

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

November 15, 2010

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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 November 2010**

**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 2010 3Q Business Report**

On November 15, 2010, Shinhan Financial Group ( SFG ) filed its 2010 3Q Business Report (the Business Report ) with the Financial Supervisory Service of the Republic of Korea ( Korea ) pursuant to the Financial Investment Services and Capital Market Act of Korea. This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

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

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**Exhibit 99.1**

Independent Accountant s Review Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of September 30, 2010

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**1. Introduction of the Group**

**Company History in 2009 through 2010 (as of September 30, 2010)**

- § 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 consummated share transfers of SH&C
- § August 2009: Corporate name of Good Morning Shinhan Securities changed to Shinhan Investment Corporation
- § September 2009: Shinhan Bank Japan became an indirect subsidiary of SFG
- § October 2009: Shinhan Vietnam Bank became an indirect subsidiary of SFG
- § November 2009: Liquidated Shinhan Finance Ltd. , an indirect subsidiary of SFG
- § December 2009: Shinhan Capital Petra PEF became an indirect subsidiary of SFG
- § January 2010: Shinhan Data System became a subsidiary of SFG
- § June 2010: CHB Valuemeet 2001 First, Second and 2002 First SPC were disaffiliated from SFG
- § August 2010: Shinhan Macquarie Financial Advisory separated from SFG

**Principal Subsidiaries under Korean Law (as of September 30, 2010)**

***Direct Subsidiaries***

<b>Subsidiaries</b>	<b>Ownership by SFG</b>
Shinhan Bank	100.0%
Shinhan Card	100.0%
Shinhan Investment Corp.	100.0%
Shinhan Life Insurance	100.0%
Shinhan Capital	100.0%
Jeju Bank <sup>1)</sup>	68.9%
Shinhan BNP Paribas Asset Management <sup>2)</sup>	65.0%
Shinhan Data System <sup>3)</sup>	100.0%
Shinhan Credit Information	100.0%
Shinhan Private Equity	100.0%
SHC Management	100.0%

- 1) Jeju Bank is currently listed on the Korea Exchange.
- 2) In January 2009, SH Asset Management and Shinhan BNP Paribas ITMC merged to form Shinhan BNP Paribas Asset Management.
- 3) In January 2010, Shinhan Data System, formerly a subsidiary of Shinhan Bank became a direct subsidiary of the Group.

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

<b>Direct Subsidiaries</b>	<b>Indirect Subsidiaries</b>	<b>Ownership by the Parent</b>	
Shinhan Bank	Shinhan Asia Limited	100.0%	
	Shinhan Bank America	100.0%	
	Shinhan Bank Europe	100.0%	
	Shinhan Vina Bank	50.0%	
	Shinhan Khmer Bank Limited	90.0%	
	Shinhan Bank Kazakhstan	100.0%	
	Shinhan Bank China Limited	100.0%	
	Shinhan AITAS	89.6%	
	Shinhan Bank Canada	100.0%	
	Shinhan Bank Japan	100.0%	
	Shinhan Vietnam Bank	100.0%	
	Shinhan Card	Shinhan-KT Mobile Card	50.0%
		Shinhan Investment Corp.	
	Shinhan Investment Corp.	Shinhan Investment Corporation Europe Ltd.	100.0%
		Shinhan Investment Corporation USA Inc.	100.0%
Shinhan Investment Corporation Asia Ltd.		100.0%	
Shinhan Private Equity	Shinhan NPS Private Equity Fund 1 <sup>st</sup>	5.0% <sup>1)</sup>	
	Shinhan Private Equity Fund II	2.2% <sup>2)</sup>	
Shinhan Capital	PETRA PEF	23.8%	

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

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

**Number of Shares (As of September 30, 2010)**

<b>Types of Shares</b>	<b>Number of Shares</b>
Common Shares	474,199,587
Redeemable Preferred Shares	28,990,000
Redeemable Convertible Preferred Shares	14,721,000
Total	517,910,587

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

(KRW billion)

