

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

August 25, 2005

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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 August 2005

SHINHAN FINANCIAL GROUP CO., LTD.

(Translation of registrant's name into English)

120, 2-Ga, Taepyung-Ro, Jung-Gu, Seoul 100-102, Korea

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will
file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation
S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation
S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the
information contained in this form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the
registrant in connection with Rule 12g3-2(b): 82-_____.

Summary of 2005 1H Business Report

On August 16, 2005, Shinhan Financial Group (SFG) filed the 2005 1st half business report (the Business Report) with the Financial Supervisory Service of the Republic of Korea (Korea) pursuant to the Securities and Exchange Act of Korea. This is the summary of the Business Report translated into English. Non-material or previously disclosed information are omitted or abridged.

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

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EX-99.1 INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Exhibit 99- 1. Independent Accountant's Review Report (Non Consolidated Financial Statements)

Table of Contents**1. Introduction of the Group****Change of President & Chief Executive Officer**

On May 17, 2005, Shinhan Financial Group announced that Mr. In-Ho Lee has been appointed as new President & Chief Executive Officer by the Board of Directors. Mr. Lee has been a founding member of Shinhan Bank with seasoned experiences such as General Manager of Treasury Department, General Manager of Operation Department, Senior Executive Director, and Deputy President before becoming the President and CEO of Shinhan Bank during 1999 and 2003.

Principal Subsidiaries under Korean Law as of June 30, 2005***Direct Subsidiaries***

Subsidiaries	Ownerships by SFG
Shinhan Bank	100.0%
Chohung Bank	100.0%
Good Morning Shinhan Securities 1)	100.0%
Shinhan Card	100.0%
Shinhan Capital	100.0%
Shinhan BNP Paribas ITMC	50.0%
Jeju Bank 2)	62.4%
SH&C life Insurance	50.0%
e-Shinhan	73.7%
Shinhan Macquarie	51.0%
Shinhan Credit Information	100.0%
Shinhan Private Equity	100.0%

1) Good Morning Shinhan Securities was delisted from the Korea Exchange on January 5, 2005.

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

Indirect subsidiaries held through direct subsidiaries

Direct Subsidiaries	Indirect Subsidiaries	Ownerships by the Parent
Shinhan Bank	Shinhan Data System	100.0%
	Shinhan Finance (Hong Kong)	100.0%
Chohung Bank	Chohung ITM	79.8%
	Chohung Finance (Hong Kong)	100.0%
	CHB America Bank	100.0%
	Chohung Bank GmbH	100.0%
	Chohung Vina Bank	50.0%
	CHB Valuemeet 2001 year 1 st Securitization	50.0%

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	CHB Valuemmeet 2001 year 2 nd Securitization	50.0%
	CHB Valuemmeet 2002 year 1 st Securitization	50.0%
Good Morning	Good Morning Shinhan Securities Europe	100.0%
Shinhan Securities	Good Morning Shinhan Securities USA	100.0%

Table of Contents**Number of Shares by type**

The table below sets forth the number of the issued and outstanding shares of the Group as of June 30, 2005

Types of Shares	Number of Shares	Total amount of par value(KRW)
Common Shares	319,319,011	1,596,595,055,000
Redeemable Preferred Shares	52,583,961	262,919,805,000
Redeemable Convertible Preferred Shares	44,720,603	223,603,015,000
Total	416,623,575	2,083,117,875,000

Employee Stock Ownership Plan (ESOP)**(1) Contribution to ESOA (Employee Stock Ownership Association) ¹⁾**

Contributed to	Contribution Date	Contribution Amount (KRW)	Contributor	Use of money
Association Accounts	Apr. 15, 2005	681,779,448	SFG	Stock Purchase
	Apr. 14, 2005	32,550,000,000	SHB	Stock Purchase
	Apr. 13, 2005		Shinhan Capital	Stock Purchase
		297,775,000		
Sub-total		33,529,554,448		
Employee Accounts			Employees	
Sub-total				
Total		33,529,554,448		

1) From January 1, 2005 to June 30, 2005

(2) Changes in ESOA Share Ownership ¹⁾

	Share type	Beginning Balance			(Unit: shares)	
		(Jan.1, 2005)	Increase ²⁾	Decrease ³⁾	Ending Balance (June 30, 2005)	
Association Accounts	Common Shares	650,146	1,293,682	814	1,943,014	
Employee Accounts	Common Shares	0	386,175	1,810	366,365	
Total		650,146	1,661,857	2,624	2,309,379	

1) Shinhan Financial Group introduced the Employee Stock Ownership Plan (ESOP) on December 5,

2002 and currently, Shinhan Financial Group, Shinhan Bank and Shinhan Capital participate in the ESOP.

