

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

March 31, 2015

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**Pursuant to Rule 13a-16 or 15d-16**

**of the Securities Exchange Act of 1934**

**For the Month of March 2015**

**SHINHAN FINANCIAL GROUP CO., LTD.**

**(Translation of registrant's name into English)**

**20, Sejong-daero 9-gil, Jung-gu, Seoul 100-724, Korea**

**(Address of principal executive offices)**

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F       Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes       No

If  Yes  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-n/a.

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**Summary of FY2014 Business Report**

On March 31, 2015, Shinhan Financial Group ( SFG ) filed its FY2014 Business Report (the Business Report ) with the Financial Services Commission of Korea and the Korea Exchange pursuant to the Financial Investment Services and Capital Market Act of Korea. This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

The financial information in this report has been prepared in accordance with Korean International Financial Reporting Standards.

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**1. Introduction of the Group**

**Company History in 2010 through 2014**

Jan. 2010: Shinhan Data System became a direct subsidiary of SFG

Jun. 2010: CHB Valuemeeet 2001 First SPC was disaffiliated from SFG

Jun. 2010: CHB Valuemeeet 2001 Second SPC and CHB Valuemeeet 2002 First SPC were disaffiliated from SFG

Aug. 2010: Shinhan Macquarie Financial Advisory was disaffiliated from SFG

Oct. 2010: Shinhan Maritime Private Equity Fund I became an indirect subsidiary of SFG

Dec. 2010: KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp. became an indirect subsidiary of SFG

Feb. 2011: Shinhan BNP Paribas Asset Management (Hong Kong) Limited became an indirect subsidiary of SFG

Nov. 2011: Shinhan Bank Vietnam was merged with Shinhan Vina Bank

Dec. 2011: Shinhan Savings Bank became a direct subsidiary of SFG

Nov. 2012: Shinhan AITAS Co., Ltd. joined SFG as a direct subsidiary

Jan. 2013: Yehanbyoul Savings Bank joined SFG as a direct subsidiary

Apr. 2013: Shinhan Savings Bank merged with Yehanbyoul Savings Bank. As a result of the integration, Shinhan Savings Bank has been liquidated and Yehanbyoul Savings Bank now exists under the name of Shinhan Savings Bank as an existing legal entity

**Table of Contents****Principal Subsidiaries under Korean Law (as of December 31, 2014)*****Direct Subsidiaries***

| <b>Subsidiaries</b>                  | <b>Ownership by SFG</b> |
|--------------------------------------|-------------------------|
| Shinhan Bank                         | 100.0%                  |
| Shinhan Card                         | 100.0%                  |
| Shinhan Investment Corp.             | 100.0%                  |
| Shinhan Life Insurance               | 100.0%                  |
| Shinhan BNP Paribas Asset Management | 65.0%                   |
| Shinhan Capital                      | 100.0%                  |
| Jeju Bank <sup>1)</sup>              | 68.9%                   |
| Shinhan Savings Bank <sup>2)</sup>   | 100.0%                  |
| Shinhan Data System                  | 100.0%                  |
| Shinhan AITAS <sup>3)</sup>          | 99.8%                   |
| Shinhan Credit Information           | 100.0%                  |
| Shinhan Private Equity               | 100.0%                  |
| SHC Management <sup>4)</sup>         | 100.0%                  |

1) Jeju Bank is currently listed on the Korea Exchange.

2) On January 30, 2013, Yehanbyoul Savings Bank joined SFG as a direct subsidiary.

On April 1, 2013, Shinhan Savings Bank merged with Yehanbyoul Savings Bank, both of which were direct subsidiaries of Shinhan Financial Group. As a result of the integration of the two savings banks, the previous Shinhan Savings Bank has been liquidated and is thus no longer a subsidiary of Shinhan Financial Group and instead, Yehanbyoul Savings Bank now exists under the name of Shinhan Savings Bank as an existing legal entity constituting a member of Shinhan Financial Group.

3) On November 30, 2012, Shinhan AITAS Co., Ltd. joined SFG as a direct subsidiary. Prior to November 30, 2012, Shinhan AITAS was an indirect subsidiary of SFG under Shinhan Bank, a wholly-owned bank subsidiary of SFG.

4) Currently in liquidation proceedings.

**Table of Contents****Indirect subsidiaries held through direct subsidiaries (as of December 31, 2014)**

| <b>Direct Subsidiaries</b>           | <b>Indirect Subsidiaries</b>  | <b>Ownership by the Parent</b> |
|--------------------------------------|---|--------------------------------|
| Shinhan Bank                         | Shinhan Asia Limited  | 100.0%                         |
|                                      | Shinhan Bank America  | 100.0%                         |
|                                      | Shinhan Bank Europe   | 100.0%                         |
|                                      | Shinhan Khmer Bank Limited <sup>1)</sup>                              | 90.0%                          |
|                                      | Shinhan Bank Kazakhstan   | 100.0%                         |
|                                      | Shinhan Bank China Limited  | 100.0%                         |
|                                      | Shinhan Bank Canada   | 100.0%                         |
|                                      | Shinhan Bank Japan  | 100.0%                         |
| Shinhan Card                         | Shinhan Bank Vietnam  | 100.0%                         |
|                                      | LLP MFO Shinhan Card  | 100.0%                         |
| Shinhan Investment Corp.             | Shinhan Investment America Inc.                                       | 100.0%                         |
|                                      | Shinhan Investment Asia Ltd.  | 100.0%                         |
|                                      | Shinhan Maritime Private Equity Fund I                                | 7.1%                           |
|                                      | KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp. <sup>2)</sup> | 8.5%                           |
| Shinhan BNP Paribas Asset Management | Shinhan BNP Paribas Asset Management (Hong Kong) Limited              | 100.0%                         |
|                                      | Shinhan NPS Private Equity Fund 1st <sup>3)</sup>                     | 5.0%                           |
| Shinhan Private Equity               | Shinhan Private Equity Fund 2nd <sup>4)</sup>                         | 2.2%                           |
|                                      | Shinhan-Stonebridge Petro Private Equity Fund <sup>5)</sup>           | 0.6%                           |

- 1) Shinhan Financial Group and its subsidiaries currently own 93.3% of Shinhan Khmer Bank Limited
- 2) Shinhan Financial Group and its subsidiaries currently own 34.6% of KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp.
- 3) Shinhan Financial Group and its subsidiaries currently own 36.7% of Shinhan NPS Private Equity Fund 1st.
- 4) Shinhan Financial Group and its subsidiaries currently own 32.6% of Shinhan Private Equity Fund 2nd.
- 5) Shinhan Financial Group and its subsidiaries currently own 1.8% of Shinhan-Stonebridge Petro Private Equity Fund.

