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SHINHAN FINANCIAL GROUP CO LTD

Form CB

September 20, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM CB

TENDER OFFER/RIGHTS OFFERING NOTIFICATION FORM

Please place an X in the box(es) to designate the appropriate rule provision(s) relied upon to file this Form:

Securities Act Rule 801 (Rights Offering)	[ ]
Securities Act Rule 802 (Exchange Offer)	[X]
Exchange Act Rule 13e-4(h) (8) (Issuer Tender Offer)	[ ]
Exchange Act Rule 14d-1(c) (Third Party Tender Offer)	[ ]
Exchange Act Rule 14e-2(d) (Subject Company Response)	[ ]

Filed or submitted in paper if permitted by Regulation S-T Rule 101(b) (8) [ ]

Good Morning Shinhan Securities Co.,Ltd.

-----  
(Name of Subject Company)

N/A

-----  
(Translation of Subject Company's Name into English (if applicable))

The Republic of Korea

-----  
(Jurisdiction of Subject Company's Incorporation or Organization)

Shinhan Financial Group Co., Ltd.

-----  
(Name of Person(s) Furnishing Form)

Common Stock and Preferred Stock

-----  
(Title of Class of Subject Securities)

None

-----  
(CUSIP Number of Class of Securities (if applicable))

Shinhan Bank, New York Branch  
800 Third Avenue, 32nd Floor  
New York, New York 10022  
212-371-8000

-----  
(Name, Address (including zip code) and Telephone Number (including area code) of Person(s) Authorized to Receive Notices and Communications on Behalf of Subject Company)

September 17, 2004

-----  
(Date Tender Offer/Rights Offering Commenced)

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PART I - INFORMATION SENT TO SECURITY HOLDERS

ITEM 1. HOME JURISDICTION DOCUMENTS

- (a) See Exhibit I.1.(a).
- (b) Not applicable.

ITEM 2. INFORMATIONAL LEGENDS

Included in document attached hereto as Exhibit I.1.(a).

PART II - INFORMATION NOT REQUIRED TO BE SENT TO SECURITY HOLDERS

- (1) Not applicable.
- (2) Not applicable.
- (3) Not applicable.

PART III - CONSENT TO SERVICE OF PROCESS

- (1) Form F-X filed concurrently with the Commission on September 20, 2004.
- (2) Not applicable.

2

PART IV - SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

/s/ Byung Jae Cho

-----  
(Signature)

Byung Jae Cho, Chief Financial Officer

-----  
(Name and Title)

September 20, 2004

-----  
(Date)

3

EXHIBIT	DESCRIPTION	PAGE NO.
I.1.(a)	Registration Statement relating to Exchange Offer for Common Stock and Preferred Stock of Good Morning Shinhan Securities Co., Ltd.	5

4

EXHIBIT I.1.(a)

REGISTRATION STATEMENT

# Edgar Filing: SHINHAN FINANCIAL GROUP CO LTD - Form CB

RELATING TO EXCHANGE OFFER

FOR

COMMON STOCK AND PREFERRED STOCK OF

GOOD MORNING SHINHAN SECURITIES CO., LTD.

SHINHAN FINANCIAL GROUP CO., LTD.

5

## Notice to U.S. Shareholders

- This proposed exchange offer is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in this document have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.
- It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.
- You should be aware that the issuer may purchase securities otherwise than in connection with the exchange offer, such as in open market or privately negotiated purchases.

6

1. Registration Statement Relating to Exchange Offer for Common Stock and preferred stock of Good Morning Shinhan Securities

2. Appendix

Appendix 1) The Independent Accountant's Audit Report (under Korean GAAP) to the Non-consolidated Financial Statements of Shinhan Financial Group as of and for the year ended December 31, 2001

Appendix 2) The Independent Accountant's Audit Report (under Korean GAAP) to the Non-consolidated Financial Statements of Shinhan Financial Group as of and for the year ended December 31, 2002

Appendix 3) The Independent Accountant's Audit Report (under Korean GAAP) to the Non-consolidated Financial Statements of Shinhan Financial Group as of and for the year ended December 31, 2003

Appendix 4) The Independent Accountant's Review Report (under Korean GAAP) to the Non-consolidated Financial Statements of Shinhan Financial Group as of and for the 6 months ended June 30, 2004

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- Appendix 5) The Independent Accountant's Audit Report (under Korean GAAP) to the Non-consolidated Financial Statements of Good Morning Securities as of and for the year ended March 31, 2002
- Appendix 6) The Independent Accountant's Audit Report (under Korean GAAP) to the Non-consolidated Financial Statements of Good Morning Shinhan Securities as of and for the year ended March 31, 2003
- Appendix 7) The Independent Accountant's Audit Report (under Korean GAAP) to the Non-consolidated Financial Statements of Good Morning Shinhan Securities as of and for the year ended March 31, 2004
- Appendix 8) The Independent Accountant's Review Report (under Korean GAAP) to the Non-consolidated Financial Statements of Good Morning Shinhan Securities as of and for the 3 months ended June 30, 2004
- Appendix 9) Shinhan Financial Group's Article of Incorporation
- Appendix 10) Good Morning Shinhan Securities' Article of Incorporation
- Appendix 11) The Minutes of Extraordinary Meeting of the Board of Directors (Shinhan Financial Group)
- Appendix 12) The Minutes of Extraordinary Meeting of the Board of Directors (Good Morning Shinhan Securities)

REGISTRATION STATEMENT RELATING TO EXCHANGE OFFER FOR COMMON STOCK AND PREFERRED STOCK OF GOOD MORNING SHINHAN SECURITIES CO., LTD.

### CHAPTER 1. SUMMARY OF SHARE SWAP

Company Name: Shinhan Financial Group Co., Ltd. and Good Morning Shinhan Securities Co., Ltd.

#### 1. PURPOSE OF SHARE SWAP

- The purpose of the share swap is to incorporate Good Morning Shinhan Securities Co., Ltd. into Shinhan Financial Group Co., Ltd.'s wholly-owned subsidiary, thereby preventing conflicts of interest from arising among the shareholders of each company while enabling strategic operations of the business such as promoting business synergy within the group and providing for efficiency in its distribution of resources.

#### 2. METHOD OF SHARE SWAP

##### A. Election Regarding Share Swap and Share Transfer

- Share swap

- \* Shinhan Financial Group Co., Ltd. will execute the share swap as a small-sized share swap under Article 360-10 of Commercial Code. (The number of shares to be newly issued for the proposed share swap will not exceed 5% of the total number of shares issued by Shinhan Financial Group Co., Ltd.)

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- \* The common stock and the preferred stock of Good Morning Shinhan Securities Co., Ltd. will be exchanged with common stock of Shinhan Financial Group Co. Ltd. at the applicable exchange rate set for each such common and preferred stock.

### B. Summary Information concerning Parties to of the Share swap

1

Company becoming a wholly-controlling parent company	Company name Address Representative Director Stock listed company or registered company	Shinhan Financial Group Co., Ltd. 120 Taepyung-ro 2-ga, Jung-gu, Seoul Young Hwi Choi, Eung Chan Ra Stock listed company
Company becoming a wholly-owned subsidiary	Company name Address Representative Director Stock listed company or registered company	Good Morning Shinhan Securities Co., Ltd. 23-2 Yoeuido-dong, Youngdeungpo-gu, Seoul Kangwon Lee Stock listed company
Existing wholly-owned subsidiaries	Company name Address Representative Director	Shinhan Bank 120 Taepyung-ro 2-ga, Jung-gu, Seoul Sang Hoon Shin
	Company name Address Representative Director	Shinhan Capital Co., Ltd. 526-3 Gojan-dong, Danwon-gu, Ansan-si, Kyunggido Dong Girl Lee
	Company name Address Representative Director	Shinhan Card Co., Ltd. 120 Taepyung-ro 2-ga, Jung-gu, Seoul Seong Gyoon Hong
	Company name Address Representative Director	Chohung Bank Co., Ltd. 14 Namdaemoon-rol-ga, Jung-gu, Seoul Dong Soo Choi
	Company name Address Representative Director	Shinhan Credit Information Co., Ltd. 983-16 Doksan-dong, Geumchun-gu, Seoul Bum Seong Shin

### 3. SUMMARY OF THE SHARE SWAP

#### A. The name and address, etc. of the wholly-controlling parent company and the wholly-owned subsidiary

- Wholly-controlling parent company

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\* Company name: Shinhan Financial Group Co., Ltd. (hereinafter, "Shinhan Financial Group")

\* Address: 120 Taepyung-ro 2-ga, Jung-gu, Seoul

2

- Wholly-owned subsidiary

\* Company name: Good Morning Shinhan Securities Co., Ltd. (hereinafter, "Good Morning Shinhan Securities")

\* Address: 23-2 Yeoido-dong, Youngdeungpo-gu, Seoul

B. Contents of any change in the articles of incorporation of the wholly-controlling parent company

- Not applicable

C. Changes in the number of the authorized capital stock, etc. of the wholly-controlling parent company

CLASSIFICATION	TYPE OF STOCK	BEFORE SHARE SWAP	AFTER SHARE SWAP
Number of authorized capital stock	-	1,000,000,000	1,000,000,000
Number of shares issued and outstanding	Common stock	309,083,890	320,952,400
	Preferred stock	97,304,564	97,304,564
Paid-in-capital	-	2,031,942	2,091,200
Capital reserve	-	3,537,940	3,758,400

Unit: Million Won

Note 1) The number of shares issued and outstanding, paid-in-capital and capital reserve after the share swap were each calculated on the basis of the maximum possible number of shares that can be issued for the share swap. Such numbers may change subject to the number of shares

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actually issued for the share swap.

