



# BUSINESS RESULTS

## FY 2014

Winter ❄️

# Disclaimer Statement

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

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

We also note the following:

- 1) Financial information for periods on or following January 1, 2010 has been prepared in accordance with the Korean IFRS, whereas financial information for periods on or prior to December 31, 2009 has been prepared in accordance with Korean GAAP.
- 2) Financial information as of and for the year ended December 31, 2012 has been retroactively restated to reflect new standards under and amendments to Korean IFRS that became effective in 2013.
- 3) Financial information for the years ended December 31, 2011, 2012 and 2013 have been retroactively restated to reflect changes in accounting policies in accordance with reclassification of Hybrid bonds.
- 4) On April 1, 2013, Shinhan Savings Bank merged with Yehanbyoul Savings Bank, with the latter as the surviving entity doing business under the name of Shinhan Savings Bank. Prior to this date, both of these entities were SFG's direct subsidiaries. Following the merger, the former Shinhan Savings Bank was liquidated. Accordingly, financial information of old Shinhan Savings Bank (the liquidated entity) prior to this date was consolidated with new Shinhan Savings Bank (the surviving entity after the merger).

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

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



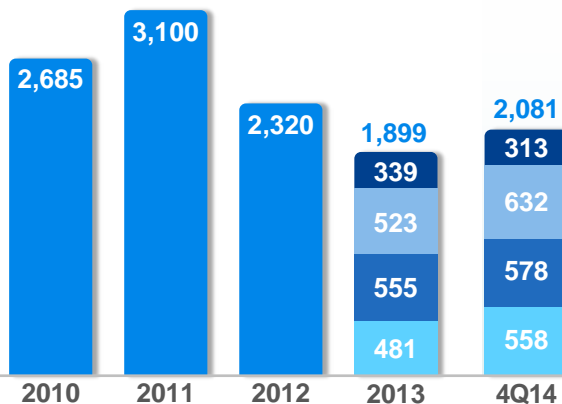


# FY 2014 Business Results Highlights (1)

## Group Net Income (KRW bil.)

(KRW bil.)

1Q 2Q  
3Q 4Q



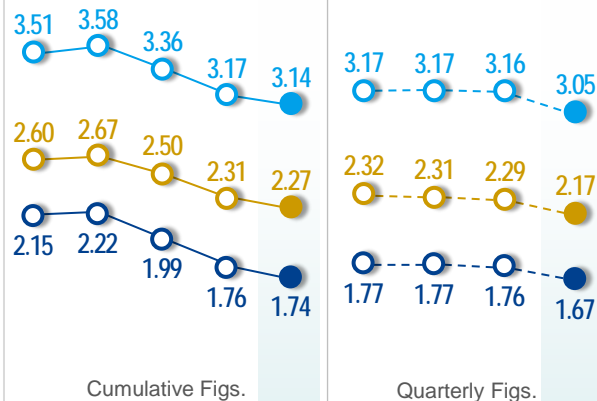
**FY2014 Net Income : KRW 2,081.1 bil.**  
(During 4Q14, KRW 313.1 bil.)

- Group net income increased by 9.6% YoY, re-entering into 2 trillion mark.
- Interest income increased by 2.8% YoY and 1.2% QoQ attributed to resilient loan growth despite falling NIM.
- Non-interest income dropped by 9.6% YoY, due to reduction in security sales gains along with increase in impairment losses from restructured equity holdings.
- SG&A increased by 6.2% YoY, mainly due to seasonality events such as Early Retirement Program. (3.7% YoY, excluding ERP)

## NIM (%)

(%)

SHB + SHC (Incl. Merchant Fee) SHB + SHC SHB



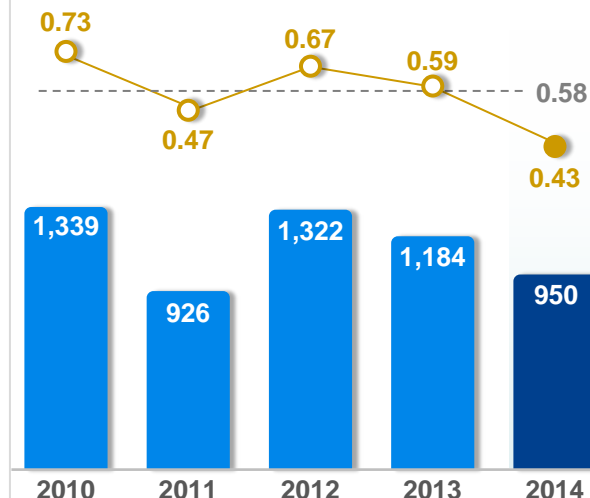
**2014 4Q Bank NIM : 1.67%,**  
**Group NIM 2.17%**

- Group NIM marked 2.17% contracting 12bp QoQ.
- During 4Q14, SHB's retreat in NIM was largely due to the BOK rate cut of 25bp each in August and October 2014. (Contracted by 2bp YoY to 1.74% on a cumulative basis)
- Group NIM including credit card merchant fee marked 3.05%, 11bp contraction QoQ.

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

(%, KRW bil.)

Credit Cost Ratio Provision for Credit Losses  
----2010~2014 Average

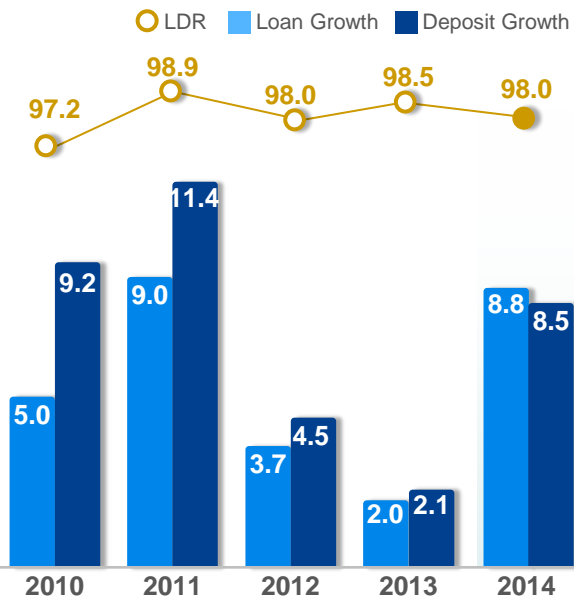


**FY2014 Credit Cost 0.43%**  
(15bp lower than 5-year average)

- Group credit costs improved both YoY and QoQ by 16bp and 3bp respectively. Credit cost entering into historically low level attributed to consistent risk management and moderate loan growth.
- Group's accumulated provision for credit losses decreased by 19.8% YoY to 949.9bil. Provisions for 4Q also decreased by 12.3% QoQ, due to normalization of restructuring companies during 4Q14.
- SHC's provision for credit losses escalated by 19.0% YoY due to decrease in recovery from written-off assets. However provision decreased by 3.4% QoQ led by stabilizing asset quality.

# FY 2014 Business Results Highlights (2)

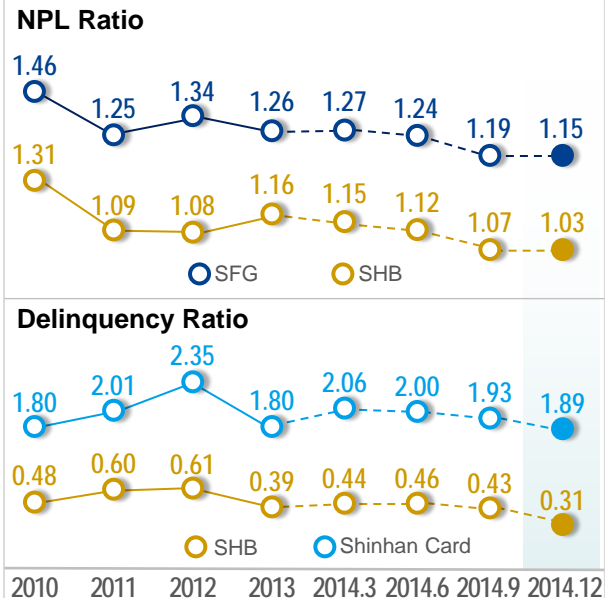
## Loans & Deposits (%)



**FY2014 Loan/Deposit growth at 8.8%, 8.5%  
LDR stable at 98.0%**

- KRW loan balance increased by 8.8% YTD to 160tril. in 2014.
  - Corporate:** Large Corp. loans and SME loans increased by 7.0% and 8.8% respectively, bringing up corporate loan growth to 8.3% YTD.
  - Retail:** Mortgage loans expanded by 7.5% YTD and Personal loans including unsecured Personal loans and Jeonse loans increased by 12.4% YTD shoring up retail loan growth to 9.4% YTD.
- Deposit increased by 8.5% YTD reaching 163.3 tril., mainly attributed to stable increase in low costs deposits.

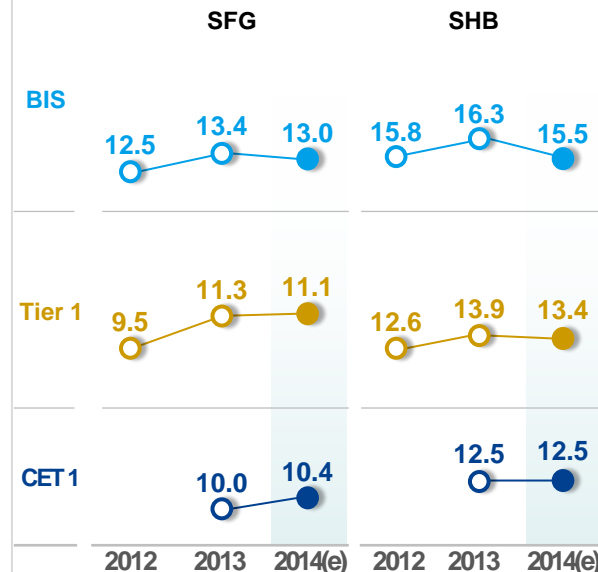
## NPL / Delinquency Ratio (%)



**Group NPL ratio : 1.15%,  
Bank Delinquency ratio : 0.31%**

- NPL ratio for the Group and SHB recorded 1.15% and 1.03% respectively with equal improvement by 0.04%p.
- NPL coverage ratio for the Group and SHB each marked 168% and 154%, increased by 5%p QoQ respectively.
- SHB and SHC delinquency ratio recorded 0.31% and 1.89%, which improved by 0.12%p and 0.04%p QoQ respectively.

## Capital Adequacy (%)



Note) Figs. from 2013 Group/Bank based on Basel3,  
Figs. for 2012 Group based on Basel1, Bank Basel2

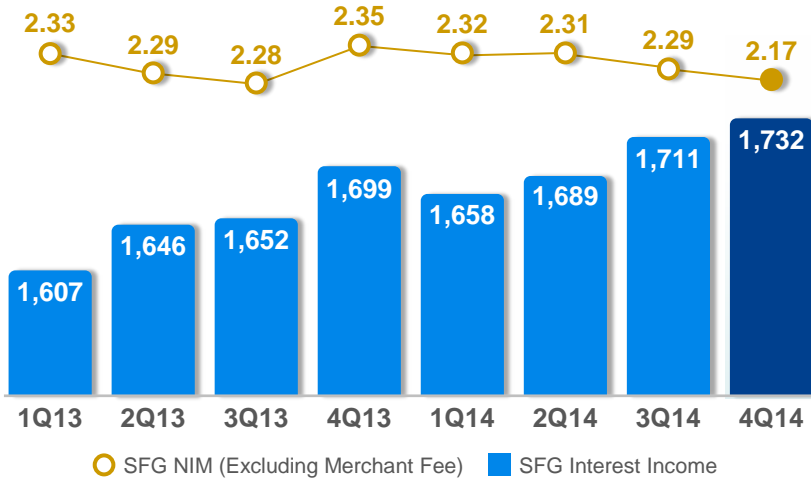
**2014 Group CET1 Ratio 10.4%,  
SHB CET1 Ratio 12.5%**

- Based on BASEL3, Group's Common Equity Tier1 and BIS ratio each marked 10.4% and 13.0% 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 12.5% and 15.5%, maintaining sufficient capital base.

