

Investor Presentation

January 2021



**LAURENTIAN
BANK**
FINANCIAL GROUP

Caution Regarding Forward-Looking Statements

We may, from time to time, make written or oral forward-looking statements within the meaning of applicable securities legislation, including in this document and the documents incorporated by reference herein, and in other documents filed with Canadian regulatory authorities or in other written or oral communications. Forward-looking statements include, but are not limited to, statements regarding our business plans and strategies, priorities and financial objectives, the regulatory environment in which we operate, the anticipated impact of the coronavirus (“COVID-19”) pandemic on the Bank’s operations, earnings results and financial performance and statements under the headings “Outlook”, “COVID-19 Pandemic” and “Risk Appetite and Risk Management Framework” contained in our 2020 Annual Report, including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2020 and other statements that are not historical facts. Forward-looking statements typically are identified with words or phrases such as “believe”, “assume”, “estimate”, “forecast”, “outlook”, “project”, “vision”, “expect”, “foresee”, “anticipate”, “plan”, “goal”, “aim”, “target”, “may”, “should”, “could”, “would”, “will”, “intend” or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2020 Annual Report under the heading “Outlook”. There is significant risk that the predictions, forecasts, projections or conclusions will prove to be inaccurate, that our assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, projections or conclusions.

We caution readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond our control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the forward-looking statements and cause actual future results to differ significantly from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These factors include, but are not limited to risks relating to: the impacts of the COVID-19 pandemic on the Bank, our business, financial condition and prospects; technology, information systems and cybersecurity; technological disruption, competition and our ability to execute on our strategic objectives; the economic climate in the U.S. and Canada; accounting policies, estimates and developments; legal and regulatory compliance; fraud and criminal activity; human capital; insurance; business continuity; business infrastructure; environmental and social risk and climate change; and our ability to manage operational, regulatory, legal, strategic, reputational and model risks, all of which are described in more detail in the section titled “Risk Appetite and Risk Management Framework” beginning on page 43 of the 2020 Annual Report including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2020.

We further caution that the foregoing list of factors is not exhaustive. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation. Any forward-looking statements contained in this document represent the views of Management only as at the date hereof, are presented for the purposes of assisting investors and others in understanding certain key elements of the Bank’s current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank’s business and anticipated operating environment and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, whether oral or written, made by us or on our behalf whether as a result of new information, future events or otherwise, except to the extent required by securities regulations. Additional information relating to the Bank can be located on the SEDAR website at www.sedar.com.

Non-GAAP Measures

Management uses both generally accepted accounting principles (GAAP) and non-GAAP measures to assess the Bank’s performance. Results prepared in accordance with GAAP are referred to as “reported” results. Non-GAAP measures presented throughout this document are referred to as “adjusted” measures and exclude amounts designated as adjusting items. Adjusting items relate to restructuring plans and to business combinations and have been designated as such as management does not believe they are indicative of underlying business performance. Non-GAAP measures are considered useful to readers in obtaining a better understanding of how management analyzes the Bank’s results and in assessing underlying business performance and related trends. 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 issuers.



Laurentian Bank at a Glance – 2020 Highlights

- 7th largest Canadian bank²
- 175 years strong
- More than 2,900 employees
- Serving Personal, Commercial, and Capital Markets customers
- Operations in Canada and the United States

\$971.0

Revenue
(\$ millions)

\$114.1

Net Income
(\$ millions)

\$2.37

Diluted Earnings
per Share

\$44.2

Total Assets
(\$ billions)

\$138.2

Adjusted Net Income¹
(\$ millions)

\$2.93

Adjusted Diluted
Earnings per Share¹

\$33.2

Loans and Acceptances
(\$ billions)

4.4%

Return on Common
Shareholders' Equity

75.6%

Efficiency Ratio

\$23.9

Deposits
(\$ billions)

