

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

November 28, 2003

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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 2003

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

(Translation of registrant's name into English)

120, 2-Ga, Taepyung-Ro, Jung-Gu, Seoul 100-102, Korea  
(Address of principal executive offices)

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

Form 20-F

Form 40-F

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

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

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

Yes

No

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

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**Summary of the Third Quarter Report**

On November 14, 2003, Shinhan Financial Group filed a third quarter report with the Financial Supervisory Commission of the Republic of Korea ( Korea ) pursuant to the Securities and Exchange Act of Korea (the Business Report ). This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

All references to Shinhan Financial Group mean Shinhan Financial Group on a non-consolidated basis and all references to we , us , the Group and the Company mean Shinhan Financial Group and as the context may require, its subsidiaries.

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

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**Table of Contents****1. Introduction to the Group****Principal Subsidiaries under Korean Law as of September 30, 2003***Direct Subsidiaries*

| Subsidiaries                      | Ownerships by SFG |
|-----------------------------------|-------------------|
| Shinhan Bank                      | 100.0%            |
| Chohung Bank 1)                   | 80.0%             |
| Goodmorning Shinhan Securities 1) | 59.4% 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        | 51.0%             |

1. Chohung Bank, Goodmorning Shinhan Securities, and Jeju Bank are listed on the Korea Stock Exchange.
2. Represents our ownership percentage of voting equity securities of Goodmorning Shinhan Securities. Currently, both common and preferred stock of Goodmorning Shinhan Securities has voting rights. We own 60.5% of common stock of Goodmorning Shinhan Securities.

*Indirect subsidiaries held through direct subsidiaries*

| Direct Subsidiaries            | Indirect Subsidiaries                      | Ownerships by the Parent |
|--------------------------------|--|--------------------------|
| Shinhan Bank                   | Shinhan Data System 1)                     | 100.0%                   |
|                                | Shinhan Finance                            | 100.0%                   |
| Chohung Bank                   | Chohung ITM                                | 79.8%                    |
|                                | Chohung Finance                            | 99.9%                    |
|                                | 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%                    |
| Goodmorning Shinhan Securities | Goodmorning Shinhan Securities Europe      | 100.0%                   |
|                                | Goodmorning Shinhan Securities USA         | 100.0%                   |

1. Shinhan System changed its corporate name to Shinhan Data System on October 8, 2003.

**Table of Contents****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.

| <b>Date of issuance</b> | <b>Purpose of issuance</b> | <b>Types of shares</b> | <b>Number of shares issued</b> | <b>Par Value (KRW)</b> | <b>Subscription price per share</b> | <b>Total amount of capital stock (KRW)</b> |
|-------------------------|----------------------------|------------------------|--------------------------------|------------------------|-------------------------------------|--|
| 2001.Sept.01            | Incorporation              | Common Shares          | 292,344,192                    | 5,000                  | 11,761                              | 1,461,720,960,000                          |
| 2002.Jun. 06            | Share Exchange(1)          | Common Shares          | 15,891                         | 5,000                  |                                     | 1,461,800,415,000                          |
| 2002.Oct.01             | Share Exchange(1)          | Common Shares          | 786                            | 5,000                  |                                     | 1,461,804,345,000                          |
| 2002.Dec.31             | Share Exchange(1)          | Common Shares          | 256                            | 5,000                  |                                     | 1,461,805,625,000                          |
| 2003.Aug.19             | Cash Subscription(2)       | Preferred Shares       | 6,000,000                      | 5,000                  | 150,000                             | 1,491,805,625,000                          |
| 2003.Aug.19             | Share Exchange(3)          | Preferred Shares       | 46,583,961                     | 5,000                  | 18,086                              | 1,724,725,430,000                          |
| 2003.Aug.19             | Share Exchange(4)          | Preferred Shares       | 44,720,603                     | 5,000                  | 18,086                              | 1,948,328,445,000                          |
| 2003.Sept.26            | Cash Subscription(5)       | Common Shares          | 1,864,065                      | 5,000                  | 14,832                              | 1,957,648,770,000                          |
| 2003.Aug.01             | Share Exchange(1)          | Common Shares          | 11,626                         | 5,000                  |                                     | 1,957,706,900,000                          |

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.

