

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

March 08, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 under  
the Securities Exchange Act of 1934

For the Month of March 2004

**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-\_\_\_\_\_.

Shinhan Financial Group  
120, 2-Ga, Taepyungro, Jung Gu,  
Seoul 100-724, Korea

Feb 27, 2004

To Shareholders:

**Convocation Notice of the 3rd Ordinary General Meeting of Shareholders**

Notice is hereby given that the 3rd Ordinary General Meeting of Shareholders of the Group will be held as described hereunder and your attendance is cordially requested.

Very truly yours,  
Young Hwi Choi  
President and CEO  
Shinhan Financial Group  
120, 2Ga, Taepyungro,  
Jungku, Seoul, Korea

**Description**

1. Date and Time      March 25, 2004 10 A.M., Seoul time.
2. Venue                Auditorium, 20th floor / Shinhan Bank,  
                              120, 2Ga, Taepyung-ro, Jung-gu, Seoul, Korea
3. Agenda
  - 1) Approval of Financial Statements [balance sheets, income statements and statements of appropriation of retained earnings for fiscal year 2003 (January 1, 2003 ~ December 31, 2003)]
  - 2) Amendments to the Articles of Incorporation
  - 3) Appointment of Directors
  - 4) Appointment of Audit Committee Members
  - 5) Approval of Limitation on Director Compensation
  - 6) Approval of Stock Option Grant
    - 6-1) Approval of Stock Option Grant to Department Heads of Shinhan Financial Group and its Subsidiaries
    - 6-2) Approval of Stock Option Grant to Executives of Shinhan Financial Group and its Subsidiaries

**Reference Document for the Exercise of the Voting Right**

**1. Number of Voting Rights Held by All Shareholders:** 264,527,958 shares

\* The total number of our outstanding common stock is 294,401,300 as of December 31, 2004. Among this, 29,873,342 shares held by Shinhan Bank, our wholly owned banking subsidiaries do not have voting rights under the Financial Holdings Company Act of Korea.

**2. Agenda Items and Reference Materials Thereof:**

**Agenda Item No. 1.** Approval of Financial Statements (balance sheets, income statements and statements of appropriation of retained earnings for fiscal year 2003 [January 1, 2003 ~ December 31, 2003])

Please refer to Appendix 1 for financial statements of the Group

Total Dividend Amount proposed by BOD

- 1) Common Stock : KRW 158,716,764,600 (KRW 600 per share)
- 2) Preferred Stock : KRW 83,397,139,955
- 3) Total : KRW 242,113,904,555

**Agenda Item No. 2** Amendments to the Articles of Incorporation

1. Purpose :
  - 1) To enhance independence and specialty of the committees under the board of directors in order to increase shareholder values through improved corporate governance.
  - 2) To include the electronic disclosure methods of the financial statements of Shinhan Financial Group.
2. Principal Proposals

Break down the existing Steering Committee into the Board Steering Committee, the Outside Director recommendation Committee and the Compensation Committee.

## Edgar Filing: SHINHAN FINANCIAL GROUP CO LTD - Form 6-K

Make it possible to appoint a non-director executive as a vice president

Make it possible for Shinhan Financial Group to disclose its consolidated and non-consolidated financial statements and independent auditor's opinions in the form of electronic document pursuant to the Article 55.2 of the Financial Holding Company Act and Article 21 of the Enforcement Rules of the Regulation on Supervision of Financial Holding Companies.

3. The current Articles and the proposed amendments are as follows:

| <b>Current</b>  | <b>Proposed</b>  |
|---|--|
| Article 1 ~ Article 35 Omitted  | Article 1~ Article 35 No Change  |
| Article 36 (Election of Director) (1) Omitted   | Article 36 (Election of Director) (1) No change  |
| (2) The Outside Directors shall be recommended by the Operation Committee pursuant to Article 46 and elected at the General Meeting of Shareholders.  | (2) The Outside Directors shall be recommended by the Outside Director Recommendation Committee pursuant to Article 46 and elected at the General Meeting of Shareholders.   |
| Article 37 ~Article 38 Omitted  | Article 37 ~ Article 38 No change  |
| Article 39 (Appointment of Representative Director, et al.)<br>(1) The Company may appoint one Representative Director-Chairman and one Representative Director-President, by a resolution of the Board of Directors. | Article 39 (Appointment of Representative Director, et al.) (1) The Company may appoint one Representative Director-Chairman and one Representative Director-President, by a resolution of the Board of Directors. |
| (2) The Company may appoint one Vice President from among the Directors, by a resolution of the Board of Directors.   | Deleted  |
| Article 40 (Duties of Directors) (1) ~ (2) Omitted  | Article 40 (Duties of Directors) (1) ~ (2)   |
| (3) The Vice President and Directors shall assist the Representative Director, and  | (3) Directors shall assist the Representative Director, and perform their  |
|   | 4  |

**Current**

---

perform their respective duties as may be delegated to them by the Board of Directors.

