

INVESTOR PRESENTATION

First Quarter 2021

March 3, 2021



Caution Regarding Forward-Looking Statements

The Bank 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 business plans and strategies, priorities and financial objectives, the regulatory environment in which the Bank operates, 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 the Bank’s 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 the Bank’s assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, projections or conclusions.

The Bank cautions readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond its 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, its business, financial condition and prospects; technology, information systems and cybersecurity; technological disruption, competition and its ability to execute on its 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 its 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.

The Bank further cautions that the foregoing list of factors is not exhaustive. Additional risks and uncertainties not currently known to us or that the Bank currently deems to be immaterial may also have a material adverse effect on its 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. The Bank does not undertake to update any forward-looking statements, whether oral or written, made by the Bank or on its 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.



RANIA LLEWELLYN

President and Chief Executive Officer

Strategic Direction



LAURENTIAN
BANK
FINANCIAL GROUP

Q1/21 Financial Highlights

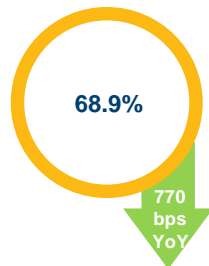
Adjusted Net Income⁽¹⁾



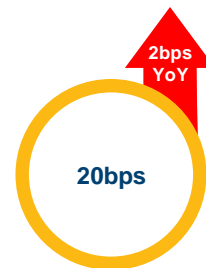
Adjusted Diluted EPS⁽¹⁾



Adjusted Efficiency Ratio⁽¹⁾



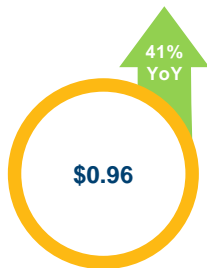
PCL⁽²⁾



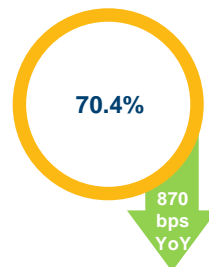
Net Income



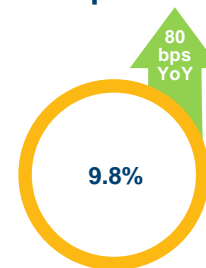
Diluted EPS



Efficiency Ratio



CET1 Capital Ratio



Strong performance in Capital Markets

Resumption of growth in Commercial Banking

Strong Cost Discipline with Positive Operating Leverage

Sound Credit Quality

Healthy Capital and Liquidity Positions



(1) Adjusted measures presented throughout this document are Non-GAAP measures and exclude amounts designated as adjusting items. Refer to the Adjusting Items appendix for further details.
(2) Provision for credit losses as a % of average loans and acceptances

Three Strategic Pillars



Cultivating a “**Customer First**” Culture



Driving an “**Agile and Innovative**” Mindset



Engaging and Empowering our employees
to work as “**One Team**”



FRANÇOIS LAURIN

Executive Vice President and Chief Financial Officer

Financial Review

Q1/21 Financial Performance

Reported (\$MM)	Q1/21	Y/Y	Q/Q
Total revenue	\$ 247.4	+4%	+2%
Provision for credit losses (PCL)	\$ 16.8	+13%	-31%
Non-interest expenses	\$ 174.1	-8%	-2%
PTPP income ⁽¹⁾	\$ 73.3	+48%	+12%
Net income	\$ 44.8	+39%	+22%
Diluted EPS	\$ 0.96	+41%	+22%
ROE	7.1%	+210 bps	+120 bps
Efficiency ratio	70.4%	-870 bps	-250 bps
CET1 capital ratio	9.8%	+80 bps	+20 bps
Adjusted (\$MM)	Q1/21	Y/Y	Q/Q
Non-interest expenses ⁽²⁾	\$ 170.4	-7%	-%
PTPP income ⁽¹⁾⁽²⁾	\$ 77.0	+38%	+5%
Net income ⁽²⁾	\$ 47.6	+29%	+12%
Diluted EPS ⁽²⁾	\$ 1.03	+30%	+13%
ROE ⁽²⁾	7.5%	+170 bps	+70 bps
Efficiency ratio	68.9%	-770 bps	-100 bps

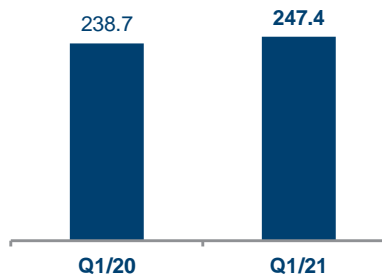
Y/Y Highlights

- Strong contribution from Capital Markets
- Higher net interest income mainly due to improved funding costs
- Increase in PCLs due to higher provisions from residential mortgages and higher allowances on impaired commercial loans
- Positive adjusted operating leverage

