Supplement

PRIIPs / IMPORTANT – EEA AND UK RETAIL INVESTORS – The Debt Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Debt Instruments or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Debt Instruments or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

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$250,000,000 Floating Rate Debt Instruments due 29 September 2025
("**Debt Instruments**")

Series No.: 9

Tranche No.: 1

The date of this Supplement is 25 September 2020.

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 terms and conditions of the Debt Instruments contained in the Information Memorandum ("**Conditions**"), the Information Memorandum and the Second Debt Instrument Deed Poll executed by the Issuer dated 21 August 2018. Certain important additional information is also set out in Annexure A, Annexure B and Annexure C to this Supplement. If there is any inconsistency between the Information Memorandum and this Supplement, this Supplement prevails.

1***0089 / 김 * 빛나 / 2020-09-25 13:32 고객정보 무단 반출시 법적 제재를 받을 수 있으며, 모든 출력물은 모니터링 됩니다.

Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Supplement.

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, as amended by this Supplement.

The Debt Instruments have not been and will not be registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea, as amended. Accordingly, the Debt Instruments may not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of, any Korean resident (as such term is defined under the Foreign Exchange Transaction Act of Korea, and its Enforcement Decree) or to others for re-offering or resale, directly or indirectly, in Korea or to or for the account or benefit of, any Korean resident except as otherwise permitted under applicable Korean laws and regulations. In addition, within one year following the issuance of the Debt Instruments, the Debt Instruments may not be transferred to any Korean resident other than a Qualified Institutional Buyer (or a "Korean QIB", as defined in the Regulation on Issuance, Public Disclosure, Etc. of Securities of Korea) registered with The Korea Financial Investment Association as a Korean QIB, provided that the amount of the Debt Instruments acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Debt Instruments.

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.

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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**	:	Floating 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**	:	J.P. Morgan Securities Australia Limited (ABN 61 003 245 234) Mizuho Securities Asia Limited (ARBN 603 425 912) National Australia Bank Limited (ABN 12 004 044 937)
6	**Purchasing Dealers**	:	J.P. Morgan Securities Australia Limited Mizuho Securities Asia Limited National Australia Bank Limited
7	**Principal amount of Tranche**	:	A$250,000,000
8	**Issue Date**	:	29 September 2020
9	**Purchase Price**	:	100.00% of the principal amount of the Tranche
10	**Currency and denomination**	:	Australian dollars ("**A$**"). 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**	:	29 September 2025
12	**Status of the Debt Instruments**	:	Senior

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13	**If the Debt Instruments are Fixed Rate Debt Instruments**	:	Condition 7 applies: No
14	**If the Debt Instruments are Floating Rate Debt Instruments**	:	Condition 8 applies: Yes
	Interest Commencement Date, if not Issue Date	:	Issue Date
	Interest Rate	:	3 month BBSW Rate plus the Margin specified below, payable quarterly in arrear
	Interest Payment Dates	:	29 March, 29 June, 29 September and 29 December in each year, commencing on 29 December 2020 up to, and including, the Maturity Date, in each case subject to adjustment in accordance with the Business Day Convention specified below
	Business Day Convention	:	Modified Following Business Day Convention
	Margin	:	+ 0.88% per annum
	Day Count Fraction	:	Actual/365 (Fixed)
	Fallback Interest Rate	:	As per the Conditions
	Interest Rate Determination	:	BBSW Rate Determination
	BBSW Rate	:	"**BBSW Rate**" means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10:30 am (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) ("**Publication Time**") on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page (or any replacement page) by 10:45 am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, "**BBSW Rate**" means such other successor rate or alternative rate for BBSW Rate-linked floating rate debt instruments at such time determined by the Calculation Agent or the Issuer (acting in good faith and in a commercially reasonable manner) or an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate (in each case, a "**Determining Party**"), which rate is notified in writing to the Calculation Agent (with a copy

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			to the Issuer) if determined by such Determining Party, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW Rate-linked floating rate debt instruments at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW Rate-linked floating rate instruments at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by such Determining Party (in consultation with the Issuer, as applicable) to be appropriate. The rate determined by such Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.). Each Holder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of substitution for an adjustment made to the BBSW Rate, as applicable.
15	**Relevant Financial Centres**	:	Seoul, Sydney, Melbourne, New York and London
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

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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 a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) 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 Clearstream, Luxembourg (currently J.P. Morgan Nominees Australia Pty Limited).
29	**ISIN**	:	AU3FN0056446
30	**Common Code**	:	223856136
31	**Selling restrictions**	:	The section entitled "Selling Restrictions" in the Information Memorandum is amended as set out in Annexure A to this Supplement.
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).

