LAURENTIAN BANK

Press Release
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LAURENTIAN BANK REPORTS RECORD 2013 RESULTS

The Bank's Annual Report, which includes the Audited Annual Consolidated Financial Statements and accompanying Management's Discussion and Analysis for 2013, is also available on the Bank's website at www.laurentianbank.ca.

2013 highlights

- Adjusted financial measures for 2013 are as follows:
  - Record adjusted net income of $156.0 million, up 11% year-over-year
  - Adjusted return on common shareholders' equity of 11.6%
  - Adjusted diluted earnings per share of $5.09
- Reported net income of $124.7 million, return on common shareholders' equity of 9.1%, and diluted earnings per share of $3.99
- Total revenue up 9% year-over-year, reflecting improvements across all revenue streams
- Excellent credit quality as evidenced by loan losses of $36.0 million or 0.13% of average loans
- Solid growth in the commercial loan portfolio, up 17% year-over-year

Highlights of the fourth quarter 2013

- Quarterly common share dividend raised by $0.01 to $0.51 per share
- Adjusted financial measures for the fourth quarter of 2013 are as follows:
  - Adjusted net income of $35.2 million
  - Adjusted return on common shareholders' equity of 10.2%
  - Adjusted diluted earnings per share of $1.14
- Reported net income of $27.2 million, return on common shareholders' equity of 7.7%, and diluted earnings per share of $0.86
- Loan losses remain low at $10.0 million
- One-time restructuring charges in the quarter of $6.3 million or $0.16 diluted per share

Montréal, December 11, 2013 - Laurentian Bank of Canada reported record adjusted net income up 11% to $156.0 million or $5.09 diluted per share for the year ended October 31, 2013, compared with $140.7 million or $4.98 diluted per share in 2012. Adjusted return on common shareholders' equity was 11.6% for the year ended October 31, 2013, compared with 12.0% in 2012. When including adjusting items[1], net income was $124.7 million or $3.99 diluted per share for the year ended October 31, 2013, compared with $140.5 million or $4.98 diluted per share in 2012. Return on common shareholders' equity was 9.1% for the year ended October 31, 2013, compared with 12.1% in 2012.

Adjusted net income totalled $35.2 million or $1.14 diluted per share for the fourth quarter of 2013, compared with $36.2 million or $1.17 diluted per share for the same period in 2012. Adjusted return on common shareholders' equity was 10.2% for the fourth quarter of 2013, compared with 10.9% for the same period in 2012. When including adjusting items, net income totalled $27.2 million or $0.86 diluted per share for the fourth quarter ended October 31, 2013, compared with $45.7 million or $1.51 diluted per share for the fourth quarter of 2012. Return on common shareholders' equity was 7.7% for the fourth quarter of 2013, compared with 14.2% for the same period in 2012. Notably, net income in the fourth quarter of 2013 was adversely impacted by restructuring charges of $6.3 million before income taxes ($4.6 million after income taxes), or $0.16 diluted per share, related to the optimization of certain activities.

[1] Certain analyses presented throughout this document are based on the Bank's core activities and therefore exclude the effect of certain amounts designated as adjusting items. Refer to the Adjusting items and Non-GAAP financial measures sections for further details.

Commenting on the Bank's financial results for 2013, Réjean Robitaille, President and Chief Executive Officer, mentioned: “We successfully delivered solid earnings throughout the year and reached record revenues and adjusted net earnings as we leveraged our acquisitions to expand the Bank's geographic reach and client base in an environment of slowing consumer loan demand and compressed margins. The continued excellent credit quality of the loan portfolio and disciplined control over expenses also contributed to our strong performance.”

Mr. Robitaille added: “In a challenging and rapidly evolving business and regulatory environment, we will continue to execute strategies to maximize operating leverage going forward, with a constant focus on profitable growth, controlling costs and optimizing the Bank's operations, and delivering the synergies related to our acquired businesses.”

Mr. Robitaille concluded: “In this environment, we remain committed to enhancing value for our shareholders and we are working diligently to create positive operating leverage in each of our business segments. I am therefore pleased to announce that the Board of Directors has approved an increase in our quarterly common share dividend of $0.01 to $0.51 per share.”

Caution Regarding Forward-looking Statements

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 Companies[1] and AGF Trust Company[2] (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.

[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.

Highlights

In thousands of Canadian dollars, except per share and percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED OCTOBER 31 2013	OCTOBER 31 2012	VARIANCE	FOR THE YEAR ENDED OCTOBER 31 2013	OCTOBER 31 2012	VARIANCE
Profitability						
Total revenue	**$ 215,531**	$ 210,396	2 %	**$ 865,337**	$ 796,643	9 %
Net income	**$ 27,167**	$ 45,685	(41)%	**$ 124,680**	$ 140,508	(11)%
Diluted earnings per share	**$ 0.86**	$ 1.51	(43)%	**$ 3.99**	$ 4.98	(20)%
Return on common shareholders' equity [1]	**7.7 %**	14.2 %		**9.1 %**	12.1 %	
Net interest margin [1]	**1.66 %**	1.62 %		**1.66 %**	1.69 %	
Efficiency ratio [1]	**79.3 %**	78.6 %		**77.1 %**	75.9 %	
Operating leverage [1]	**(0.2)%**	(2.5)%		**(1.7)%**	(6.1)%	
Per common share						
Share price						
High	**$ 47.15**	$ 47.80		**$ 47.15**	$ 48.68	
Low	**$ 44.25**	$ 43.77		**$ 42.41**	$ 40.66	
Close	**$ 46.55**	$ 44.45	5 %	**$ 46.55**	$ 44.45	5 %
Price / earnings ratio (trailing four quarters)				**11.6x**	8.9x	
Book value [1]				**$ 44.73**	$ 42.81	4 %
Market to book value				**104 %**	104 %	
Dividends declared	**$ 0.50**	$ 0.47	6 %	**$ 1.98**	$ 1.84	8 %
Dividend yield [1]	**4.30 %**	4.23 %		**4.25 %**	4.14 %	
Dividend payout ratio [1]	**58.0 %**	31.2 %		**49.6 %**	37.0 %	
Adjusted financial measures						
Adjusted net income [1]	**$ 35,220**	$ 36,186	(3)%	**$ 156,032**	$ 140,660	11 %
Adjusted diluted earnings per share [1]	**$ 1.14**	$ 1.17	(3)%	**$ 5.09**	$ 4.98	2 %
Adjusted return on common shareholders' equity [1]	**10.2 %**	10.9 %		**11.6 %**	12.0 %	
Adjusted efficiency ratio [1]	**74.7 %**	74.4 %		**72.7 %**	73.1 %	
Adjusted operating leverage [1]	**(2.9)%**	(1.9)%		**0.7 %**	(3.9)%	
Adjusted dividend payout ratio [1]	**43.7 %**	40.2 %		**38.8 %**	36.9 %	
Financial position (in millions of Canadian dollars)						
Balance sheet assets				**$ 33,926**	$ 34,937	(3)%
Loans and acceptances				**$ 27,229**	$ 26,781	2 %
Deposits				**$ 23,927**	$ 24,041	— %
Basel III regulatory capital ratios — All-in basis [2]						
Common Equity Tier I				**7.6 %**	n.a.	
Tier 1				**9.1 %**	n.a.	
Total				**12.7 %**	n.a.	
Other information						
Number of full-time equivalent employees				**3,987**	4,201	
Number of branches				**153**	157	
Number of automated banking machines				**422**	426	

[1] Refer to the non-GAAP financial measures section.
[2] As defined in OSFI 2013 Capital Adequacy Requirements Guideline.

Financial Review

The following sections present a summary analysis of the Bank's financial condition as at October 31, 2013, and of how it performed during the three-month period and year then ended. The analysis should be read in conjunction with the unaudited financial information for the fourth quarter of 2013 presented below.

Audited Annual Consolidated Financial Statements and accompanying Management's Discussion and Analysis for 2013 are also available on the Bank's website at www.laurentianbank.ca. Additional information about the Laurentian Bank of Canada, including the Annual Information Form, is available on the Bank's website at www.laurentianbank.ca and on SEDAR at www.sedar.com.

2013 Financial Performance

The following table presents management's financial objectives for 2013 and the Bank's performance for the year then ended. These financial objectives are based on the assumptions noted on page 37 of the Bank's 2012 Annual Report under the title “Key assumptions supporting the Bank's objectives” and exclude adjusting items[1].

2013 FINANCIAL OBJECTIVES [1]

	2013 OBJECTIVES	2013 RESULTS
Revenue growth	> 5%	**9%**
Adjusted efficiency ratio [1]	72.5% to 69.5%	**72.7%**
Adjusted net income (in millions of dollars) [1]	$145.0 to $165.0	**$156.0**
Adjusted return on common shareholders' equity [1]	10.5% to 12.5%	**11.6%**
Common Equity Tier I capital ratio — All-in basis	> 7.0%	**7.6%**

[1] Refer to the non-GAAP financial measures section.

The Bank met its revenue growth, adjusted net income, adjusted return on common shareholders' equity and Common Equity Tier 1 capital ratio objectives for the year 2013 and successfully delivered record adjusted earnings.

Strong revenue growth stemming from the AGF Trust acquisition and the Bank's strategies to diversify its revenue base, combined with a disciplined management of expenses and continued excellent credit quality have contributed to the overall good performance and to the attainment of the revenue growth, capital and profitability objectives. However, the Bank’s adjusted efficiency ratio was marginally higher than the originally targeted range, in part as a result of one-time restructuring charges in the fourth quarter of 2013. When excluding these charges totalling $6.3 million, the adjusted efficiency ratio stood at 71.9%, within the range set at the onset of the year.

