

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

November 26, 2012

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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

For the Month of November 2012

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)

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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 2012 3Q Business Report

On November 23, 2012, Shinhan Financial Group (SFG) filed its 2012 3Q Business Report (the Business Report) with the Financial Supervisory Service of the Republic of Korea (Korea) pursuant to the Financial Investment Services and Capital Market Act of Korea. This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

The financial information in this report has been prepared in accordance with International Financial Reporting Standards.

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Independent Auditors Review Report (Separate Financial Statements) of Shinhan Financial Group as of September 30, 2012

Exhibit 99.2

Independent Auditors Review Report (Consolidated Financial Statements) of Shinhan Financial Group as of September 30, 2012

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1. Introduction of the Group

Company History in 2009 through 2012

Jan. 2009: Shinhan BNP Paribas Asset Management launched through the merger of Shinhan BNP Paribas ITMC and SH Asset Management

Jun. 2009 : SH&C separated from SFG after SFG consummated share transfers of SH&C

Sep. 2009 : SBJ became an indirect subsidiary of SFG

Oct. 2009 : Shinhan Bank Vietnam became an indirect subsidiary of SFG

Nov. 2009 : Liquidated Shinhan Finance Ltd. , an indirect subsidiary of SFG

Dec. 2009 : Shinhan Capital Petra PEF became an indirect subsidiary of SFG

Jan. 2010 : Shinhan Data System became a subsidiary of SFG

Jun. 2010 : CHB Valuemeet 2001 First SPC was disaffiliated from SFG

Jun. 2010 : CHB Valuemeet 2001 Second SPC and CHB Valuemeet 2002 First SPC were disaffiliated from SFG

Aug. 2010 : Shinhan Macquarie Financial Advisory was disaffiliated from SFG

Oct. 2010 : Shinhan Maritime Private Equity Fund I became an indirect subsidiary of SFG

Dec. 2010 : KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp. became an indirect subsidiary of SFG

Feb. 2011 : Shinhan BNP Paribas Asset Management (Hong Kong) Limited became an indirect subsidiary of SFG

Nov. 2011 : Shinhan Bank Vietnam was merged with Shinhan Vina Bank.

Dec. 2011 : Shinhan Savings Bank became a subsidiary of SFG

Table of Contents**Principal Subsidiaries under Korean Law (as of September 30, 2012)***Direct Subsidiaries*

Subsidiaries	Ownership by SFG
Shinhan Bank	100.0%
Shinhan Card	100.0%
Shinhan Investment Corp.	100.0%
Shinhan Life Insurance	100.0%
Shinhan BNP Paribas Asset Management	65.0%
Shinhan Capital	100.0%
Jeju Bank ¹⁾	68.9%
Shinhan Savings Bank ²⁾	100.0%
Shinhan Data System	100.0%
Shinhan Credit Information	100.0%
Shinhan Private Equity Investment Management ³⁾	100.0%
SHC Management ⁴⁾	100.0%

- 1) Jeju Bank is currently listed on the Korea Exchange.
- 2) On December 28, 2011, Shinhan Savings Bank became a direct subsidiary upon obtaining a savings bank license.
- 3) On November 2, 2011, Shinhan Private Equity renamed as Shinhan Private Equity Investment Management upon acquisition of a investment advisory license.
- 4) Currently in liquidation proceedings.

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Indirect subsidiaries held through direct subsidiaries (as of September 30, 2012)