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33	**Ratings**	:	The Debt Instruments to be issued are expected to be rated: Moody's: Aa3 S&P Global Ratings: A+ *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
35	**Additional Information**	:	The section entitled "The Issuer" in the Information Memorandum is amended as set out in Annexure B to this Supplement.
36	**Use of proceeds**	:	The net proceeds from the issue of the Debt Instruments will be used to finance or refinance eligible Social Categories as set out in the Shinhan Bank Sustainable Development Goals Bond Framework. See Annexure C to this Supplement for more information.

CONFIRMED

For and on behalf of
Shinhan Bank, acting through its principal office in Korea

By: ....

Name: Chan Heon Jung

Title: General Manager, Treasury Department, Shinhan Bank

Date: 25 September 2020

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ANNEXURE A

The section entitled "Selling Restrictions" in the Information Memorandum is amended as follows:

1 the selling restriction set out in paragraph 8 is deleted and replaced with the following:

"8 **Singapore**

Each Dealer has acknowledged that the Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Debt Instruments or caused the Debt Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Debt Instruments or cause the Debt Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debt Instruments, whether directly or indirectly to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore), as modified or amended from time to time) (the "**SFA**")), pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Debt Instruments are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Debt Instruments pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

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(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018."; and

2 the selling restriction set out in paragraph 10 is deleted and replaced with the following:

"10 **Prohibition of sales to European Economic Area and United Kingdom retail investors**

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Debt Instruments which are the subject of the offering contemplated by the Information Memorandum as completed by the Supplement in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Debt Instruments."

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ANNEXURE B

The section entitled "The Issuer" in the Information Memorandum is deleted and replaced with the following:

"**Introduction**

Shinhan Financial Group is one of the leading financial institutions in Korea in terms of total assets, revenues, profitability and capital adequacy, among others. Incorporated on 1 September 2001, Shinhan Financial Group is the first privately-held financial holding company to be established in Korea. Since inception, Shinhan Financial Group has developed and introduced a wide range of financial products and services in Korea and aimed to deliver comprehensive financial solutions to clients through a convenient one-portal network.

Shinhan Financial Group has experienced substantial growth through several mergers and acquisitions. Most notably, Shinhan Financial Group's acquisition of Chohung Bank in 2003 has enabled Shinhan Financial Group to have the second largest banking operations in Korea. In addition, Shinhan Financial Group's acquisition in March 2007 of LG Card, the then largest credit card company in Korea, has enabled to have the largest credit card operations in Korea and significantly expand Shinhan Financial Group's non-banking business capacity so as to achieve a balanced business portfolio.

Shinhan Bank is a wholly owned Subsidiary of the Shinhan Financial Group.

Shinhan Bank has its headquarters at 20, Sejong-daero 9-gil, Jung-gu, Seoul, Korea, 04513 and its registration number with the Companies Registry in Korea is 110111-0012809.

Business overview of Shinhan Bank

Shinhan Bank's principal banking activities consists of deposit taking activities from its retail and corporate customers, which provide Shinhan Bank with funding necessary to offer a variety of banking services. Shinhan Bank provides comprehensive banking services, principally consisting of the following four business segments:

- retail banking, which primarily focuses on making loans to or receiving deposits from individual customers (including high net-worth individuals and families) and, to a lesser extent, not-for-profit institutions such as hospitals, airports and schools;
- corporate banking, which primarily focuses on making loans to or receiving deposits from for-profit corporations, including small- and medium-sized enterprises, and providing investment banking services to corporate clients;
- international banking, which primarily focuses on management of overseas subsidiaries and branch operations and other international businesses; and
- other banking, which consists of treasury business (including internal asset and liability management and other non-deposit funding activities), securities investing and trading and derivatives trading, as well as administration of the overall banking operations.

