

Business Results

2016 1H

Summer

Disclaimer Statement

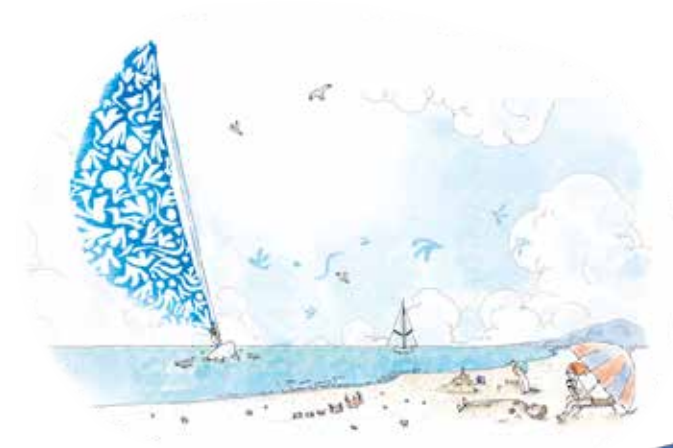
The financial information contained herein has neither been reviewed or audited by independent auditors.

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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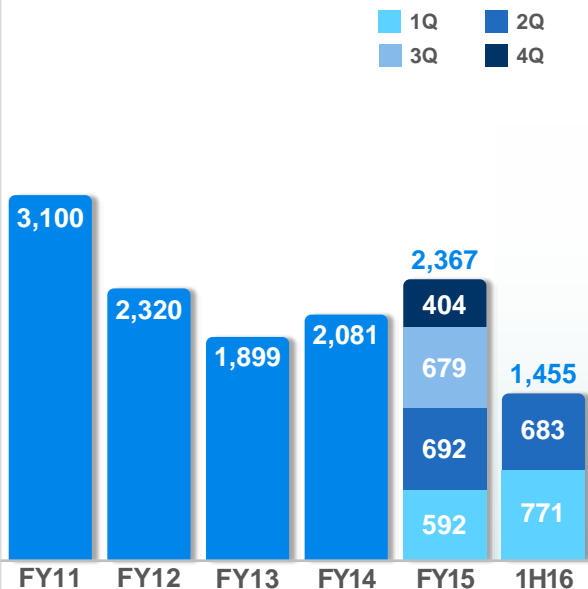
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2016 1H Business Results Highlights (1)

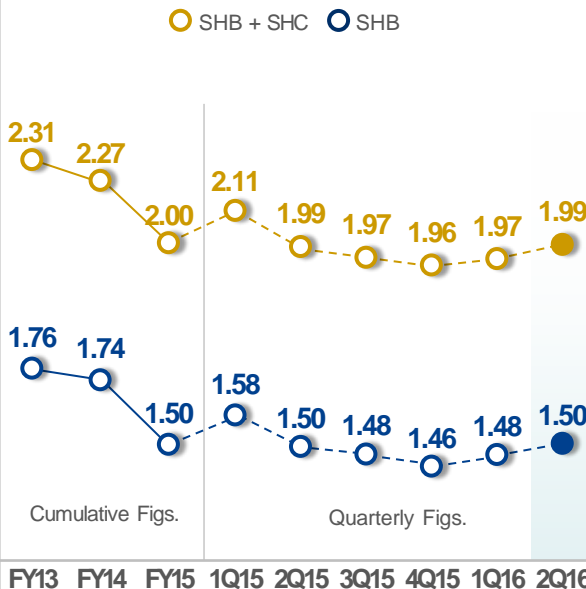
Group Net Income (KRW bil.)



**2016 1H Net Income : KRW 1,454.8 bil.
(2Q16 Net Income KRW 683.4 bil.)**

- For seven consecutive years, SFG posted more than KRW 1 tril. of net income during 1H.
- Group net income increased by 13.3% YoY.
- Interest income increased by 6.1% YoY and 3.3% QoQ attributed to resilient loan growth coupled with margin improvement.
- Non-interest income dropped by 25.2% YoY, due to decreased sales gains from securities and loans (Relief Loans).
- SG&A well tamed at 0.9% YoY, through group-wise tightened cost control.

NIM (%)

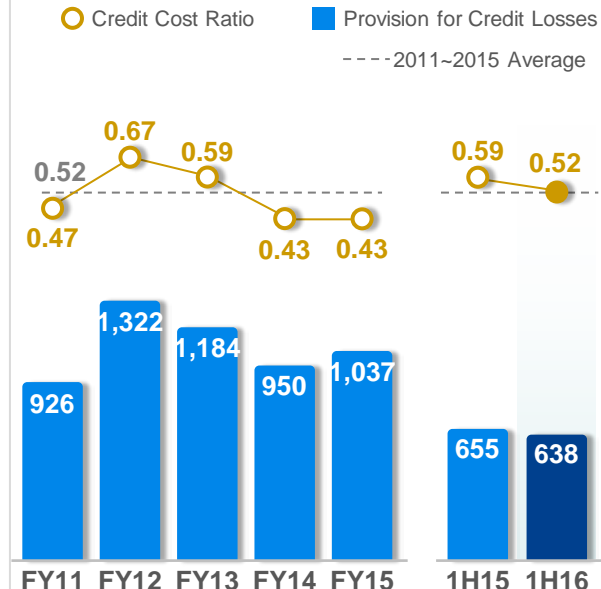


**2016 2Q Bank NIM 1.50%,
Group NIM 1.99%**

- Group NIM stood at 1.99% improved by 2bp QoQ.
- SHB's NIM improved by 2bp QoQ to 1.50% from 1.48%, attributed to incremental drop in deposit cost based on effective A&L management along with consistent efforts to draw more low-cost deposits.

Notwithstanding the pressures on lending yields in tandem with falling interest rates effected by policy rate cuts in June is expected.

Credit Cost Ratio (% , KRW bil.)

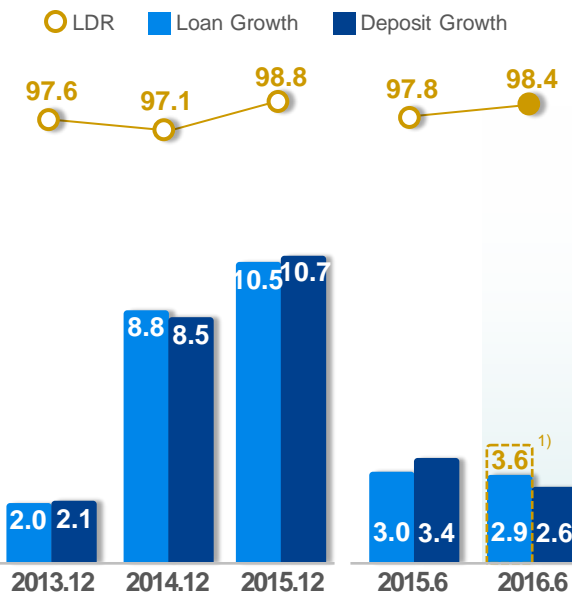


**2016 1H Credit Cost Ratio at 0.52%
(5-year Average)**

- Group credit costs improved by 7bp to 0.52% compare to 0.59% in 1H15.
- 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 increased slightly by 0.1% YoY, despite continuing asset quality improvement, mainly due to active loan growth along with decrease in recovery from written-off assets.

2016 1H Business Results Highlights (2)

Loans & Deposits (%)

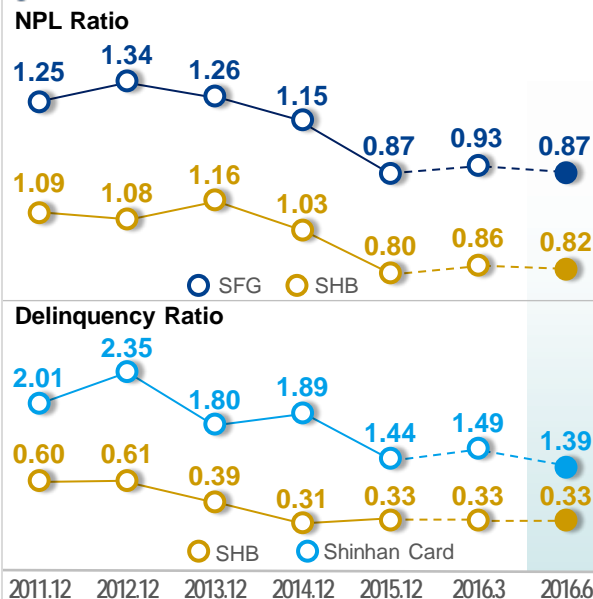


Note1) Including Loans Securitized

**1H16 Loan/Deposit growth at 2.9%, 2.6%
LDR stood at 98.4%**

- KRW loan balance as end of 1H16 marked 182 tril. up by 2.9% YTD. (up by 3.6% YTD., incl. loan securitized) Growth was mostly driven by two sectors; SME loan and Retail personal loan, each increased by 4.1% and 5.4% respectively.
- Deposit increased by 2.6% YTD to reach 185.5 tril., attributed to stable increase in low cost deposits.
- LDR stood at 98.4% remaining at a stable level.

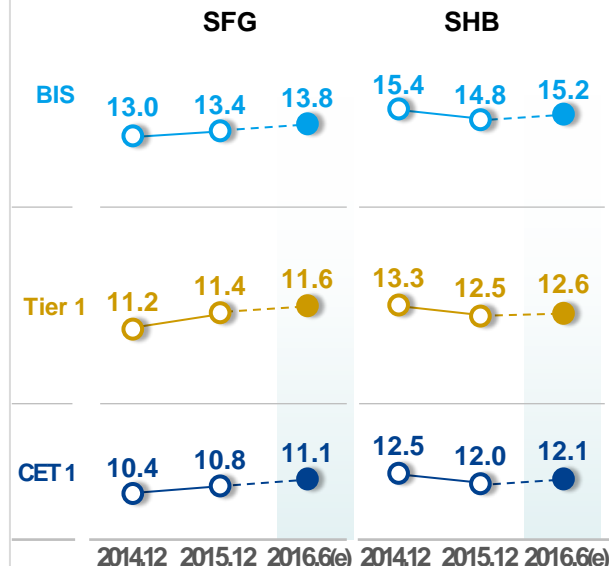
NPL / Delinquency Ratio (%)



**2016 2Q Group NPL Ratio 0.87%,
SHB Delinquency Ratio 0.33%**

- NPL ratio for the Group and SHB recorded 0.87% and 0.82%, improved by 6bp and 4bp QoQ respectively.
- NPL coverage ratio for the Group and SHB each marked 196% and 175%, increasing by 11%p and 8%p respectively.
- Delinquency ratio for SHB marked 0.33%, maintained at same level QoQ, whereas SHC marked 1.39%, improving by 0.10%p recording historically lowest level of delinquency.

Capital Adequacy (%)



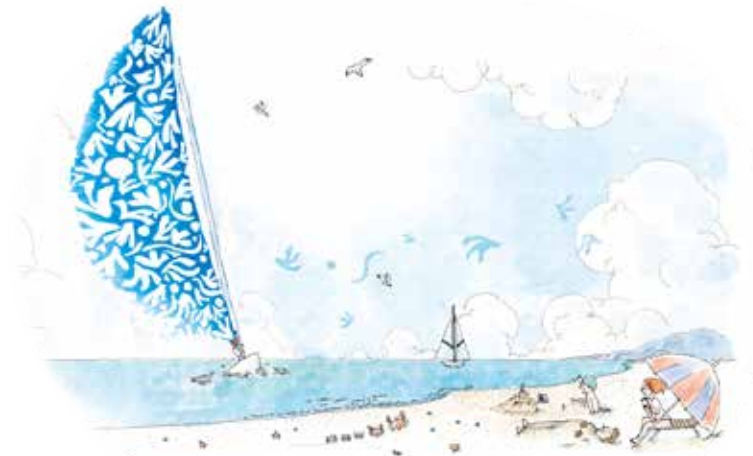
Note) Based on Basel 3

**2016 2Q Group CET1 Ratio 11.1%
SHB CET1 Ratio 12.1%**

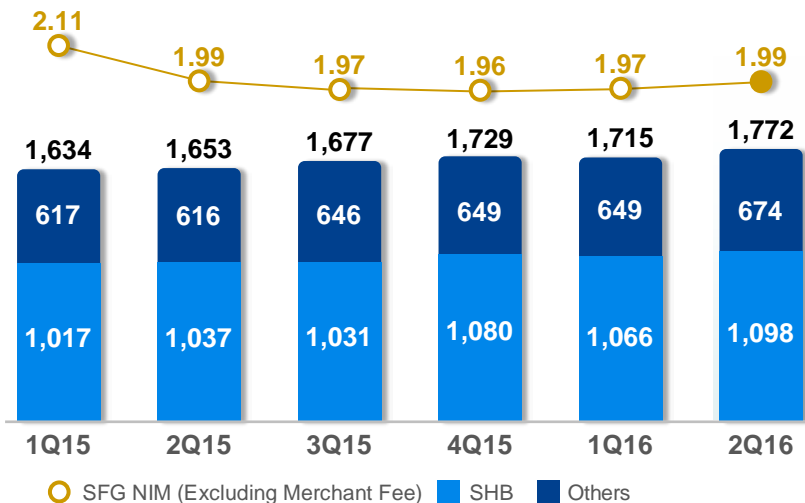
- Based on BASEL3, Group's Common Equity Tier1 and BIS ratio each marked 11.1% and 13.8% driven by growth in earnings with stable level of risk weighted assets.
- Based on BASEL3, SHB's Common Equity Tier1 and BIS ratio each marked 12.1% and 15.2%, maintaining sufficient capital base.

. Income

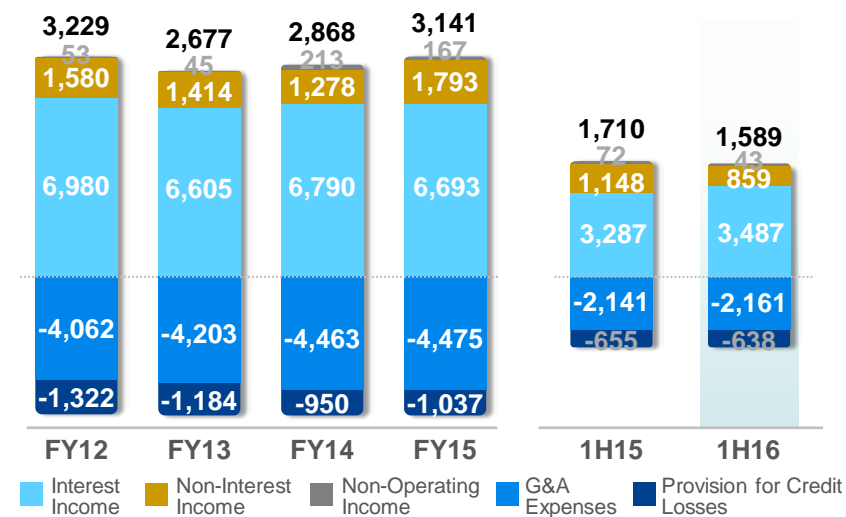
- 1. SFG Income**
- 2. SFG Non-Interest Income**
- 3. SFG G&A Expenses**
- 4. Subsidiaries Income (1)**
- 5. Subsidiaries Income (2)**
- 6. SHB Income / NIM**
- 7. SHB Non-Interest Income**
- 8. Shinhan Card Income**



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



SFG Earnings before Income Tax (KRW bil.)



