

Business Results

2016 1Q

Spring

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.
- 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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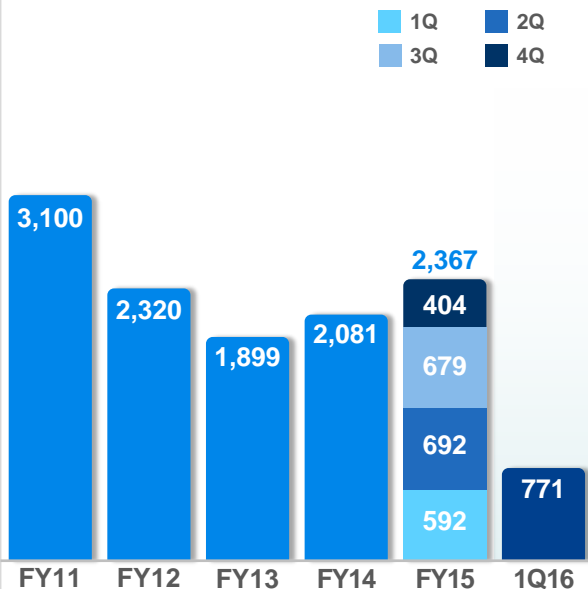
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2016 1Q Business Results Highlights (1)

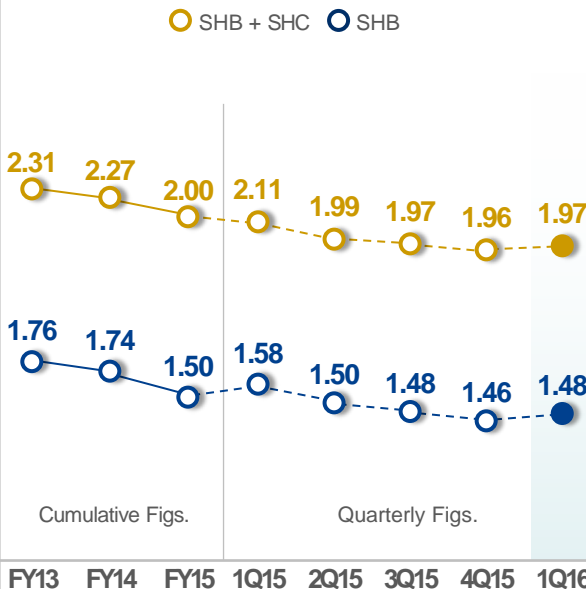
Group Net Income (KRW bil.)



**2016 1Q Net Income : 771.4bil.
(30.3% YoY improvement)**

- SFG posted net income 771.4bil. in 1Q, improved by 30.3% YoY.
- Interest income increased by 5.0% YoY, attributed to moderate loan growth coupled with stable NIM.
- Non-interest income dropped by 31.4% YoY, due to decreased volume of security sales gains. However, fee income increased YoY.
- SG&A tamed at 2.8% YoY, through tightened cost control. Overall cost decreased by 13.1% QoQ as seasonality factors faded away during 1Q.

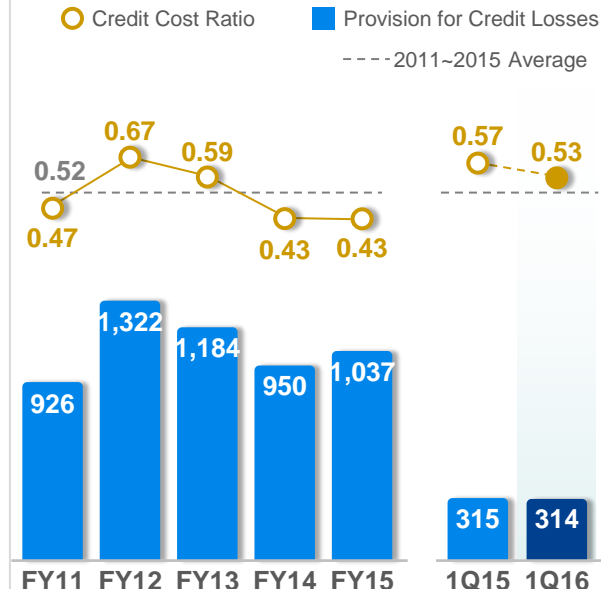
NIM (%)



**2016 1Q Bank NIM 1.48%,
Group NIM 1.97%**

- Group NIM stood at 1.97% improved by 1bp QoQ. NIM entered into stabilizing stage.
- SHB's NIM improved by 2bp QoQ to 1.48% from 1.46%. Attributed to 1) stabilizing market interest rate, 2) moderate loan growth with defensive pricing policy, 3) incremental drop in deposit yield based on effective A&L management along with year-round efforts to draw more low-cost deposits, which resulted in improvement in NIM.

Credit Cost Ratio (% , KRW bil.)

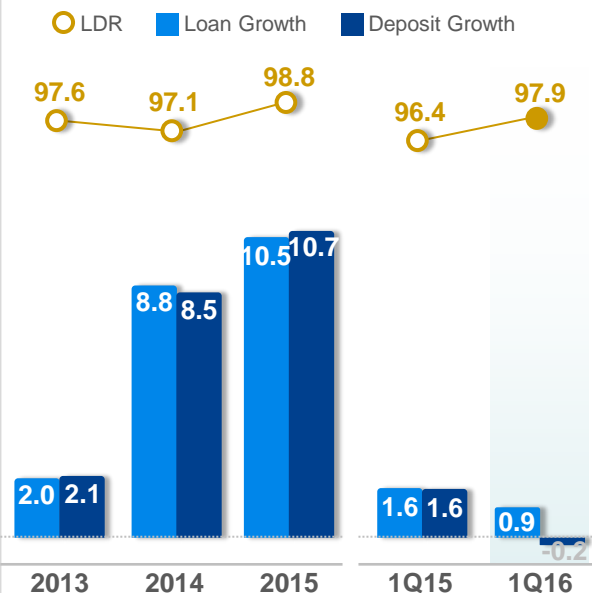


**2016 1Q Credit Cost Ratio at 0.53%
(slightly higher than 5-year average)**

- Group credit costs improved by 4bp to 0.53% compare to 0.57% in 1Q15.
- SHB's provision remained at similar level YoY, mainly due to provisions related to restructuring companies such as shipbuilding and shipping. However recurring credit cost has consistently entered into improving trajectory.
- SHC's provision decreased by 3.0% YoY, with continuing asset quality improvement. Provision QoQ increased by 82.6% due to absence of one-off write-backs in 4Q15.

2016 1Q Business Results Highlights (2)

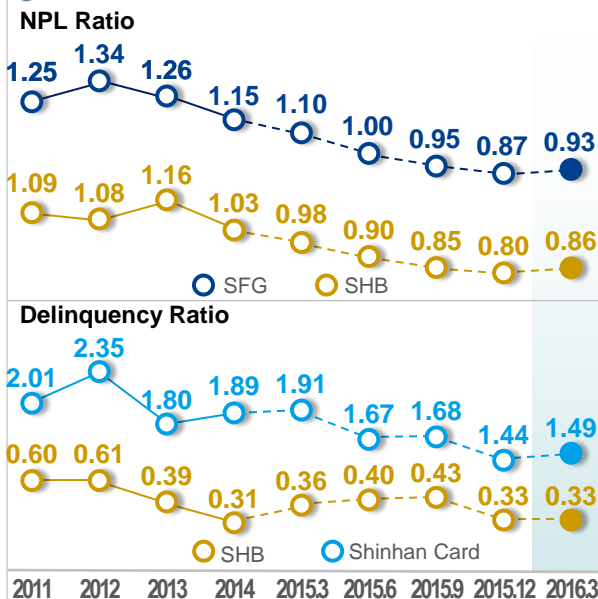
Loans & Deposits (%)



**1Q16 Loan growth at 0.9%
LDR stood at 97.9%**

- KRW bank loan balance as end of 1Q16 marked 178.4 tril. up by 0.9% YTD. Mostly led by two major growth drivers; SME loans and Mortgage loans, each increased by 1.3% and 1.4% respectively.
- Deposit decreased by 0.2% YTD., slightly down to 180.5 tril. Low costs deposits increased by 0.7% YTD. with year-round efforts to draw more low-cost funding whereas time savings decreased by 0.7% YTD.
- LDR stood at 97.9% remaining at a stable level.

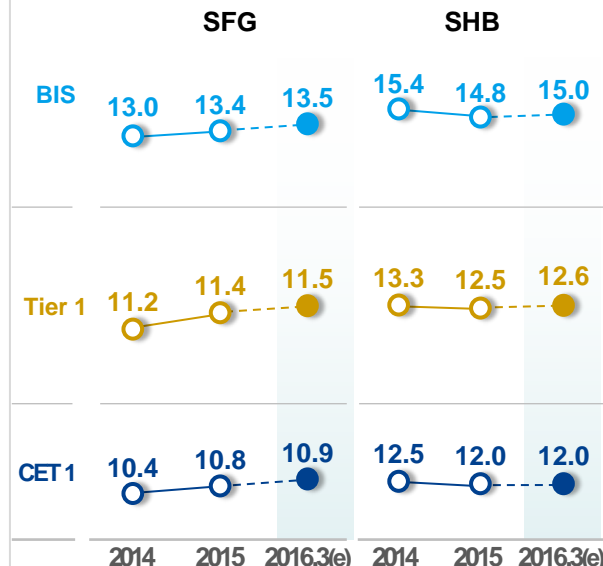
NPL / Delinquency Ratio (%)



**2016 1Q Group NPL Ratio 0.93%,
SHB Delinquency Ratio 0.33%**

- NPL ratio for the Group and SHB recorded 0.93% and 0.86%, increased by 0.06%p respectively.
- NPL coverage ratio for the Group and SHB each marked 185% and 167%, decreased by 6%p respectively.
- Delinquency ratio for SHB marked 0.33%, maintained at same level, whereas SHC marked 1.49%, increasing by 0.05%p. However, the level of delinquency has improved YoY and remains in tact.
- During 1Q16, the total amount of NPL write-offs/sales were KRW 291.2 bil., reduced by 226.1bil.(-43.7%) YoY.

Capital Adequacy (%)



**2016 1Q Group CET1 Ratio 10.9%
SHB CET1 Ratio 12.0%**

- Based on BASEL3, Group's Common Equity Tier1 and BIS ratio each marked 10.9% and 13.5% driven by growth in earnings with stable level of risk weighted assets.
- Based on BASEL3, SHB's Common Equity Tier1 and BIS ratio each marked 12.0% and 15.0%, maintaining sufficient capital base.

Note) Based on Basel 3

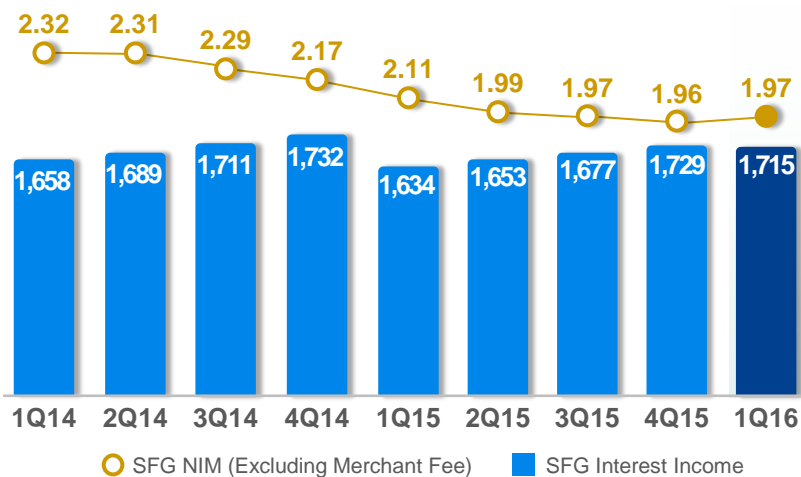
II . Income

- 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**

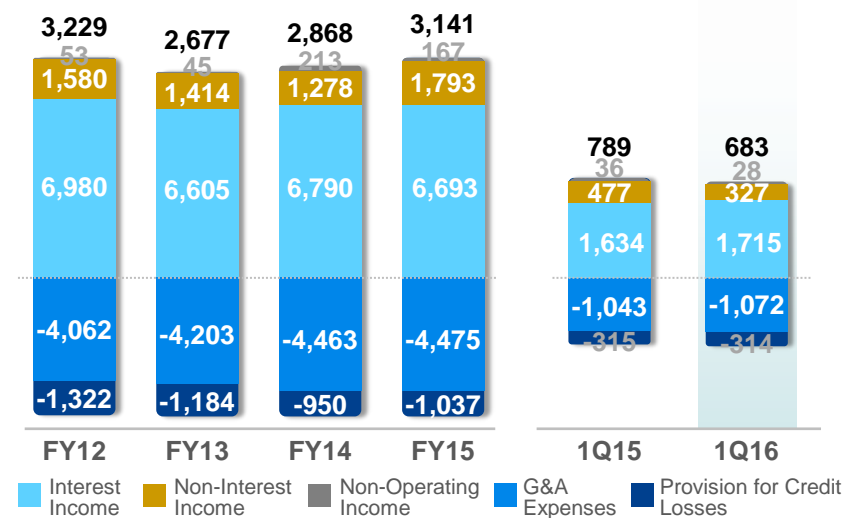


SFG Income

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



SFG Earnings before Income Tax (KRW bil.)