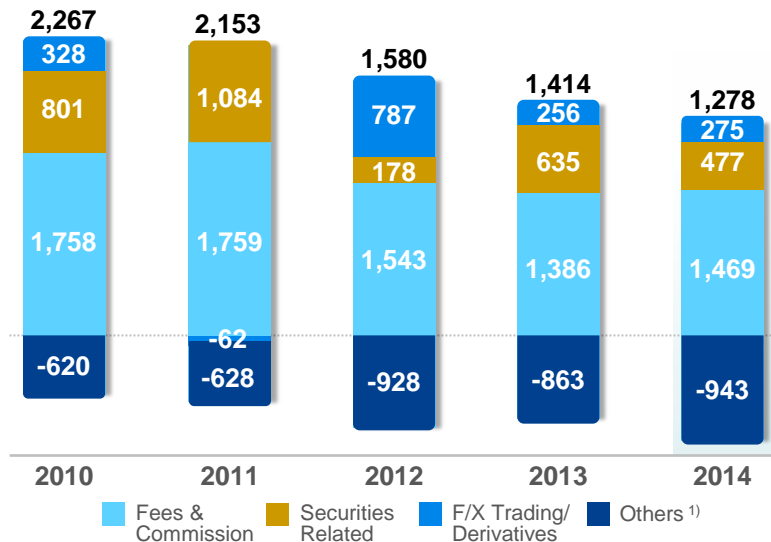


# SFG Income

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



## SFG Non-Interest Income (KRW bil.)



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

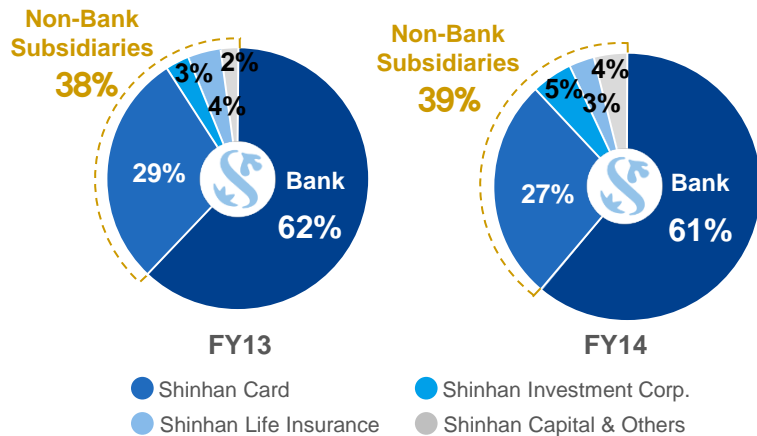
(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
<b>Operating Income (a=b+c)</b>	<b>8,067.6</b>	8,018.7	0.6	1,848.1	2,121.1	-12.9
Interest Income (b)	6,789.8	6,604.9	2.8	1,731.9	1,710.6	1.2
Non-Interest Income (c)	1,277.8	1,413.8	-9.6	116.2	410.6	-71.7
G&A Expenses (d)	4,462.9	4,202.5	6.2	1,327.4	1,048.2	26.6
Pre-Provision Oper. Income (e=a-d)	3,604.8	3,816.2	-5.5	520.7	1,072.9	-51.5
Non-Operating Income (f)	212.8	44.6	377.5	127.4	23.8	434.4
Pre-Provision Income (g=e+f)	3,817.5	3,860.7	-1.1	648.1	1,096.7	-40.9
Provision for Credit Losses (h)	949.9	1,184.2	-19.8	210.3	239.9	-12.3
Earnings before Income Tax (i=g-h)	2,867.6	2,676.6	7.1	437.8	856.8	-48.9
Income Tax	668.0	621.2	7.5	97.3	205.3	-52.6
<b>Consolidated Net Income<sup>1)</sup></b>	<b>2,081.1</b>	1,898.6	9.6	313.1	632.0	-50.5

Note 1) Net Income in Controlling Interest

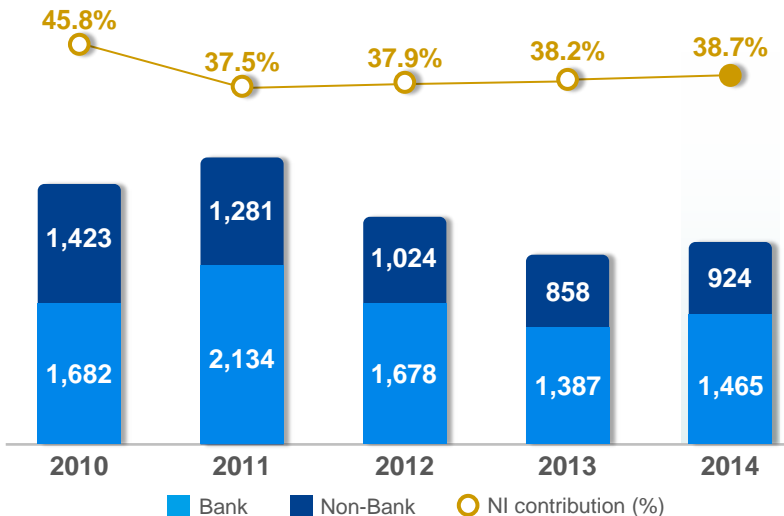


# Subsidiaries Income (1)

## Net Income Contribution by Subsidiaries



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



Note 1) After reflecting ownership by SFG

(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=A x B]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
<b>Bank (a)</b>	<b>1,469.1</b>		<b>1,464.8</b>	<b>-127.3</b>	<b>1,337.4</b>
Shinhan Bank	1,455.2	100.0%	1,455.2	-127.3	1,327.9
Jeju Bank	13.9	68.9%	9.5	-0.0	9.5
<b>Non-Bank (b)</b>	<b>933.6</b>		<b>923.7</b>	<b>19.1</b>	<b>942.9</b>
Shinhan Card	635.2	100.0%	635.2	4.0	639.1
Shinhan Investment Corp.	118.2	100.0%	118.2	2.1	120.3
Shinhan Life Insurance	80.7	100.0%	80.7	15.1	95.7
Shinhan BNPP AM	28.2	65.0%	18.3	0.2	18.5
Shinhan Capital	51.9	100.0%	51.9	1.5	53.5
Shinhan Savings Bank	11.1	100.0%	11.1	0.0	11.2
Shinhan Data System	2.6	100.0%	2.6	-3.7	-1.1
Shinhan AITAS	4.0	99.8%	4.0	-	4.0
Shinhan Credit Information	1.1	100.0%	1.1	0.0	1.1
Shinhan Private Equity	0.6	100.0%	0.6	-	0.6
<b>SFG (c)</b>				<b>-199.2<sup>2)</sup></b>	<b>-199.2</b>
<b>Total (d=a+b+c)<sup>1)</sup></b>	<b>2,402.7</b>		<b>2,388.5</b>	<b>-307.4</b>	<b>2,081.1</b>

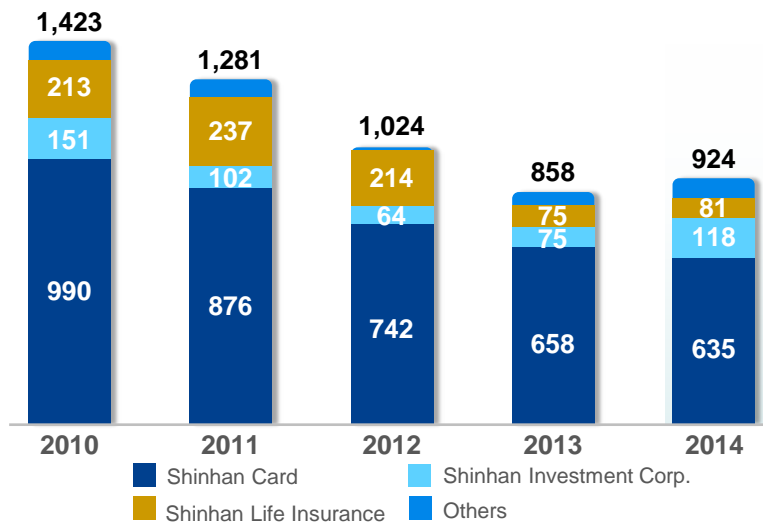
Note) 1) Net Income in Controlling Interest

2) SFG (Separate): Brand Fee Income KRW 70.0bil., Interest Expense KRW -211.7bil., G&A etc. KRW -68.1bil.

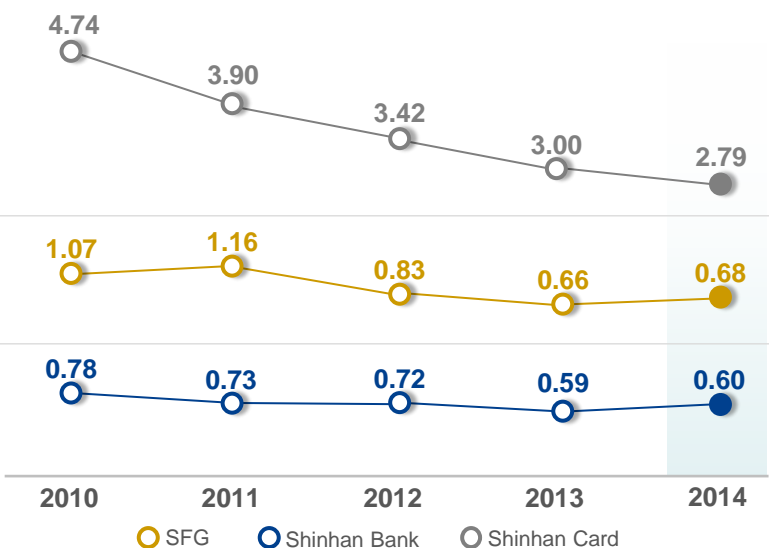


# Subsidiaries Income (2)

## Non-Bank Net Income (KRW bil.)



## ROA (%)



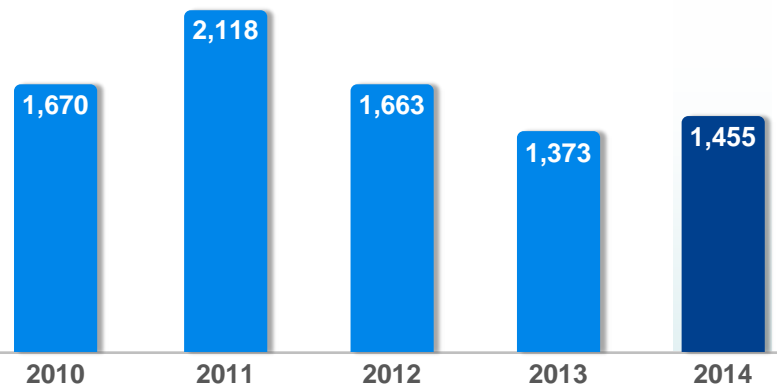
(Reflecting SFG Ownership, KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
<b>Bank (a)</b>	<b>1,464.8</b>	1,387.1	5.6	190.8	428.8	-55.5
Shinhan Bank	1,455.2	1,373.0	6.0	183.3	430.1	-57.4
Jeju Bank	9.5	14.1	-32.4	7.6	-1.3	n.a.
<b>Non-Bank (b)</b>	<b>923.7</b>	857.7	7.7	192.6	276.4	-30.3
Shinhan Card	635.2	658.1	-3.5	127.4	190.1	-33.0
Shinhan Investment Corp.	118.2	75.4	56.9	26.9	42.9	-37.3
Shinhan Life Insurance	80.7	75.5	6.9	12.5	26.9	-53.3
Shinhan BNPP AM	18.3	20.5	-10.4	4.4	4.6	-3.4
Shinhan Capital	51.9	50.4	3.1	14.8	7.9	88.8
Shinhan Savings Bank	11.1	-29.9	n.a.	5.3	1.4	264.6
Shinhan Data System	2.6	1.1	135.5	0.9	0.8	16.5
Shinhan AITAS	4.0	3.8	5.8	0.7	1.0	-33.1
Shinhan Credit Information	1.1	0.2	581.8	0.1	0.2	-35.2
Shinhan Private Equity	0.6	2.9	-79.2	-0.4	0.7	n.a.
<b>Total (a+b)</b>	<b>2,388.5</b>	2,244.8	6.4	383.5	705.3	-45.6
<b>Consolidate Net Income<sup>1)</sup></b>	<b>2,081.1</b>	1,898.6	9.6	313.1	632.0	-50.5

1) Net Income in Controlling Interest

# SHB Income / NIM

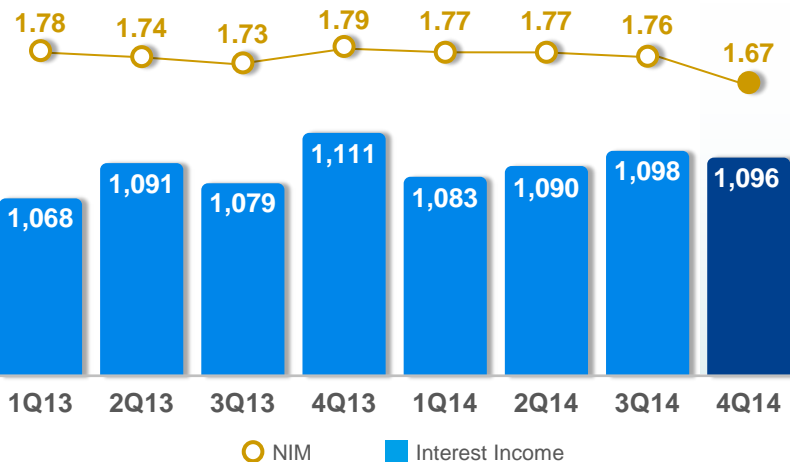
## Net Income

(KRW bil.)



## Interest Income/NIM(Quarterly)

(%, KRW bil.)



