

## REGULATORY CAPITAL DISCLOSURE

The Effort Trust Company (the "Company") is a federally regulated trust company and maintains its capital based on guidelines provided by the Office of the Superintendent of Financial Institutions ("OSFI") which are based on global standards established by the Bank of International Settlements, Basel Committee on Banking Supervision ("Basel").

The Company's activities for the past 41 years, have focused on mortgage lending operations and have included emphasis on fees for services including property management, administration of mortgages, RSP's and RRIF's. These additional asset administration operations significantly enhance the future probability of the Company because of the low capital requirement and non-interest-sensitive nature of these types of activities.

The Company has a disciplined risk management process for pro-actively identifying, assessing, managing and controlling the significant strategic, business and process level risks inherent in its business strategy and operations at any point in time. These risks include credit risk, interest rate risk, market risk, operational risk, liquidity risk, regulatory risk and strategic risk. Policies and strategies for managing each of the major financial risks are prepared and revised by Senior Management and are monitored regularly and reviewed at least annually by the Company's Board of Directors, Audit and Risk Management Committee, and Conduct Review and Corporate Governance Committee.

The Company has a capital management program that regularly monitors its present and future capital needs. As part of this program, Senior Management conducts an annual review of the capital plan which is approved annually by the Board of Directors.

The Company uses an Internal Capital Adequacy Assessment Process ("ICAAP") to determine the quality and quantity of capital that is required to conduct its business activities. The ICAAP analysis conducted by Senior Management and approved by the Board of Directors, together with the annual strategic planning process (which integrates the ICAAP outputs into the Company's Strategic Plan) provides confirmation that the Company has adequate capital resources over its planning horizon including periods of economic downturn.

<b>Basel III Capital Disclosure Q4-2022 (\$,000)</b>		<b>Amounts</b>
<b>Common Equity Tier 1 capital: instruments and reserves</b>		
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	12,658
2	Retained earnings	143,027
3	Accumulated other comprehensive income (and other reserves)	
4	<i>Directly issued capital subject to phase out from CET1</i>	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>155,685</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
28	Total regulatory adjustments to Common Equity Tier 1	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>155,685</b>
<b>Additional Tier 1 capital: instruments</b>		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	
<b>Additional Tier 1 capital: regulatory adjustments</b>		
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	
44	<b>Additional Tier 1 capital (AT1)</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>155,685</b>
<b>Tier 2 capital: instruments and allowances</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
50	Collective allowances	
51	<b>Tier 2 capital before regulatory adjustments</b>	
<b>Tier 2 capital: regulatory adjustments</b>		
57	<b>Total regulatory adjustments to Tier 2 capital</b>	
58	<b>Tier 2 capital (T2)</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>155,685</b>
60	<b>Total risk-weighted assets</b>	<b>458,037</b>
<b>Capital ratios</b>		
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	33.99%
62	Tier 1 (as percentage of risk-weighted assets)	33.99%
63	Total capital (as percentage of risk-weighted assets)	33.99%
<b>OSFI target</b>		
69	Common Equity Tier 1 target ratio	7.00%
70	Tier 1 capital target ratio	8.50%
71	Total capital target ratio	10.50%
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>		
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	
83	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	