

1st Quarter 2014 CONFERENCE CALL

Réjean Robitaille, President & CEO

Michel C. Lauzon, CFO

March 5, 2014 at 2 p.m.

1 866 323-9095, Code 967272

In this document and in other documents filed with Canadian regulatory authorities or in other communications, Laurentian Bank of Canada may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding the Bank's business plan and financial objectives. The forward-looking statements contained in this document are used to assist the Bank's security holders and financial analysts in obtaining a better understanding of the Bank's financial position and the results of operations as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Forward-looking statements typically use the conditional, as well as words such as prospects, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove to be inaccurate. Although the Bank believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct.

The Bank cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include capital market activity, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition, credit ratings, scarcity of human resources and technological environment. The Bank further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause the Bank's actual results to differ from current expectations, please also refer to the Bank's Annual Report under the title "Risk Appetite and Risk Management Framework" and other public filings available at www.sedar.com.

With respect to the anticipated benefits from the acquisitions of AGF Trust Company¹ (AGF Trust) and the Bank's statements with regards to this transaction being accretive to earnings, such factors also include, but are not limited to: the fact that synergies may not be realized in the time frame anticipated; the ability to promptly and effectively integrate the businesses reputational risks and the reaction of B2B Bank's and AGF Trust's customers to the transaction; and diversion of management time on acquisition-related issues.

The Bank does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations.

ADOPTION OF THE AMENDED IFRS ACCOUNTING STANDARD ON EMPLOYEE BENEFITS

Effective November 1, 2013, the Bank adopted the amendments to the existing International Financial Reporting Standards (IFRS) on employee benefits, which required restatement of the Bank's 2013 comparative information and financial measures. In addition, the Bank issued on February 12, 2014 a separate press release which provides quarterly and full year financial results for 2013 reflecting the adoption of these amendments. The adoption of this standard also impacted regulatory capital as of the adoption date. On a pro forma basis, as at October 31, 2013, the Common Equity Tier 1 capital ratio would have been reduced by approximately 0.2% to 7.4%. Additional information on the impact from the transition is also available in the notes to the unaudited condensed interim consolidated financial statements and in the supplementary information reported for the first quarter of 2014.

NON-GAAP FINANCIAL MEASURES

The Bank uses both GAAP and certain non-GAAP measures to assess performance. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are unlikely to be comparable to any similar measures presented by other companies. These non-GAAP financial measures are considered useful to investors and analysts in obtaining a better understanding of the Bank's financial results and analyzing its growth and profit potential more effectively.

¹ AGF Trust was amalgamated with B2B Bank as of September 1, 2013.

- **Other income** : up 5% year-over-year with double digit growth in targeted areas
- **Disciplined expense management** : adjusted non-interest expenses declined quarter-over-quarter and year-over-year
- **Positive operating leverage** : 1.0% sequentially (excluding Q4-2013 restructuring charges)
- **Solid growth in the commercial loan portfolio** : up 17% year-over-year
- **Excellent credit quality**: continuing low loss ratio at 0.15%

In millions of dollars, except per share and percentage amounts

	Q1-2014	Q1-2013	Variation
AS REPORTED			
Net income	\$35.5	\$32.8	8%
Diluted EPS	\$1.16	\$1.07	8%
ADJUSTED MEASURES *			
Net income	\$39.3	\$39.1	1%
Diluted EPS	\$1.29	\$1.30	-1%

* Excluding adjusting items, see page 24



	2014 OBJECTIVES	Q1-2014 RESULTS
Adjusted return on common shareholders' equity ⁽¹⁾	10.5% to 12.5%	11.7%
Adjusted net income ⁽¹⁾	\$145.0 M to \$165.0 M	\$39.3 M
Adjusted efficiency ratio ⁽¹⁾	72.5% to 69.5%	71.8%
Adjusted operating leverage ⁽¹⁾⁽²⁾	Positive	1.3%
Common Equity Tier 1 ratio (All-in basis)	> 7.0%	7.6%

(1) Excluding adjusting items, see page 24

(2) For the purpose of calculating 2014 financial objectives, year-to-date growth rates are calculated year-over-year (i.e. current period versus the corresponding prior year period).

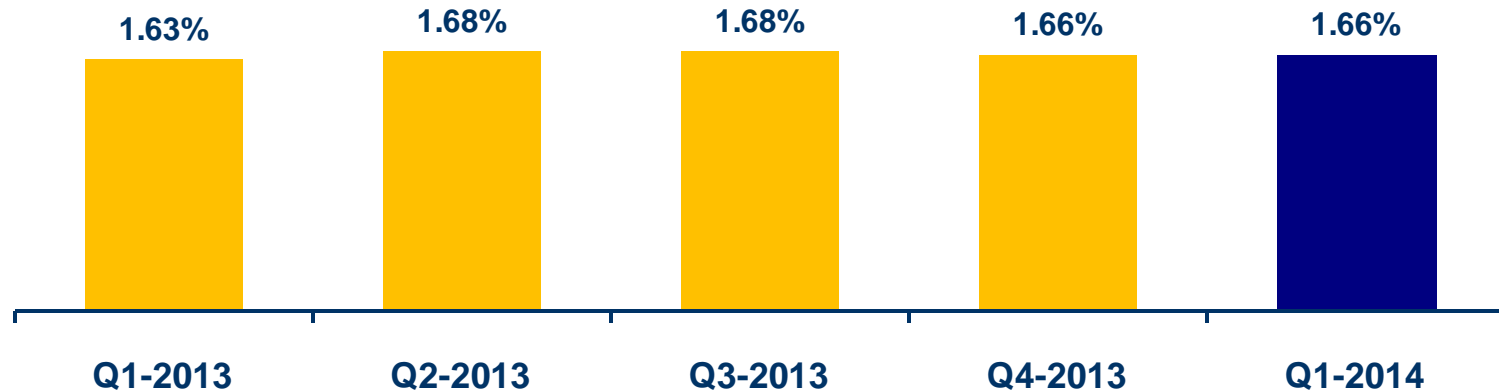


In millions of dollars, except per share and percentage amounts

	Q1-2014	Q1-2013	Variation
Net interest income	\$140.9	\$142.3	-1%
Other income	75.3	71.6	5%
Total revenue	216.1	213.9	1%
Amortization of net premium on purchased financial instruments	1.1	1.1	0%
Provision for loan losses	10.5	8.0	31%
Non-interest expenses (NIE)	159.1	163.1	-2%
Income taxes	9.8	9.0	9%
Net income	\$35.5	\$32.8	8%
Preferred share dividends	2.5	2.5	0%
Net income available to common shareholders	\$33.0	\$30.3	9%
Diluted EPS	\$1.16	\$1.07	8%
Return on common shareholders' equity	10.5%	10.3%	+20 bps
Efficiency ratio	73.6%	76.2%	-260 bps
Effective tax rate	21.6%	21.5%	10 bps
ADJUSTED MEASURES *			
Adjusted net income	\$39.3	\$39.1	0%
Adjusted diluted EPS	\$1.29	\$1.30	-1%
Adjusted return on common shareholders' equity	11.7%	12.5%	-80 bps
NIE excluding T&I costs	\$155.2	\$155.5	0%
Adjusted efficiency ratio	71.8%	72.7%	-90 bps
Adjusted operating leverage **	1.0%	n. m.	n. m.

