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## Shinhan Bank Canada Seniors Code Annual Report – 2023

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 “Seniors Code”).

For the purposes of the Seniors 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 2023, we at Shinhan Bank Canada have continued to embrace the principles outlined in the Seniors Code – by educating our customer-contact employees with knowledge on banking products/services, and through policies and procedures aimed to protect Seniors from elder abuse and frauds. Since the introduction of the Seniors Code in July 2019, and the leadership of our Seniors Champion, with support from senior management at the Bank, we continue to serve our Seniors with an easy and secure banking experience.

The Bank is therefore pleased to provide our Seniors Code Annual Report (the “Annual Report”) for the past year 2023, outlining our ongoing commitment to the Seniors Code and our improvements in our delivery of banking services to Seniors. Our Annual Report focuses on the steps taken to support each of the seven (7) Principles of the Seniors Code.

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

The Bank has established its *Procedure for Banking Services to Seniors*. This procedure supports the needs of Seniors by addressing the risk of financial abuse. The Bank provides customer-facing employees with guidance enabling them to identify and respond to instances of suspected financial abuse of Seniors; information about resources available to Seniors to seek further assistance; and to escalate possible cases of financial abuse or fraud to the Bank’s designated Seniors Champion and to the Compliance department. Our Seniors Champion, at least annually holds events for Seniors and provides refresher training for our customer-contact employees.

The above 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.

The Bank has incorporated the Seniors Code into its Regulatory Compliance Management (“RCM”) Procedure which ensures periodic monitoring of the compliance status of the Bank’s self-assessment of the implementation and operation of the Seniors Code. Other procedures supporting the Seniors Code are included in the Bank’s Complaint-Handling Procedure, Whistleblower Policy, Procedure for Notice of Branch Closure, and Anti-Money Laundering Procedure covering fraud detection transaction monitoring.

The Bank has developed an Accessibility Plan aimed at establishing accessibility-free barriers to our vulnerable customers most of whom are Seniors. The Bank is taking steps to further identify and remove irritants and obstacles facing our Seniors. Through training, employees are called upon to provide services in an accessible manner specifically to our customers who are Seniors, vulnerable individuals or people with a disability and require additional support.

## **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 the Korean language. The Bank offers banking services in English and Korean to best help our customers, particularly for Seniors, by reducing language barriers and ensuring accurate support.

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/>. This page meets Web Content Accessibility Guidelines (WCAG) 2.1, and we have information relating to:

- i) Benefits package for Seniors
- ii) Branch contacts for financial advice for Seniors
- iii) Helpful information for banking by Seniors
- iv) Online banking tutorial and tips
- v) Code of Conduct for the delivery of banking services to Seniors

### **i. Senior rich package**

The Bank has introduced a special package for Seniors, containing exceptional plans and benefits for customers who are 60 and over. Details available through printed leaflets at branch locations include:

- No monthly fees and unlimited transactions
- No fees on bill payments and stop payment registration
- Free issuance of bank draft and certified cheque – 2 times per month
- Free 30 personal cheques are provided upon opening an account.

### **ii. Financial advice for Seniors**

This section of the website offers customer assistance through drop-down selection of the nature of the customer inquiry, with fields for customer contact details and text box for messages. The Bank is also committed to offering comprehensive retirement planning through designated representatives at each branch.

### **iii. Helpful information for Senior Banking**

All branch locations of the Bank are equipped with printed communication materials and which are also available on the Bank's website at dedicated pages for Seniors. This section includes details of resources and information required under the *Commitment on Powers of Attorney ("PoA")* and *Joint Deposit Account* issued by the Canadian Bankers Association ("CBA").

On June 15, 2023 – on the occasion of ‘World Elder Abuse Awareness Day’ the Bank posted ‘Cybersecurity Tips for Safe Banking’ on the Bank’s social media page.

