NOTES FOR A SPEECH BY MICHEL C. LAUZON, EXECUTIVE VICE-PRESIDENT FINANCE, ADMINISTRATION AND STRATEGIC DEVELOPMENT AND CHIEF FINANCIAL OFFICER, TO THE ANNUAL MEETING OF THE SHAREHOLDERS OF LAURENTIAN BANK, 9:30 A.M. ON MARCH 10, 2009 AT THE MONUMENT-NATIONAL, IN MONTREAL

Caution regarding forward-looking statements

NOTES FOR THE SPEECH
OF MICHEL C. LAUZON

EXECUTIVE VICE-PRESIDENT
FINANCE, ADMINISTRATION AND STRATEGIC DEVELOPMENT,
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LAURENTIAN BANK

ANNUAL SHAREHOLDERS'
MEETING
OF LAURENTIAN BANK

MARCH 10, 2009

MR. MICHEL C. LAUZON
LAURENTIAN BANK - ANNUAL SHAREHOLDERS' MEETING, MARCH 10, 2009

Thank you Mr. Desautels, and good morning ladies and gentlemen.

2008 Results

Fiscal 2008 was a very good year for Laurentian Bank. We surpassed the objectives that we had established for the year and posted record net income of $102.5 million, which represents an increase of 8% over fiscal 2007.

Return on common shareholders' equity was 11.0%, compared to 10.9% in 2007. Diluted net income per share grew by 9% to $3.80 in 2008, while our total revenue rose from $583.9 million in 2007 to $630.5 million in 2008, representing an increase of 8%. As well, the Bank's efficiency ratio showed marked improvement, moving from 73.2% in 2007 to 70.7% in 2008. Finally, our Tier 1 capital ratio totalled 10.0%.

The 2008 results included a $4.4 million gain net of income taxes, or $0.19 per share, related to the December 2004 sale of the LBC-Edmond de Rothschild Asset Management joint venture. Excluding the aforementioned discontinued operation, net income totalled $98.1 million in 2008, compared to $90.1 million in 2007. This represents an increase of 9%.

The solid performance in 2008 is the direct result of the various strategies implemented by the organization over the past few years. Factors that contributed most significantly to this performance included:

- strong growth in loans and deposits;
- tight cost controls;
- relatively high securitization revenues;
- and good credit quality within our various portfolios.

Let's now take a look at each of these factors in greater detail.

The year 2008 was marked by solid growth in our loan and deposit portfolios. Total loans and bankers' acceptances increased by $1.7 billion, or 11% excluding securitization, owing to the growth of residential mortgage, personal and commercial loan portfolios of 10%, 7% and 23% respectively. Deposits were up by $1.5 billion, or 10%, from 2007. This loan and deposit growth contributed to a 4% increase in net interest income in 2008 compared to 2007. However, the competitive pricing of deposits, combined with increased volumes in the lower margin variable rate residential mortgage portfolio, had an unfavourable impact on the net interest margin, which declined from 2.31% in 2007 to 2.21% in 2008.

Although the Bank continued to invest in its business development activities and its human and technological resources, it maintained tight and effective cost controls. As such, total revenue rose by 8.0% in 2008 versus 2007, while non-interest expenses went up by only 4.3%.

Securitization revenues increased significantly, rising from $6.4 million in 2007 to $34.5 million in 2008. A total of $1.3 billion of residential mortgage loans were securitized in 2008. This substantial increase reflects the positive market conditions that prevailed with regard to mortgage loans in Canada throughout the year.

I would like to take this opportunity to highlight our credit quality, which remained relatively stable throughout 2008. Our provision for loan losses as a percentage of average assets was 0.26% in 2008, as compared to 0.24% in 2007. Net impaired loans remained stable at about -$11 million.

I will now take a few minutes to review the performance of each of our business lines.

The Retail and SME Quebec segment reported a $17.3 million or 4% rise in revenues in 2008 compared to 2007, due primarily to growth of loan and deposit volumes and increased commissions on credit cards. However, this was offset by higher loan losses and non-interest expenses. Excluding the $4.0 million gain recorded in 2007 relating to the restructuring of VISA, this segment's contribution to total net income remained relatively stable.

