



Business Results

2017 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 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.



Contents

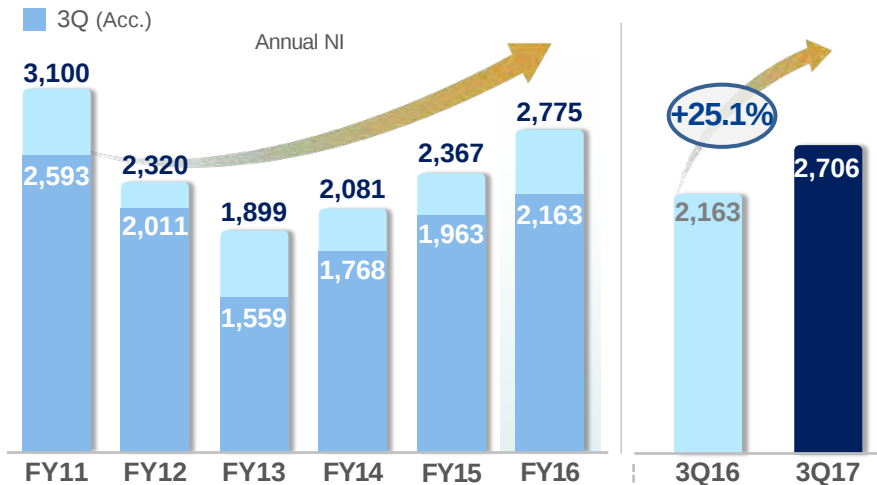
- I . 2017 3Q Business Results Highlights
- II . Income
- III . Assets & Liabilities
- IV . Asset Quality
- V . Capital Adequacy
- VI . Appendix



2017 3Q Business Results Highlights ①

Group Net Income

(KRW bil.)



1

Net Income improvement realized across major business lines

2,706 bil.

(2017 3Q Net Income, Accumulated)

2

Solid core earnings growth achieved by active loan growth along with NIM stabilization

4.0%

(SHB Loan Growth, YTD)

3

Cost management consistently maintained throughout the business lines

Δ0.2%

(SG&A Growth YoY, 3Q16 vs 3Q17, Accumulated)

4

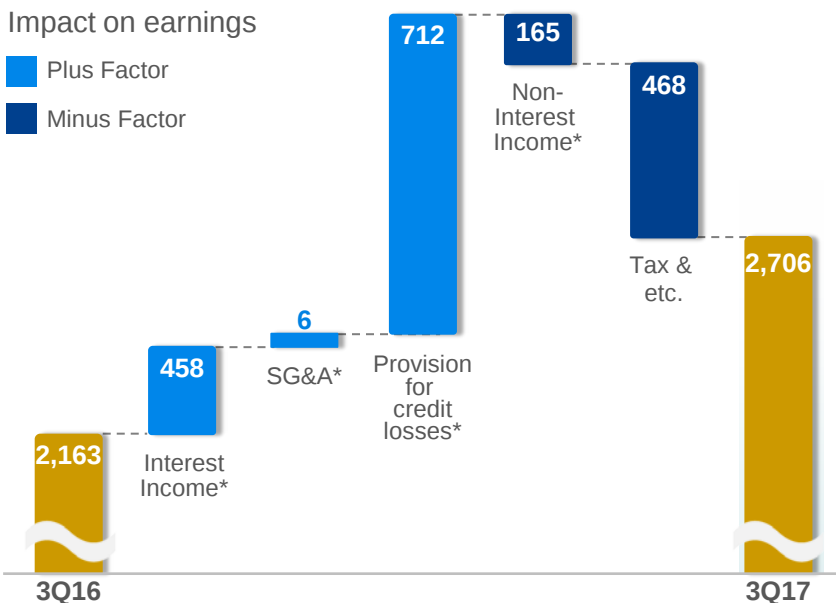
Credit cost brought down to historically lowest level (on recurring basis)

27bp

(Normalized credit cost ratio excluding write-backs from SHC)

Impact on earnings

Plus Factor
Minus Factor



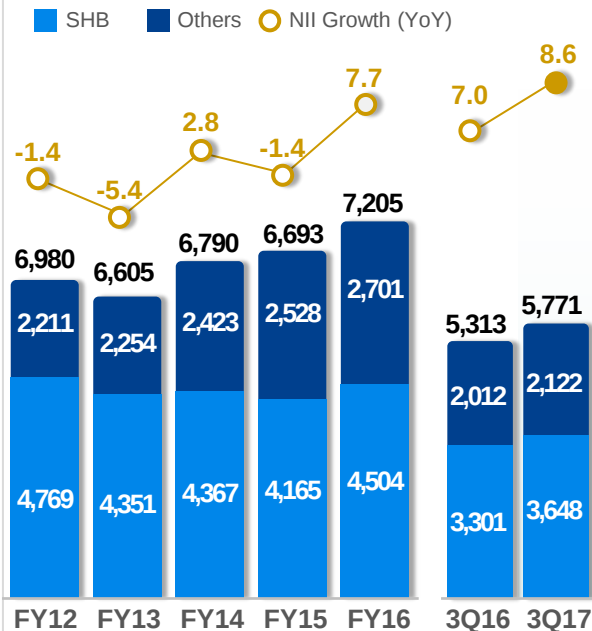
* Earnings before income tax

- SFG posted 3Q NI 817.3 bil., exceeding 800 bil. mark for three consecutive quarters proving its competitive strength in operation capability.
- Strong operating performance underpinned by solid earnings contribution from both Bank and Non-Bank operations.

2017 3Q Business Results Highlights ②

Interest Income

(%, KRW bil.)

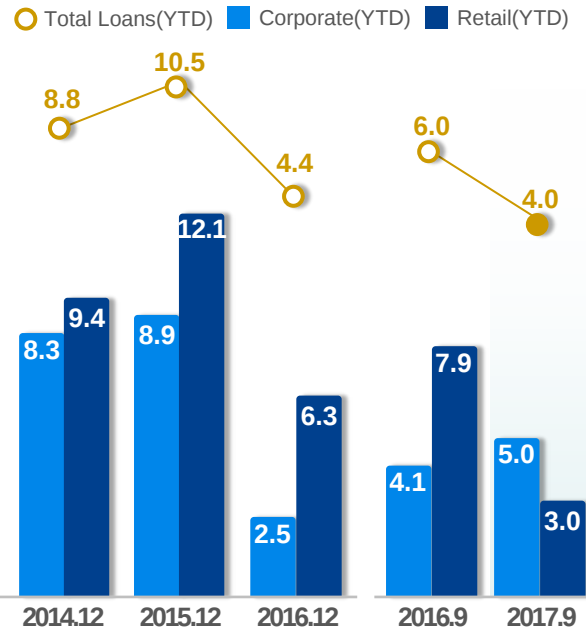


NII Riding Upward Trajectory

- SFG's Interest income increased by 8.6% YoY attributed to resilient loan growth coupled with continuing margin stabilization.
- NII improvement is attributed to constant drive to focus on quality asset growth over the past 3 years.

SHB Loan Growth

(%)



Active Loan Growth

- KRW loan balance as end of 3Q17 marked 192 tril. up by 4.0% YTD and 3.2% QoQ. (up by 5.4% YTD., incl. mortgage securitization)
- Growth was mostly driven by two sectors; SME loan and Retail personal loan, each increased by 4.1% and 4.0% QoQ respectively.
- Low cost deposits increased by 12.0% YTD, whereas time savings decreased by 1.9% YTD.

NIM

(%)

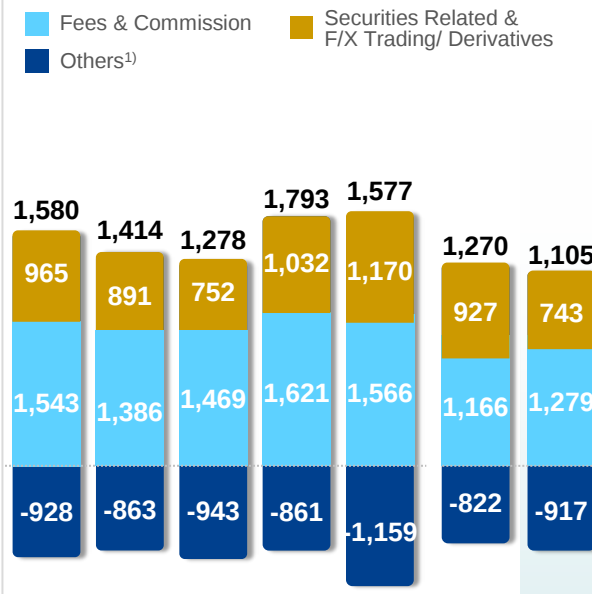


Stable Margin

- During 3Q17, SHB's NIM well-maintained at 1.56% notwithstanding the stronger loan growth. Attributed to 1) effective A&L management based on active loan growth with defensive pricing policy along with year-round efforts to draw more low-cost deposits.
- Group NIM including credit card marked 2.01%, 1bp contraction QoQ, due to decrease in cash advance loans and increase in funding ahead of interest rate hike.

2017 3Q Business Results Highlights ③

Non-Interest Income (% , KRW bil.)

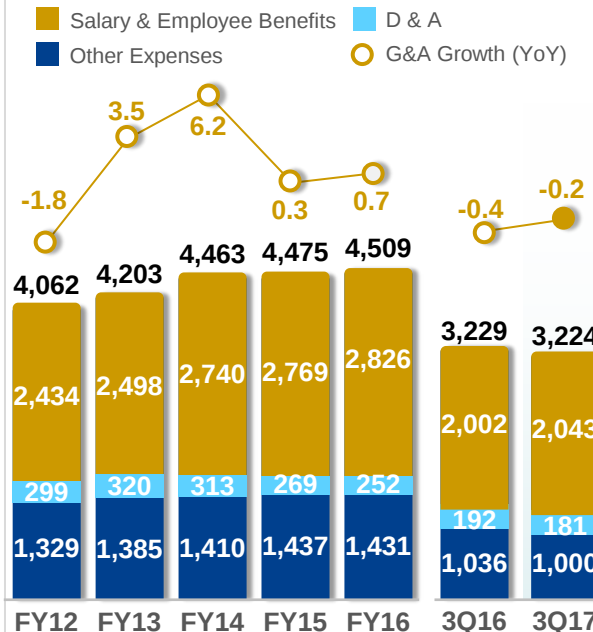


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

Resilient Fee Income

- Non-interest income dropped by 13.0% YoY, due to decreased non-recurring sales gains from securities disposal and absence of one-off derivative gains in 1H16. However, general fee income increased by 9.8% YoY.
- NI contribution from non-bank subsidiaries during 3Q17(acc.) improved by 5%p reaching 40% out of the group's total net profit.

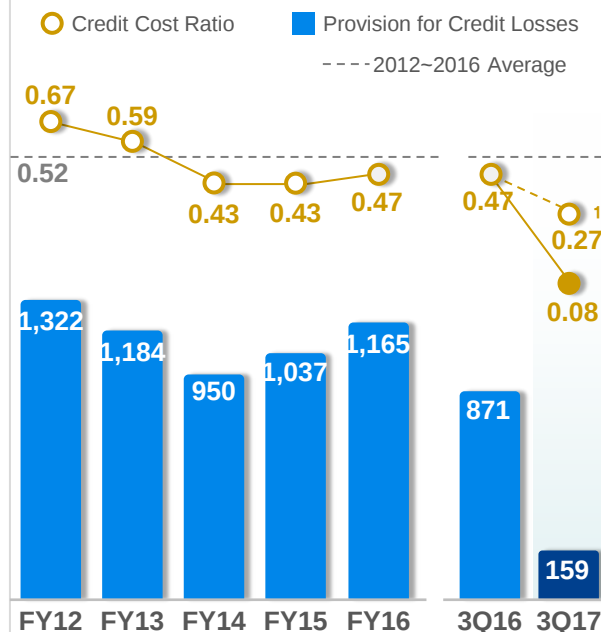
G&A Expenses (% , KRW bil.)



Disciplined Cost Management

- SG&A declined by 0.2% YoY, through continuous tightened cost control.
- SG&A well-tamed below 1% level for three consecutive years attributed to group-wide persistent cost control strategy.

Credit Cost (% , KRW bil.)



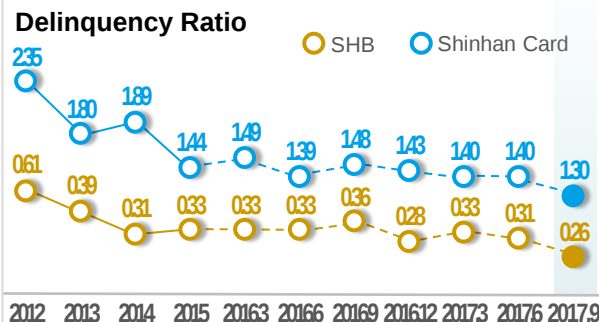
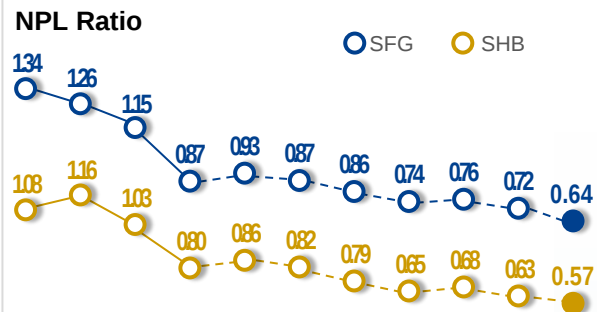
Note 1) Excluding write-backs from Shinhan Card

Record Low Credit Cost

- Credit cost trend entered into a improvement trajectory, continuously stabilizing.
- SHB's provision has decreased by 56.5% YoY to 241bil., attributed to stable asset quality and elimination of one-off provision burdens related to restructuring companies(Shipping & Shipbuilding).
- SHC had a significant drop in credit cost YoY, mainly due to reversal of allowances in 1Q17. Excluding one-offs, provision YoY had a slight increase mainly due to credit card loan growth.

2017 3Q Business Results Highlights ④

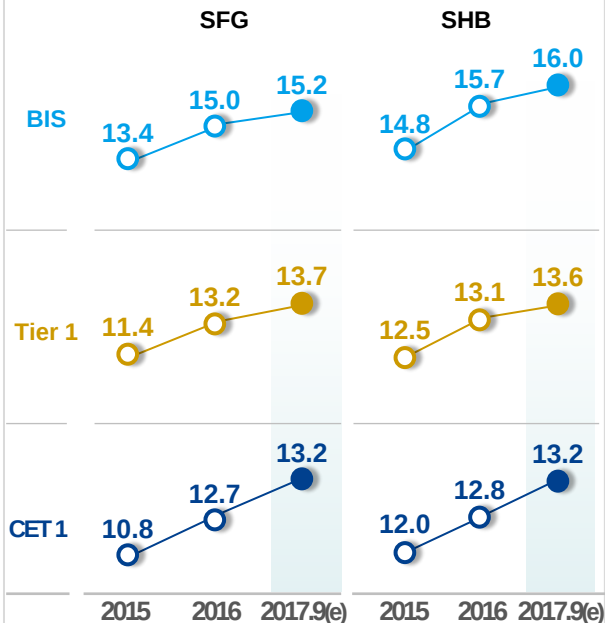
Asset Quality



Lowest Level in History

- NPL ratio for the Group and SHB recorded 0.64% and 0.57%, improved by 8bp and 6bp QoQ respectively. Asset quality trend reached to lowest NPL level in history both for the Group and SHB.
- NPL coverage ratio for the Group and SHB each marked 246% and 229%, increasing by 21%p and 18%p QoQ respectively.
- SHB and SHC delinquency ratio recorded 0.26% and 1.30%, which improved by 5bp and 10bp respectively.

