LAURENTIAN BANK

Annual Information Form

December 5, 2012

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

The *pro forma* impact of Basel III on regulatory capital ratios is based on the Bank's interpretation of the proposed rules announced by the Basel Committee on Banking Supervision (BCBS) and related requirements of the Office of the Superintendent of Financial Institutions Canada (OSFI). Changes to the interpretation of Basel III rules may impact the Bank's 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 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 "Integrated Risk Management Framework" and other public filings available at www.sedar.com.

With respect to the anticipated benefits from the acquisitions of the MRS Companies and AGF Trust and the Bank's statements with regards to these transactions 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 or MRS Companies' 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.

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*Note: Unless otherwise specified, all information presented herein is as at October 31, 2012. References to Annual Reports are references to the Annual Reports of Laurentian Bank of Canada. All documents referred to herein are available on SEDAR (*www.sedar.com*) and are incorporated herein by reference.*

1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

The full name of the issuer is Laurentian Bank of Canada (the "Bank"). Its head office is located at 1981 McGill College Avenue, Montreal, Quebec, Canada, H3A 3K3.

The Bank is incorporated under the *Bank Act* (Canada). The Bank was founded in Montreal in 1846 as a savings mutual. It became a share-issuing corporation under a charter granted on April 27, 1871, pursuant to an act of the Parliament of Canada concerning savings banks. Prior to September 28, 1987, the Bank was known as The Montreal City and District Savings Bank. On that date, the Bank became a chartered bank under Schedule II of the *Bank Act* (Canada) pursuant to letters patent issued by the Minister of Finance of Canada. On January 1, 1994, Desjardins-Laurentian Financial Corporation became the majority shareholder of the Bank following its acquisition of the Bank's parent corporation, Laurentian Group Corporation. On November 12, 1997, Desjardins-Laurentian Financial Corporation, which held 57.5% of the common shares of the Bank, sold its shares by secondary distribution. The Bank thereby became a bank listed in Schedule I of the *Bank Act* (Canada).

1.2 Intercorporate Relationships

The principal subsidiaries of the Bank are:

- AGF Trust Company (subsidiary of B2B Bank);
- B2B Bank (known prior to July 7, 2012 as B2B Trust);
- B2B Bank Financial Services Inc. (subsidiary of B2B Bank);
- B2B Bank Intermediary Services Inc. (subsidiary of B2B Bank);
- B2B Bank Securities Services Inc. (subsidiary of B2B Bank);
- B2B Trustco (subsidiary of B2B Bank);
- Laurentian Bank Securities Inc.;
- Laurentian Capital (USA) Inc. (subsidiary of Laurentian Bank Securities Inc.);
- Laurentian Trust of Canada Inc.;
- LBC Financial Services Inc.;
- LBC Investment Management Inc.;
- LBC Trust; and
- V.R. Holding Insurance Company Ltd. (subsidiary of LBC Investment Management Inc.).

The Bank holds directly or indirectly 100% of all issued and outstanding shares of all such subsidiaries. All the foregoing subsidiaries are incorporated or continued in Canada under the provisions of a federal act, except B2B Bank Financial Services Inc., B2B Bank Intermediary Services Inc. and B2B Bank Securities Services Inc., which are incorporated under the *Business Corporations Act* (Ontario), and V.R. Holding Insurance Company Ltd., which is incorporated under the provisions of an act of Barbados.

2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Three-Year History

Fiscal 2010

For the fourth year in a row, the Bank reported record results, despite the very challenging economic conditions around the world and fierce competition in most retail segments.

In pursuit of its growth, the Bank opened a new financial services boutique in Laval in June 2010. In addition, the Bank announced on October 28, 2010 the establishment of nine new automatic banking machines (ABMs) at train stations and bus terminals in the Greater Montreal area after obtaining an exclusive five year contract with Agence métropolitaine de transport (AMT). As at October 31, 2010, the Bank operated a network of 157 branches and 413 ABMs. The Bank operates the third largest branch network in Quebec.

On October 25, 2010, the Bank announced the issuance in Canada of $250 million principal amount of 2010-1 3.70% Medium Term Notes (subordinated indebtedness) due November 2, 2020 under its Medium Term Note Program. The issuance of the notes closed on November 2, 2010. Net proceeds from the issue were added to the Bank's general funds and will be used for general banking purposes.

The continued success of the Bank was moreover reflected in various ways during the year:

- On July 22, 2010, the Standard & Poor's rating agency raised the Bank's credit ratings. This rating is an acknowledgement of the overall improvement in the profitability of the Bank over the last five years, despite the economic turmoil of recent years. More information on the credit ratings of the Bank can be found under the heading "Ratings (Assigned by Credit Rating Agencies)" of this Annual Information Form.

- Mr. Réjean Robitaille, President and Chief Executive Officer of the Bank, was ranked first among the most influential people within Quebec's financial sector according to a ranking sanctioned and published by Finance et Investissement Magazine.

- Mr. François Desjardins, President and Chief Executive Officer of B2B Trust, a subsidiary of the Bank, and Executive Vice President of the Bank, was named a recipient of Canada's Top 40 Under 40™ for 2009.

- The Bank's Evolution Chip Card project, which was aimed at meeting the requirements of a joint international initiative to combat credit and debit card fraud, earned an OCTAS Award (the OCTAS competition recognizes each year the best achievements within Quebec's Information Technologies sector and the OCTAS Award is one of the most coveted distinctions in this sphere of activity).

Further information on the Bank's development during the 2010 fiscal year can be found on pages 22 to 65 of the 2010 Annual Report.

Fiscal 2011

The year 2011 marked the Bank's 165th anniversary. Once again this year, the organization posted positive results, thus demonstrating its effective implementation of its business plan.

The Bank also continued to set itself apart through its proximity to its clientele and high quality client service, as well as via its distinctive positioning within growth markets.

There were numerous major initiatives developed during the fiscal year:

- On September 2, 2011, the Bank's B2B Trust subsidiary announced its intention to acquire 100% of M.R.S. Trust Company and M.R.S. Inc. ("MRS Companies") by way of a stock purchase transaction, and this transaction was concluded on November 16, 2011. Thus, B2B Trust has become a prime provider of products and services to the Canadian financial advisor community. The combined entities will serve more than 22,000 advisors, boasting a loan portfolio of $6 billion, deposits of $10 billion, and $25 billion of assets under administration.

- On September 2, 2011, the Bank and Mackenzie Investments also announced their intention to conclude an agreement for the distribution of Mackenzie mutual funds, and this agreement was signed on October 14, 2011. According to the terms of the agreement, as principal distributor, the Bank will supply a preferred family of Mackenzie funds as of mid-January 2012.

- On December 2, 2010, the Bank relocated a branch into entirely renovated premises in Quebec City, marking the latest evolution of its financial services boutique concept. The branch embodies a new approach that features an innovative layout and a refined and warm atmosphere characterized by simplicity, accessibility, proximity, and client service and support. A second branch designed in accordance with this evolved concept was inaugurated in Longueuil on October 24, 2011.

