

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

August 14, 2008

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**For the Month of August 2008**

**SHINHAN FINANCIAL GROUP CO., LTD.**

(Translation of registrant's name into English)

120, 2-Ga, Taepyung-Ro, Jung-Gu, Seoul 100-102, Korea

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will  
file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in  
paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in  
paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the  
information contained in this form is also thereby furnishing the  
information to the Commission pursuant to Rule 12g3-2(b) under the  
Securities Exchange Act of 1934.

Yes  No

If  Yes  is marked, indicate below the file number assigned to the  
registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_.

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**Summary of 2008 1H Business Report**

On August 14, 2008, Shinhan Financial Group ( SFG ) filed its 2008 1H Business Report (the Business Report ) with the Financial Supervisory Service of the Republic of Korea ( Korea ) pursuant to the Securities and Exchange Act of Korea. This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

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

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**Exhibit 99-1**

Independent Accountant s Review Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of June 30, 2008

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**1. Introduction of the Group**

**Company History in 2008**

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

**Principal Subsidiaries under Korean Law as of July 31, 2008**

***Direct Subsidiaries***

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

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

2007. Further, through a process of business transfer and assumption, Shinhan Card's business was fully assumed by LG Card. Subsequently, LG Card changed its name to

Shinhan Card on October 1, 2007. Former Shinhan Card has changed its name to SHC Management and is in the process of liquidation.

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

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

(As of Jul. 31, 2008)

| Direct<br>Subsidiaries                | Indirect Subsidiaries                                  | Ownership by<br>the Parent |
|---------------------------------------|--|----------------------------|
| Shinhan Bank                          | Shinhan Data System                                    | 100.00%                    |
|                                       | Shinhan Finance Ltd.(Hong Kong) <sup>1)</sup>          | 100.00%                    |
|                                       | SH Asset Management                                    | 100.00%                    |
|                                       | Shinhan Asia Limited                                   | 100.00%                    |
|                                       | Shinhan Bank America                                   | 100.00%                    |
|                                       | Shinhan Bank Europe GmbH                               | 100.00%                    |
|                                       | Shinhan Vina Bank                                      | 50.00%                     |
|                                       | CHB Valuemeet 2001 year 1 <sup>st</sup> Securitization | 50.00%                     |
|                                       | CHB Valuemeet 2001 year 2 <sup>nd</sup> Securitization | 50.00%                     |
|                                       | CHB Valuemeet 2002 year 1 <sup>st</sup> Securitization | 50.00%                     |
|                                       | Shinhan Khmer Bank Limited                             | 100.00%                    |
|                                       | JSC Shinhan Bank Kazakhstan                            | 100.00%                    |
|                                       | Shinhan Bank China Limited                             | 100.00%                    |
|                                       | Shinhan AITAS  | 55.92%                     |
| Shinhan Card                          | Shinhan-KTF Mobile Card                                | 50.00%                     |
| Good Morning<br>Shinhan<br>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<br>Equity             | Shinhan NPS Private Equity Fund 1 <sup>st</sup>        | 5.00% <sup>2)</sup>        |

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

2)

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

- 3) On Aug. 11,  
2008, Shinhan  
Private Equity,  
our wholly  
owned private  
equity  
subsidiary,  
injected KRW  
4.6 billion to  
establish  
Shinhan Private  
Equity Fund II  
for which  
Shinhan Private  
Equity will  
serve as a  
general  
manager.

**Number of Shares**

Number of issued and outstanding shares of the Group as of June 30, 2008

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

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

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

**(2) Changes in ESOA Share Ownership****(As of June 30, 2008, Unit: shares)**

|                      | Share type    | Beginning Balance (Jan.1, 2008) | Increase  | Decrease  | Ending Balance (Jun. 30, 2008) |
|----------------------|---------------|---------------------------------|-----------|-----------|--------------------------------|
| Association Accounts | Common Shares | 1,236,075                       |           | 1,236,075 |                                |
| Employee Accounts    | Common Shares | 4,336,056                       | 1,984,191 | 292,874   | 6,027,373                      |
| Total                |               | 5,572,131                       | 1,984,191 | 1,528,949 | 6,027,373                      |