	<b>2010 3Q</b>	<b>2009</b>	<b>2008</b>
	<b>(Jan. 1 ~ Sept.</b>	<b>(Jan. 1~Dec.</b>	<b>(Jan. 1~Dec.</b>
	<b>30)</b>	<b>31)</b>	<b>31)</b>
Operating income	2,759.1	2,097.9	3,039.2
Non-operating income	98.4	126.2	223.6
Non-operating expense	91.2	244.7	261.9
Earnings before income tax	2,766.3	1,979.4	3,000.9
Income taxes	737.6	666.7	971.2
Pre-acquisition income in subsidiaries	0.0	0.0	(0.4)
Consolidated net income	2,028.7	1,328.2	2,025.6
Net income in majority interest	2,019.6	1,305.3	2,018.6
Net income in minority interest	9.1	22.9	7.0

F Some of the totals may not sum due to rounding.

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

	2010 (Jan. 1 ~ Sept. 30)				2009 (Jan. 1 ~ Dec. 31)				2008 (Jan. 1 ~ Dec. 31)		
	Average Balance	Ratio (%)	Interest Paid	Interest Rate (%)	Average Balance	Ratio (%)	Interest Paid	Interest Rate (%)	Average Balance	Ratio (%)	Interest Paid
<b>KRW billion, (%)</b>											
<b>in KRW</b>											
ts	136,374.9	51.43	2,936.4	2.88	117,649.1	45.05	3,643.5	3.10	95,834.7	38.71	3,911.6
ing	5,080.7	1.92	175.4	4.62	11,462.6	4.39	644.7	5.62	15,737.2	6.36	960.0
ing	6,489.8	2.45	141.8	2.92	7,409.0	2.84	251.9	3.40	6,727.7	2.72	333.2
an	2,203.9	0.83	32.5	1.97	1,328.4	0.51	33.3	2.51	2,191.2	0.89	104.3
ure	34,324.0	12.94	1,388.8	5.41	38,241.6	14.64	2,084.0	5.45	41,853.2	16.91	2,497.0
	4,180.4	1.58	95.7	3.06	6,461.1	2.47	248.8	3.85	7,624.3	3.08	425.9
al	188,653.7	71.15	4,770.6	3.38	182,551.8	69.91	6,906.2	3.78	169,968.3	68.66	8,232.0
<b>in Foreign Currency</b>											
ts	11,685.2	4.41	110.7	1.27	10,550.7	4.04	218.7	2.07	6,743.1	2.72	179.1
ing	6,302.7	2.38	63.7	1.35	7,776.1	2.98	183.3	2.36	9,794.5	3.96	308.3
an	643.3	0.24	2.5	0.52	1,188.4	0.46	36.7	3.09	1,091.3	0.44	46.6
ure	5,080.8	1.92	64.3	1.69	5,292.0	2.03	97.0	1.83	4,931.6	1.99	189.7
	265.7	0.10	13.2	6.64	201.4	0.08	5.7	2.83	1,093.8	0.44	44.5
al	23,977.7	9.04	254.4	1.42	25,008.6	9.58	541.4	2.16	23,654.3	9.56	768.2
t bearing funding	212,631.4	80.19	5,025.0	3.16	207,560.4	79.49	7,447.6	3.59	193,622.6	78.22	9,000.2
older equity	21,802.7	8.22	0	0.00	19,719.7	7.55	0.0	0.00	18,184.7	7.35	0.0
oss reserve	1,497.2	0.56	0	0.00	1,548.8	0.59	0.0	0.00	1,570.7	0.63	0.0
	29,225.4	11.02	0	0.00	32,297.8	12.37	0.0	0.00	34,171.0	13.80	0.0
terest bearing funding	52,525.3	19.81	0	0.00	53,566.3	20.51	0.0	0.00	53,926.4	21.78	0.0
<b>Funding</b>	<b>265,156.7</b>	<b>100.00</b>	<b>5,025.0</b>	<b>2.53</b>	<b>261,126.7</b>	<b>100.00</b>	<b>7,447.6</b>	<b>2.85</b>	<b>247,549.0</b>	<b>100.00</b>	<b>9,000.2</b>

