

CONFERENCE CALL

**3rd quarter 2011 results and
announcement of two
transactions with Mackenzie
Financial**

September 2, 2011 at 1:30 p.m.

1-866-696-5910, Code 5434570

In this document and in other documents filed with Canadian regulatory authorities or in other communications, Laurentian Bank of Canada (the “Bank”) 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, would or the negative of these terms or variations of them 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 pro-forma impact of Basel III on regulatory capital ratios is based on the Bank’s interpretation of the proposed rules announced by the Basel Committee on Banking Supervision (BCBS) and related requirements of the Office of the Superintendent of Financial Institutions Canada (OSFI). The pro-forma impact of Basel III on regulatory capital ratios also includes the anticipated impact of International Financial Reporting Standards (IFRS) conversion. The Basel rules and impact of IFRS conversion could be subject to further change, which may impact the results of the Bank’s analysis.

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 proposed MRS Companies transaction, such factors also include, but are not limited to: the possibility that the proposed transaction does not close when expected or at all because required regulatory or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all; the terms of the proposed transaction may need to be modified to satisfy such approvals or conditions; the anticipated benefits from the proposed transaction such as it being accretive to earnings and 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 Trust’s or MRS Companies’ customers to the transaction; 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 generally accepted accounting principles (“GAAP”) and certain non-GAAP measures to assess its performance. Non-GAAP measures do not have any standardized meaning and are unlikely to be comparable to any similar measures presented by other companies. The Bank believes that these non-GAAP financial measures provide investors and analysts with useful information so that they can better understand financial results and analyze the Bank’s growth and profitability potential more effectively.

For questions on this presentation, please contact:

Gladys Caron, Vice-President, Public Affairs, Communications and Investor Relations
Tel: 514 284-4500, extension 7511 • Cell: 514 893-3963
gladys.caron@banquelaurentienne.ca

Solid Q3 2011 Results

- **Profitability increased year-over-year**
- **Balance sheet growth continued year-over-year, across all business lines**
- **Good credit quality with improvements in most portfolios**

Two transactions with Mackenzie Financial

- **Acquisition of the MRS Companies***
 - Provides B2B Trust with new growth opportunities while creating a best-in-class provider of products and services to financial advisors
- **Distribution agreement with Mackenzie Financial**
 - Enhances our Wealth Management offering with the distribution of Mackenzie funds to Québec retail customers



	Q3-2011	Q3-2010	Variance
Net income	\$35.3 M	\$30.1 M	17%
Diluted EPS	\$1.34	\$1.13	19%
ROE	12.1%	11.0%	110 bps

Q3 - 2011 HIGHLIGHTS

- Strong growth in other income from diversified sources
- Stable margins Q/Q
- Continued solid loan growth
- Significantly lower provisions for loan losses
- Ongoing investment in business development



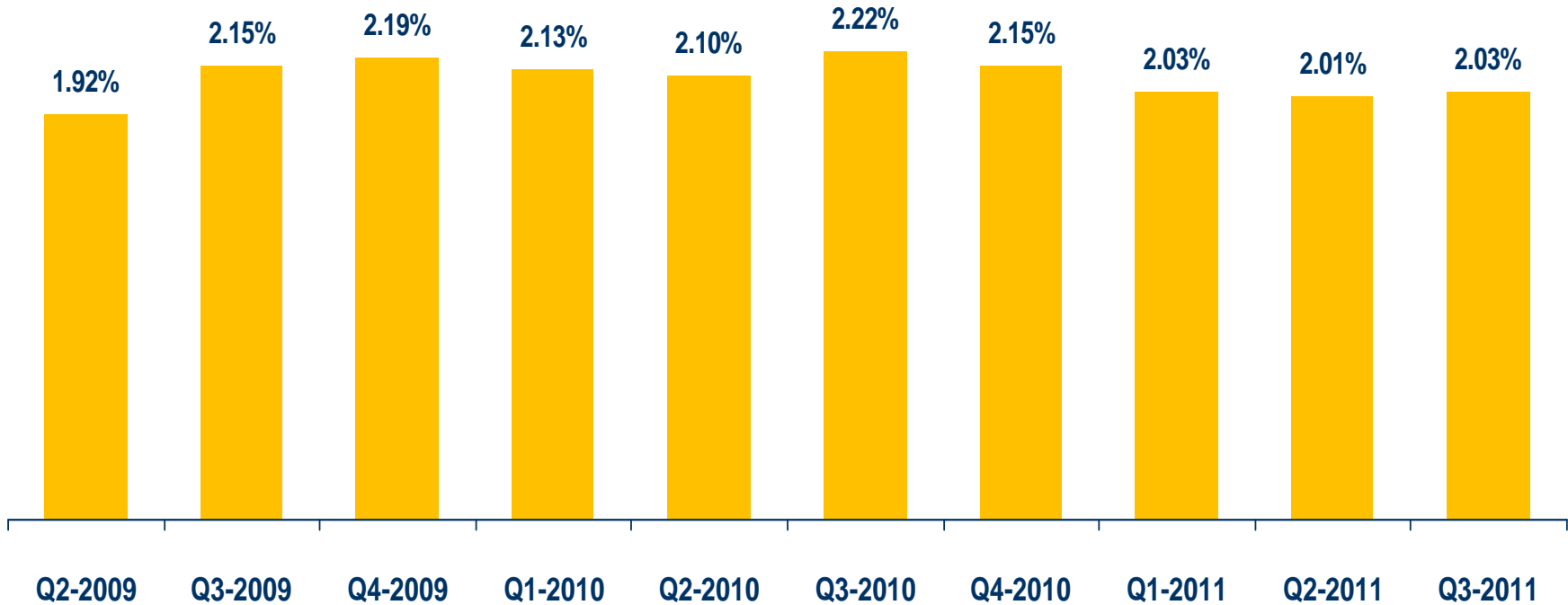
	2011 OBJECTIVES	For the 9 months ended July 31, 2011 RESULTS
Return on common shareholders' equity	11.0% to 13.0%	11.6%
Diluted earnings per share	\$4.80 to \$5.40	\$3.74
Revenue growth	> 5%	3%
Efficiency ratio	70% to 67%	71.1%