Capital Adequacy

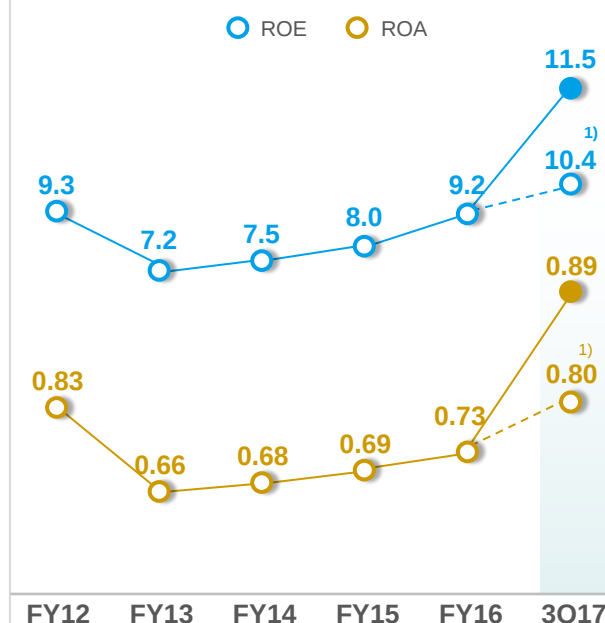


Note) Based on Basel 3

Strong Capital Base

- Based on BASEL3, Group's Common Equity Tier1 and BIS ratio each marked 13.2% and 15.2% driven by growth in earnings with suitable level of risk weighted asset growth.
- Based on BASEL3, SHB's Common Equity Tier1 and BIS ratio each marked 13.2% and 16.0%.

ROE & ROA



Note 1) Excluding write-backs from Shinhan Card

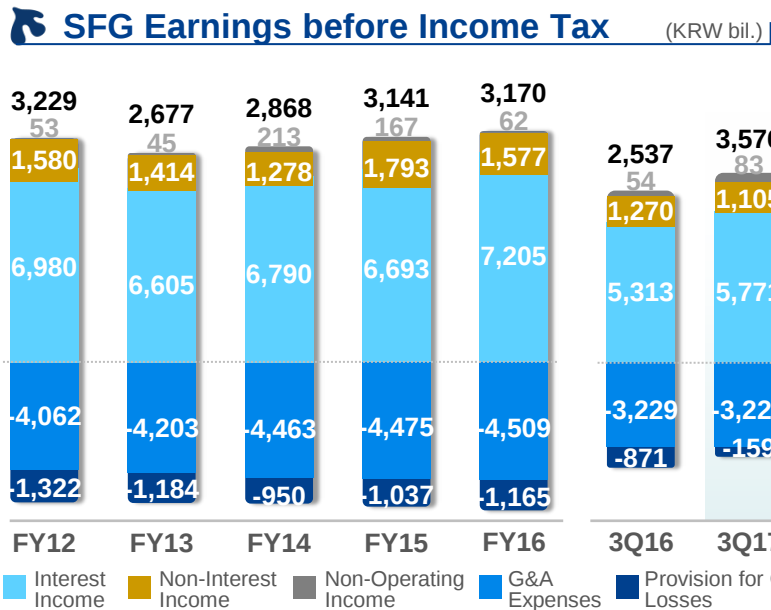
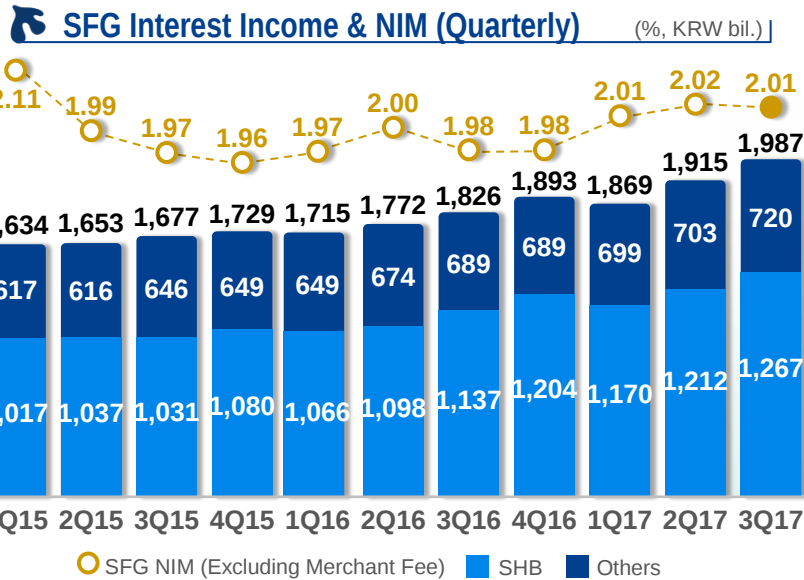
ROE and ROA Improvement

- Group ROE recorded 11.5%, 2.3%p hike YTD driven by solid earning growth.
- Group ROA recorded 0.89%, 0.16%p improvement YTD attributed to strong operating performance both from bank and non-bank subsidiaries with healthy trend in NIM and credit cost.

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





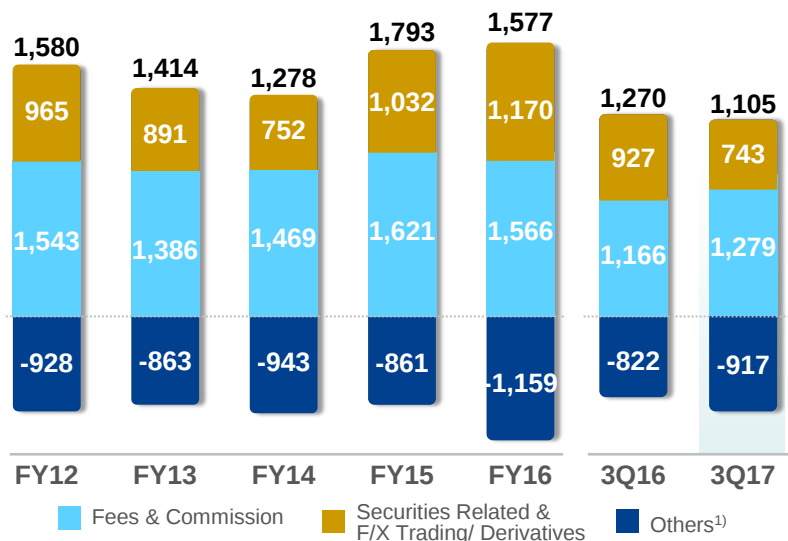
(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Operating Income (a=b+c)	6,875.9	6,583.1	4.4	2,328.1	2,381.2	-2.2
Interest Income (b)	5,770.7	5,312.8	8.6	1,986.8	1,914.7	3.8
Non-Interest Income (c)	1,105.1	1,270.3	-13.0	341.2	466.5	-26.9
G&A Expenses (d)	3,223.7	3,229.4	-0.2	1,080.6	1,078.4	0.2
Pre-Provision Oper. Income (e=a-d)	3,652.1	3,353.7	8.9	1,247.5	1,302.8	-4.2
Non-Operating Income (f)	82.5	54.3	52.0	41.1	34.0	21.0
Pre-Provision Income (g=e+f)	3,734.7	3,408.0	9.6	1,288.6	1,336.8	-3.6
Provision for Credit Losses (h)	158.9	871.2	-81.8	208.1	147.3	41.3
Earnings before Income Tax (i=g-h)	3,575.7	2,536.8	41.0	1,080.5	1,189.5	-9.2
Income Tax	838.1	326.3	156.9	252.0	287.6	-12.4
Consolidated Net Income ¹⁾	2,706.4	2,162.7	25.1	817.3	892.0	-8.4

Note 1) Net Income in Controlling Interest

SFG Non-Interest Income

SFG Non-Interest Income

(KRW bil.)

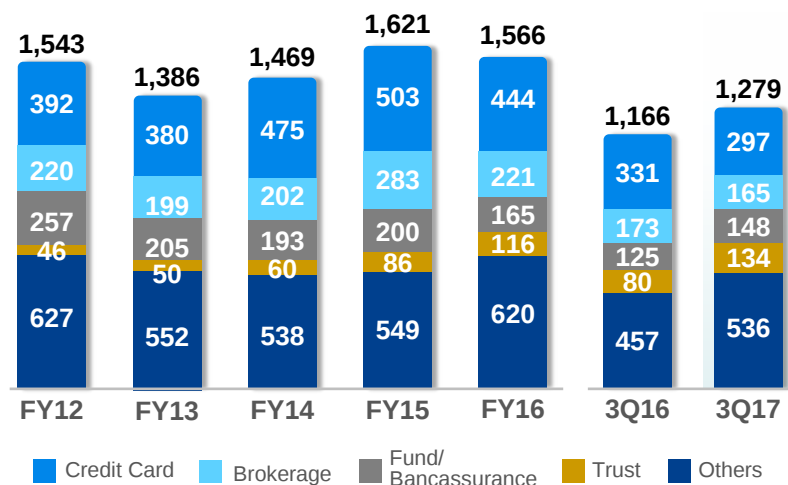


Note 1) Including Insurance Fees on Deposits, Contribution Expenses etc.

(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Non-Interest Income	1,105.1	1,270.3	-13.0	341.2	466.5	-26.9
Fees & Commission	1,279.3	1,165.5	9.8	454.6	437.1	4.0
Securities Related & FX Trading/Derivatives	743.3	926.8	-19.8	229.4	332.0	-30.9
(Gains on Sale of AFS Securities)	338.5	529.0	-36.0	87.6	197.2	-55.6
(Impairment Loss on AFS Securities)	-27.7	-72.5	n.a.	-8.7	-11.9	n.a.
Others	-917.4	-822.0	n.a.	-342.8	-302.6	n.a.
(Contribution Expenses)	-187.4	-189.4	n.a.	-63.6	-62.6	n.a.
(Insurance Fees on Deposits)	-250.2	-233.2	n.a.	-83.6	-83.2	n.a.

SFG Fees & Commission

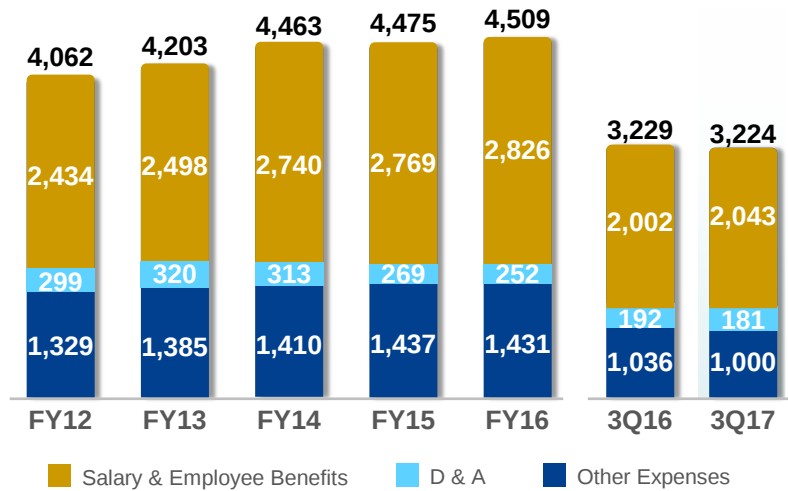
(KRW bil.)



(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Fees & Commission	1,279.3	1,165.5	9.8	454.6	437.1	4.0
Credit Card Fee Income	296.9	331.4	-10.4	115.6	97.4	18.6
Brokerage Commissions	165.3	172.8	-4.3	53.7	58.1	-7.6
Fund/Bancassurance Fees	147.7	125.2	18.0	49.7	49.0	1.4
Trust Fee Income	133.8	79.5	68.2	50.5	45.5	11.0
Others	535.5	456.6	17.3	185.1	187.1	-1.0

SFG G&A Expenses

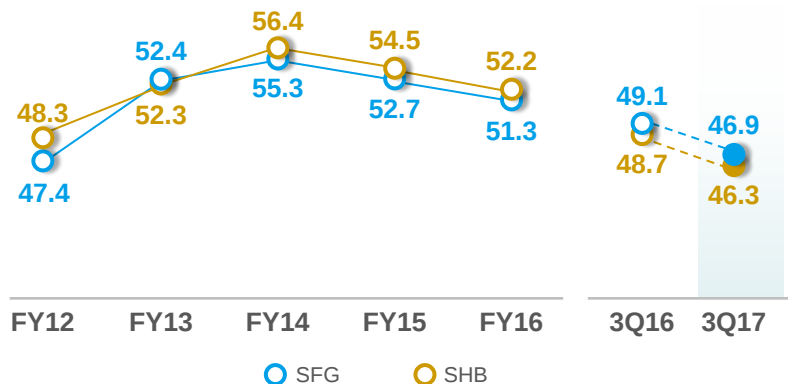
SFG G&A Expenses (KRW bil.)



