

LAURENTIAN BANK INVESTOR FORUM

OUR TRANSFORMATION PLAN

Becoming simpler, more
efficient and more profitable

January 26, 2016



LAURENTIAN
BANK

Caution Regarding Forward Looking Statements

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, developments in the technological environment, the ability to realize the anticipated benefits from the purchase of an investment loan portfolio and the reaction of the seller's customers to the transaction, as well as, the ability to operate the Bank's transformation plan. 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 Management's Discussion and Analysis under the title "Risk Appetite and Risk Management Framework" in the Bank's Annual Report, as well as to 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.

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. Certain analyses presented throughout this document are based on the Bank's core activities and therefore exclude the effect of certain amounts designated as adjusting items, as detailed in the 2015 Annual Report.

Agenda

François Desjardins	Transformation plan
Stéphane Therrien	Personal & Commercial Banking
Deborah Rose	B2B Bank
Michel Trudeau	Laurentian Bank Securities & Capital Markets
François Laurin	Financials
François Desjardins	Key takeaways

FRANÇOIS DESJARDINS

President and Chief Executive Officer



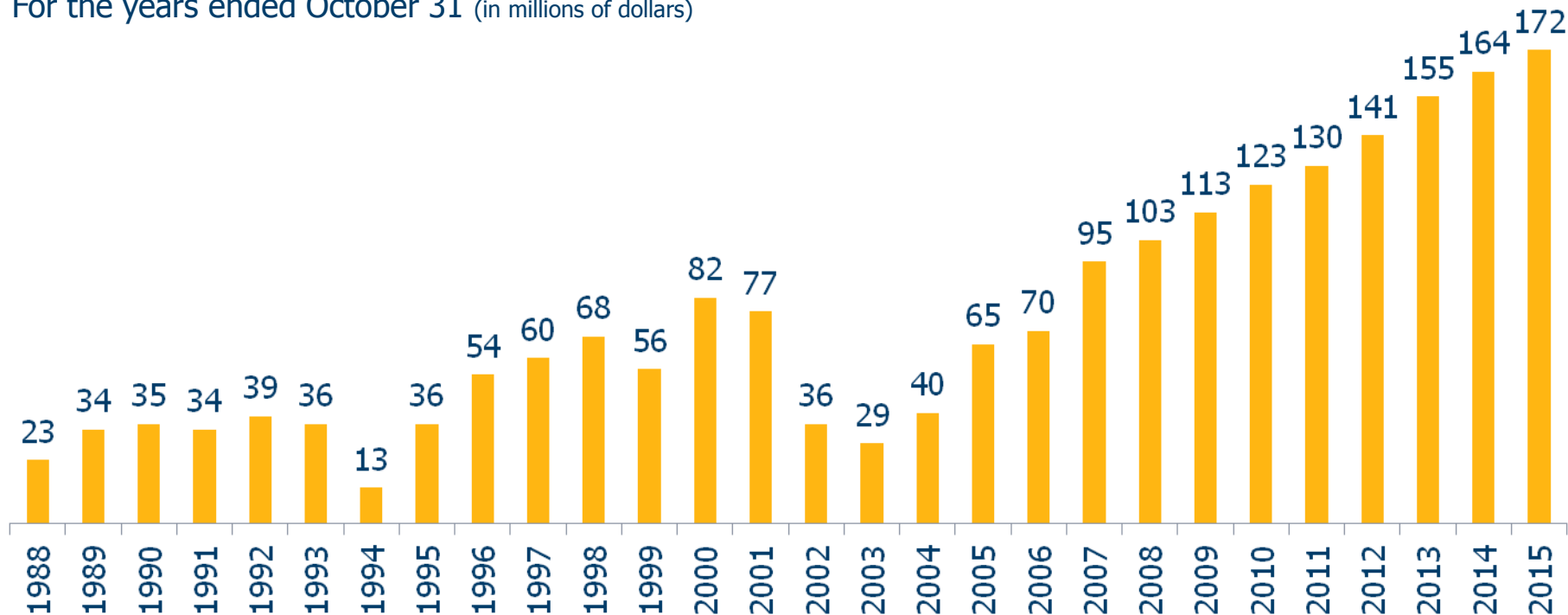


Solid foundation
and performance

Our growth in adjusted net income is positive

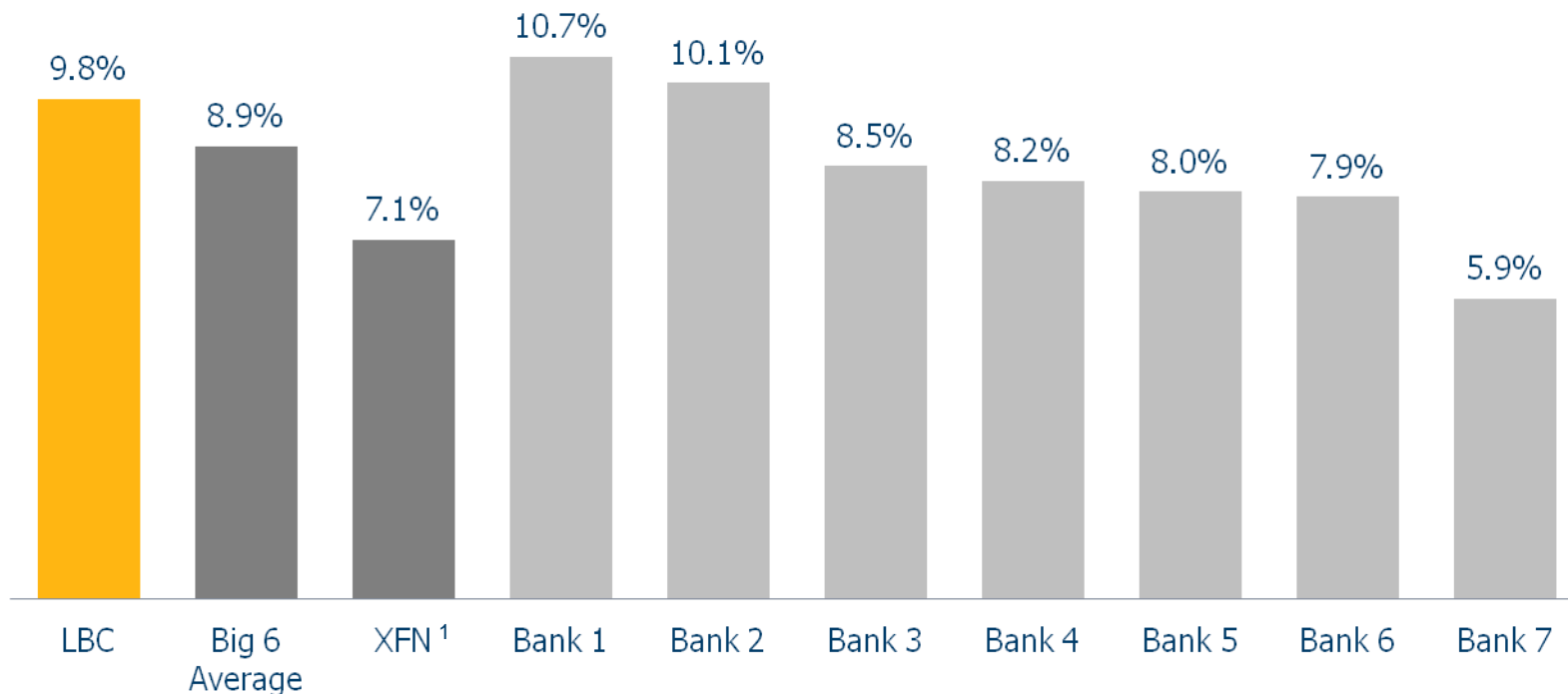
Adjusted net income

For the years ended October 31 (in millions of dollars)



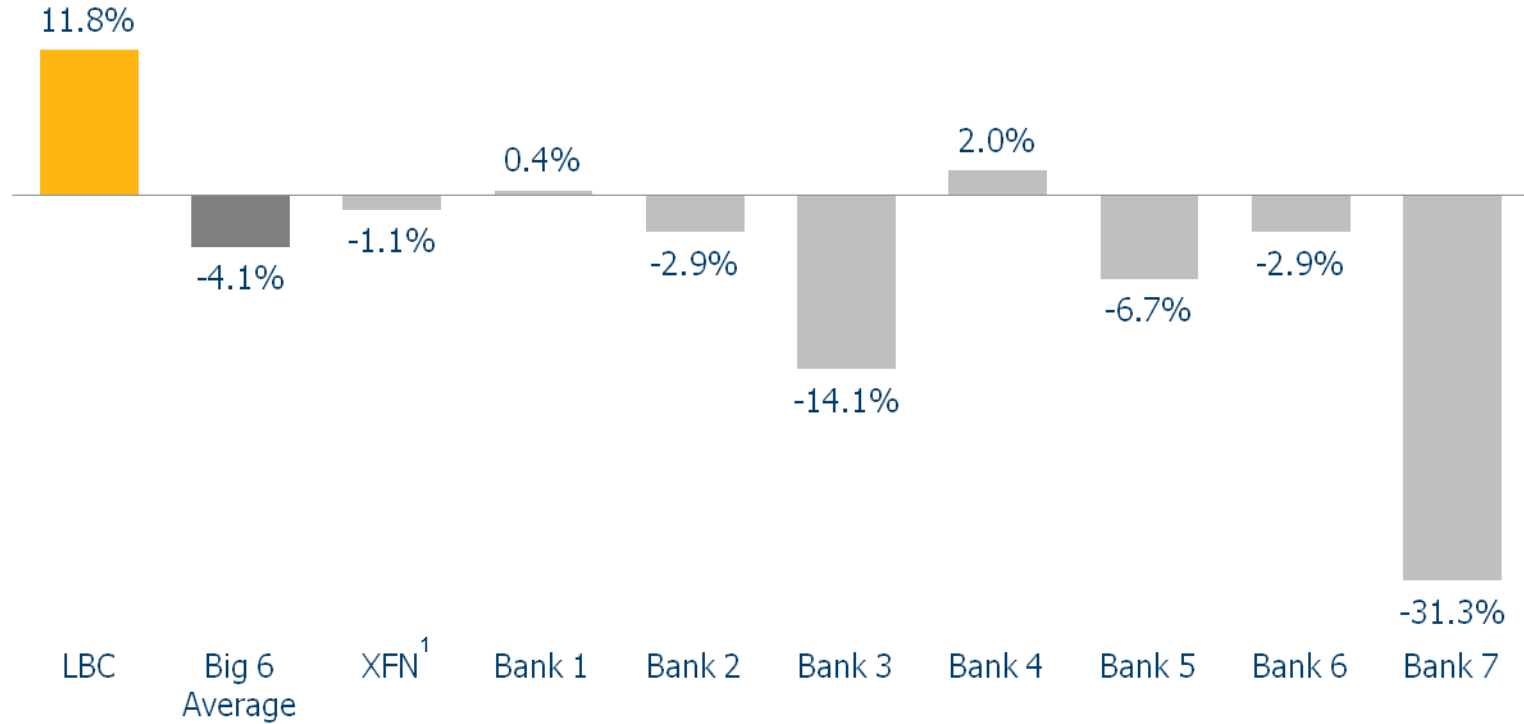
Our 10-year total shareholder return is competitive

(CAGR – 10-year ended October 31, 2015)



Our 1-year total shareholder return is attractive

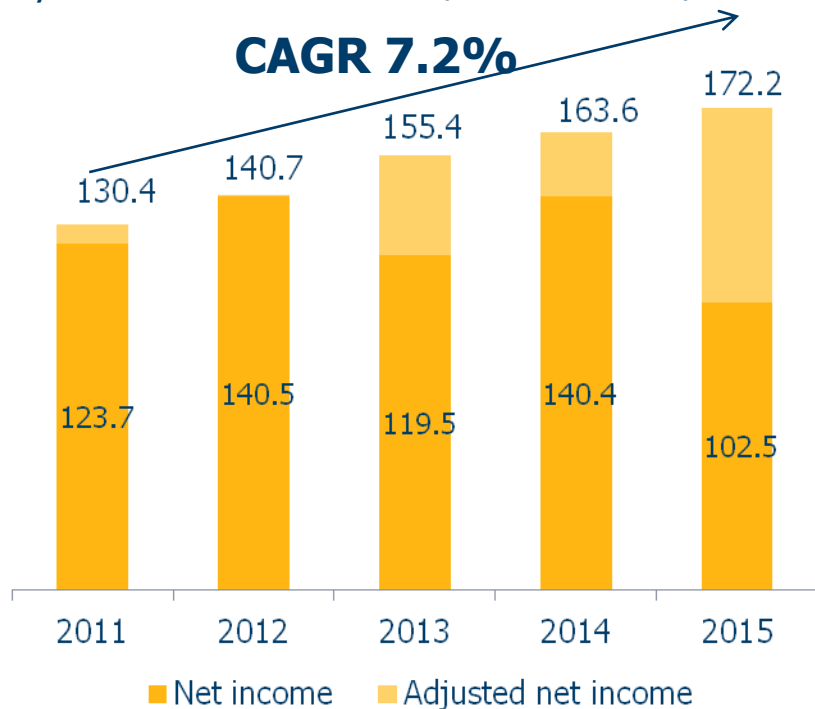
(1 year ended October 31, 2015)



Core earnings growth is consistently improving

Net income

For the years ended October 31 (in millions of dollars)

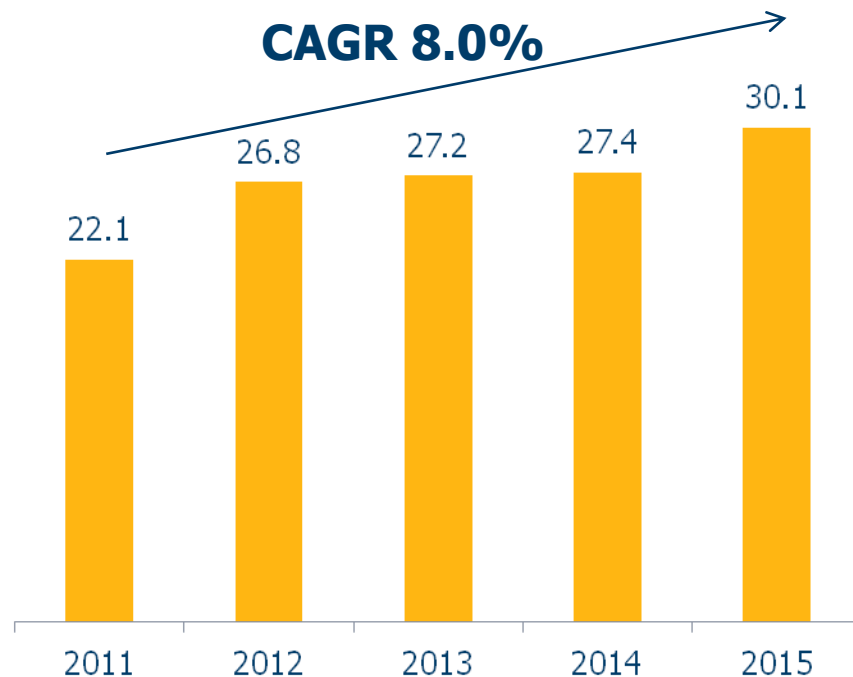


Laurentian Bank has shown resilience in a challenging market environment through organic growth and acquisition strategies

Loan growth is positive

Loans and acceptances

As at October 31 (in billions of dollars)

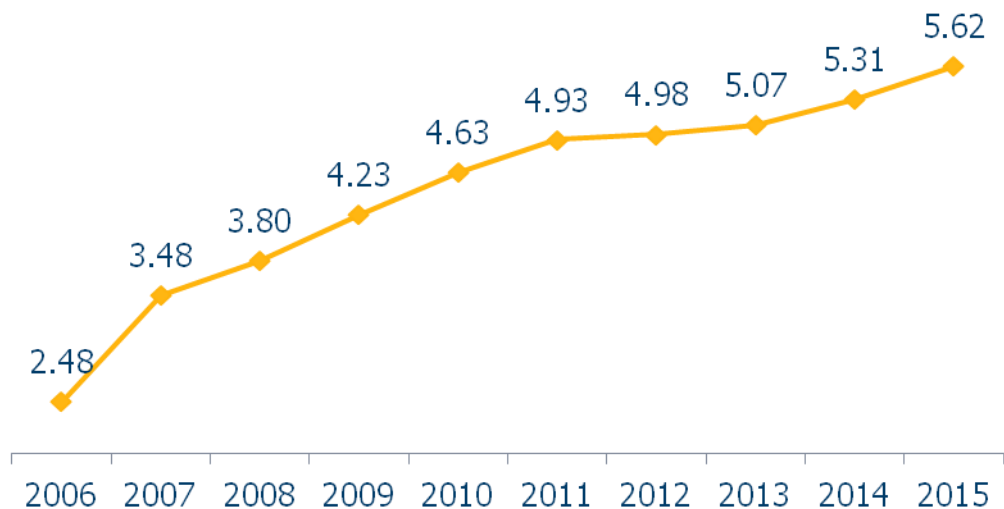


Successful strategic
growth initiatives despite
fierce competition

EPS has grown steadily

Diluted adjusted earnings per share (EPS)

For the years ended October 31 (in dollars)

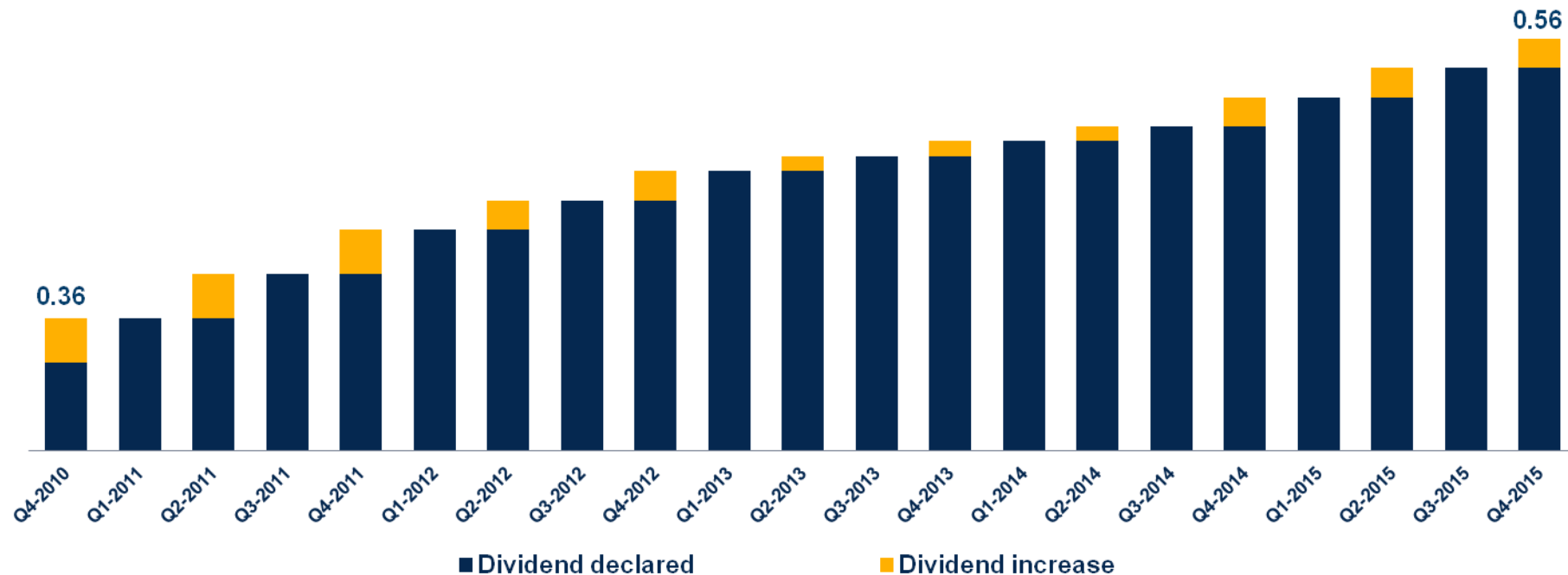


Growing core earnings per share has fuelled regular increases in dividends

Rewarding shareholders through dividend growth

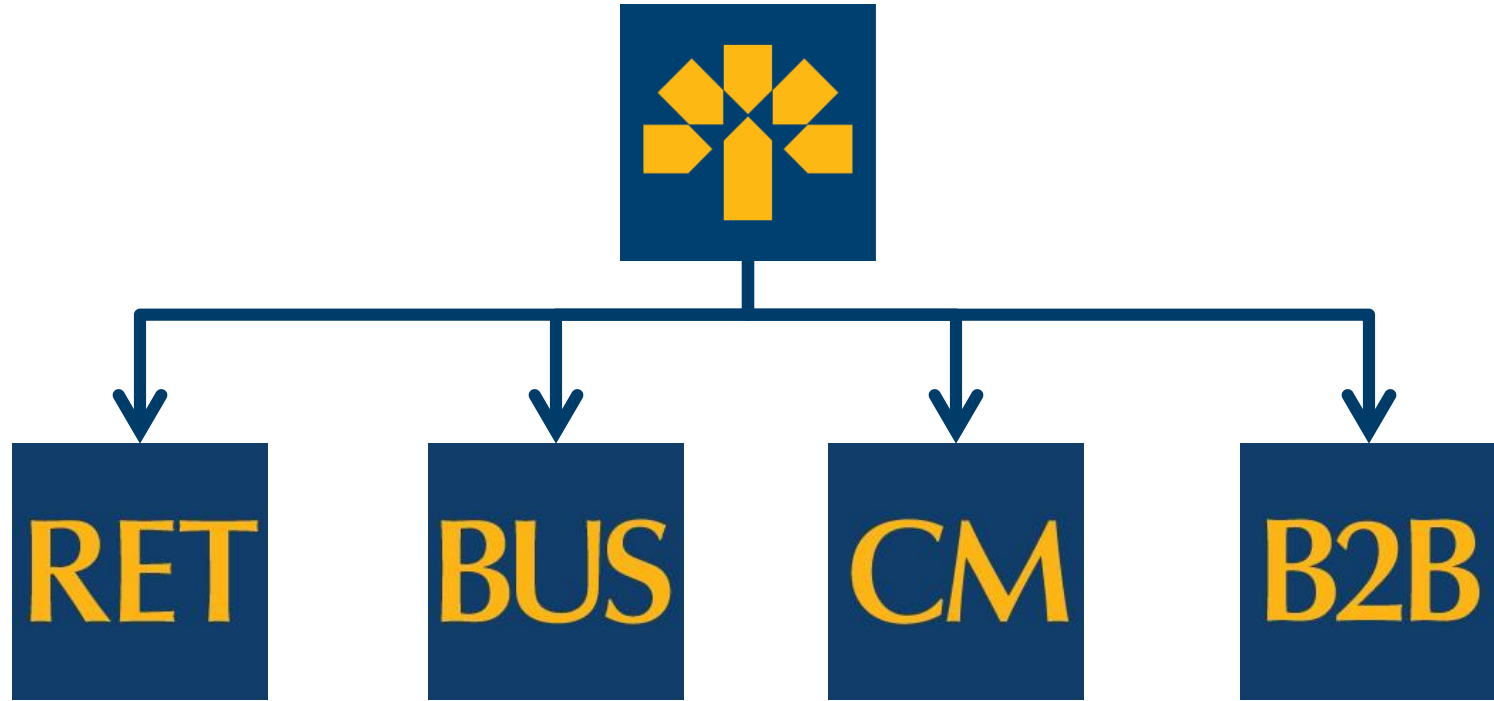
Dividend declared per common share

For the quarters ended (in dollars)



