



2018 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** – Promoting and supporting 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** - Employing the highest ethical standards, demonstrating our strong moral values, honesty, and fairness in every action we take.

**PASSION** - Fulfilling the needs of our customers with outstanding service excites us. We strive to follow through on our commitments, and build quality long-term relationships, while going the extra mile without being asked.



MESSAGE FROM THE CEO:

## **A YEAR OF TRANSITION, CHANGE, AND GLOBAL UNREST**

2018 was a busy year for Peoples Group. We completed two new acquisitions, started renovations on our Toronto and Vancouver offices, and recorded our best financial results in the Company's history.

We enhanced our liquidity and funding platforms with the establishment of a committed warehouse facility provided by two Canadian Banks, affording us better options for growth and balance sheet management.

We continue to invest in our people with training and development focused on our mission of providing exceptional customer service.

Our diversification strategies are well on track as we continue to look for opportunities to grow organically with new product development and through acquisition.

At Peoples, we enter 2019 with our eyes wide open. The current global economy points to a year of continued challenge. Domestically, we see slowing home sales, moderating house prices and increasingly high consumer debt levels that continue to shape a changing Canadian market.

We believe we are very well positioned to thrive in this environment, with historically low loan losses, a very conservative credit position and a highly committed team of professionals.



**Grant MacKenzie**  
PRESIDENT AND  
CHIEF EXECUTIVE OFFICER



**Waheed Hirji**  
CHIEF OPERATIONS OFFICER

## OPERATIONS REVIEW:

# BIG STEPS FORWARD FOR PEOPLES GROUP IN 2018

The business lines that comprise Peoples Group all made significant strides in 2018.

In the Trust business, we saw significant production in our core lending activity across the country. We augmented the traditional business lines: Canada Mortgage and Housing Corporation (CMHC), Conventional Commercial and Residential Lending with continued expansion into consumer lending. Stable deposit gathering, a new warehouse line facility and strategic securitization activities supported this record lending volume. We introduced new deposit products including our **SimplyBusiness™** Account, and for consumers, our **EasyTransaction™** Account - both accessible through our new Peoples Trust mobile app.

This year, we consolidated our card issuing and payments business lines, creating greater synergies within Peoples Payment Solutions & Card Services. We continue to be the dominant provider in the Canadian prepaid issuing business. With the successful payments company acquisition, we have built a solid foundation as we enter 2019. Leveraging our experienced Payments team, we are working with a number of financial technology (fintech) companies to enable their solutions with financial services.

We are poised to carry on with our success in 2019 by continuing to seek opportunities for growth and innovation.

## PEOPLES GROUP:

# A STABLE PORTFOLIO

Peoples Group has been providing boutique financial services to the Canadian marketplace for more than 30 years. We began in 1985 with our anchor, Peoples Trust Company and a modest product offering: Term Deposits and Commercial Mortgages. Since then, we've worked on perfecting our service and expanding our reach. While we've grown to include the offerings below, our focus has always been on exceptional customer service, backed by extensive product knowledge and experience. Some things never change.

**Mortgage Lending and Servicing:** Specialists in CMHC and conventional lending for multi-family, commercial and construction projects with mortgage servicing for investor clients. Expertise in residential lending and alternative financing options.

**Deposit Services:** Our roots are strong with our deposit offering. Our e-Savings Account, GICs, RRSPs and TFSAs with rates among Canada's best have been a staple. We've now added our SimplyBusiness™ and EasyTransaction™ Accounts.

**Payment Solutions & Card Services:** Card program issuing and payment processing made easy with industry-leading solutions for merchants, and custom solutions for fintechs.



**Bruce Duthie**  
CHIEF INFORMATION OFFICER



**Darren Kozol**  
GENERAL COUNSEL AND  
CORPORATE SECRETARY



**Michael Lombard**  
CHIEF CREDIT OFFICER



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

## MARKETING & INNOVATION:

### OUR CUSTOMERS

As our customer, you are our most valued asset. We appreciated receiving your opinion through an independent customer satisfaction survey in 2018. It was our privilege to have received your ratings that were among the highest in the Canadian financial industry, again. Thank you. We are grateful for the long-term relationships with our customers.

We welcome the opportunity to discuss with our savvy fintech clients their innovative ideas which enable them to introduce compelling and valuable products and services into the Canadian market.

### OUR PRODUCTS

With the needs of our customers in mind, we strive to develop and enhance our product portfolio. You've asked, and we've delivered in 2018.

As a companion to our high-interest savings and our SimplyBusiness™ Account, we've launched our consumer EasyTransaction™ Account, where consumers can set their personal preferences and security alerts for ease of mind. With the launch of our mobile app, customers have anywhere-anytime access to all their bank accounts.

Through the addition of Lendful in 2018, customers can apply for a consumer loan and enjoy quick approval via their trusted broker.

