



Laurentian Bank

December 2023

Forward-Looking Statements and Non-GAAP Financial Measures

Caution Regarding Forward-Looking Statements

From time to time, Laurentian Bank of Canada and, as applicable its subsidiaries (collectively referred to as the "Bank") may make written or oral forward-looking statements. These forward-looking statements are made in accordance with the "safe harbor" provisions and are intended to be forward-looking statements in accordance with applicable Canadian and U.S. securities legislation. Forward-looking statements include, but are not limited to, statements regarding the Bank's vision, strategic goals, business plans and strategies, priorities and financial performance objectives; the economic and market review and outlook for Canadian, U.S., European, and global economies; the regulatory environment in which the Bank operates; the risk environment, including, credit risk, liquidity, and funding risks; the statements under the headings "Outlook" and "Risk Appetite and Risk Management Framework" contained in the 2022 Annual Report for the year ended October 31, 2022 (the "2022 Annual Report"), including the Management's Discussion and Analysis for the fiscal year ended October 31, 2022; and other statements that are not historical facts. The forward-looking statements contained in, or incorporated by reference in, this document are used to assist readers 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 are identified with words or phrases such as "believe", "assume", "estimate", "forecast", "outlook", "project", "vision", "expect", "foresee", "anticipate", "intend", "plan", "goal", "aim", "target", and expressions of future or conditional verbs such as "may", "should", "could", "would", "will", "intend" or the negative of any of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, which give rise to the possibility that the Bank's predictions, forecasts, projections, expectations, or conclusions may prove to be inaccurate; that the Bank's assumptions may be incorrect (in whole or in part); and that the Bank's financial performance objectives, visions, and strategic goals may not be achieved. Forward-looking statements should not be read as guarantees of future performance or results, or indications of whether or not actual results will be achieved. Material economic assumptions underlying such forward-looking statements are set out in the 2022 Annual Report under the heading "Outlook", which assumptions are incorporated by reference herein.

The Bank cautions readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond the Bank's control and the effects of which can be difficult to predict or measure, could influence, individually or collectively, the accuracy of the forward-looking statements and cause the Bank's 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: credit; market; liquidity and funding; insurance; operational; regulatory compliance (which could lead to the Bank being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties, and fines); strategic; reputation; legal and regulatory environment; competitive and systemic risks; supply chain disruptions; geopolitical events and uncertainties; government sanctions; conflict, war, or terrorism; and other significant risks discussed in the risk-related portions of the Bank's 2022 Annual Report, such as those related to: Canadian and global economic conditions (including the risk of higher inflation and rising interest rates); geopolitical issues; Canadian housing and household indebtedness; technology, information systems and cybersecurity; technological disruption, privacy, data and third-party related risks; competition and the Bank's ability to execute on its strategic objectives; the economic climate in the U.S. and Canada; digital disruption and innovation (including, emerging fintech competitors); Interbank offered rate (IBOR) transition; changes in currency and interest rates; accounting policies, estimates and developments; legal and regulatory compliance and changes; changes in government fiscal, monetary and other policies; tax risk and transparency; modernization of Canadian payment systems; fraud and criminal activity; human capital; insurance; business continuity; business infrastructure; emergence of widespread health emergencies or public health crises; environmental and social risks; including climate change; and the Bank's ability to manage, measure or model operational, regulatory, legal, strategic or reputational risks, all of which are described in more detail in the section titled "Risk Appetite and Risk Management Framework" of the 2022 Annual Report, including the Management's Discussion and Analysis for the fiscal year ended October 31, 2022, which information is incorporated by reference herein. The Bank further cautions that the foregoing list of factors is not exhaustive. When relying on the Bank's forward-looking statements to make decisions involving the Bank, investors and others should carefully consider the foregoing factors, uncertainties, and current or potential events.