- On January 18, 2011, the Bank opened a permanent recruitment centre inside the Berri-UQÀM subway station known as Laurentian Bank Career Station. Representing a first in the Canadian banking industry, the concept of this recruitment centre is aimed at attracting new talent in support of the Bank's growth and development.

- In March 2011, the Bank announced an important investment program to impact its branch network. With this announcement, the majority of the institution's branches will have undergone a makeover.

The organization's success was recognized in a number of different ways throughout the course of the fiscal year:

- Mr. Réjean Robitaille, President and CEO, was ranked fourth among the most influential individuals in Quebec's financial sector according to a classification sanctioned and published by Finance et investissement Magazine.

- The Bank's sustained focus on client interests was recognized for the third consecutive year by a Léger Marketing survey. More specifically, the organization ranked as the second most admired banking institution in Quebec.

- J.D. Power underlined the Bank's client satisfaction efforts in an annual survey conducted among retail clients. The Bank placed second in the survey among Canada's major banks.

- In October 2011, the Bank was selected as one of the winners of the Canada's 10 Most Admired Corporate Cultures™ competition (Quebec and Atlantic Canada region) organized by Waterstone Human Capital.

Further information on the Bank's development during the 2011 fiscal year can be found on pages 22 to 67 of the 2011 Annual Report.

Fiscal 2012

The Bank stood apart once again in fiscal 2012, posting record results for a sixth consecutive year despite an environment filled with challenges attributable most notably to economic uncertainty and low interest rates. The organization succeeded in adapting to this environment by making full use of its ingenuity and agility, which enabled it to achieve growth rates among the highest in the industry within practically all of its business segments.

The following major initiatives marked fiscal 2012:

- On November 16, 2011, the Bank's B2B Trust subsidiary finalized the acquisition of the MRS Companies – namely 100% of M.R.S. Trust Company and M.R.S. Inc. The acquisition price at closing was $199 million, based on a book value of shareholders' equity of $149 million and a premium of $50 million.

- On August 1, 2012, the Bank announced that its B2B Bank subsidiary had completed the acquisition of AGF Trust Company for a consideration equal to an estimated net book value of the company at closing of approximately $248 million. The conclusion of this agreement had been announced on June 6, 2012.

- The year 2012 was brimming with accomplishments from a capitalization standpoint. More specifically, the Bank proceeded with share issues totalling $480 million in 2012 so as to maintain the quality of capitalization ratios in view of the rules of the Basel III Accord. A total of $60 million in common shares was issued in February 2012, followed by a private placement for net proceeds of approximately $115 million. In October 2012, the Bank proceeded with a $100 million offering of preferred shares and the issuance of $200 million principal amount of medium term notes. Finally, a dividend reinvestment program was implemented in the fall of 2012 by way of which shareholders can reinvest their dividends in common shares while enjoying a discount of up to 5% in the case of shares issued by the Bank. All of these measures serve to consolidate the Bank's capitalization and solid financial footing.

- On July 9, 2012, B2B Trust announced that it was being converted into a schedule 1 federally chartered bank under the name of B2B Bank.

- On June 29, 2012, Laurentian Bank Securities Inc. announced the platform expansion of its Institutional – Equity division with the opening of an office in Winnipeg, Manitoba and the hiring of an investment banking team.

- The Bank pursued the optimization of its branch network in fiscal 2012 with the opening of a new second generation financial services boutique in Laval and the relocation of its Repentigny branch to new premises entirely renovated to reflect this second generation boutique concept.

- On May 16, 2012, Bank employees accepted the terms of an agreement in principle for the renewal of the collective agreement between the Bank and the union representing its employees. The new six-year collective agreement will be valid through December 31, 2017.

- The organization's success was recognized in November 2012, when Knightsbridge announced that the Bank was among the 10 national winners of the new Canada's Passion Capitalists program. This program pays tribute to organizations that have achieved long-term success by promoting passion within their ranks, along with the energy, intensity and sustainability required to generate superior results. This distinction demonstrates that a bank can successfully fulfill its mission while conserving its human character and maintaining close ties with its clients.

Further information on the Bank's development during the 2012 fiscal year can be found on pages 31 to 74 of the 2012 Annual Report.

2.2 Significant Acquisition

On August 1, 2012, B2B Bank, a subsidiary of the Bank, completed the acquisition of AGF Trust Company ("AGF Trust") for a cash consideration corresponding to the net book value of the company at closing of approximately $248 million. AGF Trust is a provider of GICs, term deposits, investment loans and residential mortgage loans through financial advisors and mortgage brokers nationwide. The agreement also includes a contingent consideration of a maximum of $20 million over five years if credit quality reaches certain criteria. As well, B2B Bank caused AGF Trust, immediately after closing, to repay subordinated indebtedness owed to and redeem preferred shares held by AGF Management Limited, for total consideration of $173.5 million.

A business acquisition report with respect to this transaction was filed on SEDAR on September 28, 2012.

3. DESCRIPTION OF THE BUSINESS

3.1 General Description of the Business

Laurentian Bank of Canada is a pan-Canadian banking institution with balance sheet assets of about $35 billion and assets under management in excess of $32 billion. As at October 31, 2012, the Bank had over 4,000 employees.

Recognized for its excellent service, proximity and simplicity, the 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 Quebec, 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, Quebec, 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.

As at October 31, 2012, the Bank operated a network of 157 branches and 426 automatic banking machines. It has five business segments (Retail & SME Quebec, Real Estate & Commercial, B2B Bank, Laurentian Bank Securities and Capital Markets, and Other).

Further information, including financial information, on the business of the Bank, its principal markets, products and services and distribution methods, can be found in Schedule A to this Annual Information Form as well as in the Management's Discussion and Analysis and in the Consolidated Financial Statements on pages 31 to 160 of the 2012 Annual Report.

3.2 Additional Information Relating to the Business

3.2.1 Markets and Competition

The Bank is well established in Quebec, operating the third largest branch network and is also a performing player in specific markets segments elsewhere in the country. As at October 31, 2012, 39% of the Bank's total loans came from outside Quebec. The Bank ranks seventh among Canadian Schedule I chartered banks on the basis of assets.

The financial products and services industry is a mature industry with many types of competitors (notably Canadian chartered banks, foreign banks, trust and loan companies, credit unions, insurance companies, alternative financing companies, mutual fund companies, independent brokers and securities brokers). The Bank competes with them in all its areas of business. The main differentiation factors between suppliers of financial products and services are the rates and prices offered on products and services, service quality, the offering and flexibility of products and services, proximity, and the technology used, among others.

3.2.2 Loans

To control credit risks, the Bank has implemented credit and financial management policies that include limits on the maximum commitment that may be made to an individual or commercial borrower or a financial institution.

Within the limits set for loans granted to commercial borrowers, sub-limits have been established to control the risks the Bank is prepared to assume in sectors deemed to entail higher risk. The sub-limits apply to individual commitments as well as to commitments for specific industries and products.

Lastly, the Bank has established lending commitment limits for each region. The Bank's policies exclude the possibility of granting loans outside Canada. All exceptions to the policies require the approval of the Risk Management Committee of the Board of Directors.

