



Business Results

2016 3Q

Autumn



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.

This presentation material is available at our website, www.shinhangroup.com.



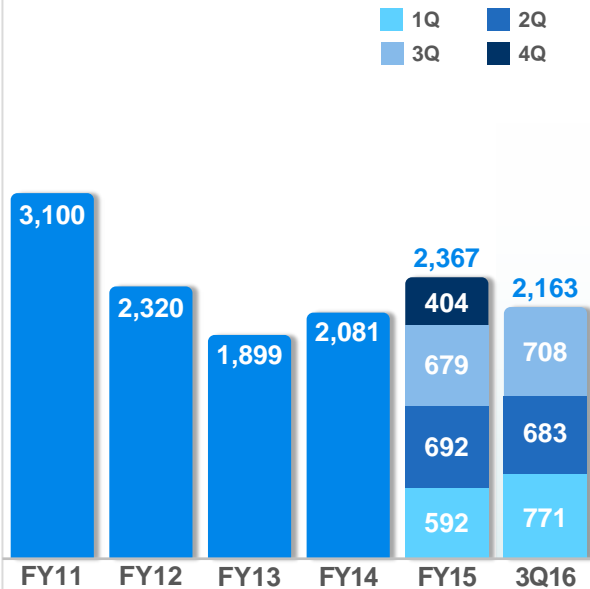
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2016 3Q Business Results Highlights (1)

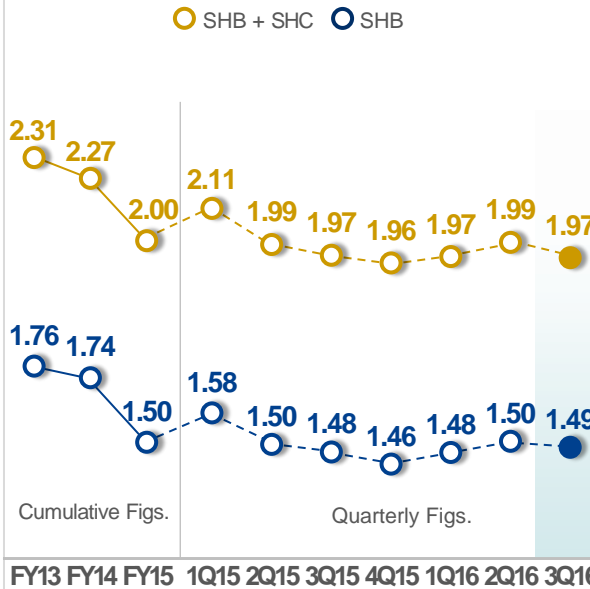
Group Net Income (KRW bil.)



Consistent Profit Stream

- Group 3Q Acc. net income increased by 10.2% YoY, re-entering into KRW 2 trillion mark since 2012.
- Interest income increased by 7.0% YoY and 3.0% QoQ attributed to active loan growth during 3Q coupled with well-protected NIM.
- Non-interest income dropped by 18.1% YoY, due to decreased non-recurring sales gains from securities disposal and Mortgage loans sell-off(Relief Loans).
- SG&A decreased by 0.4% YoY, through group-wise tightened cost control.

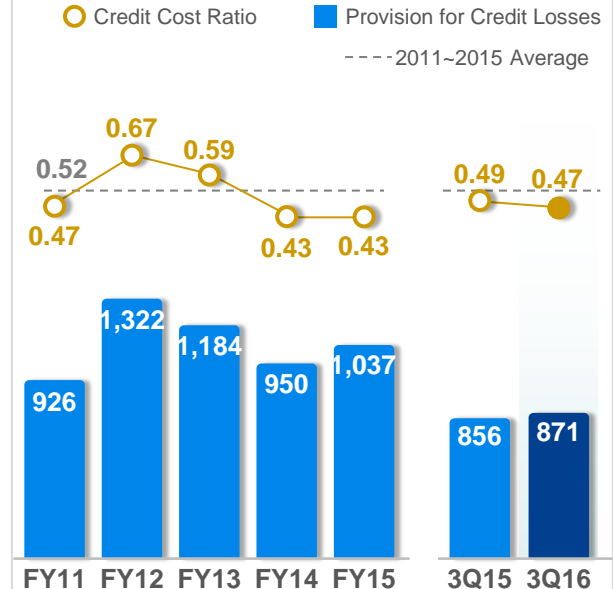
NIM (%)



Stable Margin

- SHB's NIM decreased only by 1bp QoQ, despite the pressures on lending yields in tandem with falling interest rates effected by policy rate cut in June.
- NIM Stabilizing Factor : 1) Profit sensitive loan pricing 2) Improvement in deposit yield based on effective A&L management along with year-round efforts to draw more low-cost deposits.
- Group NIM including credit card marked 1.97%, 2bp contraction QoQ, due to decrease in cash advance loans.

Credit Cost Ratio (% , KRW bil.)

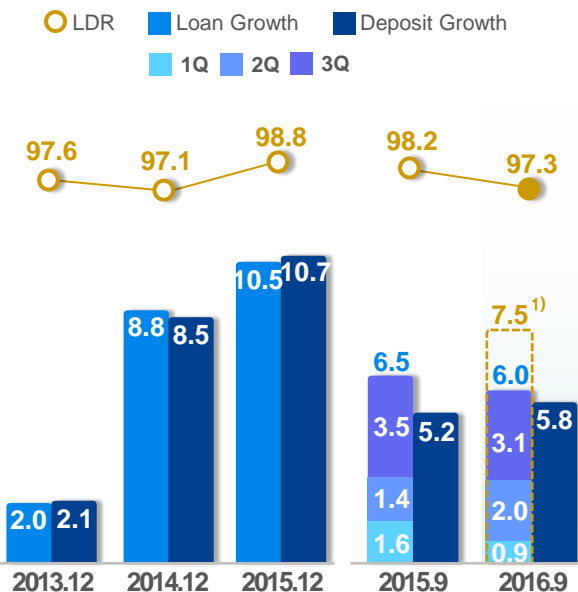


Credit Cost back to below 50bp Level

- Group credit cost improved by 2bp YoY and 5bp QoQ respectively.
- SHB's provision decreased by 57.8% QoQ, attributed to stable asset quality and reduction of provisions related to restructuring companies.
- SHC's provision decreased by 12.9% YoY, with continuing asset quality improvement. Provision QoQ increased slightly by 4.8% mainly due to credit card loan growth.

2016 3Q Business Results Highlights (2)

Loans & Deposits (%)



Note1) Including Loans Securitized

Accelerating Loan Growth

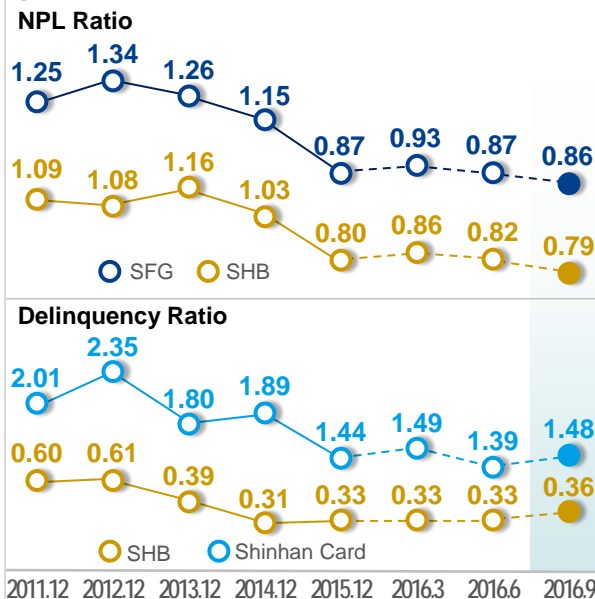
- KRW loan balance as end of 3Q16 marked 187 tril. up by 6.0% YTD. (up by 7.5% YTD, incl. loan securitized)

Corporate: High quality unregistered SME loans increased by 13.5%, bringing up corporate loan growth to 4.1% YTD.

Retail: Personal loans including unsecured Personal loans and Jeonse loans increased by 14.5% YTD shoring up retail loan growth to 7.9% YTD.

- Deposit grew by 5.8% YTD reaching to 191 tril., primarily attributed to stable increase in low cost deposits.
- LDR stood at 97.3% remaining at a stable level.

NPL / Delinquency Ratio (%)

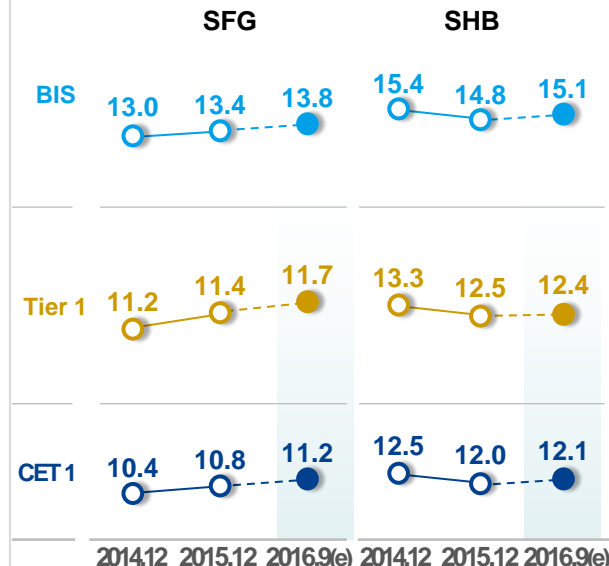


2011.12 2012.12 2013.12 2014.12 2015.12 2016.3 2016.6 2016.9

Asset Quality Continuously Stable

- NPL ratio for the Group and SHB recorded 0.86% and 0.79%, improved by 1bp and 3bp QoQ respectively.
- NPL coverage ratio for the Group marked 195% standing at same level QoQ, whereas SHB marked 178% increasing by 3%p recording highest level since 2007.
- Delinquency ratio for the Bank and Credit Card marked 0.36% and 1.48%, increased by 0.03%p and 0.09%p respectively, due to reduced write-off & sales volume. However, the level of delinquency has improved YoY and remains intact.

Capital Adequacy (%)



Note) Based on Basel 3

Solidifying Capital Base

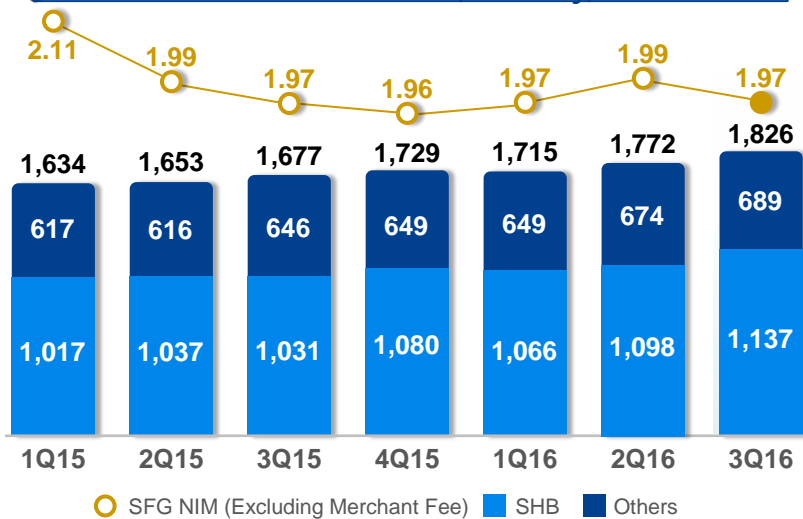
- Based on BASEL3, Group's Common Equity Tier1 and BIS ratio each marked 11.2% and 13.8% driven by growth in earnings with stable level of risk weighted assets.
- Based on BASEL3, SHB's Common Equity Tier1 and BIS ratio each marked 12.1% and 15.1%, maintaining sufficient capital base.

II. Income

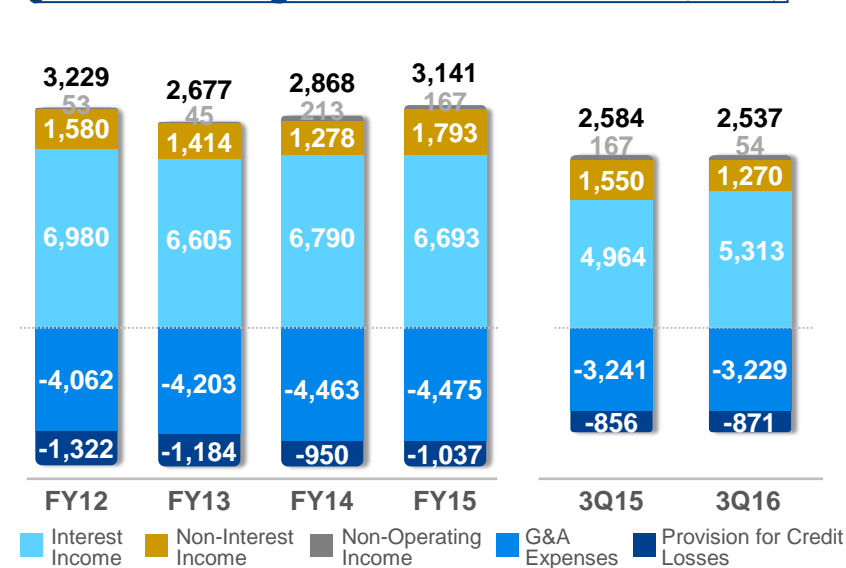
1. SFG Income
2. SFG Non-Interest Income
3. SFG G&A Expenses
4. Subsidiaries Income (1)
5. Subsidiaries Income (2)
6. SHB Income / NIM
7. SHB Non-Interest Income
8. Shinhan Card Income



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



SFG Earnings before Income Tax (KRW bil.)



