



Spring

# 2013 1Q Business Results

April 2013

# 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 reviewed 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 from year 2011 have been derived following IFRS standards, and financial results up to 2009 followed K-GAAP standards.

The main serial financial figures and indices listed herein may be subject to change in the future.

2) The financial figures in 2012 have been retroactively restated to reflect the new standards and amendments of Korean-IFRS which will be applicable in 2013.

3) On November 30, 2012, Shinhan AITAS Co., Ltd. joined Shinhan Financial Group (hereafter SFG) as a direct subsidiary. Prior to November 30, 2012, Shinhan AITAS was an indirect subsidiary of SFG under Shinhan Bank, a wholly-owned bank subsidiary of SFG. Therefore financial statements of Shinhan AITAS before the date were consolidated within Shinhan Bank.

4) On April 1, 2013, Shinhan Savings Bank merged with Yehanbyoul Savings Bank, both of which were direct subsidiaries of Shinhan Financial Group. As a result of the integration of the two savings banks, the previous Shinhan Savings Bank has been liquidated and is thus no longer a subsidiary of Shinhan Financial Group. Instead, Yehanbyoul Savings Bank now exists under the name of “Shinhan Savings Bank” as an existing legal entity constituting a member of Shinhan Financial Group. Therefore financial statements of Yehanbyoul Savings Bank before the date were consolidated within Shinhan Savings Bank.

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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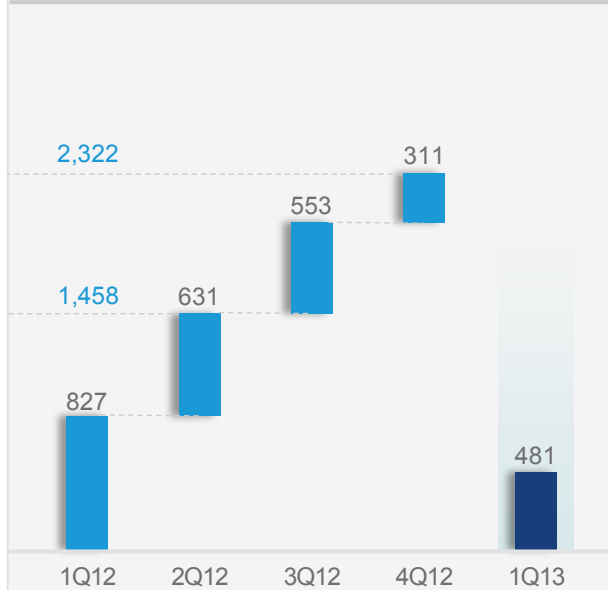
- I . 2013 1Q Business Results Highlights
- II . Income Statements
- III . Assets & Liabilities
- IV . Asset Quality
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# 2013 1Q Business Results Highlights (1)

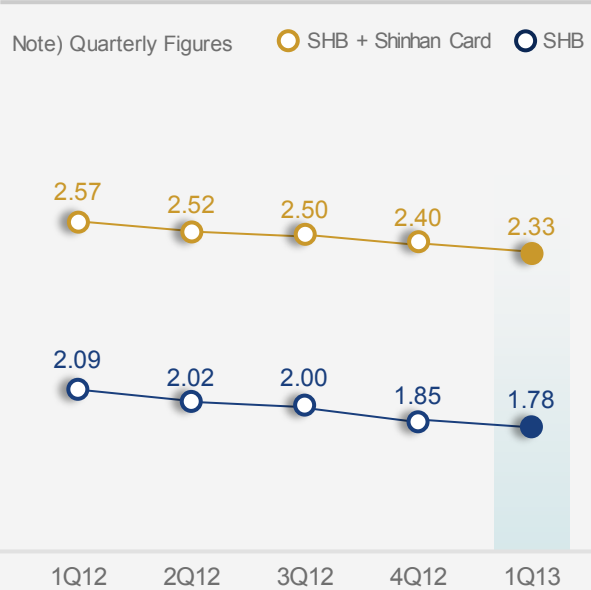
## Group Net Income (KRW bil.)



**2013 1Q Net Income : 481.3bil.  
(54.8% QoQ improvement)**

- Group NI increased by 54.8% QoQ while decreased by 41.8% YoY
- Interest Income decreased by 5% QoQ, while non-interest income increased by 222.7bil. or 94.7% QoQ
- Despite steady asset growth with tightened cost control, net income posted lower earnings due to ① continued NIM contraction ② decreased volume of one-off security sales gains ③ loan loss provisions for prolonged overdue collective mortgage loans

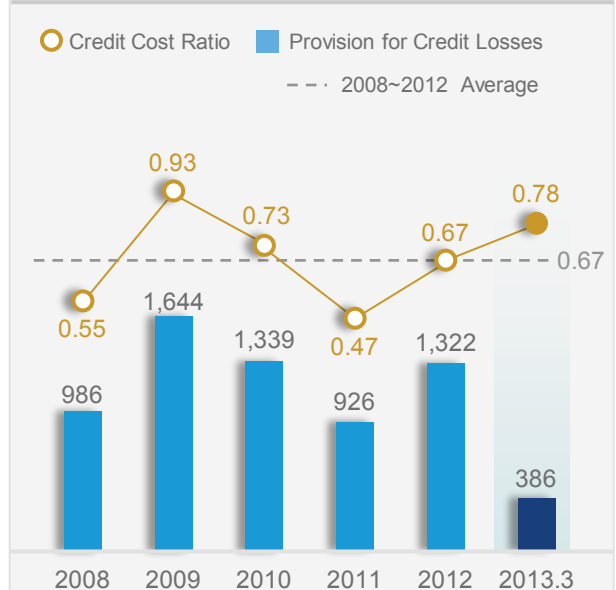
## NIM (%)



**2013 1Q Bank NIM 1.78%,  
Group NIM 2.33%**

- Group NIM marked 2.33% down by 7bp QoQ from previous quarter 2.40%
- SHB's quarterly NIM decreased by 7bp QoQ to 1.78% from 1.85%. However, the magnitude of NIM contraction level is mitigating compare to previous 4Q12
- Credit Card NIM dropped slightly by 4bp QoQ to 7.72% from 7.76% in 4Q12

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



**2013 1Q Credit Cost Ratio at 0.78%  
(12bp higher than 5-year Average)**

- Group's Credit Cost escalated by 11bp to 0.78% compare to 0.67% in FY2012, mainly due to SHB's loan loss provision increase related to collective mortgage loans and etc.
- SHB's provision for credit losses increased by 44.1%(75.5bil.) YoY and 34.9%(63.9bil.) QoQ
- SHC's provision for credit losses increased by 26%(17.9bil.) attributed to new NPL formation coupled with decrease in recovery from written-off assets



# 2013 1Q Business Results Highlights (2)

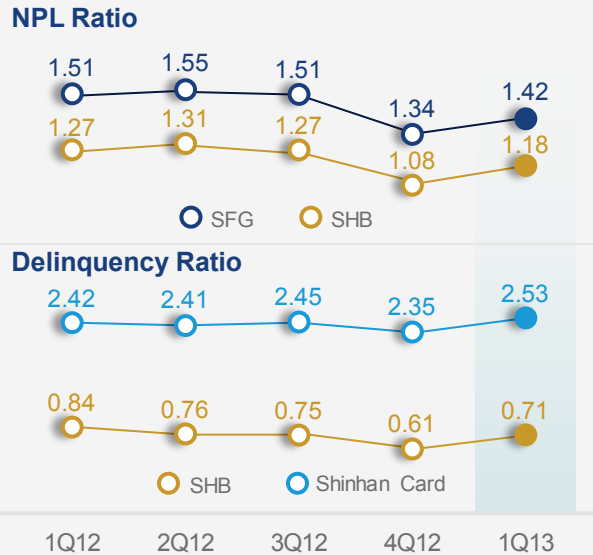
## Loans & Deposits (%)



**1Q13 Loan/Deposit growth at 0.6%, 1.3%  
LDR stood at 96.6%**

- KRW loan balance as end of 1Q13 marked 145.1 tril. up by 0.6% YTD. Mostly led by two major growth drivers; SOHO loans and Retail personal loans, each increased by 2.2% and 3.1% respectively
- Deposit increased by 1.3% YTD to reach 149.3 tril., attributed to stable increase in time deposits and low cost deposits reflecting favorable funding environment.
- LDR dropped by 1.4%p to 96.6%

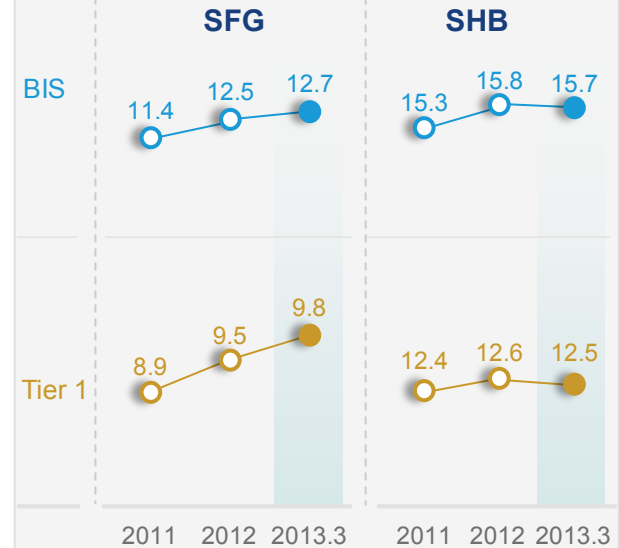
## NPL / Delinquency Ratio (%)



**2013 1Q Group NPL Ratio 1.42%,  
SHB Delinquency Ratio 0.71%**

- NPL ratio for the Group and SHB recorded 1.42% and 1.18%, increased by 0.08%p and 0.10%p respectively
- Delinquency ratio for the Bank and Credit Card marked 0.71% and 2.53%, increased by 0.10%p and 0.18%p respectively, maintaining similar level on pre-write off basis YoY
- Bank and Credit Card combined NPL Write-offs & Sales marked 274.2 bil. during 1Q13

## Capital Adequacy (%)

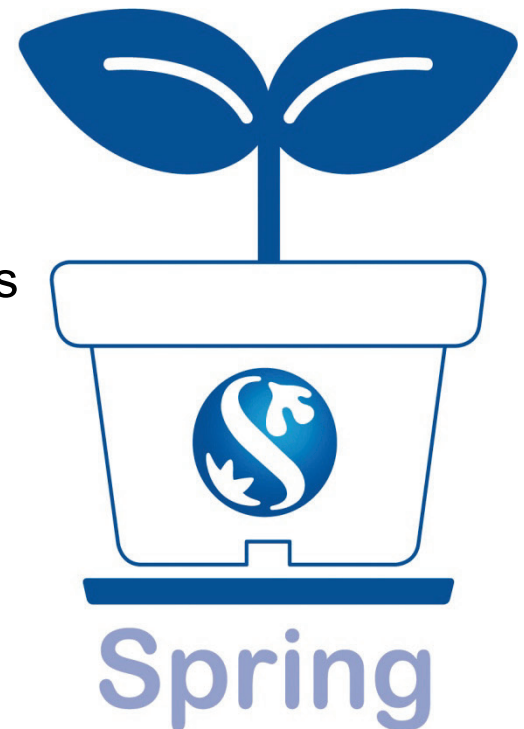


**2013 1Q Group Tier1 Ratio 9.8%  
SHB Tier1 Ratio 12.5%**

- Group's Tier 1 marked 9.8% improving 0.3%p YTD. (Based on Basel 1 standard)
- SHB's Tier 1 marked 12.5%, down by 0.1%p YTD, due to redemption of hybrid bond totaling 530 bil. during 1Q13 (Based on Basel 2 standard)

