Press Release
FOR IMMEDIATE RELEASE

LAURENTIAN BANK REPORTS ITS 2014 RESULTS AND INCREASES DIVIDEND BY 4%

The Bank's Annual Report, which includes the Audited Annual Consolidated Financial Statements and accompanying Management's Discussion and Analysis for 2014, will also be available today on the Bank's website at www.laurentianbank.ca.

Highlights of the fourth quarter of 2014

- Strong earnings growth
- Strong credit performance, with low loan losses of $10.5 million
- Long term credit rating upgraded to A (low) by DBRS
- Quarterly common share dividend raised by $0.02 to $0.54 per share
- Restructuring charges of $7.6 million or $0.19 per share

	NET INCOME (IN MILLIONS OF $)	DILUTED EARNINGS PER SHARE	RETURN ON COMMON SHAREHOLDERS' EQUITY
Reported basis	$33.8	$1.09	9.5%
Adjusted basis[1]	$42.6	$1.39	12.2%

Highlights of the year ended October 31, 2014

- Record adjusted net income
- Positive adjusted operating leverage of 2.4% year-over-year
- Excellent credit quality as evidenced by loan losses of $42.0 million or 0.15% of average loans
- Solid growth in the commercial loan portfolio including BAs, up 15% year-over-year
- Successful completion of integration of acquired companies with expense synergies realized

	NET INCOME (IN MILLIONS OF $)	DILUTED EARNINGS PER SHARE	RETURN ON COMMON SHAREHOLDERS' EQUITY
Reported basis	$140.4	$4.50	10.1%
Adjusted basis[1]	$163.6	$5.31	11.9%

Montréal, December 10, 2014 - Laurentian Bank of Canada reported adjusted net income of $42.6 million or $1.39 diluted per share for the fourth quarter of 2014, up 11% and 10% respectively, compared with $38.5 million or $1.26 diluted per share for the same period in 2013. Adjusted return on common shareholders' equity was 12.2% for the fourth quarter of 2014, compared with 11.7% for the fourth quarter of 2013. On a reported basis, net income totalled $33.8 million or $1.09 diluted per share for the fourth quarter of 2014, compared with $25.9 million or $0.82 diluted per share for the fourth quarter of 2013. Return on common shareholders' equity was 9.5% for the fourth quarter of 2014, compared with 7.6% for the fourth quarter of 2013. Reported results for the fourth quarter of 2014 and for the fourth quarter of 2013 included restructuring charges, as detailed below.

For the year ended October 31, 2014, adjusted net income totalled $163.6 million or $5.31 diluted per share, up 5%, compared with $155.4 million or $5.07 diluted per share in 2013. Adjusted return on common shareholders' equity was 11.9% for the year ended October 31, 2014, compared with 12.1% for the same period in 2013. On a reported basis, net income was $140.4 million or $4.50 diluted per share for the year ended October 31, 2014, compared with $119.5 million or $3.80 diluted per share for the same period in 2013. Return on common shareholders' equity was 10.1% for the year ended October 31, 2014, compared with 9.1% for the same period in 2013. Reported results for 2014 and 2013 included restructuring charges, as detailed below.

Commenting on the Bank's financial results for 2014, Réjean Robitaille, President and Chief Executive Officer, mentioned: "We delivered solid earnings growth throughout the year as we maintained our targeted efforts to improve efficiency and maximize

[1] Certain analyses presented throughout this document are based on the Bank's core activities and therefore exclude items related to business combinations and restructuring charges designated as adjusting items. Refer to the Adjusting Items and Non-GAAP Financial Measures sections for further details.

operating leverage. Our growth in business activities, as well as our rigorous control over expenses and the sustained credit quality of the loan portfolio contributed to our strong financial performance in an environment of slowing consumer loan demand and compressed margins."

Mr. Robitaille added: "Looking ahead, we will continue to focus on further developing our higher-margin commercial activities and increasing our pan-Canadian footprint in order to foster profitable revenue growth. Within our B2B Bank business segment, with the integration of our acquired MRS Companies and AGF Trust businesses successfully completed and cost synergies delivered, our efforts shift to business development and realizing revenue opportunities. We remain committed to unlocking value for our shareholders and we are working diligently to continuously achieve greater operational efficiency and generate sustained earnings growth in each of our business segments."

Mr. Robitaille concluded: "Our confidence in our ability to generate organic growth contributes to our solid financial position, as evidenced by strong capital ratios under the standardized approach throughout the year and the recent upgrade of the Bank's credit rating by DBRS. I am therefore pleased to announce that the Board of Directors has approved an increase in our quarterly common share dividend of $0.02 to $0.54 per share."

Restructuring charges for the fourth quarter of 2014 and for 2014

In the fourth quarter of 2014, the Bank restructured certain retail and corporate activities to realign strategic priorities, to reduce costs in a sustainable manner and to achieve greater operational efficiency. Consequently, severance charges and impairment charges related to IT projects were recorded in non-interest expenses. Restructuring charges are designated as adjusting items and are included in the Personal & Commercial business segment and Other sector's reported results. Reported results for 2013 also included similar restructuring charges. Refer to the Adjusting items and Non-GAAP financial measures sections for further details.

	BEFORE INCOME TAXES (IN MILLIONS OF DOLLARS)	AFTER INCOME TAXES (IN MILLIONS OF DOLLARS)	DILUTED EARNINGS PER SHARE
Severance charges	$6.1	$4.4	$0.15
Impairment charges related to IT projects	$1.6	$1.2	$0.04
Restructuring charges	$7.6	$5.6	$0.19

Restructuring charges before income taxes do not add due to rounding.

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: changes in capital market conditions, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, changes in competition, modifications to credit ratings, scarcity of human resources and developments in the 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 in the Management's Discussion and Analysis under the title "Risk Appetite and Risk Management Framework" and other public filings available at www.sedar.com.

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.

Highlights [1]

In thousands of Canadian dollars, except per share and percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED					FOR THE YEAR ENDED		
	OCTOBER 31 2014	JULY 31 2014	VARIANCE	OCTOBER 31 2013	VARIANCE	**OCTOBER 31 2014**	OCTOBER 31 2013	VARIANCE
Profitability								
Total revenue	**$ 221,421**	$ 219,645	1 %	$ 215,531	3%	**$ 874,065**	$ 865,337	1%
Net income	**$ 33,754**	$ 40,097	(16)%	$ 25,866	30%	**$ 140,365**	$ 119,477	17%
Diluted earnings per share	**$ 1.09**	$ 1.27	(14)%	$ 0.82	33%	**$ 4.50**	$ 3.80	18%
Return on common shareholders' equity [2]	**9.5 %**	11.2%		7.6 %		**10.1%**	9.1%	
Net interest margin [2]	**1.61 %**	1.65%		1.66 %		**1.65%**	1.66%	
Efficiency ratio [2]	**75.1 %**	71.0%		80.1 %		**73.4%**	77.9%	
Operating leverage [2] [3]	**(5.8)%**	3.7%		(0.2)%		**5.9%**	n. m.	
Per common share								
Share price - Close	**$ 49.58**	$ 51.55	(4)%	$ 46.55	7%	**$ 49.58**	$ 46.55	7%
Price / earnings ratio (trailing four quarters)	**11.0x**	12.2x		12.3x		**11.0x**	12.3x	
Book value [2]	**$ 45.89**	$ 45.10	2 %	$ 43.19	6%	**$ 45.89**	$ 43.19	6%
Market to book value [2]	**108 %**	114%		108 %		**108%**	108%	
Dividends declared	**$ 0.52**	$ 0.52	— %	$ 0.50	4%	**$ 2.06**	$ 1.98	4%
Dividend yield [2]	**4.2 %**	4.0%		4.3 %		**4.2%**	4.3%	
Dividend payout ratio [2]	**47.8 %**	40.9%		61.2 %		**45.7%**	52.0%	
Adjusted financial measures								
Adjusted net income [2]	**$ 42,591**	$ 42,355	1 %	$ 38,526	11%	**$ 163,582**	$ 155,436	5%
Adjusted diluted earnings per share [2]	**$ 1.39**	$ 1.35	3 %	$ 1.26	10%	**$ 5.31**	$ 5.07	5%
Adjusted return on common shareholders' equity [2]	**12.2 %**	11.9%		11.7 %		**11.9%**	12.1%	
Adjusted efficiency ratio [2]	**70.3 %**	70.3%		72.6 %		**71.0%**	72.8%	
Adjusted operating leverage [2] [3]	**(0.1)%**	2.0%		1.0 %		**2.4%**	n. m.	
Adjusted dividend payout ratio [2]	**37.3 %**	38.6%		39.6 %		**38.7%**	39.0%	
Financial position (in millions of Canadian dollars)								
Balance sheet assets	**$ 34,849**	$ 34,328	2 %	$ 33,911	3%			
Loans and acceptances	**$ 27,430**	$ 27,275	1 %	$ 27,229	1%			
Deposits	**$ 24,523**	$ 24,213	1 %	$ 23,927	2%			
Basel III regulatory capital ratios — All-in basis [4]								
Common Equity Tier I	**7.9 %**	7.7%		7.6 %				
Tier 1	**9.4 %**	9.3%		9.1 %				
Total	**12.6 %**	12.4%		12.7 %				
Other information								
Number of full-time equivalent employees	**3,667**	3,740		3,987				
Number of branches	**152**	152		153				
Number of automated banking machines	**418**	420		422				

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.
[2] Refer to the Non-GAAP Financial Measures section.
[3] Quarterly growth rates are calculated sequentially. Operating leverage for the year ended October 31, 2013 is not meaningful as 2012 results were not restated to reflect the adoption of amendments to IAS 19, *Employee Benefits*.
[4] Regulatory capital ratios for 2013 are presented as filed with OSFI and have not been adjusted to include the impact of the adoption of amendments to IAS 19, *Employee Benefits*.

