

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

May 15, 2008

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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 May 2008**

**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.

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 2008 1Q Business Report**

On May 15, 2008, Shinhan Financial Group ( SFG ) filed the 2008 1Q Business Report (the Business Report ) with the Financial Supervisory Service of the Republic of Korea ( Korea ) pursuant to the Securities and Exchange 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 accounting principles generally accepted in Korea.

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**Exhibit 99-1**

Independent Accountant s Review Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of March 31, 2008

**Table of Contents****1. Introduction of the Group****Company History in 2008**

- n March 2008 : JSC Shinhan Bank Kazakhstan, a subsidiary of Shinhan Bank, joins SFG as an indirect subsidiary
- n April 2008 : SFG and Shinhan Bank obtain the Federal Reserve Bank's approval to become Financial Holding Companies
- n April 2008 : Shinhan Bank China Limited, a subsidiary of Shinhan Bank, joins SFG as an indirect subsidiary

**Principal Subsidiaries under Korean Law as of Apr. 30, 2008*****Direct Subsidiaries***

| Subsidiaries                         | Ownership by<br>SFG |
|--------------------------------------|---------------------|
| Shinhan Bank                         | 100.0%              |
| Shinhan Card <sup>1)</sup>           | 100.0%              |
| SHC Management <sup>1)</sup>         | 100.0%              |
| Good Morning Shinhan Securities      | 100.0%              |
| Shinhan Life Insurance               | 100.0%              |
| Shinhan Capital                      | 100.0%              |
| Shinhan BNP Paribas ITMC             | 50.0%               |
| Jeju Bank <sup>2)</sup>              | 62.4%               |
| SH&C Life Insurance                  | 50.0%               |
| Shinhan Macquarie Financial Advisory | 51.0%               |
| Shinhan Credit Information           | 100.0%              |
| Shinhan Private Equity               | 100.0%              |

- 1) On September 21, 2007, LG Card became a wholly owned subsidiary of Shinhan Financial Group through a small scale share swap. LG Card shares were de-listed from the Korea Exchange on October 10, 2007. Further, through a process of business transfer and assumption, Shinhan Card's

business was fully assumed by LG Card. Subsequently, LG Card changed its name to Shinhan Card on October 1, 2007. Former Shinhan Card has changed its name to SHC Management and is in the process of liquidation.

- 2) Jeju Bank is currently listed on the Korea Exchange.

**Table of Contents*****Indirect subsidiaries held through direct subsidiaries***

|                                 |  | (As of Apr. 30,<br>2008)   |
|---------------------------------|--|----------------------------|
| Direct Subsidiaries             | Indirect Subsidiaries                                  | Ownership by<br>the Parent |
| Shinhan Bank                    | Shinhan Data System                                    | 100.00%                    |
|                                 | Shinhan Finance Ltd.(Hong Kong) <sup>1)</sup>          | 100.00%                    |
|                                 | SH Asset Management                                    | 100.00%                    |
|                                 | Shinhan Asia Limited                                   | 100.00%                    |
|                                 | Shinhan Bank America                                   | 100.00%                    |
|                                 | Shinhan Bank Europe GmbH                               | 100.00%                    |
|                                 | Shinhan Vina Bank                                      | 50.00%                     |
|                                 | CHB Valuemeet 2001 year 1 <sup>st</sup> Securitization | 50.00%                     |
|                                 | CHB Valuemeet 2001 year 2 <sup>nd</sup> Securitization | 50.00%                     |
|                                 | CHB Valuemeet 2002 year 1 <sup>st</sup> Securitization | 50.00%                     |
|                                 | Shinhan Khmer Bank Limited                             | 100.00%                    |
|                                 | JSC Shinhan Bank Kazakhstan                            | 100.00%                    |
|                                 | Shinhan Bank China Limited                             | 100.00%                    |
| Good Morning Shinhan Securities | Good Morning Shinhan Securities Europe Ltd.            | 100.00%                    |
|                                 | Good Morning Shinhan Securities USA Inc.               | 100.00%                    |
|                                 | Good Morning Shinhan Securities Asia Ltd.              | 100.00%                    |

|                        |   |                     |
|------------------------|---|---------------------|
| Shinhan Private Equity | Shinhan NPS Private Equity Fund 1 <sup>st</sup> | 5.00% <sup>2)</sup> |
|------------------------|---|---------------------|

1) On November 1, 2006, Shinhan Finance Limited, Shinhan Financial Group's indirect subsidiary, was transferred to a branch of Shinhan Bank. The liquidation process is currently taking place.

2) Shinhan Financial Group and its subsidiaries currently own 36.7% of Shinhan NPS

Private Equity  
Fund 1<sup>st</sup>.

