



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 Registered Deposit Brokers Association

Member of the Better Business Bureau

Member of many Provincial Industry Associations

THE COMPANY



Peoples Trust has been providing boutique financial services to the Canadian marketplace for over 25 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 and have no desire to emulate the operations of the major financial institutions in Canada. However, we do believe, and have amply demonstrated, that a smaller company can be very successful if it is well managed and exceeds the expectations of its customers.

Peoples Trust is proud of its proven track record and is well positioned to grow and develop over the coming year.



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.”

BUSINESS DEVELOPMENT



BRIAN KENNEDY, RI(BC)
Vice President and
Regional Manager
British Columbia



DENNIS AITKEN
Vice President and
Regional Manager
Prairie



MICHAEL LOMBARD
Vice President and
Regional Manager
Ontario



JONATHAN WONG
Manager
Commercial Mortgages
British Columbia



DANIEL STEWART
Assistant Vice President
Commercial Mortgages
Prairie



ADY STEEN
Manager
Commercial Mortgages
Ontario

For most of 2011, Peoples Trust's business development program focused upon developing a whole loan sales program as an adjunct to our CMHC securitization programs. This was finally achieved in August 2011 and it enabled Peoples to continue originating CMHC insured mortgages as off-balance sheet transactions. Business development in 2012 will be directed to the creation of strategic investor client relationships, the expansion of our mortgage servicing clientele and the further enhancing of our CMHC whole loan sales program.



BARRIE BATTLEY
Senior Vice President
Business Development

SINGLE FAMILY LENDING



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

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.

Our residential division will show you how we can provide value added alternatives.

SENIORS' HOUSING



BRIAN KENNEDY RI(BC)
Vice President and
Regional Manager
British Columbia



DENNIS AITKEN
Vice President and
Regional Manager
Prairie



MICHAEL LOMBARD
Vice President and
Regional Manager
Ontario



JONATHAN WONG
Manager
Commercial Mortgages
British Columbia



DANIEL STEWART
Assistant Vice President
Commercial Mortgages
Prairie



ADY STEEN
Manager
Commercial Mortgages
Ontario

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 25 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.

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 with 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.

MULTI-FAMILY LENDING



BRIAN KENNEDY RI(BC)
Vice President and
Regional Manager
British Columbia



DENNIS AITKEN
Vice President and
Regional Manager
Prairie



MICHAEL LOMBARD
Vice President and
Regional Manager
Ontario



JONATHAN WONG
Manager
Commercial Mortgages
British Columbia



DANIEL STEWART
Assistant Vice President
Commercial Mortgages
Prairie



ADY STEEN
Manager
Commercial Mortgages
Ontario

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.

MORTGAGE BANKING



Peoples Trust is actively involved in the structuring and placement of commercial real estate mortgages across the country.

By developing relationships with numerous banks, credit unions, pension funds and insurance companies, Peoples is able to syndicate and arrange commercial mortgage opportunities to the benefit of borrowing clients. This allows Peoples Trust the flexibility to tailor loan size, pricing, and deal parameters within the various product categories resulting in optimal loan structures.

With significant underwriting and commercial mortgage lending experience, on a national basis, Peoples can provide a true “value added” service approach to borrowers. This ranges from construction loans on multi-family residential projects, to financing the purchase of income producing properties.

Recognized experience of this nature is what allows us the opportunity to bring mainstream institutional partners to the table to the benefit of borrowers.

MORTGAGE ADMINISTRATION



JOHN NATION
Assistant Vice President
Mortgage Administration



MARTIN MALLICH
Manager Default Management



JULIA HALLETT
Manager Mortgage Administration
British Columbia



TANYA PERRIN
Manager Mortgage Administration
Prairie



SHARON SMALL
Manager Mortgage Administration
Ontario

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!

MORTGAGE SERVICING



JULIE BERKS
Senior Manager
MBS & Mortgage Banking
Administration

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, conventional, construction and long term or MBS and CMB. Peoples is experienced with underwriting and administration on mortgage loans over multi-family, retail and office space, hotels, retirement and nursing homes as well as industrial properties.

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

SECURITIZATION

Peoples Trust has been involved in mortgage-backed securities (MBS) since the inception of the program in 1987 having issued approximately \$7 billion in mortgage product over the years. Our seasoned underwriting personnel continue to provide quality loans for this very successful program.