Financial Review

The following sections present a summary analysis of the Bank's financial condition as at October 31, 2014, 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 2014 presented below.

Audited Annual Consolidated Financial Statements and accompanying Management's Discussion and Analysis for 2014 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.

Adoption of the amended IFRS accounting standard on employee benefits

Effective November 1, 2013, the Bank adopted the amendments to the employee benefits standard under International Financial Reporting Standards (IFRS), which required restatement of the Bank’s 2013 comparative information and financial measures. Additional information on the impact of the adoption is available in the notes to the Audited Annual Consolidated Financial Statements and in the Supplementary Information reported for the fourth quarter of 2014.

2014 Financial Performance

The following table presents management's financial objectives and the Bank's performance for 2014. These financial objectives were based on the assumptions noted on page 21 of the Bank's 2013 Annual Report under the title “Key assumptions supporting the Bank's objectives” and excluded adjusting items.

2014 FINANCIAL OBJECTIVES [1]

	2014 OBJECTIVES	FOR THE YEAR ENDED OCTOBER 31, 2014
Adjusted return on common shareholders' equity	10.5% to 12.5%	**11.9%**
Adjusted net income (in millions of dollars)	$145.0 to $165.0	**$163.6**
Adjusted efficiency ratio	72.5% to 69.5%	**71.0%**
Adjusted operating leverage	Positive	**2.4%**
Common Equity Tier I capital ratio — All-in basis	> 7.0%	**7.9%**

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

The Bank met its objectives for the year 2014 and delivered record adjusted net income. In a slow revenue growth environment, disciplined management of expenses, strong credit quality, strategies to increase other income and good organic growth in the higher-margin commercial businesses were the key drivers of the Bank's good financial performance during the year and attainment of its profitability, efficiency and capital objectives.

Analysis of Consolidated Results

CONDENSED CONSOLIDATED RESULTS [1]

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2014**	 JULY 31 2014	 OCTOBER 31 2013	FOR THE YEAR ENDED **OCTOBER 31 2014**	 OCTOBER 31 2013
Net interest income	**$ 140,149**	$ 141,249	$ 141,437	**$ 560,980**	$ 568,760
Other income	**81,272**	78,396	74,094	**313,085**	296,577
Total revenue	**221,421**	219,645	215,531	**874,065**	865,337
Amortization of net premium on purchased financial instruments and revaluation of contingent consideration	**1,508**	1,511	1,006	**9,653**	4,426
Provision for loan losses	**10,500**	10,500	10,000	**42,000**	36,000
Non-interest expenses	**166,299**	155,973	172,651	**641,309**	674,079
Income before income taxes	**43,114**	51,661	31,874	**181,103**	150,832
Income taxes	**9,360**	11,564	6,008	**40,738**	31,355
Net income	**$ 33,754**	$ 40,097	$ 25,866	**$ 140,365**	$ 119,477
Preferred share dividends, including applicable taxes	**2,395**	3,588	2,637	**10,985**	11,749
Net income available to common shareholders	**$ 31,359**	$ 36,509	$ 23,229	**$ 129,380**	$ 107,728
Diluted earnings per share	**$ 1.09**	$ 1.27	$ 0.82	**$ 4.50**	$ 3.80

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.

Adjusting items

The Bank has designated certain amounts as adjusting items and presents adjusted results to facilitate understanding of its underlying business performance and related trends. The Bank assesses performance on a GAAP basis and non-GAAP basis and considers both measures 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.

Adjusting items are related to business combinations which are included in the B2B Bank business segment's reported results, as well as to restructuring charges which are included in the Personal & Commercial business segment and Other sector's reported results. 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 hereafter.

IMPACT OF ADJUSTING ITEMS [1] [2]

	FOR THE THREE MONTHS ENDED			FOR THE YEAR ENDED	
In thousands of Canadian dollars, except per share amounts (Unaudited)	**OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	**OCTOBER 31 2014**	OCTOBER 31 2013
Impact on net income					
Reported net income	**$ 33,754**	$ 40,097	$ 25,866	**$ 140,365**	$ 119,477
Adjusting items					
Items related to business combinations, net of income taxes					
Amortization of net premium on purchased financial instruments and revaluation of contingent consideration					
Amortization of net premium on purchased financial instruments	**1,108**	1,109	744	**4,079**	3,264
Revaluation of contingent consideration	**—**	—	—	**4,100**	—
Costs related to business combinations (T&I Costs)					
AGF Trust integration related costs	**2,138**	1,149	5,281	**8,973**	16,433
MRS Companies integration related costs	**—**	—	2,028	**474**	11,655
	3,246	2,258	8,053	**17,626**	31,352
Restructuring charges, net of income taxes					
Severance charges [3]	**4,429**	—	4,607	**4,429**	4,607
Impairment charges related to IT projects [4]	**1,162**	—	—	**1,162**	—
	5,591	—	4,607	**5,591**	4,607
	8,837	2,258	12,660	**23,217**	35,959
Adjusted net income	**$ 42,591**	$ 42,355	$ 38,526	**$ 163,582**	$ 155,436
Impact on diluted earnings per share					
Reported diluted earnings per share	**$ 1.09**	$ 1.27	$ 0.82	**$ 4.50**	$ 3.80
Adjusting items					
Items related to business combinations	**0.12**	0.08	0.28	**0.62**	1.11
Restructuring charges	**0.19**	—	0.16	**0.19**	0.16
	0.31	0.08	0.44	**0.81**	1.27
Adjusted diluted earnings per share [5]	**$ 1.39**	$ 1.35	$ 1.26	**$ 5.31**	$ 5.07

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.
[2] Refer to the Non-GAAP Financial Measures section.
[3] Severance charges are included in the line item Salaries and benefits in the consolidated statement of income.
[4] Impairment charges related to IT projects are included in the line item Premises and technology in the consolidated statement of income.
[5] The impact of adjusting items on a per share basis does not add due to rounding for the quarter ended October 31, 2014.

Year ended October 31, 2014 compared with the year ended October 31, 2013

Net income improved to $140.4 million or $4.50 diluted per share for the year ended October 31, 2014, compared with $119.5 million or $3.80 diluted per share for the year ended October 31, 2013. Adjusted net income was $163.6 million for the year ended October 31, 2014, up 5% compared with $155.4 million in 2013, while adjusted diluted earnings per share was $5.31, compared with $5.07 diluted per share in 2013.

Total revenue

Total revenue increased by $8.7 million to $874.1 million for the year ended October 31, 2014, compared with $865.3 million a year ago. The year-over-year growth in other income more than offset a modest decline in net interest margin.

Net interest income decreased by $7.8 million to $561.0 million for the year ended October 31, 2014, from $568.8 million in 2013. The decrease was mainly due to the expected margin compression, the reduced level of high-margin investment loans and lower prepayment penalties on residential mortgage loans, which were partly offset by a better loan portfolio mix. When compared with the year ended October 31, 2013, margins decreased by 1 basis point to 1.65% for the year ended October 31, 2014, essentially for the same reasons.

Other income increased by $16.5 million or 6% and amounted to $313.1 million for the year ended October 31, 2014, compared with $296.6 million for the year ended October 31, 2013. Higher lending fees stemming from increased underwriting activity and loan prepayment penalties in the commercial portfolio partly contributed to the year-over-year increase. Solid mutual fund commissions, higher insurance income due to lower claims, as well as higher income from brokerage operations driven by improved underwriting activity in the small-cap equity market also contributed to the year-over-year increase. These strong improvements were partly offset by lower income from treasury and financial market operations mainly due to lower foreign exchange revenues for the year ended October 31, 2014.

Amortization of net premium on purchased financial instruments and revaluation of contingent consideration

For the year ended October 31, 2014, the line item "Amortization of net premium on purchased financial instruments and revaluation of contingent consideration" amounted to $9.7 million, compared with $4.4 million for the year ended October 31, 2013. The higher charge in 2014 essentially results from a $4.1 million non tax-deductible charge to settle the contingent consideration related to the AGF Trust acquisition. The amortization of net premium on purchased financial instruments amounted to $5.6 million for the year ended October 31, 2014, compared with $4.4 million for the year ended October 31, 2013. Refer to Note 30 to the audited annual consolidated financial statements.

Provision for loan losses

	FOR THE THREE MONTHS ENDED			FOR THE YEAR ENDED	
In thousands of Canadian dollars, except percentage amounts (Unaudited)	**OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	**OCTOBER 31 2014**	OCTOBER 31 2013
Personal loans	**$ 7,610**	$ 4,976	$ 10,020	**$ 25,062**	$ 31,668
Residential mortgage loans	**2,154**	1,606	1,789	**5,330**	8,713
Commercial mortgage loans	**264**	3,759	(1,648)	**4,407**	(3,640)
Commercial and other loans (including acceptances)	**472**	159	(161)	**7,201**	(741)
	$ 10,500	$ 10,500	$ 10,000	**$ 42,000**	$ 36,000
As a % of average loans and acceptances	**0.15%**	0.15%	0.15%	**0.15%**	0.13%

The provision for loan losses increased by $6.0 million to $42.0 million for the year ended October 31, 2014 from $36.0 million for the year ended October 31, 2013. While still low, this reflects a partial return to more normalized overall loan losses on commercial loans and mortgages from the very low 2013 levels.