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

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

	2010 (Jan. 1 ~ Sept. 30)				2009 (Jan.1~Dec.31)				2008 (Jan.1~Dec.31)		
	Average Balance	Ratio (%)	Interest Paid	Interest Rate (%)	Average Balance	Ratio (%)	Interest Paid	Interest Rate (%)	Average Balance	Ratio (%)	Interest Paid
(in billions of W billion, %)											
RW	13,170.8	4.97	87.5	0.89	11,055.7	4.23	174.8	1.58	7,376.0	2.98	258
	51,826.2	19.55	1,556.7	4.02	48,785.8	18.68	2,044.4	4.19	42,543.3	17.19	2,049
	132,927.3	50.13	5,701.5	5.73	60,544.2	23.19	3,295.5	5.44	122,447.1	49.46	8,960
d)	62,648.4	23.63	2,540.2	5.42	60,544.2	23.19	3,295.5	5.44	57,406.1	23.19	4,092
)	70,278.9	26.50	3,161.3	6.01	70,344.1	26.94	4,184.6	5.95	65,041.0	26.27	4,867
or customers	34.8	0.01	0.2	0.77	81.9	0.03	1.1	1.34	39.7	0.02	1
	2,964.3	1.12	47.0	2.12	1,464.8	0.56	38.8	2.65	1,066.7	0.43	49
	2,451.9	0.92	110.9	6.05	2,825.5	1.08	164.9	5.84	3,245.7	1.31	204
d Assets	14,472.8	5.46	2,547.8	23.54	11,823.6	4.53	3,148.8	26.63	10,055.1	4.06	2,783
d)	3,046.1	1.15	381.6	16.75	2,530.1	0.97	392.6	15.52	2,968.1	1.20	535
	4,796.8	1.81	262.6	7.32	6,219.0	2.38	401.7	6.46	6,579.6	2.66	471
eserve	-3,479.4	(1.31)	0	0.00	-3,519.2	(1.35)	0.0	0.00	-3,050.2	(1.23)	0
	219,165.5	82.66	10,314.2	6.29	209,625.4	80.28	13,454.6	6.42	190,303.0	76.87	14,778
oreign Currency	2,926.2	1.10	26.8	1.22	2,883.5	1.10	21.4	0.74	1,657.3	0.67	39
	2,278.7	0.86	22.7	1.33	2,331.8	0.89	53.3	2.29	2,011.7	0.81	89
	13,403.1	5.05	343.3	3.42	13,368.1	5.12	518.5	3.88	14,175.9	5.73	687
	1,118.4	0.42	4.2	0.50	1,154.1	0.44	9.4	0.81	864.0	0.35	23
t	3,517.2	1.33	69.3	2.63	3,076.0	1.18	152.1	4.94	3,962.1	1.60	179
	310.3	0.12	8.4	3.62	379.9	0.15	14.7	3.87	549.3	0.22	46
eserve	-369.2	(0.14)	0	0.00	-273.3	(0.10)	0.0	0.00	-234.2	(0.09)	0
	23,184.7	8.74	474.7	2.74	22,920.1	8.78	769.4	3.36	22,986.1	9.29	1,065
ning funding	242,350.2	91.40	10,788.9	5.95	232,545.5	89.05	14,224.0	6.12	213,289.0	86.16	15,843
	2,256.7	0.85	0	0.00	2,289.3	0.88	0.0	0.00	2,374.6	0.96	0
	2,359.1	0.89	0	0.00	2,370.0	0.91	0.0	0.00	2,419.4	0.98	0
	18,190.7	6.86	0	0.00	23,921.9	9.16	0.0	0.00	29,466.0	11.90	0
st earning funding	22,806.5	8.60	0	0.00	28,581.2	10.95	0.0	0.00	34,260.0	13.84	0
of funds	265,156.7	100.00	10,788.9	5.44	261,126.7	100.00	14,224.0	5.45	247,549.0	100.00	15,843

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



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

Financial information for 2010 3Q contained in this section are provisional figures.