Participation in the MBS Program has consistently allowed us to provide qualified borrowers with the lowest mortgage rates available in the financial markets. With our experience in the Canada Mortgage Bond (CMB) Program we are able to provide these same borrowers with even better loan pricing!

Peoples Trust has become well known and highly regarded for its involvement in the origination of CMHC mortgages for placement in the MBS and CMB Programs. Our involvement in these programs allows us to continue offering highly competitive mortgage rates to our Borrowers.

PEOPLES CHOICE™ SAVINGS & GICS



PEOPLES CHOICE™ SAVINGS

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.

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!

We have a product for you – call us.

TAX-FREE SAVINGS, TAX-FREE GICS & RRSPS

TAX-FREE SAVINGS ACCOUNT

Our interest rates are among the best in the country and your contributions to this account will earn that interest tax free. With the Tax-Free Savings Account you may contribute or withdraw funds anytime with no set up, service or transfer fees. With quarterly statements and interest calculated daily you'll be able to see your savings grow. No setup, service or transfer fees.

TAX-FREE GUARANTEED INVESTMENT CERTIFICATES

If you need a place to invest funds and would like to do so tax free, our Tax-Free Guaranteed Investment Certificate is a great choice. Rates are fixed and guaranteed for the full term and interest is compounded annually. Our interest rates make it worth your while and with no tax and no fees, you can only win with this investment option.

For more information on these products or to purchase online, please visit our website: www.peoplestrust.com

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. Saving for your retirement is easy with Peoples Trust.



JANET CUBBAGE
Manager
Deposit Services

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.



THE CREDIT BUILDER CARD

SECURED CARD REFERRAL PROGRAM

The Peoples Trust Referral Program is designed for business professionals that deal with clients who:

- Have had credit problems in the past and need to re-build their credit rating
- Have no credit history and wish to establish good credit (students and new immigrants)
- Are discharged bankrupts trying to re-build their credit rating
- 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.peoplestrust.com/referralprogram to find out more.



MasterCard and the MasterCard Brand Mark are registered trademarks of MasterCard International Incorporated.
Visa Int. / Peoples Trust Company, Licensed User.

PEOPLES CARD SERVICES



GORDON MCCALDEN

Vice President
Merchant Acquiring Services

MARK THOMPSON

Merchant Credit Risk Analyst



PAULA GOMEZ

Manager Administration
Merchant Acquiring

MERCHANT CARD TRANSACTION ACQUIRING & PROCESSING

Peoples Trust is now established in the merchant transaction processing arena, acquiring and settling MasterCard®, Visa® and Interac®. As a principal member with both MasterCard and Visa, as well as connectivity to the Interac network, Peoples Trust is able to provide a “one stop” solution for merchants in Canada. Our business model is to work with established, quality organizations that support the point of sale devices which enable merchants to accept payments from credit, debit and prepaid cards. In addition to being able to support full EMV chip card processing, Peoples has a unique competitive advantage through our processing partner that enables merchants to process transactions on foreign cards in their own currency.

PEOPLES CARD SERVICES

PAYMENT & PREPAID CARDS



PROGRAM EXAMPLES



ROBERT PAIN, FICB
Chief Operations Officer



JOHN PALS
Vice President Operations



GERRY SERRATORE
Vice President Marketing



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PEOPLES CARD SERVICES



DARLENE SUM, CA
Controller

PAYMENT CARDS

Peoples Trust is a leading issuer of MasterCard® and Visa® Payment Cards in Canada. These cards are sold through major national chains and allow the purchaser to use their card at merchants anywhere in the world where these brands 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.



PEOPLES CARD SERVICES



MICHAEL CHITTENDEN, CMA
Senior Manager Administration
Issuing



MIHNEA CIRICA
Manager Implementation



KATIE McQUAID
Client Program Manager

PREPAID CARDS

Prepaid 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 through bank transfer, cash or direct load from an employer.

PRESIDENT'S REPORT



FRANK RENO
President and
Chief Executive Officer

2011 TURNED OUT TO BE A VERY BUSY YEAR FOR THE COMPANY ON A NUMBER OF FRONTS.

Firstly, the implementation of the new requirements for accounting and reporting, the International Financial Reporting Standards (IFRS) proved to be much more challenging than originally thought, with many more hours and resources required to fully explore all the issues and ensure that the financial results were properly reported.

