



2017 ANNUAL REPORT

# WELCOME TO PEOPLES GROUP



## OUR MISSION

*"Exceeding Customers' expectations by providing access to financial products within select markets."*

## OUR VALUES

**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.

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



MESSAGE FROM THE CEO:

## A MOMENTOUS YEAR FOR PEOPLES GROUP

2017 was a year of challenges and opportunities. There was uncertainty in the early spring regarding the stability of certain institutions serving niche segments of the housing market. As well, home ownership affordability and the indebtedness of Canadians were regularly in the headlines.

I am happy to report that Peoples Group suffered no adverse effects through this market disruption. Instead, our asset performance continues to be excellent, and loan impairment remains at all-time low levels. We were able to grow steadily as the Canadian economy expanded with our first ever acquisition opportunity. We closed the transaction in June to acquire an existing Canadian residential mortgage lender, allowing us to assist Canadians with their home ownership needs across a broader spectrum (including conventional and insured products) for those with smaller down payments.

We entered into consumer lending for the first time, utilizing a partner distribution model providing loans for secured fixed assets to customers who own their own homes. We are excited about this segment from the perspectives of asset growth and revenue diversification.

Given the continuing global economic uncertainties, including the impacts from recovering world oil prices, improving Canadian economic growth, rising interest rates, Brexit, NAFTA and the US administration - 2018 looks to be just as challenging as last year.

We feel confident that we are well prepared to continue delivering best-in-class service to our clients while looking to grow our underlying businesses both organically and through acquisition.



**Grant MacKenzie**  
PRESIDENT AND  
CHIEF EXECUTIVE OFFICER

WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*"Sincere and prompt service."*

## 2017: AN EVOLUTIONARY YEAR

Our consistent growth from prior years continued within all three of our brands: Peoples Trust Company (PTC), Peoples Card Services (PCS), and Peoples Payment Solutions (PPS) in 2017.

PTC's core commercial business had another strong year of loan production in both CMHC insured loans as well as conventional loans, especially our unique conventional single-family offering. All lending activity was supported by stable deposit gathering and systematic securitization activities.

We continued our growth with the expansion of our product and service offering made available through our Vancouver customer care area, which recently celebrated its one-year anniversary. Additional growth came from our consumer lending business, which continued to be a stable contributor to our bottom line. Our big news in 2017 was the acquisition of a proven insured residential mortgage business to augment our product offering with direct-to-consumer mortgage loans.

The addition of Business Term Deposits in 2017 and the anticipated launch of our mobile app and SimplyBusiness™ Account in 2018 puts us in a good position for continued success.

Our Group's success was augmented by the continued growth and dominance of PCS in the Canadian prepaid issuing arena with products encompassing finance, retail, health, travel, government and corporate needs.

PPS continued to innovate in the payments space with Visa\* Direct and Mastercard® Send. They also expanded our offering to include Union Pay. Our recent payment solutions acquisition will allow us to provide exciting new payment offerings with world class customer service in 2018 and beyond.

We had a busy year with tremendous success across our business lines, and we also had some fun by giving back to our community. Through events such as the Big Bike for Heart and Stroke in both Vancouver and Toronto, the Vancouver Sun Run, and sponsorship of volunteers at Bard on the Beach, we collectively achieved new highs in both participation and fundraising.

In 2017 we evolved into a more diverse company. However, our success starts with our foundation: the strength of our people and our partners. As we look at 2018, it promises to be another exciting year with growth across all businesses, supported by a continuously committed and engaged team.



**Waheed Hirji**

CHIEF OPERATIONS OFFICER

PEOPLES GROUP:

## A STABLE PORTFOLIO

Peoples Group has been providing boutique financial services to the Canadian marketplace for over 30 years. Since 1985, our focus has been on exceptional customer service backed by extensive product knowledge and experience.

All of our products and services are quality assured and efficient, utilizing a knowledge base that has been refined and tested over time. Our expertise ensures your stability.

Over the past 30 years, we've worked on perfecting our service and expanding our reach to incorporate the following Product Categories:

Multi-family, commercial, construction and retail lending products, including residential lending and mortgage lending alternatives, as well as consumer leasing through partnerships.

Mortgage servicing for those investors who source their own product but do not wish to service it themselves.

RRSPs, TFSAs, a high-rate e-Savings Account and our recently launched SimplyBusiness™ Account. We still offer our standard short- and long-term GICs too, with our rates among Canada's best.

Card programs issued with Mastercard®, Visa\* and UnionPay International.

Payment processing made easy with cost-effective, industry-leading solutions for merchants.