Direct Subsidiaries	Indirect Subsidiaries	Ownership by the Parent
Shinhan Bank	Shinhan Asia Limited	100.0%
	Shinhan Bank America	100.0%
	Shinhan Bank Europe	100.0%
	Shinhan Khmer Bank Limited	90.0%
	Shinhan Bank Kazakhstan	100.0%
	Shinhan Bank China Limited	100.0%
	Shinhan AITAS	99.8%
	Shinhan Bank Canada	100.0%
	Shinhan Bank Japan	100.0%
	Shinhan Bank Vietnam ¹⁾	100.0%
Shinhan Investment Corp.	Shinhan Investment America Inc.	100.0%
	Shinhan Investment Europe Ltd.	100.0%
	Shinhan Investment Asia Ltd.	100.0%
	Shinhan Maritime Private Equity Fund I	7.1%
	KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp. ²⁾	8.5%
Shinhan BNP Paribas Asset Management	Shinhan BNP Paribas Asset Management (Hong Kong) Limited	100.0%
Shinhan Private Equity Investment Management	Shinhan NPS Private Equity Fund 1st	5.0% ³⁾
	Shinhan Private Equity Fund 2nd	2.2% ⁴⁾

1) On November 28, 2011, upon 100% acquisition of Shinhan Vina Bank, Shinhan Bank Vietnam was merged with Shinhan Vina Bank.

2) Shinhan Capital currently owns 6.5% of KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp.

3) Shinhan Financial Group and its subsidiaries currently own 36.7% of Shinhan NPS Private Equity Fund 1st.

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

Number of Shares (as of September 30, 2012)

Types of Shares	Number of Shares
Common Shares	474,199,587
Redeemable Preferred Shares	11,100,000
Total	485,299,587

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

(KRW billion)

	3Q 2012 (Jan. 1 ~ Sep. 30)	FY2011 (Jan. 1 ~ Dec. 31)	FY2010 (Jan. 1 ~ Dec. 31)
Operating income	2,650.6	4,134.8	3,414.5
Equity in income(loss) of associates	19.7	57.8	15.3
Earnings before income tax	2,670.3	4,192.6	3,429.8
Income taxes	600.9	919.9	570.4
Consolidated net income	2,069.3	3,272.6	2,859.4
Net income in majority interest	1,942.6	3,100.0	2,684.6
Net income in minority interest	126.7	172.6	174.8

Some of the totals may not sum due to rounding.

Table of Contents**Source and Use of Funds***(KRW billion)*

Consolidated Basis (KRW billion, %)	3Q 2012 Jan. 1 ~ Sep. 30				FY2011 Jan. 1 ~ Dec. 31				FY2010 Jan. 1 ~ Dec. 31			
	Average Balance	Proportions (%)	Interest Paid	Interest Rate (%)	Average Balance	Proportions (%)	Interest Paid	Interest Rate (%)	Average Balance	Proportions (%)	Interest Paid	Interest Rate (%)
Deposits	167,646.6	56.37	3,429.5	2.73	156,280.5	55.28	4,181.0	2.68	149,653.3	56.11	3,935.6	2.63
Borrowings	14,395.3	4.84	197.9	1.83	14,037.4	4.97	259.2	1.85	12,403.4	4.65	250.4	2.02
Debentures	39,996.3	13.45	1,331.4	4.44	40,017.2	14.16	1,942.9	4.86	40,356.3	15.13	2,041.2	5.06
Other Liabilities	47,740.6	16.05			44,174.6	15.63			38,446.2	14.41		
Total Liabilities	269,778.8	90.72			254,509.7	90.03			240,859.2	90.30		
Source												
Total Stockholder s Equity	27,609.7	9.28			28,184.6	9.97			25,872.4	9.70		
Total Liabilities & SE	297,388.5	100.00			282,694.3	100.00			266,731.6	100.00		
Currency & Due from												
Banks	16,488.0	5.54	205.2	1.66	14,396.1	5.09	248.6	1.73	14,457.1	5.42	168.5	1.17
Loans	194,482.3	65.40	8,550.0	5.86	186,828.2	66.09	11,265.3	6.03	174,360.4	65.37	10,561.5	6.06
Loans in KRW	149,299.2	50.20	6,296.4	5.62	143,097.0	50.62	8,281.2	5.79	135,645.6	50.85	7,632.4	5.63
Loans in Foreign												
Currency Credit Card	10,434.7	3.51	323.9	4.14	9,510.8	3.36	379.1	3.99	8,940.8	3.35	377.3	4.22
Accounts	17,421.4	5.86	1,381.2	10.57	17,740.2	6.28	1,887.5	10.64	16,278.4	6.10	1,794.8	11.03
Others	17,327.0	5.83	548.5	4.22	16,480.2	5.83	717.5	4.35	13,495.8	5.06	756.9	5.61
Use												
AFS Financial Assets	29,920.3	10.06	872.5	3.89	25,588.5	9.05	1,025.9	4.01	22,045.7	8.27	953.6	4.33
HTM Financial Assets	11,823.2	3.98	451.0	5.09	12,307.7	4.35	642.9	5.22	12,899.1	4.84	687.4	5.33
Other Assets	44,674.7	15.02			43,573.8	15.41			42,969.3	16.11		
Total Assets	297,388.5	100.00			282,694.3	100.00			266,731.6	100.00		

