

1st Quarter 2015 CONFERENCE CALL

Réjean Robitaille, President & CEO

Michel C. Lauzon, CFO

February 26, 2015 at 2 p.m.

1 800 524-8850

In this document and in other documents filed with Canadian regulatory authorities or in other communications, Laurentian Bank of Canada 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 the Bank's security holders and financial analysts 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 prospects, 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 have been 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 and developments in the technological environment. 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 Bank's Annual Report under the title "Risk Appetite and Risk Management Framework" and other public filings available at 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.

ADOPTION OF THE AMENDED IFRS ACCOUNTING STANDARD ON FINANCIAL INSTRUMENTS: PRESENTATION

Effective November 1, 2014, the Bank adopted the amendments to the International Financial Reporting Standards (IFRS) standard IAS 32, *Financial Instruments: Presentation*, which clarified requirements for offsetting financial instruments and required restatement of the Bank's 2014 comparative information and financial measures. Additional information on the impact of the adoption is available in the notes to the unaudited interim condensed consolidated financial statements and in the Supplementary Information reported for the first quarter of 2015.

NON-GAAP FINANCIAL MEASURES

The Bank uses both GAAP and certain non-GAAP measures to assess performance. 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 companies. These non-GAAP financial measures are considered useful to investors and analysts in obtaining a better understanding of the Bank's financial results and analyzing its growth and profit potential more effectively.

- **Solid financial performance in Q1-2015**

- Adjusted* net income up 3% year-over-year, to \$40.5 M
- Adjusted* diluted earnings per share up 2% year-over-year, to \$1.32
- Bank of Canada rate change temporarily impacting earnings per share by \$0.04

- **Strategic growth** year-over-year in our prioritized activities:

- 20% growth in commercial loans and BAs
- 11% growth in commercial mortgage loans (16 % excluding a loan sale)
- 8% in B2B Bank's mortgage portfolio
- Combined 12% growth in revenues from card services, sales of mutual funds and insurance

- **Adjusted* efficiency ratio improved** by 40 bps thanks to disciplined expense management

- **Strong credit quality:** low loss ratio at 0.15%



	2015 OBJECTIVES	Q1-2015 RESULTS
Adjusted diluted earnings per share ⁽¹⁾	5% to 8% growth	2%
Adjusted efficiency ratio ⁽¹⁾	< 71.0%	71.4%
Adjusted operating leverage ⁽¹⁾⁽²⁾	Positive	0.5%
Adjusted return on common shareholders' equity ⁽¹⁾	≥ 12.0%	11.3%
Common Equity Tier 1 capital ratio (All-in basis)	> 7.0%	7.8%

(1) Excluding adjusting items, see page 22

(2) For the purpose of calculating 2015 financial objectives, year-to-date growth rates are calculated year-over-year (i.e. current period versus the corresponding prior year period).



MICHEL LAUZON
CHIEF FINANCIAL OFFICER

Highlights

- Adjusted efficiency ratio improved Y/Y
- Adjusted net income improved by 3%Y/Y

In millions of dollars, except per share and percentage amounts

	GAAP	Adjusted*	Variation** vs Q1-2014
Q1-2015			
Net income	\$35.8	\$40.5	3%
Diluted EPS	\$1.15	\$1.32	2%
ROE	9.9%	11.3%	(40) bps
Efficiency ratio	73.7%	71.4%	(40) bps

* Excluding adjusting items, see page 22

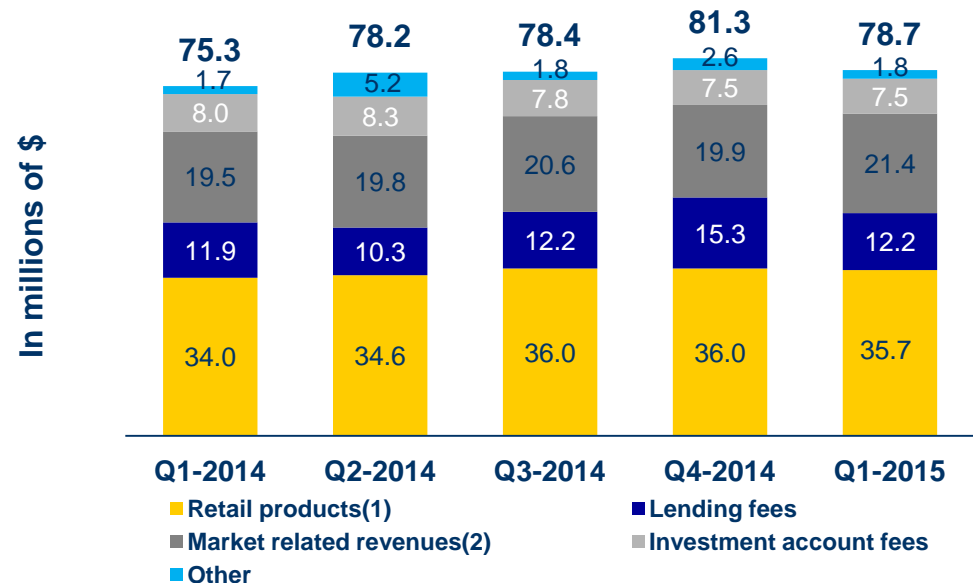
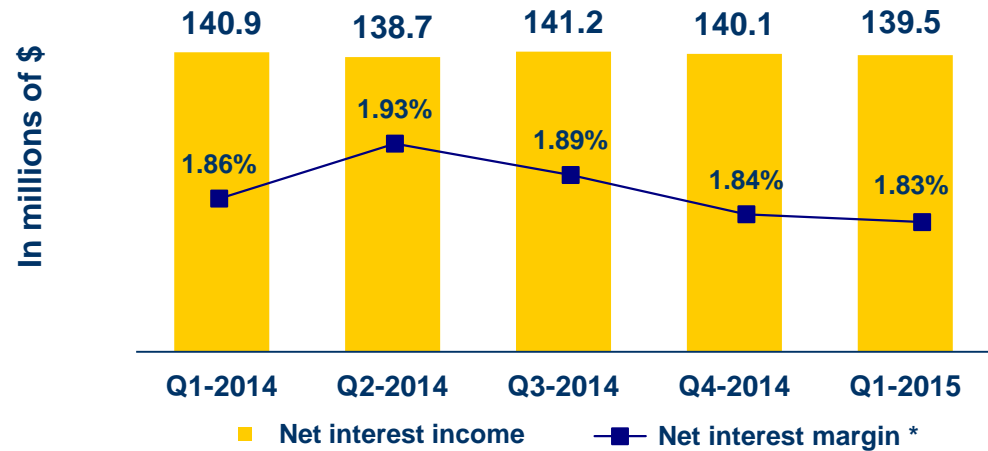
** Variation calculated on an adjusted basis, see page 22

Highlights on NIM

- Q1-2015 NIM decreased by 1 bp sequentially, mainly due to seasonally lower prepayment penalties
- Net interest margin is now defined as the ratio of net interest income to average earning assets, excluding average earning assets of the Laurentian Bank Securities and Capital Markets business segment.

