

SHINHAN FINANCIAL GROUP CO LTD

Form 6-K

February 27, 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 February 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- _____.

Tender Offer Circular

Submitted to the Financial Supervisory Commission
February 27, 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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Table of Contents**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);

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

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ratio of BNP Paribas Group is 8.83% (the shareholding ratio was reduced due to the increase in the total number of common shares).

* 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%-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 |

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| | |
|------------|---|
| | * 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 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 1 st 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 |

(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 swap | 15,891 | Stock swap between SFG common shares and Shinhan Bank common shares issued upon conversion of bonds with warrant |
| Oct. 1, 2002 | Small-scale stock swap | 786 | |
| Dec. 31, 2002 | Small-scale stock swap | 256 | |
| Oct. 1, 2003 | Small-scale stock swap | 11,626 | |
| Dec. 31, 2003 | Small-scale stock swap | 164,484 | |
| 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 |

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| Date | Details | Quantity | Remarks |
|---------------|------------------------|-----------------|---|
| 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 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.

(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. | |

(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

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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.

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 (issuance of redeemable preferred stocks and convertible redeemable preferred stocks) on January 25, 2007 as follows:

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[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 |

5. Largest Shareholder (including Specially-Related Persons)

[As of Dec. 31, 2006]

| Name (Company Name) | Relation | Address* | Shares Owned | Shareholding 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.

6. Officers and Their Shareholding

[As of Dec. 31, 2006]

| Position | Name | Date of Birth | Background / Prior Affiliation | Shares Owned Common Stock | Preferred Stock | Date of Initial Appointment |
|----------------------------|----------------|---------------|---|------------------------------|-----------------|-----------------------------|
| 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 |
| (Executive) Director | Young Hwi Choi | Oct. 28, 1945 | BA in Economics, Sung Kyun Kwan University MD, Shinhan Bank | 553 | | Sept. 1, 2001 |

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| | | | | | |
|-----------------------------|-----------------------|--------------|---|---------|---------------|
| (Non-Executive) Director | Young Seok Choi | Jul. 2, 1929 | Deputy President, Shinhan Bank BA in Commerce, Meiji University, Japan | 448,076 | Mar. 31, 2003 |
| Outside Director | Yong Woong Yang | Aug. 4, 1948 | Non-Executive Director, Shinhan Bank President, C.Y.S. Ltd., Japan (current) BA, Chosun University, Japan President, Doen, Japan (current) | 88,450 | Mar. 25, 2004 |
| Outside Director | Il Sup Kim | Jul. 1, 1946 | Ph.D., Business Administration, Seoul National University | | Mar. 31, 2003 |

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| Position | Name | Date of Birth | Background / Prior Affiliation | Shares Owned | | Date of Initial Appointment |
|------------------|-----------------|----------------|---|--------------|-----------------|-----------------------------|
| | | | | Common Stock | Preferred Stock | |
| Outside Director | Sang Yoon Lee | Sept. 13, 1942 | Vice Chairman of Samil Accounting Corp. Vice President of Ehwa Women's University Representative Dir., Dasan Accounting Corp. (current) 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 |
| Outside Director | Shee Yul Ryoo | Sept. 5, 1938 | LLB, Seoul National University President, Korea First Bank (former) Chairman, The Korea Federation of Banks (former) Advisor, Shin & Kim (current) | | | Mar. 30, 2005 |
| 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 | 135,400 | | Mar. 30, 2005 |

| | | | | | |
|------------------|-------------------|---------------|--|--------|---------------|
| Outside Director | Si Jong Kim | Apr. 16, 1937 | Non Executive Director, Shinhan Bank Chairman, Eishin Group (current) 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 |
| 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 | Myung Soo Choi | Aug. 5, 1957 | LLB in Economics, Kyonggi University Head of Audit Office, Investigation Dept. 2, Dept. 3 and Special Investigation Bureau, Korea Deposit | | Mar. 21, 2006 |

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| Position | Name | Date of Birth | Background / Prior Affiliation | Shares Owned | | Date of Initial Appointment |
|--------------------------|---------------|---------------|--|--------------|-----------------|-----------------------------|
| | | | | Common Stock | Preferred Stock | |
| Executive Vice President | Jae Woo Lee | Jul. 2, 1950 | Insurance Corporation Representative Director, Resolution and Finance Corporation Head of Fund Management and Planning Dept., Korea Deposit Insurance Corporation (current) Graduated from Kunsan Commercial High School MBA, Dongkuk Univ. General Manager of Small and Medium Enterprise Support Dept., Shinhan Bank Deputy President, Shinhan Bank | 14,382 | | Dec. 16, 2004 |
| Executive Vice President | Byung Jae Cho | Jan. 6, 1951 | BA in Business Administration, Seoul National University General Manager of Planning Dept., Chohung Bank | | | Sept. 5, 2003 |
| Executive Vice President | Jin Won Suh | Apr. 20, 1951 | BA in History, Korea University Sales Director of Individual Customer HQ., Shinhan Bank Deputy President, Shinhan Bank | | | Feb. 22, 2006 |
| Executive Vice 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 |
| Advisor | Pyung Joo Kim | Feb. 6, 1939 | Ph.D. in Economics, Princeton University Prof., KDI School of Public Policy and | | | Mar. 1, 2006 |

Management
Honorary Prof., Sogang
Univ.
Chairman of Shinhan
Bank-Chohung Bank
Integration Promotion
Committee

Total

8

910,578

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[As of Feb. 27, 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 |
| 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, Gyeonggi-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, 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, | 63,684 | Shinhan Bank | Banking business |

| | | | | | |
|----------------------|---------------------|--|--------|--------------|---------------------------|
| SH Asset Management | Indirect subsidiary | The Land mark, 11 Pedder St., Central, Hong Kong 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 |

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| Name (Company Name) | Relation with Tender Offeror | Address | Capital (million Won) | Largest Shareholder | Occupation (Details of 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) Tender Offeror s specially related persons that are companies (corporations) are as listed above. 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. 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.

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.

Table of Contents**2. Companies Belonging to the Corporate Group**

| Classification | No. of Companies | Company Name |
|-------------------------|----------------------------|---|
| Listed Corporation | 1 (holding company) | Shinhan Financial Group |
| | 1 (subsidiary) | Jeju Bank |
| 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 Valuemmeet 2001 First SPC, CHB Valuemmeet 2001 Second SPC, CHB Valuemmeet 2002 First SPC, Good Morning Shinhan Securities Europe Ltd., Good Morning Shinhan Securities USA Inc., Shinhan NPS Private Equity Fund 1 st |
| Total | 25 | |

Note 1) With Shinhan Bank chosen for the name of the integrated bank after the merger between Shinhan Bank and Chohung Bank dated April 1, 2006, company names of indirect subsidiaries were changed as follows:
 Chohung Investment Trust Management Co., Ltd. → SH Asset Management Co., Ltd.
 Chohung Finance Ltd. → Shinhan Asia Ltd.
 CHB Bank America → Shinhan Bank America
 Chohung Bank (Deutschland) GmbH. → Shinhan Bank Europe
 Chohung Vina Bank → Shinhan Vina Bank

Note 2) On November 1, 2006, Shinhan Finance Ltd., an indirect subsidiary of Tender Offeror, was converted to Shinhan Bank, Hong Kong Branch. The liquidation proceedings are in progress and expected to be completed in the first half of 2007.

