

Shinhan Bank Canada Seniors Code Annual Report – 2022

Shinhan Bank Canada (the “Bank”) is committed to supporting our Seniors; to identifying best practices to meet their needs, through compliance with the requirements of the *Code of Conduct for the Delivery of Banking Services to Seniors* (the “Code”).

For the purposes of the Code, a “Senior” refers to an individual who is 60 years of age or older, and who is transacting for non-business purposes. Seniors have always been an important and dedicated customer base for our Bank. During 2022, we have continued to educate our customer-contact employees with knowledge about the banking products and services, through policies and procedures aimed at the protection of Seniors from elder abuse and frauds. Since the introduction of the Code in July 2019, and leadership of our Seniors Champion, we continue to serve our Seniors with an easy and secure banking experience.

The Bank is therefore pleased to disclose our Seniors Code Annual Report (the “Annual Report”) for the past year, outlining our ongoing commitment to the Code and our improvements in our delivery of banking services to Seniors during the past year. Our Annual Report focuses on the steps taken to support each of the seven (7) Principles of the Code.

Principle 1: Establish and implement appropriate policies, and procedures to support the Code

The Bank has established its *Procedure for Banking Services to Seniors*. This procedure offers employees with the tools to assist them offer additional assistance to Seniors with their banking needs; and to detect and escalate to the Seniors Champion and to Compliance department possible cases of financial abuse or fraud.

The procedure covers topics that commonly impact customers who are 60 and older:

- Powers of Attorney and joint deposit accounts;
- Senior banking packages offered by the Bank;
- Situations involving potentially suspicious transactions.

Other procedures supporting the Code are incorporated under the Bank’s Regulatory Compliance Management (“RCM”) framework, and include among others – AML and KYC Procedures, Complaint-Handling Procedure, Whistleblower Policy, Procedure for Notice of Branch Closure, and Privacy Policy.

The Bank is currently engaged in developing an Accessibility Plan to proactively identify, remove and prevent accessibility barriers to our vulnerable customers most of whom are Seniors. Through consultation with our customers and the employees who serve them, we hope to identify irritants and obstacles with which Seniors are faced.

Through the dedication of our Seniors Champion, at least annually, the Bank holds events for Seniors and provides focused training for our customer-contact employees.

Principle 2: Communicate effectively with Seniors

We have noted from our Senior customers that they find banking to be more accessible when banking materials are offered in Korean language. As a result, the Bank is committed to provide most customer information bilingually – i.e. English and Korean. Our dedicated web page for Seniors is accessible through the link: <https://www.shinhan.ca/help-guidance/advice-centre/senior-banking/>. On this page we have information relating to:

- Benefits package for Seniors
- Branch contacts for financial advice for Seniors
- Helpful information for banking by Seniors
 - Power of Attorney
 - Joint Account
- Online banking tutorial and tips
 - How to access online banking
 - Online banking demo
 - Online banking tutorials:
 - (i) How to pay bills
 - (ii) How to transfer funds abroad
 - (iii) How to transfer funds within Canada
 - (iv) How to transfer funds within Shinhan Bank Canada
- Code of conduct for the delivery of banking services to Seniors

Our web page also provides a link: <https://www.shinhan.ca/footer/security-disclosure/> to the Bank's security measures to enhance the banking experience for our Seniors and other customers, including tips on:

- How to prevent phishing (financial frauds in cyberspace) and pharming (creation of a fraudulent website)

To support Senior customers who are unfamiliar with our online banking information, we have printed brochures and flyers available at all branch locations – both in Korean and in English.

Principle 3: Provide appropriate training to employees and representatives who serve Seniors

To better equip the Bank's front-line employees to interact with our Senior customers, our Seniors Champion provides comprehensive training in order to raise awareness and emphasize the importance of Seniors' privacy decisions, and the presumption of incapacity. Among the various programs in place, an annual training session, knowledge assessment, and training videos are utilized to facilitate the most effective delivery of training. In December 2022, employee training included significant areas in which Seniors may need additional assistance in their banking activities – recognizing instances of elder abuse through powers-of attorney; family abuse, voice phishing, romance scams, etc. Please refer to the 7-minute YouTube video available at <https://youtu.be/VAfDQjjFChY>.