* Excluding adjusting items, see page 24

** Excluding \$6.3 M of restructuring charges in Q4-2013



➤ 3 bps increase in NIM between Q1-2013 and Q1-2014 is mainly explained by:

- +5 bps from the maturing of high-coupon securitization liabilities
- +2 bps due to lower liquidities
- -3 bps reflecting the low interest rate environment and pricing



In millions of dollars, except percentage amounts

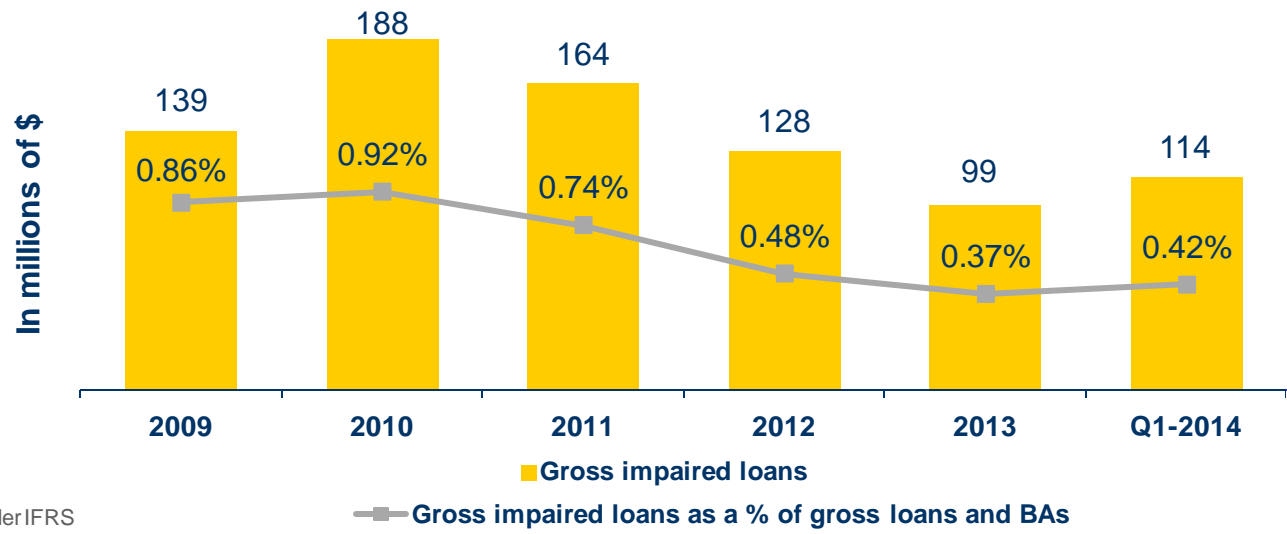
	Q1-2014	Q1-2013	Variation
Fees and commissions on loans and deposits	\$27.5	\$24.9	10%
Income from brokerage operations	15.2	16.5	-8%
Investment account fees	8.0	7.9	2%
Card service revenues	7.3	6.4	13%
Income from treasury and financial market operations	4.3	5.3	-19%
Income from sales of mutual funds	6.6	5.1	28%
Insurance income	4.6	3.4	36%
Other income	1.7	2.0	-14%
Total *	\$75.3	\$71.6	5%

* Certain totals do not add due to rounding

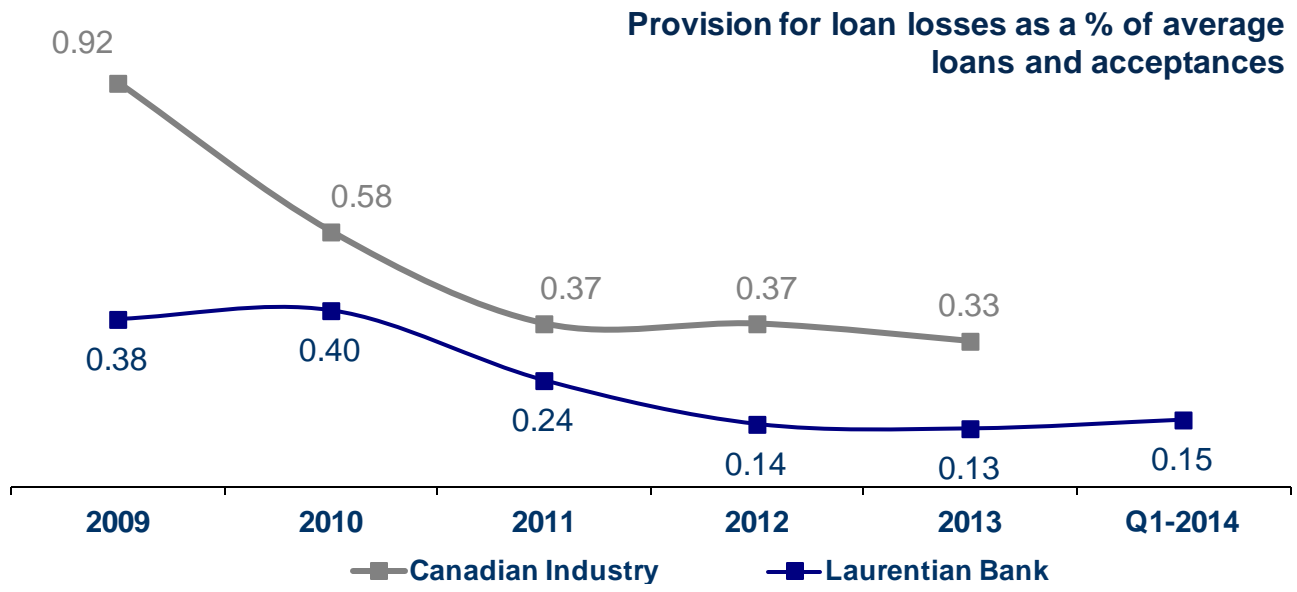


In thousands of dollars, except percentage amounts

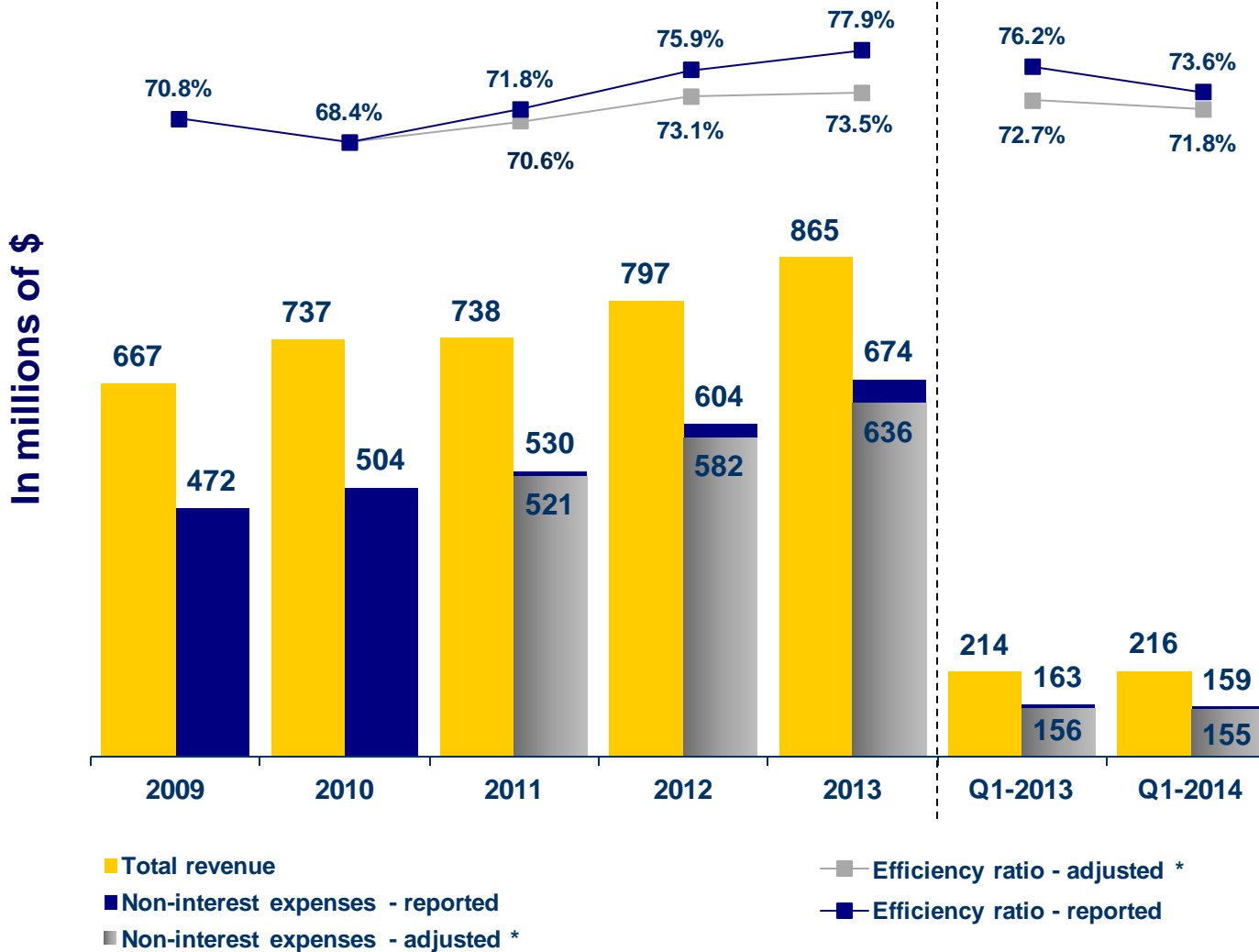
	Q1-2014	Q4-2013	Q1-2013
Personal loans	\$ 4,473	\$ 10,020	\$ 8,058
Residential mortgage loans	648	1,789	1,407
Commercial mortgage loans	2,892	(1,648)	1,101
Commercial loans and other	2,487	(161)	(2,566)
TOTAL	\$ 10,500	\$ 10,000	\$ 8,000
As a % of avg. loans and BAs	0.15%	0.15%	0.12%