Note 3) Although FSC approved SFG's incorporation of LG Card as its subsidiary on February 23, 2007, it was excluded from the list of subsidiaries since stock acquisition through Tender Offer has not yet been carried out.

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,

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ther 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 100 million]

| Category | 5 th Fiscal Year (As of Dec. 31, 2005) | 4 th Fiscal Year (As of Dec. 31, 2004) |
|--|--|--|
| [Assets] | | |
| Cash & Bank Deposits | 84,764 | 67,127 |
| Trading Securities | 54,955 | 70,656 |
| Available-for-Sale Securities | 216,706 | 176,247 |
| Held-to-Maturity Securities | 29,962 | 31,447 |
| Equity Securities by the Equity Method | 795 | 164 |
| Loans | 1,066,493 | 971,989 |
| Fixed Assets | 34,910 | 29,216 |
| Other Assets | 120,790 | 121,466 |
| Total Assets | 1,609,375 | 1,468,312 |
| [Liabilities] | | |
| Deposits | 915,208 | 875,281 |
| Borrowings | 159,164 | 148,950 |
| Debentures | 228,402 | 201,141 |
| Other Liabilities | 204,084 | 164,591 |
| Total Liabilities | 1,506,858 | 1,389,963 |
| [Stockholders Equity] | 21,708 | 20,831 |
| [Consolidated Capital Surplus] | 43,956 | 37,753 |
| [Consolidated Retained Earnings] | 29,586 | 16,082 |
| [Capital Adjustment] | 6,121 | 2,807 |
| [Minority Interest] | 1,147 | 876 |
| Total Stockholders Equity | 102,517 | 78,349 |

(2) Consolidated Income Statement

[Unit: KRW 100 million]

| Category | 5 th Fiscal Year (Jan. 1, 2005 ~ Dec. 31, 2005) | 4 th Fiscal Year (Jan. 1, 2004 ~ Dec. 31, 2004) |
|--|---|---|
| Operating Revenues | 155,109 | 143,428 |
| Operating Expenses | 137,347 | 129,816 |
| Operating Income | 17,762 | 13,612 |
| Ordinary Income | 20,112 | 13,338 |
| Net Income | 17,476 | 11,211 |
| Consolidated Period Income | 17,321 | 10,503 |
| No. of companies included in the consolidated income statement | 22 companies SFG / (11) subsidiaries / (7) indirect subsidiaries / (3) trusts | 22 companies SFG / (11) subsidiaries / (7) indirect subsidiaries / (3) trusts |

Table of Contents**C. Financial Information of Tender Offeror****1. Balance Sheet**The 3rd Quarter of the 6th Fiscal Year (As of Sep. 30, 2006)The 5th Fiscal Year (As of Dec. 31, 2005)The 4th Fiscal Year (As of Dec. 31, 2004)

[Unit: KRW million]

| Category | 6 th Fiscal Year, 3 rd Quarter | 5 th Fiscal Year | 4 th Fiscal Year |
|----------------------------|---|-----------------------------|-----------------------------|
| Assets | | | |
| I. Cash & Bank Deposits | 286,545 | 64,374 | 31,145 |
| 1. Bank Deposits | 286,545 | 64,374 | 31,145 |
| II. Securities | 12,290,523 | 10,882,359 | 8,262,100 |
| (1) Equity Securities | | | |
| Accounted for by the | | | |
| Equity Method | 12,290,523 | 10,882,359 | 8,262,100 |
| 1. Stocks | 12,290,523 | 10,882,359 | 8,262,100 |
| (2) Available-for-Sale | | | |
| Securities | | | |
| 1. Receivables | | | |
| III. Loans | 1,279,733 | 1,476,630 | 1,749,955 |
| (Allowance for Possible | | | |
| Loan Losses) | -6,431 | -7,420 | -8,794 |
| 1. Loans in Korean Won | 1,220,000 | 1,340,000 | 1,550,000 |
| 2. Loans in Foreign | | | |
| Currency | 66,164 | 70,910 | 135,609 |
| 3. Privately Placed Bonds | | 73,140 | 73,140 |
| IV. Fixed Assets | 1,755 | 2,290 | 2,164 |
| (1) Tangible Assets | 820 | 1,200 | 1,302 |
| 1. Vehicles | 261 | 391 | 425 |
| Accumulated Depreciation | -171 | -225 | -278 |
| 2. Equipment | 1,436 | 1,391 | 1,168 |
| Accumulated Depreciation | -1,119 | -991 | -760 |
| 3. Other Tangible Assets | 1,728 | 1,704 | 1,493 |
| Accumulated Depreciation | -1,315 | -1,070 | -746 |
| (2) Intangible Assets | 935 | 1,090 | 862 |
| 1. Organization Costs | | | |
| 2. Other Intangible Assets | 935 | 1,090 | 862 |
| V. Other Assets | 100,072 | 36,478 | 26,949 |
| 1. Guarantee Deposits | 10,082 | 10,082 | 7,840 |
| 2. Accounts Receivable | 28,059 | 14,809 | 6,234 |
| 3. Accrued Income | 8,770 | 8,466 | 11,044 |
| 4. Advance Payments | 50,953 | 10 | 10 |
| 5. Prepaid Expenses | 53 | 724 | 12 |
| 6. Prepaid Income Taxes | 346 | 577 | 0 |
| 7. Sundry Assets | 1,809 | 1,810 | 1,809 |
| Total Assets | 13,958,628 | 12,462,131 | 10,072,313 |
| Liabilities | | | |
| I. Borrowings | 356,164 | 156,098 | 154,380 |

| | | | |
|-----------------------------------|-----------|-----------|-----------|
| 1. Borrowings in Korean Won | 290,000 | 85,188 | 50,000 |
| 2. Borrowings in Foreign Currency | 66,164 | 70,910 | 104,380 |
| II. Debentures | 2,673,792 | 2,126,043 | 1,948,102 |
| 1. Debentures in Korean Won | 2,680,000 | 2,130,000 | 1,920,000 |
| Discounts | -6,208 | -3,957 | -3,191 |
| 2. Debentures in Foreign Currency | | | 31,314 |