\* The maximum possible number of common shares to be issued(11,868,549) has been calculated by multiplying (i) the share exchange rate for the common and preferred shares, as the case may be, and (ii) the sum of (A) the number of shares issued by Good Morning Shinhan Securities and held by shareholders other than Shinhan Financial Group (common stock:61,491,966 [and] preferred stock: 3,823,314) and (B) the number of shares subject to stock options granted by Good Morning Shinhan Securities that have been exercised on or before the date immediately preceding the swap date (8,900,025 of common shares)

- Common stock = (61,491,966+8,900,025) \* 0.1633 = 11,495,012

3

- Preferred stock = 3,823,314 \* 0.0977 = 373,537

\* As preferred stock of Good Morning Shinhan Securities will be exchanged into common stock of Shinhan Financial Group in accordance with applicable stock exchange rate, the increase in the number of issued stock of Shinhan Financial Group after the share swap will only take place with respect to its common stock.

\* The maximum possible number of shares to be issued calculated as described above is 2.92% of the total number of issued and outstanding shares of Shinhan Financial Group, and therefore, the proposed share swap meets the requirements for a small-sized share swap under the Korean Commercial Code.

\* The number of common shares that are to be actually issued will be within the maximum possible number of shares that will be issued for the share swap and will be calculated by multiplying the applicable exchange rate set forth in Paragraph E and the number of common and preferred shares of Good Morning Shinhan Securities held by shareholders other than Shinhan Financial Group as of the due date for the submission of the share certificates for the share swap (December 22, 2004) (Such number of actual shares to be issued will be determined pursuant to the result of the tender offer to be executed by Shinhan Financial Group before the share swap for the preferred stock of Good Morning Shinhan Securities and the number of stock options granted by Good Morning Shinhan Securities that have been exercised by the due date for the submission of share certificates).

2) The amount of capital reserve after the share swap may change as a result of calculations carried out in accordance with the applicable laws and regulations and the accounting principles, in addition to the changes in the number of issued and outstanding shares referred to above.

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D. Par Value of 1 share

- Par value of 1 share: 5,000 Won

E. Matters regarding the allocation of new shares to shareholders of the company which is becoming a wholly-owned subsidiary

- As of the due date for the submission of stock certificates for the share swap (December 22, 2004), Shinhan Financial Group will allocate 0.1633 and 0.0977 common shares in registered form of Shinhan Financial Group for 1 share each of common stock or preferred stock in registered form of Good Morning Shinhan

4

Securities held by the shareholders other than Shinhan Financial Group ("shareholders subject to the share swap") as of the due date for the submission of the share certificates (December 22, 2004) for the share swap.

- Provided however, the shareholders who are subject to the share swap shall be paid in cash with respect to any fractional shares that result from the share swap, which amount will be calculated based on the market closing price of the new shares issued by Shinhan Financial Group for the share swap on the first day of their listing.

F. Matters regarding the cash amount to be paid to shareholders of the company which is becoming a wholly-owned subsidiary.

- Not applicable

G. Ownership status of treasury stock by the company executing share swap

CLASSIFICATION	TYPE	BEFORE SHARE SWAP (RATE)	
Company becoming a wholly-controlling parent company	Treasury stock	Common stock	-
		Preferred stock	-
	Shares issued by a company becoming a wholly-owned subsidiary	Common stock	94,084,384 (59.0%)
		Preferred stock	-



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Company becoming a wholly-owned subsidiary	Treasury stock	Common stock	4,795 (0.003%)
		Preferred stock	1,042,418 (0.654%)
	Shares issued by a company becoming a wholly-controlling parent company	Common stock	-
		Preferred stock	-
Existing wholly-owned subsidiary (Chohung Bank)	Shares issued by a wholly-controlling parent company	Common stock	8,985,567 (2.21%)
		Preferred stock	-

Note 1) As of the end of June, 2004

5

- 2) Each rate appearing in a parenthesis above is a percentage of shares based on the total number of issued shares.
- 3) In the case of Shinhan Financial Group, 18,979 shares newly issued with respect to fractional shares that resulted from the share swap with Chohung Bank implemented in June, 2004 were acquired as treasury shares on July 7th, 2004.
- 4) Common shares comprising the treasury stock of Good Morning Shinhan Securities were acquired through disposition of shares newly issued with respect to fractional shares that resulted from a capital decrease for value effected on January 2003, and the preferred shares comprising the treasury stock were acquired for the purpose of price stabilization and also constituted acquisition of shares newly issued with respect to fractional shares that resulted from the above capital decrease.
- 5) In the case of Chohung Bank, the treasury shares acquired as a result of exercise of appraisal right by shareholders who opposed the share swap with Shinhan Financial Group effected during June of 2004 were exchanged to common shares in accordance with the share swap, and as such shares must be disposed of within three years from the date of their acquisition in accordance with Financial Holding Companies Act, such shares are expected to be disposed of at an appropriate time by appropriate means as share price movements warrant.

H. Plan for disposal of treasury stock, etc.

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### 1) Treasury stock held by Shinhan Financial Group

- Treasury stock (18,979) held by Shinhan Financial Group will be disposed at an appropriate time by appropriate means.
- In addition to the stock mentioned above, shares newly issued with respect to fractional shares that result from the proposed share swap will be acquired, and such new additional shares will also be disposed of at an appropriate time by appropriate means at a later date.

### 2) Treasury stock held by Good Morning Shinhan Securities

- Common stock: Common shares will be exchanged to the common stock of Shinhan Financial Group in accordance with the share swap and they will be disposed of at an appropriate time and by appropriate means within six month of their swap date.

6

- Preferred stock: Preferred shares will be disposed of by tendering such stock in its entirety at a tender offer to be issued by Shinhan Financial Group prior to the proposed share swap.
- Others: In the case of Good Morning Shinhan Securities, it may acquire treasury shares upon the exercise of appraisal right by dissenting shareholders in the course of the proposed share swap, and such treasury shares will be exchanged into the common shares of Shinhan Financial Group pursuant to the share swap. As the foregoing common shares of Shinhan Financial Group are required to be disposed of within three years from their acquisition date under the Financial Holding Companies Act, they are expected to be disposed of at an appropriate time by appropriate means in the future.

### I. Maximum amount in the case of dividend (including quarterly dividend) to be declared until the date of share swap

- Not applicable

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J. Name and background of any directors and statutory auditors (including the members of the audit committee) to be appointed for the wholly-controlling parent company

- No director or statutory auditor will be newly appointed at the company becoming the wholly controlling parent company in connection with the share swap.
  
- In addition, the term of office for the directors and members of the audit committee of Shinhan Financial Group, the wholly controlling parent company, who were appointed before the proposed share swap will remain unchanged.
  
- Under Article 360-13 of the Commercial Code, the directors and statutory auditors of the company, which is to become the wholly-controlling parent company pursuant to a share swap, who were appointed before the share swap are to leave their offices at the end of the first ordinary general meeting of shareholders held with respect to the fiscal year in which the share swap is implemented, unless otherwise provided in the share swap agreement.

K. Share swap schedule

7

\* The present share swap is a share swap being effected pursuant to Article 360-3 of the Commercial Code (the case of Shinhan Financial Group, it is a small-sized share swap undertaken pursuant to Article 360-10 of the Commercial Code), and the details of the schedule for the swap will be determined in accordance with Article 62-2 of the Financial Holding Companies Act (special provisions regarding share swaps and transfers).

(1) The date of the resolution of the board of directors and the date of the share swap agreement

- Shinhan Financial Group and Good Morning Shinhan Securities: September 17, 2004 (Fri)

\* As the meeting of the board of directors of Shinhan Financial Group is to be held in New York, US, the local date for the meeting is September 16 (Thu) but according to Korean standard time, the date of the meeting is September 17 (Fri).

(2) The record date for the determination of shareholders for the general

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meeting of shareholders for the share swap

- Good Morning Shinhan Securities: October 27, 2004 (Wed)
  
- \* Only Good Morning Shinhan Securities will need to convene a general meeting of shareholders for the approval of the share swap.
  
- \* In the case of Shinhan Financial Group, the approval of shareholders may be replaced with an approval of the board of directors pursuant to Article 360-10 of the Commercial Code. Provided however that if the shareholders holding 20/100 of total number of shares issued and outstanding notify their objection to the share swap, the share swap may not be implemented as a small-sized share swap. The date on which the identity of shareholders who are eligible to express their objections will be determined is September 30, 2004 (Thu).
  
- The record date for the determination of shareholders holding preferred stock of Good Morning Shinhan Securities for the general meeting of preferred shareholders is October 27, 2004 (Wed).

8

- \* In the case of present share swap, as the preferred stock of Good Morning Shinhan Securities will be exchanged into common stock of Shinhan Financial Group, the approval of preferred shareholders of Good Morning Shinhan Securities convened at a class meeting of preferred shareholders will be needed, and accordingly, the record date for the determination of shareholders for such class meeting of preferred shareholders will be needed to be set.
- (3) The date of the general meeting of shareholders for the share swap approval

- Good Morning Shinhan Securities general meeting of shareholders: November 26, 2004 (Fri)
  
- Good Morning Shinhan Securities' class meeting of preferred shareholders: November 26, 2004 (Fri)
  
- \* In the case of the present share swap, as the preferred stock of Good Morning Shinhan Securities will be exchanged into common stock of Shinhan Financial Group, the approval of the preferred shareholders of Good Morning Shinhan Securities convened at a class meeting of preferred shareholders is needed, and

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accordingly the record date for the determination of shareholders for such class meeting of preferred shareholders will be needed to be set.

- \* In the case of Shinhan Financial Group, since the share swap is a small-sized share swap pursuant to Article 360-10 of the Commercial Code, the approval of shareholders is replaced with the approval of the board of directors.

### (4) Exercise period of appraisal rights

- Good Morning Shinhan Securities: November 26, 2004 (Fri) ~ December 6, 2004 (Mon)

- \* In accordance with Article 62-2 of the Financial Holding Companies Act, the exercise period of the shareholders' appraisal right will be reduced from 20 days to 10 days from the date of the resolution adopted at the applicable general shareholders meeting.

