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SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

November 19, 2004

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 2004

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 2004 3RD QUARTER BUSINESS REPORT

On November 12, 2004, Shinhan Financial Group ("SFG") filed the 2004 3rd Quarter 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 1. Independent Accountant's Review Report (Non Consolidated Financial Statements)

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1. INTRODUCTION OF THE GROUP

COMPANY HISTORY

- May 2000 Establishment of the Shinhan Financial Group announced.
- Oct. 2000 Secretariat for the incorporation of SFG established
- Jun. 2001 BOD of Shinhan Bank, Shinhan Securities, Shinhan Capital and Shinhan ITM approved a transition to the holding company structure / Signed a strategic alliance MOU with BNP Paribas
- Jul. 2001 Preliminary license granted
- Aug. 2001 Shareholders' Meeting of Shinhan Bank, Shinhan Securities, Shinhan Capital and Shinhan ITM approved stock transfer
- Aug. 2001 Official license granted
- Sep. 2001 Registered SFG incorporation (Capital stock: KRW 1.4617 trillion) / e-Shinhan and Shinhan Macquarie Financial Advisory co. became subsidiaries of the SFG
- Dec. 2001 Signed the strategic alliance agreement with BNP Paribas
- Apr. 2002 Announced the acquisition of the Good Morning Securities / Established an Integration Committee to coordinate the merger between Shinhan Securities and Good Morning Securities
- May 2002 Jeju Bank included as SFG subsidiary
- Jun. 2002 Credit card division of Shinhan Bank was spun off and established as a wholly-owned subsidiary, Shinhan Card.
- Jul. 2002 Incorporated Shinhan Credit Information Co.,Ltd
- Aug. 2002 Good Morning-Shinhan Securities launched and subsequently included as SFG subsidiary
- Aug. 2002 Signed a strategic alliance agreement with BNP Paribas for investment trust business
- Aug. 2002 Shinhan Credit Information included as SFG subsidiary
- Sep. 2002 Sold 50%-1 shares of Shinhan ITMC to BNP Paribas Asset Management Group / Shinhan-BNP Paribas ITMC launched
- Oct. 2002 SH&C Life Insurance, a bancassurance joint venture

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incorporated and included as the Group subsidiary

- Jun. 2003 Sold 49% equity share of Shinhan Credit Information to Lone Star Fund
- Aug. 2003 Acquired 80.04% equity ownership of Chohung Bank(CHB) from the Korea Deposit Insurance Corporation
- Sep. 2003 SFG's inclusion of CHB as its subsidiary officially granted

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- Sep. 2003 Registered with the U.S. Securities Exchange Commission and listed on the New York Stock Exchange
- Nov. 2003 Acquired a bank holding company license in the US market from the Federal Reserve Board
- Dec. 2003 Additional Capital injection into CHB (KRW 200billion)
- Mar. 2004 Shinhan Bank sold out 29,873,359 common shares (Common Shares) or 10.15% of Shinhan Financial Group through the block trading before market opens (The Common Shares used to be recognized as treasury shares in our consolidated financial statements)
- Apr. 2004 Decided to acquire the minority common shares (135,548,285 or 18.85% of total common shares) of CHB by the end of June 2004 through the small-scale share swap
 - * Exchange ratio: 1 SFG common share = 0.1354 CHB common share
- Apr. 2004 Provided a tender offer for the 20% or 27,109,657 shares of the Chohung minority shares before the share swap
 - * Tender offer price : KRW 3,500 per share
 - * Tender offer period: April 26, 2004 ~ May 17, 2004
- Apr. 2004 Terminated the joint venture in the credit information business and bought back Lone Star's 49% ownership in Shinhan Credit Information.
- Jun. 2004 Small-scale share swap with CHB completed
- July 2004 Delisting of CHB from the Korea Stock Exchange
- Sep. 2004 Decided to acquire the minority common and preferred shares of Good Morning Shinhan Securities by the end of December 2004 through the small-scale share swap and tender offer

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PRINCIPAL SUBSIDIARIES UNDER KOREAN LAW AS OF SEPTEMBER 30, 2004

DIRECT SUBSIDIARIES

Subsidiaries

Ownerships by SFG

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| | |
|------------------------------------|-----------|
| Shinhan Bank | 100.0% |
| Chohung Bank | 100.0% |
| Good Morning Shinhan Securities 1) | 59.02% 2) |
| Shinhan Card | 100.0% |
| Shinhan Capital | 100.0% |
| Shinhan BNP Paribas ITMC | 50.0% |
| Jeju Bank 1) | 62.4% |
| SH&C life Insurance | 50.0% |
| e-Shinhan | 73.7% |
| Shinhan Macquarie | 51.0% |
| Shinhan Credit Information 3) | 100.0% |

1. Good Morning Shinhan Securities, and Jeju Bank are listed on the Korea Stock Exchange.
2. Represents our ownership percentage of voting equity securities of Good Morning Shinhan Securities. Currently, both common and preferred stock of Good Morning Shinhan Securities have voting rights. We own 60.5% of common stock of Good Morning Shinhan Securities as of September 30, 2004.
3. On April 29, 2004 we decided to buy back Lone Star's 49 % ownership in Shinhan Credit Information. With this transaction our equity ownership of Shinhan Credit Information increased to 100%.