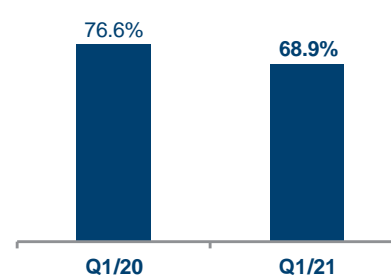
Q/Q Highlights

- Higher net interest income reflects an increase in utilization of secured funding
- Decrease in PCLs as lower loan losses on performing loans were partly offset by higher losses on impaired loans

Total Revenue (\$MM)



Adjusted Efficiency Ratio

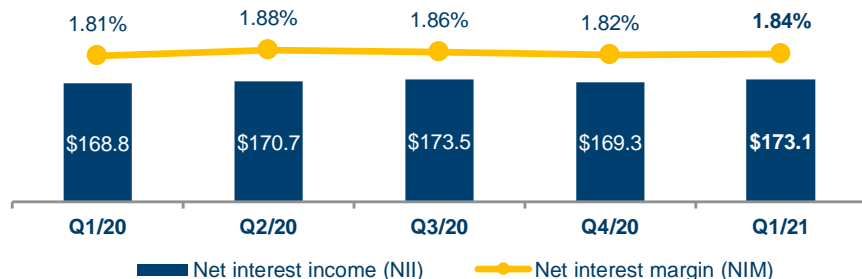


(1) Pre-tax pre provision (PTPP) income is total revenue net of non-interest expenses and a Non GAAP measure. Refer to the Note to Users appendix for further details.

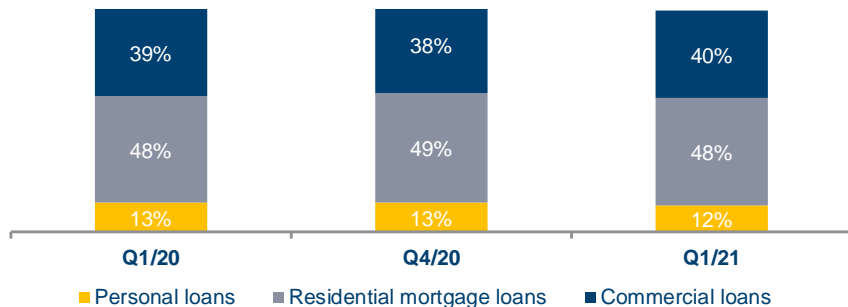
(2) Adjusted measures presented throughout this document are Non-GAAP measures and exclude amounts designated as adjusting items. Refer to the Adjusting Items and Note to User appendices for further details.

Net Interest Income

Net Interest Income and Margin (\$MM, %)



Loan Portfolio Mix



Key Assets (\$B)

	Q1/21	Y/Y	Q/Q
Liquid assets	\$ 10.5	+12%	+9%
Personal loans	\$ 4.0	-11%	-4%
Residential mortgage loans	\$ 16.1	+1%	-1%
Commercial loans	\$ 13.2	-%	+3%

Key Liabilities (\$B)

	Q1/21	Y/Y	Q/Q
Deposits - Personal & Business	\$ 20.9	-8%	-3%
Deposits - Wholesale	\$ 2.7	+6%	+11%
Debt related to securitization	\$ 10.6	+19%	+4%

Y/Y Highlights

- NII and NIM increased reflecting the impact of improved financing costs as well as higher prepayment penalties on residential mortgage loans

Q/Q Highlights

- NII and NIM increased mainly due to the impact of the evolution in the loan portfolio mix and the increase in utilization of secured funding



Other Income

(\$MM)	Q1/21	Y/Y	Q/Q
Lending fees	\$ 16.1	+5%	-5%
Fees and securities brokerage commissions	14.1	+33%	+12%
Commissions from sales of mutual funds	11.6	+6%	+4%
Service charges	7.2	-22%	-9%
Income from financial instruments	9.1	+89%	-%
Card service revenues	6.7	-22%	-%
Fees on investments accounts	3.8	-12%	-11%
Insurance income, net	2.7	-12%	-5%
Other	3.0	-3%	+8%
	\$ 74.3	+6%	-%

Y/Y Highlights

Other income increased by \$4.4MM

- An increase of \$7.8MM mainly from Capital Markets revenues was partly offset by decreases of \$2.1MM in service charges and \$1.9MM in card service revenues