Loan losses on personal loans decreased by $6.6 million, essentially due to lower losses from the reduced exposure in the investment and point-of-sale financing loan portfolios. Loan losses on residential mortgage loans decreased by $3.4 million year-over-year, as loan losses in 2013 were impacted by higher provisions on medium-sized residential real estate properties and projects. For the year ended October 31, 2014, loan losses on commercial mortgages and commercial loans totalled $11.6 million compared with a negative amount of $4.4 million in 2013, which had benefitted from relatively high favourable settlements and improvements.

The year-over-year increase in loan losses mainly reflects growth in the underlying portfolios, as the overall level of losses, expressed as a percentage of average loans, remained at a very low 15 basis points.

Non-interest expenses

Non-interest expenses decreased by $32.8 million to $641.3 million for the year ended October 31, 2014, compared with $674.1 million for the year ended October 31, 2013. This mainly reflects $25.4 million lower integration costs related to business combinations and a 1% decrease in the Bank's adjusted non-interest expenses through tight cost control and process reviews.

Salaries and employee benefits decreased by $18.1 million or 5% to $340.4 million for the year ended October 31, 2014, compared with the year ended October 31, 2013. This was mainly due to lower headcount from acquisition synergies realized over the last twelve months and from the optimization of certain retail and corporate activities in the fourth quarter of 2013, as well as to lower pension costs and expenses related to group insurance programs. These items were partly offset by regular salary increases and higher performance-based compensation. Salaries and employee benefits for the year ended October 31, 2014 included severance charges of $6.1 million compared with a similar charge of $6.3 million in 2013 as part of restructuring initiatives.

Premises and technology costs increased by $15.4 million to $186.7 million for the year ended October 31, 2014. The increase mostly stems from higher technology costs related to ongoing business growth and enhanced on-line services. Higher amortization expenses related to completed regulatory IT projects, as well as costs related to new premises also contributed to the increase. Furthermore, premises and technology costs for 2014 included impairment charges related to IT projects of $1.6 million as part of restructuring initiatives.

Other non-interest expenses decreased by $4.7 million or 4% to $101.4 million for the year ended October 31, 2014, from $106.1 million for the year ended October 31, 2013. As the bulk of cost synergies related to acquisitions have materialized, the Bank continued to exercise disciplined control over discretionary expenses.

Costs related to business combinations (T&I Costs) for the year ended October 31, 2014 totalled $12.9 million compared with $38.2 million a year ago. T&I costs mainly related to IT systems conversion costs, salaries, professional fees, employee relocation costs and other expenses mostly for the integration of the AGF Trust operations. The integration of the AGF Trust operations was finalized in the fourth quarter of 2014.

The adjusted efficiency ratio was 71.0% for the year ended October 31, 2014, compared with 72.8% for the year ended October 31, 2013. On this same basis, the Bank generated positive operating leverage of 2.4% year-over-year, mainly due to cost synergies related to acquisitions, continued rigorous cost control and efforts to improve its operations, as well as higher other income.

Income taxes

For the year ended October 31, 2014, the income tax expense was $40.7 million and the effective tax rate was 22.5%. The lower tax rate, compared to the statutory rate, resulted mainly 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, 2013, the income tax expense was $31.4 million and the effective tax rate was 20.8%. Year-over-year, the higher effective tax rate for the year ended October 31, 2014 resulted from the relatively higher level of domestic taxable income and a $4.1 million non tax-deductible charge as a result of the final settlement of the contingent consideration related to the AGF Trust acquisition.

Three months ended October 31, 2014 compared with the three months ended October 31, 2013

Net income was $33.8 million or $1.09 diluted per share for the fourth quarter of 2014, compared with $25.9 million or $0.82 diluted per share for the fourth quarter of 2013. Adjusted net income was $42.6 million for the fourth quarter ended October 31, 2014, up from $38.5 million for the same quarter of 2013, while adjusted diluted earnings per share were $1.39, compared with $1.26 diluted per share in 2013. Net income for the fourth quarter of 2014 was adversely impacted by restructuring charges for the optimization of certain retail and corporate activities as detailed in the Adjusting items section.

Total revenue

Total revenue increased by $5.9 million or 3% to $221.4 million for the fourth quarter of 2014, compared with $215.5 million for the fourth quarter of 2013, as growth in other income was partly offset by lower net interest income year-over-year.

Net interest income decreased by $1.3 million or 1% to $140.1 million for the fourth quarter of 2014, from $141.4 million for the fourth quarter of 2013, mainly due to the expected decrease in the personal loan portfolios. Overall, margins decreased to 1.61% for the fourth quarter of 2014 from 1.66% for the fourth quarter of 2013, mainly as a result of a higher level of liquidity resulting from the Bank's raising of favourably-priced institutional deposits ahead of expected loan growth.

Other income increased by $7.2 million or 10% and amounted to $81.3 million for the fourth quarter of 2014, compared with $74.1 million for the fourth quarter of 2013. Higher income from treasury and financial market operations mainly due to higher realized net gains on securities, as well as continued solid mutual fund commissions and lending fees contributed to the year-over-year increase. These results were partly offset by lower income from investment accounts compared with the fourth quarter of 2013.

Amortization of net premium on purchased financial instruments and revaluation of contingent consideration

For the fourth quarter of 2014, the amortization of net premium on purchased financial instruments amounted to $1.5 million, compared with $1.0 million for the fourth quarter of 2013. Refer to Note 30 to the audited annual consolidated financial statements.

Provision for loan losses

The provision for loan losses increased by $0.5 million to $10.5 million for the fourth quarter of 2014 from $10.0 million for the fourth quarter of 2013. Loan losses remained at a low level reflecting the overall underlying quality of the loan portfolios and the continued favourable credit environment. Loan losses on personal loans decreased by $2.4 million compared with the fourth quarter of 2013, mainly reflecting lower provisions in the investment and point-of-sale financing loan portfolios compared to last year because of reduced exposure. Loan losses on residential mortgage loans were up $0.4 million from the fourth quarter of 2013. Loan losses on commercial mortgages and commercial loans cumulatively amounted to $0.7 million for the fourth quarter of 2014, a year-over-year increase of $2.5 million compared with a net recovery amount of $1.8 million in the fourth quarter of 2013. This year-over-year increase in loan losses mainly results from growth in the underlying portfolios, as well as higher favourable settlements and improvements in the fourth quarter of 2013 compared with the fourth quarter of 2014.

Non-interest expenses

Non-interest expenses decreased by $6.4 million to $166.3 million for the fourth quarter of 2014, compared with $172.7 million for the fourth quarter of 2013. This mostly reflects $7.0 million lower integration costs related to business combinations as integration work at B2B Bank was completed in the fourth quarter of 2014. The Bank's adjusted non-interest expenses were essentially unchanged as tight cost control, acquisition synergies and process reviews compensated for higher charges incurred in the fourth quarter of 2014 for certain restructuring charges, as detailed above.

Salaries and employee benefits decreased by $3.4 million or 4% to $87.5 million for the fourth quarter of 2014, compared with the fourth quarter of 2013, mainly due to lower headcount from acquisition synergies realized over the last twelve months and from the optimization of certain retail and corporate activities in the fourth quarter of 2013. Salaries for the fourth quarter of 2014 included $6.1 million of severance charges related to restructuring initiatives, compared with a similar earlier $6.3 million charge in the fourth quarter of 2013. Regular salary increases, higher pension costs and higher performance-based compensation accruals partly offset the decrease year-over-year.

Premises and technology costs increased by $4.3 million to $49.6 million compared with the fourth quarter of 2013. The increase mostly stems from impairment charges related to IT projects of $1.6 million as part of restructuring initiatives as detailed above, as well as from ongoing business growth and enhanced on-line services.

Other non-interest expenses were relatively unchanged at $26.3 million for the fourth quarter of 2014, compared with the fourth quarter of 2013, reflecting continued stringent cost control.

Costs related to business combinations (T&I Costs) for the fourth quarter of 2014 totalled $2.9 million compared with $10.0 million a year ago. During the fourth quarter of 2014, T&I Costs mainly related to employee relocation and completion of integration activities.

The adjusted efficiency ratio was 70.3% for the fourth quarter of 2014, compared with 72.6% for the fourth quarter of 2013, as integration synergies and efforts to improve operating costs are bearing fruit.

Income taxes

For the quarter ended October 31, 2014, the income tax expense was $9.4 million and the effective tax rate was 21.7%. 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, 2013, the income tax expense was $6.0 million and the effective tax rate was 18.8%. Year-over-year, the higher effective tax rate for the quarter ended October 31, 2014 resulted from the relatively higher level of domestic taxable income.

Three months ended October 31, 2014 compared with the three months ended July 31, 2014

Net income was $33.8 million or $1.09 diluted per share for the fourth quarter of 2014 compared with $40.1 million or $1.27 diluted per share for the third quarter of 2014. As noted above, net income for the fourth quarter of 2014 was adversely impacted by restructuring charges of $7.6 million ($5.6 million after income taxes), or $0.19 diluted per share. Adjusted net income was $42.6 million or $1.39 diluted per share, compared with $42.4 million or $1.35 diluted per share for the third quarter of 2014.