Article 41 ~ Article 45 Omitted

Article 46 (Committees) (1) The Company may have the following committees within the Board of Directors.

1. Operation Committee (Steering Committee)
2. Audit Committee  
New provision
3. Risk Management Committee  
New provision

(2) Details regarding composition, power, operation, etc. of each committee shall be determined by the resolution of the Board of Directors. Provided that, the Operation Committee referred to in Paragraph (1), Subparagraph 1 shall satisfy the composition requirements of the Outside Director Candidate Recommendation Committee as set forth in the Financial Holding Company Act.

(3) Articles 42, 44 and 45 shall apply *mutatis mutandis* with respect to the committees.

Article 47 ~ Article 52 Omitted

Article 53 (Preparation and Maintenance of Financial Statements and Business Report )

(1) ~ (3) Omitted

**Proposed**

---

respective duties as may be delegated to them by the Board of Directors.

Article 41 ~ Article 45 No change

Article 46 (Committees) (1) The Company may have the following committees within the Board of Directors.

1. Board Steering Committee
2. Audit Committee
3. Outside Director Recommendation Committee
4. Risk Management Committee
5. Compensation Committee

(2) Details regarding composition, power, operation, etc. of each committee shall be determined by the resolution of the Board of Directors.

(3) No change

Article 47 ~ Article 52 No change

Article 53 (Preparation and Maintenance of Financial Statements and Business Report )

(1) ~ (3) No change

**Current**

(4) Immediately upon obtaining approval for the documents mentioned in Paragraph (1) above from the General Meeting of Shareholders, the Representative Director-President shall make a public notice of the balance sheet, income statement, consolidated financial statements pursuant to the Act on External Audit of Stock Companies and the opinion of an external outside auditor. New provision

**Proposed**

(4) Immediately upon obtaining approval for the documents mentioned in Paragraph (1) above from the General Meeting of Shareholders, the Representative Director-President shall make a public notice of the balance sheet, income statement, consolidated financial statements pursuant to the Act on External Audit of Stock Companies and the opinion of an external outside auditor. In doing so, notwithstanding the provisions of Article 4, the Company may use the means of electronic document as prescribed by Article 55.2 of the Financial Holding Company Act.  
 Addenda (3)  
 1. (Enforcement date) Above provisions shall take effect from March 25, 2004.

**Agenda Item No. 3** Appointment of Directors

The candidates for Directors are as follows:

| <b>Name</b>     | <b>Tenure</b> | <b>Positions to be held</b> | <b>New appointment</b> |
|-----------------|---------------|-----------------------------|------------------------|
| Eung Chan Ra    | 3 years       | Director                    |                        |
| Young Hwi Choi  | 3 years       | Director                    |                        |
| In Ho Lee       | 3 years       | Director                    |                        |
| Young Seok Choi | 3 years       | Director                    |                        |
| Yong Woong Yang | 3 years       | Director                    | New appointment        |
| Pyung Joo Kim   | 1 year        | Outside Director            |                        |
| Il Sup Kim      | 1 year        | Outside Director            |                        |
| Sang Yoon Lee   | 1 year        | Outside Director            | New appointment        |

| Name              | Tenure | Positions to be held | New appointment |
|-------------------|--------|----------------------|-----------------|
| Yoon Soo Yoon     | 1 year | Outside Director     | New appointment |
| Sang Chul Lee     | 1 year | Outside Director     | New appointment |
| Byung Hun Park    | 1 year | Outside Director     |                 |
| Moon Pil Oh       | 1 year | Outside Director     |                 |
| Young Soo Lee     | 1 year | Outside Director     |                 |
| Dong Hyun Kwon    | 1 year | Outside Director     | New appointment |
| Philippe Reynieix | 1 year | Outside Director     | New appointment |

For the personal profiles of the candidates, please refer to Appendix 2.

**Agenda Item No. 4** Appointment of Audit Committee Members

Among the nominated directors, Young Seok Choi, Il Sup Kim, Sang Yoon Lee, Moon Pil Oh, and Dong Hyun Kwon was recommended as candidate of the audit committee members of 2004 through the resolution of the audit committee meeting.

**Agenda Item No. 5** Approval of Limitation on Director Compensation Limitation on the aggregate compensation to the directors: KRW3 billion in 2004

**Agenda Item No. 6** Approval of Stock Option Grant

**(Agenda Item No. 6-1)** Grant of Stock Options to Department Heads of Shinhan Financial Group and its Subsidiaries

- 1) Grantees : Department heads of Shinhan Financial Group and its subsidiaries
- 2) Number of options to be granted : Stock options to purchase up to 700,000 shares in



total.