FINANCIAL HIGHLIGHTS

Q3-2011 vs Q3-2010

In millions of dollars, except per share amounts

	<u>Q3-2011</u>	<u>Q3-2010</u>	<u>Variation</u> Q3-2011 vs Q3-2010
Net interest income	123.8	129.9	-5%
Other income	67.2	58.9	14%
Total revenue	191.0	188.8	1%
Provision for loan losses	8.0	20.0	-60%
Non-interest expenses	136.8	127.8	7%
Income taxes	10.9	10.9	0%
Net income	35.3	30.1	17%
Preferred share dividends	3.1	3.1	1%
Net income available to common shareholders	32.2	27.0	19%
Diluted EPS	\$1.34	\$1.13	19%
Return on common shareholders' equity	12.1%	11.0%	110 bps
Efficiency ratio	71.6%	67.7%	390 bps
Effective tax rate	23.6%	26.7%	-310 bps



Other income increased by 14% in Q3-2011 vs Q3-2010

Driven by: (\$M)

	<u>Q3-11</u>	<u>Q3-10</u>	<u>Q3-11/Q3-10</u>
▪ Securitization income	10.2	0.9	n.m.
▪ Card service revenues	6.6	5.3	25%
▪ Income from sales of mutual funds	4.5	3.7	20%
▪ Income from treasury & financial market op.	4.6	4.2	9%

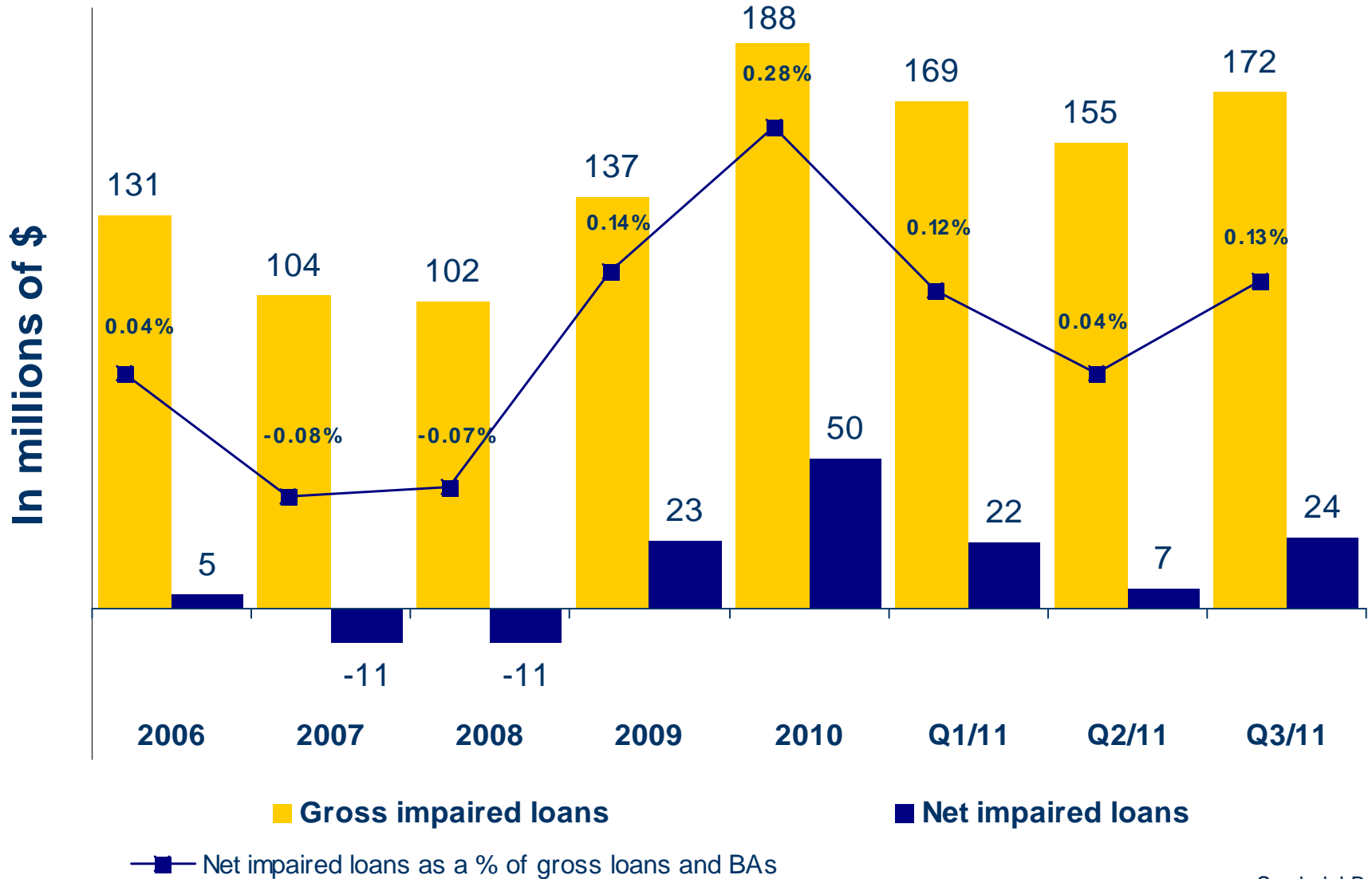
Partially offset by: (\$M)