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| Category | 6 th Fiscal Year, 3 rd Quarter | 5 th Fiscal Year | 4 th Fiscal Year |
|---|---|-----------------------------|-----------------------------|
| Discounts | | | -21 |
| III. Other Liabilities | 31,440 | 42,973 | 222,561 |
| 1. Withheld Taxes | 257 | 491 | 464 |
| 2. Dividends Payable | 1,698 | 1,284 | 937 |
| 3. Accounts Payable | 1,317 | 20,990 | 180,980 |
| 4. Accrued Expenses | 26,932 | 19,656 | 14,627 |
| 5. Income Taxes Payable | | | 25,329 |
| 6. Unearned Revenues | | | |
| 7. Accrued Severance Benefits | 1,900 | 1,379 | 776 |
| Deposits with Insurance Company for Severance Benefits | -664 | -827 | -552 |
| Total Liabilities | 3,061,396 | 2,325,114 | 2,325,043 |
| Stockholders Equity | | | |
| I. Capital Stock | 2,170,758 | 2,170,758 | 2,083,118 |
| 1. Common Stock | 1,907,838 | 1,796,037 | 1,596,595 |
| 2. Preferred Stock | 262,920 | 374,721 | 486,523 |
| II. Capital Surplus | 4,360,082 | 4,360,112 | 3,718,623 |
| 1. Paid-in Capital in Excess of Par Value | 4,359,961 | 4,359,991 | 3,718,564 |
| 2. Other Capital Surplus | 121 | 121 | 59 |
| III. Retained Earnings | 3,353,913 | 2,960,355 | 1,608,185 |
| 1. Legal Reserve | 396,928 | 223,722 | 118,692 |
| 2. Retained Earnings Before Appropriation (Net Income: 3 rd quarter of 6 th fiscal year: KRW 1,582,225 million 5 th fiscal year: KRW 1,732,067 million 4 th fiscal year: KRW 1,050,295 million) | 2,956,985 | 2,736,633 | 1,489,493 |
| IV. Capital Adjustment | 1,012,479 | 645,792 | 337,344 |
| 1. Valuation Gain on Equity Securities Accounted for by the Equity Method | 985,560 | 633,205 | 383,098 |
| 2. Valuation Loss on Equity Securities Accounted for by the Equity Method | -4,782 | -4,576 | -53,932 |
| 3. Valuation Loss on Available-for-sale Securities | 0 | 0 | 0 |

| | | | |
|--|------------|------------|------------|
| 4. Stock Options | 31,701 | 17,163 | 8,178 |
| Total Stockholders Equity | 10,897,232 | 10,137,017 | 7,747,270 |
| Total Liabilities and Stockholders Equity | 13,958,628 | 12,462,131 | 10,072,313 |

2. Income StatementThe 3rd Quarter of the 6th Fiscal Year (Jan. 1, 2006 - Sep. 30, 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 | 6 th Fiscal Year, | | |
|---|------------------------------|-----------------------------|-----------------------------|
| | 3 rd Quarter | 5 th Fiscal Year | 4 th Fiscal Year |
| I. Operating Revenues | 1,695,106 | 1,886,806 | 1,224,147 |
| (1) Gain on Valuation Using the Equity Method | 1,632,956 | 1,789,621 | 1,108,952 |
| (2) Interest Income | 61,161 | 95,812 | 114,264 |
| 1. Interest on Bank Deposits | 5,362 | 1,646 | 640 |

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| Category | 6 th Fiscal Year, 3 rd Quarter | 5 th Fiscal Year | 4 th Fiscal Year |
|---|---|-----------------------------|-----------------------------|
| 2. Interest on Loans | 53,623 | 88,637 | 102,213 |
| 3. Interest on Privately Placed Bonds | 2,176 | 5,529 | 11,411 |
| (3) Other Operating Revenues | 989 | 1,373 | 931 |
| 1. Reversal of Allowance for Possible Loan Losses | 989 | 1,373 | 931 |
| II. Operating Expenses | 124,564 | 154,873 | 147,638 |
| (1) Loss on Valuation Using the Equity Method | 46 | 1,047 | 212 |
| (2) Interest Expenses | 91,715 | 114,545 | 122,967 |
| 1. Interest on Borrowings | 4,096 | 4,693 | 8,522 |
| 2. Interest on Debentures | 87,546 | 109,307 | 113,816 |
| 3. Other Interest | 73 | 545 | 629 |
| (3) Commission Expenses | 159 | 124 | 235 |
| (4) Selling and Administrative Expenses | 32,644 | 39,157 | 24,224 |
| 1. Salaries | 19,147 | 22,813 | 13,363 |
| 2. Retirement Allowance | 859 | 740 | 505 |
| 3. Employee Benefits | 988 | 1,607 | 866 |
| 4. Rent | 446 | 520 | 497 |
| 5. Entertainment | 696 | 782 | 663 |
| 6. Depreciation | 461 | 652 | 652 |
| 7. Amortization on Intangible Assets | 220 | 115 | 111 |
| 8. Bad Debt | | | |
| 9. Taxes and Dues | 1,855 | 2,209 | 835 |
| 10. Advertising | 19 | 15 | 28 |
| 11. Commissions | 6,123 | 6,034 | 3,600 |
| 12. Other | 1,830 | 3,670 | 3,104 |
| III. Operating Income | 1,570,542 | 1,731,933 | 1,076,509 |
| IV. Non-Operating Income | 16,429 | 4,444 | 18,989 |
| 1. Gain on Foreign Currency Translation | 4,746 | 2,156 | 18,141 |
| 2. Gain on Foreign Currency Transaction | | 1,295 | 8 |
| 3. Miscellaneous | 11,683 | 993 | 840 |
| V. Non-Operating Expenses | 4,746 | 4,310 | 28,171 |
| 1. Loss on Foreign Currency Transaction | | 1,293 | 2 |
| 2. Loss on Foreign Currency Translation | 4,746 | 2,156 | 18,132 |
| 3. Loss on Sale of Equity Securities Accounted for by the Equity Method | | 845 | |
| 4. Contribution | | 16 | 13 |
| 5. Supplementary Payment of Income Taxes | | | 10,024 |
| VI. Ordinary Income | 1,582,225 | 1,732,067 | 1,067,327 |
| VII. Income Before Income Tax Expenses | 1,582,225 | 1,732,067 | 1,067,327 |
| IX. Income Tax Expenses | | | 17,032 |
| X. Net Income for the Period | 1,582,225 | 1,732,067 | 1,050,295 |
| (Earning / Ordinary Income per Share: KRW) | (4,149 / 4,149) | (4,874 / 4,874) | (3,197 / 3,197) |
| (Diluted Earning/ Ordinary Income per Share: KRW) | (4,149 / 4,149) | (4,591 / 4,591) | (2,820 / 2,820) |

Table of Contents**3. Statement of Appropriation of Retained Earnings (or Statement of Disposition of Deficit)**The 5th Fiscal Year (Jan. 1, 2005 - Dec. 31, 2005)The 4th Fiscal Year (Jan. 1, 2004 - Dec. 31, 2004)The 3rd Fiscal Year (Jan. 1, 2003 - Dec. 31, 2003)

