



2021 Public Accountability Statement



CANADA'S
CHALLENGER
BANK™

2021 Public Accountability Statement

This Public Accountability Statement (Report) includes information about the following entities:

- Equitable Bank
- Equitable Trust
- Bennington Financial Corp.

Equitable Group Inc. (TSX: EQB, EQB.PR.C, and EQB.R), operates through its wholly owned subsidiary, Equitable Bank. Reference to 'Equitable', the 'Bank', 'us', 'our' and 'we' in this Report is to Equitable Bank unless otherwise specified. Reference to 'Bennington' in this Report is to Bennington Financial Corp.

This Report satisfies the requirements of the Canadian federal government's Public Accountability Statements Regulations (section 459.3(1) of the Bank Act) and includes our disclosure about the Code of Conduct for the Delivery of Banking Services to Seniors.

It complements our Management Information Circular, Management Discussion and Analysis, Annual Information Form, and Environmental, Social and Governance Report, all of which offer more information about the financial position, priorities, responsibilities and commitments of the consolidated operations of Equitable and are available at <https://eqbank.investorroom.com/>

Unless otherwise indicated, the information contained in this Report pertains to fiscal year January 2021 to December 2021 and all amounts are in Canadian dollars.

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Message from the CEO

I approached this past year with a renewed sense of optimism. That optimism is founded in the strength our employees have shown through two difficult pandemic years, as well as in the support our customers have continued to give us. While 2020 was very much a year fraught with many unforeseen disruptions, there was hope for 2021 as we harnessed our Challenger nature and continued to grow and build for the future.

Our core values – respect, integrity, service, empowerment, and agility – remain rooted in delivering the absolute best customer experience across the country and we work hard to ensure that our values are a living embodiment of how we interact with the world around us.

We are not alone in dealing with the impacts of the pandemic and our commitment remains focused on serving our customers in new ways that meet the realities of not just the moment, but the future. That means offering better financial value and services, all while continuing to apply our long-standing, rigorous approach to risk management. That spirit of optimism carries us through difficult times and our hope for the year ahead is that safety and health underpin a return to a way of living and working that brings us together in an economy that continues to grow.

As Canada's Challenger Bank™, we live by the ethos that innovation leads the way and that addressing the core banking needs of Canadians at every stage of life must be the foundation upon which we build our strategy. Whether that innovation manifests as product development, the integration between fintech and emerging technologies, or the creative vision we put into our plans, we are building a future positioned around the expansion of three key areas: open banking, payment modernization and cloud migration.

While innovation drives the output of our business, I believe we also have a responsibility to give back. Our employees will tell you that we do good because we want to, not because we have to.

This past year saw us engage in more meaningful ways with the communities we so passionately serve. Together, Equitable Bank, Equitable Trust and Bennington Financial Corp. donated over \$350,000 and provided sponsorships worth in excess of \$280,000 to worthy causes that will provide long-term benefits to communities, and supported local artists through the Emerging Digital Artists Award (EDAA), acquisitions, and local art events.

The issue of financial inclusion is also pivotal in our holistic view of what banking should be. Whether it is making financial education available and accessible to more people or ensuring that all communities and stages of life are considered in the banking ecosystem, we are committed to providing services that accommodate all Canadians and reduce barriers to inclusion. The launch of the new Take Back, Talk Back podcast last year connects with women and underserved communities to encourage open conversations about finances. We also continue to implement the principles outlined in the Code of Conduct for the Delivery of Banking Services to seniors. In the year ahead, we will look to further strengthen and enhance our ability to address the unique and changing financial needs and concerns affecting seniors.

To close, and in keeping with the same tone of optimism, I'm immensely proud of the successes, celebrations, innovations and displays of compassion I've witnessed this past year. I truly believe we have grown stronger together, despite being apart for so much of the past two years. I am looking forward to continuing our journey to enriching the lives of Canadians.



President and CEO, Andrew Moor

Who we are

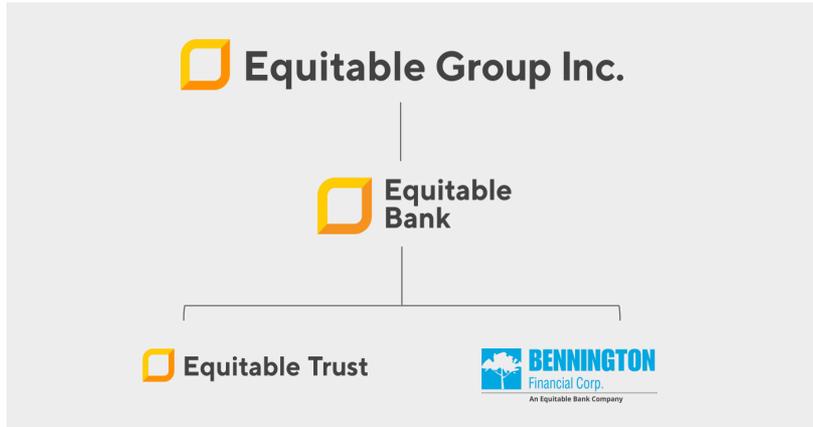
Equitable Bank – Canada’s Challenger Bank™ – serves over 325,000 Canadians. Founded in 1970 as The Equitable Trust Company, we’re a growing Canadian financial services business with 1,161 employees guided by our mission to drive change in Canadian banking to enrich people’s lives. We are active in lending and deposits and available 24 hours a day through our digital channels.