## II . Income Statements

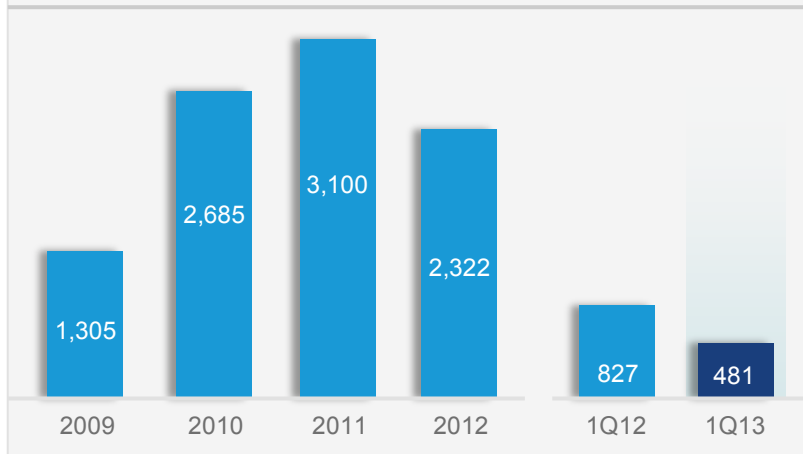
1. SFG Income
2. Subsidiaries Income (1)
3. Subsidiaries Income (2)
4. SHB Income / NIM
5. SHB Non-Interest Income / G&A Expenses
6. Shinhan Card Income





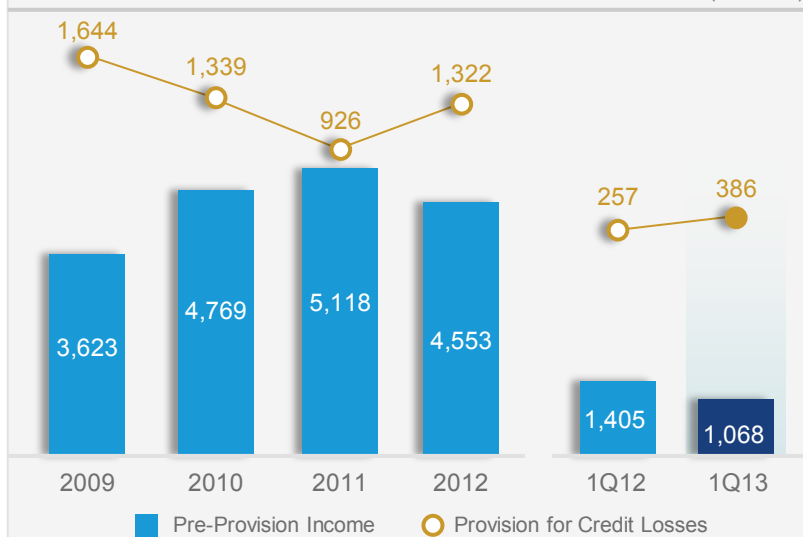
## Net Income

(KRW bil.)



## Pre-Provision Income & PCL

(KRW bil.)



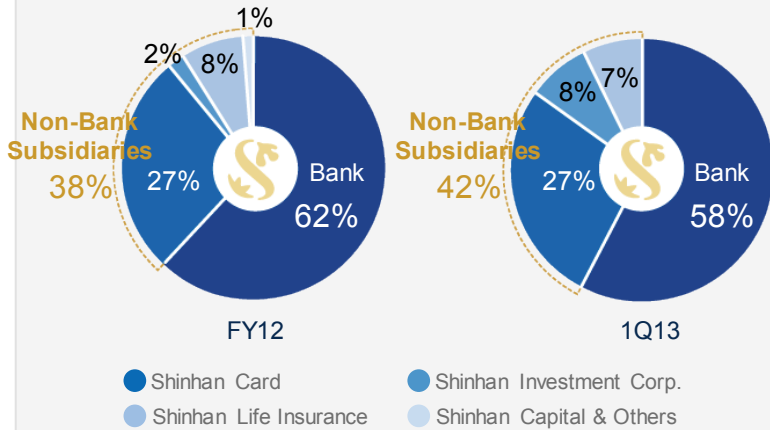
(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Operating Income (a=b+c)	2,064.8	2,298.1	-10.1	1,927.5	7.1
Interest Income (b)	1,606.9	1,771.5	-9.3	1,692.3	-5.0
Non-Interest Income (c)	457.9	526.6	-13.0	235.2	94.7
G&A Expenses (d)	1,011.0	975.9	3.6	1,077.6	-6.2
Pre-Provision Oper. Income (e=a-d)	1,053.9	1,322.2	-20.3	849.9	24.0
Non-Operating Income (f)	13.9	83.1	-83.3	-60.4	n.a
Pre-Provision Income (g=e+f)	1,067.7	1,405.3	-24.0	789.5	35.2
Provision for Credit Losses (h)	386.2	257.3	50.1	321.2	20.2
Earnings before Income Tax (i=g-h)	681.6	1,148.0	-40.6	468.3	45.5
Income Tax	158.6	278.2	-43.0	115.1	37.8
Consolidated Net Income <sup>1)</sup>	481.3	827.3	-41.8	310.9	54.8

Note 1) Net Income in Controlling Interest

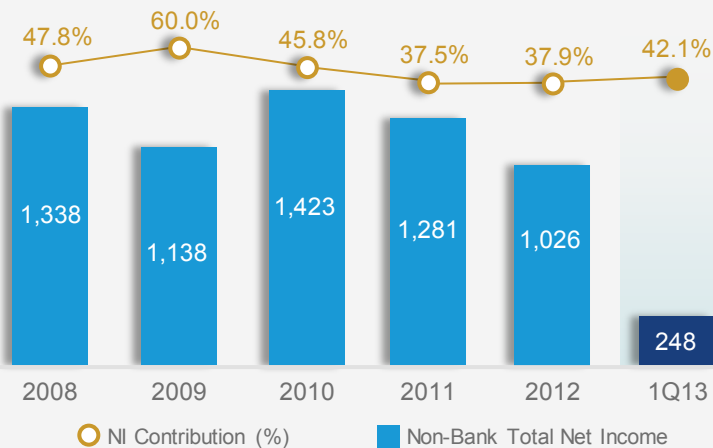


# Subsidiaries Income (1)

## Net Income Contribution by Subsidiaries



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



Note) After reflecting ownership by SFG

(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)	343.0		341.5	-55.2	286.4
Shinhan Bank	338.3	100.0%	338.3	-55.2	283.1
Jeju Bank	4.7	68.9%	3.2	0.0	3.2
Non-Bank (b)	251.2		248.2	-1.6	246.6
Shinhan Card	160.6	100.0%	160.6	-1.3	159.3
Shinhan Investment Corp.	47.1	100.0%	47.1	0.8	47.9
Shinhan Life Insurance	40.3	100.0%	40.3	1.3	41.7
Shinhan BNPP AM	8.7	65.0%	5.7	0.2	5.8
Shinhan Capital	13.3	100.0%	13.3	-0.6	12.8
Shinhan Savings Bank	-21.3	100.0%	-21.3	-0.6	-21.9
Shinhan Data System	0.8	100.0%	0.8	-1.4	-0.6
Shinhan AITAS	0.8	99.8%	0.8	-	0.8
Shinhan Credit Information	0.2	100.0%	0.2	-0.0	0.2
Shinhan PE Investment Mgmt.	0.6	100.0%	0.6	0.0	0.6
SFG (c)				-51.6 <sup>2)</sup>	-51.6
Total (d=a+b+c) <sup>1)</sup>	594.2		589.7	-108.4	481.3

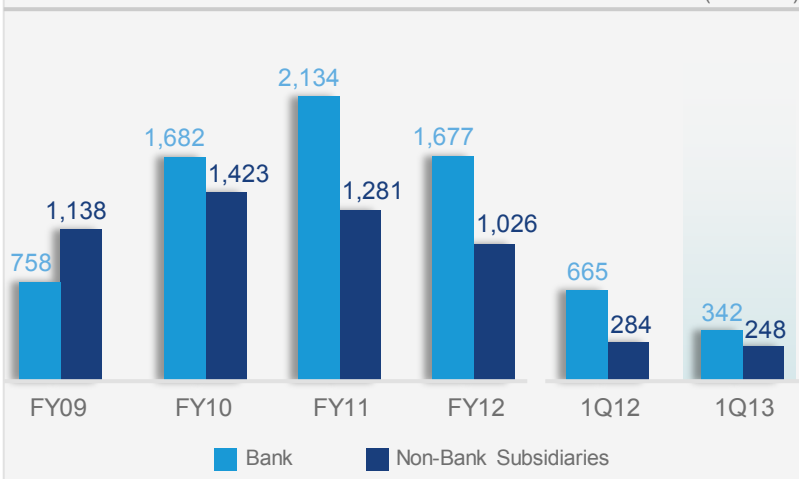
Note) 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 28.6bil., Interest Expense KRW -62.9 bil., G&A etc. KRW -15.2 bil.

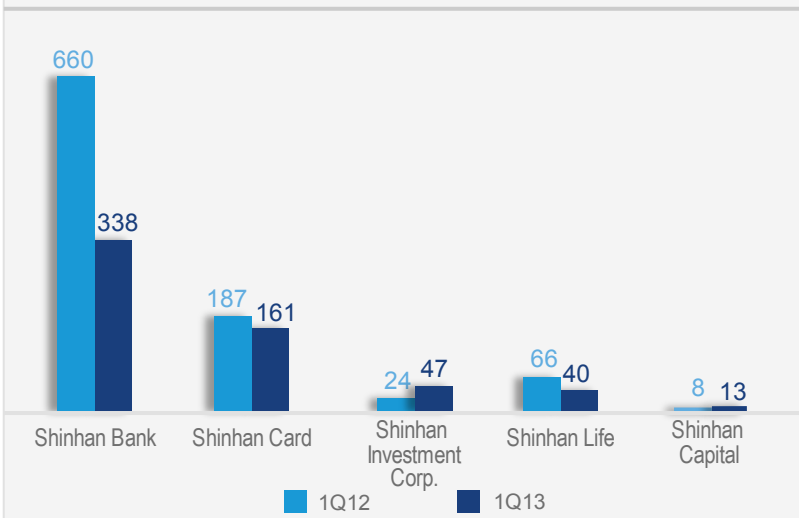


# Subsidiaries Income (2)

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



## Net Income by Subsidiaries (KRW bil.)



(Reflecting SFG Ownership, KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
<b>Bank (a)</b>	<b>341.5</b>	664.9	-48.6	221.7	54.0
Shinhan Bank	338.3	659.5	-48.7	218.9	54.6
Jeju Bank	3.2	5.4	-39.8	2.9	11.6
<b>Non-Bank (b)</b>	<b>248.2</b>	284.5	-12.8	164.8	50.6
Shinhan Card	160.6	186.6	-13.9	156.7	2.5
Shinhan Investment Corp.	47.1	23.7	98.5	2.0	2278.5
Shinhan Life Insurance	40.3	66.0	-38.9	27.3	47.6
Shinhan BNPP AM	5.7	5.6	0.9	4.7	19.1
Shinhan Capital	13.3	8.3	60.6	-16.7	n.a
Shinhan Savings Bank	-21.3	-6.1	n.a	-10.1	n.a
Shinhan Data System	0.8	0.5	57.9	0.0	3571.7
Shinhan AITAS	0.8	-	n.a	-0.5	n.a
Shinhan Credit Information	0.2	-0.5	n.a	0.0	1433.3
Shinahn PE Investment Mgnt.	0.6	0.2	223.1	1.3	-54.6
<b>Total (a+b)</b>	<b>589.7</b>	949.3	-37.9	386.5	52.6
<b>Consolidate Net Income <sup>1)</sup></b>	<b>481.3</b>	827.3	-41.8	310.9	54.8

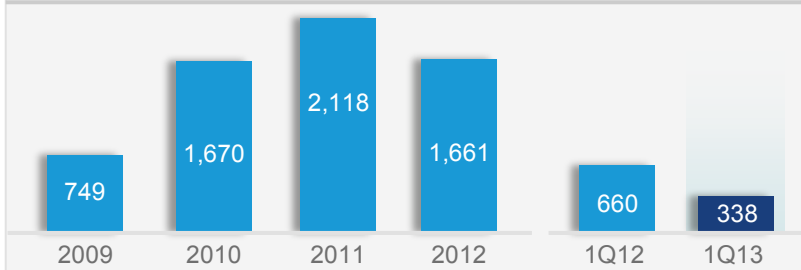
<sup>1)</sup> Net Income in Controlling Interest



# SHB Income / NIM

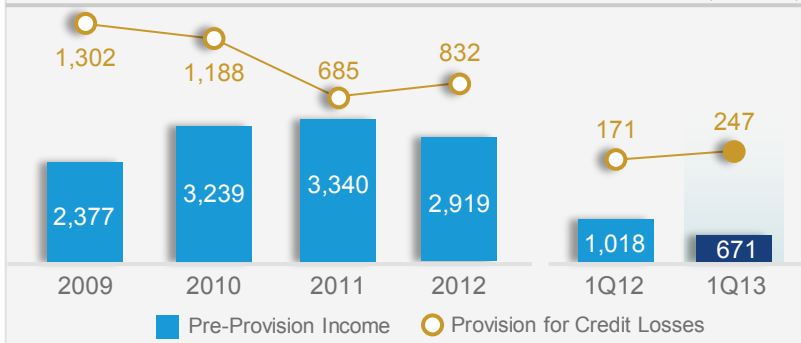
## Net Income

(KRW bil.)