[Unit: KRW million]

| Category | 5 th Fiscal Year | 4 th Fiscal Year | 3 rd Fiscal Year |
|---|--------------------------------|--------------------------------|--------------------------------|
| I. Retained Earnings before Appropriations | 2,734,902 | 1,489,493 | 782,922 |
| 1. Unappropriated Retained Earnings Carried over from Prior Years | 1,036,573 | 504,585 | 432,569 |
| 2. Change in Retained Earnings of Subsidiaries | -33,738 | -65,387 | -10,848 |
| 3. Cumulative Effect of Accounting Changes | | | -1,787 |
| 4. Net Income | 1,732,067 | 1,050,295 | 362,988 |
| II. Appropriations of Retained Earnings | 1,256,063 | 452,920 | 278,337 |
| 1. Legal Reserve | 173,207 | 105,030 | 36,223 |
| 2. Repayment of Preferred Stock (Note) | 697,807 | 347,890 | 242,114 |
| 3. Dividends | 385,049 | 347,890 | 242,114 |
| A. Common Stock Cash Dividends | 278,077 | 232,749 | 158,717 |
| B. Preferred Stock Cash Dividends | 106,972 | 115,141 | 83,397 |
| III. Unappropriated Retained Earnings to Be Carried over Forward to Subsequent Year | 1,478,839 | 1,036,573 | 504,585 |

Note) The repayment amount of preferred stocks includes the principal amount of the preferred stocks and agreed amounts accrued thereon at the rate of 4.04% per annum for Series 1 Redeemable Preferred Stocks and at the rate of 0.01% per annum for Series 6 Redeemable Preferred Stocks for the period from the first day of the relevant fiscal year to the scheduled repayment date (Aug. 18, 2006). However, even though such agreed interest additionally accrued by KRW 56,387,153 upon the repayment of the preferred stocks on August 21, 2006, such amount was not reflected in the above Statement of Appropriation of Retained Earnings for the 5th fiscal year.

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: Hae-Choon PARK

2. History of the Issuer

(1) Incorporation and Changes after Incorporation

| | |
|-------------|---------------------------------------|
| 1987 | |
| November | Obtained credit card business license |
| 20 | |
| 1988 | |

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| | |
|--------------|---|
| 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, credit card for women exclusively |
| 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 in affiliation 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. |

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| | |
|--------------|--|
| 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. |
| September 1 | Launched <i>New LG Lady Card</i> , credit card for women exclusively |
| September 15 | Launched <i>LG2030 Card</i> , credit card for men exclusively |
| November 1 | Launched Web-based loan products |
| 2000 | |
| February 16 | Launched <i>LG Platinum Card</i> for VIPs |
| March 24 | Registered its venture capital financing business |
| April 19 | Launched <i>PAX Cargo Card</i> , Korea's first marine cargo insurance card |

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| | |
|-------------|--|
| 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 New Corporate Card |
| April 24 | Launched LG ALL JAPAN Card for travelers to Japan |
| July 2 | Entered the mobile commerce market in affiliation 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 | Split off from LG Group |
| February 12 | Launched KDB-LG Card in affiliation with KDB |
| February 13 | Completed KRW 1 trillion Debt-Equity Swap |
| February 14 | Established Labor union |
| 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 |

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| | |
|--------------|---|
| 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 an affiliation 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 |

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| | |
|-------------|--|
| January 24 | Launched Primus Supporters LG Card for movie goers |
| January 25 | Conducted nationwide volunteer service in 46 different volunteer centers 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 |

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| | |
|--------------|--|
| 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 | |
| February 23 | Incorporation as a subsidiary of SFG approved by the FSC |

(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) Consolidation, Spin-off (Merger), Comprehensive Share Exchange or Transfer, Assignment of Material Business Merged with LG Installment Finance Co., Ltd. on January 1, 1998 | |
| (4) Change in Manufacturing Facilities: N/A | |

(5) Material Events Related to Management Activities

LG Card's creditor financial institutions signed the LG Card Co., Ltd. Creditor Financial Institutions Agreement on February 6, 2004. Accordingly, LG Card was placed under joint receivership of the creditor financial institutions to effectively achieve business normalization.

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To sell their shares in LG Card, the creditor financial institutions, including the Korea Development Bank (KDB), selected SFG as the preferred bidder and signed a LG Card Co., Ltd. Acquisition Agreement on December 20, 2006 (LG Card Co., Ltd. Acquisition Agreement).

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.</p> |

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| Category | Details |
|----------------------------|---|
| | Moreover, LG Card will further improve its exclusive credit management system to provide customers with accurate credit rating thereby achieving better risk management. |
| Installment Finance | 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 different customers, such as providing lower loan interest rates to VIP members. |
| 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 uses credible funds to acquire 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 Dec. 31, 2006; Unit: KRW, shares; Par Value: KRW 5000]

| Type | Class | Number of Shares | |
|-------------|--------------|-------------------------|-----------------------------|
| | | Issued | Total Capitalization |
| 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 Dec. 31, 2006; Unit: shares]

| | | LG Card | |
|------------------------|---------------------|---------------------|-------------------------|
| Name | Relationship | Shares Owned | Shareholding (%) |
| Korea Development Bank | Largest Shareholder | 28,743,134 | 22.93 |
| Total | | 28,743,134 | 22.93 |

6. Officers and Directors and their Shareholdings

[As of December 31, 2006]

| Position | Name | Birth Date | Career History | Shares Owned | Date first appointed as Director |
|-----------------|----------------|-------------------|---|---------------------|---|
| Rep. Director | Hae-Choon Park | May 25, 1948 | Yonsei Univ, Math International Fire & Marine Insurance, Long-term Business Division Ankuk Fire & Marine Insurance: | | Mar 15, 2004 |

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| Position | Name | Birth Date | Career History | Shares Owned | Date first appointed as Director |
|------------------|----------------|---------------|---|--------------|----------------------------------|
| Outside Director | Yeon-Hong Choi | Jan. 29, 1943 | <p>Planning & Investigation, Product Development, and Actuarial Dept. Samsung Fire & Marine Insurance, Planning & Marketing Director Samsung Fire & Marine Insurance, Marketing Managing Director, Gangbuk Division Head Seoul Guarantee Insurance, Rep. Director & President Korean Actuarial Association, President LG Card, Rep. Director <i>(current)</i> Hanyang Univ, MA in Tax Administration Nonghyup Joonganghoe, Head of Facilities Management Division Nonghyup Exchange Center, Senior Managing Director Nonghyup Exchange Center, Representative Director LG Card, Outside Director <i>(current)</i></p> | | Mar 15, 2004 |
| Outside Director | Gap-Yong Kim | Aug. 9, 1951 | <p>Kyungpook Nat 1 Univ., Ph.D in Tax Administration National Tax Tribunal, Investigating Officer Gyeongin District National Tax Service; Director of Indirect Tax Bureau, Director of Property Tax Bureau Hyoje Tax Office, Yongsan Tax Office, Director KEB, Outside Director GYK Consulting, Representative (Licensed Tax Account) LG Card, Outside Director <i>(current)</i></p> | | Mar 15, 2004 |
| Outside Director | Sang-Ho Sohn | Feb. 13, 1957 | <p>Ohio State Univ., Ph. D in Economics Korea Institute of Finance,</p> | | Mar 15, 2004 |

| | | | | |
|----------------|-------------|---------------|--|--------------|
| Vice President | Jong-Ho Lee | Dec. 25, 1948 | Senior Research (Bank Team) Credit Management Fund, Management Evaluation Committee Member Counselor of FSC and Advisor for Governor of FSS Presidential Commission on Policy Planning, Member LG Card, Outside Director (current) Seoul National Univ., Law BOK Bank Supervisory 23 | Mar 25, 2004 |
|----------------|-------------|---------------|--|--------------|

