



Summer

2013 1H

Business Results

July 2013

Disclaimer Statement

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.

- The Financial figures in 2012 and 1Q 2013 have been restated to reflect the reinterpretation of Statements of Korea Accounting Standards(SKAS) and Korean-IFRS during 2Q 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 former 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. Accordingly 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

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



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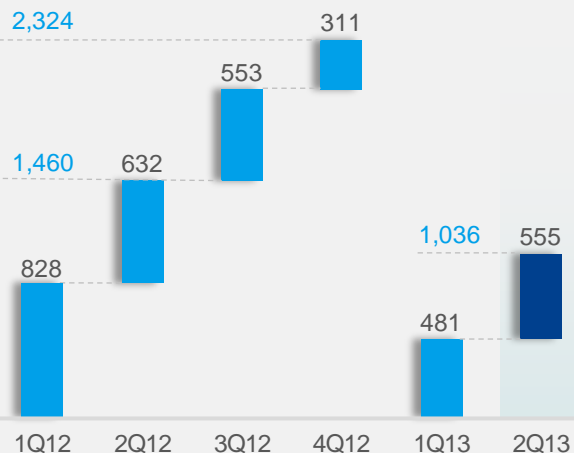




2013 1H Business Results Highlights (1)

Group Net Income

(KRW bil.)

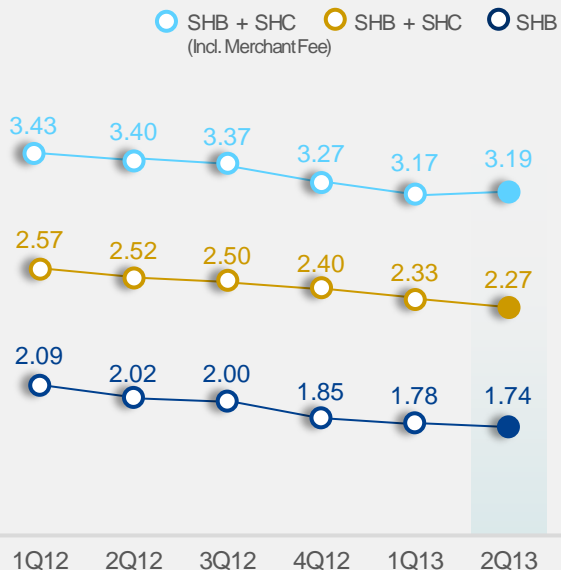


2013 1H Net Income :KRW 1,036.3 bil. (2Q13 Net Income KRW 555.3 bil.)

- Group net income increased by 15.5% QoQ, while decreased by 29.0% YoY.
- Provisions increased by 9.2% YoY mostly driven by corporate restructuring and credit card operation, however dropped 35.0% QoQ.
- Interest Income increased by 2.5% QoQ attributed to moderate loan growth coupled with mitigated margin contraction.
- Non-interest income fell 10.4% QoQ due to decreased gain in securities sales and reduced fee income.

NIM

(%)



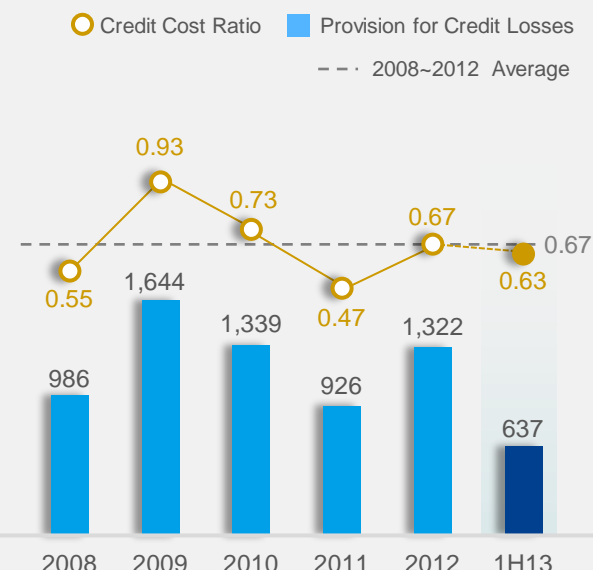
Note) Quarterly Figures

2013 2Q Bank NIM 1.74%, Group NIM 2.27%

- Group NIM marked 2.27% down by 6bp compared with previous quarter 2.33%.
- SHB's quarterly NIM decreased by 4bp QoQ to 1.74% from 1.78%. Sound loan growth tandem with lowering funding costs reflecting market rates resulted in a modest margin fall.
- Group margin including credit card merchant fees marked 3.19%, 2bp improvement on QoQ.

Credit Cost Ratio

(%, KRW bil.)



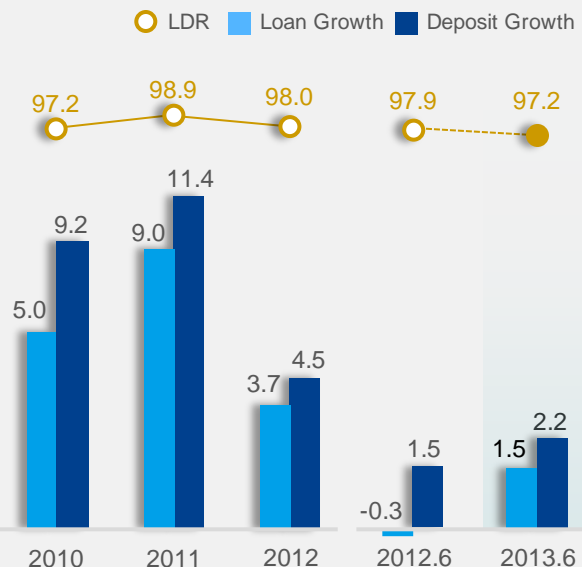
2013 1H Credit Cost Ratio at 0.63% (4bp lower than 5-year average)

- Group credit costs decreased by 15bp from 0.78% in 1Q13 to 0.63%. Running slightly below the past 5-year average.
- SHB's provision for credit losses decreased by 45.2% QoQ to 135.2bil. and increased slightly by 1.4% YoY to 382.0 bil.
- SHC's provision for credit losses increased by 17.7% QoQ to 102 bil. and escalated 37.4% YoY due to decrease in recovery from written-off assets.



2013 1H Business Results Highlights (2)

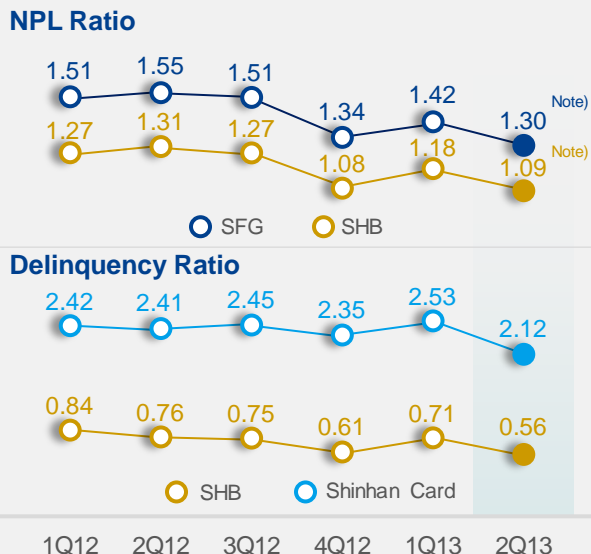
Loans & Deposits (%)



**2Q13 Loan/Deposit growth at 1.5%, 2.2%
LDR stable at 97.2%**

- KRW loan balance as end of 2Q13 marked 146.4 tril. up by 1.5% YTD. Loan growth was driven by SMEs including SOHO, which increased by 4.3% and 5.5% respectively. Unsecured household loans increased by 9% YTD bringing up retail loans to grow by 1.1% YTD.
- Deposit increased by 2.2% YTD to reach 150.5 tril., and by 0.8% QoQ. Low cost deposits increased by 9.1% YTD.
- LDR increased by 0.6%p to 97.2% QoQ.

NPL / Delinquency Ratio (%)

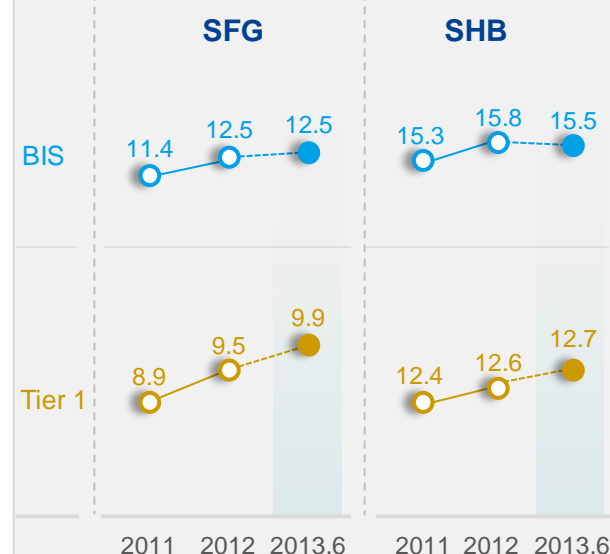


Note) Before re-classification of companies subject to DCF classified as precautionary to substandard and below

**2Q13 Group NPL ratio stands at 1.30%
Bank Delinquency ratio at 0.56%**

- NPL ratio for the Group and SHB recorded 1.30% and 1.09%, improved by 0.12%p and 0.09%p respectively.
- Delinquency ratio for the SHB and SHC marked 0.56% and 2.12%, decreased by 0.15%p and 0.41%p respectively.
- SHC delinquency ratio improvement can be attributed to preemptive write-off of low credit delinquent loans during 2Q in order to prepare for the future economic uncertainty.

Capital Adequacy (%)



**2Q13 Group Tier1 Ratio at 9.9%
SHB Tier1 Ratio at 12.7%**

- Group's Tier 1 marked 9.9% improving 0.4%p YTD. (Based on Basel 1 standard)
- SHB's Tier 1 marked 12.7%, improving 0.1%p YTD, due to issuance of hybrid bond totaling 300 bil. during 2Q13. (Based on Basel 2 standard)

II . Income Statements

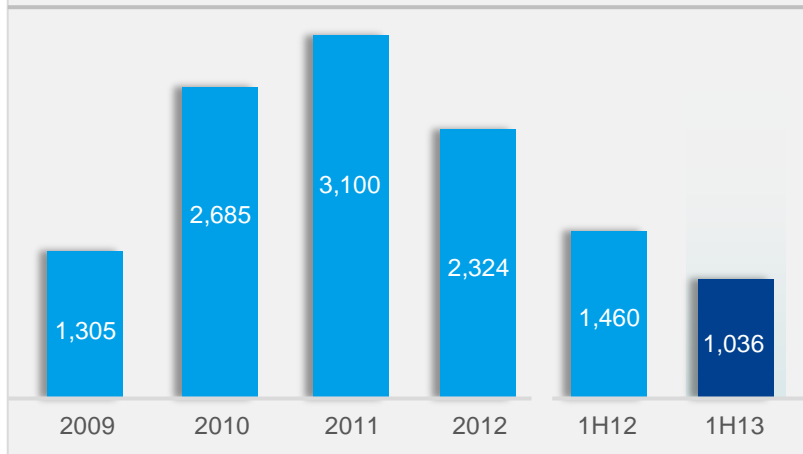
1. SFG Income
2. Subsidiaries Income (1)
3. Subsidiaries Income (2)
4. SHB Income / NIM
5. SHB Non-Interest Income / G&A Expenses
6. Shinhan Card Income





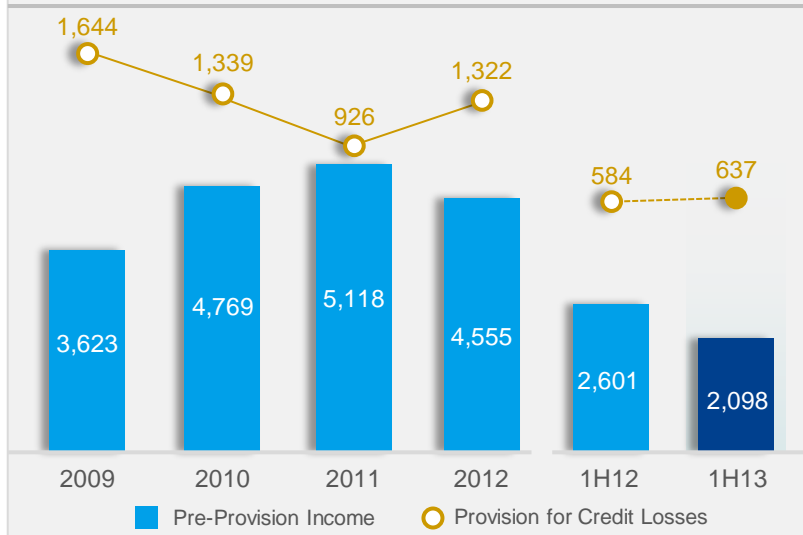
Net Income

(KRW bil.)