Highlights on Other income

- In Q1-2015, versus Q1-2014:
 - 48% increase in income from treasury and financial market operations
 - Combined 12% growth in revenues from card services, sales of mutual funds and insurance



* Net interest margin is now defined as the ratio of net interest income to average earning assets, excluding average earning assets of the Laurentian Bank Securities and Capital Markets business segment.

(1) Including deposit service charges, card service revenues, income from sales of mutual funds and insurance income, net

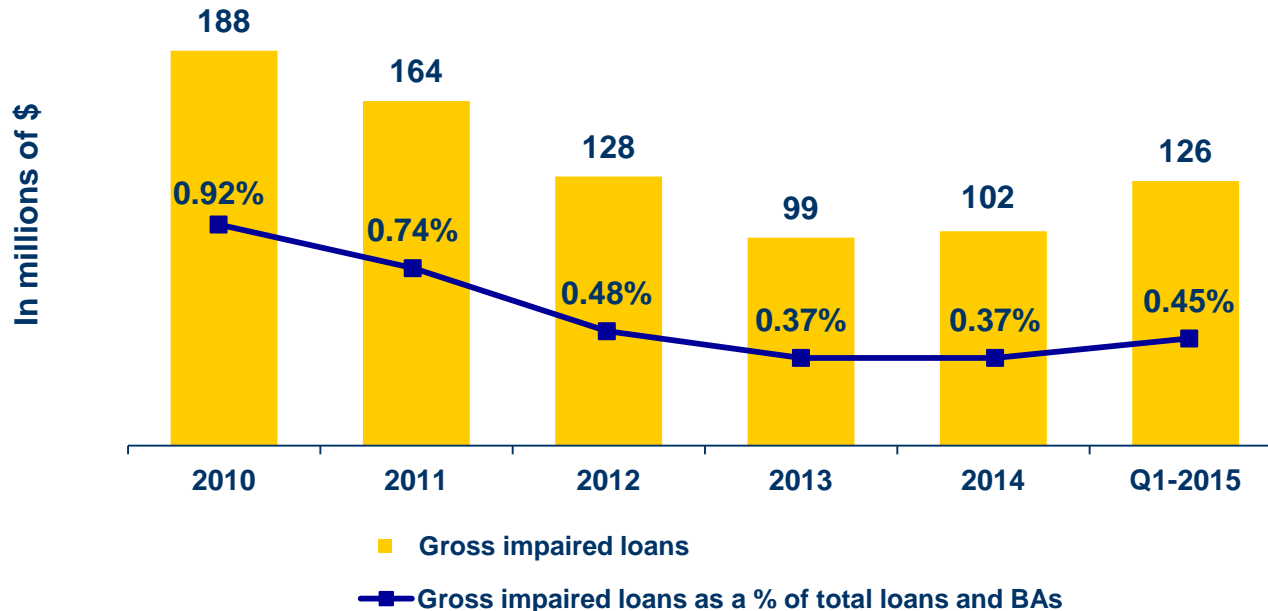
(2) Including income from brokerage operations and income from treasury and financial market operations

Highlights on credit

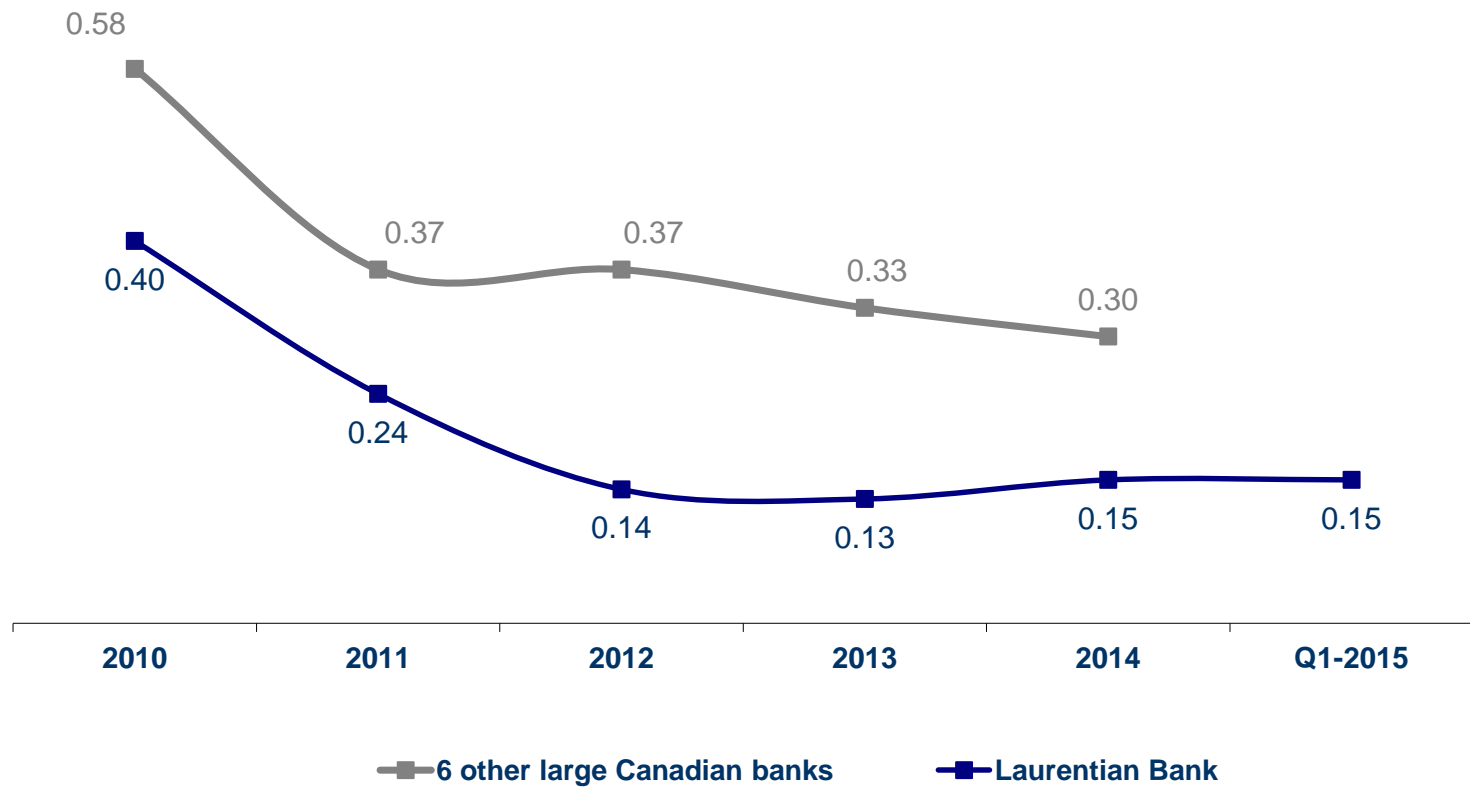
- Overall credit quality is very strong
- Gross impaired loans slightly increased
- Provisions for personal loan portfolios increased Y/Y due to normalized provisions in B2B Bank's portfolios
- Provisions for commercial loans and commercial mortgage loans decreased from Q1-2014

