



LAURENTIAN
BANK

4th Quarter 2013 CONFERENCE CALL

Réjean Robitaille, President & CEO

Michel C. Lauzon, CFO

December 11, 2013 at 2 p.m.

1-888-789-9572, Code 7232884



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 "Risk Appetite and 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 Company² (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.

² AGF Trust was amalgamated with B2B Bank as of September 1, 2013.



- **Record net income:** on an adjusted basis up **11%** year-over-year
- **Record total revenue:** up **9%** year-over-year
- **Excellent credit quality:** continuing low loss ratio at **0.13%**
- **Solid growth in the commercial loan portfolio,** up **17%** year-over-year
- **Increasing geographic diversification :** **40%** of loans and **55%** of profitability outside of Québec
- **One-time restructuring charges of \$6.3 M** or **\$0.16** per share in the fourth quarter
- **Dividend raised by \$0.01** per share to **\$0.51**

In millions of dollars, except per share and percentage amounts

	2013	2012	Variation	Q4-2013	Q4-2012	Variation
FULL GAAP BASIS						
Net income	\$124.7	\$140.5	-11%	\$27.2	\$45.7	-41%
Diluted EPS	\$3.99	\$4.98	-20%	\$0.86	\$1.51	-43%
ADJUSTED MEASURES *						
Net income	\$156.0	\$140.7	11%	\$35.2	\$36.2	-3%
Diluted EPS	\$5.09	\$4.98	2%	\$1.14	\$1.17	-3%

* Excluding adjusting items, see page 26



	2013 OBJECTIVES	2013 RESULTS
Revenue growth	> 5%	9 %
Adjusted efficiency ratio ^{(1) (2)}	72.5% to 69.5%	72.7 %
Adjusted net income ⁽¹⁾	\$145.0 M to \$165.0 M	\$156.0 M
Adjusted return on common shareholders' equity ⁽¹⁾	10.5% to 12.5%	11.6 %
Common Equity Tier 1 ratio (All-in basis)	> 7.0%	7.6 %

(1) Excluding adjusting items, see page 26

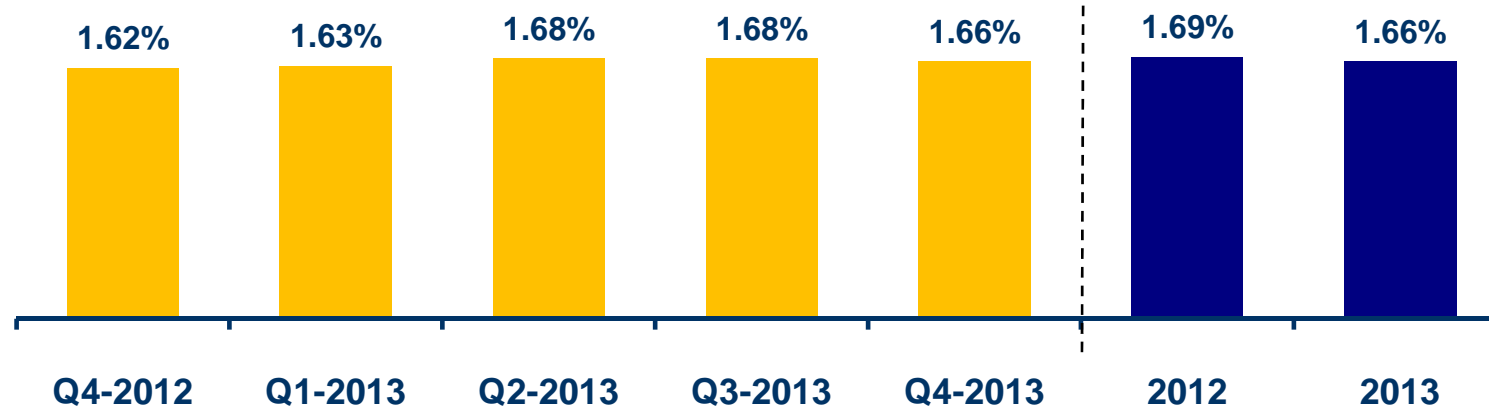
(2) When excluding one-time restructuring charges totalling \$6.3 million (\$4.6 million after income taxes), the adjusted efficiency ratio stood at 71.9%.



In millions of dollars, except per share and percentage amounts

	2013	2012	Variation
Net interest income	\$568.8	\$531.0	7%
Other income	296.6	265.6	12%
Total revenue	865.3	796.6	9%
Gain on acquisition and amortization of net premium on purchased financial instruments	(4.4)	23.8	n.m.
Provision for loan losses	36.0	33.0	9%
Non-interest expenses (NIE)	667.0	604.5	10%
Income taxes	33.3	42.5	-22%
Net income	\$124.7	\$140.4	-11%
Preferred share dividends	11.8	12.8	-8%
Net income available to common shareholders	\$112.9	\$127.6	-12%
Diluted EPS	\$3.99	\$4.98	-20%
Return on common shareholders' equity	9.1%	12.1%	-300 bps
Efficiency ratio	77.1%	75.9%	120 bps
Effective tax rate	21.1%	23.2%	-210 bps
ADJUSTED MEASURES *			
Adjusted net income	\$156.0	\$140.7	11%
Adjusted diluted EPS	\$5.09	\$4.98	2%
Adjusted return on common shareholders' equity	11.6%	12.0%	-40 bps
Adjusted efficiency ratio	72.7%	73.1%	-40 bps

* Excluding adjusting items, see page 26



➤ 3 bps decrease in NIM between 2012 and 2013 is mainly explained by:

- 5 bps from AGF Trust's higher margin loans (estimate)
- 1 bps due to lower liquidities
- -2 bps due to lower loan prepayment penalties
- -7 bps reflecting the low interest rate environment and pricing

➤ 4 bps increase in NIM between Q4-2012 and Q4-2013 is mainly explained by:

- 9 bps due to lower liquidities
- -5 bps reflecting the low interest rate environment and pricing



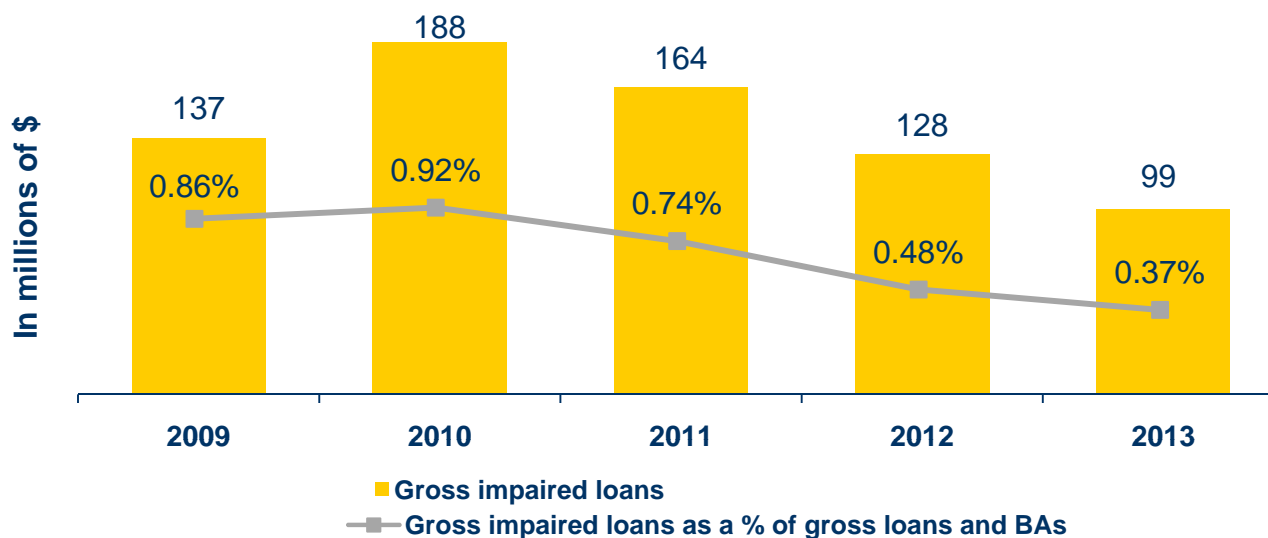
In millions of dollars , except percentage amounts	2013	2012	Variation
Fees and commissions on loans and deposits	\$106.0	\$95.0	12%
Income from brokerage operations	60.6	54.8	11%
Investment account fees	32.7	29.1	12%
Card service revenues	27.8	24.9	12%
Income from treasury and financial market operations	17.9	17.5	2%
Income from sales of mutual funds	22.5	18.0	25%
Credit insurance income	16.9	15.5	9%
Other income	12.2	10.7	14%
Total *	\$296.6	\$265.6	12%

