Source: *Banque Laurentienne du Canada*

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Laurentian Bank Financial Group reports 2020 results

The financial information reported herein is based on the condensed interim consolidated (unaudited) information for the three-month period ended October 31, 2020, and on the audited consolidated financial statements for the year ended October 31, 2020, 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 of Canada and its entities are collectively referred to as Laurentian Bank Financial Group (the "Group" or the "Bank") and provide deposit, investment, loan, securities, trust and other products or services.

The Bank's 2020 Annual Report (which includes the Audited Consolidated Financial Statements and accompanying Management's Discussion & Analysis) will be available today on the Laurentian Bank Financial Group's website at www.lbcfg.ca and on SEDAR at www.sedar.com

"I want to convey my personal thanks and immense appreciation to our employees for their efforts in serving our customers and this organization during what has been a challenging year for Laurentian Bank and for Canadians in general," said Rania Llewellyn, President and Chief Executive Officer. "While the economic uncertainty caused by the pandemic remains in place, challenges can bring about positive change. We are actively engaging in the process of renewal and growth within our organization. Looking ahead to 2021, we will be resetting our priorities, refocusing our efforts, and renewing the passion and pride of our employees to believe in, and serve as, One Bank to provide long-term sustainable value to our customers, our communities and our shareholders."

Highlights of 2020

- Adjusted net income(1) of $138.2 million for 2020, compared to $193.2 million for 2019.
- Reported net income of $114.1 million for 2020, compared to $172.7 million for 2019.
- Provision for credit losses of $116.3 million for 2020, impacted by the COVID-19 pandemic.
- Adjusted return on common shareholders' equity(1) of 5.5%, and return on common shareholders' equity of 4.4%.
- Adjusted efficiency ratio(1) of 72.3%, and reported efficiency ratio of 75.6%.
- Net interest margin up 3 basis points year-over-year.
- Common Equity Tier 1 (CET1) capital ratio at 9.6%.

Highlights of fourth quarter 2020

- Adjusted net income(1) of $42.3 million, and reported net income of $36.8 million.
- Adjusted return on common shareholders' equity(1) of 6.8%, and reported return on common shareholders' equity of 5.9%.
- Adjusted efficiency ratio(1) of 69.9%, and reported efficiency ratio of 72.9%.
- Appointment of Rania Llewellyn as President and Chief Executive Officer.

	For the three months ended			For the year ended		
In thousands of Canadian dollars, except when noted (Unaudited)	**October 31 2020**	October 31 2019	Variance	**October 31 2020**	October 31 2019	Variance
Reported basis						
Net income	**$36.8**	$41.3	(11) %	**$114.1**	$172.7	(34) %
Diluted earnings per share	**$0.79**	$0.90	(12) %	**$ 2.37**	$ 3.77	(37) %
Return on common shareholders' equity	**5.9%**	6.6%		**4.4%**	7.0%	
Efficiency ratio	**72.9%**	74.8%		**75.6%**	75.0%	
Common Equity Tier 1 capital ratio	**9.6%**	9.0%				
Adjusted basis(1)						
Adjusted net income	**$42.3**	$48.0	(12) %	**$138.2**	$193.2	(28) %

Adjusted diluted earnings per share	**$0.91**	$1.05	(13) %	**$ 2.93**	$ 4.26	(31) %
Adjusted return on common shareholders' equity	**6.8%**	7.8%		**5.5%**	7.9%	
Adjusted efficiency ratio	**69.9%**	71.2%		**72.3%**	72.3%	

(1) Certain measures presented throughout this document exclude amounts designated as adjusting items and are Non-GAAP measures. Refer to the Non-GAAP measures section for further details

MONTREAL, Dec. 04, 2020 (GLOBE NEWSWIRE) -- Laurentian Bank Financial Group reported net income of $114.1 million or $2.37 diluted per share for the year ended October 31, 2020, compared with $172.7 million or $3.77 diluted per share for the year ended October 31, 2019. Return on common shareholders' equity was 4.4% for the year ended October 31, 2020, compared with 7.0% for the year ended October 31, 2019. On an adjusted basis, net income totaled $138.2 million or $2.93 diluted per share for the year ended October 31, 2020, down from $193.2 million or $4.26 diluted per share for the year ended October 31, 2019. Adjusted return on common shareholders' equity was 5.5% for the year ended October 31, 2020, compared with 7.9% a year ago.

For the fourth quarter of 2020, net income was $36.8 million and diluted earnings per share were $0.79, compared with $41.3 million and $0.90 for the fourth quarter of 2019. Return on common shareholders' equity was 5.9% for the fourth quarter of 2020, compared with 6.6% for the fourth quarter of 2019. On an adjusted basis, net income was $42.3 million and diluted earnings per share were $0.91 for the fourth quarter of 2020, down from $48.0 million and $1.05 for the fourth quarter of 2019. Adjusted return on common shareholders' equity was 6.8% for the fourth quarter of 2020, compared with 7.8% a year ago. Reported results include adjusting items, as detailed in the Non-GAAP and Key Performance Measures section.

Organizational changes

We are making several important changes to our executive team and organization. Stéphane Therrien's has announced his decision to retire from the Bank at the end of December. Stéphane has been a valued leader at Laurentian Bank for more than nine years. We thank him for his significant contributions to the Bank and wish him well for the future. With Stephane's departure, we will also be implementing a re-organization of Commercial and Personal Banking into two distinct operating units.

We are pleased to announce that Eric Provost, Senior Vice President, Commercial Banking, and President of LBC Capital, has been appointed as Executive Vice President of Commercial Banking, effective January 1, 2021. This promotion is a testament to Eric's many successes during his more than eight years at Laurentian Bank, during which time he played a pivotal role in several recent acquisitions, including the Canadian operations of CIT and Northpoint Commercial Finance.

Personal Banking will include the Québec branch network, Digital Banking and B2B Bank under a "One Retail" operating unit. We will be formally launching a search for a new Head of Personal Banking, who will be based in Québec.

Impacts of the COVID-19 pandemic

In early 2020, COVID-19 had spread worldwide and was declared a global pandemic by the World Health Organization. The unprecedented nature of COVID-19 has adversely impacted the global economy throughout 2020 and the second wave, that began in the Fall, is raising concerns as we enter 2021. In this context, our response to the pandemic to date has enabled us to keep our employees and our customers safe. Furthermore, the measures we put in place have also provided the foundation to support our operations in this period of heightened uncertainty. Our liquidity and capital position continues to offer the required flexibility to allow us to support our customers through this difficult period. COVID-19 has had an impact on financial performance since March 2020, and, as a result, improvements in certain of our businesses were overshadowed by a significant increase in provision for credit losses. Nonetheless, we remain cautiously optimistic about the future as the economy has shown resilience to date in progressively adapting to this new reality.

