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Laurentian Bank Financial Group reports 2017 results

MONTREAL, QUEBEC--(Marketwired - Dec. 5, 2017) - Laurentian Bank of Canada (TSX:LB)

The financial information reported herein is based on the condensed interim consolidated (unaudited) information for the three-month period ended October 31, 2017, and on the audited annual consolidated financial statements for the year ended October 31, 2017, and has been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). All amounts are denominated in Canadian dollars.

The Laurentian Bank Financial Group means the Laurentian Bank of Canada and its subsidiaries (collectively referred as "Laurentian Bank Financial Group", "LBCFG" or the "Group" or the "Bank"), who provide deposit, investment, loan, securities, trust and other products or services. The Bank's 2017 Annual Report (which includes the Audited Annual Consolidated Financial Statements and accompanying Management's Discussion & Analysis) will be available today on the Laurentian Bank Financial Group's website at http://www.lbcfg.ca/ and on SEDAR at http://www.sedar.com/.

Highlights of year ended October 31, 2017 (1)

- Adjusted net income of $230.7 million or $6.09 per share, up 23% and 7% year-over-year, respectively. Adjusted return on common shareholders' equity of 12.3%
- Reported net income of $206.5 million or $5.40 per share, including items related to business combinations of $23.8 million ($16.6 million after income taxes), or $0.47 diluted per share, as well as restructuring charges of $10.5 million ($7.7 million after income taxes), or $0.22 diluted per share related to Retail Services. Return on common shareholders' equity of 10.9%
- Adjusted efficiency ratio of 66.1%, a 350 bps improvement year-over-year. Reported efficiency ratio of 69.2%
- Loans to business customers up 22% year-over-year, from both organic growth and the acquisition of NCF (2)
- Residential mortgage loans through independent brokers and advisors up 22% year-over-year
- Common Equity Tier 1 capital ratio at 7.9%

Highlights of fourth quarter 2017

- Adjusted net income up 32% year-over-year, and reported net income up 219%
- Adjusted return on common shareholders' equity of 12.7% and 11.1% on a reported basis
- Adjusted efficiency ratio of 64.3%, an improvement of 310 bps year-over-year, and reported efficiency ratio of 68.8%
- Gain on sale of the Bank's participation in Verico Financial Group Inc. of $5.9 million ($5.3 million after income taxes), or $0.14 diluted per share
- Completed the acquisition of NCF (2) and concurrent common share issuance
- Quarterly common share dividend raised by $0.01 to $0.63 per share

In millions of Canadian dollars, except per share and percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **OCTOBER 31 2017**	 OCTOBER 31 2016	 VARIANCE	FOR THE YEAR ENDED **OCTOBER 31 2017**	 OCTOBER 31 2016	 VARIANCE
Reported basis						
Net income	**$ 58.6**	$ 18.4	219 %	**$ 206.5**	$ 151.9	36 %
Diluted earnings per share	**$ 1.42**	$ 0.45	216 %	**$ 5.40**	$ 4.55	19 %
Return on common shareholders' equity	**11.1 %**	3.7 %		**10.9 %**	9.6 %	
Efficiency ratio	**68.8 %**	85.5 %		**69.2 %**	74.2 %	
Common Equity Tier 1 capital ratio - All-in basis	**7.9 %**	8.0 %				
Adjusted basis (1)						
Adjusted net income	**$ 66.5**	$ 50.5	32 %	**$ 230.7**	$ 187.0	23 %
Adjusted diluted earnings per share	**$ 1.63**	$ 1.47	11 %	**$ 6.09**	$ 5.70	7 %
Adjusted return on common shareholders' equity	**12.7 %**	12.1 %		**12.3 %**	12.0 %	
Adjusted efficiency ratio	**64.3 %**	67.4 %		**66.1 %**	69.6 %	

(1) Certain measures presented throughout this document exclude the effect of certain amounts designated as adjusting items due to their nature or significance. Refer to the Non-GAAP Measures section for further details.

(2) Northpoint Commercial Finance.

Laurentian Bank of Canada (the "Bank") reported net income of $58.6 million or $1.42 diluted per share for the fourth quarter of 2017, compared with net income of $18.4 million or $0.45 diluted per share for the same period last year. Return on common shareholders' equity was 11.1% for the fourth quarter of 2017, compared with 3.7% for the fourth quarter of 2016. On an adjusted basis, net income totalled $66.5 million or $1.63 diluted per share for the fourth quarter of 2017, up 32% and 11% respectively, compared with $50.5 million or $1.47 diluted per share for the same period in 2016. Adjusted return on common shareholders' equity was 12.7% for the fourth quarter of 2017, compared with 12.1% a year ago. Reported results in 2017 included adjusting items such as costs related to the Bank's branch mergers, the integration of CIT Canada and costs related to the acquisition of NCF, as detailed in the Non-GAAP measures section. Adjusting items were also included in 2016, mainly with regards to restructuring charges.

For the year ended October 31, 2017, on a reported basis, net income was $206.5 million or $5.40 diluted per share, compared with $151.9 million or $4.55 diluted per share in 2016. On the same basis, return on common shareholders' equity was 10.9% for the year ended October 31, 2017, compared with 9.6% in 2016. Reported results for 2017 took into account adjusting items, such as costs related to the Bank's branch mergers and the integration of CIT, as well as costs related to the acquisition of NCF. Whereas in 2016, reported results included adjusting items such as impairment and restructuring charges related to Retail Services activities and costs related to the acquisition of CIT Canada. Adjusted net income totalled $230.7 million or $6.09 diluted per share, respectively up 23% and 7%, compared with adjusted net income of $187.0 million or $5.70 diluted per share for the year ended October 31, 2016. Adjusted return on common shareholders' equity improved to 12.3% for the year ended October 31, 2017, compared to 12.0% for the year ended October 31, 2016, as detailed in the Non-GAAP measures section.

François Desjardins, President and Chief Executive Officer, commented on the Bank's results and financial condition: "2017 has been a successful year in which we have made significant progress on our performance and our transformation plan. Our move from traditional to digital banking is well underway with the implementation of the first wave of core banking, the simplification of our product offer and process improvements. Changing the mix of the business towards Business Services was accelerated with the acquisition of NCF. I am particularly proud of the efforts and support of the entire team, together we are making this plan happen."