Pre-Provision Income & PCL

(KRW bil.)



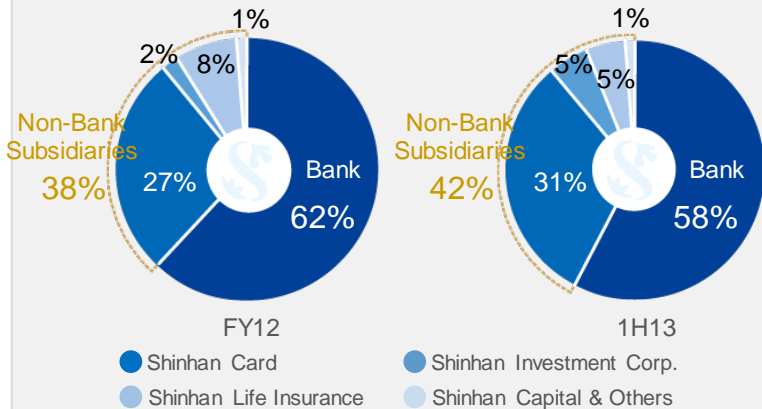
(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Operating Income (a=b+c)	4,120.9	4,479.0	-8.0	2,056.4	2,064.5	-0.4
Interest Income (b)	3,253.3	3,515.0	-7.4	1,646.4	1,606.9	2.5
Non-Interest Income (c)	867.7	963.9	-10.0	410.0	457.6	-10.4
G&A Expenses (d)	2,073.0	1,960.6	5.7	1,062.1	1,011.0	5.1
Pre-Provision Oper. Income (e=a-d)	2,047.9	2,518.4	-18.7	994.3	1,053.6	-5.6
Non-Operating Income (f)	50.1	82.9	-39.6	36.2	13.9	161.0
Pre-Provision Income (g=e+f)	2,097.9	2,601.3	-19.4	1,030.5	1,067.4	-3.5
Provision for Credit Losses (h)	637.1	583.6	9.2	251.0	386.2	-35.0
Earnings before Income Tax (i=g-h)	1,460.8	2,017.7	-27.6	779.5	681.3	14.4
Income Tax	346.0	473.0	-26.9	187.3	158.7	18.0
Consolidated Net Income ¹⁾	1,036.3	1,459.5	-29.0	555.3	480.9	15.5

Note 1) Net Income in Controlling Interest

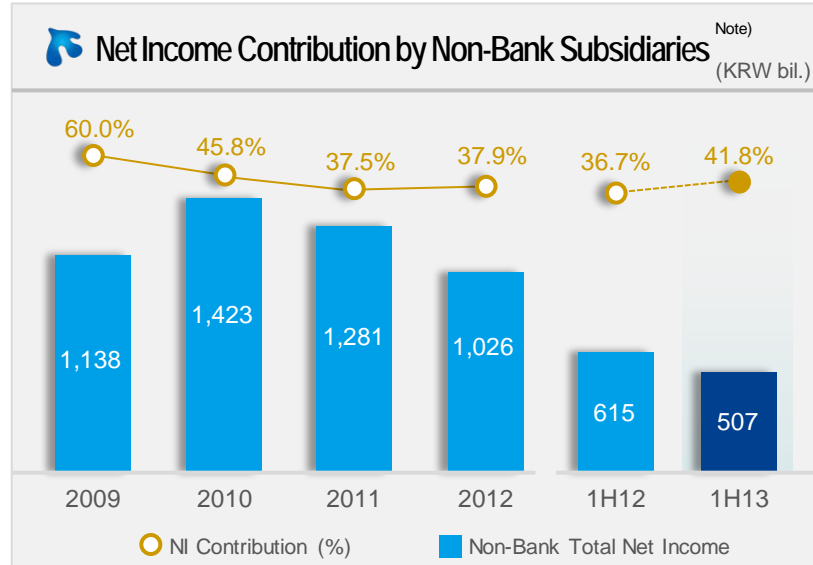


Subsidiaries Income (1)

Net Income Contribution by Subsidiaries



Net Income Contribution by Non-Bank Subsidiaries



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)	708.5		705.5	-87.3	618.2
Shinhan Bank	698.9	100.0%	698.9	-87.4	611.6
Jeju Bank	9.5	68.9%	6.6	0.0	6.6
Non-Bank (b)	512.6		506.9	4.5	511.4
Shinhan Card	374.4	100.0%	374.4	-0.6	373.8
Shinhan Investment Corp.	56.6	100.0%	56.6	1.0	57.7
Shinhan Life Insurance	61.0	100.0%	61.0	5.3	66.3
Shinhan BNPP AM	16.3	65.0%	10.6	0.2	10.8
Shinhan Capital	24.4	100.0%	24.4	-2.1	22.3
Shinhan Savings Bank	-25.1	100.0%	-25.1	-0.4	-25.6
Shinhan Data System	1.6	100.0%	1.6	1.1	2.6
Shinhan AITAS	1.7	99.8%	1.7	-	1.7
Shinhan Credit Information	0.3	100.0%	0.3	0.0	0.3
Shinhan PE Investment Mgmt.	1.6	100.0%	1.6	0.0	1.6
SFG (c)				-93.3 ²⁾	-93.3
Total (d=a+b+c)¹⁾	1,221.1		1,212.4	-176.1	1,036.3

Note) 1) Net Income in Controlling Interest

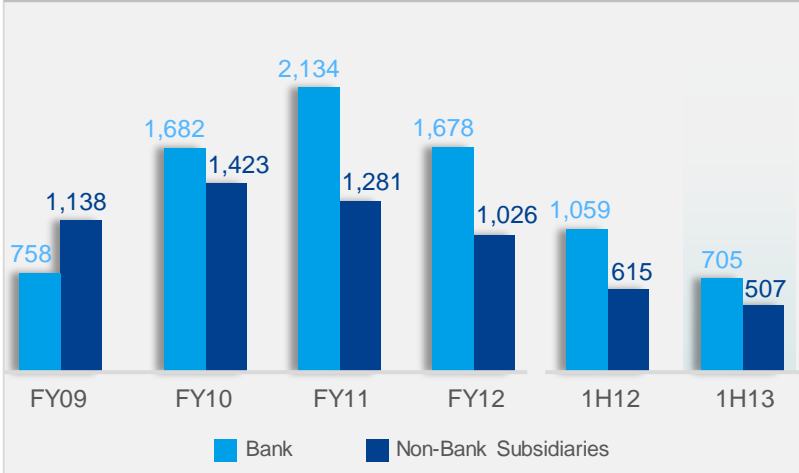
2) SFG (Separate): Brand Fee Income KRW 57.2bil., Interest Expense KRW -124.6bil., G&A etc. KRW -29.8bil.



Subsidiaries Income (2)

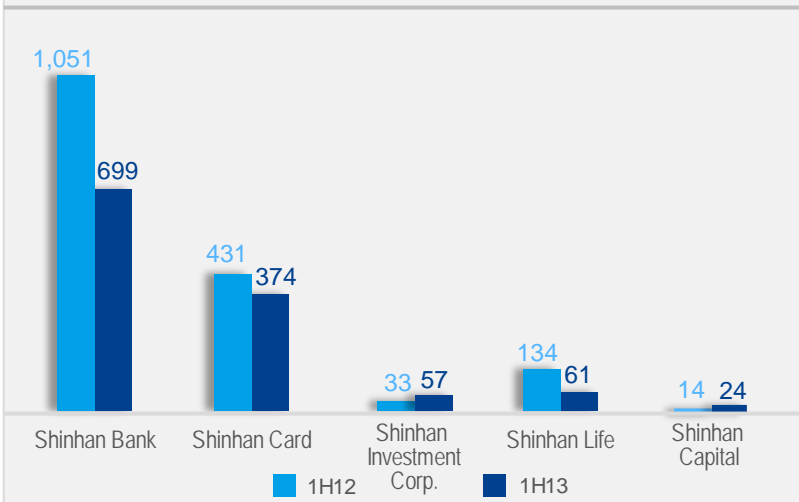
Bank / Non-Bank Net Income

(KRW bil.)



Net Income by Subsidiaries

(KRW bil.)



(Reflecting SFG Ownership, KRW bil.)

	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Bank (a)	705.5	1,059.3	-33.4	364.3	341.2	6.8
Shinhan Bank	698.9	1,050.8	-33.5	361.0	337.9	6.8
Jeju Bank	6.6	8.5	-22.9	3.3	3.2	3.6
Non-Bank (b)	506.9	615.3	-17.6	258.8	248.2	4.3
Shinhan Card	374.4	431.3	-13.2	213.8	160.6	33.1
Shinhan Investment Corp.	56.6	33.3	70.2	9.6	47.1	-79.7
Shinhan Life Insurance	61.0	134.1	-54.5	20.7	40.3	-48.8
Shinhan BNPP AM	10.6	10.7	-1.2	4.9	5.7	-12.7
Shinhan Capital	24.4	13.6	80.0	11.1	13.3	-17.1
Shinhan Savings Bank	-25.1	-8.9	n.a	-3.9	-21.3	n.a
Shinhan Data System	1.6	1.0	62.3	0.7	0.8	-12.3
Shinhan AITAS	1.7	-	n.a	0.9	0.8	20.2
Shinhan Credit Information	0.3	-0.1	n.a	0.1	0.2	-68.8
Shinhan PE Investment Mgmt.	1.6	0.3	479.3	1.0	0.6	61.0
Total (a+b)	1,212.4	1,674.6	-27.6	623.1	589.3	5.7
Consolidate Net Income ¹⁾	1,036.3	1,459.5	-29.0	555.3	480.9	15.5

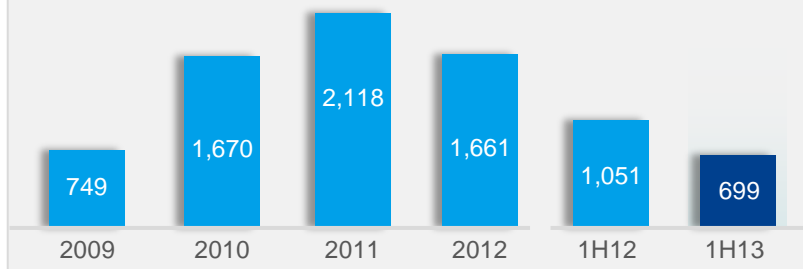
1) Net Income in Controlling Interest



SHB Income / NIM

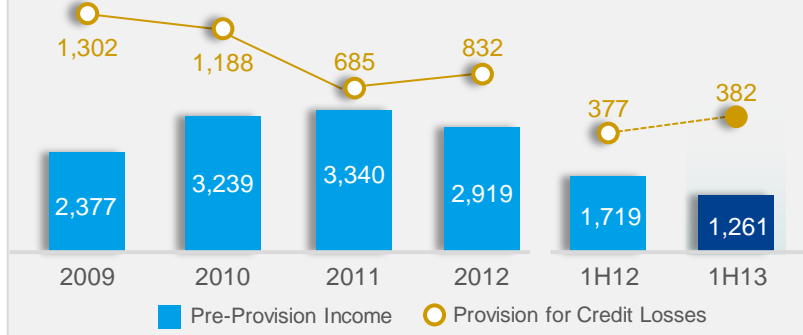
Net Income

(KRW bil.)