**ESOP Ownership per company****(As of June 30, 2008, Unit: shares)**

| Company                         | Association Accounts | Employee Accounts | Total Balance |
|---------------------------------|----------------------|-------------------|---------------|
| Shinhan Financial Group         |                      | 68,401            | 68,401        |
| Shinhan Bank                    |                      | 5,610,804         | 5,610,804     |
| Good Morning Shinhan Securities |                      | 107,924           | 107,924       |
| Shinhan Capital                 |                      | 64,532            | 64,532        |
| Shinhan Card                    |                      | 88,915            | 88,915        |
| Shinhan Life Insurance          |                      | 81,043            | 81,043        |
| SH&C Life Insurance             |                      | 1,351             | 1,351         |
| Shinhan Credit Information      |                      | 1,392             | 1,392         |



|                     |  |           |           |
|---------------------|--|-----------|-----------|
| Shinhan Data System |  | 3,011     | 3,011     |
| Total               |  | 6,027,373 | 6,027,373 |

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

|  | (KRW million)             |                        |                        |
|--|---------------------------|------------------------|------------------------|
|  | 2008 1H<br>(Jan.1~Jun.30) | 2007<br>(Jan.1~Dec.31) | 2006<br>(Jan.1~Dec.31) |
| Operating Revenue                          | 1,631,263                 | 2,749,536              | 2,003,752              |
| Gain using the equity method of accounting | 1,501,982                 | 2,632,111              | 1,917,268              |
| Interest income                            | 61,506                    | 117,333                | 79,151                 |
| Royalty                                    | 67,775                    |                        |                        |
| Gain on Foreign Currency Transaction       |                           | 92                     | 5,838                  |
| Other income                               |                           |                        | 1,495                  |
| Operating Expense                          | 219,901                   | 375,344                | 182,889                |
| Loss using the equity method of accounting | 4,280                     |                        |                        |
| Interest Expense                           | 189,864                   | 326,928                | 129,644                |
| Loss on Foreign Currency Transaction       |                           | 93                     | 5,838                  |
| Commission Expense                         | 90                        | 112                    | 269                    |
| SG&A Expense                               | 25,667                    | 48,211                 | 47,138                 |
| Operating Income                           | 1,411,362                 | 2,374,192              | 1,820,863              |

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

|                      | (KRW million)                    |              |                                  |              |                                  |              |
|----------------------|----------------------------------|--------------|----------------------------------|--------------|----------------------------------|--------------|
|                      | 2008 1H<br>(Jan.1~Jun.30)        |              | 2007<br>(Jan.1~Dec.31)           |              | 2006<br>(Jan.1~Dec.31)           |              |
|                      | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) |
| Stockholders Equity  | 17,788,494                       | 70.58        | 15,896,140                       | 71.40        | 10,376,235                       | 76.70        |
| Capital Stock        | 2,447,841                        | 9.71         | 2,374,866                        | 10.67        | 2,170,758                        | 16.05        |
| Capital Surplus      | 8,648,104                        | 34.31        | 7,482,652                        | 33.61        | 4,360,100                        | 32.23        |
| Capital Adjustment   | -123,475                         | -0.49        | 19,669                           | 0.09         | 25,520                           | 0.19         |
| Comprehensive Income | 1,558,208                        | 6.18         | 1,578,309                        | 7.09         | 840,704                          | 6.21         |
| Retained Earnings    | 5,257,816                        | 20.86        | 4,440,644                        | 19.95        | 2,979,153                        | 22.02        |
| Liabilities          | 7,415,674                        | 29.42        | 6,368,277                        | 28.60        | 3,152,497                        | 23.30        |
| Borrowings           | 7,239,542                        | 28.72        | 6,242,453                        | 28.04        | 2,769,824                        | 20.47        |
| Other liabilities    | 176,132                          | 0.70         | 125,824                          | 0.57         | 382,673                          | 2.83         |
| Total                | 25,204,168                       | 100.00       | 22,264,417                       | 100.00       | 13,528,732                       | 100.00       |