	FOR THE THREE MONTHS ENDED					FOR THE YEAR ENDED		
	OCTOBER 31 2017	JULY 31 2017	VARIANCE	OCTOBER 31 2016	VARIANCE	**OCTOBER 31 2017**	OCTOBER 31 2016	VARI
Profitability								
Total revenue	**$ 267,968**	$ 248,002	8 %	$ 236,369	13 %	**$ 996,410**	$ 915,451	
Net income	**$ 58,635**	$ 54,798	7 %	$ 18,383	219 %	**$ 206,461**	$ 151,910	
Diluted earnings per share	**$ 1.42**	$ 1.48	(4)%	$ 0.45	216 %	**$ 5.40**	$ 4.55	
Return on common shareholders' equity (1)	**11.1 %**	11.8 %		3.7 %		**10.9 %**	9.6 %	
Net interest margin	**1.75 %**	1.63 %		1.67 %		**1.68 %**	1.71 %	
Efficiency ratio	**68.8 %**	67.9 %		85.5 %		**69.2 %**	74.2 %	
Operating leverage	**(1.5)%**	4.2 %		(22.7)%		**7.4 %**	8.0 %	
Per common share								
Share price - Close	**$ 60.00**	$ 54.17	11 %	$ 49.57	21 %	**$ 60.00**	$ 49.57	
Price / earnings ratio (trailing four quarters)	**11.1x**	12.3 x		10.9 x		**11.1x**	10.9 x	
Book value	**$ 51.18**	$ 50.54	1 %	$ 47.92	7 %	**$ 51.18**	$ 47.92	
Market to book value	**117 %**	107 %		103 %		**117 %**	103 %	
Dividends declared	**$ 0.62**	$ 0.62	- %	$ 0.60	3 %	**$ 2.46**	$ 2.36	
Dividend yield	**4.1 %**	4.6 %		4.8 %		**4.1 %**	4.8 %	
Dividend payout ratio	**44.3 %**	41.8 %		143.5 %		**45.7 %**	53.1 %	
Adjusted financial measures (1)								
Adjusted net income	**$ 66,476**	$ 59,906	11 %	$ 50,542	32 %	**$ 230,741**	$ 187,013	
Adjusted diluted earnings per share	**$ 1.63**	$ 1.63	- %	$ 1.47	11 %	**$ 6.09**	$ 5.70	
Adjusted return on common shareholders' equity	**12.7 %**	13.0 %		12.1 %		**12.3 %**	12.0 %	
Adjusted efficiency ratio	**64.3 %**	65.6 %		67.4 %		**66.1 %**	69.6 %	
Adjusted operating leverage	**2.2 %**	2.5 %		3.9 %		**5.4 %**	2.5 %	
Adjusted	**38.7 %**	38.0 %		43.8 %		**40.5 %**	42.4 %	

dividend payout ratio							
Financial position (in millions of Canadian dollars)							
Balance sheet assets	**$ 46,683**	$ 45,212	3 %	$ 43,006	9 %		
Loans and acceptances	**$ 36,696**	$ 34,917	5 %	$ 33,379	10 %		
Deposits	**$ 28,930**	$ 28,232	2 %	$ 27,573	5 %		
Average earning assets	**$ 40,056**	$ 38,419	4 %	$ 35,473	13 %	**$ 38,055**	$ 34,458
Key growth drivers (in millions of Canadian dollars)							
Loans to business customers	**$ 12,171**	$ 10,795	13 %	$ 10,016	22 %		
Residential mortgage loans through independent brokers and advisors	**$ 8,571**	$ 8,087	6 %	$ 7,046	22 %		
Assets under management at Laurentian Bank Securities	**$ 3,904**	$ 3,730	5 %	$ 3,458	13 %		
Assets under management from Retail Services clients	**$ 11,049**	n.a.	n.a.	n.a.	n.a.		
Total deposits from clients	**$ 25,173**	n.a.	n.a.	n.a.	n.a.		
Basel III regulatory capital ratios - All-in basis							
Common Equity Tier 1	**7.9 %**	7.9 %		8.0 %			
Total	**11.6 %**	13.0 %		11.5 %			
Leverage ratio	**4.2 %**	4.1 %		4.1 %			
Other information							
Number of full-time equivalent employees	**3,732**	3,598		3,687			
Number of branches	**104**	104		145			
Number of automated banking machines	**341**	343		398			

(1) Refer to the Non-GAAP Measures section.

2017 Performance and Medium-Term Financial Objectives

The Bank's cost control efforts resulted in significant progress in 2017 towards achieving its adjusted efficiency ratio and operating leverage objectives. Growth in key business areas also remained strong throughout the year, as loans to business customers were up 22% and residential mortgage loans through independent brokers and advisors were up 22% year-over-year.

Adjusted diluted earnings per share growth was 7%, while adjusted net income rose by 23%. Adjusted return on common shareholders' equity improved to 12.3% compared with 12.0% in fiscal 2016, while maintaining a ROE gap[3] with major Canadian banks at 360 bps.

The positive past 2 years have also seen economic challenges, market disruptions and new regulatory requirements. To continue to progress in 2018 and to ensure disciplined growth, the Bank will make further investments in its people, processes and technologies. These investments will ensure disciplined growth, strengthen the Bank's foundation and simplify the organization. Given this fast changing environment, management has reset the mid-term objectives from 2019 to 2020 while keeping the 2022 targets intact.

These medium-term objectives depend on a number of assumptions, as detailed in the Outlook section of the Bank's 2017 Management's Discussion and Analysis.

