

SHINHAN FINANCIAL GROUP CO LTD  
Form 6-K  
November 14, 2013

**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 November 2013**

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

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

**120, 2-Ga, Taepyung-Ro, Jung-Gu, Seoul 100-102, Korea**

**(Address of principal executive offices)**

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

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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-\_\_\_\_\_.

## Summary of 2013 3Q Business Report

On November 14, 2013, Shinhan Financial Group ( SFG ) filed its 2013 3Q Business Report (the Business Report ) with the Financial Supervisory Service of the Republic of Korea ( Korea ) 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 2009 through 2013

Jan. 2009: Shinhan BNP Paribas Asset Management launched through the merger of Shinhan BNP Paribas ITMC and SH Asset Management

Jun. 2009 : SH&C separated from SFG after SFG consummated share transfers of SH&C

Sep. 2009 : SBJ became an indirect subsidiary of SFG

Oct. 2009 : Shinhan Bank Vietnam became an indirect subsidiary of SFG

Nov. 2009 : Liquidated Shinhan Finance Ltd. , an indirect subsidiary of SFG

Dec. 2009 : Shinhan Capital Petra PEF became an indirect subsidiary of SFG

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

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

Jun. 2010 : CHB Valuemeet 2001 Second SPC and CHB Valuemeet 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 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.

**Principal Subsidiaries under Korean Law (as of September 30, 2013)***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 Investment Management | 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.

**Indirect subsidiaries held through direct subsidiaries (as of September 30, 2013)**

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

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

**Number of Shares (as of September 30, 2013)**

| <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>      |

**2. Business Results****Operation Results**

(KRW billion)

|                                      | <b>3Q 2013</b><br><b>(Jan. 1 ~ Sep. 30)</b> | <b>FY2012</b><br><b>(Jan. 1 ~ Dec. 31)</b> | <b>FY2011</b><br><b>(Jan. 1 ~ Dec. 31)</b> |
|--------------------------------------|---|--|--|
| Operating income                     | 2,170.2                                     | 3,194.0                                    | 4,172.4                                    |
| Equity in income(loss) of associates | 2.1   | 27.5                                       | 57.8                                       |
| Non-Operating Income(loss)           | 48.4  | 11.5                                       | (37.6)                                     |
| Earnings before income tax           | 2,220.7                                     | 3,233.0                                    | 4,192.6                                    |
| Income taxes                         | 541.0                                       | 738.9                                      | 920.0                                      |
| Consolidated net income              | 1,679.7                                     | 2,494.1                                    | 3,272.6                                    |
| Net income in majority interest      | 1,559.5                                     | 2,322.7                                    | 3,100.0                                    |
| Net income in minority interest      | 120.2                                       | 171.3                                      | 172.6                                      |

Some of the totals may not sum due to rounding.





**Other Financial Information**

The main serial financial figures and indices for Sep. 30, 2013 listed herein may be subject to change.

**1) Capital Adequacy****Consolidated BIS Ratio (Shinhan Financial Group)**

(KRW billion)

|  | Sep. 30, 2013 | Dec. 31, 2012 | Dec. 31, 2011 |
|--|---------------|---------------|---------------|
| Aggregate Amount of Equity Capital (A) | 25,987.8      | 25,075.7      | 22,315.4      |
| Risk-Weighted Assets (B)               | 199,320.0     | 201,184.4     | 195,579.4     |
| BIS Ratio (A/B) <sup>1)</sup>          | 13.04%        | 12.46%        | 11.41%        |

1) Based on Basel I.

2) Group's Consolidated BIS Ratio for 1H 2013 disclosed in 1H Business report has changed as follow

Aggregate Amount of Equity Capital : From 25,148.4 bil. to 25,257.9 bil.

Risk-Weighted Assets : From 200,897.8 bil. to 201,007.5 bil.

BIS Ratio : From 12.52% to 12.57%

**Capital Adequacy Ratios (Subsidiaries)**

(%)

| Subsidiary               | Capital Adequacy Ratio        | Sep. 30, 2013 | Dec. 31, 2012 | Dec. 31, 2011 |
|--------------------------|-------------------------------|---------------|---------------|---------------|
| Shinhan Bank             | BIS Capital Adequacy Ratio    | 16.10         | 15.83         | 15.26         |
| Jeju Bank                | BIS Capital Adequacy Ratio    | 16.08         | 15.89         | 13.27         |
| Shinhan Card             | Adjusted Equity Capital Ratio | 29.41         | 27.43         | 25.81         |
| Shinhan Investment Corp. | Net Capital Ratio             | 610.52        | 666.34        | 700.78        |
| Shinhan Life Insurance   | Risk Based Capital Ratio      | 261.89        | 287.70        | 324.02        |
| Shinhan BNPP AM          | Net Capital Ratio             | 539.98        | 583.21        | 599.73        |
| Shinhan Capital          | Adjusted Equity Capital Ratio | 15.19         | 14.98         | 14.90         |
| Shinhan Savings Bank     | BIS Capital Adequacy Ratio    | 13.26         | n/a           | n/a           |

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 II FIRB was applied in calculating Shinhan Bank's BIS Capital Adequacy Ratio.

