LAURENTIAN BANK

CONFERENCE CALL

TRANSCRIPT

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Sumit Malhotra
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Shubha Khan
National Bank Financial

PRESENTATION

Operator

All participants please stand by; your conference is ready to begin. Good afternoon, ladies and gentlemen. Welcome to the Laurentian Bank conference call. I would now like to turn the meeting over to Ms. Gladys Caron. Please go ahead, Ms. Caron.

Gladys Caron, Vice-President, Public Affairs, Communications and Investor Relations

Merci, bienvenue. Good afternoon, everyone. Our press release was issued today on Canada Newswire and is posted on our website. This afternoon, the review the third quarter 2010 results will be provided by our President and CEO, Mr. Réjean Robitaille, as well as by our CFO, Mr. Michel Lauzon. Other members of our senior management team are also present on this call to answer any questions. You will find their names and titles on slide 23 of the presentation (unintelligible) our website. Mr. Robitaille and Lauzon will refer to that presentation throughout their speeches.

During this conference call, forward-looking statements may be made and it is possible that actual results may differ materially from those projected in such statements. For the complete cautionary note regarding forward-looking statements, please refer to our press release or to slide two of the presentation.

I will now turn the floor over to Mr. Robitaille.

Réjean Robitaille, President and Chief Executive Officer

And thank you, Gladys. Good afternoon, ladies and gentlemen. So the third quarter of 2010 was another solid quarter for Laurentian Bank and I am pleased with our results. As highlighted on slide three, we delivered continued year-over-year growth in our profitability and in our balance sheet. Owing to numerous growth and development initiatives, several of which are coming to fruition, revenue increased substantially which demonstrated our capacity for organic growth. These initiatives are largely responsible for generating higher levels of non-interest income. Net interest income increased significantly from a year earlier, benefiting from high net interest margins, as well as from loan and deposit growth. The provision for loan losses increased due to the late quarter classification of a single commercial account. Despite this, credit quality overall remained good, with clear improvement in the Retail portfolio.

The Retail and Small/Medium (phon) Enterprises in Quebec and B2B Trust segments generated particularly strong year-over-year increases in net income, up 51 and 36 percent, respectively. We are pleased that all our business segments continue to provide opportunities to improve our profitability and contribute to the Bank's success.

As shown on the slide four of our PowerPoint presentation, for the third quarter of 2010, earnings per share increased by 5 percent year-over-year to $1.13, with net income of $30.1 million. Return on equity was 11 percent in the third quarter of 2010. Of note, these strong results were achieved despite significantly lower securitization income and higher loan loss provisions.

Turning to slide five, our results after nine months improved compared to last year and management believes that the Bank is on track to meet the 2010 objectives set at the beginning of the year. The strong execution of our business plan, in conjunction with our solid balance sheet and capital base, position us well to continue to generate sustainable growth.

I will now call upon Michel to provide you with a more in-depth analysis of our financial performance. Michel?

Michel Lauzon, Chief Financial Officer

Thank you, Réjean. Financial highlights of the third quarter of 2010 can be found on slide six. Total revenue increased by 7 percent year-over-year. This was driven by a 15 percent rise in net interest income. The provision for loan losses at $20 million was $4 million higher than in the second quarter of 2010 and the third quarter of 2009. Higher expenses, including salaries and benefits associated with the various growth and service quality initiatives, pushed non-interest expenses up by 7 percent year-over-year. In the third quarter of 2010, diluted EPS and ROE reached $1.13 per share and 11 percent, respectively, compared with $1.08 and 11.6 percent in the third quarter of 2009.

Delving deeper into the results, I will discuss the main drivers of the Bank's performance during the third quarter of 2010. Firstly, net interest income of $129.9 million in the third quarter of 2010 increased by $17.1 million from the third quarter of 2009. High net interest margins and continued strong loan and deposit growth year-over-year contributed to this performance. As highlighted on slide seven, the net interest margin at 2.22 percent was 7 basis points higher than the net interest margin of 2.15 percent earned in the third quarter of 2009. The margin was 12 basis points higher than in the second quarter of 2010, mainly due to seasonally higher penalty revenues on mortgage loan prepayments and a favourable product mix. However, funding cost increases in the latter part of the quarter owing to rising short-term market rates and the continued fierce competition for retail customers, particularly in the mortgage market, could exert pressure on margins in the coming months.