Any forward-looking statements contained herein or incorporated by reference represent the views of management of the Bank only as at the date such statements were or are made, are presented for the purposes of assisting investors, financial analysts, and others in understanding certain key elements of the Bank's financial position, current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank's business and anticipated financial performance and operating environment and may not be appropriate for other purposes. The Bank does not undertake any obligation to update any forward-looking statements 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 applicable securities regulations and laws. Additional information relating to the Bank can be located on SEDAR at www.sedar.com.

Non-GAAP and Other Financial Measures

In addition to financial measures based on generally accepted accounting principles (GAAP), management uses non-GAAP financial measures to assess the Bank's underlying ongoing business performance. Non-GAAP financial measures presented throughout this document are referred to as "adjusted" measures and exclude amounts designated as adjusting items. Adjusting items include the amortization of acquisition-related intangible assets, and certain items of significance that arise from time to time which management believes are not reflective of underlying business performance. Non-GAAP financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Bank and might not be comparable to similar financial measures disclosed by other issuers. The Bank believes non-GAAP financial measures are useful to readers in obtaining a better understanding of how management assesses the Bank's performance and in analyzing trends.

Non-GAAP ratios are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Bank to which the non-GAAP ratios relate and might not be comparable to similar financial measures disclosed by other issuers. Ratios are considered non-GAAP ratios if adjusted measures are used as components, refer to the non-GAAP financial measure section above. The Bank believes non-GAAP ratios are useful to readers in obtaining a better understanding of how management assesses the Bank's performance and in analyzing trends.

Management also uses supplementary financial measures to analyze the Bank's results and in assessing underlying business performance and related trends.

For more information, refer to the Non-GAAP financial and other measures section beginning on page 5 of the Third Quarter 2023 Report to Shareholders, including the Management's Discussion and Analysis (MD&A) as at and for the period ending July 31, 2023, which pages are incorporated by reference herein. The MD&A is available on SEDAR at www.sedar.com.



Who is Laurentian Bank?

Who We Are | Franchise Snapshot

Geographic Network

Quebec	Rest of Canada	United States
Personal Banking <ul style="list-style-type: none">➤ 57 Retail Branches⁽¹⁾➤ Wealth Management➤ Advisor & Broker Network (B2B) Commercial Banking Capital Markets	Personal Banking <ul style="list-style-type: none">➤ Advisor & Broker Network (B2B) Commercial Banking Capital Markets	Commercial Banking <ul style="list-style-type: none">➤ Inventory Financing➤ Equipment Financing⁽²⁾

Key Stats

\$49.9B in balance sheet assets	\$26.0B in deposits
\$1B+ annual revenue ⁽¹⁾	\$25.8B in assets under administration
~3,000 employees	177+ years strong, founded in 1846

Business Segments

Commercial Bank

Specialized approach and leading customer service drive our growth engine across U.S. and Canada network

Capital Markets

Focused and aligned offering serves corporate, institutional and commercial clients

Personal Bank

Retail banking network with a digital-first approach, repositioned for growth; and a national advisor and broker network through B2B Bank

Who We Are | Renewed Senior Leadership Team



ÉRIC PROVOST

President & CEO



SÉBASTIEN BÉLAÏR

EVP, Chief Operating Officer



BINDU CUDJOE

EVP, Chief Legal Officer, Chief
Equity & Diversity Officer, and
Corporate Secretary



YVAN DESCHAMPS

EVP, Chief Financial Officer



KELSEY GUNDERSON

EVP, Capital Markets



THIERRY LANGEVIN

EVP, Commercial Banking



WILLIAM MASON

EVP, Chief Risk Officer

Who We Are | FY2023 Highlights

Culture

- Hosted Employee Days to inform and equip team members on the **many dimensions of their work-life experience**
- Rolled out new and improved **career and development tools** to enhance the employee experience and their **career pathing**
- **Increased employee engagement** rate by 3 percentage points to **80%**, reaching our **3-year engagement target**

