



# 2012 1Q

## Business Results

May 2012

# Disclaimer Statement

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The financial information contained herein has not been completely reviewed by our external auditor. Therefore, no assurance is provided that our financial statements are fully accurate, and thus our final audited statements may differ from the provided figures in this presentation.

For comparison purposes following the adoption of IFRS standards, please note the following facts :

1) Financial results for the year 2011 and 2012 have been derived following IFRS standards, and the 2010 results have been re-derived according to IFRS standards. The main serial financial figures and indices listed herein may be subject to change in the future.

2) Financial results up to 2009 followed K-GAAP standards, and there will be no re-derivation of past financial results up to 2009 according to IFRS standards.

This presentation material is available at our website : [www.shinhangroup.com](http://www.shinhangroup.com)

Note) Some of the totals may not sum due to rounding.



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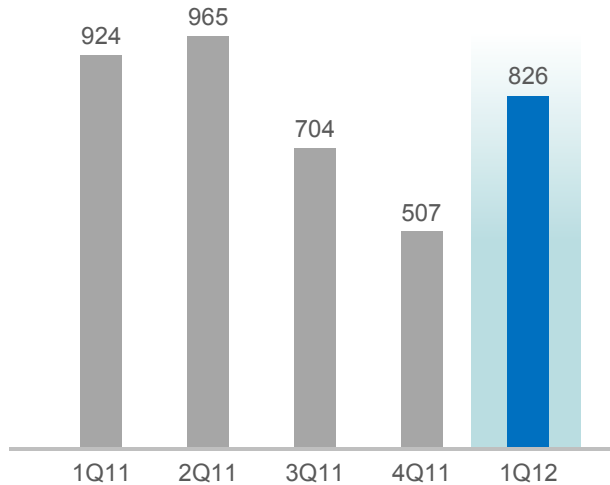




# 2012 1Q Business Results Highlights (1)

SHINHAN FINANCIAL GROUP

## Group Net Income (KRW bil.)

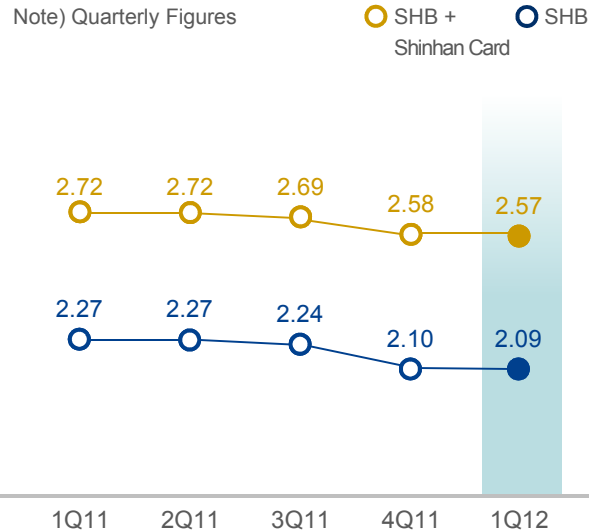


**2012 1Q Net Income : 826.3 bil. (63.1% QoQ improvement)**

- Group net income increased by 63.1% QoQ as non-interest income rose and G&A costs fell.
- Despite stable NIM, interest income decreased by 1.2% QoQ due to slower-than-expected loan growth.
- Net income contribution from bank increased to 70% as earnings from bank increased significantly QoQ.

## NIM (%)

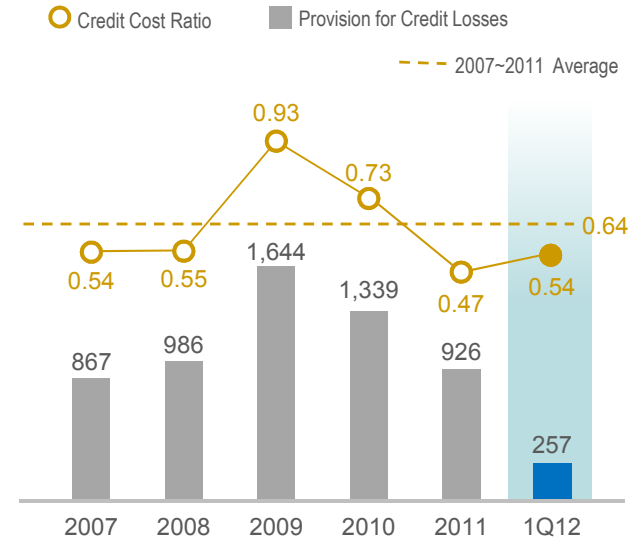
Note) Quarterly Figures



**2012 1Q Bank NIM : 2.09%, Group NIM : 2.57%**

- SHB's and the Group's 1Q12 NIM each marked 2.09% and 2.57%, a slight drop QoQ (-1bp).
- Abundant liquidity continued to support a low interest rate environment. On QoQ comparison, incremental drop in loan yield out-weighed that of the deposit yield.
- Credit card NIM improved as low margin assets were trimmed down and funding cost continued to fall.

## Credit Cost Ratio (% , KRW bil.)



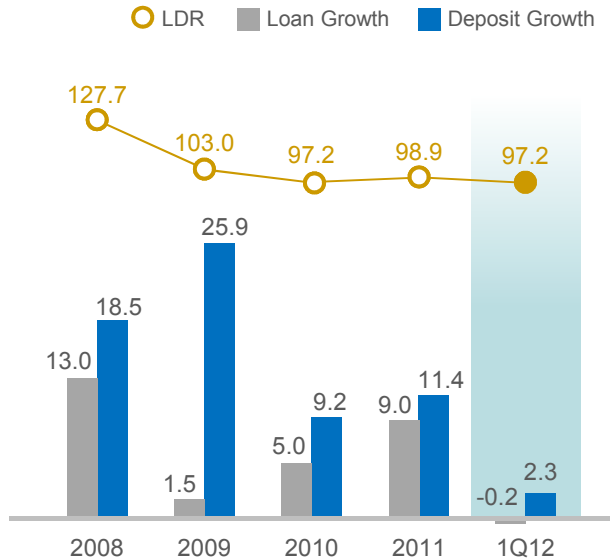
**2012 1Q Credit Cost Ratio at 0.54% (10bp lower than 5-year Average)**

- Group's credit cost ratio ratcheted up 3 bp QoQ to 0.54%, however, maintained under the past 5 years average.
- SHB credit cost significantly improved as a result of continued reduction of bad loans, falling 6bp QoQ posting 0.33%.
- Shinhan Card's credit cost decreased 21.7bil. QoQ.



# 2012 1Q Business Results Highlights (2)

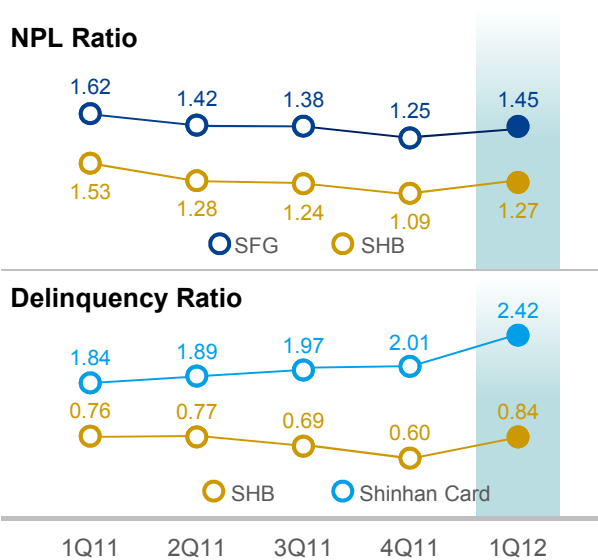
## Loans & Deposits (%)



**SHB KRW loan down by 0.2% YTD, LDR stable at 97.2%**

- KRW loan balance as of end of 1Q12 decreased 0.2% YTD to KRW 138.7 tril., while deposits increased 2.3% to KRW 144.2 tril.
- 1Q12 LDR stood at 97.2%, continuing to remain at a stable level.
- Mostly led by SOHO loans, SME loans grew its balance sheet by 0.5%, whereas household loans decreased as a result of low demand, especially for mortgages.

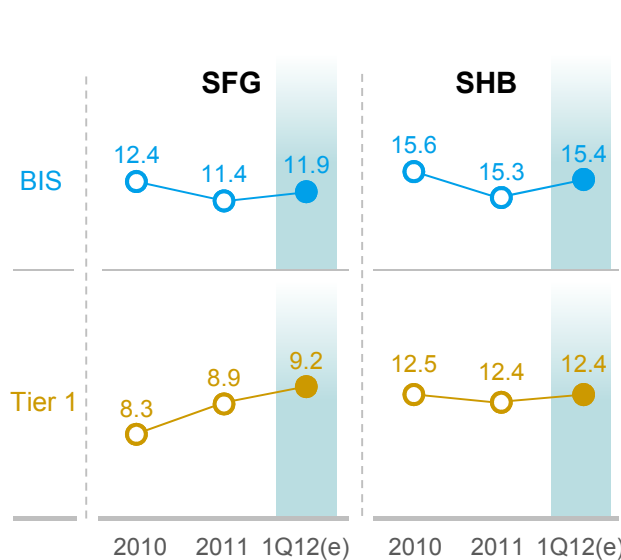
## NPL / Delinquency Ratio (%)



**2012 1Q Group NPL Ratio : 1.45%, SHB Delinquency Ratio : 0.84%**

- NPL ratio for the Group and SHB for 1Q12 each recorded 1.45% and 1.27%, rising 0.20%p and 0.18%p respectively.
- Delinquency and NPL ratio increase can be attributed to the small scale write-off during 1Q12. On a real term basis which reverses the effects of write-offs, the level of delinquency increase remains in tact.
- During 1Q12, the total amount of NPL write-offs/sales were 137.8bil. (FY2011 : 1,950.4bil.)

## Capital Adequacy (%)



**2012 1Q Group Tier1 Ratio : 9.2%, SHB Tier1 Ratio : 12.4%**

- Group's Tier1 marked 9.2% up by 0.3%p and BIS ratio 11.9% up by 0.5%p, reinforced by growing earnings.
- SHB's Tier1 and BIS ratio marked 12.4% and 15.4% each, maintaining a high level of capital adequacy.

