



**LAURENTIAN
BANK**

Press Release
FOR IMMEDIATE RELEASE

The financial information reported herein is based on the condensed interim consolidated (unaudited) information for the three-month period ended October 31, 2023 and on the audited consolidated financial statements for the year ended October 31, 2023, and has been prepared in accordance with International Financial Reporting standards (IFRS), as issued by the International Accounting Standards Board (IASB). All amounts are denominated in Canadian dollars. The Laurentian Bank of Canada and its entities are collectively referred to as "Laurentian Bank" or the "Bank" and provide deposit, investment, loan, securities, trust and other products or services.

The Bank's 2023 Annual Report (which includes the Audited Consolidated Financial Statements and accompanying Management's Discussion & Analysis) will be available today on the Bank's website at www.lbcfg.ca and on SEDAR+ at www.sedarplus.ca.

Laurentian Bank of Canada reports 2023 results

Montreal, December 7, 2023 — Laurentian Bank of Canada reported net income of \$181.1 million and diluted earnings per share of \$3.89 for the year ended October 31, 2023, compared with \$226.6 million and \$4.95 for the year ended October 31, 2022. Return on common shareholders' equity was 6.6% for the year ended October 31, 2023, compared with 8.9% for the year ended October 31, 2022. Adjusted net income was \$208.3 million and adjusted diluted earnings per share were \$4.52 for the year ended October 31, 2023, compared with \$237.1 million and \$5.19 for the year ended October 31, 2022. Of note, reported results for the year ended October 31, 2023 included restructuring and strategic-review related charges of \$24.1 million (\$17.7 million after income taxes), or \$0.41 per share, as further detailed in the Non-GAAP Financial and Other Measures section. Adjusted return on common shareholders' equity was 7.7% for the year ended October 31, 2023, compared with 9.3% for the same period a year ago.

For the fourth quarter of 2023, reported net income was \$30.6 million and diluted earnings per share were \$0.67, compared with \$55.7 million and \$1.26 for the fourth quarter of 2022. Return on common shareholders' equity was 4.5% for the fourth quarter of 2023, compared with 8.7% for the fourth quarter of 2022. Of note, reported and adjusted results for the fourth quarter of 2023 included a negative pre-tax impact of \$5.3 million (\$3.9 million after income taxes), or \$0.09 per share, from the mainframe outage that occurred in September 2023. Reported results for the fourth quarter of 2023 also included restructuring and strategic-review related charges of \$15.9 million (\$11.7 million after income taxes), or \$0.27 per share, as further detailed in the Non-GAAP Financial and Other Measures section. Adjusted net income was \$44.7 million and adjusted diluted earnings per share were \$1.00 for the fourth quarter of 2023, compared with \$57.8 million and \$1.31 for the fourth quarter of 2022. Adjusted return on common shareholders' equity was 6.6% for the fourth quarter of 2023, compared with 9.0% for the same period a year ago.

"Laurentian Bank is an integral part of our society and our place in this ecosystem is unwavering as we continue to support Canadian families, businesses, and communities achieve their dreams," said Éric Provost, President & CEO. "That's why we are taking steps today to streamline the Bank and revamp our strategic plan to focus on serving our customers and ensuring that we remain a strong Quebec-based institution."

In millions of dollars, except per share and percentage amounts (Unaudited)	For the three months ended			For the year ended		
	October 31, 2023	October 31, 2022	Variance	October 31, 2023	October 31, 2022	Variance
Reported basis						
Net income	\$ 30.6	\$ 55.7	(45)%	\$ 181.1	\$ 226.6	(20)%
Diluted earnings per share	\$ 0.67	\$ 1.26	(47)%	\$ 3.89	\$ 4.95	(21)%
Return on common shareholders' equity ⁽¹⁾	4.5 %	8.7 %		6.6 %	8.9 %	
Efficiency ratio ⁽²⁾	79.7 %	67.7 %		73.5 %	67.8 %	
Common Equity Tier 1 (CET1) capital ratio ⁽³⁾	9.9 %	9.1 %		9.9 %	9.1 %	
Adjusted basis						
Adjusted net income ⁽⁴⁾	\$ 44.7	\$ 57.8	(23)%	\$ 208.3	\$ 237.1	(12)%
Adjusted diluted earnings per share ⁽¹⁾	\$ 1.00	\$ 1.31	(24)%	\$ 4.52	\$ 5.19	(13)%
Adjusted return on common shareholders' equity ⁽¹⁾	6.6 %	9.0 %		7.7 %	9.3 %	
Adjusted efficiency ratio ⁽¹⁾	72.0 %	66.6 %		69.9 %	66.5 %	

(1) This is a non-GAAP ratio. For more information, refer to the Non-GAAP Financial and Other Measures section below and beginning on page 18 of the 2023 Annual Report, including the Management's Discussion and Analysis (MD&A) for the year ended October 31, 2023, which pages are incorporated by reference herein. The MD&A is available on SEDAR+ at www.sedarplus.ca

(2) This is a supplementary financial measure. For more information, refer to the Non-GAAP Financial below and beginning on page 18 of the 2023 Annual Report, including the MD&A for the year ended October 31, 2023, which pages are incorporated by reference herein.

(3) In accordance with the Office of the Superintendent of Financial Institutions' (OSFI) "Capital Adequacy Requirements" guideline.

(4) This is a non-GAAP financial measure. For more information, refer to the Non-GAAP Financial and Other Measures below and beginning on page 18 of the 2023 Annual Report, including the MD&A for the year ended October 31, 2023, which pages are incorporated by reference herein.

Driving Efficiencies Through Simplification

In line with our priorities of becoming a simpler and more customer-centric organization, we began in December 2023 to simplify our organizational structure. As a result, restructuring charges of an estimated \$6.5 million (before income taxes) are expected to be incurred in the first quarter of 2024. We expect these actions will generate recurring cost savings of an approximate \$8 million (before income taxes) on an annual basis.