Total revenue increased to $221.4 million for the fourth quarter of 2014, compared with $219.6 million for the previous quarter. Net interest income decreased by $1.1 million sequentially to $140.1 million for the fourth quarter of 2014, mainly due to seasonally lower prepayment penalties. The Bank's net interest margin decreased sequentially by 4 basis points to 1.61% for the fourth quarter of 2014, compared with 1.65% for the third quarter of 2014, due to lower prepayment penalties and higher liquidity levels raised in anticipation of stronger loan growth in the upcoming quarters.

Other income increased by $2.9 million sequentially to $81.3 million for the fourth quarter of 2014. Higher fees and commissions on loans as well as higher income from treasury and financial market operations due to higher realized net gains on securities and better income from trading activities mainly contributed to the increase, partly offset by slightly lower income from brokerage operations.

The line-item "Amortization of net premium on purchased financial instruments and revaluation of contingent consideration" amounted to $1.5 million for the fourth quarter of 2014, unchanged compared with the third quarter of 2014. Refer to Note 30 to the audited annual consolidated financial statements for additional information.

The provision for loan losses remained low at $10.5 million for the fourth quarter of 2014, unchanged compared with the third quarter of 2014, reflecting the continued high quality of the portfolio and the favourable credit environment.

Non-interest expenses amounted to $166.3 million for the fourth quarter of 2014, compared with $156.0 million for the third quarter of 2014. Excluding T&I Costs and restructuring charges incurred in the third and fourth quarters of 2014, non-interest expenses slightly increased by 1% sequentially, as the Bank continued to prudently control costs.

Financial condition

CONDENSED BALANCE SHEET [1]

In thousands of Canadian dollars (Unaudited)		**AS AT OCTOBER 31 2014**		AS AT OCTOBER 31 2013
ASSETS				
Cash and deposits with other banks	**$**	**248,855**	$	208,838
Securities		**4,880,460**		4,480,525
Securities purchased under reverse repurchase agreements		**1,562,677**		1,218,255
Loans and acceptances, net		**27,310,208**		27,113,107
Other assets		**846,481**		890,301
	$	**34,848,681**	$	33,911,026
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	**$**	**24,523,026**	$	23,927,350
Other liabilities		**3,469,674**		3,129,918
Debt related to securitization activities		**4,863,848**		4,974,714
Subordinated debt		**447,523**		445,473
Shareholders' equity		**1,544,610**		1,433,571
	$	**34,848,681**	$	33,911,026

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.

Balance sheet assets amounted to $34.8 billion as at October 31, 2014, up $0.9 billion or 3% from $33.9 billion as at October 31, 2013. This increase mainly relates to the higher level of liquid assets as explained below.

Liquid assets

Liquid assets, including cash, deposits with other banks, securities and securities purchased under reverse repurchase agreements, totalled $6.7 billion as at October 31, 2014, an increase of $0.8 billion compared with October 31, 2013. The higher level of liquidity reflects the increase in institutional deposits toward the end of the year as the Bank maintained diversified funding sources to support expected loan growth. Overall, the Bank continues to prudently manage the level of liquid assets and to hold sufficient cash resources from various sources 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 $27.3 billion as at October 31, 2014, up marginally from October 31, 2013. Since the beginning of the year, continued organic growth in the higher-margin business portfolios outpaced the decrease in the investment loan portfolio, while the residential mortgage loan portfolio was only up marginally. Commercial loans, including bankers' acceptance, increased by $400.5 million or 15% since October 31, 2013, as the Bank accelerated the development of its commercial activities and began to reap results from the launch of its new lease financing offer. Since October 31, 2013, commercial mortgage loans increased by $264.8 million or 11% when excluding the loan sale of $102.4 million in the second quarter of 2014. Personal loans decreased by $452.4 million or 6% since October 31, 2013, mainly reflecting attrition in the investment loan portfolio and to a lesser extent, the continued run-off of point-of-sale financing. Residential mortgage loans were up by $90.3 million from October 31, 2013, as growth in mortgage loans at B2B Bank was helped by its expanded and alternative mortgage solutions.

Gross impaired loans amounted to $102.1 million as at October 31, 2014, a slight increase of $2.7 million or 3% from $99.4 million as at October 31, 2013, as continued improvements in credit quality during the year, notably in the commercial loan portfolio, was offset by increases in impaired loans in the personal loan portfolio.

Liabilities

Personal deposits stood at $18.7 billion as at October 31, 2014, decreasing by $0.5 billion or 3% from $19.3 billion as at October 31, 2013, as the Bank optimized its current funding strategy by focusing on direct client deposits, increasing its access to institutional funding sources, and reducing the overall contribution of broker-sourced funding at B2B Bank. As a result, business and other deposits increased by $1.1 billion or 24% since October 31, 2013 to $5.8 billion as at October 31, 2014, mainly explained by new deposits raised during the second half of 2014. Personal deposits represented 76% of total deposits as at October 31, 2014 compared with 81% as at October 31, 2013. This ratio remains nonetheless well above the Canadian average and will help to meet upcoming Basel III liquidity requirements.

Debt related to securitization activities and subordinated debt remained relatively unchanged compared with October 31, 2013 and stood at $4.9 billion and $0.4 billion respectively as at October 31, 2014.

Shareholders' equity

Shareholders' equity stood at $1,544.6 million as at October 31, 2014, compared with $1,433.6 million as at October 31, 2013. This increase resulted mainly from the net income contribution for the year, net of declared dividends and the net effect of preferred share transactions detailed below. In addition, the issuance of 410,587 new common shares under the Shareholder Dividend Reinvestment and Share Purchase Plan further contributed to the increase in shareholders' equity. The Bank's book value per common share appreciated to $45.89 as at October 31, 2014 from $43.19 as at October 31, 2013. There were 28,943,601 common shares and 20,000 share purchase options outstanding as at December 3, 2014.

On April 3, 2014, the Bank issued 5,000,000 Basel III-compliant Non-Cumulative Class A Preferred Shares, Series 13 (the “Preferred Shares Series 13”), at a price of $25 per share for gross proceeds of $125.0 million, $120.9 million net of issuance costs of $4.1 million ($2.9 million after income taxes), and yielding 4.3% annually.

On June 15, 2014, the Bank repurchased 4,400,000 Non-Cumulative Class A Preferred Shares, Series 10 (the “Preferred Shares Series 10”), which yielded 5.3% annually, at a price of $25 per share, for an aggregate amount of $110.0 million.

Measuring performance in 2015

The following table presents the Bank’s objectives for 2015.

2015 FINANCIAL OBJECTIVES [1]

	2014 RESULTS	2015 OBJECTIVES [2]
Adjusted diluted earnings per share	$5.31	5% to 8% growth
Adjusted efficiency ratio	71.0%	< 71.0%
Adjusted operational leverage	2.4%	Positive
Adjusted return on common shareholders' equity	11.9%	≥ 12.0%
Common Equity Tier I capital ratio — All-in basis	7.9%	> 7.0%

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

[2] These objectives for 2015 should be read concurrently with the following paragraphs on key assumptions.

Over the recent years, the Bank has continuously improved its profitability and significantly diversified its operations. Management remains committed to delivering profitable growth and taking full advantage of the current market opportunities.

Management is confident that the Bank is well positioned to further improve its performance in 2015. Strategies to foster growth in higher-margin products, mainly through its commercial activities, as well as its new lease financing and Alt-A offerings, should further improve the loan portfolio mix, including its geographical diversification, and enable the Bank to maintain its momentum. In addition, the Bank will continue to exhibit expense discipline and focus on materializing revenue opportunities to further improve its efficiency. Furthermore, management expects that the loan portfolio credit quality will continue to compare advantageously versus the industry.

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 at the beginning of the Management's Discussion and Analysis and in the Risk Appetite and Risk Management Framework section could also cause future results to differ materially from these objectives.

Overview of the economic outlook for 2015
Recent declines in oil prices are expected to support global growth in 2015, notably in the United States where the moderate pace of economic growth remains intact. In Canada, the depreciation of the Canadian dollar, lower energy costs and robust US demand are expected to improve the outlook in Québec and Ontario and to narrow the discrepancy in economic performance between Western Canada and the rest of the country. This may lead the Bank of Canada to increase modestly its overnight rate target before the end of 2015. As interest rates are expected to remain at historically low levels throughout a good portion of 2015, all signs point to a soft landing for the Canadian housing sector with still increasing strength from East to West.

Considering the economic environment described above, management believes the following factors will underlie its financial outlook for 2015:

- Strong organic growth to continue in the higher-margin commercial businesses and alternative mortgages in B2B Bank
- Some attrition in the investment loan portfolio, as investors continue to deleverage
- Stable margins from the 2014 level, with some modest seasonal fluctuations
- Strategies to grow and diversify other income to be maintained
- Loan loss provisions to remain at low levels
- Expenses to be tightly controlled

Medium term outlook

In the medium term, the Bank is expecting that, even with this challenging rate environment, the pressure on the Bank's net interest margin should diminish and eventually reverse as the Bank continues to shift focus on higher-yielding loans.

Furthermore, the Bank's medium term strategic vision is to:

- Grow B2B Bank to solidify its leadership position to Canada's financial advisor community
- Increase its footprint in business banking with targeted offerings such as lease financing and other banking solutions to niche segments
- Maintain its retail banking footprint in Québec at current levels
- Advance the Bank's pan-Canadian presence
- Once revised regulation is finalized, move from the standardized capital adequacy approach to the internal ratings-based approach under Basel II

These strategic objectives translate into the following medium term financial objectives:

- Grow net income per share by 5% to 10% annually
- Move 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 Canada (OSFI) originating from the Basel Committee on Banking Supervision (BCBS) regulatory risk based capital framework, "*Basel III: A global regulatory framework for more resilient banks and banking systems*". Under OSFI's Capital Adequacy Requirements Guideline (the CAR Guideline), transitional requirements for minimum Common Equity Tier 1, Tier 1 and Total capital ratios were set at 4.0%, 5.5% and 8.0% respectively for 2014, which, for the Bank, will be fully phased-in to 7.0%, 8.5% and 10.5% by 2019, including the effect of capital conservation buffers.