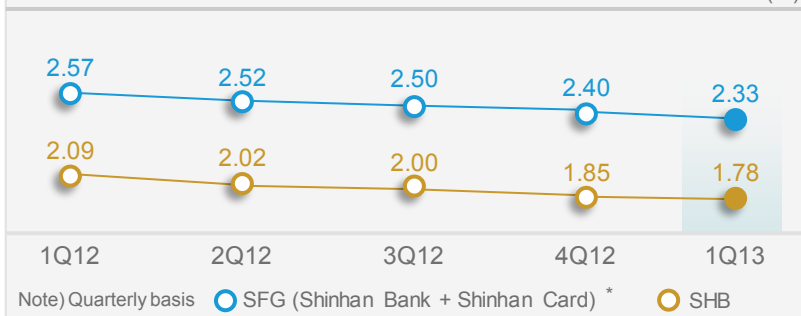
## Pre-Provision Income & PCL

(KRW bil.)



## Group NIM

(%)



Note) Quarterly basis ● SFG (Shinhan Bank + Shinhan Card) \* ● SHB

\* SFG NIM(Shinhan Bank+Shinhan Card) excludes Credit Card Merchant Fees

(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Operating Income (a=b+c)	1,318.6	1,596.5	-17.4	1,245.7	5.9
Interest Income (b)	1,068.4	1,232.3	-13.3	1,147.7	-6.9
Non-Interest Income (c)	250.3	364.2	-31.3	97.9	155.5
G&A Expenses (d)	657.5	643.3	2.2	720.3	-8.7
Pre-Provision Oper.Income (e=a-d)	661.2	953.2	-30.6	525.4	25.8
Non-Operating Income (f)	10.2	64.8	-84.3	-66.6	n.a
Pre-Provision Income (g=e+f)	671.4	1,017.9	-34.0	458.8	46.3
Provision for Credit Losses (h)	246.8	171.3	44.1	182.9	34.9
Earnings before Income Tax (i=g-h)	424.6	846.6	-49.9	275.9	53.9
Income Tax	86.2	187.1	-53.9	57.0	51.3
Net Income <sup>1)</sup>	338.3	659.5	-48.7	218.9	54.6

1) Net Income in Controlling Interest

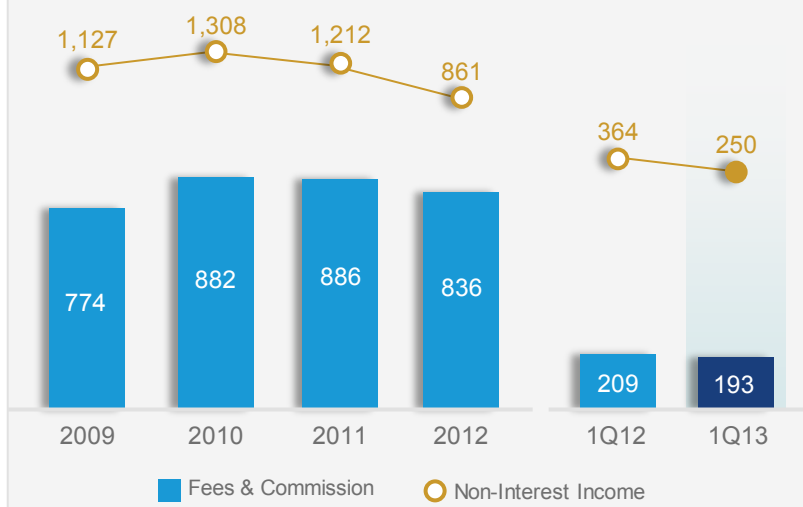
(%)	1Q12	2Q12	3Q12	4Q12	1Q13
NIS (a-b) (cumulative figures)	2.23	2.19	2.17	2.11	1.87
Loan interest rate (a)	5.47	5.43	5.36	5.25	4.69
Deposit interest rate (b)	3.24	3.24	3.20	3.14	2.81
NIM(quarterly)	2.09	2.02	2.00	1.85	1.78
NIM(cumulative figures)	2.09	2.05	2.03	1.99	1.78



# SHB Non-Interest Income / G&A Expenses

## Fees and Commission

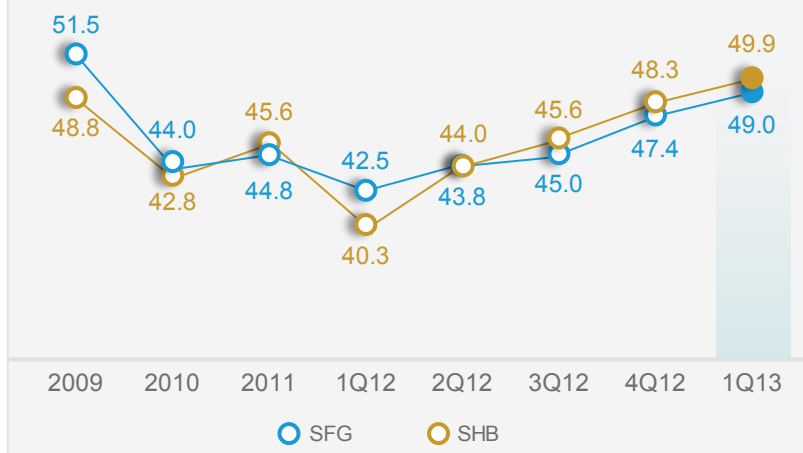
(KRW bil.)



(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Non-Interest Income	250.3	364.2	-31.3	97.9	155.5
Fees & Commission	193.2	208.6	-7.4	195.3	-1.1
(Fund)	30.2	34.0	-11.0	29.1	4.0
(Bancassurance)	35.0	37.6	-6.8	37.1	-5.6
(Trust Fees)	11.0	9.9	11.3	10.8	1.5
Securities Related	163.1	227.3	-28.2	33.5	387.6
FX Trading/Derivatives	35.8	68.1	-47.4	5.1	598.9
Others	-141.8	-139.8	n.a	-135.9	n.a

## Cost-Income Ratio (%)

(%)



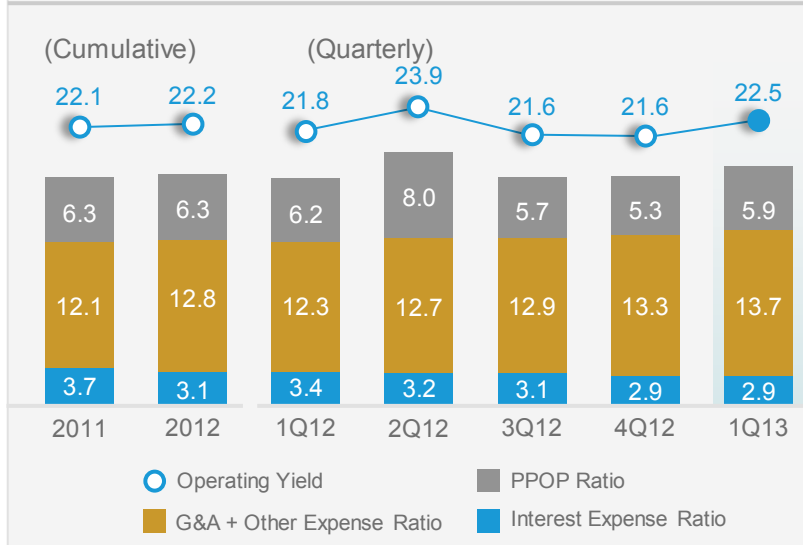
(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
G&A Expenses	657.5	643.3	2.2	720.3	-8.7
Salary & Employee Benefits	401.1	385.8	4.0	397.4	0.9
D & A	46.5	46.2	0.6	47.7	-2.5
Other Expenses	209.8	211.3	-0.7	275.2	-23.7

Note) Cumulative Figures



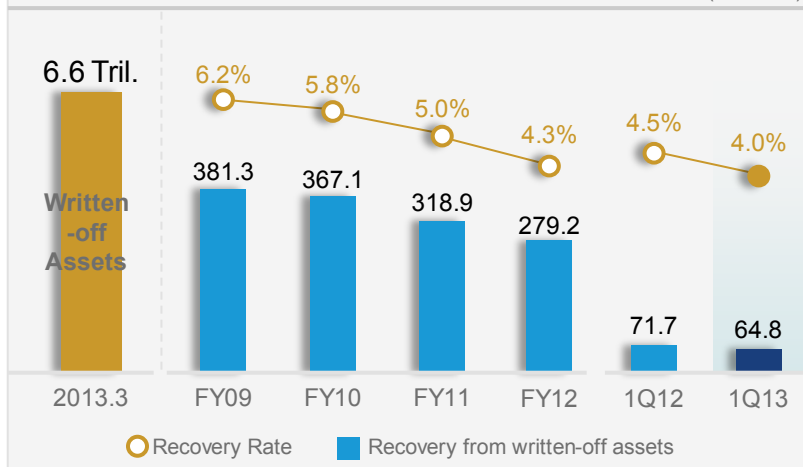
# Shinhan Card Income

## Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

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



(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Operating Revenue (a)	1,186.2	1,104.1	7.4	1,184.8	0.1
Card Business	914.1	937.7	-2.5	957.8	-4.6
Installment Finance	24.4	27.0	-9.9	25.6	-4.9
Lease	11.1	12.5	-11.3	10.8	2.3
Others	236.6	126.9	86.4	190.5	24.2
(Derivatives & FX)	74.7	32.1	132.5	83.4	-10.3
Interest Expense (b)	142.4	165.0	-13.7	148.9	-4.3
G&A Expenses (c)	159.1	153.0	4.0	168.9	-5.8
Commissions & Other Expenses (d)	593.0	482.9	22.8	595.1	-0.3
(Derivatives & FX)	70.8	28.9	145.3	80.0	-11.5
Pre-Provision Income	291.6	303.2	-3.8	272.0	7.2
(e=a-b-c-d)					
Provision for Credit Losses (f)	86.7	58.5	48.2	68.8	26.0
Earnings before Income Tax (g=e-f)	204.9	244.7	-16.3	203.2	0.9
Income Tax	44.3	58.1	-23.7	46.5	-4.7
Net Income	160.6	186.6	-13.9	156.7	2.5

## III. Assets & Liabilities

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



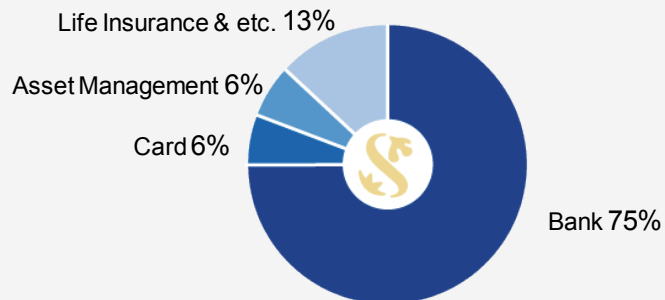


## SFG Total Assets

(KRW tril.)



