

Independent Assurance Statement

Introduction

Shinhan Financial Group commissioned DNV GL Business Assurance Korea, Ltd. ("DNV GL"), part of DNV GL Group, to undertake independent assurance of 'Shinhan Financial Group CSR Report 2017' (the "Report"). The Shinhan Financial Group have sole responsibility for the preparation of the Report. The responsibility of DNV GL in performing the assurance work is to the management of Shinhan Financial Group in accordance with the terms of reference. DNV GL's assurance engagements are based on the assumption that the data and information provided by Shinhan Financial Group for our review have been prepared in good faith.

Scope of assurance

The scope of assurance includes a review of sustainability activities and non-financial performance data over the reporting period from 1st January to 31st December 2017. This also includes

- Evaluation of the Report for the adherence to the AccountAbility principles set forth in the AA1000AccountAbility Principles Standard (APS) 2008
- Evaluation of the process for determining material topics for reporting and the management approach to material topics and the process for generating, gathering and managing the quantitative and qualitative data in the Report
- Review of data gathering process for the selected data.

Basis of our opinion

We've performed our work based on the DNV GL's assurance methodology VeriSustainTM1 and AA1000AS:2008. We applied the Moderate level of assurance and Type 1 of assurance engagement. Type 2 engagement was applied to the selected data sets. The audit was carried out from April till June 2018. The site visits were made to Shinhan Financial Group's headquarters in Seoul, Korea. We undertook the following activities as part of the assurance process

- challenged the sustainability-related statements and claims made in the Report and assessed the

robustness of the underlying data management system, information flow and controls

- interviewed representatives of Shinhan Financial Holding Company and subsidiaries
- conducted document reviews, data sampling and interrogation of supporting databases and associated management systems
- reviewed the materiality assessment report

Limitations

The assurance engagement excludes the sustainability management, performance and reporting practices of Shinhan Financial Holding company's other subsidiaries, associated companies, suppliers, and contractors except Shinhan Financial Holding Company and its 7 subsidiaries (Shinhan Bank, Shinhan Card, Shinhan Investment Corp., Shinhan Life Insurance, Shinhan BNP Paribas Asset Management, Shinhan Capital, and Jeju Bank). DNV GL did not interview external stakeholders as part of this Assurance Engagement. The audited financial statements, the announcement disclosed at the website of Korea Financial Supervisory Service (<http://dart.fss.or.kr>) and data on the website of Shinhan Financial Holding Company and its 7 subsidiaries are not included in the scope of the assurance engagement. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in Shinhan Financial Holding Company were applied. The baseline data for Environmental and Social performance except the selected data are not verified, while the aggregated data at the corporate level are used for the verification. DNV GL expressly disclaims any liability or co-responsibility for any decision which a person or an entity may make based on this Assurance Statement.

Conclusion

On the basis of the work undertaken, nothing comes to our attention to suggest that the information and data in the Report are not properly stated. Further opinions with regards to the adherence to the Principles of AA1000APS (2008) are made below

Foundation Principle of Inclusivity

Shinhan Financial Group has identified internal and external stakeholder groups such as Employees, Customers, Shareholders & Investors, Suppliers, Local communities & NGOs, and Regulators. Shinhan Financial Group engages with the stakeholders through various channels. The examples of engagement approaches, major expectations and concerns from stakeholder groups and Shinhan Financial Group's corresponding responses are described in the Report.

Principle of Materiality

Shinhan Financial Group has formed a sustainability issue pool by analyzing stakeholders' opinion, peers' reports and conducting media research etc. The material topics are prioritized by evaluating the issues in terms of significance and relevance with Shinhan Financial Group. The output of the materiality assessment process brings out material topics.

Principle of Responsiveness

Shinhan Financial Group monitors and reports performances on material topics drawn by the materiality assessment process in the Report. Balanced reporting on the financial (economical) and the non-financial (social and environmental) performances is made. Shinhan Financial Group states the business strategies (2020 CSR strategy) and strategic objectives in the Report.

Further opinions on the report quality is as follows;

Report quality: Accuracy and Reliability

DNV GL verified the accuracy and reliability of the selected data (Greenhouse gas emissions, Water consumption, Waste volume, Business travel distance, Occupational accident rate, Absentee rate, monetary value and number of transactions of Microfinance and Microinsurance) in the Report through sampling. The audit team did not identify any intentional errors or misleading descriptions. The data provided in the report was gathered from the subsidiaries and processed by Shinhan Financial Holding Company to meet the purpose. The assurance team conducted interviews with the responsible individuals and

reviewed the process of data gathering and data processing and verified the supporting documents and records. The depth of data verification is limited to the input data in the data gathering templates submitted by respective subsidiaries. The personnel responsible for the data control can demonstrate to trace the origin of the selected data and interpretation of the selected data in a reliable manner. The assurance team concludes that the selected data are results of stable and repetitive activities.

Competence and Independence

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV GL Code of Conduct during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV GL was not involved in the preparation of statements or data included in the report except for this Assurance Statement. DNV GL maintains complete impartiality toward stakeholders interviewed during the assurance process. During 2017~2018, DNV GL has verified the greenhouse gas emissions and has certified ISO 14001:2015 and ISO 50001:2011 in Shinhan Bank. Verification and Certification services which DNV GL provided to Shinhan Bank are not considered as a conflict of independence or impartiality of CSR report verification.



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In Kyoong Ahn
Country Representative DNV GL Business Assurance Korea, Ltd.