**Group BIS Ratio**

			(KRW million)
	<b>Sept. 30, 2010</b>	<b>Dec. 31, 2009</b>	<b>Dec. 31, 2008</b>
Aggregate Amount of Equity Capital (A)	23,708,240	22,572,130	18,723,461
Risk-Weighted Assets (B)	182,811,400	179,083,070	183,741,412
BIS Ratio (A/B) <sup>1)</sup>	12.97%	12.60%	10.19%

1) In accordance with the Financial Holding Company Guidelines of the Financial Service Commission ( FSC ), the Group BIS Ratio under BASEL I is used as an index for measuring capital adequacy.

**Won Liquidity Ratio**

			(KRW million)
	<b>Sept. 30, 2010</b>	<b>2009</b>	<b>2008 <sup>1)</sup></b>
Won Assets due within 1 months (A)	695,531	470,681	920,661
Won Liabilities due within 1 months (B)	165,117	376,446	690,397
Won Liquidity Ratio (A/B)	421.24%	125.03%	133.35%

1) 2008 figures are due within 3 months

**Liabilities to Equity Ratio**

			(KRW million)
	<b>Sept. 30, 2010</b>	<b>2009</b>	<b>2008</b>
Liabilities (A)	6,648,620	6,392,346	8,307,683
Equity (B)	22,261,667	20,728,361	17,605,883
Liabilities to Equity Ratio (A/B)	29.86%	30.84%	47.19%

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

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

	<b>Sept. 30, 2010</b>	<b>Dec. 31, 2009</b>	<b>Dec. 31, 2008</b>
Shinhan Bank <sup>2)</sup>	16.26	15.13	13.44

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) Basel II FIRB Approach was applied in calculating BIS.

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

	<b>Sept. 30, 2010</b>	<b>Dec. 31, 2009</b>	<b>Dec. 31, 2008</b>
Shinhan Card	25.17	26.73	20.32

\* The Adjusted Equity Capital Ratio represents the ratio of total adjusted shareholder's equity to total adjusted assets and is computed in accordance with the guidelines issued by FSC for credit card companies. Under these guidelines, Shinhan Card is required to maintain a minimum adjusted equity capital ratio of 8%.

## (3) Net Capital Ratio (%)

	<b>Sept. 30, 2010</b>	<b>Mar. 31, 2010</b>	<b>Mar. 31, 2009</b>
Shinhan Investment Corp.	654.01%	558.65	678.79

\* Net Capital Ratio is computed in accordance with the guidelines issued by the FSC for securities brokerage businesses. Under these guidelines, Shinhan Investment Corp. is required to maintain a minimum net capital ratio of 100%.

## (4) Solvency Margin Ratio (%)

	<b>Sept. 30, 2010</b>	<b>Mar. 31, 2010</b>	<b>Mar. 31, 2009</b>
Shinhan Life Insurance	363.96	306.24	208.60

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

\* 2010 figures are calculated in Risk-Based Capital solvency ratios and 2009 figure is calculated in solvency margin ratio. Solvency margin ratios for Sept. 30, 2010 & Mar. 31, 2010 are 232.8% and 223.0% respectively.

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

## (1) Non- Performing Loans

(KRW million)

	<b>Sept. 30, 2010</b>		<b>Dec. 31, 2009</b>		<b>Dec. 31, 2008</b>	
	<b>Balance of</b>	<b>NPL to total Loans</b>	<b>Balance of</b>	<b>NPL to total Loans</b>	<b>Balance of</b>	<b>NPL to total Loans</b>
	<b>NPL</b>	<b>(%)</b>	<b>NPL</b>	<b>(%)</b>	<b>NPL</b>	<b>(%)</b>
Shinhan Bank	1,856,564	1.21	1,158,985	0.77	1,306,316	0.85
Shinhan Card <sup>2)</sup>	300,613	1.85	435,083	3.08	339,101	2.91

	<b>Sept. 30, 2010</b>		<b>Mar. 31, 2010</b>		<b>Mar. 31, 2009</b>	
	<b>Balance of</b>	<b>NPL to total Loans</b>	<b>Balance of</b>	<b>NPL to total Loans</b>	<b>Balance of</b>	<b>NPL to total Loans</b>
	<b>NPL</b>	<b>(%)</b>	<b>NPL</b>	<b>(%)</b>	<b>NPL</b>	<b>(%)</b>
Shinhan Investment Corp. <sup>2)</sup>	173,316	14.64	230,228	17.90	125,366	12.14
	35,825	1.38	38,298	1.47	40,369	1.69