## Asset Contribution by Subsidiary



(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Bank (a)	264,684.8	259,451.2	2.0	259,930.2	1.8
Shinhan Bank	261,490.9	256,196.8	2.1	256,820.2	1.8
Jeju Bank	3,193.9	3,254.3	-1.9	3,110.0	2.7
Non-Bank (b)	83,020.8	80,110.8	3.6	75,557.5	9.9
Shinhan Card	21,442.8	22,279.9	-3.8	21,240.4	1.0
Shinhan Investment Corp.	17,977.6	16,465.3	9.2	14,184.2	26.7
Shinhan Life Insurance	17,763.7	16,942.2	4.8	14,682.0	21.0
Shinhan BNPP AM	20,298.6	19,484.2	4.2	20,035.7	1.3
Shinhan Capital	3,523.3	3,526.2	-0.1	3,485.1	1.1
Shinhan Savings Bank	1,232.2	636.1	93.7	1,304.8	-5.6
Shinhan Data System	18.6	16.3	14.0	15.5	19.9
Shinhan AITAS	30.4	31.0	-1.8	-	n.a
Shinhan Credit Information	19.6	19.2	2.5	18.9	3.9
Shinahn PE Investment Mgmt.	589.1	604.9	-2.6	457.4	28.8
Others	124.9	105.5	18.4	133.4	-6.4
Total <sup>1)</sup>	351,202.8	342,306.8	2.6	338,277.0	3.8
Consolidate Total Assets	313,664.4	304,939.2	2.9	299,342.7	4.8

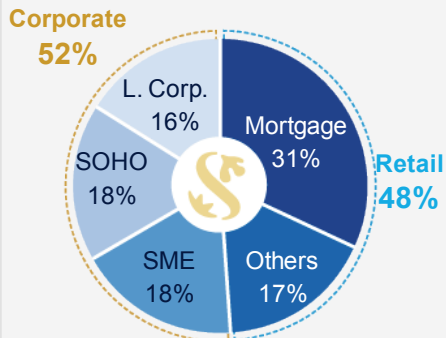
1) Including trust A/C of SHB and AUM of Shinhan BNPP AM



# SHB Loan / Deposit Growth

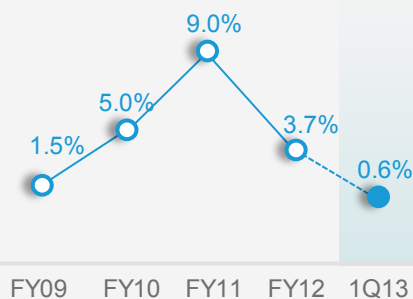
## Loan Composition

Note) As of Mar. 31, 2013



## Loan Growth

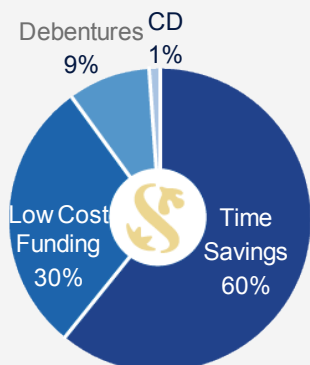
Note) Loan in KRW



(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Loan in KRW	145,083	144,228	0.6	138,738	4.6
Retail	69,636	69,804	-0.2	64,702	7.6
Mortgage	44,751	45,668	-2.0	45,183	-1.0
Others	24,885	24,136	3.1	19,519	27.5
Corporate	75,447	74,424	1.4	74,036	1.9
SME	52,415	51,324	2.1	52,529	-0.2
SOHO	25,539	24,984	2.2	23,220	10.0
Large Corporate etc.	23,032	23,101	-0.3	21,507	7.1
Loan in FX	5,673	5,900	-3.9	5,994	-5.4

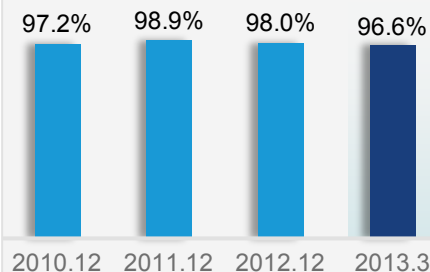
## Funding Composition

Note) As of Mar. 31, 2013



## Loan to Deposit Ratio

Note) Excluding CDs & monthly average basis



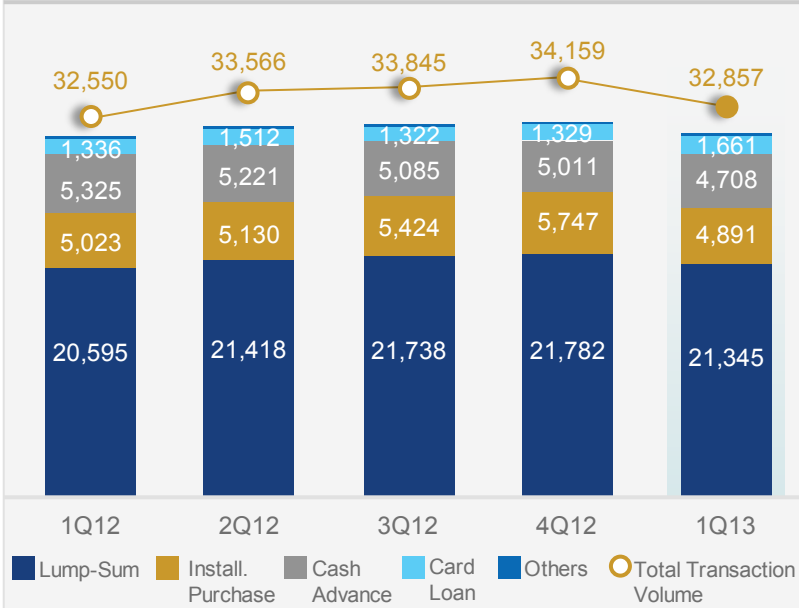
(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Total Deposits in KRW	149,300	147,318	1.3	144,168	3.6
Low Cost Deposits	49,206	47,105	4.5	46,432	6.0
Demand	15,799	15,746	0.3	15,037	5.1
Savings	33,407	31,359	6.5	31,395	6.4
Other Savings	100,094	100,213	-0.1	97,736	2.4
Time Deposits	91,345	91,922	-0.6	90,724	0.7
Accumulative etc.	8,749	8,290	5.5	7,012	24.8
Certificate of Deposits	1,272	943	34.9	1,719	-26.0
Debentures in KRW	14,439	14,644	-1.4	16,153	-10.6



# Shinhan Card Asset Growth

## Transaction Volume

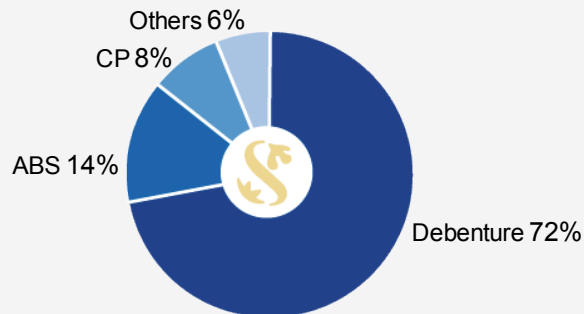
(KRW bil.)



(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Earning Assets	19,246	20,027	-3.9	18,951	1.6
Credit Purchase	10,894	11,551	-5.7	10,566	3.1
Cash Advances	2,567	2,767	-7.2	3,069	-16.4
Card Loan	3,704	3,496	5.9	3,394	9.1
(Re-aged Loan)	214	208	2.9	194	10.6
Installment Finance	1,220	1,242	-1.8	1,215	0.4
Lease etc.	862	970	-11.2	706	22.1
Effective Cardholders (in thousands)	14,925	15,070	-1.0	15,265	-2.2
Merchants (in thousands)	2,767	2,755	0.4	2,687	3.0

## Funding Composition

(As of Mar. 31, 2013)



(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Total Funding	12,374	12,877	-3.9	13,005	-4.9
Debentures	8,943	9,251	-3.3	9,397	-4.8
ABS	1,779	1,714	3.8	1,365	30.3
CP	943	1,043	-9.6	1,478	-36.2
Others	709	870	-18.5	765	-7.3

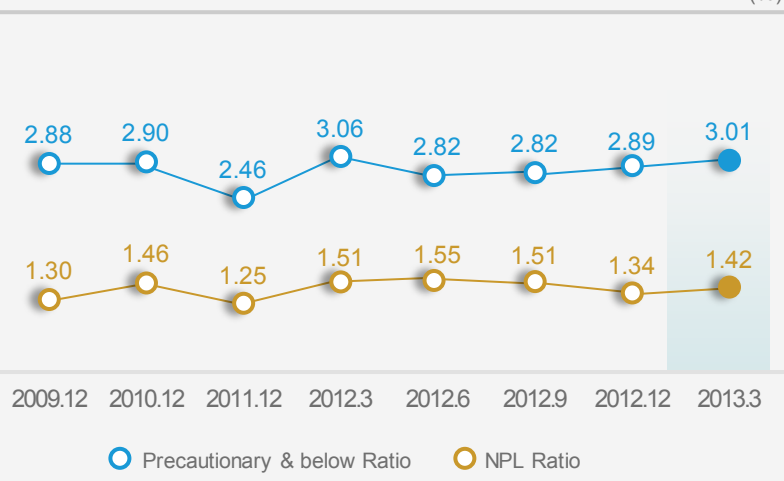
## IV. Asset Quality

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

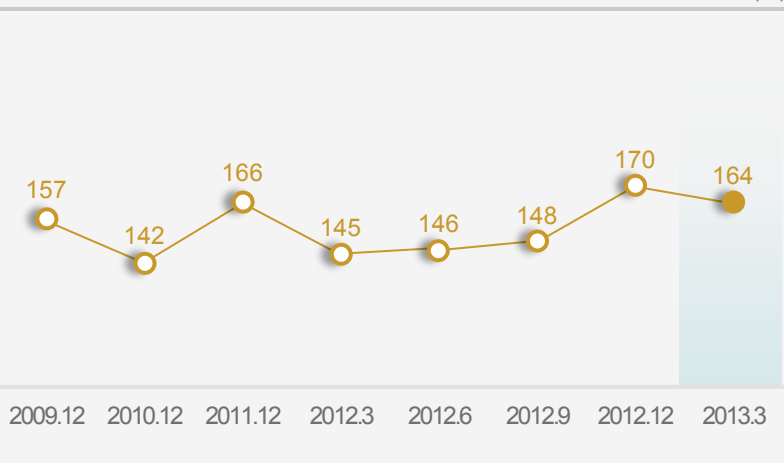




## Precautionary & below Ratio / NPL Ratio (%)



## NPL Coverage Ratio (%)



(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Total Loans <sup>1)</sup>	199,593	198,508	0.5	193,588	3.1
Normal	193,589	192,767	0.4	187,655	3.2
Precautionary	3,173	3,085	2.9	3,014	5.3
Substandard	1,312	1,313	0.0	1,612	-18.6
Doubtful	469	542	-13.4	533	-11.9
Estimated Loss	1,049	801	31.0	774	35.6
Substandard & Below	2,830	2,655	6.6	2,918	-3.0
NPLRatio	1.42%	1.34%	0.08%p	1.51%	-0.09%p
Loan Loss Allowance <sup>2)</sup>	4,644	4,522	2.7	4,231	9.8
NPL Coverage Ratio	164%	170%	-6%p	145%	19%p
Reserve for credit losses <sup>3)</sup>	1,775	1,844	-3.8	1,644	8.0