The adoption of IFRS resulted in the Company making some adjustments to its business model to accommodate the impacts of the new methodology on regulatory reporting. As noted in last year's annual review, the Company was anticipating these issues, especially in the insured mortgage securitization area, and initiated a project to

modify the existing process to a "whole loan" sales model. I am pleased to report that we completed this objective in 2011 and the new program is off to a successful start.

The Company also continued to re-focus on its core lending product of conventional mortgages and was very successful in growing this portfolio. In fact the mortgage receivables grew by \$185 million or 30% during the year. This significant asset growth had a very positive impact on the income statement with the Company showing a very strong return on equity.

We are also intending to expand our Mortgage Banking operations to include more strategic partners and have restructured the organization to enable more resources to be channeled into this initiative. We expect that the Company's proven ability to generate consistent mortgage volumes will enable us to capture new opportunities, especially in the current economic conditions.

The prepaid card products are still showing very strong growth with more programs being rolled out to quality organizations and distributors. Peoples Trust, as a branded issuer, is clearly a market leader in this developing financial segment and is looking forward to announcing some substantial new initiatives in 2012.

As noted in the Presidents Report, 2011 was a year of innovation and change for the Company. Apart from the International Financial Reporting Standards initiative and the refocusing on conventional mortgage product and whole loan sales, we also undertook some administrative projects.

Back office productivity was improved through innovation in the provision of Technology Services and expansion of office space to accommodate growth.

Extensive design and testing has been done on a new web banking platform which will allow us to offer a wider range of deposit products to our customers. We expect this project to be complete in mid 2012.



MAJOR MILESTONES WERE:

1) Banking Operations

- After tax return on equity was 20% for 2011
- Total administered assets grew by \$187 million to \$5.4 billion
- Toronto office was relocated to more functional space
- Non performing mortgages are at historically low levels
- Mortgage receivables grew by 30%

2) Prepaid Issuing Programs

- Sales of single load cards (often used for gift cards) increased by 59%
- Strong growth also experienced in the reloadable prepaid card programs

3) Merchant Acquiring Programs

- In the first full year of operation these programs processed more than \$1 billion in Merchant transactions

2011 FINANCIAL STATEMENTS



SAMSON LIM,
BCOM (HONS), CA
Vice President Administration
and Chief Financial Officer

CONDENSED BALANCE SHEETS*

	DEC·31·11	DEC·31·10	JAN·1·10
ASSETS			
Cash and securities	216,576	232,209	348,456
Mortgage receivables	805,882	621,280	640,222
Securitized mortgage receivables	3,551,584	3,493,869	2,830,895
Other assets	37,101	32,371	39,655
Total Assets	4,611,143	4,379,729	3,859,228
LIABILITIES			
Customer deposits	980,305	837,552	988,285
Securitization liabilities	3,510,320	3,442,065	2,785,237
Other liabilities	22,204	21,510	26,517
Total Liabilities	4,512,829	4,301,127	3,800,039
SHAREHOLDERS' EQUITY			
Share capital	18,004	14,004	14,004
Retained earnings	80,310	64,598	45,185
Total Equity	98,314	78,602	59,189
Total Liabilities and Equity	4,611,143	4,379,729	3,859,228

thousands of dollars

*Prepared from audited financial statements.

AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants

2011 FINANCIAL STATEMENTS

CONDENSED STATEMENT OF INCOME*	DEC. 31. 11	DEC. 31. 10
NET INTEREST INCOME		
Interest revenue	242,971	221,230
Cost of funds	200,279	185,309
	42,692	35,921
PROVISION FOR LOAN LOSSES	200	62
INCOME BEFORE OTHER INCOME, OPERATING EXPENSES AND INCOME TAXES	42,492	35,859
OTHER INCOME	13,603	14,134
INCOME BEFORE OPERATING EXPENSES AND INCOME TAXES	56,095	49,993
OPERATING EXPENSES		
Administrative	18,920	12,706
Salaries and benefits	14,379	10,398
Depreciation	476	445
	33,775	23,549
INCOME BEFORE INCOME TAXES	22,320	26,444
PROVISION FOR INCOME TAXES	6,612	7,034
NET INCOME FOR THE YEAR	15,708	19,410

thousands of dollars

*Prepared from audited financial statements.