Shinhan Life  
Insurance <sup>3)</sup>

- 1) Non-performing loans of banks are defined as those loans are past due longer 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 Shinhan Investment Corp., and Shinhan Card includes loans classified as substandard, doubtful, and estimated loss.
- 3) Non-performing loans of Life Insurance Company are defined as loans past due longer than 90 days

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

(KRW million)

	<b>Jan. 1, 2010 ~ Sept. 30, 2010</b>	<b>Jan. 1, 2009 ~ Dec. 31, 2009</b>	<b>Jan. 1, 2008 ~ Dec. 31, 2008</b>
<b>Shinhan Bank</b>			
Allowance for Possible Loan Losses	3,119,636	2,641,918	2,661,427
Allowance for doubtful accounts on Acceptance and Guarantees	153,759	105,629	113,669
Allowances for Losses Related to Unused Ceiling	278,075	267,859	249,442
Other Allowances	92,392	88,337	69,557
Allowance for Valuation of Bonds	7,203	7,609	8,152
Total	3,651,065	3,111,352	3,102,247
Write-offs	331,504	1,006,941	340,942
<b>Shinhan Card</b>			
Allowance for Possible Loan Losses	593,008	793,469	773,960
Allowance for reward on credit card use	283,638	273,233	246,429
Allowances for Losses Related to Unused Ceiling	507,367	488,559	485,738
Other Allowances	8,833	12,619	22,325
Total	1,392,845	1,567,880	1,528,452
Write-offs	392,826	469,087	603,883
	<b>Apr. 1, 2010 ~ Sept. 30, 2010</b>	<b>Apr. 1, 2009 ~ Mar. 31, 2010</b>	<b>Apr. 1, 2008 ~ Mar. 31, 2009</b>
<b>Shinhan Investment Corp.</b>			
Allowance for Possible Loan Losses	127,158	168,257	110,753
Other Allowances	21,942	21,942	
Total	149,100	190,199	110,753
Write-offs	7,234	14,838	502
<b>Shinhan Life Insurance</b>			
Allowance for Possible Loan Losses	39,573	37,705	31,589
Total	39,573	37,705	31,589
Write-offs	3,599	6,230	1,330

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*Note that the financial information contained in the following four tables (Twenty Largest Exposures by Borrower, Exposure to Main Debtor Group, Loan Concentration by Industry and Top Twenty Non-Performing Loans) have been formulated under the non-consolidated basis of Shinhan Bank.*

**Twenty Largest Exposures by Borrower**

		(KRW billion)					
Rank	As of Sept. 30, 2010	Loans in Won	Loans in			Guarantees and Acceptances	Total Exposures
			Foreign Currency	Equity Securities	Debt Securities		
1	Ministry of Strategy & Finance				9,873		9,873
2	Bank of Korea				3,660		3,660
3	Korea Deposit Insurance Corporation				2,147		2,147
4	Hyundai Heavy Industries Co., Ltd.	100	4	2	10	1,886	2,002
5	Hyundai Samho Heavy Industries Co., Ltd.	35				1,145	1,180
6	Samsung Heavy Industries Co., Ltd.	234				875	1,109
7	POSCO			900	91		991
8	Woori Bank				940		940
9	Hyundai Mipo Dockyard Co., Ltd.			3		879	882
10	Kookmin Bank				877		877
11	Songdo Cosmopolitan City Development Inc.	843					843
12	Industrial Bank of Korea				823		823
13	Korea Development Bank				815		815
14	Samsung Electronics		786	6		0	792
15	STX Offshore & Shipbuilding Co., Ltd.					700	700
16	SK Energy	199	82		36	330	647
17	Korea Land & Housing Corporation				605		605
18	Hynix Semiconductor	105	78	317		88	588
19	KEPCO			28	555		584
20	Hana Bank				573		573
	<b>Total</b>	<b>1,516</b>	<b>950</b>	<b>1,256</b>	<b>21,005</b>	<b>5,904</b>	<b>30,631</b>

