

2020 Corporate
Year in Review

Powering Connections in Canada





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Message from the President and CEO

The year 2020 was certainly a year like no other. The COVID-19 pandemic stretched health care systems, disrupted economies, and uprooted businesses across the globe. It challenged humanity in unexpected ways. There is no question the impacts of this pandemic are far reaching, as are its lessons.

Chief among them at Interac Corp. is the importance of resilience. With millions of Canadians depending on *Interac* solutions every day, we worked quickly to maintain business continuity, network stability, and security at the onset of and throughout the pandemic. Like many organizations we had to immediately transition all (450+) of our employees to work from home. In doing so, we put their safety and well-being at the forefront of every business decision to ensure they had the support needed to keep our networks and services running smoothly.

Maintaining network stability and business continuity also meant thinking strategically about how to advance our business priorities to support an increasingly digital world. That involved continued efforts to consolidate and modernize our technology to advance the interoperability of our platforms while also making investments to enable new lines of business in the future.

As consumers' purchasing behaviours dramatically shifted to digital options, we expanded our digital solutions – from making *Interac*® Debit contactless and eCommerce payments more accessible to enhancing our *Interac* e-Transfer® Bulk solution – giving Canadians more control and flexibility.

The continued acceleration of digital payments and our internal efforts yielded tremendous success for Interac this year. We saw record usage of Interac e-Transfer and more than half of Canadians (53 per cent) used Interac Debit in apps and websites more frequently during the pandemic.

We also continued our efforts to architect a future where Interac is a trusted digital value exchange in Canada. This year marked our first full year of operations alongside our subsidiary, 2Keys Corporation, since acquiring the national security company in November 2019. Together we demonstrated our digital ID capabilities and raised awareness of the role we could play in a Canadian digital ID framework – the need for which was accentuated this year. I am confident that those efforts, bolstered by our scalable technology platforms and solutions, solidify our leading position in the Canadian payments ecosystem and successfully set us up for long-term sustainable growth.

None of our successes this year would have been possible without the resilience and perseverance of our workforce. Throughout the challenges of 2020, the well-being of our employees remained a top priority. We expanded mental health resources and implemented programs to keep our employees connected during times of isolation. And, as the reality of remote work emphasized the necessity for a strong workplace culture, we continued our cultural transformation journey, engaging employees across all levels of the organization to define and design the *Interac* culture they desire.

A key focus of our cultural evolution this year was on inclusivity and equitability in our organization's internal and external operations. We witnessed the health and economic impacts of the pandemic as they disproportionately affected vulnerable populations, as well as the ugly realities of systemic racism. That spurred meaningful and much needed reflection by our leadership and employees on what it means to be anti-racist allies. At Interac, it means that being a champion of equality and empowerment is an ongoing effort, but also crucial to demonstrating how we are an employer of choice and an excellent corporate citizen. This year, we launched a new

Equity and Empowerment initiative to combat racism and discrimination within our walls and in our communities.

Although COVID-19 continues to present profound challenges and uncertainties, I am confident Interac has the right strategy, team, partnerships, and support in place to grow now and into the future. I thank and applaud our employees for their incredible contributions during this difficult year. I am also grateful to our Board and shareholders for their invaluable counsel and continued support. 2020 was indeed a year of many lessons, but one of the biggest was the immeasurable value of our team working together to innovate for the future while supporting the millions of Canadians who rely on our services each and every day. I am immensely proud of what we accomplished in this challenging year and am looking ahead at our continued efforts to empower Canadians to transact digitally with confidence.

Thank you,



Mark O'Connell
President and Chief Executive Officer
Interac Corp.

Message from the Chair of the Board

To describe 2020 as a year requiring strength and resilience is an enormous understatement. Not all businesses could manage in the face of such uncertainty, and I was impressed to see Interac display both during what was an extraordinary year in Canada and beyond.

The business and social implications of COVID-19 presented immense hardship, but guided by its purpose, values, and forward-looking vision, Interac successfully navigated a challenging year and delivered for its customers, employees, partners, and shareholders. The organization's commitment to success and its long-term growth strategy in a period of unexpected change was also a testament to existing governing practices that were further strengthened throughout the year.

Among the careful management decisions required to support Canadian consumers and businesses, 2020 also brought the expiration of the Consent Order for Interac marking the official end to its restructuring journey. This new chapter signals the opportunity for further growth and diversification of product offerings for Canadians alongside a continued commitment to operate a low-cost business model.

In a year that demanded quick and strategic decision-making by executive management and the Board, we were pleased to consult on and support operational changes that enabled more

control and flexibility for consumers and greater clarity for our financial institution partners. Working collaboratively with leadership, we further achieved critical success goals by creating an Innovation Committee and completing pivotal strategy work related to the mid-term and long-term journey of Interac to futureproof the business.

The results of those decisions reflect the careful, sound, and strategic path paved by the *Interac* executive team to respond to the pandemic, support customers and employees, provide value to shareholders, and ultimately solidify the company's role as a trusted and reliable leader at the forefront of digital innovation in Canada.

On behalf of the Board of Directors, I would like to extend a thank-you to Chief Executive, Mark O'Connell, and his leadership team for their dedication and resilience in an incredibly difficult time. This was my first year as Chair of the Board, and it was a year that starkly reaffirmed the need for continued innovation. I am optimistic in our united and committed efforts to advance the way Canadians exchange value in the digital economy today, and far into the future.

Thank you,



Paul Vessey,
Chair of the Interac Corp.
Board of Directors,
Independent Director





Overview of Interac and Corporate Governance

One of Canada's most trusted
financial services brands.

Who We Are

Interac Corp. empowers Canadians to transact digitally with confidence by providing payment and value exchange services rooted in security, reliability, and efficiency.

As a leader in digital security and authentication alongside our subsidiary, 2Keys Corporation, security is the core of everything we do. 2Keys Corporation is a national leader in research, policy, operations and technology for digital identity and cyber security. Our state-of-the-art privacy, fraud mitigation and governance expertise ensure we help keep Canadians safe and secure when transacting with Interac.

We deliver value to our shareholders by leveraging shared, scalable technology platforms, investing in our business priorities and driving strategic growth that enhances our customers' relationships with their clients. We have strong relationships with partners across the payment ecosystem, from financial institutions, tech giants and fintechs to payment solutions providers and merchants. Because of where we sit in the payment ecosystem, collaborating and connecting with partners, platforms and people is how we succeed.

To maintain our leadership in the payments landscape, we are focused on:

- Operating secure, reliable and efficient shared platforms and solutions
- Leading innovation that enhances value and relevance to customers
- Competing globally at industry standards





Our Products and Solutions

Canadians choose *Interac* products and solutions an average of 18 million times a day to pay and exchange money. In 2020, \$489B was moved across more than 6.5B transactions on the *Interac* network.

Interac Debit enables consumers to make payments for everyday purchases using funds directly from their bank account, operating on a good funds model. The merchant has real-time access to funds with no risk of chargebacks and acceptance is a lower cost compared to other networks. Since the first debit cards were introduced in 1994, the debit solution has evolved to include a number of offerings, including eCommerce.

- **Cross-Border** enables Canadians to use their debit card at two million retailers in the United States
- **Cash withdrawals** are available anywhere in Canada from Automated Banking Machines (ABMs) displaying the *Interac* logo
- **Contactless payments** enable customers to transact using a debit card or OEM (original equipment manufacturer) mobile wallet designed to make everyday purchases quick, secure and convenient for customers
- **eCommerce payments** enable customers to pay with their own funds online or in their mobile apps

Interac e-Transfer is a digital money transfer service to instantly send, request and receive money securely in Canada. First launched in 2003, the service has grown to be an essential and ubiquitous service for Canadians.

- **Autodeposit and Request Money** features were launched in 2017, which enhanced the user experience and opened new use cases for small and micro businesses.
- ***Interac e-Transfer Bulk*** allows businesses to manage payments to and from multiple recipients quickly and safely.
- **International remittances** are available through collaborations with Mastercard and Western Union.

Interac has business capabilities to meet the demands of the modern payments' ecosystem and real-time needs of the market. We have world-class security, privacy, fraud mitigation and governance expertise, and we help keep Canadian customers safe and secure 24/7/365 when transacting online.