Figures prior to 2010 not restated under IFRS



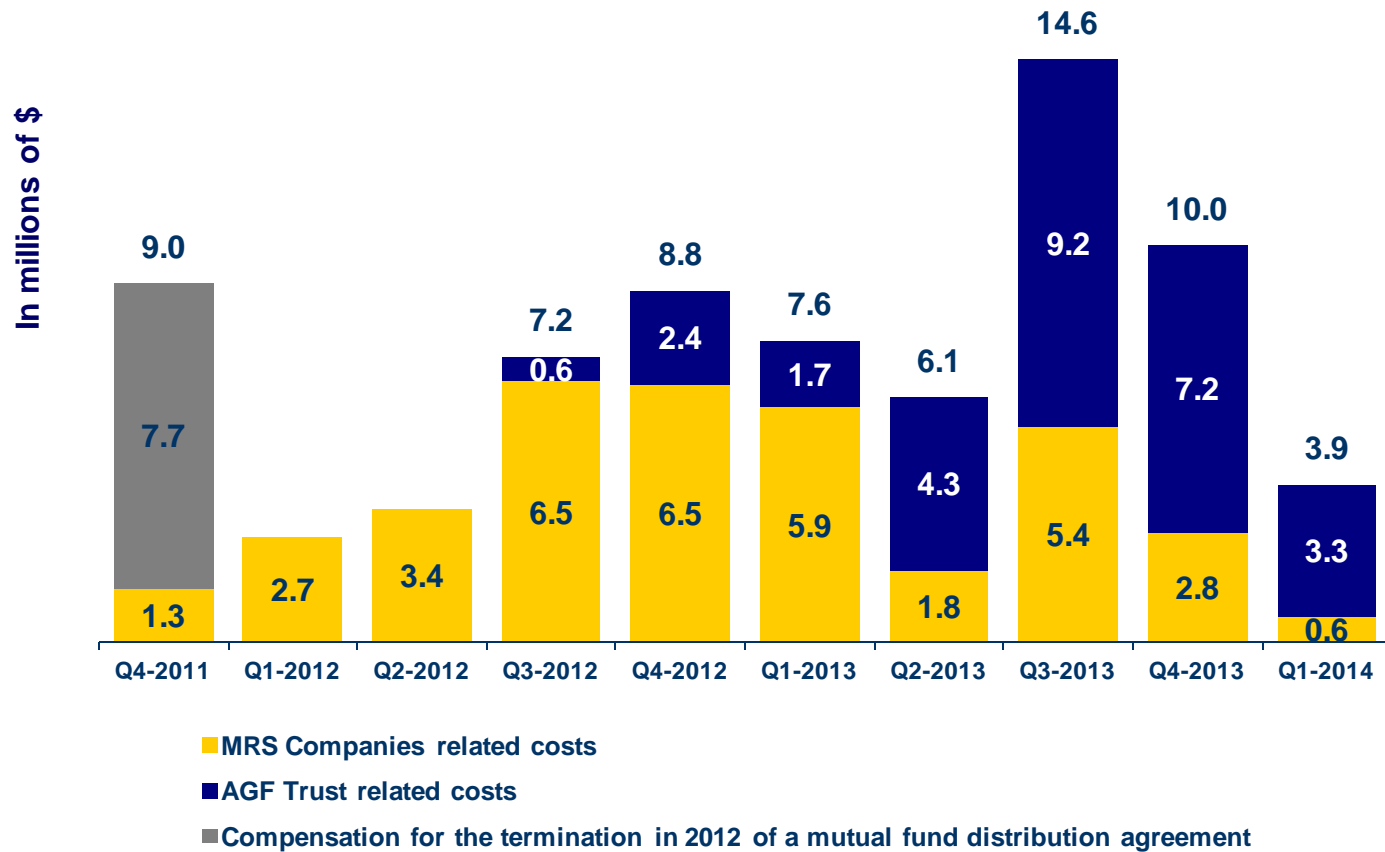
Figures prior to 2011 not restated under IFRS



* Excluding adjusting items, see page 24

Figures prior to 2011 not restated under IFRS

Results prior to 2013 were not restated to reflect the adoption of the amended IFRS accounting standard on employee benefits.



