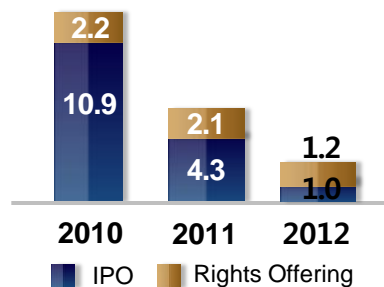


Capital Market

1) DCM



2) ECM



Market Position

Market Share for Brokerage Business

	CY 2010		CY 2011		CY 2012	
Equities	5.4%	(4)	4.4%	(9)	4.9%	(5)
Futures	7.4%	(2)	8.4%	(1)	6.7%	(1)
Options	6.5%	(2)	6.0%	(2)	4.9%	(4)

* () represents the ranking in the industry

Ranking of IB Business

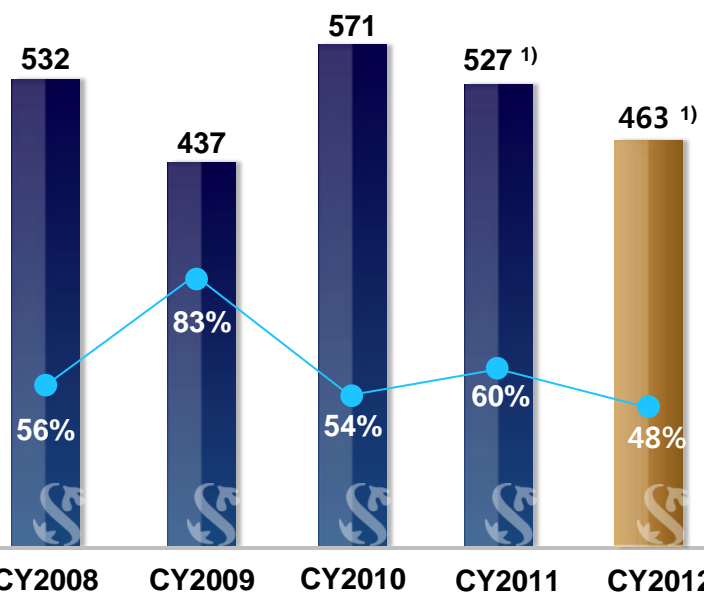
	CY 2010	CY 2011	CY 2012
IPO	(2)	(7)	(8)
Corporate Bonds	(4)	(5)	(4)
ABS	(5)	(10)	(8)

* Source: The Bell

Shinhan Investment Corp. Operation & Strategies

Operating Revenue Trend

(KRW billion)



1) IFRS Standard

- Operating Revenue
- % of Securities Brokerage Commission

Business Strategy

Business Line Focus

Retail/WM

Strengthening the structure of asset operations and seeking discriminatory online opportunities

- Heightening the market expertise of staff handling retail business
- Strengthening asset operations support function for retail channels
- Introducing a customer centered assessment system embracing the concept of profit for the customer

Wholesale

Extending business scope strengthening cooperation in synergies

- Operating a dual business structure scheme to support the promotion of competitiveness in the corporate business operations
- Maximizing captive synergies on a win-win basis with fellow subsidiaries
- Cultivating new sales channels by the strengthening of collaboration with CIB RM

Trading

Strengthening capabilities for delivering and operating products

- Building up expertise through the divided operation of Sales/Trading functions
- Strengthening research support framework to boost bond operational capacity and operational performance
- Establishing financial engineering team to enhance capacity in the structuring and in stock derivatives

IB

Early bedding down and operation of the CIB business model

- Successful bedding down of a joint customer cooperation framework between the bank and the Brokerage.
- Maximizing expertise and competencies through the construction of a 'bank/brokerage corp. Duo RM' scheme
- Full line-up of PM functions on the basis of the co-location of the bank and investment corp. headquarters