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The table below sets forth the number of the issued and outstanding shares of the Group as of October 1, 2003.

| <b>Types of Shares</b>                  | <b>Number of Shares</b> | <b>Total amount of par value</b> |
|---|-------------------------|----------------------------------|
| Common Shares                           | 294,236,816             | 1,471,184,080,000                |
| Redeemable Preferred Shares             | 52,583,961              | 262,919,805,000                  |
| Redeemable Convertible Preferred Shares | 44,720,603              | 223,603,015,000                  |
| <b>Total</b>                            | <b>391,541,380</b>      | <b>1,957,706,900,000</b>         |

**Stock Options**

| <b>Grant date</b> | <b>Name of the Guarantee</b> | <b>Number of Granted Option</b> | <b>Number of Exercised option</b> | <b>Number of Exercisable option</b> | <b>Exercise Price (KRW)</b> | <b>Working for</b>     |
|-------------------|------------------------------|---------------------------------|-----------------------------------|-------------------------------------|-----------------------------|------------------------|
| 22-May-02         | Ra, Eung-Chan                | 100,000                         |                                   | 100,000                             | 18,910                      | SFG                    |
| 22-May-02         | Lee, In-Ho                   | 80,000                          |                                   | 80,000                              | 18,910                      | SFG                    |
| 22-May-02         | Choi, Young Hwi              | 50,000                          |                                   | 50,000                              | 18,910                      | SFG                    |
| 22-May-02         | Choi, Bhang-Gil              | 20,000                          |                                   | 20,000                              | 18,910                      | SFG                    |
| 22-May-02         | Han, Min Ky                  | 1,000                           |                                   | 1,000                               | 18,910                      | SFG                    |
| 22-May-02         | Song, Youn Soo               | 2,500                           |                                   | 2,500                               | 18,910                      | SFG                    |
| 22-May-02         | Shin, Sang Hoon              | 30,000                          |                                   | 30,000                              | 18,910                      | Shinhan Bank           |
| 22-May-02         | Moon, Hong Soon              | 20,000                          |                                   | 20,000                              | 18,910                      | Shinhan Bank           |
| 22-May-02         | Oh, Young-Kook               | 8,481                           |                                   | 8,481                               | 18,910                      | Shinhan Bank (retired) |
| 22-May-02         | Lee, Jae Woo                 | 20,000                          |                                   | 20,000                              | 18,910                      | Shinhan Bank           |
| 22-May-02         | Nam, Kee Do                  | 8,481                           |                                   | 8,481                               | 18,910                      | Shinhan Bank (retired) |
| 22-May-02         | Huh, Joong Ok                | 20,000                          |                                   | 20,000                              | 18,910                      | Shinhan Bank           |
| 22-May-02         | Kim, Sahng-Dae               | 20,000                          |                                   | 20,000                              | 18,910                      | Shinhan Bank           |
| 22-May-02         | Jang, Myoung-Kee             | 20,000                          |                                   | 20,000                              | 18,910                      | Shinhan Bank           |
| 22-May-02         | Youn, Gwang Lim              | 20,000                          |                                   | 20,000                              | 18,910                      | Shinhan Bank           |
| 22-May-02         | Shin, Christoper             | 15,000                          |                                   | 15,000                              | 18,910                      | Shinhan Bank           |
| 22-May-02         | Lee, Dae Woon                | 15,000                          |                                   | 15,000                              | 18,910                      | Shinhan Bank           |