(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
Operating Income (a=b+c)	5,171.7	5,151.0	0.4	1,192.7	1,334.9	-10.7
Interest Income (b)	4,367.1	4,350.5	0.4	1,096.0	1,097.6	-0.1
Non-Interest Income (c)	804.5	800.5	0.5	96.7	237.3	-59.3
G&A Expenses (d)	2,918.0	2,692.9	8.4	902.7	665.1	35.7
Pre-Provision Oper.Income (e=a-d)	2,253.6	2,458.1	-8.3	290.0	669.8	-56.7
Non-Operating Income (f)	38.4	8.0	377.5	9.0	9.4	-3.9
Pre-Provision Income (g=e+f)	2,292.0	2,466.2	-7.1	299.0	679.2	-56.0
Provision for Credit Losses (h)	456.2	738.2	-38.2	84.0	121.3	-30.8
Earnings before Income Tax (i=g-h)	1,835.8	1,728.0	6.2	215.0	557.9	-61.5
Income Tax	380.1	354.8	7.1	31.6	127.7	-75.2
Net Income <sup>1)</sup>	1,455.2	1,373.0	6.0	183.3	430.1	-57.4

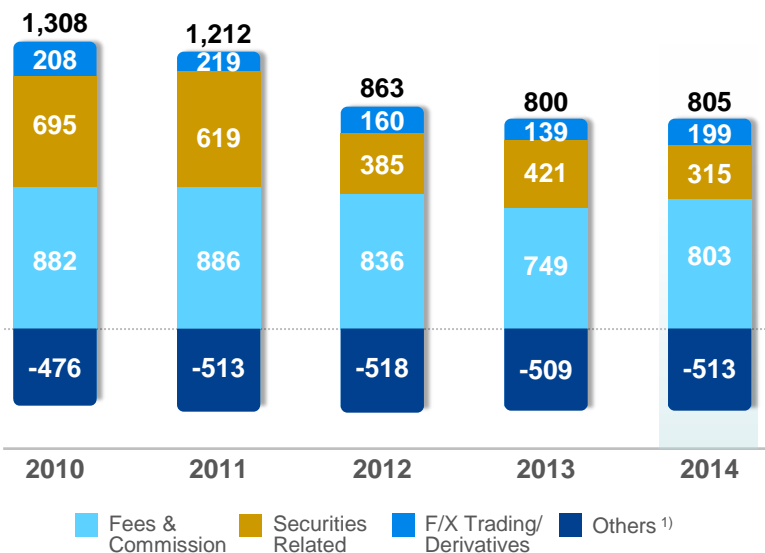
1) Net Income in Controlling Interest

(%)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
NIS (a-b) (quarterly)	2.23	2.16	2.11	1.95	1.87	1.87	1.83	1.91	1.91	1.89	1.88	1.78
Loan interest rate (a)	5.47	5.39	5.24	4.92	4.69	4.52	4.36	4.30	4.20	4.13	4.05	3.83
Deposit interest rate (b)	3.24	3.23	3.12	2.97	2.81	2.65	2.52	2.39	2.29	2.24	2.17	2.05
NIM(quarterly)	2.09	2.02	2.00	1.85	1.78	1.74	1.73	1.79	1.77	1.77	1.76	1.67
NIM(cumulative figures)	2.09	2.05	2.03	1.99	1.78	1.76	1.75	1.76	1.77	1.77	1.77	1.74

# SHB Non-Interest Income / G&A Expenses

## Non-Interest Income

(KRW bil.)

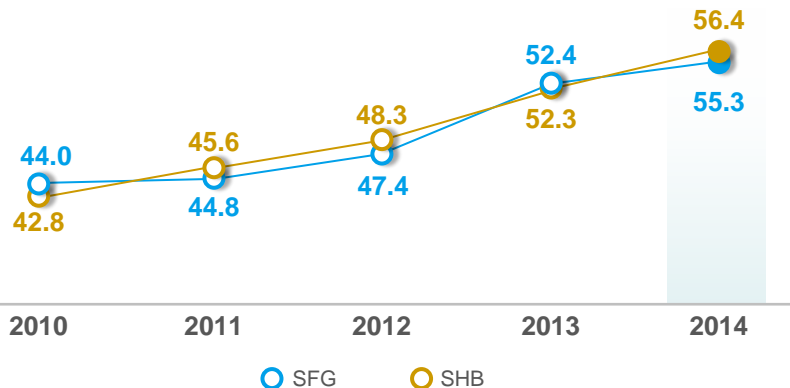


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
<b>Non-Interest Income</b>	<b>804.5</b>	800.5	0.5	96.7	237.3	-59.3
<b>Fees &amp; Commission</b>	<b>802.9</b>	748.9	7.2	211.1	200.1	5.5
(Fund)	<b>105.9</b>	118.3	-10.5	27.3	26.8	2.0
(Bancassurance)	<b>89.8</b>	87.3	2.8	23.8	22.3	6.7
(Trust Fees)	<b>49.7</b>	42.2	17.8	13.7	12.4	10.9
<b>Securities Related</b>	<b>315.3</b>	421.1	-25.1	-49.0	144.0	n.a.
<b>FX Trading/Derivatives</b>	<b>198.9</b>	139.0	43.1	57.7	33.7	71.3
<b>Others</b>	<b>-512.6</b>	-508.5	n.a.	-123.1	-140.6	n.a.
(Contribution Expenses)	<b>-244.9</b>	-244.5	n.a.	-62.9	-61.9	n.a.
(Insurance Fees on Deposits)	<b>-240.5</b>	-239.3	n.a.	-60.6	-57.5	n.a.

## Cost-Income Ratio

(%)

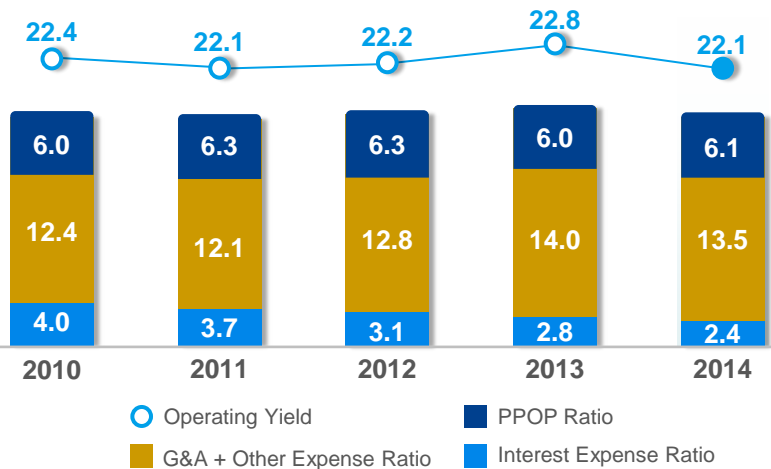


Note) Cumulative Figures

(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
<b>G&amp;A Expenses</b>	<b>2,918.0</b>	2,692.9	8.4	902.7	665.1	35.7
Salary & Employee Benefits	<b>1,734.9</b>	1,508.9	15.0	571.9	382.3	49.6
<b>D &amp; A</b>	<b>202.9</b>	203.6	-0.3	49.0	50.6	-3.3
<b>Other Expenses</b>	<b>980.1</b>	980.4	0.0	281.9	232.2	21.4

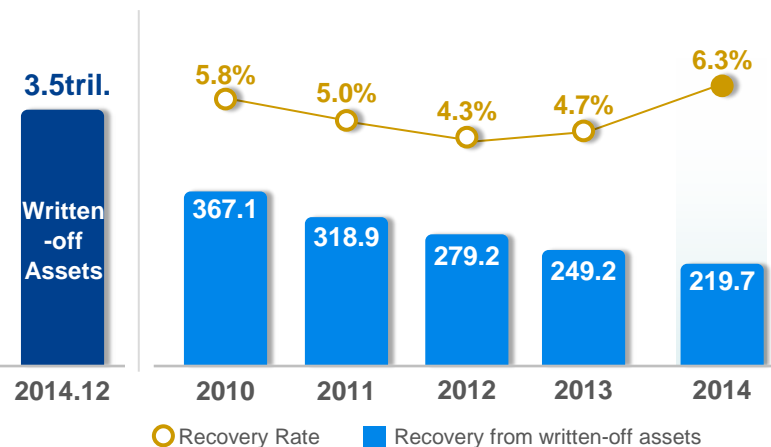
# Shinhan Card Income

## Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

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



(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
<b>Operating Revenue (a)</b>	<b>4,600.3</b>	4,609.3	-0.2	1,221.7	1,137.0	7.4
<b>Card Business</b>	<b>3,783.0</b>	3,767.7	0.4	963.5	958.2	0.6
<b>Installment Finance</b>	<b>87.8</b>	92.2	-4.7	23.2	22.4	3.4
<b>Lease</b>	<b>36.6</b>	42.5	-13.8	9.0	9.3	-2.8
<b>Others</b>	<b>692.8</b>	706.8	-2.0	226.0	147.1	53.6
<b>(Derivatives &amp; FX)</b>	<b>129.4</b>	68.3	89.4	86.0	-18.6	n.a.
<b>Interest Expense (b)</b>	<b>492.6</b>	550.1	-10.5	120.9	121.8	-0.7
<b>G&amp;A Expenses (c)</b>	<b>709.1</b>	710.9	-0.3	205.4	179.1	14.7
<b>Commissions &amp; Other Expenses (d)</b>	<b>2,157.2</b>	2,145.1	0.6	628.3	488.1	28.7
<b>(Derivatives &amp; FX)</b>	<b>107.3</b>	51.4	108.7	79.3	-24.5	n.a.
<b>Pre-Provision Income (e=a-b-c-d)</b>	<b>1,241.5</b>	1,203.1	3.2	267.1	348.1	-23.3
<b>Provision for Credit Losses (f)</b>	<b>419.5</b>	352.3	19.0	100.0	103.5	-3.4
<b>Earnings before Income Tax (g=e-f)</b>	<b>822.0</b>	850.8	-3.4	167.0	244.5	-31.7
<b>Income Tax</b>	<b>186.9</b>	192.7	-3.0	39.6	54.4	-27.2
<b>Net Income</b>	<b>635.2</b>	658.1	-3.5	127.4	190.1	-33.0

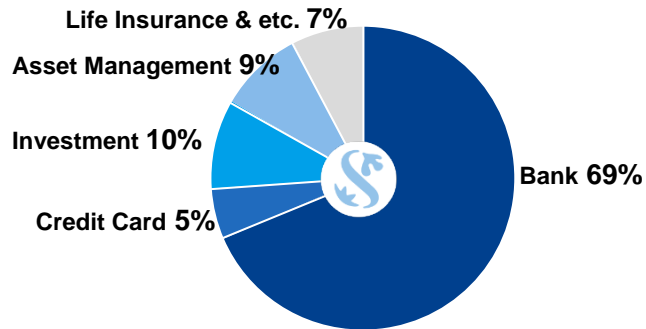
## III. Assets & Liabilities

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



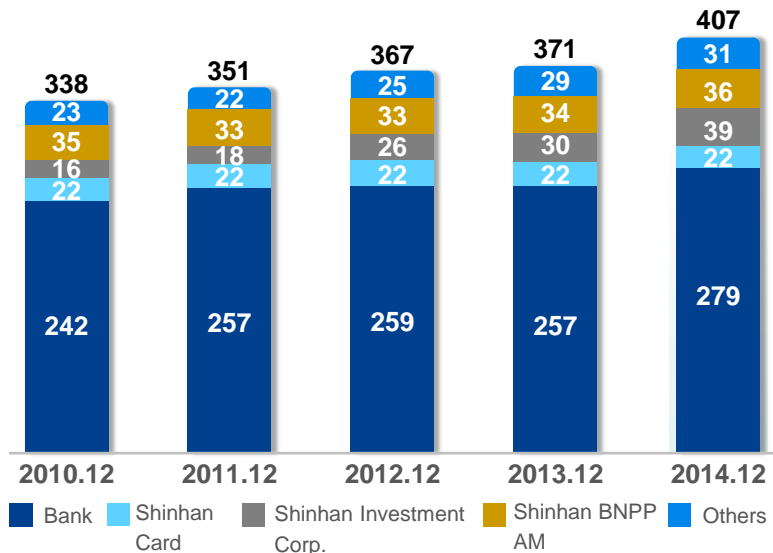
# SFG Asset Growth

## Asset Contribution by Subsidiary



## SFG Total Assets

(KRW tril.)