* Certain totals do not add due to rounding

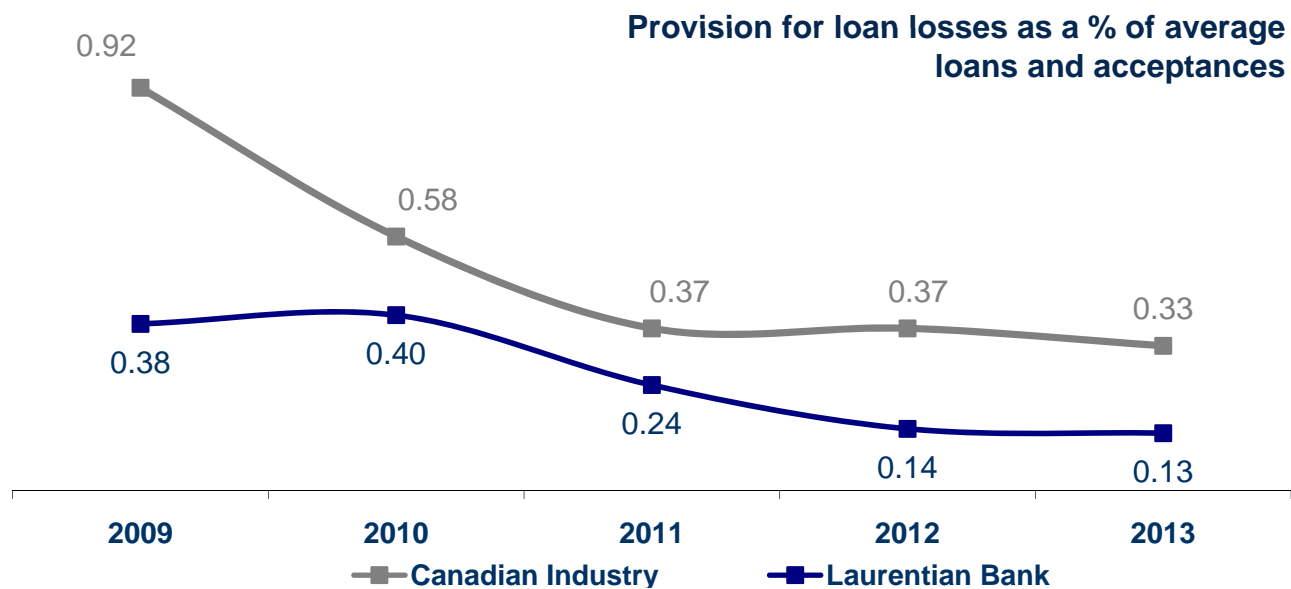


In thousands of dollars, except percentage amounts	Q4-2013	Q3-2013	Q4-2012	2013	2012
Personal loans	\$ 10,020	\$ 6,135	\$ 7,568	\$ 31,668	\$ 25,328
Residential mortgage loans	1,789	4,645*	1,416	8,713	3,454
Commercial mortgage loans	(1,648)	(3,141)	(1,929)	(3,640)	1,527
Commercial loans and other	(161)	1,361	945	(741)	2,691
TOTAL	\$ 10,000	\$ 9,000	\$ 8,000	\$ 36,000	\$ 33,000
As a % of avg. loans and BAs	0.15%	0.13%	0.12%	0.13%	0.14%

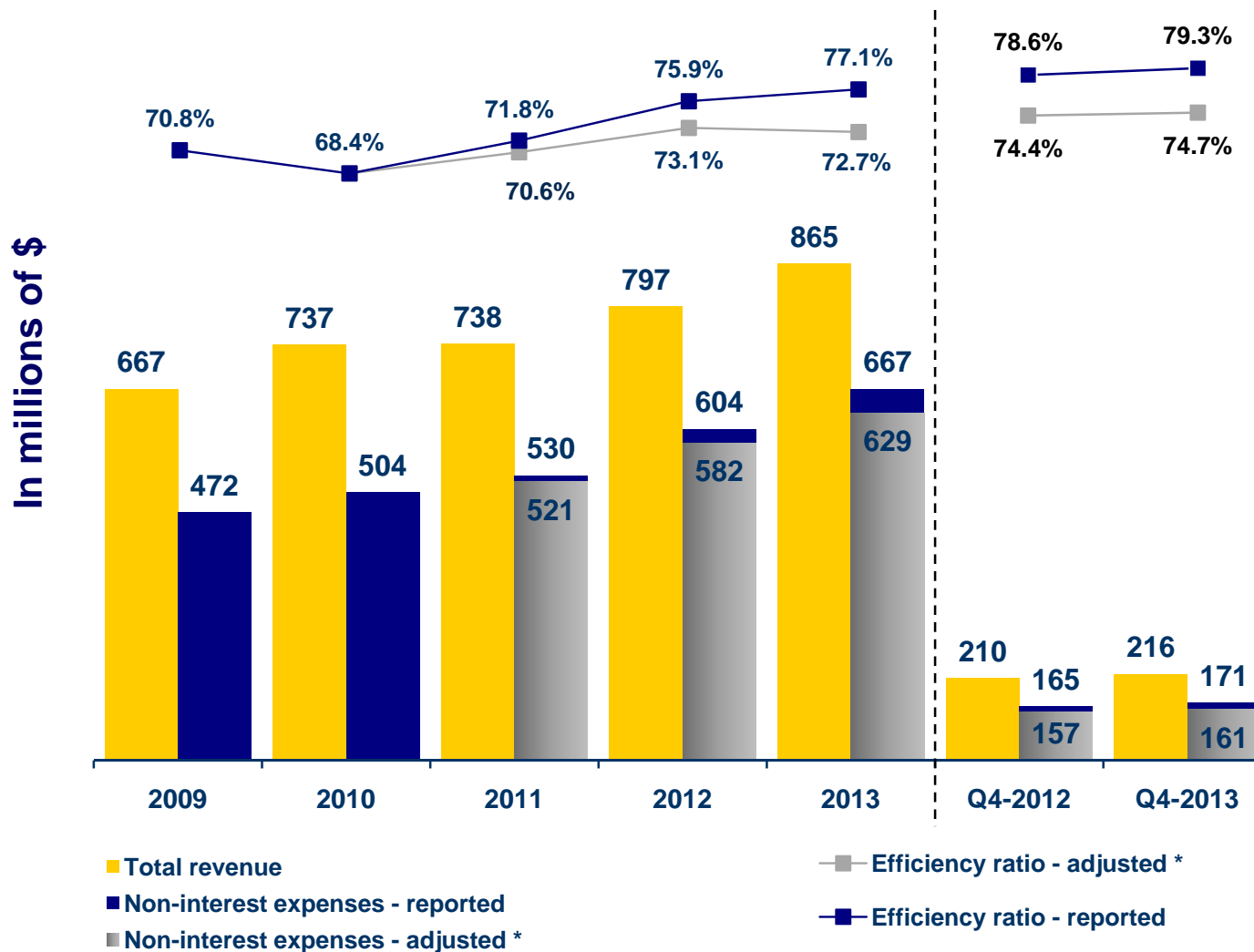
* Includes an adjustment to collective provisions of \$2.5 million for medium-sized residential real estate properties and projects as well as for certain residential mortgage loan portfolios related to events in Alberta.