MEDIUM-TERM FINANCIAL OBJECTIVES AND 2017 PERFORMANCE

For the years ended October 31 (in billions of Canadian dollars, except per share and percentage amounts)

	2020 OBJECTIVES		**2017**		2016	Variance 2017/2016
Adjusted Financial Performance (1)						
Adjusted return on common shareholders' equity	Narrow gap to 300 bps (2)		**12.3 %**		12.0 %	Current gap at 360 bps (3)
Adjusted efficiency ratio	<65 %		**66.1 %**		69.6 %	(3.5)%
Adjusted diluted earnings per share	Grow by 5% to 10% annually	**$**	**6.09**	$	5.70	7 %
Adjusted operating leverage	Positive		**5.4 %**		2.5 %	3 %
Key growth drivers						
Loans to business customers	Grow to $14.0B	**$**	**12.2**	$	10.0	22 %
Residential mortgage loans through independent brokers and advisors	Grow to $10.0B	**$**	**8.6**	$	7.0	22 %
Assets under management at Laurentian Bank Securities	Grow to $4.3B	**$**	**3.9**	$	3.5	13 %
Assets under management from Retail Services clients	Grow to $12.6B	**$**	**11.0**		n.a.	n.a.
Total deposits from clients	Grow to $27.1B	**$**	**25.2**		n.a.	n.a.

(1) Refer to the Non-GAAP Measures section.
(2) Compared to the major Canadian banks and achieve a comparable return on common shareholders' equity by 2022.
(3) Compared to Q3 2017 year-to-date for major Canadian banks.

Consolidated Results

Non-GAAP measures

Management uses both generally accepted accounting principles (GAAP) and certain non-GAAP measures to assess the Bank's performance. The Bank's non-GAAP measures presented throughout this document exclude the effect of certain amounts designated as adjusting items due to their nature or significance. These non-GAAP measures are considered useful to readers in obtaining a better understanding of how management analyzes the Bank's results and in assessing underlying business performance and related trends. 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 issuers.

The following table presents the impact of adjusting items on reported results.

IMPACT OF ADJUSTING ITEMS

		FOR THE THREE MONTHS ENDED						FOR THE YEAR ENDED		
In thousands of Canadian dollars, except per share amounts (Unaudited)		**OCTOBER 31 2017**		JULY 31 2017		OCTOBER 31 2016		**OCTOBER 31 2017**		OCTOBER 31 2016
Impact on net income										
Reported net income	**$**	**58,635**	$	54,798	$	18,383	**$**	**206,461**	$	151,910
Adjusting items, net of income taxes										
Impairment and restructuring charges (1)										
Impairment of goodwill, software and intangible assets, and premises and equipment		**-**		-		16,178		**-**		16,178
Provisions related to lease contracts		**-**		-		8,675		**-**		8,675
Severance charges		**2,364**		-		3,200		**2,364**		3,200
Other restructuring charges		**1,791**		1,584		-		**5,315**		-
		4,155		1,584		28,053		**7,679**		28,053
Items related to business combinations (2)										
Amortization of net premium on purchased financial instruments		**519**		563		868		**2,487**		3,812
Amortization of acquisition-related intangible assets		**2,226**		181		-		**2,771**		-
Other costs related to business combinations		**941**		2,780		3,238		**11,343**		3,238
		3,686		3,524		4,106		**16,601**		7,050
		7,841		5,108		32,159		**24,280**		35,103
Adjusted net income	**$**	**66,476**	$	59,906	$	50,542	**$**	**230,741**	$	187,013
Impact on diluted earnings per share										
Reported diluted earnings per share	**$**	**1.42**	$	1.48	$	0.45	**$**	**5.40**	$	4.55

Adjusting items					
Impairment and restructuring charges	**0.11**	0.05	0.89	**0.22**	0.92
Items related to business combinations	**0.09**	0.11	0.13	**0.47**	0.23
	0.21	0.15	1.02	**0.69**	1.15
Adjusted diluted earnings per share (3)	**$ 1.63**	$ 1.63	$ 1.47	**$ 6.09**	$ 5.70

(1) Impairment and restructuring charges result from the realignment of strategic priorities of the Bank's Retail Services activities and the transformation of the branch network. Impairment charges are comprised of impairment of goodwill, software and intangible assets, and premises and equipment. Restructuring charges are comprised of provisions related to lease contracts, severance charges, other restructuring charges including salaries, communication expenses and professional fees, as well as other impairment charges related to IT projects.

(2) Items related to business combinations include the amortization of acquisition-related intangible assets, as well as integration costs related to acquired businesses. These costs mainly consist of legal costs, information technology costs, external professional consulting costs, severance charges and marketing costs. The amortization of the net premium on purchased financial instruments, which resulted from the revaluation at fair value of net assets acquired as part of a business combination, was also considered an adjusting item.

(3) The impact of adjusting items on a per share basis does not add due to rounding for the quarter ended October 31, 2017.

Three months ended October 31, 2017 compared with three months ended October 31, 2016

Net income was $58.6 million or $1.42 diluted per share for the fourth quarter of 2017, compared with $18.4 million or $0.45 diluted per share for the fourth quarter of 2016. As noted below, results for the fourth quarter of 2016 included impairment and restructuring charges of $38.3 million ($28.1 million after income taxes) or $0.89 diluted per share. Adjusted net income was $66.5 million for the fourth quarter of 2017, up 32% from $50.5 million for the fourth quarter of 2016, while adjusted diluted earnings per share were $1.63, up 11% compared with $1.47 for the fourth quarter of 2016.

Total revenue

Total revenue increased by $31.6 million or 13% to $268.0 million for the fourth quarter of 2017 from $236.4 million for the fourth quarter of 2016, driven by growth in net interest income stemming in part from acquisitions.

Net interest income increased by $27.5 million or 18% to $176.2 million for the fourth quarter of 2017, from $148.7 million for the fourth quarter of 2016. This increase was mainly due to strong volume growth in the commercial loan portfolio, both organic and from acquisitions, coupled with the higher margins earned on these loans. Net interest margin stood at 1.75% for the fourth quarter of 2017, an increase of 8 basis points compared with the fourth quarter of 2016, essentially due to the higher proportion of higher-yielding loans to business customers.