SFG G&A Expenses

(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
G&A Expenses	3,223.7	3,229.4	-0.2	1,080.6	1,078.4	0.2
Salary & Employee Benefits	2,042.6	2,001.7	2.0	683.2	674.1	1.3
(Early Retirement Program Expenses)	2.1	2.8	-25.4	0.2	-	n.a.
D & A	181.2	191.7	-5.5	58.6	59.1	-1.0
Other Expenses	999.9	1,036.1	-3.5	338.8	345.1	-1.8
(Advertising Expenses)	171.4	204.1	-16.0	65.8	55.5	18.5
(Taxes and Dues)	128.8	127.8	0.7	40.7	47.0	-13.3

Cost-Income Ratio %



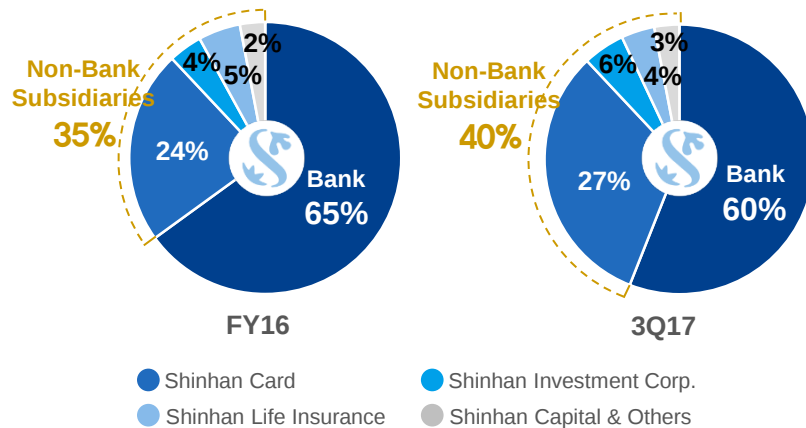
Note) Cumulative Figures

SHB G&A Expenses

(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
G&A Expenses	2,035.0	2,030.8	0.2	676.6	686.8	-1.5
Salary & Employee Benefits	1,242.8	1,234.9	0.6	409.6	408.6	0.3
(Early Retirement Program Expenses)	0.2	0.4	-46.1	-	-	n.a.
D & A	120.1	120.1	-0.1	38.4	38.3	0.2
Other Expenses	672.2	675.8	-0.5	228.5	239.8	-4.7
(Advertising Expenses)	30.9	33.2	-6.9	12.5	11.5	8.7
(Taxes and Dues)	60.1	59.9	0.5	15.8	29.2	-45.8

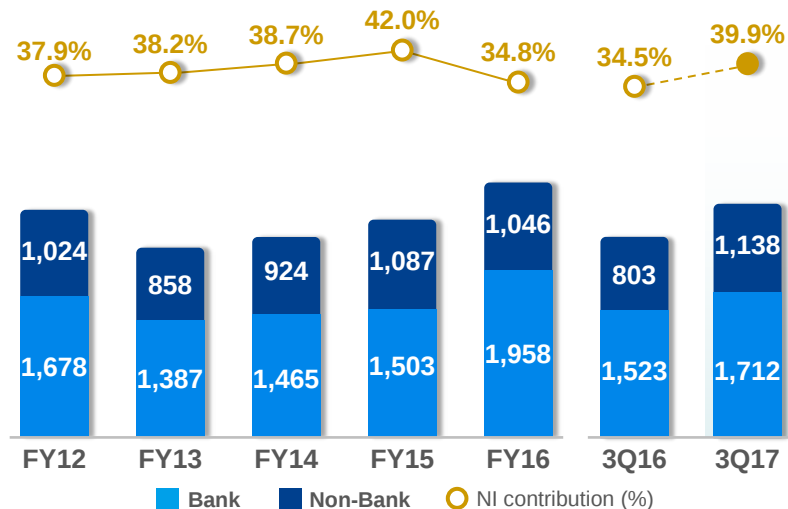
Subsidiaries Income ①

Net Income Contribution by Subsidiaries¹⁾



Note1) After reflecting ownership by SFG

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



Note 1) After reflecting ownership by SFG

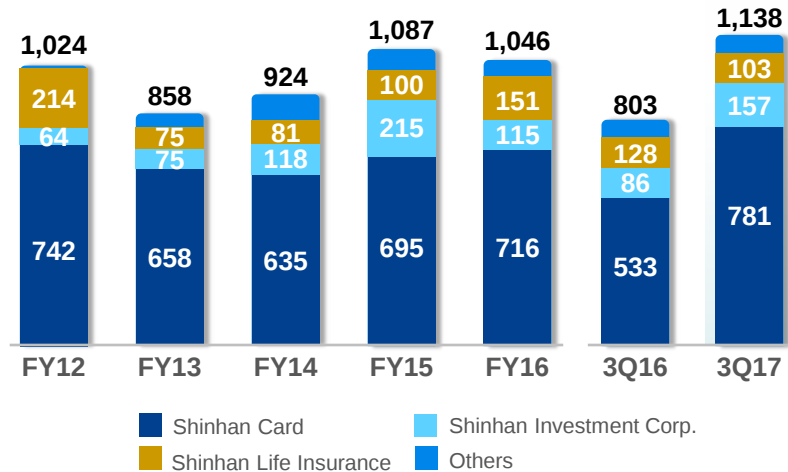
(KRW bil.)	Net Income [A]	Ownership [B]	Net Income (A x Ownership) [C=AxB]	Adjustment [D]	Net Income (Consolidated) [E=C+D]
Bank (a)	1,718.7		1,711.6	-22.4	1,689.1
Shinhan Bank	1,695.9	100.0%	1,695.9	-22.4	1,673.5
Jeju Bank	22.8	68.9%	15.7	-0.0	15.6
Non-Bank (b)	1,143.7		1,138.1	0.2	1,138.4
Shinhan Card	780.6	100.0%	780.6	-0.6	780.1
Shinhan Investment Corp.	157.2	100.0%	157.2	-0.0	157.2
Shinhan Life Insurance	103.4	100.0%	103.4	2.8	106.1
Shinhan BNPP AM	15.8	65.0%	10.3	0.0	10.3
Shinhan Capital	66.9	100.0%	66.9	0.5	67.4
Shinhan Savings Bank	13.0	100.0%	13.0	0.0	13.0
Shinhan Data System	1.3	100.0%	1.3	-2.5	-1.2
Shinhan AITAS	5.4	99.8%	5.4	0.1	5.5
Shinhan Credit Information	0.2	100.0%	0.2	-0.0	0.2
Shinhan Private Equity	-0.1	100.0%	-0.1	-	-0.1
SFG (c)				-121.1²⁾	-121.1
Total (d=a+b+c)¹⁾	2,862.4		2,849.7	-143.3	2,706.4

Note 1) Net Income in Controlling Interest

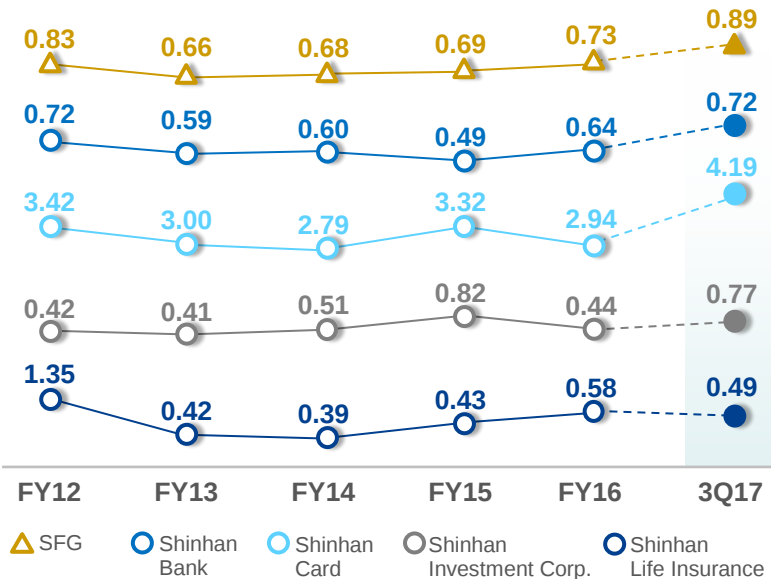
2) SFG (Separate): Brand Fee Income KRW 35.0bil., Interest Expense KRW -114.0bil., G&A etc. KRW -51.7bil.

Subsidiaries Income ②

Non-Bank Net Income (KRW bil.)



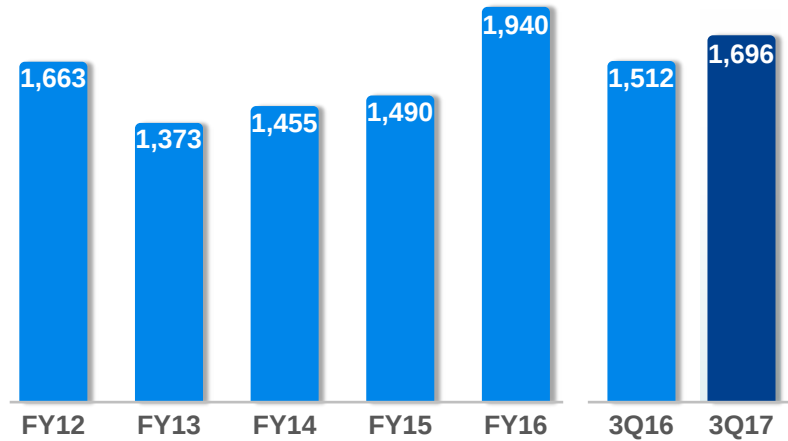
ROA (%)



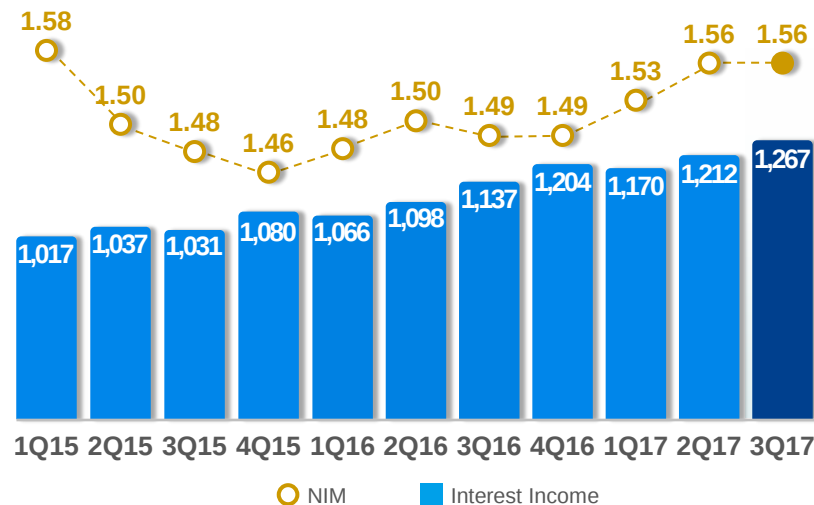
(Reflecting SFG Ownership, KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Bank (a)	1,711.6	1,523.4	12.4	596.6	574.7	3.8
Shinhan Bank	1,695.9	1,511.7	12.2	591.6	569.8	3.8
Jeju Bank	15.7	11.7	33.7	5.0	5.0	0.4
Non-Bank (b)	1,138.1	803.3	41.7	272.8	362.1	-24.7
Shinhan Card	780.6	532.6	46.6	149.5	229.4	-34.8
Shinhan Investment Corp.	157.2	85.8	83.2	63.4	47.8	32.7
Shinhan Life Insurance	103.4	127.6	-19.0	27.7	44.9	-38.4
Shinhan BNPP AM	10.3	7.2	42.2	3.8	3.9	-1.6
Shinhan Capital	66.9	30.1	122.2	20.7	27.6	-24.8
Shinhan Savings Bank	13.0	11.1	16.9	4.8	6.2	-23.5
Shinhan Data System	1.3	1.6	-19.1	0.9	0.3	189.5
Shinhan AITAS	5.4	6.2	-13.0	1.8	1.8	-2.8
Shinhan Credit Information	0.2	0.3	-3.8	0.3	0.2	91.8
Shinhan Private Equity	-0.1	0.8	n.a.	-0.1	0.0	n.a.
Total (a+b)	2,849.7	2,326.7	22.5	869.4	936.9	-7.2
Consolidate Net Income ¹⁾	2,706.4	2,162.7	25.1	817.3	892.0	-8.4

Note 1) Net Income in Controlling Interest

Net Income (KRW bil.)



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



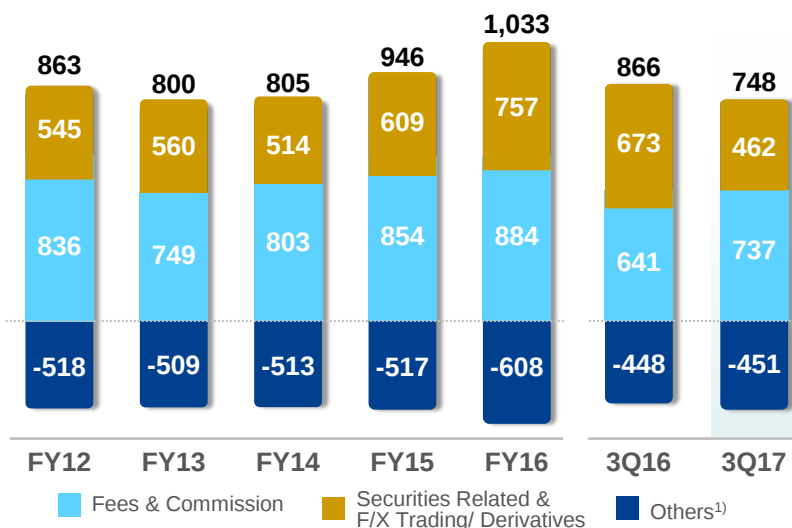
(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Operating Income (a=b+c)	4,396.5	4,166.3	5.5	1,538.8	1,464.2	5.1
Interest Income (b)	3,648.3	3,300.5	10.5	1,266.9	1,211.7	4.6
Non-Interest Income (c)	748.2	865.8	-13.6	271.9	252.5	7.7
G&A Expenses (d)	2,035.0	2,030.8	0.2	676.6	686.8	-1.5
Pre-Provision Oper.Income (e=a-d)	2,361.5	2,135.5	10.6	862.2	777.4	10.9
Non-Operating Income (f)	61.6	61.2	0.6	30.6	20.9	46.3
Pre-Provision Income (g=e+f)	2,423.1	2,196.7	10.3	892.8	798.4	11.8
Provision for Credit Losses (h)	240.7	553.0	-56.5	132.6	48.6	173.1
Earnings before Income Tax (i=g-h)	2,182.4	1,643.7	32.8	760.2	749.8	1.4
Income Tax	486.3	132.0	268.4	168.5	180.0	-6.4
Net Income ¹⁾	1,695.9	1,511.7	12.2	591.6	569.8	3.8

Note 1) Net Income in Controlling Interest

(%)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
NIS (a-b) (quarterly)	1.70	1.64	1.64	1.62	1.65	1.69	1.68	1.69	1.75	1.81	1.82
Loan interest rate (a)	3.62	3.37	3.20	3.10	3.10	3.08	2.99	2.97	3.00	3.03	3.04
Deposit interest rate (b)	1.92	1.73	1.55	1.48	1.45	1.40	1.31	1.28	1.26	1.22	1.22
NIM(quarterly)	1.58	1.50	1.48	1.46	1.48	1.50	1.49	1.49	1.53	1.56	1.56
NIM(cumulative figures)	1.58	1.54	1.52	1.50	1.48	1.49	1.49	1.49	1.53	1.55	1.55

SHB Non-Interest Income

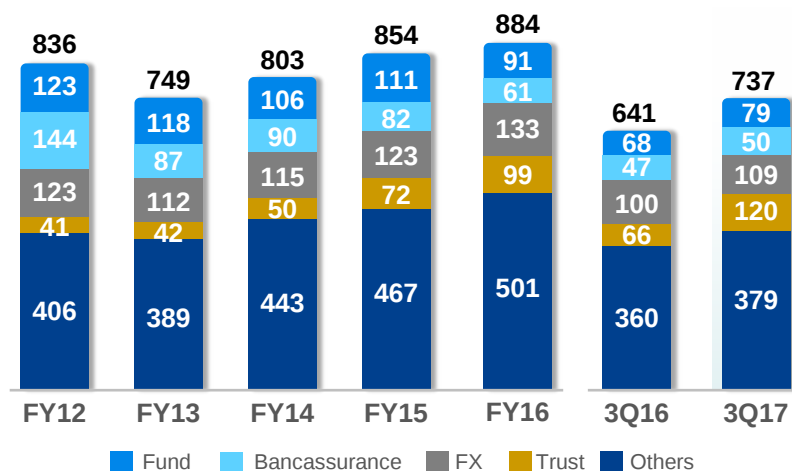
Non-Interest Income (KRW bil.)



