

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

February 19, 2009

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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 February 2009**

**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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SIGNATURES

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

February 19, 2008

To Shareholders:

**Convocation Notice of the 8th Annual General Meeting of Shareholders**

Notice is hereby given that the 8th Annual General Meeting of Shareholders of the Group will be held as described hereunder and your attendance is cordially requested.

**Description**

1. Date and Time      March 17, 2009    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 sheet, income statement and statement of appropriation of retained earnings) for the fiscal year 2008 (January 1, 2008 ~ December 31, 2008)
  - 2) Approval of Revision to Articles of Incorporation
  - 3) Approval of Director Remuneration Limit
  - 4) Approval of Stock Option Grant to the Executives and Employees of Shinhan Financial Group and its Subsidiaries
  - 5) Appointment of Directors (13 directors)
    - 5-1) Non-executive Director Candidate : Baek Soon Lee
    - 5-2) Outside Director Candidate : Boo In Go
    - 5-3) Outside Director Candidate : Young Woo Kim
    - 5-4) Outside Director Candidate : Yo Koo Kim
    - 5-5) Outside Director Candidate : Shee Yul Ryoo
    - 5-6) Outside Director Candidate : Ke Sup Yun
    - 5-7) Outside Director Candidate : Jung Il Lee
    - 5-8) Outside Director Candidate : Sung Bin Chun
    - 5-9) Outside Director Candidate : Kap Young Jeong
    - 5-10) Outside Director Candidate : Haeng Nam Chung
    - 5-11) Outside Director Candidate : Bong Youn Cho
    - 5-12) Outside Director Candidate : Young Seok Choi

5-13) Outside Director Candidate : Philippe Reynieix

6) Appointment of Audit Committee Members (4 members)

6-1) Committee Member Candidate : Young Woo Kim

6-2) Committee Member Candidate : Sung Bin Chun

6-3) Committee Member Candidate : Kap Young Jeong

6-4) Committee Member Candidate : Bong Youn Cho

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

**1. Number of Voting Rights Held by All Shareholders:** 396,199,587 shares

\* The total number of our outstanding common stock is 396,199,587 shares as of December 31, 2008, all of which except 529 shares held by Shinhan Card, our credit card subsidiary, are valid shares for voting.

**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 2008[January 1, 2008 ~ December 31, 2008])

Please refer to Appendix 1 for financial statements of the Shinhan Financial Group

Total dividend amount proposed by BOD

1) Common Stock: KRW 0 million

2) Preferred Stock: KRW 244,987 million

3) Total: KRW 244,987 million

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**Agenda Item No. 2** Approval of Revision to Articles of Incorporation

Shinhan Financial Group proposes to revise its Articles of Incorporation( AOI ) in accordance with enactment of the Financial Investment Services and Capital Market Act (Feb. 4, 2009) and the amendment to the Commercial Law (Jan. 30, 2009).

A. Diversification of notice method for convening the general meeting of shareholders

To reflect the amended Commercial Law, which allows the electronic method of notice for convening the general meeting of shareholders for shareholders holding no more than 1% of the total number of outstanding shares, in addition to the existing method of notice on daily newspapers (Article 25 of the AOI)

\*Electronic method: Electronic disclosure system operated by the Financial Supervisory Service of Korea or the Korea Exchange

B. Revision of the date of expiration of term of office for directors

The term of office of directors is set on 1-year basis to the extent not exceeding 3 years, but the actual term lasts until the general meeting of shareholders of the corresponding year. The ordinary general meeting of shareholders is held on a different date each year, hence the inconvenience of having to readjust the term of office.

⇒ Revise AOI to ensure that the director's term of office always expires on the date of the annual general meeting of shareholders (Article 37 of the AOI)

C. Reflection of change of base laws, etc.

Change the Securities and Exchange Act to the Financial Investment Services and Capital Markets Act or the Commercial Law.