INDIRECT SUBSIDIARIES HELD THROUGH DIRECT SUBSIDIARIES

| Direct Subsidiaries | Indirect Subsidiaries | Ownerships b the Parent |
|---------------------------------|--|----------------------------|
| Shinhan Bank | Shinhan Data System | 100.0% |
| | Shinhan Finance | 100.0% |
| Chohung Bank | Chohung ITM | 79.8% |
| | Chohung Finance | 100.0% |
| | CHB America Bank | 100.0% |
| | Chohung Bank GmbH | 100.0% |
| | Chohung Vina Bank | 50.0% |
| | CHB Valuemeet 2001 year 1st Securitization | 50.0% |
| | CHB Valuemeet 2001 year 2nd Securitization | 50.0% |
| | CHB Valuemeet 2002 year 1st Securitization | 50.0% |
| Good Morning Shinhan Securities | Good Morning Shinhan Securities Europe | 100.0% |
| | Good Morning Shinhan Securities USA | 100.0% |

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CAPITALIZATION

The table below sets forth the changes to the number of issued and outstanding shares of the Group since its incorporation on September 1, 2001.

| Date of | Purpose of | Types of | Number of shares | Par Value | Subscription price per | T |
|---------|------------|----------|---------------------|--------------|---------------------------|---|
|---------|------------|----------|---------------------|--------------|---------------------------|---|

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| issuance ----- | issuance ----- | shares ----- | issued ----- | (KRW) ----- | share ----- | |
|-------------------|----------------------|------------------|-----------------|----------------|----------------|------|
| 2001.Sept.01 | Incorporation | Common Shares | 292,344,192 | 5,000 | 11,761 | 1,46 |
| 2002.Jun.06 | Share Exchange (1) | Common Shares | 15,891 | 5,000 | - | 1,46 |
| 2002.Oct.01 | Share Exchange (1) | Common Shares | 786 | 5,000 | - | 1,46 |
| 2002.Dec.31 | Share Exchange (1) | Common Shares | 256 | 5,000 | - | 1,46 |
| 2003.Aug.19 | Cash Subscription(2) | Preferred Shares | 6,000,000 | 5,000 | 150,000 | 1,49 |
| 2003.Aug.19 | Share Exchange (3) | Preferred Shares | 46,583,961 | 5,000 | 18,086 | 1,72 |
| 2003.Aug.19 | Share Exchange (4) | Preferred Shares | 44,720,603 | 5,000 | 18,086 | 1,94 |
| 2003.Sept.26 | Cash Subscription(5) | Common Shares | 1,864,065 | 5,000 | 14,832 | 1,95 |
| 2003.Oct.01 | Share Exchange (1) | Common Shares | 11,626 | 5,000 | - | 1,95 |
| 2003.Dec.31 | Share Exchange (1) | Common Shares | 164,484 | 5,000 | - | 1,95 |
| 2004.Jun.22 | Share Exchange (6) | Common Shares | 14,682,590 | 5,000 | - | 2,03 |

1. Issued in exchange for Shinhan Bank's common shares which were issued as a result of an exercise of warrants by the holders of bonds with warrants.
2. Redeemable preferred shares issued to a third party to raise cash for the Group's purchase of Chohung Bank shares which were held by Korean Deposit Insurance Corporation.
3. Redeemable preferred shares issued as consideration for the Group's purchase of Chohung Bank shares which were held by Korea Deposit Insurance Corporation.
4. Redeemable convertible preferred shares issued as consideration for the Group's purchase of Chohung Bank shares which were held by Korea Deposit Insurance Corporation.
5. BNP Paribas Luxembourg subscribed for 1,864,065 shares of the Group's common stock to maintain its 4% equity ownership on a fully diluted basis taking into account the full conversion of the 44,720,603 shares of redeemable convertible preferred shares issued by the Group to Korea Deposit Insurance Corporation.
6. On June 22, 2004, we issued 14,682,590 of common shares in exchange for Chohung Bank's 108,438,628 common shares. With the small-scale share swap, our equity ownership in Chohung Bank increased from 84.95% to 100.00%.

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NUMBER OF SHARES BY TYPE

The table below sets forth the number of the issued and outstanding shares of the Group as of September 30, 2004.

| Types of Shares ----- | Number of Shares ----- | Total amount of par value ----- |
|---|---------------------------|---------------------------------------|
| Common Shares | 309,083,890 | 1,545,419,450,000 |
| Redeemable Preferred Shares | 52,583,961 | 262,919,805,000 |
| Redeemable Convertible Preferred Shares | 44,720,603 | 223,603,015,000 |
| | ----- | ----- |
| Total | 406,388,454 | 2,031,942,270,000 |
| | ----- | ----- |

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TREASURY STOCK

On June 22, 2004, during the small-scale share swap with Chohung Bank, 18,979 fractional shares were issued because the share swap ratio was 0.1354, which means that one common share of Chohung Bank was exchanged into 0.1354 common share of SFG. On July 7, 2004, we acquired all of the 18,979 fractional shares as treasury stock and paid KRW 17,000 per share to each relevant shareholders of Chohung Bank. The share price was determined by the closing price of July 2, 2004 when our newly issued shares were listed on the Korea Stock Exchange. All of the 18,979 shares of treasury stock were resold on September 24, 2004 with resale price of KRW 20,100 per share.