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

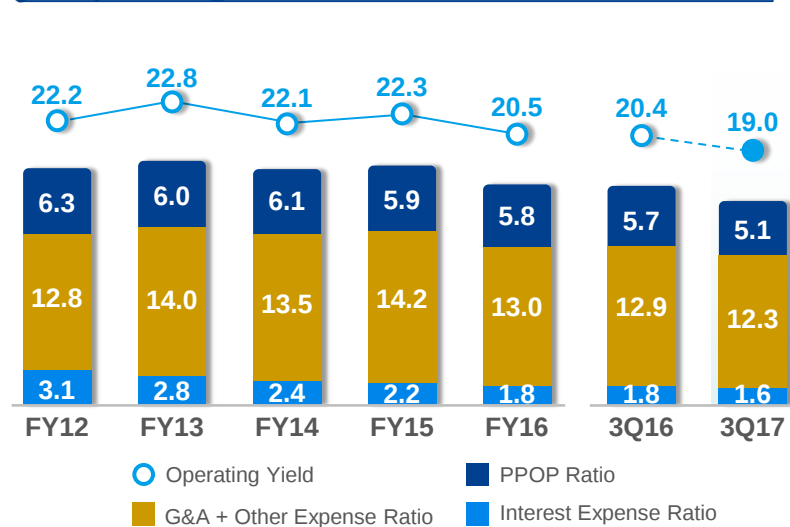
(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Non-Interest Income	748.2	865.8	-13.6	271.9	252.5	7.7
Fees & Commission	736.6	640.6	15.0	262.0	244.0	7.4
Securities Related & FX Trading/Derivatives	462.4	672.8	-31.3	167.9	144.9	15.9
(Gains on Sale of AFS Securities)	175.8	393.2	-55.3	76.5	58.4	30.9
(Impairment Loss on AFS Securities)	-32.4	-65.9	n.a.	-10.7	-14.0	n.a.
Others	-450.7	-447.6	n.a.	-158.0	-136.4	n.a.
(Contribution Expenses)	-181.4	-183.8	n.a.	-61.6	-60.6	n.a.
(Insurance Fees on Deposits)	-217.5	-203.9	n.a.	-72.5	-72.5	n.a.

Fees & Commission (KRW bil.)



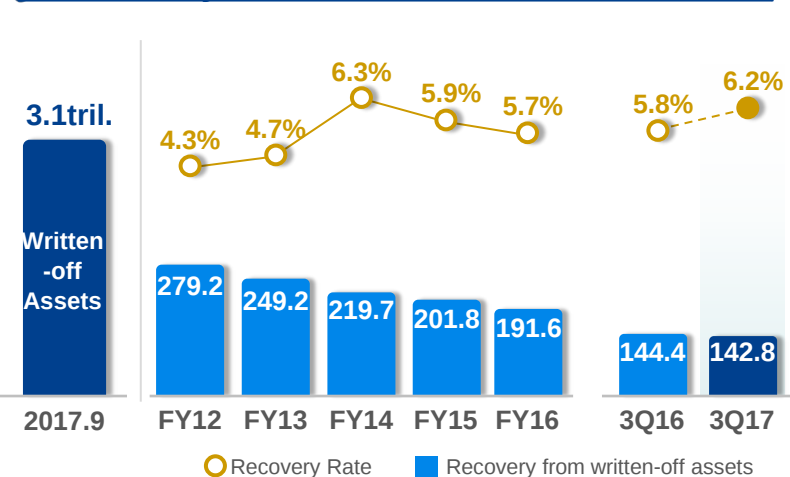
(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Fees & Commission	736.6	640.6	15.0	262.0	244.0	7.4
Fund Fee Income	78.8	67.9	16.2	27.5	26.4	4.4
Bancassurance Fee Income	50.4	47.2	6.7	15.2	15.8	-4.0
FX Fee Income	108.9	99.6	9.4	38.3	36.2	5.8
Trust Fee Income	119.5	66.3	80.4	45.4	41.0	10.8
Others	378.9	359.6	5.4	135.6	124.7	8.8

Operating Yield and PPOP Ratio (%)



Note) Net of Derivatives & F/X

Recovery from Written-off Assets (KRW bil.)



(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Operating Revenue (a)	3,556.2	3,559.2	-0.1	1,130.3	1,159.4	-2.5
Card Business	2,922.7	2,904.6	0.6	988.2	974.5	1.4
Installment Finance	76.2	72.5	5.1	26.1	25.4	2.6
Lease	47.3	38.8	21.9	17.9	15.7	14.3
Others	510.0	543.3	-6.1	98.2	143.8	-31.7
(Derivatives & FX)	178.0	191.8	-7.2	35.8	-39.3	n.a.
Interest Expense (b)	282.0	298.6	-5.5	97.9	94.9	3.1
G&A Expenses (c)	525.8	554.6	-5.2	181.3	169.2	7.2
Commissions & Other Expenses (d)	1,844.0	1,767.2	4.3	597.8	506.2	18.1
(Derivatives & FX)	152.6	171.5	-11.0	26.8	-47.6	n.a.
Pre-Provision Income (e=a-b-c-d)	904.5	938.8	-3.7	253.3	389.1	-34.9
Provision for Credit Losses (f)	-111.3	252.3	n.a.	60.6	92.6	-34.5
Earnings before Income Tax (g=e-f)	1,015.7	686.5	48.0	192.7	296.5	-35.0
Income Tax	238.1	154.3	54.4	44.8	68.2	-34.3
Net Income ¹⁾	780.6	532.6	46.6	149.5	229.4	-34.8

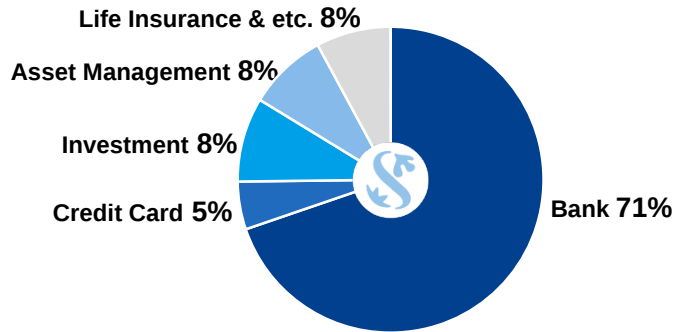
Note 1) Net Income in Controlling Interest

III. Assets & Liabilities

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

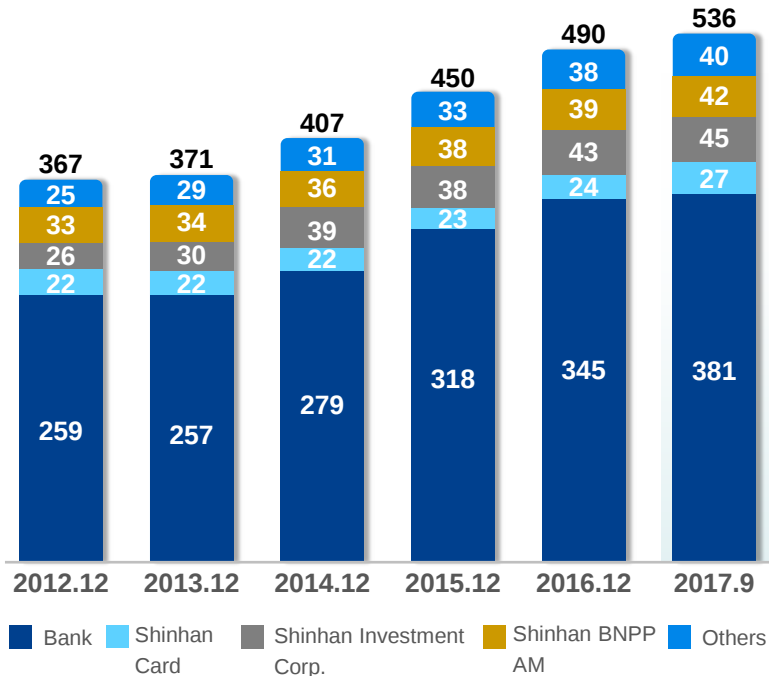


Asset Contribution by Subsidiary



SFG Total Assets

(KRW tril.)

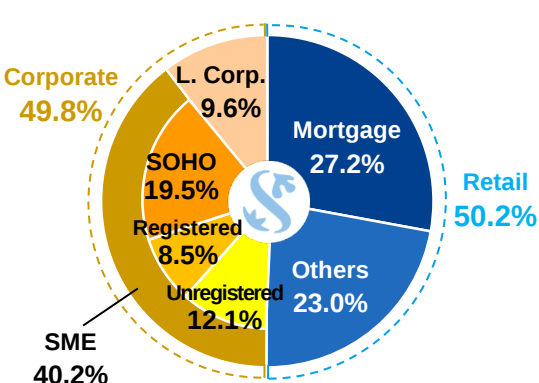


(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Bank (a)	380,887.7	345,421.3	10.3	363,282.6	4.8
Shinhan Bank	375,175.1	340,236.4	10.3	357,871.2	4.8
Jeju Bank	5,712.6	5,184.8	10.2	5,411.4	5.6
Non-Bank (b)	152,573.7	142,646.8	7.0	150,532.3	1.4
Shinhan Card	26,595.9	24,419.9	8.9	25,549.2	4.1
Shinhan Investment Corp.	45,460.0	43,329.1	4.9	45,158.6	0.7
Shinhan Life Insurance	29,236.1	27,499.8	6.3	28,735.5	1.7
Shinhan BNPP AM	42,218.5	39,439.5	7.0	41,947.6	0.6
Shinhan Capital	5,202.2	4,506.8	15.4	4,950.7	5.1
Shinhan Savings Bank	1,179.1	970.1	21.5	1,112.3	6.0
Shinhan Data System	38.7	34.4	12.5	34.3	12.8
Shinhan AITAS	60.4	53.9	12.1	58.2	3.9
Shinhan Credit Information	22.3	23.1	-3.5	22.4	-0.7
Shinhan Private Equity	104.4	114.9	-9.1	104.3	0.1
Others	2,456.1	2,255.3	8.9	2,859.2	-14.1
Total ¹⁾	535,591.9	490,115.1	9.3	515,939.9	3.8
Consolidate Total Assets	429,792.7	395,680.3	8.6	413,910.9	3.8

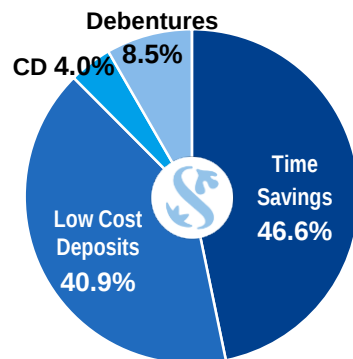
Note 1) Trust A/C of Shinhan Bank, Shinhan Investment Corp. and AUM(Including discretionary assets) of Shinhan BNPP AM are included.

SHB Loan / Deposit Growth

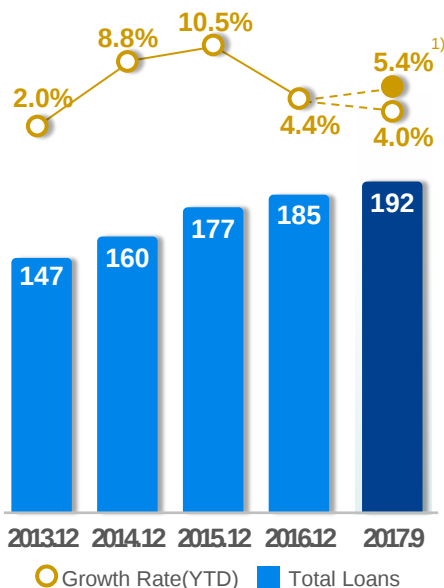
Loan Composition



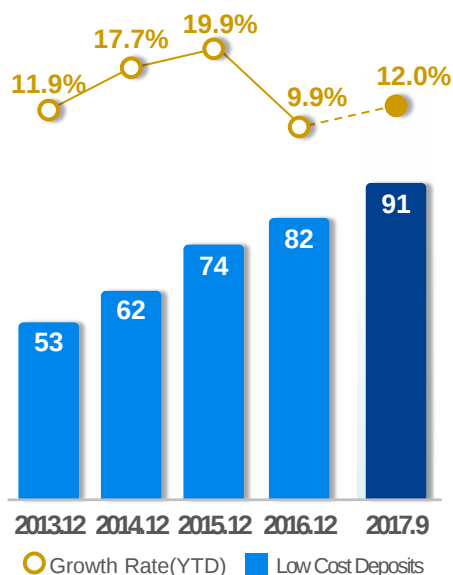
Funding Composition



KRW Loan Growth (KRW tril.)



Low Cost Deposits (KRW tril.)



Note 1) Including Loans Securitized

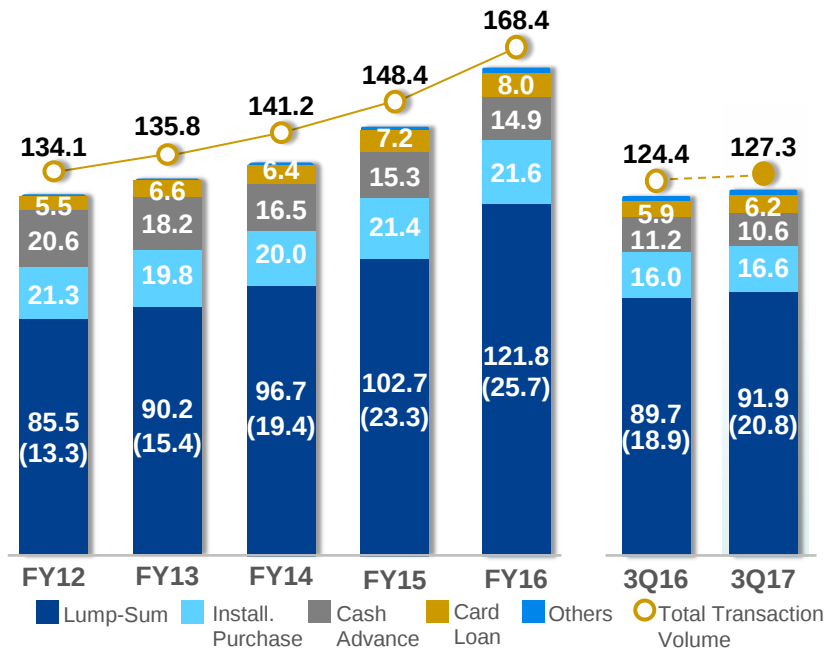
(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Loan in KRW	191,912	184,559	4.0	185,950	3.2
Retail	96,409	93,628	3.0	93,266	3.4
Mortgage	52,253	52,392	-0.3	50,778	2.8
Others ¹⁾	44,156	41,236	7.1	42,489	4.0
Corporate	95,503	90,931	5.0	92,684	3.1
SME	77,088	71,757	7.4	74,166	4.1
SOHO	37,447	35,539	5.4	35,778	4.7
Large Corporate etc.	18,415	19,173	-4.0	18,518	-0.5
Loan in FX	8,177	7,919	3.3	8,832	-8.3

Note 1) Including Unsecured Personal Loans, Secured Loans, Jeonse Loans etc.

