

M Y L A Z S B E T T E R B A N K I N G Z L
Q P Y I N N O V A T I V E D K E H V C
T P R E D I G I T A L L Y C E N T R I C
P V T R A N S P A R E N T P V E B X
Y N F K Y T S D R E S O U R C E F U L K O P
C A N A D A ' S H J W G R O W T H R A
C H A L L E N G E R W S T F Z X P L Q B
B A N K TM A Z V D G E T M O R E L W D
M E O P E N B A N K I N G Q E T Y E H
K Q P H D E C U M U L A T I O N I O R
S T C U S T O M E R V A L U E O W S P E V F
K S L N F K O T Y T R E S P E C T S Z G D
R E L E N T L E S S D G F M S I P Q V T O R

About Equitable

Equitable Group Inc. (“Equitable”) (TSX: EQB and EQB.PR.C) is a growing Canadian financial services business that operates through its wholly-owned subsidiary, Equitable Bank (the “Bank”).

Equitable Bank is a Schedule I bank regulated by the Office of the Superintendent of Financial Institutions Canada (“OSFI”) with total Assets Under Management of over \$33 billion and shareholders equity of approximately \$1.5 billion as at December 31, 2019. The Bank serves retail and commercial customers across Canada with a range of savings and lending solutions, offered under the Equitable Bank and EQ Bank brands, as well as through the Bank’s wholly-owned subsidiaries, Equitable Trust (the “Trust”) and Bennington Financial Corp. (“Bennington”). On January 1, 2019, Equitable Bank acquired Bennington, a Canadian equipment leasing company that finances a wide range of assets through the Bodkin and Equirex brands. Measured by assets, Equitable Bank is the ninth largest Independent Schedule I bank in Canada.

The information in this Sustainability Report and Public Accountability Statement encompasses relevant activities surrounding community development relating to Equitable Bank in accordance with Canadian federal regulations, pursuant to subsection 459.3 (1) of the Bank Act for the fiscal year beginning January 1, 2019 and ending December 31, 2019. For more information on our efforts to make a difference in our community, please visit equitablebank.ca/community.



CEO Message

Our unique positioning as Canada's Challenger Bank™ is driven by a simple but ambitious goal: build a better bank for our customers. We continuously strive to create a better customer experience by finding new ways to provide superior banking services across Canada.

Our values are at the forefront of our charitable initiatives which help lay the foundation for our philanthropic contributions. We strongly believe that our success is defined through the contributions of our employees and the impact they make in the community. The cornerstone of this involvement is the long-term relationships that we have created with our community-based organizations and the dedication of our employees to foster these relationships.

While our Public Accountability Statement looks back at what we did in 2019, I would be remiss to exclude any mention of our organization's response to the COVID-19 pandemic. Kindness, caring about the well-being of others and teamwork form the backbone of the work we do to support community organizations. As we live and work through the pandemic, our organization's response to ensuring the health and safety of our employees, customers and our communities has been a primary concern since day one.

We also know this is a particularly challenging time for the organizations we work with; groups who often rely on fundraising initiatives like the ones we organize to keep their own services running. Continuing to foster a sense of community, reaching out to the organizations we partner with, and setting up an environment that supports our employees means we will be ready to continue these long-established partnerships when life returns to normal. In the meantime, we are doing what we can to continue supporting our partners at a distance. Looking back on 2019, our commitment to the community and the broader environment is demonstrated through our ongoing aim of shrinking our carbon footprint while pursuing financially responsible growth, as well as our corporate citizenship strategy which aims to give back to the communities we serve. We are proud to announce that 2019 marked a milestone year for us; one where we gave back more to our communities than ever before. One of our foundational areas of interest lies in the unique intersection of mental health and homelessness. Our organization has been on a multi-year journey to better understand the needs that exist in this area, while building relationships with the appropriate organizations across Canada. By having our employees work with these organizations on everything from serving lunch to providing guidance on corporate governance, we have steadily increased the hands-on ways we can make a real difference to the people who need it most. By bringing our people resources – backed by strong financial contributions to these critically-important community organizations – we have been able to do more, be more and give more to the people and groups we serve across the country.

With the launch of our digital bank, EQ Bank, in 2016, and our shift to an open banking ecosystem, we continue to embrace technology to create more value for our employees, customers and the environment. In January 2019, EQ Bank earned the "Best Mobile App in Canada" honours at the World Finance Digital Banking Awards, and more recently, in April 2020, we were recognized as the winner of the 2020 Model Bank Award for Banking in the Cloud by Celent. To further our ambitions, we have advanced our technology to innovate and serve more Canadians by becoming a future-ready bank.

Despite the challenges we all face to support each other during and after COVID-19, we're thrilled to have a fantastic team of employees to lead the way. We may be a small bank, but we have a big heart and we are committed to creating opportunities to better our community at a time when they need us most.

President & CEO, **Andrew Moor**



Our Vision and Values

At Equitable Bank, we recognize that our success depends on nurturing a distinct culture where employees find meaning in three key areas: working collaboratively to deliver excellent and innovative services to our customers, delivering strong results to our shareholders, and creating positive outcomes for the world around us. Our values are the foundation of who we are as a business and reflect our underlying commitment to our people, business partners, customers, shareholders and the public. Our five core values drive our actions.

Equitable Bank and the Community

Our Charitable Giving Strategy

We are committed to doing our part to build stronger, more supportive and resilient communities for Canadians. When it comes to our charitable giving strategy, we have a two-pronged approach to giving back: we focus on long-standing community partnerships and those causes that are close to our employees' hearts.



