



Compassionate Finance Sharing the Future

Shinhan Financial Group



Contents

I. Shinhan Financial Group

1. Overview & History
2. Shinhan Way & Core Capability
3. Financial Highlights

II. Companies in the Group

1. Shinhan Bank
2. Shinhan Card
3. Shinhan Investment Corp.
4. Shinhan Life Insurance
5. Shinhan BNPP Asset Management
6. Shinhan Capital
7. Jeju Bank
8. Shinhan Savings Bank
9. Shinhan Data System
10. Shinhan AITAS
11. Shinhan Credit Information
12. Shinhan Private Equity



I. Shinhan Financial Group

1. Overview & History





Korea # 1 Financial Institution

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



Successful M&A and Diversification

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



Thorough Risk Management

Maintaining sound asset qualities through preemptive and
proactive risk management



Compassionate Finance

Implementing the corporate mission of “Compassionate
Finance,” to grow hand in hand with our customers,
shareholders and community.



Compassionate Finance Sharing the Future



About SFG

SFG at a Glance

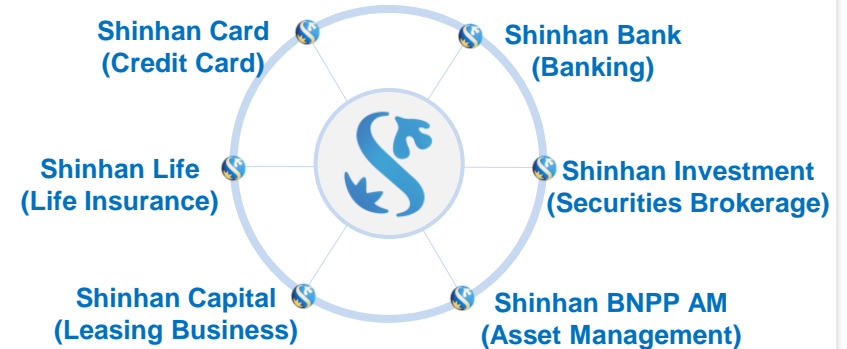
Overview (As of Dec 31, 2013)

- **Net Income : KRW 1.9 trillion (FY 2013)**
- **Total Consolidated Assets : KRW 311 trillion**
- **Total Market Cap: KRW 22.4 trillion (Dec, 31, 2013)**
- **ROA : 0.7%**
- **ROE : 7.2%**
- **13 direct subsidiaries, 18 indirect subsidiaries**
- **Number of Employees : 24,000**
- **Major Shareholders**
 - Korea National Pension Service 8.81%
 - BNP Paribas Group 5.35%
 - SFG ESOP 4.08%

As of Dec 31, 2013



Well-diversified Business Portfolio



Top 500 Banking Brands

| Bank Ranking | Company | Nationality |
|--------------|--------------------------------|--------------|
| 1 | Wells Fargo | US |
| 2 | HSBC | UK |
| 3 | Bank of America | US |
| 6 | ICBC | China |
| 43 | Shinhan Financial Group | Korea |
| 55 | DBS | Singapore |
| 61 | KB Financial Group | Korea |

* Source: The Banker (Feb. 2014)



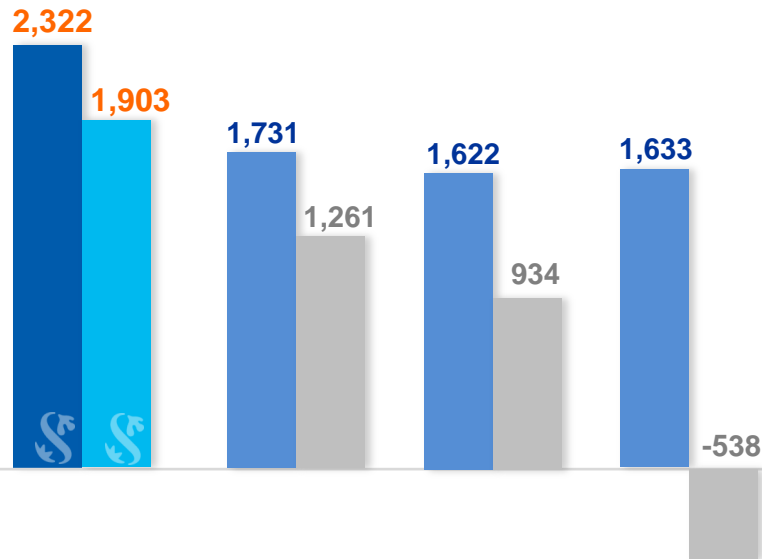
About SFG Market Position

Outstanding Profitability

● Net Income (FY2012/ FY2013)

(KRW billion)

■ FY2012
■ FY2013



SFG

A

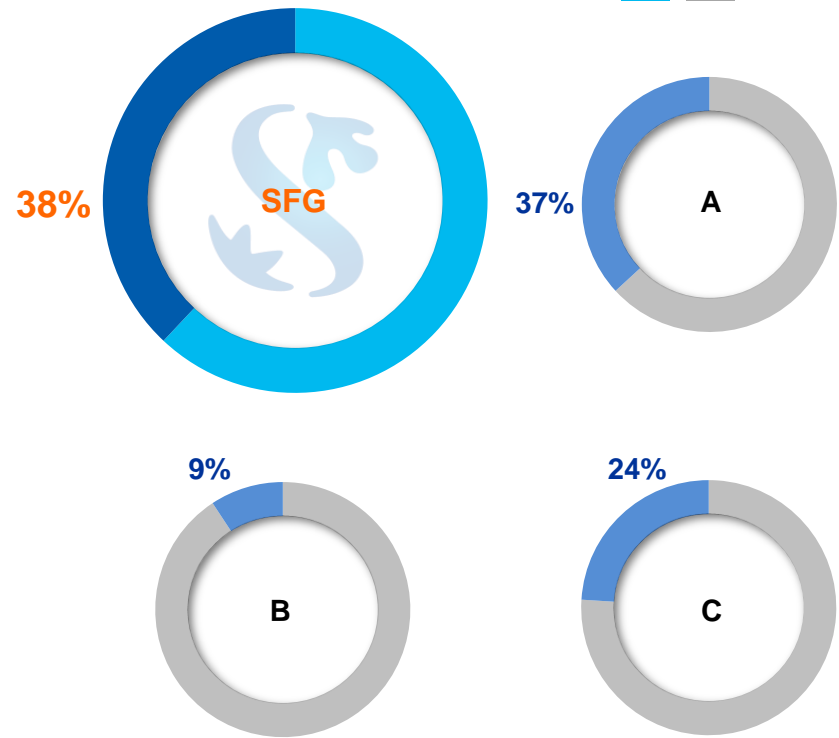
B

C

Diversified Profit Base

● Income Contribution of Non-bank Subsidiaries (FY2013)

■ Non-bank
■ Bank





About SFG

More than 100 Years of History

SHINHAN FINANCIAL GROUP

1982

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

Establishment of Shinhan Bank



2001

SFG was established in September immediately followed by a strategic alliance with BNP Paribas Group

Establishment of Shinhan Financial Group



2002

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

Launching Shinhan Investment



2005

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

Shinhan Life Insurance Joining the Group



2006

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

Integration of SHB and CHB



2007

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

Merger of Shinhan Card & LG Card

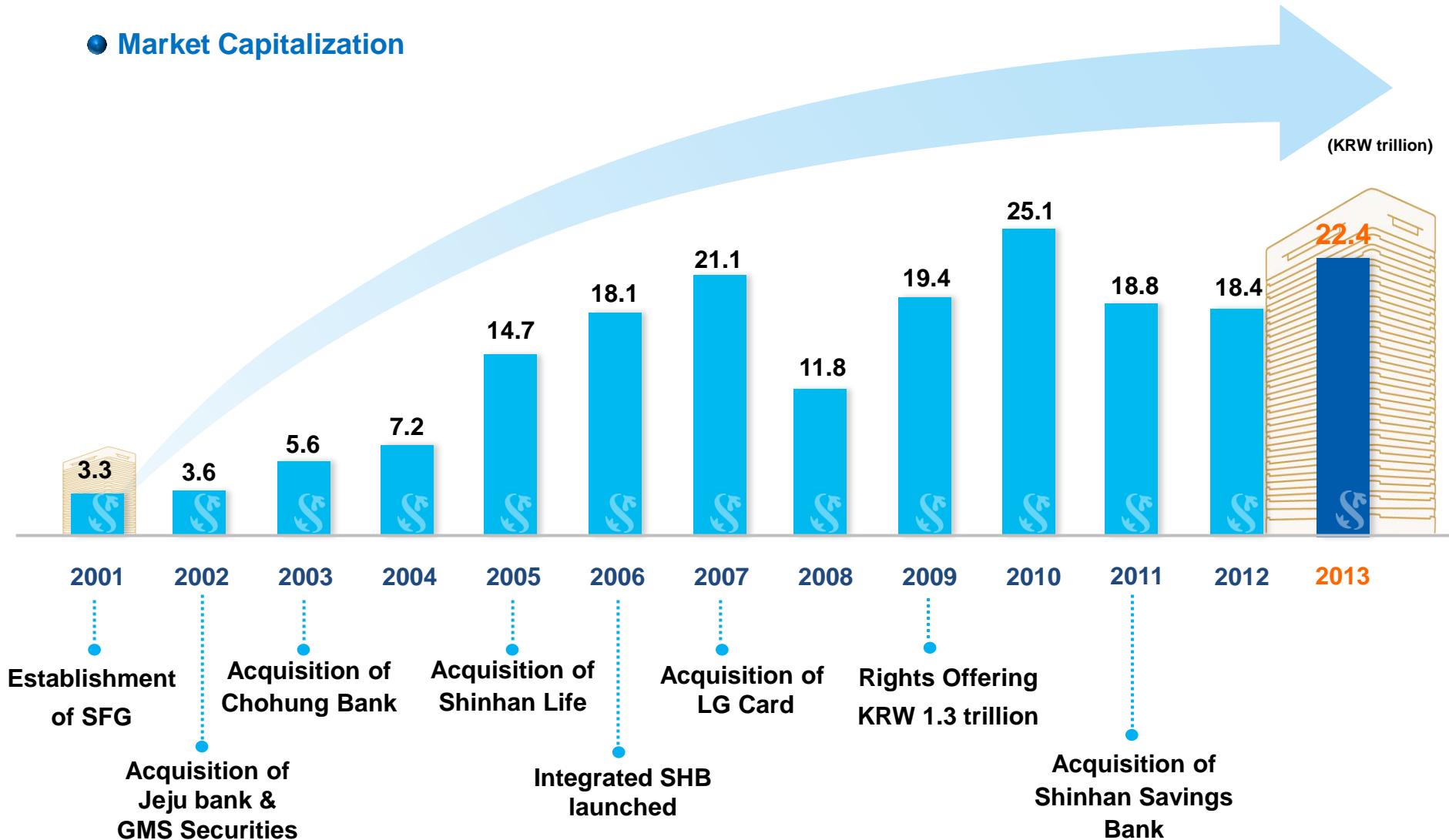




About SFG

Persistent Growth and M&A

● Market Capitalization

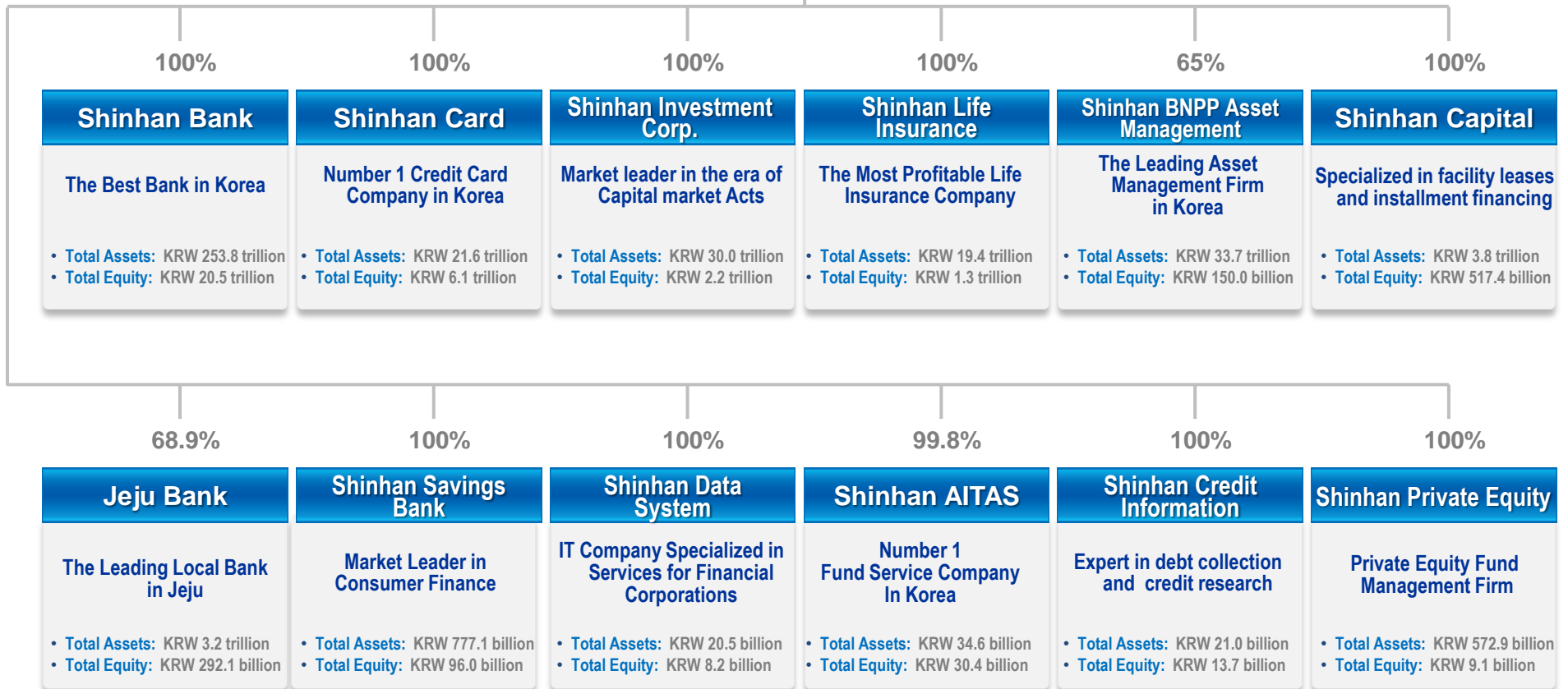




About SFG

How SFG is Organized

No. 1 Financial Group in Korea



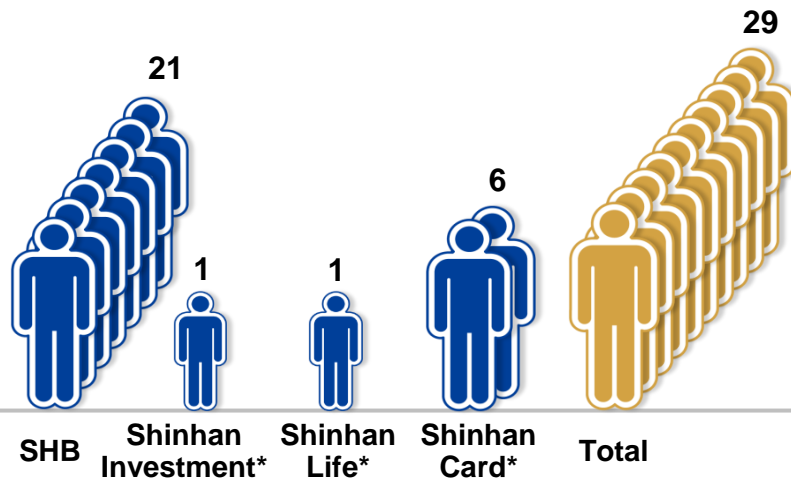


Customers



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

(million people)