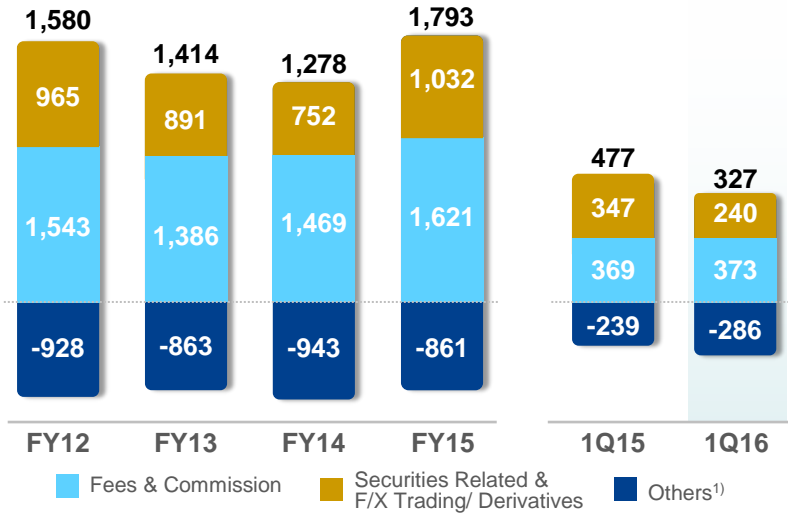
(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Operating Income (a=b+c)	2,042.0	2,110.8	-3.3	1,971.6	3.6
Interest Income (b)	1,714.7	1,633.7	5.0	1,729.2	-0.8
Non-Interest Income (c)	327.4	477.1	-31.4	242.4	35.0
G&A Expenses (d)	1,072.2	1,043.1	2.8	1,234.3	-13.1
Pre-Provision Oper. Income (e=a-d)	969.9	1,067.7	-9.2	737.4	31.5
Non-Operating Income (f)	27.7	35.7	-22.5	0.6	n.m.
Pre-Provision Income (g=e+f)	997.6	1,103.4	-9.6	737.9	35.2
Provision for Credit Losses (h)	314.4	314.7	-0.1	181.6	73.1
Earnings before Income Tax (i=g-h)	683.2	788.7	-13.4	556.3	22.8
Income Tax	-104.6	174.9	n.a.	133.5	n.a.
Consolidated Net Income ¹⁾	771.4	592.1	30.3	404.0	90.9

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

(KRW bil.)

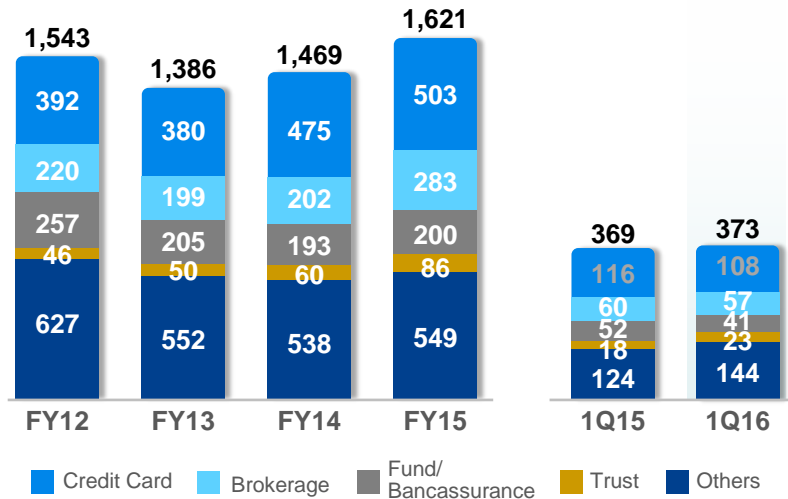


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Non-Interest Income	327.4	477.1	-31.4	242.4	35.0
Fees & Commission	372.9	369.3	1.0	404.5	-7.8
Securities Related & FX Trading/Derivatives	240.5	347.3	-30.8	106.3	126.1
(Gains on Sale of AFS Securities)	52.0	222.6	-76.7	79.2	-34.4
(Impairment Loss on AFS Securities)	-35.5	-62.2	n.a.	-80.5	n.a.
Others	-286.0	-239.5	n.a.	-268.5	n.a.
(Contribution Expenses)	-63.7	-70.0	n.a.	-71.2	n.a.
(Insurance Fees on Deposits)	-75.3	-69.9	n.a.	-72.3	n.a.

SFG Fees & Commission

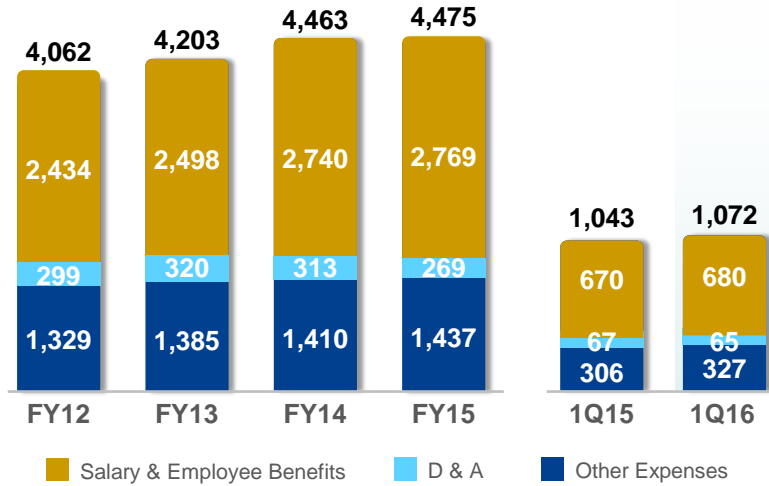
(KRW bil.)



(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Fees & Commission	372.9	369.3	1.0	404.5	-7.8
Credit Card Fee Income	108.5	115.7	-6.3	136.1	-20.3
Brokerage Commissions	56.7	59.9	-5.3	58.6	-3.3
Fund/Bancassurance Fees	40.8	51.9	-21.4	40.6	0.4
Trust Fee Income	23.4	18.2	28.5	22.7	3.2
Others	143.6	123.6	16.2	146.6	-2.0

SFG G&A Expenses

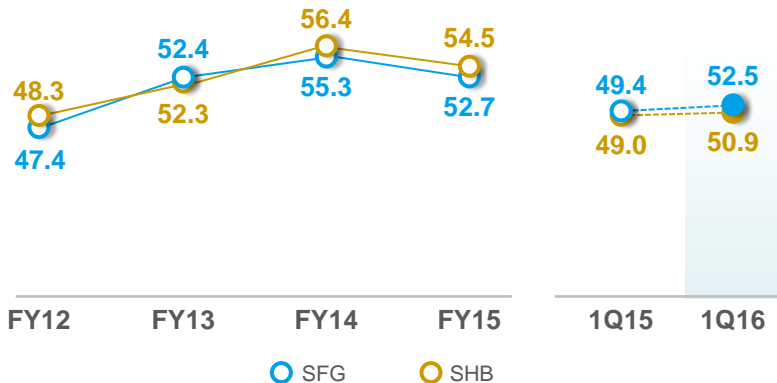
SFG G&A Expenses (KRW bil.)



SFG G&A Expenses

(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
G&A Expenses	1,072.2	1,043.1	2.8	1,234.3	-13.1
Salary & Employee Benefits	679.6	669.7	1.5	771.6	-11.9
(Early Retirement Program Expenses)	2.3	0.3	777.7	101.9	-97.7
D & A	65.2	67.4	-3.2	66.6	-2.1
Other Expenses	327.4	306.1	7.0	396.1	-17.3
(Advertising Expenses)	59.1	40.6	45.6	81.3	-27.3
(Taxes and Dues)	44.6	44.1	1.0	37.8	17.9

Cost-Income Ratio (%)



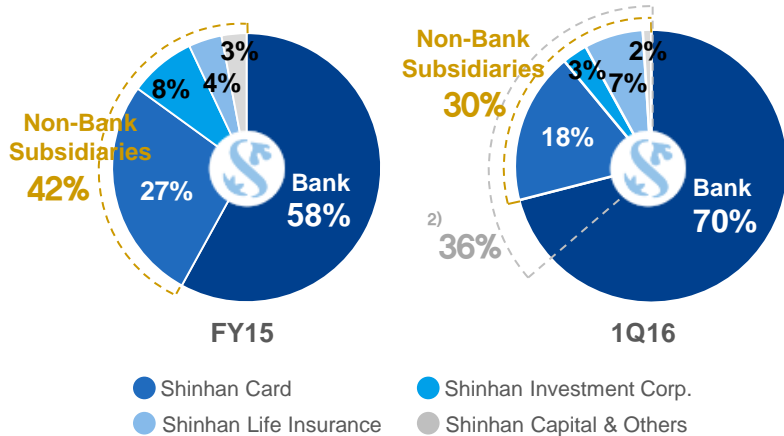
SHB G&A Expenses

(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
G&A Expenses	662.8	653.9	1.4	769.6	-13.9
Salary & Employee Benefits	421.3	415.1	1.5	450.1	-6.4
(Early Retirement Program Expenses)	0.4	0.1	489.5	59.5	-99.3
D & A	41.0	40.6	1.1	41.0	0.1
Other Expenses	200.4	198.1	1.1	278.5	-28.0
(Advertising Expenses)	6.3	6.2	1.5	23.5	-73.1
(Taxes and Dues)	15.2	16.9	-10.2	14.6	3.6

Note) Cumulative Figures

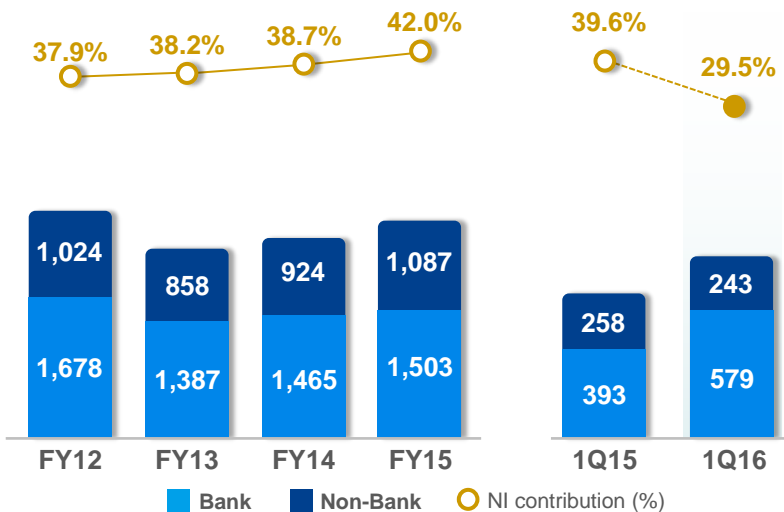
Subsidiaries Income (1)

Net Income Contribution by Subsidiaries ¹⁾



Note 1) After reflecting ownership by SFG
2) Excluding the Deferred Tax Asset effect

Net Income Contribution by Non-Bank Subsidiaries ¹⁾ (KRW bil.)



Note 1) After reflecting ownership by SFG

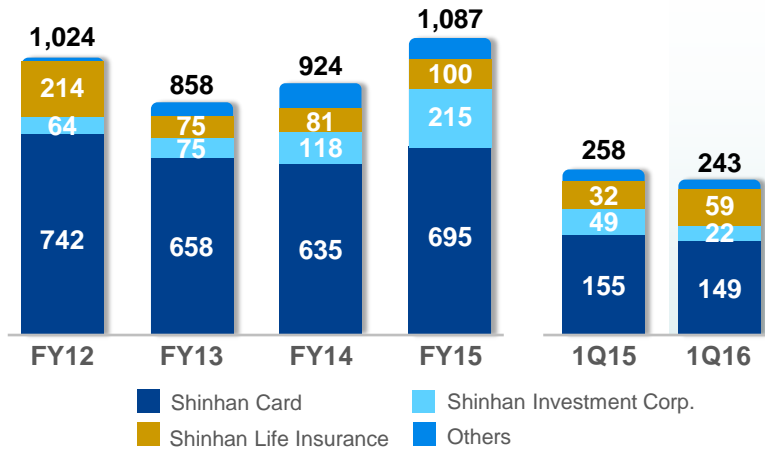
(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=AxB]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	580.9		579.0	-13.0	566.1
Shinhan Bank	574.9	100.0%	574.9	-13.0	561.9
Jeju Bank	6.1	68.9%	4.2	-0.0	4.2
Non-Bank (b)	243.8		242.6	-5.5	237.1
Shinhan Card	148.8	100.0%	148.8	1.5	150.4
Shinhan Investment Corp.	21.8	100.0%	21.8	1.0	22.8
Shinhan Life Insurance	58.7	100.0%	58.7	-2.9	55.8
Shinhan BNPP AM	3.6	65.0%	2.3	-0.1	2.2
Shinhan Capital	2.6	100.0%	2.6	-0.5	2.0
Shinhan Savings Bank	5.0	100.0%	5.0	-0.0	5.0
Shinhan Data System	1.0	100.0%	1.0	-4.4	-3.4
Shinhan AITAS	1.8	99.8%	1.8	0.0	1.8
Shinhan Credit Information	-0.1	100.0%	-0.1	-0.0	-0.1
Shinhan Private Equity	0.7	100.0%	0.7	-	0.7
SFG (c)				-31.8 ²⁾	-31.8
Total (d=a+b+c) ¹⁾	824.8		821.6	-50.3	771.4

Note 1) Net Income in Controlling Interest

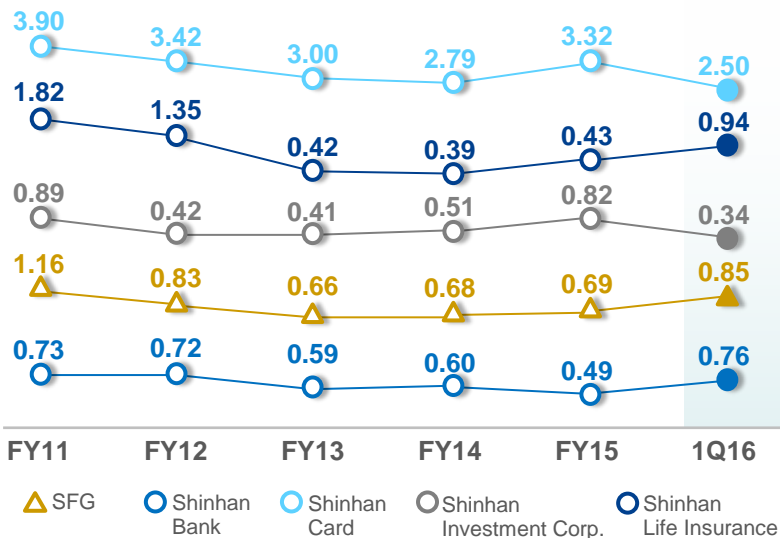
2) SFG (Separate): Brand Fee Income KRW 17.5bil., Interest Expense KRW -41.9bil., G&A etc. KRW -15.5bil.

Subsidiaries Income (2)

Non-Bank Net Income (KRW bil.)



