



 **Peoples[®]
Trust**
2009



MISSION STATEMENT:

"To profitably grow the assets administered by the Company, enhance customer loyalty by delivering innovative financial products with exceptional client service, and create a rewarding work environment for employees."



MICHAEL LOMBARD
*Vice President and Regional Manager
Ontario*

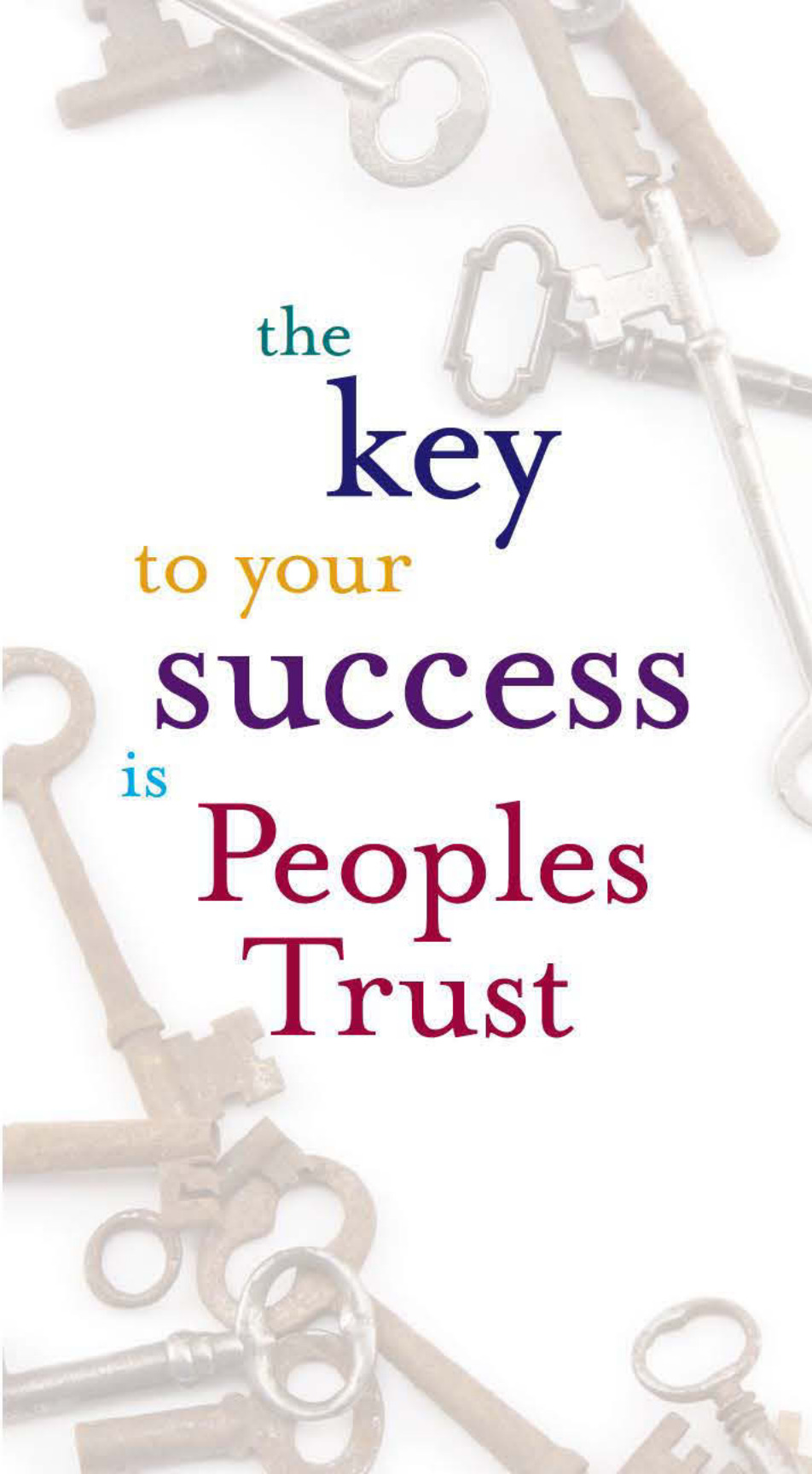


DENNIS AITKEN
*Vice President and Regional Manager
Prairie*

BRIAN KENNEDY, RIBC
*Vice President and Regional Manager
British Columbia*

TORONTO · CALGARY · VANCOUVER

**Opening doors for Canadians
with dedicated, personalized service.**



the
key
to your
success
is
Peoples
Trust



OUR DOORS ARE OPEN

Welcome to Peoples Trust. Our Company prides itself on providing the highest levels of customer service and satisfaction.