STOCK OPTIONS

| Grant date | Name of the Guarantee | Number of Granted Option (1) | Number of Exercised option | Number of Exercisable option | Exercise Price (KRW) | Positions |
|------------|---|------------------------------------|----------------------------------|------------------------------------|----------------------------|-------------|
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 22-May-02 | Ra, Eung-Chan | 94,416 | - | 94,416 | 18,910 | Shinhan Fin |
| 22-May-02 | Choi, Young Hwi | 47,208 | - | 47,208 | 18,910 | Shinhan Fin |
| 22-May-02 | Shin, Sang Hoon | 28,325 | - | 28,325 | 18,910 | Shinhan Fin |
| 22-May-02 | Choi, Bhang-Gil | 18,883 | - | 18,883 | 18,910 | Shinhan Fin |
| 22-May-02 | Lee, In-Ho | 32,162 | - | 32,162 | 18,910 | Shinhan Ban |
| 22-May-02 | Moon, Hong Soon | 17,426 | - | 17,426 | 18,910 | Shinhan Ban |
| 22-May-02 | Lee, Jae Woo | 18,873 | - | 18,873 | 18,910 | Shinhan Ban |
| 22-May-02 | Huh, Joong Ok | 15,564 | - | 15,564 | 18,910 | Shinhan Ban |
| 22-May-02 | Kim, Sahng-Dae | 18,873 | - | 18,873 | 18,910 | Shinhan Ban |
| 22-May-02 | Youn, Gwang Lim | 18,873 | - | 18,873 | 18,910 | Shinhan Ban |
| 22-May-02 | Oh, Young-Kook | 8,041 | - | 8,041 | 18,910 | Shinhan Ban |
| 22-May-02 | Nam, Kee Do | 8,041 | - | 8,041 | 18,910 | Shinhan Ban |
| 22-May-02 | Jang, Myoung-Kee | 14,918 | - | 14,918 | 18,910 | Shinhan Ban |
| 22-May-02 | Shin, Christoper | 11,673 | - | 11,673 | 18,910 | Shinhan Ban |
| 22-May-02 | Lee, Dae Woon | 11,673 | - | 11,673 | 18,910 | Shinhan Ban |
| 22-May-02 | Lee, Dong Girl | 26,953 | - | 26,953 | 18,910 | Shinhan Cap |
| 22-May-02 | Jung, Yun Kang | 7,409 | - | 7,409 | 18,910 | Shinhan Cap |
| 22-May-02 | Son, Woong Man | 3,828 | - | 3,828 | 18,910 | Shinhan Cap |
| 22-May-02 | Hwang, Jung Hun | 3,828 | - | 3,828 | 18,910 | Shinhan Cap |
| 22-May-02 | Song, Byung Kuk and other 6 officers | 13,325 | - | 13,325 | 18,910 | Shinhan Fin |
| 22-May-02 | Kim, Duk Jung and other 329 officers | 449,929 | - | 449,929 | 18,910 | |
| 15-May-03 | Ra, Eung-Chan | 100,000 | - | 100,000 | 11,800 | Shinhan Fin |

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| Grant date | Name of the Guarantee | Number of Granted Option (1) | Number of Exercised option | Number of Exercisable option | Exercise Price (KRW) | Positions |
|------------|-----------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------|-------------|
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 15-May-03 | Choi, Young Hwi | 90,000 | - | 90,000 | 11,800 | Shinhan Fin |
| 15-May-03 | Choi, Bhang-Gil | 20,000 | - | 20,000 | 11,800 | Shinhan Fin |
| 15-May-03 | Han, Min Ky | 20,000 | - | 20,000 | 11,800 | Shinhan Fin |
| 15-May-03 | Song, Youn Soo | 20,000 | - | 20,000 | 11,800 | Shinhan Fin |

