

DECEMBER 31, 2025

2025 SENIORS CODE REPORT

Habib Canadian Bank

Dawood Khan
Chief Executive Officer



Table of Contents

INTRODUCTION	2
HABIB CANADIAN BANK HAS A DESIGNATED “SENIORS CHAMPION”	2
OUR PRINCIPLES	2
PRINCIPLE 1: BANKS WILL ESTABLISH AND IMPLEMENT APPROPRIATE POLICIES, PROCEDURES, AND PROCESSES TO SUPPORT THE CODE.	2
PRINCIPLE 2: BANKS WILL COMMUNICATE EFFECTIVELY WITH SENIORS	5
PRINCIPLE 3: BANKS WILL PROVIDE APPROPRIATE TRAINING TO THEIR EMPLOYEES AND REPRESENTATIVES WHO SERVE SENIORS.....	6
PRINCIPLE 4: BANKS WILL MAKE APPROPRIATE RESOURCES AVAILABLE TO CLIENT- FACING EMPLOYEES	7
PRINCIPLE 5: BANKS WILL ENDEAVOR TO MITIGATE POTENTIAL FINANCIAL HARM TO SENIORS.....	8
PRINCIPLE 6: BANKS WILL TAKE INTO ACCOUNT MARKET DEMOGRAPHICS AND THE NEEDS OF SENIORS WHEN PROCEEDING WITH BRANCH CLOSURES.....	12
PRINCIPLE 7: BANKS WILL PUBLICLY DISCLOSE THE STEPS THEY HAVE TAKEN TO SUPPORT THE PRINCIPLES SET OUT IN THE CODE.	12

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:

Regulatory Compliance Management:

The purpose of this policy is to define the framework for regulatory compliance management (RCM). RCM refers to the set of key controls through which the Bank manages its regulatory compliance risks. The Office of the Superintendent of Financial Institutions Supervisory Framework defines regulatory compliance risk as a risk that “arises from a Federally Regulated Financial Institutions’ (FRFI’s) potential non-conformance with laws, rules, regulations, Ministerial Directives, prescribed practices or ethical standards in the jurisdiction in which it operates”.

For the purposes of this policy, all applicable laws, regulations, Ministerial Directives, prescribed practices, ethical standards, rules, guidelines, expectations, and guidance issued by applicable regulators represent regulatory compliance requirements. An effective RCM process provides the means by which the Bank satisfies itself that it is in compliance with regulatory compliance requirements.

Code of conduct for the delivery of banking services to seniors:

Financial institutions are expected to set and maintain high standards of ethical conduct with respect to seniors. The Bank has set forth guiding principles and practices that guide the staff members when they deliver banking products and services to Canada’s seniors. Staff members, when dealing with the seniors, shall conduct their business affairs in a manner which protects and enhances the Bank’s reputation for integrity and honesty while avoiding any situation that might lead to a conflict of interest.

HCB procedures for catering to all banking activities for seniors and people with disabilities:

Among other operational matters, this procedure outlines training as follows:

- Competency-based training / refresher training to new and existing employees, which includes:
 - Financial abuse, fraud and scams, and escalation process
 - CBA’s Commitment on Powers of Attorney and Joint Deposit Accounts
 - Early redemption of funds, especially in case of a deceased senior
 - Available resources for staff members and intermediaries on matter relevant to seniors’ banking needs
- Identifying the circumstances in which seniors may need additional assistance in their banking activities, such as their inability to visit the branch premises, not having access to any facilities to send the requested documents to the bank, and inability to step outside of their residences.
- Identifying and escalating incidents of suspected financial abuse and fraud of seniors. Where the Bank becomes aware of the likelihood of financial harm to a senior due to financial abuse, fraud or scams, the Bank endeavours to mitigate the potential for financial harm, while respecting

clients' privacy, and security and autonomy. Examples of appropriate steps include:

- Providing quiet, accessible spaces within branches and the head office where private discussions can be held.
- Bank representative(s) meeting the senior at a location of latter's convenience for the above-mentioned purpose.

HCB procedure for enhanced due diligence for individuals and businesses:

On-going monitoring of client relationships helps identify unusual activity that can then be used to assist seniors in enabling them to understand frauds and scams they may be subject to. Monitoring Seniors account activity and transactions results in the Bank knowing its clients, assisting in assessing risks associated with its clientele and provides greater assurance that the Seniors are not being targeted for purposes of or subject to financial crime.

Effective monitoring is based on the identification and evaluation of various transaction characteristics, such as:

- Unusual nature of a transaction (i.e. abnormal size or frequency for that senior customer or peer group)
- Nature of and series of transactions (e.g., number of cash credits)
- Geographic destination or origin of a payment (i.e., to or from a high-risk country)
- Parties concerned (i.e. request to make a payment to or from an individual on a sanctions list).