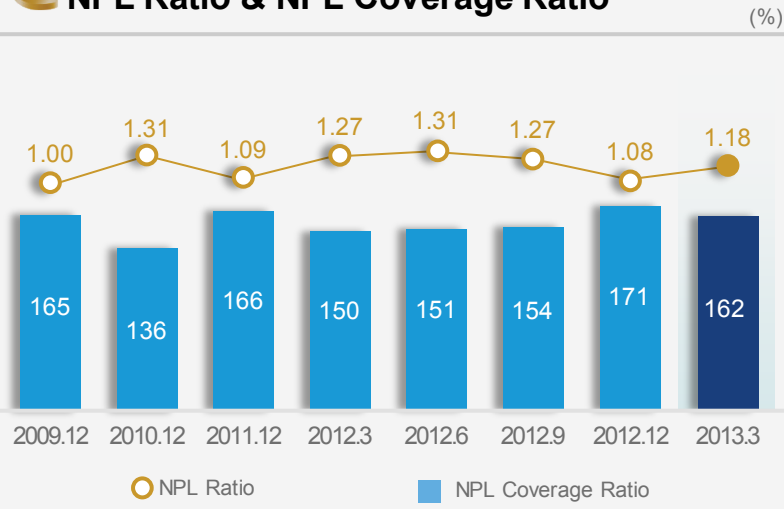
Note 1) Sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Shinhan Capital and Shinhan Savings Bank

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

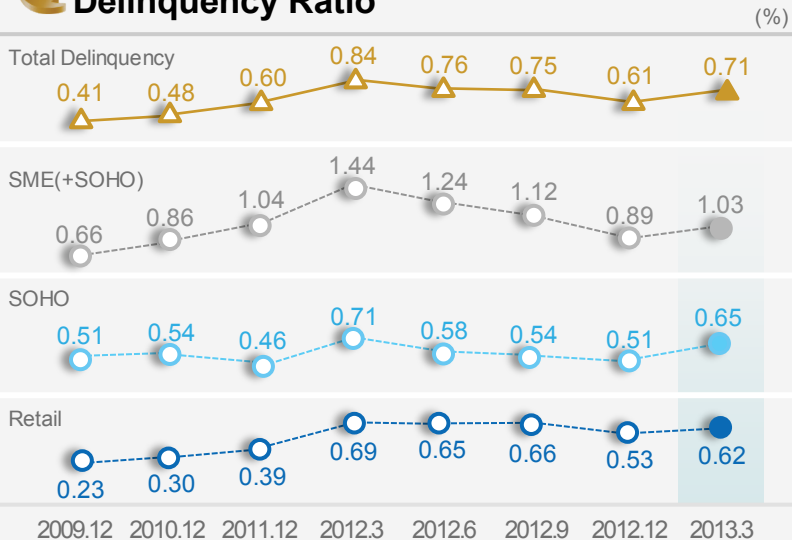
3) Excluding reserve for contingent acceptances & guarantees and unused credit lines



## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



Note) 1 month overdue

(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Total Loans	169,102	167,777	0.8	165,053	2.5
Normal	165,012	163,852	0.7	160,500	2.8
Precautionary	2,095	2,111	-0.8	2,455	-14.7
Substandard	1,095	1,079	1.5	1,344	-18.6
Doubtful	266	333	-20.1	336	-20.8
Estimated Loss	635	402	57.9	419	51.7
Substandard & Below	1,996	1,814	10.0	2,099	-4.9
NPLRatio	1.18%	1.08%	0.10%p	1.27%	-0.09%p
Loan Loss Allowance <sup>1)</sup>	3,224	3,108	3.8	3,153	2.3
NPL Coverage Ratio	162%	171%	-9%p	150%	12%p
Reserve for credit losses <sup>2)</sup>	1,428	1,479	-3.4	1,516	-5.8

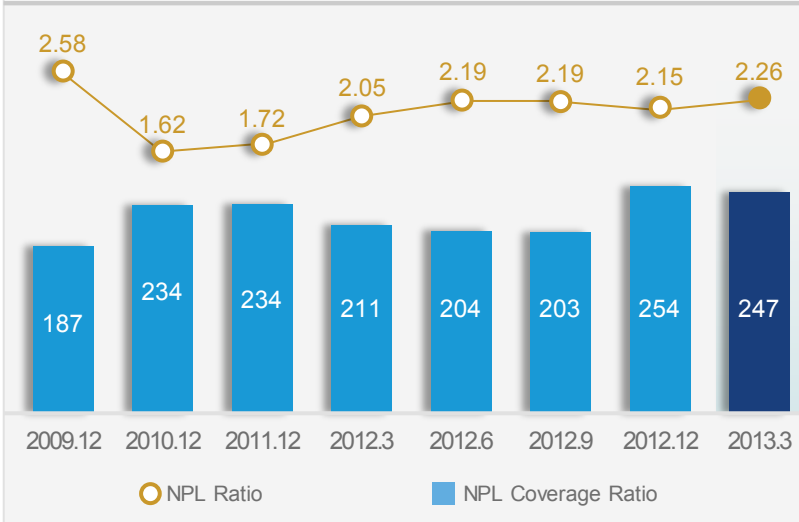
Note 1) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

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

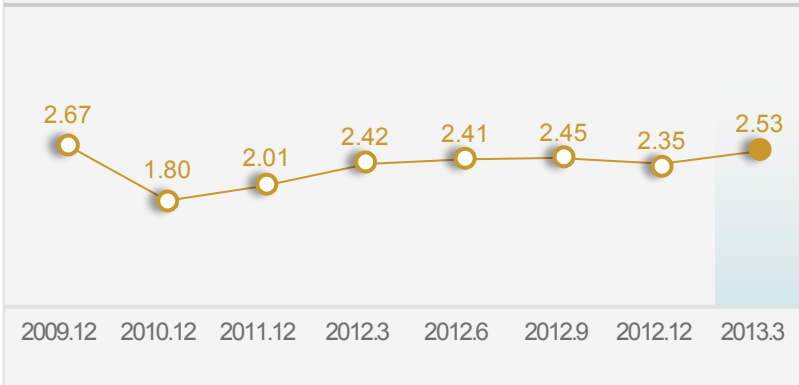


# Shinhan Card Asset Quality

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



Note) 1 month overdue from total credit

(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Total Loans	19,246	20,027	-3.9	18,951	1.6
Normal	18,116	18,907	-4.2	18,335	-1.2
Precautionary	696	689	1.0	227	205.9
Substandard	-	-	n.a.	-	n.a.
Doubtful	95	101	-6.2	107	-11.6
Estimated Loss	340	329	3.1	281	20.9
Substandard & Below	435	431	1.0	388	11.9
NPLRatio	2.26%	2.15%	0.11%p	2.05%	0.21%p
Loan Loss Allowance <sup>1)</sup>	1,073	1,093	-1.9	818	31.1
NPL Coverage Ratio	247%	254%	-7%p	211%	36%p
Reserve for credit losses <sup>2)</sup>	313	334	-6.4	102	206.5

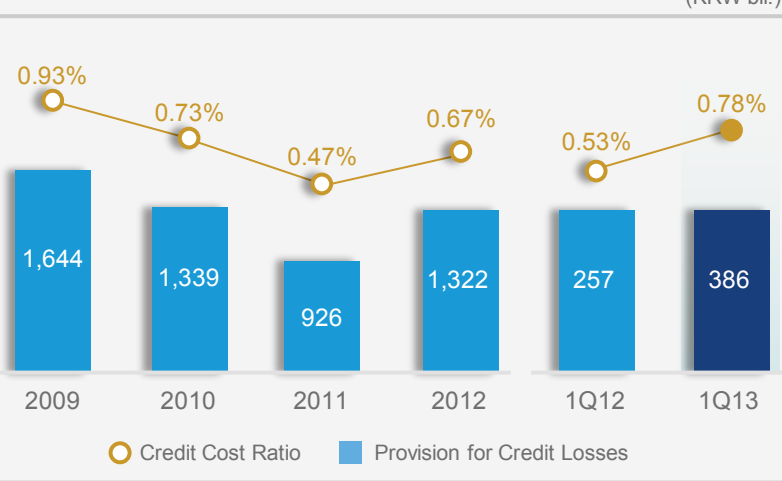
Note 1) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

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



# Provision for Credit Losses / Write-Offs

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

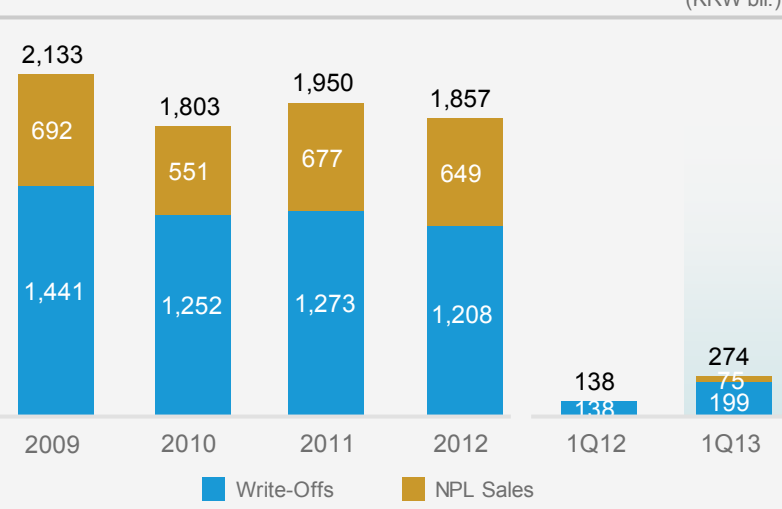


## Credit Costs

(KRW bil.)	2013	1Q	2012	1Q	2Q	3Q	4Q
Shinhan Bank <sup>1)</sup>	246	246	837	135	245	265	192
Retail	107	107	179	38	61	44	36
Corporate	139	139	658	97	184	221	156
Shinhan Card	87	87	295	58	79	89	69
<b>Total</b>	<b>333</b>	<b>333</b>	<b>1,132</b>	<b>193</b>	<b>324</b>	<b>354</b>	<b>261</b>

Note) Shinhan Bank figures are separate basis

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



## Write-Offs & NPL Sales

(KRW bil.)	2013	1Q	2012	1Q	2Q	3Q	4Q
Shinhan Bank	128	128	1,346	40	366	398	542
(Sale)	75	75	649	-	232	168	249
Retail	49	49	282	15	73	64	131
(Sale)	17	17	173	-	55	38	80
Corporate	79	79	1,063	25	293	334	411
(Sale)	58	58	476	-	177	129	169
Shinhan Card	146	146	512	98	125	135	153
<b>Total</b>	<b>274</b>	<b>274</b>	<b>1,857</b>	<b>138</b>	<b>491</b>	<b>533</b>	<b>695</b>

