

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

March 31, 2008

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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 March 2008

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 2007 Annual Report

On March 31, 2008, Shinhan Financial Group (SFG) filed the 2007 Annual Business Report (the Business Report) with the Financial Supervisory Service of the Republic of Korea (Korea) pursuant to the Securities and Exchange Act of Korea. This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

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

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Exhibit 99-1

Independent Auditor s Report (Non-consolidated Financial Statements) of Shinhan Financial Group as of December 31, 2007

Exhibit 99-2

Independent Auditor s Report (Consolidated Financial Statements) of Shinhan Financial Group as of December 31, 2007

Table of Contents**1. Introduction of the Group****Company History in 2007**

- n March 2007: LG Card joined Shinhan Financial Group as subsidiary
- n July 2007: Good Morning Shinhan Securities Asia Ltd., an overseas subsidiary of Good Morning Shinhan Securities, joined Shinhan Financial Group as indirect subsidiary
- n August 2007: Shinhan Khmer Bank Limited joined Shinhan Financial Group as indirect subsidiary
- n September 2007: LG Card became a wholly-owned subsidiary of Shinhan Financial Group through a small-scale share swap
- n October 2007: The integrated Shinhan Card was launched

Principal Subsidiaries under Korean Law as of December 31, 2007***Direct Subsidiaries***

Subsidiaries	Ownership by SFG
Shinhan Bank	100.0%
Shinhan Card ¹⁾	100.0%
SHC Management ¹⁾	100.0%
Good Morning Shinhan Securities	100.0%
Shinhan Life Insurance	100.0%
Shinhan Capital	100.0%
Shinhan BNP Paribas ITMC	50.0%
Jeju Bank ²⁾	62.4%
SH&C Life Insurance	50.0%
Shinhan Macquarie Financial Advisory	51.0%
Shinhan Credit Information	100.0%
Shinhan Private Equity	100.0%

- 1) On September 21, 2007, LG Card became a wholly owned subsidiary of Shinhan Financial Group through a small scale share swap. LG Card shares were de-listed from the Korea Exchange on October 10, 2007. Further, through a

process of
business transfer
and assumption,
Shinhan Card's
business was
fully assumed
by LG Card.
Subsequently,
LG Card
changed its
name to
Shinhan Card
on October 1,
2007. Former
Shinhan Card
has changed its
name to SHC
Management
and is in the
process of
liquidation.

- 2) Jeju Bank is
currently listed
on the Korea
Exchange.

Table of Contents***Indirect subsidiaries held through direct subsidiaries***

		(As of December 31, 2007)	
Direct Subsidiaries	Indirect Subsidiaries	Ownership by the Parent	
Shinhan Bank	Shinhan Data System	100.00%	
	Shinhan Finance Ltd.(Hong Kong) ¹⁾	100.00%	
	SH Asset Management	99.97%	
	Shinhan Asia Limited	100.00%	
	Shinhan Bank America	100.00%	
	Shinhan Bank Europe GmbH	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	100.00%	
	Good Morning Shinhan Securities	Good Morning Shinhan Securities Europe Ltd.	100.00%
		Good Morning Shinhan Securities USA Inc.	100.00%
		Good Morning Shinhan Securities Asia Ltd.	100.00%
Shinhan Private Equity	Shinhan NPS Private Equity Fund 1 st	5.00% ²⁾	

1) On November 1, 2006, Shinhan Finance Limited, Shinhan Financial Group's indirect subsidiary, was transferred to a branch of Shinhan Bank. The liquidation process is currently taking place.

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

Number of Shares

Number of issued and outstanding shares of the Group as of December 31, 2007

	Types of Shares	Number of Shares
Common Shares		396,199,587
Redeemable Preferred Shares		59,440,377
Redeemable Convertible Preferred Shares		14,721,000
Total		470,360,964

* On August 20, 2007, 9,316,792 shares of series 2 redeemable preferred shares were redeemed.

* On September 21, 2007, the Group's common shares increased by 14,631,973 shares, as a result of a small scale share swap with LG Card.

Table of Contents**Employee Stock Ownership Plan (ESOP)****ESOP Ownership per company**

Company	(As of December 31, 2007, Unit: shares)		
	Association Accounts	Employee Accounts	Total Balance
Shinhan Financial Group	26,302	37,774	64,076
Shinhan Bank	1,198,213	4,034,588	5,232,801
Good Morning Shinhan Securities		48,688	48,688
Shinhan Capital	11,560	43,272	54,832
Shinhan Card		90,188	90,188
Shinhan Life Insurance		75,439	75,439
SH&C Life Insurance		1,509	1,509
Shinhan Credit Information		1,392	1,392
Shinhan Data System		3,206	3,206
Total	1,236,075	4,336,056	5,572,131

Dividends

	(As of December 31, 2007, Unit: KRW million)		
	2007	2006	2005
Net Income	2,396,377	1,832,718	1,560,760
Earning per Share	KRW 5,562	KRW 4,776	KRW 4,360
Dividends Paid	620,442	392,239	385,049
Preferred Share	263,862	55,245	106,972
Common Share	356,580	336,994	278,077
Dividend Payout Ratio	25.89%	21.40%	24.67%
Dividend per Share (Common Share)	KRW 900	KRW 900	KRW 800