The CBA advocates for public policies that contribute to a sound, thriving banking system to ensure Canadians can succeed in their financial goals. BATCA aims to foster sound and equitable principles in the conduct of all segments of the industry and promotes the interests and welfare of the industry in consultation with governments, consumer groups, financial institutions and the public.

We are also strong proponents of open banking as we believe it will benefit Canadians. Our CEO is on the Advisory Board of the Open Banking Expo, which is a global network of open banking and open finance executives responsible for digital transformation across the financial services sector.

Our success comes from nurturing a distinct culture where employees work collaboratively to create positive outcomes for the world around us and deliver excellent and innovative services to our customers and strong results to our shareholders.

In April 2021, we were named as the #1 Bank in Canada on the Forbes World’s Best Banks 2021. In April 2022, EQ Bank solidified its stature on this list as the top Schedule I bank in Canada for the second year in a row. The World’s Best Banks are selected based on over 43,000 consumer surveys representing 28 different countries. These awards are based on such elements as trust and customer service and their receipt instills great pride in our workforce as we see the benefit of following through on our customer commitments.



We are an active participant in the Canadian Bankers Association (CBA) and the Banks and Trust Companies Association (BATCA). Our CEO is a member of the Executive Council of the CBA and a Chairman of BATCA. The CBA is the voice of banks operating in Canada, developing industry consensus on regulatory changes and issues impacting banks.



Personal and Commercial Banking



We provide more value and smarter banking through two business lines with a branchless operating model: Personal Banking and Commercial Banking. For more information on our core business offerings, please refer to our Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2021 at <https://eqbank.investorroom.com>

Personal Banking

Personal Banking serves nearly 310,000 Canadians, with total loans under management of over \$22 billion.

Our diversified personal banking product suite consists of single family loans, home equity lines of credit, and retirement decumulation solutions, which include reverse mortgages and loans secured by life insurance policies. Loans are originated through the independent mortgage broker and financial advisor channels and third party financial institutions.

Our savings products are offered through EQ Bank (our digital banking platform – the first in Canada hosted in the cloud – which provides leading digital banking solutions and unprecedented value to all customers), Equitable Bank, Equitable Trust, and a network of independent financial planners and brokers.

EQ Bank serves approximately 250,000 Canadians, with an average of 249 new customers joining each day in 2021. EQ Bank is quickly becoming a primary banking option for Canadians, in addition to a source of diversified funding for Equitable.

In 2021, we lived our purpose by expanding EQ Bank’s innovative financial services to address the core banking needs of Canadians at all stages of life, while enriching the customer experience from end-to-end. To achieve this, we:

- launched our US Dollar Accounts with competitive exchange rates and interest rates, enabling customers to easily convert currencies
- improved the *Interac* e-Transfer® process, significantly enriching the customer experience, modernizing the underlying technology infrastructure, and helping set the groundwork for EQ Bank to be an early participant in the Real-Time Rail (RTR)
- partnered with *nesto* to launch Mortgage Marketplace, a service that allows our customers to shop over 2,000 mortgage products offered by Canadian lenders to get the best rates in the market

Commercial Banking

Commercial Banking serves over 18,000 Canadian businesses, with total loans under management of over \$16 billion. Our diversified commercial banking product suite consists of mortgages (lending on multi-unit residential, industrial and office buildings, and other commercial properties), specialized financing solutions, and equipment loans. Our products are offered through a network of independent mortgage and leasing brokers, lending partners, third-party financial institutions and direct to Canadian businesses. Among our 2021 key milestones, we:

- delivered record originations across the Commercial Banking business lines including total conventional origination growth of 51%, leading to portfolio growth of 28%
- completed the roll out of the RAISE underwriting platform, a multi-year project undertaken to digitize our core Commercial underwriting processes

®Trade-mark of Interac Corp. Used under licence.

- grew the lower risk prime equipment finance assets with these leases now comprising 32% of the equipment leasing portfolio
- completed the technology integration and onboarding of new partner relationships to grow Canada Housing and Mortgage Corporation (CMHC) insured originations in future years

Bennington Financial Corp.

Bennington, a wholly owned subsidiary of Equitable Bank, is a commercial vehicle and equipment finance company, providing business solutions for new and established businesses across Canada. Bennington strives to provide our strategic partners with competitive, unique and innovative equipment financing products and services to assist their customers in achieving corporate objectives.



