

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

May 30, 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 May 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 1Q Business Report

On May 30, 2012, Shinhan Financial Group (SFG) filed its 2012 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 International Financial Reporting Standards.

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Independent Auditors Review Report (Consolidated Financial Statements) of Shinhan Financial Group as of March 31, 2012

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1. Introduction of the Group

Company History in 2009 through 2012

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

Sep. 2009 : SBJ 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

June 2010 : CHB Valuemeet 2001 First SPC was disaffiliated from SFG

June 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

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Principal Subsidiaries under Korean Law (as of March 31, 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 Capital | 100.0% |
| Jeju Bank ¹⁾ | 68.9% |
| Shinhan BNP Paribas Asset Management | 65.0% |
| Shinhan Data System | 100.0% |
| Shinhan Credit Information | 100.0% |
| Shinhan Private Equity Investment Management ²⁾ | 100.0% |
| SHC Management | 100.0% |
| Shinhan Savings Bank ³⁾ | 100.0% |

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

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Indirect subsidiaries held through direct subsidiaries (as of March 31, 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 Vietnam Bank ²⁾ | 100.0% |
| Shinhan Investment Corp. | Shinhan Investment Corporation Europe Ltd. | 100.0% |
| | Shinhan Investment Corporation USA Inc. | 100.0% |
| | Shinhan Investment Corporation Asia Ltd. | 100.0% |
| | Shinhan Maritime Private Equity Fund I | 7.1% |
| | KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp ³⁾ | 8.5% |
| Shinhan BNP Paribas Asset Management | Shinhan BNP Paribas Asset Management (Hong Kong) Limited | 100.0% |
| Shinhan Private Equity Investment Management ¹⁾ | Shinhan NPS Private Equity Fund 1st | 5.0% ⁴⁾ |
| | Shinhan Private Equity Fund II | 2.2% ⁵⁾ |

- 1) On November 2, 2011, Shinhan Private Equity renamed as Shinhan Private Equity Investment Management upon acquisition of a non-discretionary investment advisory license.
- 2) On November 28, 2011, upon 100% acquisition of Shinhan Vina Bank, Shinhan Bank Vietnam was merged with Shinhan Vina Bank.
- 3) Shinhan Capital currently owns 6.5% of KOFC Shinhan Frontier Champ 2010-4 PEF Investment Corp.
- 4) Shinhan Financial Group and its subsidiaries currently own 36.7% of Shinhan NPS Private Equity Fund 1st.
- 5) Shinhan Financial Group and its subsidiaries currently own 32.6% of Shinhan Private Equity Fund II.

Number of Shares (as of March 31, 2012)

| Types of Shares | Number of Shares |
|--------------------------------|-------------------------|
| Common Shares | 474,199,587 |
| Redeemable Preferred Shares 1) | 11,100,000 |
| Total | 485,299,587 |

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

(KRW billion)