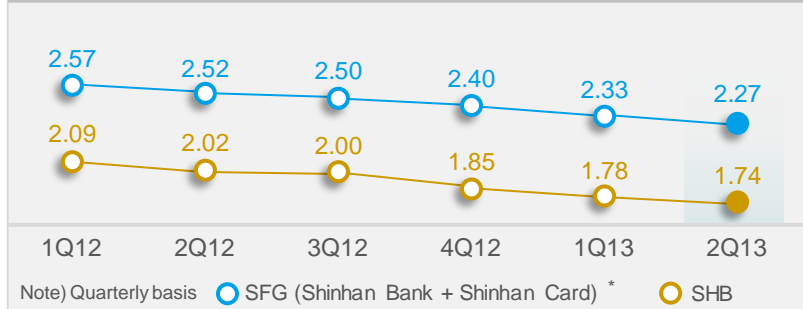
Pre-Provision Income & PCL

(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.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Operating Income (a=b+c)	2,595.9	2,977.2	-12.8	1,277.6	1,318.3	-3.1
Interest Income (b)	2,159.8	2,427.4	-11.0	1,091.4	1,068.4	2.2
Non-Interest Income (c)	436.1	549.9	-20.7	186.2	250.0	-25.5
G&A Expenses (d)	1,361.3	1,310.9	3.8	703.9	657.5	7.1
Pre-Provision Oper.Income (e=a-d)	1,234.6	1,666.3	-25.9	573.7	660.9	-13.2
Non-Operating Income (f)	26.0	52.9	-50.9	15.8	10.2	55.7
Pre-Provision Income (g=e+f)	1,260.6	1,719.3	-26.7	589.5	671.1	-12.1
Provision for Credit Losses (h)	382.0	376.8	1.4	135.2	246.8	-45.2
Earnings before Income Tax (i=g-h)	878.6	1,342.4	-34.6	454.3	424.3	7.1
Income Tax	179.6	291.5	-38.4	93.3	86.3	8.1
Net Income ¹⁾	698.9	1,050.8	-33.5	361.0	337.9	6.8

1) Net Income in Controlling Interest

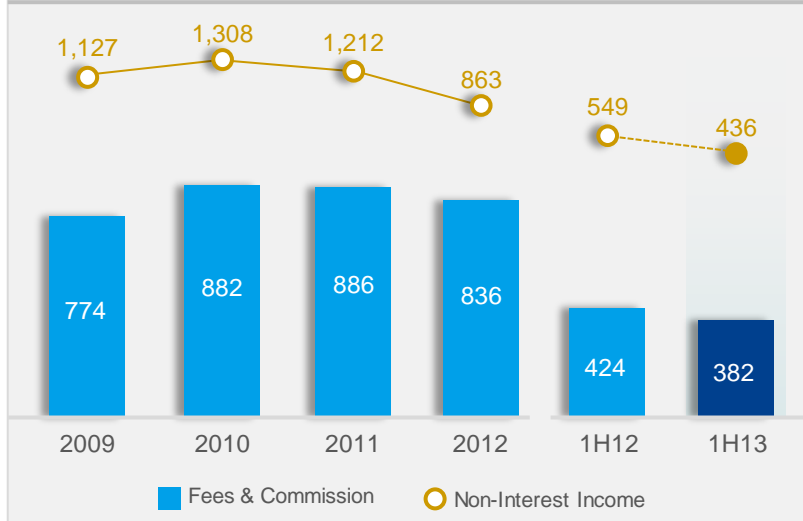
(%)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
NIS (a-b) (cumulative figures)	2.23	2.19	2.17	2.11	1.87	1.87
Loan interest rate (a)	5.47	5.43	5.36	5.25	4.69	4.60
Deposit interest rate (b)	3.24	3.24	3.20	3.14	2.81	2.73
NIM(quarterly)	2.09	2.02	2.00	1.85	1.78	1.74
NIM(cumulative figures)	2.09	2.05	2.03	1.99	1.78	1.76



SHB Non-Interest Income / G&A Expenses

Fees and Commission

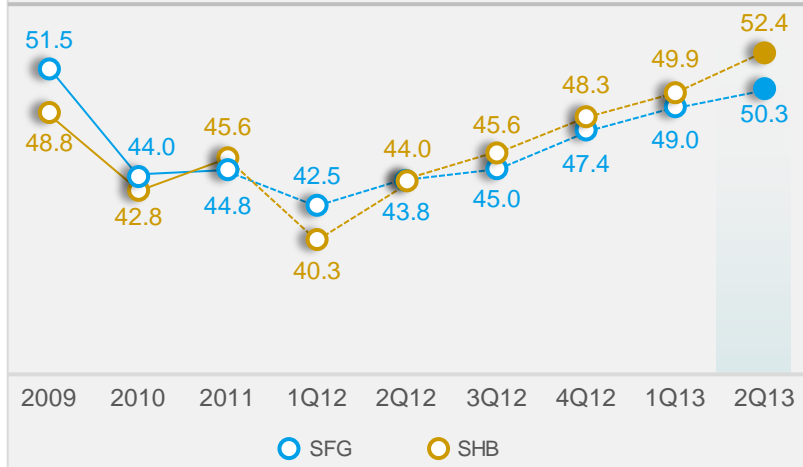
(KRW bil.)



(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Non-Interest Income	436.1	549.9	-20.7	186.2	250.0	-25.5
Fees & Commission	381.7	423.7	-9.9	188.5	193.2	-2.4
(Fund)	61.2	65.4	-6.5	30.9	30.2	2.2
(Bancassurance)	51.1	65.8	-22.3	16.1	35.0	-54.2
(Trust Fees)	21.8	19.6	11.2	10.8	11.0	-1.4
Securities Related	299.1	265.2	12.8	135.9	163.1	-16.7
FX Trading/Derivatives	33.5	104.2	-67.8	-2.3	35.8	n.a
Others	-278.1	-243.2	n.a	-136.0	-142.1	n.a

Cost-Income Ratio (%)

(%)



(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
G&A Expenses	1,361.3	1,310.9	3.8	703.9	657.5	7.1
Salary & Employee Benefits	788.5	763.0	3.3	387.4	401.1	-3.4
D & A	97.9	94.3	3.8	51.3	46.5	10.3
Other Expenses	475.0	453.6	4.7	265.2	209.8	26.4

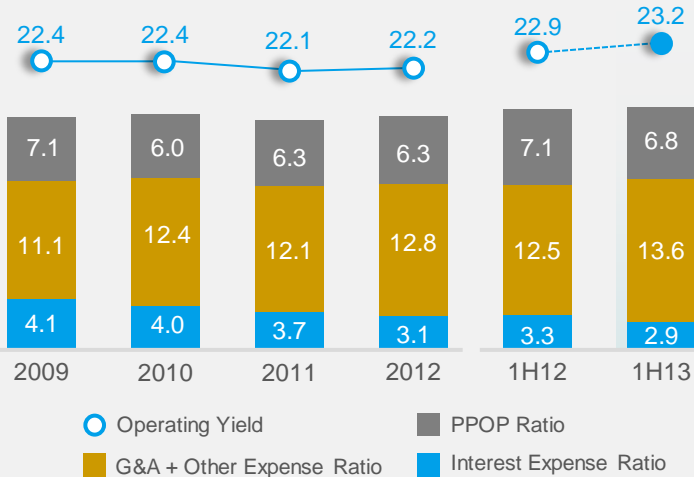
Note) Cumulative Figures



Shinhan Card Income

Operating Yield and PPOP Ratio (%)

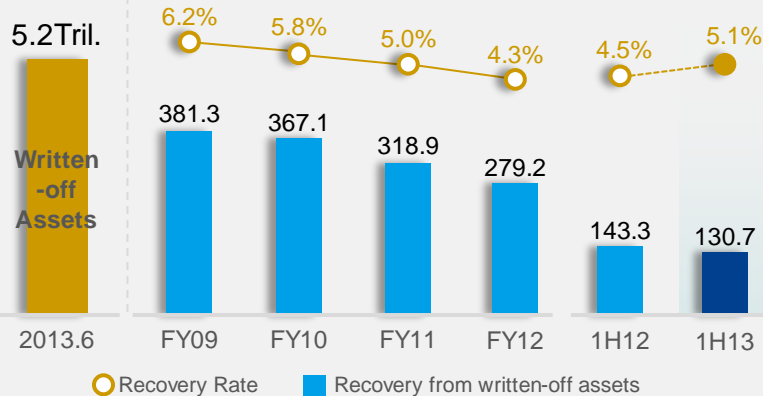
(%)



Note) Net of Derivatives & F/X

Recovery from Written-off Assets (KRW bil.)

(KRW bil.)