Commercial Banking

- Collaborated with “**Quebec Net Positif**”, helping Quebec-based businesses **get ready to thrive in a low carbon and sustainable economy**
- Supported Quebec school bus operators by **participating in financing zero-emission buses**
- Maintained **Net Promoter Scores (NPS)** of above 50, including **excellent ratings** in real estate and equipment financing, and a **world-class rating** in inventory financing

Capital Markets

- **Increased syndicate share positions** with several key clients
- Signed the Women in Capital Markets Parental Leave Pledge **ensuring leave policies and practices are more inclusive for all parents**
- Participated in **100% of green and social bond issuances** with core clients

Personal Banking

- Launched a “**Virtual First Pilot**” in Personal Banking to explore **serving customers where and how they want**
- **Launched a digital onboarding solution**, and acquired new customers, 66% of which are “new to Bank” and 40% of which are from outside Quebec
- Realized **significant improvements to our NPS in Personal Banking**, including in Private Banking, branches and Loyalty Team

Who We Are | FY2023 Results

Adjusted Net Income⁽¹⁾	\$208.3MM
Reported Net Income	\$181.1MM
Adjusted EPS⁽²⁾	\$4.52
Reported EPS	\$3.89
Adjusted Efficiency Ratio⁽²⁾	69.9%
Reported Efficiency Ratio ⁽³⁾	73.5%
Adjusted PTPP Income⁽¹⁾	\$309.0MM
Reported PTPP Income ⁽¹⁾	\$272.0MM
Adjusted ROE⁽²⁾	7.7%
Reported ROE ⁽²⁾	6.6%
CET1 Capital Ratio⁽⁴⁾	9.9%
Net Interest Margin⁽³⁾	1.79%

Highlights

- ✓ **Higher interest income** from commercial loan portfolio
- ✓ **Solid liquidity** position
- ✓ **Strong CET1 capital ratio**
- ✓ **Prudent and disciplined** approach to credit

Who We Are | Q4/23 Results

Adjusted Net Income ⁽¹⁾	\$44.7MM
Reported Net Income	\$30.6MM
Adjusted EPS ⁽²⁾	\$1.00
Reported EPS	\$0.67
Adjusted Efficiency Ratio ⁽²⁾	72.0%
Reported Efficiency Ratio ⁽³⁾	79.7%
Adjusted PTPP Income ⁽¹⁾	\$69.3MM
Reported PTPP Income ⁽¹⁾	\$50.2MM
Adjusted ROE ⁽²⁾	6.6%
Reported ROE ⁽²⁾	4.5%
CET1 Capital Ratio ⁽⁴⁾	9.9%
Net Interest Margin ⁽³⁾	1.76%

Highlights

- ✓ **Results impacted** by September 2023 mainframe outage and restructuring charges
- ✓ **Maintained solid liquidity**
- ✓ **Strong CET1 capital ratio**
- ✓ **Prudent and disciplined** approach to credit

Who We Are | Moving Forward

Moving forward, the Bank will be focused on three priorities:



Customer Focus

Offer world-class service and sound financial advice while building an end-to-end view of the customer experience and putting them at the centre of all our actions.



Simplification

Simplify our organizational structure while streamlining products to focus on areas where we can win.



Technology

Focus on run-the-bank investments in technology that improves our systems, generates additional revenue, or saves costs.

Why Invest in Laurentian Bank?