**Bill Moffatt**  
CHIEF CREDIT AND RISK OFFICER



**David Baxter**  
CHIEF INFORMATION OFFICER



**Darren Kozol**  
GENERAL COUNSEL AND  
CORPORATE SECRETARY

## OUR CUSTOMERS

As our Customer, you are our most valued asset and you came through when we asked your opinion through an independent survey in 2017. We were privileged to have you rank us among the highest levels of customer satisfaction in the Canadian financial industry. You also took the time to provide us with valuable feedback on how we can improve our products and the services we offer.

We appreciate the long-term relationships we have built with our Customers while we welcome new and tech-savvy customers using our latest products, be it mortgages and deposit services directly from Peoples Trust or indirectly via the various business partners of Peoples Card Services and Peoples Payment Solutions.

## OUR PRODUCTS

With your suggestions and the needs of all our Customers in mind, we continuously develop and improve our products, features, and ways to access our services. Customers expect these to be frictionless, fit for purpose and based on proven technology. We made a lot of progress in 2017.

A case in point is our upcoming **SimplyBusiness™** Account to support the day-to-day operations of any business in Canada. Our new Peoples Trust mobile app will offer access to our consumer and business accounts from anywhere around the world.

We also expanded our lending operations to include insured residential mortgages at competitive rates and innovative consumer lending, with a tailored solution for HVAC installations available through business partners.

At Peoples Group, our goal is to provide high-quality products and services for all our Customers. If you have comments or suggestions about any of our products and services, we encourage you to let us know, because your satisfaction is our primary objective.



**John Pals**  
VICE PRESIDENT,  
MARKETING & INNOVATION

WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*"Emails are responded to in a timely manner."*

## SUITE 100

Peoples Trust offers a portfolio of products to consumers and businesses in various ways, which allows access to financial services whenever and wherever our customers need it. Whether electronically, via our online banking platform or by using our upcoming mobile app, customers have anywhere, anytime 24/7 access to their deposit accounts.

We would also be happy to greet you in person at Suite 100, our street-level customer care area in Vancouver, which recently celebrated its one-year anniversary. In addition to hosting informational sessions and customer appreciation events, our Customer Service Representatives are there to meet with you to discuss your savings goals, retirement plans, or direct you to information on any of our products and services.

Next time you're in downtown Vancouver, come visit Suite 100 at Dunsmuir and Hornby for a personal chat. We'll treat you to a coffee.



### Contact Us

Suite 100 Hours of Operation: Monday - Friday 9am - 4pm PT

Suite 100, 888 Dunsmuir Street, Vancouver, BC V6C 3K4

Phone: 604-331-3465

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

# PEOPLES TRUST COMPANY



*As the foundation for Peoples Group, Peoples Trust Company has been providing exceptional customer service backed by extensive product knowledge and experience since 1985.*

Peoples' deposit accounts and guaranteed investment certificates are designed to meet your everyday, tax-free, or retirement savings needs. Our investment products are appropriate for those seeking a high yield through our competitive interest rates with easy access through online banking. Our recently introduced SimplyBusiness™ Account supports your day-to-day operations, accessible from anywhere using our Peoples Trust mobile app (coming soon).

Our knowledge of local market conditions, combined with significant experience in structuring real estate financing transactions, allows us to provide customized borrowing solutions for our clients who need commercial or residential mortgage financing.

We continue to work on our products and services, and look forward to providing you with new and innovative investment devices in the future.



## About Us

Over the past 30 years, we've worked on perfecting our service, and our 2017 Customer Satisfaction Survey shows that our customers like what we do.



# MORTGAGE LENDING



*At Peoples Trust, we work with you – our Customers – to make your dreams a reality. Our service is what sets us apart as we take the frustration out of financing. We strive to provide fast and efficient service, and we take our responsibility for delivering the best financing structure possible seriously, on each and every deal.*

Our expertise in mortgage lending, cultivated since we opened in 1985 has led us to issue over \$13.7 billion in Canada Mortgage and Housing Corporation insured loans for Mortgage Backed Securities and institutional investors.

Our “build from strength” philosophy is our promise – to be the foundation you need to secure the best available mortgage.

WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*“Flexibility of underwriting  
and make-sense decisions.”*

## MORTGAGE LENDING:

# CREDIT AND BUSINESS DEVELOPMENT

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.



**Dennis Dineen**  
SENIOR VICE PRESIDENT  
AND REGIONAL MANAGER,  
BRITISH COLUMBIA



**Dennis Aitken**  
SENIOR VICE PRESIDENT  
AND REGIONAL MANAGER,  
PRAIRIES



**Michael Lombard**  
SENIOR VICE PRESIDENT  
AND REGIONAL MANAGER,  
EASTERN CANADA



### Contact Us

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

MORTGAGE LENDING:

## COMMERCIAL MORTGAGE 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.

We have strong relationships with other institutions, including a healthy rapport with Canada Mortgage and Housing Corporation (CMHC).

