

INVESTOR PRESENTATION

Third Quarter 2021

September 1, 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 (including market, credit, funding and liquidity); technology, information systems and cybersecurity; technological disruption, competition and the Bank’s 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 under applicable securities regulation. 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

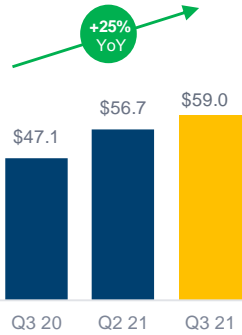


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Q3/21 Financial Highlights

- Strong performance in Real Estate Financing
- Capital Markets second highest quarter on record
- Low Provision for Credit Losses including releases of allowances
- Strong cost discipline
- Healthy capital and liquidity positions

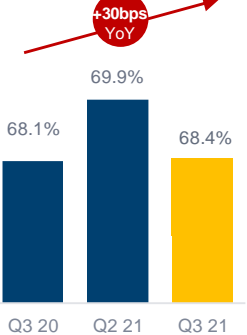
Adjusted Net Income (\$MM)⁽¹⁾



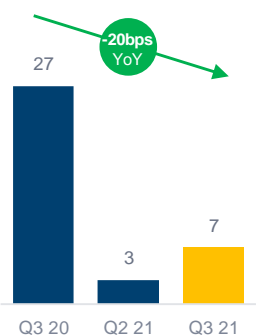
Adjusted Diluted EPS⁽¹⁾



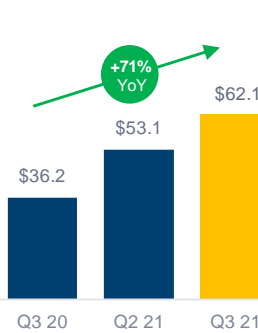
Adjusted Efficiency Ratio⁽¹⁾



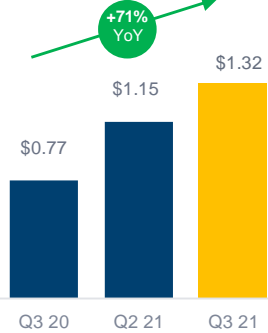
PCL (bps)⁽²⁾



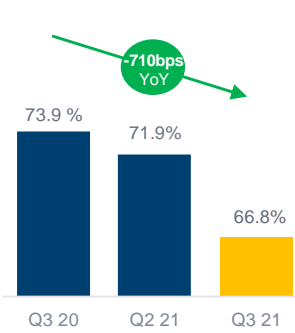
Net Income (\$MM)