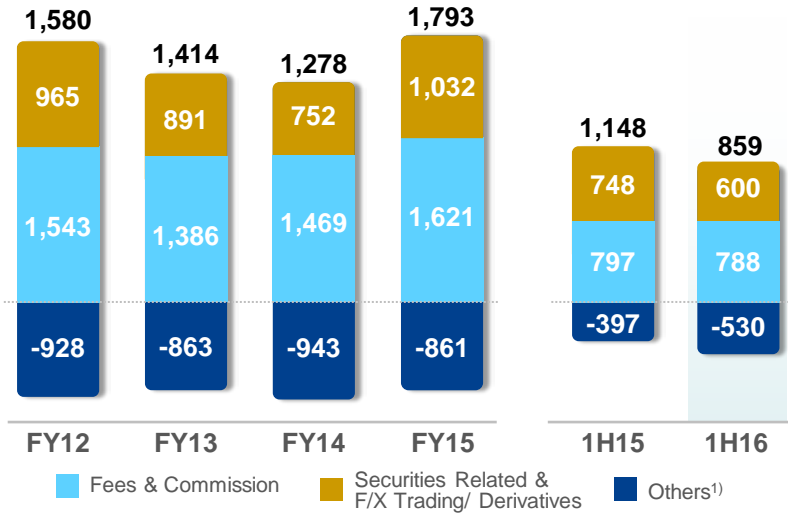
(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Operating Income (a=b+c)	4,345.3	4,434.9	-2.0	2,303.3	2,042.0	12.8
Interest Income (b)	3,486.7	3,286.8	6.1	1,772.0	1,714.7	3.3
Non-Interest Income (c)	858.6	1,148.1	-25.2	531.3	327.4	62.3
G&A Expenses (d)	2,161.4	2,141.1	0.9	1,089.2	1,072.2	1.6
Pre-Provision Oper. Income (e=a-d)	2,183.9	2,293.8	-4.8	1,214.1	969.9	25.2
Non-Operating Income (f)	42.9	71.7	-40.1	15.3	27.7	-44.9
Pre-Provision Income (g=e+f)	2,226.9	2,365.5	-5.9	1,229.3	997.6	23.2
Provision for Credit Losses (h)	638.3	655.1	-2.6	323.9	314.4	3.0
Earnings before Income Tax (i=g-h)	1,588.6	1,710.4	-7.1	905.4	683.2	32.5
Income Tax	100.4	385.4	-73.9	205.0	-104.6	n.a.
Consolidated Net Income ¹⁾	1,454.8	1,284.1	13.3	683.4	771.4	-11.4

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

(KRW bil.)

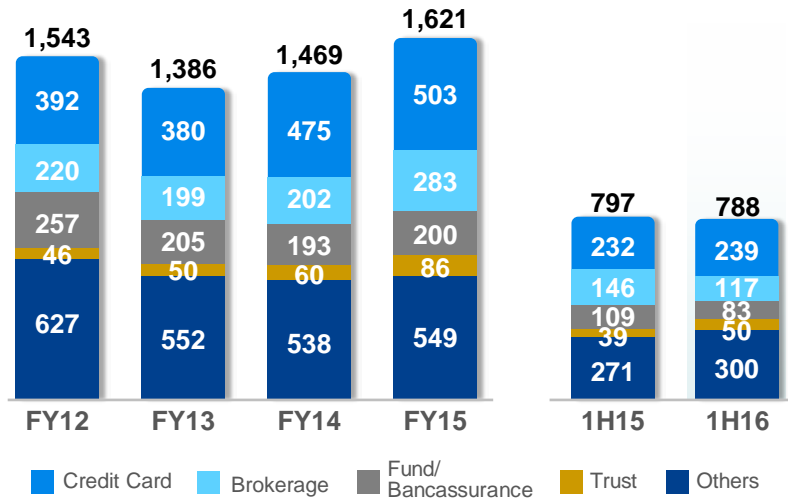


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Non-Interest Income	858.6	1,148.1	-25.2	531.3	327.4	62.3
Fees & Commission	788.1	797.1	-1.1	415.2	372.9	11.3
Securities Related & FX Trading/Derivatives	600.3	748.5	-19.8	359.8	240.5	49.6
(Gains on Sale of AFS Securities)	354.6	533.4	-33.5	302.6	52.0	482.2
(Impairment Loss on AFS Securities)	-67.1	-95.0	n.a.	-31.6	-35.5	n.a.
Others	-529.8	-397.4	n.a.	-243.8	-286.0	n.a.
(Contribution Expenses)	-126.0	-137.4	n.a.	-62.3	-63.7	n.a.
(Insurance Fees on Deposits)	-153.1	-139.3	n.a.	-77.8	-75.3	n.a.

SFG Fees & Commission

(KRW bil.)

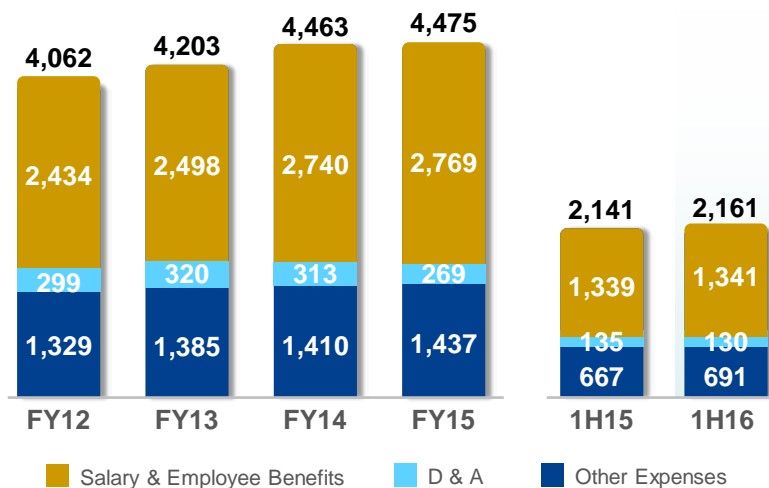


(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Fees & Commission	788.1	797.1	-1.1	415.2	372.9	11.3
Credit Card Fee Income	238.7	232.3	2.8	130.2	108.5	20.1
Brokerage Commissions	116.6	146.0	-20.1	60.0	56.7	5.8
Fund/Bancassurance Fees	82.7	108.7	-23.9	41.9	40.8	2.9
Trust Fee Income	50.0	39.3	27.2	26.5	23.4	13.3
Others	300.2	270.8	10.9	156.6	143.6	9.0

SFG G&A Expenses

SFG G&A Expenses

(KRW bil.)

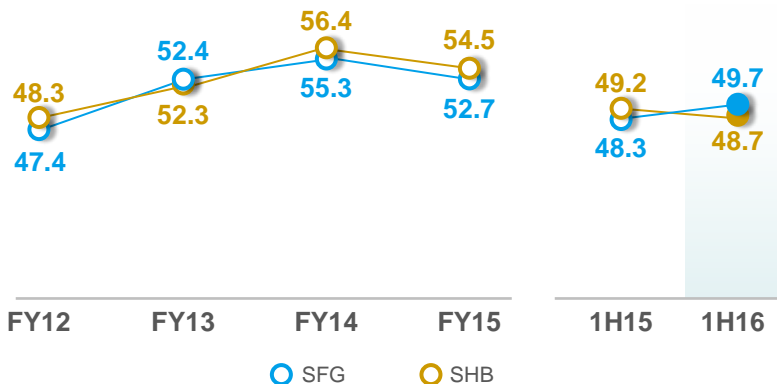


SFG G&A Expenses

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
G&A Expenses	2,161.4	2,141.1	0.9	1,089.2	1,072.2	1.6
Salary & Employee Benefits	1,340.8	1,339.3	0.1	661.3	679.6	-2.7
(Early Retirement Program Expenses)	2.3	3.1	-25.2	-	2.3	n.a.
D & A	129.8	134.9	-3.8	64.6	65.2	-0.9
Other Expenses	690.8	666.9	3.6	363.4	327.4	11.0
(Advertising Expenses)	133.9	102.9	30.2	74.8	59.1	26.6
(Taxes and Dues)	90.5	107.8	-16.1	45.9	44.6	3.0

Cost-Income Ratio

%



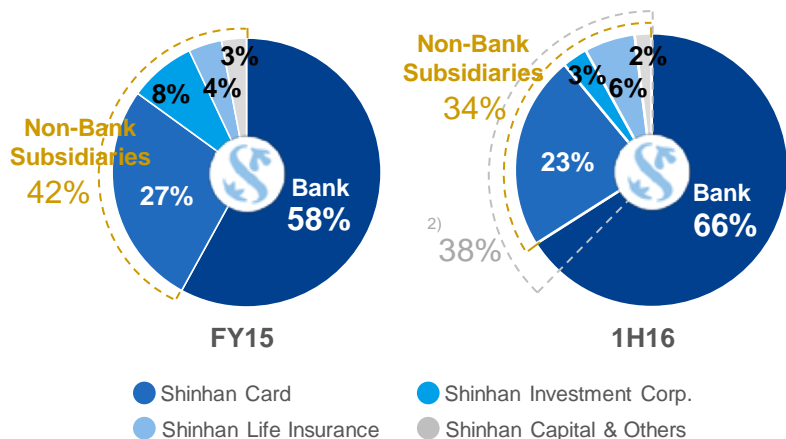
SHB G&A Expenses

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
G&A Expenses	1,353.0	1,340.6	0.9	690.3	662.8	4.2
Salary & Employee Benefits	827.9	813.0	1.8	406.6	421.3	-3.5
(Early Retirement Program Expenses)	0.4	0.1	n.m.	-	0.4	n.a.
D & A	81.5	82.0	-0.6	40.5	41.0	-1.4
Other Expenses	443.6	445.6	-0.5	243.2	200.4	21.4
(Advertising Expenses)	20.8	22.8	-8.8	14.4	6.3	128.5
(Taxes and Dues)	43.1	46.9	-8.1	28.0	15.2	84.2

Note) Cumulative Figures

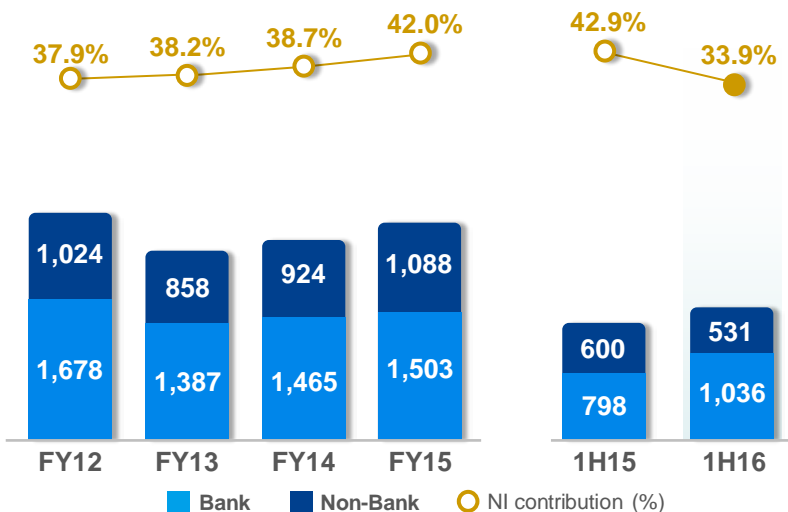
Subsidiaries Income (1)

Net Income Contribution by Subsidiaries¹⁾



Note1) After reflecting ownership by SFG
2) Excluding the Deferred Tax Asset effect

Net Income Contribution by Non-Bank Subsidiaries¹⁾ (KRW bil.)



Note 1) After reflecting ownership by SFG

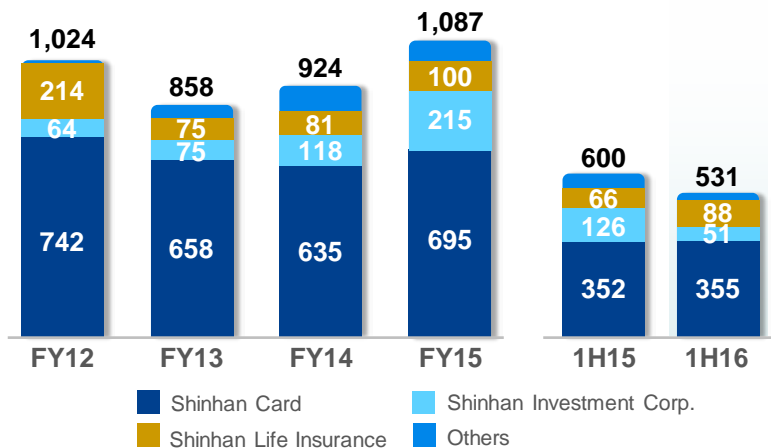
(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=A x B]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	1,040.1		1,035.9	-29.9	1,006.1
Shinhan Bank	1,026.7	100.0%	1,026.7	-29.9	996.8
Jeju Bank	13.4	68.9%	9.3	0.0	9.3
Non-Bank (b)	533.6		531.3	-2.8	528.5
Shinhan Card	355.2	100.0%	355.2	3.0	358.2
Shinhan Investment Corp.	50.6	100.0%	50.6	1.5	52.1
Shinhan Life Insurance	87.6	100.0%	87.6	-1.5	86.1
Shinhan BNPP AM	6.8	65.0%	4.4	0.1	4.5
Shinhan Capital	20.3	100.0%	20.3	-0.5	19.8
Shinhan Savings Bank	7.2	100.0%	7.2	0.0	7.2
Shinhan Data System	1.3	100.0%	1.3	-5.5	-4.1
Shinhan AITAS	3.8	99.8%	3.8	0.0	3.8
Shinhan Credit Information	0.0	100.0%	0.0	0.0	0.0
Shinhan Private Equity	0.9	100.0%	0.9	-	0.9
SFG (c)				-79.7²⁾	-79.7
Total (d=a+b+c)¹⁾	1,573.8		1,567.2	-112.4	1,454.8

Note 1) Net Income in Controlling Interest

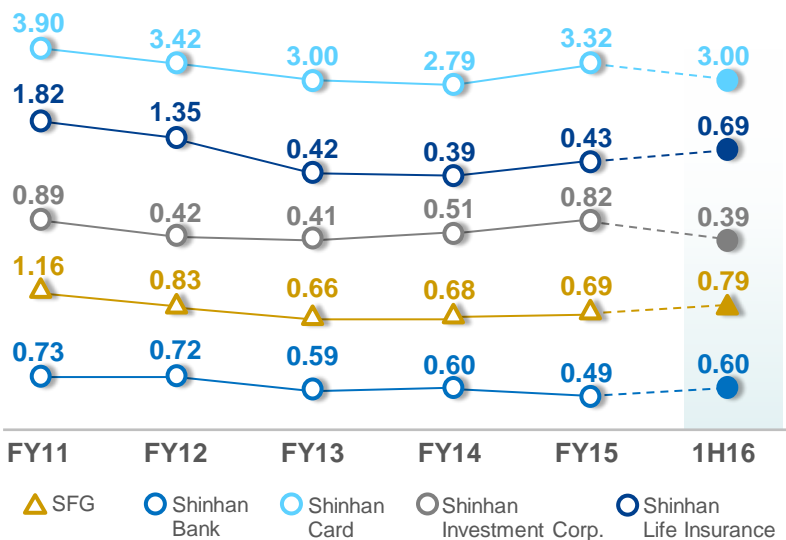
2) SFG (Separate): Brand Fee Income KRW 23.4bil., Interest Expense KRW -82.9bil., G&A etc. KRW -32.6bil.