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As is	To be
Article 13 (Preemptive Rights) (1) (Omitted)	Article 13 (Preemptive Rights) (1) (Same as existing)
(2) Notwithstanding the provision of Paragraph (1) above, the Company may allocate new shares to persons other than existing shareholders of the Company, <u>in any of the following instances:</u>	(2) Notwithstanding the provisions of Paragraph (1), new shares may be allotted to persons other than shareholders <u>in the event of any of the following:</u>
1. If the Company issues new shares by way of general public offering, to the extent not exceeding 50/100 of the total number of issued and outstanding shares of the Company, <u>by a resolution of the Board of Directors in accordance with the provisions of the Securities Exchange Act ( SEA );</u>	1. If the Company issues new shares by way of general public offering, to the extent not exceeding 50/100 of the total number of issued and outstanding shares of the Company;
2. If the Company preferentially allocates new shares to members of the Employee Stock Ownership Association <u>in accordance with the provisions of the SEA;</u>	2. If the Company preferentially allocates new shares to members of the Employee Stock Ownership Association <u>in accordance with Article 165-7 of the Financial Investment Services and Capital Markets Act;</u>
3. If the Company issues new shares for the issuance of depository receipts ( DR s), to the extent not exceeding 50/100 of the total number of issued and outstanding shares of the Company, <u>in accordance with the provisions of the SEA;</u>	3. If the Company issues new shares for the issuance of depository receipts ( DR s), to the extent not exceeding 50/100 of the total number of issued and outstanding shares of the Company;
4. If the Company issues new shares upon the exercise of stock options <u>in accordance with the provisions of the SEA;</u>	4. If the Company issues new shares upon the exercise of stock options <u>in accordance with Article 340-2 and Article 542-3 of the Commercial Law;</u>
5. If the Company issues new shares to <u>the securities investment company that runs exclusively the banking business, as set forth in the Finance Holding Company Act (the FHCA );</u> or	5. If the Company issues new shares to <u>investment company, Private Equity Fund (PEF) or Special Purpose Company (SPC) pursuant to the Financial Investment Services and Capital Markets Act;</u> or
6. (Omitted)	6. (Omitted)
(3) In the case in which new shares are issued pursuant to Paragraph (2), the type, number, issue price, etc. of shares to be issued shall be determined by the resolution of the Board of Directors, <u>to the extent permitted by the relevant laws, such as the SEA,</u> etc.	(3) In the case in which new shares are issued pursuant to Paragraph (2), the type, number, issue price, etc. of shares to be issued shall be determined by the resolution of the Board of Directors.
(4) (Omitted)	(4) (Same as existing)

Article 14 (Stock options) (1) The Company may grant stock options to its officers and employees pursuant to the provisions of the SEA, by a special resolution of the General Meeting of Shareholders, to the extent not exceeding 20/100 of the total number of issued and outstanding shares of the Company. Notwithstanding the foregoing, the Company may, by the resolution of the Board of Directors, grant stock options in numbers equal to or less than 1/100 of the total number of outstanding shares, provided that such action shall be approved at the first Ordinary Shareholders Meeting to be held after the date of such grant.

(2) The Company may impose conditions of specific goals and achievement for the exercise of stock options, and may postpone or cancel the exercise of stock options if such conditions are not satisfied.

(3) The persons who are entitled to receive such stock options shall be officers and employees of the Company or its subsidiaries or sub-subsidiaries as prescribed in the relevant laws and ordinances including the SEA, etc. who have contributed, or are capable of contributing, to the establishment, management or technical innovation of the Company, except for officers or employees in any of the following cases:

1. The largest shareholder of the Company and Specially Related Persons thereof (as defined in the SEA and the Enforcement Decree of the SEA; hereinafter the same shall apply), except for such persons who have been regarded as Specially Related Persons by becoming officers of the Company (including an officer who is the non-executive officer of the affiliate);

2. Major Shareholders of the Company (as defined in the SEA; hereinafter the same shall apply), and Specially Related Persons thereof, except for such persons who have been regarded as Specially Related Persons by becoming officers of the Company (including an

Article 14 (Stock options) (1) The Company may grant stock options to its officers and employees pursuant to the provisions of the Commercial Code, by a special resolution of the General Meeting of Shareholders, to the extent not exceeding 20/100 of the total number of issued and outstanding shares of the Company. Notwithstanding the foregoing, the Company may, by the resolution of the Board of Directors, grant stock options in numbers equal to or less than 1/100 of the total number of outstanding shares, provided that such action shall be approved at the first Ordinary Shareholders Meeting to be held after the date of such grant.

(2) (Same as existing)

(3) The persons who are entitled to receive such stock options shall be officers and employees of the Company or its subsidiaries or sub-subsidiaries as prescribed in the relevant laws and ordinances including the Commercial Code, etc. who have contributed, or are capable of contributing, to the establishment, management or technical innovation of the Company, except for officers or employees in any of the following cases:

1. The largest shareholder of the Company and Specially Related Persons thereof (as defined in the Commercial Code and the Enforcement Decree of the Commercial Code; hereinafter the same shall apply), except for such persons who have been regarded as Specially Related Persons by becoming officers of the Company (including an officer who is the non-executive officer of the affiliate);

2. Major Shareholders of the Company (as defined in the Commercial Code; hereinafter the same shall apply), and Specially Related Persons thereof, except for such persons who have been