Provision for loan losses and as a % of average loans and acceptances

In thousands of dollars, except percentage amounts	Q1-2015	Q4-2014	Q1-2014
Personal loans	\$ 5,550	\$ 7,610	\$ 4,473
Residential mortgage loans	1,523	2,154	648
Commercial mortgage loans	1,908	264	2,892
Commercial loans and other	1,519	472	2,487
TOTAL	\$ 10,500	\$ 10,500	\$ 10,500
As a % of avg. loans and BAs	0.15%	0.15%	0.15%

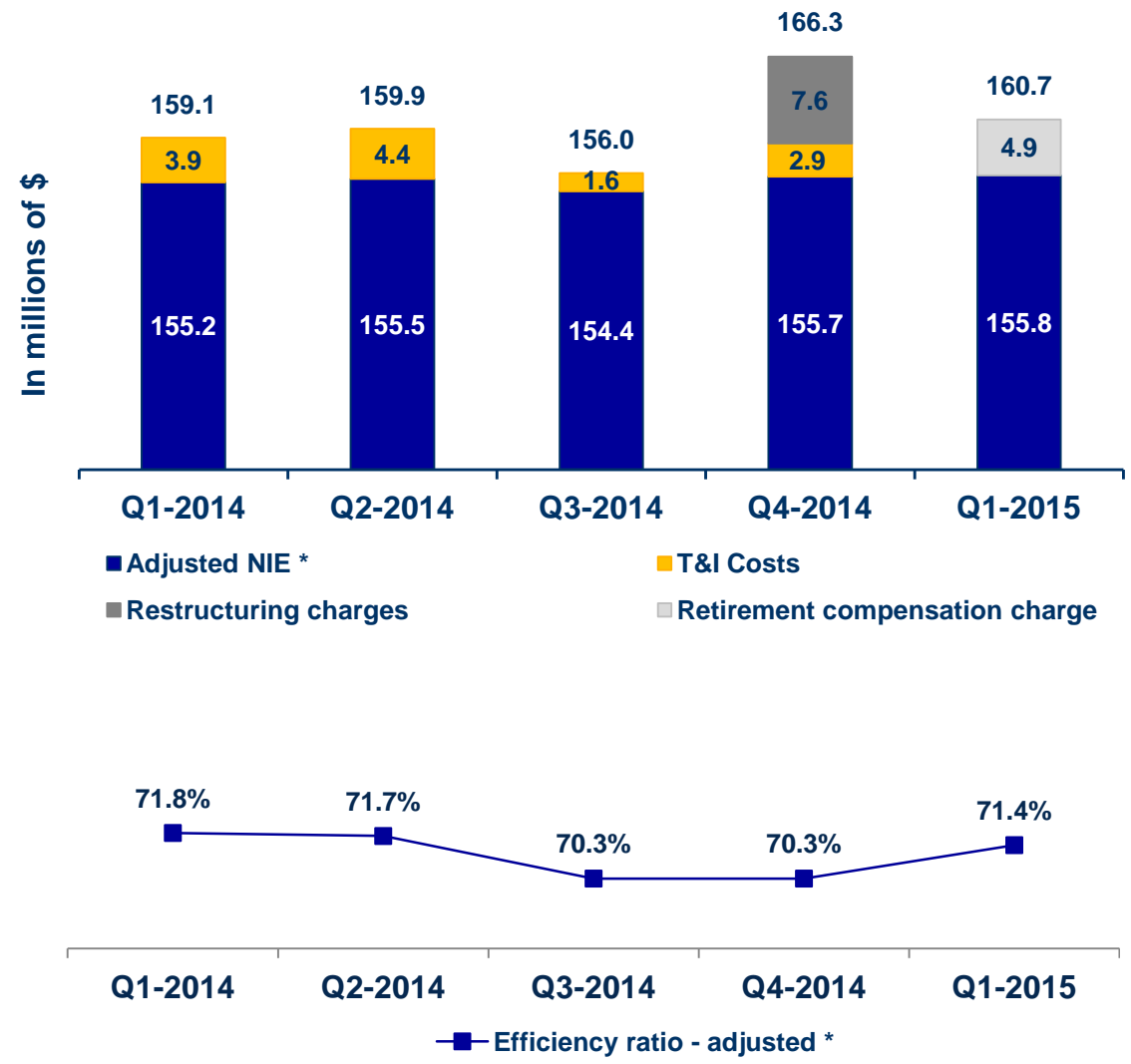


Provision for loan losses as a % of average loans and acceptances



Highlights

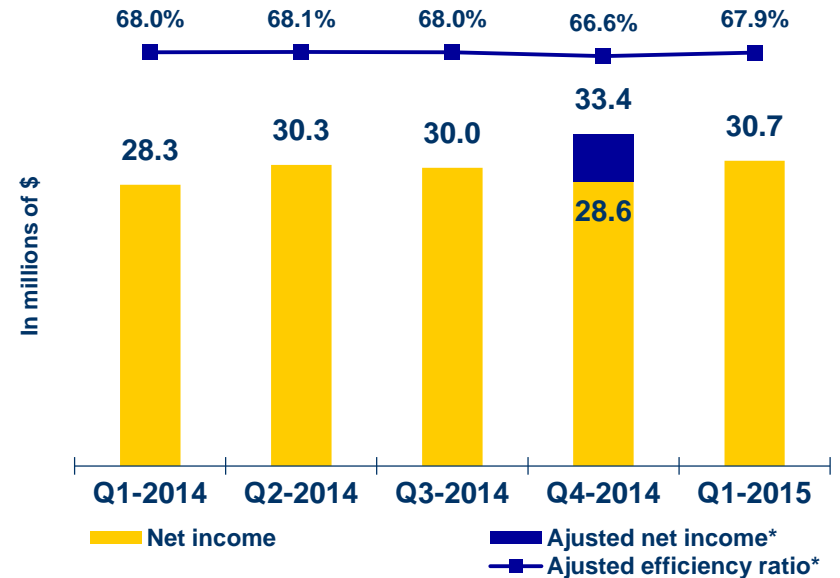
- Non-interest expenses remained stable Y/Y
- Integrations are now completed
- Adjusted efficiency ratio improved by 40 bps Y/Y
- Positive adjusted operating leverage Y/Y



