



LAURENTIAN
BANK

2nd Quarter 2013 CONFERENCE CALL

Réjean Robitaille, President & CEO

Michel C. Lauzon, CFO

June 5, 2013 at 2 p.m.

1-888-789-9572, Code 5680517



In this document and in other documents filed with Canadian regulatory authorities or in other communications, Laurentian Bank of Canada may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding the Bank's business plan and financial objectives. The forward-looking statements contained in this document are used to assist the Bank's security holders and financial analysts in obtaining a better understanding of the Bank's financial position and the results of operations as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Forward-looking statements typically use the conditional, as well as words such as prospects, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove to be inaccurate. Although the Bank believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct.

The Bank cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include capital market activity, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition, credit ratings, scarcity of human resources and technological environment. The Bank further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause the Bank's actual results to differ from current expectations, please also refer to the Bank's Annual Report under the title "Integrated Risk Management Framework" and other public filings available at www.sedar.com.

With respect to the anticipated benefits from the acquisitions of the MRS Companies¹ and AGF Trust Company (AGF Trust) and the Bank's statements with regards to these transactions being accretive to earnings, such factors also include, but are not limited to: the fact that synergies may not be realized in the time frame anticipated; the ability to promptly and effectively integrate the businesses; reputational risks and the reaction of B2B Bank's or MRS Companies' and AGF Trust's customers to the transactions; and diversion of management time on acquisition-related issues.

The Bank does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations.

NON-GAAP FINANCIAL MEASURES

The Bank uses both GAAP and certain non-GAAP measures to assess performance. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are unlikely to be comparable to any similar measures presented by other companies. These non-GAAP financial measures are considered useful to investors and analysts in obtaining a better understanding of the Bank's financial results and analyzing its growth and profit potential more effectively.

¹ The MRS Companies include the renamed B2B Bank Financial Services Inc., B2B Bank Securities Services Inc. and B2B Bank Intermediary Services Inc. (B2B Bank Dealer Services), as well as MRS Trust, which was amalgamated with B2B Trust (now B2B Bank) as of April 16, 2012.



- **Net income increased:** reported net income up 4% and adjusted net income up 12% year-over-year
- **Balance sheet growth continued:** loans and deposits increased by 17% and 13% respectively year-over-year
- **Strong revenue growth** up 8% year-over-year
- **Disciplined expense management**
- **Excellent credit quality** owing to our proactive strategies
- **Dividend increased** by \$0.01 to a quarterly rate of \$0.50 per share

In millions of dollars, except per share and percentage amounts

	Q2-2013	Q2-2012	Variation
FULL GAAP BASIS			
Net income	\$35.1	\$33.9	4%
Diluted EPS	\$1.10	\$1.22	-10%
ADJUSTED MEASURES *			
Net income	\$40.5	\$36.3	12%
Diluted EPS	\$1.29	\$1.31	-2%

* Excluding adjusting items, see page 24



	2013 OBJECTIVES	YTD RESULTS
Revenue growth	> 5%	9%
Adjusted efficiency ratio *	72.5% to 69.5%	71.7%
Adjusted net income *	\$145.0 M to \$165.0 M	\$81.0 M
Adjusted return on common shareholders' equity *	10.5% to 12.5%	12.2%
Common Equity Tier 1 ratio (All-in basis)	> 7.0%	7.6%

* Excluding adjusting items, see page 24

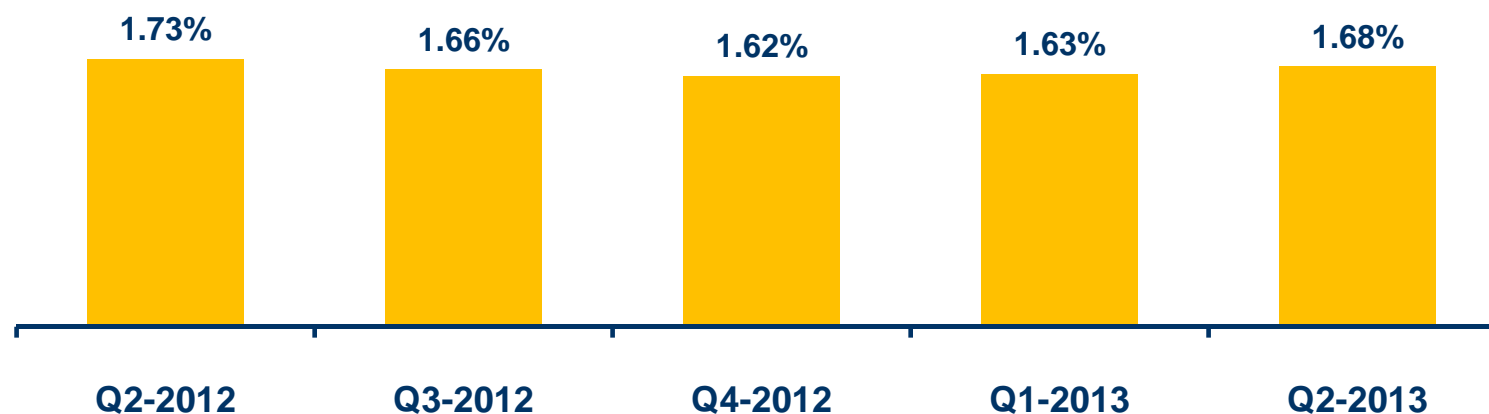


In millions of dollars, except per share and percentage amounts

	Q2-2013	Q2-2012	Variation
Net interest income	\$140.4	\$128.3	9%
Other income	74.4	70.3	6%
Total revenue	214.9	198.7	8%
Gain on acquisition and amortization of net premium on purchased financial instruments	-1.2	-	n.a.
Provision for loan losses	9.0	7.5	20%
Non-interest expenses (NIE)	159.9	147.1	9%
Income taxes	9.6	10.2	-6%
Net income	\$35.1	\$33.9	4%
Preferred share dividends	4.1	3.2	28%
Net income available to common shareholders	\$31.1	\$30.7	1%
Diluted EPS	\$1.10	\$1.22	-10%
Return on common shareholders' equity	10.3%	12.0%	-170 bps
Efficiency ratio	74.4%	74.0%	40 bps
Effective tax rate	21.5%	23.1%	-160 bps
ADJUSTED MEASURES *			
Adjusted net income	\$40.5	\$36.3	12%
Adjusted diluted EPS	\$1.29	\$1.31	-2%
Adjusted return on common shareholders' equity	12.1%	13.0%	-90 bps
NIE including AGF Trust but excluding T&I costs	\$153.7	\$143.8	7%
Adjusted efficiency ratio	71.5%	72.4%	-90 bps

* Excluding adjusting items, see page 24

Symbol: LB, TSX



➤ 5 bps decline in NIM between Q2-2012 and Q2-2013 is mainly explained by:

- -8 bps reflecting the low interest rate environment, a flatter yield curve and pricing
- -2 bps due to higher liquidity level and mix
- 5 bps from AGF Trust's higher margin loans