\* Specific number of shares that will be granted to each department head of Shinhan Financial Group and Subsidiaries will be determined by the Board of Director s Meeting following the total limit and granting conditions approved by the General Shareholders Meeting.

3) Exercise price: Exercise price calculated in accordance with Article 84.9 of the Securities Exchange Act Enforcement Decrees

4) Date of grant: March 25, 2004

5) Exercise period: Exercisable during the 3 year period after the second anniversary from the grant date.

6) Method of share issuance : Shinhan Financial Group will, at its option, to choose between the following two methods (or the combination of the two).

to issue new shares at the exercise price; or

to pay the grantees cash in an amount to the difference between the market price of shares at the exercise date and exercise price.

7) Condition for exercise: The sum of the net income of the relevant company (the company where the applicable executive or officer works) during the grant year and the following year should be greater than zero.

**(Agenda Item No. 6-2)** Grant of Stock Options to Executives of Shinhan Financial Group and its Subsidiaries

1) Grantees: A total of 27 executives and officers of Shinhan Financial Group and its subsidiaries (Shinhan Bank, Shinhan Card, Shinhan Capital, and Shinhan Credit Information)- See 8) below for details

2) Number of options to be granted: stock options to purchase 705,000 shares in total

3) Exercise price: Exercise price calculated in accordance with Article 84.9 of the Securities Exchange Act Enforcement Decrees of Korea.

\* Determination of exercise price: Based on the arithmetic mean of the three trading volume-weighted averages of closing prices during the 2-month, 1-month and 1-week periods counting backwards from the grant date

4) Date of grant: March 25, 2004

5) Exercise period : Exercisable during the 3 year period after the second anniversary from the grant date.

- 6) Method of share issuance : Shinhan Financial Group will, at its option, to choose between the following two methods (or the combination of the two).

to issue new shares at the exercise price; or

to pay the grantees cash in an amount to the difference between the market price of shares at the exercise date and exercise price

- 7) Conditions for exercise :

- A. 50% of the volume granted

Stock options are exercisable when both of the following two conditions are met.

[Condition 1] Shinhan Financial Group's shareholder return (as defined below) is greater than 80% of the Korean banking industry stock price index growth

\* Shinhan Financial Group's shareholder return =  $\{[\text{Closing price of the day of exercise}] \text{ Note.1} + \text{Dividends per share paid between the day of grant and the day of exercise}\} / [\text{Closing price of the day of grant}] \text{ Note.2} \} / [\text{Closing price of the day of grant}] \times 100$

(Note. 1, 2)

Closing price of the day of exercise and grant means the arithmetic mean of the three trading volume-weighted averages of closing prices during the 2-month, 1-month and 1-week periods counting backwards from the day of exercise and grant, as applicable.

[Condition 2] The sum of the net income of the relevant company (the company where the applicable executive or officer works) during the grant year and the following year should be greater than zero.

- B. The other 50% of the volume granted

Exercisable volume to be determined based on the return on equity (ROE) of the relevant company target achievement rate for each two year.

|   | <b>Description 1<br/>(for the grant year)</b>  | <b>Description 2<br/>(for the following year)</b> |
|---|--|---|
| Number of stock options to be exercised (M) | Half of the 50% of the total volume granted    | Half of the 50% of the total volume granted       |
| Determination of                            | Number of shares(M) x (actual ROE/ target ROE) |   |

exercisable number

\* Exercisable number of shares can not exceed (M)

8) Details of Stock Options Granted to Executives and Officers

| Company                    | Title            | Name             | No. of Shares  |        |
|----------------------------|------------------|------------------|----------------|--------|
| SFG                        | Chairman         | Eung Chan Ra     | 100,000        |        |
|                            | President & CEO  | Young Hwi Choi   | 90,000         |        |
|                            | Senior Exe. VP   | Bhang Gil Choi   | 30,000         |        |
|                            | Senior Exe. VP   | Chil Sun Hong    | 20,000         |        |
|                            | Senior Exe. V    | Hee Soo Kim      | 20,000         |        |
|                            | P Senior Exe. VP | Byung Jae Cho    | 20,000         |        |
|                            | Senior Exe. VP   | Baek Soon Lee    | 20,000         |        |
| Shinhan Bank               | President        | Sang Hoon Shin   | 80,000         |        |
|                            | Standing Auditor | Hong Soon Moon   | 20,000         |        |
|                            | Dep. President   | Jae Woo Lee      | 20,000         |        |
|                            | Dep. President   | Gwang Lim Youn   | 20,000         |        |
|                            | Dep. President   | Woo Sup Cho      | 20,000         |        |
|                            | Dep. President   | Min Ky Han       | 20,000         |        |
|                            | Dep. President   | Youn Soo Song    | 20,000         |        |
|                            | Dep. President   | Do Heui Han      | 20,000         |        |
|                            | Dep. President   | Jin Won Suh      | 20,000         |        |
|                            | Dep. President   | Shin Keun Yang   | 20,000         |        |
|                            | Exe. VP          | Sang Young Oh    | 15,000         |        |
|                            | Shinhan Card     | President        | Sung Kyun Hong | 30,000 |
|                            |                  | Standing Auditor | Tae Gyu Lee    | 10,000 |
|                            |                  | Dep. CEO         | Seong Won Kim  | 10,000 |
| Dep. CEO                   |                  | Woo Yeop Shim    | 10,000         |        |
| Shinhan Capital            | Dep. CEO         | Moon Han Kim     | 10,000         |        |
|                            | President        | Dong Girl Lee    | 30,000         |        |
|                            | Vice President   | Sahng Dae Kim    | 10,000         |        |
| Shinhan Credit Information | Vice President   | Seung Keun Oh    | 10,000         |        |
|                            | CEO              | Beom Seong Shim  | 10,000         |        |
|                            | Total            |                  | 705,000        |        |