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.

We've extended our lending success to development and construction loans. These loans are useful for projects in retail, multi-family, industrial, land development, and renovation. By combining the construction and long-term financing into one loan package, we enhance the overall debt package on a development. We provide flexibility throughout a long term, resulting in saved time and money, and happy, successful clients.

WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*“Reliable and efficient when it comes to approving loans and funding loans.”*

## MORTGAGE LENDING:

# CMHC MORTGAGE LENDING

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

Over the past 30 years, Peoples has developed an excellent relationship with CMHC 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 secure 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.



**Jonathan Wong**  
ASSISTANT VICE PRESIDENT  
AND REGIONAL MANAGER,  
BRITISH COLUMBIA



**Josh Barker**  
ASSISTANT VICE PRESIDENT  
AND REGIONAL MANAGER,  
PRAIRIES



**Ady Steen**  
ASSISTANT VICE PRESIDENT  
AND REGIONAL MANAGER,  
EASTERN CANADA

## WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"Competitive terms for CMHC insured loans  
on multiple residential properties."*

MORTGAGE LENDING:

## RESIDENTIAL MORTGAGE LENDING

*Tailored mortgage solutions to meet your financial needs –  
At Peoples Trust – we’ve got it.*

### BUYING YOUR FIRST HOME? OR BEEN THERE, DONE THAT?

Buying a home is an exciting and daunting time, whether you are new to the market or already own. If you’re a first-time home buyer, we will help you navigate the process step by step, starting with a pre-approval to help you decide what you can afford. If you already own a home and are upsizing or downsizing, we can help refresh your mortgage know-how and review the basics before you buy.

Our mortgage specialists have the information you need so you know for sure how much you need for a down payment and what the extra costs are. We can help you tailor your mortgage, so it fits your lifestyle.

### RENEW WITH US

Time to renew? We have options for your changing financial needs. You can renew your mortgage with us up to 120 days in advance of your renewal date, locking in a great rate. If it’s time to renew with another lender, our quick and easy switch process lets us do the work for you. There are no legal fees, and we will contact your lender on your behalf. We are here to help!

Our residential mortgage team offers a full range of mortgages including 1-5 year fixed rate, 5 year adjustable rate mortgages, and several specialized mortgages to serve unique home financing needs.



**Tom Wollner**, RI, AMP  
MANAGER, RESIDENTIAL MORTGAGES  
BRITISH COLUMBIA



**Ray Brooker**  
SENIOR VICE PRESIDENT,  
RETAIL LENDING

WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*“Easy lending guidelines.”*

## MORTGAGE LENDING:

# RESIDENTIAL MORTGAGE LENDING

Peoples Trust is also one of Canada's leading mortgage lenders offering an alternative to the major banks.

We understand that each customer is unique, and we pride ourselves on providing a personalized, hassle-free experience. We offer flexible terms and every application is reviewed by a person, not a computer.

Most of our customers usually fall into one of a few groups:

- Small business owners who cannot prove enough income to qualify with a major bank;
- New immigrants to Canada who do not have a credit history;
- Homeowners who have built up equity in their property but do not meet income requirements of the major banks; and
- Canadians with former credit difficulties that have since been resolved, including discharged bankrupts

Our competitive rates and excellent service – the common-sense approach – have proven successful with a loyal customer base and many repeat clients.

Call us to find out more or visit us online at [www.peoplestrust.com](http://www.peoplestrust.com)



**Jonathan Siva**

RESIDENTIAL BUSINESS DEVELOPMENT  
MANAGER



**Fiona Keller**

MANAGER, MORTGAGES DIRECT



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# MORTGAGE INVESTING



*As a long-time participant in the Institutional Investors segment of the financial industry, we are well known for our involvement with the National Housing Act Mortgage-Backed Securities (“NHA MBS”) and the Canada Mortgage Bond (“CMB”) program by the Canada Mortgage and Housing Corporation (“CMHC”).*

We originate mortgage product and provide full administrative support for investors who source their own product but do not wish to service it themselves.

This includes both conventional and CMHC insured mortgages.

WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*“Quick response, honest opinion and good people.”*

## MORTGAGE INVESTING:

# MORTGAGE SERVICES

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 result in mutually beneficial loan structures.

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.