In 2021, Bennington surpassed \$700 million in loans under management and finished the year with \$710 million of loan book value. Bennington serves all provinces across a wide spectrum of industries including transportation, construction, hospitality, forestry, agriculture, waste management, and manufacturing. Bennington has a Customer for Life philosophy and offers equipment finance solutions to sub-prime, near-prime, and prime credit profiles.

Continuing Focus on Innovation

With our continuous focus on innovation, product development and integration of fintech and emerging technologies, we are well positioned to make it easier for all Canadians to reach their financial goals. Customers are increasingly choosing to bank digitally, and we are continuing to grow our digital platform so that we are able to offer a banking ecosystem best fit for Canadians in all walks of life.

We are positioned for broad and anticipated developments in three areas: open banking, payment modernization and cloud migration. For more information on this, please refer to our Management's Discussion and Analysis for the three and twelve months ended December 31, 2021, at <https://eqbank.investorroom.com>.



Our Vision and Values



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 are integral to everything we do. We work relentlessly to ensure that they are a living embodiment of how we approach each interaction we have with the world around us.

Our strategy is to provide exceptional service and clear value. As Canada's Challenger Bank™, we rethink conventional approaches to banking, go above and beyond traditional banks in serving our customers, stay nimble so that we can act on new opportunities, and maintain focused, efficient service delivery channels.

We're committed to driving change in banking that will enrich people's lives. We are a customer first bank that gives all Canadians a smarter way to bank and we strive to create better outcomes for customers through efficient digital interactions and exceptional customer experiences.

We offer our customers a fast and easy experience and our products and services are straightforward and accessible.

Our Response to the COVID-19 Pandemic

It has now been over two years since the World Health Organization declared the outbreak of COVID-19 a global pandemic on March 11, 2020. The disruptive effects were felt immediately across Canada and around the world. Equitable responded quickly in a comprehensive, thoughtful manner. As our country experiences successive waves of COVID-19 and the potential for temporary lockdowns, some economic uncertainty remains. Equitable Bank is committed to supporting Canadians at all times, especially during this challenging era by offering better financial value and services, all while continuing to apply our long-standing, rigorous approach to risk management.

In 2022, our hope is that our communities remain safe and healthy, that the economy continues its path to growth and stability, and we can all return to a sense of normal, together again.

Ensuring employee safety and business continuity

While some in-person office work began in the second half of 2021, as lockdown measures eased, the pandemic situation reversed late in the year with the onset of the Omicron variant. At the time of writing, employees are returning to the office on a voluntary basis, however, the majority are working from home. We have made significant investments to further improve the ability of our staff to work securely in a hybrid environment whether in the office or at home. This innovative use of technology is key to our Challenger mindset, with the Bank aspiring to be the first bank in Canada to have a simplified and modern solution that is highly efficient as well as secure.

Productivity remains high even as we head into the third year of the pandemic with employees continuing to productively work from home. To help employees cope with the stress that accompanies a health crisis of this nature, Equitable Bank reinforced its health support system within its broader employee health and wellness programs. Additional offerings included the reimbursement of certain commuting expenses for employees who choose to attend the office in person, voluntary Rapid Antigen Testing program at all office locations, monetary benefits for home office purchases, expansion of our gym membership reimbursement to include home workout equipment, and the creation of a fully virtual platform that includes physical workouts, mindfulness, nutrition classes, yoga and more.

Serving customers

Canada's Challenger Bank™ plays an important role for customers by providing a safe place to store value and by lending capital to help people buy homes and build businesses through our Personal and Commercial Banking operations. The Bank continues to support Canadians through the pandemic by maintaining lending activities, expanding product and service offerings, and continuing to pay attractive rates of interest on our conveniently accessible savings products.

Maintaining lending activities and managing credit risk

The Bank continued to lend in all its asset categories in 2021 on the belief that we could play a constructive role in providing liquidity to the Canadian economy.

Corporate Citizenship and Philanthropy

Why it matters to Equitable Bank

We prioritize causes and organizations that are important to the long-term health of communities and that are close to the hearts of our employees. Our goal is to continue to build stronger, more supportive, and resilient communities through volunteering, corporate giving and engagement with charities, charity events, and the arts across Canada. As a large Canadian company, we recognize that we have a role to play in fostering the development of our surrounding communities to enact positive change. At Equitable Bank, we do good because we want to, not because we have to.

2021 Community highlights

- Equitable Bank, Equitable Trust and Bennington Financial Corp. donated a total of \$355,607 and sponsored over \$280,000 of worthy causes, including strengthening our longstanding relationships with Madison Community Services, Fred Victor and Community Resource Centre (CRC) – 40 Oaks, and Mount Sinai Hospital Foundation.

\$355,607

donated in 2021

- We supported local artists through the Emerging Digital Artists Award (EDAA), acquisitions, and supporting local art events. We provided \$100,000 of financial support to 90 individual artists.



