

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

November 21, 2006

Table of Contents

**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 2006**

**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 2006 3Q Business Report**

On November 14, 2006, Shinhan Financial Group ( SFG ) filed the 2006 3Q 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.

**Table of Contents**

1. Introduction of the Group

2. Business Results

3. Independent Accountant

4. Directors, Executive Officers and Employees

5. Activities of Board of Directors and Sub-committees

6. Market Price Information of Our Common Shares and ADRs

7. Related Party Transactions

Exhibit 99 Independent Accountant's Review Report (Non Consolidated Financial Statements) of Shinhan Financial Group as of September 30, 2006

**Table of Contents**

**1. Introduction of the Group  
Company History in 2006 3Q**

§ August 16, 2006

Shinhan Financial Group is selected as preferred bidder for LG Card acquisition

**Principal Subsidiaries under Korean Law as of September 30, 2006**

***Direct Subsidiaries***

Subsidiaries	Ownership by SFG
Shinhan Bank <sup>1)</sup>	100.0%
Good Morning Shinhan Securities	100.0%
Shinhan Life Insurance	100.0%
Shinhan Card	100.0%
Shinhan Capital	100.0%
Shinhan BNP Paribas ITMC	50.0%
Jeju Bank	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) As of April 1, 2006, Chohung Bank merged with Shinhan Bank, and the name of the integrated bank is Shinhan Bank.

**Table of Contents*****Indirect subsidiaries held through direct subsidiaries***(As of September 30,  
2006)

Direct Subsidiaries	Indirect Subsidiaries	Ownership by the Parent
Shinhan Bank	Shinhan Data System	100.0%
	Shinhan Finance Ltd.(Hong Kong) <sup>1)</sup>	100.0%
	SH Asset Management Co. Ltd <sup>2)</sup>	79.8%
	Shinhan Asia Limited <sup>2)</sup>	100.0%
	Shinhan Bank America <sup>2)</sup>	100.0%
	Shinhan Bank Europe GmbH <sup>2)</sup>	100.0%
	Shinhan Vina Bank <sup>2)</sup>	50.0%
	CHB Valuemeet 2001 year 1 <sup>st</sup> Securitization	50.0%
	CHB Valuemeet 2001 year 2 <sup>nd</sup> Securitization	50.0%
	CHB Valuemeet 2002 year 1 <sup>st</sup> Securitization	50.0%
Good Morning Shinhan Securities	Good Morning Shinhan Securities Europe Good Morning Shinhan Securities USA	100.0% 100.0%
Shinhan Private Equity	Shinhan NPS Private Equity Fund 1 <sup>st</sup>	5.0% <sup>3)</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 and is expected to be finalized by the first half of 2007.

2) Names of subsidiaries previously owned by Chohung Bank

were changed accordingly after the integration with Shinhan Bank.

- 3) Shinhan Financial Group and its subsidiaries currently own 36.7% of Shinhan NPS Private Equity Fund 1<sup>st</sup>.

**Number of Shares by type**

The table below shows the number of issued and outstanding shares of the Group as of September 30, 2006

Types of Shares	Number of Shares
Common Shares	381,567,614
Redeemable Preferred Shares	39,767,169
Total	421,334,783

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

Contribution from	Contribution Date	Contribution Amount (KRW)	Contributor	Use of money
	Feb. 28, 2006	542,407,000	Shinhan Card	Stock Purchase
	March 3, 2006	802,088,300	Shinhan Capital	Stock Purchase
Company	March 6, 2006	10,641,000,000	Shinhan Bank	Stock Purchase
	March 14, 2006	212,552,860	SFG	Stock Purchase
	April 26, 2006	43,240,950	Shinhan Bank	Operating Expenses
	Aug. 9 ~ Sept.4, 2006	19,297,881,928	Shinhan Bank	Stock Purchase
	Sub-total	31,539,171,038		
Employees	Sub-total			
	Total	31,539,171,038		

**(2) Changes in ESOA Share Ownership****(Unit: shares)**

	Share Type	Beginning Balance (Jan. 1, 2006)	Increase	Decrease	Ending Balance (Sept. 30, 2006)
Association Accounts	Common Shares	1,942,413		361	1,942,052
Employee Accounts	Common Shares	843,270	1,152,125	26,704	1,968,691
Total	Common Shares	2,785,683	1,152,125	27,065	3,910,743

\* The decrease is due to retirement of employees and withdrawal at maturity.

