

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

May 17, 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 May 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 1Q Business Report

On May 17, 2010, Shinhan Financial Group (SFG) filed its 2010 1Q 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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Independent Accountant s Review Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of March 31, 2010

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1. Introduction of the Group

Company History in 2009 through 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

Aug. 2009 : Corporate name of Good Morning Shinhan Securities changed to Shinhan Investment Corporation

Sep. 2009 : Shinhan Bank Japan became an indirect subsidiary of SFG

Oct. 2009 : Shinhan Vietnam Bank 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

Change in Management

On March 24, 2010 the Board of Directors of Shinhan Financial Group appointed Mr. Eung Chan Ra as the Chairman of the Group and Ms. Sung Bin Chun as the Chairman of the Board of Directors.

Table of Contents**Principal Subsidiaries under Korean Law (as of Mar. 31, 2010)*****Direct Subsidiaries***

	Ownership by SFG
Subsidiaries	
Shinhan Bank	100.0%
Shinhan Card	100.0%
Shinhan Investment Corp.	100.0%
Shinhan Life Insurance	100.0%
Shinhan Capital	100.0%
Jeju Bank ¹⁾	68.9%
Shinhan BNP Paribas Asset Management ²⁾	65.0%
Shinhan Data System	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.

Indirect subsidiaries held through direct subsidiaries

Direct Subsidiaries	Indirect Subsidiaries	Ownership by the Parent
Shinhan Bank	Shinhan Asia Limited	100.00%
	Shinhan Bank America	100.00%

Shinhan Bank Europe	100.00%
Shinhan Vina Bank	50.00%
CHB Valuemeet 2001 year 1 st Securitization	50.00%
CHB Valuemeet 2001 year 2 nd Securitization	50.00%
CHB Valuemeet 2002 year 1 st Securitization	50.00%
Shinhan Khmer Bank Limited	80.1%
Shinhan Bank Kazakhstan	100.00%
Shinhan Bank China Limited	100.00%
Shinhan AITAS	89.6%
Shinhan Bank Canada	100.00%
Shinhan Bank Japan	100.00%

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Direct Subsidiaries	Indirect Subsidiaries	Ownership by the Parent
	Shinhan Vietnam Bank	100.00%
Shinhan Card	Shinhan-KT Mobile Card	50.00%
Shinhan Investment Corporation	Shinhan Investment Corporation Europe Ltd. Shinhan Investment Corporation USA Inc. Shinhan Investment Corporation Asia Ltd.	100.00% 100.00% 100.00%
Shinhan Private Equity	Shinhan NPS Private Equity Fund 1 st Shinhan Private Equity Fund II	5.00% ¹⁾ 2.17% ²⁾
Shinhan Capital	PETRA PEF	23.8%

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

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

Number of Shares

Types of Shares	Number of Shares	
	As of Dec. 31, 2009	As of Mar. 31, 2010
Common Shares	474,199,587	474,199,587
Redeemable Preferred Shares	38,373,459	38,373,459
Redeemable Convertible Preferred Shares	14,721,000	14,721,000
Total	527,294,046	527,294,046

2. Business Results
Operation Results

(KRW billion)

