

Right-sized and ready

After a positive start to the year, market conditions over the last two quarters became increasingly difficult for underwriting and trading activities, leading to declines in both revenues and net income. Laurentian Bank Securities and Capital Markets ended the year with net income of \$6.3 million and revenues of \$56.4 million.

Focus on niches where we have competitive advantages

Laurentian Bank Securities and Capital Markets began life as a Fixed Income brokerage and has become a significant player in the mid-sized tier across Canada. In business since 1996, it underwrites fixed income securities for provincial, municipal, and corporate entities and is active in secondary markets. The group met its business development plans in 2011 and has room to grow with its current infrastructure.

"We had strong growth projections in the spring, but then we had to slow our development down," says LBS CEO Michel Trudeau. "We're extremely lean and agile which allows us to adapt well and adjust easily, while continuing to execute on our strategies."

An Institutional Equity division added five years ago specializes in small cap equities. Analysts follow close to 60 companies in seven industry sectors.

The Retail Brokerage operation is concentrated in Québec with more than 80 retail advisors in 14 offices. Being the only bank-owned dealer with a "boutique mentality", it has built a culture of flexibility and fast response. A strategist was recently added to the team, catering to the needs of the retail client and adding value to its Wealth Management offer.



Michel C. Trudeau, Executive Vice President, Capital Markets and CEO, Laurentian Bank Securities

The Institutional Services Group provides a steady revenue stream, offering complete back office support for small to mid-sized money managers and brokerage firms. Several new mandates were won in 2011.

"We've managed the risk well. We continue to strengthen relationships and are in a good position when markets improve," says Michel Trudeau. "Our platforms are built and our strategies are solid."

BUSINESS SEGMENT SNAPSHOT

TOTAL ASSETS UNDER ADMINISTRATION
\$2.2 BILLION

Full-service brokerage services

- Institutional brokerage - Fixed income
- Institutional brokerage - Equity
- Retail brokerage
- Discount brokerage
- Institutional services

Bank-related capital market activities

Operates Canada-wide

1993

ACTIVITIES BEGIN

Beginning of brokerage activities after the acquisition of assets.



2006

INSTITUTIONAL GROWTH

LBS turns to institutional equities, specializing in small cap enterprises. In five years' time it will have one of the largest research teams in Québec.

2009

BEST CRYSTAL BALL

Carlos Leitao, chief economist, is ranked the second best economist in the world by Bloomberg magazine.