## II . Income Statements

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

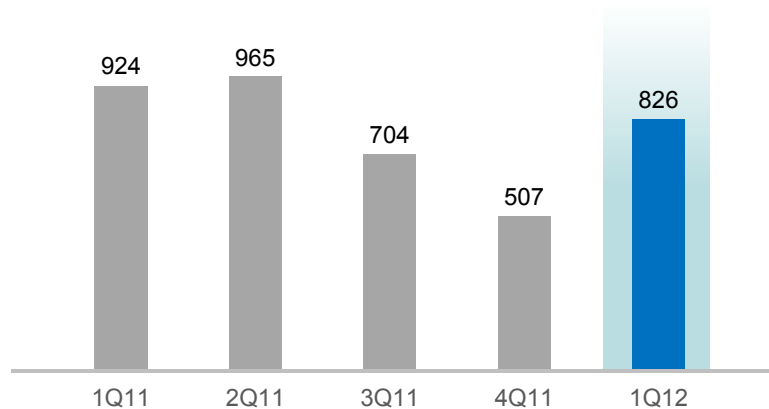




# SFG Income

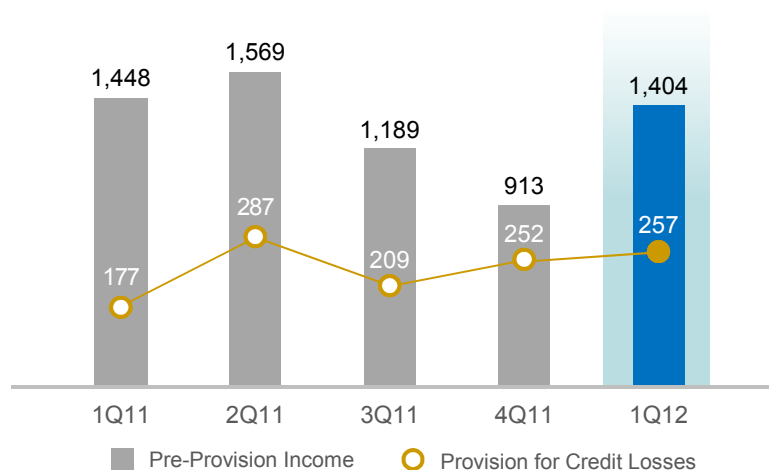
## Net Income

(KRW bil.)



## Pre-Provision Income & PCL

(KRW bil.)



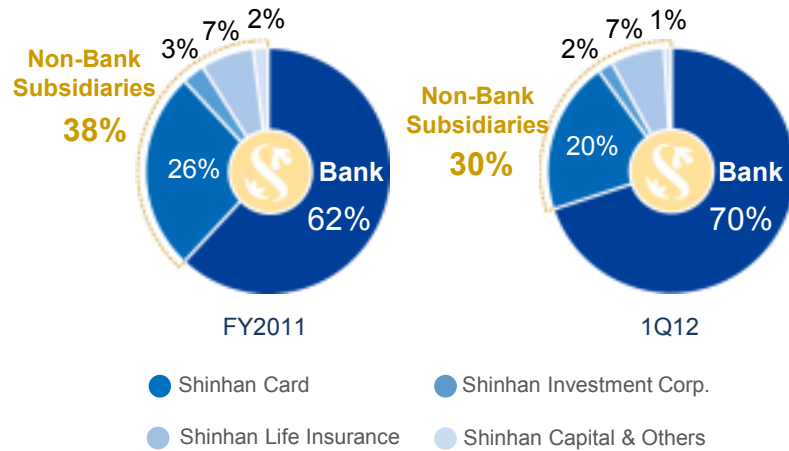
(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Total Operating Income (a=b+c)	2,371.9	2,338.6	1.4	2,222.2	6.7
Interest Income (b)	1,763.0	1,714.1	2.9	1,783.9	-1.2
Non-Interest Income (c)	608.8	624.6	-2.5	438.3	38.9
G&A Expenses (d)	977.5	903.9	8.1	1,334.4	-26.7
Pre-Provision Oper. Income (e=a-d)	1,394.4	1,434.7	-2.8	887.8	57.1
Other (f)	9.3	12.8	-27.6	24.9	-62.8
Pre-Provision Income (g=e+f)	1,403.7	1,447.5	-3.0	912.7	53.8
Provision for Credit Losses (h)	257.1	177.5	44.9	252.2	1.9
Earnings before Income Tax (i=g-h)	1,146.5	1,270.1	-9.7	660.5	73.6
Income Tax	277.8	301.7	-7.9	109.7	153.3
Consolidated Net Income <sup>1)</sup>	826.3	924.3	-10.6	506.7	63.1

Note 1) Net Income in Controlling Interest

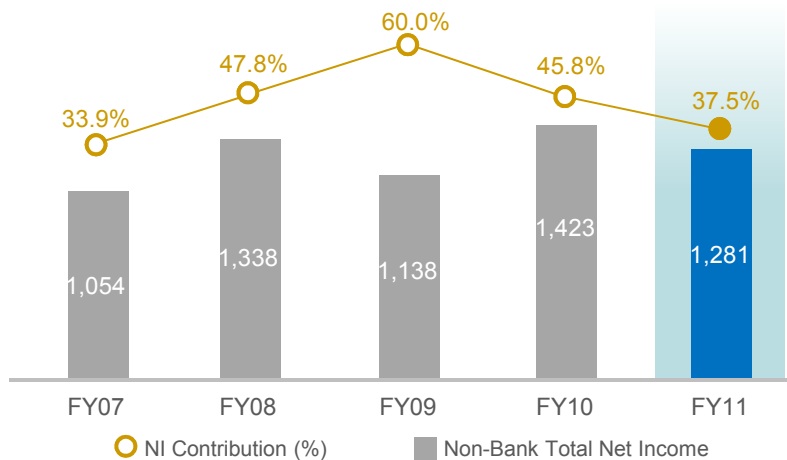


# Subsidiaries Income (1)

## Net Income Contribution by Subsidiaries



## Net Income Contribution by Non-Bank Subsidiaries <sup>Note)</sup> (KRW bil.)



Note) After reflecting ownership by SFG, NI for 2007~2009 K-GAAP, from 2010 IFRS Standard

(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=A x B]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	666.4		664.0	-71.8	592.1
Shinhan Bank	658.7	100.0%	658.7	-71.8	586.8
Jeju Bank	7.7	68.9%	5.3	-0.1	5.2
Non-Bank (b)	287.1		284.1	3.2	287.4
Shinhan Card	186.5	100.0%	186.5	4.7	191.2
Shinhan Investment Corp.	23.7	100.0%	23.7	-0.3	23.5
Shinhan Life Insurance	66.0	100.0%	66.0	0.7	66.7
Shinhan BNPP AM	8.6	65.0%	5.6	0.0	5.6
Shinhan Capital	8.2	100.0%	8.2	-0.7	7.5
Shinhan Savings Bank	-6.1	100.0%	-6.1	0	-6.1
Shinhan Data System	0.5	100.0%	0.5	-1.2	-0.7
Shinhan Credit Information	-0.5	100.0%	-0.5	0.0	-0.5
Shinhan PE Investment Mgmt.	0.2	100.0%	0.2	0.0	0.2
SFG (c)				-53.2 <sup>2)</sup>	-53.2
Total (d=a+b+c) <sup>1)</sup>	953.5		948.1	-121.7	826.3

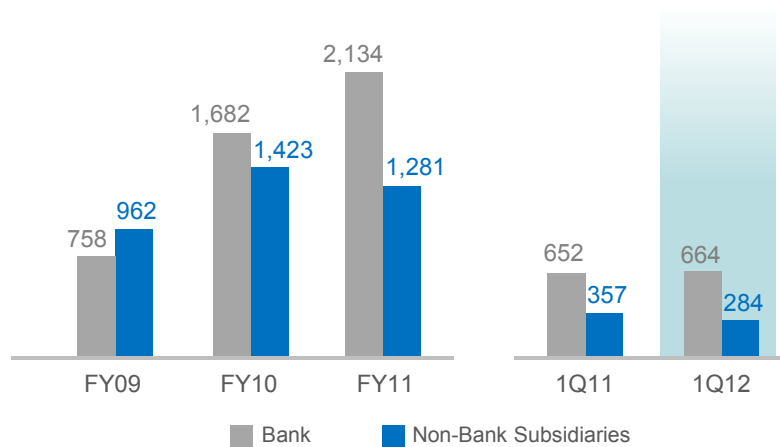
Note) 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee KRW 303 bil., Interest Expense KRW -694 bil., G&A etc. KRW -153 bil.



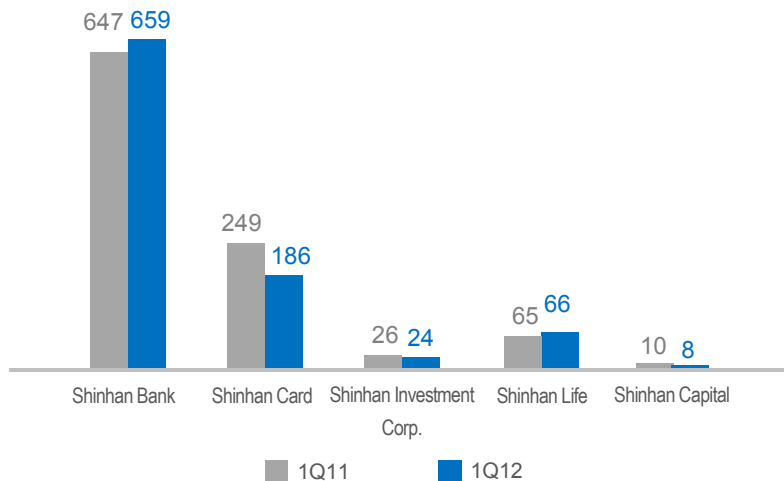
# Subsidiaries Income (2)

## Bank / Non-Bank Net Income (KRW bil.)



Note) Figs. for 2009 K-GAAP

## Net Income by Subsidiaries (KRW bil.)



(Reflecting SFG Ownership, KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
<b>Bank (a)</b>	<b>664.0</b>	651.6	1.9	233.1	184.9
Shinhan Bank	658.7	647.1	1.8	227.8	189.2
Jeju Bank	5.3	4.5	17.9	5.3	0.6
<b>Non-Bank (b)</b>	<b>284.1</b>	357.2	-20.5	330.0	-13.9
Shinhan Card	186.5	249.4	-25.2	235.3	-20.7
Shinhan Investment Corp.	23.7	25.7	-7.6	26.3	-9.8
Shinhan Life Insurance	66.0	65.4	0.8	57.9	14.0
Shinhan BNPP AM	5.6	6.5	-14.0	4.6	22.3
Shinhan Capital	8.2	10.5	-21.8	14.7	-44.4
Shinhan Savings Bank	-6.1	0.0	n.a	-0.2	n.a
Shinhan Data System	0.5	0.0	n.a	0.5	13.9
Shinhan Credit Information	-0.5	0.3	n.a	-1.1	n.a
Shinahn PE Investment Mgmt.	0.2	-0.6	n.a	-7.8	n.a
<b>Total (a+b)</b>	<b>948.1</b>	1,008.8	-6.0	563.1	68.4
<b>Consolidate Net Income</b> <sup>Note)</sup>	<b>826.3</b>	924.3	-10.6	506.7	63.1

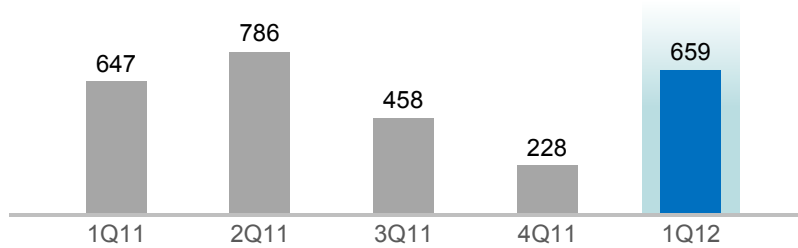
Note) Net Income in Controlling Interest



# SHB Income / NIM

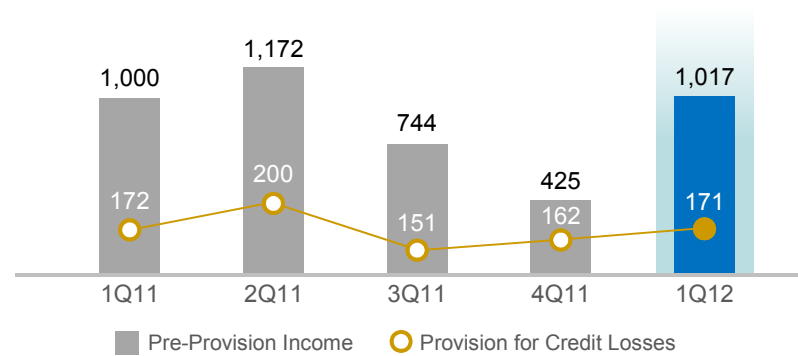
## Net Income

(KRW bil.)