## Appendix 1. Financial Statements of Shinhan Financial Group

## 1) Balance Sheets

## Shinhan Financial Group Co., Ltd and Subsidiaries

Non-Consolidated Balance Sheets

December 31, 2003 and December 31, 2002

(In million of KRW)

|  | Year<br>2003 | Year<br>2002 |
|--|--------------|--------------|
| Assets   |              |              |
| I. Cash & Due from Banks                                 | 5,353        | 10,613       |
| 1. Due from Banks  | 5,353        | 10,613       |
| II. Securities   | 6,308,538    | 3,991,864    |
| (1) Equity Securities Accounted for by the Equity Method | 6,308,538    | 3,990,775    |
| 1. Stocks  | 6,308,538    | 3,990,775    |
| (2) Available-for-Sale Securities                        | 0            | 1,089        |
| 1. Bonds   | 0            | 1,089        |
| III. Loans   | 1,935,180    | 765,281      |
| Allowance for Possible Loan Losses                       | (9,725)      | (3,846)      |
| 1. Loans in Won  | 1,637,200    | 497,200      |
| 2. Loans in Foreign Currency                             | 107,705      | 71,927       |
| 3. Privately Placed Bonds                                | 200,000      | 200,000      |
| IV. Fixed Assets   | 2,020        | 1,754        |
| (1) Premises and Equipment                               | 1,606        | 1,212        |
| 1. Vehicles  | 391          | 242          |
| Accumulated Depreciation                                 | 177          | 129          |
| 2. Equipment   | 993          | 344          |
| Accumulated Depreciation                                 | 549          | 161          |
| 3. Other   | 1,404        | 1,283        |
| Accumulated Depreciation                                 | 456          | 367          |
| (2) Intangible Assets                                    | 414          | 542          |
| 1. Organization Costs                                    | 0            | 20           |
| 2. Other   | 414          | 522          |
| V. Other Assets  | 43,339       | 15,467       |
| 1. Guarantee Deposits                                    | 7,840        | 7,069        |
| 2. Accounts Receivable                                   | 7,612        | 2,361        |
| 3. Accrued Income  | 11,334       | 4,332        |
| 4. Advance Payments                                      | 10           | 0            |
| 5. Prepaid Expenses                                      | 1,667        | 48           |
| 6. Prepaid Income Taxes                                  | 13,867       | 982          |
| 7. Sundry Assets   | 1,009        | 675          |
| Total Assets   | 8,294,430    | 4,784,979    |
| Liabilities  |              |              |
| I. Borrowings  | 165,868      | 36,012       |

