

## Corporate governance

Today, as in the past, strong corporate governance is an important component in managing Laurentian Bank's activities. In 1987, the Bank became the first financial institution to separate the roles of Chairman of the Board and of President and CEO. Moreover, its corporate governance practices are among the most exemplary.

All members of the Board of Directors, except the President and Chief Executive Officer, are independent and unrelated to the Bank's management. The independent status of directors is determined in accordance with criteria defined by the Human Resources and Corporate Governance Committee which are used to evaluate the status of every director on which ever committee he or she sits.

The role of the Board of Directors is essentially to supervise the management of the business and internal affairs of the Bank. Board deliberations generally end with a discussion period held without the presence of management. The members of the Board commit to act in accordance with standards set forth in the *Code of Conduct for Directors*, which covers issues such as general conduct, contribution to the work of the Board and its committees, insider trading, conflicts of interest and other situations that may affect a director's independence.

The Board of Directors has delegated some of its responsibilities and functions to three committees whose members are appointed from among the members of the Board. The Audit Committee, the Risk Management Committee and the Human Resources and Corporate Governance Committee provide regular written and verbal updates and reports on their work to the Board of Directors. Furthermore, these committees present a report to shareholders to be included in the management proxy circular.

### Audit committee

The primary function of the Audit Committee is to support the Board of Directors in overseeing the integrity of the Bank's financial statements, the relevance and effectiveness of its internal controls, the qualifications and independence of the external auditor and the performance of the internal audit function and of the external auditor. In order to do so, the Board appointed directors meeting the criteria for independence and possessing an appropriate financial literacy level. The Committee meets on a regular basis with the internal and external auditor without the presence of management. Furthermore, the Committee meetings generally end with a discussion period held without the presence of management.

More specifically, its responsibilities include:

*With respect to the external auditor:* recommend the appointment or dismissal of the external auditor; assure itself of its competence, independence and the adequacy of its resources and review its mandate and compensation; oversee its activities and review its performance;

*With respect to financial information:* oversee the integrity and quality of financial statements and assure itself that the institution's accounting practices are prudent and appropriate; 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; review the annual financial statements of the subsidiaries supervised by the Office of the Superintendent of Financial Institutions;

*With respect to the internal audit function:* assure itself of the competence, independence and the adequacy of the resources of the officer in charge of internal audit

and approve his/her mandate as well as the audit plan; follow up on his/her material findings and recommendations;

*With respect to internal controls:* assure itself that management implements appropriate internal control and management information systems; assure itself of their integrity and effectiveness; assure itself that management implements procedures regarding the receipt, retention and handling of complaints received with respect to accounting, internal accounting controls or audit;

*With respect to supervisory agencies:* follow up on the findings and recommendations of the regulatory authorities.

### Risk management committee

In addition to discharging statutory obligations to review transactions with related parties of the Bank, the Risk Management Committee ensures that the Bank has adopted an adequate and effective risk management process intended to identify, measure and manage risks, and has established relevant policies to manage credit, market, liquidity and financing, operational, capital management, regulatory and reputation risks. In September 2010, the supervision of the regulatory risk was added to the mandate of the Committee. The Committee is composed of independent directors which hold discussions with persons in charge of supervisory activities (the internal auditor as well as the chief risk officer and the chief regulatory risk management officer) without the presence of management. Furthermore, the Committee meetings generally end with a discussion period held without the presence of management.

To this end, the Committee must assure itself that management identifies the business's principal risks and implements systems to enable to measure and adequately manage them and assure itself of the integrity and effectiveness of such systems; review the overall risk

philosophy and risk tolerance; assure itself of the competence, independence and the adequacy of the resources of the officer in charge of integrated risk management and approve his/her mandate; follow up on his/her material findings and recommendations; approve loans which under the credit policies are the responsibility of the Committee and examine the quality of the loan portfolio and the adequacy of allowances for loan losses; assure itself that management adopts a process to determine the appropriate capital level for the Bank based on assumed risks; review the Code of Ethics and Privacy Code for the Protection of Personal Information applicable to officers and employees and assure itself of their respect; assure itself of the competence, independence and the adequacy of the resources of the officer in charge of regulatory risk management and risk management; follow up on their material findings and recommendations; monitor annually, in collaboration with the Human Resources and Corporate Governance Committee, the links between the compensation, the performance and the risk and the Bank's alignment with the remuneration standards and principles issued by the Financial Stability Board.

**Human resources and corporate governance committee**

The Human Resources and Corporate Governance Committee is responsible for human resources and corporate governance matters. The Committee is composed of independent directors of which none heads a public company. Certain elements of its mandate are discussed without the presence of management.

With respect to human resources, the Committee's duties include:

*With respect to human resources management:* annually review the performance management process and evaluate its

effectiveness; assure itself that management implements a plan to promote the hiring, retention and motivation of qualified personnel;

*With respect to senior officers:* review appointments of senior officers; approve the establishment of objectives for members of the management committee and evaluate their performance; assure itself of the integrity of senior officers and that they create a culture of integrity throughout the Bank;

*With respect to compensation:* review the overall compensation framework (including incentive compensation, fringe benefits and pension plans) for senior officers, with a view to furthering the Bank's business objectives, as well as the material terms and conditions of the compensation and employment conditions applicable to the Bank's other employees and officers; monitor annually, in collaboration with the Risk Management Committee, the links between the compensation, the performance and the risk and of the Bank's alignment with the remuneration standards and principles issued by the Financial Stability Board;

*With respect to pension plans:* assure itself that management implements appropriate internal oversight systems with a view to adequately manage pension plans.