3.2.3 Product Development

Always seeking to offer products and services that meet its clients' needs, the Bank continuously evaluates the relevance of its product offering and performs the research necessary to ensure its optimization. Product development is mainly done internally. Drawing on the expertise of the specialists of each business segment and the Marketing team, it constitutes a normal and regular activity of the Bank.

3.2.4 Skills and Specialized Knowledge

The success of a financial institution's business is based on, among other things, the skills and expertise of its human resources. As a result, the recruitment of competent resources, continuous training and the transfer of knowledge are key activities crucial to the Bank's performance. Despite a highly competitive job market, the working conditions and challenges offered by the Bank give it access to the resources necessary for its operation. The skill of its employees is an undeniable asset for the Bank.

3.2.5 Intangible Assets

The Bank attaches great value to its trademarks and other intellectual property rights. It has registered or applied to register a number of trade names and trademarks. The Bank follows up on its rights in this area; the duration and effects involved are variable. Further information thereon can be found under the heading "Goodwill, other intangible assets and other assets" on page 73 of the 2012 Annual Report.

3.2.6 Economic Dependence

Due to the nature of its activities and resources, the Bank is highly autonomous in its operations. However, it has entered into agreements with certain suppliers who provide strategic services to it on an outsourcing basis. For example, the Bank has entered into agreements with suppliers of information technology services that cover the processing and execution of all transactions related to its central information systems. Also in the information technology field, the Bank has outsourced the development and maintenance of its office automation applications and specialized applications to certain information technology consulting firms.

3.2.7 Business Cycle

The Bank's business generally follows economic cycles, and seasonal variation is relatively minor. However, the second quarter of the fiscal year, which has less days than the others (89 days compared to 92 days for the three other quarters, 90 days in 2012) generates lower net interest income. This income generally accounts for more than 67% of the Bank's total income and is affected by this shorter period. Further information thereon can be found under the heading "Analysis of the evolution of the quarterly results" on pages 47 and 48 of the 2012 Annual Report.

3.2.8 Environmental Protection

Environmental legislation and regulations can give rise to certain financial risks. The Bank therefore considers environmental issues in its credit evaluation and asset acquisition procedures to ensure that its interests are reasonably protected. To date, environmental risks have had no material effect on the Bank's operations and results.

Due to the nature of the Bank's activities, environmental protection requirements have little impact on its business. However, the Bank is careful to manage its resources so as to limit the impact of its activities on the environment, in particular by encouraging recycling and optimal use of physical resources.

3.2.9 Reorganizations and Changes to Management

On November 23, 2009, the Bank announced executive organizational changes following the decision of Mr. Bernard Piché, Senior Executive Vice-President, Treasury, Capital Markets and Brokerage, to retire in December 2009:

- Responsibility for the Corporate Treasury department was given to Mr. Michel C. Lauzon, Executive Vice-President and Chief Financial Officer;
- Capital Markets activities were placed under the direction of Mr. Michel C. Trudeau, President and Chief Executive Officer of Laurentian Bank Securities Inc.; and
- Mr. Paul Hurtubise, Senior Vice-President, was named responsible for the Real Estate & Commercial business segment in its entirety, which also includes the Foreign Exchange sector.

In light of the growing importance of risk management, the Bank decided to group together, as of September 3, 2010, all sectors involved in this activity. Thus, the Credit sector reports to Mr. Pierre Minville, then Senior Vice-President, Integrated Risk Management, who reports directly to the President and Chief Executive Officer.

On November 1st, 2011, the Bank announced the appointment of Mr. Michel C. Trudeau, Executive Vice-President of Capital Markets and President and Chief Executive Officer of Laurentian Bank Securities Inc., and Mr. Pierre Minville, Executive Vice-President and Chief Risk Officer, to sit as members of the organization's Management Committee. Moreover, the Bank introduced a Human Resources function in the Retail and SME Quebec business segment under the direction of Mr. Luc Bernard, Executive Vice-President, Retail Financial Services and SME. For its part, the corporate Human Resources function is managed by Ms. Lorraine Pilon, Executive Vice-President, Corporate Affairs, Human Resources and Secretary.

Later in 2012, the Bank also announced the following changes to its Management Committee:

- On January 9, 2012, Mr. Stéphane Therrien joined the Bank as Executive Vice-President, Real Estate and Commercial, thus succeeding Mr. Paul Hurtubise who retired in February 2012 after 35 years of service.

- On April 23, 2012, Mr. Gilles Godbout also joined the Bank as Executive Vice-President, Operations and Systems and Chief Information Officer.

Information concerning the nature and results of other material reorganizations of the Bank or its subsidiaries, as the case may be, is presented under the heading "Three-Year History" herein.

3.2.10 Social Policies

The Bank is concerned with being a good corporate citizen and contributing to the well-being of the community. Each year, a portion of the Bank's net after-tax income is paid out in the form of donations to organizations and institutions that provide services to the public. The Bank concentrates its actions in a certain number of sectors and its key goals are: to contribute to build the future of our children, build a healthy society and encourage mutual support. The Bank also encourages its employees to get involved in their communities.

Equity is a principle that the Bank applies in all its activities. Determined to provide equal employment opportunities to all its employees and all potential candidates, the Bank has implemented an employment equity program. More than 50% of the Bank's managers are women.

3.3 Risk Factors

The information regarding the Bank's significant risk factors is presented under the headings "Outlook and Objectives for 2013" on page 37 and "Integrated Risk Management Framework" on pages 56 to 70 of the 2012 Annual Report and in Note 25 "Financial Instruments - Risk Management" on page 131 to 137 of the 2012 Annual Report. Reference is also made to the "Caution Regarding Forward-Looking Statements" on page 2 of this Annual Information Form.

4. DIVIDENDS

During the fiscal years specified below, the Bank declared the following dividends:

Dividends Declared			
	2012	**2011**	**2010**
	Per share ($)	Per share ($)	Per share ($)
Common shares	1.84	1.62	1.44
Class A Preferred Shares			
Series 9	1.50	1.50	1.50
Series 10	1.31	1.31	1.31
Series 11	- (Note 1)	-	-

Note 1: Class A Preferred Shares Series 11 were issued on October 11, 2012. An initial dividend of $0.1589 was declared on November 8, 2012.

At its meeting held on December 8, 2010, the Board of Directors approved a $0.03 per common share or 8% increase in the quarterly dividend, to $0.39 per common share.

At its meeting held on June 2, 2011, the Board of Directors approved a $0.03 per common share or 8% increase in the quarterly dividend, to $0.42 per common share.

At its meeting held on December 7, 2011, the Board of Directors approved a $0.03 per common share or 7% increase in the quarterly dividend, to $0.45 per common share.

At its meeting held on June 6, 2012, the Board of Directors approved a $0.02 per common share or 4% increase in the quarterly dividend, to $0.47 per common share.

At its meeting held on December 5, 2012, the Board of Directors approved a $0.02 per common share or 4% increase in the quarterly dividend, to $0.49 per common share.

Restrictions

Restrictions to the declaration and payment of dividends are described in Note 16 “Share Capital” on pages 110 to 113 of the 2012 Annual Report.