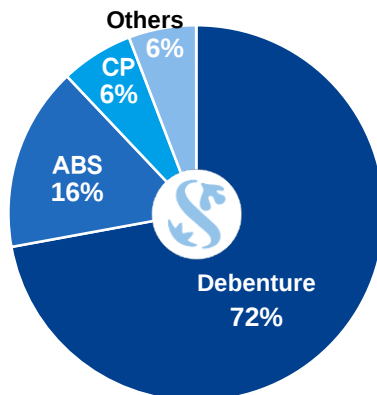
(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Total Deposits in KRW	195,736	187,932	4.2	187,275	4.5
Low Cost Deposits	91,479	81,681	12.0	87,285	5.1
Demand	29,123	25,149	15.8	27,650	5.9
Savings	62,357	56,532	10.3	59,635	4.8
Time Savings	104,256	106,251	-1.9	99,989	4.0
Time Deposits	95,826	97,793	-2.0	91,664	4.3
Accumulative etc.	8,430	8,458	-0.3	8,325	1.2
Certificate of Deposits	8,927	5,828	53.2	8,859	1.2
Debtentures in KRW	19,162	16,605	15.4	17,813	8.1

Shinhan Card Asset Growth

Transaction Volume (KRW tril.)



Funding Composition



(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Earning Assets	24,130	22,859	5.6	23,366	3.3
Credit Purchase	12,398	11,795	5.1	11,900	4.2
Cash Advances	1,851	1,953	-5.2	1,888	-1.9
Card Loan	5,958	5,618	6.0	5,785	3.0
(Re-aged Loan)	249	241	3.1	250	-0.3
Installment Finance	2,242	2,165	3.6	2,224	0.8
Lease etc.	1,680	1,328	26.6	1,569	7.1
Effective Cardholders (in thousands)	12,262	12,097	1.4	12,203	0.5
Merchants (in thousands)	2,702	2,626	2.9	2,674	1.0

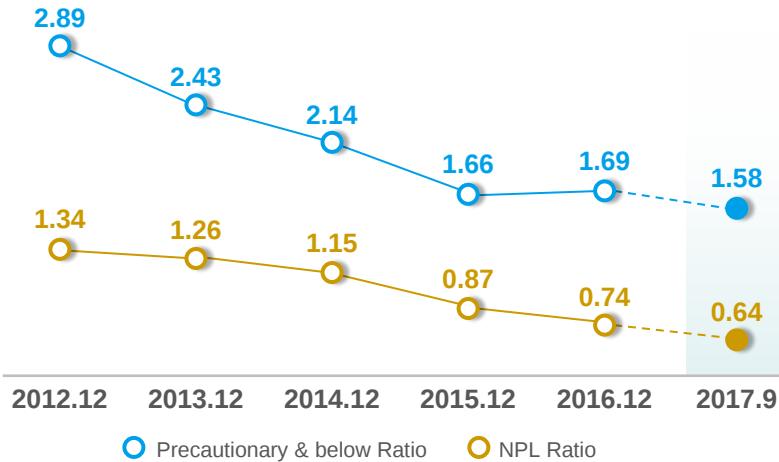
(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Total Funding	16,450	14,310	15.0	15,887	3.5
Debentures	11,862	10,842	9.4	11,441	3.7
ABS	2,604	1,934	34.7	2,630	-1.0
CP	1,025	935	9.6	860	19.2
Others	959	599	60.0	956	0.3

IV. Asset Quality

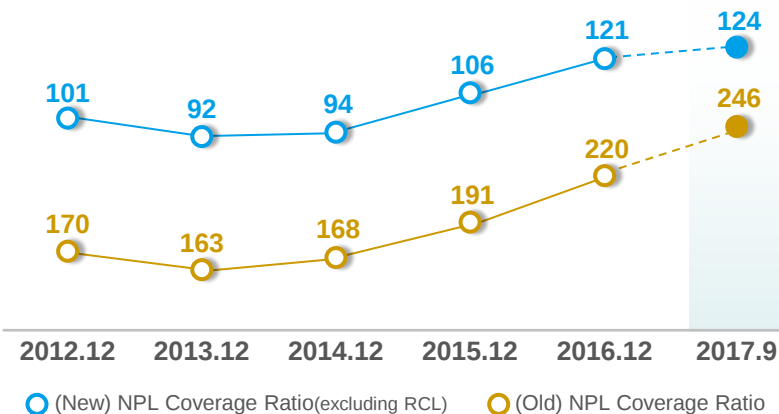
1. SFG Asset Quality
2. SHB Asset Quality
3. Shinhan Card Asset Quality
4. Provision for Credit Losses / Write-offs



Precautionary & below Ratio/NPL Ratio (%)



NPL Coverage Ratio (%)



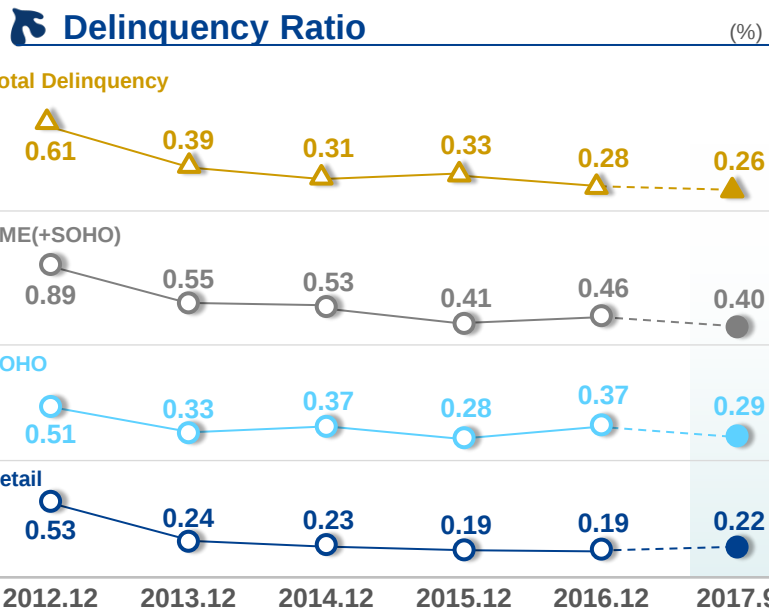
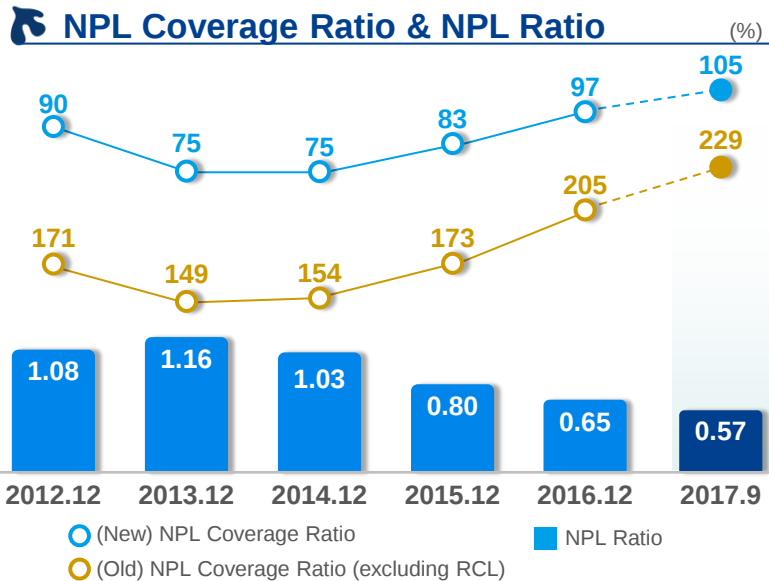
(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Total Loans ¹⁾	260,625	249,237	4.6	251,184	3.8
Normal	256,508	245,026	4.7	247,087	3.8
Precautionary	2,446	2,363	3.5	2,288	6.9
Substandard	705	798	-11.6	769	-8.3
Doubtful	396	423	-6.5	405	-2.4
Estimated Loss	570	626	-9.0	634	-10.0
Substandard & Below	1,672	1,848	-9.5	1,809	-7.6
NPL Ratio	0.64%	0.74%	-0.10%p	0.72%	-0.08%p
Loan Loss Allowance ²⁾	4,114	4,066	1.2	4,074	1.0
Reserve for credit losses ³⁾	2,044	1,830	11.7	1,961	4.2
(New) NPL Coverage Ratio ⁴⁾	124%	121%	3%p	117%	7%p
(Old) NPL Coverage Ratio	246%	220%	26%p	225%	21%p

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

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

4) Excluding reserve for credit losses in accordance with the revision of relevant regulation (Dec. 2016)



(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Total Loans	216,770	209,419	3.5	208,920	3.8
Normal	214,333	206,894	3.6	206,514	3.8
Precautionary	1,211	1,155	4.9	1,096	10.6
Substandard	616	688	-10.5	669	-7.9
Doubtful	233	263	-11.4	224	3.9
Estimated Loss	378	420	-10.0	417	-9.5
Substandard & Below	1,226	1,371	-10.5	1,310	-6.4
NPL Ratio	0.57%	0.65%	-0.08%p	0.63%	-0.06%p
Loan Loss Allowance ¹⁾	2,808	2,804	0.2	2,759	1.8
Reserve for credit losses ²⁾	1,526	1,480	3.1	1,490	2.4
(New) NPL Coverage Ratio ³⁾	105%	97%	8%p	97%	8%p
(Old) NPL Coverage Ratio	229%	205%	24%p	211%	18%p

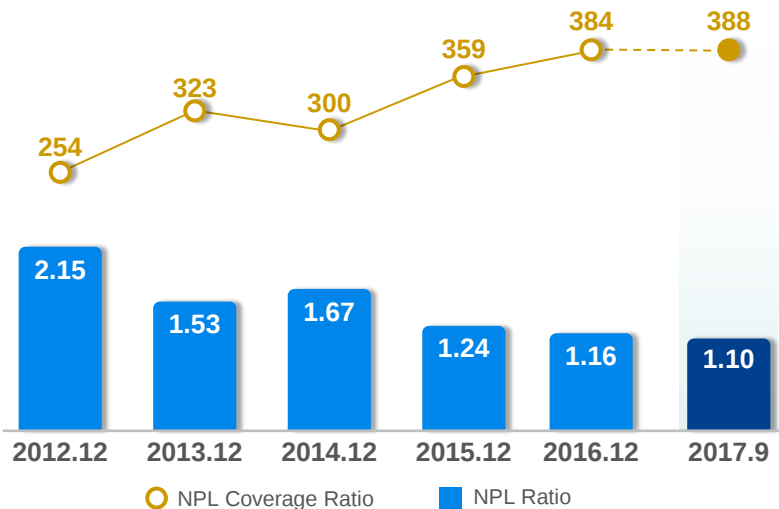
Note 1) Sum of IFRS standard LLA and reserves for credit losses

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

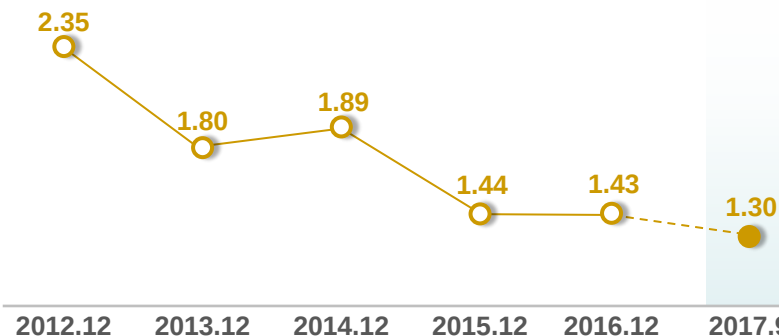
3) Excluding reserve for credit losses in accordance with the revision of relevant regulation (Dec. 2016)

Shinhan Card Asset Quality

NPL Ratio & NPL Coverage Ratio (%)



Delinquency Ratio (%)



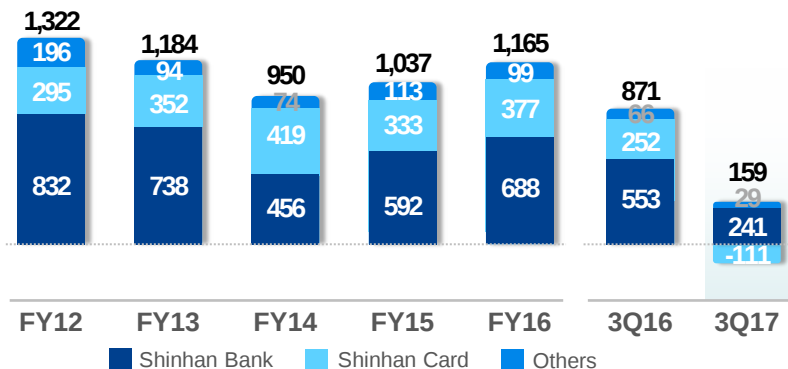
Note) 1 month overdue from total credit

(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Total Loans	25,004	22,765	9.8	23,970	4.3
Normal	23,850	21,686	10.0	22,846	4.4
Precautionary	880	815	8.0	829	6.1
Substandard	-	-	-	-	-
Doubtful	122	90	35.7	125	-2.5
Estimated Loss	152	175	-12.9	170	-10.6
Substandard & Below	274	265	3.6	295	-7.2
NPL Ratio	1.10%	1.16%	-0.06%p	1.23%	-0.13%p
Loan Loss Allowance ¹⁾	1,063	1,015	4.8	1,063	0.1
Reserve for credit losses	430	275	56.4	385	11.7
NPL Coverage Ratio	388%	384%	4%p	360%	28%p

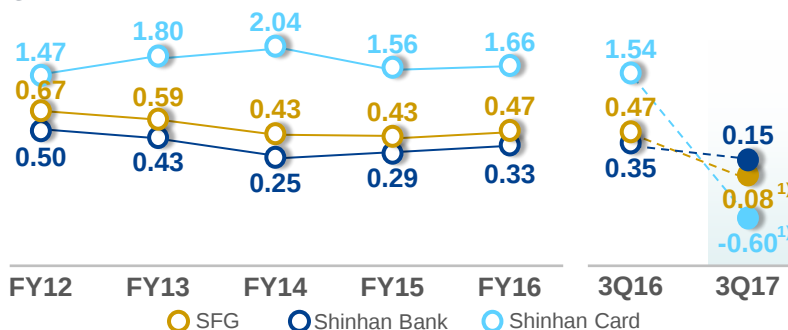
Note 1) Sum of IFRS standard LLA and reserves for credit losses (Excluding reserve for unused credit lines)

Provision for Credit Losses / Write-Offs

Provision for Credit Losses (KRW bil.)

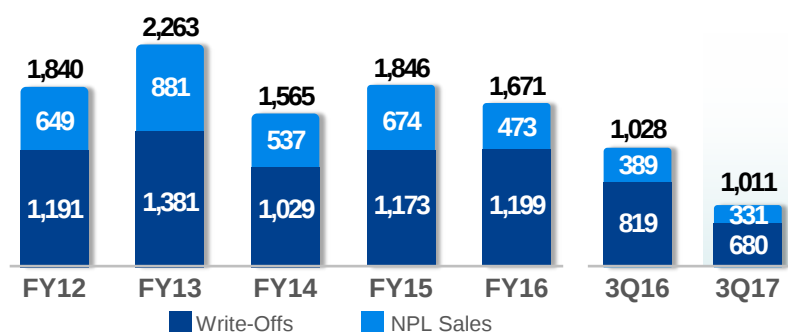


Credit Cost Ratio (%)



Note 1) Normalized credit cost excluding write-backs from SHC : Group 0.27%, SHC 1.35%

Write-Offs & NPL Sales (KRW bil.)