Highlights

	For the three months ended					For the year ended		
In thousands of Canadian dollars, except when noted (Unaudited)	**October 31 2020**	July 31 2020	Variance	October 31 2019	Variance	**October 31 2020**	October 31 2019	Variance
Operating results								
Total revenue	**$243,539**	$248,609	(2) %	$241,638	1 %	**$971,009**	$968,510	— %
Net income	**$ 36,811**	$ 36,217	2 %	$ 41,343	(11) %	**$114,085**	$172,710	(34) %
Adjusted net income(1)	**$ 42,311**	$ 47,083	(10) %	$ 47,966	(12) %	**$138,206**	$193,227	(28) %
Operating performance								
Diluted earnings per share	**$ 0.79**	$ 0.77	3 %	$ 0.90	(12) %	**$ 2.37**	$ 3.77	(37) %
Adjusted	**$ 0.91**	$ 1.02	(11) %	$ 1.05	(13) %	**$ 2.93**	$ 4.26	(31) %

diluted earnings per share[1]							
Return on common shareholders' equity	**5.9 %**	5.8 %		6.6 %		**4.4 %**	7.0 %
Adjusted return on common shareholders' equity[1]	**6.8 %**	7.7 %		7.8 %		**5.5 %**	7.9 %
Net interest margin	**1.82 %**	1.86 %		1.84 %		**1.84 %**	1.81 %
Efficiency ratio	**72.9 %**	73.9 %		74.8 %		**75.6 %**	75.0 %
Adjusted efficiency ratio[1]	**69.9 %**	68.1 %		71.2 %		**72.3 %**	72.3 %
Operating leverage	**1.3 %**	3.4 %		(2.9) %		**(0.7) %**	(8.5) %
Adjusted operating leverage[1]	**(2.7) %**	9.3 %		(0.9) %		**— %**	(7.8) %
Financial position ($ millions)							
Loans and acceptances	**$ 33,193**	$ 32,807	1 %	$ 33,667	(1) %		
Total assets	**$ 44,168**	$ 44,295	— %	$ 44,353	— %		
Deposits	**$ 23,920**	$ 24,570	(3) %	$ 25,653	(7) %		
Common shareholders' equity	**$ 2,324**	$ 2,292	1 %	$ 2,303	1 %		
Key growth drivers ($ millions)							
Loans to Business customers	**$ 12,730**	$ 12,704	— %	$ 12,966	(2) %		
Loans to Personal customers[2]	**$ 20,463**	$ 20,103	2 %	$ 20,700	(1) %		
Deposits from clients[3]	**$ 21,436**	$ 22,045	(3) %	$ 22,518	(5) %		
Basel III regulatory capital ratios							
Common Equity Tier 1 (CET1) capital ratio[4]	**9.6 %**	9.4 %		9.0 %			
CET1 risk-weighted assets ($ millions)	**$ 19,669**	$ 19,927		$ 20,407			
Credit quality							
Gross impaired loans as a % of loans and acceptances	**0.82 %**	0.84 %		0.52 %			
Net impaired loans as a % of loans and acceptances	**0.59 %**	0.62 %		0.40 %			
Provision for	**0.29 %**	0.27 %		0.15 %		**0.35 %**	0.13 %

credit losses as a % of average loans and acceptances								
Common share information								
Closing share price[5]	**$ 26.21**	$ 26.55	(1) %	$ 45.30	(42) %	**$ 26.21**	$ 45.30	(42) %
Price / earnings ratio (trailing four quarters)	**11.1 x**	10.7 x		12.0 x		**11.1 x**	12.0 x	
Book value per share	**$ 53.74**	$ 53.15	1 %	$ 54.02	(1) %	**$ 53.74**	$ 54.02	(1) %
Dividends declared per share	**$ 0.40**	$ 0.40	— %	$ 0.66	(39) %	**$ 2.14**	$ 2.62	(18) %
Dividend yield	**6.1 %**	6.0 %		5.8 %		**8.2 %**	5.8 %	
Dividend payout ratio	**50.8 %**	52.0 %		73.5 %		**90.2 %**	69.3 %	
Adjusted dividend payout ratio[1]	**43.7 %**	39.1 %		62.6 %		**72.9 %**	61.4 %	

(1) Refer to the Non-GAAP Measures section.
(2) Including personal loans and residential mortgage loans.
(3) Including personal deposits from the Quebec Retail Network, the Advisors and Brokers channel, the Digital Direct to Customers offering and from Business customers.
(4) Using the Standardized Approach in determining credit risk and operational risk.
(5) Toronto Stock Exchange (TSX) closing market price.

Medium-Term Performance Targets – Retrospective

The following table shows the medium-term performance targets that were set a year ago and the Bank's performance for 2020. These targets will be reviewed as further detailed below. These medium-term performance targets depend on a number of assumptions, as detailed in our 2019 Annual Report under the heading "Outlook".

In billions of Canadian dollars, except per share and percentage amounts (Unaudited)	Three-year 2022 Mid-term Targets[1]	**2020**	2019	Variance 2020/2019
Adjusted financial performance[2]				
Adjusted return on common shareholders' equity	Narrow gap to 250 bps[3]	**5.5%**	7.9 %	Current gap at 630 bps
Adjusted efficiency ratio	<63%	**72.3%**	72.3 %	— %
Adjusted diluted earnings per share	Grow by 5% to 10% annually	**$ 2.93**	$ 4.26	(31) %
Adjusted operating leverage	Positive	**—%**	(7.8) %	n.m.
Key growth drivers				
Loans to Business customers	Grow to $17.5 B	**$ 12.7**	$ 13.0	(2) %
Loans to Personal customers[4]	Grow to $22.5 B	**$ 20.5**	$ 20.7	(1) %
Deposits from clients[5]	Grow to $26.0 B	**$ 21.4**	$ 22.5	(5) %

(1) Mid-term targets, as set out in the 2019 Annual Report.
(2) The 2022 financial objectives are based on non-GAAP measures that exclude adjusting items related to restructuring plans and to business combinations. Refer to the Non-GAAP and Key Performance Measures section.
(3) Compared to the major Canadian banks, based on the Bank using the AIRB approach in determining credit risk and the Standardized approach in determining operational risk. The current gap is based on the average of major Canadian banks for the nine months ended July 31, 2020.
(4) Including personal loans and residential mortgage loans.
(5) Including personal deposits from the Quebec Retail Network, the Advisors and Brokers channel, the Digital Direct to Customers offering and from Business customers.

