

Autumn

# 2013 3Q

## Business Results

October 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 2010 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 is 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.

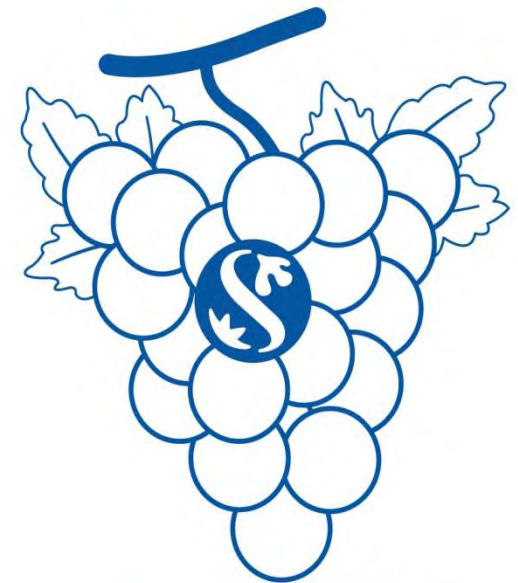
This presentation material is available at our website : [www.shinhangroup.com](http://www.shinhangroup.com)

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



# Contents

- I . 2013 3Q Business Results Highlights
- II . Income
- III . Assets & Liabilities
- IV . Asset Quality
- V . Capital Adequacy
- VI . Appendix



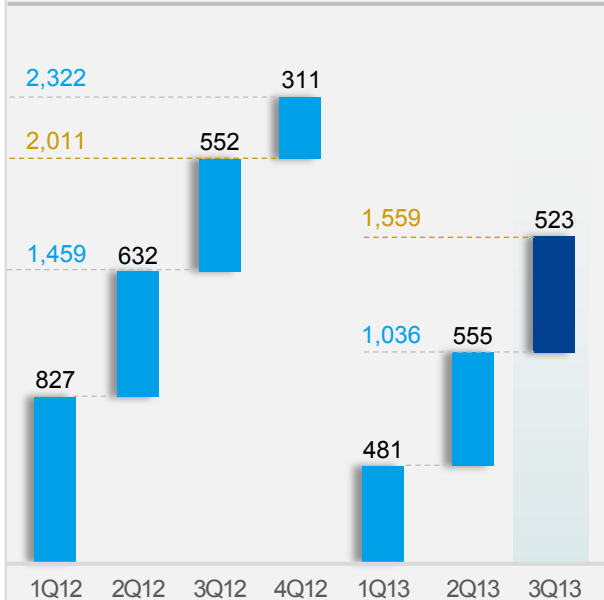
Autumn



# 2013 3Q Business Results Highlights (1)

## Group Net Income

(KRW bil.)

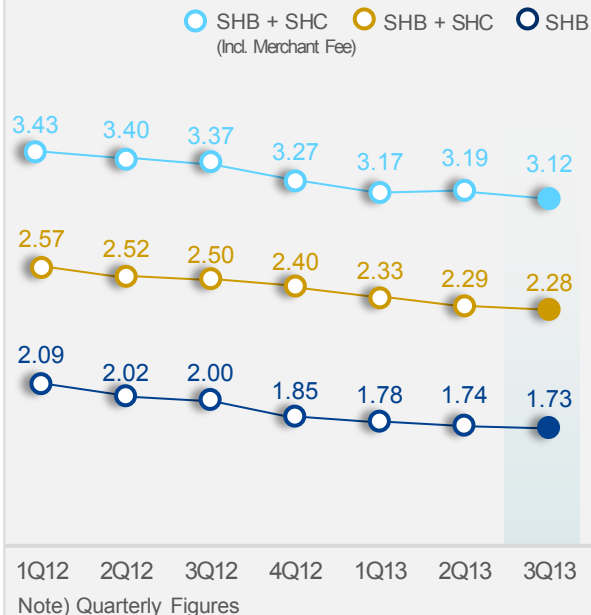


3Q13 Acc. Net Income KRW 1,559.5 bil.  
(During 3Q13, KRW 523.2 bil.)

- SFG posted net income 523.2bil. in 3Q, decreased by 5.8% QoQ, and accumulated net income 1.559.5 bil. reduced by 22.5% YoY.
- Interest income increased by 0.4% QoQ, attributed to moderate loan growth coupled with mitigated margin contraction
- Non-interest income dropped by 11.2% QoQ. due to absence of one-off gains related to National Happiness Fund along with decreased credit card fee income.
- SG&A increased by 4.3% YoY, while decreased by 2.1% QoQ, through tightened cost control.

## NIM

(%)

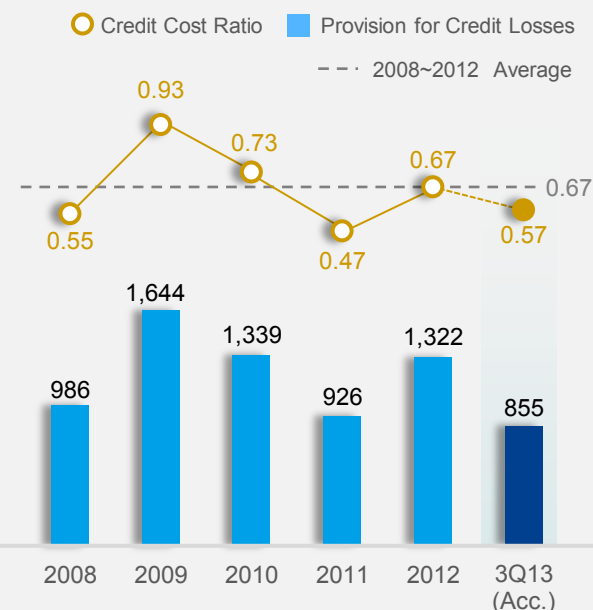


2013 3Q Bank NIM : 1.73%,  
Group NIM 2.28%

- Group NIM marked 2.28% decreased by 1bp QoQ, attributed to improved funding costs from bank and credit card.
- During 3Q13, SHB's NIM only dropped by 1bp QoQ, attributed to moderate loan growth tandem with deposit price drop.
- Group margin including credit card merchant fee marked 3.12%, 7bp contraction QoQ, due to the merchant fee rate cut.

## Credit Cost Ratio

(%, KRW bil.)



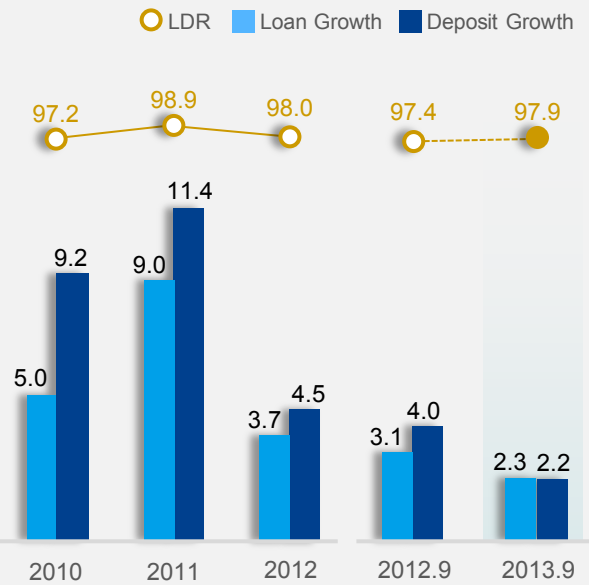
3Q13 Acc. Credit Cost Ratio at 0.57%  
(10bp lower than 5-year average)

- Group credit costs improved both YoY(0.67%→0.57%, -10bp) and QoQ(0.63%→0.57%, -6bp).
- Group's accumulated provision for credit losses decreased by 14.7% YoY to 854.5 bil. Provisions for 3Q also decreased by 13.4% QoQ.
- SHB's provision for credit losses decreased by 21.6% YoY and 6.1% QoQ. SHC's provision for credit losses escalated by 19.5% YoY due to expected decrease in recovery from written-off assets whereas decreased by 20.1% QoQ led by stabilizing asset quality.



# 2013 3Q Business Results Highlights (2)

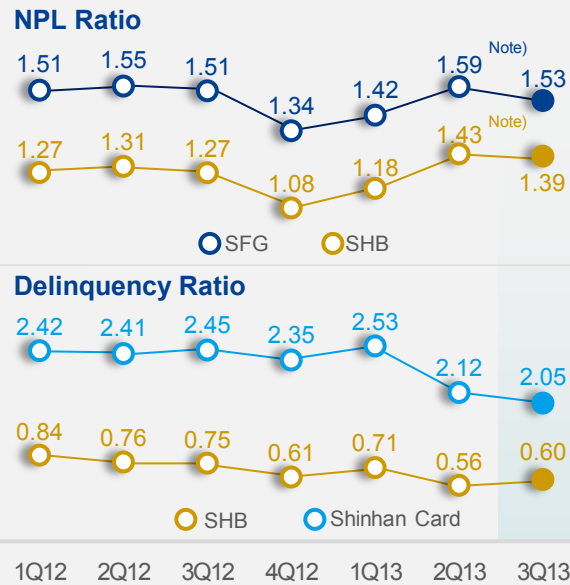
## Loans & Deposits (%)



3Q13 Acc. Loan/Deposit growth at 2.3%, 2.2%  
LDR stable at 97.9%

- KRW loan balance as end of 3Q13 marked 147.5 tril. up by 2.3% YTD. Loan growth was driven by SMEs including SOHO, which increased by 6.3% and 8.1% respectively and unsecured personal loans along with Jeonse loans continued its growth trend.
- Deposit increased by 2.2% YTD to reach 150.5 tril., well-balanced with the loan growth.
- LDR increased by 0.7%p to 97.9% QoQ.

## NPL / Delinquency Ratio (%)



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

3Q13 Group NPL ratio stands at 1.53%,  
Bank Delinquency ratio at 0.60%

- NPL ratio for the Group and SHB recorded 1.53% and 1.39%, improved by 0.06%p and 0.04%p respectively.
- NPL coverage ratio for the Group and SHB each marked 144% and 132%, increased by 5%p respectively.
- During 3Q13, SHB's delinquency ratio deteriorated by 4bp to 0.60% whereas credit card delinquency ratio improved by 7bp to 2.05% continuing improvement trend for two consecutive quarters.