Interac Executive Committee



Mark O'Connell, President and CEO

Linda Drysdale, Chief Financial Officer

Debbie Gamble, Chief Officer, Innovation Labs & New Ventures

William Keliehor, Chief Commercial Officer



Kikelomo Lawal, Chief Legal Officer, Ombudsman, Corporate Secretary

John Scott, Chief Executive Officer, 2Keys Corporation

Caroline Stephens, Chief Human Resources Officer

Peter Sweers, Chief Technology & Operations Officer

*Departed Interac October 2020

Interac Board of Directors



Paul Vessey, Chair of the Board, Independent Director

Sharon Haward-Laird, Vice-Chair of the Board, Bank of Montreal

Sean Amato-Gauci, Royal Bank of Canada

*Departed the Board January 2021. Replaced by Derek Vernon.



Ian Burns, 189286 Canada Inc. o/a CUCC

David Clanachan, Independent Director

John Cowan, Canadian Imperial Bank of Commerce

*Departed the Board January 2021. Replaced by David Gillespie.

Interac appointed Paul Vessey as the new Chair of the Board in 2020. Paul served as an Independent Director on the Interac Board since 2018 and brings 40 years of experience in the financial industry, including Chief Operating Officer at Visa USA Inc. His experience leading a global payments technology company has been a dynamic force as Interac solidifies its leadership role in the way Canadians exchange value.



Sophie Forest, Independent Director

Yann Jodoin, Fédération des caisses Desjardins du Québec

William G. McEwan, Independent Director

Mark O'Connell, Interac Corp.

*Replaced Angela Strange as Independent Director in September 2020

*Replaced Patrice Dagenais in June 2020



Frank Psoras, The Toronto-Dominion Bank

Anya Schnoor, The Bank of Nova Scotia

Lisa Swiderski, National Bank of Canada

*Departed the Board October 2020. Replaced by D'Arcy McDonald.

Board Committees

A brand-new Innovation Board Committee was created in 2020 to examine the future of Interac and the role we can play in payments modernization. This committee helps the Interac Board of Directors provide strategic insight into how Interac prioritizes initiatives such as digital ID in Canada and the creation of an Open Banking payments system.

Governance Committee
William G. McEwan
(Committee Chair)
Ian Burns
Yann Jodoin
Frank Psoras
Executive Lead: Kikelomo Lawal

HR and Compensation Committee
Sean Amato-Gauci
(Committee Chair)
Lisa Swiderski
Sophie Forest
David Clanachan
Executive Lead: Caroline Stephens

Risk Committee
John Cowan
(Committee Chair)
Anya Schnoor
Sean Amato-Gauci
Paul Vessey
Executive Lead: Linda Drysdale

Independent Committee
David Clanachan
(Committee Chair)
Paul Vessey
Mark O'Connell
William G. McEwan
Sophie Forest
Executive Lead: Kikelomo Lawal

Innovation Committee
Sharon Haward-Laird
(Committee Chair)
Anya Schnoor
Sophie Forest
John Cowan
Ian Burns
Executive Lead: Debbie Gamble

Finance and Audit Committee
Yann Jodoin
(Committee Chair)
Frank Psoras
Lisa Swiderski
William G. McEwan
Executive Lead: Linda Drysdale

Advisory Committee
David Clanachan
(Committee Chair)
Executive Lead: William Keliehor

A Well-Governed Interac

Corporate governance at Interac is comprised of practices and principles that contribute to our trusted reputation in the financial services sector. To maintain the corporate stability that drives our business, Interac relies on a matrix of interconnected functions that address market needs and challenges, while ensuring our shareholders and participants are informed and governed effectively. Our corporate governance policies, procedures and programs are reviewed annually to ensure they remain relevant and effective.

Corporate Governance Framework:

- Implementing effective policies, programs, and mechanisms
- Working in collaboration with our Board of Directors and Management to ensure the company operates ethically and responsibly
- Maintaining open lines of communication
- Providing comprehensive reporting to clients and shareholders
- Buttressing all the above with corporate programs and initiatives that elevate the corporate profile

Our Board of Directors is comprised of 13 leaders in the financial, technology, and payments space, including four Independent Directors. Each member plays a vital role in the management and oversight of *Interac* products, services, and operations to ensure all decisions are made in accordance with applicable regulations, by-laws and agreements.

Shareholder Relations:

As Interac Corp. is not publicly traded, Shareholder Relations is focused on timely transparent communication and active shareholder engagement.

Our shareholders played a critical role on projects in 2020 that open new doors for Interac, including the acquisition of 2Keys Corporation, a national leader in research, policy, operations and technology for digital identity and cyber security, and MintCo, an organization started by six of the largest Canadian financial institutions with the aim of creating a simplified account-based eCommerce platform.

In early-2020, Interac held its second Annual General Meeting with special guest Masai Ujiri.

“If you want to stand out, and you want to make an example for the youth, and for the future of whatever we’re doing, you have to push the envelope.”
— Masai Ujiri



A Culture of Good Ethics and Compliance

Good business ethics are essential to governance excellence. Interac has adopted a values-based ethics and compliance program that uses resources efficiently and closely aligns with our corporate culture. *Interac* employees know what the rules and policies are, and understand why they exist. With the pivot to a remote workforce, employee resources and a refreshed training module were made available online.

In 2020, we also formalized the policies and procedures of the Ombudsman's Office of Interac Corp. A Terms of Reference was created in 2020 to set out our mandate, model, guiding principles, jurisdiction, scope of responsibilities, complaint-handling process and records management protocols. The Ombudsman's Office represents another avenue for escalations and concerns when all other methods have been exhausted.

Expiration of the Consent Order

2020 brought the expiration of the Consent Order, issued by the Competition Tribunal in 1984, that required Interac run on a not-for-profit basis, setting fees only to recover costs directly associated with running the business. The Consent Order was amended in 2013, enabling us to restructure in 2018, while still maintaining a cost-recovery model for shared services. The expiration of the Consent Order marks the official end of our restructuring journey. This new chapter for Interac allows us to grow and diversify our product offerings for Canadians while continuing our commitment as a low-cost solution for merchants.