Basel II TSA was applied in calculating Jeju Bank's BIS Capital Adequacy Ratio.

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 100%.

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

Shinhan Bank's BIS Ratio for 1H 2013 disclosed in 1H Business Report has changed from 15.57% to 15.50%.

**2) Liquidity****Won Liquidity Ratio**

(KRW billion, %)

| Company                  | Sep. 30, 2013 |                 |                        | Dec. 31, 2012 |                 |                        | Dec. 31, 2011 |                 |                        |
|--------------------------|---------------|-----------------|------------------------|---------------|-----------------|------------------------|---------------|-----------------|------------------------|
|                          | Won Assets    | Won Liabilities | Won Liquidity Ratio(%) | Won Assets    | Won Liabilities | Won Liquidity Ratio(%) | Won Assets    | Won Liabilities | Won Liquidity Ratio(%) |
| Shinhan Financial Group  | 481.1         | 189.4           | 254.0                  | 189.1         | 93.4            | 202.6                  | 4,225.5       | 3,911.2         | 108.0                  |
| Shinhan Bank             | 59,894.9      | 44,508.8        | 134.6                  | 56,506.3      | 41,131.1        | 137.4                  | 56,609.5      | 46,635.4        | 121.4                  |
| Shinhan Card             | 14,704.9      | 3,220.7         | 456.6                  | 15,472.3      | 3,420.9         | 452.3                  | 15,417.2      | 3,417.5         | 451.1                  |
| Shinhan Investment Corp. | 11,681.9      | 7,237.8         | 161.4                  | 9,358.8       | 6,725.4         | 139.2                  | 6,161.4       | 5,036.5         | 122.3                  |
| Shinhan Life Insurance   | 1,114.4       | 405.1           | 275.1                  | 969.1         | 377.2           | 256.9                  | 843.5         | 341.5           | 247.0                  |
| Shinhan Capital          | 558.3         | 275.0           | 203.0                  | 587.5         | 161.3           | 364.1                  | 519.0         | 147.9           | 350.8                  |
| Jeju Bank                | 883.8         | 480.7           | 183.9                  | 9,984.0       | 6,511.8         | 153.3                  | 982.2         | 686.2           | 143.1                  |
| Shinhan Savings Bank     | 373.3         | 174.8           | 213.6                  |               |                 |                        |               |                 |                        |

- 1) Shinhan Financial Group, Shinhan Bank, Jeju Bank: Due within 1 month
- 2) Shinhan Life Insurance: (Won assets due within 3 months /3 months average of Claim payments )\*100
- 3) Shinhan Card, Shinhan Investment Corp., Shinhan Capital, Shinhan Savings Bank : Due within 3 months
- 4) Shinhan Financial Group figures are separate basis

**Foreign Currency (FC) Liquidity Ratio**

(USD thousand, %)

| Company                 | Sep. 30, 2013 |                |                       | Dec. 31, 2012 |                |                       | Dec. 31, 2011 |                |                       |
|-------------------------|---------------|----------------|-----------------------|---------------|----------------|-----------------------|---------------|----------------|-----------------------|
|                         | 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            | 27,469,161    | 22,743,818     | 120.8                 | 25,501,141    | 20,005,132     | 127.5                 | 25,887,879    | 22,254,239     | 116.3                 |

|                          |         |         |         |         |         |       |         |         |       |
|--------------------------|---------|---------|---------|---------|---------|-------|---------|---------|-------|
| Shinhan Investment Corp. | 402,075 | 365,998 | 109.9   | 450,807 | 417,150 | 108.1 | 226,235 | 226,239 | 100.0 |
| Shinhan Capital          | 44,102  | 4,134   | 1,066.7 | 108,100 | 71,391  | 151.4 | 44,675  | 18,958  | 235.7 |
| Jeju Bank                | 18,328  | 14,832  | 123.6   | 11,253  | 5,676   | 198.3 | 15,362  | 9,351   | 164.3 |