1 Refer to Adjusting items and Non-GAAP financial measures sections for further details.

Analysis of Consolidated Results

CONDENSED CONSOLIDATED RESULTS

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2013**	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED **OCTOBER 31 2013**	OCTOBER 31 2012
Net interest income	**$ 141,437**	$ 144,549	$ 142,411	**$ 568,760**	$ 531,028
Other income	**74,094**	76,493	67,985	**296,577**	265,615
Total revenue	**215,531**	221,042	210,396	**865,337**	796,643
Gain on acquisition and amortization of net premium on purchased financial instruments	**(1,006)**	(1,140)	23,795	**(4,426)**	23,795
Provision for loan losses	**10,000**	9,000	8,000	**36,000**	33,000
Non-interest expenses	**170,873**	174,928	165,377	**666,968**	604,463
Income before income taxes	**33,652**	35,974	60,814	**157,943**	182,975
Income taxes	**6,485**	7,690	15,129	**33,263**	42,467
Net income	**$ 27,167**	$ 28,284	$ 45,685	**$ 124,680**	$ 140,508
Preferred share dividends, including applicable taxes	**2,637**	2,520	3,273	**11,749**	12,768
Net income available to common shareholders	**$ 24,530**	$ 25,764	$ 42,412	**$ 112,931**	$ 127,740
Earnings per share					
Basic	**$ 0.86**	$ 0.91	$ 1.51	**$ 3.99**	$ 4.98
Diluted	**$ 0.86**	$ 0.91	$ 1.51	**$ 3.99**	$ 4.98

Adjusting items

The Bank has designated certain amounts as adjusting items and has adjusted GAAP results to facilitate understanding of its underlying business performance and related trends. Adjusting items are included in the B2B Bank business segment's results. The Bank assesses performance on a GAAP basis and on an adjusted basis and considers both to be 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. Adjusted results and measures are non-GAAP measures. Comments on the uses and limitations of such measures are disclosed in the Non-GAAP Financial Measures section.

IMPACT OF ADJUSTING ITEMS

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2013**	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED **OCTOBER 31 2013**	OCTOBER 31 2012
Impact on net income					
Reported net income	**$ 27,167**	$ 28,284	$ 45,685	**$ 124,680**	$ 140,508
Adjusting items, net of income taxes [1]					
Gain on acquisition and amortization of net premium on purchased financial instruments					
Gain on acquisition	**—**	—	(16,382)	**—**	(16,382)
Amortization of net premium on purchased financial instruments	**744**	840	400	**3,264**	400
Costs related to business combinations and other [2]					
MRS Companies transaction and integration related costs	**2,028**	3,977	4,739	**11,655**	13,936
AGF Trust transaction and integration related costs	**5,281**	6,746	1,744	**16,433**	2,198
	8,053	11,563	(9,499)	**31,352**	152
Adjusted net income [1]	**$ 35,220**	$ 39,847	$ 36,186	**$ 156,032**	$ 140,660
Impact on diluted earnings per share					
Reported diluted earnings per share	**$ 0.86**	$ 0.91	$ 1.51	**$ 3.99**	$ 4.98
Adjusting items [1]	**0.28**	0.41	(0.34)	**1.11**	—
Adjusted diluted earnings per share [1] [3]	**$ 1.14**	$ 1.31	$ 1.17	**$ 5.09**	$ 4.98

[1] Refer to the Non-GAAP Financial Measures section.

[2] Also referred to as Transaction and Integration Costs (T&I Costs).

[3] The impact of adjusting items on a per share basis does not add due to rounding for the quarter ended July 31, 2013 and for the year ended October 31, 2013.

Year ended October 31, 2013 compared to year ended October 31, 2012

Net income was $124.7 million, or $3.99 diluted per share, for the year ended October 31, 2013, compared with $140.5 million, or $4.98 diluted per share, in 2012. Adjusted net income was up 11% year-over-year to $156.0 million for the year ended October 31, 2013, compared with $140.7 million in 2012, while adjusted diluted earnings per share was $5.09, compared with $4.98 diluted per share, in 2012. The increase in net income is mainly attributable to the full-year contribution of AGF Trust.

The acquisition of AGF Trust, in the fourth quarter of 2012, contributed to the Bank's earnings growth throughout the year in 2013 compared with a single quarter of contribution in 2012. As AGF Trust systems and account integration is well underway, results for AGF Trust now form part of B2B Bank's earnings.

Total revenue

Total revenue increased by $68.7 million or 9% to $865.3 million for the year ended October 31, 2013, compared with $796.6 million for the year ended October 31, 2012. The increase mainly results from the full-year contribution of AGF Trust, along with strong growth in other income.

Net interest income increased by 7% to $568.8 million for the year ended October 31, 2013, compared with $531.0 million for the same period in 2012, and is mainly explained by the loan and deposit volume purchased through the AGF Trust transaction, which more than offset the effect of continuing net interest margin pressure over the same period, which was down 3 basis points to 1.66%.

Other income was $296.6 million for the year ended October 31, 2013, compared with $265.6 million for the same period in 2012, a 12% year-over-year increase reflecting improvements across all revenue streams, notably in fees and commissions on loans and deposits originating from increased business volume and pricing initiatives. In addition, income from brokerage operations increased by $5.8 million as the Bank's brokerage subsidiary capitalized on growth opportunities in the fixed income market and benefited from stronger equity markets compared to a year ago. Income from sales of mutual funds increased by $4.5 million or 25%, as the Bank's continued efforts resulted in record mutual fund sales and growth in assets under administration.

Gain on acquisition and amortization of net premium on purchased financial instruments

For the year ended October 31, 2013, the charge related to the amortization of net premium on purchased financial instruments, presented on the line-item "Gain on acquisition and amortization of net premium on purchased financial instruments", amounted to $4.4 million. For the year ended October 31, 2012, the line-item amounted to $23.8 million, which included a $24.3 million pre-tax gain ($16.4 million after income taxes) resulting from the acquisition of AGF Trust. Refer to Note 28 to the annual consolidated financial statements for additional information on this item.

Provision for loan losses

PROVISION FOR LOAN LOSSES

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2013**	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED **OCTOBER 31 2013**	OCTOBER 31 2012
Provision for loan losses					
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 and other loans (including acceptances)	**(161)**	1,361	945	**(741)**	2,691
	$ 10,000	$ 9,000	$ 8,000	**$ 36,000**	$ 33,000
As a % of average loans and acceptances	**0.15%**	0.13%	0.12%	**0.13%**	0.14%

The provision for loan losses amounted to $36.0 million for the year ended October 31, 2013, an increase of $3.0 million or 9% from $33.0 million for the year ended October 31, 2012. Loan losses on AGF Trust's personal loan and residential mortgage loan portfolios for the full year contributed to the increase in these portfolios. Provisions on residential mortgage loans also reflect the higher loan volume and additional collective provisions required on medium-sized residential real estate properties and projects to better reflect the risk profile of these loans. Notwithstanding the prudent management of the level of provisioning and the close monitoring of the loan portfolios, favourable settlements and overall improvements in the commercial mortgage loan and commercial loan portfolios contributed to a net credit in loan losses of $4.4 million over the last twelve months. The continued low level of loan losses reflects the quality of the Bank's loan portfolios and the prolonged favourable credit conditions in Canada.

Non-interest expenses

Non-interest expenses totalled $667.0 million for the year ended October 31, 2013, compared with $604.5 million for the year ended October 31, 2012. Taking into account realized synergies from the integration of the MRS Companies, the increase in the Bank's adjusted non-interest expenses was limited to approximately 4% when excluding the additional operating expenses related to AGF Trust. T&I Costs increased by $16.2 million to $38.2 million for the year ended October 31, 2013 compared with $22.0 million for the year ended October 31, 2012.

Salaries and employee benefits increased by $30.8 million or 10% to $351.4 million compared with the year ended October 31, 2012, mainly due to increased headcount from the acquisition of AGF Trust, as well as to regular salary increases, restructuring costs of $6.3 million, and higher performance-based compensation and pension costs. These were partly offset by synergies realized from the integration of the MRS Companies and AGF Trust, lower group insurance costs and savings resulting from restructurings in the retail banking operations in 2012.

Totalling $171.3 million for the year ended October 31, 2013, premises and technology costs increased by $18.4 million compared with the year ended October 31, 2012, mainly stemming from rental and IT costs resulting from the operations at AGF Trust, as well as higher rental costs related to additional square footage of leased premises for IT project teams. Higher IT costs from ongoing business growth and amortization expenses as major IT development projects were completed, including a $1.6 million impairment charge for discontinued IT projects, also contributed to the increase.

Other non-interest expenses decreased by $2.9 million to $106.1 million for the year ended October 31, 2013, from $108.9 million for the same period of 2012. The decrease is mainly due to lower taxes for the year ended October 31, 2013, as well as realized cost synergies and overall expense control over other expenses, partly offset by the additional nine months of other non-interest expenses of AGF Trust. Expenses for the year ended October 31, 2012 included MRS Companies' outsourcing expenses prior to their integration within B2B Bank in 2012.

T&I Costs for the year ended October 31, 2013 totalled $38.2 million and mainly related to IT systems conversions costs, employee relocation costs, salaries, professional fees and other expenses for the integration of AGF Trust and the MRS Companies. The integration process is progressing according to plan and should be completed in 2014.

The adjusted efficiency ratio was 72.7% for the year ended October 31, 2013, compared with 73.1% for the year ended October 31, 2012. On the same adjusted basis and despite higher restructuring costs in 2013, operating leverage was slightly positive year-over-year, as the addition of AGF Trust and higher other income combined with continued cost control measures, aimed at slowing expense growth, more than compensated for the impact of compressing margins.

Income taxes

For the year ended October 31, 2013, the income tax expense was $33.3 million and the effective tax rate was 21.1%. The lower tax rate, compared to the statutory rate, mainly resulted from the favourable effect of holding investments in Canadian securities that generate non-taxable dividend income and the lower taxation level on revenues from foreign insurance operations. For the year ended October 31, 2012, the income tax expense was $42.5 million and the effective tax rate was 23.2%. When compared with the prior year, the lower income tax rate for the year ended October 31, 2013 reflects the relatively lower level of revenues from higher-taxed domestic operations when including the gain on acquisition of AGF Trust in 2012.