Giving by the Numbers

Total Charities Supported



2019: 48 charities

2018: 46 charities
2017: 40 charities
2016: 32 charities

Total Amount Donated



2019: \$405,611

2018: \$390,239
2017: \$341,114
2016: \$305,900

Total Time Volunteered



2019: 1167 hours

2018: 1457 hours
2017: 1324 hours
2016: 886 hours

Main Community Partners

Our corporate giving strategy prioritizes causes and organizations that are important to the long-term health of the communities in which we operate and live. Given the focus of our business, we continue to build on our commitment to empower Canadians to live better lives. In 2019, we strengthened our existing partnerships with Madison Community Services, CRC - 40 Oaks and the Mount Sinai Hospital Foundation, by supporting their efforts to integrate and empower members of our society who are facing mental health challenges and the threat of homelessness. We take great pride in the shared success of these initiatives and are eager to tell you more about what we have accomplished together.

Madison Community Services

Madison was originally formed in the late 1970s and has a long history of working in communities to promote the health, recovery and integration of persons with mental health and addiction challenges. Madison operates seven homes across the GTA, providing residential support to those at risk of homelessness. Our partnership began in 2008 and has continued to grow for more than 10 years. In 2019, we showed our support by providing:

The Gift of Opportunity: We support the *Equitable Bank – Bill Walker Memorial - Madison Client Education Bursary Fund (the “Bursary Fund”)*, which provides Madison clients with the financial resources to pursue learning through formal education or life skills training. Since the program began in 2013, 224 Madison clients have received grants to further their education. In 2019, we donated \$50,000 to Madison and \$40,000 was allocated to the Bursary Fund, which provided bursary grants to 60 Madison clients. We have increased our donation to the Bursary Fund over the years in recognition of the value it provides Madison clients and in response to their enthusiasm for it.

// In the beginning, I went to LINC classes, but it wasn't the right place for me. With the support of the bursary funds, I started at George Brown College (level 3) to learn Academic English to be qualified to go to the University and continue studying Civil Engineering. I found this program very helpful, and I'm now in level (5-6) now.

MADISON CLIENT



// I have previously received three bursaries from the Equitable Bank. Each time I worked extremely hard on my courses and passed with high marks. My overall average is 3.86. This bursary allowed me to get two more courses towards my Diploma in Graphic Design.

MADISON CLIENT





\$100,000

donated in 2019 to CRC - 40 Oaks

An Outlet for Expression: Our shared efforts have also helped fund the Art Expressions Group program which is a multicultural, expressive art-based support group that provides Madison clients with meaningful opportunities to develop important life skills, build community, and engage in creative, healing processes. In 2019, Equitable donated \$10,000 to this program.

CRC - 40 Oaks

CRC - 40 Oaks is a resource center in Toronto's Regent Park neighbourhood where visitors are welcomed into an engaged and active community and connected with the resources they need to create change for themselves. Since we began working with 40 Oaks in 2012, groups of Equitable Bank employees have volunteered with the 40 Oaks Community Meal Program to spend their lunch hour preparing and serving nutritious meals to an average of 250 diners who are welcomed each day. In 2019, approximately 213 Bank employees spent more than 400 hours volunteering with 40 Oaks, including our group of 30 summer interns. In 2019, Equitable Bank also proudly announced a donation to 40 Oaks of \$100,000.

// I have been with Madison for 30 years as a resident and housing was my salvation. The Art Expressions Group is also my salvation and I am constantly surprised of other people's good work here.

**MADISON CLIENT AND INSTRUCTOR
AT THE ART EXPRESSION GROUP**

//

// I have joined the group four months ago and being here is like a meditation for me. It helps me to clear my mind and my soul. Being here inspires me to do more artistic works

PROFESSIONAL SCULPTOR AND PAINTER

//

// I have been in this group for four months. Painting keeps my mind busy and focused on good ideas. I am socializing with other people. Also, it makes me happy and gives me positive energy.

MADISON CLIENT

//



More than

\$550,000

donated over the past 8 years

\$50,000

donated in 2019 to the
Mount Sinai Foundation

Mount Sinai Hospital Health Foundation

For the past 24 years, Equitable Bank has proudly been a title sponsor for the Mount Sinai Golf Classic Tournament which raises money to support Sinai Health's Lunenfeld-Tanenbaum Research Institute (LTRI), a world-class academic health sciences centre and one of Canada's top research institutes. This partnership is important to us as our contributions go towards improving the hospital's facilities and overall care of its patients as well as helping with the advancement of research.

In 2019, we donated \$50,000 to the Mount Sinai Foundation with 24 of our employees volunteering on the day of the tournament.

Employee Involvement

In addition to our planned giving and the related gifts of time, we have always believed that our employees' desire to contribute to the causes they care about matters. When our employees come to us with ideas on what we can do to give back together, we listen. As a result, with a combined 891 employees in our Calgary, Montreal, Toronto and Vancouver offices, there are many different causes that have become close to our hearts and we are proud to support them all!

We have contributed to an average of 40 charities over the past four years, with several of them becoming cornerstones of our charitable giving efforts.



“ Leading the Equitable Bank team at the Ride for Heart is such a privilege. The event is well organized by volunteers and provides a unique and customizable opportunity to cycle or walk to help raise awareness and crucial funding for the Heart and Stroke Foundation. Both our team and our contributions have grown each year and we at Equitable Bank are proud of the impact we have had by participating in this event.

**CAILIN PHILLIPS, SENIOR MANAGER
PRIME UNDERWRITING**



\$422,877

raised since 2012 for
the Ride for Heart

\$66,766

raised in 2019

A look at some highlights from 2019

Heart & Stroke — Ride for Heart

In 2011, we assembled a team of 26 employee bike riders and completed our Ride for Heart campaign, raising \$11,500 in support of the Heart and Stroke Foundation of Canada. In 2013, we invited friends and family to join the Ride and grew our team by 118 riders, taking home the Bronze Wheel Award and raising over \$40,000

Since then, we have won the 2014 Gold Wheel Award and the 2015 Silver Wheel Award. Our team continues to grow, and in 2019 we raised \$66,766 through our fundraising initiatives with more than 300 riders participating.