Other income increased by $4.1 million, amounting to $91.7 million for the fourth quarter of 2017, compared with $87.6 million for the fourth quarter of 2016. Other income included a $5.9 million gain on the sale of the Bank's investment in Verico Financial Group Inc. In addition, fees and commissions on loans and deposits increased by $2.2 million, mainly driven by higher lending fees due to increased activity in the commercial portfolios. These increases were partly offset by a decrease in income from investment accounts of $4.6 million, mainly due to the decision of an important client to internalize the administration of its clients' accounts at the beginning of the year. As a result, the Bank had recognized in the fourth quarter of 2016, one-time revenues of $3.1 million in other income, net of impairment charges on related intangible assets and associated costs. Furthermore, income from treasury markets decreased by $1.6 million.

Amortization of net premium on purchased financial instruments

For the fourth quarter of 2017, the amortization of net premium on purchased financial instruments amounted to $0.7 million, compared with $1.2 million for the fourth quarter of 2016. Refer to Note 3.3 in the annual consolidated financial statements for additional information.

Provision for credit losses

The provision for credit losses increased to $11.5 million for the fourth quarter of 2017 from $10.3 million for the fourth quarter of 2016. This low level of credit losses continues to reflect the overall underlying good credit quality of the loan portfolios. Over the medium term, the provision for credit losses should trend gradually higher as the loan portfolio mix evolves and volumes increase.

Non-interest expenses

Non-interest expenses amounted to $184.4 million for the fourth quarter of 2017, a decrease of $17.6 million compared with the fourth quarter of 2016. Non-interest expenses for the fourth quarter of 2017 and for the fourth quarter of 2016 were affected by impairment and restructuring charges of $5.7 million and $38.3 million respectively, as noted below. Adjusted non-interest expenses increased by $13.0 million or 8% to $172.3 million for the fourth quarter of 2017 from $159.2 million for the fourth quarter of 2016, due to the full-quarter impact of the acquisition of CIT Canada and additional costs incurred in 2017 following the acquisition of NCF.

Salaries and employee benefits increased by $11.8 million or 14% to $94.2 million for the fourth quarter of 2017, compared with the fourth quarter of 2016, this increase is mainly due to the addition of employees from CIT Canada and NCF, as well as higher performance-based compensation.

Premises and technology *costs* decreased by $0.8 million to $45.5 million compared with the fourth quarter of 2016. The decrease mostly stems from the lower amortization expense resulting from impairment charges on assets recorded in the fourth quarter of 2016.

Other non-interest expenses increased by $5.5 million to $36.2 million compared with the fourth quarter of 2016, mainly due to the amortization of acquisition related intangibles, the annual increase in CDIC premiums, as well as higher professional fees incurred to support the Bank's transformation.

Impairment and restructuring charges amounted to $5.7 million for the fourth quarter of 2017 compared with $38.3 million for the fourth quarter of 2016. In 2017, the Bank incurred salaries, communication expenses and professional fees related to the optimization of Retail Services activities and branch mergers. In the fourth quarter of 2016, the value of the assets related to the Retail Services unit was reviewed and impairment charges of $22.1 million were recorded. Provisions related to lease contracts amounting to $11.9 million and severance charges of $4.4 million were also recorded during that quarter as a result of the announcement of branch mergers. Refer to Note 30 to the annual consolidated financial statements for additional information.

Costs related to business combinations amounted to $2.9 million for the fourth quarter of 2017 and included technology costs related to CIT Canada's operations, in addition to costs related to the acquisition of NCF which closed mid-August.
The adjusted efficiency ratio was 64.3% for the fourth quarter of 2017, compared with 67.4% for the fourth quarter of 2016, mainly reflecting the impact of the CIT Canada and NCF acquisitions and continued cost control initiatives, as well as the savings related to the branch optimization measures and restructuring charges of 2016. The adjusted operating leverage was positive year-over-year, driven by both revenue growth and expense control.

Income taxes

For the quarter ended October 31, 2017, the income tax expense was $12.8 million and the effective tax rate was 17.9%. 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, the lower taxation level on revenues from foreign operations and tax-exempt gains. For the quarter ended October 31, 2016, the income tax expense was $4.5 million and the effective tax rate was 19.7%. The lower tax rate, compared to the statutory rate, resulted mainly from the aforementioned factors and the lower level of Canadian income given the impairment and restructuring charges.

Three months ended October 31, 2017 compared with three months ended July 31, 2017

Net income was $58.6 million or $1.42 diluted per share for the fourth quarter of 2017 compared with net income of $54.8 million or $1.48 diluted per share for the third quarter of 2017. Adjusted net income was $66.5 million or $1.63 diluted per share for the fourth quarter of 2017, compared with $59.9 million or $1.63 diluted per share for the third quarter of 2017.

Total revenue increased by $20.0 million or 8% to $268.0 million for the fourth quarter of 2017, compared with $248.0 million for the previous quarter, mainly driven by growth in net interest income, which increased by $18.5 million sequentially to $176.2 million. This increase was mainly due to strong volume growth in the commercial loan portfolio through the NCF acquisition, as well as the higher margins earned on these loans. The Bank's net interest margin increased by 12 basis points to 1.75% for the fourth quarter of 2017, compared with 1.63% for the third quarter of 2017. This increase was mainly driven by the higher proportion of higher-yielding loans to business customers.

Other income increased by $1.5 million sequentially to $91.7 million for the fourth quarter of 2017. As mentioned above, other income included a $5.9 million gain on the sale of the Bank's investment in Verico Financial Group Inc., in the fourth quarter of 2017. This was partly offset by a decrease in income from treasury and financial market operations of $2.7 million, mainly due to hedging ineffectiveness losses on the asset-liability management interest rate swap portfolio, given the recent variations in the Prime rate.

The line-item "Amortization of net premium on purchased financial instruments" amounted to $0.7 million for the fourth quarter of 2017, down marginally compared with the third quarter of 2017. Refer to Note 3.3 in the annual consolidated financial statements for additional information.