Winner of 2020 Best in Corporate Governance (Canada) Award

Presented by the World Finance Magazine

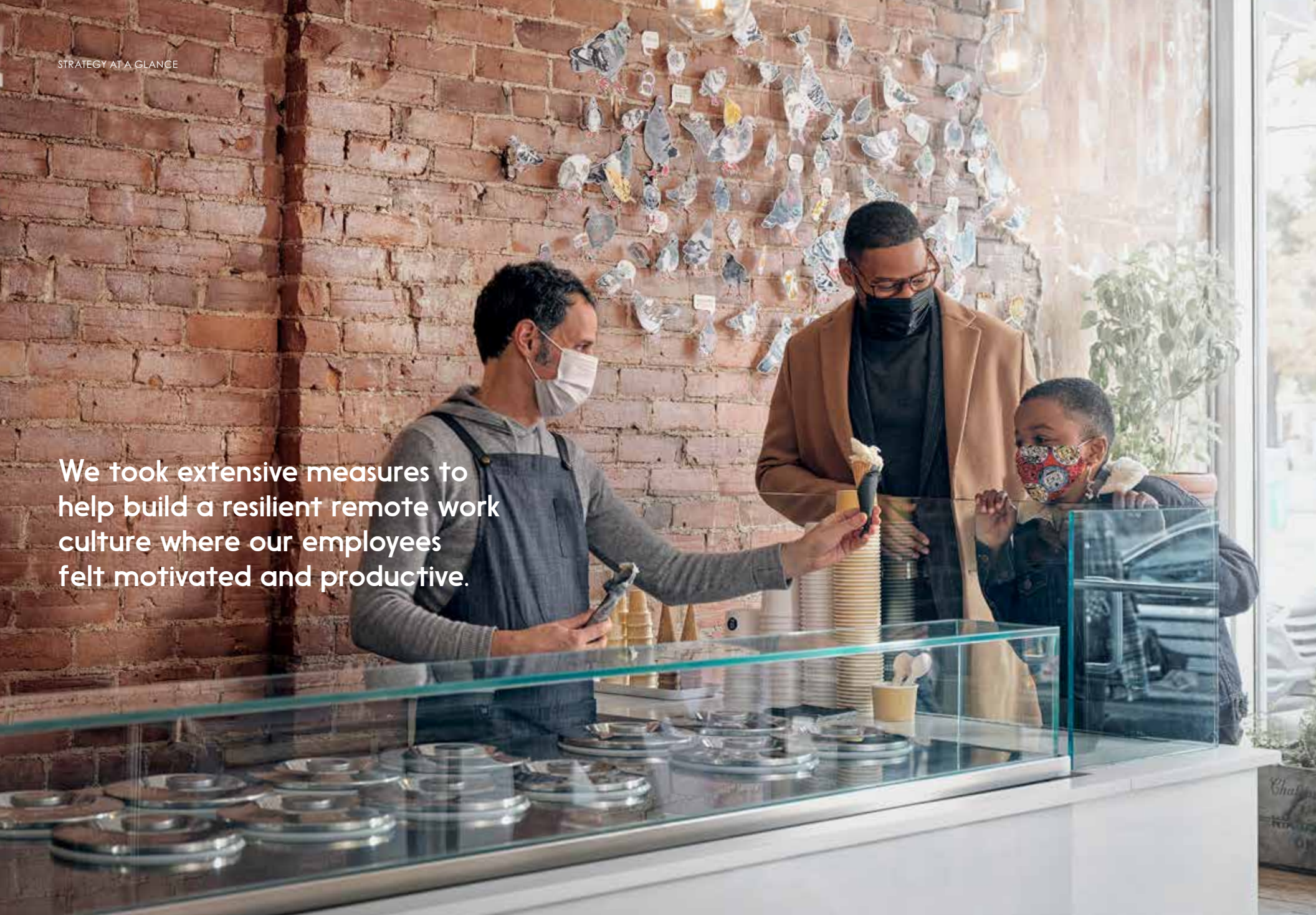


World Finance Magazine recognizes organizations from across the globe that represent best-in-class corporate governance, exemplary regulatory compliance, and investor relations.

Strategy and Corporate Performance

Interac plays an important role in the Canadian payments ecosystem, connecting our participants to their customers across Canada. The *Interac* Board of Directors provides strategic oversight and guidance to management to help Interac deliver business results and value for all stakeholders.





We took extensive measures to help build a resilient remote work culture where our employees felt motivated and productive.

Response to COVID-19 Pandemic

The COVID-19 pandemic impacted the lives of all Canadians in 2020. We were forced to change where and how we work, and to reevaluate our priorities – both at work and at home.

Millions of Canadians depend on *Interac* solutions every day, a responsibility we do not take lightly. Our business continuity planning helped us effectively transition all 450+ employees to work from home and maintain all core systems without disruption – ensuring Canadians could continue to buy the things they needed and move their money during this difficult year.

We took extensive measures to build a resilient remote work culture where our employees felt motivated and productive. We ensured employees were kept up to date on changing policies, and instituted a work-from-home allowance to help them upgrade their workspace to promote comfort and efficiency. *Interac* also prioritized the mental health needs of our employees by expanding mental health benefits and instituted regular 'Quiet Hours' to allow staff to work without interruption as well as manage household demands.

While COVID-19 has been difficult for everyone, it has been especially difficult for Canadians struggling in our communities. We worked closely with governments and our partners to distribute emergency funds to Canadians in need of support. The province of Alberta distributed a one-time COVID-19 relief payment via the *Interac* e-Transfer service for

those self-isolating and unable to work at the beginning of the pandemic. The Canadian Hospitality Worker Relief Fund also used the *Interac* e-Transfer platform to disburse funds to grant recipients in the hospitality industry.

Businesses across the country also showed their resilience by pivoting in response to government restrictions and changing consumer behaviours. To better serve their customers, many quickly shifted to digital payment tools such as *Interac* e-Transfer. We expanded our digital offerings for small businesses, supported small businesses through internal engagement initiatives and through our association partners, and focused our marketing efforts on encouraging Canadians to shop local.

The shift to digital payment solutions throughout the COVID-19 pandemic illustrated the essential role *Interac* plays in Canada's economy, as evidenced by the record transaction numbers for digital solutions like *Interac* e-Transfer. This year, the Bank of Canada deemed *Interac* e-Transfer a Prominent Payment System, further underscoring the importance of our network in Canada's economic stability.

Corporate Performance

In a year of unprecedented uncertainty and change, Interac met its financial targets for the 2020 fiscal year. Careful financial management of our operations created a stable, resilient Interac, which enabled us to provide the uninterrupted service required of a business embedded in the day-to-day lives of Canadian consumers and businesses.

The *Interac* Board acknowledged Interac exceeded expectations despite the unexpected effects of COVID-19 on Canadians' purchase behaviours and activity.

Every year, our financial mandate includes commitments to:

- Maintain an affordable pricing structure for merchants
- Scrutinize operating costs to drive value to shareholders
- Earn profit to cover *Interac* operational costs, with an eye to moving toward a self-funded model
- Separate platform and scheme to prepare Interac for additional revenue streams



2020 Snapshot

Our Performance Indicators

Transaction Growth

Our Highlights

45%: YoY growth of *Interac* e-Transfer transactions **56%:** Share of contactless transactions across all *Interac* Debit **11.8%:** YoY growth of *Interac* Debit contactless transactions

Revenue

Revenue growth: **21%:** Consolidated growth in 2020 Revenue drivers: **25%:** New users of *Interac* e-Transfer revenue **2Keys** New revenue

Covid-19 Implications on *Interac* Debit transactions:

5.7%: Decline in overall Debit transactions due to government-imposed closures of nonessential services **2.3%:** YOY decline in *Interac* Debit revenue

Fraud Rates

\$37.5M: Prevented in fraud losses for *Interac* e-Transfer, despite overall growth in attempted fraud **60%:** Increase in successful phishing takedowns **<2 bp** Fraud losses at year-end - for every \$100 spent, less than \$0.02 was lost to fraud, the lowest rate since 2013.

Network Availability

100%: Availability of the *Interac* e-Transfer platform during a year when Canadians needed it

Operational Efficiency

Integrated 2Keys financial operations into *Interac* systems and streamlined finance processes, enabling consistent and efficient financial reporting Integrated MintCo. operations into *Interac* systems

Our Investments

- + Increased investments to support retail and business products & solutions:
 - Transit capabilities
 - Digital ID
 - In-App & In-Browser
 - SDK proximity capabilities
 - Interac* e-Transfer technical releases
- + Resiliency of our network
- + Preparations for the Real-Time Rail with Payments Canada
- + Culture transformation through the Barrett Model™ and McLean & Company to respond to employee trends and feedback
- + Digital workplace, including Workday, a human resource management system; Bucketlist, a digital rewards platform; and Concur, a digital expense platform
- + Taken together, our revenue and investments still generated a positive cash flow

Digital Transaction Growth in Canada

COVID-19 changed the way Canadians transact, accelerating the shift to digital payments and driving *Interac* transaction growth.

5.8 billion total *Interac* Debit Transactions

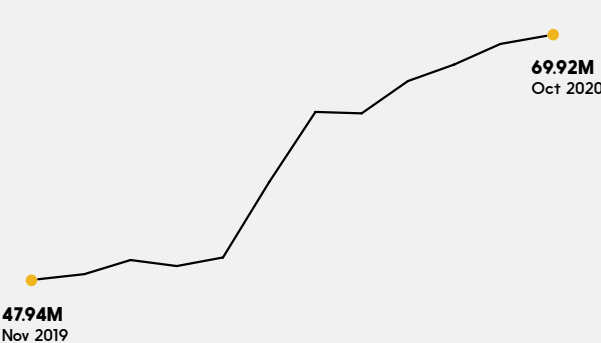
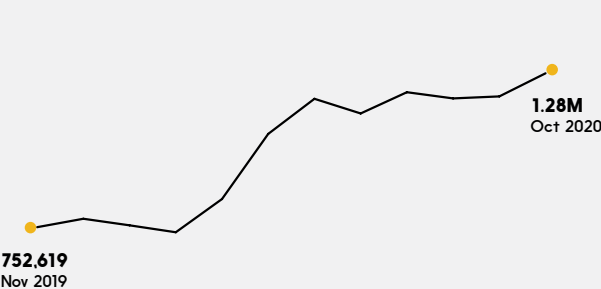
11.8% YoY growth of *Interac* Debit contactless

3.29 million *Interac* Debit transactions in apps and on websites

64.5% YoY growth of *Interac* Debit for online transactions

45% YoY growth of *Interac* e-Transfer transactions

145% YoY growth of *Interac* e-Transfer Bulk



Key moment: March 12-15 2020

Interac Debit Chip and PIN transaction size Increased 53% at grocery and drug stores.