| | 2012 (Jan. 1 ~ Mar. 31) | 2011 (Jan. 1 ~ Dec. 31) | 2010 (Jan. 1 ~ Dec. 31) |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Operating income | 1,137.3 | 4,134.8 | 3,414.5 |
| Equity in income(loss) of associates | 9.2 | 57.8 | 15.3 |
| Earnings before income tax | 1,146.5 | 4,192.6 | 3,429.8 |
| Income taxes | 277.7 | 919.9 | 570.4 |
| Consolidated net income | 868.8 | 3,272.6 | 2,859.4 |
| Net income in majority interest | 826.3 | 3,100.0 | 2,684.6 |
| Net income in minority interest | 42.5 | 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, %) | 2012 Jan. 1 ~ Mar. 31 | | | | 2011 Jan. 1 ~ Dec. 31 | | | | 2010 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 | 166,073.0 | 56.87 | 1,145.9 | 2.76 | 156,280.5 | 55.28 | 4,181.0 | 2.68 | 149,653.3 | 56.11 | 3,935.6 | 2.63 |
| Borrowings | 14,166.4 | 4.85 | 71.8 | 2.03 | 14,037.4 | 4.97 | 259.2 | 1.85 | 12,403.4 | 4.65 | 250.4 | 2.02 |
| Debentures | 40,138.4 | 13.75 | 460.5 | 4.59 | 40,017.2 | 14.16 | 1,942.9 | 4.86 | 40,356.3 | 15.13 | 2,041.2 | 5.06 |
| Other Liabilities | 44,653.8 | 15.29 | | | 44,174.6 | 15.63 | | | 38,446.2 | 14.41 | | |
| Source | | | | | | | | | | | | |
| <u>Total Liabilities</u> | 265,031.6 | 90.76 | | | 254,509.7 | 90.03 | | | 240,859.2 | 90.30 | | |
| <u>Stockholder's Equity</u> | 26,986.7 | 9.24 | | | 28,184.6 | 9.97 | | | 25,872.4 | 9.70 | | |
| <u>Total Liabilities & SE</u> | 292,018.3 | 100.00 | | | 282,694.3 | 100.00 | | | 266,731.6 | 100.00 | | |
| Use | | | | | | | | | | | | |
| Currency & Due from Banks | 16,721.8 | 5.73 | 80.8 | 1.93 | 14,396.1 | 5.09 | 248.6 | 1.73 | 14,457.1 | 5.42 | 168.5 | 1.17 |
| Loans | 192,366.5 | 65.87 | 2,858.0 | 5.94 | 186,828.2 | 66.09 | 11,265.3 | 6.03 | 174,360.4 | 65.37 | 10,561.5 | 6.06 |
| Loans in KRW | 148,165.6 | 50.74 | 2,113.0 | 5.70 | 143,097.0 | 50.62 | 8,281.2 | 5.79 | 135,645.6 | 50.85 | 7,632.4 | 5.63 |
| Loans in Foreign Currency | 10,116.7 | 3.46 | 106.8 | 4.22 | 9,510.8 | 3.36 | 379.1 | 3.99 | 8,940.8 | 3.35 | 377.3 | 4.22 |
| Credit Card Accounts | 17,477.4 | 5.99 | 463.7 | 10.61 | 17,740.2 | 6.28 | 1,887.5 | 10.64 | 16,278.4 | 6.10 | 1,794.8 | 11.03 |
| Others | 16,606.8 | 5.69 | 174.5 | 4.20 | 16,480.2 | 5.83 | 717.5 | 4.35 | 13,495.8 | 5.06 | 756.9 | 5.61 |
| AFS Financial Assets | 29,794.5 | 10.20 | 295.5 | 3.97 | 25,588.5 | 9.05 | 1,025.9 | 4.01 | 22,045.7 | 8.27 | 953.6 | 4.33 |
| HTM Financial Assets | 11,808.1 | 4.04 | 151.0 | 5.12 | 12,307.7 | 4.35 | 642.9 | 5.22 | 12,899.1 | 4.84 | 687.4 | 5.33 |
| Other Assets | 41,327.4 | 14.15 | | | 43,573.8 | 15.41 | | | 42,969.3 | 16.11 | | |
| <u>Total Assets</u> | 292,018.3 | 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****1) Capital Adequacy****Consolidated BIS Ratio (Shinhan Financial Group)**

(KRW billion)

| | Mar. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
|--|---------------|---------------|---------------|
| Aggregate Amount of Equity Capital (A) | 23,392.3 | 22,315.4 | 23,369.7 |
| Risk-Weighted Assets (B) | 197,238.9 | 195,579.4 | 188,785.7 |
| BIS Ratio (A/B) ¹⁾ | 11.86% | 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 | Mar. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
|--|-------------------------------|---------------|---------------|---------------|
| Shinhan Bank ¹⁾ | BIS Capital Adequacy Ratio | 15.33 | 15.26 | 15.47 |
| Jeju Bank ¹⁾ | BIS Capital Adequacy Ratio | 12.96 | 13.27 | 13.40 |
| Shinhan Card ¹⁾ | Adjusted Equity Capital Ratio | 26.11 | 24.84 | 25.18 |
| Shinhan Investment Corp. ²⁾ | Net Capital Ratio | 842.36 | 700.78 | 658.31 |
| Shinhan Life Insurance ²⁾ | Solvency Margin Ratio | 309.02 | 324.02 | 397.93 |
| Shinhan BNPP AM ²⁾ | Net Capital Ratio | 634.14 | 599.73 | 708.31 |
| Shinhan Capital ²⁾ | Adjusted Equity Capital Ratio | 15.12 | 14.90 | 14.23 |
| Shinhan Savings Bank | BIS Capital Adequacy Ratio | 11.18 | 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 Approach was applied in calculating Shinhan Bank's BIS Capital Adequacy Ratios