\* The increase is due to contributions by Shinhan Financial Group, Shinhan Bank, Shinhan Card, and Shinhan Capital

**(3) ESOA Share Ownership per each company****(As of September 30, 2006, Unit: shares)**

Company	Association Accounts	Employee Accounts	Total Balance
Shinhan Financial Group	36,672	13,492	50,164
Shinhan Bank	1,886,973	1,874,982	3,761,955
Shinhan Capital	18,407	21,576	39,983
Shinhan Card		23,649	23,649
Shinhan Life Insurance		31,002	31,002
SH&C Life Insurance		556	556
Shinhan Credit Information		576	576
Shinhan Data System		2,858	2,858
Total	1,942,052	1,968,691	3,910,743



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

(in millions of Korean Won)

	2006 3Q (Jan. 1~Sept. 30)	2005 (Jan. 1~Dec. 31)	2004 (Jan. 1~Dec. 31)
Operating Revenue	1,695,106	1,886,806	1,224,147
Gain using equity method of accounting	1,632,956	1,789,621	1,108,952
Interest income	61,161	95,812	114,264
Other income	989	1,373	931
Operating Expense	124,564	154,873	147,638
Loss using equity method of accounting	46	1,047	212
Operating Income	1,570,542	1,731,933	1,076,509

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

(in millions of Korean Won)

	2006 3Q (Jan. 1~Sept. 30)		2005 (Jan. 1~Dec. 31)		2004 (Jan. 1~Dec. 31)	
	Average Balance <sup>1)</sup>	Ratio (%)	Average Balance <sup>1)</sup>	Ratio (%)	Average Balance <sup>1)</sup>	Ratio (%)
Stockholders Equity	10,129,914	76.97	8,463,137	77.36	6,770,562	74.00
Capital Stock	2,170,758	16.50	2,100,646	19.20	2,012,812	22.00
Capital Surplus	4,360,105	33.13	3,846,957	35.16	3,485,465	38.10
Retained Earnings	2,876,952	21.86	2,158,881	19.73	1,130,293	12.35
Capital Adjustment	722,099	5.49	356,653	3.26	141,992	1.55
Borrowings	3,030,096	23.03	2,477,425	22.64	2,378,244	26.00
Debentures	2,339,857	17.78	2,090,759	19.11	2,017,816	22.06
Other liabilities	690,239	5.24	386,666	3.53	360,428	3.94
Total	13,160,010	100.00	10,940,562	100.00	9,148,806	100.00

1) The Average Balance was calculated by averaging the ending balance of each quarter.

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

(in millions of Korean Won)

	2006 3Q (Jan. 1~Sept. 30)		2005 (Jan. 1~Dec. 31)		2004 (Jan. 1~Dec. 31)	
	Average Balance <sup>1)</sup>	Ratio (%)	Average Balance <sup>1)</sup>	Ratio (%)	Average Balance <sup>1)</sup>	Ratio (%)
Investments on equity stock	11,363,844	86.35	9,060,179	82.81	7,100,773	77.61
Shinhan Bank (pre-merger)	2,214,350	16.83	4,198,207	38.37	3,709,669	40.55
Shinhan Bank <sup>2)</sup>	6,601,425	50.16	3,393,190	31.01	2,411,868	26.36
Good Morning Shinhan Securities	934,040	7.10	867,403	7.93	610,171	6.67
Shinhan Life Insurance	762,448	5.79	147,558	1.35		
Shinhan Card	559,340	4.25	197,754	1.81	162,378	1.77
Shinhan Capital	165,885	1.26	139,108	1.27	112,775	1.23
Shinhan BNP Paribas ITMC	23,993	0.18	23,139	0.21	22,435	0.25
E-Shinhan		0.00	2,197	0.02	2,617	0.03
Shinhan Macquarie FA	1,412	0.01	1,641	0.01	1,159	0.01
Jeju Bank	66,182	0.50	57,606	0.53	49,418	0.54
Shinhan Credit Information	8,909	0.07	8,198	0.07	4,628	0.05
SH&C Life Insurance	17,250	0.13	14,879	0.14	13,655	0.15
Shinhan Private Equity	8,610	0.07	9,300	0.09	1,958	0.02
Investment on Bonds						
Loans	1,329,755	10.10	1,667,537	15.24	1,953,788	21.36
Fixed Assets	1,005	0.01	1,296	0.01	1,508	0.02
Intangible Assets	1,006	0.01	1,030	0.01	477	0.01
Cash Deposit in bank	410,611	3.12	177,313	1.62	55,370	0.61
Other Assets	53,789	0.41	33,207	0.31	36,893	0.40
<b>Total</b>	<b>13,160,010</b>	<b>100.00</b>	<b>10,940,562</b>	<b>100.00</b>	<b>9,148,809</b>	<b>100.00</b>