Why Invest? | Our Unique Value Proposition

Laurentian Bank has a unique value proposition that sets us apart from the competition. We are:



Specialized

Shifting our leadership vision to being specialized with expertise in key markets



Human

Making a difference in our customers' and employees' lives and financial wellbeing with a more human approach to banking



Partnerships

Leveraging our size to partner with others to offer our customers new products and services faster



Resourceful

Developing creative, resourceful, and nimble solutions for the Bank and for our customers

Why Invest? | Our Foundation



Why Invest? | Strong Capital Position

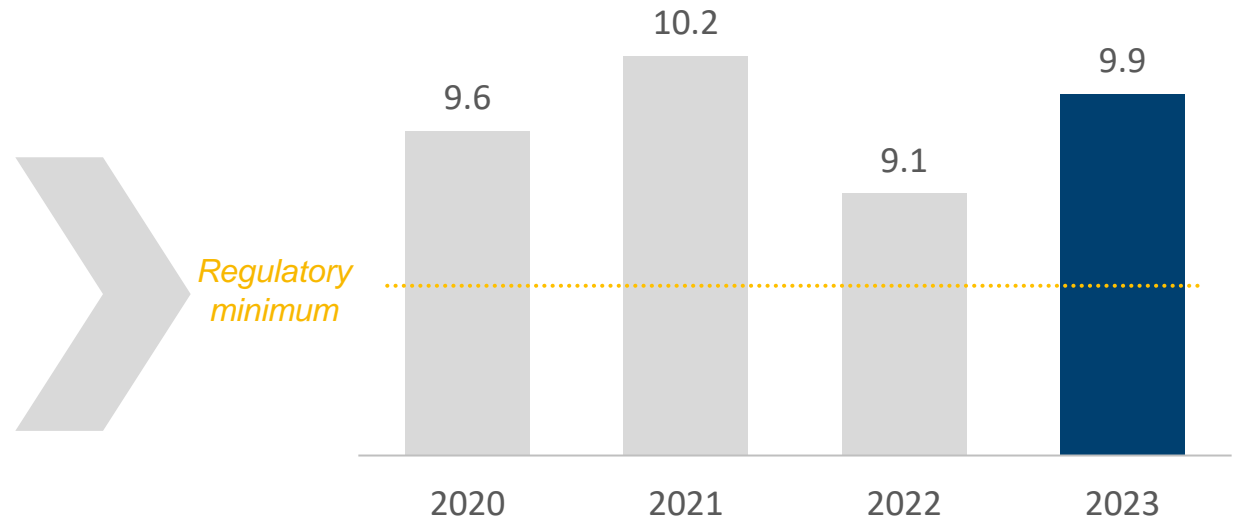
Capital Management Fundamentals

- ✓ CET1 operating range at ~10.0%
- ✓ Internal capital generation sustains loan growth

Shareholder Value Creation

- ✓ Dividend payout ratio policy of 40-50%

A healthy capital position¹ Common Equity Tier 1 capital ratio² (in %)



¹ On a standardized basis versus AIRB

² In accordance with OSFI's "Capital Adequacy Requirements" guidelines.

Why Invest? | Optimizing Funding Structure and Costs

Optimizing Our Funding

- ✓ Prudent liquidity position
- ✓ Issuance of cost-efficient, long-term debt
- ✓ Launched digital account onboarding to enhance deposit gathering

