

Setting the bar higher and casting the net wider

During the year, B2B Trust continued to grow revenues, push operational excellence to the next level and advance its strategic plan with a significant acquisition.

An important growth engine of the Bank, B2B Trust generated revenue of \$126.4 million and net income of \$41.9 million in 2011. B2B Trust accounted for 30% of the Bank's loans and 46% of its deposits.

"The company was created in 2000 from organisations that have been in this space for decades" says François Desjardins, President and Chief Executive Officer of B2B Trust. "Although we are a young company, we have built up a solid executive team, with experienced staff and a strong following among advisors".



François Desjardins, Executive Vice President and President & Chief Executive Officer, B2B Trust

The exclusive focus on the needs of Canada's independent-minded financial advisors has resulted in B2B Trust's loans and deposits almost doubling over the past five years and its operations spanning the entire country.

B2B Trust's organic growth is attributable in large part to exceptional execution on two fronts: maximizing distribution and delivering operational excellence to advisors.

Distribution Maximization

Concerted marketing and business development efforts expanded the distribution network further in 2011 as multi-channel, multi-initiative contacts grew significantly, leading to higher business volumes. Sales processes were streamlined and sales teams were equipped with a new advisor relationship management system and re-organized to ensure complete coverage across Canada.

B2B Trust also continued to forge new partnership arrangements with segregated fund and mutual fund manufacturers, and work with existing partners to further growth. Moreover, B2B Trust benefited from the sales force of these partners who have encouraged advisors to expand and broaden their sales to include investment and RRSP loans, high interest savings accounts and GICs.



LAUNCH OF A NEW ACTIVITY

The Bank purchases Sun Life Trust Company, merges the business with Agency Banking and, on July 1, renames the resulting organization B2B Trust.

THE RIGHT NUMBERS

Deposits surge \$3 billion due to popular new High Interest Savings and Investment Accounts.

1996

THE FIRST STEP

The Bank acquires the personal and commercial portfolios of North American Trust and forms a division known as Agency Banking.

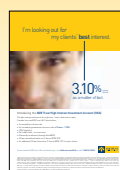
2000

2007

PULLING AHEAD

B2B Trust launches a promotional campaign for investment loans which gives a big boost to its leadership in this sector.

2008



2011

BULKING UP

B2B Trust acquires the MRS Companies and adds to its leading position, now serving more than 22,000 financial advisors.

Meeting the needs of financial advisors fuels growth

Operational Excellence

B2B Trust has continued to prioritize operational excellence in all aspects of its operations. As the advisor sale cycle becomes longer and more complex, B2B Trust's commitment to reduce administrative issues becomes even more relevant. Processing times are down and so are follow-up calls, a testament to the delivery of "error-free, hassle-free processing".

Stellar credit quality

Not only is service quality important, so too is credit quality. On that front, B2B Trust scores equally well. B2B Trust's disciplined and rigorous credit approach has resulted in exceptionally high credit quality and very low loan losses. Despite volatile market conditions for much of 2011, the unit's professional lender philosophy is credited with a loss ratio on the portfolio of only three basis points.

"We have weathered two financial crises in the last decade and loan losses have never exceeded a very low 10 basis points," says François Desjardins.

A strategic acquisition

The acquisition of the MRS Companies will further B2B Trust's strategic plan by combining best in class products and services and increasing the number of financial advisors that B2B Trust serves. A leader in the administration of self-directed products, MRS will be very complementary to B2B Trust, a leader in loans and deposit products.

The acquisition will also accelerate cross-sell strategies, enabling more advisors to sell B2B Trust's complete product line.

Transitioning to a bank

It is planned that in July 2012, B2B Trust will become a federally chartered bank. This is seen as a logical evolution, given its core operations of lending and deposit gathering.

"It was clear to us that the nature of our business had evolved and that becoming a bank was warranted to better reflect the nature of this business," says François Desjardins.

BUSINESS SEGMENT SNAPSHOT

AVERAGE LOANS AND ACCEPTANCES
\$5.4 BILLION

AVERAGE DEPOSITS
\$9.2 BILLION

Personal Banking products such as investment loans, mortgage loans, RRSP loans, GICs, high interest savings and investment accounts and self-directed accounts distributed by a network of 22,000 independent financial advisors

Operates Canada-wide

Looking ahead

The coming year will be a busy one, with the integration of the MRS Companies and the transformation to a bank. "Our slate is quite full," acknowledges François Desjardins, "but when I look forward, I see many opportunities to further our growth".

MRS COMPANIES – ACCELERATING B2B TRUST'S GROWTH

B2B Trust's acquisition of the MRS Companies last November resulted in the combination of two strong companies providing complementary products to the financial advisor community. B2B Trust is a leader in loans and deposits, while MRS is a leader in self-directed accounts. Strengthening the product offering, expanding the advisor network and enhancing operating systems should create revenue and expense synergies. This in turn will serve to accelerate growth at B2B Trust.