Three months ended October 31, 2013 compared to three months ended October 31, 2012

Net income was $27.2 million, or $0.86 diluted per share, for the fourth quarter of 2013, compared with $45.7 million, or $1.51 diluted per share, for the fourth quarter of 2012. Adjusted net income was down 3% year-over-year to $35.2 million for the fourth quarter ended October 31, 2013, compared with $36.2 million in 2012, while adjusted diluted earnings per share was $1.14, compared with $1.17 diluted per share, in 2012. Notably, net income in the fourth quarter of 2013 was adversely impacted by one-time restructuring charges of $6.3 million before income taxes ($4.6 million after income taxes), or $0.16 diluted per share, related to the optimization of certain activities.

Total revenue

Total revenue increased by $5.1 million or 2% to $215.5 million in the fourth quarter of 2013, compared with $210.4 million in the fourth quarter of 2012.

Net interest income decreased by $1.0 million to $141.4 million for the fourth quarter of 2013, from $142.4 million in the fourth quarter of 2012, essentially reflecting a reduced level of higher margin personal loans, partly offset by slightly improved margins. When compared to the fourth quarter of 2012, margins increased by 4 basis points to 1.66% for the fourth quarter of 2013. The reduction in lower-yielding liquid assets compared to a year ago and the maturing of high-coupon securitization liabilities mainly contributed to the increase. These factors more than compensated for tighter loan and deposit margins stemming from the repricing of maturing loans and deposits in the very low interest rate environment.

Other income totalled $74.1 million in the fourth quarter of 2013, compared with $68.0 million in the fourth quarter of 2012, a $6.1 million or 9% increase reflecting better performance in most revenue streams. During the quarter, fees and commissions on loans and deposits benefitted from increased activity as well as from commercial mortgage loan prepayment penalties amounting to $2.0 million. Continued solid income from sales of mutual funds as well as higher income from investment accounts also contributed to the increase year-over-year, partly offset by lower income from treasury and financial markets due to lower net realized security gains in the quarter when compared to a year earlier.

Gain on acquisition and amortization of net premium on purchased financial instruments

For the fourth quarter of 2013, the charge related to the amortization of net premium on purchased financial instruments, presented on the line-item "Gain on acquisition and amortization of net premium on purchased financial instruments", amounted to $1.0 million. For the fourth quarter of 2012, the line-item amounted to $23.8 million, which included a $24.3 million pre-tax gain ($16.4 million after income taxes) resulting from the acquisition of AGF Trust. Refer to Note 28 to the annual consolidated financial statements for additional information on this item.

Provision for loan losses

The provision for loan losses increased by $2.0 million to $10.0 million in the fourth quarter of 2013 from $8.0 million in the fourth quarter of 2012. Albeit at a very low level, the provision for loan losses is congruent with the Bank's continued prudent approach to loan loss provisioning but nonetheless reflects the overall underlying quality of the Bank's loan portfolios. Loan losses on personal loans increased by $2.5 million compared with the fourth quarter of 2012, mainly driven by additional collective provisions on the AGF Trust portfolios. Loan losses on residential mortgage loans increased marginally by $0.4 million year-over-year. Moreover, during the fourth quarter of 2013, favourable settlements and overall improvements led to a net credit of $1.8 million in loan losses on commercial mortgages and commercial loans.

Non-interest expenses

Non-interest expenses increased by $5.5 million to $170.9 million for the fourth quarter of 2013, compared with $165.4 million for the fourth quarter of 2012. This mainly resulted from certain one-off charges incurred in the fourth quarter of 2013, as detailed below.

Salaries and employee benefits increased by $2.0 million or 2% to $89.1 million for the fourth quarter of 2013, compared with the fourth quarter of 2012. Salaries for the fourth quarter of 2013 include $6.3 million of restructuring charges related to the optimization of certain activities, compared with a similar but unrelated $2.5 million charge in the fourth quarter of 2012. Higher pension costs also contributed to the increase year-over-year. These were partly offset by lower performance-based compensation accruals in the fourth quarter of 2013 and savings related to group insurance programs where the Bank co-insures risk.

Premises and technology costs increased by $6.2 million or 16% to $45.3 million compared with the fourth quarter of 2012, mostly stemming from higher IT costs related to ongoing business growth, including integrated MRS Companies expenses, periodic expenses to support the delivery of certain projects and higher amortization expense related to completed IT development projects. Higher rental costs related to additional square footage of leased premises for IT development teams also contributed to the increase.

Other non-interest expenses decreased by $3.8 million to $26.5 million for the fourth quarter of 2013, from $30.3 million for the fourth quarter of 2012. The decrease is mainly attributable to lower taxes, professional service fees and advertising expenses compared with last year, as the Bank continued to exercise disciplined control over expenses in light of a slower growth environment for interest income. Expenses for the fourth quarter of 2012 also included non-recurring advertising expenses related to the conversion of B2B Trust to B2B Bank.

T&I Costs for the fourth quarter of 2013 totalled $10.0 million and mainly related to IT systems conversions costs, employee relocation costs, salaries, professional fees and other expenses, as noted above.

The adjusted efficiency ratio was 74.7% in the fourth quarter of 2013, compared with 74.4% in the fourth quarter of 2012. Excluding $6.3 million of restructuring charges incurred in the fourth quarter of 2013, the adjusted efficiency ratio was 71.7%. On the same basis, the Bank generated over 2% positive operating leverage year-over-year, mainly due to higher other income, integration synergies, and the Bank's continued cost control initiatives. As suggested by these measures, significant efforts are made to streamline operations. However, management remains committed to ensuring growth and continues to invest in strategic initiatives in each of its business segments.

Income taxes

For the quarter ended October 31, 2013, the income tax expense was $6.5 million and the effective tax rate was 19.3%. The lower tax rate, compared to the statutory rate, mainly resulted from the favourable effect of holding investments in Canadian securities that generate non-taxable dividend income and the lower taxation level on revenues from foreign insurance operations. For the quarter ended October 31, 2012, the income tax expense was $15.1 million and the effective tax rate was 24.9%. Year-over-year, the lower income tax rate for the fourth quarter ended October 31, 2013 results from a relatively higher level of non-taxable dividend income and a relatively lower level of domestic taxable income considering the gain on acquisition of AGF Trust in the quarter ended October 31, 2012.

Three months ended October 31, 2013 compared to three months ended July 31, 2013

Net income was $27.2 million or $0.86 diluted per share for the fourth quarter of 2013 compared with $28.3 million or $0.91 diluted per share for the third quarter of 2013. Adjusted net income was $35.2 million, or $1.14 diluted per share, compared with $39.8 million or $1.31 diluted per share for the third quarter of 2013.

Total revenue decreased to $215.5 million in the fourth quarter of 2013, compared with $221.0 million in the previous quarter. Net interest income decreased by $3.1 million sequentially to $141.4 million in the fourth quarter of 2013, as net interest margins decreased by 2 basis points from 1.68% in the third quarter of 2013 to 1.66% in the fourth quarter of 2013. The sequential drop in net interest margin mainly resulted from a seasonally lower volume of residential mortgage loan prepayment penalties, partly offset by the maturing of higher-coupon securitization liabilities halfway through the third quarter. Margins on loans and deposits have stabilized sequentially, reflecting a reduced impact of the repricing of loans and deposits in the ongoing very low interest rate environment.

Other income decreased by $2.4 million sequentially, largely due to lower income from treasury and financial market operations after a particularly strong performance of treasury activities in the third quarter of 2013. The decrease was partly offset by commercial mortgage loan prepayment penalties amounting to $2.0 million.

The charge related to amortization of net premium on purchased financial instruments, presented on the “Gain on acquisition and amortization of net premium on purchased financial instruments” line-item, amounted to $1.0 million in the fourth quarter of 2013, compared to a $1.1 million charge for the last quarter. Refer to Note 28 to the annual consolidated financial statements for additional information on this item.

The provision for loan losses remained low at $10.0 million for the fourth quarter of 2013, compared with $9.0 million for the third quarter of 2013, reflecting the continued excellent quality of the portfolio. The sequential increase is mainly due to higher provisions required on AGF Trust personal loans. In the third quarter of 2013, the Bank had also benefited from a $3.5 million favourable settlement on a single commercial loan exposure, while favourable settlements and overall improvements led to a further net credit of $1.8 million in loan losses on commercial mortgages and commercial loans in the fourth quarter of 2013.

Non-interest expenses amounted to $170.9 million for the fourth quarter of 2013, compared with $174.9 million for the third quarter of 2013. T&I Costs decreased to $10.0 million in the fourth quarter of 2013, compared with $14.6 million in the third quarter of 2013. Excluding T&I Costs and $6.3 million of restructuring charges incurred in the fourth quarter of 2013, non-interest expenses decreased sequentially by 4%, as the Bank continued to carefully control costs in the midst of a more muted growth environment for net interest income.

Financial condition

CONDENSED BALANCE SHEET

In thousands of Canadian dollars (Unaudited)		**AS AT OCTOBER 31 2013**		AS AT OCTOBER 31 2012
ASSETS				
Cash and deposits with other banks	**$**	**208,838**	$	571,043
Securities		**4,480,525**		6,142,961
Securities purchased under reverse repurchase agreements		**1,218,255**		631,202
Loans and acceptances, net		**27,113,107**		26,663,337
Other assets		**904,955**		928,283
	$	**33,925,680**	$	34,936,826
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	**$**	**23,927,350**	$	24,041,443
Other liabilities		**3,091,150**		2,873,563
Debt related to securitization activities		**4,974,714**		6,037,097
Subordinated debt		**445,473**		443,594
Shareholders' equity		**1,486,993**		1,541,129
	$	**33,925,680**	$	34,936,826

Balance sheet assets amounted to $33.9 billion at October 31, 2013, down $1.0 billion or 3% from year-end 2012. This decrease is essentially related to a lower level of liquid assets held by the Bank and the maturity of debt related to securitization activities, as loan growth continued.