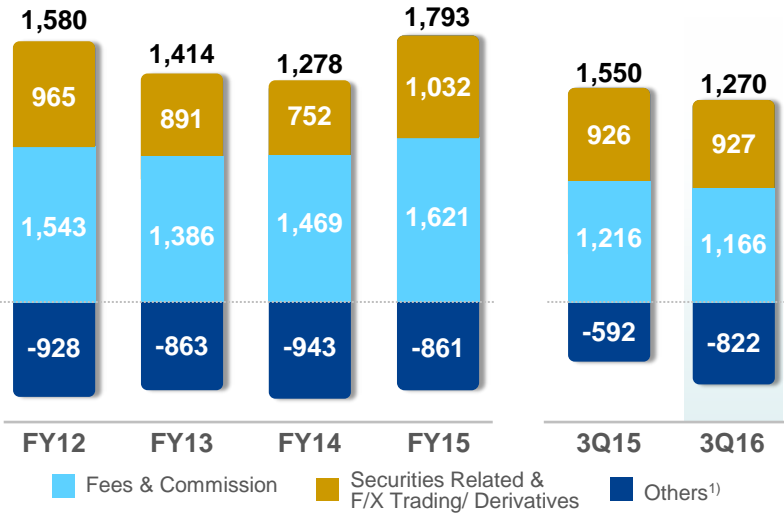
(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Operating Income (a=b+c)	6,583.1	6,514.0	1.1	2,237.7	2,303.3	-2.8
Interest Income (b)	5,312.8	4,963.7	7.0	1,826.1	1,772.0	3.0
Non-Interest Income (c)	1,270.3	1,550.3	-18.1	411.7	531.3	-22.5
G&A Expenses (d)	3,229.4	3,240.8	-0.4	1,068.0	1,089.2	-1.9
Pre-Provision Oper. Income (e=a-d)	3,353.7	3,273.2	2.5	1,169.7	1,214.1	-3.7
Non-Operating Income (f)	54.3	166.9	-67.5	11.3	15.3	-25.7
Pre-Provision Income (g=e+f)	3,408.0	3,440.1	-0.9	1,181.1	1,229.3	-3.9
Provision for Credit Losses (h)	871.2	855.8	1.8	232.8	323.9	-28.1
Earnings before Income Tax (i=g-h)	2,536.8	2,584.3	-1.8	948.2	905.4	4.7
Income Tax	326.3	561.1	-41.8	225.8	205.0	10.2
Consolidated Net Income ¹⁾	2,162.7	1,963.1	10.2	707.9	683.4	3.6

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

(KRW bil.)

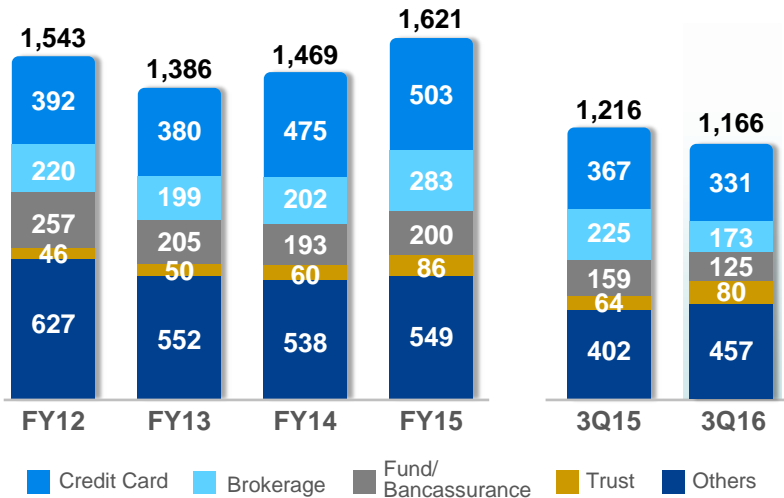


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Non-Interest Income	1,270.3	1,550.3	-18.1	411.7	531.3	-22.5
Fees & Commission	1,165.5	1,216.4	-4.2	377.4	415.2	-9.1
Securities Related & FX Trading/Derivatives	926.8	926.0	0.1	326.5	359.8	-9.2
(Gains on Sale of AFS Securities)	529.0	693.3	-23.7	174.4	302.6	-42.4
(Impairment Loss on AFS Securities)	-72.5	-161.9	n.a.	-5.5	-31.6	n.a.
Others	-822.0	-592.1	n.a.	-292.2	-243.8	n.a.
(Contribution Expenses)	-189.4	-203.4	n.a.	-63.4	-62.3	n.a.
(Insurance Fees on Deposits)	-233.2	-210.2	n.a.	-80.0	-77.8	n.a.

SFG Fees & Commission

(KRW bil.)

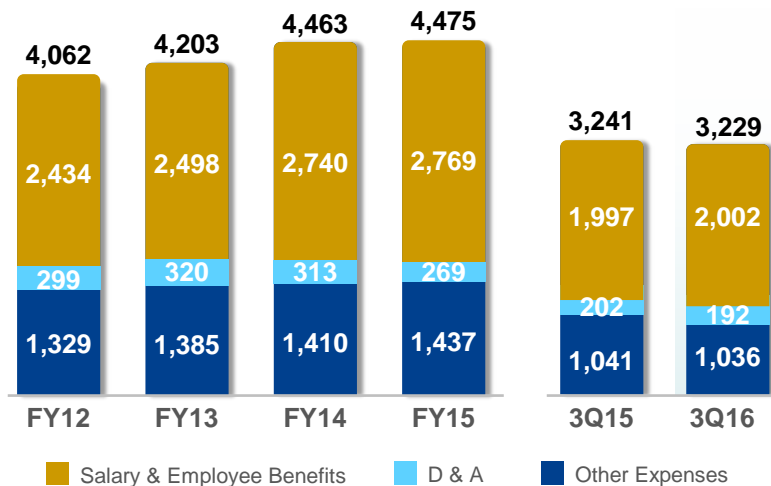


(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Fees & Commission	1,165.5	1,216.4	-4.2	377.4	415.2	-9.1
Credit Card Fee Income	331.4	366.5	-9.6	92.7	130.2	-28.8
Brokerage Commissions	172.8	224.7	-23.1	56.2	60.0	-6.3
Fund/Bancassurance Fees	125.2	159.4	-21.4	42.5	41.9	1.3
Trust Fee Income	79.5	63.6	25.0	29.6	26.5	11.3
Others	456.6	402.2	13.5	156.5	156.6	-0.1

SFG G&A Expenses

SFG G&A Expenses

(KRW bil.)

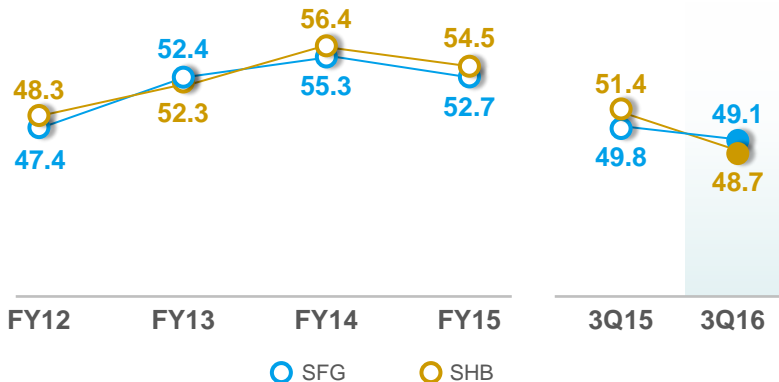


SFG G&A Expenses

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
G&A Expenses	3,229.4	3,240.8	-0.4	1,068.0	1,089.2	-1.9
Salary & Employee Benefits	2,001.7	1,997.4	0.2	660.8	661.3	-0.1
(Early Retirement Program Expenses)	2.8	3.1	-11.7	0.4	-	n.a.
D & A	191.7	202.4	-5.3	61.9	64.6	-4.2
Other Expenses	1,036.1	1,040.9	-0.5	345.3	363.4	-5.0
(Advertising Expenses)	204.1	174.4	17.1	70.2	74.8	-6.2
(Taxes and Dues)	127.8	157.9	-19.0	37.4	45.9	-18.5

Cost-Income Ratio

%



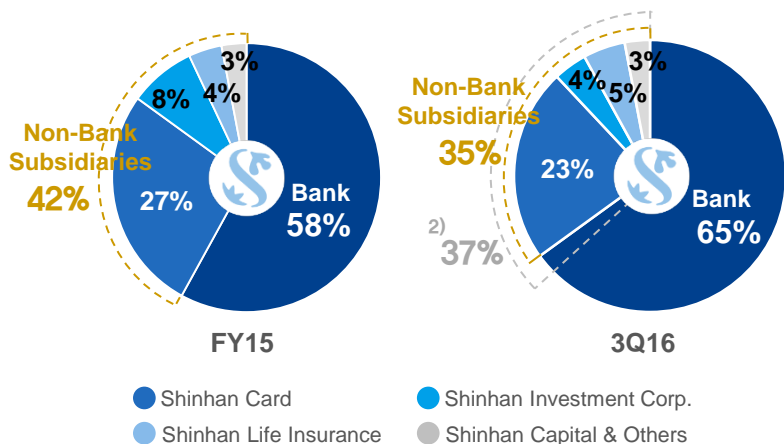
SHB G&A Expenses

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
G&A Expenses	2,030.8	2,015.8	0.7	677.8	690.3	-1.8
Salary & Employee Benefits	1,234.9	1,209.5	2.1	407.0	406.6	0.1
(Early Retirement Program Expenses)	0.4	0.1	n.m.	-	-	n.a.
D & A	120.1	124.4	-3.4	38.6	40.5	-4.6
Other Expenses	675.8	681.9	-0.9	232.2	243.2	-4.5
(Advertising Expenses)	33.2	34.5	-3.8	12.4	14.4	-13.9
(Taxes and Dues)	59.9	63.6	-5.9	16.7	28.0	-40.2

Note) Cumulative Figures

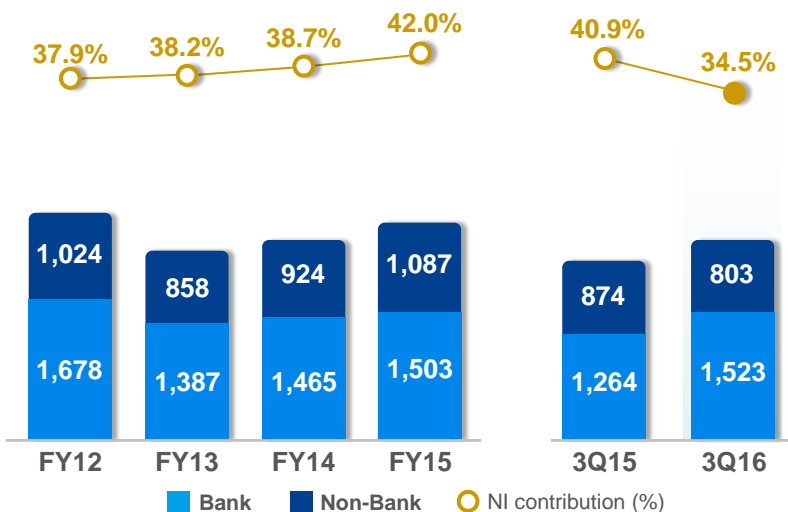
Subsidiaries Income (1)

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)	1,528.7		1,523.4	-12.8	1,510.6
Shinhan Bank	1,511.7	100.0%	1,511.7	-12.8	1,498.9
Jeju Bank	17.0	68.9%	11.7	-0.0	11.7
Non-Bank (b)	807.2		803.3	-30.6	772.7
Shinhan Card	532.6	100.0%	532.6	4.0	536.6
Shinhan Investment Corp.	85.8	100.0%	85.8	-5.9	79.9
Shinhan Life Insurance	127.6	100.0%	127.6	-21.8	105.7
Shinhan BNPP AM	11.1	65.0%	7.2	0.1	7.4
Shinhan Capital	30.1	100.0%	30.1	-1.0	29.1
Shinhan Savings Bank	11.1	100.0%	11.1	0.0	11.1
Shinhan Data System	1.6	100.0%	1.6	-6.0	-4.4
Shinhan AITAS	6.2	99.8%	6.2	0.0	6.2
Shinhan Credit Information	0.3	100.0%	0.3	0.0	0.3
Shinhan Private Equity	0.8	100.0%	0.8	-	0.8
SFG (c)				-120.5 ²⁾	-120.5
Total (d=a+b+c) ¹⁾	2,335.9		2,326.7	-164.0	2,162.7

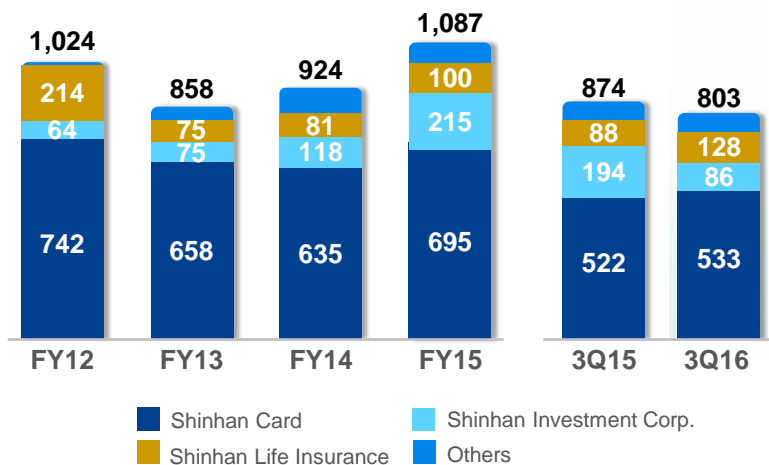
Note 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 35.0bil., Interest Expense KRW -121.1bil., G&A etc. KRW -48.8bil.

Subsidiaries Income (2)

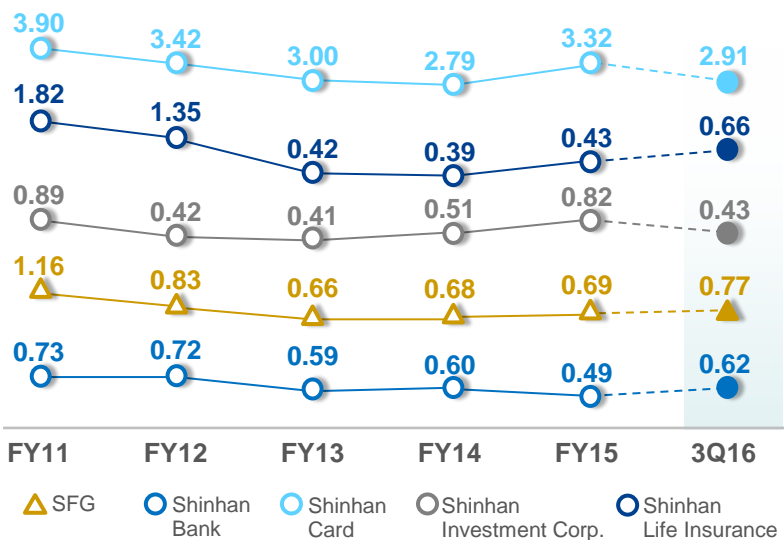
Non-Bank Net Income

(KRW bil.)