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	2010 (Jan.1~Mar.31)	2009 (Jan.1~Dec.31)	2008 (Jan.1~Dec.31)
Operating income	1,100.1	2,097.9	3,039.2
Non-operating income	30.0	126.2	223.6
Non-operating expense	45.7	244.7	261.9
Earnings before income tax	1,084.4	1,979.4	3,000.9
Income taxes	305.8	666.7	971.2
Pre-acquisition income in subsidiaries	0.0	0.0	(0.4)
Consolidated net income	778.6	1,328.2	2,025.6
Net income in majority interest	779.0	1,305.3	2,018.6
Net income in minority interest	(0.5)	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~Mar.31)				2009 (Jan.1~Dec.31)				2008 (Jan.1~Dec.31)			
	Average Balance	Interest	Interest	Interest	Average Balance	Interest	Interest	Interest	Average Balance	Interest	Interest	Interest
W hundred million, (%)	Ratio (%)	Paid	Rate (%)	Rate (%)	Ratio (%)	Paid	Rate (%)	Rate (%)	Ratio (%)	Paid	Rate (%)	Rate (%)
Fund in												
KRW												
Deposits	1,331,640	51.13	9,774	2.94	1,176,491	45.05	36,435	3.10	958,347	38.71	39,116	
CD	64,879	2.49	792	4.90	114,626	4.39	6,447	5.62	157,372	6.36	9,600	
Borrowing	71,563	2.75	445	2.49	74,090	2.84	2,519	3.40	67,277	2.72	3,332	
Call Loan	20,818	0.80	97	1.87	13,284	0.51	333	2.51	21,912	0.89	1,043	
Debenture	343,759	13.20	4,731	5.52	382,416	14.64	20,840	5.45	418,532	16.91	24,970	
Others	42,182	1.62	295	2.81	64,611	2.47	2,488	3.85	76,243	3.08	4,259	
Subtotal	1,874,841	71.98	16,134	3.45	1,825,518	69.91	69,062	3.78	1,699,683	68.66	82,320	
Fund in												
Foreign												
Currency												
Deposits	113,780	4.37	397	1.40	105,507	4.04	2,187	2.07	67,431	2.72	1,791	
Borrowing	56,814	2.18	209	1.48	77,761	2.98	1,833	2.36	97,945	3.96	3,083	
Call Loan	5,624	0.22	6	0.43	11,884	0.46	367	3.09	10,913	0.44	466	
Debenture	50,988	1.96	191	1.50	52,920	2.03	970	1.83	49,316	1.99	1,897	
Others	1,336	0.05	19	5.70	2,014	0.08	57	2.83	10,938	0.44	445	
Subtotal	228,542	8.77	822	1.44	250,086	9.58	5,414	2.16	236,543	9.56	7,682	
Interest bearing												
funding	2,103,383	80.76	16,956	3.23	2,075,604	79.49	74,476	3.59	1,936,226	78.22	90,002	
Others												
Shareholder												
equity	213,355	8.19	0	0.00	197,197	7.55	0	0.00	181,847	7.35	0	
Loan loss												
reserve	14,812	0.57	0	0.00	15,488	0.59	0	0.00	15,707	0.63	0	
Others	273,017	10.48	0	0.00	322,978	12.37	0	0.00	341,710	13.80	0	
Non-interest bearing												
funding	501,184	19.24	0	0.00	535,663	20.51	0	0.00	539,264	21.78	0	
Funding	2,604,567	100.00	16,956	2.61	2,611,267	100.00	74,476	2.85	2,475,490	100.00	90,002	

