



**LAURENTIAN  
BANK**

2011 Social Responsibility Report

**Energized, Experienced and Engaged**

Our team: of capital importance

**SUPPORTING ORGANIZATIONS:  
A LONGSTANDING TRADITION**



FIRMLY ROOTED FOR

**165** YEARS

# CONTENTS



- 2 Message from the President and Chief Executive Officer
- 4 About us
- 8 Our governance
- 12 Our clients: at the heart of our preoccupations
- 16 Our team: of capital importance
- 22 Supporting community organizations: a longstanding tradition
- 26 Initiatives focused on the environment
- 28 Appendices
- 32 Performance indicators, Global Reporting Initiative (GRI)

**ITS TIME  
TO SAY  
THANK YOU!**  
**WITH YOU  
FOR THE  
PAST 165  
YEARS**

**NOW'S  
THE TIME.**  **LAURENTIAN  
BANK**



## OUR BANK

With 158 branches, 427 automated banking machines, more than \$24 billion in assets, and almost 3,700 employees, Laurentian Bank is both firmly rooted in Québec and elsewhere in Canada. While it operates the **third largest branch network** in Québec, it has secured a choice position in specific market segments in Canada. Therefore, with almost 40% of its loans originating from other provinces, the Bank enjoys the benefits of **nationwide geographic diversification**.

Established in 1846, Laurentian Bank is widely recognized today for its exceptional **service, simplicity and proximity**.

Laurentian Bank of Canada is a Canadian chartered bank, constituted pursuant to the Bank Act (Canada) and its stock is listed on the Toronto Stock Exchange.

AFTER 165 YEARS

# ENERGIZED, EXPERIENCED AND ENGAGED

A founding principle of Laurentian Bank 165 years ago was to help ordinary people manage their money and encourage them to save. To do this, the Bank had to get to know its clients well.

As the former Montreal City and District Savings Bank, the Bank operated only on the island of Montreal. This fostered client proximity, a focus on their needs, and true, lasting and loyal relationships.

Today, the Bank's founding principles are unchanged. The customer remains the Bank's raison d'être, driving it towards excellence in service and innovation, with its prevailing client focus serving to forge enduring relationships.

Laurentian Bank has retained the best of its Québec-based retail operations, while broadening its horizons by adding new businesses to serve new clients and new regional markets. It has assets of \$24 billion, more than one million valued clients, and just under 3,700 dedicated employees.

The Bank is proud of its long history, but does not feel old. In the last five years, total assets have increased by 42%, revenues by 40% and net income by 81%. In fact, after 165 years, we feel energized, experienced and totally engaged in meeting our future challenges.

WHO SAYS YOU HAVE TO ACT YOUR AGE?

# MESSAGE FROM THE PRESIDENT **AND CHIEF EXECUTIVE OFFICER**

In 2011, Laurentian Bank celebrated 165 years of being firmly rooted in Canada. This special anniversary served as a perfect occasion to take a look back on our evolution and we can all take great pride in both the status we have earned as a Canadian bank, and in the confidence that our clients have always shown in us. As the third oldest enterprise in Québec, the Bank has never ceased to evolve and adapt to the new realities of its clientele. In fact, close to 70% of the organization's profitability today is accounted for by business sectors that have been in operation for 25 years or less.

Since the time the institution was founded to facilitate the working population's access to banking services, we remain firmly bound to the values of proximity and authenticity that are uniquely ours. From the days of our very first branch on Saint-Jacques Street in Montréal, our retail services have evolved in remarkable fashion to now comprise a network of 158 branches, which remain our prime point of contact with our clientele. Over time, we extended our activities beyond the borders of Québec thanks to B2B Trust, Laurentian Bank Securities, and the Real Estate and Commercial sector. Now conducting business throughout Canada, we continue to clearly demonstrate that our commercial strategies are efficient and help assure effective diversification.

It is along these distinctive lines that we continued to focus our concerted attention in 2011 on the key issues and aspects that bind us to our stakeholders — clients, shareholders, employees, and the communities in which we operate. The past four years have posed some formidable challenges for the banking sector due to the gravity of the global financial crisis. In spite of this situation, the Bank succeeded in posting solid performance marked by progressive record profitability and asset growth. The spin-offs of this success have benefited all those to whom we are tied.



**Réjean Robitaille**, *President and Chief Executive Officer*

*Our shareholders* – Our Board of Directors exercises exemplary rigour in its governance so as to assure that the Bank fulfills its mission on behalf of shareholders and other stakeholders. As such, the Board serves as a key contributor to the organization’s impressive success, which is achieved with uncompromising commitment to integrity and ethical conduct.

*Our clients* – We have invested considerably in enhancing our services by hiring more commercial account managers, mortgage loan specialists, representatives to serve independent financial advisors, and more investment counselors. We have also improved our knowledge of our clientele with the development of client relations management tools. Moreover, we have rationalized our processes in order to improve our efficiency.

*Our employees* – The enterprises and institutions that are the most successful are always driven by engaged, dedicated and talented individuals, and this is certainly the case at Laurentian Bank. Our employees collectively constitute our greatest strength, and we are committed to keeping them motivated and to continuously improving their competencies so that they can contribute fully to our success.

*Our communities* – In a spirit of proximity and attachment, the Bank is dedicated to playing an integral role in the socio-economic development of the communities in which it operates, as well as to financially supporting over 200 organizations and events across Québec.

Although the nature of our activities does not expose us to a high level of environmental risk, we adhere to a framework for analyzing risk that takes this concern into account and that we apply to our various activities and operations. Moreover, we are continuing to improve our sustainable development practices through the implementation of various targeted initiatives.

In view of these different factors, it should come as no surprise that Laurentian Bank’s corporate culture was recognized as being among the most admired in the Québec and Atlantic Canada region. Our competitive advantage resides in our concentration, our agility, and our excellence of execution. Indeed, these attributes are so deeply embedded in our culture that we consider them to be the three pillars of our business model.

In conclusion, we are proud to be able to have satisfied 68 of the Global Reporting Initiative’s performance indicators, as compared to 26 in the previous fiscal year.

This document testifies to our constant preoccupation with the issues that touch all aspects of our relations, both as a responsible corporate citizen locally, and on a broader level. We are firmly committed to continuing to evolve within the financial sector, while accentuating our actions aimed at sustainable development. And with a history of client service that dates back 165 years, we continue to embody the spirit of youthfulness and innovation that has always characterized our actions.

**Réjean Robitaille, FCA**  
President and Chief Executive Officer

# ABOUT US

A financial institution whose activities are concentrated in Canada, Laurentian Bank offers its clients a diverse range of financial products and services. The Bank has distinguished itself through the excellence of its services, its simplicity, and its proximity to its retail, SME and Commercial clientele.

The institution offers its products to an extensive external network of advisors, brokers and intermediaries in the financial community today via its B2B Trust subsidiary. For its part, Laurentian Bank Securities provides brokerage services to individuals, institutions and businesses.

Laurentian Bank is solidly rooted in Québec, where it has established the third largest retail branch network over the years. Elsewhere in Canada, the Bank is active in a number of targeted sectors in which it holds a dominant position. The institution manages balance sheet assets of more than \$24 billion, as well as administered assets of over \$35 billion. Its head office has been located in Montréal since its foundation in 1846, and its workforce today is made up of over 3,700 employees<sup>1</sup>.

#### **A Major Player in the Canadian Banking Sector**

- Third largest branch network in Québec
- One of the 10 most admired corporate cultures (Québec and Atlantic Canada region)<sup>2</sup>
- Largest third party investment loan provider in Canada
- Recognized and sought-after institutional brokerage provider

#### **From an organizational standpoint, Laurentian Bank is subdivided into four activity sectors:**

- Retail and SME-Québec
- Real Estate and Commercial Financing
- B2B Trust
- Laurentian Bank Securities and Capital Markets

The Bank operates some 235 service points, including 158 retail branches in Québec and 36 commercial business centres across the country. It also offers a network of 427 automatic banking machines. The Laurentian Bank Securities subsidiary conducts its activities through 14 brokerage offices in Québec and Ontario, while the B2B Trust subsidiary has offices in four major Canadian centres.

Laurentian Bank offers a complete and fully integrated array of financial services in Québec, where approximately 64% of its loans are granted. Elsewhere in Canada, the institution provides its products and services through financial intermediaries. It also offers real estate and commercial financing, securities brokerage and financing to points of sale.

<sup>1</sup> As at 31 October 2011

<sup>2</sup> Waterhouse Human Capital



## 2011: A REWARDING YEAR... FOR THE BENEFIT OF ALL STAKEHOLDERS

### ENRICHED WITH A NEW ACQUISITION

In September 2011, Laurentian Bank's B2B Trust subsidiary announced the conclusion of an agreement with Mackenzie Financial Corporation for the acquisition of MRS Companies. Under the terms of the transaction concluded in November, MRS Companies will merge with B2B Trust to create a leading supplier of products and services to the Canadian financial advisor community.

This transaction will serve to accelerate the development of B2B Trust by expanding its client base of financial advisors and by adding over 280,000 self-directed accounts. It will also reinforce the Bank's position in the deposit and loan market.

At the same time, a second agreement was concluded with Mackenzie Financial Corporation under the terms of which Laurentian Bank becomes principal distributor of Mackenzie mutual funds. Mackenzie is one of the leading mutual fund producers in Canada, and these high quality diversified funds will be offered to the Bank's Retail sector.

