

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- \_\_\_\_\_.

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**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).

<b>Reporter</b>	<b>Name</b>	Shinhan Financial Group Co., Ltd. (seal)
<b>Contact Information for Business Purpose</b>	<b>Address*</b>	120 Taepyungro 2-ga, Jung-gu, Seoul, Korea
	<b>Tel. No.</b>	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 <sup>st</sup> 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.

<b>Date</b>	<b>Details</b>	<b>Quantity</b>	<b>Remarks</b>
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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<b>Date</b>	<b>Details</b>	<b>Quantity</b>	<b>Remarks</b>
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**

	<b>Business Objectives</b>	<b>Remarks</b>
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
<b>Total</b>		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
<b>Total</b>			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**

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910,578

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[As of Feb. 27, 2007]

<b>Name (Company Name)</b>	<b>Relation with Tender Offeror</b>	<b>Address</b>	<b>Capital (million Won)</b>	<b>Largest Shareholder</b>	<b>Occupation (Details of Business)</b>
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 <sup>th</sup> 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 <sup>th</sup> 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 <sup>rd</sup> Fl., Seoul City Tower, Namdaemoonro 5-ga, Jung-gu, Seoul	30,000	SFG	Insurance business
Shinhan Private Equity	Subsidiary	14 <sup>th</sup> Fl., Heungkuk Life Bldg., Shinmunro 1-ga, Jongro-gu, Seoul	10,000	SFG	Private equity operations business
Shinhan Data System	Indirect subsidiary	17 <sup>th</sup> 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 <sup>th</sup> 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 <sup>th</sup> Avenue 4 <sup>th</sup> Floor New York, NY 10001 USA	13,014	Shinhan Bank	Banking business

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<b>Name (Company Name)</b>	<b>Relation with Tender Offeror</b>	<b>Address</b>	<b>Capital (million Won)</b>	<b>Largest Shareholder</b>	<b>Occupation (Details of Business)</b>
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 <sup>th</sup> Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul	10	Shinhan Bank	Other financial business
CHB Valuemeet 2001 Second SPC	Indirect subsidiary	10 <sup>th</sup> Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul	10	Shinhan Bank	Other financial business
CHB Valuemeet 2002 First SPC	Indirect subsidiary	10 <sup>th</sup> Fl., Lawyer s Bldg., Dangju-dong, Jongro-gu, Seoul	10	Shinhan Bank	Other financial business
Good Morning Shinhan Securities Europe Ltd.	Indirect subsidiary	7 <sup>th</sup> 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 <sup>th</sup> Ave. #702, NY, NY 10019 USA	3,904	Good Morning Shinhan Securities	Securities brokerage business
Shinhan NPS Private Equity Fund 1 <sup>st</sup>	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 1<sup>st</sup> 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**

<b>Classification</b>	<b>No. of Companies</b>	<b>Company Name</b>
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 <sup>st</sup>
<b>Total</b>	<b>25</b>	

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 <sup>th</sup> Fiscal Year (As of Dec. 31, 2005)	4 <sup>th</sup> Fiscal Year (As of Dec. 31, 2004)
<b>[Assets]</b>		
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
<b>Total Assets</b>	<b>1,609,375</b>	<b>1,468,312</b>
<b>[Liabilities]</b>		
Deposits	915,208	875,281
Borrowings	159,164	148,950
Debentures	228,402	201,141
Other Liabilities	204,084	164,591
<b>Total Liabilities</b>	<b>1,506,858</b>	<b>1,389,963</b>
<b>[Stockholders Equity]</b>	<b>21,708</b>	<b>20,831</b>
[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
<b>Total Stockholders Equity</b>	<b>102,517</b>	<b>78,349</b>

**(2) Consolidated Income Statement**

[Unit: KRW 100 million]

Category	5 <sup>th</sup> Fiscal Year (Jan. 1, 2005 ~ Dec. 31, 2005)	4 <sup>th</sup> 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 3<sup>rd</sup> Quarter of the 6<sup>th</sup> Fiscal Year (As of Sep. 30, 2006)The 5<sup>th</sup> Fiscal Year (As of Dec. 31, 2005)The 4<sup>th</sup> Fiscal Year (As of Dec. 31, 2004)

[Unit: KRW million]

Category	6 <sup>th</sup> Fiscal Year, 3 <sup>rd</sup> Quarter	5 <sup>th</sup> Fiscal Year	4 <sup>th</sup> Fiscal Year
<b>Assets</b>			
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
<b>Total Assets</b>	<b>13,958,628</b>	<b>12,462,131</b>	<b>10,072,313</b>
<b>Liabilities</b>			
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 <sup>th</sup> Fiscal Year, 3 <sup>rd</sup> Quarter	5 <sup>th</sup> Fiscal Year	4 <sup>th</sup> 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
<b>Total Liabilities</b>	<b>3,061,396</b>	<b>2,325,114</b>	<b>2,325,043</b>
<b>Stockholders Equity</b>			
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 <sup>rd</sup> quarter of 6 <sup>th</sup> fiscal year: KRW 1,582,225 million 5 <sup>th</sup> fiscal year: KRW 1,732,067 million 4 <sup>th</sup> 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
<b>Total Stockholders Equity</b>	10,897,232	10,137,017	7,747,270
<b>Total Liabilities and Stockholders Equity</b>	13,958,628	12,462,131	10,072,313