## Capital Adequacy (%)



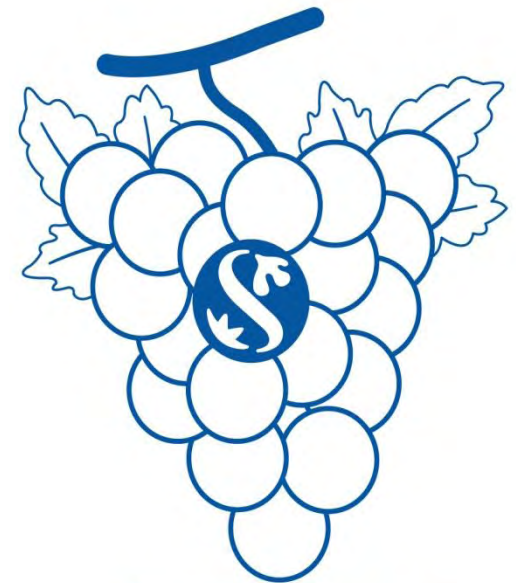
3Q13 Group Tier1 ratio at 10.2%,  
Bank Tier1 ratio at 13.1%

- Group's Tier 1 and BIS ratio each marked 10.2% and 13.0% up by 0.70%p and 0.57%p YTD, driven by stable growth in earnings. (Based on Basel 1)
- SHB's Tier 1 and BIS ratio each marked 13.1% and 16.1% improved by 0.48%p and 0.26%p YTD. (Based on Basel 2)

## II . Income

---

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

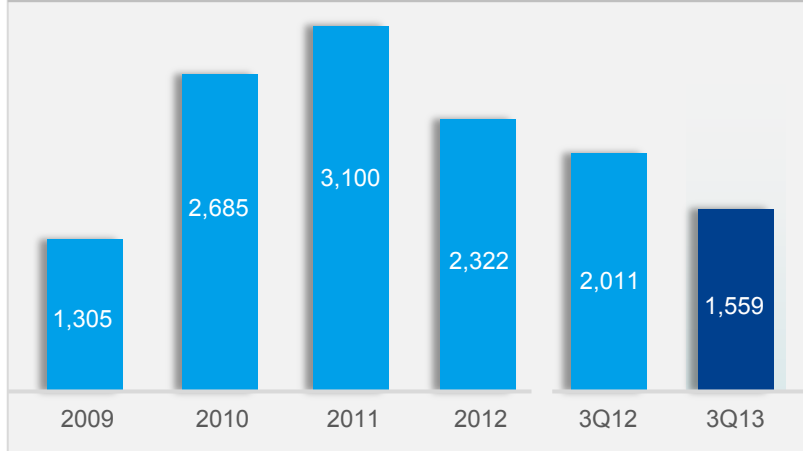


Autumn



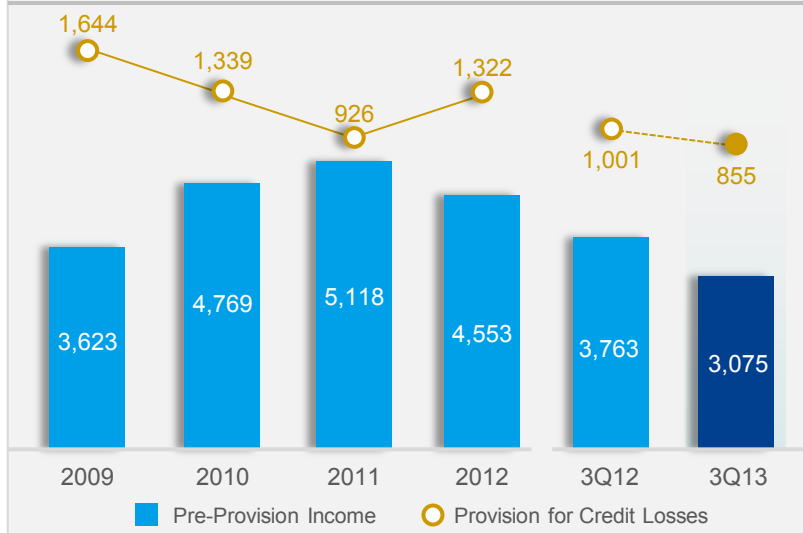
## Net Income

(KRW bil.)



## Pre-Provision Income & PCL

(KRW bil.)



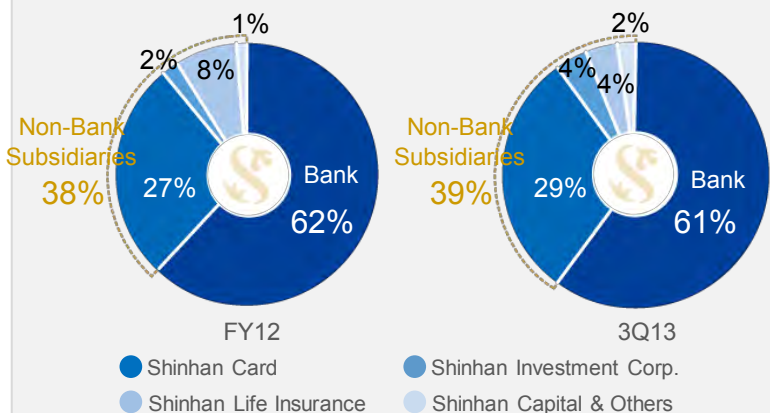
(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Operating Income (a=b+c)	6,137.1	6,634.5	-7.5	2,016.2	2,056.4	-2.0
Interest Income (b)	4,905.6	5,287.4	-7.2	1,652.3	1,646.4	0.4
Non-Interest Income (c)	1,231.6	1,347.1	-8.6	363.9	410.0	-11.2
G&A Expenses (d)	3,112.4	2,984.2	4.3	1,039.4	1,062.1	-2.1
Pre-Provision Oper. Income (e=a-d)	3,024.7	3,650.3	-17.1	976.8	994.3	-1.8
Non-Operating Income (f)	50.5	113.1	-55.3	0.4	36.2	-98.8
Pre-Provision Income (g=e+f)	3,075.2	3,763.4	-18.3	977.3	1,030.5	-5.2
Provision for Credit Losses (h)	854.5	1,001.2	-14.7	217.4	251.0	-13.4
Earnings before Income Tax (i=g-h)	2,220.7	2,762.1	-19.6	759.9	779.5	-2.5
Income Tax	541.0	623.4	-13.2	195.0	187.3	4.1
Consolidated Net Income <sup>1)</sup>	1,559.5	2,011.0	-22.5	523.2	555.3	-5.8

Note 1) Net Income in Controlling Interest

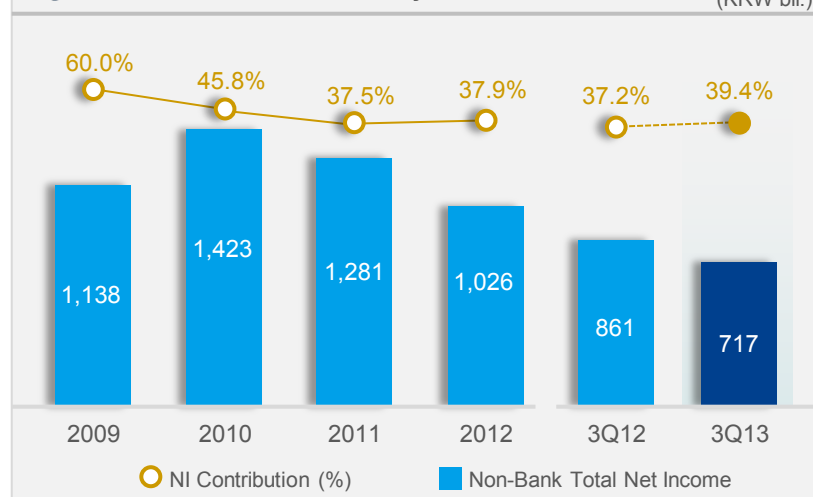


# Subsidiaries Income (1)

## Net Income Contribution by Subsidiaries



## Net Income Contribution by Non-Bank Subsidiaries Note)



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)	1,105.6		1,100.6	-117.0	983.7
Shinhan Bank	1,089.7	100.0%	1,089.7	-117.1	972.6
Jeju Bank	15.9	68.9%	10.9	0.1	11.1
Non-Bank (b)	725.2		716.9	-1.8	715.1
Shinhan Card	534.8	100.0%	534.8	-0.4	534.4
Shinhan Investment Corp.	72.6	100.0%	72.6	-0.3	72.3
Shinhan Life Insurance	76.3	100.0%	76.3	2.1	78.5
Shinhan BNPP AM	23.8	65.0%	15.5	0.3	15.8
Shinhan Capital	37.1	100.0%	37.1	-3.0	34.0
Shinhan Savings Bank	-26.0	100.0%	-26.0	-0.3	-26.2
Shinhan Data System	1.4	100.0%	1.4	-0.1	1.2
Shinhan AITAS	3.1	99.8%	3.1	-	3.1
Shinhan Credit Information	0.0	100.0%	0.0	-0.0	-0.0
Shinhan PE Investment Mgmt.	2.1	100.0%	2.1	-	2.1
SFG (c)				-139.3 <sup>2)</sup>	-139.3
<b>Total (d=a+b+c)<sup>1)</sup></b>	<b>1,830.8</b>		<b>1,817.5</b>	<b>-258.0</b>	<b>1,559.5</b>

Note) 1) Net Income in Controlling Interest

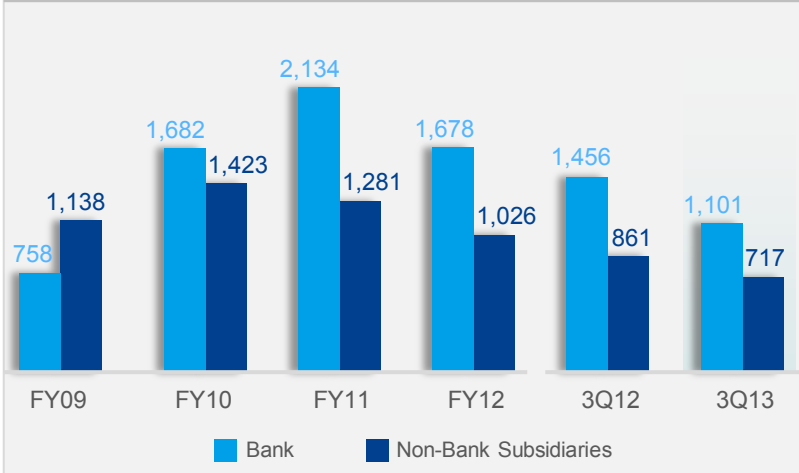
2) SFG (Separate): Brand Fee Income KRW 85.7bil., Interest Expense KRW -185.2bil., G&A etc. KRW -45.2bil.



# Subsidiaries Income (2)

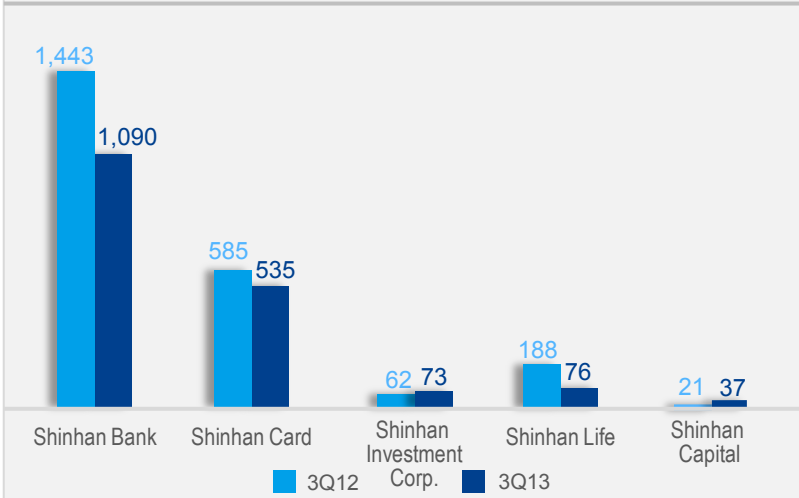
## Bank / Non-Bank Net Income

(KRW bil.)



## Net Income by Subsidiaries

(KRW bil.)