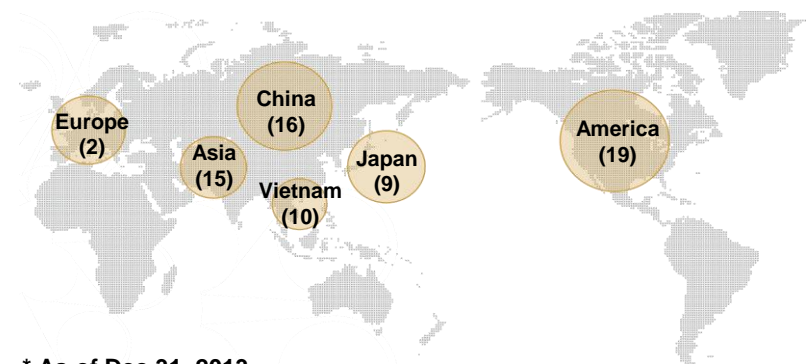
* Excluding overlapping customers (As of Dec 31, 2013)

Branch Networks

Domestic Network

| Company | # of Branches |
|--------------------------|---------------|
| Shinhan Bank | 943 |
| Shinhan Life Insurance | 218 |
| Shinhan Investment Corp. | 99 |
| Shinhan Card | 32 |
| Jeju Bank / Others | 74 |
| Total | 1,366 |

Global Network (71 Networks in 15 Countries)



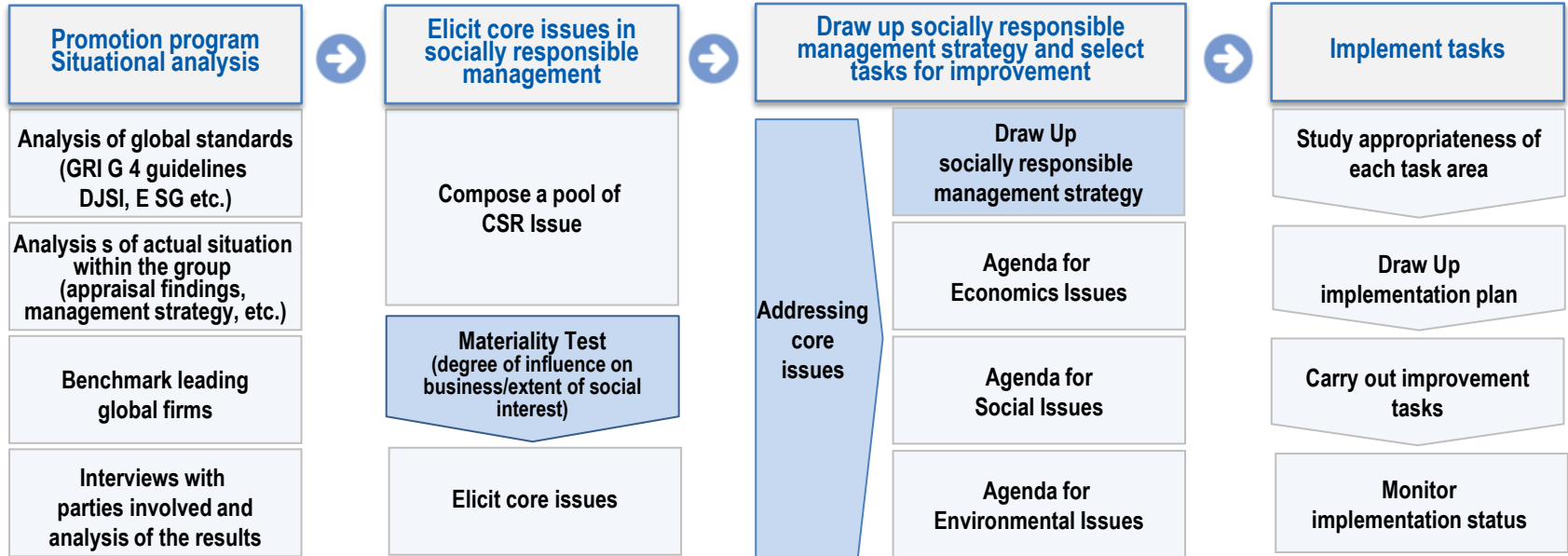
* As of Dec 31, 2013



About SFG Social Responsibility

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

Evaluation Process for Material Issues



Award/Certification



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



- Selected Two Years Running for Global 100 Announced at the Davos Forum
- (Ranked 30th, the Highest Ranking among All Korean Firms)



- The 2013 Corporate Governance Award Ceremony
- The only financial company to receive the Corporate Governance Award (Acquired A+ grade in evaluating ESG integration)



Shinhan Financial Group will continually establish the foundation for sustainable growth by having all of our employees work together to make our society a better place through our financial business

Management Strategy for Social Responsibility Management

Value Creation through Responsible Management



1 Strategy for the Economic Sphere

- I . Creation of customer value through customer oriented management and information protection
- II . Building confidence by strengthening ethical management
- III . exercising risk management taking key social and environmental factors into account

2 Strategy for the Social Sphere

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

3 Strategy for Environmental Sphere

- VIII . Develop environmentally friendly products and services
- IX . Use resources efficiently and reduce environmental footprint



(As of December 31, 2013)

Compassionate Finance

- Provide startup educations for 5,781 small business owners
- Provide preferential interest rates for customers who are experiencing temporary difficulties: KRW 34 billion
- Provide “New Hope Spore Loans” for customers in financial difficulties: KRW 320.5 billion
- Give preferential treatment on commission fees for under-privileged classes : 58,404 cases



Environmental Management

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



Social Contribution

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



Win-Win Management with Partners

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



I. Shinhan Financial Group

2. Shinhan Way & Core Capability





SHINHAN WAY

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

Mission

Benefit the World with the power of Finance

Compassionate Finance Sharing the Future



Core Value



Customer



Respect



Change



Excellence



Ownership

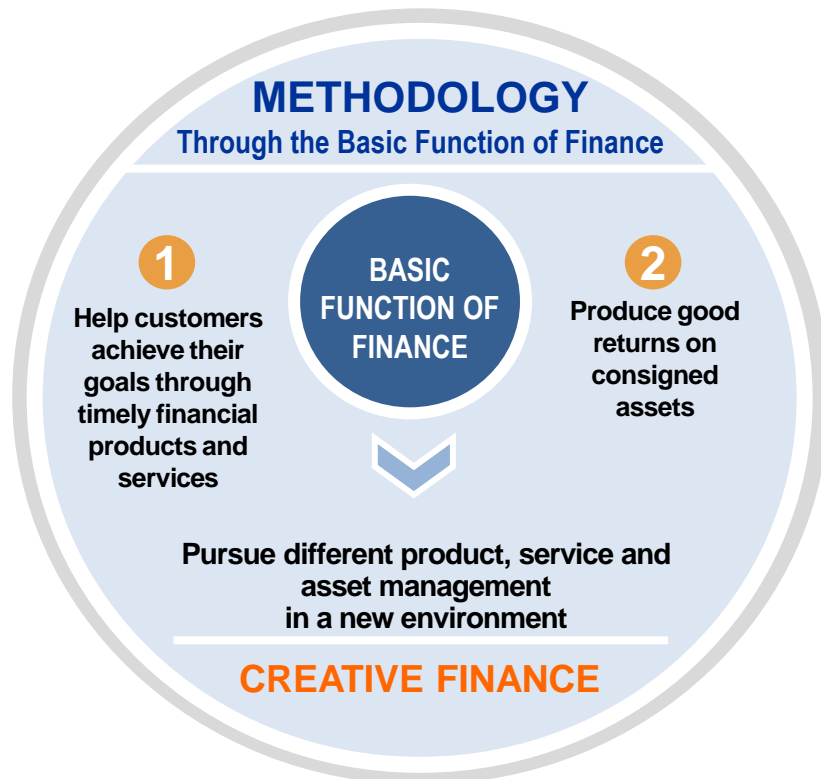
Vision

World Class Financial Group



COMPASSIONATE FINANCE SHARING THE FUTURE

"Benefit the world from creating a virtuous win-win cycle through creative finance"

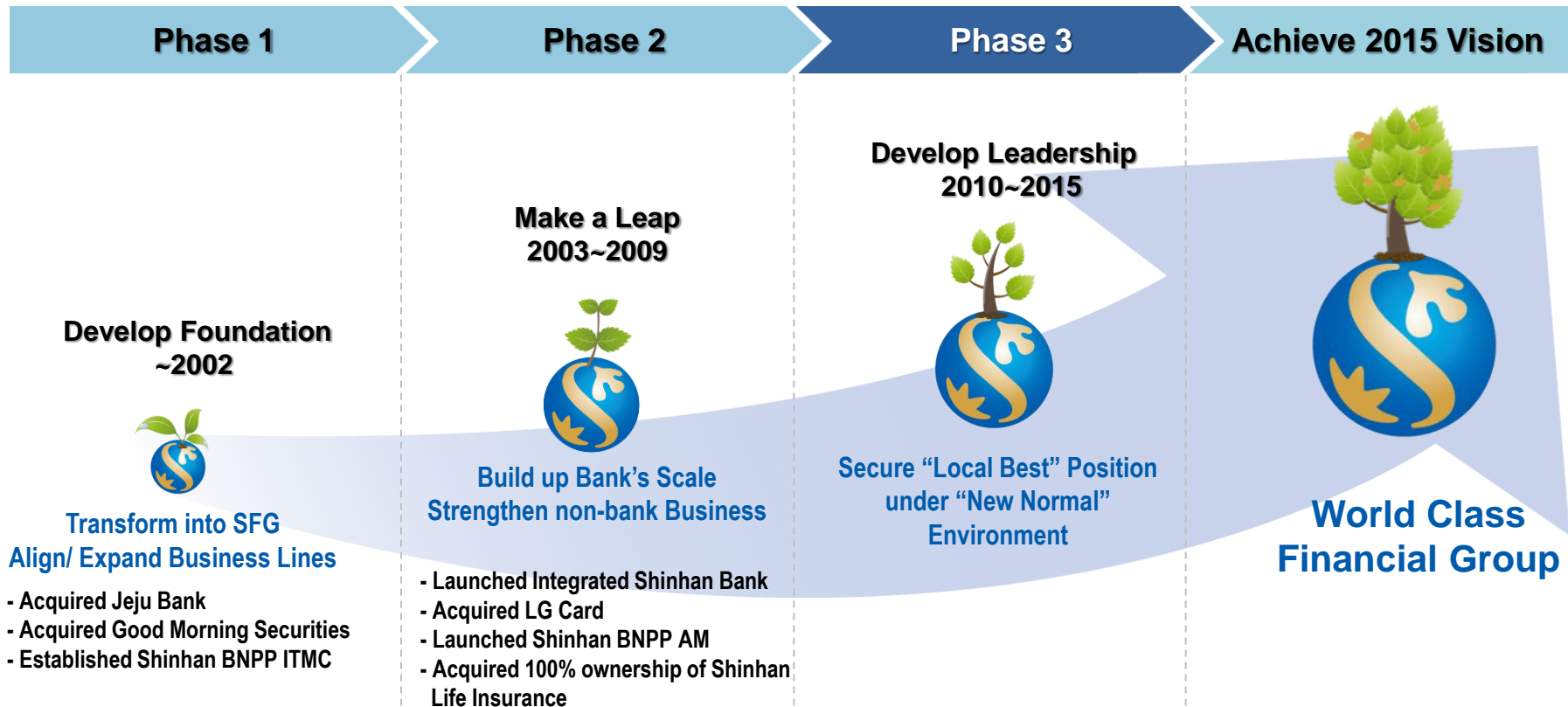




SFG Vision Group Vision

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.





