



# Laurentian Bank

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December 2024

# 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) will make written or oral forward-looking statements within the meaning of applicable Canadian and United States (U.S.) securities legislation, including, forward-looking statements contained in this document (and in the documents incorporated by reference herein), as well as in other documents filed with Canadian and U.S. regulatory authorities, in reports to shareholders, and in other written or oral communications. These forward-looking statements are made in accordance with the “safe harbor” provisions of, and are intended to be forward-looking statements in accordance with, applicable Canadian and U.S. securities legislation. They 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, market, and regulatory review and outlook for Canadian, U.S. 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 heading “Risk Appetite and Risk Management Framework” contained in the 2024 Annual Report, including, the MD&A for the fiscal year ended October 31, 2024, 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”, “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 2024 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 general and market economic conditions; inflationary pressures; the dynamic nature of the financial services industry in Canada, the U.S., and globally; risks relating to credit, market, liquidity, funding, insurance, operational and 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); reputational risks; legal and regulatory risks; competitive and systemic risks; supply chain disruptions; geopolitical events and uncertainties; government sanctions; conflict, war, or terrorism; and various other significant risks discussed in the risk-related portions of the Bank’s 2024 Annual Report, such as those related to: Canadian and global economic conditions; Canadian housing and household indebtedness; technology, information systems and cybersecurity; technological disruption, privacy, data and third party related risks; competition; the Bank’s ability to execute on its strategic objectives; digital disruption and innovation (including, emerging fintech competitors); changes in government fiscal, monetary and other policies; tax risk and transparency; fraud and criminal activity; human capital; business continuity; emergence of widespread health emergencies or public health crises; environmental and social risks including, climate change; and various other significant risks, as described in the relevant pages of the 2024 Annual Report, including the MD&A, 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, financial analysts, and others should carefully consider the foregoing factors, uncertainties, and current and 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 legislation. Additional information relating to the Bank can be located on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## 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.

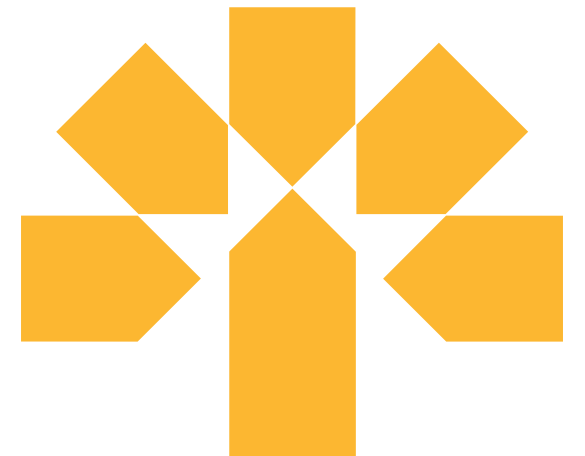
Non-GAAP ratios are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Bank to which the non-GAAP ratios relate and might not be comparable to similar financial measures disclosed by other issuers. Ratios are considered non-GAAP 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. Please refer to the Glossary beginning on page 69 of the 2024 Annual Report, including the MD&A for more information about the composition of supplementary financial measures disclosed in this document.

For more information, refer to the Non-GAAP Financial and Other Measures section beginning on page 18 of the 2024 Annual Report, including the MD&A for the year ended October 31, 2024, which pages are incorporated by reference herein. The MD&A is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).



# Who We Are



# Who We Are | Franchise Snapshot

## Geographic Network

### Quebec

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#### Commercial Banking

#### Personal Banking

- 57 Retail Branches<sup>(1)</sup>
- Wealth Management
- Advisor & Broker Network (B2B)

#### Capital Markets

### Rest of Canada

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#### Commercial Banking

#### Personal Banking

- Advisor & Broker Network (B2B)

#### Capital Markets

### United States

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#### Commercial Banking

- Inventory Financing
- Equipment Financing

## Key Stats

<b>\$47.4B</b> in balance sheet assets	<b>\$23.2B</b> in deposits
<b>\$1B+</b> Revenue <sup>(2)</sup>	<b>\$24.7B</b> in assets under administration
<b>~2,800</b> employees	<b>178</b> years strong, founded in 1846

### COMMERCIAL BANKING

#### Our growth engine:

A specialized lending platform with a nationally scaled core commercial banking business

### PERSONAL BANKING

#### Our community pillar:

A Quebec-based retail network augmented by a Canada-wide digital and advisor and broker network

