INVESTOR PRESENTATION

Second Quarter 2019

LAURENTIAN BANK
FINANCIAL GROUP

Caution Regarding Forward-Looking Statements

In this document and in other documents filed with Canadian regulatory authorities or in other communications, we may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding our business plan and financial objectives including statements contained in our 2018 Annual Report under the heading “Outlook”. The forward-looking statements contained in this document are used to assist readers in obtaining a better understanding of our 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 use the conditional, as well as words such as prospect, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove to be inaccurate. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurances that these expectations will prove to be correct. Certain important assumptions by us in making forward-looking statements include, but are not limited to, our estimates and statements regarding our business plan and financial objectives including statements contained in our 2018 Annual Report under the heading “Outlook”.

We caution readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include: changes in capital market conditions, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, changes in competition, modifications to credit ratings, scarcity of human resources, developments with respect to labour relations, as well as developments in the technological environment. Furthermore, these factors include the ability to execute our plan and in particular the successful reorganization of the Retail Services operations, the modernization of the core banking system and the adoption of the Advanced Internal Ratings-Based approach to credit risk (the AIRB approach).

We further caution that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause our actual results to differ from current expectations, please also refer to the “Risk Appetite and Risk Management Framework” section of our 2018 Annual Report, as well as to other public filings available at www.sedar.com.

We do not undertake to update any forward-looking statements, whether oral or written, made by us or on our behalf, except to the extent required by securities regulations.

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 the effect of certain amounts designated as adjusting items. Adjusting items are related 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.

FRANÇOIS DESJARDINS

President and Chief Executive Officer

LAURENTIAN BANK
FINANCIAL GROUP

Build a Stronger Foundation: New Collective Agreement

Foundation

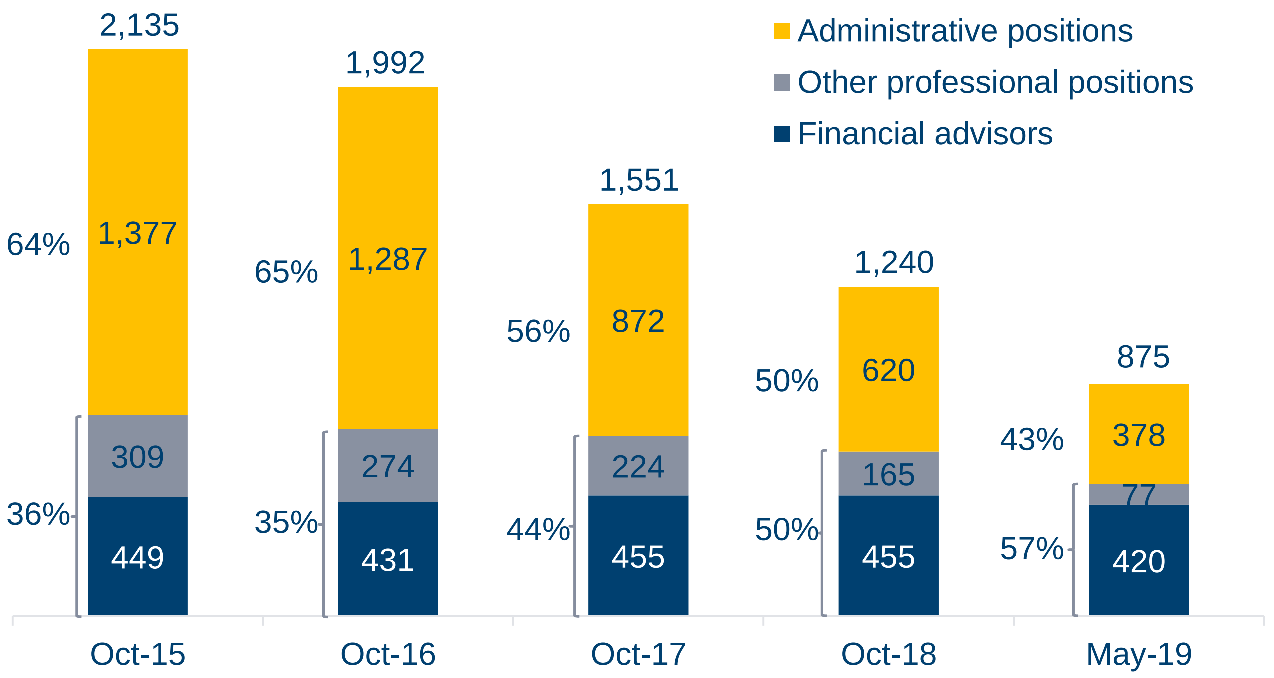
- New collective agreement signed on March 29, 2019 and effective through December 31, 2021

Achieved two critical goals:

- Redefined the bargaining unit – now limited to specific existing positions (mainly financial advisors and client-facing positions in Quebec branch network)
- Obtained working conditions that promote a culture of performance (i.e. job security eliminated)

- Attained working conditions comparable to those offered by our competition
- Gained flexibility (i.e. to outsource and automate administrative activities, to schedule employees working hours around the needs of customers)

Unionized Employees



Improve Performance: Financial Impact of Collective Agreement

Performance

By the end of Q1/20 ($M annualized)	• Reduce liquidity to an appropriate level: $7 million improvement in net interest income • Reduce legal and other labor related costs: $3 million reduction in non-interest expenses • Reduce headcount: $15-$20 million reduction in non-interest expenses
Mid-term: Contribute to our efficiency, net income and ROE objectives	• Grow revenues through increasing number and productivity of financial advisors and client-facing professional positions • Impact from reduction of expenses as detailed above

Invest in Profitable Growth

Growth

	Q2/19
• **Loans to Business Customers**	• Up 3% Q/Q • Up 7% Y/Y (excluding loan sales) • On target to achieve low double digit growth in 2019

With the negotiation of the collective agreement behind us
the whole organization can resume its full focus on growth and performance

Growth focus:
Business Services: equipment and inventory financing, real estate financing
Retail activities: overall customer experience, helping our clients to improve their financial health through sound financial advice

