

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

June 12, 2007

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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 June 2007

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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Tender Offer Circular

Submitted to the Financial Supervisory Commission

June 12, 2007

We hereby submit this Tender Offer Circular
in accordance with Article 21-2(2) of the Securities and Exchange Act (of Korea).

| | | |
|---|-----------------|--|
| Reporter | Name | Shinhan Financial Group Co., Ltd. (seal) |
| Contact Information for Business Purpose | Address* | 120 Taepyungro 2-ga, Jung-gu, Seoul, Korea |
| | Tel. No. | 82-2- 6360-3035 |

* Contact information for business purpose shall contain the full address and telephone number that can be reached.

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I. Particulars on Tender Offeror and Its Specially-Related Persons

A. Information on Tender Offeror and Its Specially-Related Persons

1. Name of Tender Offeror

Name of Tender Offeror: Shinhan Financial Group Co., Ltd. (SFG)

Offeror:

Representative Director: In Ho LEE

Director:

2. History of Tender Offeror

(1) Changes since Incorporation

1) Date of Incorporation: September 1, 2001

2) Location of Head Office (including any changes thereof): 120 Taepyungro 2-ga, Jung-gu, Seoul, Korea

3) Material Change in the Management

2001.9.1 Chairman of BOD Eung Chan RA

2003.3.31 Chairman of BOD Eung Chan RA
President & CEO Young Hwi CHOI

2005.5.17 Chairman of BOD Eung Chan RA
President & CEO In Ho LEE

4) Changes in the Largest Shareholder

2001.12.7 Changed from Daekyo Co., Ltd. and two other shareholders (No. of shares held: 4,754,679; shareholding ratio: 1.63%) to BNP Paribas (No. of shares held: 11,693,767; shareholding ratio: 4%)

2002.2.7 Changed from BNP Paribas to BNP Paribas Luxembourg, an affiliate of BNP Paribas (No. of shares held: 11,693,767; shareholding ratio: 4%)

2005.3.22 Changed from BNP Paribas Luxembourg to Korea National Pension Fund (No. of shares held: 16,498,516; shareholding ratio: 5.17%)

* The above date is the date on which the change was confirmed.

2005.11.28 Changed from Korea National Pension Fund to Korea Deposit Insurance Corporation (No. of shares held: 22,360,302; shareholding ratio: 6.22%; convertible and redeemable preferred stocks were converted into common shares)

2006.4.11 Changed from Korea Deposit Insurance Corporation to BNP Paribas Group (No. of shares held: 33,682,104; shareholding ratio: 9.38%)

* Details of Holding:

BNP Paribas S.A.: 20,124,272 shares (purchased common shares in SFG held by Korea Deposit Insurance Corporation);

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BNP Paribas Luxembourg (subsidiary of BNP Paribas S.A.): 13,557,832 shares (existing shares)

* The above information is based on the date of purchase and sale of the shares. As of September 30, 2006, the shareholding ratio of BNP Paribas Group is 8.83% (the shareholding ratio was reduced due to the increase in the total number of common shares).

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* As of December 31, 2006, BNP Paribas Group owns 9.06% or 34,582,732 shares of SFG common shares.

- 5) Material Change in Business Purpose: N/A
- 6) Other Material Change since Incorporation
 - 2002.4.4 Executed a stock purchase agreement with Korea Deposit Insurance Corporation to acquire 51% equity in Jeju Bank
 - 2002.4.8 Executed a stock purchase agreement with Asia Pacific Group II and LP, among others, to acquire 30% of common shares in Good Morning Securities Co., Ltd.
 - 2002.5.10 SFG's inclusion of Jeju Bank as its subsidiary was officially granted
 - 2002.6.4 Shinhan Bank's Credit Card Business spun off and Shinhan Card Co., Ltd. was established
 - 2002.7.8 Shinhan Credit Information Co., Ltd. was established
 - 2002.8.1 Good Morning Securities Co., Ltd. merged with Shinhan Securities Co., Ltd.; Good Morning Shinhan Securities Co., Ltd. was incorporated
 - 2002.9.16 Good Morning Investment Trust Management Co., Ltd. ceased to be one of SFG's indirect subsidiaries
 - 2002.9.23 Executed an agreement to sell (50% minus 1) shares in Shinhan Investment Trust Management to BNP Paribas Group; name changed to Shinhan-BNP Paribas Investment Trust Management Co., Ltd.
 - 2002.10.1 Established SH&C Life Insurance Co., Ltd.
 - 2003.6.9 Executed an agreement to sell 49% equity share in Shinhan Credit Information to Lone Star Fund
 - 2003.7.9 Executed an agreement to acquire 80.04% equity in Chohung Bank from Korea Deposit Insurance Corporation
 - 2003.8.18-19 Acquired 80.04% equity in Chohung Bank from Korea Deposit Insurance Corporation
 - 2003.9.5 SFG's inclusion of Chohung Bank as its subsidiary was officially granted
 - 2003.9.16 Registered with the U.S. Securities Exchange Commission and listed on the New York Stock Exchange
 - 2003.11.20 Acquired a U.S. bank holding company license from the U.S. Federal Reserve Board
 - 2003.12.26 Made additional investment of KRW 200 billion in Chohung Bank (shareholding ratio after investment: 81.15%)

- 2004.3.5 Shinhan Bank sold out 29,873,359 (10.15%) shares of SFG
- 2004.4.12 Decided to acquire shares of Chohung Bank through stock swap and tender offer and acquired it as SFG's wholly-owned subsidiary
- 2004.4.29 Terminated business alliance with Lone Star Fund in the credit information sector and decided to acquire shares of Shinhan Credit Information held by Lone Star Fund
- * On May 21, 2004, acquired the remaining 49% of the shares (shareholding ratio after acquisition: 100%)
- 2004.6.22 Stock swap to acquire Chohung Bank as SFG's wholly-owned subsidiary was completed
- * Shareholding ratio after the stock swap: 100%; no. of SFG common shares increased by 14,682,590 shares
- 2004.12.16 SFG acquired Shinhan Private Equity Co., Ltd. as its wholly

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owned subsidiary

* Date of report on inclusion as subsidiary to Financial Supervisory Commission (FSC): Jan. 5, 2005

2004.12.23 Stock swap to acquire Good Morning Shinhan Securities as SFG s wholly-owned subsidiary was completed

* Shareholding ratio after the stock swap: 100%; no. of SFG common shares increased by 10,235,121 shares

2005.8.26 Decided to liquidate e-Shinhan

2005.8.29 Acquired Shinhan NPS Private Equity Fund 1st as SFG s indirect subsidiary

2005.9.27 Decided to acquire Shinhan Life Insurance Co., Ltd. as SFG s subsidiary

2005.11.24 Resolution to liquidate e-Shinhan is passed at the general shareholders meeting

2005.12.13 Acquired Shinhan Life Insurance Co., Ltd. as wholly-owned subsidiary through stock swap

2006.4.1 The integrated Shinhan Bank and Shinhan Card was launched

2006.8.16 Designated as the preferred bidder for the proposed acquisition of shares of LG Card Co., Ltd. (LG Card)

2006.12.20 Executed LG Card Co., Ltd. Acquisition Agreement to acquire shares of LG Card

2007.2.23 Obtained FSC s approval of inclusion of LG Card as subsidiary

2007.3.23 First round tender offer of LG Card shares, LG Card joins Shinhan Financial Group as subsidiary

(2) Change in Company Name: N/A

(3) Merger, Division (Merger Through Division), All-inclusive Stock Swap or Transfer, Acquisition or Transfer of Material Business, Etc.

| Date | Details | Quantity | Remarks |
|---------------|-------------------|-----------------|--|
| Sep. 1, 2001 | Stock transfer | 292,344,192 | Shinhan Bank, Shinhan Securities, Shinhan Investment Trust Management and Shinhan Capital established SFG through all-inclusive stock transfer |
| Jun. 6, 2002 | Small-scale stock | 15,891 | Stock swap between SFG common shares and Shinhan Bank common shares issued upon conversion of bonds with warrant |
| Oct. 1, 2002 | swap | 786 | |
| Dec. 31, 2002 | Small-scale stock | 256 | conversion of bonds with warrant |
| | swap | 11,626 | |
| Oct. 1, 2003 | Small-scale stock | 164,484 | |
| Dec. 31, 2003 | swap | | |
| | Small-scale stock | | |
| | swap | | |

Small-scale stock
swap

| | | | |
|------------------|---------------------------|------------|--|
| Jun. 22, 2004 | Small-scale stock swap | 14,682,590 | Small-scale stock swap to acquire Chohung Bank as the SFG's wholly-owned subsidiary |
| Dec. 23, 2004 | Small-scale stock swap | 10,235,121 | Small-scale stock swap to acquire Good Morning Shinhan Securities as the SFG's wholly-owned subsidiary |
| Dec. 13, 2005 | Small-scale stock swap | 17,528,000 | Small-scale stock swap to acquire Shinhan Life Insurance as the SFG's wholly-owned subsidiary |

Note 1) By board resolutions dated December 30, 2005 of Shinhan Bank, Chohung Bank and Shinhan Card, each a SFG's wholly owned subsidiary, the credit card business division of Chohung Bank merged with Shinhan Card through spin-off as of April 1, 2006, and following the spin-off, Chohung Bank merged with Shinhan Bank.

Note 2) As a result of the spin-off of the credit card business division of Chohung Bank, Chohung

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Bank's capital, stockholders' equity and the number of issued and outstanding shares were reduced by KRW 210 billion, KRW 170 billion and 49,008,463 shares, respectively, and the credit card division merged with Shinhan Card at a merger swap ratio of 1:0.980941772 (one share of Chohung Bank for 0.980941772 common share of Shinhan Card). The name of the corporation surviving after the merger through spin-off was Shinhan Card.

Note 3) Following the spin-off of the credit card business division of Chohung Bank, Shinhan Bank merged with Chohung Bank at a merger swap ratio of 1: 3.867799182 (one share of Shinhan Bank for 3.867799182 common share of Chohung Bank). The merger agreement was approved at the extraordinary general meeting of shareholders of each bank, and it was decided that the bank surviving after the merger would be Chohung Bank and that the name of the integrated bank would be Shinhan Bank.

Note 4) The Company decided by a BOD resolution on May 28, 2007 to effect an all-inclusive stock swap to incorporate LG Card, an existing partial subsidiary, as its wholly-owned subsidiary. The major terms of the proposed stock swap are as follows:

stock swap ratio: 0.84932

* 0.84932 registered common share of SFG for each registered common share of LG Card

Date of stock swap: September 21, 2007

For more information on the proposed stock swap, please see the Stock Swap/Transfer Report submitted by SFG and LG Card on May 28, 2007.

Note 5) Each LG Card and Shinhan Card, both subsidiaries of the Company, decided by BOD resolutions on May 28, 2007 to implement the transfer of all businesses of Shinhan Card to LG Card. The major terms of the proposed business transfer are as follows:

Outline of business transfer

The buyer, LG Card, plans to acquire all assets (including trademarks and other intellectual property, good will and trade name, etc.) and assume all liabilities of the seller, Shinhan Card, as well as all agreements (and all rights and obligations thereunder) entered into by the seller, Shinhan Card.

The proposed business transfer is expected to be finalized upon approval of the shareholders of both parties at respective extraordinary shareholders meetings scheduled for August 13, 2007 and to take place on October 1, 2007.

For more information on the proposed business transfer, please see the Business Transfer Report submitted by LG Card on May 28, 2007.

(4) Change in Manufacturing Facilities: N/A

(5) Material Events Related to Management: N/A

3. Business Purpose and Details of Business

(1) Business Purpose

Business Objectives

Remarks

- A. Control or business management of a company that engages in financial business or in activities closely related to financial business;
- B. Financial support to subsidiaries, etc. (including any subsidiaries, indirect subsidiaries and companies controlled by indirect subsidiaries; the same shall apply hereafter) (Subsidiaries, etc.);
- C. Investment in subsidiaries or financing for financial support to Subsidiaries, etc.;
- D. Support for joint product development and sales to, and joint utilization of equipment, IT systems, etc. with, Subsidiaries, etc.; and
- E. Business activities incidental or related to the foregoing.

Table of Contents**(2) Details of Business**

Tender Offeror was incorporated in 2001 as a 100% privately-owned financial holding company in order to actively respond to trends of consolidation and diversification in the financial environment.

Since its incorporation, Tender Offeror strategically aimed at establishing the business structure of a total financial group, and developed systematic strategies, focusing on four key tasks: (i) improvement of the holding companies system; (ii) specific negotiations of strategic alliance; (iii) implementation of strategies to expand initial synergies; and (iv) enhancement of internal and external communications. First, Tender Offeror achieved management transparency by improving the governance and management system of the group and established an enhanced holding companies system as well as a system of mutual cooperation and support among group members by organizing various councils for each business division such as retail, corporate banking and asset management business, in an effort to build a foundation for one-portal, one-stop total financial services.

Tender Offeror incorporated a bank, a securities company, a credit card company, an investment trust management company, a capital company and an insurance company as its subsidiaries, thereby establishing a system that enables it to provide services in all financial areas as a total financial group. It is now promoting cross-selling among subsidiaries of products such as funds and FNA securities savings deposits, and focusing on development of complex products linked with insurance and credit card. Moreover, it engages itself in database marketing activities at the group level using an integrated group database.

Following the proposed stock acquisition through which LG Card will become one of its subsidiary, Tender Offeror will substantially enhance its presence in non-banking sectors by expanding its business areas and target markets based on an increased customer base and channels, and will increase the competency of the entire group in order to secure its leading position in the domestic financial market.

Finally, Tender Offeror will, in good faith, build a management system in compliance with world class standards and secure world class competency as a foundation for long-term survival and growth in the global competitive financial environment.

4. Capital and Total Number of Issued Shares (as of the Filing Date)

[Unit: KRW, shares; Par value per share: KRW 5,000]

| Type | Class | No. of Issued Shares | Total Amount of Par Value | Capital |
|------------|--|----------------------|---------------------------|--------------------------|
| Registered | Common stock | 381,567,614 | 1,907,838,070,000 | 1,907,838,070,000 |
| Registered | Redeemable Preferred Stock | 68,757,169 | 343,785,845,000 | 407,869,805,000 |
| Registered | Convertible Redeemable Preferred Stock | 14,721,000 | 73,605,000,000 | 73,605,000,000 |
| | Total | 465,045,783 | 2,325,228,915,000 | 2,389,312,875,000 |

Note 1) The difference between the total amount of par value and the capital of redeemable preferred stocks issued by SFG can be explained by the fact that the capital cannot be decreased under the current Korean Commercial Code, even though the number of issued preferred stocks was reduced due to redemption of Series 1 preferred stocks (9,316,792 shares) and Series 6 preferred stocks (3,500,000 shares) that matured on August 21, 2006. For this reason, there is a difference (amounting to KRW 64,083,960,000) between the capital and the total amount of par value of issued and outstanding shares.

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Note 2) SFG resolved at the board meeting on December 18, 2006 to increase the capital for the purpose of financing the acquisition of LG Card shares and completed the capital increase (via issuance of redeemable preferred stocks and convertible redeemable preferred stocks) on January 25, 2007 as follows:
[Unit: KRW, shares; Par Value per share: KRW 5,000]

| Classification | Series 10 Redeemable Preferred Stock | Series 11 Convertible Redeemable Preferred Stock | Total |
|-----------------------|--------------------------------------|--|-------------------|
| Issue Price Per Share | 100,000 | 57,806 | |
| No. of Shares Issued | 28,990,000 | 14,721,000 | 43,711,000 |
| Total Issue Price | 2,899,000,000,000 | 850,962,126,000 | 3,749,962,126,000 |
| Capital | 144,950,000,000 | 73,605,000,000 | 218,555,000,000 |
| Capital Surplus | 2,754,050,000,000 | 777,357,126,000 | 3,531,407,126,000 |

Note 3) The Company resolved at the BOD meeting on May 28, 2007 to redeem certain Class 2 redeemable preferred stocks as follows:

Redeemed stocks: 9,316,792 shares of Class 2 redeemable preferred stock (issued on August 19, 2003)

Total amount of redemption: 172,811,836,286 Korean Won (18,548.427 Korean Won per share)

(Expected) Date of redemption: 20 August 2007 (Monday)

If the redemption is completed during the month of August, 2007 as expected, the total number of issued and outstanding shares of the Company will be reduced by the number of redeemed shares, but the amount of capital will not be reduced because the redemption will be done using distributable income.

Note 4) The Company decided by a BOD resolution on May 28, 2007 to effect an all-inclusive stock swap to incorporate LG Card, an existing partial subsidiary, as its wholly-owned subsidiary.

The major terms of the proposed stock swap are as follows:

stock exchange ratio: 0.84932

* 0.84932 registered common share of SFG for each registered common share of LG Card

Date of stock swap: September 21, 2007

The number of issued and outstanding shares and capita amount will change after the stock swap on September 21, 2007.

For more information on the proposed stock swap, please see the Stock Swap/Transfer Report submitted by SFG and LG Card on May 28, 2007.

5. Largest Shareholder (including Specially-Related Persons)

[As of March 31, 2007]

| Name | Shareholding |
|------|--------------|
|------|--------------|

| (Company Name) | Relation | Shares Owned | Ratio (%) |
|---------------------------|-------------------------------------|---------------------|------------------|
| BNP Paribas S.A. | Largest Shareholder | 20,124,272 | 5.27 |
| BNP Paribas Luxembourg | Largest Shareholder s Subsidiary | 13,557,832 | 3.55 |
| BNP Paribas Arbitrage SNC | Largest Shareholder s Subsidiary | 900,628 | 0.24 |
| Total | | 34,582,732 | 9.06 |

Note Since holders of SFG preferred stock have no voting rights, the shareholding ratio is calculated based on the number of common shares.