We have become a true force within the Ride for Heart Corporate community. We continue to challenge ourselves as a team as well as provide support to other teams within the industry for the collective goal of providing much needed funds to the Heart and Stroke Foundation.



“ My dad’s brutal battle with ALS lasted one year. ALS took away a loving husband, and a hard working father who provided for and loved his family. ALS robbed him of the chance to meet his grandchildren, and to enjoy retirement life. Fundraising and volunteering is a way for me to connect with him. It’s something that I can do. ALS Plane Pull is an important cause which raises money for research, equipment, client and family support. My Equitable Bank family has been supporting me with this initiative for 7 years by being the platinum sponsor for the event, as well as having five corporate teams coming out and pulling with me. ”

LOLO LAM, LEARNING & DEVELOPMENT SPECIALIST

\$190,440

raised since 2009 for ALS Canada

\$47,788

raised in 2019

ALS Plane Pull

Amyotrophic Lateral Sclerosis (also known as ALS, Lou Gherig’s disease, or motor neuron disease) is a debilitating disease that has personally touched the lives of some of our employees. In the fall of 2019, a group of 59 employees, along with our broker partners from Mortgage Architects, teamed up to pull a 37,000-pound airplane across the Bombardier Aerospace runway in Toronto to help fund the research, support, and services of ALS Canada.

Juvenile Diabetes Research Fund (JDRF) – Ride for Research

In 2014, our Mortgage Services Team began participating in the JDRF Ride for Research in support of all those affected by Type 1 Diabetes, including our employees and their loved ones. With teams of five cycling relay-style over the course of an hour, this event has also been a positive way to support the healthy lifestyle that our work culture encourages.

What began as a team-building exercise has now grown into a company-wide annual activity with participation and donations growing each year. Through small initiatives such as bake sales and raffles, the Mortgage Services team raises funds in the months leading up to the Ride for Research making this charitable initiative a staff favourite.

“ For the past 5 years, Mortgage Services has been participating in Ride for a cure for Type 1 Diabetes. We are excited to play our part in providing help for individuals with Type 1 Diabetes to live healthier lives. ”

**CAROL JONES, SENIOR MANAGER,
MORTGAGE SERVICES**

\$58,000

raised since 2014 for JDRF

\$23,469

raised in 2019

Habitat for Humanity

Equitable’s Calgary office joined forces with teammates from Bodkin, a division of Bennington, to give back to the community with Habitat for Humanity. Over the course of three separate corporate build days, we helped put the finishing touches on Habitat’s newest residences. The team had a great time with the Habitat crew leaders, learning many skills such as installing trim, hanging doors, tiling bathrooms, painting walls, and laying flooring. At the end, we were proud to present a \$5,000 donation cheque to Habitat for Humanity Southern Alberta.

Employee Donation Matching

We have learned that no charity is too big or too small for us to take on together. We wanted to find another way to help our employees engage with their workplace in support of the charities that matter to them. In April 2010, we launched “Gotta Love Mondays”, a program that currently provides employees the opportunity to win a \$75 gift card in support of a charity to which fellow employees feel a personal connection. All monies raised are matched by Equitable Bank and donated to the sponsoring employee’s charity of choice. In 2019, causes close to the hearts of employees included Connected in Motion and Rainbow Railroad.

Our employees have shown us that there is a strong desire to give back – it’s a quality deeply embedded in our culture. In support of this spirit of giving, we also make every effort to incorporate charitable giving into the day-to-day life of our employees. In addition to the “donate what you can” snacks we offer at our offices, we provide coffee machines offering a variety of flavours of coffee and hot chocolate with the proceeds from each cup being donated. We match all of the proceeds from the snacks and coffee and donate them to a community charity.



Giving Back Across Canada

Our commitment to community and charitable strategy extends from coast to coast.

This year, our Calgary team volunteered 111 hours serving fresh meals at the Calgary Drop-In and Rehabilitation Centre and contributed 48 hours at MS Society of Canada, 240 hours at Habitat for Humanity, and 15 hours at Kinsmen Club Adopt a Family. Our Vancouver office volunteered approximately 20 hours with the Vancouver Friends for Life Society; an innovative wellness centre that provides emotional, psychological, spiritual and practical support to people suffering from life-altering illnesses. Likewise, employees from our Montreal office volunteered a total of 94 hours serving meals and gathering food donations at Moisson Montreal, Dans La Rue, and the Centre D'hébergement Yvon-Brunet home for the elderly. Equally important, Bennington was also very active in their volunteer efforts, with employees devoting their time raising money for the Mac Kids Plane Pull, Unicef's Bahamas Fundraiser, Eva's Initiatives for Homeless Youth and the Heart and Stroke Foundation.

Other Philanthropic Activity

Investing in the Arts

Since 2015, Equitable Bank has been deepening its involvement and investment in the local arts community and the Canadian art world more broadly. In 2019, we acted as a sponsor for several arts-based initiatives, notably the *Canadian Art Foundation's School Hop* and *Art Starts' Game Curious*, two art education programs that provide students from middle and high schools across Toronto with increased access to the arts. This year, we also provided support to our programming partner, Trinity Square Video, for their annual Themed Commission program, aimed at creating an engaging and critical space for early-career artists to develop new work. Overall, in 2019 we contributed more than \$58,000 to non-profit organizations to support their arts programming, including a \$15,000 contribution to Trinity Square Video, a \$15,000 contribution to Canadian Art Foundation, and a \$16,000 contribution to Art Starts.