At Peoples Group, our goal is to provide high-quality products and services for all our customers. Should you have comments or suggestions about any of our products or services, we encourage you to let us know.

# 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 it is via our online banking platform or using our mobile app, customers have 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. 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 and retirement plans. They can also connect you with the right people to help you with your mortgage needs and our other products and services, including pre-paid cards.

Next time you're in downtown Vancouver, visit us in Suite 100 at Dunsmuir and Hornby. We'll treat you to a coffee (or tea).

You are welcome, any time.

## Visit Us

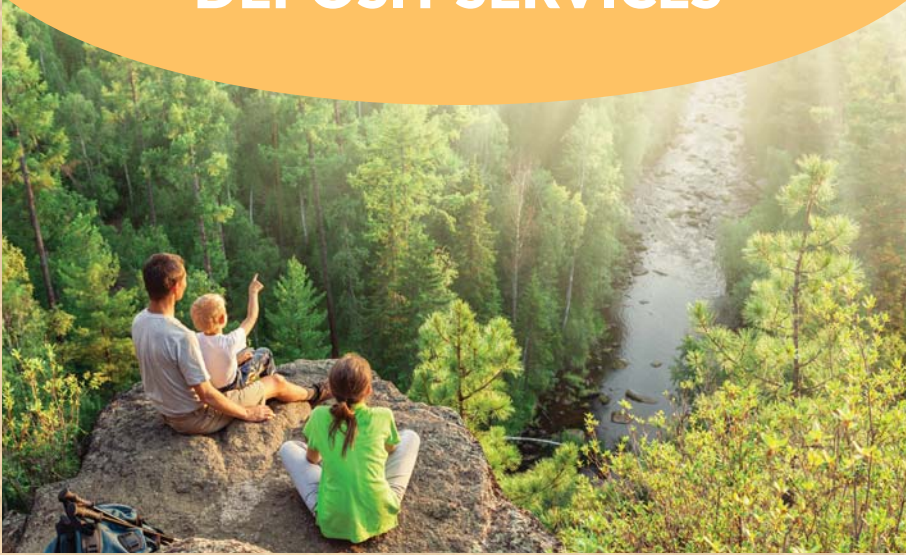
Monday - Friday 9 am - 4 pm

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

Phone: 604-331-3465

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

# 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.

Peoples Trust offers a variety of interest-bearing investment products that are eligible for Canada Deposit Insurance Corporation (CDIC) insurance. Our products are perfect for those seeking a high yield with easy access through online banking and our Peoples Trust mobile app. For day to day use, we can make your banking easier with our **EasyTransaction™** Account or our **SimplyBusiness™** Account.

Whether you're saving for a new home, a vacation or looking ahead to a comfortable retirement, we have an account for you.

## Contact Us

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

## Hours of Operation

Telephone: Monday - Friday 8am - 4:30pm PT  
Office: Monday - Friday 9am - 4pm PT

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

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

## DEPOSIT SERVICES:

# GUARANTEED INVESTMENT CERTIFICATES (GICs)

### 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 among 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 for 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:

***"... they were able to outperform the bigger banks  
when it came to interest rate returns."***

## DEPOSIT SERVICES:

# SAVINGS ACCOUNTS

Many of the milestones in life take a lot of planning to achieve, and sometimes the hassle of planning can take away from the excitement. At Peoples Trust, we offer two solid options for high-interest savings: the Peoples Trust e-Savings Account and the Peoples Trust TFSA.

## E-SAVINGS ACCOUNT

The e-Savings Account is all about giving you more of what you want: high-interest savings and more convenience with the benefits of online and mobile banking. Through online banking, you can also use your e-Savings to easily purchase our other term products. We invite you to power up your savings with a safe, liquid and flexible e-Savings Account.

## TAX-FREE SAVINGS ACCOUNT

As a registered product, the 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 using online or mobile banking. With rates among the best in Canada, the Peoples Trust TFSA is an excellent tool to save for the things that are important.

Why save with Peoples Trust? Our savings accounts offer competitive interest rates that will help you grow your money faster. We calculate interest daily and pay it monthly making every dollar count. Even better, there are no set-up, service or transfer fees and both are eligible for CDIC insurance.

To find out more about the benefits of our savings accounts, and to apply online, visit [www.peoplesgroup.com](http://www.peoplesgroup.com).



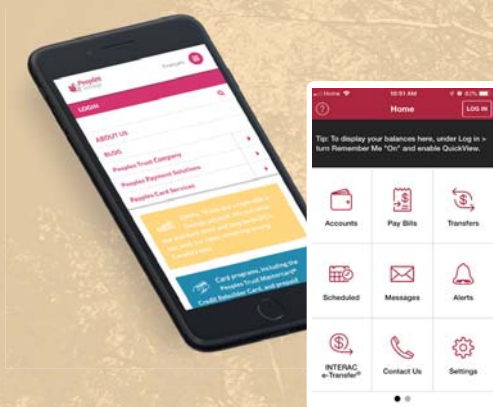
## DEPOSIT SERVICES:

# PERSONAL TRANSACTION ACCOUNT

As the name suggests, our Peoples Trust EasyTransaction™ Account is designed to make your day-to-day finances quick with 24/7 access and the convenience of online or mobile banking.