5.5%

Adjusted Return on
Common Shareholders'
Equity¹

72.3%

Adjusted Efficiency
Ratio¹

¹ Refer to the Non-GAAP and Key Performance Measures section in the 2020 Annual Report

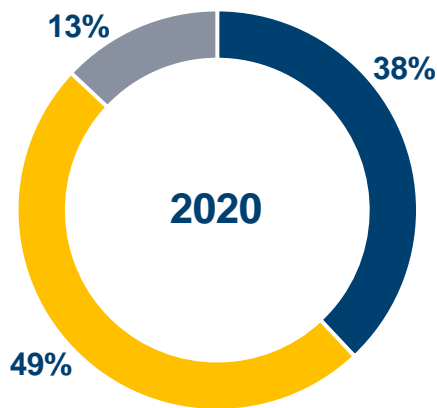
² Based on total assets among publicly listed banks on the TSX



Well Diversified Operations

Loan Portfolio Mix

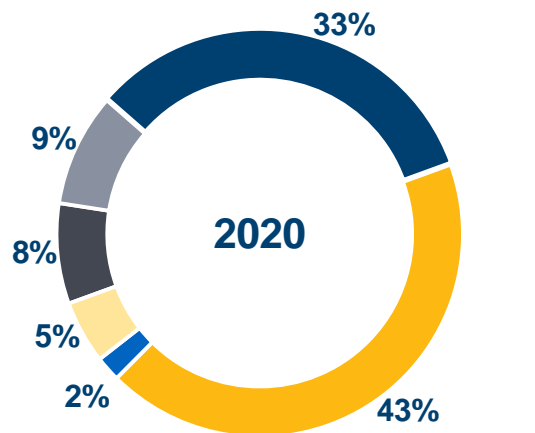
A good proportion of higher margin commercial loans in the Bank mix



- Commercial loans (including acceptances)
- Residential mortgage loans
- Personal loans

Geographic Footprint

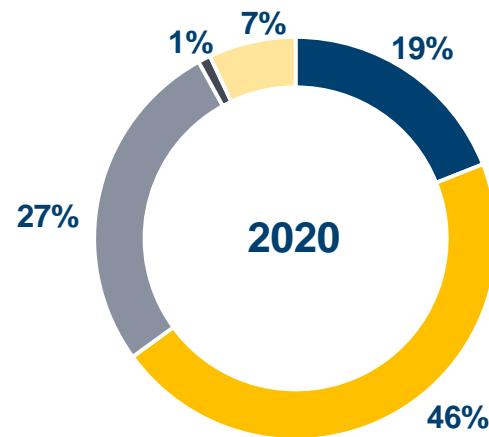
Loans across Canada and the United States



- British Columbia
- Alberta & Prairies
- Ontario
- Quebec
- Atlantic Provinces
- United States

Multiple Funding Sources

Well-diversified funding sources to support our growth



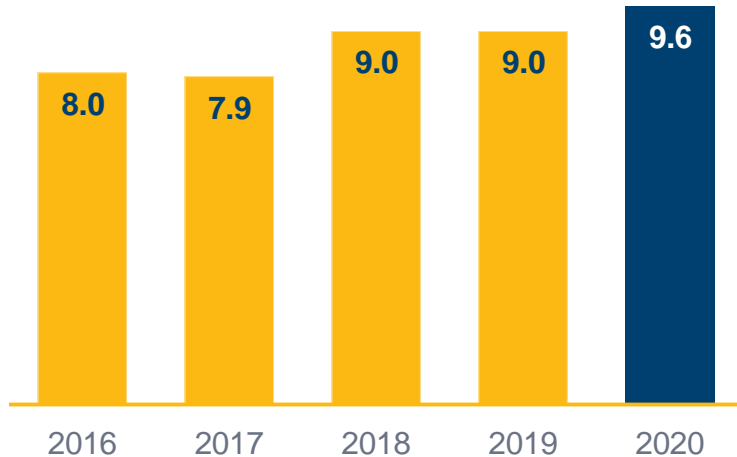
- Notice and demand deposits
- Term deposits
- Debt related to securitization activities
- Subordinated debt
- Shareholders' equity