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| <b>Grant date</b> | <b>Name of the Guarantee</b>         | <b>Number of Granted Option</b> | <b>Number of Exercised option</b> | <b>Number of Exercisable option</b> | <b>Exercise Price (KRW)</b> | <b>Working for</b>         |
|-------------------|--------------------------------------|---------------------------------|-----------------------------------|-------------------------------------|-----------------------------|----------------------------|
| 22-May-02         | Lee, Dong Girl                       | 30,000                          |                                   | 30,000                              | 18,910                      | Shinhan Capital            |
| 22-May-02         | Son, Woong Man                       | 10,000                          |                                   | 10,000                              | 18,910                      | Shinhan Capital            |
| 22-May-02         | Hwang, Jung Hun                      | 4,240                           |                                   | 4,240                               | 18,910                      | Shinhan Capital (retired)  |
| 22-May-02         | Jung, Yun Kang                       | 10,000                          |                                   | 10,000                              | 18,910                      | Shinhan Capital            |
| 22-May-02         | Shin, Beom Seong                     | 2,500                           |                                   | 2,500                               | 18,910                      | Shinhan Credit Information |
| 22-May-02         | Song, Byung Kuk and other 5 officers | 12,000                          |                                   | 12,000                              | 18,910                      |                            |
| 22-May-02         | Kim, Duk Jung and other 323 officers | 449,104                         |                                   | 449,104                             | 18,910                      |                            |
| 15-May-03         | Ra, Eung-Chan                        | 100,000                         |                                   | 100,000                             | 11,800                      | SFG                        |
| 15-May-03         | Choi, Young Hwi                      | 90,000                          |                                   | 90,000                              | 11,800                      | SFG                        |
| 15-May-03         | Choi, Bhang-Gil                      | 20,000                          |                                   | 20,000                              | 11,800                      | SFG                        |
| 15-May-03         | Han, Min Ky                          | 20,000                          |                                   | 20,000                              | 11,800                      | SFG                        |
| 15-May-03         | Song, Youn Soo                       | 20,000                          |                                   | 20,000                              | 11,800                      | SFG                        |
| 15-May-03         | Shin, Sang Hoon                      | 80,000                          |                                   | 80,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Moon, Hong Soon                      | 20,000                          |                                   | 20,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Lee, Jae Woo                         | 20,000                          |                                   | 20,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Huh, Joong Ok                        | 20,000                          |                                   | 20,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Kim, Sahng-Dae                       | 20,000                          |                                   | 20,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Youn, Gwang Lim                      | 20,000                          |                                   | 20,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Cho, Woo Seop                        | 20,000                          |                                   | 20,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Kim, Hee Soo                         | 20,000                          |                                   | 20,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Han, Do Heui                         | 20,000                          |                                   | 20,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Shin, Christoper                     | 15,000                          |                                   | 15,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Lee, Dae Woon                        | 15,000                          |                                   | 15,000                              | 11,800                      | Shinhan Bank               |
| 15-May-03         | Hong Sung Kyun                       | 30,000                          |                                   | 30,000                              | 11,800                      | Shinhan Card               |
| 15-May-03         | Lee Tae Kyu                          | 10,000                          |                                   | 10,000                              | 11,800                      | Shinhan Card               |
| 15-May-03         | Kim Seong Won                        | 10,000                          |                                   | 10,000                              | 11,800                      | Shinhan Card               |
| 15-May-03         | Shim, Woo Yeob                       | 10,000                          |                                   | 10,000                              | 11,800                      | Shinhan Card               |
| 15-May-03         | Lee, Dong Girl                       | 30,000                          |                                   | 30,000                              | 11,800                      | Shinhan Capital            |
| 15-May-03         | Jung, Yun Kang                       | 10,000                          |                                   | 10,000                              | 11,800                      | Shinhan Capital            |
| 15-May-03         | Jang, Myoung-Kee                     | 10,000                          |                                   | 10,000                              | 11,800                      | Shinhan Capital            |
| 15-May-03         | Shin, Beom Seong                     | 10,000                          |                                   | 10,000                              | 11,800                      | Shinhan Credit Information |
| 15-May-03         | Song, Byung Kuk and other 7 officers | 14,600                          |                                   | 14,600                              | 11,800                      |                            |
| 15-May-03         | Seo, Jin Won and other 340 officers  | 500,636                         |                                   | 500,636                             | 11,800                      |                            |
| <b>Total</b>      | 417 persons                          | <b>2,123,542</b>                |                                   | <b>2,123,542</b>                    |                             |                            |

\* The stock options are exercisable during the 4 year period after the second anniversary from the grant date.



