



To the Asia Leading Financial Group

Shinhan Financial Group

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5. Shinhan BNP Paribas Asset Management
6. Shinhan Capital
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9. Shinhan Data System
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I. Shinhan Financial Group

1. Overview & History



About SFG

Korea # 1 Financial Institution

Realizing highest net income among peers (consecutive 9 years since 2008)
Market Cap ranked 1st place among peers (21.5 trillion as of Dec. 31, 2016)



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



Growth through Corporate Social Responsibility

Implementing the “Compassionate Finance” to seek shared
development for the company and the society





About SFG

SFG at a Glance

Overview

(As of Dec.31, 2016)

- **Net Income : KRW 2.77 trillion**
- **Total Consolidated Assets : KRW 396 trillion**
- **Total Market Cap: KRW 21.5 trillion**
- **ROA : 0.7%**
- **ROE : 9.2%**
- **13 direct subsidiaries, 24 indirect subsidiaries**
- **Number of Employees : 26,000**
- **Major Shareholders**
 - Korea National Pension Service 9.55%
 - BNP Paribas 5.35%
 - BlackRock Fund Advisors 5.13%*
 - SFG ESOP 4.72%

* Based on the Large equity ownership disclosure by BlackRock Fund Advisors with the Financial Supervisory Service on Oct. 20, 2016.



Well-diversified Business Portfolio



Top 500 Banking Brands

Bank Ranking	Company	Nationality
1	ICBC	China
2	Wells Fargo	US
9	HSBC	UK
37	Mizuho Financial Group	Japan
52	DBS Group	Singapore
58	Shinhan Financial Group	Korea
94	Macquarie	Australia

* Source: The Banker (Feb. 2017)



About SFG

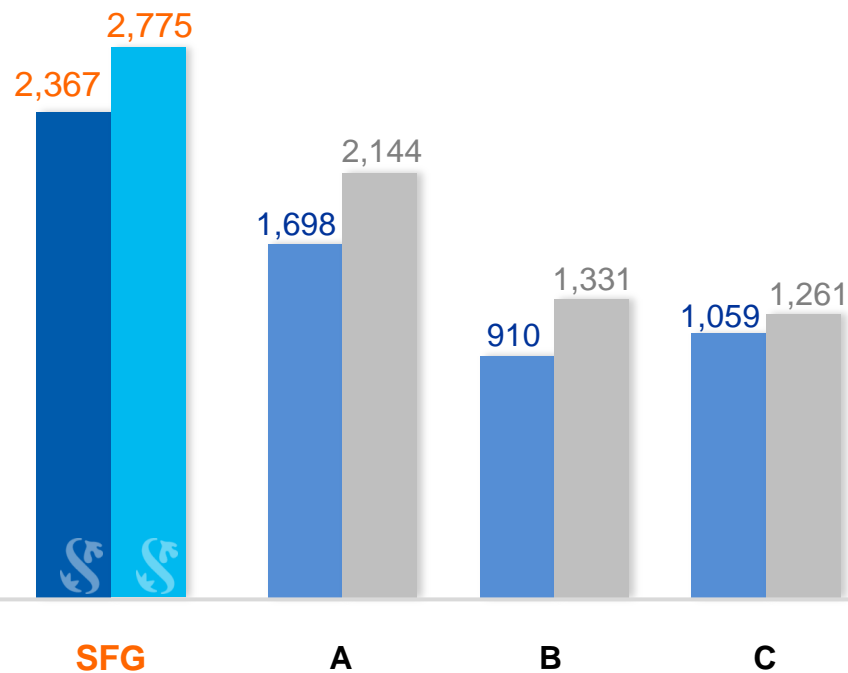
Market Position

Outstanding Profitability

● Net Income (FY2015/ FY2016)

(KRW billion)

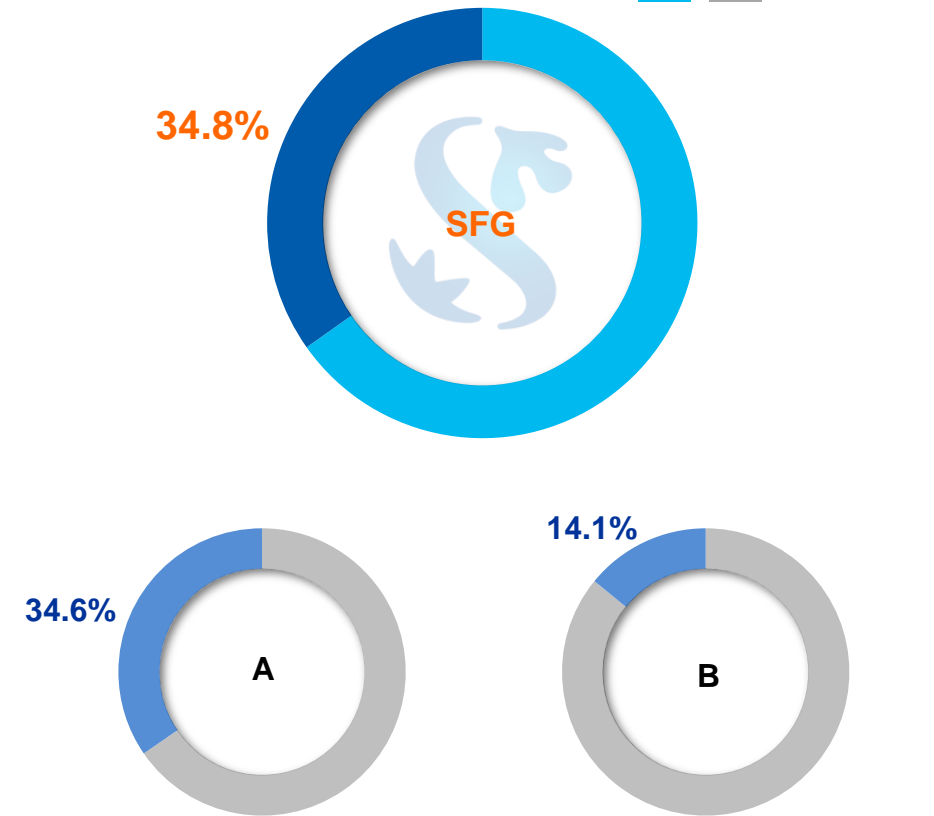
■ FY2015
■ FY2016



Diversified Profit Base

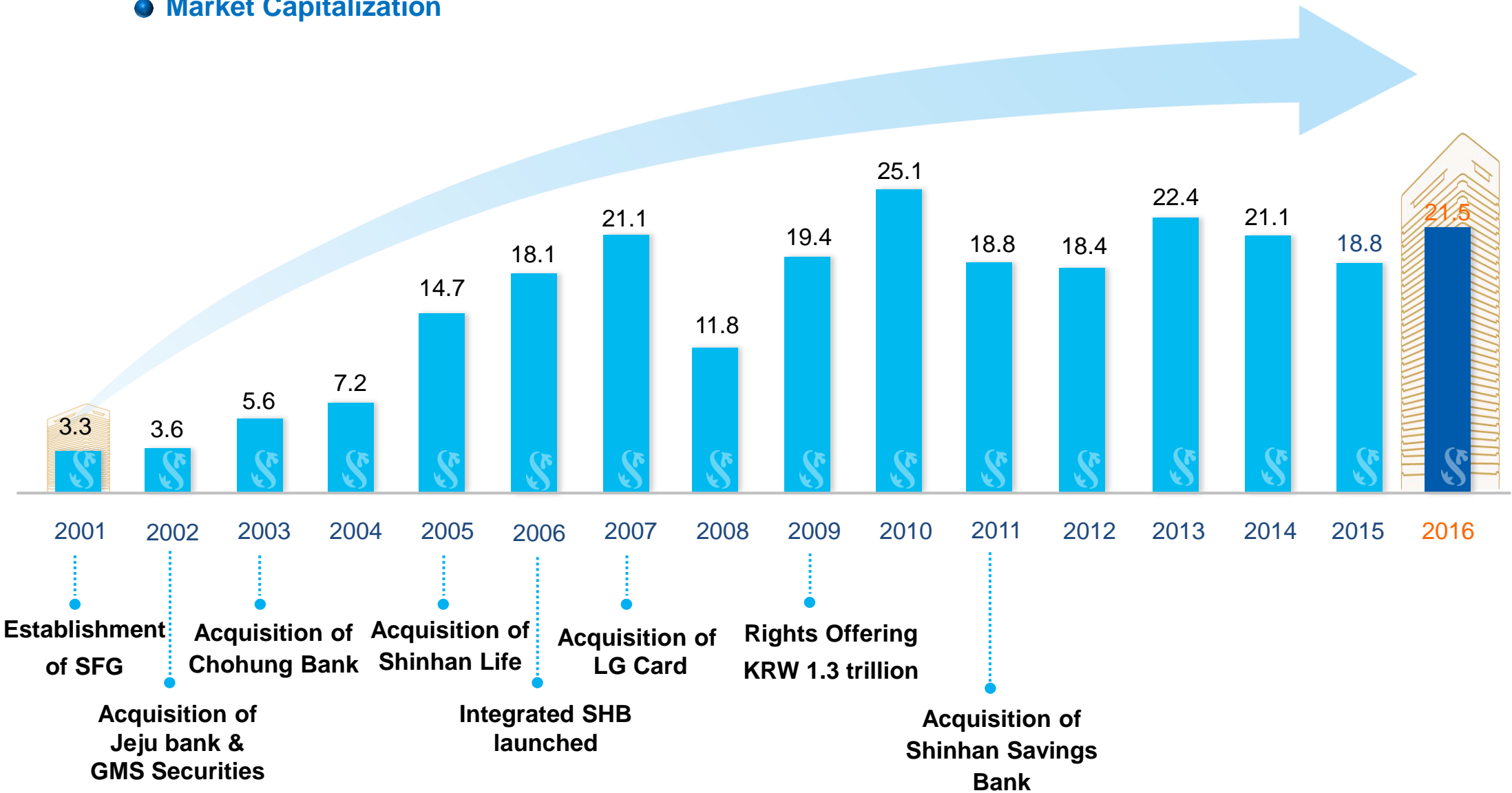
● Net Income Contribution by Non-bank Subsidiaries (FY2016)

■ Non-bank
■ Bank





Market Capitalization





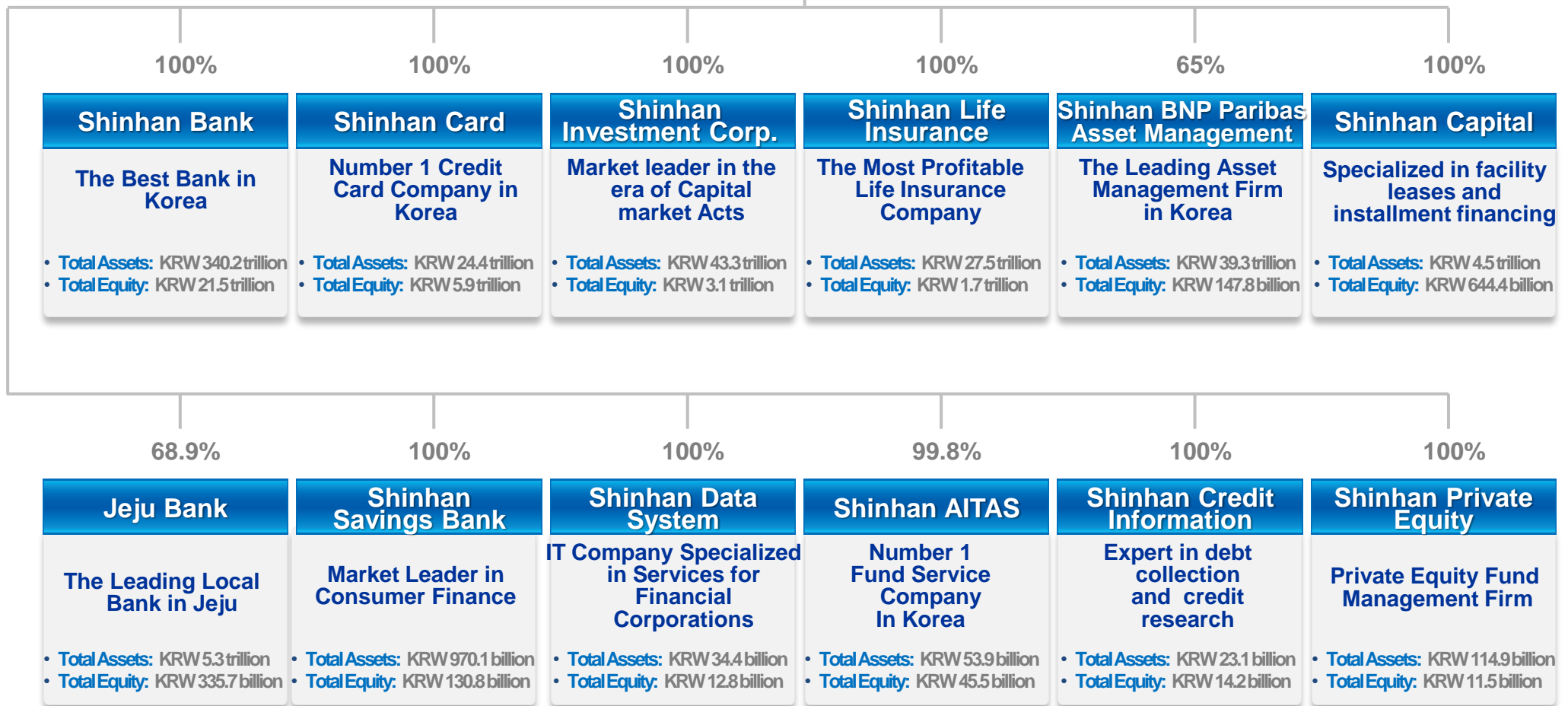
About SFG

How SFG is Organized

No. 1 Financial Group in Korea



SHINHAN
FINANCIAL GROUP



Note) Based on Consolidated Financial Statements, Trust A/C and AUM are included in Total Assets.



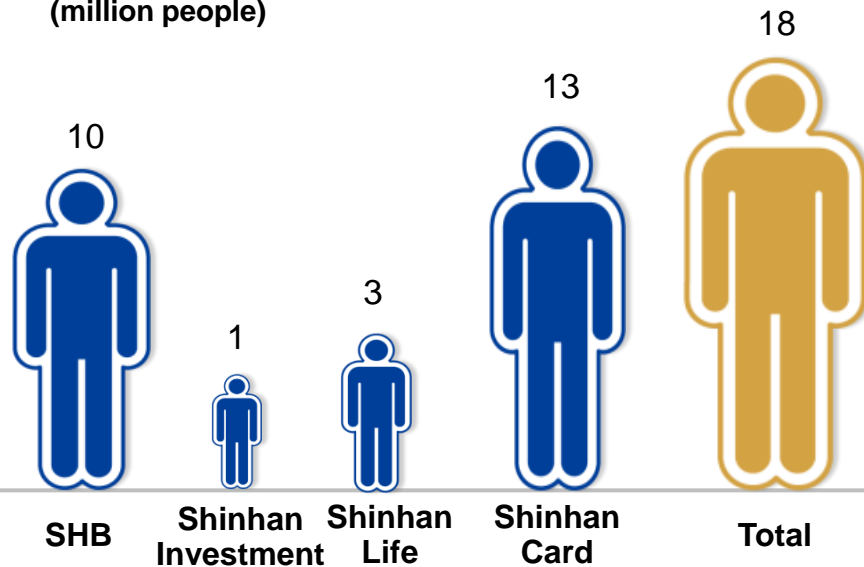
Customers



SFG serves 18* million Active customers.

* Excluding overlapping customers (As of Dec. 31, 2016)

(million people)



Branch Networks

Domestic Network

Company	# of Branches
Shinhan Bank	872
Shinhan Life Insurance	195
Shinhan Investment Corp.	109
Shinhan Card	29
Jeju Bank / Others	68
Total	1,273

Combined Branch

Branch	# of Branches
PWM Center	27(2)
PWM Lounge	17(1)
Creative Finance Plaza	14
Total	58

* As of Dec. 31, 2016

** Figs. in parenthesis represents no. of combined branches with life insurance

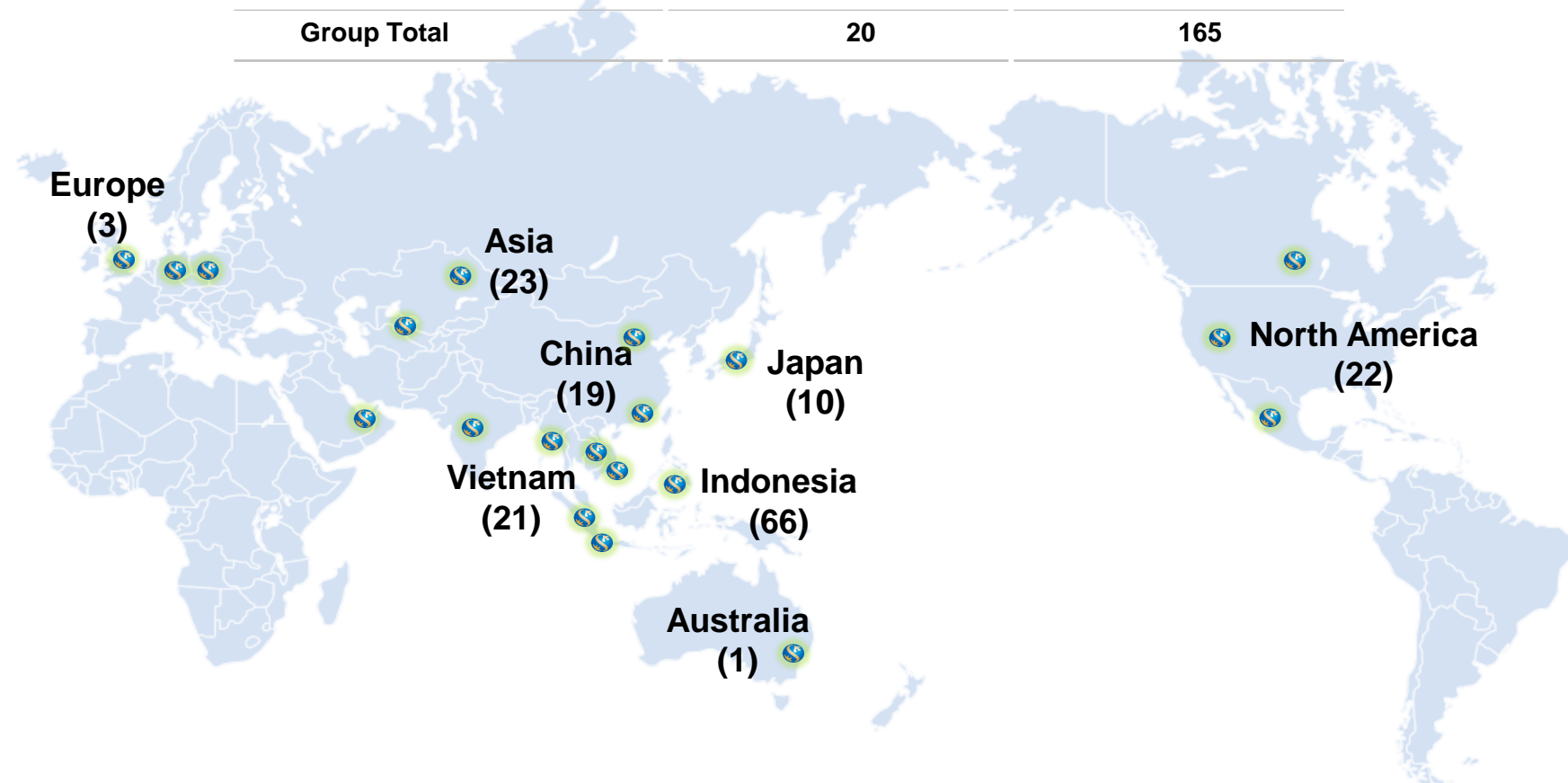


About SFG

Global Networks

● Shinhan Financial Group comprised of 165 Networks in 20 Countries (As of Dec. 31, 2016)

