



2022

ANNUAL REPORT



Peoples Group



Peoples Group has been providing tailored financial services to the Canadian marketplace for more than 35 years. Since 1985 our focus has been on exceptional customer service, solidly rooted in extensive product knowledge and experience.

Over the years, we've thoughtfully expanded our product and service offerings based on customer needs, and expect to continue this successful journey in the years to come. Today, Peoples Group has 400+ employees and operates nationally in Vancouver, Calgary, Toronto and Montreal.

VISION

Relentless pursuit of tailored solutions delivered with world-class customer interactions.

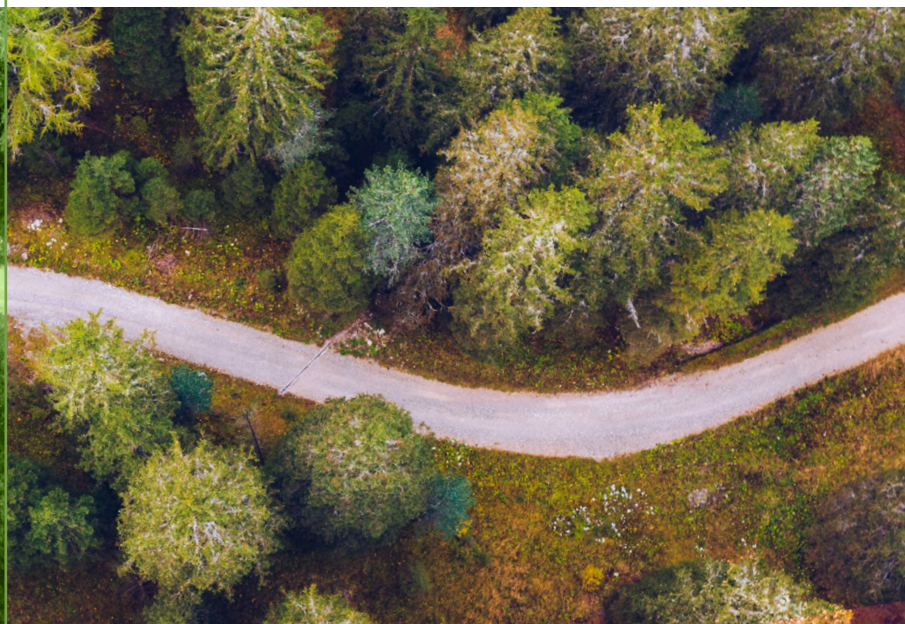
MISSION

Exceed customers' expectations by providing access to financial products within select markets.

VALUES

TRUSTWORTHY. CREATIVE. WILLING.

By valuing people, building relationships and focusing on strengths, we execute with passion.



2022 ANNUAL REPORT

CEO'S MESSAGE	2
OPERATIONS REVIEW	3
A STABLE PORTFOLIO	4
OUR FAMILY OF FINANCIAL SERVICES	5
REGULATORY DEVELOPMENTS	6
RISK & INFO TECHNOLOGY.....	7
PEOPLE & CULTURE	10
INNOVATION HUB.....	11
MARKETING & EXTERNAL COMMUNICATIONS.....	12
DEPOSIT SERVICES.....	13
PERSONAL LENDING.....	19
COMMERCIAL LENDING	23
LENDING & PORTFOLIO SERVICES	26
TREASURY & CAPITAL MARKETS	28
PEOPLES PAYMENT SOLUTIONS & CARD SERVICES.....	29
FINANCIAL RESULTS: 2022.....	34
PEOPLES GIVING	39
BOARD OF DIRECTORS.....	40
CONTACT US	41

MESSAGE FROM THE CEO

Grant MacKenzie

President and Chief Executive Officer



Our solid foundation has helped us weather many challenges in 2022

2022 was a year of uncertainty and challenge in many industries, particularly the financial sector. To combat inflation, the Bank of Canada raised interest rates to the highest level in 15 years, which has impacted real estate sales. The ongoing pandemic, global market uncertainty, and concerns over volatile energy pricing also contributed to a challenging landscape.

Despite these and many other challenges, I could not be prouder of how Peoples Group and its subsidiaries have responded to the changing market conditions. Our strong foundation and diversified product lines have allowed us to demonstrate resilience in the face of adversity.

Our focus continues to be on our customers. We are constantly looking at how we can bring them new products and services and increase our level of customer service to them. At the end of the day, meeting their needs is at the cornerstone of our success.

This past year we have also continued to support our employees through our relationship-based values. Our strength-based approach has created an environment that enables our team members to do meaningful work that aligns with their passions and utilizes their unique strengths.

And finally, Peoples Trust Company marked a historical moment for the financial industry in 2022 by becoming the first financial institution in Canada to receive Direct Clearer status since the Automated Clearing Settlement System (ACSS) launched in 1984. This was a significant milestone and one that we are all very proud of.

Thanks to the solid foundation that we have established, Peoples Group was able to weather the many different challenges of 2022. We will continue focusing on growth and are cautiously optimistic for the year ahead.



**BY VALUING
PEOPLE,
BUILDING
RELATIONSHIPS,
AND FOCUSING
ON STRENGTHS,
WE EXECUTE
WITH PASSION.**

A Challenging External Environment: Maintained a focus on results through new product adoption and flexibility, while continuing with effective process optimization.

2022 saw global events and circumstances leading to volatility in the economic environment. Interest rates rose at the fastest pace in history, as the Bank of Canada acted forcefully to try and stem inflation. While real estate transactions slowed somewhat, Peoples was quick to pivot to several innovative new programs, notably for the multi-family space, CMHC MLI Select insured construction loans. These new programs provided us with an opportunity to generate new commercial lending volumes on large scale, as we successfully navigated the volatile markets.



OPERATIONS REVIEW

Peoples continued to enhance its structures and processes, and maintained a hybrid working environment. In many of our locations, office presence is now significant (with remote remaining an option as well). We also helped our customers navigate the beneficial CMHC program offerings creating new opportunities for both Peoples and our valued customers. With our ongoing dedication to world-class customer service, we also focused on ensuring that our customer relationships and key partnerships remained mutually beneficial.

The Peoples Trust business, comprised of Commercial Mortgages, Personal Lending and Deposit Services demonstrated another year of strong results. This was facilitated by multiple funding sources, including: a stable deposit base; a substantial warehouse facility; and strategic securitization activities.

We appreciate our innovative business partners, and their collective ability to facilitate solutions that are key to our joint success. Together we will continue to expand our product lines in specialty financial services markets.