Figures prior to 2010 not restated under IFRS



Figures prior to 2011 not restated under IFRS

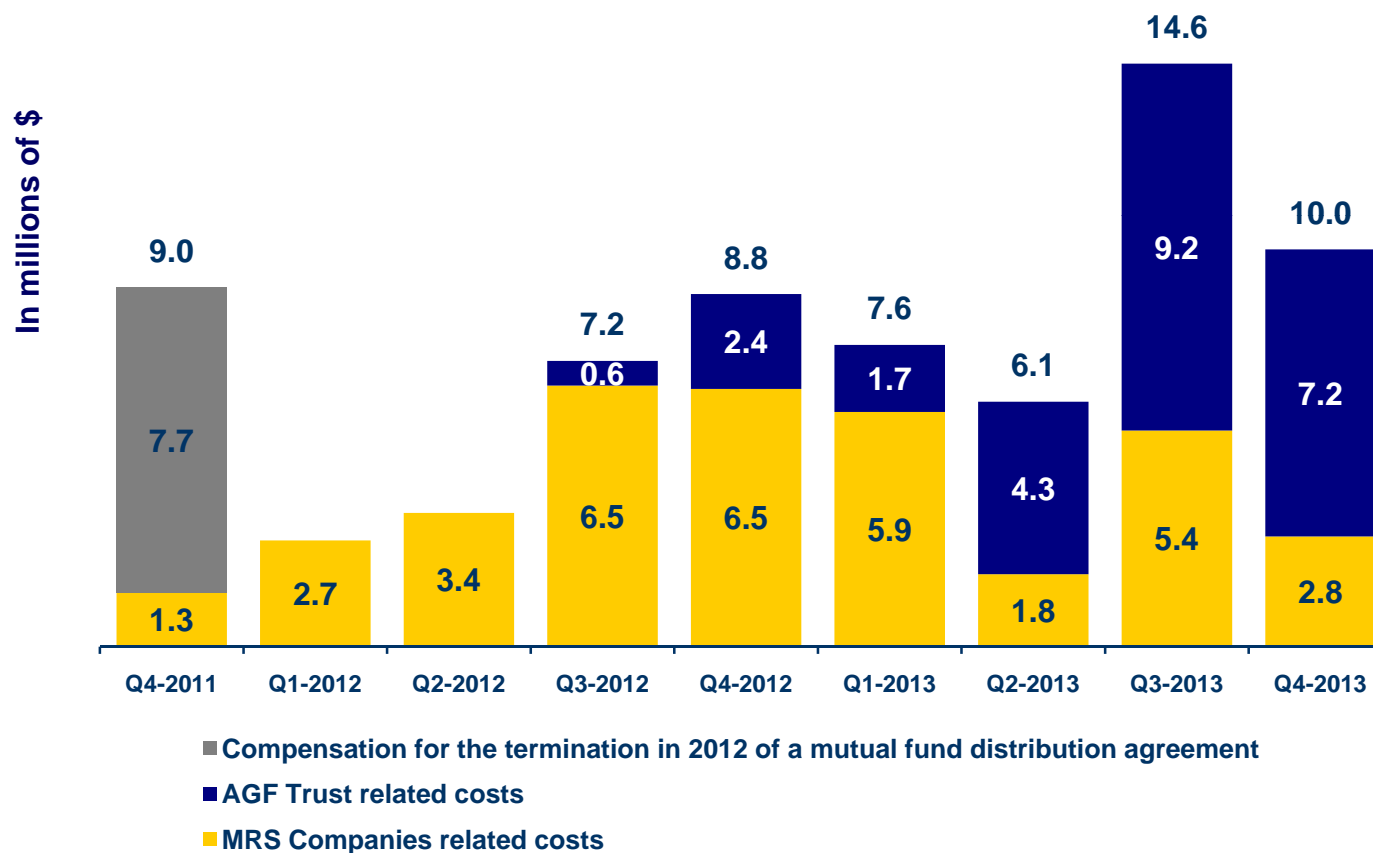


* Excluding adjusting items, see page 26

Figures prior to 2011 not restated under IFRS



TRANSACTION AND INTEGRATION COSTS





In millions of dollars, except percentage amounts

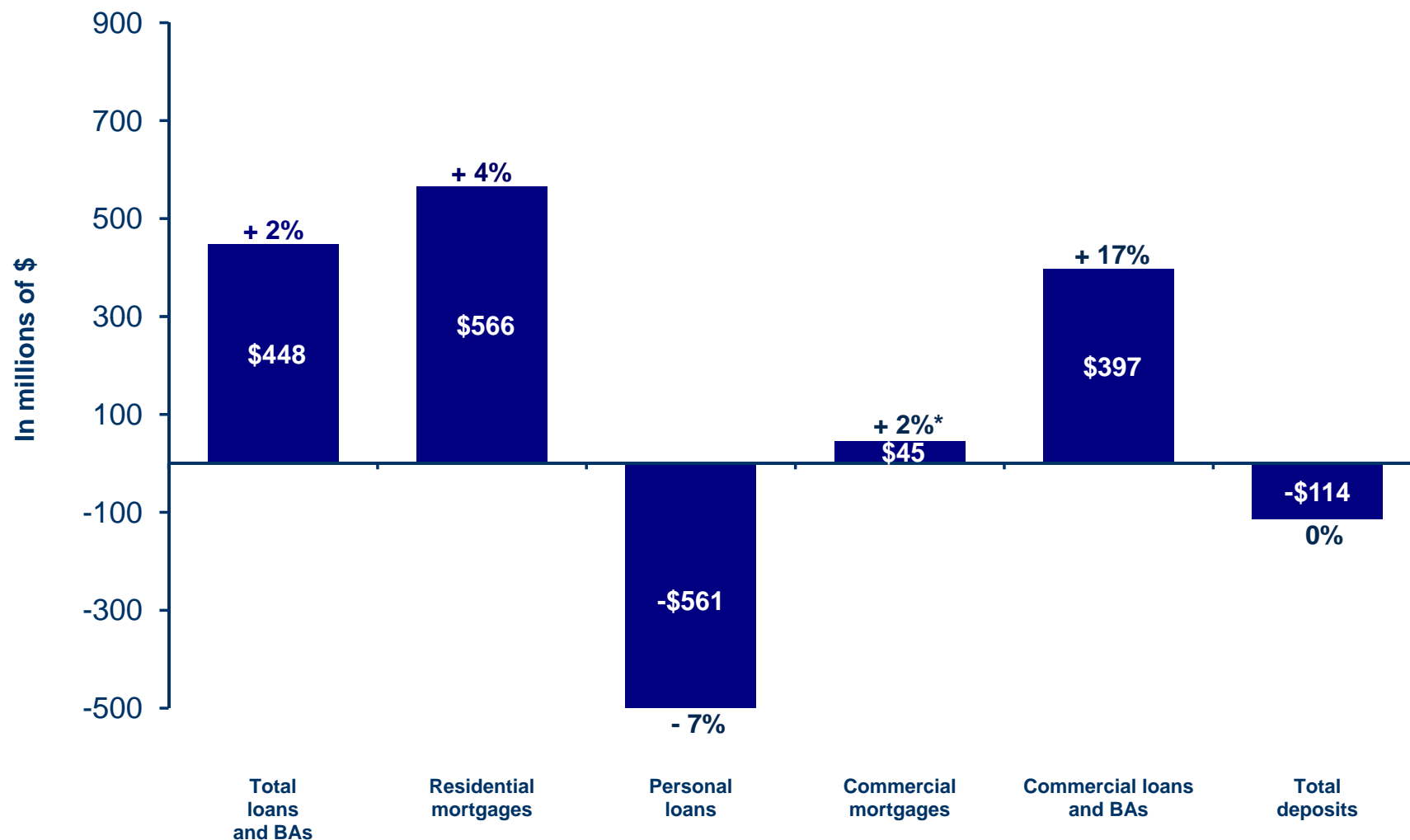
	2013	2012	Variation	Q4-2013	Q4-2012	Variation
Non-interest expenses (NIE)	\$667	\$604	10%	\$171	\$165	3%
T&I Costs*	(38)	(22)	n.m.	10	9	n.m.
NIE excluding T&I Costs	629	582	8%	161	157	3%
Restructuring charges	(6)	(3)	n.m.	(6)	(3)	n.m.
NIE excluding T&I Costs and restructuring charges	\$623	\$579	7%	\$155	\$154	0%