Company	# of Countries	# of Networks
Shinhan Bank	20	150
Shinhan Card	3	7
Shinhan Investment Corp.	5	6
Shinhan Life Insurance	1	1
Shinhan BNP Paribas AM	1	1
Group Total	20	165





About SFG Global Networks

● Success story in Vietnam (As of Dec. 31, 2016)



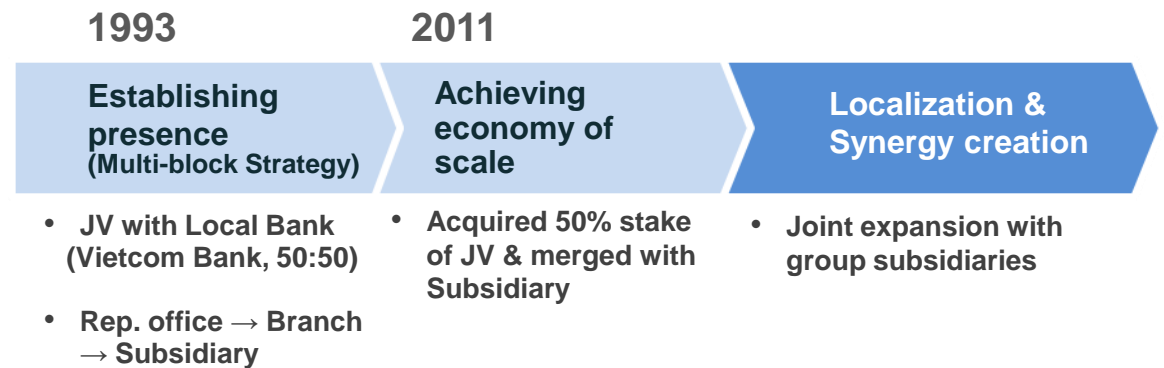
• 2nd Largest foreign Bank in Vietnam

(in terms of Net Profit & Loans)

• Largest network base among foreign Banks

(21 Networks : Bank 18, Brokerage 2, Life Insurance 1)

• Experience over 20 years in Vietnam



• Joint expansion with group subsidiaries

- 1) Credit Card : 11th out of 32 credit card companies (in terms of retail transaction volume)
- 2) Brokerage : Acquired local Brokerage company (2015)
- 3) Life Insurance : Established Rep Office (2015)



About SFG Global Networks

● Success story in Japan (As of Dec. 31, 2016)

- Only one foreign bank operating retail banking services in Japan
- Profitable & Productive bank in Japan
(NIM 1.55%, ROA 0.88% – as of Dec. 31, 2016)

• Experience over 30 years in Japan



- Established localized operation system
 - 1) Continuous growth in the number of local employees
 - 2) Appointed local CEO, directors and senior management
 - 3) More than 80% of head office manager and 30% of branch manager are local employees. (as of Jan. 31, 2017)





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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
CSR Report	[Yellow bar]											
Joined the UN Global Compact				[Orange bar]								
Participated in the UNEP FI				[Yellow bar]								
Operating a green management system					[Orange bar]							
Acquired ISO 50001 certification								[Yellow bar]				
Established Group's CSR strategies										[Orange bar]		
Established CSR Committee under the board											[Yellow bar]	
Acquired ISO 14001 certification												[Orange bar]



About SFG

CSR Governance

CSR Committee is to be formed with one inside director and four outside directors. The committee will set the direction of major issues of the Group's CSR in the fields of the economy, environment, and society. The committee will also revise the existing codes related to the group's socially responsible management, ponder upon and makes decisions on the enactment of these new codes, review a social responsibility report, and monitor the results of the external evaluation related to socially responsible management and its current status.

(The Board of Directors of the Holding Company) CSR Committee

- Direction setting for CSR.
- Designation, enactment, and abolishment of codes/ policies

(CEO Council) Group CSR Council

- The establishment of CSR strategies.
- Monitoring major issues of the Group's CSR.

CSR Affairs Council

- Discussion regarding the issues of the CSR the group is facing.
- Response to the evaluation, coming up with issues in need of the improvements, etc.

(Holding Company) CSR Team

- Supervision over subcommittees and councils.
- CSR operation monitoring and reporting.

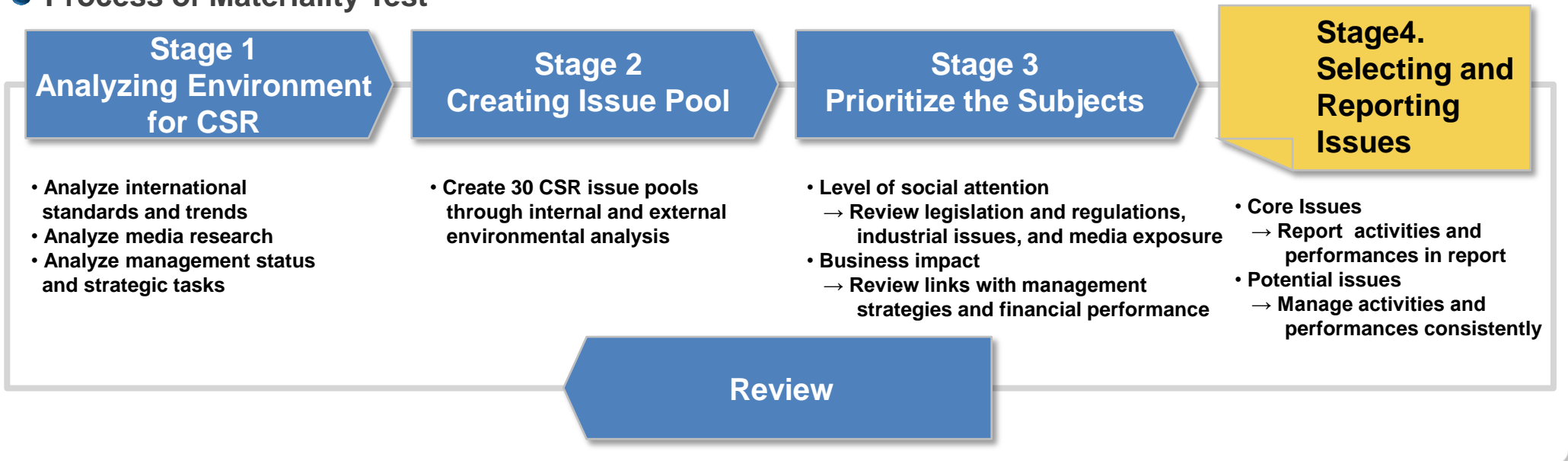
Affiliates Social Contribution (CSR) Team

- Takes charge of affairs related to the CSR of each affiliate.



Shinhan Financial Group is currently reflecting the results of its analysis on the subjects that stakeholders are interested in, as well as the subjects regarding the elements make an impact on the group.

● Process of Materiality Test



● Core Issues

- Cyber security
- Financial inclusion
- Develop products and services by considering environmental impact
- Conduct Social contribution using business characteristics
- Improve customer satisfaction
- Prevent financial fraud
- Conduct social contribution activities for supporting underserved people and developing local community
- Expand employment and ensure employment stability
- Strengthen accessibility of socially disadvantaged people for financial services
- Pursuing shared development with suppliers and supporting their CSR activities

● Potential Issues

- Advance to global market and expand sales network
- Create synergy within affiliates
- Reinforcing financial risk managements
- Accomplish stable management performance
- Develop employee capabilities and nurture human resources
- Reinforcing the internal control system and activating whistle-blowing system
- Improvement of the working environment
- Strengthening of business portfolio
- Pursuing sound governance
- Improve brand value (Total 20 issues)



Shinhan Financial Group established 9 CSR strategies in 8 areas, including economy, society and environment, to implement management activities in a responsible manner and create sustainable value.

Group CSR Strategy

Value Creation through Responsible Management



1 Economy

- 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 Society

- 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 . Increasing financial inclusion for the financially underserved people
- VII . Striving to work together in harmony with partner companies and support CSR activities







3 Environment

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



About SFG CSR evaluation

Shinhan Financial Group is included in global CSR initiatives, as well as composed of Socially Responsible Investment funds following ESG index. Due to continuous CSR activities, Our group is recognized as a role model corporation that fits the global CSR standard by global investment and research firms. The evaluation is above the industrial average.

Index		Grade/Score	Following Index	Award/Certification
 <p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p>	DJSI	Score: 88	DJSI World DJSI Asia-Pacific DJSI Korea	Included in DJSI World index for the first time among Korean financial groups for four consecutive years
 <p>GLOBAL100</p>	Global 100	Rank: 40th Score: 60.68	Global 100	Selected Global 100 Most Sustainable Corporations by the Davos Forum for five consecutive years
 <p>CGS Corporate Governance Service 한국기업지배구조원</p>	Korea Corporate Governance Service (CGS)	A+	KRX SRI KRX Governance KRX Eco	Awarded the Grand Prize in the Korea Corporate Governance Service for two consecutive years
 <p>CDP DRIVING SUSTAINABLE ECONOMIES</p>	CDP	Leadership A	-	First financial group in Korea to be included in the Honors Club for three consecutive years
 <p>MSCI ESG Research</p>	MSCI ESG	Grade: AA (Highest: AAA)	MSCI ACWI ESG MSCI Emerging Markets ESG MSCI Korea ESG	-
 <p>FTSE4Good</p>	FTSE4Good	Grade: 3.8 (Highest: 5)	FTSE ACWI ESG FTSE Asia Pacific ESG FTSE Korea ESG	-



I. Shinhan Financial Group

2. Vision, Strategy & Core Capability



SHINHAN WAY

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

Mission

A Better World through the Power of Finance



Core Value



Customer



Respect



Change



Excellence



Ownership

Vision

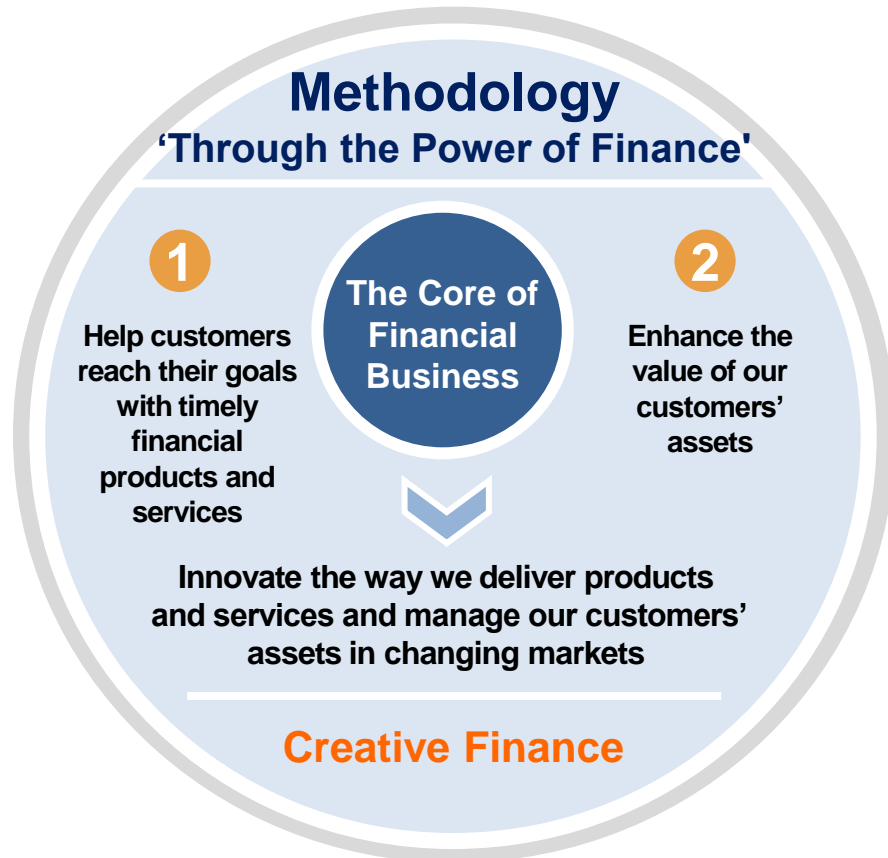
World Class Financial Group



Group's Mission
Compassionate Finance

Compassionate Finance, Your Companion for Future

" Promote a virtuous cycle of shared prosperity with creative financial services "

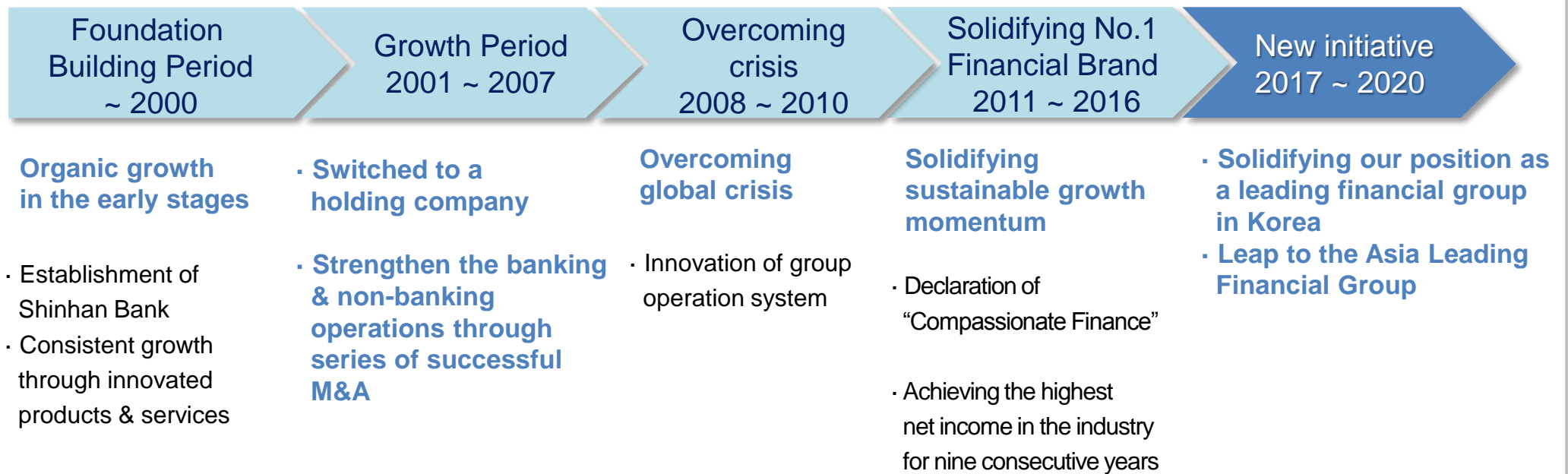




Group Vision

“World Class Financial Group”

Since the establishment of the financial holding company in 2001, Shinhan Financial Group has strived to become Korea’s leading world-class financial group.





SFG Capability Stable Corporate Governance

Shareholders

(As of Dec.31, 2016)



Major Shareholders

(As of Dec. 31, 2016)

Shareholder	Ownership %
National Pension Fund of Korea	9.55
BNP Paribas	5.35
BlackRock Fund Advisors*	5.13
SFG ESOP	4.72
Citibank N.A.(ADR dept.)	2.83
The Government of Singapore	2.41
Mizuho Bank, Ltd	1.26
Saudi Arabian Monetary Agency	1.25
Abu Dhabi Investment Authority	1.11
First State Investment ICVC-Stewart INV	1.04
The Lazard Fund	1.04

* Based on the large equity ownership disclosure by BlackRock Fund Advisors with the Financial Supervisory Service on Oct. 20, 2016.

Management

Cho Yong-byoung



- Chairman & CEO
Shinhan Financial Group (incumbent)
- Main Work Experience
2015 – President & CEO, Shinhan Bank
2013 – CEO, Shinhan BNP Paribas
Asset Management
2011 – Deputy President, Shinhan Bank

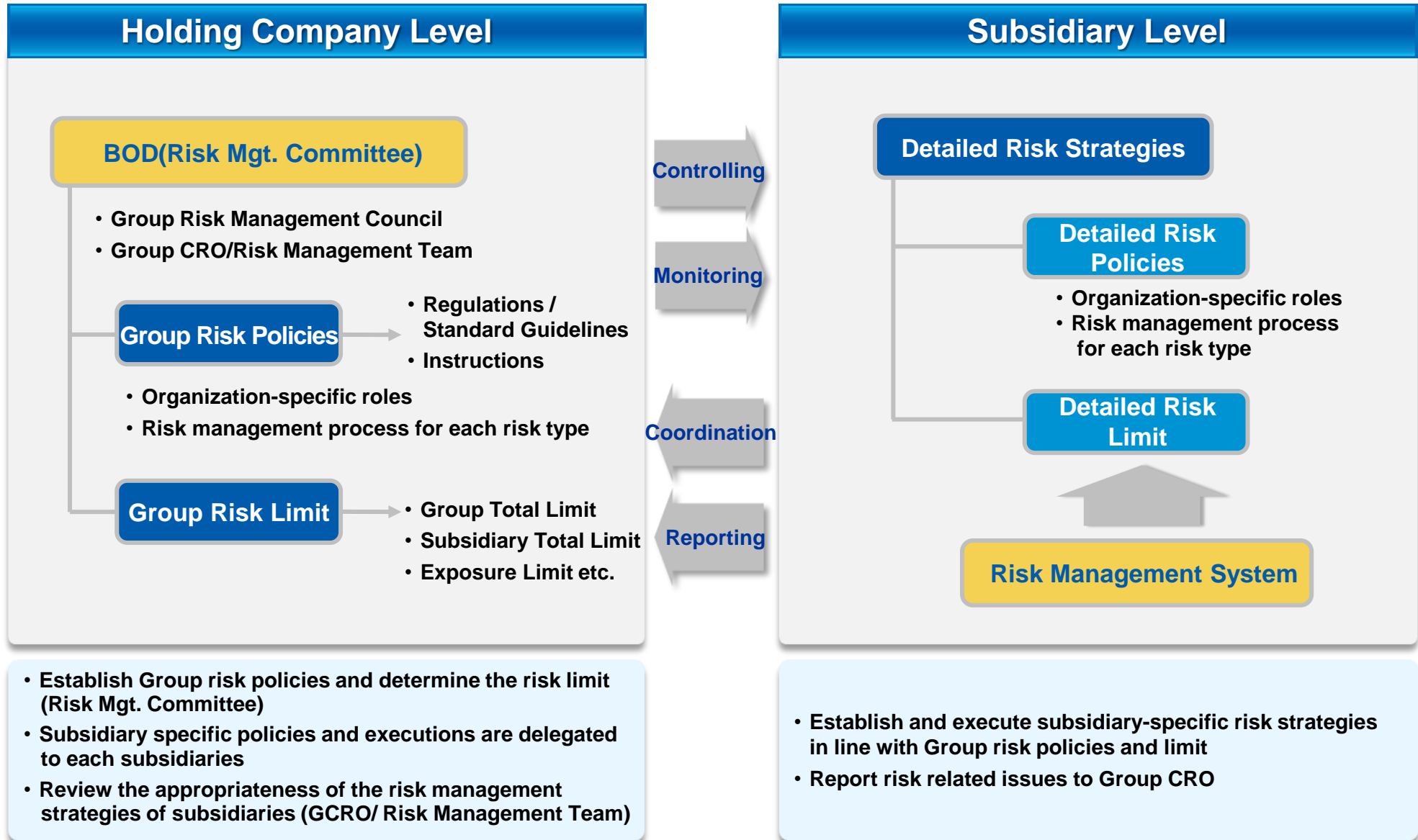
Wi Sung-ho

- President & CEO, Shinhan Bank (incumbent)
- Non-executive Director, SFG (Incumbent)
- Main Work Experience
2013 – CEO, Shinhan Card
2011 – Deputy President, Shinhan Bank
2008 – Deputy President,
Shinhan Financial Group