Liquid assets

Liquid assets, including cash, deposits with other banks, securities and securities purchased under reverse repurchase agreements, totalled $5.9 billion at October 31, 2013, a $1.4 billion decrease compared to the relatively high level held on October 31, 2012. This decrease is mainly due to a reduction in low-yielding replacement assets that were used to reimburse $1.6 billion of matured debt related to securitization activities during the year ended October 31, 2013. In addition, the Bank reduced the overall level of liquid assets over the past twelve months to fund its loan growth. The relatively higher level of liquidity in 2012 was due to the acquisition of AGF Trust, as well as the Bank's issuance of capital instruments prior to the initial Basel III implementation on January 1st, 2013. As a result, liquid assets were relatively lower and decreased to 17% as a percentage of total assets, from 21% as at October 31, 2012. Overall, the Bank continues to maintain diverse funding sources, to prudently manage the level of liquid assets and to hold sufficient cash resources in order to meet its current and future financial obligations, under both normal and stressed conditions.

Loans

Loans and bankers' acceptances, net of allowances stood at $27.1 billion as at October 31, 2013, up $0.4 billion or 2% from October 31, 2012. The increase in the Bank's loan portfolios was fuelled by the strong organic growth in the higher-margin commercial loan portfolios, as retail loans were up marginally. Commercial loans, including bankers' acceptances, increased by $397.1 million or 17% since October 31, 2012, as the Bank capitalized on increased demand from its business clients, while the increase in commercial mortgage loans was partly offset by a loan sale of $94.7 million during the second quarter of 2013. Personal loans decreased by $560.6 million since October 31, 2012, mainly reflecting attrition in the acquired portfolios, point-of-sale financing loans and lower demand for other personal loans as clients continue to deleverage. Residential mortgage loans increased by $566.1 million or 4% from October 31, 2012, reflecting a slower demand compared to a year ago due in part to the tightening of mortgage lending rules introduced by the federal government in the second half of 2012.

Deposits

Personal deposits decreased slightly to $19.3 billion as at October 31, 2013 compared with $19.4 billion as at October 31, 2012, in line with the more modest growth in the loan portfolios. Business and other deposits, which include institutional deposits also decreased marginally since October 31, 2012 to $4.6 billion as at October 31, 2013. The Bank continues to maintain diversified funding sources and to actively manage its liquidity levels. As such, the Bank took advantage of favourable market conditions and raised $200.0 million of five-year senior deposit notes in the second quarter of 2013 and also raised an additional $275.0 million of five-year senior deposit notes during the fourth quarter of 2013. Moreover, in light of future regulatory liquidity requirements, the Bank continues to focus its efforts on retail deposit gathering and maintaining its solid retail funding base. Personal deposits represented 81% of total deposits as at October 31, 2013, unchanged from a year ago.

Other Liabilities

Debt related to securitization activities decreased by a net $1.1 billion compared with October 31, 2012 and stood at $5.0 billion as at October 31, 2013, mainly as four higher-coupon issuances came to maturity. Since the beginning of the year, the Bank also funded itself through the securitization of $1.2 billion of new residential mortgage loans. The Bank sold $738.5 million as part of new Canada Mortgage Bond issuances and $416.2 million as replacement assets in existing securitization structures. Subordinated debt stood at $445.5 million as at October 31, 2013, relatively unchanged from October 31, 2012.

Shareholders' equity

Shareholders' equity stood at $1,487.0 million as at October 31, 2013, compared with $1,541.1 million as at October 31, 2012. This decrease mainly resulted from the repurchase of the Class A Preferred Shares, Series 9, for $100 million, partly offset by internal capital generation, as well as by the issuance of 384,892 new common shares under the Shareholder Dividend Reinvestment and Share Purchase Plan and 30,000 new common shares under the Share purchase option plan. Accumulated other comprehensive income decreased by $28.7 million compared to a year-ago, essentially as a result of deferred gains on derivatives designated as cash flow hedges that were recognized into income. The Bank's book value per common share, excluding accumulated other comprehensive income, appreciated to $44.73 as at October 31, 2013 from $42.81 as at October 31, 2012. There were 28,532,569 common shares and 20,000 share purchase options outstanding as at December 9, 2013.

Measuring performance in 2014

The following table presents the Bank's objectives for 2014.

2014 FINANCIAL OBJECTIVES [1]

	2013 RESULTS [2]	2014 OBJECTIVES [3]
Adjusted return on common shareholders' equity [1]	11.6%	10.5% to 12.5%
Adjusted net income (in millions of dollars) [1]	$156.0	$145.0 to $165.0
Adjusted efficiency ratio [1]	72.7%	72.5% to 69.5%
Adjusted operating leverage [1]	0.7%	Positive
Common Equity Tier I capital ratio — All-in basis	7.6%	> 7.0%

[1] Refer to the non-GAAP financial measures section.

[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.

[3] These objectives for 2014 should be read concurrently with the following paragraphs on key assumptions.

Over the recent years, the Bank has continuously improved its profitability and has significantly increased the size of its operations. Management remains committed to delivering profitable growth. These improvements will be further consolidated as the Bank enters into 2014.

The persisting very low interest rate environment and consumer deleveraging pose a challenge and should temporarily constrain net interest income growth. Anticipated expense growth due to pension costs and ongoing investments in 2014 related to strategic initiatives and regulatory requirements should also, in the short term, put pressure on expenses. To balance the impact of these expected conditions in 2014, the Bank will emphasize the distribution of higher-margin products mainly through its commercial activities and continue to focus on growing income from non-interest sensitive sources. In addition, continuous rigorous cost controls and the delivery of the remaining cost synergies from its acquired businesses should contribute to containing expenses and produce operating leverage.

Key assumptions supporting the Bank's objectives

The following assumptions are the most significant items considered in setting the Bank's strategic priorities and financial objectives. The Bank's objectives do not constitute guidance and are based on certain key planning assumptions. Other factors such as those detailed in the Caution Regarding Forward-Looking Statements section and in the Risk Appetite and Risk Management Framework section of the annual MD&A could also cause future results to differ materially from these objectives.

Considering the environment described above, management believes the following factors will underlie its financial outlook for 2014:

- Good organic growth to continue, fuelled by higher-margin commercial businesses
- Some attrition in the investment loan portfolios, as consumers continue to deleverage
- Stable margins from the 2013 year-end level
- Strategies to grow and diversify other income to be maintained

- Loan loss provisions to progressively return to normalized levels from 2013 low levels
- Relatively stable housing market
- Stable interest rate environment
- Expenses to be tightly controlled, below the inflation rate level, despite the anticipated increase in pension costs resulting from changes in accounting standards
- Integration of MRS Companies/AGF Trust to be completed in 2014 with further cost synergies to fully materialize in the second half of 2014

These objectives exclude expected integration costs pertaining to acquisitions and amortization of acquisition-related net premium on purchased financial instruments as well as potential changes in the fair value of the acquisition-related contingent consideration.

Medium term outlook beyond 2014

In the medium term, the Bank is expecting that, even with this current rate environment, the pressure on the Bank's net interest margin should diminish and eventually reverse as the Bank continues to put more emphasis on higher-margin products growth. The recent launches of the Bank's leasing activities combined with its expanded alt-A mortgage offering through B2B Bank is directly in line with this strategy. Also, upon completion of the integration process, B2B Bank management will redirect their attention towards maximizing the revenue potential.

Furthermore, the Bank's medium term strategic vision is to:
- Grow B2B Bank as the dominant bank to Canada's financial advisor community
- Increase its footprint in commercial banking with targeted offerings such as lease financing and other banking solutions to niche segments
- Pursue the development of its virtual offering
- Advance the Bank's pan-Canadian presence
- Implement the internal ratings-based approach and optimize its regulatory capital

These strategic objectives translate into the following medium term financial objectives:
- Grow net income per share by 5% to 10% annually
- Gradually bring the efficiency ratio below 68%
- Generate positive operating leverage
- Maintain strong capital ratios that exceed regulatory requirements

Capital Management

Regulatory capital

The regulatory capital calculation is determined based on the guidelines issued by the Office of the Superintendent of Financial Institutions (OSFI) originating from the Basel Committee on Banking Supervision (BCBS) regulatory risk based capital framework. As of January 2013, the Bank adopted OSFI's new Capital Adequacy Requirements Guideline (the CAR Guideline) drawn on the BCBS capital guidelines initially issued in December 2010, and commonly referred to as Basel III. Under this new framework, Tier 1 capital, the most permanent and subordinated forms of capital, must be more predominantly composed of common equity. Tier 1 capital now consists of two components: Common equity Tier 1 and Additional Tier 1, to ensure that risk exposures are backed by a high quality capital base and to provide transparency. Tier 2 capital consists of supplementary capital instruments and will continue to contribute to the overall strength of a financial institution as a going concern.

Under the CAR Guideline, minimum Common Equity Tier 1, Tier 1 and Total capital ratios were set at 3.5%, 4.5% and 8.0% respectively for 2013. These ratios include phase-in of certain regulatory adjustments between 2013 and 2019 and phase-out of non-qualifying capital instruments between 2013 and 2022 (the “transitional” basis). Starting in 2014, the CAR Guideline also provides for annual increases in minimum capital ratio requirements, which will reach 7.0%, 8.5% and 10.5% in 2019, including the effect of capital conservation buffers.

In its CAR Guideline, OSFI indicated that it expected deposit-taking institutions to attain target capital ratios without transition arrangements equal to or greater than the 2019 minimum capital ratios plus conservation buffer levels (the "all-in" basis) early in the transition period, including a minimum 7.0% Common Equity Tier 1 ratio target by the first quarter of 2013. Refer to the Management's Discussion and Analysis for 2013 for additional information on this item.