- **NIE excluding estimated AGF Trust expenses, T&I Costs and restructuring charges: up 3% on a yearly basis**

* T&I costs – Transaction and Integration costs



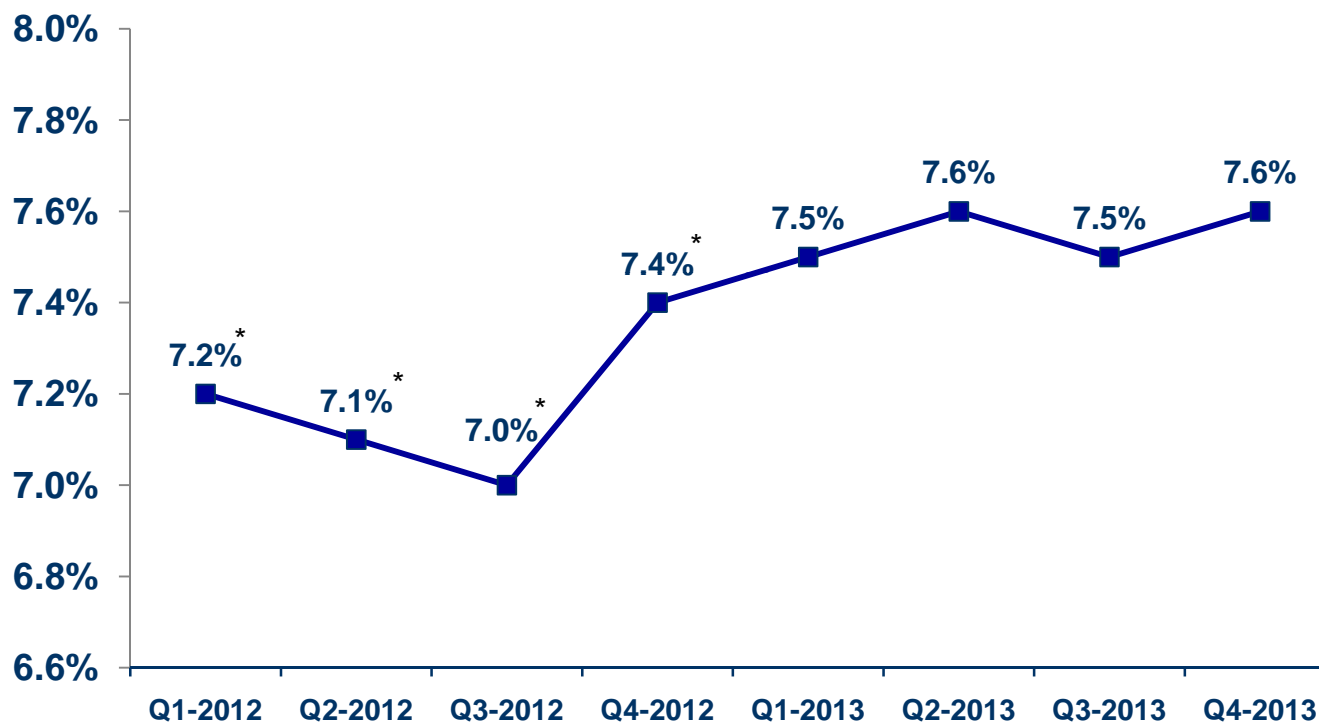
Year ended October 31, 2013



* Includes the sale of \$94.7 million of commercial mortgage loans during the second quarter of 2013



COMMON EQUITY TIER 1 CAPITAL RATIO



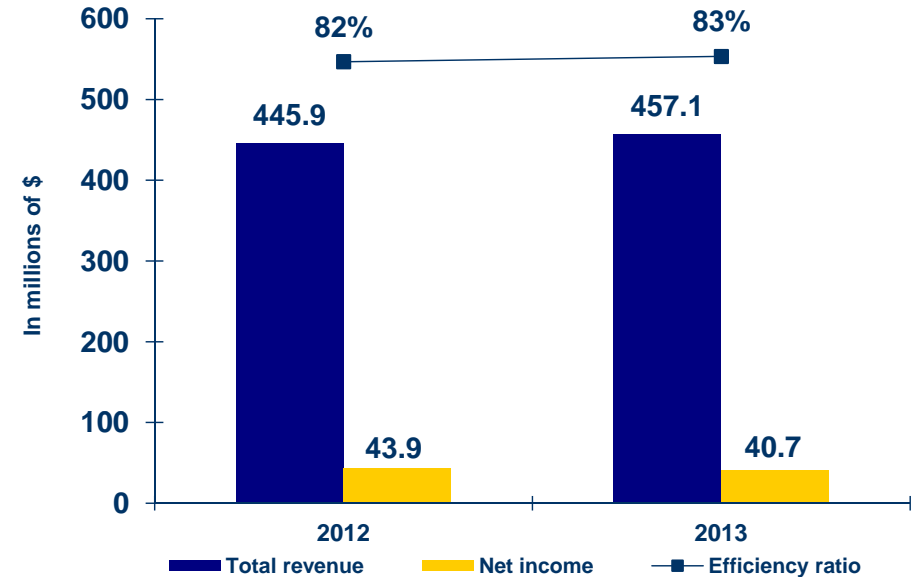
■ Common Equity Tier 1 capital ratio - All-in basis (under the Standardized Approach)