|   | Year<br>2003 |           | Year<br>2002 |           |
|---|--------------|-----------|--------------|-----------|
| 1. Borrowings in Won  |              | 94,000    |              | 0         |
| 2. Borrowings in Foreign Currency   |              | 71,868    |              | 36,012    |
| II. Debentures  |              | 1,980,543 |              | 732,030   |
| 1. Debentures in Won  | 1,950,000    |           | 700,000      |           |
| Discounts   | 5,331        | 1,944,669 | 3,887        | 696,113   |
| 2. Debentures in Foreign Currency   | 35,934       |           | 36,012       |           |
| Discounts   | 60           | 35,874    | 95           | 35,917    |
| III. Other Liabilities  |              | 30,464    |              | 6,717     |
| 1. Taxes Withheld   |              | 1,176     |              | 523       |
| 2. Dividends Payable  |              | 928       |              | 453       |
| 3. Accounts Payable   |              | 14,492    |              | 1,541     |
| 4. Accrued Expenses   |              | 12,189    |              | 3,962     |
| 5. Unearned Revenues  |              | 1,679     |              | 0         |
| 6. Accrued Severance Benefits   | 530          |           | 570          |           |
| Deposits with Insurance Company for Severance Benefits                    | 530          | 0         | 332          | 238       |
| Total Liabilities   |              | 2,176,875 |              | 774,759   |
| Stockholders' Equity  |              |           |              |           |
| I. Capital Stock  |              | 1,958,530 |              | 1,461,806 |
| 1. Common Stock   |              | 1,472,007 |              | 1,461,806 |
| 2. Preferred Stock  |              | 486,523   |              | 0         |
| II. Capital Surplus   |              | 3,316,380 |              | 1,976,625 |
| 1. Paid-in Capital in excess of Par Value                                 |              | 3,316,380 |              | 1,976,625 |
| III. Retained Earnings  |              | 866,398   |              | 672,530   |
| 1. Legal Reserve  |              | 82,469    |              | 22,076    |
| 2. Retained Earnings Before Appropriation                                 |              | 783,929   |              | 650,454   |
| IV. Capital Adjustment  |              | (23,753)  |              | (100,741) |
| 1. Valuation Loss on Equity Securities Accounted for by the Equity Method |              | (33,379)  |              | (103,077) |
| 2. Valuation Loss on Available-for-sale Securities                        |              | 0         |              | (668)     |
| 3. Stock Options  |              | 9,626     |              | 3,004     |
| Total Stockholders' Equity  |              | 6,117,555 |              | 4,010,220 |
| Total Liabilities and Stockholders' Equity                                |              | 8,294,430 |              | 4,784,979 |

## 2) Income Statements

**Shinhan Financial Group Co., Ltd and Subsidiaries**  
 Non-Consolidated Statements of Income  
 Year ended December 31, 2003 and December 31, 2002  
 (In million of KRW)

Edgar Filing: SHINHAN FINANCIAL GROUP CO LTD - Form 6-K

|  | Year<br>2003 |         | Year<br>2002 |         |
|--|--------------|---------|--------------|---------|
| I. Operating Revenues                                    | 0            | 486,428 | 0            | 643,360 |
| (1) Valuation Gain using the Equity Method of Accounting | 0            | 388,641 | 0            | 618,690 |
| (2) Interest Income                                      | 0            | 97,787  | 0            | 24,670  |
| 1. Interest on Due from Banks                            | 631          | 0       | 1,861        | 0       |
| 2. Interest on Loans                                     | 83,720       | 0       | 15,931       | 0       |
| 3. Interest on Privately Placed Bonds                    | 13,436       | 0       | 6,878        | 0       |
| II. Operating Expenses                                   | 0            | 121,480 | 0            | 41,140  |
| (1) Interest Expenses                                    | 0            | 92,616  | 0            | 21,632  |
| 1. Interest on Borrowings                                | 11,020       | 0       | 1,152        | 0       |
| 2. Interest on Debentures                                | 81,362       | 0       | 20,452       | 0       |
| 3. Other   | 234          | 0       | 28           | 0       |
| (2) Commission Expenses                                  | 0            | 4,962   | 0            | 68      |
| (3) Selling and Administrative Expenses                  | 0            | 23,902  | 0            | 19,440  |
| 1. Salaries  | 9,821        | 0       | 7,008        | 0       |
| 2. Retirement Allowance                                  | 140          | 0       | 594          | 0       |
| 3. Employee Benefits                                     | 601          | 0       | 370          | 0       |
| 4. Rent  | 142          | 0       | 46           | 0       |
| 5. Entertainment   | 1,455        | 0       | 1,903        | 0       |
| 6. Depreciation  | 568          | 0       | 489          | 0       |
| 7. Amortization on Intangible Assets                     | 109          | 0       | 24           | 0       |
| 8. Bad Debt  | 5,879        | 0       | 2,374        | 0       |
| 9. Taxes and Dues  | 361          | 0       | 125          | 0       |
| 10. Advertising  | 22           | 0       | 72           | 0       |
| 11. Commissions  | 1,374        | 0       | 5,748        | 0       |
| 12. Other  | 3,430        | 0       | 687          | 0       |
| III. Operating Income                                    | 0            | 364,948 | 0            | 602,220 |
| IV. Non-Operating Income                                 | 0            | 424     | 0            | 5,380   |
| 1. Gain on Foreign Currency Translation                  | 231          | 0       | 3,645        | 0       |
| 2. Gain on Foreign Currency Transaction                  | 3            | 0       | 0            | 0       |
| 3. Gain on Disposition of Equity Securities              | 0            | 0       | 1,731        | 0       |
| 4. Miscellaneous   | 190          | 0       | 4            | 0       |
| V. Non-Operating Expenses                                | 0            | 3,145   | 0            | 3,669   |
| 1. Loss on Foreign Currency Translation                  | 231          | 0       | 3,645        | 0       |
| 2. Loss on Foreign Currency Transaction                  | 2            | 0       | 1            | 0       |
| 3. Loss on Disposition of Equity Securities              | 166          | 0       | 0            | 0       |
| 4. Loss on Available-for-Sale Securities                 | 1,725        | 0       | 0            | 0       |
| 5. Contribution  | 34           | 0       | 23           | 0       |
| 6. Miscellaneous   | 987          | 0       | 0            | 0       |
| VI. Ordinary Income                                      | 0            | 362,227 | 0            | 603,931 |
| VII. Extraordinary Gain or Loss                          | 0            | 0       | 0            | 0       |
| VIII. Income Before Income Tax Expenses                  | 0            | 362,227 | 0            | 603,931 |
| IX. Income Tax Expenses                                  | 0            | 0       | 0            | 0       |
| X. Net Income for the Period                             | 0            | 362,227 | 0            | 603,931 |