1) Shinhan Bank's non-consolidated figures

**Table of Contents****Exposure to Main Debtor Groups**

(KRW billion)

As of Sept. 30, 2010	Loans in Won	Loans in Foreign	Equity	Debt	Guarantees and	Total
		Currency	Securities	Securities	Acceptances	Exposures
Hyundai Heavy Industries	300	32	4	10	4,003	4,350
Samsung	665	968	421	122	1,230	3,406
Hyundai Motors	1,028	615	29	61	357	2,090
SK	625	282	392	71	507	1,876
POSCO	256	100	902	64	364	1,686
LG	510	510	2	10	277	1,310
STX	185	109	48		742	1,084
Lotte	620	2	1	134	70	827
LS	367	14		82	178	641
GS	154	21		61	368	605
<b>Total</b>	<b>4,711</b>	<b>2,653</b>	<b>1,799</b>	<b>616</b>	<b>8,097</b>	<b>17,876</b>

1) Shinhan Bank's non-consolidated figures

**Loan Concentration by Industry**

(KRW million)

As of Sept. 30, 2010	Loans in Won		Loans in Foreign		Others		Total Loans	
	Amount	Weight (%)	Amount	Weight (%)	Amount	Weight (%)	Amount	Weight (%)
Manufacturing	20,625,758	16.34	2,391,558	36.28	7,586,091	54.21	30,603,407	20.85
Retail and wholesale	11,769,378	9.33	549,077	8.33	1,717,651	12.27	14,036,106	9.56
Real estate and rental service	15,854,520	12.56	587,828	8.92	544,063	3.89	16,986,411	11.57
Construction	4,870,999	3.86	16,892	0.26	742,462	5.31	5,630,353	3.84
Lodging and restaurants	3,978,462	3.15	55,354	0.84	83,667	0.60	4,117,483	2.81
Financial service and insurance	2,675,825	2.12	738,259	11.20	2,535,123	18.12	5,949,207	4.05
Others corporate loans	6,513,692	5.17	2,252,391	34.17	758,549	5.60	9,551,632	6.50
Household loans	59,913,064	47.47					59,913,064	40.82
<b>Total</b>	<b>126,201,698</b>	<b>100.00</b>	<b>6,591,359</b>	<b>100.00</b>	<b>13,994,606</b>	<b>100.00</b>	<b>146,787,663</b>	<b>100.00</b>

1) Shinhan Bank's non-consolidated figures

**Table of Contents****Top Twenty Non-Performing Loans**

As of Sept. 30, 2010

(KRW billion)

<b>Borrower</b>	<b>Industry</b>	<b>Gross Principal Outstanding</b>	<b>Allowance for Loan Losses</b>
A	Manufacturing	42	24
B	Manufacturing	23	6
C	Manufacturing	29	13
D	Transportation	22	2
E	Manufacturing	18	3
F	Manufacturing	16	6
G	Transportation	14	5
H	Real estate, leasing and service	14	6
I	Manufacturing	13	10
J	Real estate, leasing and service	13	2
K	Real estate, leasing and service	13	10
L	Manufacturing	12	6
M	Manufacturing	11	5
N	Others	10	3
O	Real estate, leasing and service	9	0
P	Transportation	9	2
Q	Construction	9	4
R	Others	8	1
S	Manufacturing	8	5
T	Others	8	1
	<b>Total</b>	<b>302</b>	<b>114</b>

- 1) Non-performing loans are defined as loans past due longer than 90 days
- 2) Shinhan Bank's non-consolidated figures

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

	<b>2010</b>	<b>2009</b>	<b>FY 2009</b>	<b>FY 2008</b>
	<b>3Q</b>	<b>3Q</b>	<b>Unqualified</b>	<b>Unqualified</b>
Audit Opinion				

**Compensation to the Independent Auditor for Audit and Review Services**

The following is a description of the fees for audit and review services performed by our independent auditor for the last three years in connection with our financial statements prepared in accordance with generally accepted accounting principles in Korea.