Highlights

In thousands of dollars, except per share and percentage amounts (Unaudited)	For the three months ended					For the year ended		
	October 31 2023	July 31 2023	Variance	October 31 2022	Variance	October 31 2023	October 31 2022	Variance
Operating results								
Total revenue	\$ 247,445	\$ 260,830	(5)%	\$ 257,142	(4)%	\$ 1,025,510	\$ 1,034,235	(1)%
Net income	\$ 30,623	\$ 49,263	(38)%	\$ 55,650	(45)%	\$ 181,087	\$ 226,583	(20)%
Adjusted net income ⁽¹⁾	\$ 44,719	\$ 57,646	(22)%	\$ 57,834	(23)%	\$ 208,345	\$ 237,078	(12)%
Operating performance								
Diluted earnings per share	\$ 0.67	\$ 1.03	(35)%	\$ 1.26	(47)%	\$ 3.89	\$ 4.95	(21)%
Adjusted diluted earnings per share ⁽²⁾	\$ 1.00	\$ 1.22	(18)%	\$ 1.31	(24)%	\$ 4.52	\$ 5.19	(13)%
Return on common shareholders' equity ⁽²⁾	4.5 %	6.9 %		8.7 %		6.6 %	8.9 %	
Adjusted return on common shareholders' equity ⁽²⁾	6.6 %	8.2 %		9.0 %		7.7 %	9.3 %	
Net interest margin ⁽³⁾	1.76 %	1.84 %		1.77 %		1.79 %	1.84 %	
Efficiency ratio ⁽³⁾	79.7 %	72.9 %		67.7 %		73.5 %	67.8 %	
Adjusted efficiency ratio ⁽²⁾	72.0 %	68.5 %		66.6 %		69.9 %	66.5 %	
Operating leverage ⁽³⁾	(8.9) %	(2.7)%		0.8 %		(8.2)%	23.5 %	
Adjusted operating leverage ⁽²⁾	(4.8) %	1.7 %		0.7 %		(5.1)%	2.6 %	
Financial position (\$ millions)								
Loans and acceptances	\$ 37,074	\$ 36,959	—	\$ 37,581	(1)%	\$ 37,074	\$ 37,581	(1)%
Total assets	\$ 49,893	\$ 50,638	(1)%	\$ 50,717	(2)%	\$ 49,893	\$ 50,717	(2)%
Deposits	\$ 26,027	\$ 26,314	(1)%	\$ 27,132	(4)%	\$ 26,027	\$ 27,132	(4)%
Common shareholders' equity ⁽²⁾	\$ 2,617	\$ 2,583	1 %	\$ 2,514	4 %	\$ 2,617	\$ 2,514	4 %
Basel III regulatory capital ratios								
Common Equity Tier 1 (CET1) capital ratio ⁽⁴⁾	9.9 %	9.8 %		9.1 %		9.9 %	9.1 %	
Total risk-weighted assets (\$ millions) ⁽⁴⁾	\$ 22,575	\$ 22,651		\$ 23,909		\$ 22,575	\$ 23,909	
Credit quality								
Gross impaired loans as a % of loans and acceptances ⁽³⁾	0.62 %	0.55 %		0.42 %		0.62 %	0.42 %	
Net impaired loans as a % of loans and acceptances ⁽³⁾	0.46 %	0.38 %		0.28 %		0.46 %	0.28 %	
Provision for credit losses as a % of average loans and acceptances ⁽³⁾	0.18 %	0.14 %		0.19 %		0.17 %	0.16 %	
Common share information								
Closing share price ⁽⁵⁾	\$ 25.40	\$ 39.73	(36)%	\$ 30.40	(16)%	\$ 25.40	\$ 30.40	(16)%
Price / earnings ratio (trailing four quarters) ⁽³⁾	6.5 x	8.8 x		6.1 x		6.5 x	6.1 x	
Book value per share ⁽²⁾	\$ 59.96	\$ 59.30	1 %	\$ 58.02	3 %	\$ 59.96	\$ 58.02	3 %
Dividends declared per share	\$ 0.47	\$ 0.47	—	\$ 0.45	4 %	\$ 1.86	\$ 1.78	4 %
Dividend yield ⁽³⁾	7.4 %	4.7 %		5.9 %		7.3 %	5.9 %	
Dividend payout ratio ⁽³⁾	69.8 %	45.8 %		35.8 %		47.7 %	35.9 %	
Adjusted dividend payout ratio ⁽²⁾	47.1 %	38.5 %		34.4 %		41.1 %	34.2 %	

(1) This is a non-GAAP financial measure. For more information, refer to the Non-GAAP Financial and Other Measures section below and beginning on page 18 of the 2023 Annual Report, including the MD&A for the year ended October 31, 2023, which pages are incorporated by reference therein.

(2) This is a non-GAAP ratio. For more information, refer to the Non-GAAP Financial and Other Measures section below and beginning on page 18 of the 2023 Annual Report, including the MD&A for the year ended October 31, 2023, which pages are incorporated by reference therein.

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(4) In accordance with OSFI's "Capital Adequacy Requirements" guideline.

(5) Toronto Stock Exchange (TSX) closing market price.

Non-GAAP Financial and Other Measures

In addition to financial measures based on generally accepted accounting principles (GAAP), management uses non-GAAP financial measures to assess the Bank's underlying ongoing business performance. Non-GAAP financial measures presented throughout this document are referred to as "adjusted" measures and exclude amounts designated as adjusting items. Adjusting items include the amortization of acquisition-related intangible assets, and certain items of significance that arise from time to time which management believes are not reflective of underlying business performance. Non-GAAP financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Bank and might not be comparable to similar financial measures disclosed by other issuers. The Bank believes non-GAAP financial measures are useful to readers in obtaining a better understanding of how management assesses the Bank's performance and in analyzing trends.