* Excluding adjusting items, see page 22

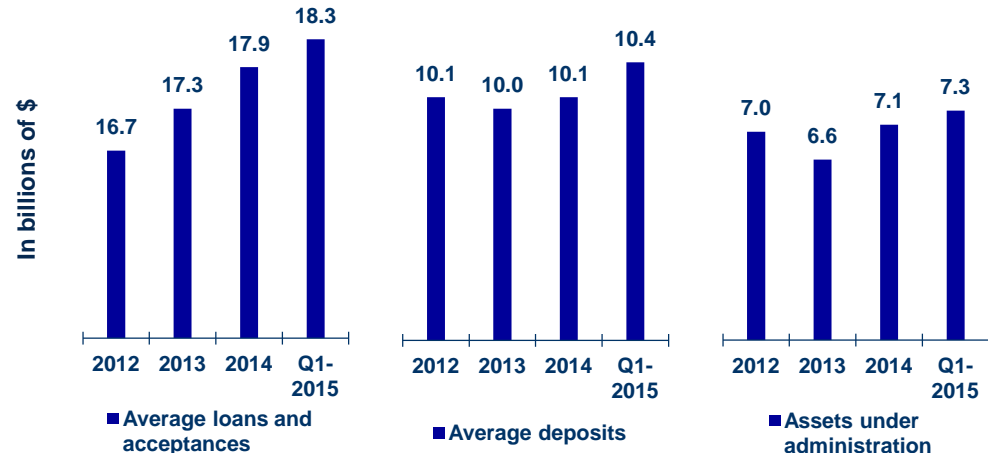
Q1-2015 Highlights

- Net income: up 9% Y/Y
- Total revenue : up 3% Y/Y
- Average loans and deposits : up 1% sequentially
 - Commercial loans and BAs: up 7%
 - Commercial mortgages: up 6%
- Non-interest expenses: up 3% Y/Y
- Loan loss provision: \$9.2 M vs \$10.3 M in Q1-2014



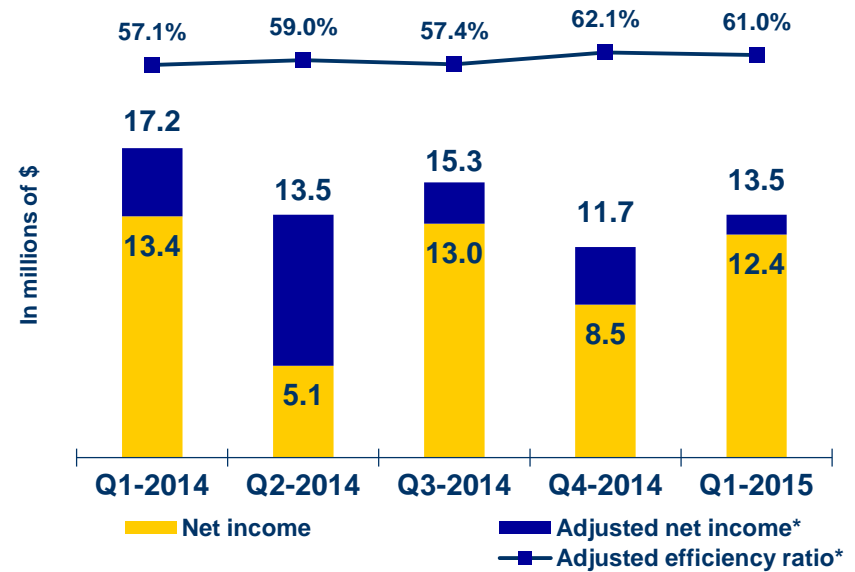
Business Segment Profile

- A suite of financing options, including leasing solutions, for small and medium enterprises and real estate developers across Canada
 - 28 commercial banking centers in B.C., Alberta, Ontario, Québec and Nova Scotia
- Financial products and services for retail clients in Québec
 - 151 branches and 417 ATMs



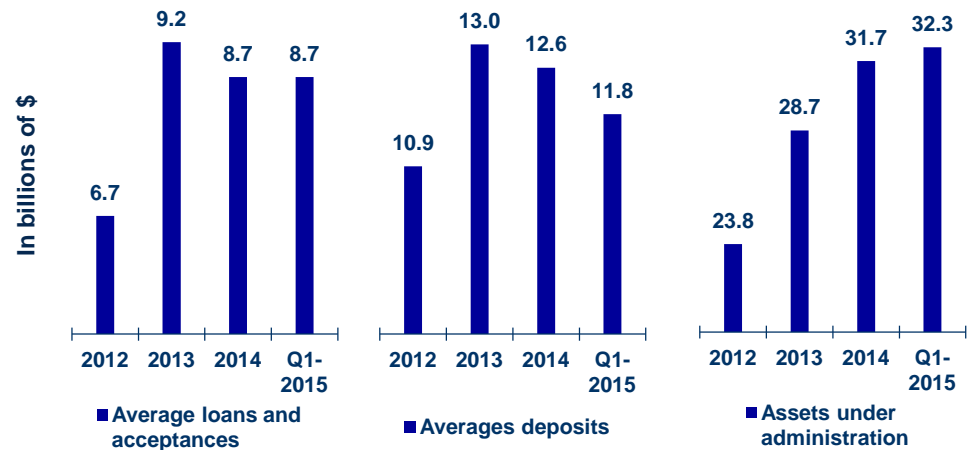
Q1-2015 Highlights

- Adjusted net income: down \$3.7 M Y/Y
- T&I Costs completed in 2014
- Total revenue: down \$4.5 M Y/Y
- Average loans: slightly positive sequentially
- Average deposits: down 3% sequentially, as the Bank optimizes its funding strategy
- Loan losses: \$1.3 M vs \$0.2 M in Q1-2014
- Non-interest expenses excluding T&I Costs: down 2% Y/Y