ROA

(%)

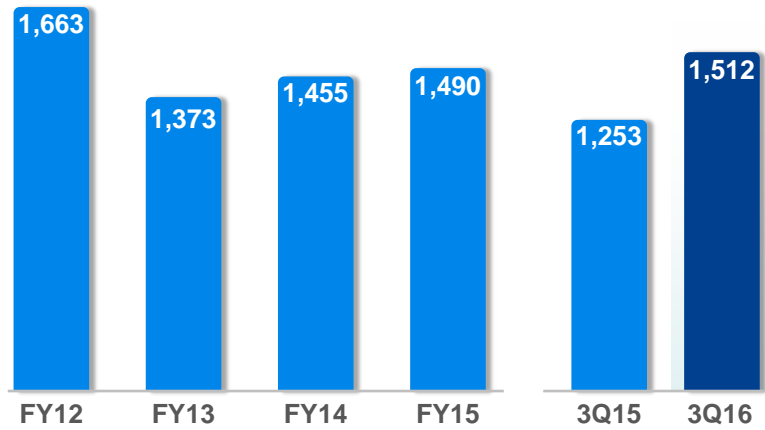


(Reflecting SFG Ownership, KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Bank (a)	1,523.4	1,263.6	20.6	487.5	456.9	6.7
Shinhan Bank	1,511.7	1,252.8	20.7	485.0	451.8	7.3
Jeju Bank	11.7	10.8	8.3	2.5	5.1	-51.3
Non-Bank (b)	803.3	874.3	-8.1	272.0	288.7	-5.8
Shinhan Card	532.6	521.5	2.1	177.4	206.3	-14.0
Shinhan Investment Corp.	85.8	194.2	-55.8	35.3	28.8	22.5
Shinhan Life Insurance	127.6	88.3	44.4	40.0	28.9	38.4
Shinhan BNPP AM	7.2	12.1	-40.1	2.8	2.1	34.3
Shinhan Capital	30.1	41.3	-27.2	9.8	17.7	-44.8
Shinhan Savings Bank	11.1	9.8	13.5	3.9	2.2	80.3
Shinhan Data System	1.6	0.9	88.8	0.3	0.3	4.9
Shinhan AITAS	6.2	5.3	15.2	2.3	2.1	11.2
Shinhan Credit Information	0.3	0.9	-72.8	0.2	0.1	58.5
Shinhan Private Equity	0.8	-0.1	n.a.	-0.0	0.1	n.a.
Total (a+b)	2,326.7	2,137.9	8.8	759.5	745.6	1.9
Consolidate Net Income¹⁾	2,162.7	1,963.1	10.2	707.9	683.4	3.6

Note 1) Net Income in Controlling Interest

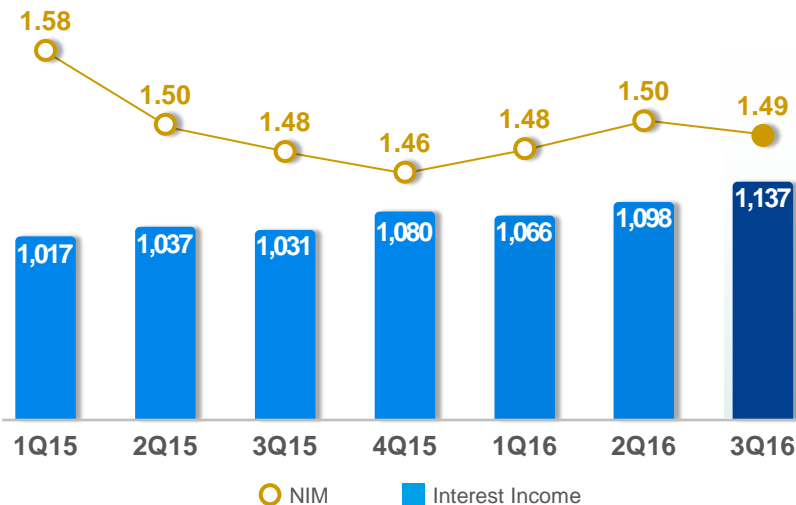
Net Income

(KRW bil.)



Interest Income/NIM(Quarterly)

(%, KRW bil.)



(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Operating Income (a=b+c)	4,166.3	3,920.9	6.3	1,389.8	1,473.6	-5.7
Interest Income (b)	3,300.5	3,084.7	7.0	1,137.0	1,097.8	3.6
Non-Interest Income (c)	865.8	836.2	3.5	252.9	375.8	-32.7
G&A Expenses (d)	2,030.8	2,015.8	0.7	677.8	690.3	-1.8
Pre-Provision Oper.Income (e=a-d)	2,135.5	1,905.1	12.1	712.1	783.4	-9.1
Non-Operating Income (f)	61.2	146.2	-58.1	20.1	18.3	9.9
Pre-Provision Income (g=e+f)	2,196.7	2,051.3	7.1	732.2	801.7	-8.7
Provision for Credit Losses (h)	553.0	482.7	14.6	99.3	235.1	-57.8
Earnings before Income Tax (i=g-h)	1,643.7	1,568.6	4.8	632.8	566.5	11.7
Income Tax	132.0	315.5	-58.2	147.7	114.6	28.9
Net Income ¹⁾	1,511.7	1,252.8	20.7	485.0	451.8	7.3

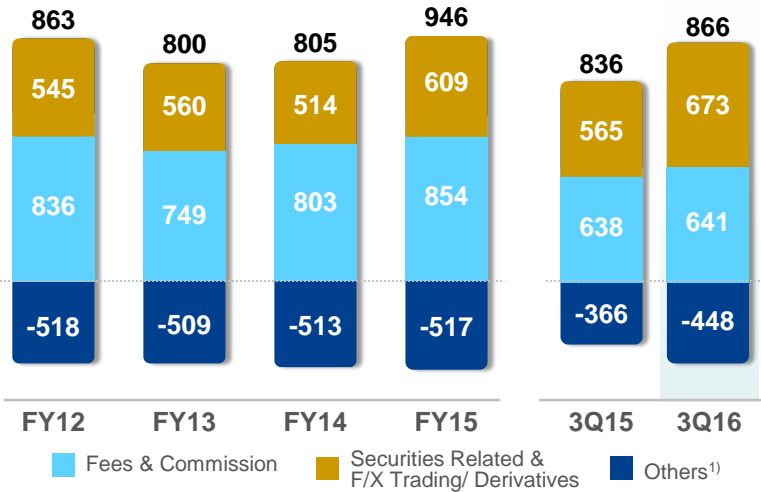
Note 1) Net Income in Controlling Interest

(%)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
NIS (a-b) (quarterly)	1.91	1.89	1.88	1.78	1.70	1.64	1.64	1.62	1.65	1.69	1.68
Loan interest rate (a)	4.20	4.13	4.05	3.83	3.62	3.37	3.20	3.10	3.10	3.08	2.99
Deposit interest rate (b)	2.29	2.24	2.17	2.05	1.92	1.73	1.55	1.48	1.45	1.40	1.31
NIM(quarterly)	1.77	1.77	1.76	1.67	1.58	1.50	1.48	1.46	1.48	1.50	1.49
NIM(cumulative figures)	1.77	1.77	1.77	1.74	1.58	1.54	1.52	1.50	1.48	1.49	1.49

SHB Non-Interest Income

Non-Interest Income

(KRW bil.)

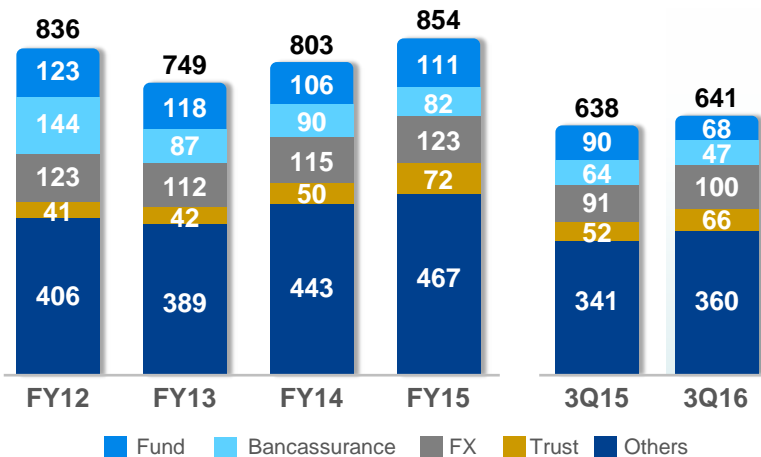


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Non-Interest Income	865.8	836.2	3.5	252.9	375.8	-32.7
Fees & Commission	640.6	637.7	0.5	215.9	219.6	-1.7
Securities Related & FX Trading/Derivatives	672.8	564.7	19.1	185.1	302.1	-38.7
(Gains on Sale of AFS Securities)	393.2	408.8	-3.8	102.5	241.8	-57.6
(Impairment Loss on AFS Securities)	-65.9	-155.9	n.a.	-3.5	-29.3	n.a.
Others	-447.6	-366.2	n.a.	-148.0	-145.9	n.a.
(Contribution Expenses)	-183.8	-199.1	n.a.	-61.4	-60.5	n.a.
(Insurance Fees on Deposits)	-203.9	-185.4	n.a.	-69.4	-69.3	n.a.

Fees & Commission

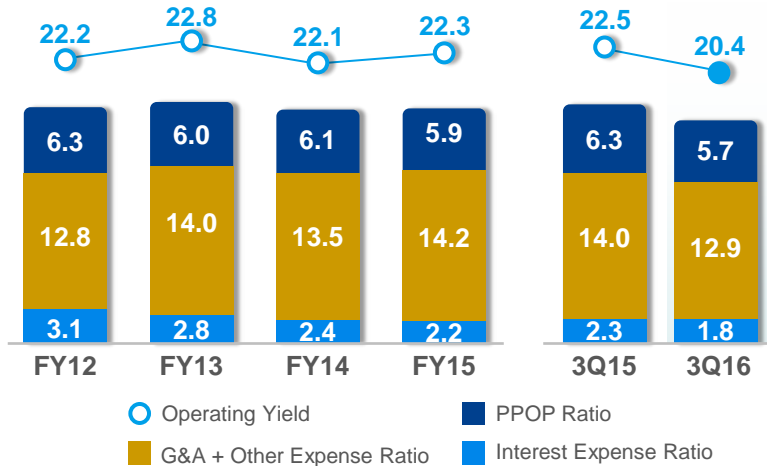
(KRW bil.)



(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Fees & Commission	640.6	637.7	0.5	215.9	219.6	-1.7
Fund Fee Income	67.9	89.9	-24.5	24.3	23.0	5.7
Bancassurance Fee Income	47.2	63.7	-25.8	14.6	15.1	-3.1
FX Fee Income	99.6	90.9	9.5	32.7	33.6	-2.7
Trust Fee Income	66.3	52.0	27.5	25.3	22.1	14.5
Others	359.6	341.2	5.4	119.0	125.9	-5.5

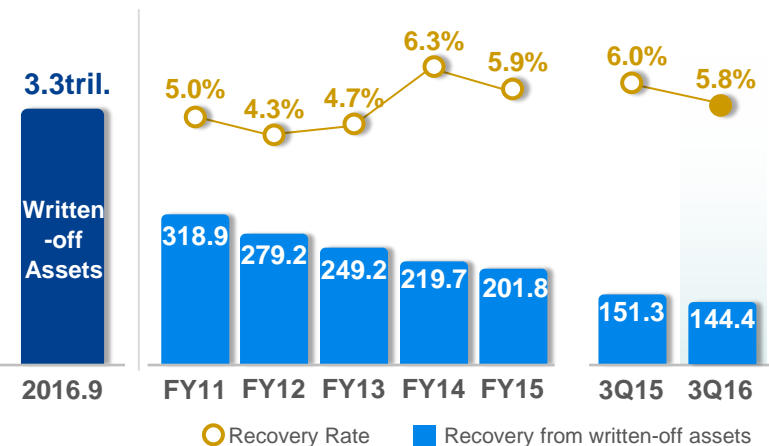
Shinhan Card Income

Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

Recovery from Written-off Assets (KRW bil.)



(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Operating Revenue (a)	3,559.2	3,601.6	-1.2	1,288.8	1,139.2	13.1
Card Business	2,904.6	2,844.4	2.1	983.9	969.5	1.5
Installment Finance	72.5	70.0	3.6	23.1	24.9	-7.2
Lease	38.8	28.1	38.2	15.0	12.3	21.2
Others	543.3	659.1	-17.6	266.7	132.4	101.5
(Derivatives & FX)	191.8	193.7	-1.0	137.3	-13.7	n.a.
Interest Expense (b)	298.6	341.3	-12.5	98.2	98.9	-0.7
G&A Expenses (c)	554.6	532.4	4.2	180.4	189.8	-4.9
Commissions & Other Expenses (d)	1,767.2	1,780.0	-0.7	691.7	498.7	38.7
(Derivatives & FX)	171.5	172.2	-0.4	130.6	-20.5	n.a.
Pre-Provision Income (e=a-b-c-d)	938.8	947.9	-1.0	318.5	351.9	-9.5
Provision for Credit Losses (f)	252.3	289.6	-12.9	88.6	84.6	4.8
Earnings before Income Tax (g=e-f)	686.5	658.3	4.3	229.9	267.4	-14.0
Income Tax	154.3	136.8	12.8	52.8	61.1	-13.5
Net Income ¹⁾	532.6	521.5	2.1	177.4	206.3	-14.0

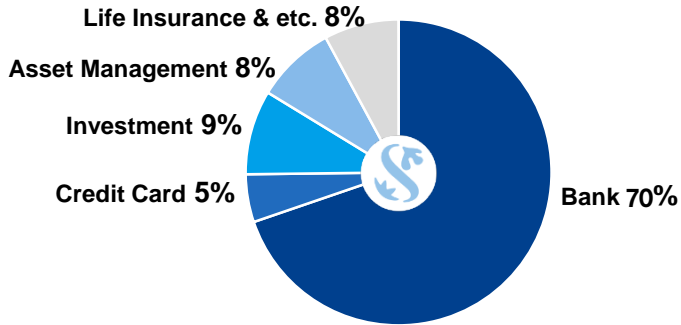
Note 1) Net Income in Controlling Interest