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

	(KRW million)		
	2007	2006	2005
	(Jan.1~Dec.31)	(Jan.1~Dec.31)	(Jan.1~Dec.31)
Operating Revenue	2,749,536	2,003,752	1,718,950
Gain using the equity method of accounting	2,632,111	1,917,268	1,618,314
Interest income	117,333	79,151	95,812
Gain on Foreign Currency Transaction	92	5,838	3,451
Other income		1,495	1,373
Operating Expense	375,344	182,889	158,321
Loss using the equity method of accounting			1,047
Interest Expense	326,928	129,644	114,544
Loss on Foreign Currency Transaction	93	5,838	3,449
Commission Expense	112	269	124
SG&A Expense	48,211	47,138	39,157
Operating Income	2,374,192	1,820,863	1,560,629

Source and Use of Funds**Source of Funds**

	(KRW million)					
	2007		2006		2005	
	(Jan.1~Dec.31)		(Jan.1~Dec.31)		(Jan.1~Dec.31)	
	Average	Ratio	Average	Ratio	Average	Ratio
	Balance ¹⁾	(%)	Balance ¹⁾	(%)	Balance ¹⁾	(%)
Stockholders Equity	15,896,140	71.40	10,376,235	76.70	8,463,137	77.35
Capital Stock	2,374,866	10.67	2,170,758	16.05	2,100,646	19.20
Capital Surplus	7,482,652	33.61	4,360,100	32.23	3,846,957	35.16
Capital Adjustment	19,669	0.09	25,520	0.19	11,475	0.10
Comprehensive						
Income	1,578,309	7.09	840,704	6.21	345,178	3.16
Retained Earnings	4,440,644	19.95	2,979,153	22.02	2,158,881	19.73
Liabilities	6,368,277	28.60	3,152,497	23.30	2,477,425	22.65
Borrowings	6,242,453	28.04	2,769,824	20.47	2,230,681	20.39
Other liabilities	125,824	0.57	382,673	2.83	246,744	2.26
Total	22,264,417	100.00	13,528,732	100.00	10,940,562	100.00

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

Table of Contents**Use of Funds**

	(KRW million)					
	2007		2006		2005	
	(Jan.1~Dec.31)		(Jan.1~Dec.31)		(Jan.1~Dec.31)	
	Average Balance ¹⁾	Ratio (%)	Average Balance ¹⁾	Ratio (%)	Average Balance ¹⁾	Ratio (%)
Investments on equity stock	20,342,185	91.37	11,646,253	86.09	9,060,179	82.82
Shinhan Bank	10,820,953	48.60	8,997,565	66.50	7,591,397	69.39
LG Card	5,963,810	26.79				
Shinhan Card	955,862	4.29	639,038	4.72	197,754	1.81
Good Morning						
Shinhan Securities	1,432,555	6.43	943,203	6.97	867,403	7.93
Shinhan Life						
Insurance	807,664	3.63	768,599	5.68	147,558	1.35
Shinhan Capital	220,347	0.99	170,264	1.26	139,108	1.27
Jeju Bank	73,916	0.33	66,809	0.49	57,606	0.53
Shinhan Credit						
Information	11,249	0.05	9,179	0.07	8,198	0.07
Shinhan Private						
Equity	9,864	0.04	8,987	0.07	9,300	0.09
Shinhan BNP						
Paribas ITMC	26,597	0.12	24,152	0.18	23,139	0.21
SH&C Life						
Insurance	17,821	0.08	17,322	0.13	14,879	0.14
Shinhan Macquarie						
FA	1,547	0.01	1,135	0.01	1,641	0.01
E-Shinhan					2,197	0.02
Loans	1,201,143	5.39	1,299,633	9.61	1,667,537	15.24
Fixed Assets	662	0.00	959	0.01	1,296	0.01
Cash Deposit in bank	557,627	2.50	422,201	3.12	177,313	1.62
Other Assets	162,800	0.73	159,686	1.18	34,237	0.31
Total	22,264,417	100.00	13,528,732	100.00	10,940,562	100.00

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

Other Financial Information**Group BIS Ratio**

(KRW million)
2007

Aggregate Amount of Equity Capital (A)	15,945,940
Risk-Weighted Assets (B)	161,849,385
BIS Ratio (A/B) ¹⁾	9.85%

1) In accordance with the amendments in the Financial Holding Company Guidelines of the Financial Supervisory Commission, the Group BIS Ratio, rather than the Requisite Capital Ratio, is used as an index for measuring capital adequacy, beginning FY2007.

Won Liquidity Ratio

	2007	2006	(KRW million) 2005
Won Assets due within 3 months (A)	220,009	605,415	341,547
Won Liabilities due within 3 months (B)	209,888	248,661	332,746
Won Liquidity Ratio (A/B) ¹⁾	104.82%	243.47%	102.65%

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 no less than 100%.