**Number of Shares**

Number of issued and outstanding shares of the Group as of March 31, 2008

|   | Types of Shares | Number of Shares |
|---|-----------------|------------------|
| Common Shares                           |                 | 396,199,587      |
| Redeemable Preferred Shares             |                 | 59,440,377       |
| Redeemable Convertible Preferred Shares |                 | 14,721,000       |
|   | Total           | 470,360,964      |

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**Table of Contents****Employee Stock Ownership Plan (ESOP)****(1) Contribution to ESOA (Employee Stock Ownership Association)**

| Employee Accounts                 | Contribution Date | Contribution Amount (KRW) | Contributor     | Objective      |
|-----------------------------------|-------------------|---------------------------|-----------------|----------------|
| Contributed by relevant companies | March 12, 2008    | 29,688,000,000            | Shinhan Bank    | Stock Purchase |
|                                   | March 21, 2008    | 3,129,681,195             | GMSH Securites  | Stock Purchase |
|                                   | March 24, 2008    | 525,000,000               | Shinhan Capital | Stock Purchase |
|                                   | April 4, 2008     | 414,136,737               | SFG             | Stock Purchase |
| Sub-total                         |                   | 33,756,817,932            |                 |                |
| Contributed by employees          | March 12, 2008 ~  | 3,295,700,000             |                 |                |
|                                   | April 21, 2008    |                           |                 |                |
| Sub-total                         |                   | 3,295,700,000             |                 |                |
| Total                             |                   | 37,052,517,932            |                 |                |

**(2) Changes in ESOA Share Ownership**

(As of March 31, 2008, Unit: shares)

|                      | Share type    | Beginning Balance |          |          | Ending Balance  |
|----------------------|---------------|-------------------|----------|----------|-----------------|
|                      |               | (Jan.1, 2008)     | Increase | Decrease | (Mar. 31, 2008) |
| Association Accounts | Common Shares | 1,236,075         |          | 41,306   | 1,194,769       |
| Employee Accounts    | Common Shares | 4,336,056         |          | 218,519  | 4,117,537       |
| Total                |               | 5,572,131         |          | 259,825  | 5,312,306       |

**ESOP Ownership per company**

(As of March 31, 2008, Unit: shares)

| Company                         | Association Accounts | Employee Accounts | Total Balance |
|---------------------------------|----------------------|-------------------|---------------|
| Shinhan Financial Group         | 24,971               | 36,185            | 61,156        |
| Shinhan Bank                    | 1,158,238            | 3,818,805         | 4,977,043     |
| Good Morning Shinhan Securities |                      | 48,455            | 48,455        |
| Shinhan Capital                 | 11,560               | 43,272            | 54,832        |
| Shinhan Card                    |                      | 89,851            | 89,851        |
| Shinhan Life Insurance          |                      | 75,116            | 75,116        |
| SH&C Life Insurance             |                      | 1,426             | 1,426         |
| Shinhan Credit Information      |                      | 1,392             | 1,392         |
| Shinhan Data System             |                      | 3,035             | 3,035         |
| Total                           | 1,194,769            | 4,117,537         | 5,312,306     |



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

|  | 2008 1Q<br>(Jan.1~Mar.31) | 2007<br>(Jan.1~Dec.31) | (KRW million)<br>2006<br>(Jan.1~Dec.31) |
|--|---------------------------|------------------------|---|
| Operating Revenue                          | 734,907                   | 2,749,536              | 2,003,752                               |
| Gain using the equity method of accounting | 707,909                   | 2,632,111              | 1,917,268                               |
| Interest income                            | 26,998                    | 117,333                | 79,151                                  |
| Gain on Foreign Currency Transaction       |                           | 92                     | 5,838                                   |
| Other income                               |                           |                        | 1,495                                   |
| Operating Expense                          | 114,554                   | 375,344                | 182,889                                 |
| Loss using the equity method of accounting | 2,547                     |                        |   |
| Interest Expense                           | 99,789                    | 326,928                | 129,644                                 |
| Loss on Foreign Currency Transaction       |                           | 93                     | 5,838                                   |
| Commission Expense                         | 60                        | 112                    | 269                                     |
| SG&A Expense                               | 12,158                    | 48,211                 | 47,138                                  |
| Operating Income                           | 620,353                   | 2,374,192              | 1,820,863                               |