III. Assets & Liabilities

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

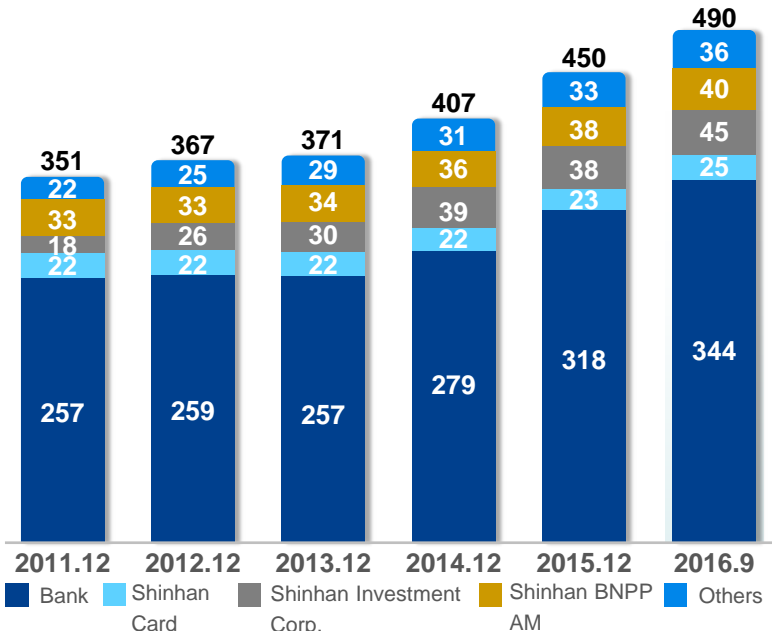


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)



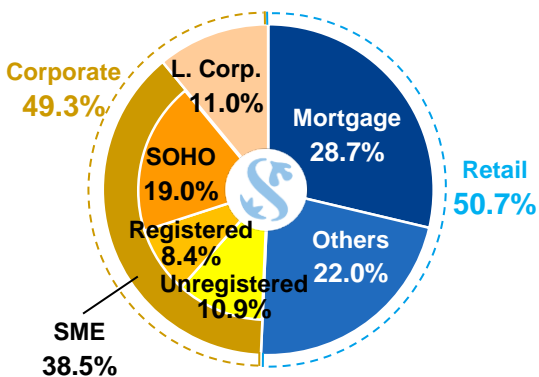
Note) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Bank (a)	344,412.9	318,112.9	8.3	336,272.1	2.4
Shinhan Bank	339,339.0	313,648.3	8.2	331,280.4	2.4
Jeju Bank	5,073.9	4,464.6	13.6	4,991.7	1.6
Non-Bank (b)	142,800.7	128,969.0	10.7	138,748.3	2.9
Shinhan Card	24,571.6	23,347.7	5.2	23,597.0	4.1
Shinhan Investment Corp.	44,613.6	37,792.3	18.0	43,762.2	1.9
Shinhan Life Insurance	26,636.6	24,544.6	8.5	25,886.1	2.9
Shinhan BNPP AM	39,605.6	37,973.3	4.3	38,851.2	1.9
Shinhan Capital	4,182.7	4,076.6	2.6	4,046.2	3.4
Shinhan Savings Bank	968.0	795.1	21.7	948.4	2.1
Shinhan Data System	37.2	26.7	39.6	33.4	11.6
Shinhan AITAS	48.5	42.8	13.4	45.3	7.2
Shinhan Credit Information	21.8	23.9	-8.7	21.6	1.0
Shinhan Private Equity	108.4	119.0	-8.9	108.4	0.0
Others	2,006.5	227.1	783.7	1,448.5	38.5
Total 1)	489,682.3	450,438.5	8.7	478,230.8	2.4
Consolidate Total Assets	398,990.2	370,539.6	7.7	390,285.3	2.2

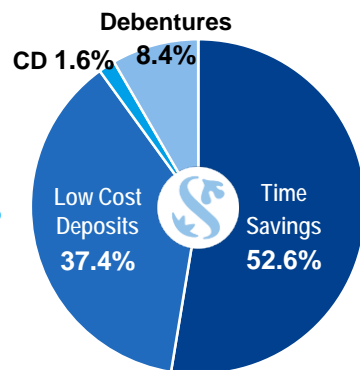
Note 1) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included

SHB Loan / Deposit Growth

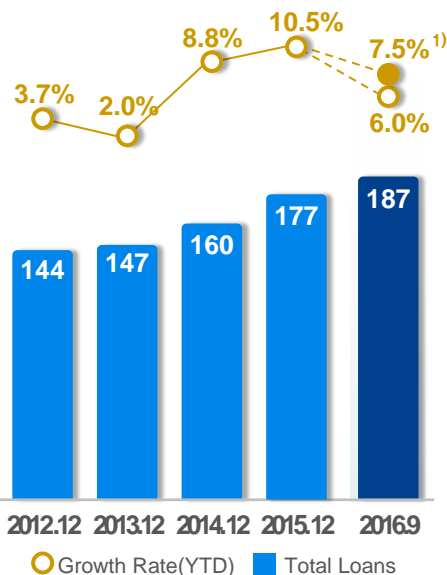
Loan Composition



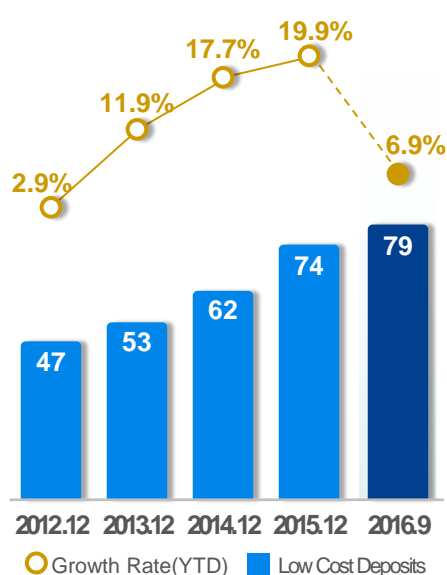
Funding Composition



KRW Loan Growth (KRW tril.)



Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Loan in KRW	187,438	176,810	6.0	181,976	3.1
Retail	95,054	88,085	7.9	91,535	4.0
Mortgage	53,811	52,054	3.4	53,577	0.5
Others ¹⁾	41,242	36,031	14.5	37,959	9.1
Corporate	92,384	88,725	4.1	90,440	2.2
SME	71,841	67,336	6.7	70,118	2.6
SOHO	35,609	34,223	4.0	35,197	1.2
Large Corporate etc.	20,544	21,389	-4.0	20,322	1.0
Loan in FX	7,718	8,114	-4.9	8,626	-11.2

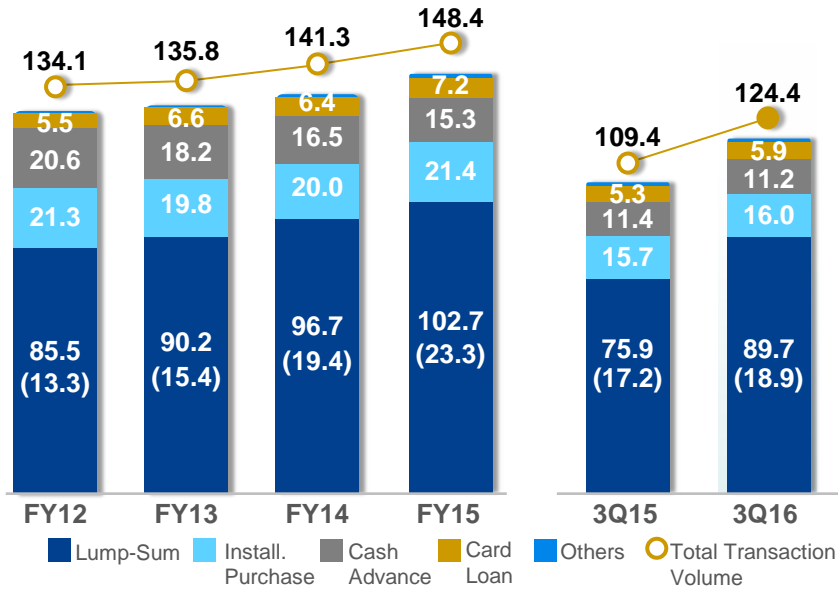
Note 1) Including Unsecured Personal Loans, Commercial Mortgage Loans, Jeonse Loans etc.

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Total Deposits in KRW	191,290	180,766	5.8	185,513	3.2
Low Cost Deposits	79,466	74,325	6.9	78,296	1.6
Demand	24,478	21,858	12.0	24,490	-0.1
Savings	54,989	52,467	4.8	53,806	2.3
Time Savings	111,824	106,441	5.1	107,217	4.3
Time Deposits	103,182	97,940	5.4	98,795	4.5
Accumulative etc.	8,641	8,501	1.7	8,423	2.6
Certificate of Deposits	3,501	4,073	-14.0	4,035	-13.1
Debentures in KRW	17,722	15,989	10.8	15,941	11.1

Shinhan Card Asset Growth

Transaction Volume

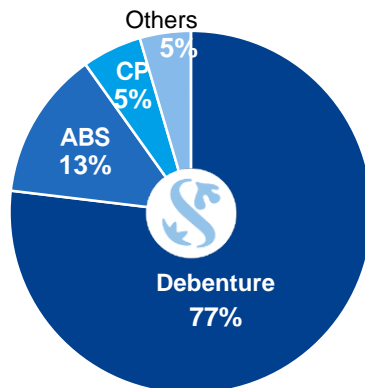
(KRW tril.)



Note) Figs. in parenthesis represent debit card transaction volume

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Earning Assets	21,931	21,323	2.9	21,543	1.8
Credit Purchase	11,189	11,353	-1.4	11,097	0.8
Cash Advances	1,980	2,051	-3.4	2,014	-1.7
Card Loan	5,506	5,057	8.9	5,436	1.3
(Re-aged Loan)	237	234	1.5	234	1.3
Installment Finance	2,098	1,865	12.5	2,046	2.5
Lease etc.	1,158	998	16.0	949	22.0
Effective Cardholders (in thousands)	12,009	12,052	-0.4	11,966	0.4
Merchants (in thousands)	2,592	2,513	3.1	2,563	1.2

Funding Composition



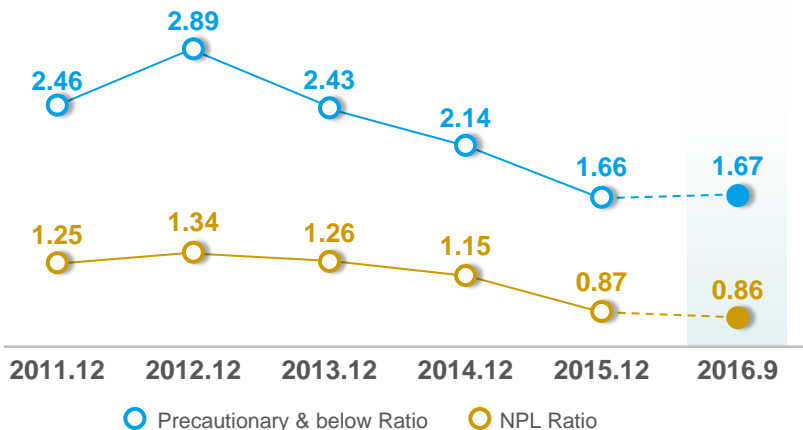
(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Total Funding	14,090	13,325	5.7	13,956	1.0
Debitures	10,836	9,780	10.8	10,112	7.2
ABS	1,864	1,992	-6.5	2,155	-13.5
CP	750	770	-2.6	1,060	-29.2
Others	640	783	-18.3	630	1.6

IV. Asset Quality

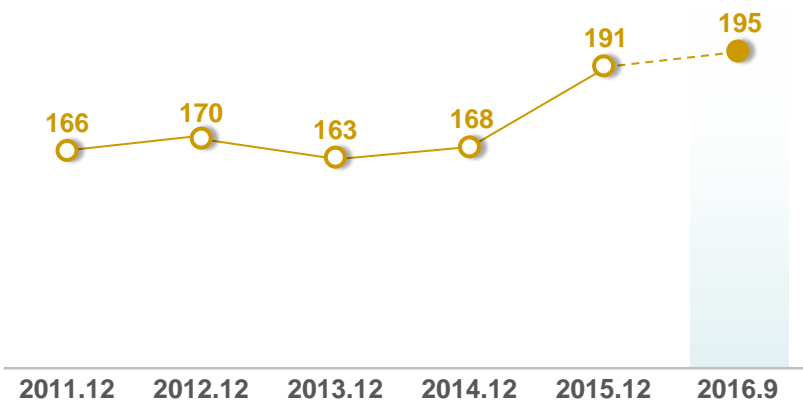
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



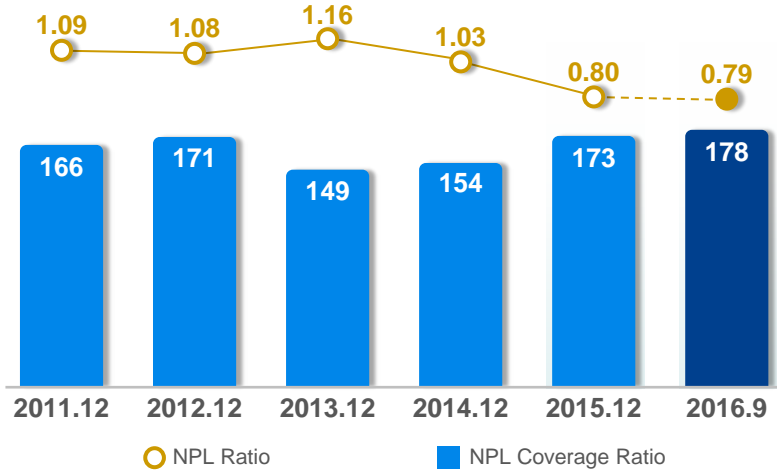
(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Total Loans ¹⁾	248,773	238,776	4.2	244,558	1.7
Normal	244,615	234,818	4.2	240,365	1.8
Precautionary	2,008	1,878	6.9	2,057	-2.4
Substandard	931	955	-2.5	874	6.6
Doubtful	452	591	-23.5	469	-3.5
Estimated Loss	767	533	43.9	794	-3.3
Substandard & Below	2,151	2,080	3.4	2,136	0.7
NPL Ratio	0.86%	0.87%	-0.01%p	0.87%	-0.01%p
Loan Loss Allowance ²⁾	4,202	3,969	5.9	4,172	0.7
NPL Coverage Ratio	195%	191%	4%p	195%	0%p
Reserve for credit losses ³⁾	1,957	1,768	10.7	1,912	2.3