Policy

The Bank aims to pay a dividend on its common shares that falls within the range of 40% to 50% of net income per share. The Bank’s common share dividend payout ratio could, however, fall outside this range when:

- Management believes the measure necessary to ensure that capital is maintained at an optimal level for supporting the Bank’s operations, while complying with regulatory requirements;
- net income per share is affected by the result of operations or events of a non-recurring nature;
- net income per share is at an atypical level and the forecasts indicate a return of the net income per share to a normal level.

Reference is also made to the heading “Dividends” on page 55 of the 2012 Annual Report.

5. CAPITAL STRUCTURE

5.1 General Description of Capital Structure

Information regarding the Bank’s capital structure can be found under the heading “Shareholders’ Equity” on page 50 and under the heading “Capital Management” on pages 52 to 55 of the 2012 Annual Report as well in Note 16 “Share Capital” on pages 110 to 113 of the 2012 Annual Report.

The holders of common shares are entitled to one vote for each share held at all meetings of shareholders, except meetings at which only holders of preferred shares of one or more series are entitled by law to vote. The holders of common shares are entitled to receive dividends if, as and when declared by the Board of Directors, subject to the rights of holders of preferred shares. In the event of any liquidation, dissolution or winding-up of the Bank, subject to the rights of holders of preferred shares, the holders of common shares are entitled to participate rateably in any distribution of the remaining property of the Bank.

The characteristics of non-cumulative Class A Preferred Shares Series 9 can be found in the final Short Form Prospectus dated October 25, 2001, and more specifically on pages 5 to 9, relating to the issuance of this series of shares.

The characteristics of non-cumulative Class A Preferred Shares Series 10 can be found in the final Short Form Prospectus dated April 6, 2004, and more specifically on pages 5 to 9, relating to the issuance of this series of shares.

On November 17, 2010, the Bank announced that it irrevocably waived and renounced its right of conversion into common shares of the Bank of the non-cumulative Class A Preferred Shares Series 9 and 10 of the Bank.

The characteristics of non-cumulative Class A Preferred Shares Series 11 can be found in the prospectus supplement dated October 11, 2012 to the short form base shelf prospectus dated October 10, 2012, and more specifically on pages S-9 to S-16, relating to the issuance of this series of shares.

5.2 Ratings (Assigned by Credit Rating Agencies)

Information regarding the ratings assigned by credit rating agencies can be found in the following tables and under the heading "Credit Ratings" on page 68 of the 2012 Annual Report.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

The Bank made or reasonably will be making payments to the rating agencies mentioned below in connection with the assignment of ratings on its rated instruments. In addition, the Bank has or may have made payments in respect of certain other services provided to the Bank by each of such rating agencies during the last two years.

Standard & Poor's (S&P)

Long-term deposits and debt	BBB+	▪ The BBB rating is ranked fourth of S&P's ten long-term rating categories. ▪ An obligation rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. ▪ The sign "+" means that the securities should be considered as belonging in the upper echelon of the category.
Subordinated debt	BBB	▪ The BBB rating is ranked fourth of S&P's ten long-term rating categories. ▪ An obligation rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
Preferred shares	BBB- [or P-2 (Low) on the Canadian scale]	▪ The BBB rating is ranked third of the nine categories used by S&P in its global preferred share scale. The P-2 rating is ranked second of eight categories S&P uses in its Canadian preferred share rating scale. ▪ Preferred shares rated BBB [or P-2 on the Canadian scale] exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the issuer to meet its financial commitment on the shares. ▪ The sign "-" or "(Low)" designation means that the securities should be considered as belonging in the lower echelon of the category.

Short-term instruments	A-2 [A-1 (Low) on the Canadian scale]	▪ The A-2 rating is the second highest of six rating categories used by S&P in its global short-term rating scale. The A-1 (Low) rating is ranked third of eight rating categories used by S&P in its Canadian commercial paper rating scale. ▪ An obligation rated A-2 [A-1 (Low) on the Canadian scale] indicates that the obligor's capacity to meet its financial commitment on the obligation is satisfactory. The obligation is slightly more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories.

On July 27, 2012, S&P revised its outlook on the Bank to negative from stable to reflect the possibility that it might lower the ratings if the growing economic imbalances were to lead S&P to a more negative view of the economic and industry environment in which Canadian banks operate.

An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future action. The S&P rating outlooks have the following meanings:
– "Positive" means that a rating may be raised;
– "Negative" means that a rating may be lowered;
– "Stable" means that a rating is not likely to change;
– "Developing" means a rating may be raised or lowered.

DBRS Limited (DBRS)

Long-term deposits and debt	BBB (High)	▪ The BBB rating is ranked fourth of DBRS's ten long-term rating categories. ▪ An obligation rated BBB is of adequate credit quality. The obligor's capacity for the payment of financial obligations is considered acceptable. An obligation rated BBB may be vulnerable to future events. ▪ The "(High)" designation means the securities should be considered as belonging in the upper subcategory of the category.
Subordinated debt	BBB	▪ The BBB rating is ranked fourth of DBRS's ten long-term rating categories. ▪ An obligation rated BBB is of adequate credit quality. The obligor's capacity for the payment of financial obligations is considered acceptable. An obligation rated BBB may be vulnerable to future events. ▪ The absence of either a "(High)" or "(Low)" designation indicates the rating is in the middle of the category.
Preferred shares	Pfd-3 (Low)	▪ The Pfd-3 rating is the third of DBRS's six rating categories for preferred shares. ▪ Preferred shares rated Pfd-3 are of adequate credit quality. While protection of dividends and principal is still considered acceptable, the issuer is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. ▪ The "(Low)" designation means the securities should be considered as belonging in the lower subcategory of the category.

Short-term instruments	R-1 (Low)	▪ The R-1 rating is the first of DBRS's six short-term rating categories. ▪ An obligation rated R-1 is of good credit quality. The obligor's capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating categories. The obligor may be vulnerable to future events, but qualifying negative factors are considered manageable. ▪ The "(Low)" designation means the securities should be considered as belonging in the lower subcategory of the category.

On October 9, 2012, DBRS confirmed the Bank's ratings while changing the trend to positive from stable on all long-term ratings. The short-term rating trend remains stable. The trend change to Positive reflects DBRS's view that the Bank's earnings profile has continued to improve over the last four years as a result of execution of its strategy.

Rating trends provide guidance in respect of DBRS's opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories - "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. A positive or negative trend is not an indication that a rating change is imminent. Generally, the conditions that lead to the assignment of a negative or positive trend are resolved within a twelve month period.

6. MARKET FOR SECURITIES

6.1 Trading Price and Volume

The common and preferred shares of the Bank are listed on the Toronto Stock Exchange (TSX).

