



LAURENTIAN  
BANK

## Scotia Capital FINANCIALS SUMMIT CONFERENCE 2010

Réjean Robitaille, President & CEO

Toronto – September 15, 2010



LAURENTIAN  
BANK

## FORWARD-LOOKING STATEMENTS

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 the Bank's security holders and 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, would or the negative of these terms or 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 capital market activity, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition, credit ratings, scarcity of human resources and 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 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 FINANCIAL MEASURES**

The Bank uses both generally accepted accounting principles ("GAAP") and certain non-GAAP measures to assess its performance. Non-GAAP measures do not have any standardized meaning and are unlikely to be comparable to any similar measures presented by other companies. The Bank believes that these non-GAAP financial measures provide investors and analysts with useful information so that they can better understand financial results and analyze the Bank's growth and profitability potential more effectively.

### **For questions on this presentation, please contact:**

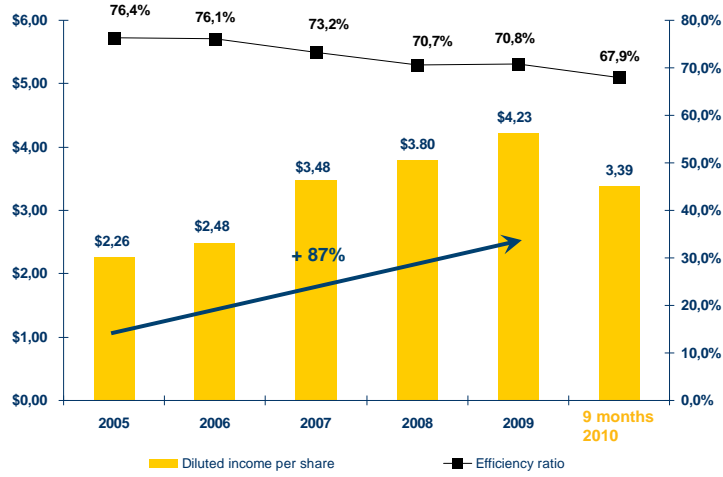
Gladys Caron, Vice-President, Public Affairs, Communications and Investor Relations  
Tel: 514 284-4500, extension 7511 • Cell: 514 893-3963  
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Symbol: LB, TSX

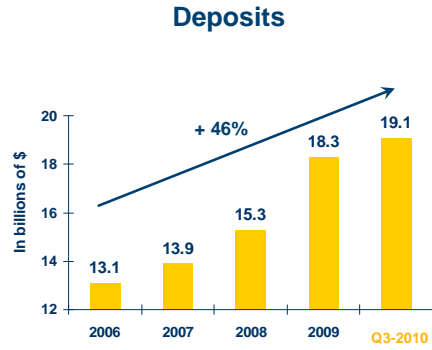
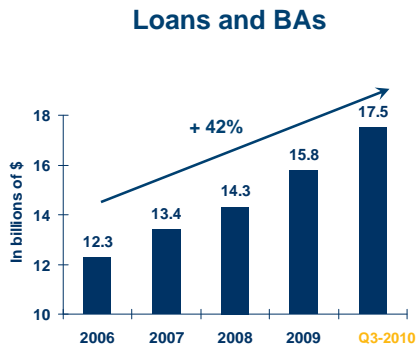
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### 5-YEAR TREND IMPROVING PROFITABILITY AND EFFICIENCY



### SUSTAINED LOAN AND DEPOSIT GROWTH



Note: Loans are presented on a net basis



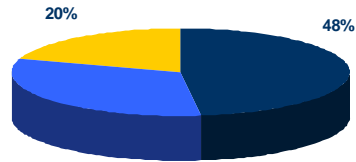
## DIVERSIFICATION OF LOAN PORTFOLIOS

Geographic Diversification of Loans  
(as at July 31, 2010)



- Quebec
- Elsewhere in Canada

Sectoral Diversification of Loans  
(as at July 31, 2010)