Shareholders

(As of Dec 31, 2013)



Major Shareholders

(As of Dec 31, 2013)

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

Management



Dong Woo Han

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

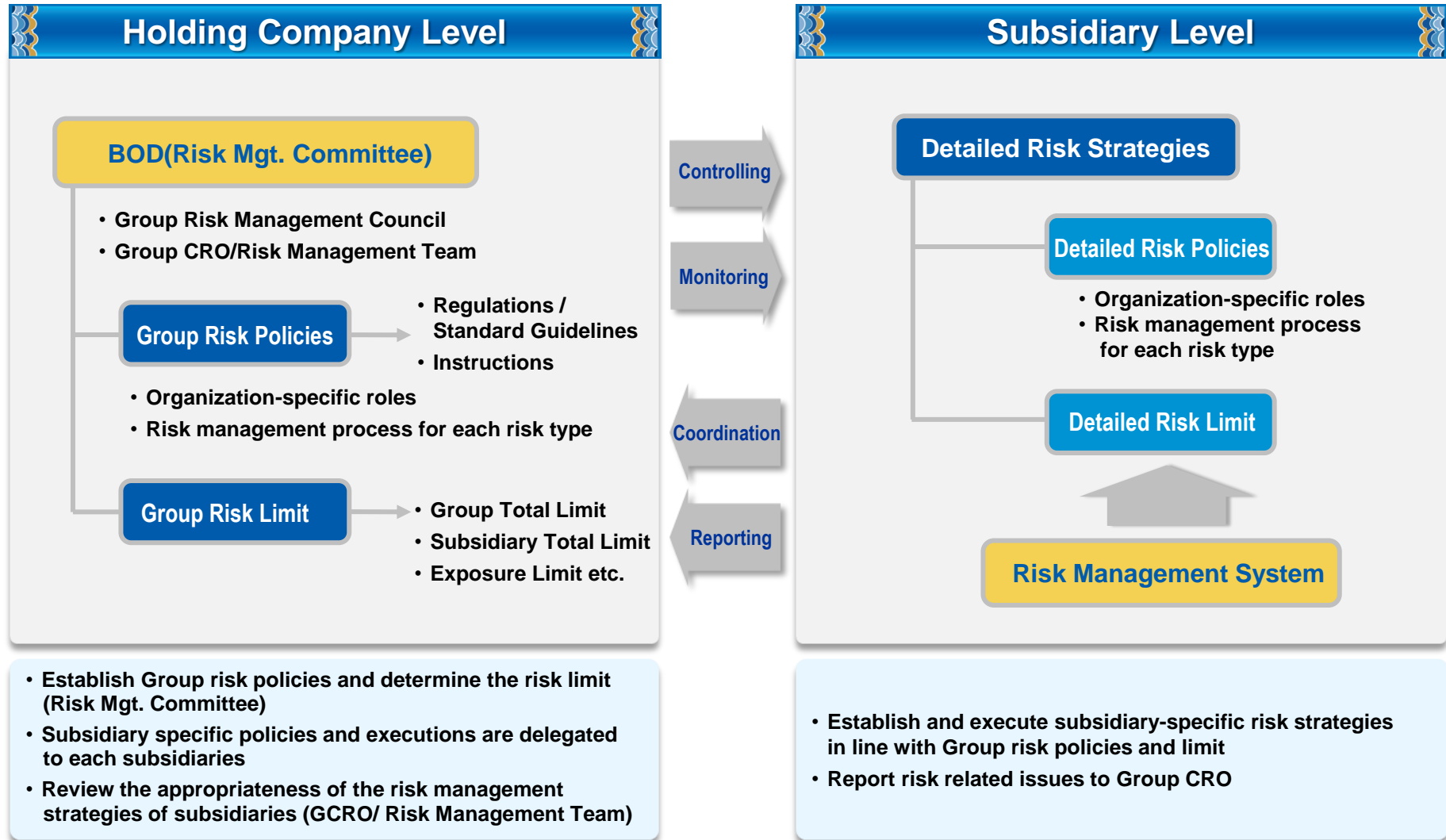
Jin Won Suh

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





SFG Capability Thorough Risk Management

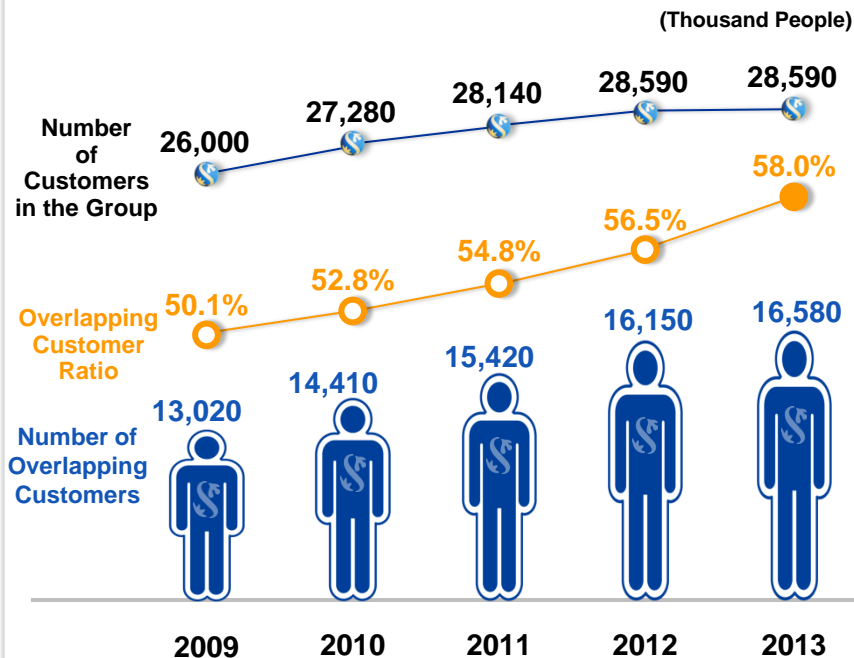




Group Synergy Business Model

[Synergy Creation]
Enhance co-marketing among subsidiaries to increase overlapping customers

● Increasing Overlapping Customers



Synergy Creation Activities and Programs

Increase Overlapping Customers

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

Enhancing Co-marketing

- Co-marketing by investing the Group's common resources
- Co-marketing through the Group's external partners

Hybrid Financial Instruments

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

Cross-selling Synergy Products

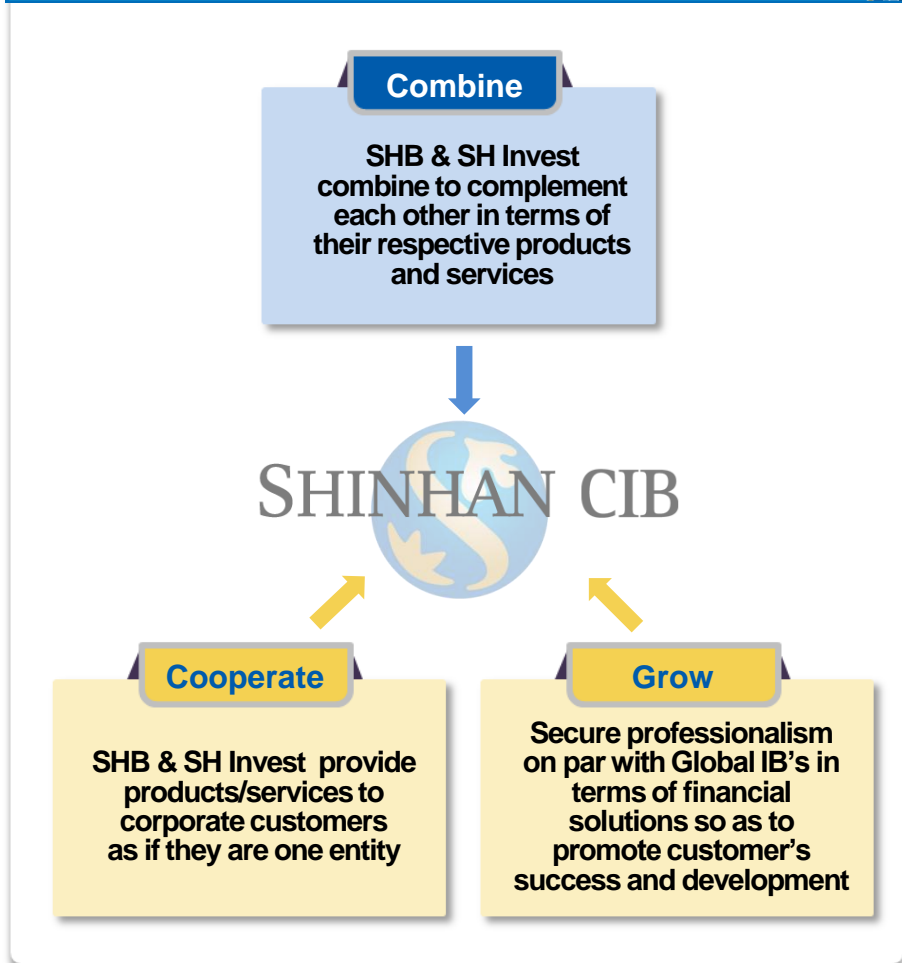
- Non-bank products such as credit card, mutual fund, bancassurance, and FNA are cross-sold via the sales channels of Shinhan Bank

Referral of Customers

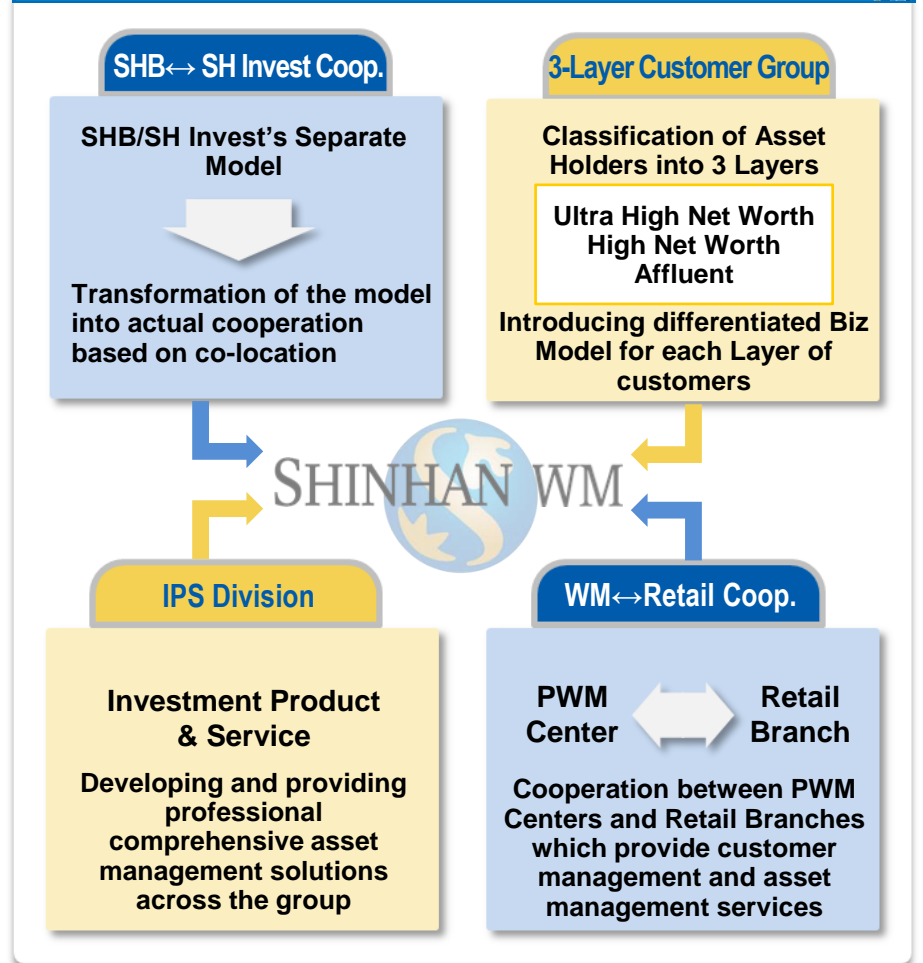
- Introduce customers to sister companies
- Shinhan Bank makes a referral of its corporate customers to Shinhan Investment for IPO services.



Corporate & Investment Banking (CIB)



Wealth Management(WM)



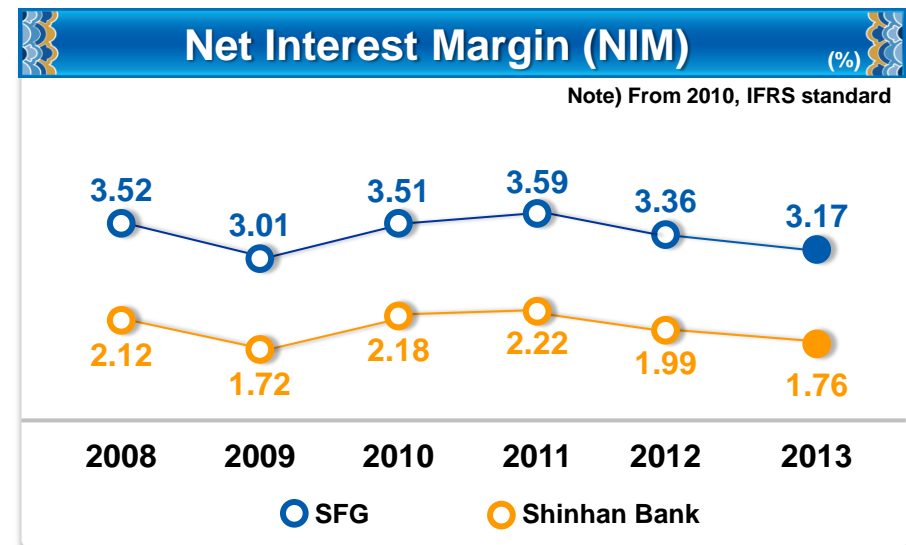
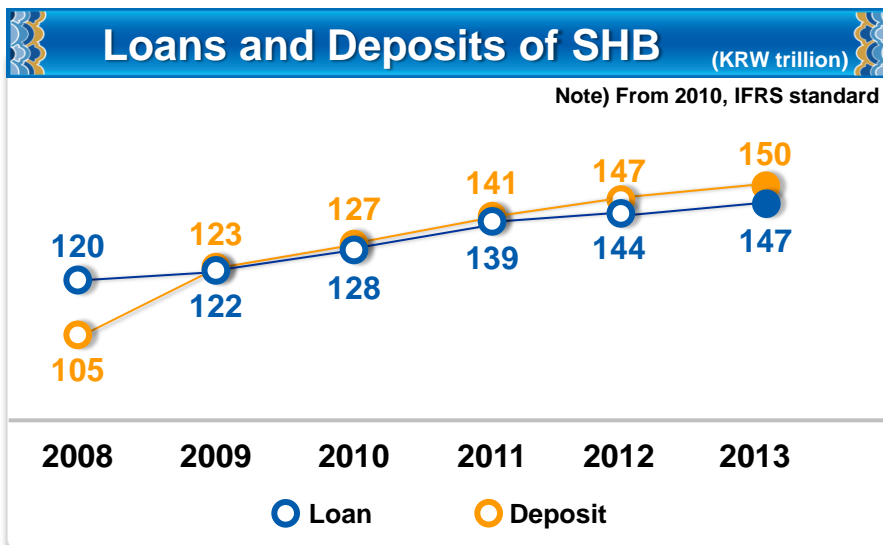
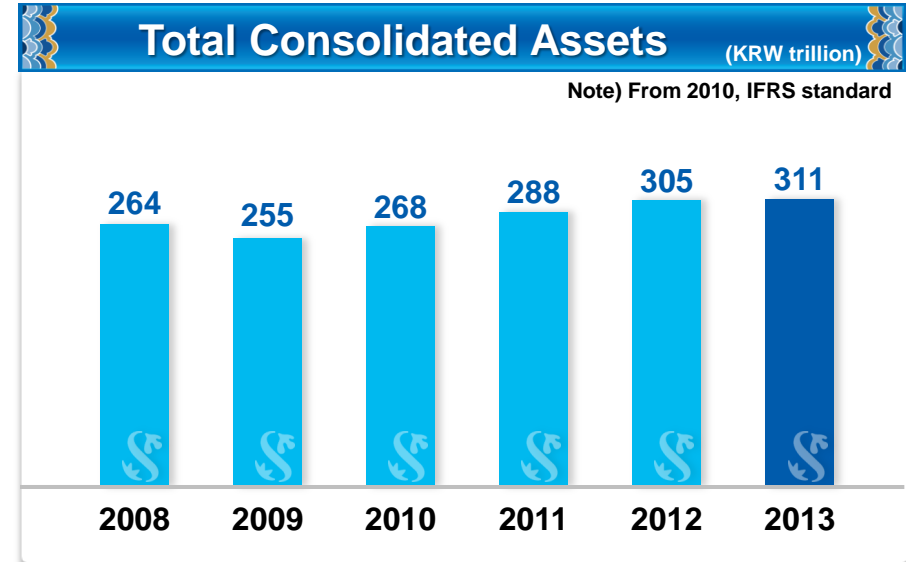
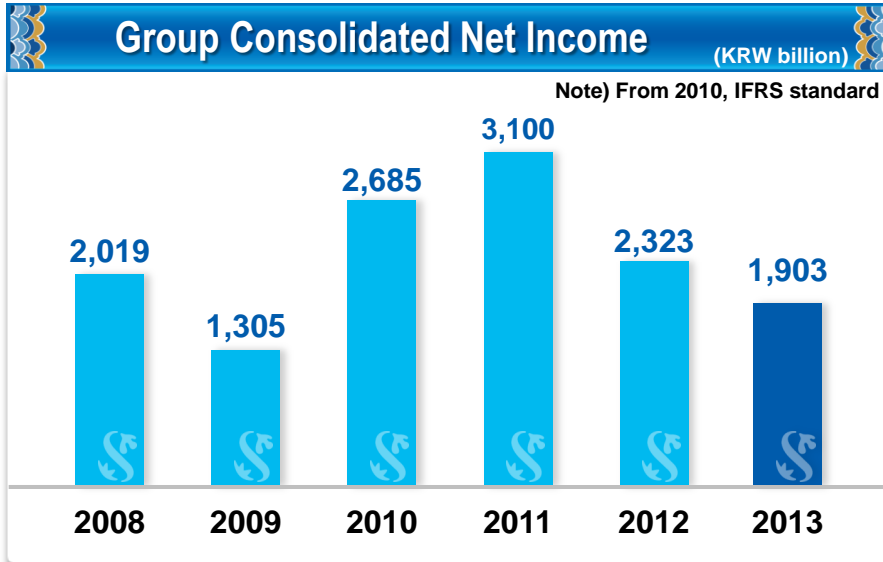
I. Shinhan Financial Group

