



Celebrating 25 Years 1985 – 2010





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

FRANK RENOU
*President and
Chief Executive Officer*

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

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

BARRIE BATTLETT
*Senior Vice President
Mortgage Banking*

25 Years On!

Starting a new financial institution in the fall of 1985 was a daunting task. High interest rates in the early '80's had a devastating effect on real estate resulting in the closure of several small financial institutions, and yet, here we were, trying to come up with a formula for long term growth and profitability.

We started slowly, with niche mortgage and term deposit products and worked our way up, adding talented people, branches and products as we went, focusing on three guiding principles – excellent customer service, profitability and competent fun loving employees.

A quarter of a century later, I am proud to showcase the achievements of Peoples Trust – truly a testament to the contributions of all of our employees, past and present, combined with the outstanding support of our Directors and Shareholders.

Today Peoples Trust has 78 employees, 30% of whom have been with the Company 10 or more years. In fact almost 50% of our workforce has more than 5 years of service. We continue to focus on specific niches in the mortgage business where the extensive experience of our underwriting team can be most effectively deployed. We offer a range of investment products, geared to a client base that has a desire for premium interest rates and returns.

We originate and service mortgages for institutional investors through our Mortgage Banking Unit, and have been extremely successful in the past originating insured mortgage product for the Mortgage Backed Securities (MBS) and Canada Mortgage Bond (CMB) Programs of CMHC.

Over the years, our processes and data systems have continuously improved to accommodate both the physical growth of the Company and the expanded product lines.

In addition, we are a pioneer of Prepaid Card Programs in Canada, and remain a market leader in this area, in both reloadable and non-reloadable products, with more program releases in the coming months.

While some things have changed, our customer service has remained constant. We've grown as a company because we've established long-term relationships with our customers. We've listened to what they need and have found ways to provide the superior service they have come to expect. Our customers are Our Business and we need to thank you more than anyone for helping us become what we now are.

I invite you to look at our anniversary report to learn more about where we were 25 years ago and how far we've come.





1985 – 1989



Vickie Mattimoe (left) – Deposit Services, with customers

With executive offices located at 610-1050 W. Pender Street in Vancouver, BC, Peoples Trust Company commenced active business in 1985 with two employees, a network of deposit agents and mortgage brokers across Canada and a plan to offer a full range of financial services to the investing and borrowing public throughout Canada.

During our initial five years, we grew. We developed new deposit products for our depositors: GIC's, RRSP's and the Peoples Savings Certificate. We developed new lending avenues and became one of Canada's first Mortgage Backed Securities issuers. We also developed a custom finance package for government sponsored social housing programs and were the successful bidder out of 54 financial institutions.



Peoples Trust wall signage



Kelly Durkin (left) and Cheyral Grewal – Deposit Services

New product offerings meant new staff and by 1989 we had grown to 16 employees. It says a lot about our company that seven staff members from our first five years are still here 20 years later!

In 1989 we reported our best year ever – a claim we could continue to make in 2009.



Brandy Ward gives her Memorywriter a workout



Peoples Trust opens its doors offering lending and deposit services.

We become one of the first Mortgage Backed Securities issuers in Canada.

1985

1987

We offer coast to coast service with the opening of our office in Halifax.



Peoples Trust's newly renovated lobby



John Denhartog (left) – Manager Mortgage Administration and Tom Wollner – Mortgage Manager



Brandy Ward (Left) Mortgage Administration Officer and Judy Richardson – Projects Administration



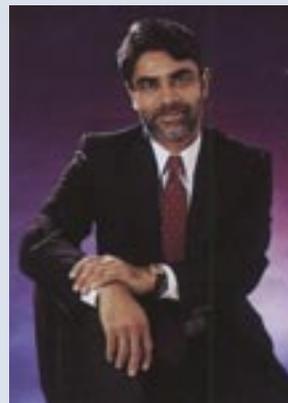
Barrie Battley, Brandy Ward, Robin McKercher and Frank Renou at the Peoples Trust Bowling Tournament



*Frank Renou
Executive Vice President &
Chief Operating Officer*



*Barrie Battley
Vice President Investor
Services*



*Ronald Munaweera,
Controller & Corporate
Secretary*



Peoples Trust Head Office 1985-1993

*Gross revenues topped 14.3 million,
double the \$7.2 million recorded in 1987.*

Computerization of our financial product lines.

1988

1989



1990 – 1994



Peoples Trust Head Office moves to 1400 - 888 Dunsmuir Street, Vancouver, BC

The economy was a cause for concern during the early 1990's but Peoples Trust continued with its proactive, hands on approach to business. Our financial results remained strong throughout and in 1994, with solid increases in both earnings and total assets, we registered our most profitable year since operations began.

As our financial results increased, our company operations grew as well: a new branch office opened in Calgary; our Head Office relocated to larger premises and the Board of Directors increased by 5 members to a total of 11 over this time frame.

With staffing levels up to 21 people, we saw changes in some key executive positions. Frank Renou was promoted to the position of President and C.E.O. in 1991 and Derek Peddlesden joined us as Vice President, Finance and Chief Financial Officer. They continue to lead the Company today.

PTC expands its operations in Western Canada with the opening of our Calgary Branch Office.

The Board of Directors expands.

1990

1991



Terri Jelic (left), Barrie Battle, Bev West and Frank Renou at the Peoples Trust Golf Tournament



Ron Munaweera hard at work



Christmas celebration



Projects under construction



GIC Department: Jeanette Curtis, Terri Jelic, Janet Cabbage, Vickie Mattimoe

Head Office operations relocated to larger premises located at 1400-888 Dunsmuir Street.

The Company remained instrumental in the evolution of Mortgage Backed Securities and became the largest securitizer of multi-family loans in Canada.

1993

1994



1995 – 1999



(left to right) Mike Smethurst, Tim Tuttle, Tom Wollner, Brian Kennedy – Business Development & Underwriting, British Columbia Region

The expansion continues: our Board of Directors increases by 2 members and, with the addition of a full service branch in Toronto and temporary branches in Edmonton and Victoria, our staffing level increases to 27 people.

We celebrate 14 years of non-stop financial growth which see our total Assets under Administration exceed \$1 billion, then \$1.4 billion, then over \$1.5 billion. This growth in assets enabled net income to increase, leading to a significant increase in Return on Equity.



Wayne McGuffin (left) and Murray Meakin – Business Development & Underwriting, Prairie Region



Jim Dysart (left) and Tracey Hiltz – Business Development & Underwriting, Ontario Region

With this kind of expansion and with Y2K heading our way, we need to ensure solid systems are in place. With this in mind the decision is made to bring systems in-house and upgrade the banking and accounting systems to ensure there are no issues when we enter the next millennium.



