



2016 ANNUAL REPORT



## MISSION STATEMENT

“Peoples Group will exceed customer expectations through exceptional service and innovation, and provide a rewarding employee environment by emphasizing respect, teamwork, and work-life balance, while delivering superior shareholder value.”

# Weathering the Downturn



2015 opened against a backdrop of increased competition and a continuation of very low-interest rates, creating even narrower margins. Economic activity was forecast to be slow and growth very muted. Consequently, we developed our 2015 budget taking into account these factors. In hindsight our budget process proved to be accurate as the actual results for 2015 slightly exceeded expectations.

During 2013 and 2014 we concentrated on managing and renewing significant volumes of government (CMHC) insured mortgage product that were maturing in our securitization programs. This focus resulted in some attrition taking place in our balance sheet portfolio, specifically conventional mortgages. In 2015, we recognized that we needed more emphasis in this area and efforts were made to expand the single-family, multi-family, and commercial mortgage product lines. This has proven to be an effective strategy to rebuild the portfolio.

On the deposit front, successful campaigns expanded our customer base and increased our profile in the financial community. Our presence will continue to grow in Vancouver where we will be opening our first street front location in the fall. This will enable us to offer a broader range of retail banking products direct to the public.

With the prevailing outlook for the Canadian economy, we are predicting 2016 will be another steady year and expect that the rebuild of the mortgage portfolio will result in positive earnings growth. New strategic partnerships in the banking, acquiring and card product lines will also keep us on track.

Overall, we anticipate that we will weather the weaker economic climate in 2016 reasonably well and continue to expand and build our organization.



DEREK PEDDLESDEN, CPA, CA  
*Chief Executive Officer*





# Operations Review



**BILL MOFFATT**  
*President and  
Chief Operations Officer*

On the heels of robust commercial mortgage production in 2014, the momentum continued into 2015 producing an increase of just under 5% in total loan origination; the majority of which was newly acquired business. We had gains in both CMHC insured and conventional production, as well as a sizeable lift in our unique single-family offering. Social housing funding continued to augment our traditional origination sources and adding more banking partnerships enabled us to securitize the significant volume of multi-family CMHC insured loans that were generated.

While we exercised great caution in the Alberta market, we were able to capitalize on prudent opportunities in specific sectors. Both British Columbia and Southern Ontario (predominantly the major centers of Vancouver and Toronto) presented some excellent lending opportunities in 2015, and we took full advantage of those. As a result, we showed substantial growth in our conventional mortgage portfolio.

Our overall deposit base remained stable, and we continued to increase term deposits with particular emphasis on shorter-term (less than one year) investments, which allow customers to hedge against falling rates without tying up their funds long term. We also optimized partnerships with our deposit agent network.

We remained adaptable to the constantly evolving regulatory environment and were able to adhere to all key standards and practices while still taking advantage of opportunities for growth.

## SOME KEY MILESTONES:

- Total assets under administration \$6.9 billion.
- New strategic partnerships were added to facilitate growth in all business areas.
- Peoples Card Services announced significant growth in 2015 with the addition of 150 new programs and a nearly 19% increase in dollar volume from 2014.
- Before tax return on equity of 13.6% (excluding non-controlling interest).
- People employed by Peoples Group grew to over 120.

# Leadership Team



*I am pleased to introduce the Senior Management Team of Peoples Group, each of whom brings a wealth of knowledge and experience to our organization. Together we make a formidable team, dedicated to providing exceptional customer service... Derek*



DEREK PEDDLESDEN



BILL MOFFATT



SAMSON LIM



DARREN KOZOL



NEIL ALLEN



JO-ANNE MOREFIELD



DENNIS DINEEN



PETER READ



JOHN PALS



HOWARD KLEIN



GERRY SERRATORE



SHIRLEY MATTHEW



DENNIS AITKEN



MICHAEL LOMBARD





## Our Values



**PASSION** - For fulfilling the needs of our customers with outstanding service, following through on our commitments, building quality long term relationships, while going the extra mile without being asked.



**VALUING PEOPLE** - Knowing that it is our people that make us succeed; we foster a culture that promotes a rewarding, dynamic and fun environment, ensuring a healthy work-life balance for all.



**TEAMWORK** - We promote and support a diverse, yet unified team, fostering a work environment that encourages participation, collaboration, and innovation to meet our common goals. We believe in team work, team play and celebrating our successes together.



**INTEGRITY** - We employ the highest ethical standards, demonstrating our strong moral values, honesty and fairness in every action we take.

# Peoples Trust Company



As the foundation for Peoples Group, Peoples Trust Company has been providing financial services to the Canadian marketplace for over 30 years. Our focus is on exceptional customer service backed by extensive product knowledge and experience.

We understand that we cannot be all things to all people. Our results show that a niche company can be very successful if it is well managed and exceeds the expectations of its customers.

One of the important factors in becoming and remaining successful as a smaller organization, is to be able to consistently identify and aggressively develop new opportunities. Over the years, Peoples has been able to find these opportunities, and has been nimble enough to rapidly deploy resources to capitalize on and grow these business lines. We continue to do this today.

We are proud of our track record over the past 30 years and look forward to continuing to grow and develop into the future.





# Credit and Business Development



**DENNIS DINEEN**  
*Senior Vice President and Regional  
Manager, British Columbia*



**MICHAEL LOMBARD**  
*Senior Vice President and Regional  
Manager, Eastern Canada*



**DENNIS AITKEN**  
*Senior Vice President and Regional  
Manager, Prairies*

At Peoples Trust, we understand the importance of a strong relationship based on trust and responsiveness. Our knowledge of local market conditions, combined with significant experience in structuring real estate financing transactions, allows us to provide customized borrowing solutions to our clients. We have a strong local presence through offices located in Vancouver (servicing British Columbia), Calgary (servicing Alberta, Saskatchewan and Manitoba) and Toronto (servicing Southern Ontario, Quebec and Eastern Canada).