Additionally, the Bank took advantage of the festive holiday season and organized “*Christmas with Seniors*” event to appreciate the continuous support of our Senior customers. The rationale for conducting such an event was that Seniors are less likely to share their feedback through e-surveys sent through emails, and that collecting hand-written feedback would be an ideal opportunity to hear our Senior customers’ thoughts about the Bank’s current banking services. Our Seniors Champion hoped to use this opportunity to determine customers’ interest in participating in future educational sessions – e.g. Online Banking and Financial Planning.

Another aspect of the training included emphasizing the importance of knowing the complaint escalation process. By understanding the precise steps that the customers can take to escalate their concerns, the front-line employees are able to explain and lead the Seniors throughout the complaint process until their concerns are resolved. Employee training in the Bank is an ongoing initiative for all front-line employees to equip them with insights to recognize a potential Senior financial abuse situation.

Principle 4: Make appropriate resources available to client-facing employees relevant to Seniors’

Our front-line employees, who serve our Senior customers, are provided with access to additional resources on topics such as detecting financial abuse, fraud, scams, incapacity, powers of attorney (“PoA”), and joint deposit accounts, which are designed to better equip them with the in-depth information to assist our Senior customers when the need arises.

The Branch customer-facing employees are equipped with adequate resources and training materials to facilitate delivery of banking services to Seniors. Our Seniors Champion acts as a subject matter expert on issues relating to Senior customers, should Branch employees need clarifications or support on Senior related matters, if the need arises. Policies and procedures are consolidated on the Bank’s internal database – *Shinhan Bank – Bylaw Assistance System for Internal Compliance (“S-BASIC”)* and are accessible by all Bank employees. In addition to the above training materials and other resources, our customer-facing employees have access to subject matter experts in Compliance, our Seniors Champion, and the Bank’s Senior Management, who provide support in more complex situations.

Principle 5: Endeavor to mitigate potential financial harm to Seniors

The Bank has Anti-Money Laundering (“AML”) and fraud detection monitoring framework in place to protect not only our Senior customers, but also our general customers from any potential financial harm. Branch employees are trained to recognize signs of potential harm, and manage these matters while respecting the privacy of our Senior customers.

The Bank has effective ‘Know Your Customer’ (“KYC”) and customer enhanced due diligence monitoring processes. Branch employees undergo regular training on AML, red flags relating to Senior scams, PoA abuse, and checks for potential elder abuse in AML monitoring. The monitoring application – Verafin – is used by the Bank to regularly monitor customer transactions and investigate any irregular transaction activity in customers’ accounts. In internal risk assessment on Senior customers, the Bank has classified them with a high risk rating to ensure ongoing and enhanced due diligence over their account activity.

Flyers were provided to branches highlighting ‘10 Smartphone Security Risks’ to share with Senior customers to protect them against any financial harm. Branch employees continue to be vigilant and contact the Seniors Champion or Compliance should they have reason to believe that any Senior customer is a victim of financial abuse or fraud, while at the same time protecting the customers’ interests while respecting customer privacy, security and financial independence.

Principle 6: Consider market demographics and the needs of Seniors when closing Branches

We provide in-person financial services to our customers in branches in Ontario and British Columbia, and currently have no plans to close any of our branches. However, in case we do need to close any of our branches, the bank has process in place to consider all market-related demographics, and the needs of Seniors in such situations in order to minimize any potential impact as a result.

The Bank will advise all our customers of available alternatives, so that any Seniors can continue to bank in the event that the branch has closed. The Bank is committed to provide notice no less than four months before any proposed closure. Such notice will provide alternate sites where customers will be provided with similar services. The Bank has in place a Branch Closure Procedure which was revised in 2022 to comply with the revised guidelines under the Financial Consumer Protection Framework (the “FCPF”) issued by Financial Consumer Agency of Canada (“FCAC”).

Principle 7: Publicly disclose steps taken to support the principles set out in the Code

We are committed to provide the public and FCAC with our detailed annual report on the action steps taken by the Bank to support each principle of the Code, and any other steps to improve the delivery of banking services to Seniors.

This Seniors Code Annual Disclosure Report for 2022 is made available to the public by publishing it at the Bank’s website at: <https://www.shinhan.ca/footer/legal/>.

The Bank remains committed to the evaluation and review of our compliance with the Code to ensure better service to our Senior customers.