2021 EDAA Exhibition at Trinity Square Video (TSV). Photo Credit: Darren Rigo

- To align with our Environmental, Social and Governance (ESG) framework, we engaged with our largest suppliers to open the conversation not only on their social impact, but on their environmental impact as well.

Our community development and philanthropic activity

We're committed to driving change in Canadian banking to enrich people's lives and build a better society for all Canadians. We prioritize causes and organizations that are important to the long-term health of communities. In 2021 we did our part to build stronger, more supportive and resilient communities through volunteering, corporate giving and supporting charities and arts and charity events across Canada.

In 2022, we will continue to build on our commitment to empower Canadians to live better lives through deep partnerships and collaboration with organizations and local communities across Canada. We strive to make a positive difference in communities through a variety of initiatives and programs, including corporate giving, employee-led giving initiatives and volunteering, and sponsorships.

- CRC – 40 Oaks is a resource centre in Toronto's Regent Park neighbourhood, where visitors are welcomed into a community and connected with resources needed to improve their lives. Equitable employees can volunteer with the **40 Oaks Community Meal Program**. In June 2021, employees also participated in a virtual event called "Fred's Walk" and held a raffle to support the organization.
- The Bank's IT team led an initiative where employees purchased raffle tickets to win company refurbished iPhones – a great way to recycle and go green. All proceeds were donated to **Kids Help Phone**, a Canadian organization that provides volunteer-led, free telephone counseling to youth. With our contribution of \$6,300, we're enabling Kids Help Phone to decrease the wait time for kids to get help across Canada.

- During the holiday season, we strive to make positive change amongst marginalized groups and the less fortunate in as many ways possible, as this can be a difficult time of year. We firmly believe every child should feel special during the holidays and we want to help make this season merrier for those in need. In 2021, Equitable Bank organized a **toy drive** that raised **over \$7,860** and accumulated **395 toys** that were delivered to fire departments across Canada.



- The weekend of November 6-7, 2021 saw several Equitable staff volunteer at the **Accelerate Her Future Annual Summit**, a forum which has evolved into a purpose-driven national career accelerator committed to creating a thriving and dynamic community dedicated to gender and racial equity, and workplace inclusion and belonging. Accelerate Her Future's focus is on self-identifying Black women, Indigenous women, and women of colour within business and tech seeking to educate and inspire action and solidarity with a shared mission. This initiative was led by the Women in Technology Employee Resource Group (ERG).

Donations

In giving back, we are intentional: we focus on long-standing community partnerships and those causes that are close to our employee's hearts.

Notably, we strengthened our partnerships with Madison Community Services, Fred Victor and Community Resource Centre (CRC) – 40 Oaks, and Mount Sinai Hospital Foundation. We supported their efforts to integrate and empower members of our society who are facing mental health challenges and 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. Please refer to our 2021 Environmental, Social and Governance Report for more information on these initiatives.



Financial Inclusion and Access to Financial Services

Access to financial services

We drive change in Canadian banking to enrich people's lives. We are committed to providing services that accommodate all Canadians and reduce barriers. We achieve this by providing financial education and access to fee-free banking with no minimum balances to all our EQ Bank customers and we challenge conventional banking approaches to provide financial solutions to underserved communities. Our digital platform and online information tools enable our customers to access information about our products and make informed decisions when and where needed. Our platform provides secure and stable access to products and services 24/7 and is designed to be accessible to persons with disabilities.

In 2021, we delivered on our vision to onboard more Canadians to our platform at all stages of their lives while expanding on EQ Bank's innovative financial solutions to address customers' core banking needs. As such, we introduced two new products that align with our purpose: US Dollar Accounts and our Mortgage Marketplace. The US Dollar Account provides Canadians with an account that has competitive foreign exchange rates, a high interest rate, no minimum account fees, and is eligible for CDIC deposit insurance. Additionally, there is a seamless integration with Wise, allowing customers to easily convert US dollars into over 49 international currencies. The launch of our US Dollar Account addresses key customer pain points of not earning interest on their US dollar funds and moving funds without paying high foreign exchange markups, which are not easily solved by other Canadian institutions.

We partnered with *nesto* to launch Mortgage Marketplace, a one-stop digital service that allows EQ Bank customers to access the best mortgage rates by shopping through over 2,000 mortgage products in the market. We're committed to removing the nonsense of traditional banking and democratizing mortgage shopping, while delivering this through a seamless, digital-first experience. The result is an easy-to-use platform that offers customers a customized recommendation based on their unique needs, while being guided by a broker throughout the process.