**2. Income Statement**The 3<sup>rd</sup> Quarter of the 6<sup>th</sup> Fiscal Year (Jan. 1, 2006 - Sep. 30, 2006)The 5<sup>th</sup> Fiscal Year (Jan. 1, 2005 - Dec. 31, 2005)The 4<sup>th</sup> Fiscal Year (Jan. 1, 2004 - Dec. 31, 2004)

[Unit: KRW million]

Category	6 <sup>th</sup> Fiscal Year,		
	3 <sup>rd</sup> Quarter	5 <sup>th</sup> Fiscal Year	4 <sup>th</sup> 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 <sup>th</sup> Fiscal Year, 3 <sup>rd</sup> Quarter	5 <sup>th</sup> Fiscal Year	4 <sup>th</sup> 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 5<sup>th</sup> Fiscal Year (Jan. 1, 2005 - Dec. 31, 2005)The 4<sup>th</sup> Fiscal Year (Jan. 1, 2004 - Dec. 31, 2004)The 3<sup>rd</sup> Fiscal Year (Jan. 1, 2003 - Dec. 31, 2003)

[Unit: KRW million]

Category	5 <sup>th</sup> Fiscal Year	4 <sup>th</sup> Fiscal Year	3 <sup>rd</sup> 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 5<sup>th</sup> 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

<b>1987</b>	
November	Obtained credit card business license
20	
<b>1988</b>	

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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
<b>1989</b>	
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
<b>1990</b>	
March 15	Began special-purpose loan business
<b>1991</b>	
March 4	Launched 24-hour phone service for credit limit increase and lost/stolen card reporting
September 1	Launched LG Green Card
<b>1992</b>	
April 22	Launched Lady Card, credit card for women exclusively
December 15	Launched Daehyun Fashion Club Card, the first of its kind in Korea
<b>1993</b>	
March 22	Launched Artist Card
<b>1994</b>	
April 1	Launched LG Caltex Oil-LG Card
May 1	Introduced integrated credit limit management system
May 17	Introduced interactive voice response (IVR) system
<b>1995</b>	
April 17	Launched LG-Skypass Card in affiliation with Korean Air
<b>1996</b>	
April 15	Signed international affiliation agreement with China Trust Commercial Bank of Taiwan and became the first Korean credit card to be accepted overseas
<b>1997</b>	
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.
<b>1998</b>	
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
<b>1999</b>	
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
<b>2000</b>	
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
<b>2001</b>	
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
<b>2002</b>	
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
<b>2003</b>	
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
<b>2004</b>	
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 <sup>nd</sup> 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
<b>2005</b>	
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 <sup>th</sup> 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
<b>2006</b>	
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 <sup>th</sup> 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
<b>2007</b>	
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

<b>Business Objective</b>	<b>Remarks</b>
(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

<b>Category</b>	<b>Details</b>
<b>Credit Sales/ Cash Advance</b>	<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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<b>Category</b>	<b>Details</b>
	Moreover, LG Card will further improve its exclusive credit management system to provide customers with accurate credit rating thereby achieving better risk management.
<b>Installment Finance</b>	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.
<b>Consumer Loan</b>	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.
<b>Lease Financing</b>	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]

<b>Type</b>	<b>Class</b>	<b>Number of Shares</b>	
		<b>Issued</b>	<b>Total Capitalization</b>
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]

<b>Name</b>	<b>Relationship</b>	<b>LG Card</b>	
		<b>Shares Owned</b>	<b>Shareholding (%)</b>
Korea Development Bank	Largest Shareholder	28,743,134	22.93
<b>Total</b>		28,743,134	22.93

**6. Officers and Directors and their Shareholdings**

[As of December 31, 2006]

<b>Position</b>	<b>Name</b>	<b>Birth Date</b>	<b>Career History</b>	<b>Shares Owned</b>	<b>Date first appointed as Director</b>
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	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>		Mar 15, 2004
Outside Director	Gap-Yong Kim	Aug. 9, 1951	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>		Mar 15, 2004
Outside Director	Sang-Ho Sohn	Feb. 13, 1957	Ohio State Univ., Ph. D in Economics Korea Institute of Finance,		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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**Table of Contents**

<b>Position</b>	<b>Name</b>	<b>Birth Date</b>	<b>Career History</b>	<b>Shares Owned</b>	<b>Date first appointed as Director</b>
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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<b>Position</b>	<b>Name</b>	<b>Birth Date</b>	<b>Career History</b>	<b>Shares Owned</b>	<b>Date first appointed as Director</b>
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 25	Mar 26, 2004
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**Table of Contents**

<b>Position</b>	<b>Name</b>	<b>Birth Date</b>	<b>Career History</b>	<b>Shares Owned</b>	<b>Date first appointed as Director</b>
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**

<b>No. of Shares Currently Held</b>	<b>No. of Shares Subject to Tender Offer</b>	<b>No. of Shares to Be Held Post-Tender Offer</b>
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]

<b>Category</b>	<b>Class</b>		<b>Total</b>	<b>Remarks</b>
	<b>Common Share</b>	<b>Preferred Share</b>		
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**

