

CORPORATE GOVERNANCE

Today, as in the past, strong corporate governance is an important component in managing Laurentian Bank's activities. In 1987, the Bank became the first Canadian financial institution to separate the roles of Chairman of the Board and of President and CEO. Moreover, its corporate governance practices remain among the most exemplary today.

All members of the Board of Directors, except the President and Chief Executive Officer, are independent and unrelated to the Bank's management. The independent status of directors is determined in accordance with criteria defined by the Human Resources and Corporate Governance Committee, which are used to evaluate the status of every director, regardless of which Committee they may sit on. Furthermore, rules concerning directorships in other organizations have been instituted so as to ensure that no more than two directors sit on the board of the same public issuer (unless authorized by the Chair of the Board).

The role of the Board of Directors is essentially to supervise the management of the business and internal affairs of the Bank. Board deliberations generally end with a discussion period held without the presence of management. The members of the Board commit to act in accordance with standards set forth in the *Code of Conduct for Directors*, which covers issues such as general conduct, contribution to the work of the Board and its Committees, as well as insider trading, conflicts of interest and other situations that may affect a director's independence.

The Board of Directors has delegated some of its responsibilities and functions to three Committees, whose members are appointed from among its directors. The Audit Committee, the Risk Management Committee, and the Human Resources and Corporate Governance Committee regularly submit written and verbal updates and reports on their work to the Board of Directors. Furthermore, these Committees present a report to shareholders to be included in the Management Proxy Circular.

Audit committee

The primary function of the Audit Committee is to support the Board of Directors in overseeing the integrity of the Bank's financial statements, the relevance and effectiveness of its internal controls, the qualifications and independence of the external auditor and the performance of the internal audit function and of the external auditor. In order to do so, the Board has appointed directors meeting the criteria for independence and possessing an appropriate level of financial literacy. The Committee meets on a regular basis with the internal and external auditor without the presence of management. Furthermore, the Committee meetings generally end with a discussion period held without the presence of management.

More specifically, the Committee's responsibilities include the following:

With respect to the external auditor: recommend the appointment or dismissal of the external auditor; assure its competence, independence, and the adequacy of its resources; review the scope of its mission and compensation; oversee its activities and evaluate its performance; approve the external auditor's oversight policy and the policy concerning non-audit related services.

With respect to financial information: oversee the integrity and quality of financial statements and assure that the institution's accounting practices are prudent and appropriate; prior to their publication, review the annual and interim financial statements, management's discussion and analysis and press releases regarding results, as well as the annual information form and any other documents required by regulatory authorities; review the annual financial statements of the subsidiaries supervised by the Office of the Superintendent of Financial Institutions.

With respect to the internal audit function: approve the internal audit's charter and plan; assure the competence, independence and adequacy of internal audit resources, and follow up on material findings and recommendations.

With respect to internal controls: assure that management implements appropriate internal control and information management systems; assure their integrity and effectiveness; assure that management implements procedures regarding the receipt, retention and handling of complaints received with respect to accounting, internal controls or audit.

With respect to oversight agencies: follow up on the findings and recommendations of oversight authorities.

Risk management committee

In addition to reviewing transactions with related parties of the Bank, the Risk Management Committee ensures that the Bank has adopted an adequate and effective risk management process, which includes the identification, assessment and management of risks, as well as the development of adequate policies concerning credit, market, liquidity and financing, operational, capital management, regulatory and reputation risks.

The Committee is composed of independent directors who hold discussions with officers in charge of oversight activities (the internal auditor as well as the chief risk officer and the chief regulatory risk management officer) without the presence of management. Furthermore, the Committee meetings generally end with a discussion period held without the presence of management.

To this end, the Committee must assure that management identifies the organization's principal risks and implements systems to measure and adequately manage them and assure the integrity and effectiveness of such systems; review the overall risk philosophy and risk tolerance; assure the competence,

independence and the adequacy of resources of the function in charge of integrated risk management and approve its mandate; follow up on material findings and recommendations; approve loans, which under the credit policies, are the responsibility of the Committee, and examine the quality of the loan portfolio and the adequacy of allowances for loan losses; assure that management adopts a process to determine the appropriate capital level for the Bank based on assumed risks; review the Code of Ethics and Privacy Code for the Protection of Personal Information applicable to officers and employees and assure they are complied with; assure the competence and independence of the person in charge of regulatory risk management and risk management, and follow up on their findings and recommendations; in collaboration with the Human Resources and Corporate Governance Committee, annually review the alignment of compensation and the Bank's performance and assumed risk with the remuneration standards and principles issued by the Financial Stability Board.