# V . Capital Adequacy

## 1. Capital Adequacy





# Capital Adequacy

## Group BIS Ratio

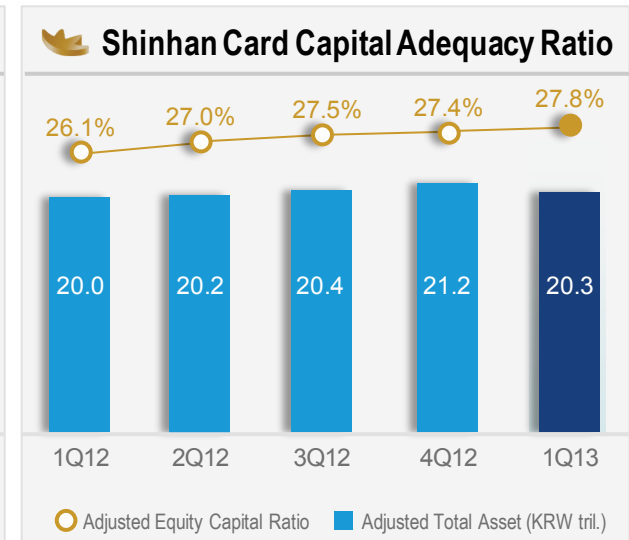
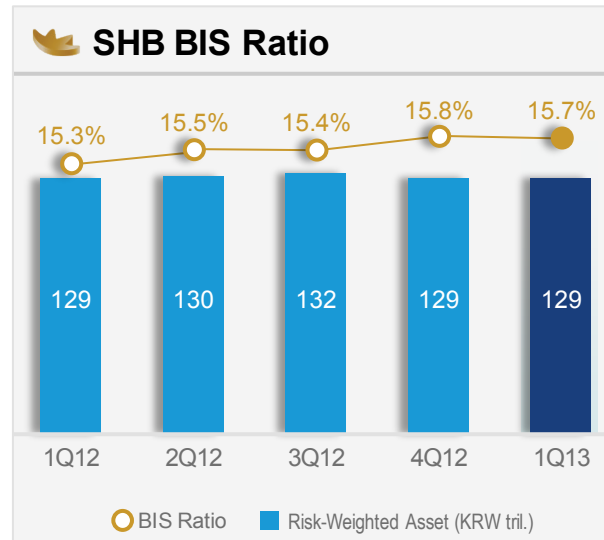
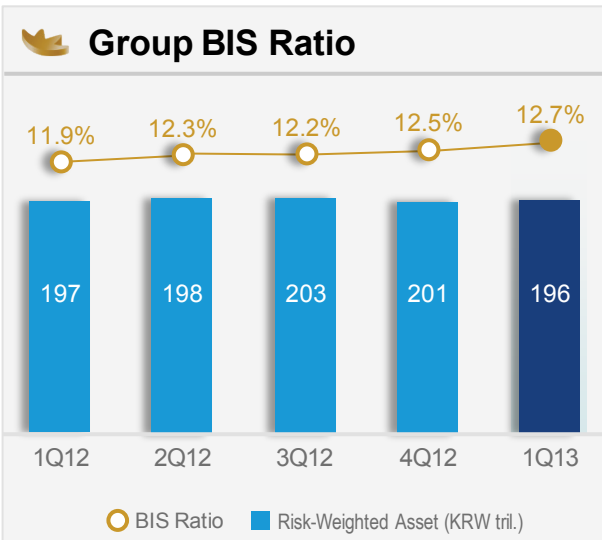
(KRW bil.)	2013.3(e)	2012.12	QoQ	
			Difference	%
Risk-Weighted Assets	196,365	201,184	-4,819	-2.4%
Capital	24,893	25,076	-183	-0.7%
Tier 1	19,183	19,125	58	0.3%
Tier 2	5,711	5,951	-240	-4.0%
BIS Ratio	12.7%	12.5%		0.2%p
Tier 1	9.8%	9.5%		0.3%p
Tier 2	2.9%	3.0%		-0.1%p

Note) Based on Basel I

## Shinhan Bank BIS Ratio

(KRW bil.)	2013.3(e)	2012.12	QoQ	
			Difference	%
Risk-Weighted Assets	129,268	129,146	122	0.1
Capital	20,241	20,449	-208	-1.0
Tier 1	16,213	16,325	-112	-0.7
Tier 2	4,027	4,123	-96	-2.3
BIS Ratio	15.7%	15.8%		-0.1%p
Tier 1	12.5%	12.6%		-0.1%p
Tier 2	3.1%	3.2%		-0.1%p

Note) Based on Basel II FIRB approach



## **VI. Appendix**

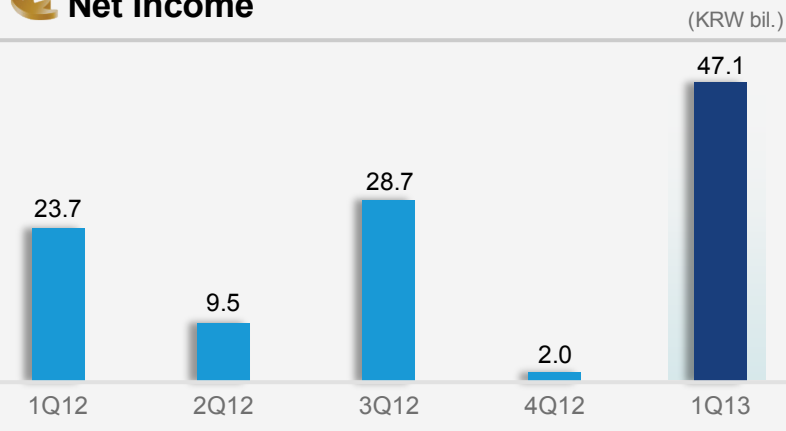
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1. SFG Subsidiaries
2. Key Financial Indices
3. SHB SME Loans

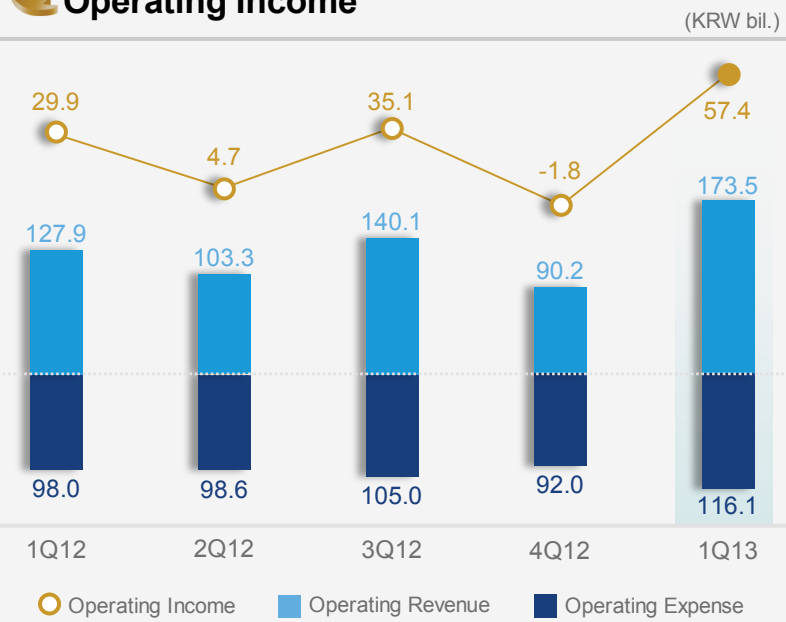




## Net Income



## Operating Income



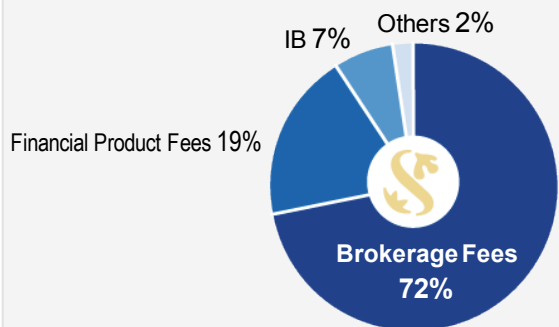
## Condensed I/S & Key Financial Indices

(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Operating Revenue	173.5	127.9	35.7	90.2	92.3
Fees & Commission	68.3	87.5	-21.9	65.9	3.7
Proprietary Trading	60.9	28.6	113.1	15.0	304.8
Others	44.3	11.8	276.1	9.3	376.2
Operating Expense	116.1	98.0	18.5	92.0	26.2
G&A Expenses	93.7	90.5	3.6	81.8	14.6
Commission Expense	12.9	11.1	16.6	12.1	6.6
Provision for Credit Losses	9.5	-3.6	n.a.	-1.9	n.a.
Operating Income	57.4	29.9	92.0	-1.8	n.a.
Net Income	47.1	23.7	98.5	2.0	n.m.
Net Capital Ratio(%)	596.9%	797.8%	-200.9%p	668.1%	-71.2%p
ROE	8.6%	4.4%	4.2%p	3.0%	5.6%p
ROA	1.1%	0.7%	0.4%p	0.4%	0.7%p

Note) ROE, ROA are calculated on a cumulative basis



## Fees & Commission

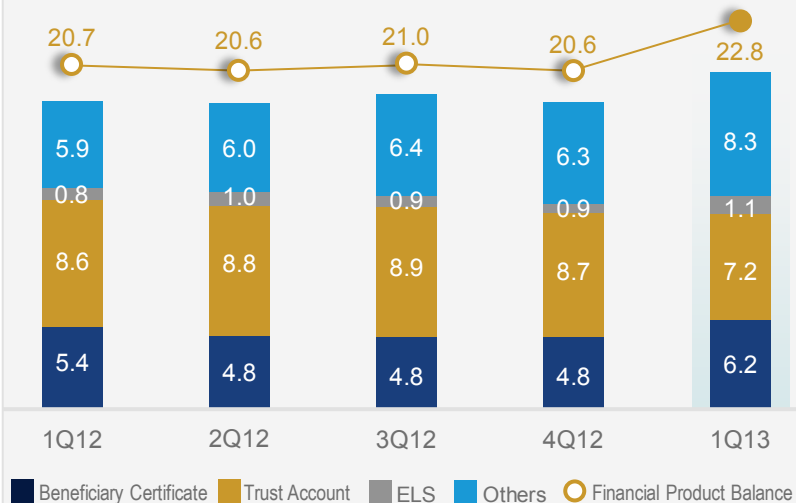


## Fees & Commission

(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Fees & Commission	68.3	87.5	-21.9	65.9	3.7
Brokerage Commission	49.3	70.0	-29.5	48.7	1.3
Financial Product Fees	12.7	6.8	85.6	8.2	54.4
IB	4.5	10.2	-55.6	7.9	-42.7
Others	1.8	0.5	240.1	1.0	71.4

## Financial Products Note)

(KRW tril.)



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

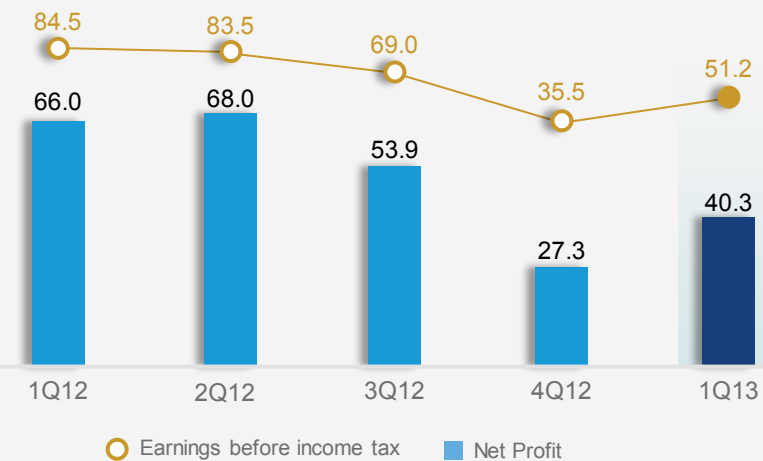
## Balance of Financial Products

(KRW tril.)	2013.3	2012.12	YTD%	2012.3	YoY%
Financial Products	22.8	20.6	10.4	20.7	10.0
Beneficiary Certificate	6.2	4.8	28.8	5.4	14.3
Trust Account	7.2	8.7	-16.8	8.6	-16.4
ELS	1.1	0.9	18.9	0.8	32.5
Others	8.3	6.3	33.0	5.9	42.0



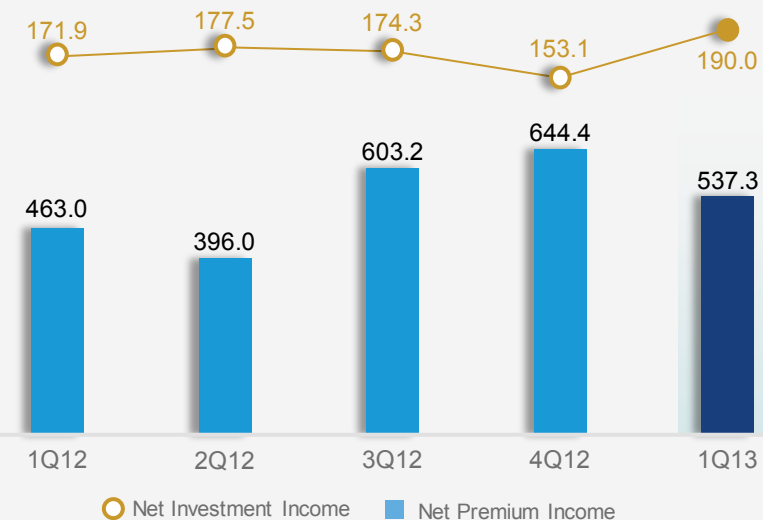
## Net Income

(KRW bil.)