With respect to corporate governance, the Committee's duties include:

*With respect to the President and Chief Executive Officer:* recommend to the Board the appointment and dismissal of the President and Chief Executive Officer; review in collaboration with the Board, the objectives of the President and Chief Executive, his/her evaluation, compensation and employment conditions; implement a succession plan for the President and Chief Executive Officer;

*With respect to the Board and committees:* review corporate governance rules and assure itself of their respect; review the functions of the Board of Directors, its membership, compensation and size; review the constitution, membership and functions of the committees; review the Code of Conduct for the members of the Board and assure itself of its respect; ensure continuing training for the members of the Board; establish criteria to evaluate the independence of the members of the Board and assess their independence periodically; evaluate the Board and its members; ensure the recruitment of new Board members to be submitted to election by the shareholders, and see to their orientation and integration;

*With respect to public disclosure:* assure itself that the shareholders are well informed of the Bank's state of affairs and deal with all material disagreements between the Bank and its shareholders.

The complete text of the functions of the Board of Directors and the mandates of each Committee as well as the Committees' report can be found in the management proxy circular.

## Management Committee



**Réjean Robitaille**, FCPA, FCA  
President and Chief Executive Officer

Réjean Robitaille has been at the helm of Laurentian Bank since December 2006. Having joined the organization close to 25 years ago, he has occupied numerous progressively responsible positions, including Senior Executive Vice President and Chief Operating Officer, Senior Executive Vice President of Retail and Commercial Financial Services, and Senior Vice President and Treasurer. Under his Presidency, the Bank has posted record results over a period of seven consecutive years.

In February 2013, Réjean Robitaille was ranked for the fifth consecutive year among the most influential individuals in Québec's financial industry. In addition, he was named Financial Personality of the Year in 2010 by *Finance et Investissement* magazine. Mr. Robitaille holds a Bachelor's degree in Business Administration from HEC Montréal, and, in 2010, he was named a Fellow of the Ordre des comptables professionnels agréés du Québec.



**François Desjardins**  
Executive Vice President  
Laurentian Bank and President and  
Chief Executive Officer, B2B Bank

François Desjardins began his career at Laurentian Bank in 1991 within the branch network, occupying various positions in operations prior to joining the ranks of management. He made a particular mark as Director of the Bank's Telebanking Centre, assuming the role of Vice President in 1999. In 2004, he was appointed President and Chief Executive Officer of B2B Trust and, in 2006, became Executive Vice President of Laurentian Bank. He has also been a member of the Bank's Management Committee since that date. Having given it a clear vision from the outset, B2B Bank has posted highly positive performance under Mr. Desjardins' direction.

François Desjardins holds a Bachelor's degree in Business Administration from HEC Montréal. In June 2010, he was ranked among Canada's Top 40 Under 40™, and he was recognized as being among the most influential individuals in Québec's financial industry by *Finance et Investissement* magazine in February 2013.



**Gilles Godbout**  
Executive Vice President  
Retail Services and  
Chief Information Officer

Prior to assuming his present position at the Bank, Gilles Godbout was Senior Manager of Hydro-Québec's Information Technologies sector, and he has also occupied various management positions at CGI Group. Previously, he held a number of key positions at Laurentian Bank between 1987 and 1999, including Senior Vice President of Operations and Systems, Executive Vice President of the Retail Services sector, and Chief Information Officer.

Gilles Godbout is a seasoned manager with extensive experience and expertise in operations management. He holds Bachelor's and Master's degrees in Computer Science and Operational Research from Université de Montréal, where he also completed doctoral studies in Artificial Intelligence.



**Michel C. Lauzon**  
Executive Vice President  
and Chief Financial Officer

Michel Lauzon was named Executive Vice President and Chief Financial Officer in 2009. Prior to that, he held various senior management positions within Laurentian Bank between 1988 and 1998, including Vice President and Treasurer, Vice President of Money Markets and Foreign Exchange, and Vice President of Product Management. Subsequently, he pursued his career at TAL Global Asset Management Inc., where he served as President and Chief Operating Officer as of January 2002. He was also Senior Vice President of Corporate Development and Head of Finance at Centria Commerce Inc.

Michel Lauzon possesses extensive knowledge of products and financial markets, which are growing increasingly complex. As such, he plays a key role in furthering the organization's growth and development. Mr. Lauzon holds an MBA from Concordia University and a Bachelor's degree in Economics from Université de Montréal.



**Pierre Minville, CFA**  
Executive Vice President  
and Chief Risk Officer

Pierre Minville joined Laurentian Bank in 2000 as Vice President of Finance, Administration and Regulated Products. Three years later, he assumed the position of Vice President of Mergers and Acquisitions. In 2005, he became Senior Vice President, Integrated Risk Management, and, in 2010, was appointed the organization's Chief Risk Officer. The following year, as Executive Vice President and Chief Risk Officer, he became a member of Laurentian Bank's Management Committee. His extensive experience enables him to assume the complex responsibility of integrated risk management. He also plays a key role in the development and implementation of the Bank's acquisition strategies.

Pierre Minville holds a Bachelor's degree in Business Administration from UQAM. In addition to also having earned a Master of Science (M.Sc.) in Administration from HEC Montréal, he is a Chartered Financial Analyst (CFA).



**Lorraine Pilon**  
Executive Vice President  
Corporate Affairs, Human Resources,  
and Secretary

A lawyer by training, Lorraine Pilon joined the Bank's Legal Affairs sector in 1990. She climbed the career ladder quickly, thanks to her expertise in the banking industry and to her keen business sense. She has held the positions of Executive Vice President of Corporate Affairs and Secretary since 2003, and since 2011, has assumed the additional corporate responsibilities of human resources management. Ms. Pilon brings to the organization a vast experience of the Bank's operations and an extensive knowledge of the increasingly demanding regulatory context.

Lorraine Pilon holds an Executive MBA from Université du Québec à Montréal. Before that, she completed a Bachelor of Science degree in Administration at Mississippi University for Women and a Bachelor of Civil Law degree at McGill University.



**Stéphane Therrien**  
Executive Vice President  
Business Services

Stéphane Therrien joined Laurentian Bank in January 2012. He is also a member of the Bank's Management Committee. During the previous eighteen years, he occupied various positions at GE Capital, including Senior Vice President for Eastern Canada, prior to being named Senior Vice President and Chief of Commercial Affairs for Canada. Under his leadership, his sector posted positive growth over the past number of years. Previously, he held various management positions in the banking industry.