Dispelling myths

Today's perception of Laurentian Bank

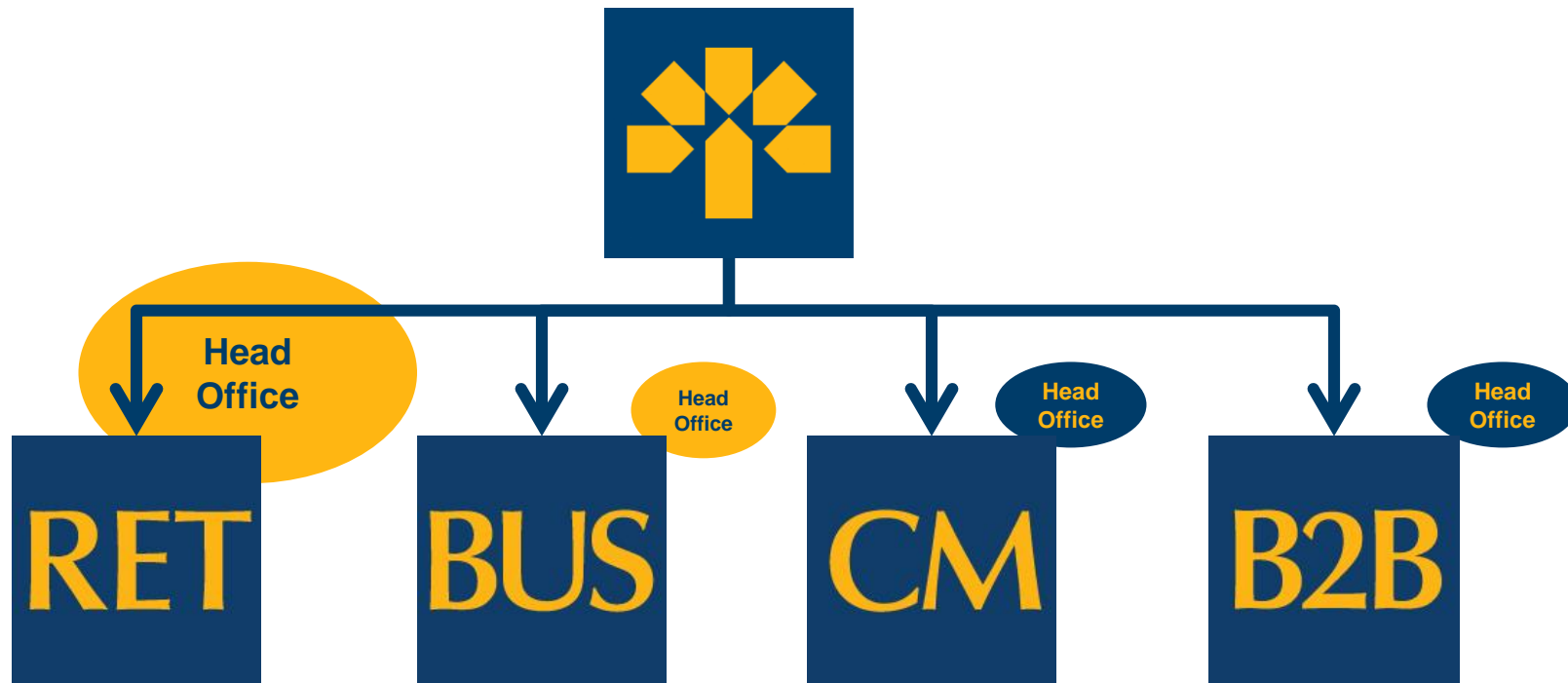


Universal bank with a broad service offering

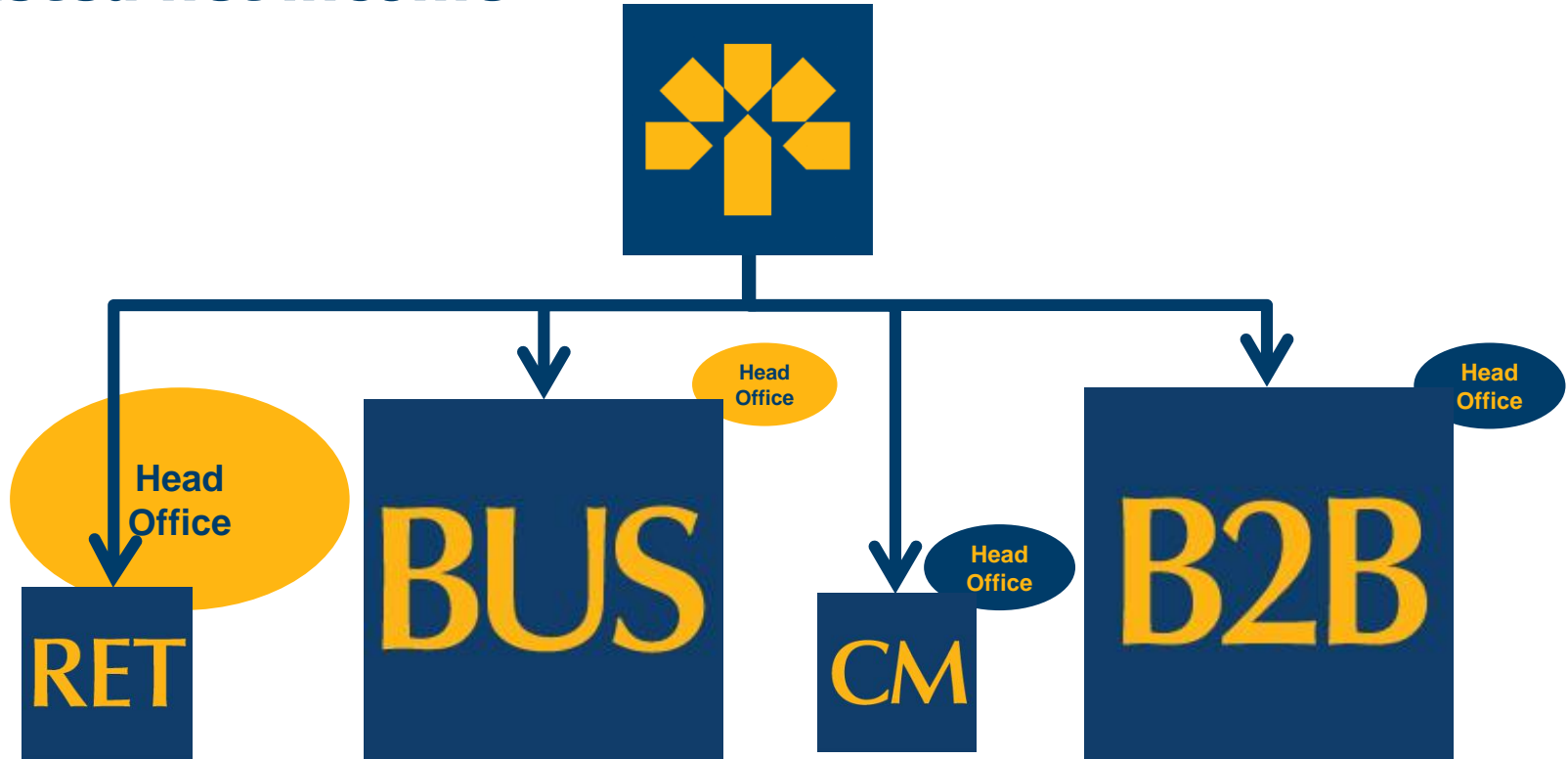


	Retail Services	Business Services	LBS & Capital Markets	B2B Bank
Brief Description	<ul style="list-style-type: none"> Comprehensive line of financial services for retail customers 	<ul style="list-style-type: none"> Commercial business banking and real estate lending groups Financial services for SME (<\$25M) 	<ul style="list-style-type: none"> Integrated full-service institutional securities and investment banking firm 	<ul style="list-style-type: none"> Products & services designed to enable financial advisors to build their client's wealth
Number of FTEs¹	1,870	306	249	739
Loans & acceptances	\$10.9B	\$8.2B	-	\$10.6B
Deposits	\$8.7B	\$1.8B	-	\$12.7B
AUM	\$7.1B	\$0.4B	\$3.1B	\$31.7B

85% of corporate costs allocated to Retail Services¹



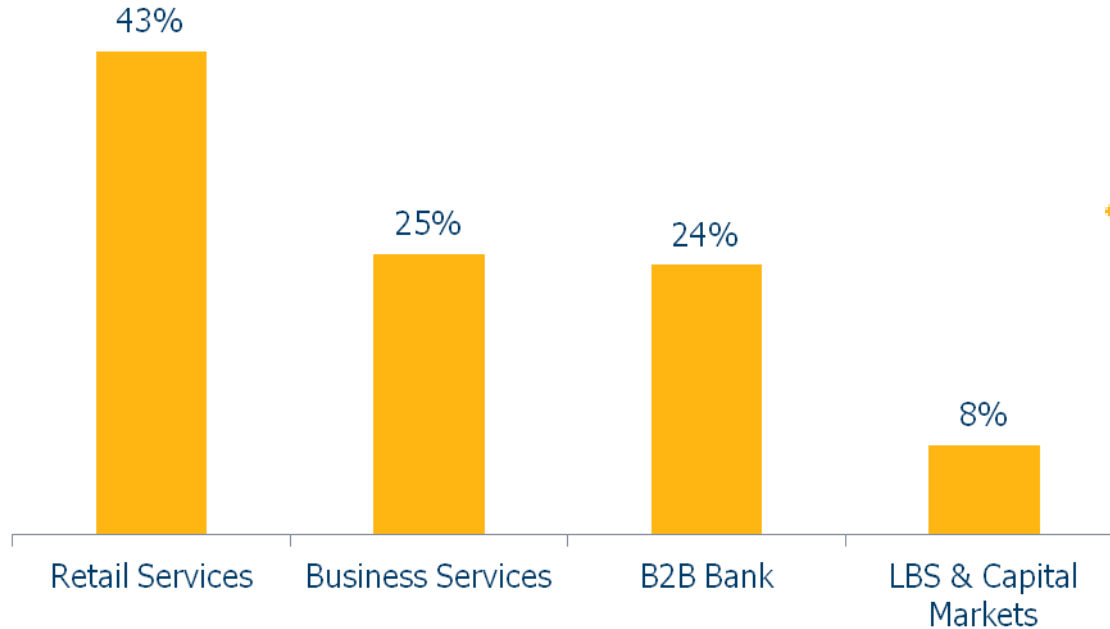
And Retail Services accounts for 14% of adjusted net income¹



Laurentian Bank has diversified revenue streams

Total revenue¹

For the year ended October 31, 2015 (as a percentage)

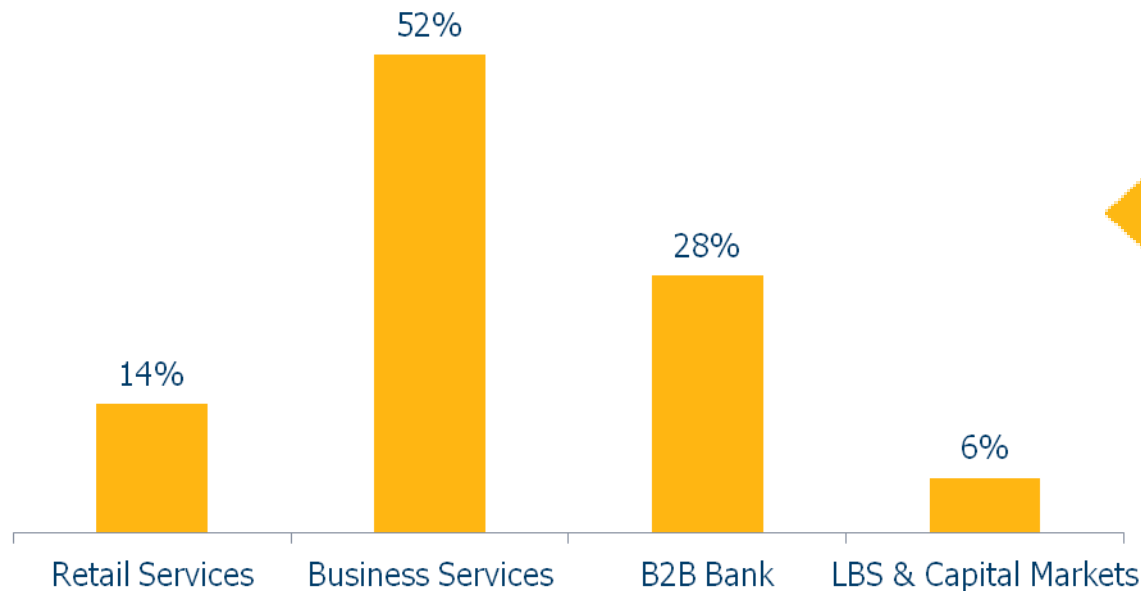


Retail Services is the largest contributor to total revenue

However Business Services has the highest contribution to adjusted net income

Adjusted net income¹

For the year ended October 31, 2015 (as a percentage)

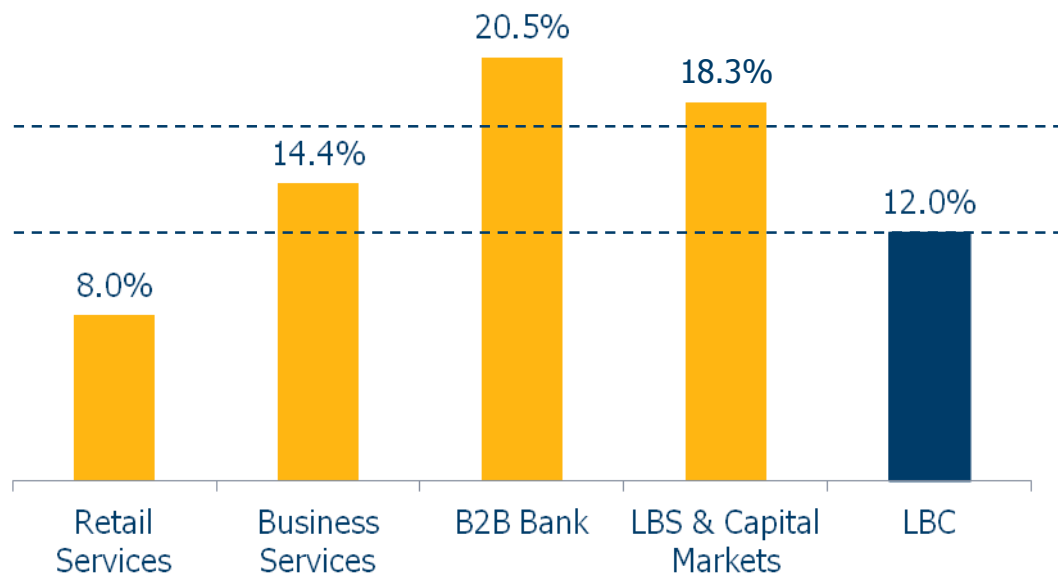


Business Services accounts for 52% of adjusted net income

While B2B Bank has the highest ROE

Adjusted return on common shareholders' equity¹

For the year ended October 31, 2015 (as a percentage)

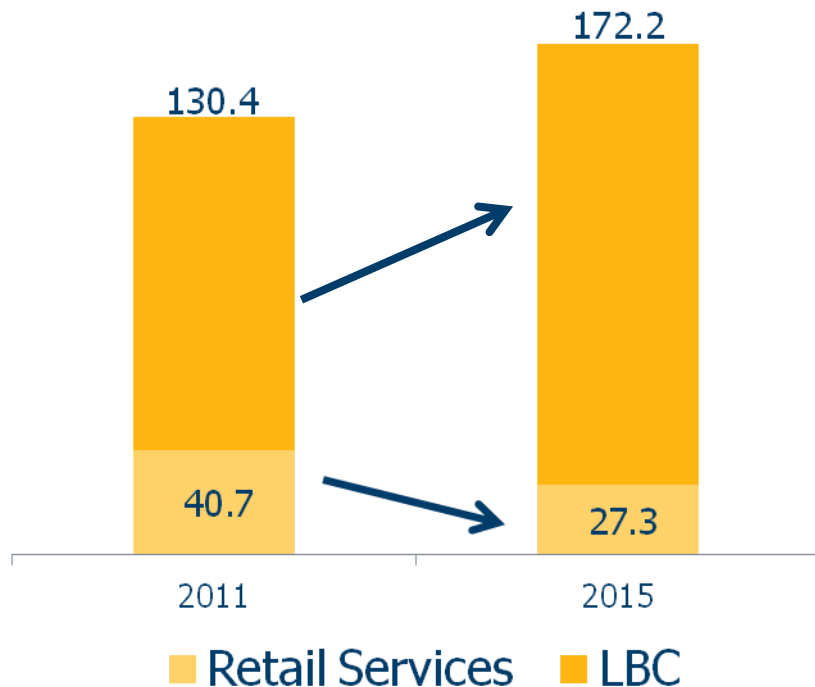


The ROE of B2B Bank, LBS & Capital Markets and Business Services exceed that of the overall Bank

Contribution of Retail Services is decreasing

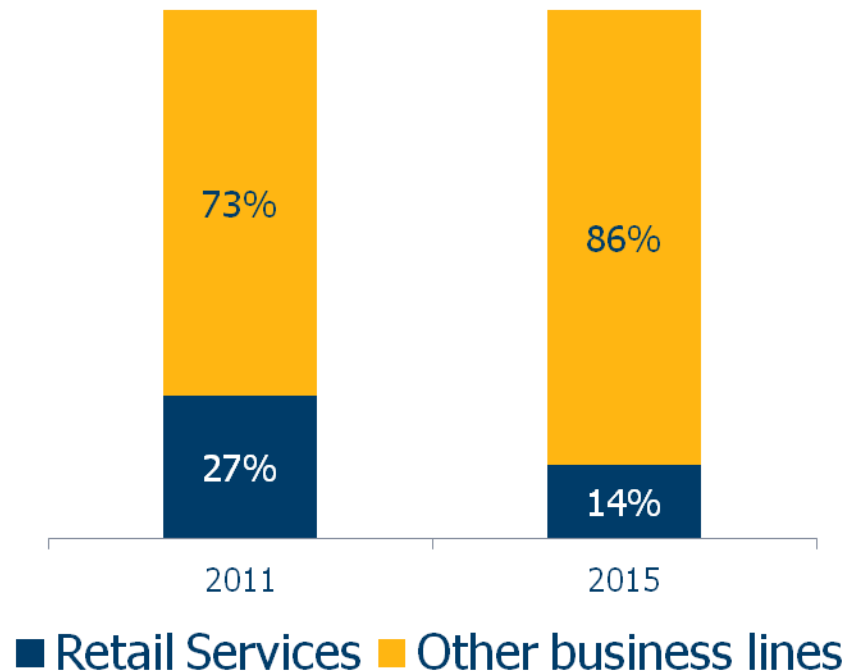
Adjusted net income

For the years ended October 31 (in millions of dollars)



