



Winter

# BUSINESS RESULTS

## FY 2015

# Disclaimer Statement

The financial information contained herein has neither been reviewed or audited by independent auditors.

Therefore, no assurance is given that the financial information contained herein is accurate or complete, and such financial information may differ from the financial information to be contained in our financial statements audited by independent auditors. The information contained herein is subject to change without further notice.

We also note the following:

- 1) Financial information for periods on or following January 1, 2010 has been prepared in accordance with the Korean IFRS, whereas financial information for periods on or prior to December 31, 2009 has been prepared in accordance with Korean GAAP.
- 2) Financial information for the years ended December 31, 2011, 2012 and 2013 have been retroactively restated to reflect changes in accounting policies.

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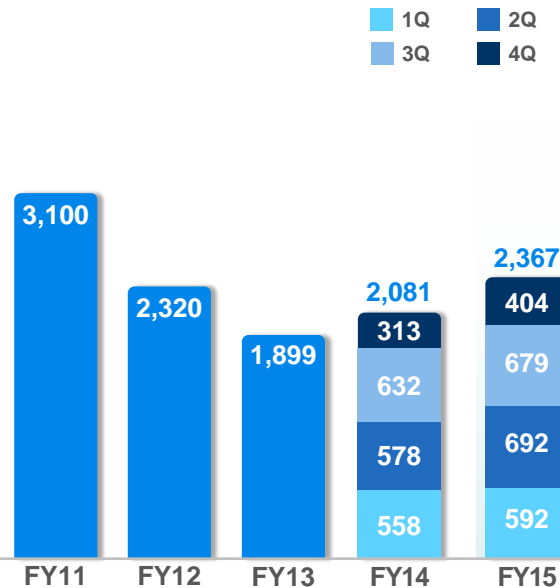
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# FY 2015 Business Results Highlights (1)

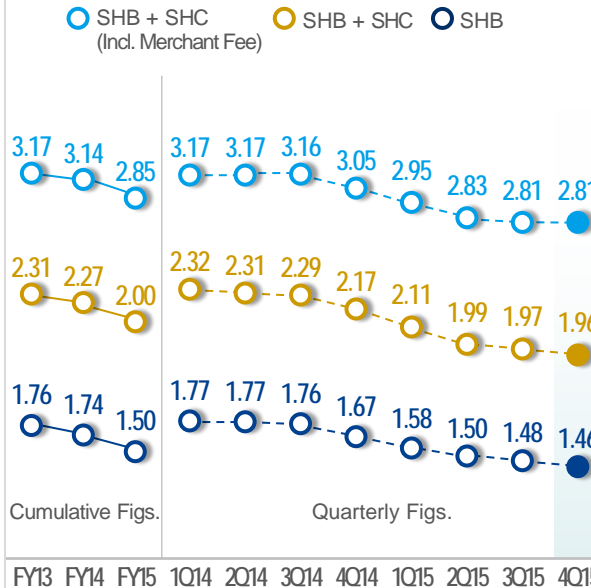
## Group Net Income (KRW bil.)



**FY2015 Net Income : KRW 2,367.2 bil.**  
(During 4Q15, KRW 404.0 bil.)

- SFG posted 2.37tril. of net income in FY2015, 13.7% YoY hike from 2014.
- Interest income slightly decreased by 1.4% YoY despite rapid contraction of NIM. However, interest income increased QoQ by 3.1% attributed to resilient loan growth along with stable margin.
- Non-interest income increased by 40.3% YoY attributed to increased gain in securities investment and fee income.
- SG&A increased 12.2% QoQ, due to seasonality factors such as ERP, while annual increase was tamed at 0.3% YoY through persistent cost control.

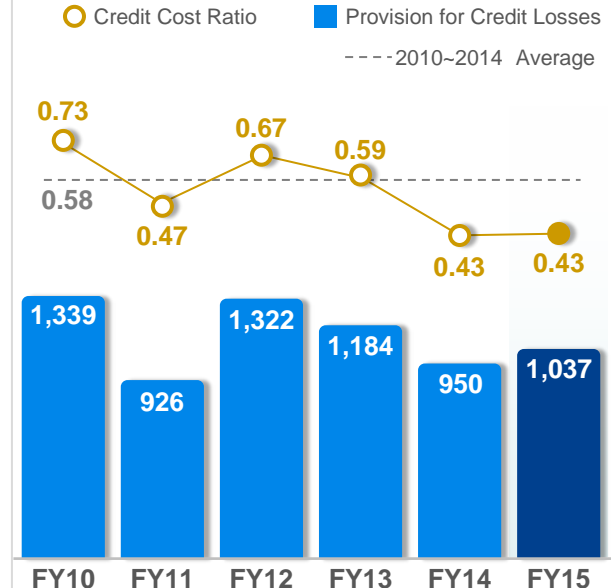
## NIM (%)



**2015 4Q Bank NIM : 1.46%,**  
**Group NIM 1.96%**

- Group NIM stood at 1.96% contracting by only 1bp QoQ. NIM entered into stabilizing stage.
- SHB's quarterly NIM decreased by 2bp QoQ to 1.46% from 1.48%. Active loan growth with appropriate pricing policy tandem with lowering funding costs resulted in NIM stabilization.
- Group margin including credit card merchant fee marked 2.81%, remaining flat QoQ, due to stable increase in credit card sales volume.

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

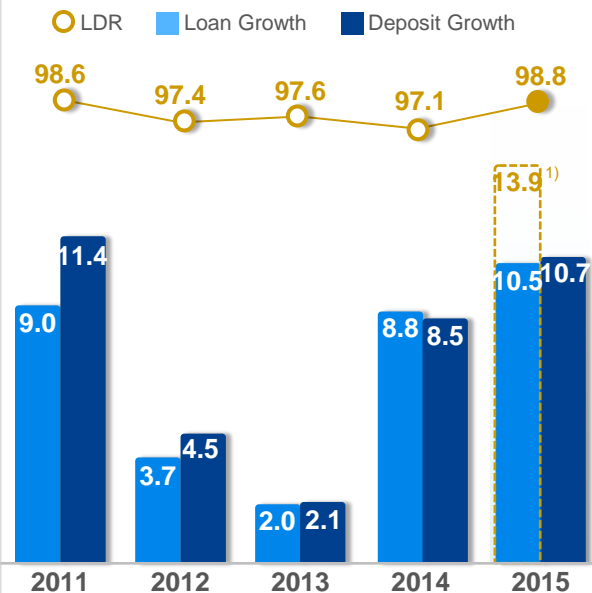


**FY2015 Credit Cost 0.43%**  
(15bp lower than 5-year average)

- Group credit costs marked 0.43% maintaining at historically lowest level attributed to consistent credit risk management and disciplined credit appetite.
- SHB's credit costs increased by 29.7% YoY due to absence of one-off write-back in 2014 along with provisions increase related to restructuring companies during 1H 2015. Fortunately, recurring basis credit costs is remaining at a stable level.
- SHC's provision decreased by 20.6% YoY, with continuing asset quality improvement. Provision QoQ decreased by 65.5% due to write-backs.

# FY 2015 Business Results Highlights (2)

## Loans & Deposits (%)

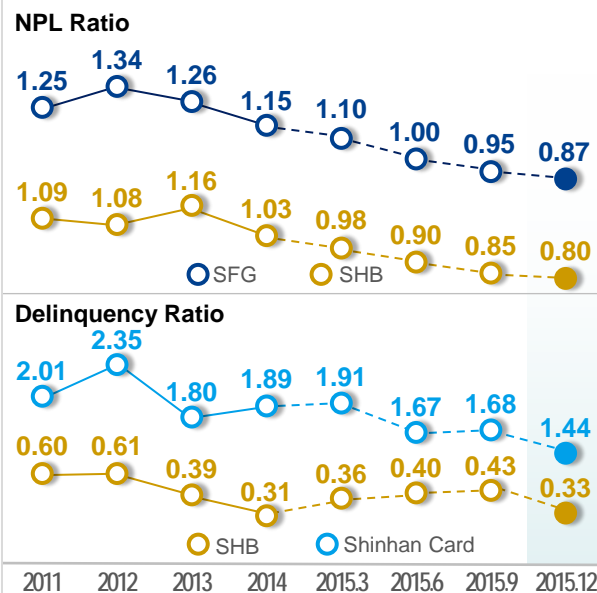


Note1) Including Loans Securitized

**FY2015 Loan/Deposit growth at 10.5%, 10.7%  
LDR stable at 98.8%**

- KRW loan balance increased by 10.5% YTD to 176.8 tril. in 2015.(up by 13.9% YTD., incl. loans securitized) even reflecting securitization of 4.3 tril. related to mortgage Relief Loans. Growth was driven by two sectors; SME loans and Retail loans, each increased by 12.4% and 12.1% respectively.
- Deposit increased by 10.7% YTD reaching 180.8 tril., attributed to stable increase in low costs deposits.
- LDR stood at 98.8% maintaining at a stable level.

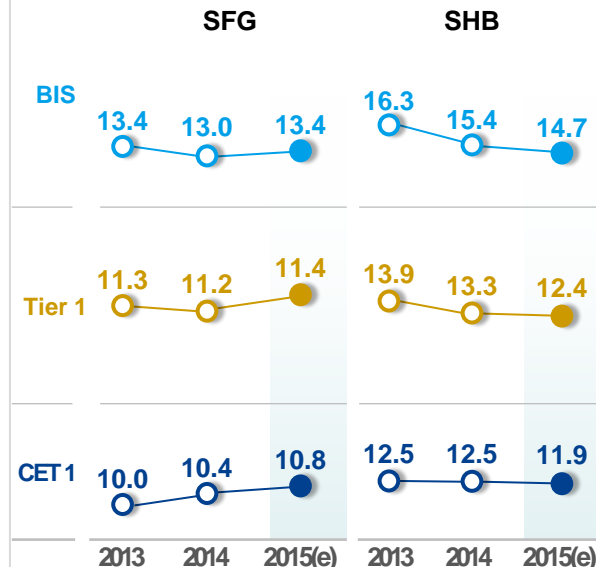
## NPL / Delinquency Ratio (%)



**Group NPL ratio : 0.87%,  
Bank Delinquency ratio : 0.33%**

- NPL ratio for the Group and SHB recorded 0.87% and 0.80%, improved by 0.08%p and 0.05%p QoQ respectively. Asset quality trend reached to lowest NPL level in 9 years both for the Group and SHB.
- NPL coverage ratio for the Group and SHB each marked 191% and 173%, increasing by 6%p and 3%p respectively.
- SHB and SHC delinquency ratio recorded 0.33% and 1.44%, which improved by 10bp and 24bp respectively. Major factors for improvement attributed to active write-offs & sales and persistent asset quality control.

## Capital Adequacy (%)



Note) Based on Basel 3

**2015 Group CET1 Ratio 10.8%,  
SHB CET1 Ratio 11.9%**

- Based on BASEL3, Group's Common Equity Tier1 and BIS ratio each marked 10.8% and 13.4% driven by growth in earnings with reasonable level of risk weighted asset growth.
- Based on BASEL3, SHB's Common Equity Tier1 and BIS ratio each marked 11.9% and 14.7%, both ratio slightly compressed due to growth in risk-weighted assets.

## **II . Income**

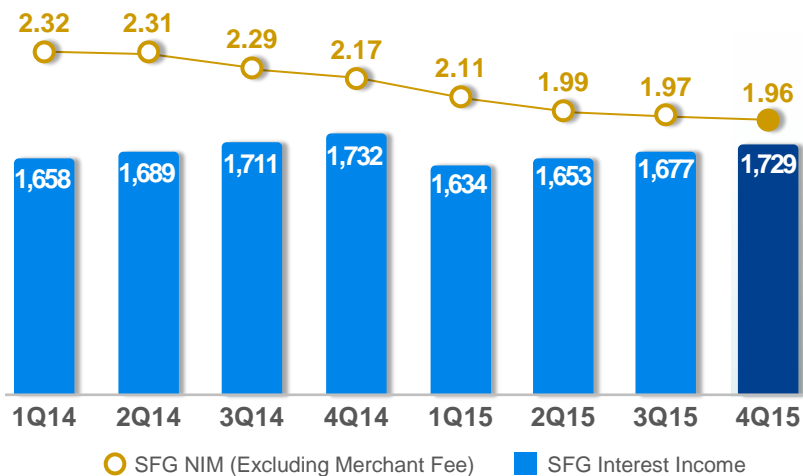
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- 1. SFG Income**
- 2. SFG Non-Interest Income**
- 3. SFG G&A Expenses**
- 4. Subsidiaries Income (1)**
- 5. Subsidiaries Income (2)**
- 6. SHB Income / NIM**
- 7. SHB Non-Interest Income**
- 8. Shinhan Card Income**

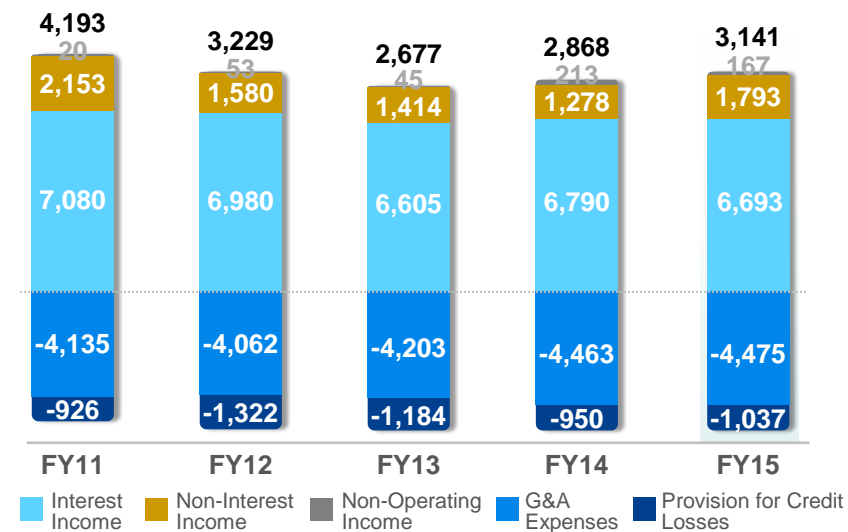


# SFG Income

## SFG Interest Income & NIM(Quarterly) (% , KRW bil.)



## SFG Earnings before Income Tax (KRW bil.)



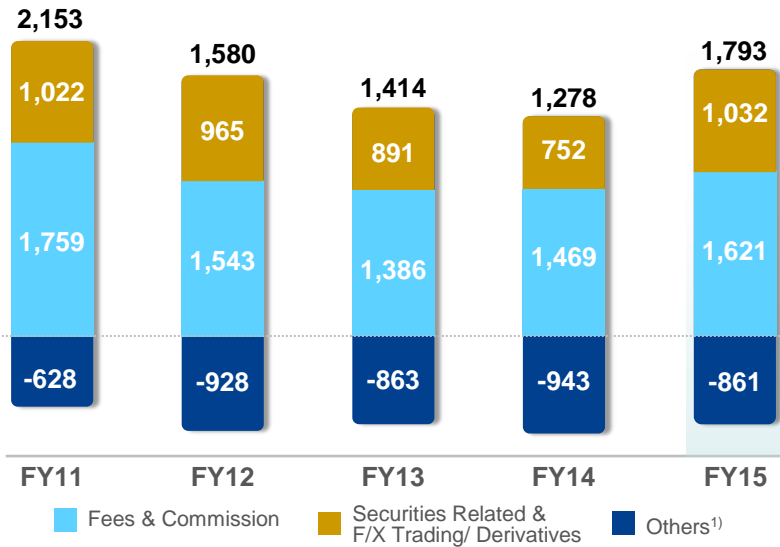
(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
Operating Income (a=b+c)	8,485.7	8,067.6	5.2	1,971.6	2,079.1	-5.2
Interest Income (b)	6,692.9	6,789.8	-1.4	1,729.2	1,677.0	3.1
Non-Interest Income (c)	1,792.7	1,277.8	40.3	242.4	402.2	-39.7
G&A Expenses (d)	4,475.1	4,462.9	0.3	1,234.3	1,099.7	12.2
Pre-Provision Oper. Income (e=a-d)	4,010.6	3,604.8	11.3	737.4	979.4	-24.7
Non-Operating Income (f)	167.4	212.8	-21.3	0.6	95.1	-99.4
Pre-Provision Income (g=e+f)	4,178.0	3,817.5	9.4	737.9	1,074.6	-31.3
Provision for Credit Losses (h)	1,037.4	949.9	9.2	181.6	200.7	-9.5
Earnings before Income Tax (i=g-h)	3,140.6	2,867.6	9.5	556.3	873.8	-36.3
Income Tax	694.6	668.0	4.0	133.5	175.7	-24.0
Consolidated Net Income <sup>1)</sup>	2,367.2	2,081.1	13.7	404.0	679.0	-40.5

Note 1) Net Income in Controlling Interest

# SFG Non-Interest Income

## SFG Non-Interest Income

(KRW bil.)