3. Financial Highlights



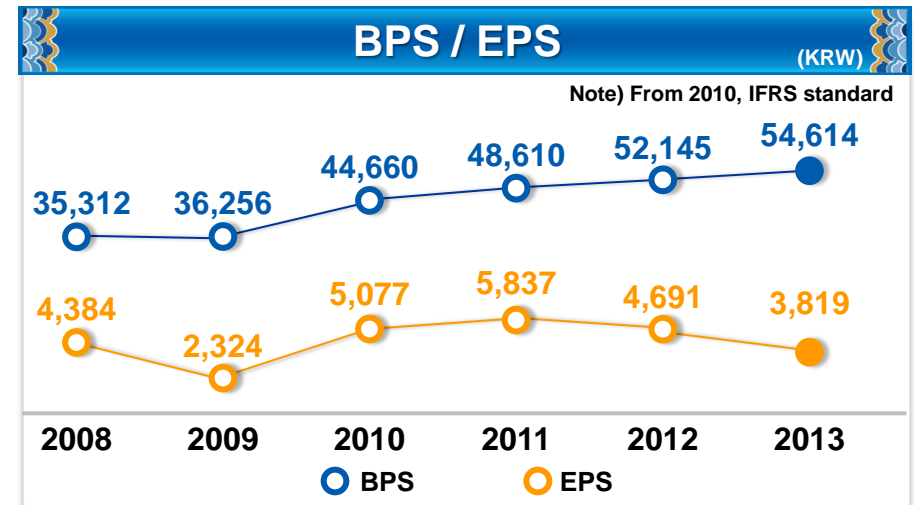
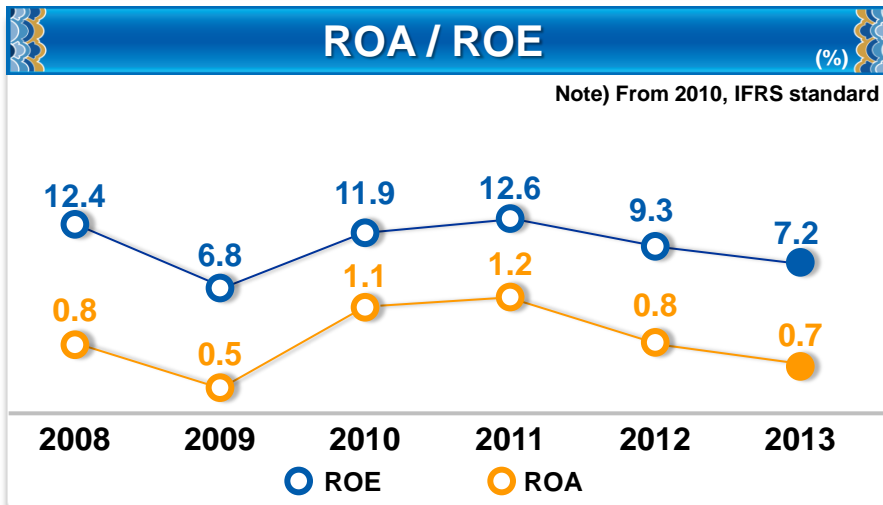
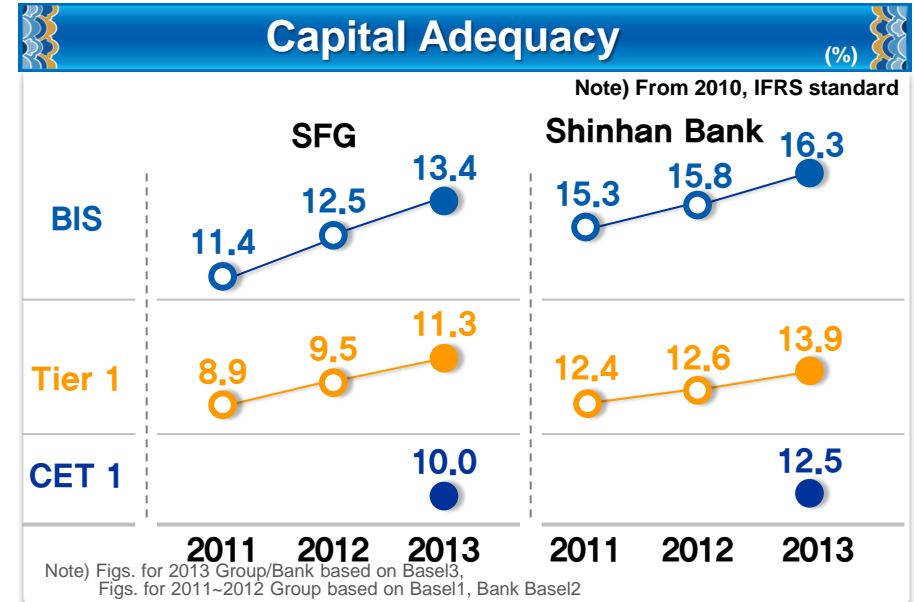
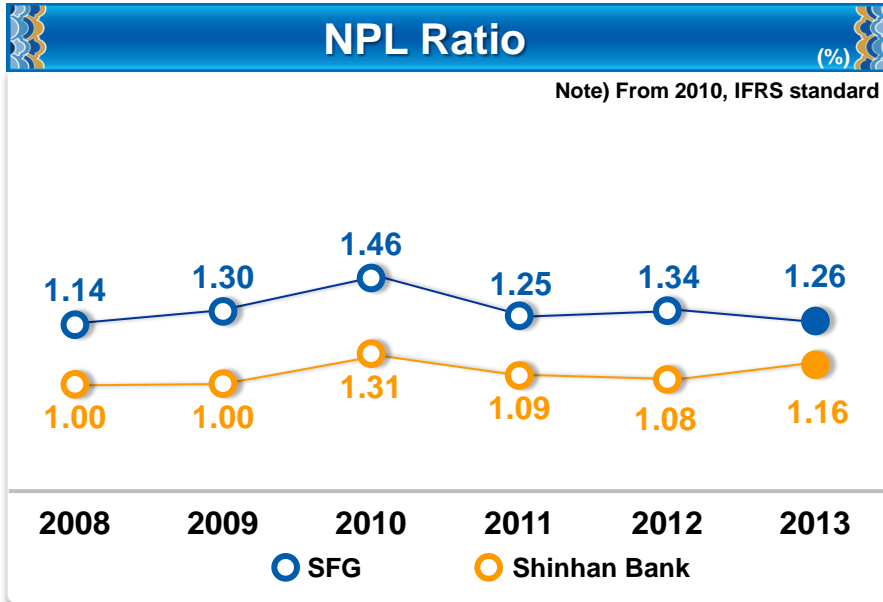


Shinhan Financial Group Financial Highlights





Shinhan Financial Group Financial Highlights



II. Companies in the Group

1. Shinhan Bank





Shinhan Bank Company Overview

Corporate Profile

(As of Dec 31, 2013)

Shinhan Bank is the flagship company of Shinhan Financial Group

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

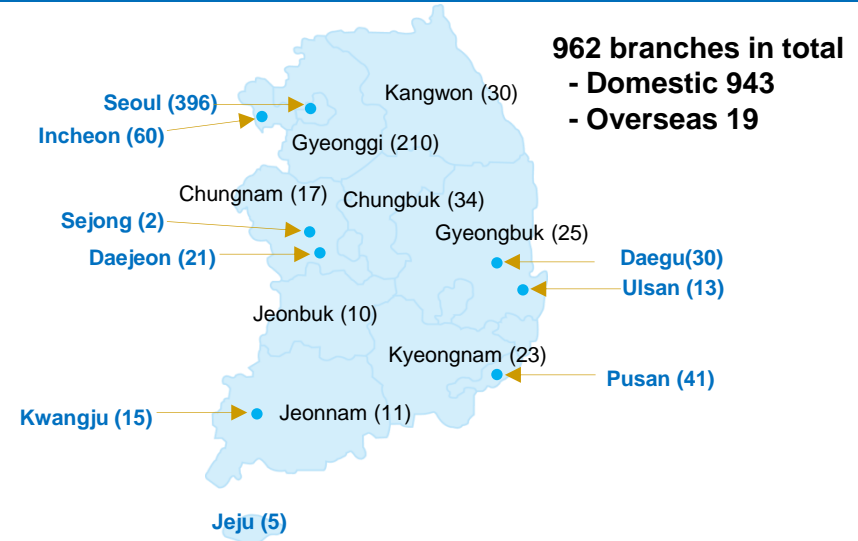
Note ¹⁾ Total Assets : Banking Account + Merchant Banking Account + Trust Account

²⁾ Net Income derived on consolidated bases

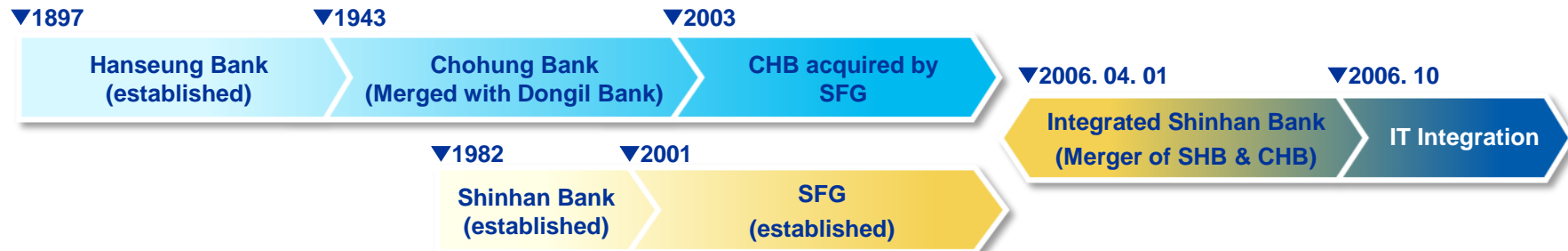
| Rating Agency | F/C LT Debt Rating |
|---------------|--------------------|
| MOODY'S | A1 (Stable) |
| S&P | A (Stable) |
| FITCH RATINGS | A (Stable) |

Nation-wide Channel

(As of Dec 31, 2013)