**3) Statements of Appropriation of Retained Earnings****Non-Consolidated Statements of Appropriations of Retained Earnings**

Year ended December 31, 2003 and December 31, 2002

(In million of KRW)

|   | <b>Year<br/>2003</b> |         | <b>Year<br/>2002</b> |         |
|---|----------------------|---------|----------------------|---------|
|   |                      |         |                      |         |
| I. Retained Earnings Before Appropriation                             | 0                    | 783,929 | 0                    | 650,454 |
| 1. Unappropriated Retained Earnings carried over from prior years     | 432,569              | 0       | 47,034               | 0       |
| 2. Change in retained Earnings of subsidiaries                        | (10,848)             | 0       | (510)                | 0       |
| 3. Cumulative effect of change in accounting principle                | (20)                 | 0       | 0                    | 0       |
| 4. Net Income for the Period  | 362,227              | 0       | 603,931              | 0       |
| II. Appropriation of Retained Earnings                                | 0                    | 278,337 | 0                    | 217,886 |
| 1. Legal Reserve  | 36,223               | 0       | 60,393               | 0       |
| 2. Dividends  | 242,114              | 0       | 157,492              | 0       |
| 1) Cash Dividends on common stock                                     | 158,717              | 0       | 157,492              | 0       |
| 2) Cash Dividends on preferred stock                                  | 83,397               | 0       | 0                    | 0       |
| III. Unappropriated Retained Earnings carried over to subsequent year | 0                    | 505,592 | 0                    | 432,569 |

**Appendix 2. Resume of Director Candidates**

**1. Eung Chan Ra**

1. Date of Birth: November 25, 1938
2. Current Position: Chairman of the Board of Directors, Shinhan Financial Group
3. Education: Seonlin Commercial High School, Seoul Korea  
Korea Univ. Executive Business School, Korea
4. Working Experience
  - Mar. 1975: Chief Secretary, Taegu Bank
  - Oct. 1975: General Manager of Wondaedong Branch, Taegu Bank
  - Jul. 1977: Director, Jaeil Investment & Finance Corp., Seoul
  - Feb. 1979: Director and Executive Vice President, Shinhan Bank
  - Feb. 1988: Director & Deputy President
  - Feb. 1991: President & Chairman of the Executive Committee, Shinhan Bank
  - Feb. 1999: Vice Chairman of the Board of Directors, Shinhan Bank
  - Sep. 2001: Chairman of the Board of Directors, Shinhan Financial Group

**2. Young Hwi Choi**

1. Date of Birth: October 28, 1945
2. Current Position: President & CEO, Shinhan Financial Group
3. Education: BA in Economics, Sung Kyun Kwan Univ. Seoul, Korea (1969)
4. Working Experience
  - 1969 ~ 1978: Bank of Korea
  - 1978 ~ 1982: Assistant Director, Ministry of Finance
  - Jun. 1982: A member of Shinhan Bank Establishment Committee
  - Jul. 1983: General Manager, Hannam-dong Branch, Shinhan Bank
  - Aug. 1985: General Manager, General Administration Dept, Shinhan Bank
  - Aug. 1988: General Manager, International Dept, Shinhan Bank
  - Jul. 1991: General Manager, New York Branch, Shinhan Bank
  - Feb. 1994: Director, Shinhan Bank
  - Feb. 1999: Deputy President ( Member of BOD ), Shinhan Bank
  - Sep. 2001: Director and Deputy President, Shinhan Financial Group
  - Mar. 2003: President & Chief Executive Officer, Shinhan Financial Group

**3. In Ho Lee**

1. Date of Birth: November 2, 1943
2. Current Position: Vice-Chairman, Shinhan Financial Group
3. Education: BA in Economics, Yonsei Univ. Seoul, Korea (1967)
4. Working Experience
  - 1966 ~ 1973: Commercial Bank of Korea
  - 1973 ~ 1982: Daegu Bank