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As is	To be
officer who is the non-executive officer of the affiliate); and	regarded as Specially Related Persons by becoming officers of the Company (including an officer who is the non-executive officer of the affiliate); and
3. The persons who become the Major Shareholders of the Company by the exercise of stock option.	3. The persons who become the Major Shareholders of the Company by the exercise of stock option.
(4) The shares to be issued upon the exercise of stock options (in case the Company pays the difference between the exercise price of stock options and the market price of such shares in cash or treasury shares, the shares which shall be the basis of the calculation of such differences) shall be common shares in registered form.	(4) (Same as existing)
(5) The total number of shares to be given to one (1) officer or employee pursuant to the stock option shall not exceed 1/100 of the total number of shares issued and outstanding.	(5) (Same as existing)
(6) The exercise price per share for the stock option shall be determined in accordance with the relevant laws, such as <u>the SEA</u> , etc.	(6) The exercise price per share for the stock option shall be determined in accordance with the relevant laws, such as <u>the Commercial Code</u> , etc.
(7) Stock options may be exercised within seven (7) years commencing from two (2) years after the date specified in Paragraph (1) above at which a resolution to grant such stock options was adopted.	(7) (Same as existing)
(8) Stock option is exercisable by a person who has served for the Company two (2) years or more from the date specified in Paragraph (1) above at which a resolution to grant such stock option was adopted. If the grantee's continuous service terminates by reason of the grantee's death, attainment of mandatory retirement age, or for reasons other than by the fault of the grantee within two (2) years from the said date of resolution, the option may be exercisable within the exercise period.	(8) (Same as existing)
(9) Article 15 shall apply mutatis mutandis with respect to the distribution of dividends for new shares issued upon the exercise of stock options.	(9) (Same as existing)
(10) In the following instances, the Company may, by a resolution of the Board of Directors, cancel the	(10) In the following instances, the Company may, by a resolution of the Board of Directors, cancel the stock

stock options granted to an officer or an employee:

1. When the relevant officer or employee voluntarily resigns or is removed from his or her position at the Company after receiving the stock option;
2. When the relevant officer or employee inflicts material damages or losses on the Company due to the willful conduct or negligence of such person;
3. When the Company cannot respond to the exercise of stock options due to its bankruptcy, dissolution, etc.; or
4. When there occurs any other event for cancellation of the stock option pursuant to the stock option agreement.

Article 19 (Issue of Convertible Bonds)

(1) (Omitted)

1~3 (Omitted)

4. If the Company issues convertible bonds in a foreign country, in accordance with the SEA.

Article 20 (Bonds with Warrants)

(1) (Omitted)

1~3 (Omitted)

4. If the Company issues bonds with warrants in foreign country, in accordance with the SEA.

Article 21 (Issuance of Participating Bonds)

(1) (Omitted)

1~2 (Omitted)

3. If the Company issues participating bonds in foreign country, in accordance with the SEA

(2) (Omitted)

options granted to an officer or an employee:

1. When the relevant officer or employee voluntarily resigns or is removed from his or her position at the Company after receiving the stock option;
2. When the relevant officer or employee inflicts material damages or losses on the Company due to the willful conduct or negligence of such person;
3. When the Company cannot respond to the exercise of stock options due to its bankruptcy, dissolution, etc.; or
4. When there occurs any other event for cancellation of the stock option pursuant to the stock option agreement.

Article 19 (Issue of Convertible Bonds)

(1) (Same as existing)

1~3 (Same as existing)

4. If the Company issues convertible bonds in a foreign country.

Article 20 (Issue of bonds with warrant)

(1) (Same as existing)

1~3 (Same as existing)

4. If the Company issues bonds with warrants in foreign country.

Article 21 (Issuance of Participating Bonds))

(1) (Same as existing)

1~2 (Same as existing)

3. If the Company issues participating bonds in foreign country.

(2) (Same as existing)

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As is

To be

Article 25 (Personal or Public Notices for Convening)

Article 25 (Personal or Public Notices for Convening)

(1) Written notice of the General Meeting of Shareholders of the Company shall state the date, time, place of the Meeting, the purposes for which the Meeting has been called, and other matters set forth in the relevant laws. The written notice shall be sent to all shareholders at least two (2) weeks prior to the date set for the Meeting.

(1) Written notice of the General Meeting of Shareholders of the Company shall state the date, time, place of the Meeting, the purposes for which the Meeting has been called, and other matters set forth in the relevant laws. The written notice shall be sent to all shareholders at least for the period of two (2) weeks prior to the date set for the Meeting.

(2) The written notice of a General Meeting of Shareholders to be given to shareholders holding one-hundredth (1/100) or less of the total issued and outstanding voting shares may be substituted by giving public notice of the convening of the General Meeting of Shareholders in Hankuk Kyongje Shinmun and Maeil Kyongje Shinmun which are published in the city of Seoul, at least two (2) notices are made in the said publications two (2) weeks prior to the date set for such Meeting.