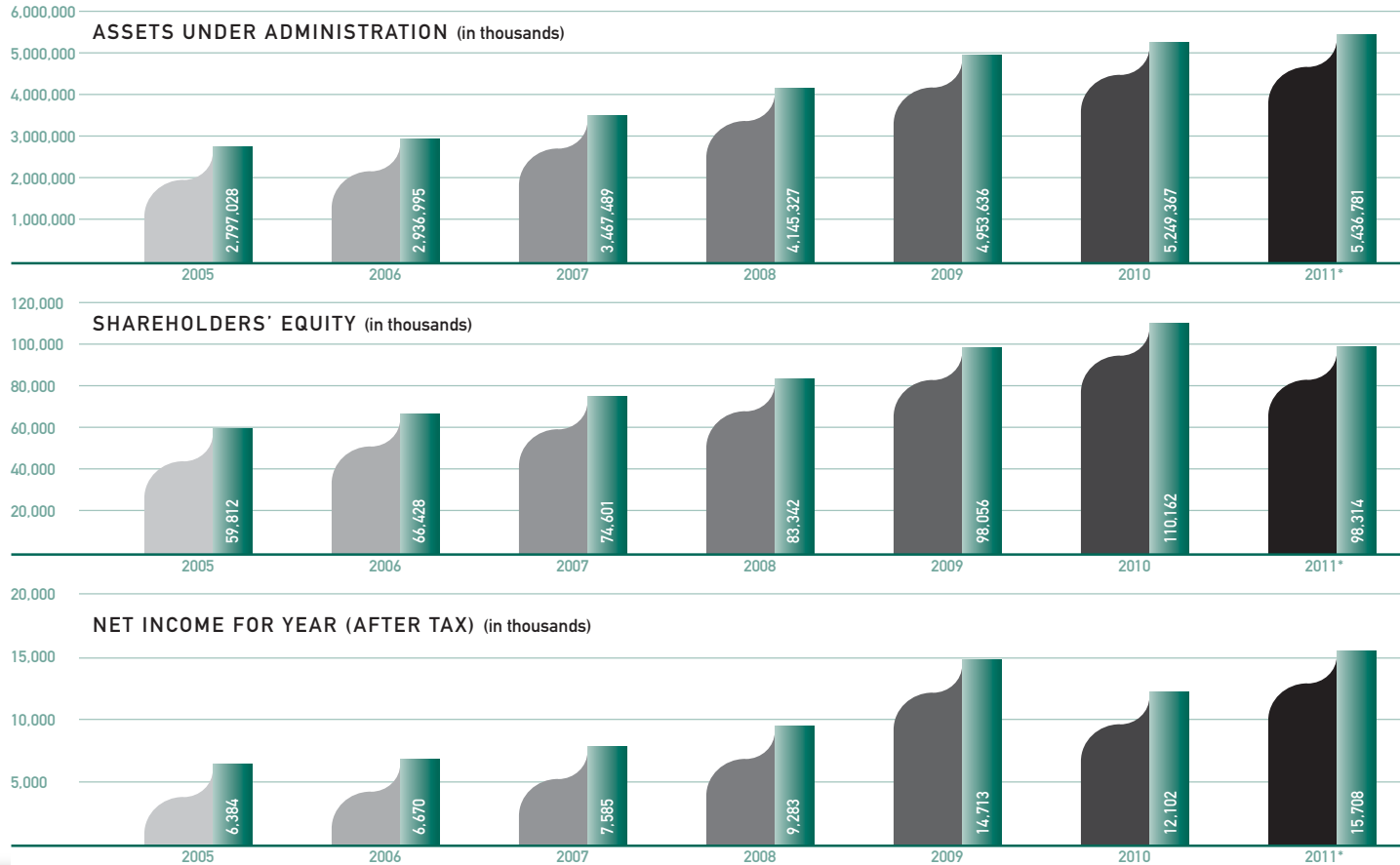


RICK KREKLEWETZ,
CMA, FICB
Assistant Vice President and
Controller



WILLIAM TANG, CA
Manager Internal Audit

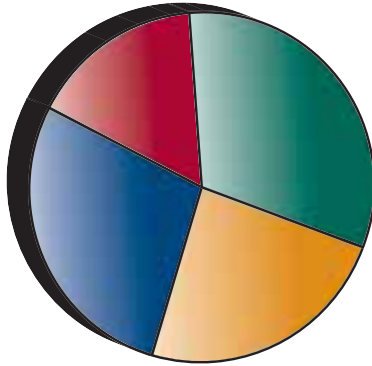
FINANCIAL RESULTS



*Reported under IFRS

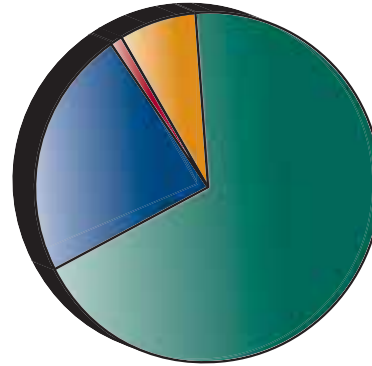
Adoption of the new standards resulted in a restatement of Shareholders' Equity and Net Income