Economic uncertainty, along with vast changes to the regulatory and competitive landscape, presents broad-reaching implications for our clients and their operations. We are helping them navigate through this period of volatility with innovative borrowing options that are competitively priced.

When you need financing for your purchase or your new construction project, or refinancing for your existing real estate holdings, look to Peoples Trust for comprehensive lending products tailored to your needs and objectives. We can provide effective, flexible financing solutions that are right for you, in a timely fashion.





# Conventional Lending



Peoples Trust has a long history of providing conventional mortgage financing for a variety of asset classes across Canada. We finance the construction of multi-family projects, real estate subdivisions, and other commercial real estate projects. We can also provide term financing for apartment buildings, shopping centres and industrial properties, with terms structured to meet the needs of our clients.

Peoples also works with established developers by making financing available for property acquisition, inventory loans on completed condominium, townhome, or single-family home projects, and building renovation/repositioning projects.

With a streamlined credit approval process, our clients can expect flexible and responsive solutions for their mortgage financing requirements. Our mortgage specialists have the experience and the market knowledge to ensure our clients receive the best solution available for their needs.





# CMHC Lending



**JONATHAN WONG**  
*Assistant Vice President,  
Commercial Mortgages  
British Columbia*



**ADY STEEN**  
*Manager, Commercial Mortgages  
Eastern Canada*



**JOSH BARKER**  
*Manager, Commercial Mortgages  
Prairies*

Peoples Trust has become one of the leading participants in CMHC's Canada Mortgage Bond program by providing extremely competitive term financing rates for CMHC insured product.

Over the past 30 years, Peoples has developed an excellent relationship with Canada Mortgage and Housing Corporation and is adept at using mortgage insurance as a mechanism to reduce borrowing costs for our clients.

We work on behalf of our clients to obtain financing approvals on rental apartment buildings, care facilities and retirement homes, and we work continuously on making the approval process as expedient as possible.

CMHC lending is a core business line for Peoples Trust with all internal processes driven to support this avenue. Our process and our significant in-house expertise have made us a leader in providing CMHC financing.

Call us to discuss your financing needs.



# Single-Family Lending



For over 30 years, Peoples has been the alternative lender that Brokers trust for their clients who don't meet the traditional requirements of the banks. Our competitive rates and excellent service have proven to be successful for our loyal customer base. We are the lender with flexible products and a common sense approach.

At Peoples Trust, we understand the issues your clients face, and we've developed alternative specialty programs to help finance borrowers and properties in areas of British Columbia.

We have a program for your unique deal:

## EQUITY PLUS PROGRAM:

Ideal for clients who have credit challenges, no credit, a history of bankruptcy or problems with income verification. It's not about beacon scores; it's about equity and common sense. With fully open terms and great rates, we can provide loans from \$200 thousand up to \$3.5 million.

## ALT-A LENDING PROGRAM:

Peoples Trust can provide an excellent alternative for those homeowners who have income verification but whose loan applications are denied due to impaired credit.

## RESIDENTIAL CONSTRUCTION LENDING:

Peoples also offers leading edge construction financing and a full range of development financing for builders and homeowners. We finance pre-sold and inventory homes, and we offer site acquisition financing, renovation loans and long-term financing for your project.

When you need a competitive solution from a reliable financial institution, we are here for you.

Visit [www.peoplestrust.com/residential-mortgages](http://www.peoplestrust.com/residential-mortgages) to find out how we can help.



**TOM WOLLNER**, RI, AMP  
*Manager, Residential Mortgages  
British Columbia*



**BREA WATSON**  
*Residential Business Development  
Manager*





# Mortgage Banking



**JULIE BERKS**  
*Assistant Vice President,  
MBS and Mortgage Banking  
Administration*

Peoples Trust Company is a leader in the origination, structuring and placement of commercial real estate mortgages across Canada. We specialize in, but are not restricted to, multi-family residential.

Our investment relationship with numerous bank, credit union, pension fund and insurance company partners, allows us to arrange and syndicate commercial mortgage loans that optimize solutions for borrowing clients. Our investment, funding and structural flexibility results in mutually beneficial loan structures.

However, structuring and funding mortgages is just the beginning of Peoples Trust's commitment to our mortgage clients. We provide banking services such as payment processing, investor remittances, and support for loans or borrowers who may require a little extra attention. This commitment to banking services rounds out the total dedication Peoples Trust holds with its client base, from origination to renewal.



# Mortgage-Backed Securities



Peoples Trust has become well known and highly regarded for its involvement in the origination of CMHC mortgages for placement in the Mortgage-Backed Securities (MBS) and Canada Mortgage Bond (CMB) programs. Our involvement in these programs allows us to continue offering highly competitive mortgage rates to our borrowers. Peoples has been a key participant in the MBS market since the inception of the program in 1987, issuing over \$12 billion in mortgage product. This includes the CMB program as well as issuing one-off “Market MBS” securities of a more custom structure. Both of these facilities allow us to consistently provide competitive mortgage rates to our varied clientele.





# Social Housing



WATSON CHEN, MBA  
Cash Manager

Peoples Trust Company actively participates in social housing auctions for the mortgage financing of facilities, which include rental properties, community services, and health care and rehabilitation centres.