1) The Average Balance was calculated by averaging the ending balances of each quarter.

2) Shinhan Bank and Chohung Bank were

integrated as of  
 April 1, 2006,  
 under the name  
 of Shinhan  
 Bank, Chohung  
 Bank being the  
 legally  
 surviving entity.

### Other Financial Information

#### *Requisite Capital Ratio*

(in millions of Korean Won)

	2006 3Q (E)	2005	2004
Aggregate Amount of Equity Capital (A)	13,063,775	11,434,001	9,867,854
Requisite Capital (B)	9,853,839	8,609,121	7,625,261
Requisite Capital Ratio (A/B) <sup>1)</sup>	132.58%	132.81%	129.41%

1) Under the guidelines issued by the Financial Supervisory Commission applicable to financial holding companies, we, at the holding company level, are required to maintain a minimum requisite capital ratio of 100%.

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

	(in millions of Korean Won)		
	2006 3Q	2005	2004
Won Assets due within 3 months (A)	394,327	341,547	221,335
Won Liabilities due within 3 months (B)	378,996	332,746	212,081
Won Liquidity Ratio (A/B) <sup>1)</sup>	104.05%	102.65%	104.36%

- 1) Under the guidelines issued by the Financial Supervisory Commission, we, at the holding company level, are required to maintain a Won liquidity ratio of not less than 100%.

**Liabilities to Equity Ratio**

	(in millions of Korean Won)		
	2006 3Q	2005	2004
Liabilities (A)	3,061,396	2,325,114	2,325,043
Equity (B)	10,897,232	10,137,017	7,747,609
Liabilities to Equity Ratio (A/B)	28.09%	22.94%	30.01%

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

(1) Total Capital Adequacy Ratio (%) \*

	2006 3Q	2005	2004
Shinhan Bank **	11.64	10.94	9.40
Jeju Bank	11.70	11.71	10.91

- \* The Total Capital Adequacy Ratio is computed in accordance with the guidelines issued by the Financial Supervisory Commission for commercial banks. Under these guidelines,

commercial banks are required to maintain a minimum capital adequacy ratio of 8%.

\*\* As the integrated Shinhan Bank was launched on April 1, 2006, 2006 3Q figures are of the integrated Shinhan Bank whereas the 2004 and 2005 figures are of the pre-merger Chohung Bank, the legally surviving entity.

(2) Net Capital Ratio (%) \*

	Sept. 30, 2006	Mar. 31 2006	Mar. 31 2005
Good Morning Shinhan Securities	483.00	558.60	629.22

\* Net Capital Ratio is computed in accordance with the guidelines issued by the Financial Supervisory Service for securities investment trust businesses. Under these guidelines, Good Morning Shinhan Securities is required to maintain a minimum net capital ratio of

100%.

**Table of Contents**

## (3) Solvency Margin Ratio (%)

	Sept. 30, 2006	Mar. 31 2006	Mar. 31 2005
Shinhan Life Insurance *	235.9	230.8	204.9

\* Shinhan Life Insurance joined Shinhan Financial Group as the Group's subsidiary as of December 13, 2005

## (4) Adjusted Equity Capital Ratio (%) \*

	Sept. 30, 2006	2005	2004
Shinhan Card	16.68	17.68	16.48

\* 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 the Financial Supervisory Commission for credit card companies. Under these guidelines, Shinhan Card is required to maintain a minimum adjusted equity capital ratio of 8%.

