Shinhan Bank Canada

Capital Disclosure as at June 30th, 2022

(Unit: C$1,000)

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	9,148
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**	89,148
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)	(398)
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 (1)	97
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	(301)
29	**Common Equity Tier 1 capital (CET1)**	88,847
29a	**Common Equity Tier 1 capital (CET1)** with transitional arrangements for ECL provisioning not applied	88,750
Additional Tier 1 capital: instruments		
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)**	88,847
45a	**Tier 1 capital** with transitional arrangements for ECL provisioning not applied	88,750

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	3,615
51	**Tier 2 capital before regulatory adjustments**	3,615
Tier 2 capital: regulatory adjustments		
57	**Total regulatory adjustments to Tier 2 capital**	NA
58	**Tier 2 capital (T2)**	3,615
59	**Total capital (TC = T1 + T2)**	92,462
59a	**Total capital** with transitional arrangements for ECL provisioning not applied	92,462
60	**Total risk-weighted assets**	493,672
60a	**Common Equity Tier 1 (CET1) Capital RWA**	NA
60b	**Tier 1 Capital RWA**	NA
60c	**Total Capital RWA**	NA
Capital ratios		
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	18.00%
61a	**CET 1 Ratio** with transitional arrangements for ECL provisioning not applied	17.98%
62	Tier 1 (as percentage of risk-weighted assets)	18.00%
62a	**Tier 1 Capital Ratio** with transitional arrangements for ECL provisioning not applied	17.98%
63	Total capital (as percentage of risk-weighted assets)	18.73%
63a	**Total Capital Ratio** with transitional arrangements for ECL provisioning not applied	18.73%
64	Buffer (minimum CET1 requirement plus capital conservation buffer plus G-SIB buffer plus DSIB buffer expressed as a percentage of risk-weighted assets)	NA
68	Common Equity Tier 1 available to meet buffers (as percentage of risk-weighted assets)	NA
OSFI target (minimum + capital conservation buffer + D-SIB buffer (if applicable))		
69	Common Equity Tier 1 target ratio	7.00%
70	Tier 1 capital target ratio	8.50%
71	Total capital target ratio	10.50%
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital and Other TLAC-eligible instruments of other financial entities	NA
73	Significant investments in the common stock of financials	NA
74	Mortgage servicing rights (net of related tax liability)	NA
75	Deferred tax assets arising from temporary differences (net of related tax liability)	1,120

(1) From the beginning of Q2 2020, includes the impact of the transitional arrangements for expected loss provisioning (ELC) announced by OSFI in March 2020. The transitional arrangement results in a portion of expected credit loss allowances. A portion of expected credit loss allowances with transitional adjustment is included in CET1 capital, otherwise it is included in Tier2 capital. This amount is adjusted for tax effects and subject to a scaling factor that will decrease each year until 2022.