As a leading digital bank, we understand the importance of fostering innovation and finding new ways to use technology to better our lives. The strong affinity we feel for all things digital is what led us to launch our own program for artists doing exemplary work in digital media. Established in 2015, the Emerging Digital Artists Award ("EDAA") provides funding to artists who are making screen-based work, which includes video, animation, websites, apps, and games. Through the EDAA, Equitable Bank has been able to contribute to the professional development of twenty-five emerging Canadian digital artists who share our desire to innovate. As of 2017, the EDAA has been a collaborative effort with Toronto's oldest media arts centre, Trinity Square Video.

In addition to the \$58,000 in arts-based sponsorship funding we allocated in 2019, we awarded a total of \$9,000 to five emerging artists at the annual EDAA award ceremony and exhibition, where members of the Equitable Bank family and the Toronto-based arts community had the opportunity to view the work and celebrate the artists. The grand prize award of \$5,000 was presented to Alyssa Bornn for her work entitled MORE, LESS, ABOUT THE SAME, which is proudly on display at the Bank's Toronto head office. Since the EDAA's inception in 2015, we have awarded a total of \$55,000 to emerging digital artists to assist them in further developing their craft.

**ED
AA** EMERGING
DIGITAL ARTISTS
AWARD



\$55,000

awarded since 2015

Our People

At Equitable Bank, we celebrate differences and diversity, engage employees, and take pride in our successes together. Since our employees' thoughts inform so much of what we do, we formally survey our staff regularly.

In each year that we have administered our employee engagement survey, we have received an astonishing participation rate of more than 90%. Over this time, our employee base has grown significantly. Consistent engagement scores show that despite the quick growth in number of employees, we have managed to maintain high levels of employee satisfaction. We use the valuable, anonymous information from these surveys to improve our programs and make Equitable Bank a place that attracts and retains the best and brightest talent.

One of the biggest ways that we communicate with our employees is through Town Hall meetings. These meetings serve as an offsite learning session to inform the organization of large initiatives and reinforce our corporate values and goals. By cascading information company-wide on an annual basis, employees are reminded of how their daily efforts support our organizational improvement. Through both the corporate information sharing and the social event that follows, this is one of many great activities that contributes to the identity of our corporate culture.

2019 Employees in Canada*

27

Calgary

24

Montreal

13

Vancouver

827

Toronto

891

Total Full-Time Employees

* As at December 31, 2019. In 2019, Equitable Bank had one part-time employee.

2019 Diversity Numbers at Equitable Bank*

50%

are visible minorities

54%

are women

44%

of the Management team (including Executive and middle management) are women

33%

of the Board of Directors are women

44

different languages are spoken

*As at December 31, 2019. Does not include Bennington.

Diversity, Career Development and Youth Employment

Diversity and Inclusion

Equitable Bank is deeply committed to inclusion; we know that our organization thrives when we honour, nurture and celebrate our employees' diverse experiences and perspectives.

Celebrating diversity is ingrained in our workplace. From our Diversity & Inclusion Committee to our growing list of Employee Resource Groups, to our employee-led cultural celebrations and days of commemoration – Diwali, Pride, Black History Month, National Indigenous Peoples Day and beyond -- our employees' diverse lives and lived experiences help to create the rich fabric of our workplace culture.

As part of our commitment to inclusion, we actively work to identify and remove systemic barriers in the workplace. This intentional lens is applied throughout our organization, from how we recruit staff, to our employee mentorships and advancement programs. In addition, we regularly seek out innovative partnerships and opportunities to learn from diverse educators in order to further provide our senior leaders and people managers with inclusion best practices for our staff.

Equitable Bank increased commitment to inclusion in 2019 by creating a new role at the organization: Equity, Diversity & Inclusion Specialist. This role serves the staff and organization in multiple ways, including:

- Cultivating inclusion-focused initiatives designed to amplify the voices of marginalized employees, including female staff, staff of Colour, Indigenous employees and employees with disabilities.
- Utilizing employee feedback from the above-noted initiatives to uncover areas where we can improve employee experience and create ever-expanding opportunities for inclusion-focused participation.
- Incorporating learnings from feedback to further educate staff across the organization and continue our journey working toward Equitable experiences for all employees and potential hires.

Inclusion is an ongoing process, and Equitable Bank is committed to ensuring that all our employees, and those applying to work at Equitable, are set up for equal opportunities for success, and are celebrated for who they are and what valuable experiences they bring to the table.



Learning and Development

Developing our employees so that we can have an engaged and productive workforce while promoting from within is paramount to Equitable Bank. Our on-staff *Learning & Development Specialist* focuses on employee growth, development and career progression. From career coaching and interview tips for internal applications, to creating job shadowing and internal job rotational programs, we ensure employees have the tools they need to progress in their careers.

Our commitment to learning and development begins in the hiring stage of employment at Equitable Bank. Two components of our hiring process take our existing employees into account:

- **We hire from within.** Each time a new position opens up, we post the job internally for seven days. This affords our employees the opportunity to leverage their existing experience and relationships within the company to advance their careers. In 2019, 20% of our hires were from internal promotions.
- **We reward referrals.** Our employees live within our culture every day, so they have the best judgement of cultural fit. Oftentimes an existing employee will see an internal position and immediately think of a past co-worker, friend, or acquaintance to apply. In cases where the referred individual becomes employed by Equitable Bank, our existing employee is rewarded with a monetary benefit. In 2019, 26% of hires came from referrals.