Adjusted net income

For the year ended October 31 (as a percentage)

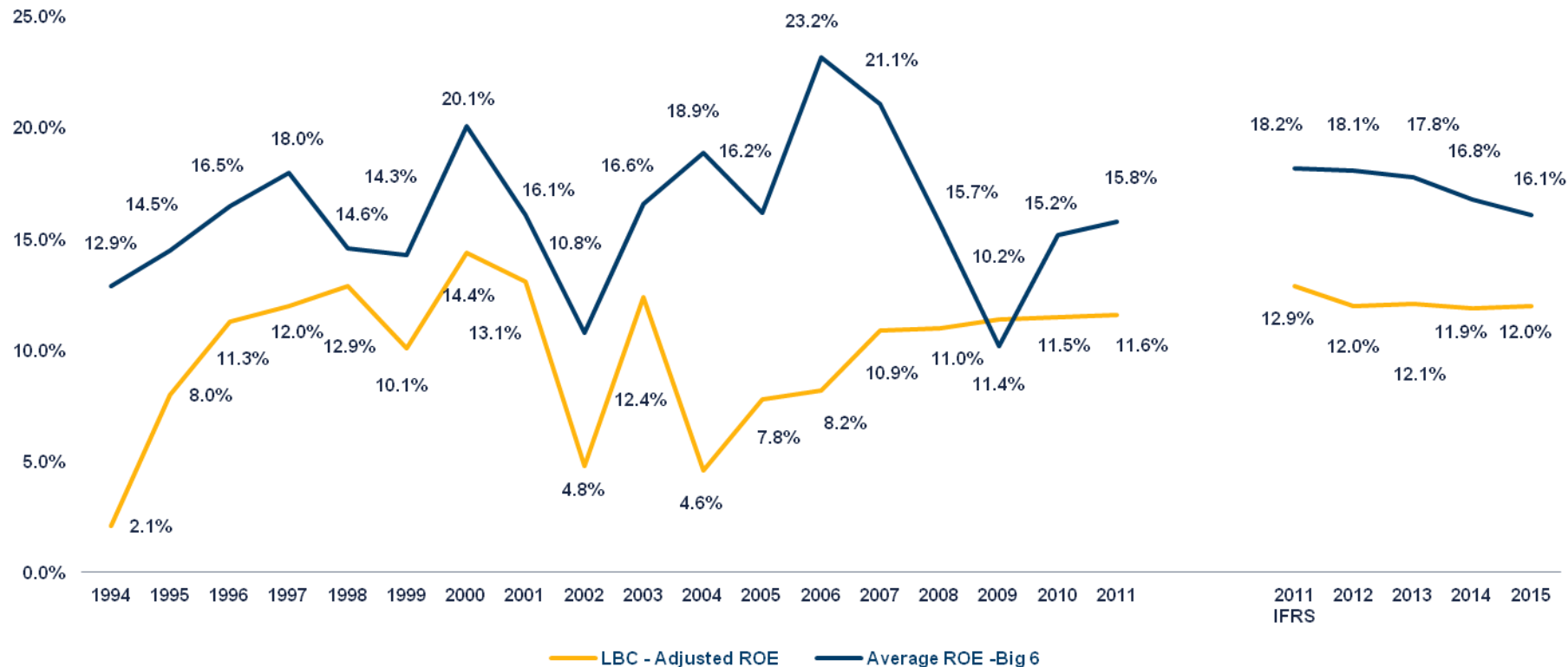


Laurentian Bank today



What got us here,
won't get us there

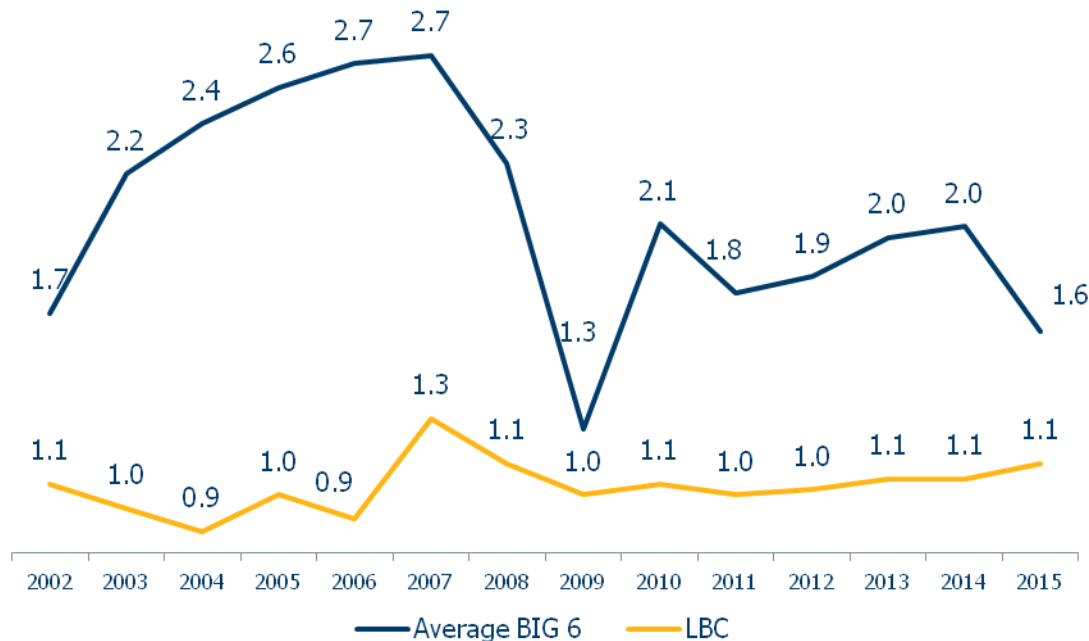
Laurentian Bank hit an ROE plateau



Price to book value ratio remains relatively flat

Price to book value ratio¹

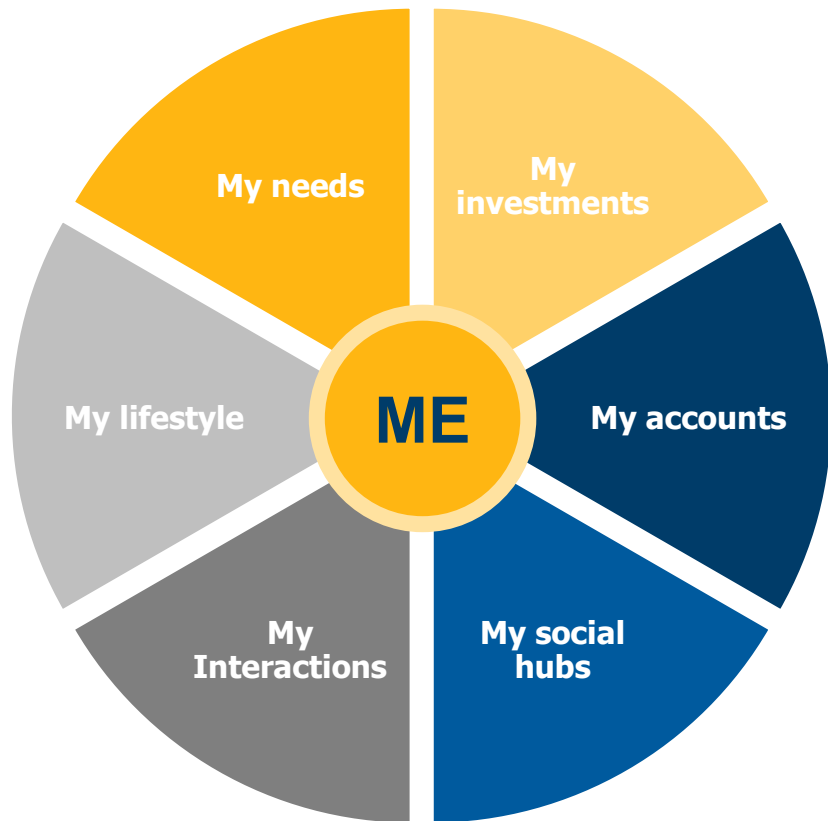
As at October 31 (as a multiple)



LBC's ratio is relatively stable over time

Changes in customer
behaviors bring
new opportunities

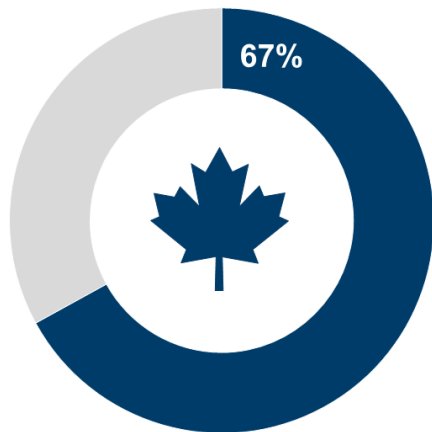
Customer behaviors are shifting rapidly



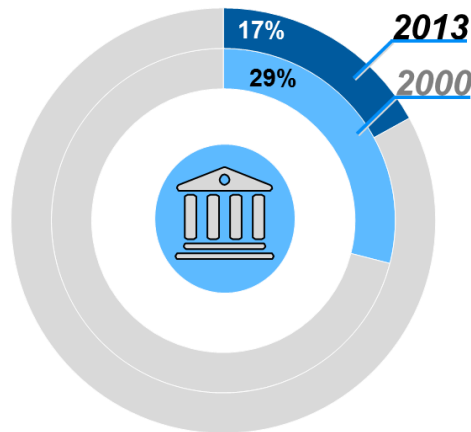
Customer expectations are shifting from product-centric to customer-centric interactions

Canadians use online banking versus branches

% of Canadians who Used Online Banking in 2013



% of Canadians who Mainly Use their Branch to Access Banking Services between 2000 and 2013

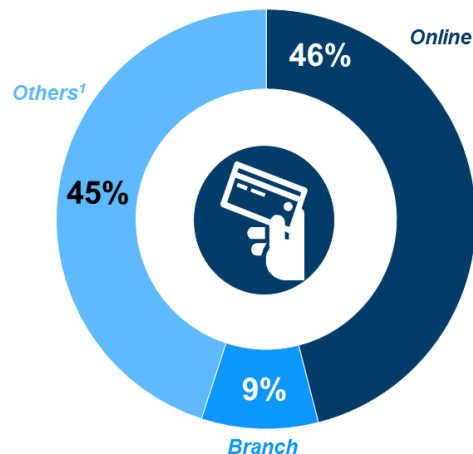


Approximately 70% of Canadians used online banking services in 2013, while 17% relied mostly on branches

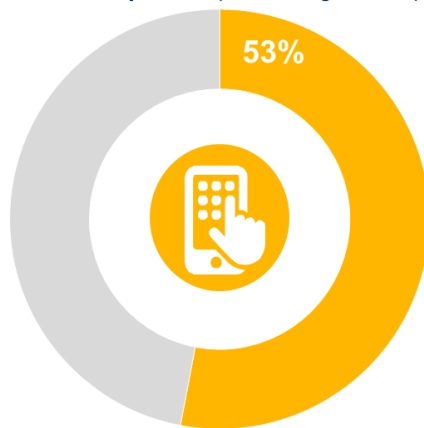
Online tools are used by most Canadians to access their banking services

Paving the way towards a cashless environment

Main method of paying bills
(Percentage, 2013)



% of Canadians who are doing almost all
Banking Transactions without ever speaking
to a real person (Percentage, 2013)



23% don't think they will be carrying cash in 10 years
and 54% anticipate no longer using cheques

More than 90% of Canadians
pay their bills without a teller's
assistance and 53% strictly use
self-services

Currently most routine transactions are made using online or self-service tools

Consumers are carrying less cash than ever before

Q: Are you carrying more or less cash these days?

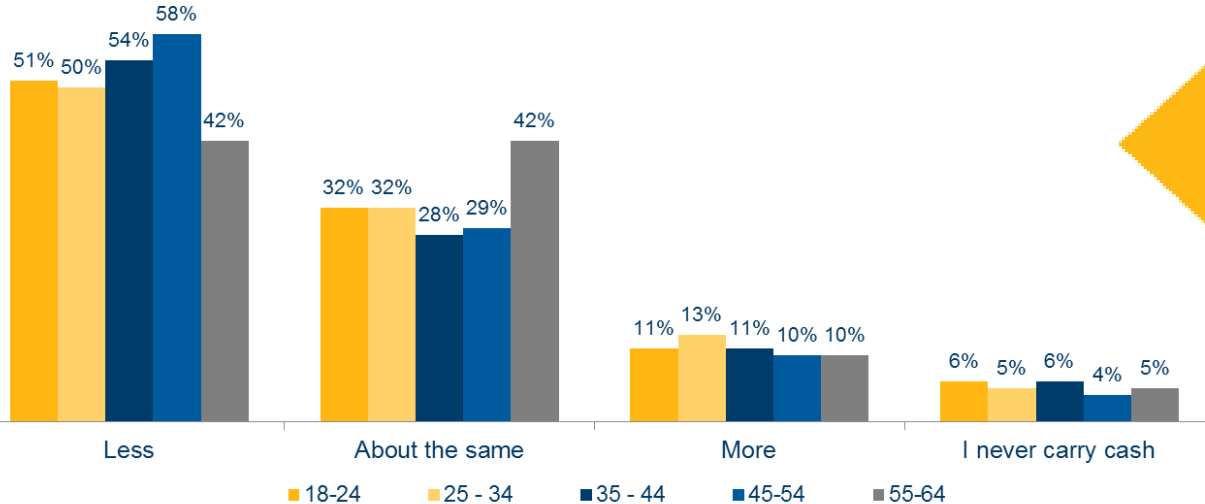
Average = 52%

Average = 32%

Average = 11%

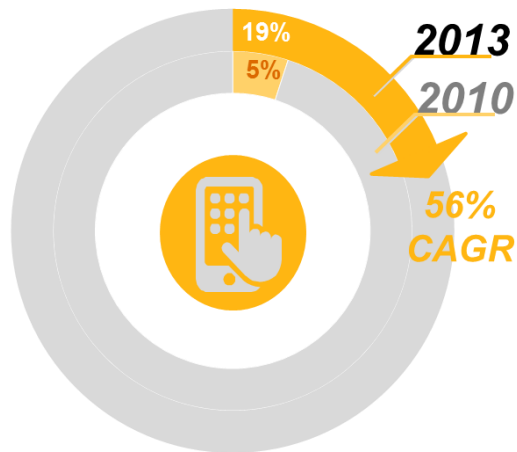
Average = 5%

A recent survey revealed that 50% of North Americans are carrying less cash than before

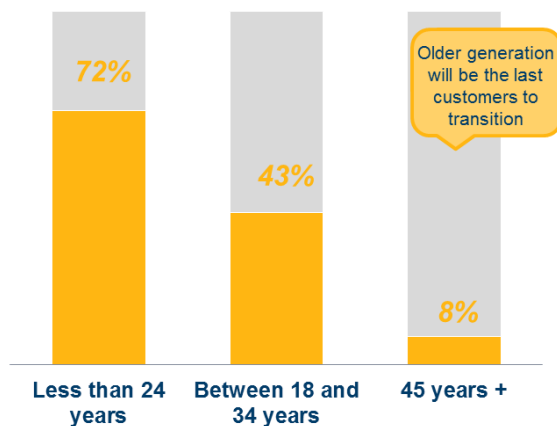


Mobile banking is overtaking all other channels

% of Canadians who Use Mobile Banking, 2010-2013



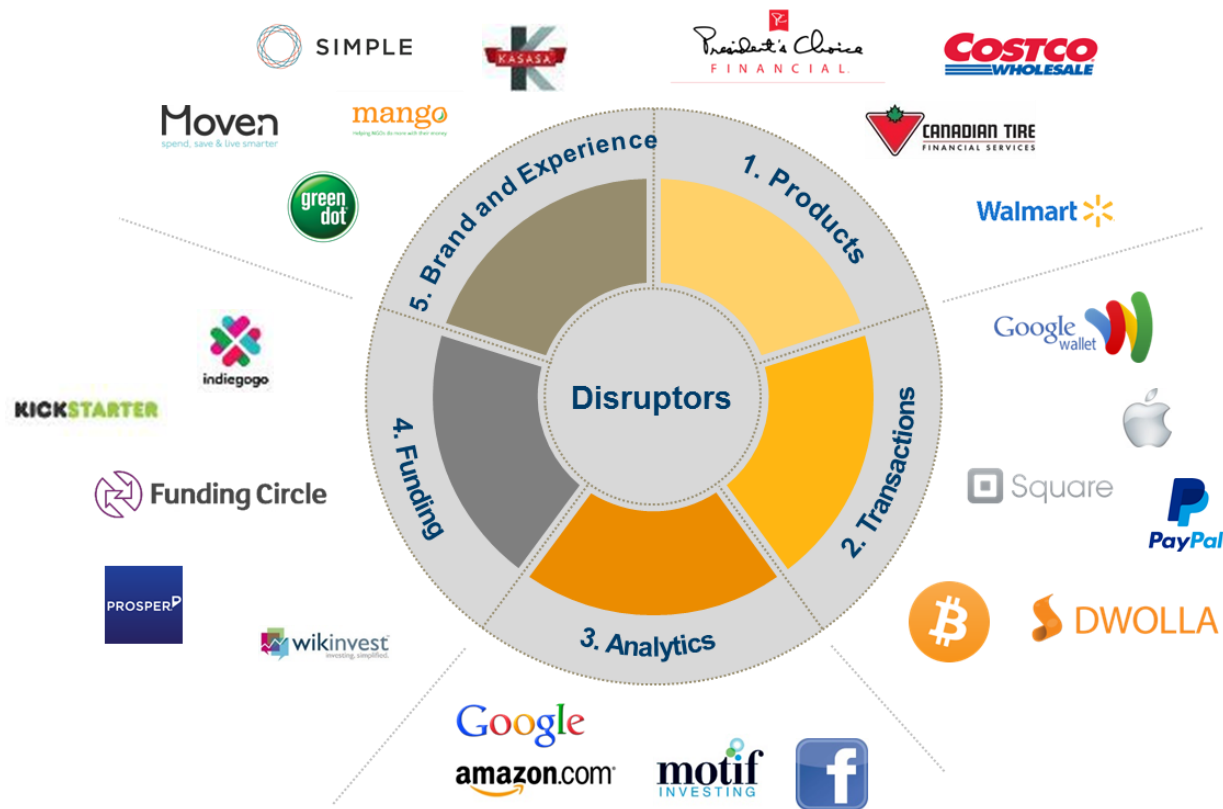
Use of Mobile Banking by Age Group in 2013



Mobile access to banking services has tripled since 2010

This trend is expected to continue to increase with over 50% of Canadians currently owning smartphones

The banking sector is facing disruptive forces



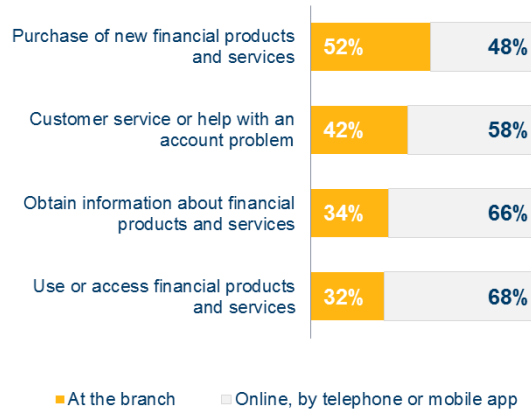
Sources: PwC analysis

Customers still prefer branches for more complex transactions

% of customers who prefer to bank at their branch for transactions, by type, 2013



% of customers who prefer to bank at their branch for transactions, by type, 2013

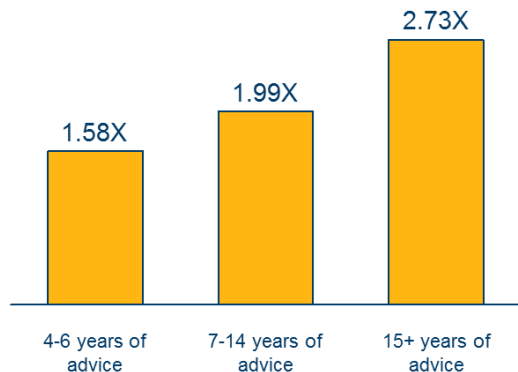


Customers continue to adopt self-serve tools for routine transactions, but prefer to visit a branch for more complex services

The value of financial advice remains important to consumers

CIRANO Research

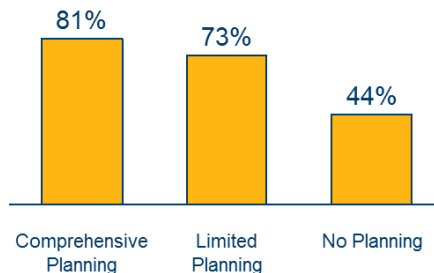
Difference in Canadian household financial assets attributable to financial advice after X years of advice



Financial Planning Standards Council

Regardless of net worth, Canadians who engage in comprehensive financial planning with a Certified Financial Planner have significantly higher levels of financial and emotional well-being

On-track with their financial affairs



Several empirical studies have demonstrated the benefits to consumers of seeking financial advice



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Sources: 1. An econometric analysis of the value of advice in Canada, by Claude Montmarquette, CIRANO 2012 and Advocis (2014) 2. PwC

Transformation plan

In order to excel we must select and focus

Most important
attributes to target
market

Attribute 1

Attribute 2

Attribute 3

Attribute 4

Attribute 5

Attribute 6

Attribute 7

Attribute 8

Average
Organization

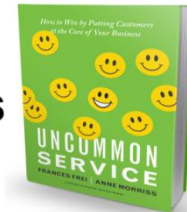
Best In Class

1 2 3 4 5

Relative performance of firm

We can't be good at everything.
In order to excel we must
select and focus.