(Reflecting SFG Ownership, KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Bank (a)	1,100.6	1,456.1	-24.4	395.2	364.3	8.5
Shinhan Bank	1,089.7	1,443.1	-24.5	390.8	361.0	8.3
Jeju Bank	10.9	13.0	-15.9	4.4	3.3	30.5
Non-Bank (b)	716.9	861.0	-16.7	210.0	258.8	-18.9
Shinhan Card	534.8	585.1	-8.6	160.4	213.8	-25.0
Shinhan Investment Corp.	72.6	61.9	17.3	16.0	9.6	67.5
Shinhan Life Insurance	76.3	188.0	-59.4	15.3	20.7	-25.7
Shinhan BNPP AM	15.5	15.6	-0.8	4.9	4.9	-0.9
Shinhan Capital	37.1	21.4	72.9	12.7	11.1	14.4
Shinhan Savings Bank	-26.0	-13.3	n.a	-0.8	-3.9	n.a
Shinhan Data System	1.4	1.6	-14.4	-0.2	0.7	n.a
Shinhan AITAS	3.1	-	n.a	1.4	0.9	53.9
Shinhan Credit Information	0.0	-0.1	n.a	-0.3	0.1	n.a
Shinhan PE Investment Mgmt.	2.1	0.7	195.0	0.6	1.0	-41.8
Total (a+b)	1,817.5	2,317.1	-21.6	605.1	623.1	-2.9
Consolidate Net Income <sup>1)</sup>	1,559.5	2,011.0	-22.5	523.2	555.3	-5.8

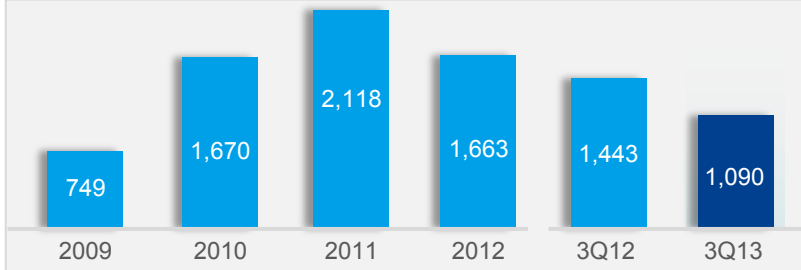
1) Net Income in Controlling Interest



# SHB Income / NIM

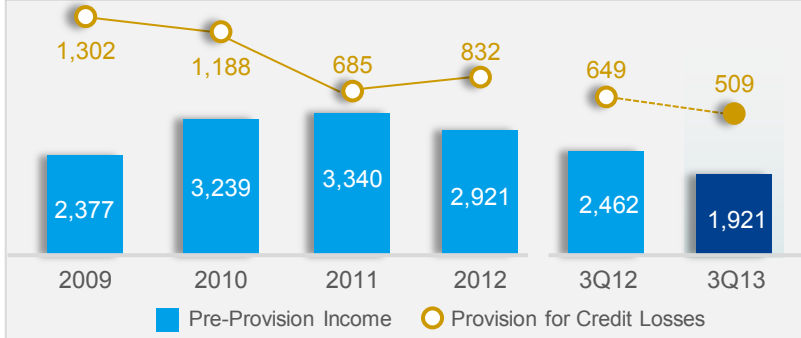
## Net Income

(KRW bil.)



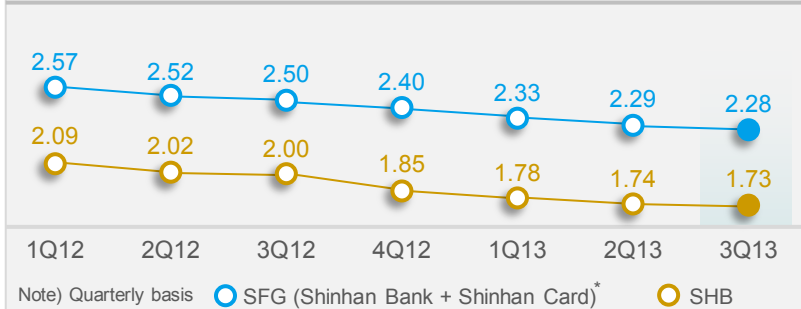
## Pre-Provision Income & PCL

(KRW bil.)



## Net Interest Margin

(%)



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

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

(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Operating Income (a=b+c)	3,925.4	4,385.4	-10.5	1,329.4	1,277.6	4.1
Interest Income (b)	3,239.3	3,621.0	-10.5	1,079.5	1,091.4	-1.1
Non-Interest Income (c)	686.1	764.4	-10.2	250.0	186.2	34.3
G&A Expenses (d)	2,021.4	1,998.7	1.1	660.0	703.9	-6.2
Pre-Provision Oper.Income (e=a-d)	1,904.0	2,386.7	-20.2	669.4	573.7	16.7
Non-Operating Income (f)	17.4	74.8	-76.7	-8.6	15.8	n.a
Pre-Provision Income (g=e+f)	1,921.5	2,461.5	-21.9	660.9	589.5	12.1
Provision for Credit Losses (h)	509.0	648.9	-21.6	127.0	135.2	-6.1
Earnings before Income Tax (i=g-h)	1,412.5	1,812.6	-22.1	533.9	454.3	17.5
Income Tax	322.6	369.3	-12.6	143.0	93.3	53.3
Net Income <sup>1)</sup>	1,089.7	1,443.1	-24.5	390.8	361.0	8.3

1) Net Income in Controlling Interest

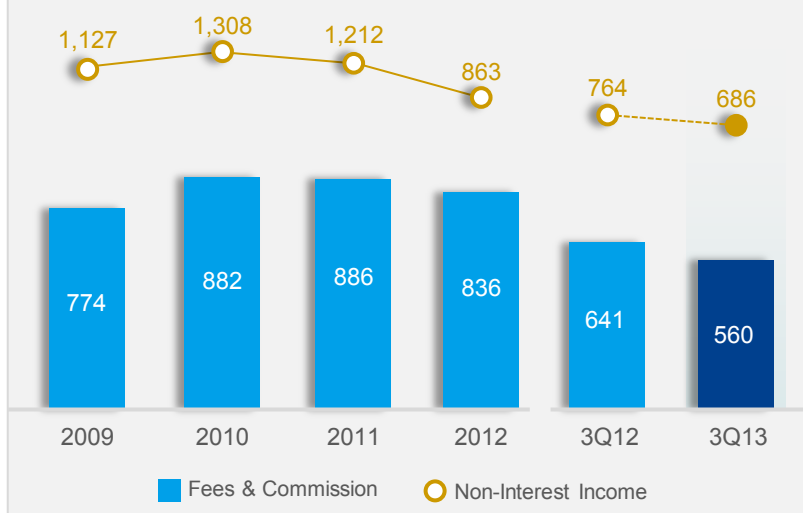
(%)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13
NIS (a-b) (cumulative figures)	2.23	2.19	2.17	2.11	1.87	1.87	1.86
Loan interest rate (a)	5.47	5.43	5.36	5.25	4.69	4.60	4.52
Deposit interest rate (b)	3.24	3.24	3.20	3.14	2.81	2.73	2.66
NIM(quarterly)	2.09	2.02	2.00	1.85	1.78	1.74	1.73
NIM(cumulative figures)	2.09	2.05	2.03	1.99	1.78	1.76	1.75



# SHB Non-Interest Income / G&A Expenses

## Fees and Commission

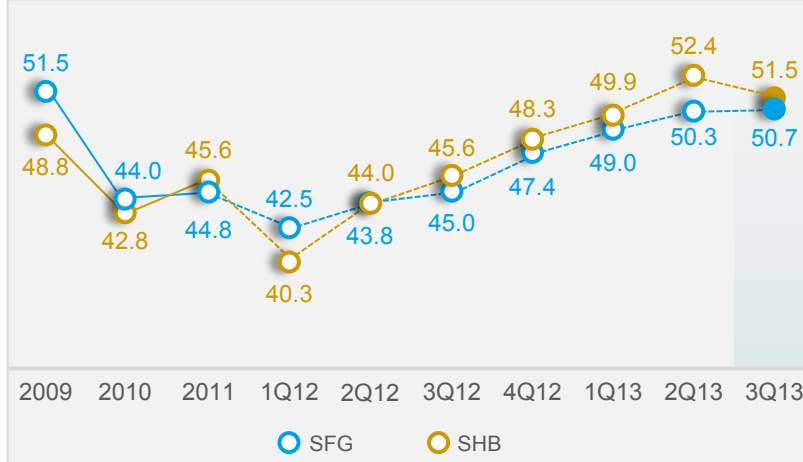
(KRW bil.)



(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Non-Interest Income	686.1	764.4	-10.2	250.0	186.2	34.3
Fees & Commission	559.9	641.0	-12.7	178.2	188.5	-5.4
(Fund)	88.3	93.5	-5.6	27.1	30.9	-12.2
(Bancassurance)	67.9	106.9	-36.5	16.8	16.1	4.5
(Trust Fees)	32.3	29.8	8.4	10.5	10.8	-3.3
Securities Related	390.4	351.9	11.0	91.4	135.9	-32.8
FX Trading/Derivatives	113.0	154.4	-26.8	79.5	-2.3	n.a
Others	-377.3	-382.8	n.a	-99.1	-136.0	n.a

## Cost-Income Ratio

(%)



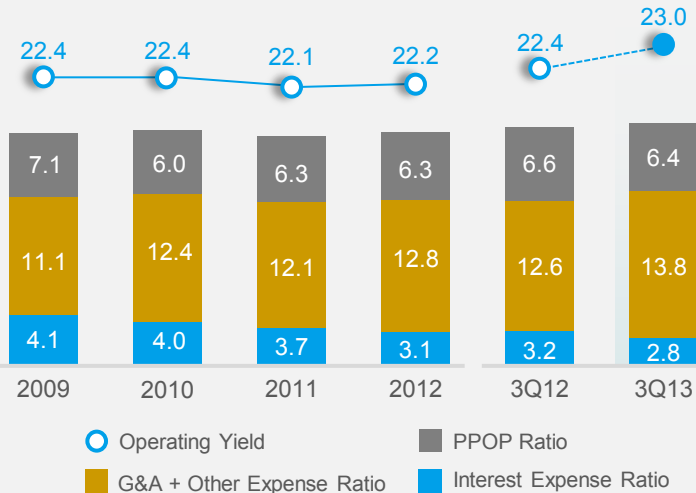
(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
G&A Expenses	2,021.4	1,998.7	1.1	660.0	703.9	-6.2
Salary & Employee Benefits	1,160.4	1,128.0	2.9	372.0	387.4	-4.0
D & A	151.0	144.9	4.2	53.2	51.3	3.6
Other Expenses	709.9	725.8	-2.2	234.9	265.2	-11.4



# Shinhan Card Income

## Operating Yield and PPOP Ratio (%)

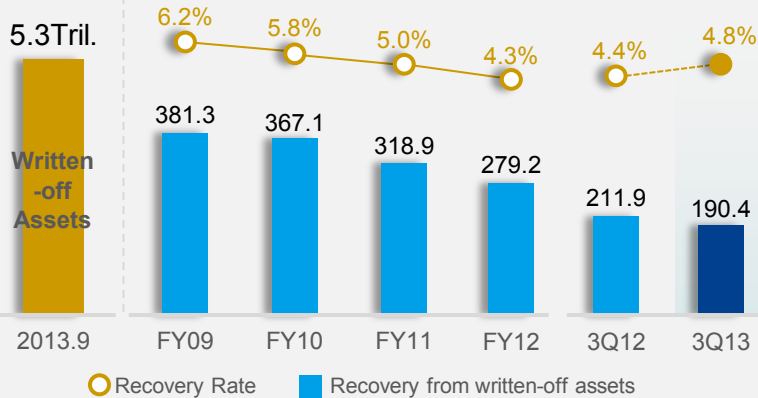
(%)



주) 파생/외환관련 수익과 비용의 경우 상계후 산출

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

(KRW bil.)