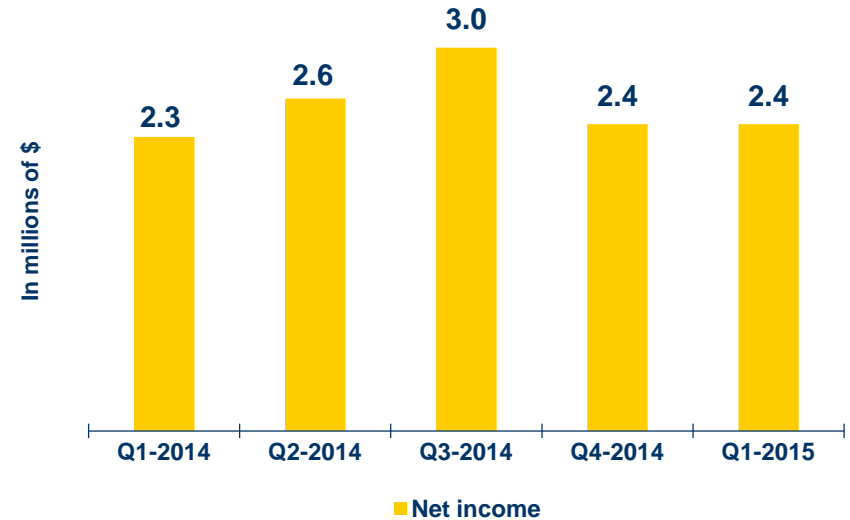
Business Segment Profile

- Provides personal banking products such as investment loans, deposits, mortgages, high interest accounts, GICs as well as investment accounts and services distributed through a network of financial advisors and brokers to their clients
- Canadian leader in serving financial advisors and brokers



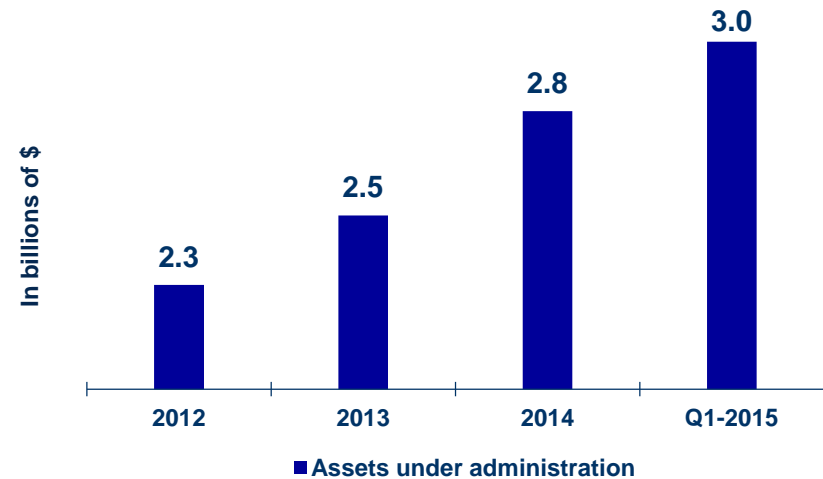
Q1-2015 Highlights

- Net income: up 7% Y/Y
- Total revenue: increased by \$1.0 M mainly due to higher underwriting fees in the fixed income market and higher trading revenues
- Non-interest expenses: up \$0.8 M Y/Y



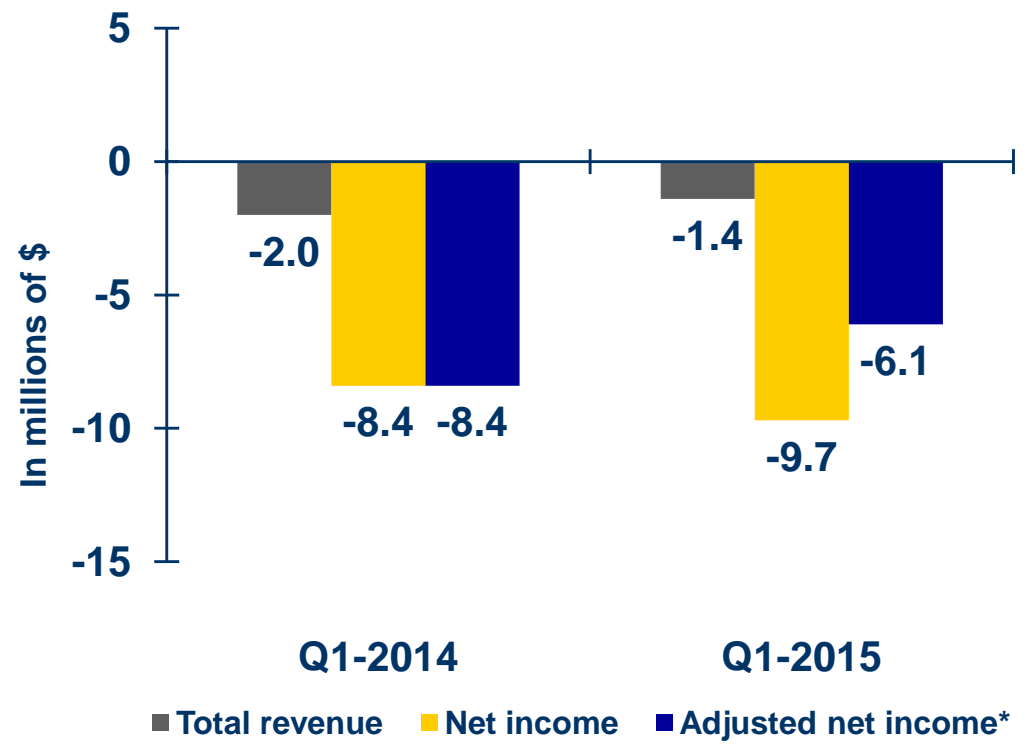
Business Segment Profile

- Integrated broker serving Institutional and Retail investors
- Bank-related capital market activities
- Recognized as a choice provider of Fixed Income products
- Specialized in the small-cap company segment
- 18 offices in Québec, Ontario and Manitoba



Q1-2015 Highlights

- Net interest income: relatively unchanged from Q1-2014
- Other income: increased by \$0.8 M from Q1-2014
- \$1.3 M temporary loss in other income due to derivative price adjustments



* Excluding adjusting items, see page 22



OUR BUSINESS SEGMENTS

Personal & Commercial

Business Services

- Solid expertise of specialists distinguishing themselves in selected market segments
- Focus on small and medium-sized enterprises and real estate promoters in Canada

Retail Services

- Traditional banking offering
- Relying on an authentic relationship approach founded on simplicity and accessibility

B2B Bank

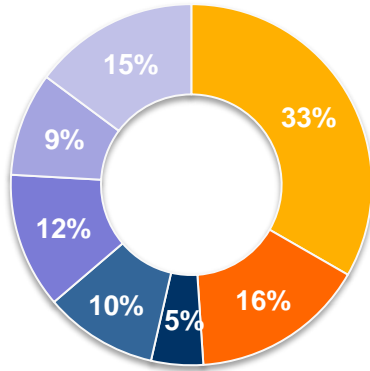
- Specialized in the financial advisor and broker market in Canada
- Array of banking products developed for these advisors/brokers and their clients

Laurentian Bank Securities & Capital Markets

- Broker recognized in the institutional brokerage field in Canada
- Specialized in the small-cap companies market and in the fixed-income products