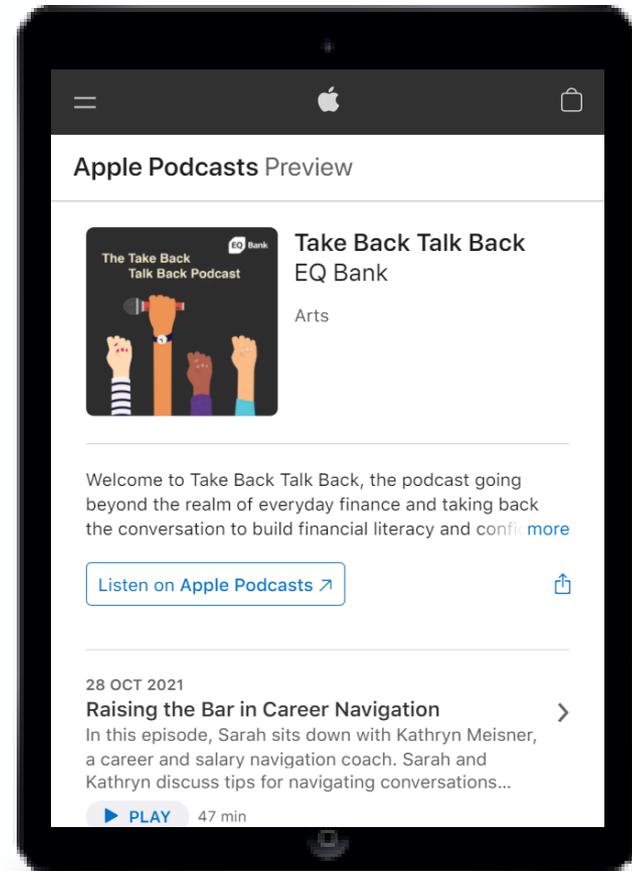
Financial education

Equitable Bank is committed to encouraging women to confidently take ownership of their finances through open and informative conversations.

We launched the Take Back Talk Back podcast in 2020 as another way to connect with the community and encourage open conversations about finances. The initial plan for *stnce*, our platform dedicated to financial confidence, was as a multi-channel initiative, reaching audiences through the podcast, an email newsletter, a blog, and various social networks. In 2021, we noticed a substantial increase of Take Back Talk Back podcast downloads. Our original target reach for the podcast was 2,000 downloads. In one year, we grew the podcast to 55,000 downloads. As a result, *stnce* has been streamlined, and its primary focus going forward will be to grow the podcast and empower even more people to be confident about their personal finances. The spirit of open conversations about taboo financial topics will continue on the EQ Bank Education Center. Through this resource hub, we will share both high-level summaries and in-depth reviews on topics ranging from saving and investing to home ownership and getting the most out of your money.

Affordable housing

While we don't have specific targets for the financing of CMHC-insured affordable housing projects, we were pleased to see our activity in this sector grow substantially in 2021 with loan approvals totaling \$480.9 million, including both construction financing and term loans. This funding supported 26 affordable housing projects in various provinces, including British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Quebec. The growth of our affordable housing portfolio was in large part fueled by a new partnership with an Alberta-based broker/partner, opening many more lending opportunities in Western Canada. As federal, provincial, and municipal governments have recently reconfirmed their commitment to increasing the availability of affordable rental housing, we expect our involvement with this sector of the multi-family rental market to continue to expand.



Take Back Talk Back podcast launched in 2020

Seniors

We recognize and appreciate the contributions that seniors make to our society, and are committed to supporting them with their banking needs.

As a member of the CBA, we've adopted the voluntary Code of Conduct for the Delivery of Banking Services to Seniors (the "Code"), which guides Canadian banks in their delivery of banking products and services to Canadian seniors.

We are proud to have a Seniors Champion to promote seniors' interests within the Bank. Their duties are to provide leadership in the implementation of the Code; promote and raise awareness of matters affecting seniors; and engage with seniors, subject matter experts and organizations representing seniors.

In 2021, we continued to implement the principles outlined in the Code, and look for opportunities to further strengthen and enhance our ability to address the unique and changing financial needs and concerns affecting seniors. We've listened to the needs of Canadian seniors, introducing new products and new channels in both our reverse mortgage and the line of credit secured by life insurance policy businesses to meet these changing demands.