After ten years at Peoples, 2023 will be a year of transition for me. I am pleased to introduce David Furlong, who joined Peoples Group in early January as our Chief Operating Officer. David has considerable experience in all aspects of the Canadian banking and financial services sectors. He will be a key factor in aligning the leadership of our various businesses and forming cohesive, collaborative teams that will collectively focus on enhancing group results. Thus, we are well-positioned for continued growth and innovation in 2023 and beyond.



Bill Moffatt
Chief Operations Officer



David Furlong
Chief Operating Officer

A STABLE PORTFOLIO

Peoples Group has been providing tailored financial services to the Canadian marketplace for more than 35 years. Since 1985 our focus has been on exceptional customer service, solidly rooted in extensive product knowledge and experience. Over the years, we've thoughtfully expanded our product and service offerings, based on customer needs. We expect to continue this successful journey in the years to come. Peoples Group financial services are offered through a selection of partners and channels.

KEY BUSINESS LINES

LENDING



Specialists in residential mortgages, consumer loans and alternative financing options.

DEPOSIT SERVICES



Strong roots in core products, including Savings Accounts, GICs, RRSPs and TFSAs offered with rates among the best in Canada.

COMMERCIAL MORTGAGES, SERVICING & SECURITIZATION



Experts in CMHC and conventional lending for multi-family, commercial and construction projects, with mortgage servicing for investor customers.

PAYMENT SOLUTIONS & CARD SERVICES



Industry-leading services for merchants and custom solutions for fintechs have been our hallmark track record for innovation in the payments area.



OUR FAMILY OF FINANCIAL SERVICES

Peoples Group continues to evolve our family of connected companies through strategic, measured growth. As we expand our product and service offerings, as well as the channels through which they are delivered, we tailor our solutions to an increasing audience in the financial services community.

A growing number of customers and consumers who deal with brokers, agents, fintechs and other financial intermediaries are benefiting from their relationships with Peoples Group.



Peoples Group



Peoples Bank



Peoples
Payment Solutions
and Card Services



Peoples Trust



LENDFUL



REGULATORY DEVELOPMENTS



Anne Butler
Chief Legal Officer

2022 was another busy year on the regulatory front.

Peoples Group's legal and compliance teams support our business lines by monitoring and responding to current and emerging regulatory obligations.

Some of the key regulatory developments we tracked in 2022 were:

Federal Financial Consumer Protection Framework (Bill C-86):

Amendments to the *Bank Act* and the supporting *Federal Financial Consumer Protection Regulations* came into force in June 2022. This introduced a comprehensive new consumer protection regime that applies to Peoples Bank of Canada.

Reforms to Provincial and Federal Privacy Regimes:

On September 22, 2022, the first phase of requirements under Quebec's *Act to Modernize Legislative Provisions respecting the Protection of Personal Information* came into force with further obligations to be introduced over two phases in September 2023 and September 2024.

Federal Privacy reforms are also in progress after the Canadian federal government, on June 16, 2022, introduced Bill C-27, *the Digital Charter Implementation Act* in the House of Commons. Bill C-27 includes three proposed Acts which if passed, will replace the now 20-year-old *Personal Information Protection and Electronic Documents Act (PIPEDA)*.

Quebec Language Laws:

Bill 96 *An Act respecting French, the official and common language of Québec* received assent and officially became law on June 1, 2022. Businesses operating in Québec and businesses transacting with Québec clients and customers are required to comply with the additional obligations on the use of the French Language as overseen by the *Office québécois de la langue française*.

Risk Management Guidelines:

The Office of the Superintendent of Financial Institutions (OSFI) has introduced its Strategic Plan for 2022 – 2025. In accordance with this plan, it is revising its guidelines relating to sound business and financial practices. This includes updates to the guidelines on Residential Mortgage Underwriting Practices and Procedures (published in January 2023), Third- Party Risk Management (planned release in Q1-2023) and Model Risk Management (planned release in Q2-2023), as well as the introduction of new guidelines on Technology and Cyber Risk Management (published July 2022), Climate Risk Management and Culture Risk Management (the latter two are both planned for release in Q1-2023).

To support awareness of these and other salient regulatory and legal developments, a newsletter, *the Bulletin*, is published and distributed to our business lines each week.

Peoples Group maintains active engagement across these industry associations: Banks and Trust Companies Association; Canadian Bankers Association; Canadian Prepaid Operators Organization; and Paytechs of Canada Association.

We stay well-informed on industry and regulatory developments, and well-positioned to contribute to critical policy issues that could impact the business.



ENTERPRISE RISK MANAGEMENT



Bruce Duthie
Chief Risk Officer
& Chief Information Officer

Robust risk management, high-reliability, and operational resiliency drive sustainable, scalable growth for Peoples Group.

Coming off 2022 the ERM practice has made constructive progress related to advancing our ERM capabilities amidst the ebbs and flows of market forces. Recognizing we operate in an interconnected world, problems and risks cannot be analyzed in isolation. On a macro scale, we continue to monitor the direct and indirect repercussions of the increases the cost of living, ongoing geo-economic confrontations, widespread cybercrime, threats to social cohesion and uncertain global recession indicators. Within our immediate reach, we place a heightened emphasis on managing risks to protect downsides and maximize upsides that drive sustainable, long-term value to our stakeholders.

Systemic risks emerge from a variety of sources and events that elevate the need for our ERM framework and methodology to support the complexity of our business and operating models. We see this as a necessity to prepare for the persistent volatility and uncertainty in which we operate. Put simply, we scrutinize and relentlessly challenge information to unpack, seek, and validate:

- 1 — **What we know;**
- 2 — **What we know we don't know;**
- 3 — **What we don't know we don't know.**

As part of the evolution of our ERM program, we consciously invest to enhance our sophistication, technology and processes to operate within a dynamic risk management reality and develop strong operational resiliency across key domains: Financial – Strategic – Operational – Technology – Culture. As uncertainty in markets, consumer behaviour, and broader social dynamics evolve, our capabilities to leverage data and technology to detect, monitor, and manage strategic risks must continuously adapt. These investments in data and decision-making capabilities ultimately drive insight and clarity to help reduce uncertainty to make optimal decisions.