The Bank’s Accessibility Plan – <https://www.shinhan.ca/help-guidance/advice-centre/accessibility-plan/> commits to providing information in accessible formats, including large-print documents or disclosures upon customer request. Branch employees have been made aware of options for accessible formats when dealing with Seniors. All branches are also equipped with customer counters of varying heights to accommodate needs of Seniors and customers with accessible needs.

#### **iv. Online banking tutorials**

The Bank provides online banking resources for accessible options available to customers on a range of commonly used transactions activities. Branch employees are able to use these tutorials to walk through with any customer visiting the branch in-person and requesting such assistance. The online tutorials provide detailed steps for banking under the following topics:

- 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

#### **v. Code of conduct for the delivery of banking services to Seniors**

The Bank has included a link to CBA’s Seniors Code which sets out a set of applicable principles to guide banks when they deliver banking products and services to Seniors. Employees are encouraged to be respectful and exercise patience when interacting with Seniors who may need more dedicated assistance.

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 an explanation of the terms ‘phishing’ and ‘pharming’; and 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 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, or training videos are utilized to facilitate the most effective delivery of training. Training provided to employees included:

- In August 2023, customer-facing employees received training to communicate to *'interest only residential mortgage borrowers'* reason for receipt of notice of payment change arising from interest rate hike and advising the borrowers of their recommended action options.
- In November 2023, customer-facing employees received training for communicating with selected *'vulnerable'* borrowers on their current financial situation determining financial difficulties faced.
- In December 2023, 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.

Employees are trained to provide clear and detailed explanations of all bank products and services when responding to any information requests from Seniors. The training provided to the Bank's customer-facing employees included awareness and discussion on the Powers of Attorney and on Joint Deposit Accounts, their use as a source of financial abuse of Seniors; steps to recognize such potential situations; and guidance on the process to escalate to the Seniors Champion and the Chief Compliance Officer (the "CCO").

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/closed. 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, and as the point-of-contact should Branch employees need clarification or support on Senior related matters. Bank's 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 frameworks 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 provides consumer protection to all customers through the FCAC low-balance electronic alerts initiative aimed at notifying customers when their account balance falls below a customer set threshold, and before they incur any overdraft charges. Customers are advised on actions needed to avoid such fees.

The Bank has effective ‘Know Your Customer’ (“KYC”) and customer enhanced due diligence monitoring processes. Branch employees undergo regular training on AML, on red flags relating to Senior scams, on PoA/Joint Account abuse, and checks for potential elder abuse through 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 the 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 Regulatory Compliance should they have reason to believe that any Senior customer is a potential victim of financial abuse or fraud, while at the same time respecting customer privacy, security and financial independence. The Seniors Champion in coordination with the CCO may consult with the Bank’s external legal counsel for matters that are ambiguous under the law.

#### **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 processes 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 to comply with the revised guidelines under the Financial Consumer Protection Framework (the “FCPF”) issued by Financial Consumer Agency of Canada (“FCAC”) and involves requirement of:

- In-branch signage – notices informing customers of an upcoming branch closure
- In-branch notifications – branch employees to orally inform Seniors about the closure upon their completion of their in-branch transaction. Address any concerns arising from such contact
- Website updates – notice of upcoming closure and recommended alternate branch locations available
- Promoting online banking options so that the customers can meet their banking needs seamlessly
- Holding in-branch information sessions to address any concerns from members of the community
- To notify FCAC of any planned measures taken in compliance with our obligations under FCAC’s CG-14 Branch Closure Guidance and under this Principle 6 of the Seniors Code.

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

The Bank is committed to publish this annual report on the action steps taken by the Bank to support each principle of the Seniors Code, and any other steps to improve the delivery of banking services to Seniors.

The annual Seniors Code Report will be posted on the Bank's website within 135 days following the end of its financial year and a copy of the annual Seniors Code Report will be provided to FCAC.

For the year 2023, the Seniors Code Annual Disclosure Report 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 Seniors Code to ensure better service to our Senior customers.