## OUR MISSION

Laurentian Bank of Canada is a Québec-based banking institution operating across Canada and dedicated to meeting the financial needs of its clients through the excellence of its service, its simplicity and its proximity.

## THE VALUES FUELLING OUR ACTIONS

In recognition of the challenges posed by its vocation as a financial institution serving the needs of individuals and businesses, Laurentian Bank has established a set of values that all its employees are expected to adhere to. These five principles serve as the engines that drive our collective motivation and bind us in the realization of our mission, and they are embodied in our commitments to our various stakeholders.

### ■ PASSION FOR CLIENT INTERESTS

In providing our clients with the services they need, we actively promote a quality approach with a human dimension that is fuelled by a dedication to excellence. These services are designed to satisfy and surpass the expectations of our clientele, and our passion for their interests is what maintains their loyalty and truly sets us apart.

### ■ SIMPLICITY

We are constantly striving for simplicity in the development of solutions tailored to specific situations. This simplicity makes us more accessible and open, and it serves as a key to enabling us to continuously optimize our services.

### ■ TEAMWORK

Because our success depends on our collective efforts, our employees are devoted to sharing their know-how, expertise and creativity with one another. Our ability to join forces and work hand-in-hand to accomplish common goals is the very foundation of our success and what makes us a winning team.

### ■ ENTREPRENEURSHIP

In order to foster the Bank's ongoing development, our employees are encouraged to behave as if they were the owners of the organization, while, of course, respecting its policies and principles. Our business clients are entrepreneurs, as are many of our individual clients, and we are intimately familiar with the challenges they face and always prepared to provide them with the most accessible and highest quality financial solutions.

### ■ INTEGRITY

We value honesty as an essential component of our relations with our clients, shareholders, employees and partners. Consequently, we are dedicated to acting with integrity and discipline at all times, and, in so doing, we succeed in earning and retaining the confidence of those we do business with.



## AWARDS AND DISTINCTIONS

Each year, Laurentian Bank is honoured in a variety of ways by independent organizations that recognize the exceptional talent and value of individuals, teams, programs and policies in particular spheres of activity.

In October, the Bank was among the winners of the *Canada's 10 Most Admired Corporate Cultures™* competition in the Québec and Atlantic region. Organized by the Waterstone Human Capital human resources firm, this national program recognizes enterprises

that have developed a corporate culture focused on performance and competitive advantage. The Bank has been dedicated for a number of years now to the establishment and promotion of a corporate culture built upon its core values of proximity and simplicity. This particular distinction certainly serves to reinforce the collective sense of pride within the organization.

For his part, the Bank's President and CEO, Mr. Réjean Robitaille, was again recognized as being among the most influential personalities within Québec's financial industry by *Finance et Investissement* magazine.

In addition, the Bank's Chairman, Mr. Denis Desautels, was distinguished by the Québec Order of Chartered Accountants with its *Hommage Award* to underline his exceptional contribution. More specifically, this honour was presented in recognition of Mr. Desautels' good governance, particularly with respect to efficiency and performance in public institutions.



# OUR GOVERNANCE

We are committed to...  
assuring the profitable development of our organization,  
while respecting the principles of transparency and ethical behaviour.

## EXEMPLARY GOVERNANCE CENTRED ON EFFICIENCY AND PERFORMANCE

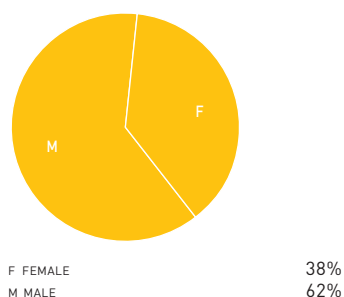
The priority assigned to good governance by the Board of Directors has enabled our institution to evolve and prosper over the past 165 years with respect for integrity and in compliance with the laws and directives that regulate our actions. It is in this spirit that we have established rules of corporate governance and policies aimed at providing a framework for our actions and our relations with each of our publics. Invariably, good corporate governance influences all of the Bank's management practices, which are based on the highest standards of ethical conduct.

## OUR BOARD OF DIRECTORS: PLAYING A VITAL ROLE

Twelve of the 13 members of the Board of Directors, with the exception of the President and Chief Executive Officer, are independent administrators and are not accountable to management. This independence is determined by *Regulation 58-101 Concerning the Disclosure of Corporate Governance Practices* and in accordance with the criteria adopted by the Board. The Management Proxy Circular related to the Bank's Annual Meeting of Shareholders contains more details on the composition of the Board and its committees.

The Bank's Board of Directors includes five women among its 13 members. This proportion translates into the highest female representation on the Board of any banking institution since 2007.

TABLE: RATIO OF FEMALE AND MALE REPRESENTATION ON THE BOARD (as a percentage)



Essentially, the Board of Directors plays a monitoring role with respect to the management of the organization's commercial activities and internal affairs. The Board's deliberations generally conclude with a discussion period in the absence of management. The members of the Board are committed to acting in accordance with the norms defined in the *Directors' Code of Conduct*, which covers their general actions, their contribution to the work of the Board and its committees, insider transactions, conflicts of interest, and other situations that could compromise their independence.

The Board of Directors has delegated certain responsibilities and functions to three committees, whose members are chosen from within its ranks. The Audit Committee, Risk Management Committee, and the Human Resources and Corporate Governance Committee present written and verbal reports on their work to the Board on a continual basis. In addition, these Committees provide shareholders with a report on their activities in the Management Proxy Circular.

The Board of Directors has established a number of objectives in the area of executive compensation. These include promoting the alignment of senior management's interests with those of shareholders at all times through the Bank's compensation programs, as well as fostering transparency with respect to the management of executive compensation. In that regard, Laurentian Bank shareholders were invited to participate in a consultative vote at the Annual Meeting in March 2011 on the approach to compensating executive officers. The results of the vote revealed that 94.2% of shareholders approved of the approach.

## HEALTHY MANAGEMENT

Thanks to the commitment of its management team and the excellent spirit of collaboration it shares with the Board of Directors, Laurentian Bank has continued to enjoy the benefits of healthy administration. As such, fiscal 2011 saw the institution post another record profit. This unprecedented performance is attributable, first and foremost, to prudent administration, effective risk management and enlightened decision making. The Bank's Board monitored the evolution of the economic situation very closely and reiterated its determination to spare no effort in working for the best interests of shareholders in the months and years to come. This mission will be fulfilled through a sustained and rigorous attentiveness to the regulatory framework and the business environment in which the Bank pursues its development.

## RISK MANAGEMENT

The Risk Management program of the Bank in compliance with the Basel Accord is aimed at implementing the measures required to assure the healthy management of risks to which the institution is exposed, including the risk of corruption. Thus, the Bank promotes sustainable performance. Designed to serve as a guide for all of our actions, this program is rigorously monitored. In order to foster effective management of this risk, various specific practices have been improved, such as self-evaluation of risks and controls, the collection of data on operational losses, reliance upon risk indicators and barometers, and the development and monitoring of corrective measures.

This year, the Basel III Accord led the Bank to institute new measures in the area of risk management so as to assure better control over capital, liquid assets and governance, including a framework for crisis simulations, as well as more documentation and surveillance of our practices.

The Bank's policy framework provides for the identification, measurement, control, mitigation, monitoring, intervention and disclosure of all major operational risks, in accordance with the policies and tolerance limits approved by the Board of Directors. As such, all areas of strategic activity are subject to the new risk self-evaluation practice.

## INTERNATIONAL FINANCIAL REPORTING STANDARDS

Since November 1, 2011, the Bank has adopted international financial reporting standards (IFRS) and published its first consolidated financial statements, which were prepared in accordance with these standards for the quarter ending January 31, 2012.

In order to manage the transition, the Bank developed a conversion plan applicable throughout the organization and supported by a formal governance structure. A specialized project team made up of internal and external resources was also formed with a mandate to coordinate and successfully carry out the conversion to IFRS. The key elements of the plan include the development of competencies in the area of financial information and the implementation of internal controls over such information, as well as controls and procedures for the communication of information.

## INTEGRITY: THE CORNERSTONE OF OUR BUSINESS

Integrity is among the most essential values for Laurentian Bank because it is the very basis on which the organization and its subsidiaries earn and retain the confidence of their clients. Since its foundation in 1846, the Bank has enjoyed a solid reputation for acting with honesty and integrity in the management of its affairs and the conducting of its transactions with its clientele, as these transactions not only involve the assets of clients, but their very future as well.

In order to assure that its values are respected and, thereby, to protect its reputation, the Bank has created a Code of Ethics that promotes principled behaviour, as well as honesty and integrity in all that employees do. The Code also outlines the required rules of conduct with respect to conflicts of interest and confidentiality.

The obligation to maintain trust and confidentiality with respect to existing and potential clients and the public in general applies to all of the organization's actions. Similarly, the organization's integrity is dependent on that of each and every employee.

Thus, the Bank's Code of Ethics pertains to all personnel and stipulates the basic rules that must be adhered to by every employee. In addition, certain categories of professionals are subject to particular directives under the authority of the professional order to which they belong.

In order to assure respect of its regulatory obligations and the application of rigorous business practices in the execution of its mandate as a financial institution, the Bank has implemented a range of different policies. The principal policies in effect are outlined in Appendix 5.

As required by the authorities, the Bank has mandated an independent and impartial party — the Ombudsman — to act as mediator between clients and the financial institution. Other than the resolution of complaints the Ombudsman is responsible for the Policy Concerning the Handling of Complaints and Comments About Seemingly Questionable Accounting and Auditing Practices, better known as the "whistle blower" policy. These types of complaints and comments may involve accounting methods, internal accounting controls or auditing. Via this mechanism, employees, clients and shareholders can bring to light any situation or financial information that may have been intentionally falsified in the course of Bank operations.