SFG Capability Thorough Risk Management



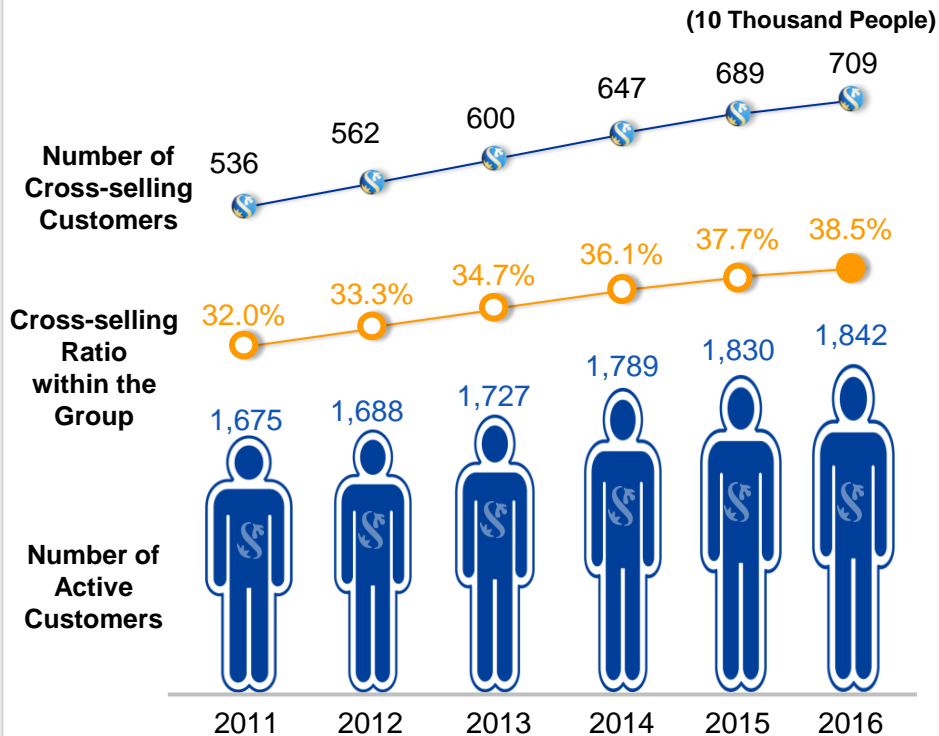


SFG Capability Group Synergy Creation

Group Synergy Business Model

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

● Increasing Overlapping Customers



Synergy Creation Activities and Programs

Increase Cross-selling Customers

- Among 18,420 thousand Group Active Customers, 7,091 thousand customers are Cross-selling customers as of Dec. 31, 2016
- Operating Group Royalty Program to enhance customer value through cross sales (Tops Club Program)

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

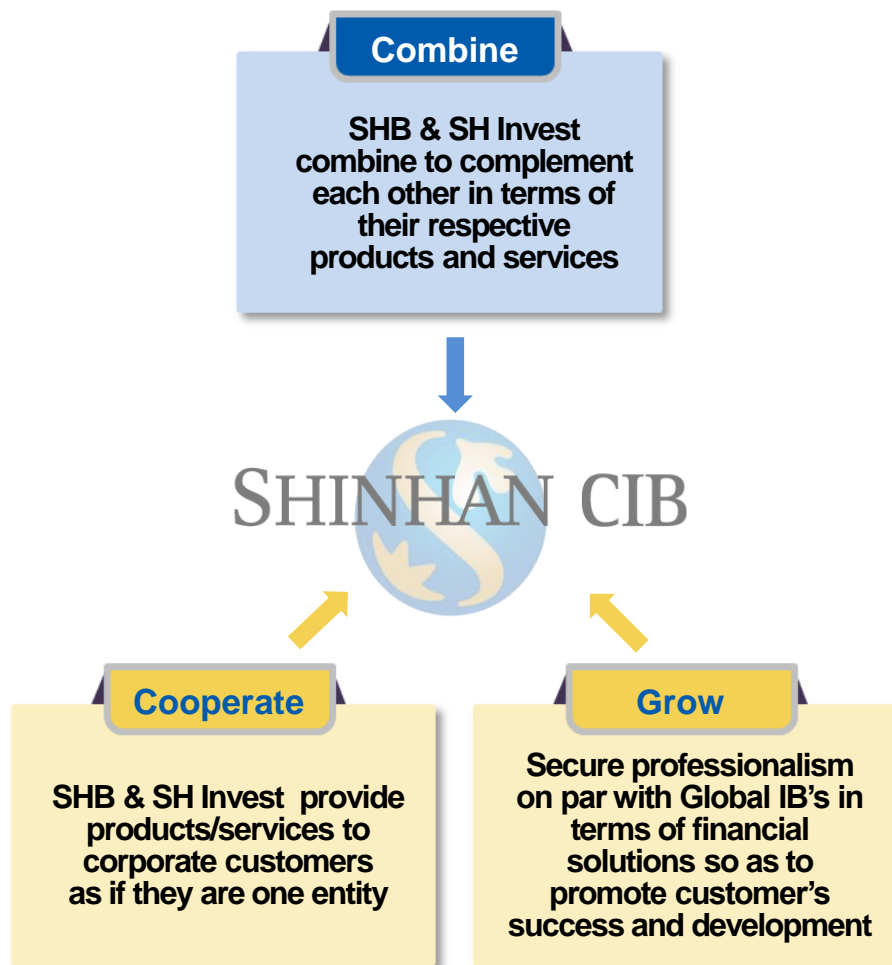
Referral of Customers

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

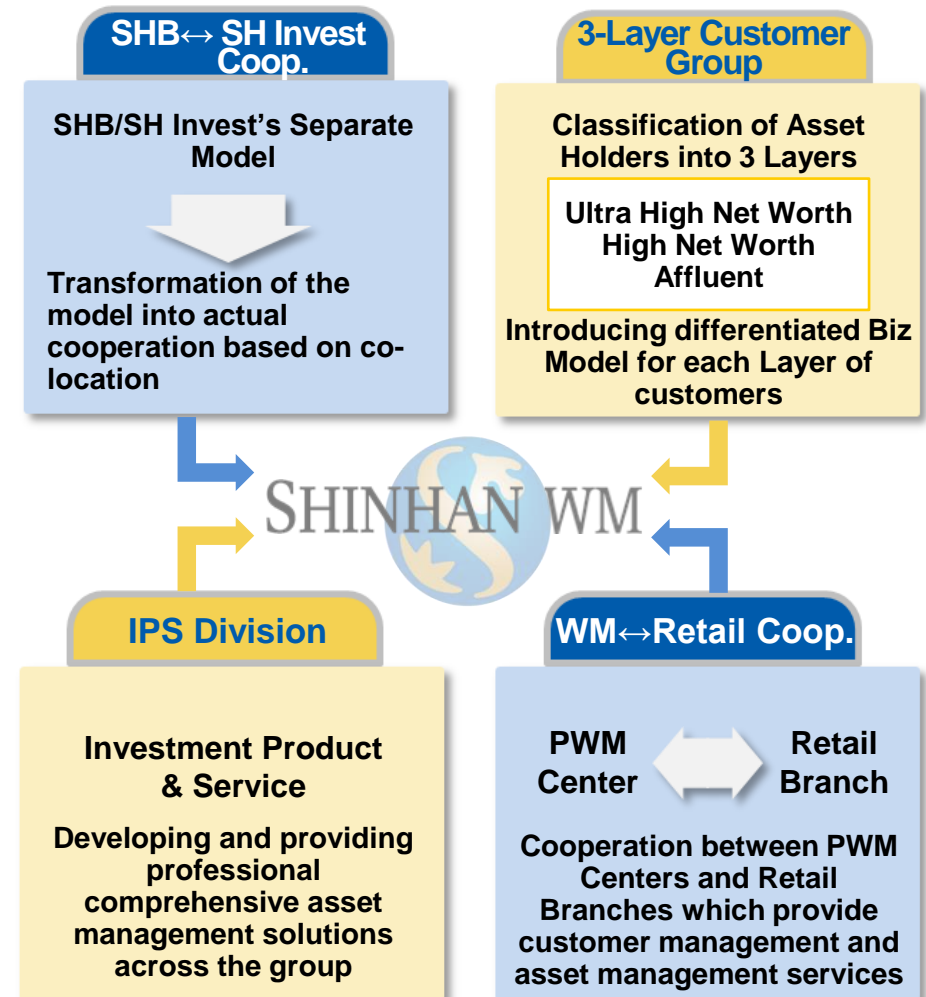


SFG Capability CIB & WM Group

Corporate & Investment Banking (CIB)

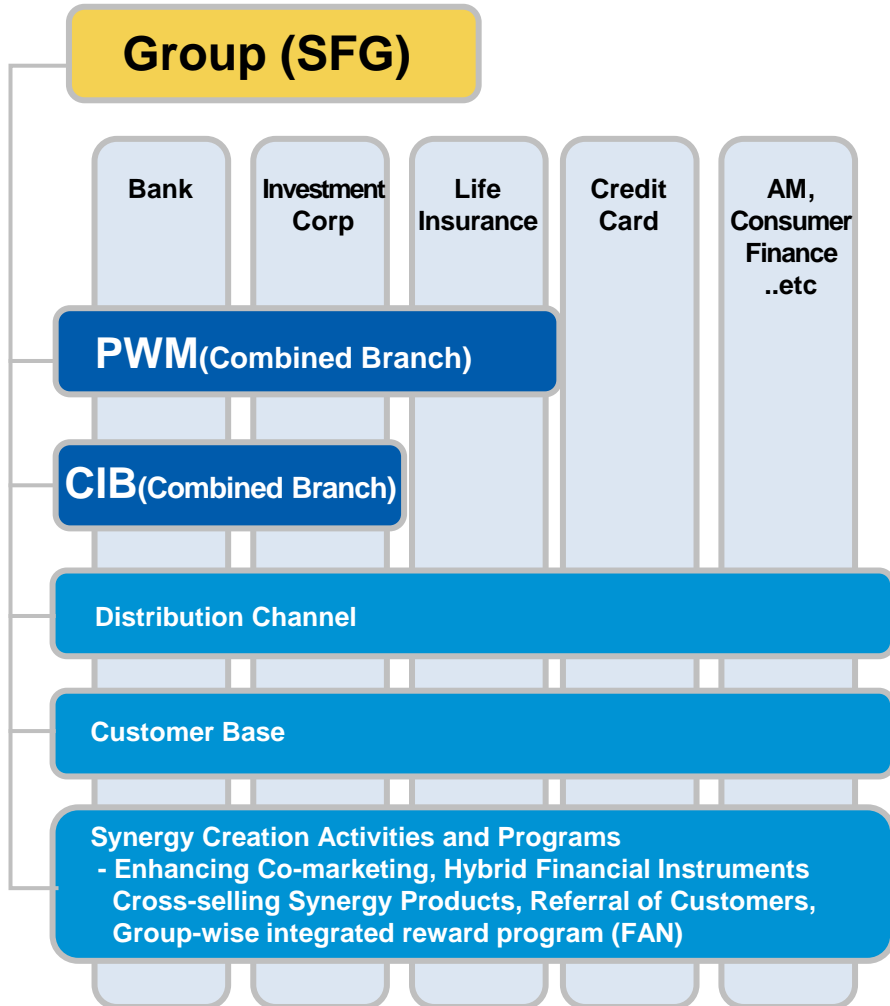


Wealth Management(WM)

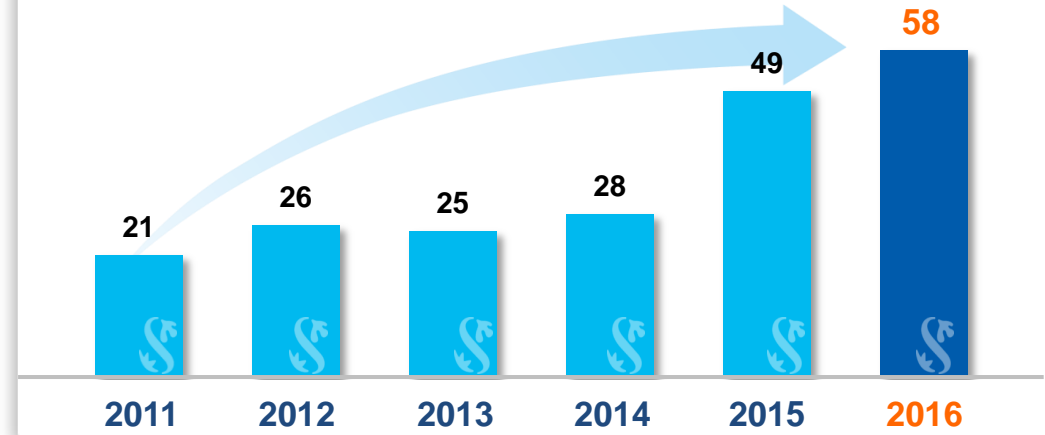




PWM/CIB Business Model



Number of Combined Branch



Combined Branch Network



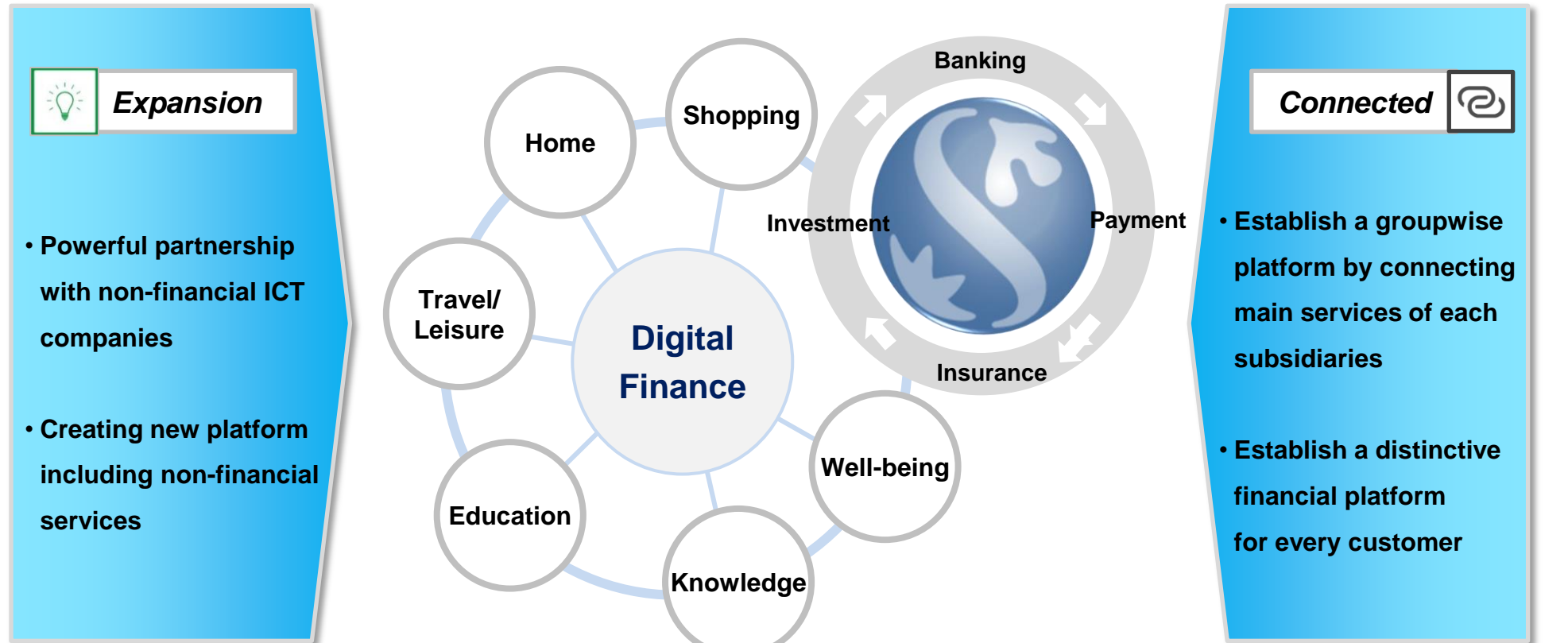
- # of Combined Branch**
- PWM Center (27)
 - PWM Lounge (17)
 - Creative Finance Plaza (14)

(As of Dec. 31, 2016)



SFG Capability Digital strategy

SFG is Strengthening its digital competitiveness on two track;
Connecting digital capacities of each subsidiaries and Co-operating with external ICT companies
to Build up financial ecosystem





SFG provide integrated financial services to customers in the digital ecosystem by connecting the services of each of subsidiaries as a single platform





Shinhan Future’s Lab, a collaboration program with fintech startups to enhance the group’s fintech competitiveness



Alliance

Providing various opportunities on joint-businesses and Introducing services within the group

Global Program

Providing global expansion opportunities to outperforming startups

Mentoring

Providing mentoring services by internal & external experts from ICT, financing, legal affairs, tax, etc.

Investment

Providing equity investment from SFG, as well as outside investors

Working Area

Providing office space fully equipped for startups

Infra, IT Test

Providing test bed to test their services through SFG, as well as Amazon Web Service, and Microsoft BizSpark, etc.