Shinhan Bank's Key milestones





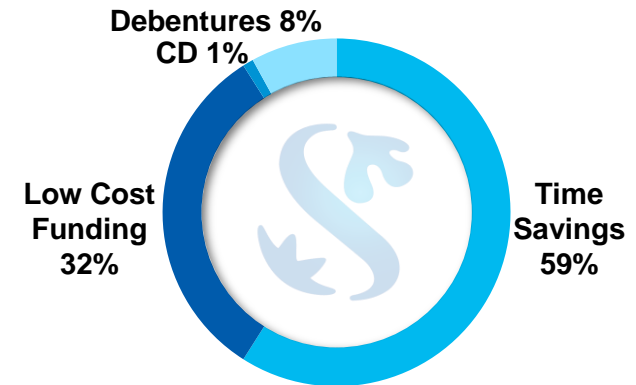
Balanced Loan Portfolio

● Loan Composition



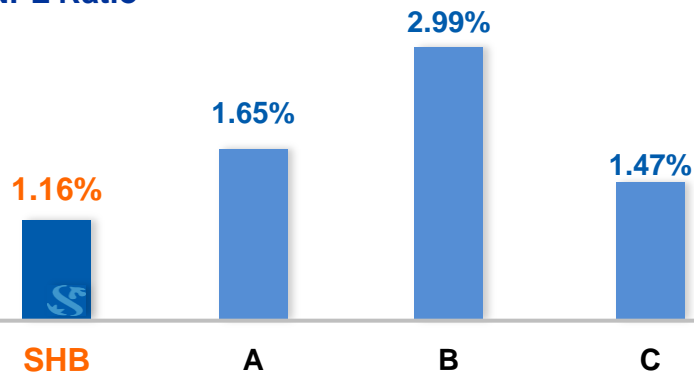
Stable Funding Base

● Funding Composition



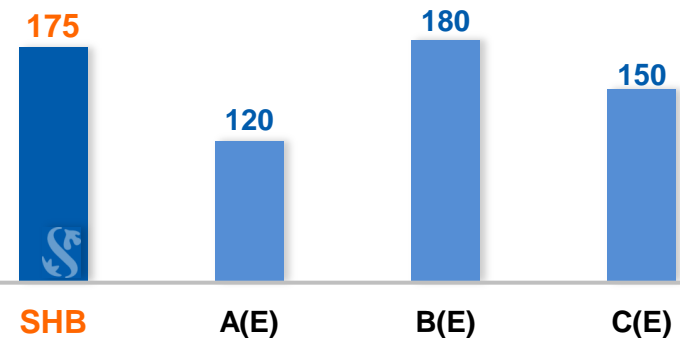
Outstanding Risk Management

● NPL Ratio



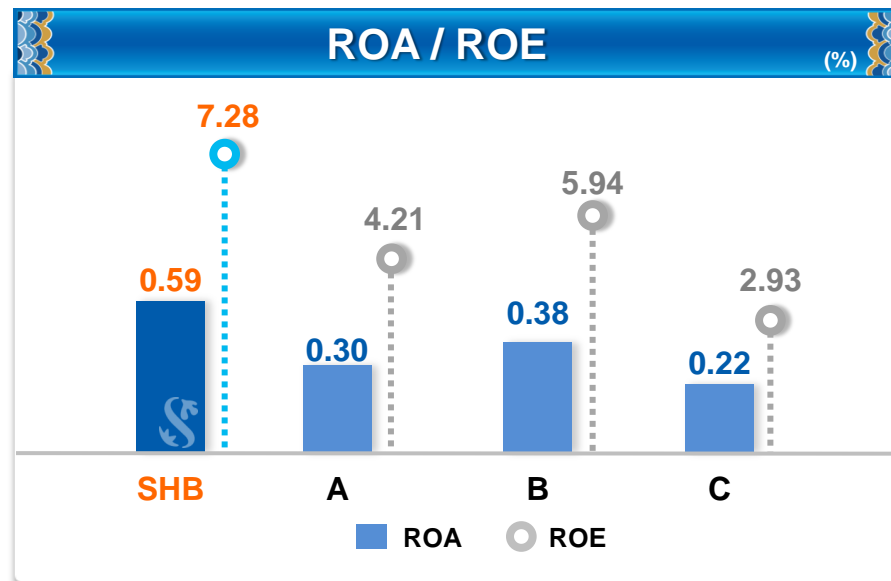
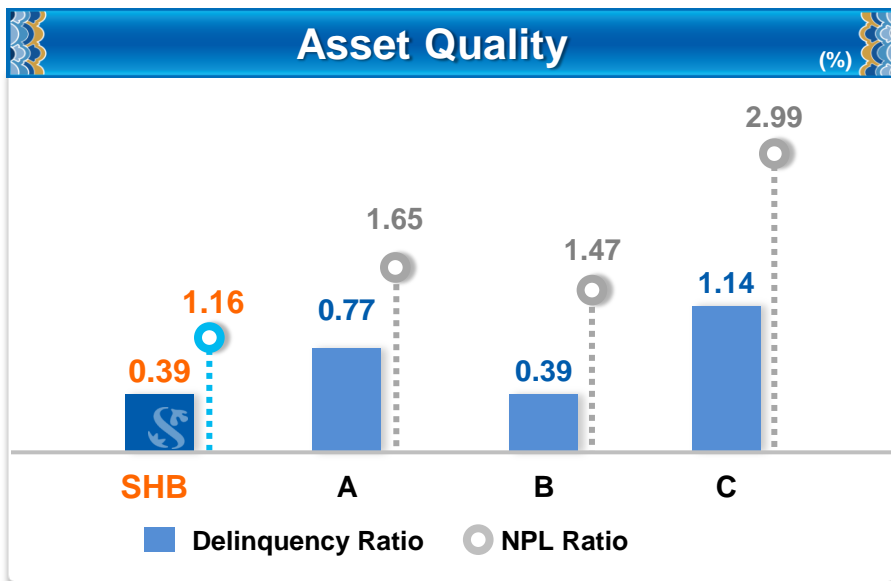
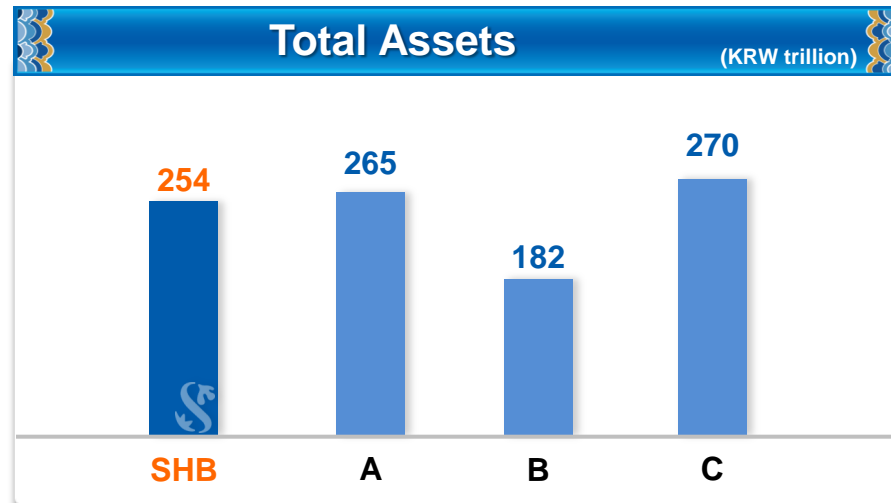
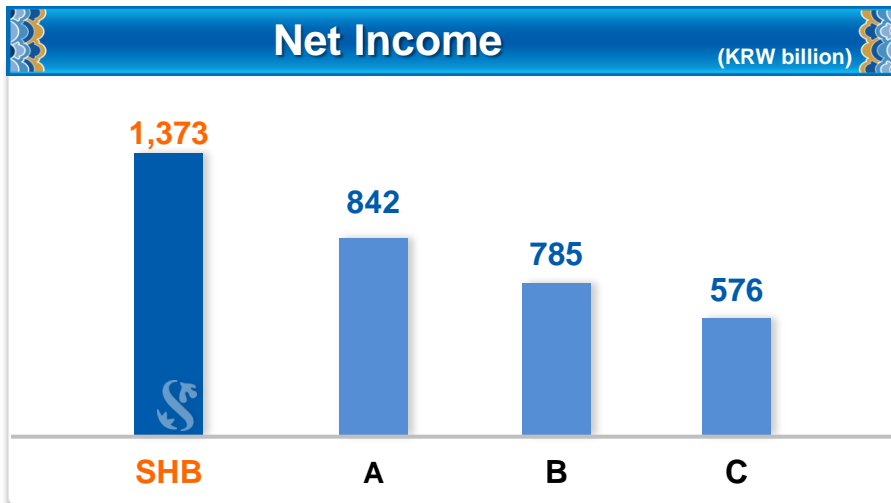
High Per Capita Productivity (KRW million)

● Per Capita Pre-provisioning Income





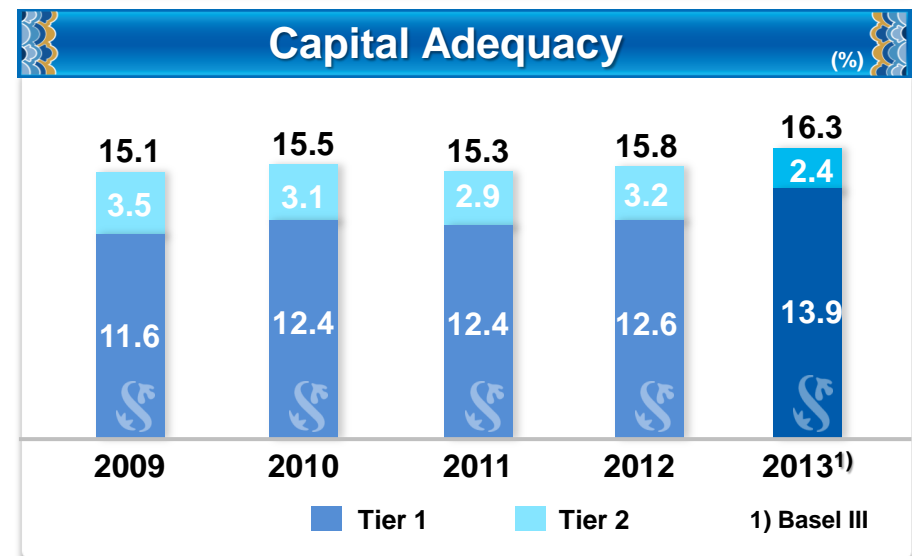
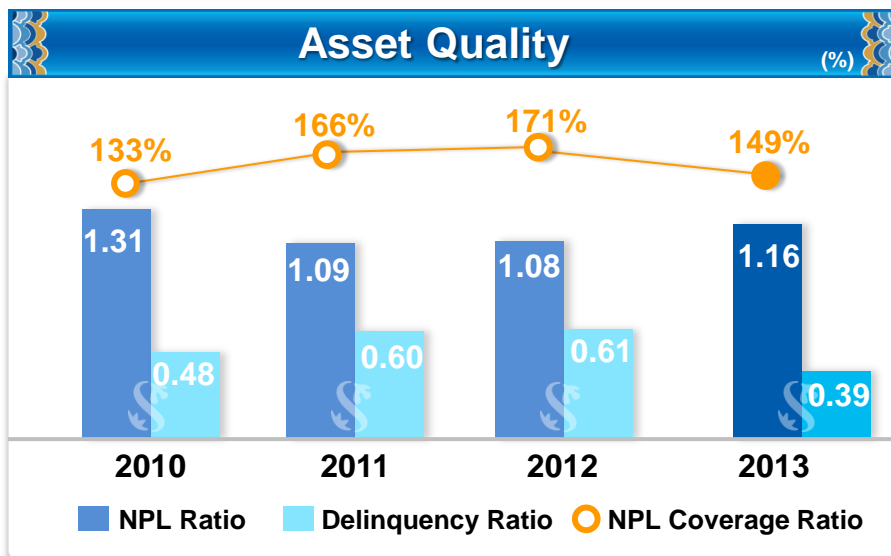
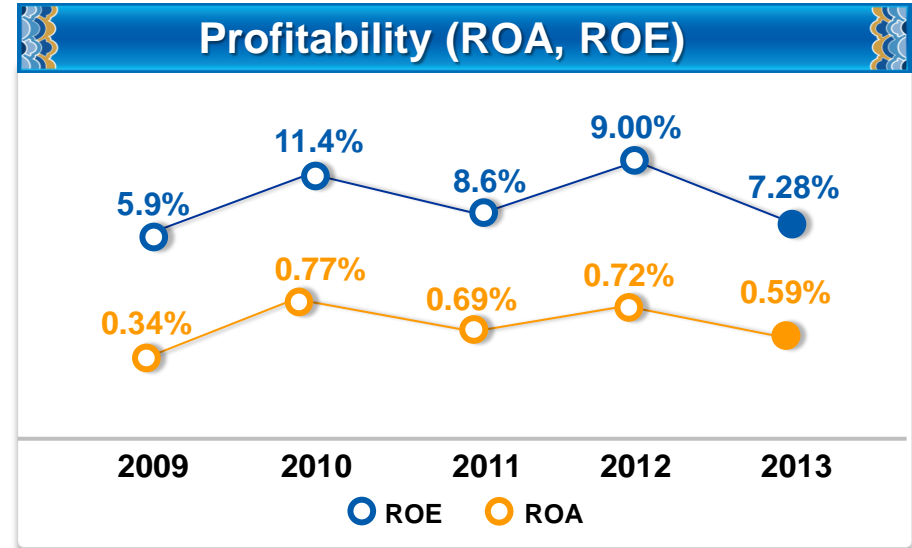
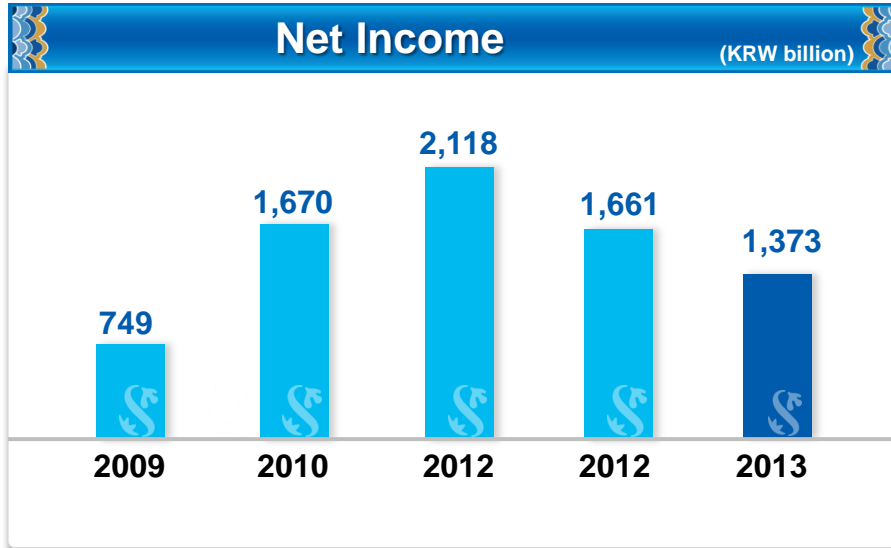
Shinhan Bank Market Position (as of Dec 31, 2013)





Shinhan Bank Financial Highlights (as of Dec 31, 2013)

SHINHAN FINANCIAL GROUP



II. Companies in the Group

2. Shinhan Card





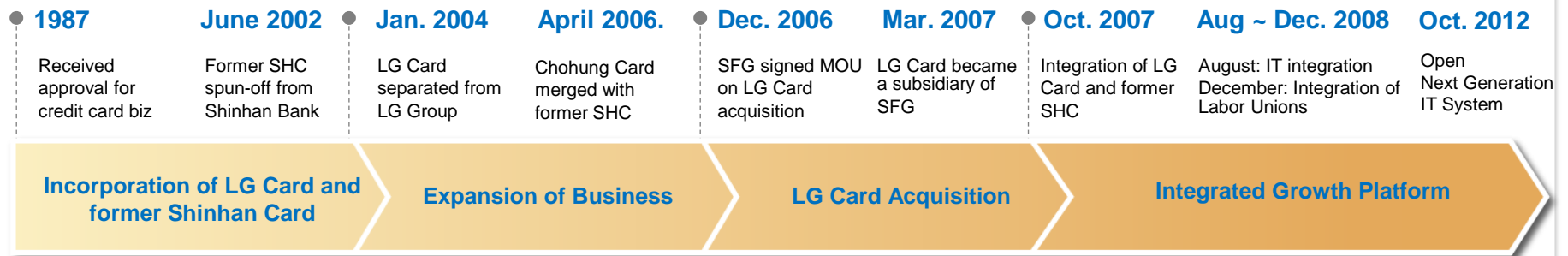
Shinhan Card Company Overview

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.