- 2) The increase is attributable to the purchase of shares with the contributions of April 2005.
- 3) The decrease is attributable to the retirement of SHB employees.

Table of Contents**(3) ESOA Share Ownership per each company**

Company	(As of June 30, 2005, Unit: shares)		
	Association Accounts	Employee Accounts	Total Balance (June 30, 2005)
Shinhan Financial Group	36,672	3,976	40,648
Shinhan Bank	1,887,935	362,389	2,250,324
Shinhan Capital	18,407	0	18,407
Total	1,943,014	366,365	2,309,379

2. Business Results**Operational Results**

	2005 1 st Half (Jan.1~Jun.30)	2004 (Jan.1~Dec.31)	2003 (Jan.1~Dec.31)
Operating Revenue	931,532	1,224,147	617,074
Gain using the equity method of accounting	882,107	1,108,952	519,287
Interest income	49,059	114,264	97,787
Other income	366	931	
Operating Expense	73,801	147,638	251,366
Loss using the equity method of accounting	824	212	129,886
Operating Income	857,731	1,076,509	365,708

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

	2005 1 st half (Jan.1~Jun.30)		2004 (Jan.1~Dec.31)		(in millions of Korean Won) 2003 (Jan.1~Dec.31)	
	Average Balance ¹⁾	Ratio (%)	Average Balance ¹⁾	Ratio (%)	Average Balance ¹⁾	Ratio (%)
Stockholders Equity	7,945,347	77.02	6,770,562	74.00	4,768,492	73.82
Capital Stock	2,083,118	20.19	2,012,812	22.00	1,660,319	25.70
Capital Surplus	3,718,654	36.05	3,485,465	38.10	2,512,502	38.89
Retained Earnings	1,847,416	17.91	1,130,293	12.35	692,409	10.72
Capital Adjustment	296,159	2.87	141,992	1.55	-96,738	-1.50
Borrowings	2,370,172	22.98	2,378,244	26.00	1,691,375	26.18
Debentures	2,027,413	19.65	2,017,816	22.06	1,434,951	22.21
Other liabilities	342,759	3.32	360,428	3.94	256,424	3.97
Total	10,315,519	100.00	9,148,806	100.00	6,459,867	100.00

- 1) The Average Balance was calculated by averaging the ending balance of each quarter.

Table of Contents**Use of Funds**

	(in millions of Korean Won)					
	2005 1 st half (Jan.1~Jun.30)		2004 (Jan.1~Dec.31)		2003 (Jan.1~Dec.31)	
	Average Balance ¹⁾	Ratio (%)	Average Balance ¹⁾	Ratio (%)	Average Balance ¹⁾	Ratio (%)
Investments on equity stock	8,453,097	81.95	7,100,773	77.61	5,882,011	77.81
Shinhan Bank	4,137,522	40.11	3,709,669	40.55	3,139,126 ₂₎	41.53
Chohung Bank	3,041,517	29.48	2,411,868	26.36	1,831,964	24.24
Good Morning						
Shinhan Securities	848,330	8.22	610,171	6.67	537,265	7.11
Shinhan Card	182,234	1.77	162,378	1.77	191,094	2.53
Shinhan Capital	129,514	1.26	112,775	1.23	95,384	1.26
Shinhan BNP Paribas	22,454	0.22	22,435	0.25	22,109	0.29
E-Shinhan	2,770	0.03	2,617	0.03	3,331	0.04
Shinhan Macquarie	1,029	0.01	1,159	0.01	578	0.01
Jeju Bank	55,902	0.54	49,418	0.54	44,783	0.59
Shinhan Credit						
Information	7,588	0.07	4,628	0.05	2,392	0.03
SH&C Life						
Insurance	14,744	0.14	13,655	0.15	13,985	0.19
Shinhan Private						
Equity	9,493	0.09	1,958	0.02		
Investment on Bonds					905	0.01
Loans	1,713,513	16.61	1,953,788	21.36	1,618,091	21.41
Fixed Assets	1,361	0.01	1,508	0.02	1,434	0.02
Intangible Assets	995	0.01	477	0.01	471	0.01
Cash Deposit in bank	115,628	1.12	55,370	0.61	25,326	0.34
Other Assets	30,925	0.30	36,893	0.40	30,808	0.41
Total	10,315,519	100.00	9,148,809	100.00	7,559,046	100.00