**Cathleen Copeland**  
ASSISTANT VICE PRESIDENT  
MORTGAGE SERVICES



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MORTGAGE INVESTING:

## MORTGAGE SERVICES

Peoples Trust is a leading provider of commercial mortgage servicing in Canada.

We provide our investor clients with a full range of services for sourcing new business, underwriting, mortgage administration and investor reporting.

MORTGAGE INITIATION AND FUNDING, INCLUDING:

- Canada Mortgage and Housing Corporation (CMHC) application processing
- CMHC commitment to insure
- Credit approvals and commitment letters
- Legal instruction and compliance functions
- Funding and conditions precedent to the funding

ADMINISTRATION OF THE MORTGAGE, INCLUDING:

- Payment processing
- Property tax collection and management
- Assumption, discharge and renewal processing

SECURITY PROTECTION, INCLUDING:

- Annual statement monitoring
- Property inspections
- CMHC reporting
- Arrears and default management
- Investor remittances and reporting

Our investor clients include large pension funds, financial institutions, conduit and private lenders.

At Peoples Trust, we are committed to providing high quality mortgage management services to our investor clients.



### About Us

Look to Peoples Trust for comprehensive lending products tailored to your needs and objectives.

## MORTGAGE INVESTING:

# SECURITIZATION

Peoples Trust has become well known and highly regarded for its involvement in the origination of insured multi-family and single-family mortgages for placement in the National Housing Act Mortgage-Backed Securities (NHA MBS) and Canada Mortgage Bond (CMB) programs.

Securitization of insured single-family mortgages was initiated in 2017 after the successful acquisition of the prime residential mortgage portfolio from Macquarie Group. 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 NHA MBS market since the inception of the program in 1987, issuing over \$13.5 billion in mortgage products. This includes the CMB program as well as issuing market MBS securities. Both of these facilities allow us to consistently provide competitive mortgage rates to our varied clientele.



**Salim Hemani**

VP TREASURY & SECURITIZATION



### About Us

Aside from our general mortgage banking operation, we are well known and highly regarded for our involvement in the origination, placement and administration of mortgage securitization products. Peoples Trust has earned a reputation as a premier issuer of multi-family and single-family NHA MBS pools .

MORTGAGE INVESTING:

## **SOCIAL HOUSING**

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 results from these financing initiatives, demonstrates a heightened co-operation between government and private enterprise. These mortgage loans serve many communities in BC and Ontario.

Since 2013 Peoples Trust has funded more than \$1 billion in Social Housing mortgages.



WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*“Working together to assist with  
projects as a good partnership.”*

# DEPOSIT SERVICES



*When you open an account at Peoples Trust, you know that we're bringing our best to the table. Not only do we offer competitive interest rates with superior earning power, but we make it simple for you to make money.*

A lot of the momentous milestones in life take a lot of planning to achieve, and sometimes the hassle of planning can take away from the excitement of it all. We're here to minimize your stress, as you stride towards success. Whether you're planning for your new home purchase with a tax-free GIC, saving for a vacation with a GIC, planning for a new car with an e-Savings account or simply looking ahead to a comfortable retirement, we're here to ease the decision-making burden.

We're also here to help make your business banking easier with Business Term Deposits and, coming soon, our SimplyBusiness™ Account.

WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*"We love the customer service."*

## DEPOSIT SERVICES:

# TAKE CHARGE OF YOUR MONEY

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 competitive interest rates, with easy access through online banking and our Peoples Trust mobile app (coming soon).

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 products – at your convenience.

Peoples prides itself on providing great customer service with products that offer you ease of access, safety, and security.

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



**Janet Cabbage**  
SENIOR MANAGER,  
DEPOSIT SERVICES



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Hours of Operation: Monday - Friday 9am - 4pm PT

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

## DEPOSIT SERVICES:

# GUARANTEED INVESTMENT CERTIFICATES

### **GICs - 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 for your personal or business GIC 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. This product 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.

WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*"Great turnaround time and easy-going staff."*

## DEPOSIT SERVICES:

### e-SAVINGS

#### **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.

#### **FEATURES:**

More savings, more convenience:

- Our high-interest rates help your money grow faster
- No monthly fees means you save more
- No minimum deposit lets you start building your savings right away
- Interest calculated daily and paid monthly means that every dollar counts
- Easily manage your finances with the convenience of online banking
- View your monthly transactions online
- Transfer funds between your Peoples Trust accounts for total flexibility
- Transfer funds between your linked accounts at other financial institutions
- Eligible for deposit insurance offered by Canada Deposit Insurance Corporation (CDIC)



#### About Us

##### 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.

## DEPOSIT SERVICES:

# TAX-FREE SAVINGS

### TAX-FREE SAVINGS ACCOUNT:

As a registered product, the Tax-Free Savings Account (TFSA) 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 TFSA is a good tool to save for the things that are important.