Our learning and development initiatives also include an organizational target setting process that is completed by all employees on an annual basis. At the beginning of the year, employees and managers decide on organization-wide and job-specific targets. These serve as a guide for the rest of the year, and are the base by which performance is measured at year-end. Accompanied by mid-year and end-of-year performance reviews with management, employees are provided with consistent feedback and a measurement of their improvement and progress towards organizational goals. Career development plans are used to set training objectives for employees and reinforce the view that people are our most important asset and we are always willing to support their growth.

Equitable also provides education and training supports to its employees, which facilitate their continuous improvement and performance of their jobs. Our Education Assistance Program provides employees with up to \$2,500 in financial support to engage in learning programs that develop their skills and support their professional careers. In 2019, we funded more than \$994,000 towards education, training, conferences, development opportunities and memberships. We also have a number of programs dedicated to developing leadership within our organization. The Leadership Development Program (LDP) provides managers with coaching to ensure they are equipped with the tools and resources they need to succeed as leaders and the newly implemented Aspiring Leaders Program (ALP) provides our future leaders with fundamental skills for their successful journey at the Bank. We also offer a High Potential Employee Program (HIPO) to top performers across the organization. This select group completes a comprehensive training program that includes goal setting, communications training, mentorship, and group activities to provide a big picture view of how to progress to the next phase of their careers.

On top of all this, we actively encourage employees to recommend additional programs and efforts they believe would be beneficial to our staff. We welcome honest and frequent feedback from our team. Equitable Bank remains committed to listening to our employees and providing them with the tools they need to ensure their successful professional development.

Helping Canada's Youth

We offer paid summer internship and co-op employment opportunities in our offices across Canada. In 2019, we hired 34 students and engaged them in challenging assignments where they worked directly with a manager and mentor to gain substantive experience in the financial services industry. Additionally, each year our Rotational Leadership Development Program provides up to four recent university graduates with the opportunity to explore a variety of functions within the Bank over a two year period.

Company Policies/Training

Equitable has a number of corporate wide policies that relate to the integrity of the Canadian financial industry and that promote a healthy work environment within the Bank. As our most valuable resource, we make every effort to provide our employees with the tools they need to successfully implement these policies. For example, all newly hired employees are required to complete certain mandatory training, as well as refresher training on an ongoing annual basis. We ensure the training materials are updated and accurate, customized and are presented in a way that resonates with employees.

A few examples of the topics we provide regular training on are:

Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) program designed to:

- Provide principles and a foundation to detect and protect the Bank and its employees against all layers of money laundering and terrorist financing while fostering compliance with AML/ATF laws and regulations.
- Outline an ongoing risk assessment methodology that is customized for the Bank which takes into account the nature, scope, complexity and risk profile of our institution and our customers.

Privacy program designed to:

- Provide a framework for the collection, protection, management and disclosure of sensitive personal information of both our customers and employees.
- Outline the definition of 'personal information' and the key principles of privacy legislation and how the Bank applies them in its day-to-day operations.

Complaint Handling training designed to:

- Establish effective and accessible procedures relating to the Bank's Complaint Handling program and the prompt handling and tracking of customer complaints.
- Provide employees with appropriate tools relating to the identification of complaints relating to consumer provisions and how the Bank monitors, records and reports regulatory complaints and compliance issues to appropriate regulatory authorities.

Workplace Violence and Harassment training designed to:

- Ensure the Bank has a foundational set of principles for a safe workplace that is based on transparency and mutual respect and acceptance.
- Provide employees with knowledge of violence and harassment warning signs, types of violence and/or harassment and common prevention techniques.



Health and Wellness

We work hard to promote an atmosphere of health and wellness for our employees and for our planet. Here are some of the many ways we work to accomplish this goal.

Mental Health

We understand that mental health is just as important as physical health, and that is why we focus a great deal on the holistic well-being of our employees. Within our wellness program, *EQ Strong*, our employees' mental health and well-being is a year-round focus. We host several lunch and learns on managing stress and anxiety, healthy eating and diet, mindfulness, and various other related topics. As part of this program, we offer monthly meditation sessions on site - at no charge to the employee.

In 2019, we worked with the *Not Myself Today* campaign, a workplace mental health campaign that strives to help companies promote greater awareness and reduce the barriers to discussing mental health issues at work. As part of the campaign, we encourage dialogue around the stigma of mental illness with the goal of extending this behaviour into everyday life. We also participated in Bell Let's Talk Day and dedicated the month of May as Mental Health Awareness Month. To take our mental health training and awareness to the next level, three employees in our Human Resources department became Mental Health First Aid (MHFA) Certified. We have a goal to provide MHFA training to all employees company-wide.

Physical Health

We actively encourage employees to take care of their health and we provide everyone with a \$200 reimbursement for a gym membership to a club or program of their choosing. Additionally, we have partnered with GoodLife Fitness to secure a corporate discounted rate for memberships. In Toronto, a local yoga studio, Modo Yoga, is available to those who want to practice mindful stretching at no cost to employees, while our employees in Montreal, Calgary and Vancouver have access to various health and fitness facilities near their office.

In the chilly winter months when colds and flu are a threat to Canadians, we hire a Registered Nurse to run a flu shot clinic in-house. We also provide medical, dental and vision benefits coverage to all of our full-time permanent employees so that they can take care of their health and that of their families.

We understand that it can be hard to eat healthy when you are on the go, so in the spring of 2017 we began offering healthy snacks to our employees across all of our offices at no cost, although a donation is appreciated. Funds raised are matched by Equitable Bank and donated to one of the many charities we support. We continue this practice to this day, and are always looking for other ways to promote positive physical health to all our employees.