The EasyTransaction™ Account offers ease of use and flexibility with added functionality. You can enjoy the benefits of Interac e-Transfer®, bill payments and transfers between your Peoples Trust accounts for full flexibility. Your interest is calculated daily and paid monthly which means that every dollar counts. It's that easy.

Complement your savings with the EasyTransaction™ Account and our new mobile banking app. Do most transactions from the comfort of your own phone where you can bank on-the-go; it's safe, secure and easy to use.



## WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"Timely responses when we have inquiries and we're always able to reach out if we need assistance."*

## DEPOSIT SERVICES:

# BUSINESS ACCOUNTS

### BUSINESS TRANSACTION ACCOUNT

The SimplyBusiness™ Account offers your business a convenient way to manage funds with the click of a button.

This account provides online and mobile access to a variety of functions including Interac e-Transfer®, bill payments and more. The different service packages will help ensure that your business banking solutions continue to reflect your unique needs as your business grows. It's that simple.

### BUSINESS GUARANTEED INVESTMENT CERTIFICATES

The Peoples Trust Business GIC offers your business a guaranteed return on investment with competitive rates. Whether it's a short-term investment of 30-364 days or a long-term placement of 1-5 years, our Business GIC can help your business grow. They are a safe and secure way to invest in the future of your business.

All of our business accounts are eligible for CDIC Insurance.



*Interac e-Transfer is a trademark by Interac.*

### WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

***“When I call in, I talk to the customer agent. They are quick, helpful and usually solve the problem right there and then, I like the online banking web portal. It's easy to get any information you want, it's all there.”***

# LENDING



Peoples Trust has been a key participant in the Canadian Mortgage Market for both residential and commercial real estate for more than 30 years. Our national presence is supported by three regional offices which provide creative, responsive support to our borrowing clients and brokers.

For our residential customers, your home financing starts with a simple phone call. Know what you can afford with a true pre-qualification and if you're just getting started with credit, we have lending alternatives to help. We also provide consumer loans for the things that happen in life.

Our commercial customers look to us for the best financing structure possible on each and every deal.

Customer service sets us apart as we take the frustration out of financing.

## Contact Us

BC Regional Office Phone: 604-685-1068

Prairie Regional Office Phone: 403-237-8975

Eastern Canada Regional Office Phone: 416-368-3266

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



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



**Alex Benjamin**  
VICE PRESIDENT,  
RETAIL LENDING

## MORTGAGE LENDING:

# TAILORED MORTGAGE SOLUTIONS TO MEET YOUR FINANCIAL NEEDS

### BUYING YOUR FIRST HOME? WANTING BETTER SERVICE?

#### PEOPLES TRUST HOME LOANS

Peoples Trust has helped Canadians buy real estate for over 30 years. Whether you're making your first home purchase, accommodating a growing family, or right-sizing as your kids leave home; our team can help you get the mortgage that meets your needs.

#### THE PROCESS

We guide you through:

- **Pre-approval** - ensuring you know what you can afford and your down-payment options;
- **Stress-tests** - helping you work through future interest rate and income scenarios to ensure you are in-the-know before buying a home; and
- **Funding** - serving as the conduit to help you close on-time with less stress.

Remember, the sooner you can speak with us about a potential purchase, the sooner you can be in your new home.

### WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"They were quick and easy to deal with.  
Not a lot of paperwork."*

## MORTGAGE LENDING:

# RENEW OR TRANSFER YOUR MORTGAGE

Is your mortgage coming due soon? Join the growing number of Canadians who are renewing with us.

### HIGHLIGHTS

**Existing customers** - You can lock in your rate 90 days in advance of renewal for added peace of mind.

**New customers** - If you have a mortgage elsewhere and want to transfer to Peoples Trust, our quick switch process makes it easy. There are no legal fees and we'll contact your lender to make things happen.

### CONNECT WITH US

Experience our service difference today. To learn more, visit [www.peoplestrust.com](http://www.peoplestrust.com) or contact our expert team Monday - Friday at 1-877-441-1984.



**Tom Wollner, RI, AMP**  
NATIONAL CREDIT MANAGER,  
RETAIL LENDING

### WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"Getting the job done, funding the loans,  
building a relationship. I think they just  
are a fantastic group of individuals."*



**Jonathan Siva**  
RESIDENTIAL BUSINESS DEVELOPMENT  
MANAGER

## MORTGAGE LENDING:

# LENDING ALTERNATIVES

Peoples Trust is one of Canada's leading mortgage lenders offering an alternative for clients with concerns about income qualification or credit.