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

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

(KRW million)

|                             | 2008 1H<br>(Jan.1~Jun.30)        |              | 2007<br>(Jan.1~Dec.31)           |              | 2006<br>(Jan.1~Dec.31)           |              |
|-----------------------------|----------------------------------|--------------|----------------------------------|--------------|----------------------------------|--------------|
|                             | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) | Average<br>Balance <sup>1)</sup> | Ratio<br>(%) |
| Investments on equity stock | 22,734,385                       | 90.20        | 20,342,185                       | 91.37        | 11,646,253                       | 86.09        |
| Shinhan Bank                | 11,491,908                       | 45.60        | 10,820,953                       | 48.60        | 8,997,565                        | 66.50        |
| Shinhan Card                | 7,685,697                        | 30.49        | 5,963,810                        | 26.79        |                                  |              |
| SHC Management Good Morning | 611,076                          | 2.42         | 955,862                          | 4.29         | 639,038                          | 4.72         |
| Shinhan Securities          | 1,685,379                        | 6.69         | 1,432,555                        | 6.43         | 943,203                          | 6.97         |
| Shinhan Life Insurance      | 821,354                          | 3.26         | 807,664                          | 3.63         | 768,599                          | 5.68         |
| Shinhan Capital             | 290,927                          | 1.15         | 220,347                          | 0.99         | 170,264                          | 1.26         |
| Jeju Bank                   | 78,273                           | 0.31         | 73,916                           | 0.33         | 66,809                           | 0.49         |
| Shinhan Credit Information  | 12,284                           | 0.05         | 11,249                           | 0.05         | 9,179                            | 0.07         |
| Shinhan Private Equity      | 9,791                            | 0.04         | 9,864                            | 0.04         | 8,987                            | 0.07         |
| Shinhan BNP Paribas ITMC    | 28,806                           | 0.11         | 26,597                           | 0.12         | 24,152                           | 0.18         |
| SH&C Life Insurance         | 17,320                           | 0.07         | 17,821                           | 0.08         | 17,322                           | 0.13         |
| Shinhan Macquarie FA        | 1,570                            | 0.01         | 1,547                            | 0.01         | 1,135                            | 0.01         |
| Loans                       | 1,539,265                        | 6.11         | 1,201,143                        | 5.39         | 1,299,633                        | 9.61         |
| Fixed Assets                | 1,054                            | 0.00         | 662                              | 0.00         | 959                              | 0.01         |
| Cash Deposit in bank        | 884,250                          | 3.51         | 557,627                          | 2.50         | 422,201                          | 3.12         |
| Other Assets                | 45,214                           | 0.18         | 162,800                          | 0.73         | 159,686                          | 1.18         |
| Total                       | 25,204,168                       | 100.00       | 22,264,417                       | 100.00       | 13,528,732                       | 100.00       |

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

**Other Financial Information**

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

**Group BIS Ratio**

(KRW million)

|  | 2008 1H     | 2007        |
|--|-------------|-------------|
| Aggregate Amount of Equity Capital (A) | 19,250,400  | 15,945,940  |
| Risk-Weighted Assets (B)               | 181,902,981 | 161,849,385 |
| BIS Ratio (A/B) <sup>1)</sup>          | 10.58%      | 9.85%       |

1) In accordance with the amendments in the Financial Holding Company

Guidelines of the  
Financial Service  
Commission( FSC ),  
the Group BIS  
Ratio, rather than  
the Requisite  
Capital Ratio, is  
used as an index for  
measuring capital  
adequacy,  
beginning FY2007.

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

|   | (KRW million) |         |         |
|---|---------------|---------|---------|
|   | 2008 1H       | 2007    | 2006    |
| Won Assets due within 3 months (A)      | 548,443       | 220,009 | 605,415 |
| Won Liabilities due within 3 months (B) | 266,691       | 209,888 | 248,661 |
| Won Liquidity Ratio (A/B) <sup>1)</sup> | 205.65%       | 104.82% | 243.47% |

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

**Liabilities to Equity Ratio**

|                                   | (KRW million) |            |            |
|-----------------------------------|---------------|------------|------------|
|                                   | 2008 1H       | 2007       | 2006       |
| Liabilities (A)                   | 6,816,853     | 7,349,727  | 3,642,105  |
| Equity (B)                        | 18,472,085    | 17,977,801 | 11,361,526 |
| Liabilities to Equity Ratio (A/B) | 36.90%        | 40.88%     | 32.06%     |

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

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

|                            | 2008 1H | 2007  | 2006  |
|----------------------------|---------|-------|-------|
| Shinhan Bank <sup>2)</sup> | 12.49   | 12.09 | 12.01 |
| Jeju Bank                  | 10.72   | 11.32 | 11.26 |

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

ratio of 8%.

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

(2) Adjusted Equity Capital Ratio (%)

|              | 2008 1H | 2007  | 2006  |
|--------------|---------|-------|-------|
| Shinhan Card | 22.92   | 25.31 | 34.25 |

- \* The Adjusted Equity Capital Ratio represents the ratio of total adjusted shareholder s equity to total adjusted assets and is computed in accordance with the guidelines issued by FSC for credit card companies. Under these guidelines, Shinhan Card is required to maintain a minimum adjusted equity capital ratio of 8%. 2006 figure is that of former LG Card.