9

- \* In the case of Shinhan Financial Group, since the present share swap is a small-sized share swap being effected under Article 360-10 of the Commercial Code, the appraisal right of dissenting shareholders will not be granted

### (5) The expected date of public notice and the individual notice of invalidation of share certificates of the company becoming a wholly-owned subsidiary

- Good Morning Shinhan Securities: November 27, 2004 (Sat)

### (6) Date of share swap

- December 23, 2004 (Thu)

### (7) Other Dates

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- Date of public notice of share swap: September 24, 2004 (Fri)
  - \* In accordance with Article 360-10 of the Commercial Code and Article 62-2 of the Financial Holding Companies Act, Shinhan Financial Group will make a public notice regarding the terms of the share swap within 7 days after the execution of the applicable share swap agreement (In the case of Good Morning Shinhan Securities, on the date of public and individual notice for the convening the general meeting of shareholders.)
  
- Notice of opposition by shareholders of Shinhan Financial Group: Shareholders of Shinhan Financial Group do not have dissenting shareholders' appraisal right, but they may express their opposition to the proposed share swap within 7 days from the date of public notice for the share swap as provided in Article 62-2 of the Financial Holding Companies Act and Article 360-10 of the Commercial Code. Such opposition should be made by October 1, 2004 (Fri), but as the relevant period includes chu-suk holidays, the period for opposition will be extended until October 6, 2004 (Wed).
  
- L. Other major items subject to resolution of the board of directors or material terms of the share swap agreement
  - (1) As the present share swap is a small-sized share swap under Article 360-10 of the Commercial Code, if the shareholders holding 20/100 of the total number of

10

shares issued by Shinhan Financial Group notify their objections to the share swap, the share swap may not be implemented as a small-sized share swap.

- (2) The present share swap requires an approval by the general meeting of shareholders of Good Morning Shinhan Securities as well as the class meeting of preferred shareholders of Good Morning Shinhan Securities, and in the event that foregoing approvals are not obtained, the share swap may not be implemented.

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- \* As the preferred stock of Good Morning Securities will be exchanged into the common stock of Shinhan Financial Group, an approval by a class meeting of the preferred shareholders is required.

(3) Although not provided for in the agreement related to the small-sized share swap, Shinhan Financial Group has decided to issue a tender offer for the preferred stock of Good Morning Shinhan Securities under Chapter 4 of the Securities and Exchange Act. Material terms of the tender offer are as follows:

- Total number of shares to be purchased by the tender offer: 1,529,326 shares of preferred stock in registered form of Good Morning Shinhan Securities (equivalent to 40 % of all issued and outstanding preferred shares)
- Tender offer price: Won 2,500 per share
- Tender offer period: September 24, 2004 (Fri) ~ October 13, 2004 (Wed) (20 days)
- Conditions of tender offer: In the event that the shares tendered in response to the tender offer is less than the target number of shares solicited for purchase, all of the tendered shares will be purchased (since the amount of shares solicited for purchase equals 100% of all issued and outstanding preferred shares, the number of tendered shares will not exceed the target amount of shares to be purchased).

#### 4. SHARE EXCHANGE AND TRANSFER RATE AND THE BASIS OF CALCULATION

##### A. Share exchange and transfer rate

- The share exchange rate for the common stock of Good Morning Shinhan Securities: 0.1633

11

- \* 0.1633 shares of common stock in registered form of Shinhan Financial Group (par value: 5,000 Won ) will be allocated per 1 share of common stock in registered form of Good Morning Shinhan

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Securities (par value: 5,000 Won ).

- The Share exchange rate for the preferred stock of Good Morning Shinhan Securities: 0.0977

\* 0.0977 shares of common stock in registered form of Shinhan Financial Group (par value: 5,000 Won ) will be allocated per 1 share of common stock in registered form of Good Morning Shinhan Securities (par value: 5,000 Won).

### B. Basis of calculation

#### (1) Summary

- In the case of share swap between Shinhan Financial Group and Good Morning Shinhan Securities, as both are listed companies, the share exchange rate will be calculated by using the base share price method set forth in Article 190-2 of the Securities and Exchange Act, Article 84-7 of the related Enforcement Decree, and Article 36-12 of the related Enforcement Regulation.

#### (2) Exchange ratio

- The share swap price will be the lower of the following item (1) or (2), determined as of the date (September 16, 2004) immediately preceding the date of the board of directors' resolution (the submission date of the share swap statement)
  - (1) The arithmetic mean of (i) the trading volume-weighted average of market closing price for the past one (1) month, (ii) the trading volume-weighted average of market closing price for the past one (1) week, and (iii) the market closing price for the most recently ended trading day
  - (2) The closing market price for the most recently ended trading day
- The exchange ratio will be calculated based on the exchange price calculated using the method described above

- Details of the exchange ratio calculation



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(A) Exchange ratio

1) Common stock of Good Morning Shinhan Securities

Classification -----	Shinhan Financial Group -----	Good Morning Shinhan Securities -----	Remarks -----
Exchange price	Won 20,492	Won 3,345	
Exchange ratio	1	0.1633	

Note) The exchange ratio will be rounded up to the fourth decimal place.

2) Preferred stock of Good Morning Stock Securities

Classification -----	Shinhan Financial Group -----	Good Morning Shinhan Securities -----	Remarks -----
Exchange price	Won 20,492	Won 2,002	
Exchange ratio	1	0.0977	

Note) The exchange ratio will be rounded up to the fourth decimal place

(B) Calculation of base share price (exchange price)

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Details of the calculation of base share price of Shinhan Financial Group

Date ----	Closing price (Won) -----	Trading volume (share) -----	Closing price*trading v -----
2004.09.16	20,950	1,066,290	22,338,775,500
2004.09.15	20,550	1,281,269	26,330,077,950
2004.09.14	20,500	940,256	19,275,248,000
2004.09.13	20,250	1,525,350	30,888,337,500

13

2004.09.10	20,150	1,345,086	27,103,482,900
2004.09.09	19,900	1,725,520	34,337,848,000
2004.09.08	20,150	1,138,789	22,946,598,350
2004.09.07	20,500	642,396	13,169,118,000
2004.09.06	21,000	642,012	13,482,252,000
2004.09.03	21,050	923,219	19,433,759,950
2004.09.02	21,250	1,679,757	35,694,836,250
2004.09.01	20,850	1,602,996	33,422,466,600
2004.08.31	19,500	493,808	9,629,256,000
2004.08.30	19,750	496,774	9,811,286,500
2004.08.27	19,900	1,286,517	25,601,688,300
2004.08.26	20,000	1,519,008	30,380,160,000
2004.08.25	19,800	1,260,027	24,948,534,600
2004.08.24	18,700	1,026,953	19,204,021,100
2004.08.23	19,050	704,527	13,421,239,350
2004.08.20	19,150	507,339	9,715,541,850
2004.08.19	19,000	1,019,290	19,366,510,000
2004.08.18	18,750	902,377	16,919,568,750
2004.08.17	19,150	1,083,724	20,753,314,600

Volume weighted average of share price for one month	20,077 Won
Volume weighted average of share price for one week	20,450 Won
Most recent closing price (September 16, 2004)	20,950 Won
Arithmetic Average	20,492 Won
Base share price (exchange price)	22,143 Won

Details of the calculation of base share price of common stock of Good Morning  
Shinhan Securities

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Date	Closing price (Won)	Trading volume (share)	Closing price*trading v
2004.09.16	3,345	1,091,350	3,650,565,750
2004.09.15	3,285	2,158,013	7,089,072,705
2004.09.14	3,430	956,627	3,281,230,610
2004.09.13	3,595	911,038	3,275,181,610
2004.09.10	3,500	475,270	1,663,445,000
2004.09.09	3,500	629,930	2,204,755,000
2004.09.08	3,445	618,720	2,131,490,400
2004.09.07	3,550	490,971	1,742,947,050
2004.09.06	3,600	963,293	3,467,854,800
2004.09.03	3,450	676,510	2,333,959,500
2004.09.02	3,480	1,433,206	4,987,556,880

14

2004.09.01	3,325	1,004,370	3,339,530,250
2004.08.31	3,165	1,061,065	3,358,270,725
2004.08.30	3,225	651,960	2,102,571,000
2004.08.27	3,350	529,949	1,775,329,150
2004.08.26	3,380	1,900,330	6,423,115,400
2004.08.25	3,265	399,499	1,304,364,235
2004.08.24	3,210	491,120	1,576,495,200
2004.08.23	3,290	513,625	1,689,826,250
2004.08.20	3,260	350,430	1,142,401,800
2004.08.19	3,320	846,771	2,811,279,720
2004.08.18	3,240	400,145	1,296,469,800
2004.08.17	3,200	616,290	1,972,128,000

Volume weighted average of share price for one month	3,371 Won
Volume weighted average of share price for one week	3,390 Won
Most recent closing price (September 16, 2004)	3,345 Won
Arithmetic Average	3,369 Won
Base share price (exchange price)	3,345 Won

Details of the calculation of the base share price of preferred stock of Good Morning Shinhan Securities

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Date ----	Closing price (Won) -----	Trading volume (share) -----	Closing price*trading v -----
2004.09.16	2,020	1,970	3,979,400
2004.09.15	1,985	2,710	5,379,350
2004.09.14	2,040	5,040	10,281,600
2004.09.13	2,105	19,030	40,058,150
2004.09.10	2,030	4,910	9,967,300
2004.09.09	1,965	840	1,650,600
2004.09.08	1,980	12,940	25,621,200
2004.09.07	1,960	7,253	14,215,880
2004.09.06	1,980	17,203	34,061,940
2004.09.03	1,860	8,130	15,121,800
2004.09.02	1,860	13,170	24,496,200
2004.09.01	1,795	9,370	16,819,150

15

2004.08.31	1,770	4,420	7,823,400
2004.08.30	1,760	3,152	5,547,520
2004.08.27	1,785	2,011	3,589,635
2004.08.26	1,840	2,950	5,428,000
2004.08.25	1,785	871	1,554,735
2004.08.24	1,770	221	391,170
2004.08.23	1,785	4,732	8,446,620
2004.08.20	1,800	3,380	6,084,000
2004.08.19	1,805	7,721	13,936,405
2004.08.18	1,780	6,861	12,212,580
2004.08.17	1,775	4,444	7,888,100

Volume weighted average of share price for one month	1,916 Won
Volume weighted average of share price for one week	2,070 Won
Most recent closing price (September 16, 2004)	2,020 Won
Arithmetic Average	2,002 Won
Base share price (exchange price)	2,002 Won

5. SUMMARY OF THE APPRAISAL OPINION PROVIDED BY AN APPRAISAL AGENCY

- Not applicable since the exchange ratio has been calculated based on the market price pursuant to the Securities and Exchange Act.