ROA (%)

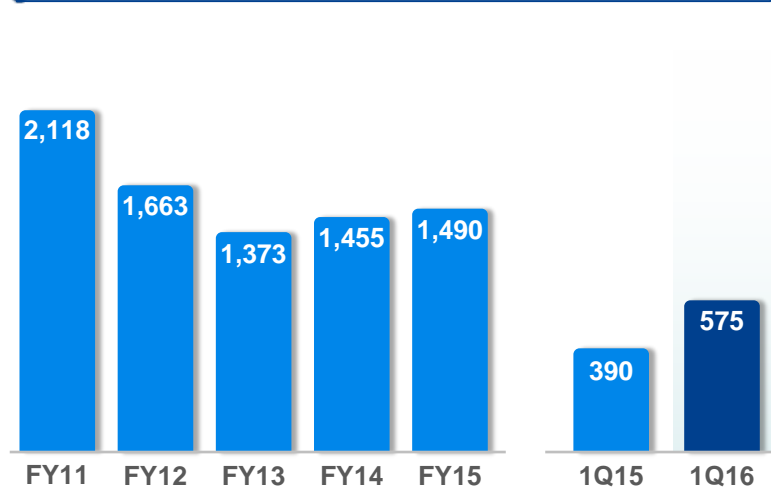


(Reflecting SFG Ownership, KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Bank (a)	579.0	393.2	47.3	239.4	141.9
Shinhan Bank	574.9	389.9	47.4	236.8	142.7
Jeju Bank	4.2	3.2	28.7	2.5	64.9
Non-Bank (b)	242.6	257.7	-5.9	213.2	13.8
Shinhan Card	148.8	154.5	-3.7	173.2	-14.1
Shinhan Investment Corp.	21.8	48.8	-55.4	21.3	2.4
Shinhan Life Insurance	58.7	32.3	81.9	11.9	394.2
Shinhan BNPP AM	2.3	3.8	-38.2	3.3	-29.7
Shinhan Capital	2.6	13.1	-80.4	4.7	-45.6
Shinhan Savings Bank	5.0	3.5	42.1	-1.8	n.a.
Shinhan Data System	1.0	-0.1	n.a.	0.2	455.5
Shinhan AITAS	1.8	1.4	21.6	1.1	65.1
Shinhan Credit Information	-0.1	0.2	n.a.	-0.2	n.a.
Shinhan Private Equity	0.7	0.1	621.5	-0.5	n.a.
Total (a+b)	821.6	650.8	26.2	452.5	81.6
Consolidate Net Income¹⁾	771.4	592.1	30.3	404.0	90.9

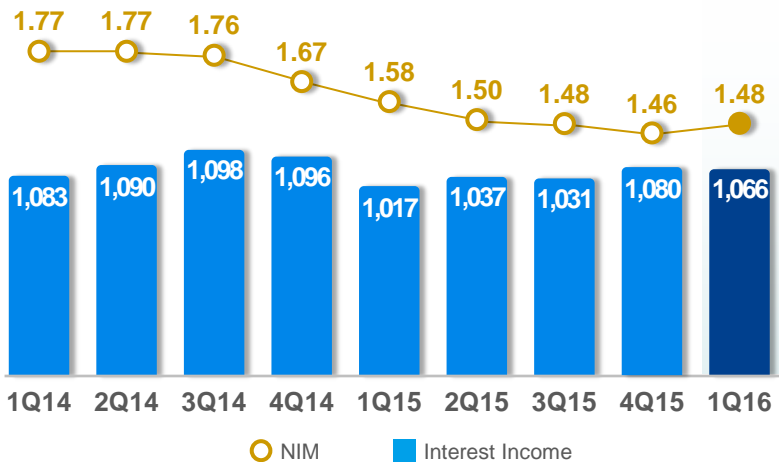
1) Net Income in Controlling Interest

SHB Income / NIM

Net Income (KRW bil.)



Interest Income/NIM(Quarterly) (% , KRW bil.)



(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Operating Income (a=b+c)	1,302.9	1,335.2	-2.4	1,189.9	9.5
Interest Income (b)	1,065.7	1,016.7	4.8	1,080.0	-1.3
Non-Interest Income (c)	237.1	318.4	-25.5	109.9	115.8
G&A Expenses (d)	662.8	653.9	1.4	769.6	-13.9
Pre-Provision Oper.Income (e=a-d)	640.1	681.3	-6.0	420.3	52.3
Non-Operating Income (f)	22.8	32.4	-29.6	-4.9	n.a.
Pre-Provision Income (g=e+f)	662.9	713.7	-7.1	415.4	59.6
Provision for Credit Losses (h)	218.6	212.7	2.8	108.9	100.7
Earnings before Income Tax (i=g-h)	444.4	501.1	-11.3	306.5	45.0
Income Tax	-130.3	111.0	n.a.	69.5	n.a.
Net Income ¹⁾	574.9	389.9	47.4	236.8	142.7

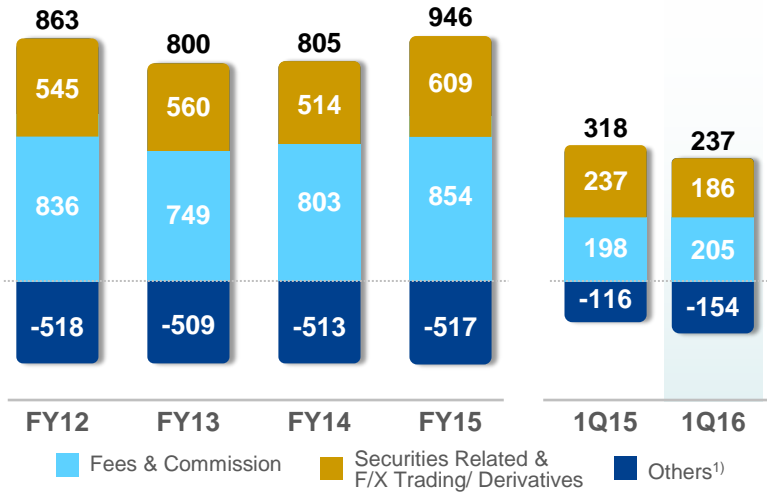
1) Net Income in Controlling Interest

(%)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16
NIS (a-b) (quarterly)	1.91	1.89	1.88	1.78	1.70	1.64	1.64	1.62	1.65
Loan interest rate (a)	4.20	4.13	4.05	3.83	3.62	3.37	3.20	3.10	3.10
Deposit interest rate (b)	2.29	2.24	2.17	2.05	1.92	1.73	1.55	1.48	1.45
NIM(quarterly)	1.77	1.77	1.76	1.67	1.58	1.50	1.48	1.46	1.48
NIM(cumulative figures)	1.77	1.77	1.77	1.74	1.58	1.54	1.52	1.50	1.48

SHB Non-Interest Income

Non-Interest Income

(KRW bil.)

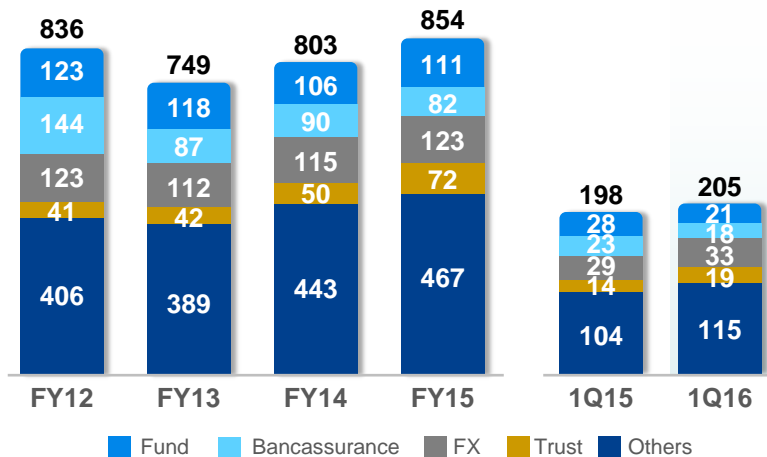


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Non-Interest Income	237.1	318.4	-25.5	109.9	115.8
Fees & Commission	205.1	197.8	3.7	216.2	-5.1
Securities Related & FX Trading/Derivatives	185.6	237.0	-21.7	44.5	316.9
(Gains on Sale of AFS Securities)	48.8	145.1	-66.3	13.4	263.5
(Impairment Loss on AFS Securities)	-33.1	-57.9	n.a.	-50.7	n.a.
Others	-153.7	-116.3	n.a.	-150.8	n.a.
(Contribution Expenses)	-62.0	-68.6	n.a.	-68.4	n.a.
(Insurance Fees on Deposits)	-65.2	-61.1	n.a.	-63.5	n.a.

Fees & Commission

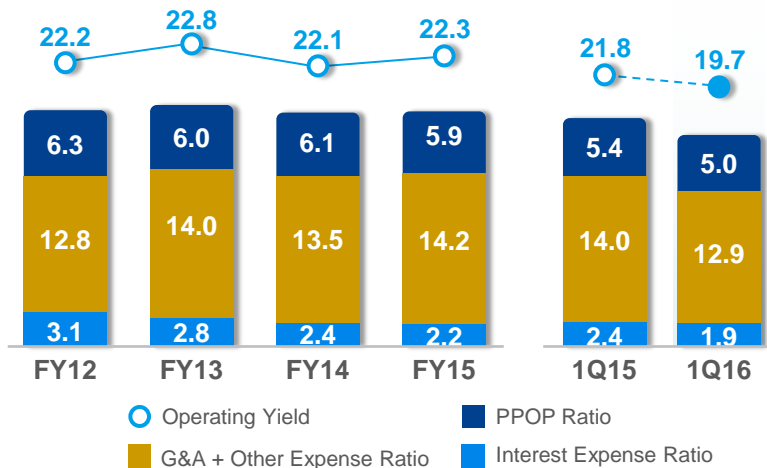
(KRW bil.)



(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Fees & Commission	205.1	197.8	3.7	216.2	-5.1
Fund Fee Income	20.6	28.2	-27.1	20.8	-1.1
Bancassurance Fee Income	17.6	22.6	-22.2	18.2	-3.5
FX Fee Income	33.3	28.8	15.7	32.0	4.2
Trust Fee Income	18.9	14.5	30.6	19.6	-3.5
Others	114.7	103.7	10.7	125.6	-8.6

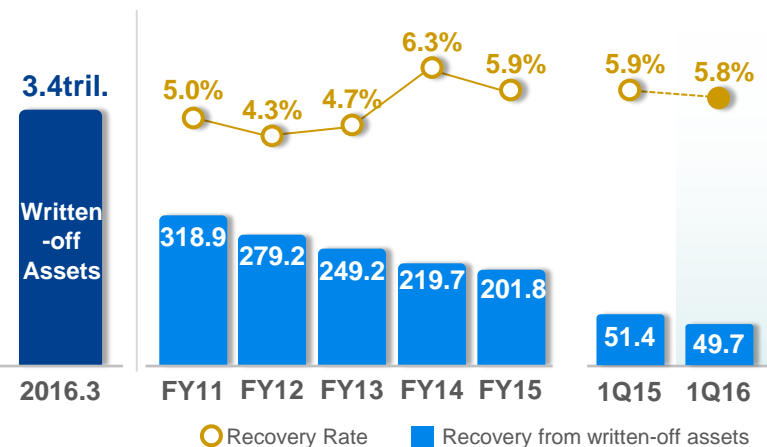
Shinhan Card Income

Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

Recovery from Written-off Assets (KRW bil.)



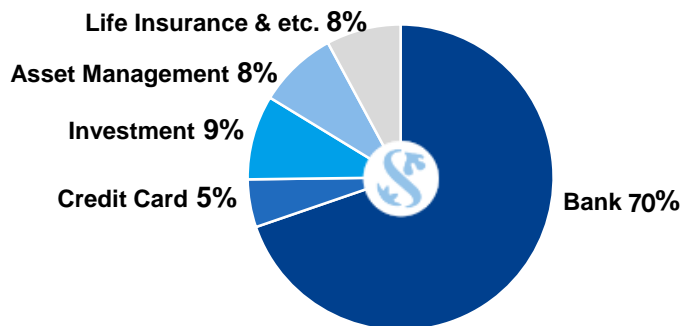
(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Operating Revenue (a)	1,131.2	1,093.7	3.4	1,140.6	-0.8
Card Business	951.1	937.6	1.4	996.8	-4.6
Installment Finance	24.4	23.2	5.4	24.0	1.9
Lease	11.5	9.6	20.5	9.6	20.6
Others	144.1	122.7	17.4	110.3	30.7
(Derivatives & FX)	68.1	17.8	282.9	-20.7	n.a.
Interest Expense (b)	101.5	116.3	-12.7	105.1	-3.4
G&A Expenses (c)	184.4	173.6	6.3	231.0	-20.2
Commissions & Other Expenses (d)	576.9	535.6	7.7	541.5	6.5
(Derivatives & FX)	61.3	11.8	419.1	-28.4	n.a.
Pre-Provision Income (e=a-b-c-d)	268.3	268.2	0.1	263.1	2.0
Provision for Credit Losses (f)	79.1	81.5	-3.0	43.3	82.6
Earnings before Income Tax (g=e-f)	189.2	186.7	1.4	219.8	-13.9
Income Tax	40.4	32.1	25.7	46.5	-13.3
Net Income	148.8	154.5	-3.7	173.2	-14.1

III. Assets & Liabilities

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

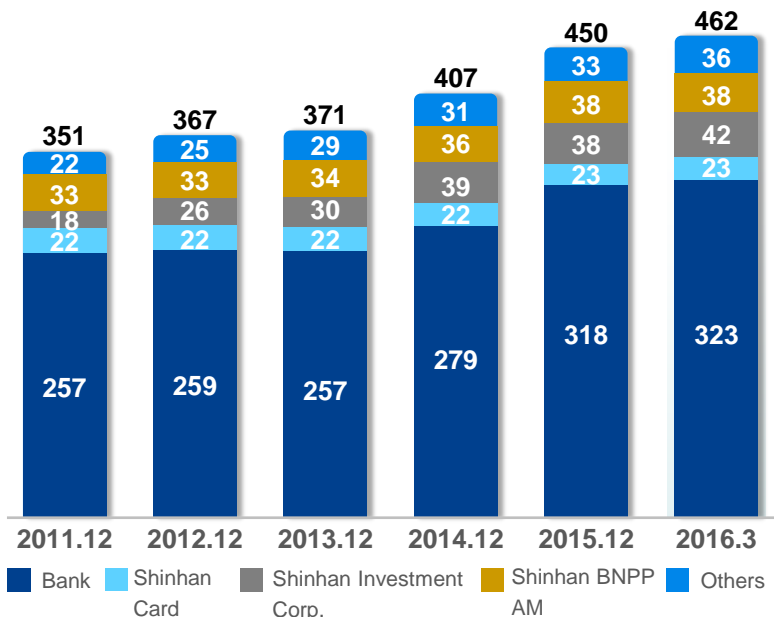


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)