### CAPITAL MARKETS

#### Our support engine:

A focused offering that supports government, institutional, and commercial banking customers



(1) Data as of Q4/24

(2) Trailing last twelve months: Q4/23-Q4/24

# Who We Are | Our Path Forward

We will succeed by focusing on the execution of our strategy across the Bank



**Personal & Commercial Banking Segment**



**Capital Markets Segment**

## Key Focus Areas



Compete where we have an edge and market opportunity



Efficiency and Simplification



Drive accountability for our progress



Harness the power of partnerships and collaboration



# Who We Are | FY24 Results

<b>Adjusted Net Income<sup>(1)</sup></b>	\$168.7MM
Reported Net Income	-\$5.5MM
<b>Adjusted EPS<sup>(2)</sup></b>	\$3.57
Reported EPS	-\$0.41
<b>Adjusted Efficiency Ratio<sup>(2)</sup></b>	73.8%
Reported Efficiency Ratio <sup>(3)</sup>	96.1%
<b>Adjusted PTPP Income<sup>(1)</sup></b>	\$263.6MM
Reported PTPP Income <sup>(1)</sup>	\$39.3MM
<b>Adjusted ROE<sup>(2)</sup></b>	6.1%
Reported ROE <sup>(2)</sup>	-0.7%
<b>Net Interest Margin<sup>(3)</sup></b>	1.79%
<b>Provision for credit losses<sup>(4)</sup></b>	17bps
<b>CET1 Capital Ratio<sup>(5)</sup></b>	10.9%

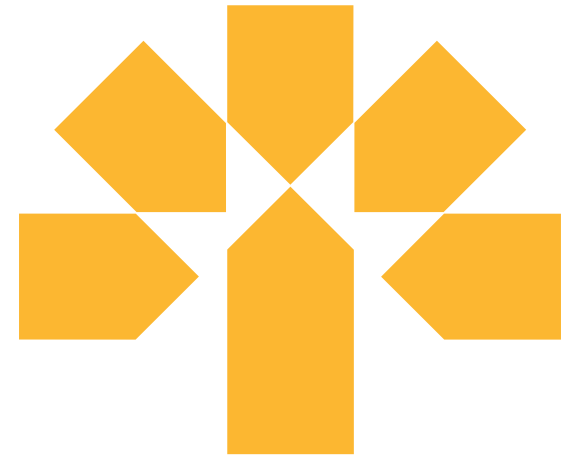
## Highlights

- Reported results included \$228.4MM of impairment & restructuring charges and a \$14.0MM profit on sale of assets under administration
- Maintained solid liquidity levels
- Strong CET1 capital ratio
- Prudent and disciplined approach to credit



(1) This is a non-GAAP financial measure. (2) This is a non-GAAP ratio. (3) This is a supplementary financial measure. (4) As a number of basis points. (5) In accordance with OSFI's "Capital Adequacy Requirements" guideline. For more information, refer to page 24 of this presentation and to the Non-GAAP Financial and Other Measures section beginning on page 18 of the 2024 Annual Report, including the MD&A for the year ended October 31, 2024, which pages are incorporated by reference herein. The MD&A is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# Investing in Laurentian



# Investing in Laurentian | Our Unique Value Proposition

## Building a stronger economy

We contribute to the prosperity of all our customers by building a stronger economy through specialized commercial banking

### Our value proposition

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Through-cycle, relationship focused offerings

## Serving the middle-class

We contribute to the prosperity of middle-class Canadians by encouraging savings through access to low-cost, value-added banking services

### Our value proposition

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A simple, digitally-led, everyday banking experience

## Enhancing competition

We offer a differentiated offering through our specialized products and services across our business activities

### Our value proposition

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Alternative to the 'Big Six' banks