## (5) Non Performing Loans

	Sept. 30, 2006		Dec. 31, 2005 (March 31, 2006 for GMS Securities)		(in millions of Korean Won) Dec. 31, 2004 (March 31, 2005 for GMS Securities)	
	Balance of	NPL to total Loans	Balance of	NPL to total Loans	Balance of	NPL to total
	NPL	(%)	NPL	(%)	NPL	Loans (%)
Shinhan Bank <sup>1)</sup>	931,810	0.82	531,349	1.15	814,127	1.89
Jeju Bank <sup>1)</sup>	10,373	0.61	16,287	1.15	30,261	2.33
GMS Securities <sup>2)</sup>	28,417	5.14	26,943	5.71	30,745	11.75
Shinhan Card <sup>3)</sup>	169,635	5.28	33,420	2.71	37,502	4.46

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

For Shinhan Bank, figures for the period ended September 30, 2006 are of the integrated Shinhan Bank, whereas figures for 2004 and 2005 are of the pre-merger Chohung Bank, the legally surviving entity.

2) Under the guidelines of the Financial Supervisory Service, every



securities  
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  
includes loans  
classified as  
substandard,  
doubtful, and  
estimated loss.

- 3) Under the  
guidelines of the  
Financial  
Supervisory  
Service, every  
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  
Shinhan Card  
includes loans  
classified as  
substandard,  
doubtful and  
estimated loss.

Figures for the period ended September 30, 2006 include the credit card business of Chohung Bank that was spun-off and merged into Shinhan Card.

**Table of Contents**

## (6) Loan Loss Allowances &amp; Write-offs for the period

			(in millions of Korean Won)		
			Jan. 1, 2006~ Sept. 30, 2006	Jan. 1, 2005~ Dec. 31, 2005	Jan. 1, 2004~ Dec. 31, 2004
Shinhan Bank <sup>1)</sup>	Loan				
	Loss Allowance	Domestic Overseas	1,684,265 60,849	905,000 27,600	1,001,800 51,200
		Total	1,745,112	932,600	1,053,000
Jeju Bank	Write-offs		139,600	571,500	1,400,200
	Loan				
	Loss Allowance	Domestic Overseas	22,501	25,329	32,299
		Total	22,501	25,329	32,299
GM Shinhan Securities <sup>2)</sup>	Write-offs		6,610	19,145	24,735
	Loan				
	Loss Allowance	Domestic Overseas	30,818	28,900	30,900
		Total	30,818	28,900	30,900
Shinhan Card	Write-offs		265	2,300	1,900
	Loan				
	Loss Allowance	Domestic Overseas	175,879	46,269	49,785
		Total	175,879	46,269	49,785
	Write-offs		116,639	117,583	233,178

1) 2006 3Q figures are of the integrated Shinhan Bank, whereas figures for 2004 and 2005 are for pre-merger Chohung Bank, the legally surviving entity.

2)

The fiscal year of Good Morning Shinhan Securities ends on March 31 of each year. Accordingly, the relevant periods for Good Morning Shinhan Securities are adjusted as follows: (i) from April 1, 2006 to September 30, 2006, (ii) from April 1, 2005 to March 31, 2006, and (iii) from April 1, 2004 to March 31, 2005.

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

	2006 3Q	FY 2005	FY 2004
Audit / Review	Reviewed	Audited	Audited
Audit Opinion		Unqualified	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 (KRW)	Working hours
2006 3Q	KPMG Samjong Accounting Corp.	304,000,000	2,160 hours
2005	KPMG Samjong Accounting Corp.	288,000,000	3,073 hours
2004	KPMG Samjong Accounting Corp.	300,000,000	2,504 hours

***Compensation for Services Other than Korean GAAP Audit and Review***

The following is a description of the fees and commissions paid to our independent auditor for the services set forth below for the last three years.

Year	Contract signed in	Service description	Payment
2006 3Q	2005 Dec.	Audit of the Financial Statements based on US GAAP for FY2005	KRW 1,888,000,000
2005	Jan.	Audit of the Financial Statements based on US GAAP for FY2004	USD 2,000,000
	July	Settlement of taxation affairs	KRW 15,000,000
2004	Jan.	Consulting services for disclosure control and procedure & Internal control system	KRW 1,375,000,000

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

## 1) Executive Directors

Our executive directors are as follows as of March 21, 2006:

Name	Date of Birth	Position	Service Term
Eung Chan Ra	Nov. 25, 1938	Chairman of BOD Head of the Board Steering Committee	3 years starting from March 25, 2004
In Ho Lee	Nov. 2, 1943	President & CEO Board Steering Committee member	3 years starting from March 25, 2004
Young Hwi Choi	Oct. 28, 1945	Executive Director	3 years starting from March 25, 2004

## 2) Non-Executive Directors

Currently, twelve non-executive directors are in office. Of the twelve members, ten are outside directors, nominated by our Outside Director Recommendation Committee and appointed pursuant to the approval of general shareholders meeting on March 21, 2006.