By facilitating the transfer of mortgage debt from provincial governments to private investors, Peoples assists in the efficient allocation of capital away from public financing schemes. The affordable accommodation, emergency shelters and assisted living for seniors, women and children at risk of violence that result from these financing initiatives, demonstrates a heightened co-operation between government and private enterprise. These mortgage loans serve many communities in B.C. and Ontario. Peoples Trust funded over \$266 million in social housing loans during 2015, through working with such entities as Ontario Housing Authority and the B.C. Housing Commission.





# Mortgage Servicing



Peoples Trust has an established track record in underwriting, managing and servicing a wide range of mortgages and loans secured by real estate. As a leading provider of commercial mortgage servicing in Canada, we are backed by years of experience as a direct lender. We know what you need to operate effectively.

We work with our Investor Clients, which include: banks, life insurance and trust companies, pension funds and fund managers. We provide them with underwriting and servicing of all mortgage products, whether they are CMHC insured or conventional, construction or long term, or to be added into a Mortgage-Backed Securities or Canada Mortgage Bond pool. Peoples is experienced with underwriting and administration of mortgage loans over multi-family, retail and office space, hotels, and retirement and nursing homes, as well as industrial properties and social housing.

From mortgage initiation and funding to monthly reporting, Peoples has the system to help.



**JOHN NATION**  
*Assistant Vice President,  
Mortgage Administration*



**MARTIN MALLICH**  
*Manager, Default Management*





# Mortgage Administration



**JULIA HALLETT**  
*Manager, Mortgage Administration  
British Columbia*



**AZMINA JESSANI**  
*Manager, Mortgage Administration  
Prairies*



**SHARON SMALL**  
*Manager, Mortgage Administration  
Eastern Canada*

At Peoples Trust, customer service and satisfaction are our priority. Our approach is to always place the best interests of our customers first, treating our borrowers the way we would expect to be treated.

With combined experience of over 60 years and an average employment length of over 10 years, our Administration Management Team and their staff use their knowledge and expertise to deliver exceptional and consistent service to our clients.

With decentralized administration, staff have immediate access to borrowers' files, which allows us to provide the answers they need locally and without delay. Peoples Trust is one of the very few financial institutions where our borrowers can speak directly with one of our administrators, which reaffirms our dedication to the personal approach.

Our accessibility and a willingness to work in partnership with our borrowers ensures that we have a very low default rate. We work to achieve a solution while leaving realization proceedings as a last resort.

Our Administration Team services and administers a mortgage portfolio of over \$6.29 billion on residential and commercial properties located throughout the country. We pride ourselves on having the people, the experience and the “can do” attitude that makes our clients value our commitment and ability to deliver time and time again.

We will make it work!







**DARREN KOZOL**  
*General Counsel  
and Corporate Secretary*

We are proud of our track record  
over the past 30 years.



## Deposit Services



**JANET CUBBAGE**  
*Senior Manager, Deposit Services*

Peoples Trust offers a variety of interest-bearing deposit investment products that are eligible for CDIC insurance. Our accounts and guaranteed investment certificates are designed to meet your everyday, tax-free, or retirement savings needs. Our products are appropriate for those seeking a high yield through our very competitive interest rates with easy access through online banking.

With online banking access, you are in command of your money, with the ability to view your balance and account activity, check interest rates, transfer money between accounts, and sign up for other Deposit Services – at your convenience.

Peoples prides itself on providing great customer service, ease of access, safety and security.

Opt for savings with Peoples Trust and enjoy interest rates among the best in Canada.



# Guaranteed Investment Certificates



## GIC'S - NON-REGISTERED & REGISTERED ACCOUNTS

Why a Peoples Trust GIC? Simply put, high rates are guaranteed for a fixed term in a safe, secure and no fee investment with the convenience of online banking. With non-registered and registered options, you can save for your future while earning one of the best rates in Canada; and your deposit is eligible for CDIC insurance.

## NON-REGISTERED GUARANTEED INVESTMENT CERTIFICATES

Whether it's a short-term investment of 30 to 364 days or a longer-term of one to five years, interest rates are guaranteed for the full term of your investment.

## REGISTERED RETIREMENT SAVINGS PLANS

Available in terms of one to five years, the Peoples Trust RRSP provides a fixed and guaranteed rate for the full term of your investment. Interest is compounded annually and paid at maturity. With no set-up or service fees, saving for your retirement is easy.

## TAX-FREE GUARANTEED INVESTMENT CERTIFICATES

If you need a place to invest funds and would like to do so tax-free, our Tax-Free GIC is a great choice. The Tax-Free GIC offers terms from one to five years with rates that are fixed and guaranteed for the full term. Interest is compounded annually and paid at maturity, and with no set-up, service or transfer fees, you can only win with this investment option.





# Savings



## SAVINGS: NON-REGISTERED & REGISTERED ACCOUNTS

In keeping with our simple approach, Peoples Trust is pleased to offer you two excellent options for high interest savings that are both eligible for CDIC insurance: the Peoples Choice™ e-Savings Account and Peoples Trust Tax-Free Savings Account.

### PEOPLES CHOICE E-SAVINGS ACCOUNT:

The e-Savings Account is all about giving you more of what you want: more savings with a high interest rate and more convenience with the benefits of online banking.

With the Peoples Choice e-Savings Account, there is no minimum balance required and no monthly fees, and you can boost your savings with an automatic savings plan. Through online banking, you can also use your e-Savings to easily purchase our other term products.

Whether you're a current customer with Peoples or a new one, we invite you to power up your savings with a safe, liquid and flexible e-Savings Account.