### FEATURES:

- High interest rate
- Withdraw funds at any time without incurring tax penalties
- Income earned and capital gains are tax-sheltered
- Unused contribution room can be carried forward
- Interest calculated daily and paid monthly
- Eligible for deposit insurance offered by Canada Deposit Insurance Corporation
- No set-up, service or transfer fees
- Monthly statement available online
- Contributions can be made at any time
- Ability to designate a beneficiary

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



### About Us

#### Tax-Free Savings Account:

Competitive interest accumulation. Get what you want sooner! We offer a competitive TFSA, with high interest accumulation that is calculated daily and paid monthly.



# PEOPLES CARD SERVICES



## PREPAID AND CREDIT

VISA\*, MASTERCARD® AND UNIONPAY

*Peoples Card Services (PCS) is a subsidiary of Peoples Trust Company, a leading issuer of 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 Bank Identification Number (BIN) sponsorships to Program Managers to rapidly develop and deploy 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 an important 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, Government, and Corporate. 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 sustainable, profitable card programs.

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



Cards are issued by Peoples Trust Company under licence from Mastercard International Incorporated. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated. Visa prepaid card is issued by Peoples Trust Company pursuant to licence by Visa Int. \*Trademark of Visa International Service Association and used under licence by Peoples Trust Company.

## PEOPLES CARD SERVICES:

# LEADING PREPAID

Since 2002, Peoples Trust Company has been a leading issuer of Visa\* and Mastercard® payment cards in valuable Canadian niche markets, and in 2017 became an authorized UnionPay International issuer. 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.

### AWARDS:

- Visa Global Service Quality Performance: Chargeback Effectiveness
- PX Leading Prepaid Organization
- PX Best Consumer-Funded Prepaid Program
- PX Industry Person of the Year
- Paybefore M-Wallet of the Year
- Paybefore Top Motivator
- PX Leading Prepaid or Payments Organization
- PX Best Prepaid & Payments Innovation
- PX Best Corporate or Government-Funded Prepaid or Payments Program
- Paybefore Prepaid with Soul



**Peter Read**  
PRESIDENT



**Mike Chittenden**, CPA, CMA  
VICE PRESIDENT, OPERATIONS & RISK



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PEOPLES CARD SERVICES:

## PREPAID CARD ISSUING

Peoples Trust Company issues prepaid cards tailored to niche markets in the financial, corporate, government, travel, health, 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, insurance, and health plan distributions, and other cheque 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\*, Mastercard®, and UnionPay International customized to the needs of their clients, whether those needs are a country-wide card program or a niche market private label product.



**Mihnea Cirica**

SENIOR MANAGER, IMPLEMENTATIONS



## PEOPLES CARD SERVICES:

# 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 can be 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 prepaid card programs. Shopping mall payment cards are a prime example. These innovative cards, 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.



**Stephanie Villard**

SENIOR MANAGER, BUSINESS DEVELOPMENT



**Chloe Gagnon**

MANAGER, MARKETING AND PROGRAMS

## CREDIT CARD PROGRAMS

Peoples Trust will listen to your needs and help build flexible credit card issuing solutions to meet them. We have built successful solutions to enable secured, retail cobranded, corporate expense management, and HELOC credit card programs. We remain behind the scenes to ensure your brand is the focus while payment network relations & settlement and regulatory compliance services are managed on your behalf. Bring your ideas, and we can assist in adding revenue to your business model.

# PEOPLES PAYMENT SOLUTIONS



*Peoples Payment Solutions offers a suite of industry-leading payment processing solutions for merchants through our various processing partners.*

Peoples Payment Solutions (PPS), a subsidiary of Peoples Trust Company, specializes in providing Bank Identification Number (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<sup>®</sup>, Mastercard<sup>®</sup>, Discover<sup>®</sup>, UnionPay and Interac<sup>®</sup>.

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, Discover and UnionPay, 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.

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 Independent Sales Organizations, 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. This allows merchants to capitalize on economies of scale and for our business partners to strengthen their relationship with the multi-national merchant.