* Pro-forma



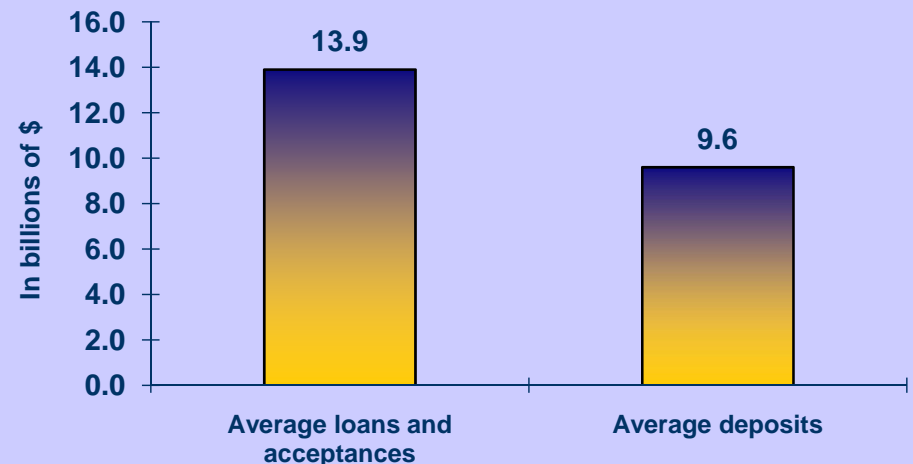
2013 Highlights

- Net income: down \$3.2 M Y/Y
- Net interest income: down 2% Y/Y where growth in loans and deposits did not fully compensate for lower NIM
- Average loans and deposits : up 4% and stable respectively Y/Y
- Other income up 14%: higher income from sales of mutual funds and deposit fees
- Non-interest expenses: up \$14.5 M Y/Y including \$4.3 M of restructuring charges in 2013
- Loan loss provision: \$26.9 M in 2013 vs \$24.0 M in 2012



Business Segment Profile

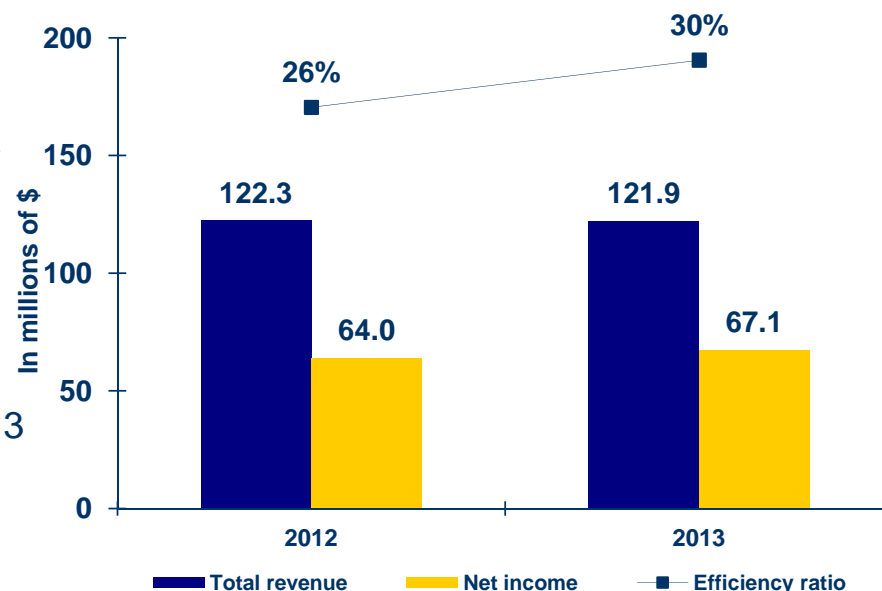
- Provides financial products and services for retail and SME in Québec
- 153 branches and 422 ATMs
- 24 commercial banking centers





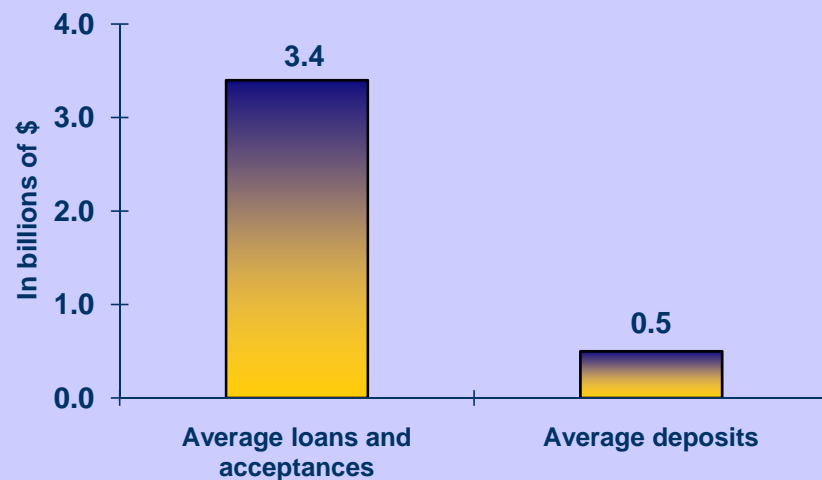
2013 Highlights

- Net income: up 5% Y/Y
- Total revenue relatively stable with increases in other income offset by margin compression
- Average loans and deposits: up 4% excluding loan sales and down 12%, respectively Y/Y
- Non-interest expenses: up \$4.4 M Y/Y, due to regular salary increases and higher allocated costs Y/Y and includes \$1.1 M restructuring charges in 2013
- Loan losses: net credit of \$5.5 M vs loan losses of \$3.0 M in 2012



Business Segment Profile

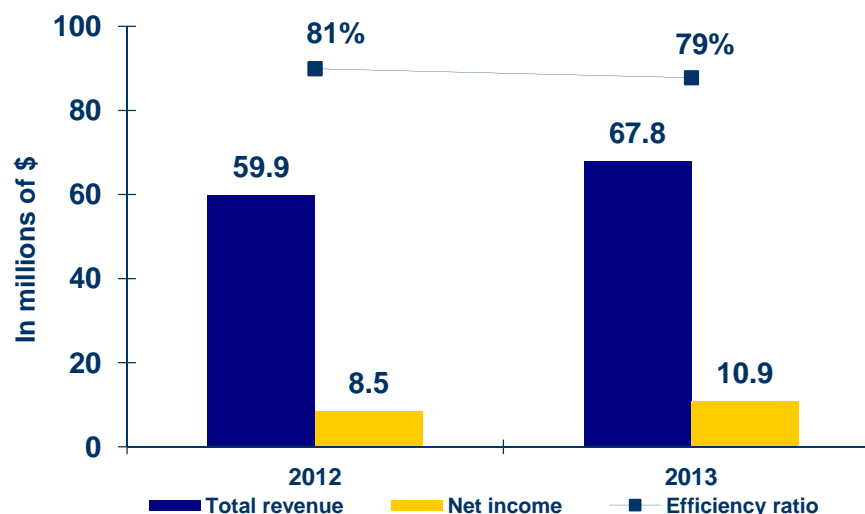
- Offers real estate financing for commercial property and commercial banking for medium-sized enterprises across Canada
- 14 real estate and commercial banking centers in B.C., Alberta, Ontario and Québec