FINANCIAL RESULTS



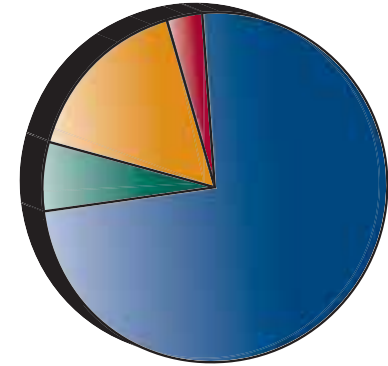
ADMINISTERED MORTGAGES
BY LOCATION:

- 32% BC
- 28% Ontario
- 24% Prairies
- 16% Other



ADMINISTERED MORTGAGES
BY SECURITY:

- 69% Multi-Family
- 23% Care Facility
- 7% Other
- 1% Single Family



ADMINISTERED DEPOSITS
BY LOCATION:

- 75% Ontario
- 16% BC
- 6% Prairies
- 3% Other

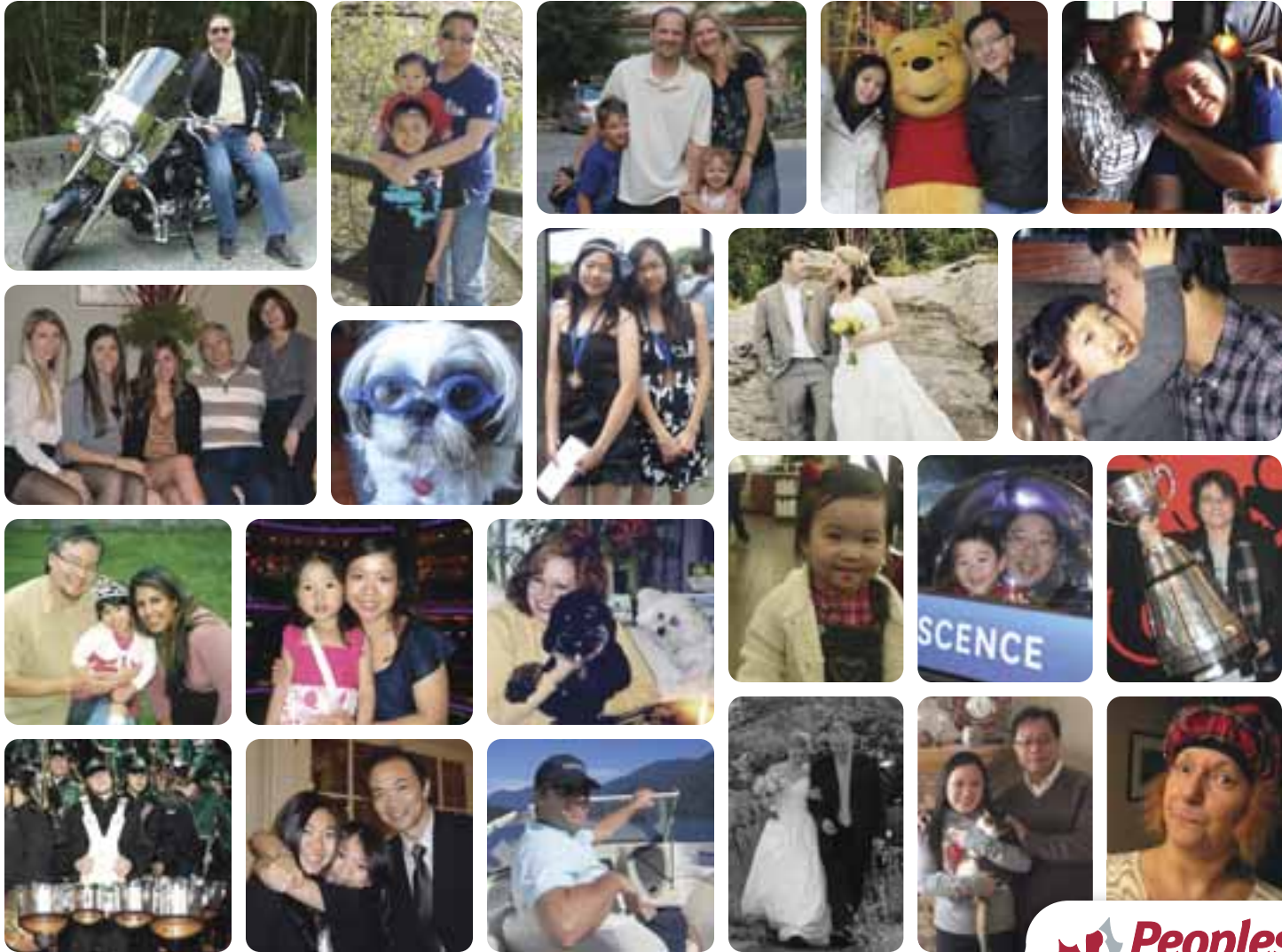
PEOPLE'S SPIRIT



JO-ANNE MOREFIELD,
CHRP
Director, Human Resources

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.





CONTACT US

REGIONAL OFFICES

VANCOUVER

Suite 1115, 555 Burrard Street
 Vancouver, BC V7X 1M8
 Telephone 604-685-1068
 Facsimile 604-683-2787
 Email vancouver@peopletrust.com

CALGARY

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

TORONTO

Citigroup Place
 Suite 901, 123 Front Street W.
 Toronto, ON M5J 2M2
 Telephone 416-368-3266
 Facsimile 416-368-3328
 Email toronto@peopletrust.com

HEAD OFFICE

VANCOUVER

14th Floor, 888 Dunsmuir Street
 Vancouver, BC V6C 3K4
 Telephone 604-683-2881
 Facsimile 604-331-3469
 Email people@peopletrust.com

VANCOUVER

DEPOSIT SERVICES

Suite 750, 888 Dunsmuir Street
 Vancouver, BC V6C 3K4
 Telephone 604-331-3465
 Facsimile 604-683-5110
 Email deposits@peopletrust.com

MORTGAGE SERVICING

Suite 750, 888 Dunsmuir Street
 Vancouver, BC V6C 3K4
 Telephone 604-683-2881
 Facsimile 604-683-8798
 Email mortgagebanking@peopletrust.com

CARD SERVICES – SECURED

P.O. Box 48235