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

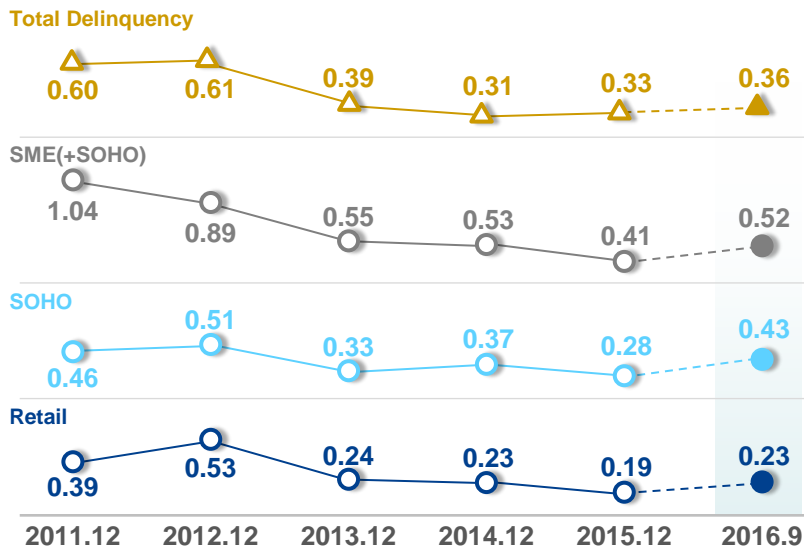
2) Loan Loss Allowance : Sum of IFRS standard LLA and reserves for credit losses

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

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



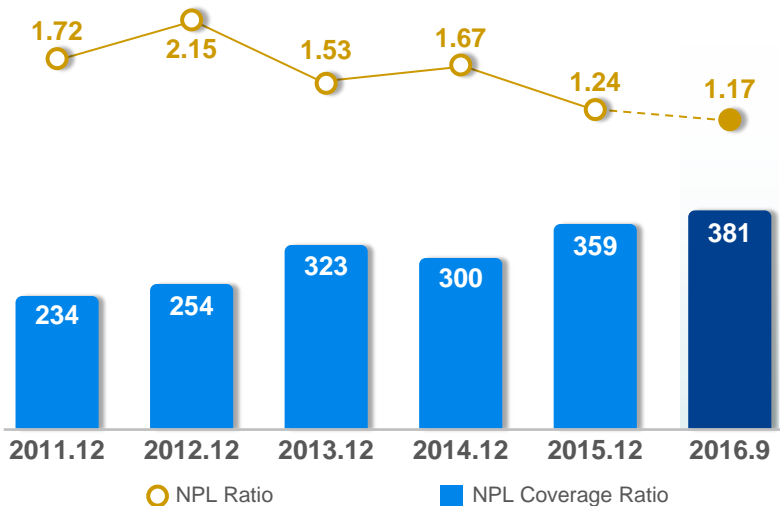
Note) 1 month overdue

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Total Loans	210,197	202,003	4.1	206,771	1.7
Normal	207,602	199,534	4.0	204,128	1.7
Precautionary	930	855	8.9	940	-1.0
Substandard	828	850	-2.6	782	5.8
Doubtful	274	453	-39.6	324	-15.6
Estimated Loss	564	312	80.5	596	-5.4
Substandard & Below	1,665	1,615	3.1	1,703	-2.2
NPL Ratio	0.79%	0.80%	-0.01%p	0.82%	-0.03%p
Loan Loss Allowance ¹⁾	2,968	2,790	6.4	2,987	-0.6
NPL Coverage Ratio	178%	173%	5%p	175%	3%p
Reserve for credit losses ²⁾	1,611	1,442	11.7	1,581	1.9

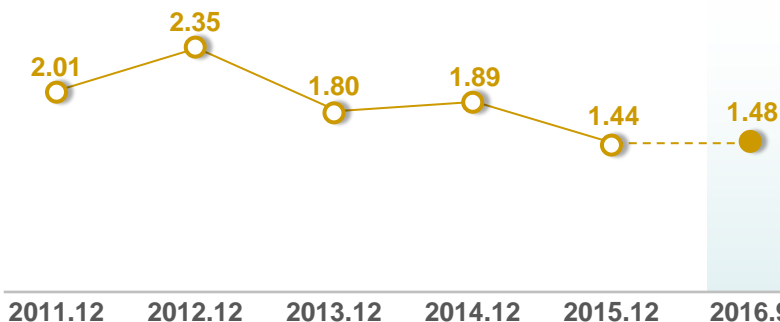
Note 1) Loan Loss Allowance : Sum of IFRS standard LLA and reserves for credit losses

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

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



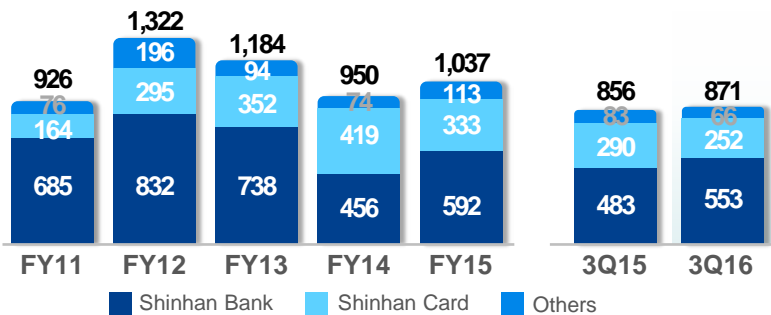
Note) 1 month overdue from total credit

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Total Loans	21,848	21,323	2.5	21,543	1.4
Normal	20,789	20,332	2.2	20,524	1.3
Precautionary	803	725	10.7	772	4.0
Substandard	-	-	-	-	-
Doubtful	87	79	10.7	84	4.5
Estimated Loss	169	186	-9.3	163	3.8
Substandard & Below	257	265	-3.4	247	4.0
NPL Ratio	1.17%	1.24%	-0.07%p	1.14%	0.03%p
Loan Loss Allowance ¹⁾	978	953	2.6	957	2.3
NPL Coverage Ratio	381%	359%	22%p	388%	-7%p
Reserve for credit losses	269	262	2.8	261	3.1

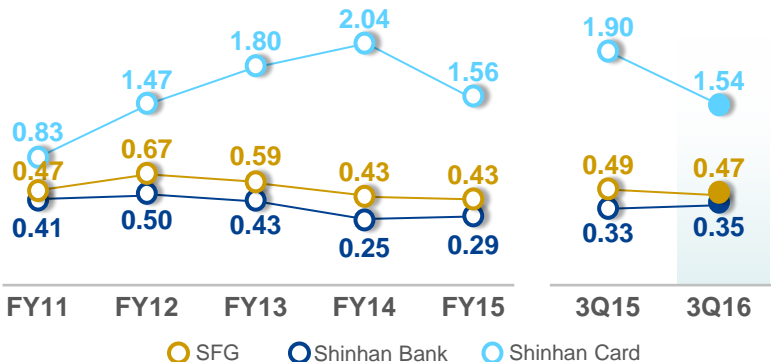
Note 1) Excluding reserve for unused credit lines

Provision for Credit Losses / Write-Offs

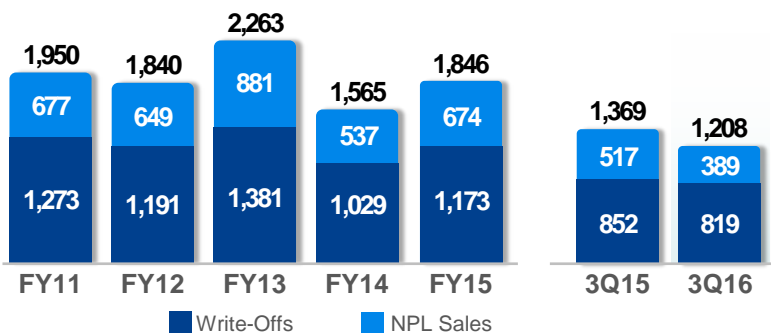
Provision for Credit Losses (KRW bil.)



Credit Cost Ratio (%)



Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

(KRW bil.)	FY16	1Q16	2Q16	3Q16	FY15	1Q15	2Q15	3Q15	4Q15
Shinhan Bank ¹⁾	532	206	230	95	596	232	222	50	92
Retail	94	31	23	40	128	32	27	32	37
Corporate	438	175	207	55	468	199	195	18	55
Shinhan Card	252	79	85	89	333	81	83	126	43
Total	784	285	315	184	929	313	305	176	135

Note 1) SHB figures are separate basis

Write-Offs & NPL Sales

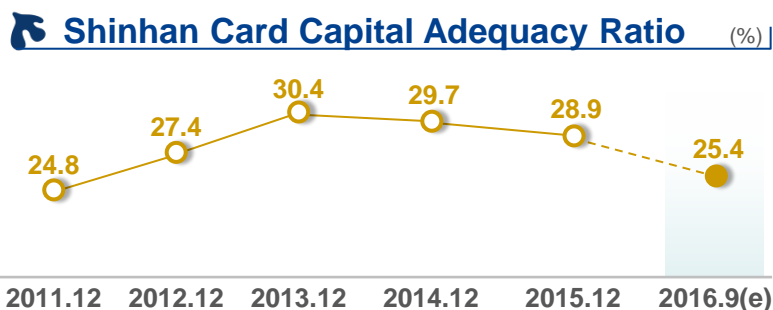
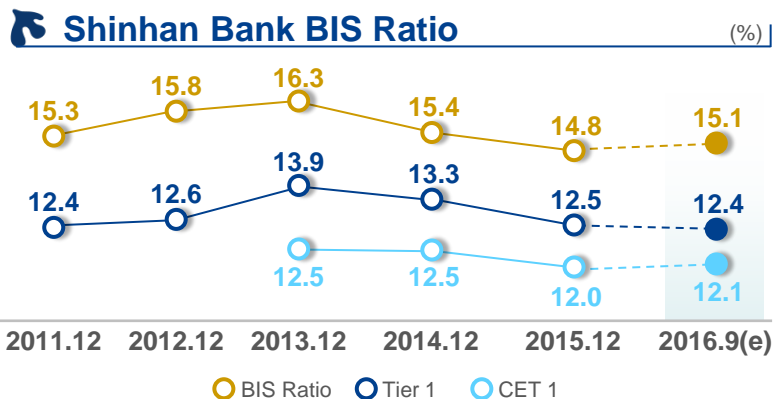
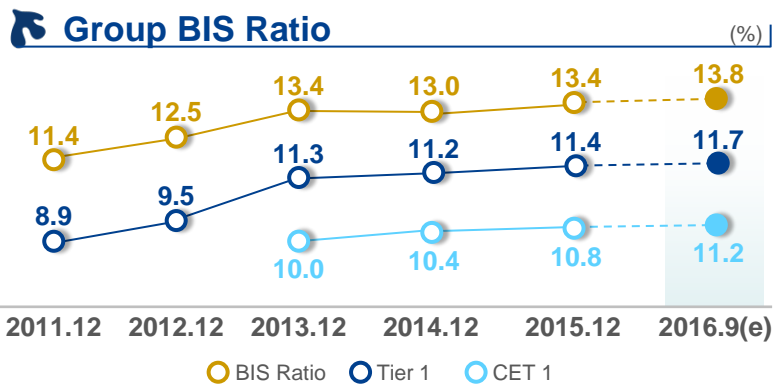
(KRW bil.)	FY16	1Q16	2Q16	3Q16	FY15	1Q15	2Q15	3Q15	4Q15
Shinhan Bank	746	182	369	195	1,233	371	330	207	325
(Sale)	246	51	123	72	561	222	106	76	158
Retail	104	15	55	34	207	35	49	46	77
(Sale)	48	12	27	10	93	21	24	16	32
Corporate	642	167	313	161	1,026	336	281	161	249
(Sale)	198	39	96	62	469	201	81	60	126
Shinhan Card	462	107	243	112	614	147	219	96	152
Total	1,208	289	612	307	1,846	517	549	302	477

V . 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.)	2016.9(e)	2015.12	YTD%	2016.6	QoQ%
Risk-Weighted Assets	210,021	203,275	3.3	206,960	1.5
Capital	29,062	27,216	6.8	28,770	1.0
CET 1	23,579	21,883	7.8	23,185	1.7
Tier 1	24,507	23,194	5.7	24,365	0.6
BIS Ratio	13.8%	13.4%	0.4%p	13.9%	-0.1%p
CET 1	11.2%	10.8%	0.4%p	11.2%	0.0%p
Tier 1	11.7%	11.4%	0.3%p	11.8%	-0.1%p

Note) Based on Basel3

Shinhan Bank BIS Ratio

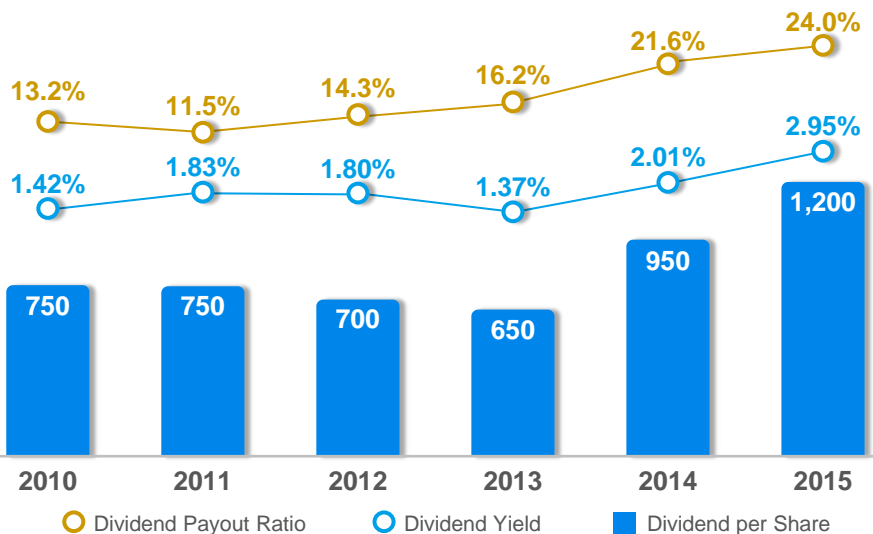
(KRW bil.)	2016.9(e)	2015.12	YTD%	2016.6	QoQ%
Risk-Weighted Assets	151,491	144,844	4.6	149,899	1.1
Capital	22,889	21,370	7.1	22,825	0.3
CET 1	18,357	17,324	6.0	18,127	1.3
Tier 1	18,831	18,130	3.9	18,933	-0.5
BIS Ratio	15.1%	14.8%	0.3%p	15.2%	-0.1%p
CET 1	12.1%	12.0%	0.1%p	12.1%	0.0%p
Tier 1	12.4%	12.5%	-0.1%p	12.6%	-0.2%p