Provision for Credit Losses

(KRW bil.)	FY17	1Q17	2Q17	3Q17	FY16	1Q16	2Q16	3Q16	4Q16
Shinhan Bank ¹⁾	255	59	74	123	677	206	230	95	145
Retail	119	30	44	45	157	31	23	40	63
Corporate	136	28	30	78	520	175	207	55	82
Shinhan Card	-111	-264	93	61	377	79	85	89	125
Total	144	-206	166	183	1,054	285	315	184	270

Note 1) SHB figures are separate basis

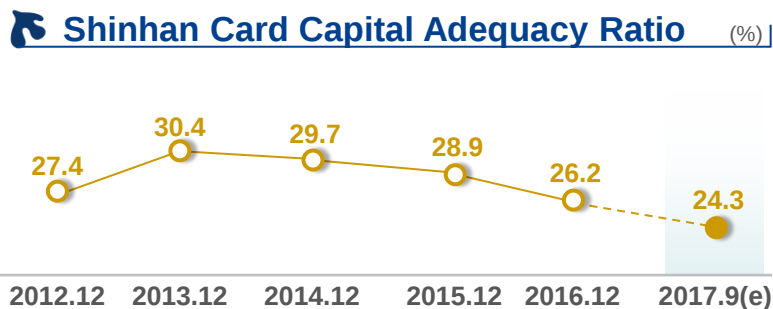
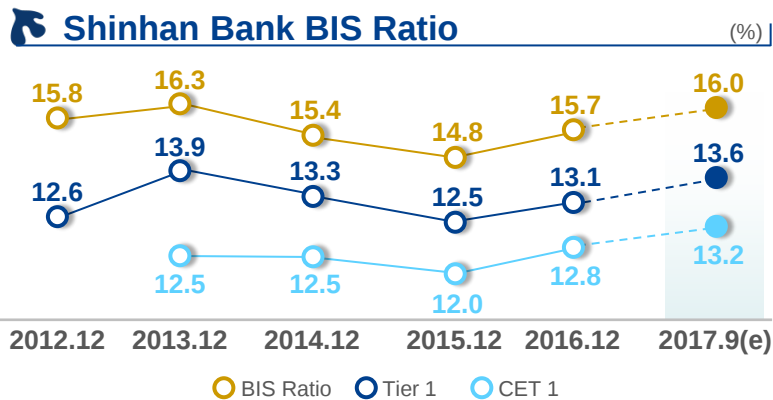
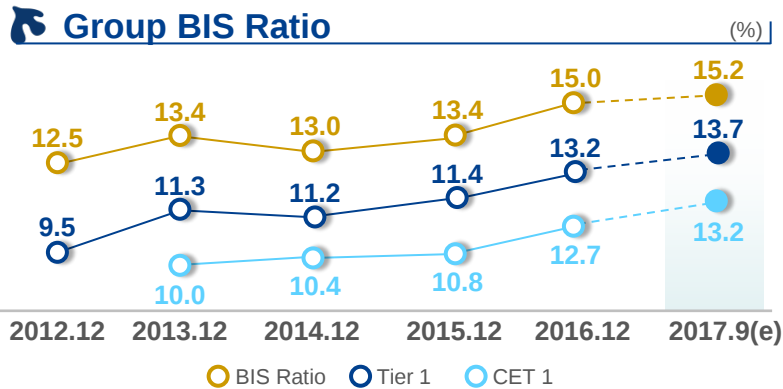
Write-Offs & NPL Sales

(KRW bil.)	FY17	1Q17	2Q17	3Q17	FY16	1Q16	2Q16	3Q16	4Q16
Shinhan Bank	611	102	240	269	1,089	182	369	195	343
Write-Off	280	41	111	128	759	131	246	123	260
Retail	88	15	51	22	123	3	29	24	67
Corporate	191	26	60	106	636	128	217	99	193
Sale	331	62	129	141	330	51	123	72	84
Retail	50	8	20	22	73	12	27	10	25
Corporate	281	53	109	119	257	39	96	62	59
Shinhan Card	400	124	128	148	582	107	243	112	120
Total	1,011	227	368	416	1,671	289	612	307	464

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.)	2017.9(e)	2016.12	YTD%	2017.6	QoQ%
Risk-Weighted Assets	207,440	198,643	4.4	199,609	3.9
Capital	31,471	29,787	5.7	30,250	4.0
CET 1	27,424	25,325	8.3	26,746	2.5
Tier 1	28,342	26,210	8.1	27,400	3.4
BIS Ratio	15.2%	15.0%	0.2%p	15.2%	0.0%p
CET 1	13.2%	12.7%	0.5%p	13.4%	-0.2%p
Tier 1	13.7%	13.2%	0.5%p	13.7%	-0.0%p

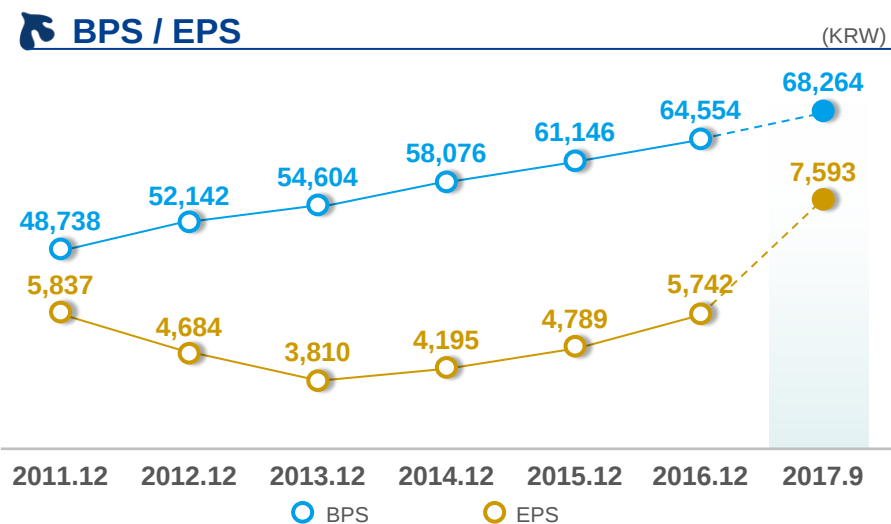
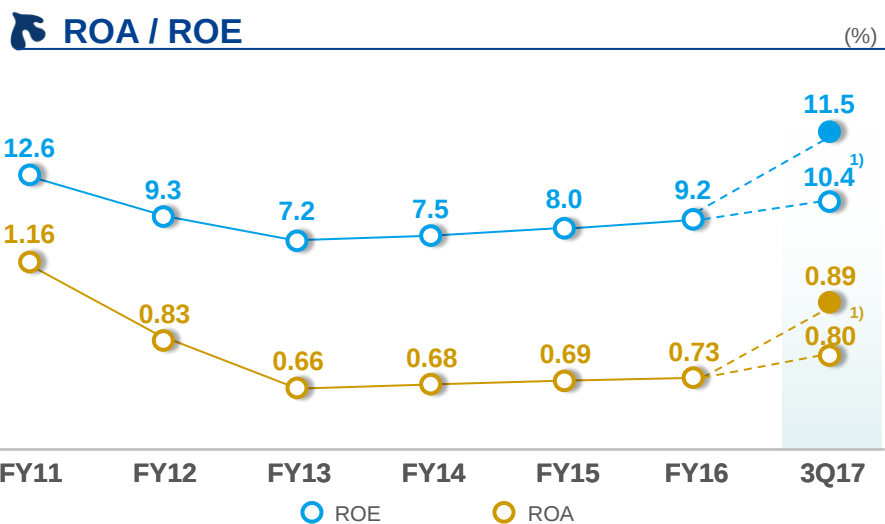
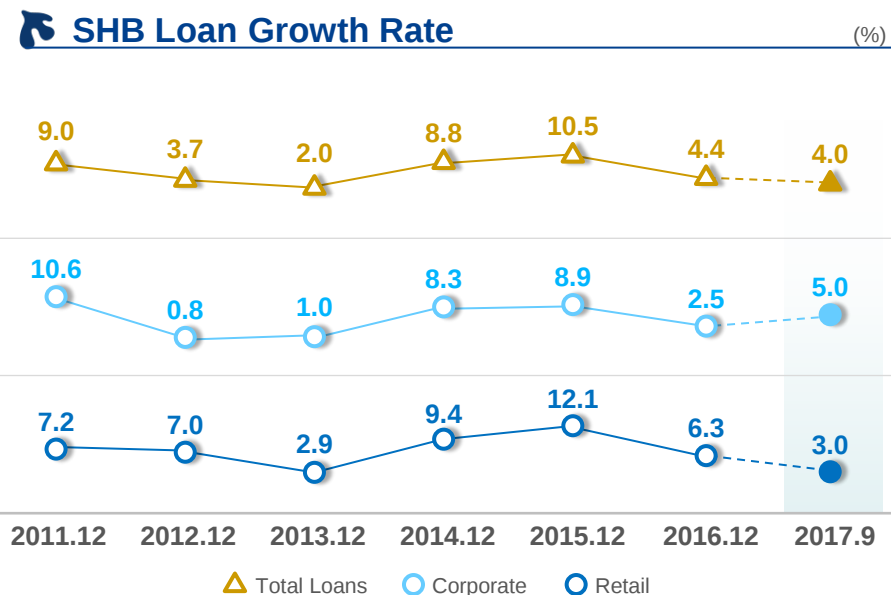
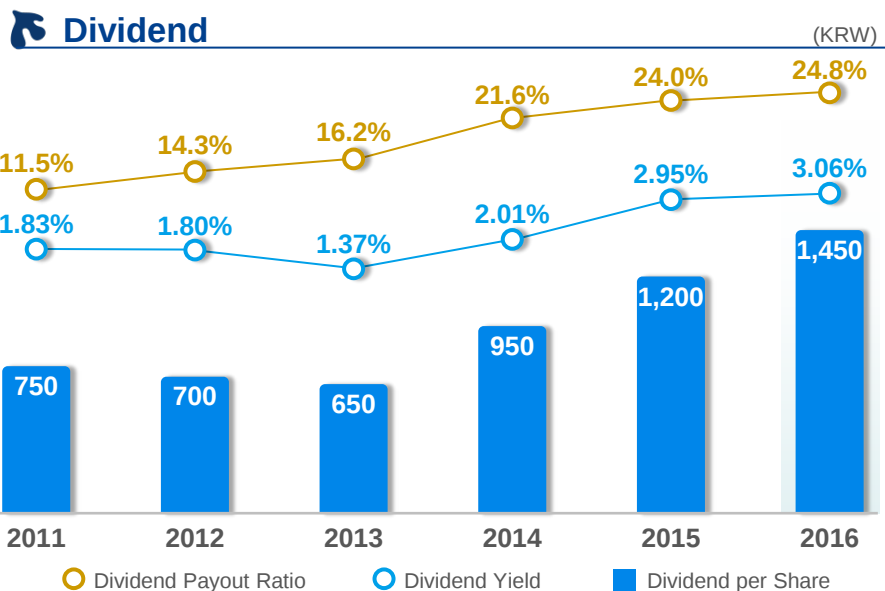
Note) Based on Basel3

Shinhan Bank BIS Ratio

(KRW bil.)	2017.9(e)	2016.12	YTD%	2017.6	QoQ%
Risk-Weighted Assets	162,790	155,027	5.0	156,412	4.1
Capital	26,127	24,339	7.3	25,217	3.6
CET 1	21,433	19,913	7.6	20,943	2.3
Tier 1	22,103	20,385	8.4	21,613	2.3
BIS Ratio	16.0%	15.7%	0.3%p	16.1%	-0.1%p
CET 1	13.2%	12.8%	0.4%p	13.4%	-0.2%p
Tier 1	13.6%	13.1%	0.5%p	13.8%	-0.2%p

Note) Based on Basel3

Key Financial Indices



Note 1) Excluding write-backs from Shinhan Card, ROE based on common stock

Note) Based on common stock

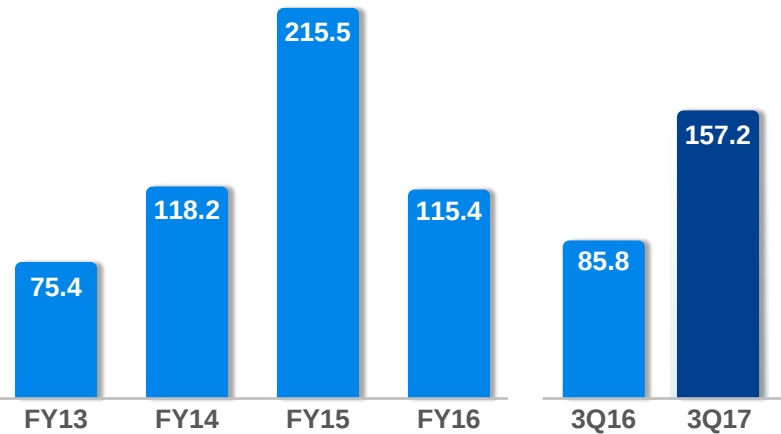
VI. Appendix

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



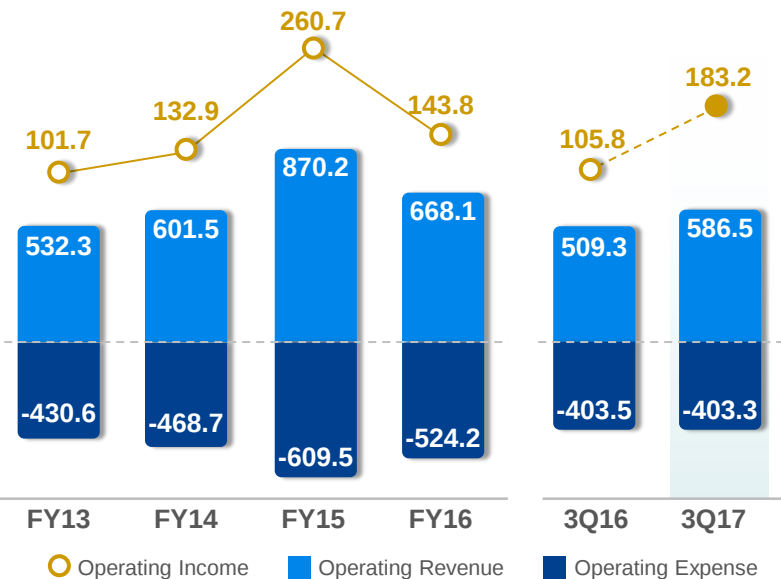
Net Income

(KRW bil.)



Operating Income

(KRW bil.)