The following tables show a reconciliation of the non-GAAP financial measures to their most directly comparable financial measure that is disclosed in the primary financial statements of the Bank.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES — CONSOLIDATED STATEMENT OF INCOME

In thousands of dollars (Unaudited)	For the three months ended			For the year ended	
	October 31 2023	July 31 2023	October 31 2022	October 31 2023	October 31 2022
Non-interest expenses	\$ 197,281	\$ 190,062	\$ 174,147	\$ 753,490	\$ 701,661
Less: Adjusting items, before income taxes					
Amortization of acquisition-related intangible assets ⁽¹⁾	3,230	3,178	3,172	12,839	12,304
Restructuring charges ⁽²⁾	12,544	5,626	—	18,170	—
Strategic review-related charges ⁽³⁾	3,362	2,567	(237)	5,929	1,828
	19,136	11,371	2,935	36,938	14,132
Adjusted non-interest expenses	\$ 178,145	\$ 178,691	\$ 171,212	\$ 716,552	\$ 687,529
Income before income taxes	\$ 33,495	\$ 57,431	\$ 65,146	\$ 210,413	\$ 275,696
Adjusting items, before income taxes (detailed above)	19,136	11,371	2,935	36,938	14,132
Adjusted income before income taxes	\$ 52,631	\$ 68,802	\$ 68,081	\$ 247,351	\$ 289,828
Reported net income	\$ 30,623	\$ 49,263	\$ 55,650	\$ 181,087	\$ 226,583
Adjusting items, net of income taxes					
Amortization of acquisition-related intangible assets ⁽¹⁾	2,401	2,361	2,359	9,541	9,152
Restructuring charges ⁽²⁾	9,223	4,135	—	13,358	—
Strategic review-related charges ⁽³⁾	2,472	1,887	(175)	4,359	1,343
	14,096	8,383	2,184	27,258	10,495
Adjusted net income	\$ 44,719	\$ 57,646	\$ 57,834	\$ 208,345	\$ 237,078
Net income available to common shareholders	\$ 29,334	\$ 44,662	\$ 54,361	\$ 169,308	\$ 214,804
Adjusting items, net of income taxes (detailed above)	14,096	8,383	2,184	27,258	10,495
Adjusted net income available to common shareholders	\$ 43,430	\$ 53,045	\$ 56,545	\$ 196,566	\$ 225,299

(1) Amortization of acquisition-related intangible assets results from business acquisitions and is included in the Non-interest expenses line item.

(2) In 2023, restructuring charges resulted from changes in the Bank's management structure and from the right-sizing of the Bank's Capital Markets franchise. Restructuring charges were mainly comprised of severance charges and impairment charges of software and other intangible assets and were included in the Impairment and restructuring charges line-item.

(3) In 2023, strategic review-related charges resulted from the Bank's review of strategic options aimed at maximizing shareholder and stakeholder value and mainly included professional and other fees. In 2022, strategic review-related charges related to lease contracts following the completion of the reduction of leased corporate office premises in Montreal and Toronto, as well as to other updates to estimates initially recorded in 2021. Strategic review-related charges were included in the Impairment and restructuring charges line-item.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES — CONSOLIDATED BALANCE SHEET

In thousands of dollars (Unaudited)	For the three months ended			For the year ended	
	October 31 2023	July 31 2023	October 31 2022	October 31 2023	October 31 2022
Shareholders' equity	\$ 2,858,820	\$ 2,821,415	\$ 2,781,103	\$ 2,858,820	\$ 2,781,103
Plus (less):					
Preferred shares	(122,071)	(122,071)	(122,071)	(122,071)	(122,071)
Limited recourse capital notes	(123,487)	(123,487)	(122,332)	(123,487)	(122,332)
Cash flow hedge reserve ⁽¹⁾	3,680	7,328	(22,607)	3,680	(22,607)
Common shareholders' equity	\$ 2,616,942	\$ 2,583,185	\$ 2,514,093	\$ 2,616,942	\$ 2,514,093
Impact of averaging month-end balances⁽²⁾	(21,997)	(14,911)	(32,795)	(60,518)	(94,219)
Average common shareholders' equity	\$ 2,594,945	\$ 2,568,274	\$ 2,481,298	\$ 2,556,424	\$ 2,419,874

(1) The cash flow hedge reserve is presented in the Accumulated other comprehensive income (loss) line item.

(2) Based on the month-end balances for the period.

Medium-term Financial Targets

In December 2021 the Bank announced its three-year strategic plan to drive sustainable, long-term profitable growth. The following table shows the Bank's medium-term financial targets, and the Bank's performance for the fiscal years 2022 and 2023. These medium-term financial targets will be reevaluated in 2024, as further detailed below.

Medium-term Financial Targets

Percentage amounts	2023	2022	Medium-term financial targets ⁽¹⁾
Adjusted diluted earnings per share growth ⁽²⁾	(13)%	14 %	7% to 10%
Adjusted return on common shareholders' equity ⁽²⁾	7.7 %	9.3 %	>10%
Adjusted efficiency ratio ⁽²⁾	69.9 %	66.5 %	<65%
Adjusted operating leverage ⁽²⁾	(5.1)%	2.6 %	Positive

(1) These financial targets were based on management's view of the Bank's fundamentals, taking into account prudent capital management, a diversified funding strategy, and sound underwriting standards, as detailed in the Bank's 2022 Annual Report under the heading "Outlook".

(2) The financial objectives are non-GAAP ratios based on non-GAAP financial measures. Refer to the Non-GAAP Financial and Other Measures section on page 18 of the 2023 Annual Report for more information.

2023 financial performance summary

In 2023, uncertain and challenging macro-economic conditions affected the Bank's ability to progress towards its medium-term financial targets. Net interest margin compression, volatile market conditions unfavourably impacting financial markets revenues and higher provisions for credit losses contributed to the lower financial results compared to fiscal 2022. Non-interest expenses also increased in 2023 due to inflationary pressures and investments in technology infrastructure and strategic priorities. Furthermore, the mainframe outage that occurred in September 2023 had a negative pre-tax impact of \$5.3 million, or \$0.09 per share, due to waived service fees and additional expenses to support remediation. Refer to the Analysis of Consolidated Results section for further details on the Bank's financial performance for 2023.

Ensuring the sustained success of the Bank

On October 2, 2023, the Bank announced that Éric Provost was appointed as President and Chief Executive Officer. In the coming months, the leadership team will revamp its strategic plan to ensure the sustained success of Laurentian Bank. We will focus our efforts on renewing the trust of loyal customers while driving greater operational efficiency and refocusing the Bank's core activities to create maximum value for our customers. As part of this review, the Bank's medium-term financial objectives will be reevaluated.