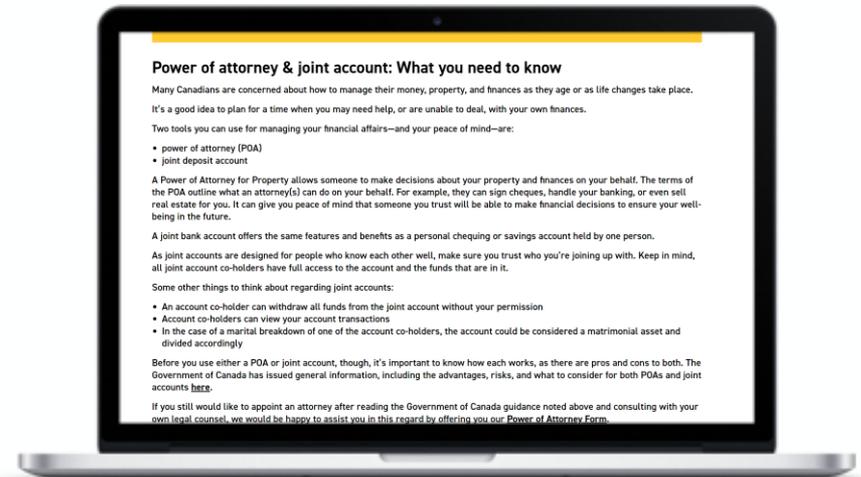
Seniors are a growing demographic in Canada and are largely underserved in the financial services. They're often overlooked in comparison to younger demographics due to their lower perceived potential for cross-sell opportunities and the relatively limited longevity of their service needs. However, macroeconomic factors, such as rising house prices, inflation, and difficulty in retirement saving influence both the young and senior demographic. Seniors especially are facing increasing difficulty while transitioning into retirement, a problem that will peak as more Baby Boomers (i.e., those born from 1946 to 1964) reach retirement age.



We believe seniors can be better served by optimizing the use of financial assets to fund their retirement years. Our decumulation businesses aim to address this head-on with innovative credit solutions, such as reverse mortgages and lines of credit secured by whole life insurance policies, which allow borrowers to access home equity in low-risk and tax-efficient ways. These product lines help seniors tap into their equity, so they can age in place, maintain their lifestyle, and/or help their loved ones start a new chapter in their lives.

Under the leadership of the Seniors Champion, we've implemented the following enhancements we believe will better serve our customers:

- Created a corporate policy that helps guide us in the delivery of banking products and services to seniors, which describes how we'll support our employees and representatives in serving seniors, given their unique banking needs. Compliance with the policy has been incorporated into our Regulatory Compliance Management obligations and includes oversight review and testing of the Bank's adherence to the Code.
- Established dedicated webpages on our equitablebank.ca and eqbank.ca websites, called "**Seniors & Us**" and "**Seniors Matter**" respectively, which are tailored to and for seniors. The webpages provide comprehensive resources and helpful advice on matters of interest to seniors, including our products and services, digital banking, fraud protection, information on powers of attorney and joint accounts, and accessibility options.



Seniors Matter website on eqbank.ca



- Ensured content was accessible by following industry best practices, where feasible, in providing documents that require downloading and/or printing from our websites in 14 point font. Our reverse mortgage documents, a product tailored to those 55 years+, are in 12 point font, with bolded information in 14 point font. We endeavour to do the same with our marketing materials that are directed to a senior audience, such as senior-specific product brochures.
- Developed annual, mandatory training for customer-facing employees covering topics such as the principles of the Code, powers of attorney, joint deposit accounts, financial abuse and fraud, elder abuse indicators and scams, financial harm identification, escalation to the Seniors Champion, and available resources for senior customers. This training also includes several case studies to assist staff in identifying certain seniors' concerns and spotting warning signs. Identifying concerns and spotting early warning signs can be at times challenging as we do not have traditional, face-to-face interactions with our customers; we offer our products through a trusted network of brokers and investment advisors and via EQ Bank, our digital banking platform.
- Created a dedicated resource site on our intranet – the Hub – for customer-facing employees to supplement their annual training and which builds awareness of the tools and resources available to help them assist and protect seniors. This includes effective communication tips as well as how to identify and escalate incidents of suspected financial fraud, financial abuse, and scams.
- Strengthened and enhanced our existing anti-money laundering and fraud transaction monitoring scenarios to highlight transactions that might be indicative of financial harm to all customers, including seniors, and to take steps to further mitigate the risk of elder and financial abuse or fraud. We continue to enhance tools to help better detect, respond to and prevent fraudulent activity on banking accounts and as it relates to services for our customers. We've reviewed our products and services to determine impact and continue to do so with each launch of a new Bank product and/or service.
- Offered a range of products for all customer lifestyles, including seniors, through our broker channel and via EQ Bank. Our EQ Bank products offer all customers free transactions, no monthly fees and banking from the comfort of home that is simple, safe and secure. We offer an online security guarantee, through which we'll fully reimburse customers in the unlikely event that they suffer direct financial losses due to unauthorized activity, provided the customer has met their security responsibilities.

The steps we've taken, and continue to take, promote not only our dedication to and adherence to the Code and its principles, but cements our commitment to provide a better banking experience to Canada's seniors.

Small Business



We work with underserved customer groups, including providing financing to small-business owners, entrepreneurs, owner operators and emerging investors who are currently underserved by larger banks. Small businesses are essential to Canada's economy; they create jobs, add to GDP, boost local communities and have a low carbon footprint.