- 1) Foreign currency liquidity ratios are computed with assets and liabilities due within 3 months
- 2) Shinhan Bank's foreign currency liquidity ratio reflected securitization weight with the guidelines issued by the FSS
- 3) Shinhan Financial Group figures are separate basis

## 3) Asset Quality

*SFG Consolidated Basis*

(KRW billion, %)

|                                    | Sep. 30, 2013 | Dec. 31, 2012 | Dec. 31, 2011 |
|------------------------------------|---------------|---------------|---------------|
| Total Loans                        | 207,630.7     | 203,155.4     | 201,245.9     |
| Substandard & Below                | 3,149.3       | 2,718.9       | 2,587.1       |
| Substandard & Below Ratio          | 1.52          | 1.34          | 1.29          |
| Non-Performing Loans               | 2,193.1       | 2,173.3       | 1,903.5       |
| NPL Ratio                          | 1.06          | 1.07          | 0.95          |
| Substandard & Below Coverage Ratio | 144.38        | 169.06        | 162.19        |
| Loan Loss Allowance <sup>1)</sup>  | 4,546.8       | 4,596.5       | 4,196.0       |
| Substandard & Below Loans          | 3,149.3       | 2,718.9       | 2,587.1       |

1) Including reserve for credit losses.

*Separate Basis*

(%)

|                          | Sep. 30, 2013             |           |  | Dec. 31, 2012             |           |  | Dec. 31, 2011             |           |  |
|--------------------------|---------------------------|-----------|--|---------------------------|-----------|--|---------------------------|-----------|--|
|                          | Substandard & Below Ratio | NPL Ratio | Substandard & Below Coverage Ratio <sup>1)</sup> | Substandard & Below Ratio | NPL Ratio | Substandard & Below Coverage Ratio <sup>1)</sup> | Substandard & Below Ratio | NPL Ratio | Substandard & Below Coverage Ratio <sup>1)</sup> |
| Shinhan Financial Group  |                           |           |  |                           |           |  |                           |           |  |
| Shinhan Bank             | 1.39                      | 0.93      | 132.30   | 1.08                      | 0.87      | 170.55   | 1.09                      | 0.82      | 166.11   |
| Shinhan Card             | 1.78                      | 1.27      | 289.37   | 2.14                      | 1.64      | 248.83   | 1.69                      | 1.26      | 236.08   |
| Shinhan Investment Corp. | 11.18                     | 11.18     | 84.42  | 11.17                     | 11.18     | 77.61  | 16.97                     | 16.92     | 71.46  |
| Shinhan Life Insurance   | 0.22                      | 0.22      | 431.04   | 0.50                      | 0.26      | 361.33   | 0.45                      | 0.23      | 280.64   |
| Shinhan Capital          | 2.08                      | 1.19      | 118.48   | 2.98                      | 1.91      | 95.84  | 2.79                      | 1.31      | 82.85  |
| Jeju Bank                | 2.25                      | 2.18      | 78.24  | 1.49                      | 1.47      | 102.90   | 1.62                      | 1.03      | 93.73  |
| Shinhan Savings Bank     | 24.10                     | 20.30     | 41.35  |                           |           |  |                           |           |  |

1) Including reserve for credit losses.

**4) Write-Offs & Provision for Credit Losses****<SFG Consolidated Basis>**

(KRW billion)

|  | <b>Sep. 30, 2013</b> | <b>Dec. 31, 2012</b> | <b>Dec. 31, 2011</b> |
|--|----------------------|----------------------|----------------------|
| Allowance for loan losses                | 2,930.6              | 2,902.6              | 2,729.1              |
| Allowance for acceptances and guarantees | 81.9                 | 77.8                 | 85.8                 |
| Allowance for unused loan commitments    | 430.0                | 415.4                | 444.8                |
| Other allowance                          | 279.2                | 254.7                | 339.0                |
| <b>Total allowance</b>                   | <b>3,721.7</b>       | <b>3,650.5</b>       | <b>3,598.7</b>       |
| Write-offs                               | 910.3                | 1,417.2              | 1,382.1              |

**<Shinhan Bank>**

(KRW billion)

|  | <b>Sep. 30, 2013</b> | <b>Dec. 31, 2012</b> | <b>Dec. 31, 2011</b> |
|--|----------------------|----------------------|----------------------|
| Allowance for loan losses                | 1,740.9              | 1,649.0              | 1,580.9              |
| Allowance for acceptances and guarantees | 117.3                | 112.8                | 109.5                |
| Allowance for unused loan commitments    | 90.7                 | 78.1                 | 85.2                 |
| Other allowance                          | 199.2                | 168.8                | 256.2                |
| <b>Total allowance</b>                   | <b>2,148.1</b>       | <b>2,008.7</b>       | <b>2,031.8</b>       |
| Write-offs                               | 378.4                | 695.6                | 811.8                |