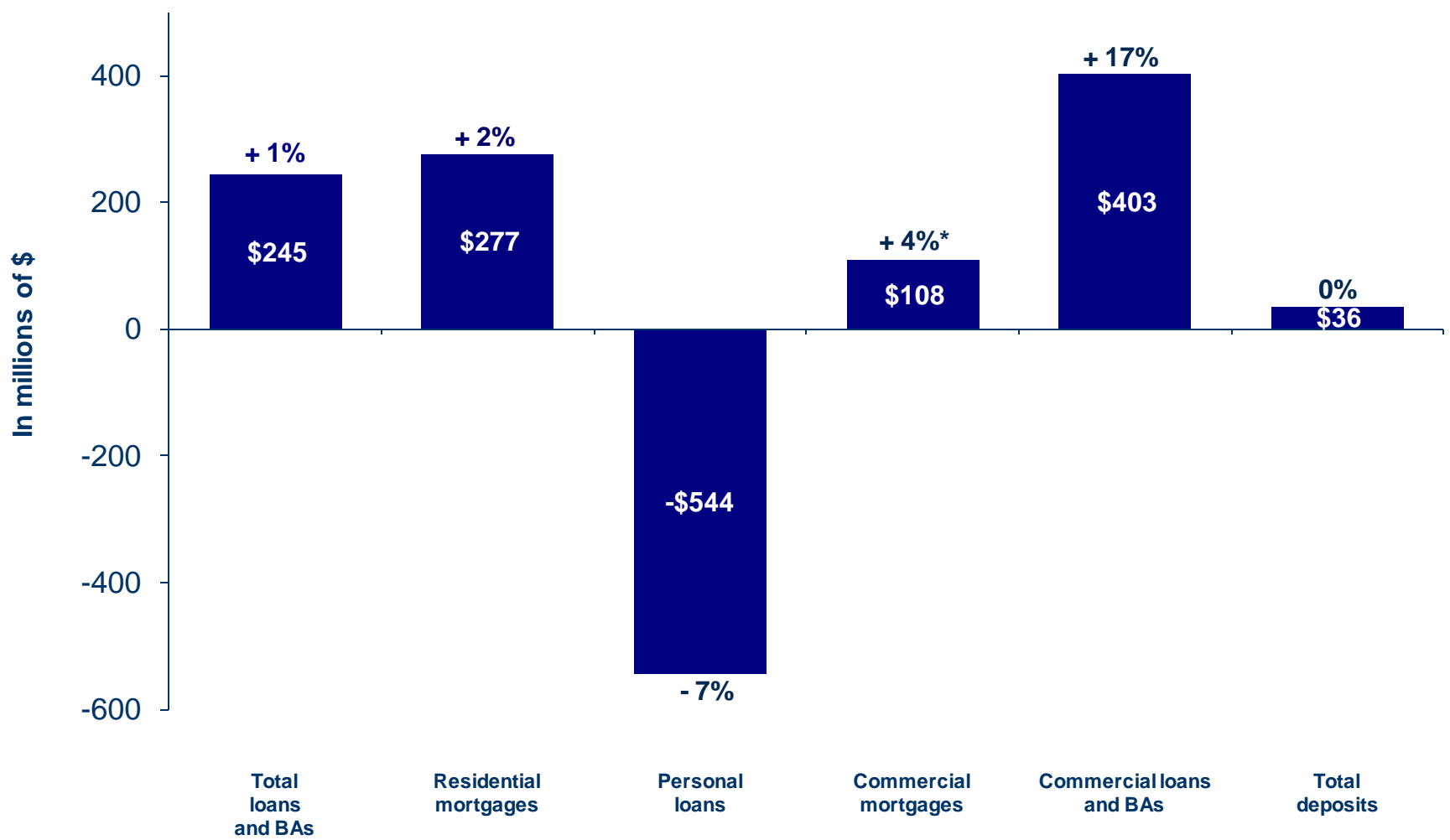


In millions of dollars, except percentage amounts

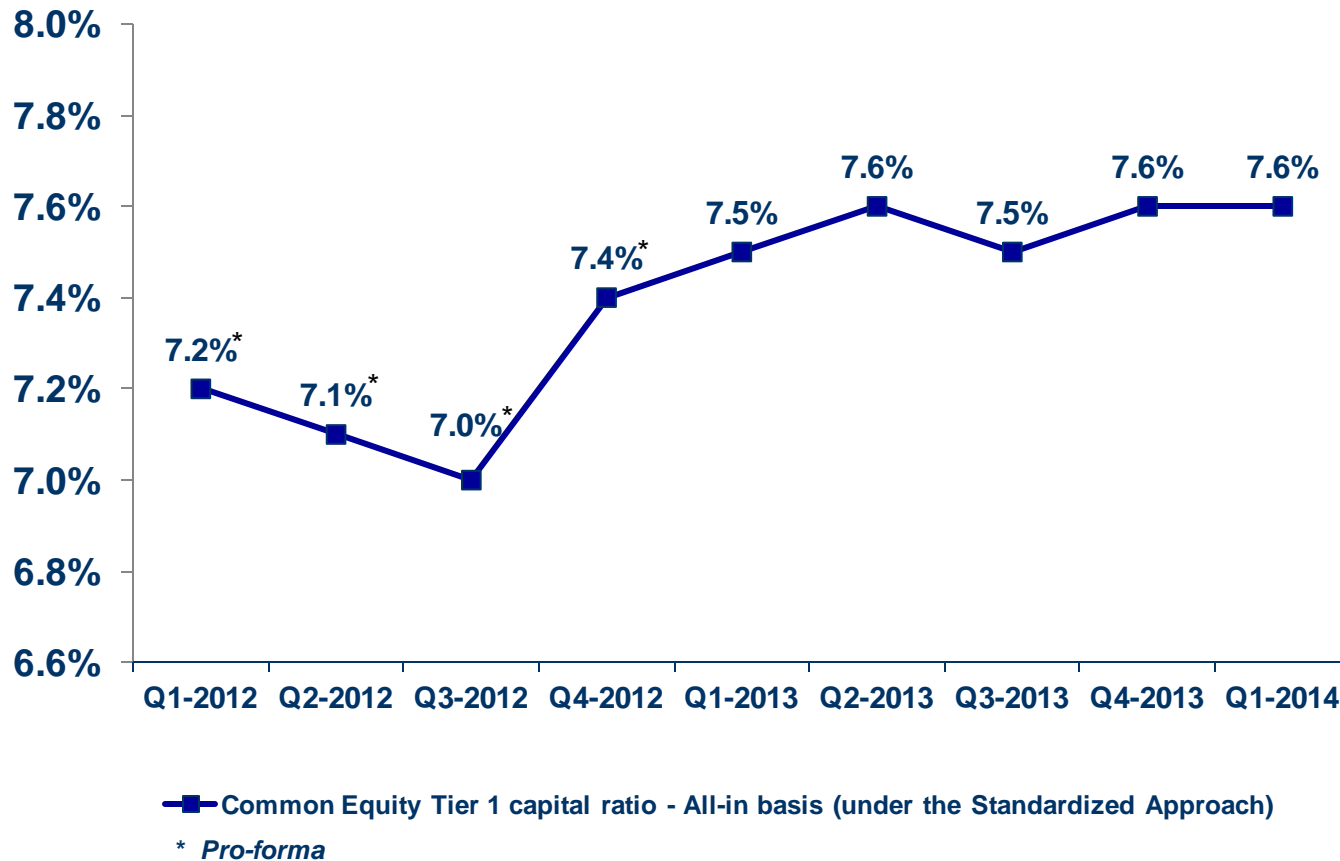
	Q1-2014	Q4-2013	Variation	Q1-2013	Variation
Non-interest expenses (NIE)	\$ 159.1	\$ 172.7	-7.9%	\$ 163.1	-2.4%
T&I Costs*	(3.9)	(10.0)		(7.6)	
NIE excluding T&I Costs	155.2	162.7	-4.6%	155.5	-0.2%
Restructuring charges	-	(6.3)		-	
NIE excluding T&I Costs and restructuring charges	\$ 155.2	\$ 156.4	-0.8%	\$ 155.5	-0.2%

* T&I Costs – Transaction and Integration Costs

12-month period ended January 31, 2014



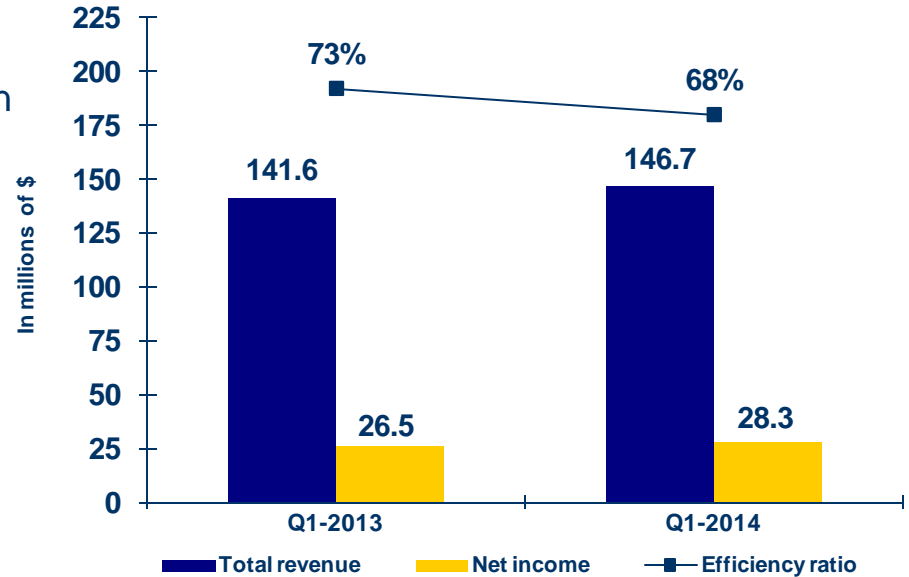
* Includes the sale of \$94.7 million of commercial mortgage loans during the second quarter of 2013



Regulatory capital for 2013 is presented as filed with OSFI and has not been adjusted to include the impact of the adoption of the amendments to IFRS.