Year	Auditor	Payment (KRW mil.)	Details	Working hours
2010 3Q	KPMG Samjong Accounting Corp.	366	Review/Audit of Financial Statements	2,620 hours
2009	KPMG Samjong Accounting Corp.	355	Review/Audit of Financial Statements	4,595 hours
2008	KPMG Samjong Accounting Corp.	355	Review/Audit of Financial Statements	5,106 hours

**4. Directors, Executive Officers and Employees***Directors and Executive Officers*

## 1) Executive Directors

Name	Date of Birth	Position	Service Term
Shee Yul Ryoo <sup>1)</sup>	Sept. 5, 1938	Acting Chairman, President & CEO Risk Management Committee chair Board Steering Committee member Compensation Committee member	1 years starting from March 24, 2010
Sang Hoon Shin	Jul. 1, 1948	President & CEO <sup>2)</sup>	2 years starting from March 17, 2009

1) Mr. Shee Yul Ryoo assumed the roles of former Chairman- Mr. Eung Chan Ra upon his resignation.

Please refer to our Form 6-K filed on November 1, 2010 for details

2) Mr. Sang Hoon Shin has been suspended from his duty since September 14, 2010 by the Board of Directors resolution. Please refer to our Form 6-K filed on September 14, 2010 for details.

## 2) Non-Executive Directors

Currently, 10 non-executive directors are in office, 8 of which outside directors who are nominated by our Outside



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Director Recommendation Committee and appointed pursuant to the approval of general shareholders meeting on March 24, 2010.

Our non-executive directors are as follows:

<b>Name</b>	<b>Date of Birth</b>	<b>Outside Director</b>	<b>Sub-Committees</b>	<b>Service Term</b>
Eung Chan Ra	Nov. 25, 1938	X		3 years starting from March 24, 2010
Baek Soon Lee	Oct. 8, 1952	X		3 years starting from March 17, 2009
Byung-il Kim	Sep. 1, 1945	O	Compensation Committee chair Board Steering Committee member	1 year starting from March 24, 2010
Yo Koo Kim	Mar. 23, 1950	O	Audit Committee member	1 year starting from March 24, 2010
Hui Mook Kim	Aug. 17, 1957	O		1 year starting from March 24, 2010
Ke Sup Yun	May 20, 1945	O	Audit Committee chair Risk Management Committee member Compensation Committee member	1 year starting from March 24, 2010
Sung Bin Chun	Jan. 21, 1953	O	Chairman of Board of Directors Board Steering Committee member Audit Committee member	1 year starting from March 24, 2010
Haeng Nam Chung	Mar. 15, 1941	O	Board Steering Committee member	1 year starting from March 24, 2010
Yoji Hirakawa	Feb. 13, 1953	O		1 year starting from March 24, 2010
Philippe Aguinier	Sep. 26, 1957	O	Risk Management Committee member	1 year starting from March 24, 2010

For personal profiles of the outside directors, please refer to our Form 6-K filed on February 26, 2010.

### 3) Executive Officers

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

<b>Name</b>	<b>Date of Birth</b>	<b>Position</b>	<b>In charge of</b>
Buhmsoo Choi	Aug. 8, 1956	Deputy President & Chief Financial Officer	- Finance Management Team - Investor Relations Team - Strategic Planning Team - Global Business Strategy Team - Shinhan FSB Research Institute - General Affairs Team
Sung Ho Wi	Jun. 12, 1958	Deputy President	- Business Management Team - Public Relations Team - CSR & Culture Management Team
Jung Kee Min	Mar. 13, 1959		- Synergy Management Team

		Executive Vice	- Information & Technology Planning Team
		President	- Audit Team
Hyo Il Lee	Sep. 26, 1959	Managing Director	- Synergy Management Team
Yee Yong Jo	Feb. 13, 1957	Managing Director	- Compliance Team
Sam Yong Lee	June 11, 1953	Managing Director	- Risk Management Team

