

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

August 16, 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 August 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 1H Business Report**

On Aug 16, 2010, Shinhan Financial Group ( SFG ) filed its 2010 1H Business Report (the Business Report ) with the Financial Supervisory Service of the Republic of Korea ( Korea ) pursuant to the Financial Investment Services and Capital Market Act of Korea. This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

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

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**Exhibit 99.1**

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

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**1. Introduction of the Group**

**Company History in 2009 through 2010 (as of June 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

**Principal Subsidiaries under Korean Law (as of June 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%
Shinhan Macquaire Financial Advisory	51.0%
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**

Direct Subsidiaries	Indirect Subsidiaries	Ownership by the Parent
	Shinhan Asia Limited	100.0%
	Shinhan Bank America	100.0%
	Shinhan Bank Europe	100.0%
	Shinhan Vina Bank	50.0%
	Shinhan Khmer Bank Limited	80.1%
Shinhan Bank	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 Corporation Europe Ltd.	100.0%
Shinhan Investment Corp.	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 June 30, 2010)**

Types of Shares	Number of Shares
Common Shares	474,199,587
Redeemable Preferred Shares	38,373,459
Redeemable Convertible Preferred Shares	14,721,000
Total	527,294,046



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

	<b>2010 1H</b>	<b>2009</b>	(KRW billion)
	<b>(Jan. 1~June 30)</b>	<b>(Jan.1~Dec.31)</b>	<b>2008</b>
		<b>(Jan.1~Dec.31)</b>	<b>(Jan.1~Dec.31)</b>
Operating income	1,869.8	2,097.9	3,039.2
Non-operating income	53.1	126.2	223.6
Non-operating expense	69.0	244.7	261.9
Earnings before income tax	1,853.9	1,979.4	3,000.9
Income taxes	479.4	666.7	971.2
Pre-acquisition income in subsidiaries	0.0	0.0	(0.4)
Consolidated net income	1,374.5	1,328.2	2,025.6
Net income in majority interest	1,367.6	1,305.3	2,018.6
Net income in minority interest	6.9	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~June 30)				2009 (Jan.1~Dec.31)				2008 (Jan.1~Dec.31)			
	Average Balance		Interest Paid	Interest Rate (%)	Average Balance		Interest Paid	Interest Rate (%)	Average Balance		Interest Paid	Interest Rate (%)
	Ratio (%)	Ratio (%)			Ratio (%)	Ratio (%)						
(in KRW billion, %)												
<b>Source</b>												
<b>and in KRW</b>												
Deposits	135,296.8	51.40	1,937.1	2.89	117,649.1	45.05	3,643.5	3.10	95,834.7	38.71	3,911.6	4.00
Demand	5,629.8	2.14	134.9	4.83	11,462.6	4.39	644.7	5.62	15,737.2	6.36	960.0	6.00
Borrowing	6,886.2	2.62	94.1	2.76	7,409.0	2.84	251.9	3.40	6,727.7	2.72	333.2	4.00
All Loan	2,123.1	0.81	19.9	1.89	1,328.4	0.51	33.3	2.51	2,191.2	0.89	104.3	4.00
Venture	34,154.4	12.98	925.5	5.46	38,241.6	14.64	2,084.0	5.45	41,853.2	16.91	2,497.0	5.00
Others	3,754.1	1.43	65.9	3.54	6,461.1	2.47	248.8	3.85	7,624.3	3.08	425.9	5.00
Total	187,844.4	71.36	3,177.4	3.41	182,551.8	69.91	6,906.2	3.78	169,968.3	68.66	8,232.0	4.00
<b>and in Foreign</b>												
<b>currency</b>												
Deposits	11,628.1	4.42	84.4	1.46	10,550.7	4.04	218.7	2.07	6,743.1	2.72	179.1	2.00
Borrowing	6,073.6	2.31	42.2	1.40	7,776.1	2.98	183.3	2.36	9,794.5	3.96	308.3	3.00
All Loan	578.1	0.22	1.5	0.52	1,188.4	0.46	36.7	3.09	1,091.3	0.44	46.6	4.00
Venture	5,141.8	1.95	44.3	1.74	5,292.0	2.03	97.0	1.83	4,931.6	1.99	189.7	3.00
Others	139.9	0.05	3.4	4.90	201.4	0.08	5.7	2.83	1,093.8	0.44	44.5	4.00
Total	23,561.5	8.95	175.8	1.50	25,008.6	9.58	541.4	2.16	23,654.3	9.56	768.2	3.00
<b>Interest bearing</b>												
Demand	211,405.9	80.32	3,353.2	3.20	207,560.4	79.49	7,447.6	3.59	193,622.6	78.22	9,000.2	4.00
Others												
Shareholder equity	21,517.9	8.17	0.0	0.00	19,719.7	7.55	0.0	0.00	18,184.7	7.35	0.0	0.00
Loan loss reserve	1,478.6	0.56	0.0	0.00	1,548.8	0.59	0.0	0.00	1,570.7	0.63	0.0	0.00
Others	28,815.1	10.95	0.0	0.00	32,297.8	12.37	0.0	0.00	34,171.0	13.80	0.0	0.00
<b>Non-interest bearing</b>												
Demand	51,811.6	19.68	0.0	0.00	53,566.3	20.51	0.0	0.00	53,926.4	21.78	0.0	0.00
Total Funding	263,217.5	100.00	3,353.2	2.57	261,126.7	100.00	7,447.6	2.85	247,549.0	100.00	9,000.2	3.00

