

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

August 14, 2009

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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 August 2009**

**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 2009 1H Business Report**

On August 14, 2009, Shinhan Financial Group ( SFG ) filed its 2009 1H Business Report (the Business Report ) with the Financial Supervisory Service of the Republic of Korea ( Korea ) pursuant to the Financial Investment Services and Capital Market Act of Korea. This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

The financial information in this report has been prepared in accordance with accounting principles generally accepted in Korea.

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1. Introduction of the Group

2. Business Results

3. Independent Auditor

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**Exhibit 99-1**

Independent Accountant s Review Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of June 30, 2009

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**1. Introduction of the Group**

**Company History in 2008 and 2009**

- § March 2008 : JSC Shinhan Bank Kazakhstan, a subsidiary of Shinhan Bank, joins SFG as an indirect subsidiary
- § April 2008 : SFG and Shinhan Bank obtain the Federal Reserve Bank's approval to become Financial Holding Companies
- § April 2008 : Shinhan Bank China Limited, a subsidiary of Shinhan Bank, joins SFG as an indirect subsidiary
- § May 2008 : Shinhan AITAS, a fund administration and accounting subsidiary of Shinhan Bank, joins SFG as an indirect subsidiary
- § June 2008 : Shinhan-KTF Mobile Card, a joint-venture company with KT Freetel, joins SFG as an indirect subsidiary
- § August 2008 : Shinhan Private Equity Fund II joins SFG as an indirect subsidiary
- § September 2008 : Shinhan Bank Canada joins SFG as an indirect subsidiary
- § January 2009: Shinhan BNP Paribas Asset Management launched through the merger of Shinhan BNP Paribas ITMC and SH Asset Management
- § June 2009 : SH&C separated from SFG after SFG consummates share transfers of SH&C

**Change in Management**

On March 17, 2009, the Board of Directors of Shinhan Financial Group appointed Mr. Sang Hoon Shin as the new President & CEO. Mr. Sang Hoon Shin was formerly President and CEO of Shinhan Bank. Mr. Shin also served as the Managing Director of Shinhan Financial Group in 2001 and as the Managing Director of Shinhan Bank in 1999.

**Change in Capital Stock**

The number of our common shares has increased by 78,000,000 shares on March 25, 2009 as a result of a rights offering. The subscription price for the new common shares was KRW 16,800 per share. The aggregate proceed from this offering was KRW 1,310,400 million prior to adjusting for the underwriting commissions and other offering expenses. Please refer to the 6-K filed at February 2, 2009 for more details regarding the rights offering.

**Dividend for FY 2008**

1) Dividend Amount for Common Stock: KRW 0

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2) Dividend Amount for Preferred Stock: KRW 244,987 million

3) Total Dividend Amount: KRW 244,987 million

**Principal Subsidiaries under Korean Law (as of June 30, 2009)***Direct Subsidiaries*

| Subsidiaries                                       | Ownership by<br>SFG |
|--|---------------------|
| Shinhan Bank                                       | 100.0%              |
| Shinhan Card                                       | 100.0%              |
| SHC Management                                     | 100.0%              |
| Good Morning Shinhan Securities                    | 100.0%              |
| Shinhan Life Insurance                             | 100.0%              |
| Shinhan Capital                                    | 100.0%              |
| Shinhan BNP Paribas Asset Management <sup>1)</sup> | 65.0%               |
| Jeju Bank <sup>2)</sup>                            | 68.9%               |
| Shinhan Macquarie Financial Advisory               | 51.0%               |
| Shinhan Credit Information                         | 100.0%              |
| Shinhan Private Equity                             | 100.0%              |

1) Shinhan BNP Paribas Asset Management launched on January 1, 2009.

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

*Indirect subsidiaries held through direct subsidiaries*

| Direct Subsidiaries | Indirect Subsidiaries                                  | Ownership by<br>the<br>Parent |
|---------------------|--|-------------------------------|
| Shinhan Bank        | Shinhan Data System                                    | 100.00%                       |
|                     | Shinhan Finance Ltd.(Hong Kong) <sup>1)</sup>          | 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                             | 80.1%                         |
|                     | JSC Shinhan Bank Kazakhstan                            | 100.00%                       |
|                     | Shinhan Bank China Limited                             | 100.00%                       |
|                     | Shinhan AITAS  | 89.6%                         |
|                     | Shinhan Bank Canada                                    | 100.00%                       |
|                     | Shinhan Card   | Shinhan-KT Mobile Card        |

|                                 |   |                     |
|---------------------------------|---|---------------------|
| 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> |
|                                 | Shinhan Private Equity Fund II                  | 2.17% <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.