Shinhan Bank's principal activities are not subject to any material seasonal trends. While Shinhan Bank has a number of overseas branches and subsidiaries, substantially all of its assets are located, and substantially all of its revenues are generated, in Korea.

Legal and regulatory framework

The banking system in Korea is governed by the Banking Act of 1950 and the Bank of Korea Act of 1950. In addition, Korean banks are subject to the regulations and supervision of the Bank of Korea

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("**BOK**"), the BOK's Monetary Policy Committee, the Financial Services Commission of Korea and its executive body, the Financial Supervisory Service of Korea.

In Australia, Shinhan Bank is a foreign ADI for the purposes of the Australian Banking Act.

Business update

The extent to which the recent coronavirus (COVID-19) outbreak impacts the Issuer's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.

The rapid and diffuse spread of the recent coronavirus (COVID-19) and global health concerns relating to this outbreak have had severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, which could in turn have a material adverse impact on the Issuer's business, results of operations and financial condition, including liquidity, asset quality and growth. The extent to which the COVID-19 outbreak impacts the Issuer's business, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in Korea and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted. In particular, a number of governments and organisations have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 outbreak will cause a prolonged global economic crisis or recession. Also, if any of the Issuer's employees or customers are suspected to have been infected or identified as a possible source of COVID-19, the Issuer may be required to quarantine the employees as well as any others that had come into contact with them and may also be required to disinfect the affected bank branches or other offices and therefore suffer a temporary suspension of business operations. Any of these factors could have a material adverse effect on the Issuer's results of operations and financial condition, including its liquidity, asset quality and growth."

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ANNEXURE C

The section entitled "Summary of the Programme" is amended by deleting the information under the heading "Use of proceeds" and replacing it with the following:

"Use of proceeds

The net proceeds from the issue of the Debt Instruments will be used to finance or refinance eligible Social Categories as set out in the Shinhan Bank Sustainable Development Goals Bond Framework ("**SDGB Framework**"), attached to this Supplement as Exhibit 1. In particular, the Issuer intends to allocate the net proceeds to the following:

(i) to support small- and medium-sized enterprises and SOHO (standing for "small office and home office", which are enterprises operated by individuals and households) affected by the COVID-19 pandemic (Social Category: "Employment Generation" of the SDGB Framework); and

(ii) for actions related to curbing the spread of COVID-19 such as procurement of medical supplies, machinery, equipment (such as masks), sanitation, construction of facilities, charitable donations, upgrading factories/workplace to minimise risks of infection, as well as lending to hospitals (Social Category "Access to Essential Services" of the SDGB Framework).

The Issuer's SDGB Framework was independently reviewed by Sustainalytics, which is of the opinion that the SDGB Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018.

There can be no assurance that the use of proceeds of the Debt Instruments will be suitable for the investment criteria of an investor.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as "social," and therefore no assurance can be provided to investors that selected eligible Social Projects will meet all investor expectations regarding social performance. Although the eligible Social Projects will be selected in accordance with the SDGB Framework, there can be no guarantee that the projects will deliver the social benefits as anticipated, or that adverse social impacts will not occur during the design, construction, commissioning and operation of the projects. In addition, where any negative impacts are insufficiently mitigated, the projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

The Issuer engaged an external consultant, Sustainalytics, to review the SDGB Framework and provide a second party opinion (the "**Second Party Opinion**") regarding the SDGB Framework's social credentials, as well as its alignment with the Green Bond Principles 2018, Social Bond Principles 2018 and Sustainability Bond Guidelines 2018, as administered by the International Capital Market Association. The Second Party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Debt Instruments. The SDGB Framework and the Second Party Opinion are not incorporated into, and do not form part of, this Supplement or the Information Memorandum. Neither the Issuer nor any of the Dealers makes any representation as to the suitability of the SDGB Framework. Neither the SDGB Framework nor the Second Party Opinion is a recommendation to buy, sell or hold securities, and the SDGB Framework and the Second Party Opinion are only current as of the date they were initially published by the Issuer and the external consultant, being 31 December 2018. Furthermore, the SDGB Framework and the Second Party Opinion are for information purposes only and neither the Issuer nor any of the Dealers accepts any form of liability for the substance of the SDGB Framework or the Second Party Opinion and/or any liability for loss arising from the use of the SDGB Framework or the Second Party Opinion and/or the information provided therein.

