

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

May 15, 2007

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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 2007**

**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 2007 1Q Business Report**

On May 15, 2007, Shinhan Financial Group ( SFG ) filed the 2007 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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EX-99 INDEPENDENT ACCOUNTANT'S REVIEW REPORT AS OF MAR 31,2007

**Exhibit 99** Independent Accountant s Review Report (Non Consolidated Financial Statements) of Shinhan Financial Group as of March 31, 2007

**Table of Contents****1. Introduction of the Group****Company History in 2007**

On March 2007: LG Card joined Shinhan Financial Group as subsidiary

**Principal Subsidiaries under Korean Law as of May 15, 2007****Direct Subsidiaries**

| Subsidiaries                         | Ownership by<br>SFG |
|--------------------------------------|---------------------|
| Shinhan Bank                         | 100.0%              |
| LG Card <sup>1) 2)</sup>             | 85.7%               |
| 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 <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) LG Card joined Shinhan Financial Group as a subsidiary on March 23, 2007.

Of total LG Card's common shares, Shinhan Financial Group and Shinhan Bank own 78.6% and 7.1% respectively.

2) Jeju Bank and LG Card are currently listed on the Korea Exchange.

**Indirect subsidiaries held through direct subsidiaries**

| Direct Subsidiaries | Indirect Subsidiaries                                     | (As of May 15, 2007)<br>Ownership by<br>the Parent |                     |
|---------------------|---|--|---------------------|
| Shinhan Bank        | Shinhan Data System                                       | 100.0%   |                     |
|                     | Shinhan Finance Ltd.(Hong Kong) <sup>1)</sup>             | 100.0%   |                     |
|                     | SH Asset Management                                       | 79.8%  |                     |
|                     | Shinhan Asia Limited                                      | 100.0%   |                     |
|                     | Shinhan Bank America                                      | 100.0%   |                     |
|                     | Shinhan Bank Europe GmbH                                  | 100.0%   |                     |
|                     | Shinhan Vina Bank   | 50.0%  |                     |
|                     | CHB Valuemeet 2001 year 1 <sup>st</sup><br>Securitization | 50.0%  |                     |
|                     | CHB Valuemeet 2001 year 2 <sup>nd</sup><br>Securitization | 50.0%  |                     |
|                     | CHB Valuemeet 2002 year 1 <sup>st</sup><br>Securitization | 50.0%  |                     |
|                     | Good Morning Shinhan Securities                           | Good Morning Shinhan Securities Europe             | 100.0%              |
|                     |   | Good Morning Shinhan Securities USA                | 100.0%              |
|                     | Shinhan Private Equity                                    | Shinhan NPS Private Equity Fund 1 <sup>st</sup>    | 50.0% <sup>2)</sup> |

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- 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 during the first half of 2007.
- 2) 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**

Number of issued and outstanding shares of the Group as of March 31, 2007

|   | Types of Shares | Number of Shares |
|---|-----------------|------------------|
| Common Shares                           |                 | 381,567,614      |
| Redeemable Preferred Shares             |                 | 68,757,169       |
| Redeemable Convertible Preferred Shares |                 | 14,721,000       |
|   | Total           | 465,045,783      |

**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 23, 2007    | 2,049,000,000             | Shinhan Card    | Stock Purchase |
|                                   | March 27, 2007    | 611,500,000               | Shinhan Capital | Stock Purchase |
|                                   | Sub-total         | 2,660,500,000             |                 |                |
| Contributed by employees          |                   |                           |                 |                |
|                                   | Sub-total         |                           |                 |                |
|                                   | Total             | 2,660,500,000             |                 |                |

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**Table of Contents****(2) Changes in ESOA Share Ownership**

|                      |               | (As of March 31, 2007, Unit: shares)  |          |          |  |
|----------------------|---------------|---------------------------------------|----------|----------|--|
|                      | Share type    | Beginning<br>Balance<br>(Jan.1, 2007) | Increase | Decrease | Ending<br>Balance<br>(March 31,<br>2007) |
| Association Accounts | Common Shares | 1,939,973                             |          | 424,169  | 1,515,804                                |
| Employee Accounts    | Common Shares | 2,786,962                             | 340,062  | 102,940  | 3,024,084                                |
|                      | Total         | 4,726,935                             | 340,062  | 527,109  | 4,539,888                                |

\* Subsequent events: On April 3, 2007 Shinhan Bank contributed 548,134 SFG common shares. Additionally on April 13, 2007 37,007 shares and 11,069 shares were purchased respectively for Shinhan Card and Shinhan Capital.