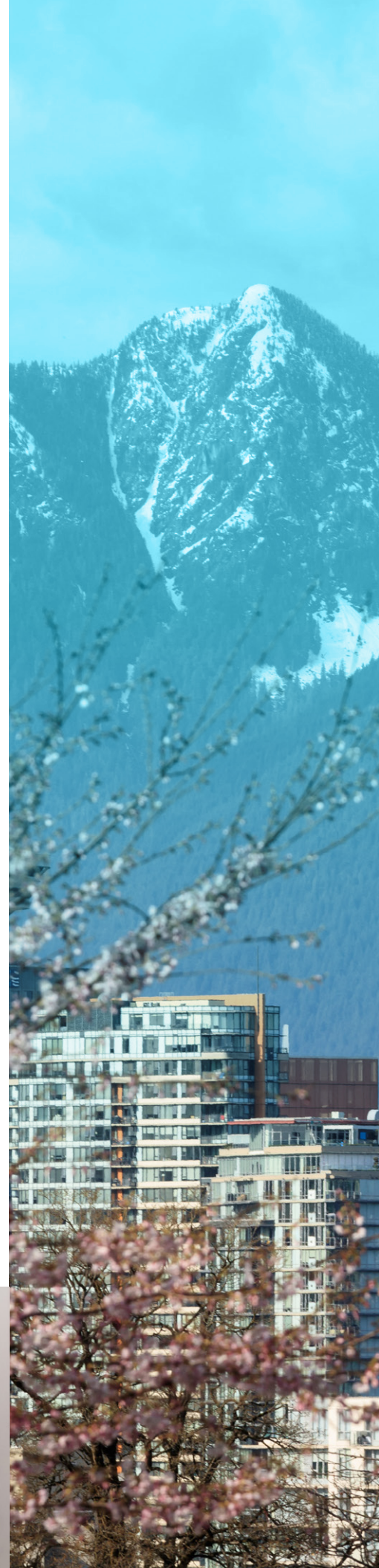
ENTERPRISE RISK MANAGEMENT

In response to the dynamic environmental conditions, a persistent and detailed review of our macro and microstructural risks are a natural and central aspect of our strategic and operational scenario analyses. Recognizing that the conventional risk categories:

- **Credit and Counterparty;**
- **Financial;**
- **Market;**
- **Liquidity & Funding;**
- **Operational;**
- **Legal & Regulatory;**
- **Strategic;**
- **Technology and Cyber Security; and**
- **Environmental, Social, and Governance**

are essential components within our enterprise risk universe. We examine the interdependencies and models between these domains to broaden our lens for examining scenarios that could impact our strategic objectives.

At the core of our risk management practice are the highly skilled, talented, diverse and competent risk management professionals. Continuous learning and continuous improvement are fueled by our diversity in background, skills, and expertise. As our risk culture continues to grow, we continue to embrace and nurture a rich environment for comprehensive dialogue, debate and problem-solving to avoid conventional thinking, common blind spots and biases. This environment fosters accountability, transparency and collaboration to bring risk management value through every interaction and conversation to support the mission, vision, values, and strategic objectives of our group of companies.



TECHNOLOGY AT PEOPLES

Embracing history and imagining how the future will be fundamentally different.

The work of technologists is never done. The digital economy continues to rapidly advance raising expectations across every facet of society – banking not being excluded from this reality. Open banking and open finance will eventually bring structural change to competition within industries; these emerging realities are on our radar as we continue to invest in and develop scalable and adaptable technology platforms.

2022 demonstrated significant advances in technology capabilities within Peoples Group.

Key highlights include:

- our direct clearing architecture implementation and significant technological advancements in large-scale processing capabilities;
- our ongoing pathway toward cloud adoption and functionality with payments, core banking and API modernization, tailored to the rapid changes within a digital era;
- modernization of business systems including commercial banking, fraud management, and customer-relationship management software provides the 1st and 2nd line with advanced tools to handle volumes and build operational efficiency to their workflows;
- cyber security technology continued to be a domain of ongoing investment and innovation utilizing machine learning to help us defend our systems including advanced analytics within our 3rd party ecosystem; and
- continued advances related our data governance program, with a focus on harnessing the power of data and analytics to support complex decision-making and evidence-based management.

To summarize, the organization has developed and continues to develop technological resiliency to remain competitive and relevant in this digital era. Remaining competitive and relevant amidst the highly supplied financial services environment demands excellence and differentiation in experience, service and products. Our commitment to investing in our technology capabilities remains central to our long-term strategy for building high-reliability, operational resiliency and efficiency, and innovative value generation.

Our highly skilled technology professionals continue to be the heart of this movement. We continue to invest and build a progressive and innovative spirit for advancing our capabilities and expertise to support highly complex and sophisticated solutions for our customers and the broader stakeholder community. The spirit and quest for excellence in the work we do manifests through a highly engaged, collaborative, and forward-thinking culture.

PEOPLE & CULTURE



Ann McDow
Chief People Officer

WELLBEING

Our employees are at the heart of our success and with strengths a natural part of our culture, we are focused on building the holistic wellbeing of employees to help them achieve a balanced life.

A dedicated Wellbeing Circle, formed from employees at each of our locations, organizes monthly events, activities, information and resources in the wellbeing elements which include Career, Community, Financial, Physical and Social.



Showing consistent growth since 1985.

Peoples Group is an inclusive, strengths-based and relationship-focused organization, that encourages employees to be engaged and passionate about what we do and the exceptional service we provide.

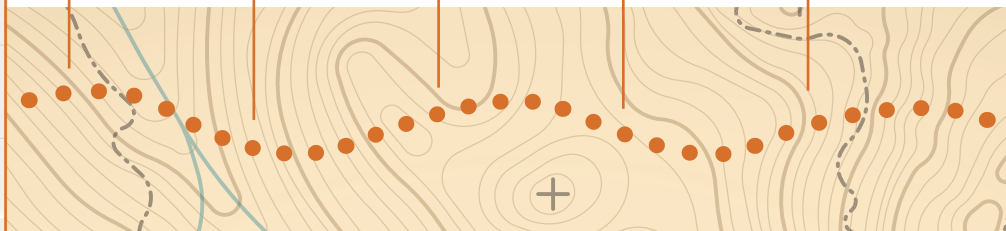
The employee experience has been at the center of our efforts because we know that we can ensure that every person does what they love when we focus on individual strengths.

We believe that we all have a role in building a great collaborative and engaging workplace experience. From our hybrid working environment, to our regular engagement sessions, our People Leaders and employees work together, knowing that everything is better when the team is engaged.

EMPLOYEE ENGAGEMENT SURVEY PARTICIPATION RATE

81%

- Purpose** 85%
- Growth** 85%
- Excellence** 87%
- Belonging** 86%
- Support** 79%



EMPLOYEE FAVORABILITY RATINGS





INNOVATION HUB

Continuing to ride the innovation wave in the Canadian financial services ecosystem.

The innovation hub was formed with the objective of finding new internal and external opportunities to drive quantum growth and focus on strategic and future opportunities.

In 2022, our focus on identifying gaps in the Canadian marketplace, and formulating customized solutions to fill them, has driven the team to achieve the following milestones:

Peoples Trust Company (PTC) was granted Direct Clearer status in the Automated Clearing Settlement System (ACSS) by Payments Canada.