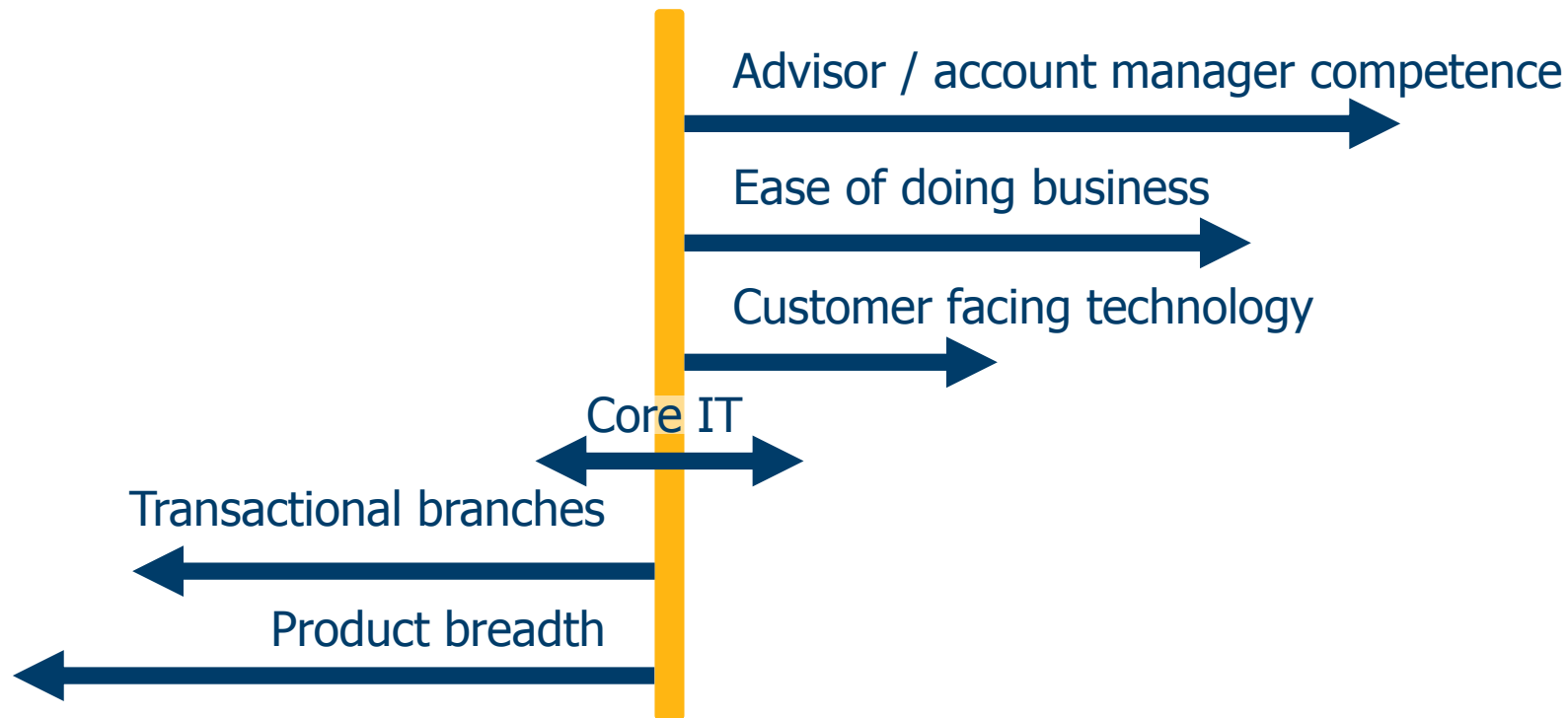
**Harvard
Business
Review**



Our go forward value proposition is clear

We will not compete on:

We will be better than average on:



Renewing our mission and values



Everyone should have access to a financial professional

We help customers improve their financial health

Proximity, simplicity and honesty

Our strategic goal

Our goal is to double the size of our company by 2022 and achieve an ROE that is comparable to the Canadian banking industry while building a solid strategic foundation

Our mindset

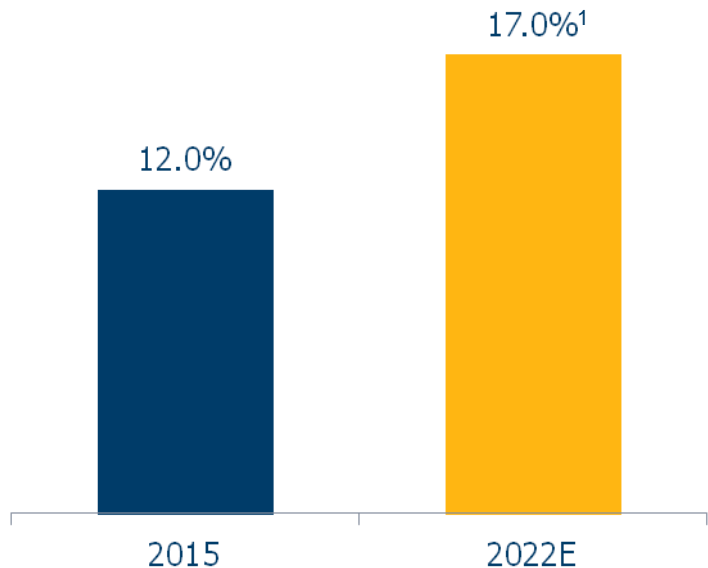
We think **smart**, dream **big**, act **small**, stay **simple**, execute with **success**

Targets

Growth targets are ambitious yet achievable

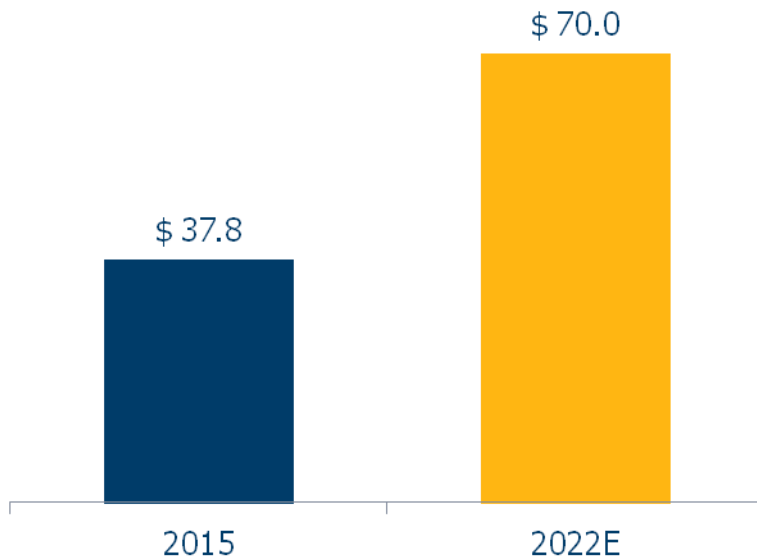
Adjusted return on common shareholders' equity

For the year ended October 31 (as a percentage)



Average assets

For the year ended October 31 (in billions of dollars)



10 critical path elements

10 critical path elements drive our transformation plan

- 1 Optimize and simplify Retail Service offerings
- 2 Rebuild a proper account management platform
- 3 Create proper distribution
- 4 Increase Business Services in Bank mix
- 5 Ensure growth through independent advisors
- 6 Focus LBS & Capital Markets on profitable businesses
- 7 Develop new brand elements
- 8 Reduce size and scope of corporate functions
- 9 Build a culture based on performance
- 10 Replicate successes across Canada



Renewed
executive team



stéphane therrien

**Executive Vice President,
Personal & Commercial Banking
President and Chief Executive
Officer, LBC Financial Services**



deborah rose

**President and Chief Executive
Officer of B2B Bank; Executive Vice
President, Intermediary Banking
and Chief Information Officer,
Laurentian Bank**

A portrait of Michel Trudeau, a man with short brown hair, smiling. He is wearing a dark suit, a white shirt, and a light blue tie. The background is a blurred cityscape.

michel trudeau

**President and Chief Executive
Officer, Laurentian Bank Securities
and Executive Vice-President,
Capital Markets, Laurentian Bank**



françois laurin

**Executive Vice-President, Chief
Financial Officer**



susan kudzman

**Executive Vice-President, Chief
Risk Officer and Corporate Affairs**

STÉPHANE THERRIEN

Executive Vice President,
Personal and Commercial Banking



Business Services today

Business Services overview

3 target customer segments

Commercial

Business Owners

Our specializations :

- ✓ SME
- ✓ Agriculture
- ✓ Pharmacies and health
- ✓ Business transfer
- ✓ Insurance

Finance Executives

Our specializations :

- ✓ Leasing and equipment finance
- ✓ Manufacturing : Aerospace, metal working and food processing
- ✓ Syndication
- ✓ Renewable energy and infrastructure project financing

Real Estate

Real Estate Developers

Our specializations :

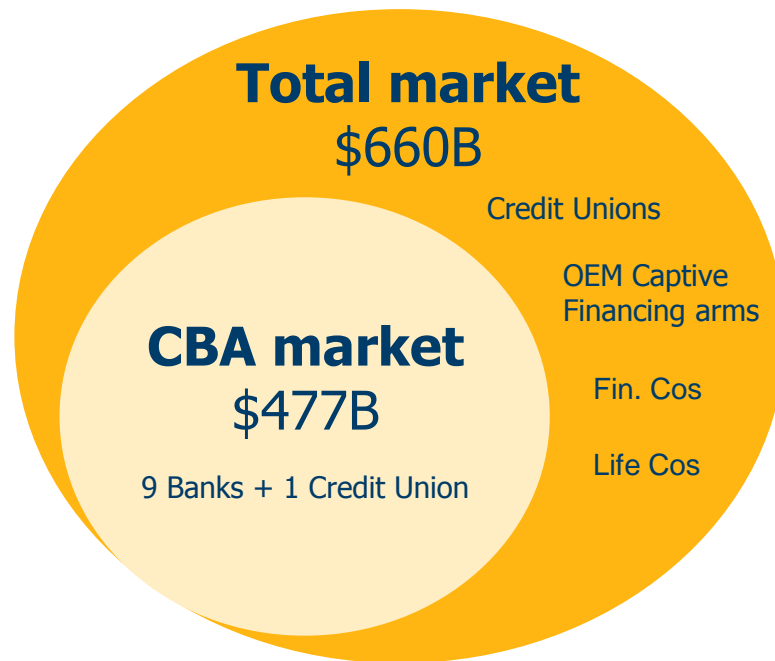
- ✓ Real estate financing
- ✓ Home builders
- ✓ Multi-residential

- Sales force design based on specialization, leading to greater trust, credibility and added value for our customers
- Total sales force of more than 300 across Canada
- Present in 5 provinces and 31 business offices throughout the country

A large and growing market

Canadian business lending

- Large market estimated to be \$660B in outstanding loans in 2014
 - Approximately 44% with non-banks
- Significant opportunities to increase market share across Canada



Top customer attributes

	Account Manager (AM)	Process	Institution	Product
Ability to be there in harder times			✓	
AM's ability to defend your request before Credit	✓			
AM's comprehension of your needs	✓			
An offer that demonstrates an understanding of your needs	✓			
Quality of your account manager	✓			
Excellent services	✓			
A competitive offer				✓
Flexibility of services		✓		
AM's ability to provided answers quickly	✓			
AM's ability to hear your needs	✓			
Easy process between lawyers		✓		
Institution that solves problems quickly		✓		
The financial institution's professionalism	✓			
AM's availability	✓			
Ability to follow my growth			✓	

Our customers at the center of our growth

Customer satisfaction and loyalty driving...

Net Promoter Score™

Net Promoter Score (NPS) = % Promoters - % Detractors

Scale ranges from -100% to +100%

+0% = Good

+50% = Excellent

LBC Business Services: **40%**

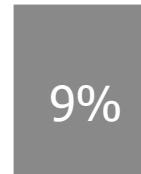
LBC specialized sectors: **55%**

Best-in-class asset growth

2015 year-end YoY Business lending growth



**LBC
Growth**

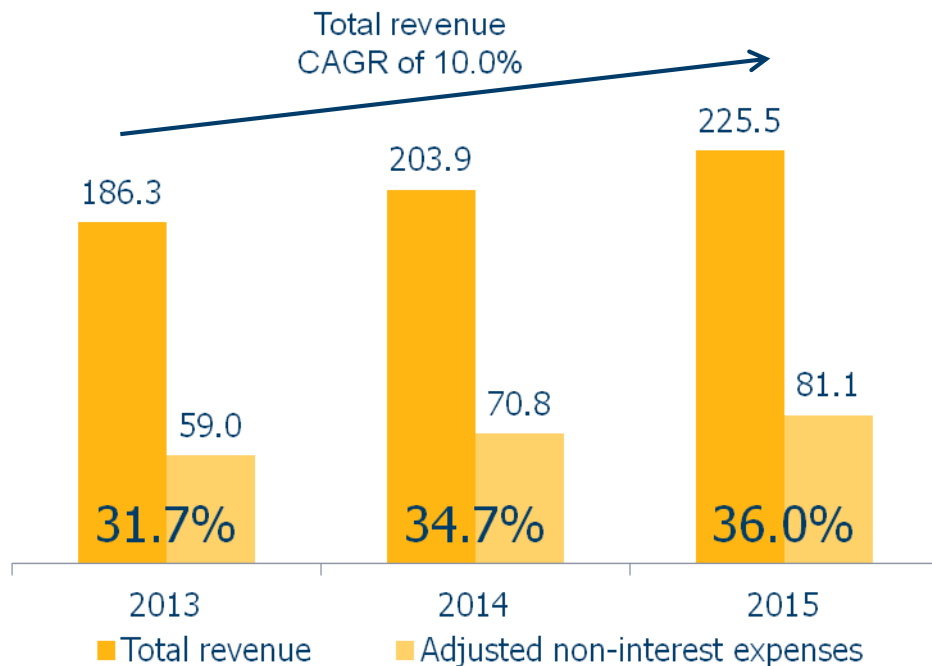


**Average industry
growth**

Investing in our growth

Revenue, expenses and efficiency ratio

For the years ended October 31 (in millions of dollars and as a percentage)



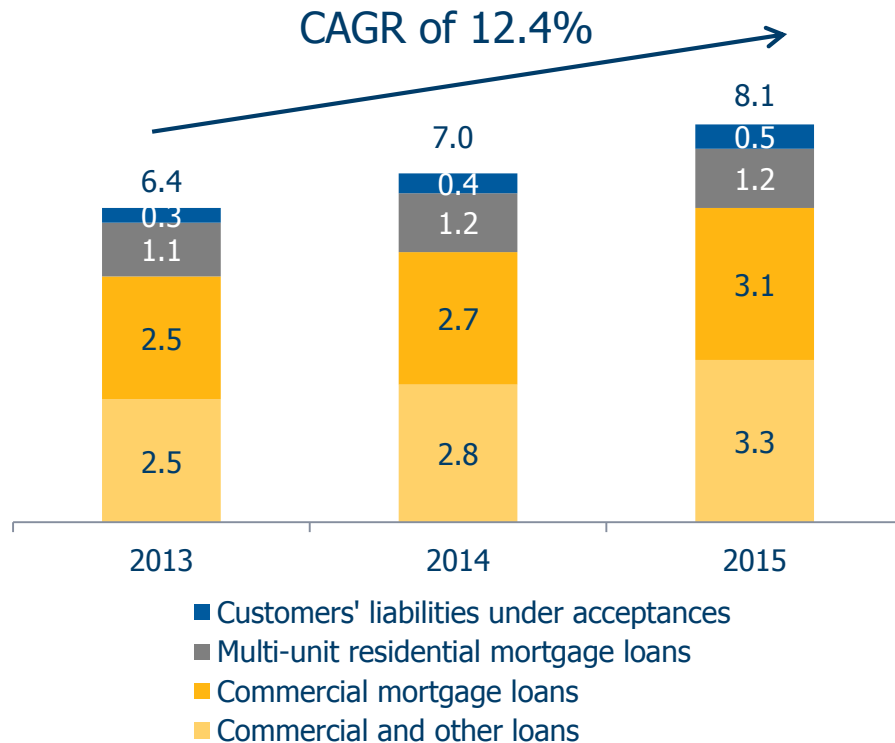
Solid revenue growth with CAGR of 10% reflecting strong loan growth

Growth of our strategic sectors

- 50%/50% split between
 - Real Estate and Commercial loans
- +\$4B in new business originated in 2015
- Loans to business customers increased by 18% in 2015 vs 2014 (excluding multi-unit residential mortgage loans)

Loans to business customers

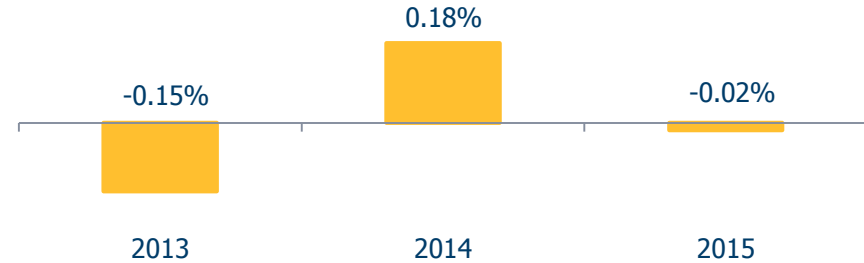
As at October 31 (in billions of dollars)



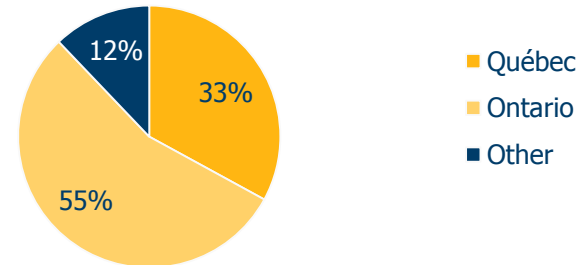
Well diversified & high quality portfolio in commercial mortgages

- Strong credit quality
- Recoveries contributed to negative loss ratio
- Geographically well diversified portfolio

Loss ratio of commercial mortgages



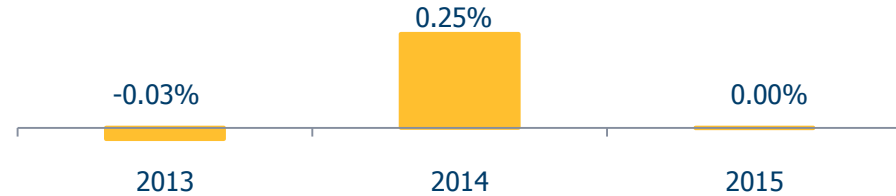
Geographic distribution of commercial mortgages



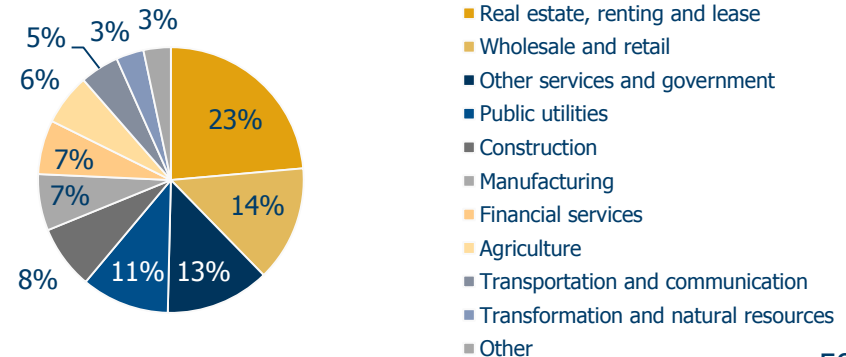
Well diversified & high quality portfolio in commercial loans and BA's

- Strong credit quality
- Recoveries contributed to negative loss ratio
- Strong industry diversification
- No direct oil and gas loan exposure