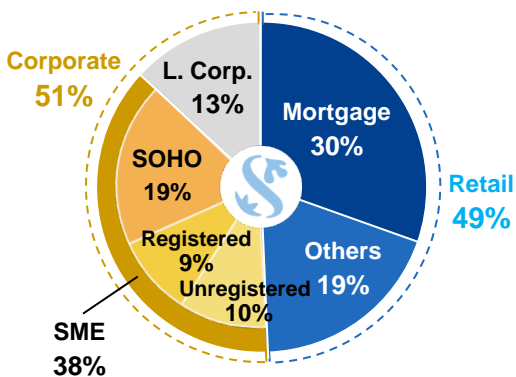


(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
Bank (a)	279,232.2	257,033.8	8.6	273,884.2	2.0
Shinhan Bank	275,756.6	253,837.7	8.6	270,599.0	1.9
Jeju Bank	3,475.7	3,196.0	8.7	3,285.2	5.8
Non-Bank (b)	124,654.0	110,929.4	12.4	124,286.0	0.3
Shinhan Card	22,259.5	21,649.2	2.8	21,703.2	2.6
Shinhan Investment Corp.	39,039.8	29,966.1	30.3	39,364.4	-0.8
Shinhan Life Insurance	21,939.7	19,378.9	13.2	21,301.9	3.0
Shinhan BNPP AM	35,601.0	33,675.1	5.7	35,831.3	-0.6
Shinhan Capital	3,939.5	3,772.4	4.4	3,801.8	3.6
Shinhan Savings Bank	804.0	777.1	3.5	737.3	9.0
Shinhan Data System	25.8	20.5	25.7	24.1	7.3
Shinhan AITAS	37.7	34.6	8.9	35.1	7.4
Shinhan Credit Information	23.0	21.0	9.6	21.7	6.2
Shinhan Private Equity	461.3	572.9	-19.5	582.3	-20.8
Others	522.6	1,061.5	-50.8	882.9	-40.8
Total <sup>1)</sup>	406,655.6	371,456.5	9.5	401,132.8	1.4
Consolidate Total Assets	338,021.8	311,290.6	8.6	335,200.4	0.8

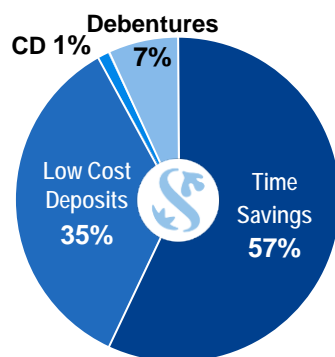
Note) Trust A/C of Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM is included

# SHB Loan / Deposit Growth

## Loan Composition



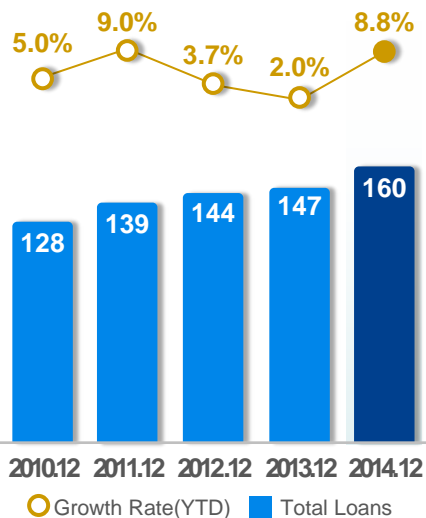
## Funding Composition



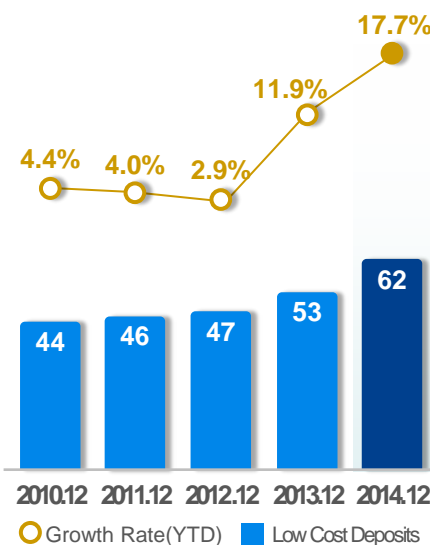
(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
Loan in KRW	160,025	147,048	8.8	156,242	2.6
Retail	78,577	71,846	9.4	75,169	4.7
Mortgage	47,556	44,257	7.5	45,515	4.6
Others <sup>1)</sup>	31,021	27,589	12.4	29,654	5.0
Corporate	81,447	75,202	8.3	81,073	0.5
SME	59,889	55,062	8.8	58,902	1.8
SOHO	30,469	27,732	9.9	29,892	2.1
Large Corporate etc.	21,558	20,140	7.0	22,171	-3.0
Loan in FX	6,956	5,292	31.5	7,208	-4.8

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

## KRW Loan Growth (KRW tril.)



## Low Cost Deposits (KRW tril.)

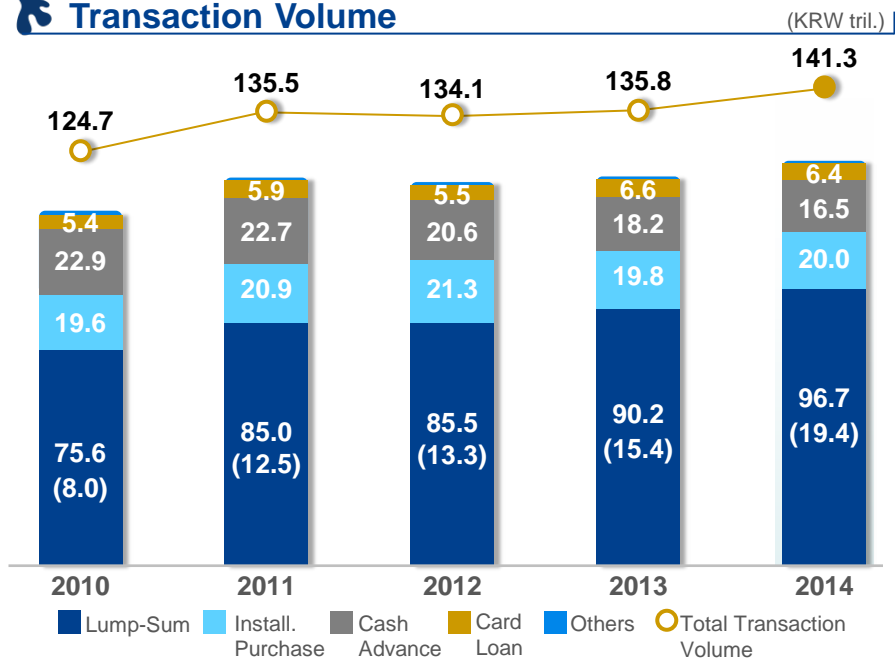


(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
Total Deposits in KRW	163,322	150,479	8.5	159,949	2.2
Low Cost Deposits	62,013	52,697	17.7	58,756	6.2
Demand	18,755	17,691	6.0	18,553	1.1
Savings	43,258	35,006	23.6	40,204	8.7
Time Savings	101,309	97,782	3.6	101,193	0.1
Time Deposits	92,519	89,642	3.2	92,641	-0.1
Accumulative etc.	8,790	8,141	8.0	8,552	2.9
Certificate of Deposits	1,873	1,476	26.9	1,767	7.2
Debtentures in KRW	12,566	13,787	-8.9	12,282	2.1



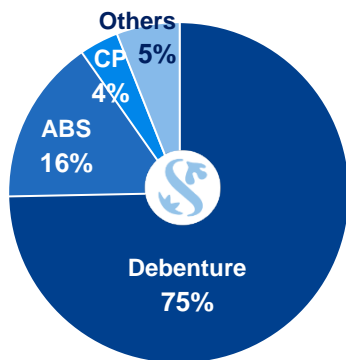
# Shinhan Card Asset Growth

## Transaction Volume



Note) Figs. in parenthesis represent debit card transaction volume

## Funding Composition

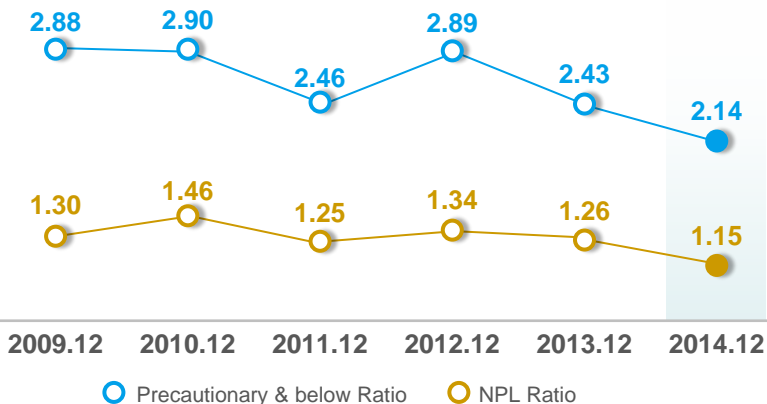


(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
<b>Earning Assets</b>	<b>20,550</b>	19,626	4.7	19,840	3.6
Credit Purchase	11,374	10,954	3.8	10,767	5.6
Cash Advances	2,223	2,368	-6.1	2,239	-0.7
Card Loan	4,473	4,261	5.0	4,437	0.8
(Re-aged Loan)	237	225	5.3	238	-0.4
Installment Finance	1,599	1,213	31.9	1,497	6.8
Lease etc.	880	830	6.0	900	-2.1
Effective Cardholders (in thousands)	12,468	13,385	-6.9	12,643	-1.4
Merchants (in thousands)	2,491	2,392	4.1	2,458	1.3

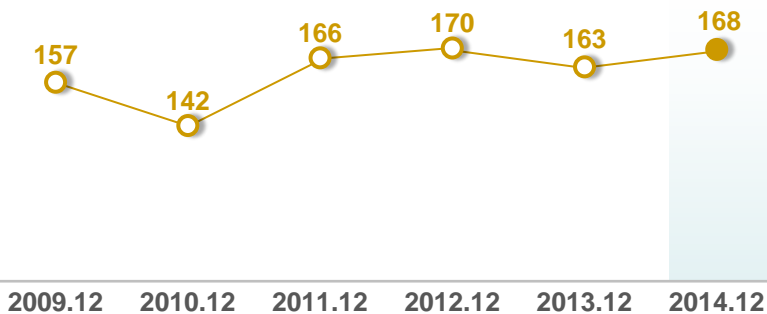
(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
<b>Total Funding</b>	<b>12,529</b>	12,067	3.8	11,991	4.5
Debentures	9,360	8,701	7.6	9,046	3.5
ABS	1,979	1,583	25.0	1,366	44.9
CP	440	1,013	-56.6	768	-42.7
Others	750	770	-2.6	811	-7.5



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



## NPL Coverage Ratio (%)



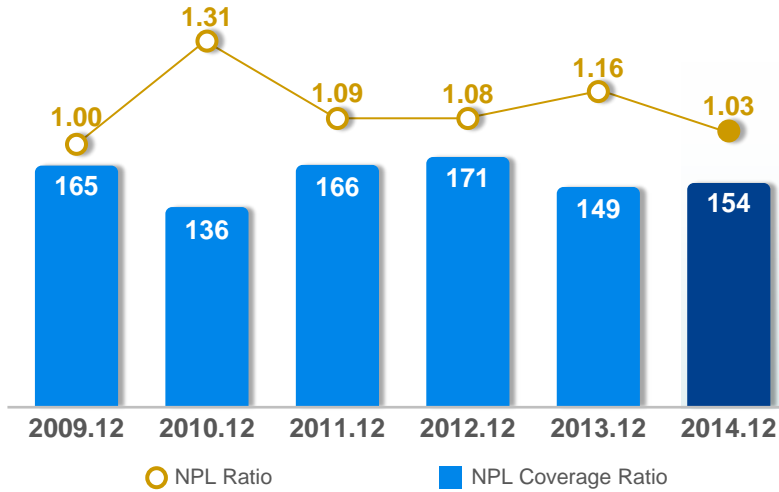
(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
<b>Total Loans<sup>1)</sup></b>	<b>220,191</b>	202,381	8.8	214,707	2.6
<b>Normal</b>	<b>215,480</b>	197,453	9.1	209,624	2.8
<b>Precautionary</b>	<b>2,187</b>	2,370	-7.7	2,530	-13.5
<b>Substandard</b>	<b>1,134</b>	1,083	4.7	1,030	10.1
<b>Doubtful</b>	<b>373</b>	372	0.1	407	-8.4
<b>Estimated Loss</b>	<b>1,017</b>	1,103	-7.8	1,117	-8.9
<b>Substandard &amp; Below</b>	<b>2,524</b>	2,558	-1.3	2,553	-1.2
<b>NPL Ratio</b>	<b>1.15%</b>	1.26%	-0.11%p	1.19%	-0.04%p
<b>Loan Loss Allowance<sup>2)</sup></b>	<b>4,241</b>	4,178	1.5	4,297	-1.3
<b>NPL Coverage Ratio</b>	<b>168%</b>	163%	5%p	168%	0%p
<b>Reserve for credit losses<sup>3)</sup></b>	<b>1,870</b>	1,821	2.7	1,869	0.1

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

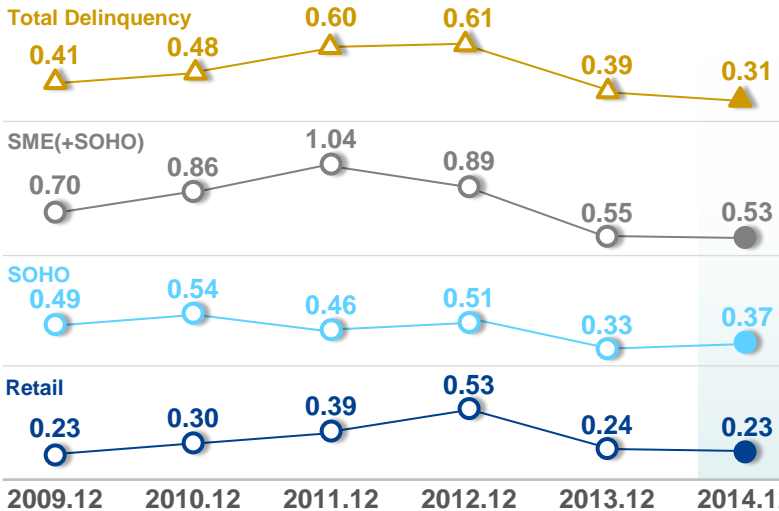
2) Sum of IFRS standard LLA and reserves for credit losses, excluding those for contingent acceptances & guarantees and unused credit lines