As detailed in the table below, on an "all-in" basis, the Common Equity Tier 1, Tier 1 and Total capital ratios stood at 7.6%, 9.1% and 12.7%, respectively, as at October 31, 2013. These ratios meet all present minimum requirements.

REGULATORY CAPITAL

In thousands of Canadian dollars, except percentage amounts (Unaudited)	Basel III [1] AS AT OCTOBER 31 2013	Basel III [1] AS AT JULY 31 2013	Basel II [2] AS AT OCTOBER 31 2012
Regulatory capital			
Common Equity Tier 1 capital (A)	**$ 1,017,659**	$ 1,013,588	n.a.
Tier 1 capital (B)	**$ 1,222,863**	$ 1,218,734	$ 1,460,253
Total capital (C)	**$ 1,694,167**	$ 1,701,438	$ 1,974,060
Total risk-weighted assets (D) [3]	**$ 13,379,834**	$ 13,471,849	$ 13,436,433
Regulatory capital ratios			
Common Equity Tier 1 capital ratio (A/D)	**7.6%**	7.5%	n.a.
Tier 1 capital ratio (B/D)	**9.1%**	9.0%	10.9 %
Total capital ratio (C/D)	**12.7%**	12.6%	14.7 %

[1] The amounts are presented on an "all-in" basis.
[2] The amounts are presented in accordance with Basel II as filed with OSFI.
[3] Using the Standardized Approach in determining credit risk capital and to account for operational risk.

The Common Equity Tier 1 capital ratio increased by 0.1%, from 7.5% as at July 31, 2013 to 7.6% as at October 31, 2013. The increase mainly resulted from initiatives to manage risk-weighted assets, as well as to a decrease in the personal loan portfolio.

The Bank has been investing in the last two years to develop the advanced internal ratings-based (AIRB) approach of calculating risk-weighted assets and evolve away from the more penalizing standardized methodology. Implementation was scheduled in the 2015-2018 time frame and included two deliveries. However, as there is growing uncertainty and discussions around the world about a more risk sensitive, simple and comparable methodology, management has decided to reduce the speed of the AIRB implementation and complete the project in 2018 into one single delivery.

Impact of the adoption of changes to employee benefits accounting on regulatory capital

Effective November 1, 2013, the Bank adopted an amended version of IAS 19, *Employee Benefits*. The amendments eliminate the option to defer the recognition of gains and losses resulting from defined benefit pension plans, known as the "corridor method", which was historically used by the Bank, and requires that remeasurements be recorded in shareholders' equity. The adoption of this standard will reduce shareholder's equity by approximately $53.6 million as at November 1, 2013 and, on a *pro forma* basis, would have reduced Common Equity Tier 1 capital ratio as at October 31, 2013 by approximately 0.2% to 7.4%. In preparation for this change, the Bank has taken proactive measures to mitigate the volatility associated with these remeasurements and changes in future market-driven assumptions in order to maintain a strong capital position going forward.

Regulatory developments concerning liquidity

In December 2010, the BCBS issued the *Basel III: International framework for liquidity risk measurement, standards and monitoring*, which outlines two new liquidity requirements in addition to other supplemental reporting metrics. This document prescribes the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as minimum regulatory standards effective January 2015 and January 2018, respectively. Further updates regarding the LCR and liquidity risk monitoring tools were published in January 2013. In April 2013, the BCBS issued a new guideline regarding intraday liquidity management.

In November 2013, OSFI issued a comprehensive domestic liquidity adequacy guideline in draft form that reflects the aforementioned BCBS liquidity standards and monitoring tools and formalized the use of the Net Cumulative Cash Flow (NCCF) supervisory tool. This guideline will ensure that the Basel liquidity guidance is properly applied by institutions in accordance with OSFI's requirements. The guideline is to be finalized in 2014 and the application date of the chapters pertaining to LCR, NCCF and liquidity monitoring tools will be as of January 1, 2015. The date of implementation of other areas of clarity related to the intraday liquidity management and the NSFR has not yet been determined, but will not be before January 1, 2015. At this stage, it is still too early to determine their definitive impact on liquidity requirements, considering some aspects of the proposals are yet to be finalized at both the international (BCBS) and national (OSFI) levels and may further change between now and when the final rules take effect. Nevertheless, the Bank is in the process of assessing differences between the current liquidity requirements and its liquidity data and reporting systems.

Dividends

On November 6, 2013, the Board of Directors declared regular dividends on the various series of preferred shares to shareholders of record on December 9, 2013. At its meeting on December 11, 2013, given the ongoing progress in the Bank's profitability and its confidence in the Bank's future, the Board of Directors approved a $0.01 per share increase to the quarterly dividend and thus declared a dividend of $0.51 per common share, payable on February 1, 2014, to shareholders of record on January 2, 2014.

COMMON SHARE DIVIDENDS AND PAYOUT RATIO

In Canadian dollars, except payout ratios (Unaudited)	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED			
	OCTOBER 31 2013	JULY 31 2013	OCTOBER 31 2012	**OCTOBER 31 2013**	OCTOBER 31 2012	OCTOBER 31 2011	OCTOBER 31 2010
Dividends declared per common share	**$ 0.50**	$ 0.50	$ 0.47	**$ 1.98**	$ 1.84	$ 1.62	$ 1.44
Dividend payout ratio [1][2]	**58.0%**	55.0%	31.2%	**49.6%**	37.0%	34.8%	31.1%
Adjusted dividend payout ratio [1][2]	**43.7%**	38.0%	40.2%	**38.8%**	36.9%	32.9%	31.1%

[1] Refer to the Non-GAAP Financial Measures section.
[2] The ratio for 2010 is presented in accordance with previous Canadian GAAP.

Segmented Information

This section outlines the Bank's operations according to the organizational structure in effect throughout 2013. During the year, services to individuals, businesses, financial intermediaries and institutional clients were offered through the business segments presented in the table below.

- Retail & SME-Québec
- Real Estate & Commercial
- B2B Bank
- Laurentian Bank Securities & Capital Markets
- Other

Retail & SME-Québec

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED			FOR THE YEAR ENDED	
	OCTOBER 31 2013	JULY 31 2013	OCTOBER 31 2012	**OCTOBER 31 2013**	OCTOBER 31 2012
Net interest income	**$ 76,031**	$ 77,799	$ 75,792	**$ 303,375**	$ 310,776
Other income	**39,126**	40,897	35,234	**153,719**	135,121
Total revenue	**115,157**	118,696	111,026	**457,094**	445,897
Provision for loan losses	**6,599**	8,349	6,433	**26,938**	23,978
Non-interest expenses	**98,093**	96,984	93,359	**381,444**	366,994
Income before income taxes	**10,465**	13,363	11,234	**48,712**	54,925
Income taxes	**1,699**	2,339	1,941	**8,050**	11,018
Net income	**$ 8,766**	$ 11,024	$ 9,293	**$ 40,662**	$ 43,907
Efficiency ratio [1]	**85.2%**	81.7%	84.1%	**83.4%**	82.3%

[1] Refer to the non-GAAP financial measures section.

Year ended October 31, 2013

The Retail & SME-Québec business segment's contribution to net income was $40.7 million for the year ended October 31, 2013 compared with $43.9 million for the year ended October 31, 2012.

Total revenue increased by $11.2 million from $445.9 million for the year ended October 31, 2012 to $457.1 million for the year ended October 31, 2013, as a result of strong growth in other income. Net interest income decreased by $7.4 million, as growth in loan and deposit volumes year-over-year did not fully compensate for lower margins stemming from the repricing of loans and deposits in the sustained very low interest rate environment. Other income increased by 14% from $135.1 million for the year ended October 31, 2012 to $153.7 million for the year ended October 31, 2013 reflecting improved performance in all revenue streams. Higher fees on deposits, higher income from sales of mutual funds reflecting record sales and improved equity markets compared to a year ago, as well as higher card service revenues and credit insurance income all contributed to the increase year-over-year.

Loan losses increased from $24.0 million for the year ended October 31, 2012 to $26.9 million for the year ended October 31, 2013, consistent with the higher loan volume and driven by additional collective provisions required on medium-sized residential real estate properties and projects to better reflect the risk profile of these loans. Non-interest expenses increased by $14.5 million or 4%, from $367.0 million for the year ended October 31, 2012 to $381.4 million for the year ended October 31, 2013. Higher pension costs, restructuring charges, as well as higher premises and technology costs mainly accounted for the increase, partly offset by savings resulting from restructurings in the retail banking operations in 2012.

The efficiency ratio was 83.4% for the year ended October 31, 2013, compared with 82.3% for the year ended October 31, 2012. Despite strong growth in other income and an increased focus on containing costs, the impact of the prolonged very low interest rate environment continues to weigh on the segment's efficiency ratio. However, management remains committed to ensuring continued revenue growth and significant efforts are being made to streamline operations. Notably, in October the Bank optimized certain processes and activities in order to manage the ongoing costs in serving the evolving needs of its clients.

Three months ended October 31, 2013

The Retail & SME-Québec business segment's contribution to net income was $8.8 million in the fourth quarter of 2013 compared with $9.3 million in the fourth quarter of 2012. Notably, net income in the fourth quarter of 2013 was adversely impacted by one-time restructuring charges of $4.2 million before income taxes ($3.1 million after income taxes) related to the optimization of certain activities.

Total revenue increased by $4.1 million from $111.0 million in the fourth quarter of 2012 to $115.2 million in the fourth quarter of 2013, mainly driven by growth in other income. Net interest income was up marginally, as growth in loan and deposit volumes year-over-year compensated for the sustained pressure on loan and deposit margins and lower loan prepayment penalties. Other income increased by 11% from $35.2 million in the fourth quarter of 2012 to $39.1 million in the fourth quarter of 2013, as higher fees on deposits and continued solid income from sales of mutual funds mainly contributed to the increase year-over-year.