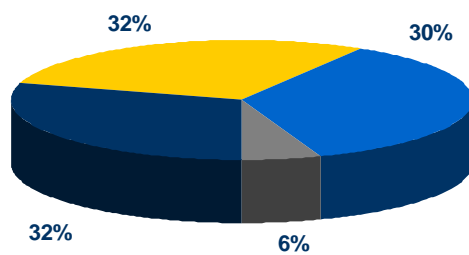


- Residential mortgages
- Personal loans
- Commercial mortgages, commercial loans and BAs



## PROFITABILITY WELL DIVERSIFIED BY BUSINESS\*

For the 9 months ended July 31, 2010



- Retail & SME Quebec
- Real Estate and Commercial Financing
- B2B Trust
- Laurentian Bank Securities & Capital Markets

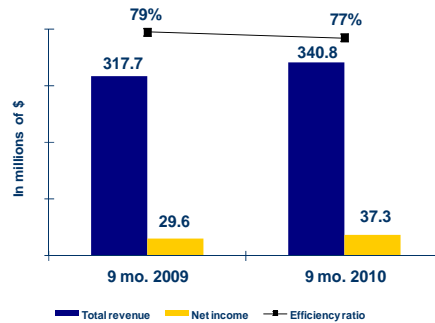
\* Excluding segment Other



# RETAIL & SME QUEBEC

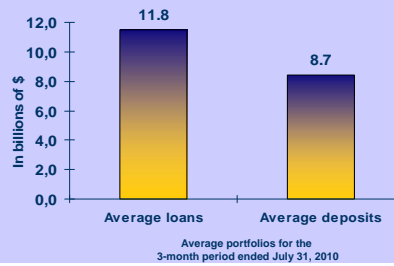
## 9 months-2010 Highlights

- Excellent growth in net income: 26% Y-o-Y
- Solid loan growth: 6.9% Y-o-Y
- Good deposit growth: 8.8% Y-o-Y
- Strong revenue growth: 7% Y-o-Y
- Positive operating leverage: 2.5%
- Lower provision for loan losses: -3% Y-o-Y



## Business Segment's Profile

- Complete range of services and products to retail clients and SMEs
- 3<sup>rd</sup> largest branch network in Quebec with 157 branches
- 410 ATMs
- 19 commercial banking centers



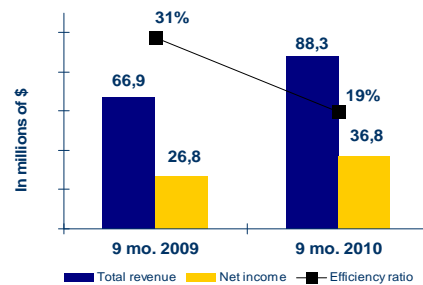
Average portfolios for the 3-month period ended July 31, 2010



# REAL ESTATE & COMMERCIAL

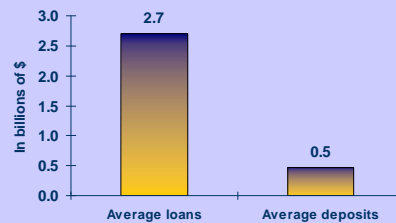
## 9 months-2010 Highlights

- Excellent growth in net income: 37% Y-o-Y
- Solid growth in loans and BAs: 18% Y-o-Y
- Strong revenue growth: 32% Y-o-Y
- Positive operating leverage: 51%
- Higher loan losses: \$18.6 M vs \$6.9 M in 9 months-2009



## Business Segment's Profile

- Focus on construction loans in major Canadian cities, mainly residential condo and housing projects, shopping centers and office buildings
- 8 real estate financing centers in Canada
- 4 commercial financing centers in Ontario and 2 in Quebec