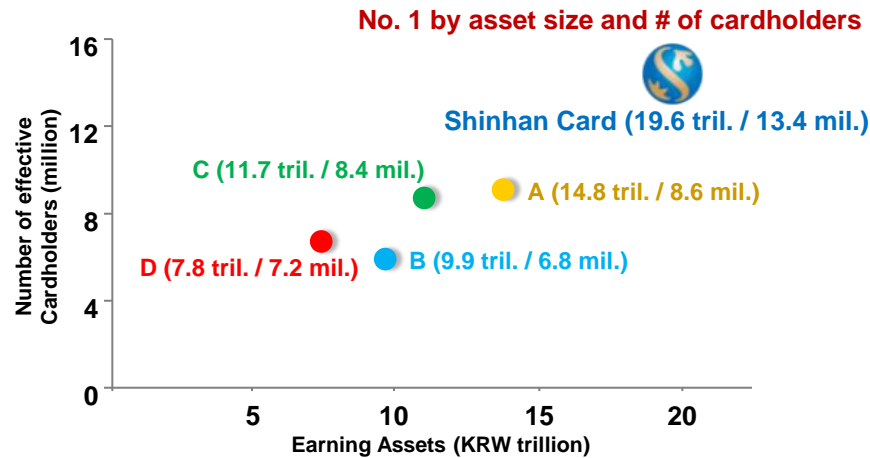
Shinhan Card's Corporate Milestone





Shinhan Card Market Position

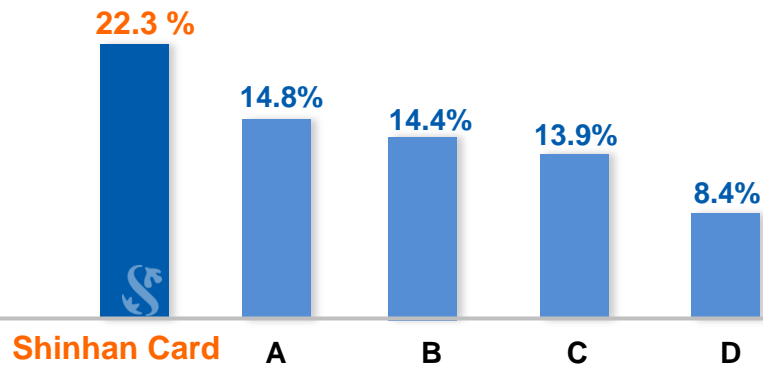
Earning Assets and Cardholders (As of Dec 31, 2013)



Credit Rating (As of Dec 31, 2013)

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

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



Bona fide No.1 Credit Card Company in Korea



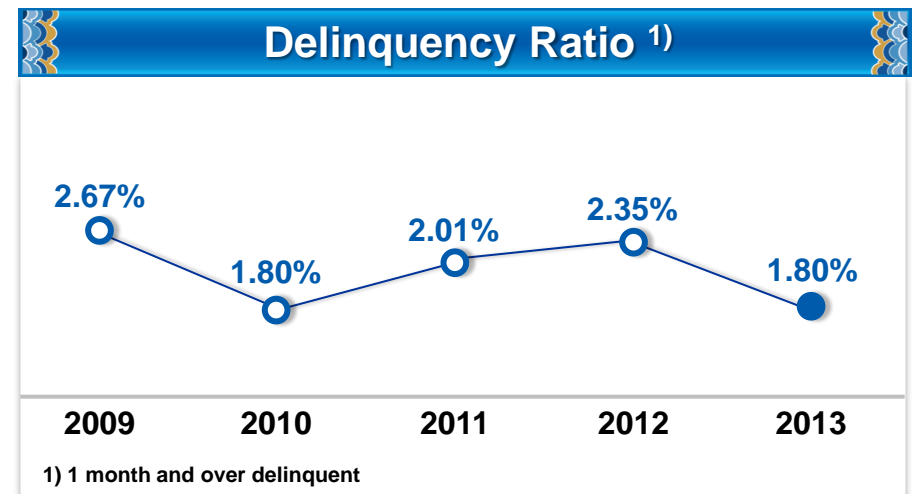
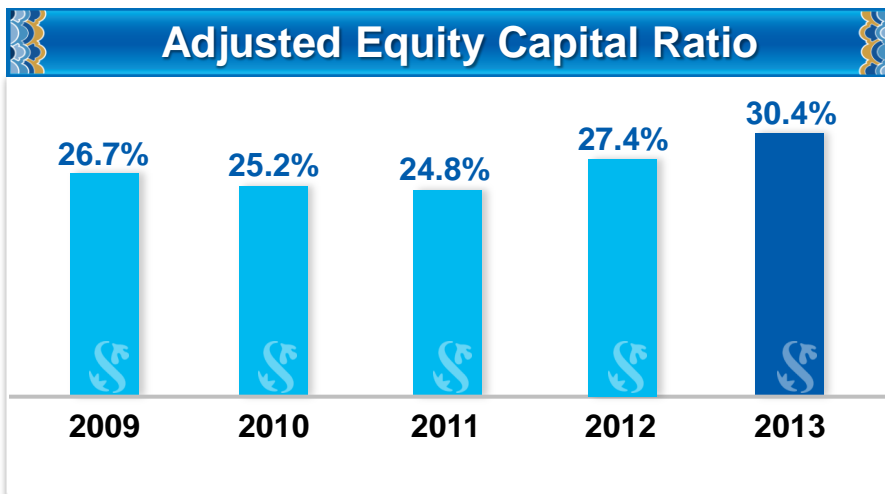
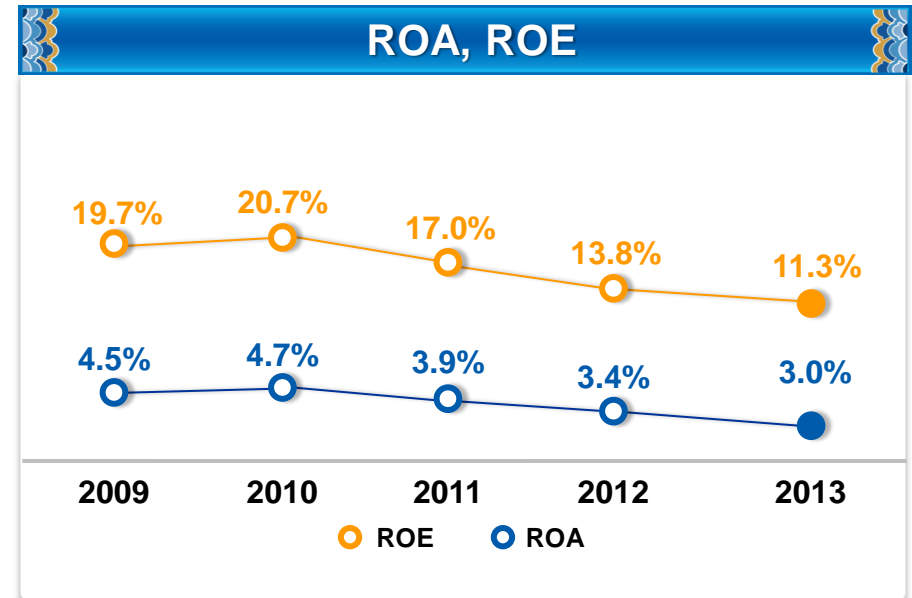
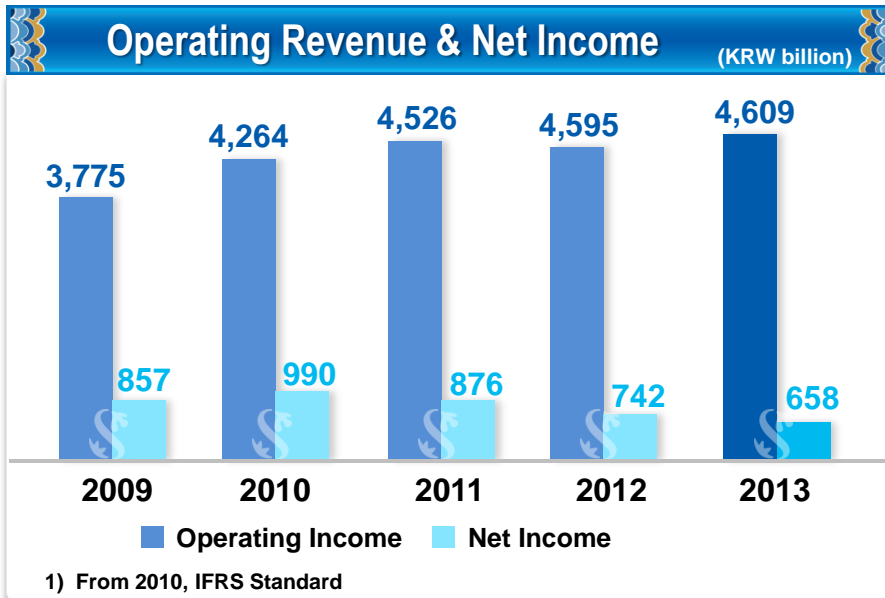
No.1 Brand in Korea selected by three major Research agencies and Awarded Triple Crown for 2 consecutive years



Ranked 1st in Customer Satisfaction by Research Agencies



Shinhan Card Financial Highlights



II. Companies in the Group

3. Shinhan Investment Corp.





Overview

● Company Overview

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

• Key Milestones

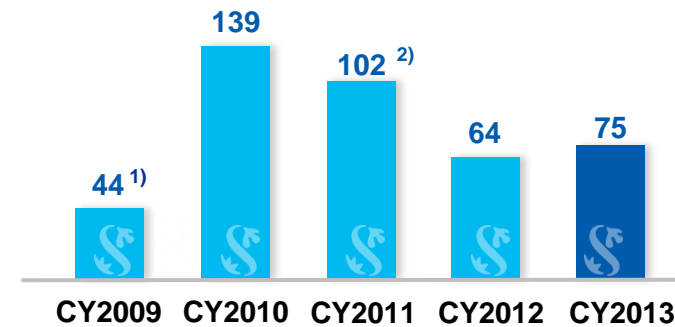
| | |
|----------|--|
| 1973. | Incorporation of Hyosung Securities |
| 1983. | Renamed to Ssangyoung Securities |
| 1999. | Renamed to Good Morning Securities |
| 2002. 04 | SFG acquired a 31.7% share of Good Morning Securities |
| 07 | Good Morning Securities was merged with Shinhan Sec. |
| 08 | renamed to Good Morning Shinhan Securities ("GMSH") |
| 2004. 12 | SFG acquired the remaining shares of GMSH |
| 2007. 05 | Overseas subsidiary in Hong Kong incorporated |
| 2009. 08 | Changed the company's name to 'Shinhan Investment Corporation' |
| 2010. 06 | Opened Ho Chi Minh office In Vietnam |

Growth Trend

(KRW billion)

● Net Income

(As of Dec 31, 2013)



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

| Year | Total Assets (KRW billion) | Total Equity (KRW billion) | No. of Branches ¹⁾ | No of Customers (thousands) |
|------|----------------------------|----------------------------|-------------------------------|-----------------------------|
| 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 |
| 2013 | 19,098 | 2,236 | 93 | 2,079 |

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



Industry Overview

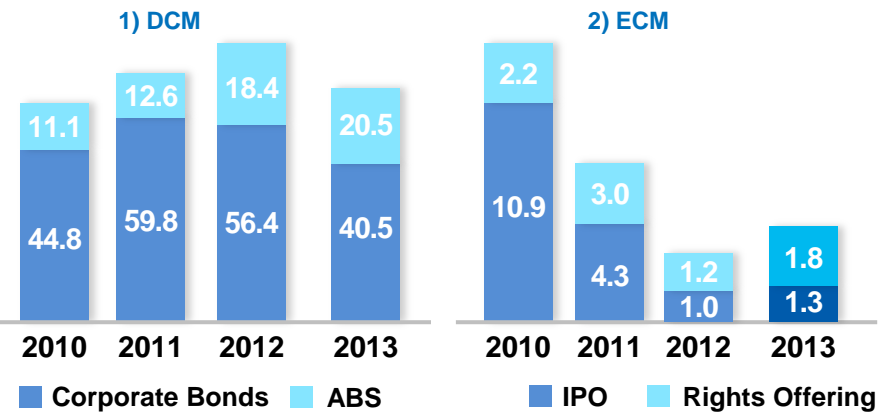
(KRW trillion)

Securities Market

* Source: KRX



Capital Market



Market Position

Market Share for Brokerage Business

| | CY 2011 | CY 2012 | CY 2013 |
|----------|----------|----------|----------|
| Equities | 4.4% (9) | 4.9% (5) | 6.0% (3) |
| Futures | 8.4% (1) | 6.7% (1) | 7.1% (2) |
| Options | 6.0% (2) | 4.9% (4) | 3.5% (5) |

* () represents the ranking in the industry

Ranking of IB Business

| | CY 2011 | CY 2012 | CY 2013 |
|-----------------|---------|---------|---------|
| IPO | (7) | (8) | (N/A) |
| Corporate Bonds | (5) | (5) | (5) |
| ABS | (10) | (8) | (2) |