Subsidiaries Income (2)

Non-Bank Net Income (KRW bil.)



ROA (%)

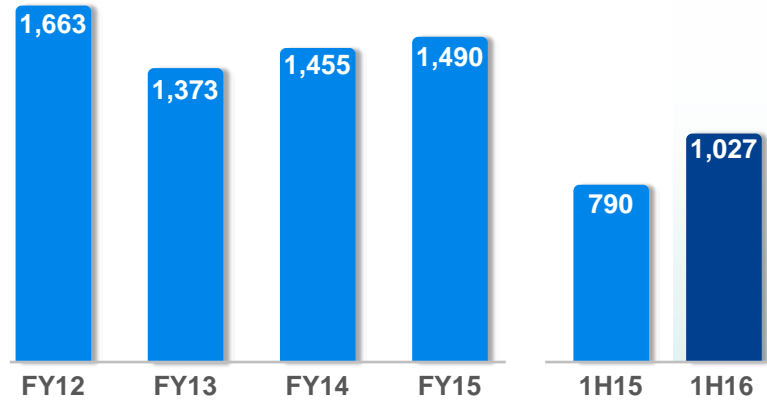


(Reflecting SFG Ownership, KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Bank (a)	1,035.9	797.6	29.9	456.9	579.0	-21.1
Shinhan Bank	1,026.7	790.3	29.9	451.8	574.9	-21.4
Jeju Bank	9.3	7.3	27.4	5.1	4.2	22.0
Non-Bank (b)	531.3	599.8	-11.4	288.7	242.6	19.0
Shinhan Card	355.2	351.8	1.0	206.3	148.8	38.6
Shinhan Investment Corp.	50.6	125.6	-59.7	28.8	21.8	32.2
Shinhan Life Insurance	87.6	65.7	33.4	28.9	58.7	-50.8
Shinhan BNPP AM	4.4	8.7	-49.3	2.1	2.3	-10.0
Shinhan Capital	20.3	35.7	-43.1	17.7	2.6	587.9
Shinhan Savings Bank	7.2	8.0	-10.7	2.2	5.0	-56.5
Shinhan Data System	1.3	0.2	499.4	0.3	1.0	-68.4
Shinhan AITAS	3.8	3.4	13.8	2.1	1.8	18.4
Shinhan Credit Information	0.0	0.8	-96.2	0.1	-0.1	n.a.
Shinhan Private Equity	0.9	0.0	8,701.7	0.1	0.7	-84.6
Total (a+b)	1,567.2	1,397.4	12.1	745.6	821.6	-9.3
Consolidate Net Income¹⁾	1,454.8	1,284.1	13.3	683.4	771.4	-11.4

Note 1) Net Income in Controlling Interest

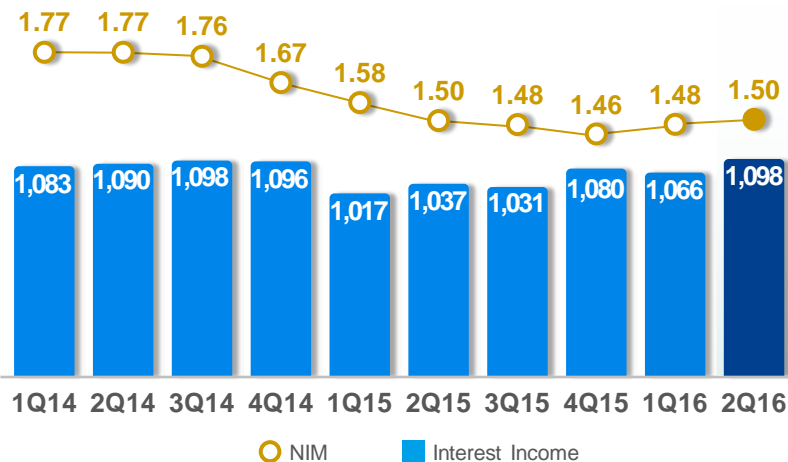
Net Income

(KRW bil.)



Interest Income/NIM(Quarterly)

(%, KRW bil.)



(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Operating Income (a=b+c)	2,776.5	2,726.5	1.8	1,473.6	1,302.9	13.1
Interest Income (b)	2,163.6	2,053.5	5.4	1,097.8	1,065.7	3.0
Non-Interest Income (c)	612.9	672.9	-8.9	375.8	237.1	58.5
G&A Expenses (d)	1,353.0	1,340.6	0.9	690.3	662.8	4.2
Pre-Provision Oper. Income (e=a-d)	1,423.5	1,385.8	2.7	783.4	640.1	22.4
Non-Operating Income (f)	41.1	55.2	-25.5	18.3	22.8	-19.9
Pre-Provision Income (g=e+f)	1,464.6	1,441.0	1.6	801.7	662.9	20.9
Provision for Credit Losses (h)	453.7	430.5	5.4	235.1	218.6	7.6
Earnings before Income Tax (i=g-h)	1,010.9	1,010.6	0.0	566.5	444.4	27.5
Income Tax	-15.7	220.0	n.a.	114.6	-130.3	n.a.
Net Income ¹⁾	1,026.7	790.3	29.9	451.8	574.9	-21.4

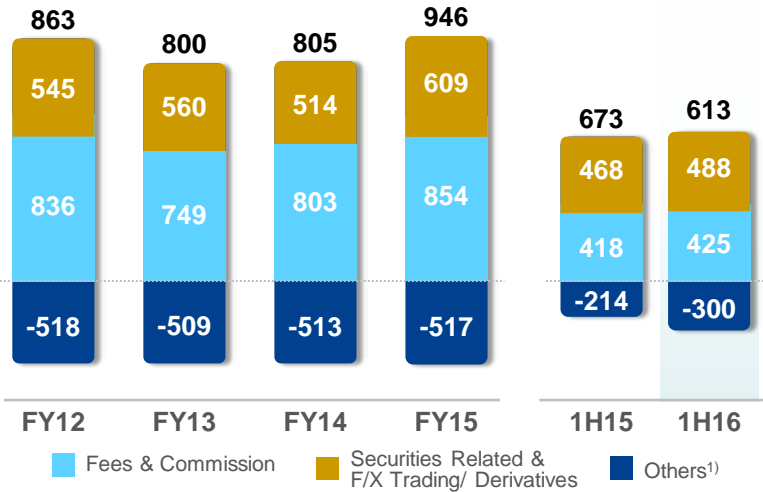
Note 1) Net Income in Controlling Interest

(%)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
NIS (a-b) (quarterly)	1.91	1.89	1.88	1.78	1.70	1.64	1.64	1.62	1.65	1.69
Loan interest rate (a)	4.20	4.13	4.05	3.83	3.62	3.37	3.20	3.10	3.10	3.08
Deposit interest rate (b)	2.29	2.24	2.17	2.05	1.92	1.73	1.55	1.48	1.45	1.40
NIM(quarterly)	1.77	1.77	1.76	1.67	1.58	1.50	1.48	1.46	1.48	1.50
NIM(cumulative figures)	1.77	1.77	1.77	1.74	1.58	1.54	1.52	1.50	1.48	1.49

SHB Non-Interest Income

Non-Interest Income

(KRW bil.)

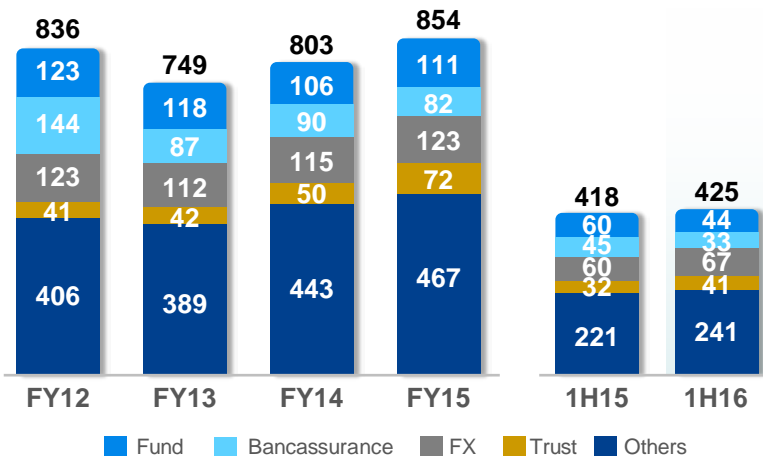


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Non-Interest Income	612.9	672.9	-8.9	375.8	237.1	58.5
Fees & Commission	424.7	418.1	1.6	219.6	205.1	7.0
Securities Related & FX Trading/Derivatives	487.7	468.4	4.1	302.1	185.6	62.7
(Gains on Sale of AFS Securities)	290.7	345.1	-15.8	241.8	48.8	395.1
(Impairment Loss on AFS Securities)	-62.4	-96.3	n.a.	-29.3	-33.1	n.a.
Others	-299.5	-213.6	n.a.	-145.9	-153.7	n.a.
(Contribution Expenses)	-122.4	-134.6	n.a.	-60.5	-62.0	n.a.
(Insurance Fees on Deposits)	-134.5	-123.1	n.a.	-69.3	-65.2	n.a.

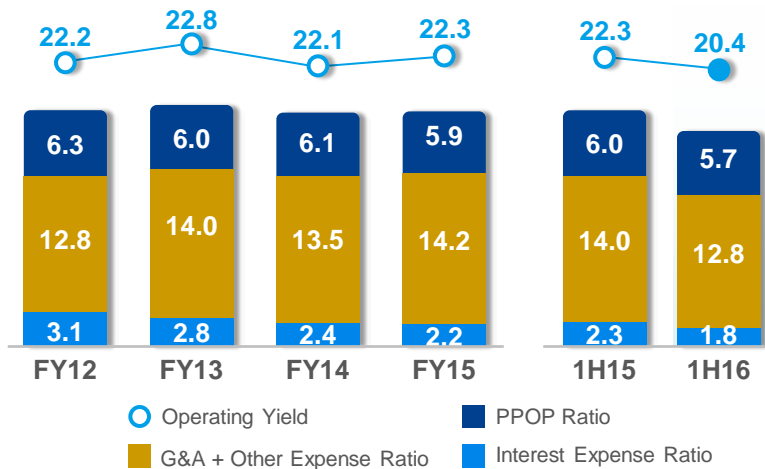
Fees & Commission

(KRW bil.)



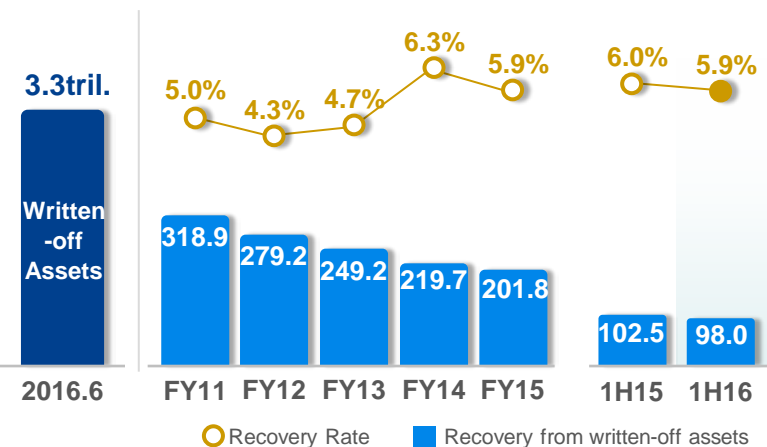
(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Fees & Commission	424.7	418.1	1.6	219.6	205.1	7.0
Fund Fee Income	43.6	60.4	-27.9	23.0	20.6	11.6
Bancassurance Fee Income	32.7	44.8	-27.1	15.1	17.6	-14.4
FX Fee Income	66.9	60.3	11.0	33.6	33.3	0.8
Trust Fee Income	41.0	32.0	28.2	22.1	18.9	17.1
Others	240.6	220.7	9.0	125.9	114.7	9.7

Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

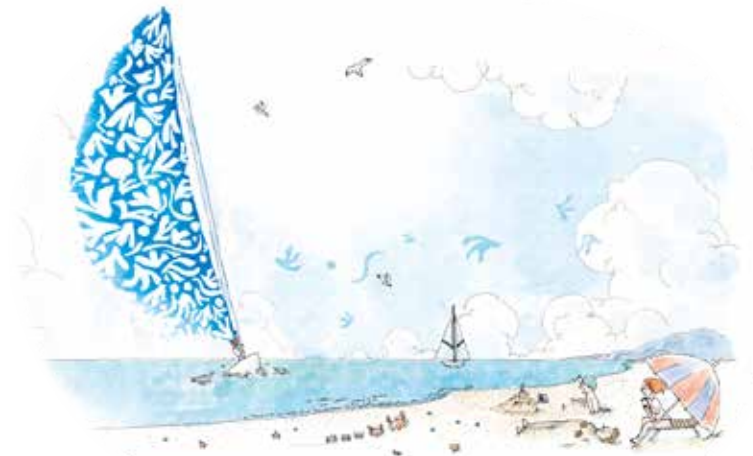
Recovery from Written-off Assets (KRW bil.)