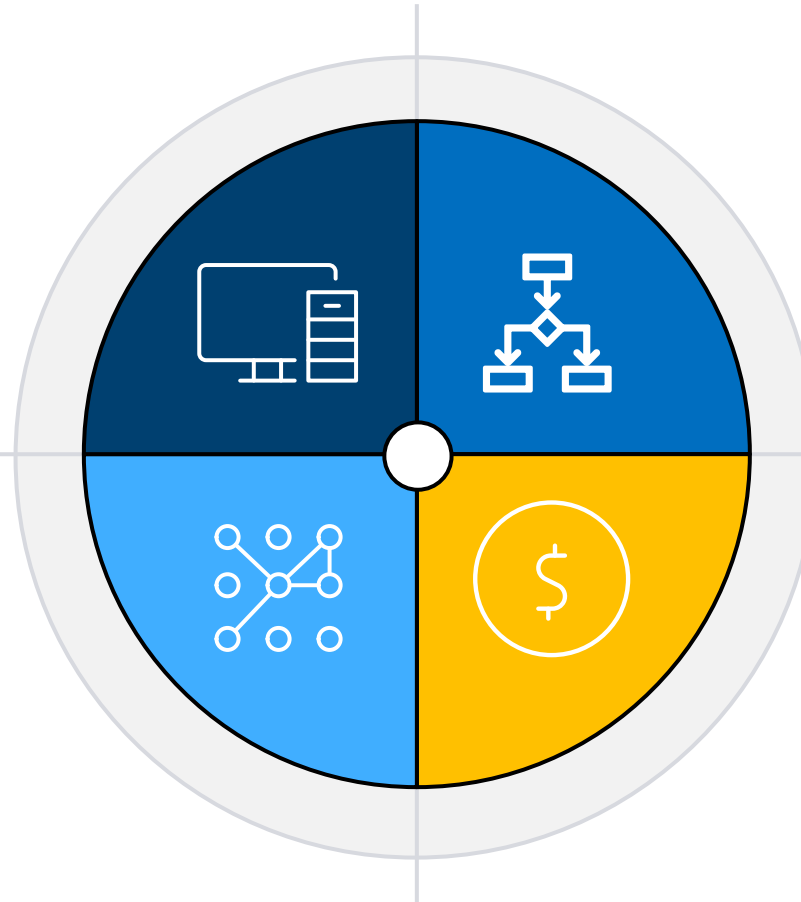


# Investing in Laurentian | Our Foundation



# Investing in Laurentian | Building a Stronger Bank

**Engage in strategic partnerships** to bolster our technology ecosystem and improve our product offering



**Invest in process simplification and re-engineering** to improve the customer experience

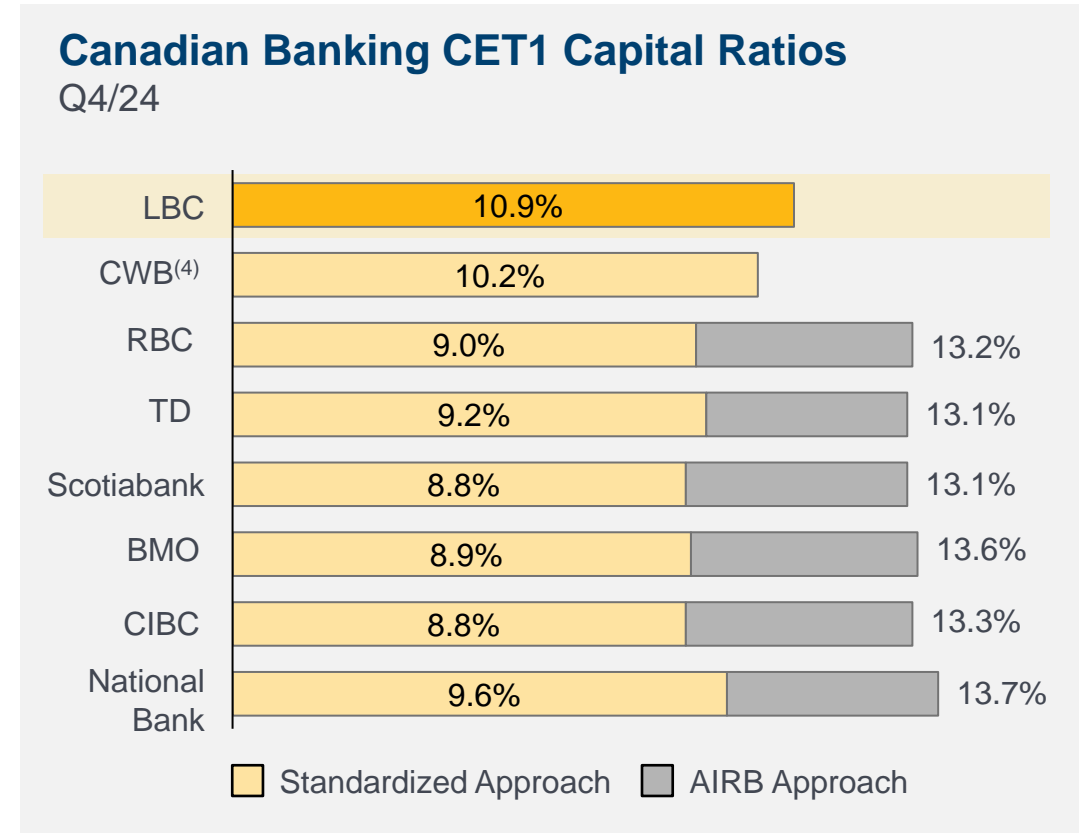
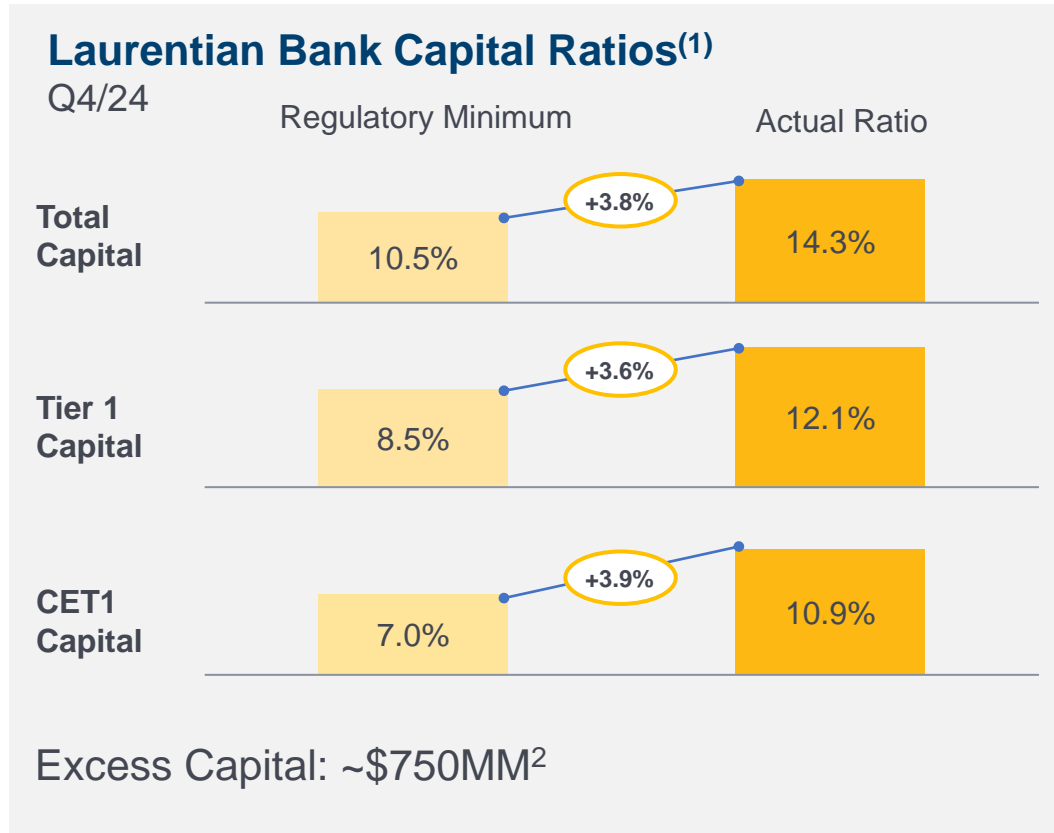
**Reduce complexity and cost structure** to improve profitability

**Focus Personal Banking** to strengthen core deposit gathering capabilities



# Investing in Laurentian | Strong Capital Position

We have employed a prudent capital management strategy with a strong base to weather economic turmoil



(1) Regulatory Capital Ratios under the Standardized Approach, as applicable to Laurentian Bank. (2) Excess capital vs regulatory minimums under the Standardized Approach. (3) Yellow bars outline the Big 6 Banks CET1 Capital Ratios under the Standardized Approach. AIRB is the Advanced Internal-Ratings Based Approach. (4) CWB as of Q3/24

# Investing in Laurentian | Stable and Diversified Funding

## Funding stability with strong liquidity base

- ✓ Prudent liquidity position
- ✓ Stabilized retail deposits erosion
- ✓ Reduced short-term wholesale funding by more than 25% since FY21
- ✓ New securitization conduit for Alt-A