(2) The written notice of a General Meeting of Shareholders to be given to shareholders holding one-hundredth (1/100) or less of the total issued and outstanding voting shares may be substituted by giving public notice of the convening of the General Meeting of Shareholders in Hankuk Kyongje Shinmun and Maeil Kyongje Shinmun which are published in the city of Seoul, at least two (2) notices are made in the said publications two (2) weeks prior to the date set for such Meeting or by using an electronic method defined by the Commercial Law and related regulations.

(3) Notwithstanding the provisions of Paragraphs (1) and (2), if otherwise set forth in the FHCA or other relevant laws, the Company may follow such different provisions.

(3) (Same as existing)

Article 37 (Term of directors)

Article 37 (Term of office of directors)

(1) The term of office of the Director shall be determined at the General Meeting of Shareholders to the extent not exceeding three years, and the Director may be re-appointed. Provided that, the term of office of the Outside Director appointed as a specialist at the General Meeting of Shareholders shall be one year.

(1) (Same as existing)

(2) If the term of office expires after the end of a fiscal year but before the Ordinary General Meeting of Shareholders convened in respect of such fiscal year, the term of office shall be extended up to the close of such General Meeting of Shareholders.

(2) The term of office under Paragraph (1) above shall be until the closure of the ordinary general meeting of shareholders convened in respect of such fiscal year.

Article 56 (Retirement of shares) (1) ~(2) (Omitted)

Article 56 (Retirement of shares) (1) ~(2) (Same as existing)

(3) (Omitted)

1. In case of acquisition of shares for the purpose of retirement, such acquisition shall be made in accordance with the acquisition method and criteria as prescribed in the relevant laws, such as the SEA, etc.

2. Total price of the shares to be acquired for the purpose of retirement shall be not more than the amount as prescribed in the relevant laws, such as the SEA, etc., within the scope available for dividend as at the end of such fiscal year pursuant to Article 462, Paragraph (1) of the Commercial Code.

(4) (Omitted)

Article 57-2 (Interim dividend) (1) The Company may distribute interim dividends to its shareholders as of 00:00, July 1 in accordance with the relevant laws including the SEA. Such interim dividends shall be made in cash.

(2) (Omitted)

(3) The maximum amount to be paid as interim dividends shall be calculated by deducting the following amounts from the net properties amounts recorded in the balance sheet of the fiscal year immediately prior to the fiscal year concerned::

1~5 (Omitted)

(4) ~ (5) (Omitted)

(New)

(3) (Same as existing)

1. In case of acquisition of shares for the purpose of retirement, such acquisition shall be made in accordance with the acquisition method and criteria as prescribed in the relevant laws, such as the Financial Investment Services and Capital Markets Act, etc.

2. Total price of the shares to be acquired for the purpose of retirement shall be not more than the amount as prescribed in the relevant laws, such as the Enforcement Decree of the Financial Investment Services and Capital Markets Act, within the scope available for dividend as at the end of such fiscal year pursuant to Article 462, Paragraph (1) of the Commercial Code.

(4) (Same as existing)

Article 57-2 (Interim dividend) (1) The Company may distribute interim dividends to its shareholders as of 00:00, July 1 in accordance with the relevant laws including Article 462-3 of the Commercial Law. Such interim dividends shall be made in cash.

(2) (Same as existing)

(3) The maximum amount to be paid as interim dividends shall be calculated by deducting the following amounts from the net assets amounts recorded in the balance sheet of the fiscal year immediately prior to the fiscal year concerned::

1~5 (Same as existing)

(4) ~ (5) (Same as existing)

Bylaws (6)

1. (Enforcement Date) These provisions shall take effect on March 17, 2009.

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**Table of Contents****Agenda Item No.3** Approval of Director Remuneration Limit

Limitation on the aggregate compensation to the directors: KRW 8.5 billion for the year 2009.

For your reference, this limitation for the year 2008 was KRW 9.0 billion.

**Agenda Item No. 4** Approval of Stock Option Grant to the Executives and Employees of Shinhan Financial Group and its Subsidiaries

(Total stock options to grant to executives and employees of SFG and subsidiaries: 647,665 shares)

**A. Grant of Stock Options to Executives and Officers**

- 1) Grantees: A total of 37 executives and officers of Shinhan Financial Group and its subsidiaries ( Shinhan Bank, Shinhan Card , Good Morning Shinhan Securities, Shinhan Life Insurance, Shinhan Capital, and Shinhan Credit Information) See below for more details.
  - 2) Number of options: 377,665 shares in total
  - 3) Exercise price: Max [Base exercise price $\times$ (1 + Big 3 s 3-year avg. stock price growth rate  $\times$ 0.2), Base exercise price]
- Base exercise price: Arithmetic mean of the three trading volume-weighted average closing prices during the 2-month, 1- month and 1-week periods counting backwards from the day previous to the day of GSM approval.
- 4) Date of grant: March 17, 2009
  - 5) Exercise period: Exercisable during the 4 year period after 3rd anniversary of the grant date.
  - 6) Method of option grant : Shinhan Financial Group will, at its discretion ,choose among the followings:
    - to issue new shares at the exercise price,
    - to provide from its treasury shares, or
    - to settle in cash for the amount of difference between the exercise price and market price as of the date of exercise.
  - 7) Details of Stock Options Granted to Executives and Officers