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

Consumer provisions policy

This Local Policy addresses the legislative and regulatory requirements related to the consumer provisions. The scope of this Local Policy is to provide information on various rights and responsibilities for consumers (i.e. personal account holders) and to provide Bank staff members with information and requirements related to the consumer rights of personal account holders. The consumer provisions have been created in order to protect consumers and to educate them on different banking products offered by the Bank.

Complaint handling and internal dispute resolution policy

This Local Policy defines the rules to be followed within Habib Canadian Bank to outline the roles and responsibilities of the Bank and its staff members to ensure compliance with the legislative and regulatory requirements and relevant Financial Consumer Agency of Canada (FCAC) Guidelines. The Bank strives to ensure that all of its clients (both consumers and businesses) receive high levels of service and are treated with courtesy, skill, care and diligence at all times.

However, clients may sometimes feel dissatisfied with the service they have received and file complaints. The Bank therefore needs to ensure that it has an effective and efficient internal dispute resolution process so that all client complaints are handled objectively, competently, consistently and promptly, and that clients are treated fairly in all their dealings with the Bank.

Business promotion and sales practices policy

This policy reflects FCAC Guideline on Appropriate Products and Services for Banks and Authorized Foreign Banks. Financial institutions are expected to set and maintain high standards of ethical conduct. Habib Canadian Bank sets forth guiding principles and practices that protect both the customers from exploitation and its own reputation. It ensures uniform standards of conduct for staff members assigned to business development and sales responsibilities.

In addition to the above, the following policies also apply to the seniors:

- Code of Conduct and ethics
- Cost of borrowing and disclosure
- Canada anti-spamming law
- Clear language
- Privacy
- Procedures for seniors and people with disabilities

HCB Guidelines for fraud handling

This is the process to be followed when HCB receives reports or indications of fraud or scam, including identity fraud, cheque fraud, debit card fraud, mortgage fraud, application fraud, seniors fraud, and email compromise fraud. This procedure also applies when staff are contacted by clients who believe they are victims of fraud. It outlines how to respond empathetically, collect necessary details, and escalate the matter to Compliance. Preventative controls and verification steps are also included to help reduce fraud risk across all channels.

All the above-mentioned policies and procedures are incorporated into our RCM Framework.

Principle 2: Banks will communicate effectively with seniors

The Bank has made available all necessary resources to its staff who work directly with senior clients to ensure they understand the needs of the senior clients. 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 are also displayed in all the staff areas at the three HCB branches and Head Office. Assistance is also available to the front-line staff from Compliance function if needed.

Relevant materials are provided to senior clients during onboarding and are also available in the 'Seniors' Tool Kit' section on the Bank's website.

The Bank aggregates information relevant to seniors. The same information is presented to the Compliance Committee by the Chief Compliance Officer and to the Board of Directors by the Seniors Champion.

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

HCB conducts in-house research through online and other available sources. During the year 2025, the Bank continued to improve its training on tips and safeguards against fraud and financial abuse by using RCMP News releases, with discussions held during training sessions with CBA Bank Crime Prevention and Investigation Framework (BCPIF), notifications received from the law enforcement through BCPIF Intralinks portal, and attending conferences held by Canadian Institute and by Infonex.

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

During 2025, the following types of training sessions were conducted:

- Conference calls: These included training, followed by open discussion sessions.
- Training decks: These were accompanied by a knowledge test with minimum passing scores.
- One on one coaching on dealing with seniors.

During the year, training was provided as follows:

Q1 2025

Interactive staff training session was held on the following:

- Canadian Anti-Fraud Centre Bulletin on 'Uncovering fraud: Lifting the lid off the fraudster's toolbox'.
- Customer facing staff training in February 2025 on employee character and bank's culture around organizational values and tone from the top to cater to the needs of consumers, including seniors.

Q2 2025

Interactive staff training session was held on the following:

- Documenting sources of funds and sources of wealth for retired seniors

Training was also provided in the following areas:

- Whistleblowing,
- consumer provision and
- complaint handling

Q3 2025

Two interactive sessions were held for bank's staff on Integrity and Accessibility:

- Defining organizational culture. Emphasis was laid on the 6 core values of the organization, that is, respect, responsibility, integrity, trust, teamwork, and commitment as without the culture, all preventative, coincidental, and detective controls can fail. The training also walked the staff through Bank's code of conduct and ethics and whistleblowing policy.
- Accessible Canada Act, especially with respect to seniors, as many of the Bank's customers are aging and have become seniors or would be soon.