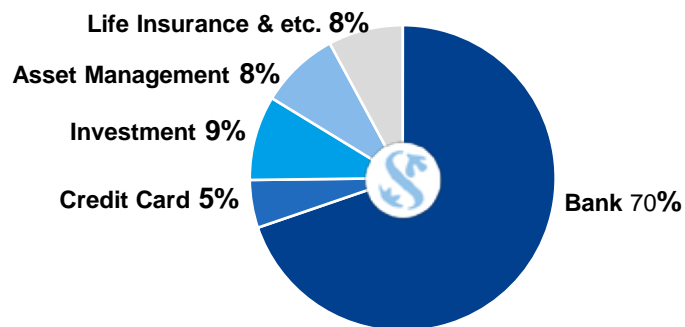
(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Operating Revenue (a)	2,270.4	2,289.8	-0.8	1,139.2	1,131.2	0.7
Card Business	1,920.7	1,877.3	2.3	969.5	951.1	1.9
Installment Finance	49.4	46.2	6.7	24.9	24.4	2.1
Lease	23.9	20.1	19.1	12.3	11.5	7.1
Others	276.5	346.2	-20.1	132.4	144.1	-8.1
(Derivatives & FX)	54.4	59.0	-7.8	-13.7	68.1	n.a.
Interest Expense (b)	200.4	231.6	-13.5	98.9	101.5	-2.7
G&A Expenses (c)	374.2	347.7	7.6	189.8	184.4	2.9
Commissions & Other Expenses (d)	1,075.6	1,106.6	-2.8	498.7	576.9	-13.6
(Derivatives & FX)	40.8	46.6	-12.4	-20.5	61.3	n.a.
Pre-Provision Income (e=a-b-c-d)	620.3	604.0	2.7	351.9	268.3	31.2
Provision for Credit Losses (f)	163.7	163.6	0.1	84.6	79.1	7.0
Earnings before Income Tax (g=e-f)	456.6	440.4	3.7	267.4	189.2	41.3
Income Tax	101.4	88.6	14.5	61.1	40.4	51.3
Net Income	355.2	351.8	1.0	206.3	148.8	38.6

. Assets & Liabilities

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

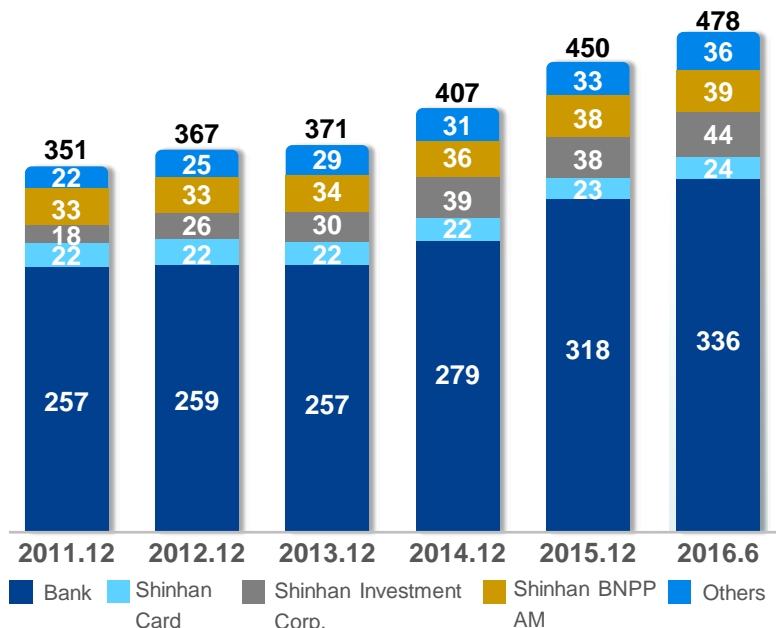


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)



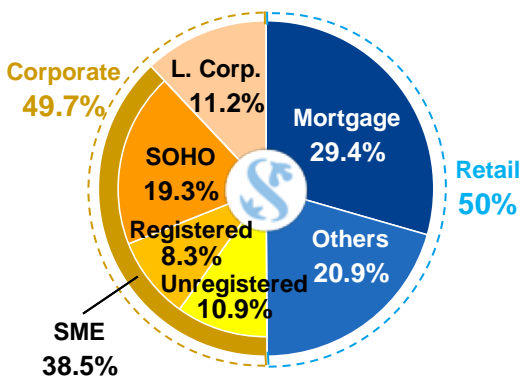
Note) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included

(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Bank (a)	336,272.1	318,112.9	5.7	322,757.9	4.2
Shinhan Bank	331,280.4	313,648.3	5.6	318,117.9	4.1
Jeju Bank	4,991.7	4,464.6	11.8	4,640.0	7.6
Non-Bank (b)	138,748.3	128,969.0	7.6	134,602.7	3.1
Shinhan Card	23,597.0	23,347.7	1.1	23,258.3	1.5
Shinhan Investment Corp.	43,762.2	37,792.3	15.8	41,894.9	4.5
Shinhan Life Insurance	25,886.1	24,544.6	5.5	25,236.6	2.6
Shinhan BNPP AM	38,851.2	37,973.3	2.3	38,233.0	1.6
Shinhan Capital	4,046.2	4,076.6	-0.7	3,845.8	5.2
Shinhan Savings Bank	948.4	795.1	19.3	836.8	13.3
Shinhan Data System	33.4	26.7	25.1	30.4	9.9
Shinhan AITAS	45.3	42.8	5.8	43.8	3.4
Shinhan Credit Information	21.6	23.9	-9.6	22.0	-1.7
Shinhan Private Equity	108.4	119.0	-8.9	119.7	-9.4
Others	1,448.5	227.1	537.9	1,081.5	33.9
Total ¹⁾	478,230.8	450,438.5	6.2	462,310.5	3.4
Consolidate Total Assets	390,285.3	370,539.6	5.3	378,547.0	3.1

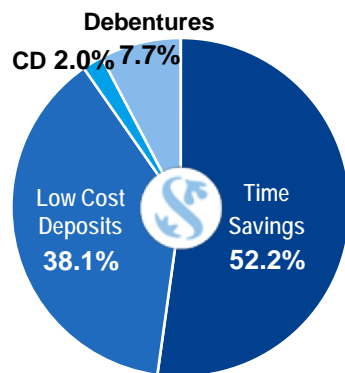
Note 1) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included

SHB Loan / Deposit Growth

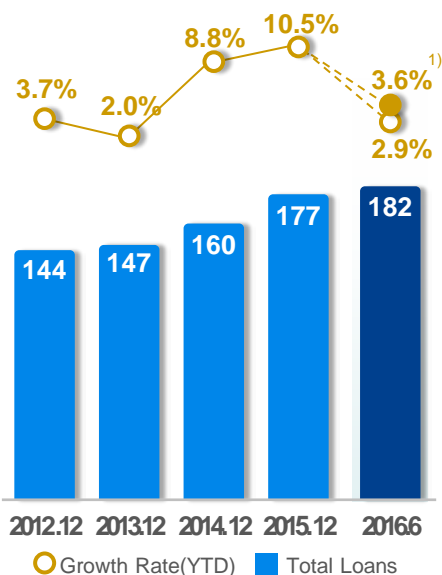
Loan Composition



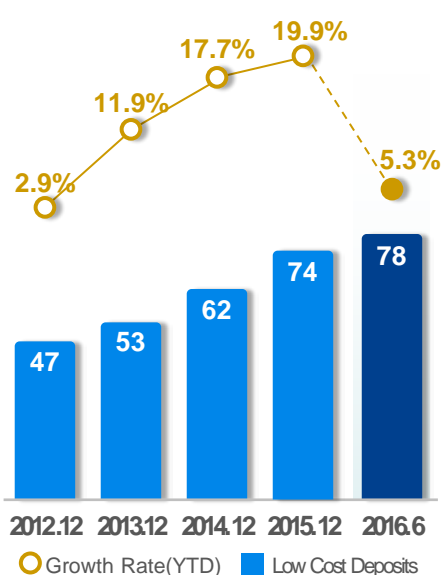
Funding Composition



KRW Loan Growth (KRW tril.)



Low Cost Deposits (KRW tril.)



(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Loan in KRW	181,976	176,810	2.9	178,412	2.0
Retail	91,535	88,085	3.9	88,909	3.0
Mortgage	53,577	52,054	2.9	52,769	1.6
Others 1)	37,959	36,031	5.4	36,141	5.0
Corporate	90,440	88,725	1.9	89,502	1.1
SME	70,118	67,336	4.1	68,236	2.8
SOHO	35,197	34,223	2.8	34,458	2.2
Large Corporate etc.	20,322	21,389	-5.0	21,266	-4.4
Loan in FX	8,626	8,114	6.3	7,799	10.2

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

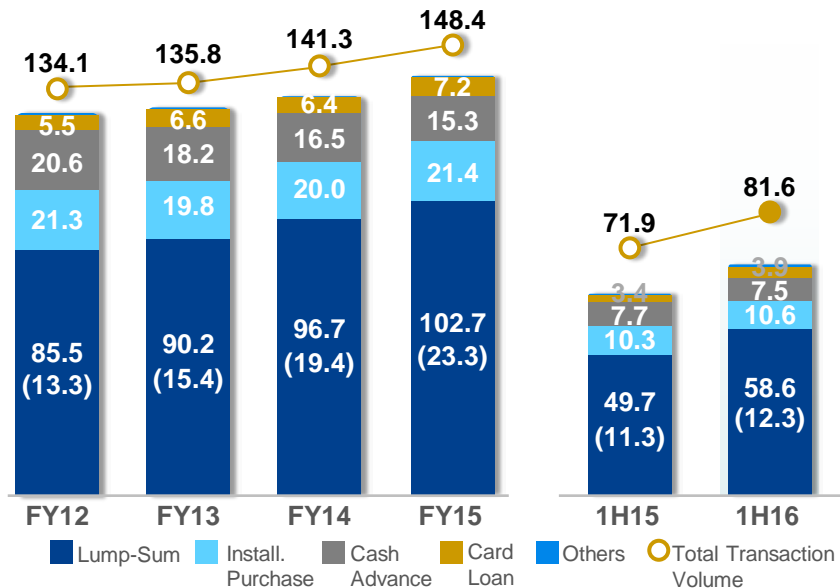
(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Total Deposits in KRW	185,513	180,766	2.6	180,494	2.8
Low Cost Deposits	78,296	74,325	5.3	74,818	4.7
Demand	24,490	21,858	12.0	23,091	6.4
Savings	53,806	52,467	2.6	51,726	4.0
Time Savings	107,217	106,441	0.7	105,677	1.4
Time Deposits	98,795	97,940	0.9	97,365	1.5
Accumulative etc.	8,423	8,501	-0.9	8,312	1.3
Certificate of Deposits	4,035	4,073	-0.9	4,093	-1.4
Debtures in KRW	15,941	15,989	-0.3	15,596	2.2

Note 1) Including Loans Securitized

Shinhan Card Asset Growth

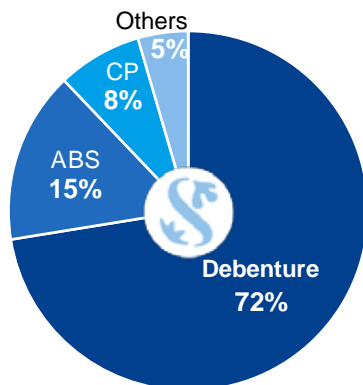
Transaction Volume

(KRW tril.)



Note) Figs. in parenthesis represent debit card transaction volume

Funding Composition



(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Earning Assets	21,543	21,323	1.0	21,450	0.4
Credit Purchase	11,097	11,353	- 2.3	11,299	- 1.8
Cash Advances	2,014	2,051	- 1.8	2,024	- 0.5
Card Loan	5,436	5,057	7.5	5,288	2.8
(Re-aged Loan)	234	234	0.3	234	0.1
Installment Finance	2,046	1,865	9.7	1,938	5.6
Lease etc.	949	998	- 4.9	901	5.3
Effective Cardholders (in thousands)	11,966	12,052	- 0.7	11,959	0.1
Merchants (in thousands)	2,563	2,513	2.0	2,530	1.3

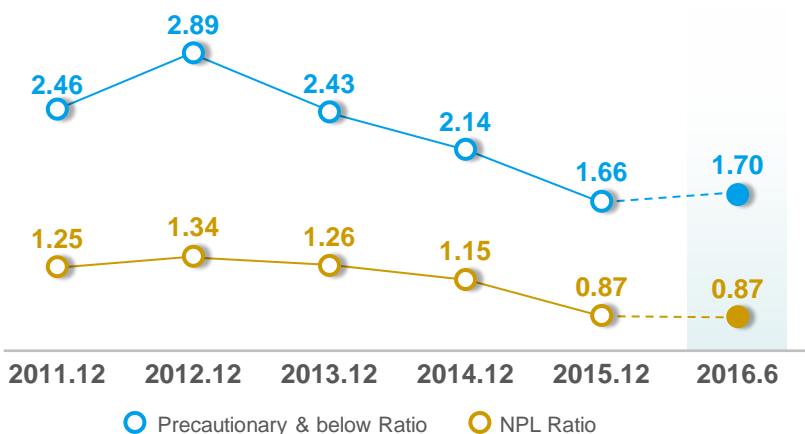
(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Total Funding	13,956	13,325	4.7	13,399	4.2
Debentures	10,112	9,780	3.4	9,831	2.9
ABS	2,155	1,992	8.2	2,192	-1.7
CP	1,060	770	37.7	710	49.3
Others	630	783	-19.6	667	-5.5

. Asset Quality

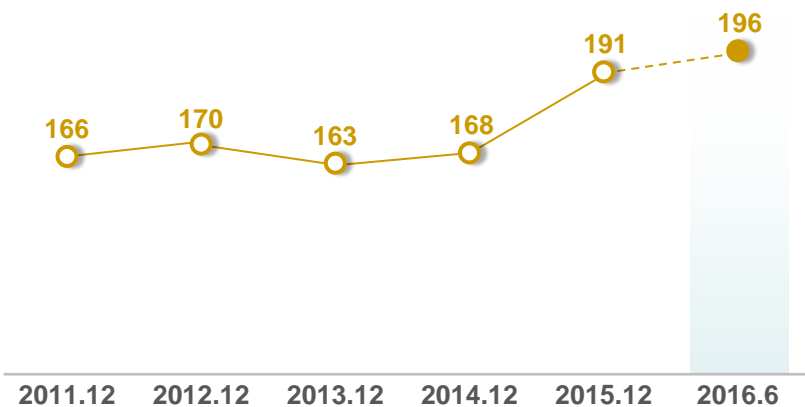
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