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| | | | | | | |
|-----------|---|---------|---|---------|--------|-------------|
| 15-May-03 | Shin, Sang Hoon | 80,000 | - | 80,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Moon, Hong Soon | 20,000 | - | 20,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Lee, Jae Woo | 20,000 | - | 20,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Huh, Joong Ok | 20,000 | - | 20,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Kim, Sahng-Dae | 20,000 | - | 20,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Youn, Gwang Lim | 20,000 | - | 20,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Cho, Woo Seop | 20,000 | - | 20,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Kim, Hee Soo | 20,000 | - | 20,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Han, Do Heui | 20,000 | - | 20,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Shin, Christoper | 15,000 | - | 15,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Lee, Dae Woon | 15,000 | - | 15,000 | 11,800 | Shinhan Ban |
| 15-May-03 | Hong Sung Kyun | 30,000 | - | 30,000 | 11,800 | Shinhan Car |
| 15-May-03 | Lee Tae Kyu | 10,000 | - | 10,000 | 11,800 | Shinhan Car |
| 15-May-03 | Kim Seong Won | 10,000 | - | 10,000 | 11,800 | Shinhan Car |
| 15-May-03 | Shim, Woo Yeob | 10,000 | - | 10,000 | 11,800 | Shinhan Car |
| 15-May-03 | Lee, Dong Girl | 30,000 | - | 30,000 | 11,800 | Shinhan Cap |
| 15-May-03 | Jung, Yun Kang | 10,000 | - | 10,000 | 11,800 | Shinhan Cap |
| 15-May-03 | Jang, Myoung-Kee | 10,000 | - | 10,000 | 11,800 | Shinhan Cap |
| 15-May-03 | Shim, Beom Seong | 10,000 | - | 10,000 | 11,800 | Shinhan Cre |
| 15-May-03 | Song, Byung Kuk and other 7 officers | 14,600 | - | 14,600 | 11,800 | Shinhan Fin |
| 15-May-03 | Seo, Jin Won and other 339 officers | 501,700 | - | 501,700 | 11,800 | |
| 25-Mar-04 | Ra, Eung Chan | 100,000 | - | 100,000 | 21,595 | Shinhan Fin |
| 25-Mar-04 | Choi, Young Hwi | 90,000 | - | 90,000 | 21,595 | Shinhan Fin |
| 25-Mar-04 | Choi, Bhang Gil | 30,000 | - | 30,000 | 21,595 | Shinhan Fin |
| 25-Mar-04 | Hong, Chil Sun | 20,000 | - | 20,000 | 21,595 | Shinhan Fin |
| 25-Mar-04 | Kim, Hee Soo | 20,000 | - | 20,000 | 21,595 | Shinhan Fin |
| 25-Mar-04 | Cho, Byung Jae | 20,000 | - | 20,000 | 21,595 | Shinhan Fin |
| 25-Mar-04 | Lee, Baek Soon | 20,000 | - | 20,000 | 21,595 | Shinhan Fin |
| 25-Mar-04 | Shin, Sang Hoon | 80,000 | - | 80,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Cho, Jae Ho | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Lee, Jae Woo | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Youn, Gwang Lim | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Cho, Woo Sup | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Han, Min Ky | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Song, Youn Soo | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Han, Do Heui | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Suh, Jin Won | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Yang, Shin Keun | 20,000 | - | 20,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Oh, Sang Young | 15,000 | - | 15,000 | 21,595 | Shinhan Ban |
| 25-Mar-04 | Hong, Sung Kyun | 30,000 | - | 30,000 | 21,595 | Shinhan Car |
| 25-Mar-04 | Lee, Tae Gyu | 10,000 | - | 10,000 | 21,595 | Shinhan Car |
| 25-Mar-04 | Kim, Seong Won | 10,000 | - | 10,000 | 21,595 | Shinhan Car |
| 25-Mar-04 | Shim, Woo Yeop | 10,000 | - | 10,000 | 21,595 | Shinhan Car |
| 25-Mar-04 | Kim, Moon Han | 10,000 | - | 10,000 | 21,595 | Shinhan Car |
| 25-Mar-04 | Lee, Dong Girl | 30,000 | - | 30,000 | 21,595 | Shinhan Cap |
| 25-Mar-04 | Kim, Sahng Dae | 10,000 | - | 10,000 | 21,595 | Shinhan Cap |
| 25-Mar-04 | Oh, Seung Keun | 10,000 | - | 10,000 | 21,595 | Shinhan Cap |

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| Grant date | Name of the Guarantee | Number of Granted Option (1) | Number of Exercised option | Number of Exercisable option | Exercise Price (KRW) | Positions |
|------------|-----------------------|------------------------------|----------------------------|------------------------------|----------------------|-------------|
| 25-Mar-04 | Shim, Beom Seong | 10,000 | - | 10,000 | 21,595 | Shinhan Cre |

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| | | | | | | |
|-----------|---|--------------------------|---|-----------|--------|-------------|
| 25-Mar-04 | Song, Byung Kuk and other 7 officers | 13,900 | - | 13,900 | 21,595 | Shinhan Fin |
| 25-Mar-04 | Kam, Hong Gon and other 400 officer | 582,700 | - | 582,700 | 21,595 | |
| | TOTAL | 417 persons 3,328,121 | - | 3,328,121 | - | |

1) Number of options granted on May 22, 2002 was adjusted to the current number on May 21 2004 as terms of the exercise condition were finalized. For more detailed information, please refer to our Form 6-Ks filed on May 24, 2004 and June 4, 2004.

* The stock options granted in 2002 and 2003 are exercisable during the 4 year period after the second anniversary from the grant date. The stock options granted in 2004 are exercisable during 3 year period after the second anniversary from the grant date.

EMPLOYEE STOCK OWNERSHIP ASSOCIATION

| TYPE OF STOCK | BEGINNING BALANCE (AS OF JANUARY 1ST 2004) | INCREASE | DECREASE (2) | ENDING BALANCE (AS OF SEP. 30, 2004 (1)) |
|---------------|---|----------|--------------|---|
| Common Stock | 357,888 | 292,655 | -241 | 650,302 |

- 1) Shinhan Capital participated in the employee stock ownership plan in May 2004. Therefore, the ending balance as of September 30, 2004 consists of as follows; 10,370 shares for Shinhan Financial Group, 633,085 shares for Shinhan Bank, and 6,847 shares for Shinhan Capital.
- 2) The decrease is due to the retirement of 2 employees of Shinhan Bank under the age limit.