Basel II TSA Approach was applied in calculating Jeju 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 & 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 for Dec. 31, 2010 are based on K-GAAP

Table of Contents**1) Liquidity Ratios**

Won Liquidity Ratio (KRW billion, %)

| Company | Mar. 31, 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 | 1,026.1 | 921.1 | 111.4 | 4,225.5 | 3,911.2 | 108.0 | 972.6 | 246.0 | 395.3 |
| Shinhan Bank | 65,567.5 | 40,112.5 | 163.5 | 56,609.5 | 46,635.4 | 121.4 | 54,646.2 | 45,786.9 | 119.3 |
| Shinhan Card | 14,609.5 | 3,421.0 | 427.1 | 15,417.2 | 3,417.5 | 451.1 | 13,160.9 | 3,450.1 | 381.5 |
| Shinhan Investment Corp. | 7,954.3 | 5,688.3 | 139.8 | 6,161.4 | 5,036.5 | 122.3 | 6,615.7 | 5,293.5 | 125.0 |
| Shinhan Life Insurance | 938.4 | 336.4 | 278.9 | 843.5 | 341.5 | 247.0 | 517.3 | 254.7 | 203.1 |
| Shinhan Capital | 348.9 | 161.7 | 215.7 | 519.0 | 147.9 | 350.8 | 758.8 | 295.0 | 257.2 |
| Jeju Bank | 976.8 | 517.1 | 188.9 | 982.2 | 686.2 | 143.1 | 899.3 | 618.8 | 145.3 |

- 1) Shinhan Financial Group, Shinhan Bank, Jeju Bank: Due within 1 month, Other Subsidiaries: Due within 3 months
- 2) Shinhan Life Insurance: (Won assets due within 3 months / 3 months average of Claim payments) * 100

Foreign Currency (FC) Liquidity Ratio (KRW billion, %)

| Company | Mar. 31, 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 | 31,338.1 | 25,468.8 | 123.0 | 25,887.9 | 22,254.2 | 116.3 | 24,238.7 | 23,092.8 | 105.0 |
| Shinhan Investment Corp. | 255.1 | 284.4 | 89.7 | 23.3 | 23.5 | 99.0 | 11.5 | 10.3 | 111.5 |
| Shinhan Capital | 143.9 | 94.6 | 152.2 | 51.5 | 21.9 | 235.7 | 333.5 | 285.0 | 117.0 |
| Jeju Bank | 12.1 | 5.6 | 216.4 | 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***Consolidated Basis*

(KRW billion, %)

| | Mar. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
|-----------------------------------|---------------|---------------|---------------|
| Total Loans | 199,164.3 | 201,245.9 | 184,676.3 |
| Substandard & Below | 3,026.7 | 2,587.1 | 2,736.8 |
| Substandard & Below Ratio | 1.52 | 1.29 | 1.48 |
| Non-Performing Loans | 2,399.8 | 1,903.5 | 1,977.7 |
| NPL Ratio | 1.20 | 0.95 | 1.07 |
| NPL Coverage Ratio | 143.23 | 162.19 | 132.8 |
| Loan Loss Allowance ¹⁾ | 4,335.1 | 4,196.0 | 3,634.5 |
| Substandard & Below | 3,026.7 | 2,587.1 | 2,736.8 |