Company	Title	Name	Grant Volume
Shinhan Financial Group	Chairman	Eng Chan Ra	35,000
	President & CEO	To be appointed	31,500
	Deputy President	Buhm Soo Choi	9,000
	Deputy President	Sung Ho Wi	9,000
	Deputy President	Chan Hee Jin	9,000
Shinhan Bank	President & CEO	Baek Soon Lee	28,000
	Deputy President	Jeum Joo Gweon	9,000
	Deputy President	Joo Won Park	9,000
	Deputy President	Chan Park	9,000
	Deputy President	Jung Won Lee	9,000
	Deputy President	Hyung Jin Kim	9,000
	Deputy President	Young Hoon Lee	9,000
	Deputy President	Sung Rack Lee	9,000
	Executive Vice President	Dong Dae Lee	6,750
	Executive Vice President	Se Il Oh	6,750

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	Executive Vice President	Yong Byoung Cho	6,750
	Executive Vice President	Jong Bok Moon	6,750
	President & CEO	Jae Woo Lee	17,600
	Deputy CEO	Hong Kyu Kang	7,425
Shinhan Card	Deputy CEO	Soo Ik Park	7,425
	Deputy CEO	Hee Geon Kim	7,425
	Deputy CEO	Chun Kuk Lee	6,750
	Deputy CEO	Jong Cheol Kim	6,750
GMSH Securities	President & CEO	Hyu Won Lee	16,000
	Vice President	Jin Kook Lee	6,750
	President & CEO	Jin Won Suh	16,000
	Vice President	Byung Chan Lee	6,750
	Vice President	Keun Jong Lee	6,750
Shinhan Life Insurance	Vice President	Jeong Kun Lee	6,750
	Vice President	Ki Won Kim	6,750
	Pro Vice President	Jae Gun Bae	5,400
	Pro Vice President	Ho Kyung Bae	5,400
	President & CEO	Do-Heui Han	13,200
Shinhan Capital	Deputy President	Jun-Gi Eun	5,940
	Deputy President	Sun-Yeol Song	5,400
Shinhan Credit Info	Executive Vice President	Young-Sub Hwang	4,950
	President & CEO	Pan Am Lee	6,750
<b>Total</b>	<b>Grantees : 37</b>	<b>No. of Shares</b>	<b>377,665</b>

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**B. Grant of Stock Options to Employees**

1) Grantees:

Managing directors and BU heads with previous year's overall evaluation grade of 3 or higher will be granted with stock options.

\* Companies : Shinhan Financial Group, Shinhan Bank, Shinhan Card, GMSH Security and Shinhan Capital

\* Decisions regarding grantees selection and volumes to each grantee shall be delegated to CEO of SFG and be finalized with GSM's approval.

2) Number of options : up to 270,000 shares in total

3) Exercise price, date of grant, exercise period and method of option grants are the same as those applied to executive grantees.

**C. Conditions for Stock Option Exercise**

A) **33.4%** of Stock Option grant per each person: linked to **Stock Price performance**

If company's 3-year cumulative net income is greater than zero, exercisable volume is determined based on the comparison of SFG's stock price growth rate against average stock price growth rate of Big 3 players in the following manner.

Compared to BIG 3 <sup>1)</sup> Exercisable volume	Below 70% 0%	70~90% 16.7%	90% or above 33.4%
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Note1) BIG 3 refers to

KB Financial Group, Woori Financial Group and Hana Financial Group. Exercise amount of stock options is dependant on the three companies average growth in share price.

B) **66.6%** of Stock Option grant per each person: linked to **adjusted ROE performance** against its target

Item	Group 1	Group 2	Group 3
Volume subject to exercise	1/3 of 66.6% of total grant volume	1/3 of 66.6% of total grant volume	1/3 of 66.6% of total grant volume
Exercisable volume	<b>Exercisable volume<sup>1)</sup> = Volume subject to exercise x (Actual ROE / Target ROE)</b>		
Actual (target) ROE criteria	Grant year(G)'s actual (target) adjusted ROE	G+1 year actual (target) adjusted ROE	G+2 year actual (target) adjusted ROE

Note 1) Total exercise volume cannot exceed 100% of that originally granted

Exercisable  
period

During 4 years after 3<sup>rd</sup> anniversary of grant date

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**Table of Contents****Agenda Item No. 5** Appointment of Directors

The following is the list of director candidates.