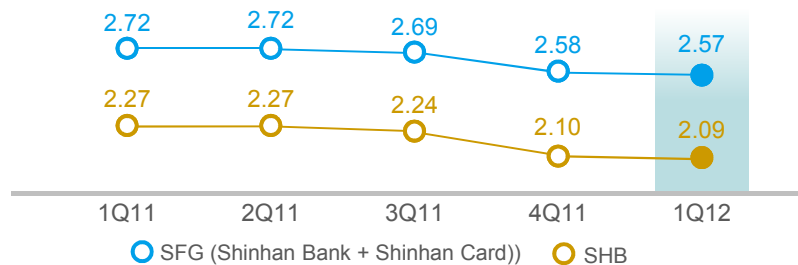
## Pre-Provision Income & PCL

(KRW bil.)



## Group NIM

(%)



Note) Quarterly basis

(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Total Operating Income (a=b+c)	1,651.4	1,589.1	3.9	1,397.1	18.2
Interest Income (b)	1,224.3	1,214.7	0.8	1,234.9	-0.9
Non-Interest Income (c)	427.0	374.4	14.1	162.3	163.2
G&A Expenses (d)	644.4	598.9	7.6	975.0	-33.9
Pre-Provision Oper.Income (e=a-d)	1,006.9	990.2	1.7	422.1	138.5
Other (f)	9.7	9.7	-0.3	2.5	285.3
Pre-Provision Income (g=e+f)	1,016.6	1,000.0	1.7	424.7	139.4
Provision for Credit Losses (h)	171.1	171.7	-0.4	162.3	5.4
Earnings before Income Tax (i=g-h)	845.5	828.2	2.1	262.4	223.3
Net Income <sup>1)</sup>	658.7	647.1	1.8	227.8	189.2

Note) Net Income in Controlling Interest

(%)	1Q 11	2Q 11	3Q 11	4Q 11	1Q 12
NIS (a-b) (cumulative figures)	2.45	2.46	2.46	2.41	2.23
Loan interest rate (a)	5.40	5.49	5.54	5.54	5.47
Deposit interest rate (b)	2.96	3.03	3.08	3.13	3.24
NIM(quarterly)	2.27	2.27	2.24	2.10	2.09
NIM(cumulative figures)	2.27	2.27	2.26	2.22	2.09

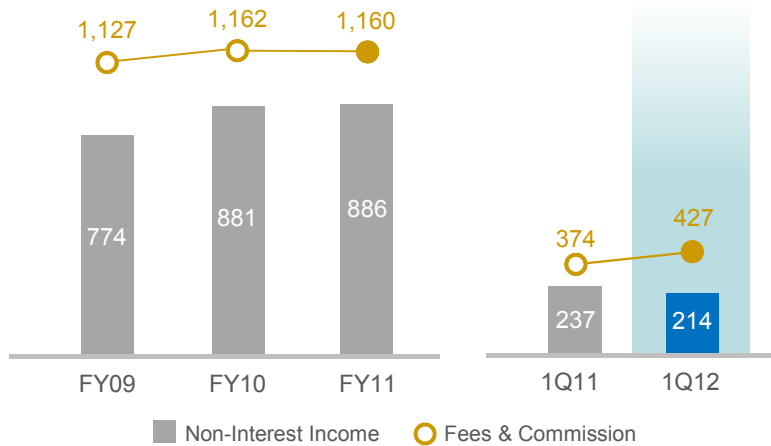


# SHB Non-Interest Income / G&A Expenses



## Fees and Commission

(KRW bil.)

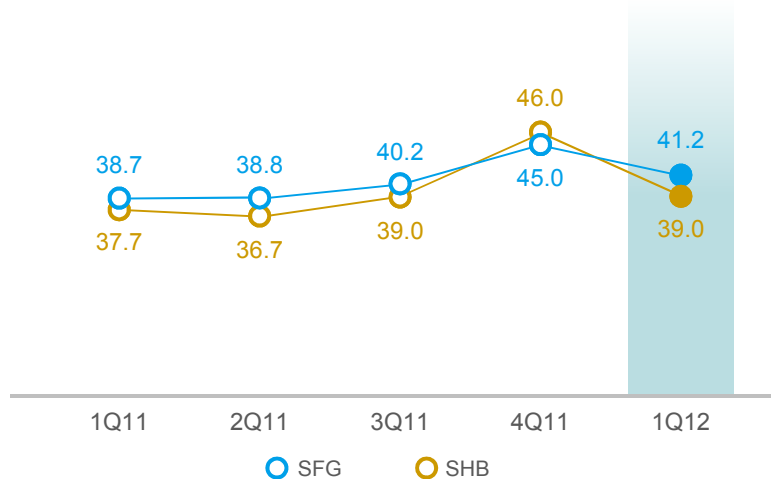


Note) Figs. for 2009 K-GAAP

(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Non-Interest Income	427.0	374.4	14.1	162.3	163.2
Fees & Commission	213.5	236.7	-9.8	212.8	0.3
(Fund)	34.0	46.9	-27.5	30.4	11.9
(Bancassurance)	37.6	23.7	58.4	27.0	39.5
(Trust Fees)	14.7	14.2	3.3	19.1	-23.2
Securities Related	228.2	193.2	18.1	68.6	232.6
FX Trading/Derivatives	68.1	80.2	-15.2	56.2	21.0
Others	-82.8	-135.8	n.a	-175.4	n.a

## Cost-Income Ratio (%)

(%)

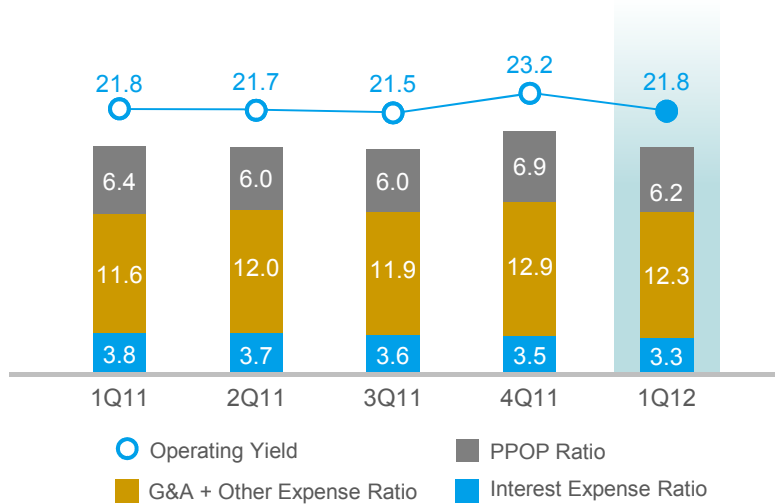


(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
G&A Expenses	644.4	598.9	7.6	975.0	-33.9
Salary & Employee Benefits	312.0	259.7	20.1	493.2	-36.7
D & A	34.2	39.3	-12.9	37.5	-8.8
Other Expenses	298.2	299.9	-0.6	444.3	-32.9



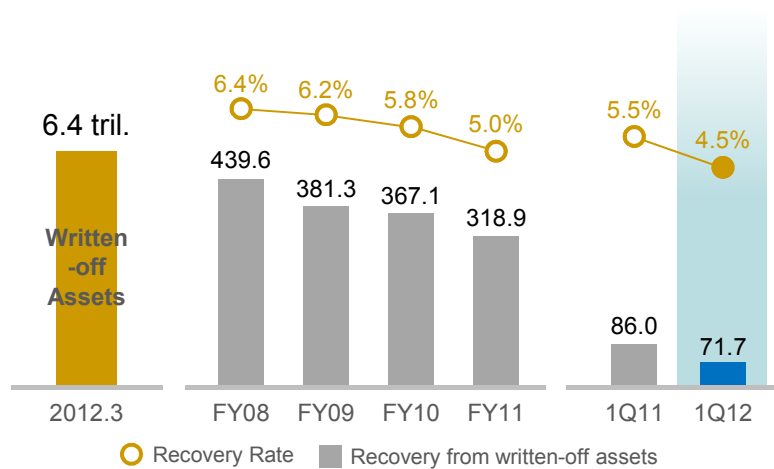
# Shinhan Card Income

## Operating Yield and PPOP Ratio (%)



Note) Quarterly basis, Net of Derivatives & FX

## Recovery from Written-off Assets (KRW bil.)



(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Operating Revenue (a)	1,104.1	1,115.1	-1.0	1,139.7	-3.1
Card Business	937.7	926.5	1.2	977.7	-4.1
Installment Finance	27.0	26.6	1.7	27.6	-1.9
Lease	12.5	13.3	-6.4	13.2	-5.2
Others	126.9	148.6	-14.6	121.2	4.7
(Derivatives & FX)	32.1	57.2	-43.9	-45.8	n.a
Interest Expense (b)	165.0	185.2	-10.9	178.4	-7.5
G&A Expenses (c)	153.3	148.3	3.3	189.4	-19.1
Commissions & Other Expenses (d)	482.9	472.1	2.3	420.3	14.9
(Derivatives & FX)	28.9	55.5	-48.0	-49.8	n.a
Pre-Provision Income (e=a-b-c-d)	303.0	309.4	-2.1	351.5	-13.8
Provision for Credit Losses (f)	58.5	-6.0	n.a	80.2	-27.0
Earnings before Income Tax (g=e-f)	244.5	315.4	-22.5	271.4	-9.9
Income Tax	58.5	66.0	-12.1	36.1	60.9
Net Income	186.5	249.4	-25.2	235.3	-20.7

## **III. Assets & Liabilities**

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

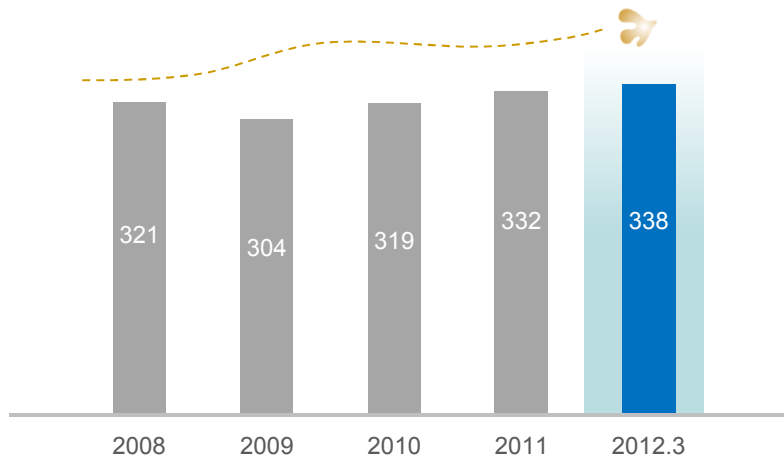




# SFG Asset Growth

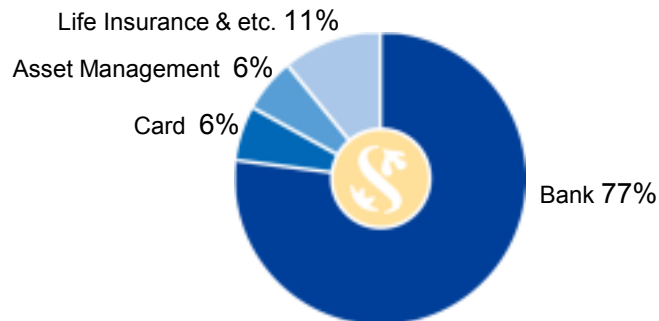
## SFG Total Assets

(KRW tril.)