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

Table of Contents**Use of Funds**

	2010 (Jan.1~Mar.31)				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
	Ratio (%)	Paid	(%)		Ratio (%)	Paid	(%)		Ratio (%)	Paid	(%)	
in hundred million, %												
Deposits	122,483	4.70	288	0.94	110,557	4.23	1,748	1.58	73,760	2.98	2,581	
Securities	524,730	20.15	5,291	4.04	487,858	18.68	20,444	4.19	425,433	17.19	20,497	
Loans	1,319,192	50.65	19,200	5.84	605,442	23.19	32,955	5.44	1,224,471	49.46	89,602	
(Household)	622,406	23.90	8,542	5.50	605,442	23.19	32,955	5.44	574,061	23.19	40,925	
(Corporate)	696,786	26.75	10,658	6.14	703,441	26.94	41,846	5.95	650,410	26.27	48,677	
Advances for												
customers	334	0.01	1	1.20	819	0.03	11	1.34	397	0.02	11	
Call Loan	27,464	1.05	137	2.00	14,648	0.56	388	2.65	10,667	0.43	496	
Debenture	26,224	1.01	412	6.30	28,255	1.08	1,649	5.84	32,457	1.31	2,041	
Credit Card												
Receivable	138,783	5.33	8,150	23.55	118,236	4.53	31,488	26.63	100,551	4.06	27,839	
(Card Loan)	28,584	1.10	1,190	16.70	25,301	0.97	3,926	15.52	29,681	1.20	5,351	
Others	43,640	1.68	1,035	9.51	62,190	2.38	4,017	6.46	65,796	2.66	4,715	
Loan loss reserve	(35,057)	(1.35)	0	0.00	(35,192)	(1.35)	0	0.00	(30,502)	(1.23)	0	
Subtotal	2,167,793	83.23	34,514	6.39	2,096,254	80.28	134,546	6.42	1,903,030	76.87	147,782	
in ign ency												
Deposits	27,782	1.07	79	1.14	28,835	1.10	214	0.74	16,573	0.67	394	
Securities	23,420	0.90	77	1.32	23,318	0.89	533	2.29	20,117	0.81	891	
Loan	126,051	4.84	952	3.03	133,681	5.12	5,185	3.88	141,759	5.73	6,873	
Call loan	12,884	0.49	13	0.40	11,541	0.44	94	0.81	8,640	0.35	235	
Bills bought	31,775	1.22	235	2.97	30,760	1.18	1,521	4.94	39,621	1.60	1,791	
Others	3,055	0.12	26	3.41	3,799	0.15	147	3.87	5,493	0.22	466	
Loan loss reserve	(2,969)	(0.11)	0	0.00	(2,733)	(0.10)	0	0.00	(2,342)	(0.09)	0	
Subtotal	221,998	8.52	1,382	2.50	229,201	8.78	7,694	3.36	229,861	9.29	10,650	
rest earning												
ing	2,389,791	91.75	35,896	6.02	2,325,455	89.05	142,240	6.12	2,132,890	86.16	158,432	
ers												
Cash	21,540	0.83	0	0.00	22,893	0.88	0	0.00	23,746	0.96	0	
PP&E	23,430	0.90	0	0.00	23,700	0.91	0	0.00	24,194	0.98	0	
Others	169,806	6.52	0	0.00	239,219	9.16	0	0.00	294,660	11.90	0	
-interest earning												
ing	214,776	8.25	0	0.00	285,812	10.95	0	0.00	342,600	13.84	0	
of funds	2,604,567	100.00	35,896	5.53	2,611,267	100.00	142,240	5.45	2,475,490	100.00	158,432	

1) The Average Balance is the arithmetic mean of the ending

balance of each
quarter.

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Financial information for 2010 1Q contained in this section are provisional figures.

Group BIS Ratio

	Mar. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Aggregate Amount of Equity Capital (A)	23,190,127	22,572,130	18,723,461
Risk-Weighted Assets (B)	179,222,639	179,083,070	183,741,412
BIS Ratio (A/B) ¹⁾	12.94%	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, beginning FY2007.

Won Liquidity Ratio

	2010 1Q	2009	2008 ¹⁾
Won Assets due within 1 months (A)	886,004	470,681	920,661
Won Liabilities due within 1 months (B)	745,555	376,446	690,397
Won Liquidity Ratio (A/B)	118.84%	125.03%	133.35%

- 1) 2008 figures are due within 3 months

Liabilities to Equity Ratio

	2010 1Q	2009	2008
Liabilities (A)	6,577,974	6,392,346	8,307,683
Equity (B)	21,154,755	20,728,361	17,605,883
Liabilities to Equity Ratio (A/B)	31.09%	30.84%	47.19%

Capital Adequacy Ratio and Other Ratios of Certain Subsidiaries

- (1) BIS Capital Adequacy Ratio (%) ¹⁾

	Mar. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Shinhan Bank ²⁾	16.17	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

(2) Adjusted Equity Capital Ratio (%)

	Mar. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Shinhan Card	23.65	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%.

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(3) Net Capital Ratio (%)

	Mar. 31, 2010	Mar. 31, 2009	Mar. 31, 2008
Shinhan Investment Corp.	558.65	678.79	783.89

* 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 (%)

&nb