2020 performance summary

The financial impact of COVID-19, as of the second quarter of 2020, hampered our ability to deliver on most of our performance targets. Higher expected credit losses, primarily driven by the severe economic conditions, and lower interest income as a result of a decrease in certain targeted loan portfolios, contributed to lower performance, despite improved results from market driven activities in the second half of 2020 and the stabilization of expenses. Deposits from clients also decreased, as a result of lower loan levels and funding optimization measures. However, personal demand deposits increased by 27% over the last twelve months. Adjusted return on common shareholders' equity was 5.5% in 2020 compared with 7.9% in fiscal 2019, and the ROE gap relative to the major Canadian banks was 630 bps. Adjusted diluted earnings per share of $2.93 for 2020 were down 31% year-over-year. The adjusted efficiency ratio of 72.3% for 2020 remained unchanged as compared to the 2019 level as both revenues and expenses finished the year at similar levels.

Reshaping the Bank for tomorrow

On October 30, 2020, Rania Llewellyn was appointed as President and Chief Executive Officer, and as a director of the Bank. Ms. Llewellyn brings more than 25 years of experience in the banking sector and is looking forward to pursuing opportunities to reshape the Bank for tomorrow.

In the coming months the management team will establish a renewed strategic direction for Laurentian Bank. As part of this review and in consideration of the impact of the COVID-19 pandemic, the Bank's 2022 mid-term objectives will be revised or replaced.

Update on Key Initiatives

Over the past few years, we launched major initiatives with the objective of building a stronger foundation and modernizing the Bank in order to improve financial performance. The following section provides an update on these key projects.

Digital offering

In the first quarter of 2020, we launched LBC Digital, a direct-to-customer channel, expanding our customer reach from coast to coast. The initial digital offering includes chequing accounts, high-interest savings accounts and guaranteed investment certificates. This pan-Canadian launch provided us with the opportunity to welcome thousands of new customers. Over time, our goal is to broaden and deepen customer relationships and use this platform to build out a high-value and complete product suite. As at October 31, 2020, LBC Digital related demand deposits stood at $0.6 billion.

Core-banking system replacement program

In 2019, we completed Phase 1 of the core banking system replacement program resulting in the migration of all B2B Bank products and most of our loans to business customers to this new system. Given the impacts of COVID-19 on our business and following the recent change in management, we are currently reassessing the next phase of this project. Our latest estimate had set the project costs at approximately $250 million and, as at October 31, 2020, we had invested about 80% of that amount.

Evolution of 100% Advice model

In 2020, we completed the conversion of our traditional branch network to a 100% Advice model. Based on the evolving needs of our customers, this new operating model provides the right balance to serve the daily needs of our customers through electronic and phone solutions, as well as to focus on professional financial advice for more complex banking and investment needs. We will continue to right-size our branch network and gradually modify its design to be aligned with our 100% Advice model. All branch employees will now be 100% focused on advising customers on improving their financial health.

Advanced internal ratings-based approach to credit risk

As part of our plan to improve the Bank's foundation, we pursued our initiative to adopt, subject to regulatory approval, the AIRB approach to credit risk throughout 2020. Given the impacts of COVID-19 on our business and following the recent change in management, we are currently reassessing this initiative and its timeline. Based on our latest assessment, we are not expecting to complete the process prior to the end of 2023.

Update on Efficiency Measures

Since 2019, we have been identifying opportunities to improve our efficiency. The conversion of our traditional branches to a 100% Advice model and the optimization of certain back-office functions in 2019 resulted in significant savings. As we entered 2020, we maintained our focus on improving efficiency. We merged 20 retail branches during the year (six in the fourth quarter). These measures are also attributed to recent changes in the economic landscape and the ongoing reduction in the number of customer branch visits. Customers will continue to be served by our Quebec Retail Network with locations that are reasonably proximate to converted branch locations. In May 2020, we also reduced headcount by approximately 100 people through attrition, retirement and targeted job reductions in order to realign our workforce with our operational needs, and provide leverage to improve efficiency.

These measures resulted in restructuring charges of $18.3 million in 2020, which included severance charges and charges related to lease contracts.

Consolidated Results

Non-GAAP measures

Management uses both generally accepted accounting principles (GAAP) and non-GAAP measures to assess the Bank's performance. Results prepared in accordance with GAAP are referred to as "reported" results. Non-GAAP measures presented throughout this document are referred to as "adjusted" measures and exclude amounts designated as adjusting items. Adjusting items relate to restructuring plans and to business combinations and have been designated as such as management does not believe they are indicative of underlying business performance. 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 shows adjusting items and their impact on reported results.

	For the three months ended			For the year ended	
In thousands of Canadian dollars, except per share amounts (Unaudited)	**October 31 2020**	July 31 2020	October 31 2019	**October 31 2020**	October 31 2019
Impact on income before income taxes					
Reported income before income taxes	**$41,647**	$42,405	$47,926	**$120,284**	$196,165
Adjusting items, before income taxes					
Restructuring charges[(1)]					
Severance charges	**2,253**	7,047	1,735	**12,321**	6,474
Other restructuring charges	**1,909**	4,020	3,696	**5,968**	6,205
	4,162	11,067	5,431	**18,289**	12,679
Items related to business combinations					
Amortization of net premium on purchased financial instruments[(2)]	**100**	127	284	**638**	1,452
Amortization of acquisition-related intangible assets[(3)]	**3,180**	3,520	3,416	**13,641**	13,711
	3,280	3,647	3,700	**14,279**	15,163
	7,442	14,714	9,131	**32,568**	27,842
Adjusted income before income taxes	**$49,089**	$57,119	$57,057	**$152,852**	$224,007
Impact on net income					
Reported net income	**$36,811**	$36,217	$41,343	**$114,085**	$172,710
Adjusting items, net of income taxes					
Restructuring charges[(1)]					
Severance charges	**1,659**	5,178	1,274	**9,057**	4,752
Other restructuring charges	**1,402**	2,955	2,712	**4,386**	4,554
	3,061	8,133	3,986	**13,443**	9,306
Items related to business combinations					
Amortization of net premium on purchased financial instruments[(2)]	**77**	93	209	**472**	1,067
Amortization of acquisition-related intangible assets[(3)]	**2,362**	2,640	2,428	**10,206**	10,144
	2,439	2,733	2,637	**10,678**	11,211
	5,500	10,866	6,623	**24,121**	20,517
Adjusted net income	**$42,311**	$47,083	$47,966	**$138,206**	$193,227
Impact on diluted earnings per share					
Reported diluted earnings per share	**$ 0.79**	$ 0.77	$ 0.90	**$ 2.37**	$ 3.77
Adjusting items					
Restructuring charges[(1)]	**0.07**	0.19	0.09	**0.31**	0.22
Items related to business combinations	**0.06**	0.06	0.06	**0.25**	0.27
	0.13	0.25	0.15	**0.56**	0.49
	$ 0.91	$ 1.02	$ 1.05	**$ 2.93**	$ 4.26