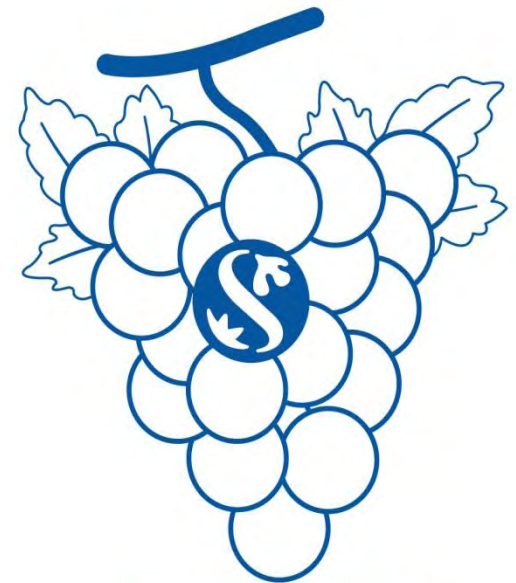


(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Operating Revenue (a)	3,473.7	3,409.9	1.9	1,033.3	1,254.3	-17.6
Card Business	2,811.8	2,844.8	-1.2	940.9	956.8	-1.7
Installment Finance	70.3	79.7	-11.8	22.7	23.2	-2.4
Lease	32.7	37.0	-11.4	10.9	10.8	0.5
Others	558.8	448.4	24.6	58.8	263.5	-77.7
(Derivatives & FX)	42.0	89.5	-53.0	-100.6	67.9	n.a
Interest Expense (b)	418.8	473.2	-11.5	136.5	139.9	-2.4
G&A Expenses (c)	501.8	454.5	10.4	178.9	163.7	9.3
Commissions & Other Expenses (d)	1,593.8	1,502.8	6.1	433.3	567.5	-23.6
(Derivatives & FX)	29.6	79.5	-62.7	-104.6	63.4	n.a
Pre-Provision Income (e=a-b-c-d)	959.3	979.5	-2.1	284.5	383.1	-25.7
Provision for Credit Losses (f)	270.3	226.2	19.5	81.6	102.0	-20.1
Earnings before Income Tax (g=e-f)	689.0	753.3	-8.5	203.0	281.1	-27.8
Income Tax	154.3	168.2	-8.3	42.6	67.3	-36.7
Net Income	534.8	585.1	-8.6	160.4	213.8	-25.0

## III. Assets & Liabilities

---

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



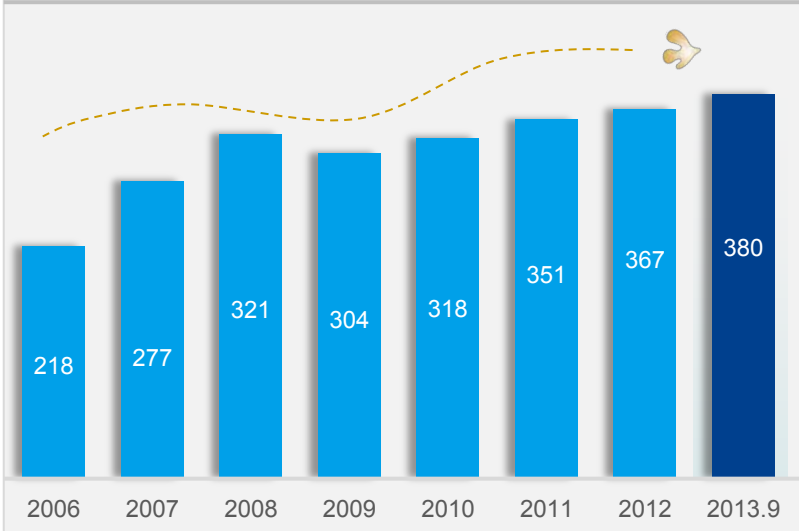
Autumn



# SFG Asset Growth

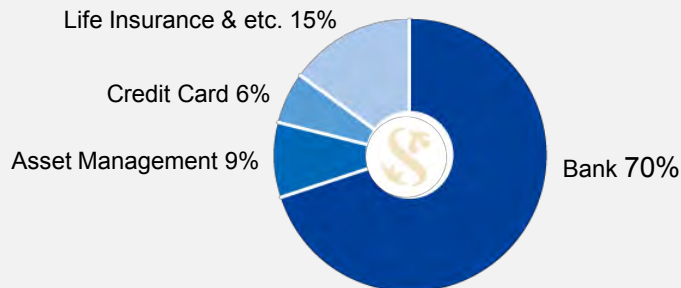
## SFG Total Assets

(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.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Bank (a)	267,458.5	259,451.2	3.1	270,338.7	-1.1
Shinhan Bank	264,319.6	256,196.8	3.2	267,192.9	-1.1
Jeju Bank	3,138.9	3,254.3	-3.5	3,145.8	-0.2
Non-Bank (b)	109,007.2	104,614.4	4.2	106,253.9	2.6
Shinhan Card	21,678.1	22,279.9	-2.7	21,779.7	-0.5
Shinhan Investment Corp.	28,269.5	26,458.0	6.8	27,107.4	4.3
Shinhan Life Insurance	18,698.9	16,942.2	10.4	18,075.8	3.4
Shinhan BNPP AM	34,148.3	33,246.4	2.7	32,918.9	3.7
Shinhan Capital	3,661.5	3,526.2	3.8	3,758.9	-2.6
Shinhan Savings Bank	850.5	636.1	33.7	938.6	-9.4
Shinhan Data System	22.0	16.3	35.1	21.4	2.9
Shinhan AITAS	33.4	31.0	7.9	31.3	6.6
Shinhan Credit Information	19.8	19.2	3.4	20.2	-2.1
Shinhan PE Investment Mgmt.	600.3	604.9	-0.8	608.4	-1.3
Others	1,024.9	854.2	20.0	993.4	3.2
Total <sup>1)</sup>	379,780.7	366,810.4	3.5	379,870.7	-0.0
Consolidate Total Assets	317,394.9	304,939.2	4.1	319,329.1	-0.6

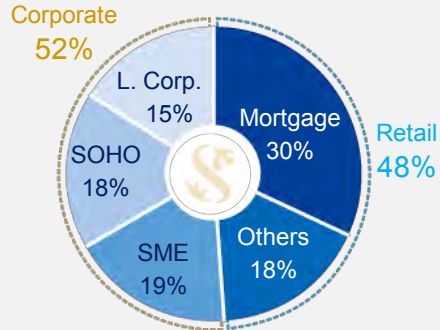
1) Including trust A/C and AUM(Including discretionary assets)



# SHB Loan / Deposit Growth

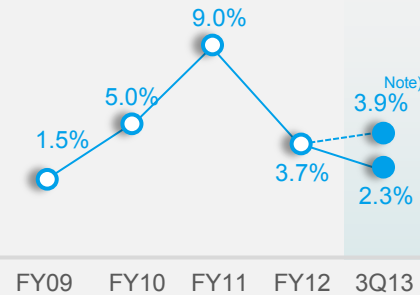
## Loan Composition

Note) As of Sept. 30, 2013



## KRW Loan Growth

Note) Including Loans Securitized  
(Retail Loan growth 1.0% → 4.4%)

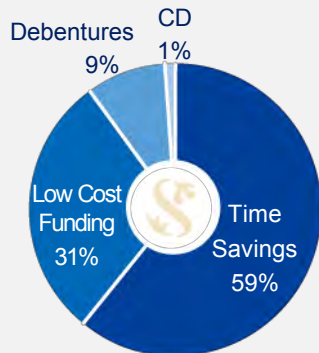


(KRW bil.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Loan in KRW	147,501	144,228	2.3	146,357	0.8
Retail	70,477	69,804	1.0	70,579	-0.1
Mortgage	43,742	45,668	-4.2	44,270	-1.2
Others <sup>1)</sup>	26,735	24,136	10.8	26,309	1.6
Corporate	77,023	74,424	3.5	75,778	1.6
SME	54,549	51,324	6.3	53,514	1.9
SOHO	27,009	24,984	8.1	26,363	2.4
Large Corporate etc.	22,475	23,101	-2.7	22,264	0.9
Loan in FX	5,745	5,900	-2.6	5,887	-2.4

Note) Including Unsecured Personal Loans, Commercial Mortgage Loans, Jeonse Loans etc.

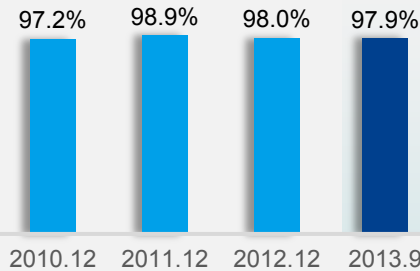
## Funding Composition

Note) As of Sept. 30, 2013



## Loan to Deposit Ratio

Note) Excluding CDs & monthly average basis



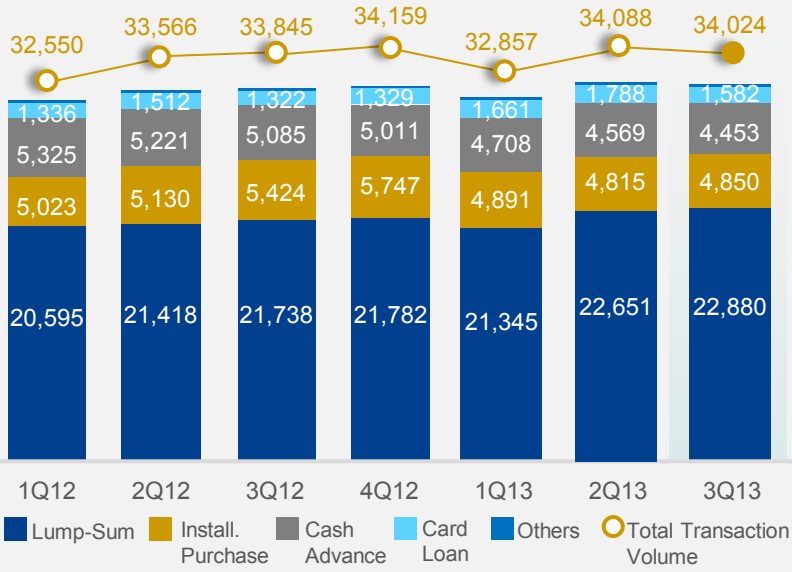
(KRW bil.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Total Deposits in KRW	150,493	147,318	2.2	150,559	0.0
Low Cost Deposits	52,048	47,105	10.5	51,423	1.2
Demand	17,797	15,746	13.0	17,238	3.2
Savings	34,251	31,359	9.2	34,185	0.2
Other Savings	98,445	100,213	-1.8	99,136	-0.7
Time Deposits	89,170	91,922	-3.0	90,226	-1.2
Accumulative etc.	9,275	8,290	11.9	8,910	4.1
Certificate of Deposits	1,362	943	44.4	1,362	0.1
Debentures in KRW	14,389	14,644	-1.7	14,211	1.3



# Shinhan Card Asset Growth

## Transaction Volume

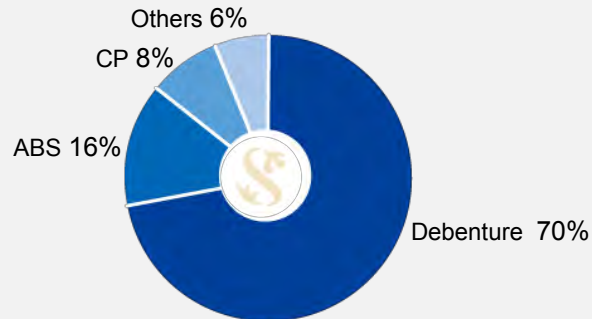
(KRW bil.)