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

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

	2010 (Jan.1~June 30)				2009 (Jan.1~Dec.31)				2008 (Jan.1~Dec.31)			
	Average Balance	Interest	Interest	Rate	Average Balance	Interest	Interest	Rate	Average Balance	Interest	Interest	Rate
(in billion, %)	Ratio (%)	Paid	(%)	Ratio (%)	Paid	(%)	Ratio (%)	Paid	Ratio (%)	Paid	(%)	Paid
<b>Domestic</b>												
Deposits	13,260.1	5.04	55.6	0.85	11,055.7	4.23	174.8	1.58	7,376.0	2.98	258.1	0.85
Loans	51,850.4	19.70	1,050.9	4.09	48,785.8	18.68	2,044.4	4.19	42,543.3	17.19	2,049.7	4.09
Total	132,283.4	50.26	3,821.8	5.83	60,544.2	23.19	3,295.5	5.44	122,447.1	49.46	8,960.2	5.83
Provision (allowance)	62,401.2	23.71	1,702.2	5.50	60,544.2	23.19	3,295.5	5.44	57,406.1	23.19	4,092.5	5.50
Net (before)	69,882.2	26.55	2,119.6	6.12	70,344.1	26.94	4,184.6	5.95	65,041.0	26.27	4,867.7	6.12
Net (after)												
Interest												
Income	32.4	0.01	0.1	0.62	81.9	0.03	1.1	1.34	39.7	0.02	1.1	0.62
Expense	2,697.7	1.02	27.1	2.03	1,464.8	0.56	38.8	2.65	1,066.7	0.43	49.6	2.03
Net	2,511.7	0.95	77.6	6.23	2,825.5	1.08	164.9	5.84	3,245.7	1.31	204.1	6.23
Card Assets	14,136.5	5.37	1,672.2	23.85	11,823.6	4.53	3,148.8	26.63	10,055.1	4.06	2,783.9	23.85
(Loan)	2,951.9	1.12	246.5	16.84	2,530.1	0.97	392.6	15.52	2,968.1	1.20	535.1	16.84
Net	4,583.1	1.74	169.0	7.44	6,219.0	2.38	401.7	6.46	6,579.6	2.66	471.5	7.44
Provision	-3,449.6	(1.31)	0.0	0.00	-3,519.2	(1.35)	0.0	0.00	-3,050.2	(1.23)	0.0	0.00
Net	217,905.7	82.79	6,874.3	6.36	209,625.4	80.28	13,454.6	6.42	190,303.0	76.87	14,778.2	6.36
<b>Foreign</b>												
Deposits	2,859.9	1.09	17.6	1.24	2,883.5	1.10	21.4	0.74	1,657.3	0.67	39.4	1.24
Loans	2,326.5	0.88	16.9	1.46	2,331.8	0.89	53.3	2.29	2,011.7	0.81	89.1	1.46
Total	13,197.8	5.01	228.6	3.49	13,368.1	5.12	518.5	3.88	14,175.9	5.73	687.3	3.49
Provision	1,083.3	0.41	2.6	0.48	1,154.1	0.44	9.4	0.81	864.0	0.35	23.5	0.48
Net	3,417.0	1.30	45.9	2.71	3,076.0	1.18	152.1	4.94	3,962.1	1.60	179.1	2.71
Interest	311.2	0.12	5.3	3.43	379.9	0.15	14.7	3.87	549.3	0.22	46.6	3.43
Provision	-346.7	(0.13)	0.0	0.00	-273.3	(0.10)	0.0	0.00	-234.2	(0.09)	0.0	0.00
Net	22,849.0	8.68	316.9	2.80	22,920.1	8.78	769.4	3.36	22,986.1	9.29	1,065.0	2.80
<b>Total</b>												
Net	240,754.7	68.862	7,191.2	6.02	232,545.5	89.05	14,224.0	6.12	213,289.0	86.16	15,843.2	6.02
Interest												
Income	2,193.2	0.83	0.0	0.00	2,289.3	0.88	0.0	0.00	2,374.6	0.96	0.0	0.00
Expense	2,354.2	0.89	0.0	0.00	2,370.0	0.91	0.0	0.00	2,419.4	0.98	0.0	0.00
Net	17,915.4	6.81	0.0	0.00	23,921.9	9.16	0.0	0.00	29,466.0	11.90	0.0	0.00
<b>Interest earning</b>												
Net	22,462.8	8.53	0.0	0.00	28,581.2	10.95	0.0	0.00	34,260.0	13.84	0.0	0.00
<b>Use of funds</b>												
Net	263,217.5	100.00	7,191.2	5.51	261,126.7	100.00	14,224.0	5.45	247,549.0	100.00	15,843.2	5.51