Solid Financial Foundation

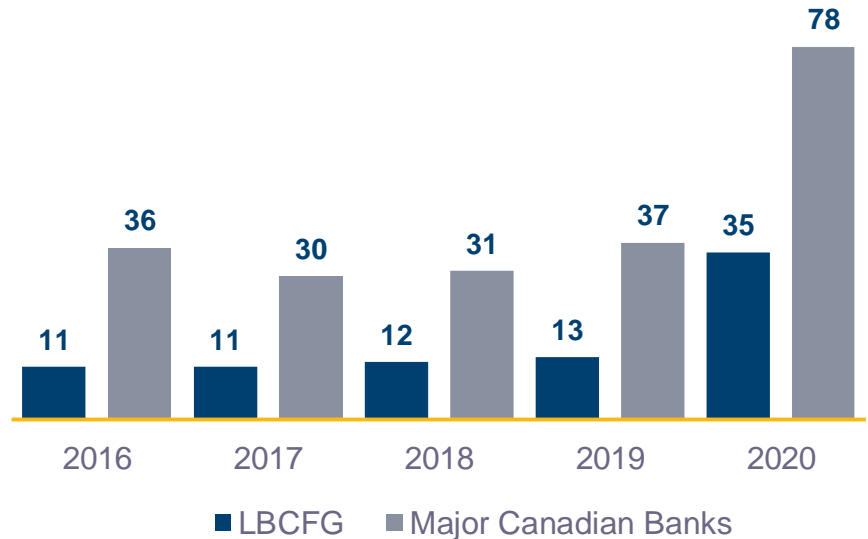
A healthy capital position

Common Equity Tier 1 capital ratio (in %)



Good track record of strong credit quality

Provision for credit losses (in bps)



Charting a New Path Forward

New leadership committed to building the right team, with a formal search underway for a **Head of Personal Banking** and **Chief Human Resources Officer**



RANIA LLEWELLYN
President and Chief
Executive Officer

Rania Llewellyn was appointed President and Chief Executive Officer and member of the Board of Directors on October 30th, 2020. She has more than 25 years of experience in the banking industry.



KELSEY GUNDERSON
EVP, Capital Markets

Kelsey Gunderson joined Laurentian Bank in 2019 as EVP, Capital Markets and President and CEO of Laurentian Bank Securities. With 25 years of experience, he has held senior management positions in major financial institutions and brokerage firms.



FRANÇOIS LAURIN
EVP, Finance,
Treasury and Chief
Financial Officer

François Laurin joined Laurentian Bank in 2015 as EVP and CFO. With more than 35 years of experience, he has held senior management positions within the financial, mining, telecommunications, and technology sectors.



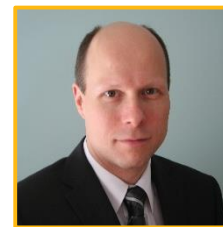
WILLIAM (LIAM) MASON
EVP and Chief
Risk Officer

William Mason joined Laurentian Bank in 2018 as EVP and CRO. He has more than 30 years of experience in the financial services industry.



ÉRIC PROVOST
EVP and Head
Commercial
Banking

Éric Provost joined Laurentian Bank in 2012. With more than 20 years of experience in Commercial Banking, he most recently served as SVP Commercial Banking prior to being appointed EVP and Head of Commercial Banking on January 1, 2021.



YVAN DESCHAMPS
SVP, Finance,
Accounting &
Corporate
Development

Yvan Deschamps joined Laurentian Bank in 2016. With 25 years of experience in finance and corporate development, he will assume the role of EVP and CFO on April 6, 2021.