(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Operating Revenue (a)	2,440.4	2,267.9	7.6	1,254.3	1,186.2	5.7
Card Business	1,870.9	1,886.6	-0.8	956.8	914.1	4.7
Installment Finance	47.6	53.6	-11.1	23.2	24.4	-4.6
Lease	21.9	24.8	-11.9	10.8	11.1	-2.5
Others	500.1	303.0	65.1	263.5	236.6	11.3
(Derivatives & FX)	142.6	25.8	452.6	67.9	74.7	-9.2
Interest Expense (b)	282.3	321.1	-12.1	139.9	142.4	-1.8
G&A Expenses (c)	322.9	301.0	7.3	163.7	159.1	2.9
Commissions & Other Expenses (d)	1,160.5	951.1	22.0	567.5	593.0	-4.3
(Derivatives & FX)	134.2	19.2	599.4	63.4	70.8	-10.4
Pre-Provision Income (e=a-b-c-d)	674.8	694.8	-2.9	383.1	291.6	31.4
Provision for Credit Losses (f)	188.7	137.3	37.4	102.0	86.7	17.7
Earnings before Income Tax (g=e-f)	486.0	557.5	-12.8	281.1	204.9	37.2
Income Tax	111.7	126.1	-11.5	67.3	44.3	51.9
Net Income	374.4	431.3	-13.2	213.8	160.6	33.1

III. Assets & Liabilities

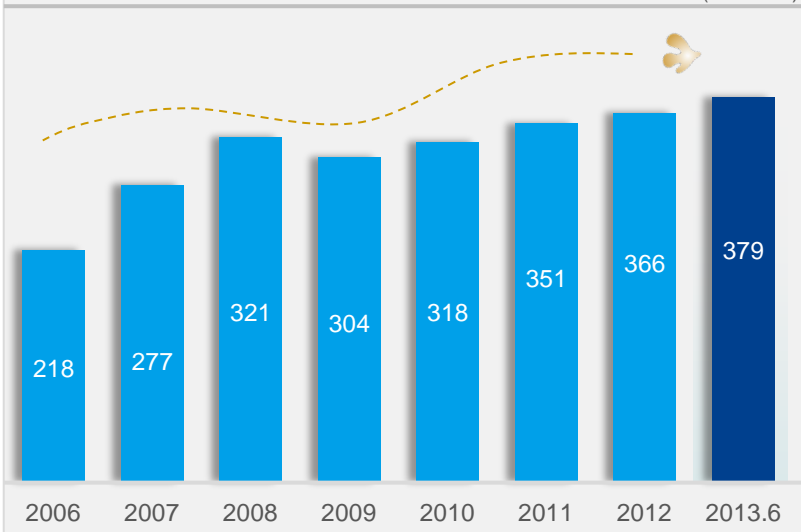
1. SFG Asset Growth
2. SHB Loan / Deposit Growth
3. Shinhan Card Asset Growth





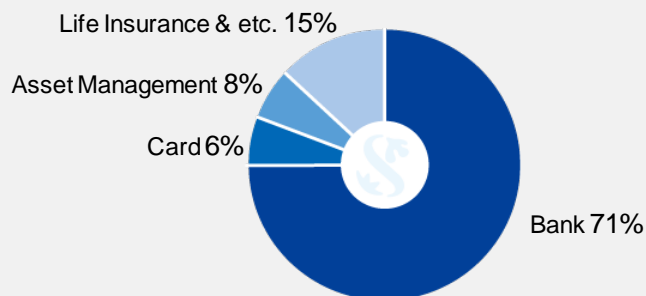
SFG Total Assets

(KRW tril.)



Note) Trust A/C of Shinhan Investment Corp. and discretionary asset of Shinhan BNPP AM is included from 2011

Asset Contribution by Subsidiary



(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Bank (a)	270,338.7	259,451.2	4.2	264,684.8	2.1
Shinhan Bank	267,192.9	256,196.8	4.3	261,490.9	2.2
Jeju Bank	3,145.8	3,254.3	-3.3	3,193.9	-1.5
Non-Bank (b)	105,399.8	103,865.6	1.5	103,621.8	1.7
Shinhan Card	21,779.7	22,279.9	-2.2	21,442.8	1.6
Shinhan Investment Corp.	27,107.4	26,458.0	2.5	26,261.5	3.2
Shinhan Life Insurance	18,075.8	16,942.2	6.7	17,763.7	1.8
Shinhan BNPP AM	32,918.9	33,246.4	-1.0	32,615.7	0.9
Shinhan Capital	3,758.9	3,526.2	6.6	3,523.3	6.7
Shinhan Savings Bank	938.6	636.1	47.5	1,232.2	-23.8
Shinhan Data System	21.4	16.3	31.4	18.6	15.2
Shinhan AITAS	31.3	31.0	1.2	30.4	3.0
Shinhan Credit Information	20.2	19.2	5.6	19.6	3.0
Shinhan PE Investment Mgmt.	608.4	604.9	0.6	589.1	3.3
Others	139.3	105.5	32.1	124.9	11.5
Total ¹⁾	379,016.6	366,061.6	3.5	371,803.8	1.9
Consolidate Total Assets	319,329.1	304,939.2	4.7	313,664.4	1.8

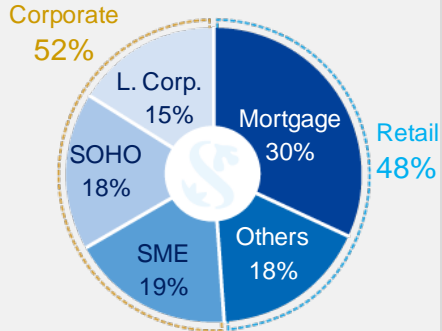
1) Including trust A/C and AUM(Including discretionary asset)



SHB Loan / Deposit Growth

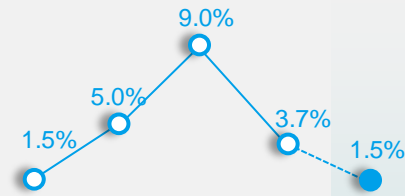
Loan Composition

Note) As of June 30, 2013



Loan Growth

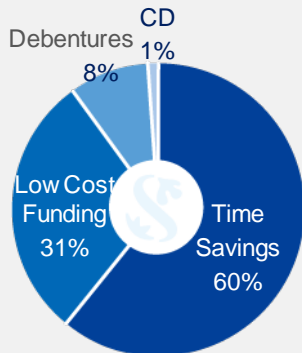
Note) Loan in KRW



FY09 FY10 FY11 FY12 1H13

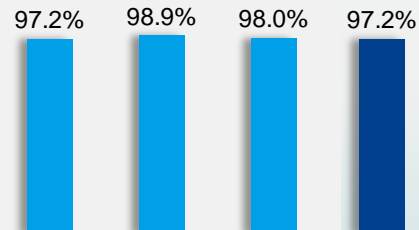
Funding Composition

Note) As of June 30, 2013



Loan to Deposit Ratio

Note) Excluding CDs & monthly average basis



2010.12 2011.12 2012.12 2013.6

(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Loan in KRW	146,357	144,228	1.5	145,083	0.9
Retail	70,579	69,804	1.1	69,636	1.4
Mortgage	44,270	45,668	-3.1	44,751	-1.1
Others	26,309	24,136	9.0	24,885	5.7
Corporate	75,778	74,424	1.8	75,447	0.4
SME	53,514	51,324	4.3	52,415	2.1
SOHO	26,363	24,984	5.5	25,539	3.2
Large Corporate etc.	22,264	23,101	-3.6	23,032	-3.3
Loan in FX	5,887	5,900	-0.2	5,673	3.8

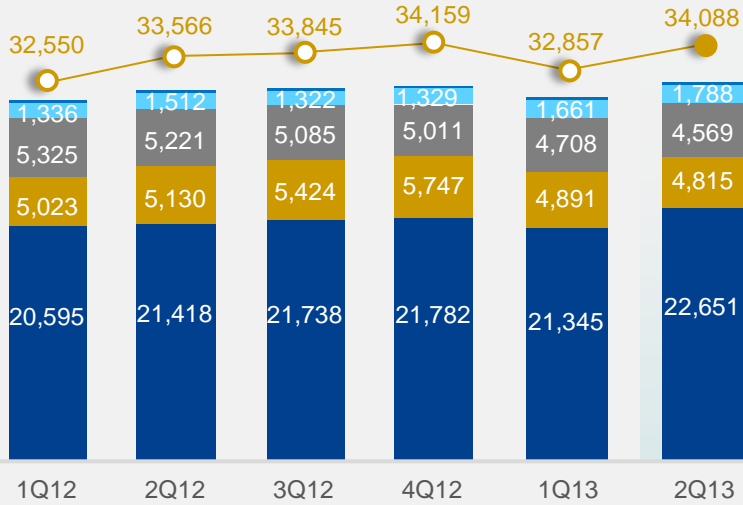
(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Total Deposits in KRW	150,538	147,318	2.2	149,300	0.8
Low Cost Deposits	51,401	47,105	9.1	49,206	4.5
Demand	17,216	15,746	9.3	15,799	9.0
Savings	34,185	31,359	9.0	33,407	2.3
Other Savings	99,136	100,213	-1.1	100,094	-1.0
Time Deposits	90,226	91,922	-1.8	91,345	-1.2
Accumulative etc.	8,910	8,290	7.5	8,749	1.8
Certificate of Deposits	1,362	943	44.4	1,272	7.1
Debentures in KRW	14,211	14,644	-3.0	14,439	-1.6



Shinhan Card Asset Growth

Transaction Volume

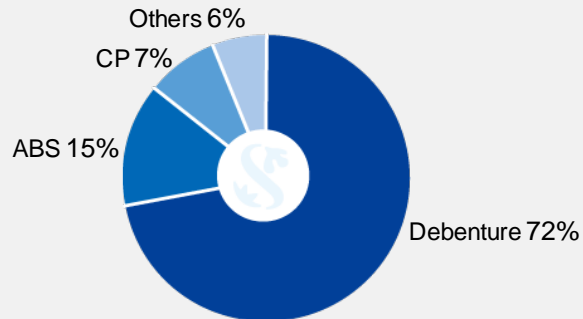
(KRW bil.)



■ Lump-Sum ■ Install. Purchase ■ Cash Advance ■ Card Loan ■ Others ○ Total Transaction Volume

Funding Composition

As of June 30, 2013



(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Earning Assets	19,327	20,027	-3.5	19,246	0.4
Credit Purchase	10,831	11,551	-6.2	10,894	-0.6
Cash Advances	2,460	2,767	-11.1	2,567	-4.2
Card Loan	3,982	3,496	13.9	3,704	7.5
(Re-aged Loan)	215	208	3.5	214	0.6
Installment Finance	1,211	1,242	-2.5	1,220	-0.7
Lease etc.	843	970	-13.1	862	-2.2
Effective Cardholders (in thousands)	14,454	15,070	-4.1	14,925	-3.2
Merchants (in thousands)	2,788	2,755	1.2	2,767	0.8

(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Total Funding	12,554	12,877	-2.5	12,374	1.5
Debentures	9,046	9,251	-2.2	8,943	1.2
ABS	1,840	1,714	7.3	1,779	3.4
CP	943	1,043	-9.6	943	0.0
Others	726	870	-16.5	709	2.4

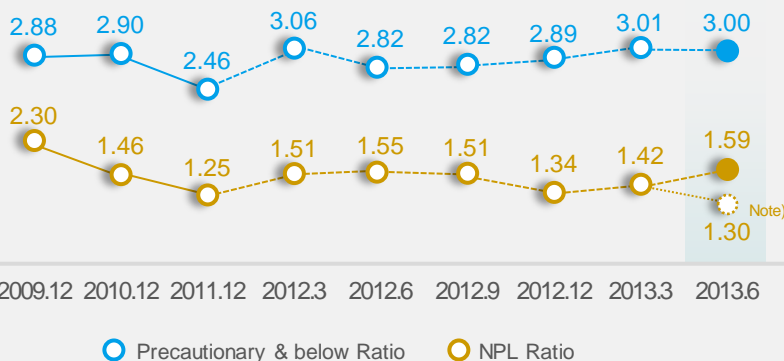
IV. Asset Quality

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



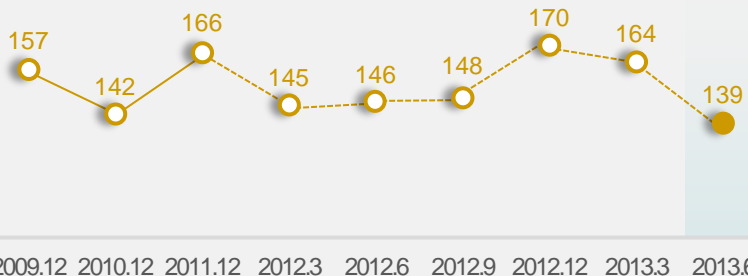


Precautionary & below Ratio / NPL Ratio (%)