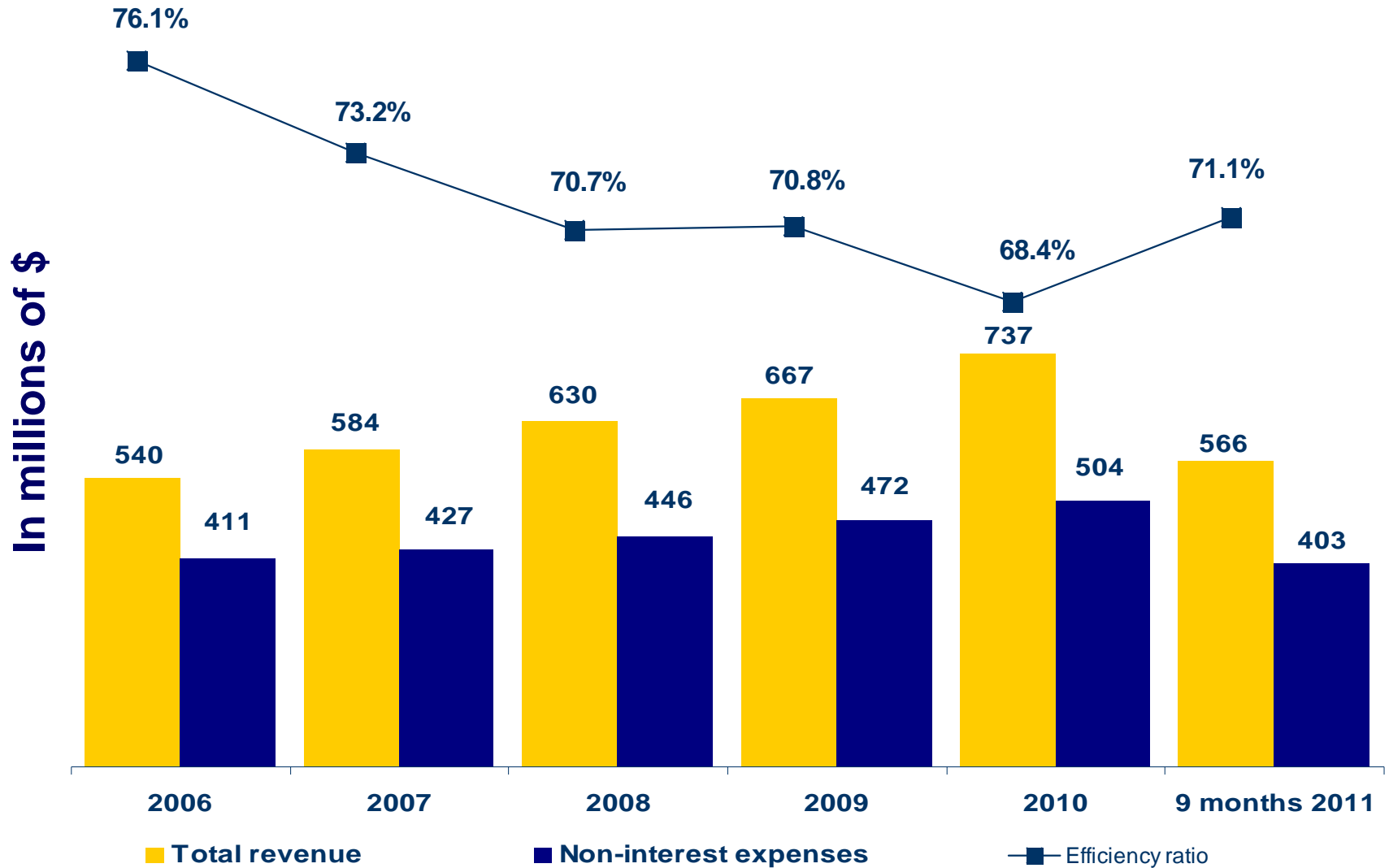
▪ Fees and commissions on loans and deposits	23.6	24.1	-2%
▪ Income from brokerage operations	10.2	11.6	-12%
▪ Credit insurance income	4.2	4.3	-1%
▪ Other	3.2	4.8	-33%



FOR THE THREE MONTHS ENDED

In thousands of \$	July 31, 2011	April 30, 2011	July 31, 2010
Personal loans and Visa cards	5,375	5,842	8,292
Residential mortgage loans	523	2,601	1,715
Commercial mortgage loans	-841	804	3,378
Commercial loans and other	5,019	2,753	6,615
TOTAL	10,076	12,000	20,000
General allowance	-2,076	–	–
TOTAL – after general allowance	8,000	12,000	20,000
As a % of avg. loans and BAs	0.18	0.28	0.46