**Table of Contents****2. Business****Source and Use of Funds***Source of Funds*

(in millions of Korean Won)

|  | 3 <sup>rd</sup> quarter of 2003<br>(Jan.1~Sep.30) |               | 2002<br>(Jan.1~Dec.31) |               | 2001<br>(Jan.1~Dec.31) |               |
|--|---|---------------|------------------------|---------------|------------------------|---------------|
|  | Average<br>Balance 1)                             | Ratio<br>(%)  | Average<br>Balance 1)  | Ratio<br>(%)  | Average<br>Balance 1)  | Ratio<br>(%)  |
| Stockholders Equity  | 4,431,228   | 73.84         | 3,877,215              | 89.45         | 3,537,659              | 95.68         |
| Capital Stock  | 1,585,766   | 26.43         | 1,461,770              | 33.72         | 1,461,721              | 39.54         |
| Capital Surplus  | 2,311,533   | 38.52         | 1,976,637              | 45.60         | 1,976,650              | 53.46         |
| Retained Earnings  | 648,912   | 10.81         | 379,170                | 8.75          | 34,555                 | 0.93          |
| Capital Adjustment   | (114,983)   | (1.92)        | 59,638                 | 1.38          | 64,733                 | 1.75          |
| Borrowings   | 1,520,653   | 25.34         | 394,965                | 9.11          | 83,479                 | 2.26          |
| Debentures   | 1,298,554   | 21.64         | 359,240                | 8.29          | 73,479                 | 1.99          |
| Borrowings from other Banks                                | 37,099  | 0.62          | 35,725                 | 0.82          | 10,000                 | 0.27          |
| Borrowings through issuing short term<br>commercial papers | 185,000   | 3.08          |                        |               |                        |               |
| Other liabilities  | 49,349  | 0.82          | 62,394                 | 1.44          | 76,038                 | 2.06          |
| <b>Total</b>   | <b>6,001,230</b>                                  | <b>100.00</b> | <b>4,334,574</b>       | <b>100.00</b> | <b>3,697,176</b>       | <b>100.00</b> |

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

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

(in millions of Korean Won)

|                                   | 3 <sup>rd</sup> quarter of 2003<br>(Jan.1~Sep.30) |               | 2002<br>(Jan.1~Dec.31) |               | 2001<br>(Jan.1~Dec.31) |               |
|-----------------------------------|---|---------------|------------------------|---------------|------------------------|---------------|
|                                   | Average<br>Balance 1)                             | Ratio<br>(%)  | Average<br>Balance 1)  | Ratio<br>(%)  | Average<br>Balance 1)  | Ratio<br>(%)  |
| Investments on equity stock       | 5,733,859   | 78.18         | 3,874,018              | 89.38         | 3,619,972              | 97.91         |
| Shinhan Bank                      | 3,045,003   | 41.52         | 3,134,106              | 72.30         | 3,343,304              | 90.43         |
| Chohung Bank 2)                   | 1,776,601   | 24.22         |                        |               |                        |               |
| Goodmorning Shinhan Securities 3) | 534,863   | 7.30          | 447,117                | 10.32         | 173,109                | 4.68          |
| Shinhan Card                      | 198,084   | 2.70          | 149,800                | 3.46          |                        |               |
| Shinhan Capital                   | 92,868  | 1.27          | 71,171                 | 1.64          | 58,936                 | 1.60          |
| Shinhan BNP Paribas               | 22,015  | 0.30          | 39,010                 | 0.90          | 41,899                 | 1.13          |
| E-Shinhan                         | 3,483   | 0.05          | 4,281                  | 0.10          | 2,336                  | 0.06          |
| Shinhan Macquarie                 | 262   |               | 583                    | 0.01          | 388                    | 0.01          |
| Jeju Bank                         | 43,956  | 0.60          | 23,855                 | 0.55          |                        |               |
| Shinhan Credit Information        | 2,498   | 0.03          | 1,169                  | 0.03          |                        |               |
| SH&C Life Insurance               | 14,226  | 0.19          | 2,926                  | 0.07          |                        |               |
| Investment on Bonds               | 1,131   | 0.02          | 1,279                  | 0.03          |                        |               |
| Loans                             | 1,538,819   | 20.98         | 390,275                | 9.00          | 72,864                 | 1.97          |
| Fixed Assets                      | 2,209   | 0.03          | 1,272                  | 0.03          | 699                    | 0.02          |
| Intangible Assets                 | 486   | 0.01          | 163                    | 0.00          | 35                     | 0.00          |
| Cash Deposit in bank              | 30,319  | 0.42          | 57,241                 | 1.32          | 356                    | 0.01          |
| Other Assets                      | 27,675  | 0.38          | 10,325                 | 0.24          | 3,250                  | 0.09          |
| <b>Total</b>                      | <b>7,334,498</b>                                  | <b>100.00</b> | <b>4,334,574</b>       | <b>100.00</b> | <b>3,697,176</b>       | <b>100.00</b> |

1. The Average Balance was calculated by averaging the ending balance of each quarter.
2. Represents the ending balance of Chohung bank as of September 30, 2003, because Chohung bank was acquired in August 2003.
3. The Average Balance of Goodmorning Shinhan Securities for 2001 is that of Shinhan Securities, and the Average Balance for 2002 is the sum of the pre-merger balances of Shinhan Securities and Goodmorning Securities.