**<Shinhan Card>**

(KRW billion)

|  | <b>Sep. 30, 2013</b> | <b>Dec. 31, 2012</b> | <b>Dec. 31, 2011</b> |
|--|----------------------|----------------------|----------------------|
| Allowance for loan losses                | 722.1                | 777.4                | 706.2                |
| Allowance for acceptances and guarantees |                      |                      |                      |
| Allowance for unused loan commitments    | 328.4                | 328.5                | 345.3                |
| Other allowance                          | 66.6                 | 46.7                 | 50.6                 |
| <b>Total allowance</b>                   | <b>1,117.1</b>       | <b>1,152.6</b>       | <b>1,102.1</b>       |
| Write-offs                               | 453.2                | 511.6                | 451.5                |

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

(KRW billion)

|                      | <b>Sep. 30, 2013</b> | <b>Dec. 31, 2012</b> | <b>Dec. 31, 2011 <sup>1)</sup></b> |
|----------------------|----------------------|----------------------|------------------------------------|
| Debt                 | 7,249.8              | 7,546.0              | 11,413.4                           |
| Equity               | 20,033.0             | 19,666.9             | 19,430.8                           |
| Debt to Equity Ratio | 36.19%               | 38.37%               | 58.74%                             |

- 1) Upon the resolution of Board of Directors to redeem Series 10 redeemable preferred shares and Series 11 convertible redeemable preferred shares held on December 15, 2011, KRW 3.75 trillion capital decrease and liability increase reflected on Debt to Equity Ratio.



*Twenty Largest Exposures by Borrower*

(KRW billion)

| <b>As of Sep. 30, 2013</b>                         | <b>Loans</b>    |                 | <b>Guarantees</b> |                           | <b>Total</b>  |
|--|-----------------|-----------------|-------------------|---------------------------|---------------|
| <b>Consolidated basis</b>                          | <b>Loans in</b> | <b>in</b>       | <b>and</b>        | <b>Exposures</b>          |               |
|  | <b>Won</b>      | <b>Foreign</b>  | <b>Securities</b> | <b>Acceptances Others</b> |               |
|  |                 | <b>Currency</b> |                   |                           |               |
| Bank of Korea                                      | 2,720           |                 | 4,968             |                           | 7,688         |
| Ministry of Strategy & Finance                     |                 |                 | 6,173             |                           | 6,173         |
| Industrial Bank of Korea                           | 522             | 124             | 2,655             |                           | 3,301         |
| Korea Development Bank                             | 10              | 85              | 2,874             |                           | 2,969         |
| Hyundai Heavy Industries Co., Ltd.                 | 3               | 192             | 327               | 2,306                     | 2,828         |
| Korea Deposit Insurance Corporation                |                 |                 | 2,594             |                           | 2,594         |
| Korea Finance Corporation                          |                 |                 | 2,481             |                           | 2,481         |
| Woori Bank   | 229             | 194             | 1,379             |                           | 1,801         |
| Korea Securities Finance Corporation               | 31              |                 | 1,769             |                           | 1,800         |
| Korea Land & Housing Corporation                   |                 |                 | 1,571             |                           | 1,571         |
| Samsung Heavy Industries Co., Ltd.                 |                 | 13              | 42                | 1,338                     | 1,394         |
| Hyundai Samho Heavy Industries Co., Ltd.           |                 | 42              |                   | 978                       | 1,019         |
| Songdo Cosmopolitan City Development Inc.          | 809             |                 | 182               |                           | 991           |
| Korea Housing-Finance Corporation                  | 0               |                 | 987               |                           | 987           |
| Nonghyup Bank                                      | 137             |                 | 806               | 11                        | 954           |
| Korea EximBank                                     | 100             |                 | 787               |                           | 887           |
| Daewoo Shipbuilding & Marine Engineering Co., Ltd. | 101             | 111             | 11                | 571                       | 794           |
| KEPCO  |                 |                 | 776               | 8                         | 785           |
| Hana Bank  | 37              | 75              | 643               |                           | 755           |
| Small & Medium business Corporation                |                 |                 | 722               |                           | 722           |
| <b>Total</b>                                       | <b>4,698</b>    | <b>835</b>      | <b>31,748</b>     | <b>5,212</b>              | <b>42,493</b> |