Our non-executive directors are as follows:

Name	Date of Birth	Current Position	Service Term
Young Seok Choi	Jul. 2, 1929	Non-Executive Director Audit Committee member	3 years starting from March 25, 2004
Yong Woong Yang	Aug. 4, 1948	Non-Executive Director	3 years starting from March 25, 2004
Il Sup Kim	Jul. 1, 1946	Outside Director Head of Audit Committee Compensation Committee member	1 year starting from March 21, 2006
Sang Yoon Lee	Sep. 13, 1942	Outside Director Board Steering Committee member Audit Committee member Compensation Committee member	1 year starting from March 21, 2006
Yoon Soo Yoon	Mar. 5, 1946	Outside Director Head of Compensation Committee Risk Management Committee member	1 year starting from March 21, 2006
Shee Yul Ryoo	Sep. 5, 1938	Outside Director Board Steering Committee member Compensation Committee member Head of Risk Management Committee	1 year starting from March 21, 2006

Edgar Filing: SHINHAN FINANCIAL GROUP CO LTD - Form 6-K

Byung Hun Park	Sep. 10, 1928	Outside Director  Board Steering Committee member	1 year starting from March 21, 2006
Young Hoon Choi	Nov. 8, 1928	Outside Director	1 year starting from March 21, 2006
Si Jong Kim	Apr. 16, 1937	Outside Director Audit Committee member	1 year starting from March 21, 2006
Philippe Reynieix	Jun. 24, 1949	Outside Director  Risk Management Committee member	1 year starting from March 21, 2006
Haeng Nam Chung	Mar. 15, 1941	Outside Director	1 year starting from March 21, 2006
Myoung Soo Choi	Aug. 5, 1957	Outside Director	1 year starting from March 21, 2006

For personal profiles of the outside directors, please refer to our current report on Form 6-K filed on February 24, 2006.

**Table of Contents**

## 3) Executive Officers

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

Name	Date of Birth	Position	Taking Charge of
Jae Woo Lee	July 2, 1950	Managing Director (Chief Operating Officer)	General Affairs Team, Public Relations Team, and Human Resources Team
Byung Jae Cho	Jan. 6, 1951	Managing Director (Chief Financial Officer)	Finance Planning Team, Risk Management Team, and Investor Relations Team
Jin Won Suh	April 20, 1951	Managing Director (Chief Strategy Officer)	Strategic Planning Team, Future Strategy & Management Team, and Information & Technology Planning Team,
Jae Woon Yoon	July 22, 1951	Managing Director (Group Synergy Officer)	Joint Procurement Team, Synergy Management Team, and Audit & Compliance Team

**Stock Options**

(As of November 8, 2006)

Guarantee	No. of Granted Options (A)	No. of Exercised Options (B)	No. of Cancelled Options (C)	No. of Exercisable Options (D=A-B-C)
Granted in 2002 Management, Head of Department	864,576	244,511		620,065
Granted in 2003 Management, Head of Department	1,020,206	272,803	11,390	736,013
Granted in 2004 Management, Head of Department	1,258,923	82,900	15,200	1,160,823
Granted in 2005 Management, Head of Department, Outside Directors	2,695,200		70,500	2,624,700
Granted in 2006 Management, Head of Department, Outside Directors	3,296,200		3400	3,292,800
Total	9,135,105	600,214	100,490	8,434,401

**Employees**

(As of September 30, 2006)

Total Salaries and wages paid in 2006 3Q	Average Payment per person in 2006 3Q
--	--



	Number of Employees	Average length of Service	(in mil. of Korean Won)	(in mil. of Korean Won)
Male	80	2 yrs 6mths	5,105	64
Female	19	2 yrs 9mths	650	34
Total	99	2 yrs 8mths	5,755	58

13

---

**Table of Contents****5. Activities of Board of Directors and sub-committees during 2006 3Q*****Meetings of Board of Directors***