**Howard Klein**  
PRESIDENT



**Gerry Serratore**  
VICE PRESIDENT,  
SALES AND BUSINESS DEVELOPMENT



**Shirley Matthew**  
VICE PRESIDENT,  
MERCHANT ACQUIRING SERVICES



### Contact Us

Toll-Free: 1-844-304-2083

Fax: 416-642-1550

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

# 2017 FINANCIAL RESULTS



After several volatile years led by the downturn in energy prices, the Canadian economy rebounded strongly in 2017 with 3% in real economic growth, the highest of all the G7 countries. This rebound was widespread and noticeable in many industries and regions. With rising exports, recovering oil prices and strong employment growth, business investment and consumer spending improved. These factors led to higher consumer borrowing and robust housing activity in many regions across the country. In response to these inflationary pressures, the Bank of Canada proceeded with back-to-back rate hikes mid-year, to slow economic growth.

Given the positive economic environment, our dynamic strategy enabled Peoples Group to capitalize on many opportunities during 2017. We rapidly increased our existing lending portfolio, and supplemented our solid organic growth with the acquisition of a single family residential lender with over \$400 million in insured assets under administration. To execute on our diversification strategy, we ramped up our expansion into the consumer lending space, which drove secured lending volumes to over \$70 million on our balance sheet. Across all our product lines, we grew our assets under administration from \$8.5 billion at the start of the year to a strong \$9.9 billion at year end. With additional personnel and ongoing investments in technology, we advanced our process improvement plans to increase efficiencies and further improve our earnings and regulatory capital position to over \$220 million. Finally, the healthier economy, along with our conservative underwriting, allowed us to reduce our general loan loss provision and return \$800,000 back into income. Collectively, these factors enabled Peoples Group to deliver \$21.8 million in net earnings, which makes 2017 one of the strongest performing years in our three decades of history!



**Samson Lim**, CPA, CA  
EXECUTIVE VICE PRESIDENT  
AND CHIEF FINANCIAL OFFICER

## 2017 FINANCIAL RESULTS

(Expressed in thousands of dollars)

<b>CONDENSED BALANCE SHEET<sup>1</sup></b>	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Cash and securities	667,215	658,474
Loans receivable	1,401,334	1,471,815
Securitized mortgage receivables	468,211	425,259
Other assets	214,902	162,477
<b>Total Assets</b>	<b>2,751,662</b>	<b>2,718,025</b>
<b>Liabilities</b>		
Customer deposits	1,630,590	1,750,502
Securitization liabilities	473,069	440,199
Other liabilities	428,120	328,822
<b>Total Liabilities</b>	<b>2,531,779</b>	<b>2,519,523</b>
<b>Shareholders' Equity</b>		
Share capital	26,884	26,884
Retained earnings	192,700	171,268
Non-controlling interest	299	350
<b>Total Equity</b>	<b>219,883</b>	<b>198,502</b>
<b>Total Liabilities and Equity</b>	<b>2,751,662</b>	<b>2,718,025</b>
<b>Total Assets Under Administration</b>	<b>9,880,182</b>	<b>8,459,507</b>

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



# 2017 FINANCIAL RESULTS

(Expressed in thousands of dollars)

<b>CONDENSED STATEMENT OF INCOME<sup>1</sup></b>	<b>2017</b>	<b>2016</b>
<b>Net Interest Income</b>		
Interest revenue	85,042	79,864
Cost of funds	<u>49,863</u>	<u>49,566</u>
	35,179	30,298
<b>Recovery of Loan Losses</b>	<u>772</u>	<u>173</u>
<b>Income Before Other Income, Operating Expenses and Income Taxes</b>	35,951	30,471
<b>Securitization, Card Services and Payment Services Income</b>	21,933	17,077
<b>Other Income</b>	<u>19,636</u>	<u>18,919</u>
<b>Income Before Operating Expenses and Income Taxes</b>	77,520	66,467
<b>Operating Expenses</b>		
Administrative	23,660	20,566
Salaries and benefits	22,948	19,351
Depreciation	<u>859</u>	<u>508</u>
	47,467	40,425
<b>Income Before Income Taxes</b>	30,053	26,042
<b>Provision for Income Taxes</b>	<u>8,260</u>	<u>6,830</u>
<b>Net Income for the Year<sup>2</sup></b>	<u><u>21,793</u></u>	<u><u>19,212</u></u>