**Source and Use of Funds****Source of Funds**

|                         | 2008 1Q<br>(Jan.1~Mar.31)        |              | 2007<br>(Jan.1~Dec.31)           |              | (KRW million)<br>2006<br>(Jan.1~Dec.31) |              |
|-------------------------|----------------------------------|--------------|----------------------------------|--------------|---|--------------|
|                         | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) | Average<br>Balance <sup>1)</sup>        | Ratio<br>(%) |
| Stockholders Equity     | 17,180,285                       | 70.19        | 15,896,140                       | 71.40        | 10,376,235                              | 76.70        |
| Capital Stock           | 2,433,209                        | 9.94         | 2,374,866                        | 10.67        | 2,170,758                               | 16.05        |
| Capital Surplus         | 8,417,143                        | 34.39        | 7,482,652                        | 33.61        | 4,360,100                               | 32.23        |
| Capital Adjustment      | (30,012)                         | (0.12)       | 19,669                           | 0.09         | 25,520                                  | 0.19         |
| Comprehensive<br>Income | 1,554,027                        | 6.35         | 1,578,309                        | 7.09         | 840,704                                 | 6.21         |
| Retained Earnings       | 4,805,918                        | 19.63        | 4,440,644                        | 19.95        | 2,979,153                               | 22.02        |
| Liabilities             | 7,298,048                        | 29.81        | 6,368,277                        | 28.60        | 3,152,497                               | 23.30        |
| Borrowings              | 7,050,484                        | 28.80        | 6,242,453                        | 28.04        | 2,769,824                               | 20.47        |
| Other liabilities       | 247,564                          | 1.01         | 125,824                          | 0.57         | 382,673                                 | 2.83         |
| Total                   | 24,478,333                       | 100.00       | 22,264,417                       | 100.00       | 13,528,732                              | 100.00       |

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

**Table of Contents****Use of Funds**

|                             | (KRW million)                    |              |                                  |              |                                  |              |
|-----------------------------|----------------------------------|--------------|----------------------------------|--------------|----------------------------------|--------------|
|                             | 2008 1Q<br>(Jan.1~Mar.31)        |              | 2007<br>(Jan.1~Dec.31)           |              | 2006<br>(Jan.1~Dec.31)           |              |
|                             | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) |
| Investments on equity stock | 22,197,286                       | 90.68        | 20,342,185                       | 91.37        | 11,646,253                       | 86.09        |
| Shinhan Bank                | 11,148,374                       | 45.54        | 10,820,953                       | 48.60        | 8,997,565                        | 66.50        |
| Shinhan Card                | 7,478,792                        | 30.55        | 5,963,810                        | 26.79        |                                  |              |
| SHC Management              | 766,095                          | 3.13         | 955,862                          | 4.29         | 639,038                          | 4.72         |
| Good Morning                |                                  |              |                                  |              |                                  |              |
| Shinhan Securities          | 1,585,764                        | 6.48         | 1,432,555                        | 6.43         | 943,203                          | 6.97         |
| Shinhan Life                |                                  |              |                                  |              |                                  |              |
| Insurance                   | 819,497                          | 3.35         | 807,664                          | 3.63         | 768,599                          | 5.68         |
| Shinhan Capital             | 252,727                          | 1.03         | 220,347                          | 0.99         | 170,264                          | 1.26         |
| Jeju Bank                   | 76,270                           | 0.31         | 73,916                           | 0.33         | 66,809                           | 0.49         |
| Shinhan Credit              |                                  |              |                                  |              |                                  |              |
| Information                 | 11,755                           | 0.05         | 11,249                           | 0.05         | 9,179                            | 0.07         |
| Shinhan Private             |                                  |              |                                  |              |                                  |              |
| Equity                      | 9,888                            | 0.04         | 9,864                            | 0.04         | 8,987                            | 0.07         |
| Shinhan BNP Paribas         |                                  |              |                                  |              |                                  |              |
| ITMC                        | 28,600                           | 0.12         | 26,597                           | 0.12         | 24,152                           | 0.18         |
| SH&C Life                   |                                  |              |                                  |              |                                  |              |
| Insurance                   | 17,651                           | 0.07         | 17,821                           | 0.08         | 17,322                           | 0.13         |
| Shinhan Macquarie           |                                  |              |                                  |              |                                  |              |
| FA                          | 1,873                            | 0.01         | 1,547                            | 0.01         | 1,135                            | 0.01         |
| Loans                       | 1,350,378                        | 5.52         | 1,201,143                        | 5.39         | 1,299,633                        | 9.61         |
| Fixed Assets                | 863                              | 0.00         | 662                              | 0.00         | 959                              | 0.01         |
| Cash Deposit in bank        | 876,314                          | 3.58         | 557,627                          | 2.50         | 422,201                          | 3.12         |
| Other Assets                | 53,492                           | 0.22         | 162,800                          | 0.73         | 159,686                          | 1.18         |
| Total                       | 24,478,333                       | 100.00       | 22,264,417                       | 100.00       | 13,528,732                       | 100.00       |

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

**Other Financial Information**

Financial information for 2008 1Q contained in this section are provisional figures.