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

3) Shinhan Financial Group and its subsidiaries currently own 32.6% of Shinhan Private Equity Fund II.

**Table of Contents****Number of Shares**

| Types of Shares                         | Number of Shares           |                        |
|---|----------------------------|------------------------|
|   | As of December<br>31, 2008 | As of June 30,<br>2009 |
| Common Shares                           | 396,199,587                | 474,199,587            |
| Redeemable Preferred Shares             | 47,690,251                 | 47,690,251             |
| Redeemable Convertible Preferred Shares | 14,721,000                 | 14,721,000             |
| Total                                   | 458,610,838                | 536,610,838            |

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

|  | 2009           | 2008           | (KRW billion)<br>2007 |
|--|----------------|----------------|-----------------------|
|  | (Jan.1~Jun.30) | (Jan.1~Dec.31) | (Jan.1~Dec.31)        |
| Operating income                       | 841.8          | 3,032.2        | 3,737.4               |
| Non-operating income                   | 75.4           | 223.6          | 277.7                 |
| Non-operating expense                  | 67.2           | 262.1          | 102.0                 |
| Earnings before income tax             | 850.0          | 2,993.7        | 3,913.1               |
| Income taxes                           | 296.5          | 968.5          | 549.0                 |
| Pre-acquisition income in subsidiaries | 0.0            | -0.4           | 874.1                 |
| Consolidated net income                | 568.9          | 2,025.6        | 2,490.0               |
| Net income in majority interest        | 557.8          | 2,018.6        | 2,396.4               |
| Net income in minority interest        | 11.2           | 7.0            | 93.6                  |

**Table of Contents****Source and Use of Funds****Source of Funds**

| (In KRW million, %)          |                    | 2009<br>(Jan.1~Jun.30) |          |          |      | 2008<br>(Jan.1~Dec.31) |          |          |      | 2007<br>(Jan.1~Dec.31) |          |
|------------------------------|--------------------|------------------------|----------|----------|------|------------------------|----------|----------|------|------------------------|----------|
|                              |                    | Average Balance        | Interest | Interest |      | Average Balance        | Interest | Interest |      | Average Balance        | Interest |
|                              |                    | Ratio(%)               | Paid     | Rate(%)  |      | Ratio(%)               | Paid     | Rate(%)  |      | Ratio(%)               |          |
| Fund in KRW                  | Deposits           | 1,112,346              | 41.78    | 18,736   | 3.40 | 958,347                | 38.71    | 39,116   | 4.08 | 876,195                | 40.78    |
|                              | CD                 | 126,546                | 4.75     | 3,756    | 5.99 | 157,372                | 6.36     | 9,600    | 6.1  | 149,773                | 6.97     |
|                              | Borrowing          | 66,796                 | 2.51     | 1,443    | 4.36 | 67,277                 | 2.72     | 3,332    | 4.95 | 60,264                 | 2.81     |
|                              | Call Loan          | 13,508                 | 0.51     | 129      | 1.93 | 21,912                 | 0.89     | 1,043    | 4.76 | 19,148                 | 0.89     |
|                              | Debenture          | 400,302                | 15.04    | 11,092   | 5.59 | 418,532                | 16.91    | 24,970   | 5.97 | 369,104                | 17.18    |
|                              | Others             | 88,999                 | 3.34     | 1,652    | 3.74 | 76,243                 | 3.08     | 4,259    | 5.59 | 57,816                 | 2.69     |
|                              | Subtotal           | 1,808,497              | 67.94    | 36,808   | 4.10 | 1,699,683              | 68.66    | 82,320   | 4.84 | 1,532,300              | 71.32    |
| Fund in Foreign Currency     | Deposits           | 99,677                 | 3.74     | 1,166    | 2.36 | 67,431                 | 2.72     | 1,791    | 2.66 | 49,953                 | 2.33     |
|                              | Borrowing          | 87,997                 | 3.31     | 1,218    | 2.79 | 97,945                 | 3.96     | 3,083    | 3.15 | 67,179                 | 3.13     |
|                              | Call Loan          | 27,331                 | 1.03     | 356      | 2.63 | 10,913                 | 0.44     | 466      | 4.27 | 10,733                 | 0.50     |
|                              | Debenture          | 54,549                 | 2.05     | 561      | 2.07 | 49,316                 | 1.99     | 1,897    | 3.85 | 39,398                 | 1.83     |
|                              | Others             | 2,521                  | 0.09     | 41       | 3.28 | 10,938                 | 0.44     | 445      | 4.07 | 23,062                 | 1.07     |
|                              | Subtotal           | 272,075                | 10.22    | 3,342    | 2.48 | 236,543                | 9.56     | 7,682    | 3.25 | 190,324                | 8.86     |
| Interest bearing funding     |                    | 2,080,572              | 78.16    | 40,150   | 3.89 | 1,936,226              | 78.22    | 90,002   | 4.65 | 1,722,624              | 80.18    |
| Others                       | Shareholder equity | 189,851                | 7.13     |          | 0    | 181,847                | 7.35     |          | 0    | 174,937                | 8.14     |
|                              | Loan loss reserve  | 16,003                 | 0.60     |          | 0    | 15,707                 | 0.63     |          | 0    | 11,147                 | 0.52     |
|                              | Others             | 375,655                | 14.11    |          | 0    | 341,710                | 13.80    |          | 0    | 239,699                | 11.16    |
| Non-interest bearing funding |                    | 581,509                | 21.84    |          | 0    | 539,264                | 21.78    |          | 0    | 425,783                | 19.82    |
| Total Funding                |                    | 2,662,081              | 100      | 40,150   | 3.04 | 2,475,490              | 100      | 90,002   | 3.64 | 2,148,408              | 100      |