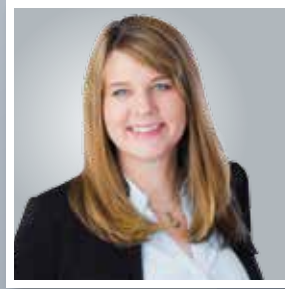
### TAX-FREE SAVINGS ACCOUNT:

As a registered product, the TFSA Savings Account allows you to earn interest tax-free within the contribution limits set by Canada Revenue Agency. The Peoples Trust TFSA makes it easy to view your savings through the use of online banking. Once your account is set up, you can easily watch your savings grow as interest is calculated daily and paid monthly. With one of the best rates in Canada, the Peoples Trust Tax-Free Savings Account is a good tool to save for the things that are important.

For more information visit us online at [www.peoplestrust.com](http://www.peoplestrust.com).



**NEIL ALLEN**, BSC  
*Chief Information Officer and  
Senior Vice President*



**GINGER BOYLES**  
*Manager, Business Analysis and  
Development*



**RICK HISLOP**, CCSA, GSEC  
*Manager, Network and Security*

At Peoples Group, customer service  
and satisfaction are our priority.



# Secured MasterCard® Credit Card



**CHLOE GAGNON**  
Manager, Administration  
Secured Card Programs

The Peoples Trust Secured MasterCard allows most Canadian residents to get the credit they deserve, and approval is virtually guaranteed! The program is offered across Canada with services provided in English and French.

Geared toward those who do not qualify for regular credit cards due to past financial difficulties or a lack of credit history, the Credit Builder Card allows cardholders to build or rebuild their credit rating while enjoying the benefits of having a low-interest credit card. The Peoples Trust Secured Card Program offers its cardholders an annual interest rate of 12.99%, making it one of the lowest-interest card programs in Canada.

Cardholders set their own credit limit (from \$500 - \$25,000) by providing a security deposit that earns interest in a deposit account. Peoples Trust reports monthly to the major credit bureaus and, by using the card responsibly and making regular payments, cardholders build a positive credit profile.

If you need to build or rebuild your credit, visit:  
[www.bettermycredit.ca](http://www.bettermycredit.ca) to apply or find out more.



*The Credit Builder Card*

# Secured Card Referral Program



As well as offering professionals a credit repair solution for their clients, Peoples Trust offers a commission for every approved application referred to the Peoples Trust Secured Card Program!

The Peoples Trust Referral Program is designed for business professionals working in the financial industry or an affiliated industry and who deal with clients who:

- Have had credit problems in the past and need to rebuild their credit rating
- Have no credit history and wish to establish good credit (students and new immigrants)
- Are bankrupts or discharged bankrupts trying to rebuild their credit rating
- Were turned down on a credit application due to no credit or poor credit
- Have difficulty obtaining unsecured credit cards

If you have clients who fall into any of the above categories, or if you believe you can reach these clients by utilizing online and off-line advertising methods, you can benefit greatly from our Referral Program.

Contact our Secured Card Office at 877-694-6200 or visit us online at [www.bettermycredit.ca](http://www.bettermycredit.ca) to find out more.



Happiness  
is getting the  
**credit**  
you deserve

For students, new immigrants, or people with past credit problems, the Peoples Trust® Secured Credit Card can help establish the credit you need.



*The Peoples Trust Secured MasterCard® is issued by Peoples Trust Company pursuant to license by MasterCard International Incorporated.*

*MasterCard and the MasterCard Brand Mark are registered trademarks of MasterCard International Incorporated.*





# Peoples Card Services



PETER READ  
*President*



JOHN PALS  
*Chief Operating Officer*

## PREPAID AND CREDIT. VISA®, MASTERCARD® AND INTERAC®

Peoples Card Services (PCS) is a subsidiary of Peoples Trust, a leading issuer of Visa and MasterCard prepaid payment cards and recognized as a pioneer and innovator of prepaid cards in Canada. PCS is a responsive organization with an impressive track record.

We offer BIN sponsorships to Program Managers to rapidly develop and deploy specialized card programs, tailored to specific needs in target markets. Credit card sponsorships for companies wishing to grow and control their own business and brand have become a growing PCS business segment.

Our expertise gained from leading the prepaid industry in Canada for over 10 years has resulted in unsurpassed time-to-market launches of hundreds of innovative card programs. In close cooperation with a selection of technology providers, we've enabled multiple clients to launch successful and award-winning payment solutions in Finance, Retail, Health, Travel and Government. Our best-in-class approach ensures the certainty of full compliance. This peace of mind allows entrepreneurs to focus on converting the latest "fintech" into sustainably profitable card programs.

Whether it is sponsoring prepaid or credit card-issuing solutions for businesses, Peoples Card Services can facilitate your payment network needs.



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# Leading Prepaid



Since 2002, Peoples Trust Company has been a leading issuer of Visa® and MasterCard® payment cards in valuable Canadian niche markets. Through its subsidiary Peoples Card Services (PCS) we are recognized as a pioneer in network branded prepaid cards in Canada. Working with clients and partners, PCS has built an extensive range of award-winning prepaid card programs used from coast to coast.

Innovation, driven by today's digitization of payments, has fast become a key to our card product success. We were first to offer a real-time instant issuance of a prepaid MasterCard and the first contactless PayPass Prepaid Card Program in Canada, as well as the first chip and PIN prepaid travel card in foreign currencies. With Visa, we offered the first virtual payment card program for use on the internet.

From contactless to the first virtual products, to multiple currencies and to leading edge mobile wallet products, Peoples strives to remain at the forefront of sponsoring digital payment solutions for Canadians.