Human resources and corporate governance committee

The Human Resources and Corporate Governance Committee is composed of independent directors, none of whom heads a public company. Certain elements of its mandate are discussed without the presence of management.

More specifically, the Committee's human resources responsibilities include the following:

With respect to human resources management: annually review the performance management process and evaluate its effectiveness; assure that management implements a plan to promote the hiring, retention and motivation of qualified personnel.

With respect to senior officers: review appointments of senior officers; approve the establishment of objectives for members of the Executive Committee and evaluate their performance; assure the integrity of senior officers and the adoption of a culture of integrity throughout the Bank.

With respect to compensation: approve the overall compensation framework (including incentive compensation, fringe benefits and pension plans) for senior officers, with a view to furthering the Bank's business objectives, as well as the material terms and conditions of the compensation and employment conditions applicable to the Bank's other employees and officers; in collaboration with the Risk Management Committee, annually approve the alignment of compensation and the Bank's performance and assumed risk with the remuneration standards and principles issued by the Financial Stability Board.

With respect to pension plans: assure that management implements appropriate internal control mechanisms with a view to adequately manage pension plans.

The Committee's corporate governance responsibilities include the following:

With respect to the President and Chief Executive Officer: recommend the appointment or dismissal of the President and Chief Executive Officer to the Board; recommend the objectives of the President and Chief Executive, as well as his/her evaluation, compensation and employment conditions to the Board; implement a succession process for the President and Chief Executive Officer.

With respect to the Board and Committees: review corporate governance rules and assure they are complied with; review the functions of the Board of Directors, its composition (taking the diversity of members into account), compensation and size; review the constitution, membership and functions of Committees; review the Code of Conduct for the members of the Board and assure it is complied with; assure ongoing training for the members of the Board; approve the criteria to evaluate the independence of Board members and assess their independence periodically; evaluate the Board and its members; assure the recruitment of new Board members to be submitted for election by shareholders, and see to their orientation and integration.

With respect to public disclosure: assure that shareholders are well informed of the Bank's affairs and deal with all material disagreements between the Bank and its shareholders.

The complete text outlining the functions of the Board of Directors and the mandate of each Committee can be found in the Corporate Governance section of the Bank's Web site, while Committee reports can be consulted in the Management Proxy Circular.

BRANCHES

Alma

500 Sacré-Coeur St. W.

Amos

1 1st Avenue W.

Baie-Comeau

600 Lafitèche Blvd.

Beleuil

546 Sir-Wilfrid-Laurier Blvd.

Blainville

1356 Curé-Labelle Blvd., Suite 222
9 de la Seigneurie

Boisbriand

2250 du Faubourg Blvd.

Boucherville

999 Montarville Blvd.

Brossard

1635 Rome Blvd.

Campbell's Bay

148 Front St., P.O. Box 189

Chambly

1495 Brassard St.

Châteauguay

111 Saint-Jean Baptiste Blvd.

Chibougamau

530 3rd Street

Dolbeau-Mistassini

1372 Wallberg Blvd.

Dollard-des-Ormeaux

4057 Saint-Jean Hill
3500 des Sources Blvd.

Drummondville

571 Saint-Joseph Blvd.

Fort Coulonge

532 Baume St.

Gatineau

325 Gréber Blvd, L Unit
75 du Plateau, Unit 109
770 Saint-Joseph Blvd.

Granby

40 Évangéline St.

Grand-Mère

531 6th Avenue

Grenville

240 Principale St.

Joliette

373 Notre-Dame St.

Kirkland

3876 Saint-Charles Blvd.

Lachute

470 Principale St. W.

La Prairie

995 Taschereau Blvd.

Laval

928 Highway 13, Chomedey W.
233 Curé-Labelle Blvd.
3387 Dagenais Blvd. W.
510 des Laurentides Blvd.
5720 des Laurentides Blvd.
1699 Le Corbusier Blvd., Suite 100
750 Montrose St.
3870 Notre-Dame Blvd.
1899 René-Laennec Blvd.
4600 Samson Blvd., Suite 19

Longueuil

2588 chemin Chambly
4 Saint-Charles St. E.
6250 Cousineau Blvd, Suite 200
5925 Payer Blvd.
3700 Taschereau Blvd.