**Number of Shares (as of December 31, 2014)**

| <b>Types of Shares</b>      | <b>Number of Shares</b> |
|-----------------------------|-------------------------|
| Common Shares               | 474,199,587             |
| Redeemable Preferred Shares | 11,100,000              |
| <b>Total</b>                | <b>485,299,587</b>      |



**Table of Contents****2. Business Results****Operation Results**

|                                       | (KRW billion)      |                    |                    |
|---------------------------------------|--------------------|--------------------|--------------------|
|                                       | FY2014             | FY2013             | FY2012             |
|                                       | (Jan. 1 ~ Dec. 31) | (Jan. 1 ~ Dec. 31) | (Jan. 1 ~ Dec. 31) |
| Operating income                      | 2,654.8            | 2,632.0            | 3,175.9            |
| Equity in income (loss) of associates | 30.6               | 7.3                | 27.5               |
| Non-Operating Income (loss)           | 182.2              | 37.3               | 25.1               |
| Earnings before income tax            | 2,867.6            | 2,676.6            | 3,228.6            |
| Income taxes                          | 668.0              | 621.2              | -738.2             |
| Consolidated net income               | 2,199.6            | 2,055.3            | 2,490.3            |
| Net income in majority interest       | 2,081.1            | 1,898.6            | 2,320.3            |
| Net income in minority interest       | 118.5              | 156.8              | 170.0              |

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

(\*1) Financial Information for the years ended December 31, 2013 have been retroactively restated to reflect changes in accounting policies in accordance with reclassification of Hybrid bonds.

(\*2) Financial Information for the years ended December 31, 2012 have been retroactively restated to reflect changes in accounting policies in accordance with adoption of K-IFRS No.1110, Consolidated Financial Statement and the amendments to K-IFRS No. 1019, Employee Benefits .



**Table of Contents****Source and Use of Funds**

| Category             | FY2014<br>Jan. 1 ~ Dec. 31       |                    |                  |             | FY2013<br>Jan. 1 ~ Dec. 31       |                    |                  |             | FY2012<br>Jan. 1 ~ Dec. 31       |                    |                  |
|----------------------|----------------------------------|--------------------|------------------|-------------|----------------------------------|--------------------|------------------|-------------|----------------------------------|--------------------|------------------|
|                      | Average<br>Balance <sup>1)</sup> | Proportions<br>(%) | Interest<br>Paid | Interest    | Average<br>Balance <sup>1)</sup> | Proportions<br>(%) | Interest<br>Paid | Interest    | Average<br>Balance <sup>1)</sup> | Proportions<br>(%) | Interest<br>Paid |
|                      |                                  |                    |                  | Rate<br>(%) |                                  |                    |                  | Rate<br>(%) |                                  |                    |                  |
| Deposits             | 186,086.1                        | 57.21              | 3,449.5          | 1.85        | 176,825.5                        | 56.58              | 3,914.2          | 2.21        | 170,937.0                        | 56.64              | 4,636.0          |
| Loans                | 12,145.2                         | 3.73               | 190.0            | 1.56        | 13,054.6                         | 4.18               | 229.3            | 1.76        | 14,463.2                         | 4.79               | 293.0            |
| Investments          | 36,609.9                         | 11.26              | 1,301.9          | 3.56        | 38,303.2                         | 12.26              | 1,521.5          | 3.97        | 39,763.3                         | 13.18              | 1,740.0          |
| Other                | 60,397.7                         | 18.57              |                  |             | 55,163.5                         | 17.65              |                  |             | 48,721.5                         | 16.14              |                  |
| Total                | 295,238.9                        | 90.77              |                  |             | 283,346.8                        | 90.67              |                  |             | 273,885.0                        | 90.75              |                  |
| Shareholders' Equity | 30,023.9                         | 9.23               |                  |             | 29,157.1                         | 9.33               |                  |             | 27,919.8                         | 9.25               |                  |
| Total                | 325,262.8                        | 100.00             |                  |             | 312,503.9                        | 100.00             |                  |             | 301,804.8                        | 100.00             |                  |
| Agency & Other       |                                  |                    |                  |             |                                  |                    |                  |             |                                  |                    |                  |
| Deposits from        | 19,646.5                         | 6.04               | 236.9            | 1.21        | 17,264.0                         | 5.52               | 200.9            | 1.16        | 15,655.9                         | 5.19               | 246.0            |
| Loans                | 212,237.2                        | 65.25              | 9,722.5          | 4.58        | 203,254.8                        | 65.04              | 10,173.5         | 5.01        | 196,161.4                        | 65.00              | 11,309.0         |
| Investments in       | 164,597.9                        | 50.60              | 7,092.5          | 4.31        | 156,496.7                        | 50.08              | 7,435.5          | 4.75        | 150,826.8                        | 49.97              | 8,334.0          |
| Other                | 11,598.8                         | 3.57               | 403.0            | 3.47        | 10,506.0                         | 3.36               | 394.6            | 3.76        | 10,335.9                         | 3.42               | 439.0            |
| Agency Credit Card   | 17,575.1                         | 5.40               | 1,702.5          | 9.69        | 17,445.2                         | 5.58               | 1,763.8          | 10.11       | 17,507.8                         | 5.80               | 1,834.0          |
| Other                | 18,465.4                         | 5.68               | 524.5            | 2.84        | 18,806.9                         | 6.02               | 579.6            | 3.08        | 17,490.9                         | 5.80               | 701.0            |
| Total                | 26,801.5                         | 8.24               | 814.8            | 3.04        | 29,620.6                         | 9.48               | 979.2            | 3.31        | 28,996.9                         | 9.61               | 1,111.0          |
| Financial            | 12,076.7                         | 3.71               | 521.7            | 4.32        | 11,197.0                         | 3.58               | 527.9            | 4.71        | 11,790.5                         | 3.91               | 594.0            |
| Other                | 54,500.9                         | 16.76              |                  |             | 51,167.5                         | 16.37              |                  |             | 49,200.1                         | 16.30              |                  |
| Total                | 325,262.8                        | 100.00             |                  |             | 312,503.9                        | 100.00             |                  |             | 301,804.8                        | 100.00             |                  |

- 1) The Average Balance is the arithmetic mean of the ending balance of each quarter.