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



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

|                          |                              | 2009<br>(Jan.1~Jun.30) |          |          |                 | 2008<br>(Jan.1~Dec.31) |          |                 |          | 2007<br>(Jan.1~Dec.31) |       |
|--------------------------|------------------------------|------------------------|----------|----------|-----------------|------------------------|----------|-----------------|----------|------------------------|-------|
| KRW million, (%)         |                              | Average Balance        | Interest | Interest | Average Balance | Interest               | Interest | Average Balance | Interest | Interest               |       |
| d in KRW                 |                              | Ratio(%)               | Paid     | Rate(%)  | Ratio(%)        | Paid                   | Rate(%)  | Ratio(%)        | Paid     | Rate(%)                |       |
|                          | Deposits                     | 115,751                | 4.35     | 912      | 1.59            | 73,760                 | 2.98     | 2,581           | 3.5      | 67,425                 | 3.14  |
|                          | Securities                   | 474,816                | 17.84    | 10,338   | 4.39            | 425,433                | 17.19    | 20,497          | 4.82     | 389,806                | 18.14 |
|                          | Loans                        | 867,170                | 32.57    | 37,681   | 8.76            | 1,224,471              | 49.46    | 89,602          | 7.32     | 1,078,194              | 50.19 |
|                          | (Household)                  | 598,189                | 22.47    | 16,582   | 5.59            | 574,061                | 23.19    | 40,925          | 7.13     | 528,181                | 24.58 |
|                          | (Corporate)                  | 704,384                | 26.46    | 21,099   | 6.04            | 650,410                | 26.27    | 48,677          | 7.48     | 550,013                | 25.60 |
|                          | Advances<br>for<br>customers | 1,078                  | 0.04     | 8        | 1.50            | 397                    | 0.02     | 11              | 2.77     | 175                    | 0.01  |
|                          | Call Loan                    | 16,554                 | 0.62     | 158      | 1.92            | 10,667                 | 0.43     | 496             | 4.65     | 8,609                  | 0.40  |
|                          | Debenture                    | 28,978                 | 1.09     | 781      | 5.43            | 32,457                 | 1.31     | 2,041           | 6.29     | 41,847                 | 1.95  |
|                          | Credit Card<br>Receivable    | 110,138                | 4.14     | 15,337   | 28.08           | 100,551                | 4.06     | 27,839          | 27.69    | 94,300                 | 4.39  |
|                          | (Card Loan)                  | 24,563                 | 0.92     | 1,866    | 15.32           | 29,681                 | 1.20     | 5,351           | 18.03    | 31,215                 | 1.45  |
|                          | Others                       | 67,760                 | 2.55     | 2,191    | 6.52            | 65,796                 | 2.66     | 4,715           | 7.17     | 72,038                 | 3.35  |
|                          | Loan loss<br>reserve         | -35,001                | -1.31    | 0        | 0               | -30,502                | -1.23    | 0               | 0        | -28,316                | -1.32 |
|                          | Subtotal                     | 2,082,647              | 78.23    | 67,406   | 6.53            | 1,903,030              | 76.87    | 147,782         | 7.77     | 1,724,078              | 80.25 |
| Foreign Currency         | Deposits                     | 27,051                 | 1.02     | 110      | 0.82            | 16,573                 | 0.67     | 394             | 2.38     | 9,343                  | 0.43  |
|                          | Securities                   | 23,555                 | 0.88     | 314      | 2.69            | 20,117                 | 0.81     | 891             | 4.43     | 17,486                 | 0.81  |
|                          | Loan                         | 140,010                | 5.26     | 2,883    | 4.15            | 141,759                | 5.73     | 6,873           | 4.85     | 78,387                 | 3.65  |
|                          | Call loan                    | 19,750                 | 0.74     | 63       | 0.64            | 8,640                  | 0.35     | 235             | 2.72     | 5,360                  | 0.25  |
|                          | Bills bought                 | 31,037                 | 1.17     | 963      | 6.26            | 39,621                 | 1.60     | 1,791           | 4.52     | 35,803                 | 1.67  |
|                          | Others                       | 4,215                  | 0.16     | 90       | 4.31            | 5,493                  | 0.22     | 466             | 8.48     | 68,846                 | 3.20  |
|                          | Loan loss<br>reserve         | -2,679                 | -0.10    | 0        | 0               | -2,342                 | -0.09    | 0               | 0        | -1,441                 | -0.07 |
|                          | Subtotal                     | 242,939                | 9.13     | 4,423    | 3.67            | 229,861                | 9.29     | 10,650          | 4.63     | 213,785                | 9.95  |
| Interest earning funding |                              | 2,325,586              | 87.36    | 71,829   | 6.23            | 2,132,890              | 86.16    | 158,432         | 7.43     | 1,937,864              | 90.20 |
| Others                   | Cash                         | 21,948                 | 0.82     | 0        | 0               | 23,746                 | 0.96     | 0               | 0        | 27,901                 | 1.30  |
|                          | PP&E                         | 23,923                 | 0.90     | 0        | 0               | 24,194                 | 0.98     | 0               | 0        | 75,437                 | 3.51  |
|                          | Others                       | 290,624                | 10.92    | 0        | 0               | 294,660                | 11.90    | 0               | 0        | 107,205                | 4.99  |
| Interest earning funding |                              | 336,495                | 12.64    | 0        | 0               | 342,600                | 13.84    | 0               | 0        | 210,543                | 9.80  |
| Total use of funds       |                              | 2,662,081              | 100      | 71,829   | 5.44            | 2,475,490              | 100      | 158,432         | 6.4      | 2,148,408              | 100   |