**Group BIS Ratio**

|  | (KRW million) |             |
|--|---------------|-------------|
|  | 2008 1Q       | 2007        |
| Aggregate Amount of Equity Capital (A) | 17,567,174    | 15,945,940  |
| Risk-Weighted Assets (B)               | 168,663,244   | 161,849,385 |
| BIS Ratio (A/B) <sup>1)</sup>          | 10.42%        | 9.85%       |

- 1) In accordance with the amendments in the Financial Holding Company Guidelines of the Financial Service Commission( FSC ), the Group BIS Ratio, rather than the Requisite Capital Ratio, is used as an index for measuring capital adequacy, beginning FY2007.

**Table of Contents****Won Liquidity Ratio**

|   | 2008 1Q   | 2007    | (KRW million)<br>2006 |
|---|-----------|---------|-----------------------|
| Won Assets due within 3 months (A)      | 1,973,252 | 220,009 | 605,415               |
| Won Liabilities due within 3 months (B) | 1,736,438 | 209,888 | 248,661               |
| Won Liquidity Ratio (A/B) <sup>1)</sup> | 113.64%   | 104.82% | 243.47%               |

- 1) Under the guidelines issued by the FSC, we, at the holding company level, are required to maintain a Won liquidity ratio of no less than 100%.

**Liabilities to Equity Ratio**

|                                   | 2008 1Q    | 2007       | (KRW million)<br>2006 |
|-----------------------------------|------------|------------|-----------------------|
| Liabilities (A)                   | 8,290,963  | 7,349,727  | 3,642,105             |
| Equity (B)                        | 17,782,257 | 17,977,801 | 11,361,526            |
| Liabilities to Equity Ratio (A/B) | 46.62%     | 40.88%     | 32.06%                |

**Capital Adequacy Ratio and Other Ratios of Certain Subsidiaries**

- (1) BIS Capital Adequacy Ratio (%) <sup>1)</sup>

|                            | 2008 1Q | 2007  | 2006  |
|----------------------------|---------|-------|-------|
| Shinhan Bank <sup>2)</sup> | 11.44   | 12.09 | 12.01 |
| Jeju Bank                  | 10.76   | 11.32 | 11.26 |

- 1) The BIS Capital Adequacy Ratio is computed in accordance with the guidelines issued by the FSC for commercial banks. Under these guidelines, commercial banks are required to maintain a minimum capital adequacy

ratio of 8%.

- 2) 2006 and 2007 ratios for Shinhan bank are based on Basel I. Basel II Standardize Approach was applied in calculating BIS for 2008 1Q.

(2) Adjusted Equity Capital Ratio (%)

|              | 2008 1Q | 2007  | 2006  |
|--------------|---------|-------|-------|
| Shinhan Card | 21.81   | 25.31 | 34.25 |

- \* 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 FSC for credit card companies. Under these guidelines, Shinhan Card is required to maintain a minimum adjusted equity capital ratio of 8%. 2006 figure is of former LG Card.

(3) Net Capital Ratio (%)

|                                 | Mar.31 2008 | Mar.31 2007 | Mar.31 2006 |
|---------------------------------|-------------|-------------|-------------|
| Good Morning Shinhan Securities | 699.80      | 451.69      | 558.60      |

- \* Net Capital Ratio is computed in

accordance with  
the guidelines  
issued by the  
FSC for  
securities  
brokerage  
businesses.  
Under these  
guidelines,  
Good Morning  
Shinhan  
Securities is  
required to  
maintain a  
minimum net  
capital ratio of  
100%.

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## (4) Solvency Margin Ratio (%)

|                        | Mar.31 2008 | Mar.31 2007 | Mar.31 2006 |
|------------------------|-------------|-------------|-------------|
| Shinhan Life Insurance | 222.74      | 224.70      | 230.80      |

\* Under the guidelines issued by the FSC, Shinhan Life Insurance is required to maintain a minimum solvency margin ratio of 100%.

**Non- Performing Loans of Certain Subsidiaries <sup>1)</sup>**

## (1) Non- Performing Loans

|                            | Mar.31, 2008 |   | Dec.31, 2007 |   | (KRW million)<br>Dec.31, 2006 |   |
|----------------------------|--------------|---|--------------|---|-------------------------------|---|
|                            | Balance      | NPL to<br>total<br>Loans<br>of NPL<br>(%) | Balance      | NPL to<br>total<br>Loans<br>of NPL<br>(%) | Balance                       | NPL to<br>total<br>Loans<br>of NPL<br>(%) |
| Shinhan Bank               | 991,572      | 0.70                                      | 848,846      | 0.63                                      | 729,655                       | 0.62                                      |
| Jeju Bank                  | 13,452       | 0.65                                      | 11,952       | 0.60                                      | 13,120                        | 0.74                                      |
| Shinhan Card <sup>2)</sup> | 452,416      | 3.46                                      | 448,866      | 3.71                                      | 493,236                       | 6.05                                      |

|                               | Mar.31, 2008      |                              | Mar.31, 2007      |                              | Mar.31, 2006      |                              |
|-------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
|                               | Balance<br>of NPL | NPL to<br>total<br>Loans (%) | Balance<br>of NPL | NPL to<br>total<br>Loans (%) | Balance<br>of NPL | NPL to<br>total<br>Loans (%) |
| GMSH Securities <sup>2)</sup> | 27,738            | 2.35%                        | 25,888            | 2.54%                        | 26,943            | 5.68%                        |

1) Non-performing loans of banks are defined as those loans are past due more than 90 days or those are placed on non-accrual status according to the guidelines of the FSC.