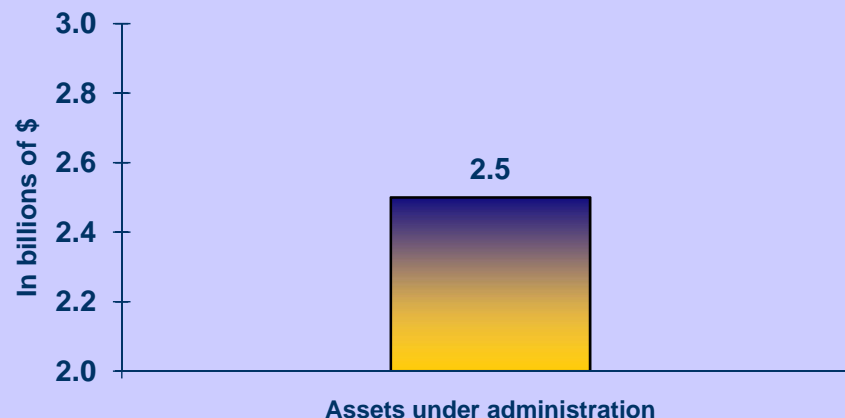
2013 Highlights

- Net income: up 27% Y/Y
- Total revenue: increased by 13% due to improved trading and retail brokerage activities
- Non-interest expenses: up \$5.0 M due to higher performance-based compensation reflecting higher market-driven income



Business Segment Profile

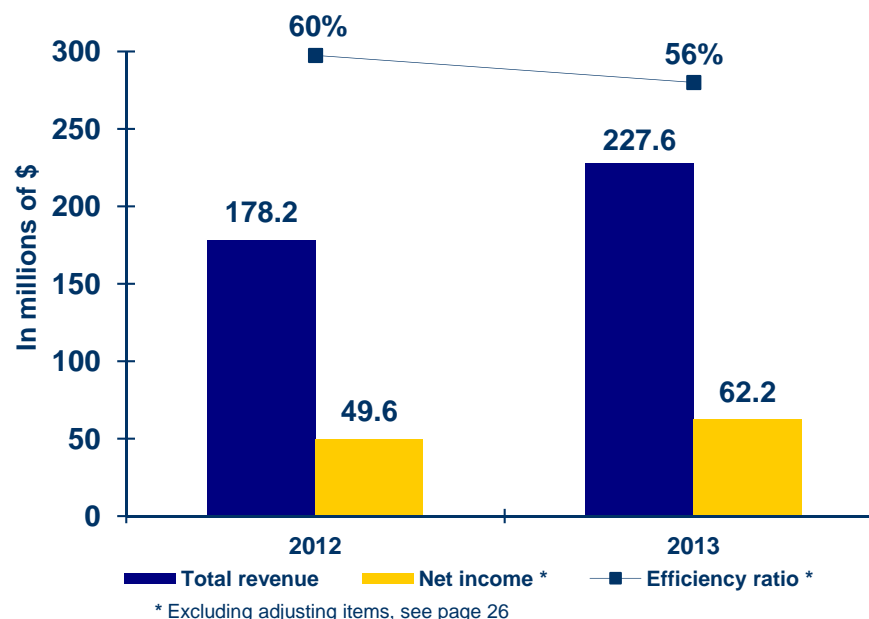
- Integrated broker serving Institutional and Retail investors
- Bank-related capital market activities
- Recognized and choice provider of Fixed Income
- 16 retail brokerage offices in Québec, Ontario and Manitoba





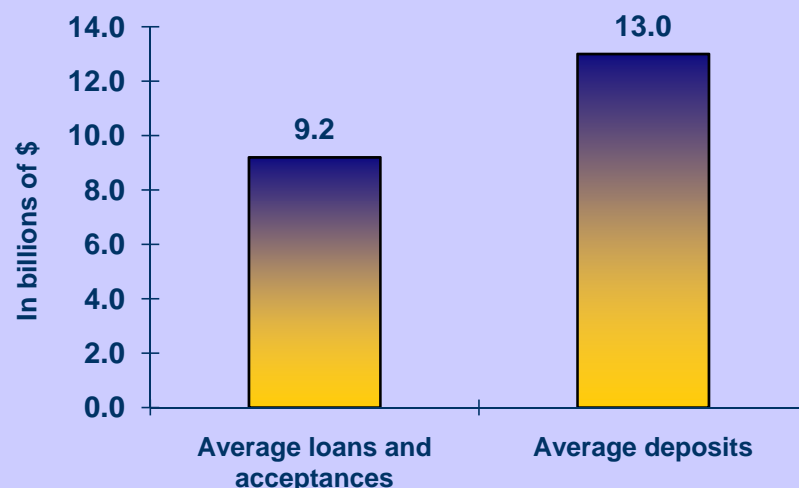
2013 Highlights

- Adjusted net income: \$62.2 M up 25%
- T&I Costs: \$38.2 M vs \$22.0 M in 2012
- Total revenue: up 28% Y/Y due to AGF Trust
- Net interest income: up 33% Y/Y mainly due to AGF Trust
- Solid average loan and deposit growth: up 37% and 19% respectively Y/Y due to AGF Trust
- Other income: up 6%
- Loan losses: \$14.6 M vs \$6.0 M in 2012 due to provisions from AGF Trust
- Non-interest expenses excluding T&I Costs: down approximately 1% excluding 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 financial advisors and brokers

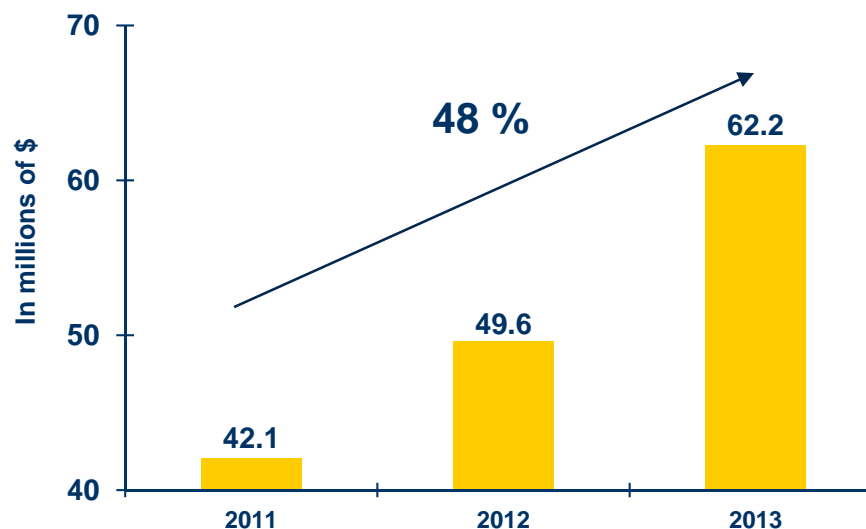




Our 2 acquisitions enabled B2B Bank to:

- **Become a leader** in providing banking products and services to financial advisors and brokers
- **Diversify** sources of revenue
- Position B2B Bank for **revenue synergies and organic growth in 2015**

Growing adjusted net income



	Before Acquisitions ⁽¹⁾	After Acquisitions ⁽²⁾	% Growth
Total loans and BAs	\$5.6 billion	\$9.0 billion	61%
Deposits	\$9.4 billion	\$12.9 billion	38%
Assets Under Administration	\$3.5 billion	\$28.7 billion	724%
Number of Financial Advisors	Approx. 15,000	Approx. 27,000	Approx. 80%
Number of end-customers	Approx. 470,000	Approx. 900,000	Approx. 91%

(1) Business segment data as at October 31, 2011.