We use a common sense approach to lending that provides customers a lending alternative.

For example, we may have options for:

- Small business owners having difficulty verifying enough income to qualify elsewhere;
- New immigrants with limited or no credit history in Canada;
- Homeowners with insufficient verification to meet the requirements of a standard mortgage; and
- Canadians with previous credit problems that are now resolved, including discharged bankruptcies.

Give us a call if you are looking for a mortgage. We may be your lending alternative.

## WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"...they get everything done in a timely manner and are always available. I would definitely go back and deal with them."*

## CONSUMER LENDING:

# UNSECURED CONSUMER LOANS

## OFFERED BY LENDFUL FINANCIAL

Peoples Trust is now able to offer unsecured consumer loans through the newly acquired fintech lender, Lendful Financial.

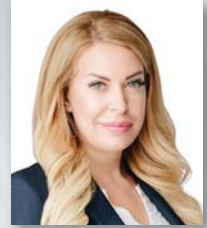
Lendful specializes in providing loans from \$5,000-\$35,000 with terms from six to sixty months.

With a fast turnaround time, our clients get an answer within 24-48 hours, rather than waiting weeks for a decision.

Currently, Lendful provides mortgage brokers a simple online process to help their clients:

- Refinance expensive, high-interest credit-card debt;
- Work to improve credit scores; and
- Help with home renovations, new furniture, and many of life's other needs.

With flexible repayment, Lendful provides value-added for our mortgage broker network.



**Fiona Keller**  
MANAGER, MORTGAGES DIRECT





**Dennis Dineen**  
SENIOR VICE PRESIDENT,  
COMMERCIAL BANKING



**Jonathan Wong**  
VICE PRESIDENT & REGIONAL MANAGER,  
COMMERCIAL BANKING,  
BRITISH COLUMBIA



**Josh Barker**  
VICE PRESIDENT & REGIONAL MANAGER,  
COMMERCIAL BANKING,  
PRAIRIES



**Ady Steen**  
VICE PRESIDENT & REGIONAL MANAGER,  
COMMERCIAL BANKING,  
EASTERN CANADA

## MORTGAGE LENDING:

# COMMERCIAL MORTGAGE LENDING

Peoples Trust has had a national presence in the commercial real estate mortgage lending field for more than 30 years. This activity is supported by three regional offices located in Vancouver (servicing British Columbia), Calgary (servicing Alberta, Saskatchewan and Manitoba) and Toronto (servicing Ontario, Quebec and Eastern Canada).

We are a provider of commercial mortgage funding to investors, developers, seniors facility operators and non-profit affordable housing societies in communities across the country.

Our program focuses on CMHC insured multi-family lending but also includes conventional mortgage financing for development projects, commercial building repositioning, and Industrial, Commercial and Institutional (ICI) long-term investment.

## WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"One of the benefits is attractive interest rates and I think that from the business standpoint the people are very friendly and reliable. They respond quickly which is not always the case with bigger financial institutions."*

## MORTGAGE LENDING:

### CMHC MORTGAGE LENDING

Peoples Trust is actively engaged in CMHC insured multi-family mortgage financing. All three regional offices have extensive experience in the underwriting and placement of CMHC loans on rental apartment buildings, seniors residential facilities and non-profit affordable housing projects. Our long-term relationship with CMHC underwriters helps us provide valuable insight to clients on the requirements and process involved in getting loan insurance approvals. This relationship is backed by a very robust loan securitization program, tied to the CMHC Canada Mortgage Bond (CMB) Program, that allows Peoples Trust to be able to offer very competitive 5 and 10-year term interest rates to clients (odd lot terms also available). This program extends to any geographic location where CMHC will participate.

### CONVENTIONAL COMMERCIAL MORTGAGES

Timely, creative, customized underwriting of client mortgage requirements is the primary mission of our commercial uninsured mortgage program. Commercial real estate is always facing headwinds be they economic, regulatory or market specific. Our very experienced underwriters in each regional office have direct local knowledge of the challenges clients are facing. With the support of a streamlined credit approval process, they can craft creative and competitively priced loan structures that assist clients in achieving their goals. This program includes construction financing, bridge financing for property acquisitions and renovation programs and term financing for longer-term real estate investments.

#### WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"They think outside the box when I'm looking for financing through them. Really fast response."*

# MORTGAGE INVESTING



Peoples Trust is known for their commitment to providing high-quality mortgage management services to our investor clients for both CMHC insured and conventional mortgages.

As a long-time participant in the Institutional Investors segment of the financial industry, we are well known for our involvement with CMHC's National Housing Act Mortgage-Backed Securities Program (NHA MBS), particularly in the CMB Program.

We provide a full range of services from sourcing new business, underwriting, mortgage administration, investor reporting, and mortgage servicing.