**Table of Contents****Other Financial Information****1) Capital Adequacy****Consolidated BIS Ratio (Shinhan Financial Group)**

|  | (KRW billion) |               |               |
|--|---------------|---------------|---------------|
|  | Dec. 31, 2014 | Dec. 31, 2013 | Dec. 31, 2012 |
| Aggregate Amount of Equity Capital (A) | 25,938.0      | 25,605.8      | 25,075.7      |
| Risk-Weighted Assets (B)               | 198,832.9     | 190,716.6     | 201,184.4     |
| BIS Ratio (A/B)                        | 13.05%        | 13.43%        | 12.46%        |

Note) Figs. from Dec. 31, 2013 based on Basel III, Figs. for Dec. 31, 2012 based on Basel I

**Capital Adequacy Ratios (Subsidiaries)**

| Subsidiary               | Capital Adequacy Ratio   | (%)           |               |               |
|--------------------------|--------------------------|---------------|---------------|---------------|
|                          |                          | Dec. 31, 2014 | Dec. 31, 2013 | Dec. 31, 2012 |
| Shinhan Bank             | BIS Capital Adequacy     |               |               |               |
|                          | Ratio                    | 15.43         | 16.29         | 15.83         |
| Jeju Bank                | BIS Capital Adequacy     |               |               |               |
|                          | Ratio                    | 14.33         | 15.95         | 15.89         |
| Shinhan Card             | Adjusted Equity Capital  |               |               |               |
|                          | Ratio                    | 29.64         | 30.41         | 27.43         |
| Shinhan Investment Corp. | Net Capital Ratio        | 461.75        | 493.33        | 666.34        |
| Shinhan Life Insurance   | Risk Based Capital Ratio | 228.47        | 253.06        | 287.70        |
| Shinhan BNPP AM          | Net Capital Ratio        | 512.03        | 599.75        | 583.21        |
| Shinhan Capital          | Adjusted Equity Capital  |               |               |               |
|                          | Ratio                    | 15.55         | 15.05         | 14.98         |
| Shinhan Savings Bank     | BIS Capital Adequacy     |               |               |               |
|                          | Ratio                    | 16.28         | 12.22         | n/a           |

Notes:

The BIS Capital Adequacy Ratio is computed in accordance with the guidelines issued by the FSS for commercial banks. Under these guidelines, commercial banks are required to maintain a minimum capital adequacy ratio of 8%.

Basel III FIRB was applied in calculating Shinhan Bank's BIS Capital Adequacy Ratio from Dec. 31, 2013, whereas, Basel II FIRB was applied for Dec. 31, 2012.

Basel III TSA was applied in calculating Jeju Bank's BIS Capital Adequacy Ratio from Dec. 31, 2013. whereas, Basel II TSA was applied for Dec. 31, 2012.

Basel I was applied in calculating Shinhan Savings Bank's BIS Capital Adequacy Ratio.

The Adjusted Equity Capital Ratio represents the ratio of total adjusted shareholder's equity to total adjusted assets and is computed in accordance with the guidelines issued by FSS. Under these guidelines, Shinhan Card and Shinhan Capital are required to maintain a minimum adjusted equity capital ratio of 8%.

Net Capital Ratio is computed in accordance with the guidelines issued by the FSS. Under these guidelines, Shinhan Investment Corporation and Shinhan BNP Paribas Asset Management are required to maintain a minimum net capital ratio of 150%.

Under the guidelines issued by the FSS, Shinhan Life Insurance is required to maintain a minimum RBC ratio of 100%.

**Table of Contents****2) Liquidity****Won Liquidity Ratio**

(KRW billion, %)

| Company                  | Dec. 31, 2014 |                 |                        | Dec. 31, 2013 |                 |                        | Dec. 31, 2012 |                 |                        |
|--------------------------|---------------|-----------------|------------------------|---------------|-----------------|------------------------|---------------|-----------------|------------------------|
|                          | Won Assets    | Won Liabilities | Won Liquidity Ratio(%) | Won Assets    | Won Liabilities | Won Liquidity Ratio(%) | Won Assets    | Won Liabilities | Won Liquidity Ratio(%) |
| Shinhan Financial Group  | 76.1          | 41.4            | 183.9                  | 578.3         | 263.0           | 219.9                  | 189.1         | 93.4            | 202.6                  |
| Shinhan Bank             | 55,338.0      | 45,258.5        | 122.3                  | 53,589.9      | 41,699.5        | 128.5                  | 56,506.3      | 41,131.1        | 137.4                  |
| Shinhan Card             | 14,583.7      | 3,014.5         | 483.8                  | 14,490.7      | 3,902.1         | 371.4                  | 15,472.3      | 3,420.9         | 452.3                  |
| Shinhan Investment Corp. | 17,500.5      | 11,305.5        | 154.8                  | 10,613.7      | 7,833.6         | 135.5                  | 9,358.8       | 6,725.4         | 139.2                  |
| Shinhan Life Insurance   | 1,302.2       | 472.6           | 275.6                  | 1,174.2       | 419.6           | 279.8                  | 969.1         | 377.2           | 256.9                  |
| Shinhan Capital          | 567.6         | 161.1           | 352.3                  | 510.9         | 221.1           | 231.1                  | 587.5         | 161.3           | 364.1                  |
| Jeju Bank                | 798.2         | 716.9           | 111.3                  | 937.3         | 559.0           | 167.7                  | 9,984.0       | 6,511.8         | 153.3                  |
| Shinhan Savings Bank     | 242.0         | 94.9            | 255.0                  | 257.4         | 91.8            | 280.2                  |               |                 |                        |

Notes:

Shinhan Financial Group, Shinhan Bank and Jeju Bank: Due within 1 month

Shinhan Life Insurance: (Won assets due within 3 months /3 months average of Claim payments )\*100

Shinhan Card, Shinhan Investment Corp., Shinhan Capital, and Shinhan Savings Bank: Due within 3 months

Shinhan Financial Group figures are separate basis

**Foreign Currency (FC) Liquidity Ratio**

(USD thousand, %)

| Company | Dec. 31, 2014 |                |                       | Dec. 31, 2013 |                |                       | Dec. 31, 2012 |                |                       |
|---------|---------------|----------------|-----------------------|---------------|----------------|-----------------------|---------------|----------------|-----------------------|
|         | FC Assets     | FC Liabilities | FC Liquidity Ratio(%) | FC Assets     | FC Liabilities | FC Liquidity Ratio(%) | FC Assets     | FC Liabilities | FC Liquidity Ratio(%) |

|                          |            |            |       |            |            |       |            |            |       |
|--------------------------|------------|------------|-------|------------|------------|-------|------------|------------|-------|
| Shinhan Financial Group  |            |            |       |            |            |       |            |            |       |
| Shinhan Bank             | 25,309,112 | 19,472,594 | 130.0 | 25,808,136 | 20,294,035 | 127.2 | 25,501,141 | 20,005,132 | 127.5 |
| Shinhan Investment Corp. |            |            |       |            |            |       |            |            |       |
| Shinhan Investment Corp. | 1,195,694  | 871,535    | 137.2 | 451,293    | 390,614    | 115.5 | 450,807    | 417,150    | 108.1 |
| Shinhan Capital          |            |            |       |            |            |       |            |            |       |
| Shinhan Capital          | 81,159     | 54,560     | 148.8 | 84,439     | 55,637     | 151.8 | 108,100    | 71,391     | 151.4 |
| Jeju Bank                |            |            |       |            |            |       |            |            |       |
| Jeju Bank                | 9,831      | 6,144      | 160.0 | 8,486      | 5,203      | 163.1 | 11,253     | 5,676      | 198.3 |