Stéphane Therrien has earned an enviable reputation for his extensive experience in business financing throughout Canada. His outstanding management skills and rigorous execution are major assets for the Bank. Mr. Therrien holds a Bachelor's degree in Business Administration from HEC Montréal.



**Michel C. Trudeau**  
Executive Vice President  
Capital Markets, Laurentian Bank  
and President and CEO  
of Laurentian Bank Securities Inc.

Michel Trudeau was named President and Chief Executive Officer of Laurentian Bank Securities Inc. (LBS) in June 2003. Since November 2009, he has also been responsible for Laurentian Bank's activities related to capital markets, and he became a member of the Bank's Management Committee in 2011. Mr. Trudeau joined LBS in 1999 as Executive Vice President of Fixed Income and was appointed Chief Operating Officer of the Institutional group in 2002. Well known within the brokerage sector, he rapidly rose through the ranks at firms in both Toronto and Montréal, having worked for more than 15 years within the Institutional and Fixed Income sectors, including 10 years at Merrill Lynch, where he successively occupied various senior management positions.

Michel Trudeau has an excellent reputation within the Fixed Income product field throughout Canada. Under his leadership, LBS has become a fully integrated brokerage firm whose recognition has continued to grow across the country. Mr. Trudeau holds a Master's degree in Finance from McGill University.

## Board of Directors



**Isabelle Courville, Eng., BCL**  
Chair of the Board

An Engineer and a Lawyer, Isabelle Courville was President of Hydro-Québec Distribution from 2011 to 2013 and President of Hydro-Québec TransÉnergie from 2007 to 2011. From 2003 to 2006, she was President of Bell Enterprise Group and from 2001 to 2003, President and General Manager of Bell Nordiq Inc. (Télébec Northern Tel).

- *Main occupation:* Corporate Director
- *Has served on the board of directors since March 2007*
  - Chair of the Board
  - Member of the Audit Committee
  - Member of the Human Resources and Corporate Governance Committee
- *Boards of directors of publicly traded companies:* TVA Group Inc. and Canadian Pacific Railway Limited
- *Boards and committees of other corporations and organizations:* École Polytechnique de Montréal, Foundation of the Montréal Heart Institute, Institute of Corporate Director – Québec, Institute of Corporate Director and Board of Trade of Metropolitan Montréal



**Lise Bastarache**

Lise Bastarache has worked in the Canadian banking industry for over ten years, holding, among others, the position of Regional Vice President, Québec, Private Banking for a Canadian bank.

- *Main occupation:* Economist and Corporate Director
- *Has served on the board of directors since March 2006*
  - Member of the Risk Management Committee
- *Boards of directors of publicly traded companies:* The Jean Coutu Group (PJC) Inc., Chartwell Retirement Residences
- *Boards and committees of other corporations and organizations:* Board of Governors of the U de M Développement inc.



**Jean Bazin, C.R.**

Attorney since 1965, appointed Queen's Counsel in 1984 and a member of the Senate from 1986 to 1989, Jean Bazin chaired the Canadian Bar Association and the Québec-Japan Business Forum.

- *Main occupation:* Counsel at Dentons Canada LLP
- *Has served on the board of directors since September 2002*
  - Chair of the Human Resources and Corporate Governance Committee
- *Boards of directors of publicly traded companies:* 5N Plus Inc.
- *Boards and committees of other corporations and organizations:* Canadian Association of Former Parliamentarians



**A. Michel Lavigne, FCPA, FCA**

Fellow of the Ordre des comptables professionnels agréés du Québec and member of the Canadian Institute of Chartered Accountants, Mr. Lavigne is a chartered accountant since 1973. He has worked as a chartered accountant, auditor with major private and public companies including financial institutions.

- *Main occupation:* Corporate Director
- *Has served on the board of directors since March 2013*
  - Member of the Audit Committee
- *Boards of directors of publicly traded companies:* TVA Group Inc., Quebecor Inc. and Primary Energy Recycling Corporation
- *Boards and committees of other corporations and organizations:* Quebecor Media, Videotron Ltd, Corporation Sun Media, TeraXion inc., Canada Post Corporation, Propulsion Fund III L.P., ID Funds L.P.



**Jacqueline C. Orange**

Jacqueline Orange has worked in the financial services sector for over 20 years, holding a variety of senior positions in the banking, trust and life insurance industries. From 1996 to 2005, she was President and CEO of Canada Investment and Savings, a special operating agency of Finance Canada.

- *Main occupation:* Corporate Director
- *Has served on the board of directors since March 2008*
  - Member of the Audit Committee
- *Boards of directors of publicly traded companies:* Ms. Orange does not sit on the board of directors of any publicly traded company other than the Bank
- *Boards and committees of other corporations and organizations:* First Trust Portfolios Canada and Public Accountants Council of the Province of Ontario



**Richard Bélanger, FCPA, FCA**

In 2004, Richard Bélanger was made Fellow and received the Prix Émérite of the Ordre des comptables professionnels agréés du Québec.

- *Main occupation:* President of Toryvel Group Inc.
- *Has served on the board of directors since March 2003*
  - Chair of the Audit Committee
  - Member of the Risk Management Committee
- *Boards of directors of publicly traded companies:* Genivar Inc.
- *Boards and committees of other corporations and organizations:* Optosecurity Inc., Toryvel Group Inc., Doryfor Inc. and Québec City Executive Terminal Inc.



**Michael T. Boychuk, FCPA, FCA**

Fellow of the Ordre des comptables professionnels agréés du Québec. Michael Boychuk was, from 1999 to 2009, senior Vice President and Treasurer of BCE Inc. and Bell Canada, both communications companies.