**(3) ESOA Share Ownership per each company**

|                                 |                      | (As of March 31, 2007, Unit: shares) |               |           |
|---------------------------------|----------------------|--------------------------------------|---------------|-----------|
| Company                         | Association Accounts | Employee Accounts                    | Total Balance |           |
| Shinhan Financial Group         | 31,274               | 23,831                               | 55,105        |           |
| Shinhan Bank                    | 1,466,123            | 2,859,122                            | 4,325,245     |           |
| Good Morning Shinhan Securities |                      | 20,363                               | 20,363        |           |
| Shinhan Capital                 | 18,407               | 22,997                               | 41,404        |           |
| Shinhan Card                    |                      | 37,891                               | 37,891        |           |
| Shinhan Life Insurance          |                      | 55,223                               | 55,223        |           |
| SH&C Life Insurance             |                      | 1,126                                | 1,126         |           |
| Shinhan Credit Information      |                      | 1,074                                | 1,074         |           |
| Shinhan Data System             |                      | 2,457                                | 2,457         |           |
|                                 | Total                | 1,515,804                            | 3,024,084     | 4,539,888 |

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

|  | 2007 1Q<br>(Jan.1~March<br>31) | 2006<br>(Jan.1~Dec.31) | (KRW million)<br>2005<br>(Jan.1~Dec.31) |
|--|--------------------------------|------------------------|---|
| Operating Revenue                          | 1,015,411                      | 2,003,752              | 1,718,950                               |
| Gain using the equity method of accounting | 952,272                        | 1,917,268              | 1,618,314                               |
| Interest income                            | 61,994                         | 79,151                 | 95,812                                  |
| Gain on Foreign Currency Transaction       | 749                            | 5,838                  | 3,451                                   |
| Other income                               | 396                            | 1,495                  | 1,373                                   |
| Operating Expense                          | 78,229                         | 182,889                | 158,321                                 |
| Loss using the equity method of accounting |                                |                        | 1,047                                   |
| Interest Expense                           | 62,647                         | 129,644                | 114,544                                 |
| Loss on Foreign Currency Transaction       | 749                            | 5,838                  | 3,449                                   |
| Commission Expense                         | 19                             | 269                    | 124                                     |
| SG&A Expense                               | 14,814                         | 47,138                 | 39,157                                  |
| Operating Income                           | 937,182                        | 1,820,863              | 1,560,629                               |

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

|                         | 2007 1Q<br>(Jan.1~March 31)      |              | 2006<br>(Jan.1~Dec.31)           |              | (KRW million)<br>2005<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     | 11,435,040                       | 74.41        | 10,376,235                       | 76.70        | 8,463,137                               | 77.36        |
| Capital Stock           | 2,214,469                        | 14.41        | 2,170,758                        | 16.05        | 2,100,646                               | 19.20        |
| Capital Surplus         | 5,063,631                        | 32.95        | 4,360,100                        | 32.23        | 3,846,957                               | 35.16        |
| Capital Adjustment      | 32,858                           | 0.21         | 25,520                           | 0.19         | 11,475                                  | 0.10         |
| Comprehensive<br>Income | 945,718                          | 6.15         | 840,704                          | 6.21         | 345,178                                 | 3.16         |
| Retained Earnings       | 3,178,364                        | 20.68        | 2,979,153                        | 22.02        | 2,158,881                               | 19.73        |
| Liabilities             | 3,933,221                        | 25.59        | 3,152,497                        | 23.30        | 2,477,425                               | 22.64        |
| Borrowings              | 3,329,521                        | 21.66        | 2,769,824                        | 20.47        | 2,230,681                               | 20.39        |
| Other liabilities       | 603,700                          | 3.93         | 382,673                          | 2.83         | 246,744                                 | 2.26         |
| Total                   | 15,368,261                       | 100.00       | 13,528,732                       | 100.00       | 10,940,562                              | 100.00       |