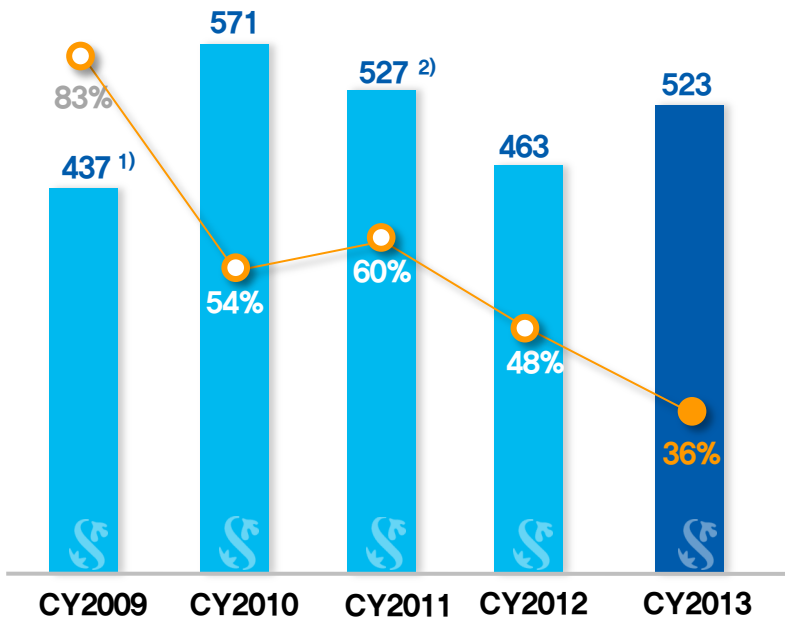
* Source: The Bell

* () represents the ranking in the industry



Operating Revenue Trend

(KRW billion)



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

■ Operating Revenue ○ % of Securities Brokerage Commission

Management Strategy

- Expand our customer base through differentiation in products and services

Migration to Asset Management-based Businesses

- Bring a substantial upgrade to our product and services
- Diversifying in channels such as smart finance and on face-to face mediums
- Increasing our asset management capability

Completion of the Sales and Trading Models

- Expand our customer base with stronger product development
- Increase asset management returns by enhancing our investment skills and capabilities
- Systematically increase risk management capabilities

Increasing WM/CIB Competitiveness

- Upgrade WM channels and Increase its profitability
- Develop the expertise of IPS Division
- Expand our IB customer base by building IB track records
- Develop CDP programs for IB RMs and PMs
- Secure product competitiveness in IB and diversify profit sources

Strengthening Surviving Capabilities in case of Emergencies

- Increase operational efficiency in organizations, functions and HR
- Make process improvements and IT innovation
- Implement compassionate finance and improve brand images
- Overhaul our synergy system,

II. Companies in the Group

4. Shinhan Life Insurance





Overview

● Company Overview

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

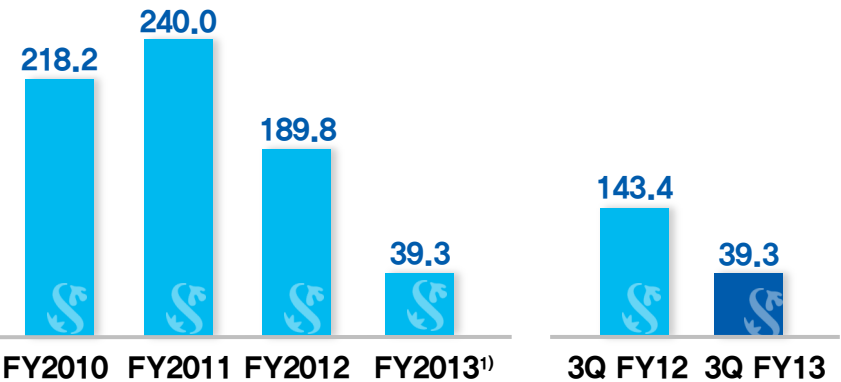
• Key Milestones

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

Net Income and Financial Positions

(KRW billion)

● Net Income Trend



| (KRW billions) | FY2010 | FY2011 | FY2012 | FY2013 ²⁾ |
|---------------------------------|--------|--------|--------|----------------------|
| Distributors ²⁾ | 8,519 | 9,325 | 11,621 | 11,085 |
| YoY(%) | -13.9 | 9.5 | 24.6 | -4.7 |
| Insurance Premium ⁴⁾ | 3,925 | 4,210 | 5,149 | 3,532 |
| YoY(%) | 24.6 | 7.3 | 22.3 | -7.6 |
| Total Assets | 12,571 | 14,682 | 17,766 | 19,385 |
| YoY(%) | 20.4 | 16.8 | 21.0 | 14.4 |

1) Due to changes in Fiscal Year, FY2013 includes 9 months starting from April 1, 2013 to Dec 31, 2013

2) Calculated on a Year-on-Year basis

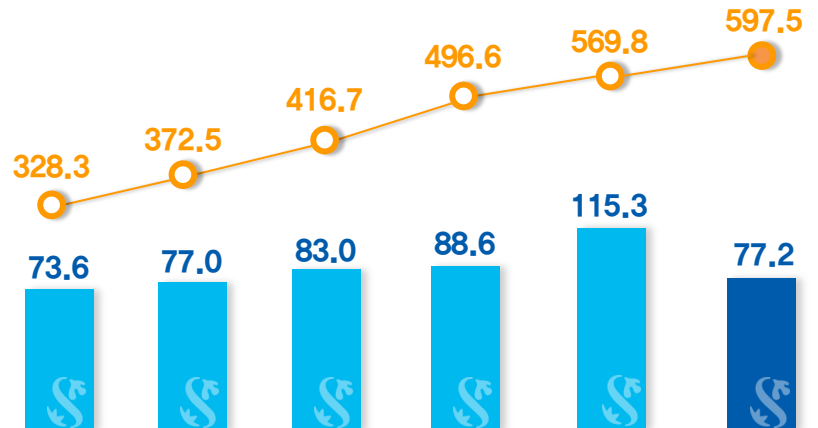
3) Includes financial planners and agents



Shinhan Life Insurance Industry Overview & Market Position

Industry Overview

(KRW trillion)

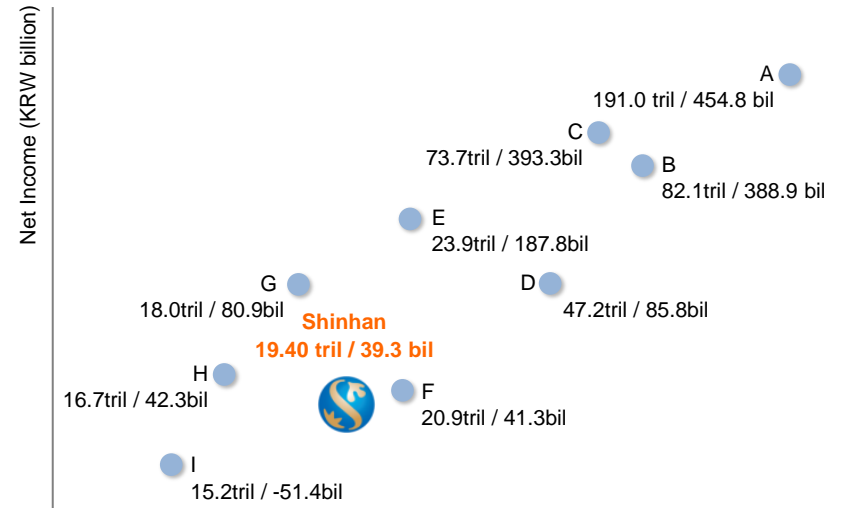


○ Total Assets ■ Insurance Premium

Notes) Fiscal Year Basis

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

Market Position



Notes) Total Assets as of Dec 31, 2013, and Net income for the 9 months ended on Dec 31, 2013

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

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



Condensed Income Statements

| (KRW billion) | | FY2010 | FY2011 | FY2012 | FY2013 |
|-----------------------|------------------|---------|---------|---------|---------|
| Insurance | Insurance Margin | 1,460.4 | 1,555.1 | 2,181.4 | 1,074.7 |
| | Premium Income | 3,469.4 | 3,607.5 | 4,585.5 | 3,033.3 |
| | Claims Paid | 2,009.0 | 2,052.4 | 2,404.1 | 1,958.6 |
| Net Investment Income | | 534.1 | 618.8 | 694.5 | 505.9 |
| Policy Reserve (Δ) | | 1,745.0 | 1,901.1 | 2,678.8 | 1,557.8 |
| Operating Income | | 249.5 | 272.8 | 197.2 | 22.8 |
| Non-operating Income | | 37.7 | 40.2 | 42.1 | 28.3 |
| Net Income before tax | | 287.2 | 313.0 | 239.3 | 51.1 |
| Net Income | | 218.2 | 240.0 | 189.8 | 39.3 |

Policies in Force

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

Condensed Balance Sheets

| (KRW billion) | | FY2010 | FY2011 | FY2012 | FY2013 |
|-------------------|--------------------|--------|--------|--------|--------|
| General Accounts | Cash & Equivalents | 775 | 864 | 1,253 | 917 |
| | Securities | 6,142 | 6,647 | 9,136 | 10,541 |
| | Loans | 2,527 | 3,059 | 3,677 | 4,160 |
| | Others | 1,338 | 2,332 | 1,745 | 1,659 |
| Separated Account | | 1,789 | 1,779 | 1,955 | 2,109 |
| Total Assets | | 12,571 | 14,682 | 17,766 | 19,385 |

Key Financials ¹⁾

| (%) | FY2010 | FY2011 | FY2012 | FY2013 |
|------------------------------|----------|----------|----------|----------|
| Solvency Ratio ²⁾ | 361.4(6) | 309.0(6) | 287.8(5) | 253.1(5) |
| ROA | 1.90(2) | 1.70(2) | 1.13(1) | 0.28(7) |
| ROE | 22.60(1) | 20.70(1) | 13.98(1) | 3.89(7) |

1) Numbers in () indicate ranking among Top 10 players

2) Solvency Ratio is RBC based.

II. Companies in the Group

5. Shinhan BNPP Asset Management





Shinhan BNPP Asset Management Company 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.

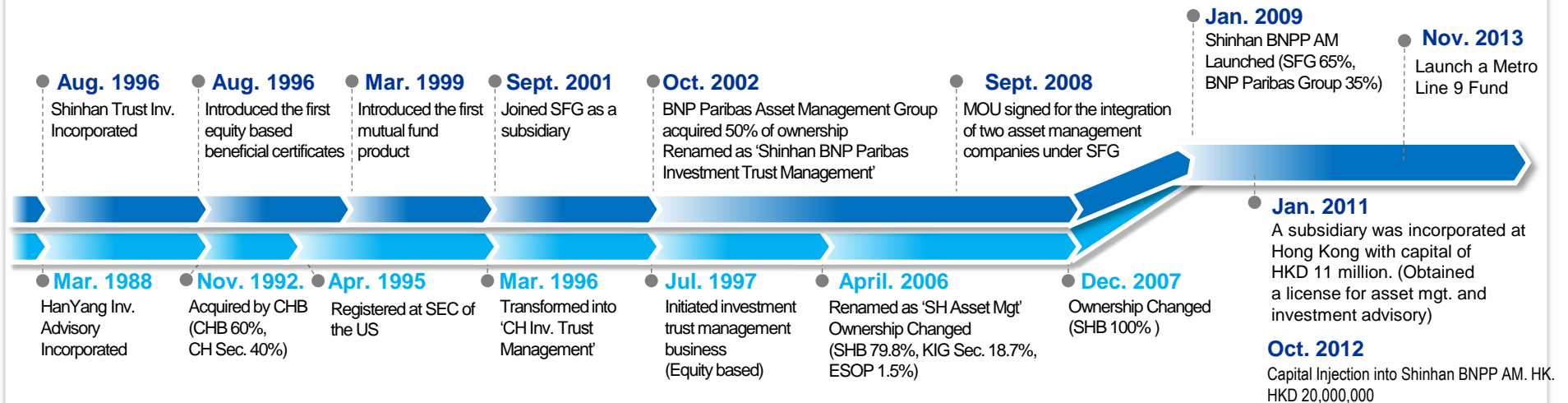
We are trying our very best to pursue our utmost goal of 'customer satisfaction' on the back of global standard investment know-how, efficient system and the best crew in our investment team.

Overview

(As of Dec 31, 2013)

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

Key Milestone of Shinhan BNP Paribas Asset Management

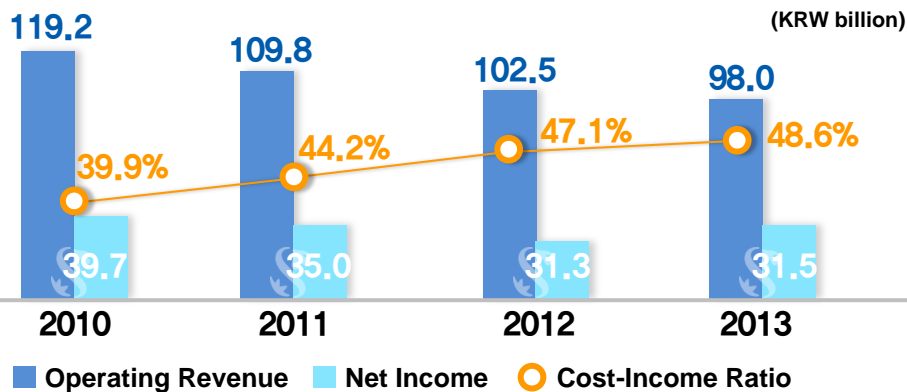




Shinhan BNPP Asset Management Financial Highlights & Market Position

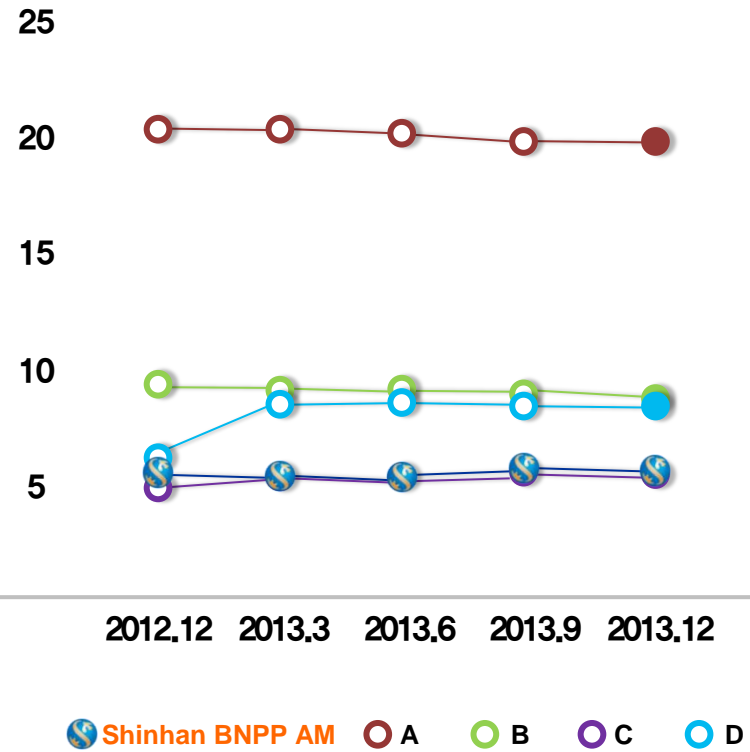
Financial Highlights

| (KRW billion) | CY 2009 | CY 2010 | CY 2011 | CY 2012 | CY 2013 |
|----------------------------------|---------|---------|---------|---------|---------|
| Condensed IS | | | | | |
| Operating Revenue | 115.2 | 119.2 | 109.8 | 102.5 | 98.0 |
| Operating Expense | 71.6 | 65.5 | 61.7 | 59.2 | 58.0 |
| SG&A | 42.8 | 35.7 | 38.2 | 38.6 | 37.9 |
| Operating Income | 43.6 | 53.7 | 48.1 | 43.3 | 40.1 |
| Net Income | 31.7 | 39.7 | 35.0 | 31.3 | 31.5 |
| Condensed BS | | | | | |
| Total Asset | 168.0 | 172.1 | 170.7 | 168.9 | 169.6 |
| Total Equity | 140.9 | 147.2 | 146.3 | 145.7 | 140.0 |
| Key Financial Indications | | | | | |
| ROE | 23.28% | 27.59% | 23.89% | 21.44% | 22.49% |
| ROA | 18.18% | 23.38% | 20.45% | 18.43% | 18.55% |
| Cost-Income Ratio | 49.54% | 39.93% | 44.26% | 47.13% | 48.60% |