In millions of dollars

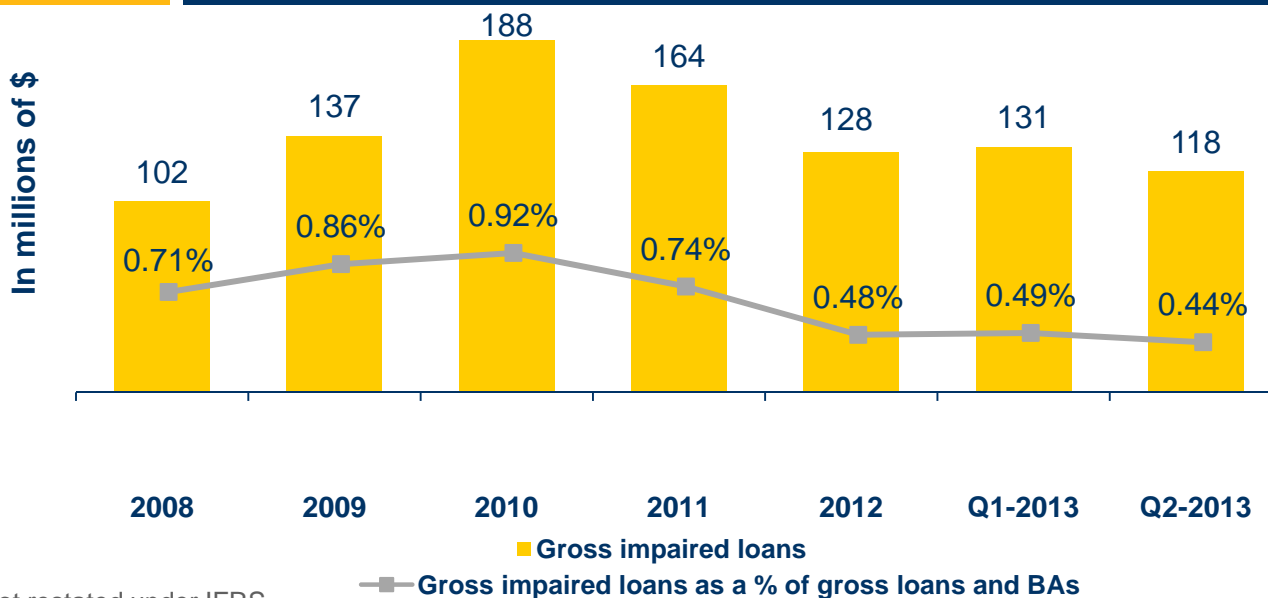
	Q2-2013	Q2-2012	Variation
Fees and commissions on loans and deposits	\$24.5	\$23.1	6%
Income from brokerage operations	14.5	14.4	1%
Investment account fees	7.9	7.6	3%
Card service revenues	7.3	6.6	10%
Income from treasury and financial market operations	4.6	5.9	-21%
Income from sales of mutual funds	5.4	4.5	21%
Credit insurance income	4.4	3.7	21%
Other income	5.8	4.7	25%
Total *	\$74.4	\$70.3	6%

* Certain totals do not add due to rounding

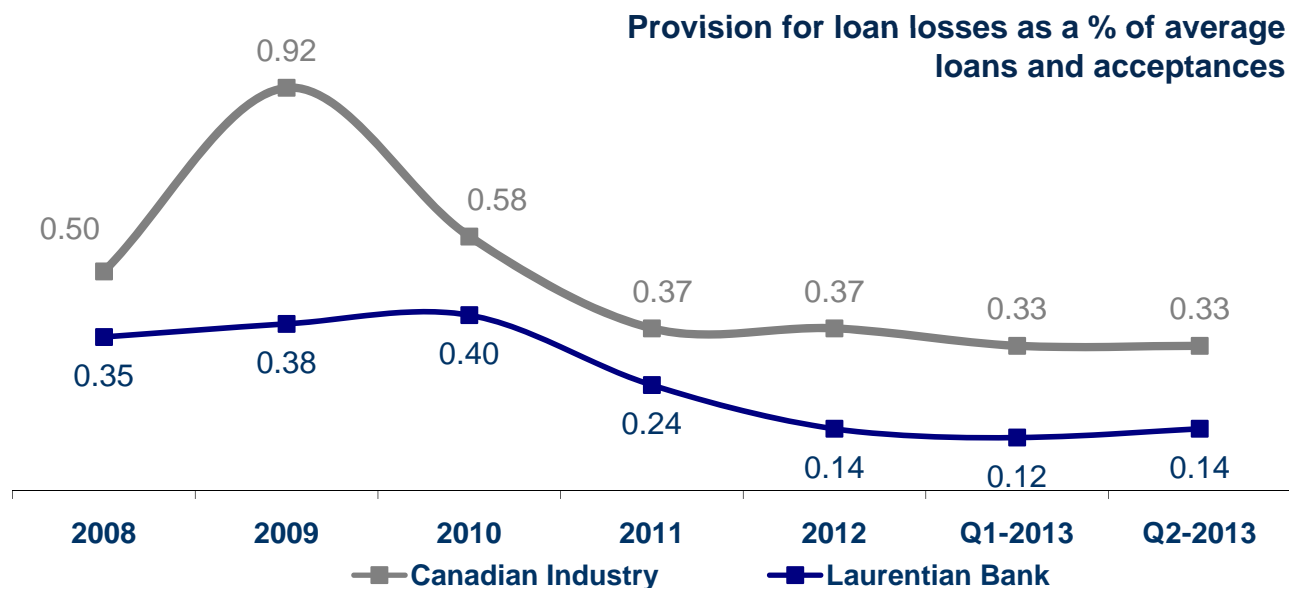


In thousands of dollars
(except percentage amounts)

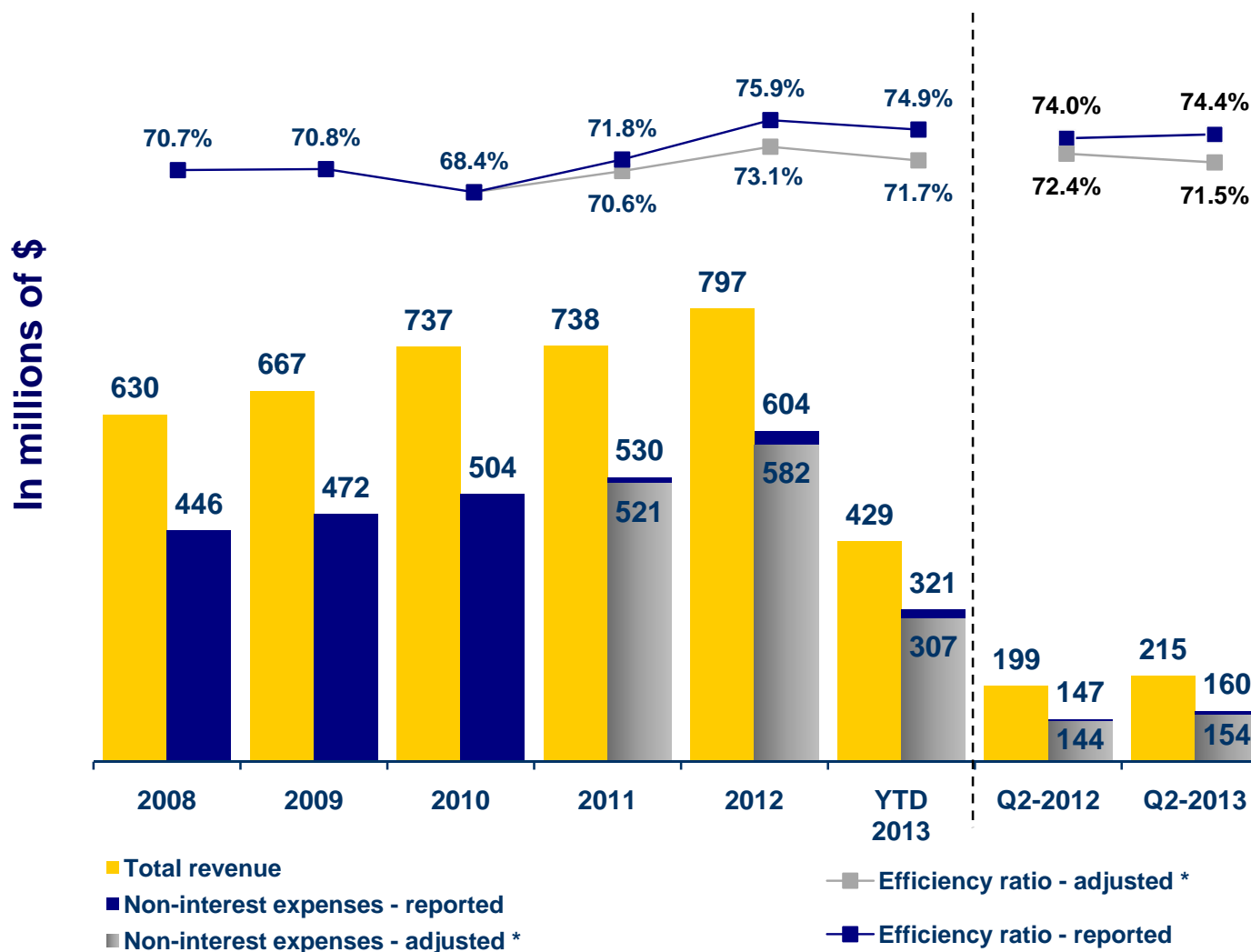
	Q2-2013	Q1-2013	Q2-2012
Personal loans	\$ 7,455	\$ 8,058	\$ 5,856
Residential mortgage loans	872	1,407	498
Commercial mortgage loans	48	1,101	2,555
Commercial loans and other	625	(2,566)	(1,409)
TOTAL	\$ 9,000	\$ 8,000	\$ 7,500
As a % of avg. loans and BAs	0.14%	0.12%	0.13%