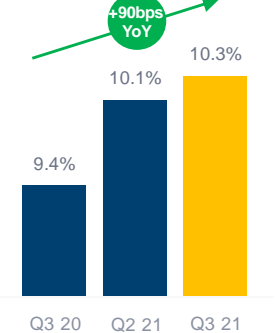
Diluted EPS



Efficiency Ratio



CET1 Capital Ratio

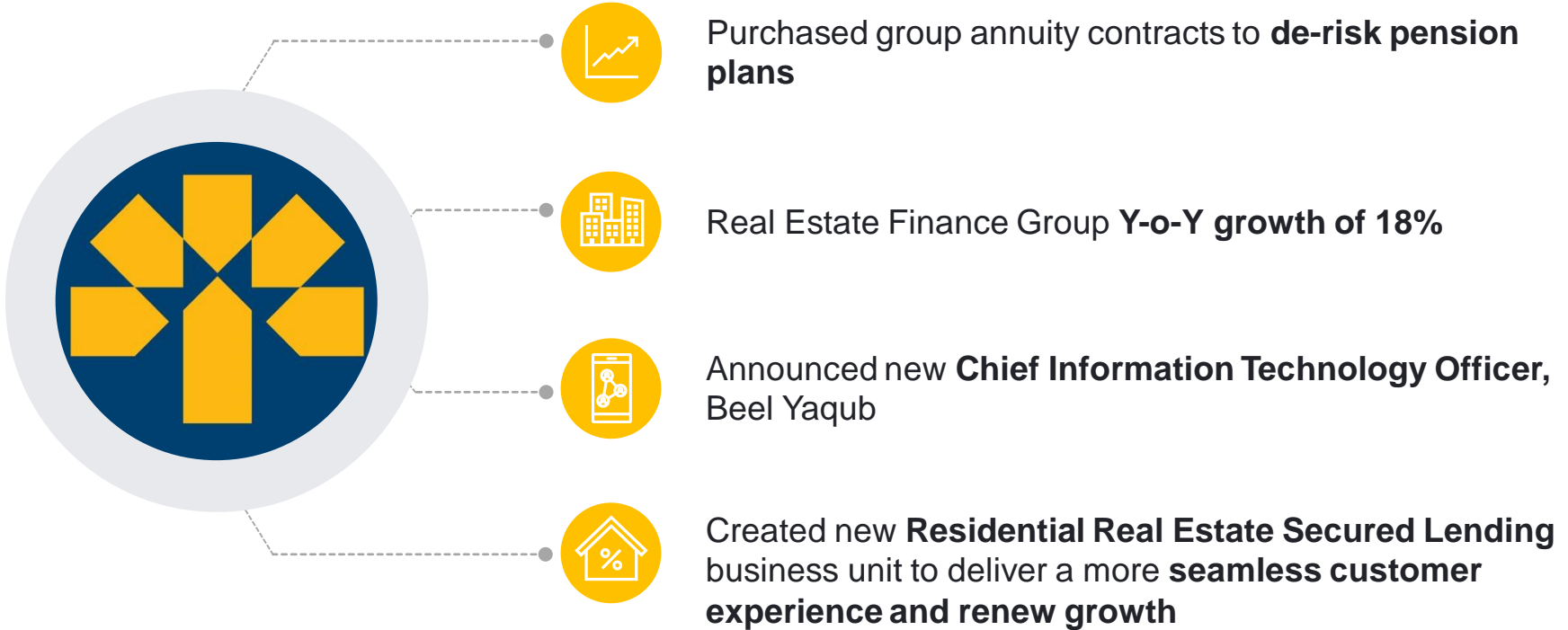


(1) Adjusted measures presented throughout this document are Non-GAAP measures and exclude amounts designated as adjusting items. Refer to the Adjusting Items appendix for further details.

(2) Provision for credit losses as a % of average loans and acceptances.



Q3 Key Developments



Three Strategic Pillars



Cultivating a
“**Customer
First**” Culture



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



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



2021 Priorities



Renew the **senior leadership team** and **organizational structure**



Increase our efforts on **cost discipline** while pivoting to structural cost containment opportunities



Conduct a thorough review of all of Laurentian Bank's operations and **develop a new strategic plan**

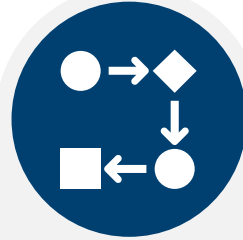


Mortgage Business



People

New Residential Real Estate Secured Lending business unit to deliver a more **seamless customer experience and renew growth**



Process

Implementation of “DocuSign”, a digital tool for **ease, convenience and collection of customer signatures**



Technology

Integration of Automated Valuation Management system **to improve turnaround times and lower costs** on appraisals



YVAN DESCHAMPS

Executive Vice President and Chief Financial Officer

Financial Review



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Q3/21 Financial Performance

Reported (\$MM)

	Q3/21	Y/Y	Q/Q
Total revenue	\$ 254.9	+3%	+2%
Provision for credit losses (PCL)	\$ 5.4	-76%	+125%
Non-interest expenses	\$ 170.3	-7%	-5%
PTPP income ⁽¹⁾	\$ 84.6	+31%	+21%
Net income	\$ 62.1	+71%	+17%
Diluted EPS	\$ 1.32	+71%	+15%
ROE	9.4%	+360 bps	+80 bps
Efficiency ratio	66.8%	-710 bps	-510 bps
CET1 capital ratio	10.3%	+90 bps	+20 bps

Adjusted (\$MM)

	Q3/21	Y/Y	Q/Q
Non-interest expenses ⁽²⁾	\$ 174.4	+3%	-%
PTPP income ⁽¹⁾⁽²⁾	\$ 80.5	+1%	+7%
Net income ⁽²⁾	\$ 59.0	+25%	+4%
Diluted EPS ⁽²⁾	\$ 1.25	+23%	+2%
ROE ⁽²⁾	8.9%	+120 bps	-30 bps
Efficiency ratio ⁽²⁾	68.4%	+30 bps	-150 bps

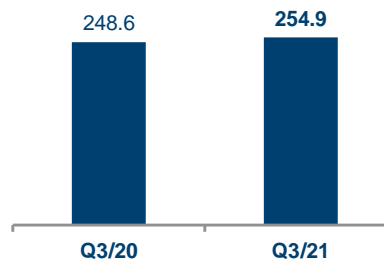
Y/Y Highlights

- Revenue growth mainly due to increased lending fees and financial market related revenues
- Materially lower PCLs as Q3/20 was impacted by the pandemic
- Continuing focus on cost discipline with higher adjusted non-interest expenses driven by higher performance-based compensation

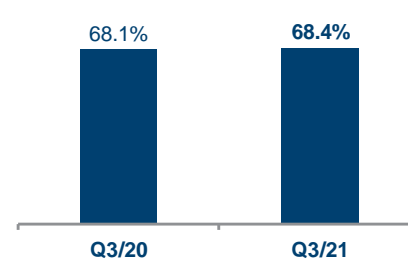
Q/Q Highlights

- Higher revenues driven by higher lending fees
- Higher PCLs due to lower releases of allowances on performing loans partly offset by lower provisions on impaired loans

Total Revenue (\$MM)