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

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

|                             | (KRW million)                    |              |                                  |              |                                  |              |
|-----------------------------|----------------------------------|--------------|----------------------------------|--------------|----------------------------------|--------------|
|                             | 2007 1Q                          |              | 2006                             |              | 2005                             |              |
|                             | (Jan.1~March 31)                 |              | (Jan.1~Dec.31)                   |              | (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 | 13,472,737                       | 87.67        | 11,646,253                       | 86.09        | 9,060,179                        | 82.82        |
| Shinhan Bank                | 9,243,279                        | 60.15        | 8,997,565                        | 66.50        | 7,591,397                        | 69.39        |
| LG Card                     | 1,347,676                        | 8.77         |                                  |              |                                  |              |
| Shinhan Card                | 766,857                          | 4.99         | 639,038                          | 4.72         | 197,754                          | 1.81         |
| Good Morning                |                                  |              |                                  |              |                                  |              |
| Shinhan Securities          | 1,022,428                        | 6.65         | 943,203                          | 6.97         | 867,403                          | 7.93         |
| Shinhan Life                |                                  |              |                                  |              |                                  |              |
| Insurance                   | 783,896                          | 5.10         | 768,599                          | 5.68         | 147,558                          | 1.35         |
| Shinhan Capital             | 176,769                          | 1.15         | 170,264                          | 1.26         | 139,108                          | 1.27         |
| Jeju Bank                   | 69,403                           | 0.45         | 66,809                           | 0.49         | 57,606                           | 0.53         |
| Shinhan Credit              |                                  |              |                                  |              |                                  |              |
| Information                 | 9,486                            | 0.06         | 9,179                            | 0.07         | 8,198                            | 0.07         |
| Shinhan Private             |                                  |              |                                  |              |                                  |              |
| Equity                      | 9,364                            | 0.06         | 8,987                            | 0.07         | 9,300                            | 0.09         |
| Shinhan BNP                 |                                  |              |                                  |              |                                  |              |
| Paribas ITMC                | 24,629                           | 0.16         | 24,152                           | 0.18         | 23,139                           | 0.21         |
| SH&C Life                   |                                  |              |                                  |              |                                  |              |
| Insurance                   | 17,770                           | 0.12         | 17,322                           | 0.13         | 14,879                           | 0.14         |
| Shinhan Macquarie           |                                  |              |                                  |              |                                  |              |
| FA                          | 1,180                            | 0.01         | 1,135                            | 0.01         | 1,641                            | 0.01         |
| E-Shinhan                   |                                  |              |                                  |              | 2,197                            | 0.02         |
| Loans                       | 1,224,366                        | 7.97         | 1,299,633                        | 9.61         | 1,667,537                        | 15.24        |
| Fixed Assets                | 858                              | 0.01         | 959                              | 0.01         | 1,296                            | 0.01         |
| Cash Deposit in bank        | 501,410                          | 3.26         | 422,201                          | 3.12         | 177,313                          | 1.62         |
| Other Assets                | 168,890                          | 1.10         | 159,686                          | 1.18         | 34,237                           | 0.31         |
| Total                       | 15,368,261                       | 100.00       | 13,528,732                       | 100.00       | 10,940,562                       | 100.00       |

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

**Other Financial Information****Group BIS Ratio**

|  | (KRW million)             |
|--|---------------------------|
| Aggregate Amount of Equity Capital (A) | 2007 1Q (E)<br>12,842,440 |
| Risk-Weighted Assets (B)               | 140,273,878               |
| BIS Ratio (A/B) <sup>1)</sup>          | 9.16%                     |

1) Following amendments in the Financial Holding Company Guidelines of the Financial Supervisory Commission, the Group BIS Ratio, rather than the Requisite Capital Ratio, is used as an index for measuring capital adequacy, beginning FY2007.



**Won Liquidity Ratio**

|   | 2007 1Q | 2006    | (KRW million)<br>2005 |
|---|---------|---------|-----------------------|
| Won Assets due within 3 months (A)      | 487,895 | 605,415 | 341,547               |
| Won Liabilities due within 3 months (B) | 460,022 | 248,661 | 332,746               |
| Won Liquidity Ratio (A/B) <sup>1)</sup> | 106.06% | 243.47% | 102.65%               |

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- 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**

|                                   | 2007 1Q    | 2006       | (KRW million)<br>2005 |
|-----------------------------------|------------|------------|-----------------------|
| Liabilities (A)                   | 6,228,731  | 3,642,106  | 2,325,114             |
| Equity (B)                        | 15,431,036 | 11,361,526 | 10,137,017            |
| Liabilities to Equity Ratio (A/B) | 40.36%     | 32.06%     | 22.94%                |

**Capital Adequacy Ratio and Other Ratios of Certain Subsidiaries**(1) BIS Capital Adequacy Ratio (%) <sup>1)</sup>

|                            | 2007 1Q | 2006  | 2005  |
|----------------------------|---------|-------|-------|
| Shinhan Bank <sup>2)</sup> | 11.93   | 12.01 | 10.94 |
| Jeju Bank                  | 11.37   | 11.26 | 11.71 |

- 1) The BIS 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%.
- 2) The integrated Shinhan Bank was launched on April 1, 2006 and the figure for 2005 is of pre-merger Chohung Bank, the surviving entity.
- (2) Net Capital Ratio (%)

|                                 | Mar.31 2007 | Mar.31 2006 | Mar.31 2005 |
|---------------------------------|-------------|-------------|-------------|
| Good Morning Shinhan Securities | 451.69      | 558.60      | 629.22      |

- \* Net Capital Ratio is computed in accordance with the guidelines issued by the Financial Supervisory Commission for securities investment trust businesses. Under these guidelines, Good Morning Shinhan Securities is required to maintain a minimum net capital ratio of 100%.

## (3) Solvency Margin Ratio (%)

|                        | Mar.31<br>2007 | Mar.31<br>2006 | Mar.31<br>2005 |
|------------------------|----------------|----------------|----------------|
| Shinhan Life Insurance | 224.7          | 230.8          | 204.9          |

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

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

|              | 2007 1Q | 2006  | 2005  |
|--------------|---------|-------|-------|
| LG Card      | 36.60   | 34.25 | 25.55 |
| Shinhan Card | 14.97   | 17.47 | 17.68 |

- \* 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 and LG Card are required to maintain a minimum adjusted equity capital ratio of 8%.