In its CAR Guideline, OSFI indicated that it expects deposit-taking institutions to attain target capital ratios without transition arrangements equal to or greater than the 2019 minimum capital ratios plus capital conservation buffer levels (the "all-in" basis). The "all-in" basis includes all of the regulatory adjustments that will be required by 2019, while retaining the phase-out rules of non-qualifying capital instruments. Refer to the Bank's 2014 Annual Report under the title "Capital Management" for additional information on the Bank's regulatory capital.

As detailed in the table below, on an "all-in" basis, the Common Equity Tier 1, Tier 1 and Total capital ratios stood at 7.9%, 9.4% and 12.6%, respectively, as at October 31, 2014. These ratios meet all current requirements.

REGULATORY CAPITAL [1]

In thousands of Canadian dollars, except percentage amounts (Unaudited)	AS AT OCTOBER 31 2014	AS AT JULY 31 2014	AS AT OCTOBER 31 2013
Regulatory capital			
Common Equity Tier 1 capital	**$ 1,087,224**	$ 1,051,085	$ 1,017,659
Tier 1 capital	**$ 1,306,857**	$ 1,270,718	$ 1,222,863
Total capital	**$ 1,747,526**	$ 1,705,687	$ 1,694,167
Total risk-weighted assets [2]	**$ 13,844,014**	$ 13,714,954	$ 13,379,834
Regulatory capital ratios			
Common Equity Tier 1 capital ratio	**7.9%**	7.7%	7.6%
Tier 1 capital ratio	**9.4%**	9.3%	9.1%
Total capital ratio	**12.6%**	12.4%	12.7%

[1] The amounts are presented on an "all-in" basis. Regulatory capital for 2013 is presented as filed with OSFI and has not been adjusted to include the impact of the adoption of amendments to IAS 19, *Employee Benefits*.
[2] Using the Standardized Approach in determining credit risk and operational risk.

The Common Equity Tier 1 capital ratio increased to 7.9% as at October 31, 2014 compared with 7.6% as at October 31, 2013. As mentioned previously, effective November 1, 2013, the Bank adopted an amended version of IAS 19, *Employee Benefits* which reduced the Common Equity Tier 1 capital ratio by approximately 0.2%. This impact was more than offset by internal capital generation during the year ended October 31, 2014, which increased total equity, while risk-weighted assets slightly increased.

Basel leverage ratio requirement

The Basel III capital reforms introduced a non-risk based leverage ratio requirement to act as a supplementary measure to the risk-based capital requirements. The leverage ratio is currently defined as the Tier 1 capital divided by unweighted on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions, as defined within the requirements. It differs from OSFI's current Asset to Capital Multiple (ACM) requirement in that it includes more off-balance-sheet exposures and a narrower definition of capital (Tier 1 Capital instead of Total Capital).

In January 2014, the BCBS issued the full text of Basel III leverage ratio framework and disclosure requirements following endorsement by its governing body. In its Leverage Requirements Guideline issued in October 2014, OSFI indicated that it will replace the ACM with the new Basel III leverage ratio as of January 1, 2015. Federally regulated deposit-taking institutions will be expected to maintain a Basel III leverage ratio that meets or exceeds 3% at all times.

Credit ratings

On October 20, 2014, DBRS Limited upgraded the Bank's long-term ratings, including its Issuer Rating and Deposits & Senior Debt ratings, to A (low) from BBB (high). Corresponding ratings for the Bank's subordinated debt, non-viable contingent capital (NVCC) preferred shares and other preferred shares were similarly upgraded. The Bank's upgrade, one of the few to any Canadian banks since 2008, is of particular interest as it improves access to the institutional investors market.

Dividends

On November 6, 2014, the Board of Directors declared the regular dividend on the Preferred Shares Series 11 and Preferred Shares Series 13 to shareholders of record on December 8, 2014. At its meeting on December 10, 2014, given the Bank's solid results, balance sheet and capital position, the Board of Directors approved an increase of $0.02 per share, or 4%, to the quarterly dividend and declared a dividend of $0.54 per common share, payable on February 1, 2015, to shareholders of record on January 2, 2015. At this same meeting, the Board of Directors decided that, for the dividend payable on February 1, 2015 and until further notice, shares attributed under the Bank's Shareholder Dividend Reinvestment and Share Purchase Plan will be purchased in the open market. As such, no discount will be applied to these common shares.

COMMON SHARE DIVIDENDS AND PAYOUT RATIO [1]

In Canadian dollars, except payout ratios (Unaudited)	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED			
	OCTOBER 31 2014	JULY 31 2014	OCTOBER 31 2013	**OCTOBER 31 2014**	OCTOBER 31 2013	OCTOBER 31 2012	OCTOBER 31 2011
Dividends declared per common share	**$ 0.52**	$ 0.52	$ 0.50	**$ 2.06**	$ 1.98	$ 1.84	$ 1.62
Dividend payout ratio [2]	**47.8%**	40.9%	61.2%	**45.7%**	52.0%	37.0%	34.8%
Adjusted dividend payout ratio [2]	**37.3%**	38.6%	39.6%	**38.7%**	39.0%	36.9%	32.9%

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee benefits*. Comparative figures for 2012 and 2011 have not been restated. Refer to Note 4 in the audited annual consolidated financial statements.
[2] Refer to the Non-GAAP Financial Measures section.

Segmented Information

This section outlines the Bank's operations according to its organizational structure. Services to individuals, businesses, financial intermediaries and institutional clients are offered through the following three business segments: Personal & Commercial, B2B Bank, and Laurentian Bank Securities & Capital Markets. The Bank’s other activities are grouped into the Other sector.

Realignment of reportable segments

Commencing November 1, 2013, the Bank reports its retail and commercial activities, which were previously reported in the Retail & SME-Québec and Real Estate & Commercial business segments, in the newly formed Personal & Commercial segment. The new business segment better reflects the interdependencies associated with these activities. In addition, the new segments more closely align the Bank's reporting to the industry practice. The B2B Bank and Laurentian Bank Securities & Capital Markets segments are not affected by this realignment. Furthermore, certain restructurings implemented in the fourth quarter of 2013 resulted in minor adjustments to segment allocations. Comparative figures for 2013 were reclassified to conform to the current presentation.

Personal & Commercial [1]

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	FOR THE YEAR ENDED **OCTOBER 31 2014**	OCTOBER 31 2013
Net interest income	**$ 99,724**	$ 99,591	$ 97,318	**$ 394,961**	$ 386,848
Other income	**54,083**	50,854	49,131	**202,677**	191,261
Total revenue	**153,807**	150,445	146,449	**597,638**	578,109
Provision for loan losses	**6,786**	8,759	4,517	**33,235**	21,438
Non-interest expenses	**108,929**	102,355	110,131	**411,040**	424,412
Income before income taxes	**38,092**	39,331	31,801	**153,363**	132,259
Income taxes	**9,493**	9,378	7,392	**36,251**	30,342
Net income	**$ 28,599**	$ 29,953	$ 24,409	**$ 117,112**	$ 101,917
Efficiency ratio [2]	**70.8%**	68.0%	75.2%	**68.8%**	73.4%
Adjusted net income [2]	**$ 33,359**	$ 29,953	$ 28,285	**$ 121,872**	$ 105,793
Adjusted efficiency ratio [2]	**66.6%**	68.0%	71.6%	**67.7%**	72.5%

[1] Comparative figures for 2013 reflect the realignment of reportable segments and the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Notes 4 and 21 in the audited annual consolidated financial statements.
[2] Refer to the Non-GAAP Financial Measures section. Adjusted financial measures exclude restructuring charges designated as adjusting items.

Year ended October 31, 2014

For the year ended October 31, 2014, the Personal & Commercial business segment's contribution to adjusted net income was $121.9 million, a 15% increase compared with $105.8 million for the year ended October 31, 2013. Reported net income was $117.1 million for the year ended October 31, 2014 compared with $101.9 million for the year ended October 31, 2013.

Total revenue increased by $19.5 million from $578.1 million for the year ended October 31, 2013 to $597.6 million for the year ended October 31, 2014, mainly driven by organic growth in the commercial loan portfolio and solid increases in other income categories. Net interest income increased by $8.1 million to $395.0 million, reflecting a better loan portfolio mix, partly offset by expected remaining margin compression and lower prepayment penalties on residential mortgages. Other income increased by 6% or $11.4 million to $202.7 million for the year ended October 31, 2014, mainly due to higher mutual fund commissions and insurance income, as well as higher lending fees stemming from increased underwriting activity and loan prepayment penalties in the commercial portfolio.

Loan losses increased by $11.8 million from $21.4 million for the year ended October 31, 2013 to $33.2 million for the year ended October 31, 2014. In 2013, loan losses on commercial mortgages and commercial loans had benefitted from relatively high favourable settlements and improvements. The year-over-year increase in loan losses mainly reflects growth in the underlying portfolios. Albeit, the overall level of loan losses remained at a very low level.