This marks a historical moment for the financial industry, as PTC is the first financial institution in Canada to receive Direct Clearer status since the ACSS launched in 1984. The new ACSS status will provide PTC with increased autonomy with existing and new partners, as we continue to take a leadership position in payment modernization in Canada. It is also one of the essential steps for pursuing PTC's growth strategy of building a multi-function utility hub with options in the merchant, card, banking as a service, lending, and payment arenas.

The launch of Smart Financial Solutions (SFS), which is a Banking as a Service (BaaS) product that enables Fintechs, Paytechs, Challenger Banks, and start-up partners to offer banking products and services as well as seamless access to payment networks.

The trend of Banking as a Service has been growing in popularity worldwide, as it facilitates access to banking networks through digital enablement and provides a convenient way to offer digital banking solutions via web or mobile applications. SFS is the latest addition to Peoples Group's BaaS offering in the Canadian market, providing innovative banking products via a robust technical solution, and will be fully operational in Q1 of 2023.

With our corporate philosophy of Run, Grow, and Transform as our guiding principles, we look forward to continuing to ride the innovation wave and enabling our Fintech partners in the Canadian financial services ecosystem for 2023 and beyond.



Cyrielle Chiron
Senior Vice President
Product Strategy & Innovation



MARKETING & EXTERNAL COMMUNICATIONS



Kathleen Ross
Assistant Vice President
Marketing & Customer Success

“Resiliency is the ability to spring back from and successfully adapt to adversity.”

– Nan Henderson

Throughout 2022 our Marketing team worked to support our lines of business and bring awareness to the marketplace of our variety of niche products and services. We continued to strive towards improved experiences for our customers, when interacting with Peoples Group and our subsidiaries, through websites, social media channels and direct communications. We increased the reach of our brands through marketing campaigns, collateral materials and speaking opportunities at industry events.

CUSTOMER FEEDBACK RESULTS

Our Customer Feedback Survey covered several of our main consumer and broker channels, yielding positive results, which increased from the 2021 survey.

82.5%

Overall satisfaction with our services

Indicated we met or exceeded their expectations

Agreed our actions aligned with our values

Peoples Trust

It's about time GIC rates came roaring back ...
Well, at least ours have.

THEIR RATES (kitten) OUR RATES (tiger)

GREAT GIC RATES

- A rate that is fixed and guaranteed for the full term of your investment
- Long-term investments available from 1 to 5 years (annual or compounding interest options)
- Eligible for deposit insurance offered by Canada Deposit Insurance Corporation (CDIC)
- No set-up, service or transfer fees

DON'T MISS OUT - Contact us today to open your account, and start putting your money to work for you. peoplestrust.com/great-rates

604-331-3465 deposits@peoplestrust.com

Social Media





DEPOSIT SERVICES



Here to serve you

We're here to support you on your path toward success.

CONTACT CANADA-WIDE

PHONE: 604-331-3465

TOLL FREE: 800-663-0324

peoplesgroup.com



Peoples Trust

Peoples Trust offers a portfolio of products to consumers and businesses which allows access to financial services whenever and wherever our customers need it.

We can discuss your savings goals and retirement plans.

Whether it is via our online banking platform or using our mobile app, customers have 24/7 access to their deposit accounts.

DEPOSIT SERVICES



Guaranteed Investment Certificates (GICs)

COMPETITIVE RATES GUARANTEED FOR THE FULL TERM.

Peoples Trust GICs offer high rates, that 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 Canada Deposit Insurance Corporation (CDIC) insurance.

Non-Registered GICs

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.

Retirement Savings Plans

Available for terms of one to five years, the Peoples Trust RSP provides a fixed and guaranteed rate for the entire 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 Savings Account (TFSA) GICs

If you need a place to invest funds, our TFSA 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. With no set-up, service or transfer fees, you can only win with this investment option.



Peoples Trust





DEPOSIT SERVICES

Savings Accounts

ZERO MONTHLY FEES AND NO MINIMUM DEPOSIT.

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 simple options for high-interest savings, including the e-Savings Account and TFSA high-interest savings account.

e-Savings

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 purchase our GIC products. We invite you to power up your savings with a safe, liquid and flexible e-Savings Account.

Tax-Free Savings

As a registered product, the 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, a TFSA is an excellent tool to save for the things that are important to you.

At 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 deposits are eligible for CDIC insurance.

To find out more about the benefits of our savings accounts and to apply online, visit peoplesgroup.com.



DEPOSIT SERVICES



Business Accounts

**REAL FINANCIAL GROWTH
WITH SOME OF THE BEST RATES.**

Business GICs

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 one of one to five years, our Business GIC can help your business grow. They are a safe and secure way to invest in the future of your business, and your deposits are eligible for CDIC insurance.



Peoples Trust





Peoples Bank

Comfortable customer service

*We're here to support you
on your path toward success*

CONTACT CANADA-WIDE

PHONE: 778-309-4860

TOLL FREE: 833-309-4860

HOURS OF OPERATION

By Phone: Monday - Friday

5:00am - 4:30pm PT

*We would be happy to serve you by
email, by phone or in person at Suite
100, our street-level customer service
area in Vancouver. Our Customer Service
Representatives are here 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.*

peoplesbank.ca

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

SUITE 100



DEPOSIT SERVICES



Guaranteed Investment Certificates (GICs)

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

Peoples Bank offers a variety of interest-bearing investment products that are eligible for CDIC insurance. Our products are perfect for those seeking a high yield with easy transaction and balance viewing through online banking or our mobile app.

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 GIC are guaranteed for the full term of your investment.

Savings Accounts

e-Savings

Now you can choose to open your new e-Savings account with Peoples Bank, Peoples Trust or both. Same great services and rates with eligibility for CDIC insurance.

EasyTransaction™

Managing your money should be easy and hassle-free. With an EasyTransaction account, we offer two convenient service packages to choose from: Pay-as-you-go; or bundled. Enjoy the benefits of *Interac* e-transfer and bill payments with the convenience of online banking or our mobile app.



Peoples Bank





PERSONAL LENDING

CONTACT

CANADA-WIDE

TOLL FREE: 833-309-4861

peoplesbank.ca

Customer Service sets us apart

We take the frustration out of financing.

Peoples Bank continues the proud tradition of being a key participant in the Canadian financial services market.

We offer a number of lending products across both traditional and non-traditional markets. With a focus on both direct to consumer, and in collaboration with strategic partners, Peoples provides creative and responsive solutions to prospective borrowers.



Peoples Bank

LENDING

Residential Mortgages

Peoples Bank provides mortgage solutions for a range of purposes, including owner-occupied, second homes and investment homes. We offer insured, near prime and non-conforming home loan products supported by a personalized, solution-focused service.