## 2015 PAYBEFORE AWARDS:

- M-Wallet of the Year
- Top Motivator

## PREVIOUS AWARDS:

- Leading Prepaid or Payments Organization
- Best Prepaid & Payments Innovation
- Best Corporate or Government-Funded Prepaid or Payments Program



MIKE CHITTENDEN, CPA, CMA  
*Assistant Vice President,  
Administration*



RICHARD ROBINS, MBA  
*Assistant Vice President,  
Business Development and Sales*





# Prepaid Card Issuing



**MIHNEA CIRICA**  
*Senior Manager, Implementation*



**KRISTINA WHILE**  
*Manager, Business Development and Sales*



**STEPHANIE VILLARD**  
*Client Program Manager*



**ROSS CREASY**  
*Client Program Manager*

Peoples Trust Company issues prepaid cards tailored to niche markets in the financial, corporate, government, travel and retail sectors. Prepaid payment cards empower organizations to make digitized financial disbursements without the inconvenience of producing cheques or using cash. They are an ideal medium for payroll, commission payments, warranty and health plan distributions, and other tender replacement applications.

Many programs allow the cards to be re-loaded multiple times through a wide variety of convenient services including bank transfers, vouchers, and direct loads from an employer. Peoples Trust offers the universal acceptance of Visa® and MasterCard® customized to the needs of their clients, whether those needs are a country-wide card program or a niche-market private label product.



# Payment Cards



As an issuer of MasterCard® and Visa® Payment Cards in Canada, Peoples Trust Company is responsible for some of the most popular retail products in the country. These cards are sold through major national chains and allow the purchaser to use their card at merchants worldwide, wherever Visa and MasterCard are accepted. They are often used in place of traditional gift cards as they do not limit the recipient to a particular vendor or brand name.

Through its partners, Peoples Trust also provides what are known as Restricted Authorization Network (RAN) prepaid card programs. Shopping mall payment cards are a prime example. These innovative cards, also often used as gifts, are used across selected retailers, points of sale or geographic regions – a genuine example of overcoming technological, geographic and ownership limitations.

Mobile and on-line channels are the evolutions at hand, and Peoples Card Services remains at the forefront of the marketplace in terms of expertise, innovation and support.



**SAMSON LIM, CPA, CA**  
*Chief Financial Officer*



**GIOVANNA PAYNE, CPA, CGA**  
*Senior Manager, Accounting*



**CHRISTOPHER SCALENA, CPA, CA**  
*Manager, Accounting*





# Peoples Payment Solutions



**HOWARD KLEIN**  
*President*



**GERRY SERRATORE**  
*Vice President,  
Sales and Business Development*



**SHIRLEY MATTHEW**  
*Vice President,  
Merchant Acquiring Services*

Peoples Payment Solutions (PPS), a subsidiary of Peoples Trust, specializes in providing BIN Sponsorship for merchant processing and facilitating payments.

We provide a 'one stop solution' for merchants in Canada in partnership with sponsored Independent Sales Organizations (ISOs), Payment Facilitators, and Processors with connections to Visa®, MasterCard®, Discover® and Interac®.

In addition to being able to support full EMV chip card processing, PPS provides the unique competitive advantage of enabling merchants to process transactions on foreign cards in their own currency.

Through our sponsorship program, we work with reputable, well established partners from around the world to provide choice and flexibility to merchants. As a licensed acquirer of Visa, MasterCard, and Discover and with connectivity to the Interac network, PPS leverages its experience with BIN sponsorships and Payment Facilitators to continue its tremendous growth in merchant transaction processing.

Enabling innovative merchant payment services while helping to ensure fair and accountable business practices is key to Peoples Payment Solutions.



# Merchant Acquiring and Payment Services Sponsorship



Peoples Payment Solutions (PPS) continues to grow its sponsorship program. We partner with best-in-class, leading edge ISOs, Payment Facilitators and processing platforms.

PPS can provide full payment service and settlement solutions for merchants in Canada including money disbursements.

Today our merchant portfolio encompasses card present merchants as well as card not present merchants, both small and large. We provide the option of consistency for multi-national merchants to work with a single provider in multiple countries allowing the merchant to capitalize on economies of scale and our business partners to strengthen their relationship with the multi-national merchant.



**EDWARD MARTELINO**  
*Compliance Manager*



**PAULA GOMEZ**  
*Manager, Administration*



**MARK THOMPSON**  
*Senior Merchant Credit Risk Analyst*





**KIM WILLEMS**  
*Manager, Corporate Services &  
CASL Compliance Officer*



**TERRI JELIC**  
*Manager, Marketing*

Peoples has issued more than 30 million cards in more than 750 programs across Canada, totaling more than \$1.2 billion loads last year.

# 2015 Financial Results



Peoples Group achieved record levels of growth on several fronts this year. Our assets under administration grew to \$6.9 billion, while our regulatory capital exceeded \$180 million. However, we operated in an environment of decelerating economic growth in 2015. Declines in oil and other resource prices led to decreases in Canadian business investment spending and softer employment growth. Given these pressures, the interest rate environment plummeted to historically low levels and competitive pressures in the banking and card services industry intensified. These pressures, coupled with 2011 IFRS adjustments that affected the revenue recognition of our securitized mortgages for a number of subsequent years, led to net income declining slightly year over year to \$17.1 million in 2015.

Notwithstanding some fluctuations in reported annual net income, the overall trend of our earnings over the longer term of our Company's rich history continues to be very strong. In recent years, we have become a much more robust consolidated entity, with more varied lines of business, stronger liquidity cushions, diverse sources of funding, more business partners and record levels of regulatory capital. We continue to monitor and prepare for regulatory and technology developments in our industry in a manner that ensures compliance with new requirements while capitalizing on new low-risk opportunities. Certainly our steadily increasing capital base and growing assets under administration positions us well for the future.