- *Main occupation:* President and CEA of Bimcor inc.
- *Has served on the board of directors since August 2013*
  - Member of the Audit Committee
- *Boards of directors of publicly traded companies:* Mr. Boychuk does not sit on the board of directors of any publicly traded company other than the Bank
- *Boards and committees of other corporations and organizations:* The Centennial Ventures (Denver, Colorado), McGill University, Nunavut Trust (Advisory Committee), The J.W. McConnell Family Foundation (Advisory Committee)



**Pierre Genest**

Actuary by trade, Pierre Genest was President and Chief Executive Officer of SSQ Financial Group for over 15 years before becoming President and Chief Executive Officer of the Fonds de solidarité des travailleurs du Québec (F.T.Q.) until 2006.

- *Main occupation:* Chairman of the Board of SSQ, Life Insurance Company Inc.
- *Has served on the board of directors since March 2006*
  - Member of the Human Resources and Corporate Governance Committee
- *Boards of directors of publicly traded companies:* Mr. Genest does not sit on the board of directors of any publicly traded company other than the Bank
- *Boards and committees of other corporations and organizations:* Professionals' Financial Inc., Alemar Inc., PFT Management Inc.



**Michel Labonté**

Michel Labonté has worked in the banking industry for over 13 years, notably as Senior Vice President, Finance and Control of a Canadian bank.

- *Main occupation:* Corporate Director
- *Has served on the board of directors since March 2009*
  - Chair of the Risk Management Committee
- *Boards of directors of publicly traded companies:* Métro Inc.
- *Boards and committees of other corporations and organizations:* Otéra Capital Inc., Manac inc. and Canadian International Organ Competition



**Marie-France Poulin**

Marie-France Poulin held various positions within the family business, Maax Inc., from 1987 to 2004. She is also Vice President of Kalia Inc.

- *Main occupation:* Vice President, Camada Group Inc.
- *Has served on the board of directors since October 2009*
  - Member of the Human Resources and Corporate Governance Committee
- *Boards of directors of publicly traded companies:* Ms. Poulin does not sit on the board of directors of any publicly traded company other than the Bank
- *Boards and committees of other corporations and organizations:* Groupe Camada inc., Immoca Inc., Kalia Inc., Hydro-Québec, Industrial Alliance – Auto and Home Insurance Inc., Industrial Alliance Pacific General Insurance Corporation, Port de Québec, Université Laval, Gestion du Fier Entrepreneur inc., Festival d'été de Québec and Québec YWCA



**Réjean Robitaille, FCPA, FCA**

Fellow of the Ordre des comptables professionnels agréés du Québec, Réjean Robitaille is a renowned executive. He has in-depth knowledge of the Bank, having held a variety of positions within the management team since 1988.

- *Main occupation:* President and Chief Executive Officer of the Bank
- *Has served on the board of directors since December 2006*
  - Mr. Robitaille does not sit on any of the Bank's committees
- *Boards of directors of publicly traded companies:* Mr. Robitaille does not sit on the board of directors of any publicly traded company other than the Bank
- *Boards and committees of other corporations and organizations:* Subsidiaries of the Bank



**Michelle R. Savoy**

Michelle Savoy held numerous executive positions with The Capital Group of Companies, a global investment management organization, including President of Capital Guardian [Canada] Inc. from 2003 to 2011.

- *Main occupation:* Corporate Director
- *Has served on the board of directors since March 2012*
  - Member of the Audit Committee
- *Boards of directors of publicly traded companies:* Ms. Savoy does not sit on the board of directors of any publicly traded company other than the Bank
- *Boards and committees of other corporations and organizations:* Canadian Scholarship Trust Foundation



**Jonathan I. Wener, C.M.**

Member of the Order of Canada, Jonathan Wener is a renowned real estate expert with vast experience in the commercial, industrial, residential, recreational and hotel sectors.

- *Main occupation:* Chairman of the Board, Canderel Management Inc.
- *Has served on the board of directors since January 1998*
  - Member of the Risk Management Committee
- *Boards of directors of publicly traded companies:* Silanis Technologies Inc.
- *Boards and committees of other corporations and organizations:* The Montréal Museum of Fine Arts Foundation, The Fraser Institute, Goodman Cancer Research Center, Jewish General Hospital, Festival des arts de Saint-Sauveur and eConcordia.com



## Branches

### Alma

500 Sacré-Coeur St. W.

### Amos

1 1<sup>st</sup> Avenue W.

### Baie Comeau

600 Lafèche Blvd.

### Beloeil

546 Sir-Wilfrid-Laurier Blvd.

### Blainville

1356 Curé-Labelle Blvd., Suite 222  
9 de la Seigneurie

### Boisbriand

2250 du Faubourg Blvd.

### Boucherville

999 Montarville Blvd.

### Brossard

1635 Rome Blvd.

### Campbell's Bay

148 Front St., P.O. Box 189

### Chambly

1495 Brassard St.

### Châteauguay

111 Saint-Jean Baptiste Blvd.

### Chibougamau

530 3<sup>rd</sup> Street

### Côte St-Luc

5479 Westminster Ave.

### Dolbeau-Mistassini

1372 Wallberg Blvd.

### Dollard-des-Ormeaux

4057 Saint-Jean Hill  
3500 des Sources Blvd.

### Drummondville

571 Saint-Joseph Blvd.

### Fort Coulonge

532 Baume St.

### Gatineau

325 Gréber Blvd, L Unit  
75 du Plateau, Unit 109  
770 Saint-Joseph Blvd.

### Granby

40 Évangéline St.

### Grand-Mère

531 6<sup>th</sup> Avenue

### Grenville

240 Principale St.

### Joliette

373 Notre-Dame St.

### Kirkland

3876 Saint-Charles Blvd.

### Lachute

470 Principale St. W.

### La Prairie

995 Taschereau Blvd.

### Laval

928 Highway 13, Chomedey W.  
233 Curé-Labelle Blvd.  
3387 Dagenais Blvd. W.  
510 des Laurentides Blvd.  
5720 des Laurentides Blvd.  
1699 Le Corbusier Blvd., Suite 100  
750 Montrose St.  
3870 Notre-Dame Blvd.  
1899 René-Laennec Blvd.  
4600 Samson Blvd., Suite 19

### Longueuil

2588 chemin Chambly  
4 Saint-Charles St. E.  
6250 Cousineau Blvd, Suite 200  
5925 Payer Blvd.  
3700 Taschereau Blvd.

