

NOTES FOR THE SPEECH BY MR. DENIS DESAUTELS,
CHAIRMAN OF THE BOARD
AT LAURENTIAN BANK'S
ANNUAL MEETING OF SHAREHOLDERS
MARCH 16, 2010 AT 9:30 AM
AT MONUMENT NATIONAL, IN MONTREAL,

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SPEECH BY DENIS DESAUTELS
CHAIRMAN OF THE BOARD

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MR. DENIS DESAUTELS

ANNUAL MEETING OF SHAREHOLDERS, LAURENTIAN BANK

MARCH 16, 2010

Dear shareholders,
Ladies and gentlemen.

It is a great pleasure for me to welcome you here today to present Laurentian Bank of Canada's financial results, which constitute the best results in the history of the organization. Given the particular financial and economic context of the past year, such historic results are all the more impressive.

The Board of Directors is very satisfied with this performance, which translates into increased profitability and efficiency, along with sustained growth. Moreover, we are delighted to see the tremendous determination shown by the management team in building the solid foundation which paves the way for the Bank's long-term development.

These results are the product of the many initiatives effectively implemented by management in order to achieve the proper balance between the need for cultural change and enhanced profitability, and the respect for the intrinsic values on which the organization has built its reputation.

At Laurentian Bank, it is essentially the passion for client interests and the genuine desire to assume our corporate responsibilities that have shaped the institution. It is a formidable challenge to be able to consolidate all of these elements, and I congratulate Mr. Robitaille and his team for succeeding in doing so. We are truly privileged to be able to count on such competent management, and on behalf of the entire Board, I would like to reiterate our full confidence and appreciation.

The crisis that we have endured has also served to reinforce the importance of solid rules of governance for public organizations. Concentrating on governance is nothing new at Laurentian Bank. Indeed, it is a top priority for the Board of Directors. For many years, we have been committed to acting with the highest level of transparency. We work in close collaboration with management to fully comprehend business issues and the particularities of the Bank's operations, while maintaining sufficient distance to ensure that prudent judgement is always exercised.

Boards of Directors all share the responsibility of finding practical and logical solutions for protecting the interests of shareholders, while taking the particularities of their industry into account. Within the banking sector, risk management is at the very heart of our preoccupations. Your Board's Risk Management Committee continued to be extremely vigilant with respect to all risks that could affect the business of the Bank, as well as the systems and practices that are put in place to effectively manage these risks. The Committee focused on credit risks in particular this past year, and the good performance of the Bank's loan portfolios in 2009 demonstrates the merits of our prudent approach.

We will continue to place great importance on these aspects, especially given that the events of the past years, within the financial sector, will likely give rise to greater oversight on the part of the authorities for the countries that are members of the Basel Committee. In light of the strength demonstrated by the Canadian banking sector and the model that it has become on the international scene, it is essential for us to be able to preserve the best practices of our industry, without, however, compromising its development.

The meeting we are holding here today will mark the first ever consultative shareholder vote on the compensation of Bank executives. I think that it is important to take a few moments to address this subject.

In fact, compensation is a subject that we have always considered to be very important, and over the years, we have continuously refined our programs. Compensation management is an art that is extremely difficult to master. However, we are convinced that the programs presently in place meet both shareholder objectives and those of the Bank and its executive officers. Our actions in the area of compensation are governed by a comprehensive compensation policy, whose objectives are to:

- promote the alignment of executive officers' interests with those of shareholders;
- foster transparency with respect to compensation;
- attract and retain competent and motivated executive officers;
- establish competitive compensation linked to the Bank's performance;
- and to respect the principles of internal, external and individual equity.

I would like to take a moment here to highlight three aspects in particular.

- First, it is important to note that 50% of annual bonuses must be converted into restricted share units, which are only cashable after a period of three years. In other words, half of the annual bonus must be reinvested in the Bank for at least three years.
- Second, executive compensation programs do not only remunerate based on the Bank's past performance, but strongly encourage the achievement of future results as well. Indeed, a significant portion of an executive's annual compensation can only be fully acquired if the Bank performs in accordance with the objectives set by the Board over the three subsequent years.
- Finally, a significant portion of senior management compensation is tied to share price fluctuations, as well as, in part, to the organization's long-term goals.

Given these factors, we believe that we have made judicious choices with respect to executive compensation. After reviewing our information circular, we hope that you will agree. The discussions held by the Board's Human Resources Committee, which is chaired by Ms. Isabelle Courville, were devoted in large part this year to questions of compensation. The Committee and all members of the Board are satisfied with the Bank's executive compensation programs and consider them to be fair and reasonable.

On another matter, after serving as a Director for close to 20 years, Mr. Pierre Michaud left our Board during the year. I personally worked very closely with Mr. Michaud, and his sound judgement and vast knowledge served as tremendous assets to us over all of these years. I extend my sincere gratitude to Pierre for his valuable contribution.

Succeeding Mr. Michaud is Ms. Marie-France Poulin. Recognized for her exceptional dynamism, Ms. Poulin possesses a great deal of experience in corporate administration, and we are confident that the Board will benefit significantly from her expertise and vision.

With the nomination of Ms. Poulin, five of Laurentian Bank's 13 Directors are now women. We are proud to say that this is the largest representation of women on any board in the Canadian banking industry.

The men and women who make up our Board of Directors all possess a wealth of experience, and their knowledge and skills are widely recognized. The Board's actions and initiatives have definitely been enriched by the diversity of our members' expertise, and I would like to take this opportunity to thank each Director for their excellent work.

In conclusion, I would also like to extend my gratitude to all who work so diligently, day in and day out, to advance the Bank's development, our 3,500

employees. They can be assured of the organization's unequivocal recognition and support.

I would now like to invite the Bank's President and Chief Executive Officer, Mr. Réjean Robitaille, to address you.