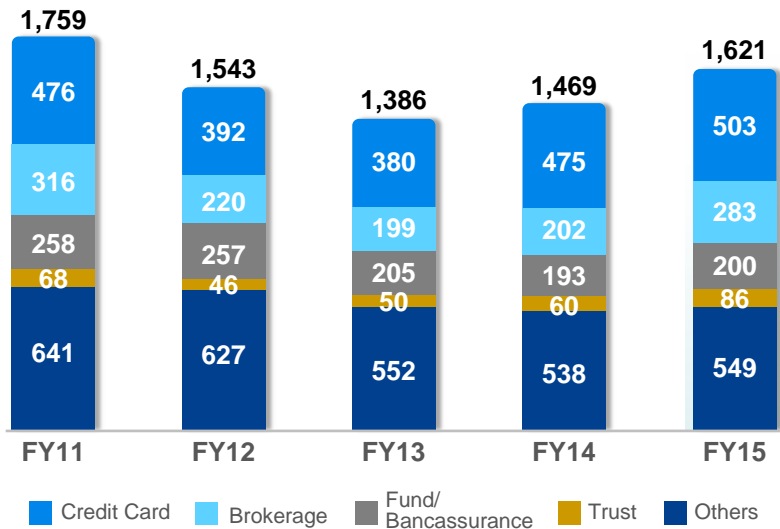


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>Non-Interest Income</b>	<b>1,792.7</b>	1,277.8	40.3	242.4	402.2	-39.7
<b>Fees &amp; Commission</b>	<b>1,621.0</b>	1,469.2	10.3	404.5	419.4	-3.5
<b>Securities Related &amp; FX Trading/Derivatives</b>	<b>1,032.3</b>	752.0	37.3	106.3	177.5	-40.1
(Gains on Sale of AFS Securities)	<b>772.5</b>	680.9	13.4	79.2	159.9	-50.5
(Impairment Loss on AFS Securities)	<b>-242.3</b>	-230.0	n.a.	-80.5	-66.8	n.a.
<b>Others</b>	<b>-860.6</b>	-943.3	n.a.	-268.5	-194.7	n.a.
<b>(Contribution Expenses)</b>	<b>-274.7</b>	-250.2	n.a.	-71.2	-66.0	n.a.
(Insurance Fees on Deposits)	<b>-282.5</b>	-269.3	n.a.	-72.3	-71.0	n.a.

## SFG Fees & Commission

(KRW bil.)

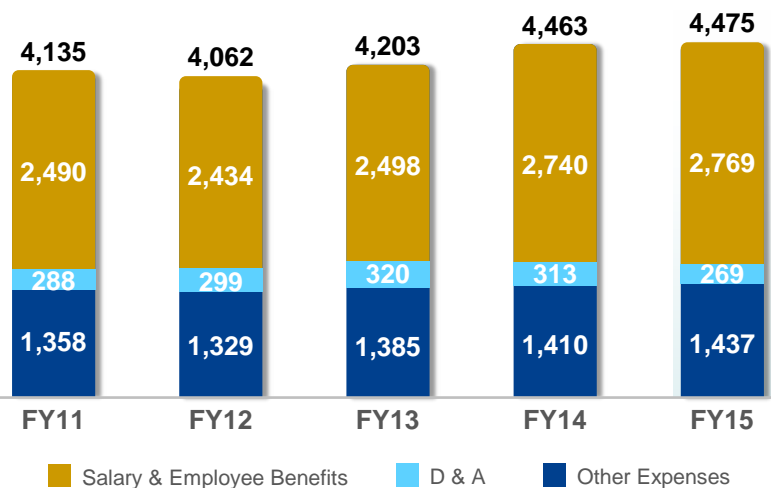


(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>Fees &amp; Commission</b>	<b>1,621.0</b>	1,469.2	10.3	404.5	419.4	-3.5
<b>Credit Card Fee Income</b>	<b>502.6</b>	475.3	5.8	136.1	134.3	1.4
Brokerage Commissions	<b>283.3</b>	202.3	40.0	58.6	78.6	-25.5
Fund/Bancassurance Fees	<b>200.0</b>	193.0	3.6	40.6	50.7	-19.9
<b>Trust Fee Income</b>	<b>86.3</b>	60.2	43.5	22.7	24.3	-6.7
<b>Others</b>	<b>548.8</b>	538.4	1.9	146.6	131.5	11.5

# SFG G&A Expenses

## SFG G&A Expenses

(KRW bil.)

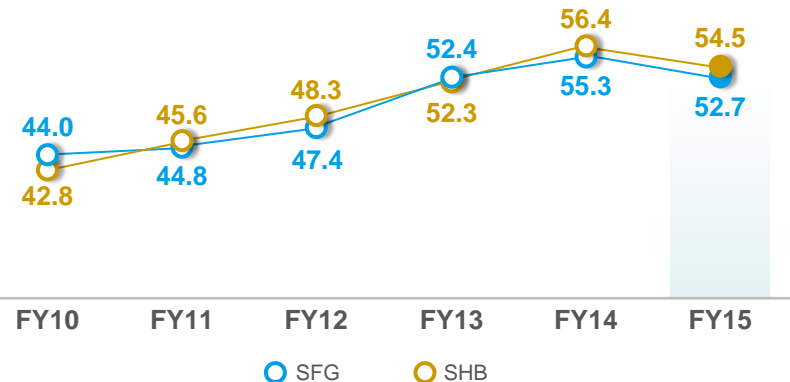


## SFG G&A Expenses

(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>G&amp;A Expenses</b>	<b>4,475.1</b>	4,462.9	0.3	1,234.3	1,099.7	12.2
Salary & Employee Benefits	2,769.1	2,739.7	1.1	771.6	658.1	17.3
(Early Retirement Program Expenses)	105.0	120.3	-12.7	101.9	0.0	n.a.
D & A	269.0	313.0	-14.1	66.6	67.6	-1.5
Other Expenses	1,437.0	1,410.3	1.9	396.1	374.0	5.9
(Advertising Expenses)	255.7	229.6	11.3	81.3	71.4	13.8
(Taxes and Dues)	195.7	197.4	-0.9	37.8	50.2	-24.6

## Cost-Income Ratio

%



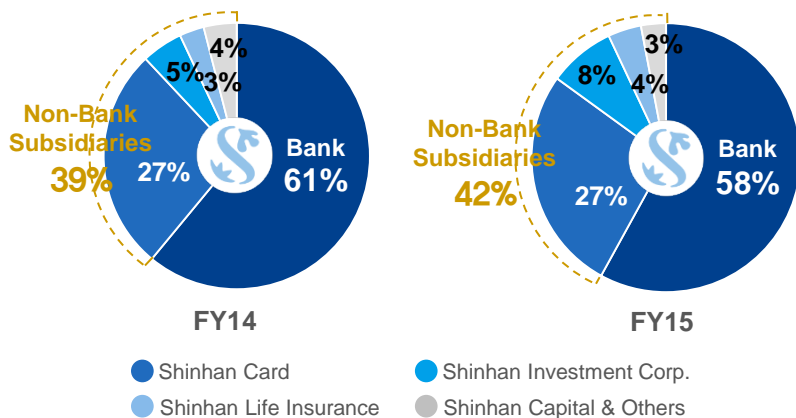
Note) Cumulative Figures

## SHB G&A Expenses

(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>G&amp;A Expenses</b>	<b>2,785.4</b>	2,918.0	-4.5	769.6	675.2	14.0
Salary & Employee Benefits	1,659.6	1,734.9	-4.3	450.1	396.5	13.5
(Early Retirement Program Expenses)	59.5	106.2	-43.9	59.5	0.0	n.a.
D & A	165.4	202.9	-18.5	41.0	42.4	-3.3
Other Expenses	960.4	980.1	-2.0	278.5	236.3	17.9
(Advertising Expenses)	58.0	59.1	-1.9	23.5	11.7	99.9
(Taxes and Dues)	78.3	82.2	-4.8	14.6	16.7	-12.1

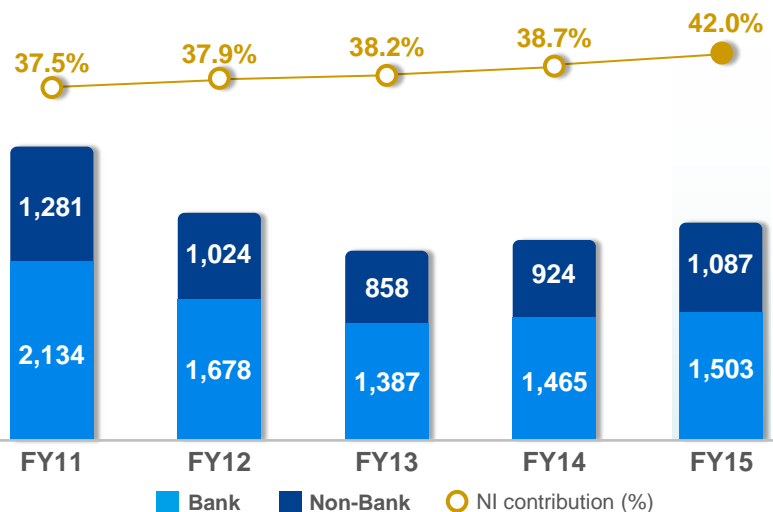
# Subsidiaries Income (1)

## Net Income Contribution by Subsidiaries



Note) After reflecting ownership by SFG

## Net Income Contribution by Non-Bank Subsidiaries<sup>1)</sup> (KRW bil.)



Note 1) After reflecting ownership by SFG

(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=AxB]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
<b>Bank (a)</b>	<b>1,509.1</b>		<b>1,503.0</b>	<b>-81.7</b>	<b>1,421.3</b>
Shinhan Bank	1,489.7	100.0%	1,489.7	-81.8	1,407.9
Jeju Bank	19.4	68.9%	13.4	0.1	13.4
<b>Non-Bank (b)</b>	<b>1,095.7</b>		<b>1,087.5</b>	<b>26.0</b>	<b>1,113.4</b>
Shinhan Card	694.8	100.0%	694.8	6.8	701.6
Shinhan Investment Corp.	215.5	100.0%	215.5	1.5	216.9
Shinhan Life Insurance	100.2	100.0%	100.2	19.1	119.3
Shinhan BNPP AM	23.7	65.0%	15.4	-0.0	15.3
Shinhan Capital	46.1	100.0%	46.1	-1.5	44.6
Shinhan Savings Bank	8.0	100.0%	8.0	-0.1	7.9
Shinhan Data System	1.0	100.0%	1.0	0.1	1.2
Shinhan AITAS	6.4	99.8%	6.4	-	6.4
Shinhan Credit Information	0.7	100.0%	0.7	0.0	0.8
Shinhan Private Equity	-0.6	100.0%	-0.6	-	-0.6
<b>SFG (c)</b>				<b>-167.6<sup>2)</sup></b>	<b>-167.6</b>
<b>Total (d=a+b+c)<sup>1)</sup></b>	<b>2,604.8</b>		<b>2,590.5</b>	<b>-223.3</b>	<b>2,367.2</b>

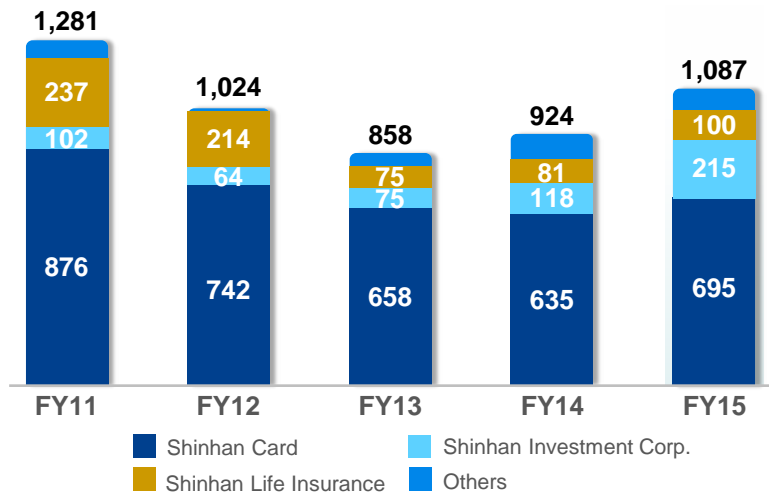
Note 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 70.0bil., Interest Expense KRW -181.9bil., G&A etc. KRW -68.4bil.

# Subsidiaries Income (2)

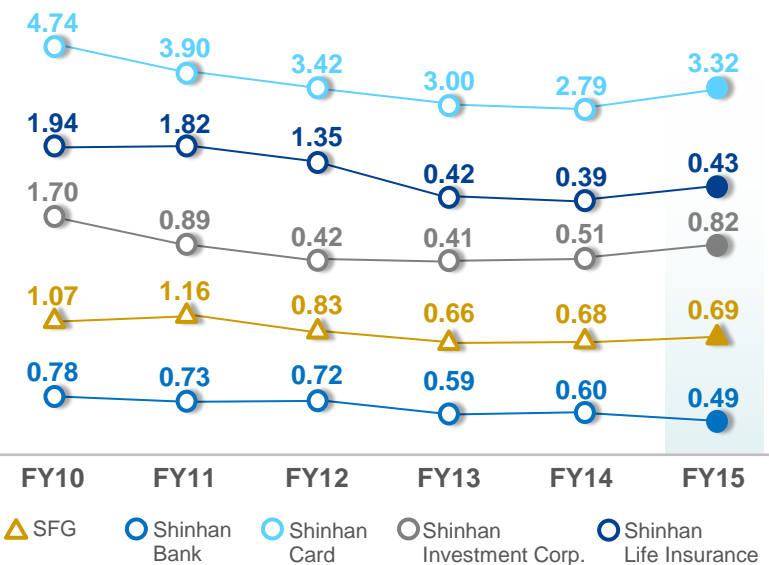
## Non-Bank Net Income

(KRW bil.)