Adjusted Efficiency Ratio⁽²⁾



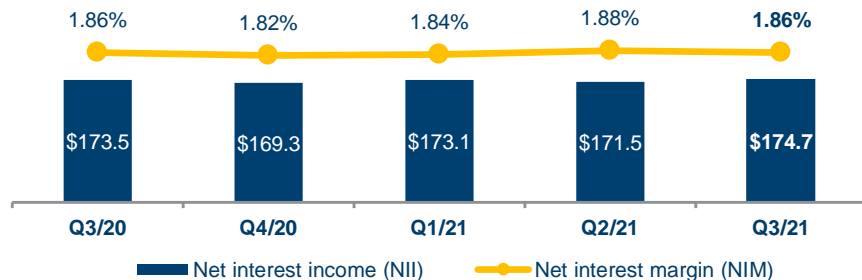
(1) Pre-tax pre provision (PTPP) income is total revenue net of non-interest expenses and a Non-GAAP measure. Refer to the Note to Users appendix for further details.

(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 appendix for further details.

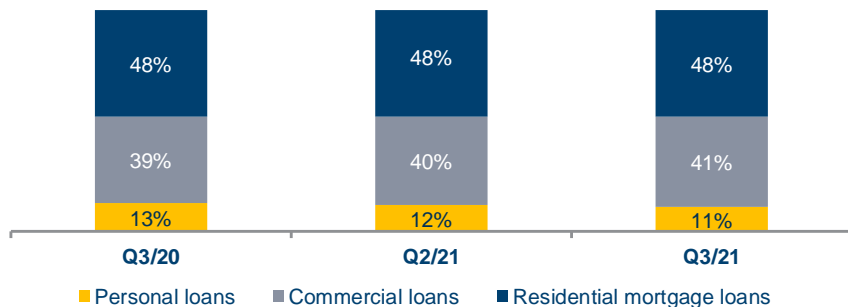


Net Interest Income

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



Loan Portfolio Mix



Key Assets (\$B)

	Q3/21	Y/Y	Q/Q
Liquid assets	\$ 10.5	+7%	+6%
Personal loans	\$ 3.8	-11%	-3%
Residential mortgage loans	\$ 15.7	-1%	-1%
Commercial loans ⁽¹⁾	\$ 13.5	+6%	+2%

Key Liabilities (\$B)

	Q3/21	Y/Y	Q/Q
Deposits - Personal & Business	\$ 20.7	-6%	-1%
Deposits - Wholesale	\$ 2.5	-3%	+17%
Debt related to securitization	\$ 10.8	+15%	-1%

Y/Y Highlights

- NII increased due to improved funding costs, driven by greater utilization of secured funding, and partly offset by lower average loan volumes
- NIM remained stable

Q/Q Highlights

- NII increased mainly due to the number of days
- NIM decreased mainly as a result of the business mix



(1) Including customers' liabilities under acceptances

Other Income

(\$MM)	Q3/21	Y/Y	Q/Q
Lending fees	\$ 18.7	+20%	+10%
Fees and securities brokerage commissions	16.1	+28%	-6%
Commissions from sales of mutual funds	12.5	+17%	+6%
Service charges	7.9	-1%	-1%
Income from financial instruments	8.4	-35%	+29%
Card service revenues	6.5	-%	-2%
Fees on investment accounts	3.9	+17%	-15%
Insurance income, net	2.6	-19%	-13%
Other	3.6	+54%	-2%
	\$ 80.2	+7%	+2%

Y/Y Highlights

Other income increased by \$5.1MM, mainly from:

- An increase of \$3.1MM in lending fees driven by an improvement in economic activity
- An increase of \$1.9MM in commissions from sales of mutual funds

Q/Q Highlights

Other income increased by \$1.9MM, mainly from:

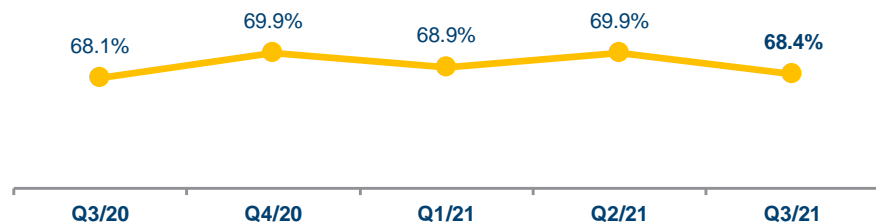
- An increase of \$1.7MM in lending fees stemming from the strong performance in real estate lending



Adjusted Non-Interest Expenses (NIE)

Adjusted NIE (\$MM) ⁽¹⁾	Q3/21	Y/Y	Q/Q
Salaries and employee benefits	\$ 96.9	+5%	-1%
Premises and technology	49.2	-2%	-1%
Other	28.2	+6%	+3%
	\$ 174.4	+3%	-%

Adjusted Efficiency Ratio



Y/Y Highlights

Adjusted non-interest expenses increased by \$5.2MM, mainly from:

- Salaries and employee benefits increased by \$4.5MM on an adjusted basis as a result of higher performance-based compensation
- Adjusted efficiency ratio increased by 30 bps

Q/Q Highlights

- Adjusted non-interest expenses remained in line with last quarter
- Adjusted efficiency ratio improved by 150 bps.