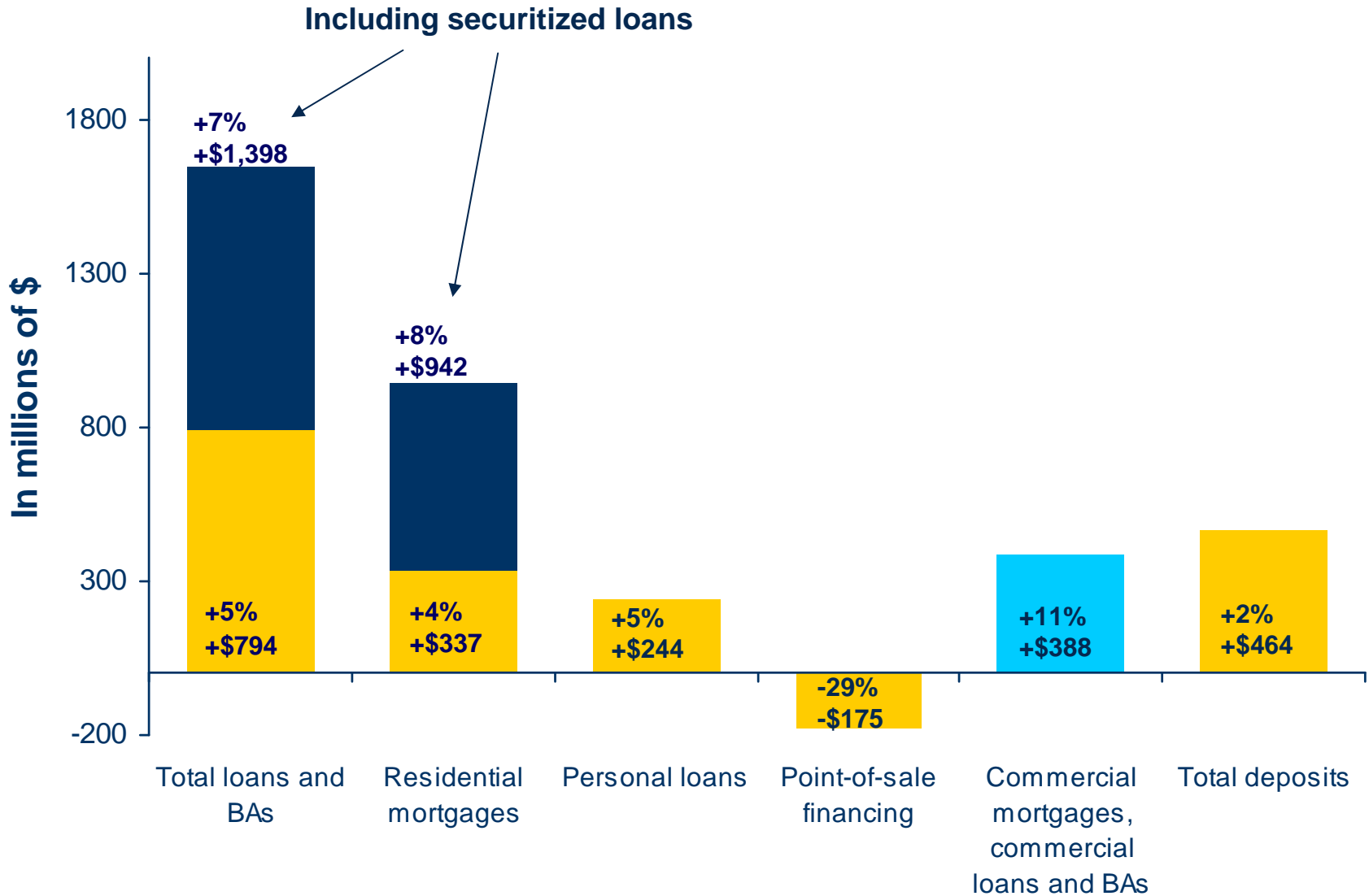






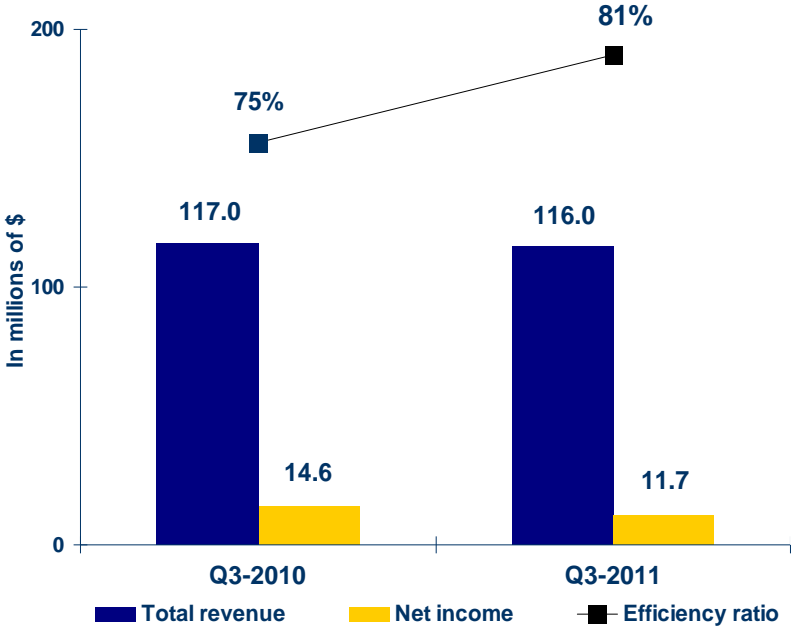
MAIN PORTFOLIO GROWTH

12 months ended July 31, 2011



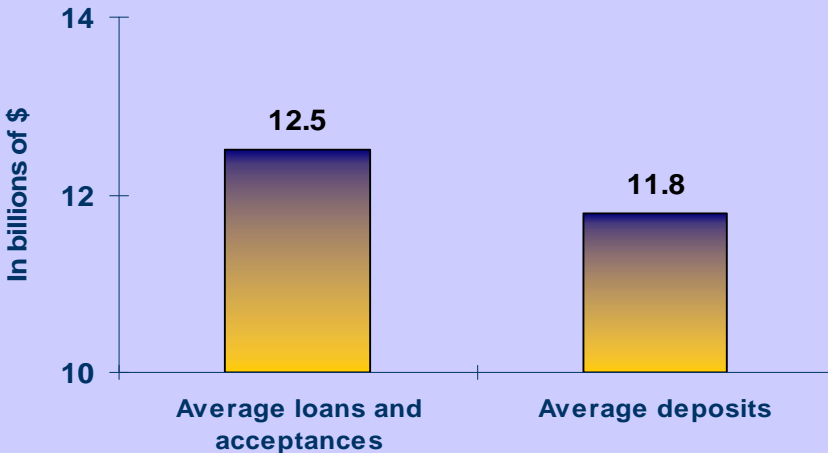
Q3-2011 Highlights

- Net income: down 20% YoY but up 17% sequentially
- Net interest income: competitive pricing offsetting volume growth, -1% YoY
- Other income: higher revenue from card services and sales of mutual funds
- Non-interest expenses: 7% YoY
- Lower loan loss provision: \$6.2 vs \$9.6 M
- Solid loan growth: 7% YoY