Figures prior to 2010 not restated under IFRS



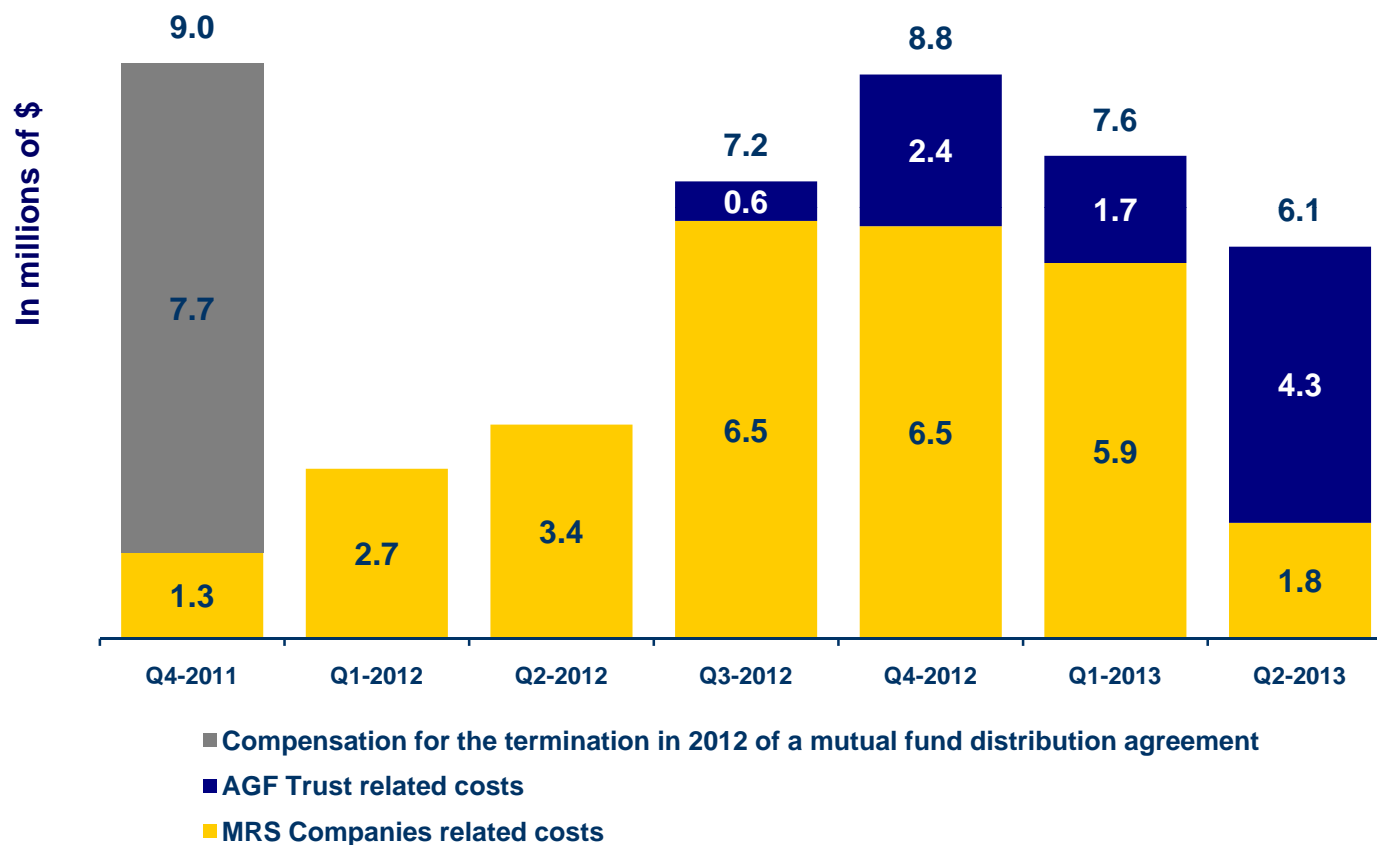
Figures prior to 2011 not restated under IFRS



* Excluding adjusting items, see page 24



TRANSACTION AND INTEGRATION COSTS





In millions of dollars

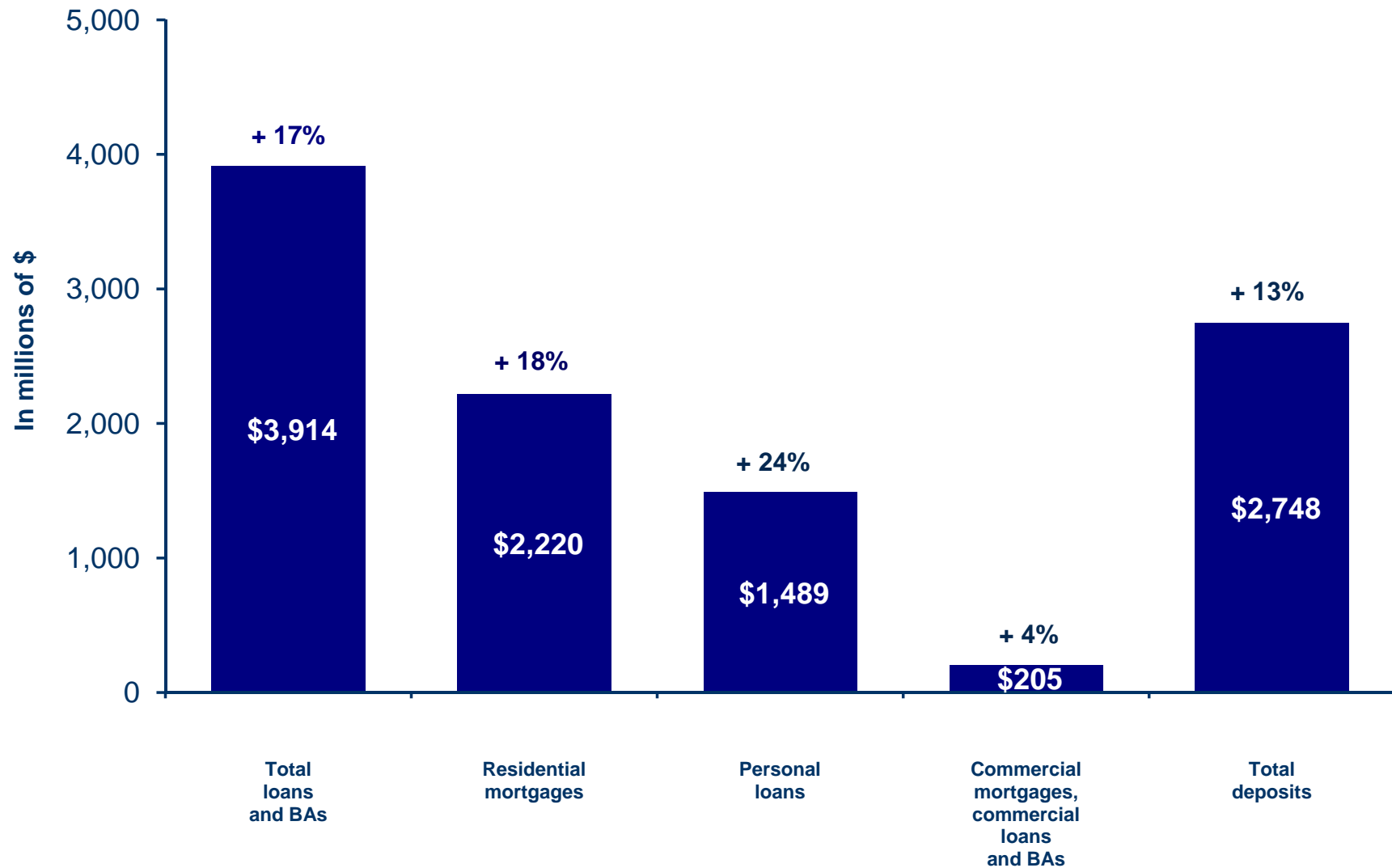
	Q2 2013	Q1 2013	Q2 2012	Q2-2013 vs Q1-2013	Q2-2013 vs Q2-2012
Non-interest expenses (NIE)	\$159.9	\$161.3	\$147.1	-1%	9%
T&I Costs*	6.1	7.6	3.4	-19%	83%
NIE excluding T&I Costs	153.7	153.8	143.8	0%	7%
AGF Trust operating expenses	7.8	9.0	-	-12%	n.m.
NIE excluding AGF Trust and T&I Costs	\$145.9	\$144.8	\$143.8	1%	1%