Participant companies

1st round (2015)

Payment	P2P Lending	Asset Mgt.	Overseas Remittance	Block Chain	Biometric Authentication	Big data	Total
1	1	1	1	1	1	1	7



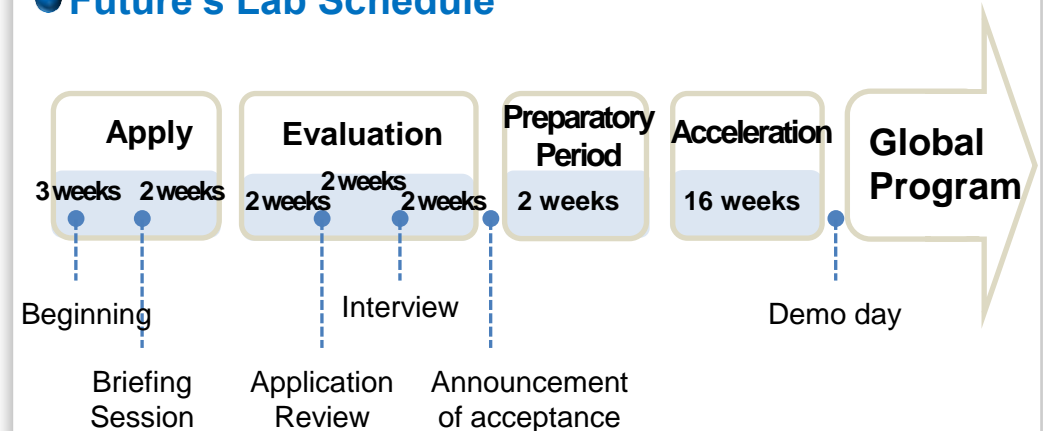
2nd round (2016)

Robo advisor	Payment	O2O Business	Crowd Funding	Big Data	VR	Block Chain	Authentication	Total
3	3	1	1	1	1	1	2	16



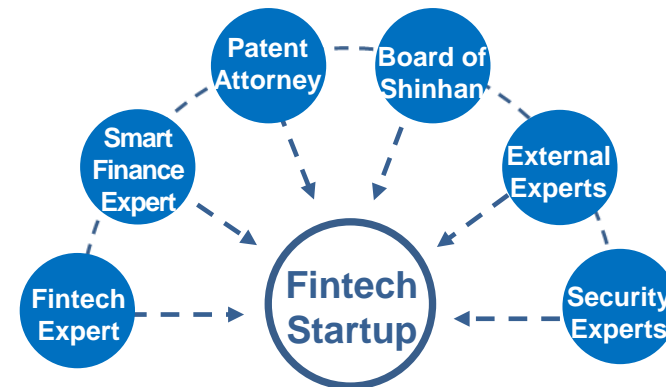
Accelerating Program

Future's Lab Schedule



Mentoring

Professional experts supporting the fin-tech companies through 12-week program with customized mentoring and 4-week commercialization process





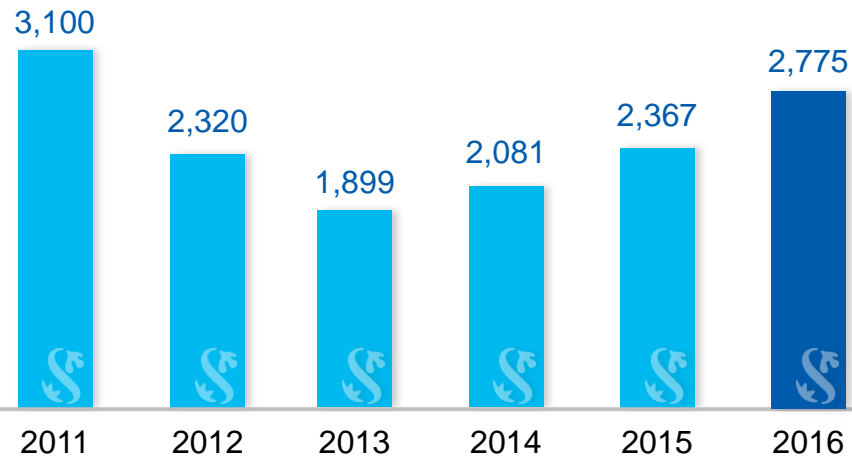
I. Shinhan Financial Group

3. Financial Highlights

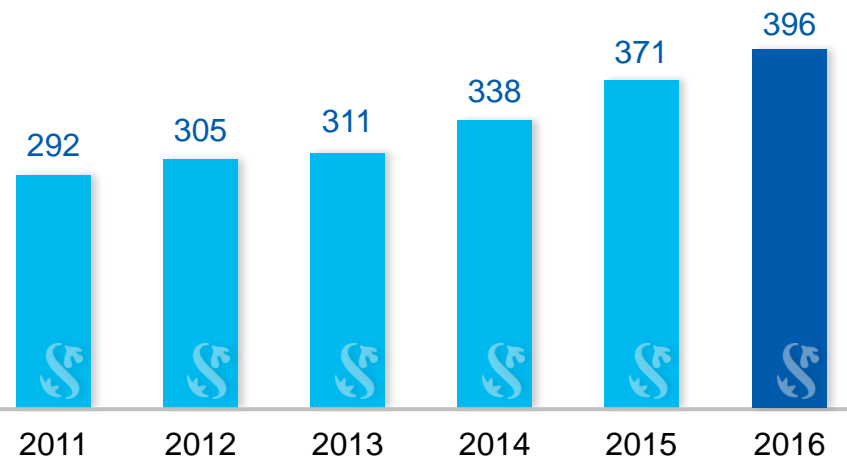


Shinhan Financial Group Financial Highlights

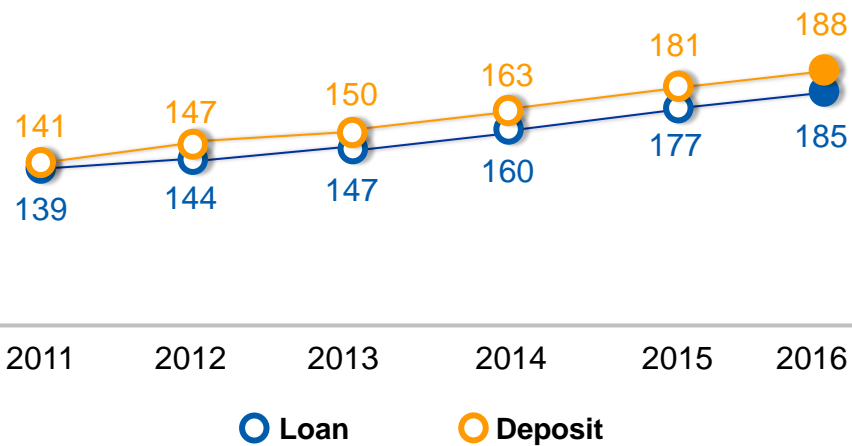
Group Consolidated Net Income (KRW billion)



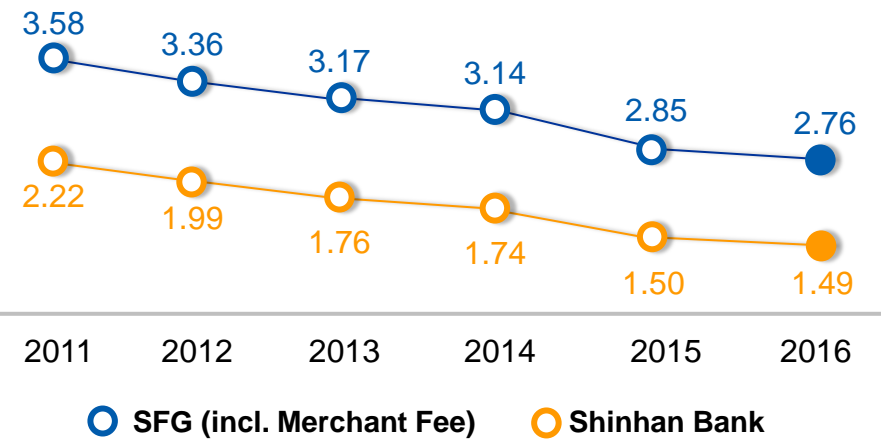
Total Consolidated Assets (KRW trillion)



Loans and Deposits of SHB (KRW trillion)

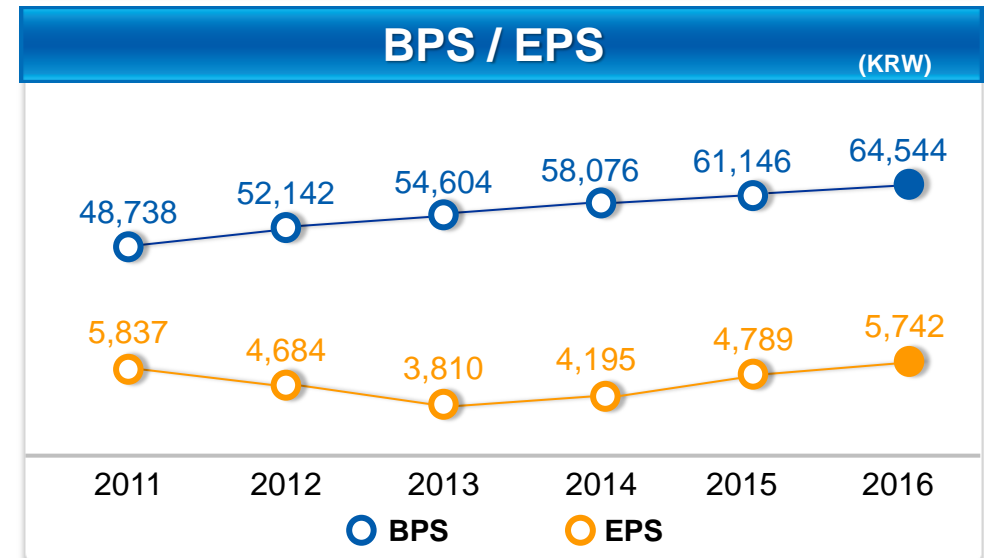
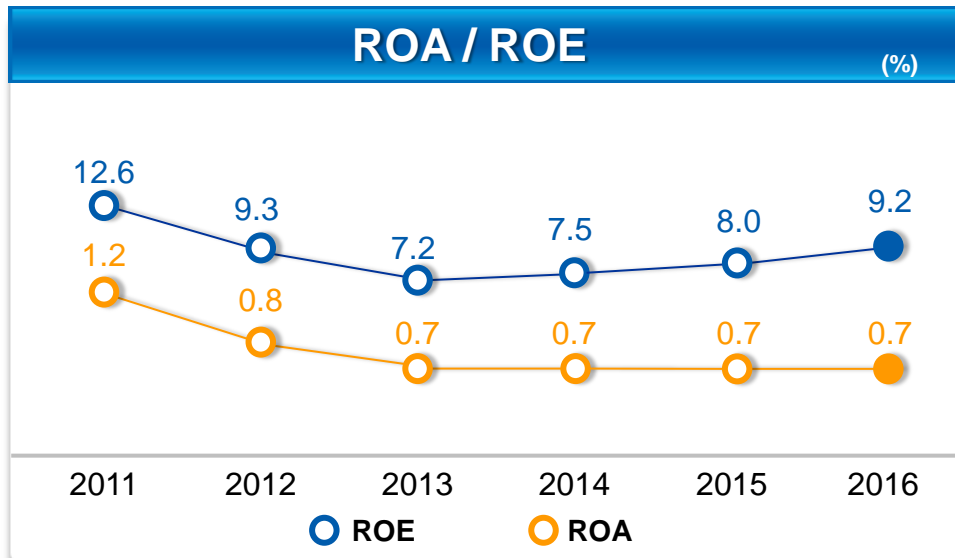
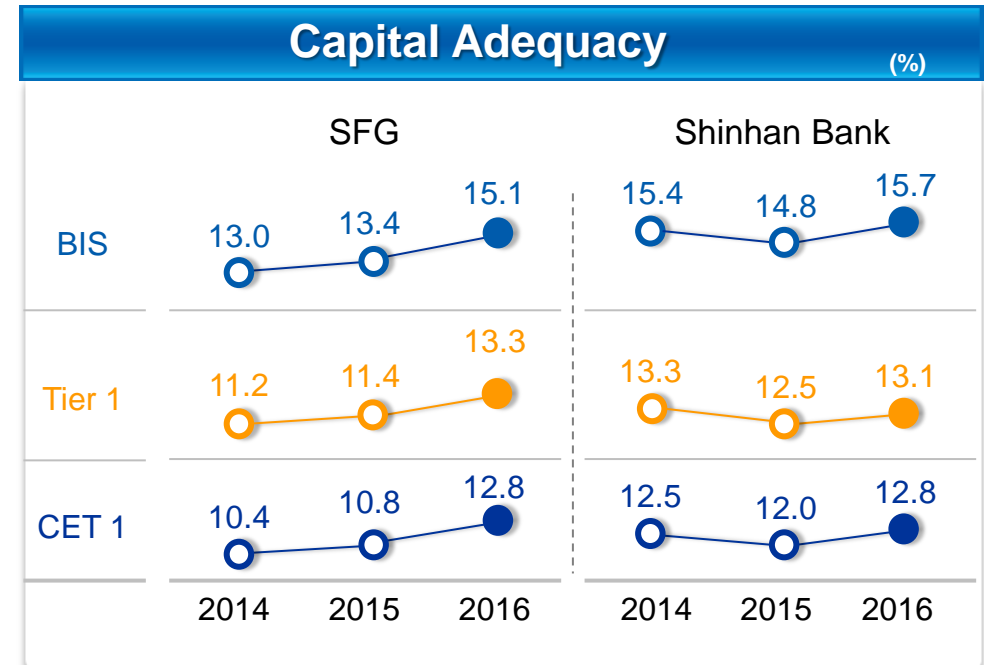
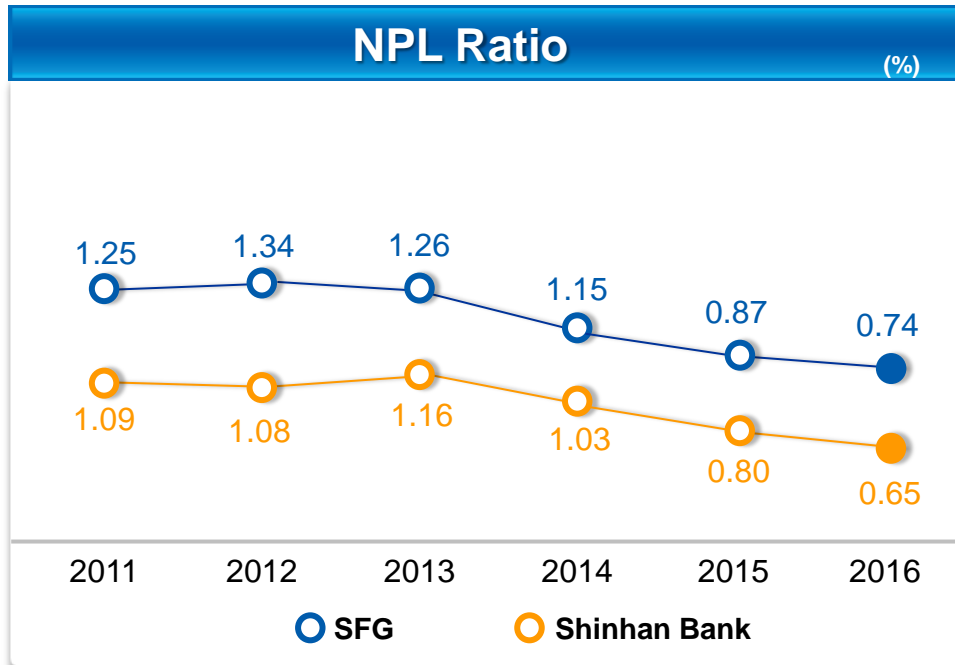


Net Interest Margin (NIM) (%)





Shinhan Financial Group Financial Highlights





II. Companies in the Group

1. Shinhan Bank



Shinhan Bank Company Overview

Corporate Profile

(As of Dec. 31, 2016)

Shinhan Bank is the flagship company of Shinhan Financial Group

- Total Assets (including trust account): KRW 324.5 trillion¹⁾
- Net Income for FY2016: KRW 1,940.3 billion²⁾ (1st among peers)

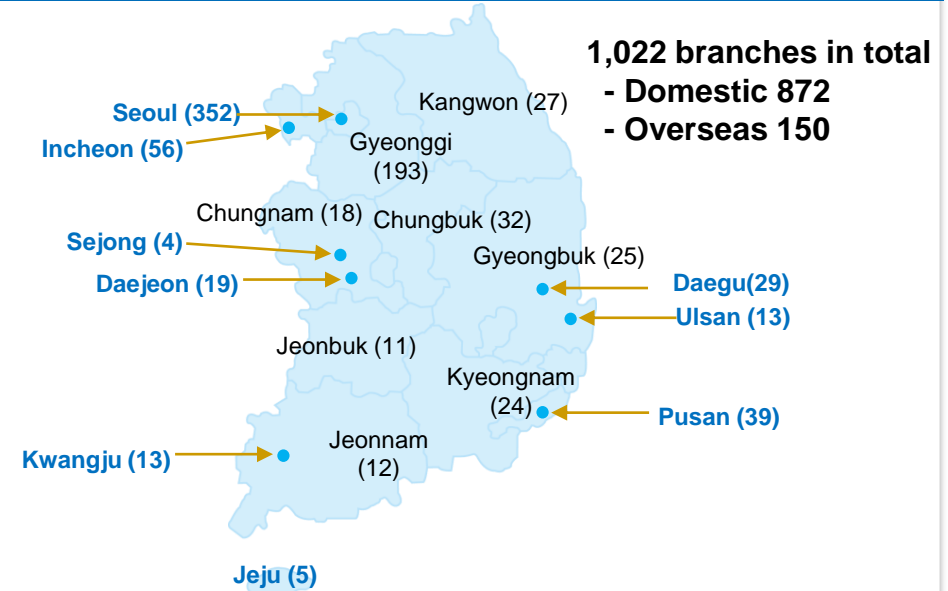
Note ¹⁾ Total Assets : Banking Account(Separate) + Merchant Banking Account + Trust Account

²⁾ Net Income derived on consolidated bases

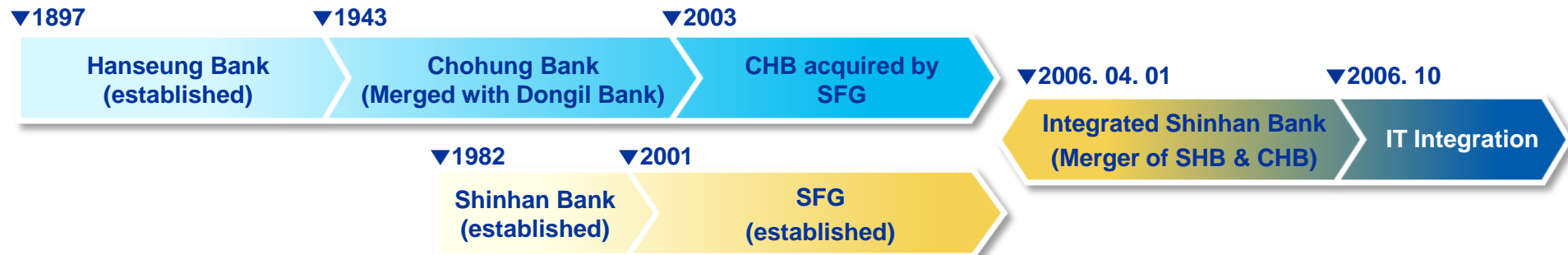
Rating Agency	F/C LT Debt Rating
MOODY'S	Aa3 (Negative)
S&P	A+ (Stable)
FITCH RATINGS	A (Stable)

Nation-wide Channel

(As of Dec. 31, 2016)