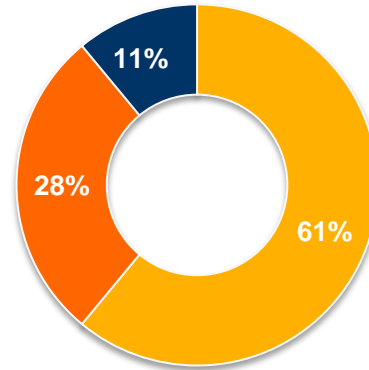
As at January 31 2015

Diversification by loan categories



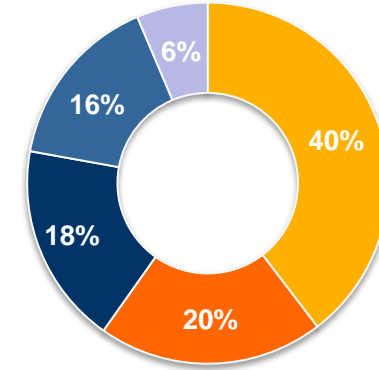
- Retail Services residential mortgage loans : 33%
- B2B Bank residential mortgage loans : 16%
- Business Services residential mortgages loans : 5%
- Commercial mortgage loans : 10%
- Commercial and other loans : 12%
- Retail Services personal loans : 9%
- B2B Bank investment loans : 15%

Geographic distribution of loans

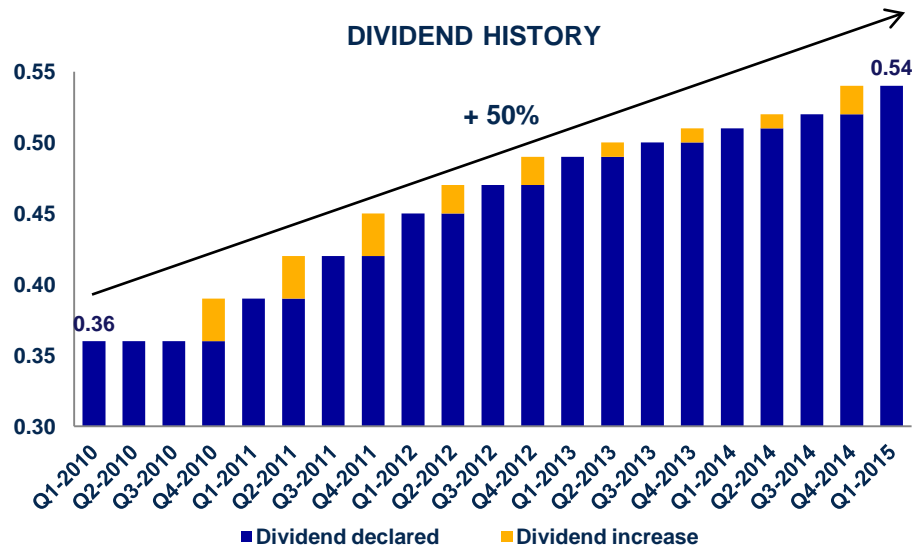


- Québec : 61%
- Ontario : 28%
- Western Canada and Eastern Canada : 11%

Funding mix



- Personal term deposits : 40%
- Business and other deposits : 20%
- Personal notice and demand deposits : 18%
- Debt related to securitization activities : 16%
- Shareholders' equity and subordinated debt : 6%

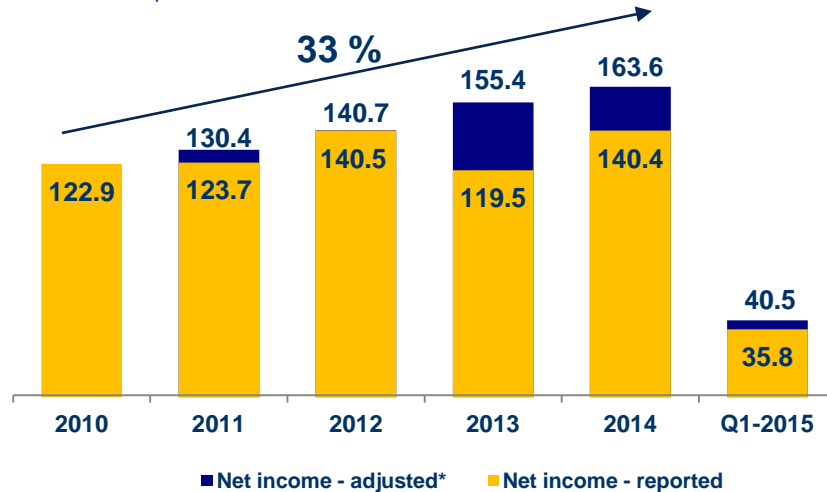


- **Réjean Robitaille**, President and Chief Executive Officer
- **Michel C. Lauzon**, Executive Vice-President and Chief Financial Officer
- **François Desjardins**, Executive Vice-President of the Bank and President and Chief Executive Officer of B2B Bank
- **Pierre Minville**, Executive Vice-President and Chief Risk Officer
- **Lorraine Pilon**, Executive Vice-President, Corporate Affairs, Human Resources and Secretary
- **Michel C. Trudeau**, Executive Vice-President, Capital Markets of the Bank, and President and Chief Executive Officer of Laurentian Bank Securities Inc.
- **Stéphane Therrien**, Executive Vice-President, Business Services
- **Gilles Godbout**, Executive Vice-President and Chief Information Officer
- **Louis Marquis**, Senior Vice-President, Credit
- **Stéphanie Pelletier**, Vice-President, Finance
- **André Lopresti**, Vice-President and Chief Accountant
- **Gladys Caron**, Vice-President, Public Affairs, Communications and Investor Relations

APPENDICES

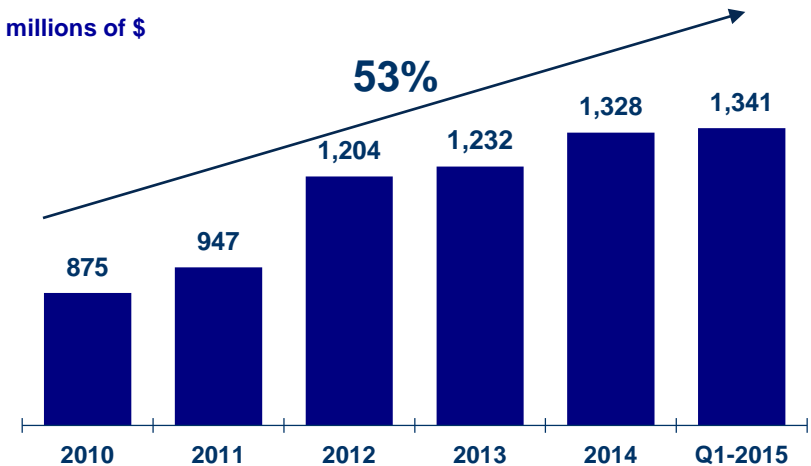
Net income (1) (2)