Peoples Trust received the "Honour Award" as a top MBS Issuer



Peoples Trust is recognized by CMHC as the "Most Continuous Issuer"

*Full service branch opens in Toronto.
Total Assets under Administration exceed \$1 billion dollars.*



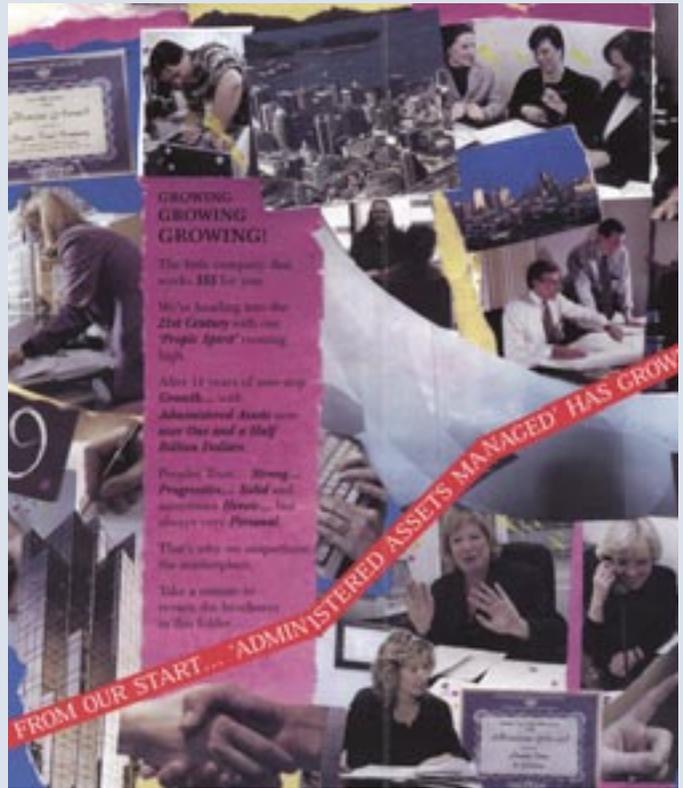
Patrick Mulholland (left), Jeanette Curtis and Janet Cabbage – Deposit Services



Tom Wollner (left), Brenda Edwards and Heather Murray



Heather Murray



Financial report collage



Nancy Blasko (left), Shannon Therens, Azmina Jessani and Dennis Aitken



Kathy Weaver



Azmina Jessani



Frank Renou, President and Chief Executive Officer



Barrie Battley, Senior Vice President



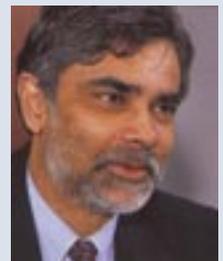
Jeanette Curtis, Manager Deposit Services



Aleta Brown, Manager Mortgage Administration



Derek Peddlesden, Vice President Finance



Ronald Munaweera, Controller

In 1996 and 1997 we are once again the number one issuer of multi-family Mortgage Backed Securities in Canada.

1997

Banking and accounting systems brought in-house and upgraded to ensure more functionality and safety in preparation for transition to year 2000.

1998



2000 – 2004



Barrie Battley (left), Derek Peddlesden, Frank Renou

For 15 years we've succeeded by providing products and services with great service. With the uncertainty of Y2K behind us, it was business as usual. Our Mortgage Banking Division was created to provide clients with commercial mortgage products not previously available through Peoples. This department successfully attracted institutional investors from across Canada to participate with us in offering low cost commercial mortgages on quality real estate in both construction and term financing.

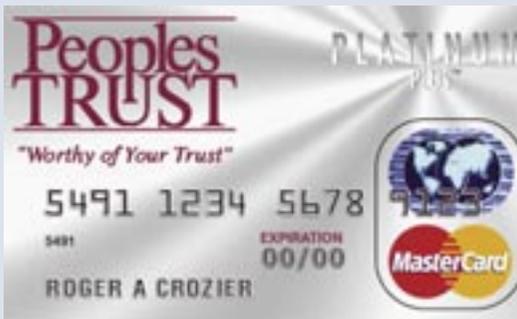


One of many meetings with CMHC Vancouver



Dennis Aitken (left) and client Bob Dhillon

In addition, Peoples launched its first credit card offering – The Peoples Trust Platinum MasterCard® which was followed by the launch of the Secured MasterCard Program. This was followed by the introduction of a new banking system with improved functionality and more efficient processing.



First MasterCard issued by Peoples Trust

As we celebrate our 20th anniversary we note the following truths which have carried us through the years: the vision of our owners to believe in the future; the commitment of our staff to the ideal of providing unsurpassed customer service and the ability of senior management to recognize and develop potential market niches.

Mortgage Banking Division was created to provide clients with commercial mortgage products not previously available through Peoples.

The Peoples Trust Platinum MasterCard is introduced.

2000

Introduced our "Personality" tag line – our people, their flair and personal interest in getting the job done well.

2002



Heather Murray (left) and Brenda Edwards



Boat cruise up Indian Arm



Baby shower for Heather Murray



PTC Cruisers participate in the Vancouver Sun Run



Jeanette Curtis (left) and Janet Cabbage



Martin Mallich (left) and Cindy Shield



Brian Kennedy (left), Dennis Dineen and Aleta Brown



Brian Kennedy (left), and Tom Wollner



Murray Meakin (left) and Dennis Aitken



Long time client Samir Manji (left) with Frank Renou and Renzo Barazzuol

The people of Peoples get together to form PTC Cruisers, a team of 25 who participate in the Vancouver Sun Run.

Secured MasterCard® Program is launched.

2003

2004



2005 – 2009



Brian Kennedy (right) talks to a client at the BCAOMA Trade Show

We start our 20th year with the same service, but a brand new look.

Our growth continues. 2005 is billed as “the best yet”, 2006 is “another record year” and in 2008 we saw “opportunity in tough times”. These claims are all true as our mortgage portfolio grew consistently over these 5 years to see total administered assets of \$3.5 billion! Our Deposit Department was also busy processing over \$1 billion in deposits which included deposits from the newly introduced Peoples Choice™ Savings Account.



Rick Hislop (left) and Bob Pain bring Peoples Trust donations to the Vancouver Toy Drive



Dennis Dineen (left) and Michael Chittenden compete in the Peoples Trust Iron Chef Event

Not only is our balance sheet growing, we’ve expanded again. The Vancouver branch was relocated to the Bentall Centre to accommodate the growth of the Card Services and Mortgage Banking Departments. Staffing has also increased under the direction of our new Human Resources Department.

As we head into our 25th year, we’ll no doubt remain true to the objectives we set in our first year which form the basis of our Mission Statement today.



Brenda Edwards



The new look of Peoples Trust

New Look – same great service: Peoples Trust adopts a new logo to celebrate our 20th anniversary.

Human Resources function is added to improve in-house expertise and effect cost savings.

2005

2006



PTC Cruisers continue to participate in the Vancouver Sun Run



Underwriters' Conference



Tom Wollner talks to a client at the MBABC Trade Show



Neil Allen meets with PWC Auditors



Kathleen Klassen



Jean Britton



William Tang



Computer conversion meeting

Secured MasterCard® Program reaches critical mass becoming a positive contributor to income. A national MasterCard Prepaid Card product was also launched.

2007

The High Interest Peoples Choice™ Savings Account was launched and very well received by clients.

2009

Peoples becomes a Visa® Issuer, one of the first institutions in Canada to have both Visa and MasterCard products.



DENNIS AITKEN
Vice President and
Regional Manager
Prairie

BRIAN KENNEDY R1(BC)
Vice President and
Regional Manager
British Columbia

MICHAEL LOMBARD
Vice President and
Regional Manager
Ontario



“We have tremendous confidence in the team at Peoples Trust.”