<b>Category</b>		<b>Remarks</b>	
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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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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<b>Category</b>	<b>Description</b>		
<b>Matters Pertaining to the Remaining Balance in an Account with a Financial Institution, etc. to be Applied for the Payment of Tender Offer Funds</b>	Financial Institution		
	Name of Financial Institution	Registration No.	Amount
	Shinhan Bank and 3 other institutions	00137571	6,680,000,000,000
	Total		
<b>Matters Pertaining to the Custody of Securities to be Exchanged through the Tender Offer</b>	Plan for Withdrawal and Use of Tender Offer Funds		N/A
	Types of Securities		N/A
<b>Matters Pertaining to the Issuance of New Shares by Contribution in-Kind</b>	Volume		N/A
	Custody Method for Securities		N/A
<b>Matters Pertaining to the Issuance of New Shares by Contribution in-Kind</b>	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:

<b>Name of Financial Institution</b>	<b>Registration No.</b>	<b>Amount</b>	<b>Remarks</b>
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)

<b>Name of Branch</b>	<b>Address</b>	<b>Telephone Number</b>
Gangnam	(2 <sup>nd</sup> and 3 <sup>rd</sup> floors, Seonleung Bldg.) 702-28 Yoksam-dong, Gangnam-gu, Seoul	02) 538-0707
Gangnam Jungang	(2 <sup>nd</sup> floor, Shindeok Bldg.) 1329-7, Seocho-dong, Seocho-gu, Seoul	02) 6354-5300
Gangneung	(2 <sup>nd</sup> floor, Donga Bldg.) 114-2, Imdang-dong, Gangneung-si, Gangwon-do	032) 642-1777
Gyeyang	(4 <sup>th</sup> floor, Younghwa Bldg.) 863-3 Jakjeon-dong, Gyeyang-gu, Incheon	032) 553-2772
Gwanak	(2 <sup>nd</sup> floor, Namgyeongdo Bldg.) 853-1, Bongcheon	02) 887-0809
Gwangju	7(chil)-dong, Gwanak-gu, Seoul	
	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Goodmorning Shinhan Securities Bldg.) 30, Keumnamro 2(i)-ga, Dong-gu, Gwangju	062) 232-0707
	3 <sup>rd</sup> floor, King's Garden Complex 4, 73 Naesu-dong, Jongno-gu, Seoul,	02) 732-0770
Gwanghwamun	(3 <sup>rd</sup> floor, New World Bldg.) 103-12 Guro 5(o)-dong, Guro-gu, Seoul	02) 857-8600
Guro		
Gumi	(1 <sup>st</sup> floor, Goodmorning Shinhan Securities Bldg.) 56, Songjeong-dong, Gumi-si, Gyeongsangbuk-do	054) 451-0707
Guwoldong	2 <sup>nd</sup> floor, Shinhan Bank Guwoldong Branch, 1199-13, Guwol-dong, Namdong-gu, Incheon	032) 464-0707

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<b>Name of Branch</b>	<b>Address</b>	<b>Telephone Number</b>
Gunsan	(2 <sup>nd</sup> floor, Goodmorning Shinhan Securities Bldg.) 15-8, Jungangno 2(i)-ga, Gunsan-si, Jeollabuk-do	063) 442-9171
Geumjeong	(2 <sup>nd</sup> floor, Haegang Bldg.) 184-3, Guseo 2(i)-dong, Geumjeong-gu, Busan	051) 516-8222
Nonhyeon	(1 <sup>st</sup> floor, Daeyong Bldg.) 90, Nonhyeon-dong, Gangnam-gu, Seoul	02) 518-2222
Dapsimni	(2 <sup>nd</sup> floor, Gyeongwon Bldg.) 496-4, Dapsimni-dong, Dongdaemun-gu, Seoul	02) 2217-2114
Daegu	(3 <sup>rd</sup> and 4 <sup>th</sup> floors, Shinhan Bank Bldg.) 34-16, Bongsan-dong, Jung-gu, Daegu	053) 423-7700
Daegudong	(3 <sup>rd</sup> floor, Woojin Bldg.) 593-15, Shinam 1(il)-dong, Dong-gu, Daegu	053) 944-0707
Daeguseo	(4 <sup>th</sup> floor, Wolgok Bldg.) 1511, Sangin-dong, Dalseo-gu, Daegu (2 <sup>nd</sup> floor, Socheong Bldg.) 5-2 Seonhwa-dong, Jung-gu, Daejeon	053) 642-0606 042) 255-9131
Dogok	(3 <sup>rd</sup> floor, Jae Neung Education Bldg.) 464, Dogok-dong, Gangnam-gu, Seoul	02)2057-0707
Dogok Jungang	(2 <sup>nd</sup> floor, Hansol Phillia) 755, Yoksam-dong, Gangnam-gu, Seoul	02) 554-6556
Dong Gwangyang	(2 <sup>nd</sup> floor, Goodmorning Shinhan Securities Bldg.) 1647-7, Jung-dong, Gwangyang-si, Jeollanam-do	061) 791-8020
Dongducheon	(3 <sup>rd</sup> floor, Samsung Core Bldg.) 601-63, Saengyeon-dong, Dongducheon-si, Gyeonggi-do	031) 862-1851
Dongrae	(2 <sup>nd</sup> floor, Rosesty Bldg.) 1491-1, Geojae 1(il)-dong, Yeonjae-gu, Busan	051) 505-6400
Dunsan	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Goodmorning Shinhan Securities Bldg.) 1173, Dunsan-dong, Seo-gu, Daejeon	042) 484-9090
Masan	(2 <sup>nd</sup> floor, Songha Bldg.) 268, Hapseong 2(i)-dong, Masan-si, Hoewon-gu, Gyeongsangnam-do	055) 297-2277
Mapo	2 <sup>nd</sup> and 3 <sup>rd</sup> floors, Local Finance Bldg., 253-42, Gongdeok-dong, Mapo-gu, Seoul	02) 718-0900
Myeongdong	(4 <sup>th</sup> floor, Shinhan Bank Myeongdong Jungang Branch) 53-1, Myeongdong 1(il)-ga, Jung-gu, Seoul	02) 752-6655
Mokdong	(1 <sup>st</sup> 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 <sup>nd</sup> floor, Hueam Bldg.) 701-7, Naei-dong, Miryang-si, Gyeongsangnam-do	055) 355-7707
Bangbaedong	(3 <sup>rd</sup> floor, Shinhan Bank Bangbaedong Jungang Branch) 898-5, Bangbae-dong, Seocho-gu, Seoul	02) 533-0202
Busan	(3 <sup>rd</sup> floor, Dongyang Bldg.) 4, Donggwang-dong 2(i)-ga, Jung-gu, Busan	051) 243-0707
Sanbon	(3 <sup>rd</sup> floor, Shinhan Bank Sanbon Jungang Branch) 1144, Sanbon-dong, Gunpo-si, Gyeonggi-do	031) 392-1141
Samsungyeok	(3 <sup>rd</sup> floor, Saemyeong Bldg.) 945-2, Daechi-dong, Gangnam-gu, Seoul	02) 563-3770