### Maniwaki

111 Desjardins Blvd.

### Mascouche

848 Masson Hill

### Mont Laurier

476 de la Madone St.

### Montréal

6593 Beaubien St.E.  
4155 Bélanger St. E.  
5900 Bélanger St. E.  
Saint-Leonard  
290 Chabanel St. W.  
8262 Champlain Blvd., Lasalle  
4135 D'Amiens St., Montreal N.  
6225 Darlington Ave.  
865 Décarie Blvd., Saint-Laurent  
5159 Décarie Blvd.  
88 Don Quichotte Blvd.  
885 Fleury St.E.  
2200 Fleury St. E.  
5501 Henri-Bourassa Blvd. E.  
Montreal N.  
8595 Hochelaga St.  
136 Jacques-Bizard Blvd.  
Bizard Island  
7050 Jarry St. E., Anjou  
4725 Jarry St. E., Saint-Leonard  
10 Jean-Talon St. E.  
5045 Jean-Talon St. E.  
Suite 101, Saint-Leonard  
555 Jean-Talon St. W.  
6651 Joseph-Renaud Blvd., Anjou  
9095 Lajeunesse St.  
8410 Langelier Blvd., Saint-Leonard  
6525 Léger Blvd., Montreal N.  
6500 de Lorimier Ave.  
2937 Masson St.  
8646 Maurice-Duplessis Blvd.  
Rivière-des-Prairies  
6270 Monk Blvd.  
1981 McGill College Ave.  
1100 du Mont-Royal Ave. E.  
7333 Newman Blvd., Lasalle  
1675 Notre-Dame St., Lachine  
3720 Ontario St. E.  
7705 Papineau Ave.  
5059 Park Ave.  
1430 Poirier St., Saint-Laurent  
1100 René-Lévesque Blvd. W.  
8090 Saint-Denis St.  
391 Saint-Jacques St.  
4080 Saint-Jacques St.

3823 Saint-Laurent Blvd.  
7192 Saint-Michel Blvd.  
8930 Saint-Michel Blvd.  
1155 Sainte-Catherine St. E.  
2490 de Salaberry St.  
1805 Sauvé St. W.  
6615 Sherbrooke St. E.  
12050 Sherbrooke St. E.  
5651 Sherbrooke St. W.  
1291 Shevchenko Blvd., Lasalle  
6640 Somerled Ave.  
1447 Van Horne Ave., Outremont  
4790 Van Horne Ave.  
5501 Verdun Ave., Verdun  
8945 Viau Blvd., Saint-Leonard  
4214 Wellington St., Verdun

### Murdochville

601 5<sup>th</sup> Street, P.O. Box 1210

### New Carlisle

168 Gérard-D.-Lévesque Blvd.

### New Richmond

228 Perron Blvd.

### Nicolet

92 Place 21 Mars, P.O. Box 1869

### Ottawa

1021 Cyrville Road, Unit 9

### Paspébiac

120 Gérard-D.-Lévesque Blvd.  
P.O. Box 39

### Port Daniel

10 132 Road, P.O. Box 70

### Québec

999 de Bourgogne St.  
510 Charest Blvd. E.  
1221 Charles-Albanet St.  
580 Grande Allée E., Suite 30  
8000 Henri-Bourassa Blvd.  
2600 Laurier Blvd., Suite 25  
2828 Laurier Blvd., Suite 100  
1275 Sainte-Foy Road  
3930 Wilfrid-Hamel Blvd. W.  
3323 du Carrefour Blvd.  
1350 Lebourgneuf Blvd.

### Repentigny

85 boul. Brien, Suite E1A  
150 Iberville Blvd.  
910A Iberville Blvd.

### Rimouski

320 Saint-Germain St.E.

### Roberval

773 Saint-Joseph Blvd., Suite 101

### Rosemère

401 Labelle Blvd.

### Rouyn-Noranda

24 Perreault St. E.

### Saguenay

1611 Talbot Blvd., Suite 100,

### Chicoutimi

3460 Saint-François Blvd., Jonquière  
1220 du Port Ave., La Baie

### Saint-Bruno de Montarville

1354 Roberval St.

### Saint-Constant

400 132 Road, Suite 170

### Saint-Eustache

569 Arthur-Sauvé Blvd.

### Saint-Georges

11400 1<sup>st</sup> Avenue, Suite 35

### Saint-Hyacinthe

5915 Martineau St.

### Saint-Jean-sur-Richelieu

605 Pierre-Caisse St. W.

### Saint-Jérôme

3 de la Salette Blvd.

### Saint-Lambert

400 Victoria Ave.

### Saint-Raymond

300 Saint-Joseph St.

### Sainte-Marie-de-Beauce

16 Notre-Dame St. N.

### Sept-Îles

770 Laure Blvd.

### Sherbrooke

2637 King St. W.  
5050 Bourque Blvd., Rock Forest

### Sorel-Tracy

831 Marie-Victorin Road

### Terrebonne

1090 Moody Blvd.

### Thetford Mines

222 Frontenac Blvd. W., Suite 101

### Trois-Rivières

425 des Forges St.  
4450 des Forges Blvd.

### Val d'Or

872 3<sup>rd</sup> Avenue

### Valleyfield

187 Victoria St.

### Vaudreuil-Dorion

43 Cité des Jeunes

### Victoriaville

1073 Jutras Blvd. E.

### Westmount

4848 Sherbrooke St. W.

## Offices and Subsidiaries

### Agricultural Financing

#### Blainville

9 De La Seigneurie Blvd.  
Suite 2

#### Drummondville

571 Saint-Joseph Blvd.

#### Granby

40 Évangéline St.