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

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



Note) 1 month overdue

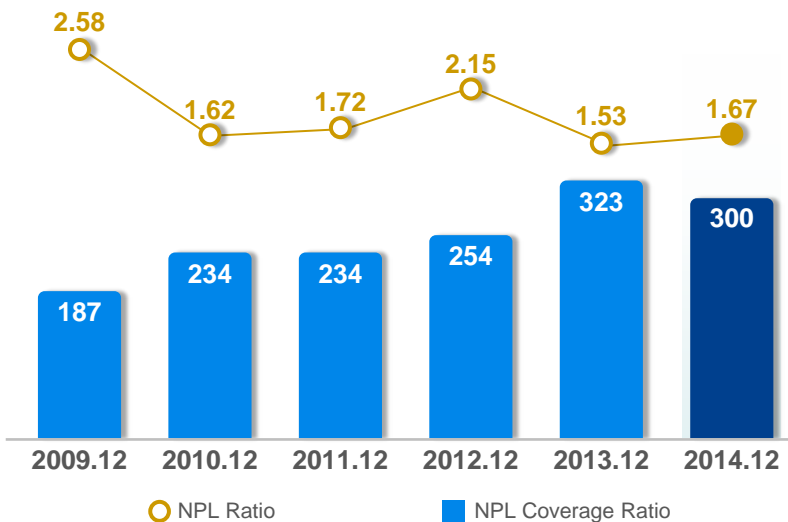
(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
<b>Total Loans</b>	<b>185,966</b>	170,767	8.9	181,955	2.2
Normal	182,863	167,398	9.2	178,524	2.4
Precautionary	1,181	1,384	-14.6	1,480	-20.2
Substandard	995	913	9.0	887	12.2
Doubtful	215	257	-16.3	254	-15.1
Estimated Loss	712	815	-12.6	810	-12.2
<b>Substandard &amp; Below</b>	<b>1,922</b>	1,985	-3.2	1,951	-1.5
<b>NPL Ratio</b>	<b>1.03%</b>	1.16%	-0.13%p	1.07%	-0.04%p
<b>Loan Loss Allowance <sup>1)</sup></b>	<b>2,963</b>	2,962	0.0	3,037	-2.4
<b>NPL Coverage Ratio</b>	<b>154%</b>	149%	5%p	156%	-2%p
<b>Reserve for credit losses <sup>2)</sup></b>	<b>1,521</b>	1,469	3.5	1,518	0.2

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

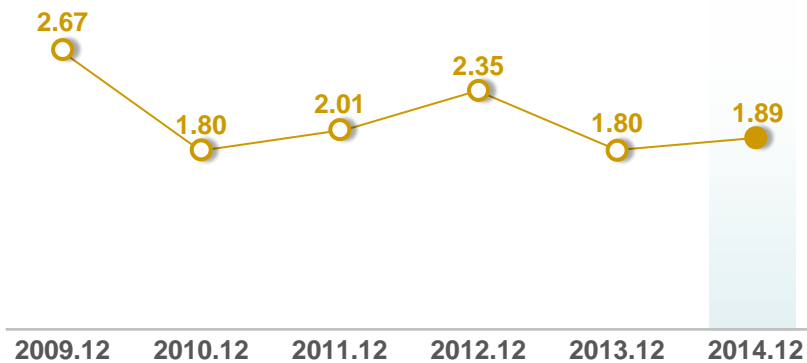
2) Excluding reserve for contingent acceptances & guarantees and unused credit lines

# Shinhan Card Asset Quality

## NPL Ratio & NPL Coverage Ratio (%)



## Delinquency Ratio (%)



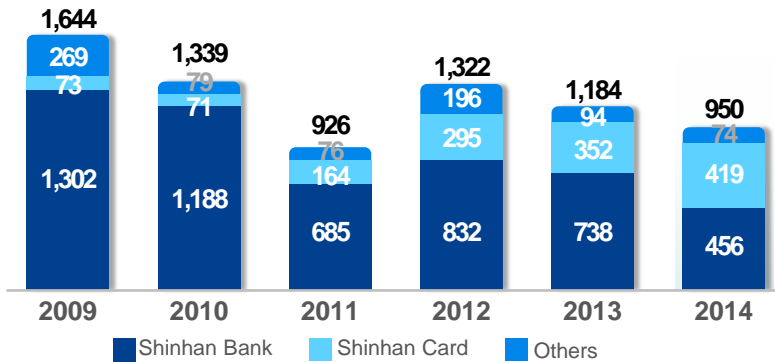
Note) 1 month overdue from total credit

(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
<b>Total Loans</b>	<b>20,550</b>	19,626	4.7	19,840	3.6
<b>Normal</b>	<b>19,475</b>	18,609	4.7	18,765	3.8
<b>Precautionary</b>	<b>732</b>	716	2.3	735	-0.4
<b>Substandard</b>	-	-	-	-	-
<b>Doubtful</b>	<b>82</b>	84	-2.9	82	-0.5
<b>Estimated Loss</b>	<b>261</b>	217	20.5	258	1.2
<b>Substandard &amp; Below</b>	<b>343</b>	301	13.9	340	0.8
<b>NPL Ratio</b>	<b>1.67%</b>	1.53%	0.14%p	1.72%	-0.05%p
<b>Loan Loss Allowance <sup>1)</sup></b>	<b>1,030</b>	971	6.1	1,021	0.9
<b>NPL Coverage Ratio</b>	<b>300%</b>	323%	-23%p	300%	0%p
<b>Reserve for credit losses</b>	<b>293</b>	312	-6.1	301	-2.7

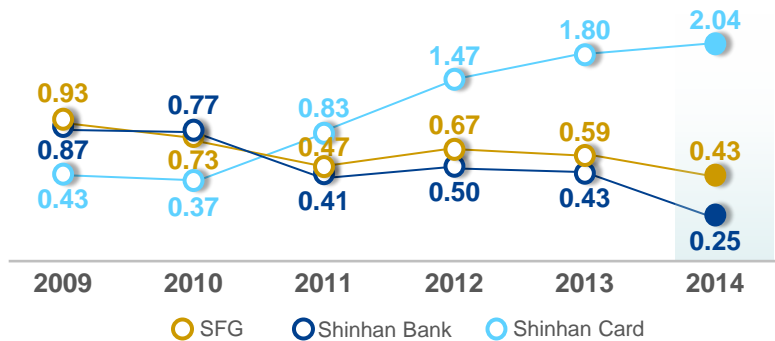
Note 1) Excluding reserve for contingent acceptances & guarantees and unused credit lines

# Provision for Credit Losses / Write-Offs

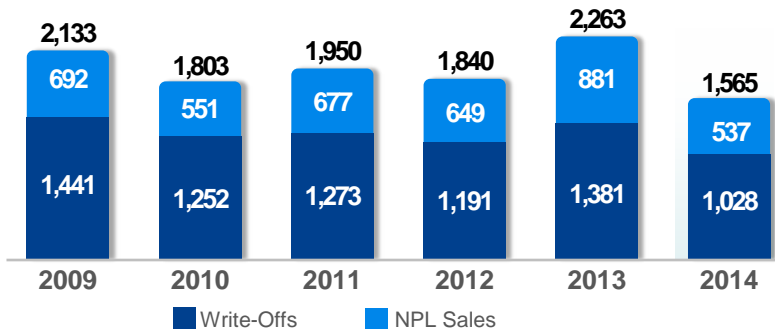
## Provision for Credit Losses (KRW bil.)



## Credit Cost Ratio (%)



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



## Credit Costs

(KRW bil.)	FY14	1Q	2Q	3Q	4Q	FY13	1Q	2Q	3Q	4Q
<b>Shinhan Bank<sup>1)</sup></b>	<b>409</b>	50	189	109	62	711	246	133	111	221
Retail	161	37	30	53	42	156	107	32	39	-22
Corporate	248	13	159	56	20	555	139	101	72	242
<b>Shinhan Card<sup>2)</sup></b>	<b>419</b>	91	124	104	100	352	87	102	82	82
<b>Total</b>	<b>829</b>	141	313	213	162	1,064	333	235	193	303

Note 1) SHB figures are separate basis

Note 2) SHC figs. excluding Provision for Other Allowances

## Write-Offs & NPL Sales

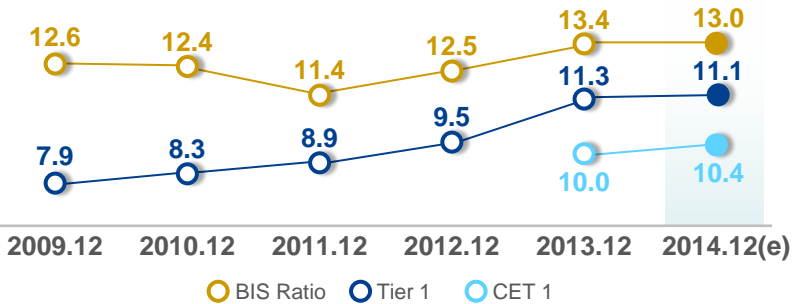
(KRW bil.)	FY14	1Q	2Q	3Q	4Q	FY13	1Q	2Q	3Q	4Q
<b>Shinhan Bank</b>	<b>1,057</b>	198	253	267	339	1,568	128	412	237	791
<b>(Sale)</b>	<b>537</b>	68	159	144	166	806	75	172	142	418
Retail	319	31	75	98	115	527	49	92	88	299
(Sale)	176	25	67	38	47	346	17	62	62	204
Corporate	738	167	178	169	224	1,041	79	321	150	492
(Sale)	360	44	92	106	119	461	58	109	80	214
<b>Shinhan Card</b>	<b>508</b>	104	148	131	125	694	140	216	152	186
<b>Total</b>	<b>1,565</b>	302	402	398	464	2,263	268	629	389	976



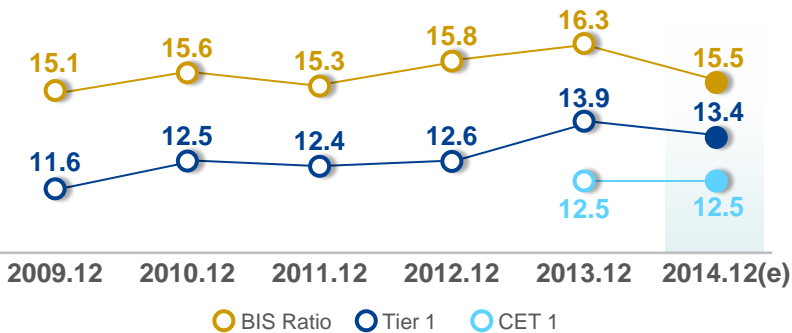


# Capital Adequacy

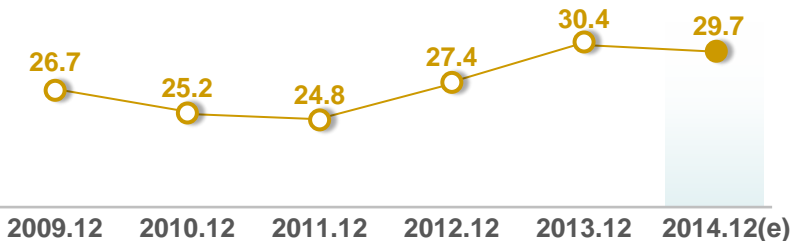
## Group BIS Ratio (%)



## 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.)	2014.12(e)	2013.12	YTD%	2014.9	QoQ%
Risk-Weighted Assets	199,161	190,717	4.4	193,938	2.7
Capital	25,901	25,606	1.2	26,073	-0.7
CET 1	20,679	19,120	8.2	20,883	-1.0
Tier 1	22,176	21,538	3.0	22,370	-0.9
BIS Ratio	13.0%	13.4%	-0.4%p	13.4%	-0.4%p
CET 1	10.4%	10.0%	0.4%p	10.8%	-0.4%p
Tier 1	11.1%	11.3%	-0.2%p	11.5%	-0.4%p

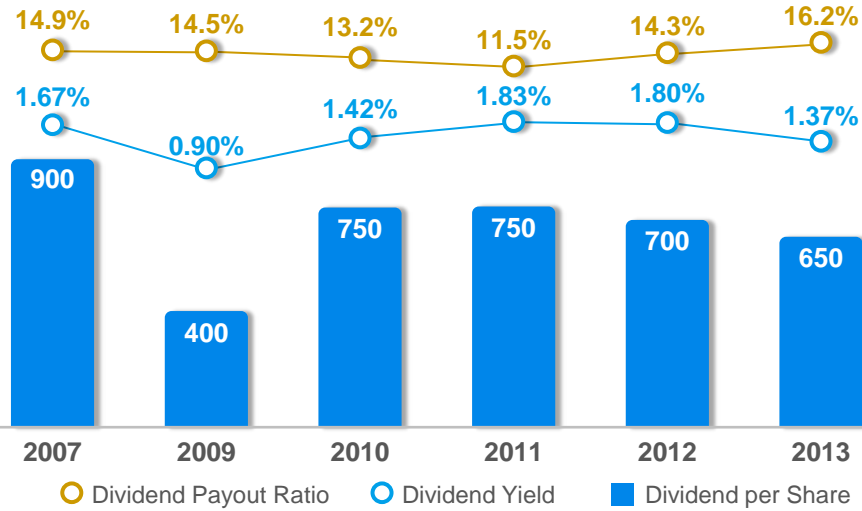
## Shinhan Bank BIS Ratio

(KRW bil.)	2014.12(e)	2013.12	YTD%	2014.9	QoQ%
Risk-Weighted Assets	135,544	129,277	4.8	131,261	3.3
Capital	20,947	21,057	-0.5	21,275	-1.5
CET 1	17,000	16,130	5.4	17,364	-2.1
Tier 1	18,102	18,021	0.4	18,466	-2.0
BIS Ratio	15.5%	16.3%	-0.8%p	16.2%	-0.7%p
CET 1	12.5%	12.5%	0.0%p	13.2%	-0.7%p
Tier 1	13.4%	13.9%	-0.5%p	14.1%	-0.7%p