“Over the nearly 17 years that I have been a client of Peoples Trust, they have consistently demonstrated what customer service is all about. Not only in the manner that representatives from Peoples Trust deal with me and my colleagues but also in their effort to ensure that our borrowing costs are minimized through competitive pricing and a strong handle on the current interest rate environment. We have tremendous confidence in the team at Peoples and do not believe there is anyone in the marketplace that can provide CMHC financing as effectively as our friends at Peoples Trust. We look forward to continuing our relationship for many years to come and are grateful for everything that our friends at Peoples Trust have done for us over all these years.”

*– Samir Manji, President & CEO,
Amica Mature Lifestyles Inc.*



DOUG EVENESHEN, MBA, CGA, CTP
Manager Commercial Mortgages
Prairie

JONATHAN WONG
Manager Commercial Mortgages
British Columbia

Multi-Family Lending

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

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

Commercial, Big or Small

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

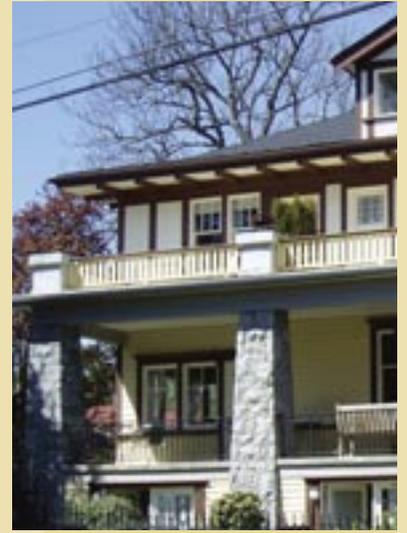
Talk to our commercial mortgage specialists...they have the experience and the market knowledge to ensure you get the best deal available for your needs.

Seniors' Housing

Nursing homes and congregate care

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

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



“What a reliable lender!”

“I have been dealing with Peoples Trust for over 20 years and have always experienced excellent service and consistency. What a reliable lender! It’s a pleasure to receive their simple and concise commitment letters which make closing deals easier. Peoples Trust satisfies a very valuable niche in the mortgage market.”

*– Francis Peet
Peet & Cowan Financial Services*



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

JAMES PELL, FMA, CFP
Manager Residential Mortgages
British Columbia

Single Family Lending

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

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

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

“Peoples Trust can always be counted on for quick turn around and efficient services.”



SHARON TAN
Mortgage Banking
Administrator

SHANNON MOUSSEAU
Mortgage Banking
Administrator

MELISSA MAYER
Underwriting Assistant

JULIE BERKS
Senior Manager MBS &
Mortgage Banking Administration

CINDY SHIELD
Assistant Manager MBS &
Mortgage Banking Administration

LEONA HO
Mortgage Banking
Administrator

WATSON CHEN
MBS Administrator

“CMHC is pleased to have Peoples Trust as one of our approved securitization partners.”

“We congratulate Peoples Trust on their 25th year in business. Since being among the first approved NHA MBS issuers in 1987, Peoples has issued more than \$6 billion in NHA MBS product providing funding for more than 2000 mortgages. CMHC is pleased to have Peoples Trust as one of our approved securitization partners and looks forward to working together in the future.”

*– Ian Witherspoon, Senior Manager,
Securitization Operations & Monitoring Securitization
Canada Mortgage and Housing Corporation (CMHC)*



BARRIE BATTLEY
Senior Vice President
Mortgage Banking



DENNIS DINEEN
Vice President
Commercial Mortgage Banking



DEREK READ
Vice President Mortgages
Ontario

Mortgage Banking, Servicing & Mortgage Backed Securities

Peoples Trust has long been an active participant in the Institutional Investors segment of the financial industry. The Company is well known and highly regarded for its involvement in the origination and placement of CMHC Mortgage Backed Securities (MBS), particularly in the Canada Mortgage Bond (CMB) program.

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

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

“Fantastic service, superior products and a personalized professional team.”



Introducing a new way to SAVE at Peoples Trust...the Peoples Trust Tax-Free Savings Account and the Peoples Trust Tax-Free GIC. Your choice of Tax-Free Savings

Tax-Free Savings Account

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

Tax-Free Guaranteed Investment Certificate

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

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



DARLYNE DYXON **KARA WIEBE**
Deposit Services Administrators



LAURA MACLEAN **PRIYA CHUNDUNSING** **JANET CUBBAGE** **MICHELLE STEWART** **LOUISE HO**
AML Compliance Administrator *Agent Services Administrator* *Assistant Manager Deposit Services* *Deposit Services Administrator* *Data Processor*



JEANETTE CURTIS
Senior Manager Deposit Services

Peoples Choice™ Savings Account

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

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

Registered Retirement Savings Plans

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

Guaranteed Investment Certificates

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

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

We have a product for you – call us.





MARTIN MALLICH
Manager Default Management

CHERYL SWANSON
Property Tax Administrator

LINDA CHU
Mortgage Administrator

“Peoples has always provided competitive pricing, high levels of service and professional advice.”

“We have a long standing relationship with Peoples Trust dating back to the early 90’s. In 2009 we had our best year ever together; completing many CMHC insured commercial mortgage transactions and some conventional loans as well. Peoples has always provided competitive pricing, high levels of service, and professional advice. We look forward to continuing our mutually beneficial relationship with Peoples Trust in 2010 and beyond.”

*– Tony Kalla, Principal
Westbridge Mortgage Services Ltd.*

“Our association with Peoples Trust goes back a long time. As a matter of fact, we were one of Peoples Trust’s first customers. Over the years, our group of companies has grown, and so has Peoples Trust. We use their full line of services because they continue to demonstrate to us they know how to do business and they back that up with excellent service.”

*– John Kaethler, President
Abby Downs Group of Companies*



JOHN NATION
Assistant Vice President
Mortgage Administration



JULIA HALLETT
Manager Mortgage Administration
British Columbia



TANYA PERRIN
Manager Mortgage Administration
Prairie



SHARON SMALL
Manager Mortgage Administration
Ontario

Client Services

Peoples Trust places a very high emphasis on customer relations and customer service. Our team of administrators use their extensive experience and expertise to ensure that commitments made by our company are translated into action. This professional attitude is reflected in their ability to consistently deliver on time and with maximum efficiency! We pride ourselves that we have the people, the experience and the “can do” attitude that makes our clients value our commitment and ability to deliver time and time again. We will make it work!

“I appreciate the prompt service and common sense lending that Peoples Trust provides.”



