

| Shinhan Bank Canada Capital Disclosure as at September 30, 2018 | | (Unit: C\$1,000) | |
|--|---|------------------|--------------|
| | | All-in | Transitional |
| Common Equity Tier 1 capital: instruments and reserves | | | |
| 1 | Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus | 80,000 | |
| 2 | Retained earnings | 241 | |
| 3 | Accumulated other comprehensive income (and other reserves) | NA | |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) | NA | |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | NA | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 80,241 | 80,241 |
| Common Equity Tier 1 capital: regulatory adjustments | | | |
| 7 | Prudential valuation adjustments | NA | |
| 8 | Goodwill (net of related tax liability) | NA | |
| 9 | Other intangibles other than mortgage-servicing rights (net of related tax liability) | (68) | |
| 10 | Deferred tax assets excluding those arising from temporary differences (net of related tax liability) | NA | |
| 11 | Cash flow hedge reserve | NA | |
| 12 | Shortfall of provisions to expected losses | NA | |
| 13 | Securitisation gain on sale | NA | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | NA | |
| 15 | Defined benefit pension fund net assets (net of related tax liability) | NA | |
| 16 | Investments in own shares (if not already netted off paid-in capital on reported balance sheet) | NA | |
| 17 | Reciprocal cross holdings in common equity | NA | |
| 18 | Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold) | NA | |
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | NA | |
| 20 | Mortgage servicing rights (amount above 10% threshold) | NA | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | NA | |
| 22 | Amount exceeding the 15% threshold | NA | |
| 23 | of which: significant investments in the common stock of financials | NA | |
| 24 | of which: mortgage servicing rights | NA | |
| 25 | of which: deferred tax assets arising from temporary differences | NA | |
| 26 | Other deductions or regulatory adjustments to CET1 as determined by OSFI | NA | |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | NA | |
| 28 | Total regulatory adjustments to Common Equity Tier 1 | NA | |
| 29 | Common Equity Tier 1 Capital (CET1) | 80,173 | 80,173 |
| Additional Tier 1 capital: instruments | | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | NA | |
| 31 | of which: classified as equity under applicable accounting standards | NA | |
| 32 | of which: classified as liabilities under applicable accounting standards | NA | |
| 33 | Directly issued capital instruments subject to phase out from Additional Tier 1 | NA | |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) | NA | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | NA | |
| 36 | Additional Tier 1 capital before regulatory adjustments | NA | |
| Additional Tier 1 capital: regulatory adjustments | | | |
| 43 | Total regulatory adjustments to Additional Tier 1 capital | NA | |
| 44 | Additional Tier 1 capital (AT1) | NA | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 80,173 | 80,173 |
| Tier 2 capital: instruments and provisions | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | NA | |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | NA | |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (Amount allowed in group Tier 2) | NA | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | NA | |
| 50 | Collective allowances | 2,816 | |
| 51 | Tier 2 capital before regulatory adjustments | 2,816 | |
| Tier 2 capital: regulatory adjustments | | | |
| 57 | Total regulatory adjustments to Tier 2 capital | NA | |
| 58 | Tier 2 capital (T2) | 2,816 | |
| 59 | Total capital (TC = T1 + T2) | 82,989 | 82,989 |
| 60 | Total risk weighted assets | 454,403 | 454,403 |
| Capital ratios | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) ratio | 17.64% | 17.64% |
| 62 | Tier 1 (as a percentage of risk weighted assets) ratio | 17.64% | 17.64% |
| 63 | Total Capital (as a percentage of risk weighted assets) ratio | 18.26% | 18.26% |
| OSFI all-in target | | | |
| 69 | Target Common Equity Tier 1 capital ratio | 7.00% | |
| 70 | Target Tier 1 capital ratio | 8.50% | |
| 71 | Target total capital ratio | 10.50% | |
| Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022) | | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | NA | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | NA | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | NA | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | NA | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | NA | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | NA | |