**Table of Contents****Other Financial Information****Requisite Capital Ratio**

(in millions of Korean Won)

|  | <u>3<sup>rd</sup> quarter<br/>of 2003 2)</u> | <u>2002</u> | <u>2001</u> |
|--|--|-------------|-------------|
| Aggregate Amount of Equity Capital (A) | 9,129,340                                    | 4,842,795   | 4,354,978   |
| Requisite Capital (B)                  | 7,654,313                                    | 3,698,754   | 2,981,268   |
| Requisite Capital Ratio (A/B) 1)       | 119.74%                                      | 130.93%     | 134.43%     |

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 3<sup>rd</sup> quarter of 2003 are provisional and are subject to change.

**Won Liquidity Ratio**

(in millions of Korean Won)

|   | <u>3<sup>rd</sup> quarter<br/>of 2003</u> | <u>2002</u> | <u>2001</u> |
|---|---|-------------|-------------|
| Won Assets due within 3 months (A)      | 145,417                                   | 14,945      | 1,449       |
| Won Liabilities due within 3 months (B) | 136,498                                   | 6,480       | 1,264       |
| Won Liquidity Ratio (A/B) 1)            | 106.53%                                   | 230.63%     | 114.64%     |

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)

|                                   | <u>3<sup>rd</sup> quarter<br/>of 2003</u> | <u>2002</u> | <u>2001</u> |
|-----------------------------------|---|-------------|-------------|
| Liabilities (A)                   | 1,863,706                                 | 774,759     | 319,033     |
| Adjusted Equity (B) 1)            | 5,954,107                                 | 4,010,220   | 3,636,947   |
| Liabilities to Equity Ratio (A/B) | 31.30%                                    | 19.32%      | 8.77%       |

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

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

## 1) Total Capital Adequacy Ratio

|              | <u>3<sup>rd</sup> quarter<br/>of 2003</u> | <u>2002</u> | <u>2001</u> |
|--------------|---|-------------|-------------|
| Shinhan Bank | 10.62%                                    | 10.91%      | 12.02%      |
| Chohung Bank | 8.56                                      | 8.66        | 10.43       |
| Jeju Bank    | 10.80                                     | 11.71       | 9.71        |

\* 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%.

## 2) Net Capital Ratio

|                                | <u>3<sup>rd</sup> quarter<br/>of 2003</u> | <u>2002</u> | <u>2001</u> |
|--------------------------------|---|-------------|-------------|
| Goodmorning Shinhan Securities | 537.0%                                    | 412.6%      | 589.5%      |

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

## 3) Adjusted Equity Capital Ratio

|              | <u>3<sup>rd</sup> quarter<br/>of 2003</u> | <u>2002</u> | <u>2001</u> |
|--------------|---|-------------|-------------|
| Shinhan Card | 11.44%                                    | 10.86%      |             |

\* 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 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

(in 100 millions of Korean Won)

|                    | <u>Sep.30.2003</u>        |                               | <u>Dec.31.2002</u>        |                               | <u>Dec. 31.2001</u>       |                               |
|--------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
|                    | <u>Balance of<br/>NPL</u> | <u>NPL to total<br/>Loans</u> | <u>Balance of<br/>NPL</u> | <u>NPL to total<br/>Loans</u> | <u>Balance of<br/>NPL</u> | <u>NPL to total<br/>Loans</u> |
| Shinhan Bank 1)    | 4,219                     | 0.82%                         | 2,983                     | 0.69%                         | 4,345                     | 1.21%                         |
| Chohung Bank 1)    | 19,985                    | 4.2%                          | 19,811                    | 4.0%                          | 14,837                    | 3.9%                          |
| Jeju Bank 1)       | 311                       | 2.35%                         | 238                       | 1.86%                         | 179                       | 1.86%                         |
| G.MS Securities 2) | 525                       | 23%                           | 410                       | 19%                           | 1,244                     | 45%                           |
| Shinhan Card 3)    | 1,143                     | 5.73%                         | 714                       | 2.82%                         |                           |                               |

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.