Key moment: August 2020

Contactless transactions up 85% in restaurants and other eating places compared to April 2020.

Key moment: June 2020

Avg. value of *Interac* Debit transactions in apps at restaurants/food establishments increased more than 10% compared to before the pandemic.

Key moment: March 2020

Sharp increase in volumes as individuals shifted towards online shopping for industries such as gambling/lottery and food delivery.

Key moment: March-May 2020

Businesses received 35% more *Interac* e-Transfer transactions than originally forecasted.

Key moment: August 2020

Interac e-Transfer Bulk transactions reach record volumes.

2020 Business Highlights

Through the careful management of our technology, products and business operations, Interac realized a number of successes that enabled a strong fiscal year despite the uncertainty of COVID-19.

Technology

- Renewed important vendor contracts to help us further enhance our networks' resiliency, availability and security
- Modernized fraud data environments and processes to increase automation, security and resiliency
- Hit a record of almost 70 million *Interac* e-Transfer transactions in October 2020, the last month of our fiscal year
- Launched the new Integrated Operations Centre to provide in-house support to customers

- Using modern APIs, Interac enabled the first Canadian real-time payment in ISO20022 format, providing ultra-enhanced security and rapid transfer of funds
- Achieved 100% availability for *Interac* e-Transfer

Product and Innovation

- Supported the increase in *Interac* Debit contactless per-transaction limit in response to market shift toward contactless checkout
- Four financial institutions launched *Interac* e-Transfer Bulk Payables, and two financial institutions launched *Interac* e-Transfer Bulk Receivables
- *Interac* e-Transfer had its first data-rich payment sent using ISO20022
- Closed the fiscal year with our lowest fraud rate since 2013
- Built our digital ID practice with 2Keys Corporation, which we acquired November 1, 2019

- Designed digital ID capabilities and developed proofs-of-concepts on emerging digital ID technologies, sponsored and funded by the Canadian Federal Government
- Co-developed National Standard for Digital ID, accredited by Standards Council of Canada
- Participated in the first Federal Government Consultation on Open Banking
- Completed behavioural incentivization program with Heart & Stroke Foundation, reaching almost 100% of anticipated enrolments
- Engaged in meaningful consultations with Payments Canada on the future Real-Time Rail

Business Operations

- Enacted business continuity planning process in response to the COVID-19 pandemic, pulling together a dedicated team to closely monitor public health recommendations, make changes to company and employee policies, and ensure we were prepared for future scenarios
- Completed a successful financial analysis and reforecasting to respond to COVID impact
- Rolled out new digital platforms across the organization, including Workday, Bucketlist, and Concur, to enhance employee efficiency and recognition
- Launched the Equity and Empowerment Initiative through our Diversity & Inclusion Program, focusing on 10 workstreams that address different forms of inequity within our organization and in our communities

2021 Key Focus Areas

The pace of digital acceleration has never been greater. Our transaction data has been a key indicator of the state of the economy based on Canadians' behaviours spending and moving money. We are accelerating our roadmaps in 2021, focusing on people, products and solutions, and technology.

People

- Continue culture transformation and strengthen employee feedback
- Continue Diversity & Inclusion work and strengthen employee and community engagement
- Increase customer satisfaction

Technology

- Improve fraud risk score and resiliency
- Maintain uptime of our network

Products and Solutions

- Maintain profit-aware operations and transaction volume growth
- Pilot viable eCommerce solution supporting one-off, recurring and subscription-based payments
- Enhance *Interac* e-Transfer for business capabilities & market adoption
- Support *Interac* Debit contactless transaction limit increase
- Enable open payments on priority transit networks
- Scale *Interac* Debit on apps and browsers
- Evolve our strategic roadmap to sustain long-term growth
- Continue work with Payments Canada to build a modern payments' ecosystem
- Elevate our leadership in digital ID and launch the *Interac* digital ID service





Our Strategy

1 Pave the Way for Rapid Commercialization
Through a Unified *Interac* Digital Platform

2 Lay the Foundation for New Lines of Business

3 Build on Our Leading Position in Canadian Payments

4 Seek a Leadership Role in Digital ID

Pave the Way for Rapid Commercialization Through a Unified *Interac* Digital Platform

Since restructuring in 2018, Interac Corp. has focused on unifying our technology and operations to strengthen our network and become a stronger part of the Canadian payments ecosystem. We continue to consolidate our infrastructure, modernize and enhance our networks, and advance the interoperability of our platforms to meet the omni-channel demands of the evolving digital landscape. Internally, adapting the way we work and embracing flexibility has been critical to the operation of Interac as a unified organization – and that mindset became a great asset in 2020.

Seamless service through a global pandemic

Interac products are chosen by Canadians around 18 million times per day to pay for goods and exchange money, making the availability of our products and services integral to the functioning of the country's economy. Through effective business continuity planning, the entire *Interac* team shifted to a work-from-home model in March 2020, maintaining service quality and security even as *Interac* e-Transfer reached an historical single day high on May 1, 2020, with over 3.75 million transactions. To enable that seamless service, Interac swiftly bolstered VPN access to all employees, streamlined our workplace tools, and introduced digital finance, legal and HR tools to enhance self-serve capabilities and productivity.

No projects in technical development or delivery were stalled as Interac shifted its operations to a fully digital environment. Our technical teams met all planned business obligations and made significant strides modernizing and unifying our networks to ensure we continued to provide best-in-class resilience, availability and security. Interac reduced the planned downtime of our networks, achieved 100% availability for *Interac* e-Transfer, and launched the new Integrated Operations Centre to provide ongoing application support to customers.

On October 1, 2020, *Interac* e-Transfer hit a record 3.9 million transactions in a single day with zero outages or incidents reported.



A unified team drives results

Alongside adapting to the lifestyle changes brought on by the pandemic, *Interac* teams also embraced organizational shifts designed to drive internal agility, collaboration and productivity. Employees embraced those changes, reflected by the record employee engagement scores and feedback Interac received in 2020.

Key stakeholders from across the company came together in cross-functional and full-stack teams, resulting in visible improvements to internal alignment and agility, optimizing the delivery of strategic initiatives, and improving time to market. Interac also made strides integrating with 2Keys Corporation following the acquisition of the security leader in November 2019, resulting in significant progress on our digital ID platform development.

Over the last couple of years, our Technology and Operations team embarked on a transformation journey to improve our payments platforms' resiliency, reliability, availability and security and maintain our leading position as Canada's #1 trusted financial services brand.* Adjusting the organizational structure of our technology groups has been critical to achieving these targets, including bringing separate development and infrastructure teams together into cross-functional teams to optimize end-to-end development, delivery and support. We made further progress in 2020 by realigning our project management function within our infrastructure operations and platform engineering functions to better enable go-to-market delivery and operational excellence, and enhanced our capabilities through the new Integrated Operations Centre.

* Interac Corp. tied for #1 most trusted financial services brand according to the 2020 Gustavson Brand Trust Index.

Best-in-class security

To enable instantaneous, higher-value payments, it's critical that we continue to provide the best-in-class fraud prevention that Canadian consumers have come to expect from Interac. Recent investments and organizational shifts have kept us ahead of the curve – while Canadian fraud attempts increased in 2020, Interac saw our lowest fraud rates since 2013.