(KRW bil.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Earning Assets	19,161	20,027	-4.3	19,327	-0.9
Credit Purchase	10,540	11,551	-8.8	10,831	-2.7
Cash Advances	2,389	2,767	-13.7	2,460	-2.9
Card Loan	4,185	3,496	19.7	3,982	5.1
(Re-aged Loan)	222	208	6.9	215	3.3
Installment Finance	1,204	1,242	-3.1	1,211	-0.6
Lease etc.	843	970	-13.1	843	0.0
Effective Cardholders (in thousands)	14,419	15,070	-4.3	14,454	-0.2
Merchants (in thousands)	2,805	2,755	1.8	2,788	0.6

## Funding Composition

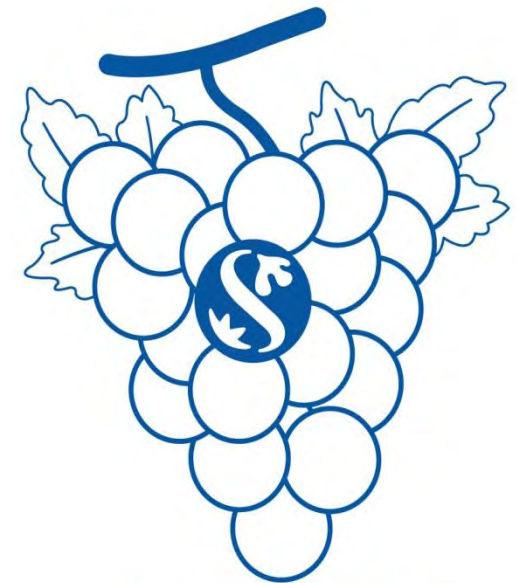
(As of Sept. 30, 2013)



(KRW bil.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Total Funding	12,187	12,877	-5.4	12,554	-2.9
Debentures	8,533	9,251	-7.8	9,046	-5.7
ABS	1,990	1,714	16.1	1,840	8.2
CP	963	1,043	-7.7	943	2.1
Others	701	870	-19.4	726	-3.5

## IV. Asset Quality

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

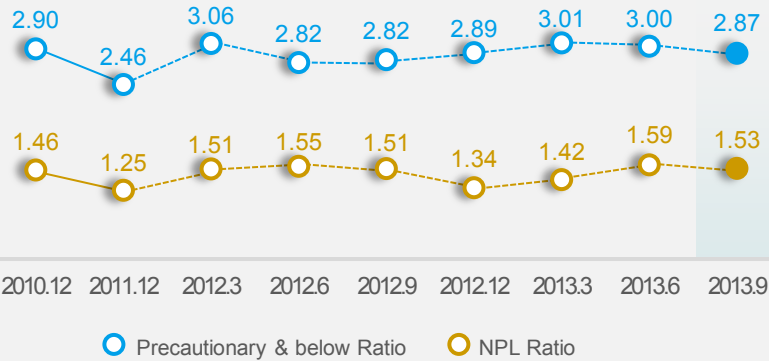


Autumn



# SFG Asset Quality

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



## NPL Coverage Ratio (%)



(KRW bil.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Total Loans <sup>1)</sup>	201,871	198,508	1.7	202,820	-0.5
Normal	196,077	192,767	1.7	196,733	-0.3
Precautionary	2,702	3,085	-12.4	2,871	-5.9
Substandard	1,684	1,313	28.3	1,827	-7.8
Doubtful	618	542	14.0	611	1.2
Estimated Loss	791	801	-1.3	779	1.5
Substandard & Below	3,092	2,655	16.5	3,216	-3.9
NPL Ratio	1.53%	1.34%	0.19%p	1.59%	-0.06%p
Loan Loss Allowance <sup>2)</sup>	4,458	4,522	-1.4	4,475	-0.4
NPL Coverage Ratio	144%	170%	-26%p	139%	5%p
Reserve for credit losses <sup>3)</sup>	1,757	1,844	-4.8	1,767	-0.6

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

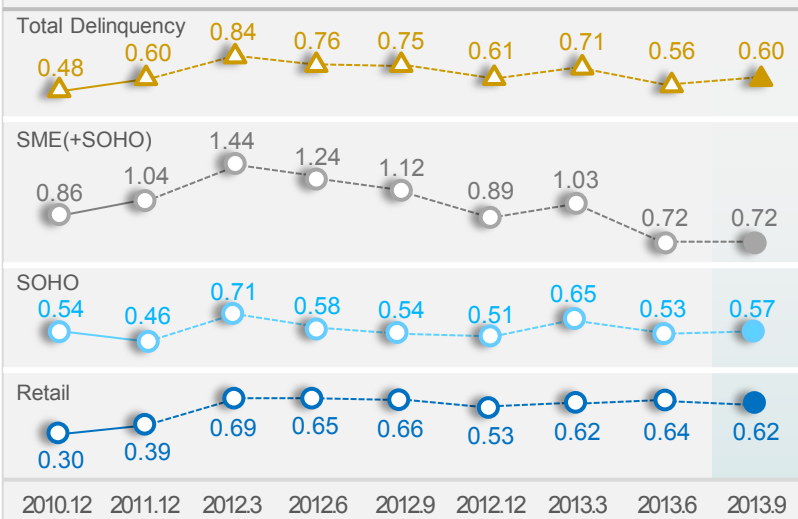


# SHB Asset Quality

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



Note) 1 month overdue

(KRW bil.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Total Loans	171,195	167,777	2.0	171,903	-0.4
Normal	167,158	163,852	2.0	167,589	-0.3
Precautionary	1,659	2,111	-21.4	1,847	-10.2
Substandard	1,474	1,079	36.7	1,613	-8.6
Doubtful	447	333	34.1	420	6.3
Estimated Loss	457	402	13.7	433	5.5
Substandard & Below	2,378	1,814	31.1	2,466	-3.6
NPL Ratio	1.39%	1.08%	0.31%p	1.43%	-0.04%p
Loan Loss Allowance <sup>1)</sup>	3,137	3,108	0.9	3,137	0.0
NPL Coverage Ratio	132%	171%	-39%p	127%	5%p
Reserve for credit losses <sup>2)</sup>	1,414	1,479	-4.4	1,427	-0.9

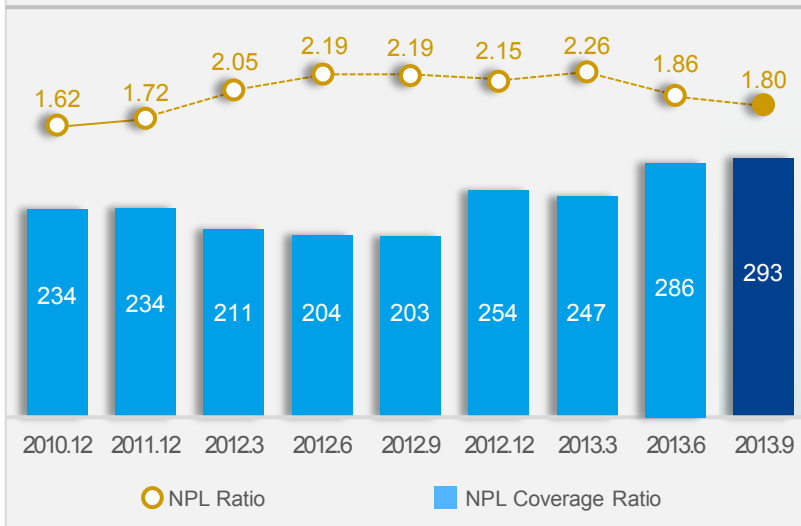
Note 1) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

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

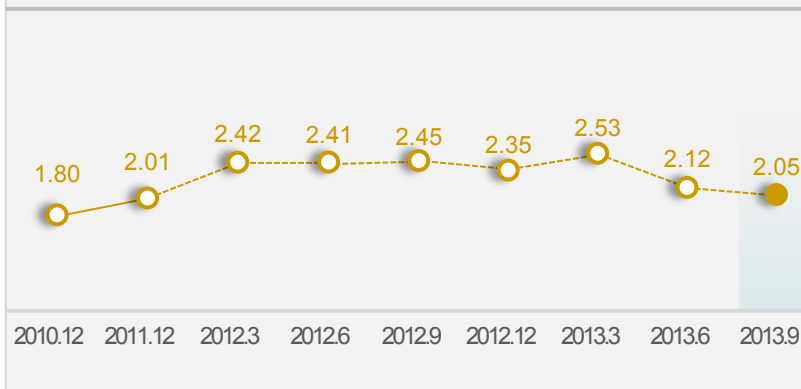


# Shinhan Card Asset Quality

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



Note) 1 month overdue from total credit

(KRW bil.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Total Loans	19,161	20,027	-4.3	19,327	-0.9
Normal	18,105	18,907	-4.2	18,255	-0.8
Precautionary	711	689	3.2	713	-0.2
Substandard	-	-	n.a.	-	n.a.
Doubtful	86	101	-15.2	90	-5.1
Estimated Loss	259	329	-21.4	269	-3.8
Substandard & Below	345	431	-19.9	359	-4.1
NPL Ratio	1.80%	2.15%	-0.35%p	1.86%	-0.06%p
Loan Loss Allowance <sup>1)</sup>	1,010	1,093	-7.6	1,028	-1.8
NPL Coverage Ratio	293%	254%	39%p	286%	7%p
Reserve for credit losses <sup>2)</sup>	305	334	-8.7	304	0.3

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

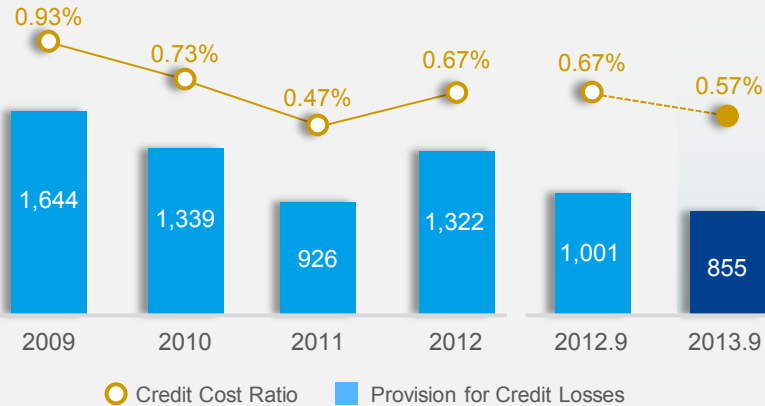
2) Excluding reserve for contingent acceptances & guarantees and unused credit lines



# Provision for Credit Losses / Write-Offs

## SFG Provision for Credit Losses

(KRW bil.)



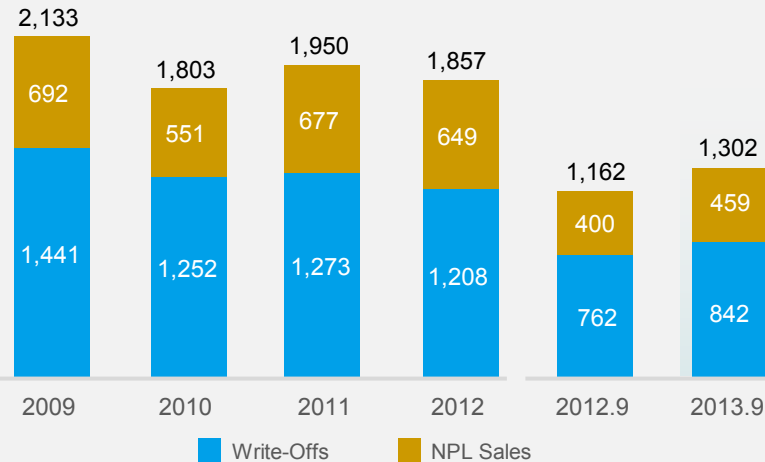
## Credit Costs

(KRW bil.)	2013	1Q	2Q	3Q	2012	1Q	2Q	3Q	4Q
Shinhan Bank <sup>1)</sup>	491	246	133	111	837	135	245	265	192
Retail	178	107	32	39	179	38	61	44	36
Corporate	313	139	101	72	658	97	184	221	156
Shinhan Card	270	87	102	82	295	58	79	89	69
<b>Total</b>	<b>761</b>	<b>333</b>	<b>235</b>	<b>193</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.)

