

Assurance Statement

Introduction

DNV GL Business Assurance Korea Ltd. of the group DNV GL(hereinafter “DNV GL”) is commissioned to carry out an independent, third-party assurance engagement for the CSR Report 2015(hereinafter “the Report”) of SHINHAN FINANCIAL GROUP. SHINHAN FINANCIAL GROUP is responsible for all contents of the report. The responsibility of DNV GL is limited to contract contents and the scope of work that have been agreed. The assurance engagement is based on the assumption that the data and information provided to DNV GL is complete, sufficient and authentic.

Scope of Assurance

The assurance engagement of DNV GL is limited to data in 2015. The assurance activities have been carried out for the following contents.

- Evaluation on the method of determining reported contents regarding sustainability and the principle of defining quality in accordance with GRI G4
- Process on determining important aspects for writing the report, process of managerial approach on major issues, and process of deriving, collecting, and managing qualitative and quantitative data
- Process of collecting and integrating specific data on performance

Verification Method

The Assurance Engagement was carried out at a medium level of assurance, in accordance with the DNV GL Verification Protocol for Sustainability Reporting (VeriSustain™ V.4.1) and AA1000AS 2008.

Assurance assessment was carried out in Shinhan Financial Group headquarters on April 2016. The assurance engagement was conducted in the following method based on sampling.

- Confirm phrases and claims in the report. Evaluate data management system, flow of information, and solidity of control utilized in writing the report
- Interview managers of major departments
- Review documents, conduct data sampling, test database and computer system used in writing the report
- Review results of materiality assessment
- Evaluate comprehensiveness, materiality inclusivity and responsiveness of AA1000 Accountability Principles Standard 2008.
(Type 1 assurance conducted. Type 2 assurance conducted for some performances)

Limitation

The outcome and performance of Shinhan Financial Holding Company subsidiaries, its related companies, suppliers, partner companies, and third-party members, excluding Shinhan Financial Holding Company and its subsidiaries specified in the report(7 companies of Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Shinhan BNP Paribas Asset Management, Shinhan Capital, and Jeju Bank), are excluded from the scope of this assurance. DNV GL did not interview external stakeholders as part of this Assurance Engagement. Financial statements of Shinhan Financial Holding Company, data announced on DART system of the Financial Supervisory Service(<http://dart.fss.or.kr>), and data on the websites of Shinhan Financial Holding Company and its 7 subsidiaries subject to assurance are not included in the scope of assurance. Data assurance was conducted by checking the basis in a limited scope, including inquiry, analysis, and limited sampling method, on the data collected by Shinhan Financial Group. The aggregation and calculation process for building economic performances is reviewed and tested by the verification team. Also, environmental and social data were verified using the aggregated data. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Conclusion

The assurance activities lead DNV GL to conclude that it has not found any parts in the report of Shinhan Financial Group that have been inappropriately described in accordance with the principles of determining reported contents by GRI G4. In terms of reliability of performance data, there was no evidence to conclude that the data that have been sampled and verified were collected and processed inappropriately, and that the assumptions made were inappropriate. Additional opinions on the principles below are as follows.

Inclusivity | Shinhan Financial Group recognizes customers, business partners, local communities, NGOs, shareholders and investors, employees, and government agencies as internal and external stakeholder groups, and utilizes various channels to promote participation by stakeholder in the unit of the entire company or individual department. Major method of participation by stakeholders, their main opinions, and the efforts for response by Shinhan Financial Group are explained in the report.

Materiality | Shinhan Financial Group conducted materiality assessment when writing its 2015 report. Various issues have been derived by analyzing the topics presented by various global initiatives and standards, sustainability reports of rival companies, and media reports on Shinhan Financial Group in 2015. Afterwards, evaluation for prioritizing the selected issues was conducted to select significant issues. The assessment team conducted a materiality assessment to confirm that the major selected issues are reflected in the report.

Responsiveness | For major sustainability issues within the reporting period, the report of Shinhan Financial Group provides its stakeholder with information on the organization's activity outcomes and decisions within scope of reporting. The reported contents were determined by participation of stakeholders and materiality assessment, and they explain activities of Shinhan Financial Group for creating values in accordance with its strategies for social responsibilities.

Findings in relation to specific sustainability performance information

The report provides information on the trends of change in sustainability performance of Shinhan Financial Group in 2015. The data provided in the report were collected by the headquarters of Shinhan Financial Group from its subsidiaries, and were processed in order to suit the purpose of the report. DNV GL has evaluated the reliability of data and information about water usage, waste, business travel distance, occupational accidents(Type 2 Assurance). DNV GL has interviewed the personnel responsible for the data and information in order to figure out the collection and process of data and information, and reviewed relevant documents and records based on which the statements in the Report are addressed. The depth of data assurance is limited to data input by each subsidiary. Shinhan Financial Group has developed and applied a system of collecting and processing specific information and data announced through reports. The personnel responsible for the data are able to demonstrate the tracing of the origin and interpretation of the data in a reliable manner as per internal processes. Therefore, the specific data and information are found to be identifiable and traceable. Therefore, as a result of analyzing and evaluating the generation process of specific information and data of Shinhan Financial Group, the assessment team checked that the above information and data that have been announced are results of stable and repetitive activities. It recommends a deeper level of assurance activity on the data inputted by each subsidiary in order to promote accuracy and reliability from the original data.

Statement of Competence and Independence

DNV GL Business Assurance, a part of the group DNV GL, is an international institution which provides various sustainability services, including certification, assurance, evaluation, and training activities, and supports businesses to create sustainable business performances. Experts of DNV GL on environmental and social verification and assessment are working in approximately 100 countries around the world, and the verification of this Shinhan Financial Group report was conducted independently by an assessment team with professionalism and competence. Apart from this statement, DNV GL did not carry out any works related to writing the report or preparing the data to be used.

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Seoul, Republic of Korea



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Country Representative
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