As every industry has different needs, Equitable spends time learning about a small business operator's unique business, credit history, ability to repay, and more, to provide customized and comprehensive mortgage and equipment lending solutions. Equitable's experience in lending against multiple real estate types, such as storefronts and retail spaces, and equipment types, such as commercial vehicles and construction equipment, is integral to our success in offering outstanding and unique lending solutions to our clients. Equitable aims to support the entrepreneurial spirit by empowering businesses with financing solutions to realize their vision of success, and help maximize returns on commercial investments.

Through our broker network, we simplify the process of home ownership for self-employed borrowers. At the end of 2021, approximately 58.9% of the more than \$14 billion of mortgage loans in our Alternative Single-Family business were to self-employed borrowers.

Approximately 4.7% of our total lending portfolio was comprised of loans to small and medium-sized businesses*, relative to the peer average of 3.6%. This puts us in the highest quartile relative to all Schedule I banks in the S&P/TSX total capped financials index.

Bennington expands our product offering to small businesses. This approximately \$710 million loan book contains equipment leases to small and medium-sized organizations.

*Includes all Business Enterprise Solutions (BES) and Bennington equipment leases.

Employees in Canada

Active, paid and unpaid leave employees in Canada as of December 31, 2021

| Province | Full-time | Part-time | Total |
|---------------------------|--------------------|-----------|--------------|
| Alberta | 45 ¹ | 0 | 45 |
| British Columbia | 19 ² | 0 | 19 |
| Manitoba | 0 | 0 | 0 |
| New Brunswick | 0 | 0 | 0 |
| Newfoundland and Labrador | 0 | 0 | 0 |
| Nova Scotia | 0 | 0 | 0 |
| Ontario | 1,061 ³ | 0 | 1,061 |
| Prince Edward Island | 0 | 0 | 0 |
| Quebec | 36 ⁴ | 0 | 36 |
| Saskatchewan | 0 | 0 | 0 |
| Total | 1,161 | 0 | 1,161 |

¹ 5 are employed by Bennington Financial Corp.

² 1 is employed by Bennington Financial Corp.

³ 138 are employed by Bennington Financial Corp.

⁴ 2 are employed by Bennington Financial Corp.

Taxes Paid or Payable in Canada

As at December 31, 2021

We are a major Canadian taxpayer. For the year ended December 31, 2021, we recorded \$129.1 million of Canadian tax expenses. This total includes \$97.9 million of corporate income taxes, \$0.1 million of capital taxes and \$31.1 million of other taxes.

The table below¹ summarizes our 2021 tax expenses in all Canadian jurisdictions, as applicable.

| (\$000) | Capital Taxes | Income Taxes | Total Taxes |
|---|---------------|---------------|----------------|
| Federal Government | - | 56,630 | 56,630 |
| <i>Provincial and territorial governments</i> | | | |
| Alberta | - | 2,158 | 2,158 |
| British Columbia | - | 2,826 | 2,826 |
| Ontario | - | 33,555 | 33,555 |
| Quebec | 109 | 2,706 | 2,815 |
| Total provinces | 109 | 41,245 | 41,354 |
| Total all jurisdictions | 109 | 97,875 | 97,984 |
| Other Taxes² | | | 31,098 |
| Total Canadian Taxes | | | 129,082 |

Income tax amounts are estimates based on information available for the year ended December 31, 2021.

¹ Table includes Equitable Bank's consolidated balance (including Equitable Bank, Bennington Financial Corp. and Equitable Trust).

² Other taxes include payroll taxes, sales taxes (net of recovery), 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, 2021.



Debt Financing to Firms in Canada

We are committed to making debt financing available to businesses across Canada to help Canadian businesses grow and succeed. As at December 31, 2021, the Bank authorized a total of \$1.7 billion to be made available by way of business debt financing to firms in Canada. The table below comprises non-mortgage loans extended to our corporate clients (non-individuals) for their businesses. These include revolving and non-revolving facilities, loans secured by life insurance policies, specialized financing loans and equipment leases. The authorized amount as of December 31, 2021, which also refers to the maximum amount that a client is allowed to borrow, is outlined below by range, province and the number of customers. Other than these amounts, we also provided approximately \$9.5 billion of mortgage financing to Canadian businesses.