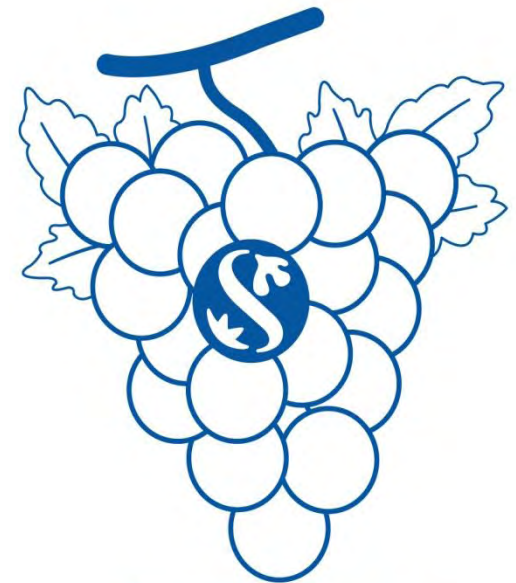


## Write-Offs & NPL Sales

(KRW bil.)	2013	1Q	2Q	3Q	2012	1Q	2Q	3Q	4Q
Shinhan Bank	777	128	412	237	1,346	40	366	398	542
(Sale)	389	75	172	142	649	-	232	168	249
Retail	228	49	92	88	282	15	73	64	131
(Sale)	141	17	62	62	173	-	55	38	80
Corporate	549	79	321	150	1,063	25	293	334	411
(Sale)	247	58	109	80	476	-	177	129	169
Shinhan Card	524	146	219	159	512	98	125	135	153
<b>Total</b>	<b>1,302</b>	<b>274</b>	<b>631</b>	<b>396</b>	<b>1,857</b>	<b>138</b>	<b>491</b>	<b>533</b>	<b>695</b>

# V . Capital Adequacy

## 1. Capital Adequacy



Autumn



## Group BIS Ratio

(KRW bil.)	2013.9(e)	2013.6	QoQ	
			Difference	%
Risk-Weighted Assets	199,320	200,763	-1,443	-0.7%
Capital	25,988	25,237	751	3.0%
Tier 1	20,343	19,909	434	2.2%
Tier 2	5,645	5,328	317	5.9%
BIS Ratio	13.0%	12.6%		0.4%p
Tier 1	10.2%	9.9%		0.3%p
Tier 2	2.8%	2.7%		0.1%p

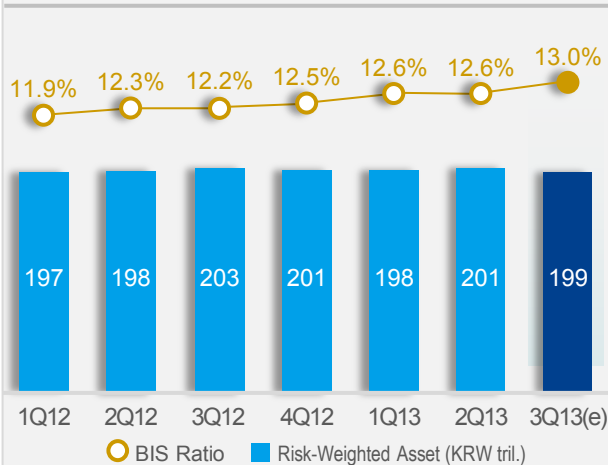
Note) Based on Basel I

## Shinhan Bank BIS Ratio

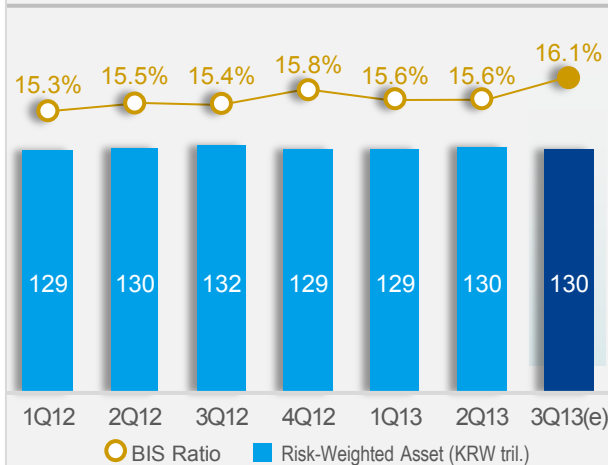
(KRW bil.)	2013.9(e)	2013.6	QoQ	
			Difference	%
Risk-Weighted Assets	129,829	130,469	-640	-0.5%
Capital	20,892	20,309	583	2.9%
Tier 1	17,036	16,747	289	1.7%
Tier 2	3,856	3,561	295	8.3%
BIS Ratio	16.1%	15.6%		0.5%p
Tier 1	13.1%	12.8%		0.3%p
Tier 2	3.0%	2.7%		0.3%p

Note) Based on Basel II FIRB approach

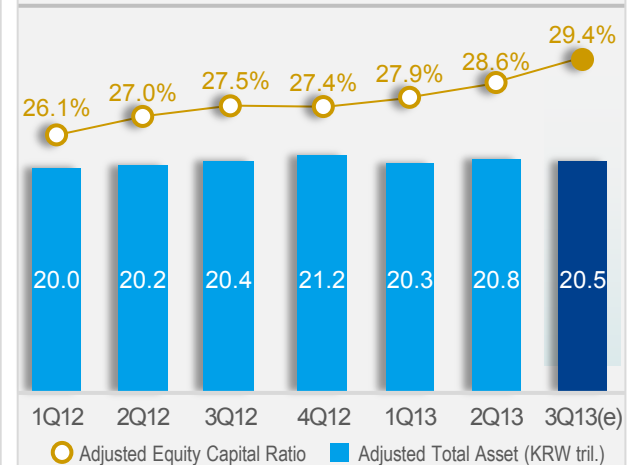
## Group BIS Ratio



## SHB BIS Ratio



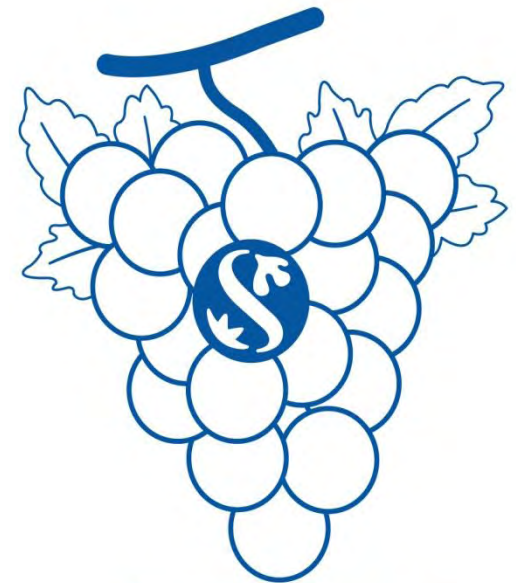
## Shinhan Card Capital Adequacy Ratio



## **VI. Appendix**

---

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

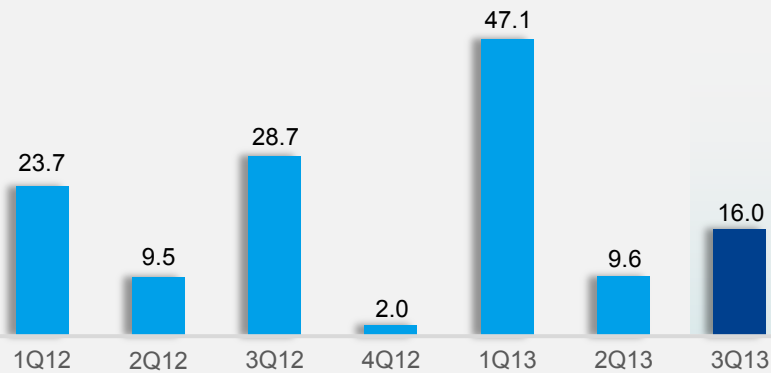


**Autumn**



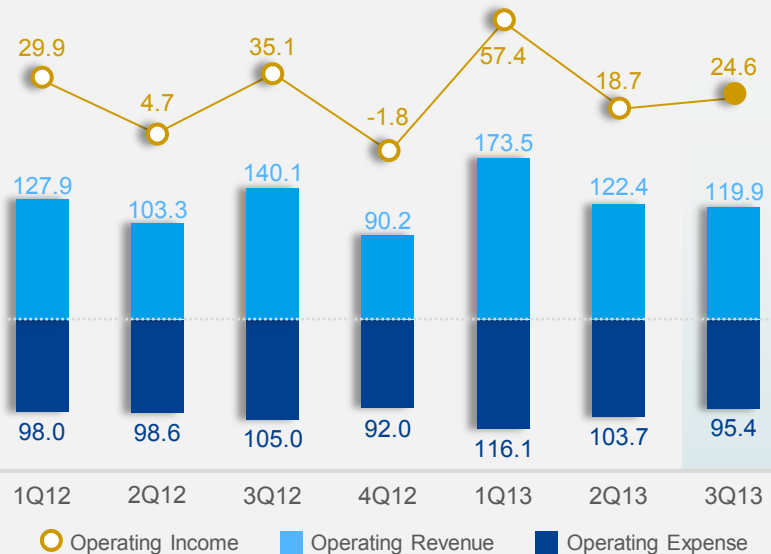
## Net Income

(KRW bil.)



## Operating Income

(KRW bil.)



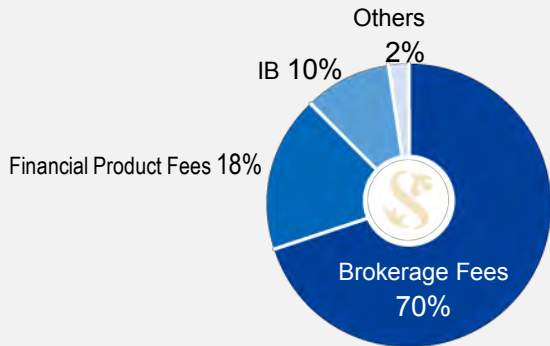
## Condensed I/S & Key Financial Indices

(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Operating Revenue	415.9	371.2	12.0	119.9	122.4	-2.0
Fees & Commission	211.4	226.7	-6.7	68.4	74.7	-8.5
Proprietary Trading	101.6	108.0	-5.9	25.5	15.2	67.9
Others	102.8	36.6	181.3	26.0	32.5	-19.9
Operating Expense	315.2	301.5	4.5	95.4	103.7	-8.1
G&A Expenses	278.8	268.5	3.9	93.0	92.1	1.0
Commission Expense	36.7	32.5	13.0	11.9	11.9	-0.6
Provision for Credit Losses	-0.4	0.6	n.a.	-9.5	-0.3	n.a.
Operating Income	100.7	69.7	44.5	24.6	18.7	31.4
Net Income	72.6	61.9	17.3	16.0	9.6	67.5
Net Capital Ratio(%)	611.3%	587.6%	23.7%p	611.3%	610.8%	0.5%p
ROE	4.4%	3.8%	0.6%p	4.4%	5.1%	-0.7%p
ROA	0.5%	0.6%	-0.1%p	0.5%	0.6%	-0.1%p

Note) ROE, ROA are calculated on a cumulative basis



## Fees & Commission

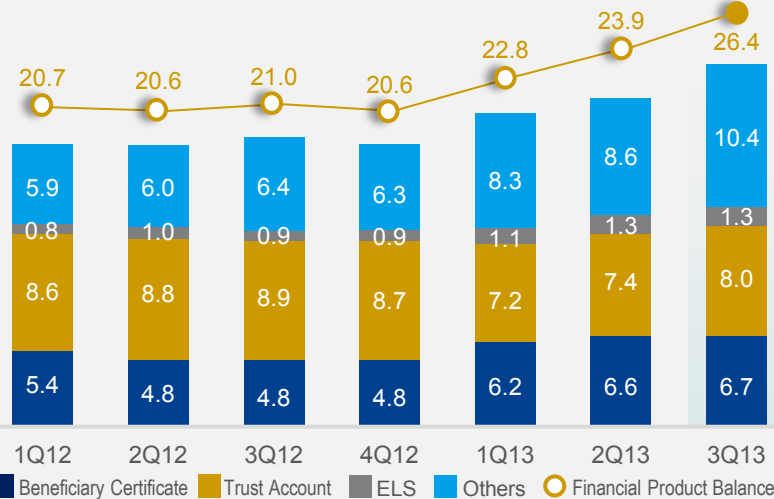


## Fees & Commission

(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Fees & Commission	211.4	226.7	-6.7	68.4	74.7	-8.5
Brokerage Fees	148.9	174.5	-14.7	46.3	53.2	-13.0
Financial Product Fees	37.7	21.6	74.5	10.3	14.7	-30.3
IB	21.0	28.4	-26.3	10.9	5.6	94.7
Others	3.9	2.1	84.5	0.9	1.2	-20.0

## Financial Products Note)

(KRW tril.)