II. Companies in the Group

4. Shinhan Life Insurance



Shinhan Life Insurance Overview



Key Milestones

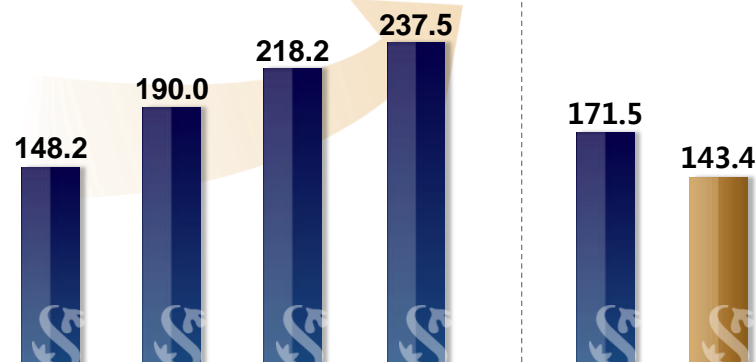
- 1990**
 - Jan. Shinhan Life Insurance established (Paid-in Capital KRW 10 billion)
 - March Open for business
- 1997**
 - Jan. Tele-marketing initiated
- 2001**
 - Feb. Nominated as a successful company by Seoul National Univ., Harvard Univ. and London Business School
- 2003**
 - Sep. Bancassurance initiated
 - Oct. First to develop and introduce Children CI insurance
- 2005**
 - Dec. Joined SFG as a subsidiary
- 2006**
 - July, Launched Financial Full-service named as "TopsClub" for the first time in the industry
- 2007**
 - Oct, Launched automated insurance payment service for the first time in the industry
- 2010**
 - April Announced corporate vision at 20th anniversary of incorporation
- 2012**
 - May, Rated AAA for solvency for five consecutive years.
 - Nov., Awarded Grand Prize for Insurancecorp. by the Herald Business

Net Income Trend

(KRW billion)

Net Income

FY2008 - FY2011 CAGR = 17.0%



FY2008 FY2009 FY2010 FY2011 3Q FY11 3Q FY12

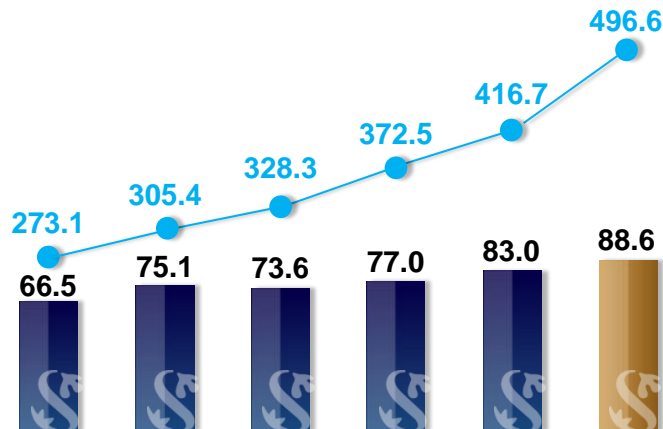
(KRW billions)	FY2009	FY2010	FY2011	3Q FY12
Distributors¹⁾	9,889	8,519	9,325	11,631
YoY(%)	9.3	-13.9	9.5	25.2
Insurance Premium²⁾	3,149	3,925	4,210	3,823
YoY(%)	14.2	24.6	7.3	25.1
Total Assets	10,437	12,571	14,682	16,942
YoY(%)	18.4	20.4	16.8	21.2

1) Includes financial planners and agents

2) Includes separate accounts

Industry Overview

(KRW trillion)



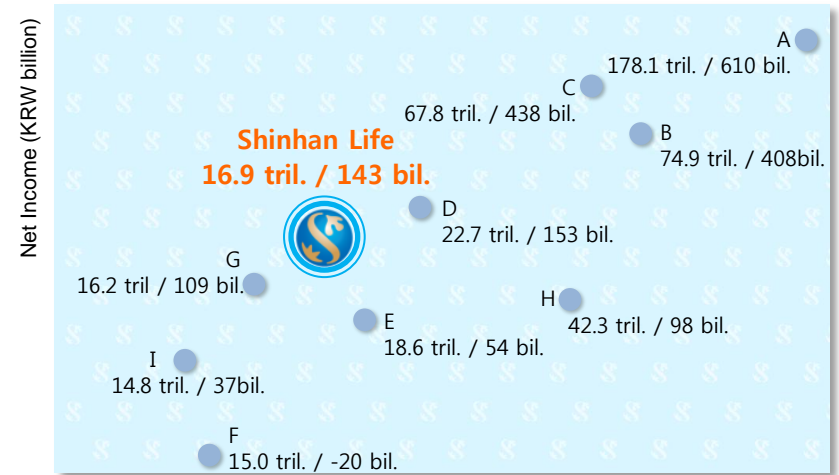
FY2006 FY2007 FY2008 FY2009 FY2010 FY2011