Interac embedded security and risk management more deeply into our organizational framework this year by bringing managed security service in-house, leveraging security monitoring services from 2Keys, and embedding security and risk assessments more deeply into the business to ensure security controls, fraud-use cases and countermeasures were in lockstep with product launches and go-to-market strategies. Security measures were employed, including alignment with industry-security architecture frameworks, upgraded machine learning models,

and fraud data environment upgrades to improve predictive fraud analysis and detection. We also enabled a best-in-class technical anti-spoofing standard to protect email senders and recipients from spam, spoofing, and phishing, and advanced our fraud intelligence and monitoring to ensure the safety and security of our network and participants.



Lay the Foundation for New Lines of Business

While operational excellence and consistent delivery of our ubiquitous network capabilities to clients continues to be at the core of our business, Interac is evolving our suite of innovative solutions and value-added services. Our technology modernization journey has enabled Interac to enter new areas of product and service expertise, and an ongoing stream of technical advancements and new releases will continue to ensure our ability to grow our reach.

Futureproofing our networks and workforce

In 2020, Interac continued to invest in new technology, processes and talent needed to support our rapidly expanding slate of products and services. To support our growing technology mandate, Interac completed multiple contract renewals with key vendors, which contribute to improved network availability, and we increased the operational capacity of our payments platforms to prepare for continued scalability of our products and services. We also continued to modernize our fraud data environments to increase automation, bolster security and prepare for future-use cases, and added advanced security tooling to speed up fraud investigations and incident response.

Effective futureproofing is also dependent on a highly skilled workforce. In 2020, we grew our technical team by 14%, acquiring top talent, including seasoned experts with broad payments and industry experience to fill the roles of VP, Platform Engineering & Transformation and VP, Infrastructure Operations. Meanwhile, we continued to invest in upskilling our existing staff to the latest software delivery methodologies and made organizational changes to ensure employees were placed in roles where they would drive the most value. We also embraced new, but proven, technologies and processes, and tapped into the external market for thought leadership and disruptive thinkers to inform innovation.

Using modern APIs, Interac enabled the first Canadian real-time payment in ISO20022 format in December 2020, providing ultra-enhanced security and rapid transfer of funds.

Software advancements accelerate go-to-market

We continued to accelerate time to market for our products and services, rolling out quarterly major releases and multiple minor software releases in 2020 that enabled production readiness for future real-time payment processing and to support the sustained growth of *Interac* e-Transfer. Our teams created this efficiency by automating our software deployment pipeline and infrastructure provisioning for our applications, allowing our teams to focus on value-added capabilities. We also accelerated the adoption of cloud-ready platforms for non-production environments used for product development and data analytics, reducing our lead time for provisioning new environments from months to days.

Supporting new lines of business

Interac is focused on multiple new forays that our company is uniquely positioned to contribute to, including digital ID, transit payments and the new Canadian Real-Time Rail – each of which underscores our goal of helping Canadians transact digitally with confidence.

- Through 2020, Interac continued to partner with Payments Canada to build a partnership for the design and delivery of Canada's new Real-Time Rail (RTR), which will allow Canadians to initiate payments and receive irrevocable funds in seconds, 24/7/365.
- To advance our digital ID work, we worked closely with 2Keys to design and implement a cloud-ready platform architecture using domain-based microservices, which will enable scalable, cost-effective and highly secure credential management applications of the future.
- Interac entered a production-ready state for our Debit transit payments pilot by completing two major build releases and a robust security assessment.

Build on Leading Position in Canadian Payments

***Interac* products and solutions are offered through secure, interoperable, reliable and efficient platforms that enable us to not only move money, but also move related digital information and value between our customers. As a result, millions of Canadians depend on *Interac* solutions every day – a reliance that was spotlighted in response to the economic impacts of the COVID-19 pandemic.**

To ensure we meet the evolving needs of our stakeholders, partners, and Canadian consumers and businesses, we will continue to build on our leading position in Canadian payments to achieve success today and into the future.

Money Movement

Interac e-Transfer maintained its position as a leading peer-to-peer money movement platform. As Canadians increasingly required secure, convenient and near real-time payment options throughout the COVID-19 pandemic, more Canadians began using the *Interac* e-Transfer service and in new ways. As a result, the service experienced tremendous growth and closed the year with 706.4M total transactions – a 45% increase over the previous year.

Interac successfully grew the footprint of Autodeposit and Request Money features, further enabling new use cases for small and micro businesses. Autodeposit transactions accounted for 42% of total transaction volume and we experienced the largest increase in new Autodeposit users since its launch in 2017 with 73.6% growth over 2019. While the majority (73%) of requests made through Request Money were made by retail customers, the number of requests made by commercial customers increased by 70% over the previous year.

Continued investments in the modernization, security and resiliency of the *Interac* e-Transfer platform will enable us to deliver on future needs and volumes. We have been enhancing our capabilities in real-time payment initiation and confirmation, account-based routing, and compliance with ISO20022 to optimize the service for commercial use and allow the market more ways to innovate.

The enhanced *Interac* e-Transfer Bulk Payables product and launch of *Interac* e-Transfer Bulk Receivables will further support commercial payments and high-volume transactions, offering a viable batch processing alternative to Automated Funds Transfers (AFTs) and cheques. *Interac* e-Transfer Bulk Payables was used by some governments and the Canadian Hospitality Worker Relief Fund to disburse relief payments quickly and securely to Canadians impacted by COVID-19.

While the majority (73%) of requests made through Request Money were made by retail customers, the number of requests made by commercial customers increased by 70% over the previous year.



Our international payment offerings expanded as National Bank officially became the first bank to offer International Transfer by Mastercard® and Interac®, which leverages both Mastercard Send and the *Interac* e-Transfer platform to enable Canadians to send money to bank accounts in other countries.

2020 was a landmark year for low fraud losses as a percentage of dollar volume. *Interac* prevented \$37.5 million in fraud losses for *Interac* e-Transfer and closed the year below two basis points – meaning, for every \$100 spent, less than \$0.02 is lost to fraud – the lowest rate observed since 2013. We also increased the number of successful phishing takedowns by 60%, helping limit consumer exposure to risky sites and scams. Those achievements help position *Interac* well to maintain a low-risk posture as we enhance the *Interac* e-Transfer product for commercial use.

Commerce

Being a leader in Canadian payments requires that we continue to find new ways for Canadians to transact when and where they want, on their own terms. The pandemic had an immense impact on Canadians' purchasing behaviours. With the exception of shopping at grocery and drug stores, commerce ground to a halt when governments instituted states of emergency. We saw that impact in *Interac* Debit transactions, which declined alongside the lockdown.

When restrictions lifted, contactless transactions were a key driver of *Interac* Debit volume recovery as consumer preference trended towards contactless checkouts. To help support a more consistent experience for consumers, we engaged our partners to explore the increase of *Interac* Debit contactless transaction limits and expand the rollout of contactless payments. Walmart began enabling contactless functionality in stores for card and mobile and Shopify enabled the functionality on Shopify POS. Despite the challenges of business closures and restrictions, *Interac* Debit contactless transaction volumes for 2020 were 11.8% higher than 2019 and accounted for 56.1% of total debit volumes compared to 19.4% in 2019.

Even as debit volumes recovered when restrictions lifted, they remained lower than pre-pandemic levels, indicating a shift to eCommerce channels.

Our eCommerce solutions experienced significant growth in 2020. Our online transaction volumes grew by 64.5% over 2019. *Interac* Debit for apps and websites, a relatively new product in 2020, experienced double-digit monthly growth due to the demand for online food delivery. We worked with financial institutions and merchants to bring the option of in-app and in-browser payments to more Canadians. A total of 29 merchants were brought onto the service in 2020, including McDonald's, Jack Astor's, and Scaddabush. We are planning collaborations with Walmart Canada and Cineplex to enable *Interac* Debit in their apps and websites in the first half of 2021.

Innovating for the future

To ensure we continue to build on our position at the forefront of payments and the evolving digital economy, Interac approaches innovation through methodologies and frameworks that lead to strategic foresight. While we can't predict the future, we can be best prepared for it. Evaluating different perspectives and possible outcomes (scenarios) allows us to make better decisions to prepare for what's to come. As the ever-evolving payments and technology landscapes present opportunities beyond just Interac, we are now collaborating with our Board to explore future market scenarios with the intent of providing insights that will help Interac and key stakeholders better prepare for a range of strategic opportunities.