2. BUSINESS RESULTS

OPERATIONAL RESULTS

| | 2004 (Jan.1~Sep.30) | 2003 (Jan.1~Dec.31) | 2002 (Jan.1~Dec.31) |
|---|------------------------|------------------------|------------------------|
| OPERATING REVENUE | 910,923 | 617,147 | 645,367 |
| GAIN USING THE EQUITY METHOD OF ACCOUNTING | 822,981 | 519,360 | 620,697 |
| INTEREST INCOME | 87,942 | 97,787 | 24,670 |
| OPERATING EXPENSE | 117,063 | 252,199 | 43,147 |
| LOSS USING THE EQUITY METHOD OF ACCOUNTING | 1,530 | 130,719 | 2,007 |
| OPERATING INCOME | 793,860 | 364,948 | 602,220 |

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SOURCE AND USE OF FUNDS

SOURCE OF FUNDS

| | (in millions of Korean | | | | | |
|----------------------|------------------------|--------------|------------------------|--------------|------------------------|---|
| | 2004 | | 2003 | | 2002 | |
| | (Jan.1~Sep.30) | | (Jan.1~Dec.31) | | (Jan.1~Dec.31) | |
| | Average Balance (1) | Ratio (%) | Average Balance (1) | Ratio (%) | Average Balance (1) | R |
| Stockholders' Equity | 6,526,300 | 73.18 | 4,768,492 | 73.82 | 3,877,215 | |
| Capital Stock | 1,995,236 | 22.37 | 1,660,319 | 25.70 | 1,461,770 | |
| Capital Surplus | 3,427,175 | 38.43 | 2,512,502 | 38.89 | 1,976,637 | |
| Retained Earnings | 1,010,820 | 11.33 | 692,409 | 10.72 | 379,170 | |
| Capital Adjustment | 93,069 | 1.04 | (96,738) | (1.50) | 59,638 | |
| Borrowings | 2,391,545 | 26.82 | 1,691,375 | 26.18 | 457,359 | |
| Debentures | 2,035,245 | 22.82 | 1,434,951 | 22.21 | 359,240 | |
| Other liabilities | 356,300 | 4.00 | 256,424 | 3.97 | 98,119 | |
| Total | 8,917,845 | 100.00 | 6,459,867 | 100.00 | 4,334,574 | 1 |

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

USE OF FUNDS

| | (in millions | | | | | |
|------------------------------------|------------------------|--------------|------------------------|--------------|-----------------|--|
| | 2004 | | 2003 | | (Ja | |
| | (Jan.1~Sep.30) | | (Jan.1~Dec.31) | | (Ja | |
| | Average Balance (1) | Ratio (%) | Average Balance (1) | Ratio (%) | Avera Balanc | |
| Investments on equity stock | 6,812,804 | 76.40 | 5,882,011 | 77.81 | 3,874, | |
| Shinhan Bank | 3,605,688 | 40.43 | 3,139,126 | 41.53 | 3,134, | |
| Chohung Bank (2) | 2,292,080 | 25.70 | 1,831,964 | 24.24 | | |
| Good Morning Shinhan Securities(3) | 551,839 | 6.19 | 537,265 | 7.11 | 447, | |
| Shinhan Card | 160,796 | 1.80 | 191,094 | 2.53 | 149, | |
| Shinhan Capital | 110,337 | 1.24 | 95,384 | 1.26 | 71, | |
| Shinhan BNP Paribas | 22,342 | 0.25 | 22,109 | 0.29 | 39, | |
| E-Shinhan | 2,550 | 0.03 | 3,331 | 0.04 | 4, | |
| Shinhan Macquarie | 1,174 | 0.01 | 578 | 0.01 | | |
| Jeju Bank | 48,513 | 0.54 | 44,783 | 0.59 | 23, | |
| Shinhan Credit Information | 4,070 | 0.05 | 2,392 | 0.03 | 1, | |
| SH&C Life Insurance | 13,415 | 0.15 | 13,985 | 0.19 | 2, | |
| Investment on Bonds | - | 0.00 | 905 | 0.01 | 1, | |
| Loans | 2,004,746 | 22.48 | 1,618,091 | 21.41 | 390, | |
| Fixed Assets | 1,559 | 0.02 | 1,434 | 0.02 | 1, | |
| Intangible Assets | 381 | 0.00 | 471 | 0.01 | | |
| Cash Deposit in bank | 61,426 | 0.69 | 25,326 | 0.34 | 57, | |
| Other Assets | 36,932 | 0.41 | 30,808 | 0.41 | 10, | |
| Total | 8,917,848 | 100.00 | 7,559,046 | 100.00 | 4,334, | |

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1. The Average Balance was calculated by averaging the ending balance of each quarter.
2. The Average Balance of Good Morning Shinhan Securities for 2002 is the sum of the pre-merger balances of Shinhan Securities and Good Morning Securities.

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OTHER FINANCIAL INFORMATION

REQUISITE CAPITAL RATIO

| | (in millions of Korean Won) | | |
|--|-----------------------------|-----------|-----------|
| | 3rd Quarter of 2004 | 2003 (2) | 2002 |
| | ----- | ----- | ----- |
| Aggregate Amount of Equity Capital (A) | 10,129,151 | 8,847,673 | 4,842,795 |
| Requisite Capital (B) | 7,857,715 | 7,472,030 | 3,698,754 |
| Requisite Capital Ratio (A/B) (1) | 128.91% | 118.41% | 130.93% |

1. Under the guidelines issued by the Financial Supervisory Commission applicable to financial holding companies, we, at the holding company level, are required to maintain a minimum requisite capital ratio of 100%.
2. The numbers for the 3rd Quarter of 2004 are provisional and are subject to change.