# Key Financial Indices

## Dividend

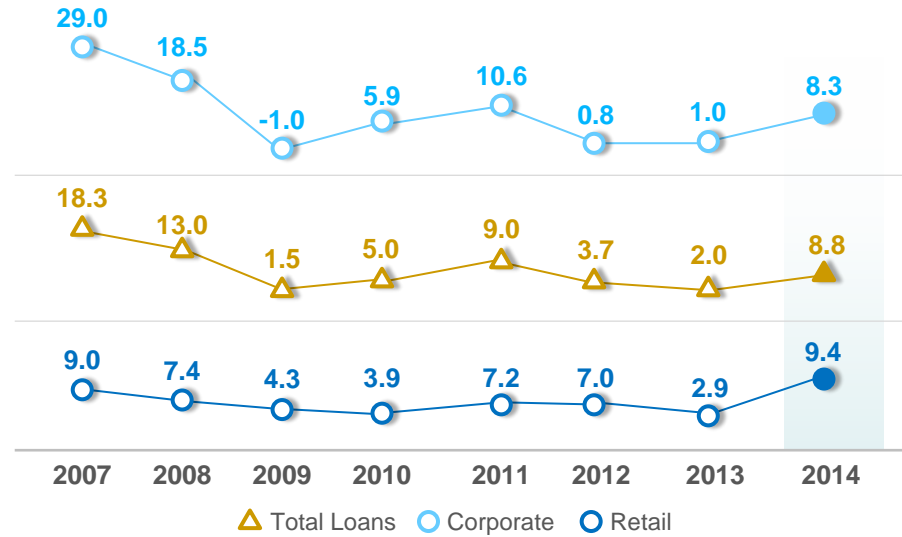
(KRW bil.)



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

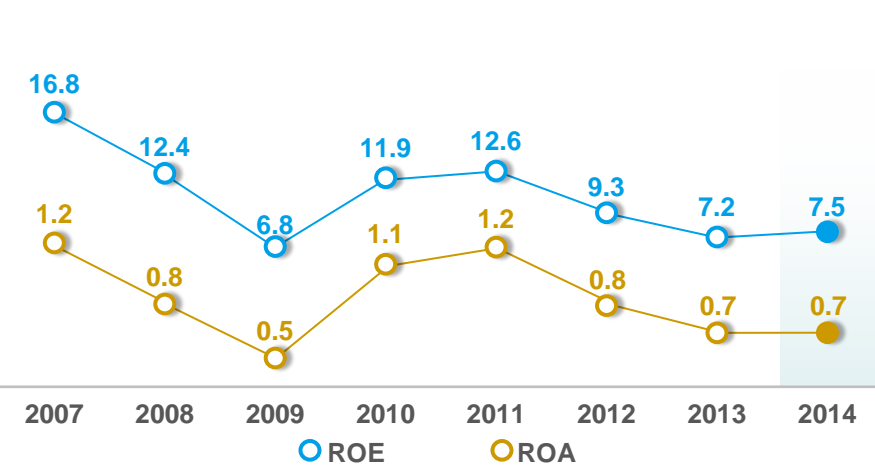
## SHB Loan Growth Rate

(%)



## ROA / ROE

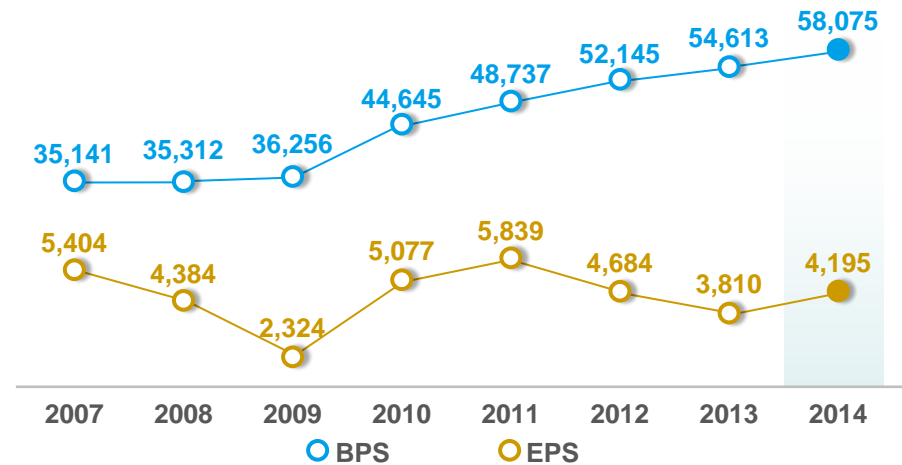
(%)



Note) ROE based on common stock

## BPS / EPS

(KRW)



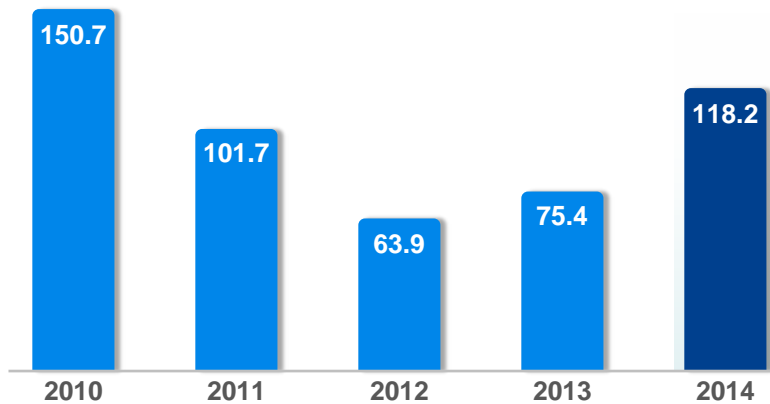
Note) Based on common stock



# SFG Subsidiaries\_Shinhan Investment Corp. (1)

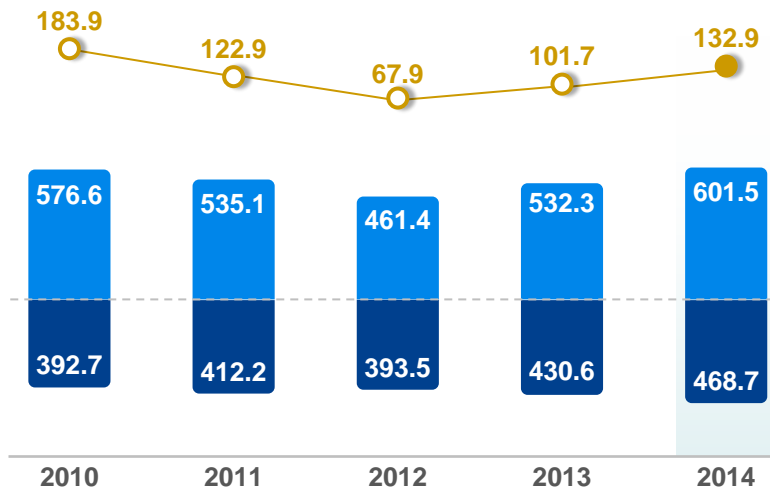
## Net Income

(KRW bil.)



## Operating Income

(KRW bil.)



○ Operating Income    ■ Operating Revenue    ■ Operating Expense

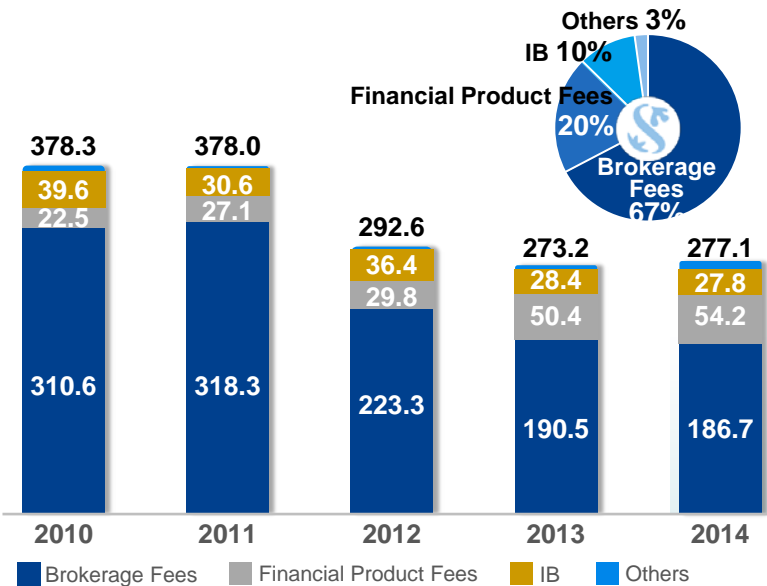
## Condensed I/S & Key Financial Indices

(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
<b>Operating Revenue</b>	<b>601.5</b>	532.3	13.0	156.4	167.0	-6.3
<b>Fees &amp; Commission</b>	<b>277.1</b>	273.2	1.4	70.1	72.8	-3.7
<b>Proprietary Trading</b>	<b>251.9</b>	137.2	83.5	59.6	68.9	-13.6
<b>Others</b>	<b>72.6</b>	121.9	-40.4	26.7	25.2	5.9
<b>Operating Expense</b>	<b>468.7</b>	430.6	8.8	121.6	122.9	-1.1
<b>G&amp;A Expenses</b>	<b>398.6</b>	372.1	7.1	103.5	99.2	4.3
Commission Expense	<b>67.6</b>	49.3	37.2	19.1	20.2	-5.7
Provision for Credit Losses	<b>2.4</b>	9.2	-73.7	-0.9	3.6	n.a.
<b>Operating Income</b>	<b>132.9</b>	101.7	30.7	34.8	44.0	-21.0
<b>Net Income</b>	<b>118.2</b>	75.4	56.9	26.9	42.9	-37.3
<b>Net Capital Ratio(%)</b>	<b>431.6%</b>	493.3%	-61.7%p	431.6%	437.5%	-5.9%p
<b>ROE</b>	<b>5.2%</b>	3.4%	1.8%p	5.2%	5.4%	-0.2%p
<b>ROA</b>	<b>0.5%</b>	0.4%	0.1%p	0.5%	0.5%	0.0%p

Note) ROE, ROA are calculated on a cumulative basis

## Fees & Commission

(KRW bil.)

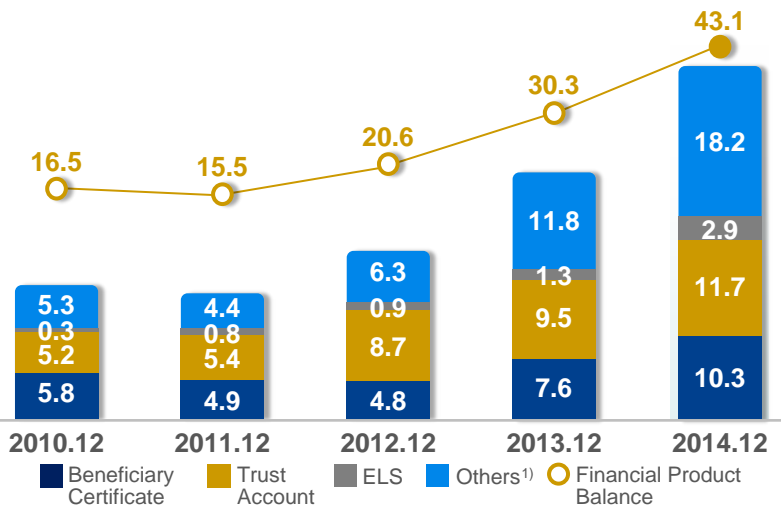


## Fees & Commission

(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
<b>Fees &amp; Commission</b>	<b>277.1</b>	273.2	1.4	70.1	72.8	-3.7
<b>Brokerage Fees</b>	<b>186.7</b>	190.5	-2.0	47.8	51.3	-6.8
<b>Financial Product Fees</b>	<b>54.2</b>	50.4	7.6	12.4	14.0	-11.6
<b>IB</b>	<b>27.8</b>	28.4	-2.1	6.5	4.9	33.6
<b>Others</b>	<b>8.4</b>	3.9	116.0	3.5	2.7	30.2

## Financial Products

(KRW tril.)