Loan losses increased marginally by $0.2 million from $6.4 million in the fourth quarter of 2012 to $6.6 million in the fourth quarter of 2013, a very low level reflecting the overall underlying quality of the Bank's loan portfolios. Non-interest expenses increased by $4.7 million, from $93.4 million in the fourth quarter of 2012 to $98.1 million in the fourth quarter of 2013. Excluding the restructuring charges of $4.2 million incurred in the fourth quarter of 2013, compared with a similar $1.0 million charge in the fourth quarter of 2012, non-interest expenses were up 2% year-over-year. Higher pension costs as well as higher premises and technology costs mainly accounted for the increase, offset by lower other expenses.

The efficiency ratio was 85.2% in the fourth quarter of 2013, compared with 84.1% in the fourth quarter of 2012. Excluding $4.2 million of restructuring charges incurred in the fourth quarter of 2013, the adjusted efficiency ratio was 81.6%. On the same basis, the segment generated 2% positive operating leverage year-over-year, mainly due to higher other income and continued cost control initiatives.

Compared to the third quarter of 2013, net income decreased by $2.3 million from $11.0 million to $8.8 million in the fourth quarter of 2013, mainly due to the restructuring charges of $4.2 million ($3.1 million after income taxes) incurred in the fourth quarter of 2013. The decrease in total revenue of $3.5 million is mainly attributable to lower net interest income resulting from seasonally lower residential mortgage loan prepayment penalties, as well as from lower revenues from card services. This decrease was partly offset by lower provisions for loan losses and other expenses.

Real Estate & Commercial

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2013**	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED **OCTOBER 31 2013**	OCTOBER 31 2012
Net interest income	**$ 21,422**	$ 21,310	$ 21,833	**$ 84,466**	$ 87,825
Other income	**9,949**	8,931	7,646	**37,469**	34,430
Total revenue	**31,371**	30,241	29,479	**121,935**	122,255
Provision for loan losses	**(2,082)**	(1,880)	(2,040)	**(5,500)**	3,002
Non-interest expenses	**10,210**	8,946	8,586	**35,953**	31,582
Income before income taxes	**23,243**	23,175	22,933	**91,482**	87,671
Income taxes	**6,206**	6,188	6,204	**24,427**	23,716
Net income	**$ 17,037**	$ 16,987	$ 16,729	**$ 67,055**	$ 63,955
Efficiency ratio [1]	**32.5%**	29.6%	29.1%	**29.5%**	25.8%

[1] Refer to the non-GAAP financial measures section.

Year ended October 31, 2013

The Real Estate & Commercial business segment's contribution to net income increased by $3.1 million or 5% to $67.1 million in 2013, compared with $64.0 million in 2012.

Total revenue was nearly unchanged at $121.9 million in 2013 compared with $122.3 million in 2012. Net interest income decreased by $3.4 million compared with 2012, as revenues resulting from volume growth, notably in the commercial loan portfolio, were more than offset by margin compression stemming from the persistently low interest rates. Other income increased by $3.0 million or 9% in 2013, mainly as a result of ongoing underwriting activity and revenues of $2.0 million from prepayments on commercial mortgage loans. Loan losses decreased by $8.5 million compared with the year ended October 31, 2012 and generated a net credit of $5.5 million in 2013, explained by overall improvements in both the commercial mortgage loan and commercial loan portfolios. This reflects the excellent credit quality of the commercial portfolios and is further evidenced by the significantly lower level of impaired loans. Non-interest expenses increased by $4.4 million compared to the year ended October 31, 2012, mainly due to higher salaries and benefits.

Three months ended October 31, 2013

The Real Estate & Commercial business segment's contribution to net income increased by $0.3 million to $17.0 million in the fourth quarter of 2013, compared with $16.7 million in the fourth quarter of 2012.

Total revenue increased by $1.9 million or 6% to $31.4 million in the fourth quarter of 2013, as growth in other income compensated for lower net interest income. Net interest income decreased by $0.4 million compared to the fourth quarter of 2012 as revenues resulting from growth in commercial loan portfolios were more than offset by compressed margins in the fourth quarter of 2013. Other income increased by $2.3 million or 30% compared to the fourth quarter of 2012, mainly due to revenues of $2.0 million resulting from prepayments of commercial mortgage loans. Loan losses in the fourth quarter of 2013 represented a net credit of $2.1 million, the same result as a year ago, and continued to reflect the excellent quality of the commercial loan portfolio. Non-interest expenses increased by $1.6 million to $10.2 million in the fourth quarter of 2013 compared with $8.6 million in the fourth quarter of 2012 essentially due to a $1.1 million charge related to the optimization of certain processes and activities in the fourth quarter of 2013.

Compared to the third quarter of 2013, net income was up marginally as higher other income due to revenues from prepayment of commercial mortgage loans and lower loan losses were offset by higher non-interest expenses mainly due to the optimization charge mentioned above.

B2B Bank

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2013**	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED **OCTOBER 31 2013**	OCTOBER 31 2012
Net interest income	**$ 46,072**	$ 48,249	$ 49,821	**$ 190,928**	$ 143,593
Other income	**9,406**	9,359	8,923	**36,705**	34,590
Total revenue	**55,478**	57,608	58,744	**227,633**	178,183
Gain on acquisition and amortization of net premium on purchased financial instruments	**(1,006)**	(1,140)	23,795	**(4,426)**	23,795
Provision for loan losses	**5,483**	2,531	3,607	**14,562**	6,020
Non-interest expenses	**31,843**	31,114	35,259	**128,092**	106,077
Costs related to business combinations and other [1]	**9,951**	14,600	8,830	**38,244**	21,997
Income before income taxes	**7,195**	8,223	34,843	**42,309**	67,884
Income taxes	**2,035**	2,240	9,650	**11,415**	18,436
Net income	**$ 5,160**	$ 5,983	$ 25,193	**$ 30,894**	$ 49,448
Adjusted net income [2]	**$ 13,213**	$ 17,546	$ 15,694	**$ 62,246**	$ 49,600
Efficiency ratio [2]	**75.3%**	79.4%	75.1%	**73.1%**	71.9%
Adjusted efficiency ratio [2]	**57.4%**	54.0%	60.0%	**56.3%**	59.5%

[1] Integration costs related to the acquisition of the MRS Companies and AGF Trust.
[2] Refer to the non-GAAP financial measures section.

Year ended October 31, 2013

The B2B Bank business segment's contribution to adjusted net income was $62.2 million for the year ended October 31, 2013, up $12.6 million or 25% from $49.6 million for the year ended October 31, 2012. The improvement essentially stems from the addition of nine more months of AGF Trust's net income, which contributed to earnings growth throughout the year compared with a single quarter of contribution in 2012. As AGF Trust systems and account integration is well underway, results for AGF Trust now form part of B2B Bank's earnings. The segment's reported net income for the year ended October 31, 2013 was $30.9 million compared with $49.4 million a year ago, essentially as a result of the initial gain resulting from the acquisition of AGF Trust in 2012 and the higher level of integration costs.

Total revenue increased to $227.6 million for the year ended October 31, 2013 compared with $178.2 million for the year ended October 31, 2012. Net interest income increased by $47.3 million compared to last year, mostly from the additional contribution of AGF Trust to net interest income, and totalled $190.9 million for the year ended October 31, 2013. Notwithstanding the impact of the acquired businesses, margin compression given the low interest rate environment and investor deleveraging have hampered results throughout the year. Other income increased by $2.1 million to $36.7 million for the year ended October 31, 2013, mostly as a result of higher B2B Bank Dealer Services-sourced income from investment accounts.

As shown above, the charge related to amortization of net premium on purchased financial instruments, presented on the line-item "Gain on acquisition and amortization of net premium on purchased financial instruments", amounted to $4.4 million for the year ended October 31, 2013. For the year ended October 31, 2012, the line-item amounted to $23.8 million, which included a $24.3 million pre-tax gain ($16.4 million after income taxes) resulting from the acquisition of AGF Trust. Refer to Note 28 to the annual consolidated financial statements for additional information on this item.

Loan losses increased from $6.0 million for the year ended October 31, 2012 to $14.6 million for the year ended October 31, 2013, mainly as a result of loan losses related to the AGF Trust loan portfolios.

Non-interest expenses, as shown in the table above, increased by $22.0 million to $128.1 million for the year ended October 31, 2013, compared with $106.1 million for the year ended October 31, 2012. This increase includes the full year addition of AGF Trust to current operating costs. Otherwise, expenses decreased by approximately 1% year-over-year, mainly due to integration synergies from the MRS Companies. T&I Costs for the year ended October 31, 2013 totalled $38.2 million and mainly related to IT systems conversions costs, employee relocation costs, salaries, professional fees and other expenses for the integration of AGF Trust and the MRS Companies.

Three months ended October 31, 2013

The B2B Bank business segment's contribution to adjusted net income was $13.2 million in the fourth quarter of 2013, down $2.5 million from $15.7 million in the fourth quarter of 2012. Reported net income for the fourth quarter of 2013 was $5.2 million compared to $25.2 million a year ago.

Total revenue decreased to $55.5 million in the fourth quarter of 2013 from $58.7 million in the fourth quarter of 2012. Net interest income decreased by $3.7 million compared to last year, to $46.1 million in the fourth quarter of 2013, essentially as a result of the margin compression stemming, in part, from the reduced level of higher-margin investment loans as investors deleverage. Other income increased by 5% to $9.4 million in the fourth quarter of 2013, mostly as a result of higher B2B Bank Dealer Services-sourced income from investment accounts.

As shown above, the charge related to amortization of net premium on purchased financial instruments, presented on the line-item "Gain on acquisition and amortization of net premium on purchased financial instruments", amounted to $1.0 million in the fourth quarter of 2013. For the fourth quarter of 2012, the line-item amounted to $23.8 million, which included a $24.3 million pre-tax gain ($16.4 million after income taxes) resulting from the acquisition of AGF Trust. Refer to Note 28 to the annual consolidated financial statements for additional information on this item.

