



EFFORT TRUST

Our Effort Is For You

REGULATORY CAPITAL DISCLOSURE

Summarized below are Effort Trust's key prudential regulatory metrics. Effort Trust is required to disclose them in accordance with OSFI Pillar 3 Disclosure Requirements for Small and Medium-Sized Banks.

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 45 years, have focused on mortgage lending operations and have included emphasis on fees for services including property management, administration of mortgages, RSPs and RRIFs. 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.

(Amounts in \$,000)

Effort Trust - Key Metrics						
		2024	2023	2023	2023	2023
		Q1	Q4	Q3	Q2	Q1
	Available capital					
1	Common Equity Tier 1 (CET1)	162,915	158,536	165,864	161,134	159,347
2	Tier 1	162,915	158,536	165,864	161,134	159,347
3	Total capital	162,915	158,536	165,864	161,134	159,347
	Risk-weighted assets					
4	Total risk-weighted assets (RWA)	419,224	425,945	425,868	435,388	444,238
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	38.86%	37.22%	38.95%	37.01%	35.87%
6	Tier 1 ratio (%)	38.86%	37.22%	38.95%	37.01%	35.87%
7	Total capital ratio (%)	38.86%	37.22%	38.95%	37.01%	35.87%
	Basel III Leverage ratio					
8	Total Basel III leverage ratio exposure measure	1,075,043	1,111,200	1,118,820	1,112,468	1,190,936
9	Basel III leverage ratio (row 2 / row 8)	15.15%	14.27%	14.82%	14.48%	13.38%
10	Common Equity Tier 1 target ratio	7.0%	7.0%	7.0%	7.0%	7.0%
11	Tier 1 capital target ratio	8.5%	8.5%	8.5%	8.5%	8.5%
12	Total capital target ratio	10.5%	10.5%	10.5%	10.5%	10.5%