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 1H contained in this section are provisional figures.

**Group BIS Ratio**

	<b>June 30, 2010</b>	<b>Dec. 31, 2009</b>	(KRW million) <b>Dec. 31, 2008</b>
Aggregate Amount of Equity Capital (A)	23,735,983	22,572,130	18,723,461
Risk-Weighted Assets (B)	181,008,807	179,083,070	183,741,412
BIS Ratio (A/B) <sup>1)</sup>	13.11%	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**

	<b>2010 1H</b>	<b>2009</b>	(KRW million) <b>2008<sup>1)</sup></b>
Won Assets due within 1 months (A)	584,597	470,681	920,661
Won Liabilities due within 1 months (B)	257,672	376,446	690,397
Won Liquidity Ratio (A/B)	178.82%	125.03%	133.35%

- 1) 2008 figures are due within 3 months

**Liabilities to Equity Ratio**

	<b>2010 1H</b>	<b>2009</b>	(KRW million) <b>2008</b>
Liabilities (A)	6,383,670	6,392,346	8,307,683
Equity (B)	21,489,939	20,728,361	17,605,883
Liabilities to Equity Ratio (A/B)	29.70%	30.84%	47.19%

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

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

	<b>June 30, 2010</b>	<b>Dec. 31, 2009</b>	<b>Dec. 31, 2008</b>
Shinhan Bank <sup>2)</sup>	16.15	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>June 30, 2010</b>	<b>Dec. 31, 2009</b>	<b>Dec. 31, 2008</b>
Shinhan Card	24.64	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>June 30, 2010</b>	<b>Mar. 31, 2010</b>	<b>Mar. 31, 2009</b>
Shinhan Investment Corp.	636.94	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>June 30, 2010</b>	<b>Mar. 31, 2010</b>	<b>Mar. 31, 2009</b>
Shinhan Life Insurance	329.67	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%.

