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**Laurentian Bank announces the acquisition of AGF Trust by B2B Trust**

**Montreal, June 6, 2012** – B2B Trust, a subsidiary of Laurentian Bank (TSX: LB), and AGF Management Limited (TSX: AGF.B), today announced that they have entered into an agreement under which B2B Trust will acquire 100% of AGF Trust Company (“AGF Trust”) in a share purchase transaction. B2B Trust will acquire AGF Trust for a cash consideration corresponding to the net book value of the company at closing of approximately \$242 million.

AGF Trust currently provides GICs, term deposits, investment loans and real estate secured loans through some 20,500 financial advisors and 1,050 mortgage brokers nationwide.

The agreement also includes a contingent consideration of a maximum of \$20.0 million over five years if credit quality reaches certain criteria. As well, B2B Trust will cause 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. The transaction is expected to close in August 2012 subject to applicable regulatory notifications and approvals.

As at the closing date, AGF Trust’s assets are expected to be approximately \$3.8 billion, essentially including cash and marketable securities of \$0.7 billion and retail loans of approximately \$3.1 billion.

The integration of operations, planned for 2013, is expected to result in non-recurring charges of \$30 to \$35 million. This transaction is expected to be accretive to the Bank’s net income by approximately \$28 to \$30 million annually as of 2014.

In order to maintain its capital ratios, Laurentian Bank has entered into arm’s length subscription agreements relating to a private placement of 2,867,383 subscription receipts for an amount before fees of \$100 million with the Caisse de dépôt et placement du Québec and for an amount before fees of \$20 million with Fonds de solidarité FTQ. The subscription receipts will be issued at a price of \$41.85 per receipt and will be exchangeable, on a one-for-one basis, for common shares of the Bank. The offering of subscription receipts is expected to close, subject to the approval of the Toronto Stock Exchange, no later than June 15, 2012, and the proceeds of such offering will be placed in escrow until closing of the AGF Trust acquisition, at which point the subscription receipts will be automatically exchanged for common shares of the Bank. If the closing of the AGF Trust acquisition does not occur at the latest on December 31, 2012, the proceeds of the private placement will be returned to the subscribers.

After incorporating the estimated capital requirements for AGF Trust at closing and the expected proceeds from the simultaneous private placement, the Bank’s Basel II Tier 1 Capital Ratio would be, on a pro forma basis, approximately 10.3% as at April 30, 2012, still comfortably above existing regulatory guidelines. Furthermore, the Bank’s Basel III Common Equity Ratio based on the full Basel III rules applicable in 2019 (i.e. without transition arrangements) would be, on a pro forma basis, approximately 7.3% as at April 30, 2012, in line with expected regulatory requirements.

**About Laurentian Bank**

Laurentian Bank of Canada is a banking institution operating across Canada and offering its clients diversified financial services. Distinguishing itself through excellence in service, as well as through its simplicity and proximity, the Bank serves individual consumers and small and medium-sized businesses. The Bank also offers its products to a wide network of independent financial intermediaries through B2B Trust, as well as full-service brokerage solutions through Laurentian Bank Securities.



# Press release

FOR IMMEDIATE RELEASE

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Laurentian Bank is well established in the Province of Québec, operating the third-largest retail branch network. Elsewhere throughout Canada, it operates in specific market segments where it holds an enviable position. Laurentian Bank of Canada has more than \$30 billion in balance sheet assets and more than \$33 billion in assets under administration. Founded in 1846, the Bank employs over 4,000 people.

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