Notes:

Foreign currency liquidity ratios are computed with assets and liabilities due within 3 months

Shinhan Bank's foreign currency liquidity ratio reflected securitization weight with the guidelines issued by the FSS

Shinhan Financial Group figures are separate basis

**Table of Contents****3) Asset Quality****SFG Consolidated Basis**

|                                    | (KRW billion, %) |               |               |
|------------------------------------|------------------|---------------|---------------|
|                                    | Dec. 31, 2014    | Dec. 31, 2013 | Dec. 31, 2012 |
| Total Loans                        | 226,503.2        | 207,680.2     | 203,155.4     |
| Substandard & Below                | 2,595.3          | 2,609.1       | 2,718.9       |
| Substandard & Below Ratio          | 1.15             | 1.26          | 1.34          |
| Non-Performing Loans               | 2,031.7          | 1,990.2       | 2,173.3       |
| NPL Ratio                          | 0.90             | 0.96          | 1.07          |
| Substandard & Below Coverage Ratio | 168.88           | 162.96        | 169.55        |
| Loan Loss Allowance <sup>1)</sup>  | 4,383.0          | 4,251.7       | 4,609.9       |
| Substandard & Below Loans          | 2,595.3          | 2,609.1       | 2,718.9       |

Note) Including reserve for credit losses.

**Separate Basis**

|                          | Dec. 31, 2014                      |              |   | Dec. 31, 2013                      |              |   | Dec. 31, 2012                      |              |   |
|--------------------------|------------------------------------|--------------|---|------------------------------------|--------------|---|------------------------------------|--------------|---|
|                          | Substandard<br>&<br>Below<br>Ratio | NPL<br>Ratio | Substandard<br>& Below<br>Coverage<br>Ratio <sup>1)</sup> | Substandard<br>&<br>Below<br>Ratio | NPL<br>Ratio | Substandard<br>& Below<br>Coverage<br>Ratio <sup>1)</sup> | Substandard<br>&<br>Below<br>Ratio | NPL<br>Ratio | Substandard<br>& Below<br>Coverage<br>Ratio <sup>1)</sup> |
| Shinhan Financial Group  |                                    |              |   |                                    |              |   |                                    |              |   |
| Shinhan Bank             | 1.03                               | 0.78         | 154.16  | 1.16                               | 0.90         | 149.22  | 1.08                               | 0.87         | 171.32  |
| Shinhan Card             | 1.69                               | 1.21         | 295.10  | 1.53                               | 1.00         | 314.75  | 2.14                               | 1.64         | 248.83  |
| Shinhan Investment Corp. | 1.37                               | 1.36         | 207.83  | 4.65                               | 4.65         | 94.16   | 11.17                              | 11.18        | 77.61   |
| Shinhan Life Insurance   | 0.10                               | 0.09         | 866.67  | 0.20                               | 0.19         | 472.62  | 0.50                               | 0.26         | 361.33  |
| Shinhan Capital          | 2.87                               | 4.08         | 96.34   | 2.23                               | 1.88         | 111.21  | 2.98                               | 1.91         | 95.84   |
| Jeju Bank                | 2.04                               | 1.84         | 80.09   | 1.53                               | 1.49         | 102.47  | 1.49                               | 1.47         | 100.62  |
| Shinhan Savings Bank     | 12.15                              | 10.27        | 32.80   | 18.55                              | 13.64        | 31.92   |                                    |              |   |

Note) Including reserve for credit losses.

**Table of Contents****4) Write-Offs & Provision for Credit Losses*****SFG Consolidated Basis***

|  | (KRW billion)  |                |                |
|--|----------------|----------------|----------------|
|  | Dec. 31, 2014  | Dec. 31, 2013  | Dec. 31, 2012  |
| Allowance for loan losses                | 2,619.2        | 2,575.0        | 2,903.5        |
| Allowance for acceptances and guarantees | 107.2          | 93.0           | 77.8           |
| Allowance for unused loan commitments    | 402.9          | 411.2          | 415.4          |
| Other allowance                          | 184.1          | 246.1          | 254.6          |
| <b>Total allowance</b>                   | <b>3,313.4</b> | <b>3,325.3</b> | <b>3,651.3</b> |
| Write-offs                               | 1,132.8        | 1,504.1        | 1,417.2        |

***Shinhan Bank***

|  | (KRW billion)  |                |                |
|--|----------------|----------------|----------------|
|  | Dec. 31, 2014  | Dec. 31, 2013  | Dec. 31, 2012  |
| Allowance for loan losses                | 1,435.2        | 1,502.1        | 1,649.8        |
| Allowance for acceptances and guarantees | 132.8          | 111.5          | 112.8          |
| Allowance for unused loan commitments    | 71.9           | 80.3           | 78.1           |
| Other allowance                          | 106.0          | 180.0          | 168.8          |
| <b>Total allowance</b>                   | <b>1,745.9</b> | <b>1,873.9</b> | <b>2,009.5</b> |
| Write-offs                               | 519.3          | 750.8          | 695.6          |

***Shinhan Card***

|  | (KRW billion)  |                |                |
|--|----------------|----------------|----------------|
|  | Dec. 31, 2014  | Dec. 31, 2013  | Dec. 31, 2012  |
| Allowance for loan losses                | 753.0          | 673.5          | 777.4          |
| Allowance for acceptances and guarantees |                |                |                |
| Allowance for unused loan commitments    | 316.2          | 318.6          | 328.5          |
| Other allowance                          | 50.0           | 52.7           | 46.7           |
| <b>Total allowance</b>                   | <b>1,119.2</b> | <b>1,044.8</b> | <b>1,152.6</b> |
| Write-offs                               | 532.8          | 647.5          | 511.6          |



**Table of Contents****5) Debt to Equity Ratios*****Shinhan Financial Group (Separate Basis)***

|                      | <b>Dec. 31, 2014</b> | <b>Dec. 31, 2013</b> | (KRW billion)<br><b>Dec. 31, 2012</b> |
|----------------------|----------------------|----------------------|---------------------------------------|
| Debt                 | 6,859.4              | 7,450.2              | 7,546.0                               |
| Equity               | 20,235.1             | 19,974.5             | 19,666.9                              |
| Debt to Equity Ratio | 33.90%               | 37.30%               | 38.37%                                |