Table of Contents**6. Officers and Their Shareholding**

[As of May 31, 2007]

| Position | Name | Date of Birth | Background/Prior Affiliation | Shares Owned | | Date of Initial Appointment |
|----------------------------------|----------------------|----------------|---|--------------|-----------------|-----------------------------|
| | | | | Common Stock | Preferred Stock | |
| Chairman (standing) | Eung Chan Ra | Nov. 25, 1938 | Seonlin Commercial High School Graduate President & Rep. Director, Shinhan Bank Vice Chairman, Shinhan Bank | 133,103 | | Sept. 1, 2001 |
| President & CEO (standing) | In Ho Lee | Nov. 2, 1943 | BA in Economics, Yonsei University EVP, Shinhan Bank President & Rep. Director, Shinhan Bank | 23,191 | | Sept. 1, 2001 |
| Director | Sang Hoon Shin | Jul. 1, 1948 | MBA, Yonsei University President, Shinhan Bank (current) | 109,694 | | Mar. 20, 2007 |
| Outside Director | Pyung Joo Kim | Feb. 6, 1939 | PhD., Economics, Princeton University Professor, Sogang University | | | Mar. 20, 2007 |
| Outside Director | Young Woo Kim | May 1, 1952 | BA in Political Economy, Waseda University CEO, Hanil Electronics (current) | | | Mar. 20, 2007 |
| Outside Director | Sang Yoon Lee | Sept. 13, 1942 | BA in Commerce, Seoul National University Non-statutory Vice-Chairman, Korea Food Industry Association (current) Representative Director and President, Nongshim Ltd. (current) | | | Mar. 25, 2004 |
| Outside Director | Yoon Soo Yoon | Mar. 5, 1946 | BA in Political Science & Diplomacy, Korea University of Foreign Studies Non-Executive Director of Hanvit Bank President of Fila Korea Ltd. (current) | | | Mar. 25, 2004 |
| | | Sept. 5, 1938 | | | | Mar. 30, 2005 |

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| | | | | | |
|------------------|-----------------|----------------|--|---------|---------------|
| Outside Director | Shee Yul Ryoo | | LLB, Seoul National University President, Korea First Bank (former) Chairman, The Korea Federation of Banks (former) Advisor, Shin & Kim (current) | | |
| Outside Director | Byung Hun Park | Sept. 10, 1928 | BA in Law, Politics and Economics at Meiji University, Japan President, HQ of Korean Residents Union in Japan Chairman, Daeseong Electronics Ltd (current) | 28,659 | Sep. 1, 2001 |
| Outside Director | Young Hoon Choi | Nov. 8, 1928 | LLB in Law, Ritsumeikan University, Japan Non Executive Director, Shinhan Bank Chairman, Eishin Group (current) | 135,400 | Mar. 30, 2005 |
| Outside Director | Si Jong Kim | Apr. 16, 1937 | Sigaken Yashu High School Director, Yokohama Shogin Director, Korea Chamber of Office in Kanagawa, Japan Standing Advisor, Kanagawa Division, Korean Residents Union in Japan (current) | 8,764 | Mar. 30, 2005 |

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| Position | Name | Date of Birth | Background/Prior Affiliation | Shares Owned | | Date of Initial Appointment |
|------------------|-------------------|----------------|--|--------------|-----------------|-----------------------------|
| | | | | Common Stock | Preferred Stock | |
| Outside Director | Philippe Reynieix | Jun. 24, 1949 | Master of Business Law, Paris II University, France Chief Operating Officer BNP Paribas, Singapore Rep. Director & GM for Korea BNP Paribas, Seoul (current) | | | Mar. 25, 2004 |
| Outside Director | Haeng Nam Chung | Mar. 15, 1941 | Tomishima Jr. High School Director, Asuka Credit Union Advisor, Korean Chamber of Commerce and Industry (current) | 30,000 | | Mar. 21, 2006 |
| Outside Director | Yong Woong Yang | Aug. 4, 1948 | BA, Chosun University, Japan President, Doen, Japan (current) | 96,586 | | Mar. 25, 2004 |
| Outside Director | Sung Bin Chun | Jan. 21, 1953 | PhD., Business Administration, Berkeley University Professor, Sogang University | | | Mar. 20, 2007 |
| Deputy President | Jae Woo Lee | Jul. 2, 1950 | Graduated from Kunsan Commercial High School MBA, Korea University Deputy President, Shinhan Bank | 14,382 | | Dec. 16, 2004 |
| Deputy President | Jae Woon Yoon | Jul. 22, 1951 | BA in Education, Seoul National University General Manager of Trust Business Dept., Chohung Bank Director of Central Region HQ, Chohung Bank | | | Aug. 26, 2005 |
| Deputy President | Buhmsoo Choi | August 8, 1956 | BA in Economics, Seoul National University PhD., Economics, Yale University Vice President, Kookmin Bank | | | May 28, 2007 |

Total

579,779

7. Specially-Related Persons

[As of March 31, 2007]

| Name (Company Name) | Relation with Tender Offeror | Address | Capital (million Won) | Largest Shareholder | Occupation (Details of Business) |
|--------------------------------------|-------------------------------------|---|------------------------------|----------------------------|---|
| Shinhan Bank | Subsidiary | 120 Taepyungro 2-ga, Jung-gu, Seoul | 7,528,078 | SFG | Banking business |
| LG Card | Subsidiary | 6-1 Namdaemun-ro 5ga Jung-gu Seoul | 626,847 | SFG | Credit card business |
| Good Morning Shinhan Securities | Subsidiary | 23-2 Yoido-dong, Yeongdeungpo-gu, Seoul | 796,998 | SFG | Securities business |
| Shinhan Card | Subsidiary | 14 Namdaemoonro 1-ga, Jung-gu, Seoul | 358,886 | SFG | Credit card business |
| Shinhan Capital | Subsidiary | 530-1 Gozan-dong, Danwon-gu, Ansan, Kyeonggi-do | 80,000 | SFG | Credit extension business |
| Jeju Bank | Subsidiary | 1349 Yi-do, Yido 1-dong, Jeju City | 77,644 | SFG | Banking business |
| Shinhan Life Insurance | Subsidiary | 120 Taepyungro 2-ga, Jung-gu, Seoul | 200,000 | SFG | Life insurance business |

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| Name (Company Name) | Relation with Tender Offeror | Address | Capital (million Won) | Largest Shareholder | Occupation (Details of Business) |
|---|-------------------------------------|---|------------------------------|----------------------------|---|
| Shinhan-BNP Paribas Investment Trust Management Co. | Subsidiary | 18 th Fl., Good Morning Shinhan Tower, 23-2 Yoido-dong, Yeongdeungpo-gu, Seoul | 40,000 | SFG | Securities investment trust business |
| Shinhan Macquarie Financial Advisory | Subsidiary | 9 th Fl., Hanwha Bldg., Sogong-dong, Jung-gu, Seoul | 1,000 | SFG | Financial advisory business |
| Shinhan Credit Information | Subsidiary | 32 Moonraedong 3-ga, Yeongdeungpo-gu, Seoul | 3,000 | SFG | Credit survey business |
| SH&C Life Insurance | Subsidiary | 3 rd Fl., Seoul City Tower, Namdaemoonro 5-ga, Jung-gu, Seoul | 30,000 | SFG | Insurance business |
| Shinhan Private Equity | Subsidiary | 14 th Fl., Heungkuk Life Bldg., Shinmunro 1-ga, Jongro-gu, Seoul | 10,000 | SFG | Private equity operations business |
| Shinhan Data System | Indirect subsidiary | 17 th Fl., Daekyung Bldg., 120 Taepyungro 2-ga, Jung-gu, Seoul | 1,000 | Shinhan Bank | Software development business |
| Shinhan Finance Ltd. | Indirect subsidiary | Room 3401, Gloucester Tower, The Land mark, 11 Pedder St., Central, Hong Kong | 63,684 | Shinhan Bank | Banking business |
| SH Asset Management | Indirect subsidiary | 7 th Fl., Good Morning Shinhan Tower, 23-2 Yoido-dong, Yeongdeungpo-gu, Seoul | 45,000 | Shinhan Bank | Investment trust business |
| Shinhan Asia Ltd. | Indirect subsidiary | Suites 3507-3508, 35/F, Two Exchange Square, 8 Connaught Place, Central, HK | 13,944 | Shinhan Bank | Banking business |
| Shinhan Bank America | Indirect subsidiary | 330 5 th Avenue 4 th Floor New York, NY 10001 USA | 13,014 | Shinhan Bank | Banking business |
| Shinhan Bank Europe | Indirect subsidiary | Neue Mainzer Strasse 75 60311 Frankfurt am Main, Germany | 18,748 | Shinhan Bank | Banking business |
| Shinhan Vina Bank | Indirect subsidiary | 3-5 Ho Tung Mau Street, District 1, HCMC, Vietnam | 18,592 | Shinhan Bank | Banking business |
| CHB Valuemeet 2001 First SPC | Indirect subsidiary | 10 th Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul | 10 | Shinhan Bank | Other financial business |
| CHB Valuemeet 2001 Second SPC | Indirect subsidiary | 10 th Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul | 10 | Shinhan Bank | Other financial business |
| CHB Valuemeet 2002 First SPC | Indirect subsidiary | 10 th Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul | 10 | Shinhan Bank | Other financial business |

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| Name (Company Name) | Relation with Tender Offeror | Address | Capital (million Won) | Largest Shareholder | Occupation (Details of Business) |
|---|---|--|--|---------------------------------------|---|
| Good Morning Shinhan Securities Europe Ltd. | Indirect subsidiary | 7 th Floor, 52 Cornhill, London EC3V 3PD, United Kingdom | 6,202 | Good Morning Shinhan Securities | Securities brokerage business |
| Good Morning Shinhan Securities USA Inc. | Indirect subsidiary | 1325 6 th Ave. #702, NY, NY 10019 USA | 3,904 | Good Morning Shinhan Securities | Securities brokerage business |
| Shinhan NPS Private Equity Fund 1 st | Indirect subsidiary | 226 Shinmunro 1-ga Jongro-gu, Seoul | 138,000 | National Pension Fund | Other financial business |

Note 1) Tender Offeror's specially related persons that are companies (corporations) are as listed above.

Among Tender Offeror's specially related persons, only Shinhan Bank Co., Ltd. owns LG Card shares. The number of LG Card shares owned by Shinhan Bank is 8,960,005.

Information on officers of either Tender Offeror or its affiliates is omitted pursuant to Article 10-3 (3) of the Enforcement Decree of the Securities and Exchange Act because they own less than 1,000 shares of LG Card.

Note 2) Although the largest shareholder of Shinhan NPS Private Equity Fund 1st is National Pension Fund, since Shinhan Private Equity, a subsidiary of Tender Offeror, is a general partner of the Fund, it is an indirect subsidiary of Tender Offeror.

B. Information on Corporate Group of Which Tender Offeror Is a Member**1. Name of Corporate Group**

Shinhan Financial Group Co., Ltd.

2. Companies Belonging to the Corporate Group

| Classification | No. of Companies | Company Name |
|----------------------------|-------------------------------|--|
| Listed Corporation | 1 (holding company) | Shinhan Financial Group |
| | 2 (subsidiaries) | Jeju Bank, LG Card |
| Non-listed Corporations | 10 (subsidiaries) | Shinhan Bank, Good Morning Shinhan Securities, Shinhan Card, Shinhan Capital, Shinhan Life Insurance, Shinhan-BNP Paribas Investment Trust Management Co., Shinhan Macquarie Financial Advisory, Shinhan Credit Information, SH&C Life Insurance, and Shinhan Private Equity |
| | 13 (indirect subsidiaries) | Shinhan Data System, Shinhan Finance Ltd., SH Asset Management, Shinhan Asia Ltd., Shinhan Bank America, Shinhan Bank Europe, Shinhan Vina Bank, CHB Valuemeet 2001 First SPC, CHB Valuemeet 2001 Second SPC, CHB Valuemeet 2002 First SPC, Good Morning Shinhan Securities Europe Ltd., Good Morning Shinhan Securities USA Inc., Shinhan NPS Private Equity Fund 1 st |
| Total | 26 | |

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Note 1) LG Card joined Shinhan Financial Group as a subsidiary on March 23, 2007

3. Relevant Law and Regulation

- (i) Since Shinhan Financial Group is composed of subsidiaries and indirect subsidiaries of SFG and SFG is a financial holding company under the Financial Holding Companies Act (FHCA), Shinhan Financial Group is subject to any and all regulations under the FHCA.
- (ii) Major regulations under the FHCA applicable to a financial holding company such as Shinhan Financial Group include (i) certain limits on investment under which a financial holding company can invest in subsidiaries only to the extent of its stockholders' equity, and (ii) prohibition against running other profit-making businesses than managing its subsidiaries and other businesses incidental thereto.
- (iii) Furthermore, the FHCA prohibits subsidiaries and indirect subsidiaries from making investment in, or extending credits to, a parent financial holding company, and restricts them from holding stocks of, or extending credits to, other subsidiaries or indirect subsidiaries.
- (iv) For details of regulations under the FHCA, please refer to the FHCA, the Enforcement Decree thereof, and the Regulation on Supervision.
- (v) In addition to the FHCA, Tender Offeror is subject to regulations under the Monopoly Regulation and Fair Trade Act, the Securities and Exchange Act (SEA), and other relevant laws and regulations.

4. Summary Consolidated Financial Statements**(1) Consolidated Balance Sheet**

[Unit: KRW million]

| Category | 6 th Fiscal Year (As of Dec. 31, 2006) | 5 th Fiscal Year (As of Dec. 31, 2005) |
|--|---|---|
| [Assets] | | |
| Cash & Bank Deposits | 11,273,500 | 8,429,328 |
| Trading Securities | 5,516,622 | 5,495,510 |
| Available-for-Sale Securities | 17,978,765 | 21,612,238 |
| Held-to-Maturity Securities | 7,558,816 | 2,996,243 |
| Equity Securities by the Equity Method | 230,199 | 120,392 |
| Loans | 122,301,730 | 106,648,448 |
| Fixed Assets | 3,683,848 | 3,486,803 |
| Other Assets | 9,181,689 | 11,428,939 |
| Total Assets | 177,725,169 | 160,217,901 |
| [Liabilities] | | |
| Deposits | 99,759,523 | 91,538,441 |

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| Category | 6 th Fiscal Year (As of Dec. 31, 2006) | 5 th Fiscal Year (As of Dec. 31, 2005) |
|----------------------------------|---|---|
| Borrowings | 16,892,153 | 15,916,389 |
| Debentures | 29,484,758 | 22,840,156 |
| Other Liabilities | 20,076,630 | 19,712,042 |
| Total Liabilities | 166,213,064 | 150,007,028 |
| [Capital Stock] | 2,170,758 | 2,170,758 |
| [Consolidated Capital Surplus] | 4,411,506 | 4,393,846 |
| [Consolidated Retained Earnings] | 3,387,960 | 2,743,192 |
| [Capital Adjustment] | 1,391,302 | 829,221 |
| [Minority Interest] | 150,579 | 73,856 |
| Total Stockholders Equity | 11,512,105 | 10,210,873 |

(2) Consolidated Income Statement

[Unit: KRW million]

| Category | 6 th Fiscal Year (Jan. 1, 2006 ~ Dec. 31, 2006) | 5 th Fiscal Year (Jan. 1, 2005 ~ Dec. 31, 2005) |
|----------------------------|--|--|
| Operating Revenues | 19,812,440 | 15,466,345 |
| Operating Expenses | 17,782,332 | 13,707,080 |
| Operating Income | 2,030,108 | 1,759,265 |
| Ordinary Income | 2,513,677 | 1,824,650 |
| Net Income | 1,842,513 | 1,567,240 |
| Consolidated Period Income | 1,832,718 | 1,560,760 |
| No. of companies included | 18 companies | 21 companies |
| in the consolidated income | SFG / (8) subsidiaries / (7) | SFG / (9) subsidiaries / (8) |
| statement | indirect subsidiaries / (2) trusts | indirect subsidiaries / (3) trusts |

C. Financial Information of Tender Offeror**1. Balance Sheet**The 1st Quarter of the 7th Fiscal Year (As of Mar. 31, 2007)The 6th Fiscal Year (As of Dec. 31, 2006)The 5th Fiscal Year (As of Dec. 31, 2005)

[Unit: KRW million]

| Category | 7 th Fiscal Year, 1 st Quarter | 6 th Fiscal Year | 5 th Fiscal Year |
|---|--|-----------------------------|--------------------------------|
| Assets | | | |
| I. Cash & Bank Deposits | 460,416 | 468,561 | 64,374 |
| 1. Bank Deposits | 460,410 | 468,555 | 64,374 |
| 2. Due from banks | 6 | 6 | 0 |
| II. Securities | 20,014,778 | 12,775,892 | 10,882,359 |
| (1) Equity Securities Accounted for by the Equity | | | |
| Method | 20,014,778 | 12,775,892 | 10,882,359 |
| III. Loans | 1,100,292 | 1,179,147 | 1,476,630 |

| | | | |
|--------------------------------------|--------|--------|--------|
| (Allowance for Possible Loan Losses) | -5,529 | -5,925 | -7,420 |
| | 12 | | |

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| Category | 7th Fiscal Year, 1st Quarter | 6th Fiscal Year | 5th Fiscal Year |
|--|---|-----------------------------------|---------------------------------------|
| 1. Loans in Korean Won | 1,040,000 | 1,120,000 | 1,340,000 |
| 2. Loans in Foreign Currency | 65,821 | 65,072 | 70,910 |
| 3. Privately Placed Bonds | 0 | 0 | 73,140 |
| IV. Premises and Equipment | 693 | 776 | 1,200 |
| 1. Vehicles | 261 | 261 | 391 |
| Accumulated Depreciation | -195 | -187 | -225 |
| 2. Equipment | 1,419 | 1,416 | 1,391 |
| Accumulated Depreciation | -1,118 | -1,081 | -991 |
| 3. Others | 1,733 | 1,728 | 1,704 |
| Accumulated Depreciation | -1,407 | -1,361 | -1,070 |
| V. Other Assets | 83,587 | 579,255 | 37,568 |
| 1. Guarantee Deposits | 9,915 | 9,915 | 10,082 |
| 2. Software | 835 | 910 | 1,090 |
| 3. Accounts Receivable | 45,778 | 37,907 | 14,809 |
| 4. Accrued Income | 7,732 | 8,016 | 8,466 |
| 5. Advance Payments | 610 | 519,328 | 10 |
| 6. Prepaid Expenses | 12,899 | 1,023 | 724 |
| 7. Prepaid Income Taxes | 3,997 | 346 | 577 |
| 8. Sundry Assets | 1,821 | 1,810 | 1,810 |
| Total Assets | 21,659,766 | 15,003,631 | 12,462,131 |
| Liabilities | | | |
| I. Borrowings | 5,807,325 | 3,606,898 | 2,282,141 |
| 1. Borrowings in Korean Won | 653,000 | 120,000 | 85,188 |
| 2. Borrowings in Foreign Currency | 65,821 | 65,072 | 70,910 |
| 3. Debentures in Korean Won | 5,100,000 | 3,430,000 | 2,130,000 |
| Discounts | -11,496 | -8,174 | -3,957 |
| III. Other Liabilities | 421,405 | 35,207 | 42,973 |
| 1. Withheld Taxes | 10,379 | 561 | 491 |
| 2. Dividends Payable | 352,681 | 1,619 | 1,284 |
| 3. Accounts Payable | 23,682 | 329 | 20,990 |
| 4. Accrued Expenses | 33,586 | 31,915 | 19,656 |
| 5. Income Taxes Payable | 0 | 0 | 0 |
| 6. Unearned Revenues | 0 | 0 | 0 |
| 7. Accrued Severance Benefits | 2,127 | 2,015 | 1,379 |
| Deposits with Insurance Company for Severance Benefits | -1,050 | -1,232 | -827 |