Laurentian Bank's value proposition

Our core business lines

Commercial

Setting us apart:

- In-depth industry knowledge and expertise
- Deep and long-term client relationships
- Focus on specialization to achieve sustainable growth

In Canada:

- Real estate financing
- Equipment financing
- Inventory financing
- Commercial banking

In the U.S.:

- Inventory financing through Northpoint Commercial Finance

Personal

Setting us apart - a three-pronged approach to personal banking:

- **100% Advice** – helping clients with their banking and investment needs through our Quebec branch network
- **B2B Bank** – a leading provider of banking products and services to independent financial advisors and mortgage brokers across Canada
- **Digital** – offering a suite of digital products across Canada including High Interest Savings Accounts, GIC's and chequing accounts

Capital Markets

Setting us apart:

- Focused effort originating, selling and trading Canadian Fixed Income securities to Canadian clients
- Strong Debt Capital Markets capability targeting government relationships across federal, provincial, municipal and related issuers
- Suite of capital markets capabilities aligned with our Commercial Banking unit and its clients



Establishing a new strategic process and direction...

- 1 Conducting a **thorough review of the Bank's operations and assessing key projects**, including all previously announced transformation-related activities
- 2 Examining ways to **enhance our cost discipline** across the organization to improve our overall efficiency
- 3 Implementing a **re-organization of Commercial and Personal Banking** into two operating units

*"Looking forward, I expect 2021 to be a year of challenges and opportunities, both at a macro level with the current pandemic and within our Bank. It is a year in which we will be **resetting** our priorities, **refocusing** our efforts, and **renewing** the passion and pride of our employees to believe in, and serve as, One Bank to provide long-term sustainable value to our customers, our communities and our shareholders."*

Rania Llewellyn
President & CEO
Laurentian Bank



...working toward Renewal and Growth

- 1 Implementing a **'Customer First' culture**, by advocating for customer centricity, simplifying our end-to-end processes and truly owning the customer experience
- 2 Creating a **more agile organization with an innovative mindset** to foster faster decision-making and more nimble implementation of changes, without losing focus on our risk management culture
- 3 Engaging and empowering our employees to work collaboratively as **one team**, innovating through diversity, inclusion and a winning mindset

"I believe one of our competitive advantages as an organization is our size relative to the big banks. As a mid-sized financial institution, we have a unique opportunity to create an environment characterized by faster decision-making and more nimble implementation of changes to the benefit of our customers."

Rania Llewellyn
President & CEO
Laurentian Bank



Putting strategy into action

- ✓ Improved **operational efficiency** by
 - **Merging 20 branches** in 2020
 - **Reduced headcount** by approximately 100 people through attrition, retirement and targeted job reductions in order to realign our workforce with our operational needs
- ✓ Began **conducting a thorough review of the Bank's operations** and assessing key projects, including all the previously announced transformation-related activities
- ✓ Began examining ways to **enhance our cost discipline** across the organization
- ✓ Appointed **Eric Provost**, Senior Vice President, Commercial Banking, and President of LBC Capital, as **Executive Vice President of Commercial Banking**, effective January 1, 2021
- ✓ Designated **Yvan Deschamps**, Senior Vice President, Finance, Accounting and Corporate Development, as successor to Francois Laurin, **Executive Vice President and CFO** upon his retirement, effective April 6, 2021
- ✓ Launched a candidate search for a new **Head of Personal Banking** and **Chief Human Resources Officer**



Investment Highlights

1 Healthy capital

- CET 1 (standardized) at 9.6%, 260 bps above regulatory minimum requirement

2 Sound credit quality

- Payment deferrals declined significantly to less than 1% of total loans
- PCL in 2020 at 35 bps and continues to compare favourably to the Big 6 banks at 78 bps

3 Good liquidity

- High quality liquid assets total 22% of all assets

4 Preparing for growth

- Maintaining cost discipline while making strategic investments in areas that will enhance future performance



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