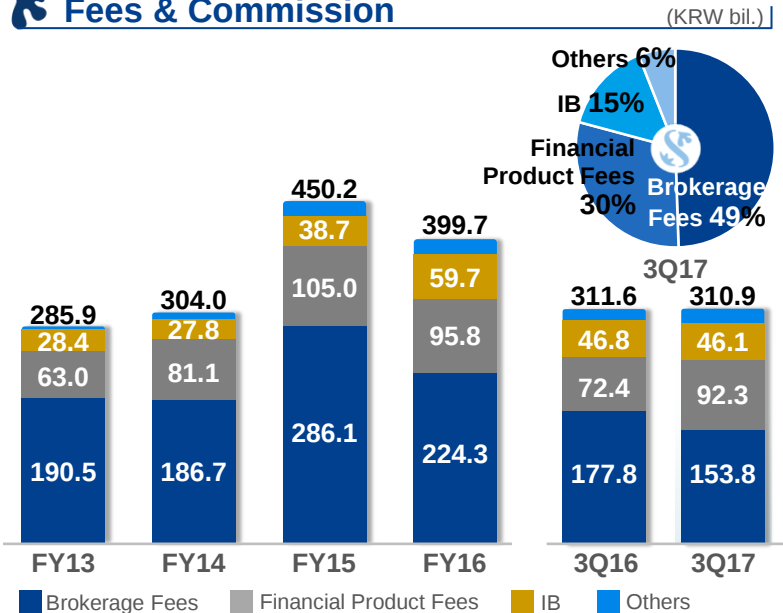


Condensed I/S & Key Financial Indices

(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Operating Revenue	586.5	509.3	15.2	210.9	193.1	9.2
Fees & Commission	310.9	311.6	-0.2	110.0	105.7	4.0
Proprietary Trading	171.9	136.5	26.0	65.8	51.4	27.9
Others	103.6	61.2	69.4	35.1	36.0	-2.5
Operating Expense	403.3	403.5	-0.1	137.9	138.7	-0.6
G&A Expenses	338.8	321.9	5.2	117.0	115.6	1.2
Commission Expense	60.8	81.1	-25.0	19.7	21.3	-7.3
Provision for Credit Losses	3.6	0.4	728.6	1.2	1.9	-33.5
Operating Income	183.2	105.8	73.2	73.0	54.4	34.0
Net Income	157.2	85.8	83.2	63.4	47.8	32.7
Net Capital Ratio(%)	812%	606%	206%p	812%	857%	-45%p
ROE	6.7%	4.3%	2.4%p	6.7%	6.0%	0.7%p
ROA	0.8%	0.4%	0.4%p	0.8%	0.7%	0.1%p

Note) ROE, ROA are calculated on a cumulative basis

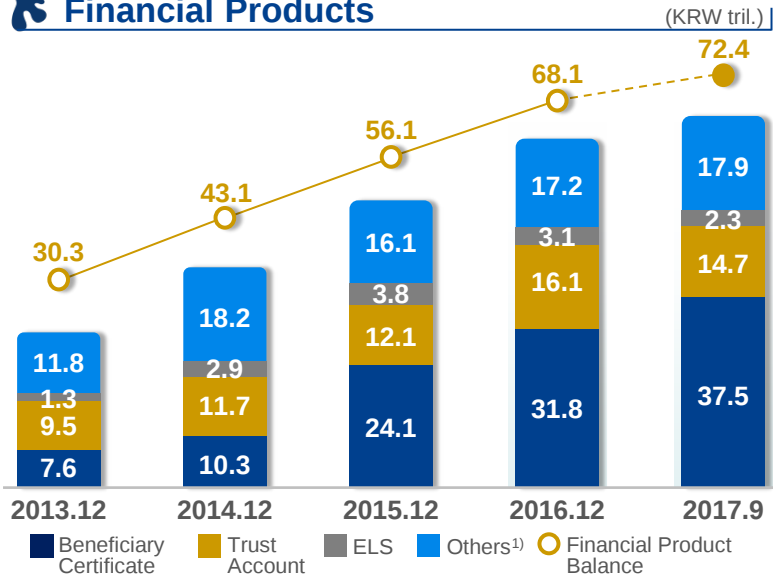
Fees & Commission



Fees & Commission

(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Fees & Commission	310.9	311.6	-0.2	110.0	105.7	4.0
Brokerage Fees	153.8	177.8	-13.5	52.3	55.6	-5.9
Financial Product Fees	92.3	72.4	27.5	29.8	30.7	-2.9
IB	46.1	46.8	-1.5	21.8	12.1	80.1
Others	18.6	14.6	27.3	6.1	7.4	-16.9

Financial Products

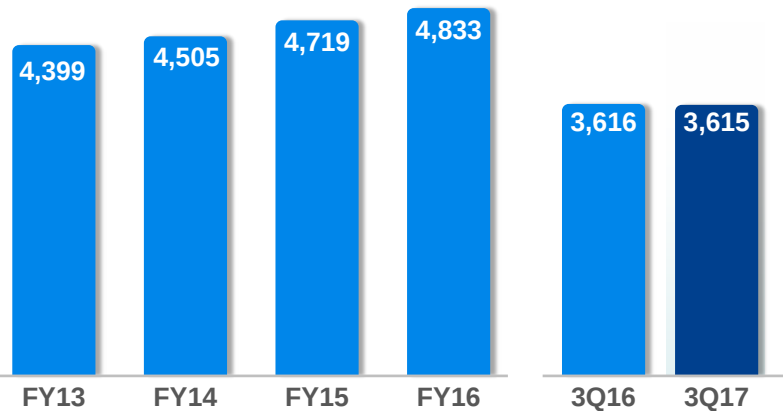


Balance of Financial Products

(KRW tril.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Financial Products	72.4	68.1	6.2	72.0	0.5
Beneficiary Certificate	37.5	31.8	18.2	36.5	2.9
Trust Account	14.7	16.1	-8.8	15.0	-1.8
ELS	2.3	3.1	-26.4	2.5	-9.3
Others	17.9	17.2	3.9	18.1	-1.3

Note 1) Sum of Wrap, RP and Micro Debentures

Premium Income (KRW bil.)



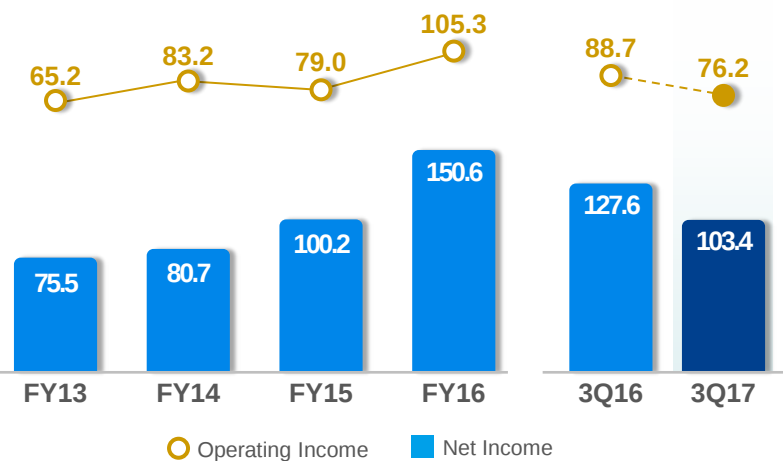
Note) Excluding non-monthly premium and Retirement Pension

Premium Breakdown

(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Prem. Received	3,635.2	3,647.0	-0.3	1,202.0	1,204.7	-0.2
New Premium	56.4	76.4	-26.2	13.9	14.8	-6.3
Monthly Premium	36.6	45.5	-19.6	10.5	11.6	-9.3
Non-Monthly Premium	19.8	30.8	-35.9	3.4	3.3	4.4
Recurring Premium	3,578.9	3,570.6	0.2	1,188.1	1,189.9	-0.2

Note) Excluding Retirement Pension

Net Income (KRW bil.)



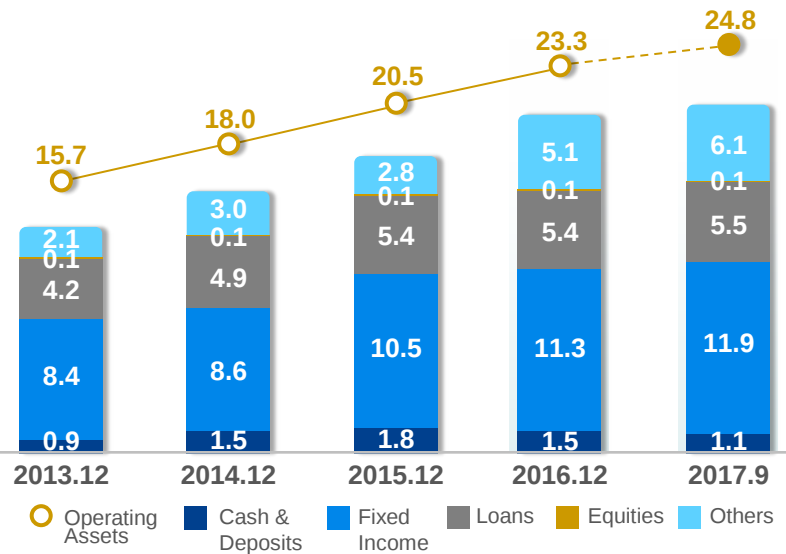
Profitability & Key Financial Indices

(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Operating Income	76.2	88.7	-14.0	9.9	38.7	-74.4
Separate Account profit & Loss	63.4	35.5	78.4	26.8	19.4	37.7
Net Income	103.4	127.6	-19.0	27.7	44.9	-38.4
ROE	8.0%	10.0%	-2.0%p	8.0%	8.8%	-0.8%p
ROA	0.5%	0.7%	-0.2%p	0.5%	0.5%	-0.0%p

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

Operating Assets

(KRW tril.)

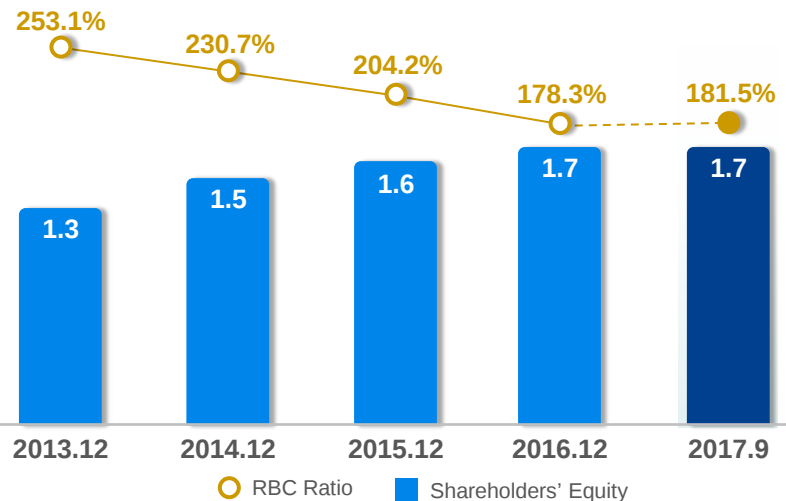


Operating Assets

(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Operating Assets	24,761.3	23,316.3	6.2	24,224.9	2.2
Cash & Deposits	1,114.5	1,457.8	-23.6	1,136.5	-1.9
Fixed Income	11,933.6	11,281.7	5.8	11,262.4	6.0
Loans	5,527.0	5,404.7	2.3	5,446.5	1.5
Equities	64.9	72.7	-10.8	105.9	-38.7
Others	6,121.4	5,099.4	20.0	6,273.6	-2.4

Equity & Capital Adequacy Ratio

(%, KRW tril.)

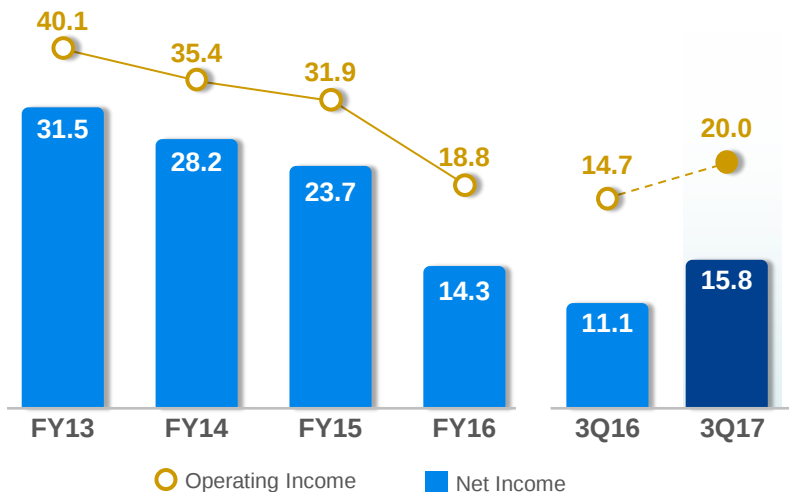


Equity & Capital Adequacy Ratio

(KRW bil.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Shareholders' Equity	1,747.6	1,685.5	3.7	1,739.0	0.5
Capital & Retained Earnings	1,750.4	1,647.1	6.3	1,722.9	1.6
Accumulated Other Comprehensive Income	-2.8	38.5	-107.2	16.1	-117.3
RBC Ratio	181.5%	178.3%	3.2%p	181.5%	-0.0%p

Net Income

(KRW bil.)



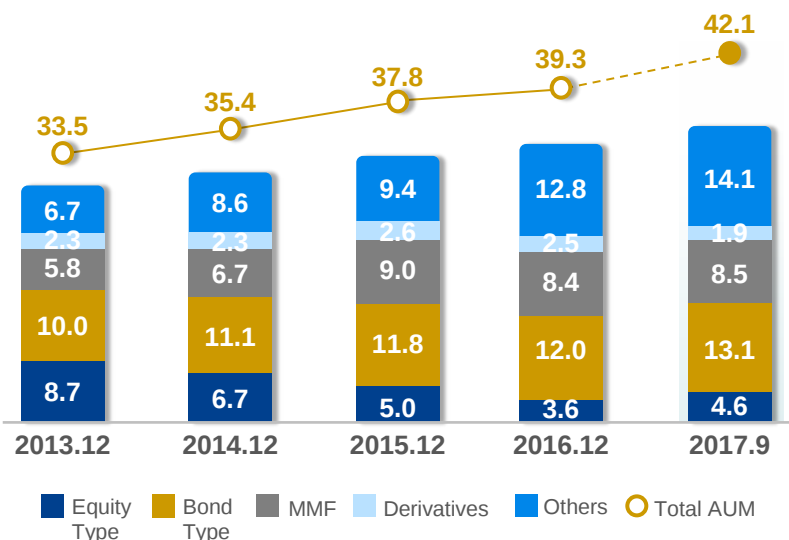
Condensed I/S & Key Financial Indices

(KRW bil.)	3Q17 (Acc.)	3Q16 (Acc.)	YoY%	3Q17	2Q17	QoQ%
Operating Revenue	56.8	52.5	8.1	20.0	19.6	2.1
Operating Expense	36.8	37.8	-2.5	12.6	12.4	2.2
(G&A Expenses)	30.4	31.6	-3.8	10.5	10.1	3.7
Operating Income	20.0	14.7	35.3	7.4	7.3	1.9
Net Income	15.8	11.1	42.2	5.9	6.0	-1.6
ROE	14.4%	10.3%	4.1%p	14.4%	13.7%	0.7%p

Note) ROE is calculated on a cumulative basis

Assets Under Management

(KRW tril.)