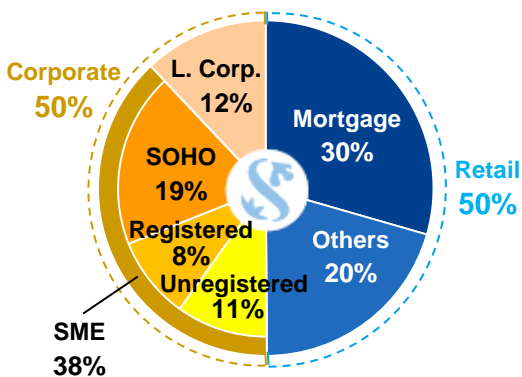
Note) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included

(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Bank (a)	322,757.9	318,112.9	1.5	283,629.0	13.8
Shinhan Bank	318,117.9	313,648.3	1.4	280,000.6	13.6
Jeju Bank	4,640.0	4,464.6	3.9	3,628.3	27.9
Non-Bank (b)	134,602.7	128,969.0	4.4	128,452.7	4.8
Shinhan Card	23,258.3	23,347.7	-0.4	22,066.3	5.4
Shinhan Investment Corp.	41,894.9	37,792.3	10.9	42,050.6	-0.4
Shinhan Life Insurance	25,236.6	24,544.6	2.8	22,703.4	11.2
Shinhan BNPP AM	38,233.0	37,973.3	0.7	35,851.7	6.6
Shinhan Capital	3,845.8	4,076.6	-5.7	4,018.5	-4.3
Shinhan Savings Bank	836.8	795.1	5.2	793.7	5.4
Shinhan Data System	30.4	26.7	13.9	24.3	24.8
Shinhan AITAS	43.8	42.8	2.3	39.0	12.1
Shinhan Credit Information	22.0	23.9	-8.0	22.2	-0.9
Shinhan Private Equity	119.7	119.0	0.5	479.8	-75.1
Others	1,081.5	227.1	376.3	403.1	168.3
Total ¹⁾	462,310.5	450,438.5	2.6	416,062.2	11.1
Consolidate Total Assets	378,547.0	370,539.6	2.2	347,408.2	9.0

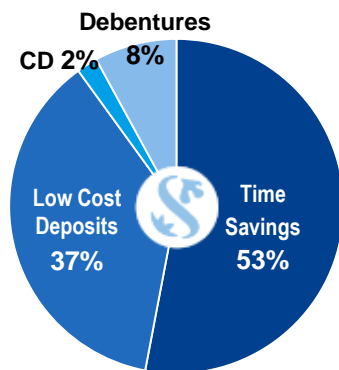
Note) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included

SHB Loan / Deposit Growth

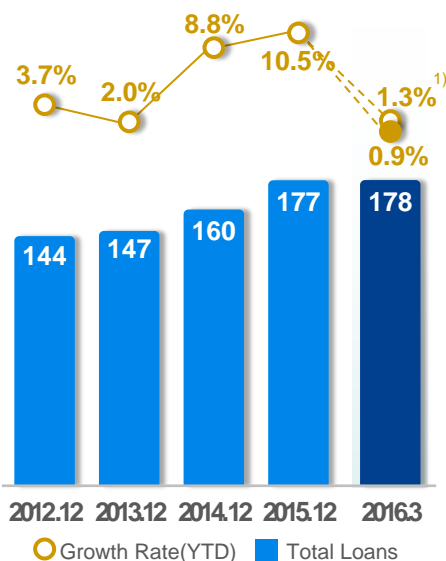
Loan Composition



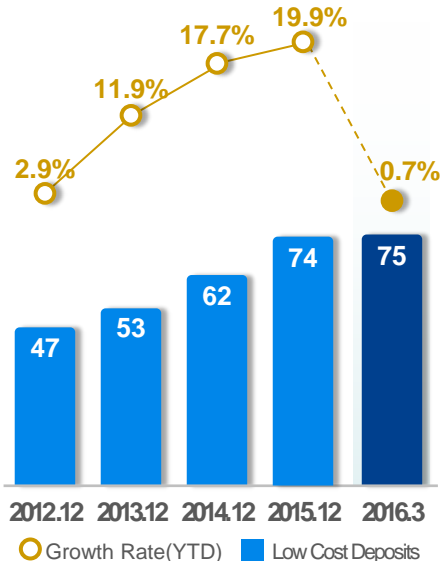
Funding Composition



KRW Loan Growth (KRW tril.)



Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Loan in KRW	178,412	176,810	0.9	162,663	9.7
Retail	88,909	88,085	0.9	80,839	10.0
Mortgage	52,769	52,054	1.4	49,232	7.2
Others ¹⁾	36,141	36,031	0.3	31,607	14.3
Corporate	89,502	88,725	0.9	81,824	9.4
SME	68,236	67,336	1.3	60,159	13.4
SOHO	34,458	34,223	0.7	30,619	12.5
Large Corporate etc.	21,266	21,389	-0.6	21,665	-1.8
Loan in FX	7,799	8,114	-3.9	7,544	3.4

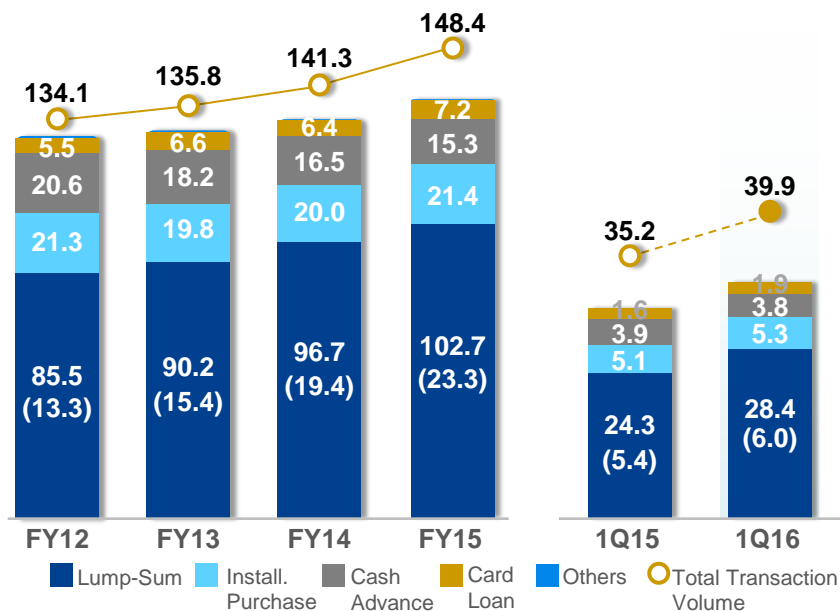
Note 1) Including Unsecured Personal Loans, Commercial Mortgage Loans, Jeonse Loans etc.

(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Total Deposits in KRW	180,494	180,766	-0.2	166,009	8.7
Low Cost Deposits	74,818	74,325	0.7	64,924	15.2
Demand	23,091	21,858	5.6	20,481	12.7
Savings	51,726	52,467	-1.4	44,443	16.4
Time Savings	105,677	106,441	-0.7	101,085	4.5
Time Deposits	97,365	97,940	-0.6	92,231	5.6
Accumulative etc.	8,312	8,501	-2.2	8,853	-6.1
Certificate of Deposits	4,093	4,073	0.5	2,072	97.5
Debtentures in KRW	15,596	15,989	-2.5	13,181	18.3

Shinhan Card Asset Growth

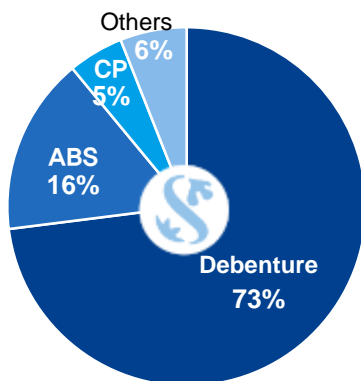
Transaction Volume

(KRW tril.)



Note) Figs. in parenthesis represent debit card transaction volume

Funding Composition



(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Earning Assets	21,450	21,323	0.6	19,955	7.5
Credit Purchase	11,299	11,353	-0.5	10,889	3.8
Cash Advances	2,024	2,051	-1.3	2,111	-4.1
Card Loan	5,288	5,057	4.6	4,443	19.0
(Re-aged Loan)	234	234	0.1	238	-1.6
Installment Finance	1,938	1,865	4.0	1,619	19.8
Lease etc.	901	998	-9.7	894	0.8
Effective Cardholders (in thousands)	11,959	12,052	-0.8	12,303	-2.8
Merchants (in thousands)	2,530	2,513	0.6	2,515	0.6

(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Total Funding	13,399	13,325	0.6	12,621	6.2
Debentures	9,831	9,780	0.5	9,550	2.9
ABS	2,192	1,992	10.0	1,989	10.2
CP	710	770	-7.8	382	85.9
Others	667	783	-14.9	700	-4.8

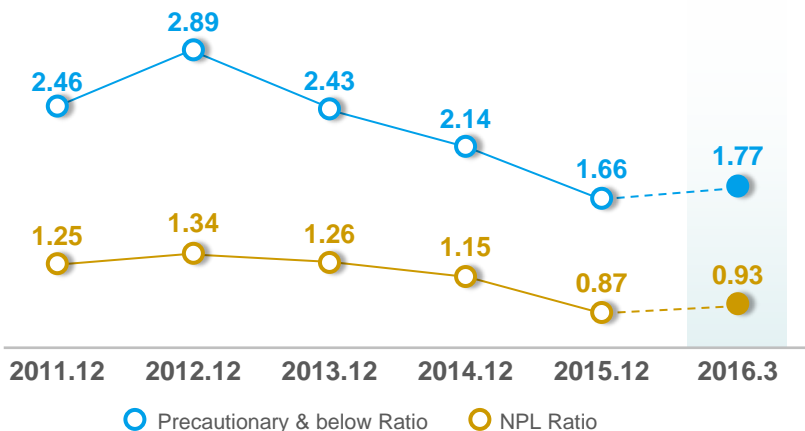
IV. Asset Quality

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

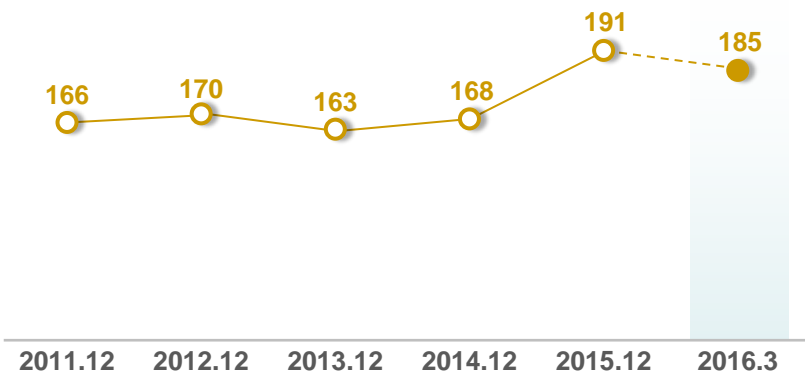


SFG Asset Quality

Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Total Loans ¹⁾	239,945	238,776	0.5	222,262	8.0
Normal	235,689	234,818	0.4	217,739	8.2
Precautionary	2,019	1,878	7.5	2,079	-2.9
Substandard	947	955	-0.8	1,122	-15.6
Doubtful	553	591	-6.5	419	32.0
Estimated Loss	736	533	38.1	903	-18.5
Substandard & Below	2,237	2,080	7.5	2,444	-8.5
NPL Ratio	0.93%	0.87%	0.06%p	1.10%	-0.17%p
Loan Loss Allowance ²⁾	4,137	3,969	4.2	4,189	-1.2
NPL Coverage Ratio	185%	191%	-6%p	171%	14%p
Reserve for credit losses ³⁾	1,838	1,768	4.0	1,783	3.1

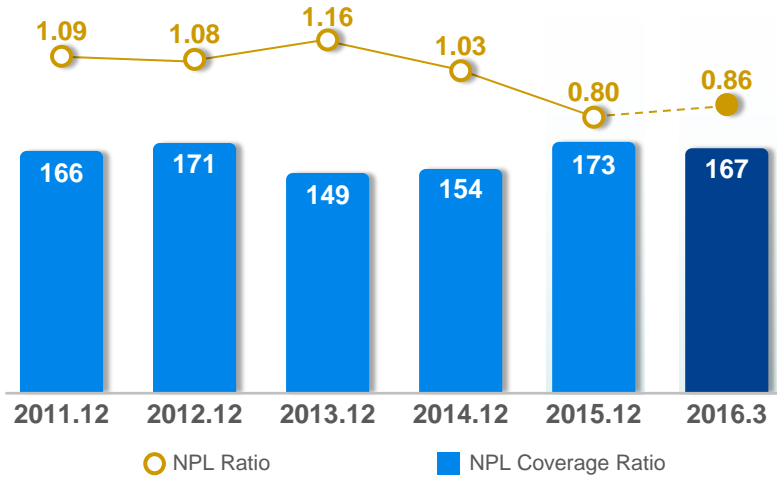
Note 1) Sum of Shinhan Bank, Jeju Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Shinhan Capital and Shinhan Savings Bank

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

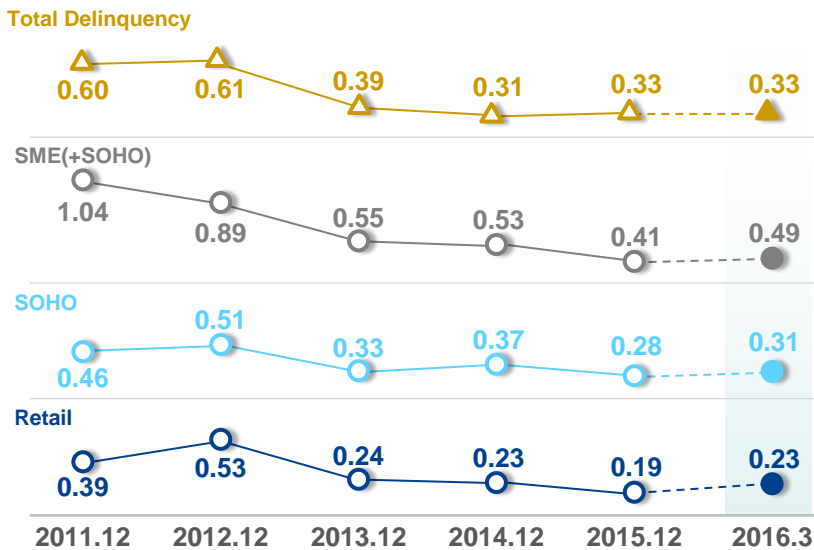
3) Excluding reserve for contingent acceptances & guarantees and unused credit lines