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Sampung	(2 <sup>nd</sup> floor, Nara Bldg.) 1696-14, Seocho-dong, Seocho-gu, Seoul	02) 3477-4567
Sanggyedong	(2 <sup>nd</sup> floor, Dongbang Reports Bldg.) 734-5, Sanggye 6(yuk)-dong, Nowon-gu, Seoul	02) 937-0707
Sangdodong	(2 <sup>nd</sup> floor, Sungdae Shopping) 324-1, Sangdo-dong, Dongjak-gu, Seoul	02) 820-2000

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<b>Name of Branch</b>	<b>Address</b>	<b>Telephone Number</b>
Seogyodong	(3 <sup>rd</sup> floor, Seogyo Tower) 353-1, Seogyo-dong, Mapo-gu, Seoul	02) 335-6600
Seogwipo	(3 <sup>rd</sup> floor, Wonbok Bldg.) 286-32, Seogwi-dong, Seogwipo-si, Jeju-do	064) 732-3377
Seomyeon	(4 <sup>th</sup> floor, Cheil Bank Bldg.) 163-1, Bujeon 2(i)-dong, Busanjin-gu, Busan	051) 818-0100
Songpa	(2 <sup>nd</sup> floor, LG Twin Regency Munjungdong Bldg.) 150-2, Munjung-dong, Songpa-gu, Seoul	02) 449-0808
Sunaeyeok	(3 <sup>rd</sup> floor, Hungkuk Life Insurance Bldg.) 6-7, Sunae-dong, Sungnam-si, Gyeonggi-do	031) 712-0109
Suwon	(2 <sup>nd</sup> floor, Yaesin Bldg.) 1023-1, Kwonsun-dong, Kwonsun-gu, Suwon-si, Gyeonggi-do	031) 246-0606
Siji	(2 <sup>nd</sup> floor, Dongho Bldg.) 374-5, Sinmae-dong, Susung-gu, Daegu	053) 793-8282
Sindang	(2 <sup>nd</sup> floor, Shinyoung Bldg.) 150-1, Sindang 5(o)-dong, Jung-gu, Seoul	02) 2254-4090
Sinlim	(3 <sup>rd</sup> floor, Youngil Bldg.) 1422-35, Sinlim-dong, Gwanak-gu, Seoul	02) 875-1851
Sinbanpo	(3 <sup>rd</sup> floor, New Town Shopping) 58-24, Jamwon-dong, Seocho-gu, Seoul	02) 533-1851
Sinseoldong	(3 <sup>rd</sup> floor, Allianz Life Insurance Bldg.) 1383, Sungin-dong, Jungro-gu, Seoul	02) 2232-7100
Andong	(2 <sup>nd</sup> floor, Okdong Bldg.) 791-2, Ok-dong, Andong-si, Gyeongsangbuk-do	054) 855-0606
Ansan	(5 <sup>th</sup> floor, Wongsin Art Bldg.) 708, Gojan-dong, Danwon-gu, Ansan-si, Gyeonggi-do	031) 485-4481
Apgujeong	(1 <sup>st</sup> floor, Gangnam Securities Bldg.) 612-1, Sinsa-dong, Gangnam-gu, Seoul	02) 511-0005
Apgujeong Royal	(3 <sup>rd</sup> floor, MJ Bldg.) 621-2, Sinsa-dong, Gangnam-gu, Seoul	02) 547-0202
Apgujeong FC	(2 <sup>nd</sup> floor, Gaonix Sports Bldg.) 575, Sinsa-dong, Gangnam-gu, Seoul	02) 541-5566
Yoido	(2 <sup>nd</sup> floor, Goodmorning Shinhan Tower Annex) 24-4, Yoido-dong, Youngdungpo-gu, Seoul	02) 3775-4270
Yeochun	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Goodmorning Shinhan Securities Bldg.) 71-1, Hak-dong, Yeochun-si, Jeollanam-do	061) 682-5262
Yeonhuidong	(1 <sup>st</sup> floor, Eunhae Bldg.) 188-8, Yeonhui-dong, Seodaemun-gu, Seoul	02) 3142-6363
Youngdungpo	(3 <sup>rd</sup> floor, Shinhan Bank Bldg.) 68-3, Youngdungpodong 4(sa)-ga, Youngdungpo-gu, Seoul	02) 2677-7711
Sales Department	(1 <sup>st</sup> floor, Goodmorning Shinhan Tower), 23-2, Yoido-dong, Youngdungpo-gu, Seoul	02) 3772-1200
Olympic	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Daekyung Bldg.) 17-8, Ogeum-dong, Songpa-gu, Seoul	02) 448-0707
Ulsan	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Goodmorning Shinhan Securities Bldg.) 117-2, Dal-dong, Nam-gu, Ulsan	052) 273-8700
Ulsannam	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Sinjung Core Bldg.) 647-4, Sinjung-dong, Nam-gu, Ulsan	052) 257-0777
Yusung		042) 823-8577