Maniwaki

111 Desjardins Blvd.

Mascouche

848 Masson Hill

Mont-Laurier

476 de la Madone St.

Montréal

6593 Beaubien St.E.
4155 Bélanger St. E.
5900 Bélanger St. E.
Saint-Leonard
290 Chabanel St. W.
8262 Champlain Blvd., Lasalle
4135 D'Amiens St., Montreal N.
6225 Darlington Ave.
865 Décarie Blvd., Saint-Laurent
88 Don Quichotte Blvd.
885 Fleury St.E.
2200 Fleury St. E.
5501 Henri-Bourassa Blvd. E.
Montreal N.
8595 Hochelaga St.
136 Jacques-Bizard Blvd.
Bizard Island
7050 Jarry St. E., Anjou
4725 Jarry St. E., Saint-Leonard
10 Jean-Talon St. E.
5045 Jean-Talon St. E.
Suite 101, Saint-Leonard
555 Jean-Talon St. W.
6651 Joseph-Renaud Blvd., Anjou
9095 Lajeunesse St.
8410 Langelier Blvd., Saint-Leonard
6525 Léger Blvd., Montreal N.
6500 de Lorimier Ave.
2937 Masson St.
8646 Maurice-Duplessis Blvd.
Rivière-des-Prairies
6270 Monk Blvd.
1981 McGill College Ave.
1100 du Mont-Royal Ave. E.
7333 Newman Blvd., Lasalle
1675 Notre-Dame St., Lachine
3720 Ontario St. E.
7705 Papineau Ave.
5059 Park Ave.
1430 Poirier St., Saint-Laurent
1100 René-Lévesque Blvd. W.
8090 Saint-Denis St.
391 Saint-Jacques St.
4080 Saint-Jacques St.

3823 Saint-Laurent Blvd.
7192 Saint-Michel Blvd.
8930 Saint-Michel Blvd.
1155 Sainte-Catherine St. E.
2490 de Salaberry St.
1805 Sauvé St. W.
6615 Sherbrooke St. E.
12050 Sherbrooke St. E.
5651 Sherbrooke St. W.
1291 Shevchenko Blvd., Lasalle
6640 Somerled Ave.
1447 Van Horne Ave., Outremont
4790 Van Horne Ave.
8945 Viau Blvd., Saint-Leonard
4214 Wellington St., Verdun

Murdochville

601 5th Street, P.O. Box 1210

New Carlisle

168 Gérard-D.-Lévesque Blvd.

New Richmond

228 Perron Blvd.

Nicolet

92 Place 21 Mars, P.O. Box 1869

Ottawa

1021 Cyrville Road, Unit 9

Paspébiac

120 Gérard-D.-Lévesque Blvd.
P.O. Box 39

Port-Daniel

10 132 Road, P.O. Box 70

Québec

999 de Bourgogne St.
510 Charest Blvd. E.
1221 Charles-Albanel St.
580 Grande Allée E., Suite 30
8000 Henri-Bourassa Blvd.
2600 Laurier Blvd., Suite 25
2828 Laurier Blvd., Suite 100
1275 Sainte-Foy Road
3930 Wilfrid-Hamel Blvd. W.
3323 du Carrefour Blvd.
1350 Lebourgneuf Blvd.

Repentigny

85 boul. Brien, Suite E1A
150 Iberville Blvd.
910A Iberville Blvd.

Rimouski

320 Saint-Germain St.E.

Roberval

773 Saint-Joseph Blvd., Suite 101

Rosemère

401 Labelle Blvd.

Rouyn-Noranda

24 Perreault St. E.

Saguenay

1611 Talbot Blvd., Suite 100,

Chicoutimi

3460 Saint-François Blvd., Jonquière
1220 du Port Ave., La Baie

Saint-Bruno-de-Montarville

1354 Roberval St.

Saint-Constant

400 132 Road, Suite 170

Saint-Eustache

569 Arthur-Sauvé Blvd.

Saint-Georges

11400 1st Avenue, Suite 35

Saint-Hyacinthe

5915 Martineau St.

Saint-Jean-sur-Richelieu

605 Pierre-Caisse St. W.

Saint-Jérôme

3 de la Salette Blvd.