Net gain on the settlement of pension plans

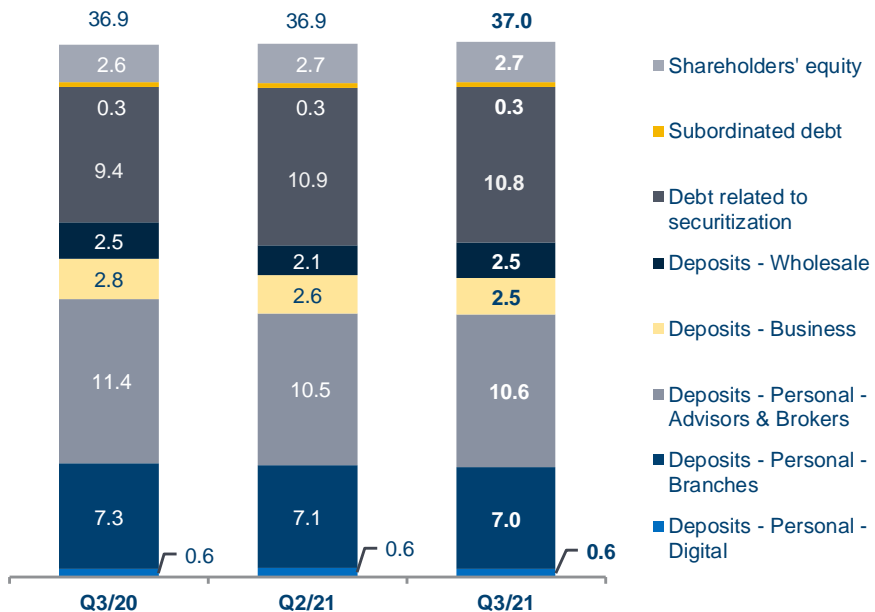
- Net gain of \$7.1MM (\$5.2 MM after tax) related to the purchases of annuities, included in the reported results (adjusting items)



(1) 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 appendix for further details.

Well Diversified and Stable Sources of Funding

Funding (\$B)



Y/Y Highlights

- An increase in debt related to securitization of \$1.4B was offset by a decrease in term deposits sourced from Advisors & Brokers to optimize funding sources and align deposits with loan volumes
- Personal branch notice and demand deposits increased by \$0.2B or 7%
- Personal deposits represent 79% of total deposits as of July 31, 2021, and contributed to the Bank's good liquidity position

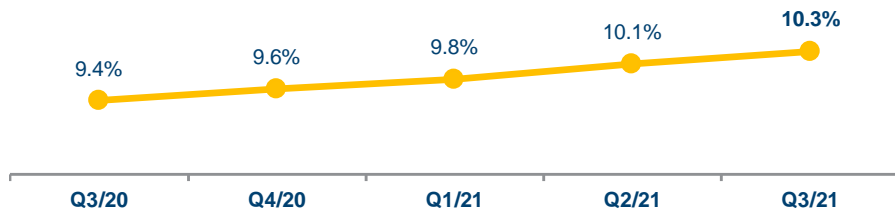
Q/Q Highlights

- Continued strengthening, diversifying and optimizing funding sources:
 - Issued \$250MM of Covered Bonds as part of a \$2B program
 - Redeemed \$125MM Preferred Shares Series 15, funded by the issuance of \$125MM of more cost-efficient Limited Recourse Capital Notes

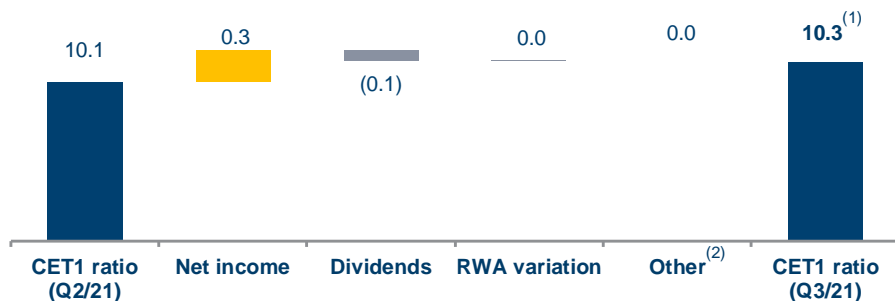


Strong Capital Position

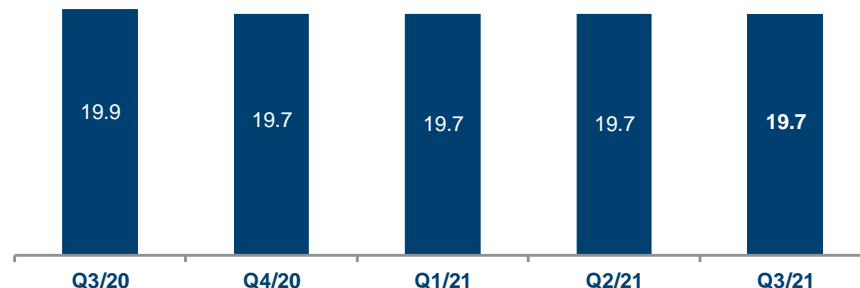
Common Equity Tier 1 Capital Ratio (CET1)⁽¹⁾