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

## (1) Non- Performing Loans

|                            | March 31,2007     |                                 | Dec.31.2006       |                                 | (KRW million)<br>Dec.31. 2005 |                                 |
|----------------------------|-------------------|---------------------------------|-------------------|---------------------------------|-------------------------------|---------------------------------|
|                            | Balance of<br>NPL | NPL to<br>total<br>Loans<br>(%) | Balance of<br>NPL | NPL to<br>total<br>Loans<br>(%) | Balance of<br>NPL             | NPL to<br>total<br>Loans<br>(%) |
| Shinhan Bank <sup>2)</sup> | 759,150           | 0.63                            | 729,655           | 0.62                            | 531,349                       | 1.15                            |
| Jeju Bank                  | 12,970            | 0.65                            | 13,120            | 0.74                            | 16,287                        | 1.15                            |
| LG Card <sup>3)</sup>      | 456,079           | 5.66                            | 493,236           | 6.05                            | 544,705                       | 8.22                            |
| Shinhan Card <sup>3)</sup> | 87,399            | 2.81                            | 111,770           | 3.50                            | 33,420                        | 2.71                            |

  

|                              | March 31,2007     |                              | March 31, 2006    |                              | March 31, 2005    |                              |
|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
|                              | Balance of<br>NPL | NPL to<br>total<br>Loans (%) | Balance of<br>NPL | NPL to<br>total<br>Loans (%) | Balance of<br>NPL | NPL to<br>total<br>Loans (%) |
| GMS Securities <sup>3)</sup> | 25,888            | 2.54                         | 26,943            | 5.68                         | 30,745            | 11.77                        |

- 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 Financial Supervisory Commission.
- 2) Figures for 2005 are of pre-merger Chohung Bank, the surviving entity.
- 3) Under the guidelines of the Financial Supervisory Commission, 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, Shinhan Card, and LG Card includes loans classified as substandard, doubtful, and estimated loss.

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

|                       |                     |          | (KRW million)                        |                                      |                                      |
|-----------------------|---------------------|----------|--------------------------------------|--------------------------------------|--------------------------------------|
|                       |                     |          | Jan. 1, 2007~<br>Mar. 31, 2007       | Jan. 1, 2006~<br>Dec. 31, 2006       | Jan. 1, 2005~<br>Dec. 31, 2005       |
| Shinhan Bank          | Loan Loss Allowance | Domestic | 1,964,255                            | 1,911,843                            | 905,000                              |
|                       |                     | Overseas | 60,798                               | 59,758                               | 27,600                               |
|                       |                     | Total    | 2,025,053                            | 1,971,601                            | 932,600                              |
|                       | Write-offs          |          | 55,853                               | 160,636                              | 571,500                              |
| Jeju Bank             | Loan Loss Allowance | Domestic | 27,772                               | 26,313                               | 25,329                               |
|                       |                     | Overseas |                                      |                                      |                                      |
|                       |                     | Total    | 27,772                               | 26,313                               | 25,329                               |
|                       | Write-offs          |          | 622                                  | 8,325                                | 19,145                               |
| LG Card               | Loan Loss Allowance | Domestic | 774,188                              | 894,173                              | 911,739                              |
|                       |                     | Overseas |                                      |                                      |                                      |
|                       |                     | Total    | 774,188                              | 894,173                              | 911,739                              |
|                       | Write-offs          |          | 115,025                              | 533,403                              | 1,528,629                            |
| Shinhan Card          | Loan Loss Allowance | Domestic | 133,078                              | 148,724                              | 46,269                               |
|                       |                     | Overseas |                                      |                                      |                                      |
|                       |                     | Total    | 133,078                              | 148,724                              | 46,269                               |
|                       | Write-offs          |          | 31,765                               | 179,351                              | 117,583                              |
|                       |                     |          | Apr. 1,<br>2006~<br>Mar. 31,<br>2007 | Apr. 1,<br>2005~<br>Mar. 31,<br>2006 | Apr. 1,<br>2004~<br>Mar. 31,<br>2005 |
| GM Shinhan Securities | Loan Loss Allowance | Domestic | 30,776                               | 28,900                               | 30,900                               |
|                       |                     | Overseas |                                      |                                      |                                      |
|                       |                     | Total    | 30,776                               | 28,900                               | 30,900                               |
|                       | Write-offs          |          | 1,117                                | 2,300                                | 1,900                                |

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

|               |         |             |             |
|---------------|---------|-------------|-------------|
| Audit Opinion | 2007 1Q | FY 2006     | FY 2005     |
|               |         | 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<br>(KRW<br>mil.)<br>(annual) | Details  | Working hours |
|---------|----------------------------------|--------------------------------------|--|---------------|
|         | KPMG Samjong<br>Accounting Corp. | 341                                  | Review/Audit of Financial<br>Statements  | 670 hours     |
| 2007 1Q | KPMG Samjong<br>Accounting Corp. | 399                                  | Review of Financial<br>Statements related to<br>accounting treatment of LG<br>Card acquisition |               |
| 2006    | KPMG Samjong<br>Accounting Corp. | 304                                  | Review/Audit of Financial<br>Statements  | 3,150 hours   |
| 2005    | KPMG Samjong<br>Accounting Corp. | 288                                  | Review/Audit of Financial<br>Statements  | 3,073 hours   |