* T&I costs – Transaction and Integration costs



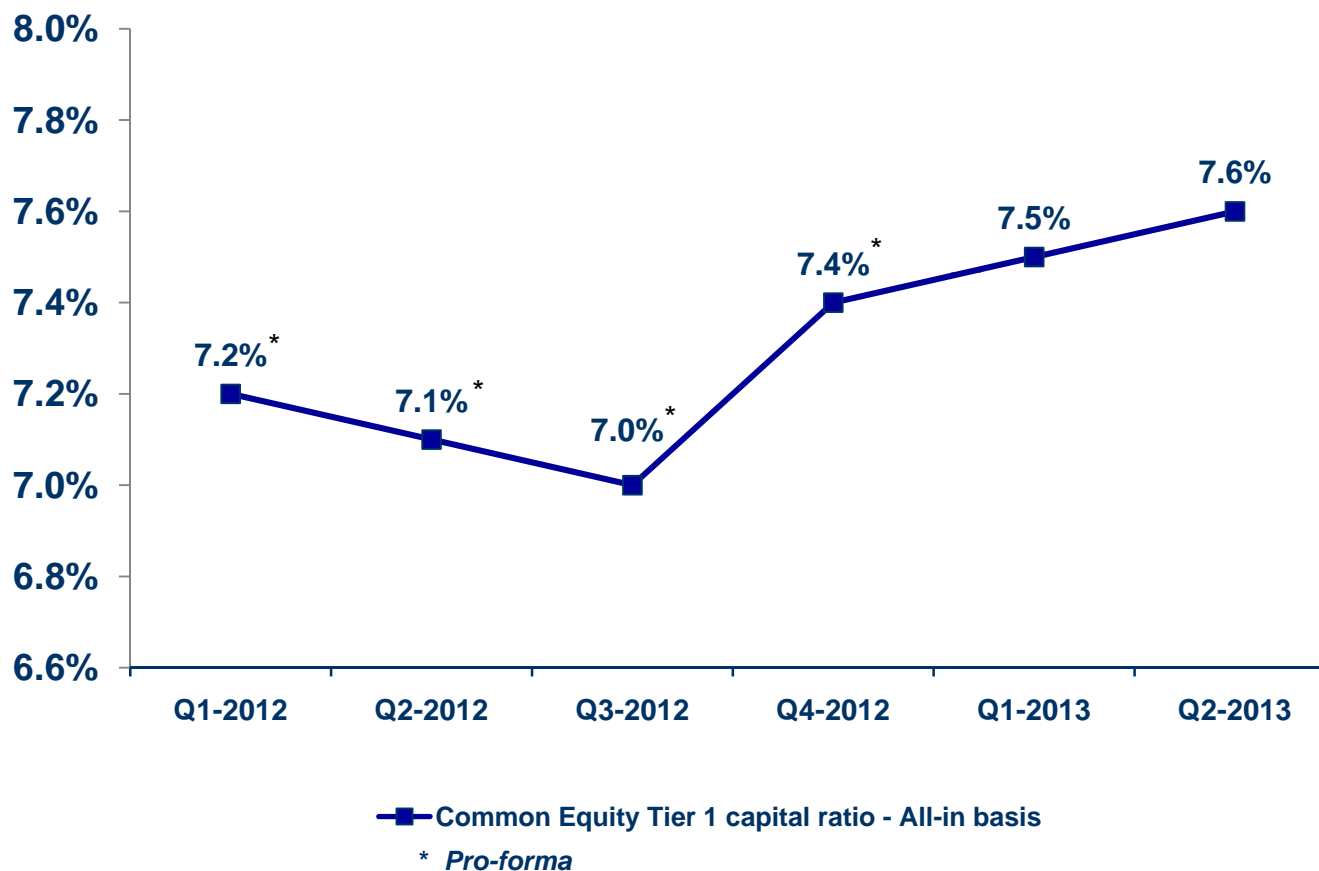
MAIN PORTFOLIO GROWTH

12-month period ended April 30, 2013





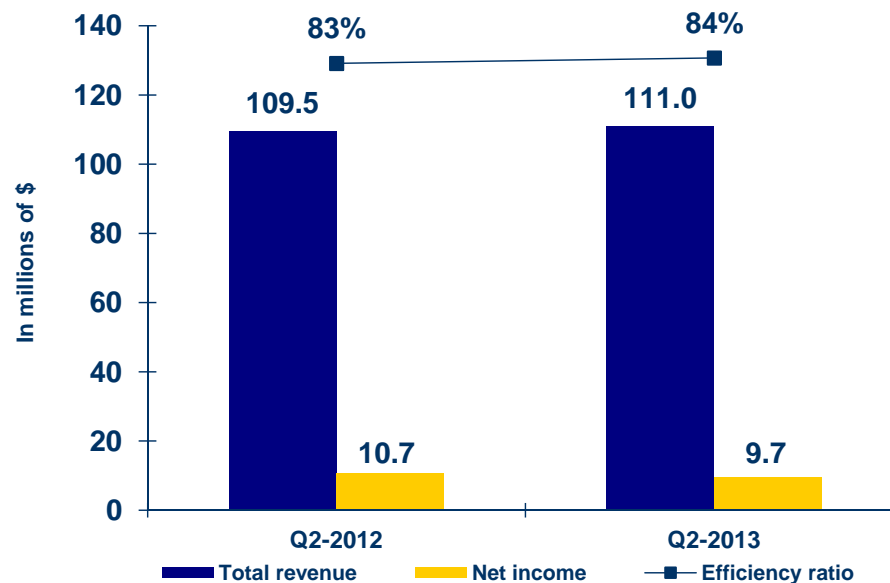
COMMON EQUITY TIER 1 CAPITAL RATIO





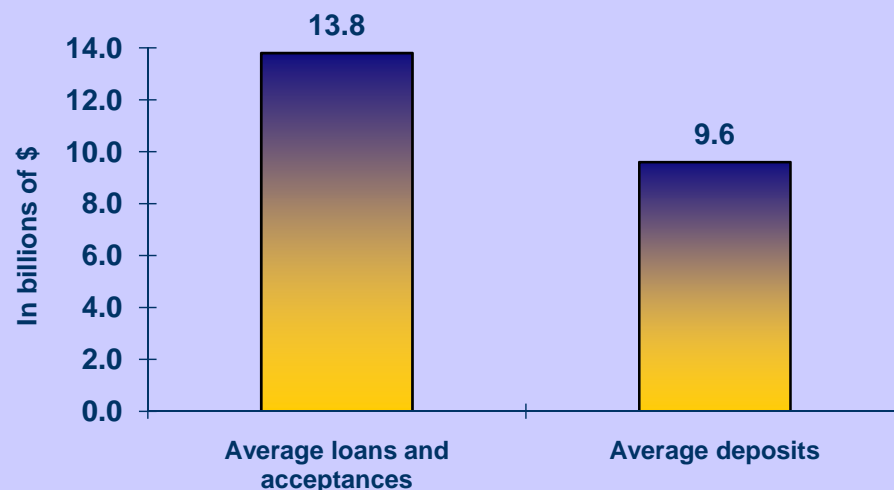
Q2-2013 Highlights

- Net income: down 9% Y/Y
- Net interest income : down 4% Y/Y: growth in loans and deposits did not fully compensate for lower NIM
- Average loan and deposit growth: 4% and 1% Y/Y
- Other income up 14%: higher income from sales of mutual funds and deposit fees
- Non-interest expenses: up 2% Y/Y
- Loan loss provision: \$5.9 M in Q2-2013 vs \$4.9 M in Q2-2012



Business Segment Profile

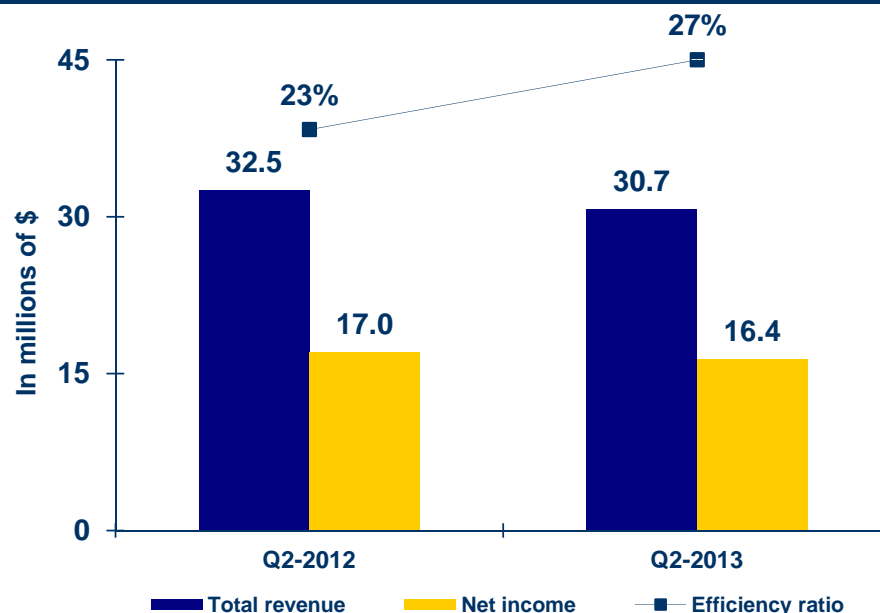