2) Under the guidelines of the FSC, every

securities  
 brokerage  
 company and  
 credit card  
 company shall  
 classify its loans  
 into five  
 categories:  
 normal,  
 precautionary,  
 substandard,  
 doubtful and  
 estimated loss.

Under the  
 Group's internal  
 measures,  
 non-performing  
 loans of Good  
 Morning  
 Shinhan  
 Securities, and  
 Shinhan Card  
 includes loans  
 classified as  
 substandard,  
 doubtful, and  
 estimated loss.

2006 figure for  
 Shinhan Card is  
 of former LG  
 Card.

(2) Loan Loss Allowances & Write-offs for the period

|                            |                        |          | (KRW million)                  |                                |                                |
|----------------------------|------------------------|----------|--------------------------------|--------------------------------|--------------------------------|
|                            |                        |          | Jan. 1, 2008~<br>Mar. 31, 2008 | Jan. 1, 2007~<br>Dec. 31, 2007 | Jan. 1, 2006~<br>Dec. 31, 2006 |
| Shinhan Bank               | Loan Loss<br>Allowance | Domestic | 2,353,440                      | 2,317,075                      | 1,911,843                      |
|                            |                        | Overseas | 89,384                         | 76,175                         | 59,758                         |
|                            |                        | Total    | 2,442,824                      | 2,393,250                      | 1,971,601                      |
|                            | Write-offs             |          | 31,426                         | 186,316                        | 160,636                        |
| Jeju Bank                  | Loan Loss<br>Allowance | Domestic | 31,469                         | 31,849                         | 26,313                         |
|                            |                        | Overseas |                                |                                |                                |
|                            |                        | Total    | 31,469                         | 31,849                         | 26,313                         |
|                            | Write-offs             |          | 550                            | 7,188                          | 8,325                          |
| Shinhan Card <sup>1)</sup> | Loan Loss<br>Allowance | Domestic | 940,130                        | 947,737                        | 1,031,823                      |
|                            |                        | Overseas |                                |                                |                                |
|                            |                        | Total    | 940,130                        | 947,737                        | 1,031,823                      |
|                            | Write-offs             |          | 118,460                        | 430,535                        | 535,622                        |

1)



2006 figure for  
Shinhan Card is  
of former LG  
Card.

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|                 |                     |                               |                                      |                                      |                                      |
|-----------------|---------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                 |                     |                               | Apr. 1,<br>2007~<br>Mar. 31,<br>2008 | Apr. 1,<br>2006~<br>Mar. 31,<br>2007 | Apr. 1,<br>2005~<br>Mar. 31,<br>2006 |
| GMSH Securities | Loan Loss Allowance | Domestic<br>Overseas<br>Total | 33,005                               | 30,776                               | 28,900                               |
|                 | Write-offs          |                               | 33,005                               | 30,776                               | 28,900                               |
|                 |                     |                               | 983                                  | 1,117                                | 2,300                                |

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

|               |            |                        |                        |
|---------------|------------|------------------------|------------------------|
| Audit Opinion | 2008<br>1Q | FY 2007<br>Unqualified | FY 2006<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 prepared in accordance with generally accepted accounting principles in Korea.

| Year    | Auditor                          | Payment<br>(KRW mil.) | Details  | Working<br>hours |
|---------|----------------------------------|-----------------------|--|------------------|
| 2008 1Q | KPMG Samjong<br>Accounting Corp. | 355<br>(annual)       | Review/Audit of Financial<br>Statements  | 669 hours        |
|         | KPMG Samjong<br>Accounting Corp. | 341                   | Review/Audit of Financial<br>Statements  | 4,599 hours      |
| 2007    | KPMG Samjong<br>Accounting Corp. | 399                   | Review of Financial<br>Statements related to<br>accounting treatment of LG<br>Card acquisition | 2,755 hours      |
| 2006    | KPMG Samjong<br>Accounting Corp. | 304                   | Review/Audit of Financial<br>Statements  | 3,352 hours      |

**Table of Contents****4. Directors, Executive Officers and Employees*****Directors and Executive Officers***

## 1) Executive Directors

| Name         | Date of Birth | Position   | Service Term                         |
|--------------|---------------|--|--------------------------------------|
| Eung Chan Ra | Nov. 25, 1938 | Chairman of BOD<br>Board Steering Committee member | 3 years starting from March 20, 2007 |
| In Ho Lee    | Nov. 2, 1943  | President & CEO                                    | 2 years starting from March 20, 2007 |

## 2) Non-Executive Directors

Currently, 13 non-executive directors are in office, 12 of which outside directors, nominated by our Outside Director Recommendation Committee and appointed pursuant to the approval of general shareholders meeting on March 19, 2008.

