At Laurentian Bank, people are recognized as being a core asset. One of three governing corporate objectives is the development of human capital.

Finding the right labour pool

The Career Station is Laurentian Bank’s permanent recruitment station, located in the Berri-UQAM subway station, a major transfer point for students and young people. This real job shop not only attracts new talent, but also offers a full range of transactional services and banking advice. Laurentian Bank is the first financial institution to meet its recruitment needs in such a dynamic way. The centre has already received more than 7,500 candidates to date, illustrating the importance placed by the Bank on both human capital and the need for proximity.

Putting the “extra” in “extraordinary”

The Bank is the kind of workplace where shared values are a shared goal. This was exemplified during 2011 by the introduction of two new recognition programs, results of recommendations made by two consultative management and employee committees.

The first, the Month of Extraordinary Employees, began in mid-May and featured a series of innovative celebrations in departments and branches throughout the organization. The Month of Extraordinary Employees, was followed by the Flame of Recognition, which added a new twist to rewarding employees on a daily basis. The Bank has a formal program whereby management recognizes exceptional employees, but the Flame of Recognition is based on employees honoring their peers for their special, every-day efforts.

Would you hold this for me?

Each employee receiving the flame in turn chooses a deserving colleague and passes it on. After only five months, close to 120 employees have been singled out by their colleagues to be recognized in this way.

The Bank’s exemplary performance leads to special recognition for all employees

The envelope please

Recognition takes many forms at the Bank, but top honors go the recipients of two formal programs recognizing excellence across the organization.

The Guy-Vanier Award program pays tribute to five individual employees while the Ray McManus Award recognizes multi-sector project team efforts. In 2011, a new category was added to recognize a team of individuals working together on a daily basis, showing it is possible to meet and exceed its objectives while embracing the Bank’s five values: passion for client interests, simplicity, entrepreneurship, integrity and teamwork.
And this year’s winners are...

**GUY-VANIER AWARDS**

The Guy-Vanier Award recipients are featured in an enamel-on-copper mosaic displayed in the executive suite of the Bank’s headquarters.

**The Guy-Vanier Mosaic**

Michel Charbonneau, Sales and Advising Manager in the Lanaudière region, is a noted innovator that has now worked at the Bank for thirty-nine years. Appreciated by all, he always takes the time to lend a helping hand to his colleagues.

**Michel Charbonneau**

Jocelyne Delaney, Senior Account Manager, Real Estate Financing, Ontario, JD, as colleagues call her, radiates passion in everything she does and has been a member of the $100 Million Club for three years.

**Jocelyne Delaney**

Sophie Lambert, Advisor, Retail Services, sets out to excel in her advisors have also been honoured contagious as her branch has radiates passion in everything she does and has been a member of the $100 Million Club for three years.

**Sophie Lambert**

Sylvie Bédard, Advisor, Retail Services, sets out to excel in everything she does and is recognized for exceptional devotion and professionalism after 30 years of service at the Bank.

**Sylvie Bédard**

Andrée Hurtubise, Assistant Vice President, Continuous Improvement – B2B Trust. Andrée is the kind of person who is constantly finding a better way. She recently implemented a methodology for decision-making centred on client needs which is already yielding results.

**Andrée Hurtubise**

Sophie Lambert, Manager of the Victoriaville branch. Sophie’s leadership at the branch since 2003 has produced striking results. Her passion for excellence seems contagious as her branch has attained the No.1 position and two of her advisors have also been honoured for their remarkable performance.

**Sophie Lambert**

**RAY MCMANUS AWARDS**

**Team Award:** Antoine Laviole’s team in the performance and organizational development sector is accustomed to mobilizing resources with little notice, if any, in order to complete a project. This Montreal-based Projects and Quality Assurance team is responsible for the quality tests that precede the implementation of computer solutions. Their special strength lies in being able to simplify the relationship between the technology team and the system users’ team – a much appreciated skill.

**Project Award:** This second Ray McManus Award recognizes exceptional success by a multi-disciplinary team assembled for a specific project. These are the 25 people who made up the B2B Trust Business Development Team which reviewed the unit’s practices in minute detail and then put them back together again so as to improve both methods and results. B2B Trust’s business development performance has been greatly enhanced.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED OCTOBER 31, 2011**

**SUMMARY OF FINANCIAL RESULTS**

**OVERVIEW OF FISCAL 2011**

For the year ended October 31, 2011, the Bank reported net income of $127.5 million, or diluted earnings of $4.81 per share, compared with $122.9 million, or diluted earnings of $4.63 per share in 2010. Return on common shareholders’ equity was 11.0% in 2011, compared with 11.5% in 2010.

Excluding the integration costs related to the recently acquired MRS Companies and the compensation for termination in 2012 of the existing distribution agreement of IA Clarington funds related to the signing of a new distribution agreement of Mackenzie mutual funds (Transaction and Integration Costs or T&I Costs), net income was $133.3 million, up 8% year-over-year, and return on common shareholders’ equity was 11.6%. Excluding these one-time costs, diluted earnings per share totalled $5.05 in 2011 compared to $4.63 in 2010, a 9% increase.

The Bank reported good results for fiscal 2011, despite the challenging retail banking environment. In 2011, the Bank compensated for interest margin compressions with higher other income. Significant improvements in the credit quality of the Bank’s loan portfolios also contributed to these results. Investments in the Bank’s business lines had positive impact in generating organic growth, as evidenced by the sustained increases in loan and deposit volumes year-over-year. The recently closed acquisition of the MRS Companies and the distribution agreement of Mackenzie mutual funds should also contribute to further growth of the B2B Trust and Retail segments by solidifying their competitive position.

The Bank maintained a strong financial position throughout the year. With sound liquidity and capital levels, the Bank remains well positioned to pursue its growth initiatives and to meet new pending regulatory capital requirements.