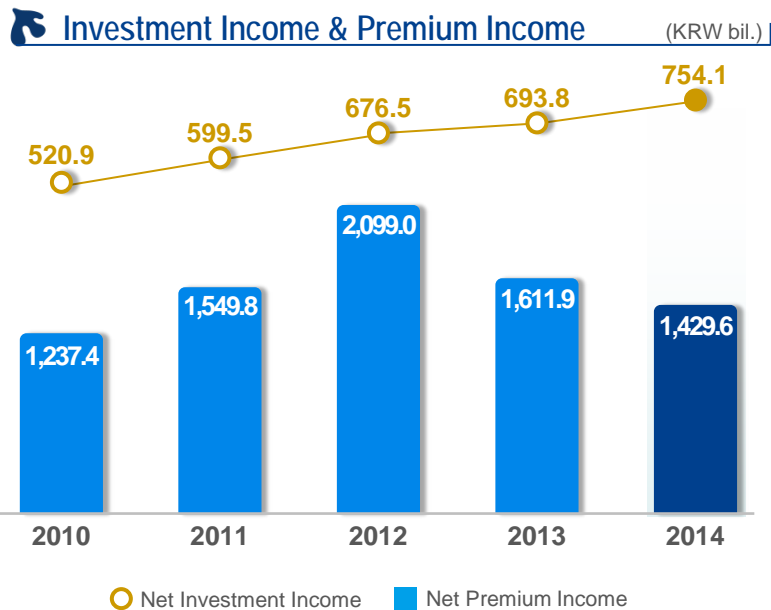
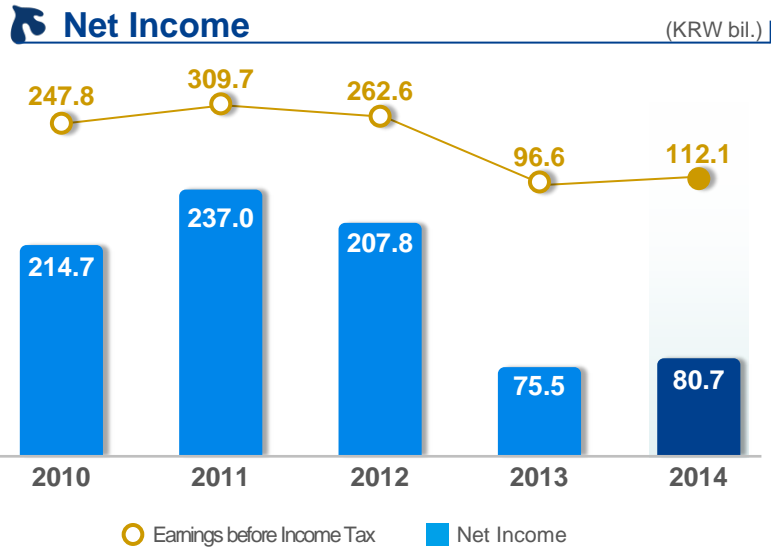


## Balance of Financial Products

(KRW tril.)	2014.12	2013.12	YTD%	2014.9	QoQ%
<b>Financial Products</b>	<b>43.1</b>	30.3	42.5	40.4	6.7
<b>Beneficiary Certificate</b>	<b>10.3</b>	7.6	35.2	9.1	13.1
<b>Trust Account</b>	<b>11.7</b>	9.5	23.0	10.8	8.7
<b>ELS</b>	<b>2.9</b>	1.3	116.0	2.5	15.4
<b>Others</b>	<b>18.2</b>	11.8	54.6	18.0	1.1

Note 1) Sum of Wrap, RP and Micro Debentures

# SFG Subsidiaries\_Shinhan Life Insurance (1)



## Condensed I/S & Key Financial Indices

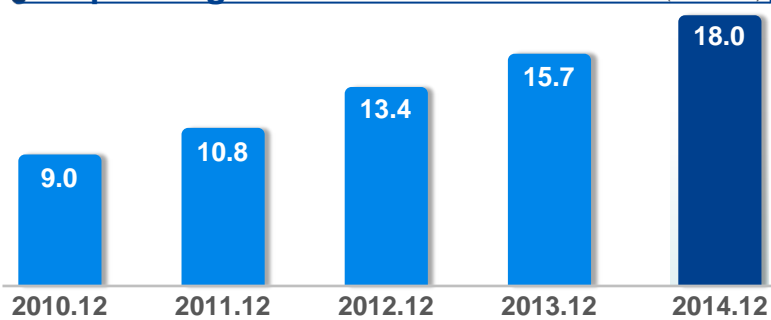
(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
<b>Total Income</b>	<b>2,212.5</b>	2,342.7	-5.6	542.8	551.7	-1.6
Net Premium Income	<b>1,429.6</b>	1,611.9	-11.3	347.7	351.5	-1.1
Net Investment Income	<b>754.1</b>	693.8	8.7	198.0	186.8	6.0
Special Account/Others	<b>28.8</b>	37.0	-22.1	-2.9	13.4	n.a.
Policy Reserve Write Back(Δ)	<b>2,100.5</b>	2,246.1	-6.5	526.9	518.5	1.6
Earnings before Income Tax	<b>112.1</b>	96.6	16.0	16.0	33.2	-51.9
<b>Net Income</b>	<b>80.7</b>	75.5	6.9	12.5	26.9	-53.3
Solvency Margin Ratio	<b>230.8%</b>	253.1%	-22.3%p	230.8%	257.6%	-26.8%p
ROE	<b>5.8%</b>	5.7%	0.1%p	5.8%	6.6%	-0.8%p
ROA	<b>0.4%</b>	0.4%	0.0%p	0.4%	0.4%	-0.0%p

Note) ROE, ROA are calculated on a cumulative basis

# SFG Subsidiaries\_Shinhan Life Insurance (2)

## Operating Assets

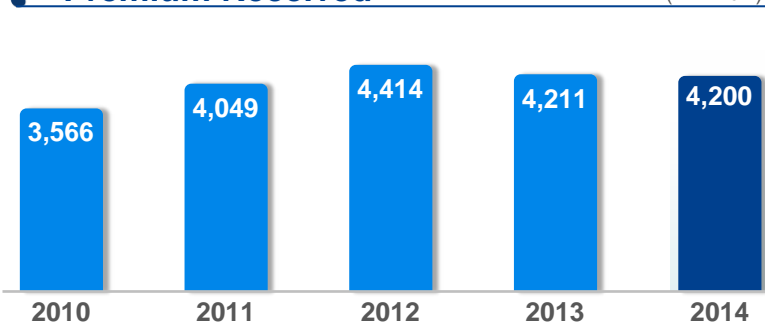
(KRW tril.)



Note) Excluding Retirement Pension

## Premium Received

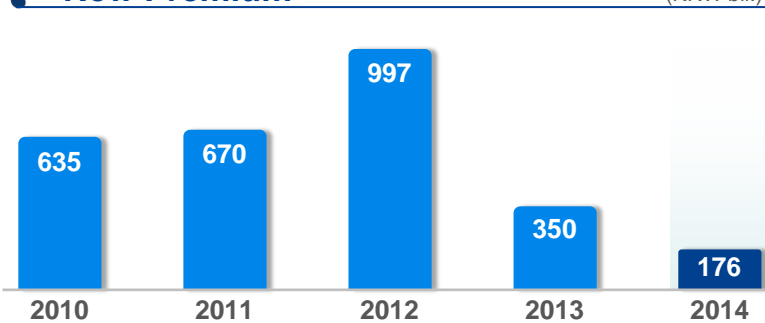
(KRW bil.)



Note) Excluding Retirement Pension

## New Premium

(KRW bil.)



Note) Excluding Retirement Pension

## Operating Assets & Special Account Assets

(KRW bil.)	2014.12	2013.12	YTD%	2014.9	QoQ%
Operating Assets	18,011.4	15,676.7	14.9	17,473.8	3.1
Fixed Income	8,558.9	8,418.8	1.7	8,944.9	-4.3
Loans	4,919.4	4,160.1	18.3	4,693.9	4.8
Equities	94.7	90.7	4.4	94.8	-0.2
Cash & Deposits	1,485.7	916.6	62.1	1,177.3	26.2
Others	2,952.8	2,090.5	41.2	2,562.9	15.2
Special Account	2,356.5	2,108.6	11.8	2,359.1	-0.1

## Premium Breakdown

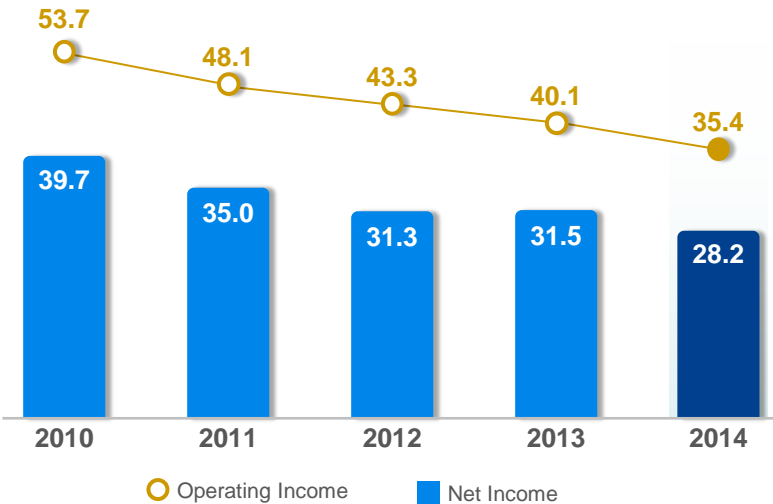
(KRW bil.)	FY14	1Q	2Q	3Q	4Q	FY13	1Q	2Q	3Q	4Q
Prem. Received	4,200	1,038	1,045	1,041	1,077	4,211	1,180	1,001	999	1,031
New Premium	176	50	41	35	50	350	206	41	39	63

Note) Excluding Retirement Pension



## Net Income

(KRW bil.)



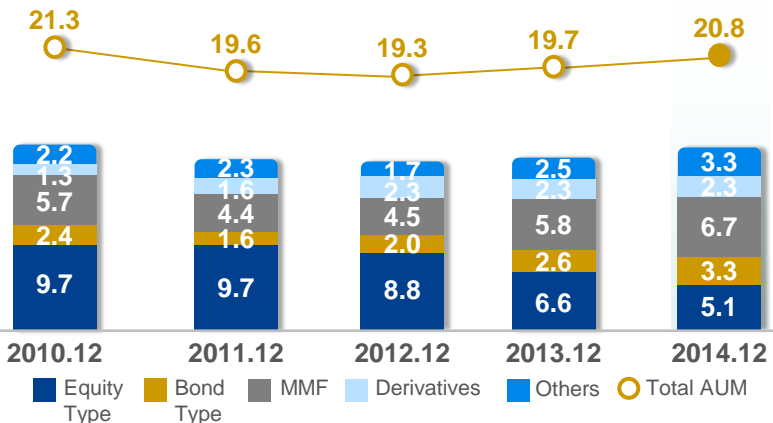
## Condensed I/S & Key Financial Indices

(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
Operating Revenue	89.0	98.0	-9.1	21.7	22.2	-2.3
Operating Expense	53.6	57.9	-7.4	13.8	13.3	3.5
(G&A Expenses)	39.2	37.8	3.5	10.4	9.7	6.9
Operating Income	35.4	40.1	-11.7	7.9	8.9	-11.0
Net Income	28.2	31.5	-10.4	6.8	7.0	-3.4
ROE	18.9%	21.8%	-2.9%p	18.9%	19.8%	-0.9%p

Note) ROE is calculated on a cumulative basis

## Assets Under Management

(KRW tril.)



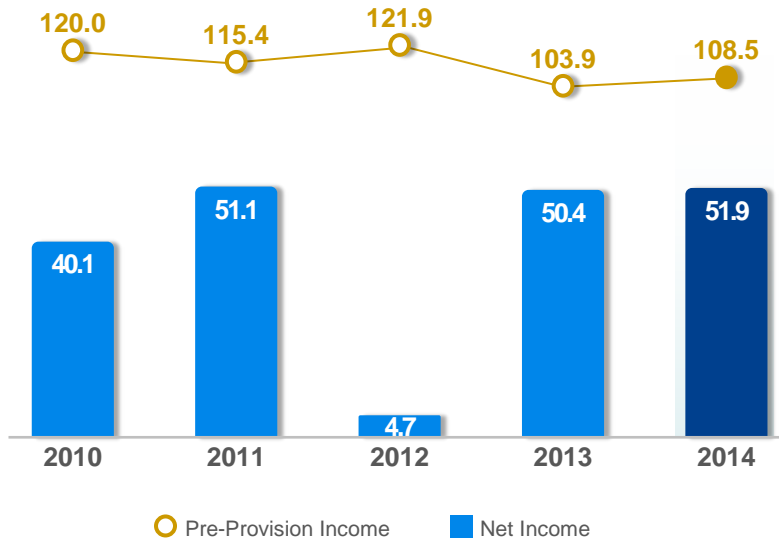
## Assets Under Management

(KRW tril.)	2014.12	2013.12	YTD%	2014.9	QoQ%
Total AUM	20.8	19.7	5.2	21.1	-1.6
Equity Type	5.1	6.6	-22.8	5.5	-7.9
Bond Type	3.3	2.6	29.4	3.0	9.4
MMF	6.7	5.8	16.8	7.2	-5.7
Derivatives	2.3	2.3	-1.8	2.3	-0.4
Others	3.3	2.5	33.1	3.1	7.5

Note) Excluding discretionary accounts

## Net Income

(KRW bil.)