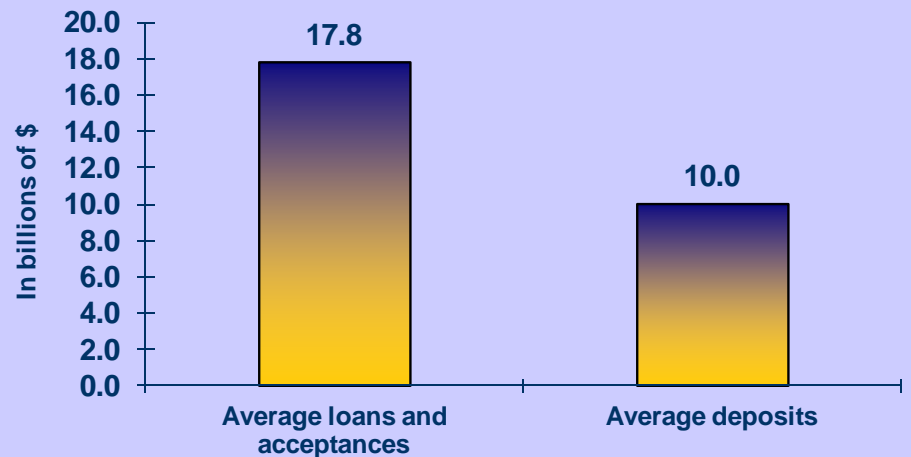
Q1-2014 Highlights

- Net income: up 7% Y/Y
- Total revenue : up 4% Y/Y mainly driven by growth in other income
- Net interest income: unchanged Y/Y
- Other income : up 12%
- Average loans and deposits : up 4% and down 2% respectively Y/Y
 - Commercial loans and BA's: up 17%
 - Residential mortgages: up 3%
- Non-interest expenses: down \$3.1 M Y/Y, due to lower headcount from the optimization of certain activities in Q4-2013
- Loan loss provision: \$10.3 M vs \$4.6 M in Q1-2013



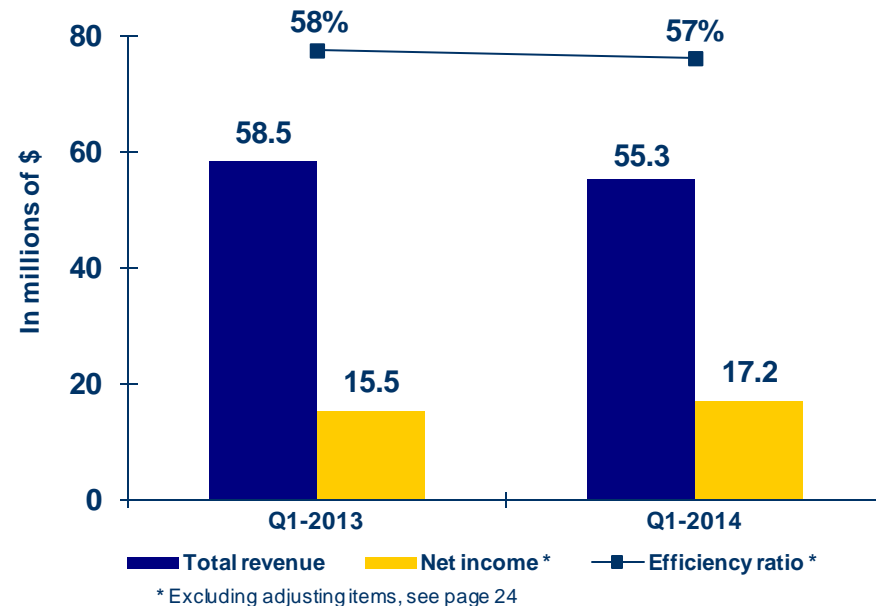
Business Segment Profile

- A suite of financing options, including leasing solutions for small businesses, larger companies and real estate developers across Canada
- Financial products and services for retail clients
- 153 branches and 422 ATMs
- 35 commercial banking centers in B.C., Alberta, Ontario and Québec



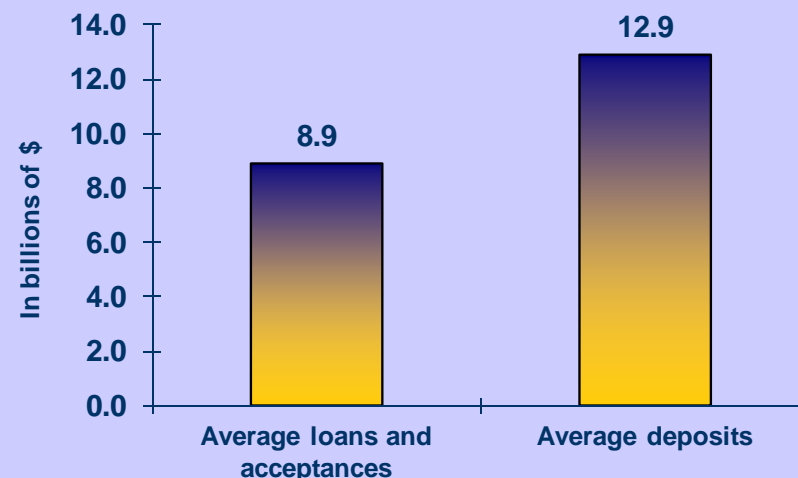
Q1-2014 Highlights

- Adjusted net income: up 11%
- T&I Costs: \$3.9 M vs \$7.6 M in Q1-2013
- Total revenue: down 5% Y/Y
- Average loans: down 5% Y/Y largely due to attrition of investment loans
- Average deposits: stable Y/Y
- Loan losses: \$0.2 M vs \$3.4 M in Q1-2013
- Non-interest expenses* excluding T&I Costs: down 7%



Business Segment Profile

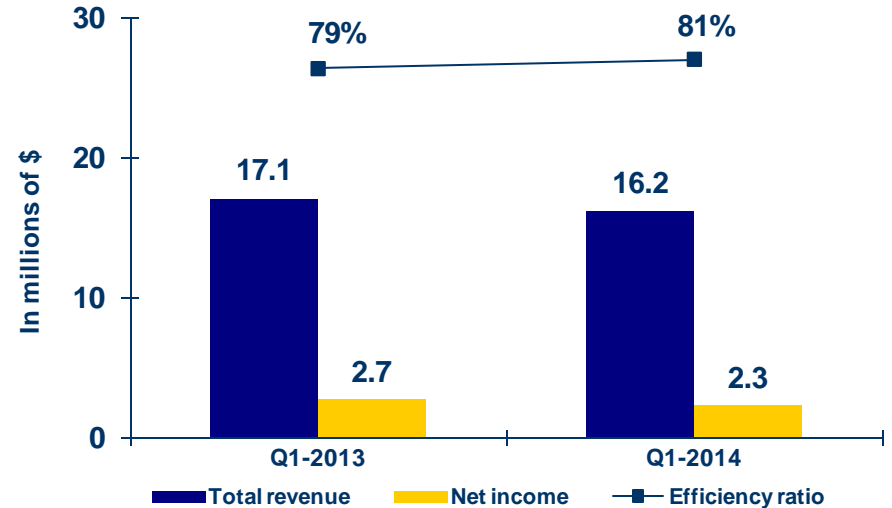
- Provides personal banking products such as investment loans, mortgages, high interest accounts, GIC's and investment accounts and services distributed through a network of financial advisors and brokers to their clients
- Canadian leader in serving financial advisors and brokers



* In Q1-2014, the Bank retroactively adjusted its corporate expenses allocation methodology. Non-interest expenses amounting to \$1.0 million per quarter in 2013 (\$0.7 million net of income taxes), previously reported in the Other sector, were reclassified to the B2B Bank business segment.