Interactive staff training session was held on the following:

- Keeping in view the guiding principle outlined in HCB procedures for seniors and people with disabilities that the seniors be serviced with attentiveness at a personal level and in an empathetic manner, training was provided to the customer facing staff on verifying the identity of the customer and to ask for further information from senior customers in case of a transaction monitoring alert is raised by the system (refer to Principle 5).

Q4 2025

Training was provided in the following areas:

- Cost of borrowing/disclosures for mortgages, loans, and LOCs
- Business promotion and sales practices
- Call back process for confirming the identity of customers during calls

Sales Staff are also trained to provide services to seniors by:

- Keeping in mind the particular needs of seniors in terms of products
- Refrain from offering products and services that have no value to seniors
- Ensure refreshment arrangements are available in all the branches
- Arrange a sales visit to the seniors (rather than inviting them to a branch or office premises), if required.

Training on fraud and scams included escalation process, especially if the same had a potential to cause financial harm to seniors. Refer to Principle 5 for details.

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.

HCB has trained front-line staff in each of our three branches. In accordance with the guiding principle, an individual front-line staff is assigned to a senior in case he/she has a need or an issue. Staff are also encouraged to reach out directly to the Seniors Champion for support and guidance.

If a senior client or a visitor requires a support person, our staff:

- Consults with the client or the visitor to understand accessibility needs
- Determines if a support person is necessary for health/safety reasons
- Considers alternative reasonable accommodations before requiring support person

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.

Additionally, the section of the Bank's website dedicated to seniors with a 'Tool Kit' is also accessible to employees. With effect from November 2025, Compliance has incorporated confirming the accuracy and accessibility of the 'Tool Kit' in its testing process.

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 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 generate an alert for the front-line about an unusual activity on the account that enables the front-line staff to immediately take preventative measures. Examples of automated alerts include the following:

- Account transaction review, especially for early or unusual withdrawals
- Cash Deposit and Withdrawal Review for excessive transactions not in line with the Senior's profile

- Remittance from a senior's account with unusual pattern or amount

During the year 2025, HCB continued to strive to enhance the frequency and quality of updating the Know Your Customer information and 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 for financial harm to them.

In addition to information required to be shared with senior clients, the Bank has provided and will continue to provide the following information under a dedicated section on its website. The Bank also sends this information to the seniors via regular mail.

Fraud. Recognize. Reject. Report.

Common types of Senior fraud and scams

- Identity theft
- Mortgage fraud
- Credit/debit card fraud
- Online scams
- Phone and door-to-door scams
- Financial crimes by strangers. A variety of fraudulent schemes fall in this category, including Ponzi schemes (investment), false promises of prizes, aggressive telemarketing, schemes involving health products, and fraudulent home repairs.

Factors increasing a senior's vulnerability to fraud committed by strangers include:

1. Home ownership;
2. A tendency to not solicit advice before making a purchase;
3. Financial risk-taking behaviour;
4. Lack of knowledge of consumer rights;
5. Lack of awareness of fraudulent schemes;
6. Openness to marketing appeals; and
7. A reluctance to hang up the phone on telemarketers

Crime and abuse by relatives and caregivers. This includes the full range of crime and abuse, including physical, emotional, and sexual abuse, as well as financial exploitation and neglect. There is also the undue exercise of control, such as isolating seniors from others or interfering with participation in social events.

There are three general categories of offenders:

1. Adult children, grandchildren, and other relatives;
2. Professional caregivers; and
3. Close friends or others in a position of trust

Relatives and caregivers tend to have an ongoing relationship with the elderly victim. Financial exploitation occurs when a person in a position of trust steals,

withholds, or in some way misuses the victim's money or property for personal benefit and to the disadvantage of the elderly person.

The indicators of exploitation may include:

- A new acquaintance shows an interest in a senior's finances, offers care to the senior, and ingratiates him/herself with the senior;
- A relative or caregiver is experiencing financial problems and is showing undue interest in the financial affairs of a senior;
- A relative or caregiver expresses concern about the cost of caring for a senior and is reluctant to spend money on this care;
- Basic bills are not being paid;
- A relative or caregiver isolates the senior, by limiting access to him/her by phone or in person;
- Bank and credit card statements are sent to the relative or caregiver, rather than the elderly person;
- The elder is accompanied to the bank by a relative or caregiver and appears afraid to speak on his/her own behalf;
- The elder is concerned about missing money;
- There is an unusual amount of banking activity after joint accounts are set up or someone new begins to help the senior with finances;
- A senior does not understand a will or power of attorney that has been drafted