In 2020, we explored emerging technologies and trends that will help Canadians continue to transact digitally, safely, conveniently and in real time. From next-generation digital payments, open banking, blockchain and digital ID, we innovate with the needs of Canadians in mind, ensuring trust and consumer confidence.

Open Banking

Ecosystem collaboration is critical for a highly complex and nuanced system like open banking, which hinges not only on consumer adoption but broad stakeholder participation and a trusted and secure network that facilitates confidence. We conducted consumer-focused quantitative and qualitative research, built key alliances, and leveraged memberships across the industry to gather critical market intelligence to inform what an open banking framework in Canada could look like. Through our stakeholder engagements, Interac was elected to the FDX Board of Directors for North-America and Co-Chair for Canada. We also completed a proof of concept demonstrating our data aggregation and consent management capabilities, and consumer experience flows across each ecosystem stakeholder. Our efforts resulted in Interac being invited, as part of a select group, to present at the second-round consultation on open banking, hosted by the Department of Finance. That put Interac in a prime position to influence an open banking framework in Canada, whereby convening the ecosystem will ensure consumer experience and data rights are front and centre.

Beyond Payments

We continued to explore emerging technologies like blockchain to engage Canadians in promoting well-being for people and the planet. We partnered with the Heart and Stroke Foundation to incentivize Canadians to enrol in a program designed to help them manage their blood pressure, showcasing the ability for Interac and its partners to meaningfully engage Canadians and demonstrate new and innovative ways that Interac and its partners can provide value back to Canadians.

Data and Trust in the Age of Disruption

Debbie Gamble, Chief Officer, Innovation Labs and New Ventures sat down with Amy Webb, Futurist and best-selling author to discuss the implications Canadians should keep in mind when surrendering their trust.



Debbie Gamble, Chief Officer, Innovation Labs and New Ventures named FemTech Leader of the Year (2019) by Digital Finance Institute, and one of Canada's 50 Best Executives by The Globe and Mail (2020).

Here for Canadians During Challenging Times

Canadians were faced with great uncertainty in 2020 – not just over their health, but their finances, their jobs and the economy. Interac was there to educate Canadians about the changing fraud landscape and how they can protect themselves, welcome back small businesses after a challenging lockdown, and provide insight into economic recovery.

- **Fraud Prevention Awareness:** Our *Interac* Fraud Prevention Index drew responses from over 2,200 Canadians on their comfort level and ability to spot fraudulent attempts. Results found that six in 10 Canadians are more worried about fraud today than ever before, highlighting the need for improved fraud literacy. To educate Canadians, Interac collaborated with law enforcement authorities across Canada to release tips on spotting fraud and reporting suspicious activity, and provided education through the year on transacting online safely.
- **#WelcomeBack Advocacy:** Small businesses play a crucial role in strengthening our communities and many had to close their doors as a result of the pandemic. As businesses began to safely reopen under different dimensions and safety measures, Interac highlighted our support for local businesses through a social media campaign, encouraging Canadians to share their favourite local business signs using the hashtag #WelcomeBack.

We also provided support to industry associations to continue their important advocacy work on behalf of small businesses and retailers during the pandemic.

• **Interac Data Insights:** To help inform Canada's economic recovery, Interac tracked the evolution in consumer spending that took place after the initial lockdown and provided timely data to media, government and stakeholders on *Interac* Debit and *Interac* e-Transfer usage to Canadians. Our findings showed that Canadians were ready to spend money as long as they could do so safely and securely, and they were opting for digital solutions like *Interac* Debit contactless payments, in-app/in-browser and *Interac* e-Transfer over cash and cheques. Businesses were also adapting to restrictions by offering contactless solutions and shifting to *Interac* e-Transfer to continue to service customers.

Seek a Leadership Role in Digital ID

The importance of a digital identity framework was highlighted during the COVID-19 pandemic as experiences and transactions moved online, emphasizing the need for a future where key services like health care are easily, securely and safely accessible online and identity is verified.

Identity North Founder of Canada's Digital Economy Award. In 2020, Mark O'Connell, President & CEO of Interac Corp., was awarded the Founder of Canada's Digital Economy Award, which honours outstanding Canadians who have transformed the digital economy both at home and internationally.



Trust and Identity in a Digital World

According to a 2020 *Interac* survey:

- 75% of Canadians said government services should be accessible online
- Approximately half agreed it is more important now than pre-COVID-19 to access health (55%) and government services (50%), such as renewing a driver's license and registering for benefits online
- The perception of the convenience of digital versions of identity documents (driver's licenses/health cards) grew 10 percentage points from 2019
- Security remains a key consideration, with 67% of Canadians saying they are open to using a digital ID if their identity data is better protected than it is today

Raising awareness of the Interac role in digital identity

The foundational technology, capabilities and experiences behind the *Interac* brand puts us in a unique position to enable digital ID across a range of use cases, devices and platforms for the benefit of both the public and private sectors. To do this effectively, trust and governance need to be established as fundamental components of the ecosystem. We focused our efforts in 2020 on sharing our expertise and capabilities with governments and key stakeholders in the market:

- Responded to numerous procurement and consultation opportunities launched by governments across Canada to provide information about our vision for an interoperable digital ID network
- Spoke at numerous industry events and conferences such as the Conference Board of Canada
- Continued to advocate for standardization and interoperability through Board, Co-Chair, and Working Group memberships within various industry associations and standards bodies (DIACC, CIO Strategy Council, Kantara Initiative)
- Launched a national survey assessing the opinions of Canadians on their identity needs since the onset of the pandemic
- Delivered four new white papers exploring use cases for digital ID in sectors including alcohol and cannabis, lottery and gaming, health care and air travel; additional white papers and public awareness efforts will continue into 2021



We also contributed to the production of Canada's first national digital ID standard recognized by the Standards Council of Canada. That work is critically important as it sets out the early standards for using digital ID to connect people and communities across the country on a repeatable, scalable and trusted basis. We also contribute to the Canadian Forum for Digital Infrastructure Resilience, demonstrating our commitment to trusted digital outcomes for all Canadians, now and in the future.

Expanding our Capabilities with 2Keys Corporation, an Interac Company

Our acquisition of 2Keys Corporation on November 1, 2019, marked an exciting chapter in our growth story, ushering in a unique opportunity for Interac to create a comprehensive digital identity solution for the Canadian marketplace, government, and industry. In addition to raising awareness about Interac's role in digital identity, we continued to build on our capabilities in 2020 and demonstrate those capabilities to key stakeholders in the ecosystem.

Implementing digital ID and building trust is a shared challenge, making partnerships between public and private-sector organizations essential for success. We continued to strengthen key relationships in 2020 within public and private sectors to position Interac as a trusted partner for the enablement of a Pan-Canadian digital identity network. The network will enable Canadians to utilize their most commonly used documents (e.g., driver's licenses) digitally to verify their identity and access a range of services with convenience and confidence.

The digital ID team collaborated with the governments of British Columbia and Ontario to deliver a proof of concept demonstrating how a provincially issued credential could be utilized in a mobile wallet to access federal, provincial and private sector digital services. We also produced a digital wallet prototype for the federal government that demonstrated a completely digital experience for new Canadians immigrating to Canada, and were selected alongside other organizations to deliver a proof of concept demonstrating an interoperable digital wallet and credential management capabilities relating to birth certificates for Innovation, Science and Economic Development Canada. Those projects demonstrate our ability and desire to support emerging digital identity technologies and their relationship to a digital identity ecosystem.

Inside 2Keys

National leader in research, policy, process, operations and technology for Digital Identity, Access and Cyber Security in Canada

100% Canadian

20+ years of experience

Over 40M users of 2Keys services

1M+ logins per day

As Canada's #1 Trusted Financial Services brand*, Canadians already use and trust *Interac* millions of times each day when it comes to accessing and moving their money.

*2020 Gustavsson Brand Trust Index

People and Community

Our networks run reliably because of our employees and we put their safety and well-being at the forefront of every business decision made during the pandemic. We introduced measures to ensure employees felt engaged and supported as they navigated the newfound balance between work and home life.