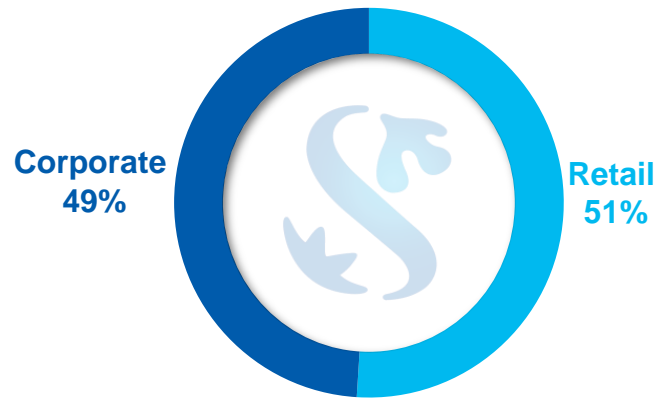
Shinhan Bank's Key milestones





Balanced Loan Portfolio

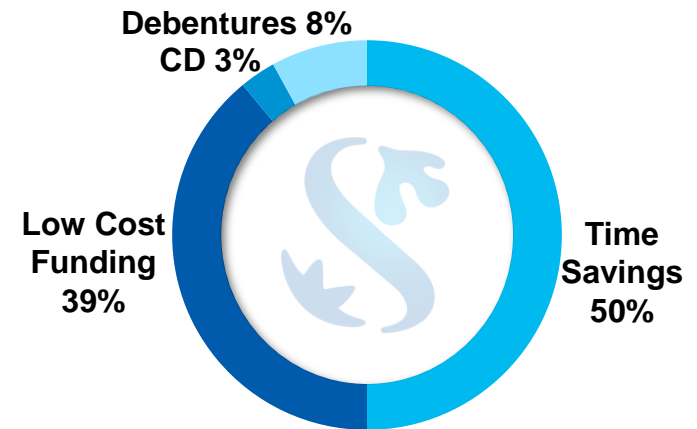
● Loan Composition



Note) based on Loan in Korean Won

Stable Funding Base

● Funding Composition



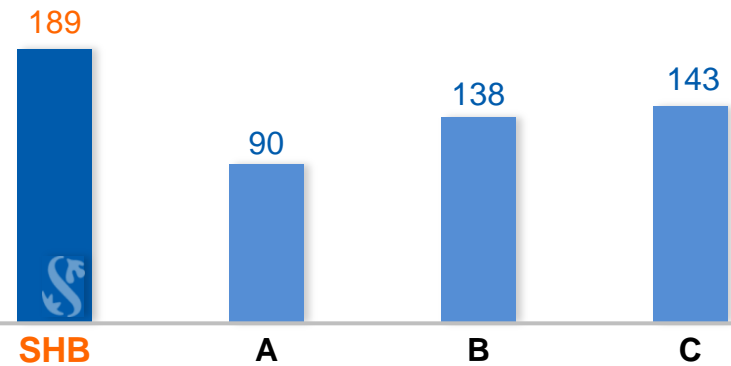
Outstanding Risk Management

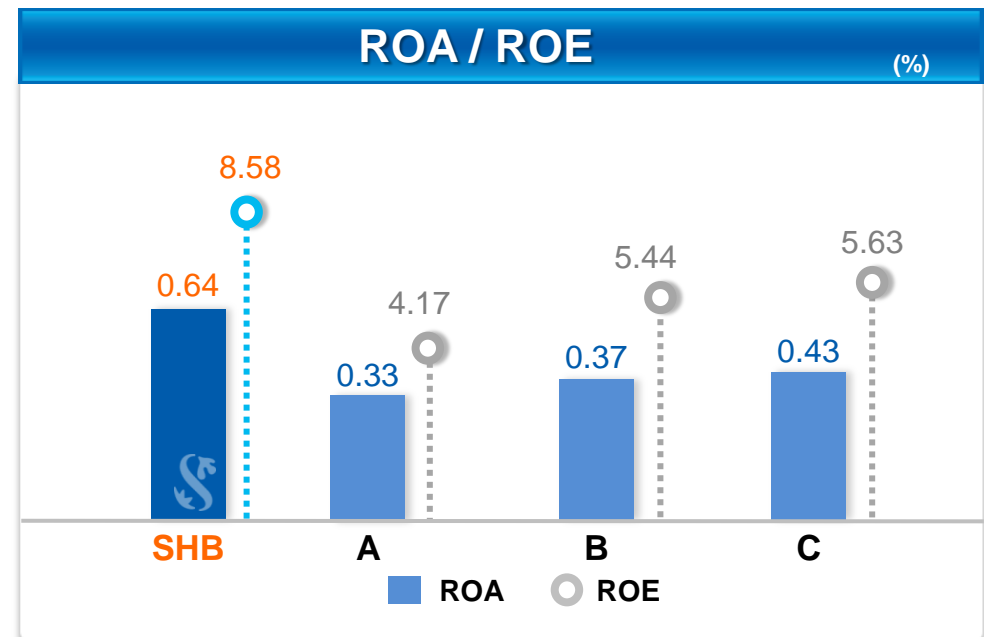
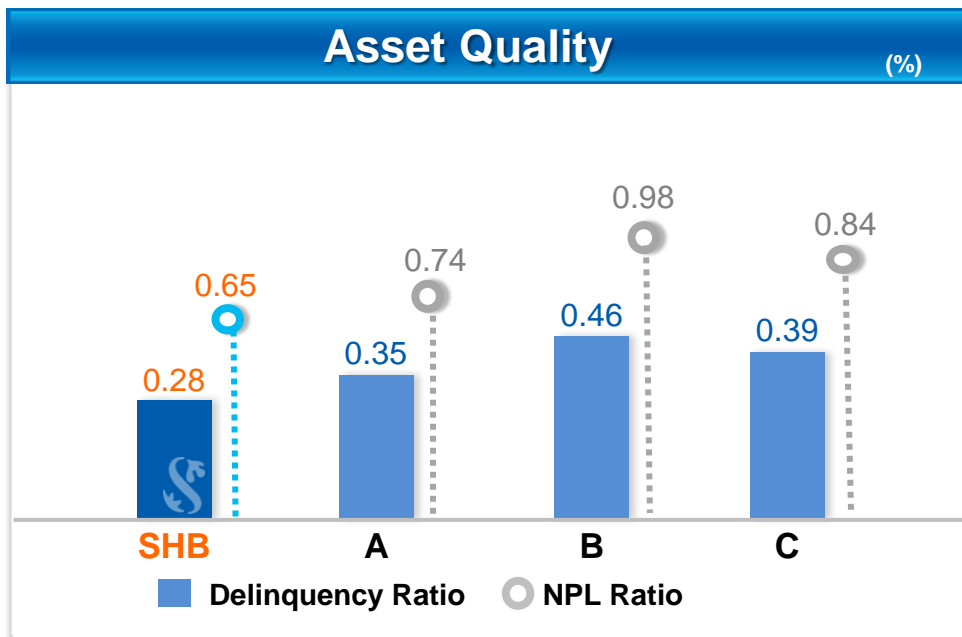
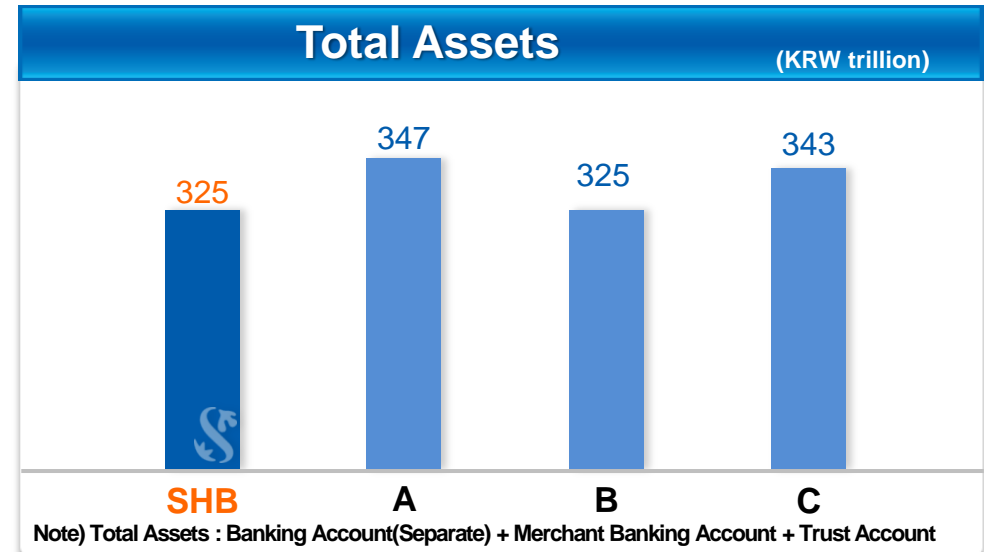
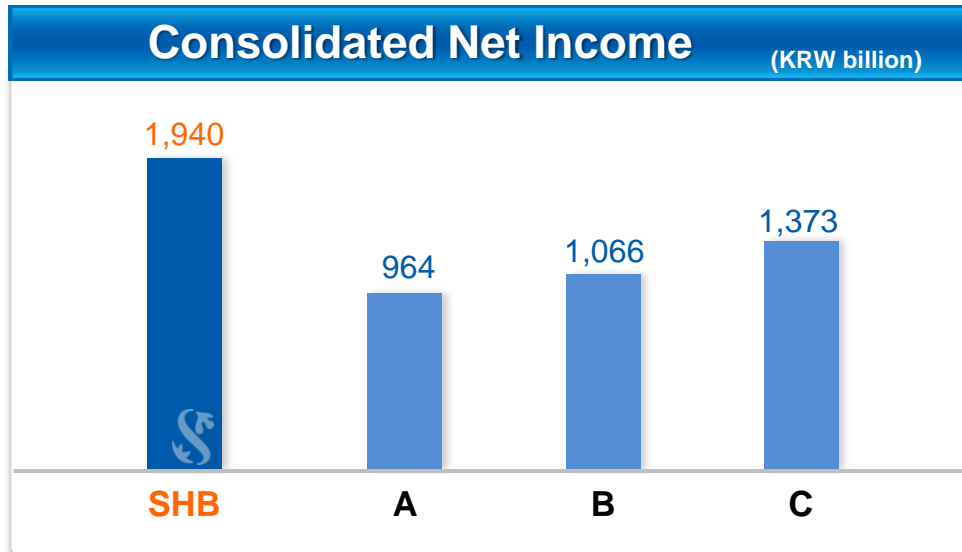
● NPL Ratio

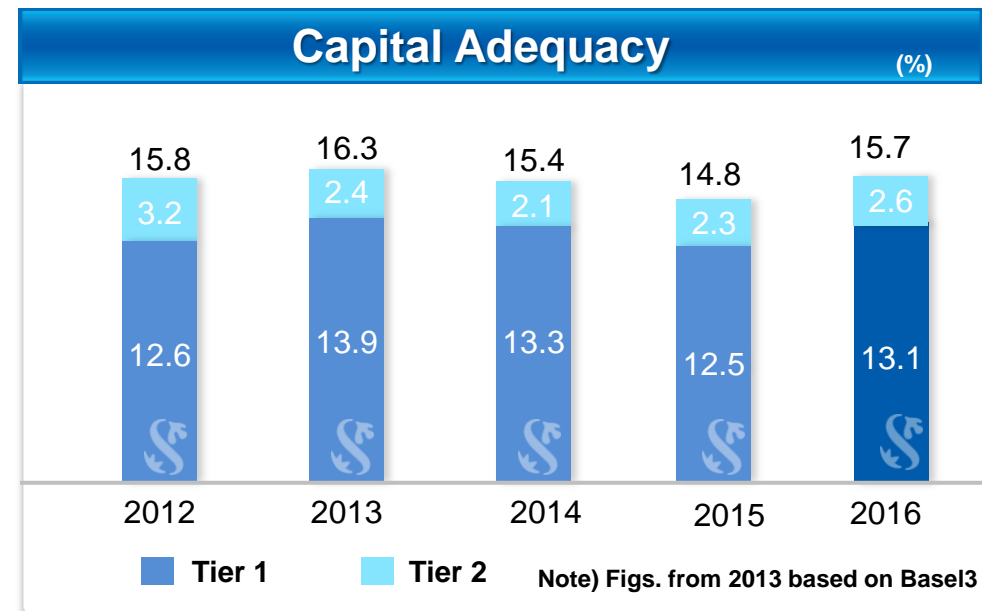
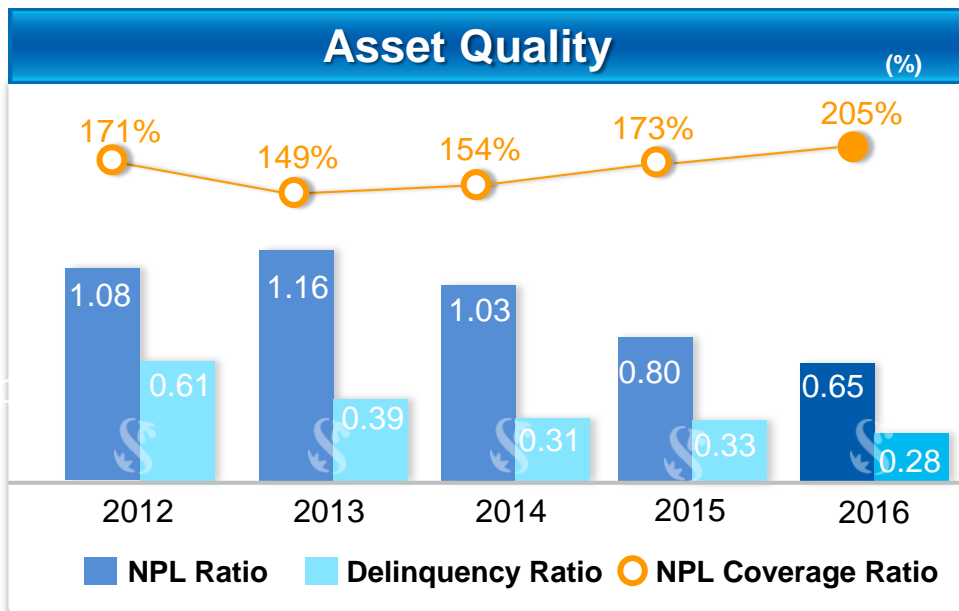
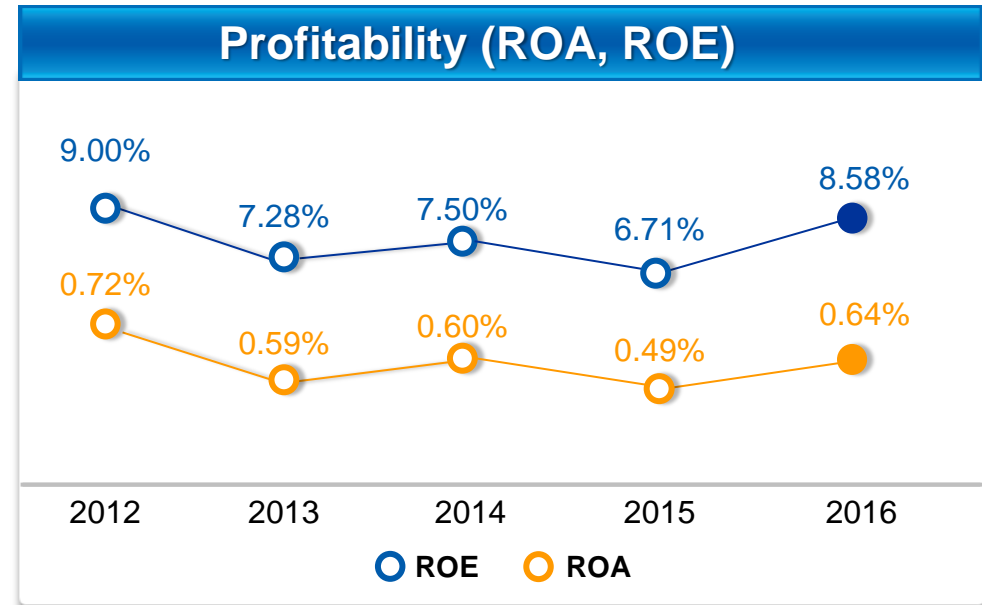
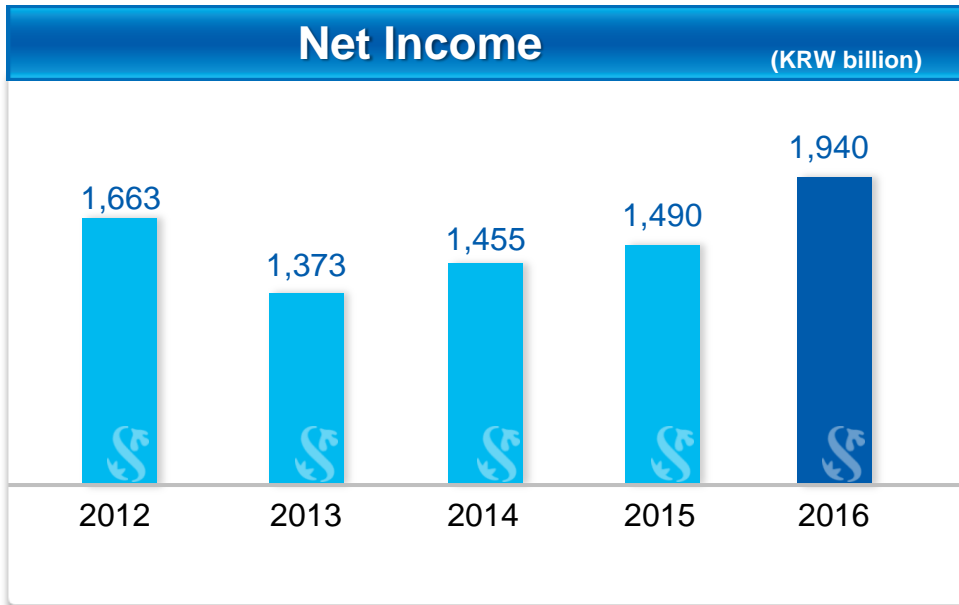


High Per Capita Productivity (KRW million)

● Per Capita Pre-provisioning Income









II. Companies in the Group

2. Shinhan Card





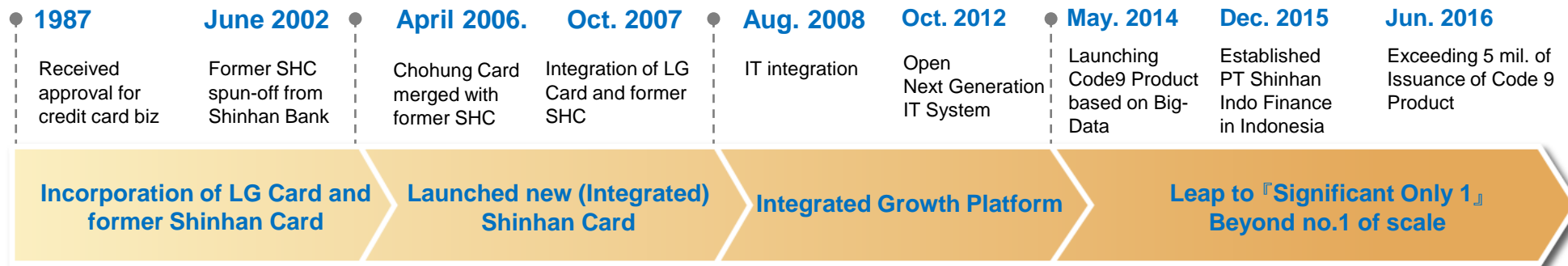
Shinhan Card Company Overview

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.