**Table of Contents****Stock Options (as of Sept. 30, 2010)**

	<b>No. of Granted Options (A)</b>	<b>No. of Exercised Options (B)</b>	<b>No. of Cancelled Options (C)</b>	<b>No. of Exercisable Options (D = A - B - C)</b>	<b>Exercise Period</b>	<b>Exercise Price</b>
Granted in 2005	2,620,331	755,760	251,300	1,613,271	2008.3.30~2012.3.29	28,006
Granted in 2006	3,206,173	191,170	480,300	2,534,703	2009.3.21~2013.3.20	38,829
Granted in 2007	1,231,169	0	148,700	1,082,469	2010.3.20~2014.3.19	54,560
Granted in 2008	808,700	0	146,896	661,804	2011.3.19~2015.3.18	49,053
Granted in 2009	614,735	0	614,735	0	2012.3.17~2016.3.16	23,405
<b>Total</b>	<b>8,481,108</b>	<b>946,930</b>	<b>1,641,931</b>	<b>5,892,247</b>		

Note) The weighted-average exercise price of outstanding exercisable options as of Sept. 30, 2010 is KRW 39,904.  
**Employees (as of Sept. 30, 2010)**

	<b>Number of Employees</b>	<b>Average length of Service</b>	<b>Total Salaries and wages paid in 2010 (KRW million)</b>	<b>Average Payment per person (KRW million)</b>
Total	145	2 years 2 months 16	8,499	58.6

**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 Sept. 30, 2010**

Name	No. of Common Shares owned	Ownership%
BNP Paribas Group	30,106,276	6.35
National Pension Service	23,915,225	5.04

1) Shareholders who own beneficial ownership of 5% or more.

**Common Share Traded on the Korea Exchange**

(KRW, number of shares)

	Apr. 2010	May 2010	June 2010	July 2010	Aug. 2010	Sept. 2010
Price per share						
High	49,100	47,150	47,200	49,200	49,100	46,200
Low	45,150	41,050	43,300	44,300	45,100	42,300
Avg.	47,214	43,892	46,002	47,264	47,000	43,747
Trading Volume	41,082,098	31,413,955	29,798,840	30,636,767	24,140,249	54,422,382
Highest Daily						
Trading Volume	1,867,368	2,542,563	2,866,392	2,479,092	1,675,582	8,441,035
Lowest Daily						
Trading Volume	970,832	924,396	825,333	680,553	731,963	1,157,371

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

(USD, number of shares)

	Apr. 2010	May 2010	June 2010	July 2010	Aug. 2010	Sept. 2010
Price per share						
High	88.35	85.14	79.17	83.36	84.91	79.40
Low	81.51	66.31	69.44	73.09	75.42	72.77
Avg.	84.93	74.86	75.34	79.50	79.70	75.91
Trading Volume	949,667	1,214,625	1,354,999	1,010,625	804,623	849,639
Highest Daily						
Trading Volume	84,994	142,378	115,236	96,979	72,180	86,709
Lowest Daily						
Trading Volume	14,565	13,715	40,118	17,688	11,592	11,067

\* 1 ADR = 2 Common Shares

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

(KRW billion)

Subsidiary	Loan Type	Origination Date	Maturity Date	Funding Rate	Lending Rate	Beginning Balance	Increase	Decrease	Ending Balance
Shinhan Investment Corporation	Loan in KRW	2005-01-31	2010-07-31	4.59%	5.25%	70		70	
Shinhan Investment Corporation	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 Capital	Loan in KRW	2008-01-23	2011-01-23	6.46%	6.60%	50			50
Shinhan Capital	Loan in KRW	2008-01-23	2013-01-23	6.51%	6.60%	50			50
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 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	2009-08-13	2010-08-13	3.93%	3.99%	5		5	0
Shinhan PE	Loan in KRW	2010-08-13	2011-08-12	3.58%	3.64%		5		5
Shinhan Capital	Loan in KRW	2010-09-28	2013-09-28	3.95%	4.12%		100		100
<b>Total</b>						<b>1,575</b>	<b>105</b>	<b>225</b>	<b>1,455</b>

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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 : November 15, 2010