## Balance of Financial Products

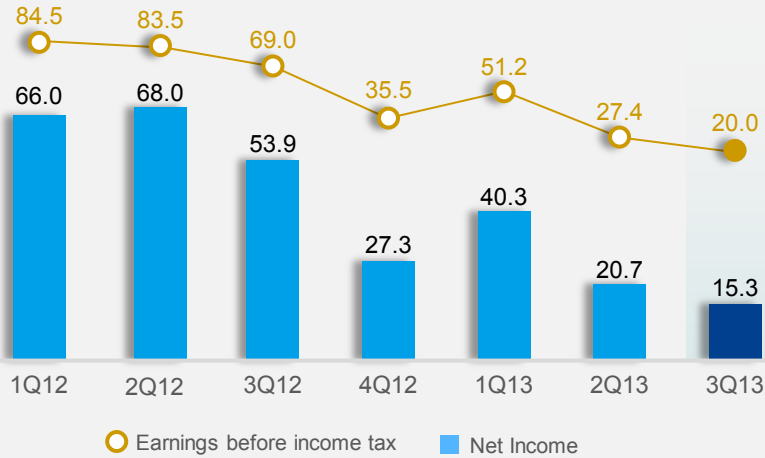
(KRW tril.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Financial Products	26.4	20.6	28.2	23.9	10.4
Beneficiary Certificate	6.7	4.8	41.0	6.6	1.6
Trust Account	8.0	8.7	-7.7	7.4	8.4
ELS	1.3	0.9	46.1	1.3	-1.2
Others	10.4	6.3	65.9	8.6	20.7

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

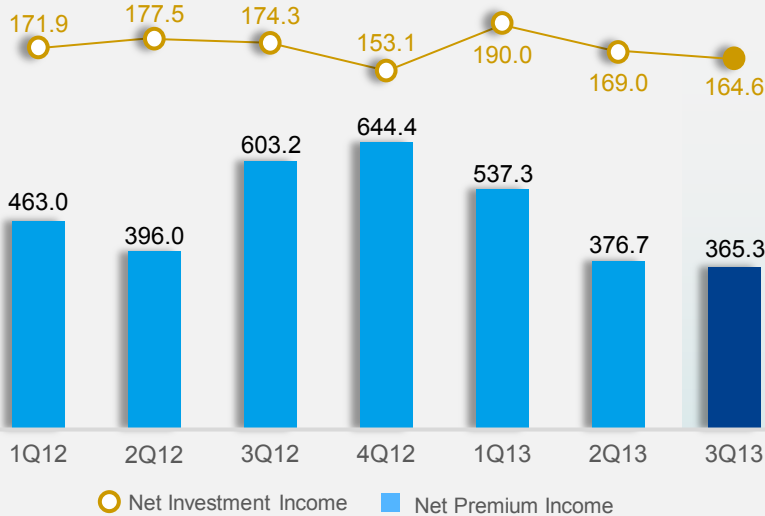


## Net Income

(KRW bil.)



## Investment Income & Premium Income



## Condensed I/S & Key Financial Indices

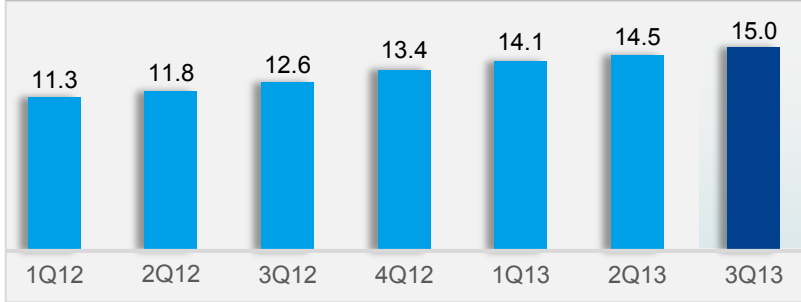
(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Total Income	1,832.0	2,017.5	-9.2	540.3	555.7	-2.8
Net Premium Income	1,279.3	1,462.1	-12.5	365.3	376.7	-3.0
Net Investment Income	523.6	523.7	0.0	164.6	169.0	-2.6
Special Account/Others	29.1	31.7	-8.2	10.4	10.0	4.0
Policy Reserve Write Back(Δ)	1,733.4	1,780.5	-2.6	520.3	528.3	-1.5
Earnings before Income Tax	98.6	237.0	-58.4	20.0	27.4	-27.0
Net Income	76.3	188.0	-59.4	15.3	20.7	-25.7
Solvency Margin Ratio	252.9%	311.9%	-59.0%p	252.9%	258.4%	-5.5%p
ROE	7.7%	20.1%	-12.4%p	7.7%	9.2%	-1.5%p
ROA	0.6%	1.7%	-1.1%p	0.6%	0.7%	-0.1%p

Note) ROE, ROA are calculated on a cumulative basis



## Operating Assets

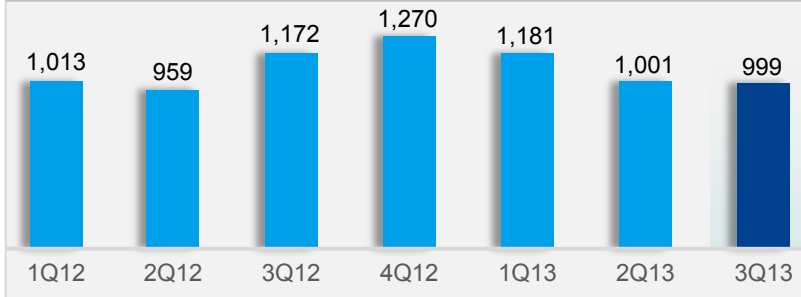
(KRW tril.)



Note) Excluding Retirement Pension

## Premium Received

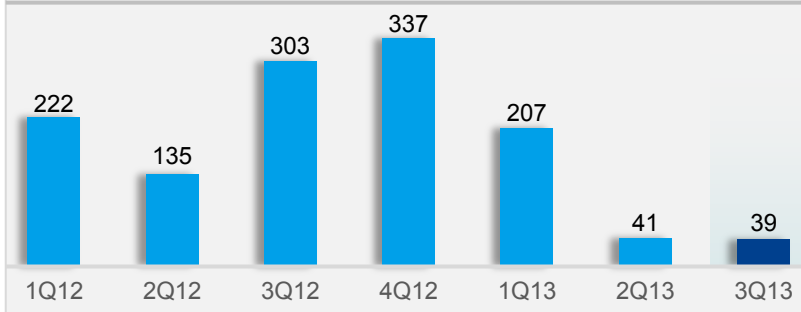
(KRW bil.)



Note) Excluding Retirement Pension

## New Premium

(KRW bil.)



Note) Excluding Retirement Pension

## Operating Assets & Special Account Assets

(KRW bil.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Operating Assets	15,046.8	13,365.7	12.6	14,473.7	4.0
Fixed Income	8,084.4	7,113.7	13.6	7,426.6	8.9
Loans	3,992.1	3,581.0	11.5	3,863.5	3.3
Equities	138.3	151.1	-8.5	156.3	-11.5
Cash & Deposits	933.4	1,510.8	-38.2	1,030.0	-9.4
Others	1,898.6	1,009.1	88.1	1,997.3	-4.9
Special Account	2,013.4	1,896.1	6.2	1,904.7	5.7

## Premium Breakdown

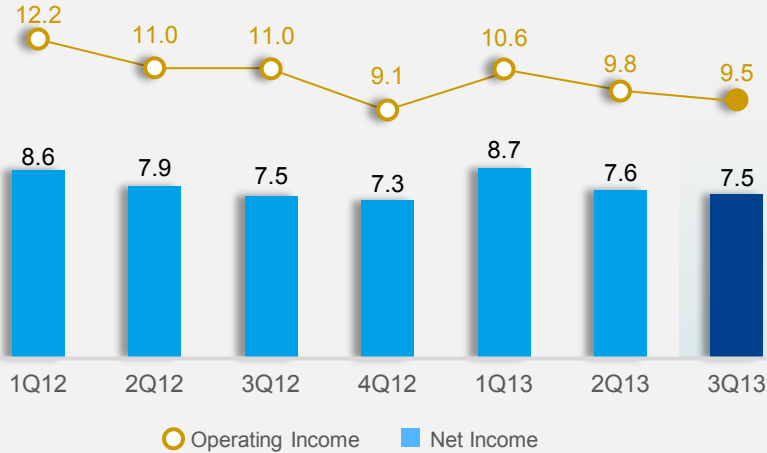
(KRW bil.)	2013	2013			2012	2012			
		1Q	2Q	3Q		1Q	2Q	3Q	4Q
Prem. Received	3,180	1,181	1,001	999	4,414	1,013	959	1,172	1,270
New Premium	287	207	41	39	997	222	135	303	337

Note) Excluding Retirement Pension



## Net Income

(KRW bil.)



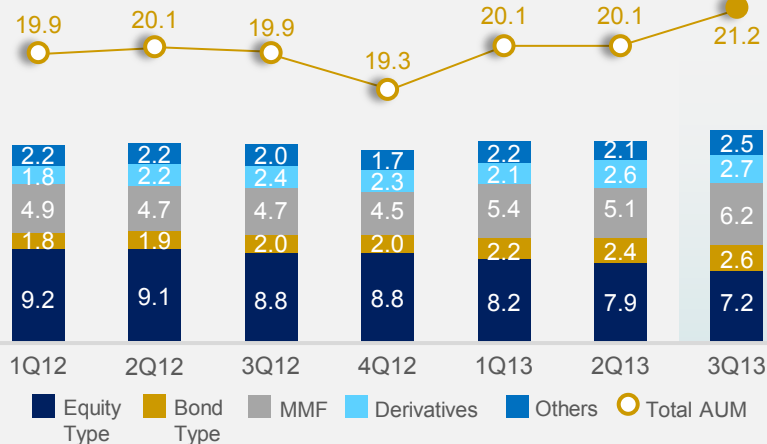
## Condensed I/S & Key Financial Indices

(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Operating Revenue	73.9	76.3	-3.1	24.5	24.5	0.0
Operating Expense	44.0	42.1	4.5	15.0	14.8	1.4
(G&A Expenses)	28.4	27.7	2.5	9.8	9.7	1.0
Operating Income	29.9	34.2	-12.6	9.5	9.8	-3.1
Net Income	23.8	24.0	-0.8	7.5	7.6	-1.3
ROE	22.2%	22.4%	-0.2%p	22.2%	23.3%	-1.1%p

Note) ROE is calculated on a cumulative basis

## Assets Under Management

(KRW tril.)



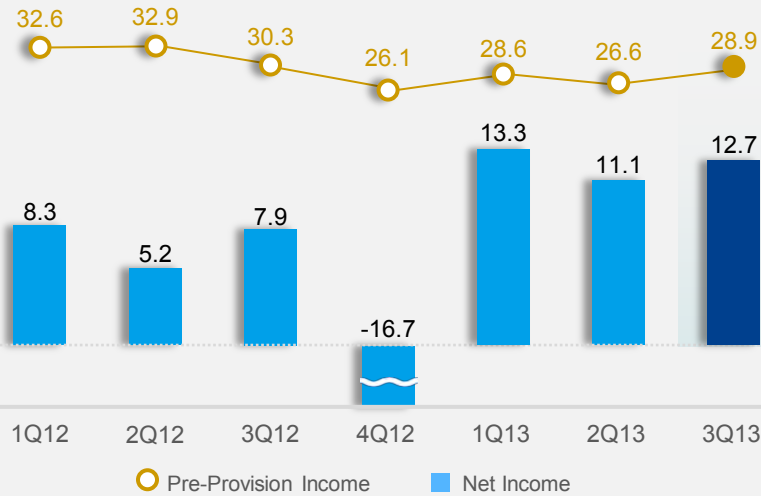
## Assets Under Management

(KRW tril.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Total AUM	21.2	19.3	9.8	20.1	5.4
Equity Type	7.2	8.8	-18.4	8.2	-12.2
Bond Type	2.6	2.0	28.7	2.2	18.2
MMF	6.2	4.5	37.5	5.4	14.8
Derivatives	2.7	2.3	19.5	2.1	28.6
Others	2.5	1.7	47.1	2.2	13.6



## Net Income

(KRW bil.)