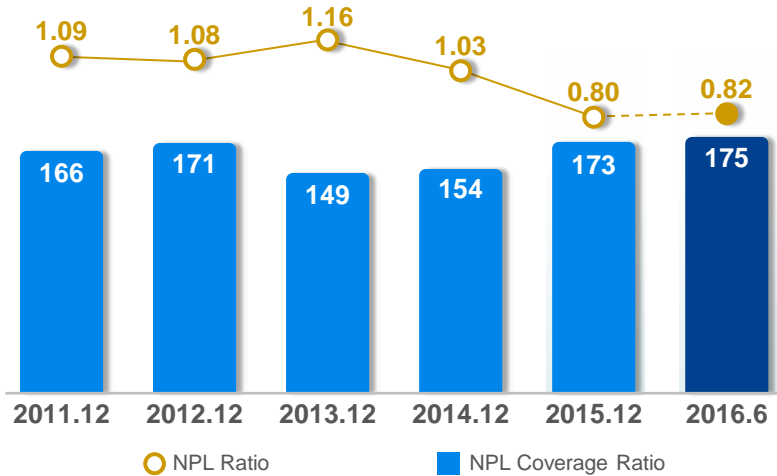
(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Total Loans ¹⁾	244,558	238,776	2.4	239,945	1.9
Normal	240,399	234,818	2.4	235,686	2.0
Precautionary	2,025	1,878	7.8	2,020	0.3
Substandard	872	955	-8.7	949	-8.1
Doubtful	468	591	-20.8	553	-15.3
Estimated Loss	793	533	48.8	736	7.8
Substandard & Below	2,134	2,080	2.6	2,239	-4.7
NPL Ratio	0.87%	0.87%	0.00%p	0.93%	-0.06%p
Loan Loss Allowance ²⁾	4,172	3,969	5.1	4,137	0.8
NPL Coverage Ratio	196%	191%	5%p	185%	11%p
Reserve for credit losses ³⁾	1,912	1,768	8.1	1,838	4.0

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

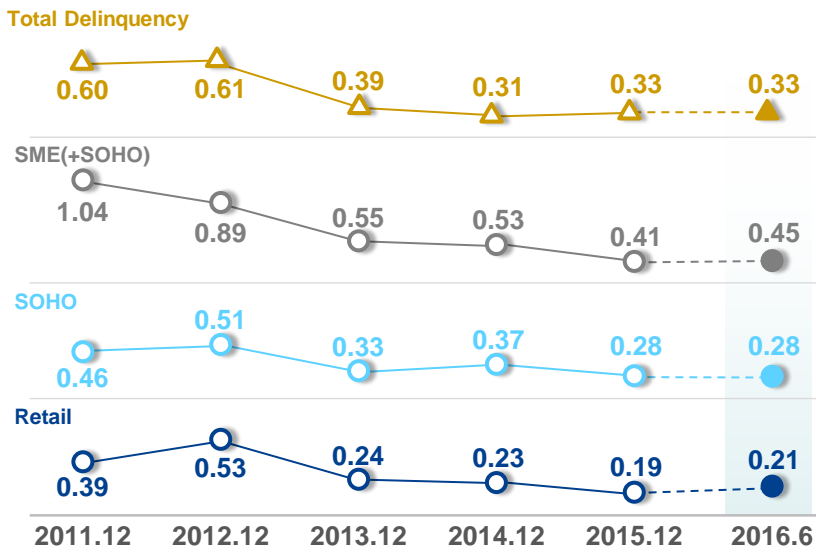
2) Loan Loss Allowance : Sum of IFRS standard LLA and reserves for credit losses

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

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



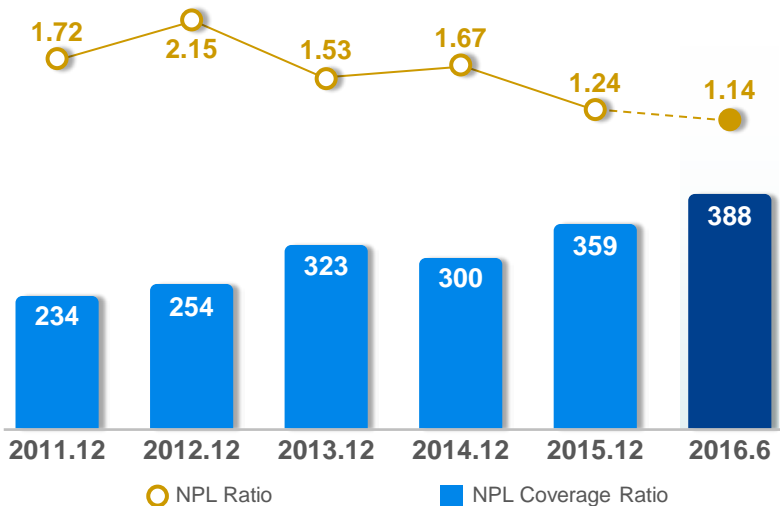
Note) 1 month overdue

(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Total Loans	206,771	202,003	2.4	202,851	1.9
Normal	204,128	199,534	2.3	200,114	2.0
Precautionary	940	855	10.0	985	-4.6
Substandard	782	850	-7.9	845	-7.4
Doubtful	324	453	-28.4	401	-19.2
Estimated Loss	596	312	90.9	505	18.0
Substandard & Below	1,703	1,615	5.4	1,751	-2.8
NPL Ratio	0.82%	0.80%	0.02%p	0.86%	-0.04%p
Loan Loss Allowance ¹⁾	2,987	2,790	7.1	2,921	2.2
NPL Coverage Ratio	175%	173%	2%p	167%	8%p
Reserve for credit losses ²⁾	1,581	1,442	9.7	1,503	5.2

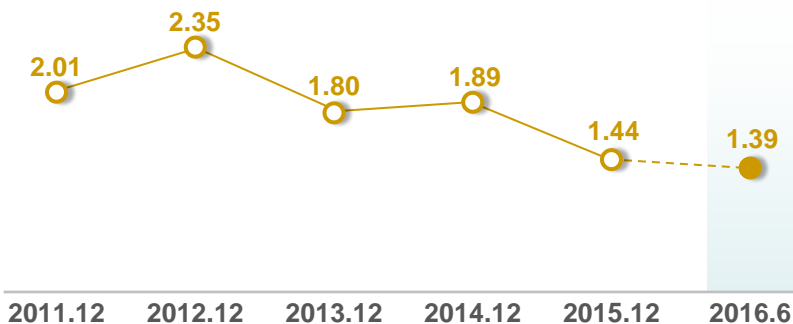
Note 1) Loan Loss Allowance : Sum of IFRS standard LLA and reserves for credit losses

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

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



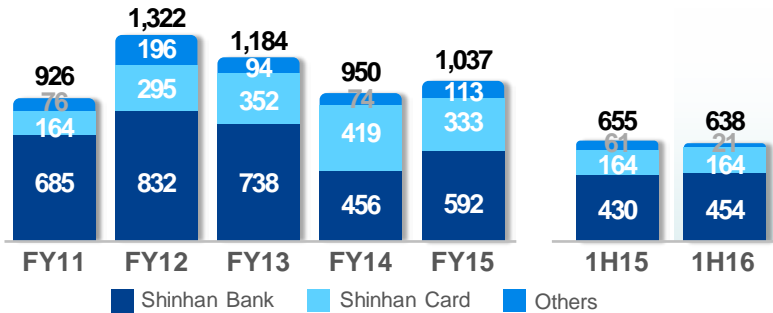
Note) 1 month overdue from total credit

(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Total Loans	21,543	21,323	1.0	21,450	0.4
Normal	20,524	20,332	0.9	20,425	0.5
Precautionary	772	725	6.5	755	2.2
Substandard	-	-	-	-	-
Doubtful	84	79	5.9	78	7.1
Estimated Loss	163	186	-12.6	192	-15.3
Substandard & Below	247	265	-7.1	270	-8.8
NPL Ratio	1.14%	1.24%	-0.10%p	1.26%	-0.12%p
Loan Loss Allowance ¹⁾	957	953	0.3	969	-1.3
NPL Coverage Ratio	388%	359%	29%p	358%	30%p
Reserve for credit losses	261	262	-0.4	266	-1.7

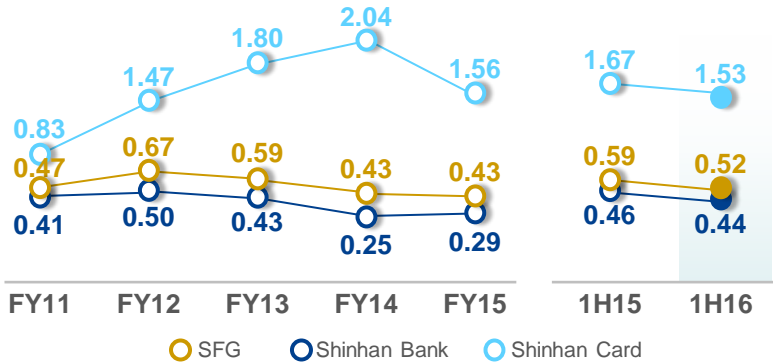
Note 1) Excluding reserve for unused credit lines

Provision for Credit Losses / Write-Offs

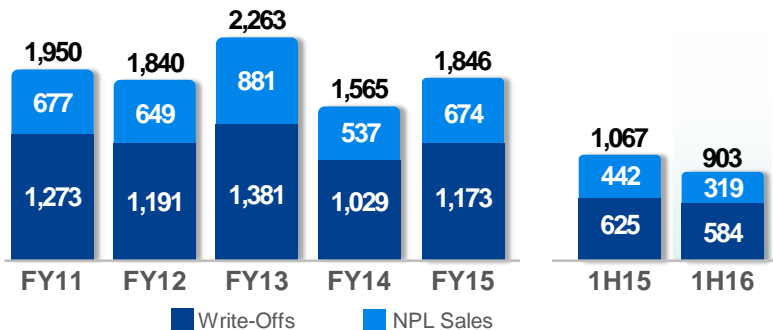
Provision for Credit Losses (KRW bil.)



Credit Cost Ratio (%)



Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

(KRW bil.)	FY16	1Q16	2Q16	FY15	1Q15	2Q15	3Q15	4Q15
Shinhan Bank ¹⁾	436	206	230	596	232	222	50	92
Retail	54	31	23	128	32	27	32	37
Corporate	382	175	207	468	199	195	18	55
Shinhan Card	164	79	85	333	82	83	126	43
Total	600	285	315	929	313	305	176	135

Note 1) SHB figures are separate basis

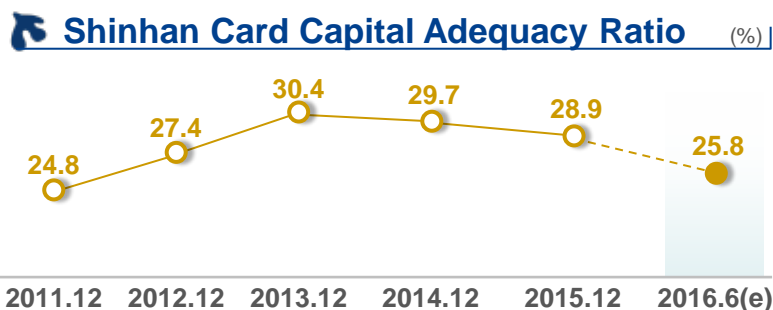
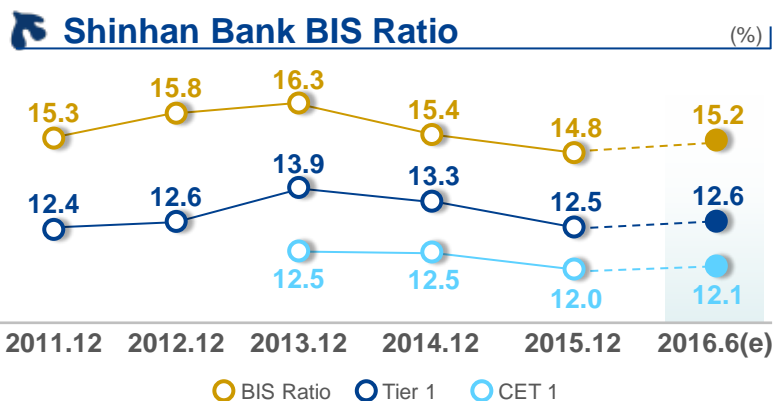
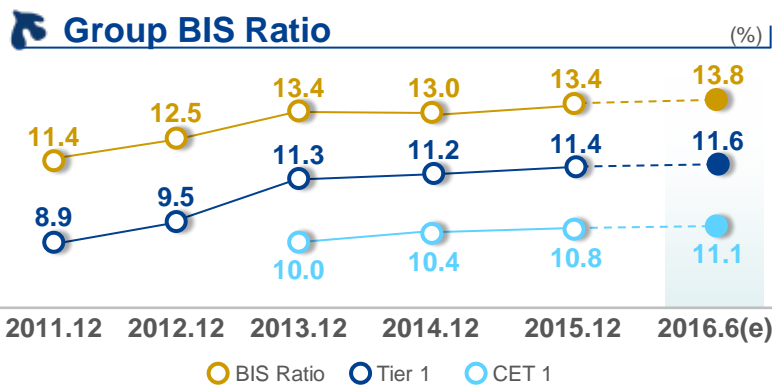
Write-Offs & NPL Sales

(KRW bil.)	FY16	1Q16	2Q16	FY15	1Q15	2Q15	3Q15	4Q15
Shinhan Bank	551	182	369	1,233	371	330	207	325
(Sale)	174	51	123	561	222	106	76	158
Retail	70	15	55	207	35	49	46	77
(Sale)	38	12	27	93	21	24	16	32
Corporate	480	167	313	1,026	336	281	161	249
(Sale)	136	39	96	469	201	81	60	126
Shinhan Card	352	109	243	614	147	219	96	152
Total	903	291	612	1,846	517	549	302	477

. Capital Adequacy & Key Financial Indices

1. Capital Adequacy
2. Key Financial Indices





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.)	2016.6(e)	2015.12	YTD%	2016.3	QoQ%
Risk-Weighted Assets	209,104	203,275	2.9	204,784	2.1
Capital	28,796	27,216	5.8	28,028	2.7
CET 1	23,176	21,883	5.9	22,733	1.9
Tier 1	24,359	23,194	5.0	23,915	1.9
BIS Ratio	13.8%	13.4%	0.4%p	13.7%	0.1%p
CET 1	11.1%	10.8%	0.3%p	11.1%	0.0%p
Tier 1	11.6%	11.4%	0.2%p	11.7%	-0.1%p

Note) Based on Basel3

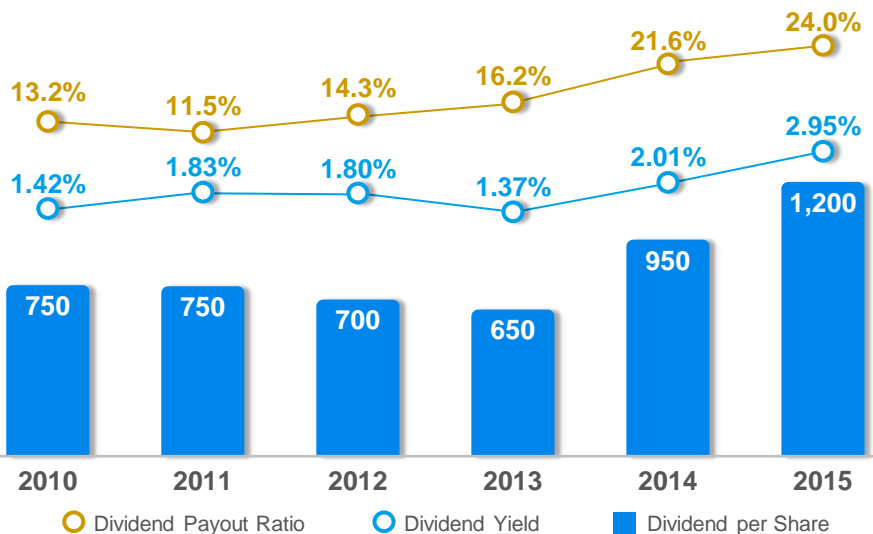
Shinhan Bank BIS Ratio

(KRW bil.)	2016.6(e)	2015.12	YTD%	2016.3	QoQ%
Risk-Weighted Assets	150,247	144,844	3.7	149,022	0.8
Capital	22,831	21,370	6.8	22,322	2.3
CET 1	18,122	17,324	4.6	17,934	1.1
Tier 1	18,928	18,130	4.4	18,739	1.0
BIS Ratio	15.2%	14.8%	0.4%p	15.0%	0.2%p
CET 1	12.1%	12.0%	0.1%p	12.0%	0.1%p
Tier 1	12.6%	12.5%	0.1%p	12.6%	0.0%p