(3) Net Capital Ratio (%)

|                                 | Jun.30 2008 | Mar.31 2008 | Mar.31 2007 |
|---------------------------------|-------------|-------------|-------------|
| Good Morning Shinhan Securities | 639.18      | 699.80      | 451.69      |

- \* Net Capital Ratio is computed in accordance with

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

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## (4) Solvency Margin Ratio (%)

|                        | Jun.30 2008 | Mar.31 2008 | Mar.31 2007 |
|------------------------|-------------|-------------|-------------|
| Shinhan Life Insurance | 220.44      | 222.74      | 224.70      |

\* 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

(KRW million)

|                            | Jun.30, 2008      |                                 | Dec.31, 2007      |                                 | Dec.31, 2006      |                                 |
|----------------------------|-------------------|---------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|
|                            | 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               | 952,441           | 0.65                            | 848,846           | 0.63                            | 729,655           | 0.62                            |
| Jeju Bank                  | 8,143             | 0.38                            | 11,952            | 0.60                            | 13,120            | 0.74                            |
| Shinhan Card <sup>2)</sup> | 416,978           | 3.02                            | 448,866           | 3.71                            | 493,236           | 6.05                            |

|                               | Jun. 30, 2008     |                              | Mar. 31, 2008     |                              | Mar. 31, 2007     |                              |
|-------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
|                               | 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 (%) |
| GMSH Securities <sup>2)</sup> | 25,380            | 1.91                         | 27,738            | 2.35                         | 25,888            | 2.54                         |

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

2)



Under the guidelines of the FSC, every securities brokerage company and credit card company shall classify its loans into five categories: normal, precautionary, substandard, doubtful and estimated loss.

Under the Group's internal measures, non-performing loans of Good Morning Shinhan Securities, and Shinhan Card includes loans classified as substandard, doubtful, and estimated loss. 2006 figure for Shinhan Card is that of former LG Card.

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

(KRW million)

|                            |                     |          | Jan. 1, 2008~<br>Jun. 30, 2008 | Jan. 1, 2007~<br>Dec. 31, 2007 | Jan. 1, 2006~<br>Dec. 31, 2006 |
|----------------------------|---------------------|----------|--------------------------------|--------------------------------|--------------------------------|
| Shinhan Bank               | Loan Loss Allowance | Domestic | 2,393,040                      | 2,317,075                      | 1,911,843                      |
|                            |                     | Overseas | 81,954                         | 76,175                         | 59,758                         |
|                            |                     | Total    | 2,474,994                      | 2,393,250                      | 1,971,601                      |
|                            | Write-offs          |          | 100,727                        | 186,316                        | 160,636                        |
| Jeju Bank                  | Loan Loss Allowance | Domestic | 26,941                         | 31,849                         | 26,313                         |
|                            |                     | Overseas |                                |                                |                                |
|                            |                     | Total    | 26,941                         | 31,849                         | 26,313                         |
|                            | Write-offs          |          | 6,548                          | 7,188                          | 8,325                          |
| Shinhan Card <sup>1)</sup> | Loan Loss Allowance | Domestic | 890,208                        | 947,737                        | 1,031,823                      |
|                            |                     | Overseas |                                |                                |                                |
|                            |                     | Total    | 890,208                        | 947,737                        | 1,031,823                      |

|            |         |         |         |
|------------|---------|---------|---------|
| Write-offs | 270,200 | 430,535 | 535,622 |
|------------|---------|---------|---------|

- 1) 2006 figure for Shinhan Card is that of former LG Card.