- Provides financial products and services for retail and SME in Québec
- 3rd largest branch network in Québec with 154 branches
- 423 ATMs
- 24 commercial banking centers





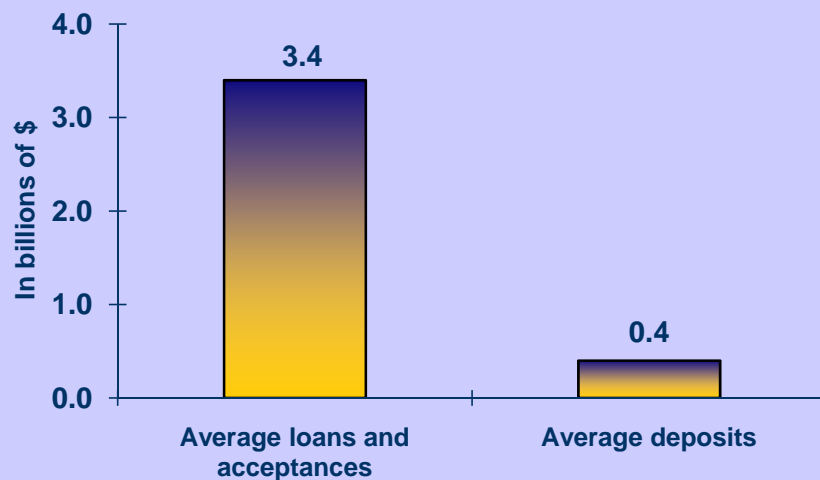
Q2-2013 Highlights

- Net income: down 3% Y/Y
- Net interest income: down \$1.9 M Y/Y due to margin compression
- Non-interest expenses: up \$0.9 M Y/Y, due to regular salary increases and higher allocated costs Y/Y
- Lower loan losses: \$(0.1) M vs \$1.8 M reflecting sound credit quality



Business Segment Profile

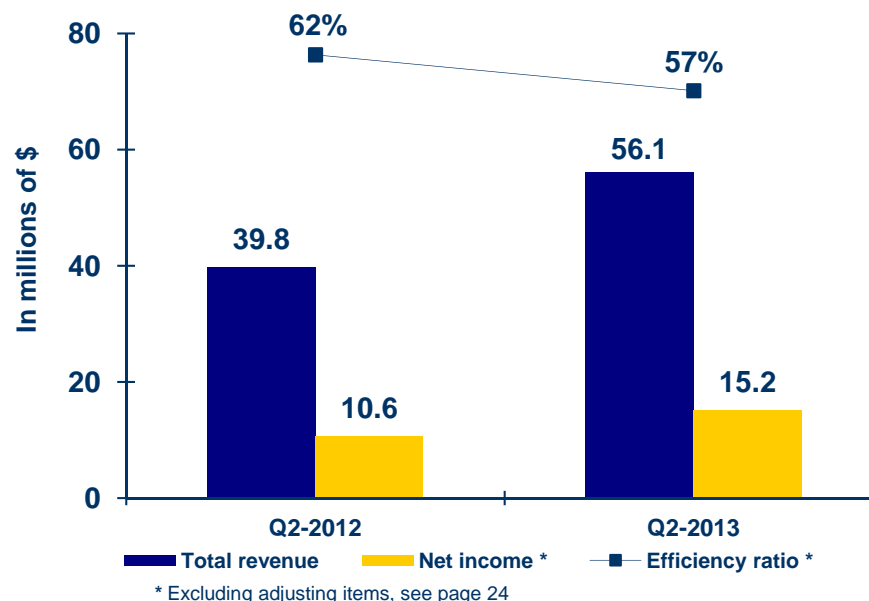
- Offers real estate financing for commercial property and commercial banking for medium-sized enterprises across Canada
- 14 real estate and commercial banking centers in B.C., Alberta, Ontario and Québec