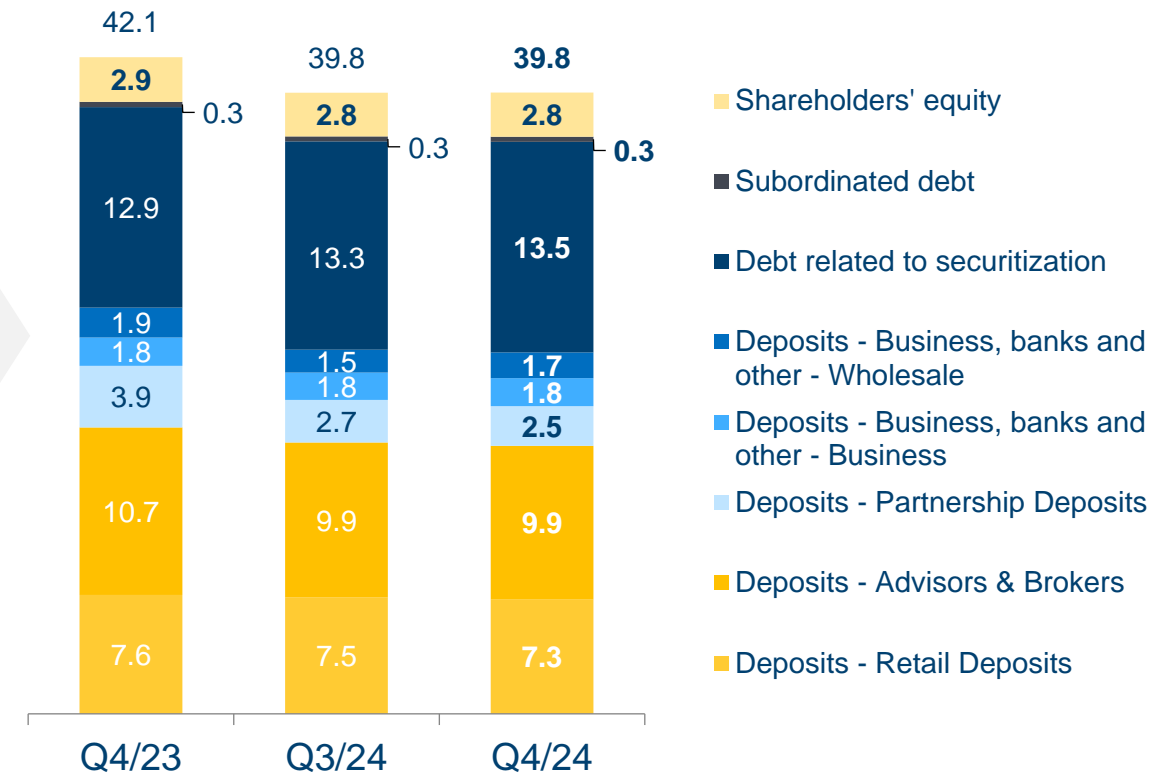
## Path Forward:

- Enhancing digital deposit capabilities
- Adding partnerships for commercial finance asset growth

## Multiple Funding Sources

Well-diversified funding sources to support our growth

### Funding (\$B)<sup>(1)(2)</sup>



(1) Comparative figures have been reclassified to conform to the current quarter presentation.

(2) Numbers may not add due to rounding



# Investing in Laurentian | Solid Record of Credit Quality

## Prudent Approach to Risk Management

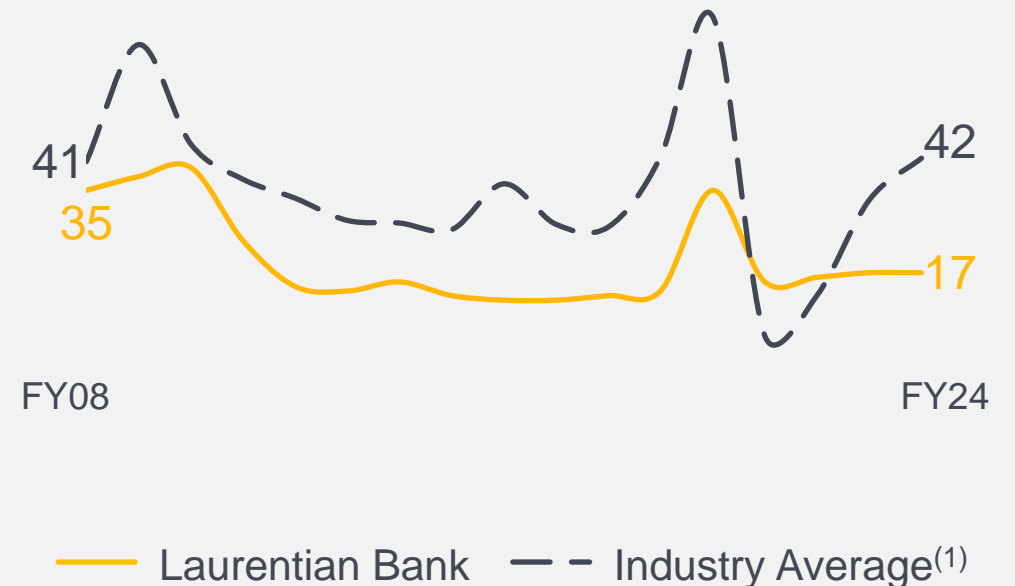
- ✓ Historical losses at about half the industry
- ✓ ~93% of the loan book is secured
- ✓ 60% Residential mortgages are insured, and remaining has a LTV of 49%