Some of the totals may not sum due to rounding

**Exposure to ten Main Debtor Groups**

(KRW billion)

**As of Sep. 30, 2013**

| <b>Consolidated basis</b> | <b>Loans in Foreign</b> |                 |                   | <b>Guarantees and</b> |               | <b>Total Exposures</b> |
|---------------------------|-------------------------|-----------------|-------------------|-----------------------|---------------|------------------------|
|                           | <b>Loans in Won</b>     | <b>Currency</b> | <b>Securities</b> | <b>Acceptances</b>    | <b>Others</b> |                        |
| Samsung                   | 109                     | 418             | 348               | 3,761                 | 0             | 4,636                  |
| Hyundai Heavy Industries  | 291                     | 673             | 1,046             | 1,947                 | 1             | 3,958                  |
| Hyundai Motors            | 1,476                   | 878             | 871               | 309                   | 0             | 3,534                  |
| SK                        | 485                     | 798             | 940               | 1,029                 | 0             | 3,251                  |
| LG                        | 1,064                   | 340             | 310               | 504                   | 0             | 2,218                  |
| POSCO                     | 352                     | 76              | 684               | 242                   | 1             | 1,354                  |
| Lotte                     | 185                     | 383             | 444               | 227                   | 0             | 1,239                  |
| LS                        | 335                     | 483             | 28                | 173                   | 0             | 1,020                  |
| GS                        | 186                     | 329             | 104               | 335                   | 0             | 954                    |
| Hyosung                   | 156                     | 111             | 38                | 576                   | 0             | 881                    |
| <b>Total</b>              | <b>4,638</b>            | <b>4,490</b>    | <b>4,812</b>      | <b>9,104</b>          | <b>3</b>      | <b>23,047</b>          |

Some of the totals may not sum due to rounding  
**Loan and due from banks Concentration by Industry**

(KRW billion)

**As of Sep. 30, 2013****Total Exposures**

| <b>Consolidated basis</b>        | <b>Amount</b>  | <b>Weight (%)</b> |
|----------------------------------|----------------|-------------------|
| Finance and Insurance            | 60,771         | 21.8%             |
| Manufacturing                    | 35,576         | 12.7%             |
| Real Estate, leasing and service | 19,290         | 6.9%              |
| Retail and wholesale             | 13,379         | 4.8%              |
| Hotel and leisure                | 4,636          | 1.7%              |
| Construction                     | 4,296          | 1.5%              |
| Others                           | 41,796         | 15.0%             |
| Consumers                        | 99,617         | 35.7%             |
| <b>Total</b>                     | <b>279,361</b> | <b>100.0%</b>     |

\* Including deposits, loans, and securities

**Top Twenty Non-Performing Loans**

(KRW billion)

| <b>Borrower</b> | <b>Industry</b>                                      | <b>Gross Principal Outstanding</b> | <b>Allowance for Loan Losses</b> |
|-----------------|--|------------------------------------|----------------------------------|
| A               | Building of Steel Ships                              | 238                                | 21                               |
| B               | Building of Steel Ships                              | 110                                | 23                               |
| C               | Building of Steel Ships                              | 107                                | 81                               |
| D               | Development and Subdividing of Residential Buildings | 90                                 | 6                                |
| E               | Wholesale of Non-Specialized Goods                   | 75                                 | 45                               |
| F               | Apartment Building Construction                      | 66                                 | 55                               |
| G               | Wholesale of Metal Ores                              | 49                                 | 45                               |
| H               | Building of Steel Ships                              | 44                                 | 0                                |
| I               | Building of Steel Ships                              | 43                                 | 16                               |
| J               | Renting of Non-Residential Buildings                 | 33                                 | 1                                |
| K               | Development and Subdividing of Residential Buildings | 30                                 | 23                               |
| L               | Other Civil Engineering Construction                 | 30                                 | 23                               |
| M               | Manufacture of Other Paper and Paperboard            | 28                                 | 9                                |
| N               | Renting of Non-Residential Buildings                 | 23                                 | 11                               |
| O               | Renting of Non-Residential Buildings                 | 23                                 | 2                                |
| P               | Manufacture of Sections for Ships                    | 22                                 | 0                                |
| Q               | Building of Steel Ships                              | 21                                 | 1                                |
| R               | Development and Subdividing of Residential Buildings | 21                                 | 0                                |
| S               | Development and Subdividing of Residential Buildings | 21                                 | 15                               |
| T               | Apartment Building Construction                      | 21                                 | 19                               |
| <b>Total</b>    |  | <b>1,095</b>                       | <b>396</b>                       |

- 1) Consolidated basis as of Sep. 30, 2013.
- 2) Some of the totals may not sum due to rounding.