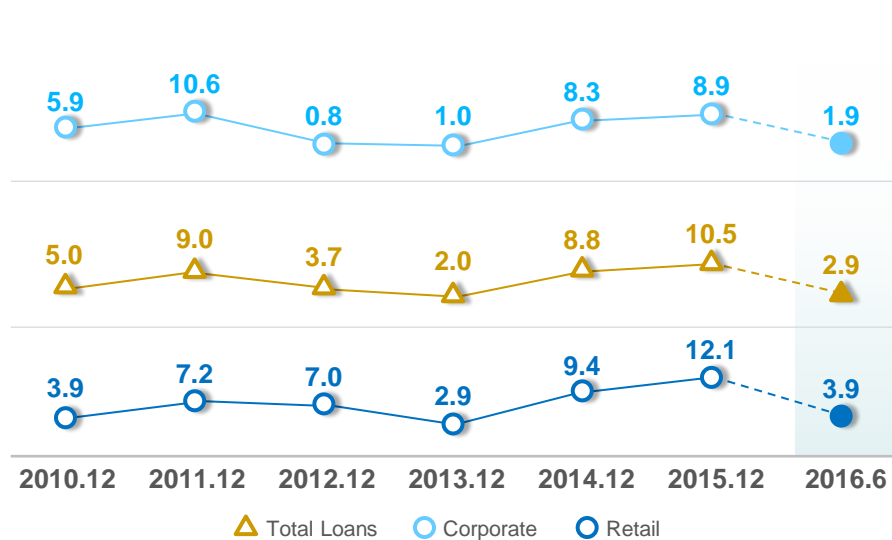
Note) Based on Basel3

Key Financial Indices

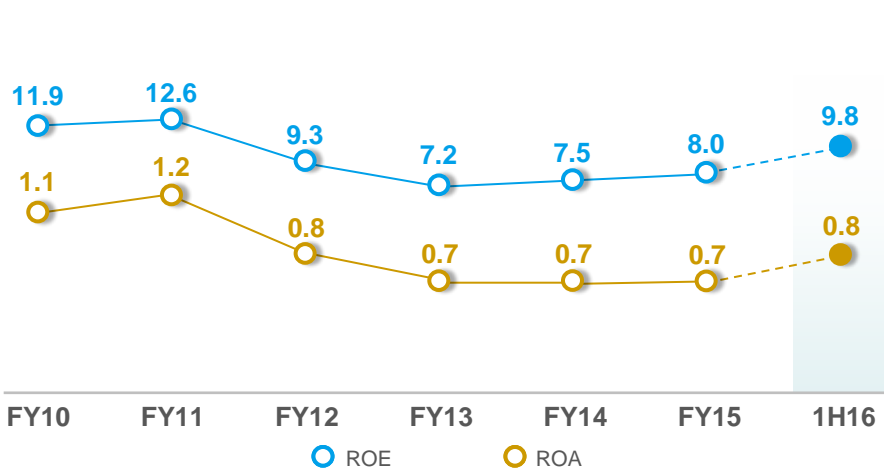
Dividend (KRW)



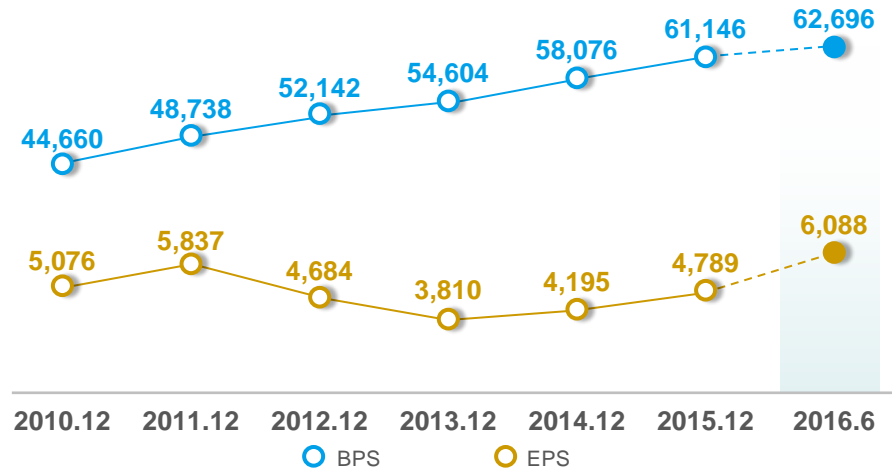
SHB Loan Growth Rate (%)



ROA / ROE (%)



BPS / EPS (KRW)



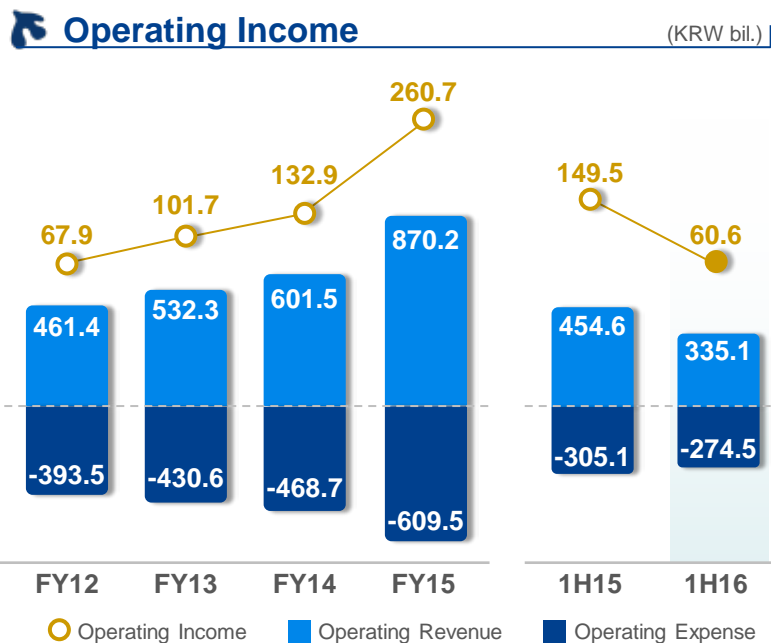
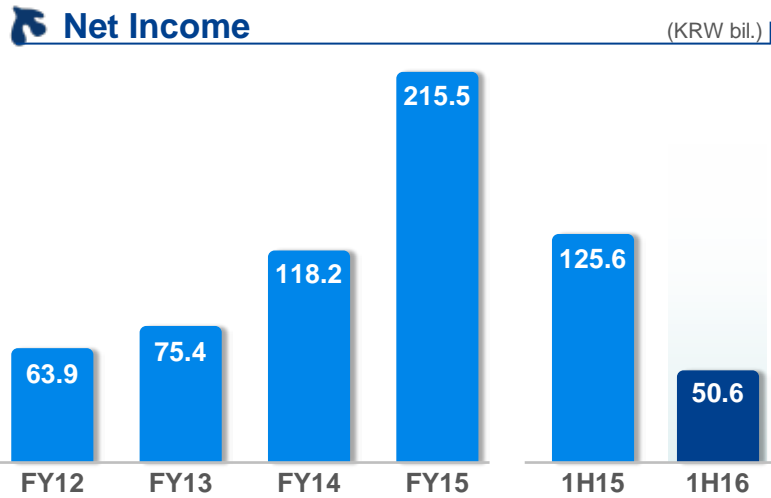
Note) ROE based on common stock

Note) Based on common stock

. Appendix

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





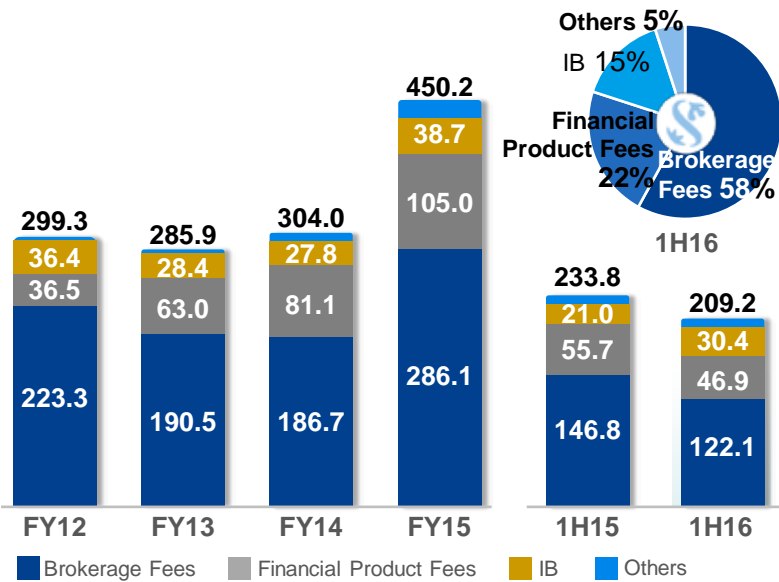
Condensed I/S & Key Financial Indices

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Operating Revenue	335.1	454.6	-26.3	171.5	163.6	4.9
Fees & Commission	209.2	233.8	-10.5	112.1	97.1	15.5
Proprietary Trading	62.6	183.8	-65.9	25.2	37.3	-32.4
Others	63.3	37.1	70.9	34.2	29.2	17.0
Operating Expense	274.5	305.1	-10.0	136.1	138.4	-1.6
G&A Expenses	216.2	244.2	-11.5	107.7	108.5	-0.8
Commission Expense	57.2	60.7	-5.9	26.9	30.3	-11.0
Provision for Credit Losses	1.2	0.2	396.1	1.6	-0.4	n.a.
Operating Income	60.6	149.5	-59.5	35.4	25.2	40.3
Net Income	50.6	125.6	-59.7	28.8	21.8	32.2
Net Capital Ratio(%)	832%	884%	-52%p	832%	733%	99%p
ROE	4.0%	10.8%	-6.8%p	4.0%	3.5%	0.5%p
ROA	0.4%	0.9%	-0.5%p	0.4%	0.3%	0.1%p

Note) ROE, ROA are calculated on a cumulative basis

Fees & Commission

(KRW bil.)

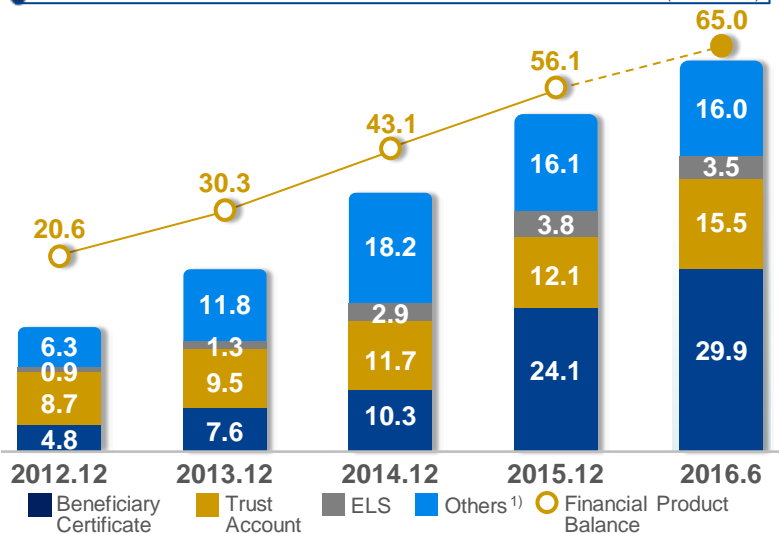


Fees & Commission

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Fees & Commission	209.2	233.8	-10.5	112.1	97.1	15.5
Brokerage Fees	122.1	146.8	-16.8	62.0	60.1	3.2
Financial Product Fees	46.9	55.7	-15.9	23.7	23.2	2.1
IB	30.4	21.0	45.1	21.0	9.4	123.3
Others	9.8	10.3	-4.9	5.4	4.4	24.8

Financial Products

(KRW tril.)

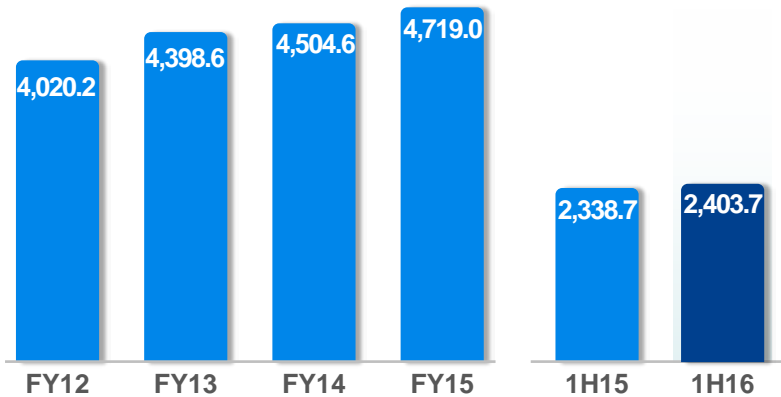


Balance of Financial Products

(KRW tril.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Financial Products	65.0	56.1	15.9	61.3	6.0
Beneficiary Certificate	29.9	24.1	24.5	27.9	7.2
Trust Account	15.5	12.1	28.7	13.7	13.1
ELS	3.5	3.8	-7.6	3.8	-7.3
Others	16.0	16.1	-1.0	15.8	0.9

Note 1) Sum of Wrap, RP and Micro Debentures

Premium Income (KRW bil.)