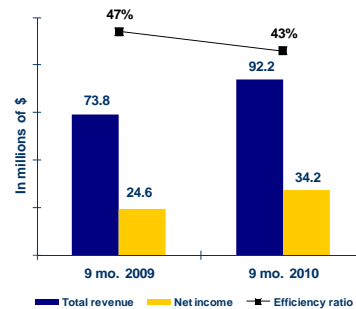


Average portfolios for the 3-month period ended July 31, 2010



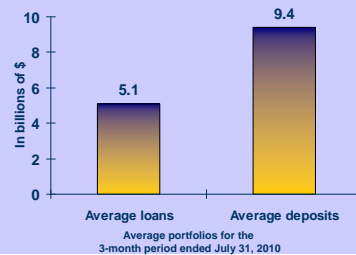
9 months-2010 Highlights

- Outstanding growth in net income: 39% Y-o-Y
- Strong revenue growth: 25% Y-o-Y
- Positive operating leverage: 10%
- Solid loan growth: 18.3% Y-o-Y
- Strong deposit growth: 8.6% Y-o-Y
- Lower loan losses: \$2.5 M vs \$3.0 M in 9 months-2009



Business Segment's Profile

- Specializes exclusively in serving the financial intermediary community (financial advisors, mortgage brokers, insurance agents)
- Offers banking products as a third-party, such as investment and RRSP loans, prime mortgages and deposits
- Offices in Toronto, Montreal, Calgary, Vancouver and Halifax

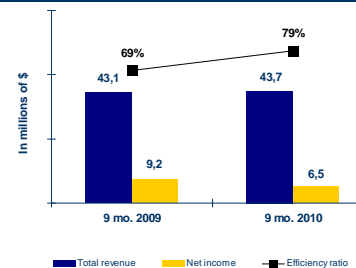


Symbol: LB, TSX



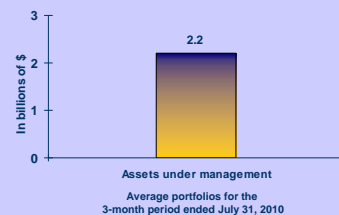
9 months-2010 Highlights

- Lower net income: -29% Y-o-Y
- Relatively stable revenue: 1.5% Y-o-Y, with higher revenue from Laurentian Bank Securities offset by lower income from other capital market operations
- Higher non-interest expenses: 15% Y-o-Y, due to higher variable compensation in brokerage business



Business Segment's Profile

- Complete range of brokerage services offered to institutional and retail clients
- 15 retail brokerage offices in Quebec and Ontario
- Well-recognized in the Canadian Institutional Fixed Income arena