Adjusted diluted earnings per share[4]					

(1) Restructuring and charges mainly result from the optimization of our Quebec Retail Network operations and the related streamlining of certain back-office and corporate functions. Restructuring charges also result from the reorganization of retail brokerage activities and other measures aimed at improving efficiency. Restructuring charges include severance charges, salaries, provisions, communication expenses and professional fees and charges related to lease contracts. Restructuring charges are included in Non-interest expenses.
(2) Amortization of net premium on purchased financial instruments results from a one-time gain on a business acquisition in 2012 and is included in the Amortization of net premium on purchased financial instruments line item.
(3) Amortization of acquisition-related intangible assets results from business acquisitions and is included in the Non-interest expenses line item.
(4) The impact of adjusting items on a per share basis may not add due to rounding.

Three months ended October 31, 2020 compared with three months ended October 31,2019

Net income was $36.8 million and diluted earnings per share were $0.79 for the fourth quarter of 2020, compared with $41.3 million and $0.90 for the fourth quarter of 2019. Adjusted net income was $42.3 million for the fourth quarter of 2020, down 12% from $48.0 million for the fourth quarter of 2019, while adjusted diluted earnings per share were $0.91, down 13% compared with $1.05 for the fourth quarter of 2019.

Total revenue

Total revenue was $243.5 million for the fourth quarter of 2020, up 1% compared with $241.6 million for the fourth quarter of 2019.

Net interest income decreased by $3.9 million to $169.3 million for the fourth quarter of 2020, compared with $173.2 million for the fourth quarter of 2019. The decrease was mainly due to a year-over-year decrease in higher margin loan volumes, mainly as a result of the impact of the COVID-19 pandemic on inventory financing activities, partly offset by improved funding costs. For the fourth quarter of 2020, the adoption of IFRS 16, *Leases* as of November 1, 2019 added $1.2 million to interest expenses related to the new lease liabilities and impacted net interest margin negatively by 1 basis point. Net interest margin was 1.82% for the fourth quarter of 2020, a decrease of 2 basis points compared with the fourth quarter of 2019, essentially for the same reasons.

Other income increased by $5.8 million or 8% to $74.2 million for the fourth quarter of 2020, compared with $68.4 million for the fourth quarter of 2019. The increase was mainly due to the strong contribution from capital market activities, which improved by $10.3 million compared with the fourth quarter of 2019. Other income for the fourth quarter of 2020 also included a net gain of $1.1 million on a securitization of a mortgage loan portfolio. This was partly offset by a decrease in service charges due to the ongoing changes to the retail banking environment and the related customers' banking behaviour, as well as by a decrease in VISA card service revenues stemming from lower transaction volumes as a result of the COVID-19 pandemic.

Amortization of net premium on purchased financial instruments

For the fourth quarter of 2020, amortization of net premium on purchased financial instruments amounted to $0.1 million, compared with $0.3 million for the fourth quarter of 2019. Refer to the 2020 Annual Consolidated Financial Statements for additional information.

Provision for credit losses

The provision for credit losses amounted to $24.2 million for the fourth quarter of 2020 compared with $12.6 million for the fourth quarter of 2019, an increase of $11.6 million. The increase is mainly resulting from our revised assessment of the economic conditions, including the effect of the COVID-19 pandemic, as detailed below.

Collective allowances are sensitive to model inputs, including macroeconomic variables in the forward-looking scenarios and their respective probability weighting, among other factors. The COVID-19 pandemic led to significant changes to this forward-looking information during 2020, resulting in an increase in expected credit losses. As the full extent of the COVID-19 impact on the Canadian and U.S. economies, including government and/or regulatory responses to the pandemic, remains highly uncertain, it is difficult to predict at this time how the increase in expected credit losses will translate into write-offs and whether we will be required to recognize additional increases in expected credit losses in subsequent periods.

Refer to the "Risk Appetite and Risk Management Framework" section of our Management Discussion and Analysis for additional information for the COVID-19 impact on credit risk and measurement uncertainty of expected credit loss estimates and Note 7, Loans and allowances for credit losses, to the Consolidated Financial Statements for more information on provision for credit losses and continuity of the allowance for credit losses.

Non-interest expenses

Non-interest expenses amounted to $177.6 million for the fourth quarter of 2020, a decrease of $3.2 million or 2% compared with the fourth quarter of 2019. Adjusted non-interest expenses amounted to $170.3 million for the fourth quarter of 2020, a decrease of $1.7 million or 1% compared with the fourth quarter of 2019.

Salaries and employee benefits amounted to $88.8 million for the fourth quarter of 2020, an increase of $4.1 million, compared with the fourth quarter of 2019. This increase is mainly due to higher performance-based compensation related to strong capital market activities and higher employee benefits, partly offset by a decrease in salaries reflecting the headcount reduction implemented in May 2020.

Premises and technology costs were $49.9 million for the fourth quarter of 2020, an increase of $0.9 million compared with the fourth quarter of 2019, essentially as a result of higher technology costs to support operations. Rent decreased by $4.9 million as a result of the introduction, as of November 1, 2019, of IFRS 16, *Leases*, as well as from a reduction in the square-footage utilization given the right-sizing of our Quebec Retail Network. This decrease was mostly offset by a $3.9 million increase in amortization on the newly created right-of-use assets. Including the impact of the interest charge on the new lease liabilities of $1.2 million, as noted above, overall rental costs remained relatively stable.