Saint-Lambert

400 Victoria Ave.

Saint-Raymond

300 Saint-Joseph St.

Sainte-Marie-de-Beauce

16 Notre-Dame St. N.

Sept-Îles

770 Laure Blvd.

Sherbrooke

2637 King St. W.
5050 Bourque Blvd., Rock Forest

Sorel-Tracy

183 Marie-Victorin Road

Terbonne

1090 Moody Blvd.

Thetford Mines

222 Frontenac Blvd. W., Suite 101

Trois-Rivières

425 des Forges St.
4450 des Forges Blvd.

Val-d'Or

872 3rd Avenue

Valleyfield

187 Victoria St.

Vaudreuil-Dorion

43 Cité des Jeunes

Victoriaville

1073 Jutras Blvd. E.

Westmount

4848 Sherbrooke St. W.

OFFICES AND SUBSIDIARIES

B2B Bank

Montréal
425 de Maisonneuve Blvd. W.
Suite 1115

**Toronto – Head office
and Subsidiaries**
199 Bay St.
Suite 600 and 610

Business Services

Alma
500 Sacré-Coeur St. W.

Blainville
9 De La Seigneurie Blvd.
Suite 2

Brossard
7055 Taschereau Blvd.
Suite 425

Calgary
1122 – 4th St. South W.
Suite 450

Chicoutimi
1611 Talbot Blvd.
Suite 100

Drummondville
571 Saint-Joseph Blvd.

Gatineau
325 Greber Blvd.
Unité L

Granby
40 Évangeline St.

Halifax
3845 Joseph Howe Drive
Suite 403

Kitchener
10 Duke St. W.
Suite 100

Lachute
470 Principale St. W.

Laval
1699 Le Corbusier Blvd.
Suite 200

Mississauga
4 Robert Speck Parkway
Suite 1500

Montréal

555 Chabanel St. W.
255 Crémazie Blvd. E.
1981 McGill College Avenue
6625 Sherbrooke St. E.

Ottawa
1021 Cyrville Road
Unit 9

Québec
2828 Laurier Blvd.
Suite 100 – Complexe Jules Dallaire

Repentigny
85 Brien Blvd.
2nd Floor – Suite E1A

Saguenay
1611 Talbot Blvd.
Suite 100

Saint-Hyacinthe
5915 Martineau St.

Saint-Jean-sur-Richelieu
605 Pierre-Caisse St.

Sainte-Marie-de-Beauce
16 Notre-Dame St. N.

Sherbrooke
2637 King St. W.

Toronto
130 Adelaide St. W.
Suite 300

Trois-Rivières
4450 Des Forges Blvd.

Vancouver
777 Hornby St.
Suite 2060

Vaudreuil
43 Cité des Jeunes Blvd.

Victoriaville
1073 Jutras Blvd. E.

Ville St-Laurent
9999 Cavendish Blvd.
Suite 101

International Services

Montréal
1981 McGill College Avenue
Suite 1900

Laurentian Bank Securities Inc.

Chicoutimi
1611 Talbot Blvd.
Suite 104

Drummondville
645 Saint-Joseph Blvd.
Suite 100

Granby
20 Place du Lac

Kamouraska
622 Elzéar St.

Laval
1699 Le Corbusier Blvd.
Suite 220

Longueuil
1111 Saint-Charles St. W.
Suite 350

Montréal – Head Office
1981 McGill College Avenue
Suite 1900

Montreal
1981 McGill College
Suite 100
3500 de Maisonneuve Blvd. W.
Suite 1975

Place Alexis-Nihon, Tour 2

Québec
2505 Laurier Blvd.
Suite 100

Pierrefonds
3876 Saint-Charles Blvd.

Rimouski
320, Saint-Germain St. E.
Le Séjour Building

Saint-Jean-sur-Richelieu
100 Richelieu St.
Suite 150

Thetford Mines

222 Frontenac Blvd. W.
Suite 101

Toronto
130 Adelaide St. W.
Suite 301

Winnipeg
201, Portage Avenue
Suite 640

Laurentian Trust of Canada Inc.

Montréal – Head Office
1981 McGill College Avenue

Montréal
555 Chabanel St. W.
Suite 520

LBC Financial Services Inc.