● Total Assets (Left) ■ Insurance Premium (Right)

Note) Fiscal Year basis

- The recovery of real economy after the global crisis resulted in, increase of insurance premium by 6.7% YoY mostly due to the growth of savings products such as pensions.
- Total assets increased 19.2% YoY on the back of growing insurance premiums thanks to increasing sales of variable insurance products.

Market Position



Notes) Total Assets as of Dec. 31, 2012, and Net income for the 9 months ended on Dec. 31, 2012

* Source : Korea Life Insurance statistics, Top 10 based on total assets

- Total assets of Shinhan Life increased 21.2% YoY marking 16.9 tril. as of Dec. 31, 2012 (7th largest among 24 peers)
- Net income for 3Q FY2012 marked KRW 143 billion (6th among peers)
→ Net income has been decreased YoY with overall industry suffering from the low interest rate environment.

Shinhan Life Insurance Financial Highlights

Condensed Income Statements

(KRW billion)		FY2009	FY2010	FY2011	3Q FY12
Insurance	Insurance Margin	826.3	1,460.4	1,551.8	1,636.2
	Premium Income	2,668.3	3,469.4	3,607.5	3,403.7
	Claims Paid	1,842.0	2,009.0	2,055.7	1,767.5
Net Investment Income		445.4	534.1	618.8	504.5
Policy Reserve (△)		1,056.3	1,745.0	1,901.1	1,993.9
Operating Income		215.4	249.5	269.5	146.8
Non-operating Income		26.4	37.7	40.2	33.4
Net Income before tax		241.8	287.2	309.7	180.2
Net Income		190.0	218.2	237.5	143.4

Policies in Force

(KRW billion, %)		FY2011	%	3Q FY12	%
General Account	Individual Insurance	86,249.9	99.0	92,707.5	98.9
	Pure Endowment	9,021.9	10.4	9,619.7	10.3
	Against Death	64,858.2	74.5	68,314.0	72.9
	Endowment	12,369.8	14.1	14,773.9	15.7
	Group Insurance	660.8	0.8	810.9	0.9
	Sub total	86,910.7	99.8	93,518.4	99.8
Separated Account		203.3	0.2	194.7	0.2
Total		87,114.0	100.0	93,713.1	100.0

Condensed Balance Sheets

(KRW billion)		FY2009	FY2010	FY2011	3Q FY12
General Accounts	Cash & Equivalents	264.1	775.1	864.3	1,510.8
	Securities	4,807.4	6,141.9	6,647.4	7,264.8
	Loans	2,612.8	2,526.5	3,059.4	3,581.0
	Others	1,183.2	1,338.3	2,331.7	2,689.2
Separated Account		1,569.6	1,788.9	1,779.2	1,896.2
Total Assets		10,437.1	12,570.7	14,682.0	16,942.0

Key Financials ¹⁾

(%)	FY2009	FY2010	FY2011	3Q FY12
Solvency Ratio	306.2(7)	361.4(6)	309.0(6)	287.7(7)
ROA ²⁾	3.39(2)	1.90(2)	1.70(2)	1.21(2)
ROE ²⁾	28.07(1)	22.60(1)	20.70(1)	14.99(1)

Note 1) Figures in the parenthesis indicate the rank in terms of asset size among insurance firm with over KRW 10 tril. of assets.

2) For ROA and ROE, the Asset and the Equity are calculated by the sum of beginning and ending balances of each period divided by 2.