Other non-interest expenses were $34.7 million for the fourth quarter of 2020, a decrease of $7.0 million compared with the fourth quarter of 2019. The improvement mainly resulted from lower regulatory costs, as well as lower advertising, business development and travel expenses, ensuing from efficiency measures and current economic conditions.

Restructuring charges were $4.2 million for the fourth quarter of 2020 and mainly resulted from measures aimed at improving efficiency as detailed in the "Update on efficiency measures" section. Restructuring charges include severance charges, as well as charges and provisions related to the termination of lease contracts.

Efficiency ratio

The adjusted efficiency ratio was 69.9% for the fourth quarter of 2020, compared with 71.2% for the fourth quarter of 2019, as a result of lower adjusted expenses and an increase in other income. Adjusted operating leverage was positive year-over-year. The efficiency ratio on a reported basis was 72.9% for the fourth quarter of 2020, compared with 74.8% for the fourth quarter of 2019, as a result of lower expenses and an increase in other income.

Income taxes

For the quarter ended October 31, 2020, the income tax expense was $4.8 million, and the effective tax rate was 11.6%. The lower tax rate, compared to the statutory rate, is attributed to a lower taxation level of revenue from foreign operations, as well as from the favourable effect of holding investments in Canadian securities that generate non-taxable dividend income. For the quarter ended October 31, 2019, income tax expense was $6.6 million, and the effective tax rate was 13.7%. Year-over-year, the income tax rate decreased slightly.

Three months ended October 31, 2020 compared with three months ended July 31, 2020

Net income was $36.8 million and diluted earnings per share were $0.79 for the fourth quarter of 2020, compared with $36.2 million and $0.77 for the third quarter of 2020. Adjusted net income was $42.3 million and adjusted diluted earnings per share were $0.91 for the fourth quarter of 2020, compared with $47.1 million and $1.02 for the third quarter of 2020.

Total revenue decreased by $5.1 million to $243.5 million for the fourth quarter of 2020, compared with $248.6 million for the previous quarter.

Net interest income decreased by $4.2 million sequentially to $169.3 million. The decrease reflects the impact of lower inventory financing volumes due to higher repayments resulting from the increased demand for boats and other recreational vehicles, as well as of the inability of dealers to replenish their inventory as a result of the manufacturers' production disruption. Net interest margin was 1.82% for the fourth quarter of 2020, a decrease of 4 basis points compared with 1.86% for the third quarter of 2020, mainly as a result of the lower proportion of higher-yielding loans to business customers.

Other income slightly decreased by $0.9 million to $74.2 million for the fourth quarter of 2020, compared with $75.1 million for the previous quarter. The decrease was mainly due to the lower contribution from capital markets in fourth quarter of 2020, compared with their historic high contribution in the third quarter of 2020, partly offset by higher lending fees and a net gain of $1.1 million on a securitization of a mortgage loan portfolio.

The line item "Amortization of net premium on purchased financial instruments" amounted to $0.1 million for the fourth quarter of 2020, essentially unchanged from the third quarter of 2020. Refer to the 2020 Annual Consolidated Financial Statements for additional information.

Provision for credit losses totaled $24.2 million for the fourth quarter of 2020, a $1.9 million increase compared with $22.3 million for the third quarter of 2020. The provision for credit losses for the fourth quarter of 2020 remains high and considers our revised assumptions, as noted above.

Non-interest expenses decreased by $6.2 million to $177.6 million for the fourth quarter of 2020 from $183.8 million in the third quarter of 2020. Adjusted non-interest expenses increased by $1.1 million and amounted to $170.3 million in the fourth quarter of 2020, compared with $169.2 million in the third quarter of 2020. The increase in adjusted non-interest expenses mainly results from a higher level of activity, as the economy began to reopen, as well as to sales tax adjustments and other year-end accruals. These increases were partially offset by a decrease in salaries and employee benefits, mostly as the third quarter results included a $2.7 million compensation charge related to the Bank's former President and Chief Executive Officer retirement. Restructuring charges for the fourth quarter of 2020 decreased by $6.9 million compared with the third quarter of 2020 and mainly resulted from measures aimed at improving efficiency. Restructuring charges include severance charges, as well as charges related to the termination of lease contracts.

Financial Condition

As at October 31, 2020, total assets amounted to $44.2 billion, relatively unchanged compared with $44.4 billion as at October 31, 2019, as the higher level of liquid assets mostly offset the decrease in loan portfolios.

Liquid assets

Liquid assets consist of cash, deposits with banks, securities and securities purchased under reverse repurchase agreements. As at October 31, 2020, these assets totaled $9.6 billion, an increase of $0.4 billion compared with $9.3 billion as at October 31, 2019.

We continue to prudently manage our level of liquid assets. The Bank's funding sources remain well diversified and sufficient to meet all obligations. Liquid assets represented 22% of total assets as at October 31, 2020, compared with 21% as at October 31, 2019.

Loans

Loans and bankers' acceptances, net of allowances, stood at $33.0 billion as at October 31, 2020, a decrease of $0.5 billion or 2% compared with $33.6 billion as at October 31, 2019. During the year 2020, the negative impacts of COVID-19 hindered the Bank's ability to maintain its growth momentum in commercial loan portfolios.

Personal loans amounted to $4.1 billion as at October 31, 2020, a decrease of $0.5 billion or 12% since October 31, 2019, mainly as a result of the continued reduction in the investment loan portfolio, reflecting the continued reduction in the use of leverage by consumers, as well as, to a lesser extent, the decrease in other retail exposures.

Residential mortgage loans amounted to $16.3 billion as at October 31, 2020, an increase of $0.3 billion or 2% since October 31, 2019. The acquisition of mortgage loans from third parties, as part of our program to optimize the usage of the National Housing Act mortgage-backed securities allocations, has contributed to mitigating the impact of maturities.

Commercial loans and acceptances amounted to $12.7 billion as at October 31, 2020, a decrease of 2% since October 31, 2019. This decrease was mainly due to inventory financing volumes which were negatively impacted by the COVID-19 pandemic as a result of higher repayments due to the increased demand for boats and other recreational vehicles in Canada and the U.S. The inability of dealers to replenish their inventory as a result of the manufacturers' production disruption also affected inventory levels. This was partly offset by the increase in real estate lending, which showed resilience during the COVID-19 pandemic amidst the lower interest rate environment.

Other assets

Other assets stood at $1.5 billion as at October 31, 2020, essentially unchanged compared with October 31, 2019.

