

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*

Subsidiaries	Ownership by SFG
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 ¹⁾	68.9%
Shinhan Savings Bank ²⁾	100.0%
Shinhan Data System	100.0%
Shinhan AITAS ³⁾	99.8%
Shinhan Credit Information	100.0%
Shinhan Private Equity Investment Management	100.0%
SHC Management ⁴⁾	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)

Direct Subsidiaries	Indirect Subsidiaries	Ownership by the Parent
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 Bank Vietnam	100.0%
Shinhan Investment Corp.	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%
	KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp. ¹⁾	8.5%
Shinhan BNP Paribas Asset Management	Shinhan BNP Paribas Asset Management (Hong Kong) Limited	100.0%
Shinhan Private Equity Investment Management	Shinhan NPS Private Equity Fund 1st	5.0% ²⁾
	Shinhan Private Equity Fund 2nd	2.2% ³⁾
	Shinhan-Stonebridge Petro Private Equity Fund	0.6% ⁴⁾

- 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)

Types of Shares	Number of Shares
Common Shares	474,199,587
Redeemable Preferred Shares	11,100,000
Total	485,299,587

2. Business Results**Operation Results**

(KRW billion)

	3Q 2013 (Jan. 1 ~ Sep. 30)	FY2012 (Jan. 1 ~ Dec. 31)	FY2011 (Jan. 1 ~ Dec. 31)
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.

Source and Use of Funds

Account Basis	3Q 2013 Jan. 1 ~ Sep. 30				FY2012 Jan. 1 ~ Dec. 31				FY2011 Jan. 1 ~ Dec. 31		
	Average Balance	Proportions (%)	Interest Paid	Interest Rate (%)	Average Balance	Proportions (%)	Interest Paid	Interest Rate (%)	Average Balance	Proportions (%)	Interest Paid
Deposits	176,229.8	56.34	3,003.0	2.27	168,233.4	56.45	4,515.0	2.68	156,280.5	55.28	4,181.0
Borrowings	13,239.3	4.23	174.1	1.75	14,027.8	4.71	271.9	1.94	14,037.4	4.97	259.0
Investments	38,506.1	12.31	1,152.1	3.99	39,765.1	13.34	1,740.2	4.38	40,017.2	14.16	1,942.0
Other Liabilities	55,849.2	17.85			48,172.5	16.16			44,174.6	15.63	
Total Liabilities	283,824.4	90.73			270,198.8	90.66			254,509.7	90.03	
Total Stockholders' Equity	28,984.2	9.27			27,843.7	9.34			28,184.6	9.97	
Total Liabilities & Equity	312,808.6	100.00			298,042.5	100.00			282,694.3	100.00	
Assets											
Assets in US Dollar											
Assets in Japanese Yen											
Assets in Korean Won											
Assets in Foreign Currency											
Assets in US Dollar	17,442.8	5.58	155.1	1.19	15,956.9	5.35	242.4	1.52	14,396.1	5.09	248.0
Assets in Japanese Yen	202,637.8	64.78	7,651.1	5.03	195,495.2	65.59	11,273.2	5.77	186,828.2	66.09	11,265.0
Assets in Korean Won	156,108.2	49.91	5,606.4	4.79	150,164.5	50.38	8,298.7	5.53	143,097.0	50.62	8,281.0
Assets in Foreign Currency	10,508.9	3.36	295.5	3.75	10,347.1	3.47	439.1	4.24	9,510.8	3.36	379.0
Assets in US Dollar	17,390.3	5.56	1,321.3	10.13	17,507.8	5.87	1,834.0	10.48	17,740.2	6.28	1,887.0
Assets in Japanese Yen	18,630.4	5.96	427.9	3.06	17,475.7	5.86	701.5	4.01	16,480.2	5.83	717.0
Assets in Korean Won	29,924.5	9.57	748.4	3.33	30,198.0	10.13	1,152.3	3.82	25,588.5	9.05	1,025.0
Assets in Foreign Currency	11,238.5	3.59	401.0	4.76	11,790.4	3.96	594.6	5.04	12,307.7	4.35	642.0
Other Assets	51,565.1	16.48			44,602.1	14.97			43,573.8	15.41	
Total Assets	312,808.6	100.00			298,042.5	100.00			282,694.3	100.00	

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

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) ¹⁾	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, %)