Q/Q Highlights

Other income was essentially unchanged

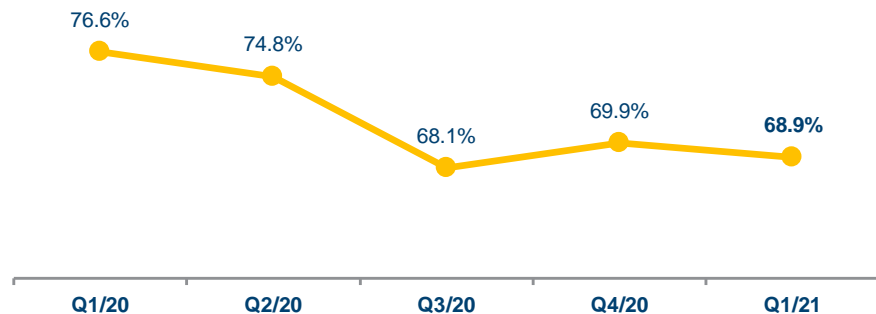
- An increase of \$1.5MM from Capital Markets revenues was mainly offset by lower lending fees and service charges



Adjusted Non-Interest Expenses (NIE)

Adjusted NIE (\$MM)	Q1/21	Y/Y	Q/Q
Salaries and employee benefits	\$ 95.4	-%	+7%
Premises and technology	48.5	-3%	-3%
Other	26.5	-30%	-16%
	\$ 170.4	-7%	-%

Adjusted Efficiency Ratio



Y/Y Highlights

- Adjusted non-interest expenses decreased by \$12.4MM
- Salaries and employee benefits were unchanged as higher performance-based compensation in capital markets was partly offset by lower salaries reflecting the headcount reduction
- Premises and technology costs decreased by \$1.3MM as a result of streamlining costs and a slowdown of the pace of IT projects
- Other expenses decreased by \$11.2MM mainly resulting from lower regulatory costs, advertising, business development and travel expenses
- 770 bps improvement in adjusted efficiency ratio

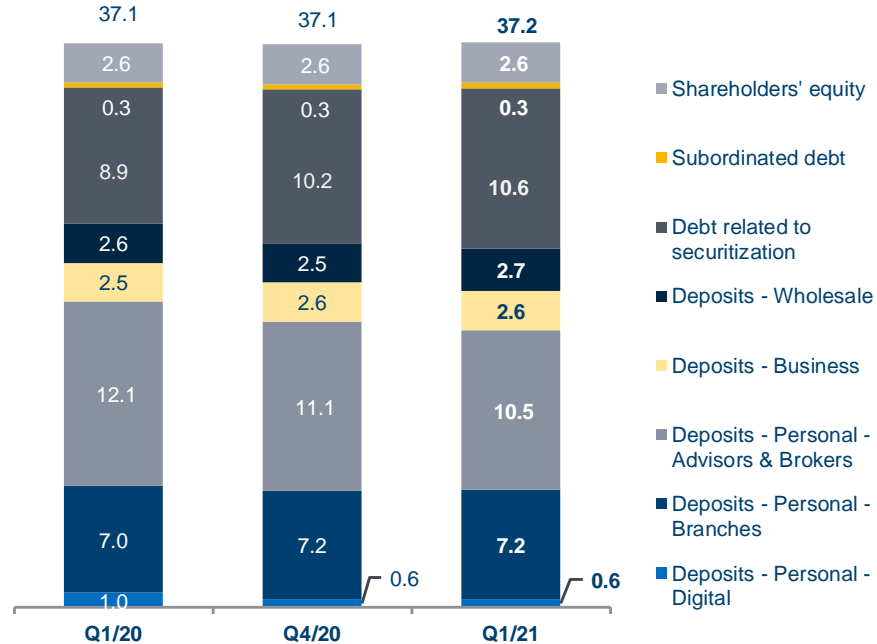
Q/Q Highlights

- Adjusted non-interest expenses were essentially unchanged
- Salaries and employee benefits increased by \$6.6MM as a result of seasonally higher share-based compensation and payroll taxes
- Technology and other expenses decreased by a combined \$6.5MM from efficiency measures and current economic conditions
- 100 bps improvement in adjusted efficiency ratio



Well Diversified and Stable Sources of Funding

Funding (\$B)



Y/Y Highlights

- An increase in debt related to securitization of \$1.7B was offset by a decrease in term deposits sourced from Advisors & Brokers of \$1.9B to optimize overall funding and align with loan volumes
- Personal branch notice and demand deposits increased by \$0.4B or 19%
- Personal deposits represent 77% of total deposits as at January 31, 2021 and contributed to the Bank's good liquidity position