Note) Before re-classification of companies subject to DCF classified as precautionary to substandard and below

NPL Coverage Ratio (%)



(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Total Loans ¹⁾	202,814	198,508	2.2	199,593	1.6
Normal	196,721	192,767	2.1	193,589	1.6
Precautionary	2,874	3,085	-6.9	3,173	-9.4
Substandard	1,830	1,313	39.4	1,312	39.5
Doubtful	611	542	12.7	469	30.1
Estimated Loss	779	801	-2.7	1,049	-25.8
Substandard & Below ²⁾	3,219	2,655	21.2	2,830	13.7
NPL Ratio ²⁾	1.59%	1.34%	0.25%p	1.42%	0.17%p
Loan Loss Allowance ³⁾	4,475	4,522	-1.0	4,644	-3.6
NPL Coverage Ratio ²⁾	139%	170%	-31%p	164%	-25%p
Reserve for credit losses ⁴⁾	1,767	1,844	-4.2	1,775	-0.4

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

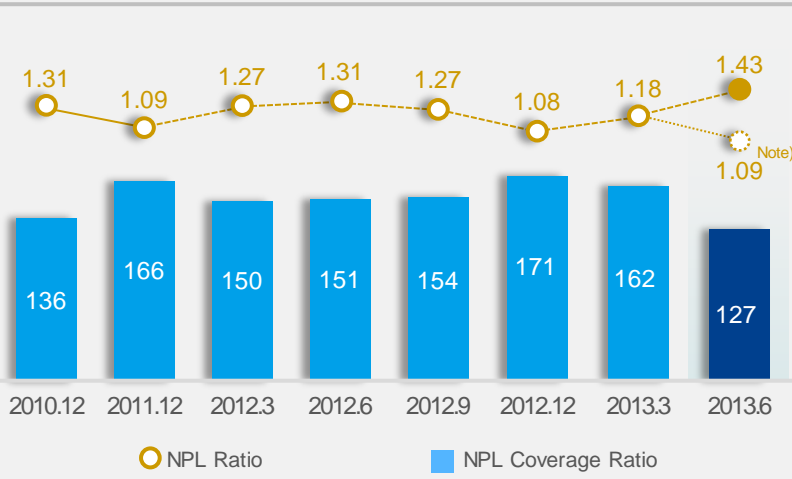
2) As of 2Q13, re-classification of companies subject to DCF classified as precautionary to substandard and below is applied. (Previous figures has not been restated)

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

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

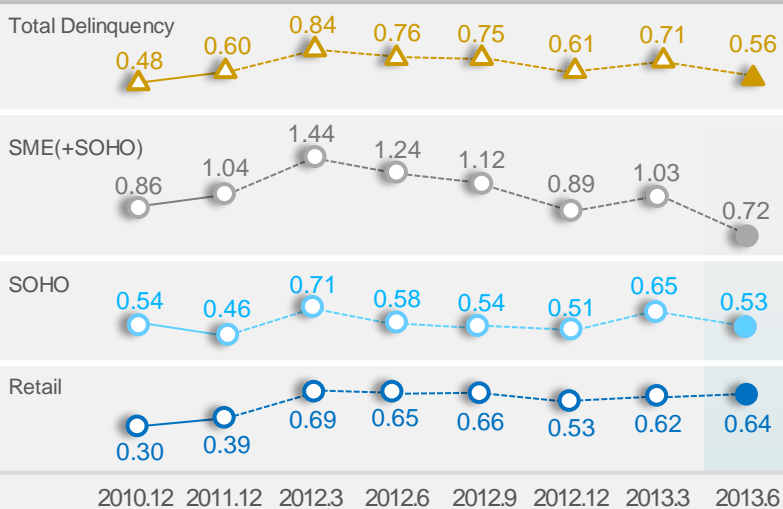


NPL Ratio & NPL Coverage Ratio (%)



Note) Before re-classification of companies subject to DCF classified as precautionary to substandard and below

Delinquency Ratio (%)



Note) 1 month overdue

(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Total Loans	171,903	167,777	2.5	169,102	1.7
Normal	167,589	163,852	2.3	165,012	1.6
Precautionary	1,847	2,111	-12.5	2,095	-11.8
Substandard	1,613	1,079	49.5	1,095	47.3
Doubtful	420	333	26.1	266	57.9
Estimated Loss	433	402	7.7	635	-31.8
Substandard & Below ¹⁾	2,466	1,814	36.0	1,996	23.6
NPL Ratio ¹⁾	1.43%	1.08%	0.35%p	1.18%	0.25%p
Loan Loss Allowance ²⁾	3,137	3,108	0.9	3,224	-2.7
NPL Coverage Ratio ¹⁾	127%	171%	-44%p	162%	-35%p
Reserve for credit losses ³⁾	1,427	1,479	-3.5	1,428	0.0

Note 1) As of 2Q13, re-classification of companies subject to DCF classified as precautionary to substandard and below is applied. (Previous figures has not been restated)

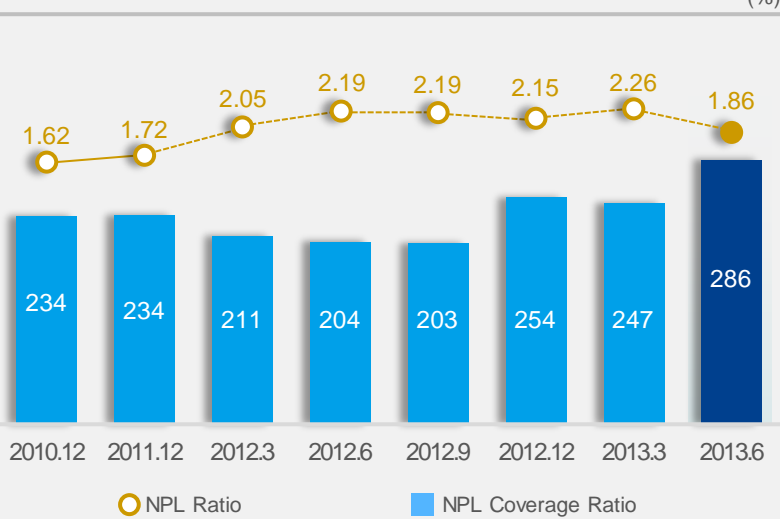
2) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

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

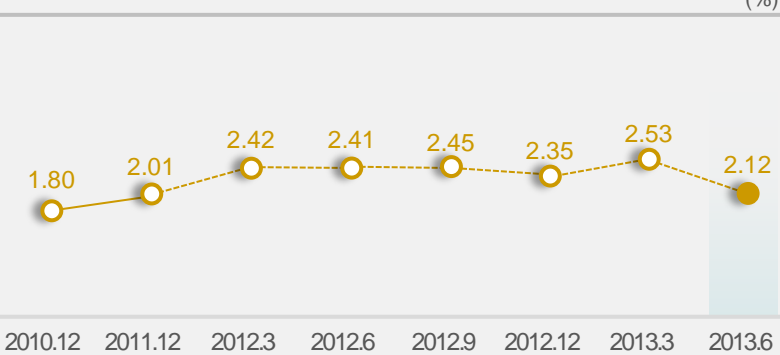


Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



Note) 1 month overdue from total credit

(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Total Loans	19,327	20,027	-3.5	19,246	0.4
Normal	18,255	18,907	-3.4	18,116	0.8
Precautionary	713	689	3.5	696	2.5
Substandard	-	-	n.a.	-	n.a.
Doubtful	90	101	-10.7	95	-4.8
Estimated Loss	269	329	-18.3	340	-20.8
Substandard & Below	359	431	-16.5	435	-17.3
NPL Ratio	1.86%	2.15%	-0.29%p	2.26%	-0.40%p
Loan Loss Allowance ¹⁾	1,028	1,093	-5.9	1,073	-4.1
NPL Coverage Ratio	286%	254%	32%p	247%	39%p
Reserve for credit losses ²⁾	304	334	-9.0	313	-2.8

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

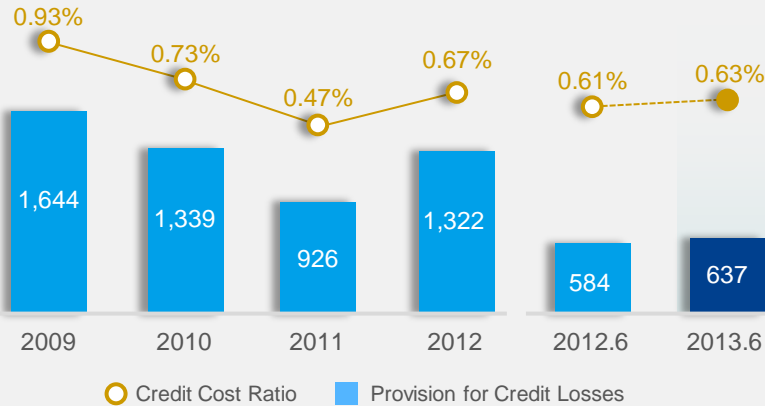
2) Excluding reserve for contingent acceptances & guarantees and unused credit lines



Provision for Credit Losses / Write-Offs

SFG Provision for Credit Losses

(KRW bil.)



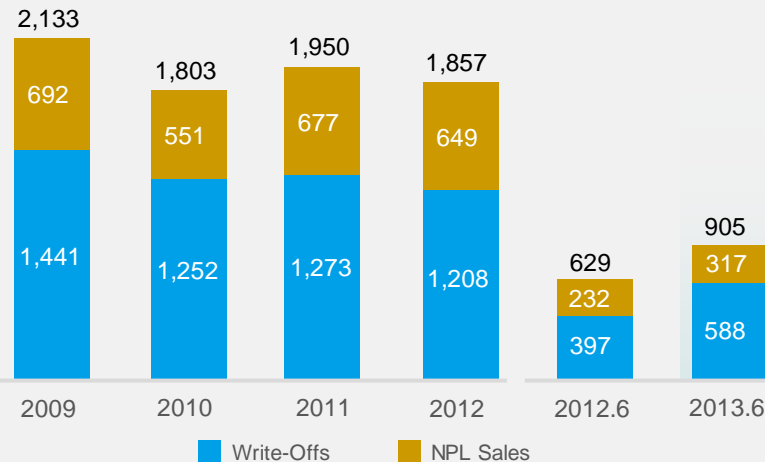
Credit Costs

(KRW bil.)	2013	1Q	2Q	2012	1Q	2Q	3Q	4Q
Shinhan Bank ¹⁾	380	246	133	837	135	245	265	192
Retail	139	107	32	179	38	61	44	36
Corporate	241	139	101	658	97	184	221	156
Shinhan Card	189	87	102	295	58	79	89	69
Total	568	333	235	1,132	193	324	354	261

Note) Shinhan Bank figures are separate basis

Write-Offs & NPL Sales

(KRW bil.)