With respect to the effort to curb money laundering and terrorist financing activity, the Bank offers a special training program for all its employees, particularly new recruits. Focused on the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the purpose of this training is to remind all employees of their responsibilities in this regard. The program systematically deals with the generalities of the legislation, money laundering, terrorist financing and suspicious transactions.

## RENDERING OF ACCOUNTS

Once again this year, our Social Responsibility Report has taken its inspiration from Global Reporting Initiative (GRI) performance indicators. As part of our commitment to improving our account rendering performance, we have added 42 indicators, thus bringing the total to 68. In so doing, we reaffirmed the importance we assign to the transparency of our activities concerning stakeholders.

Our Annual Report also serves to confirm our dedication to transparency and responsible account rendering. That Report is available on our Web site.

**100%**  
of managers received the *Leaders in Action* Program.

**2/3**  
of employees met with Senior management this year.

**95%**  
of employees participated in an engagement activity during the Month of Extraordinary Employees.

**228**  
employees received an internal award in 2011.

## COMMUNICATING WITH OUR STAKEHOLDERS

Open dialogue with our stakeholders is an integral component of Laurentian Bank's action plan. Be it with our clients, employees, shareholders, the general public, the union or the regulatory authorities, we constantly strive to develop new communication tools and to improve our existing vehicles so as to ensure that we are responding to the needs and expectations of every stakeholder group. This dialogue serves as an excellent opportunity to communicate ideas, reflections and opinions to the various parties with whom we interact.

OUR STAKEHOLDERS	OUR COMMITMENTS	TARGETED COMMUNICATION VEHICLES
Clients	Priority focused on satisfying their needs with respect to financial products and services. Continuous improvement of the client experience.	Laurentian Bank, B2B Trust and Laurentian Bank Securities Web sites LBCDirect: Internet and telephone LBCDirect: Mobile application Satisfaction surveys (weekly)
Employees	Recognize their work. Offer a dynamic working environment. Provide varied training and development opportunities. Demonstrate fairness and equity as an employer.	Intranet Internal publications: ecomm (weekly); Focus (quarterly) Strategik newsletter for managers (quarterly) Annual Meeting of Employees Management Tour Organizational survey Recognition Month
Shareholders	Assure the organization's profitable and sustainable development with respect for the principles of transparency, integrity and ethical conduct.	Annual Meeting of Shareholders Investor Forum Annual Information Form Management Proxy Circular Annual Report Social Responsibility Report Meetings and phone calls with financial analysts Public conference calls to present financial results
General Public	Pursue and support active involvement in local communities. Provide information about products and services offered.	Laurentian Bank, B2B Trust and Laurentian Bank Securities Web sites Little Heroes Club Web site Surveys and group discussions Donations and sponsorships within local communities Media relations activities
Union	Maintain open dialogue and effective communications so as to satisfy the interests of employees and the Bank alike.	Various committee meetings (negotiating, grievance, etc.)
Regulatory Authorities	Assure a high level of compliance with regulations in all activity sectors.	Periodic meetings with management and the Board Evaluations on specific subjects

# OUR CLIENTS: AT THE HEART OF OUR PREOCCUPATIONS

We are committed to...  
satisfying our clients' financial services needs, as well as  
to continuously improving the client experience.

When the Bank was first founded some 165 years ago, helping people manage their assets and motivating them to save were among its fundamental driving principles, and over the years, we have continued to stay true to and build on this approach. In so doing, Laurentian Bank has made it its duty to know its clientele well. Indeed, the Bank's clients constitute its very raison d'être, fuelling the organization in its drive for excellence when it comes to service and innovation. This constant preoccupation with client interests has given rise to the closest and most mutually beneficial relations between the institution and its clientele.

The bond of confidence we have forged with our clients rests upon a shared sense of loyalty. In accordance with its business plan, the Bank has continued to maintain a prudent approach in its actions and decisions during the past fiscal year. In fact, the economic turbulence that has marked the last few years has actually served to reinforce our determination to be constantly vigilant and to manage our activities with caution and rigour. These exceptional circumstances have also driven us to further boost our efficiency and bring our culture of service quality more to the fore. Moreover, we continued to be vigilant with respect to transactional security and client confidentiality.

## MAKING OPTIMUM USE OF CLIENT RELATIONSHIP MANAGEMENT SYSTEM

It is with the aim of knowing its clients better and maintaining the closest of relations that the Bank has implemented an innovative client relations management system. Bringing together all client data within a single interface, this solution constitutes a major step forward in terms of relations with Retail sector clients because it creates opportunities to act proactively by offering products and services that are better adapted to specific needs.

## A CONSTANTLY EXPANDING NETWORK

The third largest in Québec, our retail branch network is distinguished by its accessibility, innovative character, simplicity, and by its quality of service. Five branches underwent major renovations in 2011, and four new financial services boutiques were opened in Québec, Longueuil, Repentigny and Lasalle respectively. During the past five years, 10 new retail bank branches have been opened, 18 were relocated, and close to 30 have been renovated. That translates into a total of over 40% of Bank branches that have undergone major modifications to improve the banking experience for clients. More-



Inauguration of a new branch in Longueuil

over, our new branches are very often designed with drive-through tellers. In fact, Laurentian Bank has served as a Québec trailblazer in that regard.

The Bank's branches are supported by its extensive and continuously expanding network of automatic banking machines (ABMs). Encompassing 427 units, including 81 located in Greater Montréal public transit system, this ABM network allows the Bank to reinforce its commitment to proximity by providing consumers with even more ready access to banking services. During 2011, 17 new machines were added to the network, while three were withdrawn and seven others relocated. Some new functionalities were introduced as well to facilitate access for clients with special needs, such as the visually impaired. More specifically, the machines now feature keys bearing Braille characters.



Photo: Stéphane Brügger

## ADVANCED SERVICES AND INNOVATIVE APPROACHES

Always attentive to the needs of its clientele, Laurentian Bank is also dedicated to maintaining its position at the forefront of technological innovations that can facilitate banking transactions. Since mid-September, all of our clients can use their smartphones in order to complete their banking transactions and to contact Client Service to report a lost or stolen card.

In June 2011, the Bank launched a highly original marketing campaign to promote awareness about its mobile mortgage services. In order to demonstrate the flexibility of the service offered, the

campaign informed consumers of the possibility of meeting with a mortgage expert at the time and place of their choice. To boost visibility, these experts travelled to their meetings throughout the Greater Montréal area in ultra-compact cars bearing the colours of the campaign. In fact, this multimedia campaign earned the Bank and its marketing agency a Bronze prize at the

Media Innovation Awards, being recognized as one of the top three Canadian media strategies in the Financial Products and Services category.



## INSTALLATIONS DESIGNED WITH ACCESSIBILITY IN MIND

This past year, the Bank launched its innovative new branch concept that reflects the evolution of its first generation financial services boutiques. The concept is built on simplicity, accessibility, proximity, and on a highly personalized approach to client support. The new branches feature an original and convivial physical layout lending them a fresh new look and creating an environment in which clients feel totally comfortable and enjoy a simpler and more pleasant banking experience overall.

In order to meet all usual and more immediate needs, a virtual network is in place to offer clients banking services 24 hours a day, 7 days a week. These services are available via automatic banking machines, the Internet, telephone and, since the summer of 2011, by way of mobile devices.

The organization's team of mobile bankers continued to grow this past year to meet the needs of clients in the comfort and convenience of their home or office. This network now encompasses some 100 professionals who cover most of Québec and offer clients a comprehensive range of mortgage products.

Furthermore, in line with its dedication to offering greater convenience to the elderly, the Bank is operating service counters at various seniors' centres. Thus, these individuals are able to conduct their banking transactions in totally secure fashion.

The Bank is also continuing to focus particular attention on clients requiring the most affordable banking solutions, such as students and seniors. These segments of the institution's clientele enjoy the benefit of packages designed especially for them.



Photo: Stéphane Brügger

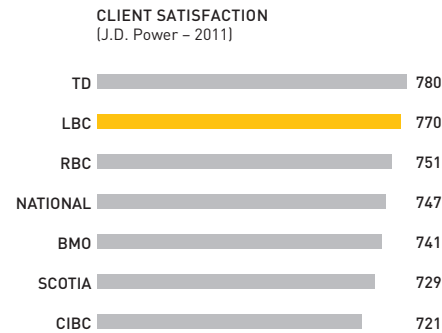
In addition, the Bank maintains close ties with several cultural communities in accordance with the geographic location of its branches. On the Island of Montréal, in particular, a number of branches are situated in sectors with a strong representation of these communities. Committed to catering to these clients in the best way possible, the Bank makes every effort to serve them in their own mother tongue, with some branches able to respond to their clientele in nearly 20 different languages.

### GAUGING THE CLIENT EXPERIENCE: A KEY TO ASSURING SATISFACTION

As a public service institution, client satisfaction is of the utmost importance to Laurentian Bank. Consequently, we conduct “experience” surveys via e-mail on a weekly basis to systematically gauge clients’ degree of satisfaction with their branch visit. In 2011, our Marketing Department received and analyzed survey results originating from over 18,000 respondents. Of those, 95% indicated that they were satisfied or very satisfied with their experience at our branches.