Consolidated Results

Three months ended October 31, 2023 financial performance

Net income was \$30.6 million and diluted earnings per share were \$0.67 for the fourth quarter of 2023, compared with \$55.7 million and \$1.26 for the fourth quarter of 2022. Of note, reported and adjusted results for the fourth quarter of 2023 included a negative pre-tax impact of \$5.3 million (\$3.9 million after income taxes), or \$0.09 per share, from the mainframe outage that occurred in September 2023. Reported results for the fourth quarter of 2023 also included restructuring and strategic-review related charges of \$15.9 million (\$11.7 million after income taxes), or \$0.27 per share, as further detailed in the Non-GAAP Financial and Other Measures section. Adjusted net income was \$44.7 million and adjusted diluted earnings per share were \$1.00 for the fourth quarter of 2023, compared with \$57.8 million and \$1.31 for the fourth quarter of 2022.

Total revenue

Total revenue decreased by \$9.7 million to \$247.4 million for the fourth quarter of 2023, compared with \$257.1 million for the fourth quarter of 2022.

Net interest income decreased by \$0.9 million to \$182.9 million for the fourth quarter of 2023, compared with \$183.8 million for the fourth quarter of 2022. The decrease was mainly due to higher liquidity levels and funding costs, partly offset by higher interest income from commercial loans. The net interest margin was 1.76% for the fourth quarter of 2023, a decrease of 1 basis point compared with the fourth quarter of 2022 for the same reasons.

Other income decreased by \$8.8 million or 12% to \$64.5 million for the fourth quarter of 2023, compared with \$73.3 million for the fourth quarter of 2022. Unfavourable market conditions impacted financial markets related revenue in the fourth quarter of 2023, especially fees and securities brokerage commissions and income from mutual funds. Of note, monthly service fees for the months of September and October 2023 totalling \$2.3 million were waived following the mainframe outage that occurred in September 2023.

Provision for credit losses

The provision for credit losses was \$16.7 million for the fourth quarter of 2023 compared with \$17.8 million for the fourth quarter of 2022, an improvement of \$1.2 million reflecting lower provisions on performing loans due to volume reduction and credit migration, partly offset by higher provisions on impaired loans. The provision for credit losses as a percentage of average loans and acceptances was 18 basis points for the quarter, compared with 19 basis points for the same quarter a year ago. Refer to the "Credit risk management" section on pages 42 to 48 of the Bank's MD&A for the year ended October 31, 2023 and to Note 6 to the Consolidated Financial Statements for more information on provision for credit losses and allowances for credit losses.

Non-interest expenses

Non-interest expenses amounted to \$197.3 million for the fourth quarter of 2023, an increase of \$23.1 million compared with the fourth quarter of 2022. In the fourth quarter of 2023, non-interest expenses included restructuring and strategic-review related charges of \$15.9 million; refer to the Non-GAAP Financial and Other Measures section for further details. Adjusted non-interest expenses increased by \$6.9 million or 4% to \$178.1 million for the fourth quarter of 2023, compared with \$171.2 million for the fourth quarter of 2022.

Salaries and employee benefits amounted to \$88.3 million for the fourth quarter of 2023, a decrease of \$1.3 million compared with the fourth quarter of 2022, mostly due to lower performance-based compensation. This was partly offset by salary increases and talent acquisition to invest in strategic priorities and to continue our focus on improving the customer experience. Salaries and employee benefits for the fourth quarter of 2023 also included \$0.5 million of additional expenses to support remediation efforts following the mainframe outage that occurred in September 2023.

Premises and technology costs were \$51.8 million for the fourth quarter of 2023, an increase of \$4.8 million compared with the fourth quarter of 2022. The increase year-over-year is mainly due to higher technology costs as the Bank is investing in its infrastructure and strategic priorities, as well as increased amortization charges resulting from recently completed projects.

Other non-interest expenses were \$41.3 million for the fourth quarter of 2023, an increase of \$3.5 million compared with the fourth quarter of 2022 mainly resulting from higher advertising, business development and travel expenses. Other non-interest expenses for the fourth quarter of 2023 also included \$2.5 million of professional fees and other expenses related to the mainframe outage that occurred in September 2023.

Impairment and restructuring charges were \$15.9 million for the fourth quarter of 2023, compared with negative \$0.2 million for the fourth quarter of 2022. In the fourth quarter of 2023, this line-item included restructuring charges of \$12.5 million resulting from changes in the Bank's management structure, as well as strategic review-related charges of \$3.4 million resulting from the Bank's review of strategic options aimed at maximizing shareholder and stakeholder value. In the fourth quarter of 2022, this line-item included net charges mainly related to lease contracts following the completion of the reduction of leased corporate office premises, as well as to other updates to estimates initially recorded in the prior year. Refer to the Non-GAAP Financial Measures and Other Measures section for further details.

Efficiency ratio

The efficiency ratio on a reported basis was 79.7% for the fourth quarter of 2023, compared with 67.7% for the fourth quarter of 2022. The increase year-over-year is mainly due to the restructuring and strategic-review related charges incurred in the fourth quarter of 2023. The adjusted efficiency ratio was 72.0% for the fourth quarter of 2023, compared to 66.6% for the fourth quarter of 2022 mainly as a result of investments in strategic priorities and due to the combined \$5.3 million negative impact of the mainframe outage on other revenues and non-interest expenses, as further detailed above.

Income taxes

For the fourth quarter of 2023, the income tax expense was \$2.9 million, and the effective income tax rate was 8.6%, compared with an income tax expense of \$9.5 million, and an effective income tax rate of 14.6% for the fourth quarter of 2022. For both quarters, the lower effective income tax rate compared to the statutory income tax rate was mainly attributed to the lower taxation level of income from foreign operations. The lower effective income tax rate for the fourth quarter of 2023 compared with the fourth quarter of 2022 mainly resulted from the higher proportion of income from foreign operations.

