

PEACE HILLS TRUST COMPANY

All-in Capital Disclosure

December 31, 2022

Dollars in thousands

	31-Dec-22	30-Sep-22	31-Dec-21
Common Equity Tier 1 capital: instruments and reserves			
1 Directly issue qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	33,833	33,833	33,833
2 Retained earnings	53,450	50,856	49,298
3 Accumulated other comprehensive income (and other reserves)	-	-	-
6 Common Equity Tier 1 capital before regulatory adjustments	87,283	84,689	83,131
Common Equity Tier 1 capital: regulatory adjustments			
28 Total regulatory adjustments to Common Equity Tier 1	-	-	-
29 Common Equity Tier 1 capital (CET1)	87,283	84,689	83,131
36 Additional Tier 1 capital before regulatory adjustments			
		-	-
Additional Tier 1 capital: regulatory adjustments			
44 Additional Tier 1 capital (AT1)		-	-
45 Tier 1 capital (T1 = CET1 + AT1)	87,283	84,689	83,131
Tier 2 capital: instruments and provisions			
50 Expected Credit Loss - Stage 1 & Stage 2	2,482	2,402	1,974
51 Tier 2 capital before regulatory adjustments	2,482	2,402	1,974
Tier 2 capital: regulatory adjustments			
57 Total regulatory adjustments to Tier 2 capital	-	-	-
58 Tier 2 capital (T2)	2,482	2,402	1,974
59 Total capital (TC = T1 + T2)	89,765	87,091	85,105
60 Total risk-weighted assets	653,837	657,301	590,900
Capital Ratios			
61 Common Equity Tier 1 (as percentage of risk-weighted assets)	13.3%	12.9%	14.1%
62 Tier 1 (as percentage of risk-weighted assets)	13.3%	12.9%	14.1%
63 Total capital (as percentage of risk-weighted assets)	13.7%	13.2%	14.4%
64 Institution-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus G-SIB buffer requirement plus D-SIB buffer requirement expressed as a percentage of risk-weighted assets)	7.0%	7.0%	7.0%
68 Common Equity Tier 1 available to meet buffers (as percentage of risk-weighted assets)	6.3%	5.9%	7.1%
OSFI all-in target			
69 Common Equity Tier 1 all-in target ratio	7.0%	7.0%	7.0%
70 Tier 1 capital all-in target ratio	8.5%	8.5%	8.5%
71 Total capital all-in target ratio	10.5%	10.5%	10.5%
Amounts below the thresholds for deduction (before risk weighting)			
75 Deferred tax assets arising from temporary differences (net of related tax liability)	647	532	532

PEACE HILLS TRUST COMPANY

Leverage Ratio

December 31, 2022

Dollars in thousands

	31-Dec-22	30-Sep-22	31-Dec-21
On-balance sheet exposures			
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	949,763	1,011,822	867,343
2 (Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)		-	-
3 Total on-balance sheet balance exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	949,763	1,011,822	867,343
Other off-balance sheet exposures			
17 Off-balance sheet exposure at gross notional amount	66,453	66,963	72,310
18 (Adjustments for conversion to credit equivalent amounts)	(59,808)	(60,267)	(65,079)
19 Off-balance sheet items (sum of lines 17 and 18)	6,645	6,696	7,231
Capital and Total Exposures			
20 Tier 1 capital	87,283	84,689	83,131
21 Total Exposures (sum of lines 3, 11, 16 and 19)	956,408	1,018,518	874,574
Leverage Ratios			
22 Basel III leverage ratio	9.13%	8.31%	9.51%

PEACE HILLS TRUST COMPANY**Remuneration****December 31, 2022**

The key features and objectives of the Company's remuneration policy include:

- The Board of Directors and/or Senior Management are responsible for the application of the remuneration principles, practices and processes;
- The Company pays its employees fairly with industry comparability. The Board of Directors reviews the remuneration on an annual basis;
- The Company's remuneration consists of fixed compensation (salary and employee benefits), variable compensation, and Directors' fees. Variable compensation is paid to certain personnel and is based on the achievement of pre-determined financial results.
- The Company's key management personnel include all members of the Board of Directors and executive management who have the authority, responsibility for planning, executing, and controlling the activities of the Company.

The summary of compensation of key management personnel is as follows:

Total value of remuneration awards for 2022	Unrestricted	Deferred
Fixed remuneration		
Cash-based	2,454,108	-
Shares and share-linked instruments	-	-
Other	-	-
Variable remuneration		
Cash-based	506,909	-
Shares and share-linked instruments	-	-
Other	-	-