II. Companies in the Group

5. Shinhan BNP Paribas Asset Management



Shinhan BNP Paribas Asset Management Corporate Overview



Your Investment Partner, Shinhan BNPP AM

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

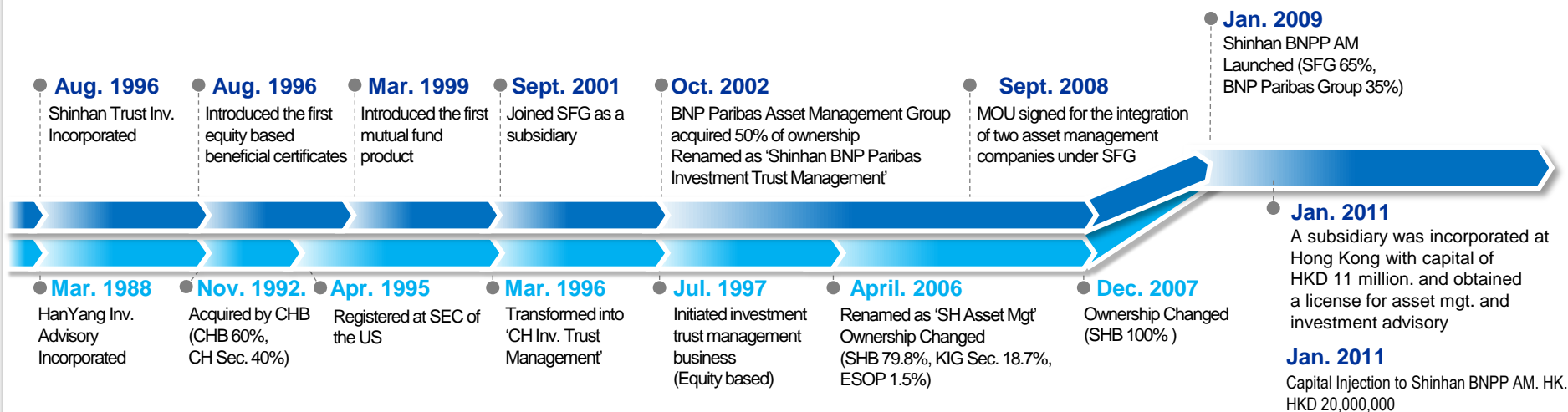
We are trying our very best to pursue our utmost goal of 'customer satisfaction' on the back of global standard investment know-how, efficient system and the best crew in our investment team.

Overview

(as of Dec. 31, 2012)

- **Incorporation** : August 26, 1996
- **Paid-in Capital** : KRW 75.4 billion
- **Employees** : 189
- **Major Shareholders** : SFG(65%), BNPP IP (35%)
- **AUM** : KRW 33.1 trillion (including discretionary accounts)