In addition, although the Issuer has agreed to certain reporting and use of proceeds obligations in connection with certain sustainability criteria, the Issuer's failure to comply with such obligations does not constitute a breach or an event of default under the Debt Instruments. A withdrawal of the Second Party Opinion or any failure by the Issuer to use the proceeds of the Debt Instruments on eligible Social Projects or to meet or continue to meet the investment requirements of certain socially-focused investors with respect to such Debt Instruments may affect the value of the Debt Instruments and/or may have

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consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. No assurance can be provided with respect to the suitability of the Second Party Opinion or that the Debt Instruments will fulfil the sustainability or social criteria to qualify as sustainable bonds. Each potential purchaser of Debt Instruments should determine for itself the relevance of the information provided in the Information Memorandum and this Supplement regarding the use of proceeds, including the SDGB Framework and Second Party Opinion, and its purchase of Debt Instruments should be based upon such investigation as it deems necessary.

The SDGB Framework and Second Party Opinion are available on the Issuer's website at https://www.shinhan.com/en/#300405010000."

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EXHIBIT 1 – SHINHAN BANK SUSTAINABLE DEVELOPMENT GOALS BOND FRAMEWORK

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Confidential

Shinhan Bank

Sustainable Development Goals Bond Framework

December 2018

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Introduction

Shinhan bank is one of the leading Korean commercial banks and also the first bank in the country to be founded solely with private funds in 1982. Its holding company, Shinhan Financial Group was established in 2001, with a vision of becoming a world class financial services company. The Group provides products and services across banking and non-banking business, with a mission of 'Compassionate Finance, Your Companion for the Future'. Based on the mission, the Group is pushing ahead with Creating Shared Value (CSV) management initiatives that satisfy both corporate economic value and social community value through our core business of financing. With a slogan of "Different Approaches to Finance, Benefiting the World", the Group and its subsidiaries recognize the unique role financial institutions play in connecting capital more responsibly to build a sustainable future. The Group strives to strengthen inclusive and productive financial support for the working-class and SMEs to be their reliable partner, practice responsible financing activities by ensuring environmental and social sustainability in our support projects, and engage in leading and responsible management by contributing to the vitalization of green finance investing in the renewable energy and environment sectors.

Shinhan Bank joined both the UN Global Compact and 'UNEP-FI' in 2008 and is one of the 28 banks that signed up to launch the Principles for Responsible Banking with the UNEP-FI. The Principles will define the banking industry's role and responsibilities in shaping a sustainable future. By committing to the Principles, Shinhan Bank assumes the mantle of sustainability leadership and strives to make a tangible contribution towards the environment and society. This increased commitment and transparency will further shape Shinhan bank's strategy to align business with objectives of the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

Shinhan Bank is dedicated to continue efforts in achieving sustainable growth by addressing issues concerning low growth, aging society, youth unemployment and climate change. It has established the "2020 CSR Strategies" with three key pillars: Responsible Growth, Social Partnerships and Investments for the Future. This is highlighted in Shinhan Financial Group's CSR report, where projects such as supporting SMEs sustainable growth and job training opportunities

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for the youth from low income families are supplemented with reference to the associated UN SDGs.

To spearhead the green movement in Korea forward, Shinhan Bank has also announced the Declaration of Eco Transformation 2020, which comprises of a 20 trillion Korean Won investment in the Green industry. This declaration focuses on reducing CO2 by 20%, strengthening financial competitiveness according to the energy paradigm shift and setting visions for future-oriented environmental friendly management, including:

1. Leading the low-carbon financial market;
2. Expanding environmentally friendly management; and
3. Strengthening environmental leadership/partnership.

Other commitments by Shinhan Bank to contribute towards a socially responsible economy include the proposed Shinhan DoDream Project, where a total combined funding amount of 9 trillion Korean Won (by 2020) is used to support 15 proposed projects in the following three sectors:

1. Youth Employment and Job Creation;
2. Investment for Innovative Companies; and
3. Direct Support for Socially Vulnerable People.