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

## Contact Us

Phone: 604-683-2881

Toll-Free: 1-855-683-2881

Fax: 604-331-3469

Suite 1400, 888 Dunsmuir Street, Vancouver, BC V6C 3K4

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

## MORTGAGE INVESTING: **MORTGAGE SERVICES**

Peoples Trust is a leader in the origination, structuring, and placement of commercial real estate mortgages across Canada.

We are expanding our investment relationships allowing us to arrange and syndicate commercial mortgage loans that optimize solutions for our customers. Our extensive experience and flexibility results in mutually beneficial loan structures for investors and borrowing clients.

Structuring and funding mortgages are 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.

We administer a mortgage portfolio of commercial properties located throughout Canada. We pride ourselves on having the people, the experience and the "can do" attitude that makes our clients value our commitment and ability to deliver time and time again.

In keeping with our mission to provide the best in customer service, our customers appreciate that they will always be able to speak directly with any of our team members. This easy access guarantees you will have quick answers to your questions or inquiries and reaffirms our dedication to the personal approach. We make it work!



**Dennis Aitken**  
SENIOR VICE PRESIDENT,  
SYNDICATED FINANCE



**Cathleen Copeland**  
ASSISTANT VICE PRESIDENT,  
MORTGAGE SERVICES



**Salim Hemani**  
VICE PRESIDENT, GROUP TREASURY  
& CAPITAL MARKETS

## 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 NHA MBS and CMB Programs.

We initiated securitization of insured single-family mortgages in 2017 after the successful acquisition of a prime residential mortgage portfolio. 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.

Peoples Trust's issuance of market MBS securities and participation in the CMB program allow us to consistently provide competitive mortgage rates to our varied clientele.

### WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"... they're good at building relationships  
and understanding their customers' needs.  
I think they're competitive with  
their lending rates."*

## MORTGAGE INVESTING: **SOCIAL HOUSING**

Peoples Trust actively participates in mortgage financing of social housing 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 Trust assists in the efficient allocation of capital away from public financing schemes.

The affordable accommodation of emergency shelters, assisted living for seniors, women, and children at risk of violence which results from these financing initiatives, demonstrates a heightened co-operation between government and private enterprise. Since 2013 Peoples Trust has funded Social Housing mortgages which serve many communities in BC and Ontario.



WHAT OUR CUSTOMERS ARE  
SAYING ABOUT PEOPLES GROUP:

*"The people are willing to help you to find a solution."*

# PEOPLES PAYMENT SOLUTIONS & CARD SERVICES



In the world of Canadian Payments, Peoples Trust is a leading issuer of prepaid payment cards and an innovative merchant acquirer. We are an entrepreneurial organization that excels at customizing solutions to fit the needs of our clients. As a result, we have been recognized as a pioneer and innovator of prepaid cards in Canada, and an early adopter of payment solutions. We have partnered with many of Canada's fintech community, giving them the tools and guidance to help realize their success.

As a licensed issuer and acquirer with the most popular payment brands, we can provide you access to a wide array of payment products and services to bolster the growth of your business.

## Contact Us

Vancouver:

Phone: 604-694-6214

Toll-Free: 1-855-694-6214

Fax: 604-331-3469

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

Toronto:

Phone: 844-304-2083

Fax: 416-642-1550

## CUSTOMIZED SOLUTIONS

Our experienced Payments team will educate and support you with gaining an understanding of local payment regulations, laws and products. We are an enthusiastic collaborator and will work with you to find solutions to your payments challenges.

We are responsible for some of the most innovative payment products in the country. Working closely with our clients and partners, Peoples Trust has issued an extensive range of award-winning prepaid and credit card programs in the areas of gift giving, corporate incentives, health insurance, charity, lending, multi-currency, and fintech.

We have relationships with Mastercard®, Visa\*, Interac, Discover, American Express, UnionPay, Alipay and WeChat Pay, and our API based tool set will expedite the process for you to access products and services, allowing you to get to market faster than ever before.

### WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

***“General product expertise, product knowledge, experienced; they are the largest prepaid issuer in Canada and they’ve been around the longest. Lots of product firsts which gives them their expertise.”***



**Howard Klein**  
PRESIDENT



**Gajen Pararajalingam**  
CHIEF OPERATIONS OFFICER,  
PEOPLES PAYMENT SOLUTIONS  
& CARD SERVICES



**Shirley Matthew**  
VICE PRESIDENT,  
PAYMENT AND CARD PRODUCTS



**Karen Budahazy**

VICE PRESIDENT,  
DIGITAL ENABLEMENT AND ISSUING



**Gerry Serratore**

VICE PRESIDENT,  
SALES AND BUSINESS DEVELOPMENT

## DIGITAL ENABLEMENT

With the rise of fintech companies in Canada, Peoples Payment Solutions & Card Services has developed a true expertise working closely with this fast-paced community, playing a strategic role in helping them grow and succeed.