As a smaller institution we decided to concentrate our resources on a carefully selected suite of financial products and services that would exceed our customers' expectations. Our results over the past 20 years show we have been very successful pursuing this philosophy.

I invite you to try us on for size...you won't be disappointed!

FRANK RENOU
President and
Chief Executive Officer



DOUG EVENESHEN

Manager Commercial Mortgages
Prairie

JONATHAN WONG

Manager Commercial Mortgages
British Columbia



"We have a long standing relationship with Peoples Trust dating back to the early '90s. In 2008 we had our best year ever together; completing many CMHC insured commercial mortgage transactions and some conventional loans as well. Peoples has always provided competitive pricing, high levels of service, and professional advice. We look forward to continuing our mutually beneficial relationship with Peoples Trust in 2009 and beyond."

Tony Kalla, Principal
Westbridge Mortgage Services Ltd.

COMMERCIAL, BIG OR SMALL

Peoples Trust has developed strategic alliances with a large number of low cost commercial mortgage investors. These partnerships allow us to provide commercial financing on some of the best terms and conditions available in the market.

Talk to our commercial mortgage specialists...they have the experience and the market knowledge to ensure you get the best deal available for your needs.

SENIORS' HOUSING

Nursing homes and congregate care

The change in demographics in Canada will place a considerable strain on the availability of quality housing both in the specialized care sector and in quality residential facilities for seniors. This demand has created a growth market in the development of new facilities in both private and non-profit sectors.

Peoples Trust has partnered with CMHC for over 20 years in the financing of all types of care facilities and is consequently well positioned to expand in this growth area. The Company has significant in-house expertise to arrange the appropriate construction or term financing for your facility.

Unlocking the door to financial ease.



TOM WOLLNER, RI, AMP
 Manager Residential Mortgages
 British Columbia

JAMES PELL, FMA, CFP
 Manager Residential Mortgages
 British Columbia

MULTI-FAMILY LENDING

Peoples Trust has outstanding in-house expertise in all aspects of multi-family financing, whether it is construction, take out, or long term. In addition to the acquisition of mortgages for its own portfolio, Peoples Trust has strong relationships with other institutions and has been able to engineer some innovative methods of borrowing which can reduce the cost of financing for an owner or developer.

The Company has an excellent relationship with Canada Mortgage and Housing Corporation and is adept at providing financing using mortgage insurance as a mechanism to reduce the cost of borrowing. Call your local branch today.



"I appreciate the prompt service and common sense lending that Peoples Trust provides. I deal with a lot of hard to place files and it is nice to deal with a Vancouver-based company that understands our market and challenges. Thanks for the great service you provided me last year and I look forward to funding more files in 2009."

Carol Johnson, Mortgage Specialist
 Home Loans Canada

Welcome home.

SINGLE FAMILY LENDING

Many borrowers do not fit the narrow requirements of most financial institutions. Our specialty programs focus on situations where the borrower requires a more personal and creative approach in satisfying their needs. Peoples provides a choice.

This, coupled with exceptional customer service, has earned the Company a solid reputation in this specialized niche. We are simply more flexible than the big institutions.

Call our residential underwriters and let them show you how we can provide value added alternatives.





BARRIE BATTLE

Senior Vice President
Mortgage Banking

DENNIS DINEEN

Vice President
Commercial Mortgage Banking

JULIE BERKS

Senior Manager
MBS and Mortgage Banking
Administration

CINDY SHIELD

Assistant Manager
MBS and Mortgage Banking
Administration

DEREK READ

Vice President Mortgages
Ontario

*"Over the years we have been very pleased
with the professionalism and service of
Peoples Trust."*

Rod Dougherty, President
Carlisle Capital Structures Corporation

MORTGAGE BANKING, SERVICING & MORTGAGE BACKED SECURITIES

Peoples Trust has long been an active participant in the Institutional Investors segment of the financial industry. The Company is well known and highly regarded for its involvement in the origination and placement of CMHC Mortgage Backed Securities.