Connecting People and Community

During a year of unprecedented events, we were inspired to look inward and find new ways to outwardly support our communities, customers, and our cultural transformation journey. While we upheld our commitments to being an employer of choice and home to an excellent workplace culture, we also focused on ensuring empathy and support consistently underpinned those commitments to reflect our new realities.

New investments to support our growing workforce

COVID-19 accelerated profound organizational and cultural shifts at Interac and introduced our team to new ways of working. As a result, we shifted our priorities and invested in initiatives that prioritized employee support and stability. To measure progress, we regularly surveyed our staff to better understand how they

were managing remote work and adapted our policies to best support them.

The launch of Bucketlist, our new rewards platform, fostered a strong and resilient remote work culture by ensuring employees felt supported and valued. Deploying Workday, a best-in-class

HRMS system, streamlined internal processes for employees, created greater efficiencies digitally, and will augment meaningful employee development opportunities, leadership capability and transparency.

We launched a cross-functional squad to collectively build a new, robust learning and development framework that meets the current needs of employees and people leaders, and will evolve as the future of work changes how we work and the skills necessary to be successful. That new framework, which combines online learning, coaching, and targeted curriculums as well as a repository of online and class-based modules focusing on our business and industry, is set to roll out in 2021 and 2022.

As we introduced those new initiatives, our team grew, too. Our total number of employees increased by 35%, which included employees of Interac subsidiary 2Keys, acquired by Interac in November 2019.

Transforming our culture to futureproof our business

Building and maintaining a high-performance culture is a top priority for Interac. This year – the second of a three-year cultural transformation journey – we focused on engaging and upskilling employees to drive innovation and business success by maintaining practices like:

- Repeated Barrett Model™ assessments throughout the year to better understand employee perceptions of current and desired culture – our October assessment results positively revealed 91% of employees believe Interac is committed to culture and 100% believe people leaders are making a positive impact
- Monthly engagement pulses to measure Net Promoter Score® (NPS), engagement trends, and prompt leaders to regularly discuss continuous improvements – Interac successfully exceeded its 2020 average NPS goal

- Birkman Method assessments and workshops to help teams better understand themselves and their colleagues' working styles, building a stronger, more collaborative and high-performing work environment. These assessments, as well as Success Factors, are also included as part of the recruitment process to better understand fit, increase new hire retention outcomes and better balance critical attributes within teams
- Regular educational, networking and social programming, shifting to virtual after the pandemic hit
- Leadership curriculums to continuously increase leadership capability, including effective people management, dealing with change, and contributing to high performance teams



Supporting our employees through COVID-19

Interac quickly acted to maintain business continuity, network stability, and security while shifting to remote working. Our networks run reliably because of our employees and we put their safety and well-being at the forefront of every business decision made during the pandemic.

We introduced measures to ensure employees felt engaged and supported as they navigated the newfound balance between work and home life. We invested in new programs prioritizing mental health and well-being. These programs were well received and appreciated by our employees, which was reflected through the doubling of our Monthly Engagement Pulse Net Promoter Score® during critical points of the pandemic. New programs included:

- Quiet and meeting-free hours
- A one-time work-from-home allowance
- New mental health resources
- Virtual fitness and meditation sessions
- Virtual social engagement activities and classes
- Monthly people leader calls
- An expansive COVID-19 digital resource centre housing CEO and senior leader updates
- A constantly evolving, public health abiding, and robust voluntary return-to-work plan for staff who faced difficulties working from home and accompanying support material for those employees

Supporting small businesses during COVID-19

Small businesses across the country demonstrated resilience throughout the pandemic by following government restrictions and adapting to new consumer needs and behaviours. To better serve their customers, many quickly shifted to digital payment tools such as *Interac* e-Transfer. *Interac* in turn championed its commitment to supporting organizations that improve the communities where we live and work by expanding our digital offerings for these businesses and offering financial support to our small business partners. Our support of organizations that work with small businesses, like the Canadian Federation of Independent Business and the Retail Council of Canada, helped ensure they could continue to help them navigate the challenges

of the pandemic. We also launched our own marketing campaign encouraging Canadians to support local business in their communities. In addition to campaigning and expanding our digital offerings, we also pivoted our internal efforts to aid small businesses hit hard by the pandemic and invested more than \$15K through employee-led initiatives. We partnered with local businesses to host virtual activities like Paint Nite and Musical Bingo for staff and their families. We also launched a small-business catalogue for our Employee Appreciation Week and partnered with Toronto vendors to create experiential packages that our staff could enjoy at home.



Focused Marketing efforts to shop local.

Interac gives back

2020 starkly highlighted the importance of community, togetherness and standing up for one another – all principles *Interac* proudly champions. In times uncharacteristically more challenging than we’re accustomed to, we ramped up support to our community partners, investing more than \$1M this year.

Expanding employment opportunities for young innovators	Investing in the future of Canadians and technology	Increasing financial and digital literacy	Building and investing in Canadian communities
<p><i>Interac</i> is committed to supporting the next generation of tech innovators. In 2020, we brought on interns through The Knowledge Society accelerator program and our <i>Interac</i> Lab at Communitech, helping to expand their knowledge of emerging technologies and the future of payments in Canada. We also worked with Holland Bloorview through their Ready to Work program which connects people living with disabilities with early work opportunities.</p>	<p><i>Interac</i> is an innovation partner for The Upside Foundation of Canada, which helps enable early stage, high growth Canadian companies to donate equity to charity. <i>Interac</i> also supports the McGill Dobson Centre for Entrepreneurship and Student Life and Learning to enhance digital education, which was especially important in response to COVID-19 this year.</p>	<p><i>Interac</i> supports the Junior Economic Club of Canada’s Mindfulness and Money program, which helps young people explore their relationship with finance and builds their confidence to make positive financial decisions.</p>	<p>We reimagined our annual United Way Campaign to focus on diversity and raised more than \$95,000 for the United Way and its agencies that support marginalized communities. <i>Interac</i> also partnered with ACCESS employment, a United Way agency, where 50+ <i>Interac</i> staff mentored new Canadian women looking for employment opportunities in the fintech space.</p>

Diversity & Inclusion

I believe that by truly embracing diversity and practicing inclusion, we build a stronger, more relevant company.

Mark O'Connell,
President and CEO, Interac Corp.



Diversity & Inclusion at Interac

Our D&I Council comprises more than 25 employees with representatives from each department across our organization. In 2020, the team launched five new programs, hosted 10+ events, invested \$115,000 in organizations that support marginalized communities, and launched the Equity and Empowerment Initiative.



Equity and Empowerment Initiative

Diversity and Inclusion is a top priority for Interac. In 2020, against the backdrop of a health crisis and economic crisis, we witnessed tragic racial injustices showcasing the realities of systemic racism and the need for positive change. To help drive change at Interac, we focused our efforts on employee based, public facing and community-oriented fronts, beginning with open forums to give our employees the opportunity to speak honestly about their experiences.

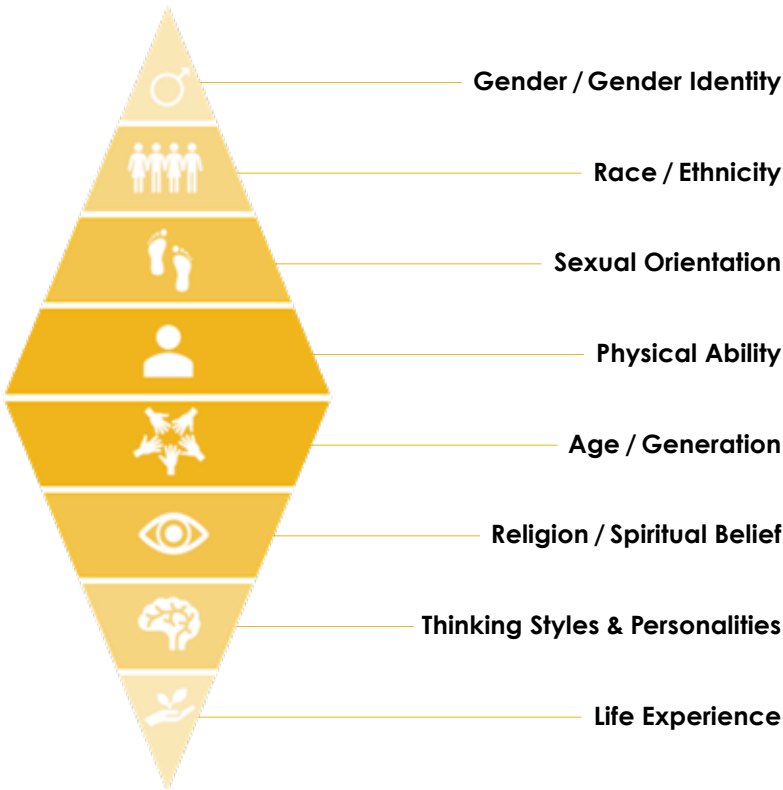
Leveraging insights from our employees, we launched the Equity and Empowerment Initiative (EEI) involving ten workstreams focused on combating anti-Black racism and other forms of discrimination within our walls and in our communities. Interac also supported five organizations through that initiative, including the Black Business and Professional Association, CEE Centre for Young Black

Professionals, Pathways to Education, Visions of Science, and Tech Spark – all of which are committed to empowering Black professionals and providing them the resources they need to reach their full potential.