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

## 1) Executive Directors

Our executive directors are as follows as of May 15, 2007:

| 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<br>Board Steering Committee member | 2 years starting from March 20, 2007 |

## 2) Non-Executive Directors

Currently, 13 non-executive directors are in office, of which 12 members are outside directors, nominated by our Outside Director Recommendation Committee and appointed pursuant to the approval of general shareholders meeting on March 20, 2007.

Our non-executive directors are as follows:

| Name              | Date of Birth  | Outside Director | Sub-Committees   | Service Term                        |
|-------------------|----------------|------------------|--|-------------------------------------|
| Sang Hoon Shin    | July 1, 1948   | X                |  | 1 year starting from March 20, 2007 |
| Si Jong Kim       | Apr. 16, 1937  | O                |  | 1 year starting from March 20, 2007 |
| Young Woo Kim     | May 1, 1952    | O                | Audit Committee member   | 1 year starting from March 20, 2007 |
| Byung Hun Park    | Sept. 10, 1928 | O                | Board Steering Committee member  | 1 year starting from March 20, 2007 |
| Yong Woong Yang   | Aug. 4, 1948   | O                |  | 1 year starting from March 20, 2007 |
| Haeng Nam Chung   | Mar. 15, 1941  | O                |  | 1 year starting from March 20, 2007 |
| Young Hoon Choi   | Nov. 8, 1928   | O                |  | 1 year starting from March 20, 2007 |
| Philippe Reynieix | Jun. 24, 1949  | O                | Risk Management Committee member<br>Board Steering Committee member                                  | 1 year starting from March 20, 2007 |
| Pyung Joo Kim     | Feb. 6, 1939   | O                | Risk Management Committee member<br>Compensation Committee member<br>Board Steering Committee member | 1 year starting from March 20, 2007 |
| Shee Yul Ryoo     | Sept. 5, 1938  | O                | Risk Management Committee member<br>Compensation Committee member                                    | 1 year starting from March 20, 2007 |
| Yoon Soo Yoon     | Mar. 5, 1946   | O                | Audit Committee member<br>Compensation Committee member  | 1 year starting from March 20, 2007 |
| Sang Yoon Lee     | Sept. 13, 1942 | O                | Audit Committee member<br>Compensation Committee member  | 1 year starting from March 20, 2007 |
| Sung Bin Chun     | Jan. 21, 1953  | O                | Audit Committee Head<br>Compensation Committee member  | 1 year starting from March 20, 2007 |

For personal profiles of the outside directors, please refer to our Form 6-K filed on February 21, 2007.

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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  |
|---------------|----------------|-------------------------|---|
| Jae Woo Lee   | July 2, 1950   | Chief Operating Officer | General Affairs Team, Public Relations Team, and Human Resources Team                                   |
| Byung Jae Cho | Jan. 6, 1951   | Chief Financial Officer | Finance Planning Team, Risk Management Team, and Investor Relations Team                                |
| Jin Won Suh   | April 20, 1951 | Chief Strategy Officer  | Strategic Planning Team, Future Strategy & Management Team, and Information & Technology Planning Team, |
| Jae Woon Yoon | July 22, 1951  | Group Synergy Officer   | Joint Procurement Team, Synergy Management Team, and Audit & Compliance Team                            |

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**Table of Contents****Stock Options (as of May 15, 2007)**

|                 | Guarantee  | No. of<br>Granted<br>Options | Number of Changes              |                                | No. of<br>Exercisable<br>Options |
|-----------------|--|------------------------------|--------------------------------|--------------------------------|----------------------------------|
|                 |  |                              | No. of<br>Exercised<br>Options | No. of<br>Cancelled<br>Options |                                  |
| Granted in 2002 | Management, Head of<br>Department                    | 864,576                      | 429,052                        | 0                              | 435,524                          |
| Granted in 2003 | Management, Head of<br>Department                    | 1,020,416                    | 501,198                        | 11,600                         | 507,618                          |
| Granted in 2004 | Management, Head of<br>Department                    | 1,258,923                    | 361,384                        | 15,200                         | 882,339                          |
| Granted in 2005 | Management, Head of<br>Department, Outside Directors | 2,620,331                    | 0                              | 251,300                        | 2,369,031                        |
| Granted in 2006 | Management, Head of<br>Department, Outside Directors | 3,296,200                    | 0                              | 166,800                        | 3,129,400                        |
| Granted in 2007 | Management, Head of<br>Department, Outside Directors | 1,301,050                    | 0                              | 0                              | 1,301,050                        |
|                 | Total  | 10,361,496                   | 1,291,634                      | 444,900                        | 8,624,962                        |