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|                 |                     |                   | Apr. 1,<br>2008~<br>Jun 30,<br>2008 | Apr. 1,<br>2007~<br>Mar. 31,<br>2008 | Apr. 1,<br>2006~<br>Mar. 31,<br>2007 |
|-----------------|---------------------|-------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| GMSH Securities | Loan Loss Allowance | Domestic Overseas | 31,901                              | 33,005                               | 30,776                               |
|                 |                     | Total             | 31,901                              | 33,005                               | 30,776                               |
|                 | Write-offs          |                   |                                     | 983                                  | 1,117                                |

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

|   | 2008 1H | FY 2007     | FY 2006     |
|---|---------|-------------|-------------|
| Audit Opinion   |         | Unqualified | Unqualified |
| <b><i>Compensation to the Independent Auditor for Audit and Review Services</i></b> |         |             |             |

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

| Year       | Auditor                       | Payment<br>(KRW mil.) | Details   | Working<br>hours |
|------------|-------------------------------|-----------------------|---|------------------|
| 2008<br>1H | KPMG Samjong Accounting Corp. | 355<br>(annual)       | Review/Audit of Financial Statements  | 1,650 hours      |
|            | KPMG Samjong Accounting Corp. | 341                   | Review/Audit of Financial Statements  | 4,599 hours      |
| 2007       | KPMG Samjong Accounting Corp. | 399                   | Review of Financial Statements related to accounting treatment of LG Card acquisition | 2,755 hours      |
| 2006       | KPMG Samjong Accounting Corp. | 304                   | Review/Audit of Financial Statements  | 3,352 hours      |

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

## 1) Executive Directors

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

## 2) Non-Executive Directors

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

Our non-executive directors are as follows:

| Name              | Date of Birth  | Outside Director | Sub-Committees  | Service Term                         |
|-------------------|----------------|------------------|---|--------------------------------------|
| Sang Hoon Shin    | Jul. 1, 1948   | X                |   | 3 years starting from March 19, 2008 |
| Pyung Joo Kim     | Feb. 06, 1939  | O                | Risk Management Committee Chair<br>Board Steering Committee member<br>Compensation Committee member | 1 year starting from March 19, 2008  |
| Si Jong Kim       | Aug. 16, 1937  | O                |   | 1 year starting from March 19, 2008  |
| Young Woo Kim     | May 1, 1952    | O                | Audit Committee member  | 1 year starting from March 19, 2008  |
| Shee Yul Ryoo     | Sept. 5, 1938  | O                | Board Steering Committee member<br>Compensation Committee member                                    | 1 year starting from March 19, 2008  |
| Byung Hun Park    | Sept. 10, 1928 | O                | Board Steering Committee member   | 1 year starting from March 19, 2008  |
| Yong Woong Yang   | Aug. 4, 1948   | O                |   | 1 year starting from March 19, 2008  |
| Sung Bin Chun     | Jan. 21, 1953  | O                | Audit Committee Chair<br>Compensation Committee member  | 1 year starting from March 19, 2008  |
| Haeng Nam Chung   | Mar. 15, 1941  | O                |   | 1 year starting from March 19, 2008  |
| Young Hoon Choi   | Nov. 8, 1928   | O                |   | 1 year starting from March 19, 2008  |
| Philippe Reynieix | Jun. 24, 1949  | O                | Risk Management Committee member  | 1 year starting from March 19, 2008  |
| Bong Youn Cho     | Mar. 9, 1949   | O                | Compensation Committee member<br>Risk Management Committee member                                   |                                      |

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|               |              |   |  |                                     |
|---------------|--------------|---|--|-------------------------------------|
|               |              |   | Audit Committee member   | 1 year starting from March 19, 2008 |
| Young Sup Huh | Oct. 9, 1941 | O | Board Steering Committee member<br>Compensation Committee member |                                     |
|               |              |   | Audit Committee member   | 1 year starting from March 19, 2008 |

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

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## 3) Executive Officers

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

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

**Stock Options (as of Aug. 5, 2008)**

|                 | No. of<br>Granted Options<br>(A) | Number of Changes<br>No. of Exercised<br>Options<br>(B) | No. of Cancelled<br>Options<br>(C) | No. of Exercisable<br>Options<br>(D = A - B - C) | Exercise Price |
|-----------------|----------------------------------|---|------------------------------------|--|----------------|
| Granted in 2002 | 864,576                          | 864,576   |                                    |  | 18,910         |
| Granted in 2003 | 1,020,416                        | 677,584   | 11,600                             | 331,232  | 11,800         |
| Granted in 2004 | 1,258,923                        | 628,734   | 15,200                             | 614,989  | 21,595         |
| Granted in 2005 | 2,620,331                        | 163,624   | 251,300                            | 2,205,407  | 28,006         |
| Granted in 2006 | 3,296,200                        |   | 477,000                            | 2,819,200  | 38,829         |
| Granted in 2007 | 1,301,050                        |   | 123,500                            | 1,177,550  | 54,560         |
| Granted in 2008 | 808,700                          |   |                                    | 808,700  | 49,053         |
|                 | 11,170,196                       | 2,334,518   | 878,600                            | 7,957,078  |                |

Note) The weighted-average exercise price of outstanding exercisable options as of Aug. 5, 2008 is KRW 36,739.