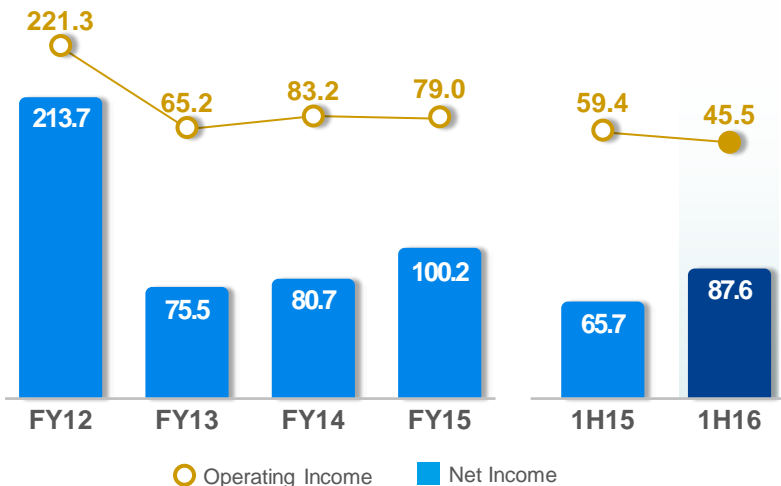
Note) Excluding non-monthly premium and Retirement Pension

Premium Breakdown

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Prem. Received	2,426.1	2,388.1	1.6	1,210.0	1,216.1	-0.5
New Premium	53.4	87.5	-39.0	22.8	30.6	-25.4
Monthly Premium	31.0	38.1	-18.7	15.0	15.9	-5.5
Non-Monthly Premium	22.4	49.4	-54.6	7.8	14.6	-47.0
Recurring Premium	2,372.7	2,300.6	3.1	1,187.2	1,185.5	0.1

Note) Excluding Retirement Pension

Net Income (KRW bil.)

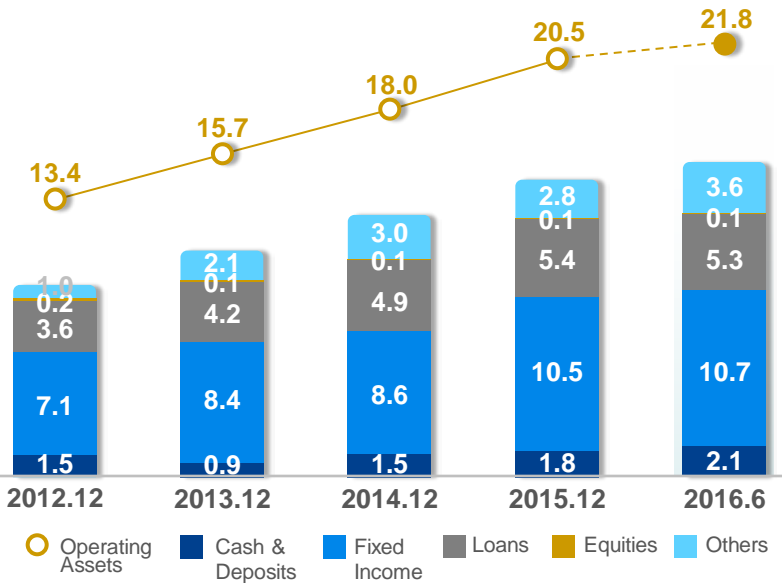


Profitability & Key Financial Indices

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Operating Income	45.5	59.4	-23.5	23.5	21.9	7.4
Non-Operating Income	70.2	92.1	-23.8	36.6	33.6	9.0
(Separate Account Profit & Loss)	24.7	32.7	-24.5	13.1	11.6	12.1
Net Income	87.6	65.7	33.4	28.9	58.7	-50.8
ROE	10.5%	8.7%	1.8%p	10.5%	14.4%	-3.9%p
ROA	0.7%	0.6%	0.1%p	0.7%	0.9%	-0.2%p

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

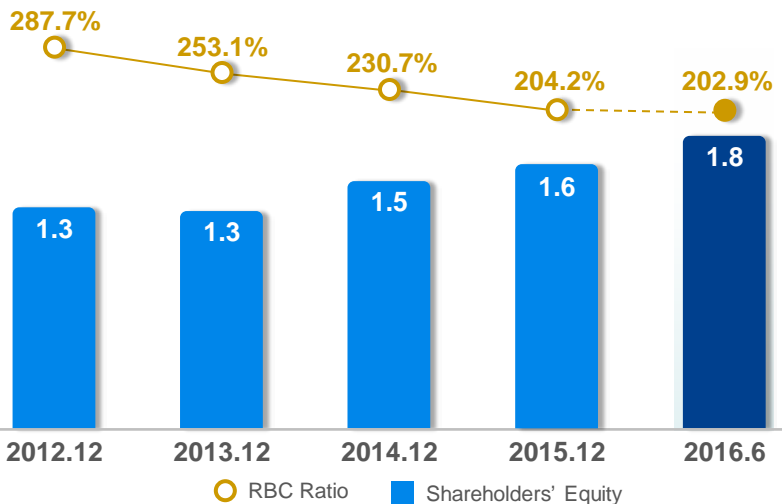
Operating Assets (KRW tril.)



Operating Assets

(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Operating Assets	21,811.0	20,545.0	6.2	21,141.0	3.2
Cash & Deposits	2,089.3	1,831.6	14.1	2,096.6	-0.3
Fixed Income	10,720.3	10,505.2	2.0	10,413.2	2.9
Loans	5,271.8	5,372.1	-1.9	5,383.5	-2.1
Equities	85.2	80.7	5.6	86.7	-1.7
Others	3,644.3	2,755.4	32.3	3,161.0	15.3

Equity & Capital Adequacy Ratio (% , KRW tril.)

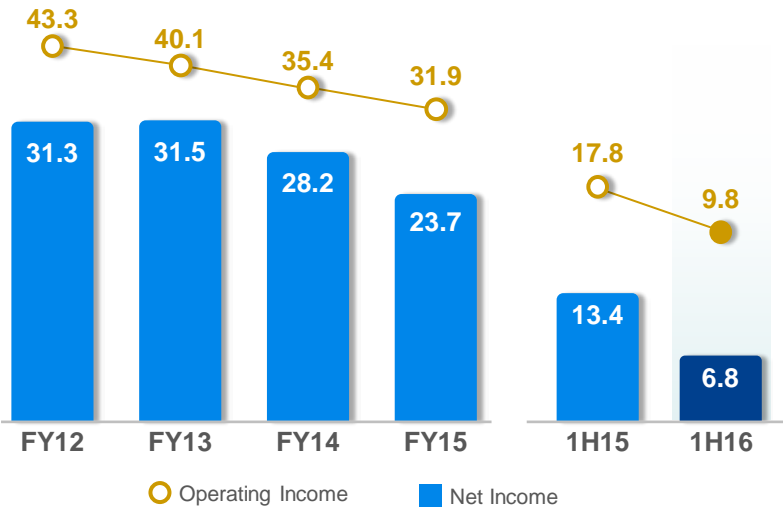


Equity & Capital Adequacy Ratio

(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Shareholders' Equity	1,751.5	1,581.4	10.8	1,675.9	4.5
Capital & Retained Earnings	1,584.9	1,502.1	5.5	1,555.7	1.9
Accumulated Other Comprehensive Income	166.6	79.3	110.2	120.2	38.6
RBC Ratio	202.9%	204.2%	-1.3%p	203.2%	-0.3%p

Net Income

(KRW bil.)



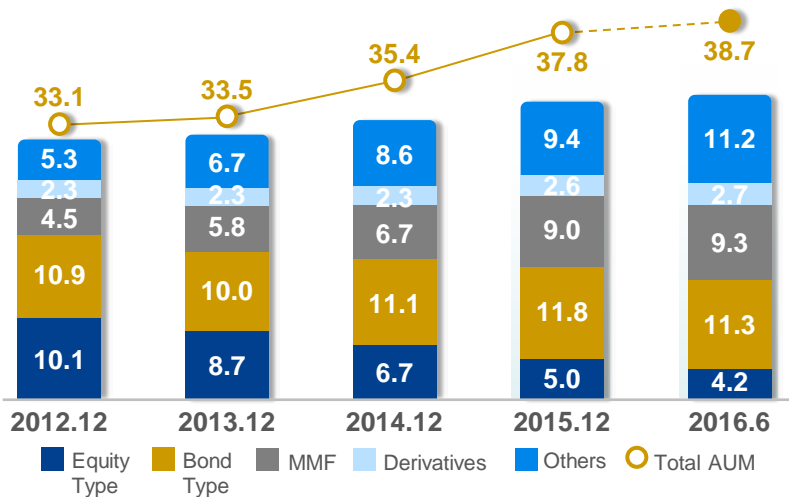
Condensed I/S & Key Financial Indices

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Operating Revenue	34.9	45.3	-22.9	17.3	17.6	-1.9
Operating Expense	25.1	27.6	-8.8	12.7	12.4	2.8
(G&A Expenses)	20.9	21.9	-4.5	10.6	10.4	1.6
Operating Income	9.8	17.8	-44.8	4.6	5.2	-12.9
Net Income	6.8	13.4	-49.3	3.2	3.6	-10.0
ROE	9.4%	18.4%	-9.0%p	9.4%	9.8%	-0.4%p

Note) ROE is calculated on a cumulative basis

Assets Under Management

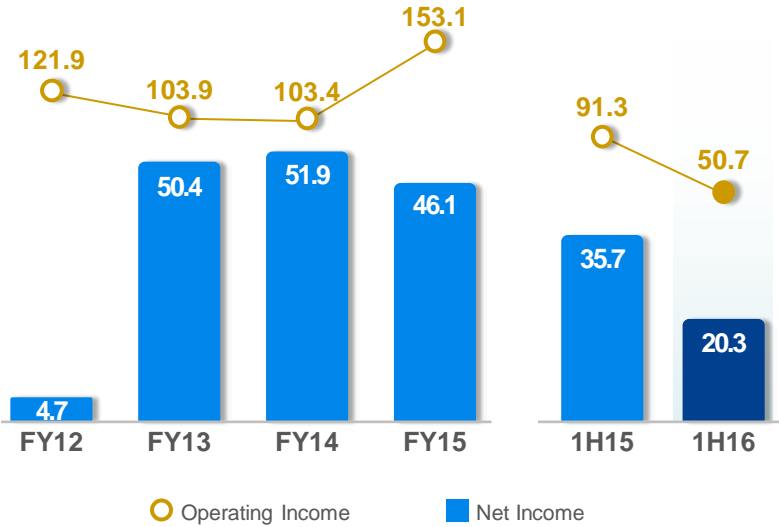
(KRW tril.)



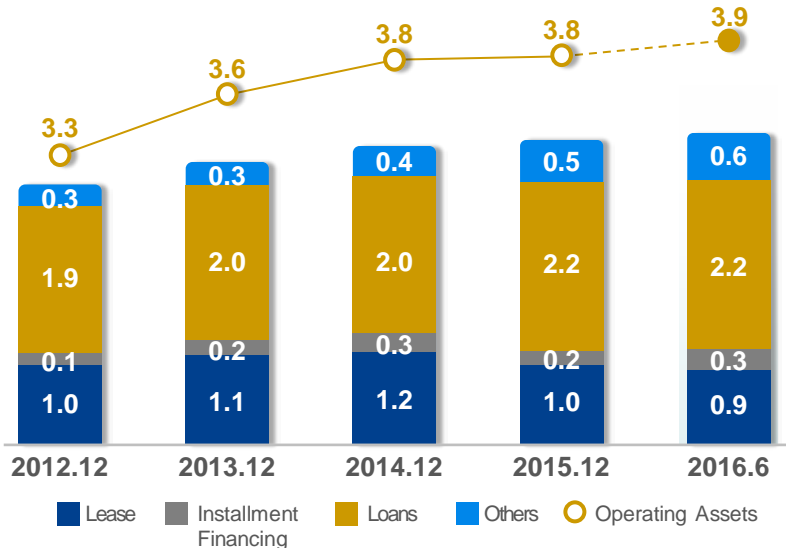
Assets Under Management

(KRW tril.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Total AUM	38.7	37.8	2.3	38.1	1.6
Equity Type	4.2	5.0	-15.1	4.4	-4.6
Bond Type	11.3	11.8	-4.6	11.5	-2.4
MMF	9.3	9.0	3.5	9.3	-0.1
Derivatives	2.7	2.6	2.7	2.7	1.7
Others	11.2	9.4	18.9	10.1	10.3

Net Income (KRW bil.)



Operating Assets (KRW tril.)



Condensed I/S & Key Financial Indices

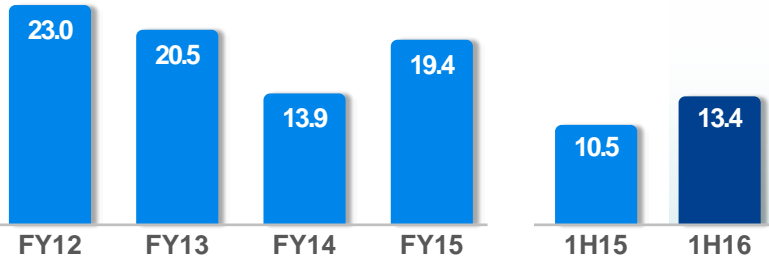
(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Operating Revenue	143.2	185.2	-22.7	71.0	72.2	-1.7
Operating Expense	77.6	79.9	-2.8	34.6	43.0	-19.7
G&A Expenses	14.9	14.0	6.3	7.7	7.2	7.2
Operating Income	50.7	91.3	-44.5	28.7	22.0	30.7
Non-Operating Income	2.6	0.9	185.5	1.7	0.9	82.8
Pre-Provision Income	53.2	92.2	-42.3	30.4	22.9	32.8
Provision for Credit Losses	29.8	45.8	-35.0	9.1	20.7	-56.0
Earnings before Income Tax	23.5	46.4	-49.4	21.3	2.2	867.6
Net Income	20.3	35.7	-43.1	17.7	2.6	587.9
ROE	6.5%	12.4%	-5.9%p	6.5%	1.7%	4.8%p
ROA	1.0%	1.8%	-0.8%p	1.0%	0.3%	0.7%p

Note) ROE, ROA are calculated on a cumulative basis

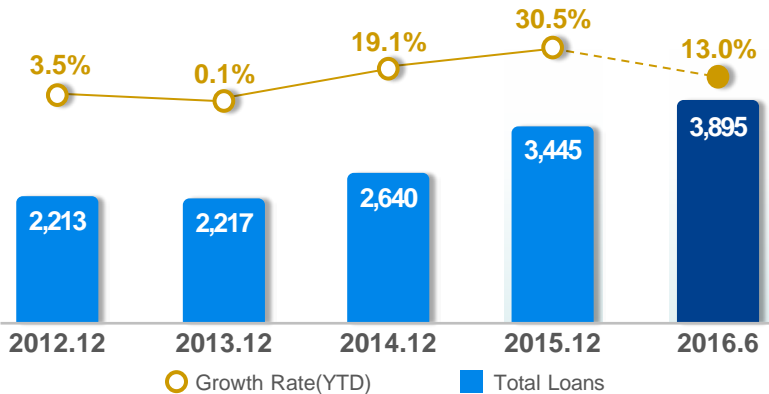
Operating Assets

(KRW tril.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Operating Assets	3.9	3.8	2.0	3.8	4.3
Lease	0.9	1.0	-10.0	0.9	-2.4
Installment Financing	0.3	0.2	50.3	0.2	25.6
Loans	2.2	2.2	-0.2	2.1	2.7
Others	0.6	0.5	17.8	0.5	13.4

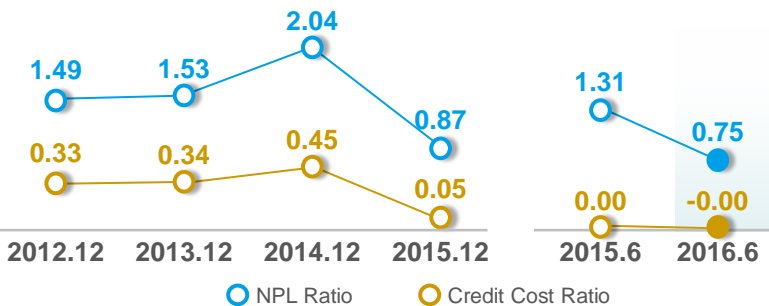
Net Income (KRW bil.)