**Employees**

|        |                        | (As of March 31, 2007)    |   |   |
|--------|------------------------|---------------------------|---|---|
|        | Number of<br>Employees | Average length of Service | Total Salaries and<br>wages<br>paid in 1Q 2007<br>(KRW million) | Average<br>Payment<br>per person<br>(KRW million) |
| Male   | 83                     | 2 yrs 6 mths              | 1,657   | 20  |
| Female | 18                     | 2 yrs 11 mths             | 147   | 8   |
| Total  | 101                    | 2 yrs 9 mths              | 1,804   | 18  |

**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 592 mil.<br>(annual) | Up to KRW 50 bil. | April 1, 2007~<br>March 31, 2008 |

\* Of the total insurance premium (KRW 592 mil.), KRW 121 mil. was paid by SFG, and the remaining amount, by its subsidiaries

**Table of Contents****5. Activities of Board of Directors and sub-committees during 2007 1Q****1) Meetings of Board of Directors**

| Date          | Agenda   |          |
|---------------|--|----------|
| Feb. 2, 2007  | 1. Approval of FY2006 Financial Statements and Business Report   | Approved |
|               | 2. Appointment of Outside Director Recommendation Committee members<br>Eung Chan Ra, Byung Hun Park, Shee Yul Ryoo, Sang Yoon Lee, Yoon Soo Yoon (5 persons)     | Approved |
| Feb. 15, 2007 | 1. Convocation of General Shareholders Meeting for the 6th FY<br>General Shareholders Meeting for the 6th FY to be held on March 20, 2007                        | Approved |
|               | 2. Approval of Director Remuneration Pool<br>Same as the previous year   | Approved |
|               | 3. Grant of Stock Options to Executives and Employees of the Company and Its Subsidiaries<br>Approval for stock option grant up to the limit of 1,459,550 shares | Approved |
|               | 4. PU Assignment to Executives<br>To grant 168,200 units to 6 executives<br>* Value per one unit = KRW 54,560 on grant date (March 20, 2007)                     | Approved |
|               | 5. Cancellation of Granted Stock Options<br>A total of 343,000 stock options cancelled (3 companies, 131 persons)  | Approved |
|               | 6. Corporate Bond Issuance<br>The 4 <sup>th</sup> issuance of corporate bond (KRW 100bil.) scheduled to be issued in March 2007                                  | Approved |
| Mar. 20, 2007 | 1. Appointment of Representative Directors<br>Eung Chan Ra as Chairman, In Ho Lee as President & CEO   | Approved |
|               | 2. Appointment of Sub-Committee Members<br>Appointment of committee members  | Approved |
|               | 3. Compensation for Directors<br>Same as the previous year   | Approved |
|               | 4. Fifth Amendment to the Guidelines on Personal Credit Date Provision and Use<br>Inclusion of LG Card in the list of companies to share company information     | Approved |
|               | 5. Incorporation of GM-Shinhan Securities Hong Kong Affiliate as Indirect Subsidiary<br>Establishment of Good Morning Shinhan Securities third local subsidiary  | Approved |
|               | 6. Issuance of Corporate Bonds<br>KRW100bil. for 4 <sup>th</sup> issuance, KRW 200bil. for 42 <sup>nd</sup> issuance   | Approved |

**2) Board Steering Committee**

| Date          | Agenda   |          |
|---------------|--|----------|
| Feb. 2, 2007  | 1. Appointment of Outside Director Recommendation Committee<br>Eung Chan Ra, Byung Hun Park, Shee Yul Ryoo, Sang Yoon Lee, Yoon Soo Yoon (5 persons) | Approved |
| Feb. 15, 2007 | 1. Recommendation for directors who are not outside directors<br>Eung Chan Ra, In Ho Lee, Sang Hoon Shin (3 persons)                                 | Approved |
|               | 2. Recommendation of Audit Committee members<br>Sang Yoon Lee, Yoon Soo Yoon, Sung Bin Chun, Young Woo Kim (4 persons)                               | Approved |

3. Deliberation on stock option grant to outside directors with professional expertise

10,000 stock options per person, up to 50,000 stock options in total

3) *Risk Management Committee*

| Date          | Agenda   | Approved |
|---------------|--|----------|
| Feb. 15, 2007 | 1. Group's Minimum Equity Capital Ratios and Risk Limits for 2007<br>* Reporting Item: Status of the Group's Capital Adequacy Ratios and Risk Limit Management by Risk Type during 4Q 2006 | Approved |