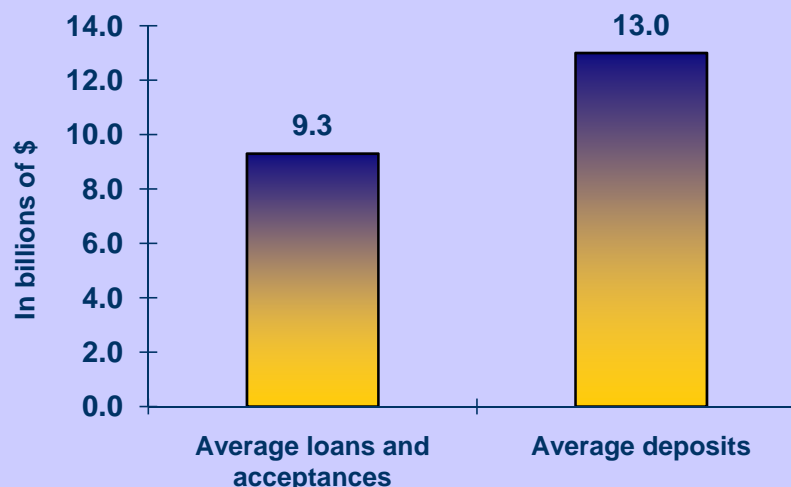
Q2-2013 Highlights

- Adjusted net income: \$15.2 M up 44%
- T&I Costs: \$6.1 M vs \$3.4 M in Q2-2012
- Total revenue: up 41% Y/Y due to AGF Trust
- Net interest income: up 54% Y/Y mainly due to AGF Trust
- Solid average loan and deposit growth: up 56% and 30% respectively Y/Y due to AGF Trust
- Other income: down 3%
- Loan losses: \$3.2 M vs \$0.9 M in Q2-2012 due to \$2.5 M provisions from AGF Trust
- Non-interest expenses excluding T&I Costs: down 1% Y/Y excluding \$7.8 M related to AGF Trust



Business Segment Profile

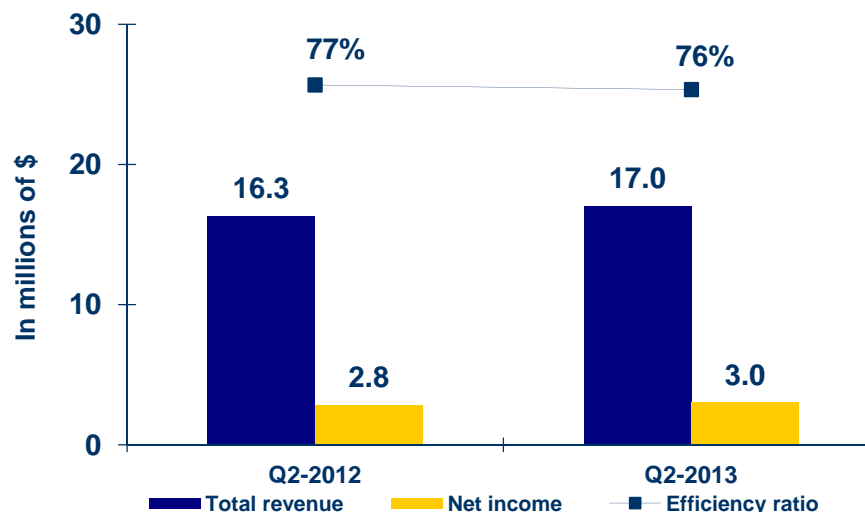
- Provides personal banking products such as investment loans, mortgages, high interest accounts, GIC's and investment accounts and services distributed through a network of financial advisors and brokers to their clients
- Canadian leader in serving the financial advisor and broker market





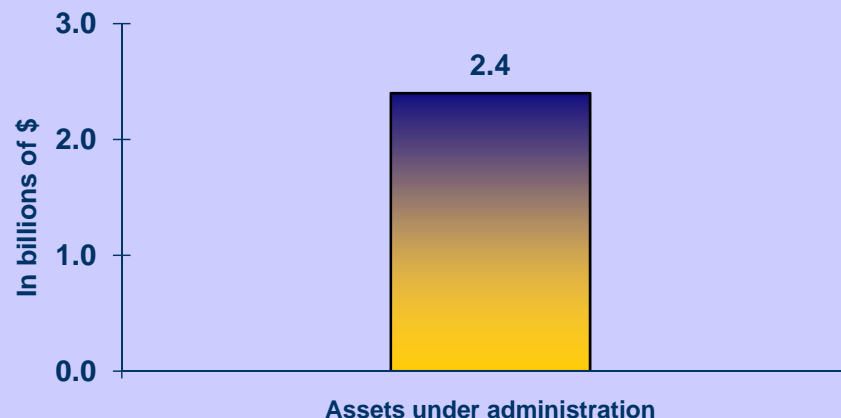
Q2-2013 Highlights

- Net income: up 7% Y/Y
- Total revenue: increased by 4% due to improved trading and retail brokerage activities
- Non-interest expenses: up \$0.4 M due to higher performance-based compensation reflecting higher market-driven income



Business Segment Profile

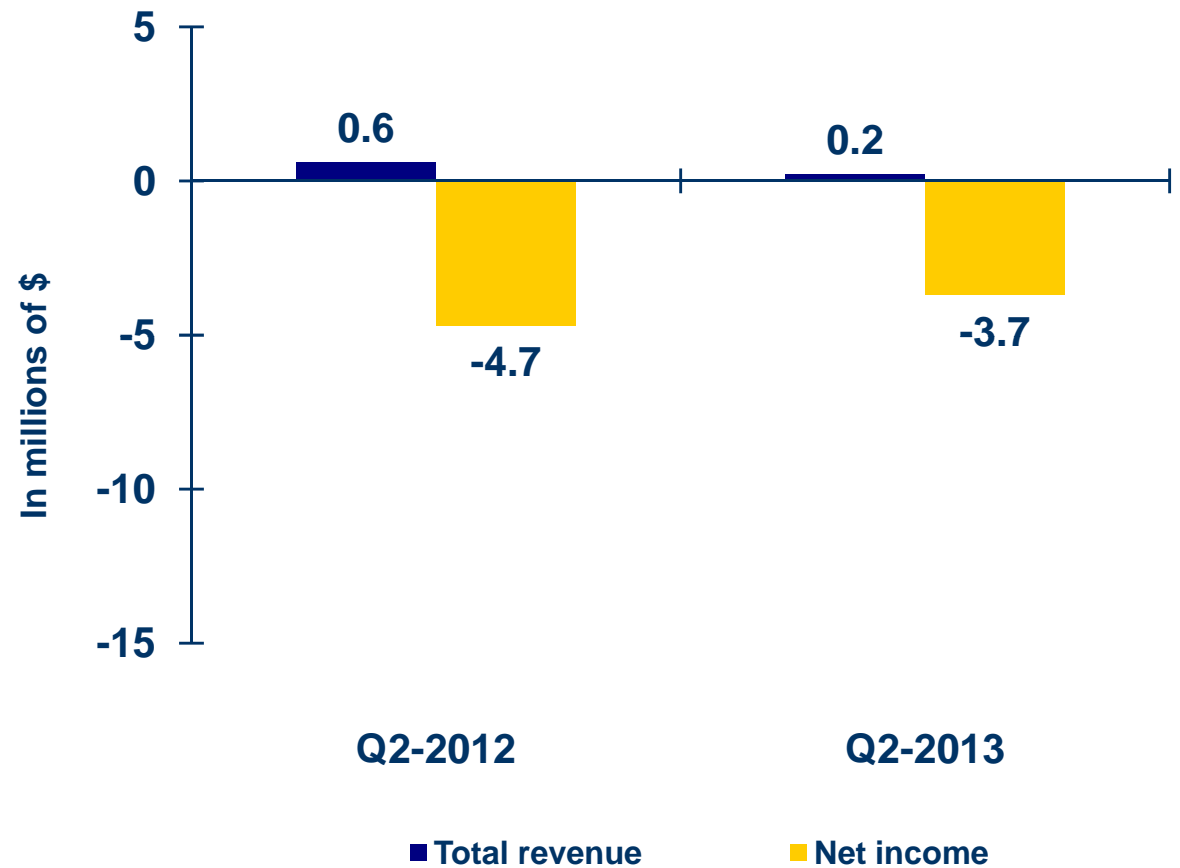
- Integrated broker serving Institutional and Retail investors
- Bank-related capital market activities
- Recognized and choice provider of Fixed Income
- 16 retail brokerage offices in Québec, Ontario and Manitoba





