



# Investor Presentation

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## Third Quarter 2022

August 31, 2022

# Caution Regarding Forward-Looking Statements

From time to time, Laurentian Bank of Canada (the “Bank”) will make written or oral forward-looking statements within the meaning of applicable Canadian and United States (U.S.) securities legislation, including such as those contained in this document (and in the documents incorporated by reference herein), and in other documents filed with Canadian regulatory authorities or the U.S. Securities and Exchange Commission, 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 under applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. 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 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 anticipated ongoing and potential impact of the coronavirus (COVID-19) pandemic on the Bank’s operations, earnings, financial results and financial performance, condition, objectives, and on the global economy and financial markets conditions; the statements under the headings “Outlook”, “Impact of COVID-19 Pandemic” and “Risk Appetite and Risk Management Framework” contained in the Bank’s 2021 Annual Report for the year ended October 31, 2021 (the “2021 Annual Report”), including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2021; 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 the forward-looking statements contained in this document are set out in the 2021 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 risk 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 risk factors include, but are not limited to, risks relating to: credit; market; liquidity and funding; insurance; operational; regulatory compliance (which could lead to us 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 2021 Annual Report, such as those related to: the ongoing and potential impacts of the COVID-19 pandemic on the Bank, the Bank’s business, financial condition and prospects; Canadian and global economic conditions (including the risk of higher inflation); 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 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; emergence of COVID-19 variants; development and use of ‘vaccine passports’; environmental and social risk; and 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” beginning on page 50 of the 2021 Annual Report, including the Management’s Discussion and Analysis for the fiscal year ended October 31, 2021 which information is incorporated by reference herein.

The Bank further cautions that the foregoing list of factors is not exhaustive. Additional risks, events, and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on the Bank’s financial position, financial performance, cash flows, business or reputation. 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 and potential events.

The forward-looking information contained or incorporated by reference in this document is presented for the purpose of assisting investors, financial analysts, and others in understanding the Bank’s financial position and the results of the Bank’s operations as at, and for the period ended on, the date presented, as well as the Bank’s financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes.

Any forward-looking statements contained or incorporated by reference in this document represent the views of management only as at the date such statements were or are made, 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 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. Additional information relating to the Bank can be located on the SEDAR website at [www.sedar.com](http://www.sedar.com).

# Non-GAAP financial and other 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 pages 27 and 28 of this presentation and to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, including the Management's Discussion and Analysis (MD&A) as at and for the period ended July 31, 2022, which pages are incorporated by reference herein. The MD&A is available on SEDAR at [www.sedar.com](http://www.sedar.com).





# Rania Llewellyn

President & Chief Executive Officer

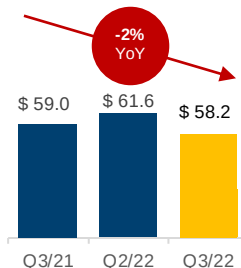
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Strategic Direction

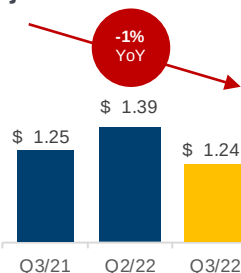
# Q3/22 Financial Highlights

- Strong commercial loan growth
- Prudent and disciplined approach to credit
- Sustained year-over-year improvement in efficiency ratio
- Healthy liquidity

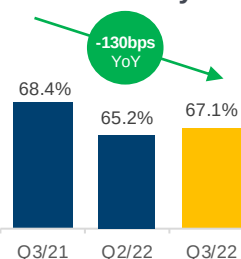
Adjusted Net Income (\$MM)<sup>(1)(4)</sup>



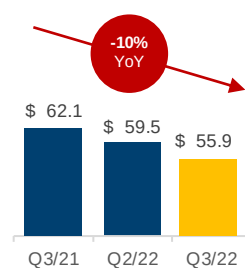
Adjusted Diluted EPS<sup>(2)(4)</sup>



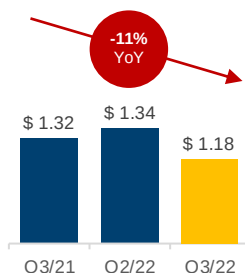
Adjusted Efficiency Ratio<sup>(2)(4)</sup>



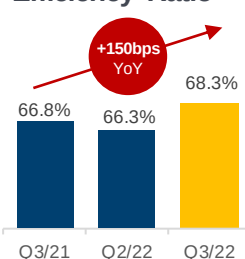
Net Income (\$MM)