- 1) The Average Balance was calculated by averaging the ending balance of each quarter.
- 2) Represents the average balance calculated by averaging Chohung Bank's ending balances of 3rd and 4th

quarter 2003,
because
Chohung Bank
was acquired in
August 2003.
Because of this,
the total source
of fund is not
equal to total
use of fund for
the year 2003.

Other Financial Information

Requisite Capital Ratio

		(in billions of Korean Won)	
	2005 1H	2004	2003
Aggregate Amount of Equity Capital (A)	10,765.3	9,867.9	8,847.7
Requisite Capital (B)	7,956.4	7,625.3	7,472.0
Requisite Capital Ratio (A/B) ¹⁾	135.30%	129.41%	118.41%

- 1) Under the guidelines issued by the Financial Supervisory Commission applicable to financial holding companies, we, at the holding company level, are required to maintain a minimum requisite capital ratio of 100%.

Table of Contents***Won Liquidity Ratio***

		(in millions of Korean Won)		
	2005 1H	2004	2003	
Won Assets due within 3 months (A)	214,785	221,335	16,687	
Won Liabilities due within 3 months (B)	198,874	212,081	15,504	
Won Liquidity Ratio (A/B) ¹⁾	108.00%	104.36%	107.63%	

- 1) Under the guidelines issued by the Financial Supervisory Commission, we, at the holding company level, are required to maintain a Won liquidity ratio of not less than 100%.

Liabilities to Equity Ratio

		(in millions of Korean Won)		
	2005 1H	2004	2003	
Liabilities (A)	2,415,299	2,325,043	2,176,875	
Adjusted Equity (B) ¹⁾	8,143,083	7,747,609	5,523,410	
Liabilities to Equity Ratio (A/B)	29.66%	30.01%	39.41%	

- 1) Adjusted Equity was calculated by subtracting the amount of intangible assets from total net assets.

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

	2005 1H	2004	2003
Shinhan Bank	12.32	11.94	10.49
Chohung Bank	9.94	9.40	8.87
Jeju Bank	10.27	10.91	10.96

- * The Total Capital Adequacy Ratios are

computed in accordance with the guidelines issued by the Financial Supervisory Commission for commercial banks. Under these guidelines, commercial banks are required to maintain a minimum capital adequacy ratio of 8%.

(2) Net Capital Ratio (%)

	Jun.30 2005	Mar.31 2005	Mar.31 2004
Good Morning Shinhan Securities	651.77	629.22	480.69

* Net Capital Ratio is computed in accordance with the guidelines issued by the Financial Supervisory Service for securities investment trust businesses. Under these guidelines, Good Morning Shinhan Securities is required to maintain a minimum net capital ratio of 100%.

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(3) Adjusted Equity Capital Ratio (%)

	2005 1H	2004	2003
Shinhan Card	18.18	16.48	13.78

* The Adjusted Equity Capital Ratio represents the ratio of total adjusted shareholder s equity to total adjusted assets and is computed in accordance with the guidelines issued by the Financial Supervisory Commission for credit card companies. Under these guidelines, Shinhan Card is required to maintain a minimum adjusted equity capital ratio of 8%.

(4) Non Performing Loans

	(in 100 millions of Korean Won)					
	June 30, 2005		Dec.31. 2004 (March 31, 2005 for GMS Securities)		Dec.31. 2003 (March 31, 2004 for GMS Securities)	
	Balance of NPL	NPL to total Loans (%)	Balance of NPL	NPL to total Loans (%)	Balance of NPL	NPL to total Loans (%)
Shinhan Bank ¹⁾	2,783	0.51	4,344	0.84	3,985	0.82
Chohung Bank ¹⁾	7,931	1.52	8,141	1.89	18,796	4.19
Jeju Bank ¹⁾	321	2.30	303	2.33	298	2.27
GMS Securities ²⁾	300	8.28	307	11.75	382	13.48
Shinhan Card ³⁾	224	2.10	375	4.46	747	6.34

1) Non-performing loans of banks

are defined as those loans are past due more than 90 days or those are placed on non-accrual status according to the guidelines of the Financial Supervisory Service.