Assets Under Management

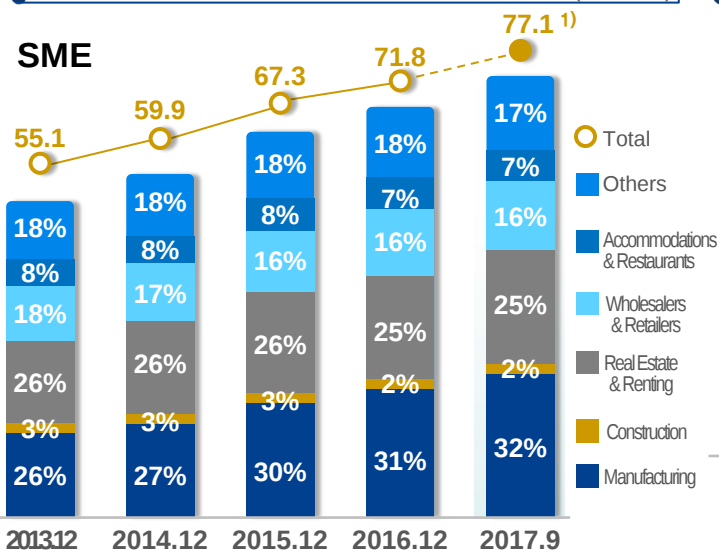
(KRW tril.)	2017.9	2016.12	YTD%	2017.6	QoQ%
Total AUM	42.1	39.3	7.1	41.8	0.6
Equity Type	4.6	3.6	29.8	4.1	11.4
Bond Type	13.1	12.0	8.6	12.4	5.5
MMF	8.5	8.4	0.2	9.0	-5.6
Derivatives	1.9	2.5	-24.3	2.6	-27.4
Others	14.1	12.8	9.9	13.7	2.3

SHB SME Loans

Loans

(KRW tril.)

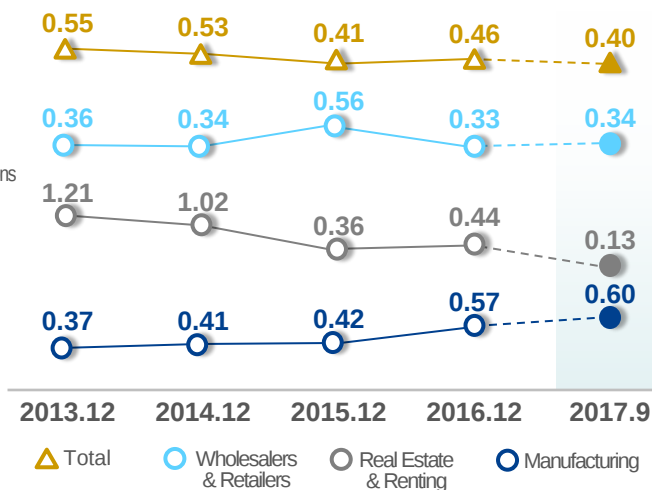
SME



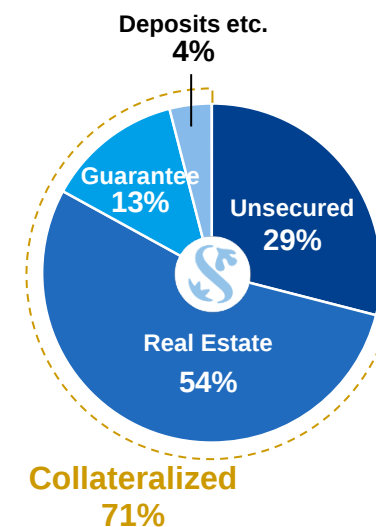
Note 1) SOHO 49%, Registered 21%, Unregistered 30%

Delinquency

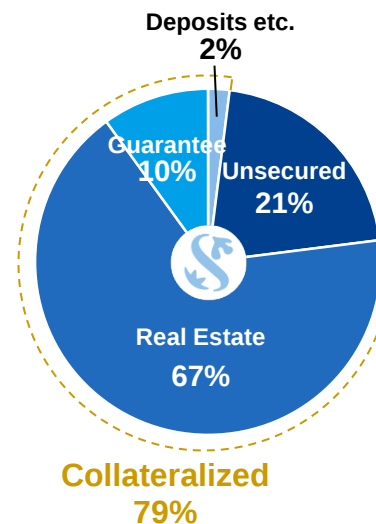
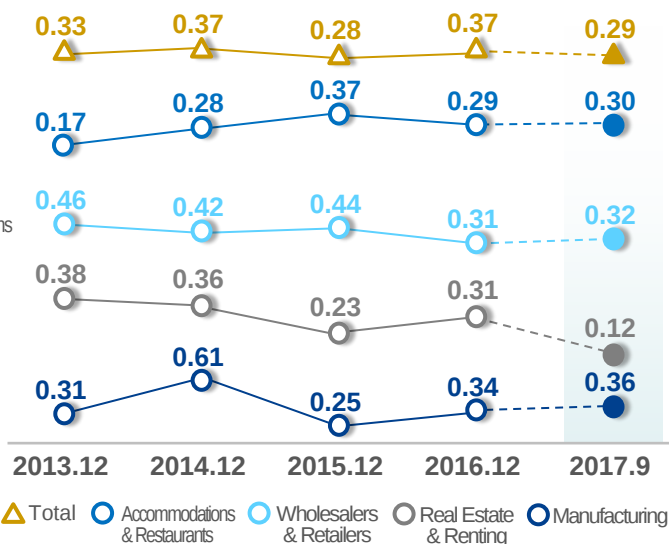
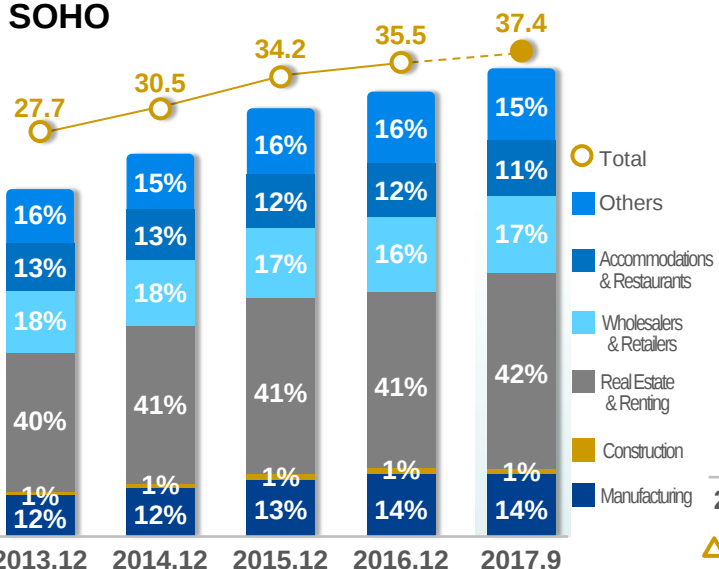
(%)



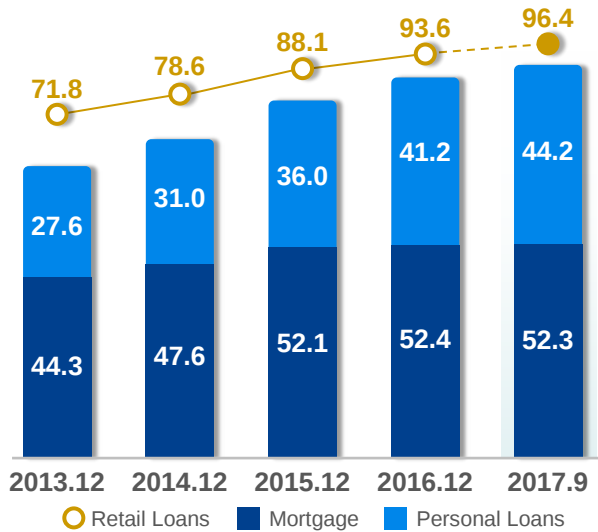
Collateral



SOHO

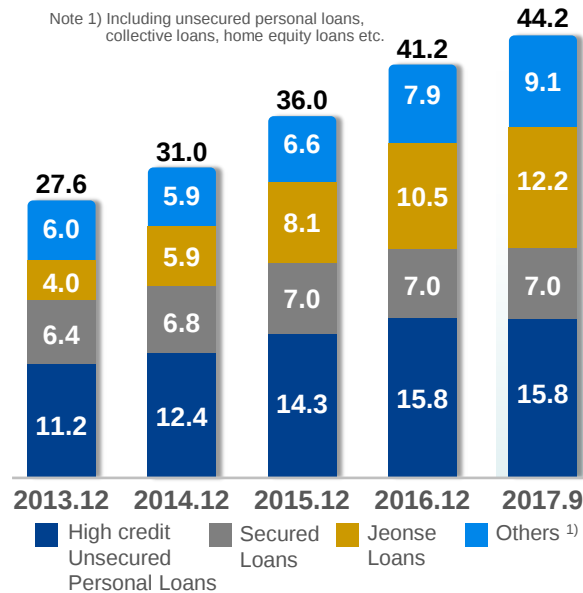


Loans (KRW tril.)

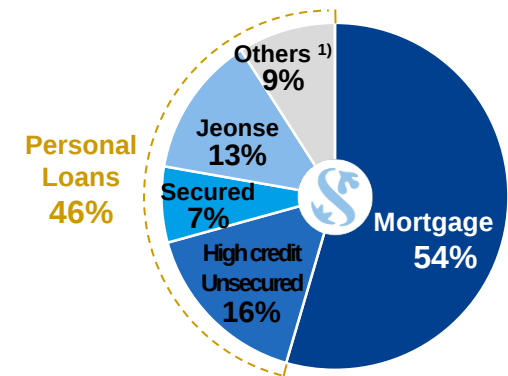


Retail Personal Loans (KRW tril.)

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

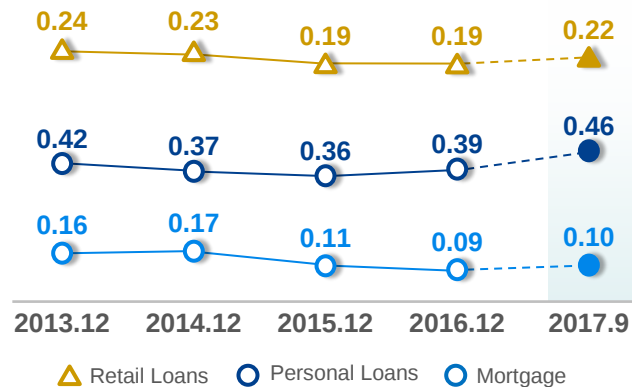


Loan Composition

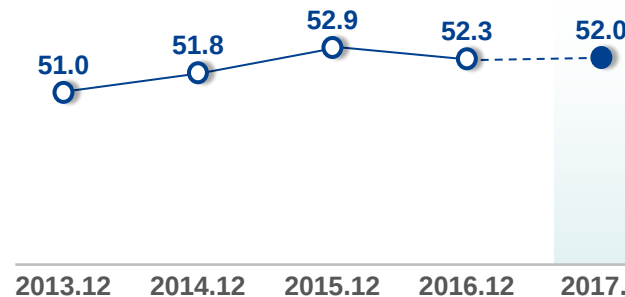


Note 1) Including unsecured personal loans, collective loans, home equity loans etc.

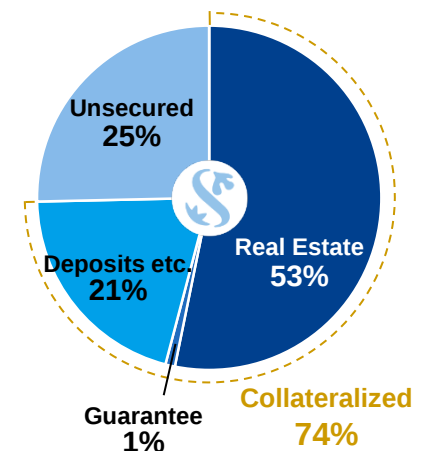
Delinquency (%)



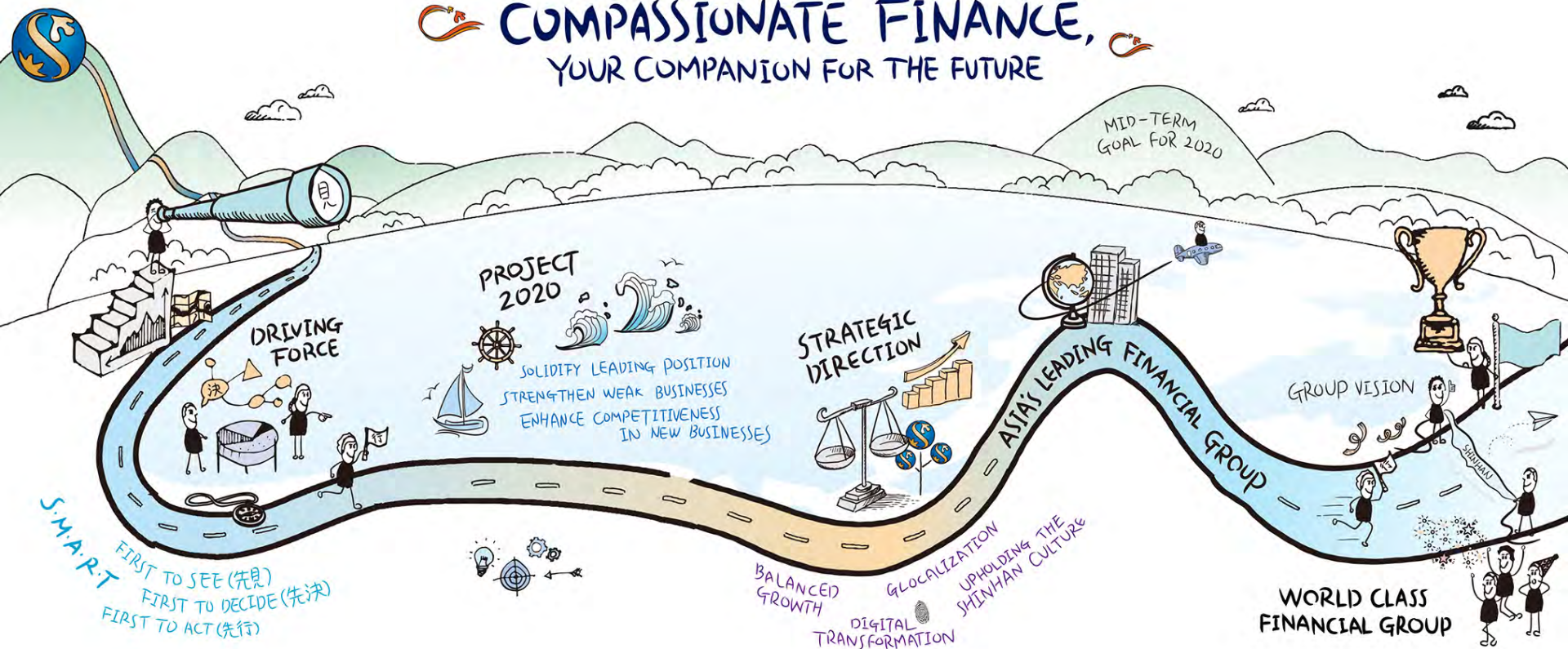
LTV (%)



Collateral



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