Tips and Safeguards for Seniors

- Protect yourself – keep your financial and personal information in a safe place.
- Have an enduring or continuing power of attorney prepared appointing someone you can trust to look after you, so that even if you are ill and unable to look after yourself, your finances will be protected from others who might try to take advantage of you.
- Ask for help if you think you are experiencing financial abuse.
- Keep a record of money you give away and note whether it is a loan or a gift.
- For major decisions involving your home or other property, get your own legal advice before signing documents.
- Ask someone you trust to look over contracts and other papers before you sign them.
- Be very cautious if you open a joint bank account – the other person can withdraw all the money without asking.
- Make an effort to keep in touch with a variety of friends and family so you don't become isolated.
- Keep all personal documents in a secure place. If you don't need them, do not carry your birth certificate, passport or SIN card.

- Never tell another person your PIN or account passwords and take care to cover your hand when entering your PIN at bank machines and when making store purchases.
- Safely dispose of old bills and statements – shredding is best.
- Do not click on pop-up windows or respond to e-mails, open attachments or go to Website links sent by people you do not know. Your bank or credit union will not send you anything by e-mail unless you ask them to.
- Never give out your credit card, bank account, or personal information to someone over the phone, at the door, or over the Internet unless you know the person or organization you are dealing with, or you made the contact.
- Do not sign an agreement or contract to buy anything without giving yourself time to think it over. If a salesperson insists that an "offer" is "time limited" and you must decide at that moment, it is probably better not to buy.
- Be suspicious if someone you don't know asks you to send them money or a cheque, or to return money they "accidentally" sent you.
- Before hiring someone or agreeing to have work done on your home, ask for proof of identity and references and check them.

Report the Fraud and Scam

If you believe you have been scammed, contact your local police and the Canadian Anti-Fraud Centre at: 1 (888) 495-8501.

All fraud and scams should be reported, even if the amount of money is too small. You can help to stop others from being victims of such abuse by reporting the fraud and scam at the above number. If you have a hearing or speech impairment and use a teletypewriter (TTY), call 1-800-926-9105. The Government of Canada offers a variety of programs to help you. Visit Canada.ca/Seniors or call 1-800-OCanada (1-800-622-6232) to learn more."

Escalation process for handling fraud and scams, especially potential financial harm to seniors

Any staff member involved in dealing with a fraud incident is required to complete a 'Fraud Incident Report' (FIR) specifying date, place, type of fraud and details of the case and submit it to Compliance Function.

Upon receipt of the FIR, Compliance immediately assigns a dedicated task team to investigate and manage the incident. This team includes, at a minimum, CAMLO, Chief Operating Officer, Assistant Vice President of centralized operations, a relevant member of Relationship Management, and a representative from Business Innovation and Internal Control Department. In case of potential financial harm to seniors, Chief Financial Officer is included.

The CAMLO/CCO is required to report the incidents of fraud to the EXCO, Compliance Committee and BOD.

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

During the year 2023, when our Mississauga Branch was moved to a new location without any cessations of branch activity, the Seniors were sent a formal letter of Branch closure and relocation in accordance with the requirements of the Bank Act and the Financial Consumer Protection Framework Regulations. This was followed by personal calls to further clarify the message in the letter. Finally, close to the branch closing date, SMS messages were also sent as reminders. We will continue to use this process in case of a branch closure in future. Branch closure requirements, including those for seniors, are captured in the following two documents:

- HCB procedure for legislative and regulatory requirements for Branch Closure
- Checklist for legislative and regulatory requirements for Branch Closure

HCB will consider market demographics, as well as the needs of all our senior clients if and when conducting branch closures / relocations in future.

In case of a branch closure in the future, as per our guiding principle mentioned under Principle 2 and the Checklist for legislative and regulatory requirements for Branch Closure, which has been shared with the FCAC Supervision Officers, the Bank will:

- Send the 'Notice' of branch closure through regular mail, as well as emails.
- Make personal calls to each and every senior customer to inform them about the above-mentioned Notice and about the branch closure.

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

This annual report captures the steps taken to support the Code and improve banking services to seniors and is sent to the FCAC within 135 days following the end of Habib Canadian Bank's financial year end. It is also posted on our website as a measure to publicly disclose the steps the Bank has taken to support the principles set out in the Code.

The Bank continued to focus on the following areas to improve the delivery of banking services to seniors during the year 2025:

- 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
- Continued compliance testing to ensure effectiveness of control

- In addition to the above, the Bank provided personal counseling to the seniors in their banking activities, such as on their desire to obtain or send funds to sources, which were in the Bank's opinion, suspicious.

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.