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| Category | 7 th Fiscal Year, 1 st Quarter | 6 th Fiscal Year | 5 th Fiscal Year |
|--|--|-----------------------------|--------------------------------|
| Total Liabilities | 6,228,730 | 3,642,105 | 2,325,114 |
| Stockholders Equity | | | |
| I. Capital Stock | 2,389,313 | 2,170,758 | 2,170,758 |
| 1. Common Stock | 1,907,838 | 1,907,838 | 1,796,037 |
| 2. Preferred Stock | 481,475 | 262,920 | 374,721 |
| II. Capital Surplus | 7,877,765 | 4,360,082 | 4,360,112 |
| 1. Paid-in Capital in Excess of Par Value | 7,877,644 | 4,359,961 | 4,359,991 |
| 2. Other Capital Surplus | 121 | 121 | 121 |
| III. Capital Adjustment | 53,853 | 44,491 | 17,163 |
| 1. Stock Options | 53,853 | 44,491 | 17,163 |
| IV. Accumulated other Comprehensive Income | 1,153,698 | 1,398,235 | 845,792 |
| 1. Unrealized gain on equity securities by the equity method | 1,159,072 | 1,403,453 | 850,368 |
| 2. Unrealized loss on equity securities by the equity method | -5,374 | -5,218 | -4,576 |
| V. Retained earnings | 3,956,407 | 3,387,960 | 2,743,192 |
| 1. Legal reserve | 580,200 | 396,928 | 223,722 |
| 2. Other reserve | 172,812 | | |
| 3. Unappropriated retained earnings | 3,203,395 | 2,991,032 | 2,519,470 |
| (Net Income: 1 st quarter of 7 th fiscal year: KRW 959,844 million 6 th fiscal year: KRW 1,832,718 million 5 th fiscal year: KRW 1,560,760 million) | | | |
| Total Stockholders Equity | 15,431,036 | 11,361,526 | 10,137,017 |
| Total Liabilities and Stockholders Equity | 21,659,766 | 15,003,631 | 12,462,131 |

2. Income Statement

The 1st Quarter of the 7th Fiscal Year (Jan. 1, 2007 - Mar. 31, 2007)
The 6th Fiscal Year (Jan. 1, 2006 - Dec. 31, 2006)
The 5th Fiscal Year (Jan. 1, 2005 - Dec. 31, 2005)

[Unit: KRW million]

| Category | 7 th Fiscal Year, 1 st Quarter | 6 th Fiscal Year | 5 th Fiscal Year |
|---|---|--------------------------------|--------------------------------|
| I. Operating Revenues | 1,015,411 | 2,003,752 | 1,718,950 |
| (1) Gain on Valuation Using the Equity Method | 952,272 | 1,917,268 | 1,618,314 |
| (2) Interest Income | 61,994 | 79,151 | 95,812 |

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| Category | 7th Fiscal Year, 1st Quarter | 6th Fiscal Year | 5th Fiscal Year |
|---|---|---------------------------------------|---------------------------------------|
| 1. Interest on Bank Deposits | 46,197 | 6,918 | 1,646 |
| 2. Interest on Loans | 15,797 | 70,057 | 88,637 |
| 3. Interest on Privately Placed Bonds | | 2,176 | 5,529 |
| (3) Gain on foreign currency transaction | 749 | 5,838 | 3,451 |
| (4) Other Operating Revenue | 396 | 1,495 | 1,373 |
| 1. Reversal of allowance for possible loan losses | 396 | 1,495 | 1,373 |
| II. Operating Expenses | 78,229 | 182,889 | 158,321 |
| (1) Loss on Valuation Using the Equity Method | | | 1,047 |
| (2) Interest Expenses | 62,647 | 129,644 | 114,544 |
| 1. Interest on Borrowings | 5,557 | 5,404 | 4,693 |
| 2. Interest on Debentures | 57,090 | 124,167 | 109,307 |
| 3. Other Interest | | 73 | 544 |
| (3) Loss on foreign currency transaction | 749 | 5,838 | 3,449 |
| (4) Commission Expenses | 19 | 269 | 124 |
| (5) Selling and Administrative Expenses | 14,814 | 47,138 | 39,157 |
| 1. Salaries | 9,590 | 29,133 | 22,813 |
| 2. Retirement Allowance | 409 | 973 | 740 |
| 3. Employee Benefits | 383 | 1,202 | 1,607 |
| 4. Rent | 52 | 568 | 520 |
| 5. Entertainment | 225 | 939 | 782 |
| 6. Depreciation | 93 | 562 | 652 |
| 7. Amortization on Intangible Assets | 76 | 295 | 115 |
| 8. Bad Debt | | | |
| 9. Taxes and Dues | 81 | 2,453 | 2,209 |
| 10. Advertising | 3 | 44 | 15 |
| 11. Commissions | 3,175 | 8,484 | 6,034 |
| 12. Other | 727 | 2,485 | 3,670 |
| III. Operating Income | 937,182 | 1,820,863 | 1,560,629 |
| IV. Non-Operating Income | 22,662 | 11,855 | 992 |
| 1. Miscellaneous | | 11,855 | 992 |
| 2. Income tax refunds | 2,662 | | |
| V. Non-Operating Expenses | | | 861 |
| 1. Loss on Sale of Equity Securities Accounted for by the Equity Method | | | 845 |
| 2. Contribution | | | 16 |

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| Category | 7th Fiscal Year, 1st Quarter | 6th Fiscal Year | 5th Fiscal Year |
|--|---|---------------------------------------|---------------------------------------|
| VI. Continuing operations income before income tax | 959,844 | 1,832,718 | 1,560,760 |
| VII Income tax expense | | | |
| VIII. Net Income for the Period | 959,844 | 1,832,718 | 1,560,760 |
| (Earning / Ordinary Income per Share: KRW) | (2,416 / 2,416) | (4,776 / 4,776) | (4,360 / 4,360) |
| (Diluted Earning/ Ordinary Income per Share: KRW) | (2,353 / 2,353) | (4,776 / 4,776) | (4,109 / 4,109) |

3. Statement of Appropriation of Retained Earnings (or Statement of Disposition of Deficit)The 6th Fiscal Year (Jan. 1, 2006 - Dec. 31, 2006)The 5th Fiscal Year (Jan. 1, 2005 - Dec. 31, 2005)The 4th Fiscal Year (Jan. 1, 2004 - Dec. 31, 2004)

[Unit: KRW million]

| Category | 6th Fiscal Year | 5th Fiscal Year | 4th Fiscal Year |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| I. Retained Earnings before Appropriations | 2,991,032 | 2,519,471 | 1,489,493 |
| 1. Unappropriated Retained Earnings Carried over from Prior Years | 1,263,407 | 1,036,573 | 504,585 |
| 2. Change in Retained Earnings of Subsidiaries | -105,037 | -77,863 | -65,387 |
| 3. Cumulative Effect of Accounting Changes | -56 | | |
| 4. Net Income | 1,832,718 | 1,560,760 | 1,050,295 |
| II. Appropriations of Retained Earnings | 748,323 | 1,256,063 | 452,920 |
| 1. Legal Reserve | 183,272 | 173,207 | 105,030 |
| 2. Repayment of Preferred Stock (Note) | 172,812 | 697,807 | |
| 3. Dividends | 392,239 | 385,049 | 347,890 |
| A. Common Stock Cash Dividends | 336,994 | 278,077 | 232,749 |
| B. Preferred Stock Cash Dividends | 55,245 | 106,972 | 115,141 |
| III. Unappropriated Retained Earnings to Be Carried over Forward to Subsequent Year | 2,242,709 | 1,263,407 | 1,036,573 |

II. The Issuer of the Shares Subject to the Tender Offer**A. Information Regarding the Issuer and Its Specially-Related Persons****1. Name**

Issuer: LG Card Co., Ltd.

Korean Financial Supervisory Services (FSS) Registration Number: 00307897

Representative Director: Jong Ho LEE

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2. History of the Issuer

(1) Incorporation and Changes after Incorporation

1987

November 20 Obtained credit card business license

1988

March 9 Changed name to LG Credit Card Co., Ltd.

April 1 Launched cash advance service

June 1 Merged with Goldstar Factoring Co., Ltd.

September 16 Signed partnership agreement with MasterCard International

1989

March 2 Began credit card loan business

April 4 Began international card and consumer financing business

June 1 Launched automatic electronic fund transfer service

November 10 Began payment guarantee business

1990

March 15 Began special-purpose loan business

1991

March 4 Launched 24-hour phone service for credit limit increase and lost/stolen card reporting

September 1 Launched LG Green Card

1992

April 22 Launched Lady Card , a credit card exclusively for women

December 15 Launched Daehyun Fashion Club Card, the first of its kind in Korea

1993

March 22 Launched Artist Card

1994

April 1 Launched LG Caltex Oil-LG Card

May 1 Introduced integrated credit limit management system

May 17 Introduced interactive voice response (IVR) system

1995

April 17 Launched LG-Skypass Card with Korean Air

1996

April 15 Signed international affiliation agreement with China Trust Commercial Bank of Taiwan and became the first Korean credit card to be accepted overseas

1997

January 3 Introduced the industry's first RDB (relational database) system

April 1 Launched ARS cash advance service

May 6 Launched new review/issuance system

July 3 Signed partnership agreement with JCB Card of Japan

September 29 Signed partnership agreement with VISA Card of the U.S.

1998

January 1 Merged with LG Installment Finance

February 18 Began leasing business

October 1 Launched asset and liability management (ALM) system (comprehensive risk management system)

October 6 Introduced data warehousing system

1999

January 1 Changed name into LG Capital Services Corp.

May 12 Began beneficiary certificate-secured loan business

May 18 Registered its foreign exchange business

June 21 Launched Korea's first B2B e-commerce system

July 17 Signed partnership agreement with GE Capital, U.S.

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| | |
|--------------|--|
| September 1 | Launched <i>New</i> LG Lady Card , a credit card exclusively for women |
| September 15 | Launched LG2030 Card , a credit card exclusively for men |
| November 1 | Launched Web-based loan products |
| 2000 | |
| February 16 | Launched LG Platinum Card for VIPs |
| March 24 | Registered its venture capital financing business |
| April 19 | Launched PAX Cargo Card, Korea's first marine cargo insurance card |
| June 28 | Launched Hello Kitty Card, the industry's first character credit card |
| June 29 | Formed A-Cash e-currency consortium |
| July 21 | Increased capital by KRW 350 billion |
| October 5 | Formed strategic alliance with Asiana Airlines |
| November 1 | Launched LG e+Card, a completely secure brand-new virtual card |
| 2001 | |
| February 1 | Launched MyLGPoint service, a new concept point award system |
| February 1 | Launched LG Pre I Card, a pre-paid card for N-generation |
| March 14 | Launched <i>New</i> Corporate Card |
| April 24 | Launched LG ALL JAPAN Card for travelers to Japan |
| July 2 | Entered the mobile commerce market in business partnership with SK Telecom |
| July 23 | Launched LG ACE Card targeting middle to old age customers |
| September 1 | Changed name into LG Card Co., Ltd. |
| November 20 | Launched the industry's first composite ABS that combines loan and lease bonds |
| November 21 | Launched LG Leports Card |
| December 20 | Launched global ATM service |
| 2002 | |
| January 29 | Launched LG Cultural Card for theatre and movie goers |
| February 18 | Launched MyPass Card, a post-paid bus/subway pass card |
| April 1 | Launched LG Environment Card |
| April 22 | Listed on the Korean Stock Exchange |
| July 3 | Launched LG Card Travel that provides total travel service |
| August 14 | Launched LG Plus Coupon service |
| October 10 | Entered the auto lease market |
| November 1 | Launched credit card for duty-free shops |
| November 12 | Signed MOU with KT Smart Card |
| November 28 | Became the first Korean credit card company to issue a cross-border FRN |
| 2003 | |
| January 28 | Introduced B2B cost-saving purchasing system |
| February 13 | Issued USD 300 million cross-boarder ABS |
| February 24 | Entered into a partnership agreement with Korean Nurses Association |
| March 3 | Launched on-/off-line LG e-coupon (integrated electronic coupon) services |
| April 1 | Acquired BS 7799 certificate, an international information protection standard |
| May 1 | Introduced fingerprint-recognition payment service |
| July 18 | Launched travel-leisure L-Club service |
| July 21 | Issued subordinated CB |
| August 12 | Issued subordinated BW |
| October 1 | Launched Moneta-LG Card |
| November 17 | Launched LG VISA Mini Card |
| 2004 | |
| January 15 | Began to receive full-scale business normalization aid from KDB |

January 16 Spun off from LG Group
February 12 Launched KDB-LG Card with KDB
February 13 Completed KRW 1 trillion Debt-Equity Swap
February 14 Established Labor union

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| | |
|--------------|---|
| March 15 | Appointed H.C. Park as new Representative Director by shareholders' resolution |
| March 24 | Reorganized workforce into Emergency Management System |
| April 11 | Launched real-time cash fraud transaction detection system |
| April 16 | Nonghyup became largest shareholder (10.57%) |
| April 22 | Signed MOU with four other financial institutions for the joint-establishment of Credit Bureau |
| April 29 | Launched LG T-Plus Card |
| July 5 | Main office relocated to Namdaemun, Seoul, Korea |
| July 20 | Launched new card loan products (LG Free Loan, LG Discount Loan) |
| July 28 | Completed 2 nd Debt-Equity Swap |
| July 29 | Largest shareholder changed from Nonghyup to KDB (26%) |
| October 28 | Recorded KRW 17.6 billion in net profit; achieved monthly surplus |
| December 1 | Organized annual Give Hope Bazaar to help the elderly |
| December 22 | Signed an agreement with Merrill Lynch, U.S., to issue ABS (USD 400 million) |
| December 24 | Launched LG Digital Gift Certificate |
| December 31 | Creditors and LG Group agreed to increase capital |
| 2005 | |
| January 28 | Increased capital by KRW 1 trillion through public offering with consideration |
| February 1 | Signed Korea's first research grant card agreement with Sookmyung Women's University |
| February 2 | Started Year 2005 Business Innovation Movement: Jump-V |
| February 7 | Launched LG Caltex Oil Big Plus Smart Card |
| February 14 | Launched Premium Revolving Service |
| March 2 | Launched Thanksgiving Day event |
| March 7 | Decreased capital (5.5 : 1) |
| March 14 | Raised new fund in 17 months using credit card bonds |
| March 16 | Initiated social service such as designating Wednesdays of every second week of the month as the Sharing and Volunteering Day |
| March 23 | Signed partnership agreement with Jeju City to launch a card exclusively for use in subsidy |
| March 28 | Held the 4 th LG Card Amateur Golf Competition |
| March 31 | Launched LG Auto-Plus, a service allowing for one-stop new car purchase |
| April 15 | Issued new 3-year term KRW 50 billion corporate bonds |
| April 15 | Conducted social service jointly with the Beautiful Fund |
| May 12 | Became the first Korean credit card company to branch out to overseas; launched LG-JCB TRESARD |
| May 29 | Relocated Disaster Relief Center to Bupyeong, Gyeonggi-do, Korea |
| July 26 | Signed a business cooperation agreement with the Republic of Korea National Red Cross |
| August 8 | Issued USD 400 million cross-border ABS |
| August 25 | Received ROK e-Finance Award (by Hankyung Newspaper) |
| August 29 | KDB/Nonghyup/Woori Bank/IBK provided KRW 1 trillion credit line aid |
| September 14 | Donated KRW 2.8 billion to aid the physically challenged |
| October 31 | Became the industry's first to sell mortgage loan |
| November 15 | Launched new LG Family Card products |
| December 26 | Upgraded LG Lady Card and LG 2030 Card |
| 2006 | |
| January 13 | Started V-Up management innovation program |
| January 18 | Held Customer VIP Review meeting |
| January 19 | Conducted community service; Rice of Love |
| January 24 | Launched Primus Supporters LG Card for movie goers |
| January 25 | Conducted nationwide volunteer service in 46 different volunteer centers |