Peoples Trust also originates mortgage product and provides full servicing and reporting for the investor. We offer a variety of real estate mortgage investments to institutional and large private investors and have placed over three billion dollars in mortgage product with our clients.

Peoples Trust also provides administrative support to those investors who source their own product but do not wish to service it themselves.



JEANETTE CURTIS
Senior Manager
Deposit Services

JANET CUBBAGE
Assistant Manager
Deposit Services



"I have been a client of Peoples Trust Company for over ten years and have found this company to be one of the best financial institutions I have ever been associated with. The staff is very knowledgeable, competent and efficient, always obtaining the best monthly rates. I have nothing but very high praise for Peoples Trust and I look forward to continuing my financial relationship with the Company for many years to come."

G.A.M. Anderson
Vancouver, BC

REGISTERED RETIREMENT SAVINGS PLANS

Our interest rates are fixed and guaranteed for the full term of your investment. Interest is compounded annually and paid on the maturity date. We issue annual statements as at December 31st and offer a 45 day rate guarantee for funds you transfer to us from another financial institution. We have no set up or service fees.

Your key to
secure investments.

GUARANTEED INVESTMENT CERTIFICATES

We offer very competitive interest rates which are fixed and guaranteed for the full term of your investment. Our GIC's are fully assignable and transferable. An automatic renewal option is available and interest payments can be directly deposited to the financial institution of your choice. With no fees or service charges we invite you to check it out!

In addition to our fixed term offerings we also give you the option of purchasing a cashable product. A more attractive alternative to Canada Savings Bonds, the Peoples Savings Certificate is cashable at anytime and offers a premium savings rate.

We have a product for you – call us.

Peoples Trust
www.peoplestrust.com



PEOPLES CHOICE™ SAVINGS ACCOUNT

Introducing a new way to SAVE at Peoples Trust... the Peoples Choice Savings account offers you a safe, liquid and flexible way to manage your daily savings at an above-market rate. There is no minimum balance required, you can set up an automatic savings plan and there are no monthly fees!

For more information on this and all our deposit products or to purchase online visit us at www.peoplestrust.com.



PEOPLE ARE TALKING...

"We have worked with several institutions in the past but when we met Peoples Trust we knew we met an institution that thinks and works like our company. Their commercial experience, knowledge of the local market and ability to react to our needs demonstrates a clear advantage over the competition."

The team is able to work to meet our needs and find solutions rather than give us reasons why things can't be done. As a result we have established a solid long term relationship with Peoples Trust for entire portfolios of properties and know we have a solid partner that will support our growth for the long term."

Gurinder Gill, President
Gill Apartments Ltd.

ABOUT PEOPLES TRUST...

"Thank you Peoples Trust for the exemplary service that you have provided in our dealings over the last eight years. Your professional expertise and assistance in successfully obtaining insured mortgages has greatly assisted us in our goals as a leader in client services in the Multi-Residential Investment industry."

Being highly knowledgeable and operating with a high level of integrity definitely makes you stand out above other lenders. Included are your very competitive rates and fees which are on several occasions the most favorable in the market place."

Danny Iannuzziello, President
Skyview Realty Ltd.



2008 – OPPORTUNITY IN TOUGH TIMES!

2008 turned out to be significantly better than was originally expected. The early days of the credit crisis and liquidity crunch impacted the Company at the start of the year when traditional channels used to distribute MBS product completely dried up, resulting in the elimination of a major contributor to profitability. However, in anticipation of this, the Company had applied in late 2007 to become a participant in the Canada Mortgage Bond Program (CMB) and became an Approved Seller in April 2008. As a result, the Company was able to continue lending on insured mortgages at a time when very few competitors were left in the market. Consequently, the MBS product line had an exceptional year, with volumes close to double historical highs.