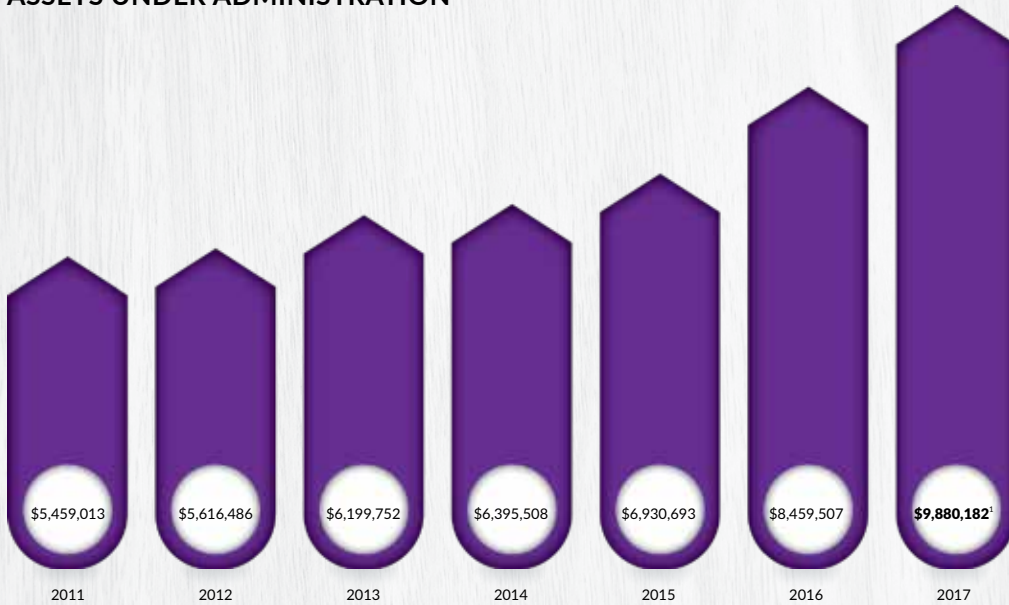
<sup>1</sup>Prepared from audited consolidated financial statements of Peoples Trust Company.

<sup>2</sup>Includes non-controlling interest of \$361 (\$350 in 2016).

## 2017 FINANCIAL RESULTS

(Expressed in thousands of dollars)

### ASSETS UNDER ADMINISTRATION



<sup>1</sup>Includes Peoples Financial Corporation beginning June 2017.

### SHAREHOLDERS' EQUITY

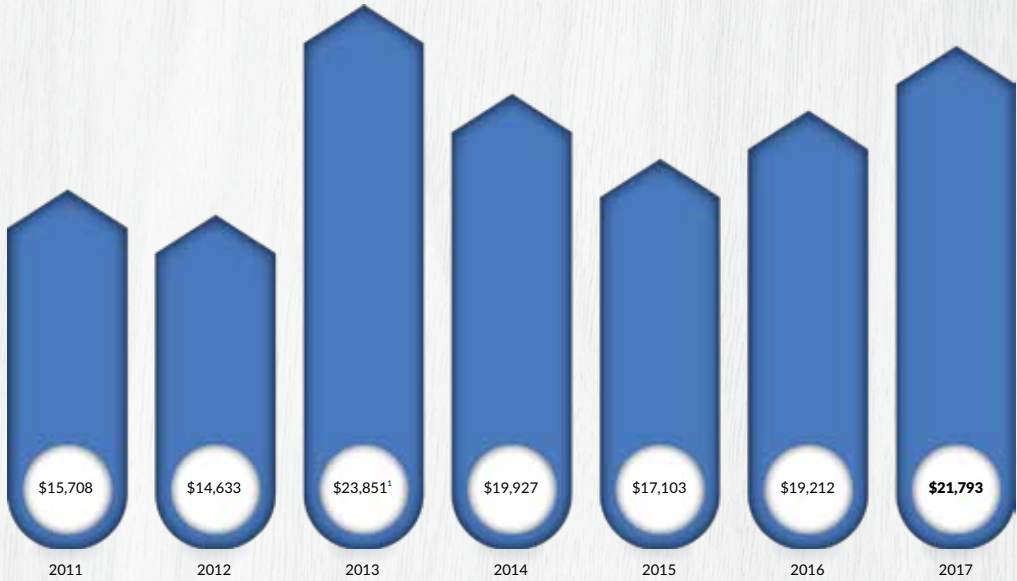


<sup>1</sup>Includes Peoples Card Services beginning in 2013 and related non-controlling interest (NCI).

# 2017 FINANCIAL RESULTS

(Expressed in thousands of dollars)

## NET INCOME FOR YEAR (AFTER TAX)

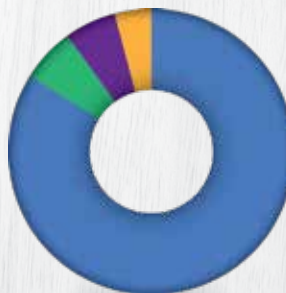


<sup>1</sup>Includes Peoples Card Services beginning in 2013 and related non-controlling interest.