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	(2 <sup>nd</sup> floor, Lucky Tower) 448-8, 9 Bongmyeong-dong, Yusung-gu, Daejun	
Uijeongbu	(2 <sup>nd</sup> floor, Shinhan Bank Bldg.) 176-22, Uijeongbu-dong, Uijeongbu-si, Gyeonggi-do	031) 848-9100
Ilsan	(2 <sup>nd</sup> floor, Heo Yu Jae s Clinic Bldg.) 780, Janghang-dong, Ilsan-gu, Goyang-si, Gyeonggi-do	031) 907-3100

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<b>Name of Branch</b>	<b>Address</b>	<b>Telephone Number</b>
Jeonju	(3 <sup>rd</sup> floor, Korea Industry Bank Bldg.) 103, Gyeongwondong i(il)-ga, Wansan-gu, Jeonju-si, Jeollabuk-do	063) 286-9911
Jungeup	(2 <sup>nd</sup> floor, formerly <i>Hangbok</i> Wedding Hall) 525-1, Susung-dong, Jungeup-si, Jeollabuk-do	063) 531-0606
Jungjadong	2 <sup>nd</sup> floor, Bundang Clinic, 15-2 Jungja-dong, Bundang-gu, Sungnam-si, Gyeonggi-do	031) 715-8600
Jeju	(2 <sup>nd</sup> floor, Korea Specialty Contractor Financial Cooperative) 710-1, Nohyung-dong, Jeju-si, Jeju-do	064) 743-9011
Jukjeon	3 <sup>rd</sup> floor, Daedeok Nuriette B, 1808, Bojung-dong, Giheung-gu, Yongin-si, Gyeonggi-do	031) 898-0011
Jungbu	(2 <sup>nd</sup> floor, Ssangyong Bldg.) 24-1, Jeo-dong, Jung-gu, Seoul (1 <sup>st</sup> and 2 <sup>nd</sup> floors, Sangsu Bldg.) 693, Ssangmun-dong, Dobong-gu, Seoul	02) 2270-6500 02) 995-0123
Changdong Changwon	(2 <sup>nd</sup> floor, Cheil Life Insurance Allianz Bldg.) 75-3, Sangnam-dong, Changwon-si, Gyeongsangnam-do	055) 285-5500
Cheongju	(1 <sup>st</sup> 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 Pyeongtek	(3 <sup>rd</sup> floor, Shinhan Bank Bldg.) 1046, Bumgye-dong, Anyang-si, Gyeonggi-do	031) 381-8686
	(1 <sup>st</sup> floor, Samsung Life Insurance Bldg.) 32-2, Pyeongtek-dong, Pyeongtek-si, Gyeonggi-do	031) 657-9010
Hanam	(1 <sup>st</sup> floor, National Pension Bldg.) 1582-4, Wusan-dong, Gwangsan-gu, Gwangju	062) 956-0707
Haeundae	2 <sup>nd</sup> floor, Wungsin Cineart Bldg., 1479-1, Jwa-dong, Haeundae-gu, Busan	051) 701-2200
Jamsil Lotte Castle	2 <sup>nd</sup> floor, Lotte Castle Gold, 7-18, Sincheon-dong, Songpa-gu, Seoul	02) 2143-0800

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

&lt;Balance Sheets&gt;

[Unit: KRW million]

<b>Accounting Period</b>	<b>21<sup>st</sup> Year, 3<sup>rd</sup> Quarter (As of Sep. 30, 2006)</b>	<b>20<sup>th</sup> Year (As of Dec. 31, 2005)</b>	<b>19<sup>th</sup> Year (As of Dec. 31, 2004)</b>	<b>18<sup>th</sup> Year (As of Dec. 31, 2003)</b>
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

&lt;Income Statements&gt;