Secondly, other income of $58.9 million in the third quarter of 2010 was $5 million lower than the $63.9 million recorded in the third quarter of 2009. It is worthwhile looking at its composition to understand what is behind the decline. Securitization income of $935,000 in the third quarter of 2010 was $8.8 million lower than in the third quarter of 2009. This was the result of lower securitization gains ensuing from the tighter spreads on the mortgages sold. Higher fees and commissions on loans and deposits compensated for a portion of this decline, further demonstrating the Bank's ability to grow its business. Income from treasury and financial market operations improved by $4.2 million compared to a year earlier, largely the result of a $4.8 million charge related to the write-down of certain securities recorded in the same quarter last year.

Lastly, income from brokerage operations decreased by $3.8 million compared to the third quarter of 2009 due to weaker market conditions. Therefore, the trend towards more stable and core revenues replacing more volatile securitization income is becoming increasingly entrenched in the Bank's operations.

Thirdly, as highlighted on slide eight, the provision for loan losses amounted to $20 million in the third quarter of 2010, $4 million higher than both last quarter and last year. The year-over-year increase was not a result of broad-based deterioration in the portfolio but rather caused by a very small number of specific accounts. Provisions of $1.5 million were taken on two residential construction projects. Also, provisions on commercial loans and commercial mortgages were up a combined $4.4 million due mainly to a $5 million loss on a single commercial exposure. These losses were partially offset by the lower level of losses in personal loan portfolios, attributable in part to our reduced exposure to point-of-sale financing, as well as the overall improvement in the labour market.

Slide nine highlights the credit quality of the loan portfolio. Gross impaired loans of $182.5 million at the end of the third quarter of 2010 increased by $20.5 million from the end of the second quarter. This increase largely emanates from the previously mentioned commercial loan and… commercial loans and commercial mortgages, while the credit quality of most retail portfolios continued to improve. We believe that the level of gross impaired loans could have peaked in the quarter. Net impaired loans stood at $52.5 million as at July 31st, 2010, compared to $37.8 million as at April 30th, which we still consider to be an acceptable level. Therefore, while we've continued to closely monitor business conditions, the credit quality of our loan portfolio remains satisfactory in the quarter.

As presented on slide 10, the efficiency ratio for the first nine months of 2010 was 67.9 percent, which was a significant improvement from 70.5 percent for the nine months of 2009. Specifically, in the third quarter of 2010, the ratio was 67.7, relatively stable from a year earlier.

One of the main drivers of the Bank's improving results is loan and deposit growth, as highlighted on slide 11. Total loans and BAs rose by $1.9 billion or by 12 percent over the last 12 months. Contributing to this growth were residential mortgages, which increased by $1.4 billion or 20 percent, benefiting from our effective distribution channels and strong underwriting activity. Commercial mortgages grew by 32 percent or $365 million as the Bank took advantage of opportunities available in the Canadian market while maintaining prudent and disciplined underwriting standards. Personal loans were virtually unchanged year-over-year as growth in investment loans and home equity lines of credit were offset by runoffs in point-of-sale financing. However, we have recently witnessed slower seasonal demand and some recent softness in the Canadian housing market. While total deposits increased by $1.1 billion over the last 12 months, the Bank also, is also gradually reducing excess liquidity levels to meet funding requirements. That being said, retail deposits continue to provide a stable and diversified source of funding at comparably attractive rates. A well diversified and conservative loan portfolio, prudently managed liquidity and a solid base of personal retail deposits remain the foundation of the Bank's balance sheet.

I would also like to point out that, at the end of the third quarter, our Tier 1 capital ratio was 10.7 percent. While slightly lower than at year end 2009, due to an 8 percent increase in risk weighted assets, our capital remains strong, with a tangible common equity ratio of 8.9 percent, reflecting the high quality of the Bank's capital.

We will now turn to the performance of our business segments on slide 12. Most of our business segments reported strong revenue growth. We were particularly pleased with the growth in income from the Retail and SME Quebec segment and from B2B Trust.

Slide 13 highlights that our three main engines of growth each contributed approximately one third of the net income during the first nine months of 2010, demonstrating diversification of our activities. As for Laurentian Bank Securities, it remains an important segment within our business model and will contribute to our future growth.