SHB Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



Note) 1 month overdue

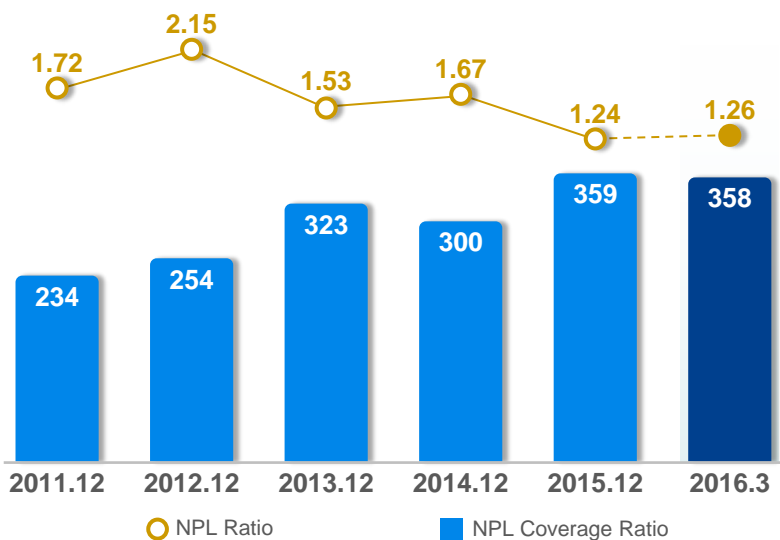
(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Total Loans	202,851	202,003	0.4	188,426	7.7
Normal	200,114	199,534	0.3	185,447	7.9
Precautionary	985	855	15.2	1,137	-13.4
Substandard	845	850	-0.6	977	-13.5
Doubtful	401	453	-11.4	259	54.8
Estimated Loss	505	312	61.8	606	-16.6
Substandard & Below	1,751	1,615	8.5	1,842	-4.9
NPL Ratio	0.86%	0.80%	0.06%p	0.98%	-0.12%p
Loan Loss Allowance ¹⁾	2,921	2,790	4.7	2,952	-1.0
NPL Coverage Ratio	167%	173%	-6%p	160%	7%p
Reserve for credit losses ²⁾	1,489	1,442	3.3	1,441	3.4

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

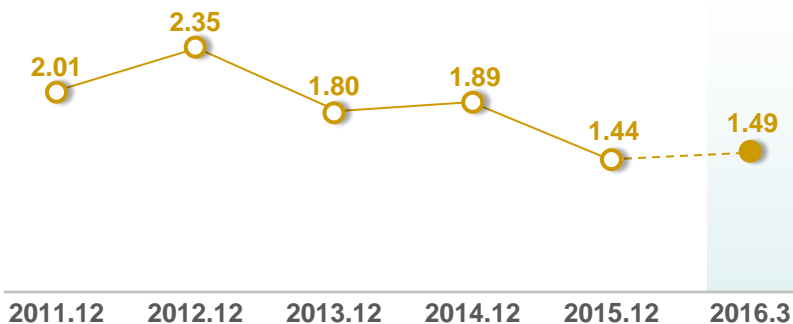
2) Excluding reserve for contingent acceptances & guarantees and unused credit lines

Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



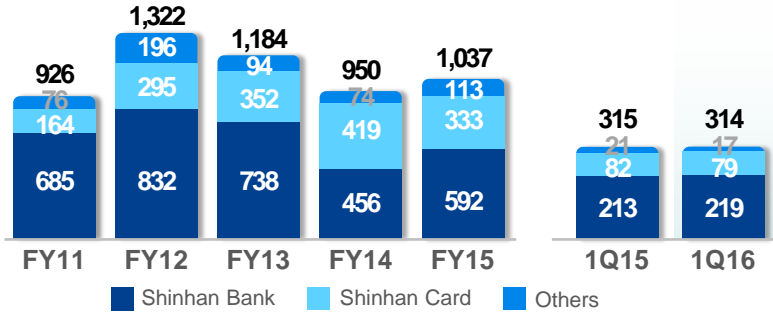
Note) 1 month overdue from total credit

(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Total Loans	21,450	21,323	0.6	19,955	7.5
Normal	20,425	20,332	0.5	18,900	8.1
Precautionary	755	725	4.2	722	4.6
Substandard	-	-	-	-	-
Doubtful	78	79	-1.1	79	-1.7
Estimated Loss	192	186	3.1	253	-24.1
Substandard & Below	270	265	1.9	333	-18.7
NPL Ratio	1.26%	1.24%	0.02%p	1.67%	-0.41%p
Loan Loss Allowance ¹⁾	969	953	1.6	1,001	-3.1
NPL Coverage Ratio	358%	359%	-1%p	301%	57%p
Reserve for credit losses	266	262	1.4	283	-6.2

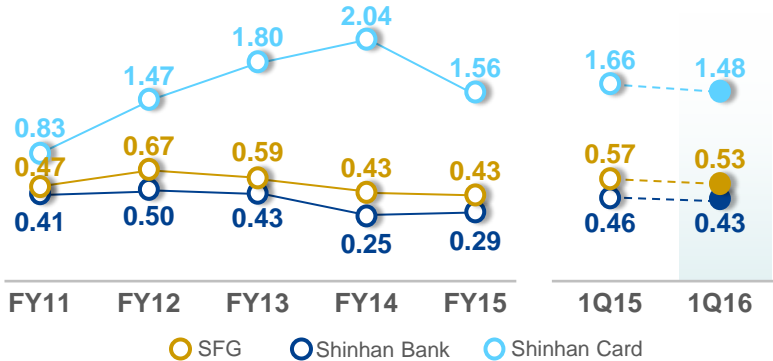
Note 1) Excluding reserve for unused credit lines

Provision for Credit Losses / Write-Offs

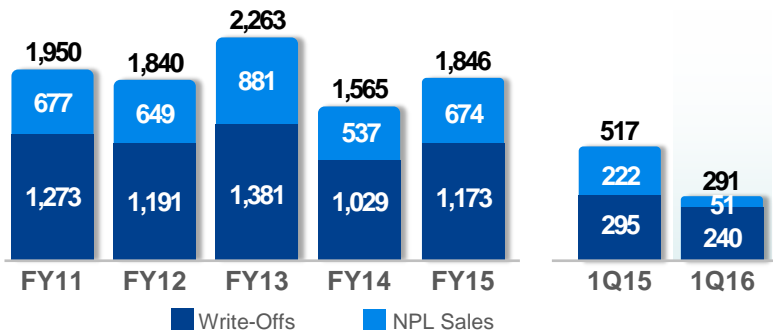
Provision for Credit Losses (KRW bil.)



Credit Cost Ratio (%)



Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

(KRW bil.)	FY16	1Q16	FY15	1Q15	2Q15	3Q15	4Q15
Shinhan Bank ¹⁾	206	206	596	232	222	50	92
Retail	31	31	128	32	27	32	37
Corporate	175	175	468	199	195	18	55
Shinhan Card	79	79	333	82	83	126	43
Total	285	285	929	313	305	176	135

Note 1) SHB figures are separate basis

Write-Offs & NPL Sales

(KRW bil.)	FY16	1Q16	FY15	1Q15	2Q15	3Q15	4Q15
Shinhan Bank	182.1	182.1	1,232.9	370.6	330.0	206.8	325.5
(Sale)	51.3	51.3	561.3	222.1	105.6	75.5	158.1
Retail	15.1	15.1	206.7	34.8	49.3	45.9	76.6
(Sale)	11.9	11.9	92.8	20.8	24.3	15.9	31.8
Corporate	167.1	167.1	1,026.3	335.8	280.7	160.8	248.9
(Sale)	39.4	39.4	468.5	201.3	81.3	59.6	126.3
Shinhan Card	109.0	109.0	613.6	146.6	219.4	95.5	152.0
Total	291.2	291.2	1,846.5	517.3	549.4	302.3	477.5

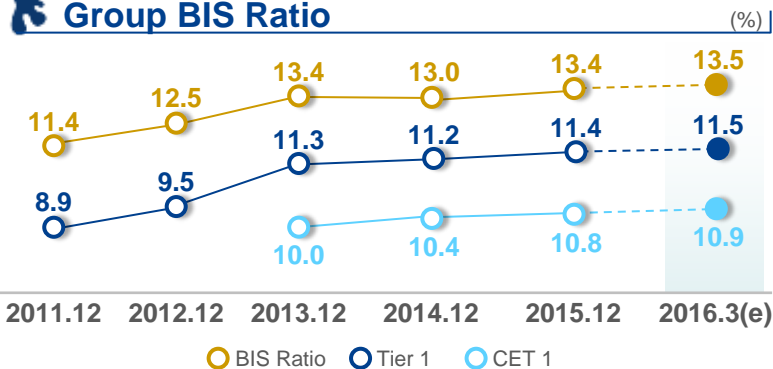
V . Capital Adequacy & Key Financial Indices

- 1. Capital Adequacy**
- 2. Key Financial Indices**

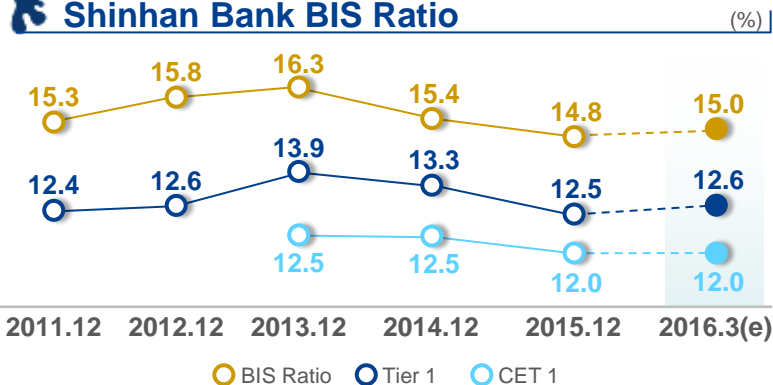


Capital Adequacy

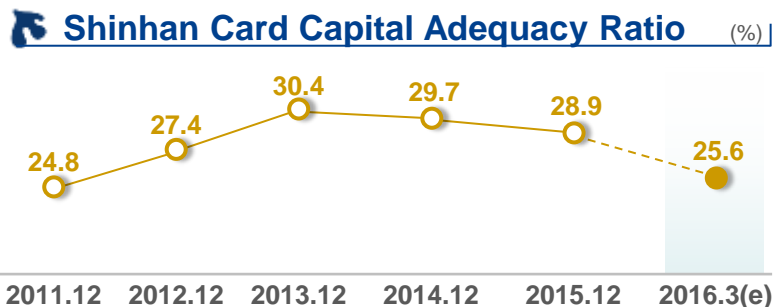
Group BIS Ratio (%)



Shinhan Bank BIS Ratio (%)



Shinhan Card Capital Adequacy Ratio (%)



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.)	2016.3(e)	2015.12	YTD%	2015.3	YoY%
Risk-Weighted Assets	206,528	203,275	1.6	198,372	4.1
Capital	27,890	27,216	2.5	25,742	8.3
CET 1	22,572	21,883	3.2	21,266	6.1
Tier 1	23,756	23,194	2.4	22,360	6.2
BIS Ratio	13.5%	13.4%	0.1%p	13.0%	0.5%p
CET 1	10.9%	10.8%	0.1%p	10.7%	0.2%p
Tier 1	11.5%	11.4%	0.1%p	11.3%	0.2%p