Montréal
1350, René-Lévesque Blvd. W.
12th Floor

LBC Trust

Montréal – Head Office
1981 McGill College Avenue

Montreal
555 Chabanel St. W.
Suite 520

Private Banking

Montréal
1981 McGill College Avenue
2nd Floor

CONSOLIDATED SUBSIDIARIES

AS AT OCTOBER 31, 2015

CORPORATE NAME	HEAD OFFICE LOCATION	BOOK VALUE OF VOTING SHARES OWNED BY THE BANK ⁽¹⁾ (\$'000)	PERCENTAGE OF VOTING SHARES OWNED BY THE BANK
B2B Bank <i>Wholly-owned subsidiaries</i>	Toronto, Canada	\$676,612	100%
B2B Bank Financial Services Inc.	Toronto, Canada		
B2B Bank Securities Services Inc.	Toronto, Canada		
B2B Bank Intermediary Services Inc	Toronto, Canada		
B2B Trustco	Toronto, Canada		
LBC Investment Management Inc. <i>Wholly-owned subsidiary</i>	Montreal, Canada	\$326,379	100%
V.R. Holding Insurance Company Ltd	St. James, Barbados		
Laurentian Trust of Canada Inc.	Montreal, Canada	\$118,942	100%
LBC Trust	Montreal, Canada	\$ 89,192	100%
Laurentian Bank Securities Inc. <i>Wholly-owned subsidiary</i>	Montreal, Canada	\$120,706	100%
Laurentian Capital (USA) Inc.	Montreal, Canada		
LBC Financial Services Inc.	Montreal, Canada	\$ 6,981	100%
Laurentian Bank Insurance Inc.	Montreal, Canada	\$ 7	100%

(1) The book value of shares with voting rights corresponds to the Bank's interest in the equity of subsidiary shareholders.

Allowances for Loan Losses represent an amount deemed adequate by the Bank to absorb credit-related losses on loans and acceptances. Total allowances for loan losses consists of individual and collective allowances and are recorded on the balance sheet as a deduction from loans and acceptances.

Alt-A Mortgages represent a classification of mortgages where borrowers have a clean credit history consistent with prime lending criteria. However, characteristics about the mortgage such as loan to value, loan documentation, occupancy status or property type, may cause the mortgage not to qualify under standard underwriting programs.

Assets under Administration and under Management mostly refers to assets related to registered and non-registered investment accounts, clients' brokerage assets, mutual funds and mortgages administered by the Bank that are beneficially owned by clients and therefore not reported on the balance sheet of the Bank.

Bankers' Acceptances (BAs) are bills of exchange or negotiable instruments drawn by a borrower for payment at maturity and accepted by a bank. BAs constitute a guarantee of payment by the Bank and can be traded in the money market. The Bank earns a "stamping fee" for providing this guarantee.

Basel II is the second of the Basel Accords, which are recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision (BCBS). The purpose of Basel II is to create an international standard that banking regulators can use when creating regulations about how much capital banks need to put aside to guard against the types of financial and operational risks banks face. The Basel II Accord also introduced the Advanced Internal-Ratings Based approach.

Basel III is a comprehensive set of reform measures, developed by the BCBS, to strengthen the Basel II Accord as well as the supervision and risk management of the banking sector. These measures also introduced liquidity adequacy requirements.

Basis Point: One one-hundredth of a percentage point.

Book Value per Common Share is defined as common shareholders' equity divided by the number of common shares outstanding at the end of the period.

Collective Allowances are maintained to cover impairment in the existing loan portfolio that cannot yet be associated with specific loans. The Bank employs a collective allowance model based on the internal risk rating of credit facilities and on the related probability of default factors, as well as the loss given default associated with each type of facility.

Common Equity Tier 1 Capital (CET1) represents, under Basel III, more permanent forms of capital, and primarily consists of common shareholder's equity and accumulated other comprehensive income, less a deduction for goodwill, software and other intangibles, pension assets, cash flow hedge reserves and certain other deductions prescribed by OSFI.

CET1 Capital Ratio is defined as CET1 capital divided by risk-weighted assets.

Common Shareholders' Equity is defined as the sum of the value of common shares, retained earnings and accumulated other comprehensive income, excluding cash flow hedge reserves.