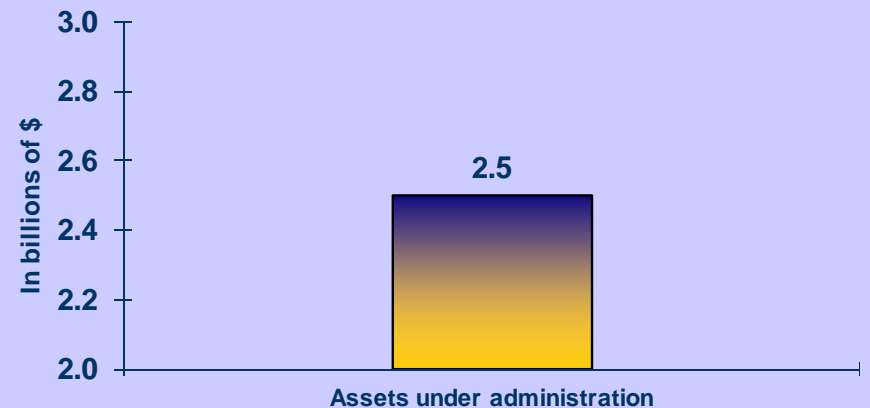
Q1-2014 Highlights

- Net income: down \$0.4 M Y/Y
- Total revenue: decreased by \$0.9 M due to lower underwriting fees in the fixed income market compared to a particularly strong quarter a year ago
- Non-interest expenses: down \$0.4 M mainly due to lower performance-based compensation, commissions and transaction fees



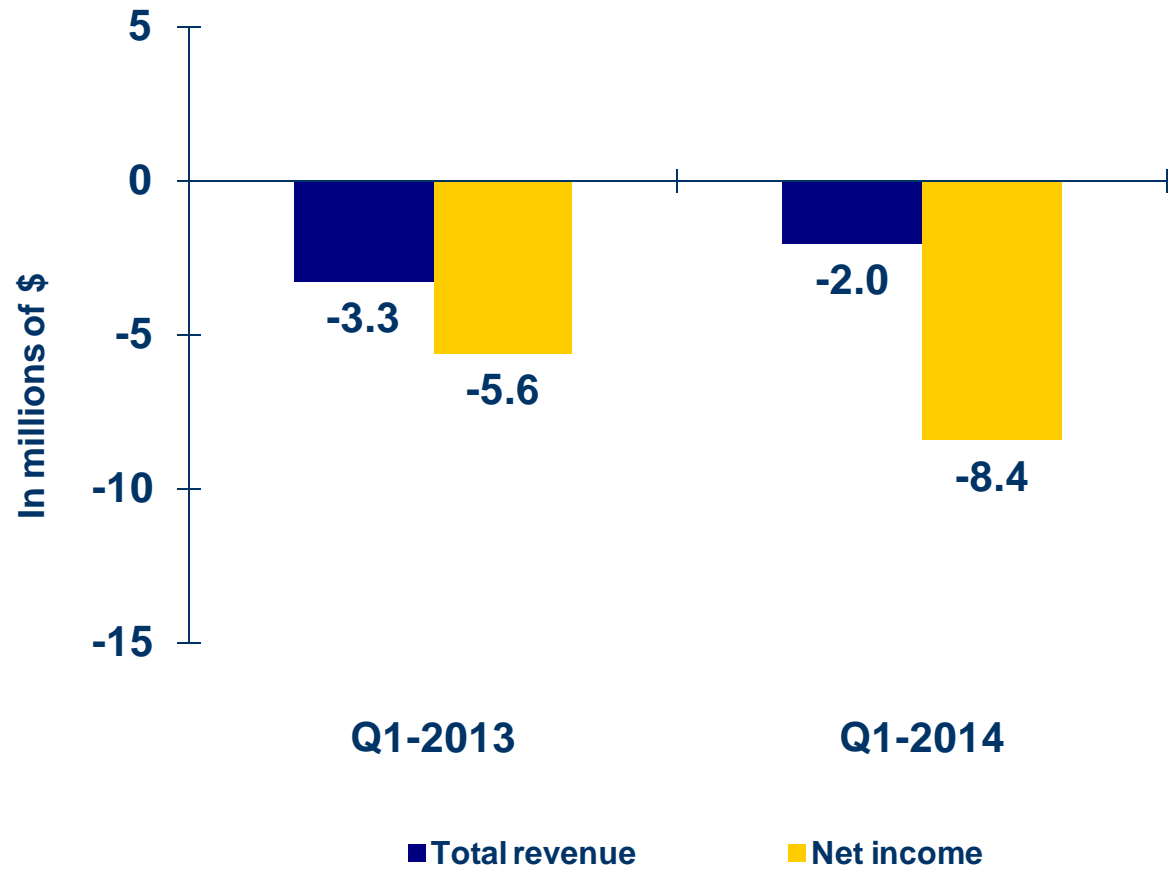
Business Segment Profile

- Integrated broker serving Institutional and Retail investors
- Bank-related capital market activities
- Recognized and choice provider of Fixed Income products
- 16 offices in Québec, Ontario and Manitoba



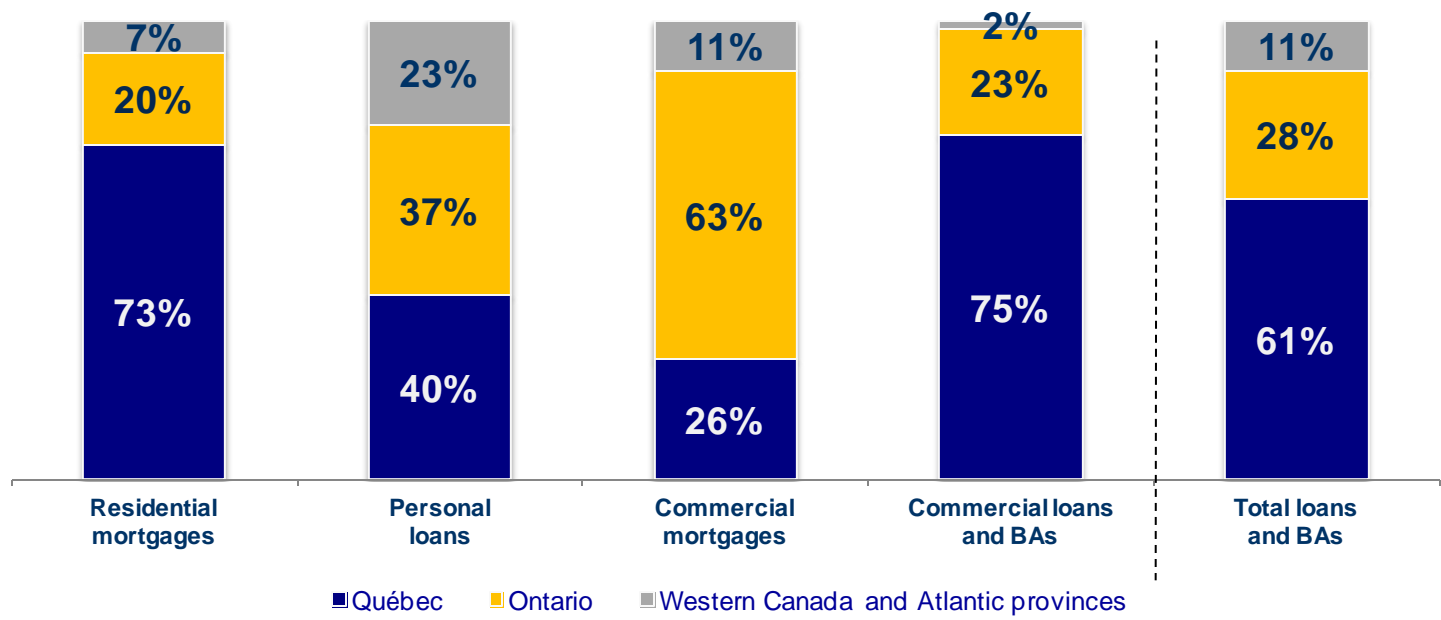
Q1-2014 Highlights

- Total revenue: increased by \$1.2 M from Q1-2013. Net interest income benefited from maturing high cost debt while other income was impacted by lower security gains
- Non-interest expenses*: increased to \$10.7 M from \$5.2 M in Q1-2013 mainly due to higher technology expenses related to IT regulatory developments