### A COMPREHENSIVE SURVEY ON CLIENT SATISFACTION

The most recent study conducted by J.D. Power and Associates — an independent firm specialized in market studies — and focused on client satisfaction within the Canadian banking sector confirmed the success of Laurentian Bank’s efforts in this regard. In fact, with a score of 770 on a scale of 1000, our institution ranked second among Canada’s major banks. The performance of the institutions surveyed was measured in accordance with six criteria — account transactions, account information, product offerings, accessibility, fees and problem resolution. Among our positive results, we obtained the maximum score for account transactions and accessibility.



### PRODUCTS AND SERVICES THAT MEET STRINGENT STANDARDS

The Bank puts great care and rigour into the design of its products and services. In so doing, it assures that they comply with the laws and regulations by which they are governed, as well as with the industry’s codes of conduct. In that regard, a number of measures were implemented to ensure compliance with the new rules that came into effect for products and services offered at the Bank.

Ultimately, the institution is committed to ensuring that its full range of products and services embody the values that guide all of its activities. Thus, all offerings must respect the most stringent internal norms.

On a related front, Laurentian Bank became the first banking institution in August 2010 to launch a highly innovative communication tool — the new TransPromo VISA statement. This statement is offering a clearer and more dynamic presentation of pertinent information and a summary of transactions by purchase category.



## MY FIRST HOME

The Bank has developed the new First Home program to offer valuable assistance and support to first-time home buyers. Reserved exclusively for clients purchasing their first residence, the program has been designed to support buyers throughout the entire purchase process — from evaluation of their financial capacity, to the time they take possession of their home. Everything has been put into place to help them realize their project, including personalized support adapted to their situation and plans, a 360° scenario calculator that can help them identify their borrowing capacity and the different solutions available to them in a matter of minutes, a folder that allows them to store all pertinent documents and contains an information guide and a game plan pamphlet describing the different steps to acquiring the property, as well as a brief summary of the various legal documents that need to be signed at the Bank and the notary's office. The ultimate objective of this program is to offer a unique client experience that makes the entire process of assessing their financial capacity, obtaining a mortgage, and finally taking possession of their property as clear and easy as possible.

## SPECIALIZED AND ADAPTED SERVICES FOR OUR BUSINESS LINES

Laurentian Bank's Real Estate and Commercial teams are active in those areas that they have fully mastered and in which they possess solid expertise so as to be able assure the highest level of client satisfaction. This group has earned industry recognition for its speed of execution and the concerted attention paid to its

clientele. In 2011, the Real Estate sector opened a syndication office to manage large loans. This new area of activity has helped the Bank to further improve its ability to meet client requirements.

Four years ago, the organization adopted a strategy to concentrate its activities on key areas of commercial financing, offering superior client support and a comprehensive line of products specific to each market segment served.

Catering to the needs of independent financial advisors, B2B Trust continued to forge new partnerships in 2011. The subsidiary focused particular effort on improving the efficiency of administrative processing during the sales cycle of advisors, as well as on assuring an exceptionally high level of credit quality.

For its part, Laurentian Bank Securities placed its focus in 2011 on fostering a culture characterized by flexibility and swiftness of action. In so doing, it has been able to more effectively satisfy the needs of its clientele as well.

## AN EFFECTIVE COMPLAINT RESOLUTION PROCESS

Laurentian Bank actively adheres to various elective banking industry codes whose primary purpose is to protect the consumer. In line with our dedication to client satisfaction, we have implemented very specific mechanisms to gather client feedback about Bank policies and the quality of its services, as well as to establish the quickest way to intervene when a situation requires corrective measures. While promoting the settlement of issues at the source, the Bank continued to improve service quality, to offer the necessary assistance to clients who ask for it, and to contact the appropriate authorities as needed.

In the event of a complaint, there are four courses of action we make available to our retail branch network clients. The first consists of addressing branch staff verbally or in writing. If the client does not obtain satisfaction, we invite them to contact one of the Bank's Client Service teams directly. In the event that the problem is still not resolved to the client's satisfaction at that point, they can write to the office of the Bank Ombudsman. Finally, the client can contact the Banking and Investment Services Ombudsman or get in touch with the Financial Consumer Agency of Canada at any time.

At Laurentian Bank Securities, the policy for the resolution of complaints and disputes adheres to the stipulations of the Act Respecting the *Agence nationale d'encadrement du secteur financier* (Bill 107). The application of the policy is the responsibility of the senior compliance officer acting under the authority of the Chief of Compliance. If the complainant is not satisfied after the complaint is examined or is dissatisfied with the results of the assessment, they can request that their file be forwarded to the Bank Ombudsman or to the *Autorité des marchés financiers*.

In the case of B2B Trust, a complaint may be phoned in to the Client Service Department. Subsequently, it can also be addressed to B2B Trust's Vice-President of Operations. Clients who believe they have failed to obtain satisfaction through the standard complaint resolution process can contact the Bank Ombudsman, the Banking and Investment Services Ombudsman in Toronto, or the Financial Consumer Agency of Canada in Ottawa.

# OUR TEAM: OF CAPITAL IMPORTANCE

We are committed to... recognizing the quality of our employees' work and involvement, encouraging the development of their competencies, and to offering a fair, dynamic and respectful work environment.

The solid growth and development posted by the Bank for more than five years now is directly attributable to the efforts of its employees, who work steadfastly day in and day out to move the institution forward while striving to constantly improve their competencies. This growth has created a strong demand for new resources and calls for the most effective recruitment possible, which the Bank has successfully enhanced with the opening of its Career Station at the beginning of the last fiscal year.

Once new recruits are actually hired, our integration processes provide the winning conditions to facilitate their entry into their positions. For its part, our performance management program offers employees valuable feedback and the support they need to develop their skills. In addition, through our internal resources, such as the Laurentian Bank Academy training centre, as well as via our association with various accredited outside organizations, our employees receive the opportunities they need to perfect their knowledge and expertise. All of these integrated processes serve to confirm the high priority the Bank places on the development of its human capital.

## A RECOGNIZED CULTURE OF PROXIMITY

Laurentian Bank's corporate culture is fuelled by a firm commitment to proximity. This is visible both within the organization itself, as well as in the relations it maintains with its different publics, including clients, shareholders and the communities in which it operates. In fact, this distinctive culture was recognized in 2011 by Waterstone Human Capital under the banner of the *Canada's 10 Most Admired Corporate Cultures* program in the Québec and Atlantic region category.



# STATION CARRIÈRE





2011 Guy-Vanier Award recipients

## EMPLOYEE ENGAGEMENT A TOP PRIORITY

### THE MONTH OF EXTRAORDINARY EMPLOYEES AND THE FLAME OF RECOGNITION

Two new employee recognition programs were initiated during 2011 in response to recommendations formulated by two committees made up of employees and managers. The Month of Extraordinary Employees was marked by a series of original celebrations organized at branches and within groups across the organization. For its part, the Flame of Recognition was designed to recognize the everyday actions and efforts of employees. Via this particular program, employees are provided with the means to underline the support of their colleagues whose excellent performance, positive attitude and valuable gestures make them stand apart.

### THE *IMPACT* PROGRAM

The *Impact* program encompasses all of the Bank's initiatives aimed at enhancing the employee experience. In other words, it focuses on all the elements that contribute to making working at Laurentian Bank gratifying and engaging. Under the banner of this program, more than 140 solutions proposed by 24 committees created at the start of the year were presented to management committees. Approximately 35% of these recommendations have already been or are in the process of being implemented.

## RECOGNITION THAT IS MAKING A DIFFERENCE

The Bank continued to honour employees who demonstrate exceptional performance in carrying out their professional activities with the Guy-Vanier Award, who underlines the exceptional contribution of employees who serve as excellent ambassadors for the Bank and who inspire their colleagues on a daily basis with their dedication and stimulating attitude, and the Ray McManus Award, which underlines collective success. This distinction is intended to reward the work of a project or a team that, through their concerted efforts, have distinguished themselves with the execution of a major project that has a direct impact on the Bank's results and development. It is important to note that it is the colleagues of award recipients who submit their candidacies and that the subsequent winners are chosen by a selection committee. Each year, the recipients of these awards gain considerable visibility within the organization. For example, their photos are published in our Annual Report, meeting rooms are named after them, and they are the focus of numerous capsules in our internal communications vehicles.

## ACTIONS IN SUPPORT OF THE BANK'S GROWTH

### LAURENTIAN BANK CAREER STATION

At the beginning of fiscal 2011, the Bank inaugurated a permanent recruitment centre in the Berri-UQÀM Métro station known as the Laurentian Bank Career Station, and in so doing, marked a first in the Canadian banking industry. With the institution requiring an increasing number of resources to successfully conduct its activities, our recruiters can make use of Career Station as a venue for meeting potential candidates at all times. Staffed by a team of some 30 employees, this veritable job store has been designed not only to attract new talent, but also to offer a complete range of transactional services for the clients.

Over the past several months, the Bank participated in 13 career events across Québec in order to spark the interest of potential candidates. In addition, the organization took part in the Monster virtual job fair, a unique event that was attended by more than 15,000 individual online. The Bank also organized a two-day job fair at Career Station in order to recruit some 100 candidates for specific positions within its branch network and other sectors.