Evolution of the CET1 Ratio (%)



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



Y/Y Highlights

- CET1 ratio increased by 90 bps Y/Y
- The increase reflected internal capital generation and slightly lower risk-weighted assets

Q/Q Highlights

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

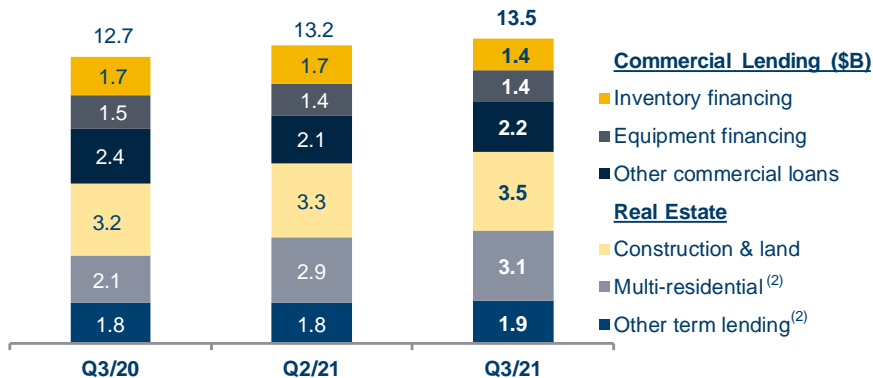


(1) Includes a non meaningful impact resulting from the application of OSFI's transitional arrangements for the provisioning of expected credit losses

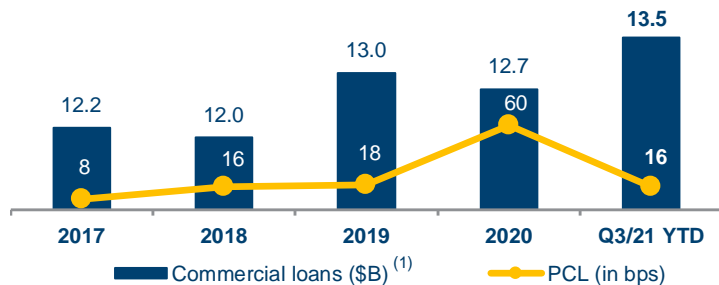
(2) Comprised of other variations in other comprehensive income, as well as deductions for software and other intangible assets, pension plan assets and other

Strong and Diversified Commercial Loan Portfolio

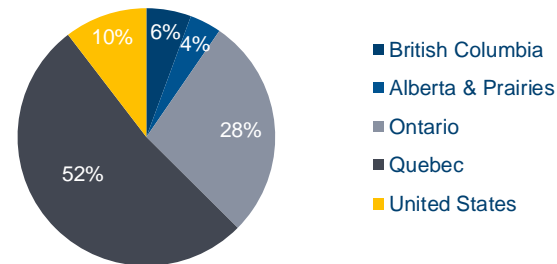
Commercial Loan Portfolio⁽¹⁾



Credit Quality



A pan-Canadian Portfolio and a U.S. Presence⁽³⁾



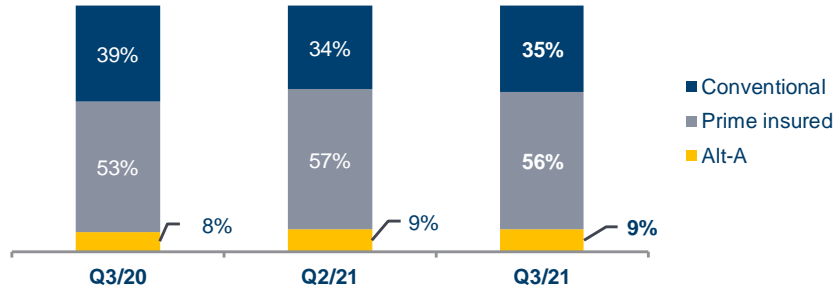
Loan to Value (LTV) on Term Lending and Multi-residential Mortgage Portfolios

- LTV on term loan portfolio: 57%
- LTV on uninsured multi-residential mortgage portfolio: 55%

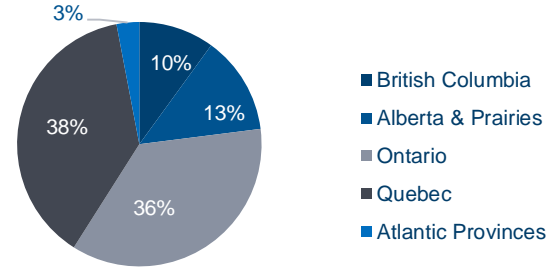
(1) Including customers' liabilities under acceptances.
 (2) Comparative figures have been reclassified to conform to the current quarter presentation.
 (3) As at July 31, 2021