Three months ended October 31, 2023 compared with three months ended July 31, 2023

Net income was \$30.6 million and diluted earnings per share were \$0.67 for the fourth quarter of 2023, compared with \$49.3 million and \$1.03 for the third quarter of 2023. Of note, reported and adjusted results for the fourth quarter of 2023 included a negative pre-tax impact of \$5.3 million (\$3.9 million after income taxes), or \$0.09 per share, from the mainframe outage that occurred in September 2023. Reported results for the fourth quarter of 2023 also included restructuring and strategic-review related charges of \$15.9 million (\$11.7 million after income taxes), or \$0.27 per share, as further detailed in the Non-GAAP Financial and Other Measures section. Adjusted net income was \$44.7 million and adjusted diluted earnings per share were \$1.00 for the fourth quarter of 2023, compared with \$57.6 million and \$1.22 for the third quarter of 2023.

Total revenue decreased by \$13.4 million to \$247.4 million for the fourth quarter of 2023 compared with \$260.8 million for the previous quarter.

Net interest income decreased by \$9.2 million sequentially to \$182.9 million. The decrease was mainly due to lower interest income from commercial loans and higher liquidity levels. Net interest margin was 1.76% for the fourth quarter of 2023, a decrease of 8 basis points compared with 1.84% for the third quarter of 2023 mainly for the same reasons.

Other income amounted to \$64.5 million for the fourth quarter of 2023, a decrease of \$4.2 million compared with \$68.7 million for the previous quarter. Of note, monthly service fees for the months of September and October 2023 totalling approximately \$2.3 million were waived following the mainframe outage that occurred in September 2023. Unfavourable market conditions also impacted financial markets related revenue in the fourth quarter of 2023, especially income from financial instruments and income from mutual funds.

The provision for credit losses was \$16.7 million for the fourth quarter of 2023, an increase of \$3.3 million compared with \$13.3 million for the third quarter of 2023, mainly reflecting higher provisions on impaired loans.

Non-interest expenses increased by \$7.2 million to \$197.3 million for the fourth quarter of 2023 from \$190.1 million in the third quarter of 2023. In the fourth quarter of 2023, non-interest expenses included restructuring and strategic-review related charges of \$15.9 million compared to \$8.2 million for the previous quarter; refer to the Non-GAAP Financial and Other Measures section for further details. Non-interest expenses for the fourth quarter of 2023 also included \$3.0 million of additional expenses to support remediation following the mainframe outage that occurred in September 2023. Adjusted non-interest expenses decreased by \$0.5 million to \$178.1 million in the fourth quarter of 2023 mainly due to sequentially lower performance-based compensation, partly offset by higher professional fees, advertising and other expenses.

Financial Condition

As at October 31, 2023, total assets amounted to \$49.9 billion, a 2% decrease compared with \$50.7 billion as at October 31, 2022.

Liquid assets

As at October 31, 2023, liquid assets as presented on the balance sheet amounted to \$11.4 billion, a decrease of \$0.4 billion compared with \$11.8 billion as at October 31, 2022.

The Bank continues to prudently manage its level of liquid assets. The Bank's funding sources remain well diversified and sufficient to meet all liquidity requirements. Liquid assets represented 23% of total assets as at October 31, 2023, in line with October 31, 2022.

Loans

Loans and bankers' acceptances, net of allowances, stood at \$36.9 billion as at October 31, 2023, a decrease of \$0.5 billion since October 31, 2022. In 2023, the decrease in personal and commercial loans was partly offset by an increase in residential mortgage loans. Commercial loans and acceptances amounted to \$17.8 billion as at October 31, 2023, a decrease of \$0.4 billion or 2% since October 31, 2022. The decrease resulted mainly from lower inventory financing volumes and other commercial loans. Personal loans of \$2.6 billion as at October 31, 2023 decreased by \$0.7 billion from October 31, 2022, mainly as a result of a decline in the investment loan portfolio driven by volatile market conditions. Residential mortgage loans of \$16.7 billion as at October 31, 2023 increased by \$0.6 billion or 3% from October 31, 2022.

Deposits

Deposits decreased by \$1.1 billion to \$26.0 billion as at October 31, 2023 compared with \$27.1 billion as at October 31, 2022. Personal deposits stood at \$22.3 billion as at October 31, 2023, an increase of \$0.1 billion compared with \$22.2 billion as at October 31, 2022. Of note, personal deposits sourced through the retail channel increased by \$0.2 billion or 3% compared with October 31, 2022. Personal notice and demand deposits from partnerships were mainly unchanged since October 31, 2022, and deposits from advisors and brokers decreased by \$0.3 billion. Personal deposits represented 86% of total deposits as at October 31, 2023, compared with 82% as at October 31, 2022, and contributed to the Bank's sound liquidity position. Business and other deposits decreased by \$1.2 billion over the same period to \$3.7 billion, partly offset by an increase in cost-effective long-term debt related to securitization activities, as detailed below.

Debt related to securitization activities

Debt related to securitization activities increased by \$0.7 billion or 5% compared with October 31, 2022 and stood at \$12.9 billion as at October 31, 2023. During the year, new issuances of cost-effective long-term debt related to securitization activities more than offset maturities of liabilities, as well as normal repayments. For additional information on the Bank's securitization activities, please refer to Notes 7 and 13 to the Consolidated Financial Statements.

Shareholders' equity and regulatory capital

Shareholders' equity stood at \$2.9 billion as at October 31, 2023 and increased by \$77.7 million compared with October 31, 2022. Retained earnings increased by \$84.1 million compared to October 31, 2022, mainly as a result of the net income contribution of \$181.1 million, partly offset by dividends. For additional information, please refer to the Capital Management section of the Bank's MD&A and to the Consolidated Statement of Changes in Shareholders' Equity for the period ended October 31, 2023.

The Bank's book value per common share was \$59.96 as at October 31, 2023 compared to \$58.02 as at October 31, 2022.

The CET1 capital ratio was 9.9% as at October 31, 2023, in excess of the minimum regulatory requirement and the Bank's target management levels. The CET1 capital ratio increased by 8 basis points compared with October 31, 2022 due to the risk-weighted assets reduction and internal capital generation. The Bank met OSFI's capital and leverage requirements throughout the year.