Under the Youth Employment and Job Creation sector, Shinhan Bank has launched the 'Youth Employment DoDream' program which is a youth job creation program aimed at discovering the workforce through the restoration of self-esteem of youth and enhancing human resources capacity through job training related to the fourth industrial revolution.

Shinhan Bank has now taken the next step by mapping the use of eligible Green and Social projects in this framework to the UN SDGs.

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Shinhan Sustainable Development Goals Bond Framework

In order to finance Shinhan Bank's diverse activities that are directly supporting the UN Sustainable Development Goals, Shinhan bank has prepared this Sustainable Development Goals Bond Framework ("the Framework") with an intention of issuing multiple currency Green, Social or Sustainability bonds under this Framework. The Framework is designed in line with the ICMA Green Bond Principles 2018, ICMA Social Bond Principles 2018 and the Sustainability Bond Guidelines 2018, with the following four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

1. Use of Proceeds

100% of the net proceeds of the bond will be used exclusively to finance or refinance eligible Green or Social projects and/or lending to businesses in Green industries and/or lending to businesses facilities to advance into Green industries, in whole or in part, falling within one of the categories detailed in the table below. Herein, whenever projects are mentioned they reference Green, Social and lending projects, unless otherwise defined. The net proceeds can also be used for future potential projects belonging to any of the Green or Social categories outlined in this Framework. For the case of refinancing, the Group will include projects that are financed within 24 months prior to the issuance date.

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Mapping Eligible Green and Social Categories to the UN's SDGs

The Green Bond Principles

ICMA Green Bond Categories	Eligible Projects	UN SDGs
Renewable Energy	Finance construction, production, transmission of renewable energy projects, such as: ▪ Solar ▪ Wind ▪ Hydro (run of river facility or small hydro with maximum 25 MW of capacity) ▪ Geothermal (projects with direct emissions above 100 gCO_2 / kWh are excluded). ▪ Fuel Cell ▪ Biomass, not derived from feedstock suitable for food production ▪ Ocean Energy	
Energy Efficiency	Investments to improve energy efficiency by a minimum of 15% compared to its baseline for buildings, machineries or factories such as: ▪ Energy storage systems ▪ Efficient heating, insulation and lighting ▪ Smart Grid	
Green Buildings	Properties that have received, or expect to receive locally or internationally recognized green certifications such as: ▪ LEED Gold certification or above	

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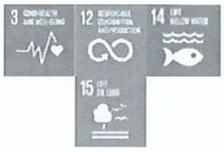
	▪ BREEAM "Excellent" rating or above	
Pollution Prevention and Control	Projects aimed at reducing or capturing GHG emissions and harmful air particles such as: ▪ Air purification units (not related to fossil fuel generation facilities) ▪ Waste-to-energy plants ▪ Recycling of resources ▪ Harmful Matter Monitoring and Environmental Purification (not related to fossil fuel generation facilities)	
Clean Transportation	Eco-friendly vehicles and infrastructure that promote greener commuting such as: ▪ Electric or hybrid cars ▪ Public, rail (not used to transport fossil fuels), non-motorized, multi-modal environmentally friendly transportation ▪ Bicycles	
Sustainable Water and Wastewater Management	Finance projects associated with water and wastewater infrastructure such as: ▪ Sustainable infrastructure for clean and/or drinking water ▪ Waste water treatment ▪ Sustainable land and urban drainage systems (sewage treatment and recycling, waste water recycling and hydro ecological restoration) ▪ River training and other forms of flooding mitigation ▪ Natural disaster response system	

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Climate Change	▪ Climate Change Forecasts and Modeling ▪ Climate Change Impact Evaluation and Adaptation ▪ Weather Observation Equipment/Weather Forecast	
Terrestrial and Aquatic Biodiversity Conservation	▪ Protection of marine environments	