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### 6. DETAILS OF EQUITY CONTRIBUTIONS, GUARANTEES OF LIABILITY AND OTHER TRANSACTIONS BY THE COMPANY PARTY TO THE SHARE SWAP

[Company Name: Shinhan Financial Group Co., Ltd.]

#### A. Details of equity contributions

(Unit: Million Won, 1000 shares)

COMPANY NAME -----	RELATION -----	NUMBER OF SHARE -----	OWNERSHIP -----	ACQUISITION -----
Shinhan Bank	Subsidiary	244,807	100.00%	2,994,51
Chohung Bank	Subsidiary	719,118	100.00%	2,196,39
Good Morning Shinhan Securities	Subsidiary	94,084	59.41%	507,76

16

Shinhan Card	Subsidiary	30,569	100.00%	246,95
Shinhan Capital	Subsidiary	16,000	100.00%	54,09
Shinhan BNP Paribas ITMC	Subsidiary	4,000	50.00%	20,62
Jeju Bank	Subsidiary	9,692	62.42%	42,93
SH&C	Subsidiary	3,000	50.00%	15,00
e-Shinhan	Subsidiary	415	73.67%	8,27
Shinhan Macquarie	Subsidiary	102	51.00%	51
Shinhan Credit Information	Subsidiary	600	100.00%	4,57

Note) as of June 30, 2004

#### B. Details of guarantees of liability

(Unit: million)

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COMPANY NAME -----	RELATION -----	CREDITOR -----	LIABILITY -----	GUARANTEE PERIOD -----	A -----
Good Morning Shinhan Securities	Subsidiary	Macquairie Capital Korea	Guarantee of performance of liability relating to lease of IT equipment	2003. 7. 1 ~ 2006. 6.30 July 1, 2004 ~ June 30, 2006	60, Lea fee (50 bil Won int the

Note) as of June 30, 2004

C. Details of provision of security

COMPANY NAME -----	RELATION -----	CREDITOR -----	SECURITY -----	SECURITY PERIOD -----	PRIORITY AND MAXIMUM AMOUNT OF SECURITY -----	AMOUN -----
	N/A	None				

(Unit: )

17

Note) A promissory note has been pledged as collateral in connection with a loan from KorAm Bank.

D. Other transactions

- Currently holding subordinated bonds in the aggregate principal amount of 130 billion Won issued by Good Morning Shinhan Securities which is the counterparty to the present share swap transaction

\* Maturity date: September 26, 2004 (Date of issuance: September 26, 2002)

\* Interest rate: 6.23%

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[Company name: Good Morning Shinhan Securities Co., Ltd.]

A. Details of equity contributions

(Unit: Million Won, s

COMPANY NAME -----	RELATION -----	NUMBER OF SHARE -----	OWNERSHIP -----	ACQUISITION -----
SAEHAN INDUSTRIES INC	None	202,666	0.15	1
Sub-total of marketable shares		202,666		1
Korea Securities Computer Corporation	None	8,735	0.16	
Korea Securities Corporation	None	2,304,469	3.39	11
Korea Securities Depository	None	9,882	1.60	
Kihyup Technology Banking Corp.	None	100,000	1.72	
KOSDAQ	None	92,000	2.19	
Hanwha Investment Trust Management Co., Ltd.	None	270,000	4.50	1
Korea Money Broker Corp.	None	20,000	1.00	
Madas International Asset Management Ltd.	None	85,714	4.29	
IGLOO SECURITY, INC.	None	25,000	0.42	
I Investment Trust Management Co., Ltd.	None	100,000	3.16	
Korea ENC Securities Co., Ltd.	None	319,999	6.25	1
SYSPOL CO., Ltd	None	187,500	1.19	
SEOKYUNG TSC CO., LTD	None	100,454	1.23	
Mp man.com	None	2,722	0.43	
THE & COMPANY. CO., LTD.	None	1,334	1.06	
Institute for Social Development and Policy Research	None	10,000	1.70	
Daehan Investment Trust Securities Co., Ltd.	None	266,000	0.05	1
Korea Investment & Securities Co., Ltd.	None	271,515	0.03	2
Shinhan Life Insurance Co., Ltd.	None	464,800	1.16	2
Korea Tarpaulin Inc	None	631	0.15	
Sub-total of non-marketable shares				26
Total number of shares				28
KOREA STOCK EXCHANGE	None		3.40	2
Securities Market Stabilization Funds	None		10.30	4

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Good-KDB 2nd Securitization Specialty Co., Ltd	None		6.00	3
S.S Koram Securitization Specialty Co., Ltd	None		2.90	
SMI V ABS Securitization Specialty Co., Ltd.	None		2.00	
Dream Pool ABS Specialty, Co. Ltd	None		1.50	
New Expert ABS Specialty Co., Ltd.	None		1.00	
Expert ABS Specialty Co., Ltd	None		1.00	
Grand Consortium Specialty Securitization Co., LTD	None		1.00	
Total equity contributions				10
Good Morning Securities USA Inc.	Application of equity method	15,000	100.00	3
Good Morning Securities Europe Limited	Application of equity method	5,000,000	100.00	9
Total number of shares of companies subject to equity method				13
Total				51

Note) As of June 30, 2004

B. Details of guarantees of liability

- Not applicable

19

C. Details of provisions of security

							(Unit: Mil
COMPANY NAME	RELATION	CREDITOR	SECURITY	SECURITY PERIOD	PRIORITY AND MAXIMUM AMOUNT OF SECURITY	AMOUNT	REM
-----	-----	-----	-----	-----	-----	-----	---
Good Morning Shinhan Securities	Related	Shinhan Bank	Head office building	-	-	91,000	Mortga
"	Related	Shinhan ITMC	Head office annex building	-	-	850	Mortga



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"	Related	Shinhan ITMC	Head office annex building	-	-	2,646	Mortga
"	None	PCA Investment Trust Management Corp.	Head office annex building	-	-	3,678	Mortga
"	None	National Pension Corporation	Gumi office building	-	-	800	Mortga
"	None	DONGBU INSURANCE CO., LTD	Gumi office building	-	-	20	Jeonsa
"	None	Samsung Life Insurance Co., Ltd.	Gumi office building	-	-	130	Mortga
"	None	HYUNDAI CAPITAL SERVICES, INC.	Gumi office building	-	-	82	Mortga
"	None	Cheju Ko Family Association	Kunsan office building	-	-	25	-
"	None	KB Investment Trust Management Co., Ltd (KB Asset Management)	Kunsan office building	-	-	419	Mortga
"	None	Agere Systems Korea Ltd.	Kunsan office building	-	-	219	Mortga
20							
"	None	Shinhan Life Insurance Co., Ltd.	Kunsan office building	-	-	15	Mortga
"	None	DAEKYO CO., LTD Korea	Kunsan office building	-	-	110	Mortga

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"	None	Broadcasting Advertising Corp. (KOBACO)	Woolsan office building	-	-	350	Mortga
"	None	3Com Korea Limited	Woolsan office building	-	-	165	-
"	None	Kyobo life insurance co., ltd	Woolsan office building	-	-	350	Mortga
"	None	Korean Teachers' Mutual Fund	Woolsan office building	-	-	208	Mortga
"	None	Duo information, Inc.	Kwangju office building	-	-	184	-
"	None	China Eastern Airlines	Kwangju office building	-	-	125	-
"	None	Lucky Travel Service Co., Ltd	Kwangju office building	-	-	100	-
"	None	TRC Korea Ltd.	Kwangju office building	-	-	373	Mortga
"	None	Hungkuk Life Insurance Co., Ltd.	Yeochun office building	-	-	16	Mortga
"	None	Shinhan Life Insurance Co., Ltd.	Yeochun office building	-	-	208	Mortga
"	None	LG TeleCom, Ltd.	Tongkwang office building	-	-	240	Mortga
Total						102,313	

Note) As of June 30, 2004

D. Details of other transactions

- Shinhan Financial Group holds subordinated bonds in the aggregate principal amount of 130 billion Won issued by Good Morning Shinhan Securities which is the counterparty to the present share swap

\* Maturity date: September 26, 2004 (Date of issuance: September 26, 2002)

\* Interest rate: 6.23%

7. MATTERS CONCERNING THE TERMS AND EXERCISE OF SHAREHOLDERS' APPRAISAL RIGHT

A. Summary

(1) Wholly controlling parent company (Shinhan Financial Group)

- Because the share swap will be implemented in accordance with the procedures in effect for a small-sized share swap stated in Article 360-10 of the Commercial Code, shareholders' appraisal right does not apply
- Provided however, if any shareholder with more than 20/100 of the total number of the issued and outstanding shares of Shinhan Financial Group Co., Ltd. provides a notice of objection to the proposed share swap, the share swap will not be implemented as a small-sized share swap.

(2) Wholly owned subsidiary (Good Morning Shinhan Securities)

- Relevant Regulatory Basis: Article 360-5 of the Commercial Code, Article 191 of the Securities and Exchange Act and Article 62-2 of the Financial Holding Companies Act
- A shareholder objecting to the board's resolution regarding the share swap may request the company to purchase the shares in his/her own possession only if he/she notifies Good Morning Shinhan Securities of his/her objection in writing prior to the convening of the general shareholders' meeting. The request for the share purchase shall be made by a written notice stating the type and number of shares subject to purchase within ten (10) days from the date on which the relevant resolution is adopted at a general shareholders' meeting.
- In the event that a shareholder makes a request for a share

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purchase, Good Morning Shinhan Securities, the company party to the share swap, shall purchase relevant shares within one (1) month from the date on which it receives such shareholder's request.