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

**Table of Contents****Other Financial Information**

Financial information for 2009 1H contained in this section are provisional figures.

**Group BIS Ratio**

(KRW million)

|  | 2009 1H     | 2008        | 2007        |
|--|-------------|-------------|-------------|
| Aggregate Amount of Equity Capital (A) | 23,131,432  | 18,746,446  | 15,945,940  |
| Risk-Weighted Assets (B)               | 177,680,895 | 183,766,217 | 161,849,385 |
| BIS Ratio (A/B) <sup>1)</sup>          | 13.02%      | 10.20%      | 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.

**Won Liquidity Ratio**

|   | 2009 1H | 2008    | (KRW million)<br>2007 |
|---|---------|---------|-----------------------|
| Won Assets due within 3 months (A)      | 910,814 | 920,661 | 220,009               |
| Won Liabilities due within 3 months (B) | 588,314 | 690,397 | 209,888               |
| Won Liquidity Ratio (A/B)               | 154.82% | 133.35% | 104.82%               |

**Liabilities to Equity Ratio**

|                                   | 2009 1H    | 2008       | (KRW million)<br>2007 |
|-----------------------------------|------------|------------|-----------------------|
| Liabilities (A)                   | 6,842,678  | 8,307,683  | 7,349,727             |
| Equity (B)                        | 19,533,671 | 17,605,119 | 17,977,801            |
| Liabilities to Equity Ratio (A/B) | 35.03%     | 47.19%     | 40.88%                |

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

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

|                            | 2009 1H | 2008  | 2007  |
|----------------------------|---------|-------|-------|
| Shinhan Bank <sup>2)</sup> | 15.84   | 13.44 | 12.09 |

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) 2007 ratios for Shinhan Bank are based on Basel I. Basel II FIRB Approach was applied in calculating BIS for 2008 and 2009 1H.

(2) Adjusted Equity Capital Ratio (%)

|              | 2009 1H | 2008  | 2007  |
|--------------|---------|-------|-------|
| Shinhan Card | 24.95   | 20.32 | 25.31 |

\* 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

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card companies.

Under these guidelines, Shinhan Card is required to maintain a minimum adjusted equity capital ratio of 8%.

(3) Net Capital Ratio (%)

|                                 | Jun.30 2009 | Mar.31 2009 | Mar.31 2008 |
|---------------------------------|-------------|-------------|-------------|
| Good Morning Shinhan Securities | 694.20      | 678.79      | 783.89      |

\* 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%.