DAVID SORIC
Manager Administration
Secured Card Programs

ROBERT PAIN
Vice President
Card Services

MIHAELA NEGRU
Clerical Assistant
Peoples Trust Financial

PUSHPA KUMAR
Clerical Assistant
Peoples Trust Financial

NIVEDITA MAUREE
Clerical Assistant
Peoples Trust Financial

Card Services – Secured

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

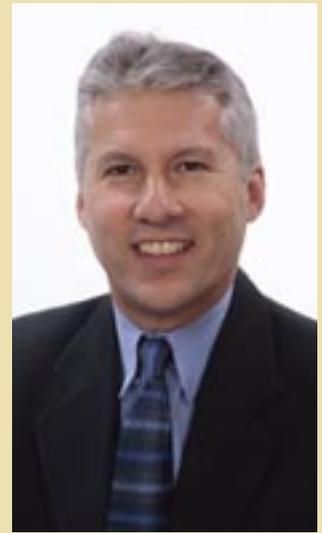
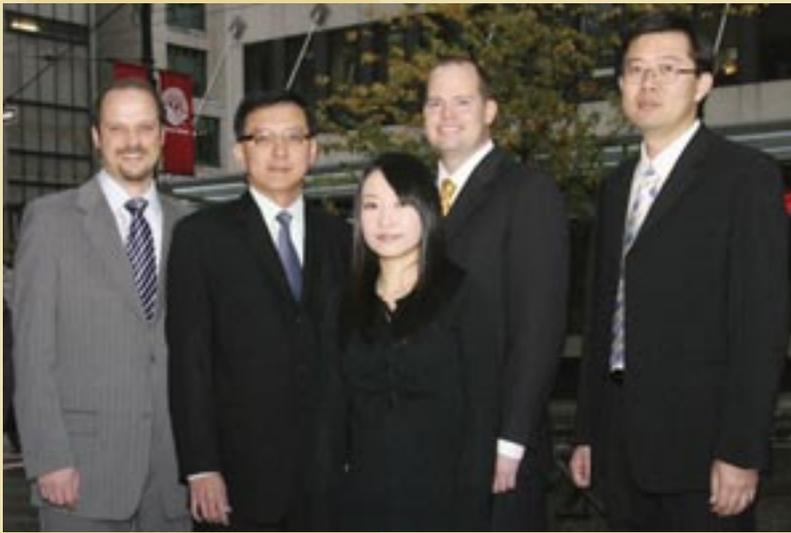
Secured Card Referral Program: The Peoples Trust Referral Program is designed for business professionals that deal with clients who:

- Have had credit problems in the past and need to re-build their credit rating
- Have no credit history and wish to establish good credit (students and new immigrants)
- Are discharged bankrupts trying to re-build their credit rating
- Have difficulty obtaining unsecured credit cards

If you have clients who fall into any of the above categories or if you believe you can reach these clients by utilizing online and off-line advertising methods, you can benefit greatly from our Referral Program. Contact our Secured Card Office at 604-694-6200 or visit us online at www.peoplestrust.com/referralprogram to find out more.

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





MIHNEA CIRICA
Account Manager
Peoples Card Services

STEFANUS DHARMAWAN
Accountant
Peoples Card Services

SHAUNA XIAO
Junior Accountant
Peoples Card Services

MICHAEL CHITTENDEN, CMA
Manager Administration
Peoples Card Services

IAN WANG, CGA
Accountant
Peoples Card Services

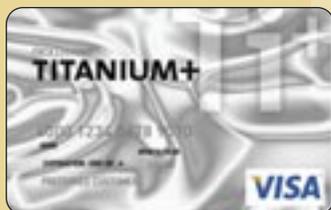
ROBERT PAIN, FIBC
Vice President
Card Services

GERRY SERRATORE
Vice President
Marketing

Card Services – Prepaid

Payment Cards: Peoples Trust is a leading issuer of MasterCard® and Visa® Payment Cards in Canada. These cards are sold through major national chains and allow the purchaser to use their card anywhere in the world these brands are accepted. They are often used in place of traditional gift cards as they do not limit the recipient to a particular vendor or brand name.

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



President's Report

2009 – An Unprecedented Performance!

What a year! With much of the world in economic crisis and liquidity and credit issues negatively impacting the Canadian marketplace, who would have expected our company to significantly outperform 2008. In fact, net income after tax was up over 65% from the prior year!

Given the difficult economic conditions at the start of 2009, the Company took a conservative position with respect to conventional mortgage lending and reduced exposure to non-insured product. The rapid reduction in interest rates in the early part of the year caused spreads to compress, however, this reduction was reversed when rates stabilized at historically low levels later in the year. The main contributor to the income surge in 2009 was insured mortgage securitizations, predominantly through the Canada Mortgage Bond (CMB) program.

The Company became a seller under the program in 2008 and was able to lever its expertise in multi-family lending during 2009 at a time many market participants were withdrawing to concentrate on other product lines. Peoples was able to maintain a strong market presence and build on its existing relationships to dramatically increase production. In 2009, the contribution to earnings before expenses from Securitization increased to 69% from 41% in the previous year – an outstanding achievement - bringing issuance in the year to \$1.3 billion compared to \$715 million in 2008.

The Company has also experienced success with its Prepaid Card Programs. As a member of both MasterCard® and Visa® the Company has issued both reloadable and non-reloadable prepaid cards and is a market leader in this field. Building on the success of these two product lines the Company is in the process of launching a number of new programs, which include foreign currency cards, payroll solutions and virtual cards. We also expect to be in a position in 2010 to announce more innovative programs in areas where prepaid card solutions are replacing cash and cheque payments, particularly in employee incentive and employee re-imbursalment situations.

2009 also saw the introduction of two new deposit products, the Peoples Choice™ Premium Interest Savings and Tax-Free Savings Accounts. The Peoples Choice™ Account has been a tremendous success because of the premium interest rate coupled with a high level of customer service and satisfaction. The Tax-Free Account is also popular but has not shown significant growth yet because it was not available until late in the year.

Towards the end of 2009, we saw more players re-enter the insured mortgage product line and expect that both competition and pricing will become keener in 2010, with the result that it may be difficult for the Company to repeat 2009's performance. However, we do expect that 2010 will be another strong year for securitization, with the Company well positioned to capitalize in this area.

In summary, 2009 was an extraordinary year with net income the highest it has ever been. Return on Equity was also at record levels (17.5%) and administered assets grew by \$800 million. With expectations that the economy will continue to improve, the Company enters 2010 in a solid position with a healthy capital base and a strong operational position.





FRANK RENO
President and
Chief Executive Officer

DEREK PEDDLESDEN, CA
Executive Vice President and
Chief Operating Officer

Operational Review

2009 was a year of remarkable achievements in a difficult time. We posted extremely strong financial results and accomplished a number of key operational changes.

HIGHLIGHTS

- After tax Return On Equity – 17.5% a 40% increase over 2008 figure of 12.5%
- Total Administered Assets grew by \$800 million to almost \$5 billion, a 19.5% increase over 2008
- The Peoples Choice™ Savings Account has shown tremendous growth
- Banking systems were upgraded to provide greater functionality
- Issued the Company's first reloadable and non-reloadable Visa® prepaid cards
- Expanded the retail distribution network for non-reloadable prepaid cards (often used as gifts) to over 10,000 outlets
- Initiated a “one stop shop” for merchant acquiring leveraging Visa, MasterCard® and Interac® memberships
- Issued first retail “Virtual” prepaid card in Canada (3V Visa Card)
- Issued the Company's first US dollar prepaid card