**3. Independent Auditor***Audit Opinion for the last 3 years*

|               | 3Q 2013 | FY 2012     | FY 2011     |
|---------------|---------|-------------|-------------|
| Audit Opinion |         | Unqualified | Unqualified |

\* For the third quarter of 2013, the independent accountant conducted a review for our financial statements instead of auditing them.

*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    |
|------|-------------------------------|-------------------------------------|--|---------------------|
| 2013 | KPMG Samjong Accounting Corp. | 508                                 | Review/Audit of Financial Statements   | 4,100               |
|      |                               | (annualized basis)                  |  | hours <sup>2)</sup> |
|      | KPMG Samjong Accounting Corp. | 140                                 | K-IFRS Report Package Audit for Shinhan Savings Bank                                       | 1,050               |
|      |                               | (annualized basis)                  |  | Hours <sup>2)</sup> |
| 2012 | KPMG Samjong Accounting Corp. | 498                                 | Review/Audit of Financial Statements   | 6,380               |
|      |                               |                                     |  | hours               |
|      | KPMG Samjong Accounting Corp. | 35                                  | K-IFRS Report Package Audit for Shinhan Savings Bank                                       | 372                 |
|      |                               |                                     |  | hours               |
|      | KPMG Samjong Accounting Corp. | 70                                  | Non-statutory audit of subsidiaries under the consolidated corporate tax system for CY2012 | 690                 |
|      |                               |                                     |  | hours               |
| 2011 | KPMG Samjong Accounting Corp. | 487                                 | Review/Audit of Financial Statements   | 9,016               |
|      |                               |                                     |  | hours               |

1) Excluding value-added taxes.

2) As of September 30, 2013.

\* 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 KRW1,304 million(Excluding value-added taxes) for FY2013

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

## 1) Executive Directors

| <b>Name</b>  | <b>Month and Year of Birth</b> | <b>Position</b>  | <b>Service Term</b>                  |
|--------------|--------------------------------|--|--------------------------------------|
|              |                                | - Chairman of Shinhan Financial Group  |                                      |
| Dong Woo Han | Nov. 1948                      | - Board Steering Committee chair<br>- Corporate Governance & CEO Recommendation Committee Member | 3 years starting from March 23, 2011 |

## 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.

9 outside directors were appointed as board of directors at the 12<sup>th</sup> Annual General Meeting of Shareholders on March 28, 2013, of which 8 directors renewed their terms and 1 director newly appointed.

Our non-executive directors are as follows:

| <b>Name</b>   | <b>Month and Year of Birth</b> | <b>Outside Director</b> | <b>Sub-Committees</b>   | <b>Service Term</b>                  |
|---------------|--------------------------------|-------------------------|---|--------------------------------------|
| Jin Won Suh   | April 1951                     | X                       |   | 4 years starting from March 23, 2011 |
| Taeun Kwon    | January 1941                   | O                       | Audit Committee member<br>Corporate Governance & CEO Recommendation Committee member  | 3 years starting from March 23, 2011 |
| Kee Young Kim | October 1937                   | O                       | Board Steering Committee member<br>Risk Management Committee chair<br>Corporate Governance & CEO Recommendation Committee chair | 3 years starting from March 23, 2011 |
| Seok Won Kim  | April 1947                     | O                       |   |                                      |

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|                   |                |   |  |                                      |
|-------------------|----------------|---|--|--------------------------------------|
|                   |                |   | Board Steering Committee member                            | 3 years starting from March 23, 2011 |
| Hoon Namkoong     | June 1947      | O | Audit Committee member<br>Chairman of Board of Directors   | 3 years starting from March 23, 2011 |
|                   |                |   | Risk Management Committee member                           |                                      |
|                   |                |   | Compensation Committee member                              |                                      |
|                   |                |   | Corporate Governance & CEO Recommendation Committee member |                                      |
| Boo In Ko         | December 1941  | O | Board Steering Committee member                            | 2 years starting from March 28, 2013 |
|                   |                |   | Corporate Governance & CEO Recommendation Committee member |                                      |
| Sang-Kyeong Lee   | September 1945 | O | Audit Committee member                                     | 2 years starting from March 29, 2012 |
| Ke Sop Yun        | May 1945       | O | Compensation Committee chair                               | 5 years starting from March 17, 2009 |
|                   |                |   | Audit Committee chair                                      |                                      |
|                   |                |   | Compensation Committee member                              |                                      |
| Jung Il Lee       | August 1952    | O | Compensation Committee member                              | 3 years starting from March 23, 2011 |
| Haruki Hirakawa   | November 1964  | O | Board Steering Committee member                            | 3 years starting from March 23, 2011 |
| Philippe Aguinier | September 1957 | O | Risk Management Committee member                           | 4 years starting from March 24, 2010 |
|                   |                |   | Corporate Governance & CEO Recommendation Committee member |                                      |