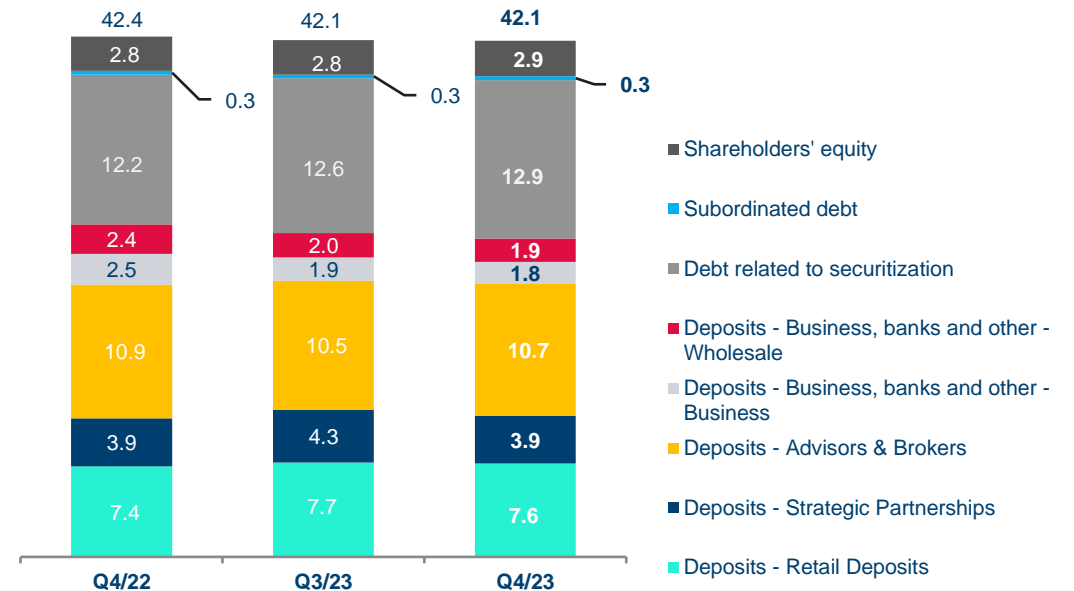
Path Forward:

- Add new cash management capabilities to drive deposits
- Initiate USD institutional funding

Multiple Funding Sources

Well-diversified funding sources to support our growth

Funding⁽¹⁾ (\$B)



Why Invest? | Solid Record of Credit Quality

Prudent Approach to Risk Management

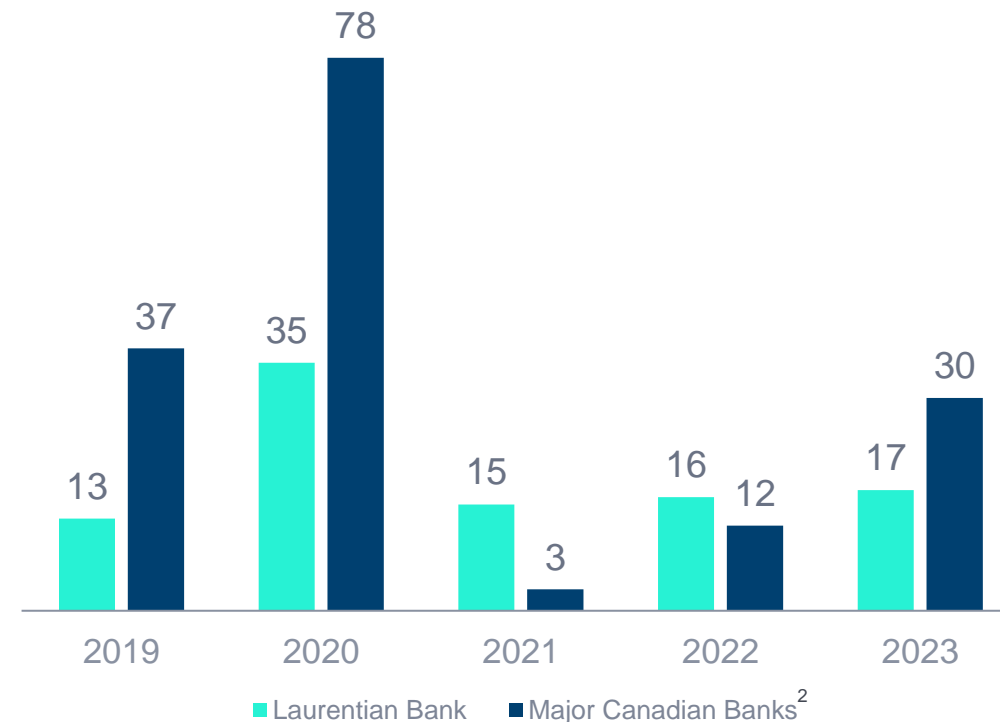
- ✓ Strong underwriting discipline
- ✓ Highly collateralized asset base