Note) Figs. for 2008~2009 K-GAAP

## Asset Contribution by Subsidiary



(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
Bank (a)	259,919	256,640	1.3	254,393	2.2
Shinhan Bank	256,820	253,472	1.3	251,347	2.2
Jeju Bank	3,099	3,168	-2.2	3,046	1.8
Non-Bank (b)	75,554	72,295	4.5	71,624	5.5
Shinhan Card	21,240	22,357	-5.0	21,800	-2.6
Shinhan Investment Corp.	14,184	12,166	16.6	12,117	17.1
Shinhan Life Insurance	14,682	13,977	5.0	12,594	16.6
Shinhan BNPP AM	20,036	19,766	1.4	21,105	-5.1
Shinhan Capital	3,485	3,518	-0.9	3,543	-1.6
Shinhan Savings Bank	1,305	4	n.a.	-	n.a.
Shinhan Data System	16	16	-0.2	12	30.8
Shinhan Credit Information	19	19	-3.0	19	-0.2
Shinahn PE Investment Mgmt.	457	343	33.3	416	10.1
Total (a+b)	338,360	332,276	1.8	329,681	2.6
Consolidate Net Income	295,919	288,117	2.7	280,173	5.6

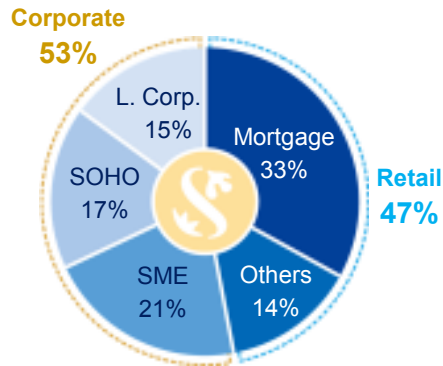
Note) Including trust A/C of SHB and AUM of Shinhan BNPP AM



# SHB Loan / Deposit Growth

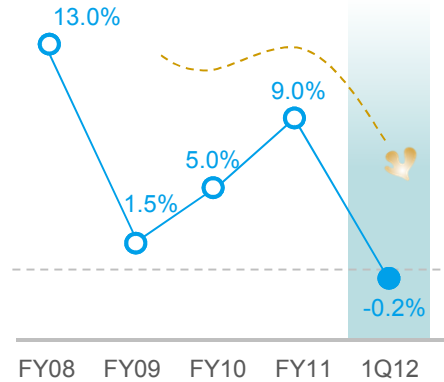
## Loan Composition

Note) As of Mar. 31, 2012



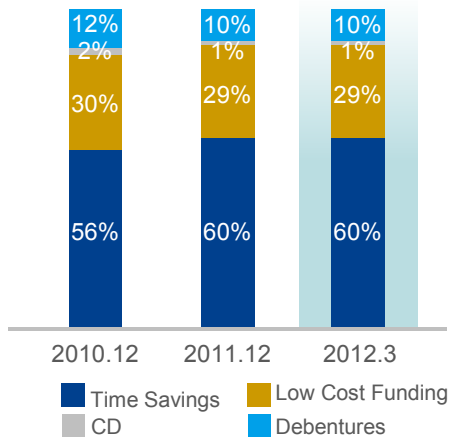
## Loan Growth

Note) Loan in KRW basis



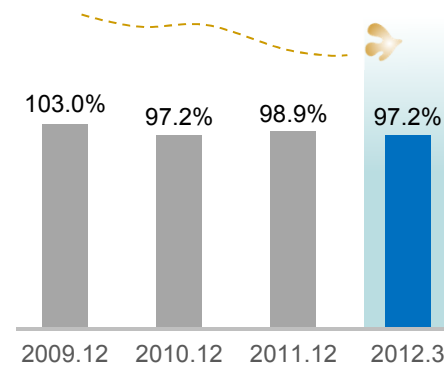
(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
Loan in KRW	138,738	139,082	-0.2	128,889	7.6
Retail	64,702	65,228	-0.8	61,161	5.8
Mortgage	45,183	45,571	-0.9	43,396	4.1
Others	19,519	19,657	-0.7	17,766	9.9
Corporate	74,036	73,855	0.2	67,728	9.3
SME	52,529	52,268	0.5	52,048	0.9
SOHO	23,220	22,774	2.0	20,522	13.1
Large Corporate etc.	21,507	21,586	-0.4	15,680	37.2
Loan in FX	5,058	5,216	-3.0	4,790	5.6

## Funding Composition



## Loan to Deposit Ratio

Note) Excluding CDs & monthly average basis

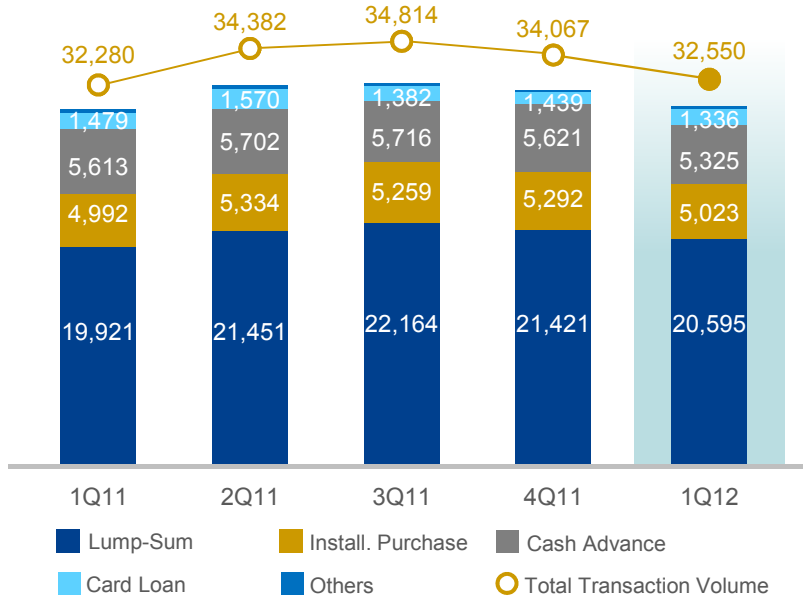


(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
Total Deposits in KRW	144,168	140,987	2.3	131,797	9.4
Low Cost Deposits	46,432	45,774	1.4	44,863	3.5
Demand	15,037	14,688	2.4	15,045	-0.1
Savings	31,395	31,086	1.0	29,819	5.3
Other Savings	97,736	95,214	2.6	86,933	12.4
Time Deposits	90,724	88,533	2.5	81,379	11.5
Accumulative etc.	7,012	6,681	4.9	5,554	26.2
Certificate of Deposits	1,719	2,463	-30.2	2,944	-41.6
Debentures in KRW	16,153	15,722	2.7	15,831	2.0



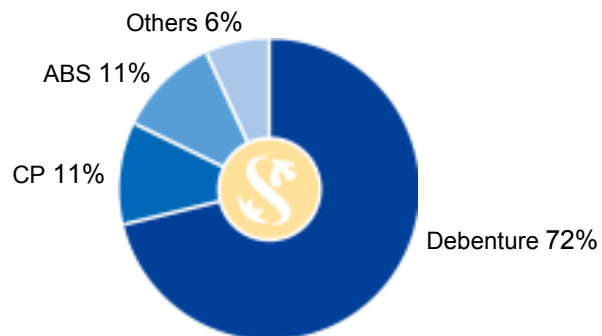
# Shinhan Card Asset Growth

## Transaction Volume (KRW bil.)



(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
<b>Earning Assets</b>	<b>18,951</b>	19,772	-4.2	19,101	-0.8
Credit Purchase	10,566	11,092	-4.7	10,576	-0.1
Cash Advances	3,069	3,185	-3.6	3,204	-4.2
Card Loan	3,394	3,566	-4.8	3,476	-2.4
(Re-aged Loan)	194	192	0.9	202	-4.2
Installment Finance	1,215	1,226	-0.9	1,155	5.2
Lease etc.	706	703	0.4	690	2.3
<b>Effective Cardholders (in thousands)</b>	<b>15,265</b>	15,424	-1.0	15,308	-0.3
<b>Merchants (in thousands)</b>	<b>2,687</b>	2,669	0.7	2,575	4.3

## Funding Composition (As of Mar. 31, 2012)



(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
<b>Total Funding</b>	<b>13,005</b>	13,910	-6.5	13,940	-6.7
Debentures	9,397	10,066	-6.6	10,068	-6.7
ABS	1,365	1,384	-1.3	1,347	1.4
CP	1,478	1,500	-1.5	825	79.0
Others	765	960	-20.3	1,700	-55.0

## **IV. Asset Quality**

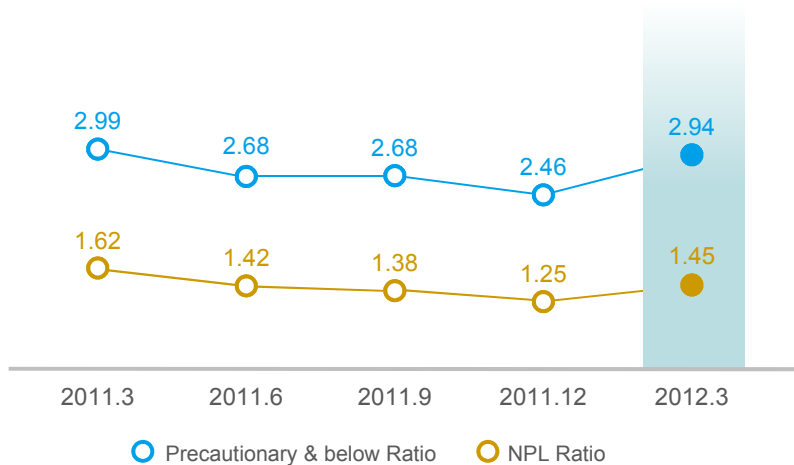
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