Symbol: LB, TSX



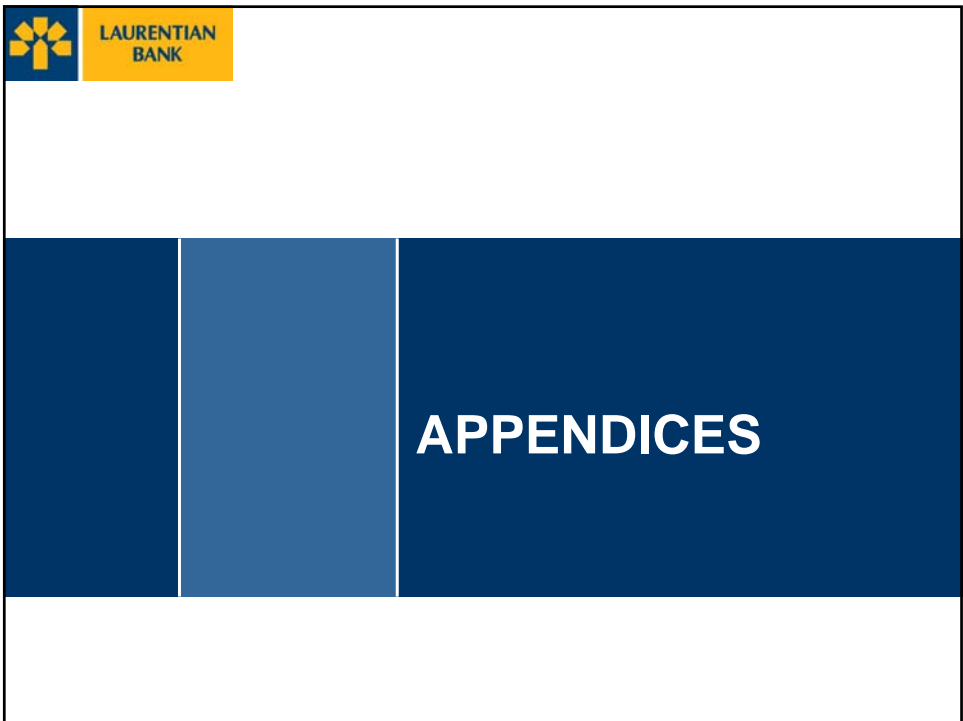
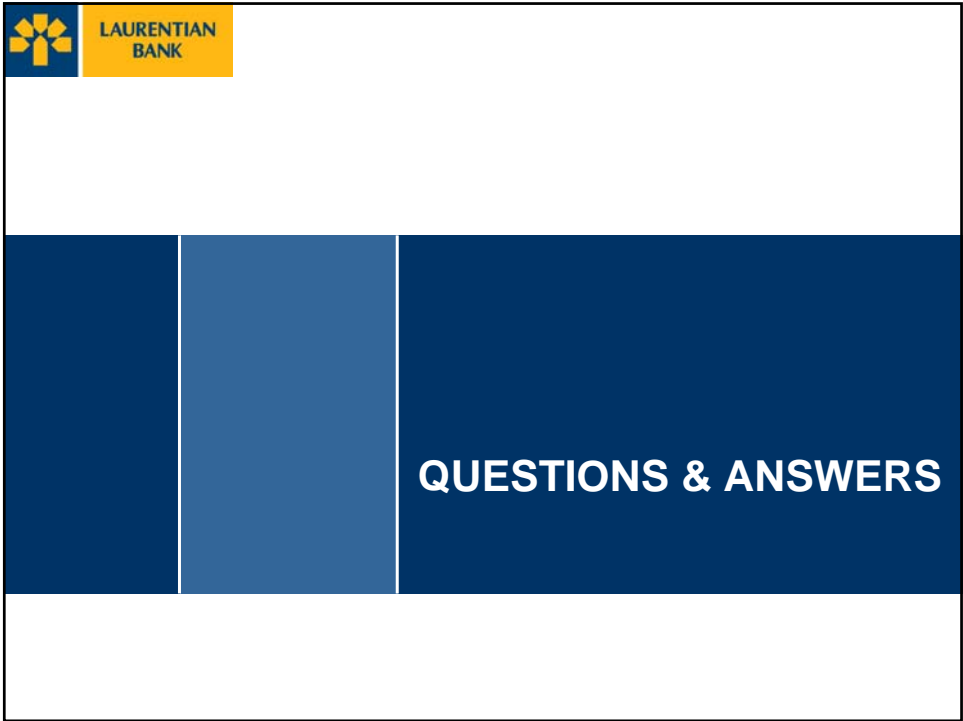
## TRACKING OF 2010 OBJECTIVES

	2010 OBJECTIVES	9 months ended July 31, 2010 RESULTS	9 months ended July 31, 2009 RESULTS
Return on common shareholders' equity	10.0% to 12.0%	11.4%	10.1%
Diluted net income per share	\$4.00 to \$4.70	\$3.39	\$2.76
Revenue growth	5% to 10%	12%	2%
Efficiency ratio	70% to 67%	67.9%	70.5%
Tier 1 capital ratio	Minimum of 9.5%	10.7%	10.8%



## CONCLUSION

- **Improved profitability** year-over-year
- **Continued balance sheet growth** year-over-year, in both loans and deposits
- **Capacity for organic growth** demonstrated by our strong increase in revenue due to growth and development initiatives
- **Diversification of portfolios and activities** contribute to the Bank's success