## ROA

(%)

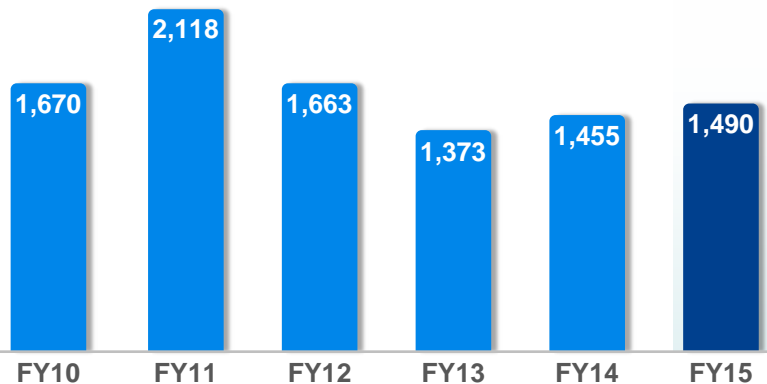


(Reflecting SFG Ownership, KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>Bank (a)</b>	<b>1,503.0</b>	1,464.8	2.6	239.4	466.1	-48.6
Shinhan Bank	1,489.7	1,455.2	2.4	236.8	462.5	-48.8
Jeju Bank	13.4	9.5	40.0	2.5	3.6	-29.2
<b>Non-Bank (b)</b>	<b>1,087.5</b>	923.7	17.7	213.2	274.5	-22.3
Shinhan Card	694.8	635.2	9.4	173.2	169.7	2.1
Shinhan Investment Corp.	215.5	118.2	82.2	21.3	68.6	-69.0
Shinhan Life Insurance	100.2	80.7	24.2	11.9	22.7	-47.6
Shinhan BNPP AM	15.4	18.3	-16.1	3.3	3.3	-1.1
Shinhan Capital	46.1	51.9	-11.3	4.7	5.6	-16.1
Shinhan Savings Bank	8.0	11.1	-28.0	-1.8	1.7	n.a.
Shinhan Data System	1.0	2.6	-60.5	0.2	0.6	-72.4
Shinhan AITAS	6.4	4.0	60.9	1.1	2.0	-45.9
Shinhan Credit Information	0.7	1.1	-31.5	-0.2	0.2	n.a.
Shinhan Private Equity	-0.6	0.6	n.a.	-0.5	-0.1	n.a.
<b>Total (a+b)</b>	<b>2,590.5</b>	2,388.5	8.5	452.5	740.5	-38.9
<b>Consolidate Net Income<sup>1)</sup></b>	<b>2,367.2</b>	2,081.1	13.7	404.0	679.0	-40.5

1) Net Income in Controlling Interest

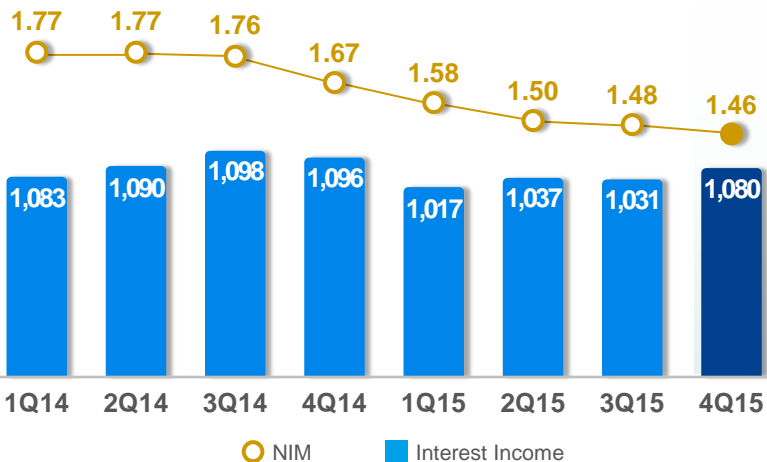
## Net Income

(KRW bil.)



## Interest Income/NIM(Quarterly)

(%, KRW bil.)



(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
Operating Income (a=b+c)	5,110.8	5,171.7	-1.2	1,189.9	1,194.4	-0.4
Interest Income (b)	4,164.7	4,367.1	-4.6	1,080.0	1,031.1	4.7
Non-Interest Income (c)	946.1	804.5	17.6	109.9	163.3	-32.7
G&A Expenses (d)	2,785.4	2,918.0	-4.5	769.6	675.2	14.0
Pre-Provision Oper.Income (e=a-d)	2,325.4	2,253.6	3.2	420.3	519.3	-19.1
Non-Operating Income (f)	141.3	38.4	268.1	-4.9	91.0	n.a.
Pre-Provision Income (g=e+f)	2,466.7	2,292.0	7.6	415.4	610.3	-31.9
Provision for Credit Losses (h)	591.6	456.2	29.7	108.9	52.3	108.3
Earnings before Income Tax (i=g-h)	1,875.1	1,835.8	2.1	306.5	558.0	-45.1
Income Tax	385.1	380.1	1.3	69.5	95.5	-27.2
Net Income <sup>1)</sup>	1,489.7	1,455.2	2.4	236.8	462.5	-48.8

1) Net Income in Controlling Interest

(%)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
NIS (a-b) (quarterly)	1.87	1.87	1.83	1.91	1.91	1.89	1.88	1.78	1.70	1.64	1.64	1.62
Loan interest rate (a)	4.69	4.52	4.36	4.30	4.20	4.13	4.05	3.83	3.62	3.37	3.20	3.10
Deposit interest rate (b)	2.81	2.65	2.52	2.39	2.29	2.24	2.17	2.05	1.92	1.73	1.55	1.48
NIM(quarterly)	1.78	1.74	1.73	1.79	1.77	1.77	1.76	1.67	1.58	1.50	1.48	1.46
NIM(cumulative figures)	1.78	1.76	1.75	1.76	1.77	1.77	1.77	1.74	1.58	1.54	1.52	1.50

# SHB Non-Interest Income

## Non-Interest Income

(KRW bil.)

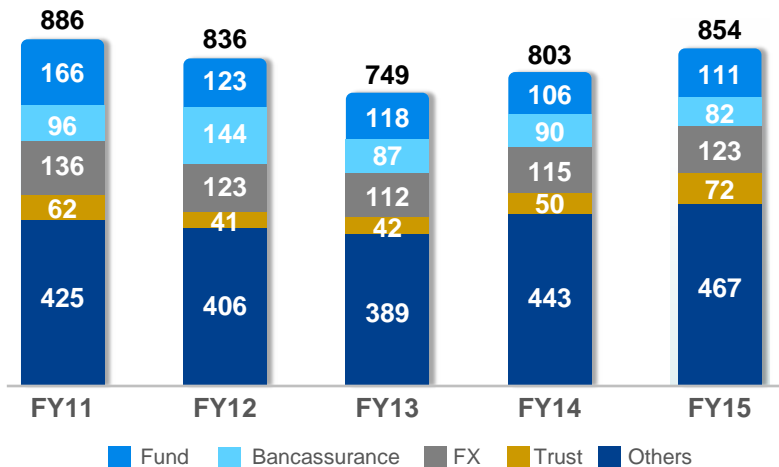


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>Non-Interest Income</b>	<b>946.1</b>	804.5	17.6	109.9	163.3	-32.7
<b>Fees &amp; Commission</b>	<b>853.9</b>	802.9	6.3	216.2	219.6	-1.5
<b>Securities Related &amp; FX Trading/Derivatives</b>	<b>609.3</b>	514.2	18.5	44.5	96.3	-53.8
(Gains on Sale of AFS Securities)	<b>422.3</b>	428.0	-1.3	13.4	63.7	-78.9
(Impairment Loss on AFS Securities)	<b>-206.6</b>	-220.3	n.a.	-50.7	-59.5	n.a.
<b>Others</b>	<b>-517.0</b>	-512.6	n.a.	-150.8	-152.6	n.a.
<b>(Contribution Expenses)</b>	<b>-267.5</b>	-244.9	n.a.	-68.4	-64.5	n.a.
(Insurance Fees on Deposits)	<b>-249.0</b>	-240.5	n.a.	-63.5	-62.4	n.a.

## Fees & Commission

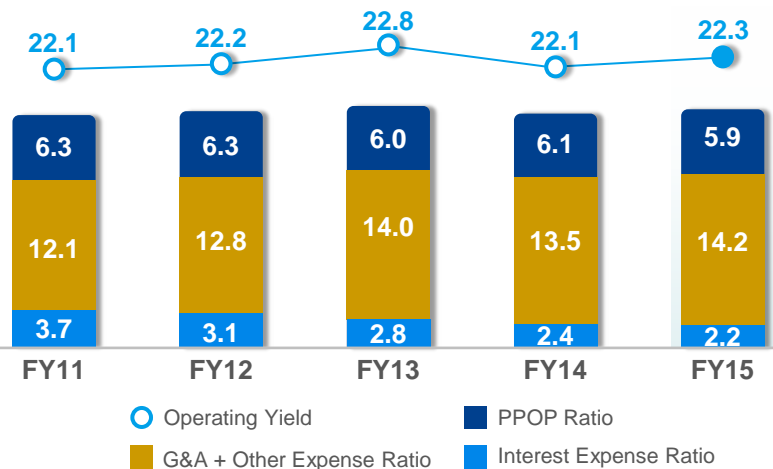
(KRW bil.)



(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>Fees &amp; Commission</b>	<b>853.9</b>	802.9	6.3	216.2	219.6	-1.5
<b>Fund Fee Income</b>	<b>110.7</b>	105.9	4.5	20.8	29.4	-29.2
Bancassurance Fee Income	<b>81.9</b>	89.8	-8.8	18.2	18.9	-3.6
<b>FX Fee Income</b>	<b>122.9</b>	114.5	7.3	32.0	30.7	4.3
<b>Trust Fee Income</b>	<b>71.5</b>	49.7	43.8	19.6	20.0	-2.3
<b>Others</b>	<b>466.8</b>	443.0	5.4	125.6	120.5	4.2

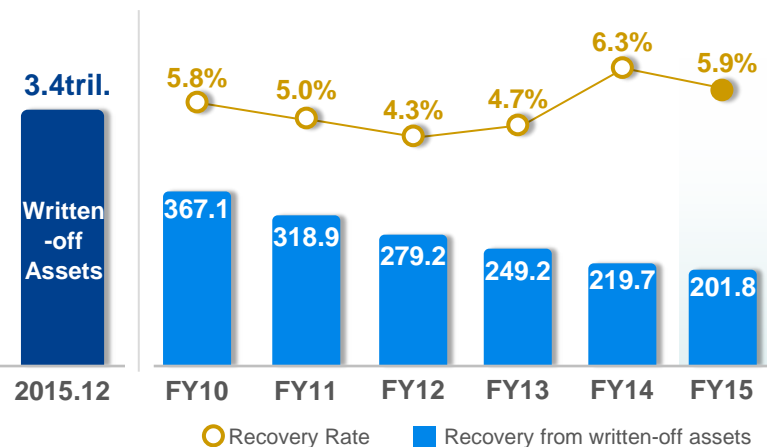
# Shinhan Card Income

## Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

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



(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>Operating Revenue (a)</b>	<b>4,742.2</b>	4,600.3	3.1	1,140.6	1,311.3	-13.0
<b>Card Business</b>	<b>3,841.2</b>	3,783.0	1.5	996.8	967.1	3.1
<b>Installment Finance</b>	<b>93.9</b>	87.8	6.9	24.0	23.7	1.0
<b>Lease</b>	<b>37.7</b>	36.6	2.9	9.6	8.1	18.6
<b>Others</b>	<b>769.4</b>	692.8	11.1	110.3	312.4	-64.7
<b>(Derivatives &amp; FX)</b>	<b>173.0</b>	129.4	33.7	-20.7	134.7	n.a.
<b>Interest Expense (b)</b>	<b>446.4</b>	492.6	-9.4	105.1	109.7	-4.2
<b>G&amp;A Expenses (c)</b>	<b>763.3</b>	709.1	7.7	231.0	184.7	25.0
<b>Commissions &amp; Other Expenses (d)</b>	<b>2,321.5</b>	2,157.2	7.6	541.5	673.5	-19.6
<b>(Derivatives &amp; FX)</b>	<b>143.8</b>	107.3	34.0	-28.4	125.6	n.a.
<b>Pre-Provision Income (e=a-b-c-d)</b>	<b>1,211.0</b>	1,241.5	-2.5	263.1	343.4	-23.4
<b>Provision for Credit Losses (f)</b>	<b>332.9</b>	419.5	-20.6	43.3	125.5	-65.5
<b>Earnings before Income Tax (g=e-f)</b>	<b>878.1</b>	822.0	6.8	219.8	217.9	0.9
<b>Income Tax</b>	<b>183.3</b>	186.9	-1.9	46.5	48.1	-3.3
<b>Net Income</b>	<b>694.8</b>	635.2	9.4	173.2	169.7	2.1

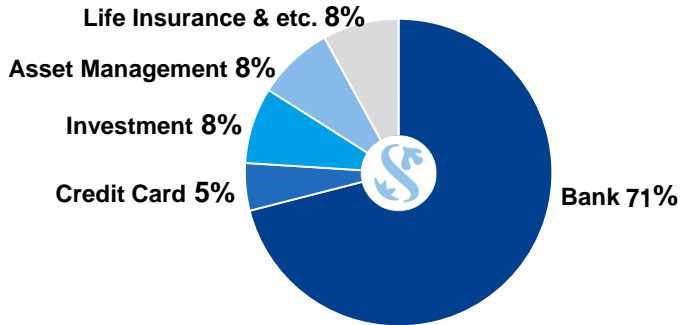
## **III. Assets & Liabilities**

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



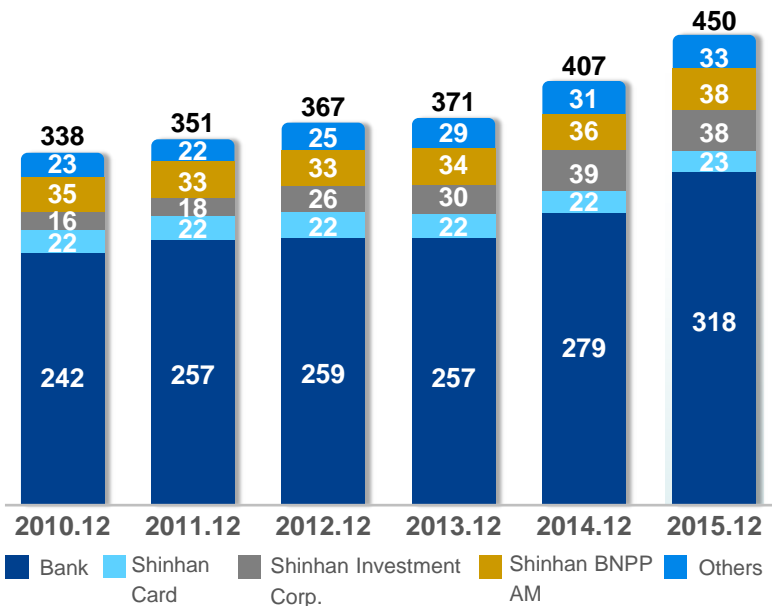
# SFG Asset Growth

## Asset Contribution by Subsidiary



## SFG Total Assets

(KRW tril.)