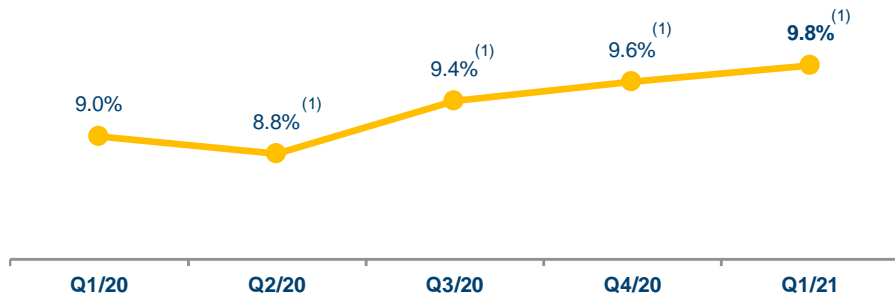
Q/Q Highlights

- An increase in debt related to securitization of \$0.4B was offset by a reduction in total deposits of \$0.3B to optimize overall funding and align with loan volumes

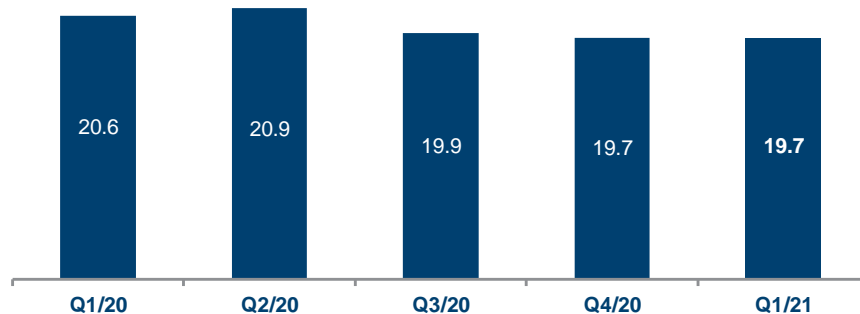


Strong Capital Position

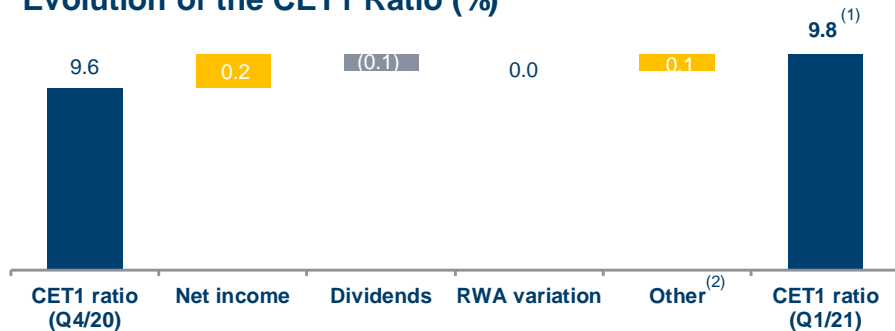
Common Equity Tier 1 Capital Ratio (CET1)



Risk-Weighted Assets (RWA) (\$B)



Evolution of the CET1 Ratio (%)



Y/Y Highlights

- CET1 ratio increased by 80 bps Y/Y
- The increase reflected internal capital generation and a reduction in risk-weighted assets

Q/Q Highlights

- CET1 ratio increased by 20 bps Q/Q
- The increase reflected strong internal capital generation

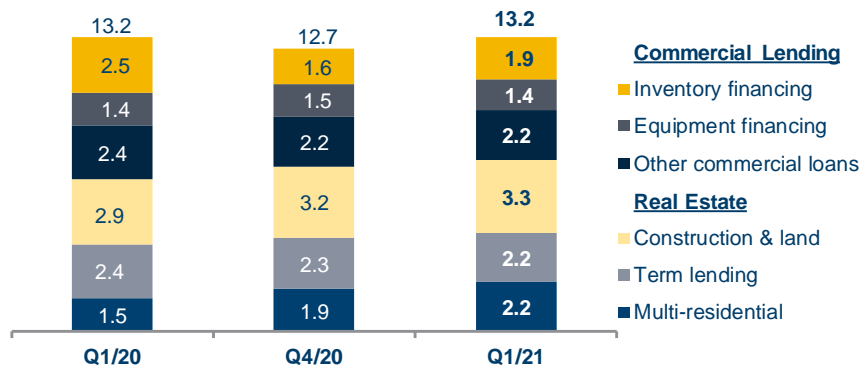


(1) Includes 0.1% resulting from the application of OSFI's transitional arrangements for the provisioning of expected credit losses