Slide 14 shows that total revenue in Retail and SME Quebec in the third quarter of 2010 rose by 7 percent compared to a year ago, reaching $117 million. This increase was a result of high loan and deposit volumes and higher fee income. Initiatives to further development other revenue streams, such as card fees, credit insurance revenues continue to produce benefits. Loan losses declined to $9.6 million from $12.4 million in the third quarter of 2009, reflecting the significant improvement in the credit quality on retail loan portfolios. Non-interest expenses rose by 4 percent, mainly as a result of annual increases in salaries as well as an increase in the number of employees, partly offset by 3.1 percent positive operating leverage. All of these factors resulted in exceptional year-over-year growth in net income of 51 percent.

Slide 15 highlights the results of the Real Estate and Commercial segment. Total revenue increased by 22 percent to $31.6 million in the third quarter of 2010, mainly as a result of higher loan volumes and improved margins, owing to re-pricing measures initiated last year. Loan losses rose to $9.4 million in the third quarter of 2010 compared to $2.1 million in the third quarter of 2009, largely as a result of the aforementioned $5 million provision for loan losses on a single commercial exposure and provision of $1.5 million on two residential construction projects. While the credit conditions seem to have stabilized lately, there remain some challenges in certain areas of the economy. Non-interest expenses were stable at $7.2 million in the third quarter of 2010 compared to $7.4 million a year earlier. Positive operating leverage resulted in deficiency ratio improving to 23 percent from 29 percent a year earlier. Net income increased by 18 percent year-over-year to $13.2 million in the third quarter of 2010.

As shown on slide 16, B2B Trust's revenue increased by 24 percent to $32.7 million in the third quarter of 2010. This was driven by continued growth in loan and deposit volumes over the year earlier period and by higher net interest margins owing to lower funding costs. Loan losses, which include provisions on investment lending activities, remained low at $1 million in the third quarter of 2010 compared to $1.5 million in the third quarter of 2009. Higher staffing levels and salary and employee benefits were largely responsible for the increase in non-interest expenses to $14.7 million in the third quarter of 2010 compared with $12.3 million in the third quarter of 2009. Positive operating leverage resulted in deficiency ratio improving 45 percent from 47 percent a year earlier. Net income rose by 36 percent year-over-year to $11.8 million in the third quarter of 2010.

As can be seen from slide 17, revenues in Laurentian Bank Securities and Capital Markets fell by 17 percent to $14 million in the third quarter of 2010, mainly as a result of lower institutional fixed income and softer market capital, softer capital markets. Lower variable compensation costs were largely responsible for non-interest expense declining to $11.1 million in the third quarter of 2010 from $12 million in the third quarter of 2009. Net income decreased to $2.1 million in the third quarter of 2010 from $3.4 million in the third quarter of 2009.

The Other sector, presented on slide 18, posted a negative contribution of net income of $6.5 million in the third quarter of 2010 compared with negative contribution of $1.5 million a year earlier. Net interest income improved to negative $6.7 million in the third quarter of 2010 compared to negative $7.8 million in the third quarter of 2009 as a result of favourable asset liability positioning. Other income for the third quarter of 2010 was $217,000 compared to $6.4 million a year ago. The decline was mainly the result of sharply lower income from securitization, partly offset by the absence of write-downs on securities as in the third quarter of 2009.

This concludes my comments. Now Réjean will offer some closing remarks.

Réjean Robitaille, President and Chief Executive Officer

Thank you, Michel. Well based on the strength of our business segments, our organic growth capabilities, as well as the diversification of our activities, we continue to execute our development plan. As shown on slide 19, our portfolios are of high quality and well diversified, both geographically and sectorally. Furthermore, these portfolios have grown substantially as it is highlighted on slide 20. Since 2006, loans have increased by 42 percent and deposits by 46 percent, an achievement made possible due to our solid business model and strategic investments. This positive long-term trend attests to the effective distribution and marketing that supports business development initiatives and subsequently generates our organic growth.

As shown on slide 21, this organic growth, along with our disciplined cost culture, has helped to drive our improving profitability and efficiency. I would like to add that, while we are encouraged by the additional clarity that was recently provided regarding the capital rules, uncertainty remains. Therefore, we continue to be prudent as well as proactive with respect to capital and await further details are expected later this fall.

We are proud of our progress and our numerous accomplishments, some of which are even recognized by third parties recently. Our evolution chip card project earned an (inaudible) award, recognizing our achievements within Quebec's information technology sector. Also, our President and CEO of B2B Trust, François Desjardins, was the recipient of a Canada's Top 40 Under 40 award, recognizing the growing depth of talent within our organization. As well, we welcome the recent upgrade of our credit rating by Standard & Poor's. This is an acknowledgement of our improving performance and our ability to deliver strong and sustainable growth. In fact, Laurentian Bank was the first North American bank to have its credit rating upgraded by Standard & Poor's since the financial crisis. It is our solidity in combination with our agility which enabled Laurentian to be also the only Canadian bank to consistently increase earnings per share over the past five years in the face of one of the worst financial crisis in history.