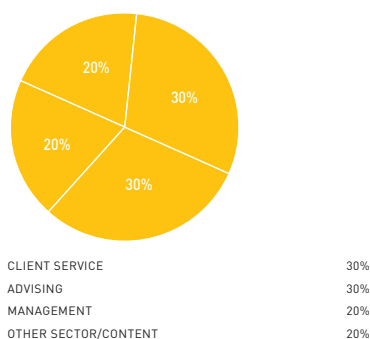
## LAURENTIAN BANK ACADEMY: AN ENLIGHTENING AND INNOVATIVE CONCEPT

The organization's training programs are offered, in large part, under the banner of the Laurentian Bank Academy. A unique training centre providing instructional activities aimed at helping employees achieve their full potential, the Academy applies an integrated approach to the development of human capital. Through this multidisciplinary facility, the Bank has successfully established a culture and common language that serve to reinforce its actions.

The Academy demonstrates its innovativeness by eliminating barriers and using non-traditional knowledge transmission methods to better adapt to the changing needs of its clientele. In 2011, 50,000 hours of training were dispensed within the Academy's facilities.

In recognition of the value of training activities for the optimization of the skills and aptitudes of its resources, Laurentian Bank's total investments in competency development during 2011 exceeded the targets outlined in Bill 90.

**BREAKDOWN OF THE 50,000 HOURS OF TRAINING OFFERED IN 2011**  
(as a percentage)



The Academy also instituted or pursued numerous programs during the course of the year, including:

- *Leaders in Action*, to train managers about their role and its impact on their immediate teams, thus promoting their leadership.
- *Profession: Banker*, to facilitate the integration of new branch network employees into their jobs and enable them to evolve within the Bank.
- *Change Management*, to sensitize the Bank's various teams to the impact that projects can have on the organization and its employees.

Moreover, numerous integration programs for new employees were developed within specific sectors last year and adapted to the particular positions being filled.

- *B2B Trust*: Every new employee takes part in a day-long session to get familiarized with the facilities and to be introduced to the organization and its strategic directions. The employee then participates in the Onboarding program, which involves 2-5 weeks of training adapted to the position occupied. Through this training, employees get to learn all about their specific tasks and how to successfully accomplish them.

- *SME and National Accounts*: New employees take part in a program that pairs them with a mentor to support them in carrying out their functions. The program duration varies depending on the position and is adapted to the particular realities of the sector the employee has joined.

The organization also has the support of a working committee made up jointly of union and Bank representatives. This committee meets periodically to address matters related to training.

Performance management at Laurentian Bank falls under the banner of the *Performance Driven* program implemented in 2007. By working to ensure that each employee's objectives are well aligned with its priorities and goals, the Bank helps assure that every individual is constantly focusing on what is of greatest importance to the organization.

This past year saw the Bank introduce a new component to its *Performance Driven* program — the Personal Development Plan (PDP). The PDP is designed to clearly identify the specific responsibilities of the employee, his/her manager, and of the Human Resources team so as to be able to offer each individual personalized support and the means to meet their development requirements.

## EQUITY: A FUNDAMENTAL PRINCIPLE

Equity is a principle that the Bank puts into practice in each and every one of its activities. In so doing, we promote the proactive management of human resources in accordance with today's realities, and we act in the belief that diversity constitutes not only an added value within the organization, but also a key to boosting our competitiveness. Ultimately, our goal is to ensure that all employees enjoy equal access to opportunities. We also invest considerable energy in recruitment, training and development, and adaptation measures so that no one is denied an employment opportunity for any reason unrelated to their competence.

In 2011, 0.4% of the Bank's workforce was comprised of First Nations people, 0.6% of individuals with physical disabilities, and 14% of members of visible minorities. The Bank also conducts periodic statistical assessments of diversity in the workforce. An employment equity committee comprised of union representatives and non-unionized employees meet from time to time to discuss these questions.

## THE IMPORTANCE OF OUR HUMAN CAPITAL

An organization distinguished by its human dimension, Laurentian Bank offers its employees the chance to become engaged and actively participate in its development projects. In that regard, we firmly believe that it is by recognizing and nurturing the strengths of our personnel that we will continue to stand apart in the eyes of our clientele.

Laurentian Bank is also a strong advocate of women in the workplace. In fact, women make up 70% of the institution's workforce and hold more than half of all management positions. Furthermore, five of the Bank's 13 Board members are female. This proportion of close to 40% constitutes the strongest female representation on any Board in the Canadian banking sector.

Operating within an industry that relies heavily on the best knowledge and skills, we offer competitive compensation packages and a comprehensive array of employee benefits, including:

- attractive holiday and vacation privileges
- group insurance adapted to the specific family situations of employees
- variable pension and retirement saving plans
- a program that covers the costs of membership at a sports complex;
- advantageous credit rates on loans and the Laurentian Bank VISA credit card, as well as a reduced rate on banking transactions

However, conditions may vary depending on the employee's status.

In addition, we make various complementary programs available to our personnel, such as a stock purchase plan, recognition programs, and the opportunity to receive annual free flu vaccinations as part of our commitment to preventing the risks of contamination.

Furthermore, the Bank offers a special support program in order to assist employees experiencing difficulties that could have a negative impact on their personal or professional life. This program provides specific help in the form of social or psychological counselling for a range of different problems, including drug addiction and other dependencies.

Despite its size, the organization features a streamlined hierarchical structure that promotes proximity between employees and managers. Moreover, the Bank's corporate culture encourages the assignment of responsibility and empowerment of its personnel, along with their career advancement. We continuously measure the turnover rate per sector and position in order to be able to implement initiatives like the optimization of working hours that promote stability. We also regularly compile statistics on employment diversity, and we have an employment equity committee in place that meets periodically to discuss these matters.

## **PARTNERING WITH THE UNION**

For Bank management, the union constitutes a valuable partner in the development of human capital.

The union represents some 2,440 employees, or 62% of our workforce, including permanent, part-time and temporary employees. We are continuing to work in close collaboration with union representatives. For example, the Complicity program, offered exclusively to the 600,000 members of the FTQ and their families, was born out of the spirit of close collaboration between our two organizations to develop an initiative that meets the expectations and needs expressed by members of the union.

## **WORK PRACTICES**

In accordance with the collective agreement, the Bank is committed to providing the union with a 120-day advance notice of any pending technological changes. In the case of an organizational change, the union receives a 30-day notice. In the area of occupational health and safety, the Bank has an orientation committee in place.

With regard to occupational health and safety, the Bank has formed a policy committee along with local committees so that all establishments of 20 employees and more can benefit from this structure. The organization is firmly committed to respecting its obligations aimed at assuring the health, safety and hygiene of its personnel during working hours. Moreover, the collective agreement calls for the Bank and the union to collaborate in order to promote the personal and professional well-being of employees.

## **A WORKPLACE THAT PROMOTES A SENSE OF WELL-BEING AND FULFILLMENT**

Encompassing up to 3,700 employees working at different locations across Canada, Laurentian Bank affords great importance to ensuring that its workplaces foster the effectiveness, performance and well-being of all personnel. In that regard, the ergonomics of work areas is an important preoccupation, and a total of 70 ergonomic assessments were conducted in 2011, a number of which resulted in the modification of furnishings.

Bank management also promotes open and constructive employee relations. To that end, the organization has instituted the Management Tour under the banner of which the CEO and the members of the Management Committee visit different regions and sectors to meet with employees, talk to and encourage them, and answer any questions they may have. By making themselves accessible in this manner, the Bank's most senior officers help engage and foster a sense of value and pride that is greatly appreciated by employees. During the 2011 tour, some 2,300 employees (two-thirds of the workforce) had the opportunity to dialogue with the executives.

On a related front, Laurentian Bank strives to instil and promote a spirit of volunteerism among its personnel. In that regard, and in line with our value of entrepreneurship, we encourage employees in various ways to get actively involved in their communities, including by offering them our financial support.

# SUPPORTING COMMUNITY ORGANIZATIONS: A LONGSTANDING TRADITION

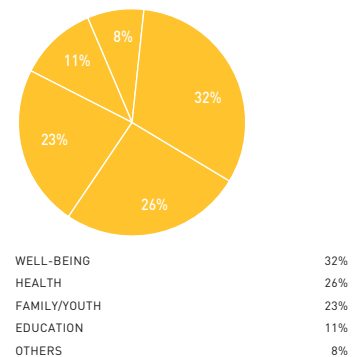
We are committed to...  
being an integral part of the communities in which we operate and to actively participating in their socioeconomic life by offering the financial products and services needed by individuals and businesses, as well as by thinking globally and acting locally as a socially responsible corporate citizen.

Established during the second half of the 19th century in the working class neighbourhoods of Montréal, where the promotion of saving was essentially at the heart of its mission, Laurentian Bank has always had its sights set on more than just the financial interests of its clients. Committed to proximity and attachment to its milieu, the Bank has contributed significantly to the socio-economic development of the communities in which it has progressively initiated operations. Today, the organization allocates close to \$2 million in support of over 200 organizations across Québec, including nearly \$700,000 in the form of donations. The Bank concentrates its actions in a certain number of sectors, its priorities being to contribute to the future of young people and families, to build a healthy society, to encourage mutual aid, and to involve its employees in their respective communities.

It is in this spirit that Laurentian Bank created its Little Heroes Club three years ago to serve as an umbrella for the majority of its endeavours in the areas of donations, sponsorship and social involvement for the benefit of children and their parents. This approach reflects the Bank's dedication to showing its support and to forging close ties with its prime client group — families.

More specifically, through its active participation in special events with which the Bank is associated, such as soccer leagues, celebrations and festivities across Québec, and family and youth-oriented cultural events, the Little Heroes Club encourages youngsters to get involved in their communities' sports, cultural and artistic activities. In 2011, supported by some 50 employees proud to participate in these family gatherings within their communities, the Little Heroes Club was on hand at close to 30 different events.