The Real Estate and Commercial segment's net earnings rose by $7.0 million, or 32%, in 2008 versus 2007. This positive performance is attributable primarily to the growth of the sector's net interest income resulting from higher loan and deposit volumes.

B2B Trust also enjoyed a good year in 2008, posting an increase in net income of $4.4 million or 14% over the previous year. The growth of loan and deposit volumes favoured B2B, while margin compression, resulting from the intense competition for personal term deposits, negatively impacted the sector.

Laurentian Bank Securities' net income decreased by $5.4 million in 2008 from 2007. Various significant non-recurring items, related to market conditions, affected this segment's results. Excluding these items, LBS' net income declined by $1.0 million as a result of the lower level of activity in the Retail Brokerage Services division, offsetting the Fixed Income division's very good performance.

Finally, the Other segment, which includes the activities of the Bank's various corporate sectors such as Treasury, showed improved results with net loss down by $3.9 million in 2008 compared to 2007. This increase is due primarily to higher securitization revenues and higher income from Treasury and financial market operations. These improvements were partially offset by lower net interest income.

I would also like to highlight the fact that DBRS, a credit rating agency, raised all of the Bank's ratings by one level in 2008, while Standard and Poor's upgraded the Bank's outlook from stable to positive. This show of confidence confirms the progress we have made in improving our operational performance, as well as the quality and sources of our revenues.

2009 Objectives

For fiscal 2009, our return on common shareholders' equity target ranges from 10.0% to 12.0%, and the goal for diluted net income per share is between $3.70 and $4.40. Our total revenue objective has been set between $645 million and $665 million on the basis of a 2% to 5% growth. Finally, our efficiency ratio objective for the year is 73% to 70%, with our Tier 1 capital ratio target being maintained at a minimum of 9.5%.

2009 First Quarter Results

I would now like to review our results for the first quarter of 2009, which were announced on March 4th. In the first quarter, the Bank posted net income of $25.0 million, as compared to $19.1 million in the first quarter of 2008. Return on common shareholders' equity was 10.0%, compared to 8.1% during the same period in 2008.

It should be noted that the first quarter of 2008 included an unfavourable income tax adjustment of $5.6 million subsequent to the adoption of the December 2007 federal budget. Excluding this non-recurring item, net income in the first quarter of 2008 equalled $24.7 million and return on common shareholders' equity was 10.9%.

Our first quarter 2009 results are quite satisfactory in light of the difficult economic environment that we are currently confronting. Loan and deposit portfolios showed good growth during this period, securitization revenues increased and appropriate cost controls were implemented. As anticipated, however, our results were affected by margin compression and higher loan losses compared to the same period last year.

Our total revenues amounted to $156.5 million during the first quarter of this year, up 3.6% compared to the same period last year. This increase is attributable mainly to the growth of our loan and deposit volumes. Net interest income declined by 0.8% as a result of the compression of our margins, which were down from 2.27% in the first quarter of 2008 to 2.00% in the first quarter of 2009. This decrease is due to the fact that deposits increased substantially within a fiercely competitive environment and we prudently conserved more low-margin liquid assets on our balance sheet as compared to the same period last year. In that regard, I would like to mention that the bank has undertaken various initiatives to offset this compression, including reviewing the pricing of its loan portfolio and enhancing the returns of its liquid assets.

Other income grew by $6.3 million, or 12.2%, primarily as a result of increased securitization revenues.

The provision for loan losses totalled $12.0 million in the first quarter of 2009, compared to $9.5 million in the same period in 2008. This increase was mainly related to consumer loan portfolios, and more specifically, to merchant loans, VISA credit cards and personal lines of credit.

Finally, our efficiency ratio was 70.7% during the first quarter of 2009 versus 71.9% during the same period last year, while our Tier 1 capital ratio was 10.1% in Q1-2009, compared to 10.3% in Q1-2008.

In sum, we are very satisfied with the Bank's performance, both in 2008 and during the first quarter of 2009. Moreover, we are committed to focusing our efforts on developing our growth sectors, improving our efficiency, and making profitable investments to ensure the Bank's sustainable, long-term development.

Thank you very much for your attention.