## Total Income

(KRW bil.)



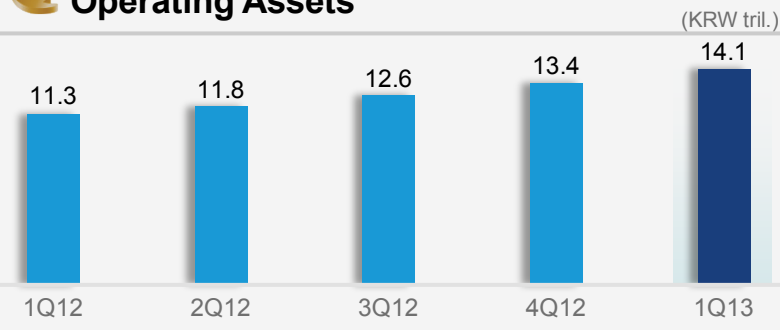
## Condensed I/S & Key Financial Indices

(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Total Income	736.0	644.9	14.1	809.3	-9.1
Net Premium Income	537.3	463.0	16.1	644.4	-16.6
Net Investment Income	190.0	171.9	10.5	153.1	24.1
Special Account/Others	8.7	10.1	-13.9	11.8	-26.3
Policy Reserve Write Back(Δ)	684.8	560.4	22.2	773.8	-11.5
Earnings before Income Tax	51.2	84.5	-39.5	35.5	44.1
Net Income	40.3	66.0	-38.9	27.3	47.9
Solvency Margin Ratio (%)	270.1%	309.0%	-38.9%p	287.7	-17.6%p
ROE	11.9%	21.8%	-9.9%p	17.0%	-5.1%p
ROA	0.9%	1.8%	-0.9%p	1.4%	-0.5%p

Note) ROE, ROA are calculated on a cumulative basis

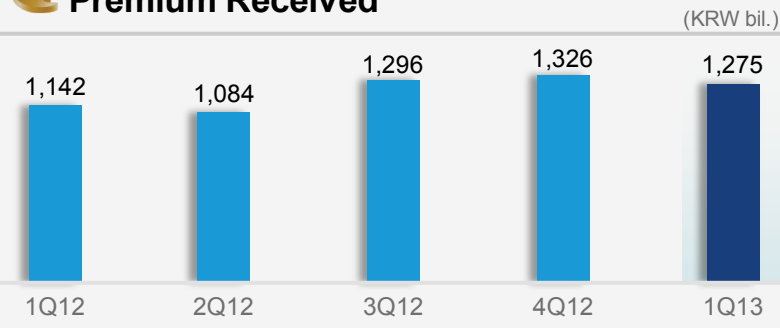


## Operating Assets



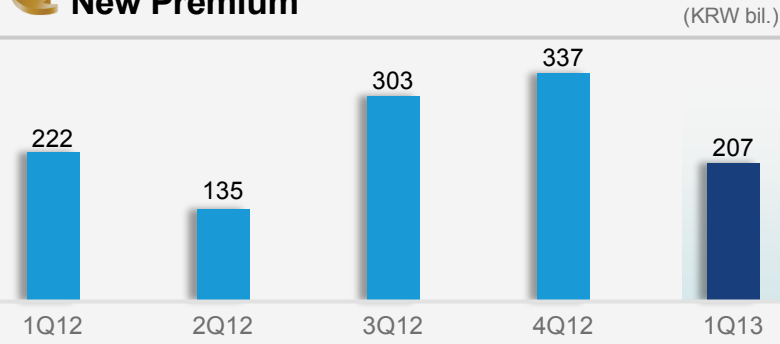
Note) Excluding Retirement Pension

## Premium Received



Note) Excluding Retirement Pension

## New Premium



Note) Excluding Retirement Pension

## Operating Assets & Special Account Assets

(KRW bil.)	2013.3	2012.12	YTD%	2012.3	YoY%
Operating Assets	14,095.8	13,365.7	5.5	11,323.2	24.5
Fixed Income	7,080.7	7,113.7	-0.5	6,463.1	9.6
Loans	3,677.2	3,581.0	2.7	3,059.4	20.2
Equities	173.8	151.1	15.0	184.3	-5.7
Cash & Deposits	1,252.9	1,510.8	-17.1	864.3	45.0
Others	1,911.2	1,009.1	89.4	752.1	154.1
Special Account	1,954.8	1,896.1	3.1	1,779.2	9.9

## Premium Breakdown

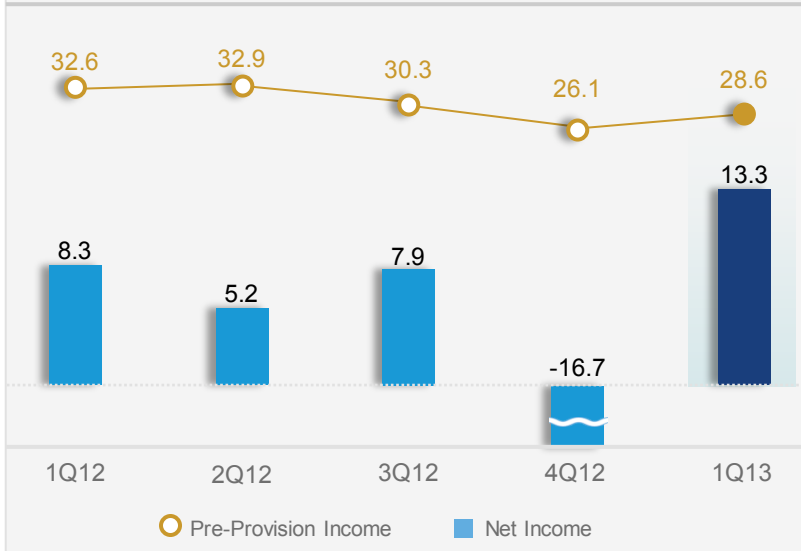
(KRW bil.)	2013	2012		2011			
		1Q	1Q	1Q	2Q	3Q	4Q
Prem. Received	1,275	1,275	4,848	1,142	1,084	1,296	1,326
New Premium	207	207	997	222	135	303	337

Note) Excluding Retirement Pension



## Net Income

(KRW bil.)



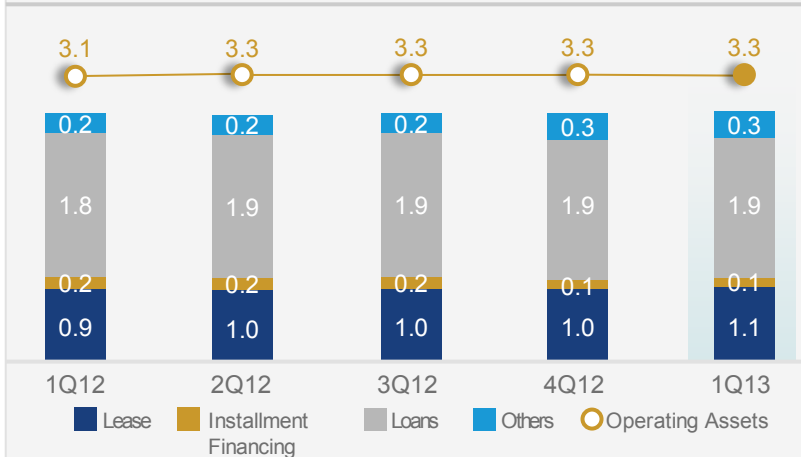
## Condensed I/S & Key Financial Indices

(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Operating Revenue	95.0	91.5	3.9	106.8	-11.1
Operating Expense	66.4	58.8	12.9	80.8	-17.8
(Interest Expense)	30.3	33.7	-10.0	31.5	-3.9
(G&A Expenses)	3.5	5.2	-32.1	6.0	-41.7
Pre-Provision Income	28.6	32.6	-12.3	26.1	9.9
Provision for Credit Losses	11.3	22.0	-48.6	52.0	-78.3
Net Income	13.3	8.3	60.6	-16.7	n.a.
ROE	11.2%	6.4%	4.8%p	1.0%	10.2%p
ROA	1.5%	0.9%	0.6%p	0.1%	1.4%p

Note) ROE, ROA are calculated on a cumulative basis

## Operating Assets

(KRW tril.)



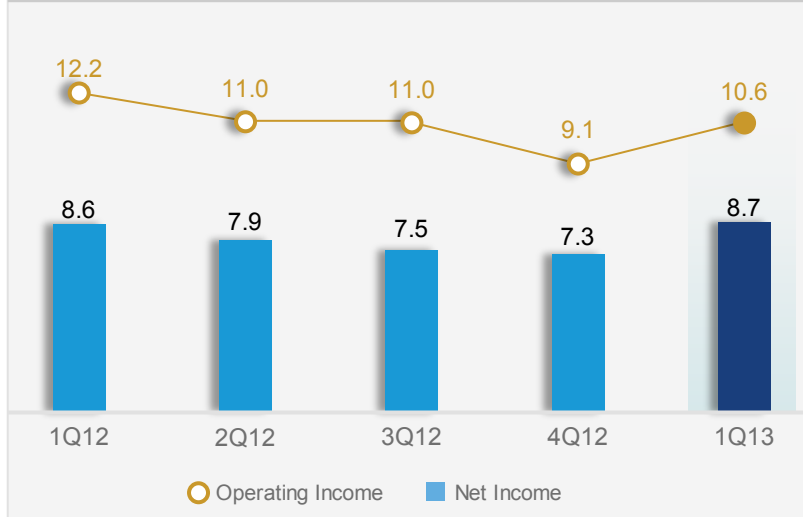
## Operating Assets

(KRW tril.)	2013.3	2012.12	YTD%	2012.3	YoY%
Operating Assets	3.3	3.3	1.2	3.1	5.8
Lease	1.1	1.0	4.6	0.9	17.2
Installment Financing	0.1	0.1	-5.6	0.2	-20.6
Loans	1.9	1.9	-0.3	1.8	2.5
Others	0.3	0.3	2.3	0.2	7.6



## Net Income

(KRW bil.)



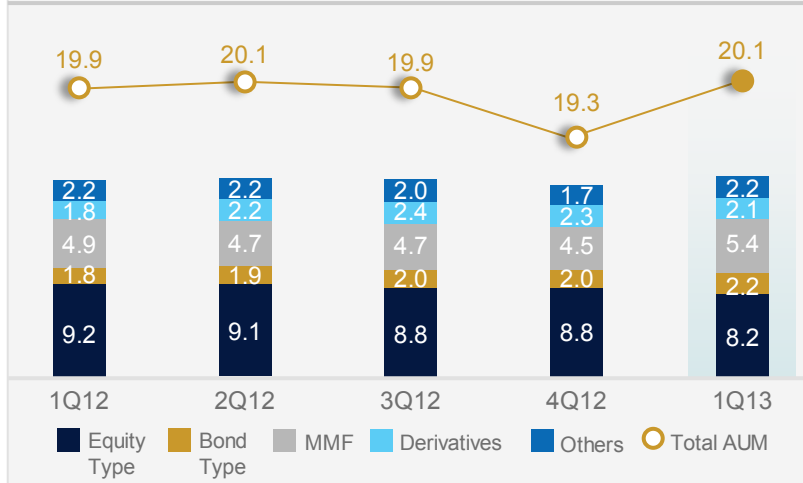
## Condensed I/S & Key Financial Indices

(KRW bil.)	1Q13	1Q12	YoY%	4Q12	QoQ%
Operating Revenue	24.8	26.2	-5.3	26.2	-5.3
Operating Expense	14.2	14.0	1.4	17.1	-17.0
(G&A Expenses)	8.9	9.1	-2.2	10.9	-18.3
Operating Income	10.6	12.2	-13.1	9.1	16.5
Net Income	8.7	8.6	1.2	7.3	19.2
ROE	23.2%	23.0%	0.2%p	21.4%	1.8%p

Note) ROE is calculated on a cumulative basis

## Assets Under Management

(KRW tril.)