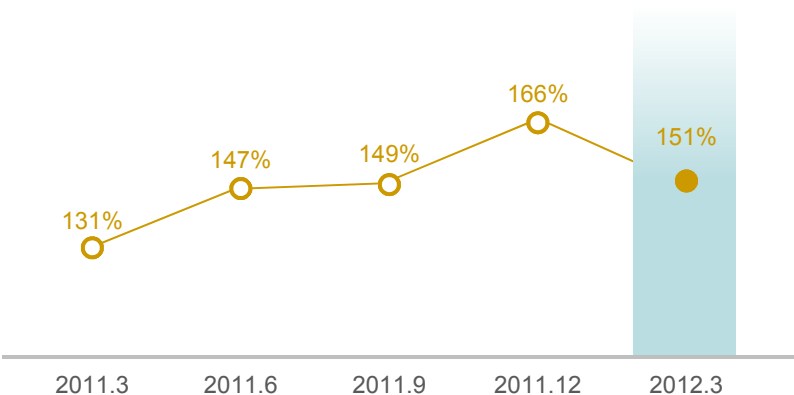


# SFG Asset Quality

## Precautionary & below Ratio / NPL Ratio (%)



## NPL Coverage Ratio (%)



(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
Total Loans <sup>1)</sup>	193,250	195,495	-1.1	184,309	4.9
Normal	187,573	190,693	-1.6	178,805	4.9
Precautionary	2,879	2,356	22.2	2,518	14.3
Substandard	1,504	1,305	15.3	1,706	-11.8
Doubtful	529	470	12.6	615	-14.0
Estimated Loss	764	671	13.9	665	15.0
Substandard & Below	2,797	2,445	14.4	2,986	-6.3
NPLRatio	1.45%	1.25%	0.20%p	1.62%	-0.17%p
Loan Loss Allowance <sup>2)</sup>	4,222	4,058	4.1	3,913	7.9
NPL Coverage Ratio	151%	166%	-15%p	131%	20%p
Reserve for credit losses <sup>3)</sup>	1,648	1,610	2.3	1,106	49.0

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

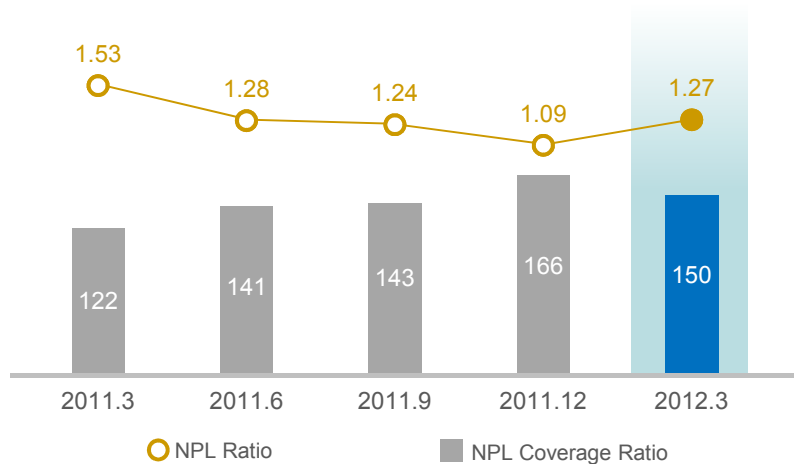
2) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

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

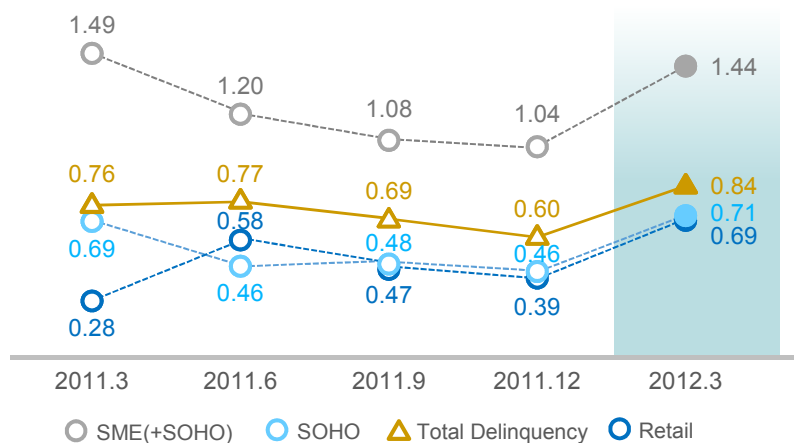


# SHB Asset Quality

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



Note) 1 month overdue

(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
Total Loans	165,053	166,433	-0.8	156,087	5.7
Normal	160,500	162,625	-1.3	151,620	5.9
Precautionary	2,455	1,992	23.2	2,072	18.5
Substandard	1,344	1,157	16.2	1,590	-15.5
Doubtful	336	266	26.5	430	-21.8
Estimated Loss	419	393	6.7	375	11.7
Substandard & Below	2,099	1,815	15.6	2,395	-12.4
NPLRatio	1.27%	1.09%	0.18%p	1.53%	-0.26%p
Loan Loss Allowance <sup>1)</sup>	3,153	3,015	4.6	2,925	7.8
NPL Coverage Ratio	150%	166%	-16%p	122%	28%p
Reserve for credit losses <sup>2)</sup>	1,516	1,473	3.0	1,039	46.0

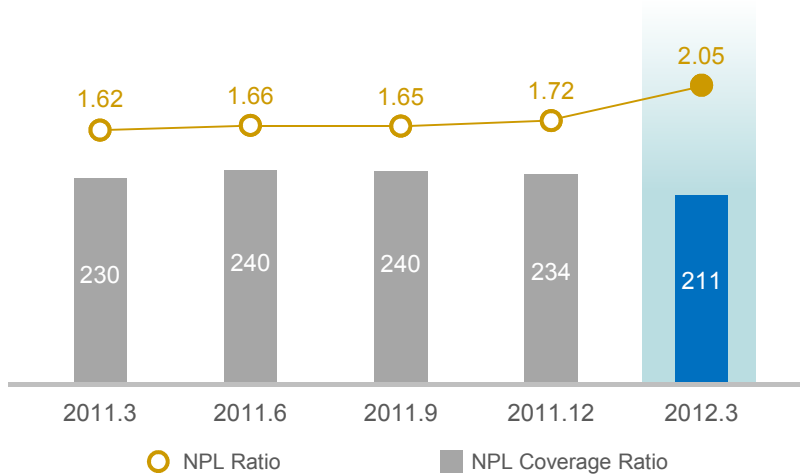
Note 1) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

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

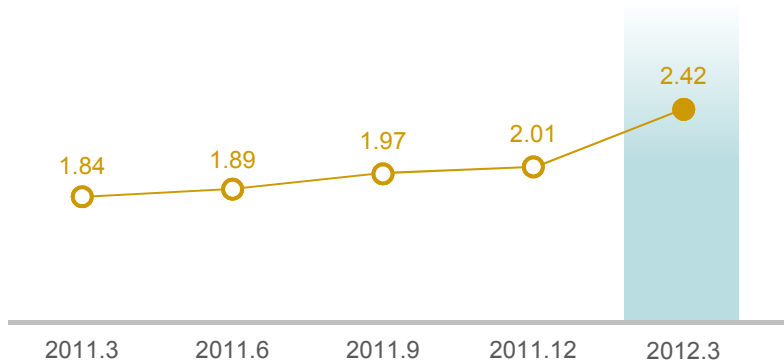


# Shinhan Card Asset Quality

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



Note) 1 month overdue from total credit

(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
Total Loans	18,951	19,772	-4.2	19,101	-0.8
Normal	18,335	19,204	-4.5	18,580	-1.3
Precautionary	227	228	-0.2	210	8.1
Substandard	-	-	n.a.	-	n.a.
Doubtful	107	106	1.3	81	33.1
Estimated Loss	281	233	20.5	230	22.4
Substandard & Below	388	339	14.5	310	25.2
NPLRatio	2.05%	1.72%	0.33%p	1.62%	0.43%p
Loan Loss Allowance <sup>1)</sup>	818	795	2.9	713	14.8
NPL Coverage Ratio	211%	234%	-23%p	230%	-19%p
Reserve for credit losses <sup>2)</sup>	102	107	-4.7	55	86.5

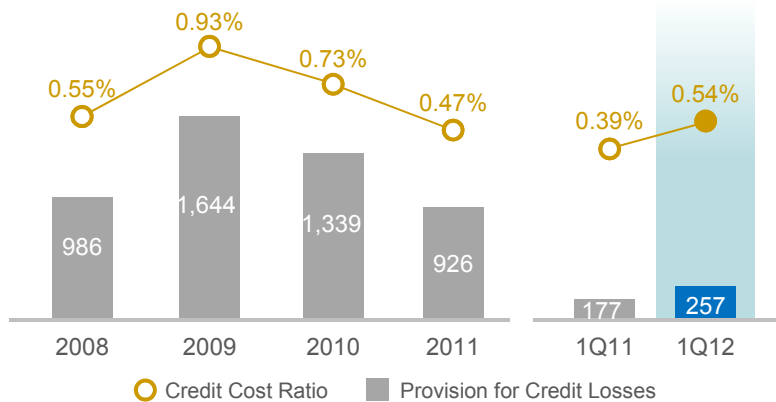
Note 1) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

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



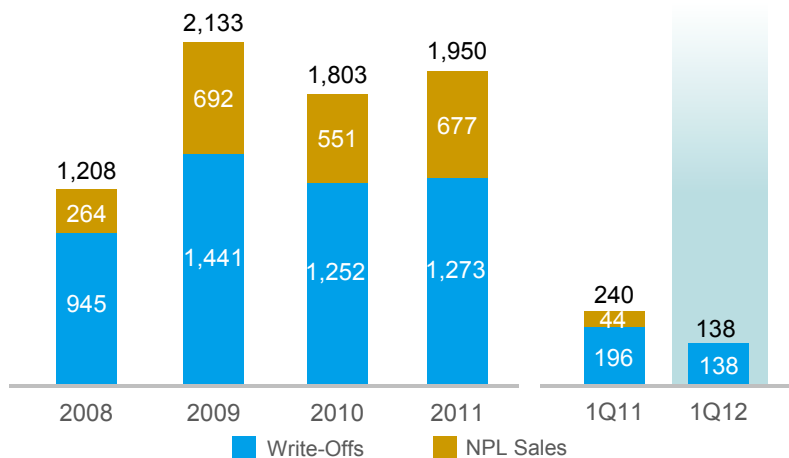
# Provision for Credit Losses / Write-Offs

## SFG Provision for Credit Losses (KRW bil.)



Note) Figs. for 2008~2009 K-GAAP

## Write-Offs & NPL Sales (KRW bil.)



## Credit Costs

(KRW bil.)	2012	1Q	2011	1Q	2Q	3Q	4Q
Shinhan Bank <sup>1)</sup>	135	135	667	164	196	143	164
Retail	38	38	87	19	19	35	15
Corporate	97	97	580	145	177	108	149
Shinhan Card	58	58	164	-6	44	47	80
<b>Total</b>	<b>193</b>	<b>193</b>	<b>831</b>	<b>158</b>	<b>240</b>	<b>189</b>	<b>244</b>

Note) Shinhan Bank figures are non-consolidated basis

## Write-Offs & NPL Sales

(KRW bil.)	2012	1Q	2011	1Q	2Q	3Q	4Q
Shinhan Bank	40	40	1,484	134	566	336	448
(Sale)	-	-	677	44	295	112	226
Retail	15	15	141	12	44	31	54
(Sale)	-	-	77	-	29	14	33
Corporate	25	25	1,343	122	522	305	394
(Sale)	-	-	601	44	266	98	193
Shinhan Card	98	98	466	106	99	114	146
<b>Total</b>	<b>138</b>	<b>138</b>	<b>1,950</b>	<b>240</b>	<b>665</b>	<b>451</b>	<b>594</b>