**BREAKDOWN OF DONATIONS MADE IN 2011**  
(as a percentage)







### PROMOTING SPORTS AMONG YOUTH

Soccer remains the preferred sport for sponsorship by Laurentian Bank, with close to 40 organizations representing more than 40,000 young players having benefited from the institution's support in 2011. These leagues, clubs and associations are scattered across Québec, and dozens of branch network employees are honoured to be involved with soccer events in a variety of ways throughout the summer season.



For their part, alpine skiing enthusiasts also receive considerable support from Laurentian Bank. For example, 7,000 young skiers have benefited from Bank sponsorships with Ski Québec Alpin. This partnership is aimed at promoting the development of downhill skiing across the province, while offering direct support to organizations in regions where competitions are held. Some 30 Laurentian Bank K2 circuit competitions have been the beneficiaries of employee involvement throughout Québec, as has the Québec City Carnival Challenge for children aged 5 to 10.



### SIGHTS SET ON SUSTAINABLE DEVELOPMENT

Dedicated essentially to activities and events involving families, the Bank offers tangible support to responsible organizations not only from a financial standpoint, but also by adding its institutional touch to help enhance these gatherings to the delight of thousands of individuals each year. For instance, the organization is particularly pleased to have been associated with the International Balloon Festival of Saint-Jean-sur-Richelieu for the past five years. In 2011, this Festival ranked among the top 10 events certified under the banner of Québec's Responsible Event Management standard sanctioned by the Québec Standards Bureau, which sets specific requirements with respect to sustainable development.

The Bank also renewed its mandate in 2011 as official presenter of the *In Town Without My Car* event organized by the Agence métropolitaine de transport. Among the various activities it held in conjunction with this event, the Bank distributed more than 2,500 small rose bush shoots to passersby to enable them to enhance their urban environment. In addition, the organization held a contest to thank the population for using public transit, with AMT annual and monthly passes to be won.



Photo: Rachel Bussières



Children Now Ecology Days



Ride for Juvenile Diabetes event

## BRINGING CULTURE TO YOUNG PEOPLE

Laurentian Bank is very interested in developing an appreciation of culture among young people and has been devoted to doing so in tangible ways for the past several years now. For example, 2011 marked the 11<sup>th</sup> year that the Bank has served as a season sponsor of the Maison Théâtre, a cultural crossroads in downtown Montréal that, for the past 28 years, has been presenting works by up-and-coming and renowned playwrights to young audiences. The Bank's commitment to the cultural and artistic awakening of youth is perfectly aligned with its dedication to maintaining close ties to young families, which constitute its prime clientele.

In 2011, the organization also pursued the partnership it established with the Musée de la Civilisation de Québec by sponsoring the *Il était une fois...* permanent creative workshop inspired by fairytales of all kinds. The workshop is geared primarily to children between the ages of 3 and 10 and the adults accompanying them.

## EDUCATION AND DEVELOPMENT OF YOUNG PEOPLE

The education and development of young people are key priorities within the Bank's giving and sponsorship policy. Among the numerous organizations that were once again the beneficiaries of Laurentian Bank's support in 2011 are the following:

- Concordia University Foundation
- Fondation des Gouverneurs de l'Espoir
- Fondation du Centre jeunesse de Montréal
- Fondation Émile-Z.-Lavolette
- McGill University's Desautels Faculty of Management
- Duke of Edinburgh's Award
- John Molson School of Business Foundation
- UQAM Foundation

## HEALTH

As health remains an issue of great concern for the population, the Bank offers financial and other forms of support to a number of hospitals, medical centres and organizations involved in the health sector to help them fulfill their respective missions. These include:

- Fondation de la Cité de la Santé
- Fondation de l'Hôpital régional de St-Jérôme
- Fondation du Centre de santé et de services sociaux de Gatineau

- Fondation du Centre hospitalier de l'Université de Montréal
- Fondation du Centre hospitalier universitaire de Québec
- Montréal Children's Hospital Foundation
- Montréal Heart Institute Foundation
- Sainte-Justine Hospital Foundation

## EMPLOYEES COMMITTED TO THEIR COMMUNITIES

Laurentian Bank strongly encourages its employees to contribute to the well-being of society. As such, we have instituted an employee involvement program through which we favour donations to organizations that our personnel are actively committed to helping. Launched in 2008, this program is aimed at prompting our employees to give back to the communities in which the Bank operates, and their level of participation is constantly growing. In 2011, close to \$40,000 was contributed in the form of donations to causes supported by Bank personnel across Québec.

This past year, for example, a record number of employees took part enthusiastically in the *Ride for Diabetes* event organized by the Juvenile Diabetes Research Foundation. In fact, some 80 Bank employees pedalled for the cause.



Fondation Marie-Vincent benefit evening



Laurentian Bank Health Challenge

In September, our President and CEO, Réjean Robitaille, served as Honorary President of the Laurentian Bank benefit evening in aid of the Fondation Marie-Vincent, which is dedicated to helping children under the age of 12 who have been ill-treated, particularly those who have been the victims of sexual abuse. Marking their third year of participation in this event, Bank employees at 49 Montréal area local market branches were actively involved in the sale of tickets to the benefit, as well as in the organization of various different activities. A record sum of \$100,000 was raised, significantly exceeding the original target of \$75,000.

During the last OLO benefit lunch, which was presided over by Luc Bernard, the Bank's Executive Vice-President of Retail and SME-Québec, a record \$138,000 was raised in aid of the OLO Foundation. The mission of this organization is to offer disadvantaged pregnant women an egg, a litre of milk, a glass of orange juice, and a vitamin and mineral supplement free of charge each day.

In October, the Bank held its third Health Challenge in Saint-Jérôme. This latest edition was focused, in particular, on prevention and on the promotion of health among children. A number

of Laurentians local market employees and clients got actively involved and helped to raise a total of \$21,000 in aid of three organizations in the region.

Numerous business leaders also gathered once again at Café Ferreira in downtown Montréal to take part in the 10<sup>th</sup> Executives' Gala, a benefit event that raised more than \$90,000 for the Fondation Marie-Vincent and the Sainte-Justine Children's Hospital Foundation. Mr. Robitaille was on hand as cook for the evening.

Proud of its status as *Friend of the Media's Big Food Drive* for the past eight years, the Bank once again encouraged its personnel to show their support of this worthy cause. Heading the call, more than 1,000 employees took part in organizing fundraising activities at our branches, business centres and corporate offices, as well as some 70 street collections across Québec.

Finally, as part of its internal solicitation campaign for the annual United Way/Centraide fundraising effort, the Bank personnel raised a total of \$252,000 in 2011.



Executives' Gala at Café Ferreira



The Media's Big Food Drive

# INITIATIVES FOCUSED ON THE ENVIRONMENT

We are committed to...  
paying particular attention to our surroundings and to being  
aware of both the financial and environmental issues confronting  
our organization.

Once again this past year, Laurentian Bank contributed to reducing the impacts of its operations on the environment, and the gains made as a result yielded far more than purely ecological benefits. In fact, best practices in this regard also generate positive spin-offs in terms of management and productivity.

The Bank has implemented a good number of initiatives over the past few years that encourage the use of sustainable transportation. For example, commuters making use of the public transport have quick and easy access to their bank accounts thanks to the 81 automated banking machines we operate in Métro and train stations and at bus terminals, thus making the public transit experience even more practical. This year, Laurentian Bank also became a principal partner in a joint Société de transport de Montréal and Université de Montréal project under the banner of the CAMPUS universal public transit program designed to benefit students by offering them further reduced rates. Thanks to concrete initiatives like these, the Bank is reinforcing its dedication to promoting public transit and to sensitizing the population to environmental issues.

## OFFICE EFFICIENCY

Given the scale and scope of its activities, the Bank produces a great quantity of corporate documents, including 65 daily reports of various kinds, 14 weekly reports, and 32 reports on a monthly basis or at other intervals.

Subsequent to a review of publication practices, these reports are now available on our Intranet site, which has allowed us to eliminate the use of paper, along with printing and delivery services. A significant number of employees and clients have now also agreed to receive their account and VISA statements electronically.

Similarly, an agreement was concluded in 2011 with Canon for the replacement of multifunction photocopiers throughout the Bank. Thanks to this initiative, we stand to reduce our energy and printing costs by 15%. Moreover, the use of recycled print cartridges is strongly encouraged in printers and fax machines, and the recommendation is being adhered to by all users.

## A RESPONSIBLE BRANCH NETWORK

Several productive initiatives have been implemented at the branch level as well. For instance, exterior signs needing to be changed at existing locations are being updated to low-voltage, long-lasting electroluminescent diode lighting systems. All new branches are systematically equipped with these systems. The interior characteristics of branches and offices are also the focus of various measures, such as the use of flooring made of recycled fibre often derived from reclaimed tires for the replacement, as well as the use of recycled paint.

For their part, all communications within the retail branch network are now made available via the Intranet in order to reduce or eliminate the transmission of printed documents. In addition, several forms used in the normal course of business have been converted into electronic format.

On a related front, the Bank's Real Estate sector was pleased to finance the construction of a number of "green" buildings this past year that met Leadership in Energy and Environmental Design (LEED) standards.

## EMPLOYING PRUDENCE AND RIGOUR IN THE GRANTING OF COMMERCIAL LOANS

The Bank exercises considerable prudence in its credit evaluation procedures by taking environmental questions into account. It applies a number of assessment policies for the awarding of credit, as well as an environmental risk management directive.