1) Including reserve for credit losses

Separate Basis

(KRW billion, %)

| | Mar. 31, 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 | 1.01 | 150.01 | 1.09 | 0.82 | 166.11 | 1.31 | 0.91 | 133.10 |
| Shinhan Card | 2.04 | 1.58 | 209.86 | 1.69 | 1.26 | 236.08 | 1.90 | 1.44 | 182.65 |
| Shinhan Investment Corp. | 15.58 | 15.53 | 71.43 | 16.97 | 16.92 | 71.46 | 12.29 | 12.29 | 82.41 |
| Shinhan Life Insurance | 0.47 | 0.26 | 226.95 | 0.45 | 0.23 | 280.64 | 0.62 | 1.48 | 226.89 |
| Shinhan Capital | 2.94 | 2.10 | 73.36 | 2.79 | 1.31 | 82.85 | 2.38 | 1.86 | 80.44 |
| Jeju Bank | 1.70 | 1.65 | 90.10 | 1.62 | 1.03 | 93.73 | 1.57 | 1.28 | 113.74 |
| Shinhan Savings Bank | 35.91 | 35.91 | 10.44 | | | | | | |

1) Including reserve for credit losses

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

(KRW billion)

| | 1Q 2012 | FY2011 | FY2010 |
|---|----------------|----------------|----------------|
| Allowance for loan losses | 2,901.7 | 2,729.1 | 2,993.3 |
| Allowance for acceptances and guarantee | 101.5 | 85.8 | 171.0 |
| Allowance for unused loan commitments | 434.2 | 444.8 | 462.5 |
| Other allowance | 322.3 | 339.0 | 225.9 |
| Total | 3,759.7 | 3,598.7 | 3,852.7 |
| Write-offs | 151.5 | 1,382.1 | 1,284.7 |

<Shinhan Bank>

(KRW billion)

| | 1Q 2012 | FY2011 | FY2010 |
|---|----------------|----------------|----------------|
| Allowance for loan losses | 1,680.0 | 1,580.9 | 1,803.8 |
| Allowance for acceptances and guarantee | 129.9 | 109.5 | 208.7 |
| Allowance for unused loan commitments | 78.6 | 85.2 | 85.8 |
| Other allowance | 244.9 | 256.2 | 155.4 |
| Total | 2,133.4 | 2,031.8 | 2,253.8 |
| Write-offs | 39.8 | 811.8 | 773.1 |

<Shinhan Card>

(KRW billion)

| | 1Q 2012 | FY2011 | FY2010 |
|---|----------------|----------------|----------------|
| Allowance for loan losses | 736.9 | 706.2 | 703.8 |
| Allowance for acceptances and guarantee | | | |
| Allowance for unused loan commitments | 343.8 | 345.3 | 367.5 |
| Other allowance | 49.3 | 50.6 | 42.5 |
| Total | 1,130.0 | 1,102.1 | 1,113.8 |
| Write-offs | 98.0 | 451.5 | 436.8 |

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

(KRW billion)

| Separate Basis | Mar. 31, 2012 | Dec. 31, 2011 1) | Dec. 31, 2010 |
|----------------------|---------------|---------------------|---------------|
| Debt | 8,529.3 | 11,413.4 | 6,907.6 |
| Equity | 19,439.7 | 19,430.8 | 20,753.0 |
| Debt to Equity Ratio | 43.88% | 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 Mar. 31, 2012

| | Loans in Won | Loans in Foreign Currency | Securities | Guarantees and Acceptance | Others | Total Exposures |
|--|-----------------|---------------------------------|---------------|---------------------------------|----------|--------------------|
| Consolidated basis | | | | | | |
| Ministry of Strategy & Finance | | | 9,056 | | | 9,056 |
| Bank of Korea | 1,080 | | 5,035 | 0 | | 6,115 |
| Korea Deposit Insurance Corporation | 1,247 | | 2,192 | | | 3,439 |
| Industrial Bank of Korea | 540 | 119 | 2,553 | | | 3,213 |
| Hyundai Heavy Industries Co., Ltd. | 8 | 181 | 224 | 2,548 | 0 | 2,961 |
| Korea Development Bank | 16 | 27 | 2,141 | | | 2,184 |
| Korea Finance Corporation | | | 1,956 | | | 1,956 |
| Korea Land & Housing Corporation | | | 1,940 | | | 1,940 |
| Korea Securites Finance Corporation | 31 | | 1,750 | | | 1,781 |
| Woori Bank | 149 | 114 | 1,003 | 6 | | 1,271 |
| Hana Bank | 13 | 39 | 1,134 | | | 1,186 |
| Kookmin Bank | 101 | 34 | 1,033 | 3 | | 1,172 |
| Samsung Heavy Industries Co., LTD. | 0 | | 0 | 1,151 | | 1,151 |
| Hyundai Samho Heavy Industries Co., Ltd. | 0 | 27 | 30 | 1,039 | 0 | 1,096 |
| Songdo Cosmopolitan City Development Inc. | 954 | | 120 | | | 1,074 |
| National Agricultural Cooperative Federation | 57 | | 946 | 3 | | 1,005 |
| POSCO | 3 | 32 | 873 | 43 | | 951 |
| Samsung Electronics | 0 | 861 | 22 | 0 | 0 | 883 |
| Samsung C&T | 27 | 46 | 548 | 242 | 0 | 862 |
| LG U+ | 608 | | 238 | | | 845 |
| Total | 4,834 | 1,480 | 32,793 | 5,035 | 0 | 44,143 |