High Quality Residential Mortgage Loan Portfolio

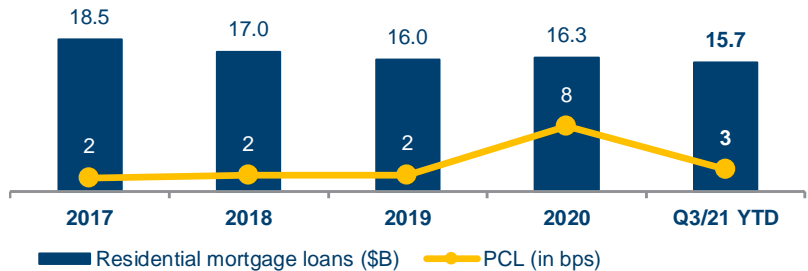
Insured vs Uninsured



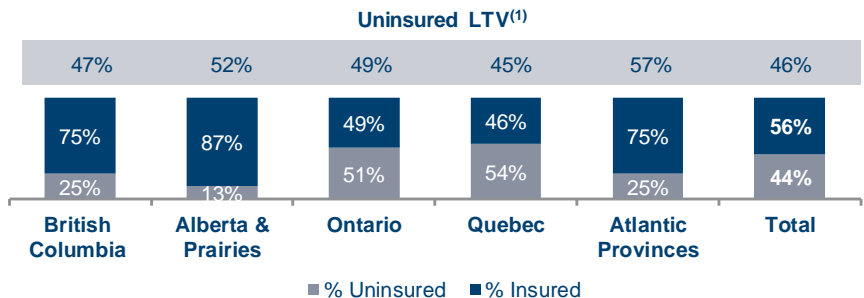
A Pan-Canadian Portfolio⁽²⁾




Credit Quality



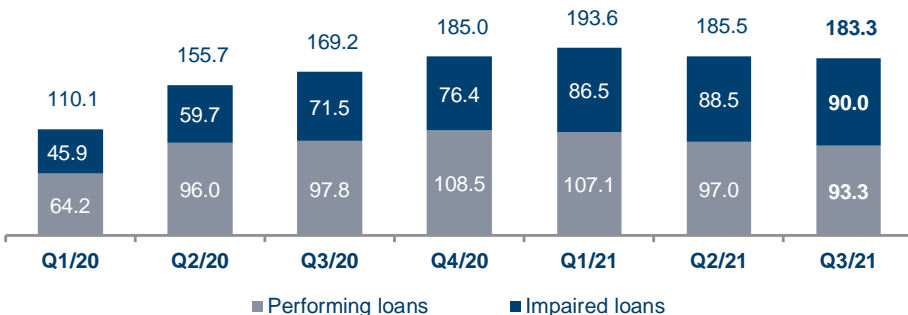
Insured, Uninsured & Loan to Value (LTV) by Province⁽²⁾



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

Allowances for Credit Losses

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



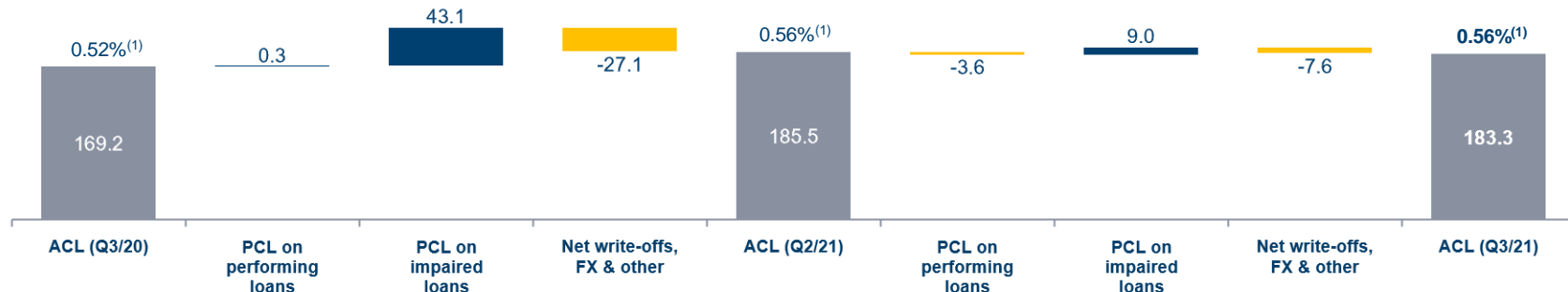
Y/Y Highlights

- ACL increased by \$14.1MM mainly related to an increase in the impaired commercial loan portfolio

Q/Q Highlights

- ACL decreased by \$2.2MM mostly due to releases of allowances on performing loans as a result of an improving economic outlook