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

WILLIAM TANG, CA
Manager Internal Audit

RICK KREKLEWETZ, CMA, FICB
Assistant Vice President and
Controller

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

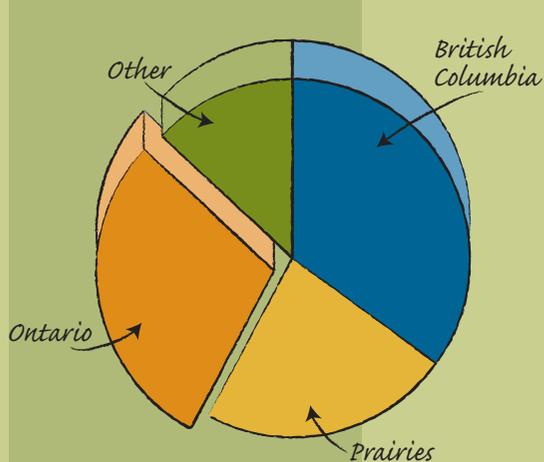
2009 Financial Statements

Balance Sheet*

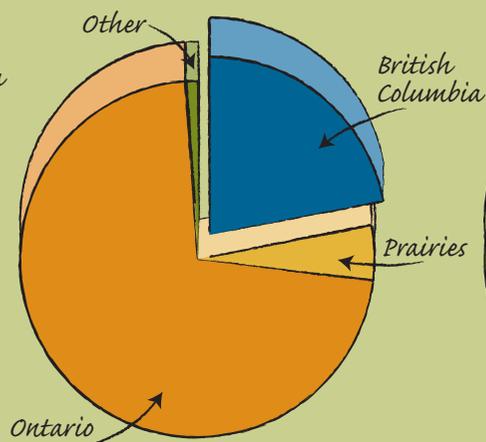
as at December 31 st	2009	2008
ASSETS		
Cash & securities	348,456	320,063
Mortgage & other loans	639,569	893,510
Other assets	155,231	94,794
TOTAL ASSETS	1,143,256	1,308,367
LIABILITIES		
Deposits	988,285	1,202,708
Accounts payable & other liabilities	42,519	14,139
Deferred income	14,396	8,178
TOTAL	1,045,200	1,225,025
SHAREHOLDERS' EQUITY		
Share capital	14,004	14,004
Retained earnings	84,052	69,338
TOTAL	98,056	83,342
TOTAL LIABILITIES & EQUITY	1,143,256	1,308,367
TOTAL ADMINISTERED ASSETS	4,953,636	4,145,327

thousands of dollars

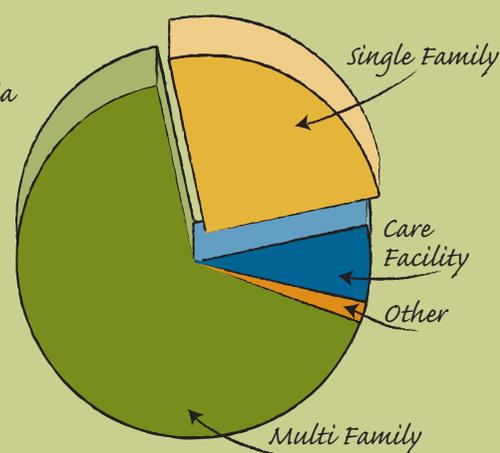
*Prepared from audited financial statements.