Write-Offs & NPL Sales

(KRW bil.)	2013	1Q	2Q	2012	1Q	2Q	3Q	4Q
Shinhan Bank	540	128	412	1,346	40	366	398	542
(Sale)	246	75	172	649	-	232	168	249
Retail	140	49	92	282	15	73	64	131
(Sale)	79	17	62	173	-	55	38	80
Corporate	400	79	321	1,063	25	293	334	411
(Sale)	167	58	109	476	-	177	129	169
Shinhan Card	365	146	219	512	98	125	135	153
Total	905	274	631	1,857	138	491	533	695

V . Capital Adequacy

1. Capital Adequacy





Capital Adequacy

Group BIS Ratio

(KRW bil.)	2013.6(e)	2013.3	QoQ	
			Difference	%
Risk-Weighted Assets	200,898	197,559	3,339	1.7%
Capital	25,148	24,907	241	1.0%
Tier 1	19,799	19,189	610	3.2%
Tier 2	5,349	5,718	-369	-6.4%
BIS Ratio	12.5%	12.6%		-0.1%p
Tier 1	9.9%	9.7%		0.2%p
Tier 2	2.7%	2.9%		-0.2%p

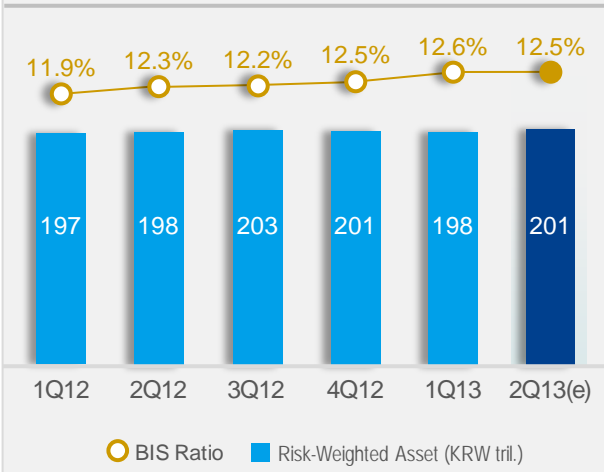
Note) Based on Basel I

Shinhan Bank BIS Ratio

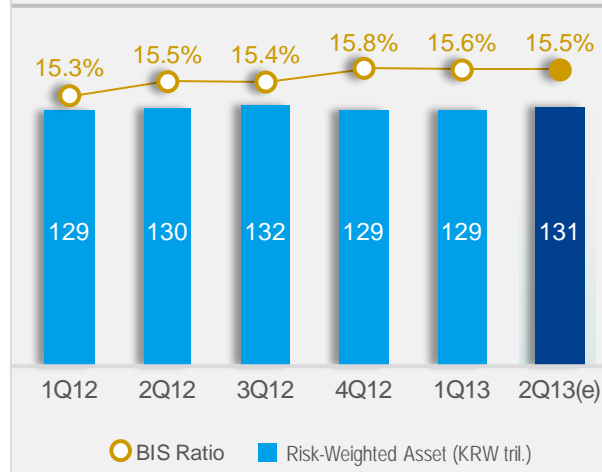
(KRW bil.)	2013.6(e)	2013.3	QoQ	
			Difference	%
Risk-Weighted Assets	130,592	129,315	1,277	1.0
Capital	20,200	20,114	86	0.4
Tier 1	16,638	16,086	552	3.4
Tier 2	3,562	4,028	-466	-11.6
BIS Ratio	15.5%	15.6%		-0.1%p
Tier 1	12.7%	12.4%		0.3%p
Tier 2	2.7%	3.1%		-0.4%p

Note) Based on Basel II FIRB approach

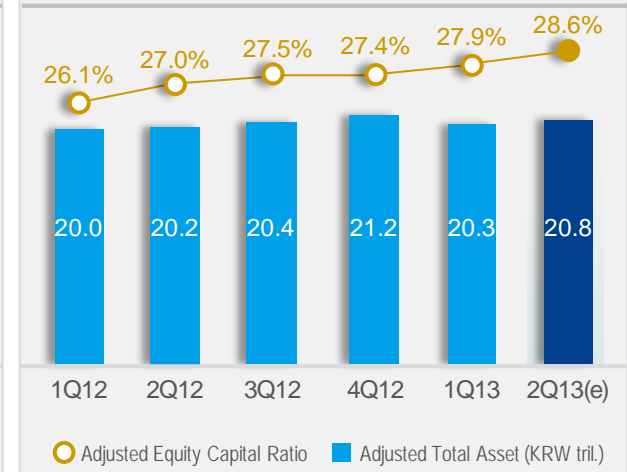
Group BIS Ratio



SHB BIS Ratio



Shinhan Card Capital Adequacy Ratio



VI. Appendix

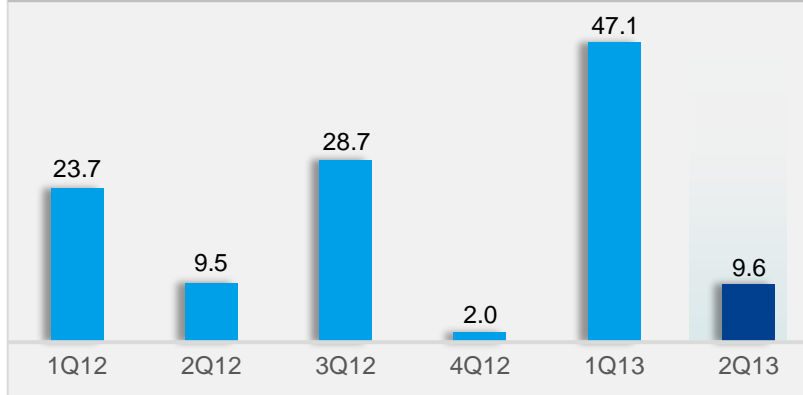
1. SFG Subsidiaries
2. Key Financial Indices
3. SHB SME Loans





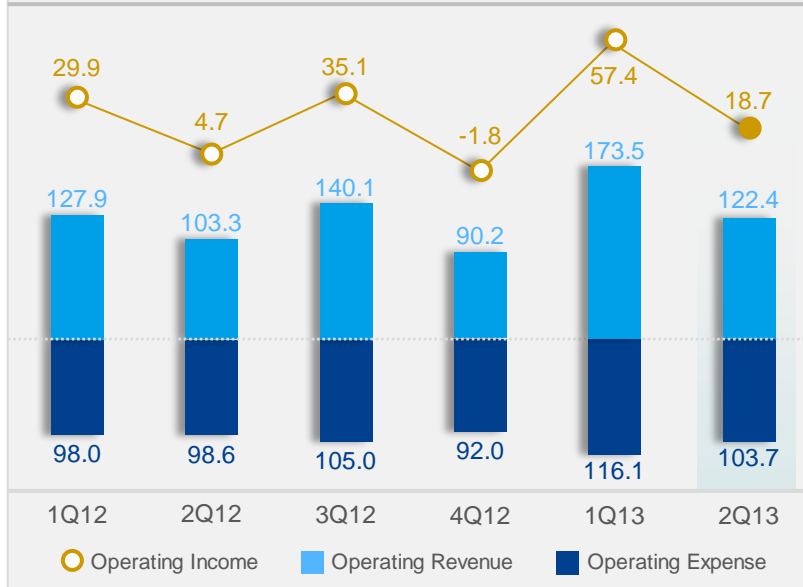
Net Income

(KRW bil.)



Operating Income

(KRW bil.)



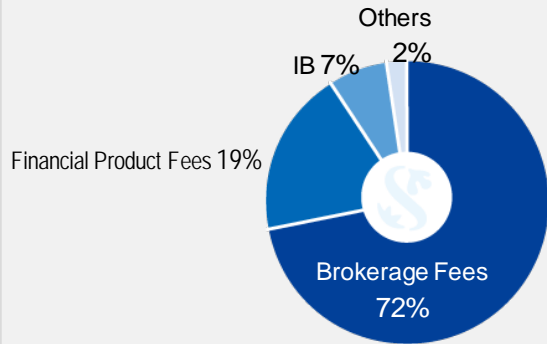
Condensed I/S & Key Financial Indices

(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Operating Revenue	295.9	231.2	28.0	122.4	173.5	-29.4
Fees & Commission	143.0	148.4	-3.6	74.7	68.3	9.4
Proprietary Trading	76.1	57.1	33.2	15.2	60.9	-75.0
Others	76.8	25.7	199.1	32.5	44.3	-26.7
Operating Expense	219.8	196.5	11.8	103.7	116.1	-10.7
G&A Expenses	185.8	177.6	4.6	92.1	93.7	-1.7
Commission Expense	24.8	21.2	17.1	11.9	12.9	-7.3
Provision for Credit Losses	9.2	-2.2	n.a.	-0.3	9.5	n.a.
Operating Income	76.1	34.6	119.9	18.7	57.4	-67.4
Net Income	56.6	33.3	70.2	9.6	47.1	-79.7
Net Capital Ratio(%)	610.8	732.8	-121.9%p	610.8	596.9	13.9%p
ROE	5.1%	3.1%	2.0%p	5.1%	8.6%	-3.5%p
ROA	0.6%	0.5%	0.1%p	0.6%	1.1%	-0.5%p

Note) ROE, ROA are calculated on a cumulative basis



Fees & Commission

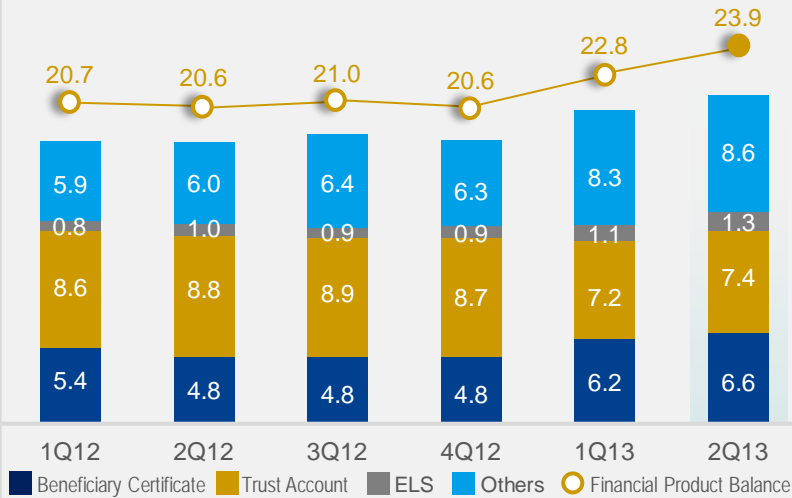


Fees & Commission

(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Fees & Commission	143.0	148.4	-3.6	74.7	68.3	9.4
Brokerage Commission	102.6	118.8	-13.6	53.2	49.3	7.9
Financial Product Fees	27.4	13.6	100.7	14.7	12.7	16.4
IB	10.1	14.7	-31.1	5.6	4.5	23.0
Others	3.0	1.3	136.5	1.2	1.8	-34.3

Financial Products Note)

(KRW tril.)