Business Debt Financing, excluding equipment leasing³

| (\$000s, except number of customers) | | | | | | | | | |
|--------------------------------------|-------------------|------------|--------------|--------------|---------------|---------------|-----------------|---------------------|------------------|
| Province / territory | Category | \$0-\$24 | \$25-\$99 | \$100-\$249 | \$250-\$499 | \$500-\$999 | \$1,000-\$4,999 | \$5,000 and greater | Total |
| Alberta | Authorized | - | 99 | 266 | - | - | 1,551 | - | 1,916 |
| | Customers | - | 1 | 2 | - | - | 1 | - | 4 |
| British Columbia | Authorized | 44 | 121 | 710 | - | - | - | - | 875 |
| | Customers | 3 | 2 | 5 | - | - | - | - | 10 |
| Manitoba | Authorized | 20 | 239 | 354 | - | - | - | - | 613 |
| | Customers | 1 | 4 | 2 | - | - | - | - | 7 |
| New Brunswick | Authorized | 11 | 37 | 834 | - | - | - | - | 882 |
| | Customers | 1 | 1 | 5 | - | - | - | - | 7 |
| Nova Scotia | Authorized | - | 72 | 567 | - | - | - | - | 639 |
| | Customers | - | 1 | 3 | - | - | - | - | 4 |
| Ontario | Authorized | 82 | 1,008 | 2,843 | 6,370 | 7,624 | 8,387 | 1,007,858 | 1,034,172 |
| | Customers | 7 | 18 | 19 | 17 | 10 | 6 | 24 | 101 |
| Quebec | Authorized | 19 | - | 366 | 1,599 | - | 1,035 | - | 3,019 |
| | Customers | 1 | - | 2 | 5 | - | 1 | - | 9 |
| Saskatchewan | Authorized | 9 | 112 | 1,504 | 2,255 | 3,480 | - | - | 7,360 |
| | Customers | 1 | 3 | 9 | 7 | 5 | - | - | 25 |
| Total Canada | Authorized | 185 | 1,688 | 7,444 | 10,224 | 11,104 | 10,973 | 1,007,858 | 1,049,476 |
| | Customers | 14 | 30 | 47 | 29 | 15 | 8 | 24 | 167 |

There was no activity in Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories or Nunavut.

³ Table includes Equitable Bank, Equitable Trust and Bennington Financial Corp.

Equipment Leasing⁴

(\$000s, except number of customers)

| Province / territory | Category | \$0-\$24 | \$25-\$99 | \$100-\$249 | \$250-\$499 | \$500-\$999 | \$1,000-\$4,999 | \$5,000 and greater | Total |
|----------------------|-------------------|---------------|----------------|----------------|---------------|---------------|-----------------|---------------------|----------------|
| Alberta | Authorized | 15,795 | 63,064 | 33,515 | 2,207 | 1,834 | - | - | 116,415 |
| | Customers | 1,489 | 1,247 | 237 | 7 | 3 | - | - | 2,983 |
| British Columbia | Authorized | 7,590 | 30,294 | 21,279 | 1,250 | 510 | 1,040 | - | 61,963 |
| | Customers | 809 | 599 | 141 | 4 | 1 | 1 | - | 1,555 |
| Manitoba | Authorized | 3,750 | 16,732 | 11,654 | 1,387 | - | - | - | 33,523 |
| | Customers | 322 | 331 | 79 | 4 | - | - | - | 736 |
| New Brunswick | Authorized | 2,117 | 5,418 | 3,478 | 657 | - | - | - | 11,670 |
| | Customers | 223 | 105 | 24 | 2 | - | - | - | 354 |
| Nova Scotia | Authorized | 2,368 | 7,944 | 4,770 | 878 | - | - | - | 15,960 |
| | Customers | 266 | 162 | 31 | 3 | - | - | - | 462 |
| Ontario | Authorized | 39,219 | 159,300 | 118,260 | 23,228 | 6,633 | 4,902 | - | 351,542 |
| | Customers | 4,299 | 3,153 | 803 | 70 | 9 | 3 | - | 8,337 |
| Quebec | Authorized | 11,535 | 24,285 | 9,805 | 3,113 | 926 | 1,792 | - | 51,456 |
| | Customers | 1,373 | 511 | 67 | 9 | 1 | 1 | - | 1,962 |
| Saskatchewan | Authorized | 2,603 | 12,304 | 6,241 | 315 | - | - | - | 21,463 |
| | Customers | 271 | 248 | 43 | 1 | - | - | - | 563 |
| Other provinces | Authorized | 1,739 | 3,421 | 2,173 | 258 | 720 | - | - | 8,311 |
| | Customers | 183 | 67 | 15 | 1 | 1 | - | - | 267 |
| Total Canada | Authorized | 86,716 | 322,762 | 211,175 | 33,293 | 10,623 | 7,734 | - | 672,303 |
| | Customers | 9,235 | 6,423 | 1,440 | 101 | 15 | 5 | - | 17,219 |

⁴ Table includes Equitable Bank, Equitable Trust and Bennington Financial Corp.

Political Activity and Donations

While we do not make political donations, nor do we receive any subsidies or financial assistance from governments inside or outside Canada, we do engage with government bodies in a variety of ways including:

- Through responses to consultations, including consultations on open banking;
- Our engagement at the Canadian Bankers Association (CBA) and the Banks and Trust Companies Association (BATCA); and
- Bilaterally on specific priorities we feel would help drive change in banking to enrich the lives of Canadians.

These meetings provide us with the ability to discuss legislative proposals and initiatives directly, and help foster transparent relationships with regulatory bodies.



Affiliates

The following are the prescribed affiliates of Equitable Bank:



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

Toronto

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

Oakville (Bennington)

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

Vancouver

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