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| | |
|--------------|---|
| | in celebration of new years day |
| February 7 | Launched Home Plus Mobile LG Card , Korea s first contactless card |
| February 9 | Held the 2005 annual business result presentation |
| February 20 | Launched LG Lady Card triple sets |
| February 24 | Launched the industry s first LG HiPass Plus Card to pay expressway tolls |
| March 4 | Set up sisterhood relationship with the village at Sambae-ri, Hwengsung-gun, Gangwon-do, Korea |
| March 5 | Launched myLG Point Refill event |
| March 8 | Held the 20 th Ordinary Meeting of Shareholders |
| March 30 | Donated KRW 370 million to the Ministry of Patriots and Veterans Affairs as LG Patriots and Veterans Funds |
| April 1 | Launched Card for 10 million people commercial campaign |
| April 6 | Sponsored overseas training of outstanding departments and individuals |
| April 7 | Set up sisterhood relationship with Hayang village at Miryang, South Gyeongsang Province, Korea |
| April 11 | Launched DSME Labor Union LG Weeki Card |
| April 13 | Launched LG Teddy Bear Card |
| April 19 | Launched pre-paid corporate card LG Biz Cash Card |
| April 20 | Effective members exceeded 10 million |
| May 3 | Delivered Piggy Bank of Hope to children in North Korea |
| May 4 | Held signing ceremony for Sawasdee Thailand-LG Card partnership |
| May 29 | Launched I-Park-LG Card |
| June 7 | Opened LG Card Campus |
| June 9 | Launched The Best Card for VIPs |
| June 12 | Held the enterprise CS innovation workshop |
| July 27 | Launched LG Trabiz-Skypass Card |
| August 3 | Launched Life Care Service |
| August 8 | Call Center Service Quality selected as No. 1 in the credit card sector by Korea Management Association |
| August 10 | Signed partnership agreement with Yong-In City to launch a card exclusively for use in subsidy |
| September 6 | Delivered KRW 3.4 billion to the Ministry of Health and Welfare as Fund for the Disabled |
| September 11 | Launched LG Home & Life Card |
| September 22 | Held the nationwide branch office head meeting |
| September 26 | LG Weeki Card received the Best Design of MasterCard Asia/Pacific Marketing Leadership Award |
| September 28 | Launched Safe Card to prevent credit card frauds/scams |
| September 29 | Conducted social service event Thanksgiving Love-songpyun Sharing |
| 2007 | |
| January 30 | Launched Mirae Asset CMA Check Card |
| February 5 | Launched CMA Check Card with Good Morning Shinhan Securities |
| February 23 | Incorporation as a subsidiary of SFG approved by the FSC |
| March 23 | LG Card s largest shareholder is changed (Korea Development Bank → Shinhan Financial Group), Shinhan Financial Group owns 85.7% of LG Card |
| March 26 | LG Card s Release from Receivership by Creditor Banks Appointment of directors at General Shareholders Meeting (Jong Ho Lee as CEO, 5 outside directors, and 3 audit committee members) |

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(2) Change of Corporate Name

| Date | Name |
|-------------------|---------------------------|
| March 9, 1988 | LG Credit Card Co., Ltd. |
| January 1, 1999 | LG Capital Services Corp. |
| September 1, 2001 | LG Card Co., Ltd. |

(3) Merger, Spin-off (Merger), All-inclusive Stock Swap or Transfer, Transfer of Material Business, etc.

a. Merged with LG Installment Finance Co., Ltd. on January 1, 1998

b. All-inclusive stock swap with SFG

Each LG Card and SFG decided by BOD resolutions on May 28, 2007 to effect an all-inclusive stock swap to incorporate LG Card, an existing partial subsidiary of SFG, as SFG's wholly-owned subsidiary. The major terms of the proposed stock swap are as follows:

stock exchange ratio: 0.84932

* 0.84932 registered common share of SFG for each registered common share of LG Card

Date of stock swap: September 21, 2007

For more information on the proposed stock swap, please see the Stock Swap/Transfer Report submitted by SFG and LG Card on May 28, 2007.

c. Business Transfer from Shinhan Card

Each LG Card and Shinhan Card, both subsidiaries of the Company, decided by BOD resolutions on May 28, 2007 to implement the transfer of all businesses of Shinhan Card to LG Card. The major terms of the proposed business transfer are as follows:

Outline of business transfer

The buyer, LG Card, plans to acquire all assets (including trademarks and other intellectual property, good will and trade name, etc.) and assume all liabilities of the seller, Shinhan Card, as well as all agreements (and all rights and obligations thereunder) entered into by the seller, Shinhan Card.

The proposed business transfer is expected to be finalized upon approval of the shareholders of both parties at respective extraordinary shareholders meetings scheduled for August 13, 2007 and to take place on October 1, 2007.

For more information on the proposed business transfer, please see the Business Transfer Report submitted by LG Card on May 28, 2007.

(4) Change in Manufacturing Facilities: N/A

(5) Material Events Related to Management Activities

a. Incorporation of LG Card as SFG's subsidiary

SFG entered into an agreement with KDB and other financial institutions on December 20, 2006 to acquire 78.6% equity interest in LG Card and, in accordance with the agreement, completed a tender offer on March 19, 2007, thereby incorporating LG Card as its subsidiary.

b. Preparation of the first statement of changes in equity in accordance with new accounting standards

SFG prepared its very first statement of changes in equity for the covered period by applying the new Financial Accounting Standards No. 21 (Preparation and Description of Financial Statements).

Table of Contents**3. Business Purpose and Details of Business****(1) Business Purpose**

| | Business Objective | Remarks |
|---------|--|----------------|
| (i) | Credit card issuance and management | |
| (ii) | Credit card charge settlement | |
| (iii) | Credit card franchise subscription and management | |
| (iv) | Debit card and pre-paid card issuance | |
| (v) | Pre-paid card sales (including refund services) | |
| (vi) | Debit/pre-paid card charge settlement (including transaction approval service) | |
| (vii) | Installment finance | |
| (viii) | Facilities leasing | |
| (ix) | Deferred payment services | |
| (x) | Credit loan or secured loan | |
| (xi) | Bill discount services | |
| (xii) | Takeover, management, and collection of trade credits acquired by enterprises in exchange for providing goods and services | |
| (xiii) | Purchase of credits held by another specialized credit finance business and/or combined credit business, or issuance of securities based on these purchased credits, in connection with businesses listed in subparagraphs (i) through (xii) | |
| (xiv) | Payment guarantee | |
| (xv) | Credit investigation and incidental business relating to the business listed in subparagraphs (i) through (xii) | |
| (xvi) | Other business conducted for the purpose of credit extension | |
| (xvii) | Venture capital financing | |
| (xviii) | Equity financing and investment related to venture business | |
| (xix) | Online and other e-business (including hub-portal site/shopping mall operation) and investment | |
| (xx) | E-commerce-related business and investment | |

- (xxi) Mail order sale
- (xxii) Insurance agency business
- (xxiii) Travel service
- (2) Details of Business

| Category | Details |
|----------------------------------|---|
| Credit Sales/Cash Advance | <p>LG Card's flagship product is the credit card, which allows card members, whether a person or a corporation, to purchase goods or services or to have easy access to cash advance up to a certain credit limit.</p> <p>LG Card will continue to develop specialized products targeting more specific groups of potential customers, and to build a variety of successful customer loyalty programs while developing an advanced CRM system. Moreover, LG Card will further improve its exclusive credit management system to provide customers with accurate credit rating thereby achieving better risk management.</p> |
| Installment Finance | <p>LG Card finances members' purchases of pricey items or services. LG Card's various monthly installment financing arrangements are available at 10,000 business locations as well as at affiliated companies with nationwide networks in Korea. LG Card's exclusive financing service offers differentiated benefits to preferred customers, such as providing lower loan interest rates to VIP members.</p> |

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| Category | Details |
|------------------------|--|
| Consumer Loan | LG Card offers a variety of loan products to cardholders as well as non-cardholders, including long-term refinancing products to debtors in financial difficulty and will continue to develop new and innovative loan products to meet various customers' needs and target niche markets while keeping risk to a minimum through rigorous credit management. |
| Lease Financing | LG Card acquires highly-priced equipment that it then leases to companies for a certain period of time in exchange for periodical rent. In addition to offering such general lease financing services, LG Card also provides assets lease financing and credit transfer services. |

Notably, LG Card has been diversifying its financing services beyond those of conventional secured financing and developing sophisticated credit rating techniques to effectuate financial transactions based on credit and project feasibility. LG Card will pursue its leasing business based on fiscal soundness and profitability, targeting the needs of sound organizations, including governmental agencies, local authorities, and government-funded institutions.

4. Capital and Number of Issued Shares

[As of June 12, 2007; Unit: KRW, shares; Par Value: KRW 5000]

| | Type | Class | Number of Shares | | Total Capitalization |
|------------|-------------|--------------|-------------------------|--|-----------------------------|
| | | | Issued | | |
| Registered | | Common | 125,369,403 | | 626,847,015,000 |
| | Total | | 125,369,403 | | 626,847,015,000 |

5. Largest Shareholder (including Specially-Related Persons)

[As of March 31, 2007; Unit: shares]

| Name | Relationship | LG Card | |
|-------------------------|----------------------------------|---------------------|-------------------------|
| | | Shares Owned | Shareholding (%) |
| Shinhan Financial Group | Largest Shareholder | 98,517,316 | 78.6 |
| Shinhan Bank | Largest Shareholder's subsidiary | 8,960,005 | 7.1 |
| Total | | 107,477,321 | 85.7 |

6. Officers and Directors and their Shareholdings

[As of May 31, 2007]

| Position | Name | Date of Birth | Background/Previous Affiliation | Shares Owned | Date of Initial Appointment |
|-----------------|-------------|----------------------|--|---------------------|------------------------------------|
| Rep. Director | Jong Ho Lee | Dec. 25, 1948 | Seoul National Univ., Law FSC, Head of Non-Banking Supervision Bureau LG Investment & Securities, Standing Auditor | | Mar. 26, 2007 |

LG Card, Rep. Director
(current)

Outside
Director

In Ho Lee

Nov. 2, 1943

BA in Economics, Yonsei

Mar. 26, 2007

University
EVP, Shinhan Bank
President & Rep.
Director, Shinhan Bank
President & CEO,
Shinhan Financial
Group (current)

Outside
Director

Jae Woo Lee

Jul. 2, 1950

Graduated from Kunsan

Mar. 26, 2007

Commercial High School
MBA, Korea University
Deputy President, Shinhan
Bank
Deputy President,
Shinhan Financial
Group (current)

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| Position | Name | Date of Birth | Background/Previous Affiliation | Shares Owned | Date of Initial Appointment |
|--------------------------|----------------|----------------------|---|---------------------|------------------------------------|
| Outside Director | Young Il Cho | Aug. 5, 1943 | Seoul National University, Law Lawyer, Kyung-Ki Law & Notary (current) | | Mar. 26, 2007 |
| Outside Director | Sang Yong Park | Feb. 21, 1951 | PhD., Business Administration, NYU Professor of Business Management, Yonsei University (current) | | Mar. 26, 2007 |
| Outside Director | Sang-Ho Sohn | Feb. 13, 1957 | Ohio State Univ., Ph. D in Economics Counselor of FSC and Advisor for Governor of FSS LG Card, Outside Director (current) | | Mar 15, 2004 |
| Vice President | Hong-Gyu Kang | Jan. 16, 1953 | Yonsei Univ., MBA Samsung Card, Head of Installment Business Division LG Card, Head of Sales Division (current) | | Mar 29, 2004 |
| Vice President | Soo-Ik Park | July 14, 1953 | Business Administration, Korea University Head of Division, Retail banking, Shinhan Bank LG Card, Head of Operational Mgmt. (current) | | Mar. 26, 2007 |
| Senior Managing Director | Jong-Gyun Shin | Apr. 23, 1958 | Chonnam Nat 1 Univ., Business Administration LG Card, Head of Jungbu Collection HQ LG Card, in charge of Sales Support (current) | 34 | Jan. 12, 2005 |

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| | | | | |
|----------------------|--------------------|---------------|---|---------------|
| Managing Director | Soon-Chan Nam | Feb. 10, 1956 | Yonsei Univ., Law SG CRC, Director (concurrent) SG Management, Rep. Director (temporarily away from SGI) LG Card, in charge of Collection Support (current) | Mar. 26, 2004 |
| Managing Director | Byung-Mook Yoon | Aug 15, 1953 | Kyunghee Univ., Economics LG Card, Director of Installment Lease HQ LG Card, Finance & Economy Director LG Card, Head of Seoul Collection HQ (current) | Jan. 12, 2005 |
| Managing Director | Il-Hwan Kim | Jan 27, 1960 | Kyungpook Nat 1 Univ. MBA LG Card, Senior Head in charge of credit management LG Card, in charge of Credit Management (current) | Jan 12, 2006 |
| Managing Director | Joo-Sung Lee | Jan 25, 1960 | Korea University, Economics LG Card, Head of Finance Business HQ LG Card, Head of Strategic Business HQ (current) | Jan 12, 2006 |

Total

24

34

Table of Contents**7. Specially-Related Persons**

(March 31, 2007)

| Name (Company Name) | Relation with Tender Offeror | Address | Capital (million Won) | Largest Shareholder | Occupation (Details of Business) |
|--|---|--|--------------------------------------|----------------------------|--|
| Shinhan Financial Group | Tender Offeror | 120 Taepyungro 2-ga, Jung-gu, Seoul | 2,389,313 | BNP Paribas S.A. | Financial Holding Company |
| Shinhan Bank | Subsidiary | 120 Taepyungro 2-ga, Jung-gu, Seoul | 7,528,078 | SFG | Banking business |
| Good Morning Shinhan Securities | Subsidiary | 23-2 Yoido-dong, Yeongdeungpo-gu, Seoul | 796,998 | SFG | Securities business |
| Shinhan Card | Subsidiary | 14 Namdaemoonro 1-ga, Jung-gu, Seoul | 358,886 | SFG | Credit card business |
| Shinhan Capital | Subsidiary | 530-1 Gozan-dong, Danwon-gu, Ansan, Kyeonggi-do | 80,000 | SFG | Credit extension business |
| Jeju Bank | Subsidiary | 1349 Yi-do, Yido 1-dong, Jeju City | 77,644 | SFG | Banking business |
| Shinhan Life Insurance | Subsidiary | 120 Taepyungro 2-ga, Jung-gu, Seoul | 200,000 | SFG | Life insurance business |
| Shinhan-BNP Paribas Investment Trust Management Co. | Subsidiary | 18 th Fl., Good Morning Shinhan Tower, 23-2 Yoido-dong, Yeongdeungpo-gu, Seoul | 40,000 | SFG | Securities investment trust business |
| Shinhan Macquarie Financial Advisory | Subsidiary | 9 th Fl., Hanwha Bldg., Sogong-dong, Jung-gu, Seoul | 1,000 | SFG | Financial advisory business |
| Shinhan Credit Information | Subsidiary | 32 Moonraedong 3-ga, Yeongdeungpo-gu, Seoul | 3,000 | SFG | Credit survey business |

| | | | | | |
|------------------------|---------------------|--|--------|--------------|------------------------------------|
| SH&C Life Insurance | Subsidiary | 3 rd Fl., Seoul City Tower, Namdmoonro 5-ga, Jung-gu, Seoul | 30,000 | SFG | Insurance business |
| Shinhan Private Equity | Subsidiary | 14 th Fl., Heungkuk Life Bldg., Shinmunro 1-ga, Jongro-gu, Seoul | 10,000 | SFG | Private equity operations business |
| Shinhan Data System | Indirect subsidiary | 17 th Fl., Daekyung Bldg., 120 Taepyungro 2-ga, Jung-gu, Seoul | 1,000 | Shinhan Bank | Software development business |
| Shinhan Finance Ltd. | Indirect subsidiary | Room 3401, Gloucester Tower, The Land mark, 11 Pedder St., Central, Hong Kong | 63,684 | Shinhan Bank | Banking business |
| SH Asset Management | Indirect subsidiary | 7 th Fl., Good Morning Shinhan Tower, 23-2 Yoido-dong, Yeongdeungpo-gu, Seoul | 45,000 | Shinhan Bank | Investment trust business |
| Shinhan Asia Ltd. | Indirect subsidiary | Suites 3507-3508, 35/F, Two Exchange Square, 8 Connaught Place, Central, HK | 13,944 | Shinhan Bank | Banking business |

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| Name (Company Name) | Relation with Tender Offeror | Address | Capital (million Won) | Largest Shareholder | Occupation (Details of Business) |
|--|---|--|--------------------------------------|------------------------------------|--|
| Shinhan Bank America | Indirect subsidiary | 330 5 th Avenue 4 th Floor New York, NY 10001 USA | 13,014 | Shinhan Bank | Banking business |
| Shinhan Bank Europe | Indirect subsidiary | Neue Mainzer Strasse 75 60311 Frankfurt am Main, Germany | 18,748 | Shinhan Bank | Banking business |
| Shinhan Vina Bank | Indirect subsidiary | 3-5 Ho Tung Mau Street, District 1, HCMC, Vietnam | 18,592 | Shinhan Bank | Banking business |
| CHB Valuemeet 2001 First SPC | Indirect subsidiary | 10 th Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul | 10 | Shinhan Bank | Other financial business |
| CHB Valuemeet 2001 Second SPC | Indirect subsidiary | 10 th Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul | 10 | Shinhan Bank | Other financial business |
| CHB Valuemeet 2002 First SPC | Indirect subsidiary | 10 th Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul | 10 | Shinhan Bank | Other financial business |
| Good Morning Shinhan Securities Europe Ltd. | Indirect subsidiary | 7 th Floor, 52 Cornhill, London EC3V 3PD, United Kingdom | 6,202 | Good Morning Shinhan Securities | Securities brokerage business |
| Good Morning Shinhan Securities USA Inc. | Indirect subsidiary | 1325 6 th Ave. #702, NY, NY 10019 USA | 3,904 | Good Morning Shinhan Securities | Securities brokerage business |
| Shinhan NPS Private Equity Fund 1 st | Indirect subsidiary | 226 Shinmunro 1-ga Jongro-gu, Seoul | 138,000 | National Pension Fund | Other financial business |

Note 1) The table above lists specially-related persons of LG Card that are companies or corporations. - In accordance with Article 10(3) of the Enforcement Decree of the SEA, the table above does not include the officers of LG Card and its affiliates, because they do not hold 1,000 or more shares (including stock options) of LG Card.

Note 2) Shinhan-National Pension I Private Equity Fund, whose largest shareholder is the National Pension Service, is considered as a sub-subsidiary of SFG because its general partner is Shinhan Private Equity Co., Ltd., a subsidiary of SFG.