<b>Agenda Item No.</b>	<b>Candidate Name</b>	<b>Term(Year)</b>	<b>New Appointment</b>	<b>Outside Director</b>
5-1	Baek Soon Lee	3 yr	O	
5-2	Boo In Go	1 yr	O	O
5-3	Young Woo Kim	1 yr		O
5-4	Yo Koo Kim	1 yr	O	O
5-5	Shee Yul Ryoo	1 yr		O
5-6	Ke Sup Yun	1 yr	O	O
5-7	Jung Il Lee	1 yr	O	O
5-8	Sung Bin Chun	1 yr		O
5-9	Kap Young Jeong	1 yr	O	O
5-10	Haeng Nam Chung	1 yr		O
5-11	Bong Youn Cho	1 yr		O
5-12	Young Seok Choi	1 yr	O	O
5-13	Philippe Reynieix	1 yr		O

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

Shee Yul Ryoo, Ke Sup Yun, Sung Bin Chun, Kap Young Jeong and Bong Youn Cho are candidates for outside directors with professional expertise, as defined under our Articles of Incorporation.

**Agenda Item No. 6** Appointment of Audit Committee members (4 members)

Among the nominated outside director candidates, Young Woo Kim , Sung Bin Chun , Kap Young Jeong and Bong Youn Cho were recommended as candidates of audit committee members for 2009 through the resolution of the Audit Committee Member Recommendation Committee

<b>Agenda Item No.</b>	<b>Candidate Name</b>	<b>Term(Year)</b>	<b>New Appointment</b>	<b>Outside Director</b>
6-1	Young Woo Kim	1 yr		O
6-2	Sung Bin Chun	1 yr		O
6-3	Kap Young Jeong	1 yr	O	O
6-4	Bong Youn Cho	1 yr		O

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**Table of Contents****Appendix 1. Financial Statements of Shinhan Financial Group****1) Balance Sheets**

**Shinhan Financial Group Co., Ltd**  
 Non-Consolidated Balance Sheets  
 December 31, 2008 and December 31, 2007  
 (In millions of KRW)

	As of December 31,2008		As of December 31,2007	
<b>Assets</b>				
I. Cash and Due from Banks		670,815		131,994
1. Due from Banks		670,815		131,994
II. Securities		22,734,582		23,743,620
1. Equity Method Investment Securities		22,734,582		23,743,620
III. Loans		2,397,950		1,407,925
Allowance for Loan Losses		-12,050		-7,075
1. Loans in Won		2,410,000		1,415,000
IV. Premises and Equipment		1,473		528
1. Vehicles	171		171	
Accumulated Depreciation	-152	19	-137	34
2. Equipment	1,599		1,467	
Accumulated Depreciation	-1,396	203	-1,245	222
3. Others	3,150		1,823	
Accumulated Depreciation	-1,899	1,251	-1,551	272
V. Other Assets		108,746		43,461
Allowance for Losses		-176		
1. Guarantee Deposits		9,982		10,068
2. Software		764		1,016
3. Accounts Receivable		19,938		
4. Accrued Income		14,160		8,415
5. Advance Payments		1,242		10
6. Prepaid Expenses		59,012		17,060
7. Prepaid Income Taxes				3,651
8. Sundry Assets		3,824		3,241
Total Assets		25,913,566		25,327,528
<b>Liabilities</b>				
I. Borrowings		8,233,633		7,293,253
1. Borrowings in Won		1,155,300		1,255,000
2. Debentures in Won	7,090,000		6,050,000	
Discounts	-11,667	7,078,333	-11,747	6,038,253
II. Other Liabilities		74,050		56,474
1. Withholding Taxes		3,509		355
2. Dividends Payable		2,678		2,153
3. Accounts Payable		1,936		702
4. Accrued Expenses		56,113		52,415
5. Unearned Revenues		8,853		135
6. Retirement Severance Benefits	2,492		1,903	

Deposits with Insurance Company for Severance Benefits	-1,531	961	-1,189	714
Total Liabilities		8,307,683		7,349,727

	As of December 31,2008	As of December 31,2007
<b>Stockholders Equity</b>		
I. Capital Stock	2,462,473	2,462,473
1.Common Stock	1,980,998	1,980,998
2. Preferred Stock	481,475	481,475
II. Capital Surplus	9,032,572	9,032,572
1. Paid-in Capital in excess of Par Value	8,648,726	8,648,726
2. Other Capital Surplus	383,846	383,846
III. Capital Adjustment	-432,887	-413,189
1. Other	-432,887	-413,189
IV. Accumulated Other Comprehensive Income	242,331	1,477,262
1. Unrealized Gain on Equity Securities under Equity Method	267,762	1,497,760
2. Unrealized Loss on Equity Securities under Equity Method	-25,431	-20,498
V. Retained Earnings	6,301,394	5,418,683
1. Legal Reserve	819,838	580,200
2. Unappropriated Retained Earnings	5,481,556	4,838,483
Total Stockholders Equity	17,605,883	17,977,801
Total Liabilities and Stockholders Equity	25,913,566	25,327,528