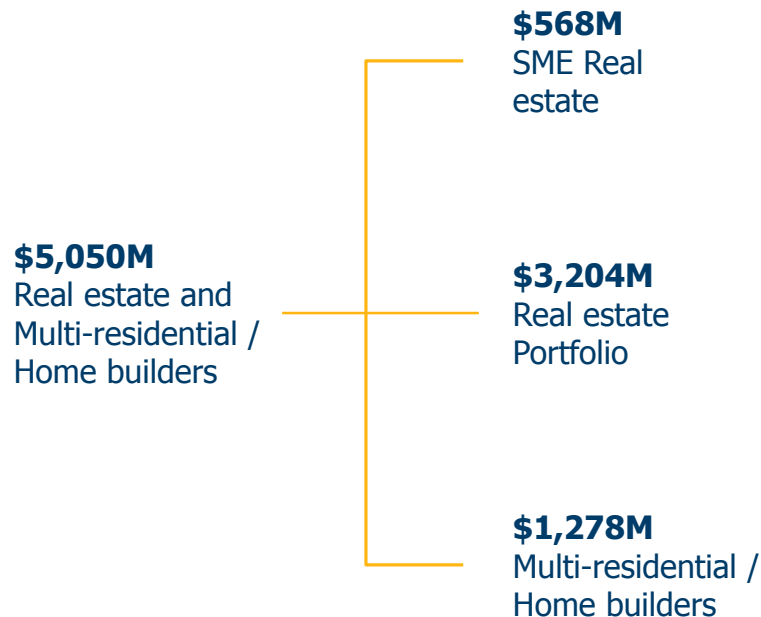
Loss ratio of commercial loans and BA's



Industry distribution of commercial loans and BA's



Well diversified real estate portfolio



Construction loan

- Disciplined underwriting criteria
- \$444M in condo construction of mid- and high-rise projects
- Projects situated in good locations, largely in major urban centres

Term loan

- Very competitive market
- Stable portfolio

Retail Services today

Retail Services overview

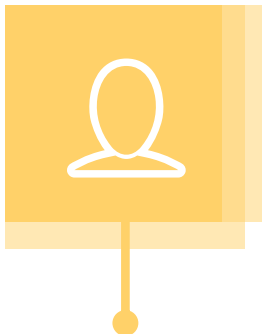
+500K clients served through multiple channels

Branches



- 150 branches
- 370 advisors / Financial Planners
- 700 client representatives and tellers
- \$7.1 billion in AUM

Direct financial services



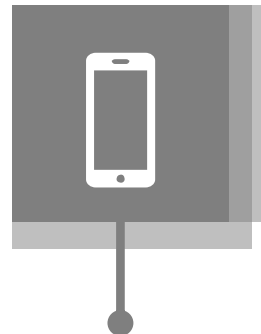
- Telebanking centre:
 - 110 agents
 - 5,000 calls/day
- Direct sales:
 - 50 Advisors

Brokers



- Mortgage origination through QC brokers
- 7 banners

Web/Mobile



- Web site:
 - 40 million transactions/year
- Mobile site:
 - 4 million transactions/year

ATMs



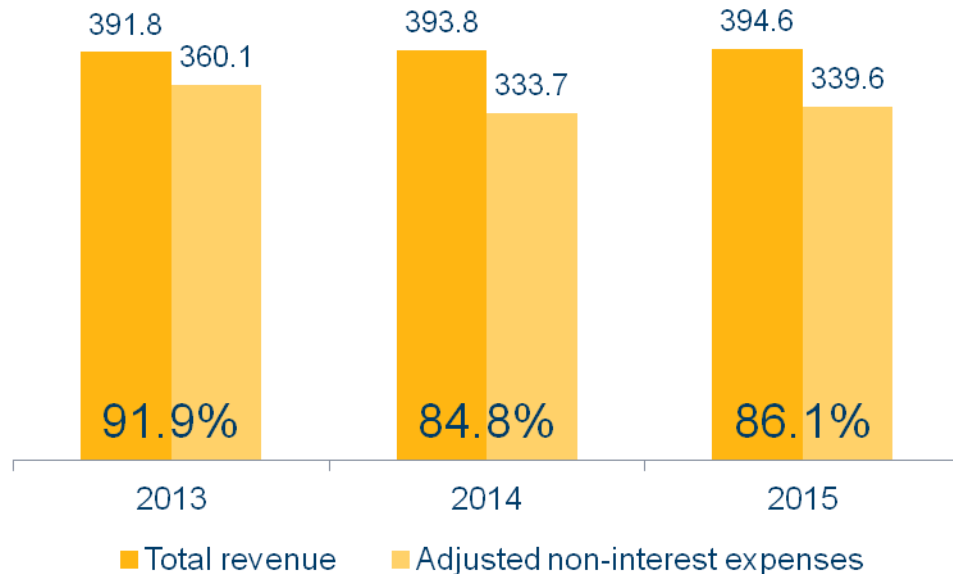
- 405 ATMs
- 180 outside branches
- Exclusivity in Montreal subway

Stable revenues despite challenging retail environment

- Increase in income from mutual funds and card services are offset by decrease in NII
- Most of Retail's earnings are generated by four key products
 - Deposits
 - Mutual funds
 - Credit cards
 - Mortgages
- High efficiency ratio

Revenue, expenses and efficiency ratio

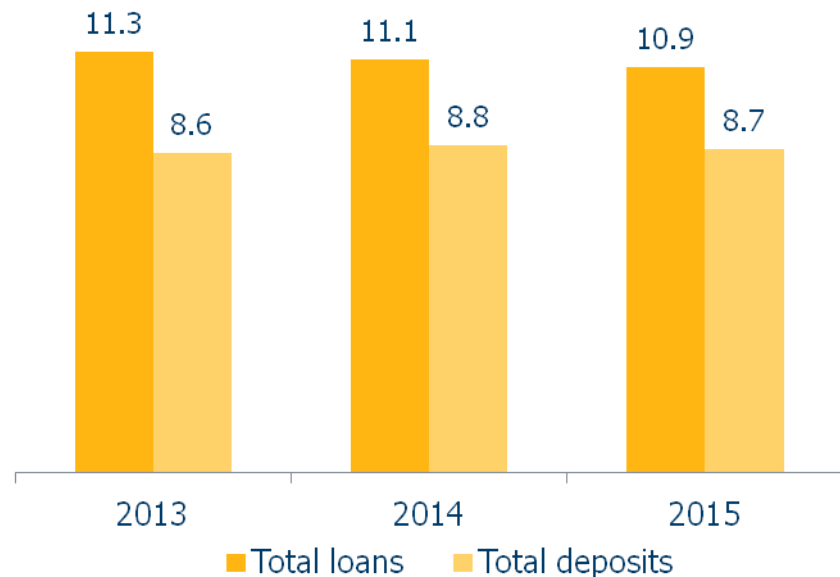
For the years ended October 31
(in millions of dollars and as a percentage)



Strong off-balance sheet growth

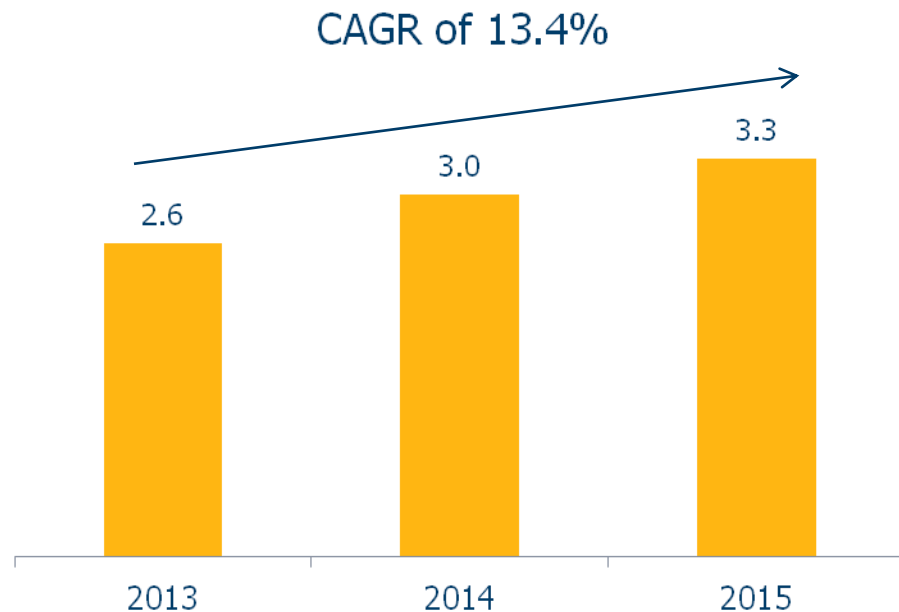
Loans and deposits

As at October 31 (in billions of dollars)



Mutual funds to retail customers

As at October 31 (in billions of dollars)



Business Services
looking forward

Our strengths & strategies

Sales team

- Reputation and expertise well established across Canada
- Strong and long lasting relationships with key real estate developers
- Specialist approach well developed
- Strong and experienced leasing team
- Strong and proactive sales management

Commercial excellence team

- Marketing and **sales force effectiveness** team aligned to improve sales force productivity
- Segmentation to better focus sales efforts
- CRM rigour to better manage sales activities and pipeline
- Training to improve sales force
- Commercial analytics to drive focus and strategy

- More time-to-sell
- More client contacts
- Better conversion rates

2013

31%

2/week

43%



2019

60%

+5/week

75%

Our pillars



Specialization

Pursue segments with the most potential, leverage our products and services offer and pursue our talent specialization



Diversification

Develop new sources of income through new segments, new products and services and our talents

**Embedded
in our
sectors'
initiatives
and tactics**



Commercial excellence

Build best-in-class commercial skills and go-to-market processes



Operational excellence

Create the best end-to-end experience for our customers

**Dedicated
teams
for our
foundation
building
blocks**

Sales force effectiveness

3 areas of focus



People to:

- Keep on **training** our management and Account Managers on **sales management** and **sales techniques**
- **Integrate** our newcomers
- **Develop** our people on **technical** areas (ex.: finance related courses)
- **Align compensation** of our sales force to their objectives and ensure engagement in delivering the results
- **Attract talent** by offering branded program with local universities



Processes to:

- Provide a **sales operating rhythm** to ensure **consistent** and **rigorous sales pace** that aligns our sales force no matter their sector or region
- **Simplify the processes** being executed by our sales force on a daily basis and work with IT on automation projects



Tools to:

- Manage our **sales activities** (sales productivity dashboard)
- Document and **leverage our client information** (Tango)
- Produce **prospects listings** (databases)
- Support the **mobility of our sales force** (remote access)
- Leverage our **commercial data** (industry information, promotional material)

KPIs

- \$ Volume per AM
- % of AM above plan



LAURENTIAN
BANK

10 critical path elements drive our transformation plan

1

Optimize and simplify
Retail Service offerings

2

Rebuild a proper account
management platform

3

Create proper distribution

4

**Increase Business Services
in Bank mix**

5

Ensure growth through
independent advisors

6

Focus LBS & Capital Markets
on profitable businesses

7

Develop new brand elements

8

Reduce size and scope
of corporate functions

9

Build a culture based on performance

10

Replicate successes across Canada

Increase business services in bank mix

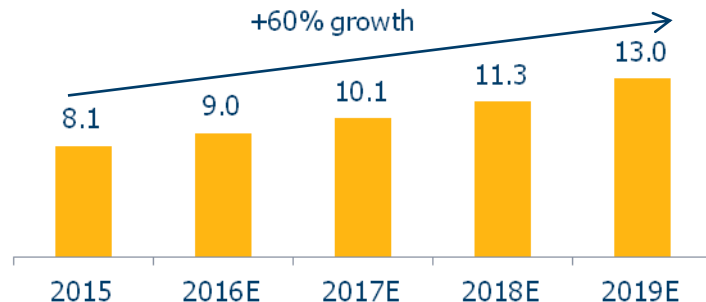
Business Services will grow its loans to represent 34% of the Bank's overall loans by 2019

How:

- Further improvements in Commercial excellence and Operational excellence
- Deepen specialization of Commercial
 - Grow across Canada
 - Grow Equipment Finance
- Diversify Real Estate portfolio
- Invest in technology

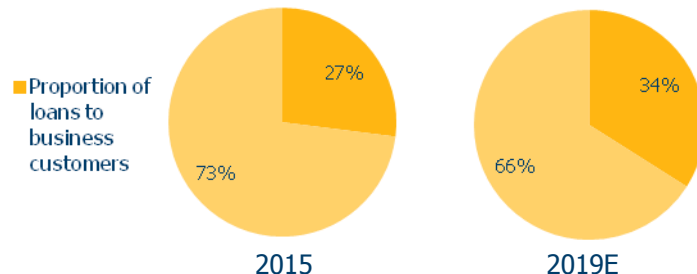
Loans to business customers

As at October 31 (in billions of dollars)



Loans to business customers as a percentage of total loans and acceptances

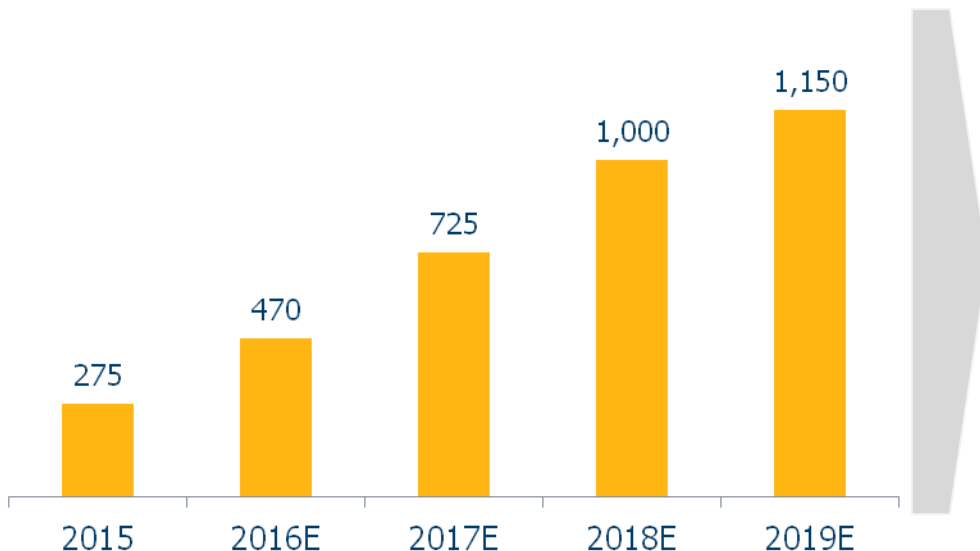
As at October 31



Grow our equipment finance activities

Equipment financing loans

As at October 31 (in millions of dollars)



Growth Strategies

- Grow our originate-to-sell channel
- Optimize our sales force deployment and efficiency
- Build or acquire a vendor platform for smaller transactions

Leverage equipment finance

- As a customer acquisition strategy
- To take advantage of cross-sell opportunities



Retail Services
looking forward

Retail Services strengths & strategies

Team

- An established distribution network
- + 500K customers
- 150 branches
- + 300 advisors
- Great execution with targeted offers such as mutual funds
- Customer knowledge and satisfaction through proximity
- Well-positioned to provide value-added advice to clients
- Call centre with unique remote sales and advice capabilities

New commercial excellence team

- Share best practices across P&C
- Marketing and sales force effectiveness team aligned to improve sales force productivity
- Database segmentation to better understand our customers
- CRM rigour to better manage sales activities and pipeline
- Training and sales career path
- Commercial analytics to drive focus customer assignment, location and strategy

- Optimize and simplify
- Create a proper distribution channel
- Grow revenues

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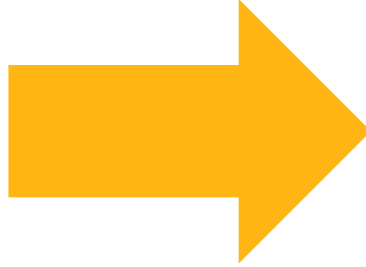
Build a culture based on performance

10

Replicate successes across Canada

Optimize and simplify retail service offerings

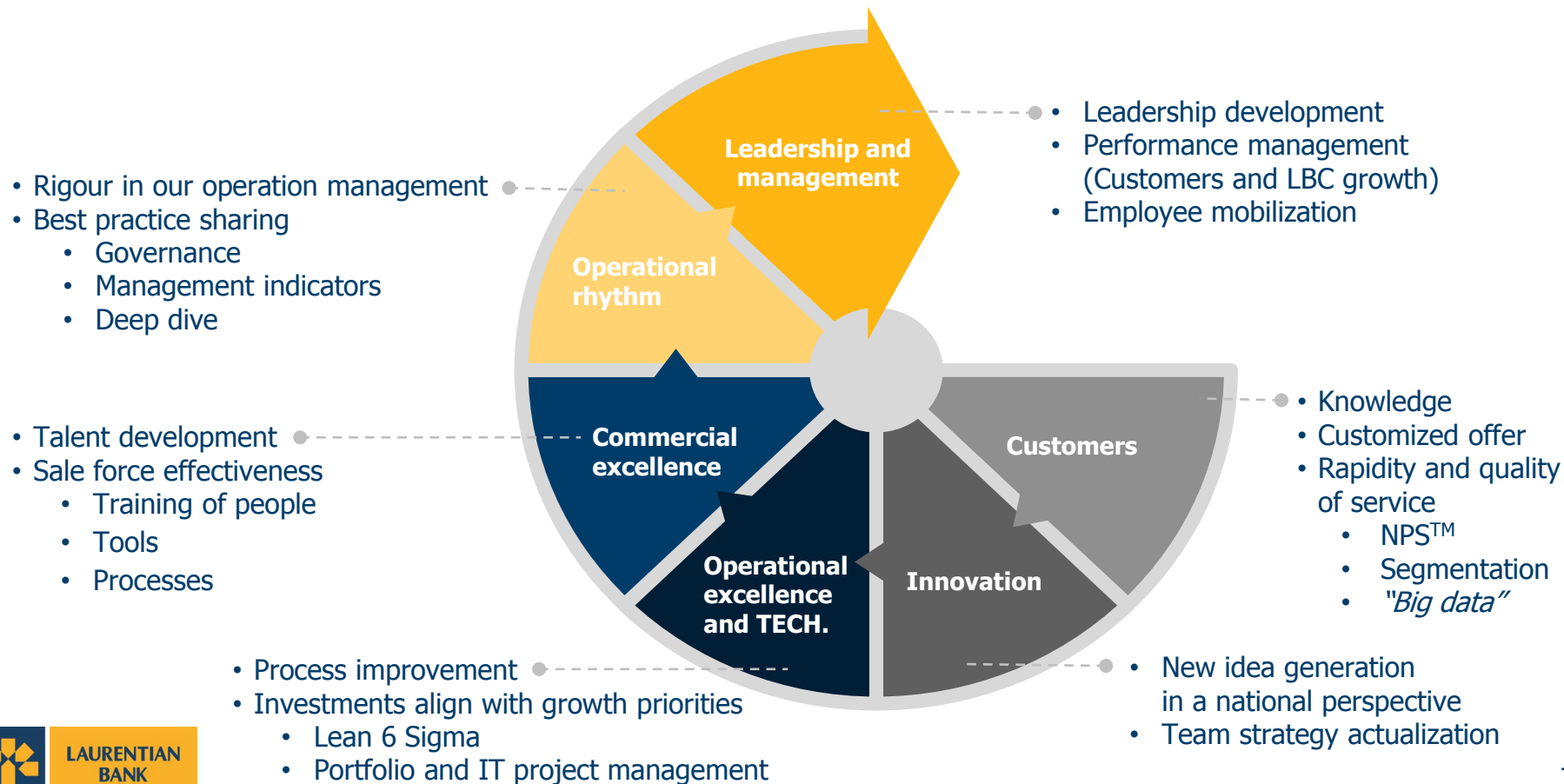
- Offer only products that customers want
- Discontinue products that add little or no value
- Product suite of 25 products compared to about 400 today



Key Benefits

- Improved customer experience
- Support advice-driven model
- Common product offering across all business lines
- Decrease in product management, training and compliance costs

Create proper distribution



New branch model

- Take advantage of expiring leases to assess our branch location and footprint
- Redesign the layout of our outlets to foster customer proximity
- Transition also includes a move to a cashless environment – no more tellers



Executing on our 2016 priorities

Expand commercial banking

- Continue solid growth: – + 18% growth in 2015
- Deepen specialization strategy
- Expand across Canada

Maintain strong risk management

- Business credit and losses better than peer performance
- More data driven decisioning

Grow leasing business

- Portfolio grew by 193% in 2015
- Continue customer acquisition
- \$1B in assets by 2018

Share commercial excellence best practices with retail

- Segment customer database
- Sales management rigor
- Focus on advisor and sales management teams; invest in training
- Use CRM as a productivity tool

Recreate retail distribution

- Simplification of products: from 400 to 25
- New cashless branch pilot
- Review distribution: Number of branches, locations

DEBORAH ROSE

President and Chief Executive Officer of B2B Bank
Executive Vice President, Intermediary Banking
and Chief Information Officer, Laurentian Bank





B2B Bank today

A unique business model



Advisors: 27,000

Through innovative, competitively-priced products we support:

- Mutual fund advisors
- Deposit brokers
- Investment advisors
- Mortgage Brokers
- Insurance agents



Distributors: 2,800

We provide product knowledge and support to advisors of the following distributors.