**Table of Contents****Twenty Largest Exposures by Borrower**

(KRW billion)

| As of Dec. 31, 2014                      | Loans in<br>Won | Loans in<br>Foreign<br>Currency | Securities | Guarantees<br>and<br>Acceptances | Others | Total<br>Exposures |
|--|-----------------|---------------------------------|------------|----------------------------------|--------|--------------------|
| <b>Consolidated basis</b>                |                 |                                 |            |                                  |        |                    |
| Ministry of Strategy & Finance           | 0               |                                 | 7,338      |                                  |        | 7,338              |
| Bank of Korea                            | 1,730           |                                 | 5,103      | 0                                |        | 6,834              |
| Korea Deposit Insurance Corporation      |                 |                                 | 2,995      |                                  |        | 2,995              |
| Korea Development Bank                   | 15              | 24                              | 2,805      |                                  |        | 2,845              |
| Industrial Bank of Korea                 | 535             |                                 | 1,702      |                                  |        | 2,237              |
| Hyundai Heavy Industries Co., Ltd.       | 39              | 225                             | 81         | 1,832                            |        | 2,177              |
| Korea Finance Corporation                |                 |                                 | 1,764      |                                  |        | 1,764              |
| Korea Land & Housing Corporation         | 0               |                                 | 1,474      |                                  |        | 1,474              |
| Woori Bank                               | 302             | 77                              | 1,052      |                                  |        | 1,431              |
| Samsung Heavy Industries Co., Ltd.       | 270             | 11                              | 20         | 942                              |        | 1,243              |
| Hyundai Samho Heavy Industries Co., Ltd. | 0               | 64                              | 38         | 1,103                            |        | 1,205              |
| Korea Securities Finance Corporation     |                 |                                 | 1,188      |                                  |        | 1,188              |
| Kookmin Bank                             | 280             |                                 | 690        |                                  |        | 970                |
| Hyundai Steel                            | 510             | 277                             | 153        | 28                               | 0      | 968                |
| Nonghyup Bank                            | 499             |                                 | 445        | 9                                |        | 952                |
| Hana Bank                                | 115             | 10                              | 820        |                                  |        | 945                |
| KB Card                                  |                 |                                 | 931        |                                  |        | 931                |
| Korea Housing-Finance Corporation        | 0               |                                 | 884        |                                  |        | 884                |
| KEPCO                                    | 2               |                                 | 827        | 16                               |        | 844                |
| Woori Card                               |                 |                                 | 791        |                                  |        | 791                |
| <b>Total</b>                             | 4,297           | 688                             | 31,102     | 3,929                            | 0      | 40,016             |

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

**Table of Contents****Exposure to ten Main Debtor Groups**

(KRW billion)

As of Dec. 31, 2014

| Consolidated basis       | Loans in Foreign |              | Guarantees and |              |          | Total Exposures |
|--------------------------|------------------|--------------|----------------|--------------|----------|-----------------|
|                          | Loans in Won     | Currency     | Securities     | Acceptances  | Others   |                 |
| Hyundai Motors           | 1,372            | 1,280        | 1,836          | 364          | 0        | 4,852           |
| Samsung                  | 642              | 1,182        | 1,003          | 1,672        | 0        | 4,500           |
| Hyundai Heavy Industries | 154              | 491          | 148            | 3,671        | 0        | 4,465           |
| SK                       | 457              | 967          | 951            | 1,204        | 0        | 3,580           |
| Lotte                    | 348              | 828          | 1,340          | 398          | 0        | 2,914           |
| LG                       | 657              | 290          | 400            | 762          | 0        | 2,109           |
| LS                       | 185              | 353          | 163            | 602          |          | 1,303           |
| POSCO                    | 214              | 407          | 357            | 189          | 0        | 1,167           |
| GS                       | 238              | 387          | 177            | 261          | 0        | 1,062           |
| Hyosung                  | 248              | 500          | 5              | 134          | 0        | 887             |
| <b>Total</b>             | <b>4,515</b>     | <b>6,686</b> | <b>6,380</b>   | <b>9,258</b> | <b>1</b> | <b>26,840</b>   |

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

**Loans, Due from banks and Securities Concentration by Industry**

(KRW billion)

As of Dec. 31, 2014

Total Exposures

| Consolidated basis               | Amount         | Weight (%)    |
|----------------------------------|----------------|---------------|
| Finance and Insurance            | 65,315         | 21.5%         |
| Manufacturing                    | 38,532         | 12.7%         |
| Retail and wholesale             | 14,801         | 4.9%          |
| Real Estate, leasing and service | 20,944         | 6.9%          |
| Construction                     | 4,134          | 1.4%          |
| Hotel and Restaurant             | 5,031          | 1.7%          |
| Others                           | 43,790         | 14.4%         |
| Consumers                        | 110,810        | 36.5%         |
| <b>Total</b>                     | <b>303,356</b> | <b>100.0%</b> |

Notes: Some of the totals may not sum due to rounding

**Table of Contents****Top Twenty Non-Performing Loans**

| Borrower     | Industry   | (KRW billion)               |                     |                           |
|--------------|--|-----------------------------|---------------------|---------------------------|
|              |  | Gross Principal Outstanding | Substandard & Below | Allowance for Loan Losses |
| A            | Building of Steel Ships                                    | 195                         | 164                 | 101                       |
| B            | Construction of Highways, Streets and Roads                | 149                         | 149                 | 54                        |
| C            | Apartment Building Construction                            | 172                         | 140                 | 118                       |
| D            | Building of Steel Ships                                    | 96                          | 94                  | 8                         |
| E            | Development and Subdividing of Residential Buildings       | 90                          | 90                  | 0                         |
| F            | Building of Steel Ships                                    | 44                          | 44                  | 0                         |
| G            | Renting of Non-Residential Buildings                       | 32                          | 32                  | 1                         |
| H            | Oceangoing Foreign Freight Transport                       | 32                          | 32                  | 32                        |
| I            | Development and Subdividing of Residential Buildings       | 30                          | 30                  | 21                        |
| J            | Other Civil Engineering Construction                       | 29                          | 29                  | 24                        |
| K            | Building of Steel Ships                                    | 29                          | 29                  | 3                         |
| L            | Manufacture of Other Insulated Wire and Cable              | 29                          | 29                  | 6                         |
| M            | Manufacture of Other Paper and Paperboard                  | 27                          | 26                  | 11                        |
| N            | Apartment Building Construction                            | 22                          | 22                  | 9                         |
| O            | Building of Steel Ships                                    | 22                          | 22                  | 1                         |
| P            | Manufacture of Sections for Ships                          | 22                          | 22                  | 0                         |
| Q            | Apartment Building Construction                            | 20                          | 20                  | 18                        |
| R            | Manufacture of Synthetic Resin and Other Plastic Materials | 18                          | 18                  | 0                         |
| S            | Construction of Highways, Streets and Roads                | 18                          | 18                  | 7                         |
| T            | Manufacture of Other Basic Iron and Steel n. e. c.         | 20                          | 18                  | 14                        |
| <b>Total</b> |  | <b>1,094</b>                | <b>1,026</b>        | <b>427</b>                |

Notes:

Consolidated basis as of Dec. 31, 2014.

Some of the totals may not sum due to rounding.