WON LIQUIDITY RATIO

| | (in millions of Korean Won) | | |
|---|-----------------------------|---------|---------|
| | 3rd Quarter of 2004 | 2003 | 2002 |
| | ----- | ----- | ----- |
| Won Assets due within 3 months (A) | 223,899 | 16,687 | 14,945 |
| Won Liabilities due within 3 months (B) | 219,011 | 15,504 | 6,480 |
| Won Liquidity Ratio (A/B) (1) | 102.23% | 107.63% | 230.63% |

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

LIABILITIES TO EQUITY RATIO

| | (in millions of Korean Won) | | |
|--|-----------------------------|------|------|
| | 3rd Quarter of 2004 | 2003 | 2002 |

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| | ----- | ---- | ---- |
|-----------------------------------|-----------|-----------|-----------|
| Liabilities (A) | 2,474,612 | 2,176,875 | 774,759 |
| Adjusted Equity (B) (1) | 6,963,049 | 6,117,555 | 4,010,220 |
| Liabilities to Equity Ratio (A/B) | 35.54% | 35.58% | 19.32% |

1. Adjusted Equity was calculated by subtracting the amount of intangible assets from total net assets.

CAPITAL ADEQUACY RATIO AND OTHER RATIOS OF CERTAIN SUBSIDIARIES

1) Total Capital Adequacy Ratio (%)

| | 3rd Quarter of | | |
|--------------|----------------|-------|-------|
| | 2004 | 2003 | 2002 |
| | ---- | ---- | ---- |
| Shinhan Bank | 11.60 | 10.49 | 10.91 |
| Chohung Bank | 8.94 | 8.87 | 8.66 |
| Jeju Bank | 10.50 | 10.96 | 11.71 |

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* The Total Capital Adequacy Ratios are computed in accordance with the guidelines issued by the Financial Supervisory Commission for commercial banks. Under these guidelines, commercial banks are required to maintain a minimum capital adequacy ratio of 8%.

* The numbers for the 3rd Quarter of 2004 are provisional and are subject to change.

2) Net Capital Ratio

| | Sep.30 2004 | Mar.31 2004 | Mar.31 2003 |
|---------------------------------|-------------|-------------|-------------|
| | ----- | ----- | ----- |
| Good Morning Shinhan Securities | 445.37% | 480.7% | 412.6% |

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

3) Adjusted Equity Capital Ratio

| | 3rd Quarter of 2004 | 2003 | 2002 |
|--------------|---------------------|--------|--------|
| | ----- | ---- | ---- |
| Shinhan Card | 14.48% | 13.78% | 10.86% |

*The Adjusted Equity Capital Ratio represents the ratio of total adjusted

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shareholder's equity to total adjusted assets and is computed in accordance with the guidelines issued by the Financial Supervisory Commission for credit card companies. Under these guidelines, Shinhan Card is required to maintain a minimum adjusted equity capital ratio of 8%.

4) Non Performing Loans

| | Sep. 30. 2004 | | Dec.31. 2003 (March 31,2004 for GMS Securities) | | (in 100 milli Dec (March Se |
|--------------------|-------------------|---------------------------|--|---------------------------|--------------------------------------|
| | Balance of NPL | NPL to total Loans (%) | Balance of NPL | NPL to total Loans (%) | Balance o NPL |
| Shinhan Bank 1) | 4,764 | 0.89 | 3,985 | 0.82 | 2,983 |
| Chohung Bank 1) | 13,091 | 2.99 | 18,796 | 4.19 | 19,811 |
| Jeju Bank 1) | 508 | 3.93 | 298 | 2.27 | 238 |
| G.MS Securities 2) | 324 | 13.59 | 382 | 13.48 | 410 |
| Shinhan Card 3) | 468 | 5.40 | 747 | 6.34 | 714 |

1. Non-performing loans of banks are defined as those loans are past due more than 90 days or those are placed on non-accrual status according to the guidelines of the Financial Supervisory Service.
2. Under the guidelines of the Financial Supervisory Service, every securities company shall classify its loans into five categories: "normal", "precautionary", "substandard", "doubtful", and "estimated loss". Under the Group's internal measures, non-

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performing loans of Good Morning Shinhan Securities includes loans classified as "substandard", "doubtful", and "estimated loss."

3. Under the guidelines of the Financial Supervisory Service, every credit card company shall classify its loans into five categories: "normal", "precautionary", "substandard", "doubtful", and "estimated loss. Under the Group's internal measures, non-performing loans of Shinhan Card includes loans classified as "substandard", "doubtful", and "estimated loss."

5) Loan Loss Allowances & Write-offs for the period

| | | | (in 100 millions of Korean Won) | | |
|--------------|-----------|----------|---------------------------------|-------------------------------|-----------------------------|
| | | | Jan.1,2004~ Sep.30, 2004 | Jan. 1, 2003~ Dec.31, 2003 | Jan.1,2002~ Dec.31, 2002 |
| Shinhan Bank | Loan Loss | Domestic | 7,520 | 8,664 | 4,925 |
| | Allowance | Overseas | 728 | 745 | 733 |
| Total | | | 8,248 | 9,409 | 5,658 |
| Write-offs | | | 2,602 | 715 | 1,375 |

