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2022 SENIORS CODE REPORT

Habib Canadian Bank

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Introduction

At Habib Canadian Bank (HCB or the Bank), our banking program for seniors is built on the **guiding principle** of servicing the clients with attentiveness and in an empathetic manner.

We want to ensure that every one of our customers has a smooth and pleasant banking experience. We are there to help them with all their appropriate banking needs, whether it be online, over the phone or in person.

We understand that Canadians are living longer, that the senior population is a diverse one, and that their privacy and decisions must be regarded with the utmost respect. As such, we at Habib Canadian Bank ensure that all of our practices are conducted in a manner that is best suited for each client's situation.

Habib Canadian Bank has a designated "Seniors Champion"

In accordance with the requirements of the Code and with a view to promoting seniors' interests, a member of the Senior Management has been designated as a "Seniors Champion". The Seniors Champion has sufficient authority, knowledge, and resources to execute his duties. In conjunction with the COUNTRY COMPLIANCE FUNCTION, his duties include:

- providing leadership in the implementation of this the Bank's policy and procedures
- promoting and raising awareness of matters affecting seniors
- engaging with seniors, subject matter experts and organizations representing seniors.

The Seniors Champion can be contacted as follows:

Phone: 647-721-3605

Email: concerns@habibcanadian.com

OUR PRINCIPLES

Principle 1: Banks will establish and implement appropriate policies, procedures, and processes to support the Code.

The Bank has policies and procedures in place since early 2020 that serve the interests of seniors.

We have established and implemented following policy and related desk-top procedure that specifically ensure proper and fair treatment toward our senior clients:

- Code of conduct for the delivery of banking services to seniors
- HCB procedures for catering to all banking activities of seniors and people with disabilities

The Bank also has policies and related desk-top procedures that cover additional programs that apply to seniors:

- Consumer provisions
- Cost of borrowing and other disclosures
- Complaints
- Business promotion and sales practices
- Conduct and ethics
- Canada anti-spamming law

All the above-mentioned programs are incorporated into our RCM Framework.

Principle 2: Banks will communicate effectively with seniors

The Bank has made available the necessary resources to its staff who, when required, work directly with senior clients to ensure they understand the matters that are relevant to senior clients' banking needs. These resources include training provided to the staff on the guiding principle for all activities ranging from onboarding to attending to their online requests, reference posters displayed in all the staff areas at three branches and Head Office, and assistance available to the front-line staff from Compliance function when requested.

Relevant material is provided to senior clients at the time of onboarding. The same is available on the Bank's website section that is dedicated to seniors.

The Bank aggregates information relevant to seniors. The same information will be presented to the Compliance Committee and the Board of Directors with effect from the year 2023.

Principle 3: Banks will provide appropriate training to their employees and representatives who serve seniors.

The first training program regarding delivery of banking services to seniors was rolled out in November 2020. Since then, we have continually trained and will continue to train our front-line and back-office staff to have an effective communication with our senior clients.

Training is provided by way of the following means:

- Conference calls: This include training, which is followed by open discussion sessions.
- Training decks with a knowledge test.

During the course of the year, training was provided on the following areas:

- Consumer provisions, including Powers of Attorney and Joint Deposit Accounts;
- Complaints by senior clients and escalation process;
- Business promotion and sales practices with an emphasis on senior clients and people with disabilities;
- Senior/Elderly Fraud;
- Educating senior clients on fraud prevention;
- The role and responsibilities of the Seniors Champion;

- The role and responsibilities of the Senior Complaints Officer; and
- Senior clients' deceased account handling

It may be noted that due to the constraints posed by its size and financial resources, HCB conducts in-house research through online and other available material.

Principle 4: Banks will make appropriate resources available to client-facing employees

In accordance with the guiding principle mentioned under introductory paragraphs, HCB's Compliance Function, Risk Function, the Seniors Champion, the Senior Complaints Officer, and relevant business functions are required to jointly assist the front-line staff in providing banking products and services to seniors.