Note) Based on Basel3

Key Financial Indices

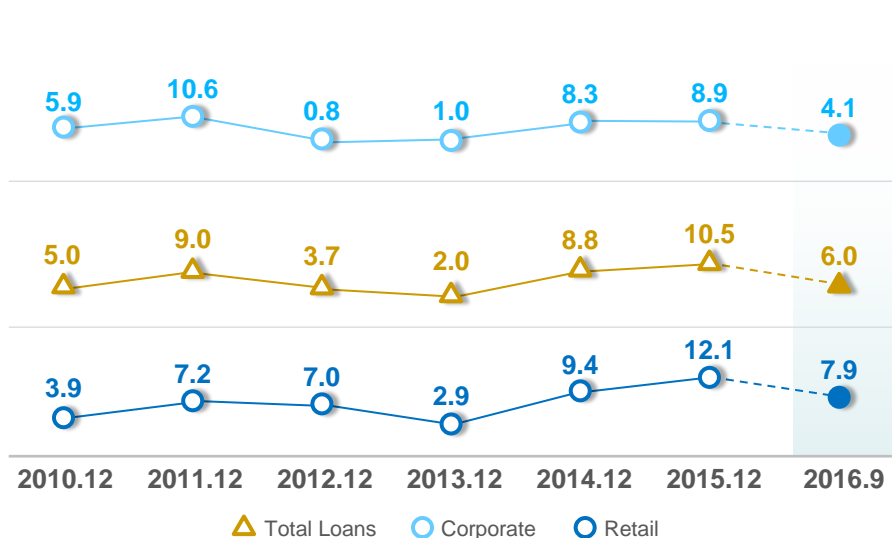
Dividend

(KRW)



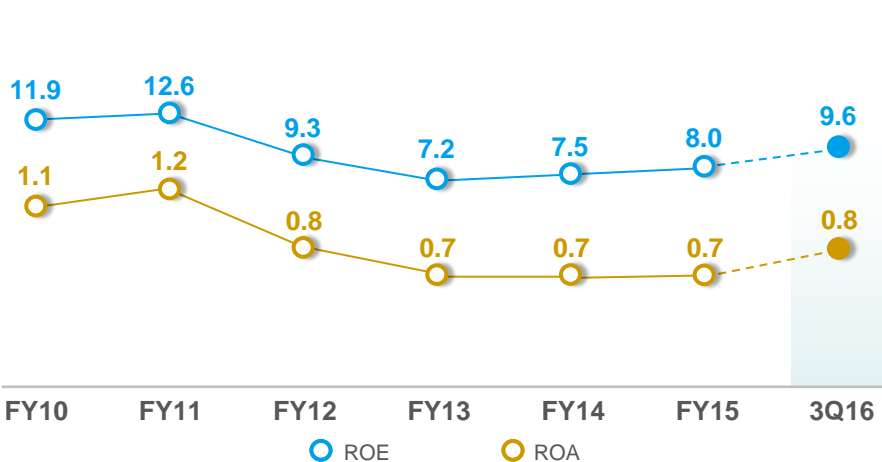
SHB Loan Growth Rate

(%)



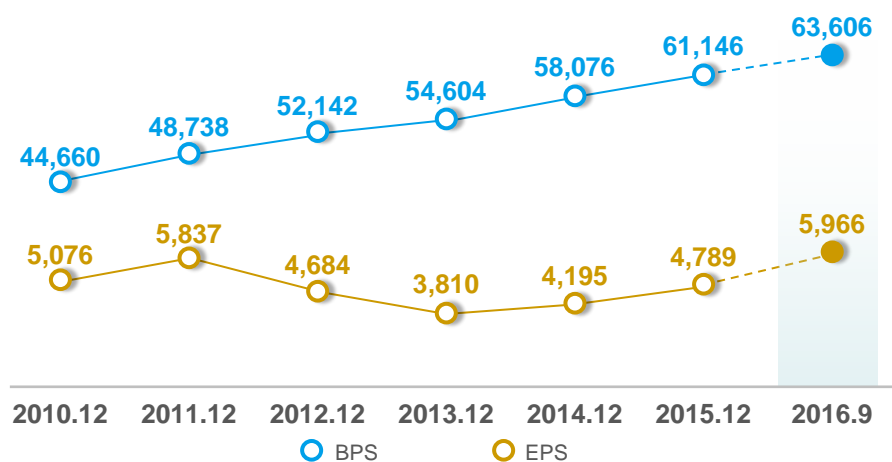
ROA / ROE

(%)



BPS / EPS

(KRW)



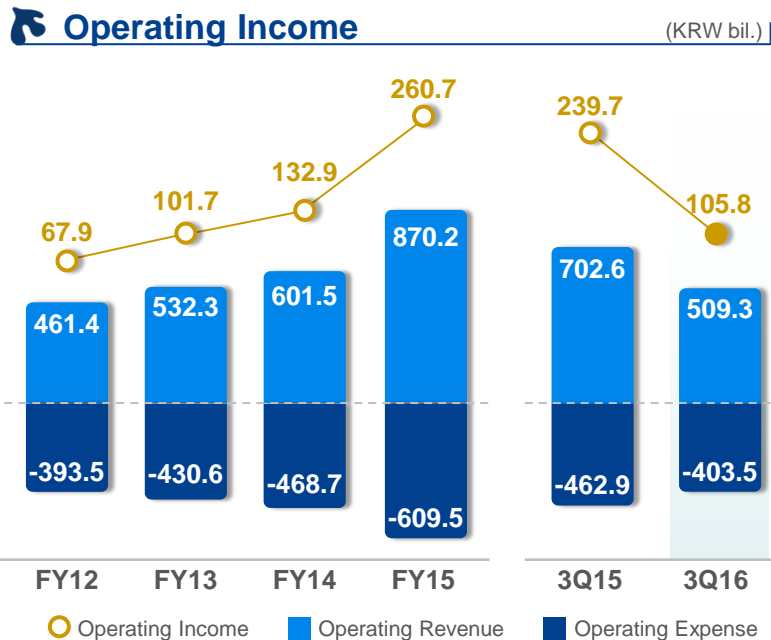
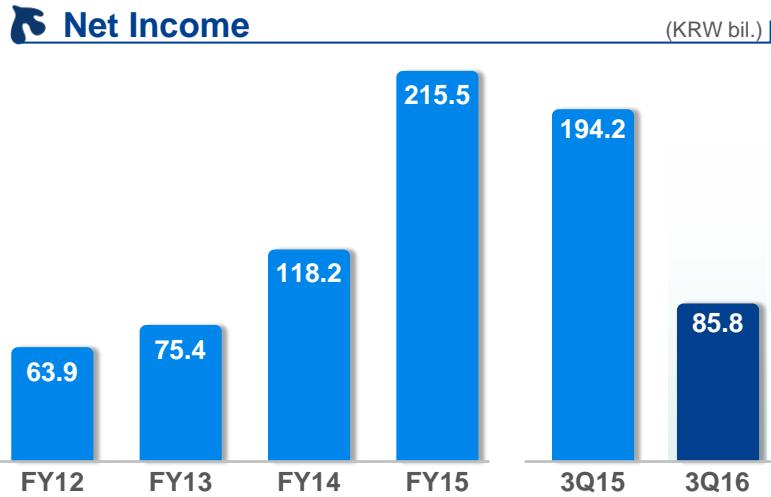
Note) ROE based on common stock

Note) Based on common stock

VI. Appendix

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



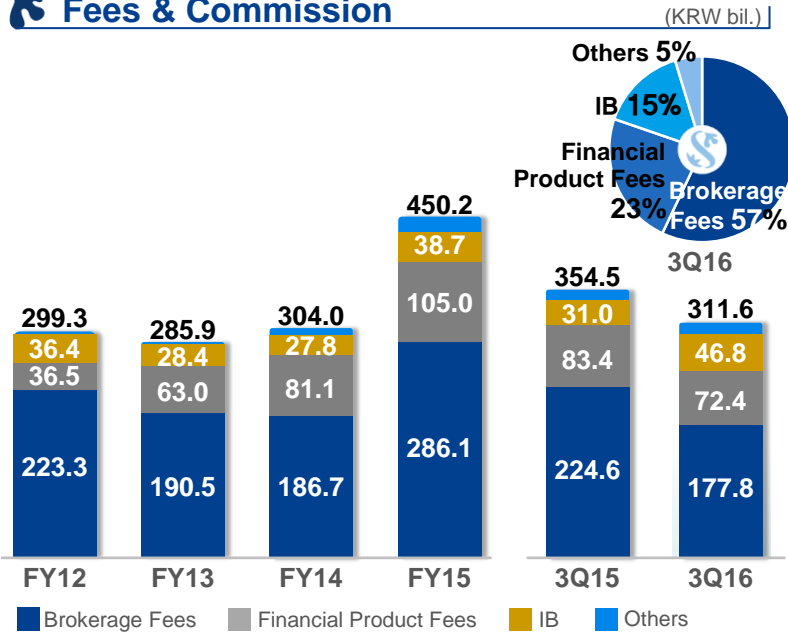


Condensed I/S & Key Financial Indices

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Operating Revenue	509.3	702.6	-27.5	174.2	171.5	1.5
Fees & Commission	311.6	354.5	-12.1	102.4	112.1	-8.7
Proprietary Trading	38.5	270.1	-85.7	-24.1	25.2	n.a.
Others	159.1	78.1	103.8	95.8	34.2	180.5
Operating Expense	403.5	462.9	-12.8	129.0	136.1	-5.2
G&A Expenses	321.9	369.5	-12.9	105.8	107.7	-1.7
Commission Expense	81.1	92.4	-12.2	24.0	26.9	-10.9
Provision for Credit Losses	0.4	0.9	-53.7	-0.7	1.6	n.a.
Operating Income	105.8	239.7	-55.9	45.1	35.4	27.5
Net Income	85.8	194.2	-55.8	35.3	28.8	22.5
Net Capital Ratio(%)	606%	965%	-359%p	606%	832%	-226%p
ROE	4.3%	10.8%	-6.5%p	4.3%	4.0%	0.3%p
ROA	0.4%	1.0%	-0.6%p	0.4%	0.4%	0.0%p

Note) ROE, ROA are calculated on a cumulative basis

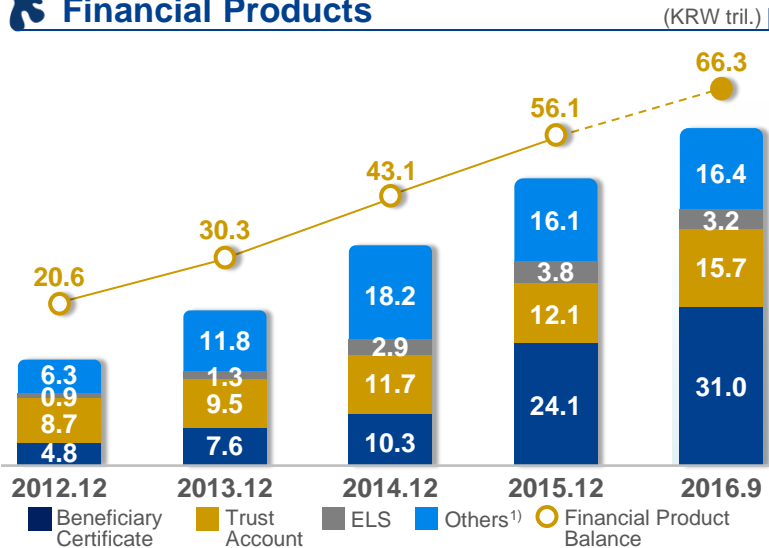
Fees & Commission



Fees & Commission

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Fees & Commission	311.6	354.5	-12.1	102.4	112.1	-8.7
Brokerage Fees	177.8	224.6	-20.8	55.7	62.0	-10.3
Financial Product Fees	72.4	83.4	-13.3	25.5	23.7	7.9
IB	46.8	31.0	51.0	16.4	21.0	-22.0
Others	14.6	15.4	-5.1	4.9	5.4	-10.5

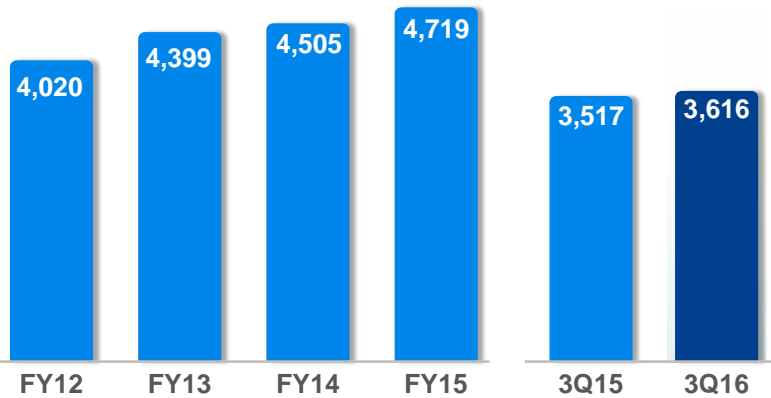
Financial Products



Balance of Financial Products

(KRW tril.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Financial Products	66.3	56.1	18.3	65.0	2.0
Beneficiary Certificate	31.0	24.1	28.6	29.9	3.3
Trust Account	15.7	12.1	30.5	15.5	1.4
ELS	3.2	3.8	-15.8	3.5	-8.9
Others	16.4	16.1	1.7	16.0	2.7

Premium Income (KRW bil.)



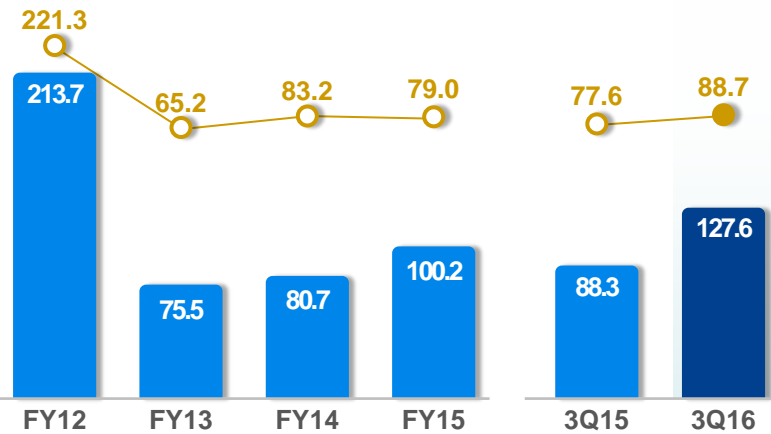
Note) Excluding non-monthly premium and Retirement Pension

Premium Breakdown

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Prem. Received	3,647.0	3,576.4	2.0	1,220.9	1,210.0	0.9
New Premium	76.4	116.0	-34.2	23.0	22.8	0.7
Monthly Premium	45.5	56.2	-19.0	14.5	15.0	-3.4
Non-Monthly Premium	30.8	59.8	-48.4	8.4	7.8	8.7
Recurring Premium	3,570.6	3,460.4	3.2	1,197.9	1,187.2	0.9

Note) Excluding Retirement Pension

Net Income (KRW bil.)