On December 6, 2023, the Board of Directors declared a quarterly dividend of \$0.47 per common share, payable on February 1, 2024, to shareholders of record on January 3, 2024. This quarterly dividend is equal to the dividend declared in the previous quarter and is 4% higher compared with the dividend declared in the previous year. The Board also determined that shares attributed under the Bank's Shareholder Dividend Reinvestment and Share Purchase Plan will be made in common shares issued from Corporate Treasury with a 2% discount.

Condensed Interim Consolidated Financial Statements (unaudited)

Consolidated Balance Sheet

In thousands of dollars (Unaudited)	As at October 31 2023	As at October 31 2022
Assets		
Cash and non-interest bearing deposits with banks	\$ 69,438	\$ 79,702
Interest-bearing deposits with banks	1,250,827	1,811,221
Securities		
At amortized cost	2,995,177	3,004,405
At fair value through profit or loss (FVTPL)	2,970,860	2,993,434
At fair value through other comprehensive income (FVOCI)	50,390	186,622
	6,016,427	6,184,461
Securities purchased under reverse repurchase agreements	4,086,170	3,727,752
Loans		
Personal	2,571,747	3,266,635
Residential mortgage	16,708,809	16,157,480
Commercial	17,778,794	18,057,146
Customers' liabilities under acceptances	15,000	99,800
	37,074,350	37,581,061
Allowances for loan losses	(205,957)	(193,476)
	36,868,393	37,387,585
Other		
Derivatives	325,219	312,538
Premises and equipment	113,340	121,227
Goodwill	84,755	83,710
Software and other intangible assets	282,831	294,438
Deferred tax assets	119,085	71,533
Other assets	676,968	642,591
	1,602,198	1,526,037
	\$ 49,893,453	\$ 50,716,758
Liabilities and shareholders' equity		
Deposits		
Personal	\$ 22,294,040	\$ 22,234,036
Business, banks and other	3,732,838	4,897,770
	26,026,878	27,131,806
Other		
Obligations related to securities sold short	2,584,071	3,221,358
Obligations related to securities sold under repurchase agreements	3,118,708	2,924,295
Acceptances	15,000	99,800
Derivatives	738,041	808,958
Deferred tax liabilities	72,344	54,255
Other liabilities	1,288,526	1,166,208
	7,816,690	8,274,874
Debt related to securitization activities	12,853,385	12,192,422
Subordinated debt	337,680	336,553
Shareholders' equity		
Preferred shares	122,071	122,071
Limited recourse capital notes	123,487	122,332
Common shares	1,177,827	1,167,549
Retained earnings	1,406,515	1,322,381
Accumulated other comprehensive income	22,868	42,045
Share-based compensation reserve	6,052	4,725
	2,858,820	2,781,103
	\$ 49,893,453	\$ 50,716,758

Consolidated Statement of Income

In thousands of dollars, except per share amounts (Unaudited)	For the three months ended			For the year ended	
	October 31 2023	July 31 2023	October 31 2022	October 31 2023	October 31 2022
Interest and dividend income					
Loans	\$ 540,730	\$ 538,561	\$ 424,369	\$ 2,088,490	\$ 1,336,332
Securities	26,106	23,125	21,454	94,289	60,792
Deposits with banks	19,124	17,786	8,582	67,784	14,462
Other, including derivatives	7,399	5,077	8,775	22,590	62,772
	593,359	584,549	463,180	2,273,153	1,474,358
Interest expense					
Deposits	264,952	251,749	175,283	969,382	467,810
Debt related to securitization activities	87,079	83,225	62,537	318,760	207,183
Subordinated debt	4,589	4,590	4,598	18,212	20,486
Other, including derivatives	53,843	52,859	36,938	220,476	45,543
	410,463	392,423	279,356	1,526,830	741,022
Net interest income	182,896	192,126	183,824	746,323	733,336
Other income					
Lending fees	16,837	16,874	17,356	66,788	69,068
Income from mutual funds	10,320	10,889	11,087	43,255	48,022
Fees and securities brokerage commissions	9,586	9,300	13,105	40,529	50,652
Card service revenues	6,923	6,717	8,760	29,722	28,834
Income from financial instruments	4,935	6,728	4,289	27,961	31,771
Service charges	4,818	7,042	7,334	25,963	29,815
Fees on investment accounts	3,161	3,270	3,304	13,008	14,094
Insurance income, net	1,834	2,275	2,094	7,940	8,978
Other	6,135	5,609	5,989	24,021	19,665
	64,549	68,704	73,318	279,187	300,899
Total revenue	247,445	260,830	257,142	1,025,510	1,034,235
Provision for credit losses	16,669	13,337	17,849	61,607	56,878
Non-interest expenses					
Salaries and employee benefits	88,286	98,640	89,595	391,544	386,157
Premises and technology	51,789	49,224	47,008	196,628	179,946
Other	41,300	34,005	37,781	141,219	133,730
Impairment and restructuring charges	15,906	8,193	(237)	24,099	1,828
	197,281	190,062	174,147	753,490	701,661
Income before income taxes	33,495	57,431	65,146	210,413	275,696
Income taxes	2,872	8,168	9,496	29,326	49,113
Net income	\$ 30,623	\$ 49,263	\$ 55,650	\$ 181,087	\$ 226,583
Preferred share dividends and limited recourse capital note interest	1,289	4,601	1,289	11,779	11,779
Net income available to common shareholders	\$ 29,334	\$ 44,662	\$ 54,361	\$ 169,308	\$ 214,804
Earnings per share					
Basic	\$ 0.67	\$ 1.03	\$ 1.26	\$ 3.89	\$ 4.96
Diluted	\$ 0.67	\$ 1.03	\$ 1.26	\$ 3.89	\$ 4.95
Dividends per common share	\$ 0.47	\$ 0.47	\$ 0.45	\$ 1.86	\$ 1.78