#### Saint-Hyacinthe

5915 Martineau St.

#### Saint-Jean-sur-Richelieu

605 Pierre-Caisse St.

#### Sainte-Marie-de-Beauce

16 Notre-Dame St. N.

#### Vaudreuil

43 Cité des Jeunes Blvd.

#### Victoriaville

1073 Jutras Blvd. E.

### B2B Bank

#### Montréal

425 de Maisonneuve Blvd. W.  
Suite 1115

#### Toronto – Head office and Subsidiaries

199 Bay St.  
Suite 600 and 610

### Commercial Sector

#### Kitchener

10 Duke St. W.  
Suite 100

#### Mississauga

979 Derry Road E.

#### Montréal

1981 McGill College Avenue  
Suite 1500

#### Québec

2828 Laurier Blvd.  
Suite 100

#### Thornhill

8500 Leslie St.  
Suite 100

#### Toronto

130 Adelaide St. W.  
Suite 300

### International Services

#### Montréal

1981 McGill College Avenue  
Suite 1485

#### Montréal

1981 McGill College Avenue  
Suite 1900

#### Toronto

130 Adelaide St. W.  
3<sup>rd</sup> Floor

### Laurentian Bank Securities Inc.

#### Chicoutimi

1611 Talbot Blvd.  
Suite 104

#### Cornwall

55 Water St. W.  
Suite 385

#### Drummondville

645 Saint-Joseph Blvd.  
Suite 100

#### Granby

20 Place du Lac

#### Kamouraska

622 Elzéar St.

#### Laval

1699 Le Corbusier Blvd.  
Suite 220

#### Longueuil

1111 Saint-Charles St. W.  
Suite 350

#### Montréal – Head Office

1981 McGill College Avenue  
Suite 1900

#### Montréal

1981 McGill College  
Suite 100

3500 de Maisonneuve Blvd. W.  
Suite 1975

#### Québec

2505 Laurier Blvd.  
Suite 100

1350 LeBourgneuf Blvd.

#### Pierrefonds

3876 St-Charles Blvd.

#### Saint-Jean-sur-Richelieu

100 Richelieu St.  
Suite 150

#### Thetford Mines

222 Frontenac Blvd. W.

#### Toronto

130 Adelaide St. W.  
Suite 301

### Laurentian Trust of Canada Inc.

#### Montréal – Head Office

1981 McGill College Avenue

#### Montréal

555 Chabanel St. W.  
Suite 520

### LBC Financial Services Inc.

#### Montréal – Head Office

1981 McGill College Avenue  
20<sup>th</sup> Floor

#### Montréal

425 de Maisonneuve Blvd. W.  
Suite 040

### LBC Trust

#### Montréal – Head Office

1981 McGill College Avenue

555 Chabanel St. W.  
Suite 520

### Private Banking

#### Montréal

1981 McGill College Avenue  
2<sup>nd</sup> Floor

### Real Estate Sector

#### Calgary

1122–4<sup>th</sup> St. South W.  
Suite 450

#### Kitchener

10 Duke St. W.  
Suite 100

#### Montréal

1981 McGill College Avenue  
Suite 1525

#### Ottawa

1021 Cyrville Road  
Unit 9

#### Québec

2828 Laurier Blvd.  
Suite 100

#### Thornhill

8500 Leslie St.  
Suite 100

#### Toronto

130 Adelaide St. W.  
3<sup>rd</sup> Floor

#### Vancouver

700 W. Georgia St.  
Suite 603

### Small Businesses Financial Services

#### Alma

500 Sacré-Coeur St. W.

#### Chicoutimi

1611 Talbot Blvd.  
Suite 100

#### Montréal

555 Chabanel St. W.  
Suite 430

#### Québec

2828 Laurier Blvd.  
Suite 100

### SME Québec

#### Brossard

7055 Taschereau Blvd.  
Suite 425

#### Drummondville

571 St-Joseph Blvd.

#### Gatineau

325 Gréber Blvd.  
Unité L

#### Granby

40 Évangéline St.

#### Laval

1699 Le Corbusier Blvd.  
Suite 200

#### Montréal

255 Crémazie Blvd. E.  
Suite 1100

#### Montréal E.

6625 Sherbrooke St. E.  
Suite 203

#### Québec

2828 Laurier Blvd.  
Suite 100 – Complexe Jules Dallaire

#### Repentigny

85 Brien Blvd.  
2<sup>nd</sup> Floor – Suite E1A

#### Saguenay

1611 Talbot Blvd.  
Suite 100

#### Sherbrooke

2637 King St. W.

#### St-Jean-sur-Richelieu

605 Pierre-Caisse St.

#### Ste-Marie-de-Beauce

16 Notre-Dame St. N.

#### Trois-Rivières

4450 Des Forges Blvd.

#### Victoriaville

1073 Jutras Blvd. E.

#### Ville St-Laurent

9999 Cavendish Blvd.  
Suite 101

## CONSOLIDATED SUBSIDIARIES

AS AT OCTOBER 31, 2013

CORPORATE NAME	HEAD OFFICE LOCATION	CARRYING VALUE OF VOTING SHARES OWNED BY THE BANK <sup>(1)</sup> [\$000]	PERCENTAGE OF VOTING SHARES OWNED BY THE BANK
B2B Bank (previously B2B Trust) Wholly-owned subsidiaries	Toronto, Canada	\$502 060	100%
B2B Bank Financial Services Inc. (previously M.R.S. Inc.)	Toronto, Canada		
B2B Bank Securities Services Inc. (previously M.R.S. Securities Services Inc.)	Toronto, Canada		
B2B Bank Intermediary Services Inc (previously M.R.S. Correspondent Corporation)	Toronto, Canada		
B2B Trustco	Toronto, Canada		
AGF Trust Company (amalgamated, on September 1, 2013 with B2B Bank)	Toronto, Canada		
LBC Investment Management Inc. Wholly-owned subsidiary	Montreal, Canada	\$295 668	100%
V.R. Holding Insurance Company Ltd	St. James, Barbados		
Laurentian Trust of Canada Inc.	Montreal, Canada	\$ 95 118	100%
LBC Trust	Montreal, Canada	\$ 62 363	100%
Laurentian Bank Securities Inc.	Montreal, Canada	\$100 250	100%
LBC Financial Services Inc.	Montreal, Canada	\$ 6 742	100%

(1) THE CARRYING VALUE OF VOTING SHARES CORRESPONDS TO THE BANK'S INTEREST IN THE SHAREHOLDERS' EQUITY OF THE SUBSIDIARY.