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

(1) Non-Performing Loans

	<b>June 30, 2010</b>		<b>Dec. 31, 2009</b>		<b>Dec. 31, 2008</b>	
	<b>Balance of</b>	<b>NPL to</b>	<b>Balance of</b>	<b>NPL to</b>	<b>Balance of</b>	<b>NPL to</b>
	<b>NPL</b>	<b>total</b>	<b>NPL</b>	<b>total</b>	<b>NPL</b>	<b>total</b>
Shinhan Bank	1,622,647	1.07	1,158,985	0.77	1,306,316	0.85
Shinhan Card <sup>2)</sup>	285,010	1.91	435,083	3.08	339,101	2.91

  

	<b>June 30, 2010</b>		<b>Mar. 31, 2010</b>		<b>Mar. 31, 2009</b>	
	<b>Balance of</b>	<b>NPL to</b>	<b>Balance of</b>	<b>NPL to</b>	<b>Balance of</b>	<b>NPL to</b>
	<b>NPL</b>	<b>total</b>	<b>NPL</b>	<b>total</b>	<b>NPL</b>	<b>total</b>
Shinhan Investment Corp. <sup>2)</sup>	176,525	15.74	230,228	17.90	125,366	12.14
Shinhan Life Insurance <sup>3)</sup>	36,415	1.40	38,298	1.47	40,369	1.69

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)

	Jan. 1, 2010 ~ June 30, 2010	Jan. 1, 2009 ~ Dec. 31, 2009	Jan. 1, 2008 ~ Dec. 31, 2008
<b>Shinhan Bank</b>			
Allowance for Possible Loan Losses	2,909,650	2,641,918	2,661,427
Allowance for doubtful accounts on Acceptance and Guarantees	136,629	105,629	113,669
Allowances for Losses Related to Unused Ceiling	268,437	267,859	249,442
Other Allowances	85,314	88,337	69,557
Allowance for Valuation of Bonds	7,219	7,609	8,152
Total	3,407,249	3,111,352	3,102,247
Write-offs	271,469	1,006,941	340,942
<b>Shinhan Card</b>			
Allowance for Possible Loan Losses	581,658	793,469	773,960
Allowance for reward on credit card use	263,843	273,233	246,429
Allowances for Losses Related to Unused Ceiling	504,950	488,559	485,738
Other Allowances	1,121	12,619	22,325
Total	1,351,572	1,567,880	1,528,452
Write-offs	302,941	469,087	603,883
	Apr. 1, 2010 ~ June 30, 2010	Apr. 1, 2009 ~ Mar. 31, 2010	Apr. 1, 2008 ~ Mar. 31, 2009
<b>Shinhan Investment Corp.</b>			
Allowance for Possible Loan Losses	127,497	168,257	110,753
Other Allowances	21,942	21,942	
Total	149,439	190,199	110,753
Write-offs	7,234	14,838	502
<b>Shinhan Life Insurance</b>			
Allowance for Possible Loan Losses	36,969	37,705	31,589
Total	36,969	37,705	31,589
Write-offs	1,776	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)						
	Loans in			Guarantees and Acceptances	Total Exposures	
	Foreign Currency	Equity Securities	Debt Securities			
As of June 30, 2010	Loans in Won					
Ministry of Strategy & Finance				10,090	10,090	
Bank of Korea				4,980	4,980	
Korea Deposit Insurance Corporation				2,117	2,117	
Hyundai Heavy Industries Co., Ltd.	22	221	2	10	1,442	
Hyundai Samho Heavy Industries Co., Ltd.	11	38			1,322	
POSCO	7	80	875	95	73	
Samsung Heavy Industries Co., Ltd.	100	181			833	
Hynix Semiconductor	38	432	486		30	
Songdo Cosmopolitan City Development Inc.	838					
Hyundai Mipo Dockyard Co., Ltd		10	2		802	
Kookmin Bank				806	806	
Korea Development Bank				785	785	
STX Offshore & Shipbuilding Co., Ltd	20	2			733	
Samsung Electronics		737	5			
Woori Bank				704	704	
Industrial Bank of Korea				593	593	
GS Caltex	20	273		72	211	
Hana Bank				543	543	
Korea Land & Housing Corporation				512	512	
Korea Finance Corporation				485	485	
<b>Total</b>	<b>1,056</b>	<b>1,974</b>	<b>1,371</b>	<b>21,792</b>	<b>5,447</b>	