**ADMINISTERED MORTGAGES
BY LOCATION**



**ADMINISTERED DEPOSITS
BY LOCATION**



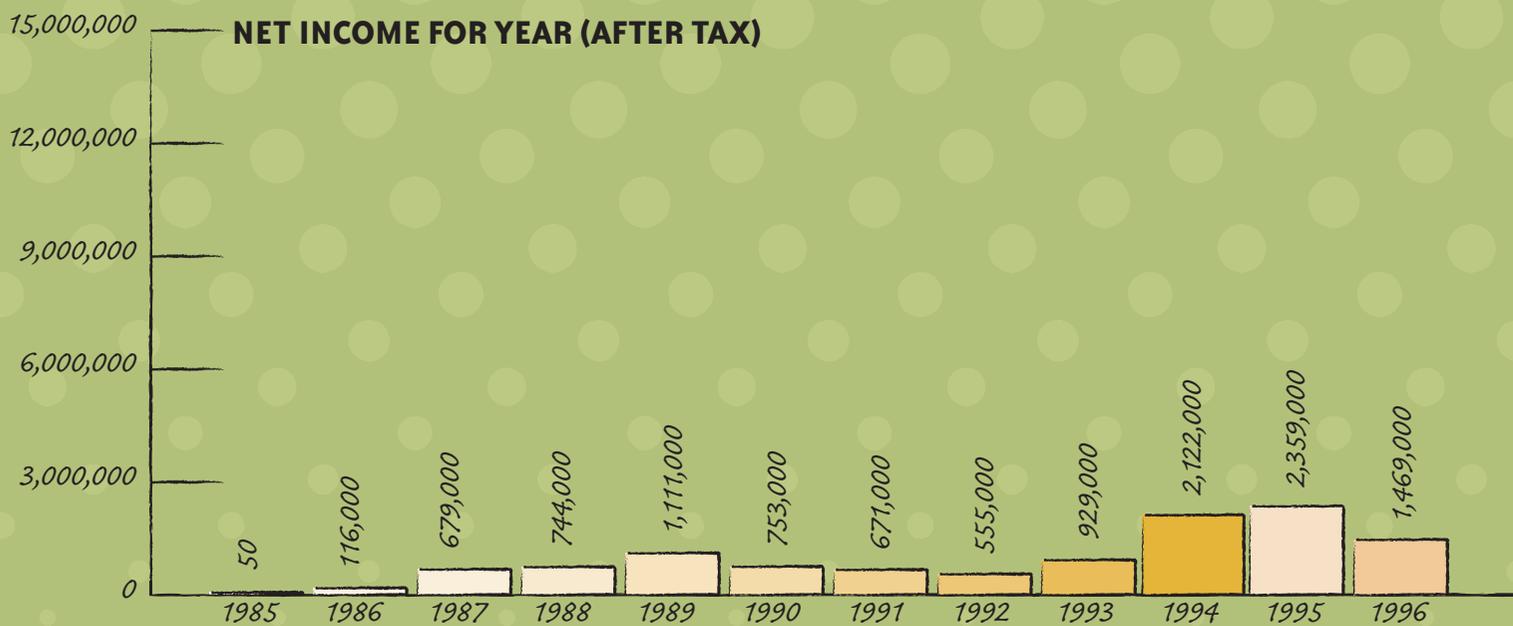
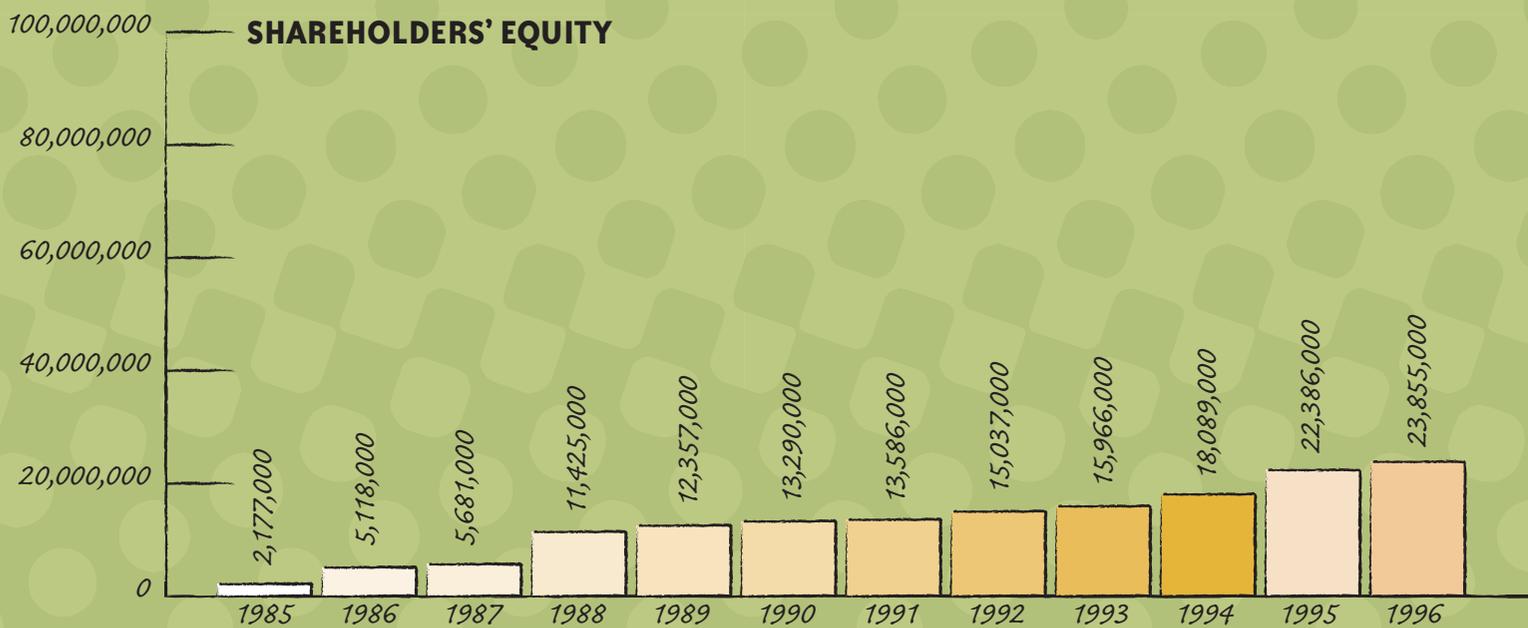
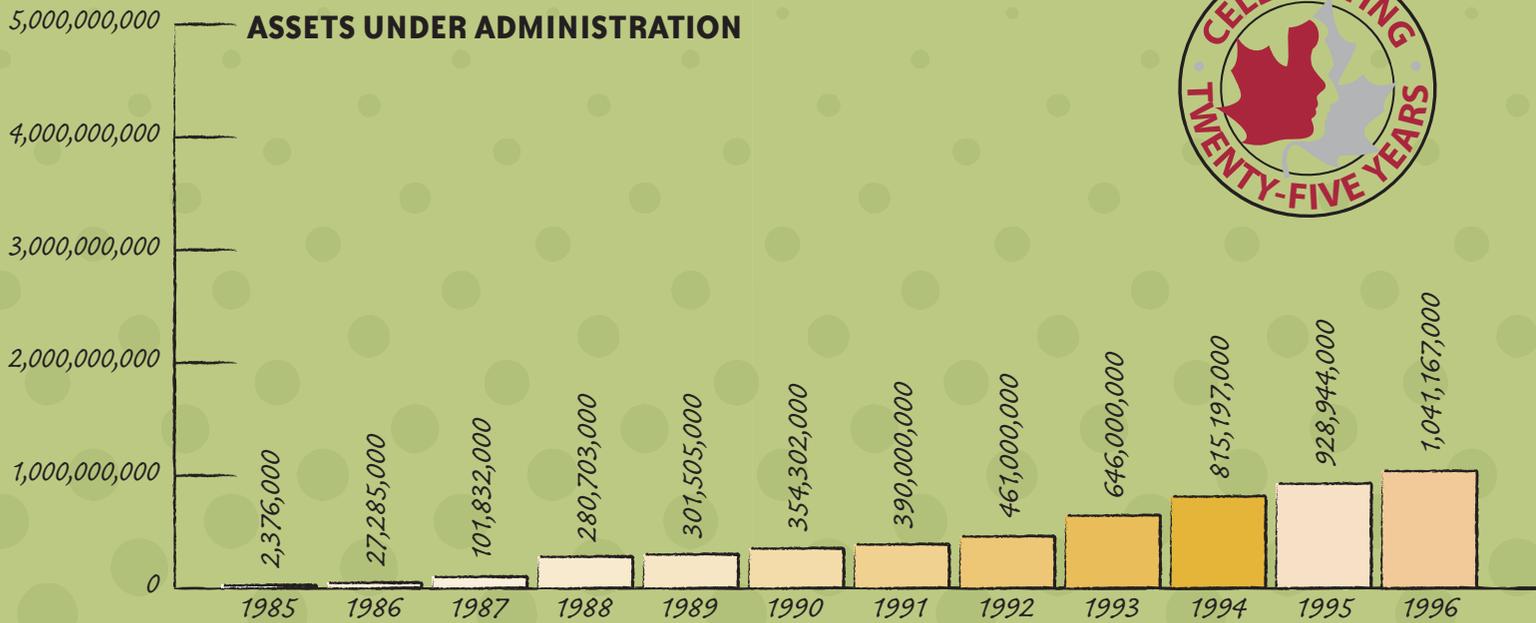
**ADMINISTERED MORTGAGES
BY SECURITY**