Non-interest expenses decreased by $13.4 million or 3%, from $424.4 million for the year ended October 31, 2013 to $411.0 million for the year ended October 31, 2014, mainly due to lower salaries and other expenses from the optimization of certain retail activities in the fourth quarter of 2013 and disciplined control over discretionary expenses. The adjusted efficiency ratio was 67.7% for the year ended October 31, 2014, compared with 72.5% for the year ended October 31, 2013. The segment generated positive adjusted operating leverage of 6.9% year-over-year, reflecting the Bank's focus on rigorous cost control and growth in other income and commercial businesses.

Management remains committed to ensuring sustained earnings growth and achieving greater operational efficiency. As such, in October 2014 the Bank initiated further restructuring initiatives for certain retail activities to realign strategic priorities and to reduce costs in a sustainable manner, which led to charges of $6.5 million ($4.8 million after income taxes). The optimization of certain retail activities in the fourth quarter of 2013 led to charges of $5.3 million ($3.9 million after income taxes) in 2013.

Three months ended October 31, 2014

The Personal & Commercial business segment's contribution to adjusted net income was $33.4 million for the fourth quarter of 2014, an 18% increase compared with $28.3 million for the fourth quarter of 2013. Reported net income was $28.6 million for the fourth quarter of 2014 compared with $24.4 million for the fourth quarter of 2013. The segment's reported net income for the fourth quarter of 2014 was adversely impacted by restructuring charges of $6.5 million ($4.8 million after income taxes) for the further optimization of certain retail activities, compared with restructuring charges of $5.3 million ($3.9 million after income taxes) for the fourth quarter of 2013.

Total revenue increased by $7.4 million from $146.4 million for the fourth quarter of 2013 to $153.8 million for the fourth quarter of 2014. Net interest income increased by $2.4 million to $99.7 million, reflecting good volume growth in the higher-margin commercial portfolios, partly offset by margin compression. Other income increased by $5.0 million to $54.1 million in the fourth quarter of 2014, mainly due to higher mutual fund commissions and lending fees resulting from increased underwriting activity.

Loan losses increased by $2.3 million from $4.5 million for the fourth quarter of 2013 to $6.8 million for the fourth quarter of 2014. The higher level of losses compared to a year ago mainly results from growth in the underlying commercial mortgage and commercial loan portfolios, as well as from relatively high favourable settlements and improvements in the fourth quarter of 2013 compared with the fourth quarter of 2014.

Non-interest expenses decreased by $1.2 million or 1%, from $110.1 million for the fourth quarter of 2013 to $108.9 million for the fourth quarter of 2014, as lower salaries and other expenses from the optimization of certain retail activities in the fourth quarter of 2013 and disciplined control over discretionary expenses compensated for higher restructuring charges incurred in the fourth quarter of 2014, as mentioned above. The business segment's adjusted efficiency ratio decreased to 66.6% for the fourth quarter of 2014 from 71.6% for the fourth quarter of 2013.

Compared with the third quarter of 2014, adjusted net income increased by 11%, mainly due to higher fees and commissions on loans and lower loan losses on commercial mortgage loans.

B2B Bank [1]

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	FOR THE YEAR ENDED **OCTOBER 31 2014**	OCTOBER 31 2013
Net interest income	**$ 43,591**	$ 44,402	$ 46,072	**$ 177,567**	$ 190,928
Other income	**8,348**	8,804	9,406	**35,361**	36,705
Total revenue	**51,939**	53,206	55,478	**212,928**	227,633
Amortization of net premium on purchased financial instruments and revaluation of contingent consideration	**1,508**	1,511	1,006	**9,653**	4,426
Provision for loan losses	**3,714**	1,741	5,483	**8,765**	14,562
Non-interest expenses [2]	**32,230**	30,553	32,869	**125,330**	132,188
Costs related to business combinations [3]	**2,911**	1,564	9,951	**12,861**	38,244
Income before income taxes	**11,576**	17,837	6,169	**56,319**	38,213
Income taxes	**3,120**	4,802	1,760	**16,313**	10,290
Net income	**$ 8,456**	$ 13,035	$ 4,409	**$ 40,006**	$ 27,923
Efficiency ratio [4]	**67.7%**	60.4%	77.2%	**64.9%**	74.9%
Adjusted net income [4]	**$ 11,702**	$ 15,293	$ 12,462	**$ 57,632**	$ 59,275
Adjusted efficiency ratio [4]	**62.1%**	57.4%	59.2%	**58.9%**	58.1%

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.
[2] During the first quarter of 2014, the Bank retroactively adjusted its corporate expenses allocation methodology. As a result, non-interest expenses amounting to $1.0 million ($0.7 million net of income taxes) per quarter in 2013, which were previously reported in the Other sector, were reclassified to the B2B Bank business segment.
[3] Costs related to the integration of the MRS Companies and AGF Trust (T&I Costs).
[4] Refer to the Non-GAAP Financial Measures section. Adjusted financial measures exclude items related to business combinations designated as adjusting items.

Year ended October 31, 2014

For the year ended October 31, 2014, B2B Bank business segment's contribution to adjusted net income was $57.6 million, down $1.6 million or 3% compared with the same period in 2013. Reported net income for the year ended October 31, 2014 increased by $12.1 million to $40.0 million compared with $27.9 million in 2013.

Total revenue decreased to $212.9 million for the year ended October 31, 2014 from $227.6 million for the same period in 2013. Net interest income decreased by $13.4 million to $177.6 million, mainly explained by reduced level of high-margin investment loans as investors continue to deleverage, as well as margin compression on mortgage loan portfolios. Other income amounted to $35.4 million for the year ended October 31, 2014, down $1.3 million compared with $36.7 million for the same period in 2013, mainly explained by lower income from self-directed accounts and related services charges.

As shown above, the line item "Amortization of net premium on purchased financial instruments and revaluation of contingent consideration" increased by $5.2 million and amounted to $9.7 million for the year ended October 31, 2014. This increase is largely attributable to the additional $4.1 million non tax-deductible charge to settle the contingent consideration related to the AGF Trust acquisition. For additional information, refer to Note 30 to the audited annual consolidated financial statements.

Loan losses decreased by $5.8 million compared with the year ended October 31, 2013 and amounted to $8.8 million for the year ended October 31, 2014. This decrease is explained by lower provisions in the investment loan portfolios due to the reduced exposure compared to last year, which were partly offset by higher provisions on other personal loans.

Excluding costs related to business combinations (T&I Costs), non-interest expenses decreased by $6.9 million or 5% to $125.3 million for the year ended October 31, 2014 compared with $132.2 million in 2013. This reduction is essentially due to the realization of expected acquisition synergies. With the finalization of integration activities in the fourth quarter of 2014, T&I Costs for the year ended October 31, 2014 decreased by $25.4 million to $12.9 million and mainly related to completing processes, relocating employees and harmonizing products.

Three months ended October 31, 2014

The B2B Bank business segment's contribution to adjusted net income was $11.7 million for the fourth quarter of 2014, down $0.8 million from $12.5 million for the fourth quarter of 2013. Reported net income for the fourth quarter of 2014 was $8.5 million compared with $4.4 million a year ago.

Total revenue decreased to $51.9 million for the fourth quarter of 2014 from $55.5 million for the fourth quarter of 2013. Net interest income decreased by $2.5 million to $43.6 million for the fourth quarter of 2014 compared with the corresponding period in 2013. This decrease mainly resulted from the reduced level of high-margin investment loans and deposit volume, as well as margin compression on mortgages. Other income amounted to $8.3 million in the fourth quarter of 2014, down $1.1 million from the fourth quarter of 2013, mainly impacted by lower income from self-directed accounts.

As shown above, the line item "Amortization of net premium on purchased financial instruments and revaluation of contingent consideration" amounted to $1.5 million in the fourth quarter of 2014 compared with $1.0 million for the fourth quarter of 2013, reflecting higher amortization of net premium. For additional information, refer to Note 30 to the audited annual consolidated financial statements.

Loan losses decreased by $1.8 million compared with the fourth quarter of 2013 and amounted to $3.7 million in the fourth quarter of 2014, essentially for the same reasons explained above.

Excluding costs related to business combinations, non-interest expenses decreased by $0.6 million or 2% to $32.2 million for the fourth quarter of 2014, compared with $32.9 million for the fourth quarter of 2013, mainly reflecting realized acquisition synergies earlier in 2014. Costs related to business combinations for the fourth quarter of 2014 decreased by $7.0 million to $2.9 million as integration activities were completed during the fourth quarter of 2014.

Compared with the third quarter of 2014, adjusted net income decreased by $3.6 million, essentially as a result of the sequential decrease in net interest income due to the lower volume of investment loans and a seasonally lower level of loan prepayment penalties on mortgages, as well as higher provisions for loan losses. Higher costs related to business combinations of $1.3 million also contributed to the decrease in the reported net income over the same period.

Laurentian Bank Securities & Capital Markets [1]

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	FOR THE YEAR ENDED **OCTOBER 31 2014**	OCTOBER 31 2013
Total revenue	**$ 16,159**	$ 18,492	$ 17,741	**$ 68,406**	$ 67,831
Non-interest expenses	**12,845**	14,341	13,919	**54,332**	53,407
Income before income taxes	**3,314**	4,151	3,822	**14,074**	14,424
Income taxes	**890**	1,114	913	**3,777**	3,572
Net income	**$ 2,424**	$ 3,037	$ 2,909	**$ 10,297**	$ 10,852
Efficiency ratio [2]	**79.5%**	77.6%	78.5%	**79.4%**	78.7%

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.
[2] Refer to the Non-GAAP Financial Measures section.