Some of the totals may not sum due to rounding

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

(KRW billion)

As of Mar. 31, 2012

| Consolidated basis | Loans in Won | Loans in Foreign Currency | Securities | Guarantees and Acceptances | Others | Total Exposures |
|--------------------------|-----------------|---------------------------------|--------------|----------------------------------|-----------|--------------------|
| Hyundai Heavy Industries | 114 | 345 | 286 | 3,890 | 0 | 4,634 |
| Samsung | 146 | 1,356 | 1,040 | 1,732 | 0 | 4,274 |
| Hyundai Motors | 1,093 | 1,367 | 630 | 450 | 0 | 3,540 |
| LG | 1,818 | 548 | 402 | 124 | 0 | 2,892 |
| SK | 435 | 454 | 782 | 1,163 | 0 | 2,834 |
| POSCO | 208 | 220 | 925 | 409 | 6 | 1,768 |
| GS | 323 | 292 | 312 | 526 | 0 | 1,453 |
| Lotte | 389 | 60 | 446 | 215 | 1 | 1,111 |
| Hanwha | 393 | 228 | 111 | 96 | 3 | 831 |
| LS | 266 | 244 | 132 | 173 | 0 | 815 |
| Total | 5,184 | 5,112 | 5,066 | 8,779 | 11 | 24,152 |

Some of the totals may not sum due to rounding

Loan Concentration by Industry

(KRW billion)

As of Mar. 31, 2012

Total Exposures

| Consolidated basis | Amount | Weight (%) |
|----------------------------------|----------------|----------------|
| Finance and Insurance | 54,085 | 20.68% |
| Manufacturing | 35,583 | 13.60% |
| Retail and wholesale | 12,097 | 4.62% |
| Real Estate, leasing and service | 19,127 | 7.31% |
| Construction | 5,219 | 2.00% |
| Hotel and leisure | 3,586 | 1.37% |
| Others | 39,854 | 15.24% |
| Consumers | 92,019 | 35.18% |
| Total | 261,569 | 100.00% |

* Including deposits, loans, and securities

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

(KRW billion)

| Borrower | Industry | Gross Principal Outstanding | Allowance for Loan Losses |
|-----------------|----------------------------------|------------------------------------|----------------------------------|
| A | Real estate, leasing and service | 130 | 11 |
| B | Construction | 54 | 13 |
| C | Construction | 48 | 19 |
| D | Real estate, leasing and service | 47 | 14 |
| E | Manufacturing | 46 | 21 |
| F | Construction | 40 | 39 |
| G | Construction | 44 | 25 |
| H | Finance and insurance | 36 | 0 |
| I | Manufacturing | 33 | 37 |
| J | Real estate, leasing and service | 31 | 4 |
| K | Real estate, leasing and service | 30 | 21 |
| L | Finance and insurance | 30 | 0 |
| M | Manufacturing | 30 | 0 |
| N | Construction | 28 | 30 |
| O | Manufacturing | 25 | 7 |
| P | Manufacturing | 24 | 24 |
| Q | Retail and wholesale | 27 | 15 |
| R | Manufacturing | 23 | 0 |
| S | Real estate, leasing and service | 23 | 9 |
| T | Real estate, leasing and service | 23 | 0 |
| Total | | 769 | 290 |

- 1) Consolidated basis as of Mar. 31, 2012
- 2) Non-Performing Loans are defined as loans past due longer than 90 days.
Some of the totals may not sum due to rounding

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

| | 1Q 2012 | FY 2011 | FY 2010 |
|---------------|---------|-------------|-------------|
| Audit Opinion | | Unqualified | Unqualified |

* For the first quarter of 2012, the independent accountant conducted a review for our financial statements instead of auditing them.