Provision for credit losses totalled $11.5 million for the fourth quarter of 2017 and included the impact of the recently acquired NCF business. This level of losses continues to reflect the underlying credit quality of the Bank portfolio. Compared to the third quarter of 2017, loan losses increased by $5.1 million. During that quarter, as part of the Bank's ongoing project to implement the AIRB Approach to credit risk, the review of allowance models had resulted in the release of approximately $3.0 million in provision for credit losses. In addition, the completion and delivery of certain real estate development projects and improving economic indicators in Alberta had prompted the release of allowances of approximately $2.0 million. Over the medium term, the provision for credit losses should trend gradually higher as the loan portfolio mix evolves and volumes increase.

Non-interest expenses increased to $184.4 million for the fourth quarter of 2017 from $168.4 million in the third quarter of 2017, mainly due to the acquisition of NCF, including the amortization of acquisition related intangibles. Higher professional fees incurred to support the Bank's transformation, as well as an increase in severances and performance based compensation also contributed to the increase quarter over quarter. Furthermore, restructuring charges increased by $0.3 million, as the Bank incurred additional expenses related to the optimization of its Retail Services activities and branch mergers. Adjusted non-interest expenses amounted to $172.3 million and increased by 6% compared with the third quarter of 2017.

Financial Condition

As at October 31, 2017, the Bank's total assets amounted to $46.7 billion, a 9% increase compared with $43.0 billion as at October 31, 2016. The increase mainly reflects loan growth of $3.3 billion, as well as an increase in liquid assets of $0.3 billion as explained below.

Liquid assets

Liquid assets consist of cash, deposits with other banks, securities and securities purchased under reverse repurchase agreements. As at October 31, 2017, these assets totalled $9.0 billion, an increase of $0.3 billion compared with $8.7 billion as at October 31, 2016.

Over the past year, the Bank has increased its securitization activities to improve its funding mix and raised institutional sourced deposits to meet additional liquidity needs. 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 $36.6 billion as at October 31, 2017, up $3.3 billion or 10% from October 31, 2016. This increase reflects the acquisition of NCF, as well as strong organic growth in loans to business customers and residential mortgage loans as detailed below.

Personal loans amounted to $6.0 billion and decreased by $0.6 billion or 9% since October 31, 2016, mainly due to net repayments in the investment loan portfolio, reflecting expected attrition given some deleveraging in the retail consumer market.

Residential mortgage loans stood at $18.5 billion as at October 31, 2017, an increase of $1.7 billion or 10% year-over-year. This reflected continued growth in residential mortgage loans distributed through independent brokers and advisors, as well as the acquisition of insured mortgage loans originated by third-parties as part of a program initiated by the Bank in 2016 to optimize the usage of National Housing Act mortgage-backed securities (NHA MBS) allocations.

Commercial loans, including acceptances, increased by $1.7 billion or 31% since October 31, 2016, mainly due to the acquisition of NCF's loan portfolio of $1.0 billion as well as growth in equipment financing loans through LBC Capital Inc., and increased volumes from syndication activities. Commercial mortgage loans increased by $0.5 billion or 11% over the same period. Of note during the fourth quarter of 2017, the Bank sold a $155.7 million commercial loan portfolio to optimize its portfolio mix, which resulted in a nominal loss. When combined, total loans to business customers amounted to $12.2 billion as at October 31, 2017, up 22% year-over-year as a result of strong organic growth and of the acquisition of NCF in the fourth quarter of 2017.

Other assets

Other assets stood at $1.1 billion as at October 31, 2017, $59.4 million higher than as at October 31, 2016, and mainly included goodwill, software and other intangible assets, as well as the fair value of derivatives. Investments to modernize and grow the Bank have contributed to increase other assets year-over-year, including increases in internally developed intangibles increased as the Bank continued to progress on the development of its new core banking system and its project to adopt the AIRB Approach to credit risk. The acquisition of NCF further resulted in goodwill and acquisition related intangibles assets of $137.4 million. These increases were partly offset by a decrease in the value of the derivatives mainly used to manage market risks associated with the Bank's portfolios.

Liabilities

Deposits increased by $1.4 billion or 5% to $28.9 billion as at October 31, 2017 compared with $27.6 billion as at October 31, 2016. Personal deposits stood at $21.2 billion as at October 31, 2017, up $0.2 billion compared with October 31, 2016, mainly driven by higher term deposits sourced through independent brokers and advisors. Business and other deposits increased by $1.2 billion to $7.7 billion over the same period, mainly reflecting higher institutional deposits. Personal deposits represented 73% of total deposits as at October 31, 2017, compared with 76% as at October 31, 2016, and contributed to the Bank's good liquidity position.

Debt related to securitization activities increased by $1.0 billion or 14% compared with October 31, 2016 and stood at $8.2 billion as at October 31, 2017. Over the last twelve months, the Bank continued to optimize this source of term funding for residential mortgages by participating in various programs sponsored by the CMHC and other Canadian banks.

Subordinated debt increased to $348.4 million as at October 31, 2017, from $199.8 million as at October 31, 2016. During the third quarter of 2017, the Bank issued $350.0 million of notes (Non-Viability Contingent Capital (NVCC)) (subordinated indebtedness). During the fourth quarter of 2017, the Bank redeemed all of its Series 2012-1 subordinated Medium Term Notes maturing in 2022, with an aggregate notional amount of $200.0 million. Refer to Note 15 to the annual consolidated financial statements for additional information. Subordinated debt is an integral part of the Bank's regulatory capital and affords its depositors additional protection.

Shareholders' equity and regulatory capital

Shareholders' equity stood at $2,330.4 million as at October 31, 2017, compared with $1,974.8 million as at October 31, 2016. This $355.6 million increase is mainly explained by the $240.6 million common share issuance in the fourth quarter of 2017 to support the NCF transaction and the net income contribution for the year, net of declared dividends. For additional information, please refer to the annual consolidated statement of changes in shareholders' equity. On November 14, 2017, the Bank announced that it will redeem, on December 15, 2017, all of its Non-Cumulative Class A Preferred Shares Series 11 then outstanding for a total amount of $100.0 million.

The Bank's book value per common share appreciated to $51.18 as at October 31, 2017 from $47.92 as at October 31, 2016.