Consolidated Statement of Comprehensive Income

In thousands of dollars (Unaudited)	For the three months ended			For the year ended	
	October 31 2023	July 31 2023	October 31 2022	October 31 2023	October 31 2022
Net income	\$ 30,623	\$ 49,263	\$ 55,650	\$ 181,087	\$ 226,583
Other comprehensive income (loss), net of income taxes					
Items that may subsequently be reclassified to the Statement of Income					
Net change in debt securities at FVOCI					
Unrealized net gains (losses) on debt securities at FVOCI	(12)	(26)	(334)	44	(1,432)
Reclassification of net (gains) losses on debt securities at FVOCI to net income	40	(31)	132	313	532
	28	(57)	(202)	357	(900)
Net change in value of derivatives designated as cash flow hedges	3,648	(39,919)	(8,904)	(26,287)	(19,488)
Net foreign currency translation adjustments					
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	61,026	(31,407)	51,301	23,589	68,662
Net gains (losses) on hedges of investments in foreign operations	(37,980)	19,319	(23,495)	(16,836)	(29,763)
	23,046	(12,088)	27,806	6,753	38,899
	26,722	(52,064)	18,700	(19,177)	18,511
Items that may not subsequently be reclassified to the Statement of Income					
Remeasurement gains (losses) on employee benefit plans	(374)	187	5,568	(2,414)	16,852
Net losses on equity securities designated at FVOCI	(24)	(589)	(8,924)	(1,833)	(20,802)
	(398)	(402)	(3,356)	(4,247)	(3,950)
Total other comprehensive income (loss), net of income taxes	26,324	(52,466)	15,344	(23,424)	14,561
Comprehensive income (loss)	\$ 56,947	\$ (3,203)	\$ 70,994	\$ 157,663	\$ 241,144

Income Taxes — Other Comprehensive Income

The following table shows income tax expense (recovery) for each component of other comprehensive income.

In thousands of dollars (Unaudited)	For the three months ended			For the year ended	
	October 31 2023	July 31 2023	October 31 2022	October 31 2023	October 31 2022
Net change in debt securities at FVOCI					
Unrealized net gains (losses) on debt securities at FVOCI	\$ (4)	\$ (10)	\$ (121)	\$ 16	\$ (516)
Reclassification of net (gains) losses on debt securities at FVOCI to net income	14	(10)	48	113	192
	10	(20)	(73)	129	(324)
Net change in value of derivatives designated as cash flow hedges	1,315	(14,374)	(3,207)	(9,464)	(7,022)
Net foreign currency translation adjustments					
Net gains (losses) on hedges of investments in foreign operations	165	50	230	4	262
Remeasurement gains (losses) on employee benefit plans	(134)	67	2,005	(869)	6,068
Net losses on equity securities designated at FVOCI	465	(212)	(3,218)	(187)	(7,976)
	\$ 1,821	\$ (14,489)	\$ (4,263)	\$ (10,387)	\$ (8,992)

Consolidated Statement of Changes in Shareholders' Equity

For the year ended October 31, 2023

In thousands of dollars (Unaudited)	Preferred shares	Limited Recourse Capital Notes	Common shares	Retained earnings	Accumulated other comprehensive income				Share- based compen- sation reserve	Total shareholders' equity
					Debt securities at FVOCI	Cash flow hedges	Translation of foreign operations	Total		
Balance as at October 31, 2022	\$ 122,071	\$ 122,332	\$ 1,167,549	\$ 1,322,381	\$ (622)	\$ 22,607	\$ 20,060	\$ 42,045	\$ 4,725	\$ 2,781,103
Net income				181,087						181,087
Other comprehensive income (loss), net of income taxes										
Unrealized net gains on debt securities at FVOCI					44			44		44
Reclassification of net losses on debt securities at FVOCI to net income					313			313		313
Net change in value of derivatives designated as cash flow hedges						(26,287)		(26,287)		(26,287)
Net unrealized foreign currency translation gains on investments in foreign operations							23,589	23,589		23,589
Net losses on hedges of investments in foreign operations							(16,836)	(16,836)		(16,836)
Remeasurement losses on employee benefit plans				(2,414)						(2,414)
Net losses on equity securities designated at FVOCI				(1,833)						(1,833)
Comprehensive income				176,840	357	(26,287)	6,753	(19,177)		157,663
Net sale of treasury limited recourse capital notes		1,155		(117)						1,038
Issuance of common shares			10,278							10,278
Share-based compensation									1,327	1,327
Dividends and other										
Preferred shares and limited recourse capital notes				(11,779)						(11,779)
Common shares				(80,810)						(80,810)
Balance as at October 31, 2023	\$ 122,071	\$ 123,487	\$ 1,177,827	\$ 1,406,515	\$ (265)	\$ (3,680)	\$ 26,813	\$ 22,868	\$ 6,052	\$ 2,858,820

For the year ended October 31, 2022

In thousands of dollars (Unaudited)	Preferred shares	Limited recourse capital notes	Common shares	Retained earnings	Accumulated other comprehensive income			Total	Share- based compen- sation reserve	Total shareholders' equity
					Debt securities at FVOCI	Cash flow hedges	Translation of foreign operations			
Balance as at October 31, 2021	\$ 122,071	\$ 123,612	\$ 1,172,722	\$ 1,195,264	\$ 278	\$ 42,095	\$ (18,839)	\$ 23,534	\$ 3,667	\$ 2,640,870
Net income				226,583						226,583
Other comprehensive income, net of income taxes										
Unrealized net losses on debt securities at FVOCI					(1,432)			(1,432)		(1,432)
Reclassification of net losses on debt securities at FVOCI to net income					532			532		532
Net change in value of derivatives designated as cash flow hedges						(19,488)		(19,488)		(19,488)
Net unrealized foreign currency translation gains on investments in foreign operations							68,662	68,662		68,662
Net losses on hedges of investments in foreign operations							(29,763)	(29,763)		(29,763)
Remeasurement gains on employee benefit plans				16,852						16,852
Net losses on equity securities designated at FVOCI				(20,802)						(20,802)
Comprehensive income				222,633	(900)	(19,488)	38,899	18,511		241,144
Net purchase of treasury limited recourse capital notes		(1,280)		(203)						(1,483)
Issuance of common shares			5,622							5,622
Repurchase of common shares for cancellation			(10,795)	(6,419)						(17,214)
Share-based compensation									1,058	1,058
Dividends and other										
Preferred shares and limited recourse capital notes				(11,779)						(11,779)
Common shares				(77,115)						(77,115)
Balance as at October 31, 2022	\$ 122,071	\$ 122,332	\$ 1,167,549	\$ 1,322,381	\$ (622)	\$ 22,607	\$ 20,060	\$ 42,045	\$ 4,725	\$ 2,781,103