Progress on Strategic Initiatives

Foundation

Build a Stronger Foundation

Growth

Invest in Profitable Growth

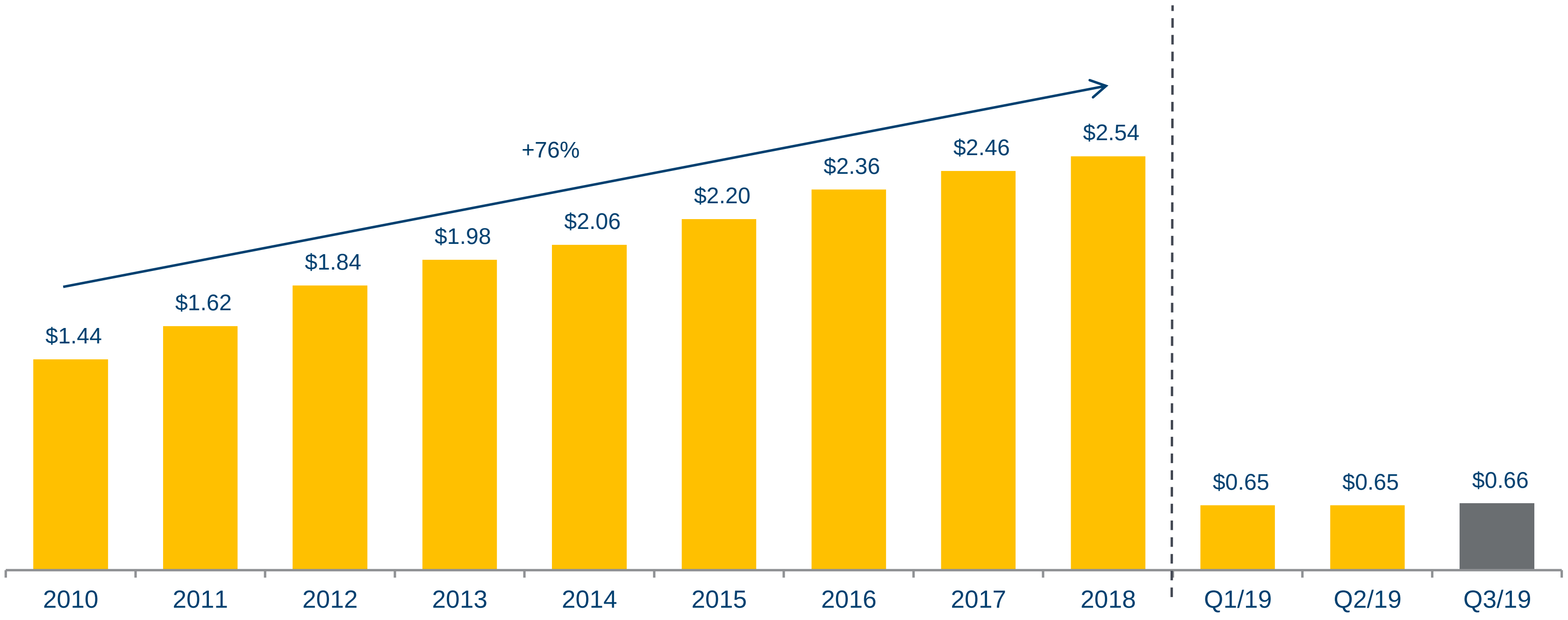
Performance

Improve Performance

• **Core banking Phase 2**	• December 2020: all remaining products migrated to new core banking platform (Retail Services and remaining Business Services products) • From 2021: extra costs of operating parallel systems to be gradually eliminated
• **Digital offer**	• Now in pilot mode; launch to independent advisors and brokers in the Fall; direct to consumer across Canada at the end of the 2019
• **Retail Services**	• Conversion to advice-only branches to be completed by the end of 2019
• **AIRB implementation**	• Between the end of 2021 and first half of 2022, benefits to be realized in 2022 and beyond

Track Record of Increasing Dividends

Dividends Declared Per Common Share
($/share)



FINANCIAL RESULTS

Q2/19 Financial Performance

Adjusted [1]	Q2/19	Q/Q	Y/Y
Net Income ($M)	**$ 48.7**	9%	-25%
Diluted EPS	**$ 1.08**	10%	-27%
ROE	**8.3%**	100 bps	-330 bps
Efficiency Ratio	**73.5%**	-50 bps	840 bps

Reported	Q2/19	Q/Q	Y/Y
Net Income ($M)	**$ 43.3**	8%	-27%
Diluted EPS	**$ 0.95**	8%	-29%
ROE	**7.3%**	80 bps	-320 bps
Efficiency Ratio	**76.3%**	10 bps	870 bps

Q2/19 Highlights

Y/Y

- Q2/18 included a $5.3M gain ($4.6M net of income tax, $0.11 EPS) on the sale of the agricultural loan portfolio

Q/Q

- Impacted by better market related revenues and three fewer days in the second quarter

- Reported measures were impacted by adjusting items such as restructuring charges and items related to business combinations (details on the next page and in the appendix on Non-GAAP Measures)

(1) Certain measures presented throughout this document exclude the effect of certain amounts designated as adjusting items. Refer to the Non-GAAP Measures appendix for further details.

Adjusting Items in Q2/19

($ millions, except per share amounts)	Q2/19			Q1/19		
	Before taxes	After taxes	EPS	Before taxes	After taxes	EPS
Adjusting items						
Restructuring charges(1)						
Severance charges	**$ 2.4**	**$ 1.8**	**$ 0.04**	$ 1.3	$ 1.0	$ 0.02
Other restructuring charges	**1.0**	**0.7**	**0.02**	0.7	0.5	0.01
Total restructuring charges	**3.4**	**2.5**	**0.06**	2.0	1.5	0.03
Items related to business combinations						
Amortization of net premium on purchased financial instruments	**0.4**	**0.3**	**0.01**	0.4	0.3	0.01
Amortization of acquisition-related intangible assets	**3.4**	**2.6**	**0.06**	3.4	2.6	0.06
Total items related to business combinations	**3.8**	**2.9**	**0.07**	3.9	2.9	0.07
Total adjusting items(2)	**$ 7.3**	**$ 5.4**	**$ 0.13**	$ 5.9	$ 4.4	$ 0.10

(1) See next slide for further details.
(2) The impact of adjusting items does not add due to rounding.