(4) Solvency Margin Ratio (%)

|                        | Jun.30 2009 | Mar.31 2009 | Mar.31 2008 |
|------------------------|-------------|-------------|-------------|
| Shinhan Life Insurance | 212.12      | 208.60      | 222.74      |

\* 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

|                            | Jun. 30, 2009 |                          | Dec.31, 2008 |                          | (KRW million)<br>Dec.31, 2007 |                          |
|----------------------------|---------------|--------------------------|--------------|--------------------------|-------------------------------|--------------------------|
|                            | Balance of    | NPL to<br>total<br>Loans | Balance of   | NPL to<br>total<br>Loans | Balance of                    | NPL to<br>total<br>Loans |
|                            | NPL           | (%)                      | NPL          | (%)                      | NPL                           | (%)                      |
| Shinhan Bank               | 2,092,383     | 1.40                     | 1,306,316    | 0.85                     | 848,846                       | 0.63                     |
| Shinhan Card <sup>2)</sup> | 413,763       | 3.53                     | 339,101      | 2.91                     | 448,866                       | 3.71                     |

|                               | Jun.30, 2009 |                          | Mar.31, 2009 |                          | Mar.31, 2008 |                          |
|-------------------------------|--------------|--------------------------|--------------|--------------------------|--------------|--------------------------|
|                               | Balance of   | NPL to<br>total<br>Loans | Balance of   | NPL to<br>total<br>Loans | Balance of   | NPL to<br>total<br>Loans |
|                               | NPL          | Loans (%)                | NPL          | Loans (%)                | NPL          | (%)                      |
| GMSH Securities <sup>2)</sup> | 119,380      | 10.54                    | 125,366      | 12.14                    | 27,738       | 2.35                     |

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.

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

|                 |                     |          | (KRW million)                  |                                |                                |
|-----------------|---------------------|----------|--------------------------------|--------------------------------|--------------------------------|
|                 |                     |          | Jan. 1, 2009~<br>Jun. 30, 2009 | Jan. 1, 2008~<br>Dec. 31, 2008 | Jan. 1, 2007~<br>Dec. 31, 2007 |
| Shinhan Bank    | Loan Loss Allowance | Domestic | 3,486,824                      | 2,945,910                      | 2,317,075                      |
|                 |                     | Overseas | 60,023                         | 81,927                         | 76,175                         |
|                 |                     | Total    | 3,546,847                      | 3,027,837                      | 2,393,250                      |
|                 | Write-offs          |          | 499,200                        | 340,942                        | 186,316                        |
| Shinhan Card    | Loan Loss Allowance | Domestic | 850,046                        | 773,961                        | 947,737                        |
|                 |                     | Overseas |                                |                                |                                |
|                 |                     | Total    | 850,046                        | 773,961                        | 947,737                        |
|                 | Write-offs          |          | 268,808                        | 609,033                        | 430,535                        |
|                 |                     |          | Apr. 1, 2009~<br>Jun. 30, 2009 | Apr. 1, 2008~<br>Mar. 31, 2009 | Apr. 1, 2007~<br>Mar. 31, 2008 |
| GMSH Securities | Loan Loss Allowance | Domestic | 89,336                         | 104,212                        | 33,005                         |
|                 |                     | Overseas | 6,102                          | 6,541                          |                                |
|                 |                     | Total    | 95,438                         | 110,753                        | 33,005                         |
|                 | Write-offs          |          | -10,636                        | 78,153                         | 983                            |

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

|               | 2009<br>1H | 2008<br>1H | FY 2008     | FY 2007     |
|---------------|------------|------------|-------------|-------------|
| 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<br>(KRW mil.) | Details   | Working<br>hours |
|------------|-------------------------------|-----------------------|---|------------------|
| 2009<br>1H | KPMG Samjong Accounting Corp. | 355                   | Review/Audit of Financial Statements  | 2,250<br>hours   |
| 2008       | KPMG Samjong Accounting Corp. | 355                   | Review/Audit of Financial Statements  | 5,106<br>hours   |
|            | KPMG Samjong Accounting Corp. | 341                   | Review/Audit of Financial Statements  | 4,599<br>hours   |
| 2007       | KPMG Samjong Accounting Corp. | 399                   | Review of Financial Statements related to accounting treatment of LG Card acquisition | 2,755<br>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 Chair | 3 years starting from March 20, 2007 |
| Sang Hoon Shin | Jul. 1, 1948  | President & CEO                                   | 2 years starting from March 17, 2009 |

## 2) Non-Executive Directors

Currently, 13 non-executive directors are in office, 12 of which outside directors who are nominated by our Outside Director Recommendation Committee and appointed pursuant to the approval of general shareholders meeting on March 17, 2009.