**Table of Contents****4) Meetings of Audit Committee**

| Date  | Agenda   |          |
|---|--|----------|
| Feb. 15, 2007   | 1. Audit Results for the 6th Fiscal Year   | Approved |
|   | Confirmation of Audit Results for the 6th FY and Submission of Audit Report                            |          |
|   | 2. Evaluation of the Internal Monitoring System  | Approved |
|   | 3. Evaluation of the Operation Status of the Internal Accounting Control System for the Year 2006      | Approved |
|   | The internal accounting control system has been efficiently planned and properly operated.             |          |
|   | 4. Evaluation of the Internal Monitoring System  | Approved |
|   | The internal monitoring system is properly operated  |          |
| April 18, 2007  | 5. Approval of audit plans for 2007  | Approved |
|   | Approval of 2007 audit plans for Shinhan Financial Group and subsidiaries                              |          |
|   | 6. Ratification of the Company and its Subsidiaries Non-audit Contracts                                | Approved |
|   | 1) Tax consulting (Shinhan Financial Group-Samjung)  |          |
|   | 2) Internal auditing management system (SH&C Life Insurance-Samjung)                                   |          |
|   | 3) Income Tax Advisory, Tax Adjustment (5 companies including Good Morning Shinhan Securities Samjung) |          |
|   | 7. Auditing Results of the 5th Annual Shareholders Meeting   | Approved |
| Results found to be appropriate   |  |          |
| April 18, 2007  | 1. Appointment of Audit Committee Head   | Approved |
|   | Head: Sung Bin Chun  |          |
|   | 2. Approval of K-GAAP audit remuneration   | Approved |
|   | 3. Audit contract related to accounting treatment related to LG Card                                   | Approved |
| April 18, 2007  | Approved contract with Samjung   |          |
|   | 4. Ratification of the Company and its Subsidiaries Non-audit Contracts                                | Approved |
| Audit of reports filed to Hong Kong's local Financial Authorities (Shinhan Bank's Hong Kong Branch Samjung) |  |          |

**5) Meetings of Outside Director Recommendation Committee**

| Date          | Agenda   |          |
|---------------|--|----------|
| Feb. 14, 2007 | 1. Appointment of Outside Director Recommendation Committee head   | Approved |
|               | Head: Byung Hun Park   |          |
| Feb. 14, 2007 | 2. Recommendation of outside director candidates   | Approved |
|               | Outside Directors: Byung Hun Park, Si Jong Kim, Yong Woong Yang, Haeng Nam Chung, Young Hoon Choi, Young Woo Kim, Reynieix (7 persons) |          |
|               | Outside Directors with professional expertise: Shee Yul Ryoo, Yoon Soo Yoon, Sang Yoon Lee, Pyung Joo Kim, Sung Bin Chun (5 persons)   |          |

**6) Compensation Committee**

| Date          | Agenda   |          |
|---------------|--|----------|
| Feb. 14, 2007 | 1. 2006 Evaluation and Compensation results for the Management | Approved |
|               | 2. 2007 Evaluation and Compensation Scheme for the Management  | Approved |
|               | 3. Setting 2007 Group KPI Target and MBO of the Management     | Approved |
|               | 4. 2007 Stock Options granted to the Management                | Approved |
|               | 5. Grant of PU(Performance Unit) to management                 | Approved |



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

|                 |      | (KRW, number of shares) |            |            |            |            |            |
|-----------------|------|-------------------------|------------|------------|------------|------------|------------|
|                 |      | Nov. 2006               | Dec. 2006  | Jan. 2007  | Feb. 2007  | Mar. 2007  | Apr. 2007  |
| Price per share | High | 46,900                  | 48,500     | 49,900     | 57,800     | 57,100     | 56,600     |
|                 | Low  | 43,100                  | 44,000     | 45,450     | 51,500     | 51,800     | 52,100     |
| Trading Volume  |      | 26,887,343              | 22,774,048 | 23,229,216 | 48,203,956 | 24,411,554 | 27,055,056 |

***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.

|                 |      | (USD, number of shares) |           |           |           |           |           |
|-----------------|------|-------------------------|-----------|-----------|-----------|-----------|-----------|
|                 |      | Nov. 2006               | Dec. 2006 | Jan. 2007 | Feb. 2007 | Mar. 2007 | Apr. 2007 |
| Price per share | High | 100.49                  | 106.00    | 106.73    | 123.65    | 122.39    | 122.75    |
|                 | Low  | 90.09                   | 95.80     | 96.75     | 110.25    | 106.99    | 112.16    |
| Trading Volume  |      | 418,500                 | 505,200   | 575,100   | 896,200   | 694,800   | 511,500   |