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 preparation.

| Year | Auditor | Payment (KRW mil.) | Details | Working hours |
|------|-------------------------------|-----------------------|--------------------------------------|------------------|
| 2012 | KPMG Samjong Accounting Corp. | 498 | Review/Audit of Financial Statements | 1,630 hours |
| 2011 | KPMG Samjong Accounting Corp. | 487 | Review/Audit of Financial Statements | 9,016 hours |
| 2010 | KPMG Samjong Accounting Corp. | 366 | Review/Audit of Financial Statements | 4,650 hours |

Table of Contents**4. Directors, Executive Officers and Employees****Directors and Executive Officers**

1) Executive Directors

| Name | Month and Year of Birth | Position | Service Term |
|--------------|-------------------------|--|--------------------------------------|
| Dong Woo Han | Nov. 1948 | Chairman of Shinhan Financial Group Board Steering Committee Chair Corporate Governance & CEO Recommendation Committee member | 3 years starting from March 23, 2011 |

2) Non-Executive Directors

Currently, 11 non-executive directors are in office, 10 of which outside directors who are nominated by our Outside Director Recommendation Committee and appointed pursuant to the approval of general shareholders meeting on March 29, 2012.

Our non-executive directors are as follows:

| Name | Month and Year of Birth | Outside Director | Sub-Committees | Service Term |
|-----------------|-------------------------|------------------|---|--------------------------------------|
| Jin Won Suh | April 1951 | X | - Audit Committee member | 4 years starting from March 23, 2011 |
| Taeun Kwon | January 1941 | O | Corporate Governance & CEO Recommendation Committee member Risk Management Committee Chair | 2 years starting from March 23, 2011 |
| Kee Young Kim | October 1937 | O | Compensation Committee member Corporate Governance & CEO Recommendation Committee Chair Audit Committee member | 2 years starting from March 23, 2011 |
| Seok Won Kim | April 1947 | O | Compensation Committee Chair Chairman of Board of Directors | 2 years starting from March 23, 2011 |
| Hoon Namkoong | June 1947 | O | Board Steering Committee member Risk Management Committee member | 2 years starting from March 23, 2011 |
| Jaekun Yoo | August 1941 | O | Corporate Governance & CEO Recommendation Committee member Corporate & CEO Recommendation Committee member | 2 years starting from March 23, 2011 |
| Sang-Kyeong Lee | September 1945 | O | | 2 years starting from March 29, 2012 |

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| | | | | |
|-------------------|----------------|---|--|--------------------------------------|
| | | | Audit Committee member Compensation Committee member Audit Committee Chair | |
| Ke Sop Yun | May 1945 | O | | 4 years starting from March 17, 2009 |
| | | | Board Steering Committee member | |
| Jung Il Lee | August 1952 | O | Board Steering Committee member | 2 years starting from March 23, 2011 |
| Haruki Hirakawa | November 1964 | O | Compensation Committee member | 2 years starting from March 23, 2011 |
| | | | Risk Management Committee member | |
| Philippe Aguinier | September 1957 | O | Corporate Governance & CEO Recommendation Committee member | 3 years starting from March 24, 2010 |

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3) Executive Officers

In addition to the executive directors, we currently have the following executive officers:

| Name | Month and Year of Birth | Position | In charge of |
|---------------|----------------------------|---|---|
| Buhmsoo Choi | Aug. 1956 | Deputy President | Strategic Planning Team Global Business Strategy Team |
| Sung Ho Wi | June 1958 | Deputy President | Shinhan FSB Research Institute Wealth Management Planning Office |
| Se Il Oh | Sep. 1957 | Deputy President | Corporate & Investment Banking Planning Office Synergy Management Team |
| Jae-Gwang Soh | Aug. 1961 | Executive Vice-President | Information & Technology Planning Team |
| Jung Kee Min | Mar. 1959 | Executive Vice-President & Chief Financial Officer | Audit Team Finance Management Team Investor Relations Team Business Management Team Public Relations Team |
| Dong Hwan Lee | Sep. 1959 | Executive Vice-President | CSR & Culture Management Team |
| Bo Hyuk Yim | Mar. 1961 | Managing Director | General Affairs Team Risk Management Team |
| Woo Gyun Park | Mar. 1959 | Managing Director | Compliance Team |