The Common Equity Tier 1 capital ratio stood at 7.9% as at October 31, 2017, compared with 7.9% as at July 31, 2017 and 8.0% as at October 31, 2016. The decrease compared with October 31, 2016 was mainly driven by the significant investments in the core-banking system and the project to adopt the AIRB Approach to credit risk, which are key initiatives of the Bank's transformation. Otherwise, the $240.6 million common share issuance that closed in August 2017 and internal capital generation more than provided the necessary capital to support the strong growth, including the NCF acquisition.

Optimization of Retail Services Activities

At the beginning of 2016, the Bank announced its seven-year transformation plan, which included optimizing and simplifying retail operations. This strategy led to the initial decision, in September 2016, to reorganize the branch network by the end of 2017. To date, 41 branches have been merged and another 23 branches have become advice-only. These concrete measures address the changes in customer behaviour and have provided for a significant improvement in operating efficiency. Management continues to monitor the impact of these actions on its core client base. The initial response from customers and employees has been positive and the impact on operations and results are in line with expectations. Building on this positive outcome, the Bank decided in September 2017 to further digitize services. As such, the branch model will transition to focus on delivering financial advice while migrating customers to electronic- and web-based platforms by December 2018. These actions are in line with customer preferences towards online banking over branch visits. As well, in order to improve flexibility and efficiency, certain administrative functions were outsourced at the end of 2017.

As detailed in the Consolidated Results section above, these measures led to additional restructuring charges, mainly with regards to severance charges. Additional costs are expected to be incurred over the next 12 months, as the reorganization continues. In addition it was decided, as of November 1, 2017 Retail Services in Quebec will solely originate residential mortgages through the branch network and no longer through the mortgage broker channel.

Industry Developments

Over the past year, Canadian financial markets have been facing challenging conditions related to the housing sector, including new policy measures from the Federal Government. The new mortgage rules issued last fall by the CMHC have temporarily reduced the ability of potential buyers to qualify for the purchase of a home. In July, OSFI issued draft changes to its Guideline B-20 "Residential Mortgage Underwriting Practices and Procedures". Changes were finalized in October 2017 and are applicable as of January 1, 2018. The new guideline introduces more stringent mortgage loan origination requirements, and could further affect access to mortgage financing. These measures combined with concerns about overheated housing markets in the greater Toronto and Vancouver areas, have kept housing in the spotlight. Notwithstanding, the Bank's activities are well diversified, and its business plan strategically positions it to meet these challenges. It is very difficult to predict the extent of the impact on the market as the behavior of current and future home owners will probably adapt to the new regulations.

In addition, intensifying competition for funding through the brokered deposit network has gained attention. The Bank benefits from well diversified sources of deposits, including personal deposits sourced through its branch network and through independent advisors and brokers. As well, the expanding securitization activities and institutional funding program contribute to diversified, strong and stable funding. Furthermore, given current market conditions, the Bank continues to prudently manage the level of liquid assets and maintains an adequate level of liquidity to meet current obligations and support growth.

Condensed Interim Consolidated Financial Statements (unaudited)

Consolidated Balance Sheet

In thousands of Canadian dollars (Unaudited)		AS AT OCTOBER 31 2017		AS AT OCTOBER 31 2016
ASSETS				
Cash and non-interest-bearing deposits with other banks	$	**111,978**	$	123,716
Interest-bearing deposits with other banks		**215,384**		63,383
Securities				
Available-for-sale		**3,032,159**		2,723,693
Held-to-maturity		**405,088**		502,232
Held-for-trading		**2,148,767**		2,434,507
		5,586,014		5,660,432
Securities purchased under reverse repurchase agreements		**3,107,841**		2,879,986
Loans				
Personal		**6,038,692**		6,613,392

Residential mortgage		**18,486,449**		16,749,387
Commercial mortgage		**5,161,470**		4,658,734
Commercial and other		**6,302,537**		4,727,385
Customers' liabilities under acceptances		**707,009**		629,825
		36,696,157		33,378,723
Allowances for loan losses		**(99,186)**		(105,009)
		36,596,971		33,273,714
Other				
Derivatives		**104,426**		232,791
Premises and equipment		**35,214**		32,989
Software and other intangible assets		**293,422**		150,490
Goodwill		**118,100**		55,812
Deferred tax assets		**38,702**		36,495
Other assets		**474,606**		496,532
		1,064,470		1,005,109
	$	**46,682,658**	$	43,006,340
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits				
Personal	**$**	**21,198,982**	$	21,001,578
Business, banks and other		**7,731,378**		6,571,767
		28,930,360		27,573,345
Other				
Obligations related to securities sold short		**2,165,097**		1,707,293
Obligations related to securities sold under repurchase agreements		**2,678,629**		2,525,441
Acceptances		**707,009**		629,825
Derivatives		**217,785**		150,499
Deferred tax liabilities		**22,112**		32,755
Other liabilities		**1,051,908**		968,077
		6,842,540		6,013,890
Debt related to securitization activities		**8,230,921**		7,244,454
Subordinated debt		**348,427**		199,824
Shareholders' equity				
Preferred shares		**341,600**		341,600
Common shares		**953,536**		696,493
Retained earnings		**1,035,770**		924,861
Accumulated other comprehensive income		**(496)**		11,873
		2,330,410		1,974,827
	$	**46,682,658**	$	43,006,340

Consolidated Statement of Income

In thousands of Canadian dollars, except per share amounts (Unaudited)		FOR THE THREE MONTHS ENDED **OCTOBER 31 2017**		JULY 31 2017		OCTOBER 31 2016		FOR THE YEAR ENDED **OCTOBER 31 2017**		OCTOBER 31 2016
Interest income										
Loans	**$**	**325,714**	$	289,335	$	270,757	**$**	**1,169,852**	$	1,066,245
Securities		**11,591**		11,411		8,624		**42,469**		35,265
Deposits with other banks		**461**		232		356		**913**		1,740
Other, including derivatives		**7,617**		11,772		16,592		**42,311**		63,630
		345,383		312,750		296,329		**1,255,545**		1,166,880
Interest expense										
Deposits		**124,665**		116,039		116,452		**465,151**		454,862
Debt related to securitization activities		**36,780**		34,241		29,164		**134,900**		114,346
Subordinated debt		**5,256**		3,268		1,623		**11,718**		6,433
Other		**2,462**		1,495		363		**5,686**		1,595
		169,163		155,043		147,602		**617,455**		577,236
Net interest income		**176,220**		157,707		148,727		**638,090**		589,644
Other income										
Fees and commissions on loans and deposits		**39,640**		39,861		37,467		**154,584**		145,690
Income from brokerage operations		**18,726**		18,316		18,518		**75,123**		71,435
Income from sales of mutual funds		**12,242**		12,184		10,646		**47,088**		40,299
Income from investment accounts		**4,880**		5,060		9,478		**21,804**		30,271
Insurance income, net		**4,493**		4,523		4,809		**18,188**		17,527