Loan losses increased from $3.6 million in the fourth quarter of 2012 to $5.5 million in the fourth quarter of 2013, mainly driven by additional collective provisions on the AGF Trust portfolios. Non-interest expenses, as shown in the table above, decreased by $3.4 million or 10% to $31.8 million in the fourth quarter of 2013, compared with $35.3 million in the fourth quarter of 2012, mainly as a result of integration synergies and lower performance-based compensation. Expenses for the fourth quarter of 2012 also included non-recurring advertising expenses related to the conversion of B2B Trust to B2B Bank. T&I Costs for the fourth quarter of 2013 totalled $10.0 million and related to IT systems conversions costs, employee relocation costs, salaries, professional fees and other expenses for the integration of AGF Trust and the MRS Companies.

Compared to the third quarter of 2013, adjusted net income decreased by $4.3 million, essentially as a result of the sequential decrease in net interest income due to tighter margins and a seasonally lower level of loan prepayment penalties on mortgages, as well as higher provisions required on the AGF Trust personal loan portfolios.

Laurentian Bank Securities & Capital Markets

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2013**	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED **OCTOBER 31 2013**	OCTOBER 31 2012
Total revenue	**$ 17,741**	$ 16,040	$ 15,726	**$ 67,831**	$ 59,902
Non-interest expenses	**13,919**	13,055	12,081	**53,407**	48,439
Income before income taxes	**3,822**	2,985	3,645	**14,424**	11,463
Income taxes	**913**	698	953	**3,572**	2,941
Net income	**$ 2,909**	$ 2,287	$ 2,692	**$ 10,852**	$ 8,522
Efficiency ratio [1]	**78.5%**	81.4%	76.8%	**78.7%**	80.9%

[1] Refer to the non-GAAP financial measures section.

Year ended October 31, 2013

Laurentian Bank Securities & Capital Markets business segment's contribution to net income increased by $2.3 million or 27% to $10.9 million for the year ended October 31, 2013, compared with $8.5 million for the year ended October 31, 2012.

Total revenue increased to $67.8 million for the year ended October 31, 2013 compared with $59.9 million for the year ended October 31, 2012. During the year ended October 31, 2013, the business segment benefited from improved market conditions for trading and retail brokerage activities compared to a year ago and capitalized on growth opportunities in the fixed income and small-cap equity markets. Non-interest expenses increased by $5.0 million to $53.4 million for the year ended October 31, 2013, mainly due to higher headcount, performance-based compensation, commissions and transaction fees, in-line with increased market-driven income.

The business segment generated positive operating leverage year-over-year, mainly as a result of higher revenues from business initiatives and better financial markets compared to a year ago.

Three months ended October 31, 2013

Laurentian Bank Securities & Capital Markets business segment's contribution to net income increased to $2.9 million in the fourth quarter of 2013, compared to $2.7 million in the fourth quarter of 2012.

Total revenue increased by $2.0 million to $17.7 million in the fourth quarter of 2013 compared with $15.7 million for the same quarter of 2012, essentially as a result of higher underwriting fees from increased business activities in the fixed income market. Non-interest expenses increased by $1.8 million to $13.9 million in the fourth quarter of 2013, mainly due to higher performance-based compensation, commissions and transaction fees, in-line with increased market-driven income.

Other Sector

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2013**	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED **OCTOBER 31 2013**	OCTOBER 31 2012
Net interest income	**$ (3,746)**	$ (3,523)	$ (6,255)	**$ (14,132)**	$ (14,376)
Other income	**(470)**	1,980	1,676	**4,976**	4,782
Total revenue	**(4,216)**	(1,543)	(4,579)	**(9,156)**	(9,594)
Non-interest expenses	**6,857**	10,229	7,262	**29,828**	29,374
Loss before income taxes	**(11,073)**	(11,772)	(11,841)	**(38,984)**	(38,968)
Income taxes recovery	**(4,368)**	(3,775)	(3,619)	**(14,201)**	(13,644)
Net loss	**$ (6,705)**	$ (7,997)	$ (8,222)	**$ (24,783)**	$ (25,324)

Year ended October 31, 2013

The Other sector posted a negative contribution to net income of $24.8 million for the year ended October 31, 2013 compared with a negative contribution of $25.3 million for the year ended October 31, 2012.

Net interest income marginally improved from negative $14.4 million in 2012 to negative $14.1 million in 2013, mainly as a result of the maturing of high-coupon securitization liabilities and the reduction of lower-yielding liquid assets throughout the year, which more than offset the impact of less favourable market conditions compared to a year ago. Other income was $5.0 million in 2013 compared with $4.8 million in 2012, as treasury activities were up marginally year-over-year. Non-interest expenses were up $0.5 million or 2% to $29.8 million in 2013 compared with $29.4 million in 2012. This increase includes $1.0 million restructuring charges related to the optimization of certain processes and activities and a $1.6 million impairment charge related to discontinued IT projects during the year. Premises and technology expenses also contributed to the increase due to higher unallocated amortization expense related to completed IT projects, as well as higher rental costs stemming from additional square footage of leased premises for IT project teams. These increases were more than offset by favourable adjustments to sales taxes and lower other expenses.

Three months ended October 31, 2013

The Other sector posted a negative contribution to net income of $6.7 million in the fourth quarter of 2013 compared to a negative contribution of $8.2 million in the fourth quarter of 2012.

Net interest income improved to negative $3.7 million in the fourth quarter of 2013, compared to negative $6.3 million in the fourth quarter of 2012, mainly as a result of a lower level of liquid assets compared to a year ago. Other income in the fourth quarter of 2013 decreased to negative $0.5 million, compared to $1.7 million in the fourth quarter of 2012, mainly resulting from net losses on certain hedge positions. Non-interest expenses decreased to $6.9 million in the fourth quarter of 2013 compared with $7.3 million in the fourth quarter of 2012. This decrease is due to lower other expenses and higher revenues from foreign insurance, which more than offset increases in premises and technology expenses and the restructuring charges as noted above.

On a sequential basis, other income declined by $2.5 million to negative $0.5 million from $2.0 million in the third quarter ended July 31, 2013, mainly due to the lower level of net gains realized on security positions after a particularly strong third quarter.

Non-GAAP Financial Measures

The Bank uses both generally accepted accounting principles (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. The Bank's non-GAAP financial measures are defined as follows:

Return on common shareholders' equity

Return on common shareholders' equity is a profitability measure calculated as the net income available to common shareholders as a percentage of average common shareholders' equity, excluding accumulated other comprehensive income.

Book value per common share

The Bank's book value per common share is defined as common shareholders' equity, excluding accumulated other comprehensive income, divided by the number of common shares outstanding at the end of the period.

Net interest margin

Net interest margin is the ratio of net interest income to total average assets, expressed as a percentage or basis points.

Efficiency ratio and operating leverage

The Bank uses the efficiency ratio as a measure of its productivity and cost control. This ratio is defined as non-interest expenses as a percentage of total revenue. The Bank also uses operating leverage as a measure of efficiency. Operating leverage is the difference between total revenue and non-interest expenses growth rates. Quarterly growth rates are calculated sequentially (i.e. current period versus the immediately preceding period).

Dividend payout ratio

The dividend payout ratio is defined as dividends declared on common shares as a percentage of net income available to common shareholders.

Dividend yield

The dividend yield is defined as dividends declared per common share divided by the closing common share price.

Adjusted financial measures

Certain analyses presented throughout this document are based on the Bank's core activities and therefore exclude the effect of certain amounts designated as adjusting items, as presented in the table in the Adjusting Items section.

Most of the adjusting items relate to gains and expenses that arise as a result of acquisitions. The gain on acquisition and ensuing amortization of net premium on purchased financial instruments are considered adjusting items since they represent, according to management, significant non-cash adjustments and due to their non-recurrence. Transaction and integration-related costs in respect of the MRS Companies and AGF Trust have been designated as adjusting items due to the significance of the amounts and the fact that some of these costs have been incurred with the intent to generate benefits in future periods.

About Laurentian Bank

Laurentian Bank of Canada is a banking institution whose activities extend across Canada. Recognized for its excellent service, proximity and simplicity, the Bank serves one and a half million clients throughout the country. Founded in 1846, it employs some 4,000 people who make it a major player in numerous market segments. The institution has $34 billion in balance sheet assets and more than $37 billion in assets under administration.

Laurentian Bank distinguishes itself through the excellence of its execution and its agility. Catering to the needs of retail clients via its extensive branch network and constantly evolving virtual offerings, the Bank has also earned a solid reputation among SMEs, larger businesses and real estate developers thanks to its growing presence across Canada and its teams in Ontario, Québec, Alberta and British Columbia. For its part, the organization's B2B Bank subsidiary is a Canadian leader in providing banking and investment products and services to financial advisors and brokers, while Laurentian Bank Securities is an integrated broker that is also widely known for its expert and effective services nationwide.

Conference Call

Laurentian Bank invites media representatives and the public to listen to the conference call with financial analysts to be held at 2:00 p.m. Eastern Time on Wednesday, December 11, 2013. The live, listen-only, toll-free, call-in number is 416 340-2217 or 1 888 789-9572 Code 7232884#.

You can listen to the call on a delayed basis at any time from 6:00 p.m. on Wednesday, December 11, 2013 until 11:59 p.m. on January 11, 2014, by dialing the following playback number: 905 694-9451 or 1 800 408-3053 Code 8978820#. The conference call can also be heard through the Investor Relations section of the Bank's Web site at www.laurentianbank.ca. The Bank's Web site also offers additional financial information.

Chief Financial Officer: Michel C. Lauzon, 514 284-4500 #7997
Media and Investor Relations contact: Gladys Caron, 514 284-4500 #7511; cell 514 893-3963

Unaudited Condensed Interim Consolidated Financial Statements

The audited annual consolidated financial statements for the year ended October 31, 2013, including the notes to consolidated financial statements, are also available on the Bank's Web site at www.laurentianbank.ca.

