



PRESENTATION BY ISABELLE COURVILLE

CHAIR OF THE BOARD  
LAURENTIAN BANK OF CANADA

ANNUAL MEETING OF SHAREHOLDERS

MARCH 1<sup>ST</sup>, 2017

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TMX BROADCAST CENTRE, TORONTO

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

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

The Bank cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include: changes in capital market conditions, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, changes in competition, modifications to credit ratings, scarcity of human resources, as well as developments in the technological environment. Furthermore, these factors include the ability to execute the Bank's transformation plan and in particular the successful reorganization of retail branches, the modernization of the core banking system and the adoption of the Advanced Internal Ratings-Based Approach to credit risk (the AIRB Approach).

With respect to the anticipated benefits from the acquisition of CIT Canada and statements with regards to this transaction being accretive to earnings, such factors also include, but are not limited to: the ability to realize synergies in the anticipated time frame, the ability to promptly and effectively integrate the businesses, reputational risks and the reaction of the Bank's and CIT Canada's customers to the transaction, and diversion of management time on acquisition-related issues.

The Bank further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause the Bank's actual results to differ from current expectations, please also refer to the "Risk Appetite and Risk Management Framework" on page 37 of the Bank's Management's Discussion and Analysis as contained in the Bank's 2016 Annual Report, as well as to other public filings available at [www.sedar.com](http://www.sedar.com).

The Bank does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations.

#### NON-GAAP MEASURES

The Bank uses both generally accepted accounting principles (GAAP) and certain non-GAAP measures to assess the Bank's performance. The Bank's non-GAAP measures presented throughout this document exclude the effect of certain amounts designated as adjusting items due to their nature or significance. These non-GAAP measures are considered useful to investors and analysts in obtaining a better understanding of how management analyzes the Bank's results and in assessing underlying business performance and related trends. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are unlikely to be comparable to any similar measures presented by other issuers.

Only the delivered speech shall be considered as authoritative.

I would like to start by sharing some thoughts on the work of your Board of Directors during 2016.

These are exciting days for all of us at Laurentian Bank as we take up the challenges of both reshaping the Bank and extending our presence across Canada.

The Board carefully plans its work in order to fulfil its primary responsibility: that is, to ensure, for shareholders, customers and employees, profitability and growth. To achieve this overarching goal, we worked closely with the Executive Team during this first year of the Bank's transformation.

During 2016, this meant that at every meeting the Board conducted a detailed review of the critical initiatives essential to the success of the strategic plan.

Seeking balance between performance objectives and acceptable risk levels, the Board reviewed and approved a new risk appetite framework. This management tool is aligned with the transformation plan and takes into account the new strategic orientations and regulatory requirements.

The Board is satisfied with the progress made in recent months by the Executive Team under the leadership of our CEO, François Desjardins. The Team is aligned and clearly embraces both the challenges and the opportunities in the strategic transformation we have begun.

Accordingly, in 2016, the Board reviewed the compensation policy and made some adjustments. We adopted a special executive incentive program for the Senior Executive Team to support the Bank's transformation and growth plan. We believe that this new program, entirely linked to performance, aligns the interests of executives with those of shareholders.

Throughout the years, the Board of Directors has taken proactive steps to ensure that the best governance practices were implemented. We set ourselves annual improvement objectives in this area in accordance with the evolution of our industry, and of the interests and expectations of the Bank's diverse stakeholders.

Among the new corporate governance initiatives that were implemented in 2016, the Board of Directors adopted a new governance policy. We have listened to our shareholders and to other interested parties; we have drawn from best practices and have developed a new governance policy. This new policy provides shareholders and other stakeholders with a clear vision of the Bank's positions and actions on key governance subjects.

The Board of Directors also established clear guidelines with respect to Director tenure.

Ensuring diversity in the composition of the Board of Directors is also key to its performance.

The Board formalized its commitment toward diversity and adopted a policy which clearly defines our approach to Director diversity as well as laying out the criteria to appoint Directors.

Over the past 10 years, the Bank has appointed 10 new independent members, thus demonstrating continuous renewal and the effectiveness of its review practices.

Two directors completed their term this year. Ms. Jacqueline C. Orange is leaving after nine years of valuable service. Her contribution, notably to the Audit Committee, was outstanding and greatly appreciated by the Executive Team and the Board.

Also, Mr. Jonathan I. Wener decided not to seek a new term. A member of the Bank's Board for 19 years, Mr. Wener will now become a Director Emeritus. I am pleased to say, the Board will continue to benefit from his expertise, especially in the area of real estate management.

On behalf of the Board of Directors, I would like to thank Ms. Orange and Mr. Wener for their years of dedicated service as Directors.

I am also pleased to introduce today two new Directors who were nominated to the Board during the course of the past year and who are proposed for today's election.

Very well known in the Canadian banking and the wealth management sectors, Ms. Sonia Baxendale joined the Board of Directors on August 31. She worked as a senior executive at CIBC for two decades. When she left CIBC in 2011, she was President of Retail Banking and Wealth Management.

The Board also welcomed Mr. Gordon Campbell as a new Director at the beginning of December. We will benefit from his extensive experience and unique perspectives developed during his political and diplomatic career.

In the last year, we determined that eleven Directors is an ideal number to foster the optimal performance of the Board. It is therefore 11 candidates who are standing for election today.

The Board members are fully aware of the transformation currently reshaping the financial industry, not only in Canada, but also around the world.

We will continue to closely monitor the evolution of the transformation and growth plans in this evolving context. The Board fully supports the strategy in place as it meets our customers' needs in the area of financial management.

The Board also intends to remain open to the Executive Team recommendations to change the course if need be, while ensuring we take advantage of growth opportunities.

I take this opportunity to express my thanks to the Board members for all their work during the past year.

Also, on behalf of the members of the Board of Directors, I would like to commend the work of the Management Team. They are a talented and engaged team with a sharp focus on results.

I want to thank our employees whose dedicated work helps our clients improve their financial health.

Finally, I want to express our sincere appreciation to our shareholders and to our clients for their loyalty and trust which they demonstrate toward our Bank.