B. Information on Corporate Group of Which Issuer Is a Member

1. Name: Shinhan Financial Group

2. Companies Belonging to the Corporate Group:

| Classification | No. of Companies | Company Name |
|-------------------------|-------------------------|---|
| Listed Corporation | 1 (holding company) | Shinhan Financial Group |
| | 2 (subsidiaries) | Jeju Bank, LG Card |
| Non-listed Corporations | 10 (subsidiaries) | Shinhan Bank, Good Morning Shinhan Securities, Shinhan Card, Shinhan Capital, Shinhan Life Insurance, |

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| Classification | No. of Companies | Company Name |
|-----------------------|----------------------------|--|
| | | Shinhan-BNP Paribas Investment Trust Management Co., Shinhan Macquarie Financial Advisory, Shinhan Credit Information, SH&C Life Insurance, and Shinhan Private Equity |
| | 13 (indirect subsidiaries) | Shinhan Data System, Shinhan Finance Ltd., SH Asset Management, Shinhan Asia Ltd., Shinhan Bank America, Shinhan Bank Europe, Shinhan Vina Bank, CHB Valuemeet 2001 First SPC, CHB Valuemeet 2001 Second SPC, CHB Valuemeet 2002 First SPC, Good Morning Shinhan Securities Europe Ltd., Good Morning Shinhan Securities USA Inc., Shinhan NPS Private Equity Fund 1 st |
| Total | 26 | |

Note 1) LG Card joined Shinhan Financial Group as a subsidiary on March 23, 2007

3. Relevant Law and Regulation

- (i) LG Card is subject to the Specialized Credit Financial Business Act for matters related to the company's operation and the Monopoly Regulation and Fair Trade Act and the SEA for other legal issues.
- (ii) For detailed regulations under the Specialized Credit Financial Business Act, please refer to the Act, the Enforcement Decree thereof and the related supervisory regulations.

4. Summary Consolidated Financial Statements

- (1) Consolidated Balance Sheet: N/A
- (2) Consolidated Income Statement: N/A

III. Purpose of Tender Offer

1. SFG, the Tender Offeror, is the largest shareholder of LG Card, the Target Company, and a financial group that includes Shinhan Bank, Shinhan Card, Good Morning Shinhan Securities Co., Ltd., etc. as its subsidiaries.
 2. Each SFG and LG Card decided by BOD resolutions on May 28, 2007 to effect an all-inclusive stock swap to incorporate LG Card, an existing partial subsidiary of SFG, as SFG's wholly-owned subsidiary.
- <Outline of stock swap>

| | |
|-----------------|--|
| Legal authority | Articles 360-2 through 360-10 of the Commercial Code; Article 190-2 of the SEA |
| Scheme | An all-inclusive stock swap through which common stock in LG Card held by LG Card shareholders other than SFG will be transferred to SFG on the stock swap date in exchange for common stock in SFG, resulting in SFG holding all shares in LG Card. Following the small scale share swap, LG Card will become a wholly-owned subsidiary of SFG. |
| Stock swap | 0.84932 registered common share of SFG for each registered common share of LG Card: * at 46,454 Won per share for LG Card common stock * at 54,696 Won per share for SFG common stock |

Date

September 21, 2007

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- * For more information on the proposed stock swap, please see the Stock Swap/Transfer Report published as of May 28, 2007.
- 3. If the stock swap is effected as planned following the Tender Offer, LG Card will become a wholly owned subsidiary of SFG effective September 21, 2007 and LG Card will therefore be de-listed.
- * Under Article 80, Subparagraph 14 of the Regulations on Listing of Securities, when a target company becomes a wholly-owned subsidiary of a listed holding company (i.e. the holding company holding all issued shares of the subsidiary) and share certificates representing the holding company's new shares issued upon the stock swap are newly listed, the target company must be de-listed.
- * A specific date scheduled for delisting will be determined through consultation with the relevant authority after the proposed stock swap takes place as planned.
- 4. SFG entered into an agreement relating to stock acquisition with KDB, the principal creditor bank of the council of creditor financial institutions of LG Card, which requires SFG to purchase LG Card shares held by the creditor financial institutions at 46,392 Won per share in the event SFG pursues the incorporation of LG Card as its wholly-owned subsidiary. The Tender Offer was conceived so that SFG performs such agreement with KDB.
- 5. Neither SFG nor LG Card is required to obtain approval or authorization in connection with the Tender Offer from the financial supervisory authority or the fair trade authority in advance or following the completion of the Tender Offer.

IV. Class and Number of Shares Subject to the Tender Offer

A. Class and Number of Shares Subject to the Tender Offer

| | |
|-------------------------|--------------------------|
| Target Company | LG Card Co., Ltd. |
| Class of Shares | Registered common stocks |
| Target Number of Shares | 17,892,082 shares |

Note 1) Tender Offeror is to purchase all of the tendered LG Card shares, if the total number of such shares is less than the Target Number of Shares. If the total number exceeds the Target Number of Shares, Tender Offeror is to purchase such shares on a pro-rated basis in accordance with the following rules of allocation:

<Rules of Allocation>

If the total number of tendered LG Card shares exceeds the Target Number of Shares, the Target Number of Shares will first be allocated in proportion to the shareholders' respective ratios of their shares to the total number of tendered shares, with any number of allocated shares that is less than a share (a decimal point) being written off. Any such remaining number of shares will then be allocated in accordance with the decimal points of the shares from the greatest to the smallest, repeatedly until there is no remaining share.

B. Number of LG Card Shares to be Held by Tender Offeror after the Tender Offer

| No. of Shares Currently Held | No. of Shares Subject to Tender Offer | No. of Shares to Be Held Post-Tender Offer (E) |
|---|---|---|
| 107,477,321 | 17,892,082 | 125,369,403 |
| (85.7% of the total number issued and outstanding) | (14.3% of the total number issued and outstanding) | (100.0% of the total number issued and outstanding) |

Note 1) The number of shares currently held by Shinhan Financial Group is the sum of 8,960,005 LG Card shares held by Shinhan Bank and 98,517,316 shares held by Shinhan Financial Group

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Note 2) LG Card stock held by Shinhan Bank will either be offered in the Tender Offer or swapped in the upcoming stock swap, as determined in the future.

More specifically, if the number of shares offered in the Tender Offer is less than the Target Number of Shares, a decision will be made on whether LG Card stock held by Shinhan Bank will be offered in the Tender Offer, but only to the extent that the number of LG Card shares so offered does not exceed the difference from the Target Number of Shares, so that the total number of offered shares does not exceed the Target Number of Shares.

Note 3) The 17,892,082 shares to be held post-tender offer is under the condition that all shares subject to tender offer are purchased by SFG

Note 4) The shareholding ratios exclude stock options for 250,000 shares granted by the Target Company. Upon exercise of these stocks options, LG Card may either give treasury shares or pay the difference between the exercise price and the market price in cash or in treasury shares.

C. Total Number of Issued and Outstanding Shares of the Target Company

[As of Mar. 31, 2007; Unit: Shares]

| Category | Common Share | Class Preferred Share | Total | Remarks |
|--|---------------|-----------------------|---------------|---------|
| I. Total Number of Shares Authorized to Be Issued | 2,000,000,000 | | 2,000,000,000 | |
| II. Total Number of Shares Issued | 1,029,491,619 | | 1,029,491,619 | |
| III. Total Number of Shares | 904,122,216 | | 904,122,216 | |
| 1. Capital Reduction | 904,122,216 | | 904,122,216 | |
| 2. Retirement of Repurchased Shares | | | | |
| 3. Redemption of Redeemable Shares | | | | |
| 4. Others | | | | |
| IV. Total Number of Shares Issued and Outstanding (II-III) | 125,369,403 | | 125,369,403 | |
| V. Number of Treasury Shares | | | | |
| VI. Number of Outstanding Shares (IV-V) | 125,369,403 | | 125,369,403 | |

Note 1) The shareholding ratios exclude stock options for 250,000 shares granted by the Target Company. Upon exercise of these stocks options, LG Card may either give treasury shares or pay the difference between the exercise price and the market price in cash or in treasury shares.

Table of Contents**V. Period, Price, Settlement Date and Other Terms of the Tender Offer****A. General Terms**

(Unit: KRW, Shares)

| Category | | Remarks | |
|--|---|--|---|
| Tender Offer Period (Tender Offer Period) | Commencement Expiration | June 14, 2007 July 3, 2007 | (20 days) |
| Tender Offer Price & No. of Shares to Be Purchased | Type of Securities Stock Certificates Certificates Evidencing Preemptive Right as to Newly Issued Shares Convertible Bond Certificates Certificate of Bond with Warrants Exchangeable Bond Certificate Total | Purchase Price 46,392 | No. of Shares to Be Purchased 17,892,082 |
| | Number Ratio (%) | | 17,892,082 14.3% |
| | Tender Offer Purchase Price Calculation Basis | Tender Offeror was selected as the preferred bidder for the sale of LG Card shares held by the creditor financial institutions of LG Card. Tender Offeror entered into the LG Card Co., Ltd. Acquisition Agreement on December 20, 2006 with KDB, the principal creditor bank of the council of creditor financial institutions of LG Card. In accordance with the LG Card Co., Ltd. Acquisition Agreement, in order to incorporate LG Card as its wholly-owned subsidiary Tender Offeror plans to purchase the remaining shares of LG Card at the price of KRW 46,392 per share pursuant to the applicable laws and regulations, including the SEA. | |
| No. of Shares Held as of the Date of Filing (B) | Number Ratio (%) | | 107,477,321 85.7 |
| No. of Shares Held Post-Tender Offer (A+B) | Number Ratio (%) | | 125,369,403 100.0 |
| Total No. of Shares Issued and Outstanding | | | 125,369,403 |
| Note 1) The No. of Shares Held as of the Date of Filing (B) is the sum of 98,517,316 registered LG Card shares held by SFG and 8,960,005 registered LG Cards shares held by Shinhan Bank, a specially-related person of SFG. | | | |

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- Note 2) Those LG Card shares held by Shinhan Bank will be either offered in the Tender Offer or participate in the upcoming stock swap, as determined in the future. More specifically, if the number of shares offered in the Tender Offer is less than the Target Number of Shares, a decision will be made on whether LG Card stock held by Shinhan Bank will be offered in the Tender Offer, but only to the extent that the number of LG Card shares so offered does not exceed the difference from the Target Number of Shares, so that the total number of offered shares does not exceed the Target Number of Shares.
- Note 3) The No. of Shares Held Post-Tender Offer (A+B) is calculated based on the assumption that the Target Number of Shares (17,892,082 shares) will be purchased in full.
- Note 4) The total number of issued and outstanding shares excludes the stock options for 250,000 shares granted by the Target Company. Upon exercise of these stocks options, LG Card may either give treasury shares or pay the difference between the exercise price and the market price in cash or in treasury shares.

B. Settlement

| | | |
|--|--|--|
| Tender Offer Agent (Securities Company in Charge of Settlement) Settlement Date (Settlement Date) | Name Location of Head Office | Good Morning Shinhan Securities Co., Ltd. (Tender Offer Agent) Youido-Dong 23-2, Youngdeungpo-Gu, Seoul, Korea July 6, 2007 |
|--|--|--|

<1> Following the expiration of the Tender Offer Period, a notice of purchase in the form attached hereto as Exhibit 1 (Notice of Purchase) will be sent without delay by the Tender Offer Agent to the address specified in the tender application of each shareholder who has validly tendered LG Card shares (each, a Shareholder).

<2> The Tender Offer purchase price will be transferred to the account with the Tender Offer Agent designated by each Shareholder, provided that the securities transaction tax at the rate of 0.5% and any other applicable tax will be deducted or withheld therefrom prior to each such transfer. In the case of a non-resident Shareholder (including foreign corporations), applicable law may require the Tender Offer Agent to withhold certain capital gains taxes and applicable surtaxes, unless (i) applicable tax treaties exempt the Shareholder from such withholdings and (ii) all actions necessary for such exemptions to be available have been taken by the Shareholder.

Settlement Method

* The burden of proof in respect of the eligibility for exemption from withholding taxes under the Tax Treaty or the authenticity of any supporting documents lies on the relevant Shareholders, and the Tender Offer Agent who is obligated to withhold such taxes may refuse to apply the exemption if the relevant Shareholder refuses to fulfill the burden.

<3> If the total number of tendered LG Card shares is less than the Target Number of Shares, Tender Offeror is to purchase the entire number of tendered shares, and if the total number of tendered LG Card shares exceeds the Target Number of Shares, Tender Offeror is to purchase such shares on a pro-rated basis in accordance with the rules of allocation (see below). In respect of any LG Card shares not purchased in excess of the Target Number of Shares, the prohibition on withdrawal of such shares will be lifted on the Settlement Date.

<4> LG Card shares validly tendered through the Tender Offer will be

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transferred from the account of each Shareholder to the account of Tender Offeror on the Settlement Date:

* Tender Offer Account:

Office where the account is opened: Sales Department II, Good Morning Shinhan Securities Co., Ltd.

Account No.: 080-01-101893

Holder of Account: Shinhan Financial Group Co., Ltd.

| | Branch Office | Location |
|-------------------------|---|---|
| Settlement Place | Head office and branch offices of Good Morning Shinhan Securities Co., Ltd. | <i>Head office:</i> Youido-Dong 23-2, Youngdeungpo-Gu, Seoul, Korea |
| | | <i>Branch offices:</i> See Part VIII, Section C below. |

Return of Tendered LG Card Shares

Tendered LG Card shares may be withdrawn immediately, if (i) after the commencement of the Tender Offer Period, Tender Offeror cancels or withdraws the Tender Offer pursuant to Article 12-7 of the Enforcement Decree of the SEA, or (ii) a Shareholder takes the required action to withdraw from the Tender Offer. For instructions regarding withdrawal from the Tender Offer, please refer to Part X, Section 2.

<Rules of Allocation>

If the total number of tendered LG Card shares exceeds the Target Number of Shares, the Target Number of Shares will first be allocated in proportion to the shareholders' respective ratios of their shares to the total number of tendered shares, with any number of allocated shares that is less than a share (a decimal point) being written off. Any such remaining number of shares will then be allocated in accordance with the decimal points of the shares from the greatest to the smallest, repeatedly until there is no remaining share.

VI. Particulars of Agreement to Purchase Target Company's Shares Other than through Tender Offer After Public Notice Date (if any)

1. Each SFG and LG Card decided by BOD resolutions on May 28, 2007 to effect an all-inclusive stock swap pursuant to Articles 350-3 and 360-10 of the Commercial Code to incorporate LG Card, an existing partial subsidiary of SFG, as SFG's wholly-owned subsidiary, and accordingly entered into a stock swap agreement.

2. Major terms of stock swap

0.84932 registered common share of SFG for each registered common share of LG Card

* All common stock of LG Card held by the LG Card shareholders, other than SFG, as of September 20, 2007, the date immediately preceding the date of stock swap will be swapped.

The stock swap is scheduled to take place on September 21, 2007.

Appraisal rights for dissenting shareholders will not be granted SFG because the stock swap will be effected in the manner of a small-scale stock swap pursuant to Article 360-10 of the Commercial Code and a BOD resolution replaces shareholders' approval.

* However, if shareholders of SFG holding at least 20/100 of total outstanding shares of SFG notify of their dissent to the stock swap, the stock swap cannot be undertaken.

As to LG Card, the shareholders of LG Card Co., Ltd., who dissent to SFG's BOD resolution approving the stock swap, may exercise their appraisal rights in accordance with Article 360-3 of the Commercial Code.

* A general shareholders' meeting is scheduled for August 13, 2007.

* Demand for appraisal of shares must be made between August 13, 2007 and September 3, 2007.

Upon exercise of their appraisal rights, shares held by the exercising LG Card shareholders will be purchased at 45,416 Won per share, which may be adjusted in accordance with the procedures set by the SEA.

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For more information on the proposed stock swap, please see the Stock Swap/Transfer Report jointly submitted by SFG and LG Card on May 28, 2007.

3. If the stock swap is effected as planned following the Tender Offer, SFG will become a wholly owning company of LG Card effective September 21, 2007.

4. The stock swap is not subject to Article 23(2) of the SEA, which stipulates that no tender offeror (including a specially related person) shall, during the period from the date on which tender offer is permitted pursuant to paragraph (1) to the date on which period of tender offer expires, make any purchase of securities specified in the said statement by means other than a tender offer.

5. There are no other terms of agreement to purchase LG Card's shares other than by means of a tender offer after the public notice date.

VII. Details of Funding for Purchase

[Unit: KRW or Shares]

| | Category | Description | | |
|---|----------------------------------|---|-----------------|----------------------|
| Funds Necessary for the Tender Offer, etc. | Tender Offer | | | |
| | Purchase Price (A) | | | 830,049,468,144 |
| | Transaction Costs (B) | | | 415,000,000 |
| | Miscellaneous (C) | | | 40,000,000 |
| | Total (A+B+C) | | | 830,504,468,144 |
| Matters Pertaining to the Remaining Balance in an Account with a Financial Institution, etc. to be Applied for the Payment of Tender Offer Funds | Financial Institution | | | |
| | Name of Financial Institution | Registration No. | Amount | Remarks |
| | Shinhan Bank | 00137571 | 430,600,000,000 | Market Premium Trust |
| | Good Morning Shinhan Securities | 00138321 | 400,000,000,000 | MMF |
| | | Total | 830,600,000,000 | |
| | | Plan for Withdrawal and Use of Tender Offer Funds | | N/A |
| Matters Pertaining to the Custody of Securities to be Exchanged through the Tender Offer | Types of Securities | | | |
| | | Volume | | |
| | Custody Method for Securities | | | |
| Matters Pertaining to the Issuance of New Shares by Contribution in-Kind | Types of Newly Issued Securities | | | |
| | | Volume (A) | | |
| | | Expected Issue Price per Share (B) | | |
| | Amount (AxB) | | | |

Note 1) The miscellaneous amounts include the costs of notices to be given in newspapers and those

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incurred in the preparation and dispatch of mailed materials, and are subject to change.

Note 2) The above funds are to be deposited with the respective financial institutions until the Settlement Date (July 6, 2007), after which they will be used for the payment of the Tender Offer.

VIII. Particulars on Tender Offer Agent

A. Name

Good Morning Shinhan Securities Co., Ltd.

B. Scope of Tender Offer Agent's Role

- (i) To prepare and file this Tender Offer Circular with the FSC with other documents related to the Tender Offer;
- (ii) To make public notices relating to the Tender Offer;
- (iii) To assist in the preparation and distribution the Tender Offer Documents and make it publicly available;
- (iv) To accept tender applications from Shareholders;
- (v) To administer and manage the accounts for Shareholders tendering their tender;
- (vi) To accept and keep the tendered LG Card shares;
- (vii) To return share certificates to any Shareholder who withdraws its tender;
- (viii) To return share certificates to any tendering Shareholder in the event of cancellation or withdrawal of the Tender Offer;
- (ix) To pay the applicable proceeds to Shareholders; and
- (x) To distribute the Notice of Purchase to Shareholders and provide any other necessary services for the Tender Offer.