Our non-executive directors are as follows:

| Name            | Date of Birth  | Outside Director | Sub-Committees  | Service Term                         |
|-----------------|----------------|------------------|---|--------------------------------------|
| Sang Hoon Shin  | Jul. 1, 1948   | X                |   | 3 years starting from March 19, 2008 |
| Pyung Joo Kim   | Feb. 06, 1939  | O                | Risk Management Committee Chair<br>Board Steering Committee member<br>Compensation Committee member | 1 year starting from March 19, 2008  |
| Si Jong Kim     | Aug. 16, 1937  | O                |   | 1 year starting from March 19, 2008  |
| Young Woo Kim   | May 1, 1952    | O                | Audit Committee member  | 1 year starting from March 19, 2008  |
| Shee Yul Ryoo   | Sept. 5, 1938  | O                | Board Steering Committee member<br>Compensation Committee member                                    | 1 year starting from March 19, 2008  |
| Byung Hun Park  | Sept. 10, 1928 | O                | Board Steering Committee member   | 1 year starting from March 19, 2008  |
| Yong Woong Yang | Aug. 4, 1948   | O                |   | 1 year starting from March 19, 2008  |
| Sung Bin Chun   | Jan. 21, 1953  | O                | Audit Committee Chair<br>Compensation Committee member  | 1 year starting from March 19, 2008  |
| Haeng Nam Chung | Mar. 15, 1941  | O                |   | 1 year starting from March 19, 2008  |

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|                      |               |   |   |                                     |
|----------------------|---------------|---|---|-------------------------------------|
| Young Hoon<br>Choi   | Nov. 8, 1928  | O |   | 1 year starting from March 19, 2008 |
| Philippe<br>Reynieix | Jun. 24, 1949 | O | Risk Management Committee<br>member                           | 1 year starting from March 19, 2008 |
|                      |               |   | Compensation Committee<br>member                              |                                     |
| Bong Youn Cho        | Mar. 9, 1949  | O | Risk Management Committee<br>member<br>Audit Committee member | 1 year starting from March 19, 2008 |
|                      |               |   | Board Steering Committee<br>member                            |                                     |
| Young Sup Huh        | Oct. 9, 1941  | O | Compensation Committee<br>member<br>Audit Committee member    | 1 year starting from March 19, 2008 |

For personal profiles of the outside directors, please refer to our Form 6-K filed on February 15, 2008.  
Chair of the Board Steering Committee and Compensation Committee will be elected in the near future.

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## 3) Executive Officers

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

| Name          | Date of Birth | Position                                     | In charge of   |
|---------------|---------------|--|--|
| Baek Soon Lee | Oct. 8, 1952  | Deputy President                             | General Affairs Team<br>Business Management Team<br>Public Relations Team  |
| Jae Woon Yoon | Jul. 22, 1951 | Deputy President                             | Synergy Management Team<br>Information & Technology Planning Team<br>Risk Management Team<br>Audit & Compliance Team |
| Buhmsoo Choi  | Aug. 8, 1956  | Deputy President and Chief Financial Officer | Finance Management Team<br>Investor Relations Team<br>Strategic Planning Team  |

**Stock Options (as of May 9, 2008)**

|                 | No. of<br>Granted<br>Options<br>(A) | Number of Changes                     |                                       |   | Exercise<br>Price |
|-----------------|-------------------------------------|---------------------------------------|---------------------------------------|---|-------------------|
|                 |                                     | No. of<br>Exercised<br>Options<br>(B) | No. of<br>Cancelled<br>Options<br>(C) | No. of<br>Exercisable<br>Options<br>(D = A - B - C) |                   |
| Granted in 2002 | 864,576                             | 672,454                               | 0                                     | 192,122   | 18,910            |
| Granted in 2003 | 1,020,416                           | 620,204                               | 11,600                                | 388,612   | 11,800            |
| Granted in 2004 | 1,258,923                           | 545,392                               | 15,200                                | 698,331   | 21,595            |
| Granted in 2005 | 2,620,331                           | 60,287                                | 251,300                               | 2,308,744   | 28,006            |
| Granted in 2006 | 3,296,200                           | 0                                     | 477,000                               | 2,819,200   | 38,829            |
| Granted in 2007 | 1,301,050                           | 0                                     | 123,500                               | 1,177,550   | 54,560            |
| Granted in 2008 | 808,700                             | 0                                     | 0                                     | 808,700   | 49,053            |
|                 | 11,170,196                          | 1,898,337                             | 878,600                               | 8,393,259   |                   |

Note) The weighted-average exercise price of outstanding exercisable options as of May 9, 2008 is KRW 35,902.