**SAMSON LIM, CPA, CA**  
*Executive Vice President and  
Chief Financial Officer*





# 2015 Financial Statements



DARLENE SUM, CPA, CA  
Assistant Vice President, Finance

## CONDENSED BALANCE SHEET<sup>1</sup>

(Expressed in thousands of dollars)

	2015	2014
<b>Assets</b>		
Cash and securities	493,514	804,116
Mortgage receivables	1,030,184	772,277
Securitized mortgage receivables	696,132	1,252,969
Other assets	155,654	145,235
<b>Total Assets</b>	<b>2,375,484</b>	<b>2,974,597</b>
<b>Liabilities</b>		
Customer deposits	1,254,255	1,245,516
Securitization liabilities	705,128	1,354,345
Other liabilities	236,007	210,727
<b>Total Liabilities</b>	<b>2,195,390</b>	<b>2,810,588</b>
<b>Shareholders' Equity</b>		
Share capital	26,884	26,884
Retained earnings	152,406	136,107
Non-controlling interest	804	1,018
<b>Total Equity</b>	<b>180,094</b>	<b>164,009</b>
<b>Total Liabilities and Equity</b>	<b>2,375,484</b>	<b>2,974,597</b>
<b>Total Assets Under Administration</b>	<b>6,930,693</b>	<b>6,395,508</b>

<sup>1</sup>Prepared from audited consolidated financial statements of Peoples Trust Company.



# 2015 Financial Statements



## CONDENSED STATEMENT OF INCOME<sup>1</sup>

(Expressed in thousands of dollars)

	2015	2014
<b>Net Interest Income</b>		
Interest revenue	82,292	122,605
Cost of funds	62,361	99,126
	19,931	23,479
<b>(Provision for) Recovery of Loan Losses</b>	(216)	500
<b>Income Before Other Income,</b>		
Operating Expenses and Income Taxes	19,715	23,979
Securitization and Card Services Income	21,188	29,075
Other Income	15,654	10,197
<b>Income Before Operating Expenses</b>		
and Income Taxes	56,557	63,251
<b>Operating Expenses</b>		
Administrative	17,223	19,655
Salaries and benefits	15,798	16,560
Depreciation	510	543
	33,531	36,758
<b>Income Before Income Taxes</b>	23,026	26,493
<b>Provision for Income Taxes</b>	5,923	6,566
<b>Net Income for the Year<sup>2</sup></b>	17,103	19,927



TERRY HRISCHUK, CPA, CA  
Director, Internal Audit



MAI LAW, CPA, CA  
Manager, Reporting and Analysis

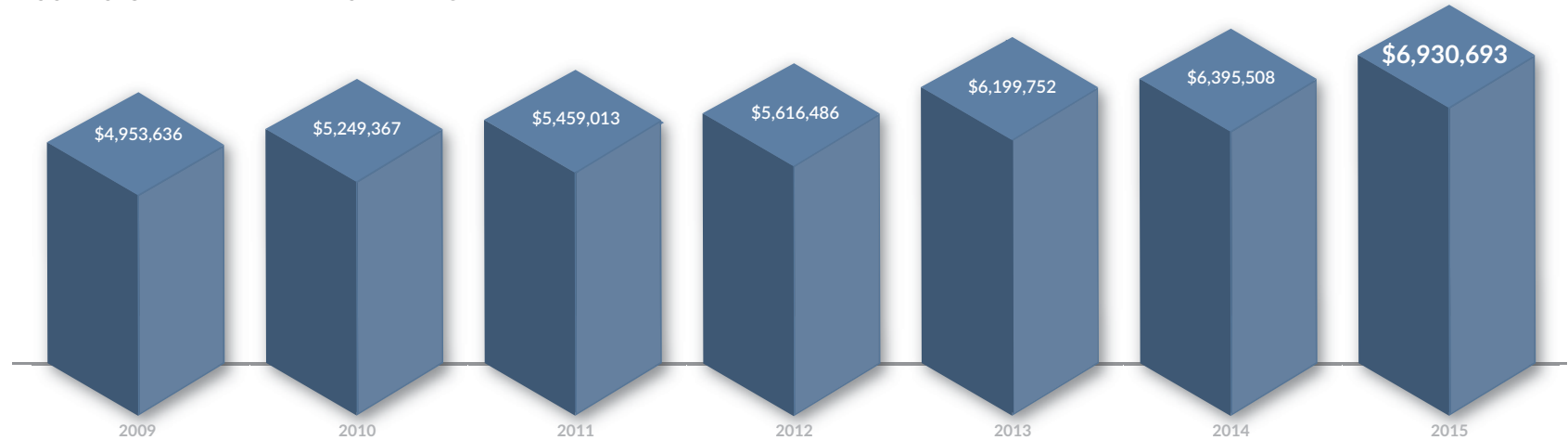
<sup>1</sup>Prepared from audited consolidated financial statements of Peoples Trust Company.

<sup>2</sup>Includes non-controlling interest of \$804 (\$1,018 in 2014).