Balance of Financial Products

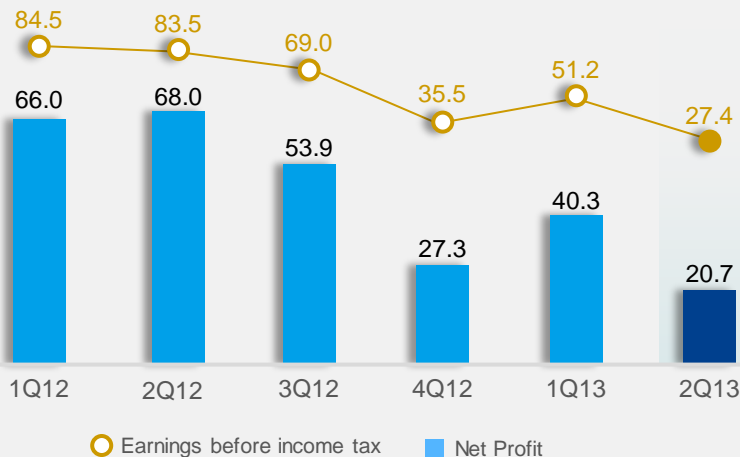
(KRW tril.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Financial Products	23.9	20.6	16.1	22.8	5.2
Beneficiary Certificate	6.6	4.8	38.8	6.2	7.7
Trust Account	7.4	8.7	-14.8	7.2	2.4
ELS	1.3	0.9	47.8	1.1	24.3
Others	8.6	6.3	37.4	8.3	3.3

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

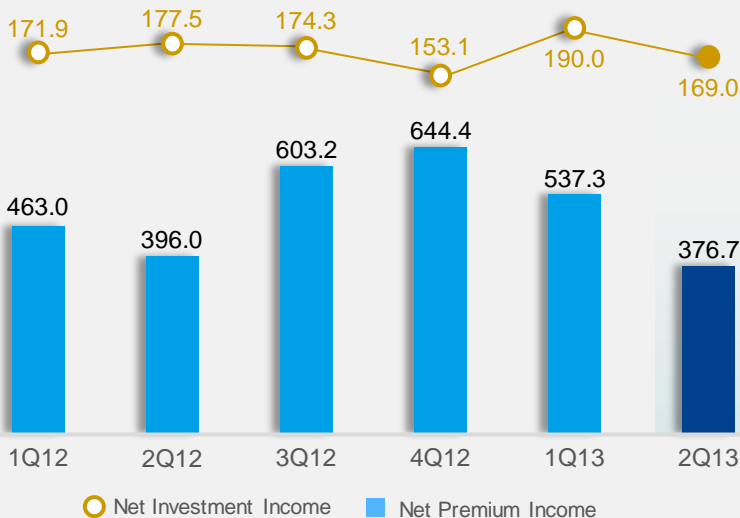


Net Income

(KRW bil.)



Total Income



Condensed I/S & Key Financial Indices

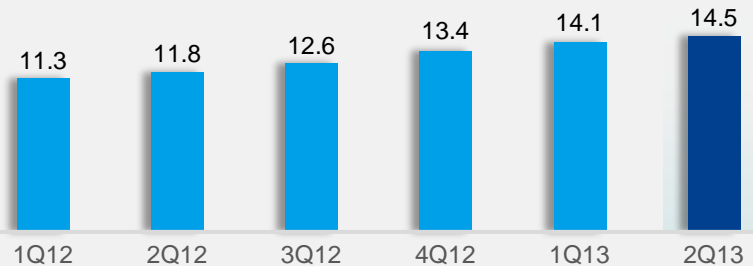
(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Total Income	1,291.7	1,232.2	4.8	555.7	736.0	-24.5
Net Premium Income	914.0	858.9	6.4	376.7	537.3	-29.9
Net Investment Income	359.0	349.4	2.7	169.0	190.0	-11.1
Special Account/Others	18.7	23.9	-21.8	10.0	8.7	14.9
Policy Reserve Write Back(Δ)	1,213.1	1,064.2	14.0	528.3	684.8	-22.9
Earnings before Income Tax	78.6	168.0	-53.2	27.4	51.2	-46.5
Net Income	61.0	134.1	-54.5	20.7	40.3	-48.7
Solvency Margin Ratio (%)	259.2%	277.7%	-18.5%p	259.2%	287.8%	-28.6%p
ROE	9.2%	22.0%	-12.8%p	9.2%	11.9%	-2.7%p
ROA	0.7%	1.8%	-1.1%p	0.7%	0.9%	-0.2%p

Note) ROE, ROA are calculated on a cumulative basis



Operating Assets

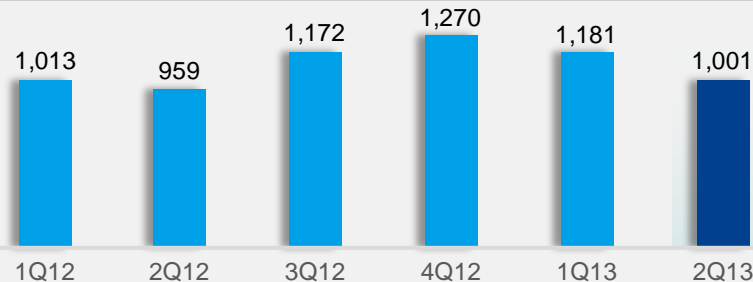
(KRW tril.)



Note) Excluding Retirement Pension

Premium Received

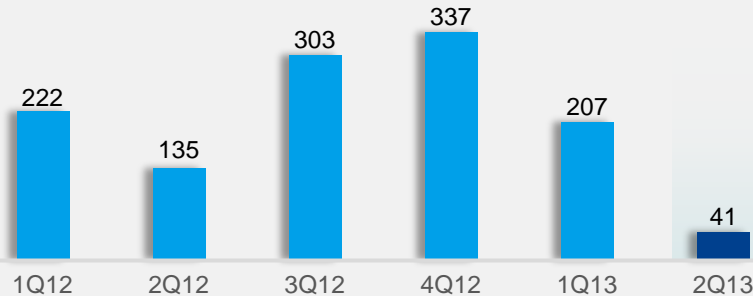
(KRW bil.)



Note) Excluding Retirement Pension

New Premium

(KRW bil.)



Note) Excluding Retirement Pension

Operating Assets & Special Account Assets

(KRW bil.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Operating Assets	14,473.7	13,365.7	8.3	14,097.9	2.7
Fixed Income	7,426.6	7,113.7	4.4	7,080.7	4.9
Loans	3,863.5	3,581.0	7.9	3,677.2	5.1%
Equities	156.3	151.1	3.4	175.8	-11.1
Cash & Deposits	1,030.0	1,510.8	-31.8	1,252.9	-17.8
Others	1,997.3	1,009.1	97.9	1,911.3	4.5
Special Account	1,904.7	1,896.1	0.5	1,954.8	-2.6

Premium Breakdown

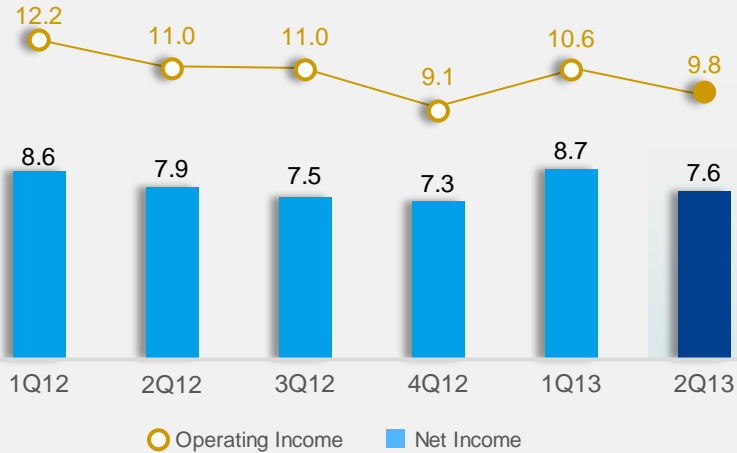
(KRW bil.)	2013	2013		2012	2012			
		1Q	2Q		1Q	2Q	3Q	4Q
Prem. Received	2,181	1,181	1,001	4,414	1,013	959	1,172	1,270
New Premium	248	207	41	997	222	135	303	337

Note) Excluding Retirement Pension



Net Income

(KRW bil.)



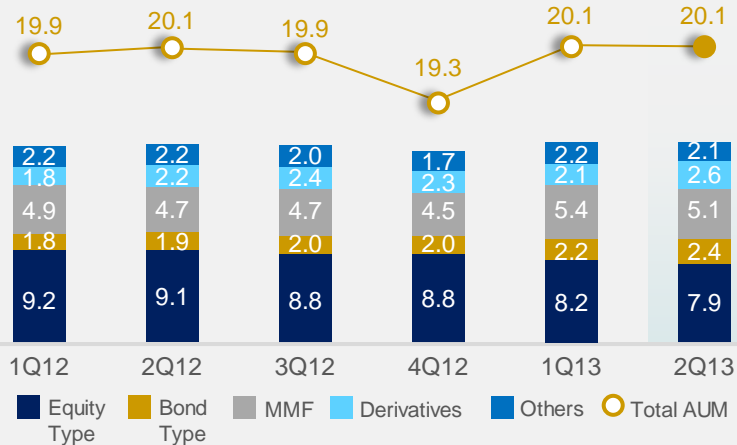
Condensed I/S & Key Financial Indices

(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Operating Revenue	49.4	51.2	-3.5	24.5	24.9	-1.6
Operating Expense	29.0	28.0	3.6	14.8	14.2	4.2
(G&A Expenses)	18.6	18.4	1.1	9.7	8.9	9.0
Operating Income	20.4	23.2	-12.1	9.8	10.6	-7.5
Net Income	16.3	16.5	-1.2	7.6	8.7	-12.6
ROE	23.3%	23.8%	-0.5%p	23.3%	23.2%	0.1%p

Note) ROE is calculated on a cumulative basis

Assets Under Management

(KRW tril.)



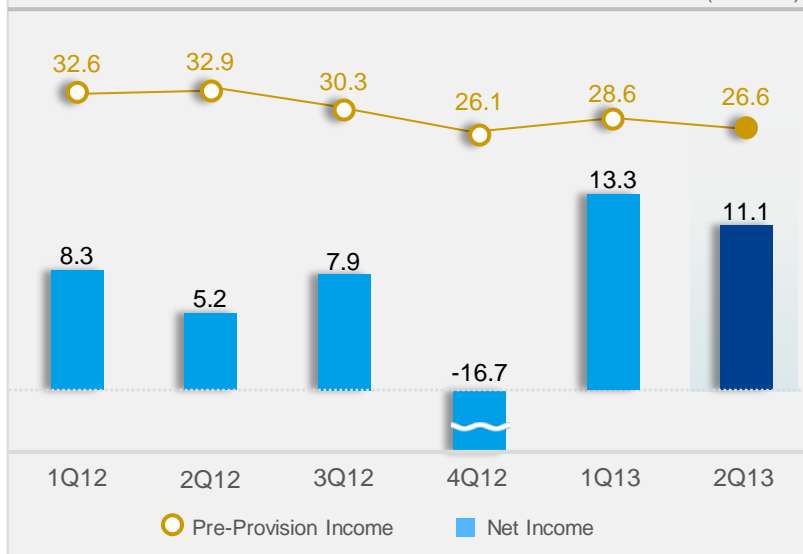
Assets Under Management

(KRW tril.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Total AUM	20.1	19.3	4.1	20.1	-0.1
Equity Type	7.9	8.8	-10.4	8.2	-3.7
Bond Type	2.4	2.0	18.8	2.2	9.1
MMF	5.1	4.5	13.1	5.4	-5.6
Derivatives	2.6	2.3	15.0	2.1	23.8
Others	2.1	1.7	23.5	2.2	-4.5



Net Income

(KRW bil.)