Caution Regarding Forward-Looking Statements

From time to time, Laurentian Bank of Canada and, as applicable its subsidiaries (collectively referred to as the **Bank**) will make written or oral forward-looking statements within the meaning of applicable Canadian and United States (**U.S.**) securities legislation, including, forward-looking statements contained in the Bank's 2023 Annual Report (**2023 Annual Report**), the Management's Discussion and Analysis (the **MD&A**) for the fiscal year ended October 31, 2023 and in the documents incorporated by reference herein as well as in other documents filed with Canadian and U.S. regulatory authorities, in reports to shareholders, and in other written or oral communications. These forward-looking statements are made in accordance with the "safe harbor" provisions of, and are intended to be forward-looking statements in accordance with, applicable Canadian and U.S. securities legislation. They include, but are not limited to, statements regarding the Bank's vision, strategic goals, business plans and strategies, priorities and financial performance objectives; the economic, market, and regulatory review and outlook for Canadian, U.S. and global economies; the regulatory environment in which the Bank operates; the risk environment, including, credit risk, liquidity, and funding risks; the statements under the heading "Risk Appetite and Risk Management Framework" contained in the 2023 Annual Report, including, the MD&A for the fiscal year ended October 31, 2023, and other statements that are not historical facts .

Forward-looking statements typically are identified with words or phrases such as "believe", "assume", "estimate", "forecast", "outlook", "project", "vision", "expect", "foresee", "anticipate", "intend", "plan", "goal", "aim", "target", and expressions of future or conditional verbs such as "may", "should", "could", "would", "will", "intend" or the negative of any of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, which give rise to the possibility that the Bank's predictions, forecasts, projections, expectations, or conclusions may prove to be inaccurate; that the Bank's assumptions may be incorrect (in whole or in part); and that the Bank's financial performance objectives, visions, and strategic goals may not be achieved. Forward-looking statements should not be read as guarantees of future performance or results, or indications of whether or not actual results will be achieved. Material economic assumptions underlying such forward-looking statements are set out in the 2023 Annual Report under the heading "Outlook", which assumptions are incorporated by reference herein.

The Bank cautions readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond the Bank's control and the effects of which can be difficult to predict or measure, could influence, individually or collectively, the accuracy of the forward-looking statements and cause the Bank's actual future results to differ significantly from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These factors include, but are not limited to general and market economic conditions; inflationary pressures; the dynamic nature of the financial services industry in Canada, the U.S., and globally; risks relating to credit, market, liquidity, funding, insurance, operational and regulatory compliance (which could lead to the Bank being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties, and fines); reputational risks; legal and regulatory risks; competitive and systemic risks; supply chain disruptions; geopolitical events and uncertainties; government sanctions; conflict, war, or terrorism; and various other significant risks discussed in the risk-related portions of the Bank's 2023 Annual Report, such as those related to: Canadian and global economic conditions (including the risk of higher inflation and rising interest rates); Canadian housing and household indebtedness; technology, information systems and cybersecurity; technological disruption, privacy, data and third party related risks; competition; the Bank's ability to execute on its strategic objectives; digital disruption and innovation (including, emerging fintech competitors); changes in government fiscal, monetary and other policies; tax risk and transparency; fraud and criminal activity; human capital; business continuity; emergence of widespread health emergencies or public health crises; environmental and social risks including, climate change; and various other significant risks, as described beginning on page 38 of the 2023 Annual Report, including the MD&A, which information is incorporated by reference herein. The Bank further cautions that the foregoing list of factors is not exhaustive. When relying on the Bank's forward-looking statements to make decisions involving the Bank, investors, financial analysts, and others should carefully consider the foregoing factors, uncertainties, and current and potential events.

Any forward-looking statements contained herein or incorporated by reference represent the views of management of the Bank only as at the date such statements were or are made, are presented for the purposes of assisting investors, financial analysts, and others in understanding certain key elements of the Bank's financial position, current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank's business and anticipated financial performance and operating environment and may not be appropriate for other purposes. The Bank does not undertake any obligation to update any forward-looking statements made by the Bank or on its behalf whether as a result of new information, future events or otherwise, except to the extent required by applicable securities legislation. Additional information relating to the Bank can be located on SEDAR+ at www.sedarplus.ca.

Access to Quarterly Results Materials

This press release can be found on the Bank's website at www.lbcfg.ca, under the Press Room tab, and the Bank's Report to Shareholders, Investor Presentation and Supplementary Financial Information under the Investor Centre tab, Financial Results.

Conference Call

Laurentian Bank of Canada invites media representatives and the public to listen to the conference call to be held at 9:00 a.m. (ET) on December 7, 2023. The live, listen-only, toll-free, call-in number is 1-888-664-6392, code 71576346. A live webcast will also be available on the Bank's website under the Investor Centre tab, Financial Results.

The conference call playback will be available on a delayed basis from 12:00 p.m. (ET) on December 7, 2023, until 12:00 p.m. (ET) on February 7, 2024, on our website under the Investor Centre tab, Financial Results.

The presentation material referenced during the call will be available on our website under the Investor Centre tab, Financial Results.

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About Laurentian Bank of Canada

At Laurentian Bank, we believe we can change banking for the better. By seeing beyond numbers.

Founded in Montréal in 1846, Laurentian Bank helps families, businesses and communities thrive. Today, we have approximately 3,000 employees working together as one team, to provide a broad range of financial services and advice-based solutions for customers across Canada and the United States. We protect, manage and grow \$49.9 billion in balance sheet assets and \$25.8 billion in assets under administration.

We drive results by placing our customers first, making the better choice, acting courageously, and believing everyone belongs.