Lastly, we are proud of our potential. By focusing clearly on our strategic priorities, dynamically developing our growth engines and effectively executing our business plan, we will continue to unleash the potential of Laurentian Bank for the benefit of all of our stakeholders.

I will now turn the floor back to Gladys.

Gladys Caron, Vice-President, Public Affairs, Communications and Investor Relations

At this time, I would like to the call over to the conference Operator for the question and answer session. Please feel free to ask your questions in English or in French.

QUESTION AND ANSWER SESSION

Operator

Thank you. If you have a question and you are using a speakerphone, please lift your handset before making your selection. If you have a question, please press star one on your telephone keypad. If at any time you wish to cancel your question, please press the pound sign. Please press star one at this time if you have a question. There will be a brief pause while the participants register for questions. Thank you for your patience.

Our first question is from Michael Goldberg from Desjardins Securities. Please go ahead.

Michael Goldberg, Desjardins Securities

Thanks. I was hoping you could give us some additional detail on this larger commercial account that got classified this quarter, such as size, location or sector, nature of the security and the prognosis?

Réjean Robitaille, President and Chief Executive Officer

I will ask Louis Marquis out of Credit to answer that question.

Louis Marquis, Senior Vice-President, Credit

I will limit my comments on this file due to the fact that it is a situation that is related to a commercial account for which we have learned in the latter part of August of the substantial deterioration but which was prudently reflected in our Q3 results. The situation is in the process of being managed right now. The collateral is standard for commercial lending. We got inventory and receivables, and we also have a government guarantee for a part of the loan. I would add that any further losses on that loan are not expected to have material impact on our future quarters.

Michael Goldberg, Desjardins Securities

Thank you.

Operator

Thank you. Once again, please press star one on your telephone keypad if you have a question. Our next question is from Sumit Malhotra from Macquarie Capital Markets. Please go ahead.

Sumit Malhotra, Macquarie Capital Markets

Good afternoon. I'm not sure if Michael was finished there but I'll start on the same line. It looks like commercial gross impaired loan balances were up about $17.5 million. How much was this one particular account that you were talking in terms of the aggregate loan size?

Réjean Robitaille, President and Chief Executive Officer

Once again, Louis.

Louis Marquis, Senior Vice-President, Credit

Well there were three, four loans in the quarter; two were of the real estate nature; two were of commercial nature and that would explain all of the increase.

Sumit Malhotra, Macquarie Capital Markets

All right, but this one loan, it sounds like you said one specific account accounted for $5 million in provisions. What was the aggregate… If that's right, first of all, or if it's not right, please correct me. But secondly, what was the size of that one single commercial account that's referenced a few times in the press release?

Réjean Robitaille, President and Chief Executive Officer

It was $16 million.

Sumit Malhotra, Macquarie Capital Markets

Sixteen million total, okay. I don't know if you said that before but that's the number I was looking for, thank you. And when we… So you provisioned about one third of it. Now, when we think about, you know, the last statement from Louis saying that it's probably not going to be a significant amount of provisioning required for this going forward, when we look at this uptick to $20 million in aggregate provisions this quarter, in your mind, is that a blip that accounted for this single loan and we're likely to go back to the level we were seeing over the previous year going forward? Or do you think that you've got to maintain a higher level of provisioning given your commercial portfolio right now?

Louis Marquis, Senior Vice-President, Credit

At this point, I have a reason to believe that we're going to revert to a level of loan losses that (inaudible) going to be closer to what we've had in the past year.

Sumit Malhotra, Macquarie Capital Markets

That's helpful. Thank you for that. And my next question is regarding securitization. The Bank had talked in the last few quarters about the fact that liquidity was at a level that you felt pretty comfortable with and we were going to see securitization trend lower. It certainly did for a while. In this quarter, it looks like you had a material uptick over the $300 million mark in terms of how much you securitized. Can you offer a little bit of colour on what the thought process was there?

Réjean Robitaille, President and Chief Executive Officer

Okay, I'll ask Michel Lauzon (inaudible) to answer that question, Sumit.