Table of Contents***Liabilities to Equity Ratio***

	2007	2006	(KRW million) 2005
Liabilities (A)	7,349,727	3,642,105	2,325,114
Equity (B)	17,977,801	11,361,526	10,137,017
Liabilities to Equity Ratio (A/B)	40.88%	32.06%	22.94%

Capital Adequacy Ratio and Other Ratios of Certain Subsidiaries**(1) BIS Capital Adequacy Ratio (%) ¹⁾**

	2007	2006	2005
Shinhan Bank ²⁾	12.09	12.01	10.94
Jeju Bank	11.32	11.26	11.71

1) The BIS Capital Adequacy Ratio is 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) The integrated Shinhan Bank was launched on April 1, 2006 and the figure for 2005 is of pre-merger Chohung Bank, the surviving entity.

(2) Adjusted Equity Capital Ratio (%)

	2007	2006	2005
Shinhan Card	25.31	34.25	25.55

* 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%. 2006 and 2005 figures are of former LG Card.

(3) Net Capital Ratio (%)

	Dec.31 2007	Mar.31 2007	Mar.31 2006
Good Morning Shinhan Securities	568.44	451.69	558.60

* Net Capital Ratio is computed in accordance with the guidelines issued by the Financial Supervisory Commission for securities brokerage businesses. Under these guidelines, Good Morning Shinhan

Securities is required to maintain a minimum net capital ratio of 100%.

(4) Solvency Margin Ratio (%)

	Dec.31 2007	Mar.31 2007	Mar.31 2006
Shinhan Life Insurance	226.05	224.75	230.79

* Under the guidelines issued by the Financial Supervisory Commission, Shinhan Life Insurance is required to maintain a minimum solvency margin ratio of 100%.

Table of Contents**Non- Performing Loans of Certain Subsidiaries ¹⁾**

(1) Non- Performing Loans

	Dec.31, 2007		Dec.31, 2006		Dec.31, 2005	
	Balance	NPL to total Loans of NPL (%)	Balance of NPL	NPL to total Loans (%)	Balance of NPL	NPL to total Loans (%)
Shinhan Bank ²⁾	848,846	0.63	729,655	0.62	531,349	1.15
Jeju Bank	11,952	0.60	13,120	0.74	16,287	1.15
Shinhan Card ³⁾	448,866	3.71	493,236	6.05	544,705	8.22
GMSH Securities ³⁾	30,530	2.40	25,888	2.54	26,943	5.68

- 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 Commission.
- 2) Figures for 2005 are of pre-merger Chohung Bank, the surviving entity.
- 3) Under the guidelines of the Financial Supervisory Commission, 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 Good
Morning
Shinhan
Securities, and
Shinhan Card
includes loans
classified as
substandard,
doubtful, and
estimated loss.
2006 and 2005
figures for
Shinhan Card
are of former
LG Card.

(2) Loan Loss Allowances & Write-offs for the period

			Jan. 1, 2007~ Dec. 31, 2007	Jan. 1, 2006~ Dec. 31, 2006	(KRW million) Jan. 1, 2005~ Dec. 31, 2005
Shinhan Bank	Loan				
	Loss	Domestic	2,317,075	1,911,843	905,000
	Allowance	Overseas	76,175	59,758	27,600
		Total	2,393,250	1,971,601	932,600
Write-offs		186,316	160,636	571,500	
Jeju Bank	Loan				
	Loss	Domestic	31,849	26,313	25,329
	Allowance	Overseas			
		Total	31,849	26,313	25,329
Write-offs		7,188	8,325	19,145	
Shinhan Card	Loan				
	Loss	Domestic	947,737	1,031,823	1,190,571
	Allowance	Overseas			
		Total	947,737	1,031,823	1,190,571
Write-offs		430,535	535,622	1,532,742	

1)

2006 and 2005
figures for
Shinhan Card
are of former
LG Card.

			Apr. 1, 2007~ Dec. 31, 2007	Apr. 1, 2006~ Mar. 31, 2007	Apr. 1, 2005~ Mar. 31, 2006
GMSH Securities	Loan Loss Allowance	Domestic Overseas Total	36,238	30,776	28,900
	Write-offs		36,238	30,776	28,900
				1,117	2,300
		9			

Table of Contents**3. Independent Auditor*****Audit Opinion for the last 3 years***

Audit Opinion	FY 2007 Unqualified	FY 2006 Unqualified	FY 2005 Unqualified
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Compensation to the Independent Auditor for Audit and Review Services

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

Year	Auditor	Payment (KRW mil.)	Details	Working hours
	KPMG Samjong Accounting Corp.	341	Review/Audit of Financial Statements	2,465 hours
2007	KPMG Samjong Accounting Corp.	399	Review of Financial Statements related to accounting treatment of LG Card acquisition	2,755 hours
2006	KPMG Samjong Accounting Corp.	304	Review/Audit of Financial Statements	3,150 hours
2005	KPMG Samjong Accounting Corp.	288	Review/Audit of Financial Statements	3,073 hours

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4. Directors, Executive Officers and Employees

Directors and Executive Officers

1) Executive Directors

Name	Date of Birth	Position	Service Term
Eung Chan Ra	Nov. 25, 1938	Chairman of BOD Board Steering Committee member	3 years starting from March 20, 2007