Restructuring Charges

($ millions except per share amount)	Q2/19
Severance payments	$10.7
Other restructuring charges	1.0
Total costs incurred	11.7
Curtailment gain on pension plans and other post-employment benefits	(4.8)
Reversals of provisions	(3.5)
Total restructuring charges, before income taxes	$3.4
Total restructuring charges, after income taxes	$2.5
Total restructuring charges, on a per share basis	$0.06

Q2/19 Highlights

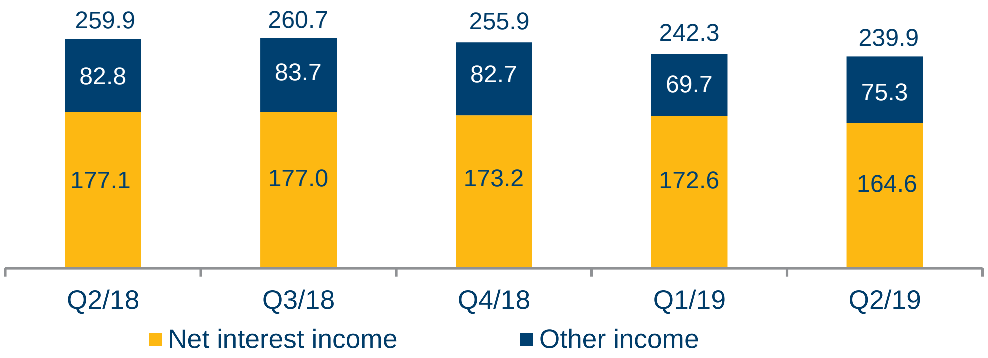
- These actions, as previously announced, are expected to reduce headcount through attrition, early retirement and targeted job reductions by the end of the first quarter of 2020
- This would gradually translate into anticipated cost savings of $15.0 to $20.0 million (before income taxes)

Total Revenue

($ millions)	Q2/19	Q/Q	Y/Y
Net interest income	**$164.6**	-5%	-7%
Other income	**75.3**	8%	-9%
Total revenue	**$ 239.9**	-1%	-8%

Total Revenue

($ millions)



Q2/19 Highlights

Y/Y

- Net interest income down by $12.5M or by 7%, mainly due to lower year-over-year loan volumes
- Other income down by $7.5M or by 9%, mainly due to a $5.3M gain on the sale of the agricultural portfolio in Q2/18

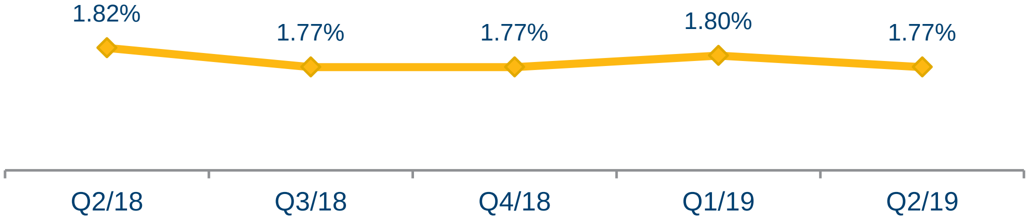
Q/Q

- Net interest income down by $8.0M or by 5%, mainly due to the negative impact of three fewer days in the second quarter
- Other income up by $5.6M or 8%, mainly due to improved treasury and financial market and brokerage revenues

Net Interest Margin (NIM)

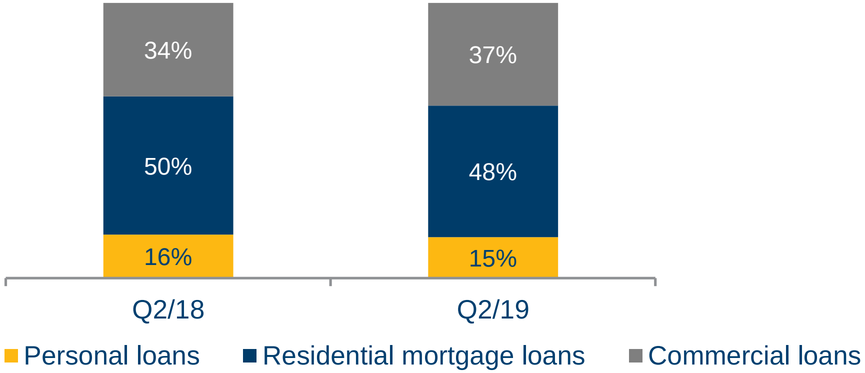
Net Interest Margin

(on average earning assets)



Loan Portfolio Mix

($ billions)



Q2/19 Highlights

Y/Y

- NIM down by 5 bps, mainly as a result of the higher level of lower-yielding liquid assets which accounted for 3 bps

Q/Q

- NIM down by 3 bps, mainly due to the higher level of lower-yielding liquid assets

- We have started to reduce the level of liquid assets following the signing of the new collective agreement at the end of March

Other Income

($ millions)	Q2/19	Q/Q	Y/Y
Lending fees	**$ 14.7**	1%	-2%
Deposit service charges	**10.4**	-1%	-17%
Card service revenues	**8.4**	-2%	–
Fees and commissions on loans and deposits	**$ 33.6**	–	-7%
Fees and commissions – brokerage operations	**11.6**	16%	-4%
Commissions on sales of mutual funds	**10.7**	–	- 9%
Fees on investments accounts	**4.7**	1%	-9%
Income from treasury and financial market operations	**2.4**	49%	62%
Insurance income, net	**3.7**	2%	-12%
Securities gains – brokerage operations	**5.4**	221%	139%
Other	**3.2**	-15%	-67%
	$ 75.3	8%	-9%

Q2/19 Highlights

Y/Y

- Other income in Q2/18 included a $5.3M net gain on the sale of the agricultural loan porfolio
- Fees and commissions on loans and deposits down by $2.4M – mainly driven by lower deposit and payment service charges as clients modify their banking behavior
- Higher market related revenues, including securities gains and income from treasury and financial market operations up by a combined $4.1M – mostly driven by higher gains on inventory held for brokerage activities and higher revenues from trading activities

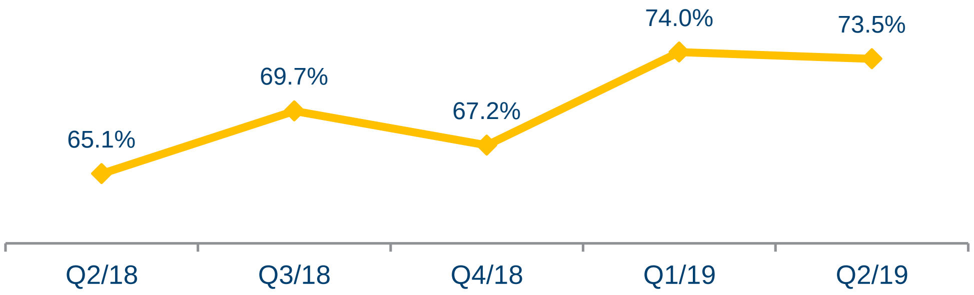
Q/Q

- Brokerage operations up by $5.3M – improved market conditions resulted in sequentially higher activity levels and higher securities gains