# V . Capital Adequacy

## 1. Capital Adequacy





# Capital Adequacy

## Group BIS Ratio

(KRW bil.)	2012.3(e)	2011.12	QoQ	
			Difference	%
Risk-Weighted Assets	196,814	195,579	1,235	0.6
Capital	23,413	22,315	1,098	4.9
Tier 1	18,068	17,317	751	4.3
Tier 2	5,345	4,999	346	6.9
BIS Ratio	11.9%	11.4%		0.5%p
Tier 1	9.2%	8.9%		0.3%p
Tier 2	2.7%	2.6%		0.1%p

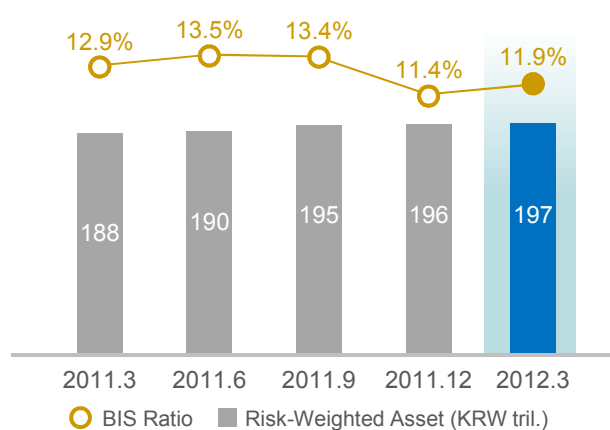
Note) Based on Basel I

## Shinhan Bank BIS Ratio

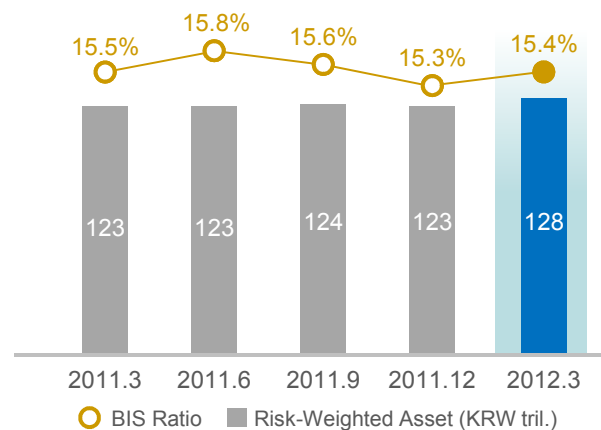
(KRW bil.)	2012.3(e)	2011.12	QoQ	
			Difference	%
Risk-Weighted Assets	128,354	123,385	4,969	4.0
Capital	19,742	18,827	915	4.9
Tier 1	15,895	15,343	552	3.6
Tier 2	3,847	3,484	363	10.4
BIS Ratio	15.4%	15.3%		0.1%p
Tier 1	12.4%	12.4%		0.0%p
Tier 2	3.0%	2.8%		0.2%p

Note) Based on Basel II FIRB approach

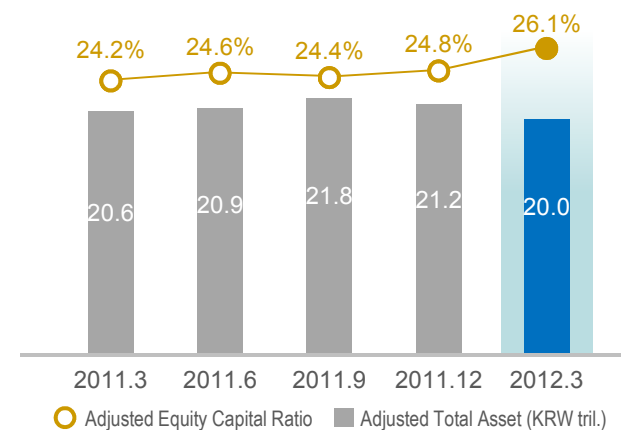
## Group BIS Ratio



## SHB BIS Ratio



## Shinhan Card Capital Adequacy Ratio



## **VI. Appendix**

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1. SFG Subsidiaries
2. Key Financial Indices
3. SHB SME Loans



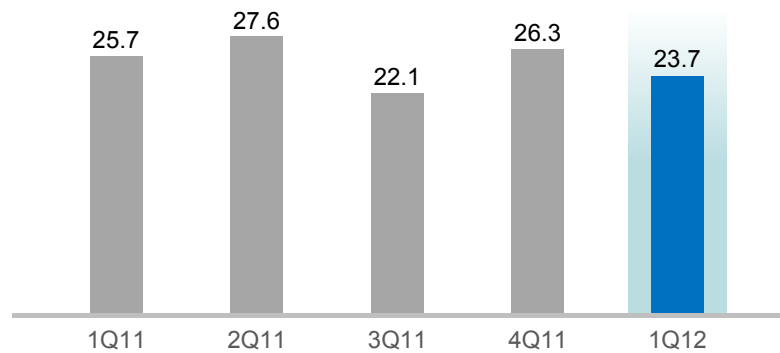


# SFG Subsidiaries \_ Shinhan Investment Corp. (1)



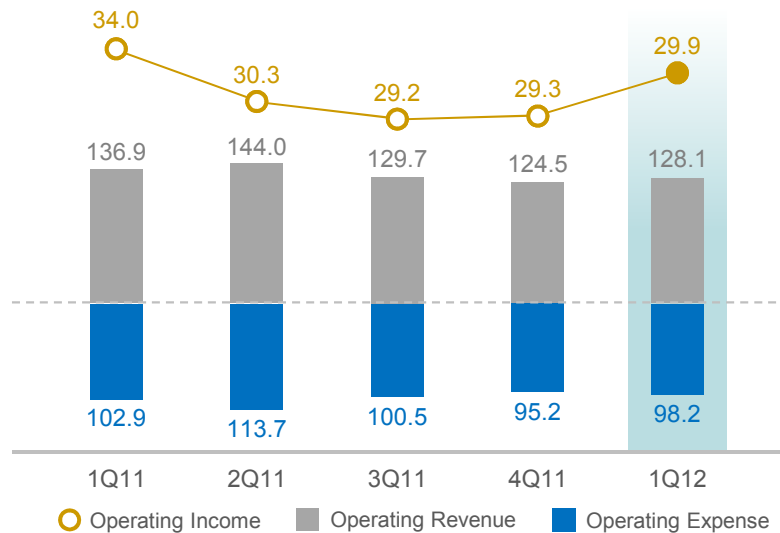
## Net Income

(KRW bil.)



## Operating Income

(KRW bil.)



## Condensed I/S & Key Financial Indices

(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Operating Revenue	128.1	136.9	-6.4	124.5	2.9
Fees & Commission	87.3	96.0	-9.1	84.4	3.3
Proprietary Trading	26.0	7.2	259.0	-14.8	n.a.
Others	14.9	33.6	-55.7	54.9	-72.8
Operating Expense	98.2	102.9	-4.5	95.2	3.1
G&A Expenses	90.5	88.8	1.9	81.7	10.7
Commission Expense	11.1	13.8	-20.0	8.7	27.8
Provision for Credit Losses	-3.4	0.2	n.a.	4.8	n.a.
Operating Income	29.9	34.0	-12.1	29.3	2.0
Net Income	23.7	25.7	-7.6	26.3	-9.8
Net Capital Ratio(%)	797.8	608.6	189.2%p	648.3	149.5%p
ROE	4.4%	5.0%	-0.6%p	4.9%	-0.5%p
ROA	0.7%	1.0%	-0.3%p	0.9%	-0.2%p

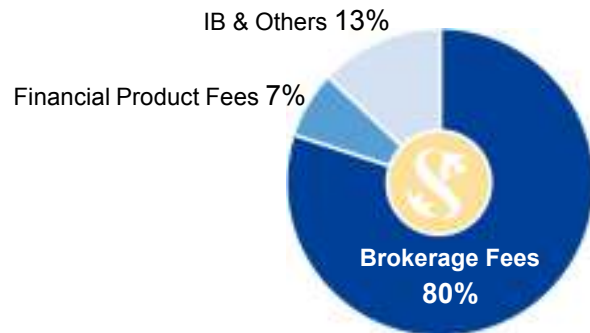


# SFG Subsidiaries \_ Shinhan Investment Corp. (2)



## Fees & Commission

(%)



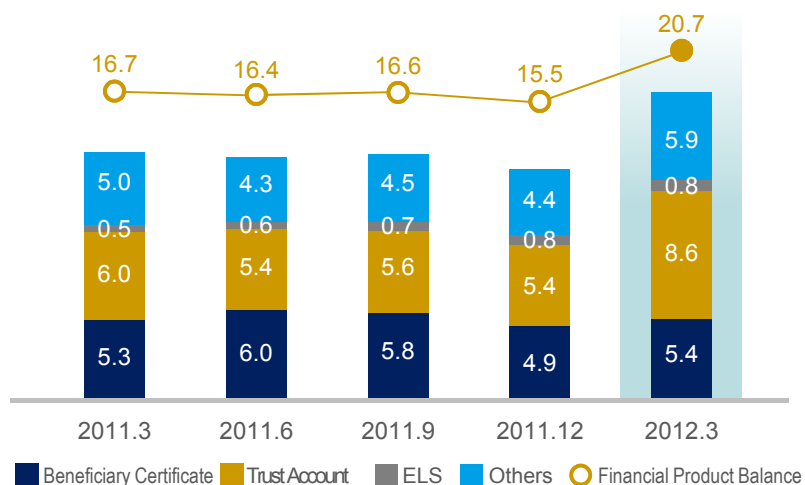
## Fees & Commission

(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Fees & Commission	87.3	96.0	-9.1	84.4	3.3
Brokerage Commission	70.0	80.2	-12.8	72.0	-2.8
Financial Product Fees	6.6	7.0	-5.6	6.0	10.0
IB	10.2	7.6	33.7	5.9	72.3
Others	0.5	1.2	-57.4	0.6	-9.4

## Financial Products

Note)

(KRW tril.)