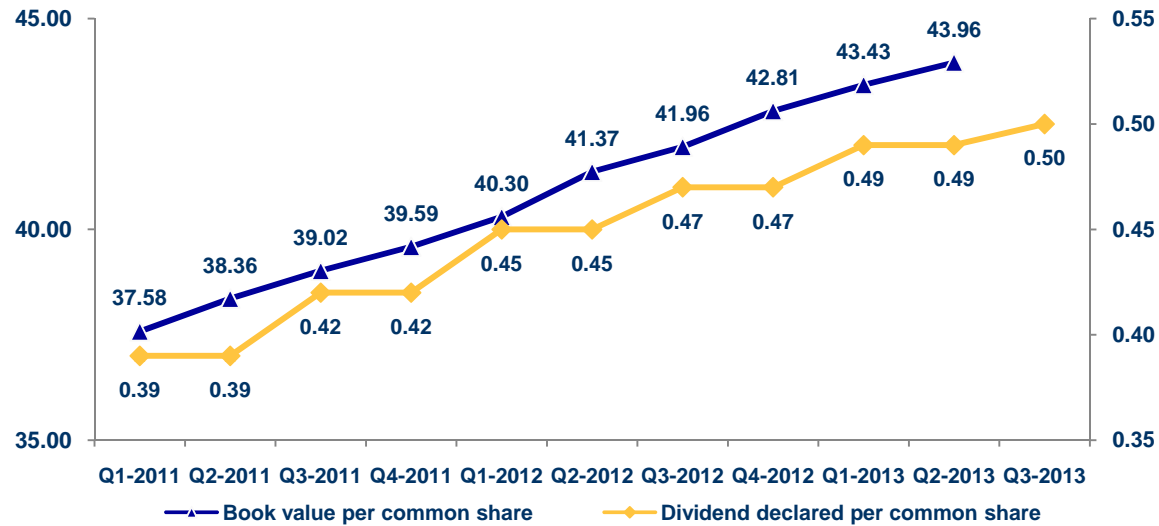
Q2-2013 Highlights

- Total revenue decreased by \$0.4 M from Q2-2012
- Non-interest expenses: decreased by \$1.2 M to \$6.8 M



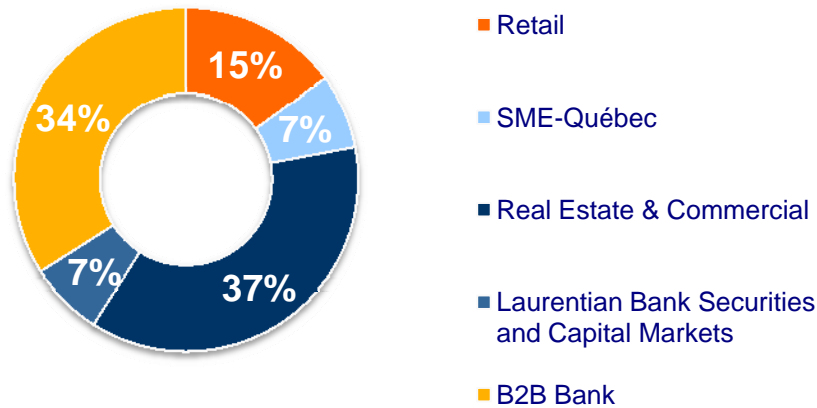


Growth in dividends and book value (\$)

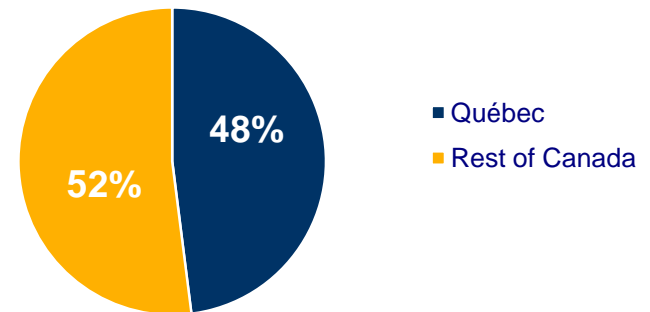


Diversification of profitability

Contribution to the Bank's net income for the period ended April 30, 2013, excluding Other segment and adjusting items



Geographic distribution of profitability





- **Réjean Robitaille**, President and Chief Executive Officer
- **Michel C. Lauzon**, Executive Vice-President and Chief Financial Officer
- **François Desjardins**, Executive Vice-President of the Bank and President and Chief Executive Officer of B2B Bank
- **Pierre Minville**, Executive Vice-President and Chief Risk Officer
- **Lorraine Pilon**, Executive Vice-President, Corporate Affairs, Human Resources and Secretary
- **Michel C. Trudeau**, Executive Vice-President, Capital Markets of the Bank, and President and Chief Executive Officer of Laurentian Bank Securities Inc.
- **Stéphane Therrien**, Executive Vice-President, Real Estate and Commercial
- **Gilles Godbout**, Executive Vice-President, Operations and Systems and Chief Information Officer
- **Louis Marquis**, Senior Vice-President, Credit
- **André Lopresti**, Vice-President and Chief Accountant
- **Gladys Caron**, Vice-President, Public Affairs, Communications and Investor Relations
- **Susan Cohen**, Director, Investor Relations

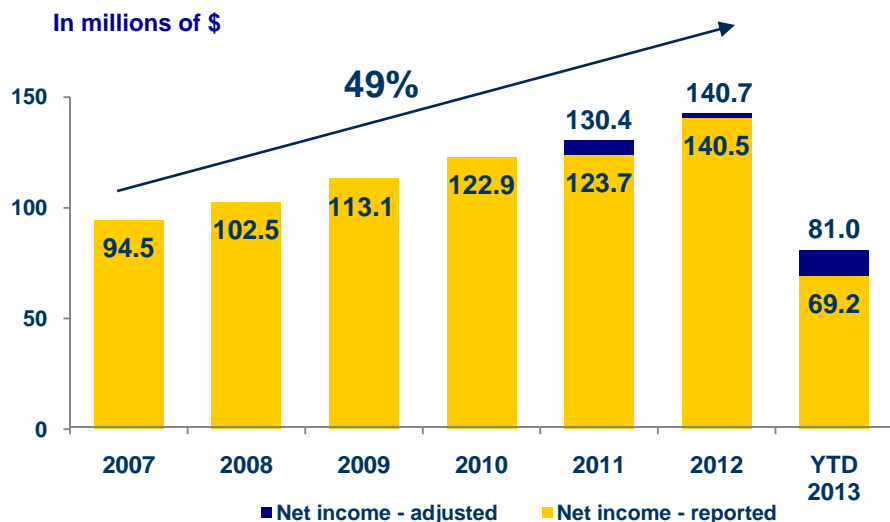


LAURENTIAN
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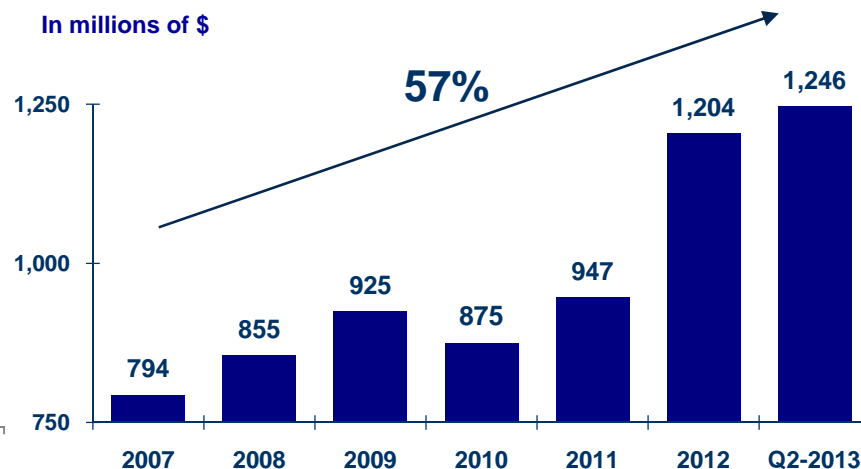
APPENDICES