Michel Lauzon, Chief Financial Officer

Thanks, Sumit. Yes, the… We hadn't provided guidance in the past in that regard but the… As also mentioned, we view securitization mainly as a funding tool, and we look at our funding situation on a daily, weekly basis. And in the middle of the quarter, we decided that given the outlook of loan disbursements which were really strong and the deposit growth, we felt that we could securitize a little more this quarter and fund the Bank that way. We should revert back to our normal trend in future quarters in the 100 to 300 range.

Réjean Robitaille, President and Chief Executive Officer

There are some seasonal factors in the third quarter, usually, where we disburse a little bit more loans and that's the main reason why we did a little bit higher, the high level of securitization this quarter. But as Michel said, we should be in the level that we mentioned before, which were around 200 to $250 million per quarter.

Sumit Malhotra, Macquarie Capital Markets

Finally, on net interest margin, I certainly appreciate your comments regarding the competitive environment and the fact that it looks like the Bank of Canada tightening cycle may be less pronounced than we may have thought when we last spoke three months ago. Certainly got a pretty good increase in margin this quarter, however. Could you talk a little bit about the 12 basis point uptick in Q3, how much that had to do with the two rate hikes we did see from the Central Bank and was that the primary factor in pushing the margin up this quarter? It also looks like interest income from Securities jumped about $1.8 million, as I see from your disclosure, so any colour on the NIM jump this quarter would be helpful.

Réjean Robitaille, President and Chief Executive Officer

Okay, Michel, once again.

Michel Lauzon, Chief Financial Officer

Okay, the NIM jump was a combination of factors. The interest rate hike was one of several factors. We manage interest rate risk by positioning the Bank based on our expectation of where we think short rates and long rates are going to go. We just happened to position the Bank right, and we got a little bit of an uptick there. The increase in rates, in the prime rates did provide a little bit of an uptick as well. I did mention in my comments that we had earned a higher amount of mortgage prepayment penalty income, which is seasonally high in the third quarter. As well, we did lower broker inventories in the quarter in the… and so we shrunk the balance sheet a little bit from that perspective and so NIM interest margin, as expressed as a percentage of average assets, did go up by 3 basis points because of that.

Sumit Malhotra, Macquarie Capital Markets

And, Michel, if I wrap with you then, just on the two key – in my mind anyway – the two key issues for the quarter, first for NIM, if I look at the 210 last quarter and the 222, you know, thinking about perhaps, obviously prepayments helped this quarter, maybe rate hikes, maybe there's one more that comes through in the near term and things are a little bit slower, if I look at the 210, the 222 that you did the last two quarters, is it fair to say from, like the comments you're giving us today that that's a… that we should expect something in that range going forward?

Michel Lauzon, Chief Financial Officer

Yes.

Sumit Malhotra, Macquarie Capital Markets

And then secondly, just to wrap up and make sure I'm clear on the provision comment, after this quarter's uptick, you think you've taken the bulk of the issue related to this account so we should see provisions trend closer to the levels of the last year?

Michel Lauzon, Chief Financial Officer

We believe so.

Sumit Malhotra, Macquarie Capital Markets

Okay. Thanks for your time, guys.

Operator

Thank you. Our next question is from Shubha Khan from National Bank Financial. Please go ahead.

Shubha Khan, National Bank Financial

Good afternoon. So my question relates to loan growth. If… first, with respect to your personal loans, we saw a 1 percent sequential decline, I believe. Was that largely related to the ongoing runoff in your point-of-sale financing portfolio? And I believe in previous quarters, this was, this effect was pretty much offset by strong growth in your investment loans through B2B Trust. Are you seeing demand for investment loans softening?

Réjean Robitaille, President and Chief Executive Officer

Not necessarily. First of all, your first part of the, of your question, you're right. We're still seeing… because it's something that we have decided to be, I would say, a little bit more prudent on the point-of-sale slant on things (phon), so we're still seeing declines in that portfolio and that's something that we will continue to work on.

As for investment loan lending, I will ask François Desjardins to comment on this.

François Desjardins, Executive Vice-President and President and Chief Executive Officer, B2B Trust

Sure, thank you. I think it's only normal that investors show signs of hesitation after a market correction and we've seen this behaviour in previous instances. Furthermore, advisors have not been exempt from the increased regulatory scrutiny, we've seen since 2009. Nevertheless, we believe that borrowing to investors is much better than borrowing to spend, and we're more committed to, from, you know, from our perspective to the growth of this product, and we haven't seen any redemption, only a little bit of slower growth.