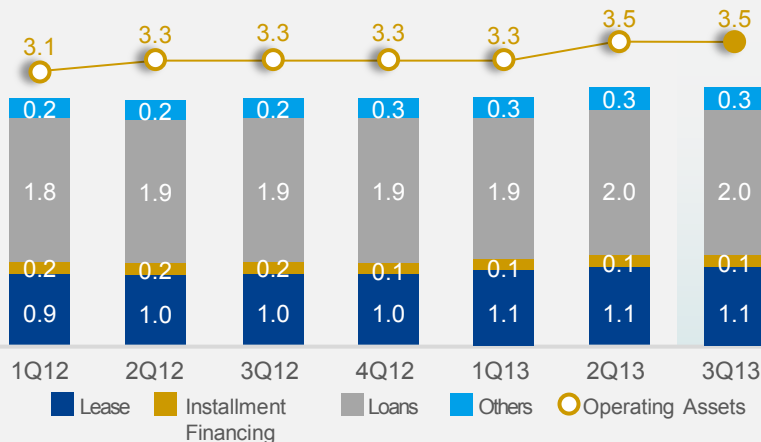
## Condensed I/S & Key Financial Indices

(KRW bil.)	3Q13 (Acc.)	3Q12 (Acc.)	YoY%	3Q13	2Q13	QoQ%
Operating Revenue	244.0	266.2	-8.3	50.5	98.5	-48.7
Operating Expense	159.9	170.3	-6.1	21.7	71.9	-69.9
(Interest Expense)	88.4	101.1	-12.6	29.1	29.0	0.3
(G&A Expenses)	17.9	13.8	30.0	6.0	8.4	-28.1
Pre-Provision Income	84.1	95.9	-12.3	28.9	26.6	8.6
Provision for Credit Losses	36.0	68.1	-47.1	14.0	10.7	31.2
Net Income	37.1	21.4	72.9	12.7	11.1	14.4
ROE	10.1%	5.7%	4.4%p	10.1%	10.0%	0.1%p
ROA	1.4%	0.8%	0.6%p	1.4%	1.3%	0.1%p

Note) ROE, ROA are calculated on a cumulative basis

## Operating Assets

(KRW tril.)



## Operating Assets

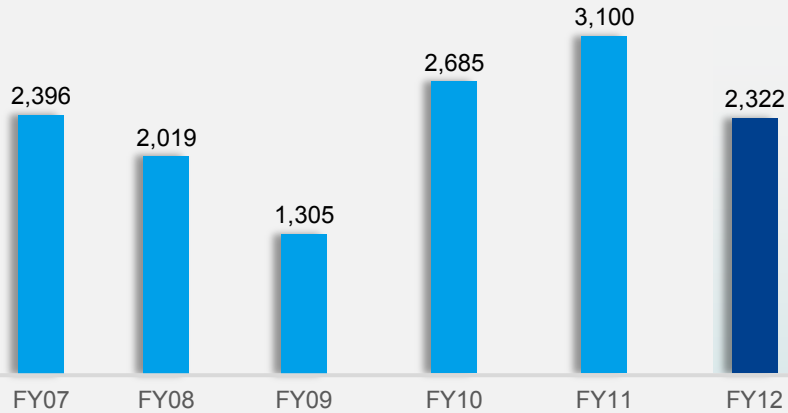
(KRW tril.)	2013.9	2012.12	YTD%	2013.6	QoQ%
Operating Assets	3.5	3.3	7.4	3.5	1.2
Lease	1.1	1.0	7.6	1.1	0.4
Installment Financing	0.1	0.1	-5.1	0.1	6.1
Loans	2.0	1.9	8.0	2.0	2.4
Others	0.3	0.3	8.9	0.3	-5.4



# Key Financial Indices

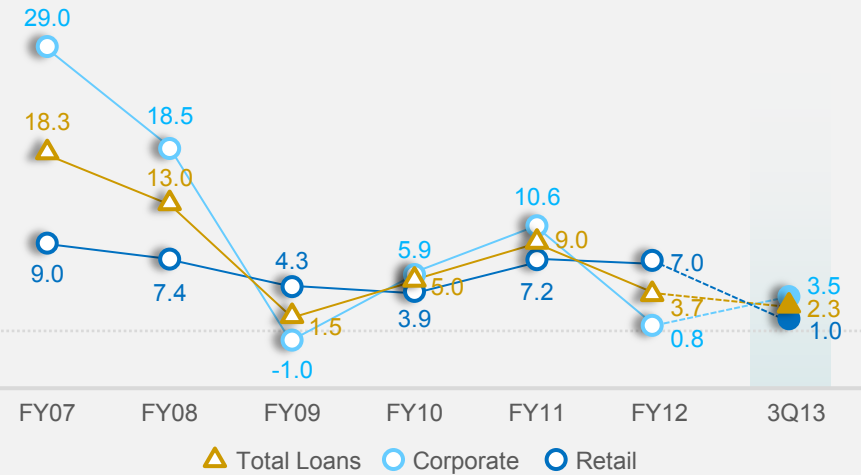
## Group Net Income

(KRW bil.)



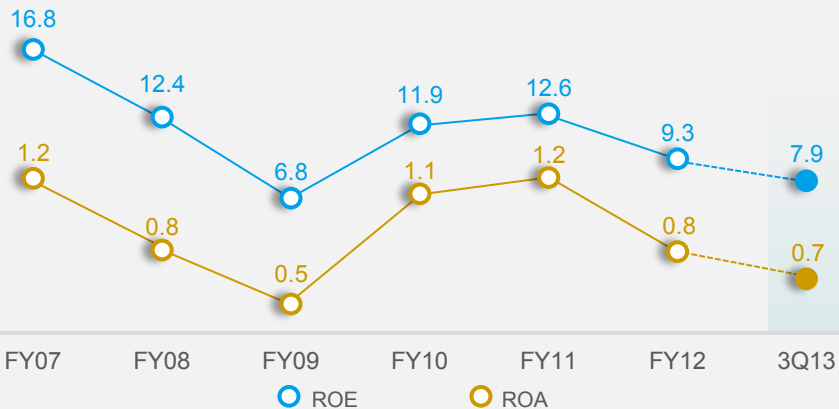
## SHB Loan Growth Rate

(%)



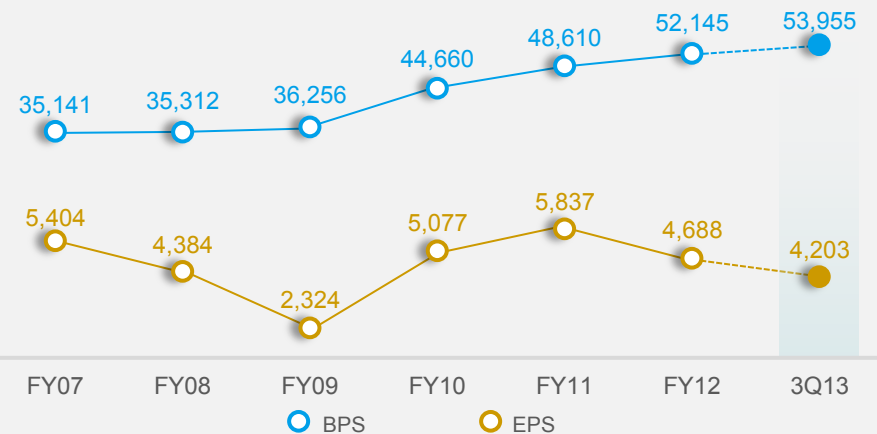
## ROA / ROE

(%)



## BPS / EPS

(KRW)



Note) ROE based on common stock

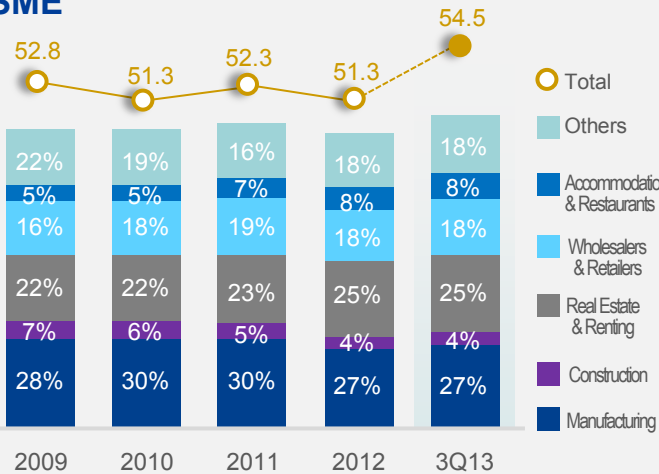
Note) Based on common stock



# Shinhan Bank SME Loans

## Loans

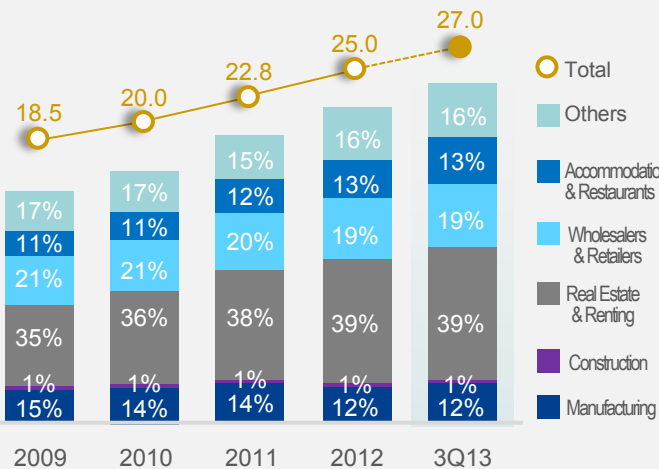
### SME



Note) SME Loan by Borrowers as of Sept. 30, 2013

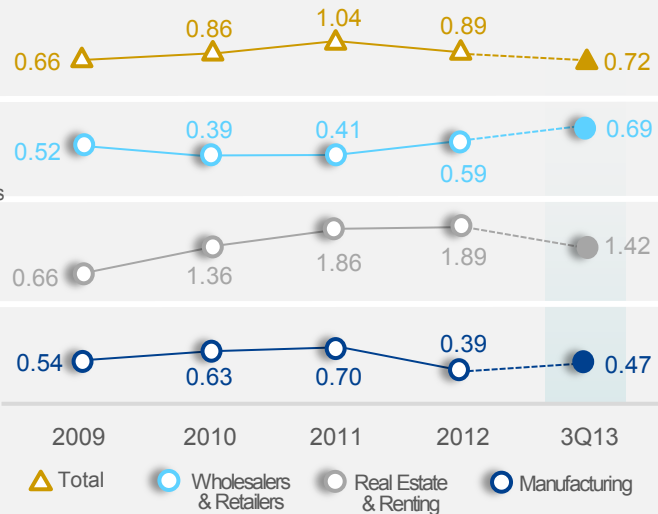
: SOHO 48%, Registered 27%, Unregistered 25%

### SOHO



(KRW tril.)

## Delinquency



(%)

## Collateral