1) Shinhan Bank's  
non-consolidated  
figures

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

(KRW billion)						
As of June 30, 2010	Loans in Won	Loans in Foreign Currency	Equity Securities	Debt Securities	Guarantees and Acceptances	Total Exposures
Hyundai Heavy Industries	33	293	4	10	3,567	3,908
Samsung	681	1,416	354	101	1,012	3,564
Hyundai Motors	780	948	95	148	152	2,123
SK	510	426	356	92	214	1,597
LG	320	900		46	58	1,325
POSCO	58	99	878	119	86	1,241
STX	131	273	34		737	1,175
Hynix	38	432	486		30	985
GS	145	355		120	231	851
Lotte	448	98	19	126	44	734
<b>Total</b>	<b>3,144</b>	<b>5,240</b>	<b>2,225</b>	<b>763</b>	<b>6,132</b>	<b>17,504</b>

1) Shinhan Bank's  
non-consolidated  
figures

**Loan Concentration by Industry**

(KRW million)								
As of June 30, 2010	Loans in Won		Loans in Foreign Currency		Others		Total Exposures	
	Amount	Weight (%)	Amount	Weight (%)	Amount	Weight (%)	Amount	Weight (%)
Manufacturing	19,583,769	15.92	2,509,066	36.81	7,497,580	49.24	29,590,415	20.39
Retail and wholesale	11,390,579	9.26	524,765	7.70	1,697,492	11.15	13,612,836	9.38
Real estate and rental service	15,369,365	12.49	614,128	9.01	1,586,629	10.42	17,570,122	12.11
Construction	4,671,191	3.80	58,282	0.86	644,502	4.23	5,373,975	3.70
Lodging and restaurants	3,760,326	3.06	55,891	0.82	82,741	0.54	3,898,958	2.69
Financial service and insurance	2,642,838	2.15	619,217	9.09	3,245,691	21.31	6,507,746	4.49
Others corporate loans	6,371,462	5.18	2,433,410	35.71	473,734	3.11	9,278,606	6.39
Household loans	59,260,865	48.14					59,260,865	40.85
<b>Total</b>	<b>123,050,395</b>	<b>100.00</b>	<b>6,814,759</b>	<b>100.00</b>	<b>15,228,369</b>	<b>100.00</b>	<b>145,093,523</b>	<b>100.00</b>

1) Shinhan Bank's  
non-consolidated  
figures

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

As of June 30, 2010

(KRW billion)

<b>Borrower</b>	<b>Industry</b>	<b>Gross Principal Outstanding</b>	<b>Allowance for Loan Losses</b>
A	Manufacturing	24	18
B	Manufacturing	23	6
C	Manufacturing	18	3
D	Manufacturing	16	3
E	Real estate and rental service	14	6
F	Manufacturing	13	6
G	Real estate and rental service	13	10
H	Real estate and rental service	12	7
I	Others	10	3
J	Real estate and rental service	9	0
K	Transportation	9	2
L	Construction	8	4
M	Transportation	8	1
N	Others	8	1
O	Real estate and rental service	7	5
P	Manufacturing	6	1
Q	Others	6	1
R	Others	6	1
S	Real estate and rental service	5	1
T	Real estate and rental service	5	1
	<b>Total</b>	<b>220</b>	<b>80</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*

Audit Opinion	<b>2010 1H</b>	<b>FY 2009</b>	<b>FY 2008</b>
		Unqualified	Unqualified