Market Share

Market Share %
(including discretionary account)



II. Companies in the Group

6. Shinhan Capital





Profile

● Overview

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

| | |
|-----------|--|
| 1991. 04 | Incorporation of Shinhan Capital |
| 2005. 11. | Selected as the fund of funds mgt. company for SMBA |
| 2006. 11 | Rating upgrade (A+ → AA-) |
| 2007. 12 | Assumed Shinhan Card's Corporate leasing assets |
| 2010. 05 | Selected as Investment Trust Management Agency for KoFC Fund to foster New Growth Driver Corporation |
| 2012. 12 | Opened Yoido Financial Center |

● Business

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

Vision & Strategy

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

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

● 2015 Target

| | (KRW billion, person) | | | |
|------------------|-----------------------|---------|---------|------|
| (KRW billion) | 2012 | 2013 | 2015 | CAGR |
| Total Assets | 3,526.2 | 3,772.4 | 4,240.0 | 3.8% |
| Net Income | 4.7 | 50.4 | 55.5 | 1.7% |
| ROA | 0.1% | 1.4% | 1.3% | |
| No. of Employees | 155 | 165 | 195 | |

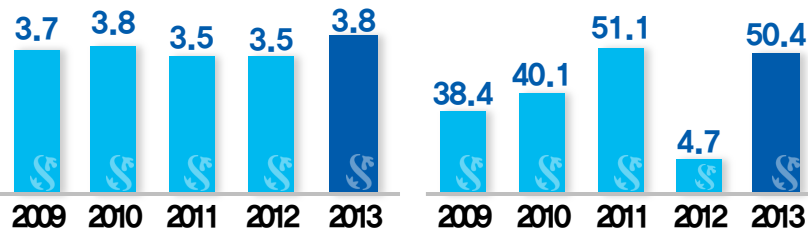


Shinhan Capital Financial Highlights & Market Position

Financial Highlights

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

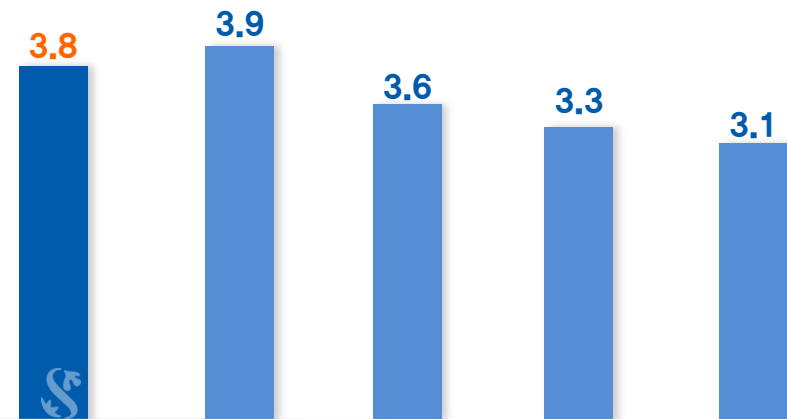
● **Total Assets** (KRW trillion) ● **Net Income** (KRW billion)



Market Position

Total Assets

((KRW trillion , As of Dec 31, 2013))



Shinhan Capital

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

II. Companies in the Group

- 7. Jeju Bank
- 8. Shinhan Savings Bank
- 9. Shinhan Data System
- 10. Shinhan AITAS
- 11. Shinhan Credit Information
- 12. Shinhan Private Equity





Profile

● Overview

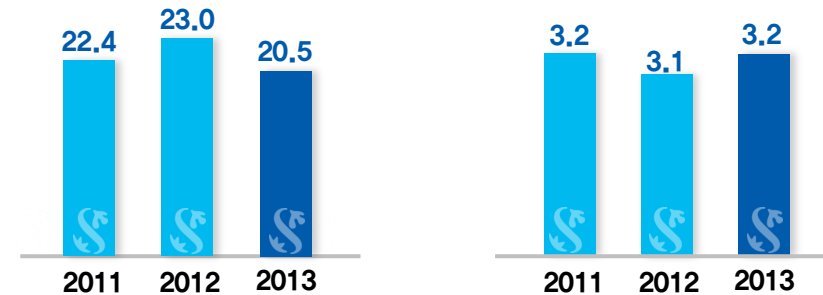
Incorporated in Jeju Island in 1969, Jeju Bank had been posting healthy growth amid strong support of the Jeju residents, playing a central role in the development of the Island's local economy.

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

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

Financial Highlights

● Net Income (KRW billion) ● Total Assets (KRW trillion)



Vision & Strategy

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

Vision

Quality based
Local Top Bank

Strategic
Goal

Differentiation through competitive advantages as a regional bank specialized in retail banking



Profile

● Company Overview (As of Dec 31, 2013)

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

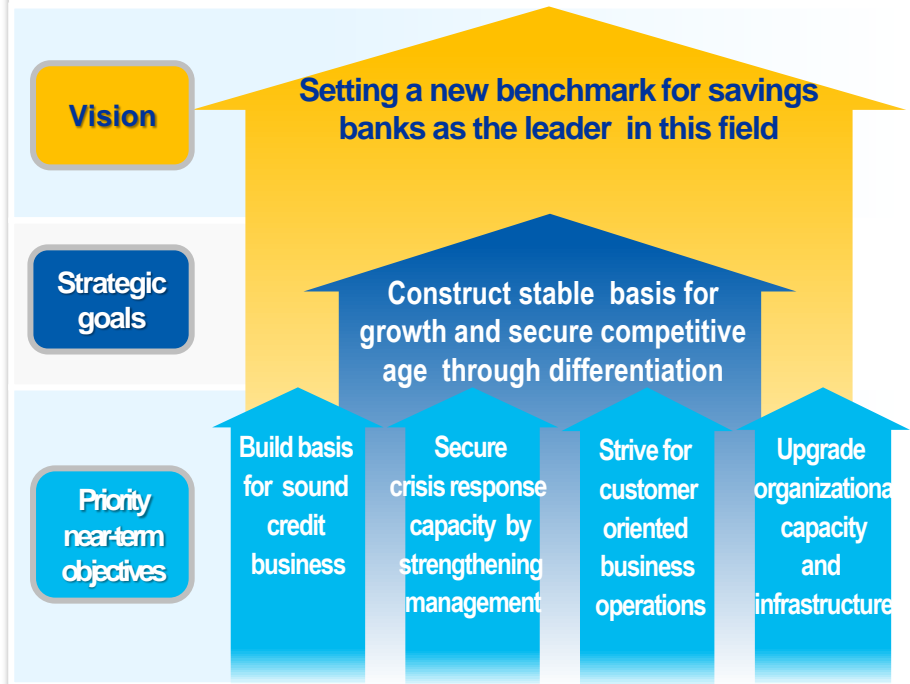
- Shareholders' Equity : 96.0 billion
- Total Assets : KRW 777.1 billion
- Networks : 8 branches (Seoul metropolitan area)
- Key Milestones

| | |
|----------|---|
| 2011. 12 | Acquired a savings bank licenses and changed its name to Shinhan Savings Bank upon joining Shinhan Financial Group |
| 2012. 01 | Launched business operations |
| 2013. 01 | Yehanbyeol Savings Bank joined the Shinhan Financial Group |
| 2013. 04 | The former Shinhan Savings Bank and Yehanbyeol Savings Bank were merged and a new Shinhan Savings Bank was launched |

Vision & Strategy

"Bringing a bright smile to the face of the people through compassionate finance"

Shinhan Savings Bank will exert every effort to become Korea's benchmark financial company for the customers by conducting business centering on micro-and community finance in tune with the rhythm of the local community under sound and transparent management.





Profile

● Company Overview(As of Dec 31, 2013)

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

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

| | |
|----------|---|
| 1991. 05 | Shinhan System(Ltd.) established |
| 2003.10 | Changed its name to Shinhan Data System (Ltd.) |
| 2005. 09 | Operation of Group Electronic Data Processing Center commenced |
| 2009. 10 | Operation of Shared Service Center providing SFG's group IT infrastructure |
| 2010. 01 | Joined SFG as a subsidiary |
| 2012. 11 | ISO/IEC 20000 (services management), BS 100012 (individual information protection) certification acquired |
| 2013.02 | Established(Constructed) a total systems for the Credit |

● Business Scope

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

Vision & Strategy

Mission

Compassionate ICT sharing future

Vision

Business Value Creator
Your IT Partner Creating Business Value

2015
Strategic
goal

ICT expert leading smart finance

Strategic
Priorities

Secure
Smart
ICT
Leadership

Enhance
customer
satisfaction
through
Upgrading
service
Capabilities

Strategic
cost saving

Establish
foothold
for
continuous
growth

Build IT Shared Service Center within the Group



Profile

● Company Overview(As of Dec 31, 2013)

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

- Incorporation Date : June 15, 2000
- Shareholders' Equity : KRW 30.4 billion
- Total Assets : KRW 34.6 billion
- Key Milestones

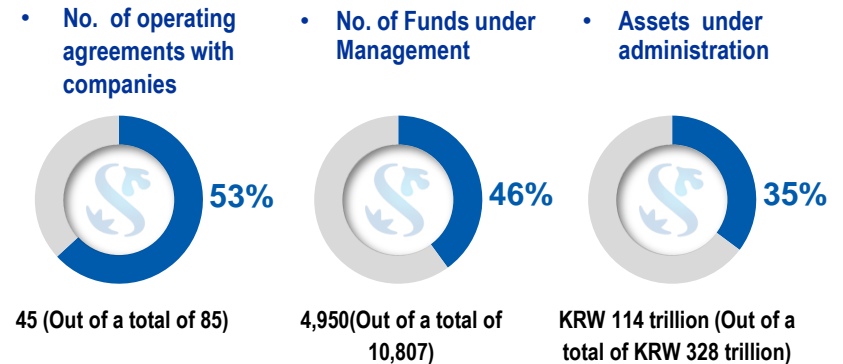
| | |
|----------|--|
| 2001. 03 | Launched the first stock trading system in this business field |
| 2007. 09 | Achieved KRW 100 trillion of custody assets |
| 2009. 06 | Developed overseas public disclosure system |
| 2012. 11 | Joined Shinhan Financial Group as a subsidiary |
| 2013. 01 | Launch a next generation trading system |

● Business Scope

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

Domestic & Global Market Share

● Domestic Market (No. 1)



● Global Market (No. 12)

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

fundservices.net incorporating R&M SURVEYS Monday, September 2, 2013

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Assets under Administration Trustee Transfer agency Assets under Custody About the a

Assets under Administration

| Rank# | Provider | Assets (in billion US dollars) | Fund count | Reference date |
|-------|------------------|--------------------------------|------------|----------------|
| 1 | J.P. Morgan | 6970 | 9400 | Dec 31, 2012 |
| 2 | State Street | 6565 | | Dec 31, 2012 |
| 11 | Societe Generale | 641 | 4107 | Jun 30, 2013 |
| 12 | Shinhan AITAS | 301 | 8112 | Feb 28, 2013 |
| 13 | EFA | 179 | 2477 | - |



Profile

● Company Overview (As of Dec 31, 2013)

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

- **Incorporation Date** : July 8, 2002
- **Shareholders' Equity** : KRW 13.7 billion
- **Total Assets** : KRW 21.0 billion
- **Key Milestones**

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

● Business Scope

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

Operation Overview

Group Companies

- Credit under management : KRW 2~3 trillion
- Sales volume of credit research : KRW 2.8 billion
- Launched application/petition services and CRM operation starting from 2012

Public Credit

- Credit under management : KRW 3~4 trillion
- Amount administered in asset management assistance business : KRW 14 billion
- Launched supporting business for the National Happiness Fund in 2013

External Credit

- Credit under management : KRW 1~2 trillion
- Amount administered in asset management assistance business : KRW 1.5 billion
- Comprehensive credit information service



Profile

● Company Overview (As of Dec 31, 2013)

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

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

| | |
|-----------|---|
| 2004. 12. | Shinhan Private Equity Established |
| 2004. 12 | Joined Shinhan Financial Group as a subsidiary |
| 2005. 08 | Established Shinhan NPS private Equity Fund 1 st |
| 2008. 06 | Established Shinhan Private Equity Fund 2 nd |
| 2008. 12 | KOREA Capital Market the bell League Table Awards– Best M&A Deal by PEF |
| 2011. 10 | Acquired discretionary investment advisory license |
| 2011. 11 | Changed its name to Shinhan Private Equity Investment Management |
| 2012. 12 | Established Shinhan Stonebridge Petro Equity Fund |
| 2014. 02 | Changed its name to Shinhan Private Equity |

Operation Overview

Shinhan NPS private Equity Fund 1st

- Investment Amount : KRW 300 billion
- Independently managed by Shinhan PE
- Currently in liquidation proceedings

Shinhan Private Equity Fund 2nd

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

Shinhan Stonebridge Petro Equity Fund

- Investment Amount : KRW 818.2 billion
- jointly invested and operated by Shinhan PE & Stonebridge
- Invested KRW 800 billion in SK Incheon Petrochem

Forward-Looking Statements

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

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

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

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