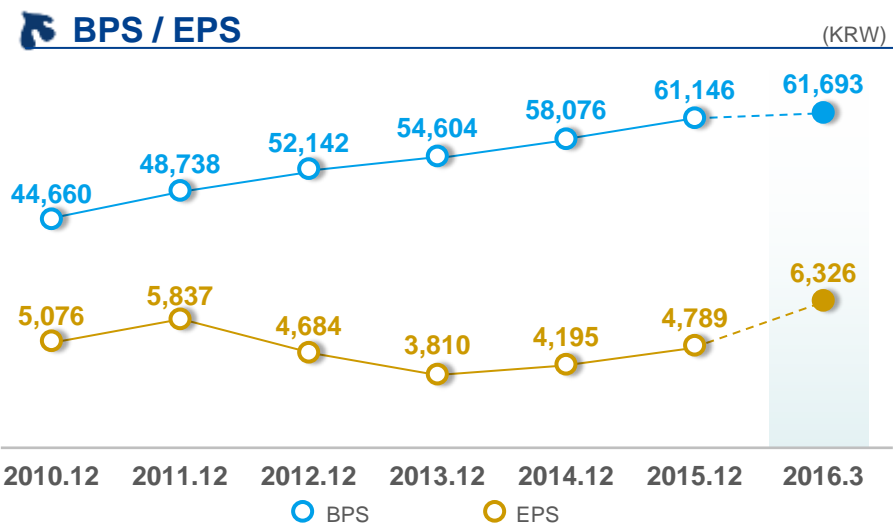
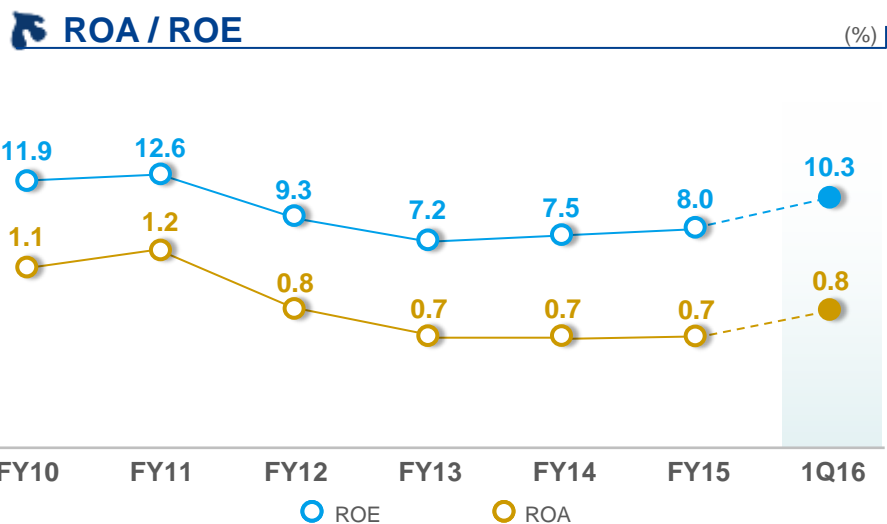
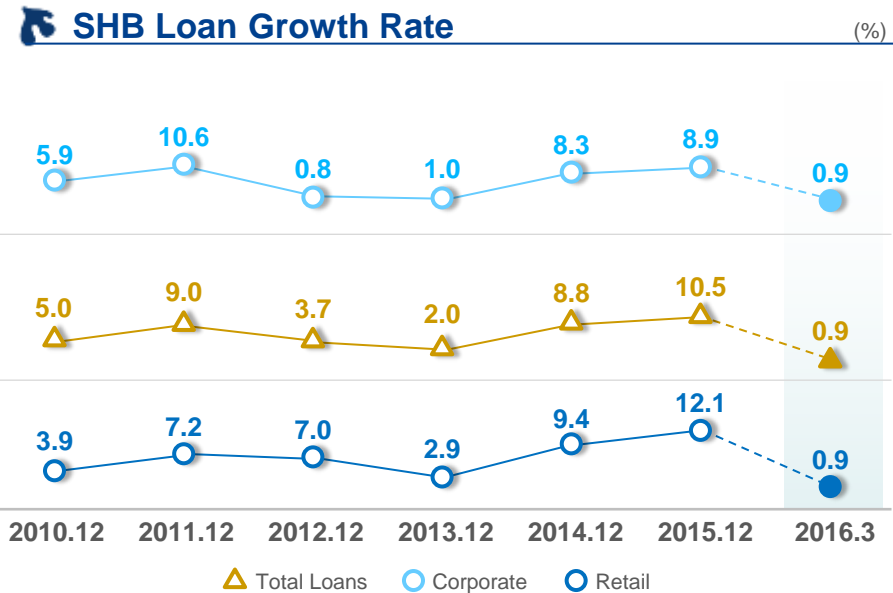
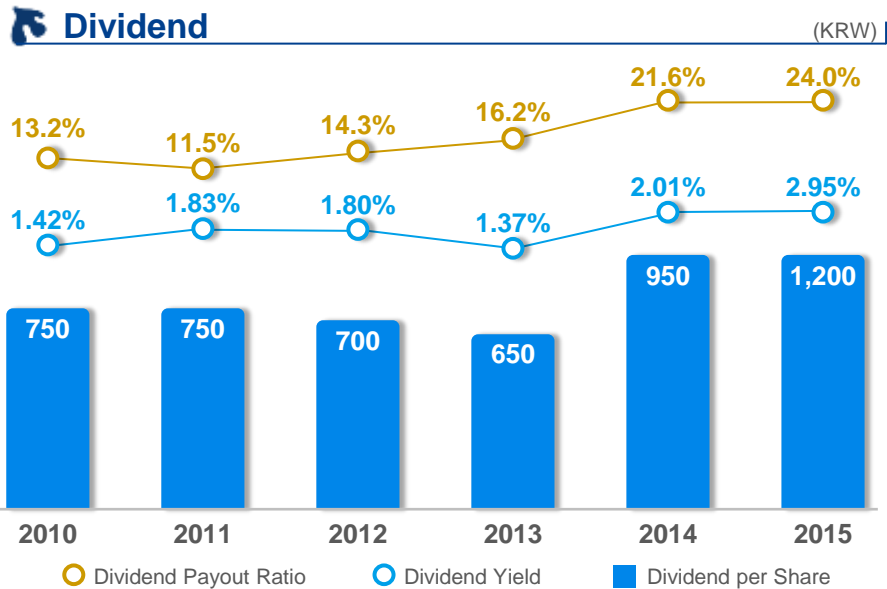
Note) Based on Basel3

Shinhan Bank BIS Ratio

(KRW bil.)	2016.3(e)	2015.12	YTD%	2015.3	YoY%
Risk-Weighted Assets	147,688	144,844	2.0	136,550	8.2
Capital	22,159	21,370	3.7	20,743	6.8
CET 1	17,768	17,324	2.6	17,335	2.5
Tier 1	18,574	18,130	2.4	18,138	2.4
BIS Ratio	15.0%	14.8%	0.2%p	15.2%	-0.2%p
CET 1	12.0%	12.0%	0.0%p	12.7%	-0.7%p
Tier 1	12.6%	12.5%	0.1%p	13.3%	-0.7%p

Note) Based on Basel3

Key Financial Indices



Note) ROE based on common stock

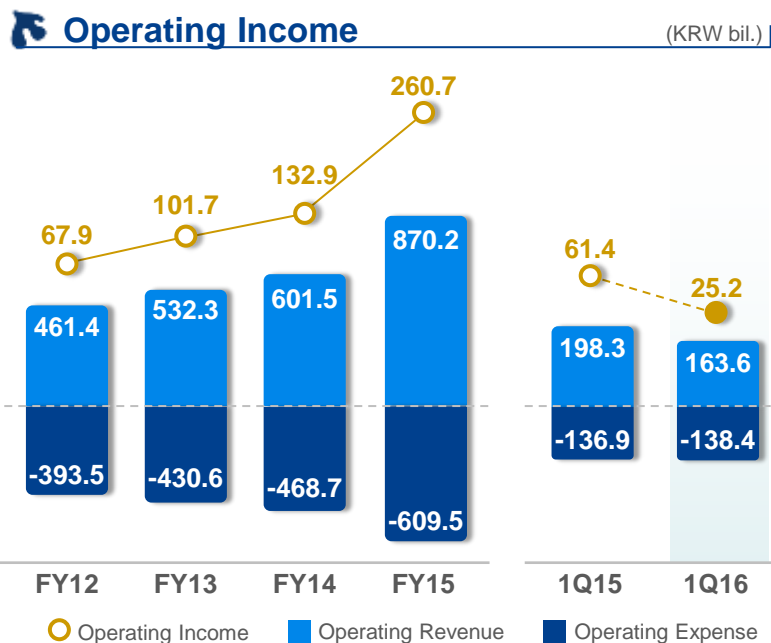
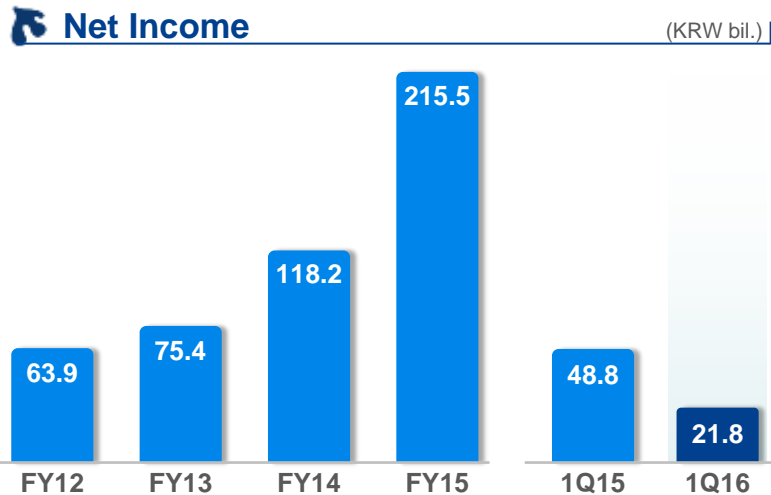
Note) Based on common stock

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

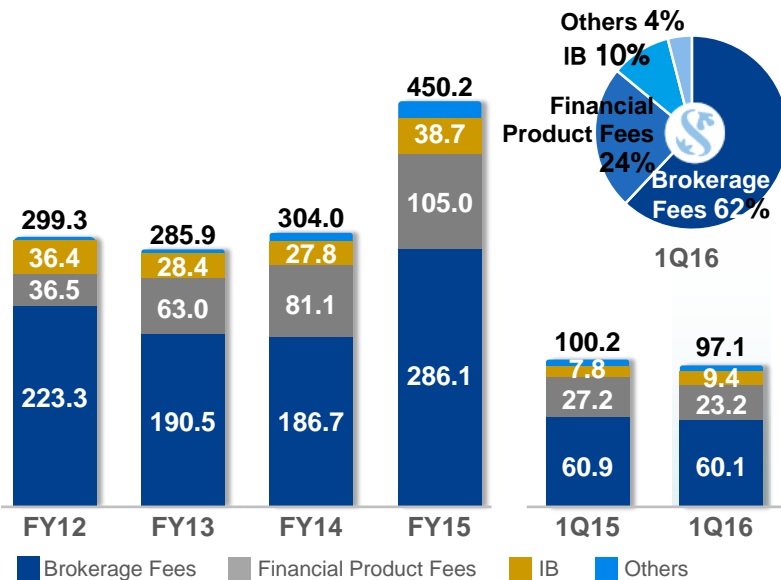
(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Operating Revenue	163.6	198.3	-17.5	167.6	-2.4
Fees & Commission	97.1	100.2	-3.2	95.8	1.3
Proprietary Trading	37.3	78.6	-52.5	54.6	-31.5
Others	29.2	19.5	49.4	17.2	69.3
Operating Expense	138.4	136.9	1.1	146.6	-5.6
G&A Expenses	108.5	108.6	-0.1	119.0	-8.8
Commission Expense	30.3	28.9	4.8	26.3	14.8
Provision for Credit Losses	-0.4	-0.6	n.a.	1.2	n.a.
Operating Income	25.2	61.4	-58.9	21.0	20.1
Net Income	21.8	48.8	-55.4	21.3	2.4
Net Capital Ratio(%)	841.8%	924.4%	-82.6%p	807.4%	34.4%p
ROE	3.5%	8.3%	-4.8%p	8.9%	-5.4%p
ROA	0.3%	0.7%	-0.4%p	0.8%	-0.5%p

Note) ROE, ROA are calculated on a cumulative basis

SFG Subsidiaries_Shinhan Investment Corp. (2)

Fees & Commission

(KRW bil.)

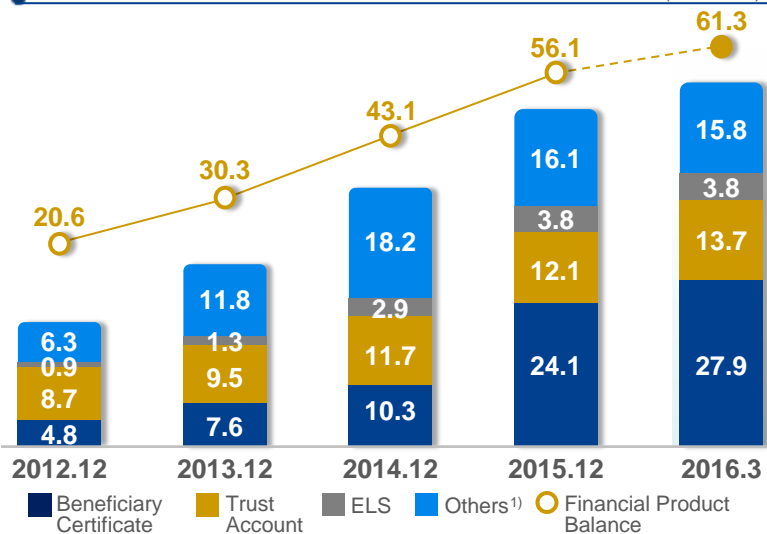


Fees & Commission

(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Fees & Commission	97.1	100.2	-3.2	95.8	1.3
Brokerage Fees	60.1	60.9	-1.3	61.5	-2.3
Financial Product Fees	23.2	27.2	-14.8	21.6	7.3
IB	9.4	7.8	21.4	7.7	21.7
Others	4.4	4.4	-0.4	4.9	-11.2

Financial Products

(KRW tril.)



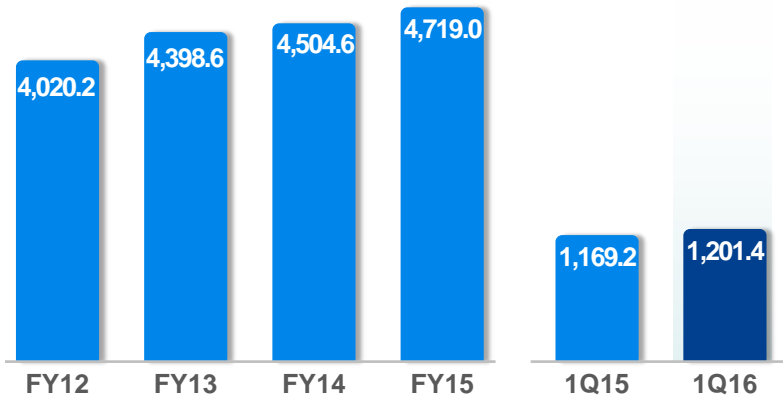
Balance of Financial Products

(KRW tril.)	2016.3	2015.12	YTD%	2015.3	YoY%
Financial Products	61.3	56.1	9.3	49.1	24.7
Beneficiary Certificate	27.9	24.1	16.1	14.0	99.6
Trust Account	13.7	12.1	13.8	12.4	10.4
ELS	3.8	3.8	-0.3	3.4	11.7
Others	15.8	16.1	-1.9	19.3	-18.0

Note 1) Sum of Wrap, RP and Micro Debentures

SFG Subsidiaries_Shinhan Life Insurance (1)

Premium Income (KRW bil.)



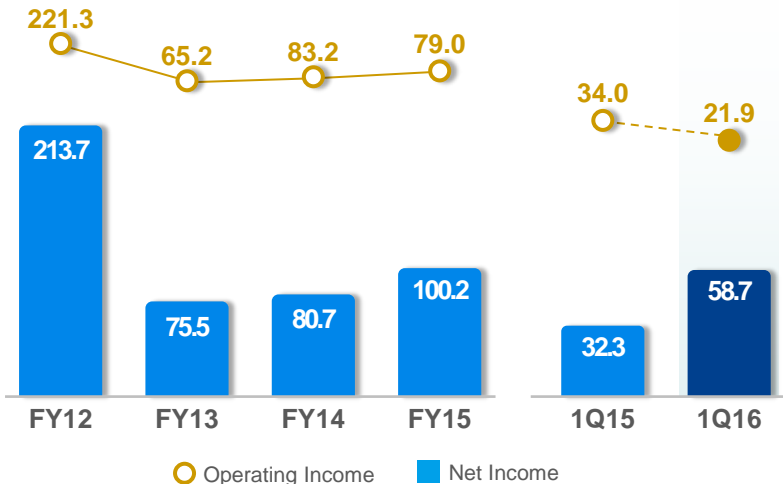
Note) Excluding non-monthly premium and Retirement Pension

Premium Breakdown

(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Prem. Received	1,216.1	1,204.9	0.9	1,211.5	0.4
New Premium	30.6	55.6	-45.0	25.9	17.8
Monthly Premium	15.9	19.9	-19.9	16.8	-5.3
Non-Monthly Premium	14.6	35.7	-59.0	9.1	60.4
Recurring Premium	1,185.5	1,149.3	3.1	1,185.5	0.0

Note) Excluding Retirement Pension

Net Income (KRW bil.)