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

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

<b>Year</b>	<b>Auditor</b>	<b>Payment (KRW mil.)</b>	<b>Details</b>	<b>Working hours</b>
2010 1H	KPMG Samjong Accounting Corp.	366	Review/Audit of Financial Statements	1,500 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

<b>Name</b>	<b>Date of Birth</b>	<b>Position</b>	<b>Service Term</b>
Eung Chan Ra	Nov. 25, 1938	Chairman of Shinhan Financial Group Board Steering Committee Chair	3 years starting from March 24, 2010
Sang Hoon Shin	Jul. 1, 1948	President & CEO	2 years starting from March 17, 2009

## 2) Non-Executive Directors

Currently, 10 non-executive directors are in office, 8 of which outside directors who are nominated by our Outside Director Recommendation Committee and appointed pursuant to the approval of general shareholders meeting on March 24, 2010.

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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>
Baek Soon Lee	Oct. 8, 1952	X		3 years starting from March 17, 2009
Shee Yul Ryoo	Sept. 5, 1938	X	Risk Management Committee chair Board Steering Committee member Compensation Committee member	1 year starting from March 24, 2010
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
Sung Ho Wi	Jun. 12, 1958	Deputy President	General Affairs Team Business Management Team Public Relations Team CSR & Culture Management Team
Chan Hee Jin	Jun. 10, 1955	Deputy President	

			Synergy Management Team
			Information & Technology
			Planning Team
			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 June 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	692,260	251,300	1,676,771	2008.3.30~2012.3.29	28,006
Granted in 2006	3,206,173	151,570	480,300	2,574,303	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	112,090	696,610	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>843,830</b>	<b>1,607,125</b>	<b>6,030,153</b>		

Note) The weighted-average exercise price of outstanding exercisable options as of June 30, 2010 is KRW 39,824.

**Employees (as of June 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	139	2 years	5,625	40
		16		



**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 June 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.
- 2) Based on the public filing submitted by the Korea National Pension Service on July 9, 2010 to report change of beneficial ownership of 5% or more. Number of common shares owned is as of June 3, 2010.

**Common Share Traded on the Korea Exchange**

		(KRW, number of shares)					
		Jan. 2010	Feb. 2010	Mar. 2010	Apr. 2010	May 2010	June 2010
Price per share	High	45,700	45,050	43,250	49,100	47,150	47,200
	Low	39,250	42,200	39,650	45,150	41,050	43,300
	Avg.	42,843	43,782	42,011	47,214	43,892	46,002
Trading Volume		43,955,182	33,744,419	26,862,396	41,082,098	31,413,955	29,798,840
Highest Daily Trading Volume							
		3,844,278	2,604,479	2,273,117	1,867,368	2,542,563	2,866,392
Lowest Daily Trading Volume							
		1,148,972	893,737	617,996	970,832	924,396	825,333

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

		(USD, number of shares)					
		Jan. 2010	Feb. 2010	Mar. 2010	Apr. 2010	May 2010	June 2010
Price per share	High	81.37	75.26	80.31	88.35	85.14	79.17
	Low	68.42	66.37	73.61	81.51	66.31	69.44
	Avg.	75.22	72.60	77.14	84.93	74.86	75.34
Trading Volume		1,482,395	1,226,473	1,484,473	949,667	1,214,625	1,354,999
Highest Daily Trading Volume							
		253,870	104,598	438,722	84,994	142,378	115,236

Lowest Daily Trading Volume	23,393	32,649	20,054	14,565	13,715	40,118
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\* 1ADR = 2  
Common Shares

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

Subsidiary	Loan Type	Origination Date	Maturity Date	Funding Rate	Lending Rate	(KRW billion)			
						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	2007-04-13	2010-04-13	5.24%	5.38%	50		50	
Shinhan Capital	Loan in KRW	2007-03-23	2012-03-23	5.28%	5.48%	50			50
Shinhan Capital	Loan in KRW	2007-06-08	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
<b>Total</b>						<b>1,575</b>		<b>50</b>	<b>1,525</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 : August 16, 2010