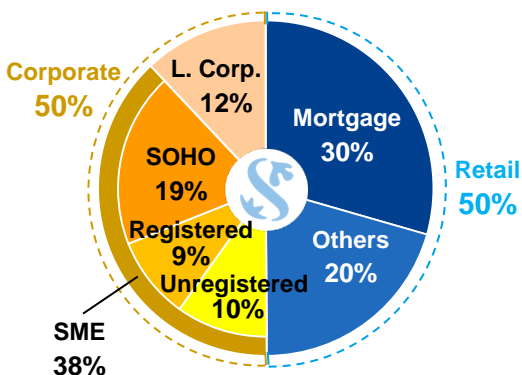
Note) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included

(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
<b>Bank (a)</b>	<b>318,112.9</b>	279,232.2	13.9	305,258.4	4.2
Shinhan Bank	313,648.3	275,756.6	13.7	301,278.4	4.1
Jeju Bank	4,464.6	3,475.7	28.5	3,980.0	12.2
<b>Non-Bank (b)</b>	<b>128,969.0</b>	124,654.0	3.5	130,888.6	-1.5
Shinhan Card	23,347.7	22,259.5	4.9	23,555.5	-0.9
Shinhan Investment Corp.	37,792.3	39,039.8	-3.2	41,315.6	-8.5
Shinhan Life Insurance	24,544.6	21,939.7	11.9	23,918.2	2.6
Shinhan BNPP AM	37,973.3	35,601.0	6.7	36,507.9	4.0
Shinhan Capital	4,076.6	3,939.5	3.5	3,852.9	5.8
Shinhan Savings Bank	795.1	804.0	-1.1	800.1	-0.6
Shinhan Data System	26.7	25.8	3.3	30.2	-11.7
Shinhan AITAS	42.8	37.7	13.6	42.4	1.0
Shinhan Credit Information	23.9	23.0	3.7	23.1	3.6
Shinhan Private Equity	119.0	461.3	-74.2	469.4	-74.6
Others	227.1	522.6	-56.6	373.4	-39.2
<b>Total <sup>1)</sup></b>	<b>450,438.5</b>	406,655.6	10.8	439,819.4	2.4
<b>Consolidate Total Assets</b>	<b>370,539.6</b>	338,021.8	9.6	365,500.0	1.4

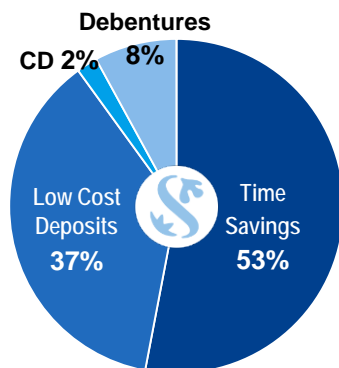
Note) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included

# SHB Loan / Deposit Growth

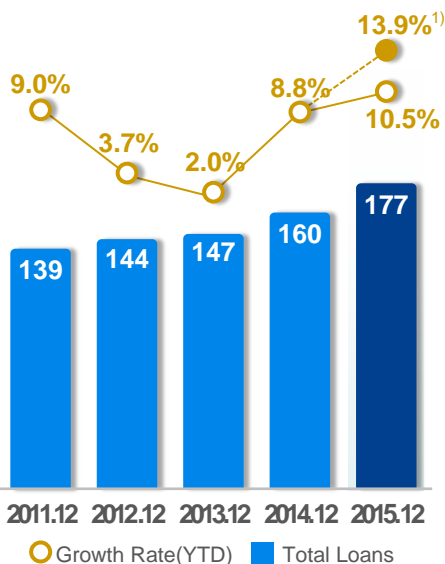
## Loan Composition



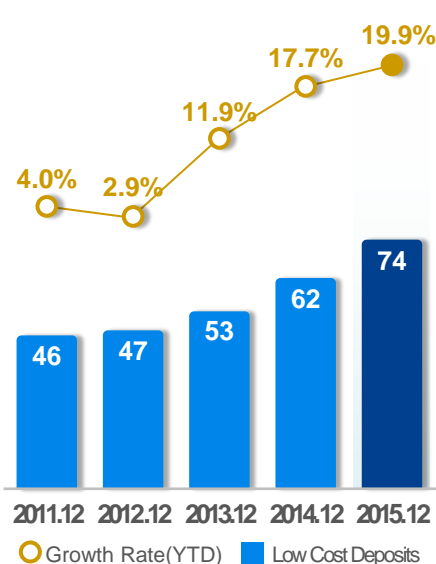
## Funding Composition



## KRW Loan Growth (KRW tril.)



## Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

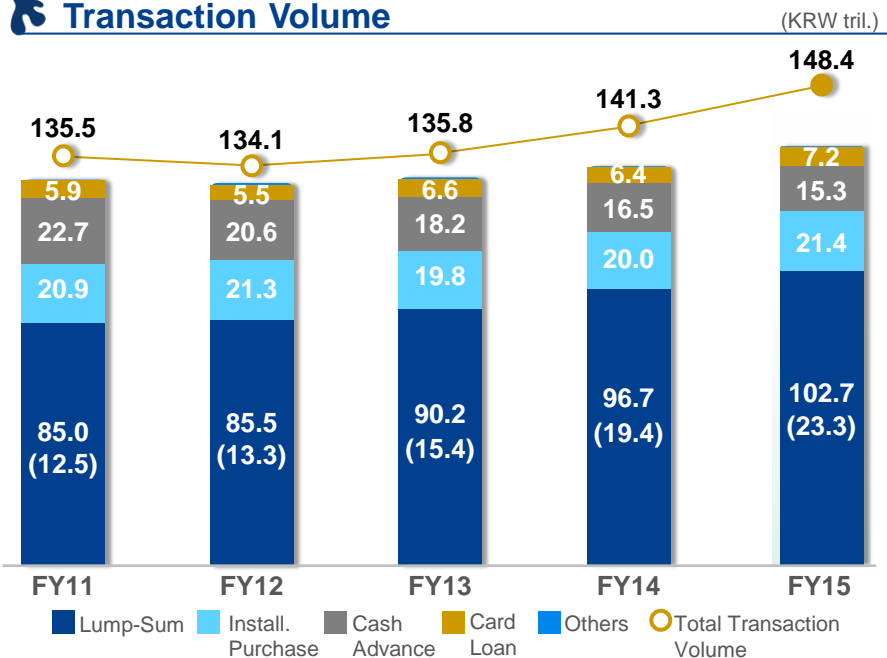
(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
<b>Loan in KRW</b>	<b>176,810</b>	160,025	10.5	170,477	4.0
Retail	88,085	78,577	12.1	83,354	6.0
Mortgage	52,054	47,556	9.5	48,874	6.7
Others <sup>1)</sup>	36,031	31,021	16.1	34,480	5.0
Corporate	88,725	81,447	8.9	87,123	2.0
SME	67,336	59,889	12.4	65,620	2.9
SOHO	34,223	30,469	12.3	33,427	2.6
Large Corporate etc.	21,389	21,558	-0.8	21,502	-0.5
<b>Loan in FX</b>	<b>8,114</b>	6,956	16.7	8,943	-11.9

Note 1) Including Unsecured Personal Loans, Commercial Mortgage Loans, Jeonse Loans etc.

(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
<b>Total Deposits in KRW</b>	<b>180,766</b>	163,322	10.7	171,873	5.4
<b>Low Cost Deposits</b>	<b>74,325</b>	62,013	19.9	72,657	2.7
Demand	21,858	18,755	16.5	22,985	-6.0
Savings	52,467	43,258	21.3	49,672	6.5
<b>Time Savings</b>	<b>106,441</b>	101,309	5.1	99,216	7.1
Time Deposits	97,940	92,519	5.9	90,536	8.0
Accumulative etc.	8,501	8,790	-3.3	8,680	-2.0
Certificate of Deposits	4,073	1,873	117.5	4,830	-40.4
<b>Debtentures in KRW</b>	<b>15,989</b>	12,566	27.2	14,955	8.2

# Shinhan Card Asset Growth

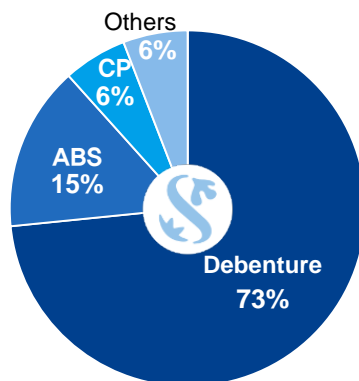
## Transaction Volume



Note) Figs. in parenthesis represent debit card transaction volume

(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
<b>Earning Assets</b>	<b>21,323</b>	20,550	3.8	20,351	4.8
Credit Purchase	11,353	11,374	-0.2	10,838	4.8
Cash Advances	2,051	2,223	-7.8	1,988	3.2
Card Loan	5,057	4,473	13.0	4,792	5.5
(Re-aged Loan)	234	237	-1.2	236	-1.1
Installment Finance	1,865	1,599	16.6	1,770	5.3
Lease etc.	998	880	13.4	963	3.6
Effective Cardholders (in thousands)	12,052	12,468	-3.3	12,114	-0.5
Merchants (in thousands)	2,513	2,491	0.9	2,493	0.8

## Funding Composition



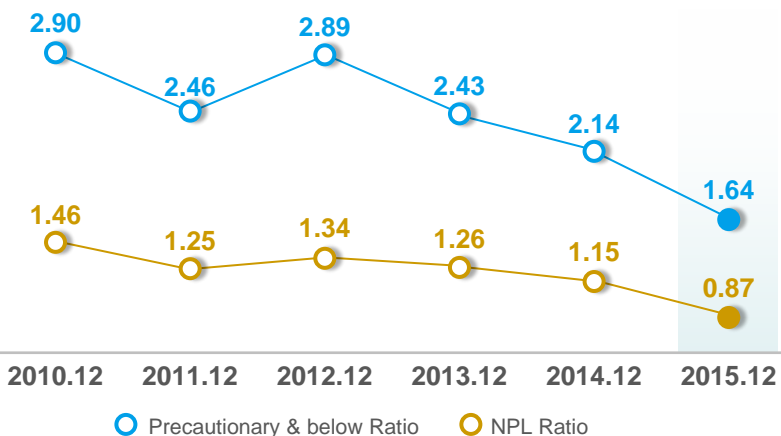
(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
<b>Total Funding</b>	<b>13,325</b>	12,529	6.4	13,399	-0.5
Debentures	9,780	9,360	4.5	9,892	-1.1
ABS	1,992	1,979	0.7	1,911	4.2
CP	770	440	75.0	770	0.0
Others	783	750	4.4	826	-5.2

## **IV. Asset Quality**

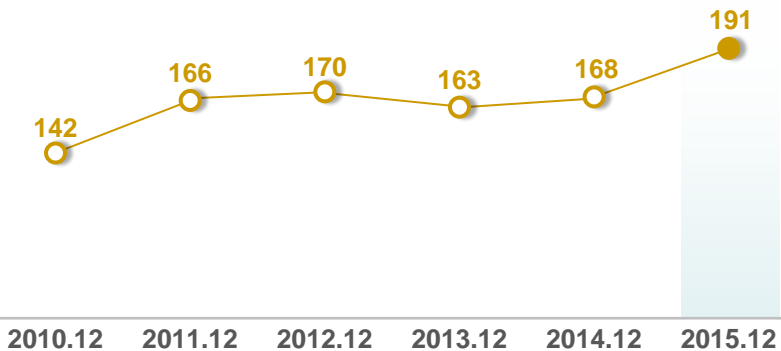
- 1. SFG Asset Quality**
- 2. SHB Asset Quality**
- 3. Shinhan Card Asset Quality**
- 4. Provision for Credit Losses / Write-offs**



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



## NPL Coverage Ratio (%)



(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
<b>Total Loans <sup>1)</sup></b>	<b>238,776</b>	<b>220,090</b>	<b>8.5</b>	<b>232,280</b>	<b>2.8</b>
<b>Normal</b>	<b>234,864</b>	<b>215,378</b>	<b>9.0</b>	<b>228,027</b>	<b>3.0</b>
<b>Precautionary</b>	<b>1,835</b>	<b>2,187</b>	<b>-16.1</b>	<b>2,048</b>	<b>-10.4</b>
<b>Substandard</b>	<b>954</b>	<b>1,134</b>	<b>-15.9</b>	<b>1,070</b>	<b>-10.8</b>
<b>Doubtful</b>	<b>591</b>	<b>373</b>	<b>58.5</b>	<b>391</b>	<b>51.2</b>
<b>Estimated Loss</b>	<b>533</b>	<b>1,017</b>	<b>-47.6</b>	<b>744</b>	<b>-28.5</b>
<b>Substandard &amp; Below</b>	<b>2,077</b>	<b>2,524</b>	<b>-17.7</b>	<b>2,205</b>	<b>-5.8</b>
<b>NPL Ratio</b>	<b>0.87%</b>	<b>1.15%</b>	<b>-0.28%p</b>	<b>0.95%</b>	<b>-0.08%p</b>
<b>Loan Loss Allowance <sup>2)</sup></b>	<b>3,969</b>	<b>4,241</b>	<b>-6.4</b>	<b>4,072</b>	<b>-2.5</b>
<b>NPL Coverage Ratio</b>	<b>191%</b>	<b>168%</b>	<b>23%p</b>	<b>185%</b>	<b>6%p</b>
<b>Reserve for credit losses <sup>3)</sup></b>	<b>1,768</b>	<b>1,871</b>	<b>-5.5</b>	<b>1,744</b>	<b>1.3</b>

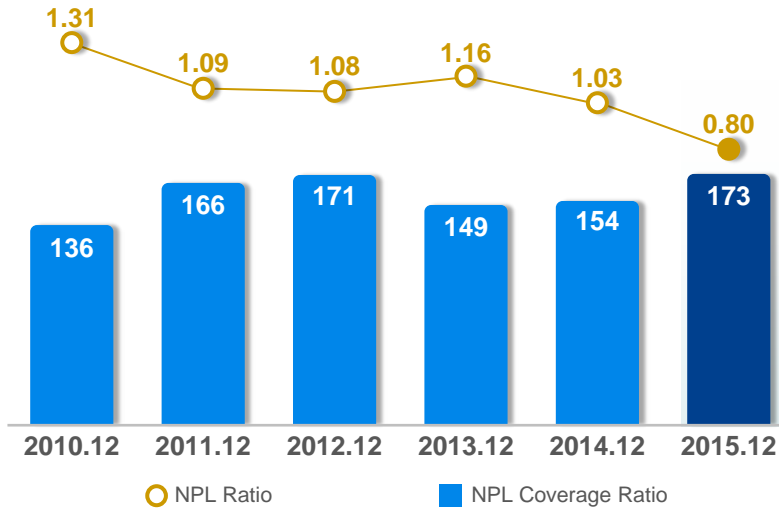
Note 1) Sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Shinhan Capital and Shinhan Savings Bank