Complementing our acquiring and card issuing sponsorship services, our API-based payments platform enables both startups and well-established companies alike to enhance their payment experience to their customers. We offer secure services, in a certified PCI DSS environment, to deliver the tools necessary to expand our customers' digital offering.

Today's digital payments solutions include, *Interac e-Transfer*<sup>®</sup>, Visa Direct<sup>\*</sup>, Electronic Funds Transfer (EFT), direct deposit, card present, card not present and virtual card processing, bill payment services, and mobile payments. We excel at customizing solutions, so whatever your business is looking for to facilitate the digital movement of funds, reach out to us.

*Interac e-Transfer is a trademark by Interac.*

### WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

***"They are very good at managing their programs. Very professional."***

## CARD SERVICES – CREDIT AND PREPAID SPONSORSHIPS

For over 15 years, Peoples Trust has been offering Prepaid and Credit BIN sponsorships to Program Managers to rapidly develop and deploy card programs tailored to specific needs in target markets. Our expertise, gained from leading the prepaid industry in Canada, has resulted in unsurpassed time-to-market launches of hundreds of innovative card programs. Our best-in-class approach ensures a strong focus on compliance, customer service excellence, and comprehensive implementation, allowing entrepreneurs to focus on converting their opportunities into sustainable, profitable card programs. We remain behind the scenes to ensure your brand is the focus while payment network relations and settlement and regulatory compliance services are managed on your behalf.

Peoples Trust issues cards tailored to niche markets in the financial, corporate, government, travel, insurance, health, and retail sectors. Payment cards are extremely versatile and are an ideal medium for gifting, expense management, mobile wallets, and cheque replacement applications.

Peoples Trust offers the issuance of Mastercard®, Visa\*, and UnionPay, whether those needs are country-wide or for restricted private label acceptance. Whether it is sponsoring prepaid or credit card solutions, Peoples can facilitate your payment network needs.



**Mihnea Cirica**  
VICE PRESIDENT,  
OPERATIONS AND RISK  
PEOPLES CARD SERVICES



**Stephanie Villard**  
SENIOR MANAGER, BUSINESS DEVELOPMENT



**Chloe Gagnon**  
MANAGER, PROGRAM RELATIONS

# MERCHANT ACQUIRING SPONSORSHIPS

Providing access to the Canadian Payment System, Peoples Payment Solutions & Card Services offers sponsorships to Independent Sales Organizations, Payment Facilitators, Processors and Fintechs. Through our sponsorship program, we work with reputable, established partners from around the world to provide choice, flexibility and innovation to merchants and offer a 'one stop solution' for merchant payment acquiring.

Having acquiring relationships with Visa\*, Mastercard®, Interac, Discover, American Express, UnionPay, Alipay and WeChat Pay, we leverage our experience with BIN sponsorships, Payment Facilitators and the latest push and pull funds services, to help our clients deliver robust solutions to their merchants.

As an innovator, we are always adding to our products and services to increase and enhance the options for our clients and their merchants.

Our experienced Payments team can support you whether your target clients are e-commerce, card present, mobile commerce, recurring payments or mail and telephone order merchants.



## WHAT OUR CUSTOMERS ARE SAYING ABOUT PEOPLES GROUP:

*"Compared to major banks they are very flexible. They can understand you and tweak their business model around yours."*

# 2018 FINANCIAL RESULTS

## TREMENDOUS RESULTS BUILT ON A SOLID FOUNDATION

In 2018, Peoples Group continued to make outstanding progress against our strategic objectives, despite the highly competitive Canadian marketplace. We grew our consumer financing portfolio at an accelerated pace, increased momentum in our single and multi-family lending segments, and improved efficiencies in our MBS operations. In our prepaid card and merchant payment services entities, we generated unprecedented transaction levels, as well as revenues. All of this activity increased our Assets Under Administration during the year from \$9.9 billion to \$11.3 billion by year-end. Correspondingly, the Net Earnings grew from \$21.8 million in 2017 to a new record of \$25.4 million.

Given the rapidly changing environment and volatility in the economy, we have intensified our focus on risk management while keeping our clients' interests as a priority. We have more stringent lending and operating policies where appropriate, as well as more diversification in terms of lending products, fee-based businesses, and sources of funding. As lines of defence to mitigate any negative events that may arise, we have more than tripled our general loan loss provision as well as increased our capital base such that our Capital Ratio has grown from 14.5% to end the year at 15.4%.

Overall, 2018 was a tremendous year for Peoples Group as we strengthened our foundation and achieved record profitability and growth in Assets Under Administration.