(2) Business segment data as at October 31, 2013, including AGF Trust and the MRS Companies



2014 FINANCIAL OBJECTIVES ⁽¹⁾

	2013 RESULTS ⁽²⁾	2014 OBJECTIVES
Adjusted return on common shareholders' equity ⁽¹⁾	11.6%	10.5% to 12.5%
Adjusted net income (in millions of dollars) ⁽¹⁾	\$156.0 M	\$145.0 M to \$165.0 M
Adjusted efficiency ratio ⁽¹⁾	72.7%	72.5% to 69.5%
Adjusted operating leverage ⁽¹⁾	0.7%	Positive
Common Equity Tier 1 ratio (All-in basis)	7.6%	> 7.0%

(1) Excluding adjusting items, see page 26

(2) In 2014, the comparative results of 2013 will include the impact of adopting an amended version of IAS 19, which is expected to reduce the adjusted net income presented in the table by approximately \$5.3 million

KEY ASSUMPTIONS UNDERLYING 2014 FINANCIAL OBJECTIVES

- Stable interest rate environment
- Good organic growth fueled by higher margin products including leasing and Alt-A mortgages
- Some attrition in the investment loan portfolios
- Stable margins from the 2013 year-end level
- Continuation of strategies to grow and diversify other income
- Loan loss provisions to progressively return to normalized levels
- Expenses tightly controlled, below the level of inflation, despite the anticipated increase in pension costs resulting from changes in accounting standards
- Integration of acquisitions to be completed in 2014, with attention redirected towards maximizing the revenue potential within B2B Bank



Our medium-term results will be driven by our strategies and our competitive advantages which include:

- Leveraging B2B Bank's position as the dominant bank to Canada's financial advisor community
- Increasing our footprint in commercial banking with targeted offerings such as lease financing
- Pursuing the development of our virtual offering
- Advancing the Bank's pan-Canadian presence
- Implementing the AIRB approach and optimizing regulatory capital

MEDIUM-TERM FINANCIAL OBJECTIVES BEYOND 2014

- Grow EPS by 5-10% annually
- Gradually improve the efficiency ratio to below 68%
- Generate positive operating leverage
- Maintain strong capital ratios that exceed regulatory requirements



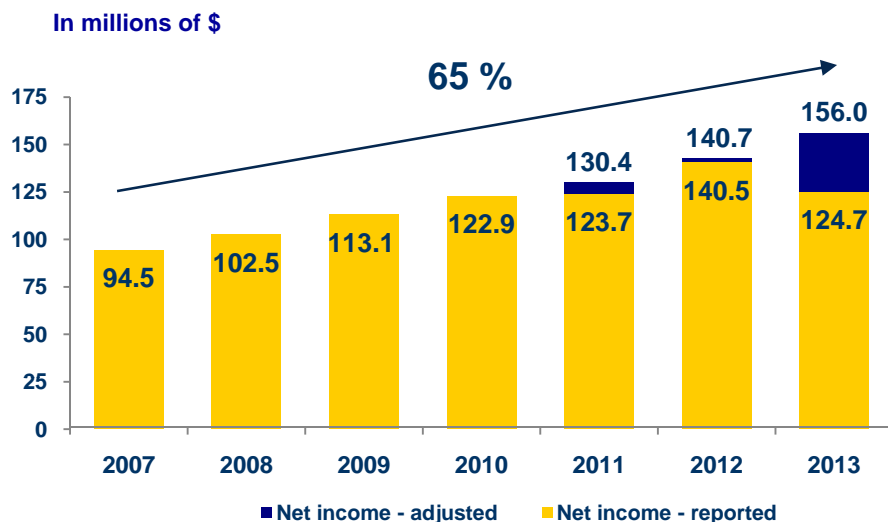
- **Réjean Robitaille**, President and Chief Executive Officer
- **Michel C. Lauzon**, Executive Vice-President and Chief Financial Officer
- **François Desjardins**, Executive Vice-President of the Bank and President and Chief Executive Officer of B2B Bank
- **Pierre Minville**, Executive Vice-President 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, Business Services
- **Gilles Godbout**, Executive Vice-President, Retail Services and Chief Information Officer
- **Louis Marquis**, Senior Vice-President, Credit
- **Stéphanie Pelletier**, Vice-President, Finance
- **André Lopresti**, Vice-President and Chief Accountant
- **Gladys Caron**, Vice-President, Public Affairs, Communications and Investor Relations
- **Susan Cohen**, Director, Investor Relations

APPENDICES

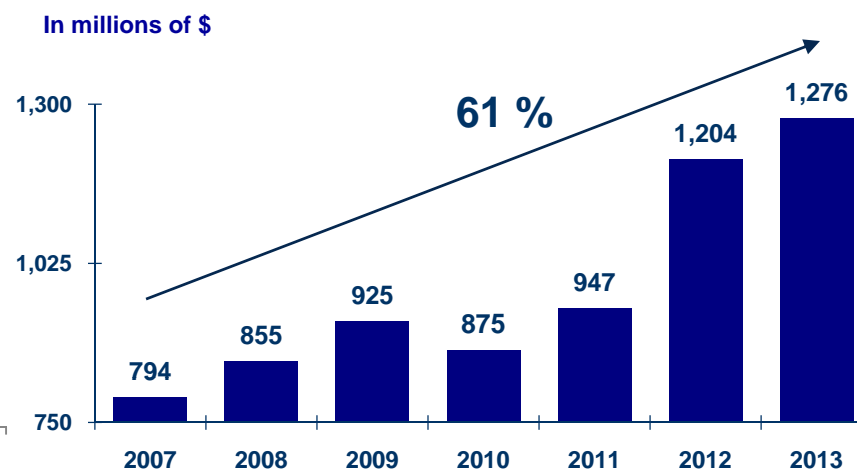


SUSTAINED EARNINGS AND BALANCE SHEET GROWTH

Net income*

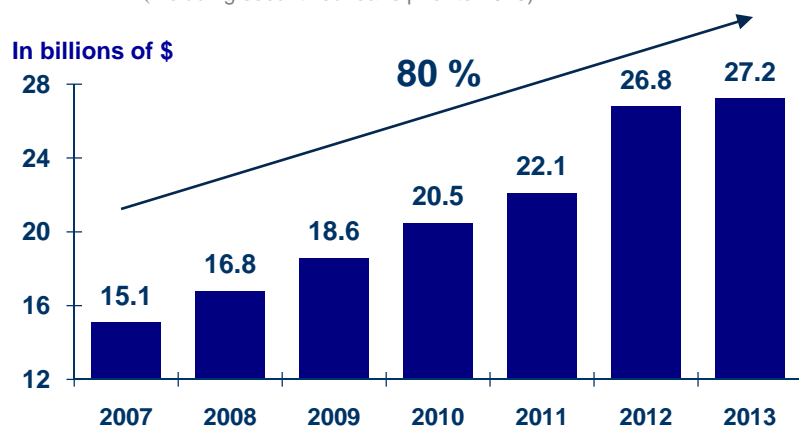


Common shareholders' equity**

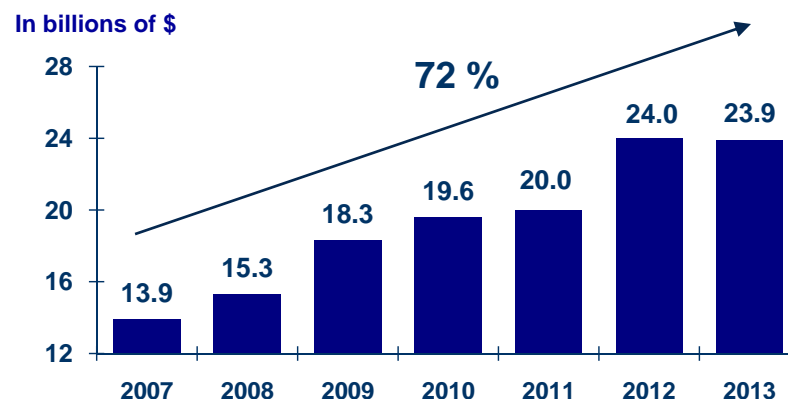


Loans and BAs**

(Including securitized loans prior to 2010)