Non-Interest Expenses (NIE)

Adjusted NIE ($ millions)	**Q2/19**	**Q/Q**	**Y/Y**
Salaries and employee benefits	**$ 90.5**	-2%	-1%
Premises and technology	**50.6**	3%	5%
Other	**35.2**	-8%	19%
	$ 176.3	-2%	4%

Adjusted Efficiency Ratio



Q2/19 Highlights

Y/Y

- Adjusted NIE up by $7.2M or by 4% – higher technology costs, regulatory expenses and share based-compensation were partly offset by lower salaries from lower headcount

Q/Q

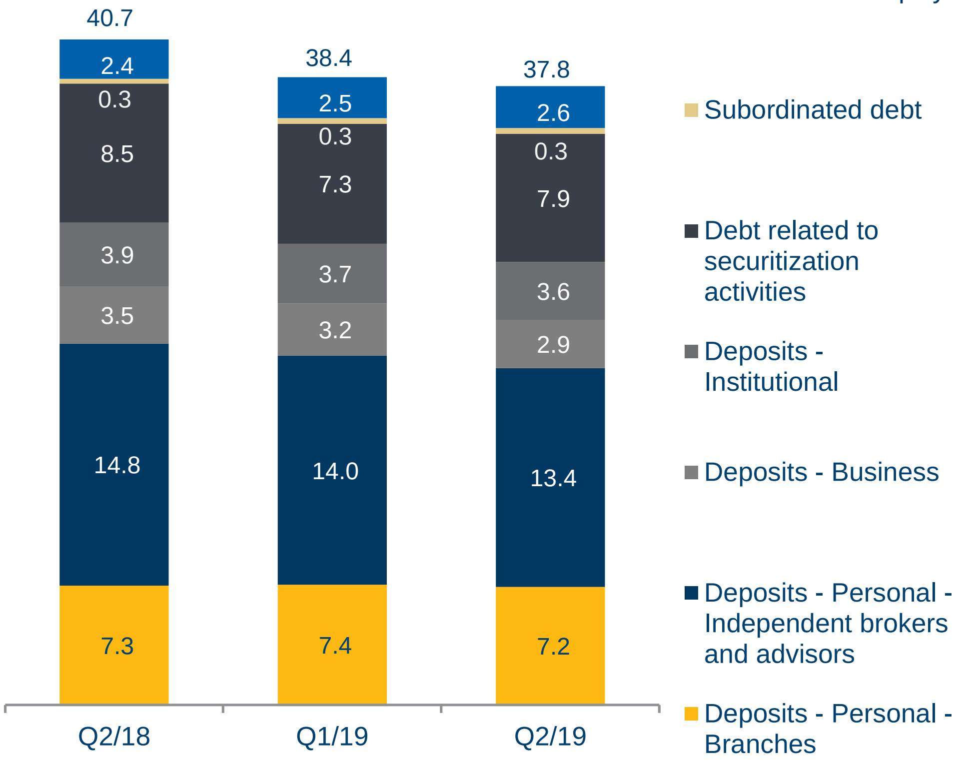
- Adjusted NIE down by $3.0M or by 2% – lower salaries given the fewer number of days in the second quarter and sequentially lower other expenses

- $15M - $20M of annualized cost savings, related to a reduction in headcount. Full benefit expected towards the end of Q1/20, once we have completed the transition

Well Diversified and Stable Sources of Funding

Funding

($ billions)



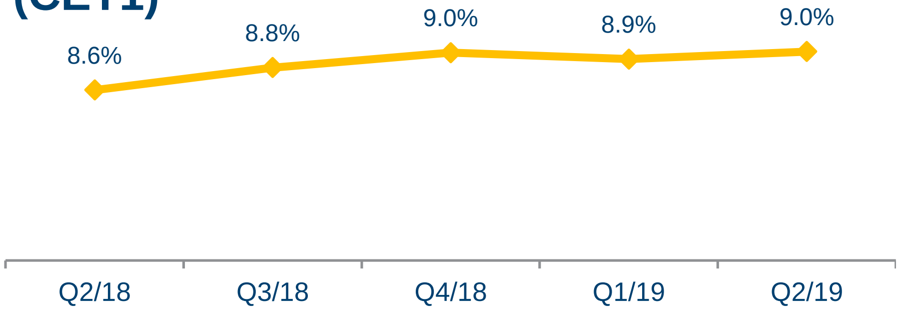
Total deposits: down 4% Q/Q and down 8% Y/Y, in line with loan portfolio and the planned reduction in liquidity

Debt related to securitization activities: up 7% Q/Q and down 7% Y/Y

- New debt issuances related to securitized residential mortgage loans through the CMHC programs and finance lease receivables in Q2/19 were partly offset by maturities of liabilities related to the Canada Mortgage Bond program and normal repayments

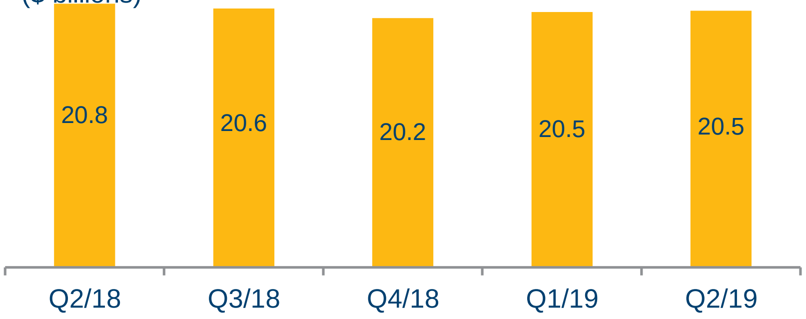
Regulatory Capital

Common Equity Tier 1 Capital Ratio (CET1)