## Risk-Adjusted Return Mindset

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



## Provision for Credit Losses (in bps)



(1) Industry Average defined as Big 6 Canadian banks

# Investing in Laurentian | Our Commitment to ESG

Environment	Improved climate disclosures	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Reduced Scope 1 &amp; 2 GHG emissions by 30%, against a target of a reduction of 35% by 2030 from a 2022 base year</li> </ul>	<ul style="list-style-type: none"> <li>Calculated and disclosed estimates of our residential mortgages and Corporate Real Estate Scope 3 financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology</li> </ul>
	Partnership to support small businesses	<ul style="list-style-type: none"> <li>In partnership with Québec Net Positif, continuing to support 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</li> </ul>		
	Initiatives to reduce the Bank's emissions footprint	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Introduced "Green Teams" to engage employees on ways to reduce environmental impacts of our work</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>
Social	Commitment to Equity, Diversity & Inclusion (ED&I)	<ul style="list-style-type: none"> <li>Added Chief Inclusion and Equity Officer responsibility to our Chief Legal Officer's duties and established an Inclusion Leadership Council</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Launched our fourth Employee Resource Group with a focus on Newcomers to Canada</li> </ul>
	Supported employee wellbeing and growth	<ul style="list-style-type: none"> <li>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%</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Held a variety of corporate-wide employee events throughout the year to create meaningful moments of teamwork and collaboration</li> </ul>
	Engaged our customers	<ul style="list-style-type: none"> <li>Expanding our tools to serve customers remotely, including a new digital onboarding experience enabling customers to open chequing and savings accounts from anywhere in Canada</li> </ul>	<ul style="list-style-type: none"> <li>Continue to refresh our corporate websites to improve customer experience and access to information</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced Net Promoter Score engagement survey to gain insights from our customers in many of our business lines</li> </ul>
	Invested in our communities	<ul style="list-style-type: none"> <li>In 2023, for a third year, we launched the Laurentian Bank in the community program to empower branches and business centres to give back to local communities</li> </ul>	<ul style="list-style-type: none"> <li>Awarded almost \$800,000 in donations and employee giving to charitable and non-profit organizations</li> </ul>	
Governance	Board of Directors	<ul style="list-style-type: none"> <li>Fulfilled commitment to broaden diversity of Board composition</li> </ul>	<ul style="list-style-type: none"> <li>Women comprise 55% of our independent Board members</li> </ul>	
	Risk management	<ul style="list-style-type: none"> <li>Embedded Environmental Social Risk Management (ESRM) criteria into Third Party Risk Management due diligence evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Continued to engage with peers and regulators on regulatory and voluntary disclosure standards</li> </ul>	<ul style="list-style-type: none"> <li>Performed an internal audit health check on ESG and ESRM processes</li> </ul>
	Enterprise-wide training	<ul style="list-style-type: none"> <li>Launched two new mandatory training modules for all employees: ESG 101 and Truth and Reconciliation</li> </ul>	<ul style="list-style-type: none"> <li>Employees must complete annual unconscious bias training</li> </ul>	<ul style="list-style-type: none"> <li>Employees complete annual training on core priorities such as anti-money laundering, privacy and data governance</li> </ul>





# Investor Relations Contact

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[www.laurentianbank.ca/en/about-us/investor-relations](http://www.laurentianbank.ca/en/about-us/investor-relations)