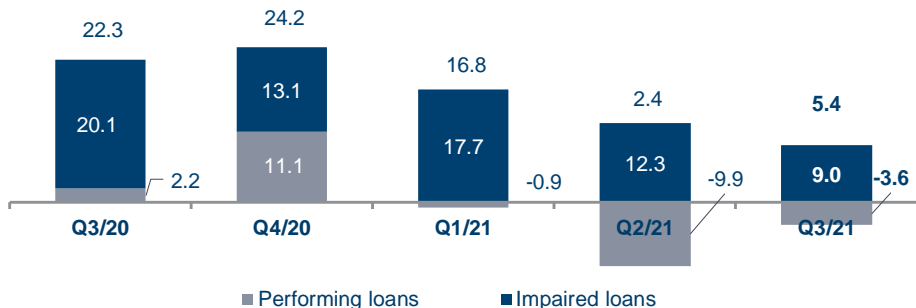
Movement in ACL (\$MM)



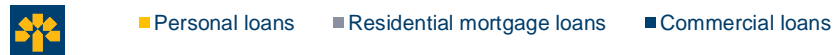
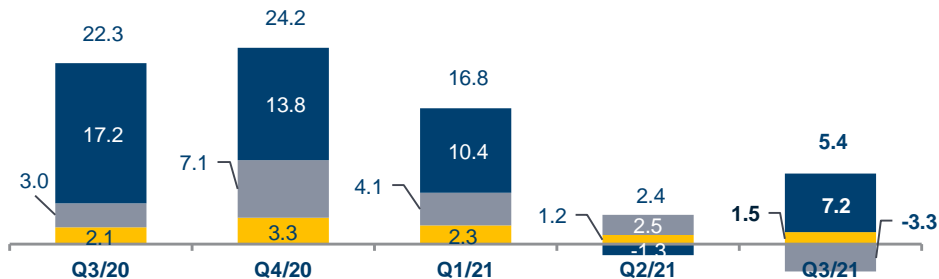
(1) ACL to loans and acceptances

Provision for Credit Losses

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



PCL (\$MM)



Maintaining a Prudent Approach to Provisioning

Y/Y Highlights

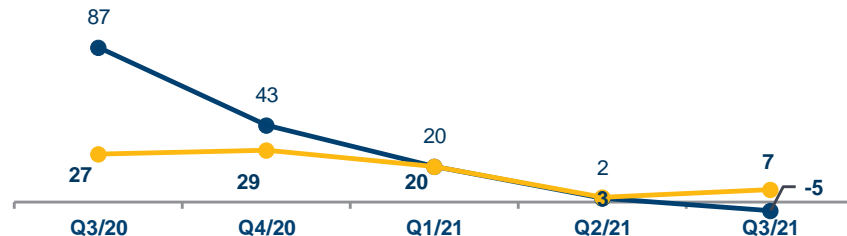
- PCL decreased by \$16.9MM as a result of the lower provisions on impaired loans due to the prior year impact of the pandemic and releases of allowances on performing loans of \$3.6MM

Q/Q Highlights

- PCL increased by \$3.0MM due to lower releases of allowances on performing loans partly offset by lower provisions on impaired loans

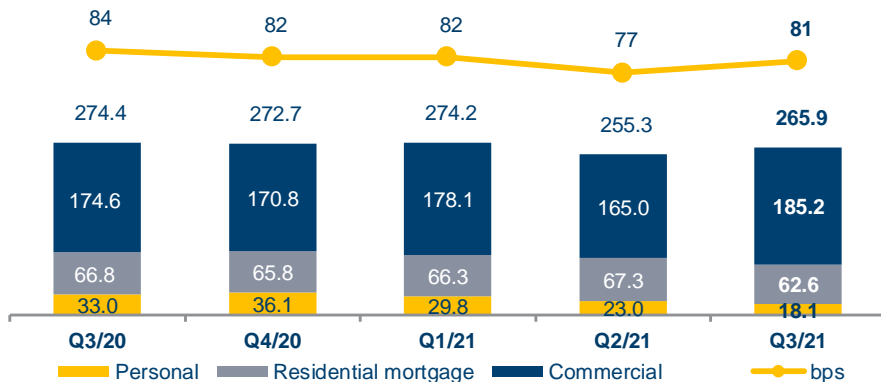
PCL

(As a % of average loans and acceptances, in basis points)