LifeWorks

LifeWorks, our employee assistance program, is a confidential resource offered to all Equitable Bank employees and their immediate families. It provides a variety of solutions designed to help individuals manage or prevent challenges, so that they are better equipped to stay healthy at work and at home.

LifeWorks is available 24/7 online or via phone, which makes it an invaluable resource for our employees who can access it anytime day or night.





Environmental Stewardship

At Equitable, we recognize our responsibility to support the reduction of harmful greenhouse gases that contribute to global warming. The Company also acknowledges that the impact on our communities and our economy will become much more significant if we leave the causes of climate change unchecked. Equitable believes that in its business, and in the lives of its employees, it can and should help the world transition to a low-carbon economy. First and foremost, the Company limits its environmental footprint through its digital banking operating model: it requires no physical branch infrastructure so significantly reduces our carbon emissions relative to that of a traditional brick and mortar bank model. Furthermore, Equitable is a national lender that has the advantage of serving clients through local independent brokers. As a result, only roughly 2% of its employees travel on a regular basis by plane, which significantly limits the Company's impact on the environment through travel pollution.

Digital innovation is playing a leading role in helping us enhance our customers' experience and reduce our impact on the environment. We are committed to being a positive force in reducing the emission of greenhouse gases and minimizing our environmental footprint:

- We encourage our employees to think twice before printing materials and employ paper-free mortgage documentation technology.
- In addition to our internal responsible recycling programs, we give each and every new employee their own personalized Equitable Bank reusable mug to cut down on the use of disposable cups and, in 2019, removed plastic cutlery and paper plates and bowls from our kitchenettes and provided all employees with a reusable lunch container with cutlery.

- We only lease 138,371 square feet of office space across Canada and believe in using this space responsibly.
- In Toronto, our customized interior features low energy consumption LED lighting, sensors that automatically extinguish lights when rooms are not in use and prefabricated walls that use 40% fewer resources than typical construction products.
- Our head office was designed using LEED™ Green Building System for Environmental Design standards. We further expanded our efforts to be environmental stewards by implementing LEED™ certification in 2018. LEED™ Certification provides verification that an office was designed and built keeping environmental health and sustainability in mind.
- Our offices are located close to public transit to encourage low carbon travel to work and we use video conferencing in lieu of travel to reduce carbon emissions.
- In 2022, we are relocating our Toronto head office to a downtown location. The building is guaranteed to be state-of-the-art, certified to a LEED® CS (Core and Shell) Gold standard.
- Our lending activities are generally secured against real estate and do not include lending to businesses that are classified as high carbon emitters.
- We consider greenhouse gas emissions as we develop our own operations and business footprint, including as we select suppliers to our business operations.
- We assess the environmental impact of any new strategic initiatives or business developments.

As we operate across Canada, we continue to work towards minimizing our environmental footprint through meaningful initiatives aimed at respecting sustainability.

Managing Environmental Risk

In 2019, the mandate of our Governance and Nominating committee was broadened to include oversight of environmental, social, and governance practices and reporting. This represents a shift in our corporate mindset; placing an increasingly greater emphasis on our impact on the environment. We look to our Risk Appetite Framework during the underwriting process; the framework governs our entire loan book and specifically evaluates environmental risk as we recognize a healthy environment is vital to the long-term well-being of our business, our employees and all Canadians.

The Company considers environmental risk associated with single family residential lending to be low so does not conduct environmental assessments for each of those loans. For the majority of our commercial loan portfolio, we employ third-party consultants to carry out detailed environmental assessments. Equitable maintains a diversified lending portfolio, which improves our resilience to geographic or sectoral specific environmental developments or events.



Accessibility and Financial Literacy

Accessibility

Equitable Bank strives to foster a workplace – and an overall business practice – that respects the dignity, independence and accessibility of persons with disabilities. We are proud to say that all of our business is conducted in support of this principle. For example, our offices have been designed with accessibility in mind and we are actively working to ensure that all of our physical premises are fully accessible.

We are committed to providing banking services to all Canadians in a manner that is respectful of and sensitive to their unique needs. When clients visit us at our head office, our team is trained to ensure that they are provided with supportive assistance. Our reception team is also trained to use the Bell IP Relay Service in order to support communication by phone for those with speech and hearing disabilities who contact us using our toll-free number.

As a digital bank, EQ Bank utilizes mobile, online, telephone access to make it easier for our customers to manage their day-to-day finances. We have also made numerous enhancements to the EQ Bank app, including a redesign, which provides a more intuitive and simpler customer experience.

Access to Financing

As *Canada's Challenger Bank™*, we aim to challenge conventional banking approaches and find new and effective ways to provide Canadians with access to financial services. Whether we are helping a newcomer to Canada secure mortgage financing, assisting a senior with opening a bank account from the comfort of their own home, or working with self-employed individuals to help them build stronger financial profiles, we aim to reduce the barriers Canadians face when accessing financial services.





Mortgage Solutions and Decumulation Initiatives – Helping Underserved Customers

We understand the peace of mind that owning your own home can bring and we believe in working with Canadians to help them find a mortgage that fits their lifestyle. Our mortgage products cater to a wide variety of financial situations. Our products can be customized to fit all Canadians, including those who are self-employed, new Canadians with limited or no credit history, individuals overcoming previous credit-challenges, and investors.

In addition to our traditional mortgage and line of credit solutions, we've also looked for other ways to deliver specialized services to Canadians. In 2019, we expanded our offering to seniors by launching our Equitable Bank Reverse Mortgage in Quebec. The Equitable Bank Reverse Mortgage helps those who are 55 and over maintain their financial freedom by accessing the equity in their homes to fund shortfalls they may face without the stress of any payments while keeping ownership of their homes. As only one of two banks in Canada that operate in this space, we are proud to be able to provide Canadians with a valuable tool they can use so they are able to enjoy their lifestyle and focus on other priorities.