**Employees**

(As of March 31, 2008)

|        | Number of Employees | Average length of Service | Total  | Average                          |
|--------|---------------------|---------------------------|--|----------------------------------|
|        |                     |                           | Salaries and wages paid in 1Q 2008 (KRW million) | Payment per person (KRW million) |
| Male   | 80                  | 2 yrs 1 mths              | 1,759  | 22                               |
| Female | 13                  | 3 yrs 11 mths             | 143  | 11                               |
| Total  | 93                  | 3 years                   | 1,902  | 20                               |



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***Directors and Officers Liability Insurance (for SFG and subsidiaries)***

| Name of Insurance                             | Insurance Premium        | Insured Amount    | Insurance Period                |
|---|--------------------------|-------------------|---------------------------------|
| Directors and Officers<br>Liability Insurance | KRW 496 mil.<br>(annual) | Up to KRW 50 bil. | April 1, 2008~<br>April 1, 2009 |

\* Of the total insurance premium (KRW 496 mil.), KRW 121 mil. was paid by SFG, and the remaining amount, by its subsidiaries

**Table of Contents****5. Largest Shareholder and Market Price Information of our Common Shares and ADRs*****Largest Shareholder of Shinhan Financial Group as of March 31, 2008***

| Name              | No. of Common Shares | Ownership% |
|-------------------|----------------------|------------|
| BNP Paribas Group | 33,682,104           | 8.50       |

***Common Share Traded on the Korea Exchange***

|                 |      | (KRW, number of shares) |            |            |            |            |            |
|-----------------|------|-------------------------|------------|------------|------------|------------|------------|
|                 |      | Oct. 2007               | Nov. 2007  | Dec. 2007  | Jan. 2008  | Feb. 2008  | Mar. 2008  |
| Price per share | High | 64,700                  | 58,500     | 55,700     | 52,000     | 52,400     | 52,500     |
|                 | Low  | 53,000                  | 46,850     | 47,650     | 45,150     | 47,800     | 47,000     |
| Trading Volume  |      | 42,104,404              | 43,294,968 | 38,050,385 | 42,528,189 | 21,419,344 | 31,660,183 |

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

|                 |      | (USD, number of shares) |           |           |           |           |           |
|-----------------|------|-------------------------|-----------|-----------|-----------|-----------|-----------|
|                 |      | Oct. 2007               | Nov. 2007 | Dec. 2007 | Jan. 2008 | Feb. 2008 | Mar. 2008 |
| Price per share | High | 144.17                  | 129.88    | 119.25    | 109.65    | 113.45    | 106.90    |
|                 | Low  | 116.79                  | 99.50     | 102.90    | 93.51     | 101.27    | 90.97     |
| Trading Volume  |      | 1,024,800               | 863,300   | 834,500   | 1,010,300 | 631,500   | 726,500   |

\*1 ADR = 2 Common Shares



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

(As of Mar. 31, 2008, Unit: KRW 100 million)