Our non-executive directors are as follows:

| Name            | Date of Birth | Outside Director | Sub-Committees   | Service Term                         |
|-----------------|---------------|------------------|--|--------------------------------------|
| Baek Soon Lee   | Oct. 8, 1952  | X                |  | 3 years starting from March 17, 2009 |
| Boo In Go       | Dec. 25, 1941 | O                |  | 1 year starting from March 17, 2009  |
| Young Woo Kim   | May 1, 1952   | O                | Audit Committee member   | 1 year starting from March 17, 2009  |
| Yo Koo Kim      | Mar. 23, 1950 | O                |  | 1 year starting from March 17, 2009  |
| Shee Yul Ryoo   | Sept. 5, 1938 | O                | Board Steering Committee member<br>Compensation Committee member<br>Risk Management Committee member | 1 year starting from March 17, 2009  |
| Ke Sup Yun      | May 20, 1945  | O                | Compensation Committee member  | 1 year starting from March 17, 2009  |
| Jung Il Lee     | Aug. 28, 1952 | O                |  | 1 year starting from March 17, 2009  |
| Sung Bin Chun   | Jan. 21, 1953 | O                | Audit Committee Chair<br>Board Steering Committee member<br>Compensation Committee member            | 1 year starting from March 17, 2009  |
| Kap Young Jeong | Aug. 22, 1951 | O                | Audit Committee member<br>Board Steering Committee member<br>Compensation Committee member           | 1 year starting from March 17, 2009  |
| Haeng Nam Chung | Mar. 15, 1941 | O                |  | 1 year starting from March 17, 2009  |
| Bong Youn Cho   | Mar. 9, 1948  | O                | Risk Management Committee chair<br>Audit Committee member  | 1 year starting from March 17, 2009  |



|                   |               |   |                                     |  |
|-------------------|---------------|---|-------------------------------------|--|
|                   |               |   | Compensation Committee<br>member    |  |
| Young Seok Choi   | Jul. 2, 1929  | O | Board Steering Committee<br>member  | 1 year starting from March 17,<br>2009 |
| Philippe Reynieix | Jun. 24, 1949 | O | Risk Management Committee<br>member | 1 year starting from March 17,<br>2009 |

For personal profiles of the outside directors, please refer to our Form 6-K filed on February 19, 2009.  
Chair of 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   |
|--------------|---------------|--|--|
| Buhmsoo Choi | Aug. 8, 1956  | Deputy President and Chief Financial Officer | Finance Management Team<br>Investor Relations Team<br>Strategic Planning Team<br>Global Business Strategy Team       |
| Sung Ho Wi   | Jun. 12, 1958 | Deputy President                             | General Affairs Team<br>Business Management Team<br>Public Relations Team  |
| Chan Hee Jin | Jun. 10, 1955 | Deputy President                             | Synergy Management Team<br>Information & Technology Planning Team<br>Audit & Compliance Team<br>Risk Management Team |

**Stock Options (as of June 30, 2009)**

|                 | No. of<br>Granted<br>Options<br>(A) | 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) | Exercise<br>Price |
|-----------------|-------------------------------------|---------------------------------------|---------------------------------------|---|-------------------|
| Granted in 2003 | 1,020,416                           | 1,008,816                             | 11,600                                |   | 11,800            |
| Granted in 2004 | 1,258,923                           | 1,243,723                             | 15,200                                |   | 21,595            |
| Granted in 2005 | 2,620,331                           | 385,773                               | 251,300                               | 1,983,258   | 28,006            |
| Granted in 2006 | 3,206,173                           |                                       | 480,300                               | 2,725,873   | 38,829            |
| Granted in 2007 | 1,301,050                           |                                       | 148,700                               | 1,152,350   | 54,560            |
| Granted in 2008 | 808,700                             |                                       | 109,690                               | 699,010   | 49,053            |
| Granted in 2009 | 614,735                             |                                       | 614,735                               |   | 23,405            |
| Total           | 10,830,328                          | 2,638,312                             | 1,631,525                             | 6,560,491   |                   |

Note) The weighted-average exercise price of outstanding exercisable options as of June 30, 2009 is KRW 39,409.

**Employees**

|       | Number<br>of<br>Employees | Average length of<br>Service | Total Salaries and<br>wages<br>paid in 1H 2009<br>(KRW million) | (As of Jun. 30, 2009)<br>Average<br>Payment<br>per person<br>(KRW<br>million) |
|-------|---------------------------|------------------------------|---|---|
| Total | 97                        | 3 yrs 3 mths                 | 4,028   | 41.5  |



**Table of Contents****5. Major Shareholders and Market Price Information of our Common Shares and ADRs****Major Shareholders<sup>1)</sup> of Shinhan Financial Group as of Jun. 30, 2009**

| Name                                   | No. of Common Shares<br>owned | Ownership% |
|--|-------------------------------|------------|
| BNP Paribas Group <sup>2)</sup>        | 38,574,239                    | 8.13       |
| Korea Nat l Pension Fund <sup>3)</sup> | 27,325,400                    | 5.76       |
| Total                                  | 65,899,639                    | 13.89      |