Credit and Counterparty Risk is the risk of a financial loss occurring if a counterparty (including a debtor, an issuer or a guarantor) in a transaction fails to fully honour its contractual of financial obligation towards the Bank.

Derivatives are contracts whose value is "derived" from movements in interest or foreign exchange rates, or equity or commodity prices. Derivatives allow for the transfer, modification or reduction of current or expected risks from changes in rates and prices.

Dividend Payout Ratio is defined as dividends declared on common shares as a percentage of net income available to common shareholders.

Dividend Yield represents dividends declared per common share divided by the closing common share price.

Earnings per Share (EPS) is calculated by dividing net income after deduction of preferred dividends, by the average number of common shares outstanding. Diluted EPS is calculated by adjusting the number of shares outstanding for possible conversions of financial instruments into common shares.

Effective Interest Rate represents the discount rate applied to estimated future cash payments or receipts over the expected life of the financial instrument to arrive at the net carrying amount of the financial asset or liability.

Efficiency Ratio is a key measure of productivity and cost control. It is defined as non-interest expenses as a percentage of total revenue.

Fair value is the estimated price that would be received or paid in an orderly transaction between market participants at the measurement date.

Hedging is a risk management technique used to neutralize or manage interest rate, foreign currency, or credit exposures arising from normal banking activities by taking positions that are expected to react to market conditions in an offsetting manner.

Impaired Loans are loans for which there is no longer reasonable assurance of the timely recovery of principal or interest.

Individual Allowances reduce the carrying value of impaired loans to the amount the Bank expects to recover when there is evidence of deterioration in credit quality.

Leverage ratio is comprised of Tier 1 capital, divided by unweighted on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions.

Liquidity coverage ratio measures the sufficiency of high-quality liquid assets available to meet net short-term financial obligations over a thirty day period in an acute stress scenario.

Net Interest Income is comprised of earnings on assets, such as loans and securities, including interest and dividend income, less interest expense paid on liabilities, such as deposits.

Net Interest Margin is the ratio of net interest income to total average assets (or average earning assets), expressed as a percentage or basis points.

Notional Amount refers to the principal used to calculate interest and other payments under derivative contracts.

Off-Balance Sheet Financial Instruments represent a variety of financial arrangements offered to clients, which include for the Bank derivatives, credit commitments and guarantees, and other indemnifications.

Office of the Superintendent of Financial Institutions Canada (OSFI) is the primary Canadian regulator and supervisor of federally regulated deposit-taking institutions, which include banks, insurance companies and federally regulated private pension plans.

Operating Leverage is the difference between total revenue and non-interest expenses growth rates.

Options are contractual agreements between two parties in which the writer of the option grants the buyer the right, but not the obligation, to either buy or sell, at or by a specified date, a specific amount of a financial instrument at a price agreed upon when the agreement is entered into. The writer receives a premium for selling this instrument.

Provision for Loan Losses is a charge to income that represents an amount deemed adequate by management considering the allowances for loan losses already established to absorb all incurred loan losses in its portfolio, given the composition of the portfolios, the probability of default and the economic environment.

Return on Common Shareholders' Equity is a profitability measure calculated as the net income available to common shareholders as a percentage of average common shareholders' equity.

Risk-weighted Assets are assets calculated by applying a risk-weight factor to on and off-balance sheet exposure. The Bank uses standardized risk-weight factors as stipulated by OSFI, based on the guidelines developed by the Bank for International Settlement (BIS).

Securities Purchased Under Reverse Repurchase Agreements and Obligations Related to Securities Sold Under Repurchase Agreements are short-term purchases of securities under agreements to resell as well as short-term sales of securities under agreements to repurchase at predetermined prices and dates. Given the low risk transfer associated with these purchases and sales, these agreements are treated as collateralized lending.

Swaps are contractual agreements between two parties to exchange a series of cash flows for a specified period of time. The various swap agreements that the Bank enters into are as follows:

- *Interest rate swaps* – counterparties generally exchange fixed and floating rate interest payments based on a predetermined notional amount in a single currency.
- *Foreign exchange swaps* – fixed rate interest payments and principal amounts are exchanged in different currencies.
- *Total return swaps* – floating payments based on changes in the value of a reference asset or group of assets, including any associated return such as dividends, are exchanged for amounts based on prevailing market funding rates.