Consolidated Balance Sheet

In thousands of Canadian dollars (Unaudited)	**AS AT OCTOBER 31 2013**	AS AT OCTOBER 31 2012
ASSETS		
Cash and non-interest-bearing deposits with other banks	**$ 82,836**	$ 90,860
Interest-bearing deposits with other banks	**126,002**	480,183
Securities		
Available-for-sale	**1,679,067**	2,822,588
Held-to-maturity	**648,874**	1,446,751
Held-for-trading	**2,152,584**	1,873,622
	4,480,525	6,142,961
Securities purchased under reverse repurchase agreements	**1,218,255**	631,202
Loans		
Personal	**7,245,474**	7,806,067
Residential mortgage	**14,735,211**	14,169,095
Commercial mortgage	**2,488,826**	2,443,634
Commercial and other	**2,488,137**	2,150,953
Customers' liabilities under acceptances	**271,049**	211,130
	27,228,697	26,780,879
Allowances for loan losses	**(115,590)**	(117,542)
	27,113,107	26,663,337
Other		
Derivatives	**126,617**	167,643
Premises and equipment	**73,261**	71,871
Software and other intangible assets	**197,594**	159,973
Goodwill	**64,077**	64,077
Deferred tax assets	**1,998**	4,751
Other assets	**441,408**	459,968
	904,955	928,283
	$ 33,925,680	$ 34,936,826
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Personal	**$ 19,282,042**	$ 19,369,310
Business, banks and other	**4,645,308**	4,672,133
	23,927,350	24,041,443
Other		
Obligations related to securities sold short	**1,464,269**	1,349,932
Obligations related to securities sold under repurchase agreements	**339,602**	244,039
Acceptances	**271,049**	211,130
Derivatives	**102,041**	100,867
Deferred tax liabilities	**9,845**	16,128
Other liabilities	**904,344**	951,467
	3,091,150	2,873,563
Debt related to securitization activities	**4,974,714**	6,037,097
Subordinated debt	**445,473**	443,594
Shareholders' equity		
Preferred shares	**205,204**	303,249
Common shares	**446,496**	428,526
Share-based payment reserve	**91**	227
Retained earnings	**829,678**	774,899
Accumulated other comprehensive income	**5,524**	34,228
	1,486,993	1,541,129
	$ 33,925,680	$ 34,936,826

Consolidated Statement of Income

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED OCTOBER 31 2013	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED OCTOBER 31 2013	OCTOBER 31 2012
Interest income					
Loans	**$ 269,927**	$ 274,778	$ 280,762	**$ 1,086,279**	$ 1,014,861
Securities	**10,845**	13,053	17,250	**57,204**	71,320
Deposits with other banks	**601**	314	1,544	**2,328**	6,148
Other, including derivatives	**9,475**	10,217	14,529	**44,338**	59,240
	290,848	298,362	314,085	**1,190,149**	1,151,569
Interest expense					
Deposits	**114,094**	115,561	124,926	**463,603**	445,646
Debt related to securitization activities	**31,115**	33,950	43,809	**140,453**	163,880
Subordinated debt	**4,088**	4,033	2,654	**16,072**	9,839
Other, including derivatives	**114**	269	285	**1,261**	1,176
	149,411	153,813	171,674	**621,389**	620,541
Net interest income	**141,437**	144,549	142,411	**568,760**	531,028
Other income					
Fees and commissions on loans and deposits	**35,704**	35,033	30,263	**133,791**	119,953
Income from brokerage operations	**15,113**	14,449	14,386	**60,607**	54,806
Income from investment accounts	**8,693**	8,249	7,440	**32,694**	29,079
Income from sales of mutual funds	**6,098**	5,848	4,731	**22,501**	18,026
Income from treasury and financial market operations	**2,095**	5,840	4,563	**17,877**	17,531
Credit insurance income	**4,278**	4,793	4,415	**16,881**	15,529
Other income	**2,113**	2,281	2,187	**12,226**	10,691
	74,094	76,493	67,985	**296,577**	265,615
Total revenue	**215,531**	221,042	210,396	**865,337**	796,643
Gain on acquisition and amortization of net premium on purchased financial instruments	**(1,006)**	(1,140)	23,795	**(4,426)**	23,795
Provision for loan losses	**10,000**	9,000	8,000	**36,000**	33,000
Non-interest expenses					
Salaries and employee benefits	**89,121**	87,680	87,112	**351,381**	320,603
Premises and technology	**45,277**	44,491	39,111	**171,275**	152,919
Other	**26,524**	28,157	30,324	**106,068**	108,944
Costs related to business combinations and other	**9,951**	14,600	8,830	**38,244**	21,997
	170,873	174,928	165,377	**666,968**	604,463
Income before income taxes	**33,652**	35,974	60,814	**157,943**	182,975
Income taxes	**6,485**	7,690	15,129	**33,263**	42,467
Net income	**$ 27,167**	$ 28,284	$ 45,685	**$ 124,680**	$ 140,508
Preferred share dividends, including applicable taxes	**2,637**	2,520	3,273	**11,749**	12,768
Net income available to common shareholders	**$ 24,530**	$ 25,764	$ 42,412	**$ 112,931**	$ 127,740
Average number of common shares outstanding (in thousands)					
Basic	**28,474**	28,385	28,118	**28,329**	25,634
Diluted	**28,481**	28,393	28,135	**28,338**	25,652
Earnings per share					
Basic	**$ 0.86**	$ 0.91	$ 1.51	**$ 3.99**	$ 4.98
Diluted	**$ 0.86**	$ 0.91	$ 1.51	**$ 3.99**	$ 4.98
Dividends declared per share					
Common share	**$ 0.50**	$ 0.50	$ 0.47	**$ 1.98**	$ 1.84
Preferred share - Series 9	**n.a.**	n.a.	$ 0.38	**$ 0.75**	$ 1.50
Preferred share - Series 10	**$ 0.33**	$ 0.33	$ 0.33	**$ 1.31**	$ 1.31
Preferred share - Series 11	**$ 0.25**	$ 0.25	$ —	**$ 0.91**	$ —

Consolidated Statement of Comprehensive Income

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED OCTOBER 31 2013	JULY 31 2013	OCTOBER 31 2012	FOR THE YEAR ENDED OCTOBER 31 2013	OCTOBER 31 2012
Net income	**$ 27,167**	$ 28,284	$ 45,685	**$ 124,680**	$ 140,508
Other comprehensive income, net of income taxes					
Items that may subsequently be reclassified to the statement of income					
Unrealized net gains (losses) on available-for-sale securities	**2,764**	(5,277)	307	**87**	(7,641)
Reclassification of net (gains) losses on available-for-sale securities to net income	**(182)**	(685)	(831)	**(2,752)**	(2,374)
Net change in value of derivatives designated as cash flow hedges	**559**	(21,484)	(3,577)	**(26,039)**	(21,347)
	3,141	(27,446)	(4,101)	**(28,704)**	(31,362)
Comprehensive income	**$ 30,308**	$ 838	$ 41,584	**$ 95,976**	$ 109,146

Consolidated Statement of Changes in Shareholders' Equity

FOR THE YEAR ENDED OCTOBER 31, 2013

In thousands of Canadian dollars (Unaudited)	PREFERRED SHARES	COMMON SHARES	RETAINED EARNINGS	AOCI RESERVES AVAILABLE-FOR-SALE SECURITIES	AOCI RESERVES CASH FLOW HEDGES	AOCI RESERVES TOTAL	SHARE-BASED PAYMENT RESERVE	TOTAL SHARE-HOLDERS' EQUITY
Balance as at October 31, 2012	$ 303,249	$ 428,526	$ 774,899	$ 12,201	$ 22,027	$ 34,228	$ 227	$ 1,541,129
Net income			124,680					124,680
Other comprehensive income (net of income taxes)								
Unrealized net gains (losses) on available-for-sale securities				87		87		87
Reclassification of net (gains) losses on available-for-sale securities to net income				(2,752)		(2,752)		(2,752)
Net change in value of derivatives designated as cash flow hedges					(26,039)	(26,039)		(26,039)
Comprehensive income			124,680	(2,665)	(26,039)	(28,704)		95,976
Issuance of share capital	(160)	17,970					(136)	17,674
Repurchase of share capital	(97,885)		(2,115)					(100,000)
Dividends								
Preferred shares, including applicable taxes			(11,749)					(11,749)
Common shares			(56,037)					(56,037)
Balance as at October 31, 2013	$ 205,204	$ 446,496	$ 829,678	$ 9,536	$ (4,012)	$ 5,524	$ 91	$ 1,486,993

FOR THE YEAR ENDED OCTOBER 31, 2012

In thousands of Canadian dollars (Unaudited)	PREFERRED SHARES	COMMON SHARES	RETAINED EARNINGS	AOCI RESERVES AVAILABLE-FOR-SALE SECURITIES	AOCI RESERVES CASH FLOW HEDGES	AOCI RESERVES TOTAL	SHARE-BASED PAYMENT RESERVE	TOTAL SHARE-HOLDERS' EQUITY
Balance as at October 31, 2011	$ 205,527	$ 252,601	$ 694,371	$ 22,216	$ 43,374	$ 65,590	$ 227	$ 1,218,316
Net income			140,508					140,508
Other comprehensive income (net of income taxes)								
Unrealized net gains (losses) on available-for-sale securities				(7,641)		(7,641)		(7,641)
Reclassification of net (gains) losses on available-for-sale securities to net income				(2,374)		(2,374)		(2,374)
Net change in value of derivatives designated as cash flow hedges					(21,347)	(21,347)		(21,347)
Comprehensive income			140,508	(10,015)	(21,347)	(31,362)		109,146
Issuance of share capital	97,722	175,925						273,647
Dividends								
Preferred shares, including applicable taxes			(12,768)					(12,768)
Common shares			(47,212)					(47,212)
Balance as at October 31, 2012	$ 303,249	$ 428,526	$ 774,899	$ 12,201	$ 22,027	$ 34,228	$ 227	$ 1,541,129