Stock Options

(as of Apr. 30, 2012)

| | No. of Granted Options (A) | No. of Exercised Options (B) | No. of Cancelled Options (C) | No. of Exercisable Options (D = A - B - C) | Exercise Price (KRW) |
|-----------------|----------------------------------|---------------------------------------|---------------------------------------|--|----------------------------|
| Granted in 2005 | 2,620,331 | 2,266,642 | 251,300 | 102,389 | 28,006 |
| Granted in 2006 | 3,206,173 | 711,367 | 480,300 | 2,014,506 | 38,829 |
| Granted in 2007 | 1,231,169 | 0 | 205,313 | 1,025,856 | 54,560 |
| Granted in 2008 | 805,174 | 0 | 185,396 | 619,778 | 49,053 |
| Total | 7,862,847 | 2,978,009 | 1,122,309 | 3,762,529 | |

Note 1) The weighted-average exercise price of outstanding exercisable options as of Mar. 31, 2012 is KRW 44,508.

Note 2) The closing price of our common stock was KRW 39,500 on Apr. 30, 2012.

Employees

(As of Mar. 31, 2012)

| Gender | Number of Employees | Average length of Service | Total Salaries and wages paid in 1Q 2012 (KRW million) | Average Payment per person (KRW million) |
|---------------|--------------------------------|----------------------------------|---|---|
| Male | 127 | 2 yrs 2 mths | 3,790 | 30 |
| Female | 27 | 3 yrs 6 mths | 451 | 17 |
| Total | 154 | 2 yrs 5 mths | 4,241 | 28 |

Table of Contents**5. Major Shareholders and Market Price Information of our Common Shares and ADRs***Major Shareholders¹⁾ of Shinhan Financial Group as of Mar. 31, 2012*

| Name | No. of Common Shares owned | Ownership% |
|--------------------------|----------------------------|------------|
| National Pension Service | 34,829,793 | 7.34% |
| BNP Paribas Group | 30,106,276 | 6.35% |

- 1) Shareholders who own beneficial ownership of 5% or more.
- 2) In addition to the common share holdings, National Pension Service holds a total of 2,000,000 shares of Shinhan Financial Group's series 12 non-voting redeemable preferred stock as of Dec. 31, 2011.

Share ownership of Employee Stock Ownership Association

| Beginning Balance (Jan. 1, 2012) | Increase | Decrease | Ending Balance (Mar. 31, 2012) | Ownership% (Mar. 31, 2012) |
|-------------------------------------|----------|----------|--------------------------------------|----------------------------------|
| 16,974,245 | 700,183 | 774,756 | 16,899,672 | 3.56% |

Common Share Traded on the Korea Exchange

(KRW, number of shares)

| | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Oct. 2011 | Nov. 2011 | Dec. 2011 | Jan. 2012 | Feb. 2012 | Mar. 2012 | Apr. 2012 |
| Price per share | High | 47,850 | 43,850 | 43,200 | 45,350 | 47,000 | 45,450 | 44,650 |
| | Low | 43,550 | 37,300 | 37,600 | 38,650 | 43,300 | 41,850 | 39,500 |
| | Avg. | 45,338 | 40,561 | 40,548 | 41,503 | 44,733 | 44,024 | 42,175 |
| Trading Volume | | 52,563,124 | 33,721,051 | 23,231,994 | 29,029,924 | 24,503,901 | 25,877,380 | 19,115,298 |
| Highest Daily Trading Volume | | 5,909,348 | 3,303,835 | 2,490,608 | 3,951,641 | 2,333,552 | 2,880,865 | 1,347,832 |
| Lowest Daily Trading Volume | | 1,368,202 | 710,455 | 384,626 | 612,935 | 640,488 | 734,827 | 563,905 |