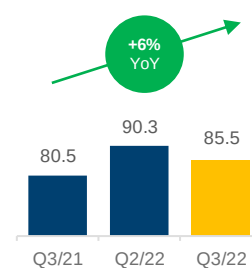
Diluted EPS



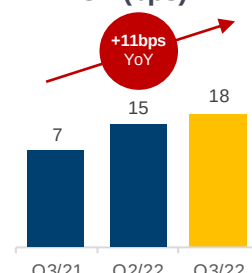
Efficiency Ratio<sup>(3)(4)</sup>



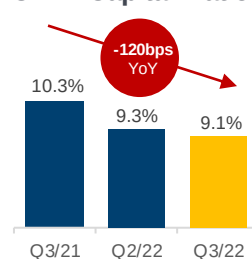
Adjusted PTPP Income (\$MM)<sup>(1)(4)</sup>



PCL (bps)<sup>(3)(4)</sup>



CET1 Capital Ratio<sup>(5)</sup>



(1) This is a non-GAAP financial measure (2) This is a non-GAAP ratio (3) This is a supplementary financial measure (4) For more information, refer to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, including the MD&A as at and for the period ended July 31, 2022 (5) In accordance with OSFI's "Capital Adequacy Requirements" guideline

# Strategic Direction | A 5-point Strategy for Future Growth



**Build One Winning Team**



**Make Size Our Advantage**



**Think Customer First**



**Simplify**



**Make the Better Choice**

**Culture**  
Our Driving Force

**Commercial Bank**  
Our Growth Engine

**Capital Markets**  
Focused & Aligned Offering

**Personal Bank**  
Repositioning for Growth

Underpinned by a commitment to ESG, a new purpose and new core values

**2022: EXECUTE**

**2023: GROW**

**2024: ACCELERATE**

## Strategic Plan: Commercial Banking Priorities

- 1 Continue to focus on our **specialized sectors**
- 2 **Diversify** geographically and by industry
- 3 Deepen **customer relationships**

## Commercial Banking | Our Growth Engine



**Real Estate  
Financing** grew by  
over **\$300MM** or **3%**  
**Q/Q** to **\$9.7B**



**Inventory  
Financing** was up  
by over **\$225MM** or  
**7% Q/Q** to **\$3.6B**



**21%** of our commercial  
loan portfolio is now in  
the U.S., **exceeding**  
**our medium-term**  
**target** of **18%**

## Strategic Plan: Capital Markets Priorities

- 1 Be an **alternative** to large banks
- 2 Expand capabilities to further align with **Commercial Banking**
- 3 New **ESG** capabilities to amplify our Purpose

## Capital Markets | Our Focused & Aligned Offering



Further aligned with **Commercial Banking**, leading to a **strong quarter** in our **FX business**



Participated in **six bank-issued** Preferred or Limited Recourse Capital Note issuances



Involved in **four ESG-themed offerings**, including two new-to-market issuances

## Strategic Plan: Personal Bank Priorities

- 1 Create one **performance-oriented** Personal Bank
- 2 Enhance **focus products** and **processes**
- 3 Lead with **digital-first** approach
- 4 Build a **purpose-driven** brand

## Personal Bank | Repositioning for Growth



Launched phased rollout of Digital Account Onboarding, starting with employees, **allowing for anytime, anywhere customer acquisition**



Introduced self-service password resets, helping divert more than **5,000 calls per month** from the contact centre



Launched refreshed and modernized online platform, *LBCDirect*, which is now more intuitive and **improves the overall customer experience**

# Strategic Direction | Culture & ESG



- 1 Achieved a **low-risk rating** (from medium-risk) and largest improvement among big banks in **Sustainalytics ESG Risk Rating survey**



- 2 **Launched Career Path planning** for Personal Banking advisors to **sustain our One Winning Team Culture**



- 3 Announced a partnership with Pride at Work Canada, **to build up and foster a culture where everyone belongs**

# 2022 Financial Targets | YTD Progress

| Financial Target                                              | 2022 Target | YTD Results  | Progress                                                                            |
|---------------------------------------------------------------|-------------|--------------|-------------------------------------------------------------------------------------|
| Adjusted diluted earnings per share growth <sup>(1)(2)</sup>  | >5%         | <b>11%</b>   |  |
| Adjusted return on common shareholders' equity <sup>(2)</sup> | >8.5%       | <b>9.4%</b>  |  |
| Adjusted efficiency ratio <sup>(2)</sup>                      | <68%        | <b>66.4%</b> |  |
| Adjusted operating leverage <sup>(1)</sup>                    | Positive    | <b>3.9%</b>  |  |

(1) Compared to the nine months ended July 31, 2021.