2) Loan Loss Allowance : Sum of IFRS standard LLA and reserves for credit losses

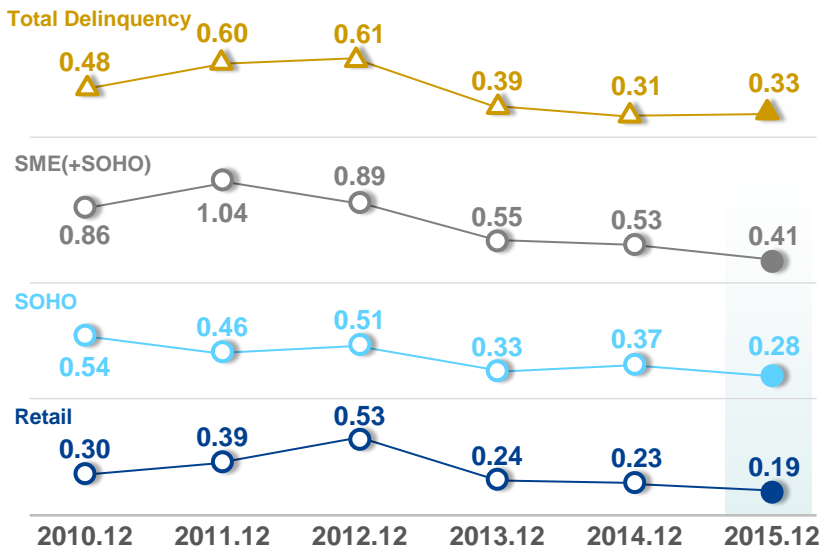
3) Excluding reserve for contingent acceptances & guarantees and unused credit lines

# SHB Asset Quality

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



Note) 1 month overdue

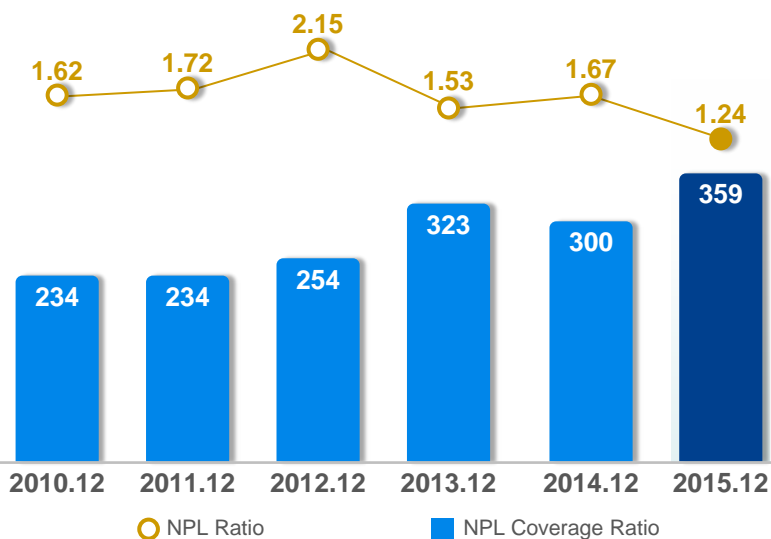
(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
Total Loans	202,003	185,966	8.6	197,320	2.4
Normal	199,534	182,863	9.1	194,528	2.6
Precautionary	855	1,181	-27.6	1,108	-22.8
Substandard	850	995	-14.6	959	-11.4
Doubtful	453	215	110.2	246	83.8
Estimated Loss	312	712	-56.1	479	-34.8
Substandard & Below	1,615	1,922	-16.0	1,685	-4.1
NPL Ratio	0.80%	1.03%	-0.23%p	0.85%	-0.05%p
Loan Loss Allowance <sup>1)</sup>	2,790	2,963	-5.9	2,860	-2.5
NPL Coverage Ratio	173%	154%	19%p	170%	3%p
Reserve for credit losses <sup>2)</sup>	1,442	1,521	-5.2	1,421	1.5

Note 1) Loan Loss Allowance : Sum of IFRS standard LLA and reserves for credit losses

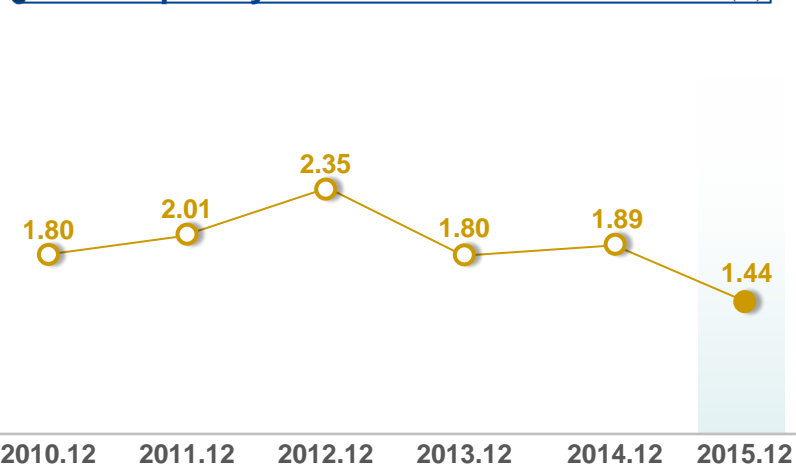
2) Excluding reserve for contingent acceptances & guarantees and unused credit lines

# Shinhan Card Asset Quality

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



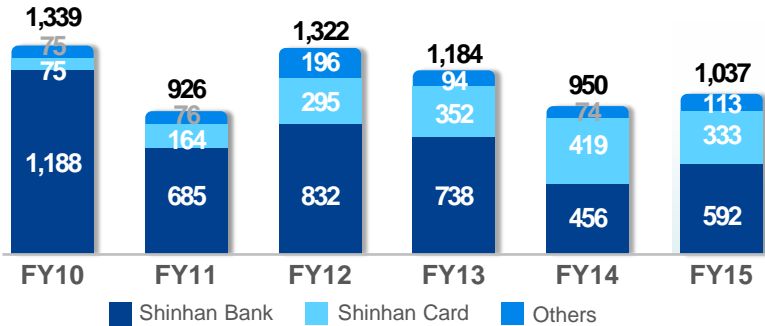
Note) 1 month overdue from total credit

(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
<b>Total Loans</b>	<b>21,323</b>	20,550	3.8	20,351	4.8
Normal	20,332	19,475	4.4	19,320	5.2
Precautionary	725	732	-1.0	724	0.1
Substandard	-	-	-	-	-
Doubtful	79	82	-3.7	76	3.4
Estimated Loss	186	261	-28.5	230	-18.9
Substandard & Below	265	343	-22.6	306	-13.3
NPL Ratio	1.24%	1.67%	-0.43%p	1.50%	-0.26%p
Loan Loss Allowance <sup>1)</sup>	953	1,030	-7.4	997	-4.4
NPL Coverage Ratio	359%	300%	59%p	326%	33%p
Reserve for credit losses	262	293	-10.5	247	6.0

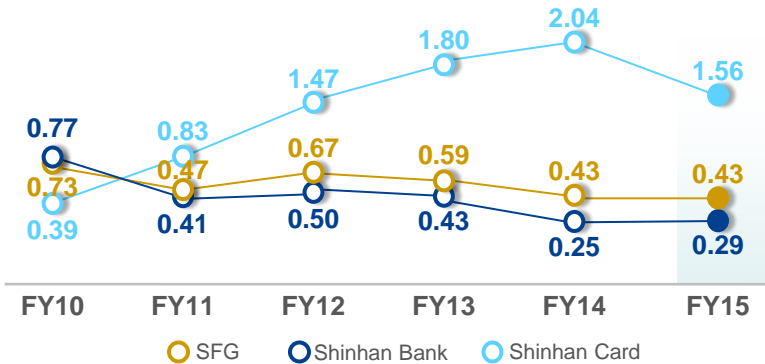
Note 1) Excluding reserve for contingent acceptances & guarantees and unused credit lines

# Provision for Credit Losses / Write-Offs

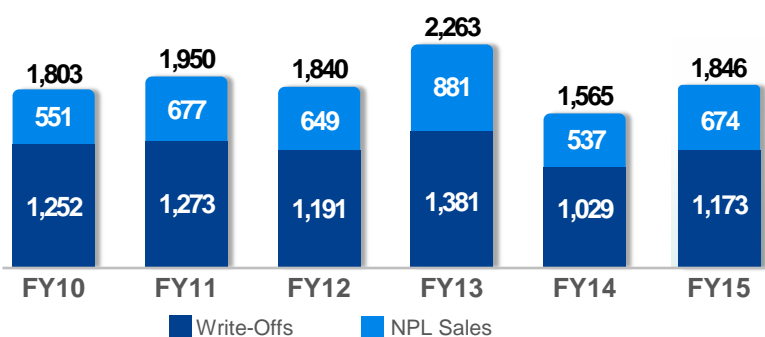
## Provision for Credit Losses (KRW bil.)



## Credit Cost Ratio (%)



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



## Provision for Credit Losses

(KRW bil.)	FY15	1Q15	2Q15	3Q15	4Q15	FY14	1Q14	2Q14	3Q14	4Q14
<b>Shinhan Bank<sup>1)</sup></b>	<b>596</b>	232	222	50	92	409	50	189	109	62
Retail	128	32	27	32	37	161	37	30	53	42
Corporate	468	199	195	18	55	248	13	159	56	20
<b>Shinhan Card</b>	<b>333</b>	82	83	126	43	419	91	124	104	100
<b>Total</b>	<b>929</b>	313	305	176	135	829	141	313	213	162

Note 1) SHB figures are separate basis

## Write-Offs & NPL Sales

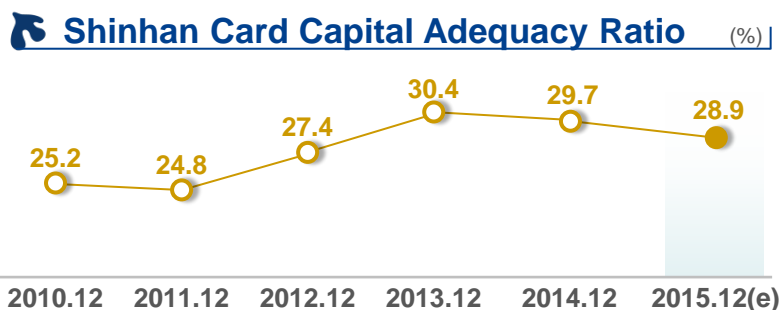
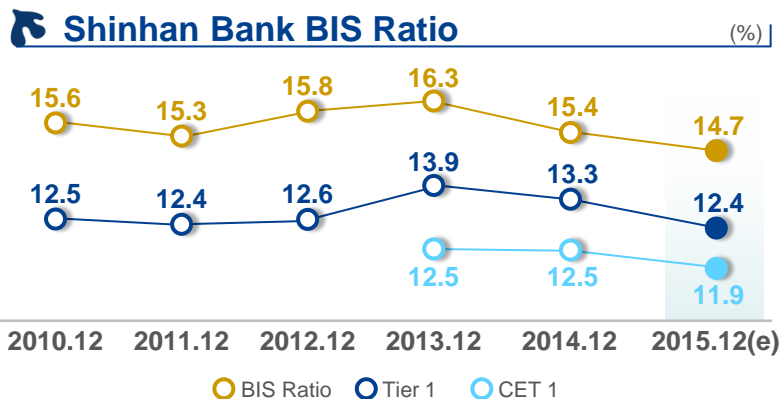
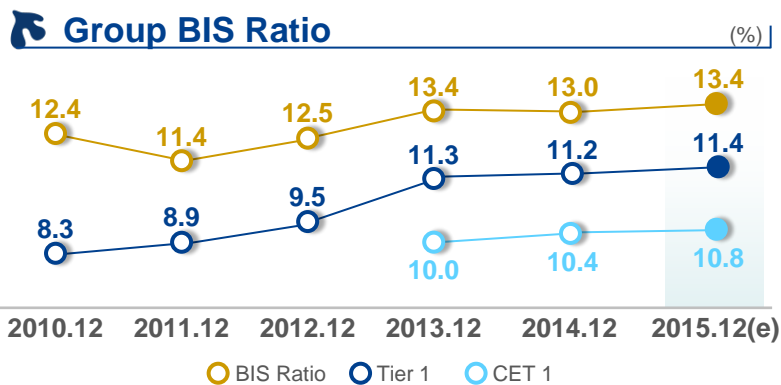
(KRW bil.)	FY15	1Q15	2Q15	3Q15	4Q15	FY14	1Q14	2Q14	3Q14	4Q14
<b>Shinhan Bank</b>	<b>1,233</b>	371	330	207	325	1,057	198	253	267	339
(Sale)	561	222	106	76	158	537	68	159	144	166
Retail	207	35	49	46	77	319	31	75	98	115
(Sale)	93	21	24	16	32	176	25	67	38	47
Corporate	1,026	336	281	161	249	738	167	178	169	224
(Sale)	469	201	81	60	126	360	44	92	106	119
<b>Shinhan Card</b>	<b>614</b>	147	219	96	152	508	104	148	131	125
<b>Total</b>	<b>1,846</b>	517	549	302	477	1,565	302	402	398	464

# V . Capital Adequacy & Key Financial Indices

1. Capital Adequacy
2. Key Financial Indices



# Capital Adequacy



Note) Figs. from 2013.12 Group/Bank based on Basel3, Figs. up to 2012.12, Group based on Basel1, Bank based on Basel2

## Group BIS Ratio

(KRW bil.)	2015.12(e)	2014.12	YTD%	2015.9	QoQ%
Risk-Weighted Assets	203,442	198,833	2.3	203,088	0.2
Capital	27,202	25,938	4.9	27,474	-1.0
CET 1	21,888	20,679	5.8	22,450	-2.5
Tier 1	23,193	22,174	4.6	23,745	-2.3
<b>BIS Ratio</b>	<b>13.4%</b>	13.0%	0.4%p	13.5%	-0.1%p
CET 1	10.8%	10.4%	0.4%p	11.1%	-0.3%p
Tier 1	11.4%	11.2%	0.2%p	11.7%	-0.3%p

Note) Based on Basel3

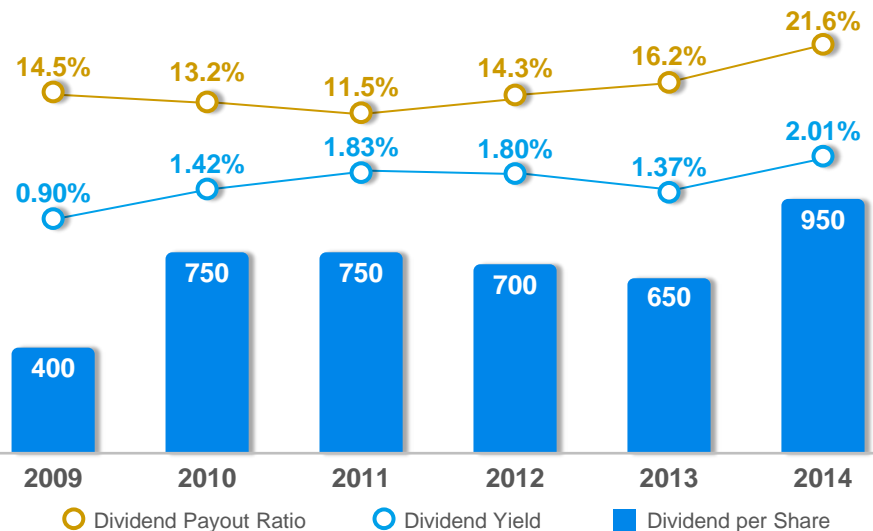
## Shinhan Bank BIS Ratio

(KRW bil.)	2015.12(e)	2014.12	YTD%	2015.9	QoQ%
Risk-Weighted Assets	145,478	135,715	7.2	145,855	-0.3
Capital	21,347	20,947	1.9	21,820	-2.2
CET 1	17,300	17,000	1.8	18,073	-4.3
Tier 1	18,106	18,102	0.0	18,876	-4.1
<b>BIS Ratio</b>	<b>14.7%</b>	15.4%	-0.7%p	15.0%	-0.3%p
CET 1	11.9%	12.5%	-0.6%p	12.4%	-0.5%p
Tier 1	12.4%	13.3%	-0.9%p	12.9%	-0.5%p