Statement of Earnings*

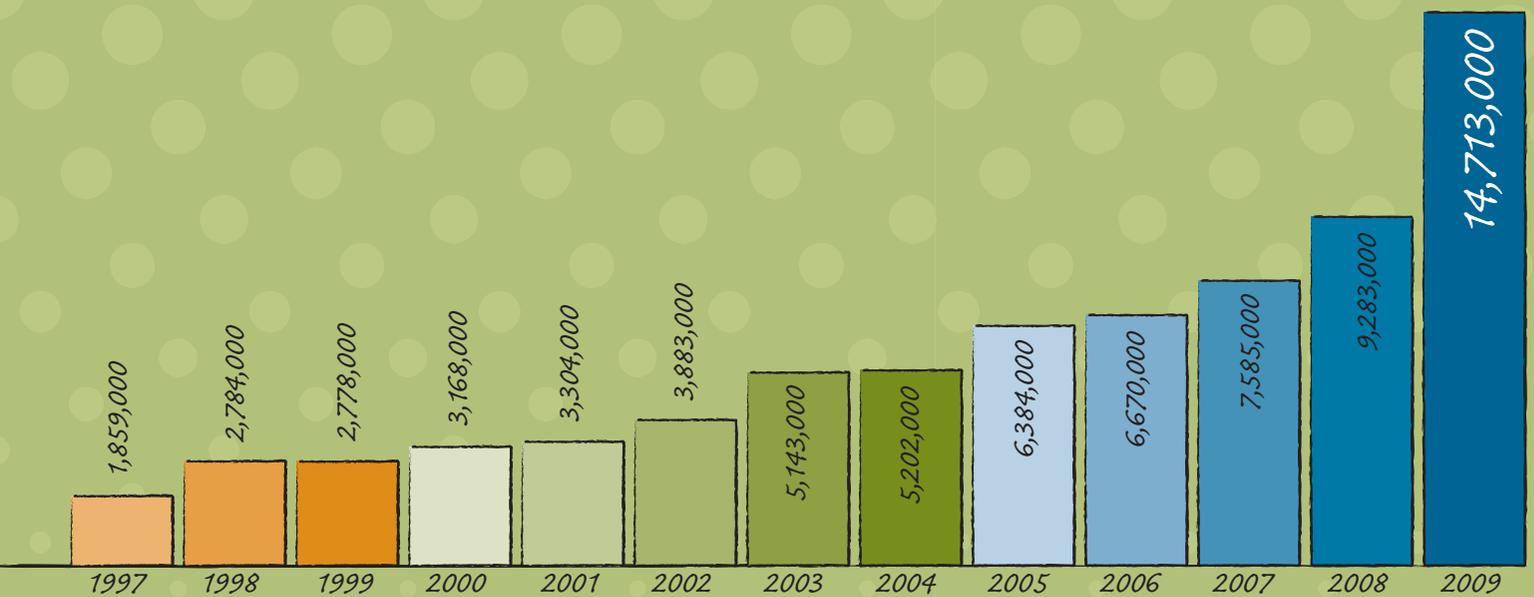
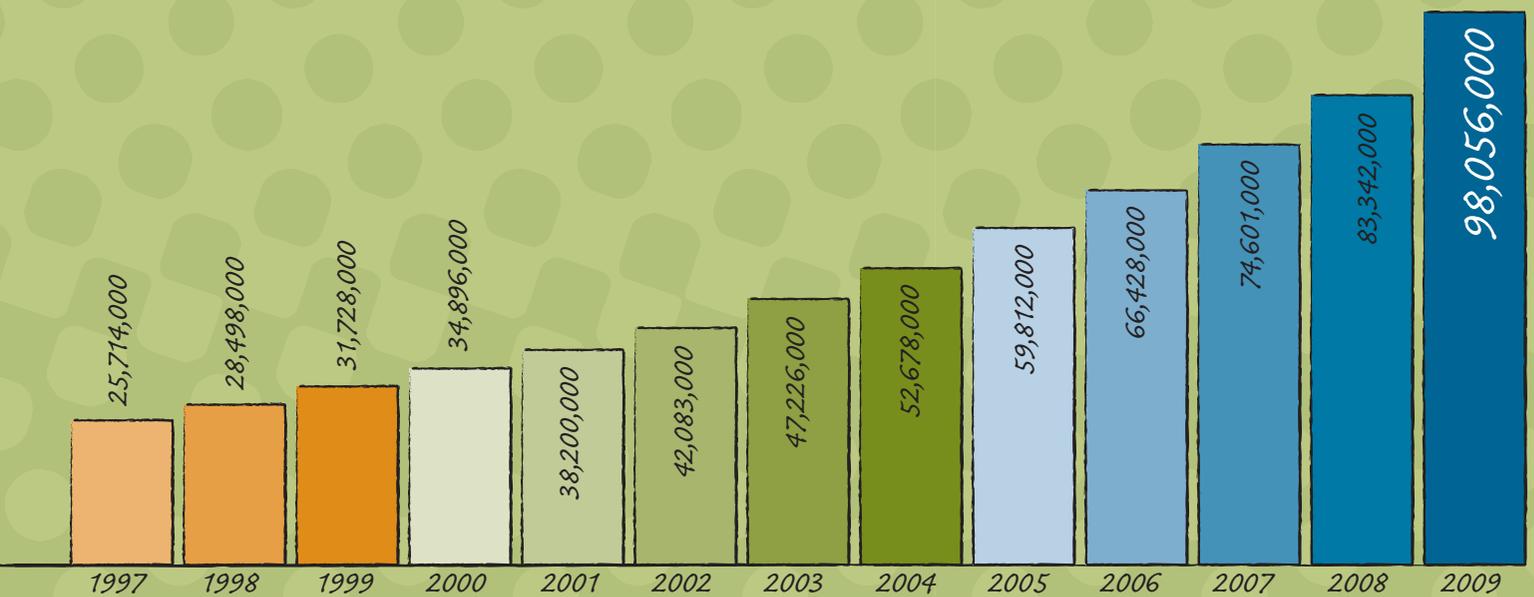
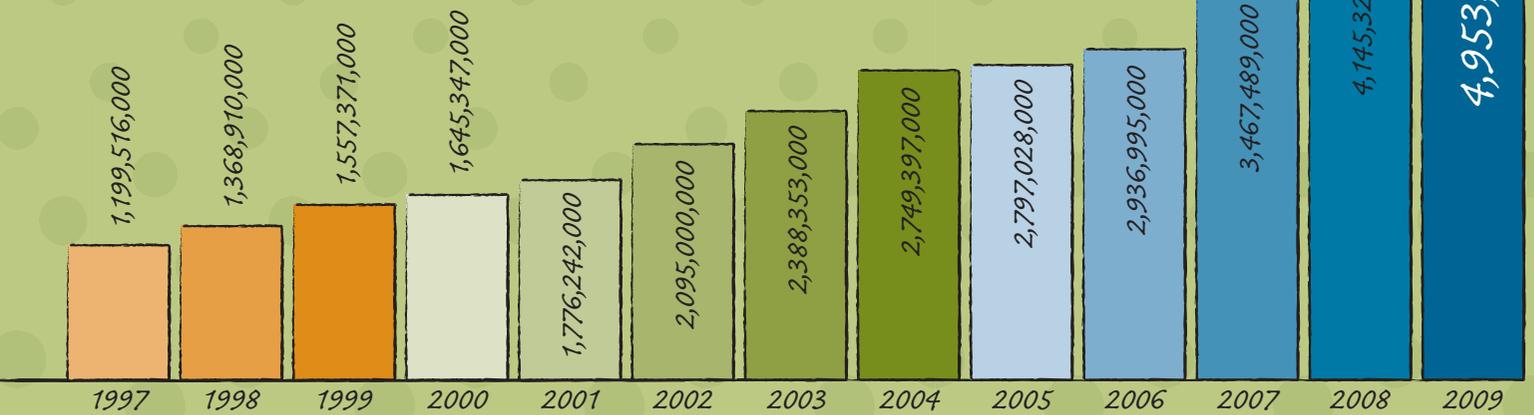
for the year ending December 31 st	2009	2008
INCOME		
Interest	44,814	62,826
Fees & other income	41,029	21,139
TOTAL INCOME	85,843	83,965
EXPENSES		
Interest	33,507	47,335
General & administrative expenses	30,088	22,440
Provision for loan losses	1,900	425
TOTAL EXPENSES	65,495	70,200
EARNINGS BEFORE INCOME TAXES	20,348	13,765
INCOME TAXES	5,635	4,482
NET INCOME AFTER TAX	14,713	9,283

thousands of dollars

AUDITORS:
PriceWaterhouseCoopers LLP
Chartered Accountants



Results over 25 years



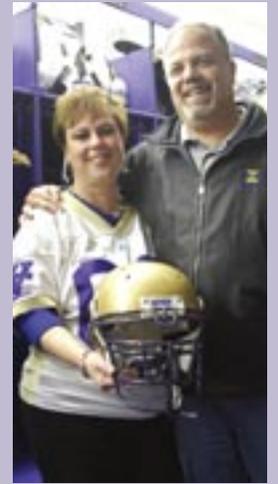


JO-ANNE MOREFIELD
Manager
Human Resources



People's Spirit

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

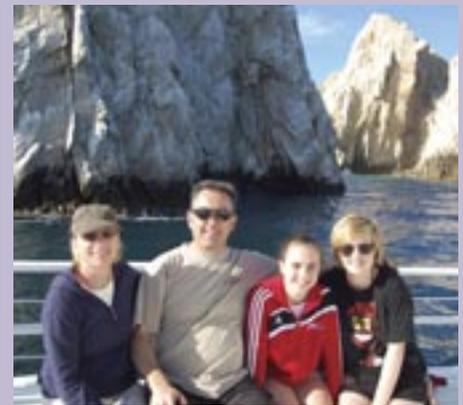
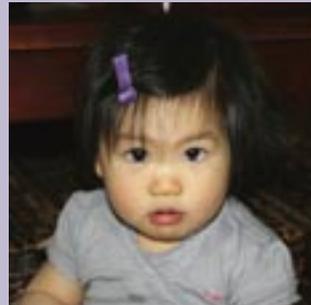


“Mutual respect and recognition of employee contributions are two key elements that are at the foundation of this pleasant and productive working environment.”