- Mutual fund investment dealers
- Life insurance companies
- Managing general agencies
- Deposit brokers
- Mortgage brokers



Manufacturers: 31

Our investment and RSP loan programs are designed to allow purchases of eligible products developed by manufacturers.

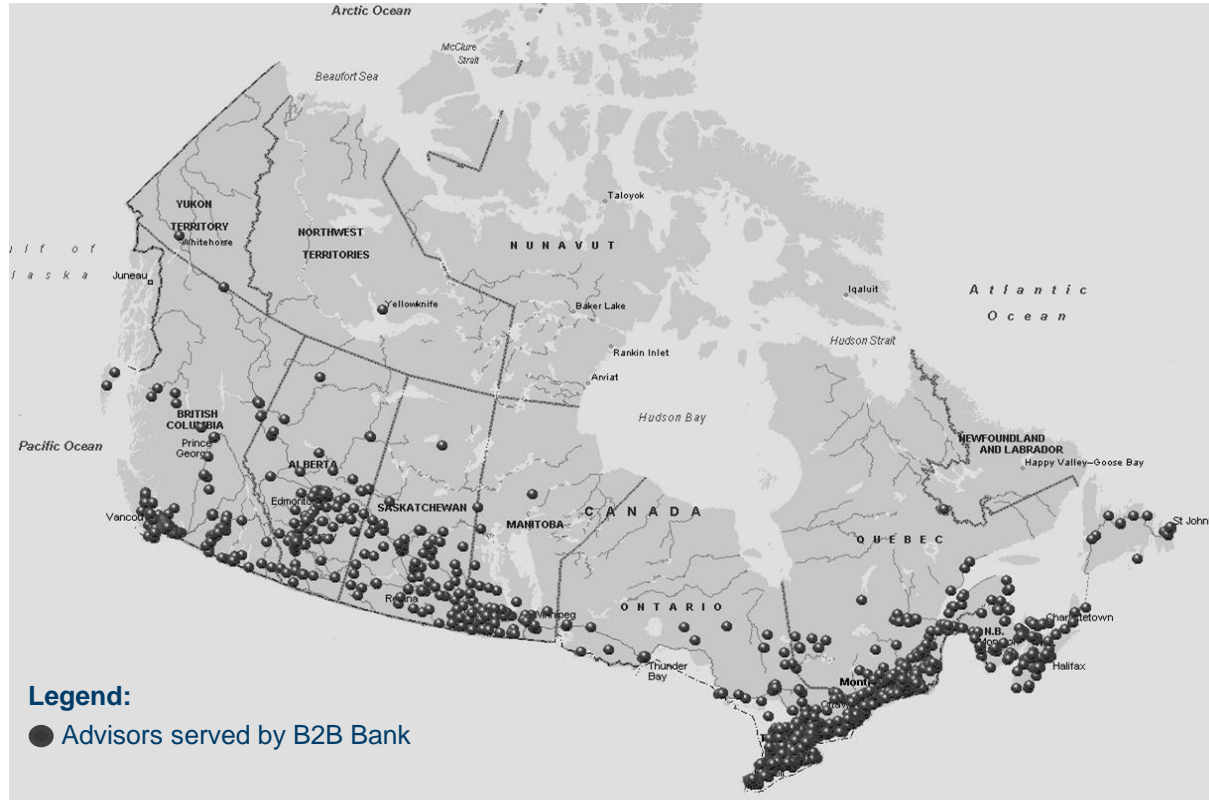
- Mutual fund and segregated fund manufacturers



End-customers: over 850,000 end client accounts

- A wide range of products and services
- Customers that have a financial professional in their lives
- Customers from all walks of life
- Coast to coast / Proportional to population

Strong national coverage



Focused product suite

Loans

- Wide range of investment and RSP loan options

Mortgages

- Expanded, alternative, insured and conventional mortgages

Banking services

- Convenient and liquid short-term savings options

Deposits

- Competitive range of GICs

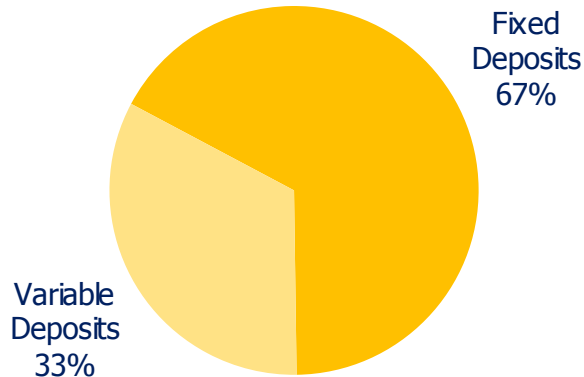
Investment accounts

- Consolidated registered and non-registered accounts offered through B2B Bank Dealer Services

Diversified product portfolios

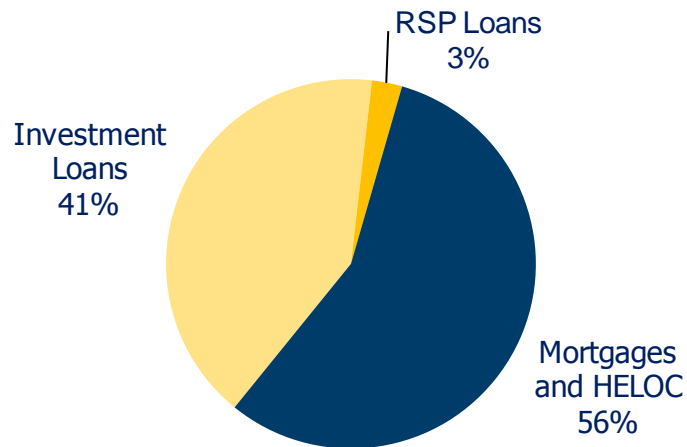
Deposit portfolio \$12.7 B

As at October 31, 2015 (as a percentage)



Loan portfolio \$10.6 B

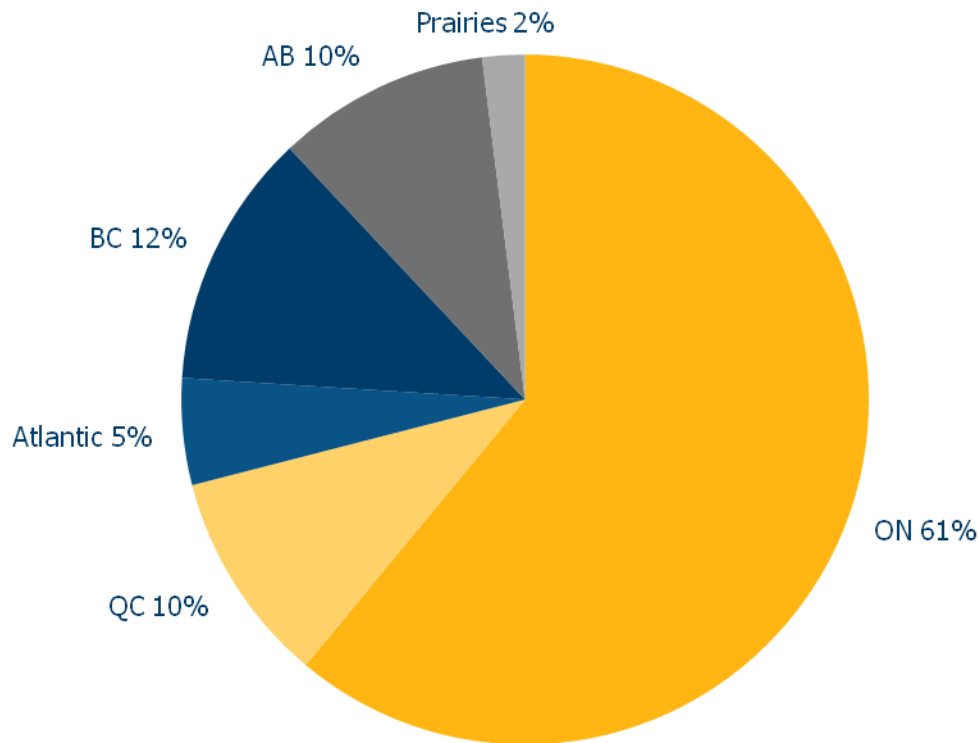
As at October 31, 2015 (as a percentage)



Geographically diversified loan portfolio

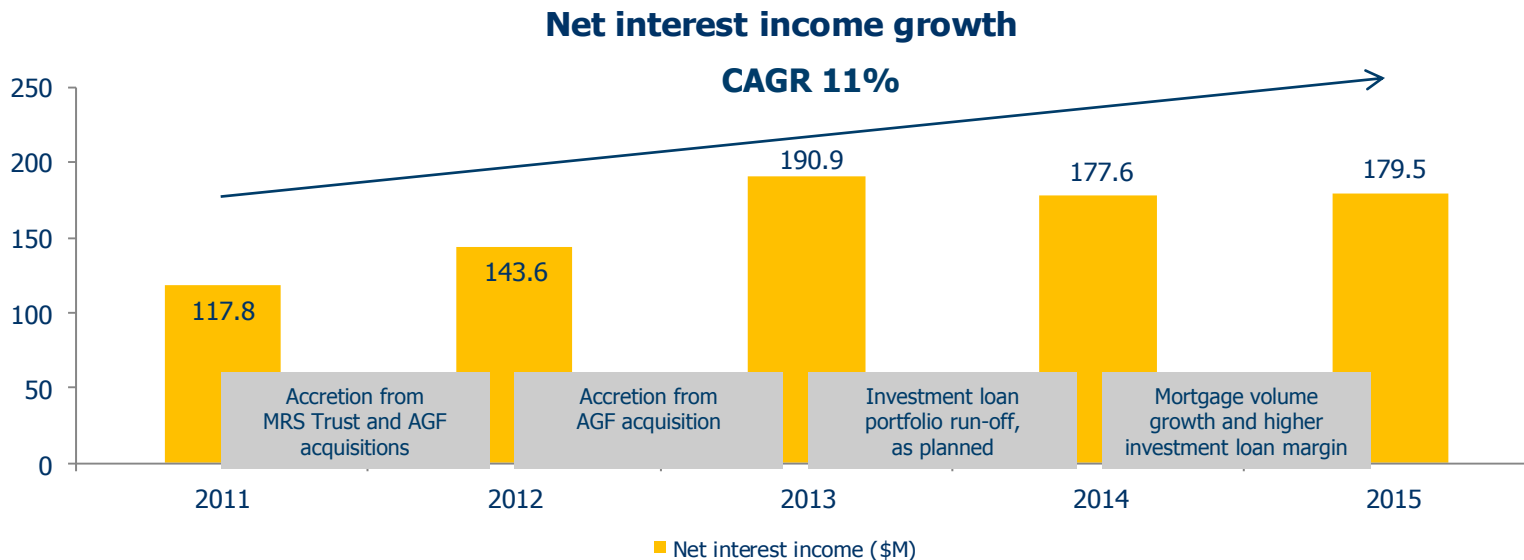
Geographic distribution of loans

As at October 31, 2015 (as a percentage)



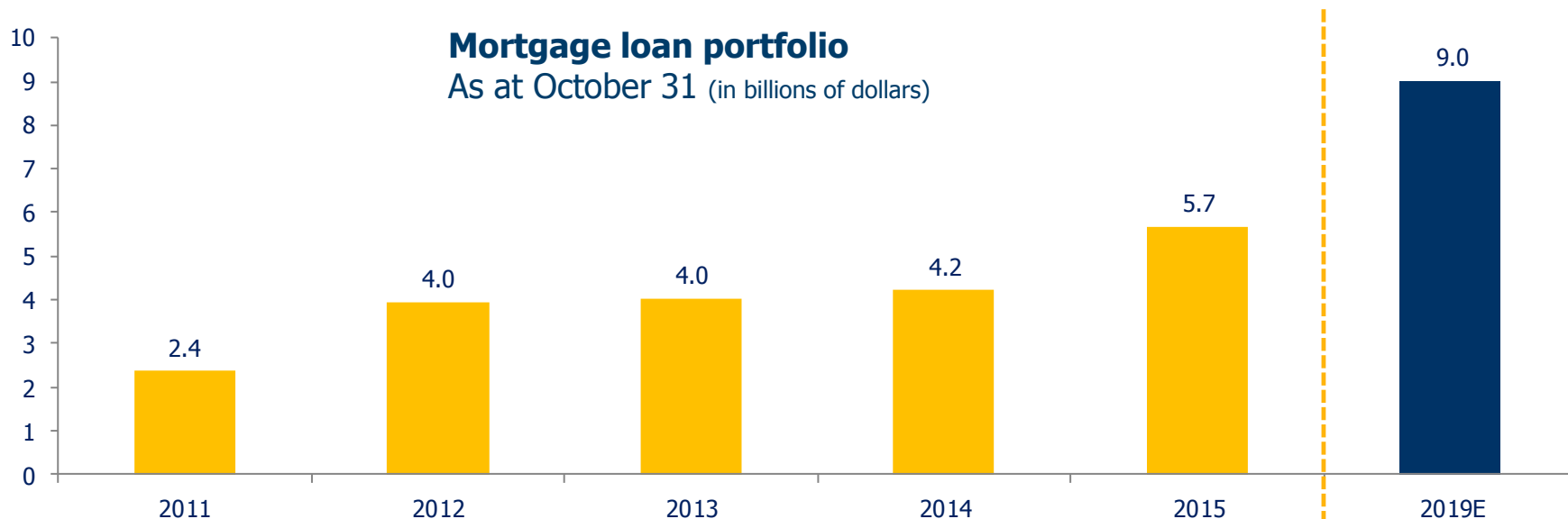
Solid net interest income growth

- CAGR of 11% despite a low interest rate environment and competitive landscape
- Growth fuelled by organic growth and acquisitions



Strong growth in mortgages

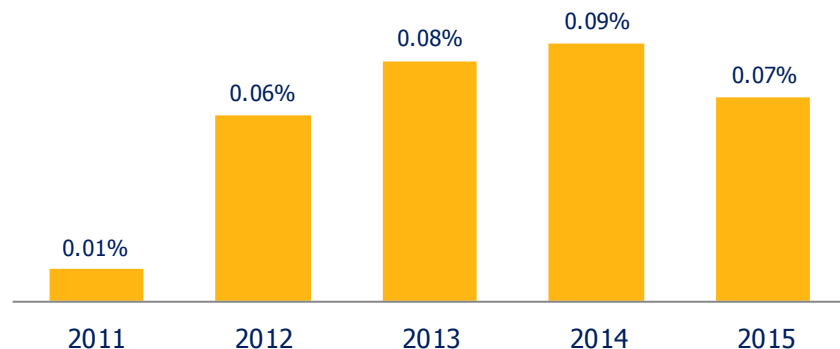
- Since the expansion of mortgage product suite in 2014, portfolio has increased by +34%
- Currently ranked 9th in broker mortgage market share at 3.7%; an increase of 2.0% year over year



High credit quality across lending portfolios

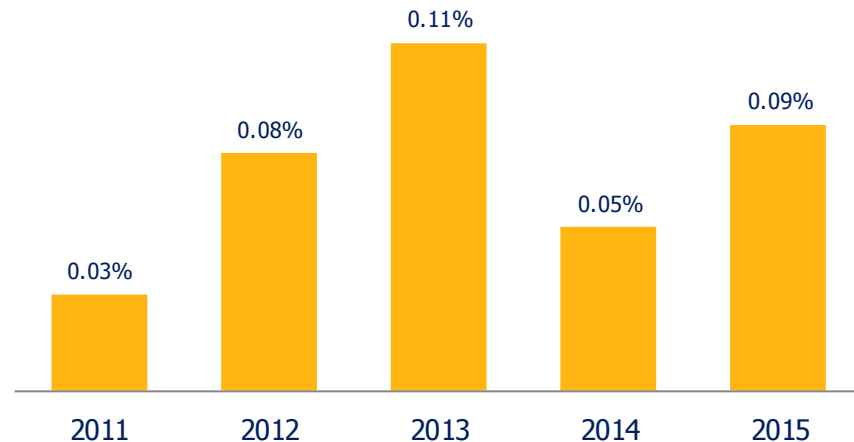
Provision for loan losses as a % of average mortgage loans

For the years ended October 31



Provision for loan losses as a % of average investment loans

For the years ended October 31





B2B Bank
looking forward

10 critical path elements drive our transformation plan

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Develop new brand elements

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Reduce size and scope
of corporate functions

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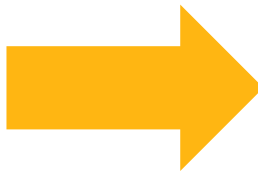
Build a culture based on performance

10

Replicate successes across Canada

Rebuild a proper account management platform

- Technology investment
 - Account management platform, including core banking
- Foundation for organizational transformation
 - Phased roll-out
 - B2B Bank followed by Business Services and Retail Services



- Revenue and cost savings opportunities through:
 - Enabling economies of scale through a common business platform
 - Increasing agility and speed to market
 - Optimizing business processes (automation and integration)
 - Building an effective mobile, web and ATM presence
 - Executing a go-digital strategy, resulting in paperless banking
- Supports an IRB approach to credit risk

Product breadth through simplicity

- Simplified product solutions
- Fulfilling promise of **Banking that works for advisors**
- Become the only bank advisors and brokers need to support their clients

Loans

Mortgages

Banking services

- Credit cards
- Chequing accounts
- Personal loans and lines of credit
- Bundled banking solution

Innovation to meet changing environment

- Movement to digital banking takes size out of the equation
- Opportunity to level the competitive playing field and reduce costs through focusing on innovation
 - Digitizing transactional capabilities
 - Utilizing big data and analytics
 - Establishing strategic partnerships



Growth through independent advisors

Continue strategic focus

- Distribution maximization
 - Attract new advisors
 - Deepen relationships with existing advisors
- Revenue maximization
 - Concentrated mortgage retention strategies
- Operational excellence
 - Ease of doing business

Distribution maximization priorities

Attract new advisors

- Broaden product suite
- Increased focus on insurance agents (MGAs)
- Better leverage national relationships to increase advisor penetration at key dealers
- Expand social media presence, continue strong participation in industry events and publications

Deepen relationships with existing advisors

- Use segmentation to focus sales efforts
- Increase cross-sell with carrying dealer accounts
- Increase client meetings by 13% to 17 meetings/week/Business Development Manager
- Expand advisor and broker education and sales support activities

Executing on our 2016 priorities

Rebuild a proper account management platform

- Selection of strategic technology partner
- Aggressive project planning to support delivery in fiscal 2017

Product breadth with simplicity

- Launch credit cards, and develop banking and bundled product solutions
- Concentrated mortgage retention strategies

Innovation to meet changing environment

- Focus on operational excellence initiatives
- Begin transition to paperless banking
- Utilize big data and analytics

Growth through independent advisors

- Refine sales contact strategy
- Expand relationships with insurance agents (MGAs)
- Focus on cross-sell of existing products

MICHEL TRUDEAU

President and Chief Executive Officer, Laurentian Bank Securities and Executive Vice President, Capital Markets, Laurentian Bank

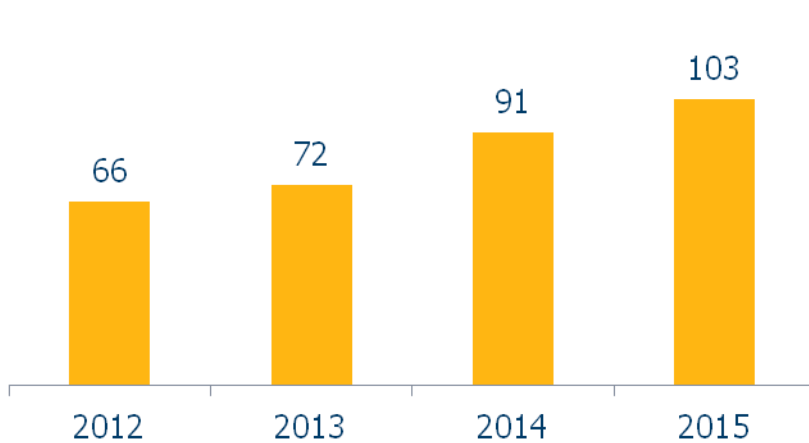


LBS and Capital Markets today

Small cap equity – aspiring to be among best in class

Number of companies under research coverage

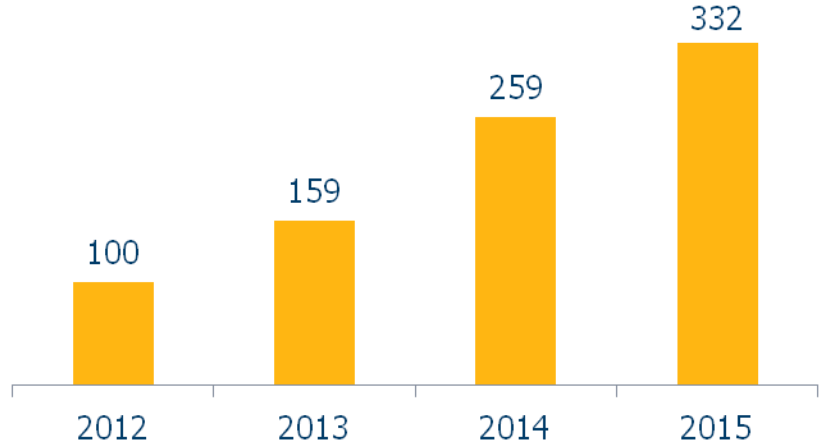
As at October 31



Growth in agency commissions

For the years ended October 31

(Index values set to 100 for the year ended October 31, 2012)