Note) Based on Basel3

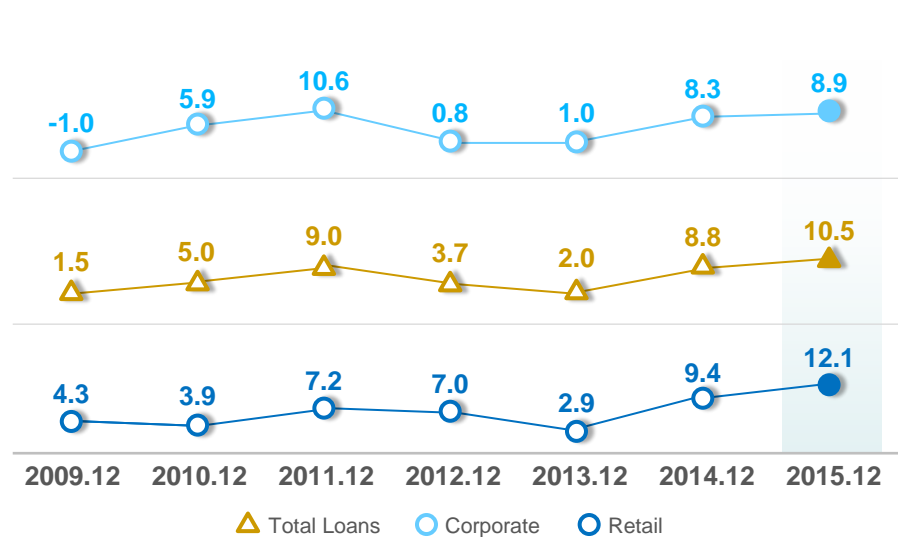
# Key Financial Indices

## Dividend (KRW)

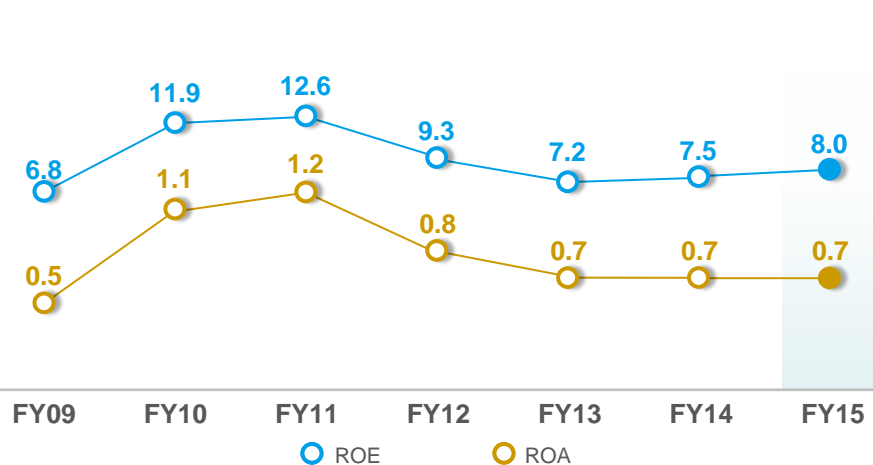


Note) In March, 2009, Rights Offering of KRW 1.3tril. to Shareholders

## SHB Loan Growth Rate (%)

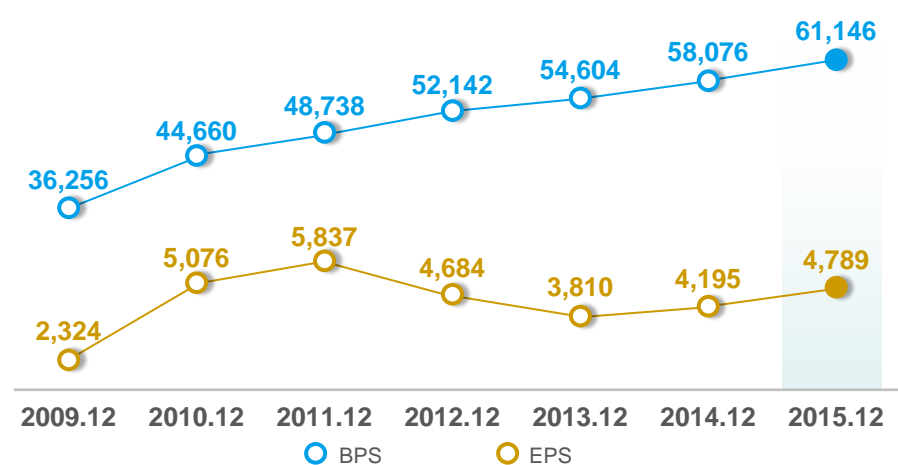


## ROA / ROE (%)



Note) ROE based on common stock

## BPS / EPS (KRW)



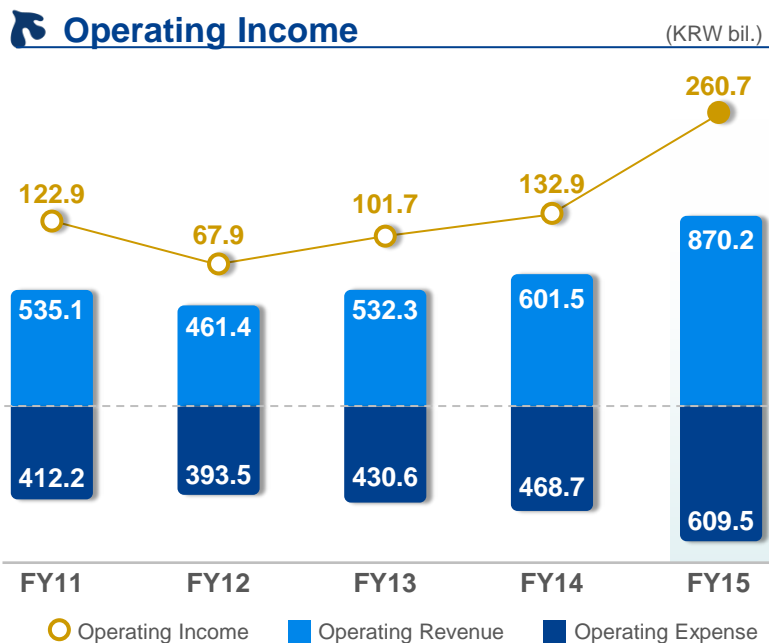
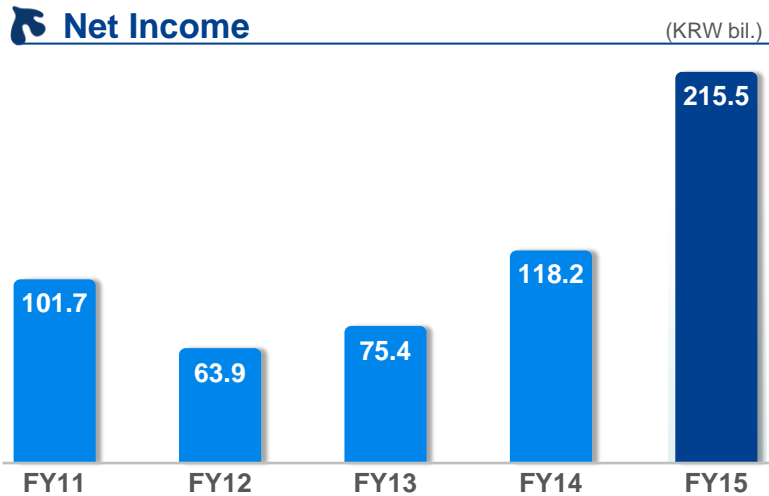
Note) Based on common stock

# VI. Appendix

1. SFG Subsidiaries
2. SHB SME Loans
3. SHB Retail Loans



# SFG Subsidiaries\_Shinhan Investment Corp. (1)



## Condensed I/S & Key Financial Indices

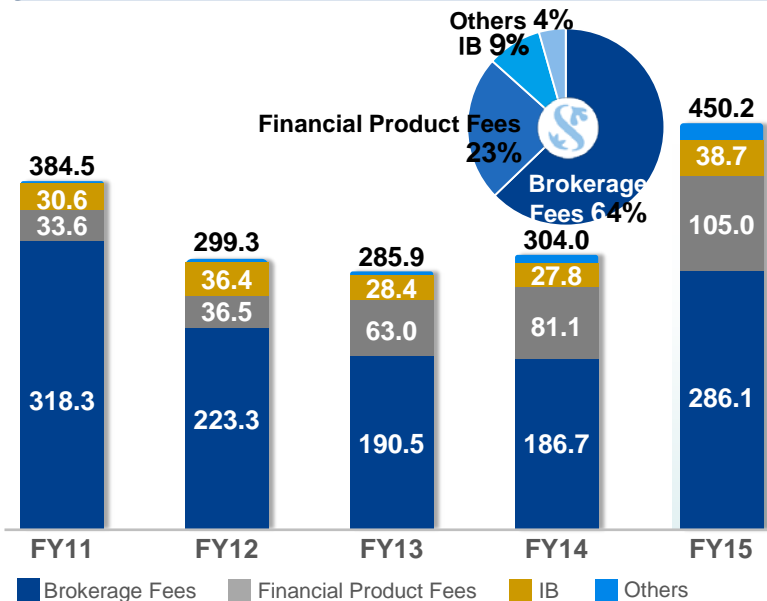
(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>Operating Revenue</b>	<b>870.2</b>	601.5	44.7	167.6	248.0	-32.4
<b>Fees &amp; Commission</b>	<b>450.2</b>	304.0	48.1	95.8	120.7	-20.6
<b>Proprietary Trading</b>	<b>324.7</b>	224.9	44.3	54.6	86.3	-36.8
<b>Others</b>	<b>95.3</b>	72.6	31.3	17.2	41.0	-57.9
<b>Operating Expense</b>	<b>609.5</b>	468.7	30.0	146.6	157.8	-7.1
<b>G&amp;A Expenses</b>	<b>488.5</b>	398.6	22.6	119.0	125.4	-5.1
Commission Expense	<b>118.8</b>	67.6	75.6	26.3	31.7	-16.9
Provision for Credit Losses	<b>2.2</b>	2.4	-9.5	1.2	0.7	77.0
<b>Operating Income</b>	<b>260.7</b>	132.9	96.2	21.0	90.2	-76.7
<b>Net Income</b>	<b>215.5</b>	118.2	82.2	21.3	68.6	-69.0
<b>Net Capital Ratio(%)</b>	<b>435.6%</b>	461.8%	-26.2%p	435.6%	425.5%	10.1%p
<b>ROE</b>	<b>8.9%</b>	5.2%	3.7%p	8.9%	10.8%	-1.9%p
<b>ROA</b>	<b>0.8%</b>	0.5%	0.3%p	0.8%	1.0%	-0.2%p

Note) ROE, ROA are calculated on a cumulative basis

# SFG Subsidiaries\_Shinhan Investment Corp. (2)

## Fees & Commission

(KRW bil.)

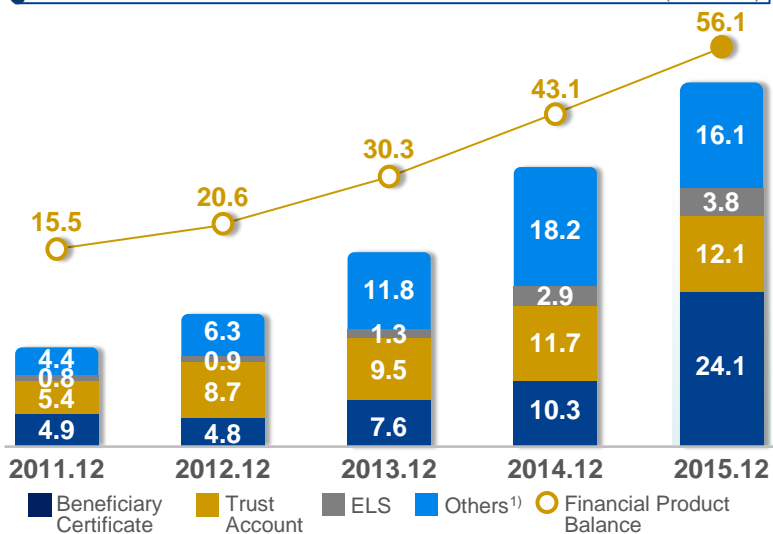


## Fees & Commission

(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
<b>Fees &amp; Commission</b>	<b>450.2</b>	304.0	48.1	95.8	120.7	-20.6
<b>Brokerage Fees</b>	<b>286.1</b>	186.7	53.3	61.5	77.8	-20.9
<b>Financial Product Fees</b>	<b>105.0</b>	81.1	29.5	21.6	27.7	-22.1
<b>IB</b>	<b>38.7</b>	27.8	39.1	7.7	10.0	-22.9
<b>Others</b>	<b>20.3</b>	8.4	142.2	4.9	5.1	-4.8

## Financial Products

(KRW tril.)