We have trained front-line staff in each of our 3 branches. In accordance with the guiding principle, an individual front-line staff is assigned to a senior in case he/she have an issue or a problem.

Special focus is laid on 'HCB procedures for seniors and people with disabilities' for the purpose of continual training across the Bank and monitoring for compliance.

Principle 5: Banks will endeavor to mitigate potential financial harm to seniors

HCB's Compliance Function, Risk Function, the Seniors Champion, the Senior Complaints Officer, and relevant Business functions are required to jointly assist the front-line staff in the event of a potential financial harm due to financial abuse, frauds or scams, and to mitigate the potential for financial harm, while respecting clients' privacy, security, and autonomy.

The bank's fraud management framework is based on the key components of prevention, detection, and response.

HCB has preventative controls to detect and mitigate potential financial harm to seniors. These controls include 'Know Your Customer' (KYC), customer due diligence and enhanced due diligence processes, and most importantly, an automated transaction monitoring system that can alert the front-line about an unusual activity on the account that enables the front-line staff to immediately take preventative measures.

During the year, HCB has strived to enhance frequency of updating the Know Your Customer information and has trained its front-line staff to attend to the requests of senior clients at a personal level to determine if the requests are reasonable and that there is no potential of financial harm to them.

In addition to the other information required to be shared with senior clients, the Bank has provided and will provide the following information under a dedicated section to them on its website:

Fraud. Recognize. Reject. Report.

“Common Types of Frauds & Scams

IDENTITY THEFT

When someone steals the personal information from another person so they can pretend to be that person and attempt to apply for a credit card, withdraw funds and much more.

CREDIT/DEBIT CARD FRAUD

When someone uses another person’s card, or a copy of the card to make purchases or withdraw funds.

ONLINE SCAMS

There are many online scams, more recently, there are many online scams involving COVID-19 and false information. Most online scams come in the form of an email or a text message being sent from what seems to be an organization or person that you know, when in reality they are not.

PHONE & DOOR-TO-DOOR SCAMS

When someone calls or comes to your door posing as a representative from an organization and tries to get you to give them money or personal information.”

GRAND PARENT SCAM

When Fraudsters target seniors by calling and pretending to be a family member in distress, the police or a justice official claiming that a loved one or grandchild is in trouble, and needs money immediately. Victims are told there’s a gag order, and can’t speak to anyone.

Seniors should respond to situations as detailed below:

When there is a call demanding immediate payment for bail, or fines to avoid going to jail:

Remember that the courts won’t ask for cash to bail out someone in custody, and will require people to be present in court.

When someone claims to be a lawyer, police or family member in an emergency situation demanding funds: **Be suspicious** of calls that require immediate action. **Hang up!** Call your local police and contact the family member directly.

When someone requests cash and send couriers for pick up, or demand you to send by cash by courier services or via cryptocurrency: **Never send** cash, cryptocurrencies or any other funds to unknown persons, unverified addresses or bank accounts.

If you believe you have been scammed, contact your local police and the Canadian Anti-Fraud Centre at:

1 (888) 495-8501

Principle 6: Banks will take into account market demographics and the needs of seniors when proceeding with branch closures.

HCB has not closed any branch to-date. However, we will consider market demographics, as well as the needs of all our senior clients if and when conducting closures.

In line with our guiding principle mentioned under Principle 2, our staff, under the guidance of the Seniors Champion, will contact each and every senior client to educate them about the available alternatives. This will be accompanied by a formal letter with a link to the seniors' section of the Bank's website.

Principle 7: Banks will publicly disclose the steps they have taken to support the principles set out in the Code.

The Bank has focused on the following areas to improve the delivery of banking services to seniors during the year 2022:

- Bringing seniors banking within the ambit of consumer protection measures
- Updating policies
- Drafting and updating related desk-top procedures
- Comprehensive training to staff
- Supporting the front-line staff by the trained staff in centralized offices
- Compliance testing to ensure effectiveness of control

We will continue to improve the delivery of banking services to seniors. We will use this report as a platform to provide valuable updates to the seniors.