| Sudsiary | Loan Tyoe  | Origination | Maturity   | Funding | Lending | Beginning | Increase | Decrease | Ending  |
|----------|------------|-------------|------------|---------|---------|-----------|----------|----------|---------|
|          |            | Date        | Date       | Rate    | Rate    | Balance   |          |          | Balance |
| Shinhan  | Card       | 2003-04-23  | 2009-04-23 | 5.47%   | 6.28%   | 1000      |          |          | 1,000   |
| Shinhan  | Capital    | 2003-06-24  | 2008-06-24 | 5.69%   | 5.95%   | 300       |          |          | 300     |
| Shinhan  | Capital    | 2003-07-24  | 2008-07-24 | 5.87%   | 6.13%   | 200       |          |          | 200     |
| Shinhan  | Capital    | 2004-03-24  | 2009-03-24 | 5.11%   | 5.93%   | 200       |          |          | 200     |
| Shinhan  | Capital    | 2004-06-25  | 2009-06-25 | 4.93%   | 5.22%   | 500       |          |          | 500     |
| Shinhan  | Capital    | 2005-01-31  | 2008-01-31 | 4.21%   | 4.58%   | 300       |          | 300      |         |
| GMSH     | Securities | 2005-01-31  | 2010-07-31 | 4.59%   | 5.25%   | 700       |          |          | 700     |
| Shinhan  | Card       | 2005-03-18  | 2008-03-18 | 4.23%   | 4.54%   | 500       |          | 500      |         |
| Shinhan  | Capital    | 2005-05-09  | 2008-05-09 | 3.99%   | 4.33%   | 500       |          |          | 500     |
| Shinhan  | Capital    | 2005-12-16  | 2008-12-16 | 5.34%   | 5.67%   | 400       |          |          | 400     |
| Shinhan  | Card       | 2006-01-24  | 2009-01-24 | 5.24%   | 5.41%   | 500       |          |          | 500     |
| Shinhan  | Capital    | 2006-01-24  | 2009-01-24 | 5.24%   | 5.41%   | 500       |          |          | 500     |
| Shinhan  | Card       | 2006-02-27  | 2009-02-27 | 5.07%   | 5.23%   | 1000      |          | 700      | 300     |
| Shinhan  | Capital    | 2006-02-27  | 2009-02-27 | 5.07%   | 5.23%   |           | 700      |          | 700     |
| Shinhan  | Capital    | 2006-04-24  | 2009-04-24 | 5.09%   | 5.22%   | 1000      |          |          | 1,000   |
| GMSH     | Securities | 2006-07-31  | 2012-01-31 | 5.16%   | 5.64%   | 1000      |          |          | 1,000   |
| Shinhan  | Capital    | 2006-09-26  | 2011-09-26 | 4.91%   | 4.99%   | 500       |          |          | 500     |
| Shinhan  | Capital    | 2007-03-23  | 2012-03-23 | 5.28%   | 5.48%   | 500       |          |          | 500     |
| Shinhan  | Capital    | 2007-04-13  | 2010-04-13 | 5.24%   | 5.38%   | 500       |          |          | 500     |
| Shinhan  | Capital    | 2007-06-08  | 2012-06-08 | 5.54%   | 5.95%   | 500       |          |          | 500     |
| Shinhan  | Capital    | 2007-09-27  | 2010-09-27 | 5.91%   | 6.05%   | 1000      |          |          | 1,000   |

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|   |             |            |            |       |       |        |       |       |        |
|---|-------------|------------|------------|-------|-------|--------|-------|-------|--------|
| Shinhan<br>Capital<br>Shinhan<br>Card                       | Loan in KRW | 2007-11-27 | 2010-11-27 | 6.24% | 6.37% | 500    |       |       | 500    |
| Shinhan<br>Capital<br>Shinhan<br>Card                       | Loan in KRW | 2007-11-27 | 2012-11-27 | 6.33% | 6.41% | 1000   |       |       | 1,000  |
| Shinhan<br>Capital<br>Shinhan<br>Card                       | Loan in KRW | 2007-12-18 | 2010-12-18 | 6.69% | 6.83% | 500    |       |       | 500    |
| Shinhan<br>Capital<br>Shinhan<br>Card                       | Loan in KRW | 2007-12-18 | 2012-12-18 | 6.78% | 6.86% | 500    |       |       | 500    |
| Shinhan PE<br>Shinhan<br>Card                               | Loan in KRW | 2007-06-28 | 2008-06-27 | 5.31% | 5.51% | 50     |       |       | 50     |
| Shinhan<br>Capital<br>Shinhan<br>Capital<br>Shinhan<br>Card | Loan in KRW | 2008-01-23 | 2011-01-23 | 6.46% | 6.60% |        | 1000  |       | 1,000  |
| Shinhan<br>Capital<br>Shinhan<br>Capital<br>Shinhan<br>Card | Loan in KRW | 2008-01-23 | 2011-01-23 | 6.46% | 6.60% |        | 500   |       | 500    |
| Shinhan<br>Capital<br>Shinhan<br>Capital<br>Shinhan<br>Card | Loan in KRW | 2008-01-23 | 2013-01-23 | 6.51% | 6.60% |        | 500   |       | 500    |
| Shinhan<br>Capital<br>Shinhan<br>Card                       | Loan in KRW | 2008-02-21 | 2011-02-21 | 5.51% | 5.66% |        | 1500  |       | 1,500  |
| Shinhan<br>Capital<br>Shinhan<br>Card                       | Loan in KRW | 2008-03-12 | 2011-03-12 | 5.71% | 5.84% |        | 2000  |       | 2,000  |
| Shinhan<br>Capital<br>Shinhan<br>Card                       | Loan in KRW | 2008-03-12 | 2011-03-12 | 5.71% | 5.84% |        | 500   |       | 500    |
| Total   |             |            |            |       |       | 14,150 | 6,700 | 1,500 | 19,350 |

**Table of Contents**

**Exhibit 99-1** Independent Accountant's Review Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of March 31, 2008

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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.

By

Name: Buhmsoo Choi

Title: Chief Financial Officer

Date: May 15, 2008