American Depositary Shares traded on the New York Stock Exchange

(USD, number of shares)

| | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 | 52,563,124 |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Oct. 2011 | Nov. 2011 | Dec. 2011 | Jan. 2012 | Feb. 2012 | Mar. 2012 | Apr. 2012 |
| Price per share | High | 86.76 | 78.85 | 76.16 | 79.83 | 84.44 | 80.95 | 79.08 |
| | Low | 77.55 | 63.94 | 62.92 | 67.34 | 76.92 | 74.09 | 69.54 |
| | Avg. | 81.19 | 71.76 | 70.06 | 73.82 | 79.79 | 77.94 | 73.73 |
| Trading Volume | | 1,305,987 | 869,510 | 804,717 | 1,006,821 | 959,192 | 790,114 | 441,508 |
| Highest Daily Trading Volume | | 165,478 | 75,178 | 122,342 | 140,487 | 81,667 | 78,920 | 55,206 |
| Lowest Daily Trading Volume | | 13,811 | 15,244 | 17,589 | 20,666 | 23,554 | 16,636 | 5,464 |

* 1 ADR = 2 Common Shares

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

(As of Mar. 31, 2012, KRW billion)

| Subsidiary | Loan Type | Origination Date | Maturity Date | Lending Rate | Beginning Balance (Jan. 1, 2012) | Decrease | Increase | Ending Balance (Mar. 31, 2012) |
|--------------------------|--------------|------------------|---------------|--------------|----------------------------------|------------|------------|--------------------------------|
| Shinhan Investment Corp. | Loans in KRW | 2006-07-31 | 2012-01-31 | 5.64% | 100 | 100 | 0 | 0 |
| | Loans in KRW | 2012-01-30 | 2017-01-30 | 4.11% | 0 | 0 | 100 | 100 |
| Shinhan Card | Loans in KRW | 2010-10-29 | 2015-10-29 | 4.37% | 100 | 0 | 0 | 100 |
| | Loans in KRW | 2011-01-28 | 2016-01-28 | 4.91% | 100 | 0 | 0 | 100 |
| | Loans in KRW | 2011-02-24 | 2016-02-24 | 4.82% | 250 | 0 | 0 | 250 |
| | Loans in KRW | 2011-05-17 | 2016-05-17 | 4.47% | 100 | 0 | 0 | 100 |
| | Loans in KRW | 2012-03-14 | 2017-03-14 | 4.12% | 0 | 0 | 150 | 150 |
| Shinhan Capital | Loans in KRW | 2007-03-23 | 2012-03-23 | 5.48% | 50 | 50 | 0 | 0 |
| | Loans in KRW | 2007-06-08 | 2012-06-08 | 5.95% | 50 | 0 | 0 | 50 |
| | Loans in KRW | 2008-01-23 | 2013-01-23 | 6.60% | 50 | 0 | 0 | 50 |
| | Loans in KRW | 2010-09-28 | 2013-09-28 | 4.12% | 100 | 0 | 0 | 100 |
| | Loans in KRW | 2011-01-28 | 2014-01-28 | 4.53% | 50 | 0 | 0 | 50 |
| | Loans in KRW | 2011-04-29 | 2016-04-29 | 4.65% | 100 | 0 | 0 | 100 |
| | Loans in KRW | 2011-05-17 | 2016-05-17 | 4.47% | 50 | 0 | 0 | 50 |
| Shinhan PE | Loans in KRW | 2012-03-14 | 2017-03-14 | 4.12% | 0 | 0 | 50 | 50 |
| Shinhan PE | Loans in KRW | 2011-08-12 | 2012-08-10 | 4.09% | 5 | 0 | 0 | 5 |
| Total | | | | | 1,105 | 150 | 300 | 1,255 |

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Exhibit 99-1

Independent Auditors Review Report (Separate Financial Statements) of Shinhan Financial Group as of March 31, 2012

Exhibit 99-2

Independent Auditors Review Report (Consolidated Financial Statements) of Shinhan Financial Group as of March 31, 2012

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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/ Jung Kee Min
Name: Jung Kee Min
Title: Chief Financial Officer

Date: May 30, 2012