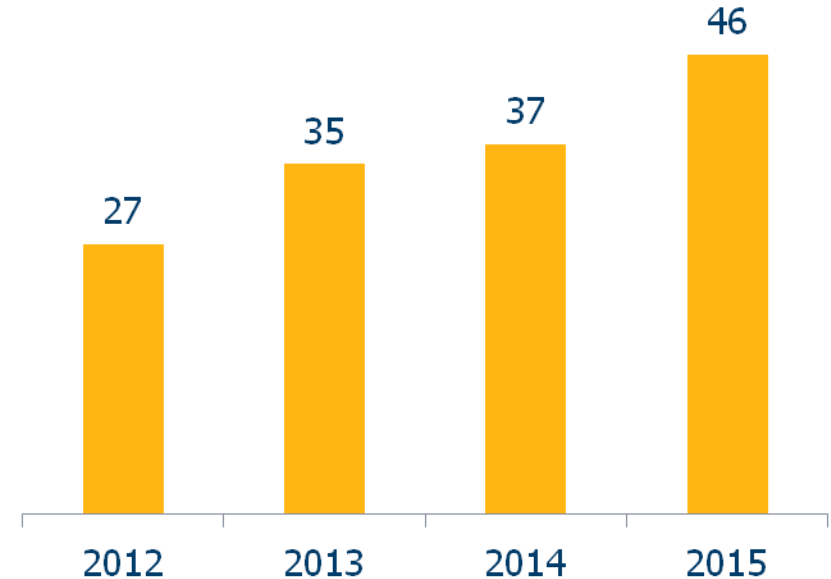
- Expanding quality research coverage
- Strong reputation
- Increasing agency revenues from this market segment

Fixed income – clear focus on select products and markets

- Participate in more syndicates
- Opportunities to gain market share
- Focus on increasing percentage of allocation in syndicates
- Opportunities in securitization market

Number of Bond Syndicate Participations

For the years ended October 31



LBS and Capital Markets looking forward

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Replicate successes across Canada

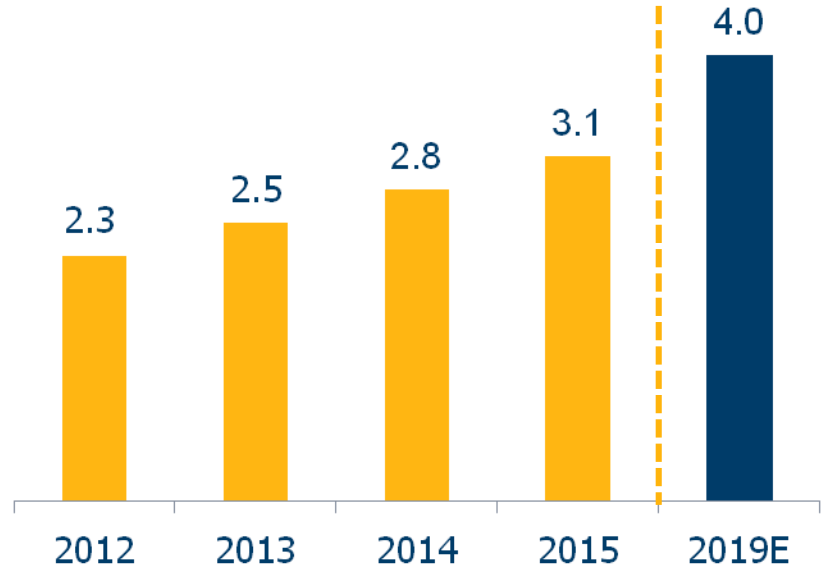
Focus LBS & Capital Markets on profitable businesses

Wealth management – complementing the bank's strategy

- LBS is an attractive alternative to big bank owned brokerages in a consolidating environment
- Good growth in AUM
- Explore synergies and leverage relationships with Retail Services

Assets under management at LBS

As at October 31 (in billions of dollars)



Executing on our 2016 priorities

LBS and Capital Markets

- Maintain focus on profitable niches to contribute to the overall profitability of the bank

Securitization

- Introduction of a platform to buy insured and eligible mortgage loans to pool and distribute

Small cap equities

- Increase the number of companies under coverage by 10%

Wealth Management

- Expansion of retail platform with AUM growth of 10%

FRANÇOIS LAURIN

Executive Vice-President and
Chief Financial Officer





Corporate
looking forward

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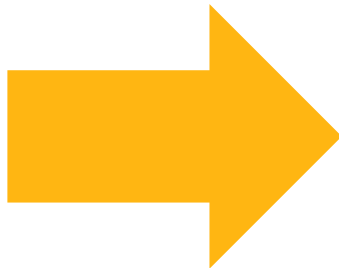
Build a culture based on performance

10

Replicate successes across Canada

Reduce size and scope of corporate functions

- Manage corporate real estate portfolio more effectively
- Simplify product offering
- Review terms of long-term contracts with suppliers

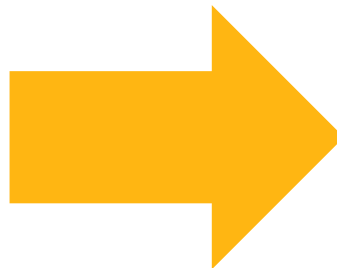


Key benefits

- Significant savings over three years that will be reallocated to investments
- Improved efficiencies resulting from all Montreal's employees being in a single location

Replicate successes across Canada

- Hire more Business Services account managers
- Increase B2B Bank relationships with independent advisors and brokers
- Explore opportunity for Retail Services presence through non-traditional service centers



Key benefits

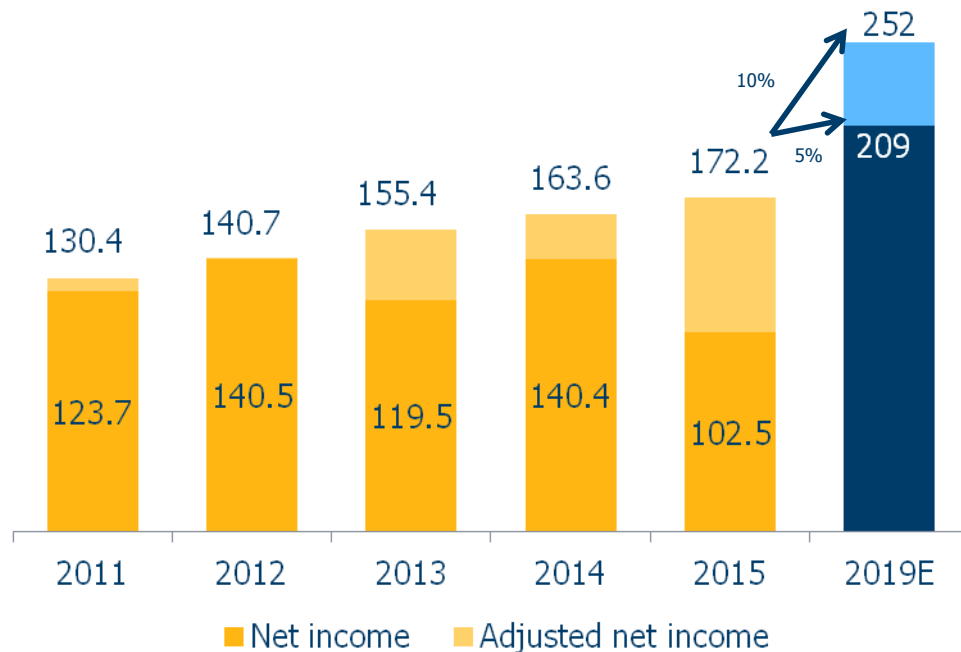
- Increase revenues
- Increase loans
- Increase AUM
- Improve geographic diversification

Key metrics and financials

Good earnings momentum

Net income

For the years ended October 31 (in millions of dollars)

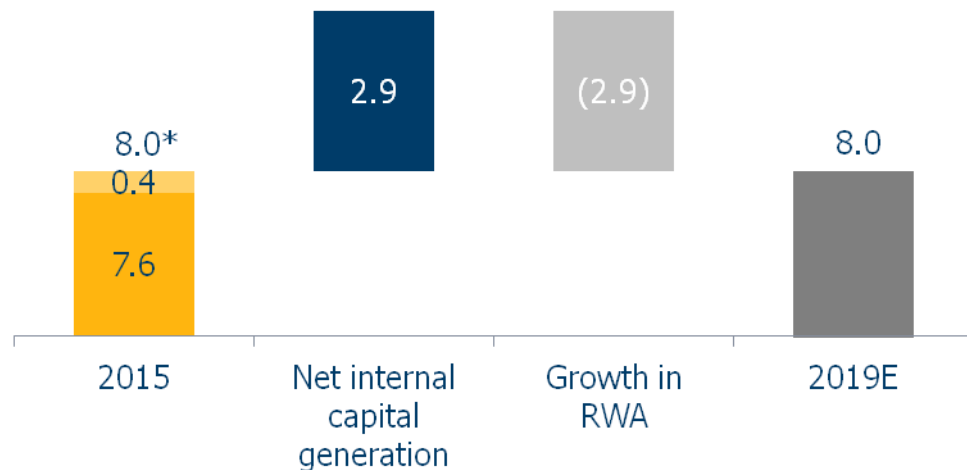


Increasing core earnings
by 5% - 10% annually

A solid balance sheet

Change in common equity tier 1 capital ratio

For the 4 years ended October 31, 2019E (as a percentage)



Assumptions:

- 1 – Consistent with 14% ROE target
- 2 – Consistent with loan growth targets
- 3 – Cost of all initiatives included

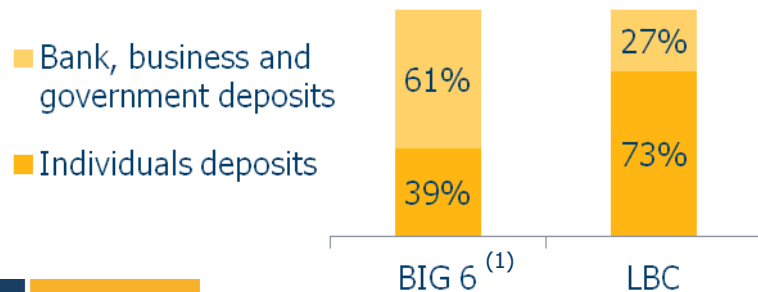
CET1 ratio is sustainable through our transformation plan

A solid balance sheet

- The Bank's lending operations primarily rely on funding from retail deposits
 - Stable and solid funding to support projected growth
- Liquidity in line with industry on all measures

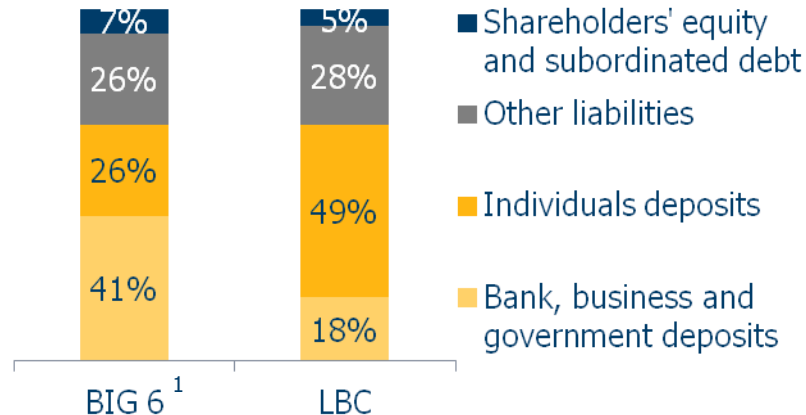
Composition of deposits

As at October 31, 2015 (as a percentage)



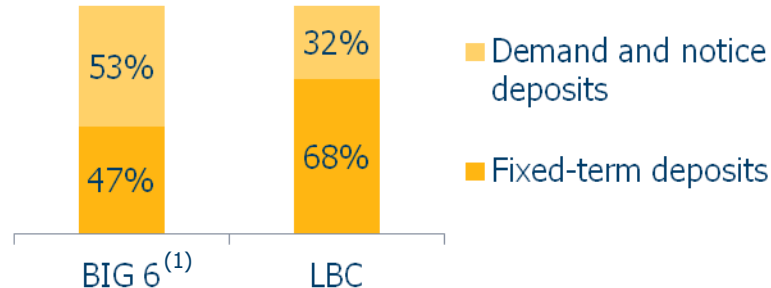
Liabilities and shareholders' equity

As at October 31, 2015 (as a percentage)



Composition of deposits

As at October 31, 2015 (as a percentage)



1. OSFI's website

Funding plan

In the future, funding will be more diversified

LBC today

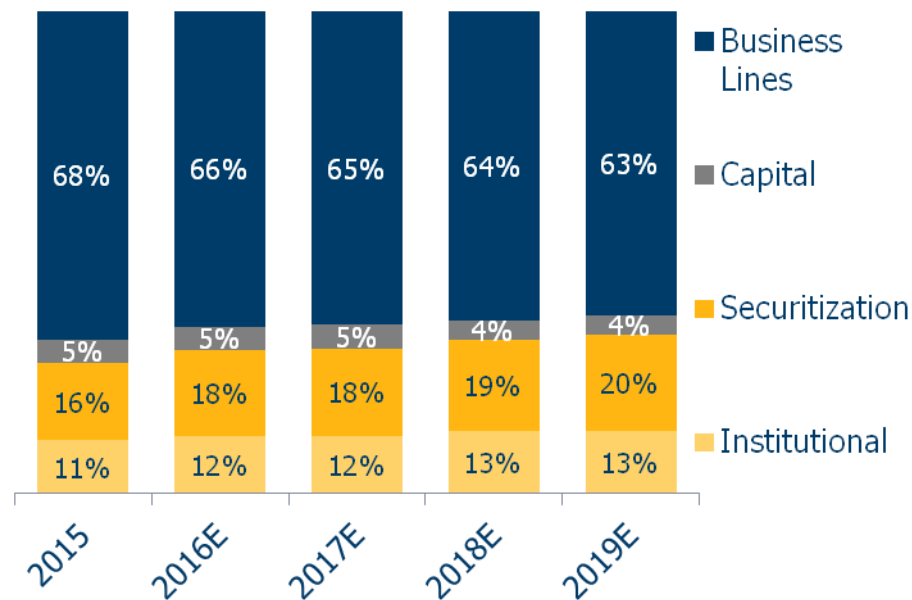
- Primarily relies on a well established branch network in Quebec and an efficient pan-Canadian network of independent advisors and brokers

LBC looking forward

- Expand securitization activity beyond residential mortgages
- Leverage the Bank's "low risk" profile to increase institutional funding
- Increase commercial funding

Sources of funding

As at October 31 (as a percentage)

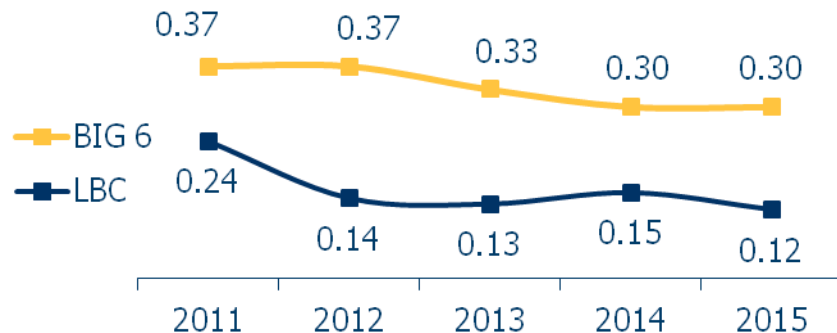


Favorable credit history

- The low loss ratio reflects the excellent condition of the loan portfolio and compares favorably to the industry
- Relatively higher coverage ratio is a reflection of the quality of underwriting and the prudent nature of our loan portfolios

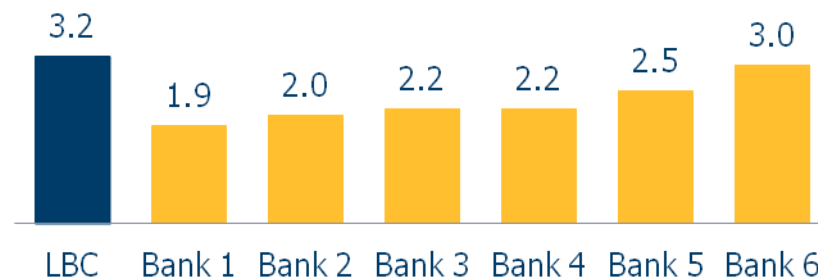
Provision for loan losses as a % of average loans and acceptances

For the years ended October 31



Coverage of total provisions¹

For the years ended October 31, 2015 (as a multiple)

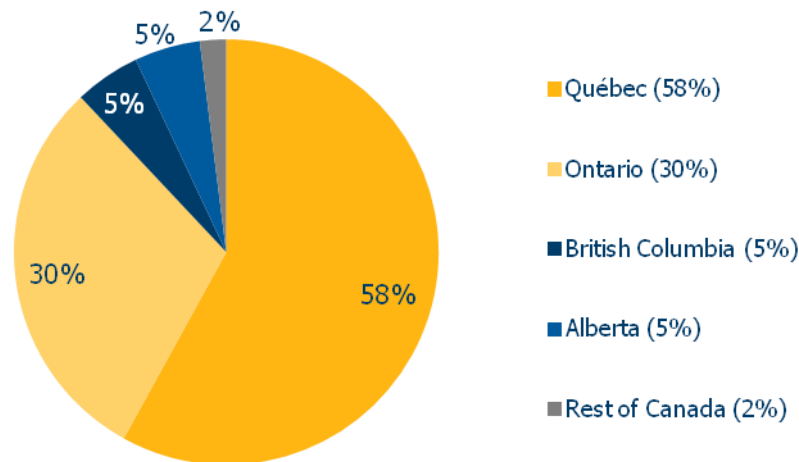


Excellent quality loan portfolio

No direct exposure to the Canadian oil and gas industry

Geographic distribution of loans

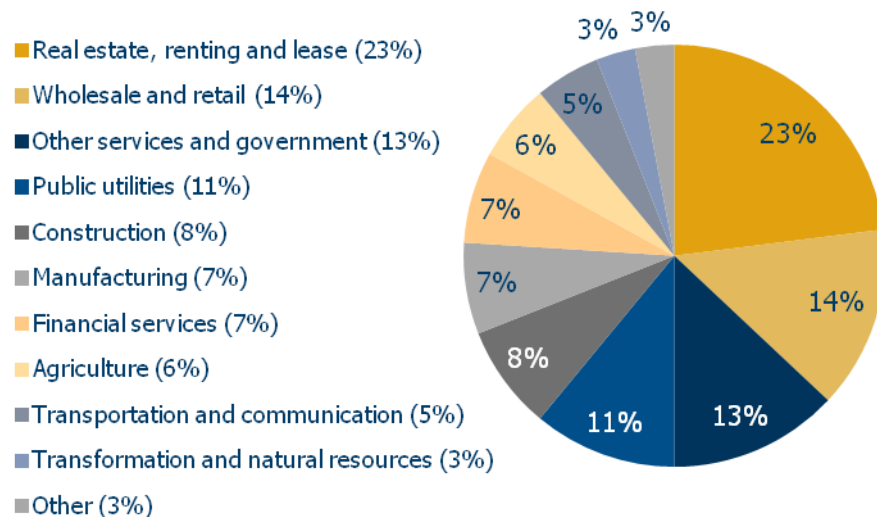
As at October 31, 2015 (as a percentage)



\$30.1B

Commercial and other loans (including acceptances)

As at October 31, 2015 (as a percentage)