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

Table of Contents**Other Financial Information**

* The main serial financial figures and indices for Sep. 30, 2012 listed herein may be subject to change.

1) Capital Adequacy**Consolidated BIS Ratio (Shinhan Financial Group)**

(KRW billion)

	Sep. 30, 2012	Dec. 31, 2011	Dec. 31, 2010
Aggregate Amount of Equity Capital (A)	24,794.1	22,315.4	23,369.7
Risk-Weighted Assets (B)	202,489.3	195,579.4	188,785.7
BIS Ratio (A/B) ¹⁾	12.24%	11.41%	12.38%

- 1) In accordance with the amendments in 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.
 2) BIS ratio for Dec. 31, 2010 based on Korean GAAP is 12.77%.

Capital Adequacy Ratios (Subsidiaries)

(%)

Subsidiary	Capital Adequacy Ratio	Sep. 30, 2012	Dec. 31, 2011	Dec. 31, 2010
Shinhan Bank ¹⁾	BIS Capital Adequacy Ratio	15.41	15.26	15.47
Jeju Bank ¹⁾	BIS Capital Adequacy Ratio	15.06	13.27	13.40
Shinhan Card ¹⁾	Adjusted Equity Capital Ratio	27.50	24.84	25.18
Shinhan Investment Corp. ²⁾	Net Capital Ratio	587.62	700.78	658.31
Shinhan Life Insurance ²⁾	Solvency Margin Ratio	311.85	324.02	397.93
Shinhan BNPP AM ²⁾	Net Capital Ratio	558.86	599.73	708.31
Shinhan Capital ²⁾	Adjusted Equity Capital Ratio	14.97	14.90	14.23
Shinhan Savings Bank	BIS Capital Adequacy Ratio	14.44	n/a	n/a

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%.

Basel II FIRB was applied in calculating Shinhan Bank's BIS Capital Adequacy Ratios.

Basel II TSA was applied in calculating Jeju Bank's BIS Capital Adequacy Ratios.

Basel I TSA was applied in calculating Shinhan Savings Bank's BIS Capital Adequacy Ratios.

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

Net Capital Ratio is computed in accordance with the guidelines issued by the FSC. Under these guidelines, Shinhan Investment Corporation and Shinhan BNP Paribas Asset Management are required to maintain a minimum net capital ratio of 100%.

Under the guidelines issued by the FSC, Shinhan Life Insurance is required to maintain a minimum solvency margin ratio of 100%. The risk-based capital methodology was applied in calculating the solvency margin ratio of Shinhan Life Insurance.

- 1) Capital adequacy ratios for Dec. 31, 2010 based on K-GAAP is as follows:
 Shinhan Bank: 15.93%, Jeju Bank: 14.18%, Shinhan Card: 24.99%

- 2) Capital adequacy ratios of Shinhan Investment Corp., Shinhan Life Insurance, Shinhan BNPP AM, and Shinhan Capital for Dec. 31, 2010 are based on K-GAAP.