In millions of \$



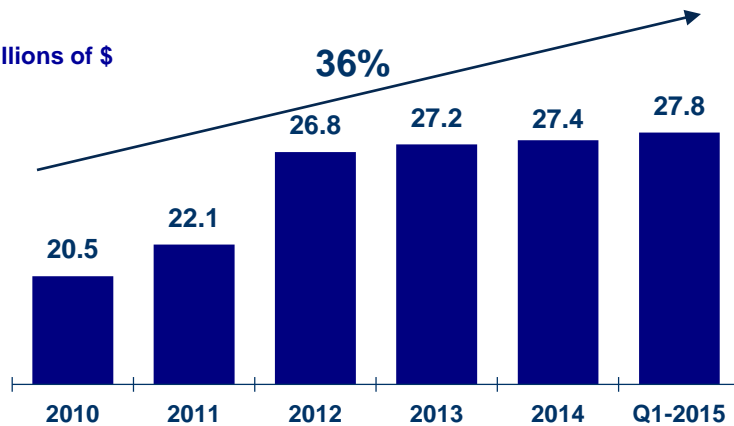
Common shareholders' equity (2)

In millions of \$



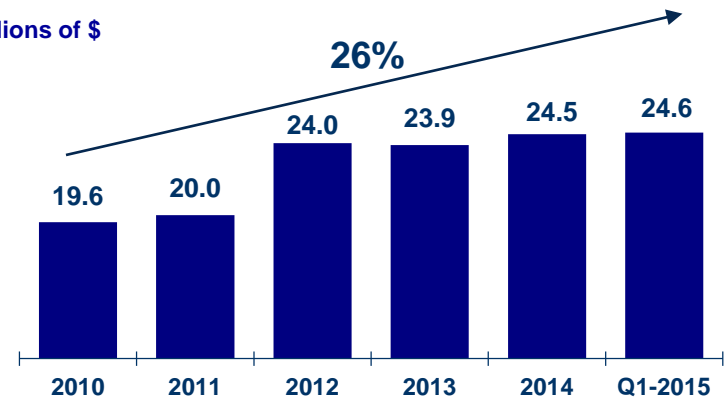
Loans and BAs

In billions of \$



Deposits

In billions of \$



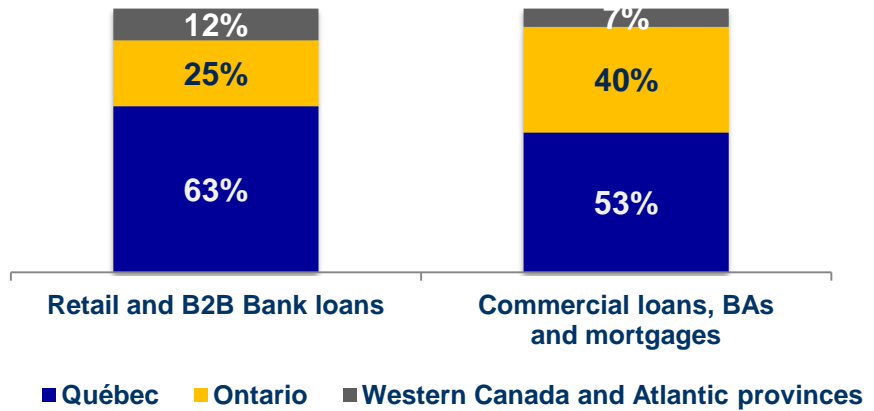
* Excluding adjusting items

(1) Figures prior to 2011 not restated under IFRS

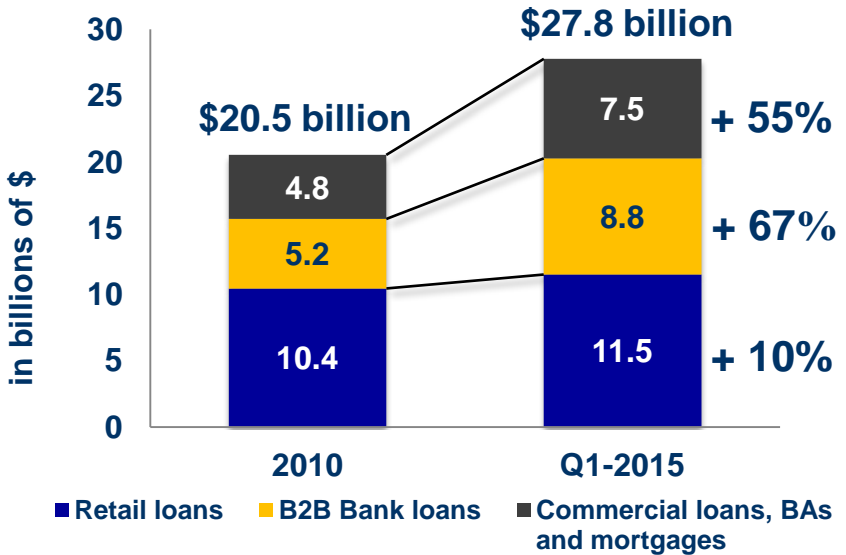
(2) Figures prior to 2012 have not been restated to reflect the adoption of the amended IFRS accounting standard on employee benefits.

Approximately 50% of our profitability is generated from provinces other than Québec