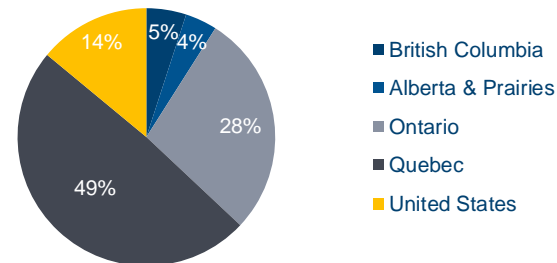
(2) Comprised of other variations in other comprehensive income, as well as deductions for software and other intangible assets, pension plan assets and other

Strong and Diversified Commercial Loan Portfolio

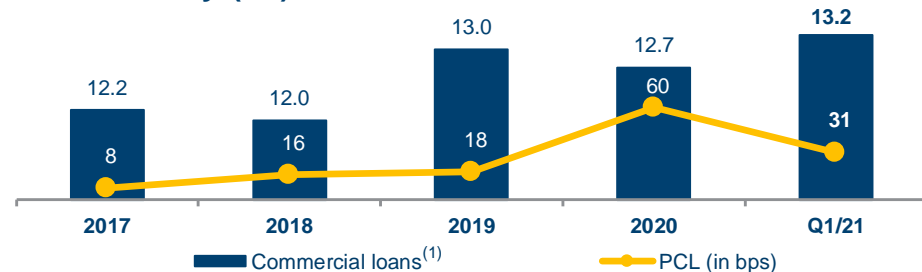
Commercial Loan Portfolio⁽¹⁾ (\$B)



A pan-Canadian Portfolio and a U.S. Presence⁽²⁾



Credit Quality (\$B)



Loan to Value (LTV) on Term Lending and Multi-residential Mortgage Portfolios

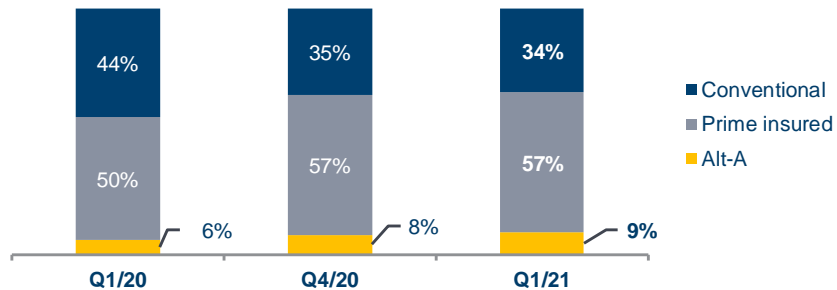
- LTV on term loan portfolio: 57%
- LTV on uninsured multi-residential mortgage portfolio: 53%



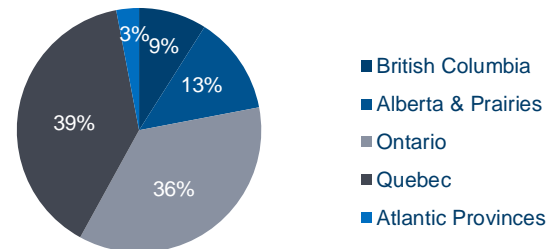
(1) Including customers' liabilities under acceptances. (2) As at January 31, 2021

High Quality Residential Mortgage Loan Portfolio

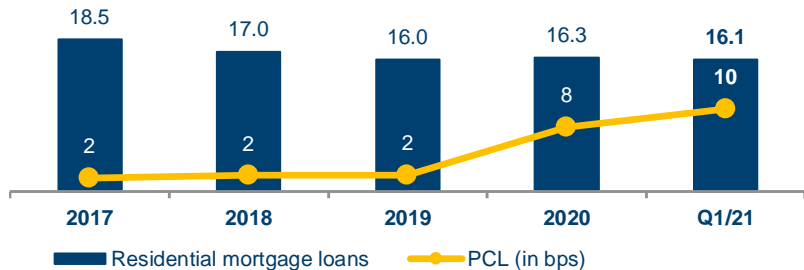
Insured vs Uninsured



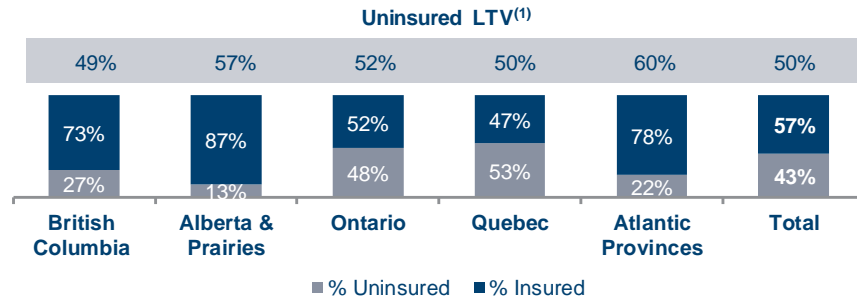
A Pan-Canadian Portfolio⁽²⁾



Credit Quality (\$B)