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| Position | Name | Birth Date | Career History | Shares Owned | Date first appointed as Director |
|--------------------------|----------------|-------------------|---|---------------------|---|
| Vice President | Hong-Gyu Kang | Jan. 16, 1953 | Commission, Planning Manager of Credit Management Bureau BOK Bank Supervisory Commission, Supervisory & Planning Manager/Vice Director of Supervisory & Planning Bureau FSC, Head of Non-Banking Investigation Bureau FSC, Head of Non-Banking Supervision Bureau LG Investment & Securities, Standing Auditor LG Card, Head of Business Support Division (current) Yonsei Univ., MBA Samsung Corporation, Planning Division Overseas Department Samsung Group, Secretariat (Planning Team) Samsung Small Financial Group, Strategic Planning Division Samsung Capital, Managing Director Samsung Card, Head of Installment Business Division LG Card, Head of Sales Division (current) | | Mar 29, 2004 |
| Vice President | Jae-Woong Park | Aug. 9, 1952 | Yonsei Univ., Pol. Sci. & Diplomacy Samsung Fire & Marine Insurance, Training Department, Planning & Investigation Division Samsung Fire & Marine Insurance, Head of Actuarial Team Seoul Guarantee Insurance, Managing Director Seoul Guarantee Insurance, Senior Managing Director LG Card, Head of Collection Division (current) | | Apr 6, 2004 |
| Senior Managing Director | Joo-Byung Hur | Sep. 17, 1952 | ChungAng Univ., Master in International Business | | Apr 1, 2004 |

Administration
KIST, Director of MIS Lab of
System Engineering Center
National Basic Information
System, Basic Planning
Researcher
Hanssem, Director (CIO)
Donghwa Ent, Director (CIO)
Sammyung System Consulting,
Rep. Director
Y2K Certification Agency
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| Position | Name | Birth Date | Career History | Shares Owned | Date first appointed as Director |
|--------------------------|----------------|-------------------|--|---------------------|---|
| Senior Managing Director | Jong-Gyun Shin | Apr. 23, 1958 | LG Card, in charge of Information System (current) Chonnam Nat 1 Univ., Business Administration Daewoo Electronics Korea Credit Distribution, Manager LG Credit Card, Manager at Gwangju Office LG Capital, Assistant Managing Director in charge of card sales LG Card, Managing Director of Gangnam Collection HQ LG Card, Managing Director in charge of collection planning LG Card, Head of Jungbu Collection HQ LG Card, in charge of Sales Support (current) | | Mar 1, 1999 |
| Managing Director | Hyo-II Lee | Sep. 26, 1959 | SNU, Business Admin. Lucky Goldstar, Investigation Department LG Group, Secretariat to Chairman LG Credit Card, Deputy Head of Strategic Planning Team LG Card, Senior Head of CRM Planning Division (Division Head) LG Card, Managing Director in charge of CRM LG Card, Managing Director in charge of Strategic Planning LG Card, in charge of Planning (current) | | Jan 1, 2003 |
| Managing Director | Seung-Ho Choi | Oct. 29, 1949 | Sungkyunkwan Univ., BA in Journalism Samsung Heavy Industries, Head of PR Team Samsung Heavy Industries, Assistant Director Samsung Motors, Head of PR Team (Managing Director) | | Apr 12, 2004 |

| | | | | |
|-------------------|---------------|---------------|---|--------------|
| Managing Director | Soon-Chan Nam | Feb. 10, 1956 | Samsung Life, Head of PR Division (Managing Director) FKI Economics PR Council, Member Samsung Life, Counselor LG Card, in charge of PR (current) Yonsei Univ., Law Daehan Guarantee Insuranc Seoul Guarantee Insurance, Head of Workout Team Seoul Guarantee Insurance, Head | Mar 26, 2004 |
|-------------------|---------------|---------------|---|--------------|

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| Position | Name | Birth Date | Career History | Shares Owned | Date first appointed as Director |
|-------------------|-----------------|-------------------|---|---------------------|---|
| Managing Director | Byung-Mook Yoon | Aug 15, 1953 | of Statutory Credit Department SG CRC, Director (concurrent) SG Management, Rep. Director (temporarily away from SGI) LG Card, in charge of Collection Support (current) Kyunghee Univ., Economics BOK Mokpo Branch, Budget Department BOK Bank Supervisory Commission, Credit Management Bureau BOK Bank Supervisory Commission, Manager of Financial Advisory Bureau Dongseo Installment Finance, Head, Auditor Set Factoring, Director, Rep. Director Credit Counseling & Recovery Service, Head of Review Management Team 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 Oripyo Co., Ltd. Goldstar Communication, Business Dept. LG Credit Card, Review Manager of Strategic Planning Department LG Capital, Head of Installment Planning Team LG Card, Head of Collection Management Team LG Card, Senior Head in charge of credit management LG Card, in charge of Credit Management (current) | | Jan 12, 2006 |
| Managing Director | | | Korea University, Economics | | Jan 12, 2006 |

Joo-Sung Jan 25,
Lee 1960

Lucky Co., Ltd. Purchasing HQ
LG Credit Card, Head of
Strategic Corporation Business
Team
LG Credit Card, Head of
General Affairs Team
LG Capital, Head of Business
Team
LG Card, Senior Head of
HR-GA
LG Card, Head of Finance

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| Position | Name | Birth Date | Career History | Shares Owned | Date first appointed as Director |
|----------|------|------------|--|--------------|----------------------------------|
| Total | | | Business HQ LG Card, Head of Strategic Business HQ (current) | | |

Total
7. Specially-Related Persons

| Name | Relationship with Tender Offeror | Address | Occupation (Details of Business) |
|-----------------|----------------------------------|---------|-----------------------------------|
| Hae-Choon Park | | ***** | LG Card, Rep. Director |
| Jong-Ho Lee | | ***** | LG Card, Vice President |
| Hong-Gyoo Kang | | ***** | LG Card, Vice President |
| Jae-Woong Park | | ***** | LG Card, Vice President |
| Joo-Byung Hur | | ***** | LG Card, Senior Managing Director |
| Jong-Gyoon Shin | | ***** | LG Card, Senior Managing Director |
| Seung-Ho Choi | | ***** | LG Card, Managing Director |
| Soon-Chan Nam | | ***** | LG Card, Managing Director |
| Hyo-Il Lee | | ***** | LG Card, Managing Director |
| Byung-Mook Yoon | | ***** | LG Card, Managing Director |
| Yeon-Hong Choi | | ***** | LG Card, Outside Director |
| Gap-Yong Kim | | ***** | LG Card, Outside Director |
| Sang-Ho Sohn | | ***** | LG Card, Outside Director |

Note 1) The table above lists persons who hold 1,000 or more shares (including stock options) of LG Card, the issuer of the shares subject to the Tender Offer (to be conducted pursuant to Article 10-3(3) of the Enforcement Decree of the SEA).