Each loan application is analyzed based on its degree of environmental risk, which can vary from high, to special risk industry, to low. In the case of a special or high risk, an evaluation is required and must be carried out by an accredited firm. In the event of a positive assessment, the firm will provide a certificate of verification of environmental compliance confirming that the enterprise in question respects all applicable environmental laws and regulations.



The Bank has also identified sectors to which it will refuse to grant commercial loans. In addition, it has distinguished enterprises that warrant a high level of prudence.

### ATTENTIVE TO EMPLOYEE OPINION

Serving as a presenter, we took advantage of the *In Town Without My Car* event to survey our employees on their eco-responsible practices in the workplace. At the same time, they were asked about practices they would like to see their employer adopt in the coming years.

One of the initiatives the survey gave rise to was the development of green articles to be posted on the Bank's Intranet. These feature reports are aimed at informing employees of the various simple gestures they can adopt to really make a difference from an environmental standpoint. There is also more general information posted concerning the environment, sustainable development and eco-responsibility.

### GREENHOUSE GAZ COMPENSATION

Laurentian Bank adopted an eco-responsible approach with respect to numerous events held during the course of the year. For example, we measured the greenhouse gas emissions generated during these events and compensated for them by planting trees in various protected regions of Québec in conjunction with the Université du Québec à Chicoutimi's Carbone Boréal project. This initiative was applied during the annual shareholder and employee meetings, as well as at events attended by the Laurentian Bank Little Heroes Club, which is involved in the majority of the organization's sponsorship activities.

### CELEBRATING TREE DAY

To mark the very first edition of National Tree Day held on September 21, Laurentian Bank organized a special initiative involving the distribution of shrubs. In conjunction with the *In Town Without My Car* event held the same week, and of which the Bank served as official presenter, 2,500 rose bush shoots were handed out by employees to passersby in downtown Montréal, the site of most of the events organized during the course of the week.

Finally, the document you are presently consulting — Laurentian Bank's Social Responsibility Report — is printed upon request only. Otherwise, the Bank makes it available online at its Web site in accordance with the principles of sustainable development.



Distributing rose bush shoots in downtown Montréal

# APPENDIX 1, 2, 3

## 1 EMPLOYEE POPULATION BY PROVINCE

As at October 31, 2011

PROVINCE	FULL-TIME	PART-TIME	TEMPORARY	TOTAL
Alberta	8	0	0	8
British Columbia	9	0	0	9
Newfoundland	1	0	0	1
Nova Scotia	2	0	0	2
Ontario	438	4	43	485
Québec	2,614	570	273	3,457
	<b>3,072</b>	<b>574</b>	<b>316</b>	<b>3,962</b>

## 2 LIST OF SUBSIDIARIES

As at October 31, 2011

CORPORATE NAME	HEAD OFFICE LOCATION	CARRYING VALUE OF VOTING SHARES OWNED BY THE BANK <sup>(1)</sup> (\$000)	PERCENTAGE OF VOTING SHARES OWNED BY THE BANK
B2B Trust	Toronto, Canada	305,904	100%
LBC Investment Management Inc. V.R. Holding Insurance Company Ltd <sup>(2)</sup>	Montréal, Canada St. James, Barbados	235,669	100%
Laurentian Trust of Canada Inc.	Montréal, Canada	86,677	100%
LBC Trust	Montréal, Canada	64,410	100%
Laurentian Bank Securities Inc.	Montréal, Canada	62,133	100%
LBC Financial Services Inc.	Montréal, Canada	6,508	100%

<sup>(1)</sup> The book value of shares with voting rights corresponds to the Bank's interest in the equity of subsidiary shareholders.

<sup>(2)</sup> V.R. Holding Insurance Company Ltd is 100% owned by LBC Investment Management Inc.

## 3 INCOME TAX AND TAX ON CAPITAL PAID IN 2011

As at October 31, 2011

IN THOUSANDS OF DOLLARS	INCOME TAX	TAX ON CAPITAL <sup>(1)</sup>	TOTAL
<b>Federal</b>	<b>5,262</b>	<b>–</b>	<b>5,262</b>
<b>Provincial</b>			
Québec	9,875	3,401	13,277
Ontario	2,702	–	2,702
Alberta	156	–	156
British Columbia	137	–	137
<b>Total-Provincial</b>	<b>12,870</b>	<b>3,401</b>	<b>16,272</b>
<b>Total-Federal and Provincial</b>	<b>18,132</b>	<b>3,401</b>	<b>21,534</b>

<sup>(1)</sup> Tax on capital includes the portion of compensation tax calculated on the capital.

# APPENDIX 4

## 4 FINANCING BY COMMERCIAL CLIENT LOAN – AMOUNTS AUTHORIZED DURING THE YEAR

As at October 31, 2011

PROVINCE		0 -\$24,999	25,000 -\$99,999	100,000 -\$249,999	250,000 -\$499,999	500,000 -\$999,999	1,000,000 -\$4,999,999	\$5,000,000 and over	Total
British Columbia	Authorized Amount		190,000	488,866	2,525,059	2,707,233	25,817,941	154,621,593	186,350,693
	Number of Clients		4	3	7	4	11	11	40
New Brunswick	Authorized Amount								0
	Number of Clients								0
Ontario	Authorized Amount	331,307	2,585,435	13,940,089	33,184,609	78,992,409	649,348,768	2,053,851,432	2,832,234,048
	Number of Clients	33	46	80	94	118	283	155	809
Québec	Authorized Amount	17,499,548	88,205,343	179,653,203	245,424,757	326,822,204	942,658,281	2,073,381,485	3,873,644,821
	Number of Clients	1,432	1,853	1,154	715	480	472	156	6,262
New-foundland	Authorized Amount							5,000,000	5,000,000
	Number of Clients							1	1
Saskatchewan	Authorized Amount		35,346	119,000					154,346
	Number of Clients		1	1					2
Alberta	Authorized Amount	26,068	150,700	300,000	1,368,002		19,100,000	28,876,895	310,821,665
	Number of Clients	2	4	2	3		6	21	38
Others	Authorized Amount		84,401			500,000			584,401
	Number of Clients		1			1			2
<b>Total</b>	<b>Authorized Amount</b>	<b>17,856,923</b>	<b>91,166,825</b>	<b>194,501,158</b>	<b>282,502,427</b>	<b>408,521,846</b>	<b>1,636,924,990</b>	<b>4,576,731,405</b>	<b>7,208,789,974</b>
	<b>Number of Clients</b>	<b>1,467</b>	<b>1,909</b>	<b>1,240</b>	<b>819</b>	<b>603</b>	<b>772</b>	<b>344</b>	<b>7,154</b>

# APPENDIX 5

## 5 POLICIES AND CODES

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Change Approval Policy

Policy Governing the Authorization of Services Supplied by External Auditors, As Well As the Hiring of Associates, Employees, Ex-Associates and Ex-Employees of External Auditors

Regulatory Risk Management Policy

Credit Policies

Employment Equity Policy

Training and Development Policy

Operation Continuity Management Policy

Collateral Security Management Policy

Performance Management Policy

Cost of Funds Transfer Pricing Management Policy

Treasury Risk Management Policy

Operational Risk Management Policy

Reputation Risk Management Policy

Professional Responsibility Risk Management Policy

Policy Governing Harassment and Violence in the Workplace

Policy Governing Insiders and Prohibited Bank Securities Operations

Policy Governing Employment Equity Adaptation Measures

Policy Governing the Nomination of External Directors

Policy Governing the General Provisions for Credit Risk

Policy Governing the Processing of Complaints and Comments Regarding Apparently Suspicious Accounting and Auditing Practices

Policy Governing the Use of External Advisors by Directors

Policy Governing the Financial Benefits on Bank Products

Policy Governing the Integrated Risk Management Framework

Policy Governing the Disclosure of Financial Information

Policy Governing the Evaluation of the Past Record of Directors and Managers

Outsourcing Risk Management Policy

Information Security Management Policy

Executive Compensation Policy

Policy Governing the Protection of Personal Information

Money Laundering and Terrorist Financing Policy

Management Policy Governing the Distribution of Gross Revenue for Regulatory Capital

Policy Governing the Evaluation of Financial Instruments

Policy Governing the Capitalization of Pension Plans

Policy Governing Capital Management and Adequacy

Policy Governing Capital Markets Employee Compensation

Complaint Management Procedure

Code of Conduct for Directors

Code of Confidentiality on the Protection of Personal Information

Code of Ethics

Code for Service Suppliers

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# APPENDIX 6

## 6 OPENED, RELOCATED AND CLOSED AUTOMATIC BANKING MACHINES

As at October 31, 2011

### OPENED

Address	City	Province	Postal Code
7499 Harley Avenue	Montréal	QC	H4B 1L5
104 Elm Avenue	Beaconsfield	QC	H9W 2E4
120 Charles-LeMoine Place (3 banking machines)	Longueuil	QC	J4K 2T4
132 Principale Street	Granby	QC	J2G 2V2
7333 Newman Boulevard	Lasalle	QC	H8N 2K3
1880 Dollard Avenue	Lasalle	QC	H8N 3G5
1500 Berri Street	Montréal	QC	H2L 4E3
265 Catherine Street	Ottawa	ON	K1R 7S5
1175 King Street East	Sherbrooke	QC	J1G 1E6
879 Principale Street	Granby	QC	J2G 2Z5
333 de la Commune West	Montréal	QC	H2Y 2E2
1201 Talbot Boulevard	Chicoutimi	QC	G7H 6N7
1360 St-Paul Boulevard	Chicoutimi	QC	G7J 3C5
3820 Harvey Boulevard	Jonquière	QC	G7X 8T5
4545 de l'Auvergne Boulevard	Neuchâtel	QC	G2C 1H7