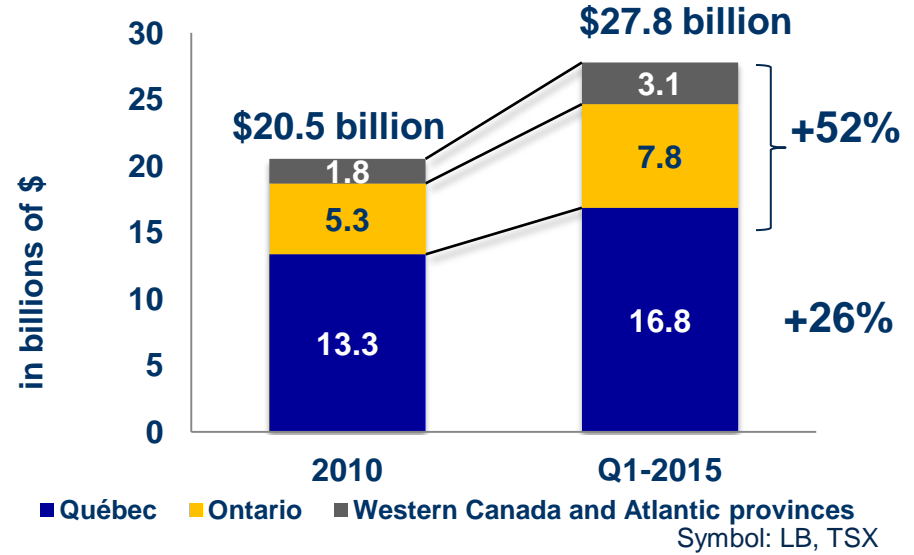
Geographic distribution of loans



Loan portfolio diversification 6% CAGR



A growing diversification of loans



Symbol: LB, TSX



In millions of Canadian dollars, except per share and percentage amounts *

	Q1-2015	Q1-2014	Variation
Net interest income	\$139.5	\$140.9	-1%
Other income	78.7	75.3	5%
Total revenue	218.2	216.1	1%
Amortization of net premium on purchased financial instruments	1.5	1.1	30%
Provision for loan losses	10.5	10.5	0%
Non-interest expenses (NIE)	160.7	159.1	1%
Income taxes	9.7	9.8	-2%
Net income	\$35.8	\$35.5	1%
Preferred share dividends	2.4	2.5	-4%
Net income available to common shareholders	\$33.4	\$33.0	1%
Diluted EPS	\$1.15	\$1.16	-1%
Return on common shareholders' equity	9.9%	10.5%	(60) bps
Efficiency ratio	73.7%	73.6%	10 bps
Effective tax rate	21.2%	21.6%	(40) bps
ADJUSTED MEASURES **			
Adjusted net income	\$40.5	\$39.3	3%
Adjusted diluted EPS	\$1.32	\$1.29	2%
Adjusted return on common shareholders' equity	11.3%	11.7%	(40) bps
NIE excluding T&I Costs and retirement compensation charge	\$155.8	\$155.2	0%
Adjusted efficiency ratio	71.4%	71.8%	(40) bps
Adjusted operating leverage (vs previous quarter)	-1.5%	1.1%	(260) bps
Adjusted effective tax rate	21.9%	22.1%	(20) bps



In millions of Canadian dollars, except per share amounts *

	Q1-2015	Q4-2014	Q1-2014
Impact on net income			
Reported net income	\$ 35.8	\$ 33.8	\$ 35.5
Adjusting items, net of income taxes			
Amortization of net premium			
on purchased financial instruments	1.1	1.1	0.8
T&I Costs	—	2.1	2.9
Restructuring charges			
Severance charges	—	4.4	—
Impairment charges related to IT projects	—	1.2	—
Retirement compensation charge	3.6	—	—
	<u>4.6</u>	<u>8.8</u>	<u>3.7</u>
Adjusted net income	\$ 40.5	\$ 42.6	\$ 39.3
Impact on diluted earnings per share			
Reported diluted earnings per share	\$ 1.15	\$ 1.09	\$ 1.16
Adjusting items	0.16	0.31	0.13
Adjusted diluted earnings per share	\$ 1.32	\$ 1.39	\$ 1.29

For the quarter ended January 31, 2015

	Personal & Commercial	B2B Bank	LB Securities & Capital Markets
% of total revenue ⁽¹⁾	69%	23%	8%
% of adjusted net income ⁽¹⁾⁽²⁾	66%	29%	5%

- A full suite of financing options, including leasing solutions, for small businesses, larger companies and real estate developers across Canada
- Financial products and services for retail clients in Québec

- 151 retail branches in Québec
- 28 commercial banking centers in B.C., Alberta, Ontario, Québec and Nova Scotia

- Personal banking products such as investment loans, mortgages, high interest accounts, GICs as well as investment accounts and services distributed through a network of financial advisors and brokers to their clients

- Integrated broker serving Institutional and Retail investors
- Bank-related capital market activities

- 18 offices in Québec, Ontario and Manitoba

Balance as at January 31, 2015

- \$11.3 B in residential mortgage loans and home equity lines of credit
- \$0.4 B in personal lines of credit
- \$2.8 B in commercial mortgage loans
- \$3.4 B in commercial loans and BAs
- Total deposits: \$10.3 B
- Assets under administration \$7.3 B

- \$4.1 B in investment and RRSP loans
- \$4.7 B in brokered mortgages and home equity lines of credit
- Total deposits: \$11.6 B
- Assets under administration \$32.3 B

- Assets under administration: \$3.0 B

(1) Excluding the Other sector

(2) Excluding adjusting items, see page 22

Réjean Robitaille, FCPA, FCA

President and Chief Executive Officer
President of Laurentian Bank since 2006
With Laurentian Bank since 1988

Michel C. Lauzon

**Executive Vice-President
and Chief Financial Officer**
With Laurentian Bank since 2009
and from 1988 to 1998

François Desjardins

**Executive Vice-President of the Bank
President and Chief Executive Officer of
B2B Bank**
With Laurentian Bank since 1991

Gilles Godbout

**Executive Vice-President and Chief
Information Officer**
With Laurentian Bank since 2012
and from 1987 to 1999

Pierre Minville, CFA

Executive Vice-President and Chief Risk Officer
With Laurentian Bank since 2000

Lorraine Pilon

**Executive Vice-President
Corporate Affairs, Human Resources, and
Secretary**
With Laurentian Bank since 1990

Stéphane Therrien

Executive Vice-President, Business Services
With Laurentian Bank since 2012

Michel C. Trudeau

**Executive Vice-President, Capital Markets of the
Bank and President and Chief Executive Officer of
Laurentian Bank Securities Inc.**
With Laurentian Bank since 1999

Isabelle Courville (2007)

Chair of the Board
Laurentian Bank of Canada
Corporate Director

Lise Bastarache (2006)

Economist and Corporate
Director

Jean Bazin C.R. (2002)

Counsel
Dentons Canada LLP

**Richard Bélanger,
FCPA, FCA (2003)**

President
Toryvel Group Inc.

**Michael T. Boychuk,
FCPA, FCA (2013)**

President
Bimcor Inc.

Pierre Genest (2006)

Chairman of the Board
SSQ, Life Insurance Company Inc.

Michel Labonté (2009)

Corporate Director

**A. Michel Lavigne,
FCPA, FCA (2013)**

Corporate Director

Jacqueline C. Orange (2008)

Corporate Director

**Susan Wolburgh Jenah
(2014)**

Corporate Director

**Réjean Robitaille,
FCPA, FCA (2006)**

President and
Chief Executive Officer
Laurentian Bank of Canada

Michelle R. Savoy (2012)

Corporate Director

**Jonathan I. Wener, C.M.
(1998)**

Chairman of the Board
Canderel Management Inc.

Gladys Caron — **Vice-President, Public Affairs,
Communications and Investor Relations**
514-284-4500 ext. 7511