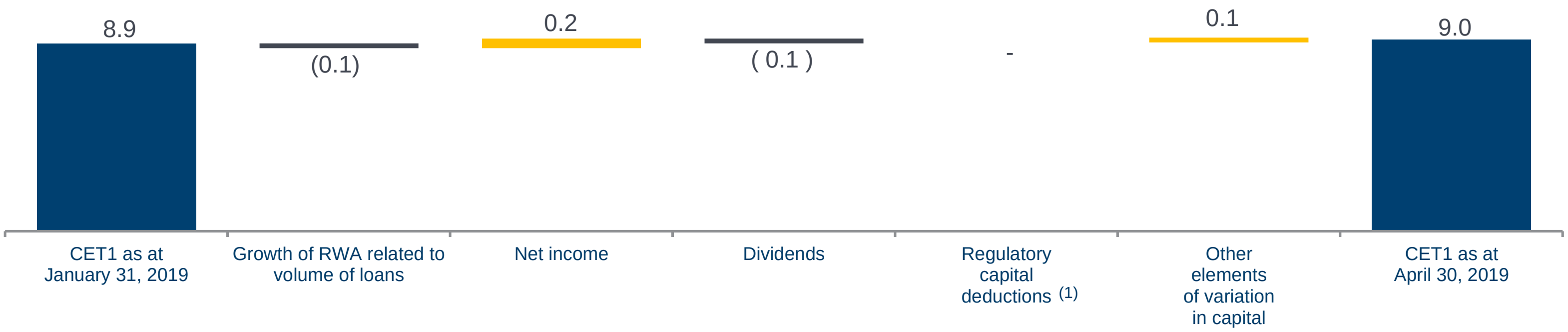


Risk-Weighted Assets (RWA)

($ billions)



Evolution of the CET1 Ratio (in %)



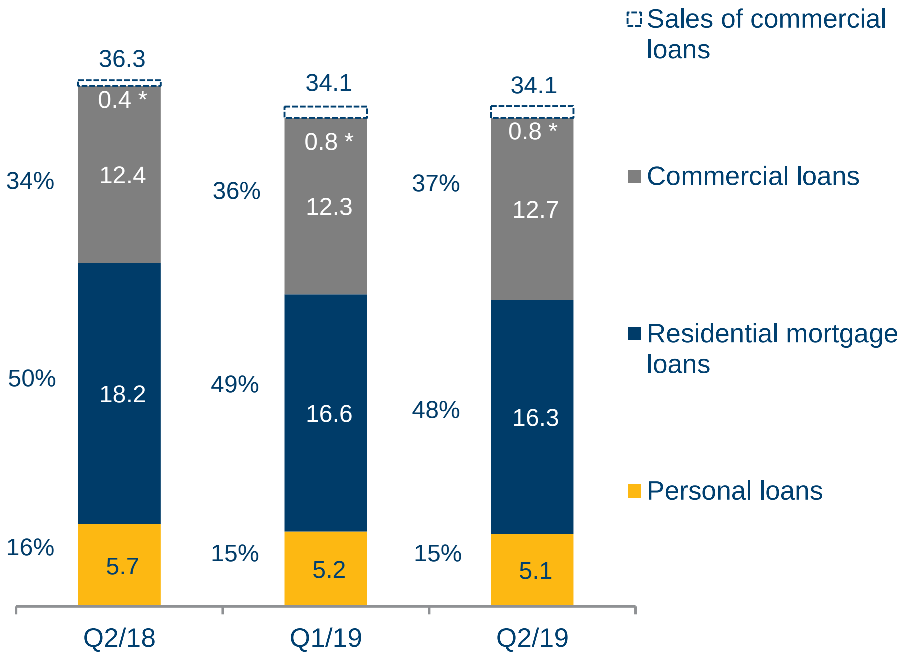
(1) Comprised of deductions for software and other intangible assets, goodwill, pension plan assets and other.

RISK REVIEW

Positioning the Bank for Profitable Growth

Loan Portfolio Mix

($ billions)



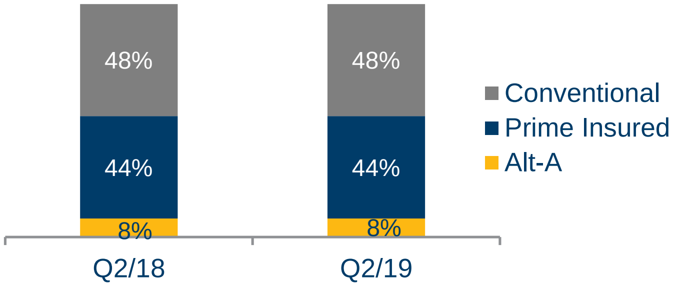
Total loans stable Q/Q and down $2.2B Y/Y as we optimize our portfolio mix to better position the Bank for profitable growth

- Personal loans down by $0.1B Q/Q – continued reduction in the investment loan portfolio as consumers deleverage
- Residential mortgage loans down $0.3B Q/Q – gradual decrease in origination as we focus on higher-yielding commercial loans to optimize product mix
- Commercial loans and acceptances up 3% Q/Q – growth in inventory financing volumes and in real estate financing loans
  - 2018: loan sales of $708M
  - Q1/19: loan sales of $105M

* Cumulative commercial loan portfolio sales of $0.4B in Q2/18 and $0.8B in Q1/19 and Q2/19.

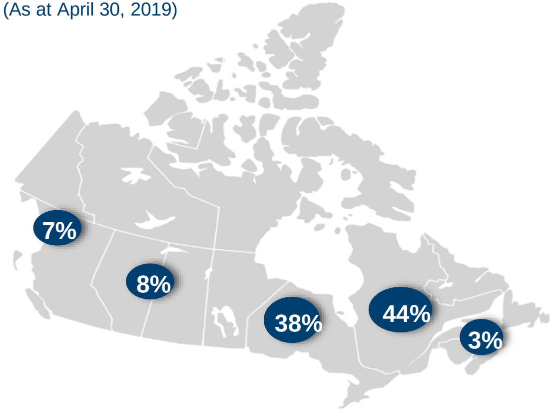
Residential Mortgage Loan Porfolio – High Quality