Price Range and Volume Traded
Laurentian Bank of Canada
(Common Shares)
Symbol: "LB" on the TSX

Month	High ($)	Low ($)	Volume
November 2011	46.00	41.12	876,098
December 2011	48.68	43.20	1,431,355
January 2012	48.45	45.33	977,414
February 2012	47.44	44.80	995,611
March 2012	47.65	43.90	2,324,330
April 2012	46.40	44.00	1,335,554
May 2012	44.51	40.66	1,181,529
June 2012	47.35	40.67	1,848,924
July 2012	47.64	46.20	949,539
August 2012	47.80	46.31	951,259
September 2012	47.63	45.71	1,215,085
October 2012	46.38	43.77	901,738
Total			14,988,436

Price Range and Volume Traded Laurentian Bank of Canada (Preferred Shares Series 9) Symbol: "LB.PR.D" on the TSX			
Month	**High ($)**	**Low ($)**	**Volume**
November 2011	26.00	25.65	25,670
December 2011	25.95	25.44	44,687
January 2012	26.88	25.75	67,934
February 2012	26.39	25.67	61,193
March 2012	26.44	25.51	43,474
April 2012	25.89	25.53	21,997
May 2012	26.00	25.76	26,604
June 2012	26.15	25.44	31,452
July 2012	26.12	25.70	26,951
August 2012	26.20	25.76	21,175
September 2012	26.13	25.60	36,301
October 2012	25.96	25.29	68,002
Total			475,440

Price Range and Volume Traded Laurentian Bank of Canada (Preferred Shares Series 10) Symbol: "LB.PR.E" on the TSX			
Month	**High ($)**	**Low ($)**	**Volume**
November 2011	25.50	24.99	57,515
December 2011	25.64	24.88	43,419
January 2012	25.78	25.33	29,317
February 2012	25.80	25.07	42,218
March 2012	25.55	25.15	48,298
April 2012	25.43	25.10	47,127
May 2012	25.50	25.08	61,246
June 2012	25.35	24.93	70,255
July 2012	25.67	25.16	40,367
August 2012	25.60	25.31	34,735
September 2012	25.59	25.19	39,722
October 2012	25.49	25.20	34,678
Total			548,897

Price Range and Volume Traded Laurentian Bank of Canada (Preferred Shares Series 11) Symbol: "LB.PR.F" on the TSX			
Month	**High ($)**	**Low ($)**	**Volume**
October 2012 (Note 1)	25.65	25.18	679,621
Total			679,621

Note 1: Class A Preferred Shares Series 11 were issued on October 11, 2012.

6.2 Prior Sales

On October 19, 2012, the Bank completed the sale in Canada of $200 million principal amount of 2012-1 3.132% Medium Term Notes (subordinated indebtedness) due October 19, 2022 under its Medium Term Note Program. The issuance of the notes closed on October 19, 2012.

Security	**Date issued**	**Issue Price to Public per $1,000 Principal Amount**	**Number of securities issued**
$200 million principal amount of 2012-1 3.132% Medium Term Notes (subordinated indebtedness) due October 19, 2022	October 19, 2012	$996.50	200,000

Further information on the medium-term notes issued by the Bank can be found under the heading "Subordinated Debt" on page 50 and in Note 15 "Subordinated Debt" on page 110 of the 2012 Annual Report.

7. DIRECTORS AND OFFICERS

7.1 Name, Position and Security Holding

As at October 31, 2012, the directors and executive officers of the Bank, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 55,941 common shares of the Bank (representing less than 0.2% of the issued and outstanding common shares of the Bank).

Directors

As at the date of this Annual Information Form, the directors of the Bank are:

Name	**Place of residence**	**Director since**	**Principal occupation**
Pierre Anctil	Quebec, Canada	2011	President and Chief Executive Officer, Fiera Axium Infrastructure Inc.
Lise Bastarache	Quebec, Canada	2006	Economist and corporate director
Jean Bazin	Quebec, Canada	2002 (and from 1990 to 2000)	Counsel, Fraser Milner Casgrain LLP
Richard Bélanger	Quebec, Canada	2003	President, Toryvel Group Inc.
Isabelle Courville	Quebec, Canada	2007	President, Hydro-Québec Distribution
L. Denis Desautels[1]	Ontario, Canada	2001	Chartered accountant and corporate director
Pierre Genest	Quebec, Canada	2006	Chairman of the Board, SSQ, Life Insurance Company Inc.
Michel Labonté	Quebec, Canada	2009	Corporate director
Jacqueline C. Orange	Ontario, Canada	2008	Corporate director

[1] Chairman of the Board

Name	Place of residence	Director since	Principal occupation
Marie-France Poulin	Quebec, Canada	2009	Vice-President, Camada Group Inc.
Réjean Robitaille	Quebec, Canada	2006	President and Chief Executive Officer, Laurentian Bank of Canada
Michelle R. Savoy	Ontario, Canada	2012	Corporate director
Jonathan I. Wener	Quebec, Canada	1998	Chairman of the Board, Canderel Management Inc.

All directors will hold office until the close of the next annual meeting of the shareholders of the Bank or until the election or appointment of their successors.

All the directors of the Bank have held their present positions or other management positions in the same or related companies during the last five years, with the exception of Mr. Pierre Anctil who, prior to June 2008, was Executive Vice-President – Office of the President at SNC-Lavalin Inc.; Mr. L. Denis Desautels who, prior to October 2008, was Executive-in-Residence of the School of Management of the University of Ottawa; Mr. Michel Labonté who, prior to December 2008, was a financial consultant; Ms. Jacqueline C. Orange who, prior to June 2008, was Governor of the University of Toronto and Chair of its business Board (2003-2007); and Ms. Michelle R. Savoy who, prior to September 2011, was President of Capital Guardian (Canada) Inc.

The Bank has three committees of the Board of Directors, the members of which are as follows:

Audit Committee: Pierre Anctil, Richard Bélanger (Chair), L. Denis Desautels, Jacqueline C. Orange and Michelle R. Savoy.

Risk Management Committee: Lise Bastarache, Richard Bélanger, Pierre Genest (Chair), Michel Labonté and Jonathan I. Wener.

Human Resources and Corporate Governance Committee: Jean Bazin, Isabelle Courville (Chair), L. Denis Desautels, and Marie-France Poulin.

Executive Officers

The Bank's executive officers as at the date of this Annual Information Form are:

Name	Position	Place of Residence
Réjean Robitaille	President and Chief Executive Officer	Quebec, Canada
Luc Bernard	Executive Vice-President, Retail Financial Services and SME	Quebec, Canada
François Desjardins	Executive Vice-President, Laurentian Bank, and President and Chief Executive Officer, B2B Bank	Ontario, Canada
Gilles Godbout	Executive Vice-President, Operations and Systems and Chief Information Officer	Quebec, Canada
Michel C. Lauzon	Executive Vice-President and Chief Financial Officer	Quebec, Canada
Pierre Minville	Executive Vice-President and Chief Risk Officer	Quebec, Canada
Lorraine Pilon	Executive Vice-President, Corporate Affairs, Human Resources and Secretary	Quebec, Canada

Name	Position	Place of Residence
Stéphane Therrien	Executive Vice-President, Real Estate and Commercial	Quebec, Canada
Michel C. Trudeau	Executive Vice-President, Capital Markets and President and Chief Executive Officer, Laurentian Bank Securities Inc.	Quebec, Canada

All the executive officers of the Bank have held their present positions or other management positions at the Bank or its subsidiaries during the last five years, with the exception of Mr. Michel C. Lauzon who, prior to January 2009, was a corporate director; Mr. Gilles Godbout who, prior to April 2012, was General Manager, Information Technology of Hydro-Québec and, prior to January 2008, Vice-President, Financial Sector of the Greater Montreal Area of CGI; and Mr. Stéphane Therrien who, prior to September 2011, was Senior Vice-President and Chief Commercial Officer of GE Capital Canada.

8. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

8.1 Legal Proceedings

Relevant information with respect to legal proceedings can be found in Note 28 “Commitments, Guarantees and Contingent Liabilities” on page 145 of the 2012 Annual Report.

8.2 Regulatory Actions

On December 21, 2009, a settlement agreement was reached between the Autorité des marchés financiers (AMF) and Laurentian Bank Securities Inc. (LBS), a subsidiary of the Bank, whereby LBS agreed among other things to pay $2.8 million as an administrative penalty and $400,000 as investigation fees, in connection with its activities of distribution and sale of asset-backed commercial paper (ABCP).

On May 22, 2012, a settlement agreement was reached between the Investment Industry Regulatory Organization of Canada (IIROC) and LBS, whereby LBS agreed among other things to pay a fine of $140,000 and fees of $10,000 in connection with the sale of leveraged exchange traded funds to two retail customers.

9. TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar of the Bank is Computershare Investor Services Inc. The transfer books for each class of shares of the Bank are kept in Canton, Massachusetts, United States.

10. MATERIAL CONTRACTS

By way of an agreement dated October 11, 2011, for which a closing occurred on November 16, 2011, B2B Trust, a Bank subsidiary, acquired 100% of M.R.S. Trust Company and M.R.S. Inc. through a stock purchase transaction.

An agreement was entered into on October 14, 2011 between the Bank and Mackenzie Investments for the distribution of Mackenzie Mutual Funds. According to the terms of the agreement, as principal distributor, the Bank will supply a preferred family of Mackenzie funds as of mid-January 2012.

By way of an agreement dated June 6, 2012, for which a closing occurred on August 1, 2012, B2B Bank acquired 100% of AGF Trust Company through a stock purchase transaction.

All material contracts are available on SEDAR (www.sedar.com).

11. INTERESTS OF EXPERTS

11.1 Names of Experts

The external auditor of the Bank is Ernst & Young LLP. The external auditor has confirmed that it is independent in accordance with the applicable rules of professional conduct.

12. AUDIT COMMITTEE DISCLOSURE

12.1 Mandate of the Audit Committee

The mandate of the Audit Committee can be found in Schedule B to this Annual Information Form.

12.2 Composition of the Audit Committee

The Audit Committee of the Bank is formed of:

Richard Bélanger, Chair
Pierre Anctil
L. Denis Desautels
Jacqueline C. Orange
Michelle R. Savoy

According to the evaluation made by the Human Resources and Corporate Governance Committee, each member of the Audit Committee is independent and financially literate within the meaning of Rule 52-110 on Audit Committees.

12.3 Relevant Education and Experience

Richard Bélanger, FCPA, FCA – Mr. Bélanger is president of Toryvel Group Inc. Prior to June 2004, he was Senior Vice-President, Eastern Operations and Corporate Development of Canfor Corporation. He has also served as, among other positions, President and Chief Executive Officer of Daaquam Lumber Inc. and Chairman and Chief Executive Officer of Produits forestiers Anticosti Inc. From 1982 to 1992, he was managing partner of the Bélanger, Girard, Lavoie, Mooney accounting firm, which he founded after having served as an auditor for the Raymond, Chabot, Martin, Paré accounting firm.

A chartered accountant since 1980, Mr. Bélanger was awarded the Prix Émérite and the designation Fellow by the Ordre des comptables agréés du Québec in 2004. From March 1997 to May 2012, he was a member of the Board of Directors and of the Audit Committee of Stella-Jones Inc., a publicly-traded company. He is also Senior Independent Director of the Board and a member of the Audit Committee of Genivar Inc., a publicly-traded entity. Mr. Bélanger is a member of the Board of Directors and Audit Committee of the Bank since March 20, 2003 and also a member of the Risk Management Committee and Chairman of the Audit Committee since March 7, 2006.

Pierre Anctil – Mr. Anctil is President and Chief Executive Officer of Fiera Axium Infrastructure Inc. since January 2009. From May 1997 to June 2008, Mr. Anctil held various management positions with SNC-Lavalin Inc., more particularly as Executive Vice-President – Office of the President from May 2001 to June 2008, period during which he held corporate responsibility for investments in infrastructure and public-private partnership projects. From 1994 to 1996, Mr. Anctil was successively Chief of Staff to the Premier of Quebec and Chief of Staff to the leader of the official opposition in Quebec's National Assembly.

Mr. Anctil is an engineer and holds a master's degree in business administration and has more than 25 years of public and private sector experience in strategic planning, business development and executive management. Since August 2004, he is a member of the Board of directors of Gaz Métro inc., where he sat on various committees. He is also member of the Board of directors of the Montreal Heart Institute since December 2004 and Chairman since December 2009.

L. Denis Desautels, O.C., FCPA, FCA – Mr. Desautels is a chartered accountant since 1964. He worked as a certified public accountant, auditor and senior partner of the Ernst & Young accounting firm (formerly Clarkson Gordon) from 1964 to 1991. Mr. Desautels was appointed Auditor General of Canada in 1991, a position he held until 2001. As such, he was responsible for auditing the financial statements of the Canadian government, territorial governments and many Crown corporations.

The Ordre des comptables agréés du Québec and the Institute of Chartered Accountants of Ontario awarded him the title of Fellow in 1986 and 1991 respectively. More recently, he has received honorary doctorates from the University of Ottawa, Waterloo University and Saint Paul University and has also been appointed an Officer of the Order of Canada.

Mr. Desautels is a member of the boards of directors and president of the audit committees of Bombardier Inc. and The Jean Coutu Group (PJC) Inc. He was a member of the Accounting Standards Oversight Council and Chairman from 2010 to 2012. He was a member of the board of directors and president of the audit committee of Alcan Inc. from 2003 to 2007. Mr. Desautels sits on the Board of Directors of the Bank since December 4, 2001. He chaired the Audit Committee from March 21, 2002 to March 20, 2003, at which time he became Chairman of the Board.

Jacqueline C. Orange – Ms. Orange is a corporate director and sits on the Board of Directors and Audit Committee of the Bank since March 11, 2008. From 1996 to 2005, she was President and Chief Executive Officer of Canada Investment and Savings, a special operating agency of the Department of Finance, Government of Canada, where she was responsible for $22 billion in assets and over $3 billion in annual sales. For the seventeen years prior, she held increasingly senior positions in the banking, trust and insurance industries. Ms. Orange is a member of the Independent Review Committee of First Trust Portfolios Canada and a member of the Board and the Audit Committee of the Accountants Council of the Province of Ontario. She was a member of the Governing Council of the University of Toronto from 1999 to 2008, where she was chair of its Business Board from 2003 to 2007 (the Audit Committee of the University reported to the Business Board, which reviewed and accepted the financial statements).