Liabilities

Deposits decreased by $1.7 billion or 7% to $23.9 billion as at October 31, 2020 compared with $25.7 billion as at October 31, 2019, in part to adapt to the reduction in loans and optimization of other funding sources. Personal deposits stood at $18.8 billion as at October 31, 2020, down $1.0 billion compared with October 31, 2019. The decrease resulted mainly from the lower term deposits sourced through intermediaries managed down to meet our funding needs, partly offset by higher volumes of demand deposits generated through the various direct to customer distribution channels of the Bank. In the first quarter of 2020, we launched our LBC Digital deposit offering. These deposits, amounting to $0.6 billion as at October 31, 2020, contribute to our well-diversified funding and provide the opportunity to develop new client relationships and cross-selling activities. In 2020, personal demand deposits sourced through our Quebec Retail Network increased by $0.3 billion, while other demand deposits from intermediaries increased by $0.4 billion. Business and other deposits decreased by $0.8 billion over the same period to $5.1 billion, mostly due to a decrease in institutional funding as we optimized our funding sources given lower asset levels.

Personal deposits represented 79% of total deposits as at October 31, 2020, compared with 77% as at October 31, 2019, and contributed to our good liquidity position.

Obligations related to securities sold short stood at $3.0 billion as at October 31, 2020, an increase of $0.4 billion compared to October 31, 2019.

Debt related to securitization activities increased by $1.3 billion compared with October 31, 2019 and stood at $10.2 billion as at October 31, 2020. Since the beginning of the year, mortgage loan securitization through both the CMHC programs and a third-party program, as well as securitization of investment loans more than offset maturities of liabilities related to the Canada Mortgage Bond program, as well as normal repayments.

Shareholders' equity and regulatory capital

Shareholders' equity amounted to $2,611.2 million as at October 31, 2020, compared with $2,567.7 million as at October 31, 2019.

Compared to a year ago, retained earnings decreased by $8.7 million, mainly as the net income contribution of $114.1 million was offset by dividends amounting to $104.1 million, as well as by other charges related to employee benefit plans and equity securities designated at fair value through other comprehensive income (FVOCI) of $11.4 million.

As mentioned in the "Basis of Presentation" section of our MD&A, the adoption of IFRS 16 at the outset of the year also contributed to reduce retained earnings by $7.3 million as at November 1, 2019. Increases in accumulated other comprehensive income (AOCI) of $31.3 million and common share issuance of $20.3 million as part of the Bank's Shareholder Dividend Reinvestment and Share Purchase Plan, contributed positively to shareholders' equity. For additional information, please refer to the Consolidated Statement of Changes in Shareholders' Equity in the Annual Consolidated Financial Statements.

The Bank's book value per common share was $53.74 as at October 31, 2020 compared to $54.02 as at October 31, 2019.

There were 43,238,083 common shares outstanding as at November 27, 2020.

The Common Equity Tier 1 capital ratio stood at 9.6% as at October 31, 2020, compared with 9.0% as at October 31, 2019. The increase compared with October 31, 2019 mainly results from the lower level of assets resulting from the current COVID-19 situation. This level of capital provides the Bank with the necessary operational flexibility to resume growth and to pursue key initiatives, prudently considering the economic conditions.

Condensed Interim Consolidated Financial Statements (unaudited)

Consolidated Balance Sheet

In thousands of Canadian dollars (Unaudited)	**As at October 31 2020**	As at October 31 2019
Assets		
Cash and non-interest bearing deposits with banks	**$ 69,661**	$ 90,658
Interest bearing deposits with banks	**603,181**	322,897
Securities		
At amortized cost	**3,109,698**	2,744,929
At fair value through profit or loss (FVTPL)	**2,414,939**	3,242,146
At fair value through other comprehensive income (FVOCI)	**274,579**	312,861
	5,799,216	6,299,936
Securities purchased under reverse repurchase agreements	**3,140,228**	2,538,285
Loans		
Personal	**4,120,875**	4,660,524
Residential mortgage	**16,341,890**	16,039,680
Commercial	**12,730,360**	12,646,332
Customers' liabilities under acceptances	**—**	319,992
	33,193,125	33,666,528
Allowances for loan losses	**(173,522)**	(100,457)
	33,019,603	33,566,071
Other		
Derivatives	**295,122**	143,816
Premises and equipment	**199,869**	77,802
Software and other intangible assets	**380,259**	391,162
Goodwill	**117,286**	116,649
Deferred tax assets	**62,216**	37,045
Other assets	**481,019**	768,806
	1,535,771	1,535,280
	$ 44,167,660	$ 44,353,127
Liabilities and shareholders' equity		
Deposits		
Personal	**$ 18,796,150**	$ 19,747,260
Business, banks and other	**5,124,053**	5,905,344
	23,920,203	25,652,604
Other		
Obligations related to securities sold short	**3,020,709**	2,618,147
Obligations related to securities sold under repurchase agreements	**2,411,649**	2,558,883
Acceptances	**—**	319,992
Derivatives	**127,412**	112,737
Deferred tax liabilities	**55,333**	53,102
Other liabilities	**1,487,174**	1,207,567
	7,102,277	6,870,428
Debt related to securitization activities	**10,184,497**	8,913,333
Subordinated debt	**349,442**	349,101
Shareholders' equity		
Preferred shares	**244,038**	244,038
Common shares	**1,159,488**	1,139,193
Retained earnings	**1,152,973**	1,161,668
Accumulated other comprehensive income	**52,215**	20,947
Share-based compensation reserve	**2,527**	1,815
	2,611,241	2,567,661
	$ 44,167,660	$ 44,353,127