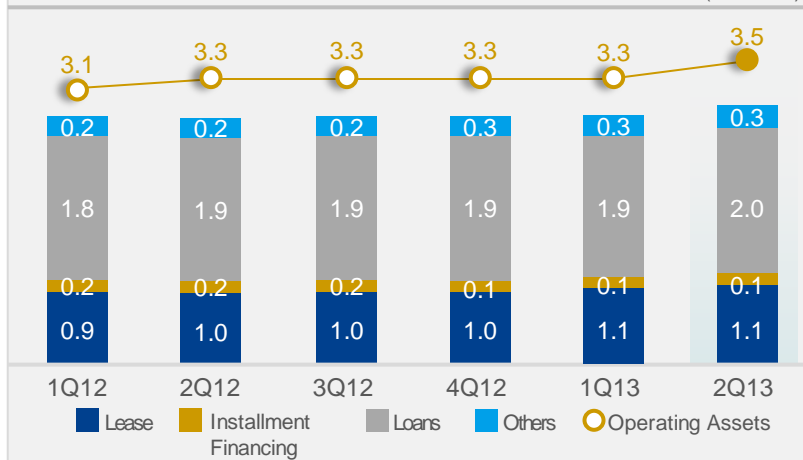
Condensed I/S & Key Financial Indices

(KRW bil.)	1H13	1H12	YoY%	2Q13	1Q13	QoQ%
Operating Revenue	193.5	171.2	13.0	98.5	95.0	3.6
Operating Expense	138.3	105.6	30.9	71.9	66.4	8.3
(Interest Expense)	59.3	66.2	-10.5	29.0	30.3	-4.2
(G&A Expenses)	11.9	10.6	12.2	8.4	3.5	139.4
Pre-Provision Income	55.2	65.6	-15.8	26.6	28.6	-7.2
Provision for Credit Losses	22.0	47.6	-53.8	10.7	11.3	-5.3
Net Income	24.4	13.6	80.0	11.1	13.3	-17.1
ROE	10.0%	5.6%	4.4%p	10.0%	11.2%	-1.2%p
ROA	1.3%	0.8%	0.5%p	1.3%	1.5%	-0.2%p

Note) ROE, ROA are calculated on a cumulative basis

Operating Assets

(KRW tril.)



Operating Assets

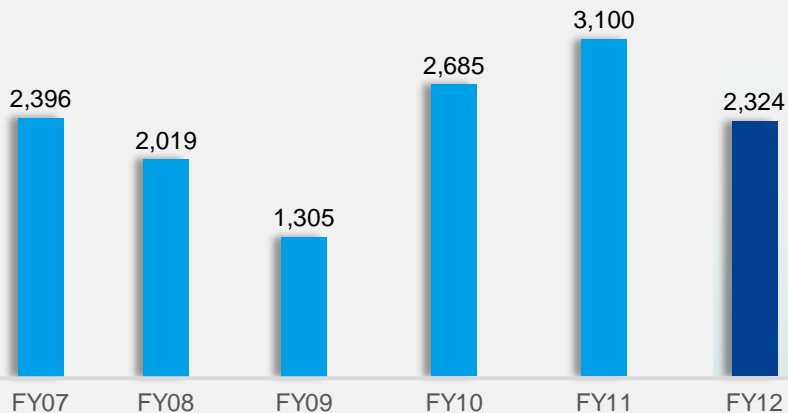
(KRW tril.)	2013.6	2012.12	YTD%	2013.3	QoQ%
Operating Assets	3.5	3.3	6.1	3.3	4.9
Lease	1.1	1.0	7.2	1.1	2.4
Installment Financing	0.1	0.1	-10.5	0.1	-5.2
Loans	2.0	1.9	5.5	1.9	5.9
Others	0.3	0.3	15.2	0.3	12.6



Key Financial Indices

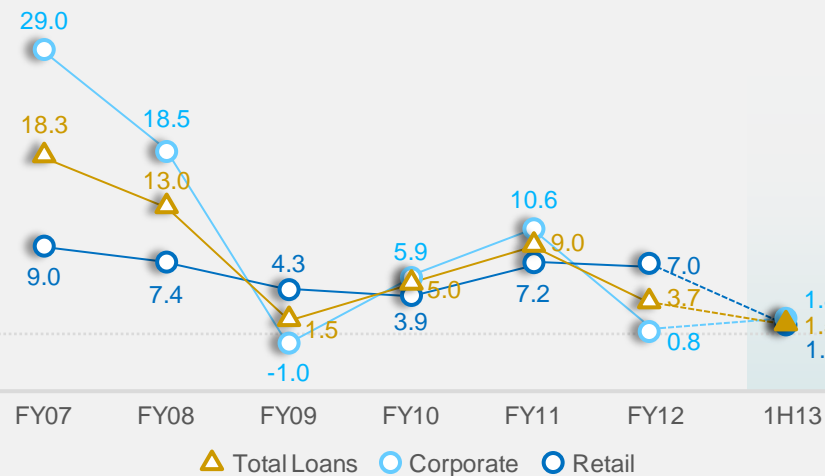
Group Net Income

(KRW bil.)



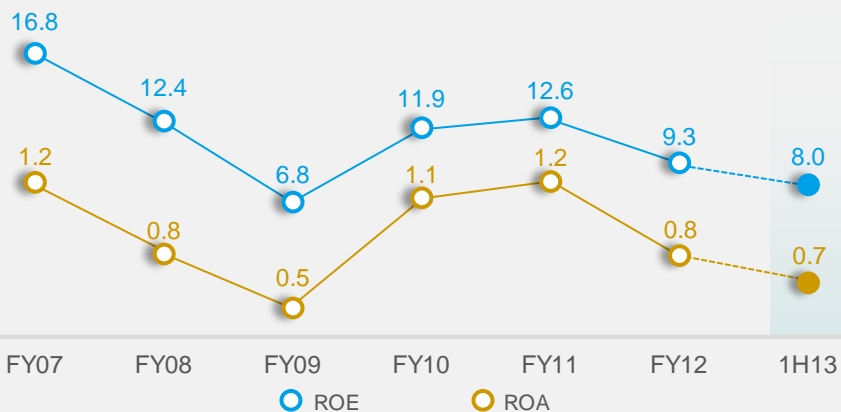
SHB Loan Growth Rate

(%)



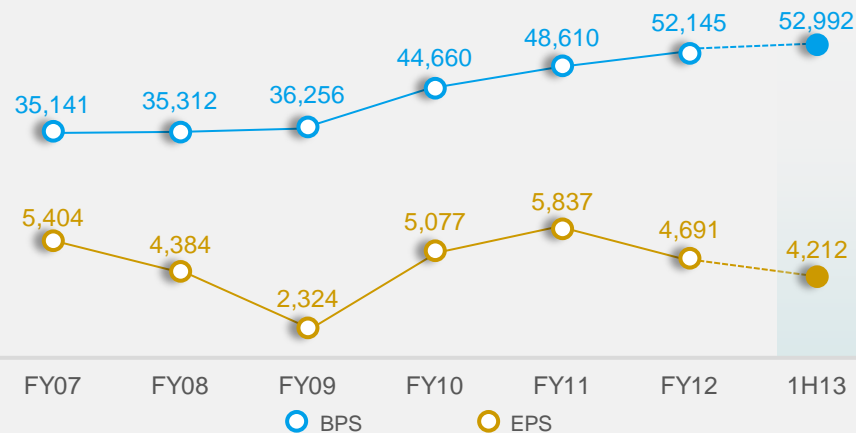
ROA / ROE

(%)



BPS / EPS

(KRW)



Note) ROE based on common stock

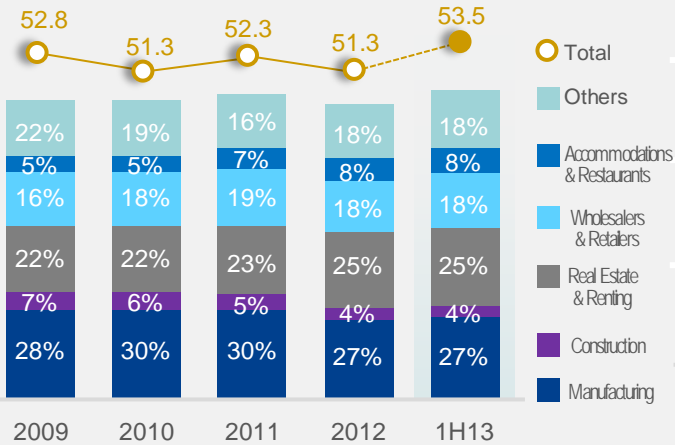
Note) Based on common stock



Shinhan Bank SME Loans

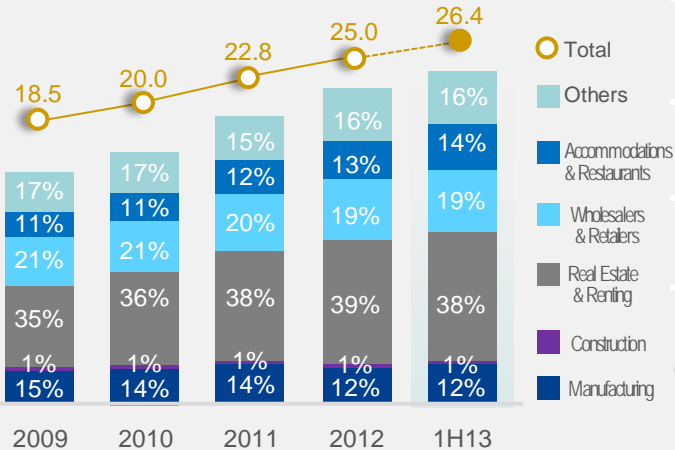
Loans

SME

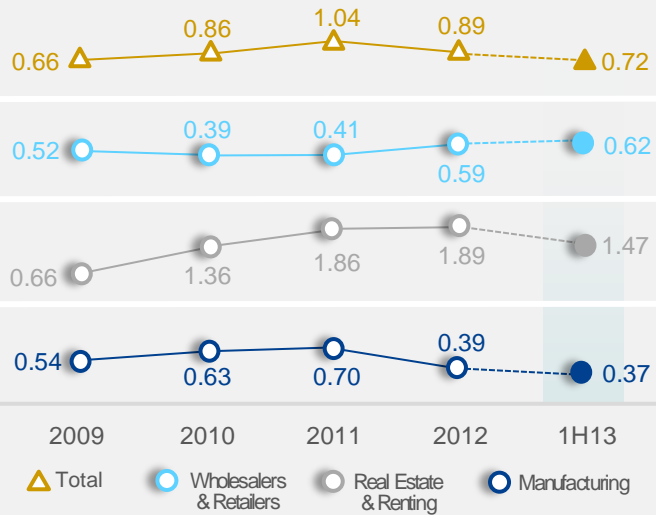


Note) SME Loan by Borrowers as of June 30, 2013
SOHO 47%, Registered 28%, Unregistered 25%

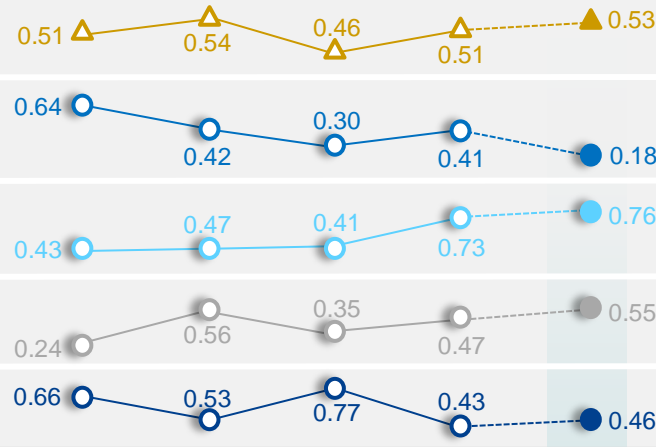
SOHO



Delinquency



△ Total ○ Wholesalers & Retailers ○ Real Estate & Renting ○ Manufacturing



△ Total ○ Accommodations & Restaurants ○ Wholesalers & Retailers ○ Real Estate & Renting ○ Manufacturing

Collateral