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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-performing loans of Goodmorning 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)

|                          |                     |          | <u>Jan. 1, 2003~<br/>Sep. 30, 2003</u> | <u>Jan. 1, 2002~<br/>Dec. 31, 2002</u> | <u>Jan. 1, 2001~<br/>Dec. 31, 2001</u> |
|--------------------------|---------------------|----------|--|--|--|
| Shinhan Bank             | Loan Loss Allowance | Domestic | 8,500                                  | 4,925                                  | 4,768                                  |
|                          |                     | Overseas | 761                                    | 733                                    | 905                                    |
|                          | Total               |          | <u>9,261</u>                           | <u>5,658</u>                           | <u>5,673</u>                           |
|                          | Write-offs          |          | <u>450</u>                             | <u>1,375</u>                           | <u>7,298</u>                           |
| Chohung Bank             | Loan Loss Allowance | Domestic | 17,531                                 | 16,988                                 | 10,507                                 |
|                          |                     | Overseas | 617                                    | 563                                    | 712                                    |
|                          | Total               |          | <u>18,148</u>                          | <u>17,551</u>                          | <u>11,219</u>                          |
|                          | Write-offs          |          | <u>15,550</u>                          | <u>11,007</u>                          | <u>11,457</u>                          |
| Jeju Bank                | Loan Loss Allowance | Domestic | 318                                    | 273                                    | 270                                    |
|                          |                     | Overseas |  |  |  |
|                          | Total               |          | <u>318</u>                             | <u>273</u>                             | <u>270</u>                             |
|                          | Write-offs          |          | <u>105</u>                             | <u>240</u>                             | <u>1,401</u>                           |
| GM Shinhan Securities 1) | Loan Loss Allowance | Domestic | 469                                    | 370                                    | 929                                    |
|                          |                     | Overseas |  |  |  |
|                          | Total               |          | <u>469</u>                             | <u>370</u>                             | <u>929</u>                             |
|                          | Write-offs          |          | <u></u>                                | <u>75</u>                              | <u>244</u>                             |
| Shinhan Card 2)          | Loan Loss Allowance | Domestic | 1,248                                  | 961                                    |  |
|                          |                     | Overseas |  |  |  |
|                          | Total               |          | <u>1,248</u>                           | <u>961</u>                             | <u></u>                                |
|                          | Write-offs          |          | <u>1,946</u>                           | <u>544</u>                             | <u></u>                                |

1. The fiscal year of Goodmorning Shinhan Securities ends on March 31 of each year. Accordingly, the relevant periods for Goodmorning Shinhan Securities are adjusted as follows: (i) from April 1, 2003 to September 30, 2003, (ii) from April 1, 2002 to March 30 2003, and (iii) from April 1, 2001 to March 30, 2002.

2. Shinhan Card was incorporated on July 1, 2002.

**Table of Contents****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.

| <u>Year</u>     | <u>Auditor</u>                | <u>Payment (KRW)</u> | <u>Working hours</u> |
|-----------------|-------------------------------|----------------------|----------------------|
| 2003 (9 months) | KPMG Samjong Accounting Corp. | 210,000,000          | 1,170 hours          |
| 2002            | KPMG Samjong Accounting Corp. | 150,000,000          | 1,484 hours          |
| 2001            | KPMG Samjong Accounting Corp. | 70,000,000           | 9 days               |

*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.

| <u>Year</u> | <u>Month</u> | <u>Service description</u>                   | <u>Payment (KRW)</u> |
|-------------|--------------|--|----------------------|
| 2003        | Sept.        | Due diligence on the Chohung Bank            | 904,000,000          |
|             | July         | Valuation of common shares of Chohung Bank   | 100,000,000          |
| 2001        | Sept.        | Advisory service for accounting and taxation | 40,000,000           |

**Table of Contents****4. Performance of Affiliated Companies***Condensed Financial Statements of Subsidiaries*

## 1) Balance Sheets

Condensed balance sheets of our subsidiaries as of September 30, 2003 are as follows:

(in millions of Korean Won)

| As of September 30, 2003       |                    |                    |                            |
|--------------------------------|--------------------|--------------------|----------------------------|
| Subsidiaries                   | Total assets       | Total liabilities  | Total stockholders' equity |
| Shinhan Bank                   | 69,439,537         | 66,159,451         | 3,280,086                  |
| Chohung Bank                   | 62,116,003         | 60,145,530         | 1,970,473                  |
| Goodmorning Shinhan Securities | 2,109,833          | 1,481,606          | 628,227                    |
| Shinhan Card                   | 2,061,550          | 1,920,462          | 141,088                    |
| Shinhan Capital                | 1,125,741          | 1,024,859          | 100,882                    |
| Shinhan BNP Paribas ITMC       | 46,160             | 2,087              | 44,073                     |
| Jeju Bank                      | 1,748,170          | 1,649,461          | 98,709                     |
| SH&C Life Insurance            | 34,013             | 6,721              | 27,292                     |
| e-Shinhan                      | 4,384              | 284                | 4,100                      |
| Shinhan Macquarie              | 5,379              | 4,738              | 641                        |
| Shinhan Credit Information     | 10,756             | 7,959              | 2,797                      |
|                                | <u>138,701,526</u> | <u>132,403,158</u> | <u>6,298,368</u>           |

## 2) Statements of Earnings

Condensed statements of earnings of our subsidiaries for the quarter and the nine months ended September 30, 2003 are as follows:

(in millions of Korean Won)

| Nine months ended September 30, 2003 |                    |                   |                         |                        |                     |
|--------------------------------------|--------------------|-------------------|-------------------------|------------------------|---------------------|
| Subsidiaries                         | Operating revenue  | Operating expense | Operating income (loss) | Ordinary income (loss) | Net earnings (loss) |
| Shinhan Bank                         | W 3,545,995        | 3,105,200         | 440,795                 | 445,889                | 313,075             |
| Chohung Bank                         | 4,100,326          | 4,789,302         | (688,976)               | (714,352)              | (758,378)           |
| Goodmorning Shinhan Securities       | 469,782            | 453,755           | 16,027                  | 51,335                 | 30,540              |
| Shinhan Card                         | 318,427            | 425,039           | (106,612)               | (106,611)              | (106,372)           |
| Shinhan Capital                      | 116,820            | 94,822            | 21,998                  | 17,833                 | 12,508              |
| Shinhan BNP Paribas ITMC             | 9,456              | 8,616             | 840                     | 1,294                  | 907                 |
| Jeju Bank                            | 103,343            | 105,256           | (1,913)                 | (852)                  | 1,177               |
| SH&C Life Insurance                  | 2,587              | 4,279             | (1,692)                 | (2,674)                | (2,674)             |
| e-Shinhan                            | 1,395              | 2,619             | (1,224)                 | (1,182)                | (1,182)             |
| Shinhan Macquarie                    | 5,323              | 5,613             | (290)                   | (133)                  | (463)               |
| Shinhan Credit Information           | 13,363             | 13,774            | (411)                   | (452)                  | (323)               |
|                                      | <u>W 8,686,817</u> | <u>9,008,275</u>  | <u>(321,458)</u>        | <u>(309,905)</u>       | <u>(511,185)</u>    |





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(in millions of Korean Won)

**Quarter ended September 30, 2003**

| <b>Subsidiaries</b>            | <b>Operating revenue</b> | <b>Operating expense</b> | <b>Operating income (loss)</b> | <b>Ordinary income (loss)</b> | <b>Net earnings (loss)</b> |
|--------------------------------|--------------------------|--------------------------|--------------------------------|-------------------------------|----------------------------|
| Shinhan Bank                   | W 1,218,334              | 1,014,893                | 203,441                        | 226,502                       | 161,375                    |
| Chohung Bank                   | 1,303,293                | 1,616,382                | (313,089)                      | (320,298)                     | (339,096)                  |
| Goodmorning Shinhan Securities | 167,964                  | 163,681                  | 4,283                          | 5,064                         | 6,932                      |
| Shinhan Card                   | 111,461                  | 144,176                  | (32,715)                       | (32,689)                      | (32,689)                   |
| Shinhan Capital                | 47,369                   | 38,851                   | 8,518                          | 5,643                         | 3,911                      |
| Shinhan BNP Paribas ITMC       | 3,185                    | 1,740                    | 1,445                          | 1,457                         | 1,027                      |
| Jeju Bank                      | 33,842                   | 33,712                   | 130                            | 119                           | 119                        |
| SH&Clife Insurance             | 1,206                    | 2,250                    | (1,044)                        | (1,055)                       | (1,055)                    |
| e-Shinhan                      | 314                      | 807                      | (493)                          | (472)                         | (472)                      |
| Shinhan Macquarie              | 2,241                    | 1,335                    | 906                            | 889                           | 889                        |
| Shinhan Credit Information     | 7,481                    | 8,961                    | (1,480)                        | (1,541)                       | (1,096)                    |
|                                | <b>W 2,896,690</b>       | <b>3,026,788</b>         | <b>(130,098)</b>               | <b>(116,381)</b>              | <b>(200,155)</b>           |