 Vancouver, BC V7X 1A1
 Telephone 604-694-6200
 Facsimile 604-694-6209
 Email securedcard@peopletrust.com

CARD SERVICES – PREPAID

Suite 762, 888 Dunsmuir Street
 Vancouver, BC V6C 3K4
 Telephone 604-694-6214
 Facsimile 604-694-6209
 Email prepaidcard@peopletrust.com



SENIOR MANAGEMENT

FRANK RENO

President and Chief Executive Officer

DEREK PEDDLESSEN, CA

Executive Vice President and Chief Operating Officer

SAMSON LIM, BCOM (HONS), CA

Vice President Administration and Chief Financial Officer

NEIL ALLEN, BSC

Vice President, Information Technology

BARRIE BATTLE

Senior Vice President, Business Development

DENNIS DINEEN

Vice President, Commercial Mortgage Banking

BRIAN KENNEDY, RI(BC)

Vice President and Regional Manager, British Columbia

MICHAEL LOMBARD

Vice President and Regional Manager, Ontario

DENNIS AITKEN

Vice President and Regional Manager, Prairie

BOARD OF DIRECTORS

ESKANDAR GHERMEZIAN

Businessman, Chairman of the Board

DAVID GHERMEZIAN^{1,4}

Businessman

FRANK RENO^{1,4}

President and CEO

MICHAEL T. ANDREWS

Businessman

HOWARD S. ANSON^{1,2,3}

Chartered Accountant

ANDREW BURY^{2,3,4,5}

Lawyer

JONATHAN A. LEVIN

Lawyer

PETER R. HINDMARCH-WATSON^{4,5}

Businessman

KEITH THOMPSON^{1,2,3,4,5}

Lawyer

MARTIN WALRATH

Businessman

NELSON MERIZZI

Businessman

¹ Executive Committee ² Audit Committee ³ Conduct Review Committee

⁴ Investment Committee ⁵ Corporate Governance Committee



www.peoplestrust.com