## 3) Executive Officers

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

| Month and Year |           |   |   |
|----------------|-----------|---|---|
| Name           | of Birth  | Position                                      | In charge of  |
| Hyung Jin Kim  | Jul. 1958 | Deputy President                              | - Strategic Planning Team<br>- Global Business Strategy Team  |
| Jae-Gwang Soh  | Aug. 1961 | Deputy President                              | - Shinhan FSB Research Institute<br>- Synergy Management Team<br>- Information & Technology Planning Team<br>- Smart Finance Team |
| Jung Kee Min   | Mar. 1959 | Deputy President &<br>Chief Financial Officer | - Audit Team<br>- Finance Management Team<br>- Investor Relations Team  |
| Sin Gee Lee    | Jul. 1956 | Deputy President                              | - HR Team<br>- Public Relations Team<br>- CSR & Culture Management Team   |
| Dong Hwan Lee  | Sep. 1959 | Deputy President                              | - General Affairs Team  |
| Young Jin Lim  | Nov. 1960 | Deputy President                              | - Corporate & Investment Banking Planning Office  |
| Bo Hyuk Yim    | Mar. 1961 | Managing Director                             | - Wealth Management Planning Office   |
| Woo Gyun Park  | Mar. 1959 | Managing Director                             | - Risk Management Team  |
| Byung Chul Lim | Jan. 1964 | Managing Director                             | - Compliance Team<br>- Shinhan FSB Research Institute   |

**Stock Options**

(As of Oct. 31, 2013)

|                 | No. of           | No. of Exercised | No. of Cancelled | No. of Exercisable | Exercise Price |
|-----------------|------------------|------------------|------------------|--------------------|----------------|
|                 | Granted Options  | Options          | Options          | Options            |                |
|                 | (A)              | (B)              | (C)              | (D = A - B - C)    | (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        | 0                | 205,313          | 1,025,856          | 54,560         |
| Granted in 2008 | 805,174          | 0                | 185,396          | 619,778            | 49,053         |
| <b>Total</b>    | <b>7,862,847</b> | <b>4,884,159</b> | <b>1,122,309</b> | <b>1,856,379</b>   |                |

Note 1) The weighted-average exercise price of outstanding exercisable options as of Oct. 31, 2013 is KRW 50,339  
 2) The closing price of our common stock was KRW 46,350 on Oct. 31, 2013.

**Employees**

(As of Sep. 30, 2013)

| <b>Gender</b> | <b>Number of Employees</b> | <b>Average length of Service</b> | <b>Total Salaries and wages paid in 2013 (KRW million)</b> | <b>Average Payment per person (KRW million)</b> |
|---------------|----------------------------|----------------------------------|--|---|
| Male          | 119                        | 2 yrs 8 mths                     | 11,460   | 96  |
| Female        | 30                         | 3 yrs 9 mths                     | 1,482  | 49  |
| <b>Total</b>  | <b>149</b>                 | <b>2 yrs 11 mths</b>             | <b>12,943</b>  | <b>87</b>                                       |

Note) Average length of service including service within group subsidiaries as of Sep. 30, 2013 is Male 12 yrs 11 mths and Female 7yrs 1 mths, whereas total average is 11yrs 9mths.



## 5. Major Shareholder and Market Price Information of our Common Shares and ADRs

### Major Shareholders<sup>1)</sup> of Shinhan Financial Group as of Sep. 30, 2013

| Name                     | No. of Common Shares owned | Ownership%          |
|--------------------------|----------------------------|---------------------|
| National Pension Service | 38,399,881                 | 8.10% <sup>2)</sup> |
| BNP Paribas              | 25,356,276                 | 5.35% <sup>3)</sup> |

- Shareholders who own beneficial ownership of 5% or more (common share basis).
- As of Aug. 2, 2013
- As of Oct. 22, 2013
- 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 Sep. 30, 2013.

### Share ownership of Employee Stock Ownership Association

| Beginning Balance<br>(Jan. 1, 2013) | Increase  | Decrease  | Ending Balance<br>(Sep. 30, 2013) | Ownership % <sup>1)</sup><br>(Sep. 30, 2013) |
|-------------------------------------|-----------|-----------|-----------------------------------|--|
| 18,787,067                          | 2,713,921 | 1,715,963 | 19,785,025                        | 4.17%  |

- Common share basis.