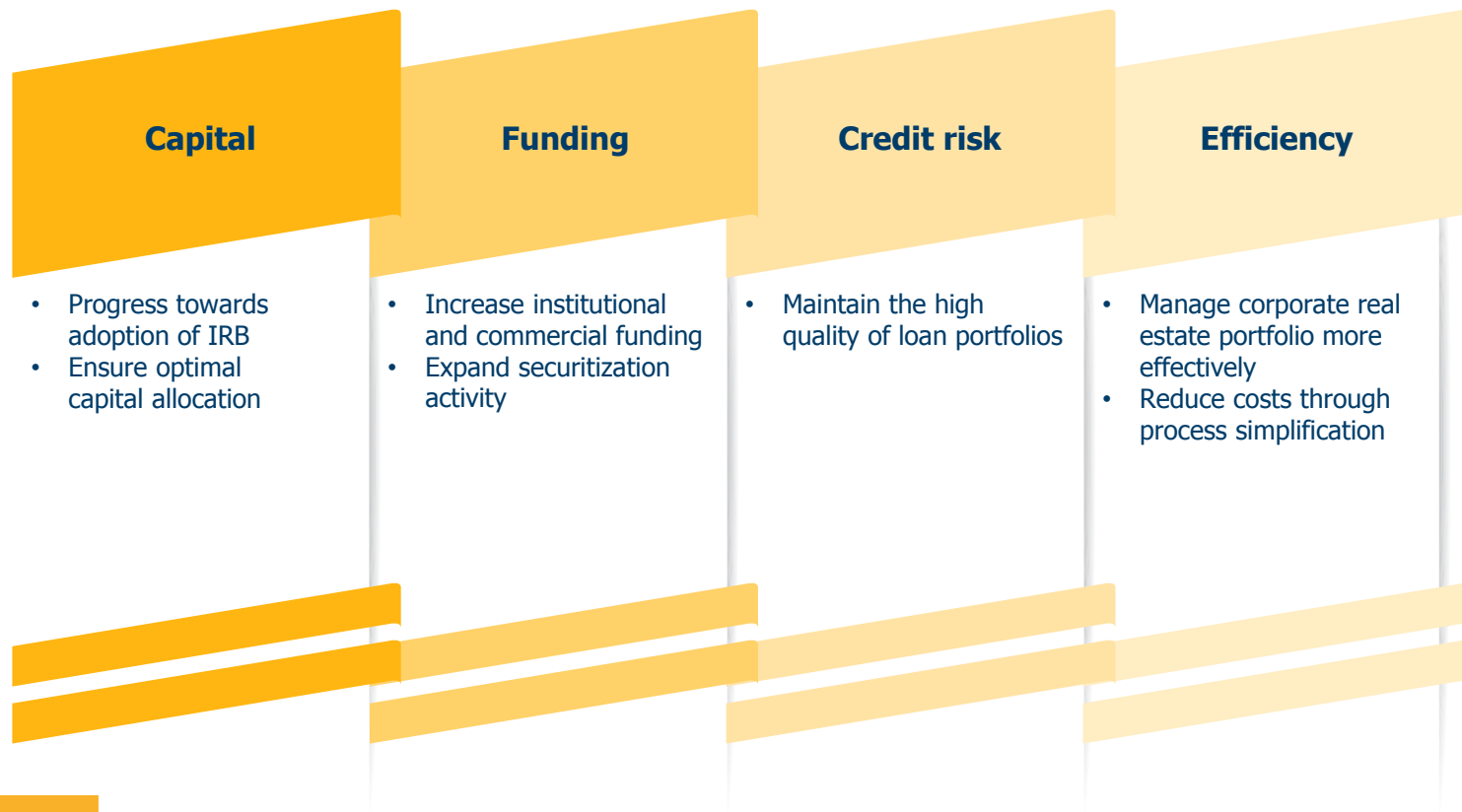


\$3.8B

Our transformation in numbers

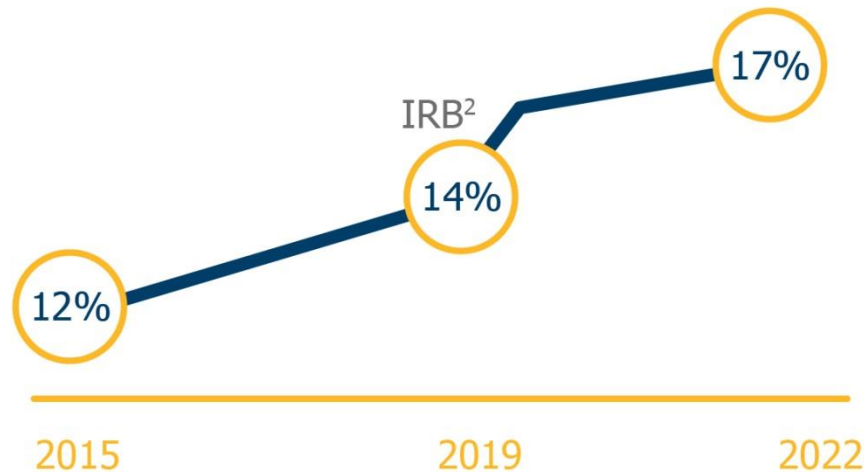
- Major capital expenditure investments (\$175 - \$225 million) over the next 4 years
 - Rebuild account management platform
 - Modernize our retail distribution network
 - Internal Ratings-Based approach (IRB)
- The costs associated with these investments are included in our financial plan
- Significant savings over the years will be reallocated to investments
- The plan will not entail significant write-offs

Executing on our 2016 priorities



4 year key performance indicators

- An ROE of 14% in 2019 and 17%¹ in 2022
- EPS growth of 5-10% annually over the medium-term
- Efficiency ratio <68% by 2019
- Double the size of the company by 2022



We will measure our success by achieving these financial targets.

FRANÇOIS DESJARDINS

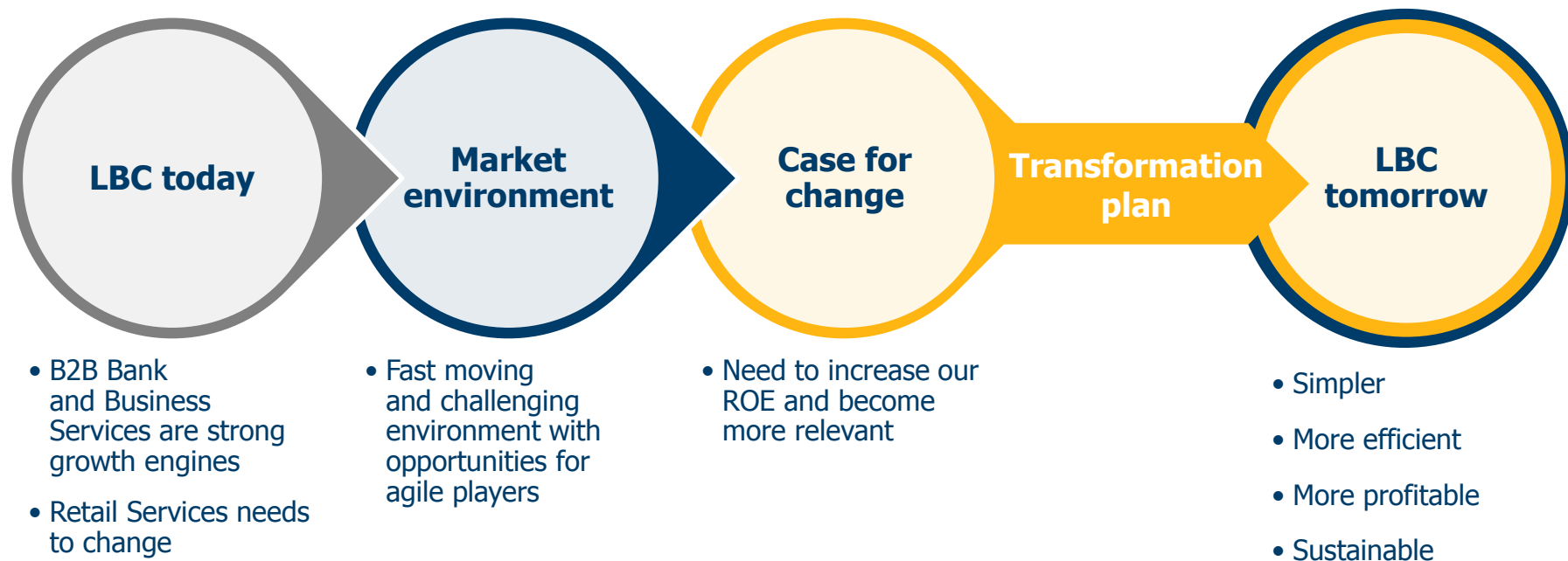
President and Chief Executive Officer



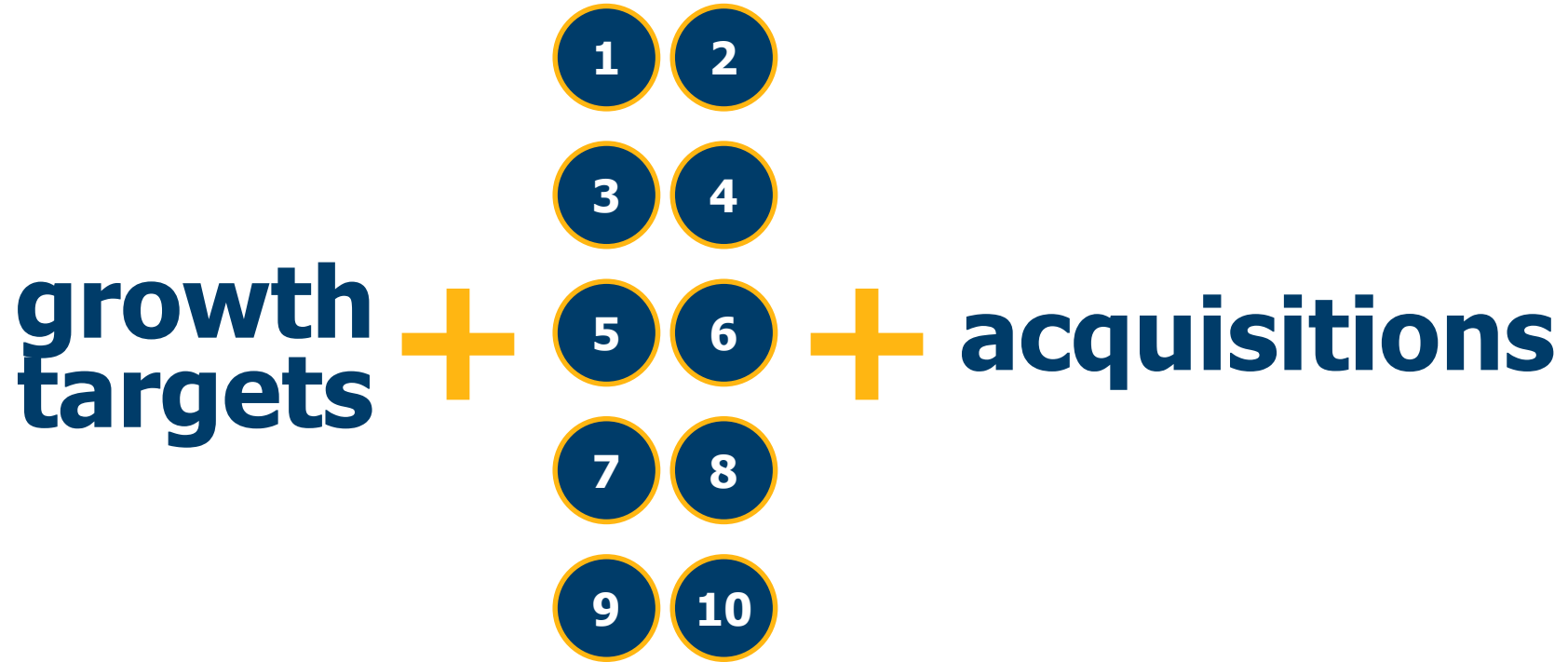


Our success

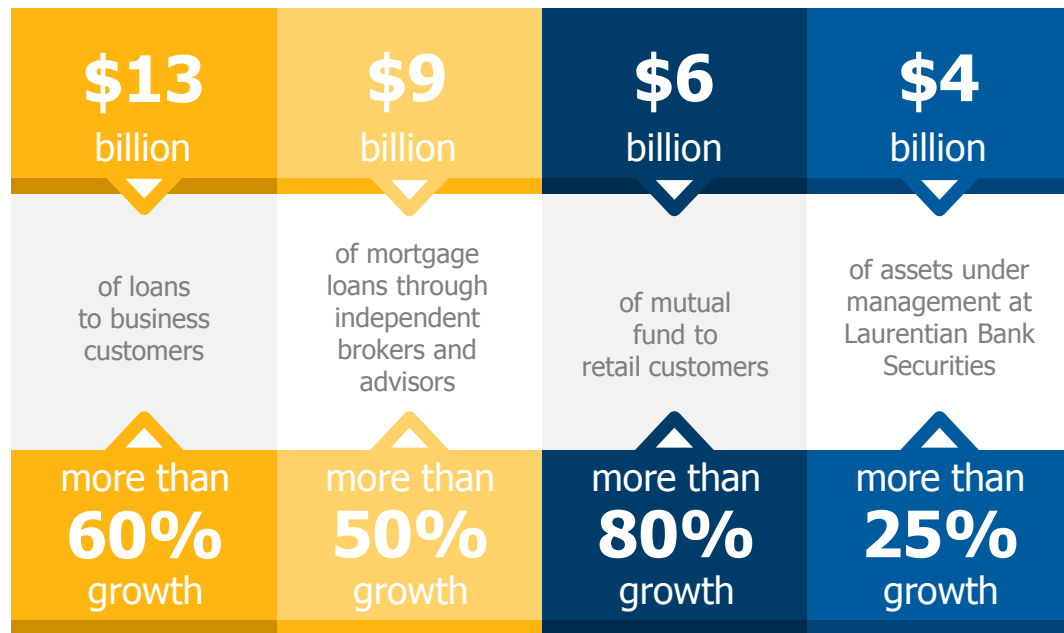
Our path is clear



There are 3 core components of our success

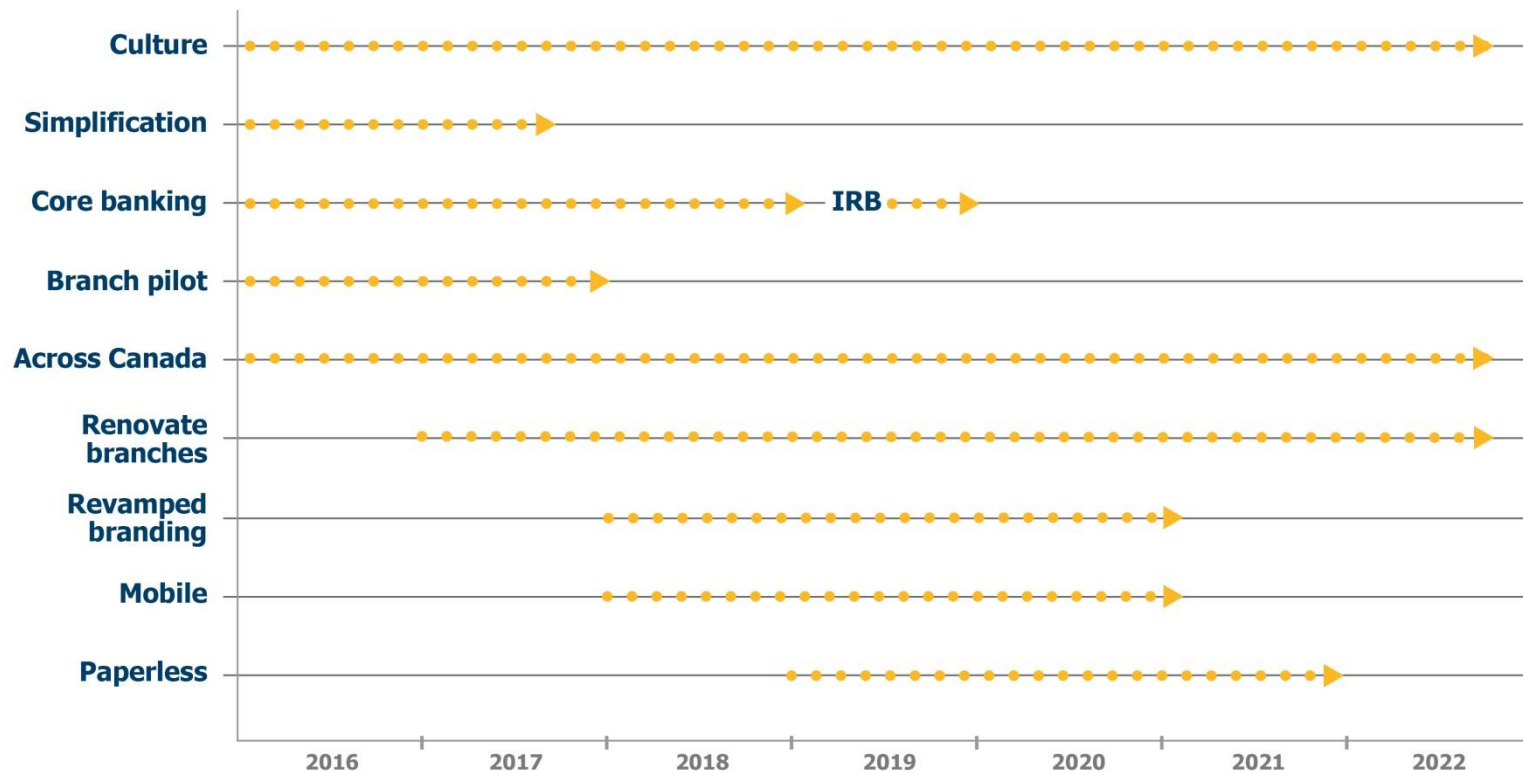


2019 Business growth targets fuel performance



B2B Bank and Business
Services expected to be
growth engines

Our transformation road map is sound





An achievable plan

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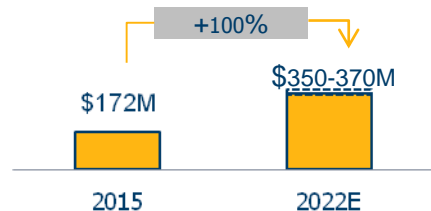
Build a culture based on performance

10

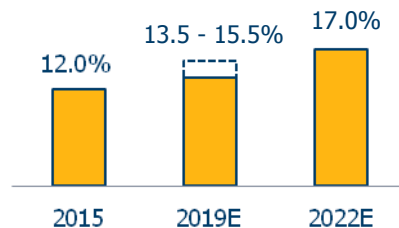
Replicate successes across Canada

Key performance indicators to watch for

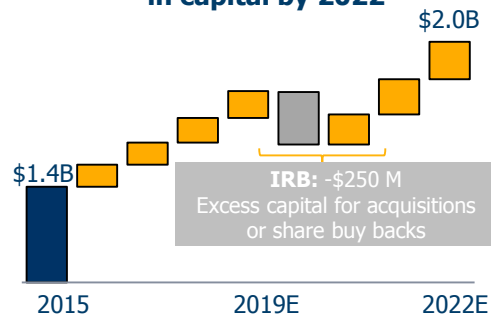
LBC's net income is expected to reach between \$350 and \$370M in 2022, a 100% increase compared to 2015



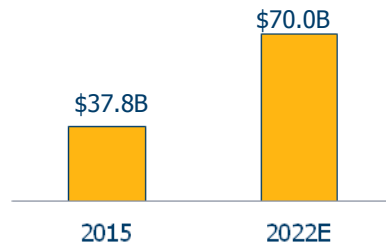
The Bank should achieve an ROE of about 17% by 2022



The Bank is expected to reach \$2B in capital by 2022

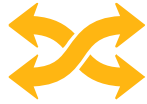


LBC is expected to grow its average assets to \$70B by 2022



Profitability comparable to the Canadian banking industry is expected to result in a price to book value ratio of over 1.5x

Simpler, more efficient and more profitable



**right
plan**



**right
team**



**right
time**

Questions

Thank you!



Addendum

Why Invest in Laurentian Bank?

- Dividend
 - Very attractive yield
 - Regular pattern of increasing dividends
- Book value
 - Stock trades close to book value providing good downside share price protection
- Credit quality
 - Strong
 - Track record of favorable loan loss metrics, both on an absolute basis and relative to the industry
- Macroeconomic factors
 - Concentration of activities in Quebec and Ontario – export-oriented economies that benefit from a lower Canadian dollar
- No loans to oil and gas industry



Today

Why Invest in Laurentian Bank?

- Signs of improving financial performance
 - Improving revenue growth, earnings growth and efficiency ratio
 - Containing costs while continuing to invest to develop businesses
- Effective execution of strategic initiatives
 - Effective use of B2B Bank as manufacturing platform and Personal Services as distribution network
 - Successfully expanding Business Services
- Transition to IRB
 - Improving capital ratio
 - Ensuring the continuation of regular dividend increases
 - Ensuring the ability to take advantage of acquisition opportunities as well as to support organic growth

Mid-term (4 Years)

Why Invest in Laurentian Bank?

- Strong profitability
 - ROE target of 17% which would translate into a share price that is estimated to be between 50% and 100% higher than today
 - Steadily growing earnings which would translate into a higher Price/Earnings multiple, also supporting significant price appreciation
- Solid capital base
 - Providing flexibility – options to deploy capital to generate sustained growth
- Successful geographic diversification
 - Avoid reliance on one economic region of Canada
- Benefit from premium multiples
 - A highly profitable financial services company resulting in premium valuation multiples (vs. current discount multiples)
- Success of niche approach
 - Excel in selective niches, developed competitive advantages

Long term (7 years)

LAURENTIAN BANK INVESTOR FORUM

OUR TRANSFORMATION PLAN

Becoming simpler, more
efficient and more profitable

January 26, 2016



LAURENTIAN
BANK