**Table of Contents****3. Independent Auditor***Audit Opinion for the last 3 years*

|               |                              |                              |                               |
|---------------|------------------------------|------------------------------|-------------------------------|
| Audit Opinion | <b>FY2014</b><br>Unqualified | <b>FY2013</b><br>Unqualified | <b>FY 2012</b><br>Unqualified |
|---------------|------------------------------|------------------------------|-------------------------------|

**Compensation to the Independent Auditor for Audit and Review Services**

The following is a description of the fees for audit and review services performed by our independent auditor for the last three years in connection with our financial statements preparation.

| Year   | Auditor                       | Payment <sup>1)</sup><br>(KRW mil.) | Details   | Working<br>hours |
|--------|-------------------------------|-------------------------------------|---|------------------|
|        |                               | 500                                 |   | 6,564            |
|        | KPMG Samjong Accounting Corp. | (annualized<br>basis)               | Review/Audit of Financial<br>Statements   | Hours            |
|        |                               | 73                                  |   | 845              |
| FY2014 | KPMG Samjong Accounting Corp. | (annualized<br>basis)               | K-IFRS Report Package<br>Audit for Shinhan Savings<br>Bank  | Hours            |
|        |                               | 12                                  |   | 182              |
|        | KPMG Samjong Accounting Corp. | (annualized<br>basis)               | Non-statutory audit of<br>subsidiaries under the<br>consolidated corporate tax<br>system for CY2014 | hours            |
|        |                               | 508                                 |   | 6,270            |
|        | KPMG Samjong Accounting Corp. |                                     | Review/Audit of Financial<br>Statements   | hours            |
|        |                               | 140                                 |   | 1,511            |
| FY2013 | KPMG Samjong Accounting Corp. |                                     | K-IFRS Report Package<br>Audit for Shinhan Savings<br>Bank  | hours            |
|        |                               | 45                                  |   | 510              |
|        | KPMG Samjong Accounting Corp. |                                     | Non-statutory audit of<br>subsidiaries under the<br>consolidated corporate tax<br>system for CY2013 | hours            |
|        |                               | 498                                 |   | 6,380            |
| FY2012 | KPMG Samjong Accounting Corp. |                                     | Review/Audit of Financial<br>Statements   | hours            |
|        |                               | 35                                  |   | 372              |
|        | KPMG Samjong Accounting Corp. |                                     | K-IFRS Report Package<br>Audit for Shinhan Savings<br>Bank  | hours            |
|        |                               | 70                                  |   | 690              |
|        | KPMG Samjong Accounting Corp. |                                     |   | hours            |

Non-statutory audit of                    hours  
subsidiaries under the  
consolidated corporate tax  
system for CY2012

- 1) Excluding value-added taxes.
- \* In addition to above mentioned description of fees for audit and review services, KPMG Samjong Accounting Corp. also provided services related to US listing and ICOFR audit in accordance with the standards of the PCAOB which we agreed to pay KRW1,169 million(Excluding value-added taxes) for FY2014

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**4. Directors, Executive Officers and Employees**

*Directors and Executive Officers*

1) Executive Director

(As of Mar. 31, 2015)

| <b>Name</b> | <b>Month and<br/>Year<br/>of Birth</b> | <b>Position</b>  | <b>Service Term</b>                  |
|-------------|--|--|--------------------------------------|
| Han Dongwoo | November. 1948                         | <ul style="list-style-type: none"> <li>- Chairman of Shinhan Financial Group</li> <li>- Board Steering Committee member</li> <li>- Corporate Governance &amp; CEO Recommendation Committee member</li> <li>- Corporate Social Responsibility Committee member</li> <li>- Outside Director Recommendation Committee member</li> </ul> | 6 years starting from March 23, 2011 |



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## 2) Non-Executive Directors

Currently, 11 non-executive directors are in office, 10 of which outside directors who are nominated by our Outside Director Recommendation Committee and appointed pursuant to the approval of general shareholders meeting.

8 outside directors were appointed as board of directors at the 14th Annual General Meeting of Shareholders on March 25, 2015, of which 5 directors renewed their terms and 3 directors newly appointed.

Our non-executive directors are as follows: Director

(As of Mar. 31, 2015)

| <b>Name</b>     | <b>Month and Year of Birth</b> | <b>Outside Director</b> | <b>Sub-Committees</b>  | <b>Service Term</b>                  |
|-----------------|--------------------------------|-------------------------|--|--------------------------------------|
| Cho Yong-byoung | June. 1957                     | X                       | Chairman of Board of Directors<br>Board Steering Committee member<br>Risk Management Committee member          | 2 years starting from March 25, 2015 |
| Namkoong Hoon   | June. 1947                     | O                       | Corporate Governance & CEO Recommendation Committee member<br>Outside Director Recommendation Committee member | 5 years starting from March 23, 2011 |
| Ko Boo-in       | December. 1941                 | O                       | Corporate Governance & CEO Recommendation Committee member<br>Audit Committee chair                            | 3 years starting from March 28, 2013 |
| Kwon Taeun      | January. 1941                  | O                       | Corporate Governance & CEO Recommendation Committee member<br>Outside Director Recommendation Committee member | 5 years starting from March 23, 2011 |
| Park Cheul      | April. 1946                    | O                       |  |                                      |

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|                |                 |   |  |                                      |
|----------------|-----------------|---|--|--------------------------------------|
|                |                 |   | Risk Management Committee member   | 2 years starting from March 25, 2015 |
|                |                 |   | Compensation Committee member<br>Outside Director<br>Recommendation Committee member |                                      |
|                |                 |   | Audit Committee member   |                                      |
| Kim Seok-won   | April. 1947     | O | Compensation Committee member  | 5 years starting from March 23, 2011 |
|                |                 |   | Corporate Social Responsibility Committee member                                     |                                      |
|                |                 |   | Compensation Committee member  |                                      |
| Lee Man-woo    | November. 1954  | O | Audit Committee member   | 2 years starting from March 26, 2014 |
|                |                 |   | Corporate Social Responsibility Committee member                                     |                                      |
|                |                 |   | Board Steering Committee member  |                                      |
| Lee Sang-kyung | September. 1945 | O | Audit Committee member<br>Corporate Governance & CEO Recommendation Committee chair  | 4 years starting from March 29, 2012 |
|                |                 |   | Board Steering Committee member  |                                      |
| Chung Jin      | March. 1937     | O | Compensation Committee member  | 2 years starting from March 26, 2014 |
|                |                 |   | Board Steering Committee member  |                                      |
| Yuki Hirakawa  | October. 1960   | O | Corporate Social Responsibility Committee member                                     | 2 years starting from March 25, 2015 |
|                |                 |   | Outside Director<br>Recommendation Committee member                                  |                                      |
|                |                 |   | Risk Management Committee member   |                                      |
| Philippe Avril | April. 1960     | O | Corporate Governance & CEO Recommendation Committee member                           | 2 years starting from March 25, 2015 |