- The purchase price of shares subject to such purchase shall be determined by a mutual agreement between the company and the relevant shareholder.

22

Provided however, in the event the parties are unable to reach an agreement, the purchase price shall be the arithmetic average of the volume weighted average of the market closing price for each of two (2) month period, one (1) month period and one (1) week period ending on the date immediately preceding the date of the board resolution approving the share swap (hereinafter, referred to as the "standard purchase price") as determined pursuant to Article 84-9, Paragraph 2 of the Enforcement Decree of the Securities and Exchange Act.

- If the company or shareholders with more than 30/100 of the number of shares with respect to which appraisal right has been exercised object to the purchase price calculated as described above, the Financial Supervisory Commission may adjust the purchase price. In such a case, the application for adjustment of the purchase price shall be filed within 10 days prior to the date by which the purchase must be completed.

### B. Shareholders eligible to exercise appraisal right

- Per Article 360-5 of the Commercial Code, Article 191 of the Securities and Exchange Act and Article 62-2 of the Financial Holding Companies Act, the appraisal right shall be granted only to the shareholders, who (i) is registered as a shareholder (including holders of preferred shares) as of the closing date for the shareholders' registry (the record date for determination of the shareholders eligible to exercise appraisal right) which is October 27, 2004 17:00 (Wed), (ii) has given a written notice of objection to the company regarding the board resolution approving the share swap by a date prior to the date of the shareholders' meeting, (iii) has submitted a written request for the purchase of shares within 10 days from the date of the general shareholders' meeting approving the share swap and (iv) has held his/her shares continuously during the period from the closing date for the shareholders' registry (the record date for determination of the shareholders eligible to exercise appraisal right) to the appraisal exercise date. However, the shareholders may not exercise appraisal rights with respect to shares which were purchased during such period.

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C. Estimated purchase price of the shares

23

Price offered by the	Won 3,330 per common stock
Company for negotiation (Won)	Won 1,933 per preferred stock
- Basis for calculation	<ul style="list-style-type: none"> <li>- Per Article 62-2 of Financial Holding Companies Act and Article 15 of the Securities and Exchange Act, the offer price shall be the mean of the volume-weighted average price in effect for the past 3 months, one (1) month and one (1) week from the date immediately preceding the date of the board resolution.</li> <li>- Common stock of Good Morning Shinhan Securities <ul style="list-style-type: none"> <li>* Volume weighted average of the closing prices for two (2) months: 3,229 Won</li> <li>* Volume weighted average of the closing prices for one (1) month: 3,371 Won</li> <li>* Volume weighted average of the closing prices for one (1) week: 3,390 Won</li> <li>* Standard purchase price (Arithmetic mean of A, B, C): 3,330 Won</li> </ul> </li> <li>- Preferred stock of Good Morning Shinhan Securities <ul style="list-style-type: none"> <li>* Volume weighted average of closing prices for two (2) months: 1,811 Won</li> <li>* Volume weighted average of closing prices for one (1) month: 1,916 Won</li> <li>* Volume weighted average of closing prices for one (1) week: 2,070 Won</li> <li>- Standard purchase price (Arithmetic mean of A, B, C): 1,933 Won</li> </ul> </li> </ul>
Method of disposition in the event an agreement is not reached	Per Article 62-2 of Financial Holding Companies Act and Article 15 of the Securities and Exchange Act, in case where the company fails to reach an agreement with the share swap or shareholders holding 30/100 or more of the shares, the company shall be subject to appraisal right with respect to which subject to appraisal right has been exercised.

to the standard purchase price, the dissenting parties may request the Financial Supervisory Commission to adjust the purchase price accordingly, the purchase price is subject to such adjustment

- \* Method for adjustment of share purchase price (Article 95 of Regulations on Issuance and Public Disclosure of Securities)

(1) In the event that the Financial Supervisory Commission adjusts the share purchase price in accordance with the provisions of Article 95, Item 3 of the Securities and Exchange Act, such price shall be determined in accordance with the following clause:

24

1. In the case where the stock price index as of the last day of the period during which shareholders may exercise appraisal rights is higher than the stock price index as of the date of the board resolution.
  - A. In the event that the standard adjusted price calculated according to the following formula based on the amount determined pursuant to Article 84-9, Paragraph 2, Item 1 (hereinafter referred to as "standard purchase price") is higher than the share market price of the company (hereinafter referred to as the "market price") as of the last day of the period during which shareholders may exercise appraisal right, the higher of the standard purchase price and the market price.
    - \* Standard adjusted price = standard purchase price \* (stock price index effective as of the last day of the period during which shareholders may exercise appraisal right / stock price index as of the date of the board resolution)
  - B. In the event that the standard adjusted price is lower than the market price, the standard adjusted price:
2. In a case where the stock price index as of the last day of the period during which shareholders exercise their appraisal right is lower than the stock price index as of the date of the Board resolution
  - A. In a case where the standard adjusted price is higher than the market price, the standard adjusted price
  - B. In a case where the standard adjusted price

is lower than the market price, the lower of the standard purchase price and the market price

(2) In applying the provisions of Section 1 above, the share price index as of the date of the board resolution or such index as of the last day of the period during which shareholders may exercise their appraisal right shall mean the arithmetic average of the stock price index for the business category applicable to the types of business engaged in by the company (which means the stock price index per industry as calculated and announced by the Korea Stock Exchange and the Korea Securities Dealers Association), for the period of seven (7) trading days commencing on the date of the board resolution concerning a merger or a business transfer or a share swap or the last day of the period during which shareholders may

25

exercise their appraisal right. The market price shall mean the trading volume weighted average of the price (based on the market closing price) of the shares as traded on the securities market of the company or KOSDAQ market.

Provided however, in applying the business category stock index, if on the last day of the period during which shareholders may exercise the appraisal right, the number of companies that comprise a business category to which the company belongs is less than ten, or if the company's market capitalization is more than 10/100 of the aggregate traded share value for the applicable business category, or if it is not feasible to determine the applicable business category stock index, then the composite stock price index, rather than a business category stock price index, shall be used.

(3) The application for adjustment to the purchase price per item 1 above must be made within 10 days prior to the date on which the purchase must be completed.

C. Procedures, method, period and place for the exercise of appraisal rights

(1) Procedures and methods for the exercise of shareholders' appraisal right

(1) Notice regarding the objection to the board resolution

- A shareholder of Good Morning Shinhan Securities who objects to the proposed share swap shall give a written notice of his/her objection to the company by a date not later than the date immediately preceding the date of the shareholders' meeting for the approval of such share swap. However, a beneficiary shareholder who owns shares through a securities company may give a notice of his/her objection through the securities company. In such case, a beneficiary shareholder shall give such notice of objection at least two (2) or three (3) business days prior to the date of the shareholders' meeting, given the additional time needed for the administrative processing of such notice by the relevant securities company. (A beneficial shareholder will need to confirm the specific deadline for such notice with the relevant securities company).

- \* The securities company shall collect the objection notices of the beneficiary shareholders, and notify the same to the Korea Securities Depository by the date immediately preceding the date of the

26

shareholders' meeting. The Korea Securities Depository shall, on behalf of the beneficiary shareholders, give a notice to the company of their objection by the date immediately preceding the date of the shareholders meeting.

(2) Exercise of appraisal rights

- In the event that the share swap agreement is approved at both the general meeting of shareholders and the class meeting of the preferred shareholders of Good Morning Shinhan Securities, only those who have given a written notice of his/her objection to the board resolution according to the foregoing procedures may, within ten (10) days from the date of resolution of the shareholders' meeting, request the company to purchase his/her shares. However, a beneficiary shareholder who holds shares through a securities company may make such a request through the relevant securities company. In such case, a beneficiary shareholder shall make a request for purchase of his/her shares at least one (1) or two (2) business days prior to the last day of the exercise period for the appraisal right, given the additional time needed for the administrative processing of such



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notice by the relevant securities company (A beneficial shareholder will need to confirm the specific deadline applicable to the exercise of appraisal right with the relevant securities company).

\* The securities company shall collect the notices by the beneficiary shareholders regarding their exercise of appraisal right, and notify the same to the Korea Securities Depository.

### (2) Exercise period

- Notwithstanding the provisions of Article 360-5 of the Commercial code and Article 191 of the Securities and Exchange Act, the exercise period for the shareholders' appraisal right shall be shortened from 20 days to 10 days, commencing from the date of the shareholders' meeting, pursuant to Article 62-2 of the Financial Holding Companies Act.

\* A beneficiary shareholder may exercise his or her appraisal right through the securities company with which he/she holds the shares. In such case, a beneficiary shareholder shall exercise such appraisal rights at least one (1) or two (2) business days prior to the last day of the exercise period, given the time required for the administrative

27

processing of such request by the relevant securities company (A beneficial shareholder will need to confirm the specific deadline applicable to such exercise with the relevant securities company).

- Exercise period of appraisal rights: From November 26, 2004 (Fri) to December 6, 2004 (Mon)

### E. Miscellaneous

(1) Method of funding the share purchase price: The company's existing funds or funds raised by borrowing.