Date	Agenda	
Sept. 12, 2006	1. Exclusion of Shinhan Bank's Hong Kong subsidiary as a non-direct subsidiary - Exclusion of Shinhan Bank's Hong Kong subsidiary as a non-direct subsidiary, following its closing and transfer into Shinhan Bank's branch	Approved
	2. Issuance of Corporate Bond - The 36 <sup>th</sup> and 37 <sup>th</sup> public issuance of Corporate Bonds (KRW 100 billion and KRW 500 billion)	Approved
	3. Amendment of Risk Management Committee regulations - Establishment of new article related to reporting items and changes in expressions related to resolution items etc	Approved
	4. 4 <sup>th</sup> round of guideline amendments related to the providing and using of individual credit information etc. - Amendment of related articles due to the launching of the integrated Shinhan Bank and changes in names of subsidiaries etc.	Approved
	5. Amendment of regulations concerning evaluation and remuneration - Execution of cash-compensation system related to long-term results and retirement allowances system for non-management directors	Approved
	6. Alterations in remuneration for managing directors - Alterations in remuneration for managing directors, including short-term merit pay etc.	Approved
	7. Cancellation of previously granted stock options - 3 persons, 5,700 shares	Approved

***Meetings of Compensation Committee***

Date	Agenda	
Sept. 12, 2006	1. Establishment of PU(Performance Unit) system management regulations	Approved

***Meetings of Risk Management Committee***

Date	Agenda
Sept. 12, 2006	1. Reporting Item: The group's capital adequacy ratio and risk limit management by risk type etc. For reference to details of past Board of Directors and sub-committee meetings for year 2006, please refer to our current report on Form 6-K filed on August 21, 2006.

**Table of Contents****6. Market Price Information of our Common Shares and ADRs*****Common Share Traded on the Korea Exchange***

(in Korean Won or number of shares)

	May 2006	June 2006	July 2006	Aug. 2006	Sept. 2006	Oct. 2006
Price per share						
High	49,500	45,000	47,000	47,100	44,000	44,100
Low	43,400	40,400	43,750	43,350	42,100	41,450
Trading Volume	28,343,860	24,274,622	19,759,297	27,184,347	25,860,937	24,500,981

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

Shinhan Financial Group listed its American Depositary Shares on the New York Stock Exchange on September 16, 2003.

(in US Dollars or number of shares)

	May 2006	June 2006	July 2006	Aug. 2006	Sept. 2006	Oct. 2006
Price per share						
High	106.08	95.95	100.98	97.90	92.60	93.00
Low	89.03	81.15	90.51	89.89	88.95	86.56
Trading Volume	784,700	675,200	506,900	479,100	325,600	313,900

**Table of Contents****7. Related Party Transactions***Loans to Subsidiaries*

(As of Sept. 30, 2006, in 100 millions of Korean Won)

Borrower	Loan Type	Origination date	Maturity date	Funding Rate	Lending Rate	Beginning Balance Jan. 1 2006	Increase	Decrease	Ending Balance June 30, 2006
GMS Securities	Loans in KRW	2005-01-31	2010-07-31	4.59%	5.25%	700			700
Shinhan Bank	Privately Placed Bonds Loans in KRW	2001-12-21	2008-03-21	7.12%	7.42%	500		500	
Shinhan Card	Loans in KRW	2003-01-24	2006-01-24	5.19%	5.50%	500		500	
Shinhan Card	Loans in KRW	2003-02-26	2006-02-26	4.99%	5.29%	2,000		2,000	
Shinhan Card	Loans in KRW	2003-04-23	2009-04-23	5.47%	6.28%	1,000			1,000
Shinhan Card	Loans in KRW	2003-05-23	2006-05-23	5.29%	5.59%	500		500	
Shinhan Card	Loans in KRW	2003-06-24	2006-06-24	5.43%	5.73%	1,500		1,500	
Shinhan Card <sup>4)</sup>	Loans in KRW	2003-10-24	2006-10-24	4.63%	4.95%	1,000			1,000
Shinhan Card	Loans in KRW	2005-03-18	2007-03-18	4.13%	4.49%	500			500
Shinhan Card	Loans in KRW	2005-03-18	2008-03-18	4.23%	4.54%	500			500
Shinhan Capital	Loans in KRW	2002-03-29	2007-04-04	7.47%	8.12%	200			200
Shinhan Capital	Loans in KRW	2002-07-29	2007-07-29	6.30%	6.65%	200			200
Shinhan Capital	Loans in KRW	2002-11-21	2007-11-21	5.88%	6.18%	200			200
		2002-12-16	2007-12-16	5.96%	6.22%	200			200