### RELOCATED

Address	City	Province	Postal Code
From 2700 Laurier Boulevard	Québec	QC	G1V 2L8
To 2828 Laurier Boulevard, Suite 100 (2 banking machines)	Québec	QC	G1V 0B9
From 860 Saint-René Boulevard West	Gatineau	QC	J8T 8M1
To 151 Maloney Boulevard East	Gatineau	QC	J8P 1B9
From 8787 Newman Boulevard	Lasalle	QC	H8R 1Y9
To 7333 Newman Boulevard (2 banking machines)	Lasalle	QC	H8N 2K3
From 2836 Chambly Road	Longueuil	QC	J4L 1M9
To 2588 Chambly Road (2 banking machines)	Longueuil	QC	J4L 1M5

### CLOSED

Address	City	Province	Postal Code
1291 Shevchenko Boulevard (2 banking machines)	Lasalle	QC	H8N 1N8
1255 Peel Street, Suite 100	Montréal	QC	H3B 4V4

### TEMPORARILY CLOSED

Address	City	Province	Postal Code
7707 Maurice Duplessis Boulevard	Montréal	QC	H1E 3L9

## OPENED, RELOCATED AND CLOSED BRANCHES

As at October 31, 2011

### OPENED

Address	City	Province	Postal Code
85 Brien Boulevard, Suite E1A	Repentigny	QC	J6A 8B6

### RELOCATED

Address	City	Province	Postal Code
7333 Newman Boulevard	Lasalle	QC	H8N 2K3
2828 Laurier Boulevard, Suite 100	Québec	QC	G1V 0B9
2588 Chambly Road	Longueuil	QC	J4L 1M5

# PERFORMANCE INDICATORS GLOBAL REPORTING INITIATIVES (GRI)

UPON EVALUATION OF THE GRI G3 GUIDELINE APPLICATION TABLE, THIS REPORT MEETS APPLICATION LEVEL C REQUIREMENTS.

INDICATOR	DESCRIPTION	COMMENT	PAGE
<b>STRATEGY AND ANALYSIS</b>			
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	Message from the President and Chief Executive Officer	2-3
1.2	Description of key impacts, risks, and opportunities.	Message from the President and Chief Executive Officer Annual Report – Outlook and Objectives for 2012 (Page 28)	2-3
<b>ORGANIZATIONAL PROFILE</b>			
2.1	Name of the organization.	About Us	4
2.2	Primary brands, products, and/or services.	About Us	4
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	About Us Appendix 2	4 28
2.4	Location of organization's headquarters.	About Us	4
2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	About Us Appendix 2	4 28
2.6	Nature of ownership and legal form.		Inside cover
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	About Us	4
2.8	Scale of the reporting organization.	About Us	4
2.9	Significant changes during the reporting period regarding size, structure or ownership.	2011: A Rewarding Year Annual Information Form (Pages 3-4)	5
2.10	Awards received during the reporting period.	Awards and Distinctions	7
<b>REPORT PARAMETERS</b>			
3.1	Reporting period for information provided.		Inside cover
3.2	Date of the most recent previous report.	2010	
3.3	Reporting cycle.		Inside cover
3.4	Contact point for questions regarding the report or its contents.		Inside cover
3.5	Process for defining report content.		Inside cover
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).		Inside cover
3.7	State any specific limitations on the scope or boundary of the report.		Inside cover

INDICATOR	DESCRIPTION	COMMENT	PAGE
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	None	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Indicated in this report where applicable	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Indicated in this report where applicable	
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Performance Indicators	32-36
3.13	Policy and current practice with regard to seeking external assurance for the report.	No external assurance	
<b>GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Our Board of Directors: Playing a Vital Role	8
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Our Board of Directors: Playing a Vital Role	8
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Our Board of Directors: Playing a Vital Role	8
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Management Proxy Circular - Governance (Page 10)	
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Management Proxy Circular - Executive Compensation (Page 9)	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Integrity: The Cornerstone of Our Business	9-10
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	Management Proxy Circular - Information on Corporate Governance (Pages 39-40)	
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance, and the status of their implementation.	Our Mission, Values Integrity: The Cornerstone of Our Business	6 10
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence to or compliance with internationally agreed standards, codes of conduct and principles.	Appendix 5 Annual Report - Corporate Governance (Pages 122-123) Management Proxy Circular - Schedule E: Mandates and Functions (Page 50)	30

INDICATOR	DESCRIPTION	COMMENT	PAGE
4.14	List of stakeholder groups engaged by the organization.	Communicating with Our Stakeholders	11
4.15	Basis for identification and selection of stakeholders with whom to engage.	Communicating with Our Stakeholders	11
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Communicating with Our Stakeholders	11
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Communicating with Our Stakeholders <i>The Impact Program</i>	11 18
<b>ECONOMIC INDICATORS</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Supporting Organizations: A Longstanding Tradition Annual Report – Consolidated Results (Pages 30-34) Annual Report – Management’s Discussion (Pages 22-27)	22
EC3	Coverage of the organization’s defined benefit plan obligations.	The Importance of Our Human Capital	20
EC9	Understanding and describing significant indirect economic impacts, including their extent.	Supporting Organizations: A Longstanding Tradition	22
<b>ENVIRONMENTAL INDICATORS</b>			
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Initiatives Focused on the Environment	26-27
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Employing Prudence and Rigour in the Granting of Commercial Loans	26
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	No fines	
<b>LABOUR PRACTICES AND DECENT WORK</b>			
LA1	Total workforce by employment type, employment contract and region.	Appendix 1	28
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	The Importance of Our Human Capital	20
LA4	Percentage of employees covered by collective bargaining agreements.	Partnering with the Union	21
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Work Practices	21

INDICATOR	DESCRIPTION	COMMENT	PAGE
LA6	Percentage of total workforce represented in formal joint management/worker health and safety committees that help monitor and advise on occupational health and safety programs.	Work Practices	21
LA8	Education, training, counselling, prevention, and risk control programs in place to assist workforce members, their families or community members regarding serious diseases.	The Importance of Our Human Capital	20
LA9	Health and safety topics covered in formal agreements with trade unions.	Work Practices	21
LA10	Average hours of training per year, per employee, by employee category.	Laurentian Bank Academy	19
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Laurentian Bank Academy	19
LA12	Percentage of employees receiving regular performance and career development reviews.	Laurentian Bank Academy	19-20
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Equity: A Fundamental Principle	20
<b>SOCIAL PERFORMANCE: HUMAN RIGHTS AND PROCUREMENT</b>			
HR4	Total number of incidents of discrimination and actions taken.	No substantiated cases in 2011	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	No operations pose a risk	
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	No operations pose a risk	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour.	No operations pose a risk	
HR9	Total number of incidents of violations involving rights of indigenous people, and actions taken.	No substantiated cases in 2011	
<b>SOCIAL PERFORMANCE: SOCIETY</b>			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Risk Management	9
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Laurentian Bank does not contribute to political parties	

INDICATOR	DESCRIPTION	COMMENT	PAGE
<b>PRODUCT RESPONSIBILITY</b>			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Employing Prudence and Rigour in the Granting of Commercial Loans Annual Report – Environmental Risk	26
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	Communicating with Our Stakeholders Employing Prudence and Rigour in the Granting of Commercial Loans	11 26
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcome.	No substantiated cases in 2011	
<b>SECTOR SUPPLEMENT: FINANCIAL SERVICES</b>			
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Employing Prudence and Rigour in the Granting of Commercial Loans Annual Report – Environmental Risk Management (Page 56)	26
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Communicating with Our Stakeholders Employing Prudence and Rigour in the Granting of Commercial Loans	11 26
FS14	Initiatives to improve access to financial services for disadvantaged people.	Installations Designed with Accessibility in Mind	13-14
FS16	Initiatives to enhance financial literacy by type of beneficiary.	My First Home Tools (calculators) available on the Bank's Internet site	15

This 2011 Social Responsibility Report is published by Laurentian Bank's Public Affairs, Communications and Investor Relations Department in accordance with the Regulation Respecting Annual Reporting adopted on March 21, 2002, and in compliance with the requirements of the Financial Consumer Agency of Canada (FCAC). It serves as a complement to the Bank's Annual Report and presents an overview of the year's activities and accomplishments with respect to the organization's principal stakeholders — clients, employees, shareholders and communities.

The publication contains references to the Annual Report, Management Proxy Circular and Annual Information Form. These three documents offer more comprehensive information about the programs and policies mentioned and are available on the Bank's Internet site.

The present Social Responsibility Report is based on *Global Reporting Initiative* (GRI) performance indicators. An index of the indicators selected is presented on pages 32 to 36.

Unless otherwise indicated, the information contained in this document pertains to fiscal 2011 (November 1, 2010 through October 31, 2011).

An integral version of this Social Responsibility Report is available on the Bank's Internet site at [https://www.banquelaurentienne.ca/en/about\\_lbc/my\\_bank/social\\_responsibility.html](https://www.banquelaurentienne.ca/en/about_lbc/my_bank/social_responsibility.html).

Aussi disponible en français.

Please submit any comments about this document to:  
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