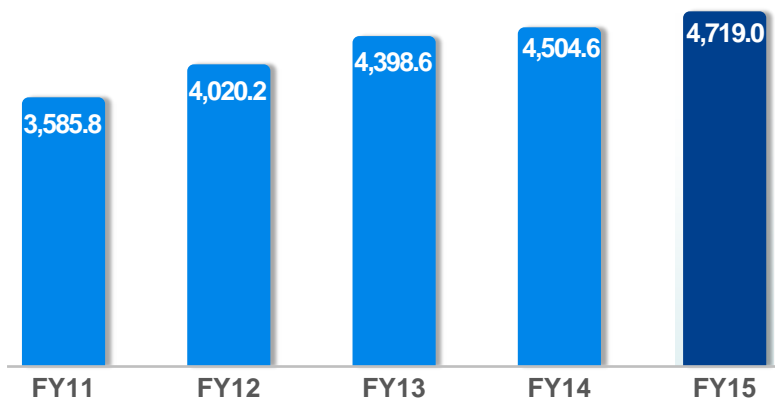
Note 1) Sum of Wrap, RP and Micro Debentures

## Balance of Financial Products

(KRW tril.)	2015.12	2014.12	YTD%	2015.9	QoQ%
<b>Financial Products</b>	<b>56.1</b>	43.1	30.1	57.7	-2.8
<b>Beneficiary Certificate</b>	<b>24.1</b>	10.3	133.7	23.5	2.6
<b>Trust Account</b>	<b>12.1</b>	11.7	3.0	14.0	-13.8
<b>ELS</b>	<b>3.8</b>	2.9	32.1	3.5	7.4
<b>Others</b>	<b>16.1</b>	18.2	-11.4	16.7	-3.2

# SFG Subsidiaries\_Shinhan Life Insurance (1)

## Premium Income (KRW bil.)



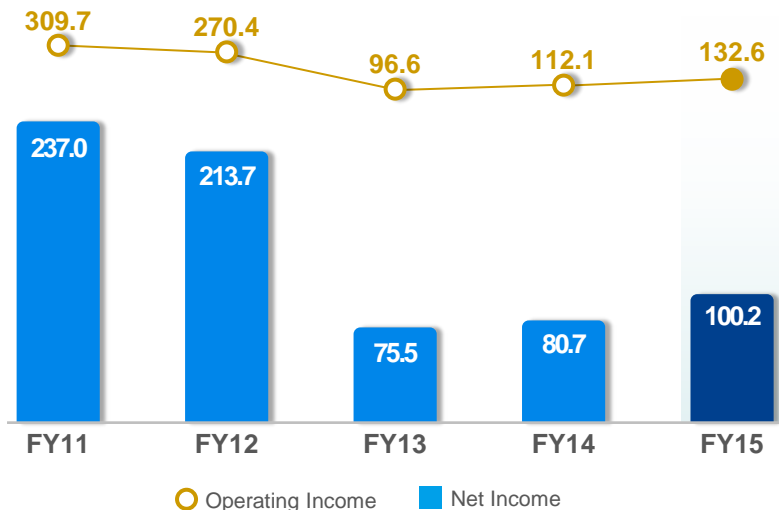
Note) Excluding non-monthly premium and Retirement Pension

## Premium Breakdown

(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
Prem. Received	4,787.9	4,609.4	3.9	1,211.5	1,188.3	1.9
New Premium	141.9	176.0	-19.4	25.9	28.5	-8.8
Monthly Premium	73.0	71.2	2.5	16.8	18.1	-6.9
Non-Monthly Premium	68.9	104.8	-34.2	9.1	10.4	-12.2
Recurring Premium	4,646.0	4,433.4	4.8	1,185.5	1,159.8	2.2

Note) Excluding Retirement Pension

## Net Income (KRW bil.)



## Profitability & Key Financial Indices

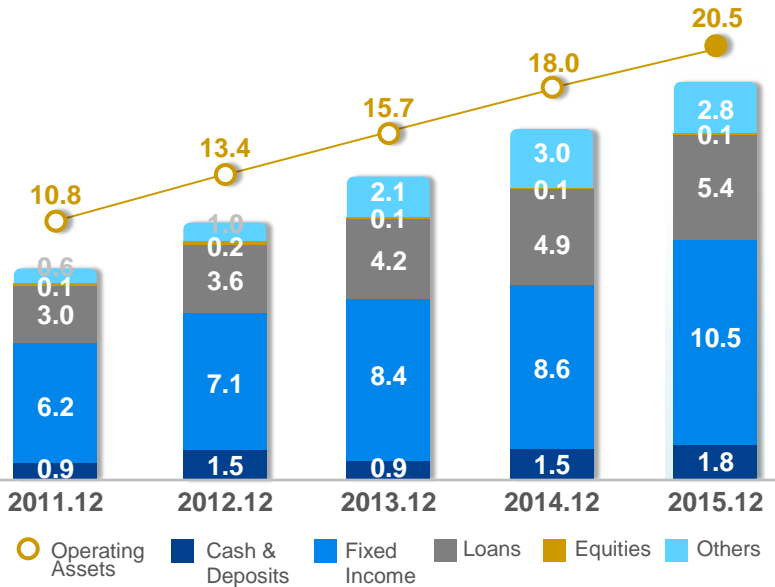
(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
Operating Income	132.6	112.1	18.3	17.1	28.9	-40.7
Net Income	100.2	80.7	24.2	11.9	22.7	-47.6
ROE	6.5%	5.8%	0.7%p	6.5%	7.7%	-1.2%p
ROA	0.4%	0.4%	0.0%p	0.4%	0.5%	-0.1%p

Note) ROE, ROA are calculated on a cumulative basis.

# SFG Subsidiaries\_Shinhan Life Insurance (2)

## Operating Assets

(KRW tril.)

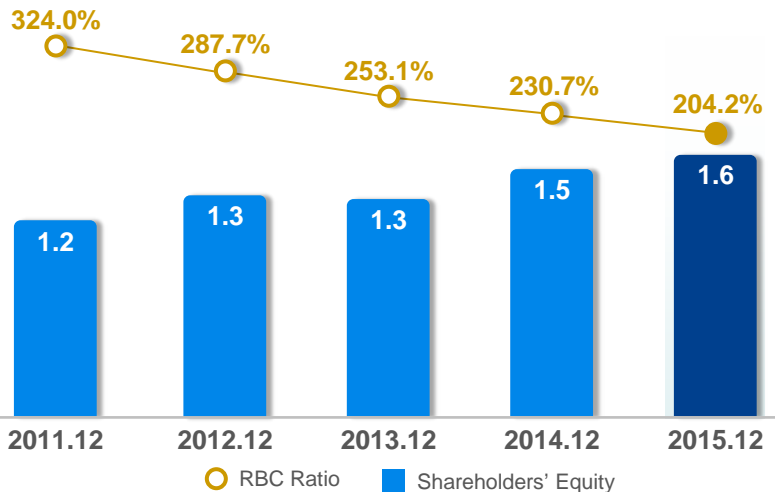


## Operating Assets

(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
Operating Assets	20,545.0	18,011.4	14.1	19,974.9	2.9
Cash & Deposits	1,831.6	1,485.7	23.3	1,865.6	-1.8
Fixed Income	10,505.2	8,558.9	22.7	10,103.2	4.0
Loans	5,372.1	4,919.4	9.2	5,143.2	4.5
Equities	80.7	94.7	-14.7	84.3	-4.3
Others	2,755.4	2,952.8	-6.7	2,778.6	-0.8

## Equity & Capital Adequacy Ratio

(%, KRW tril.)

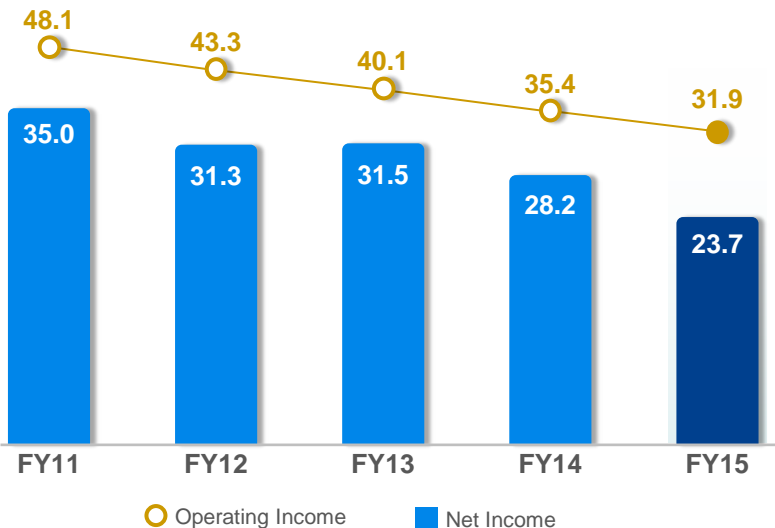


## Equity & Capital Adequacy Ratio

(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
Shareholders' Equity	1,581.4	1,475.9	7.1	1,592.2	-0.7
Capital & Retained Earnings	1,502.1	1,411.5	6.4	1,490.0	0.8
Accumulated Other Comprehensive Income	79.3	64.4	23.1	102.2	-22.4
RBC Ratio	204.2%	230.7%	-26.5%p	220.5%	-16.3%p

## Net Income

(KRW bil.)



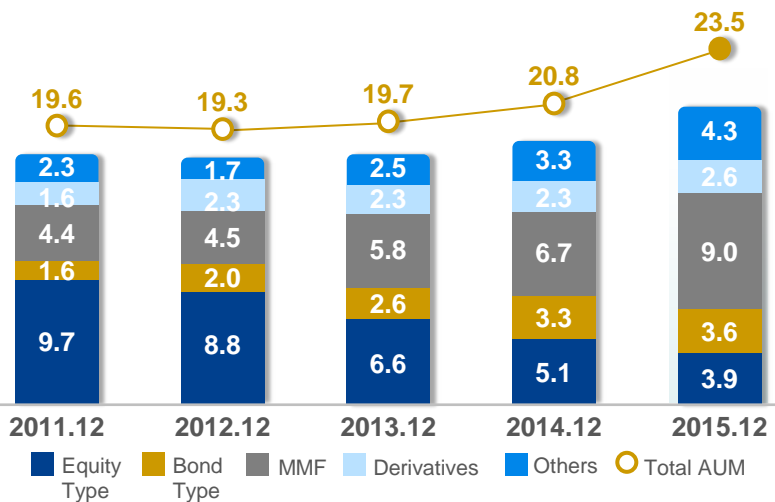
## Condensed I/S & Key Financial Indices

(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
Operating Revenue	83.7	89.0	-6.0	18.5	19.9	-7.1
Operating Expense	51.8	53.6	-3.4	11.6	12.7	-8.9
(G&A Expenses)	41.6	39.2	6.1	9.2	10.4	-11.7
Operating Income	31.9	35.4	-9.8	6.9	7.2	-3.9
Net Income	23.7	28.2	-16.1	5.1	5.1	-1.1
ROE	15.9%	18.9%	-3.0%p	15.9%	16.8%	-0.9%p

Note) ROE is calculated on a cumulative basis

## Assets Under Management

(KRW tril.)



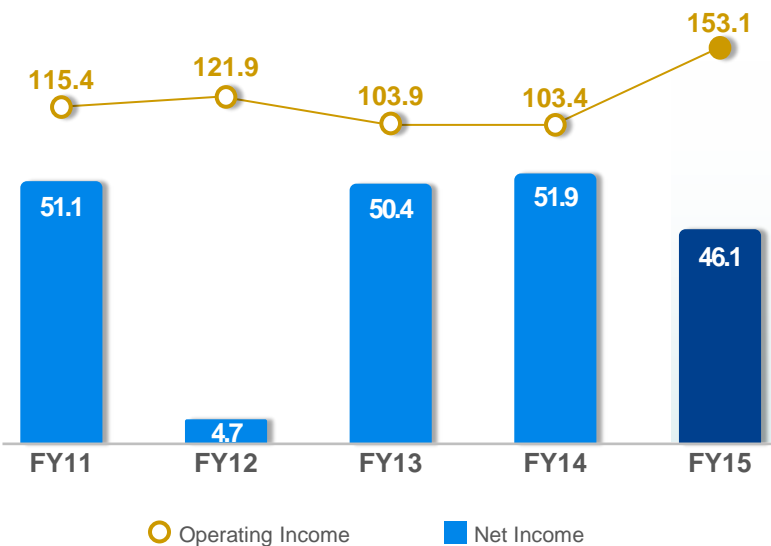
## Assets Under Management

(KRW tril.)	2015.12	2014.12	YTD%	2015.9	QoQ%
Total AUM	23.5	20.8	13.2	22.6	4.1
Equity Type	3.9	5.1	-22.5	4.0	-2.6
Bond Type	3.6	3.3	9.3	3.1	16.3
MMF	9.0	6.7	33.5	8.9	0.8
Derivatives	2.6	2.3	15.3	2.5	5.4
Others	4.3	3.3	28.5	4.0	8.1

Note) Excluding discretionary accounts

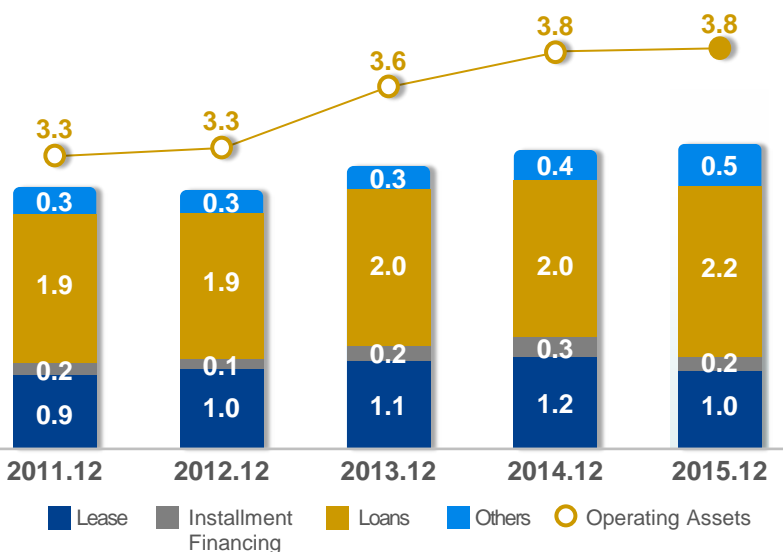
## Net Income

(KRW bil.)



## Operating Assets

(KRW tril.)



## Condensed I/S & Key Financial Indices

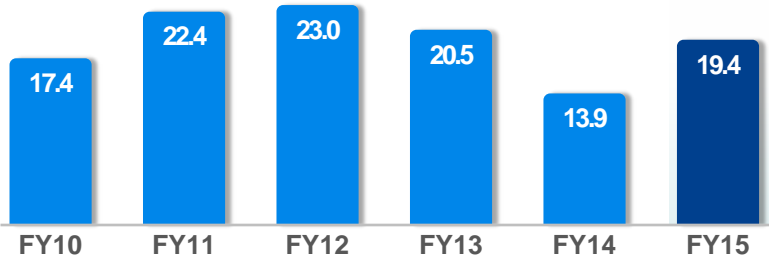
(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
Operating Revenue	373.6	321.8	16.1	83.6	104.9	-20.3
Operating Expense	191.4	188.1	1.8	43.7	67.9	-35.7
G&A Expenses	29.1	30.3	-4.1	7.8	7.3	7.3
Operating Income	153.1	103.4	48.1	32.2	29.7	8.3
Non-Operating Income	3.4	5.0	-32.4	0.6	2.0	-71.8
Pre-Provision Income	156.5	108.5	44.3	32.7	31.6	3.4
Provision for Credit Losses	96.9	42.5	128.1	26.7	24.5	9.0
Earnings before Income Tax	59.6	66.0	-9.6	6.0	7.2	-15.9
Net Income	46.1	51.9	-11.3	4.7	5.6	-16.1
ROE	7.7%	9.6%	-1.9%p	7.7%	9.4%	-1.7%p
ROA	1.2%	1.4%	-0.2%p	1.2%	1.4%	-0.2%p

Note) ROE, ROA are calculated on a cumulative basis

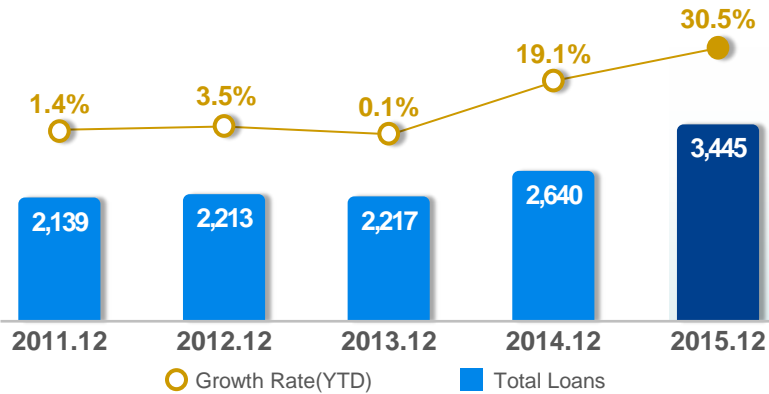
## Operating Assets

(KRW tril.)	2015.12	2014.12	YTD%	2015.9	QoQ%
Operating Assets	3.8	3.8	1.6	3.8	2.1
Lease	1.0	1.2	-14.3	1.0	-0.4
Installment Financing	0.2	0.3	-26.7	0.2	-7.4
Loans	2.2	2.0	10.6	2.0	8.1
Others	0.5	0.4	20.6	0.5	5.2

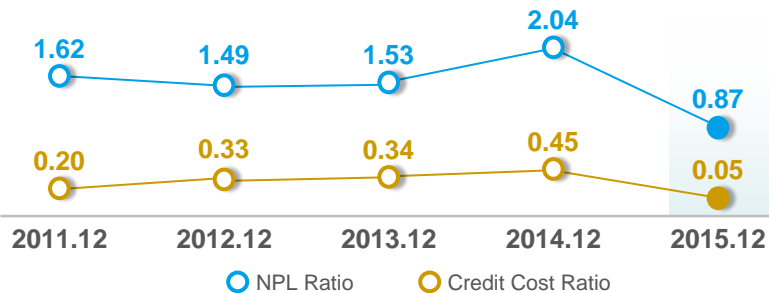
## Net Income (KRW bil.)