**Employees**

(As of June 30, 2008)

|        | Number of<br>Employees | Average length of<br>Service | Total Salaries and<br>wages paid in 1H<br>2008<br>(KRW million) | Average<br>Payment<br>per person<br>(KRW million) |
|--------|------------------------|------------------------------|---|---|
| Male   | 81                     | 2 yrs 4 mths                 | 3,955   | 49  |
| Female | 13                     | 4 yrs 2 mths                 | 314   | 24  |
| Total  | 94                     | 3 years                      | 4,269   | 45  |



**Table of Contents****Directors and Officers Liability Insurance (for SFG and subsidiaries)**

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

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

**5. Largest Shareholder and Market Price Information of our Common Shares and ADRs****Largest Shareholder of Shinhan Financial Group as of June 30, 2008**

| Name  | No. of Common Shares | Ownership% |
|---|----------------------|------------|
| BNP Paribas Group<br><i>Common Share Traded on the Korea Exchange</i> | 33,682,104           | 8.50       |

(KRW, number of shares)

|                 | Jan. 2008  | Feb. 2008  | Mar. 2008  | Apr. 2008  | May 2008   | Jun. 2008  |
|-----------------|------------|------------|------------|------------|------------|------------|
| Price per share |            |            |            |            |            |            |
| High            | 52,000     | 52,400     | 52,500     | 57,900     | 58,900     | 51,300     |
| Low             | 45,150     | 47,800     | 47,000     | 53,100     | 49,300     | 41,500     |
| Trading Volume  | 42,528,189 | 21,419,344 | 31,660,183 | 35,766,669 | 41,348,852 | 84,932,657 |

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

|                 | Jan. 2008 | Feb. 2008 | Mar. 2008 | Apr. 2008 | May 2008 | Jun. 2008 |
|-----------------|-----------|-----------|-----------|-----------|----------|-----------|
| Price per share |           |           |           |           |          |           |
| High            | 109.65    | 113.45    | 106.90    | 116.47    | 118.35   | 99.04     |
| Low             | 93.51     | 101.27    | 90.97     | 108.60    | 94.29    | 86.79     |
| Trading Volume  | 1,010,300 | 631,500   | 726,500   | 634,400   | 585,700  | 627,500   |

\*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 | Beginning Balance | Increase | Decrease | Ending Balance |
|-----------------|-------------|------------------|---------------|--------------|--------------|-------------------|----------|----------|----------------|
| Shinhan Card    | Loan in KRW | 2003-04-23       | 2009-04-23    | 5.47%        | 6.28%        | 1,000             |          |          | 1,000          |
| Shinhan Capital | Loan in KRW | 2003-06-24       | 2008-06-24    | 5.69%        | 5.95%        | 300               |          | 300      |                |
| Shinhan Capital | Loan in KRW | 2003-07-24       | 2008-07-24    | 5.87%        | 6.13%        | 200               |          |          | 200            |
| Shinhan Capital | Loan in KRW | 2004-03-24       | 2009-03-24    | 5.11%        | 5.93%        | 200               |          |          | 200            |
| Shinhan Capital | Loan in KRW | 2004-06-25       | 2009-06-25    | 4.93%        | 5.22%        | 500               |          | 0        | 500            |
| Shinhan Capital | Loan in KRW | 2005-01-31       | 2008-01-31    | 4.21%        | 4.58%        | 300               |          | 300      |                |
| GMSH Securities | Loan in KRW | 2005-01-31       | 2010-07-31    | 4.59%        | 5.25%        | 700               |          | 0        | 700            |
| Shinhan Card    | Loan in KRW | 2005-03-18       | 2008-03-18    | 4.23%        | 4.54%        | 500               |          | 500      |                |
| Shinhan Capital | Loan in KRW | 2005-05-09       | 2008-05-09    | 3.99%        | 4.33%        | 500               |          | 500      |                |
| Shinhan Capital | Loan in KRW | 2005-12-16       | 2008-12-16    | 5.34%        | 5.67%        | 400               |          |          | 400            |
| Shinhan Card    | Loan in KRW | 2006-01-24       | 2009-01-24    | 5.24%        | 5.41%        | 500               |          |          | 500            |
| Shinhan Capital | Loan in KRW | 2006-01-24       | 2009-01-24    | 5.24%        | 5.41%        | 500               |          |          | 500            |
| Shinhan Card    | Loan in KRW | 2006-02-27       | 2009-02-27    | 5.07%        | 5.23%        | 1,000             |          | 700      | 300            |
| Shinhan Capital | Loan in KRW | 2006-02-27       | 2009-02-27    | 5.07%        | 5.23%        |                   | 700      |          | 700            |
|                 |             | 2006-04-24       | 2009-04-24    | 5.09%        | 5.22%        | 1,000             |          | 0        | 1,000          |