Income from treasury and financial market operations	**2,607**	5,291	4,237	**17,776**	12,782
Other	**9,160**	5,060	2,487	**23,757**	7,803
	91,748	90,295	87,642	**358,320**	325,807
Total revenue	**267,968**	248,002	236,369	**996,410**	915,451
Amortization of net premium on purchased financial instruments	**707**	766	1,181	**3,383**	5,190
Provision for credit losses	**11,500**	6,400	10,300	**37,000**	33,350
Non-interest expenses					
Salaries and employee benefits	**94,203**	89,157	82,356	**361,001**	334,903
Premises and technology	**45,466**	45,017	46,229	**182,397**	187,696
Other	**36,161**	28,819	30,660	**119,385**	114,197
Restructuring charges	**5,673**	2,163	38,344	**10,485**	38,344
Costs related to business combinations	**2,862**	3,208	4,409	**16,091**	4,409
	184,365	168,364	201,998	**689,359**	679,549
Income before income taxes	**71,396**	72,472	22,890	**266,668**	197,362
Income taxes	**12,761**	17,674	4,507	**60,207**	45,452
Net income	**$ 58,635**	$ 54,798	$ 18,383	**$ 206,461**	$ 151,910
Preferred share dividends, including applicable taxes	**4,276**	4,273	4,270	**17,096**	13,313
Net income available to common shareholders	**$ 54,359**	$ 50,525	$ 14,113	**$ 189,365**	$ 138,597
Average number of common shares outstanding (in thousands)					
Basic	**38,228**	34,112	31,553	**35,059**	30,488
Diluted	**38,228**	34,112	31,553	**35,059**	30,488
Earnings per share					
Basic	**$ 1.42**	$ 1.48	$ 0.45	**$ 5.40**	$ 4.55
Diluted	**$ 1.42**	$ 1.48	$ 0.45	**$ 5.40**	$ 4.55
Dividends declared per share					
Common share	**$ 0.62**	$ 0.62	$ 0.60	**$ 2.46**	$ 2.36
Preferred share - Series 11	**$ 0.25**	$ 0.25	$ 0.25	**$ 1.00**	$ 1.00
Preferred share - Series 13	**$ 0.27**	$ 0.27	$ 0.27	**$ 1.08**	$ 1.08
Preferred share - Series 15	**$ 0.37**	$ 0.37	$ 0.37	**$ 1.46**	$ 0.73

Consolidated Statement of Comprehensive Income

	FOR THE THREE MONTHS ENDED			FOR THE YEAR ENDED	
In thousands of Canadian dollars (Unaudited)	**OCTOBER 31 2017**	JULY 31 2017	OCTOBER 31 2016	**OCTOBER 31 2017**	OCTOBER 31 2016
Net income	**$ 58,635**	$ 54,798	$ 18,383	**$ 206,461**	$ 151,910
Other comprehensive income (loss), net of income taxes					
Items that may subsequently be reclassified to the statement of income					
Net change in available-for-sale securities					
Unrealized net gains (losses) on available-for-sale securities	**4,679**	(2,174)	4,113	**10,424**	9,412
Reclassification of net (gains) losses on available-for-sale securities to net income	**(368)**	(759)	(996)	**(5,778)**	2,182
	4,311	(2,933)	3,117	**4,646**	11,594
Net change in value of derivatives designated as cash flow hedges	**10,565**	(24,112)	(317)	**(18,963)**	(14,087)
Net foreign currency translation adjustments					
Unrealized foreign currency translation gains on investments in foreign operations	**5,257**	-	-	**5,257**	-
Unrealized net losses on hedges of investments in foreign operations	**(3,309)**	-	-	**(3,309)**	-
	1,948	-	-	**1,948**	-
	16,824	(27,045)	2,800	**(12,369)**	(2,493)
Items that may not subsequently be reclassified to the statement of income					

Remeasurement gains (losses) on employee benefit plans	**(6,134)**	6,768	(2,161)	**8,104**	(26,770)
Comprehensive income	**$ 69,325**	$ 34,521	$ 19,022	**$ 202,196**	$ 122,647

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 2017**	JULY 31 2017	OCTOBER 31 2016	FOR THE YEAR ENDED **OCTOBER 31 2017**	OCTOBER 31 2016
Income tax expense (recovery) on:					
Net change in available-for-sale securities					
Unrealized net gains (losses) on available-for-sale securities	**$ 1,743**	$ (671)	$ 1,412	**$ 4,062**	$ 3,439
Reclassification of net (gains) losses on available-for-sale securities to net income	**(471)**	(278)	(167)	**(2,453)**	831
	1,272	(949)	1,245	**1,609**	4,270
Net change in value of derivatives designated as cash flow hedges	**(345)**	(4,567)	(115)	**(6,877)**	(5,158)
Net foreign currency translation adjustments					
Unrealized net losses on hedges of investments in foreign operations	**(204)**	-	-	**(204)**	-
	(204)	-	-	**(204)**	-
Remeasurement gains (losses) on employee benefit plans	**(2,278)**	2,473	(707)	**2,925**	(9,734)
	$ (1,555)	$ (3,043)	$ 423	**$ (2,547)**	$ (10,622)