Edgar Filing: SHINHAN FINANCIAL GROUP CO LTD - Form 6-K

Shinhan Capital	Loans in KRW							
Shinhan Capital	Loans in KRW	2003-01-24	2006-01-24	5.19%	5.54%	200		200
Shinhan Capital	Loans in KRW	2003-05-23	2006-05-23	5.29%	5.59%	500		500
Shinhan Capital	Loans in KRW	2003-06-24	2008-06-24	5.69%	5.95%	300		300
Shinhan Capital	Loans in KRW	2003-07-24	2006-07-24	5.55%	5.85%	300		300
Shinhan Capital	Loans in KRW	2003-07-24	2008-07-24	5.87%	6.13%	200		200
Shinhan Capital	Loans in KRW	2004-03-24	2007-03-24	4.76%	5.16%	300		300
Shinhan Capital	Loans in KRW	2004-03-24	2009-03-24	5.11%	5.93%	200		200
Shinhan Capital	Loans in KRW	2004-06-25	2009-06-25	4.93%	5.22%	500		500
Shinhan Capital	Loans in KRW	2005-01-31	2008-01-31	4.21%	4.58%	300		300
Shinhan Capital	Loans in KRW	2005-03-18	2007-03-18	4.23%	4.49%	500		500
Shinhan Capital	Loans in KRW	2005-05-09	2008-05-09	3.99%	4.33%	500		500
Shinhan Capital	Loans in KRW	2005-12-16	2008-12-16	5.48%	5.67%	400		400
Jeju Bank <sup>3)</sup>	Loans in KRW	2005-12-28	2011-01-28	5.74%	6.43%	200		200
Shinhan Capital	Loans in foreign currency	2003-12-30	2006-12-30	3M Libor +70bp	3M Libor +90bp	304	20	284
Shinhan Capital	Loans in foreign currency	2004-07-15	2007-06-15	3M Libor +70bp	3M Libor +90bp	405	27	378
		2004-05-07	2007-03-30	6.26%		31	31	

Jeju Bank <sup>1)</sup> <sup>2)</sup>	Privately Placed Bonds Privately Placed							
Jeju Bank <sup>2)</sup>	Bonds Loans in	2002-05-20	2008-01-20	7.25%	8.14%	200		200
Shinhan Card	KRW Loans in	2006-01-24	2009-01-24	5.24%	5.41%		500	500
Shinhan Capital	KRW Loans in	2006-01-24	2009-01-24	5.24%	5.41%		500	500
Shinhan Card	KRW Loans in	2006-02-27	2009-02-27	5.07%	5.23%		1,000	1,000
Shinhan Card	KRW Loans in	2006-04-24	2009-04-24	5.09%	5.22%		1,000	1,000

16

**Table of Contents**

Borrower	Loan Type	Origination date	Maturity date	Funding Rate	Lending Rate	Beginning Balance Jan. 1 2006	Increase	Decrease	Ending Balance June 30, 2006
GMS Securities	Loans in KRW	2006-07-31	2012-01-31	5.16%	5.64%		1,000		1,000
Shinhan Capital	Loans in KRW	2006-09-26	2011-09-26	4.91%	4.99%		500		500
Total						14,840	4,500	6,478	12,862

Note 1) Privately placed bonds, which were under complete ownership of Shinhan Bank when first issued in June 30, 2001, were acquired by SFG as of May 7, 2004.

Note 2) All privately placed bonds issued by Jeju Bank were redeemed on March 13, 2006.

Note 3) Loans were redeemed on July 3, 2006.

Note 4) Loans were redeemed on October 24, 2006.

Exhibit 99 Independent Accountant's Review Report (Non Consolidated Financial Statements) of Shinhan Financial Group as of September 30, 2006.

**Table of Contents**

**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 /s/ Byung Jae Cho

Name: Byung Jae Cho  
Title: Chief Financial Officer

Date : November 21, 2006