The Social Bond Principles

ICMA Social Bond Categories	Eligible Projects	UN SDGs
Access to Essential Services (e.g. health, education and vocational training, healthcare, financing and financial services)	▪ Support low-income[1] individuals/ families in obtaining loans to reduce financial inequalities such as New hope spore loan, Mid-interest rate loan for the working class etc. ▪ Microfinance Support (compliant with the criteria set by the 'Korea Inclusive Finance Agency')	
Employment Generation	▪ Provide financing support for SOHO[2] (small office and home office, which are enterprises operated by individuals and households) and SMEs[3] such as Tech Credit bureau,	

[1] Low income individuals are determined by the Korean Ministry of Health and Welfare (MOHW) and Ministry of Education (MOE)'s classification, which is based on household income
[2] SOHO refers to individual business operators or companies with a total asset size of KRW 2 billion or less
[3] SMEs are defined in accordance with Article 2 of the Enforcement Decree of the Framework Act on Small and Medium Businesses. a) a business that employs less than 1000 full time workers, b) a business whose total assets are less than 500bn Won, c) a business with less than 100bn Won of equity capital, d) a business whose average sales during the immediately preceeding three business years is less than 150bn, 100bn, 80bn, 60bn depending on borrower industry classification

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	Loans for the promotion fund of the small entrepreneur market ▪ Comprehensive and customized solutions for SMEs	
Socioeconomic Advancement and Empowerment	▪ Support the Shinhan Do Dream Project[4]: funding support to companies with commitment to youth employment and job creation as well as investing in innovative companies	

Additional detail on social loan products:

<u>New Hope Spore Loan</u>[5]: A product for the working class and customers with low credit ratings and low income.

<u>Mid-interest rate loan for working class</u>: Loans for individuals and businesses with income certificates, backed by Seoul Guarantee Insurance's guarantee as collateral.

<u>Microfinance Support</u>: Shinhan Bank's Microfinance business complies with the criteria set by "Korea Inclusive Finance Agency". Please see below for the target groups;

1. Those with a credit rating of 6 and below (Including those with no credit rating)
2. Recipient of national basic livelihood guarantees (the lowest income class) or those classified as 2nd lowest income class (those who live within 120% of the minimum cost of living
3. Those that fulfill requirements for employment subsidies

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[4] DoDream Project includes loan products for job creation companies which are certified by or receive guarantee from the government or government related entities, including but not limited to the Ministry of Employment and Labor, Ministry of SMEs and Startups, and Korea Technology Finance Corporation

[5] The criteria for borrowers of this loan are set by Korea Inclusive Finance Agency. The borrower should be 1)those with annual income of KRW 35 million or below / or 2) those with annual income of KRW 45million or below with credit rating of 6 or below

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Tech Credit bureau: Technology financing product that supports small and medium sized businesses with advanced technologies and substantial growth potentials based on evaluation on technology, competitiveness and commercialization capabilities.

Loans for the promotion fund of the small entrepreneur market: Loans for small business owners with certificates for 'eligible companies for policy fund' from Small Enterprise and Market Service, as defined by the Ministry of SMEs and Startups.

Comprehensive and Customized Solutions for SMEs[6]: Financing support and consulting services to SMEs according to the stages of corporate life cycles through business agreements with external agencies. Financing supports that are tailored to the purposes of job creation, companies engaging in new growth engine industries, ones with outstanding technologies, and the ones creating social and economic values in order to encourage their growth.

All designated green and social projects should provide clear environmental and social benefits, which will be assessed and, where feasible, quantified by Shinhan Bank.

The eligible Green and Social projects are not limited to this list. Any project contributing explicitly to the eligible categories and SDGs above is considered eligible for Shinhan Bank's Green / Social / Sustainability bonds. Involvement in the following activities or industries are excluded from consideration for eligibility:

- Child Labour
- Adult Entertainment
- Weapons/Arms
- Alcohol
- Tobacco
- Fossil Fuel generation and transportation of fossil fuels
- Biomass derived from feedstock suitable for food production
- Nuclear Power Generation

[6] SMEs are defined in accordance with Article 2 of the Enforcement Decree of the Framework Act on Small and Medium Businesses

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- Large-scale hydro-power projects with a generating capacity of over 25 megawatts which has yet to be constructed

2. Process for Project Evaluation and Selection

Project evaluation and selection is a key process in ensuring that the projects financed by the Green / Social / Sustainability bond meet the criteria in Shinhan Bank's SDG Bond Framework.