C. Locations of Head Office / Branch offices and Phone Numbers

Head Office: Youido-Dong 23-2, Youngdungpo-Gu, Seoul, Korea
 Tel. no.: (02) 3772-1000
 Customer Support Center: 1588-0365

Branch Offices: Listed below (Note: the telephone country code is 82)

| Name of Branch | Address | Telephone Number |
|-----------------------|---|-------------------------|
| Gangnam | (2 nd and 3 rd floors, Seonleung Bldg.) 702-28 Yoksam-dong, Gangnam-gu, Seoul | 02) 538-0707 |
| Gangnam Jungang | (2 nd floor, Shindeok Bldg.) 1329-7, Seocho-dong, Seocho-gu, Seoul | 02) 6354-5300 |
| Gangneung | (2 nd floor, Donga Bldg.) 114-2, Imdang-dong, Gangneung-si, Gangwon-do | 032) 642-1777 |

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| | | |
|-------------|--|---------------|
| Gyeyang | (4 th floor, Younghwa Bldg.) 863-3 Jakjeon-dong, Gyeyang-gu, Incheon | 032) 553-2772 |
| Gwanak | (2 nd floor, Namgyeongdo Bldg.) 853-1, Bongcheon 7(chil)-dong, Gwanak-gu, Seoul | 02) 887-0809 |
| Gwangju | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 30, Keumnamro 2(i)-ga, Dong-gu, Gwangju | 062) 232-0707 |
| Gwanghwamun | 3 rd floor, King s Garden Complex 4, 73 Naesu-dong, Jongno-gu, Seoul, | 02) 732-0770 |
| Guro | (3 rd floor, New World Bldg.) 103-12 Guro 5(o)-dong, Guro-gu, Seoul | 02) 857-8600 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|---|-------------------------|
| Gumi | (1 st floor, Goodmorning Shinhan Securities Bldg.) 56, Songjeong-dong, Gumi-si, Gyeongsangbuk-do | 054) 451-0707 |
| Guwoldong | 2 nd floor, Shinhan Bank Guwoldong Branch, 1199-13, Guwol-dong, Namdong-gu, Incheon | 032) 464-0707 |
| Gunsan | (2 nd floor, Goodmorning Shinhan Securities Bldg.) 15-8, Jungangno 2(i)-ga, Gunsan-si, Jeollabuk-do | 063) 442-9171 |
| Geumjeong | (2 nd floor, Haegang Bldg.) 184-3, Guseo 2(i)-dong, Geumjeong-gu, Busan | 051) 516-8222 |
| Nonhyeon | (1 st floor, Daeyong Bldg.) 90, Nonhyeon-dong, Gangnam-gu, Seoul | 02) 518-2222 |
| Dapsimni | (2 nd floor, Gyeongwon Bldg.) 496-4, Dapsimni-dong, Dongdaemun-gu, Seoul | 02) 2217-2114 |
| Daegu | (3 rd and 4 th floors, Shinhan Bank Bldg.) 34-16, Bongsan-dong, Jung-gu, Daegu | 053) 423-7700 |
| Daegudong | (3 rd floor, Woojin Bldg.) 593-15, Shinam 1(il)-dong, Dong-gu, Daegu | 053) 944-0707 |
| Daeguseo | (4 th floor, Wolgok Bldg.) 1511, Sangin-dong, Dalseo-gu, Daegu | 053) 642-0606 |
| Daejeon | (2 nd floor, Socheong Bldg.) 5-2 Seonhwa-dong, Jung-gu, Daejeon | 042) 255-9131 |
| Dogok | (3 rd floor, Jae Neung Education Bldg.) 464, Dogok-dong, Gangnam-gu, Seoul | 02) 2057-0707 |
| Dogok Jungang | (2 nd floor, Hansol Phillia) 755, Yoksam-dong, Gangnam-gu, Seoul | 02) 554-6556 |
| Dong Gwangyang | (2 nd floor, Goodmorning Shinhan Securities Bldg.) 1647-7, Jung-dong, Gwangyang-si, Jeollanam-do | 061) 791-8020 |
| Dongducheon | (3 rd floor, Samsung Core Bldg.) 601-63, Saengyeon-dong, Dongducheon-si, Gyeonggi-do | 031) 862-1851 |
| Dongrae | (2 nd floor, Rosesty Bldg.) 1491-1, Geojae 1(il)-dong, Yeonjae-gu, Busan | 051) 505-6400 |
| Dunsan | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 1173, Dunsan-dong, Seo-gu, Daejeon | 042) 484-9090 |
| Masan | (2 nd floor, Songha Bldg.) 268, Hapseong 2(i)-dong, Masan-si, Hoewon-gu, Gyeongsangnam-do | 055) 297-2277 |

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| | | |
|-----------------|---|---------------|
| Mapo | 2 nd and 3 rd floors, Local Finance Bldg., 253-42, Gongdeok-dong, Mapo-gu, Seoul | 02) 718-0900 |
| Myeongdong | (4 th floor, Shinhan Bank Myeongdong Jungang Branch) 53-1, Myeongdong 1(il)-ga, Jung-gu, Seoul | 02) 752-6655 |
| Mokdong | (1 st floor, Gisan Bldg.) 406-28, Mok 1(il)-dong, Yangcheon-gu, Seoul | 02) 2653-0844 |
| Mokdong Jungang | 1st floor, Buyoung Green Town 3-cha, 908-34, Mok 6(yuk)-dong, Yangcheon-gu, Seoul | 02) 2649-0101 |
| Miryang | (2 nd floor, Hueam Bldg.) 701-7, Naei-dong, Miryang-si, Gyeongsangnam-do | 055) 355-7707 |
| Bangbaedong | (3 rd floor, Shinhan Bank Bangbaedong Jungang Branch) 898-5, Bangbae-dong, Seocho-gu, Seoul | 02) 533-0202 |
| Busan | (3 rd floor, Dongyang Bldg.) 4, Donggwang-dong 2(i)-ga, Jung-gu, Busan | 051) 243-0707 |
| Sanbon | (3 rd floor, Shinhan Bank Sanbon Jungang Branch) 1144, Sanbon-dong, Gunpo-si, Gyeonggi-do | 031) 392-1141 |
| Samsungyeok | (3 rd floor, Saemyeong Bldg.) 945-2, Daechi-dong, Gangnam-gu, Seoul | 02) 563-3770 |
| Sampung | (2 nd floor, Nara Bldg.) 1696-14, Seocho-dong, Seocho-gu, Seoul | 02) 3477-4567 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|--|-------------------------|
| Sanggyedong | (2 nd floor, Dongbang Reports Bldg.) 734-5, Sanggye 6(yuk)-dong, Nowon-gu, Seoul | 02) 937-0707 |
| Sangdodong | (2 nd floor, Sungdae Shopping) 324-1, Sangdo-dong, Dongjak-gu, Seoul | 02) 820-2000 |
| Seogyodong | (3 rd floor, Seogyo Tower) 353-1, Seogyo-dong, Mapo-gu, Seoul | 02) 335-6600 |
| Seogwipo | (3 rd floor, Wonbok Bldg.) 286-32, Seogwi-dong, Seogwipo-si, Jeju-do | 064) 732-3377 |
| Seomyeon | (4 th floor, Cheil Bank Bldg.) 163-1, Bujeon 2(i)-dong, Busanjin-gu, Busan | 051) 818-0100 |
| Songpa | (2 nd floor, LG Twin Regency Munjungdong Bldg.) 150-2, Munjung-dong, Songpa-gu, Seoul | 02) 449-0808 |
| Sunaeyeok | (3 rd floor, Hungkuk Life Insurance Bldg.) 6-7, Sunae-dong, Sungnam-si, Gyeonggi-do | 031) 712-0109 |
| Suwon | (2 nd floor, Yaesin Bldg.) 1023-1, Kwonsun-dong, Kwonsun-gu, Suwon-si, Gyeonggi-do | 031) 246-0606 |
| Siji | (2 nd floor, Dongho Bldg.) 374-5, Sinmae-dong, Susung-gu, Daegu | 053) 793-8282 |
| Sindang | (2 nd floor, Shinyoung Bldg.) 150-1, Sindang 5(o)-dong, Jung-gu, Seoul | 02) 2254-4090 |
| Sinlim | (3 rd floor, Youngil Bldg.) 1422-35, Sinlim-dong, Gwanak-gu, Seoul | 02) 875-1851 |
| Sinbanpo | (3 rd floor, New Town Shopping) 58-24, Jamwon-dong, Seocho-gu, Seoul | 02) 533-1851 |
| Sinseoldong | (3 rd floor, Allianz Life Insurance Bldg.) 1383, Sungin-dong, Jungro-gu, Seoul | 02) 2232-7100 |
| Andong | (2 nd floor, Okdong Bldg.) 791-2, Ok-dong, Andong-si, Gyeongsangbuk-do | 054) 855-0606 |
| Ansan | (5 th floor, Wongsin Art Bldg.) 708, Gojan-dong, Danwon-gu, Ansan-si, Gyeonggi-do, | 031) 485-4481 |
| Apgujeong | (1 st floor, Gangnam Securities Bldg.) 612-1, Sinsa-dong, Gangnam-gu, Seoul | 02) 511-0005 |
| Apgujeong Royal | (3 rd floor, MJ Bldg.) 621-2, Sinsa-dong, Gangnam-gu, Seoul | 02) 547-0202 |

| | | |
|------------------|---|---------------|
| Apgujeong FC | (2 nd floor, Gaonix Sports Bldg.) 575, Sinsa-dong, Gangnam-gu, Seoul | 02) 541-5566 |
| Yoido | (2 nd floor, Goodmorning Shinhan Tower Annex) 24-4, Yoido-dong, Youngdungpo-gu, Seoul | 02) 3775-4270 |
| Yeochun | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 71-1, Hak-dong, Yeochun-si, Jeollanam-do | 061) 682-5262 |
| Yeonhuidong | (1 st floor, Eunhae Bldg.) 188-8, Yeonhui-dong, Seodaemun-gu, Seoul | 02) 3142-6363 |
| Youngdungpo | (3 rd floor, Shinhan Bank Bldg.) 68-3, Youngdungpodong 4(sa)-ga, Youngdungpo-gu, Seoul | 02) 2677-7711 |
| Sales Department | (1 st floor, Goodmorning Shinhan Tower), 23-2, Yoido-dong, Youngdungpo-gu, Seoul | 02) 3772-1200 |
| Olympic | (1 st and 2 nd floors, Daekyung Bldg.) 17-8, Ogeum-dong, Songpa-gu, Seoul | 02) 448-0707 |
| Ulsan | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 117-2, Dal-dong, Nam-gu, Ulsan | 052) 273-8700 |
| Ulsannam | (1 st and 2 nd floors, Sinjung Core Bldg.) 647-4, Sinjung-dong, Nam-gu, Ulsan | 052) 257-0777 |
| Yusung | (2 nd floor, Lucky Tower) 448-8, 9 Bongmyeong-dong, Yusung-gu, Daejun | 042) 823-8577 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|--|-------------------------|
| Uijeongbu | (2 nd floor, Shinhan Bank Bldg.) 176-22, Uijeongbu-dong, Uijeongbu-si, Gyeonggi-do | 031) 848-9100 |
| Ilsan | (2 nd floor, Heo Yu Jae s Clinic Bldg.) 780, Janghang-dong, Ilsan-gu, Goyang-si, Gyeonggi-do | 031) 907-3100 |
| Jeonju | (3 rd floor, Korea Industry Bank Bldg.) 103, Gyeongwondong i(il)-ga, Wansan-gu, Jeonju-si, Jeollabuk-do | 063) 286-9911 |
| Jungeup | (2 nd floor, formerly <i>Hangbok</i> Wedding Hall) 525-1, Susung-dong, Jungeup-si, Jeollabuk-do | 063) 531-0606 |
| Jungjadong | 2 nd floor, Bundang Clinic, 15-2 Jungja-dong, Bundang-gu, Sungnam-si, Gyeonggi-do | 031) 715-8600 |
| Jeju | (2 nd floor, Korea Specialty Contractor Financial Cooperative) 710-1, Nohyung-dong, Jeju-si, Jeju-do | 064) 743-9011 |
| Jukjeon | 3 rd floor, Daedeok Nuriettle B, 1808, Bojung-dong, Giheung-gu, Yongin-si, Gyeonggi-do | 031) 898-0011 |
| Jungbu | (2 nd floor, Ssangyong Bldg.) 24-1, Jeo-dong, Jung-gu, Seoul | 02) 2270-6500 |
| Changdong | (1 st and 2 nd floors, Sangsu Bldg.) 693, Ssangmun-dong, Dobong-gu, Seoul | 02) 995-0123 |
| Changwon | (2 nd floor, Cheil Life Insurance Allianz Bldg.) 75-3, Sangnam-dong, Changwon-si, Gyeongsangnam-do | 055) 285-5500 |
| Cheongju | (1 st floor, Nuri Tower) 1605, Yongam-dong, Sangdang-gu, Cheongju-si, Chungcheongbuk-do | 043) 296-5600 |
| Taepyeongro | Shinhan Bank Head Office basement, 120, Taepyeongro 2(i)-ga, Jung-gu, Seoul | 02) 757-0707 |
| Pyeongchon | (3 rd floor, Shinhan Bank Bldg.) 1046, Bumgye-dong, Anyang-si, Gyeonggi-do | 031) 381-8686 |
| Pyeongtek | (1 st floor, Samsung Life Insurance Bldg.) 32-2, Pyeongtek-dong, Pyeongtek-si, Gyeonggi-do | 031) 657-9010 |
| Hanam | (1 st floor, National Pension Bldg.) 1582-4, Wusan-dong, Gwangsan-gu, Gwangju | 062) 956-0707 |
| Haeundae | 2 nd floor, Wungsin Cineart Bldg., 1479-1, Jwa-dong, Haeundae-gu, Busan | 051) 701-2200 |

Jamsil Lotte Castle 2nd floor, Lotte Castle Gold, 7-18, Sincheon-dong, Songpa-gu, Seoul 02) 2143-0800**IX. Current Status of Target Company****A. Financial Status for Last Three Fiscal Years**

<Balance Sheets>

[Unit: KRW million]

| Accounting Period | 22nd Year, 1st Quarter (As of Mar. 30, 2007) | 21st Year (As of Dec. 31, 2006) | 20th Year (As of Dec. 31, 2005) | 19th Year (As of Dec. 31, 2004) |
|--------------------------|---|---|---|---|
| I. Total Assets | 9,868,373 | 9,656,007 | 9,089,587 | 8,217,358 |
| Cash and Due from Banks | 584,191 | 599,445 | 415,680 | 323,235 |
| Securities | 147,734 | 282,931 | 257,115 | 926,484 |
| Credit Card Assets | 6,007,158 | 5,979,022 | 4,431,255 | 4,318,288 |
| Loans | 261,053 | 495,023 | 877,245 | 712,603 |
| | 37 | | | |

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| Accounting Period | 22nd Year, 1st Quarter (As of Mar. 30, 2007) | 21st Year (As of Dec. 31, 2006) | 20th Year (As of Dec. 31, 2005) | 19th Year (As of Dec. 31, 2004) |
|--|---|---|---|---|
| Installment Finance Assets | 857,393 | 801,044 | 645,254 | 575,124 |
| Lease Assets | 624,843 | 575,585 | 346,720 | 129,817 |
| Trust Assets | 1,163,519 | 1,425,036 | 2,673,647 | 2,822,356 |
| Premises and Equipment | 50,064 | 53,320 | 55,875 | 65,847 |
| Other Assets | 1,087,568 | 476,423 | 577,368 | 667,933 |
| Allowance for possible loan losses | D915,150 | D1,031,823 | D1,190,571 | D2,324,328 |
| II. Liabilities | 5,985,568 | 6,635,437 | 7,283,063 | 8,787,106 |
| Borrowings | 4,593,428 | 5,230,237 | 6,134,513 | 7,773,230 |
| Other Liabilities | 1,392,139 | 1,405,201 | 1,148,550 | 1,013,876 |
| III. Total stockholders' equity | 3,882,805 | 3,020,570 | 1,806,524 | D569,748 |
| Capital Stock | 626,847 | 626,847 | 626,847 | 2,585,590 |
| Capital Surplus | 1,378,030 | 1,378,030 | 2,830,052 | 13,685 |
| Capital Adjustment | 3,149 | D188,202 | D190,674 | D324,199 |
| Accumulated other comprehensive income | 6,445 | 10,216 | D10,219 | D27,825 |
| Retained earnings | 1,868,335 | 1,193,679 | D1,449,481 | D2,816,999 |

[Unit: KRW million]

| Accounting Period | 22nd Year, 1st Quarter (As of Mar. 30, 2007) | 21st Year (As of Dec. 31, 2006) | 20th Year (As of Dec. 31, 2005) | 19th Year (As of Dec. 31, 2004) |
|----------------------------|---|---|---|---|
| Operating Revenues | 721,980 | 2,735,804 | 2,729,712 | 3,432,268 |
| Operating Expenses | 376,994 | 1,517,613 | 1,481,278 | 4,279,152 |
| Operating Income | 344,987 | 1,218,192 | 1,248,434 | -846,883 |
| (Non-Operating Revenues) | 505 | 5,183 | 142,557 | 166,893 |
| (Non-Operating Expenses) | 75 | 32,236 | 27,918 | 113,549 |
| Ordinary Income | 345,417 | 1,191,138 | 1,363,073 | -793,539 |
| (Extraordinary Gains) | 0 | 0 | 0 | 711,939 |
| (Extraordinary Losses) | 0 | 0 | 0 | 0 |
| Net Gains and Losses | 865,397 | 1,193,679 | 1,363,073 | -81,600 |
| Net Income per share (won) | 6,903 | 9,521 | 11,077 | -3,856 |
| Dividend per share (won) | 0 | 0 | 0 | 0 |
| Net Asset per share (won) | 30,971 | 24,093 | 14,410 | -1,102 |

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| | [Unit: KRW or shares] | | |
|----------------|-----------------------|---------------------|---------------------|
| Month | Highest Price | Lowest Price | Trade Volume |
| May, 2007 | 49,500 | 42,650 | 7,093,216 |
| April, 2007 | 44,350 | 42,100 | 2,667,937 |
| March, 2007 | 65,600 | 41,500 | 9,980,016 |
| February, 2007 | 63,100 | 61,200 | 6,536,438 |
| January, 2007 | 61,900 | 60,700 | 5,810,450 |
| December, 2006 | 62,200 | 58,600 | 3,006,504 |

X. Procedures of the Tender Offer**A. Method of Tender**

| | | |
|---------------------------|--------------------------------|---|
| Tender Offer Agent | Name | Good Morning Shinhan Securities, Co., Ltd. |
| | Location of Head Office | Youido-Dong 23-2, Youngdeungpo-Gu, Seoul, Korea |

Method of Tender 1. Tender Offers of LG Card registered common stocks may be made only through Tender Offer Agent, except for tax deductible or tax exempt savings account opened at other securities companies, during the Tender Offer Period (from June 14, 2007 to July 3, 2007; a period of 20 days). Please bear in mind that tender applications must be received by no later than 3:30 p.m. (Korea time) on the expiration date of the Tender Offer Period (July 3, 2007).

v Tenders may be made in person or via telephone, provided that tenders via telephone are not available to Shareholders tendering through tax deductible or tax exempt savings account opened at a securities company other than the Tender Offer Agent. Tenders may not be made via fax or Internet.