On the conventional lending front, with many lending participants forced to withdraw due to liquidity and other constraints, the Company was able to build up its balance sheet mortgage portfolio with quality product and good spreads, particularly floating rate loans. However, the expansion of the floating rate portfolio created an issue later in the year when the Bank of Canada made successive significant interest rate reductions over a short time frame to unprecedented low levels. This rapid rate drop caused some compression in the financial margin, especially in the last quarter of the year, which is evident when comparing the year over year results. However, as the deposit portfolio re-prices over time, the margin will be re-established and when interest rates eventually rebound up, the Company should reap a significant benefit.

Operationally, the Company performed well, with the Vancouver Branch being relocated to new premises towards the end of the year to allow for future expansion in Head Office and Card Operations. The MasterCard® payment and prepaid programs are becoming more established and both show strong growth over 2007. With the Company preparing to expand into merchant acquiring in early 2009, the contribution to the bottom line from these products will continue to increase.

Looking forward, I believe 2009 will be a year of challenges. Real estate markets will continue to struggle, economic conditions are expected to worsen and the world wide recession will probably deepen. Against such a backdrop the Company must remain prudent. New conventional mortgage business will need to be carefully underwritten and the existing portfolio actively monitored for potential problems. Delinquent loans must be addressed proactively and resolved on a timely basis. Given this heightened due diligence, proactive management and the continuance of the CMB program, the Company is positioned to weather the current economic conditions and maintain positive returns.



FRANK RENO
President and
Chief Executive Officer



ANOTHER SOLID FINANCIAL PERFORMANCE

HIGHLIGHTS:

- After tax return on equity was 12.5%.
- Highest net income after tax in our history at \$9.3 million.
- Balance Sheet Assets grew substantially over the course of the year to \$1.3 billion at December 31st. This is a 31% increase and represents a significant achievement for the Company.
- Total administered assets also grew strongly, up 20% at the end of the year to over \$4.1 billion!
- The high interest Peoples Choice™ chequing / savings account has been well received by our clients and continues to show strong growth.
- The MasterCard® Payment Card Programs are expanding with significant increases over 2008.
- The Secured MasterCard product line remains a solid contributor to the bottom line results.

DEREK PEDDLESDEN, CA
*Executive Vice President and
Chief Operating Officer*





JOHN NATION

Assistant Vice President
Mortgage Administration

JULIA HALLETT

Manager Mortgage Administration
British Columbia

TANYA PERRIN

Manager Mortgage Administration
Prairie



SHARON SMALL

Manager Mortgage Administration
Ontario

CLIENT SERVICES

"Fantastic service, superior products and a personalized professional team, Peoples Trust is the best of the best. They get the job done."

Scott Nelson, President
Scott & Jaz Rentals Ltd.

Peoples Trust places a very high emphasis on customer relations and customer service. Our team of administrators use their extensive experience and expertise to ensure that commitments made by our company are translated into action. This professional attitude is reflected in their ability to consistently deliver on time and with maximum efficiency! We pride ourselves that we have 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!



ROBERT PAIN, FICB
Vice President
Card Services

LENORE O'ROURKE
Manager Administration
Secured Card Programs

GERRY SERRATORE
Vice President
Marketing

MICHAEL CHITTENDEN, BBA, FCUIC
Manager Administration
Prepaid Card Programs

MIHNEA CIRICA
Account Manager

MASTERCARD® PROGRAMS

Secured MasterCard Credit Card: This program allows most Canadian residents to obtain a credit card. Specifically, it is geared to those who do not qualify for regular credit cards due to financial difficulties or lack of a credit history. Our Cardholders enjoy the benefits and flexibility of a MasterCard Credit Card and also build a positive credit profile.

"I would like to thank and commend Peoples Trust for their help and the opportunity to rebuild my credit score by using the secured MasterCard card. It is by far the cheapest security deposit out there, and yet still gave me all the privileges any credit card would, with a very detailed bill."