In 2019, we continued to develop and improve our CSV Line of Credit Suite, which allows individuals with participating whole life insurance policies to access funds tax-free. In November, we launched our CSV MAX Line of Credit (CSV Max), and rebranded our existing product as the CSV Flex Line of Credit (CSV Flex). CSV Max allows borrowers to access greater amounts of capital, provided that they qualify to meet the monthly servicing requirements. CSV Flex remains part of our broader decumulation strategy, and is available to borrowers aged 50+, and no payments are required. Equitable Bank also entered new partnership agreements with BMO, Empire Life, and Industrial Alliance, meaning policy owners from these carriers now qualify to borrow under the CSV Line of Credit Suite.

Small Business Solutions

We have a specific focus on working with underserved customer groups; of note, self-employed individuals and small businesses. Through our broker network, we are determined to simplify the process of owning a home for self-employed borrowers. This is demonstrated by an impressive statistic: at the end of 2019, approximately 60% of the more than \$11 billion of mortgage loans in our Alternative Single Family business were to self-employed individuals. Further, two components of our commercial portfolio are dedicated to small businesses. Approximately \$870 million of our commercial lending portfolio was comprised of lending to small businesses, primarily for mortgages on mixed-use properties. As an example, the mortgaged property could be a storefront on the lower level with a residential unit above. Additionally, we acquired Bennington at the beginning of 2019. This \$500 million loan book contains equipment leases to small- and medium-sized organizations. Bennington not only expands our product offering to small businesses, but also diversifies our overall business mix.

EQ Bank — Digital Banking

In 2016, we launched our digital banking channel, EQ Bank. With our branchless philosophy, we are anywhere our clients need us to be. We are committed to offering an everyday high interest rate, simplified banking options with no minimum balance requirements or everyday fees, and 24-hour service for all Canadians residing outside of Québec. Our customer care team is available daily from 8 am to midnight by phone, live chat or email. In October 2019, we enhanced our EQ Bank platform by moving key infrastructure to the Cloud and are proud to be the first bank in Canada to run our core banking system on cloud infrastructure – this allows us to be more nimble and agile in response to Canadians' financing needs.

Open Banking

We firmly believe in the benefits of open banking as it would greatly reduce the complexity and time required for Canadians and small businesses to manage and track their finances. By focusing on the needs of our customers, we are continuously investing in our technology infrastructure and capabilities to simplify onboarding and adjudication processes. Through innovation and dedication, we have positioned ourselves as a future-ready bank. We have fully embraced an open banking ecosystem as a financial hub for our customers where we deliver best-in-class service. We look forward to continually challenging ourselves in this area to ensure we are always supporting the changing and growing financial needs of Canadians.



Promoting Financial Literacy

In addition to providing greater access to financial services, we also provide Canadians with resources to encourage individuals to take ownership of their financial futures. In 2019, we advocated for financial literacy by expanding our virtual reach:

stnce — Taking Financial Ownership

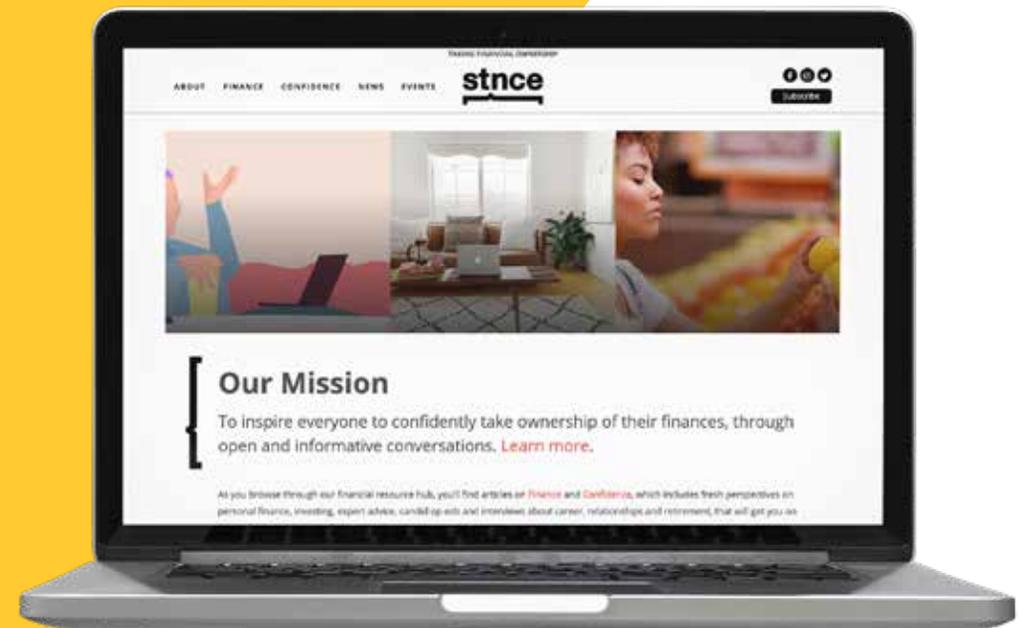
On November 25, 2017, we introduced a new initiative – stnce – with the goal of financially empowering Canadian women. stnce was spearheaded by Kim Kukulowicz, Senior Vice President of Marketing and Residential Sales. stnce has partnered with influencers and collaborators from the financial services industry to open up the conversation around financial ownership and the unique challenges women often face in this area.

stnce encourages women to have honest conversations about finance. The mission is to inspire women to confidently take ownership of their finances, through open and informative conversations. We do this by fostering an informative and inspiring resource hub to financially empower our community. We believe that everyone benefits when women are self-reliant, self-assured and well-informed about their financial affairs.