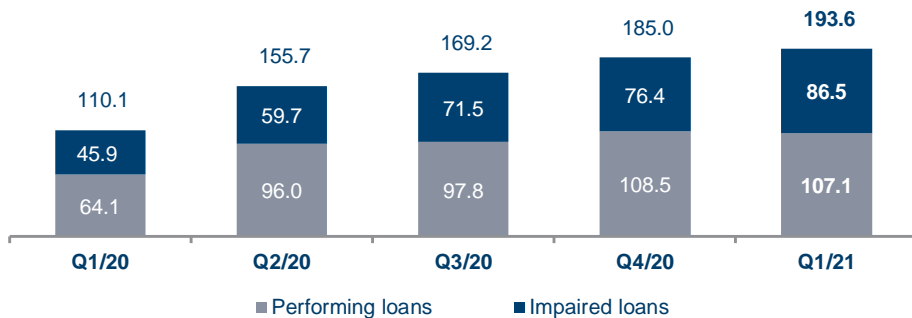
Insured, Uninsured & Loan to Value (LTV) by Province⁽²⁾



(1) Reflects current estimated value of collateral, including HELOCs. (2) As at January 31, 2021

Allowances for Credit Losses

Allowances for Credit Losses (ACL) (\$MM)



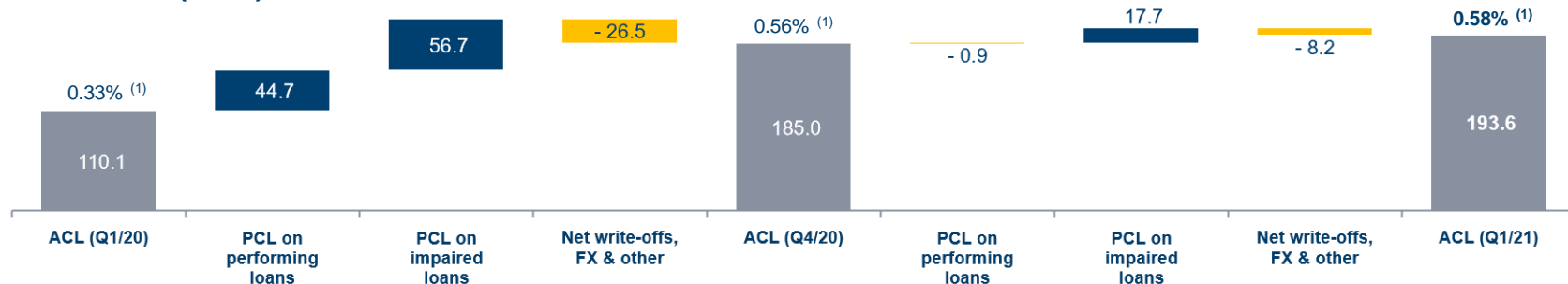
Y/Y Highlights

- ACL increased by \$83.5MM driven by severe economic conditions resulting from the global pandemic

Q/Q Highlights

- ACL increased by \$8.6MM due to the increase in allowances for impaired commercial loans

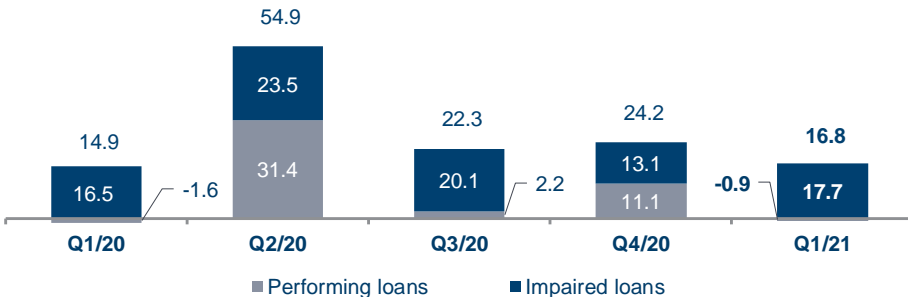
Movement in ACL (\$MM)