Note 2) For privacy issues, the addresses of specially-related persons have been purposefully omitted.

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

1. Name: N/A

2. Companies Belonging to the Corporate Group: N/A

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

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(2) Consolidated Income Statement: N/A

- * There is no consolidated financial statement because LG Card has no consolidated subsidiaries. Individual financial statements are found in Part IX. Current Status of Target Company.

III. Purpose of The Tender Offer

Tender Offeror designed the acquisition of LG Card for the purpose of enhancing its competitive edge as a comprehensive financial group. By acquiring LG Card shares, Tender Offeror seeks to reinforce its presence in non-banking sectors and upgrade its intra-group activities by creating synergy within Shinhan Financial Group. Tender Offeror's ultimate goal is to become a leader in the Korean financial industry and a competitive financial group throughout the world.

Tender Offeror has pursued the acquisition of LG Card to this end and was selected as the preferred bidder for the sale of stocks held by the creditor financial institutions of LG Card. Tender Offeror then 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, Tender Offeror plans to purchase 98,517,316 shares of LG Card (Target Number of Shares) by way of this Tender Offer at the price of KRW 67,770 per share or the total price of approximately KRW 6,676.5 billion pursuant to the applicable laws and regulations, including the SEA. This Tender Offer is carried out in order for the parties to perform the terms of the LG Card Co., Ltd. Acquisition Agreement.

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 | 98,517,316 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.

Note 2) This Tender Offer is carried out in order for the parties to perform the LG Card Co., Ltd. Acquisition Agreement executed by and between Tender Offeror and the creditor financial institutions of LG Card on December 20, 2006.

Table of Contents**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 |
|--|---|---|
| 8,960,005 | 98,517,316 | 107,477,321 |
| (7.15% of the total number issued and outstanding) | (78.58% of the total number issued and outstanding) | (85.73% of the total number issued and outstanding) |

Note 1) The number of shares currently held represents LG Card shares held by Shinhan Bank, Co., Ltd., a specially related person (or a subsidiary) of Tender Offeror.

Note 2) The number of shares to be held after the Tender Offer is provided upon the assumption that the Target Number of Shares (98,517,316 shares), is purchased in full.

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.

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

[As of Dec. 31, 2006; Unit: Share]

| Category | Class | | Total | Remarks |
|--|---------------------|------------------------|---------------|----------------|
| | Common Share | Preferred Share | | |
| 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) 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**

| Category | | Remarks | |
|--|--|---|-------------------------------|
| Tender Offer Period | Commencement | February 28, 2007 | (20 days) |
| (Tender Offer Period) | Expiration | March 19, 2007 | |
| Tender Offer Price & No. of Shares to Be Purchased | Type of Securities | Purchase Price | No. of Shares to Be Purchased |
| | Stock Certificates | 67,770 | 98,517,316 |
| | Certificates Evidencing Preemptive Right as to Newly Issued Shares | | |
| | Convertible Bond Certificates | | |
| | Certificate of Bond with Warrants | | |
| | Exchangeable Bond Certificate | | |
| | Total Number | | 98,517,316 |
| | Ratio (%) | | 78.58% |
| 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, Tender Offeror plans to purchase the Target Number of Shares (98,517,316 shares of LG Card) by way of this Tender Offer at the price of KRW 67,770 per share and the total price of approximately KRW 6,676.5 billion pursuant to the applicable laws and regulations, including the SEA. | |
| No. of Shares Held as of the Date of Filing (B) | Number | | 8,960,005 |
| | Ratio (%) | | 7.15 |
| No. of Shares Held Post-Tender Offer (A+B) | Number | | 107,477,321 |
| | Ratio (%) | | 85.73 |
| Total No. of Shares Issued and Outstanding | | | 125,369,403 |

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- Note 1) The Tender Offer price of KRW 67,770 per share represents: a 8.95% premium over the price of LG Card shares (KRW 62,200) as of February 23, 2007; or 9.68% premium over the trade volume weighted average of the closing prices of LG Card shares (KRW 61,787) for the 30 trading days prior to the date of the submission of this Tender Offer Circular.
- Note 2) 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.
- Note 3) The Tender Offer Period set forth above may not be extended by Tender Offeror under applicable Korean law, unless the basis for the extension falls within the exceptions set forth in the applicable Korean regulations.

B. Settlement

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

**Settlement Date
(Settlement Date)** March 23, 2007

Settlement Method 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).

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.

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.

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:

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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 |
|-------------------------|--|---|
| | Head office and branch | <i>Head office:</i> |
| | offices of Good Morning Shinhan Securities Co., Ltd. | 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 by Means of Tender Offer After Public Notice Date (if any)

There is no agreement that allows one to purchase the Target Company's shares other than by means of Tender Offer after the public notice date.

VII. Details of Funding for Purchase

[Unit: KRW or Shares]

| Funds Necessary for the Tender Offer, etc. | Category | Description |
|---|-----------------------|--------------------|
| | Tender Offer | |
| | Purchase Price (A) | 6,676,518,505,320 |
| | Transaction Costs (B) | 2,000,000,000 |
| | Miscellaneous (C) | 40,000,000 |
| | Total (A+B+C) | 6,678,558,505,320 |

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| Category | Description | | |
|---|---|------------------|-------------------|
| 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 |
| | Shinhan Bank and 3 other institutions | 00137571 | 6,680,000,000,000 |
| | Total | | |
| Matters Pertaining to the Custody of Securities to be Exchanged through the Tender Offer | Plan for Withdrawal and Use of Tender Offer Funds | | N/A |
| | Types of Securities | | N/A |
| Matters Pertaining to the Issuance of New Shares by Contribution in-Kind | Volume | | N/A |
| | Custody Method for Securities | | N/A |
| Matters Pertaining to the Issuance of New Shares by Contribution in-Kind | Types of Newly Issued Securities | | N/A |
| | Volume (A) | | N/A |
| | Expected Issue Price per Share (B) | | N/A |
| | Amount (AxB) | | N/A |

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

Note 2) The remaining balances in the accounts with financial institutions to be applied in the payment for Tender Offer are as follows:

| Name of Financial Institution | Registration No. | Amount | Remarks |
|--------------------------------------|-------------------------|---------------------|---|
| Korea Development Bank | 00282455 | KRW 518.3 Billion | Time Deposits (T/D) |
| Good Morning Shinhan Securities | 00138321 | KRW 1,031.7 Billion | MMF |
| Kookimn Bank | 00386937 | KRW 750.0 Billion | CD |
| Shinhan Bank | 00137571 | KRW 4,380.0 Billion | CD: KRW 3,080 Billion T/D: KRW 1,000 Billion Notes: KRW 300 Billion |

Total

KRW 6,680.0 Billion

Note 3) The above funds are to be deposited with the respective financial institutions up until the Settlement Date (March 23, 2007), after which they will be used for the payment of the Tender Offer.