WE OFFER OUR SOLUTIONS THROUGH A VARIETY OF CHANNELS:

Direct to Consumer

Our team of experienced Mortgage Planners works directly with new and existing borrowers, advising them on their mortgage options, and guiding them from application through to funding. We aim to provide peace of mind and comfort.

Broker

We work with a select and exclusive group of mortgage brokers, that understand the value of partnering and building long-term relationships. Our dedicated employees offer a high level of service that allows brokers to ensure their clients' mortgage needs are met.

Referral & Affinity Partners:

When partnering with select, external referral sources, and affiliated partners of Peoples Group, we focus on exclusive relationships in order to provide the most beneficial home loan solutions to their clients and employees.



Stephanie Villard

Assistant Vice President & National Manager,
Consumer Lending & Partners



Donna Morrison

Assistant Vice President & National Manager,
Broker Distribution





LENDING



LENDFUL

Personal loans, made simple

Consumer Loans

We provide personal loans, through our online Lendful brand, that assist Canadians on their journey to financial health, by filling a mid-market void between traditional lenders and higher interest subprime lenders. We offer amounts ranging from \$5,000 to \$35,000, with terms from six months to five years.

Utilizing innovative technology and dynamic risk-based pricing, we are able to provide same day approval and, in most cases, next day funding.

WE OFFER OUR LENDFUL PERSONAL LOANS THROUGH TWO DISTINCT CHANNELS:

- **Direct to consumer via our website lendful.ca**
- **Through selected partners, by enabling them through the use of connected technology, to offer Lendful Loans to their customer base**



LENDING

Asset Based & Specialized Lending

Peoples Group provides tailored, creative, corporate lending and off balance sheet financing solutions, to Canadian originators of consumer lease assets, Mortgage Investment Corporations, alternative real estate service companies, and alternative asset based commercial bridge lending through affiliates, starting from \$5 million.

Our team is highly experienced in these forms of lending and works with our borrowers and partners to facilitate individually tailored financing solutions.





COMMERCIAL LENDING

Over 35 Years of Expertise

National presence with three regional offices.

CONTACT

COMMERCIAL RESIDENTIAL REGIONAL OFFICES

BRITISH COLUMBIA 604-685-1068

PRAIRIES 403-237-8975

EASTERN CANADA 416-368-3266

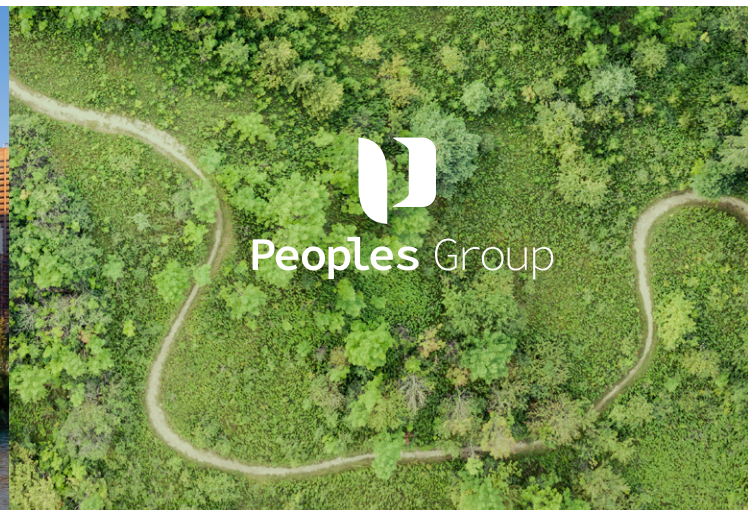
peoplesgroup.com

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

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).

Our primary focus is on Canada Mortgage and Housing Corporation (CMHC) insured multi-family lending including CMHC MLI Select construction and takeout financing.

We also provide complementary conventional mortgage financing for condominiums and purpose-built rental development projects, multi-family property repositioning and investment acquisitions of most commercial real estate asset classes.



Peoples Group

COMMERCIAL LENDING

CMHC Mortgage Lending

More than \$1.5 billion in prime mortgages under administration, with an experienced team of experts. We also service a CMHC insured mortgage portfolio of more than \$18 billion.

Peoples Trust, part of Peoples Group, is actively engaged in CMHC insured multi-family mortgage financing. All three regional offices have extensive experience and expertise in the underwriting and placement of CMHC insured loans for new and existing rental apartment buildings, seniors' residential facilities and non-profit affordable housing projects.

Our long-term relationship with CMHC underwriters helps us provide customers with valuable guidance on the CMHC application process and information requirements for obtaining timely loan insurance approvals. Our relationship with CMHC is backed by a very robust loan securitization program tied to the CMHC Canada Mortgage Bonds™ (CMB) Program. It allows Peoples Group to offer very competitive five and ten-year term interest rates to customers, with odd lot terms also available. This program extends to any geographic location where CMHC operates.

Conventional Commercial Mortgages

Timely, creative, customized underwriting of customer mortgage requirements is the primary mission of our commercial uninsured mortgage program. Commercial real estate is always facing headwinds from economic, regulatory or market-specific factors. Our experienced underwriters in each regional office have direct local knowledge of the challenges customers are facing.

With the support of a streamlined credit approval process, we can craft creative and competitively priced lending structures that help customers achieve their real estate investment goals. Our conventional mortgage program includes construction and land financing, inventory loans, bridge financing for property acquisitions and interim financing for repositioning and renovation programs.





COMMERCIAL LENDING



Jonathan Wong
Vice President
Commercial Lending West



Rob O'Connor
Vice President
Commercial Lending Central



Ady Steen
Vice President
Commercial Lending East



LENDING & PORTFOLIO SERVICES



CONTACT

CANADA-WIDE

PHONE: 604-683-2881

TOLL FREE: 855-683-2881

peoplesgroup.com

A full range of services

Peoples Group is known for their commitment to providing high-quality lending and portfolio management services to our investor customers for both commercial, single family, consumer loans, and warehouse facilities.

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 customers include financial institutions, private lenders along with others.



Peoples Group



MORTGAGE INVESTING

Commercial Mortgage Services

We pride ourselves on having the people, the experience and the 'can-do' attitude.

Peoples Group 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 customers.

Structuring and funding mortgages are just the beginning of our commitment to mortgage customers. 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. 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.

Social Housing

Peoples Group actively participates in mortgage financing of social housing facilities, which include rental properties, community services, and health care & rehabilitation centres. By facilitating the transfer of mortgage debt from provincial governments to private investors, Peoples Group assists in the efficient allocation of capital away from public financing sources.