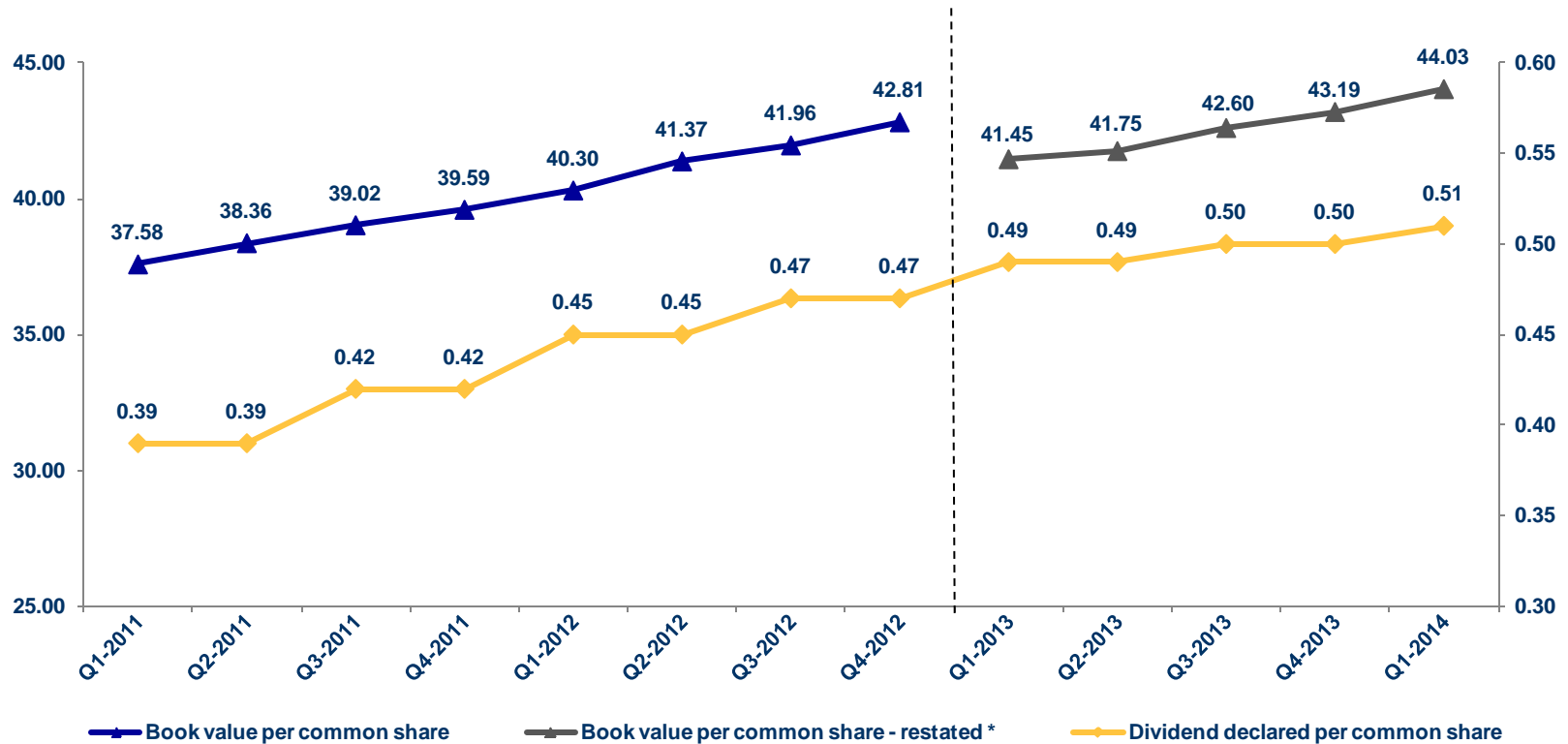


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Geographic distribution of loans



Growth in dividends and book value (\$)

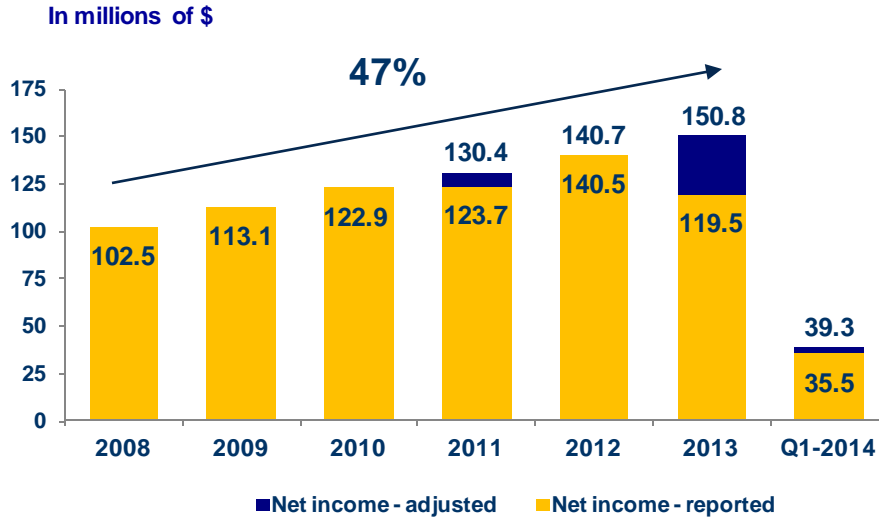


* 2013 results were restated to reflect the adoption of the amended IFRS accounting standard on employee benefits.

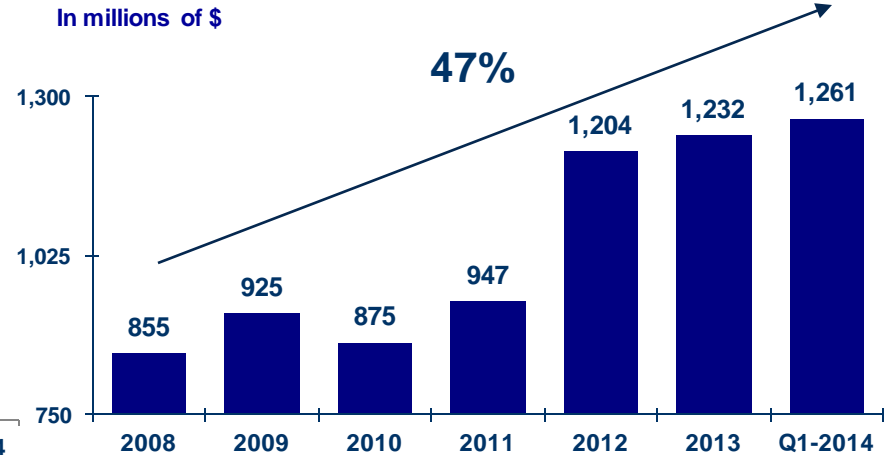
- **Réjean Robitaille**, President and Chief Executive Officer
- **Michel C. Lauzon**, Executive Vice-President and Chief Financial Officer
- **François Desjardins**, Executive Vice-President of the Bank and President and Chief Executive Officer of B2B Bank
- **Pierre Minville**, Executive Vice-President and Chief Risk Officer
- **Lorraine Pilon**, Executive Vice-President, Corporate Affairs, Human Resources and Secretary
- **Michel C. Trudeau**, Executive Vice-President, Capital Markets of the Bank, and President and Chief Executive Officer of Laurentian Bank Securities Inc.
- **Stéphane Therrien**, Executive Vice-President, Business Services
- **Gilles Godbout**, Executive Vice-President, Retail Services and Chief Information Officer
- **Louis Marquis**, Senior Vice-President, Credit
- **Stéphanie Pelletier**, Vice-President, Finance
- **André Lopresti**, Vice-President and Chief Accountant
- **Gladys Caron**, Vice-President, Public Affairs, Communications and Investor Relations
- **Susan Cohen**, Director, Investor Relations