Tier 1 Capital primarily consists of CET1 and preferred shares.

Tier 1 Capital Ratio is defined as Tier 1 capital divided by risk-weighted assets.

Total Capital includes Tier 1 and Tier 2 capital, net of certain deductions. Tier 2 capital is primarily comprised of subordinated debt and the eligible portion of collective allowances for loan losses.

Total Capital Ratio is defined as total capital divided by risk-weighted assets.

Value at Risk (VaR) corresponds to the potential loss the Bank may incur for a specific portfolio or a group of portfolios over a one-day period, with a confidence level of 99%.

SHAREHOLDER INFORMATION

HEAD OFFICE

Tour Banque Laurentienne
1981 McGill College Avenue
Montréal, Québec H3A 3K3
Tel.: 514 284-4500 ext. 5996
Fax: 514 284-3396

TELEBANKING CENTRE, Automated Banking and Customer Service

Tel.: (514) 252-1846
or 1 800 252-1846
Website: www.laurentianbank.ca
Swift Code: BLCM CA MM

ANNUAL MEETING

The Annual Meeting of the Common Shareholders of the Bank will be held on Wednesday, April 6, 2016, at 9:30 a.m., at TMX Broadcast Centre, venue: Galerie, 130 King Street W., Toronto, Ontario M5X 1J2

VALUATION DAY PRICE

For capital gains purposes, the market value of Laurentian Bank common shares on Valuation day, December 22, 1971, adjusted for the stock splits of July 1983 and January 1987, was \$3.72.

TRANSFER AGENT AND REGISTRAR

Computershare
Investor Services Inc.
1500 Robert-Bourassa Blvd., Suite 700
Montréal, Québec H3A 3S8

OMBUDSMAN'S OFFICE

Laurentian Bank
1981 McGill College Avenue
Suite 1420
Montréal, Québec H3A 3K3
Tel.: 514 284-7192
or 1 800 479-1244

CHANGE OF ADDRESS AND INQUIRIES

Shareholders should notify the Transfer Agent of any change of address. Inquiries or requests may be directed to the Corporate Secretary's Office at Head Office or by calling 514 284-4500 ext. 7545.

INVESTORS AND ANALYSTS

Investors and analysts may contact the Investor Relations Department at Head Office by calling 514 284-4500 ext. 4926.

MEDIA

Journalists may contact the Executive Office at Head Office by calling 514 284-4500 ext. 3901.

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

The Bank has a dividend reinvestment and share purchase plan for Canadian holders of its common and preferred shares under which they can acquire common shares of the Bank without paying commissions or administration fees. Participants acquire shares through the reinvestment of cash dividends paid on the shares they hold or through optional cash payments of a minimum amount of \$500 per payment, up to an aggregate amount of \$20,000 in each 12 month period ending October 31.

For more information, shareholders may contact the Bank's registrar and transfer agent, Computershare Trust Company of Canada, at 1 800 564-6253. To participate in the plan, the Bank's non-registered common and preferred shareholders must contact their financial institution or broker.

DIRECT DEPOSIT SERVICE

Shareholders of the Bank may, by advising the Transfer Agent in writing, have their dividends deposited directly into an account held at any financial institution member of the Canadian Payments Association.

Vous pouvez recevoir une version française de ce rapport annuel en faisant parvenir votre demande par écrit à :
Banque Laurentienne
1981, avenue McGill College,
20^e étage
Montréal (Québec) H3A 3K3

STOCK SYMBOL AND DIVIDEND RECORD AND PAYMENT DATES

THE COMMON AND PREFERRED SHARES INDICATED BELOW
ARE LISTED ON THE TORONTO STOCK EXCHANGE.

	CUSIP CODE/ STOCK SYMBOL	RECORD DATE*	DIVIDEND PAYMENT DATE*
Common shares	51925D 10 6 LB	First business day of: January April July October	February 1 May 1 August 1 November 1
Preferred shares			March 15
Series 11	51925D 84 1 LB.PR.F	**	June 15
Series 13	51925D 82 5 LB.PR.H	**	September 15 December 15

* Subject to the approval of the Board of Directors.

** On such day (which shall not be more than 30 days preceding the date fixed for payment of such dividend) as may be determined from time to time by the Board of Directors of the Bank.