Key Milestone of Shinhan BNP Paribas Asset Management

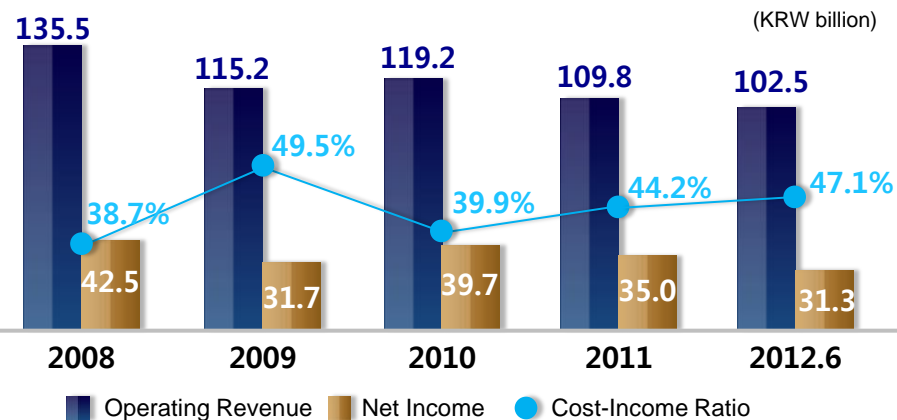


Shinhan BNP Paribas Asset Management Financial Highlights & Market Position



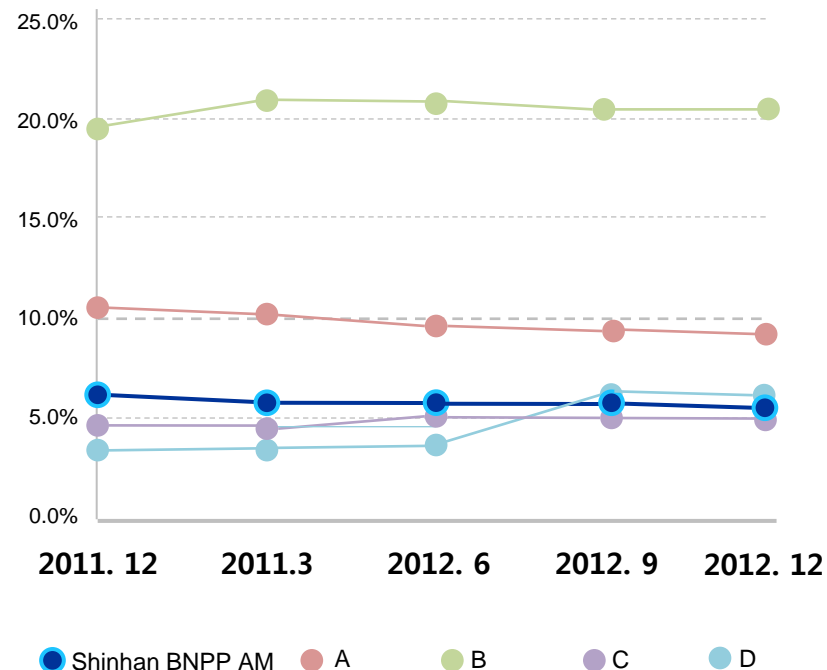
Financial Highlights

(KRW Billion)	CY 2008	CY 2009	CY 2010	CY 2011	CY 2012
Condensed IS					
Operating Revenue	135.5	115.2	119.2	109.8	102.5
Operating Expense	76.1	71.6	65.5	61.7	59.2
SG&A	37.5	42.8	35.7	38.2	38.6
Operating Income	59.4	43.6	53.7	48.1	43.3
Net Income	42.5	31.7	39.7	35.0	31.3
Condensed BS					
Total Asset	180.8	168.0	172.1	170.7	168.9
Total Equity	131.6	140.9	147.2	146.3	145.7
Key Financial Indications					
ROE	29.94%	23.28%	27.59%	23.89%	21.44%
ROA	23.04%	18.18%	23.38%	20.45%	18.43%
Cost-Income Ratio	38.74%	49.54%	39.93%	44.26%	47.13%



Market Position

Market Share
(including discretionary account)



IV. Companies in the Group

6. Shinhan Capital



Shinhan Capital Corporate Overview



Profile

Overview

- **Incorporation Date** : April 19, 1991
- **Shareholders' Equity** : KRW 486 billion
(Paid in Capital: KRW 180 billion)
- **Major Shareholders** : SFG owns 100% of Shinhan Capital
- **Total Assets** : KRW 3.5 trillion
- **Credit Ratings** : AA-
- **Networks** : Headquarter (Ansan) /
Branches (Seoul, Kangnam, Pusan, Taejeon)

Business

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

Key Milestones

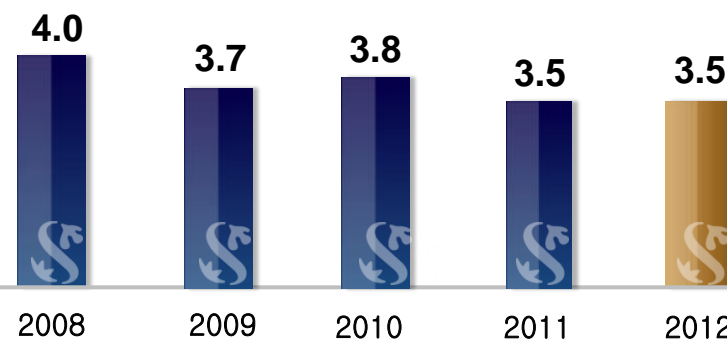
- 1991**
 - **May** Began operations
- 2005**
 - **Mar.** Rating upgrade (A → A+)
 - **Nov.** Selected as the fund of funds management company for SMBA
- 2006**
 - **Jan.** Gold prize awarded at the 15th Dasan Finance Award
 - **July** Relocation of Head Quarters
 - **Nov.** Rating upgrade (A+ → AA-)
- 2007**
 - **Mar.** Issued USD 80 mil. FRN
 - **Nov.** Opened Daejeon Branches (A+ → AA-)
 - **Nov.** Increased capital by KRW 100 billion
 - **Dec.** Assumed Shinhan Card's Corporate leasing assets
- 2008**
 - **Jan.** Announced DREAM2012 Plan
 - **Feb.** Funded USD 100 mil. of syndicated loans
 - **July** "Grand Prize "2008 Best Service Award"
- 2010**
 - **May** Selected as Investment Trust Management Agency for KoFC Fund to foster New Growth Driver Corporation
 - **July** Announced 2015 mid-to long term strategies
- 2011**
 - **Aug.** ISO27001 / BS10012 certificate awarded
- 2012**
 - **Oct.** ISP (Information Strategic Planning) Consulting
 - **Dec.** Opened Yoido Financial Center