Year ended October 31, 2014

Laurentian Bank Securities & Capital Markets business segment's contribution to net income decreased slightly to $10.3 million for the year ended October 31, 2014, compared with $10.9 million for the year ended October 31, 2013. Total revenue increased by $0.6 million to $68.4 million for the year ended October 31, 2014, as higher revenues from growth in underwriting activities in the small-cap equity market were partly offset by lower underwriting fees in the fixed income market. Non-interest expenses increased by $0.9 million to $54.3 million for the year ended October 31, 2014, mainly due to higher performance-based compensation, commissions and transaction fees, in-line with higher market-driven income.

Three months ended October 31, 2014

Laurentian Bank Securities & Capital Markets business segment's contribution to net income decreased to $2.4 million for the fourth quarter of 2014, compared with $2.9 million for the fourth quarter of 2013. Total revenue decreased by $1.6 million to $16.2 million for the fourth quarter of 2014 compared with $17.7 million for the fourth quarter of 2013, essentially for the same reasons mentioned above. Non-interest expenses decreased by $1.1 million to $12.8 million for the fourth quarter of 2014, mainly due to lower performance-based compensation, commissions and transaction fees, in-line with lower market-driven income.

Other sector [1]

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	FOR THE YEAR ENDED **OCTOBER 31 2014**	OCTOBER 31 2013
Net interest income	**$ (4,733)**	$ (3,312)	$ (3,611)	**$ (14,872)**	$ (13,139)
Other income	**4,249**	814	(526)	**9,965**	4,903
Total revenue	**(484)**	(2,498)	(4,137)	**(4,907)**	(8,236)
Non-interest expenses [2]	**9,384**	7,160	5,781	**37,746**	25,828
Loss before income taxes	**(9,868)**	(9,658)	(9,918)	**(42,653)**	(34,064)
Income taxes recovery	**(4,143)**	(3,730)	(4,057)	**(15,603)**	(12,849)
Net loss	**$ (5,725)**	$ (5,928)	$ (5,861)	**$ (27,050)**	$ (21,215)
Adjusted net loss [3]	**$ (4,894)**	$ (5,928)	$ (5,130)	**$ (26,219)**	$ (20,484)

[1] Comparative figures for 2013 reflect the realignment of reportable segments and the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Notes 4 and 21 in the audited annual consolidated financial statements.
[2] During the first quarter of 2014, the Bank retroactively adjusted its corporate expenses allocation methodology. As a result, non-interest expenses amounting to $1.0 million ($0.7 million net of income taxes) per quarter in 2013, which were previously reported in the Other sector, were reclassified to the B2B Bank business segment.
[3] Refer to the Non-GAAP Financial Measures section. Adjusted financial measures exclude restructuring charges designated as adjusting items.

Year ended October 31, 2014

For the year ended October 31, 2014, the Other sector's contribution to adjusted net income was a negative $26.2 million, compared with a negative $20.5 million for the year ended October 31, 2013. Reported net income for the year ended October 31, 2014 was negative $27.1 million, compared with negative $21.2 million for the year ended October 31, 2013.

Net interest income decreased to negative $14.9 million for the year ended October 31, 2014 compared with negative $13.1 million for the year ended October 31, 2013, mainly as a result of less favourable market conditions compared to a year ago impacting balance sheet management. Other income increased by $5.1 million and amounted to $10.0 million for the year ended October

31, 2014, mainly explained by higher net security gains compared to last year and by a $2.5 million portion of a gain related to the sale of commercial mortgage loans attributed to Corporate Treasury presented in this sector.

Non-interest expenses increased by $11.9 million to $37.7 million for the year ended October 31, 2014 compared with $25.8 million for the year ended October 31, 2013. Higher unallocated technology expenses related to new initiatives aimed at improving IT infrastructure and on-line services mainly contributed to the overall increase in non-interest expenses. Non-interest expenses for the year ended October 31, 2014 also included restructuring charges totalling $1.1 million for the further optimization of certain corporate activities compared with a similar charge of $1.0 million in 2013.

Three months ended October 31, 2014

For the fourth quarter of 2014, the Other sector's contribution to adjusted net income was a negative $4.9 million compared with a negative $5.1 million for the fourth quarter of 2013. Reported net income was a negative $5.7 million for the fourth quarter of 2014 compared with a negative $5.9 million for the fourth quarter of 2013.

Net interest income decreased by $1.4 million to negative $4.7 million for the fourth quarter of 2014, mainly due to the lower interest rate environment. Other income increased to $4.2 million for the fourth quarter of 2014, compared with negative $0.5 million for the fourth quarter of 2013, mainly due to higher net security gains and income from trading activities. Non-interest expenses increased to $9.4 million for the fourth quarter of 2014 compared with $5.8 million for the fourth quarter of 2013, mainly reflecting higher unallocated technology expenses as explained above. Non interest expenses for the fourth quarter of 2014 also included restructuring charges totalling $1.1 million compared with a similar charge of $1.0 million for the corresponding period in 2013.

On a sequential basis, the sector's adjusted net loss improved by $1.0 million, essentially due to higher other income from trading activities.

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:

Common shareholders' equity

Effective November 1, 2013, the Bank modified its definition of common shareholders' equity, as detailed below. All financial measures for the quarters and for the year ended in 2013 have been amended accordingly.

The Bank's common shareholders' equity is defined as the sum of the value of common shares, retained earnings and accumulated other comprehensive income, excluding cash flow hedge reserves. This definition is now better aligned with regulatory requirements.

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.

RETURN ON COMMON SHAREHOLDERS' EQUITY [1]

	FOR THE THREE MONTHS ENDED			FOR THE YEAR ENDED	
In thousands of Canadian dollars, except percentage amounts (Unaudited)	**OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	**OCTOBER 31 2014**	OCTOBER 31 2013
Reported net income available to common shareholders	**$ 31,359**	$ 36,509	$ 23,229	**$ 129,380**	$ 107,728
Adjusting items, net of income taxes	**8,837**	2,258	12,660	**23,217**	35,959
Adjusted net income available to common shareholders	**$ 40,196**	$ 38,767	$ 35,889	**$ 152,597**	$ 143,687
Average common shareholders' equity	**$ 1,308,215**	$ 1,293,891	$ 1,216,165	**$ 1,280,595**	$ 1,186,977
Return on common shareholders' equity	**9.5%**	11.2%	7.6%	**10.1%**	9.1%
Adjusted return on common shareholders' equity	**12.2%**	11.9%	11.7%	**11.9%**	12.1%

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.

Book value per common share

The Bank's book value per common share is defined as common shareholders' equity 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.

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 detailed below and presented in the table in the Adjusting Items section.

Adjusting items
Adjusting items are related to business combinations as well as to restructuring plans. Items related to business combinations relate to gains and expenses that arose 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 and non-recurring adjustments. The revaluation of the contingent consideration and costs related to business combinations (T&I Costs) have been designated as adjusting items due to the significance of the amounts and their non-recurrence. Items related to business combinations are included in the B2B Bank business segment's reported results.

Restructuring charges result from a realignment of strategic priorities and are comprised of severance charges and impairment charges related to IT projects. These charges have been designated as adjusting items due to their nature and the significance of the amounts. Restructuring charges are included in the Personal & Commercial business segment and Other sector's reported results.

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, the Bank is among the 2014 edition of the Montréal's Top Employers competition, which showcases the city's top 25 companies offering enviable places to work. It currently employs more than 3,600 people whose talent and dedication has made it a major player in numerous market segments.

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 small and medium-sized enterprises, larger businesses and real estate developers thanks to its growing presence across Canada and its specialized teams in Ontario, Québec, Alberta, British Columbia and Nova Scotia. For their part, B2B Bank 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 widely known for its expert and effective services nationwide. The Bank has more than $34 billion in balance sheet assets and more than $41 billion in assets under administration.

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 10, 2014. The live, listen-only, toll-free, call-in number is 416 204-9702 or 1 800 524-8850.

You can listen to the call on a delayed basis at any time from 5:00 p.m. on Thursday, December 10, 2014 until 5:00 p.m. on January 8, 2015, by dialing the following playback number: 647 436-0148 or 1 888 203-1112 Code 7915561. 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, 2014, including the notes to consolidated financial statements, are also available on the Bank's Web site at www.laurentianbank.ca.

Consolidated Balance Sheet [1]

In thousands of Canadian dollars (Unaudited)	**AS AT OCTOBER 31 2014**	AS AT OCTOBER 31 2013
ASSETS		
Cash and non-interest-bearing deposits with other banks	**$ 126,247**	$ 82,836
Interest-bearing deposits with other banks	**122,608**	126,002
Securities		
Available-for-sale	**2,577,017**	1,679,067
Held-to-maturity	**323,007**	648,874
Held-for-trading	**1,980,436**	2,152,584
	4,880,460	4,480,525
Securities purchased under reverse repurchase agreements	**1,562,677**	1,218,255
Loans		
Personal	**6,793,078**	7,245,474
Residential mortgage	**14,825,541**	14,735,211
Commercial mortgage	**2,651,271**	2,488,826
Commercial and other	**2,794,232**	2,488,137
Customers' liabilities under acceptances	**365,457**	271,049
	27,429,579	27,228,697
Allowances for loan losses	**(119,371)**	(115,590)
	27,310,208	27,113,107
Other		
Premises and equipment	**68,750**	73,261
Derivatives	**132,809**	126,617
Goodwill	**64,077**	64,077
Software and other intangible assets	**207,188**	197,594
Deferred tax assets	**7,936**	21,588
Other assets	**365,721**	407,164
	846,481	890,301
	$ 34,848,681	$ 33,911,026
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Personal	**$ 18,741,981**	$ 19,282,042
Business, banks and other	**5,781,045**	4,645,308
	24,523,026	23,927,350
Other		
Obligations related to securities sold short	**1,562,477**	1,464,269
Obligations related to securities sold under repurchase agreements	**581,861**	339,602
Acceptances	**365,457**	271,049
Derivatives	**90,840**	102,041
Deferred tax liabilities	**10**	9,845
Other liabilities	**869,029**	943,112
	3,469,674	3,129,918
Debt related to securitization activities	**4,863,848**	4,974,714
Subordinated debt	**447,523**	445,473
Shareholders' equity		
Preferred shares	**219,633**	205,204
Common shares	**465,854**	446,496
Share-based payment reserve	**91**	91
Retained earnings	**848,905**	776,256
Accumulated other comprehensive income	**10,127**	5,524
	1,544,610	1,433,571
	$ 34,848,681	$ 33,911,026

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.