## Assets Under Management

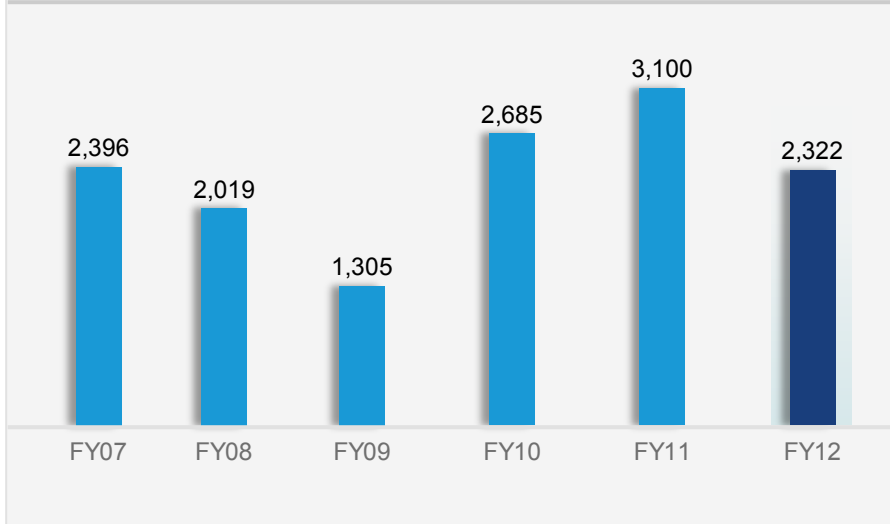
(KRW tril.)	2013.3	2012.12	YTD%	2012.3	YoY%
Total AUM	20.1	19.3	4.2	19.9	1.1
Equity Type	8.2	8.8	-7.0	9.2	-10.9
Bond Type	2.2	2.0	8.9	1.8	22.2
MMF	5.4	4.5	19.7	4.9	10.2
Derivatives	2.1	2.3	-7.1	1.8	16.7
Others	2.2	1.7	29.4	2.2	0.0



# Key Financial Indices

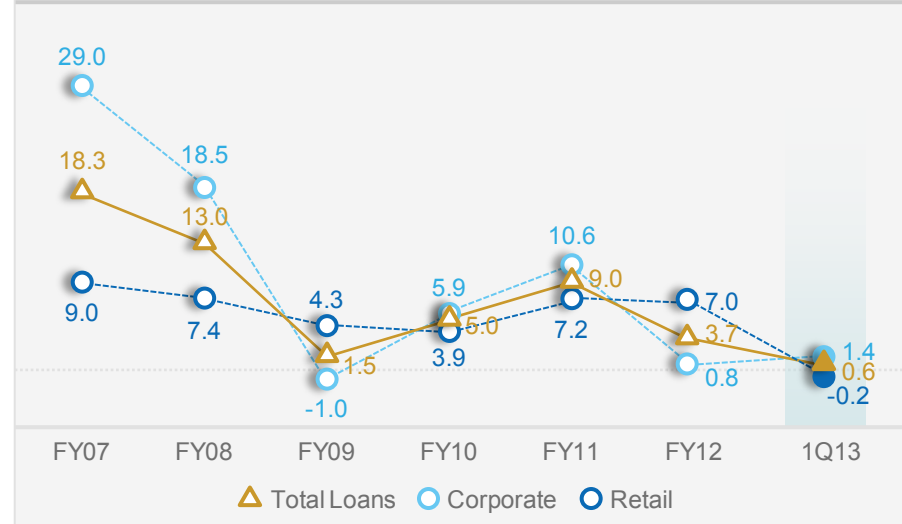
## Group Net Income

(KRW bil.)



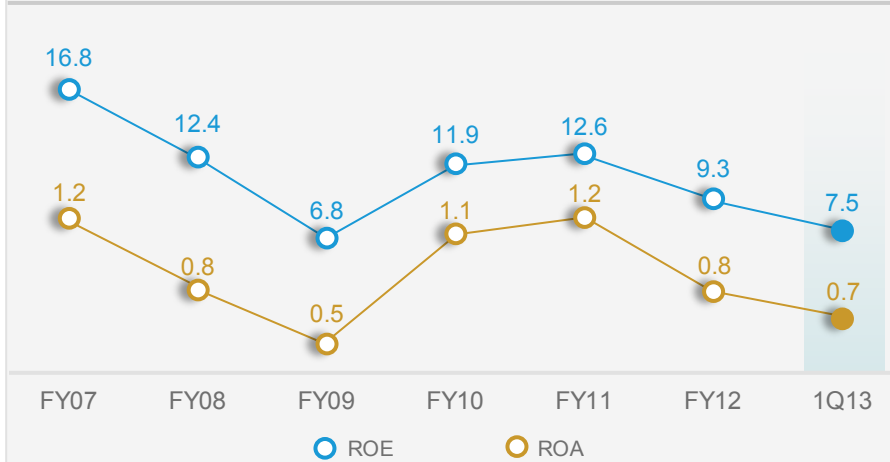
## SHB Loan Growth Rate

(%)



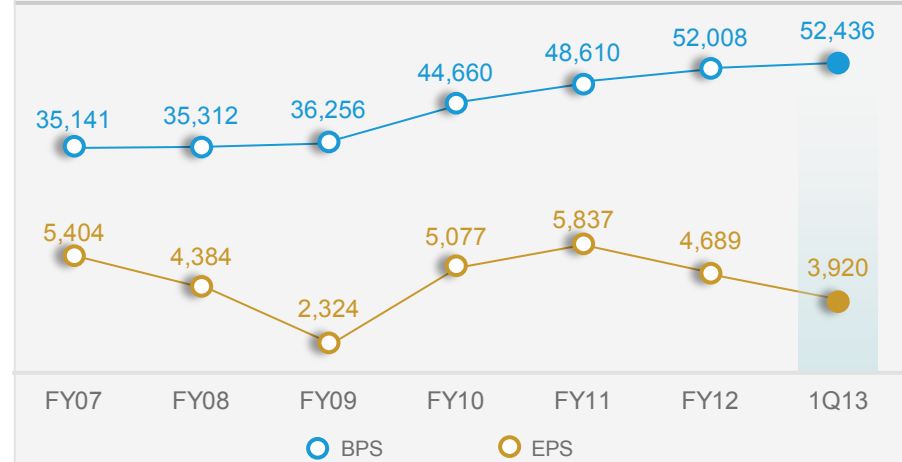
## ROA / ROE

(%)



## BPS / EPS

(KRW)



Note) ROE based on common stock (including RCPS),

Note) Based on common stock (including RCPS)

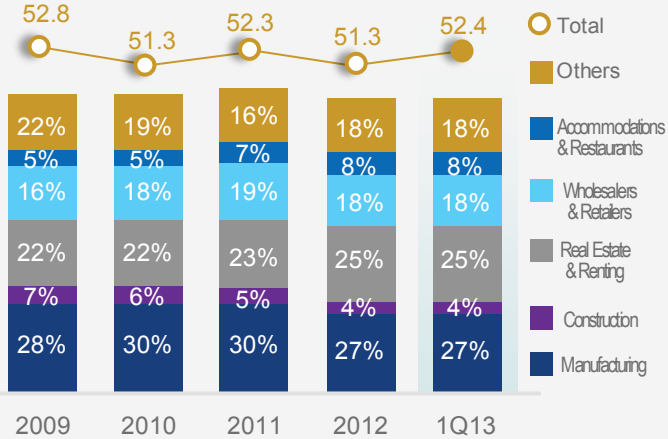


# Shinhan Bank SME Loans

## Loans

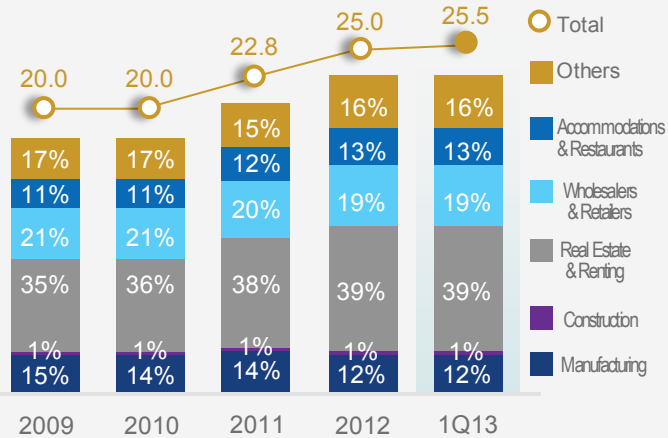
(KRW tril.)

### SME



Note) SME Loan by Borrowers as of Mar. 31, 2013  
SOHO 47%, Registered 28%, Unregistered 25%

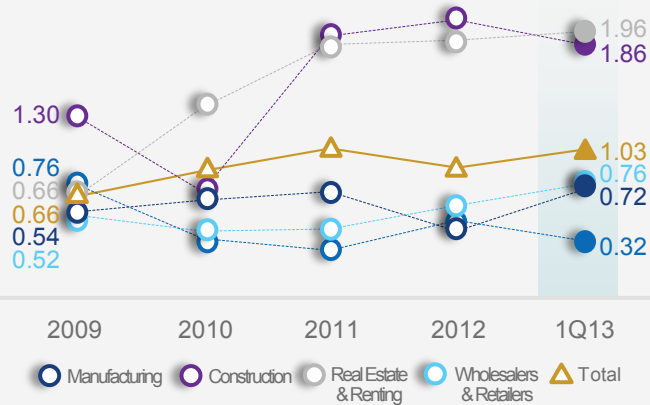
### SOHO



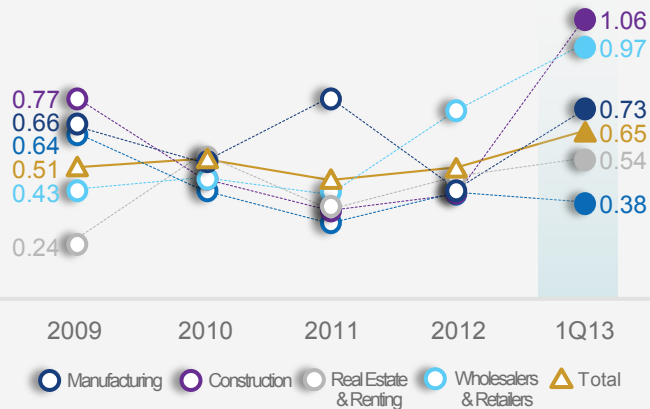
## Delinquency

(%)

### SME

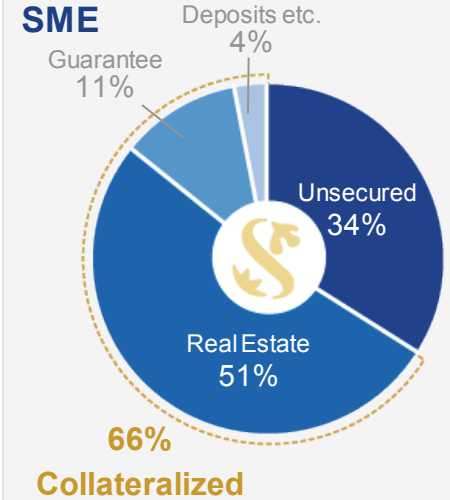


### SOHO



## Collateral

### SME



### SOHO