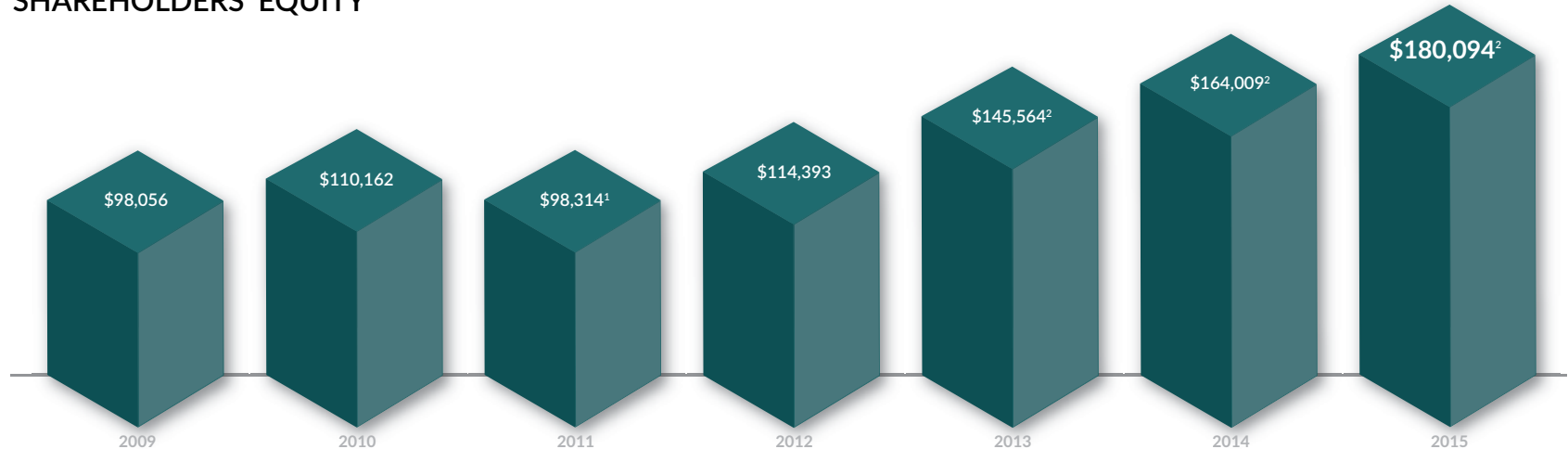
# Financial Results

(Expressed in thousands of dollars)

## ASSETS UNDER ADMINISTRATION



## SHAREHOLDERS' EQUITY

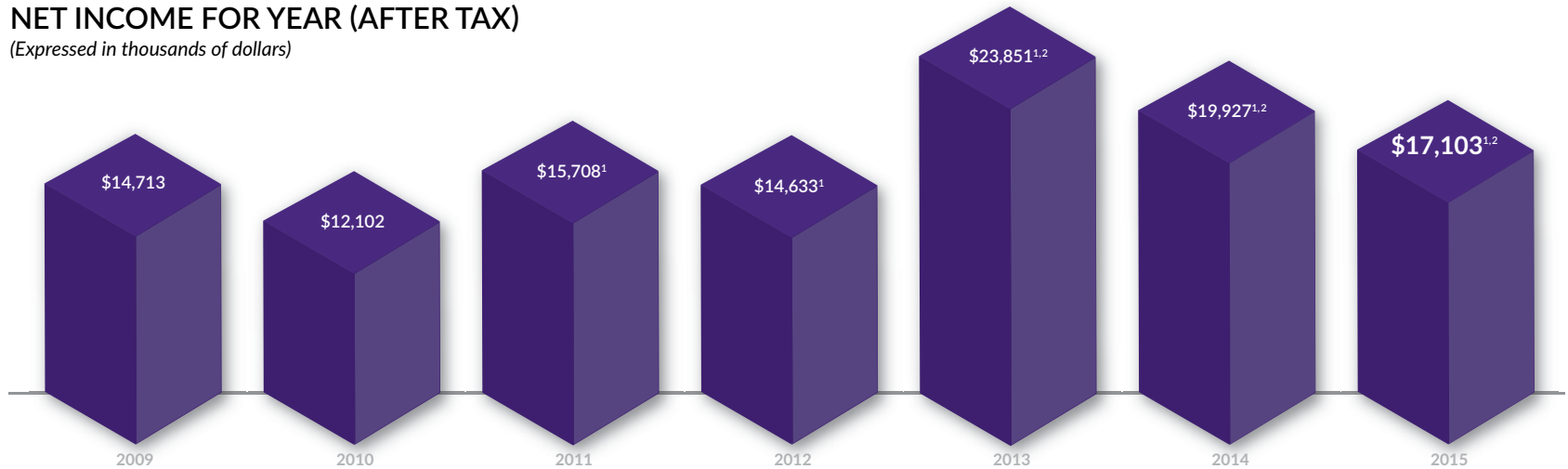


<sup>1</sup>Reported under IFRS. Adoption of new standards resulted in a restatement of Shareholders' Equity.

<sup>2</sup>Includes Peoples Card Services beginning in 2013 and related non-controlling interest.

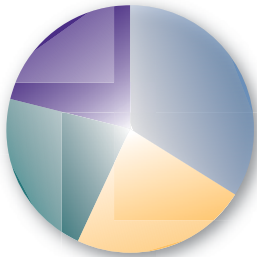
## NET INCOME FOR YEAR (AFTER TAX)

(Expressed in thousands of dollars)



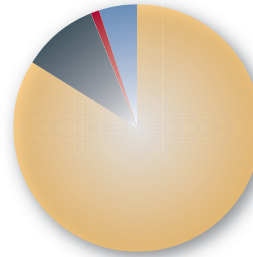
<sup>1</sup>As a result of 2011 IFRS adjustments, annual earnings fluctuated from 2010 through to the current year.

<sup>2</sup>Includes Peoples Card Services beginning in 2013 and related non-controlling interest.