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| | | | | | |
|--------------------------|--------------------------------|----------|--------|--------|--------|
| Chohung Bank | Loan Loss Allowance | Domestic | 12,516 | 16,026 | 16,988 |
| | | Overseas | 547 | 563 | 563 |
| | | Total | 13,063 | 16,589 | 17,551 |
| Jeju Bank | Write-offs Loan Loss Allowance | Domestic | 10,219 | 17,812 | 11,007 |
| | | Overseas | 407 | 345 | 273 |
| | | Total | 407 | 345 | 273 |
| GM Shinhan Securities 1) | Write-offs Loan Loss Allowance | Domestic | 181 | 179 | 240 |
| | | Overseas | 320 | 309 | 370 |
| | | Total | 320 | 309 | 370 |
| Shinhan Card 2) | Write-offs Loan Loss Allowance | Domestic | 412 | - | 75 |
| | | Overseas | 576 | 946 | 961 |
| | | Total | 576 | 946 | 961 |
| | Write-offs | | 1,881 | 2,770 | 544 |

- The fiscal year of Good Morning Shinhan Securities ends on March 31 of each year. Accordingly, the relevant periods for Good Morning Shinhan Securities are adjusted as follows: (i) from April 1, 2004 to September 30, 2004, (ii) from April 1, 2003 to March 31, 2004, and (iii) from April 1, 2002 to March 31 2003.
- Shinhan Card was incorporated on July 1, 2002.

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3. INDEPENDENT ACCOUNTANT

COMPENSATION TO THE INDEPENDENT AUDITOR FOR AUDIT AND REVIEW SERVICES

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

| Year | Auditor | Payment (KRW) | Working hours |
|---------|-------------------------------|---------------|---|
| ---- | ----- | ----- | ----- |
| 2004(1) | KPMG Samjong Accounting Corp. | 300,000,000 | 450.0 hours(3Q) 450.5 hours(1H) 370.5 hours(1Q) |
| 2003 | KPMG Samjong Accounting Corp. | 210,000,000 | 1,560 hours |
| 2002 | KPMG Samjong Accounting Corp. | 150,000,000 | 1,484 hours |

1) The payment for 2004 is an engagement amount, and therefore, it has not been fully paid yet.

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COMPENSATION FOR SERVICES OTHER THAN AUDIT AND REVIEW

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

| Year ---- | Month ----- | Service description ----- | Payment (KRW) ----- |
|--------------|----------------|--|------------------------|
| 2004(1) | Jan. | Consulting services for disclosure control and procedure & Internal control system | 1,375,000,000 |
| 2003 | Sept. | Due diligence on the Chohung Bank | 904,000,000 |
| | July | Valuation of common shares of Chohung Bank | 100,000,000 |
| 2002 | - | - | - |

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4. PERFORMANCE OF SUBSIDIARY COMPANIES

CONDENSED FINANCIAL STATEMENTS OF SUBSIDIARIES

1) Balance sheets

Condensed balance sheets of subsidiaries as of September 30, 2004
are as follows:

(In millions of Korean Won)

| Subsidiaries ----- | Total assets ----- | Total liabilities ----- | Total stockholders' equity ----- |
|---------------------------------|-----------------------|----------------------------|---|
| Shinhan Bank | W 73,450,866 | 69,580,276 | 3,870,590 |
| Chohung Bank | 62,984,641 | 60,610,883 | 2,373,758 |
| Good Morning Shinhan Securities | 2,730,079 | 2,059,560 | 670,519 |
| Shinhan Card | 1,625,174 | 1,468,831 | 156,343 |
| Shinhan Capital | 1,373,246 | 1,259,348 | 113,898 |
| Shinhan BNP Paribas ITMC | 48,121 | 3,717 | 44,404 |
| Jeju Bank | 1,831,472 | 1,724,475 | 106,997 |
| SH&C Life Insurance | 230,047 | 201,487 | 28,560 |
| e-Shinhan | 3,943 | 854 | 3,089 |
| Shinhan Macquarie | 9,126 | 8,081 | 1,045 |
| Shinhan Credit Information | 8,485 | 1,994 | 6,491 |
| | ----- | ----- | ----- |
| | W144,295,200 | 136,919,506 | 7,375,694 |
| | ===== | ===== | ===== |

2) Statements of Earnings

Condensed statements of earnings of subsidiaries for the 9 months
ended September 30, 2004 are as follows:

(In millio

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| Subsidiaries | Operating revenue | Operating expense | Operating income (loss) | Ordinary income (loss) |
|---------------------------------|-------------------|-------------------|-------------------------|------------------------|
| Shinhan Bank | W4,143,614 | 3,329,525 | 814,089 | 988,000 |
| Chohung Bank | 4,054,923 | 3,822,668 | 232,255 | 190,800 |
| Good Morning Shinhan Securities | 555,676 | 526,234 | 29,442 | 40,700 |
| Shinhan Card | 318,325 | 319,256 | (-)931 | (-)1,200 |
| Shinhan Capital | 143,530 | 117,147 | 26,383 | 26,700 |
| Shinhan BNP Paribas ITMC | 10,132 | 5,444 | 4,688 | 4,800 |
| Jeju Bank | 99,348 | 95,094 | 4,254 | 4,500 |
| SH&C life Insurance | 24,967 | 26,015 | (-)1,048 | (-)1,000 |
| e-Shinhan | 1,828 | 2,464 | (-)636 | (-)600 |
| Shinhan Macquarie | 10,720 | 9,455 | 1,265 | 1,400 |
| Shinhan Credit Information | 24,170 | 24,140 | 30 | 200 |
| | W9,387,233 | 8,277,442 | 1,109,791 | 1,255,500 |