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

# 2018 FINANCIAL RESULTS

(Expressed in thousands of dollars)

CONDENSED BALANCE SHEET <sup>1</sup>	2018	2017 <sup>2</sup>
<b>Assets</b>		
Cash and securities	637,955	667,215
Loans receivable	1,301,661	1,366,128
Securitized mortgage receivables	684,434	468,211
Other assets	571,868	250,793
Total Assets	3,195,918	2,752,347
<b>Liabilities</b>		
Customer deposits	1,634,793	1,630,590
Securitization liabilities	685,261	473,068
Other liabilities	631,158	428,806
Total Liabilities	2,951,212	2,532,464
<b>Shareholders' Equity</b>		
Share capital	26,884	26,884
Retained earnings	216,776	192,700
Non-controlling interest	1,046	299
Total Equity	244,706	219,883
Total Liabilities and Equity	3,195,918	2,752,347
Total Assets Under Administration	11,327,923	9,880,182

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

<sup>2</sup>Prior year balances have been restated for comparative purposes.

# 2018 FINANCIAL RESULTS

(Expressed in thousands of dollars)

<b>CONDENSED STATEMENT OF INCOME<sup>1</sup></b>	<b>2018</b>	<b>2017<sup>2</sup></b>
<b>Net Interest Income</b>		
Interest revenue	100,950	85,042
Cost of funds	<u>56,231</u>	<u>49,862</u>
	44,719	35,180
<b>(Provisions for) / Recovery of Loan Losses</b>	<u>(3,787)</u>	<u>772</u>
<b>Income Before Other Income, Operating Expenses and Income Taxes</b>	40,932	35,952
<b>Securitization, Card Services and Payment Services Income</b>	37,680	18,408
<b>Other Income</b>	<u>18,297</u>	<u>23,160</u>
<b>Income Before Operating Expenses and Income Taxes</b>	96,909	77,520
<b>Operating Expenses</b>		
Administrative	30,678	23,660
Salaries and benefits	29,159	22,948
Depreciation	<u>1,689</u>	<u>859</u>
	61,526	47,467
<b>Income Before Income Taxes</b>	35,383	30,053
<b>Provision for Income Taxes</b>	<u>9,990</u>	<u>8,260</u>
<b>Net Income for the Year<sup>3</sup></b>	<u>25,393</u>	<u>21,793</u>

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

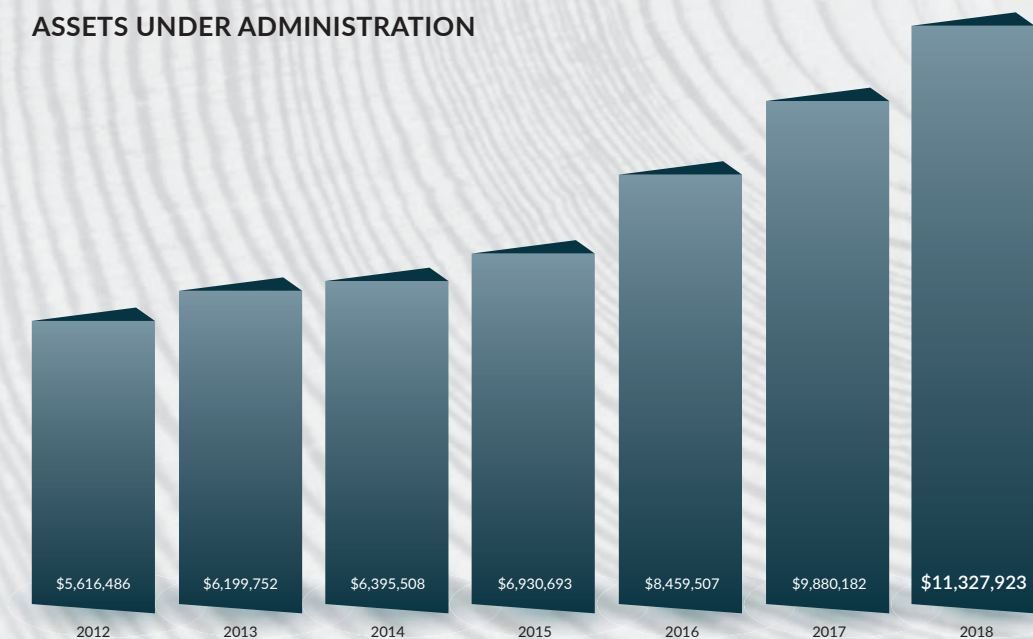
<sup>2</sup>Prior year balances have been restated for comparative purposes.

<sup>3</sup>Includes non-controlling interest of \$1,124 (\$361 in 2017).