## Glossary of Financial Terms

**Allowances for Loan Losses** represent an amount deemed adequate by the Bank to absorb credit-related losses on loans and acceptances. Total allowances for loan losses consists of individual and collective allowances and are recorded on the balance sheet as a deduction from loans and acceptances.

**Assets under Administration and under Management** mostly refers to assets related to registered and non-registered investment accounts, clients' brokerage assets, mutual funds and mortgages administered by the Bank that are beneficially owned by clients and therefore not reported on the balance sheet of the Bank.

**Assets to Capital Multiple** is an OSFI-regulated capital ratio defined as total assets plus specified off-balance sheet items, divided by Total Capital.

**Bankers' Acceptances (BAs)** are bills of exchange or negotiable instruments drawn by a borrower for payment at maturity and accepted by a bank. BAs constitute a guarantee of payment by the Bank and can be traded in the money market. The Bank earns a "stamping fee" for providing this guarantee.

**Basel II** is the second of the Basel Accords, which are recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision. The purpose of Basel II is to create an international standard that banking regulators can use when creating regulations about how much capital banks need to put aside to guard against the types of financial and operational risks banks face.

**Basel III** is the third of the Basel Accords. It provides more stringent capital adequacy standards and introduces liquidity adequacy requirements.

**Basis Point:** One one-hundredth of a percentage point.

**Book Value per Common Share** is defined as common shareholders' equity, excluding accumulated other comprehensive income, divided by the number of common shares outstanding at the end of the period.

**Collective Allowances** are maintained to cover impairment in the existing loan portfolio that cannot yet be associated with specific loans. The Bank employs a collective allowance model based on the internal risk rating of credit facilities and on the related probability of default factors, as well as the loss given default associated with each type of facility.

**Common Equity Tier 1 Capital** represents, under Basel III, more permanent forms of capital, and primarily consists of common shareholder's equity and accumulated other comprehensive income, less a deduction for goodwill, software and other intangibles, pension assets, cash flow hedges and certain other deductions prescribed by OSFI.

**Common Equity Tier 1 Capital Ratio** is defined as Common Equity Tier 1 capital divided by risk-weighted assets.

**Credit and Counterparty Risk** is the risk of a financial loss occurring if a counterparty (including a debtor, an issuer or a guarantor) does not fully honor its contractual or financial obligations towards the Bank with regard to a balance sheet or an off-balance sheet financial instrument.

**Derivatives** are contracts whose value is "derived" from movements in interest or foreign exchange rates, or equity or commodity prices. Derivatives allow for the transfer, modification or reduction of current or expected risks from changes in rates and prices.

**Dividend Payout Ratio** is defined as dividends declared on common shares as a percentage of net income available to common shareholders.

**Dividend Yield** represents dividends declared per common share divided by the closing common share price

**Earnings per Share (EPS)** is calculated by dividing net income after deduction of preferred dividends, by the average number of shares outstanding. Diluted EPS is calculated by adjusting the number of shares outstanding for possible conversions of financial instruments into common shares.

**Effective Interest Rate** represents the discount rate applied to estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to arrive at the net carrying amount of the financial asset or liability.

**Efficiency Ratio** is a key measure of productivity and cost control. It is defined as non-interest expenses as a percentage of total revenue.

**Hedging** is a risk management technique used to neutralize or manage interest rate, foreign currency, or credit exposures arising from normal banking activities by taking positions that are expected to react to market conditions in an offsetting manner.

**Impaired Loans** are loans for which there is no longer reasonable assurance of the timely recovery of principal or interest. Net impaired loans are calculated as gross impaired loans less individual allowances and collective allowances against impaired loans.

**Individual Allowances** reduce the carrying value of impaired loans to the amount the Bank expects to recover when there is evidence of deterioration in credit quality.

**Mark-to-Market** is the valuation of financial instruments that are carried at fair value at market prices as of the balance sheet date.

**Net Interest Income** is comprised of earnings on assets, such as loans and securities, including interest and dividend income, less interest expense paid on liabilities, such as deposits.

**Net Interest Margin** is the ratio of net interest income to total average assets, expressed as a percentage or basis points.

**Notional Amount** refers to the principal used to calculate interest and other payments under derivative contracts.

**Off-Balance Sheet Financial**

**Instruments** represent a variety of financial arrangements offered to clients, which include for the Bank derivatives, credit commitments and guarantees, and other indemnifications.

**Office of the Superintendent of Financial Institutions Canada (OSFI)**

is the primary Canadian regulator and supervisor of federally regulated deposit-taking institutions, insurance companies and federally regulated private pension plans.

**Operating Leverage** is the difference between total revenue and non-interest expenses growth rates.

**Options** are contractual agreements between two parties in which the writer of the option grants the buyer the right, but not the obligation, to either buy or sell, at or by a specified date, a specific amount of a financial instrument at a price agreed upon when the agreement is entered into. The writer receives a premium for selling this instrument.

**Provision for Loan Losses** is a charge to income that represents an amount deemed adequate by management considering the allowances for loan losses already established to absorb all incurred loan losses in its portfolio, given the composition of the portfolios, the probability of default and the economic environment.

**Return on Common Shareholders'**

**Equity** is a profitability measure calculated as the net income available to common shareholders as a percentage of average common shareholders' equity, excluding accumulated other comprehensive income.

**Risk-weighted Assets** are assets calculated by applying a regulatory risk-weight factor to on and off-balance sheet exposure. The Bank uses standardized risk-weight factors as stipulated by OSFI, based on the guidelines developed by the Bank for International Settlement (BIS).