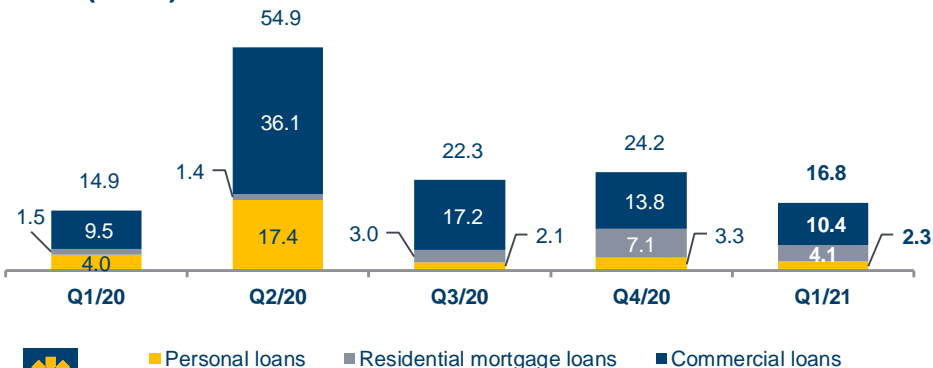
(1) ACL to loans and acceptances

Provision for Credit Losses

Provision for Credit Losses (PCL) (\$MM)



PCL (\$MM)



Maintaining a Prudent Approach to Provisioning

Y/Y Highlights

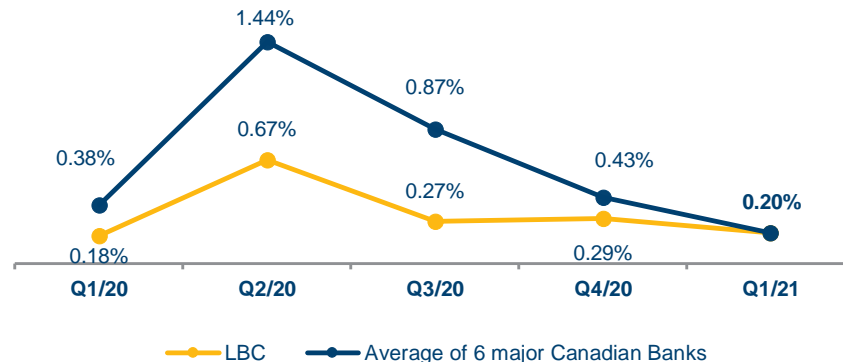
- PCL increased \$1.9MM, mainly driven by higher provisions from residential mortgages reflecting the end of the payment deferral program and an upward revision of the unemployment rate, as well as higher allowances on impaired commercial loans

Q/Q Highlights

- PCL decreased by \$7.4MM reflecting lower provisions on performing loans partly offset by higher allowances on impaired commercial loans

PCL

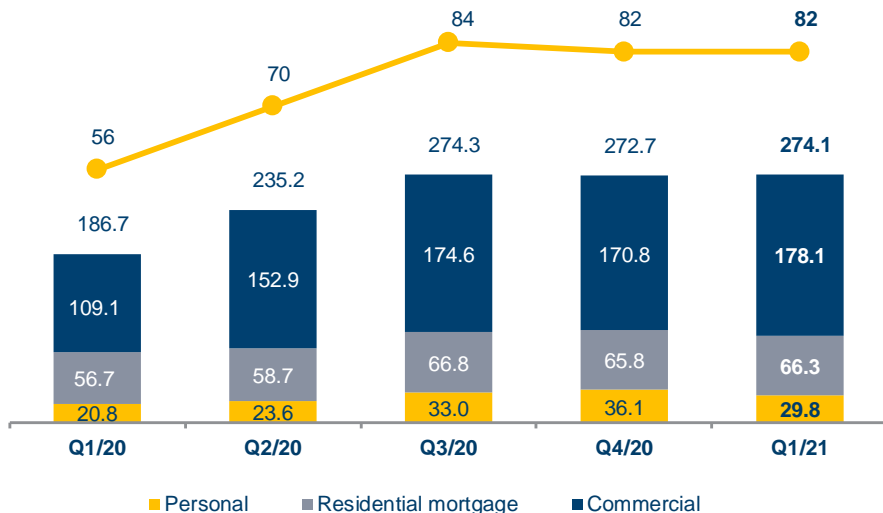
(As a % of average loans and acceptances)