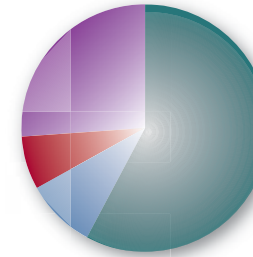
### ADMINISTERED MORTGAGES BY LOCATION

BC	34%
Prairies	23%
Ontario	22%
Other	21%



### ADMINISTERED MORTGAGES BY SECURITY

Multi-family	84%
Care Facility	10%
Single-family	1%
Other	5%



### ADMINISTERED DEPOSITS BY LOCATION

Ontario	58%
BC	26%
Prairies	9%
Other	7%



# Peoples' Spirit



JO-ANNE MOREFIELD, CHRP  
Senior Director Human Resources

Peoples Group, a Success Story! For over thirty years, we have understood that it's our people that help us to succeed. We are an organization of like-minded individuals who demonstrate the same drive and commitment to the Organization as we do to our families and the communities we live in. Peoples believes in the spirit of being involved in and giving back to our community, and we support our employees' efforts to do so. The Organization encourages all staff to have a healthy balance between work and home life, recognizing that satisfied employees contribute significantly to our ongoing growth and success. This philosophy has helped to make us a leader in the industry and a sought-after employer. At Peoples Group we strive to provide a dynamic and rewarding work environment; we believe in team work and team play, and that everyone should have a little fun in their day.





# Peoples' Community



# Meet the People of Peoples Group...







## Memberships & Affiliations

CMHC Approved Lender

Mortgage-Backed Securities Issuer

Approved Seller to the Canada Housing Trust

Member of Canada Deposit Insurance Corporation

Member of Canadian Payments Association

Member of Interac®

Principal Issuing and Merchant Acquiring Member of MasterCard®

Principal Issuing Member of Cirrus®

Principal Issuing and Merchant Acquiring Member of Visa®

Licensed Canadian Acquirer of Discover®

Member of Canadian Prepaid Providers Organization

Member of Global Prepaid Exchange

Member of Registered Deposit Brokers Association

Member of Mortgage-Backed Securities Issuer Association

Member of the Better Business Bureau

Member of many Provincial Industry Associations



## Board of Directors



BACK ROW: Michael T. Andrews, Peter R. Hindmarch-Watson, Martin Walrath, Howard S. Anson, Jonathan A. Levin

FRONT ROW: Keith Thompson, Nelson Merizzi, David Ghermezian, Frank Renou, Andrew Bury

ABSENT: Eskandar Ghermezian

# Senior Management

## PEOPLES TRUST COMPANY

**DEREK PEDDLESDEN, CPA, CA**  
*Chief Executive Officer*

**BILL MOFFATT**  
*President and Chief Operations Officer*

**SAMSON LIM, CPA, CA**  
*Executive Vice President and Chief Financial Officer*

**DARREN KOZOL**  
*General Counsel and Corporate Secretary*

**NEIL ALLEN, BSC**  
*Chief Information Officer and Senior Vice President*

**JO-ANNE MOREFIELD, CHRP**  
*Senior Director Human Resources*

**DENNIS DINEEN**  
*Senior Vice President and Regional Manager, British Columbia*

**MICHAEL LOMBARD**  
*Senior Vice President and Regional Manager, Eastern Canada*

**DENNIS AITKEN**  
*Senior Vice President and Regional Manager, Prairies*

## PEOPLES CARD SERVICES

**PETER READ**  
*President*

**JOHN PALS**  
*Chief Operating Officer*

**SAMSON LIM, CPA, CA**  
*Chief Financial Officer*

## PEOPLES PAYMENT SOLUTIONS

**HOWARD KLEIN**  
*President*

**GERRY SERRATORE**  
*Vice President, Sales and Business Development*

**SHIRLEY MATTHEW**  
*Vice President, Merchant Acquiring Services*

**SAMSON LIM, CPA, CA**  
*Chief Financial Officer*

# Contact Us

## PEOPLES GROUP HEAD OFFICE

Suite 1400, 888 Dunsmuir Street  
Vancouver, BC V6C 3K4  
Telephone 604-683-2881  
Facsimile 604-331-3469

## PEOPLES TRUST DEPOSIT SERVICES

Suite 750, 888 Dunsmuir Street  
Vancouver, BC V6C 3K4  
Telephone 604-331-3465  
Facsimile 604-683-5110  
Toll Free 800-663-0324

## PEOPLES TRUST FINANCIAL SECURED MASTERCARD

P.O. Box 48235, 595 Burrard Street  
Vancouver, BC V7X 1A1  
Telephone 604-694-6200  
Facsimile 604-694-6209  
Toll Free 877-694-6200

## PEOPLES TRUST REGIONAL OFFICES

### VANCOUVER

Suite 450, 888 Dunsmuir Street  
Vancouver, BC V6C 3K4  
Telephone 604-685-1068  
Facsimile 604-683-2787

### CALGARY

Suite 955, 808 - 4th Avenue S.W.  
Calgary, AB T2P 3E8  
Telephone 403-237-8975  
Facsimile 403-266-5002

### TORONTO

Suite 915, 95 Wellington Street West  
Toronto, ON M5J 2N7  
Telephone 416-368-3266  
Facsimile 416-368-3328

## PEOPLES CARD SERVICES

Suite 1400, 888 Dunsmuir Street  
Vancouver, BC V6C 3K4  
Telephone 604-694-6214  
Toll Free 855-694-6214  
Facsimile 604-694-6209

## PEOPLES PAYMENT SOLUTIONS

### TORONTO

Citigroup Place  
Suite 901, 123 Front Street W.  
Toronto, ON M5J 2M2  
Toll Free 844-304-2083

### MONTREAL

Suite 1125, 1 Westmount Square  
Westmount, QC H3Z 2P9

[www.peoplestrust.com](http://www.peoplestrust.com)

[www.peoplescardservices.com](http://www.peoplescardservices.com)

[www.peoplespaymentsolutions.com](http://www.peoplespaymentsolutions.com)

[www.bettermycredit.ca](http://www.bettermycredit.ca)





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