○ Operating Income ■ Net Income

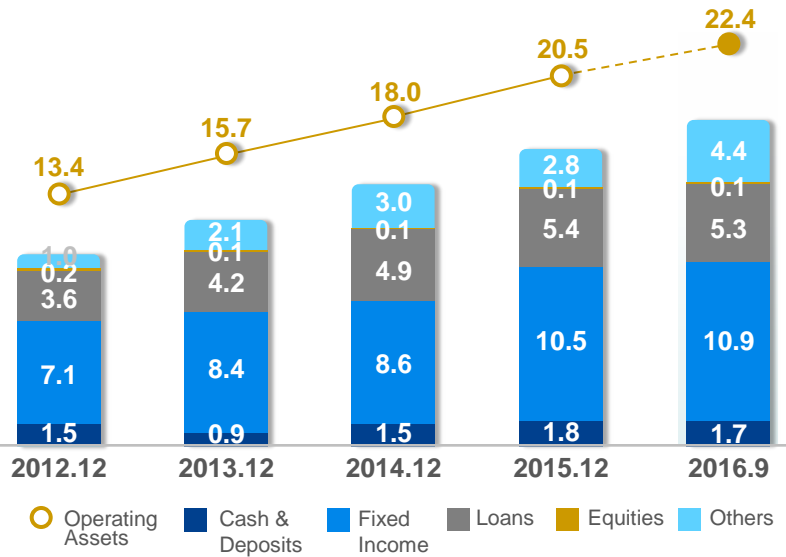
Profitability & Key Financial Indices

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Operating Income	88.7	77.6	14.3	43.2	23.5	83.5
Non-Operating Income	124.2	121.2	2.5	54.0	36.6	47.6
(Separate Account profit & Loss)	35.5	43.6	-18.5	10.8	13.1	-17.1
Net Income	127.6	88.3	44.4	40.0	28.9	38.4
ROE	10.0%	7.7%	2.3%p	10.0%	10.5%	-0.5%p
ROA	0.7%	0.5%	0.2%p	0.7%	0.7%	-0.0%p

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

Operating Assets

(KRW tril.)

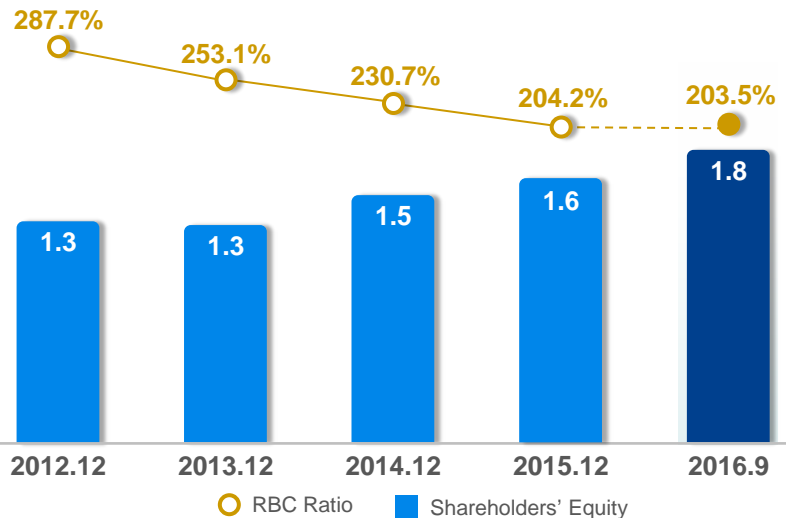


Operating Assets

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Operating Assets	22,383.7	20,545.0	8.9	21,811.0	2.6
Cash & Deposits	1,653.2	1,831.6	-9.7	2,089.3	-20.9
Fixed Income	10,898.9	10,505.2	3.7	10,720.3	1.7
Loans	5,301.2	5,372.1	-1.3	5,271.8	0.6
Equities	96.9	80.7	20.1	85.2	13.7
Others	4,433.4	2,755.4	60.9	3,644.3	21.7

Equity & Capital Adequacy Ratio

(%, KRW tril.)

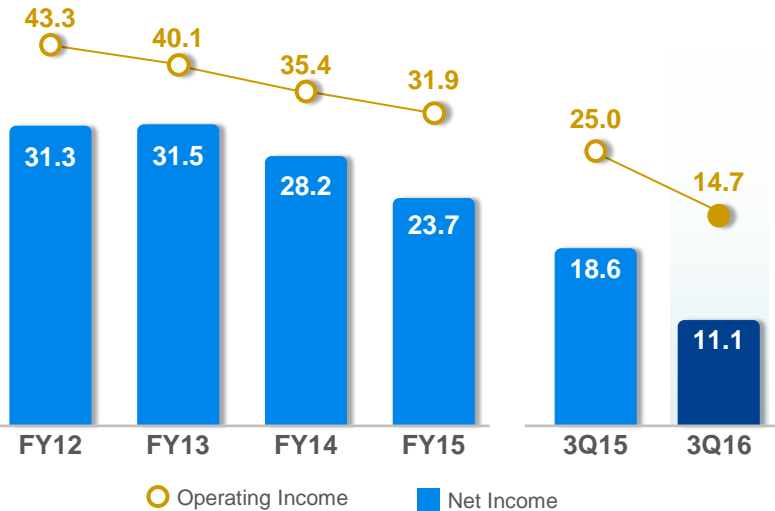


Equity & Capital Adequacy Ratio

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Shareholders' Equity	1,804.8	1,581.4	14.1	1,751.5	3.0
Capital & Retained Earnings	1,624.7	1,502.1	8.2	1,584.9	2.5
Accumulated Other Comprehensive Income	180.1	79.3	127.2	166.6	8.1
RBC Ratio	203.5%	204.2%	-0.7%p	204.7%	-1.2%p

Net Income

(KRW bil.)



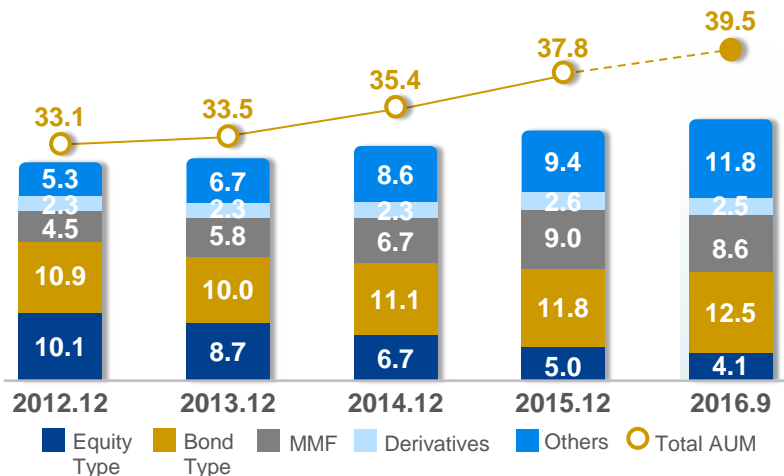
Condensed I/S & Key Financial Indices

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Operating Revenue	52.5	65.2	-19.5	17.6	17.3	1.6
Operating Expense	37.8	40.2	-6.2	12.6	12.7	-0.9
(G&A Expenses)	31.6	32.4	-2.5	10.6	10.6	0.7
Operating Income	14.7	25.0	-40.9	4.9	4.6	8.5
Net Income	11.1	18.6	-40.1	4.3	3.2	34.3
ROE	10.3%	16.8%	-6.5%p	10.3%	9.4%	0.9%p

Note) ROE is calculated on a cumulative basis

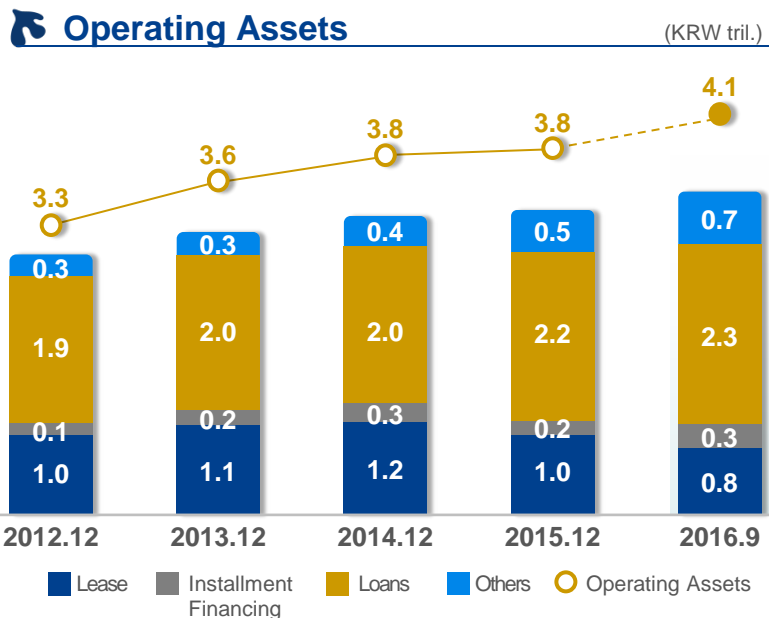
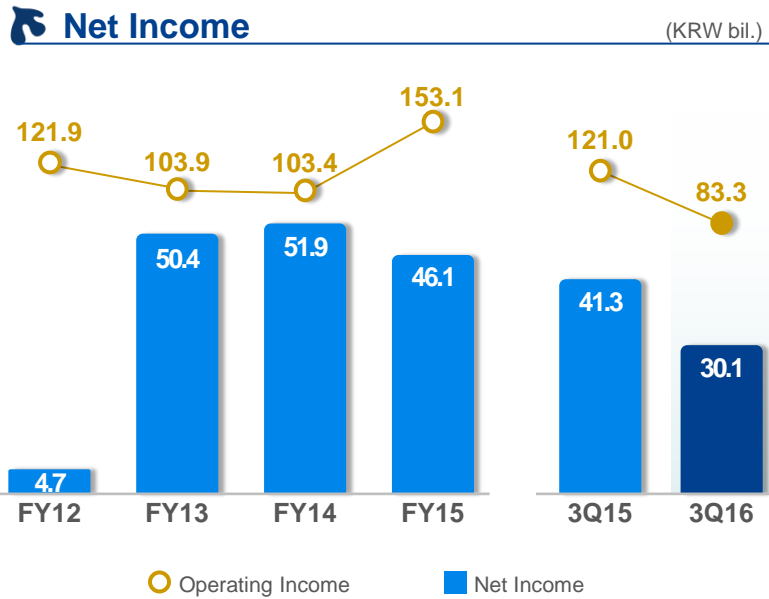
Assets Under Management

(KRW tril.)



Assets Under Management

(KRW tril.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Total AUM	39.5	37.8	4.4	38.7	2.0
Equity Type	4.1	5.0	-18.4	4.2	-3.9
Bond Type	12.5	11.8	5.7	11.3	10.8
MMF	8.6	9.0	-4.4	9.3	-7.7
Derivatives	2.5	2.6	-3.9	2.7	-6.5
Others	11.8	9.4	25.3	11.2	5.4



Condensed I/S & Key Financial Indices

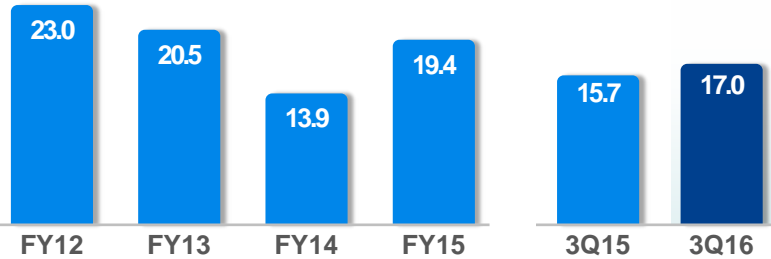
(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Operating Revenue	229.5	290.0	-20.9	86.4	71.0	21.7
Operating Expense	123.9	147.8	-16.2	46.3	34.6	33.8
G&A Expenses	22.3	21.3	5.0	7.4	7.7	-3.4
Operating Income	83.3	121.0	-31.1	32.7	28.7	13.8
Non-Operating Income	2.7	2.9	-5.9	0.1	1.7	-93.3
Pre-Provision Income	86.0	123.8	-30.5	32.8	30.4	7.9
Provision for Credit Losses	49.8	70.3	-29.1	20.0	9.1	120.1
Earnings before Income Tax	36.2	53.6	-32.4	12.7	21.3	-40.1
Net Income	30.1	41.3	-27.2	9.8	17.7	-44.8
ROE	6.4%	9.4%	-3.0%p	6.4%	6.5%	-0.1%p
ROA	1.0%	1.4%	-0.4%p	1.0%	1.0%	-0.0%p

Note) ROE, ROA are calculated on a cumulative basis

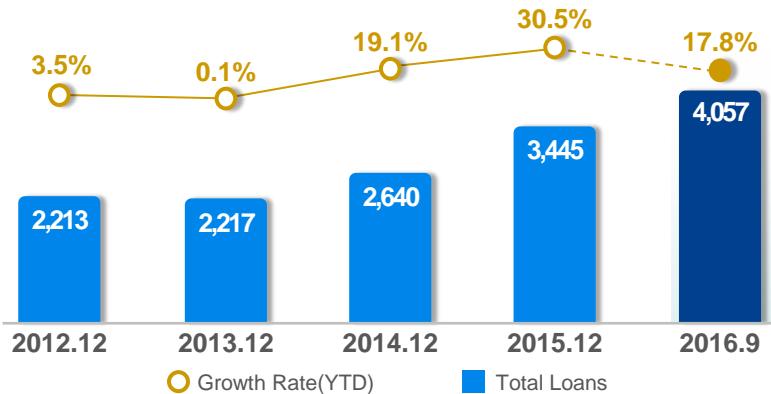
Operating Assets

(KRW tril.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Operating Assets	4.1	3.8	6.0	3.9	3.9
Lease	0.8	1.0	-17.5	0.9	-8.4
Installment Financing	0.3	0.2	74.2	0.3	15.9
Loans	2.3	2.2	4.6	2.2	4.9
Others	0.7	0.5	33.7	0.6	13.5

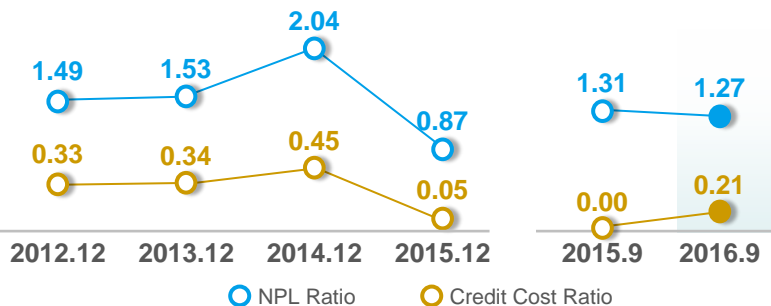
Net Income (KRW bil.)