Shubha Khan, National Bank Financial

Okay, thank you. That's helpful. Secondly, with respect to your residential mortgage book, can you talk a little bit about the prospects for loan production going into 2011? Do you see it declining from 2010, given the generally slowing sort of housing market, tougher competition? And so should we assume that quarterly growth sort of in the low single digits would be appropriate?

Réjean Robitaille, President and Chief Executive Officer

Well, I think that we have to look at the numbers also and Michel talked about that. Year-over-year, our residential mortgage growth represents 20 percent of growth, which is quite significant. It's a fact that we are, right now, we're seeing, let's say a little softness on the housing market. You've seen the numbers across Canada. And let's say we might see… we believe that we might see for the coming quarter a lower rate of growth. That said, we have invested a lot in our business development capacities over the last few years, and we still believe that the level of growth that we had in the last two, three years are sustainable.

Shubha Khan, National Bank Financial

That's great. Thank you very much.

Réjean Robitaille, President and Chief Executive Officer

You're welcome.

Operator

Thank you. Once again, please press star one on your telephone keypad if you have a question. Your next question is from Michael Goldberg from Desjardins Securities. Please go ahead.

Michael Goldberg, Desjardins Securities

Thanks. Had a couple of number questions. First of all, what's the amount of your personal non-term deposits at the end of the quarter? And has there been any erosion at B2B?

Réjean Robitaille, President and Chief Executive Officer

In terms of B2B, I will ask François to, François Desjardins to answer that question. The second… The first part of your question was non-term deposits?

Michael Goldberg, Desjardins Securities

No, no, the personal demand and notice deposits.

Réjean Robitaille, President and Chief Executive Officer

Okay. So, François on B2B?

François Desjardins, Executive Vice-President and President and Chief Executive Officer, B2B Trust

Sure. We have seen some reduction in the rate of deposit growth overall, but we've had, you know, stability with respect to redemptions and what we're aiming for is for 100 percent retention rate on our total broker book.

Michael Goldberg, Desjardins Securities

This is in your high rate deposit.

François Desjardins, Executive Vice-President and President and Chief Executive Officer, B2B Trust

Yeah.

Michael Goldberg, Desjardins Securities

Okay. And what about the total amount of your… of personal demand and notice deposits, do you have that number handy, Michel?

Réjean Robitaille, President and Chief Executive Officer

We're looking at it right now (inaudible).

Michel Lauzon, Chief Financial Officer

Hold on a second, Michael.

Michael Goldberg, Desjardins Securities

Let me leave that for a minute. I had another question.

Réjean Robitaille, President and Chief Executive Officer

Okay.

Michel Lauzon, Chief Financial Officer

The numbers are the… I can tell you, the number for the quarter is up about… combined for personal demand and notice, up $300 million, sorry since year end. I would say it's about flat in the quarter.

Michael Goldberg, Desjardins Securities

Okay. My other question's about your performance-based comp and my understanding is that there is… You know, I break it into two components. There's the comp against your brokerage revenue, which I understand typically runs around 26 percent of that revenue, and then there's Bank-wide bonuses. So we're… is that… you know, does that still work as a guide to that revenue? And if so, it looks like the Bank-wide bonuses were up quite a bit this quarter. Is that correct? And if so, can you explain?

Réjean Robitaille, President and Chief Executive Officer

Okay, I'll ask Michel Lauzon to answer that question, Michael.

Michel Lauzon, Chief Financial Officer

For Laurentian Bank Securities, given the results in the quarter, the bonusing, bonus provision might have been slightly lower due to the lower Capital Market revenues. In terms of the Bank, we look at our overall incentive compensation provisioning based on our expected year end results based on established targets, and we did top up a little bit of our provisions at the end of the quarter.

Michael Goldberg, Desjardins Securities

Can you give us some idea how much you topped up the provision?

Michel Lauzon, Chief Financial Officer

No, I wouldn't provide any specific guidance there. It's just in line with what we're expecting in terms of payouts by year end and things can change between now and the end of the year.

Michael Goldberg, Desjardins Securities

Okay. Great. Thank you very much.

Operator

Thank you. There are no further questions registered at this time. I would like to turn the meeting back over to Ms. Caron.

Gladys Caron, Vice-President, Public Affairs, Communications and Investor Relations

Thank you all for joining us today. If you have any further questions, do not hesitate to contact us. Our phone numbers are listed on the presentation. Thank you.

Operator

Thank you. The conference has now ended. Please disconnect your lines at this time and we thank you for your participation.