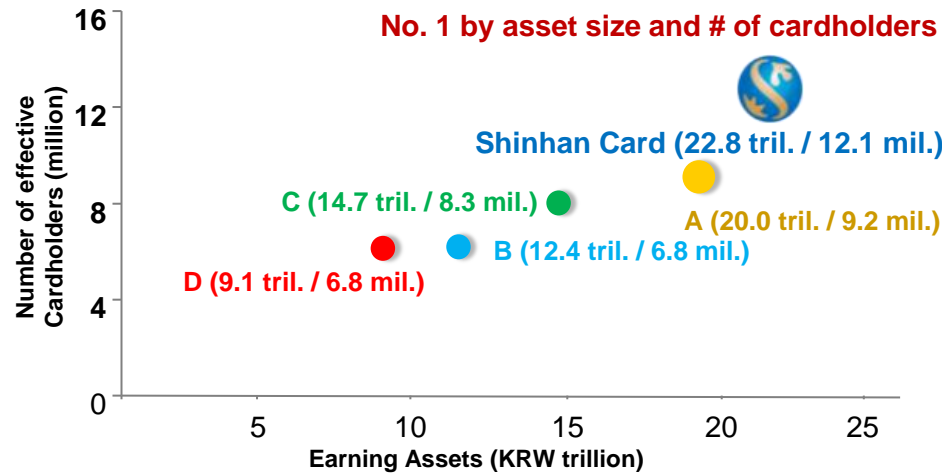
Shinhan Card's Corporate Milestone





Shinhan Card Market Position

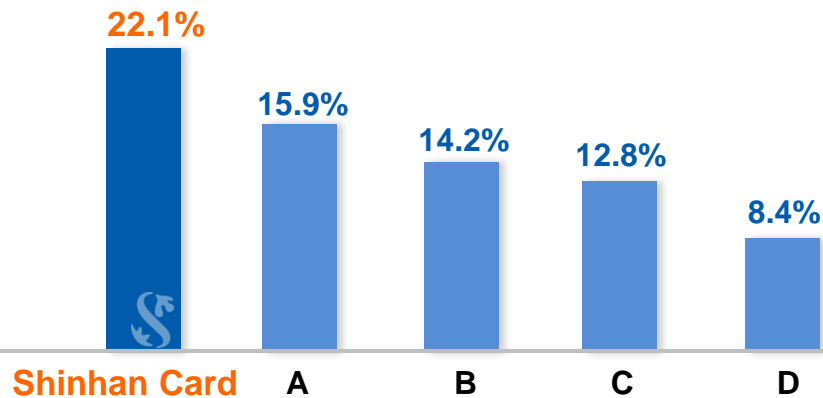
Earning Assets and Cardholders (As of Dec. 31, 2016)



Credit Rating (As of Dec. 31, 2016)

	Shinhan Card	A	B	C	D
Domestic	AA+	AA+	AA+	AA+	AA
Moody's	A2	-	-	-	-
S&P	A-	-	BBB	-	-
Fitch	A-	-	BBB	-	-

Market Share by Credit Purchase Volume (As of Dec. 31, 2016)



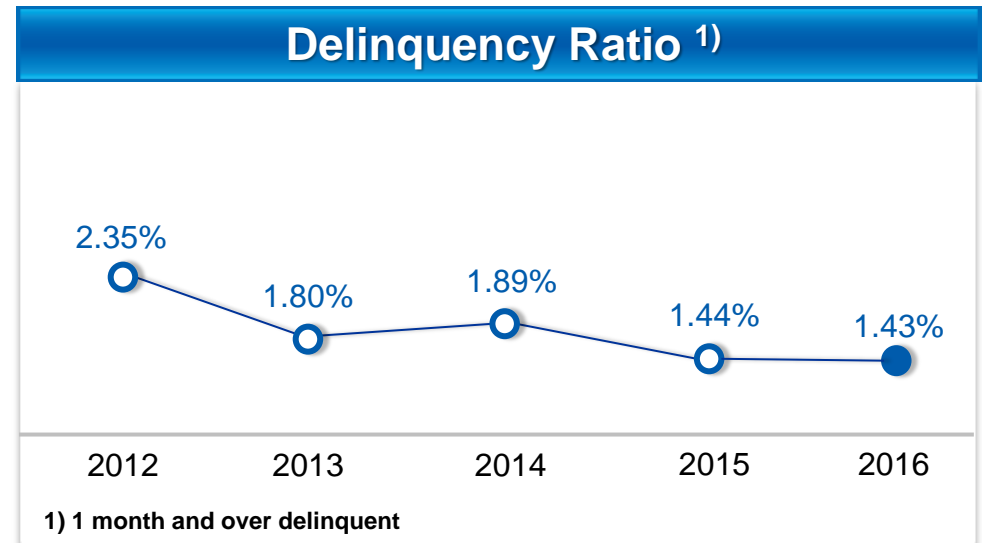
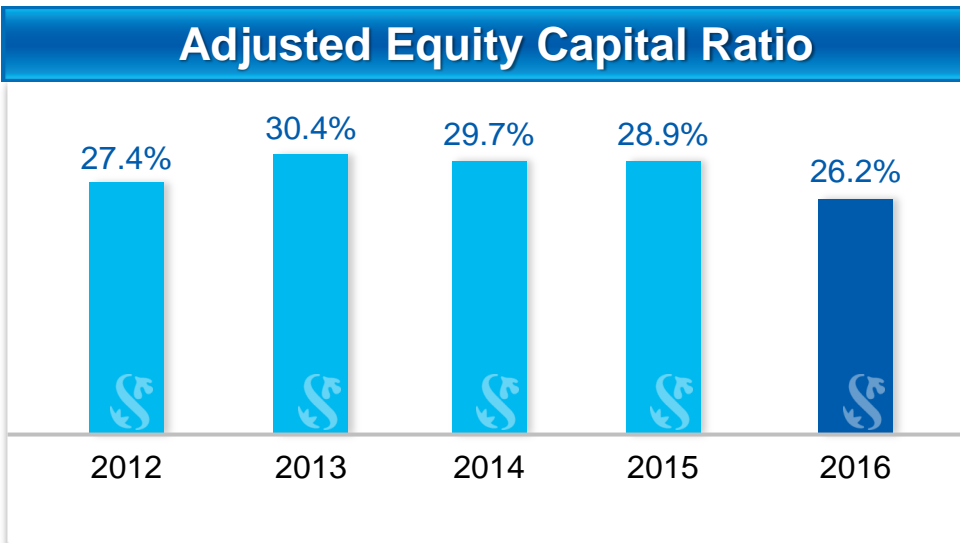
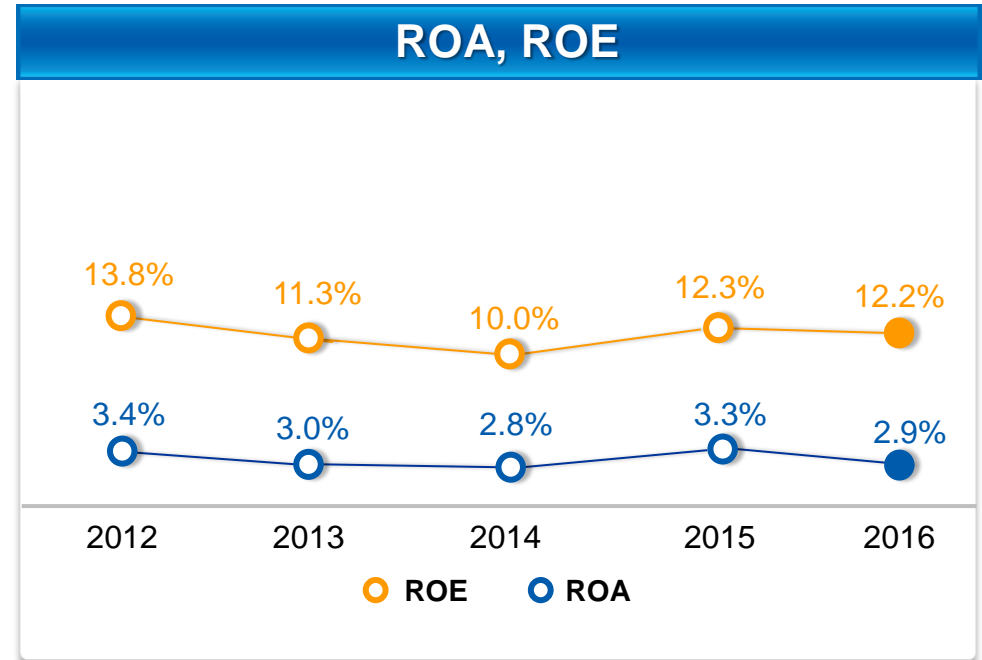
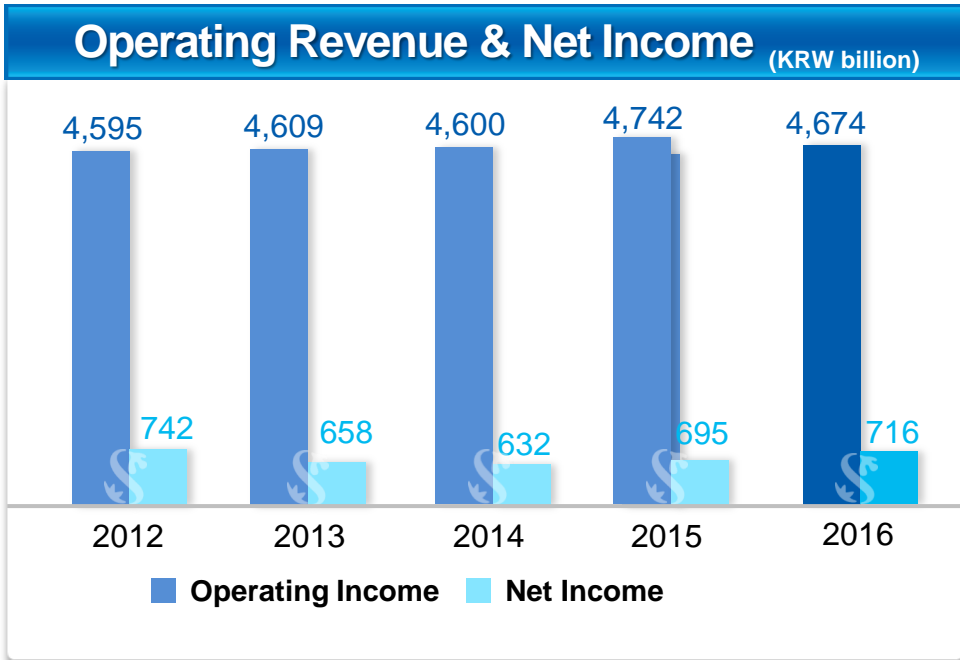
Bona fide No.1 Credit Card Company in Korea



- 2016.07 Awarded the Grand Prize for 8 consecutive years by GPTW Institute
- 2016.07 'Shinhan Fan' Awarded the best new product in 2016 by KMAC
- 2016.07 Premium Brand Index (KS-PBI), 1st for 7 consecutive years
- 2016.03 Korea Brand Power Index(K-BPI), No. 1 brand for 5 consecutive years
- 2016.02 Awarded the "Most Admired Company in Korea" for 9 consecutive years



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.

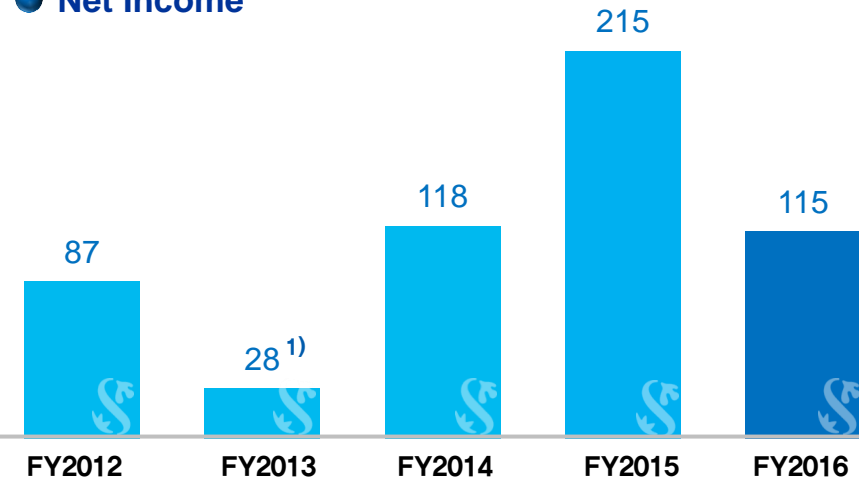
● Key Milestones

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
2002. 07	Good Morning Securities was merged with Shinhan Sec.
2002. 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'
2015. 07	Acquired a Vietnamese securities services firm
2016. 07	Acquired an Indonesian investment banking firm

Growth Trend

(KRW billion)

● Net Income



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

Year	Total Assets (KRW billion)	Total Equity (KRW billion)	No. of Branches ¹⁾	No of Customers (thousands)
2011	12,166	2,120	89	1,810
2012	16,465	2,178	91	1,926
2013	19,098	2,236	93	2,079
2014	25,928	2,330	93	2,175
2015	24,337	2,526	92	2,247
2016	25,549	3,072	92	2,685

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



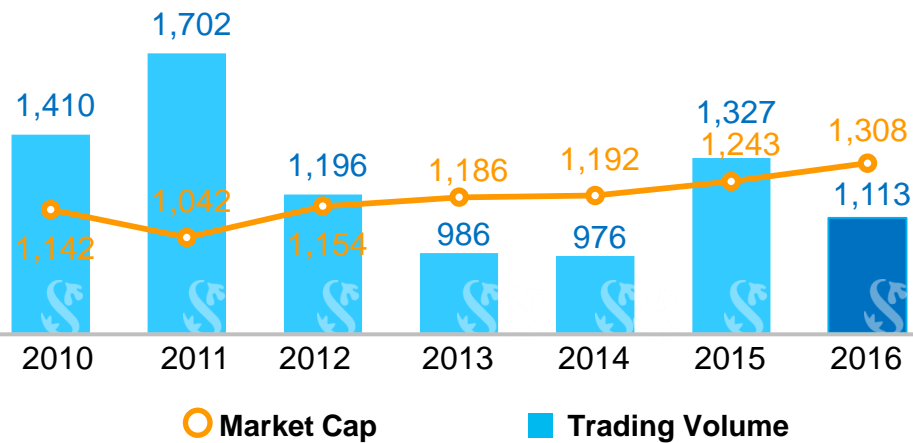
Shinhan Investment Corp. Industry Overview & Market Position

Industry Overview

(KRW trillion)

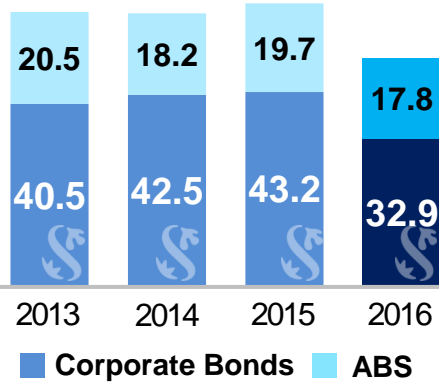
Securities Market

* Source: KRX

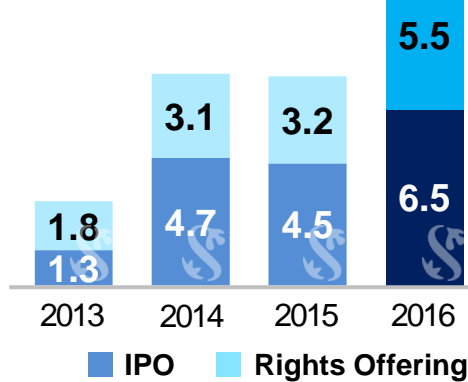


Capital Market

1) DCM



2) ECM



Market Position

Market Share for Brokerage Business

	2014	2015	2016
Equities	6.4%	5.9%	5.8%
Futures	7.8%	5.7%	5.9%
Options	5.0%	6.3%	6.9%

Ranking of IB Business

	2014	2015	2016
ABS	(2)	(2)	(5)
Corporate Bonds	(4)	(5)	(7)
IPO	(12)	(12)	(7)

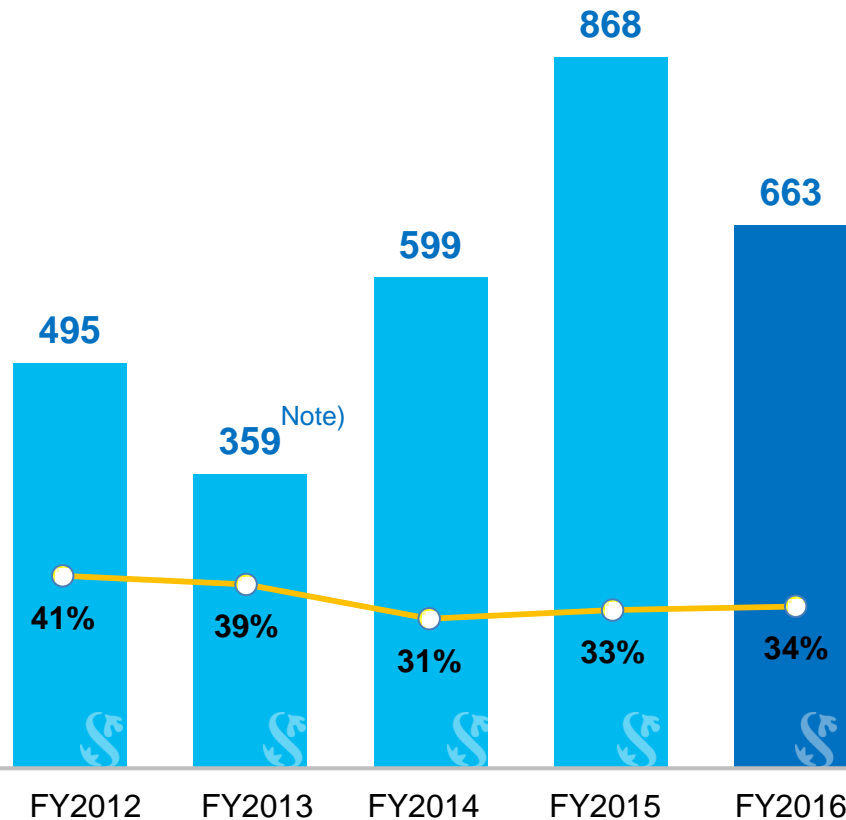
* Source: The Bell

* () represents the ranking in the industry



Operating Revenue Trend

(KRW billion)



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

■ Operating Revenue ○ % of Securities Brokerage Commission

Management Strategy

● Strategic Objective :

A Top Full-Service Securities House in Asia

Expand the customer base through co-marketing

Innovate digital platform & collaborate other businesses

Collaborate domestic & overseas business operation

Develop creative IB deals through human resource development

Strengthen competencies for distribution of products & asset management

Launch new businesses including Prime Brokerage Service, venture capital and etc.

