



Digital Banking | Toronto, ON | Founded: 2016 | Employees: 600 | <https://www.eqbank.ca/>

PHONE: 1 844-437-2265

WIKIPEDIA: https://en.wikipedia.org/wiki/Equitable_Bank

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=5422345>

LINKEDIN: <https://www.linkedin.com/company/eqb/?originalSubdomain=ca>

COMPANY OVERVIEW

EQ Bank is the digital, direct banking arm of Equitable Bank, a Schedule I Chartered based in Toronto, Ontario. EQ Bank operates using a branchless model allowing the bank to pass on savings to customers through high interest rates on Savings Account and GICs, using these deposits to diversify the source of funds for Equitable Bank's lending services.

SENIOR MANAGEMENT

Andrew Moor: President, CEO and Director (2007-Present). Previously: President and CEO, Invis (2002-2007); President, SMED International (1996-2001); Managing Director, CIBC Wood Gundy (1987-1996). Education: BSc Mechanical Engineering (1981), University College London; MBA (1987), University of British Columbia.

Tim Wilson: Vice-President and CFO (2012-Present). Previously: President, Visa Canada (2006-2011); Vice President, Finance, CIBC (2003-2006); Consultant, Monitor Group (2000-2002); Manager, International Tax, Ernst & Young (1995-1998). Education: B.Comm (1994), Queen's University; MBA (2000), Harvard Business School.

Dan Dickinson: Senior Vice-President, Chief Digital Officer (2013-Present). Previously: Managing Director, Online & Mobile Banking Canada, BMO (2001-2013); Senior Application Analyst, Delano Technology Corporation (1999-2001); Developer, BMO (1997-1999). Education: B. Comm (1997), Dalhousie University; MBA (2008), Dalhousie University.

HISTORY

In 2013, Equitable Bank converted from a Trust Company to a Schedule I bank. It made a strategic decision to diversify its funding sources for lending by gathering deposits online.¹ Equitable hired Dan Dickinson as Vice-President, Digital Banking, to build the team, technology, products, and brand for EQ Bank.² Dickinson had a proven record through his experience at BMO where he was a Managing Director, Online & Mobile Banking Canada. EQ Bank built a beta version within 18 months, then launched 6 months later in January 2016.³ As of September 2018, EQ bank had 60,000 customers and deposits of \$2 billion.

FUNDING

EQ Bank is solely funded by its parent company, Equitable Bank.

KEY CORPORATE DEVELOPMENTS

Press releases: <https://www.eqbank.ca/company/news>

Jan 14, 2016: [Equitable Bank launches EQ Bank](#)

May 12, 2016: [Equitable Group reports first quarter 2016 results, updates investors on successful launch of EQ Bank and increases dividend](#)

May 10, 2018: [EQ Bank Reaches 50,000 customers](#)

Aug 7, 2018: [EQ Bank Reaches \\$2 Billion in Deposits](#)

BUSINESS HIGHLIGHTS

STRATEGY

EQ bank's branchless model allows for savings through reduced operating and overhead costs to be passed on to customers through higher interest rates. The deposits raised are used to diversify the funding sources for Equitable Bank's residential and commercial lending services.

^{1,9} Email correspondence with Dan Dickinson, Chief Digital Officer at EQ Bank

² <https://www.linkedin.com/pulse/recipe-digital-bank-1-different-kind-management-dan-dickinson/>

³ <https://www.linkedin.com/pulse/digital-bank-ingredient-3-air-traffic-controllers-dan-dickinson/>

PRODUCTS / PRICING

- **Savings Deposit Account:** EQ Bank provides customers with a high-interest, no fee savings account with no minimum balance. Customers can pay bills and transfer money from the savings account, without the need for a checking account. As of September 2018, current interest rates in the EQ Bank Savings Plus Account are 2.3%.⁴
- **GICs:** EQ bank recently expanded its product offering with Guaranteed Investment Certificates (GICs), listening to their customers requests to save more. EQ Bank offers GICs of various terms with a low minimum deposit of \$100. As of September 2018, EQ Bank's GICs terms range from 3 months to 5 years, with interest rates of 2.35% and 3.5% respectively.^{5, 6}
- EQ Bank does not offer a debit or credit card, and does not have any ATMs. All transactions in and out of the account are through electronic transfers.

TECHNOLOGY

EQ Bank combines its own front-end applications with software purchased from expert vendors.⁷ EQ Bank's core banking system is from Temenos, a company that provides banking software systems to several mid-sized banks and credit unions across Canada and the rest of the world.⁹ EQ bank aims to continuously upgrade their core banking system every few years to prevent the buildup of any technological debt, an advantage they hold over traditional banks that have legacy systems in place, which require continuous maintenance, costing millions of dollars annually. Mobile and web applications were also built using Temenos tools; however, EQ is moving to custom build its new versions. EQ Bank's main technological focus is on information architecture, and the 'nervous system' connecting information layers and vendors, requiring continuous up-keep to maintain flexibility.

DISTRIBUTION / LOGISTICS

EQ Banks serves its customer base through its online direct banking website and mobile application, offering customers savings accounts and GICs. EQ Bank's branchless model does not incur the operating costs of traditional banks, and instead employs a Customer Care Centre for any inquiries. EQ Bank is a Schedule I bank and all deposits are CDIC (Canadian Deposit Insurance Corporation) insured.

MARKETING

EQ Bank markets to consumers through various campaigns, targeting customers of all ages who prefer a digital experience and to manage their own finances. Marketing efforts include various media to connect with consumers, such as TV campaigns, print, radio, and social media. EQ bank is also an active partner of Prostate Cancer Canada, and sponsor of various financial conferences.⁸

COMPETITORS

Multiple digital banks have been launched in Canada, and many have added components of digital banking to existing infrastructure. For example:

1. **Tangerine** – (Toronto, ON) Tangerine is an online direct bank, a subsidiary of Scotiabank, which provides low-cost lending, deposit and investment management services.
2. **Alterna Bank**– (London, ON) Alterna Savings & Credit Union Ltd. is a Canadian credit union, formed in 2005 by the merger of CS CO-OP and Metro Credit Union, which provides full daily banking services, loans and mortgages, investment services and business banking.

⁴ <https://www.eqbank.ca/personal-banking/features-rates>

⁵ <https://www.eqbank.ca/personal-banking/gics>

⁶ <https://www.eqbank.ca/company/news/news-details?title=eq-bank>

⁷ <https://www.linkedin.com/pulse/digital-bank-ingredient-4-flexible-approach-dan-dickinson>

⁸ <https://twitter.com/EQBank>