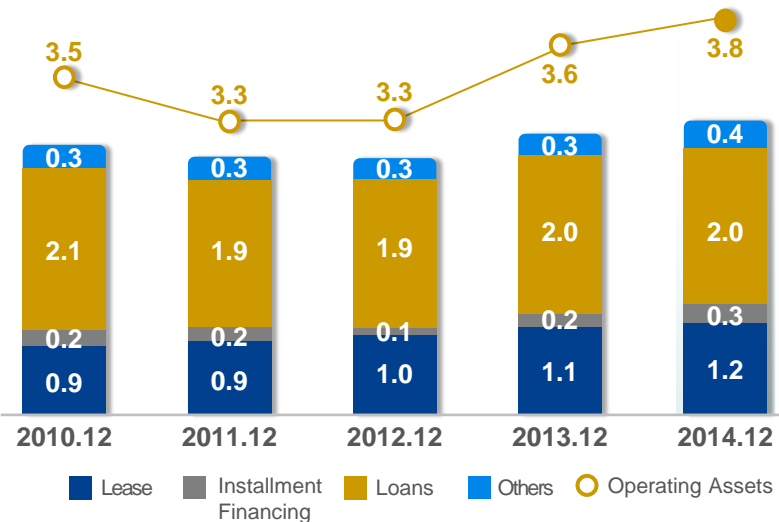
## Condensed I/S & Key Financial Indices

(KRW bil.)	FY14 (Acc.)	FY13 (Acc.)	YoY%	4Q14	3Q14	QoQ%
Operating Revenue	328.1	319.7	2.6	106.8	57.9	84.5
Operating Expense	219.6	215.8	1.8	69.2	38.1	81.5
(Interest Expense)	110.6	117.7	-6.0	27.0	27.4	-1.5
(G&A Expenses)	30.3	25.2	20.4	7.3	6.4	13.8
Pre-Provision Income	108.5	103.9	4.4	37.7	19.8	90.2
Provision for Credit Losses	42.5	38.5	10.3	18.8	9.8	91.9
Net Income	51.9	50.4	3.1	14.8	7.9	88.8
ROE	9.6%	10.2%	-0.6%p	9.6%	9.2%	0.4%p
ROA	1.4%	1.4%	0.0%p	1.4%	1.3%	0.1%p

Note) ROE, ROA are calculated on a cumulative basis

## Operating Assets

(KRW tril.)

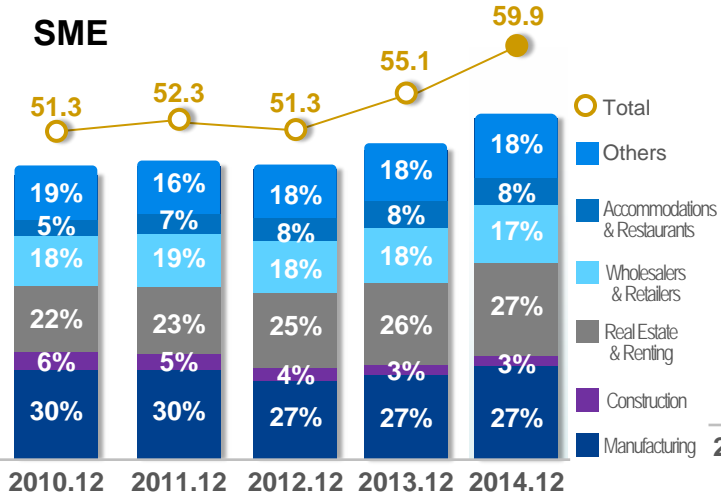


## Operating Assets

(KRW tril.)	2014.12	2013.12	YTD%	2014.9	QoQ%
Operating Assets	3.8	3.6	5.0	3.7	2.6
Lease	1.2	1.1	4.6	1.1	7.0
Installment Financing	0.3	0.2	26.2	0.2	8.0
Loans	2.0	2.0	1.5	2.1	-2.4
Others	0.4	0.3	15.0	0.3	16.5

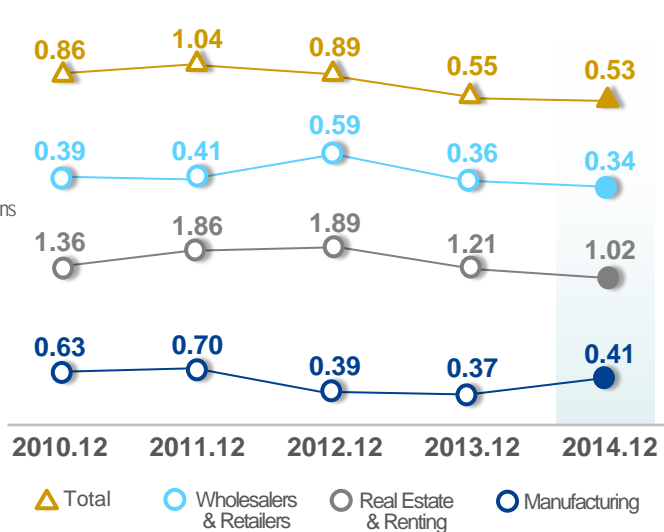
# SHB SME Loans

## Loans (KRW tril.)

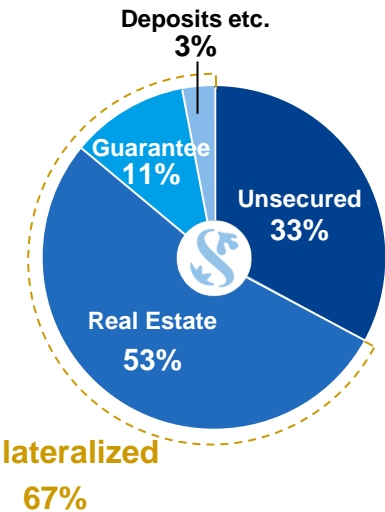


Note) SME Loan by Borrowers as of December 31, 2014  
: SOHO 51%, Registered 23%, Unregistered 26%

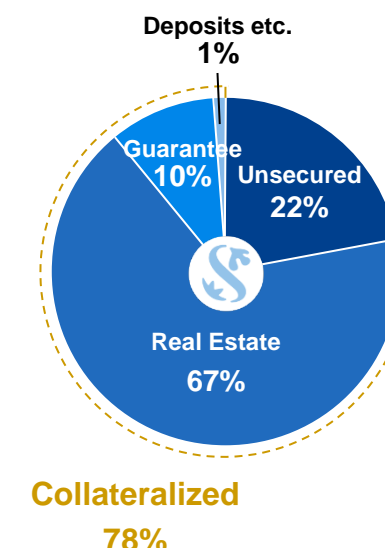
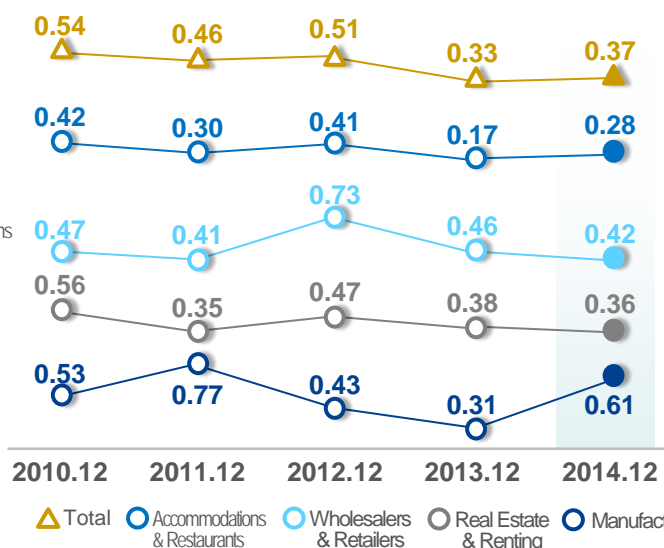
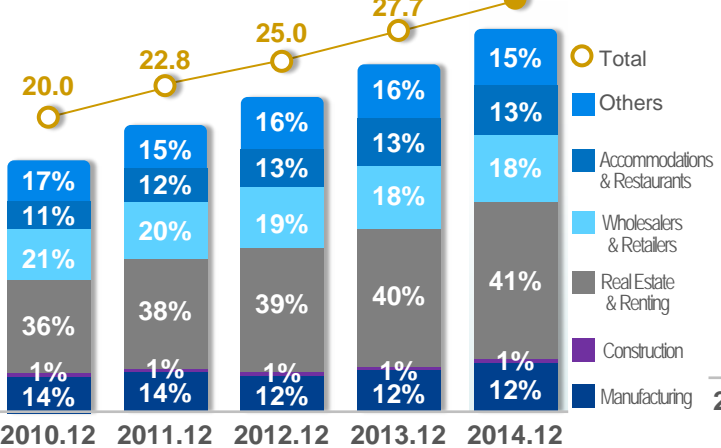
## Delinquency (%)



## Collateral (%)

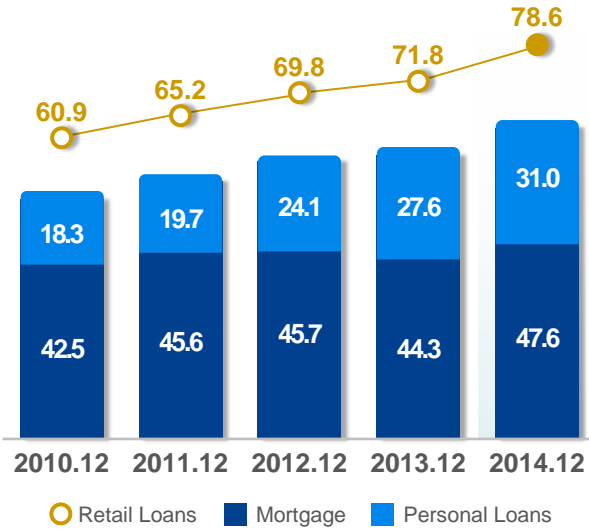


## SOHO



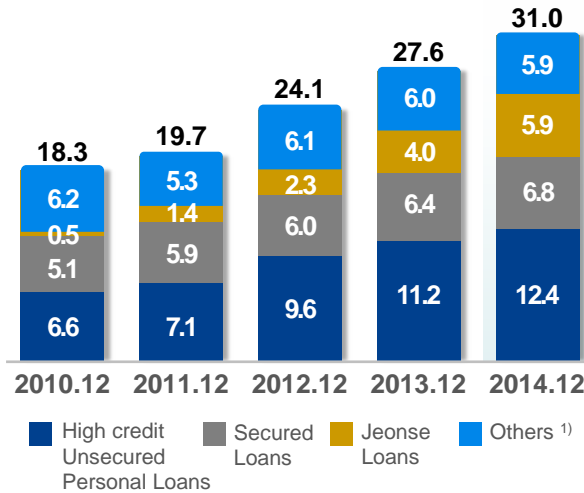
# SHB Retail Loans

## Loans (KRW tril.)

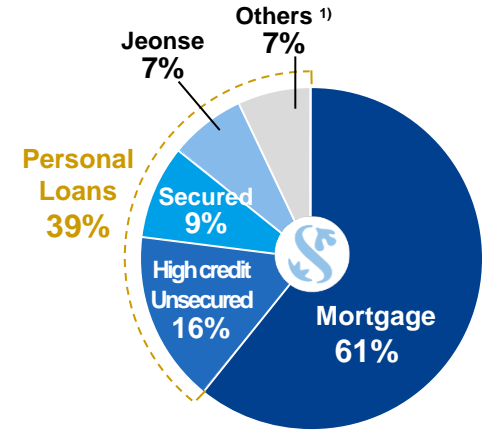


## Retail Personal Loans (KRW tril.)

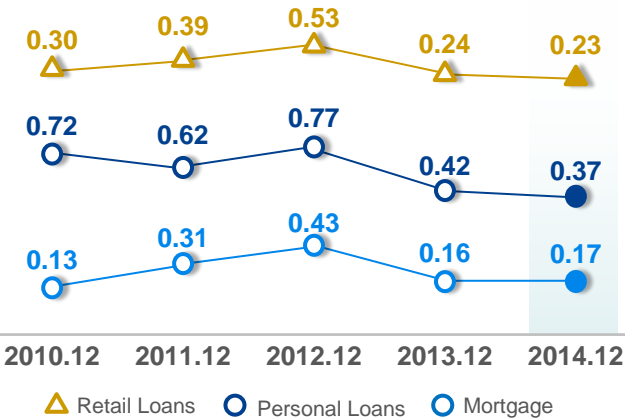
Note 1) Including unsecured personal loans, collective loans, home equity loans etc.



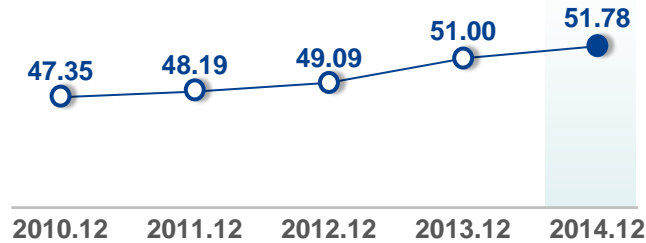
## Loan Composition



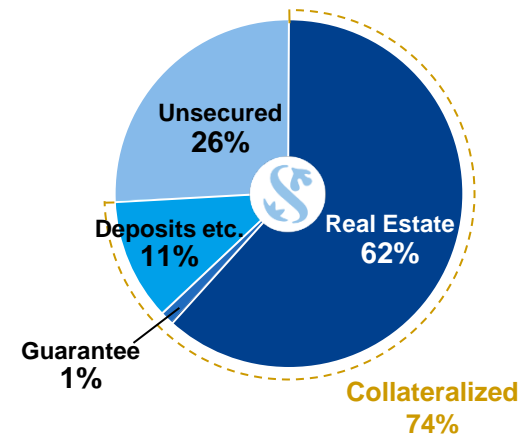
## Delinquency (%)



## LTV (%)



## Collateral (%)



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