- May 1982: A member of Shinhan Bank Establishment Committee
- May 1983: General Manager of Seoso-Moon Branch,  
Loan Administration Dept., Myung-Dong Branch,  
Business Department, Shinhan Bank
- Mar. 1990: Deputy Director, Shinhan Bank
- Feb. 1991: Director, Shinhan Bank
- Feb. 1993: Director & Executive Vice President, Shinhan Bank
- Feb. 1997: Director & Deputy President, Shinhan Bank
- Feb. 1999: President & Chief Executive Officer, Shinhan Bank
- Mar. 2003: Vice-Chairman, Shinhan Financial Group

#### 4. Young Seok Choi

1. Date of Birth: July 2, 1929
2. Current Position: President, C.Y.S. Ltd.
3. Education: BA in Commerce, Meiji University, Japan (1959)
4. Working Experience
  - Nov. 1993: President, C.Y.S. Ltd. (current), Founding Director, AERTH 21
  - Jun. 1993: Advisor to the Peace Unification Advisory Group
  - Feb. 1995: Director, Shinhan Bank
  - Mar. 2003: Director, Shinhan Financial Group (current)

#### 5. Yong Woong Yang

1. Date of Birth: August 4, 1948
2. Current Position: President, Doen
3. Education: BA, Chosen University, Korea (1971)
4. Working Experience
  - Apr. 1971: Korean Residents Support Group of Kobe-si
  - Jun. 1973: President, Grand Kougyo (current)
  - Dec. 1989: President, Grand Tour (current)
  - Dec. 1989: President, Grand Tour (current)
  - Aug. 1990: President, Doen (current)
  - Feb. 1998: Management Advisory Committee, Shinhan Bank
  - Mar. 2001: Outside Director, Shinhan Bank
  - Aug. 2001: Outside Director, Shinhan Financial Group
  - ~ Mar 2003:

#### 6. Pyung Joo Kim

1. Date of Birth: February 6, 1939
2. Current Position: Visiting Professor, KDI School of Public Policy and Management
3. Education: Ph. D in Economics, Princeton University, U.S.A. (1976)
4. Working Experience

- Sep. 1983: Dean, College of Commerce, Sogang University
- Nov. 1990: Dean, Graduate School of Economics & Policies, Sogang University
- Oct. 1999: Dean, Graduate School of International Studies, Sogang University
- Mar. 2004: Professor Emeritus, Sogang University
- Mar. 2004: Visiting Professor, KDI School of Public Policy and Management

**7. Il Sup Kim**

1. Date of Birth: July 1, 1946
2. Current Position: Vice President of Ehwa Womans University
3. Education: Ph.D., Business Administration, Seoul National University (1991)
4. Working Experience
  - 1977 ~ 1981: Director of international affairs, KICPA
  - 1985 ~ 1993: Head of Seoul Consulting Inc., Samil Consulting & Research Inc. and Samil Coopers & Lybrand Consulting Inc.
  - 1990 ~ 1997: Member of the Advisory Committee on Accounting Establishment, Securities Supervisory Board
  - 1993 ~ 1994: Chairman of the Auditing Research Committee, KICPA
  - 1994 ~ 1998: Vice President of the KICPA in charge of international affairs
  - 1995: Vice president of the Korean Accounting Association
  - 1997 ~ 1998: Member of the Accounting Standards Deliberation Committee, Securities Supervisory Board
  - 2002 ~ present: Vice President of Ehwa Womans University

**8. Sang Yoon Lee**

1. Date of Birth: September 13, 1942
2. Current Position: Representative Director and President, Nongsim Ltd.
3. Education: BA in Commerce, Seoul National Univ.(1966)
4. Working Experience
  - Jul. 1968: Goldenbell Commerce
  - Jan. 1971: Lotte Industry Ltd. (currently Nongsim Ltd.)
  - Mar. 1978: Director, Nongsim Ltd.
  - Jan. 1986: Senior Executive Director, Head of Sales Division, Nongsim Ltd.
  - Sep. 1994: Representative Director and President, Nongsim Ltd.
  - Oct. 1997: Representative Director & Vice Chairman, Nongsim Ltd
  - Jan. 2001: Representative Director and President, Nongsim Ltd. (current)
  - Feb. 2001: Non-statutory Vice-Chairman, Korea Food Industry Association (current)

**9. Yoon Soo Yoon**

1. Date of Birth: September 9, 1945
2. Current Position: Chairman/CEO of FILA Korea Ltd.
3. Education: BA in Political Science & Diplomacy,  
Korea University of Foreign Studies (1974)
4. Working Experience
  - 1973 ~ 1975 A Shipping Public Corporation
  - 1975 ~ 1981 JC Penney
  - 1981 ~ 1984 Hwasung Co., Ltd (Export Director)
  - Mar. 1984 President of Daewoon Trading Co.,
  - July. 1985 President of Care Line Corp. (current)
  - Jun. 1991 President of Fila Korea Ltd.(current)