“Peoples is an environment you want to spend a lot of time in, an environment you will not be able to find elsewhere.”



“Working with friendly, down to earth employees makes Peoples Trust a great place to be!”



Vancouver – Head Office

Peoples Trust Company's Head Office has spent the past 17 years at our present location on the 14th floor of 888 Dunsmuir Street. Originally all functions were carried out in Head Office including lending in British Columbia. As we've grown however we've been able to isolate core functions to the Head Office. These include our Executive who steer the Company in the right direction. Backing up the Executive are a number of departments including: Accounting, Information Technology, Legal, Human Resources, Treasury, Marketing, Deposit Services, Mortgage Banking and Securitization.



Kathleen Klassen (left) and Jeanette Curtis at the RDBA Trade Show



Derek Peddlesden runs in the Olympic Torch Relay



It's a scavenger hunt!



Executive Administration from left to right: Terri Jelic – Marketing Manager, Kim Willems, Jo-Anne Morefield – Human Resources Manager, Kathleen Murray, Brenda Edwards



Accounting Department from left to right: Jane Zhao, Jean Britton, Teresa Wong, Kim Pham



Information Technology from left to right: Christian Estioko, Rick Hislop, Neil Allen – Vice President Information Technology, Jack Siu

Vancouver – Branch Office



Lending and Mortgage Administration were performed by Head Office when the Company opened. This continued until 2000 when the growth of the Company led to the formation of a stand-alone branch.

The Branch operated from the 9th floor of the Dunsmuir Street building until 2003 when they took over space on the 7th floor during the expansion of the Card Services Department. They moved to their current premises in the Bentall Centre when the Company expanded yet again in 2008.

The Vancouver Branch now underwrites and administers conventional and CMHC insured mortgages for multi-family apartments, care homes as well as commercial properties in BC. It also provides financing on construction projects in major centres in the province.

In addition to its multi-family operations, the BC Regional Branch offers Alternate Equity Lending on single family homes via its extensive broker network.

For more information on our lending operations in BC please contact the Branch:

Suite 1115, 555 Burrard Street
Vancouver, BC V7X 1M8

Phone: 604-685-1068

Fax: 604-683-2787

Email: vancouver@peoplestrust.com



Vancouver Branch Mortgage Administration left to right: Julia Hallett, Brandy Ward, Nevine Rajwani, Gloria Bychek, Michelle Clarke



Halloween 2009



Brian Kennedy and Julia Hallett



Jonathan Wong stretches before a round of golf

Prairie



Peoples Trust expanded its operations in Western Canada in 1990 when it opened its branch office in Calgary.

The Calgary Branch underwrites and administers conventional and CMHC mortgages for multi-family apartments, care homes and commercial properties located in main centres in Alberta, Saskatchewan and Manitoba. It also provides financing on construction projects in Calgary and Edmonton.

In addition to the mortgage services provided, the Branch is also available for Deposit Services Customers who wish to drop off applications to be sent to Head Office.

If you have questions regarding mortgage financing for your property in the Prairie Region please contact us:
Suite 955, 808 - 4th Avenue SW
Calgary, AB T2P 3E8
Phone: 403-237-8975
Fax: 403-266-5002
Email: calgary@peoplestrust.com



Azmina Jessani (left), Nancy Blasko, Diane Fahie, Amy McGregor, Tanya Perrin



Above: Nancy Blasko

Left: Dennis Aitken talks to a client while Amy McGregor manages the trade show booth

Ontario

The Toronto office opened in 1996. Located on the 9th floor of 130 Adelaide Street, the Branch began with a staff of two people. The Branch grew over the years and in 2006 moved to a larger suite on the 18th floor of the same building. Toronto now has a staff of eight to underwrite and administer the Eastern Canadian mortgage portfolio which includes properties in Ontario, Quebec and the Maritime provinces.

The Branch underwrites and administers conventional and CMHC mortgages for multi-family apartments, care homes as well as commercial properties. It also provides financing on construction projects in Ontario.

If you have a mortgage need in this area you are welcome to contact the Branch:

Suite 1801, 130 Adelaide Street West
Toronto, ON M5H 3P5

Phone: 416-368-3266

Fax: 416-368-3328

Email: toronto@peopletrust.com



*Back row: Sharon Small, Ady Steen, Kim Sillaste
Front row: Linda O'Brien, Kathy Weaver, Vera Malesevic*



Linda O'Brien



Ady's baby shower



Branch staff enjoy an afternoon of sailing with Baker & Company



Contact us:

HEAD OFFICE

VANCOUVER

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

VANCOUVER DEPOSIT SERVICES

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

CARD SERVICES – SECURED

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

CARD SERVICES – PREPAID

Suite 762, 888 Dunsmuir Street
Vancouver, BC V6C 3K4
Telephone 604-683-2881
Facsimile 604-694-6209
Email prepaidcard@peoplecardservices.com

REGIONAL OFFICES

VANCOUVER

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

CALGARY

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

TORONTO

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

MEMBERSHIPS & AFFILIATIONS

CMHC Approved Lender
Mortgage Backed Securities Issuer
Approved Seller to the Canada Housing Trust
Member of Canada Deposit Insurance Corporation
Member of Canadian Payments Association
Member of Interac®
Principal Issuing Member of Cirrus®
Principal Issuing and Merchant Acquiring Member of MasterCard®
Principal Issuing and Merchant Acquiring Member of Visa®
Member of Registered Deposit Brokers Association
Member of many Provincial Industry Associations





SENIOR MANAGEMENT

FRANK RENO

President and Chief Executive Officer

DEREK PEDDLESDEN, CA

*Executive Vice President and
Chief Operating Officer*

SAMSON LIM, BCOM (HONS), CA

*Vice President Administration and
Chief Financial Officer*

KATHLEEN KLASSEN, CGA, CFA, MBA

Treasurer and Corporate Secretary

NEIL ALLEN, BSC

Vice President, Information Technology

BARRIE BATTLE

Senior Vice President, Mortgage Banking

DENNIS DINEEN

Vice President, Commercial Mortgage Banking

BRIAN KENNEDY, RI(BC)

*Vice President and Regional Manager,
British Columbia*

MICHAEL LOMBARD

Vice President and Regional Manager, Ontario

DENNIS AITKEN

Vice President and Regional Manager, Prairie

BOARD OF DIRECTORS

ESKANDAR GHERMEZIAN

Businessman, Chairman of the Board

DAVID GHERMEZIAN^{1,4}

Businessman

FRANK RENO^{1,4}

Businessman

MICHAEL T. ANDREWS

Businessman

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

Chartered Accountant

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

Lawyer

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

Businessman

JONATHAN A. LEVIN

Lawyer

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

Lawyer

MARTIN WALRATH

Businessman

DEREK WOODS

Lawyer

¹ Executive Committee ² Audit Committee

³ Conduct Review Committee ⁴ Investment Committee

⁵ Corporate Governance Committee