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Table of Contents**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 |
| 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 | 02) 887-0809 |
| Gwangju | 7(chil)-dong, Gwanak-gu, Seoul | |
| | (1 st and 2 nd floors, Goodmorning Shinhan Securities Bldg.) 30, Keumnamro 2(i)-ga, Dong-gu, Gwangju | 062) 232-0707 |
| | 3 rd floor, King's Garden Complex 4, 73 Naesu-dong, Jongno-gu, Seoul, | 02) 732-0770 |
| Gwanghwamun | (3 rd floor, New World Bldg.) 103-12 Guro 5(o)-dong, Guro-gu, Seoul | 02) 857-8600 |
| Guro | | |
| 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 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|--|--------------------------------|
| 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 (2 nd floor, Socheong Bldg.) 5-2 Seonhwa-dong, Jung-gu, Daejeon | 053) 642-0606 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 |
| 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 |

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| | | |
|-------------|--|---------------|
| 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 |
| Sangdodong | (2 nd floor, Sungdae Shopping) 324-1, Sangdo-dong, Dongjak-gu, Seoul | 02) 820-2000 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|---|-------------------------|
| 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 | | 042) 823-8577 |

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| | | |
|-----------|--|---------------|
| | (2 nd floor, Lucky Tower) 448-8, 9 Bongmyeong-dong, Yusung-gu, Daejun | |
| 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 |

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| Name of Branch | Address | Telephone Number |
|-------------------------|---|--------------------------------|
| 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 Nuriette 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 (1 st and 2 nd floors, Sangsu Bldg.) 693, Ssangmun-dong, Dobong-gu, Seoul | 02) 2270-6500 02) 995-0123 |
| Changdong 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 Shinhan Bank Head Office basement, 120, Taepyeongro 2(i)-ga, Jung-gu, Seoul | 043) 296-5600 02) 757-0707 |
| Taepyeongro | (3 rd floor, Shinhan Bank Bldg.) 1046, Bumgye-dong, Anyang-si, Gyeonggi-do | 031) 381-8686 |
| Pyeongchon Pyeongtek | (1 st floor, Samsung Life Insurance Bldg.) 32-2, Pyeongtek-dong, Pyeongtek-si, Gyeonggi-do (1 st floor, National Pension Bldg.) 1582-4, Wusan-dong, Gwangsan-gu, Gwangju | 031) 657-9010 062) 956-0707 |
| Hanam | 2 nd floor, Wungsin Cineart Bldg., 1479-1, Jwa-dong, Haeundae-gu, Busan | 051) 701-2200 |
| Haeundae | 2 nd floor, Lotte Castle Gold, 7-18, Sincheon-dong, Songpa-gu, Seoul | 02) 2143-0800 |
| Jamsil Lotte Castle | | |

Table of Contents**IX. Current Status of Target Company****A. Financial Status for Last Three Fiscal Years**

<Balance Sheets>

[Unit: KRW million]

| Accounting Period | 21st Year, 3rd Quarter (As of Sep. 30, 2006) | 20th Year (As of Dec. 31, 2005) | 19th Year (As of Dec. 31, 2004) | 18th Year (As of Dec. 31, 2003) |
|----------------------------|---|---|---|---|
| Total Assets | 9,851,114 | 9,084,234 | 8,217,358 | 10,765,557 |
| (Current Assets) | 1,482,631 | 1,522,031 | 2,149,776 | 2,438,295 |
| (Merchandise) | 8,001,107 | 7,098,515 | 5,625,998 | 7,265,839 |
| (Fixed Assets) | 367,376 | 463,688 | 441,584 | 1,061,423 |
| Total Liabilities | 7,081,726 | 7,277,709 | 8,787,106 | 13,978,745 |
| (Current Liabilities) | 3,703,244 | 5,060,904 | 7,026,292 | 9,510,317 |
| (Long-Term Liabilities) | 3,378,482 | 2,216,805 | 1,760,814 | 4,468,428 |
| Total Shareholders' Equity | 2,769,388 | 1,806,525 | -569,747 | -3,213,188 |
| (Capital Stock) | 626,847 | 626,847 | 2,585,590 | 785,989 |
| (Capital Surplus) | 1,378,030 | 2,830,052 | 1,713,485 | 451,664 |
| (Retained Earnings) | 949,229 | -1,449,481 | -4,516,799 | -4,435,198 |
| (Capital Adjustment) | -184,718 | -200,893 | -352,023 | -15,643 |

<Income Statements>

[Unit: KRW million]

| Accounting Period | 21st Year, First 3 Quarters (Quarter ended Sep. 30, 2006) | 20th Year (Year ended Dec. 31, 2005) | 19th Year (Year ended Dec. 31, 2004) | 18th Year (Year ended Dec. 31, 2003) |
|--------------------------|---|--|--|--|
| Operating Revenues | 2,044,682 | 2,729,712 | 3,432,268 | 4,392,635 |
| Operating Expenses | 1,128,943 | 1,481,278 | 4,279,152 | 9,727,359 |
| Operating Income | 915,739 | 1,248,434 | -846,883 | -5,334,724 |
| (Non-Operating Revenues) | 50,172 | 142,557 | 166,893 | 203,891 |
| (Non-Operating Expenses) | 19,224 | 27,918 | 113,549 | 442,252 |
| Ordinary Income | 946,687 | 1,363,073 | -793,539 | -5,573,085 |
| (Extraordinary Gains) | 0 | 0 | 711,939 | 16,133 |
| (Extraordinary Losses) | 0 | 0 | 0 | 0 |
| Net Gains and Losses | 949,229 | 1,363,073 | -81,600 | -5,598,811 |
| Net Income per share | 7,571 | 11,077 | -3,856 | -52,290 |
| Dividend per share | 0 | 0 | 0 | 0 |
| Net Asset per share | 22,090 | 14,410 | -1,102 | -20,440 |

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Table of Contents**B. Transaction Status of Target Shares for Recent Six Months**

[Unit: KRW or shares]

| Month | Highest Price | Lowest Price | Trade Volume |
|----------------------|----------------------|---------------------|---------------------|
| February, 2007 1) | 62,300 | 61,200 | 5,513,976 |
| January, 2007 | 61,900 | 60,700 | 5,810,450 |
| December, 2006 | 62,200 | 58,600 | 3,006,504 |
| November, 2006 | 60,800 | 58,900 | 2,175,030 |
| October, 2006 | 60,800 | 59,000 | 1,764,417 |
| September, 2006 | 60,700 | 57,900 | 3,838,060 |

1) As of February 23, 2007

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

| | | |
|---------------------------|-----------------------------|---|
| Tender Offer Agent | Name | Good Morning Shinhan Securities, Co., Ltd. |
| | Head Office Location | 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 February 28, 2007 to March 19, 2007; a period of 20 days). Please bear in mind that tender applications must be received by no later than 3:30p.m. (Korea time) on the expiration date of the Tender Offer Period (March 19, 2007).

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 AgentHolding an account at a
securities company other
than the Tender Offer Agent
or registered in the Registry
of Shareholders

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| | | |
|--|---|--|
| Trading Account | <p>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>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>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> | |
| Tax Deductible/Exempt Savings Account | <p>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>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>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>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>Tendering Shareholders must contact Tender Offer Agent's office or Call Center (at 1588-0365) and follow the instructions.</p> <p>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</p> | |

verification.