[Unit: KRW million]

<b>Accounting Period</b>	<b>21<sup>st</sup> Year, First 3 Quarters (Quarter ended Sep. 30, 2006)</b>	<b>20<sup>th</sup> Year (Year ended Dec. 31, 2005)</b>	<b>19<sup>th</sup> Year (Year ended Dec. 31, 2004)</b>	<b>18<sup>th</sup> Year (Year ended Dec. 31, 2003)</b>
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**

<b>Tender Offer Agent</b>	<b>Name</b>	Good Morning Shinhan Securities, Co., Ltd.
	<b>Head Office Location</b>	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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<b>Trading Account</b>	<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>	
<b>Tax Deductible/Exempt Savings Account</b>	<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>
<b>&lt;Tender via Telephone&gt; Shareholders</b>	<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>
<b>Trading Account</b>	<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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<b>Tax Deductible/Exempt Savings Account</b>	<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>
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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]

<b>Funds Necessary for the Tender Offer</b>	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
<b>Composition of the Tender Offer Funds</b>	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	To mature in 2 1/2 years; issued through Mizuho Corporate Bank, Seoul Branch
	Commercial Papers	380,000,000,000	To mature within one year; issued in an open public market
	<b>Total</b>	<b>6,679,962,126,000</b>	

**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 to Be Held Post-Tender		Remarks
		Subject to Tender Offer	Offer	
<b>Tender Offeror</b>	0	98,517,316 (78.58%)	98,517,316 (78.58%)	
<b>Shinhan Bank</b>	8,960,005 (7.15%)	0	8,960,005 (7.15%)	
<b>Total</b>	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)

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

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<b>Name of Branch</b>	<b>Address</b>	<b>Telephone Number</b>
Gyeyang	(4 <sup>th</sup> floor, Younghwa Bldg.) 863-3 Jakjeon-dong, Gyeyang-gu, Incheon	032) 553-2772
Gwanak	(2 <sup>nd</sup> floor, Namgyeongdo Bldg.) 853-1, Bongcheon 7(chil)-dong, Gwanak-gu, Seoul	02) 887-0809
Gwangju	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Goodmorning Shinhan Securities Bldg.) 30, Keumnamro 2(i)-ga, Dong-gu, Gwangju	062) 232-0707
Gwanghwamun	3 <sup>rd</sup> floor, King s Garden Complex 4, 73 Naesu-dong, Jongno-gu, Seoul,	02) 732-0770
Guro	(3 <sup>rd</sup> floor, New World Bldg.) 103-12 Guro 5(o)-dong, Guro-gu, Seoul	02) 857-8600
Gumi	(1 <sup>st</sup> floor, Goodmorning Shinhan Securities Bldg.) 56, Songjeong-dong, Gumi-si, Gyeongsangbuk-do	054) 451-0707
Guwoldong	2 <sup>nd</sup> floor, Shinhan Bank Guwoldong Branch, 1199-13, Guwol-dong, Namdong-gu, Incheon	032) 464-0707
Gunsan	(2 <sup>nd</sup> floor, Goodmorning Shinhan Securities Bldg.) 15-8, Jungangno 2(i)-ga, Gunsan-si, Jeollabuk-do	063) 442-9171
Geumjeong	(2 <sup>nd</sup> floor, Haegang Bldg.) 184-3, Guseo 2(i)-dong, Geumjeong-gu, Busan	051) 516-8222
Nonhyeon	(1 <sup>st</sup> floor, Daeyong Bldg.) 90, Nonhyeon-dong, Gangnam-gu, Seoul	02) 518-2222
Dapsimni	(2 <sup>nd</sup> floor, Gyeongwon Bldg.) 496-4, Dapsimni-dong, Dongdaemun-gu, Seoul	02) 2217-2114
Daegu	(3 <sup>rd</sup> and 4 <sup>th</sup> floors, Shinhan Bank Bldg.) 34-16, Bongsan-dong, Jung-gu, Daegu	053) 423-7700
Daegudong	(3 <sup>rd</sup> floor, Woojin Bldg.) 593-15, Shinam 1(il)-dong, Dong-gu, Daegu	053) 944-0707
Daeguseo	(4 <sup>th</sup> floor, Wolgok Bldg.) 1511, Sangin-dong, Dalseo-gu, Daegu	053) 642-0606
Daejeon	(2 <sup>nd</sup> floor, Socheong Bldg.) 5-2 Seonhwa-dong, Jung-gu, Daejeon	042) 255-9131
Dogok	(3 <sup>rd</sup> floor, Jae Neung Education Bldg.) 464, Dogok-dong, Gangnam-gu, Seoul	02)2057-0707
Dogok Jungang	(2 <sup>nd</sup> floor, Hansol Phillia) 755, Yoksam-dong, Gangnam-gu, Seoul	02) 554-6556
Dong Gwangyang	(2 <sup>nd</sup> floor, Goodmorning Shinhan Securities Bldg.) 1647-7, Jung-dong, Gwangyang-si, Jeollanam-do	061) 791-8020
Dongducheon	(3 <sup>rd</sup> floor, Samsung Core Bldg.) 601-63, Saengyeon-dong, Dongducheon-si, Gyeonggi-do	031) 862-1851
Dongrae	(2 <sup>nd</sup> floor, Rosesty Bldg.) 1491-1, Geojae 1(il)-dong, Yeonjae-gu, Busan	051) 505-6400
Dunsan	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Goodmorning Shinhan Securities Bldg.) 1173, Dunsan-dong, Seo-gu, Daejeon	042) 484-9090
Masan	(2 <sup>nd</sup> floor, Songha Bldg.) 268, Hapseong 2(i)-dong, Masan-si, Hoewon-gu, Gyeongsangnam-do	055) 297-2277
Mapo	2 <sup>nd</sup> and 3 <sup>rd</sup> floors, Local Finance Bldg., 253-42, Gongdeok-dong, Mapo-gu, Seoul	02) 718-0900
Myeongdong	(4 <sup>th</sup> floor, Shinhan Bank Myeongdong Jungang Branch) 53-1, Myeongdong 1(il)-ga, Jung-gu, Seoul	02) 752-6655
Mokdong	(1 <sup>st</sup> 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  
(2<sup>nd</sup> floor, Hueam Bldg.) 701-7, Naei-dong, Miryang-si,  
Gyeongsangnam-do