**5. Market Price Information of Our Equity Securities**  
*Common Share Traded in Korea Stock Exchange*

(in Korean Won or number of shares)

|                 | <b>April</b> | <b>May</b> | <b>June</b> | <b>July</b> | <b>Aug.</b> | <b>Sept.</b> |
|-----------------|--------------|------------|-------------|-------------|-------------|--------------|
| Price per share |              |            |             |             |             |              |
| High            | 12,500       | 12,850     | 14,650      | 16,150      | 16,150      | 18,400       |
| Low             | 9,900        | 10,700     | 11,900      | 12,150      | 14,200      | 15,200       |
| Trading Volume  | 32,062,280   | 27,811,116 | 37,299,165  | 34,305,061  | 21,535,516  | 25,986,184   |

**American Depositary Shares**

Shinhan Financial Group listed its American Depositary Shares on the New York Stock Exchange on September 16, 2003, and delisted its Global Depositary Shares from the Luxemburg Stock Exchange on September 17, 2003. With the termination of our Global Depositary Share program, the Global Depositary Shares can be converted into American Depositary Shares until April 16, 2004.

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## 1) Global Depositary Shares traded on the Luxemburg Stock Exchange

(in US Dollars or number of shares)

|                 |      | <u>April</u> | <u>May</u> | <u>June</u> | <u>July</u> | <u>Aug.</u> | <u>Sept.</u> |
|-----------------|------|--------------|------------|-------------|-------------|-------------|--------------|
| Price per share | High | 20.08        | 20.78      | 23.38       | 26.63       | 27.20       | 31.20        |
|                 | Low  | 16.15        | 18.35      | 20.20       | 20.75       | 24.15       | 27.25        |
| Trading Volume  |      | 485,548      | 200,124    | 306,128     | 216,948     | 1,360,000   | 173,066      |

## 2) American Depositary Shares trade on the New York Stock Exchange

(in US Dollars or number of shares)

|                 |      | <u>Sept</u> |
|-----------------|------|-------------|
| Price per share | High | 31.28       |
|                 | Low  | 27.36       |
| Trading Volume  |      | 28,000      |

**6. Changes to Directors, Executive Officers and Employees***Directors and Executive Officers*

Please refer to our Form 6-K filed on October 2, 2003, on which we described the recent changes in positions and titles of our executive officers.

*Employees*

(As of September 2003)

|        | <u>Number<br/>of<br/>Employees</u> | <u>Average<br/>Tenure<br/>(year)</u> | <u>Total Salaries and<br/>wages paid for the<br/>first nine months<br/>of 2003 (in thousands<br/>of Korean Won)</u> | <u>Average Payment<br/>per person<br/>(in thousands<br/>of Korean Won)</u> |
|--------|------------------------------------|--------------------------------------|---|--|
| Male   | 59                                 | 1.14                                 | 3,086,988   | 52,321   |
| Female | 14                                 | 0.85                                 | 251,826   | 17,987   |
| Total  | 73                                 | 1.09                                 | 3,338,814   | 45,737   |

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**Exhibit 1.**

The Independent Accountant's Review Report (under Korean GAAP) to the Financial Statements of Shinhan Financial Group as of and for the Nine Month Period ended September 30, 2003.

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| Shinhan Financial Group Non-Consolidated Balance Sheets         | F-3         |
| Shinhan Financial Group Non-Consolidated Statements of Earnings | F-4         |
| Notes to Non-Consolidated Financial Statements                  | F-7         |

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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 27, 2003