Greg H.
St. Catharines, Ontario

Payment and Gift Cards: Peoples Trust is the largest issuer of MasterCard Payment Cards in Canada. These cards are sold through major national chains and allow the purchaser to use their card anywhere in the world that MasterCard is accepted. These are excellent for gift giving as they do not limit the recipient to a particular vendor or brand name.

Prepaid Cards: These MasterCard cards allow organizations to make distributions to employees and customers without the inconvenience of producing cheques or using cash. They are an excellent medium for payroll, employee incentives and commission payments, rebate or warranty distributions and many other tender replacement applications. Some card programs allow the card to be re-loaded multiple times.

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





SAMSON LIM,
BCOMM, CA
*Vice President Administration and Chief
Financial Officer*



KATHLEEN KLASSEN,
CGA, CFA, MBA
*Treasurer and
Corporate Secretary*



RICK KREKLEWETZ,
CMA, FICB
*Assistant Vice President and
Controller*



WILLIAM TANG, CA
Manager Internal Audit

BALANCE SHEET*

as at December 31 st	2008	2007
ASSETS		
Cash & securities	320,063	176,819
Mortgage & other loans	893,510	753,969
Other assets	94,794	67,563
TOTAL ASSETS	1,308,367	998,351
LIABILITIES		
Deposits	1,202,708	909,162
Accounts payable & other liabilities	14,139	10,244
Deferred income	8,178	4,884
TOTAL	1,225,025	924,290
SHAREHOLDERS' EQUITY		
Share capital	14,004	14,004
Retained earnings	69,338	60,057
TOTAL	83,342	74,061
TOTAL LIABILITIES & EQUITY	1,308,367	998,351
TOTAL ADMINISTERED ASSETS	4,145,327	3,467,489

thousands of dollars

*Prepared from audited financial statements which are
available upon request at the Company's head office.

STATEMENT OF EARNINGS*

for the year ending December 31 st	2008	2007
INCOME		
Interest	62,826	55,687
Fees & other income	22,346	13,334
TOTAL INCOME	85,172	69,021
EXPENSES		
Interest	48,542	37,041
General & administrative expenses	22,440	19,136
Provision for loan losses	425	1,175
TOTAL EXPENSES	71,407	57,352
EARNINGS BEFORE INCOME TAXES	13,765	11,669
INCOME TAXES	4,482	4,084
NET INCOME AFTER TAX	9,283	7,585

thousands of dollars

AUDITORS:
Pricewaterhouse Coopers LLP
Chartered Accountants

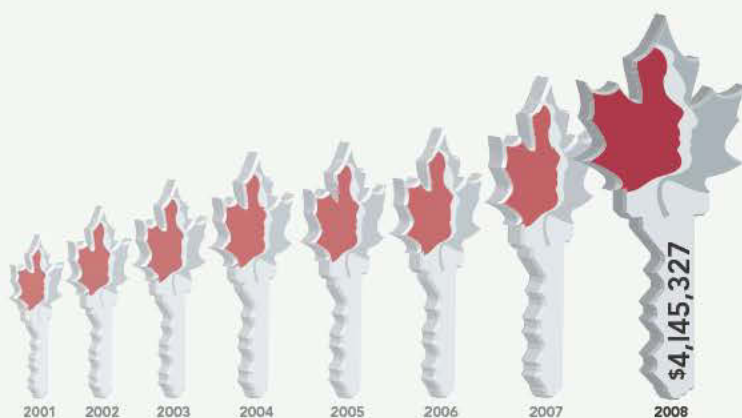


NEIL ALLEN, BSc
Vice President
Information Technology

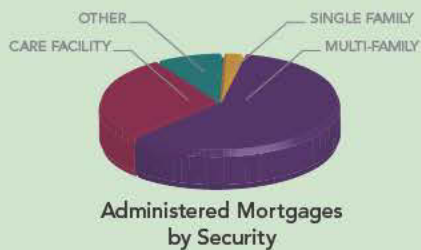


MARTIN MALLICH
Manager Default Management

ASSETS UNDER ADMINISTRATION



SHAREHOLDERS' EQUITY



Performing over and above your expectations is the key to our success.