Miryang

055) 355-7707

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<b>Name of Branch</b>	<b>Address</b>	<b>Telephone Number</b>
Bangbaedong	(3 <sup>rd</sup> floor, Shinhan Bank Bangbaedong Jungang Branch) 898-5, Bangbae-dong, Seocho-gu, Seoul	02) 533-0202
Busan	(3 <sup>rd</sup> floor, Dongyang Bldg.) 4, Donggwang-dong 2(i)-ga, Jung-gu, Busan	051) 243-0707
Sanbon	(3 <sup>rd</sup> floor, Shinhan Bank Sanbon Jungang Branch) 1144, Sanbon-dong, Gunpo-si, Gyeonggi-do	031) 392-1141
Samsungyeok	(3 <sup>rd</sup> floor, Saemyeong Bldg.) 945-2, Daechi-dong, Gangnam-gu, Seoul	02) 563-3770
Sampung	(2 <sup>nd</sup> floor, Nara Bldg.) 1696-14, Seocho-dong, Seocho-gu, Seoul	02) 3477-4567
Sanggyedong	(2 <sup>nd</sup> floor, Dongbang Reports Bldg.) 734-5, Sanggye 6(yuk)-dong, Nowon-gu, Seoul	02) 937-0707
Sangdodong	(2 <sup>nd</sup> floor, Sungdae Shopping) 324-1, Sangdo-dong, Dongjak-gu, Seoul	02) 820-2000
Seogyodong	(3 <sup>rd</sup> floor, Seogyo Tower) 353-1, Seogyo-dong, Mapo-gu, Seoul	02) 335-6600
Seogwipo	(3 <sup>rd</sup> floor, Wonbok Bldg.) 286-32, Seogwi-dong, Seogwipo-si, Jeju-do	064) 732-3377
Seomyeon	(4 <sup>th</sup> floor, Cheil Bank Bldg.) 163-1, Bujeon 2(i)-dong, Busanjin-gu, Busan	051) 818-0100
Songpa	(2 <sup>nd</sup> floor, LG Twin Regency Munjungdong Bldg.) 150-2, Munjung-dong, Songpa-gu, Seoul	02) 449-0808
Sunaeyeok	(3 <sup>rd</sup> floor, Hungkuk Life Insurance Bldg.) 6-7, Sunae-dong, Sungnam-si, Gyeonggi-do	031) 712-0109
Suwon	(2 <sup>nd</sup> floor, Yaesin Bldg.) 1023-1, Kwonsun-dong, Kwonsun-gu, Suwon-si, Gyeonggi-do	031) 246-0606
Siji	(2 <sup>nd</sup> floor, Dongho Bldg.) 374-5, Sinmae-dong, Susung-gu, Daegu	053) 793-8282
Sindang	(2 <sup>nd</sup> floor, Shinyoung Bldg.) 150-1, Sindang 5(o)-dong, Jung-gu, Seoul	02) 2254-4090
Sinlim	(3 <sup>rd</sup> floor, Youngil Bldg.) 1422-35, Sinlim-dong, Gwanak-gu, Seoul	02) 875-1851
Sinbanpo	(3 <sup>rd</sup> floor, New Town Shopping) 58-24, Jamwon-dong, Seocho-gu, Seoul	02) 533-1851
Sinseoldong	(3 <sup>rd</sup> floor, Allianz Life Insurance Bldg.) 1383, Sungin-dong, Jungro-gu, Seoul	02) 2232-7100
Andong	(2 <sup>nd</sup> floor, Okdong Bldg.) 791-2, Ok-dong, Andong-si, Gyeongsangbuk-do	054) 855-0606
Ansan	(5 <sup>th</sup> floor, Wongsin Art Bldg.) 708, Gojan-dong, Danwon-gu, Ansan-si, Gyeonggi-do,	031) 485-4481
Apgujeong	(1 <sup>st</sup> floor, Gangnam Securities Bldg.) 612-1, Sinsa-dong, Gangnam-gu, Seoul	02) 511-0005
Apgujeong Royal	(3 <sup>rd</sup> floor, MJ Bldg.) 621-2, Sinsa-dong, Gangnam-gu, Seoul	02) 547-0202
Apgujeong FC	(2 <sup>nd</sup> floor, Gaonix Sports Bldg.) 575, Sinsa-dong, Gangnam-gu, Seoul	02) 541-5566
Yoido	(2 <sup>nd</sup> floor, Goodmorning Shinhan Tower Annex) 24-4, Yoido-dong, Youngdungpo-gu, Seoul	02) 3775-4270
Yeochun	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Goodmorning Shinhan Securities Bldg.) 71-1, Hak-dong, Yeochun-si, Jeollanam-do	061) 682-5262
Yeonhuidong	(1 <sup>st</sup> floor, Eunhae Bldg.) 188-8, Yeonhui-dong, Seodaemun-gu, Seoul	02) 3142-6363