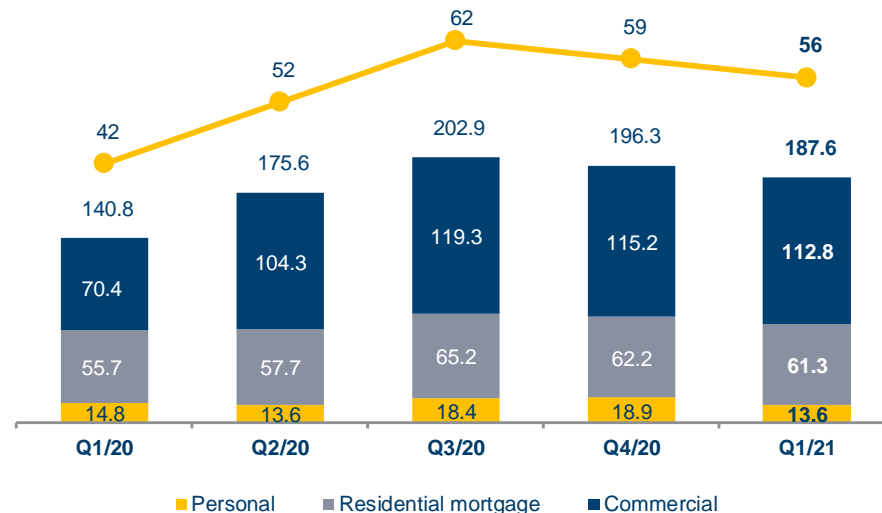
■ Personal loans
 ■ Residential mortgage loans
 ■ Commercial loans

Impaired Loans

Gross Impaired Loans (\$MM, bps)



Net Impaired Loans (\$MM, bps)



Y/Y Highlights

- Gross impaired loans increased by \$87.4MM driven by severe economic conditions resulting from the global pandemic
- Net impaired loans stood at \$187.6MM, an increase of \$46.8MM

Q/Q Highlights

- Gross impaired loans increased by \$1.4MM
- Net impaired loans stood at \$187.6MM, a decrease of \$8.7MM



Key Takeaways

1 Healthy capital and liquidity positions

- CET 1 ratio (standardized) at 9.8%, representing about \$300MM of excess capital
- Liquid assets total 23% of all assets

2 Sound credit quality

- PCL to loan ratio stood at 20 bps
- High quality commercial portfolio: disciplined underwriting, good diversification, strong collateral
- High quality residential mortgage portfolio: low LTVs, high proportion of insured mortgages

3 Preparing for growth and improving profitability

- Renewing our senior leadership team
- Maintaining cost discipline while identifying structural cost optimization opportunities
- Advancing our comprehensive strategic review to chart a new path forward





Appendices



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FINANCIAL GROUP

Adjusting Items

	Q1/21			Q4/20			Q1/20		
	Pre-Tax Effect (\$MM)	After-Tax Effect (\$MM)	EPS Effect (\$/Share)	Pre-Tax Effect (\$MM)	After-Tax Effect (\$MM)	EPS Effect (\$/Share)	Pre-Tax Effect (\$MM)	After-Tax Effect (\$MM)	EPS Effect (\$/Share)
Severance charges	\$ 0.3	\$ 0.2	\$ -	\$ 2.3	\$ 1.7	\$ 0.04	\$ 2.8	\$ 2.1	\$ 0.05
Other restructuring charges	0.4	0.3	0.01	1.9	1.4	0.03	(0.1)	(0.1)	-
Restructuring charges	0.6	0.5	0.01	4.2	3.1	0.07	2.7	2.0	0.05
Items related to business combinations	3.1	2.3	0.05	3.3	2.4	0.06	3.6	2.7	0.06
Adjustment to Net income attributable to common shareholders and EPS ⁽¹⁾	\$ 3.7	\$ 2.8	\$ 0.06	\$ 7.4	\$ 5.5	\$ 0.13	\$ 6.4	\$ 4.7	\$ 0.11



(1) The impact of adjusting items may not add due to rounding.

Payment Deferrals

Significant decrease in loan payment deferrals during the quarter to 0.1% of the loan portfolio

- Payment deferrals on personal loans are less than \$1MM
- Payment deferrals on residential mortgage loans decreased by 91% during the quarter and stood at \$18MM or 0.1% of the loan portfolio
- Payment deferrals on commercial loans decreased by 61% during the quarter and stood at \$7MM or 0.1% of the loan portfolio

(\$MM)	As at October 31, 2020		During the quarter		As at January 31, 2021	
	Loan Value	As a % of loan portfolio	New relief	Expired	Loan Value	As a % of loan portfolio
Personal loans	\$ 1	—%	\$ —	\$ 1	\$ —	—%
Residential mortgage loans	200	1.2%	—	182	18	0.1%
Commercial loans ⁽¹⁾	19	0.2%	—	12	7	0.1%
Total	\$ 220	0.7%	\$ —	\$ 195	\$ 25	0.1%



(1) Including customers' liabilities under acceptances

Note to Users

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, except for Pre-tax pre-provision income which is a non-GAAP measure. 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.

Additional information about Non-GAAP measures can be found under the Non-GAAP measures section on page 5 of our Q1/21 Report to Shareholders.

All amounts are in Canadian dollars.

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