The Equity and Empowerment Initiative continues to be a priority for the Diversity & Inclusion Council as the team launches new programming to combat anti-Black racism in 2021. That includes implementing mandatory anti-racism training for all Interac and 2Keys employees, implementing a new anti-racism policy to better outline Interac's position on anti-racism and expected behaviours in the workplace, and working with new community partners aimed at promoting young Black professionals in the workforce.

Guiding Principles and Active Implementation

The *Interac* D&I Program consists of strategic and intentional initiatives that recognize eight dimensions of demographic and cognitive diversity. Our programming is designed to promote fair treatment, equal access to opportunities, and organizational flexibility.



Celebrating Our Diversity

Celebrating our unique life experiences and diverse backgrounds has made us a stronger, more united company. In 2020, we hosted a variety of events and launched new programming to build awareness of how we can become better allies. That included launching an employee profile series during Pride Month to build awareness about growing up and working as part of the LGBT2Q+ community. We also hosted a company-wide International Women's Day celebration and organized a month-long educational and social media campaign in recognition of Black History Month.



Inside Interac: Michelle Smith

As a woman of colour who was born and raised in Jamaica, my gender, religion, and ethnicity have heavily influenced my life experience. Very often, societal expectations and cultural norms create barriers and limitations for women in their careers. Women are the ones expected to sacrifice their aspirations to meet childcare and domestic demands.

I feel fortunate that here at Interac we have women of influence who have overcome many obstacles and succeeded in their careers. They have shown what could be possible beyond my identity as a wife and mother.

Over the past two years, the D&I Program has increased people's awareness and consciousness in many ways through diversity education and dialogue. I found the Open Forums to be most impactful because it provided great comfort during a very challenging time and offered a genuinely supportive platform for honest sharing. It has empowered me to use my voice as a woman of colour to raise awareness on social issues that have personally impacted my community and me.

2020 Key Highlights for Interac

And throughout rapid market growth and a changing Canadian economy, we remained resilient, committed to our communities, and invested in our partners and future market innovation.

People

35% 

workforce growth in 2020 (including 2Keys acquisition)

Completed year 2 of 3 of cultural transformation journey

Exceeded target average monthly Net Promoter Score

Maintained business continuity by keeping our networks secure and reliable



Launched new digital platforms to improve workplace efficiency and staff recognition

450+ 

employees transitioned to work from home

15+

virtual events to keep *Interac* employees connected

Community

\$115,000

Invested in organizations and businesses that support Black professionals

#1

most trusted financial services brand in Canada



Supported small businesses, merchants and Canadian innovation through community partnerships and support of local campaigns

Launched Equity and Empowerment Initiative in response to anti-Black racism

\$1M+



invested in industry and community engagement

30+

industry events participated in

Market

Elected to Financial Data Exchange Board of Directors for North America and Co-Chair for Canada



Co-developed National Standard for digital ID accredited by Standards Council of Canada

4

FIs launched *Interac* e-Transfer Bulk Payables and 2 FIs launched *Interac* e-Transfer Bulk Receivables

11

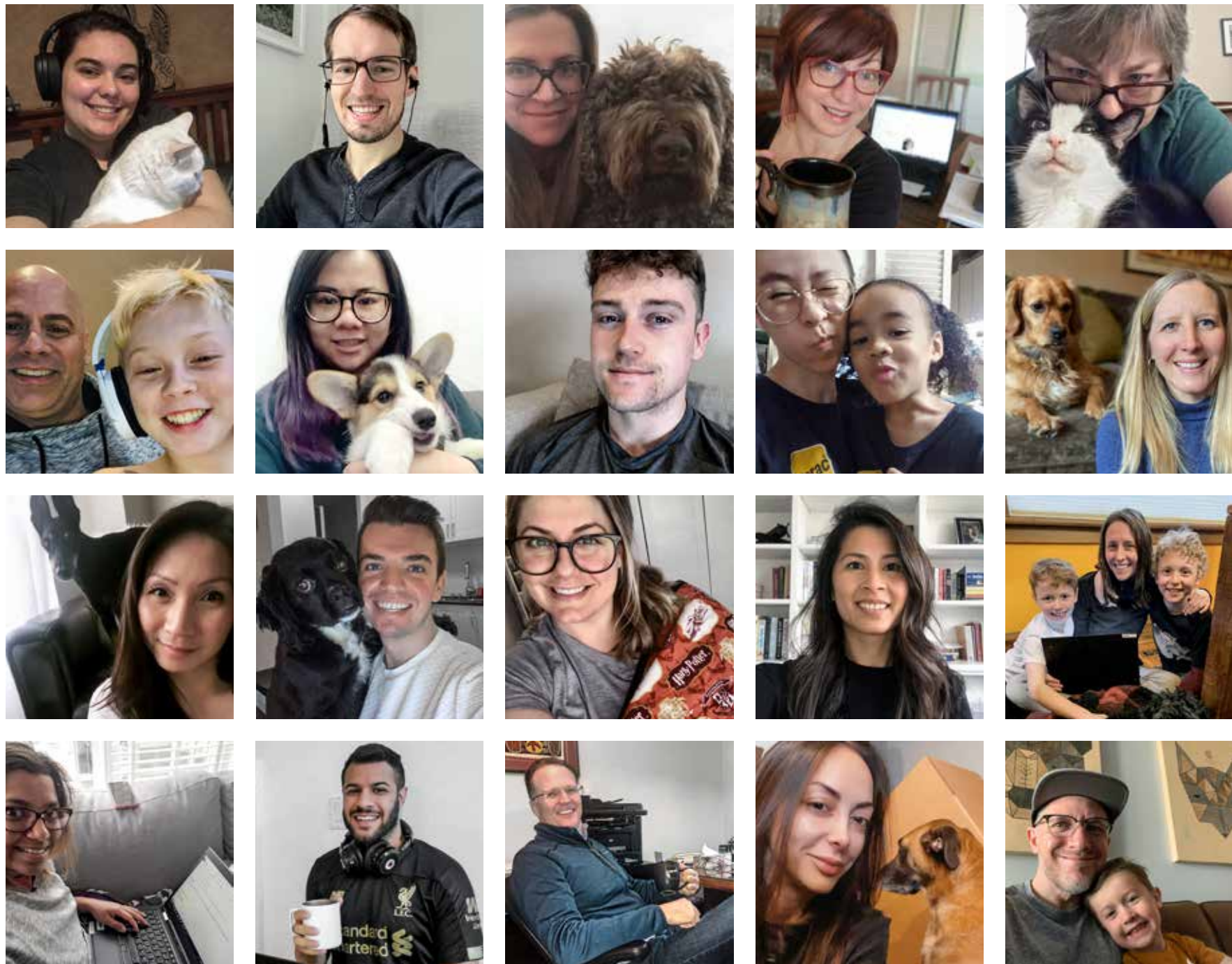
pilot projects and proofs-of-concept delivered

Interac e-Transfer designated a Prominent Payment System by Bank of Canada

1450+


featured media stories related to our products, services, innovation





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