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

(As of March 31, 2007, Unit: KRW 100 million)

| Subsidiary      | Loan Type                 | Origination Date          | Maturity Date | Funding Rate   | Lending Rate   | Beginning Balance | Increase | Decrease | Ending Balance |
|-----------------|---------------------------|---------------------------|---------------|----------------|----------------|-------------------|----------|----------|----------------|
| Shinhan Capital | Loans in KRW              | 2002-03- <del>20</del> 07 | 2007-04-04    | 7.47%          | 8.12%          | 200               |          |          | 200            |
| Shinhan Capital | Loans in KRW              | 2002-07- <del>29</del> 07 | 2007-07-29    | 6.30%          | 6.65%          | 200               |          |          | 200            |
| Shinhan Capital | Loans in KRW              | 2002-11- <del>21</del> 07 | 2007-11-21    | 5.88%          | 6.18%          | 200               |          |          | 200            |
| Shinhan Capital | Loans in KRW              | 2002-12- <del>16</del> 07 | 2007-12-16    | 5.96%          | 6.22%          | 200               |          |          | 200            |
| Shinhan Card    | Loans in KRW              | 2003-04- <del>23</del> 09 | 2009-04-23    | 5.47%          | 6.28%          | 1,000             |          |          | 1,000          |
| Shinhan Capital | Loans in KRW              | 2003-06- <del>24</del> 08 | 2008-06-24    | 5.69%          | 5.95%          | 300               |          |          | 300            |
| Shinhan Capital | Loans in KRW              | 2003-07- <del>24</del> 08 | 2008-07-24    | 5.87%          | 6.13%          | 200               |          |          | 200            |
| Shinhan Capital | Loans in KRW              | 2004-03- <del>24</del> 09 | 2009-03-24    | 5.11%          | 5.93%          | 200               |          |          | 200            |
| Shinhan Capital | Loans in KRW              | 2004-03- <del>24</del> 07 | 2007-03-24    | 4.76%          | 5.16%          | 300               |          | 300      |                |
| Shinhan Capital | Loans in KRW              | 2004-06- <del>25</del> 09 | 2009-06-25    | 4.93%          | 5.22%          | 500               |          |          | 500            |
| Shinhan Capital | Loans in Foreign Currency | 2004-07- <del>15</del> 07 | 2007-06-15    | 3M Libor+0.70% | 3M Libor+0.90% | 372               | 4        |          | 376            |
| Shinhan Capital | Loans in KRW              | 2005-01- <del>31</del> 08 | 2008-01-31    | 4.21%          | 4.58%          | 300               |          |          | 300            |
| GMSH Securities | Loans in KRW              | 2005-01- <del>31</del> 10 | 2010-07-31    | 4.59%          | 5.25%          | 700               |          |          | 700            |
| Shinhan Card    | Loans in KRW              | 2005-03- <del>18</del> 07 | 2007-03-18    | 4.13%          | 4.49%          | 500               |          | 500      |                |
| Shinhan Card    | Loans in KRW              | 2005-03- <del>18</del> 08 | 2008-03-18    | 4.23%          | 4.54%          | 500               |          |          | 500            |
| Shinhan Capital | Loans in KRW              | 2005-03- <del>18</del> 07 | 2007-03-18    | 4.23%          | 4.49%          | 500               |          | 500      |                |
| Shinhan Capital | Loans in KRW              | 2005-05- <del>09</del> 08 | 2008-05-09    | 3.99%          | 4.33%          | 500               |          |          | 500            |
| Shinhan Capital | Loans in KRW              | 2005-12- <del>16</del> 08 | 2008-12-16    | 5.48%          | 5.67%          | 400               |          |          | 400            |
| Shinhan Card    | Loans in KRW              | 2006-01- <del>24</del> 09 | 2009-01-24    | 5.24%          | 5.41%          | 500               |          |          | 500            |
| Shinhan Capital | Loans in KRW              | 2006-01- <del>24</del> 09 | 2009-01-24    | 5.24%          | 5.41%          | 500               |          |          | 500            |
| Shinhan Card    | Loans in KRW              | 2006-02- <del>27</del> 09 | 2009-02-27    | 5.07%          | 5.23%          | 1000              |          |          | 1,000          |

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|                 |                           |            |            |           |           |        |     |       |        |
|-----------------|---------------------------|------------|------------|-----------|-----------|--------|-----|-------|--------|
| Shinhan Card    | Loans in KRW              | 2006-04-24 | 2009-04-24 | 5.09%     | 5.22%     | 1000   |     |       | 1,000  |
| GMSH Securities | Loans in KRW              | 2006-07-31 | 2012-01-31 | 5.16%     | 5.64%     | 1000   |     |       | 1,000  |
| Shinhan Capital | Loans in KRW              | 2006-09-26 | 2011-09-26 | 4.91%     | 4.99%     | 500    |     |       | 500    |
| Shinhan Capital | Loans in Foreign Currency | 2006-12-29 | 2009-12-29 | 3ML+0.25% | 3ML+0.38% | 279    | 3   |       | 282    |
| Shinhan Capital | Loans in KRW              | 2007-03-23 | 2012-03-23 | 5.48%     |           |        | 500 |       | 500    |
| Total           |                           |            |            |           |           | 11,851 | 507 | 1,300 | 11,058 |

**Exhibit 99** Independent Accountant's Review Report (Non Consolidated Financial Statements) of Shinhan Financial Group as of March 31, 2007



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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 /s/ Byung Jae Cho  
Name: Byung Jae Cho  
Title: Chief Financial Officer

Date : May 15, 2007