Our financing initiatives demonstrate a close co-operation between government and private enterprise, allowing the affordable accommodation of emergency shelters, assisted living for seniors, women and children at risk of violence, etc.

Since 2013, we have funded Social Housing mortgages which serve many communities in British Columbia and Ontario.



Cathleen Copeland
Assistant Vice President
Administration & Funding



INVESTING



Salim Hemani
Senior Vice President
Treasury & Financial Innovation

Treasury and Capital Markets

Peoples Group has maintained a fortified balance sheet with a focus on managing market risk, despite the volatility induced by the pandemic.

Capital Markets

Peoples Group has become well known, and highly regarded, for its involvement in the securitization of insured multi-family and single-family mortgages, for placement in the NHA MBS and CMB Programs.

We have been a key participant in the NHA MBS market since the inception of the program in 1987. Our issuance of market MBS securities and participation in the CMB program allow us to consistently provide competitive mortgage rates to our varied clientele.

Peoples Group is also building its capabilities in other capital transactions, including syndication/sell downs and non-vanilla funding/securitization structures.

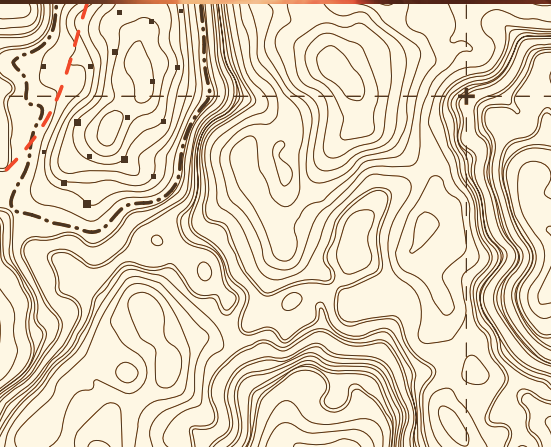
Treasury

Peoples Group Treasury is responsible for managing the Group's liquidity risk and market risk within the risk appetite of the Asset Liability Committee (ALCO) and of the Board. Despite the volatile environment induced by the pandemic, Peoples Group maintained a very liquid balance sheet with laser-sharp focus on mitigating market risk and protecting margins.





PEOPLES PAYMENT SOLUTIONS & CARD SERVICES



Industry Leading Payment Solutions

We are innovative and entrepreneurial.

In the world of Canadian payments, Peoples Trust, part of Peoples Group, is a leading issuer of payment cards and an innovative merchant acquirer.

We are an entrepreneurial organization that excels at customizing solutions to fit the needs of our customers.

We have been recognized as a pioneer and innovator of prepaid cards in Canada and as an early adopter of payment solutions. We have partnered with many of Canada's fintechs, giving them the tools and guidance to help them realize their success.

As a licensed issuer and acquirer with all the major 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

CANADA-WIDE

PAYMENTS AND CARD SOLUTIONS: 855-694-6214

peoplespaymentsolutions.com



Peoples Group

PEOPLES PAYMENT SOLUTIONS & CARD SERVICES

Customized Solutions

We excel at customizing payment 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 payment challenges.

We are responsible for some of the most innovative payment products in the country. Working closely with our Program Managers, Peoples Group has issued an extensive range of award-winning prepaid and credit-issuing programs in the areas of gift-giving, corporate incentives, health care, charity, lending, multi-currency, and B2B payments.

Our relationships with American Express^{®1}, Interac^{®2}, Mastercard^{®3}, Union Pay^{®4}, and Visa^{®5} position you to get to market faster than ever before.

2022 HIGHLIGHTS



Launched full *Interac* e-Transfer² suite of products and reached annualized volume of \$1billion and growing.



Continue to build Mastercard Send^{TM6} to complement Visa Direct⁷ and to reach full card coverage in Canada.



Grew the Visa Direct push / pull payments business primarily in the gig economy and insurance verticals.



Enabled CDIC coverage on general-purpose reloadable and payroll prepaid cards.



Launched direct deposit accounts via direct clearer enabled EFTs for prepaid cards.

1 American Express is a trademark of American Express Marketing & Development Corp. Used under license.

2 Interac, Interac e-Transfer and the Interac logo are registered trademarks of Interac Corp. Used under license.

3 Mastercard and the circles design are registered trademarks of Mastercard International Incorporated.

4 UnionPay is a trademark of CHINA UNIONPAY CO., LTD.

5 Visa Int. / Peoples Trust Company, Licensed User.

6 Mastercard Send is a trademark of MasterCard International Incorporated.

7 Visa Direct is a trademark of Visa International Service Association.



PEOPLES PAYMENT SOLUTIONS & CARD SERVICES



Karen Budahazy
Vice President
Digital Enablement and Issuing



Mihnea Cirica
Vice President
Compliance & Risk, C & P



Lucy Coschignano
Vice President
Payment Operations, C & P



Amer Sidhu
Vice President
Product & PMO



Gerry Serratore
Vice President
Sales and Business Development

DIGITAL ENABLEMENT

We differentiate ourselves through our strong collaboration with customers to develop tailored solutions to exceed their objectives.

With the significant rise of fintech companies in Canada, Peoples Group has developed a true expertise working closely with this fast-paced community, playing a strategic role in helping them scale and succeed.

Complementing our acquiring and card issuing sponsorship services, our turnkey and API-based payments platform enables both startups and well-established companies alike to enhance their customers' payment experience, making us the leading provider of turnkey digital-first banking and payment services in Canada. 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 Request Money, push payments with Visa Direct, and Mastercard Send, Electronic Funds Transfer (EFT), direct deposit, card present, card not present and physical and virtual card processing, bill payment services, banking-as-a-service platform and mobile payments.

PEOPLES PAYMENT SOLUTIONS & CARD SERVICES



Issuing Program Sponsorships

Our best-in-class approach ensures a strong focus on compliance and customer service excellence.