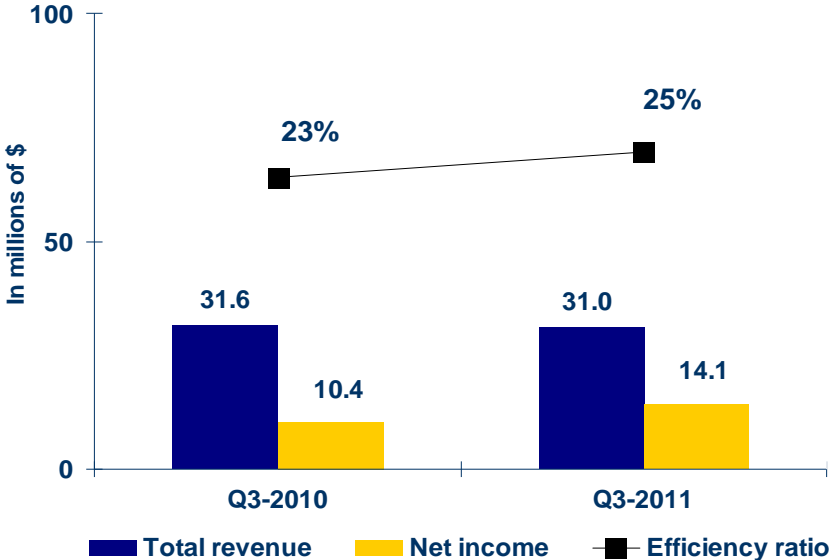
Business Segment Profile

- Complete range of services and products to retail clients and SMEs
- 3rd largest branch network in Québec with 157 branches
- 424 ATMs
- 23 commercial banking centers



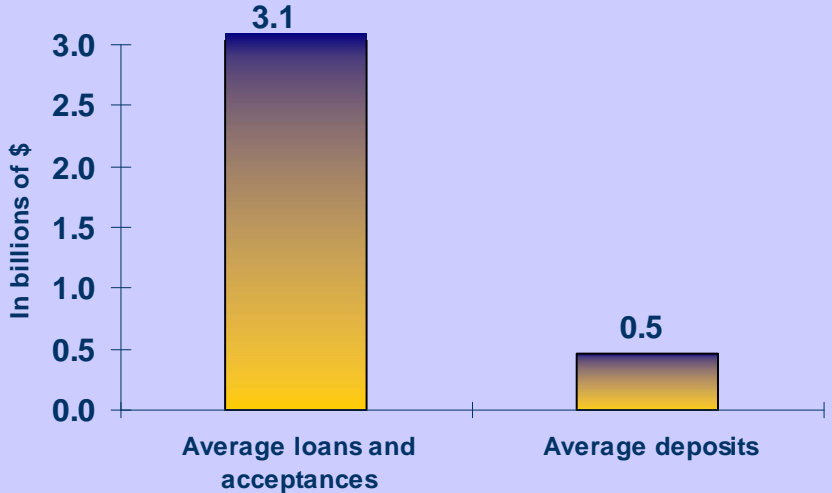
Q3-2011 Highlights

- Net income: up 36% YoY
- Revenues virtually flat YoY
- Non-interest expenses: 5% higher YoY due to increased headcount and higher pension costs
- Lower loan losses: \$3.5 M vs \$9.4 M in Q3 2010 due to good credit quality and a \$1.7 M recovery
- Solid growth in loans and BAs: 8% YoY



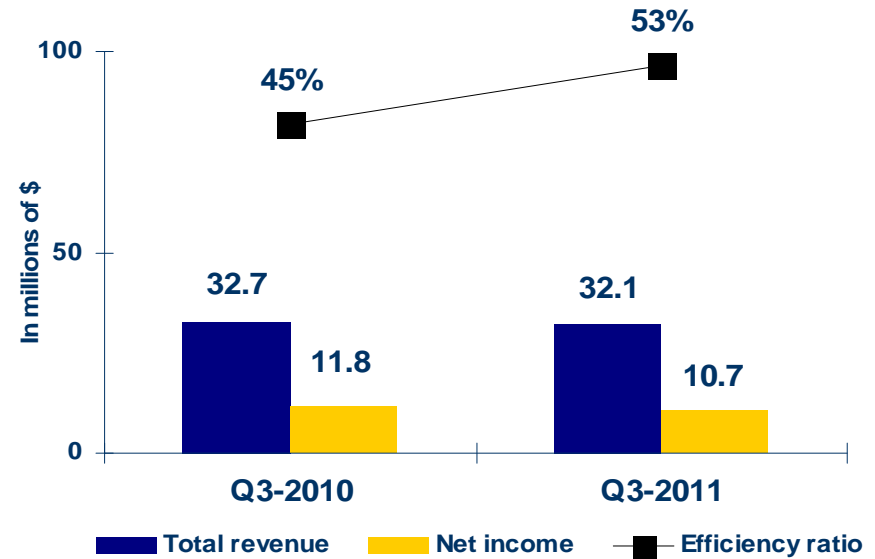
Business Segment Profile

- Construction loans and term financing in major Canadian cities, mainly residential condo and housing projects, shopping centers and office buildings
- 8 real estate financing centers in Canada
- 4 commercial financing centers in Ontario and 2 in Québec