As at September 3, 2010

**Stock symbol: TSX- LB**

**Recent stock price: \$46.35**

**Annual dividend: 3.11%**

**Price/earnings ratio** (trailing 4 quarters based on continuing operations): **10.6X**

**Book value per share: \$40.99**

**Market to book value: 1.13X**

**Number of shares outstanding: 23.92 million**

**Market capitalization: \$1.11 billion**



- **3<sup>rd</sup> largest financial institution in Québec** in terms of branches and **7<sup>th</sup> largest Canadian Schedule I chartered bank** based on assets
- **More than 200 points of service** across Canada, including **157 retail branches** and **410 ABMs**
- **\$23.6 billion of assets** on balance sheet as of July 31, 2010
- **Main markets:** Province of Québec with significant activities elsewhere in Canada (39% of total loans come from outside of Québec)
- **More than 3,600 employees**
- **Founded in 1846**





## OVERVIEW OF 3<sup>rd</sup> QUARTER 2010

	Q3-2010	Q3-2009	Variance Q3-10 vs Q3-09
Net income	\$30.1 M	\$28.7 M	5%
Diluted EPS	\$1.13	\$1.08	5%
ROE	11.0%	11.6%	- 60 bps.

### Q3-2010 HIGHLIGHTS

- Strong revenue growth
- Improvement in net interest margin
- Solid loan growth
- Sharply lower securitization revenue mitigated by growth in core other income
- Higher provisions for loan losses



## FINANCIAL HIGHLIGHTS Q3-2010 vs Q3-2009

In millions of dollars, except per share amounts

	Q3-2010	Q3-2009	Variance Q3-2010 vs Q3-2009
Net interest income	129.9	112.8	15%
Other income	58.9	63.9	-8%
<b>Total revenue</b>	<b>188.8</b>	<b>176.7</b>	7%
Provision for loan losses	20.0	16.0	25%
Non-interest expenses	127.8	119.1	7%
Income taxes	10.9	12.9	-15%
<b>Net income</b>	<b>30.1</b>	<b>28.7</b>	5%
Preferred share dividends including applicable taxes	3.1	2.8	9%
<b>Net income available to common shareholders</b>	<b>27.0</b>	<b>25.9</b>	4%
<b>Diluted EPS - GAAP</b>	<b>\$1.13</b>	<b>\$1.08</b>	5%
Return on common shareholders' equity	11.0%	11.6%	-60 bps
Efficiency ratio	67.7%	67.4%	+30 bps

LAURENTIAN BANK		4 BUSINESS SEGMENTS			
		For the 9 months ended July 31, 2010			
		Retail & SME Quebec	Real Estate & Commercial	B2B Trust	LB Securities & Capital Markets
% of total revenue	60%	16%	17%	7%	
% of net income	32%	32%	30%	6%	
<ul style="list-style-type: none"> <li>Personal Banking: Transactional, financing and investment products and services</li> <li>Small and Medium-Sized Enterprises: Financing solutions and services such as exchange transactions, electronic banking and processing of international transactions</li> <li>Approximately 2,000 employees</li> <li>157 retail branches in Quebec</li> <li>19 commercial offices in Quebec</li> </ul>	<ul style="list-style-type: none"> <li>Real estate financing throughout Canada</li> <li>Commercial financing in Ontario</li> <li>Commercial financing in Québec</li> <li>Approximately 150 employees</li> <li>11 offices in Ontario, Western Canada and Quebec</li> </ul>	<ul style="list-style-type: none"> <li>Financial products and services offering</li> <li>Distributed through a network of more than 15,000 independent financial advisors for distribution to their clients throughout Canada</li> <li>Approximately 350 employees</li> <li>Sales offices in Montréal, Calgary, Halifax and Vancouver</li> </ul>	<ul style="list-style-type: none"> <li>Complete range of brokerage services offered through a network of 15 offices in Quebec and Ontario</li> <li>Institutional – Fixed Income</li> <li>Institutional – Equity</li> <li>Retail Brokerage Services</li> <li>Business Services</li> <li>Bank-related capital market activities</li> <li>Approximately 225 employees</li> <li>15 offices in Quebec and Ontario</li> </ul>		
<ul style="list-style-type: none"> <li>\$8.9 billion in residential mortgage loans and home equity lines of credit</li> <li>\$0.5 billion in personal lines of credit</li> <li>\$0.9 billion in average commercial loans - SME Québec</li> <li>Total deposits: \$8.9 B</li> </ul>	<ul style="list-style-type: none"> <li>\$0.7 billion in commercial loans</li> <li>\$1.5 billion in commercial mortgage loans</li> <li>Total deposits: \$0.5 B</li> </ul>	<ul style="list-style-type: none"> <li>\$2.9 billion in investment and RRSP loans</li> <li>\$2.1 billion in brokered mortgages</li> <li>Total deposits: \$9.4 B</li> <li>Assets under administration: \$ 3.8 B</li> </ul>	<ul style="list-style-type: none"> <li>Assets under administration: \$2.2 B</li> </ul>		