Deposits**



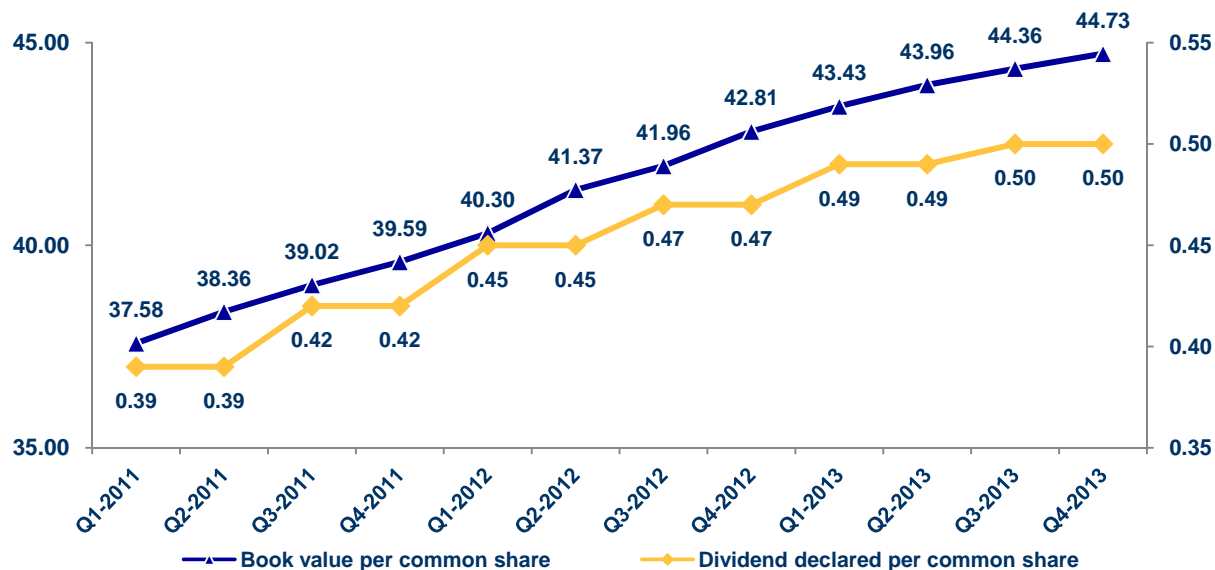
* Figures prior to 2011 not restated under IFRS

** Figures prior to 2010 not restated under IFRS

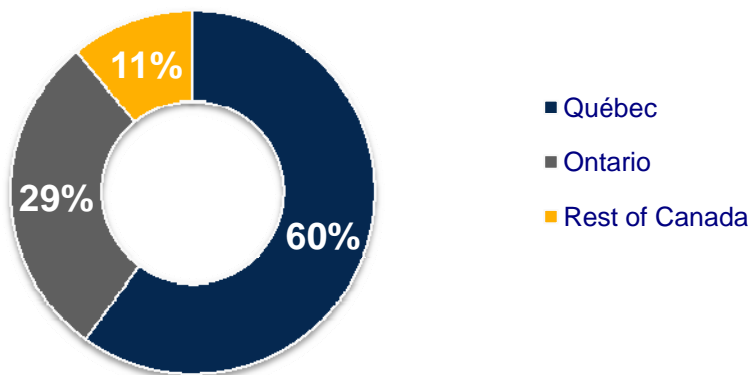


STRONG DIVIDEND GROWTH AND GOOD DIVERSIFICATION

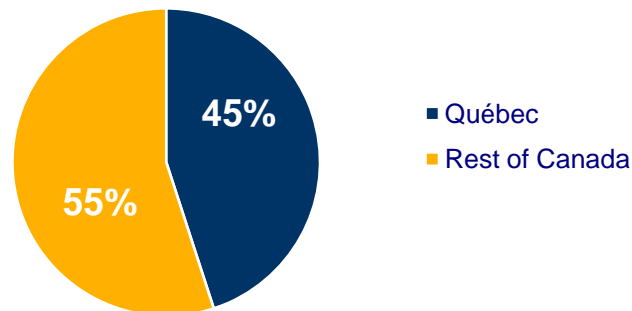
Growth in dividends and book value (\$)



Geographic distribution of loans



Geographic distribution of profitability in 2013





In millions of dollars, except per share amounts *

Impact on net income

	2013	2012	Q4-2013	Q4-2012
Reported net income	\$ 124.7	\$ 140.5	\$ 27.2	\$ 45.7
Adjusting items, net of income taxes				
Gain on acquisition and amortization of net premium on purchased financial instruments	3.3	(16.0)	0.7	(16.0)
Cost related to business combinations and other				
MRS Companies	11.7	13.9	2.0	4.7
AGF Trust	16.4	2.2	5.3	1.7
	31.3	0.2	8.0	(9.5)
Adjusted net income	\$ 156.0	\$ 140.7	\$ 35.2	\$ 36.2

Impact on diluted earnings per share

Reported diluted earnings per share	\$ 3.99	\$ 4.98	\$ 0.86	\$ 1.51
Adjusting items	1.11	-	0.28	(0.34)
Adjusted diluted earnings per share	\$ 5.09	\$ 4.98	\$ 1.14	\$ 1.17

* Certain totals do not add due to rounding



- **A Pan-Canadian banking institution with \$33.9 billion of assets** on balance sheet as of October 31, 2013 and over \$37 billion in assets under administration
- **More than 225 points of service** across Canada, including **153 retail branches** and **422 ATMs**
- **Main markets:** Province of Québec with significant activities elsewhere in Canada (**40%** of total loans come from outside of Québec)
- **Approximately 4,000 employees**
- **Founded in 1846**



For the year ended October 31, 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⁾ **23%**

37%

34%

6%

- 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

- 153 retail branches in Québec
- 24 commercial offices in Québec

- 14 offices in Ontario, Western Canada and Québec

- 16 offices in Québec, Ontario and Manitoba

Balance as at October 31, 2013

- \$11.4 B in residential mortgage loans and home equity lines of credit
- \$0.4 B in personal lines of credit
- \$1.6 B in commercial loans – SME Québec
- Total deposits: \$9.5 B
- Assets under administration \$2.6 B

- \$2.5 B in commercial mortgage loans
- \$0.9 B in commercial loans
- Total deposits: \$0.5 B

- \$4.5 B in investment and RRSP loans
- \$4.1 B in brokered mortgages
- Total deposits: \$12.9 B
- Assets under administration \$28.7 B

- Assets under administration: \$2.5 B

(1) Excluding Other segment

(2) Excluding adjusting items, see page 26



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, Retail Services
and Chief Information Officer**

With Laurentian Bank since May 2012

and from 1987 to 1999

Pierre Minville, CFA

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, Business Services

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)

Chair of the Board
Laurentian Bank of Canada
Corporate Director

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.

**Michael T. Boychuk,
FCPA, FCA (2013)**

President
Bimcor 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