## Balance of Financial Products

(KRW tril.)	2012.3	2011.12	YTD%	2011.3	YoY%
Financial Products	20.7	15.5	33.2	16.7	23.8
Beneficiary Certificate	5.4	4.9	9.0	5.3	1.4
Trust Account	8.6	5.4	59.2	6.0	44.8
ELS	0.8	0.8	5.8	0.5	71.6
Others	5.9	4.4	32.9	5.0	17.9

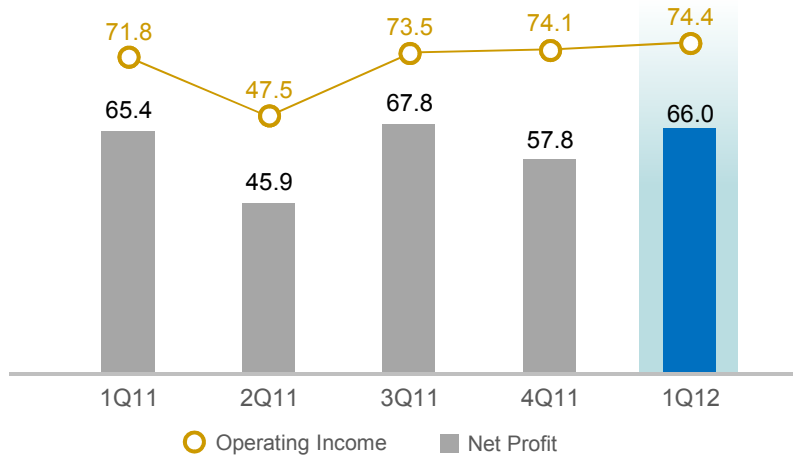
Note) Sum of Beneficiary Certificate, Trust Account, Wrap, ELS, RP, Micro Debentures



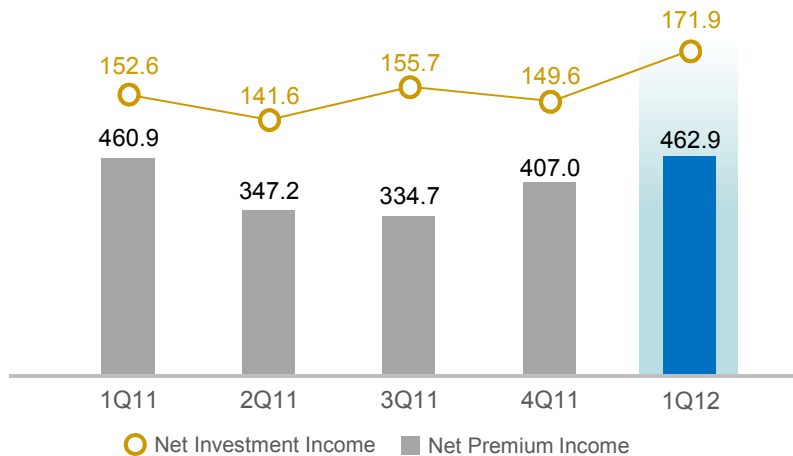
# SFG Subsidiaries \_ Shinhan Life Insurance (1)



## Net Income (KRW bil.)



## Total Income (KRW bil.)



## Condensed I/S & Key Financial Indices

(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Total Income	644.9	626.1	3.0	560.3	15.1
Net Premium Income	462.9	460.9	0.4	407.0	13.7
Net Investment Income	171.9	152.6	12.6	149.6	14.9
Special Account/Others	10.1	12.6	-20.0	3.7	173.0
Policy Reserve Write Back(Δ)	560.4	541.7	3.4	482.5	16.1
Operating Income	74.4	71.8	3.6	74.1	0.4
Net Income	66.0	65.4	0.8	57.9	14.0
Solvency Margin Ratio (%)	309.2	361.4	-52.2%p	324.0	-14.8%p
ROE	21.8%	25.1%	-3.3%p	21.7%	0.1%p
ROA	1.8%	2.1%	-0.3%p	1.8%	0.0%p

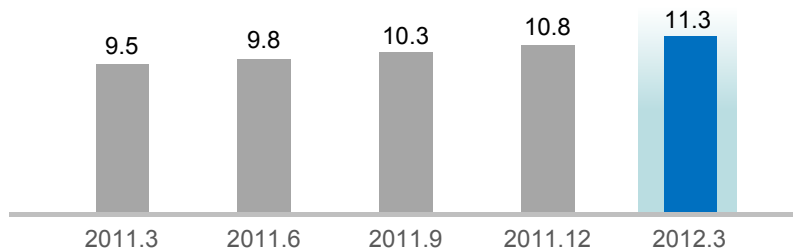
Note) ROE, ROA computed on a quarterly average basis



# SFG Subsidiaries \_ Shinhan Life Insurance (2)

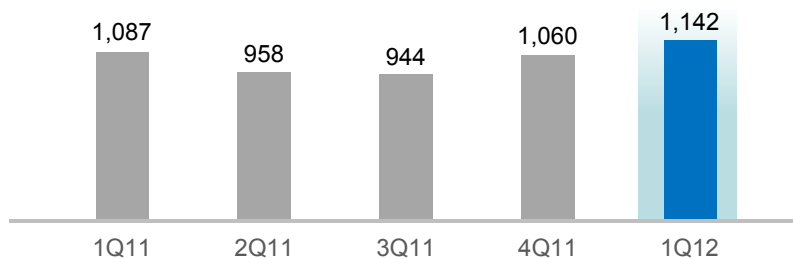


## Operating Assets (KRW tril.)



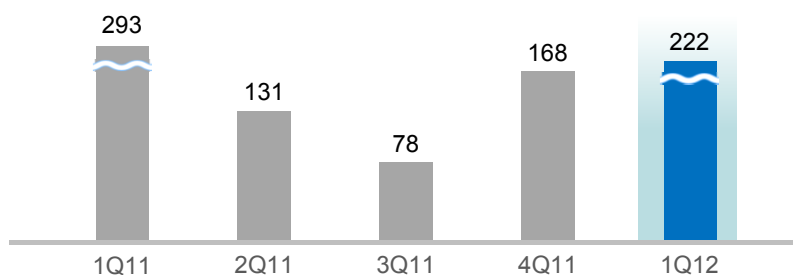
Note) Excluding Retirement Pension

## Premium Received (KRW bil.)



Note) Excluding Retirement Pension

## New Premium (KRW bil.)



Note) Excluding Retirement Pension

## Operating Assets & Special Account Assets

(KRW bil.)	2012.3	2011.12	YTD%	2011.3	YoY%
Operating Assets	11,323.2	10,775.9	5.1	9,486.2	19.4
Fixed Income	6,463.1	6,184.8	4.5	5,426.1	19.1
Loans	3,059.4	2,957.4	3.4	2,569.0	19.1
Equities	184.3	136.8	34.7	148.2	24.4
Cash & Deposits	864.3	882.9	-2.1	755.7	14.4
Others	752.1	614.0	22.5	587.2	28.1
Special Account	1,779.2	1,657.6	7.3	1,788.5	-0.5

## Premium Breakdown

(KRW bil.)	2012	1Q	2011	1Q	2Q	3Q	4Q
Prem. Received	1,142	1,142	4,049	1,087	958	944	1,060
New Premium	222	222	670	293	131	78	168

Note) Excluding Retirement Pension

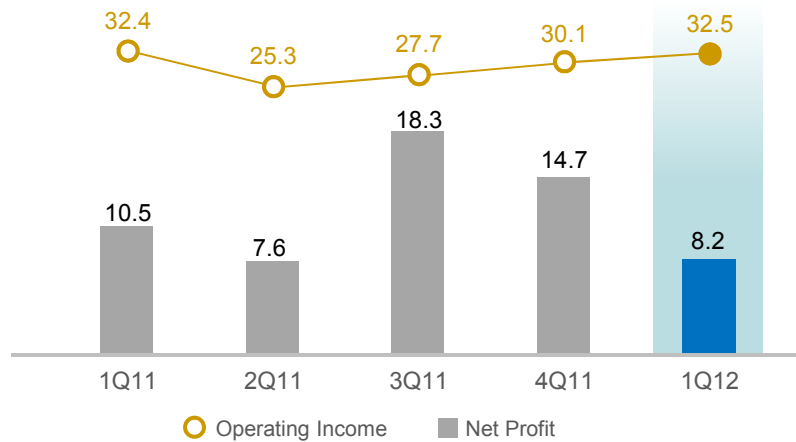


# SFG Subsidiaries \_ Shinhan Capital



## Net Income

(KRW bil.)

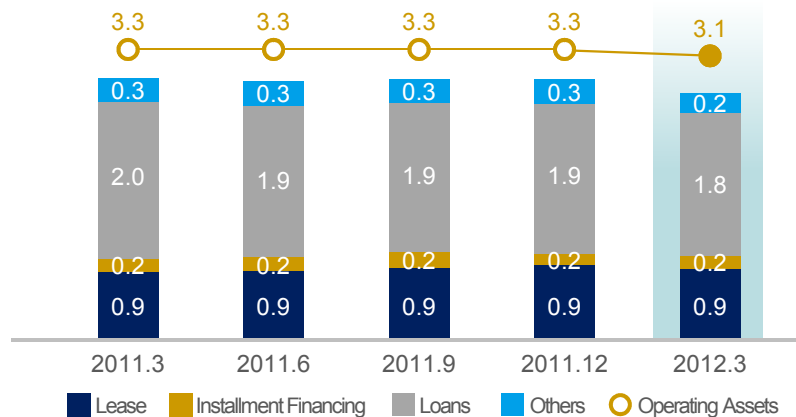


## Condensed I/S & Key Financial Indices

(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Operating Revenue	91.5	107.8	-15.1	77.3	18.3
Operating Expense	59.0	75.4	-21.8	47.3	24.7
(Interest Expense)	33.7	36.4	-7.5	34.7	-2.9
(G&A Expenses)	5.3	3.9	35.1	4.8	10.5
Operating Income	32.5	32.4	0.3	30.1	8.1
Provision for Credit Losses	22.0	12.9	69.8	8.8	150.1
Net Income	8.2	10.5	-21.8	14.7	-44.4
ROE	6.4%	9.5%	-3.1%p	11.0%	-4.6%p
ROA	0.9%	1.1%	-0.2%p	1.4%	-0.5%p

## Operating Assets

(KRW tril.)



## Operating Assets

(KRW tril.)	2012.3	2011.12	YTD%	2011.3	YoY%
Operating Assets	3.1	3.3	-3.4	3.3	-5.2
Lease	0.9	0.9	-3.5	0.9	5.4
Installment Financing	0.2	0.2	11.4	0.2	-2.4
Loans	1.8	1.9	-5.3	2.0	-8.9
Others	0.2	0.3	-16.9	0.3	-12.8

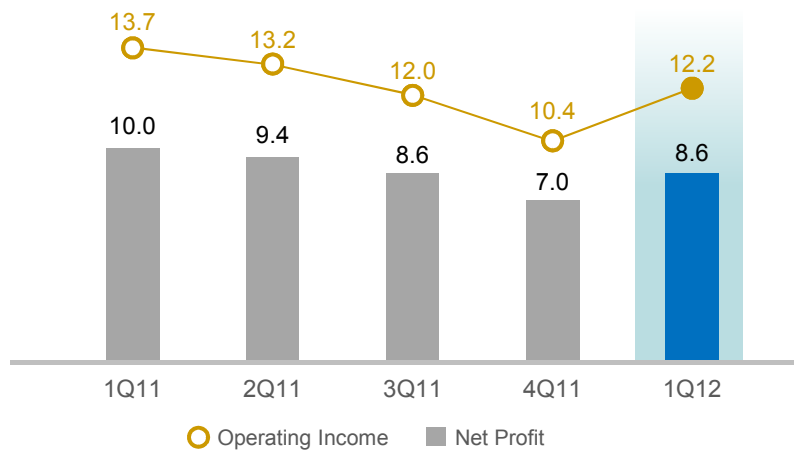


# SFG Subsidiaries \_ Shinhan BNPP AM



## Net Income

(KRW bil.)