Consolidated Statement of Changes in Shareholders' Equity

In thousands of Canadian dollars (Unaudited)	PREFERRED SHARES	COMMON SHARES	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME: AVAILABLE-FOR-SALE SECURITIES	CASH FLOW HEDGES	TRANSLATION OF FOREIGN OPERATIONS	TOTAL	SHARE-BASED PAYMENT RESERVE	TOTAL SHARE-HOLDERS' EQUITY
Balance as at October 31, 2016	$ 341,600	$ 696,493	$ 924,861	$ 203	$ 11,670	$ -	$ 11,873	$ -	$ 1,974,827
Net income			206,461						206,461
Other comprehensive income (net of income taxes)									
Unrealized net gains on available-for-sale securities				10,424			10,424		10,424
Reclassification of net gains on available-for-sale securities to net income				(5,778)			(5,778)		(5,778)
Net change in value of derivatives designated as cash flow hedges					(18,963)		(18,963)		(18,963)
Net unrealized foreign currency translation gains on investments in foreign operations						5,257	5,257		5,257
Unrealized net losses on hedges of investments in foreign operations						(3,309)	(3,309)		(3,309)
Remeasurement			8,104						8,104

gains on employee benefit plans									
Comprehensive income			**214,565**	**4,646**	**(18,963)**	**1,948**	**(12,369)**		**202,196**
Issuance of share capital	**-**	**257,043**						**-**	**257,043**
Dividends									
Preferred shares, including applicable taxes			**(17,096)**						**(17,096)**
Common shares			**(86,560)**						**(86,560)**
Balance as at October 31, 2017	**$ 341,600**	**$ 953,536**	**$ 1,035,770**	**$ 4,849**	**$ (7,293)**	**$ 1,948**	**$ (496)**	**$ -**	**$ 2,330,410**
Balance as at October 31, 2015	$ 219,633	$ 466,336	$ 886,656	$ (11,391)	$ 25,757		$ 14,366	$ 36	$ 1,587,027
Net income			151,910						151,910
Other comprehensive income (net of income taxes)									
Unrealized net gains on available-for-sale securities				9,412			9,412		9,412
Reclassification of net losses on available-for-sale securities to net income				2,182			2,182		2,182
Net change in value of derivatives designated as cash flow hedges					(14,087)		(14,087)		(14,087)
Remeasurement losses on employer benefit plans			(26,770)						(26,770)
Comprehensive income			125,140	11,594	(14,087)		(2,493)		122,647
Issuance of share capital	121,967	230,157						(36)	352,088
Dividends									
Preferred shares, including applicable taxes			(13,313)						(13,313)
Common shares			(73,622)						(73,622)
Balance as at October 31, 2016	$ 341,600	$ 696,493	$ 924,861	$ 203	$ 11,670		$ 11,873	$ -	$ 1,974,827

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 (the "Bank") may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding the Bank's business plan and financial objectives. The forward-looking statements contained in this document are used to assist readers 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 prospect, 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 be correct. Certain important assumptions by the Bank in making forward-looking statements include, but are not limited to: the Bank's ability to execute its transformation plan and strategy; the expectation of regulatory stability; the continued favourable economic conditions; the Bank's ability to maintain sufficient liquidity and capital resources; the absence of material unfavorable changes in competition, market conditions or in government monetary, fiscal and economic policies; and the maintenance of credit ratings. See also "How the Bank Will Measure its Performance – Key assumptions supporting the Bank's medium-term objectives" in the Outlook section of the Bank's 2017 Management's Discussion and Analysis.

The Bank cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include: 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, developments with respect to labour relations, as well as developments in the technological environment. Furthermore, these factors include the ability to execute the Bank's transformation plan and in particular the successful reorganization of retail branches, the modernization of the core banking system and the adoption of the Advanced Internal Ratings-Based Approach to credit risk (the AIRB Approach).

With respect to the anticipated benefits from the acquisition of Northpoint Commercial Finance ("NCF") and statements with regards to this transaction being accretive to earnings, such factors also include, but are not limited to: the ability to promptly and effectively integrate the businesses, reputational risks and the reaction of the Bank's and NCF's customers to the transaction; the failure to realize, in the timeframe anticipated or at all, the anticipated benefits and synergies of the acquisition of NCF; the Bank's limited experience in the U.S. market and in inventory financing; and diversion of management time on acquisition-related issues.

With respect to the anticipated benefits from the acquisition of CIT Canada and statements with regards to this transaction being accretive to earnings, such factors also include, but are not limited to: the ability to realize synergies in the anticipated time frame, the ability to promptly and effectively integrate the businesses, and diversion of management time on integration-related issues.

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 "Risk Appetite and Risk Management Framework" on page 44 of the Bank's Management's Discussion and Analysis as contained in the Bank's 2017 Annual Report, as well as to 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.

Access to Quarterly Results Materials

Interested investors, the media and others may review this press release, the Bank's Annual Report, presentation to investors and supplementary financial information on the Group's website at www.lbcfg.ca, under the Investor Centre tab, Financial Results.

Conference Call

Laurentian Bank Financial Group invites media representatives and the public to listen to the conference call to be held at 3:30 p.m. Eastern Time on December 5, 2017. The live, listen-only, toll-free, call-in number is 1-888-394-8218, code 9201175. A live webcast will also be available on the Group's website under the Investor Centre tab, Financial Results.

The conference call playback will be available on a delayed basis at any time from 6:30 p.m. on December 5, 2017 until 6:00 p.m. on January 4, 2018, on the Group's website under the Investor Centre tab, Financial Results.

The presentation material referenced during the call will be available on the Group's website under the Investor Centre tab, Financial Results.

About Laurentian Bank Financial Group

Founded in 1846, Laurentian Bank Financial Group is a diversified financial services provider whose mission is to help its customers improve their financial health. The Laurentian Bank of Canada and its entities are collectively referred as Laurentian Bank Financial Group (the "Group" or the "Bank").

With more than 3,700 employees guided by the values of proximity, simplicity and honesty, the Group provides a broad range of advice-based solutions and services to its customers through its businesses: Retail Services, Business Services, B2B Bank and Capital Markets. The Group - with pan-Canadian activities and a presence in the United States - is an important player in numerous market segments.

The Group has $47 billion in balance sheet assets and $32 billion in assets under administration.

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