(2) The financial objectives are non-GAAP ratios based on non-GAAP financial measures. Refer to the Non-GAAP Financial and Other Measures section on page 5 of the MD&A for more information.



# Yvan Deschamps

Executive Vice President & Chief Financial Officer

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Financial Review

# Financial Review | Q3/22 Financial Performance

## Reported (\$MM)

|                                                       | Q3/22    | Y/Y      | Q/Q      |
|-------------------------------------------------------|----------|----------|----------|
| Total revenue                                         | \$ 260.0 | +2%      | -%       |
| Provision for credit losses (PCL)                     | \$ 16.6  | +208%    | +28%     |
| Non-interest expenses (NIE)                           | \$ 177.5 | +4%      | +3%      |
| Pre-tax pre-provision (PTPP) income <sup>(1)(4)</sup> | \$ 82.5  | -3%      | -6%      |
| Net income                                            | \$ 55.9  | -10%     | -6%      |
| Diluted EPS                                           | \$ 1.18  | -11%     | -12%     |
| ROE <sup>(2)(4)</sup>                                 | 8.4%     | -100 bps | -160 bps |
| Efficiency ratio <sup>(3)(4)</sup>                    | 68.3%    | +150 bps | +200 bps |
| CET1 capital ratio <sup>(5)</sup>                     | 9.1%     | -120 bps | -20 bps  |

## Adjusted (\$MM)

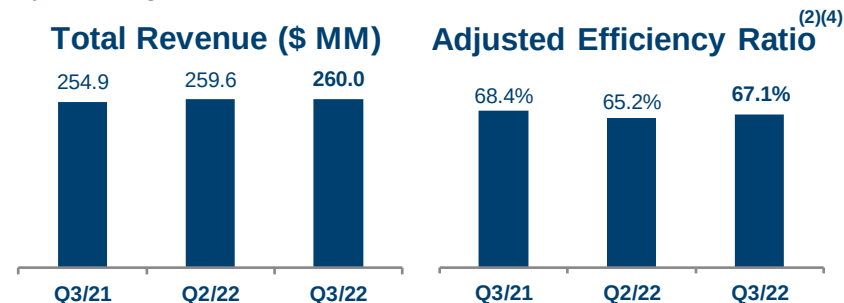
|                                                         | Q3/22    | Y/Y      | Q/Q      |
|---------------------------------------------------------|----------|----------|----------|
| Adjusted NIE <sup>(1)(4)</sup>                          | \$ 174.4 | -%       | +3%      |
| Adjusted pre-tax pre-provision income <sup>(1)(4)</sup> | \$ 85.5  | +6%      | -5%      |
| Adjusted net income <sup>(1)(4)</sup>                   | \$ 58.2  | -2%      | -6%      |
| Adjusted diluted EPS <sup>(2)(4)</sup>                  | \$ 1.24  | -1%      | -11%     |
| Adjusted ROE <sup>(2)(4)</sup>                          | 8.7%     | -20 bps  | -160 bps |
| Adjusted efficiency ratio <sup>(2)(4)</sup>             | 67.1%    | -130 bps | +190 bps |

## Y/Y Highlights

- Total revenue up by \$5.1MM, reflecting an increase in NII of \$13.8MM, partly offset by lower Other income, down by \$8.7MM
- PCL up by \$11.2MM, mainly as a result of higher provisions on performing loans due to the less favourable macroeconomic outlook
- NIE on a reported basis included a \$7.1 million net gain on the settlement of pension plans resulting from annuity purchases in 2021
- Positive adjusted operating leverage

## Q/Q Highlights

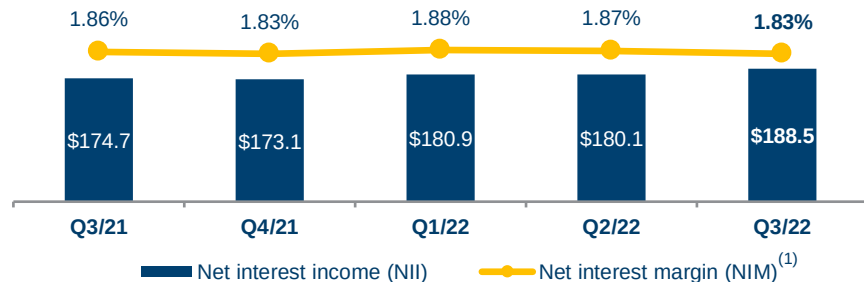
- Total revenue was relatively in line with last quarter, as higher interest income was offset by lower financial market related non-interest revenues
- PCL up by \$3.6MM, mainly as a result of higher provisions on performing loans due to the less favourable macroeconomic outlook