**Securities Purchased Under Reverse Repurchase Agreements and Obligations Related to Securities Sold Under Repurchase Agreements**

are short-term purchases of securities under agreements to resell as well as short-term sales of securities under agreements to repurchase at predetermined prices and dates. Given the low risk transfer associated with these purchases and sales, these agreements are treated as collateralized lending.

**Swaps** are contractual agreements between two parties to exchange a series of cash flows for a specified period of time. The various swap agreements that the Bank enters into are as follows:

- *Interest rate swaps* – counterparties generally exchange fixed and floating rate interest payments based on a predetermined notional amount in a single currency.
- *Foreign exchange swaps* – fixed rate interest payments and principal amounts are exchanged in different currencies.
- *Total return swaps* – floating payments based on changes in the value of a reference asset or group of assets, including any associated return such as dividends, are exchanged for amounts based on prevailing market funding rates.

**Tier 1 Capital** primarily consists of common shareholders' equity and preferred shares, less a deduction for goodwill and excess intangible assets, securitization and certain other deductions prescribed by OSFI.

**Tier 1 Capital Ratio** is defined as Tier 1 capital divided by risk-weighted assets.

**Total Capital** includes Tier 1 and Tier 2 capital, net of certain deductions. Tier 2 capital is primarily comprised of subordinated debt and the eligible portion of collective allowances for loan losses.

**Total Capital Ratio** is defined as total capital divided by risk-weighted assets.

**Value at Risk (VaR)** corresponds to the potential loss the Bank may incur for a specific portfolio or a group of portfolios over a one-day period, with a confidence level of 99%.

## Shareholder Information

### HEAD OFFICE

Tour Banque Laurentienne  
1981 McGill College Avenue  
Montréal, Québec H3A 3K3  
Tel.: 514 284-4500 ext. 5996  
Fax: 514 284-3396

### TELEBANKING CENTRE, Automated Banking and Customer Service

Tel.: (514) 252-1846  
or 1-800-252-1846  
Website: www.laurentianbank.ca  
Swift Code: BLCM CA MM

### ANNUAL MEETING

The Annual Meeting of the Common Shareholders of the Bank will be held on Wednesday, April 2, 2014, at 9:30 a.m., at the Monument-National, Salle Ludger-Duvernay, 1182 Saint-Laurent Blvd., Montréal, Québec H2X 2S5.

### VALUATION DAY PRICE

For capital gains purposes, the market value of Laurentian Bank common shares on Valuation day, December 22, 1971, adjusted for the stock splits of July 1983 and January 1987, was \$3.72.

### TRANSFER AGENT AND REGISTRAR

Computershare  
Investor Services Inc.  
1500 University Street, Suite 700  
Montréal, Québec H3A 3S8

### OMBUDSMAN'S OFFICE

Laurentian Bank  
1981 McGill College Avenue  
Suite 1420  
Montréal, Québec H3A 3K3  
Tel.: 514 284-7192  
or 1-800-479-1244

### CHANGE OF ADDRESS AND INQUIRIES

Shareholders should notify the Transfer Agent of any change of address. Inquiries or requests may be directed to the Corporate Secretary's Office at Head Office or by calling 514 284-4500 ext. 7545.

### INVESTORS AND ANALYSTS

Investors and analysts may contact the Investor Relations Department at Head Office by calling 514 284-4500 ext. 4926.

### MEDIA

Journalists may contact the Public Affairs and Communications Department at Head Office by calling 514 284-4500 ext. 3901.

### DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

The Bank has a dividend reinvestment and share purchase plan for Canadian holders of its common and preferred shares under which they can acquire common shares of the Bank without paying commissions or administration fees. Participants acquire shares through the reinvestment of cash dividends paid on the shares they hold or through optional cash payments of a minimum amount of \$500 per payment, up to an aggregate amount of \$20,000 in each 12 month period ending October 31.

For more information, shareholders may contact the Bank's registrar and transfer agent, Computershare Trust Company of Canada, at 1-800-564-6253. To participate in the plan, the Bank's non-registered common and preferred shareholders must contact their financial institution or broker.

### DIRECT DEPOSIT SERVICE

Shareholders of the Bank may, by advising the Transfer Agent in writing, have their dividends deposited directly into an account held at any financial institution member of the Canadian Payments Association.

This Annual Report was produced by the Public Affairs, Communications and Investor Relations Department of Laurentian Bank.

Vous pouvez recevoir une version française de ce rapport annuel en faisant parvenir votre demande par écrit à :  
Banque Laurentienne  
1981, avenue McGill College,  
20<sup>e</sup> étage  
Montréal (Québec) H3A 3K3

## STOCK SYMBOL AND DIVIDEND RECORD AND PAYMENT DATES

THE COMMON AND PREFERRED SHARES INDICATED BELOW  
ARE LISTED ON THE TORONTO STOCK EXCHANGE.

	CUSIP CODE/ STOCK SYMBOL	RECORD DATE*	DIVIDEND PAYMENT DATE*
Common shares	51925D 10 6 LB	First business day of: January April July October	February 1 May 1 August 1 November 1
Preferred shares			March 15
Series 10	51925D 86 6 LB.PR.E	**	June 15
Series 11	51925D 84 1 LB.PR.F	**	September 15 December 15

\* Subject to the approval of the Board of Directors.

\*\* On such day (which shall not be more than 30 days preceding the date fixed for payment of such dividend) as may be determined from time to time by the Board of Directors of the Bank.

Our focussed strategy, agile growth and execution are the three pillars that guide our selective investment, growth and continuous development. Our business plan allows us to diversify activities and accelerate efforts to extend our presence throughout Canada. This is our strategy for...

## MAXIMIZING OUR POTENTIAL



**LAURENTIAN  
BANK**

ISBN 978-2-9812244-4-6

Legal Deposit – Bibliothèque et Archives nationales du Québec, 2014

Legal Deposit – Library and Archives Canada, 2014

995759A

[laurentianbank.ca](http://laurentianbank.ca)