(2) Expected date of payment for the share purchase price: December 21, 2004 (Tue)

(3) Method of payment

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- Registered shareholder: The share purchase price will be paid in cash or wire transferred to a designated account.
  - Beneficiary shareholder: The share purchase price will be paid to his or her account maintained with the relevant securities company.
- (4) Please note that to the extent necessary other matters regarding the share purchase price and the exercise of appraisal rights may change in the course of negotiations with the shareholders and/or the relevant authorities.
- (5) Details of the calculation of the proposed purchase price of the shares of Good Morning Shinhan Securities

### 1) Common stock

Date ----	Closing price (Won) -----	Trading volume (share) -----	Closing price * trading -----
2004.09.16	3,345	1,091,350	3,650,565,750
2004.09.15	3,285	2,158,013	7,089,072,705
2004.09.14	3,430	956,627	3,281,230,610
2004.09.13	3,595	911,038	3,275,181,610
2004.09.10	3,500	475,270	1,663,445,000
2004.09.09	3,500	629,930	2,204,755,000
2004.09.08	3,445	618,720	2,131,490,400

28

2004.09.07	3,550	490,971	1,742,947,050
2004.09.06	3,600	963,293	3,467,854,800
2004.09.03	3,450	676,510	2,333,959,500
2004.09.02	3,480	1,433,206	4,987,556,880
2004.09.01	3,325	1,004,370	3,339,530,250
2004.08.31	3,165	1,061,065	3,358,270,725
2004.08.30	3,225	651,960	2,102,571,000
2004.08.27	3,350	529,949	1,775,329,150
2004.08.26	3,380	1,900,330	6,423,115,400
2004.08.25	3,265	399,499	1,304,364,235
2004.08.24	3,210	491,120	1,576,495,200
2004.08.23	3,290	513,625	1,689,826,250
2004.08.20	3,260	350,430	1,142,401,800
2004.08.19	3,320	846,771	2,811,279,720

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2004.08.18	3,240	400,145	1,296,469,800
2004.08.17	3,200	616,290	1,972,128,000
2004.08.16	3,230	590,810	1,908,316,300
2004.08.13	3,265	2,380,102	7,771,033,030
2004.08.12	3,110	714,702	2,222,723,220
2004.08.11	3,080	991,670	3,054,343,600
2004.08.10	3,100	809,349	2,508,981,900
2004.08.09	3,105	683,560	2,122,453,800
2004.08.06	3,025	621,421	1,879,798,525
2004.08.05	3,030	1,286,234	3,897,289,020
2004.08.04	2,910	525,833	1,530,174,030
2004.08.03	2,865	630,430	1,806,181,950
2004.08.02	2,750	353,926	973,296,500
2004.07.30	2,815	245,690	691,617,350
2004.07.29	2,790	274,784	766,647,360
2004.07.28	2,905	373,489	1,084,985,545
2004.07.27	2,845	285,459	812,130,855
2004.07.26	2,860	241,260	690,003,600
2004.07.23	2,930	476,132	1,395,066,760

29

2004.07.22	3,000	619,120	1,857,360,000
2004.07.21	2,995	1,609,408	4,820,176,960
2004.07.20	2,905	297,214	863,406,670
2004.07.19	2,930	469,641	1,376,048,130

Trading volume weighted average of share price for the past two (2) months			3,229 Won
Trading volume weighted average of share price for the past one (1) month			3,371 Won
Volume weighted average of share price for the past one (1) week			3,390 Won
Base share purchase price			3,330 Won

2) Preferred stock

Date	Closing price (Won)	Trading volume (share)	Closing price * trading
----	-----	-----	-----
2004.09.16	2,020	1,970	3,979,400
2004.09.15	1,985	2,710	5,379,350
2004.09.14	2,040	5,040	10,281,600
2004.09.13	2,105	19,030	40,058,150
2004.09.10	2,030	4,910	9,967,300
2004.09.09	1,965	840	1,650,600
2004.09.08	1,980	12,940	25,621,200

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2004.09.07	1,960	7,253	14,215,880
2004.09.06	1,980	17,203	34,061,940
2004.09.03	1,860	8,130	15,121,800
2004.09.02	1,860	13,170	24,496,200
2004.09.01	1,795	9,370	16,819,150
2004.08.31	1,770	4,420	7,823,400
2004.08.30	1,760	3,152	5,547,520
2004.08.27	1,785	2,011	3,589,635
2004.08.26	1,840	2,950	5,428,000
2004.08.25	1,785	871	1,554,735
2004.08.24	1,770	221	391,170
2004.08.23	1,785	4,732	8,446,620
2004.08.20	1,800	3,380	6,084,000

30

2004.08.19	1,805	7,721	13,936,405
2004.08.18	1,780	6,861	12,212,580
2004.08.17	1,775	4,444	7,888,100
2004.08.16	1,785	5,010	8,942,850
2004.08.13	1,850	41,290	76,386,500
2004.08.12	1,710	2,150	3,676,500
2004.08.11	1,675	2,720	4,556,000
2004.08.10	1,680	2,290	3,847,200
2004.08.09	1,675	2,370	3,969,750
2004.08.06	1,655	3,990	6,603,450
2004.08.05	1,710	6,990	11,952,900
2004.08.04	1,680	13,080	21,974,400
2004.08.03	1,685	15,270	25,729,950
2004.08.02	1,620	940	1,522,800
2004.07.30	1,650	4,420	7,293,000
2004.07.29	1,600	7,290	11,664,000
2004.07.28	1,685	5,470	9,216,950
2004.07.27	1,660	3,990	6,623,400
2004.07.26	1,670	14,910	24,899,700
2004.07.23	1,690	2,090	3,532,100
2004.07.22	1,720	19,140	32,920,800
2004.07.21	1,730	14,730	25,482,900
2004.07.20	1,700	6,400	10,880,000
2004.07.19	1,725	6,960	12,006,000
Volume weighted average of share price of the past two (2) months			1,811 Won
Volume weighted average of share price of the past one (1) month			1,916 Won
Volume weighted average of share price of the past one (1) week			2,070 Won
Base share purchase price			1,933 Won

8. OTHER MATTERS REGARDING THE PROTECTION OF INVESTORS

A. Matters regarding (i) listing of the new shares issued in share swap with the Korea Stock Exchange; (ii) registration of such shares with the KOSDAQ; and (iii) the trading thereof

- The expected date of listing of such newly issued common shares is January 7, 2005, provided that such date may change during the course of negotiations with the relevant authorities (the expected date of the share issuance will be determined based on negotiations with the relevant authorities).

B. Details of changes in the shareholding ratio of the largest shareholders and the major shareholders resulting from the share swap

(1) Status of the largest shareholders and the major shareholders of the wholly-controlling parent company before and after the share swap

(Unit : )

CLASSIFICATION	NAME OF SHAREHOLDERS	CLASS OF SHARES	NUMBER OF SHARES	SHAREHOLDING RATIO
Largest shareholders	BNP Parisbas Luxembourg	Common stock	13,557,832	4.22
		Preferred stock	-	-
	Total	Common stock	13,557,832	4.22
		Preferred stock	-	-
Other shareholders	Korea Deposit Insurance Corporation	Common stock	-	-
		Preferred stock	91,304,564	21.83

Note 1) The shareholding ratio after the share swap has been calculated by adding the maximum number of shares to be issued for the share swap to the number of existing issued and outstanding shares.

2) After the share swap, no major shareholder, as defined by the Securities and Exchange Act, will exist for Shinhan Financial Group.

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\* Currently, Korea Deposit Insurance Corporation owns non-voting preferred shares

- 3) Shinhan Bank sold all of its 29,873,359 shares of common stock of Shinhan Financial Group, owned as of December 31, 2003, in an after hours block trading before the commencement of session on March 3, 2004.

32

- 4) While the shareholding ratio of BNP Paribas Luxembourg is based on the number of common stock, the preferred stock shareholding ratio of Korea Deposit Insurance Corporation is based on the total number of issued and outstanding shares of the company, including the shares of common and preferred stock.

- (2) Status of the largest shareholders and the major shareholders before the share swap

Shinhan Financial Group

(Unit: )

CLASSIFICATION -----	NAME OF SHAREHOLDERS -----	CLASS OF SHARES -----	NUMBER OF SHARES -----	SHAREHOLDI -----
Largest shareholders	BNP Paribas Luxembourg	Common stock	13,557,832	4
		Preferred stock	-	
	Total	Common stock	13,557,832	4
		Preferred stock	-	
Other shareholders	Korea Deposit Insurance Corporation	Common stock	-	
		Preferred stock	91,304,564	22

- Note 1) As of June 30, 2004.
- 2) Shares of preferred stock held by the Korea Deposit Insurance Corporation do not have voting rights (except that if no dividends are declared with respect to such shares at the general meeting of shareholders for a fiscal year, it may exercise voting rights during the period that follows such general meeting of shareholders until the time of the general meeting of shareholders at which such dividends are declared). Therefore, BNP Paribas Luxembourg is the largest shareholder based on the number of shares with voting rights.
- 3) 29,873,359 shares of Shinhan Financial Group held by Shinhan Bank as of December 31, 2003 were sold in an after hours block trading

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prior to the commencement of session on March 3, 2004.

- 4) While the shareholding ratio of BNP Paribas Luxembourg is based on the number of shares of common stock, the preferred stock shareholding ratio of Korea Deposit Insurance Corporation is based on the total number of issued and outstanding shares of the company, including the shares of common and preferred stock.

### C. Other matters regarding investment decisions

33

- (1) With respect to the details of changes in the shareholding ratio of the largest shareholders and the major shareholders of Shinhan Financial Group, a wholly-controlling parent company, before and after the share swap

- Details of changes in the shareholding ratio described above have been calculated based on their equity holdings as of June 30, 2004, and, therefore, may differ from their actual equity holdings.
- Details of changes in the shareholding ratio after the share swap described above have been calculated based on the maximum number of shares to be issued for the proposed share swap, and, therefore, may change based on the actual number of shares issued for the share swap.

- (2) With respect to tender offer by Shinhan Financial Group for the preferred stock of Good Morning Shinhan Securities

- Shinhan Financial Group has decided to executed tender offer for the preferred stock of Good Morning Shinhan Securities pursuant to Article 4 of Securities Exchange Act, and the material terms of such tender offer are as follows:
  - \* the number of shares targeted for purchase: 1,529,326 preferred shares in registered form of Good Morning Shinhan Securities (equivalent to 40 % of the issued and outstanding preferred shares)
  - \* Tender offer price: Won 2,500 per share
  - \* Tender offer period: From September 24, 2004 (Fri) to October 13, 2004 (Wed) (20 days)
  - \* Terms and conditions of the tender offer :

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If the number of shares tendered pursuant to the tender offer is less than that the number of shares solicited for purchase, Shinhan Financial Group shall purchase all of the tendered shares (as the number of shares solicited for purchase is equivalent to 100 % of issued and outstanding preferred stock, the number of tendered shares will not exceed the number of shares to be purchased).