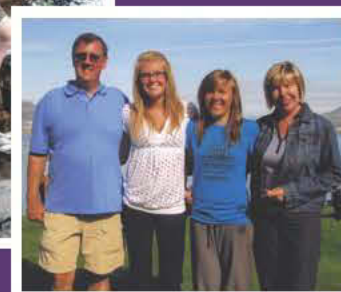
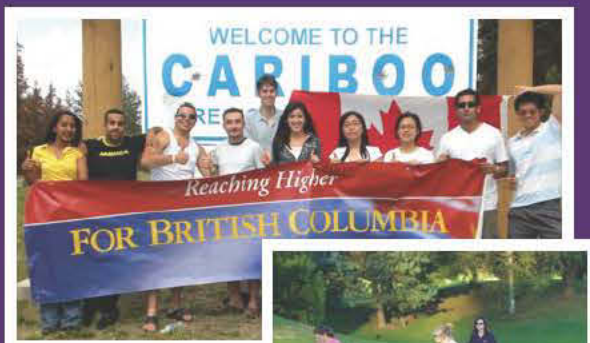
THE PEOPLE OF PEOPLES TRUST ARE TALKING:

"I'm proud to provide the service that borrowers come to us for. It's a privilege to contribute to our growth as a company."



"The senior management seems to really value their employees, encouraging us to have fun and be part of a real team."

"Why am I here? Great people and great benefits that give a nice balance between work and home."





JO-ANNE MOREFIELD
Manager
Human Resources

PEOPLES' SPIRIT

Peoples Trust, a Success Story! A success story because we know it's our people that make us succeed. We are an organization of like minded individuals who demonstrate the same drive and commitment to the Company as we do to our families and communities across Canada. In return, the Company encourages all staff to have a healthy balance between work and home life, recognizing that satisfied employees contribute significantly to its ongoing growth and success. Like a family we grow and learn together, making us a stronger team and a leader in the industry. At Peoples Trust 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.



SENIOR MANAGEMENT

FRANK RENOU
President and Chief Executive Officer

DEREK PEDDLESSEN
Executive Vice President and Chief Operating Officer

SAMSON LIM
Vice President Administration and Chief Financial Officer

BARRIE BATTLE
Senior Vice President, Mortgage Banking

KATHLEEN KLASSEN
Treasurer and Corporate Secretary

DENNIS DINEEN
Vice President, Commercial Mortgage Banking

BRIAN KENNEDY
Vice President and Regional Manager, British Columbia

MICHAEL LOMBARD
Vice President and Regional Manager, Ontario

DENNIS AITKEN
Vice President and Regional Manager, Prairie

NEIL ALLEN
Vice President, Information Technology

BOARD OF DIRECTORS

ESKANDAR GHERMEZIAN
Chairman, Peoples Trust Company

FRANK RENOU²
President and CEO, Peoples Trust Company

MICHAEL ANDREWS
Businessman

HOWARD ANSON^{1,4}
Chartered Accountant

ANDREW BURY^{1,2,3,4}
Lawyer

DAVID GHERMEZIAN²
Businessman

PETER HINDMARCH-WATSON^{2,3}
Businessman

JONATHAN LEVIN
Lawyer

KEITH THOMPSON^{1,2,3,4}
Lawyer

MARTIN WALRATH
Businessman

DEREK WOODS
Businessman

¹ Audit Committee ² Investment Committee
³ Corporate Governance Committee ⁴ Conduct Review Committee

Contact us:

HEAD OFFICE

VANCOUVER

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Email people@peoplestrust.com

VANCOUVER DEPOSIT SERVICES

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Telephone (604) 683-2881 Facsimile (604) 683-5110
Email deposits@peoplestrust.com

REGIONAL OFFICES

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Email calgary@peoplestrust.com

TORONTO

Suite 1801, 130 Adelaide Street W., Toronto, ON M5H 3P5
Telephone (416) 368-3266 Facsimile (416) 368-3328
Email toronto@peoplestrust.com

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 Member of Cirrus®
Principal Issuing and Merchant Acquiring Member of MasterCard®
Principal Issuing and Merchant Acquiring Member of Visa
Member of Federation of Canadian Independent Deposit Brokers
Member of many Provincial Industry Associations





www.peoplestrust.com



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