- 1) Shareholders who own beneficial ownership of 5% or more.
- 2) During the month of August, 2009, BNP Paribas Luxemburg, an affiliate of BNP Paribas Group, announced it has sold 4,178,510 of common shares through a series of public filing. As a result, BNP Paribas Group holds 34,395,729 or 7.25% of our common shares as of August 14, 2009.
- 3) Based on the public filing submitted by the Korea National Pension Fund on June 5, 2009 to report change of beneficial ownership of 5% or more. Number of common shares

owned is as of  
May 18, 2009.

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

|                              |      | (KRW, number of shares) |            |             |            |            |            |
|------------------------------|------|-------------------------|------------|-------------|------------|------------|------------|
|                              |      | Jan. 2009               | Feb. 2009  | Mar. 2009   | Apr. 2009  | May 2009   | Jun. 2009  |
| Price per share              | High | 32,950                  | 29,700     | 27,700      | 31,700     | 34,000     | 32,650     |
|                              | Low  | 25,500                  | 21,250     | 20,500      | 25,750     | 30,300     | 29,250     |
|                              | Avg. | 29,603                  | 25,838     | 24,016      | 29,191     | 31,939     | 30,868     |
| Trading Volume               |      | 65,154,136              | 86,825,512 | 114,074,594 | 97,338,743 | 94,042,303 | 59,576,805 |
| Highest Daily Trading Volume |      | 5,207,842               | 7,133,276  | 9,482,933   | 9,373,677  | 13,492,539 | 4,281,045  |
| Lowest Daily Trading Volume  |      | 1,620,498               | 2,336,662  | 2,689,026   | 2,254,216  | 2,382,288  | 1,672,469  |

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

|                              |      | (USD, number of shares) |           |           |           |           |           |
|------------------------------|------|-------------------------|-----------|-----------|-----------|-----------|-----------|
|                              |      | Jan. 2009               | Feb. 2009 | Mar. 2009 | Apr. 2009 | May 2009  | Jun. 2009 |
| Price per share              | High | 50.34                   | 43.62     | 41.46     | 49.35     | 56.66     | 53.99     |
|                              | Low  | 36.82                   | 28.00     | 26.25     | 38.24     | 48.06     | 46.81     |
|                              | Avg. | 43.04                   | 35.93     | 33.17     | 43.87     | 51.71     | 49.08     |
| Trading Volume               |      | 2,583,218               | 2,805,315 | 4,766,767 | 3,491,465 | 2,819,257 | 1,910,529 |
| Highest Daily Trading Volume |      | 286,052                 | 304,636   | 347,113   | 393,039   | 247,599   | 181,514   |
| Lowest Daily Trading Volume  |      | 57,173                  | 76,461    | 122,175   | 85,018    | 67,028    | 37,024    |