Ms. Orange holds a master of business administration degree from The Richard Ivey School of Business, University of Western Ontario. In 2008, she received the ICD.D director designation from the Institute of Corporate Directors, including completion of the Directors Education Program at the Rotman Business School of the University of Toronto.

Michelle R. Savoy – Ms. Savoy, a corporate director, is a former President and director of Capital Guardian (Canada) Inc., a division of The Capital Group of Companies, a Los Angeles based global investment management firm with over $1 trillion in assets under management. From 1998 to 2011, she held numerous executive positions managing Capital's North American institutional distribution business. Her earlier experience includes more than a decade with CIBC Wood Gundy, where she held progressively more senior roles, ultimately acting as Managing Director, Global Head of Fixed Income Sales. Ms. Savoy is a member of the board of directors and the audit committee of the Bank since March 2012 and a member of the board of directors and chair of the investment committee of the Canadian Scholarship Trust Foundation, one of Canada's largest and most experienced group education savings plan providers.

Ms. Savoy has had an extensive career in financial services including capital markets within Canada, the United States and Asia. She received a B.B.A in marketing and finance from the University of Ottawa. She is a member of the Toronto CFA (Chartered Financial Analyst) Society. In 2012, she received the ICD.D director designation from the Institute of Corporate Directors, including completion of the Directors Education Program at the Rotman Business School of the University of Toronto.

12.4 Prior Approval Policies and Procedures

During the fiscal year, the Audit Committee reviewed the Bank's policy regarding the services that could be provided by its external auditor. The policy specifies the prior approval procedures for non-auditing services provided by the Bank's auditor. The policy generally prohibits the Bank from hiring its auditor to provide certain services unrelated to audits at the Bank and its subsidiaries, including services related to bookkeeping and to the financial statements; to the design and implementation of financial information systems; to evaluation, actuarial, internal audit and investment banking services; to management and human resources functions; and to legal services. The policy allows the Bank to retain the services of the auditor for non-auditing services in certain cases and only with the prior approval of the Audit Committee. The Committee thus approved in accordance with the policy certain services to be rendered by the external auditor in connection with the Bank's transition towards International Financial Reporting Standards (IFRS). In addition, the policy sets out various restrictions on the hiring of personnel who have worked for the external auditor.

12.5 Fees for the Services of the External Auditor (Broken Down by Category)

The following table presents by category the fees billed by the external auditor Ernst & Young LLP for the fiscal years ended October 31, 2012 and 2011.

Fee category	2012 ($)	2011 ($)
Audit fees	2,596,000	1,822,000
Fees for audit-related services	273,000	522,000
Fees for tax services	113,000	129,000
Other fees	443,000	312,000
Total	3,425,000	2,785,000

"Audit fees" include all fees of Ernst & Young LLP for the audit of the annual consolidated financial statements, examination of the interim financial statements, the other statutory audits and submissions, and the fees related to consultation regarding standards of accounting and financial disclosure.

"Fees for audit-related services" include all fees of Ernst & Young LLP for certification services and other related services traditionally carried out by the independent auditor, including the services related to the adoption of International Financial Reporting Standards, the audit of various trusts and other entities required in the context of securitization of mortgage loans receivables.

"Fees for tax services" include all fees of Ernst & Young LLP for tax-related advice other than the time devoted to the review of fiscal impacts as part of the audit and examination of the financial statements.

"Other fees" include all fees of Ernst & Young LLP for all services other than those posted in the Audit Fees, Fees for audit-related services and Fees for tax services categories, in particular translation services and business recovery services where the auditor acts as privately appointed receiver and manager pursuant to the terms of a security instrument held by the Bank, as well as services pertaining to the improvement of the credit processes.

13. ADDITIONAL INFORMATION

Additional information relating to the Bank may be found on SEDAR (www.sedar.com).

Additional information, including directors' and officers' compensation and indebtedness, principal holders of the Bank's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Bank's Management Proxy Circular for its most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Bank's financial statements and MD&A for its most recently completed financial year.

Copies of this Annual Information Form, of the 2012 Annual Report and of the latest Management Proxy Circular can be obtained from the Corporate Secretary's Office of the Bank, at 1981 McGill College Avenue, 20th Floor, Montreal, Quebec H3A 3K3.

SCHEDULE A

PROFILE OF BUSINESS SEGMENTS
As at October 31, 2012

Business Segment	**Retail & SME Quebec**	**Real Estate & Commercial**	**B2B Bank**	**Laurentian Bank Securities and Capital Markets**	**Other**
Profile	Complete line of financial products and services for individuals and small and medium-sized enterprises in Quebec offered through: ▪ 157 branches, including 37 financial services boutiques and 2 Espresso Bank Cafés ▪ 24 commercial banking centres ▪ 426 automated banking machines with exclusive presence in Montreal's metro	Real estate financing for promoters and commercial financing for medium-sized businesses across Canada offered by: ▪ 14 commercial financing centres in British Columbia, Alberta, Ontario and Quebec	Financial products and services offered through a network of more than 27,000 financial advisors and brokers throughout Canada	Capital markets activities of the Bank; integrated brokerage services for individuals and institutional investors offered by: ▪ 16 offices in Quebec, Ontario and Manitoba	Services include: ▪ Treasury and Finance ▪ Integrated Risk Management ▪ Corporate Affairs and Human Resources ▪ Operations and Systems
Number of Employees (in full time equivalents)	Approximately 2,200	Approximately 140	Approximately 850	Approximately 250	Approximately 750

Business Segment	Retail & SME Quebec	Real Estate & Commercial	B2B Bank	Laurentian Bank Securities and Capital Markets	Other
Summary of Products and Services	**Retail** Transactional products, mortgage solutions, loans, lines of credit, investment products (guaranteed investment certificates, term deposits, mutual funds, etc.), VISA credit cards, debit cards and credit insurance **SME** Short- and long-term financing solutions, investment products, transactional services, VISA credit cards, electronic services, foreign exchange transactions and international transaction settlement	Real estate and commercial financing International services dedicated to the foreign trade activities of small and medium-sized businesses	Investment and RRSP loans, guaranteed investment certificates and High Interest Investment Account deposits, residential broker mortgages, investment accounts and services	**Institutional – Fixed Income** Research and trading of government and corporate securities Financing of governments and corporations **Institutional – Equity** Research and trading of securities issued by small-cap companies for portfolio managers Financing of small-cap companies **Retail Brokerage** Advisory, trading and research, as well as Immigrant-Investor Program **Business Services** Complete back-office administrative services	

SCHEDULE B

MANDATE OF THE AUDIT COMMITTEE

1. Establishment

The Audit Committee (the «Committee») is constituted by the Bank's Board of Directors in order to support it in exercising its oversight and communication and disclosure functions.

The Committee reviews its mandate annually.

2. Appointment and Membership

The Committee consists of at least three directors.