Up-grade risk management systems

Upgrade the system for managing customer investment returns

Reinforce competencies of employees



II. Companies in the Group

4. Shinhan Life Insurance





Shinhan Life Insurance Company Overview

Overview

● Company Overview (As of Dec. 31, 2016)

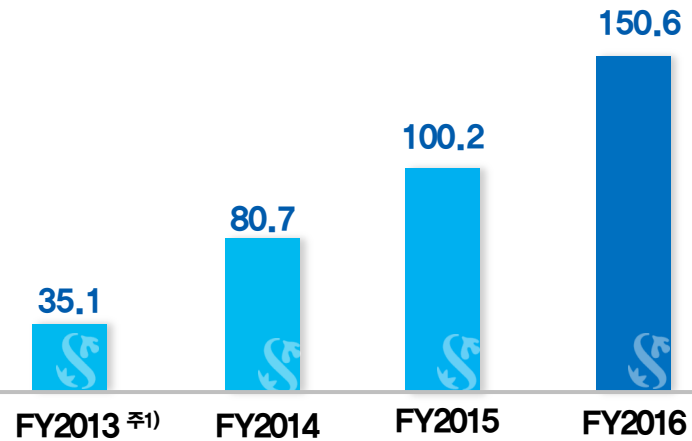
Shinhan Life Insurance provides sophisticated insurance and financial services that meet diversified customers' needs helping customers fulfill their Dreams.

• Key Milestones

1990. 01	Shinhan Life Insurance established
1995. 12	Assets totaled KRW 1 tril
1997. 10	Amount of insurance contract marked KRW 10 tril.
2005. 12	Joined SFG as a subsidiary
2006. 07	Launched Financial Full-service named as "Tops Club" for the first time in the industry
2013. 10	Awarded the Excellence Prize in the Knowledge Category by Prime Minister (Ministry of Security & Public Administration)
2014. 01	Awarded the Grand Prize in customer satisfaction for 3 consecutive years (Hankook business)
2015. 12	Consumer Centered Management certification acquired from Korea Consumer Agency
2016. 05	Acquired AAA, the best grade for Insurance solvency for 9 consecutive years
2016. 09	Launched Biometric Authentication system for the first time in the industry

Net Income and Financial Positions (KRW billion)

● Net Income Trend



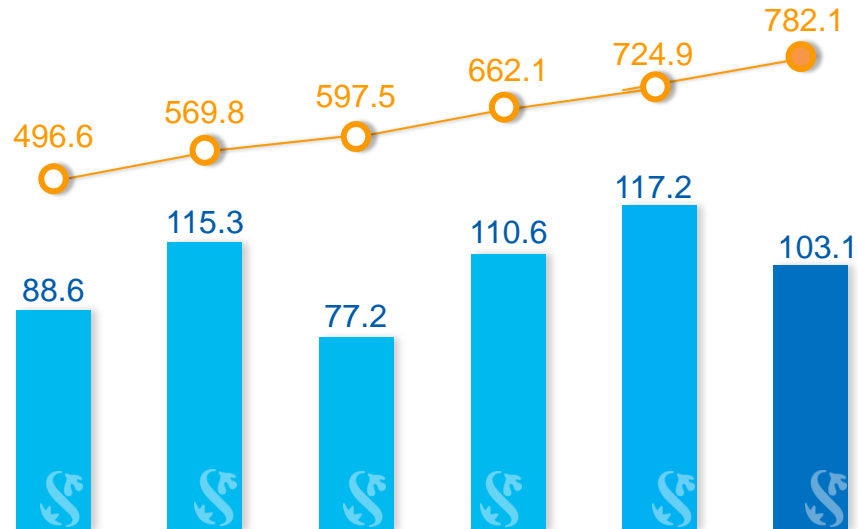
(KRW billions)	FY2013	FY2014	FY2015	FY2016
Distributors³⁾	11,085	11,095	11,301	9,186
YoY(%²⁾	-4.6	0.1	1.9	-18.7
Insurance Premium	3,532	4,892	5,011	4,871
YoY(%²⁾	-5.7	0.7	2.4	-2.8
Total Assets	19,385	21,940	24,545	27,501
YoY(%²⁾	9.1	13.2	11.9	12.0

1) Due to changes in Fiscal Year, FY13 includes 9 months starting from April 1, 2013 to Dec. 31, 2013
 2) For comparison purposes, FY2013 is calculated on a Cash Year basis
 3) Includes financial planners and agents



Industry Overview

(KRW trillion)



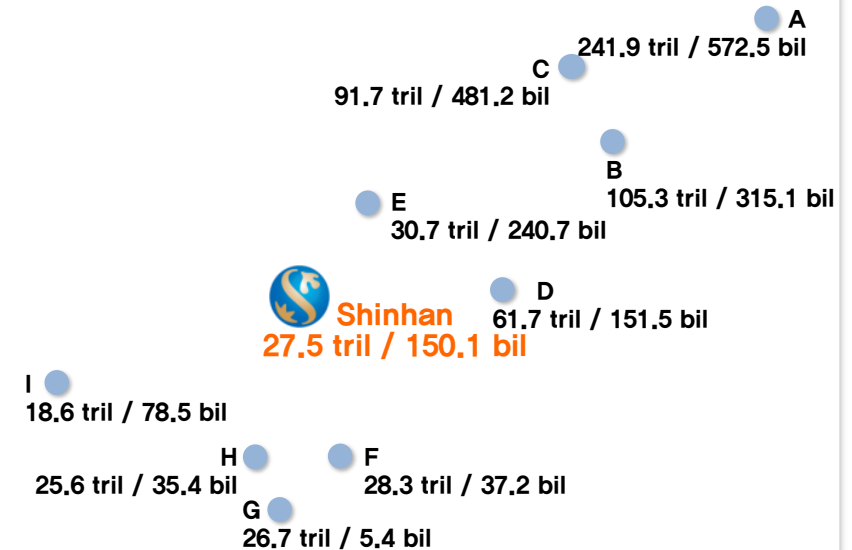
○ Total Assets ■ Insurance Premium

Note) Due to changes in Fiscal Year of Insurance Companies, FY2013 includes 9 months starting from April 1, 2013 to Dec. 31, 2013

- Insurance premium decreased by 14.1% YoY to 103.1 trillion due to decline in new insurance premiums
- Total assets increased by 7.9% YoY to 782.1 trillion

Market Position

Net Income (KRW billion)



Total Assets (KRW trillion)

Notes) As of Dec. 31, 2016

Source : Korea Life Insurance statistics, Top 10 based on total assets (Based on Separate Financial Statements)

- Total assets of Shinhan Life increased by 12.1% YoY marking 27.5 tril. As of Dec. 31, 2016 (7th largest)
- Net income increased by 50.2% YoY to 150.1 billion (6th among Top 10 life insurance companies)



Shinhan Life Insurance Financial Highlights

SHINHAN FINANCIAL GROUP

Condensed Income Statements

(KRW billion)		FY2013 ¹⁾	FY2014	FY2015	FY2016
Insurance	Insurance Margin	1,074.7	1,429.6	1,584.9	1618.3
	Premium Income	3,034.4	4,203.9	4,426.6	4,566.2
	Claims Paid	1,959.7	2,774.3	2,841.8	2,947.9
Net Investment Income		504.3	752.3	769.7	811.4
Policy Reserve (△)		1,559.9	2,100.5	2,277.5	2,325.0
Operating Income		19.1	81.4	77.0	104.7
Non-operating Income		28.3	28.8	53.6	48.2
Net Income before tax		47.4	110.2	130.6	152.9
Net Income		36.6	79.3	98.7	150.1

Note) FY2013 includes 9 months starting from April 1, 2013 to Dec. 31, 2013

Policies in Force

(KRW billion, %)		FY2015	%	FY2016	%
General Accounts	Individual Insurance	106,388	98.6	111,086	98.5
	Pure Endowment	14,842	13.8	14,543	12.9
	Against Death	78,803	73.1	84,627	75.1
	Endowment	12,743	11.7	11,916	10.6
	Group Insurance	818	0.8	660	0.6
	Sub total	107,206	99.4	111,746	99.1
Separated Account		594	0.6	1,002	0.9
Total		107,800	100.0	112,748	100.0

Note) based on subscription value of an insurance contract

Condensed Balance Sheets

(KRW billion)		FY2013	FY2014	FY2015	FY2016
General Accounts	Cash & Equivalent	916	1,483	1,828	1,454
	Securities	10,533	11,625	13,362	16,252
	Loans	4,160	4,843	5,297	5,541
	Others	1,659	1,630	1,583	1,516
Separated Account		2,109	2,357	2,474	2,738
Total Assets		19,377	21,939	24,543	27,501

Key Financials

(%)	FY2013 ¹⁾	FY2014	FY2015	FY2016
Solvency Ratio	253.1	230.7	204.2	178.3
ROA	0.29	0.41	0.42	0.58
ROE	3.94	6.12	6.45	9.17

Note) FY2013 includes 9 months starting from April 1, 2013 to Dec. 31, 2013



II. Companies in the Group

5. Shinhan BNP Paribas Asset Management





Shinhan BNP Paribas Asset Management Company Overview

Your Investment Partner, Shinhan BNP Paribas 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.

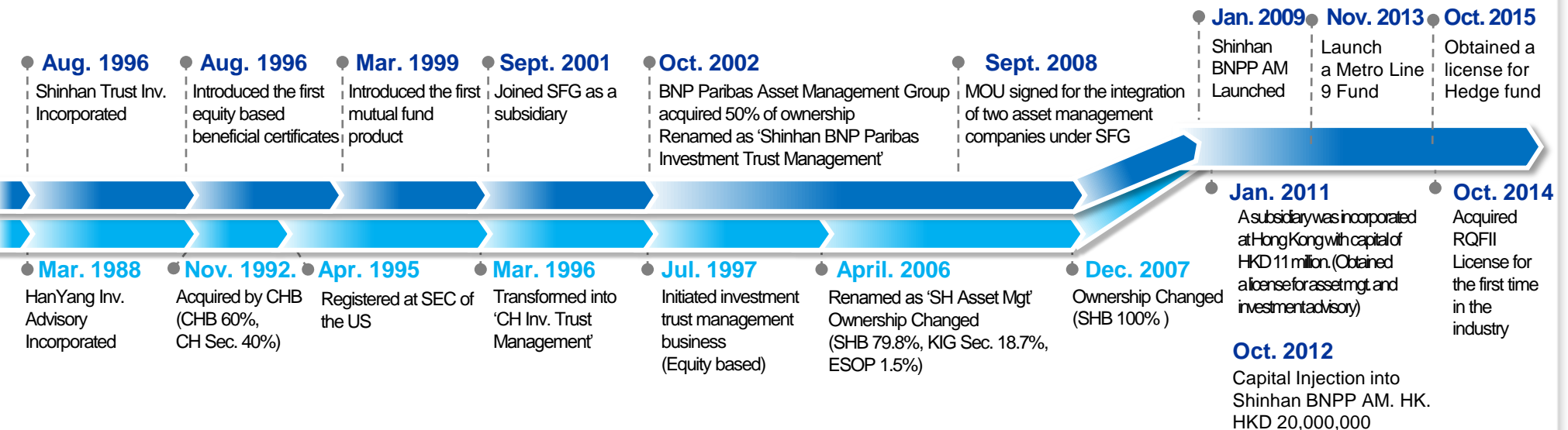
Shinhan BNP Paribas Asset Management has provided trustworthy asset management services to our clients for several years and showed fundamentally solid management skills and performance. Beloved 48 million people in Korea, We will strive to be recognized as the best asset management company in Korea.

Overview

(As of Dec. 31, 2016)

- **Incorporation** : August 26, 1996
- **Total Equity** : KRW 147.8 billion
- **Employees** : 192
- **Major Shareholders** : SFG(65%), BNP Paribas IP (35%)
- **AUM** : KRW 39.3 trillion (including discretionary accounts)

Key Milestone of Shinhan BNP Paribas Asset Management

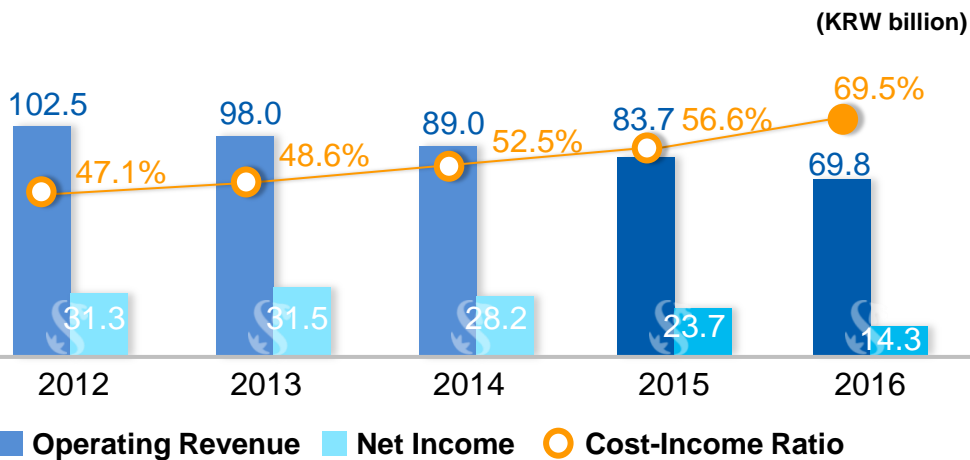




Shinhan BNP Paribas Asset Management Financial Highlights & Market

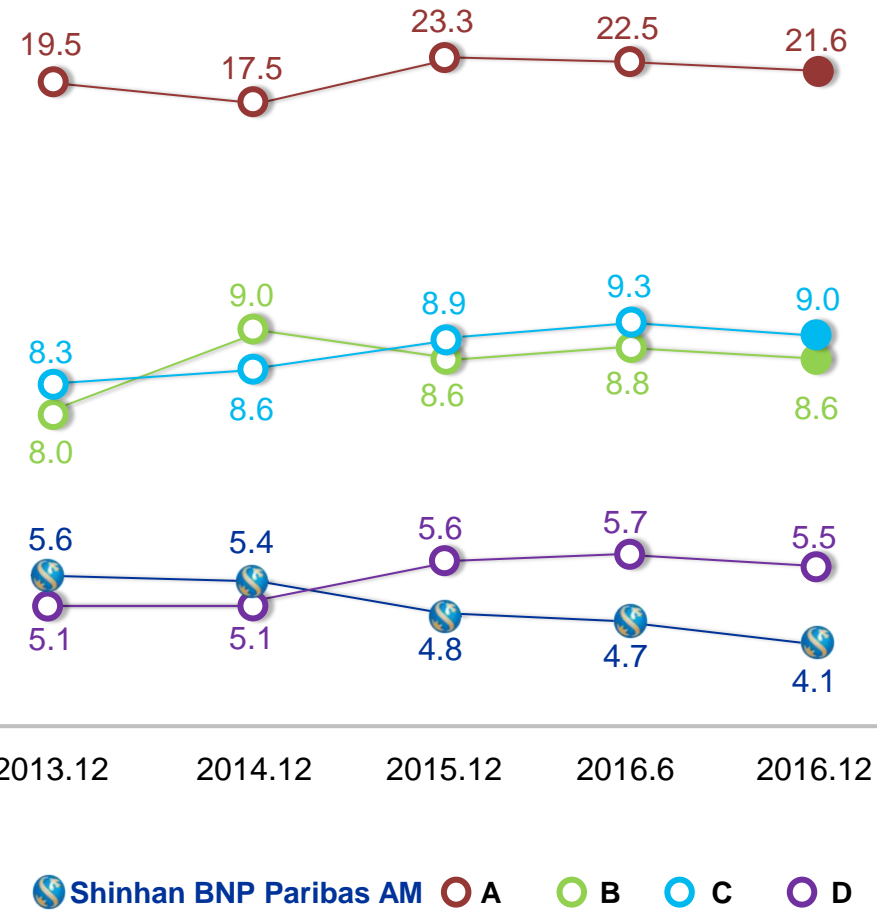
Financial Highlights

(KRW billion)	CY2012	CY2013	CY2014	CY2015	CY2016
Condensed IS					
Operating Revenue	102.5	98.0	89.0	83.7	69.8
Operating Expense	59.2	57.9	53.6	51.8	51.0
SG&A	38.6	37.9	39.2	41.6	42.8
Operating Income	43.3	40.1	35.4	31.9	18.8
Net Income	31.3	31.5	28.2	23.7	14.2
Condensed BS					
Total Asset	168.9	169.6	188.9	170.2	161.2
Total Equity	145.7	148.6	156.5	154.8	147.8
Key Financial Indications					
ROE	21.44%	21.75%	18.94%	15.20%	9.93%
ROA	18.44%	18.80%	16.52%	13.18%	8.42%
Cost-Income Ratio	47.13%	48.60%	52.54%	56.57%	69.46%



Market Share

Market Share %
(including discretionary account)





II. Companies in the Group

6. Shinhan Capital





Shinhan Capital Company Overview

Profile

● Overview

- **Incorporation Date** : April 19, 1991
- **Total Equity** : KRW 644.4 billion (Paid in Capital: KRW 180 billion)
- **Total Assets** : KRW 4.5 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
2013. 02	Opened Yeouido Finance Center Network
2014. 05	Implementation of Next-generation IT system "WINK"

● Business

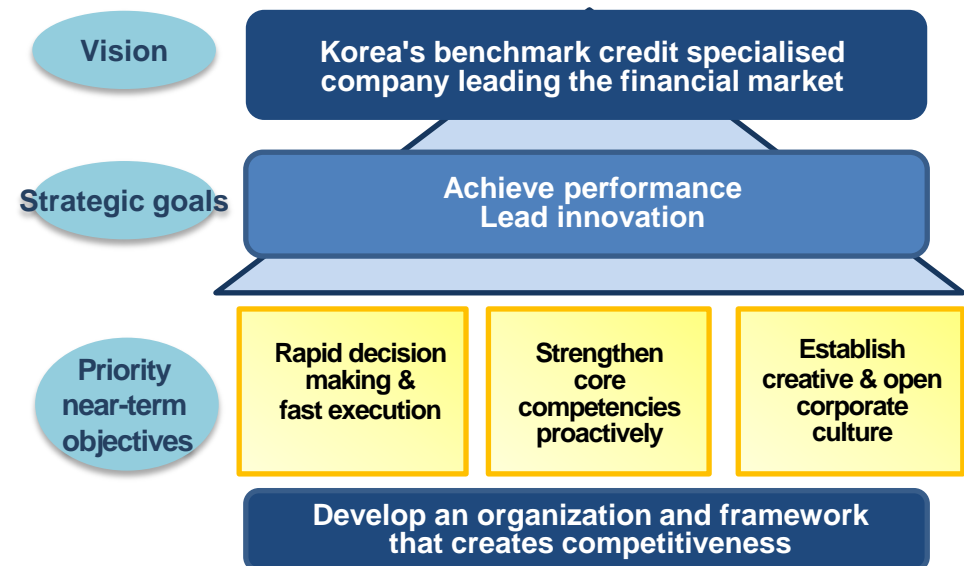
- Leasing in relation to ships, medical instruments, and other PP&Es
- Installment Financing / Venture Capital / Corporate restructuring financing
- Real Estate PF / Loans / Factoring, etc.

