



Press release

FOR IMMEDIATE RELEASE

LAURENTIAN BANK OF CANADA ANNOUNCES C\$100 MILLION BOUGHT DEAL FINANCING

Montreal, October 11, 2012 – Laurentian Bank of Canada (TSX: LB) (“Laurentian”) has announced today that it has entered into an agreement with a syndicate of underwriters led by RBC Dominion Securities Inc., CIBC World Markets Inc. and Laurentian Bank Securities Inc. (collectively, the “Underwriters”), under which the Underwriters have agreed to buy on a bought deal basis an aggregate of 4,000,000 Non-Cumulative Class A Preferred Shares, Series 11 (the “Preferred Shares Series 11”), at a price of \$25.00 per Preferred Share Series 11 for gross proceeds of approximately \$100 million (the “Offering”). The Preferred Shares Series 11 will be offered for sale to the public in each of the provinces of Canada pursuant to a prospectus supplement to Laurentian’s short form base shelf prospectus dated October 10, 2012, which supplement will be filed with Canadian securities regulatory authorities in all Canadian provinces.

Holders of Preferred Shares Series 11 will be entitled to receive non-cumulative preferential fixed quarterly dividends for the initial period ending on, but excluding, December 15, 2017, as and when declared by the board of directors of the Bank, payable in the amount of \$0.25 per Preferred Share Series 11, to yield 4 per cent annually.

Thereafter, the dividend rate will reset every five years to be equal to the 5-Year Government of Canada Bond Yield plus 2.6 per cent. Subject to certain conditions, holders may elect to convert any or all of their Preferred Shares Series 11 into an equal number of Non-Cumulative Class A Preferred Shares, Series 12 (the “Preferred Shares Series 12”) on December 15, 2017 and on December 15 every five year thereafter. Holders of the Preferred Shares Series 12 will be entitled to receive non-cumulative preferential floating rate quarterly dividends, as and when declared by the board of directors of the Bank, equal to the then 3-month Government of Canada Treasury Bill yield plus 2.6 per cent.

The Offering is expected to close on or about October 18, 2012 and is subject to Laurentian receiving all necessary regulatory approvals. The net proceeds of this Offering will be used for general corporate purposes.

The securities offered have not been registered under the U.S. *Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Not for distribution to U.S. news wire services or dissemination in the United States.

About Laurentian Bank

Laurentian Bank of Canada is a pan-Canadian banking institution that has more than \$35 billion in balance sheet assets and over \$32 billion in assets under administration. Founded in 1846, Laurentian Bank was selected as the Québec and Atlantic Canada regional winner of the Canada’s 10 Most Admired Corporate Cultures program presented by Waterstone Human Capital. The Bank employs more than 4,000 people.



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Recognized for its excellent service, proximity and simplicity, Laurentian Bank serves more than one million clients in market segments in which it holds an enviable position. In addition to occupying a choice position among consumers in Québec, where it operates the third largest branch network, the Bank has built a solid reputation across Canada in the area of real estate and commercial financing thanks to its teams working out of more than 35 offices in Ontario, Québec, Alberta and British Columbia. Its subsidiary, B2B Bank, is a Canadian leader in providing banking products to financial advisors and brokers, while Laurentian Bank Securities is an integrated broker, widely recognized for its expertise and effectiveness nationwide.

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