At the Board meeting that follows the annual meeting of shareholders, the Board of Directors appoints the directors who make up the Committee and its Chair. The Committee shall be formed of members who are not employees or officers of the Bank or a subsidiary and a majority of whom are not affiliated with the Bank. All Committee members must meet the independence requirements established by the Board and are financially literate as stipulated in *Multilateral Instrument 52-110 – Audit Committees*.

Unless they are replaced in the interim by decision of the Board, the Committee members shall remain in office until the Board meeting that follows the annual meeting of shareholders.

3. Compensation

For their services, the members of the Committee receive the compensation established by resolution of the Board.

4. Meetings

The Committee meets at least once every quarter.

Committee meetings may be held without notice provided the members waive such notice, as often as the members deem appropriate and at the location determined by them.

The Committee Chair, the President and Chief Executive Officer, the Chief Financial Officer, the officer in charge of internal audit and the external auditor can demand that a meeting be held.

The external auditor receives notice of and may attend Committee meetings.

5. Quorum

Quorum at Committee meetings shall be constituted by a majority of the members.

6. Chair

The Committee Chair, as designated by the Board of Directors, chairs the Committee meetings. In the Chair's absence, the members present may elect from their number a Chair pro tempore.

The external auditor, the officer in charge of internal audit and the officer in charge of Regulatory Risk Management may communicate directly with the Chair.

7. Procedure

The procedure for Committee meetings shall be the same as that for meetings of the Board of Directors.

8. Powers of the Committee

In carrying out its mandate, the Committee, if it deems appropriate, may:

(a) call a meeting of directors;

(b) communicate with or meet privately with any officer or employee of the Bank as well as with its internal and/or external auditors; and

(c) call on the services of resources external to and independent of the Bank and determine and pay the related fees in compliance with the policy of the Board of Directors regarding the use of external advisors.

9. Secretary

The Secretary of the Bank or any other officer designated by the President of the Bank shall carry out, with respect to the Committee's mandate, the duties of the secretary and those assigned by the Committee Chair.

10. Functions

The Committee discharges its statutory obligations and exercises the following functions which are delegated by the Board as well as any other functions that may from time to time delegated to it by the Board:

10.1 Oversight Functions

With respect to the external auditor:

10.1.1 recommend to the Board the appointment or dismissal of the external auditor;

10.1.2 assure itself of the competence, independence and the adequacy of the resources of the external auditor, review and, if appropriate, approve its mandate and engagement letter and recommend its compensation to the Board;

10.1.3 assure itself of the competence and independence of the external audit firm's partner in charge of the Bank's account and assure itself of his/her periodic rotation;

10.1.4 assure itself that the scope of the audit plan is appropriate, risk based, and addresses major areas of concern, and that the audit plan is reviewed with appropriate frequency;

10.1.5 oversee the external auditor's activities and resolve all issues that may arise between the external auditor and Management;

10.1.6 periodically review the external auditor's performance;

10.1.7 establish criteria for any non-audit services that the external auditor may provide, including rules stipulating when advance approval by the Committee is required, and approve such services in advance when required;

10.1.8 review and, if appropriate, approve the hiring policies with respect to the partners and employees and former partners and employees of the current and former external auditors;

With respect to financial information:

10.1.9 oversee the integrity and quality of financial statements and assure itself that the institution's accounting practices are prudent and appropriate;

10.1.10 discuss the quality of financial statements with the external auditor and assure itself that the financial statements fairly present the financial position, the results of operations and the cash flows of the Bank;

10.1.11 discuss the audit results, financial statements and related documents, audit report and any related concern of the external auditor with Management and the external auditor;

10.1.12 hold regular meetings with the external auditor, without Management present, to understand all issues that may have arisen during meetings between the auditor and Management in the course of the audit and how those issues have been resolved, and to determine the extent to which accounting practices being used by the Bank are appropriate relative to materiality of the item;

10.1.13 review the external auditor’s recommendation letter which follows the annual audit and the corresponding follow-ups, material changes to accounting practices, the main value judgements on which the financial reports are based and how these reports are drafted;

10.1.14 review the annual and interim financial statements, management’s discussion and analysis and press releases regarding annual and interim results, the annual information form and any statement required by regulatory authorities prior to their publication and recommend their adoption by the Board, if appropriate;

10.1.15 examine all investments and transactions likely to undermine the Bank’s financial position that are reported by the external or internal auditor or an officer, including loans referred to in section 328 of the *Bank Act*, and meet with the external auditor to discuss them;

10.1.16 recommend to the Board the declaration of dividends and review the related press release;

10.1.17 review the annual financial statements of the subsidiaries supervised by the Office of the Superintendent of Financial Institutions and recommend their adoption by the Board of Directors of each of the subsidiaries;

10.1.18 review and, if appropriate, approve transfers of tax between the Bank and its affiliates;

10.1.19 review and, if appropriate, approve the financial statements of the pension plans offered by the Bank to its employees;

With respect to the internal audit function:

10.1.20 approve the selection of the officer in charge of internal audit and assure itself of his/her competence, independence and the adequacy of his/her resources and of his/her compensation and review and, if appropriate, approve his/her mandate;

10.1.21 assure itself that the internal audit activities have a sufficient degree of independence, sufficient status and visibility and that they are subject to periodic reviews;

10.1.22 assure itself that the scope of the audit plan is appropriate, risk based, and addresses major areas of concern, and that the audit plan is reviewed with appropriate frequency;

10.1.23 discuss with the officer in charge of internal audit his/her material findings and recommendations and follow up thereon;

10.1.24 periodically review the performance of the officer in charge of internal audit;

With respect to internal controls:

10.1.25 assure itself that Management implements appropriate internal control and management information systems, review, assess and approve such systems and assure itself of their integrity and effectiveness, including the elements comprised in any certification required by regulations;

10.1.26 meet with the external auditor, the officer in charge of internal audit and Management to discuss the effectiveness of the implemented internal control and management information systems and the measures taken to rectify any material weaknesses and deficiencies;

10.1.27 assure itself that Management implements procedures regarding the receipt, retention and handling of complaints received with respect to accounting, internal accounting controls or audit as well as regarding confidential anonymous submissions by employees on questionable accounting or audit matters, and review and, if appropriate, approve the policy on the handling of complaints and comments about suspicious accounting and audit-related activities and assure itself of its respect;

With respect to supervisory agencies:

10.1.28 meet with regulatory authorities, discuss their findings and recommendations and follow up thereon.

10.2 Communication and Disclosure Functions

10.2.1 review and, if appropriate, approve the ways by which the shareholders and other stakeholders can communicate with the Bank;

10.2.2 assure itself that adequate procedures are in place to examine communication of financial information to the public excerpted or derived from financial statements, assure itself of their effectiveness, review and, if appropriate, approve the financial information disclosure policy and assure itself of its respect;

10.2.3 report to the shareholders on the Bank's performance.

11. Reporting

The Committee reports on its activities to the Board of Directors, verbally at the Board meeting that normally follows the Committee meeting, and in writing at the subsequent Board meeting.

The Committee also reports yearly on its activities to the shareholders in the course of the annual shareholders' meeting.