Vision & Strategy

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

Shinhan Capital has set out its vision of emerging as Korea's benchmark credit specialized company and playing a major role in achieving Shinhan Financial Group's goal of becoming a 'World Class Financial Group'

For 2017, in line with its strategic target of "Achieve Performance, Lead Innovation", it is striving to achieve its anticipated outcomes by way of 1) Rapid decision-making & fast execution, 2) Strengthen core competencies proactively, and 3) Establish creative & open corporate culture

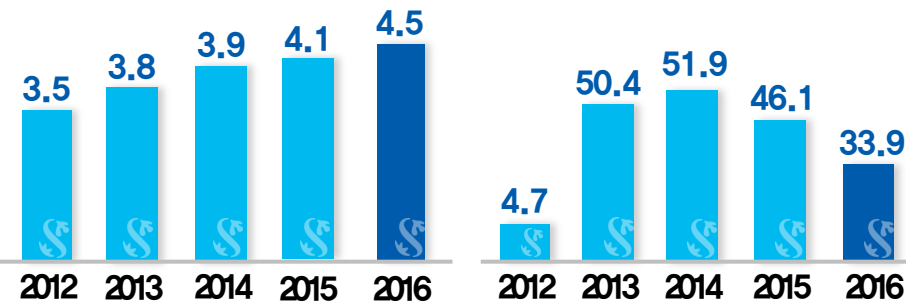




Financial Highlights

(KRW billion)	FY2012	FY2013	FY2014	FY2015	FY2016
Condensed B/S					
Total Assets	3,526.2	3,772.4	3,939.5	4,076.6	4,506.8
Total Liabilities	3,053.9	3,252.6	3,369.1	3,458.4	3,862.4
Total Shareholders' Equity	472.3	519.8	570.4	618.1	644.4
(Paid in Capital)	180.0	180.0	180.0	180.0	180.0
Condensed P/L					
Operating Revenue	376.3	319.7	321.8	374.7	302.6
Operating Income	3.9	60.6	64.2	56.2	40.9
Net Income	4.7	50.4	51.9	46.1	33.9
Key Financial Indicators					
ROE	1.0%	10.2%	9.6%	7.7%	5.4%
ROA	0.1%	1.4%	1.4%	1.2%	0.8%
Capital Adequacy Ratio	15.0%	15.1%	15.6%	16.8%	14.9%
NPL ratio	3.0%	2.2%	2.9%	3.1%	2.6%

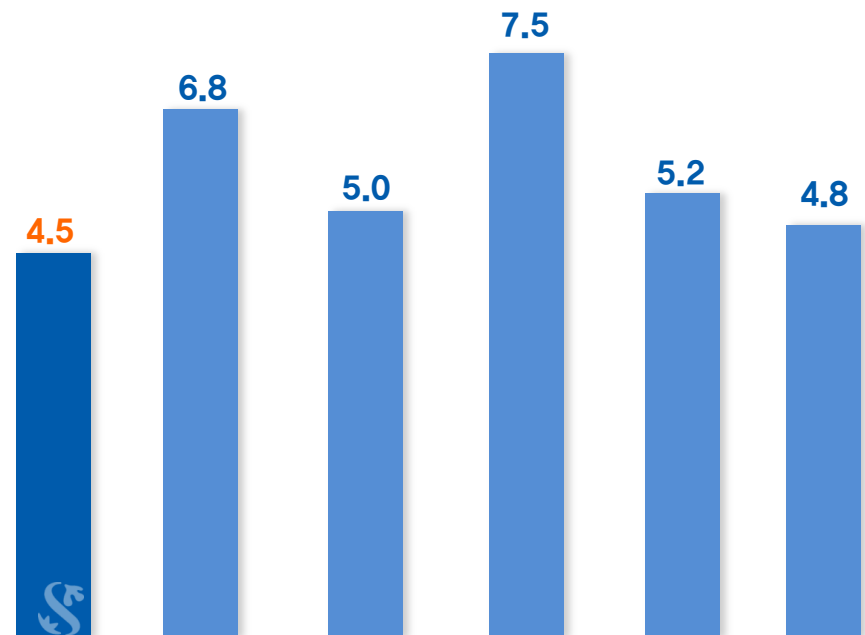
● **Total Assets** (KRW trillion) ● **Net Income** (KRW billion)



Market Position

● **Total Assets**

(KRW trillion, As of Dec. 31, 2016)



Shinhan Capital A B C D E

* As of Dec. 31, 2016, Shinhan Capital is 6th largest 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





Jeju Bank Company Overview

Profile

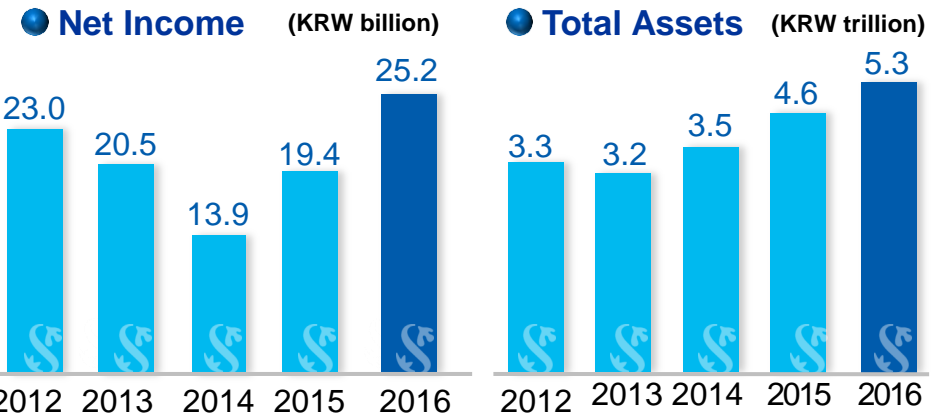
● Overview (As of Dec. 31, 2016)

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%), National Pension Service (10.88%)
- Total Equity : 335.7 billion
- Total Assets : KRW 5.3 trillion
- Networks : total of 38 branches and sub-branches (35 in the Jeju region)
- Market share in the Jeju region: 34.1% of deposits and 29.3% of loans
- Key Milestones

1969. 03	Jeju Bank (Ltd) founded
1972. 12	Shares listed on the Korean Stock Exchange
2002. 05	Became subsidiary of Shinhan Financial Group
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
2014. 03	Awarded the Korea Nanum Prize by the Minister of Health & Welfare
2014. 03	Launched tax-deductible long-term mutual funds
2014. 07	Launched a special desk for Chinese
2015. 01	Implementation of call center system
2015. 04	Launched barcode payment system on Bankwallet Kakao
2015. 12	Contracted with Jeju Techno Park for Venture & SME support
2016. 07	Launched new mobile platform 'j-BANK'
2016. 11	Adopted mobile payment system 'Ubpay'

Financial Highlights



Vision & Strategy

Create customer value to grow as the "Local Best Bank" by enhancing value for customers and for Jeju and enshrined them in in basic business guidelines

Vision

Quality based
Local Top Bank

Strategic
Goal

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



Shinhan Savings Bank Company Overview

Profile

● Company Overview (As of Dec. 31, 2016)

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)

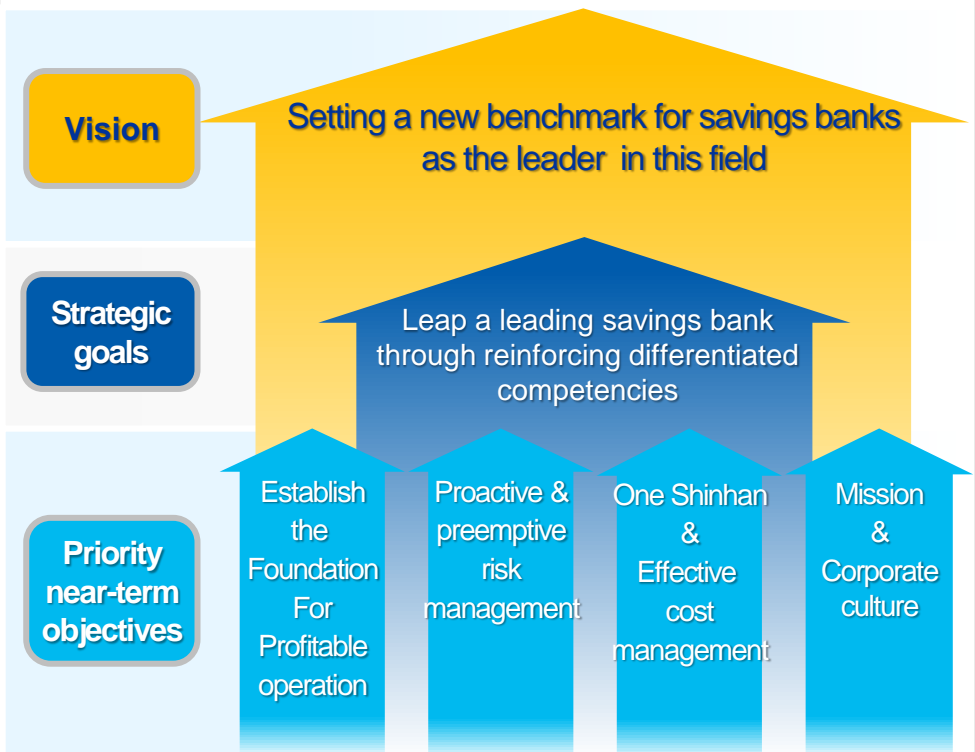
- Total Equity : KRW 130.8 billion
- Total Assets : KRW 970.1 billion
- Networks : 8 branches (Seoul metropolitan area)
- Key Milestones

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.





Shinhan Data System Company Overview

Profile

● Company Overview (As of Dec. 31, 2016)

Since establishment in 1991 as a specialized financial ICT company, Shinhan Data System lead digital transformation into shinhan financial group.

- Incorporation Date : May 13, 1991
- Total Equity : KRW 12.8 billion
- Total Assets : KRW 33.4 billion
- Key Milestones

1991. 05	Shinhan System(Ltd.) established
2003. 10	Changed its name to Shinhan Data System (Ltd.)
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
2014. 06	Implementation of Next-generation IT system "WINK"
2015. 04	Implementation of main bank system in SEMAS
2016. 01	Implementation of main bank system
2016. 12	Implementation Shared Platform within the group

● 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

Strategic goal

Building a foundation of sustainable growth through strengthening collaboration between strategic and core business

Strategic Priorities



Established strong corporate culture for strengthening the execution of compassionate finance



Shinhan AITAS Company Overview

Number 1, Fund Service Company In Korea

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.

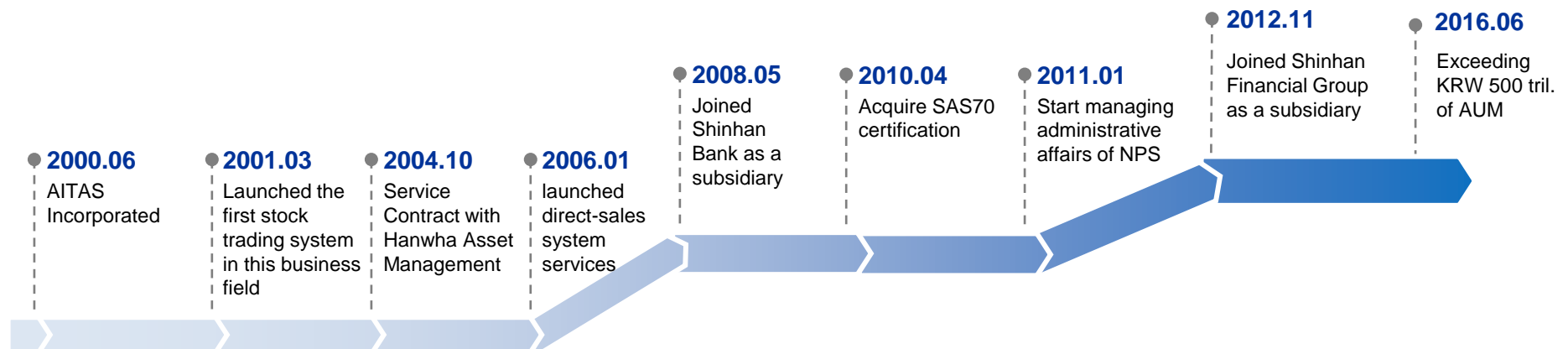
Shinhan AITAS will provide the best differentiated services to its customers based on know-how accrued from supporting them in system, consulting, and solutions for various securities businesses, and its in-house specialists.

Overview

(As of Dec. 31, 2016)

- **Incorporation** : June 15, 2000
- **Total Equity** : KRW 45.5 billion
- **Employees** : 210
- **Major Shareholders** : SFG(99.79%), Others (0.21%)

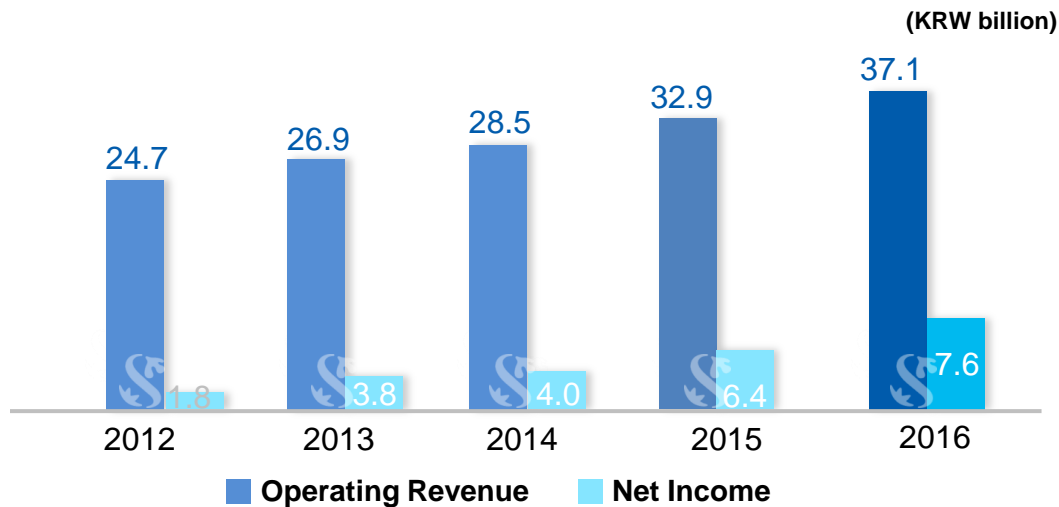
Key Milestone of Shinhan AITAS



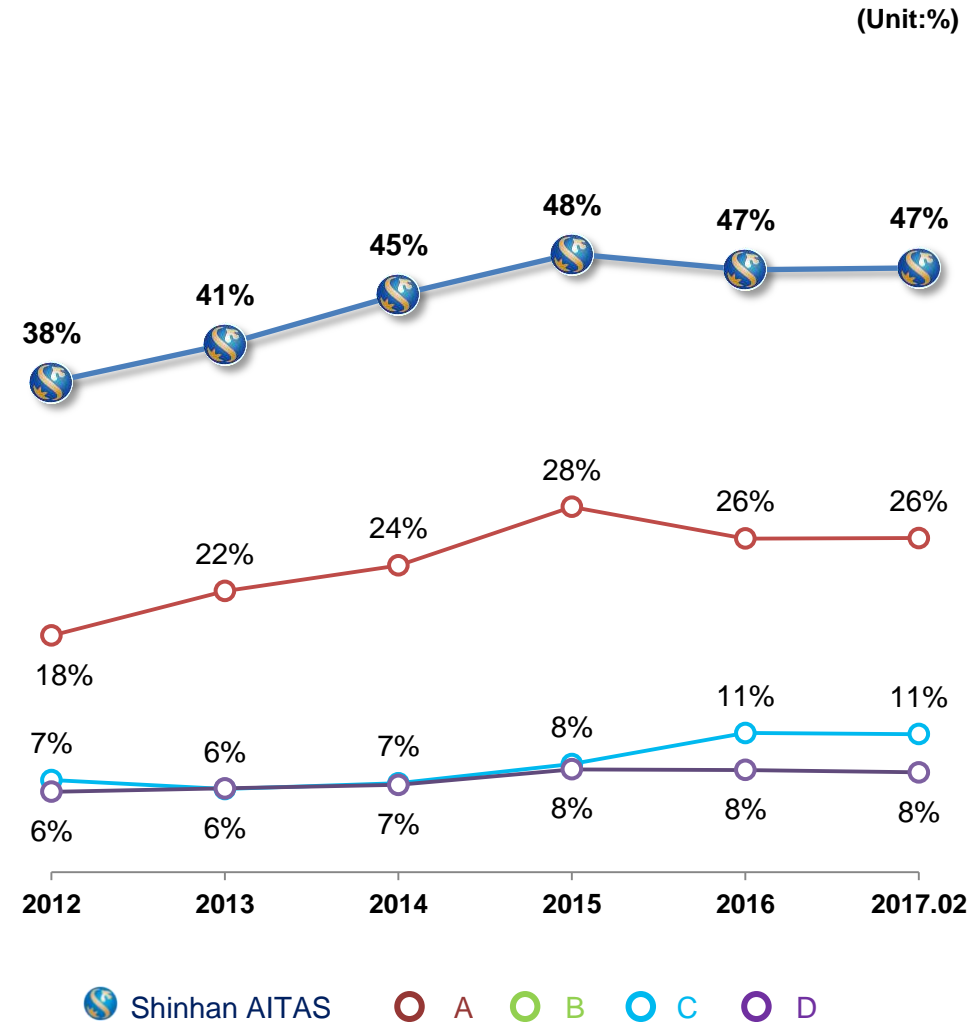


Financial Highlights

(KRW billion)	FY2012	FY2013	FY2014	FY2015	FY2016
Condensed IS					
Operating Revenue	24.7	26.9	28.5	32.9	37.1
Operating Expense	23.1	22.7	24.0	25.1	27.6
SG&A	23.1	22.7	24.0	25.1	27.6
Operating Income	1.6	4.1	4.6	7.8	9.5
Net Income	1.8	3.8	4.0	6.4	7.6
Condensed BS					
Total Asset	31.0	34.6	37.7	42.7	53.9
Total Equity	26.7	30.4	31.4	37.8	45.5
Key Financial Indications					
ROE	6.70%	12.39%	12.69%	16.96%	16.79%
ROA	5.76%	10.90%	10.59%	14.99%	14.16%
Cost-Income Ratio	7.13%	18.15%	19.04%	31.27%	34.45%



Market Share





Shinhan Credit Information Company Overview

Profile

● Company Overview (As of Dec. 31, 2016)

A specialist credit information business founded for the integrated management of the non-performing assets of SFG that seeks to realize a credit-based society

- Incorporation Date : July 8, 2002
- Credit under management : KRW 6.0 trillion
- Debt collection in 2016 : KRW 81.3 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
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
2014. 06.	Commenced management of KAMCO's Unsecured Public Bond
2015. 03.	Contracted with Jeju Bank for outsourcing of credit investigation
2015. 12.	Contracted with SH debt collection company in Japan

● 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 2.9 trillion
- No. of credit research : 190 thousand
- Credit Collection, Confirmation of Lease contract, CRM Service, Credit Chain Management including Credit consulting and Collection

Public Credit

- Credit under management : KRW 2.7 trillion
- Launched supporting business for the National Happiness Fund
- Asset Management Auxiliary Service

External Credit

- Credit under management : KRW 0.2 trillion
- No. of credit research : 110 thousand
- Credit Collection, Confirmation of Lease contract, Asset Management Auxiliary Service



Shinhan Private Equity Company Overview

Profile

● Company Overview (As of Dec. 31, 2016)

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
- Total Equity: KRW 11.5 billion
- Asset Under Management : KRW 1.0 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. 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
2015. 02	Moved its Head Office to Yeongdeungpo-gu

Operation Overview

● Private Equity Funds managed by Shinhan PE

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 323.8 billion in domestic market no. 1 newsprint paper manufacturing company Jinju paper and other 5 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 2016 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.



Shinhan Mobile IR Application ① ir.shinhangroup.com or ②