### Common Share Traded on the Korea Exchange

(KRW, number of shares)

|                              | Apr. 2013  | May. 2013  | Jun. 2013  | Jul. 2013  | Aug. 2013  | Sep. 2013  | Oct. 2013  |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Price High                   | 40,600     | 40,700     | 40,600     | 41,000     | 41,550     | 44,850     | 48,650     |
| per Low                      | 37,250     | 37,050     | 35,950     | 37,300     | 39,050     | 41,050     | 43,800     |
| share Avg.                   | 39,036     | 38,857     | 38,258     | 39,257     | 40,500     | 43,572     | 45,990     |
| Trading Volume               | 19,273,274 | 22,474,182 | 17,255,195 | 18,255,240 | 18,868,266 | 17,224,587 | 24,337,853 |
| Highest Daily Trading Volume | 1,551,531  | 2,090,943  | 1,587,521  | 1,721,529  | 1,517,466  | 1,831,529  | 6,514,753  |
| Lowest Daily Trading Volume  | 467,707    | 443,285    | 341,055    | 305,551    | 421,376    | 591,708    | 400,603    |

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

(USD, number of shares)

|                                       |      | <b>Apr. 2013</b> | <b>May. 2013</b> | <b>Jun. 2013</b> | <b>Jul. 2013</b> | <b>Aug. 2013</b> | <b>Sep. 2013</b> | <b>Oct. 2013</b> |
|---------------------------------------|------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Price<br>per<br>share                 | High | 36.26            | 35.63            | 36.10            | 36.47            | 37.15            | 42.34            | 45.61            |
|                                       | Low  | 32.73            | 33.50            | 30.82            | 32.58            | 34.82            | 37.62            | 40.63            |
|                                       | Avg. | 34.42            | 34.62            | 33.45            | 34.90            | 36.15            | 40.38            | 43.04            |
| Trading<br>Volume                     |      | 2,039,053        | 2,521,769        | 1,609,642        | 1,165,631        | 1,025,411        | 996,438          | 878,337          |
| Highest<br>Daily<br>Trading<br>Volume |      | 391,395          | 458,417          | 259,491          | 294,654          | 150,611          | 89,551           | 90,686           |
| Lowest<br>Daily<br>Trading<br>Volume  |      | 37,164           | 21,474           | 34,116           | 20,547           | 19,500           | 24,299           | 12,881           |

\* 1 ADR = 1 Common Shares

## 6. Related Party Transactions

*Loans to Subsidiaries*

(KRW billion)

| Subsidiary                       | Loan Type    | Origination Date | Maturity Date | Lending Rate | Beginning Balance |                   | Ending Balance (Sep. 30, 2013) |                |
|----------------------------------|--------------|------------------|---------------|--------------|-------------------|-------------------|--------------------------------|----------------|
|                                  |              |                  |               |              | (Jan. 1, 2013)    | 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 | 2008-01-23       | 2013-01-23    | 6.60%        | 50.0              | 50.0              |                                |                |
|                                  | Loans in KRW | 2010-09-28       | 2013-09-28    | 4.12%        | 100.0             | 100.0             |                                |                |
| Shinhan Capital                  | 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                           |                |
|                                  | 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                           |                |
| Shinhan PE Investment Management | Loans in KRW | 2013-09-05       | 2018-09-05    | 3.61%        |                   |                   | 80.0                           |                |
|                                  | Loans in KRW | 2012-08-10       | 2013-08-09    | 4.09%        | 5.0               | 5.0               |                                |                |
|                                  | Loans in KRW | 2012-11-27       | 2013-11-27    | 3.07%        | 5.0               |                   | 5.0                            |                |
|                                  | Loans in KRW | 2013-08-09       | 2014-08-08    | 2.81%        |                   |                   | 2.5                            |                |
| <b>Total</b>                     |              |                  |               |              | <b>1,360.0</b>    | <b>155.0</b>      | <b>132.5</b>                   | <b>1,337.5</b> |

**Exhibit 99.1**

Independent Auditors Review Report (Separate Financial Statements) of Shinhan Financial Group as of September 30, 2013

**Exhibit 99.2**

Independent Auditors Review Report (Consolidated Financial Statements) of Shinhan Financial Group as of September 30, 2013

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/ Jung Kee Min

Name: Jung Kee Min

Title: Chief Financial Officer

Date: November 14, 2013