APPENDICES

Net income (1) (2)

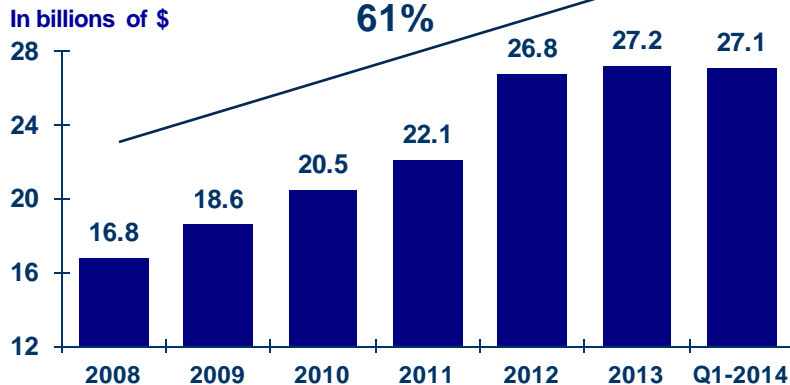


Common shareholders' equity (2) (3)

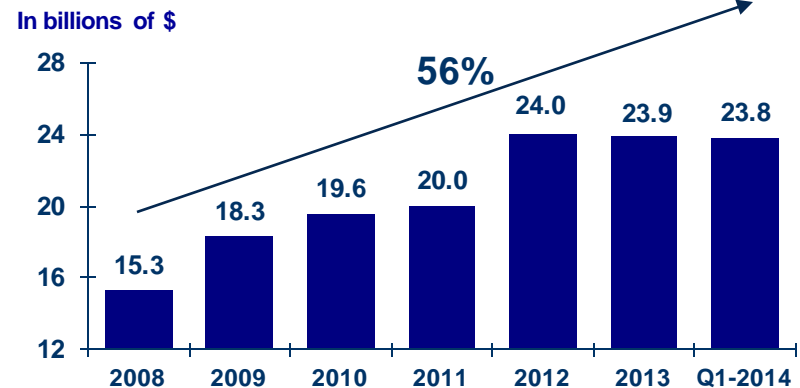


Loans and BAs (3)

(Including securitized loans prior to 2010)



Deposits (3)



(1) Figures prior to 2011 not restated under IFRS

(2) Results prior to 2013 were not restated to reflect the adoption of the amended IFRS accounting standard on employee benefits.

(3) Figures prior to 2010 not restated under IFRS



In millions of dollars, except per share amounts *

Impact on net income

	Q1-2014	Q4-2013	Q1-2013
Reported net income	\$ 35.5	\$ 25.9	\$ 32.8
Adjusting items, net of income taxes			
Amortization of net premium on purchased financial instruments	0.8	0.7	0.8
Cost related to business combinations			
MRS Companies	0.5	2.0	4.3
AGF Trust	2.4	5.3	1.2
	<u>3.7</u>	<u>8.0</u>	<u>6.3</u>
Adjusted net income	\$ 39.3	\$ 33.9	\$ 39.1

Impact on diluted earnings per share

Reported diluted earnings per share	\$ 1.16	\$ 0.82	\$ 1.07
Adjusting items	0.13	0.28	0.22
Adjusted diluted earnings per share	\$ 1.29	\$ 1.10	\$ 1.30

* Certain totals do not add due to rounding

- **A Pan-Canadian banking institution with more than \$33 billion of assets** on balance sheet as of January 31, 2014 and more than \$39 billion in assets under administration
- **More than 225 points of service** across Canada, including **153 retail branches** and **422 ATMs**
- **Main markets:** Province of Québec with significant activities elsewhere in Canada (39% of total loans come from outside of Québec)
- **3,850 employees**
- **Founded in 1846**



For the quarter ended January 31, 2014

Personal & Commercial

B2B Bank

LB Securities & Capital Markets

% of total revenue ⁽¹⁾

67%

25%

8%

% of net income ⁽¹⁾⁽²⁾

59%

36%

5%

- A full suite of financing options, including leasing solutions, for small business, larger companies and real estate developers across Canada
- Financial products and services for retail clients
- 153 retail branches in Québec
- 35 commercial banking centers in B.C., Alberta, Ontario and Québec

- Personal banking products such as investment loans, mortgages, high interest accounts, GIC's and investment accounts and services distributed through a network of financial advisors and brokers to their clients

- Integrated broker serving Institutional and Retail investors; Bank-related capital market activities

- 16 offices in Québec, Ontario and Manitoba

Balance as at January 31, 2014

- \$11.4 B in residential mortgage loans and home equity lines of credit
- \$2.5 B in commercial mortgage loans
- \$0.4 B in personal lines of credit
- \$2.8 B in commercial loans
- Total deposits: \$10.1 B
- Assets under administration \$6.9 B

- \$4.4 B in investment and RRSP loans
- \$4.0 B in brokered mortgages
- Total deposits: \$12.9 B
- Assets under administration \$30.4 B

- Assets under administration: \$2.5 B

(1) Excluding Other segment

(2) Excluding adjusting items, see page 24

Réjean Robitaille, FCPA, FCA
President and Chief Executive Officer
President of Laurentian Bank since 2006
With Laurentian Bank since 1988

Michel C. Lauzon
**Executive Vice-President
and Chief Financial Officer**
With Laurentian Bank since 2009
and from 1988 to 1998

François Desjardins
**Executive Vice-President of the Bank
President and Chief Executive Officer of
B2B Bank**
With Laurentian Bank since 1991

Gilles Godbout
**Executive Vice-President, Retail Services
and Chief Information Officer**
With Laurentian Bank since May 2012
and from 1987 to 1999

Pierre Minville, CFA
Executive Vice-President, and Chief Risk Officer
With Laurentian Bank since 2000

Lorraine Pilon
**Executive Vice-President
Corporate Affairs, Human Resources, and
Secretary**
With Laurentian Bank since 1990

Stéphane Therrien
Executive Vice-President, Business Services
With Laurentian Bank since February 2012

Michel C. Trudeau
**Executive Vice-President, Capital Markets of the
Bank and President and Chief Executive Officer of
Laurentian Bank Securities Inc.**
With Laurentian Bank since 1999

Isabelle Courville (2007)

Chair of the Board
Laurentian Bank of Canada
Corporate Director

Lise Bastarache (2006)

Economist and Corporate
Director

Jean Bazin C.R. (2002)

Counsel
Dentons Canada LLP

**Richard Bélanger,
FCPA, FCA (2003)**

President
Toryvel Group Inc.

**Michael T. Boychuk,
FCPA, FCA (2013)**

President
Bimcor Inc.

Pierre Genest (2006)

Chairman of the Board
SSQ, Life Insurance Company
Inc.

Michel Labonté (2009)

Corporate Director

**A. Michel Lavigne,
FCPA, FCA (2013)**

Corporate Director

Jacqueline C. Orange (2008)

Corporate Director

Marie-France Poulin (2009)

Vice-President
Camanda Group

**Réjean Robitaille,
FCPA, FCA (2006)**

President and Chief Executive
Officer
Laurentian Bank of Canada

Michelle R. Savoy (2012)

Corporate Director

**Jonathan I. Wener, C.M.
(1998)**

Chairman of the Board
Canderel Management Inc.

Gladys Caron - Vice-President, Public Affairs,
Communications and Investor Relations
514-284-4500 ext. 7511

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