Consolidated Statement of Income

In thousands of Canadian dollars, except per share	For the three months ended			For the year ended	
	October	July 31	October	**October 31**	October 31

amounts (Unaudited)	31 2020	2020	31 2019	2020	2019
Interest and dividend income					
Loans	**$ 290,794**	$ 307,888	$ 360,367	**$ 1,288,850**	$ 1,440,102
Securities	**10,662**	13,230	18,318	**57,798**	76,562
Deposits with banks	**281**	152	2,120	**4,294**	8,356
Other, including derivatives	**28,839**	26,604	6,551	**71,311**	31,362
	330,576	347,874	387,356	**1,422,253**	1,556,382
Interest expense					
Deposits	**112,874**	124,809	157,984	**532,062**	638,389
Debt related to securitization activities	**42,531**	43,911	44,961	**179,930**	172,419
Subordinated debt	**3,824**	3,825	3,835	**15,222**	15,214
Other, including derivatives	**2,001**	1,783	7,371	**12,615**	43,949
	161,230	174,328	214,151	**739,829**	869,971
Net interest income	**169,346**	173,546	173,205	**682,424**	686,411
Other income					
Lending fees	**16,893**	15,607	16,630	**62,595**	61,459
Fees and securities brokerage commissions	**12,570**	12,634	11,919	**48,030**	43,892
Commissions from sales of mutual funds	**11,183**	10,666	10,706	**42,985**	42,892
Service charges	**7,981**	7,947	10,109	**33,733**	42,033
Income from financial instruments	**9,082**	12,905	(584)	**33,728**	12,460
Card service revenues	**6,700**	6,464	7,855	**28,438**	33,238
Fees on investment accounts	**4,196**	3,310	4,593	**16,350**	18,231
Insurance income, net	**2,817**	3,182	3,334	**11,148**	13,941
Other	**2,771**	2,348	3,871	**11,578**	13,953
	74,193	75,063	68,433	**288,585**	282,099
Total revenue	**243,539**	248,609	241,638	**971,009**	968,510
Amortization of net premium on purchased financial instruments	**100**	127	284	**638**	1,452
Provision for credit losses	**24,200**	22,300	12,600	**116,300**	44,400
Non-interest expenses					
Salaries and employee benefits	**88,811**	92,483	84,755	**370,535**	357,396
Premises and technology	**49,949**	50,091	49,017	**200,529**	197,351
Other	**34,670**	30,136	41,625	**144,434**	159,067
Restructuring charges	**4,162**	11,067	5,431	**18,289**	12,679
	177,592	183,777	180,828	**733,787**	726,493
Income before income taxes	**41,647**	42,405	47,926	**120,284**	196,165
Income taxes	**4,836**	6,188	6,583	**6,199**	23,455
Net income	**$ 36,811**	$ 36,217	$ 41,343	**$ 114,085**	$ 172,710
Preferred share dividends, including applicable taxes	**2,874**	3,198	3,196	**12,466**	12,966
Net income available to common shareholders	**$ 33,937**	$ 33,019	$ 38,147	**$ 101,619**	$ 159,744
Weighted-average number of common shares outstanding (in thousands)					
Basic	**43,161**	43,001	42,518	**42,910**	42,310
Diluted	**43,161**	43,001	42,583	**42,929**	42,356
Earnings per share					
Basic	**$ 0.79**	$ 0.77	$ 0.90	**$ 2.37**	$ 3.78

Diluted	**$**	**0.79**	$	0.77	$	0.90	**$**	**2.37**	$	3.77

Dividends declared per share										
Common share	**$**	**0.40**	$	0.40	$	0.66	**$**	**2.14**	$	2.62
Preferred share - Series 13	**$**	**0.26**	$	0.26	$	0.26	**$**	**1.03**	$	1.06
Preferred share - Series 15	**$**	**0.37**	$	0.37	$	0.37	**$**	**1.46**	$	1.46

Consolidated Statement of Comprehensive Income

	For the three months ended			For the year ended	
In thousands of Canadian dollars (Unaudited)	**October 31 2020**	July 31 2020	October 31 2019	**October 31 2020**	October 31 2019
Net income	**$36,811**	$36,217	$41,343	**$114,085**	$172,710
Other comprehensive income (loss), net of income taxes					
Items that may subsequently be reclassified to the Statement of Income					
Net change in debt securities at FVOCI					
Unrealized net gains (losses) on debt securities at FVOCI	**(26)**	683	(114)	**1,559**	2,327
Reclassification of net (gains) losses on debt securities at FVOCI to net income	**(53)**	(57)	115	**(103)**	(378)
	(79)	626	1	**1,456**	1,949
Net change in value of derivatives designated as cash flow hedges	**(3,109)**	(8,345)	(1,764)	**22,544**	33,293
Net foreign currency translation adjustments					
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	**(2,155)**	(19,119)	(432)	**5,005**	445
Net gains (losses) on hedges of investments in foreign operations	**1,201**	6,413	(242)	**2,263**	(5,158)
	(954)	(12,706)	(674)	**7,268**	(4,713)
	(4,142)	(20,425)	(2,437)	**31,268**	30,529
Items that may not subsequently be reclassified to the Statement of Income					
Remeasurement gains (losses) on employee benefit plans	**6,959**	(801)	(3,938)	**(5,420)**	(7,311)
Net gains (losses) on equity securities designated at FVOCI	**4,315**	9,344	(3,338)	**(6,008)**	(18,411)
	11,274	8,543	(7,276)	**(11,428)**	(25,722)
Total other comprehensive income (loss), net of income taxes	**7,132**	(11,882)	(9,713)	**19,840**	4,807
Comprehensive income	**$43,943**	$24,335	$31,630	**$133,925**	$177,517

Income Taxes — Other Comprehensive Income

The following table shows income tax expense (recovery) for each component of other comprehensive income.

	For the three months ended					For the year ended		
In thousands of Canadian dollars (Unaudited)		**October 31 2020**		July 31 2020		October 31 2019		**October 31 2020**		October 31 2019
Net change in debt securities at FVOCI										
Unrealized net gains (losses) on debt securities at FVOCI	**$**	**(29)**	$	247	$	140	**$**	**543**	$	846
Reclassification of net (gains) losses on debt securities at FVOCI to net income		**(19)**		(21)		(137)		**(37)**		(137)
		(48)		226		3		**506**		709
Net change in value of derivatives designated as cash flow hedges		**(1,157)**		(3,010)		(639)		**8,094**		12,034
Net foreign currency translation adjustments										
Net gains (losses) on hedges of investments in foreign operations		**(422)**		—		142		**(320)**		—
Remeasurement gains (losses) on employee benefit plans		**2,459**		(289)		(1,443)		**(2,005)**		(2,666)

Net gains (losses) on equity securities designated at FVOCI	**1,556**	3,371	(1,181)	**(2,169)**	(6,648)
	$ 2,388	$ 298	$ (3,118)	**$ 4,106**	$ 3,429