< Tender in Person >

| | | |
|------------------------|---|--|
| Shareholders | Holding an account at the Tender Offer Agent | Holding an account at a securities company other than the Tender Offer Agent or registered in the Registry of Shareholders |
| Trading Account | <p><1> A Shareholder holding a trading account at the Tender Offer Agent must confirm that its LG Card shares are deposited in its trading account.</p> <p><2> A Shareholder holding a trading account at a securities company other than the Tender Offer Agent or registered in the Registry of Shareholders must open a trading account at the Tender Offer Agent and either transfer or directly deposit its LG Card shares into the trading account before tendering such LG Card shares.</p> <p><3> Tendering Shareholders must bring identity confirmation documents to Tender Offer Agent's office; complete and submit a tender application form available at the office, and obtain written confirmation of tender.</p> | |

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| | | |
|---|--|--|
| Tax Deductible/ Exempt Savings Account | <p><1> A Shareholder holding a tax deductible or tax exempt savings account at the Tender Offer Agent must confirm that its LG Card shares are deposited in such account.</p> <p><2> Tendering Shareholders must complete and submit a tender application form available at Tender Offer Agent's office and obtain written confirmation of tender.</p> | <p>A Shareholder holding a tax deductible or tax exempt account at a securities company other than the Tender Offer Agent must inform such securities company of its intent to tender its LG Card shares. On the expiration date of the Tender Offer Period, such securities company must (i) collect details of all such requests and (ii) tender and submit the tender applications and a summary of tender status of each tendering Shareholders to the Tender Offer Agent.</p> |
|---|--|--|

<Tender via Telephone>

| | | |
|----------------------------|---|---|
| Shareholders | <p>Holding an account at the Tender Offer Agent</p> | <p>Holding an account at a securities company other than the Tender Offer Agent or registered in the Registry of Shareholders</p> |
| Trading Account | <p><1> A Shareholder holding a trading account at the Tender Offer Agent must confirm that its LG Card shares are deposited in its trading account.</p> <p><2> A Shareholder holding a trading account at a securities company other than the Tender Offer Agent or registered in the Registry of Shareholders must open a trading account at the Tender Offer Agent and either transfer or directly deposit its LG Card shares into the trading account before tendering such LG Card shares.</p> <p><3> Tendering Shareholders must contact Tender Offer Agent's office or Call Center (Tel. No. 1588-0365) and follow the instructions.</p> <p><4> Throughout the tender procedure, a Shareholder must provide its account number, resident registration number and the number of LG Card shares held for the purpose of identity confirmation and deposit verification.</p> | |

| | | |
|---|--|---|
| Tax Deductible/ Exempt Savings Account | <p><1> A Shareholder holding a tax deductible or tax exempt savings account at the Tender Offer Agent must confirm that its LG Card shares are deposited in such account.</p> <p><2> Tendering Shareholders must contact Tender Offer Agent's office or Call Center (Tel. No. 1588-0365) and follow the instructions.</p> <p><3> Throughout the tender procedure, a Shareholder must provide its account</p> | <p>Tender via telephone is not available.</p> |
|---|--|---|

number, resident registration number and the number of LG Card shares held for the purpose of identity confirmation and deposit verification.

2. Once LG Card shares are tendered and transferred to an account at the Tender Offer Agent or to a tax deductible or tax exempt savings account at a securities company other than the Tender Offer Agent, such LG Card shares may not be withdrawn from the account unless (i) the Tender Offeror withdraws the Tender Offer pursuant to Article 12-7 of the Enforcement Decree of the SEA or (ii) the relevant tendering Shareholder cancels its tender.

3. <1> In the case of a non-resident Shareholder (including foreign corporations), applicable law may require the Tender Offer Agent to withhold certain capital gains taxes and applicable surtaxes, unless (i) applicable tax treaties exempt the Shareholder from such withholdings and (ii) all actions necessary for such exemptions to be available have been taken by the Shareholder.

<2> In case of non-resident Shareholders (including foreign corporations) eligible for exemption from capital gains taxes and any applicable surtaxes, such Shareholder must submit, at the time of Tender Offer: (i) an application for tax-exemption on non-resident s Korean

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source income provided under the Tax Treaty and (ii) any other documents supporting the acquisition costs (if applicable). The burden of proof in respect of the eligibility for exemption from withholding taxes under the Tax Treaty or the authenticity of any supporting documents lies on the relevant Shareholders, and the Tender Offer Agent who is obligated to withhold such taxes may refuse to apply the exemption if the relevant Shareholder refuses to fulfill the burden.

| Place for Filing Application | Branch Office | Location |
|-------------------------------------|---|---|
| | Head office and branch offices of Good Morning Shinhan Securities Company Co., Ltd. | Head office: Youido-Dong 23-2, Youngdungpo-Gu, Seoul Branch offices: See Part VIII, Section C above. |

B. Method of Withdrawing Tender by Shareholder

- (i) Any Shareholder who has tendered its LG Card shares may withdraw such tender, in whole or in part, at any time prior to the end of the Tender Offer Period. In the event a Shareholder withdraws its tender, such Shareholder will not be liable to Tender Offeror for any compensatory or liquidated damages.
- (ii) Tenders may be withdrawn by no later than 3:30 p.m. (Korea time) on the expiration date of the Tender Offer Period (July 3, 2007).
- (iii) If any Shareholder wishes to withdraw its tender, such Shareholder may do so either in person or via telephone, provided that withdrawal via telephone is not available to a Shareholder holding a tax deductible or tax exempt savings account at a securities company other than the Tender Offer Agent. Withdrawals may not be made via fax or Internet.

<Procedures for Withdrawal>

For a Shareholder that Tendered its LG Shares Through the Tender Offer Agent

- <1> The Shareholder may withdraw its tender in person or via telephone.
- <2> If a Shareholder wishes to withdraw its tender in person, the Shareholder must visit the branch office of the Tender Offer Agent that previously received the Shareholder's tender, submit identity confirmation documents and the written confirmation of tender obtained at the time of tender, and complete and submit to the office a statement of withdrawal form in exchange for a written confirmation of withdrawal.
- <3> If a Shareholder wishes to withdraw its tender via telephone, the Shareholder must contact the branch office of the Tender Offer Agent that previously received the Shareholder's tender, or the Call Center (at 1588-0365), and follow the instructions. Throughout the withdrawal procedures, the Shareholder must provide its account number, resident registration number and the number of LG Card shares held for the purpose of identity confirmation and tender status verification.

For a Shareholder that Tendered its LG Shares through a Securities Company Other than the Tender Offer Agent

- <1> The Shareholder may withdraw its tender through the relevant securities company.
- <2> Withdrawals via telephone is not available to a Shareholder who wishes to withdraw its tender through a securities company other than the Tender Offer Agent. The Shareholder must visit the branch office of securities company that previously received the Shareholder's tender, submit identity confirmation documents and the written confirmation of tender obtained at the time of tender, and complete a statement of withdrawal form in

exchange for a written confirmation of withdrawal.

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- (iv) If any Shareholder withdraws its tender, the prohibition on withdrawal of LG Card shares deposited into the account established for the Tender Offer must be lifted without delay with respect to such withdrawn LG Card shares on the date such tender withdrawal application is submitted.

C. Method of Purchasing Tendered Shares

Prior to the commencement of the Tender Offer Period, Tender Offeror opened an account in its own name for the purpose of offering tenders at the Tender Offer Agent, Sales Department II, Good Morning Shinhan Securities (account no.: 080-01-101893; holder of account: Shinhan Financial Group Co., Ltd.).

If, on the Settlement Date (July 6, 2007), the total number of tendered LG Card shares is less than the Target Number of Shares, Tender Offeror will purchase all tendered shares and if the total number of tendered LG Card shares exceeds the Target Number of Shares, Tender Offeror is to purchase such shares on a pro-rated basis in accordance with the rules of allocation (*see* below). In respect of any LG Card shares not purchased in excess of the Target Number of Shares, the prohibition on withdrawal of such shares will be lifted on the Settlement Date.

<Rules of Allocation>

If the total number of tendered LG Card shares exceeds the Target Number of Shares, the Target Number of Shares will first be allocated in proportion to the shareholders' respective ratios of their shares to the total number of tendered shares, with any number of allocated shares that is less than a share (a decimal point) being written off. Any such remaining number of shares will then be allocated in accordance with the decimal points of the shares from the greatest to the smallest, repeatedly until there is no remaining share.

D. Method of Amendment of Terms of the Tender Offer and Withdrawal of the Tender Offer

- (i) Tender Offeror may amend the terms and conditions of the Tender Offer at any time on or prior to the expiration date of the Tender offer Period by filing a written amendment to this Tender Offer Circular. However, as provided under Article 23-2(1) of the SEA and Article 12-6 of the Enforcement Decree thereof, Tender Offeror may not amend the terms and conditions of the Tender Offer if the amendment would do any of the following: (i) lower the Tender Offer Price; (ii) reduce the Target Number of Shares; (iii) extend the date for payment of the Tender Offer Purchase Price; (iv) shorten the Tender Offer Period; (v) change the type of consideration to be given to tendering Shareholders (except by adding an additional type of consideration from which Shareholders can select); or (vi) engage in an act that would otherwise result in unfavorable terms or conditions to tendering Shareholders as prescribed by the FSC.
- (ii) Tender Offeror may not withdraw the Tender Offer on or after the date of public notice of the Tender Offer, provided that Tender Offeror may withdraw the Tender Offer if a basis for withdrawal prescribed under Article 12-7 of the Enforcement Decree of the SEA arises at any time on or prior to the expiration of the Tender Offer Period. However, Tender Offeror will not withdraw the Tender Offer even if a competing tender offer is launched by a third party. If the Tender Offer is withdrawn, public notice of such withdrawal, including an

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explanation of the basis for withdrawal, will be provided in two daily newspapers in Korea, namely the Maeil Business Newspaper and the Korea Economic Daily.

<Exceptional Grounds for Withdrawal of Tender Offer under Article 12-7 of the Enforcement Decree of the SEA>

1. Launch by a third party of a competing tender offer;
 2. Death, dissolution or bankruptcy of, or the dishonoring of any note or check issued by, Tender Offeror, or any other material calamity that could not be expected at the time of filing of this Tender Offer Circular, as prescribed by the FSC; and
 3. Merger or transfer of a material part of the business of the Target Company (where a transfer of business means one described in any paragraph of Article 84-8(1) of the Enforcement Decree of the SEA), dissolution or bankruptcy of the Target Company or the dishonoring of any note or check issued by the Target Company, delisting of the LG Card shares from the Korea Exchange, or any other material calamity that could not have been expected at the time of filing of this Tender Offer Circular, as prescribed by the FSC.
- (iii) If Tender Offeror withdraws the Tender Offer after the commencement of the Tender Offer Period, the prohibition on withdrawal of LG Card shares deposited into the account established for the Tender Offer will be lifted without delay on the date of such withdrawal.

E. Notice of Purchase

Following the expiration of the Tender Offer Period, the Tender Offer Agent will send a Notice of Purchase without delay to the address specified in the tender application of each Shareholder.

XI. Source of Funding**A. Source of Funds Necessary for the Tender Offer**

| | | | | [Unit: KRW] |
|---|---------------------------------|-----------|-----------------|-----------------|
| Amount of Funds Necessary for the Tender Offer | Tender Offer Purchase Price (A) | | | 830,049,468,144 |
| | Transaction Costs (B) | | | 415,000,000 |
| | Miscellaneous (C) | | | 40,000,000 |
| | Total (A+B+C) | | | 830,504,468,144 |
| Source of the Tender Offer Funds | Own Funds (A) | | | 600,000,000 |
| | Loans (B) | Lender | Amount | Remarks |
| | | See below | 830,000,000,000 | |
| | Others (C) | | | |
| | Total (A+B+C) | | | 830,600,000,000 |

Note 1) The miscellaneous amounts include the costs of notices to be given in newspapers and those incurred in the preparation and dispatch of mailing materials, and are subject to change.

Note 2) Tender Offeror has raised its own funds in order to effectuate the acquisition of LG Card shares, as detailed below:

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[Unit: KRW]

| | Category | Amount | Remarks |
|---------------|----------------------------------|------------------------|---------|
| Own Funds (A) | | 600,000,000 | |
| Loans | Publicly Offered Corporate Bonds | 500,000,000,000 | |
| | Corporate Commercial Papers | 330,000,000,000 | |
| | Total | 830,600,000,000 | |

B. Securities to be Exchanged Through the Tender Offer**1. Type and Number of Securities to be Exchanged: N/A****2. Relation between Tender Offeror and Company Issuing Securities to be Exchanged: N/A****3. Information on Issuer of Securities to be Exchanged Through the Tender Offer: N/A****XII. Tender Offeror and Its Specially-Related Persons' Share Ownership Status and Transaction History of Target Company's Shares for Past One Year****A. Share Ownership Status**

| | No. of Shares Currently Held | No. of Shares Subject to Tender Offer | No. of Shares to Be Held Post-Tender Offer | Remarks |
|-----------------------|---------------------------------|--|---|---------|
| Tender Offeror | 98,517,316 (78.6%) | 17,892,082 (14.3%) | 116,409,398 (92.9%) | |
| Shinhan Bank | 8,960,005 (7.1%) | | 8,960,005 (7.1%) | |
| Total | 107,477,321 (85.7%) | 17,892,082 (14.3%) | 125,369,403 (100.0%) | |

Note 1) The number of shares to be held post-Tender Offer is provided upon the assumption that the Target Number of Shares (17,892,082 shares) is purchased in full.

Note 2) No specially-related person of Tender Offeror other than Shinhan Bank Co., Ltd. owns LG Card shares.

Note 3) The shareholding ratios exclude stock options for 250,000 shares granted by the Target Company. Upon exercise of these stocks options, LG Card may either give treasury shares or pay the difference between the exercise price and the market price in cash or in treasury shares.

B. Share Transaction History: N/A

| Name | Relationship | Share Type | Last Changed Date | Change Before | After | Method | Price per share |
|-------------------------------|-------------------|---|-------------------------|------------------|----------------------|-----------------|-----------------------|
| Shinhan Financial Group | Tender Offeror | Registered common share of LG Card | Mar. 23, 2007 | | 98,517,316 shares | Tender Offer | 67,770 won |

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XIII. Agreements Between Tender Offeror and Officers/Major Shareholders of Target Company

1. Because SFG is the largest shareholder of LG Card, prior consultation with the largest shareholder of the target company has no relevance.
2. SFG informed LG Card and its officers in advance of the purpose, rationale and scope of the Tender Offer, that they, as its specially related persons, are prohibited under Article 23(2) of the SEA to purchase the target shares by means other than a tender offer from the date on which tender offer is permitted pursuant to paragraph (1) to the date on which period of tender offer expires, and of the possibility of punishment and sanctions under the applicable laws and regulations for any violation thereof.
3. The Tender Offer is led by SFG and any related decisions were made under the leadership of the responsible and related officers and employees.

XIV. Future Plans Regarding Target Company After the Tender Offer

SFG, the Tender Offeror, has incorporated securities, credit card, invest trust, capital, insurance and other companies as its subsidiaries to equip itself to become a total financial group covering all financial sectors. Cross-sale of various funds and FNA securities savings deposits among its subsidiaries is in full swing, and SFG is concentrating on developing mixed or linked products involving insurance and credit card. The recent completion of the group-wide database has speeded up database-based marketing activities.

Following the Tender Offer and the subsequent all-inclusive stock swap, LG Card will become a wholly owned subsidiary of SFG and Shinhan Card will be incorporated through the proposed business transfer into the largest single credit card company in Korea. In this regard, each SFG and LG Card decided by BOD resolutions on May 28, 2007 to effect the stock swap and the business transfer to LG Card, each of which is now being undertaken.

In parallel with the plans to strengthen LG Card's competitiveness through the stock swap and the business transfer, SFG plans to combine LG Card's strength with SFG's outstanding management systems, including refined risk management and customer analysis systems. These efforts will increase LG Card's own income generating capability and maximize synergy through mutually linked sales activities between LG Card and banking, securities, insurance and other existing subsidiaries of SFG based on LG Card's customer base (e.g. the sale to LG Card's customers of products of the existing subsidiaries and the sale to the existing subsidiaries' customers of LG Card's products). As explained above, Tender Offeror will enhance LG Card's competitiveness and, by integrating LG Card into SFG, improve the non-banking sectors within SFG so that, at the end, SFG and LG Card can become the leader in the Korean financial market.