Insured vs Uninsured



A pan-Canadian Portfolio

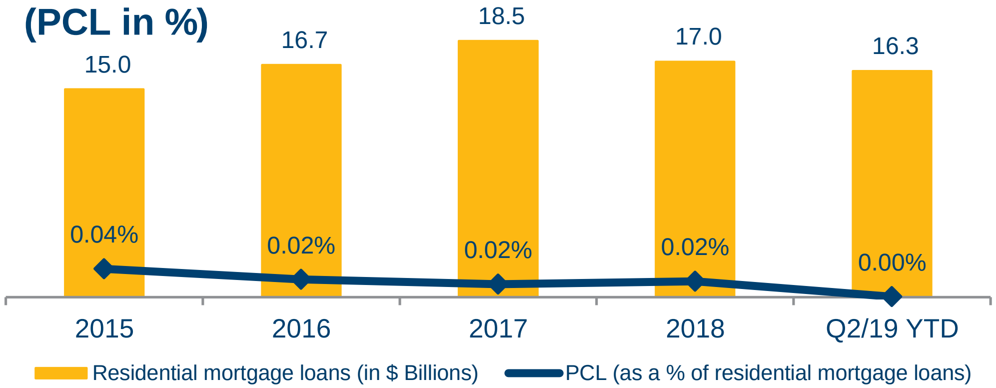
(As a % of residential mortgage portfolio)
(As at April 30, 2019)



Insured, Uninsured & Loan to Value (LTV) by Province – Conservative LTV's

As at April 30, 2019	% of Residential Mortgage Loan Portfolio		LTV %(1)
	Uninsured	Insured	
British Columbia	53%	47%	58%
Alberta & Prairies	25%	75%	71%
Ontario	62%	38%	57%
Quebec	58%	42%	60%
Atlantic Provinces	33%	67%	70%
Total	56%	44%	60%

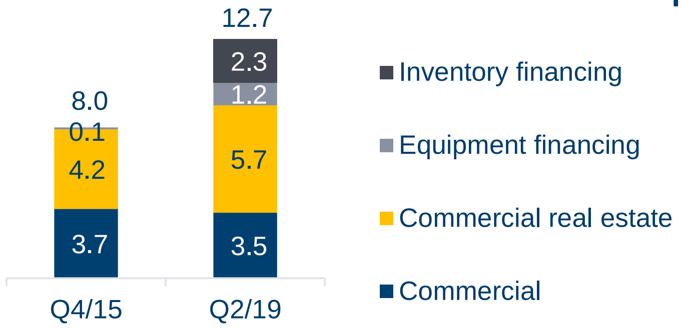
Strong Credit Quality – Provision for Credit Losses (PCL in %)



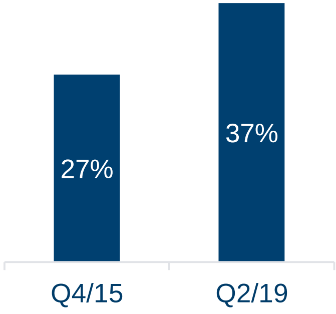
(1) Reflects current estimated value of collateral, including HELOCs.

Commercial Loan Portfolio: Strong, Diversified and Growing

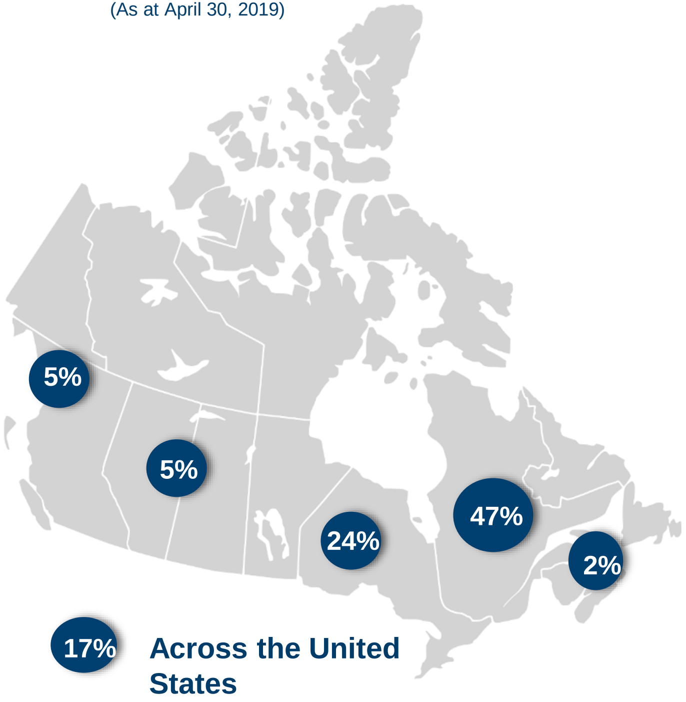
Commercial Loan Portfolio
(In $ Billions)
Grow organically and by acquisition



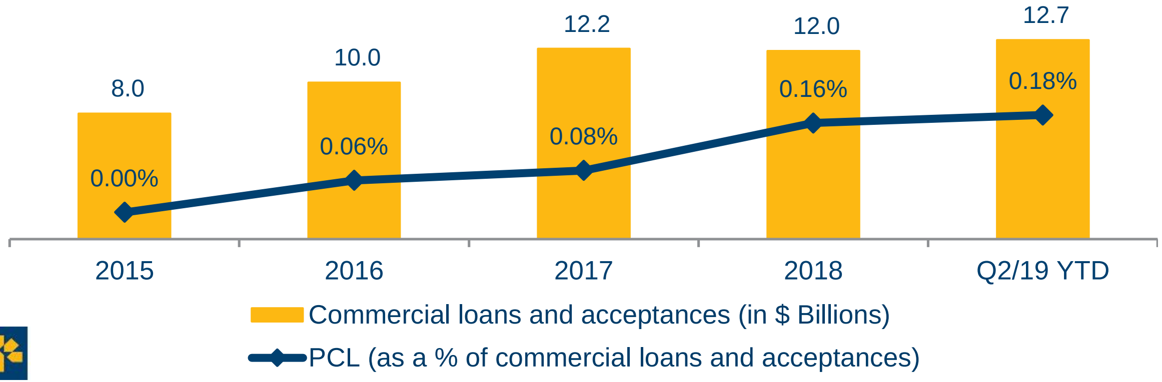
Commercial Loans
(As a % of total loans)
Business mix evolving towards more profitable commercial loans



A pan-Canadian Portfolio and a US Presence
(As a % of commercial loan portfolio)
(As at April 30, 2019)