Table of Contents**1) Liquidity Ratios***Won Liquidity Ratio*

(KRW billion, %)

Company	Sep. 30, 2012			Dec. 31, 2011			Dec. 31, 2010		
	Won Assets	Won Liabilities	Won Liquidity Ratio	Won Assets	Won Liabilities	Won Liquidity Ratio	Won Assets	Won Liabilities	Won Liquidity Ratio
Shinhan Financial Group	396.3	246.7	160.6	4,225.5	3,911.2	108.0	972.6	246.0	395.3
Shinhan Bank	65,602.0	45,361.0	144.6	56,609.5	46,635.4	121.4	54,646.2	45,786.9	119.3
Shinhan Card	14,836.8	3,549.8	418.0	15,417.2	3,417.5	451.1	13,160.9	3,450.1	381.5
Shinhan Investment Corp.	10,261.2	7,512.0	136.6	6,161.4	5,036.5	122.3	6,615.7	5,293.5	125.0
Shinhan Life Insurance	1,111.6	364.3	305.1	843.5	341.5	247.0	517.3	254.7	203.1
Shinhan Capital	612.9	240.5	254.8	519.0	147.9	350.8	758.8	295.0	257.2
Jeju Bank	929.6	561.7	165.5	982.2	686.2	143.1	899.3	618.8	145.3
Shinhan Savings Bank	330.9	112.9	293.1						

- 1) Shinhan Financial Group, Shinhan Bank, Jeju Bank: Due within 1 month
- 2) Shinhan Life Insurance: (Won assets due within 3 months / 3 months average of Claim payments) * 100
- 3) Shinhan Card, Shinhan Investment Corp., Shinhan Capital, Shinhan Savings Bank: Due within 3 months

Foreign Currency (FC) Liquidity Ratio

(KRW billion, %)

Company	Sep. 30, 2012			Dec. 31, 2011			Dec. 31, 2010		
	FC Assets	FC Liabilities	FC Liquidity Ratio	FC Assets	FC Liabilities	FC Liquidity Ratio	FC Assets	FC Liabilities	FC Liquidity Ratio
Shinhan Financial Group									
Shinhan Bank	29,926.2	27,260.3	109.8	25,887.9	22,254.2	116.3	24,238.7	23,092.8	105.0
Shinhan Investment Corp.	466.3	435.8	107.0	23.3	23.5	99.0	11.5	10.3	111.5
Shinhan Capital	139.5	90.6	154.0	51.5	21.9	235.7	333.5	285.0	117.0
Jeju Bank	16.3	8.3	194.9	15.4	9.4	164.3	13.0	10.5	123.8

- 1) Foreign currency liquidity ratios are computed with assets and liabilities due within 3 months
- 2) Shinhan Bank's foreign currency liquidity ratio reflected securitization weight with the guidelines issued by the FSS

Table of Contents**3) Asset Quality***SFG Consolidated Basis*

(KRW billion, %)

	Sep. 30, 2012	Dec. 31, 2011	Dec. 31, 2010
Total Loans	203,991.1	201,245.9	184,676.3
Substandard & Below	3,071.7	2,587.1	2,736.8
Substandard & Below Ratio	1.51	1.29	1.48
Non-Performing Loans	2,487.4	1,903.5	1,977.7
NPL Ratio	1.22	0.95	1.07
NPL Coverage Ratio	148.02	162.19	132.80
Loan Loss Allowance ¹⁾	4,546.7	4,196.0	3,634.5
Substandard & Below Loans	3,071.7	2,587.1	2,736.8

1) Including reserve for credit losses.

Separate Basis

(%)

	Sep. 30, 2012			Dec. 31, 2011			Dec. 31, 2010		
	Substandard & Below Ratio	NPL Ratio	NPL Coverage Ratio ¹⁾	Substandard & Below Ratio	NPL Ratio	NPL Coverage Ratio ¹⁾	Substandard & Below Ratio	NPL Ratio	NPL Coverage Ratio ¹⁾
Shinhan Financial Group									
Shinhan Bank	1.27	1.03	153.72	1.09	0.82	166.11	1.31	0.91	133.10
Shinhan Card	2.17	1.68	201.62	1.69	1.26	236.08	1.90	1.44	182.65
Shinhan Investment Corp.	10.43	10.43	82.32	16.97	16.92	71.46	12.29	12.29	82.41
Shinhan Life Insurance	0.51	0.29	243.75	0.45	0.23	280.64	0.62	1.48	226.89
Shinhan Capital	2.94	2.36	58.91	2.79	1.31	82.85	2.38	1.86	80.44
Jeju Bank	1.84	1.70	87.11	1.62	1.03	93.73	1.57	1.28	113.74
Shinhan Savings Bank	38.82	38.82	35.61						

1) Including reserve for credit losses.