\*1 ADR = 2 Common  
Shares

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

| Subsidiary      | Loan Type   | Origination Date | Maturity Date | Funding Rate | Lending Rate | (KRW billion)     |                   | Ending Balance |
|-----------------|-------------|------------------|---------------|--------------|--------------|-------------------|-------------------|----------------|
|                 |             |                  |               |              |              | Beginning Balance | Increase/Decrease |                |
| Shinhan Card    | Loan in KRW | 2003-04-23       | 2009-04-23    | 5.47%        | 5.92%        | 100               | 100               |                |
| Shinhan Capital | Loan in KRW | 2004-03-24       | 2009-03-24    | 5.11%        | 5.93%        | 20                | 20                |                |
| Shinhan Capital | Loan in KRW | 2004-06-25       | 2009-06-25    | 4.93%        | 5.22%        | 50                | 50                |                |
| GMSH Securities | Loan in KRW | 2005-01-31       | 2010-07-31    | 4.59%        | 5.25%        | 70                |                   | 70             |
| Shinhan Card    | Loan in KRW | 2006-01-24       | 2009-01-24    | 5.24%        | 5.41%        | 50                | 50                |                |
| Shinhan Capital | Loan in KRW | 2006-01-24       | 2009-01-24    | 5.24%        | 5.41%        | 50                | 50                |                |
| Shinhan Card    | Loan in KRW | 2006-02-27       | 2009-02-27    | 5.07%        | 5.23%        | 30                | 30                |                |
| Shinhan Capital | Loan in KRW | 2006-02-27       | 2009-02-27    | 5.07%        | 5.23%        | 70                | 70                |                |
| Shinhan Capital | Loan in KRW | 2006-04-24       | 2009-04-24    | 5.09%        | 5.22%        | 100               | 100               |                |
| GMSH Securities | Loan in KRW | 2006-07-31       | 2012-01-31    | 5.16%        | 5.64%        | 100               |                   | 100            |
| Shinhan Capital | Loan in KRW | 2006-09-26       | 2011-09-26    | 4.91%        | 4.99%        | 50                |                   | 50             |
| Shinhan Capital | Loan in KRW | 2007-03-23       | 2012-03-23    | 5.28%        | 5.48%        | 50                |                   | 50             |
| Shinhan Capital | Loan in KRW | 2007-04-13       | 2010-04-13    | 5.24%        | 5.38%        | 50                |                   | 50             |
| Shinhan Capital | Loan in KRW | 2007-06-08       | 2012-06-08    | 5.54%        | 5.95%        | 50                |                   | 50             |
| Shinhan Capital | Loan in KRW | 2007-09-27       | 2010-09-27    | 5.91%        | 6.05%        | 100               |                   | 100            |
| Shinhan Capital | Loan in KRW | 2007-11-27       | 2010-11-27    | 6.24%        | 6.37%        | 50                |                   | 50             |
| Shinhan Card    | Loan in KRW | 2007-11-27       | 2012-11-27    | 6.33%        | 6.41%        | 100               |                   | 100            |
| Shinhan Capital | Loan in KRW | 2007-12-18       | 2010-12-18    | 6.69%        | 6.83%        | 50                |                   | 50             |
| Shinhan Card    | Loan in KRW | 2007-12-18       | 2012-12-18    | 6.78%        | 6.86%        | 50                |                   | 50             |
| Shinhan Card    | Loan in KRW | 2008-01-23       | 2011-01-23    | 6.46%        | 6.60%        | 100               | 100               |                |
| Shinhan Capital | Loan in KRW | 2008-01-23       | 2011-01-23    | 6.46%        | 6.60%        | 50                |                   | 50             |
|                 |             | 2008-01-23       | 2013-01-23    | 6.51%        | 6.60%        | 50                |                   | 50             |

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|                 |             |            |            |       |       |       |    |     |       |
|-----------------|-------------|------------|------------|-------|-------|-------|----|-----|-------|
| Shinhan Capital | Loan in KRW |            |            |       |       |       |    |     |       |
| Shinhan Card    | Loan in KRW | 2008-02-21 | 2011-02-21 | 5.51% | 5.66% | 150   |    |     | 150   |
| Shinhan Card    | Loan in KRW | 2008-03-12 | 2011-03-12 | 5.71% | 5.84% | 200   |    |     | 200   |
| Shinhan Capital | Loan in KRW | 2008-03-12 | 2011-03-12 | 5.71% | 5.84% | 50    |    |     | 50    |
| Shinhan Card    | Loan in KRW | 2008-06-27 | 2011-06-27 | 6.41% | 6.53% | 200   |    |     | 200   |
| Shinhan PE      | Loan in KRW | 2008-06-27 | 2009-06-26 | 5.98% | 6.18% | 5     |    | 5   |       |
| Shinhan Card    | Loan in KRW | 2008-07-31 | 2011-07-31 | 6.76% | 6.90% | 100   |    |     | 100   |
| Shinhan Capital | Loan in KRW | 2008-07-31 | 2011-07-31 | 6.76% | 6.90% | 50    |    |     | 50    |
| Shinhan PE      | Loan in KRW | 2008-08-13 | 2009-08-13 | 6.65% | 6.85% | 5     |    |     | 5     |
| Shinhan Card    | Loan in KRW | 2008-12-11 | 2011-12-11 | 8.01% | 8.12% | 100   |    |     | 100   |
| Shinhan Capital | Loan in KRW | 2008-12-11 | 2011-12-11 | 8.01% | 8.12% | 30    |    |     | 30    |
| Shinhan Capital | Loan in KRW | 2008-12-18 | 2009-11-11 | 8.13% | 8.20% | 120   |    |     | 120   |
| SH&C            | Loan in KRW | 2008-12-26 | 2015-12-26 |       | 9.00% | 10    |    | 10  |       |
| Shinhan Capital | Loan in KRW | 2009-01-06 | 2010-01-05 | 6.53% | 6.63% |       | 50 |     | 50    |
| Total           |             |            |            |       |       | 2,410 | 50 | 585 | 1,875 |

**Table of Contents**

**Exhibit 99-1**

Independent Accountant's Review Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of June 30, 2009

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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/ Buhmsoo Choi  
Name: Buhmsoo Choi  
Title: Chief Financial Officer

Date : August 14, 2009

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