

PEACE HILLS TRUST COMPANY

All-in Capital Disclosure

December 31, 2020

Dollars in thousands

	31-Dec-20	30-Sep-20	31-Dec-19	
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	45,133	45,235	43,603
3	Accumulated other comprehensive income (and other reserves)	-	-	-
6	Common Equity Tier 1 capital before regulatory adjustments	78,966	79,068	77,436
Common Equity Tier 1 capital: regulatory adjustments				
28	Total regulatory adjustments to Common Equity Tier 1	-	-	-
29	Common Equity Tier 1 capital (CET1)	78,966	79,068	77,436
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)	78,966	79,068	77,436
Tier 2 capital: instruments and provisions				
50	Expected Credit Loss - Stage 1 & Stage 2	3,046	2,722	2,039
51	Tier 2 capital before regulatory adjustments	3,046	2,722	2,039
Tier 2 capital: regulatory adjustments				
57	Total regulatory adjustments to Tier 2 capital	-	-	-
58	Tier 2 capital (T2)	3,046	2,722	2,039
59	Total capital (TC = T1 + T2)	82,012	81,790	79,475
60	Total risk-weighted assets	520,202	524,582	472,791
Capital Ratios				
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	15.2%	15.1%	16.4%
62	Tier 1 (as percentage of risk-weighted assets)	15.2%	15.1%	16.4%
63	Total capital (as percentage of risk-weighted assets)	15.8%	15.6%	16.8%
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)	8.2%	8.1%	9.4%
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)	805	761	761

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Leverage Ratio

December 31, 2020

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	31-Dec-20	30-Sep-20	31-Dec-19
On-balance sheet exposures			
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	766,531	757,123	612,764
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)	766,531	757,123	612,764
Other off-balance sheet exposures			
17 Off-balance sheet exposure at gross notional amount	51,682	46,541	68,056
18 (Adjustments for conversion to credit equivalent amounts)	(46,514)	(41,887)	(61,250)
19 Off-balance sheet items (sum of lines 17 and 18)	5,168	4,654	6,806
Capital and Total Exposures			
20 Tier 1 capital	78,966	79,068	77,436
21 Total Exposures (sum of lines 3, 11, 16 and 19)	771,699	761,777	619,570
Leverage Ratios			
22 Basel III leverage ratio	10.23%	10.38%	12.50%

PEACE HILLS TRUST COMPANY**Remuneration****December 31, 2020**

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 2020	Unrestricted	Deferred
Fixed remuneration		
Cash-based	2,201,541	-
Shares and share-linked instruments	-	-
Other	-	-
Variable remuneration		
Cash-based	900,991	-
Shares and share-linked instruments	-	-
Other	-	-