Consolidated Statement of Changes in Shareholders' Equity

									For the year ended October 31, 2020
				Accumulated Other Comprehensive Income					
In thousands of Canadian dollars (Unaudited)	Preferred shares	Common shares	Retained earnings	Debt securities at FVOCI	Cash flow hedges	Translation of foreign operations	Total	Share-based compensation reserve	Total shareholders' equity
Balance as at October 31, 2019	$244,038	$1,139,193	$1,161,668	$ 328	$21,049	$ (430)	$20,947	$ 1,815	$ 2,567,661
Impact of adoption of IFRS 16, *Leases*			(7,256)						(7,256)
Balance as at November 1, 2019	244,038	1,139,193	1,154,412	328	21,049	(430)	20,947	1,815	2,560,405
Net income			114,085						114,085
Other comprehensive income, net of income taxes									
Unrealized net gains on debt securities at FVOCI				1,559			1,559		1,559
Reclassification of net gains on debt securities at FVOCI to net income				(103)			(103)		(103)
Net change in value of derivatives designated as cash flow hedges					22,544		22,544		22,544
Net unrealized foreign currency translation gains on investments in foreign operations						5,005	5,005		5,005
Net gains on hedges of investments in foreign operations						2,263	2,263		2,263
Remeasurement losses on employee benefit plans			(5,420)						(5,420)
Net losses on equity securities designated at FVOCI			(6,008)						(6,008)
Comprehensive income			102,657	1,456	22,544	7,268	31,268		133,925
Issuance of share capital		20,295							20,295
Share-based compensation								712	712

Dividends									
Preferred shares, including applicable taxes			**(12,466)**						**(12,466)**
Common shares			**(91,630)**						**(91,630)**
Balance as at October 31, 2020	**$ 244,038**	**$ 1,159,488**	**$ 1,152,973**	**$ 1,784**	**$ 43,593**	**$ 6,838**	**$ 52,215**	**$ 2,527**	**$ 2,611,241**

For the year ended October 31, 2019

In thousands of Canadian dollars (Unaudited)	Preferred shares	Common shares	Retained earnings	Accumulated Other Comprehensive Income: Debt securities at FVOCI	Cash flow hedges	Translation of foreign operations	Total	Share-based compensation reserve	Total shareholders' equity
Balance as at November 1, 2018	$ 244,038	$ 1,115,416	$ 1,138,383	$ (1,621)	$ (12,244)	$ 4,283	$ (9,582)	$ 268	$ 2,488,523
Net income			172,710						172,710
Other comprehensive income, net of income taxes									
Unrealized net gains on debt securities at FVOCI				2,327			2,327		2,327
Reclassification of net gains on debt securities at FVOCI to net income				(378)			(378)		(378)
Net change in value of derivatives designated as cash flow hedges					33,293		33,293		33,293
Net unrealized foreign currency translation gains on investments in foreign operations						445	445		445
Net losses on hedges of investments in foreign operations						(5,158)	(5,158)		(5,158)
Remeasurement losses on employee benefit plans			(7,311)						(7,311)
Net losses on equity securities designated at FVOCI			(18,411)						(18,411)
Comprehensive income			146,988	1,949	33,293	(4,713)	30,529		177,517
Issuance of share capital		23,777							23,777
Share-based compensation								1,547	1,547

Dividends									
Preferred shares, including applicable taxes			(12,966)						(12,966)
Common shares			(110,737)						(110,737)
Balance as at October 31, 2019	$244,038	$1,139,193	$1,161,668	$ 328	$ 21,049	$ (430)	$20,947	$ 1,815	$ 2,567,661

Caution Regarding Forward-Looking Statements

We may, from time to time, make written or oral forward-looking statements within the meaning of applicable securities legislation, including in this document and the documents incorporated by reference herein, and in other documents filed with Canadian regulatory authorities or in other written or oral communications. Forward-looking statements include, but are not limited to, statements regarding our business plans and strategies, priorities and financial objectives, the regulatory environment in which we operate, the anticipated impact of the coronavirus (“COVID-19”) pandemic on the Bank’s operations, earnings results and financial performance and statements under the headings “Outlook”, “COVID-19 Pandemic” and “Risk Appetite and Risk Management Framework” contained in our 2020 Annual Report, including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2020 and other statements that are not historical facts. Forward-looking statements typically are identified with words or phrases such as “believe”, “assume”, “estimate”, “forecast”, “outlook”, "project", “vision”, “expect”, “foresee”, “anticipate”, “plan”, “goal”, “aim”, “target”, “may”, “should”, “could”, “would”, “will”, "intend” or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2020 Annual Report under the heading “Outlook”. There is significant risk that the predictions, forecasts, projections or conclusions will prove to be inaccurate, that our assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, projections or conclusions.

We caution readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond our control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the forward-looking statements and cause actual future results to differ significantly from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These factors include, but are not limited to risks relating to: the impacts of the COVID-19 pandemic on the Bank, our business, financial condition and prospects; technology, information systems and cybersecurity; technological disruption, competition and our ability to execute on our strategic objectives; the economic climate in the U.S. and Canada; accounting policies, estimates and developments; legal and regulatory compliance; fraud and criminal activity; human capital; insurance; business continuity; business infrastructure; environmental and social risk and climate change; and our ability to manage operational, regulatory, legal, strategic, reputational and model risks, all of which are described in more detail in the section titled “Risk Appetite and Risk Management Framework” beginning on page 43 of the 2020 Annual Report including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2020.

We further caution that the foregoing list of factors is not exhaustive. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation. Any forward-looking statements contained in this document represent the views of Management only as at the date hereof, are presented for the purposes of assisting investors and others in understanding certain key elements of the Bank’s current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank’s business and anticipated operating environment and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements , whether oral or written, made by us or on our behalf whether as a result of new information, future events or otherwise, except to the extent required by securities regulations. Additional information relating to the Bank can be located on the SEDAR website at www.sedar.com.

Access to Quarterly Results Materials

This press release can be found on our website at www.lbcfg.ca, under the Press Room tab, and our Report to Shareholders, Investor Presentation and Supplementary Financial Information 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 9:00 a.m. Eastern Time on December 4, 2020. The live, listen-only, toll-free, call-in number is 1-800-263-0877, code 9823383. 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 12:00 p.m. on December 4, 2020 until 12:00 p.m. on January 3, 2021, on our website under the Investor Centre tab, Financial Results.

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

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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 to as Laurentian Bank Financial Group (the “Group” or the “Bank”).

With more than 2,900 employees guided by the values of proximity, simplicity and honesty, the Group provides a broad range of advice-based solutions and services to its personal, business and institutional customers. With pan-Canadian activities and a presence in the U.S., the Group is an important player in numerous market segments.

The Group has $44.2 billion in balance sheet assets and $27.8 billion in assets under administration.