- \* Shinhan Financial Group will announce and give a public notice of the details of the tender offer through the publication of tender offer and the tender offer statement.

34

CHAPTER 2. MATTERS CONCERNING THE COMPANY

I. COMPANY OVERVIEW

[Company Name: Shinhan Financial Group Co., Ltd.]

1. OBJECTIVES OF THE COMPANY

A. Business being conducted by the Company

OBJECTIVES  
-----

REMARKS  
-----

1. To control or manage a financial company or a company having close relation with the financial business;
2. To provide the financial support to its subsidiary, etc. (which expression shall include the subsidiary, sub-subsidiary, and the company under the control of sub-subsidiary; hereinafter the same shall apply.);
3. To invest in the subsidiary or to raise the fund for financial support to its subsidiary, etc.;
4. To develop and sell the products jointly with its subsidiary, etc., and to provide the business support for joint use of facility, computer system, etc. with its subsidiary, etc.; and
5. To engage in the other business incidental or related to the foregoing.

B. Business not being conducted by the Company



	OBJECTIVES -----	REMARKS -----
N/A		
C.	Business being conducted by the Subsidiaries	

	OBJECTIVES -----	REMARKS -----
	Shinhan Bank -----	
	1. Banking business under the Banking Act;	
	2. Trust business;	
	3. Foreign exchange business; and	
	4. Other businesses incidental or related to the foregoing.	
	Chohung Bank -----	
	1. Banking business under the Banking Act;	
	2. Trust business;	
	3. Foreign exchange business; and	
	4. Other businesses incidental or related to the foregoing.	

	Objectives	Remarks
	Good Morning Shinhan Securities Co., Ltd. -----	
	1. Trading of securities;	
	2. Brokerages of securities trading;	
	3. Intermediation or agency of securities trading;	
	4. Intermediation, arrangement or agency for brokerage of securities trading	

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on the Korea Stock Exchange, the Korea Securities Dealers Association, or a similar market in a foreign country;

5. Underwriting of securities;
6. Arrangement of offering or sale of securities;
7. Arrangement of a public offering of new or outstanding securities;
8. Intermediation or agency of securities trading conducted through the Korea ECU Securities Co., Ltd.; trading of securities associated with intermediation services;
9. Margin loan service;
10. Secured loan (collateralized by securities);
11. Securities saving account service;
12. Stock (index) futures business;
13. OTC derivatives transactions; Intermediation, arrangement or agency thereof;
14. Advisory service for investment and total investment service;
15. Evaluation of securities and equity holdings;
16. Intermediation, arrangement, or agency of corporate mergers & acquisitions;
17. Transactions and intermediation of certificate of deposits (CDs);
18. Trustee business for offering of corporate bonds;
19. Proxy business related to securities trading;
20. Financial advisory services on corporate management, restructuring and financing;
21. Lending and borrowing of securities; Intermediation, arrangement or agency thereof;
22. Underwriting of securities issued through a method other than a public offering; Intermediation, arrangement or agency thereof;
23. Transactions of loan receivables and other transactions related thereto; Intermediation, arrangement or agency thereof;
24. Securities custody business;
25. Real estate leasing;
26. Business related to management of vault for customers;
27. Lending of securities held by the Company to institutional investors;
28. Sales of lottery tickets, admission tickets and other similar services;
29. training related to securities;
30. Publication of periodicals and books;

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31. Rental or sale of IT system or software in relation to securities business;
32. Fiduciary service regarding service and special purpose company (SPC) businesses pursuant to the Asset Securitization Act;
33. Trading, brokerage, intermediation or agency of futures and options; Intermediation, arrangement or agency for brokerage of futures and options trading;
34. Paying agency service related to corporate bonds;
35. Securities business in overseas markets;
36. Discount and trading of corporate papers (CPs);
37. Intermediation of trading of CPs;
38. Brokerage of sale of investment trust beneficiary certificates;
39. Brokerage of sale of mutual funds;
40. Wrap account service;

36

### Objectives

Remarks

41. Agency and intermediation for sale of insurance products; and
42. Other businesses incidental or related to the foregoing.

Shinhan Card Co., Ltd.  
-----

1. Credit card services defined by the Specialized Credit Financial Business Act;
2. Agency and entrustment of the business set forth in Item 1 above;
3. Telemarketing, insurance agency service, travel-related services;
4. Exchange of money;
5. Card production services;
6. Organization and operation of various clubs for members;
7. Business-related publications;
8. Real estate leasing;

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9. Conduct of the foregoing services through the Internet; and
10. Other businesses incidental to the foregoing and prescribed by the relevant laws and regulations.

Shinhan Capital Co., Ltd.  
-----

1. Leasing of facilities, equipment, machinery, heavy machinery, vehicles, vessels and aircrafts, and real estates and property rights directly related thereto (hereinafter the "Products");
2. Sale of the Products through a deferred payment method;
3. Installment financing;
4. New technology financing;
5. Grant of credit loans or collateral loans;
6. Discount of notes;
7. Assumption and collection of accounts receivables held by a company from the supply of the goods and services;
8. Payment guarantees;
9. Purchase of credits held by other specialized or crossover credit finance companies and securities backed by such credits; and
10. Credit check and other incidental businesses related to the foregoing Items 1 through 7.

Jeju Bank  
-----

1. Banking business under the Banking Act;
2. Trust business;
3. Foreign exchange business; and
4. Other businesses incidental or related to the foregoing.

Shinhan BNP Paribas Investment Trust Management Co., Ltd.  
-----

1. Investment and trust of securities;
2. Advisory services for investment;
3. Raising of futures investment funds;
4. Call transactions;
5. Purchase of notes; and

Objectives	Remarks
6. Other businesses incidental or related to the foregoing Items 1 through 5.	
Shinhan Macquarie Financial Advisory Co., Ltd. -----	
1. Asset-based financing; 2. Advisory services for project financing; 3. Infrastructure management; 4. Structured finance; 5. Cross-border leasing; 6. Technology and infrastructure mergers and acquisitions; 7. Specialized funds management; and 8. Other businesses incidental or related to the foregoing.	
e-Shinhan Inc. -----	
1. Processing of comprehensive financial information and provision of information through the Internet; 2. Financial advisory service through the Internet; 3. Brokerage of financial products sold through the Internet; 4. Provision of real estate information and brokerage of real estate-related products through the Internet; 5. Development and sale of software; 6. Advertising services and advertising agency services; 7. Development of various Internet contents and sale of products; 8. Telemarketing for brokerage of financial products; 9. Specific telecommunications service; and 10. Other businesses incidental or related to the foregoing.	
Shinhan Credit Information Co., Ltd. -----	

1. Debt collection services;
2. Credit check;
3. Civil affairs and petitions handling agency; and
4. Other businesses incidental or related to the foregoing.

SH&C Life Insurance Co., Ltd.  
-----

1. Personal insurance;
2. Reinsurance of personal insurance policies;
3. Operation of assets incidental or related to life insurance; and
4. Other businesses incidental or related to the foregoing.

D. Business to be implemented by stock swap and transfer in the future

- N/A

2. HISTORY OF THE COMPANY

38

A. History of Relevant Company

(1) Proceedings of the Establishment and Changes Thereafter

- 1) Date of Establishment: September 1, 2001
- 2) Location of the Head Office and the Change Thereof: 120, 2Ga, Taepyung-Ro, Jung-Gu, Seoul, Korea
- 3) Branch, Business Office and Office, etc.

- N/A

4) Material Change of the Management

September 1, 2001  
March 31, 2003

Chairman/President  
Chairman  
CEO/President

Eung Chan Ra  
Eung Chan Ra  
Choi, Young Hwi

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### 5) Change of Largest Shareholder

December 14, 2001: The largest shareholder was changed from Daekyo Co., Ltd. and two others (4,754,679 shares, 1.63%) to BNP Paribas (11,693,767 shares, 4%).

February 7, 2002: The largest shareholder was changed from BNP Paribas to BNP Paribas Luxembourg (11,693,767 shares, 4%), an affiliate of BNP Paribas.

\* The number of shares held by BNP Paribas Luxembourg is 13,557,832 shares and its equity share is 4.39% as of the end of December 2003. (additional acquisition of 1,864,065 shares by capital increase via third-party allotment)

### 6) Material Change of Business Objectives

N/A

### 7) Any Other Material Change after the Establishment

- April 4, 2002 Execution of purchase agreement of 51% equity shares owned by Korea Deposit Insurance Corporation and Jeju Bank

39

- April 8, 2002 Execution of purchase agreement of 30% common shares held by Good Morning Securities with Asia Pacific Growth II, LP etc.
- May 10, 2002 Obtaining of approval of incorporation of Jeju Bank as SFG subsidiary
- June 4, 2002 Credit card division of Shinhan Bank was spun off and established Shinhan Card Co, Ltd.
- July 8, 2002 Establishment of Shinhan Credit Information
- August 1, 2002 Good Morning Securities was launched followed by the merger between Good Morning Securities Co., Ltd. and Shinhan Securities Co., Ltd.
- September 16, 2002 Withdrawal of Good Morning ITMC from sub-subsiary
- September 23, 2002 Execution of agreement for sale of 50%-1 equity shares owned by Shinhan ITMC to BNP Paribas Asset Management Group [the company name was changed to Shinhan BNP Paribas Investment Trust Management Co., Ltd.]