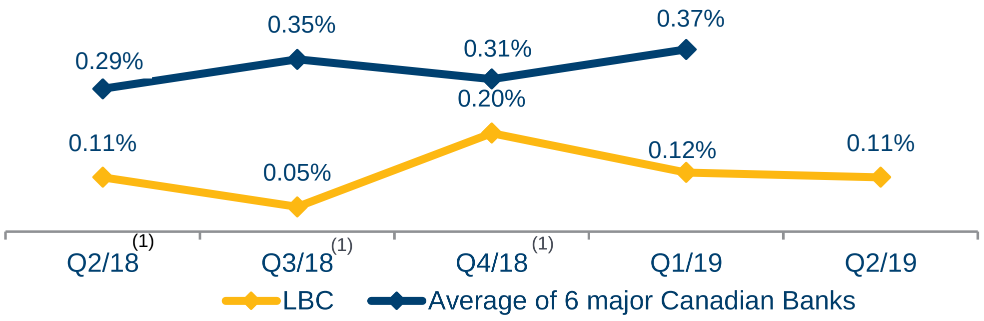
Strong Credit Quality With a Low Loss Ratio



Provision for Credit Losses (PCL)

PCL

(As a % of average loans and acceptances)



PCL ($ millions)	Q2/19	Q1/19	Q2/18
Personal Loans	**$ 4.3**	$ 4.4	$ 5.7
Residential Mortgage Loans	**0.5**	–	- 0.2
Commercial Loans	**4.4**	6.1	4.0
	$ 9.2	$ 10.5	$ 9.5

Q2/19 Highlights

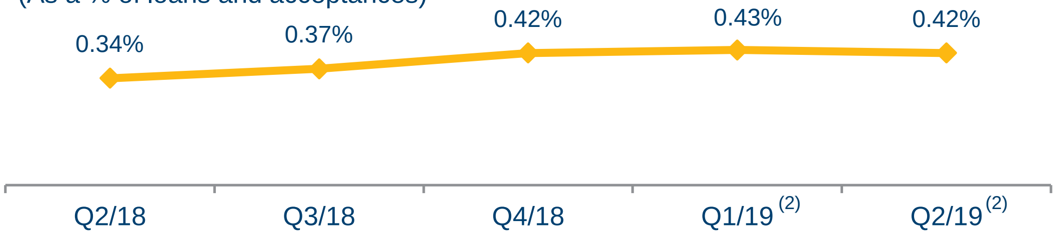
- Loss ratio of 11 bps reflects the strong underlying credit quality of our portfolio
- 97% of our loan book is collateralized
- We expect the loss ratio to trend higher as the loan portfolio mix evolves

(1) In Q1/18 the 6 major Canadian Banks adopted IFRS 9. LBC adopted IFRS 9 on November 1, 2018, therefore LBC's ratio is based on IAS 39 for fiscal 2018.

Impaired Loans

Net Impaired Loans (NIL)[(1)]

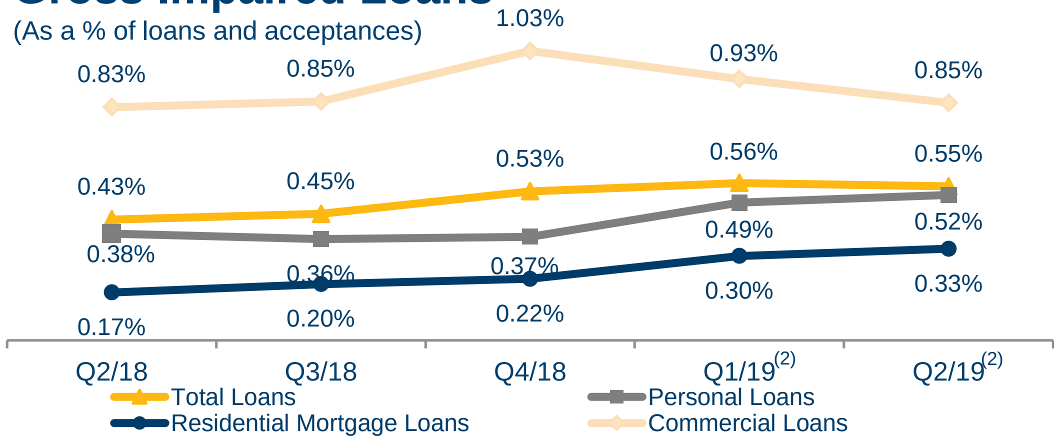
(As a % of loans and acceptances)



- Net impaired loans of $142.4M remain within historical fluctuations

Gross Impaired Loans

(As a % of loans and acceptances)



- Gross impaired loans of $186.9M, decreased by $2.6M Q/Q mainly in the commercial loan portfolio
- Loan portfolios continue to perform well

(1) Net impaired loans are calculated as gross impaired loans less allowances against impaired loans.

(2) As of the adoption of IFRS 9, all loans classified in Stage 3 of the ECL model are impaired loans, including $14.4M of insured residential mortgage loans as at April 30, 2019. Under IAS 39, loans were considered impaired according to different criteria.

Our 2021 Medium-Term Financial Objectives

Q2/19 YTD Performance(1)

Performance

Adjusted ROE	Adjusted Efficiency Ratio	Adjusted Diluted EPS	Adjusted Operating Leverage
7.8%	**73.7%**	**$2.06**	**(12.4)%**
gap at 760 bps(2)		down 30%(4)	
Narrow gap to 250 bps by 2021(3)	< 63% by 2021	Grow by 5% to 10% annually	Positive

Growth

Loans to Business Customers
Grow by $3.3B to $16.0B by 2021

Q2/19 $12.7B — 2021 $16.0B

Residential Mortgage Loans
Grow by $2.7B to $19.0B by 2021

Q2/19 $16.3B — 2021 $19.0B

Deposits from Clients(5)
Grow by $4.5B to $28.0B by 2021

Q2/19 $23.5B — 2021 $28.0B

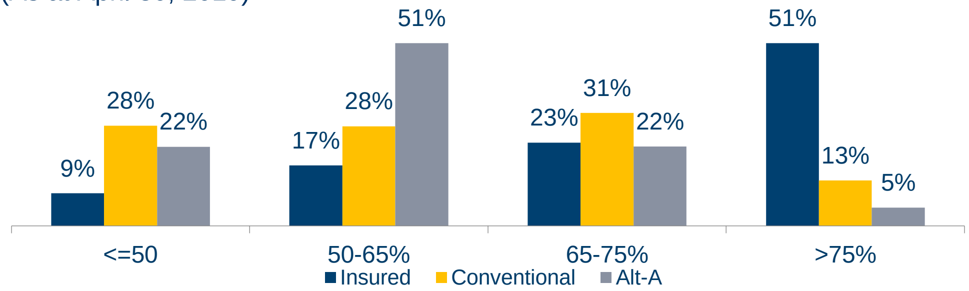
(1) Certain measures presented throughout this document exclude the effect of amounts designated as adjusting items. Refer to the Non-GAAP Measures appendix for further details.
(2) Gap based on Q1/19 results (the weighted average of the 6 major Canadian banks at 15.4%).
(3) Compared to the major Canadian banks, based on the Bank using the AIRB approach in determining credit risk and the Standardized approach in determining operational risk.
(4) Compared to Q2/18 YTD.
(5) Including personal deposits from branches and independent brokers and advisors, as well as commercial deposits.

