Supplement

SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE) NOTIFICATION – The Debt Instruments are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and "Excluded Investment Products" (as defined in the Monetary Authority of Singapore ("**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

SHINHAN BANK

Shinhan Bank
(Incorporated with limited liability under the laws of the Republic of Korea, acting through its principal office in the Republic of Korea)

A$2,000,000,000 Debt Instrument Issuance Programme

Issue of

A$400,000,000 5.00% Fixed Rate Subordinated Debt Instruments due 30 August 2028
("**Debt Instruments**")

Series No.: 7

Tranche No.: 1

The date of this Supplement is 28 August 2018.

This Supplement (as referred to in the Information Memorandum dated 21 August 2018 ("**Information Memorandum**") in relation to the above Programme) relates to the Tranche of Debt Instruments referred to above. It is supplementary to, and should be read in conjunction with the Second Debt Instrument Deed Poll executed by the Issuer dated 21 August 2018.

This Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Debt Instruments or the distribution of this Supplement in any jurisdiction where such action is required.

The Debt Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act") or the securities laws of any state in the United States of America. Debt Instruments may not be offered, sold or delivered at any time directly or indirectly within the United States or to or for the account of U.S. persons (as defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and applicable U.S. tax law requirements are satisfied. For a description of certain restrictions on offers and sales of Debt Instruments and on distribution of this Supplement and the Information Memorandum, see the section headed "Selling Restrictions" in the Information Memorandum.

Shinhan Bank is registered in Australia as a "Foreign Company (Overseas)" and is a foreign "authorised deposit-taking institution" ("foreign ADI") as that term is defined under the Banking Act 1959 of Australia ("Australian Banking Act") in the category of a "Branch of a Foreign Bank".

As a foreign ADI, Shinhan Bank is regulated by the Australian Prudential Regulation Authority ("APRA") in accordance with the Australian Banking Act. However the depositor protection provisions of Division 2 of Part II of the Australian Banking Act do not apply to Shinhan Bank. Shinhan Bank's indebtedness in respect of the Debt Instruments issued by Shinhan Bank, acting through its Sydney Branch is affected by applicable laws which include (but are not limited to) section 11F of the Australian Banking Act and section 86 of the Reserve Bank Act 1959 of Australia ("Reserve Bank Act"). Section 11F of the Australian Banking Act provides that, in the event that a foreign ADI, such as Shinhan Bank, (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of the foreign ADI in Australia are to be available to meet its liabilities in Australia in priority to all other liabilities of the foreign ADI. Section 86 of the Reserve Bank Act provides that, notwithstanding anything contained in any law relating to the winding-up of companies, but subject to subsection 13A(3) of the Australian Banking Act (which does not apply to Shinhan Bank as a foreign ADI), debts due to the Reserve Bank of Australia by an authorised deposit-taking institution ("ADI") (including a foreign ADI) shall, in the winding-up of the ADI, have priority over all other debts of the ADI.

The particulars to be specified in relation to the Tranche of Debt Instruments referred to above are as follows:

1	**Issuer**	:	Shinhan Bank, acting through its principal office in Korea
2	**Type of Debt Instruments**	:	Fixed Rate
3	**If to form a single Series with an existing Series, specify the existing Series and the date on which all Debt Instruments of the Series become fungible, if not the Issue Date**	:	Not applicable
4	**Method of distribution**	:	Syndicated Issue
5	**Joint Lead Managers**	:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) BNP Paribas
6	**Purchasing Dealers**	:	Australia and New Zealand Banking Group Limited BNP Paribas
7	**Principal amount of Tranche**	:	A$400,000,000
8	**Issue Date**	:	30 August 2018
9	**Purchase Price**	:	100.00% of the principal amount of the Tranche

10	**Currency and denomination**	:	Australian dollars (“**A$**”). Denominations of A$10,000, provided that the aggregate consideration payable for the issue and transfer of Debt Instruments in Australia must be at least A$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act.
11	**Maturity Date**	:	30 August 2028
12	**Status of the Debt Instruments**	:	Subordinated
13	**If the Debt Instruments are Fixed Rate Debt Instruments**	:	Condition 7 applies: Yes
	Fixed Coupon Amount	:	A$250.00 per Debt Instrument per Interest Payment Date
	Interest Rate	:	5.00% per annum
	Interest Commencement Date	:	Issue Date
	Interest Payment Dates	:	28 February in each non-leap year (or 29 February in each leap year) and 30 August in each year, commencing on 28 February 2019 up to, and including, the Maturity Date
	Business Day Convention	:	Following Business Day Convention
	Day Count Fraction	:	RBA Bond Basis
14	**If the Debt Instruments are Floating Rate Debt Instruments**	:	Condition 8 applies: No
15	**Relevant Financial Centre**	:	Seoul
16	**Linear Interpolation**	:	Not applicable
17	**If Debt Instruments are Structured Debt Instruments**	:	Condition 9 applies: No
18	**Amortisation Yield**	:	Not applicable
19	**If Debt Instruments are Instalment Debt Instruments**	:	Not applicable
20	**If Debt Instruments are Partly Paid Debt Instruments**	:	Not applicable
21	**Redemption Amount**	:	100% of outstanding principal amount

22	**Early redemption for taxation reasons (Condition 11.4)**		
	Early Redemption Amount (Tax)	:	Redemption Amount plus interest accrued on each Debt Instrument to (but excluding) the redemption date
	Minimum / maximum notice period for early redemption for taxation purposes	:	As per Condition 11.4 ("Early redemption for taxation reasons")
23	**Early redemption of the Senior Debt Instruments at the option of Holders (Holder put) (Condition 11.5)**	:	Not applicable
24	**Early redemption at the option of the Issuer (Issuer call) (Condition 11.6)**	:	Not applicable
25	**Early Redemption Amount (Default)**	:	As per Condition 17.3(b) ("Consequences of an Event of Default")
26	**Registrar**	:	Austraclear Services Limited (ABN 28 003 284 419)
27	**Calculation Agent**	:	Austraclear Services Limited
28	**Clearing System(s)**	:	Austraclear System. Interests in the Debt Instruments may also be traded through Euroclear and Clearstream, Luxembourg as set out on page 10 of the Information Memorandum. Entitlements in respect of holdings of interests in Debt Instruments in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear and entitlements in respect of holdings of interests in Debt Instruments in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase, N.A. as custodian of Clearstream, Luxembourg.
29	**ISIN**	:	AU3CB0256113
30	**Common Code**	:	187290384
31	**Selling restrictions**	:	As set out in the Information Memorandum.
32	**Listing**	:	It is intended that the Debt Instruments will be listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

33	**Ratings**	:	The Debt Instruments to be issued are expected to be rated: Moody's: Baa1 S&P Global Ratings: BBB+ Fitch: BBB+ *A rating is not a recommendation to buy, sell or hold Debt Instruments and is subject to variation, suspension, or withdrawal at any time by the assigning organisation.* *Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Supplement and any who receives this Supplement must not distribute it to any person who is not entitled to receive it.*
34	**Unanimous consent**	:	No

CONFIRMED

For and on behalf of
Shinhan Bank

By: ....

Name: Kun-Il Leem

Title: General Manager
Treasury Department
Shinhan Bank

Date: 28 August 2018