Eligible green and social projects will be sourced from the various business units, and will be selected by the Treasury Department following this Framework. Once selected, all members of the SDG working group will cooperate in reviewing the projects to ensure they demonstrate clear environmental and social benefits, in line with the Framework.

Shinhan Bank has combined ESG with risk management. To recognize ESG risk of loans and investments, Shinhan Bank has adopted the ESRM (Environment & Social Risk Management Policy framework) and established the Sector Policy to select and manage environmentally important and controversial areas. We are also conducting target selection, risk rating and ESRP (Environmental & Social Risk Review Procedure) based on the Equator Principles.

SDG Bond Working Group (SBWG)

In order to effectively manage sustainability bonds, Shinhan Bank is launching a SDG Bond Working Group ("SBWG") with senior representatives from below departments, coordinated by the Treasury Department:

- Corporate Banking Department
- Treasury Department
- Retail Banking Department
- Strategic Planning Department
- Corporate Supporting Department
- Project Banking Department 2
- Corporate Social Responsibility Department
- SOHO Division
- Strategic Planning Department, Shinhan Financial Group

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The SBWG will be responsible for validating project selection and the bond annual reports. The SBWG will review projects annually and projects will be signed off by all members.

Loan Evaluation and Selection

Shinhan Bank determines whether the business can be considered operating in green industries by identifying the main products/services of the business. The businesses do not have to currently operate in Green industries, but loans to these companies can be issued to fund facilities to advance into Green industries.

Target loan borrowers are corporates and individual businesses that:

1. Operate in Green and/or Social industries
2. Seek to advance into Green and/or Social industries; and,
3. Produce and service items that are essential for operating in Green and/or Social industries

Shinhan Bank has an internal loan committee that selects the relevant targets based on the criteria above which comprises of the following departments, i) Credit Analysis and Assessment, ii) Risk Management, iii) Treasury Departments, iv) and other related project teams. All departments mentioned above are involved in the loan review process, which includes an identification, analysis, selection and approval workflow process. The final approval of loans is made by an executive member.

3. Management of Proceeds

The net proceeds of all the SDG bonds, or an amount equal to these net proceeds from the bonds will be allocated to eligible green and/or social projects only. As long as the bond is outstanding, the Treasury Department will manage the project register through its internal information system, and the balance of the tracked proceeds will be monitored annually.

If there is any unallocated amount, it will be invested in cash or cash equivalent following Shinhan bank's usual liquidity management policy.

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In case of divestments or if an eligible project no longer meets eligible criteria (as defined above), the funds will be re-allocated to other eligible projects, following the above described Project Selection Process.

4. Reporting

Following the first bond anniversary, and every year thereafter until full allocation of the bond, Shinhan bank will update investors on how the bond proceeds are allocated and share information on projects financed by the bond, as an integral part of its annual report. Reporting on loans will be produced on the relevant Green and/or Social category level basis.

The report will include the below information, and it will be readily available on the corporate website.

4.1 Allocation reporting

- Complete list of Green and Social projects and brief description of each project [date, location, category and progress / it could be no-name basis for confidentiality reason, for smaller Green and Social projects, aggregate information can work as well]
- Amount allocated to each project and how they are managed
- Weighted average of the project being financed or refinanced by the bond issuance
- Portion of financing and refinancing (and the list of Green and Social projects that are re-financed)

4.2 Impact Reporting

Shinhan Bank will also report on relevant environmental and social impact metrics where feasible, and it will transparently disclose measurement methodology for quantitative indicators. Below are examples of impact indicators to be reported:

Green Bond Examples

- Annual energy savings (for energy efficiency projects and green building)
- GHG emissions reduced

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- Number of LEED certified buildings funded

Social Bond Examples

- Number of SME loans granted
- Number of loans granted to healthcare industry participants
- Number of beneficiaries

5. External review

Shinhan Bank has engaged with Sustainalytics for the external review of this SDG Bond Framework. This Framework and the Second Party Opinion will be uploaded on our company's website ahead of the SDG bond issuance.

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