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## 3) Executive Officers

In addition to the executive directors, we currently have the following executive officers:

(As of Mar. 31, 2015)

| <b>Name</b>    | <b>Month and Year<br/>of Birth</b> | <b>Position</b>                                       | <b>In charge of</b>  |
|----------------|------------------------------------|---|--|
|                |                                    |   | - Strategic Planning Team  |
| Kim Hyung-jin  | August. 1958                       | Deputy President &<br>Chief Strategy Officer          | - Global Business Strategy Team<br>- Future Strategy Research Institute<br>- Corporate Culture Development Team<br>- Synergy Management Team |
| Soh Jae-gwang  | August. 1961                       | Deputy President                                      | - Information & Communication Technology<br>Planning Team<br>- Smart Finance Team<br>- Audit Team<br>- Public Relations Team                 |
| Lee Sin-gee    | July. 1956                         | Deputy President                                      | - CSR Team<br>- Management Support Team  |
| Lim Young-jin  | November. 1960                     | Deputy President                                      | - Wealth Management Planning Office  |
| Lee Dong-hwan  | September. 1959                    | Deputy President                                      | - Corporate & Investment Banking Planning<br>Office<br>- Finance Management Team   |
| Yim Bo-hyuk    | March. 1961                        | Executive Vice President &<br>Chief Financial Officer | - Investor Relations Team<br>- HR Team   |
| Park Woo-gyun  | March. 1959                        | Managing Director                                     | - Compliance Team  |
| Lim Byung-chul | January. 1964                      | Managing Director                                     | - Future Strategy Research Institute   |
| Jeon Young-kyo | August. 1962                       | Managing Director                                     | - Finance Management Team  |
| Choi Joon-hwan | September. 1963                    | Managing Director                                     | - Information & Communication Technology<br>Planning Team  |

Kim Im-geun      July. 1963      Managing Director      - Risk Management Team  
**Compensation to Directors**

1) Total Amount Approved at the Meeting of Shareholders

|                               | (KRW millions)          |                       |
|-------------------------------|-------------------------|-----------------------|
|                               | Total amount approved   |                       |
|                               | Total number of persons | Total amount approved |
|                               | at shareholders meeting | Notes                 |
| Directors (Outside directors) | 12(10)                  | 3,000                 |

Note) Represents the aggregate amount for all directors (including Outside directors). Excludes long-term incentives.

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## 2) Total Amount Paid as of December 31, 2014

|   | Total number of<br>Persons | Total<br>Compensation | Average<br>Compensation<br>per<br>person | Notes                             |
|---|----------------------------|-----------------------|--|-----------------------------------|
| Registered Directors                        | 2                          | 1,233                 | 617                                      | Excluding outside directors       |
| Outside Directors                           | 6                          | 318                   | 53                                       | Excluding Audit committee members |
| Audit committee members or internal auditor | 4                          | 236                   | 59                                       |                                   |
| <b>Total</b>                                | <b>12</b>                  | <b>1,788</b>          | <b>149</b>                               |                                   |

Notes:

Represents the total number of applicable persons as of December 31, 2014.

Under the Financial Supervisory Service's standards for preparing corporate disclosure forms, which standards were amended in November 2013, we are required to disclose in our Business Report the individual annual compensation paid by us to our directors and auditors if such individual annual compensation is 500 million or greater. In 2014, Han Dongwoo, our Chairman and Chief Executive Officer, received 1,233 million which consisted of 801 million in salaries and wages and 432 million in bonus payments. He also currently holds 19,500 performance shares. The exercisability of these performance shares will be determined based on a review of our business performance and share price movements during the period from 2014 to 2017.

**Stock Options**

|                 | No. of<br>Granted Options<br>(A) | No. of Exercised<br>Options<br>(B) | No. of Cancelled<br>Options<br>(C) | No. of Exercisable<br>Options<br>(D = A - B - C) | Exercise Price<br>(KRW) |
|-----------------|----------------------------------|------------------------------------|------------------------------------|--|-------------------------|
| Granted in 2005 | 2,620,331                        | 2,266,642                          | 251,300                            | 102,389  | 28,006                  |
| Granted in 2006 | 3,206,173                        | 2,617,517                          | 480,300                            | 108,356  | 38,829                  |
| Granted in 2007 | 1,231,169                        | 1,025,856                          | 205,313                            |  | 54,560                  |
| Granted in 2008 | 805,174                          | 126,699                            | 185,396                            | 493,079  | 49,053                  |
| <b>Total</b>    | <b>7,862,847</b>                 | <b>6,036,714</b>                   | <b>1,122,309</b>                   | <b>703,824</b>                                   |                         |

Notes:

The weighted-average exercise price of outstanding exercisable options as of Feb. 28, 2015 is KRW 44,417

The closing price of our common stock was KRW 43,700 on Feb. 28, 2015.

**Employees**

| <b>Gender</b> | <b>Number of Employees</b> | <b>Average length of Service</b>                     | <b>Total Salaries and wages Payment</b> |                                 |
|---------------|----------------------------|--|---|---------------------------------|
|               |                            |  | <b>paid in 2014 (KRW million)</b>       | <b>per person (KRW million)</b> |
| Male          | 124                        | 2 yrs 10 mths<br>(13 yrs 5 mths) <sup>1)</sup>       | 14,300                                  | 115                             |
| Female        | 31                         | 4 yrs 4 mths<br>(7 yrs 9 mths) <sup>1)</sup>         | 2,213                                   | 71                              |
| <b>Total</b>  | <b>155</b>                 | <b>3 yrs 1 mths<br/>(12 yrs 3 mths)<sup>1)</sup></b> | <b>16,512</b>                           | <b>107</b>                      |

1) Average length of service including service within group subsidiaries

**Table of Contents****5. Major Shareholder and Market Price Information of our Common Shares and ADRs****Major Shareholders<sup>1)</sup> of Shinhan Financial Group as of Dec. 31, 2014**

| Name                                   | No. of Common Shares owned | Ownership% |
|--|----------------------------|------------|
| National Pension Service <sup>2)</sup> | 42,133,294                 | 8.89%      |
| BNP Paribas                            | 25,356,276                 | 5.35%      |

- 1) Shareholders who own beneficial ownership of 5% or more (common share basis).  
 2) In addition to the common share holdings, National Pension Service holds a total of 2,000,000 shares of Shinhan Financial Group's series 12 non-voting redeemable preferred stock as of Dec. 31, 2014.

**Share ownership of Employee Stock Ownership Association**

| Beginning Balance<br>(Jan. 1, 2014) | Increase  | Decrease  | (Number of shares, %)             |  |
|-------------------------------------|-----------|-----------|-----------------------------------|--|
|                                     |           |           | Ending Balance<br>(Dec. 31, 2014) | Ownership % <sup>1)</sup><br>(Dec. 31, 2014) |
| 19,332,502                          | 2,547,201 | 2,535,567 | 19,344,136                        | 4.08%  |

- 1) Common share basis.