Symbol: LB, TSX  
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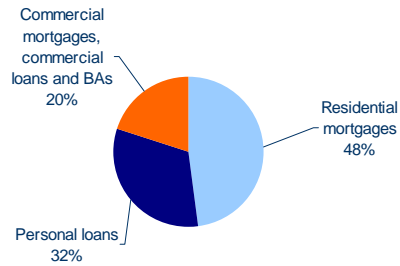
LAURENTIAN BANK		KEY STRENGTHS
<p><b>1. Solid financial situation</b></p> <ul style="list-style-type: none"> <li>Strong balance sheet and capital ratios</li> <li>High level of liquidity</li> </ul>		
<p><b>2. Low risk profile</b></p> <ul style="list-style-type: none"> <li>Predominantly retail loan book and deposit base</li> <li>High proportion of insured mortgages</li> <li>Diversified activities across Canada</li> </ul>		
<p><b>3. Efficient management approach</b></p> <ul style="list-style-type: none"> <li>Strong and distinctive market positioning</li> <li>Focus on growth engines</li> <li>All decisions and actions guided by our 3 priorities: profitability, efficiency, human capital</li> </ul>		

Symbol: LB, TSX  
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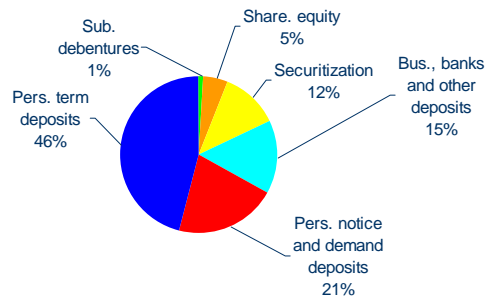


## LOAN PORTFOLIOS AND FUNDING

### Loan portfolios (July 31, 2010)



### Funding sources to support lending activities (July 31, 2010)



Symbol: LB, TSX  
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## MANAGEMENT COMMITTEE

### Réjean Robitaille

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

### Luc Bernard

**Executive Vice-President  
Retail Financial Services and SME**  
With Laurentian Bank since 2001

### 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 Trust**  
With Laurentian Bank since 1991

### Lorraine Pilon

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

Symbol: LB, TSX  
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**L. Denis Desautels O.C., FCA (2001)**  
Chairman of the Board  
Laurentian Bank of Canada  
Chartered Accountant and  
Corporate Director

**Lise Bastarache (2006)**  
Economist and Corporate Director

**Jean Bazin C.R. (2002)**  
Counsel  
Fraser Milner Casgrain LLP

**Richard Bélanger (2003)**  
President  
Toryvel Group Inc.

**Ève-Lyne Biron (2003)**  
President and General Manager  
Laboratoire Médical Biron inc.

**Isabelle Courville (2007)**  
President  
Hydro-Québec TransÉnergie

**Pierre Genest (2006)**  
Chairman of the Board  
SSQ, Life Insurance Company Inc.

**Michel Labonté (2009)**  
Corporate Director

**Carmand Normand (2004)**  
Chairman of the Board  
Addenda Capital Inc.

**Jacqueline C. Orange (2008)**  
Corporate Director

**Marie-France Poulin (2009)**  
Vice-President  
Camanda Group

**Réjean Robitaille (2006)**  
President and Chief Executive Officer  
Laurentian Bank of Canada

**Jonathan I. Wener C.M. (1998)**  
Chairman of the Board  
Canderel Management Inc.