KRW Loan Growth (KRW bil.)



NPL Ratio & Credit Cost Ratio (%)



Income

(KRW bil.)	1H16	1H15	YoY%	2Q16	1Q16	QoQ%
Operating Income (a=b+c)	51.5	44.1	16.7	26.7	24.8	7.7
Interest Income (b)	47.8	39.0	22.8	24.9	23.0	8.5
Non-Interest Income (c)	3.6	5.1	-29.4	1.8	1.8	-1.7
G&A Expenses (d)	34.1	30.6	11.6	16.6	17.5	-5.0
Pre-Provision Oper. Income (e=a-d)	17.3	13.5	28.4	10.1	7.3	38.4
Non-Operating Income (f)	0.2	0.1	159.4	0.1	0.1	-15.7
Pre-Provision Income (g=e+f)	17.5	13.6	29.0	10.1	7.4	37.8
Provision for Credit Losses (h)	-0.1	0.1	n.a.	0.2	-0.3	n.a.
Earnings before Income Tax (i=g-h)	17.6	13.5	30.1	9.9	7.7	28.6
Income Tax	4.1	3.0	39.5	2.5	1.6	53.1
Net Income ¹⁾	13.4	10.5	27.4	7.4	6.1	22.0

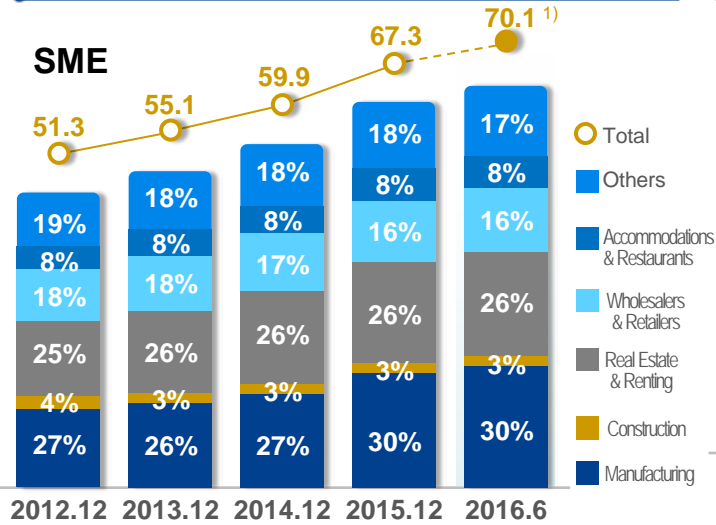
Note 1) Net Income in Controlling Interest

Loan in KRW

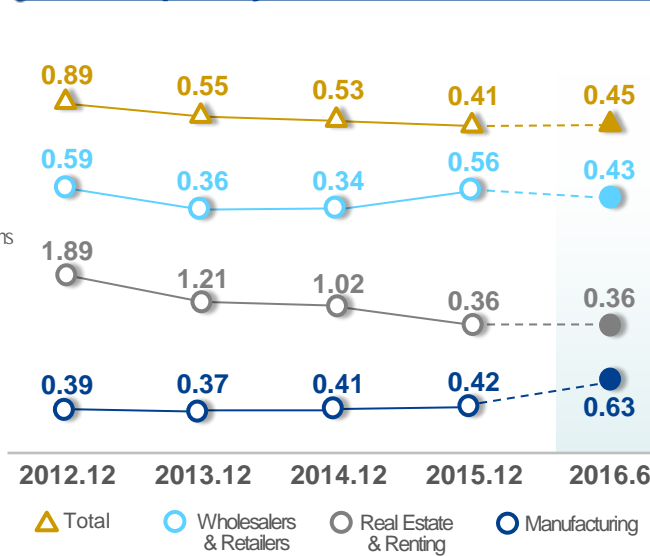
(KRW bil.)	2016.6	2015.12	YTD%	2016.3	QoQ%
Loan in KRW	3,894.8	3,445.3	13.0	3,638.9	7.4
Retail	1,482.1	1,224.1	21.1	1,323.5	13.0
Mortgage	749.7	585.1	28.1	672.2	13.3
Others	732.4	639.0	14.6	651.4	12.7
Corporate	2,412.6	2,221.2	8.6	2,315.4	4.4
SME	2,264.7	2,086.3	8.5	2,169.5	4.6
SOHO	1,281.6	1,156.1	10.9	1,205.3	6.6
Large Corporate etc.	148.0	134.9	9.7	145.9	1.5

SHB SME Loans

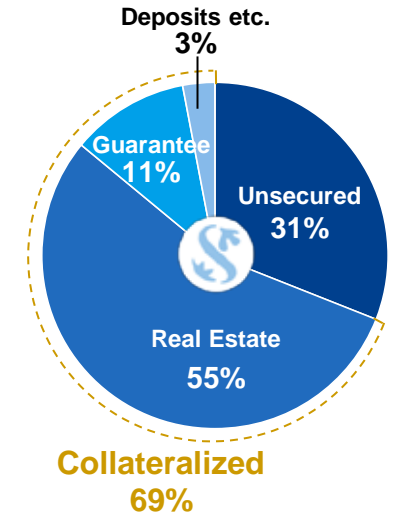
Loans (KRW tril.)



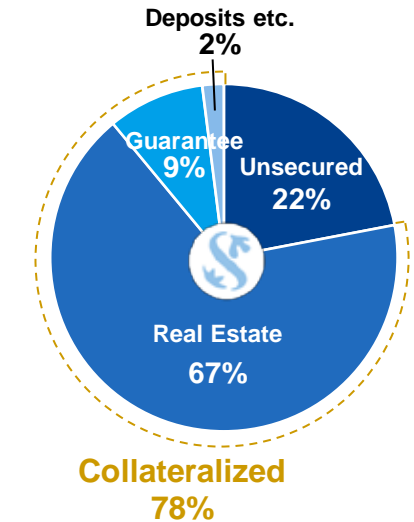
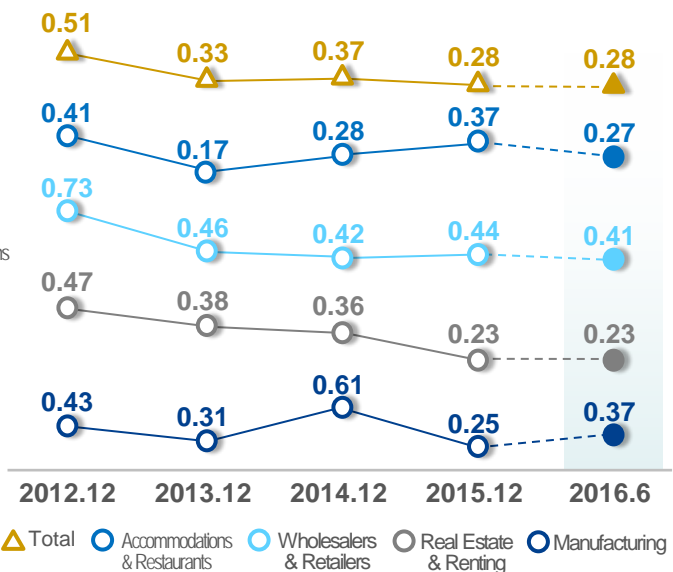
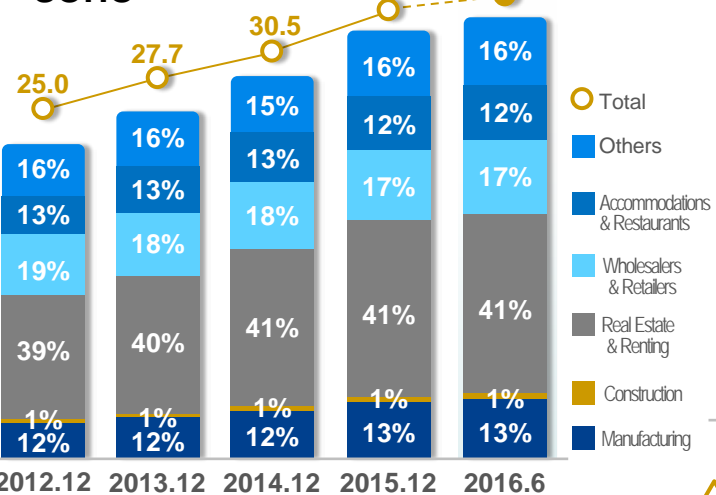
Delinquency (%)



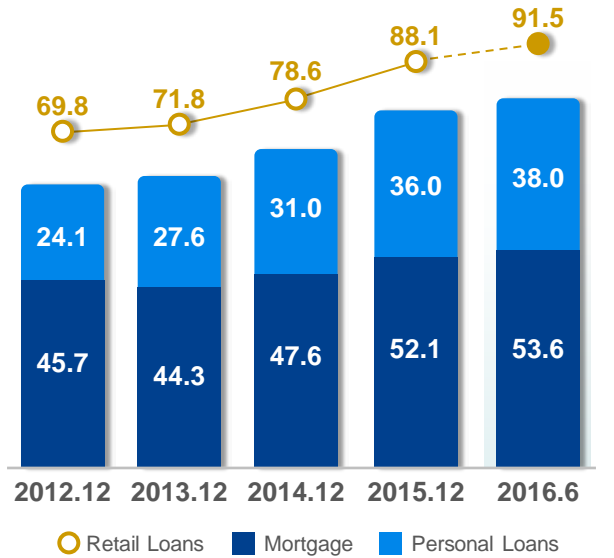
Collateral



SOHO

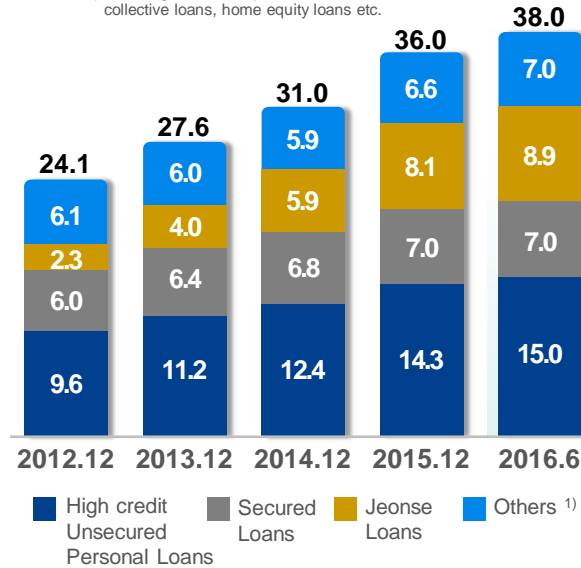


Loans (KRW tril.)

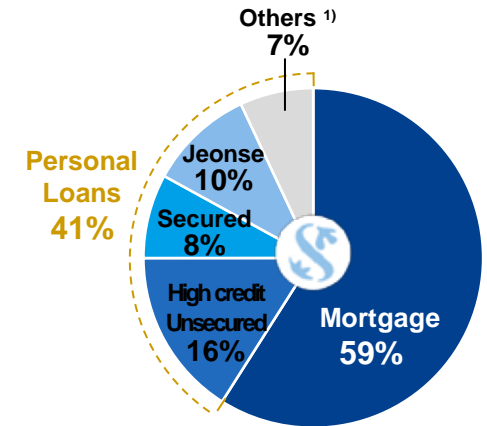


Retail Personal Loans (KRW tril.)

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

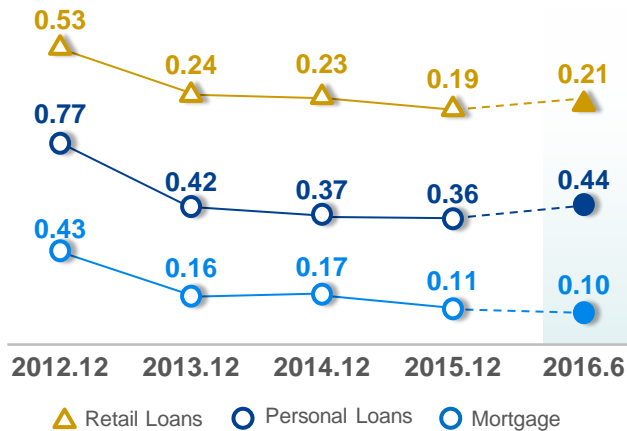


Loan Composition

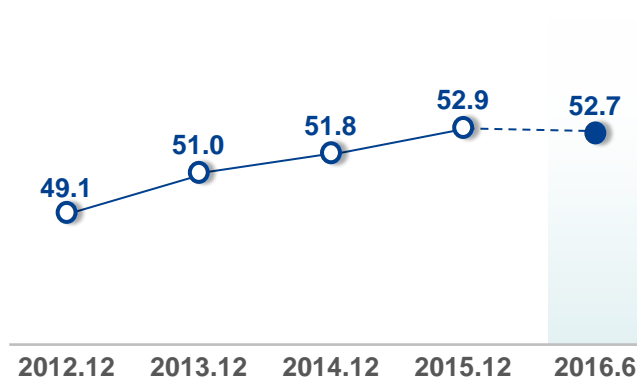


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

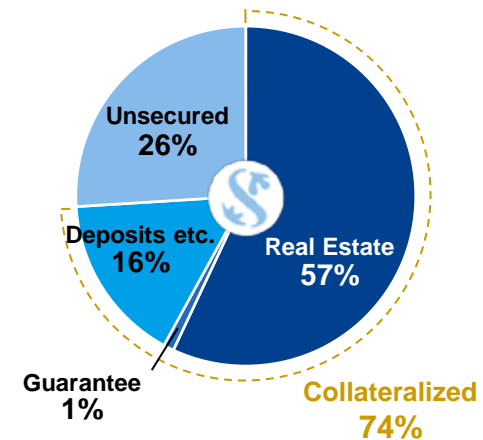
Delinquency (%)



LTV (%)



Collateral



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