- 2) Under the guidelines of the Financial Supervisory Service, every securities company shall classify its loans into five categories:
normal,
precautionary,
substandard,
doubtful and
estimated loss.

Under the Group's internal measures, non-performing loans of Good Morning Shinhan Securities includes loans classified as substandard, doubtful, and estimated loss.

- 3) Under the guidelines of the Financial Supervisory Service, every credit card company shall classify its loans into five categories:

normal,
precautionary,
substandard,
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estimated loss.

Under the
Group's internal
measures,
non-performing
loans of
Shinhan Card
includes loans
classified as
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(5) Loan Loss Allowances & Write-offs for the period

(in 100 millions of Korean Won)

			Jan.1, 2004~ June 30, 2004	Jan.1,2004~ Dec.31, 2004	Jan. 1, 2003~ Dec.31, 2003
Shinhan Bank	Loan Loss Allowance	Domestic	5,881	6,630	7,919
		Overseas	707	805	745
		Total	6,587	7,435	8,664
	Write-offs		708	2,349	715
Chohung Bank	Loan Loss Allowance	Domestic	10,239	9,555	16,026
		Overseas	348	512	563
		Total	10,587	10,067	16,589
	Write-offs		11,022	14,002	17,812
Jeju Bank	Loan Loss Allowance	Domestic	332	322	345
		Overseas			
		Total	332	322	345
	Write-offs		81	247	179
GM Shinhan Securities ¹⁾	Loan Loss Allowance	Domestic	308	309	309
		Overseas			
		Total	308	309	309
	Write-offs		8	19	
Shinhan Card	Loan Loss Allowance	Domestic	467	498	946
		Overseas			
		Total	467	498	946
	Write-offs		472	2,332	2,770

1) The fiscal year of Good Morning Shinhan Securities ends on March 31 of each year. Accordingly, the relevant periods for Good Morning Shinhan Securities are adjusted as follows: (i) from April 1, 2005 to June 30, 2005, (ii) from April 1, 2004 to March 31, 2005, and (iii) from

April 1, 2003 to
March 31, 2004.

Table of Contents**3. Independent Accountant*****Audit (Review) Opinion for the last 3 years***

	2005 1H	2004 1H	FY 2004	FY2003
Audit (Review) Opinion	Unqualified	Unqualified	Unqualified	Unqualified

Compensation to the Independent Auditor for Audit and Review Services

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

Year	Auditor	Payment (KRW)	Working hours
2005 1H	KPMG Samjong Accounting Corp	288,000,000 ¹⁾	910 hours
2004	KPMG Samjong Accounting Corp.	300,000,000	2,504 hours
2003	KPMG Samjong Accounting Corp.	210,000,000	1,560 hours

- 1) The payment covers entire FY 2005.

Compensation for Services Other than Audit and Review

The following is a description of the fees and commissions paid to our independent auditor for the services set forth below for the last three years.

Year	Month	Service description	Payment
2005	Jan.	Audit of the Financial Statements based on US GAAP	USD 2,000,000
2004	Jan.	Consulting services for disclosure control and procedure & Internal control system	KRW 1,375,000,000
2003	Sept.	Due diligence on the Chohung Bank	KRW 904,000,000
	July	Valuation of common shares of Chohung Bank	KRW 100,000,000

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

1) Executive Directors

Our executive directors are as follows as of June 30, 2005:

Name	Date of Birth	Position	Service Term
Eung Chan Ra	Nov.25, 1938	Chairman of BOD Chairman of the Board Steering Committee	3 years starting from March 25, 2004
In Ho Lee	Nov. 2, 1943	President & CEO Board Steering Committee member	3 years starting from March 25, 2004
Young Hwi Choi	Oct. 28, 1945	Executive Director	3 years starting from March 25, 2004