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- October 1, 2002 Establishment of SH&C life Insurance
- June 9, 2003 Execution of agreement for sale of 49% equity share of Shinhan Credit Information Co., Ltd. to Loan Star Fund
- July 9, 2003 Execution of agreement for acquisition of 80.04% equity ownership of Chohung Bank from the Korea Deposit Insurance Corporation
- August 18, 2003~August 19, 2003 Acquisition of 80.04% equity ownership of Chohung Bank from the Korea Deposit Insurance Corporation
- September 5, 2003 Obtaining of approval of incorporation of Chohung Bank as SFG subsidiary
- September 16, 2003 Registration with U.S. Securities Exchange Commission and listing on New York Stock Exchange
- November 20, 2003 Acquisition of bank holding company license in the US market from the Federal Reserve Board

40

- December 26, 2003 Chohung Bank's additional investment equivalent to 200 billion won (81.15% shareholding after investment)
- March 5, 2004 Sold 29,873,359 shares (10.15%) of the Company owned by Shinhan Bank
- April 12, 2004 Resolution of implementation of share swap and tender offer in order to make Chohung Bank its wholly-owned subsidiary
- April 29, 2004 In credit information business unit, the termination of affiliation with Lone Star and determination of purchase of equity in Shinhan Credit Information Co., Ltd.
- June 22, 2004 Completion of small scale share swap for wholly-owned subsidiary of Chohung Bank
- July 2, 2004 Delisting of Chohung Bank

### (2) Change of Corporate Name

N/A

### (3) Stock Swap and Transfer and Business Sale and Purchase

- Establishment of the financial holding company by stock transfer method on September 1, 2001

\* Subject Companies: Shinhan Bank, Shinhan Securities, Shinhan Capital, Shinhan ITMC) (former company names used)



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- \* Issuance of common shares of 292,344,192 shares by stock transfer.
- Pursuant to Article 360, Paragraph (9) and (10) of Commercial Code, small scale and simple stock swaps with Shinhan Bank are carried out as below.

- \* 1st: June 6, 2002 (Issuance of 15,891 new shares in common shares)

- \* 2nd: October 1, 2002 (Issuance of 786 new shares in common shares)

41

- \* 3rd: December 31, 2002 (Issuance of 256 new shares in common shares)

- \* 4th: October 1, 2003 (Issuance of 11,626 new shares in common shares)

- \* 5th: December 31, 2003 (Issuance of 164,484 new shares in common shares)

- \* The foregoing stock swaps are between additionally issued common shares of Shinhan Bank and common shares of 'Shinhan Financial Group' pursuant to the enforcement of the rights of bonds with warrants that Shinhan Bank has already issued.

- The small scale share swap with Chohung Bank as subsidiary was implemented pursuant to Article 360-3 and 360-10 of the Commercial Code as follows:

- \* Share swap date: June 22, 2004

- \* Number of common stock issued upon share swap: 14,682,590 Won

- There is no applicable information on business transfer.

#### (4) Occurrence of Important Matters relating to the Management

- December 12, 2001 Execution of "Agreement for strategic alliance and establishment of a joint-venture company (bancassurance and consumer banking part)" with BNP Paribas Group
- April 4, 2002 Execution of "Jeju Bank's Share (51%) Purchase Agreement" with Korea Deposit Insurance Corporation

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- April 8, 2002 Execution of "Good Morning Securities Co., Ltd.'s Share (30% of common shares) Purchase Agreement" with Asia Pacific Growth II, LP and others
- August 9, 2002 Execution of "Strategic alliance agreement on investment trust management business" with BNP Paribas Group (BNP PAM)
- September 23, 2002 Execution of "Agreement for sale of 3,999,999 shares (50%-1 shares) owned by Shinhan ITMC" with BNP Paribas Asset Management Group
- June 9, 2003 Execution of "Agreement for sale of shares of Shinhan Credit Information Co., Ltd. [49% of total number of

42

issued and outstanding shares (294,000 shares)]" with Loan Star Fund

- July 9, 2003 Execution of "Chohung Bank's Share [543,570,144 shares (80.04% of total number of issued and outstanding shares)] Purchase Agreement" with Korea Deposit Insurance Corporation
- December 26, 2003 Chohung Bank's additional investment equivalent to 200 billion won (equity share of 81.15% after the investment)
- March 5, 2004 Sold 29,873,359 shares (10.15%) of the Company owned by Shinhan Bank
- April 12, 2004 Resolution of implementation of share swap and tender offer in order to make Chohung Bank its wholly-owned subsidiary
- April 29, 2004 In credit information business unit, the termination of affiliation with Lone Star and determination of purchase of equity in Shinhan Credit Information Co., Ltd.
- June 22, 2004 Completion of small scale share swap for wholly-owned subsidiary of Chohung Bank
- July 2, 2004 Delisting of Chohung Bank

### B. Corporate Group to which the Company belongs

#### (1) Summary of the Corporate Group

- 1) Corporate Name: Shinhan Financial Group
- 2) History
  - May 24, 2000 Announcement of establishment of Shinhan Financial Group Co., Ltd. (hereinafter, Shinhan Financial Group)
  - June 28, 2001 Resolution of the Board of Directors' meeting of Shinhan Bank, Shinhan Securities, Shinhan Capital, Shinhan ITMC for establishment of financial holding company; execution of MOU

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for strategic alliance

43

- with BNP Paribas Group; application for preliminary approval of establishment of Shinhan Financial Group
- July 27, 2001 Obtaining of preliminary approval of establishment of Shinhan Financial Group
- August 9, 2001 Approval of share transfer for establishment of Shinhan Financial Group at an extraordinary general meeting of shareholders
- August 22, 2001 Application for approval of establishment of Shinhan Financial Group
- August 31, 2001 Obtaining of approval of establishment of Shinhan Financial Group
- September 1, 2001 Registration of establishment of Shinhan Financial Group; incorporation of E-Shinhan and Shinhan Macquarie as SFG subsidiary
- September 10, 2001 Listing of SFG's shares
- December 12, 2001 Execution of the strategic alliance agreement with BNP Paribas Group and establishment of joint corporation
- December 31, 2001 Registration of dissolution of Shinhan Complex Laboratory as sub-subsiary (subsidiary of Shinhan Bank)
- April 4, 2002 Execution of purchase agreement of 51% equity shares owned by Korea Deposit Insurance Corporation and Jeju Bank
- April 8, 2002 Execution of purchase agreement of 30% common shares held by Good Morning Securities with Asia Pacific Growth II, LP etc.
- May 10, 2002 Obtaining of approval of incorporation of Jeju Bank as SFG subsidiary
- May 24, 2002 Obtaining of approval of incorporation of Shinhan Card as SFG subsidiary
- July 8, 2002 Establishment of Shinhan Credit Information
- July 26, 2002 Obtaining of approval of incorporation of Good Morning Shinhan Securities (merged with Good

44

Morning Securities and Shinhan Securities) as SFG subsidiary

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- August 1, 2002 Launching of Good Morning Shinhan Securities
- September 16, 2002 Withdrawal of Good Morning ITMC from sub-subsidiary
- September 23, 2002 Execution of agreement for sale of 50%-1 equity shares (3,999,999 shares) owned by Shinhan ITMC to BNP Paribas Group
- October 1, 2002 Establishment of SH&C life Insurance
- June 9, 2003 Execution of agreement for sale of 49% equity shares (294,000 shares) owned by Shinhan Credit Information to Lone Star Fund
- July 9, 2003 Execution of "Chohung Bank's Share [543,570,144 shares (80.04% of issued and outstanding shares)] Purchase Agreement" with Korea Deposit Insurance Corporation
- August 18, 2003~August 19, 2003 Acquisition of 80.04% equity ownership of Chohung Bank from Korea Deposit Insurance Corporation
- September 5, 2003 Obtaining of approval of incorporation of Chohung Bank as SFG subsidiary
- September 16, 2003 Registration with U.S. Securities Exchange Commission and listing on New York Stock Exchange
- November 20, 2003 Acquisition of bank holding company license in the US market from the Federal Reserve Board
- December 26, 2003 Chohung Bank's additional investment equivalent to 200 billion won (81.15% shareholding after investment)
- April 12, 2004 Resolution of implementation of share swap and tender offer in order to make Chohung Bank its wholly-owned subsidiary (tender offer period: April 26, 2004 ~ May 17, 2004)
- April 29, 2004 In credit information business unit, the termination of affiliation with Lone Star and determination

45

of purchase of equity in Shinhan Credit Information Co., Ltd.

- June 22, 2004 Completion of small scale share swap for wholly-owned subsidiary of Chohung Bank
- July 2, 2004 Delisting of Chohung Bank

(2) Companies belonging to the Corporate Group

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CLASSIFICATION	NUMBER OF COMPANY	COMPANY NAME	REMARKS
Listed Company	1	Shinhan Financial Group	Parent Company
	2	Good Morning Shinhan Securities, Jeju Bank	Subsidiary
Unlisted Company	9	Shinhan Bank, Chohung Bank, Shinhan Card, Shinhan Capital, Shinhan BNP Paribas ITMC, E-Shinhan, Shinhan Macquarie, Shinhan Credit Information, SH&C life Insurance	Subsidiary
	12	Shinhan Data System, Shinhan Finance, Chohung ITM, Chohung Finance, CHB America Bank, Chohung Bank GmbH, Chohung Vina Bank CHB Valuemeet 2001 year 1st Securitization CHB Valuemeet 2001 year 2nd Securitization CHB Valuemeet 2002 year 1st Securitization Good Morning Shinhan Securities Europe Ltd. Good Morning Shinhan Securities USA Inc.	Sub-subsidia
Total	24	-	-

Note 1) Pursuant to the "Resolution of debt-equity swap by the creditor financial institutions of Samyang Foods Co., Ltd.", the subsidiaries, Shinhan Bank and Shinhan Capital converted the loan receivables of Samyang Foods Co., Ltd. into equity as of June 26, 2003, and thereby became the largest shareholder of Samyang Foods Co., Ltd.

Note 2) Pursuant to the "Resolution made at the council of the creditor financial institutions of Ssangyong Corporation", the subsidiaries, Chohung Bank and Shinhan Bank converted the loan receivables into equity, and thereby became the largest shareholder of Ssangyong Corporation with the equity share new roman">

Months Ended Nine

30, September

30,

September

2008

2007

2008

2007

Revenues :