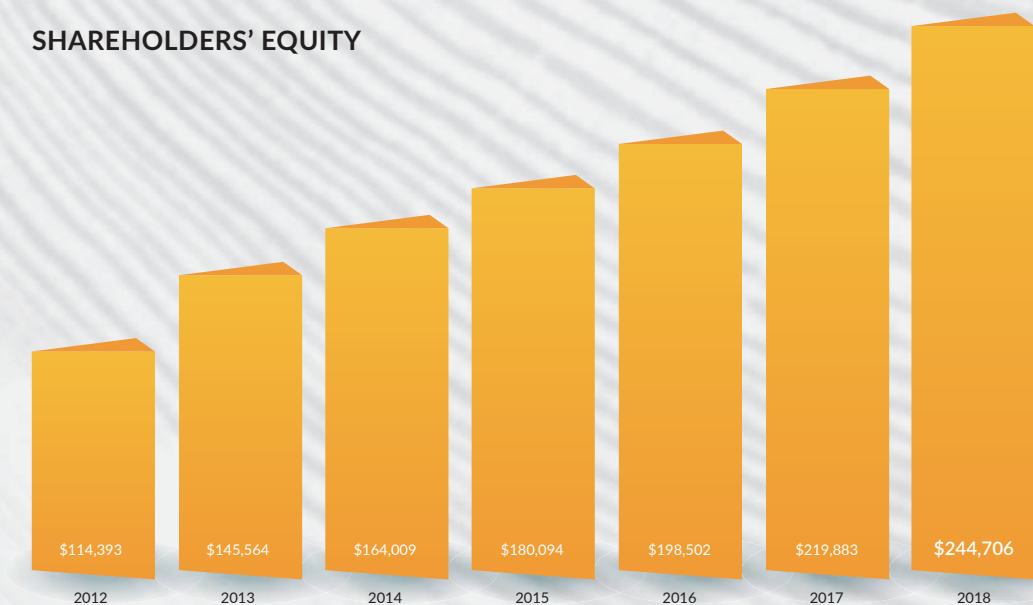
# 2018 FINANCIAL RESULTS

(Expressed in thousands of dollars)

## ASSETS UNDER ADMINISTRATION



## SHAREHOLDERS' EQUITY



# 2018 FINANCIAL RESULTS

(Expressed in thousands of dollars)

## NET INCOME FOR YEAR (AFTER TAX)



¹In 2013, Peoples Card Services (including various declining legacy revenues) was added.



### ADMINISTERED ASSETS BY LOCATION

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



### ADMINISTERED ASSETS 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



**Ann McDow**  
SENIOR VICE PRESIDENT,  
PEOPLE & CULTURE

Peoples Group has been in business for more than 30 years, and some of our people have been with the Company since the beginning. People like working here. We foster a sense of community, both within our office, and extending to our cities where we support a variety of significant initiatives throughout the year. Teamwork is evident in our ongoing fundraising events in support of the Heart & Stroke Foundation and Covenant House.

At Peoples, 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.



PEOPLES SPIRIT:

## PEOPLES COMMUNITY

### OUR COMMUNITY INVOLVEMENT INCLUDES:

- Raising funds for the Heart & Stroke Foundation by riding the Big Bike;
- Sponsoring the Volunteer Program for Vancouver's Bard on the Beach Shakespeare Festival;
- Participating in the Vancouver Sun Run's Corporate Team Challenge since 2003; and
- Raising funds for our 2018 charity, Covenant House which provides support for at-risk youth.



# MEET THE PEOPLE



# OF PEOPLES GROUP



# BOARD OF DIRECTORS



**David Ghermezian**  
CHAIRMAN



**Michael T. Andrews**



**Johanne Brossard**



**Andrew Bury**



**Jonathan A. Levin**



**Grant MacKenzie**



**Michael Oseen**



**Laura Rubino**



**Charles Stuart**



**Keith Thompson**



**Martin Walrath**

*Absent: Eskandar Ghermezian, Chairman Emeritus*



# 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  
888 Dunsmuir Street  
Vancouver, BC V6C 3K4  
Phone: 604-683-2881  
Fax: 604-331-3469

### PEOPLES TRUST

#### DEPOSIT SERVICES

Suite 100  
888 Dunsmuir Street  
Vancouver, BC V6C 3K4  
Phone: 604-331-3465  
TF: 1-800-663-0324  
Fax: 604-683-5110

### MORTGAGE SERVICES REGIONAL OFFICES

#### BC REGIONAL OFFICE

Suite 1400  
888 Dunsmuir Street  
Vancouver, BC V6C 3K4  
Phone: 604-685-1068  
Fax: 604-683-2787

#### PRAIRIE REGIONAL OFFICE

Suite 955  
808 – 4th Avenue S.W.  
Calgary, AB T2P 3E8  
Phone: 403-237-8975  
Fax: 403-266-5002

#### EASTERN CANADA REGIONAL OFFICE

Suite 1310  
95 Wellington Street West  
P.O. Box 15  
Toronto ON M5J 2N7  
Phone: 416-368-3266  
Fax: 416-368-3328

### PEOPLES PAYMENT SOLUTIONS & CARD SERVICES

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888 Dunsmuir Street  
Vancouver, BC V6C 3K4  
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TF: 1-855-694-6214  
Fax: 604-331-3469

Suite 1310  
95 Wellington Street West  
P.O. Box 15  
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Phone: 844-304-2083  
Fax: 416-642-1550

*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)

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