Consolidated Statement of Income [1]

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED OCTOBER 31 2014	JULY 31 2014	OCTOBER 31 2013	FOR THE YEAR ENDED OCTOBER 31 2014	OCTOBER 31 2013
Interest income					
Loans	**$ 266,159**	$ 266,872	$ 269,927	**$ 1,062,441**	$ 1,086,279
Securities	**10,374**	9,922	10,845	**40,753**	57,204
Deposits with other banks	**175**	201	601	**751**	2,328
Other, including derivatives	**10,518**	10,403	9,475	**41,276**	44,338
	287,226	287,398	290,848	**1,145,221**	1,190,149
Interest expense					
Deposits	**114,038**	112,232	114,094	**449,101**	463,603
Debt related to securitization activities	**28,842**	29,758	31,115	**118,269**	140,453
Subordinated debt	**4,069**	4,038	4,088	**16,071**	16,072
Other	**128**	121	114	**800**	1,261
	147,077	146,149	149,411	**584,241**	621,389
Net interest income	**140,149**	141,249	141,437	**560,980**	568,760
Other income					
Fees and commissions on loans and deposits	**38,147**	35,983	35,704	**141,849**	133,791
Income from brokerage operations	**14,774**	16,667	15,113	**63,640**	60,607
Income from investment accounts	**7,516**	7,772	8,693	**31,658**	32,694
Income from sales of mutual funds	**7,951**	7,546	6,098	**29,228**	22,501
Insurance income, net	**5,199**	4,670	4,278	**19,246**	16,881
Income from treasury and financial market operations	**5,124**	3,909	2,095	**16,138**	17,877
Other income	**2,561**	1,849	2,113	**11,326**	12,226
	81,272	78,396	74,094	**313,085**	296,577
Total revenue	**221,421**	219,645	215,531	**874,065**	865,337
Amortization of net premium on purchased financial instruments and revaluation of contingent consideration	**1,508**	1,511	1,006	**9,653**	4,426
Provision for loan losses	**10,500**	10,500	10,000	**42,000**	36,000
Non-interest expenses					
Salaries and employee benefits	**87,509**	82,938	90,899	**340,394**	358,492
Premises and technology	**49,624**	45,465	45,277	**186,671**	171,275
Other	**26,255**	26,006	26,524	**101,383**	106,068
Costs related to business combinations	**2,911**	1,564	9,951	**12,861**	38,244
	166,299	155,973	172,651	**641,309**	674,079
Income before income taxes	**43,114**	51,661	31,874	**181,103**	150,832
Income taxes	**9,360**	11,564	6,008	**40,738**	31,355
Net income	**$ 33,754**	$ 40,097	$ 25,866	**$ 140,365**	$ 119,477
Preferred share dividends, including applicable taxes	**2,395**	3,588	2,637	**10,985**	11,749
Net income available to common shareholders	**$ 31,359**	$ 36,509	$ 23,229	**$ 129,380**	$ 107,728
Average number of common shares outstanding (in thousands)					
Basic	**28,873**	28,775	28,474	**28,724**	28,329
Diluted	**28,881**	28,783	28,481	**28,732**	28,338
Earnings per share					
Basic	**$ 1.09**	$ 1.27	$ 0.82	**$ 4.50**	$ 3.80
Diluted	**$ 1.09**	$ 1.27	$ 0.82	**$ 4.50**	$ 3.80
Dividends declared per share					
Common share	**$ 0.52**	$ 0.52	$ 0.50	**$ 2.06**	$ 1.98
Preferred share - Series 9	**n.a.**	n.a.	n.a.	**n.a.**	$ 0.75
Preferred share - Series 10	**n.a.**	$ 0.33	$ 0.33	**$ 0.98**	$ 1.31
Preferred share - Series 11	**$ 0.25**	$ 0.25	$ 0.25	**$ 1.00**	$ 0.91
Preferred share - Series 13	**$ 0.27**	$ 0.22	n.a.	**$ 0.48**	n.a.

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.

Consolidated Statement of Comprehensive Income [1]

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	FOR THE YEAR ENDED **OCTOBER 31 2014**	OCTOBER 31 2013
Net income	**$ 33,754**	$ 40,097	$ 25,866	**$ 140,365**	$ 119,477
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	**(74)**	2,453	2,764	**9,078**	87
Reclassification of net (gains) losses on available-for-sale securities to net income	**(1,448)**	(1,532)	(182)	**(5,277)**	(2,752)
Net change in value of derivatives designated as cash flow hedges	**967**	2,254	559	**802**	(26,039)
	(555)	3,175	3,141	**4,603**	(28,704)
Items that may not be subsequently reclassified to the statement of income					
Actuarial gains (losses) on employee benefit plans	**7,618**	(6,508)	5,103	**4,732**	20,645
Comprehensive income	**$ 40,817**	$ 36,764	$ 34,110	**$ 149,700**	$ 111,418

Income Taxes — Other Comprehensive Income

The following table presents the income taxes for each component of other comprehensive income.

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2014**	JULY 31 2014	OCTOBER 31 2013	FOR THE YEAR ENDED **OCTOBER 31 2014**	OCTOBER 31 2013
Income tax expense (recovery) on:					
Unrealized net gains (losses) on available-for-sale securities	**$ (26)**	$ 831	$ 927	**$ 3,151**	$ 30
Reclassification of net (gains) losses on available-for-sale securities to net income	**(1,249)**	(558)	(75)	**(2,646)**	(1,020)
Net change in value of derivatives designated as cash flow hedges	**358**	829	242	**304**	(9,468)
Actuarial gains (losses) on employee benefit plans	**2,691**	(2,386)	1,871	**1,633**	7,571
	$ 1,774	$ (1,284)	$ 2,965	**$ 2,442**	$ (2,887)

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity [1]

FOR THE YEAR ENDED OCTOBER 31, 2014

In thousands of Canadian dollars (Unaudited)	PREFERRED SHARES	COMMON SHARES	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME: AVAILABLE-FOR-SALE SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME: CASH FLOW HEDGES	ACCUMULATED OTHER COMPREHENSIVE INCOME: TOTAL	SHARE-BASED PAYMENT RESERVE	TOTAL SHARE-HOLDERS' EQUITY
Balance as at October 31, 2013	$ 205,204	$ 446,496	$ 776,256	$ 9,536	$ (4,012)	$ 5,524	$ 91	$ 1,433,571
Net income			140,365					140,365
Other comprehensive income (net of income taxes)								
Unrealized net gains on available-for-sale securities				9,078		9,078		9,078
Reclassification of net gains on available-for-sale securities to net income				(5,277)		(5,277)		(5,277)
Net change in value of derivatives designated as cash flow hedges					802	802		802
Actuarial gains on employee benefit plans			4,732					4,732
Comprehensive income			145,097	3,801	802	4,603		149,700
Issuance of share capital	122,071	19,358						141,429
Repurchase of share capital	(107,642)		(2,358)					(110,000)
Dividends								
Preferred shares, including applicable taxes			(10,985)					(10,985)
Common shares			(59,105)					(59,105)
Balance as at October 31, 2014	$ 219,633	$ 465,854	$ 848,905	$ 13,337	$ (3,210)	$ 10,127	$ 91	$ 1,544,610

FOR THE YEAR ENDED OCTOBER 31, 2013

In thousands of Canadian dollars (Unaudited)	PREFERRED SHARES	COMMON SHARES	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME: AVAILABLE-FOR-SALE SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME: CASH FLOW HEDGES	ACCUMULATED OTHER COMPREHENSIVE INCOME: TOTAL	SHARE-BASED PAYMENT RESERVE	TOTAL SHARE-HOLDERS' EQUITY
Balance as at November 1, 2012	$ 303,249	$ 428,526	$ 706,035	$ 12,201	$ 22,027	$ 34,228	$ 227	$ 1,472,265
Net income			119,477					119,477
Other comprehensive income (net of income taxes)								
Unrealized net gains on available-for-sale securities				87		87		87
Reclassification of net gains 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)
Actuarial gains on employee benefit plans			20,645					20,645
Comprehensive income			140,122	(2,665)	(26,039)	(28,704)		111,418
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	$ 776,256	$ 9,536	$ (4,012)	$ 5,524	$ 91	$ 1,433,571

[1] Comparative figures for 2013 reflect the adoption of amendments to IAS 19, *Employee Benefits*. Refer to Note 4 in the audited annual consolidated financial statements.