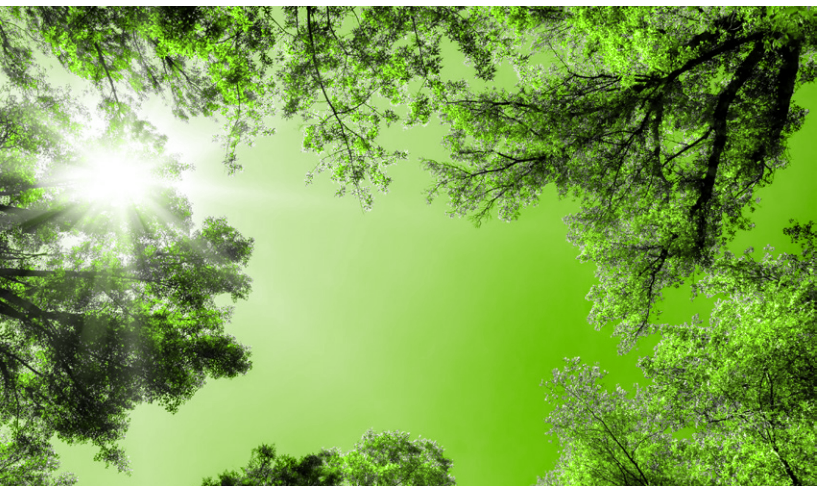
For over 17 years, Peoples Group has been offering Prepaid and Credit BIN issuing sponsorships to Program Managers to rapidly develop and deploy card programs, both physical and digital, tailored to specific needs in target markets. Our expertise, gained from leading the prepaid industry in Canada, has resulted in unsurpassed time-to-market launches of hundreds of innovative programs. We have also expanded our sponsorship offerings to the United States.

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 programs. Grow and build your brand while we manage the payment network relations, settlement and regulatory compliance services.

Peoples Group issues cards tailored to niche markets in the financial, corporate, government, travel, insurance, health, and retail sectors. Our products include secure and unsecured credit programs, reloadable and non-reloadable prepaid programs, multi-currency, private label or network branded, mobile wallets and contactless payments, virtual cards, CDIC coverage for GPR cards, and more. Payment cards are extremely versatile and power many applications today such as challenger banks, expense management, buy now pay later programs, disbursements, on-demand pay, gig economy payments, corporate incentives, gifting and cheque replacement applications.

We offer the issuance of American Express*, Mastercard, UnionPay and Visa, whether those needs are country-wide or for restricted private label acceptance. Whether it is sponsoring prepaid or credit card solutions, we can facilitate your payment network needs.

*Peoples Trust is an issuer of American Express Prepaid.





PEOPLES PAYMENT SOLUTIONS & CARD SERVICES

Merchant Acquiring Sponsorships

We provide choice, flexibility and innovation to merchants.

Providing access to the Canadian Payment System, Peoples Group is the leading sponsor of Independent Sales Organizations, Payment Facilitators, Processors and fintechs in Canada.

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. We have also expanded our sponsorship offerings to the United States.

Having acquiring relationships with Visa, Mastercard, Interac, UnionPay, American Express and Discover, we leverage our experience with BIN sponsorships and the latest push and pull funds services, such as Visa Direct and Mastercard Send, to help our customers 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 customers and their merchants, providing you access to the newest services available.

Providing merchant acquiring services for over 12 years, our seasoned Payments team can support you whether your target clients are e-commerce, card present, mobile commerce, multi-currency, recurring payments or mail/telephone order merchants.



2022 FINANCIAL RESULTS

Steady financial growth

Through one of the most challenging periods of change in decades, our 2022 financial performance continues to demonstrate how we build reliable forward momentum at Peoples Group while facing volatility and economic pressure in our current operating environment.

Our prudent but progressive risk, capital and liquidity management, continuing diversification in new business segments, and strategic investments in technology, talent and innovation put us in a position of strategic and financial strength. While the pandemic and recessionary pressures have created notable headwinds in the banking industry this year, Peoples Group was able to continue steadily along our journey of growth and profitability.

Over the course of the year, our Assets Under Administration grew \$2.5 billion, surpassing a major milestone to \$21.3 billion from \$18.8 billion. Not surprisingly, our Net Income also set a new record, as we posted a robust \$50.5 million of earnings in 2022.

Finally, our Regulatory Capital Ratio remained solid at 14.77% with a corresponding Leverage ratio of 5.39%.

Looking ahead to next year, the economic environment remains uncertain in 2023. However, despite the heightened interest rates and inflationary pressures that will slow the economy, Peoples Group's strengths and proven track record of performance will allow us to remain financially resilient to deliver ongoing growth in accordance with our strategy.



Samson Lim
Executive Vice President
& Chief Financial Officer

2022 FINANCIAL RESULTS

CONDENSED BALANCE SHEET¹

2022

2021

(Expressed in thousands of dollars)

ASSETS

Cash and securities	1,227,746	988,567
Loans receivable	2,244,534	1,614,799
Securitized mortgage receivables	1,596,207	1,661,728
Other assets	1,005,519	796,592
Total Assets	6,074,006	5,061,686

LIABILITIES

Customer deposits	2,684,248	2,032,496
Securitization liabilities	1,469,861	1,525,626
Other liabilities	1,541,221	1,160,138
Total Liabilities	5,695,330	4,718,260

SHAREHOLDERS' EQUITY

Share capital	26,884	26,884
Retained earnings	348,861	315,439
Non-controlling interest	2,931	1,103
Total Equity	378,676	343,426

Total Liabilities and Equity	6,074,006	5,061,686
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Total Assets Under Administration	21,310,704	18,830,696
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¹Prepared from audited consolidated financial statements of Peoples Trust Company.



2022 FINANCIAL RESULTS

CONDENSED STATEMENT OF INCOME¹	2022	2021²
<i>(Expressed in thousands of dollars)</i>		
CONTINUING OPERATIONS		
NET INTEREST INCOME		
Interest revenue	142,737	95,777
Cost of funds	96,067	60,019
	<u>46,670</u>	<u>35,758</u>
PROVISION FOR CREDIT LOSSES	<u>6,345</u>	<u>3,698</u>
INCOME BEFORE CARD & PAYMENT INCOME, SECURITIZATION AND OTHER INCOME, OPERATING EXPENSES AND INCOME TAXES	<u>40,325</u>	<u>32,060</u>
CARD & PAYMENT SERVICES INCOME		
Revenue	175,258	134,999
Expenses	133,404	106,748
	<u>41,854</u>	<u>28,251</u>
SECURITIZATION AND OTHER INCOME/(LOSS)	<u>79,984</u>	<u>91,634</u>
INCOME BEFORE OPERATING EXPENSES AND INCOME TAXES	<u>162,163</u>	<u>151,945</u>
OPERATING EXPENSES		
Administrative	46,350	36,756
Salaries and benefits	54,565	46,718
Depreciation and amortization	5,032	4,033
	<u>105,947</u>	<u>87,507</u>
INCOME BEFORE INCOME TAXES	<u>56,216</u>	<u>64,438</u>
PROVISION FOR INCOME TAXES	<u>13,892</u>	<u>16,429</u>
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	<u>42,324</u>	<u>48,009</u>
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	<u>8,197</u>	<u>2,079</u>
NET INCOME FOR THE YEAR³	<u>50,521</u>	<u>50,088</u>

¹Prepared from audited consolidated financial statements of Peoples Trust Company