Risk-Adjusted Return Mindset

- Growth of Commercial Banking will drive PCL towards high-teens while improving profitability
- Additional opportunities for higher risk-adjusted returns within our risk appetite

Good track record of strong credit quality

Provision for credit losses (PCL in bps)¹



Why Invest? | Our Commitment to ESG

Environment	Improved climate disclosures	<ul style="list-style-type: none"> Updated the mandate of our internal TCFD Taskforce to include oversight of regulatory-related elements of climate governance, risk, strategy, and disclosures, in addition to our current voluntary TCFD participation 	<ul style="list-style-type: none"> Established a Greenhouse Gas (GHG) Inventory Management Plan to improve processes and controls over Scope 1 & 2 GHG emissions calculations and set targets 	<ul style="list-style-type: none"> Calculated and disclosed an estimate of our Corporate Real Estate Scope 3 financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology
	Partnership to support small businesses	<ul style="list-style-type: none"> In partnership with Québec Net Positif, supported a collaborative initiative to help Quebec small and medium-sized enterprises (SMEs) implement climate actions and make successful transitions to thrive in a low-carbon, sustainable economy 		
	Initiatives to reduce the Bank's emissions footprint	<ul style="list-style-type: none"> Decommissioned 50% of our corporate office space to align with hybrid and flexible work model – 100% of excess office furniture and technology was donated and/or recycled 	<ul style="list-style-type: none"> Introduced “Green Teams” to engage employees on ways to reduce environmental impacts of our work 	<ul style="list-style-type: none"> As part of our “Path to Paperless” initiative, stopped printing approximately 40,000 pages of reports per month and ramped up efforts to encourage customers to transition to e-statements
Social	Commitment to Equity, Diversity & Inclusion (ED&I)	<ul style="list-style-type: none"> Added Chief Inclusion and Equity Officer responsibility to our Chief Legal Officer's duties and established an Inclusion Leadership Council 	<ul style="list-style-type: none"> Signed the Women in Capital Markets' Parental Leave Pledge, allowing fathers, same-sex partners, and parents adopting a child under one year of age to benefit from a top-up of their salary paid by the Bank during their leave 	<ul style="list-style-type: none"> Launched our fourth Employee Resource Group with a focus on Newcomers to Canada
	Supported employee wellbeing and growth	<ul style="list-style-type: none"> Launched our third annual Voice of the Employee survey which saw an 85% participation rate and a 3-percentage point increase in our overall engagement score to 80% 	<ul style="list-style-type: none"> Supported employee work-life balance through our flexible work model, where work from home is our first approach for tasks that can be performed remotely 	<ul style="list-style-type: none"> Held a variety of corporate-wide employee events throughout the year to create meaningful moments of team work and collaboration
	Engaged our customers	<ul style="list-style-type: none"> Expanded our tools to serve customers remotely, including the new digital onboarding experience, which is being first piloted with employees 	<ul style="list-style-type: none"> Launched a new website to improve customer experience and access to information 	<ul style="list-style-type: none"> Enhanced Net Promoter Score engagement survey to gain insights from our customers in many of our business lines
	Invested in our communities	<ul style="list-style-type: none"> Launched our new “Giving Beyond Numbers” corporate giving and community engagement program 		
Governance	Board of Directors	<ul style="list-style-type: none"> Fulfilled commitment to broaden diversity of Board composition 	<ul style="list-style-type: none"> Women comprise 50% of our independent Board members 	
	Risk management	<ul style="list-style-type: none"> Embedded Environmental Social Risk Management (ESRM) criteria into Third Party Risk Management due diligence evaluation 	<ul style="list-style-type: none"> Continued to engage with peers and regulators on regulatory and voluntary disclosure standards 	<ul style="list-style-type: none"> Performed an internal audit health check on ESG and ESRM processes
	Enterprise-wide training	<ul style="list-style-type: none"> Launched two new mandatory training modules for all employees: ESG 101 and Truth and Reconciliation 		



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