## KRW Loan Growth (KRW bil.)



## NPL Ratio & Credit Cost Ratio (%)



## Income

(KRW bil.)	FY15	FY14	YoY%	4Q15	3Q15	QoQ%
Operating Income (a=b+c)	89.0	87.7	1.5	22.3	22.6	-1.2
Interest Income (b)	81.4	79.4	2.5	22.3	20.2	10.0
Non-Interest Income (c)	7.6	8.3	-7.9	0.1	2.4	-96.6
G&A Expenses (d)	61.9	57.8	7.0	16.5	14.8	11.3
Pre-Provision Oper.Income (e=a-d)	27.1	29.8	-9.1	5.8	7.8	-25.2
Non-Operating Income (f)	-0.6	0.2	n.a.	-0.4	-0.2	n.a.
Pre-Provision Income (g=e+f)	26.6	30.1	-11.7	5.4	7.6	-28.6
Provision for Credit Losses (h)	1.7	12.3	-86.0	0.7	0.9	-22.8
Earnings before Income Tax (i=g-h)	24.9	17.8	39.7	4.7	6.7	-29.4
Income Tax	5.5	3.9	38.5	1.0	1.5	-30.0
Net Income <sup>1)</sup>	19.4	13.9	40.0	3.7	5.2	-29.2

1) Net Income in Controlling Interest

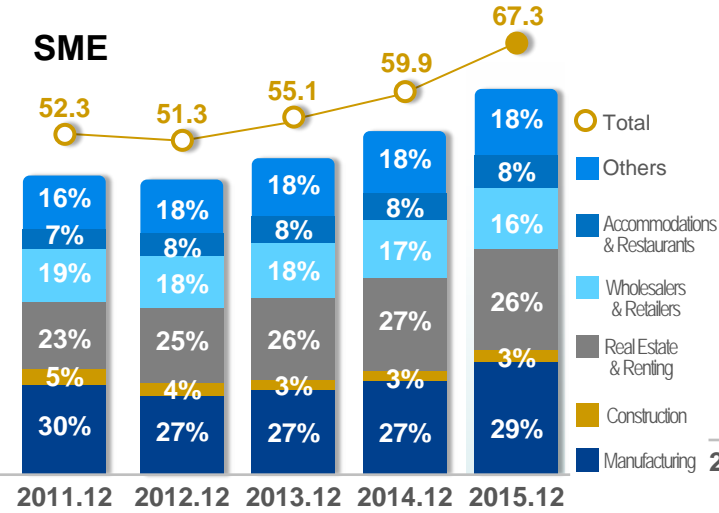
## Loan in KRW

(KRW bil.)	2015.12	2014.12	YTD%	2015.9	QoQ%
Loan in KRW	3,445	2,640	30.5	3,129	12.0
Retail	1,224	812	50.8	1,063	19.9
Mortgage	541	335	61.7	490	15.3
Others	683	477	43.2	573	23.1
Corporate	2,221	1,828	21.5	2,066	8.5
SME	2,086	1,740	19.9	1,968	6.8
SOHO	1,156	925	24.9	1,081	8.1
Large Corporate etc.	135	88	53.3	98	41.9

# SHB SME Loans

## Loans

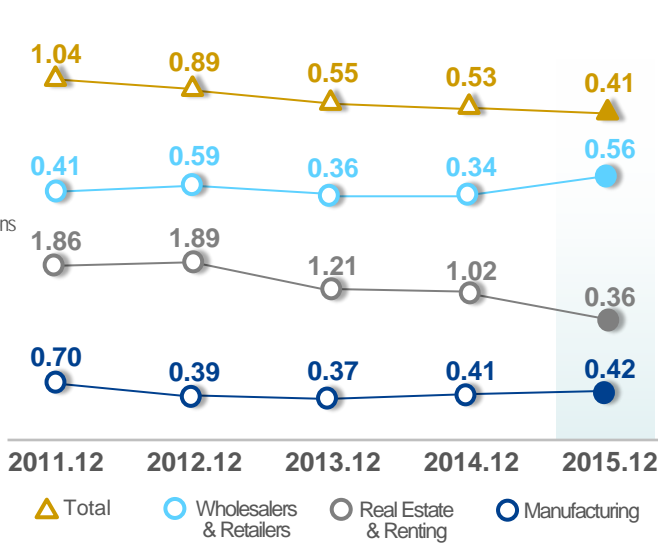
(KRW tril.)



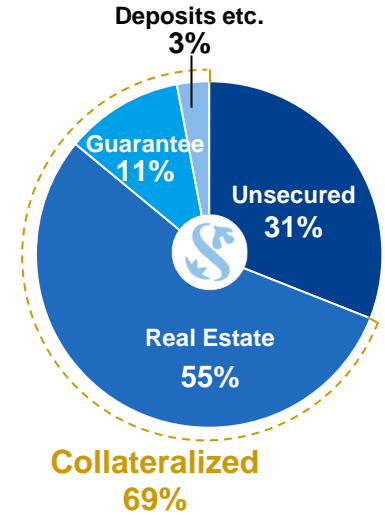
Note) SOHO 51%, Registered 22%, Unregistered 27%

## Delinquency

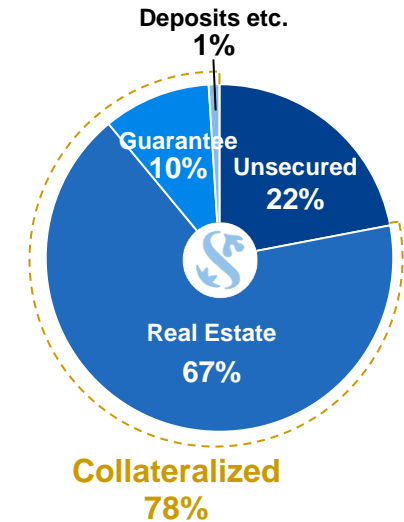
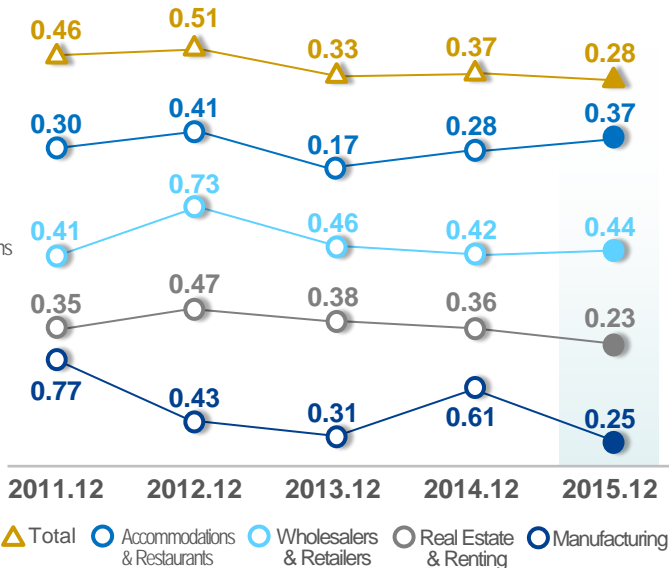
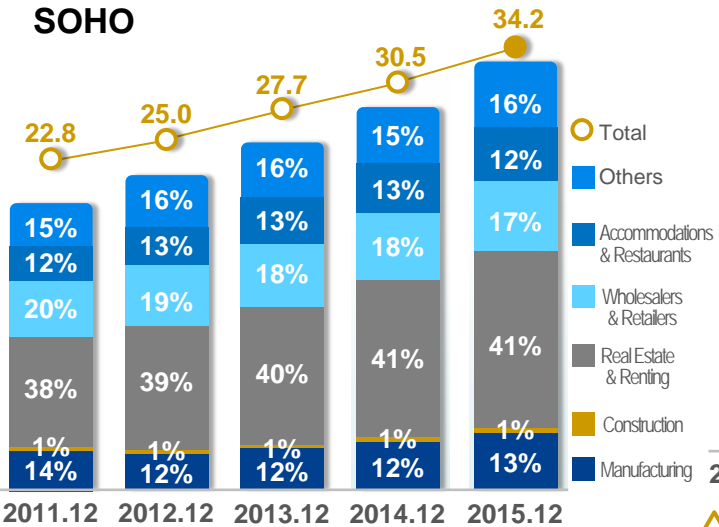
(%)



## Collateral

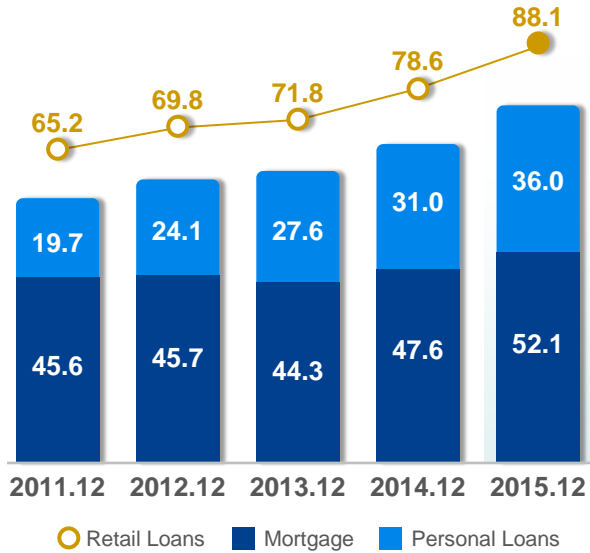


### SOHO



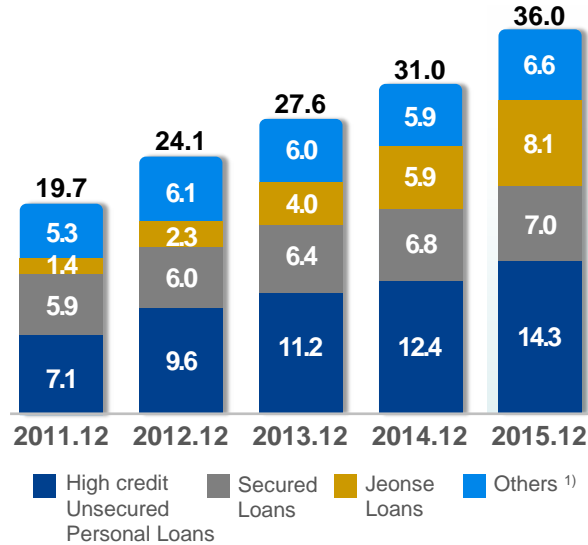
# SHB Retail Loans

## Loans (KRW tril.)

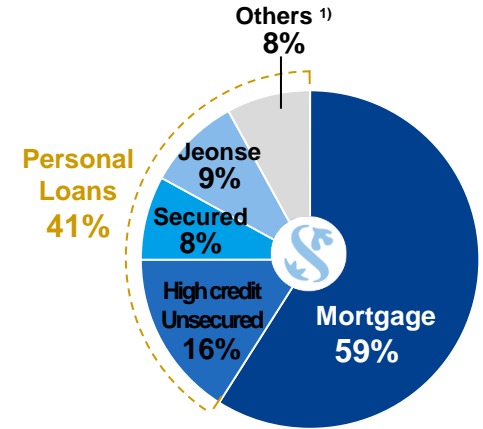


## Retail Personal Loans (KRW tril.)

Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

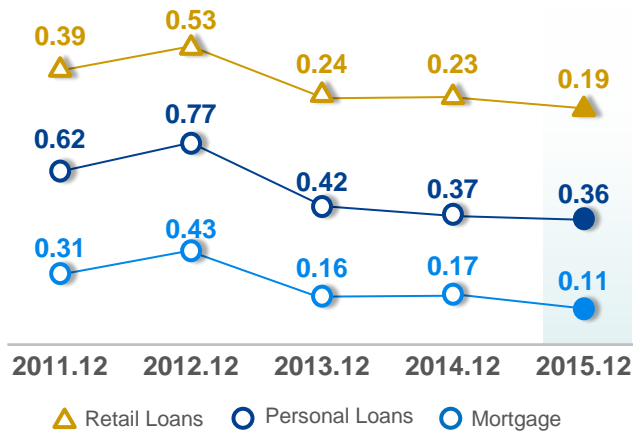


## Loan Composition

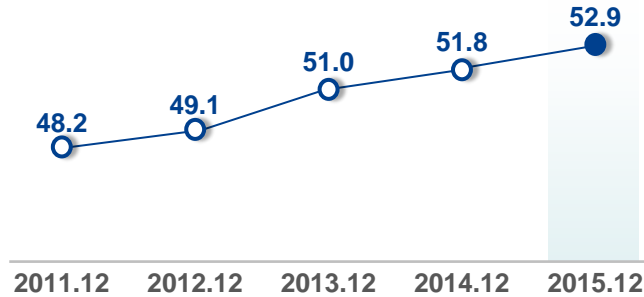


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

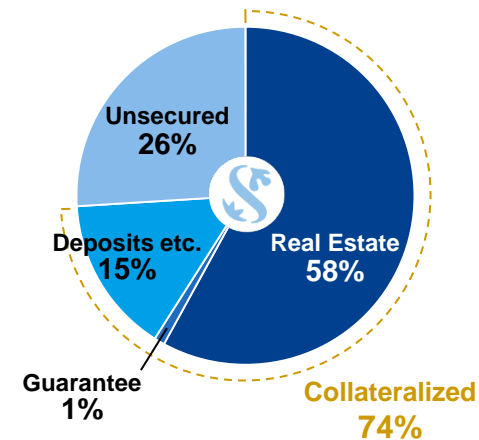
## Delinquency (%)



## LTV (%)



## Collateral



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