**10. Sang Chul Lee**

1. Date of Birth: February 20, 1948
2. Current Position: Emeritus Professor, Korea University (current)
3. Education: Phd in Engineering, Duke University 1976
4. Working Experience
  - 1976: Senior Researcher, Western Union Spacecom, USA  
(NASA Comm Satellite Designer)
  - 1979 : Chief Researcher, Computer Sciences Co., USA
  - Sep. 1982: Chief Researcher, National Defense Research Center
  - May. 1991: Center Chief, Korea Telecom Communication Network Research Center
  - Jun. 1993: Division Chief, Korea Telecom Business Development Division
  - Jan. 1996: Division Chief, Korea Telecom Wireless Business Division
  - Dec. 1996: Representative Director & President, KTF Ltd.
  - Jan. 2001: President, Korea Telecom
  - Jun. 2002: Minister, Ministry of Information & Communication
  - May. 2003: Emeritus Professor, Korea University (current)

**11. Byung Hun Park**

1. Date of Birth: September 10, 1928
2. Current Position: Chairman, Daeseong Precisions Ltd (current)
3. Education: BA in Economics at Meiji University, Japan (1953)
4. Working Experience
  - Mar. 1985 President, HQ of Korean Residents Union in Japan
  - Mar. 1985 Honorary Chairman, 88 Seoul Olympics Sponsor Group
  - Mar. 1989 Chairman, Daeseong Electronics Ltd (current)
  - Dec. 1989 President, Seongsang Co Ltd (current)
  - Mar. 1990 Statutory Advisor, HQ of Korean Residents Union in Japan (current)
  - Jun. 1990 Honorary Chairman, Overseas Korean Representatives (current)
  - Aug. 2001 Outside Director, Shinhan Financial Group (current)

**12. Moon Pil Oh**

1. Date of Birth: December 31, 1930
2. Current Position:
3. Education:
4. Working Experience
  - Mar. 1954 LLB in Law, Osaka City College
  - Apr. 1954 Senior Executive Director, Marusan Industry Ltd.
  - Aug. 1964 President, Maruwa Ltd. Japan
  - Apr. 1972 President, Maruwa Commerce Ltd. Japan
  - Feb. 1994 Outside Director, Shinhan Bank
  - Aug. 2001 Outside Director, Shinhan Financial Group (current)

**13. Young Soo Lee**

1. Date of Birth: April 4, 1934
2. Current Position: President of Teni Ltd.
3. Education: Kenkoku High School
4. Working Experience
  - Dec. 1966 Established Omega Group
  - Apr. 1987 President, Hwagasan Center of Korean Residents Union in Japan
  - May 1989 Established Teni Ltd. (current)
  - Apr. 1993 Statutory Advisor, Wakayama Center of Korean Residents Union in Japan (current)
  - Apr. 1993 Deputy President, Baekdu School Kenkoku Foundation
  - Apr. 2000 President, Baekdu School Kenkoku Foundation (current)

**14. Dong Hyun Kwon**

1. Date of Birth: November 27, 1936
2. Current Position: Chairman, Aichi Commerce (current)
3. Education: Tsukyo Commercial High School
4. Working Experience
  - Apr. 1977 President, King Tour Ltd.
  - Jun. 1984 Director, Aichi Commerce
  - Aug. 1986 President, Douwa tour Ltd. Japan
  - 1991 Advisor to the Peace Unification Advisory Group
  - 1991 Vice-Chairman, Korean Motherland Investment Association
  - Jun. 1993 Advisor, Aichiken Korean Commerce Chamber
  - Feb. 1997 Outside Director, Shinhan Bank
  - Jun. 2000 Chairman, Aichi Commerce (current)
  - Aug. 2001 ~ Mar 03 Outside Director, Shinhan Financial Group

**15. Philippe Reynieix**

1. Date of Birth: June 24, 1949
2. Current Position: CEO & GM for Korea, BNP Paribas, Seoul
3. Education: Master of Business Law (with award), Paris II Univ. (1973)
4. Working Experience
  - 1974 ~ 1977: Assistant Professor at the Law School in Dakar, Senegal
  - 1977 ~ 1984: B.I.A.O. (International Bank for West Africa)
  - 1984 ~ 1986: Head of Credit & Marketing, Paribas, Gabon
  - 1986 ~ 1990: Deputy General Manager, Paribas, Seoul
  - 1990 ~ 1994: Deputy Head of Corporate Banking, Asia Pacific Division Paribas, Paris
  - 1994 ~ 2000: Country Manager, Singapore,  
Regional Head of Corporate Banking for S.E. Paribas, Singapore
  - 2000 ~ 2002: Chief Operating Officer BNP Paribas, Singapore
  - July 2002: CEO & GM for Korea BNP Paribas, Seoul (current)

**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: March 8, 2004