Profitability & Key Financial Indices

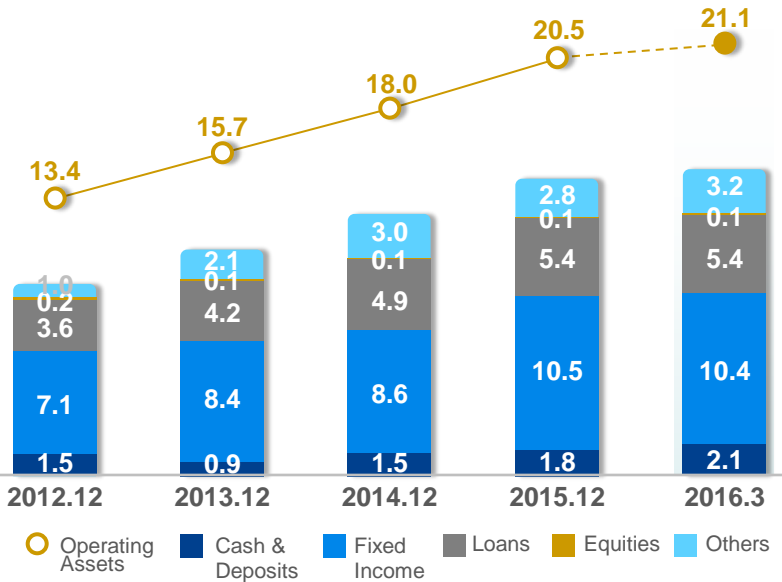
(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Operating Income	21.9	34.0	-35.5	1.4	1442.3
Non-Operating Income	11.8	9.5	24.7	15.7	-24.9
(Separate Account profit & Loss)	11.6	13.1	-11.3	15.2	-23.4
Net Income	58.7	32.3	81.9	11.9	394.2
ROE	14.4%	8.6%	5.8%p	6.5%	7.9%p
ROA	0.9%	0.6%	0.3%p	0.4%	0.5%p

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

SFG Subsidiaries_Shinhan Life Insurance (2)

Operating Assets

(KRW tril.)

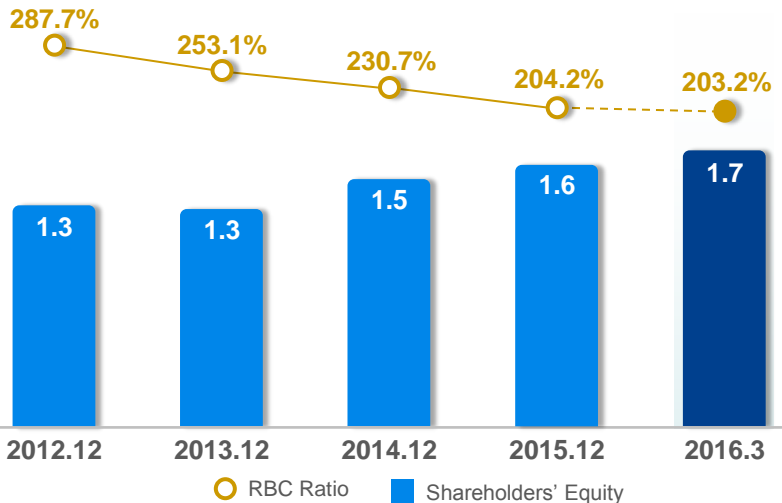


Operating Assets

(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Operating Assets	21,141.0	20,545.0	2.9	18,681.0	13.2
Cash & Deposits	2,096.6	1,831.6	14.5	1,733.4	21.0
Fixed Income	10,413.2	10,505.2	-0.9	9,408.6	10.7
Loans	5,383.5	5,372.1	0.2	4,944.5	8.9
Equities	86.7	80.7	7.4	83.4	3.9
Others	3,161.0	2,755.4	14.7	2,511.1	25.9

Equity & Capital Adequacy Ratio

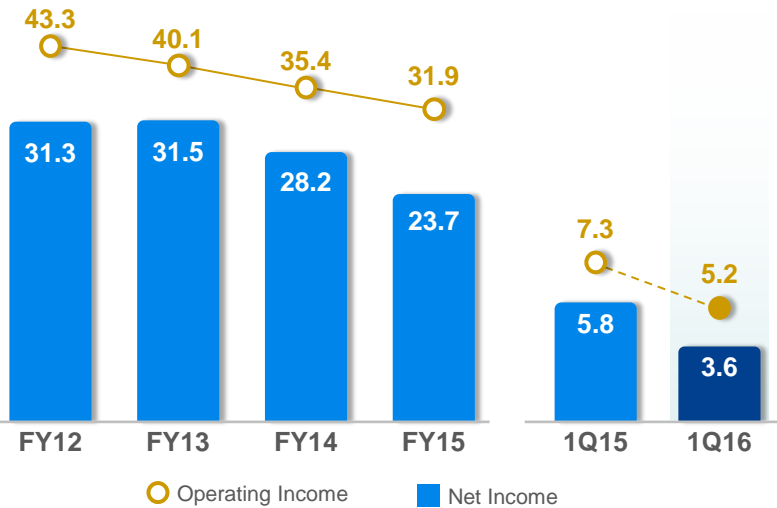
(%, KRW tril.)



Equity & Capital Adequacy Ratio

(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Shareholders' Equity	1,675.9	1,581.4	6.0	1,531.8	9.4
Capital & Retained Earnings	1,555.7	1,502.1	3.6	1,434.0	8.5
Accumulated Other Comprehensive Income	120.2	79.3	51.7	97.8	22.9
RBC Ratio	203.2%	204.2%	-1.0%p	235.6%	-32.4%p

Net Income (KRW bil.)

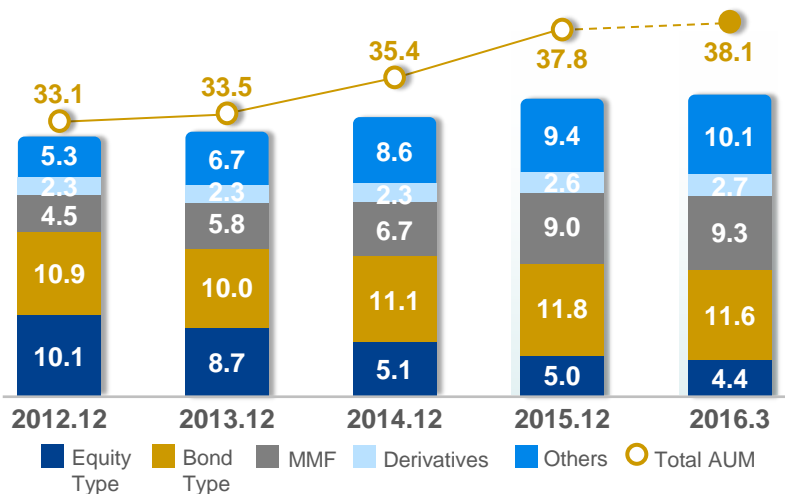


Condensed I/S & Key Financial Indices

(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Operating Revenue	17.6	20.1	-12.5	18.5	-4.8
Operating Expense	12.4	12.9	-3.8	11.6	7.0
(G&A Expenses)	10.4	10.0	3.5	9.2	12.8
Operating Income	5.2	7.3	-27.8	6.9	-24.5
Net Income	3.6	5.8	-38.2	5.1	-29.7
ROE	9.9%	16.1%	-6.2%p	15.9%	-6.0%p

Note) ROE is calculated on a cumulative basis

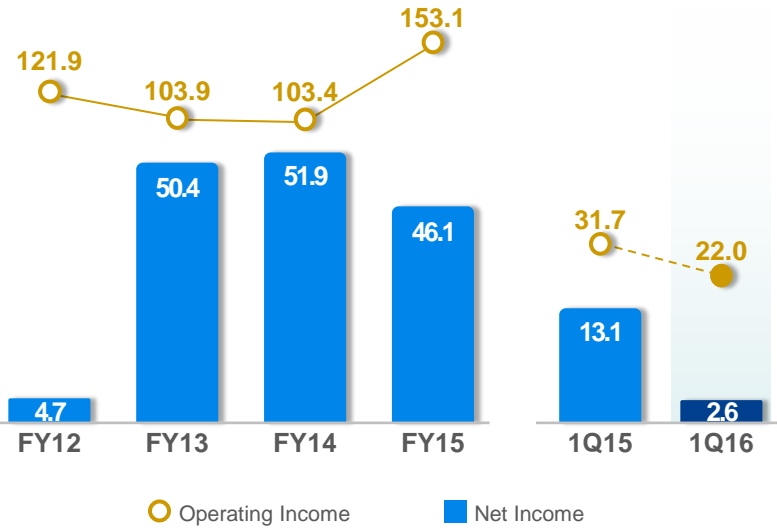
Assets Under Management (KRW tril.)



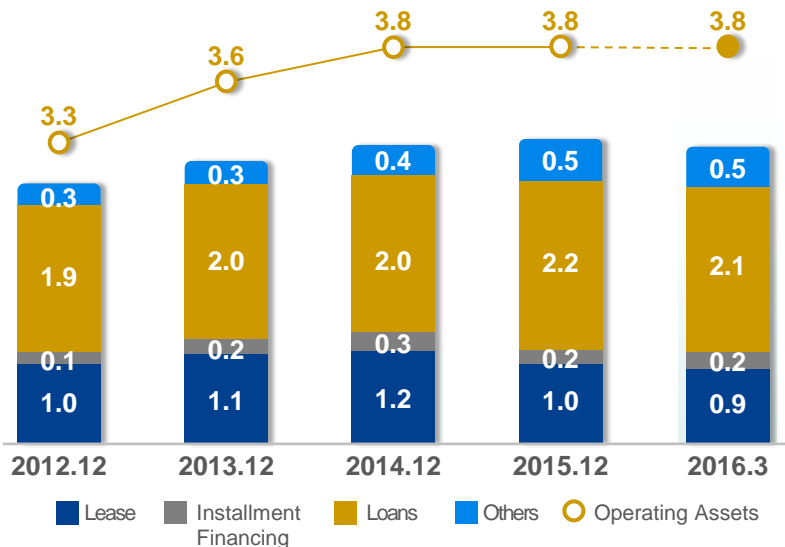
Assets Under Management

(KRW tril.)	2016.3	2015.12	YTD%	2015.3	YoY%
Total AUM	38.1	37.8	0.9	35.7	6.8
Equity Type	4.4	5.0	-12.0	6.1	-27.9
Bond Type	11.6	11.8	-1.7	11.2	3.6
MMF	9.3	9.0	3.3	7.7	20.8
Derivatives	2.7	2.6	3.8	2.4	12.5
Others	10.1	9.4	7.8	8.3	22.0

Net Income (KRW bil.)



Operating Assets (KRW tril.)



Condensed I/S & Key Financial Indices

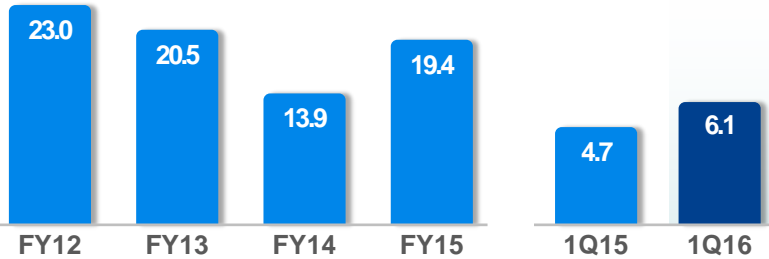
(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Operating Revenue	72.2	77.2	-6.5	83.6	-13.7
Operating Expense	43.0	38.9	10.6	43.7	-1.4
G&A Expenses	7.2	6.6	8.6	7.8	-7.9
Operating Income	22.0	31.7	-30.6	32.2	-31.7
Non-Operating Income	0.9	1.3	-30.7	0.6	65.1
Pre-Provision Income	22.9	33.0	-30.6	32.7	-30.1
Provision for Credit Losses	20.7	16.0	28.9	26.7	-22.5
Earnings before Income Tax	2.2	16.9	-87.0	6.0	-63.6
Net Income	2.6	13.1	-80.4	4.7	-45.6
ROE	1.7%	9.2%	-7.5%p	7.7%	-6.0%p
ROA	0.3%	1.3%	-1.0%p	1.2%	-0.9%p

Note) ROE, ROA are calculated on a cumulative basis

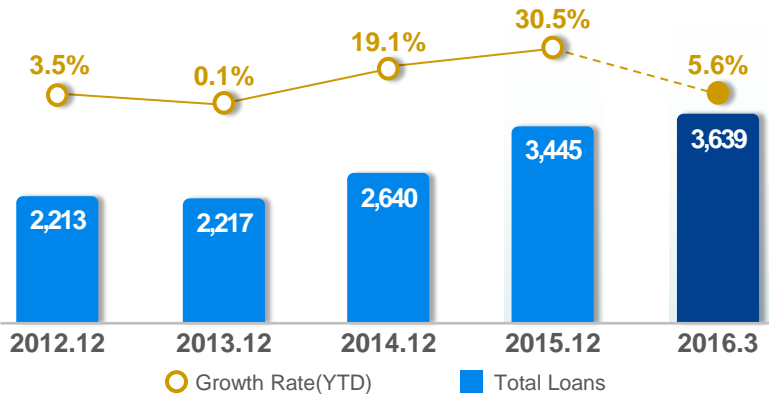
Operating Assets

(KRW tril.)	2016.3	2015.12	YTD%	2015.3	YoY%
Operating Assets	3.8	3.8	-2.2	3.8	-1.9
Lease	0.9	1.0	-7.7	1.1	-19.3
Installment Financing	0.2	0.2	19.6	0.2	-3.6
Loans	2.1	2.2	-2.9	2.0	3.0
Others	0.5	0.5	3.8	0.4	19.2

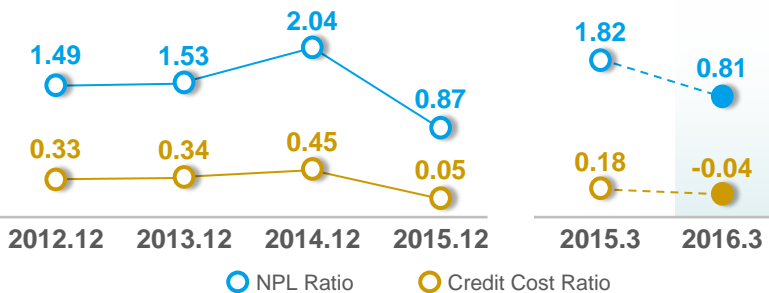
Net Income (KRW bil.)