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| | | |
|---|--|---|
| <p>Tax Deductible/Exempt Savings Account</p> | <p>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>Tendering Shareholders must contact Tender Offer Agent's office or Call Center (Tel. No. 1588-0365) and follow the instructions.</p> <p>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> | <p>Tender via telephone is not available.</p> |
|---|--|---|

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. 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.

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 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

| | |
|--|---|
| <p>Head office and branch offices of Good Morning Shinhan Securities Company Co., Ltd.</p> | <p>Head office: Youido-Dong 23-2, Youngdungpo-Gu, Seoul</p> <p>Branch offices: <i>See</i> Part VIII, Section C above.</p> |
|--|---|

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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 (March 19, 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 The Shareholder may withdraw its tender in person or via telephone. If a Shareholder wishes to withdraw its tender in person, the Shareholder must visit the branch office of the Tender Officer 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.

If a Shareholder wishes to withdraw its tender via telephone, the Shareholder must contact the branch office of the Tender Officer 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 The Shareholder may withdraw its tender through the relevant securities company. 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.

- (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.

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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, 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 Shareholder 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 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.

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<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]

| | | | | |
|--|---------------------------------|-----------|-------------------|-------------------|
| Funds Necessary for the Tender Offer | Tender Offer Purchase Price (A) | | | 6,676,518,505,320 |
| | Transaction Costs (B) | | | 2,000,000,000 |
| | Miscellaneous (C) | | | 40,000,000 |
| | Total (A+B+C) | | | 6,678,558,505,320 |
| Composition of the Tender Offer Funds | Own Funds (A) | | | 3,749,962,126,000 |
| | Loans (B) | Lender | Amount | Remarks |
| | | See below | 2,930,000,000,000 | |
| | Others (C) | | | |
| | Total (A+B+C) | | | 6,679,962,126,000 |

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 by issuing corporate bonds and preferred stocks 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) Redeemable Preferred Stocks | 2,899,000,000,000 | Redeemable within 5-20 years after issuance |
| Convertible Redeemable Preferred Stocks | 850,962,126,000 | Redeemable within 5-20 years after issuance Convertible within 1-5 years after issuance |
| Loans | | |
| Publicly Offered Corporate Bonds | 2,050,000,000,000 | To mature in 3-7 years; issued in an open public market |
| Privately Offered Corporate Bonds | 500,000,000,000 | |
| Corporate Commercial Papers | 380,000,000,000 | To mature in 2 1/2 years; issued through Mizuho Corporate Bank, Seoul Branch |
| | | To mature within one year; issued in an open public market |
| Total | 6,679,962,126,000 | |

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 Within 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 | 0 | 98,517,316 (78.58%) | 98,517,316 (78.58%) | |
| Shinhan Bank | 8,960,005 (7.15%) | 0 | 8,960,005 (7.15%) | |
| Total | 8,960,005 (7.15%) | 98,517,316 (78.58%) | 107,477,321 (85.73%) | |

Note 1) The number of shares to be held after the Tender Offer is provided upon the assumption that the Target Number of Shares (98,517,316 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.

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B. Share Transaction History: N/A

(As of the end of 2005, Shinhan Bank, a specially-related person of Tender Offeror, held 4,805,030 shares and Chohung Bank held 4,154,975 shares. As a result of the merger of the two banks on April 1, 2006, Shinhan Bank holds 8,960,005 shares as of the end of 2006.)

XIII. Agreements Between Tender Offeror and Offices/Major Shareholders of Target Company (if any)

KDB is the largest shareholder of the Target Company. KDB is the principal creditor bank of the council of creditor financial institutions of LG Card and managed the sale of stocks held by the creditor financial institutions of LG Card. Tender Offeror was selected as the preferred bidder for the sale of stocks held by the creditor financial institutions of LG Card. Tender Offeror entered into the LG Card Co., Ltd. Acquisition Agreement with KDB regarding the acquisition of LG Card shares held by the creditor financial institutions on December 20, 2006.

In accordance with the LG Card Co., Ltd. Acquisition Agreement, Tender Offeror plans to purchase 98,517,316 shares of LG Card by way of this Tender Offer at the price of KRW 67,770 per share or the total price of approximately KRW 6,676.5 billion pursuant to the applicable laws and regulations, including the SEA.

This Tender Offer is carried out in order for the parties to perform the terms of the LG Card Co., Ltd. Acquisition Agreement.

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.

After the sale of LG Card shares to SFG through this Tender Offer, LG Card will be fully incorporated into SFG as one of its subsidiaries. In the process of such integration, Tender Offeror will uphold a unified objective of pursuing SFG's central goal of advancing and creating a new business model for the credit card business by preserving the value and growth potential of LG Card.

To this end, SFG plans to strengthen LG Card's competitiveness and 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 and maximize synergy through mutually linked sales activities between LG Card and banking, securities, insurance and other existing subsidiaries 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).

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On the other hand, SFG will operate LG Card as a separate subsidiary from Shinhan Card, SFG's existing credit card company, for a certain period of time until the two subsidiaries can be gradually consolidated. To this end, a set of cooperative and collaborative systems will be established between the two card companies to build a base structure for the eventual consolidation.

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.

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 |

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| Name of Branch | Address | Telephone Number |
|-----------------------|--|-------------------------|
| 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 |
| 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 |
| 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 | | 02)2649-0101 |

1st floor, Buyoung Green Town 3-cha, 908-34, Mok 6(yuk)-dong,
Yangcheon-gu, Seoul
(2nd floor, Hueam Bldg.) 701-7, Naei-dong, Miryang-si,
Gyeongsangnam-do

Miryang

055) 355-7707

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| Name of Branch | Address | Telephone Number |
|-----------------------|---|-------------------------|
| 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 |
| 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

(3rd floor, Shinhan Bank Bldg.) 68-3, Youngdungpodong 4(sa)-ga,
Youngdungpo-gu, Seoul

02) 2677-7711

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| Name of Branch | Address | Telephone Number |
|-----------------------|--|-------------------------------|
| 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 |
| 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 Changdong | (2 nd floor, Ssangyong Bldg.) 24-1, Jeo-dong, Jung-gu, Seoul (1 st and 2 nd floors, Sangsu Bldg.) 693, Ssangmun-dong, Dobong-gu, Seoul | 02) 2270-6500 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 |
| 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 | 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 | Securities Transaction Exchange 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 | | March 23, 2007 |

Settlement Method 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).
 The Tender Offer Purchase Price will be transferred to the

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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.

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.

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.

| | Branch Office | Location |
|-------------------------|---|---|
| Settlement Place | Head office and branch offices of Good Morning Shinhan Securities Co., Ltd. | <p><i>Head office:</i> Youido-Dong 23-2, Youngdeunpo-Gu, Seoul</p> <p><i>Branch offices:</i> <i>See</i> Good Morning Shinhan Securities Co., Ltd. Website (http://www.goodi.com)</p> |

<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/ Byung Jae Cho
Name: Byung Jae Cho
Title: Chief Financial Officer

Date: February 27, 2007