**Table of Contents****2) Income Statements**

**Shinhan Financial Group Co., Ltd**  
 Non-Consolidated Statements of Income  
 Year ended December 31, 2008 and December 31, 2007  
 (In millions of KRW)

	For the year ended December 31, 2008	For the year ended December 31, 2007
I. Operating Revenues	2,455,917	2,749,536
(1) Gain using Equity Method of Accounting	2,184,643	2,632,111
(2) Interest Income	135,503	117,333
1. Interest on Due from Banks	18,589	53,571
2. Interest on Loans	116,914	63,762
(3) Royalty	135,771	
(4) Gain on Foreign Currency Transaction		92
II. Operating Expenses	442,907	375,344
(1) Loss using Equity Method of Accounting	5,328	
(2) Interest Expenses	390,602	326,928
1. Interest on Borrowings	32,402	45,643
2. Interest on Debentures	358,200	281,285
(3) Loss on Foreign Currency Transaction	13	93
(4) Fees and Commission	291	112
(5) General and Administrative Expenses	46,673	48,211
1. Salaries	3,857	30,629
2. Retirement Allowance	632	1,119
3. Employee Benefits	1,545	1,416
4. Rent	1,085	343
5. Entertainment	918	911
6. Depreciation	514	385
7. Amortization on Intangible Assets	297	329
8. Bad Debt Expense	5,151	1,150
9. Taxes and Dues	439	406
10. Advertising	15,168	43
11. Commissions	14,422	8,964
12. Other expenses	2,645	2,516
III. Operating Income	2,013,010	2,374,192
IV. Non-Operating Income	999	738
(1) Gain on Sale of Tangible Assets		15
(2) Other	999	723
V. Non-Operating Expenses	34	1,215
(1) Contribution	34	75
(2) Other		1,140
VI. Income Before Income Tax Expenses	2,013,975	2,373,715
VII. Income Tax Benefits	6,423	22,662
VIII. Net Income for Year	2,020,398	2,396,377

IX. Earning per Share

(1) Basic Earnings per Share	KRW 4,470	KRW 5,562
(2) Diluted Earnings per Shares	KRW 4,373	KRW 5,424

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**Table of Contents****3) Statements of Appropriations of Retained Earnings****Non-Consolidated Statements of Appropriations of Retained Earnings (Draft)**

Year ended December 31, 2008 and December 31, 2007

(In millions of KRW)

	Year ended December 31, 2008	Year ended December 31, 2007
I. Unappropriated Retained Earnings	5,481,556	4,838,483
1. Unappropriated Retained Earnings carried over from prior years	3,440,577	2,242,709
2. Accumulated Effect of Accounting Policy Change		196,869
3. Change in Retained Earnings of subsidiaries	20,589	2,528
4. Redemption of Preferred Stock	-8	
5. Net Income for Period	2,020,398	2,396,377
II. Appropriation of Retained Earnings	619,820	1,397,906
1. Legal Reserve	202,040	239,638
2. Voluntary Reserve	172,793	537,826
3. Dividends	244,987	620,442
1) Cash Dividends on Common Stock		356,580
Dividend per share: KRW 900 for 2008		
KRW 900 for 2007		
2) Cash Dividends on Preferred Stock	244,987	263,862
Dividend per share		
Series 3 :		
KRW 730.674 (14.6135%) for 2007		
Series 4~5 :		
KRW 730.674 (14.6135%) for 2008		
KRW 730.674 (14.6135%) for 2007		
Series 7 :		
KRW 11,190 (223.8%) for 2007		
Series 8 :		
KRW 11,790 (235.8%) for 2008		
KRW 11,790 (235.8%) for 2007		
Series 10 :		
KRW 7,000 (140%) for 2008		
KRW 6,539.726 (130.7945%) for 2007		
Series 11 :		
KRW 1,878.695 (37.5739%) for 2008		
KRW 1,755.164 (35.1033%) for 2007		
III. Unappropriated Retained Earnings carried over to subsequent year	4,861,736	3,440,577

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**Appendix 2. Personal Profiles: Candidates for Directors and Audit Committee Members**

**1. Baek Soon Lee**

Date of Birth: October 8, 1952

Current Position: Deputy President, Shinhan Financial Group

Education: Duksu Commercial High School

Main Work Experience:

2003 Head of SME Support Department, Shinhan Bank

2004 Managing Director, Shinhan Financial Group

2006 Senior Executive Vice President, Shinhan Bank

**2. Boo In Ko (New Candidate)**

Date of Birth: December 25, 1941

Current Position: Outside Director, Jeju Bank

Education: BA, Meiji University

Main Work Experience:

1998 Vice Chairman, Korea Chamber of Commerce and Industry in Japan

1998 Advisor, The National Unification Advisory Council

2005 Outside Director, Jeju Bank

**3. Young Woo Kim**

Date of Birth: May 1, 1952

Current Position:

CEO of Hanil Electronic

CEO of New Hanil Electronic

Education: BA in Political Economy, Waseda University

Main Work Experience:

1990 CEO, Hanbaek Precision Co.

2007 CEO of Hanil Electronic, CEO of New Hanil Electronic

**4. Yo Koo Kim (New Candidate)**

Date of Birth: March 23, 1950

Current Position: Director, Korea Chamber of Commerce and Industry in Aichi Province

Education: BA in Industrial & Systems Engineering, Aoyama Gakuin University

Main Work Experience:

1984 CEO, Sanyo Bussan Co, Ltd.

2000 Director, Sanyo Hanbai Co, Ltd.

2007 Outside Director, Shinhan Bank

**5. Shee Yul Ryoo**

Date of Birth: September 5, 1938

Current Position: Advisor, Shin & Kim Law Firm

Education: LLB, Seoul National University

Main Work Experience:

1997 President, Korea First Bank

1999 Chairman, Korea Federation of Banks

2001 Steering Committee Member, Korea Center for International Finance (current)

**6. Ke Sup Yun (New Candidate)**

Date of Birth: May 20, 1945

Current Position: Professor, College of Business Administration, Seoul National University

Education: Ph.D. Graduate School of Seoul National University

Main Work Experience:

1999 Dean, College of Business Administration, Seoul National University

2001 Chairman, Seoul Economist Club (current)

**7. Jung Il Lee** (New Candidate)

Date of Birth: August 28, 1952

Current Position: CEO, Hirakawa Shoji Co, Ltd.

Education: BA in Political Science & Economics, Meiji University

Main Work Experience:

1990 CEO, Hirakawa Shoji Co, Ltd

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**8. Sung Bin Chun**

Date of Birth: January 21, 1953

Current Position: Professor, College of Business Administration, Sogang University

Education:

BA in English Literature, Sogang University, Seoul

Ph.D. in Accounting at Berkley University, USA

Main Work Experience:

1999 Director, Vice President of Korean Accounting Association

2003 Director, Business Administration Research Center, Sogang University

2004 Director, Financial Supervisory Commission

**9. Kap Young Jeong (New Candidate)**

Date of Birth: August 22, 1951

Current Position: Professor, College of Economics, Yonsei University

Education:

BA in Economics, Yonsei University

Ph.D. in Economics, Cornell University

Main Work Experience:

2004 President, Northeast Economic Association

2006 Vice President, Yonsei University

**10. Haeng Nam Chung**

Date of Birth: March 15, 1941

Current Position: Advisor, Korea Chamber of Commerce & Industry in Japan

Education: Tomishima Middle School

Main Work Experience:

2001 Chairman, ABIC Group (current)

2001 Director, Asuka Credit Cooperative (current)

2005 Advisor, Korea Chamber of Commerce & Industry in Japan (current)

**11. Bong Youn Cho**

Date of Birth: March 9, 1948

Current Position: President for Pan Asia Capital Limited.

Education: BA in Statistics, Korea University, Seoul, Korea

Main Work Experience:

1996 President, Oriens Capital Limited

1997 Chairman, Pan Asia Capital Manager Limited, Hong Kong (current)

2001 President, Pan Asia Capital Limited (current)

**12. Young Seok Choi (New Candidate)**

Date of Birth: July 2, 1929

Current Position: President, C.Y.S. Ltd. (current)

Education: BA in Commerce, Meiji University, Japan

Main Work Experience:

1993 Advisor, The National Unification Advisory Council

1995 Outside Director, Shinhan Bank

2003 Outside Director, Shinhan Financial Group

**13. Philippe Reynieix**

Date of Birth: June 24, 1949

Current Position: CEO & GM for Korea, BNP Paribas, Seoul

Education: Master of Business Law (with award), Paris II University

Main Work Experience:

1994 Regional Head of Corporate Banking for S.E. and India, Paribas, Singapore

1999 Country Manager, Paribas Singapore  
2000 Chief Operating Officer BNP Paribas, Singapore  
2002 CEO & GM for Korea BNP Paribas, Seoul (current)

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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/ Buhmsoo Choi  
Name: Buhmsoo Choi  
Title: Chief Financial Officer

Date: February 19, 2009