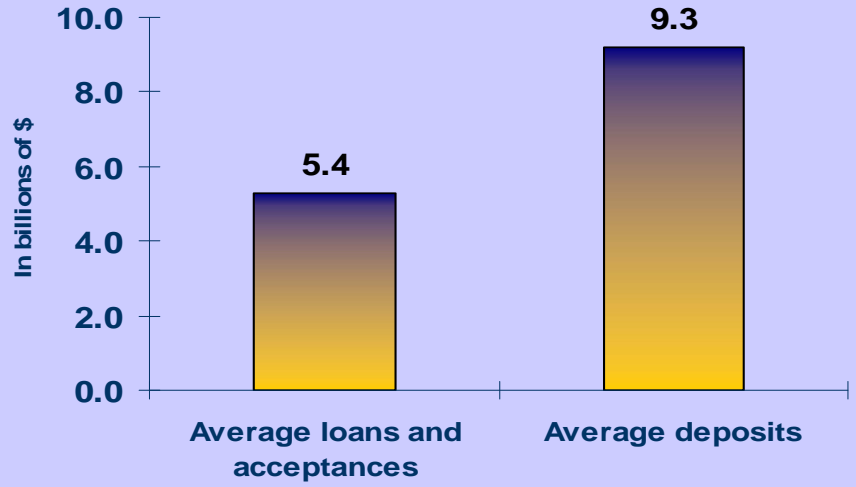
Q3-2011 Highlights

- Net income: -10% YoY
- Net interest income: virtually flat as better margins on HIIA and volume growth offset by tighter margins on loans
- Other income: slightly lower YoY
- Non-interest expenses up \$2.2 M due to higher salaries and benefits and allocated technology costs to support business development
- Solid loan growth: 6% YoY



Business Segment Profile

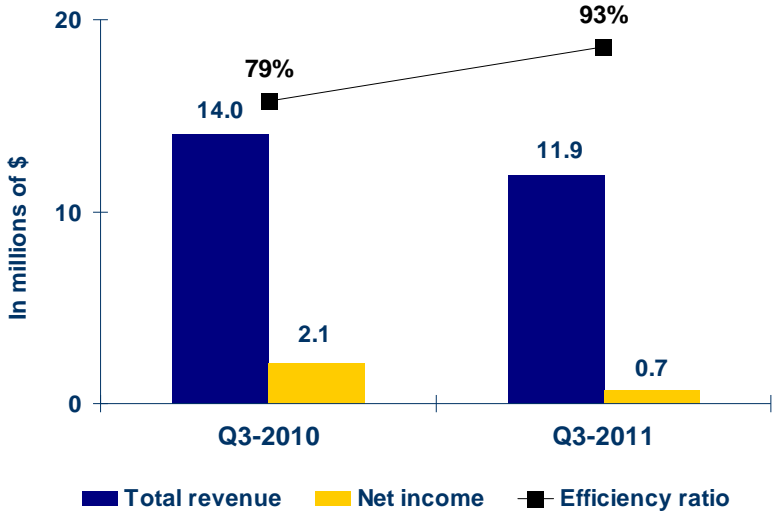
- Specializes exclusively in serving the financial intermediary community (financial advisors, mortgage brokers, insurance agents)
- Offers banking products as a third-party, such as investment and RRSP loans, prime mortgages and deposits
- Offices in Toronto, Montreal, Calgary and Vancouver



LAURENTIAN BANK SECURITIES & CAPITAL MARKETS

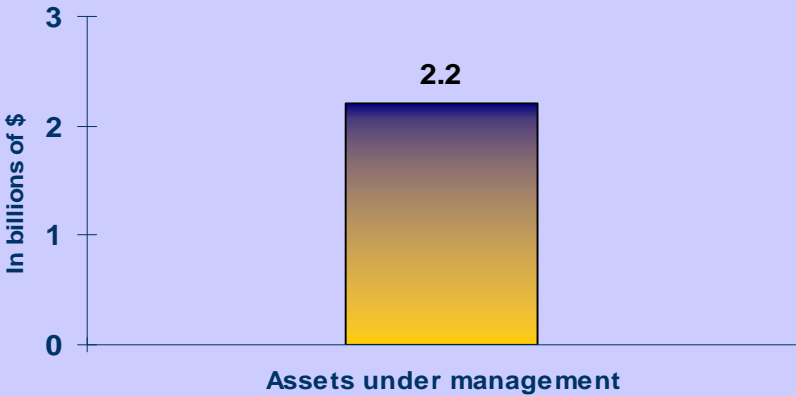
Q3-2011 Highlights

- Net income: down \$1.4 M YoY
- Revenue: down \$2.1 M due to lower brokerage, underwriting and trading revenues
- Expenses flat YoY as salary increases from new representatives offset lower variable compensation