KRW Loan Growth (KRW bil.)



NPL Ratio & Credit Cost Ratio (%)



Income

(KRW bil.)	3Q16 (Acc.)	3Q15 (Acc.)	YoY%	3Q16	2Q16	QoQ%
Operating Income (a=b+c)	79.4	66.7	19.0	27.9	26.7	4.5
Interest Income (b)	73.9	59.2	24.9	26.1	24.9	4.7
Non-Interest Income (c)	5.5	7.5	-27.5	1.8	1.8	2.1
G&A Expenses (d)	50.6	45.4	11.4	16.4	16.6	-1.2
Pre-Provision Oper.Income (e=a-d)	28.8	21.3	35.2	11.5	10.1	14.0
Non-Operating Income (f)	0.3	-0.1	n.a.	0.1	0.1	49.5
Pre-Provision Income (g=e+f)	29.1	21.2	37.4	11.6	10.1	14.3
Provision for Credit Losses (h)	6.5	1.0	560.0	6.6	0.2	2,579.3
Earnings before Income Tax (i=g-h)	22.5	20.2	11.7	5.0	9.9	-49.9
Income Tax	5.5	4.4	23.9	1.4	2.5	-45.8
Net Income ¹⁾	17.0	15.7	8.3	3.6	7.4	-51.3

Note 1) Net Income in Controlling Interest

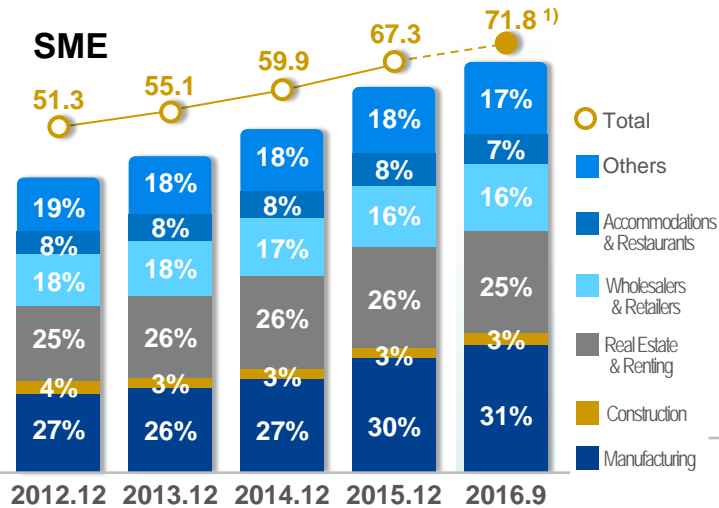
Loan in KRW

(KRW bil.)	2016.9	2015.12	YTD%	2016.6	QoQ%
Loan in KRW	4,057.2	3,445.3	17.8	3,894.8	4.7
Retail	1,594.8	1,224.1	30.3	1,482.1	9.2
Mortgage	816.7	585.1	39.6	749.7	11.4
Others	778.1	639.0	21.8	732.4	7.1
Corporate	2,462.4	2,221.2	10.9	2,412.6	2.2
SME	2,322.1	2,086.3	11.3	2,264.7	2.7
SOHO	1,324.4	1,156.1	14.6	1,281.6	3.7
Large Corporate etc.	140.3	134.9	4.0	148.0	-5.6

SHB SME Loans

Loans

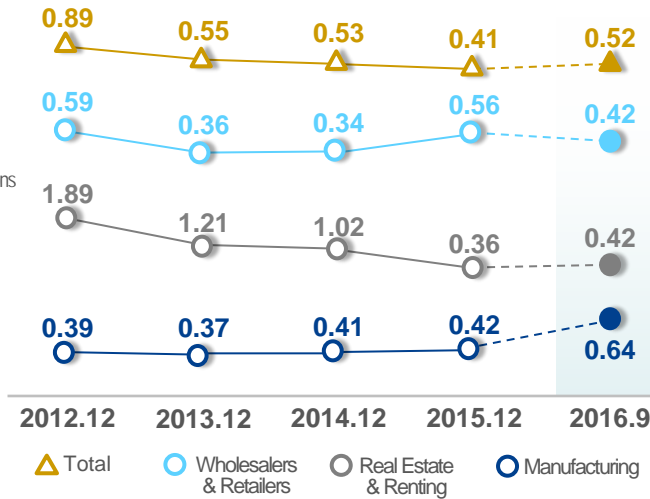
(KRW tril.)



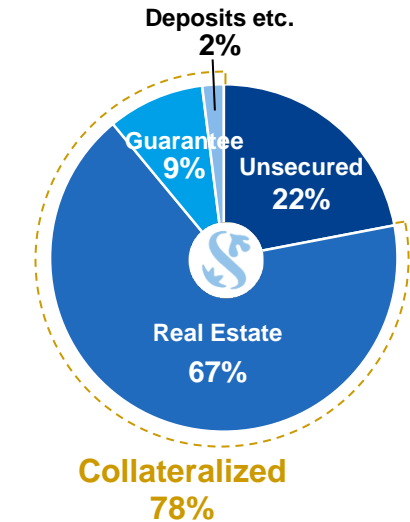
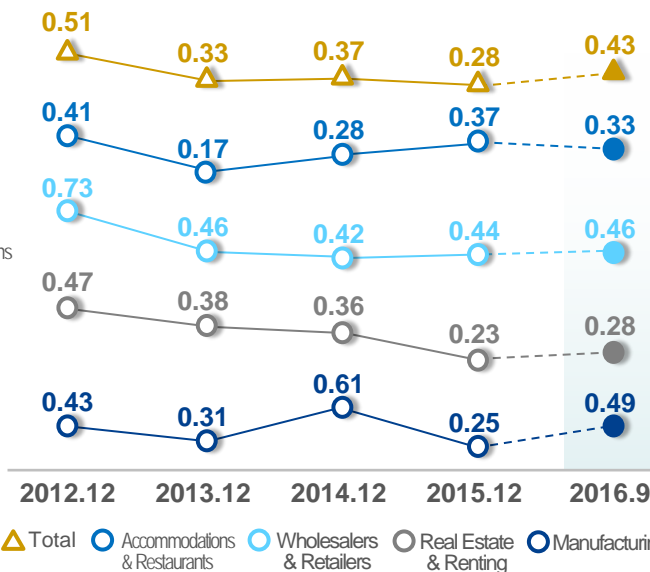
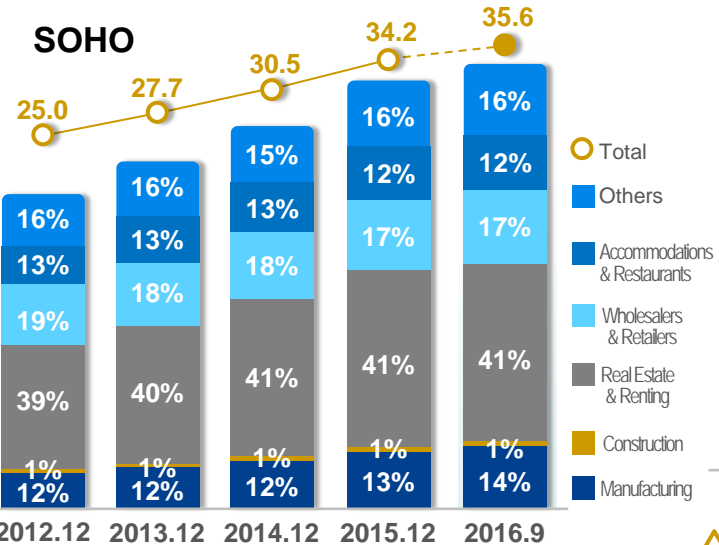
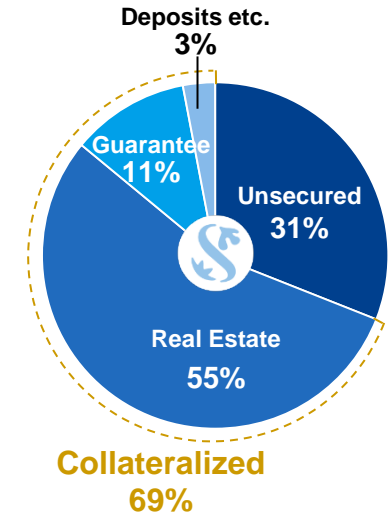
Note 1) SOHO 50%, Registered 22%, Unregistered 28%

Delinquency

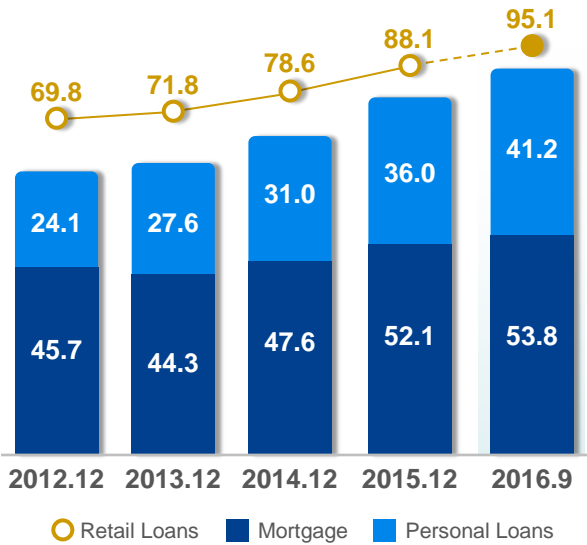
(%)



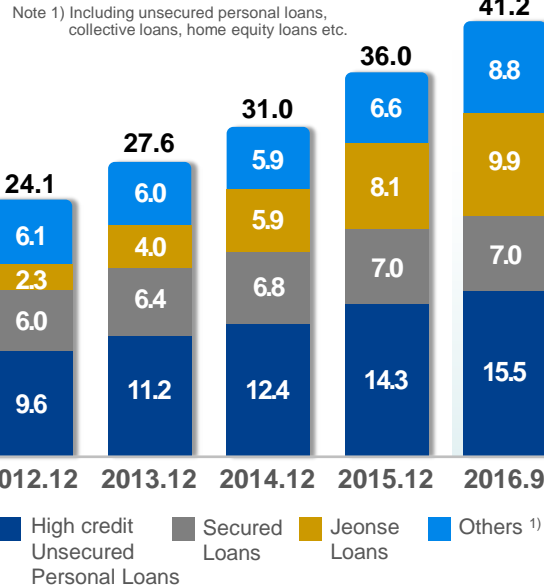
Collateral



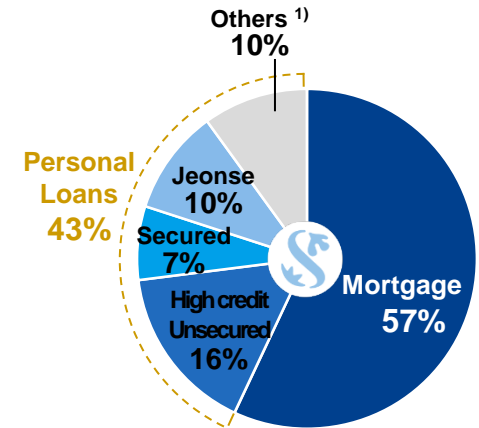
Loans (KRW tril.)



Retail Personal Loans (KRW tril.)

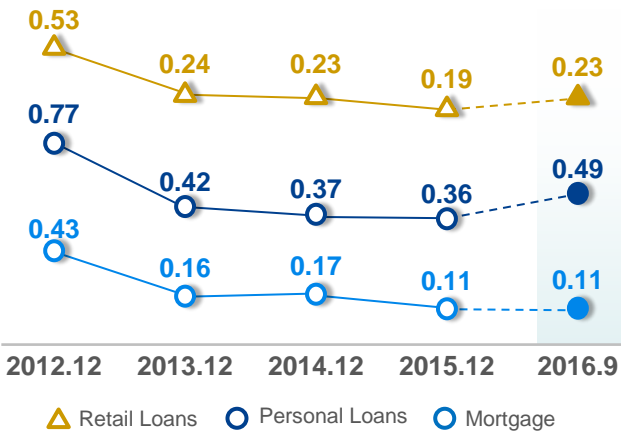


Loan Composition

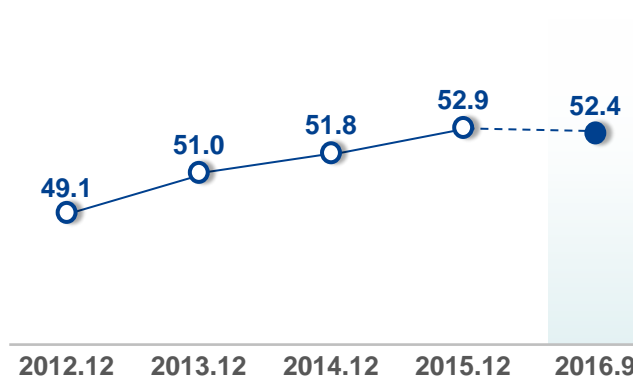


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

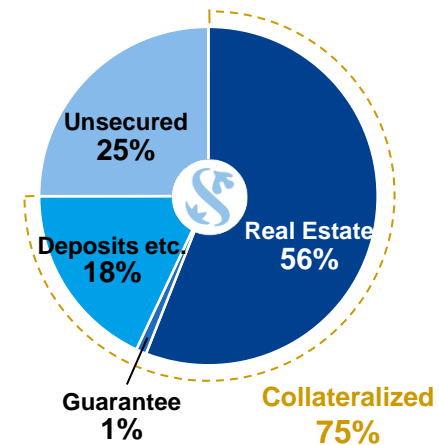
Delinquency (%)



LTV (%)



Collateral



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