When it comes to the relationship between confidence and finance, our research has shown that there's a tendency for women to underestimate their financial knowledge and defer ownership, especially in areas such as planning and investing. At stnce, we strive to bridge this confidence gap.

stnce

Powered by  EQ Bank



Business Debt Financing

Equitable Bank focuses on three primary business lines: direct to consumer deposit taking via the *EQ Bank* platform and through our broker/advisor partner channel, retail lending and commercial lending (including equipment leasing assets). Currently, we only offer secured debt financing to Canadian businesses. For more information on our core business offerings, please refer to our Management's Discussion and Analysis for the three months and year ended December 31, 2019.

As of December 31, 2019, Equitable Bank authorized a total of \$0.9 billion to be made available by way of business debt financing to firms in Canada: \$400 million through conventional financing and \$500 million through lease financing. The authorized amount for each business segment is outlined below by range, province and the number of customers. Outside of these amounts, we also provided approximately \$7.7 billion of mortgage financing to Canadian businesses.

Conventional Business Debt Financing

	ONTARIO		ALBERTA		SASKATCHEWAN		TOTAL	
<i>(\$ thousands, except the number of customers)</i>	Authorized ¹	Number of Customers						
\$0 - \$24	-	-	-	-	-	-	-	-
\$25 - \$99	36	1	99	1	-	-	135	2
\$100 - \$249	356	3	144	1	221	1	721	5
\$250 - \$499	1,160	3	-	-	-	-	1,160	3
\$500 - \$999	2,457	4	749	1	840	1	4,046	6
\$1,000 - \$4,999	6,599	3	-	-	-	-	6,599	3
\$5,000 and greater	403,692	14	25,000	1	-	-	428,962	15
Total	414,300	28	25,992	4	1,061	2	441,623	34

¹The Authorized amount refers to the maximum amount that a client is allowed to borrow as at December 31, 2019.

Equipment Leasing

	ONTARIO		ALBERTA		QUEBEC		BRITISH COLUMBIA		SASKATCHEWAN		OTHER PROVINCES AND TERRITORIES		TOTAL	
<i>(\$ thousands, except the number of customers)</i>	Authorized ¹	Number of Customers	Authorized ¹	Number of Customers	Authorized ¹	Number of Customers								
\$0 - \$24	45,240	5,427	15,815	1,533	13,824	1,536	6,574	723	2,751	274	8,888	923	93,092	10,416
\$25 - \$99	117,418	2,497	47,902	1,017	22,398	503	16,923	344	10,611	220	21,458	461	236,710	5,042
\$100 - \$249	50,564	361	19,848	141	5,664	43	10,803	77	2,554	19	7,809	55	97,242	696
\$250 - \$499	8,263	25	3,830	13	725	2	727	2	-	-	1,064	3	14,609	45
\$500 - \$999	3,869	6	-	-	-	-	518	1	-	-	-	-	4,387	7
Total	225,354	8,316	87,395	2,704	42,611	2,084	35,545	1,147	15,916	513	39,219	1,442	446,040	16,206

¹The Authorized amount refers to the maximum amount that a client is allowed to borrow as at December 31, 2019.

Taxes

For the year ended December 31, 2019, Equitable Bank recorded \$84.9 million of Canadian tax expenses. This total includes \$72.5 million of corporate income taxes, \$0.1 million of capital taxes and \$12.3 million of other taxes.

The table below summarizes the Bank's 2019 tax expenses in all Canadian jurisdictions, as applicable.

Equitable Bank tax expenses by jurisdiction in Canada

(\$THOUSANDS)	CAPITAL TAXES	INCOME TAXES	TOTAL TAXES
Federal government	-	41,823	41,823
<i>Provincial and territorial governments</i>			
Ontario	-	24,844	24,844
Quebec	95	1,779	1,874
British Columbia	-	1,832	1,832
Alberta	-	2,261	2,261
Total Provinces	95	30,716	30,811
Total all jurisdictions	95	72,539	72,634
Other Taxes ¹			12,304
Total Canadian Taxes			84,938

¹Other taxes include payroll taxes, sales taxes (net of recovery) and property taxes on foreclosed assets that were recorded in the Bank's Consolidated Statement of Income and income taxes that were included in the Bank's Consolidated Statements of Comprehensive Income for the year ended December 31, 2019.

Political Activity And Donations

While Equitable does not make political donations, nor does it receive any subsidies or financial assistance from governments inside or outside Canada, it does engage with government bodies in a variety of ways.

In 2019, Equitable Bank registered two lobbyists and conducted a number of meetings with government and regulatory bodies. These meetings provide us with the ability to discuss legislative proposals and initiatives directly, and help foster transparent relationships with these regulatory bodies.

Equitable is also an active participant with both the Canadian Bankers Association as well as the Trust Companies Association of Canada, both of which are groups of like-minded regulated institutions that meet to discuss regulatory changes and proposals. Working with members of the same industry to discuss common issues is valuable and allows members to help shape the future of the financial services industry.

Offices

Calgary

#700, 906 12th Avenue SW
Calgary, Alberta
T2R 1K7

Halifax

1959 Upper Water Street,
Suite 1300, Halifax,
Nova Scotia B3J 3N2

Montreal

1411 Peel Street,
Suite 501, Montreal,
Quebec H3A 1S5

Oakville (Bennington)

100-1465 North Service Rd E
Oakville, Ontario
L6H 1A7

Toronto

Equitable Bank Tower
30 St. Clair Ave. West, Suite 700
Toronto, Ontario
M4V 3A1

Vancouver

777 Hornby Street, Unit 1240
Vancouver, British Columbia
V6Z 1S4