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5. MARKET PRICE INFORMATION OF OUR EQUITY SECURITIES

COMMON SHARE TRADED IN KOREA STOCK EXCHANGE

(in Korean Won or number of share)

| | Apr.2004 | May.2004 | Jun.2004 | Jul.2004 | Aug.2004 | Sep.2004 |
|----------------|------------|------------|------------|------------|------------|------------|
| Price per High | 23,250 | 21,550 | 18,800 | 17,400 | 20,000 | 21,000 |
| share Low | 20,450 | 16,200 | 15,700 | 15,200 | 16,800 | 19,000 |
| Trading Volume | 21,938,659 | 27,771,913 | 32,986,317 | 27,090,639 | 24,600,301 | 21,029,000 |

AMERICAN DEPOSITARY SHARES

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

American Depositary Shares trade on the New York Stock Exchange

(in US Dollars or number of shares)

| | Apr. 2004 | May. 2004 | Jun. 2004 | Jul. 2004 | Aug.2004 | Sep.2004 |
|----------------|-----------|-----------|-----------|-----------|----------|----------|
| Price per High | 40.80 | 37.27 | 32.00 | 30.23 | 34.90 | 37.20 |
| share Low | 35.15 | 27.60 | 27.76 | 26.50 | 29.33 | 34.40 |
| Trading Volume | 90,700 | 110,300 | 110,800 | 174,500 | 189,100 | 71,500 |

6. CHANGES TO DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

DIRECTORS AND EXECUTIVE OFFICERS

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1) Executive Directors

Our executive directors are as follows

| Name ---- | Age --- | Position ----- |
|----------------|------------|---|
| Eung Chan Ra | 65 | Chairman of BOD Chairman of the BOD Steering Committee |
| Young Hwi Choi | 58 | President & CEO |

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2) Non-Executive Directors

Currently, 13 non executive directors are in office, all of whom were nominated by our BOD and appointed or reappointed pursuant to the approval of general shareholders' meeting on March 25, 2004.

Our non-executive directors are as follows.

| Name ---- | Age --- | Position ----- |
|-------------------|------------|---|
| In Ho Lee | 60 | Non-Executive Directors |
| Young Seok Choi | 75 | Non-Executive Directors, Audit Committee member, Compensation Committee member |
| Yong Woong Yang | 56 | Non-Executive Directors |
| Pyung Joo Kim | 65 | Outside Director BOD Steering Committee member Chairman of Risk Management Committee |
| Il Sup Kim | 58 | Outside Director Chairman of Audit Committee Compensation Committee member |
| Sang Yoon Lee | 61 | Outside Director Audit Committee member Compensation Committee member |
| Yoon Soo Yoon | 58 | Outside Director BOD Steering Committee member Risk Management Committee member Chairman of Compensation Committee |
| Sang Chul Lee | 56 | Outside Director Compensation Committee member |
| Byung Hun Park | 75 | Outside Director BOD Steering Committee member |
| Moon Pil Oh | 73 | Outside Director Audit Committee member |
| Young Soo Lee | 70 | Outside Director |
| Dong Hyun Kwon | 67 | Outside Director Audit Committee member |
| Philippe Reynieix | 55 | Outside Director Risk Management Committee member |

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For the personal profiles of the directors, please refer to our Form 6-K filed on March 8, 2004, in which we included the resume of director candidates.

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3) Executive Officers

In addition to the executive directors who are also our executive officers, we currently have the following executive officers

| Name ---- | Age --- | Position ----- |
|----------------|------------|--|
| Bhang Gil Choi | 52 | Senior Executive Vice President of Integration Coordination Team I II (taking charge of Chohung Bank related issues) |
| Chil Sun Hong | 57 | Senior Executive Vice President of Subsidiary Management Team II, Public Relations Team, and Audit & Compliance Team |
| Hee Soo Kim | 53 | Senior Executive Vice President of Subsidiary Management Team I and Integration Coordination Team I |
| Byung Jae Cho | 53 | Chief Financial Officer and Senior Executive Vice President of Planning & Financial Management Team and Investor Relations Team |
| Baek Soon Lee | 51 | Senior Executive Vice President of General Service Team, Information Technology Planning Team and Integration Coordination Team II |

EMPLOYEES

| (As of September 30, 2004) | | | | |
|----------------------------|---------------------------------|-------------------------|---|--|
| | Number of Employees ----- | Average Tenure ----- | Total Salaries and wages paid for 3rd Quarter 2004 (in mil. of Korean Won) ----- | Average per person of Korea ----- |
| Male | 69 | 1 year & 7 months | 5,175 | 7 |
| Female | 15 | 1 year & 7 months | 462 | 2 |
| Total | 84 | 1 year & 7 months | 5,637 | 6 |

EXHIBIT 1.

The Independent Accountant's Review Report (under Korean GAAP) to the Non-consolidated Financial Statements of Shinhan Financial Group as of and for the 9 month period ended September 30, 2004.

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| - Independent Accountant's Review Report | F-1 |
| - Shinhan Financial Group Non-Consolidated Balance Sheets | F-5 |
| - Shinhan Financial Group Non-Consolidated Statements of Earnings | F-6 |
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- Notes to Non-Consolidated Financial Statements

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SIGNATURES

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

SHINHAN FINANCIAL GROUP CO., LTD.

By /s/ Byung Jae Cho

Name: Byung Jae Cho

Title: Chief Financial Officer

Date : November 19, 2004

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