### ADMINISTERED LOANS BY LOCATION

BC	33%
PRAIRIES	21%
ONTARIO	22%
OTHER	24%



### ADMINISTERED LOANS BY SECURITY

MULTI-FAMILY	84%
CARE FACILITY	6%
SINGLE FAMILY	6%
OTHER	4%



### ADMINISTERED DEPOSITS BY LOCATION

ONTARIO	69%
BC	20%
PRAIRIES	6%
OTHER	5%

# PEOPLES' SPIRIT



## PEOPLES GROUP IS ABOUT PEOPLE

*Peoples Group has been doing business for over 30 years. Some of Peoples' people have been with the Company since the beginning. We foster a sense of community, both within our office, and extending to our city. We support a variety of significant community initiatives throughout the year.*

At Peoples Group, we strive to provide a dynamic and rewarding work environment; we believe in teamwork and team play, and that everyone should have a little fun in their day. It's our people that help us succeed – each of us demonstrating the same drive and commitment to Peoples Group as we do to our families and communities. We recognize that engaged employees contribute significantly to our ongoing growth and success, making us a leader in the industry and a sought-after employer.



**Ann McDow**  
VICE PRESIDENT,  
PEOPLE AND CULTURE



PEOPLES' SPIRIT:

## PEOPLES' COMMUNITY

OUR COMMUNITY INVOLVEMENT INCLUDES:

- Raising funds for the Heart & Stroke Foundation by riding the Big Bike.
- Sponsorship of the volunteer program for Vancouver's Bard on the Beach Shakespeare Festival.
- Participating in the Vancouver Sun Run's Corporate Team Challenge since 2003.
- Raising funds for our 2017 charity, Covenant House which provides support for at-risk youth.



PEOPLES' SPIRIT:

# MEET THE PEOPLE OF PEOPLES GROUP



PEOPLES' SPIRIT:

## MEET THE PEOPLE OF PEOPLES GROUP



PEOPLES' SPIRIT:

# MEET THE PEOPLE OF PEOPLES GROUP





# BOARD OF DIRECTORS



**David Ghermezian**  
CHAIRMAN



**Michael T. Andrews**



**Howard S. Anson**



**Andrew Bury**



**Jonathan A. Levin**



**Grant MacKenzie**



**Laura Rubino**



**Charles Stuart**



**Keith Thompson**



**Martin Walrath**

*Absent: Eskandar Ghermezian, Chairman Emeritus*

# LEADERSHIP TEAM AND MEMBERSHIPS



## SENIOR LEADERSHIP TEAM

Ann McDow, *VP People & Culture*

Bill Moffatt, *Chief Credit & Risk Officer*

Darren Kozol, *General Counsel & Corporate Secretary*

David Baxter, *Chief Information Officer*

Dennis Aitken, *SVP & Regional Manager, Prairies*

Dennis Dineen, *SVP & Regional Manager, BC*

Grant MacKenzie, *President & CEO*

Howard Klein, *President (PPS)*

John Pals, *VP Marketing & Innovation*

Michael Lombard, *SVP & Regional Manager,  
Eastern Canada*

Peter Read, *President (PCS)*

Ray Brooker, *SVP Retail Lending*

Samson Lim, *Executive Vice President & CFO*

Shirley Matthew, *VP Merchant Acquiring Services (PPS)*

Waheed Hirji, *COO*

## GOOD PARTNERSHIPS THAT HAVE EARNED OUR TRUST

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\*

Principal Issuing and Merchant Acquiring Member of UnionPay International

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

# CONTACT US



## CONNECT WITH THE RIGHT PEOPLE

*We are available for you. If you want to make an investment, open a business or personal account, inquire about a mortgage, obtain a prepaid card, or find out about our merchant acquiring services, we want to make sure you can touch base with the right people.*

### PEOPLES GROUP

#### HEAD OFFICE

Suite 1400  
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Phone: 604-683-2881  
Fax: 604-331-3469

### PEOPLES TRUST

#### DEPOSIT SERVICES

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888 Dunsmuir Street  
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Phone: 604-331-3465  
Toll-Free: 1-800-663-0324  
Fax: 604-683-5110

### MORTGAGE SERVICES REGIONAL OFFICES

#### BC REGIONAL OFFICE

Suite 450  
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Phone: 604-685-1068  
Fax: 604-683-2787

#### PRAIRIE REGIONAL OFFICE

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#### EASTERN CANADA REGIONAL OFFICE

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### PEOPLES CARD SERVICES

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Toll-Free: 1-855-694-6214  
Fax: 604-331-3469

### PEOPLES PAYMENT SOLUTIONS

Suite 2710 - Bay Adelaide  
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*For more information visit [www.peoplesgroup.com](http://www.peoplesgroup.com)*



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

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

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

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