Table of Contents**4) Write-Offs & Provision for Credit Losses****<SFG Consolidated Basis>**

(KRW billion)

	Sep. 30, 2012	Dec. 31, 2011	Dec. 31, 2010
Allowance for loan losses	3,047.7	2,729.1	2,993.3
Allowance for acceptances and guarantee	82.0	85.8	171.0
Allowance for unused loan commitments	422.2	444.8	462.5
Other allowance	227.1	339.0	225.9
Total allowance	3,779.0	3,598.7	3,852.7
Write-offs	885.5	1,382.1	1,284.7

<Shinhan Bank>

(KRW billion)

	Sep. 30, 2012	Dec. 31, 2011	Dec. 31, 2010
Allowance for loan losses	1,791.0	1,580.9	1,803.8
Allowance for acceptances and guarantee	115.5	109.5	208.7
Allowance for unused loan commitments	76.3	85.2	85.8
Other allowance	149.5	256.2	155.4
Total allowance	2,132.3	2,031.8	2,253.8
Write-offs	403.4	811.8	773.1

<Shinhan Card>

(KRW billion)

	Sep. 30, 2012	Dec. 31, 2011	Dec. 31, 2010
Allowance for loan losses	784.7	706.2	703.8
Allowance for acceptances and guarantee			
Allowance for unused loan commitments	337.2	345.3	367.5
Other allowance	49.0	50.6	42.5
Total allowance	1,170.9	1,102.1	1,113.8
Write-offs	358.3	451.5	436.8

Table of Contents**4) Debt to Equity Ratios***Shinhan Financial Group*

(KRW billion)

Separate Basis	Sep. 30, 2012	Dec. 31, 2011 ¹⁾	Dec. 31, 2010
Debt	7,548.0	11,413.4	6,907.6
Equity	19,729.5	19,430.8	20,753.0
Debt to Equity Ratio	38.26%	58.74%	33.29%

- 1) Upon the resolution of Board of Directors to redeem Series 10 redeemable preferred shares and Series 11 convertible redeemable preferred shares held on December 15, 2011, KRW 3.75 trillion capital decrease and liability increase reflected on Debt to Equity Ratio.

Table of Contents*Twenty Largest Exposures by Borrower*

(KRW billion)

As of Sep. 30, 2012

Consolidated basis	Loans in		Securities	Guarantees and		Total
	Loans in Won	Foreign Currency		Acceptance	Others	
Ministry of Strategy & Finance			8,384			8,384
Bank of Korea	2,270		5,203			7,473
Hyundai Heavy Industries Co., Ltd.	2	132	312	2,908		3,355
Industrial Bank of Korea	557	45	2,341			2,943
Korea Finance Corporation			2,788			2,788
Korea Deposit Insurance Corporation			2,543			2,543
Korea Development Bank	13	24	2,315			2,352
Korea Land & Housing Corporation			1,877			1,877
Kookmin Bank	807	7	1,044			1,858
Woori Bank	249	14	1,288	6		1,557
Korea Securities Finance Corporation	33		1,453			1,486
Samsung Heavy Industries Co., Ltd.		68	61	1,185		1,314
Hana Bank	14	58	1,156			1,228
POSCO	2	177	792	62		1,033
Standard Chartered Bank Korea	303		648			952
KEPCO			912	8		920
Songdo Cosmopolitan City Development Inc.	912					912
Korea EximBank			830			830
Samsung C&T Corporation	41	65	461	252		819
Hyundai Samho Heavy Industries Co., Ltd.						