Financial Highlights

(KRW billion)	2008	2009	2010	2011	2012
Condensed B/S					
Total Assets	4,007.7	3,652.0	3,734.7	3,518.3	3,526.2
Total Liabilities	3,643.7	3,253.8	3,288.3	3,037.9	3,053.9
Total Shareholders' Equity	364.0	398.2	446.5	480.4	472.3
(Paid in Capital)	180.0	180.0	180.0	180.0	180.0
Condensed P/L					
Operating Revenue	638.9	449.0	403.4	365.9	376.3
Operating Income	88.9	51.5	52.9	67.4	3.9
Net Income	66.1	38.4	40.1	51.1	4.7
Key Financial Indicators					
ROE	19.4%	10.1%	13.0%	11.0%	1.0%
ROA	1.9%	1.0%	1.5%	1.4%	0.1%
Capital Adequacy Ratio	11.8%	13.2%	14.2%	14.5%	15.0%
NPL ratio	1.2%	2.2%	2.4%	2.2%	3.0%

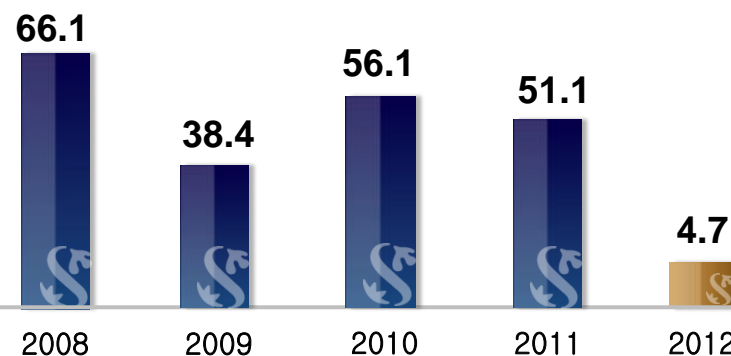
Total Assets

(KRW trillion)



Net Income

(KRW billion)





Business Scope

Lease Financing

Financing for purchase of medical equipment, heavy machinery, etc.

Ship Financing

Ship financing for small-to mid-size shipping lines

Real Estate Project Financing (PF)

Real estate PF, real estate PF-related collateralized loan, bridge loans, SOC investment and real estate funds

Investment Finance

► CRC

Corporate restructuring investments, investment in NPLs

► Venture Capital

Investment in and loans for venture firms, underwriting

► M&A Financing, Mezzanine Loan, M&A Consulting & Financial Advisory

Retail Finance

Mortgage products, auto leasing, installment loans, stock loans and home lease loans

Vision & Strategy

Best Partner, No 1. Capital!

Shinhan Capital's mid-to-long term corporate vision is 'No.1 credit-specialized financial company in Korea leading the financial market.' This vision is in line with SFG's vision of 'World Class Leading Financial Group' and its strategic objective of 'establishing Korea No. 1 (Local Best) Financial Brand' by 2015.

For the year 2011, we set our strategic objective as 'shift of a momentum for long term growth.' In this regard, we have been pursuing 4 core business strategies such as 'secure growth leadership, preemptive risk management, diversify marketing competitiveness, and raise organizational vitality.'

2015 Target

(KRW billion)	2011	2012	2015	CAGR
Total Asset	3,518.3	3,526.2	4,240.0	3.8%
Net Income	51.1	4.7	55.5	1.7%
ROA	1.41%	1.0%	1.3%	
No. of Employees	142	162	195	

Thank you