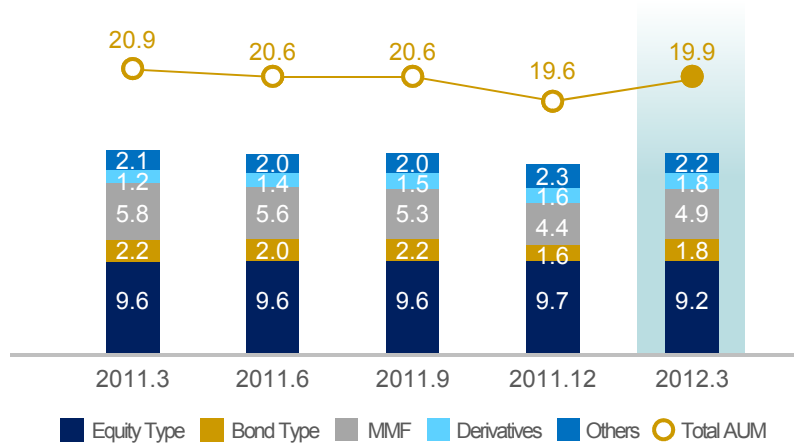


## Condensed I/S & Key Financial Indices

(KRW bil.)	1Q 12	1Q 11	YoY%	4Q 11	QoQ%
Operating Revenue	26.2	29.3	-10.6	25.1	4.4
Operating Expense	14.0	15.7	-10.8	14.6	-4.1
(G&A Expenses)	9.1	8.9	2.2	10.0	-9.0
Operating Income	12.2	13.7	-10.9	10.4	17.3
Net Income	8.6	10.0	-14.0	7.0	22.9
ROE	23.0%	26.3%	-3.3%p	23.9%	-0.9%p

## Assets Under Management

(KRW tril.)



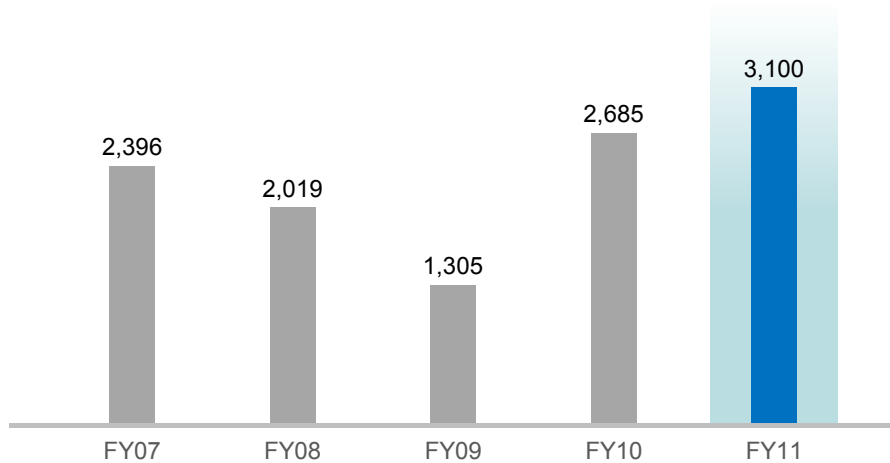
## Assets Under Management

(KRW tril.)	2012.3	2011.12	YTD%	2011.3	YoY%
Total AUM	19.9	19.6	1.5	20.9	-4.8
Equity Type	9.2	9.7	-5.2	9.6	-4.2
Bond Type	1.8	1.6	12.5	2.2	-18.2
MMF	4.9	4.4	11.4	5.8	-15.5
Derivatives	1.8	1.6	12.5	1.2	50.0
Others	2.2	2.3	-4.3	2.1	4.8



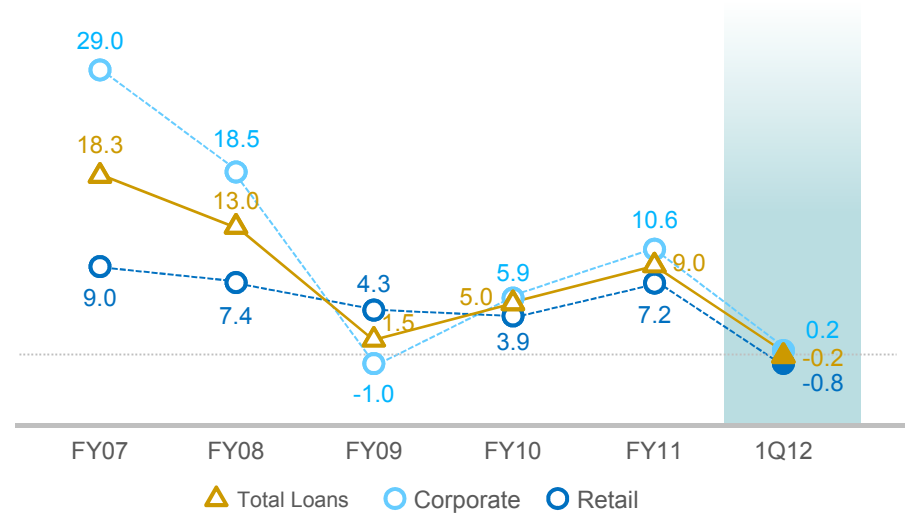
# Key Financial Indices

## Group Net Income (KRW bil.)

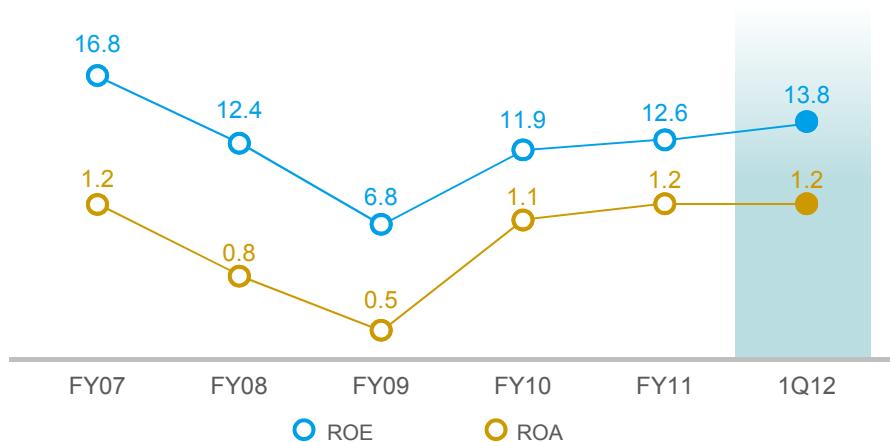


Note) Figs. for 2007~2009 K-GAAP

## SHB Loan Growth Rate (%)

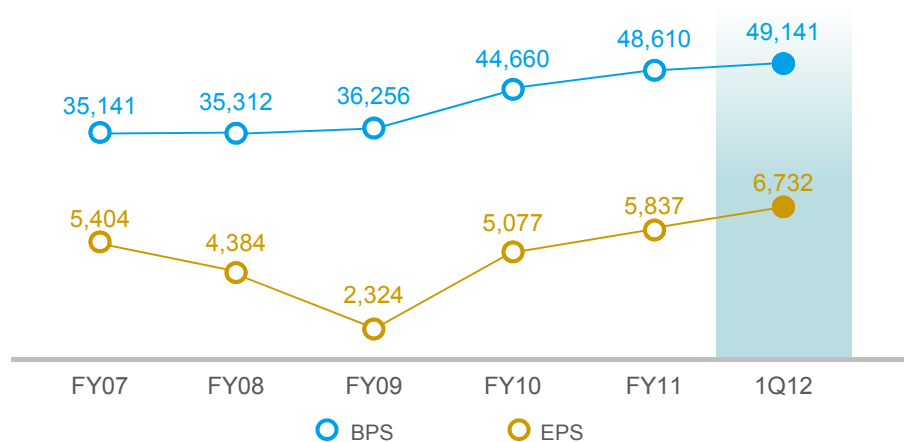


## ROA / ROE (%)



Note) ROE based on common stock (including RCPS), figures for 2007~2009 K-GAAP

## BPS / EPS (KRW)



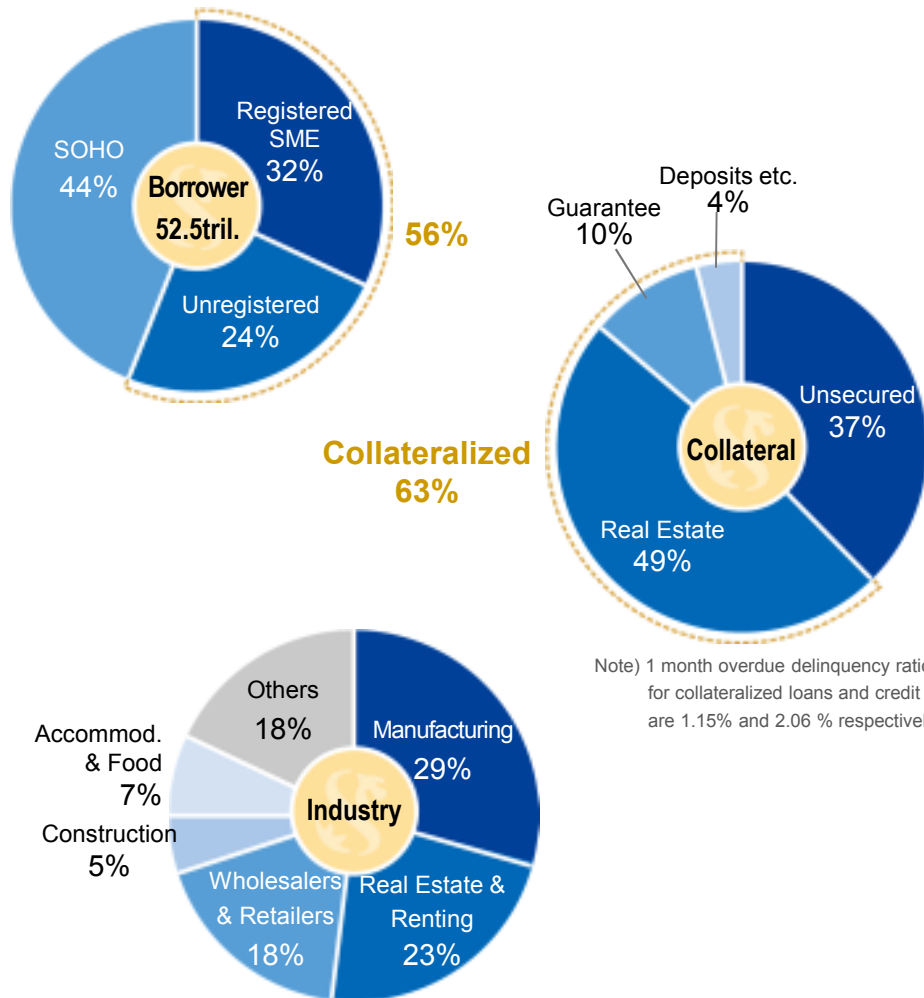
Note) Based on common stock (including RCPS) and figures for 2007~2009 K-GAAP



# Shinhan Bank SME Loans

## SME Loans <sup>Note)</sup>

(As of Mar. 31, 2012)



Note) 1 month overdue delinquency ratio for collateralized loans and credit loans are 1.15% and 2.06% respectively

Note) Loans in KRW basis

## Delinquency Ratio by Industry (%)

(%)

	2012.3	2011.12	YTD%p	2011.3	YoY%p
Manufacturing	1.07	0.70	0.37	1.03	0.04
Real Estate & Renting	2.38	1.86	0.52	2.10	0.28
Wholesalers/Retailers	0.77	0.41	0.36	0.62	0.15
Construction	2.63	1.92	0.71	1.55	1.08
Total	1.44	1.04	0.40	1.49	-0.05

(As of Mar. 31, 2012)

(%)