Table of Contents**XV. Particulars on Intermediary of the Tender Offer (if any)****A. Name:** N/A**B. Location of Head Office:** N/A**C. Objectives and Businesses:** N/A**D. Relation to Tender Offeror:** N/A**XVI. Place Where the Tender Offer Circular and Tender Offer Documents will be Publicly Available****A. Tender Offer Circular***Electronic Version:*Korean Financial Supervisory Services Website: <http://dart.fss.or.kr>Korea Exchange Website: <http://krx.or.kr>**B. Tender Offer Documents***Electronic Version:*Korean Financial Supervisory Services Website: <http://dart.fss.or.kr>Korea Exchange Website: <http://krx.or.kr>*Written Version (English):*

Head Office / Branch Offices of Tender Offer Agent

Head Office: Youido-Dong 23-2, Youngdungpo-Gu, Seoul, Korea

Tel. no: (02) 3772-1000

Customer Support Center: 1588-0365

Branch Offices: Listed below (Note: the telephone country code is 82)

| Name of Branch | Address | Telephone Number |
|-----------------------|--|-------------------------|
| Gangnam | (2 nd and 3 rd floors, Seonleung Bldg.) 702-28 Yoksam-dong, Gangnam-gu, Seoul | 02) 538-0707 |
| Gangnam Jungang | (2 nd floor, Shindeok Bldg.) 1329-7, Seocho-dong, Seocho-gu, Seoul | 02) 6354-5300 |
| Gangneung | (2 nd floor, Donga Bldg.) 114-2, Imdang-dong, Gangneung-si, Gangwon-do | 032) 642-1777 |
| Gyeyang | (4 th floor, Younghwa Bldg.) 863-3 Jakjeon-dong, Gyeyang-gu, Incheon | 032) 553-2772 |
| Gwanak | (2 nd floor, Namgyeongdo Bldg.) 853-1, Bongcheon 7(chil)-dong, Gwanak-gu, Seoul | 02) 887-0809 |
| Gwangju | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 30, Keumnamro 2(i)-ga, Dong-gu, Gwangju | 062) 232-0707 |
| Gwanghwamun | 3 rd floor, King's Garden Complex 4, 73 Naesu-dong, Jongno-gu, Seoul, | 02) 732-0770 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|---|-------------------------|
| Guro | (3 rd floor, New World Bldg.) 103-12 Guro 5(o)-dong, Guro-gu, Seoul | 02) 857-8600 |
| Gumi | (1 st floor, Goodmorning Shinhan Securities Bldg.) 56, Songjeong-dong, Gumi-si, Gyeongsangbuk-do | 054) 451-0707 |
| Guwoldong | 2 nd floor, Shinhan Bank Guwoldong Branch, 1199-13, Guwol-dong, Namdong-gu, Incheon | 032) 464-0707 |
| Gunsan | (2 nd floor, Goodmorning Shinhan Securities Bldg.) 15-8, Jungangno 2(i)-ga, Gunsan-si, Jeollabuk-do | 063) 442-9171 |
| Geumjeong | (2 nd floor, Haegang Bldg.) 184-3, Guseo 2(i)-dong, Geumjeong-gu, Busan | 051) 516-8222 |
| Nonhyeon | (1 st floor, Daeyong Bldg.) 90, Nonhyeon-dong, Gangnam-gu, Seoul | 02) 518-2222 |
| Dapsimni | (2 nd floor, Gyeongwon Bldg.) 496-4, Dapsimni-dong, Dongdaemun-gu, Seoul | 02) 2217-2114 |
| Daegu | (3 rd and 4 th floors, Shinhan Bank Bldg.) 34-16, Bongsan-dong, Jung-gu, Daegu | 053) 423-7700 |
| Daegudong | (3 rd floor, Woojin Bldg.) 593-15, Shinam 1(il)-dong, Dong-gu, Daegu | 053) 944-0707 |
| Daeguseo | (4 th floor, Wolgok Bldg.) 1511, Sangin-dong, Dalseo-gu, Daegu | 053) 642-0606 |
| Daejeon | (2 nd floor, Socheong Bldg.) 5-2 Seonhwa-dong, Jung-gu, Daejeon | 042) 255-9131 |
| Dogok | (3 rd floor, Jae Neung Education Bldg.) 464, Dogok-dong, Gangnam-gu, Seoul | 02)2057-0707 |
| Dogok Jungang | (2 nd floor, Hansol Phillia) 755, Yoksam-dong, Gangnam-gu, Seoul | 02) 554-6556 |
| Dong Gwangyang | (2 nd floor, Goodmorning Shinhan Securities Bldg.) 1647-7, Jung-dong, Gwangyang-si, Jeollanam-do | 061) 791-8020 |
| Dongducheon | (3 rd floor, Samsung Core Bldg.) 601-63, Saengyeon-dong, Dongducheon-si, Gyeonggi-do | 031) 862-1851 |
| Dongrae | (2 nd floor, Rosesty Bldg.) 1491-1, Geojae 1(il)-dong, Yeonjae-gu, Busan | 051) 505-6400 |
| Dunsan | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 1173, Dunsan-dong, Seo-gu, Daejeon | 042) 484-9090 |

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| | | |
|-----------------|---|---------------|
| Masan | (2 nd floor, Songha Bldg.) 268, Hapseong 2(i)-dong, Masan-si, Hoewon-gu, Gyeongsangnam-do | 055) 297-2277 |
| Mapo | 2 nd and 3 rd floors, Local Finance Bldg., 253-42, Gongdeok-dong, Mapo-gu, Seoul | 02) 718-0900 |
| Myeongdong | (4 th floor, Shinhan Bank Myeongdong Jungang Branch) 53-1, Myeongdong 1(il)-ga, Jung-gu, Seoul | 02) 752-6655 |
| Mokdong | (1 st floor, Gisan Bldg.) 406-28, Mok 1(il)-dong, Yangcheon-gu, Seoul | 02)2653-0844 |
| Mokdong Jungang | 1st floor, Buyoung Green Town 3-cha, 908-34, Mok 6(yuk)-dong, Yangcheon-gu, Seoul | 02)2649-0101 |
| Miryang | (2 nd floor, Hueam Bldg.) 701-7, Naei-dong, Miryang-si, Gyeongsangnam-do | 055) 355-7707 |
| Bangbaedong | (3 rd floor, Shinhan Bank Bangbaedong Jungang Branch) 898-5, Bangbae-dong, Seocho-gu, Seoul | 02) 533-0202 |
| Busan | (3 rd floor, Dongyang Bldg.) 4, Donggwang-dong 2(i)-ga, Jung-gu, Busan | 051) 243-0707 |
| Sanbon | (3 rd floor ,Shinhan Bank Sanbon Jungang Branch) 1144, Sanbon-dong, Gunpo-si, Gyeonggi-do | 031) 392-1141 |
| Samsungyeok | (3 rd floor, Saemyeong Bldg.) 945-2, Daechi-dong, Gangnam-gu, Seoul | 02) 563-3770 |
| Sampung | (2 nd floor, Nara Bldg.) 1696-14, Seocho-dong, Seocho-gu, Seoul | 02) 3477-4567 |
| Sanggyedong | (2 nd floor, Dongbang Reports Bldg.) 734-5, Sanggye 6(yuk)-dong, Nowon-gu, Seoul | 02) 937-0707 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|--|-------------------------|
| Sangdodong | (2 nd floor, Sungdae Shopping) 324-1, Sangdo-dong, Dongjak-gu, Seoul | 02) 820-2000 |
| Seogyodong | (3 rd floor, Seogyo Tower) 353-1, Seogyo-dong, Mapo-gu, Seoul | 02) 335-6600 |
| Seogwipo | (3 rd floor, Wonbok Bldg.) 286-32, Seogwi-dong, Seogwipo-si, Jeju-do | 064) 732-3377 |
| Seomyeon | (4 th floor, Cheil Bank Bldg.) 163-1, Bujeon 2(i)-dong, Busanjin-gu, Busan | 051) 818-0100 |
| Songpa | (2 nd floor, LG Twin Regency Munjungdong Bldg.) 150-2, Munjung-dong, Songpa-gu, Seoul | 02) 449-0808 |
| Sunaeyeok | (3 rd floor, Hungkuk Life Insurance Bldg.) 6-7, Sunae-dong, Sungnam-si, Gyeonggi-do | 031) 712-0109 |
| Suwon | (2 nd floor, Yaesin Bldg.) 1023-1, Kwonsun-dong, Kwonsun-gu, Suwon-si, Gyeonggi-do | 031) 246-0606 |
| Siji | (2 nd floor, Dongho Bldg.) 374-5, Sinmae-dong, Susung-gu, Daegu | 053) 793-8282 |
| Sindang | (2 nd floor, Shinyoung Bldg.) 150-1, Sindang 5(o)-dong, Jung-gu, Seoul | 02) 2254-4090 |
| Sinlim | (3 rd floor, Youngil Bldg.) 1422-35, Sinlim-dong, Gwanak-gu, Seoul | 02) 875-1851 |
| Sinbanpo | (3 rd floor, New Town Shopping) 58-24, Jamwon-dong, Seocho-gu, Seoul | 02) 533-1851 |
| Sinseoldong | (3 rd floor, Allianz Life Insurance Bldg.) 1383, Sungin-dong, Jungro-gu, Seoul | 02) 2232-7100 |
| Andong | (2 nd floor, Okdong Bldg.) 791-2, Ok-dong, Andong-si, Gyeongsangbuk-do | 054) 855-0606 |
| Ansan | (5 th floor, Wongsin Art Bldg.) 708, Gojan-dong, Danwon-gu, Ansan-si, Gyeonggi-do, | 031) 485-4481 |
| Apgujeong | (1 st floor, Gangnam Securities Bldg.) 612-1, Sinsa-dong, Gangnam-gu, Seoul | 02) 511-0005 |
| Apgujeong Royal | (3 rd floor, MJ Bldg.) 621-2, Sinsa-dong, Gangnam-gu, Seoul | 02) 547-0202 |
| Apgujeong FC | (2 nd floor, Gaonix Sports Bldg.) 575, Sinsa-dong, Gangnam-gu, Seoul | 02) 541-5566 |

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| | | |
|------------------|---|---------------|
| Yoido | (2 nd floor, Goodmorning Shinhan Tower Annex) 24-4, Yoido-dong, Youngdungpo-gu, Seoul | 02) 3775-4270 |
| Yeochun | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 71-1, Hak-dong, Yeochun-si, Jeollanam-do | 061) 682-5262 |
| Yeonhuidong | (1 st floor, Eunhae Bldg.) 188-8, Yeonhui-dong, Seodaemun-gu, Seoul | 02) 3142-6363 |
| Youngdungpo | (3 rd floor, Shinhan Bank Bldg.) 68-3, Youngdungpodong 4(sa)-ga, Youngdungpo-gu, Seoul | 02) 2677-7711 |
| Sales Department | (1 st floor, Goodmorning Shinhan Tower), 23-2, Yoido-dong, Youngdungpo-gu, Seoul | 02) 3772-1200 |
| Olympic | (1 st and 2 nd floors, Daekyung Bldg.) 17-8, Ogeum-dong, Songpa-gu, Seoul | 02) 448-0707 |
| Ulsan | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 117-2, Dal-dong, Nam-gu, Ulsan | 052) 273-8700 |
| Ulsannam | (1 st and 2 nd floors, Sinjung Core Bldg.) 647-4, Sinjung-dong, Nam-gu, Ulsan | 052) 257-0777 |
| Yusung | (2 nd floor, Lucky Tower) 448-8, 9 Bongmyeong-dong, Yusung-gu, Daejun | 042) 823-8577 |
| Uiyeongbu | (2 nd floor, Shinhan Bank Bldg.) 176-22, Uiyeongbu-dong, Uiyeongbu-si, Gyeonggi-do | 031) 848-9100 |
| Ilsan | (2 nd floor, Heo Yu Jae s Clinic Bldg.) 780, Janghang-dong, Ilsan-gu, Goyang-si, Gyeonggi-do | 031) 907-3100 |
| Jeonju | (3 rd floor, Korea Industry Bank Bldg.) 103, Gyeongwondong i(il)- | 063) 286-9911 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|---|-------------------------|
| | ga, Wansan-gu, Jeonju-si, Jeollabuk-do | |
| Jungeup | (2 nd floor, formerly <i>Hangbok</i> Wedding Hall) 525-1, Susung-dong, Jungeup-si, Jeollabuk-do | 063) 531-0606 |
| Jungjadong | 2 nd floor, Bundang Clinic, 15-2 Jungja-dong, Bundang-gu, Sungnam-si, Gyeonggi-do | 031) 715-8600 |
| Jeju | (2 nd floor, Korea Specialty Contractor Financial Cooperative) 710-1, Nohyung-dong, Jeju-si, Jeju-do | 064) 743-9011 |
| Jukjeon | 3 rd floor, Daedeok Nuriettle B, 1808, Bojung-dong, Giheung-gu, Yongin-si, Gyeonggi-do | 031) 898-0011 |
| Jungbu | (2 nd floor, Ssangyong Bldg.) 24-1, Jeo-dong, Jung-gu, Seoul | 02) 2270-6500 |
| Changdong | (1 st and 2 nd floors, Sangsu Bldg.) 693, Ssangmun-dong, Dobong-gu, Seoul | 02) 995-0123 |
| Changwon | (2 nd floor, Checil Life Insurance Allianz Bldg.) 75-3, Sangnam-dong, Changwon-si, Gyeongsangnam-do | 055) 285-5500 |
| Cheongju | (1 st floor, Nuri Tower) 1605, Yongam-dong, Sangdang-gu, Cheongju-si, Chungcheongbuk-do | 043) 296-5600 |
| Taepyongro | Shinhan Bank Head Office basement, 120, Taepyongro 2(i)-ga, Jung-gu, Seoul | 02) 757-0707 |
| Pyeongchon | (3 rd floor, Shinhan Bank Bldg.) 1046, Bumgye-dong, Anyang-si, Gyeonggi-do | 031) 381-8686 |
| Pyeongtek | (1 st floor, Samsung Life Insurance Bldg.) 32-2, Pyeongtek-dong, Pyeongtek-si, Gyeonggi-do | 031) 657-9010 |
| Hanam | (1 st floor, National Pension Bldg.) 1582-4, Wusan-dong, Gwangsan-gu, Gwangju | 062) 956-0707 |
| Haeundae | 2 nd floor, Wungsin Cineart Bldg., 1479-1, Jwa-dong, Haeundae-gu, Busan | 051) 701-2200 |
| Jamsil Lotte Castle | 2 nd floor, Lotte Castle Gold, 7-18, Sincheon-dong, Songpa-gu, Seoul | 02) 2143-0800 |

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[Date]

To [Title of Account],

Name: Shinhan Financial Group Co., Ltd.
 Address: Taepyongro 2-Ga 120, Joong-Gu, Seoul, Korea
 Telephone: (02) 6360-3000

1. Purchase

| Type of Share Certificates, etc. | Total Number of Tendered Shares Certificates, etc. | Total Number of Share Certificates, etc. Expected to be Purchased | Total Number of Returned Shares, etc. |
|----------------------------------|--|---|---------------------------------------|
|----------------------------------|--|---|---------------------------------------|

2. Share Certificates Expected to be Purchased or Returned

| Share Certificates, etc. expected to be Purchased | Type of Tendered Shares Certificates, etc. | No. of Tendered Shares Certificates, etc. | No. of Share Certificates, etc. Expected to be Purchased | Purchase Price per Share | Purchase Price Exchange | Purchase Securities Transaction Taxes |
|---|--|---|--|--------------------------|-------------------------|---------------------------------------|
|---|--|---|--|--------------------------|-------------------------|---------------------------------------|

Calculation (Number of Shares Expected to be Purchased) x (Purchase Price per Share) (with 5% securities transaction tax deducted)

Returned Shares, etc. Type of Share, etc. No. of Share, etc. Return Methods

3. Settlement

| | | |
|--|-----------------------------|--|
| Tender Offer Agent (Securities Company in Charge of Settlement) | Name | Good Morning Shinhan Securities Co., Ltd. |
| | Principal Place of Business | Youido-Dong 23-2, Youngdungpo-Gu, Seoul, Korea |

Settlement Date

July 6, 2007

Settlement Method

<1> Following the expiration of the Tender Offer Period, a Notice of Purchase will be sent without delay by the Tender Offer Agent to the address specified in the tender application of each shareholder who has validly tendered LG Card shares (each, a Shareholder).

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<2> The Tender Offer Purchase Price will be transferred to the account with the Tender Offer Agent designated by each Shareholder, provided that the securities transaction tax at the rate of 0.5% and any other applicable tax will be deducted or withheld therefrom prior to each such transfer. In the case of a non-resident Shareholder (including foreign corporations), applicable law may require the Tender Offer Agent to withhold certain capital gains taxes and applicable surtaxes, unless (i) applicable tax treaties exempt the Shareholder from such withholdings and (ii) all actions necessary for such exemptions to be available have been taken by the Shareholder.

* The burden of proof in respect of the eligibility for exemption from withholding taxes under the Tax Treaty or the authenticity of any supporting documents lies on the relevant Shareholders, and the Tender Offer Agent who is obligated to withhold such taxes may refuse to apply the exemption if the relevant Shareholder refuses to fulfill the burden.

<3> If the total number of tendered LG Card shares exceeds the Target Number of Shares, Tender Offeror is to purchase such shares on a pro-rated basis in accordance with the rules of allocation (*see* below). In respect of any LG Card shares not purchased in excess of the Target Number of Shares, the prohibition on withdrawal of such shares will be lifted on the Settlement Date.

<4> LG Card shares validly tendered through the Tender Offer will be transferred from the account of each Shareholder to the account of Tender Offeror on the Settlement Date:

* Tender Offer Account:

Office where the account is opened: Sales Department II, Good Morning Shinhan Securities Co., Ltd.

Account No.: 080-01-101893

Holder of Account: Shinhan Financial Group Co., Ltd.

| Settlement Place | Branch Office | Location |
|-------------------------|---|---|
| | | <i>Head office:</i> |
| | Head office and branch offices of Good Morning Shinhan Securities Co., Ltd. | Youido-Dong 23-2, Youngdeunpo-Gu, Seoul |
| | | <i>Branch offices:</i> |
| | | Refer to VIII. 3 |

<Rules of Allocation>

If the total number of tendered LG Card shares exceeds the Target Number of Shares, the Target Number of Shares will first be allocated in proportion to the shareholders' respective ratios of their shares to the total number of tendered shares, with any number of allocated shares that is less than a share (a decimal point) being written off. Any such remaining number of shares will then be allocated in accordance with the decimal points of the shares from the greatest to the smallest, repeatedly until there is no remaining share.

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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 : June 12, 2007