Net income*

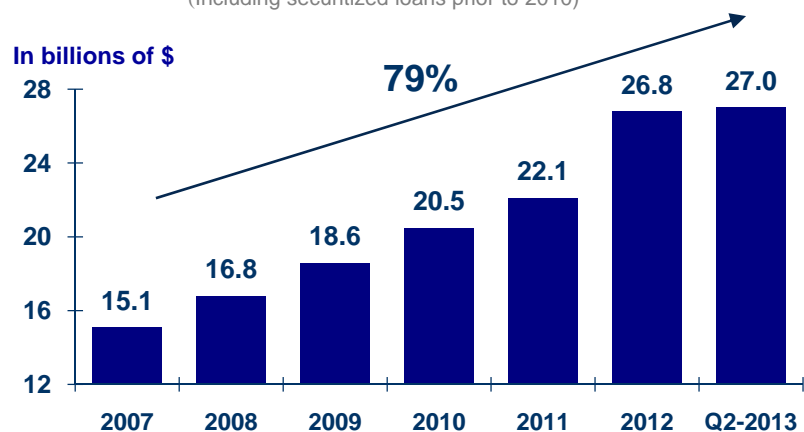


Common shareholders' equity**

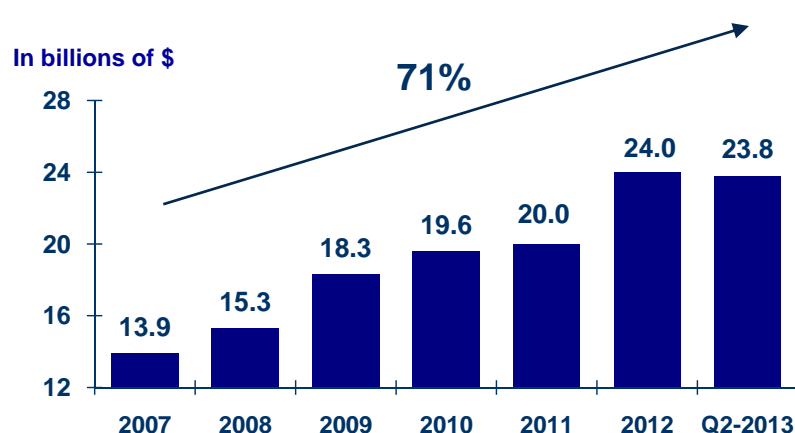


Loans and BAs**

(Including securitized loans prior to 2010)



Deposits**



* Figures prior to 2011 not restated under IFRS

** Figures prior to 2010 not restated under IFRS



In millions of dollars, except per share amounts *

Impact on net income

	Q2-2013	Q1-2013	Q2-2012
Reported net income	\$ 35.1	\$ 34.1	\$ 33.9
Adjusting items, net of income taxes			
Gain on acquisition and amortization of net premium on purchased financial instruments	0.9	0.8	-
Cost related to business combinations and other			
MRS Companies	1.3	4.3	2.4
AGF Trust	3.2	1.2	-
	<u>5.4</u>	<u>6.3</u>	<u>2.4</u>
Adjusted net income	\$ 40.5	\$ 40.4	\$ 36.3

Impact on diluted earnings per share

Reported diluted earnings per share	\$ 1.10	\$ 1.12	\$ 1.22
Adjusting items	0.19	0.22	0.10
Adjusted diluted earnings per share	\$ 1.29	\$ 1.34	\$ 1.31

* Certain totals do not add due to rounding



- **3rd largest financial institution in Québec** in terms of branches and **7th largest Canadian Schedule I chartered bank** based on assets
- **More than 240 points of service** across Canada, including **154 retail branches** and **423 ABMs**
- **\$34.5 billion of assets** on balance sheet as of April 30, 2013
- **Main markets:** Province of Québec with significant activities elsewhere in Canada (39% of total loans come from outside of Québec)
- **Over 4,200 employees**
- **Founded in 1846**



For the quarter ended April 30, 2013

Retail & SME-Québec

Real Estate & Commercial

B2B Bank

LB Securities & Capital Markets

% of total revenue ⁽¹⁾ 52%

14%

26%

8%

% of net income ⁽¹⁾⁽²⁾ 22%

37%

34%

7%

- Financial products and services for retail and SME in Québec

- Real estate financing for commercial property and commercial banking for medium-sized enterprises across Canada

- Personal banking products such as investment loans, mortgages, high interest accounts, GIC's and investment accounts and services distributed through a network of financial advisors and brokers to their clients

- Integrated broker serving Institutional and Retail investors; Bank-related capital market activities

- Approximately 2,300 employees
- 154 retail branches in Québec
- 24 commercial offices in Québec

- Approximately 140 employees
- 14 offices in Ontario, Western Canada and Québec

- Approximately 850 employees

- Approximately 250 employees
- 16 offices in Québec, Ontario and Manitoba

Balance as at April 30, 2013

- \$11.1 B in residential mortgage loans and home equity lines of credit
- \$0.4 B in personal lines of credit
- \$1.4 B in average commercial loans – SME Québec
- Total deposits: \$9.6 B
- Assets under administration \$2.4 B

- \$2.4 B in commercial mortgage loans
- \$0.7 B in commercial loans
- Total deposits: \$0.5 B

- \$4.8 B in investment and RRSP loans
- \$4.1 B in brokered mortgages
- Total deposits: \$13.1 B
- Assets under administration \$27.1 B

- Assets under administration: \$2.4 B

(1) Excluding Other segment

(2) Excluding adjusting items, see page 24



Réjean Robitaille, FCPA, FCA

President and Chief Executive Officer

President of Laurentian Bank since 2006

With Laurentian Bank since 1988

Michel C. Lauzon

**Executive Vice-President
and Chief Financial Officer**

With Laurentian Bank since 2009

and from 1988 to 1998

François Desjardins

Executive Vice-President of the Bank

**President and Chief Executive Officer of
B2B Bank**

With Laurentian Bank since 1991

Gilles Godbout

**Executive Vice-President, Operations and
Systems and Chief Information Officer**

With Laurentian Bank since May 2012

and from 1987 to 1999

Pierre Minville

Executive Vice-President, and Chief Risk Officer

With Laurentian Bank since 2000

Lorraine Pilon

Executive Vice-President

**Corporate Affairs, Human Resources, and
Secretary**

With Laurentian Bank since 1990

Stéphane Therrien

**Executive Vice-President, Real Estate and
Commercial**

With Laurentian Bank since February 2012

Michel C. Trudeau

**Executive Vice-President, Capital Markets of the
Bank and President and Chief Executive Officer of
Laurentian Bank Securities Inc.**

With Laurentian Bank since 1999



Isabelle Courville (2007)

Chairman of the Board
Laurentian Bank of Canada
Corporate Director

Pierre Anctil (2011)

President and CEO of Fiera
Axium Infrastructure Inc.

Lise Bastarache (2006)

Economist and Corporate
Director

Jean Bazin C.R. (2002)

Counsel
Fraser Milner Casgrain LLP

**Richard Bélanger,
FCPA, FCA (2003)**

President
Toryvel Group Inc.

Pierre Genest (2006)

Chairman of the Board
SSQ, Life Insurance Company
Inc.

Michel Labonté (2009)

Corporate Director

**A. Michel Lavigne,
FCPA, FCA (2013)**

Corporate Director

Jacqueline C. Orange (2008)

Corporate Director

Marie-France Poulin (2009)

Vice-President
Camanda Group

**Réjean Robitaille,
FCPA, FCA (2006)**

President and Chief Executive
Officer
Laurentian Bank of Canada

Michelle R. Savoy (2012)

Corporate Director

**Jonathan I. Wener, C.M.
(1998)**

Chairman of the Board
Canderel Management Inc.



Gladys Caron - Vice-President, Public Affairs,
Communications and Investor Relations
514-284-4500 ext. 7511

Susan Cohen - Director, Investor Relations
514-284-4500 ext. 4926