



10/03/2026

DEAR SHAREHOLDERS,

During review of the **2023 financial statements**, queries were raised regarding the increase in reported audit fees compared to 2022. The reported amounts are as follows:

Description	2022	2023	Increase
Audit Fees Reported	\$481,662	\$1,077,335	\$595,673

The increase of \$595,673 is fully reconciled as follows:

Reason for Increase	Amount (\$)
Final payment relating to 2021 audit	43,546
Additional work relating to 2022 audit (post-acquisition expanded scope)	330,000
Additional work relating to 2023 audit (larger balance sheet, expanded sampling, third-party valuations and specialist reviews)	222,127
Total Increase	595,673

The primary driver of the increase was the expanded scope of audit procedures following the Royal Bank of Canada (RBC) acquisition, which resulted in:

- A larger asset and loan portfolio requiring review
- Increased sample sizes
- Independent third-party valuation work
- Additional specialist audit procedures

The increase reflects the growth and increased complexity of the Bank and does not represent an uncontrolled escalation of recurring audit costs.

The Board continues to monitor professional service fees to ensure they remain appropriate, necessary, and aligned with governance standards.

Sincerely,

Shon Savarin
Audit Chairperson