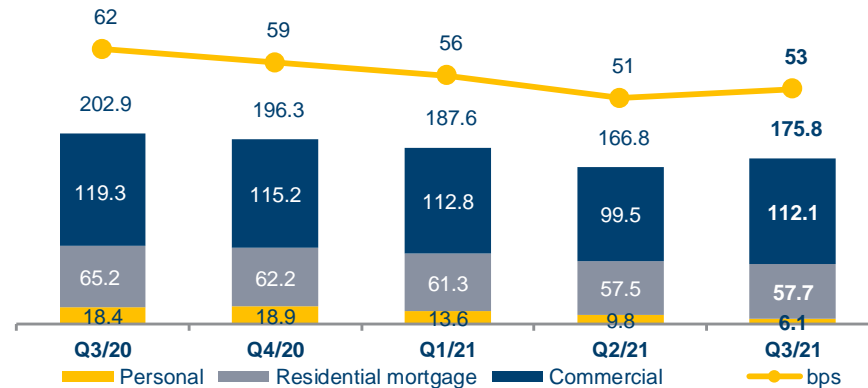


Impaired Loans

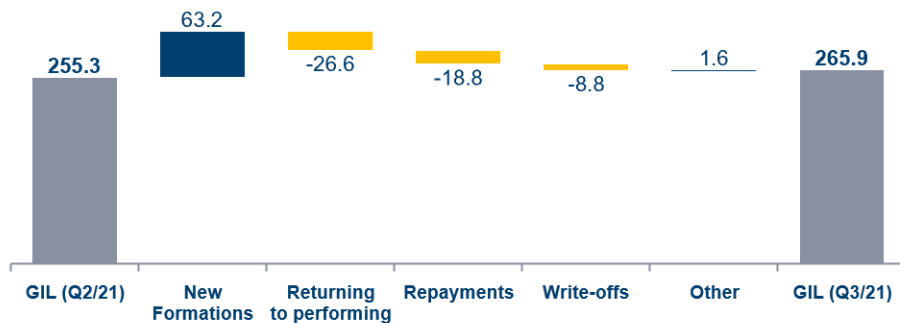
Gross Impaired Loans (\$MM, bps)



Net Impaired Loans (\$MM, bps)



GIL Net Formation (\$MM)



Y/Y Highlights

- Gross impaired loans decreased by \$8.5MM, mainly due to a decrease in personal impaired loans
- Net impaired loans decreased by \$27.1MM

Q/Q Highlights

- Gross impaired loans increased by \$10.6MM, mainly due to an increase in commercial impaired loans
- Net impaired loans increased by \$9.0MM



Key Takeaways

1 Momentum built in first half of 2021 continued into Q3

- Strong performance in Real Estate Financing, second highest quarter on record for Capital Markets, and low provision for credit losses
- Healthy liquidity levels and strong capital position with CET1 at 10.3%, up 20 bps Q/Q and 90 bps Y/Y
- Well diversified and stable sources of funding

2 Maintaining focus on cost discipline

- While pivoting to cost optimization, opportunities identified to manage expenses
- Improved adjusted efficiency ratio by 150 basis points quarter-over-quarter
- Kept the efficiency ratio below 70%

3 Advancing our strategic review to chart a new path forward

- Created a new RESL unit to improve the customer experience and renew growth
- Identified areas of focus to enhance the digital experience for our customers, including closing foundational gaps such as mobile app and tap-enabled debit cards for all customers
- Launching climate risk assessment to better understand our impact on the environment and areas of opportunity





Appendices



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Adjusting Items

	Q3/21			Q2/21			Q3/20		
	Pre-Tax Effect (\$MM)	Net Income After-Tax Effect (\$MM)	EPS Effect (\$/Share)	Pre-Tax Effect (\$MM)	Net Income After-Tax Effect (\$MM)	EPS Effect (\$/Share)	Pre-Tax Effect (\$MM)	Net Income After-Tax Effect (\$MM)	EPS Effect (\$/Share)
Net gain on the settlement of pension plans resulting from annuity purchases ⁽¹⁾	\$ -7.1	\$ -5.2	\$ -0.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restructuring charges ⁽²⁾	-	-	-	1.9	1.4	0.03	11.1	8.1	0.19
Items related to business combinations	2.9	2.2	0.05	3.0	2.3	0.05	3.6	2.7	0.06
Impact of adjusting items ⁽³⁾	\$ -4.2	\$ -3.0	\$ -0.07	\$ 4.9	\$ 3.6	\$ 0.08	\$ 14.7	\$ 10.9	\$ 0.25

(1) The net gain on the settlement of pension plans resulting from annuity purchases is related to the purchase of group annuity contracts de-risking the Bank's pension plans (or buy-out) and is included in the Non-interest expenses line item. Refer to the Business Highlights section of the MD&A for further details about this transaction.

(2) In the second quarter of 2021, restructuring charges mainly consisted of charges associated with the resolution of the union grievances and unfair labour practice complaints, including complaints relating to the revocation of the union certification, as well as charges associated with the continued optimization of the Quebec branch network. In the first quarter of 2021, restructuring charges were attributed to the optimization of the Quebec branch network and the related streamlining of certain back-office and corporate functions. In 2020, restructuring charges related mainly to the reorganization of retail brokerage activities and other measures aimed at improving efficiency. Restructuring charges are included in Non-interest expenses and include severance charges, salaries, legal fees, communication expenses, professional fees and charges related to lease contracts.

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



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 the settlement of pension plans, restructuring charges and 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 Q3/21 Report to Shareholders.

All amounts are in Canadian dollars.

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