²Certain prior period amounts have been reclassified to conform with current period presentation

³Includes non-controlling interest of \$3,749 (\$1,594 in 2021)

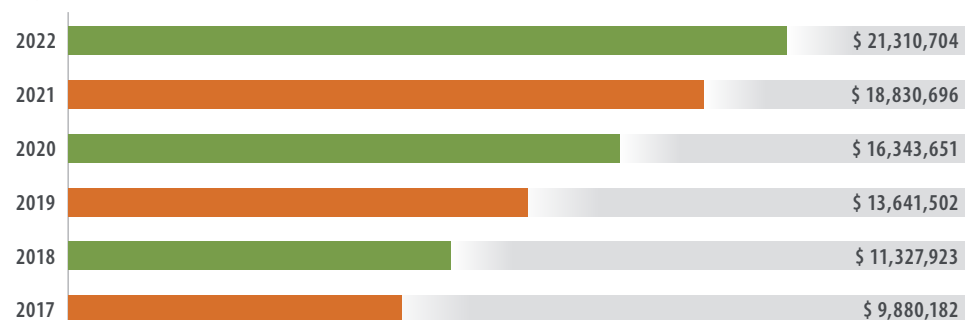


Peoples Group

2022 FINANCIAL RESULTS

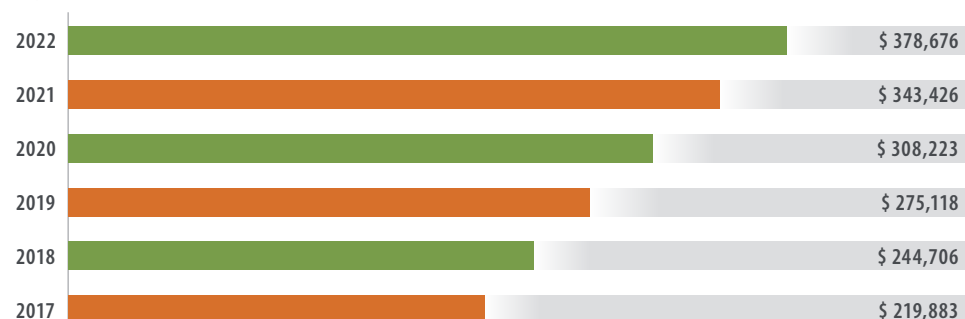
ASSETS UNDER ADMINISTRATION

(Expressed in thousands of dollars)



SHAREHOLDERS' EQUITY

(Expressed in thousands of dollars)



NET INCOME FOR YEAR (AFTER TAX)

(Expressed in thousands of dollars)



2022 FINANCIAL RESULTS

ADMINISTERED ASSETS



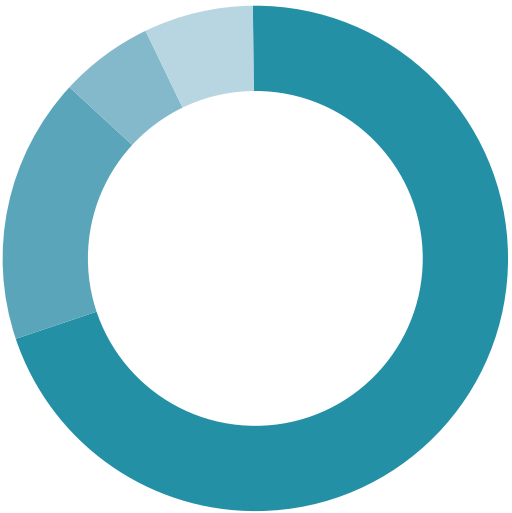
by Location

- BC 30%
- Other 28%
- Prairies 22%
- ON 20%

by Security

- Multi-Family 85%
- Single-Family 11%
- Care Facility 2%
- Other 2%

ADMINISTERED DEPOSITS



by Location

- ON 70%
- BC 17%
- Other 7%
- Prairies 6%



Peoples Group



PEOPLES GIVING

Connecting people through community involvement.

In 2022, many events provided in-person and virtual formats, providing our company and employees more opportunities to participate in annual fundraising campaigns nationwide.

Participating from where you are provided an opportunity for all our offices to participate in our primary fundraising campaigns supporting the Heart & Stroke Foundation and Covenant House.

Ride for Heart (formerly Big Bike)



Our employees began supporting the Heart & Stroke Foundation by participating in the Big Bike. We started with a one-bike season, progressed to two bikes in Vancouver and expanded to Toronto, creating a healthy east/west competition. With the pandemic came the change to the Ride for Heart and a virtual event full of Heart shaped routes. With the company match, our total for 2022 came to more than \$10,000, bringing our fundraising totals since 2014 to more than \$91,000.

Covenant House – Executive Sleepout



To support our Chief Information Officer’s participation in this in-person event, our employees banded together to raise almost \$8,000. With a company match, we contributed heavily to our CIO’s fundraising total of \$23,930, which provides programs for the at-risk youth that Covenant House serves.

In addition to these causes, Peoples Giving supported the virtual Sun Run, with participation from our offices across Canada and provided almost \$40,000 in support of these initiatives:

- Bard on the Beach Volunteer Program
- George Brown College
- Jewish Community Centre Sports Dinner Fundraiser
- BC Children’s Hospital
- Nanoose Community Services Association
- Red Cross Ukraine Humanitarian Crisis (via payroll deduction)



We are planning another busy year in 2023 with new initiatives to support the communities in which we live.

BOARD OF DIRECTORS



David Ghermezian
Chairman



Michael T. Andrews



Lori-Ann Beausoleil



Johanne Brossard



Andrew Bury



Jonathan A. Levin



Grant MacKenzie



Michael Oseen



Laura Rubino



Rubina Salim-Havlin



Charles Stuart



Martin Walrath



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 connect with the right people.

PEOPLES GROUP

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Toll Free: 855-683-2881

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Vancouver, BC V6C 3K4

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Toll Free: 833-309-4860

PEOPLES TRUST DEPOSIT SERVICES

Phone: 604-331-3465

Toll Free: 800-663-0324

PEOPLES PAYMENT

SOLUTIONS & CARD SERVICES

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Toronto ON M5J 2N7

Payment Solutions: 877-374-9444

Card Solutions: 855-694-6214

PEOPLES BANK PERSONAL LENDING

Toll Free: 833-309-4861

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Phone: 604-685-1068

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Calgary, AB T2P 3H5

Phone: 403-237-8975

EASTERN CANADA REGIONAL OFFICE

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Toronto ON M5J 2N7

Phone: 416-368-3266

**For more information
visit peoplesgroup.com**



Peoples Group



2022 ANNUAL REPORT