APPENDICES

High Quality Mortgage Loan Portfolio – Low Loan-to-Value

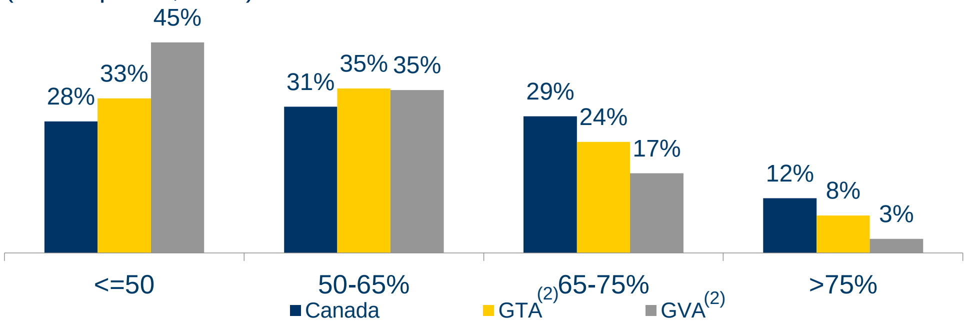
Loan-to-Value Distribution

(As at April 30, 2019)



Loan-to-Value Distribution (Uninsured)[1]

(As at April 30, 2019)



We target the high end of the Alt-A market through low LTV ratios

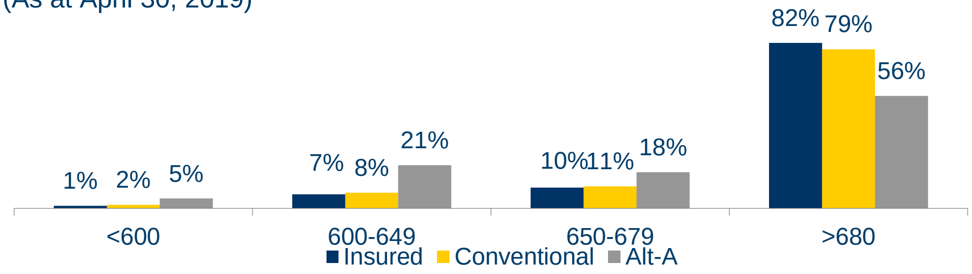
- Vast majority of uninsured and Alt-A mortgages have LTVs of 75% or less
  - 87% of Conventional portfolio
  - 95% of Alt-A portfolio
- Substantial buffer against potential home price declines with LTVs of 75% or less
  - 88% of total portfolio
  - 92% of GTA portfolio
  - 97% of GVA portfolio

(1) Uninsured equals prime uninsured plus Alt-A.
(2) GTA: Greater Toronto Area; GVA: Greater Vancouver Area.

High Quality Mortgage Loan Portfolio – Low Loan-to-Value

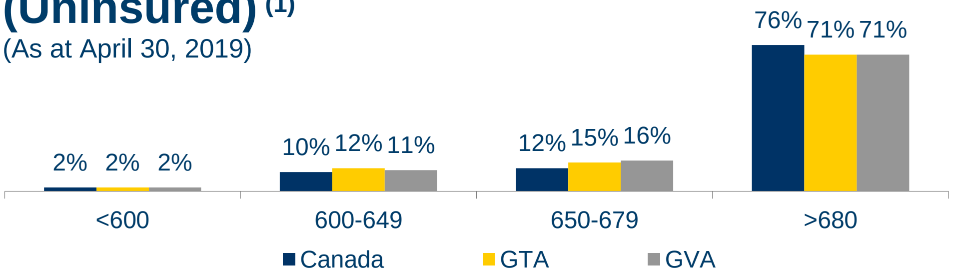
Beacon Distribution

(As at April 30, 2019)



Geographic Beacon Distribution (Uninsured) (1)

(As at April 30, 2019)



We target high end of the Alt-A market through high beacon scores

- Vast majority of Alt-A and uninsured portfolios with beacon scores > 650
  - 90% of Conventional portfolio
  - 74% of Alt-A portfolio

- High credit worthiness of the portfolio with beacon scores > 650
  - 88% of total portfolio
  - 86% of GTA portfolio
  - 87% of GVA portfolio

(1) Uninsured equals prime uninsured plus Alt-A.

(2) GTA: Greater Toronto Area; GVA: Greater Vancouver Area.

Non-GAAP Measures

($ millions, except per share amounts)	Q2/19	Q1/19	Q2/18
Reported net income	**$ 43.3**	$ 40.3	$ 59.2
Adjusting items, net of income taxes[1]			
Restructuring charges			
Severances charges[2]	**1.8**	1.0	–
Other restructuring charges	**0.7**	0.5	1.3
	2.5	1.5	1.3
Items related to business combinations			
Amortization of net premium on purchased financial instruments	**0.3**	0.3	0.4
Amortization of acquisition-related intangible assets	**2.6**	2.6	2.4
Other costs related to business combinations	**–**	–	1.3
	2.9	2.9	4.1
	5.4	4.4	5.4
Adjusted net income	**$ 48.7**	$ 44.7	$ 64.6
Reported diluted earnings per share	**$0.95**	$0.88	$ 1.34
Adjusting items	**0.13**	0.10	0.13
Adjusted diluted earnings per share	**$1.08**	$0.98	$ 1.47

(1) The impact of adjusting items does not add due to rounding.
(2) For the quarter ended April 30, 2019, severance charges are presented net of a $4.8 million curtailment gain on pension plans and other post-employment benefits obligations and reversals of provisions amounting to $3.5 million.

Investor Relations Contact

Susan Cohen
Director, Investor Relations
(514) 284-4500, ext. 40452
susan.cohen@lbcfg.ca