Youngdungpo

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

02) 2677-7711

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<b>Name of Branch</b>	<b>Address</b>	<b>Telephone Number</b>
Sales Department	(1 <sup>st</sup> floor, Goodmorning Shinhan Tower), 23-2, Yoido-dong, Youngdungpo-gu, Seoul	02) 3772-1200
Olympic	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Daekyung Bldg.) 17-8, Ogeum-dong, Songpa-gu, Seoul	02) 448-0707
Ulsan	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Goodmorning Shinhan Securities Bldg.) 117-2, Dal-dong, Nam-gu, Ulsan	052) 273-8700
Ulsannam	(1 <sup>st</sup> and 2 <sup>nd</sup> floors, Sinjung Core Bldg.) 647-4, Sinjung-dong, Nam-gu, Ulsan	052) 257-0777
Yusung	(2 <sup>nd</sup> floor, Lucky Tower) 448-8, 9 Bongmyeong-dong, Yusung-gu, Daejun	042) 823-8577
Uijeongbu	(2 <sup>nd</sup> floor, Shinhan Bank Bldg.) 176-22, Uijeongbu-dong, Uijeongbu-si, Gyeonggi-do	031) 848-9100
Ilsan	(2 <sup>nd</sup> floor, Heo Yu Jae's Clinic Bldg.) 780, Janghang-dong, Ilsan-gu, Goyang-si, Gyeonggi-do	031) 907-3100
Jeonju	(3 <sup>rd</sup> floor, Korea Industry Bank Bldg.) 103, Gyeongwondong i(il)-ga, Wansan-gu, Jeonju-si, Jeollabuk-do	063) 286-9911
Jungeup	(2 <sup>nd</sup> floor, formerly <i>Hangbok</i> Wedding Hall) 525-1, Susung-dong, Jungeup-si, Jeollabuk-do	063) 531-0606
Jungjadong	2 <sup>nd</sup> floor, Bundang Clinic, 15-2 Jungja-dong, Bundang-gu, Sungnam-si, Gyeonggi-do	031) 715-8600
Jeju	(2 <sup>nd</sup> floor, Korea Specialty Contractor Financial Cooperative) 710-1, Nohyung-dong, Jeju-si, Jeju-do	064) 743-9011
Jukjeon	3 <sup>rd</sup> floor, Daedeok Nuriettle B, 1808, Bojung-dong, Giheung-gu, Yongin-si, Gyeonggi-do	031) 898-0011
Jungbu Changdong	(2 <sup>nd</sup> floor, Ssangyong Bldg.) 24-1, Jeo-dong, Jung-gu, Seoul (1 <sup>st</sup> and 2 <sup>nd</sup> floors, Sangsu Bldg.) 693, Ssangmun-dong, Dobong-gu, Seoul	02) 2270-6500 02) 995-0123
Changwon	(2 <sup>nd</sup> floor, Checil Life Insurance Allianz Bldg.) 75-3, Sangnam-dong, Changwon-si, Gyeongsangnam-do	055) 285-5500
Cheongju	(1 <sup>st</sup> 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 <sup>rd</sup> floor, Shinhan Bank Bldg.) 1046, Bumgye-dong, Anyang-si, Gyeonggi-do	031) 381-8686
Pyeongtek	(1 <sup>st</sup> floor, Samsung Life Insurance Bldg.) 32-2, Pyeongtek-dong, Pyeongtek-si, Gyeonggi-do	031) 657-9010
Hanam	(1 <sup>st</sup> floor, National Pension Bldg.) 1582-4, Wusan-dong, Gwangsan-gu, Gwangju	062) 956-0707
Haeundae	2 <sup>nd</sup> floor, Wungsin Cineart Bldg., 1479-1, Jwa-dong, Haeundae-gu, Busan	051) 701-2200
Jamsil Lotte Castle	2 <sup>nd</sup> floor, Lotte Castle Gold, 7-18, Sincheon-dong, Songpa-gu, Seoul	02) 2143-0800

**Table of Contents****Exhibit 1****Notice of Purchase**

[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.
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**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
<b>Calculation</b>	(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
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**3. Settlement**

<b>Tender Offer Agent (Securities Company in Charge of Settlement)</b>	Name	Good Morning Shinhan Securities Co., Ltd.	
	Principal Place of Business	Youido-Dong 23-2, Youngdungpo-Gu, Seoul, Korea	
<b>Settlement Date</b>	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
<b>Settlement Place</b>	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 (<a href="http://www.goodi.com">http://www.goodi.com</a>)</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