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|                 |             |            |            |       |       |       |       |       |
|-----------------|-------------|------------|------------|-------|-------|-------|-------|-------|
| Shinhan Capital | Loan in KRW |            |            |       |       |       |       |       |
| GMSH Securities | Loan in KRW | 2006-07-31 | 2012-01-31 | 5.16% | 5.64% | 1,000 | 0     | 1,000 |
| Shinhan Capital | Loan in KRW | 2006-09-26 | 2011-09-26 | 4.91% | 4.99% | 500   | 0     | 500   |
| Shinhan Capital | Loan in KRW | 2007-03-23 | 2012-03-23 | 5.28% | 5.48% | 500   | 0     | 500   |
| Shinhan Capital | Loan in KRW | 2007-04-13 | 2010-04-13 | 5.24% | 5.38% | 500   | 0     | 500   |
| Shinhan Capital | Loan in KRW | 2007-06-08 | 2012-06-08 | 5.54% | 5.95% | 500   | 0     | 500   |
| Shinhan Capital | Loan in KRW | 2007-09-27 | 2010-09-27 | 5.91% | 6.05% | 1,000 | 0     | 1,000 |
| Shinhan Capital | Loan in KRW | 2007-11-27 | 2010-11-27 | 6.24% | 6.37% | 500   | 0     | 500   |
| Shinhan Card    | Loan in KRW | 2007-11-27 | 2012-11-27 | 6.33% | 6.41% | 1,000 | 0     | 1,000 |
| Shinhan Capital | Loan in KRW | 2007-12-18 | 2010-12-18 | 6.69% | 6.83% | 500   | 0     | 500   |
| Shinhan Card    | Loan in KRW | 2007-12-18 | 2012-12-18 | 6.78% | 6.86% | 500   | 0     | 500   |
| Shinhan PE      | Loan in KRW | 2007-06-28 | 2008-06-27 | 5.31% | 5.51% | 50    | 50    |       |
| Shinhan Card    | Loan in KRW | 2008-01-23 | 2011-01-23 | 6.46% | 6.60% |       | 1,000 | 1,000 |
| Shinhan Capital | Loan in KRW | 2008-01-23 | 2011-01-23 | 6.46% | 6.60% | 500   |       | 500   |
| Shinhan Capital | Loan in KRW | 2008-01-23 | 2013-01-23 | 6.51% | 6.60% | 500   |       | 500   |
| Shinhan Card    | Loan in KRW | 2008-02-21 | 2011-02-21 | 5.51% | 5.66% |       | 1,500 | 1,500 |
| Shinhan Card    | Loan in KRW | 2008-03-12 | 2011-03-12 | 5.71% | 5.84% |       | 2,000 | 2,000 |

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|                        |             |            |            |       |       |        |       |       |        |
|------------------------|-------------|------------|------------|-------|-------|--------|-------|-------|--------|
| Shinhan Capital        | Loan in KRW | 2008-03-12 | 2011-03-12 | 5.71% | 5.84% |        | 500   |       | 500    |
| Shinhan Card           | Loan in KRW | 2008-06-27 | 2011-06-27 | 6.41% | 6.53% |        | 2,000 |       | 2,000  |
| Shinhan Private Equity | Loan in KRW | 2008-06-27 | 2009-06-26 | 5.98% | 5.98% |        | 50    |       | 50     |
| Total                  |             |            |            |       |       | 14,150 | 8,750 | 2,350 | 20,550 |

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**Table of Contents**

**Exhibit 99-1** Independent Accountant's Review Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of June 30, 2008

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SHINHAN FINANCIAL GROUP CO., LTD.

By /s/ Buhmsoo Choi

Name: Buhmsoo Choi

Title: Chief Financial Officer

Date : Aug. 14, 2008