KRW Loan Growth (KRW bil.)



NPL Ratio & Credit Cost Ratio (%)



Income

(KRW bil.)	1Q16	1Q15	YoY%	4Q15	QoQ%
Operating Income (a=b+c)	24.8	21.9	13.0	22.3	10.9
Interest Income (b)	23.0	19.4	18.6	22.3	3.1
Non-Interest Income (c)	1.8	2.6	-29.2	0.1	2132.6
G&A Expenses (d)	17.5	14.8	18.6	16.5	6.1
Pre-Provision Oper.Income (e=a-d)	7.3	7.2	1.4	5.8	24.6
Non-Operating Income (f)	0.1	0.0	98.1	-0.4	n.a.
Pre-Provision Income (g=e+f)	7.4	7.2	2.0	5.4	35.7
Provision for Credit Losses (h)	-0.3	1.3	n.a.	0.7	n.a.
Earnings before Income Tax (i=g-h)	7.7	6.0	29.0	4.7	63.6
Income Tax	1.6	1.3	30.5	1.0	59.0
Net Income ¹⁾	6.1	4.7	28.7	3.7	64.9

1) Net Income in Controlling Interest

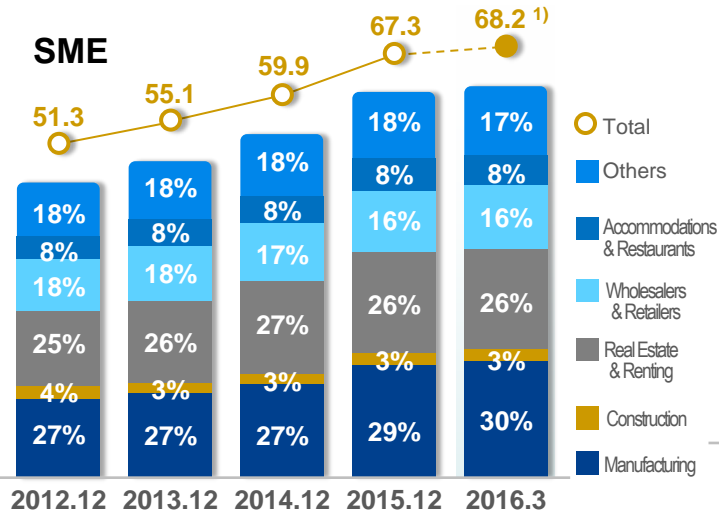
Loan in KRW

(KRW bil.)	2016.3	2015.12	YTD%	2015.3	YoY%
Loan in KRW	3,638.9	3,445.3	5.6	2,784.4	30.7
Retail	1,323.5	1,224.1	8.1	902.5	46.6
Mortgage	672.2	585.1	14.9	402.4	67.0
Others	651.4	639.0	1.9	500.1	30.2
Corporate	2,315.4	2,221.2	4.2	1,881.8	23.0
SME	2,169.5	2,086.3	4.0	1,791.8	21.1
SOHO	1,205.3	1,156.1	4.3	947.2	27.2
Large Corporate etc.	145.9	134.9	8.2	90.1	62.0

SHB SME Loans

Loans

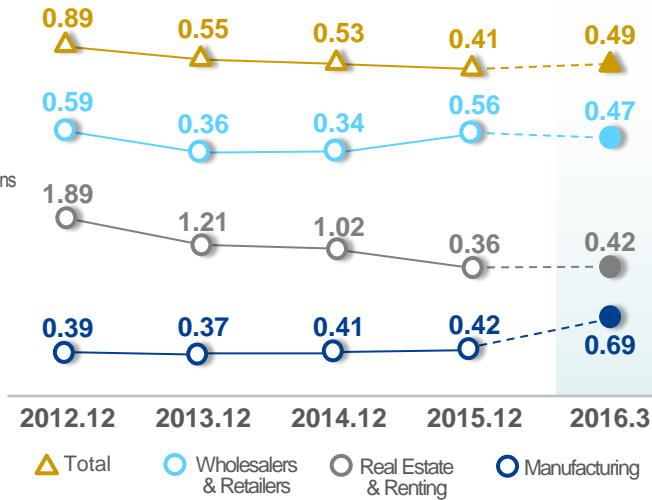
(KRW tril.)



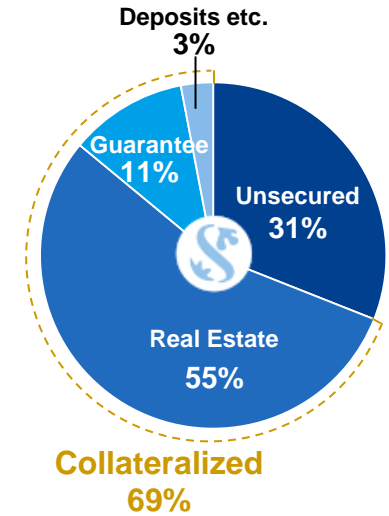
Note1) SOHO 50%, Registered 20%, Unregistered 30%

Delinquency

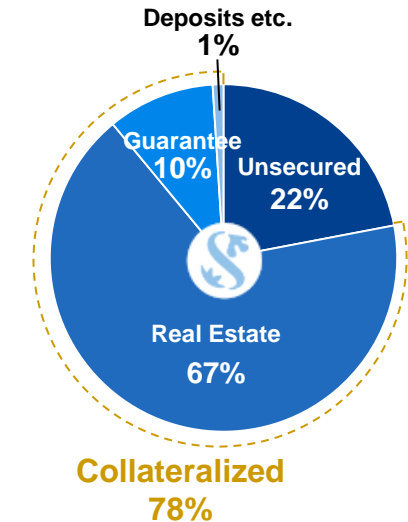
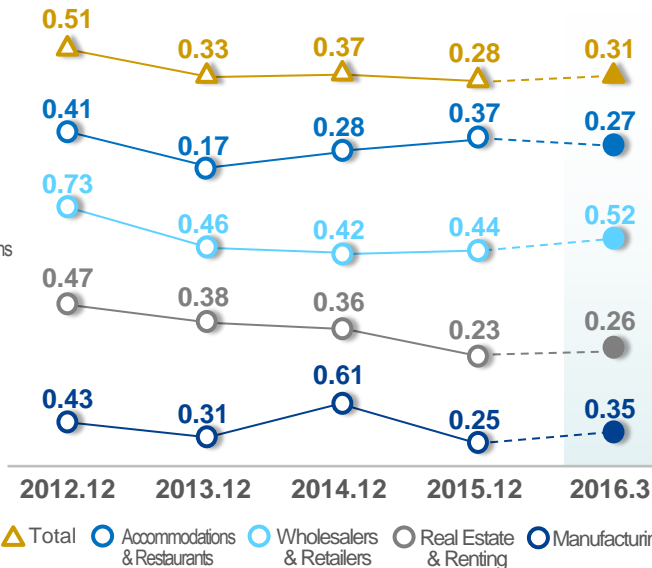
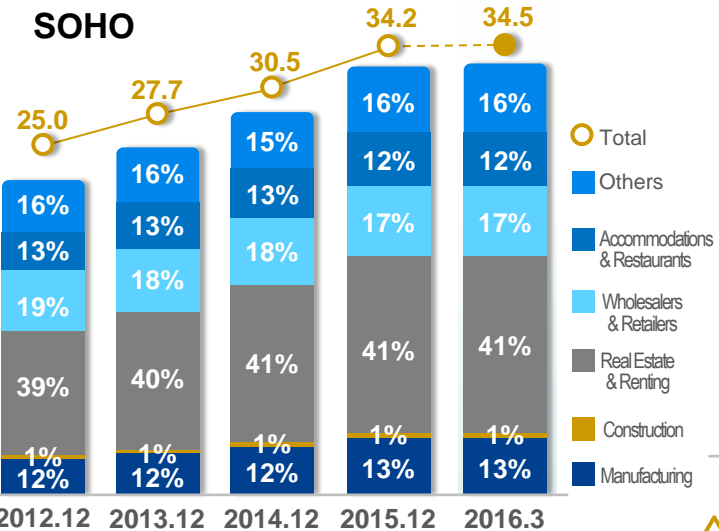
(%)



Collateral

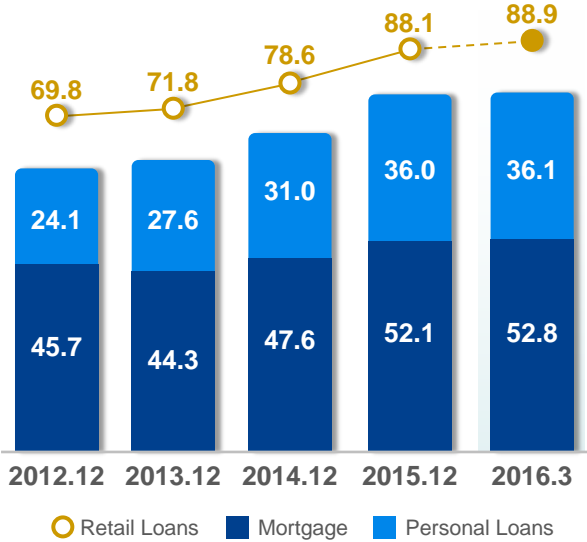


SOHO



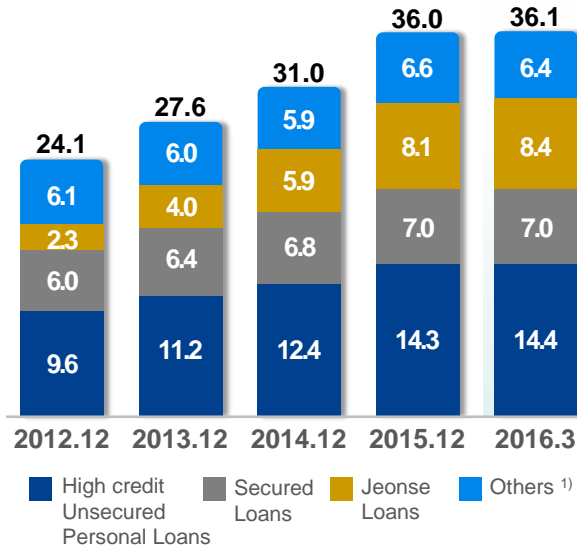
SHB Retail Loans

Loans (KRW tril.)

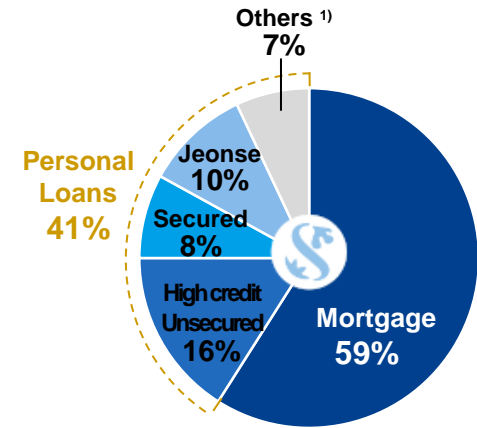


Retail Personal Loans (KRW tril.)

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

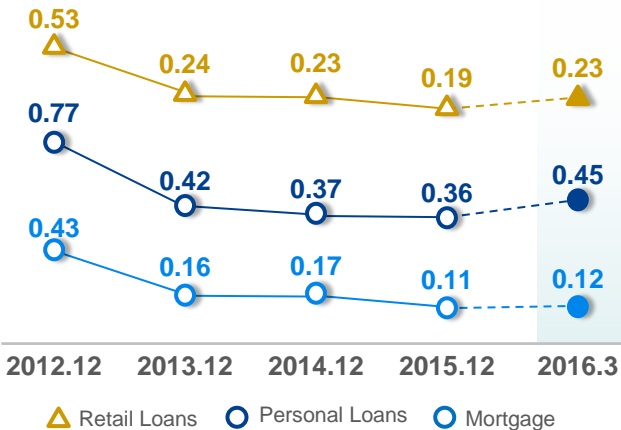


Loan Composition

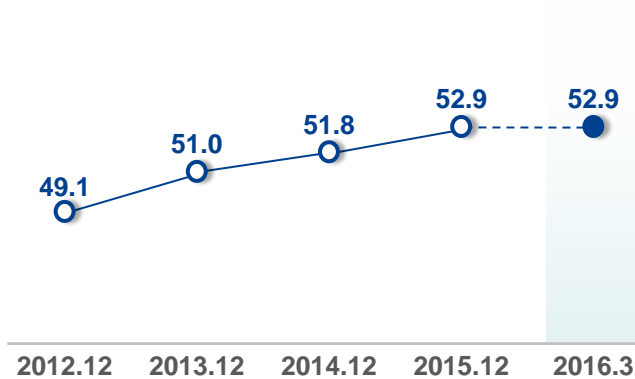


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

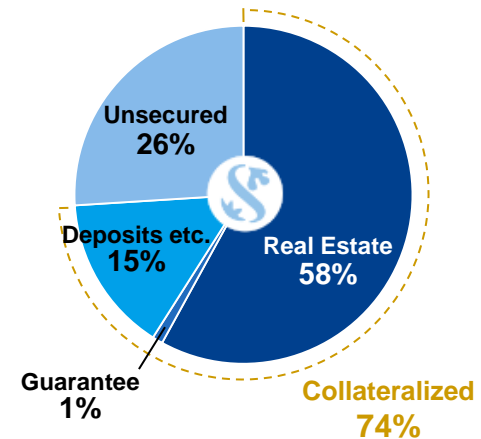
Delinquency (%)



LTV (%)



Collateral



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