**Common Share Traded on the Korea Exchange**

|                              | Jul.2014   | Aug.2014   | Sep.2014   | Oct.2014   | Nov.2014   | Dec.2014   | (KRW, number of shares) |            |
|------------------------------|------------|------------|------------|------------|------------|------------|-------------------------|------------|
|                              |            |            |            |            |            |            | Jan.2015                | Feb.2015   |
| Price per share              |            |            |            |            |            |            |                         |            |
| High                         | 51,400     | 52,500     | 53,400     | 51,500     | 50,400     | 49,450     | 46,650                  | 45,700     |
| Low                          | 45,050     | 49,600     | 48,600     | 46,650     | 47,900     | 44,450     | 42,500                  | 41,250     |
| Avg.                         | 46,946     | 51,265     | 51,450     | 48,312     | 49,275     | 47,869     | 44,333                  | 43,353     |
| Trading Volume               | 22,024,157 | 18,969,092 | 15,330,315 | 18,282,710 | 14,306,227 | 16,132,270 | 17,355,213              | 16,909,232 |
| Highest Daily Trading Volume | 2,323,992  | 1,719,788  | 1,274,251  | 2,125,736  | 1,377,262  | 1,259,931  | 1,473,811               | 2,234,154  |
| Lowest Daily Trading Volume  | 402,572    | 378,945    | 299,495    | 449,310    | 272,065    | 430,427    | 303,159                 | 308,039    |

**American Depositary Receipts traded on the New York Stock Exchange**



|                                       |      | (USD, number of shares) |          |          |           |          |           |           |           |
|---------------------------------------|------|-------------------------|----------|----------|-----------|----------|-----------|-----------|-----------|
|                                       |      | Jul.2014                | Aug.2014 | Sep.2014 | Oct.2014  | Nov.2014 | Dec.2014  | Jan.2015  | Feb.2015  |
| Price<br>per<br>share                 | High | 50.08                   | 51.71    | 52.44    | 48.83     | 46.69    | 44.39     | 42.83     | 42.00     |
|                                       | Low  | 43.98                   | 48.80    | 45.46    | 43.83     | 43.36    | 40.00     | 38.50     | 37.57     |
|                                       | Avg. | 46.08                   | 50.29    | 49.67    | 45.27     | 44.81    | 43.06     | 40.41     | 39.30     |
| Trading<br>Volume                     |      | 1,148,662               | 936,199  | 816,760  | 1,515,371 | 684,400  | 1,349,500 | 1,460,121 | 1,071,781 |
| Highest<br>Daily<br>Trading<br>Volume |      | 206,681                 | 183,381  | 72,945   | 238,875   | 80,200   | 154,100   | 195,186   | 104,104   |
| Lowest<br>Daily<br>Trading<br>Volume  |      | 17,973                  | 14,103   | 19,966   | 25,052    | 17,300   | 17,900    | 38,471    | 31,811    |
| Note) 1 ADR = 1 Common Shares         |      |                         |          |          |           |          |           |           |           |

**Table of Contents****6. Related Party Transactions***Loans to Subsidiaries*

| Subsidiary               | Loan Type    | Origination Date | Maturity Date | Lending Rate | (KRW billion)                    |                   | Ending Balance (Dec. 31, 2014) |                |
|--------------------------|--------------|------------------|---------------|--------------|----------------------------------|-------------------|--------------------------------|----------------|
|                          |              |                  |               |              | Beginning Balance (Jan. 1, 2014) | Decrease/Increase |                                |                |
| Shinhan Investment Corp. | Loans in KRW | 2012-01-30       | 2017-01-30    | 4.11%        | 100.0                            |                   | 100.0                          |                |
|                          | Loans in KRW | 2012-06-28       | 2017-06-28    | 3.84%        | 100.0                            |                   | 100.0                          |                |
|                          | Loans in KRW | 2010-10-29       | 2015-10-29    | 4.37%        | 100.0                            |                   | 100.0                          |                |
| Shinhan Card             | Loans in KRW | 2011-01-28       | 2016-01-28    | 4.91%        | 100.0                            |                   | 100.0                          |                |
|                          | Loans in KRW | 2011-02-24       | 2016-02-24    | 4.82%        | 250.0                            |                   | 250.0                          |                |
|                          | Loans in KRW | 2011-05-17       | 2016-05-17    | 4.47%        | 100.0                            |                   | 100.0                          |                |
|                          | Loans in KRW | 2012-03-14       | 2017-03-14    | 4.12%        | 150.0                            |                   | 150.0                          |                |
|                          | Loans in KRW | 2011-01-28       | 2014-01-28    | 4.53%        | 50.0                             | 50.0              |                                |                |
|                          | Loans in KRW | 2011-04-29       | 2016-04-29    | 4.65%        | 100.0                            |                   | 100.0                          |                |
|                          | Loans in KRW | 2011-05-17       | 2016-05-17    | 4.47%        | 50.0                             |                   | 50.0                           |                |
| Shinhan Capital          | Loans in KRW | 2012-03-14       | 2017-03-14    | 4.12%        | 50.0                             |                   | 50.0                           |                |
|                          | Loans in KRW | 2012-12-14       | 2017-12-14    | 3.33%        | 50.0                             |                   | 50.0                           |                |
|                          | Loans in KRW | 2013-01-18       | 2018-01-18    | 3.18%        | 50.0                             |                   | 50.0                           |                |
|                          | Loans in KRW | 2013-09-05       | 2018-09-05    | 3.61%        | 80.0                             |                   | 80.0                           |                |
|                          | Loans in KRW | 2014-01-27       | 2019-01-27    | 3.60%        |                                  | 50.0              | 50.0                           |                |
|                          | Loans in KRW | 2013-08-09       | 2014-08-08    | 2.81%        | 2.5                              | 2.5               |                                |                |
| Shinhan Private Equity   | Loans in KRW | 2013-11-27       | 2014-11-26    | 3.01%        | 5.0                              | 5.0               |                                |                |
|                          | Loans in KRW | 2014-08-08       | 2015-08-07    | 2.81%        |                                  |                   | 2.5                            |                |
|                          | Loans in KRW | 2014-11-26       | 2015-11-25    | 2.42%        |                                  |                   | 5.0                            |                |
| <b>Total</b>             |              |                  |               |              | <b>1,337.5</b>                   | <b>57.5</b>       | <b>57.5</b>                    | <b>1,337.5</b> |

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For more detailed information, please refer to the Independent Accountant's Audit Report, which was reported on Form 6-K on March 10, 2015.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SHINHAN FINANCIAL GROUP CO., LTD.

/s/ Yim Bo-hyuk

Name: Yim Bo-hyuk

Title: Chief Financial Officer

Date: March 31, 2015