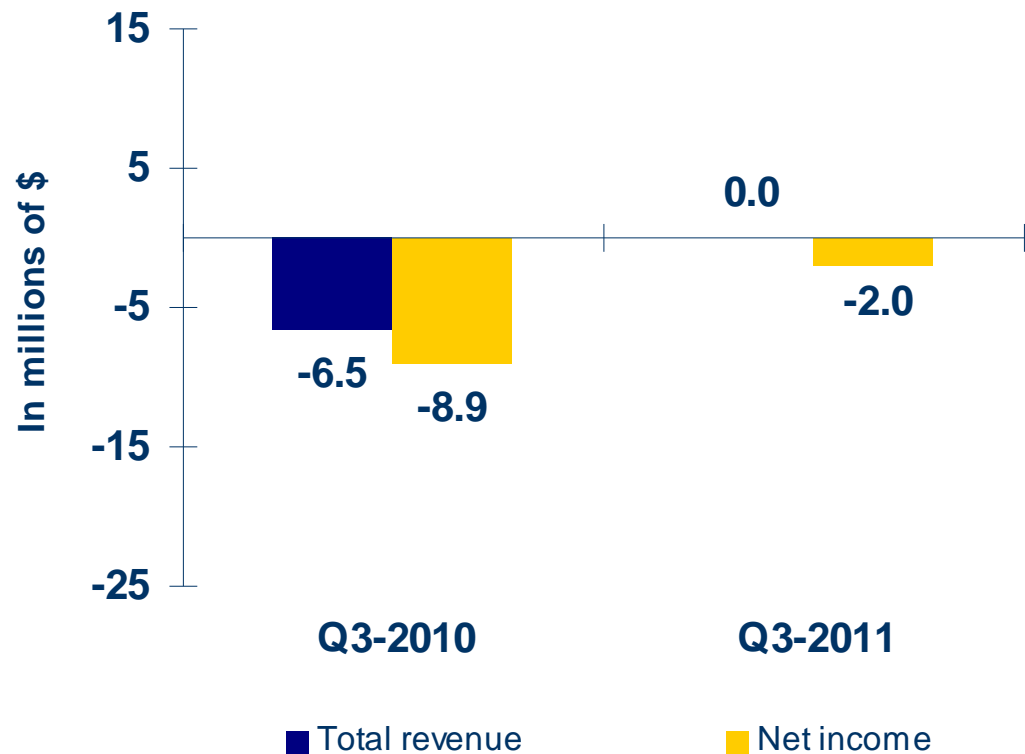
Business Segment Profile

- Complete range of brokerage services offered to institutional and retail clients
- 15 retail brokerage offices in Québec and Ontario
- Well-recognized in the Canadian Institutional Fixed Income arena



Q3-2011 Highlights

- Lower net interest income YoY due to the lower level and yield on securities held to hedge securitization activities
- An increase in other income YoY due to higher securitization gains and an increased level of securitized assets
- A \$2.1 M decline in the general allowance



Investing in our growth engines

▪ **Consistent with our strategy**

- Excellent strategic fit with the Bank's business and development strategy
- Consistent with the Bank's priority of investing in its growth engines and further developing its competitive advantages

▪ **Beneficial to the Bank's performance**

- Both transactions enhance fee-based income generation
- These transactions should be accretive in year 1 (excluding integration and transaction costs) and become increasingly profitable as revenue and expense synergies accelerate

▪ **Enhancing existing operations**

- Capitalize on two solid assets of the Bank:
 - the capability of B2B Trust to serve the financial advisor market and
 - the effectiveness of the Bank's distribution network in Québec to serve retail customers
- Contribute to:
 - improve share of wallet in the Retail segment, thanks to a leading family of funds
 - advance operational excellence in B2B Trust through the utilization of enhanced operating systems

- Operating for about 30 years
- One of the largest carrying dealers in Canada
- Serves over 135 dealer firms, 14,000 advisors and manages over 280,000 investor accounts placed through financial advisors
- Approximately \$21.5 B of assets under administration
- \$ 0.9 B of balance sheet assets, funded by retail deposits
- Owned by Mackenzie Financial Corporation, a subsidiary of IGM Financial
- Consists of 4 units:
 - MRS Trust – a federally regulated trust
 - MRS Inc. – a carrying dealer for mutual fund dealers/advisors, regulated by the MFDA
 - MRS Securities Services Inc. – a carrying dealer for investment dealers/advisors, regulated by IIROC
 - MRS Correspondent Corporation – a carrying dealer for mutual fund dealers/advisors in the province of Québec, regulated by the AMF

Acquisition of the MRS Companies

- Strengthens B2B Trust's product offering within the financial advisory community
- Expands the advisor network to over 22,000 advisors
- Provides critical scale in self-directed products and enhanced operating systems
- Increases fee-based revenue; diversifies B2B Trust's business mix
- Creates revenue and expense synergies, accelerating growth in operating earnings at B2B Trust

COMBINED BUSINESS PROVIDES COMPLEMENTARY STRENGTHS

**B2B Trust: loan and deposit products;
MRS: self-directed products**

	B2B Trust segment*	MRS**	Combined
Investment loans	\$2,934 M	\$279 M	\$3,213 M
Mortgages	\$2,425 M	\$149 M	\$2,574 M
Deposits	\$9,248 M	\$716 M	\$9,964 M
Assets Under Administration (self-directed accounts)	\$3.7 B	\$21.6 B	\$25.3 B

* As at July 31, 2011

** As at May 31, 2011

Mutual Fund Distribution Agreement with Mackenzie

- Retail Bank clients in Québec gain access to one of the leading family of funds in Canada, offering a broader and more diversified selection of mutual funds
- The Retail segment strengthens its activities in Wealth Management
- The Bank increases fee-based revenues by offering Mackenzie funds

Acquisition of the MRS Companies

- Description:**
- LB, through its subsidiary B2B Trust, to purchase 100% of the MRS Companies (MRS)
- Consideration:**
- Total purchase price for MRS of approximately \$165 M based on a book value of \$114.8 M* and a premium of \$50 M
- Method of payment:**
- Cash
- Closing conditions:**
- Subject to applicable regulatory notifications and approvals
- Expected closing:**
- November 2011

FINANCIAL IMPACT OF ACQUISITIONS ACCRETIVE ON AN OPERATING BASIS

Acquisition of the MRS Companies

- **Capital Impact**
 - Reduces Tier I capital ratio (Basel II) by about 70 basis points
 - Expect to reach the minimum Basel III requirements by January 1, 2013, based on applicable 2019 rules

- **Earnings Impact**
 - 2012: marginally accretive excluding integration costs
 - 2013: accretive by approximately \$0.15-\$0.20 per share, factoring in a potential \$50 million common share issue in 2012
 - 2014+: increasingly accretive

- **Integration Costs**
 - A non-recurring \$25 million pre-tax cost of integration
 - IT investments of \$13 million pre-tax

Mutual Fund Distribution Agreement with Mackenzie

Description:

- LB enters into a distribution agreement to offer, as a principal dealer, Mackenzie funds to the Bank's retail customers in Québec

Important dates:

- Effective 2012
- Principal distributor as of January 1, 2013

Non-recurring item:

- A \$7.6 million penalty to be paid to Industrial Alliance to terminate, early in 2012, the existing distribution agreement with IA Clarington

Revenues:

- Revenues from the sale of mutual funds will progressively increase from a nominal level in 2012, as cumulated volumes of net funds grow over the years

Two compelling transactions

Significant steps towards enhancing the capabilities of two of our growth engines that will:

- Solidify the leadership position of B2B Trust
- Deepen the Wealth Management offering
- Accelerate growth
- Create long-term shareholder value

- **Réjean Robitaille**, President and Chief Executive Officer
- **Michel C. Lauzon**, Executive Vice-President and Chief Financial Officer
- **Luc Bernard**, Executive Vice-President, Retail and SME Financial Services
- **François Desjardins**, Executive Vice-President of the Bank and President and Chief Executive Officer of B2B Trust
- **Lorraine Pilon**, Executive Vice-President, Corporate Affairs and Secretary
- **Michel C. Trudeau**, Senior Vice-President, Capital Markets of the Bank, and President and Chief Executive Officer of Laurentian Bank Securities Inc.
- **Louis Marquis**, Senior Vice-President, Credit
- **Stéphanie Pelletier**, Vice-President, Finance
- **Pierre Minville**, Senior Vice-President and Chief Risk Officer
- **André Lopresti**, Vice-President and Chief Accountant
- **Gladys Caron**, Vice-President, Public Affairs, Communications and Investor Relations
- **Susan Cohen**, Director, Investor Relations

APPENDICES

- **3rd largest financial institution in Québec** in terms of branches and **7th largest Canadian Schedule I chartered bank** based on assets
- **More than 200 points of service** across Canada, including **157 retail branches** and **424 ABMs**
- **\$24.1 billion of assets** on balance sheet as of July 31, 2011
- **Main markets:** Province of Québec with significant activities elsewhere in Canada (37% of total loans come from outside of Québec)
- **More than 3,800 employees**
- **Founded in 1846**

For the 9 months ended July 31, 2011

Retail & SME Québec

Real Estate & Commercial

B2B Trust

LB Securities & Capital Markets

% of total revenue ⁽¹⁾ **60%**

16%

16%

8%

% of net income ⁽¹⁾ **31%**

35%

29%

5%

- Personal Banking: Transactional, financing and investment products and services
- Small and Medium-Sized Enterprises: Financing solutions and services such as exchange transactions, electronic banking and processing of international transactions
- Approximately 2,600 employees
- 157 retail branches in Québec
- 22 commercial offices in Québec

- Real estate financing throughout Canada
- Commercial financing in Ontario
- Commercial financing in Québec

- Approximately 125 employees
- 14 offices in Ontario, Western Canada and Québec

- Financial products and services offering
- Distributed through a network of more than 15,000 independent financial advisors for distribution to their clients throughout Canada

- Approximately 400 employees
- Sales offices in Montréal, Calgary, Halifax and Vancouver

Complete range of brokerage services offered through a network of 15 offices in Québec and Ontario

- Institutional – Fixed Income
- Institutional – Equity
- Retail Brokerage Services
- Business Services

Bank-related capital market activities

- Approximately 225 employees
- 15 offices in Québec and Ontario

- \$9.2 billion in residential mortgage loans and home equity lines of credit
- \$0.4 billion in personal lines of credit
- \$1.0 billion in average commercial loans - SME Québec
- Total deposits: \$9.4 B

- \$0.7 billion in commercial loans
- \$1.7 billion in commercial mortgage loans
- Total deposits: \$0.5 B

- \$3.0 billion in investment and RRSP loans
- \$2.3 billion in brokered mortgages
- Total deposits: \$9.2 B
- Assets under administration: \$3.7 B

- Assets under administration: \$2.2 B

⁽¹⁾ Excluding Other segment

ANTICIPATED IMPACT OF IFRS

	Impact at transition	Impact going forward
Securitization	<p>Gross-up of the balance sheet of approximately \$3.5B</p> <p>Relatively neutral on equity</p>	<p>Higher assets and liabilities on balance sheet</p> <p>Higher net interest income</p> <p>Lower net interest margins and other income</p>
Employee benefits	Potential reduction of retained earnings of \$95M	Decrease in pension costs
Loan provisioning and Business combinations	Potential impact should be limited	N/A
ROE	N/A	Higher
EPS	N/A	Neutral

Réjean Robitaille

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

Lorraine Pilon

**Executive Vice-President
Corporate Affairs and Secretary**
With Laurentian Bank since 1990

Luc Bernard

**Executive Vice-President
Retail and SME Financial Services**
With Laurentian Bank since 2001

François Desjardins

**Executive Vice-President of the Bank
President and Chief Executive Officer of
B2B Trust**
With Laurentian Bank since 1991

**L. Denis Desautels O.C.,
FCA (2001)**

Chairman of the Board
Laurentian Bank of Canada
Chartered Accountant and
Corporate Director

Pierre Anctil (2011)

President and CEO of Fiera
Axium Infrastructure

Lise Bastarache (2006)

Economist and Corporate
Director

Jean Bazin C.R. (2002)

Counsel
Fraser Milner Casgrain LLP

Richard Bélanger (2003)

President
Toryvel Group Inc.

Ève-Lyne Biron (2003)

President and General
Manager
Laboratoire Médical Biron inc.

Isabelle Courville (2007)

President
Hydro-Québec TransÉnergie

Pierre Genest (2006)

Chairman of the Board
SSQ, Life Insurance Company
Inc.

Michel Labonté (2009)

Corporate Director

Jacqueline C. Orange (2008)

Corporate Director

Marie-France Poulin (2009)

Vice-President
Camanda Group

Réjean Robitaille (2006)

President and Chief Executive
Officer
Laurentian Bank of Canada

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