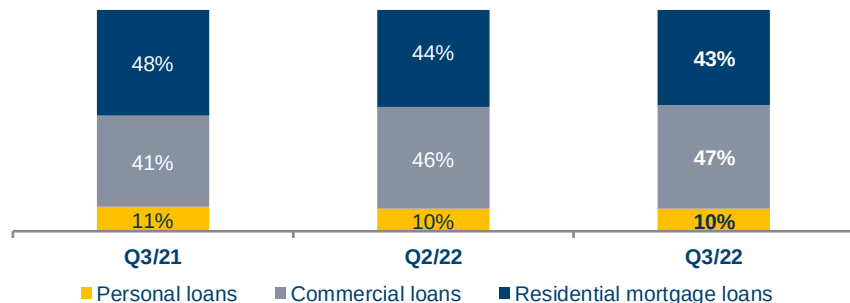
(1) This is a non-GAAP financial measure. (2) This is a non-GAAP ratio. (3) This is a supplementary financial measure. (4) For more information, refer to page 3 of this presentation and to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, including the MD&A as at and for the period ended July 31, 2022, which pages are incorporated by reference herein. (5) In accordance with OSFI's "Capital Adequacy Requirements" guideline.

# Financial Review | Net Interest Income

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



## Loan Portfolio Mix



## Key Assets (\$B)

|                                 | Q3/22   | Y/Y  | Q/Q |
|---------------------------------|---------|------|-----|
| Liquid assets <sup>(1)</sup>    | \$ 11.9 | +13% | +6% |
| Personal loans                  | \$ 3.4  | -10% | -2% |
| Residential mortgage loans      | \$ 15.8 | +1%  | +1% |
| Commercial loans <sup>(2)</sup> | \$ 17.3 | +29% | +4% |

## Key Liabilities (\$B)

|                                      | Q3/22   | Y/Y  | Q/Q |
|--------------------------------------|---------|------|-----|
| Deposits – Personal                  | \$ 21.3 | +17% | +8% |
| Deposits – Business, banks and other | \$ 5.3  | +8%  | -3% |
| Total Deposits                       | \$26.7  | +15% | +6% |
| Debt related to securitization       | \$ 11.6 | +8%  | -2% |

## Y/Y Highlights

- NII increased mainly due to higher interest income from commercial loans, partly offset by higher funding costs and lower mortgage pre-payment penalties
- NIM declined by 3 bps

## Q/Q Highlights

- NII increased mainly due to the positive impact of three additional days in the third quarter and higher interest income from commercial loans, partly offset by higher funding costs and liquidity levels
- NIM declined by 4 bps

(1) This is a supplementary financial measure. For more information, refer to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, including the MD&A as at and for the period ended July 31, 2022, which pages are incorporated by reference herein. (2) Including customers' liabilities under acceptances.

# Financial Review | Other Income

| (\$MM)                                    | Q3/22   | Y/Y  | Q/Q   |
|-------------------------------------------|---------|------|-------|
| Lending fees                              | \$ 17.1 | -9%  | -1%   |
| Fees and securities brokerage commissions | \$ 10.7 | -34% | -25%  |
| Commissions from sales of mutual funds    | \$ 11.4 | -9%  | -8%   |
| Service charges                           | \$ 7.4  | -6%  | -2%   |
| Income from financial instruments         | \$ 9.6  | +14% | -7%   |
| Card service revenues                     | \$ 5.8  | -10% | -15%  |
| Fees on investment accounts               | \$ 3.3  | -16% | -16%  |
| Insurance income, net                     | \$ 2.0  | -23% | -13%  |
| Other                                     | \$ 4.2  | +17% | -13%  |
|                                           | \$ 71.4 | -11% | - 10% |

## Y/Y Highlights

- Other income decreased by \$8.7MM, mainly due to:
  - A decrease of \$5.4MM in fees and securities brokerage commissions
  - A decrease of \$1.6MM in lending fees
  - A decrease of \$1.1MM in commissions from sales of mutual funds resulting from the decline in equity markets
- This was partly offset by higher foreign exchange revenues

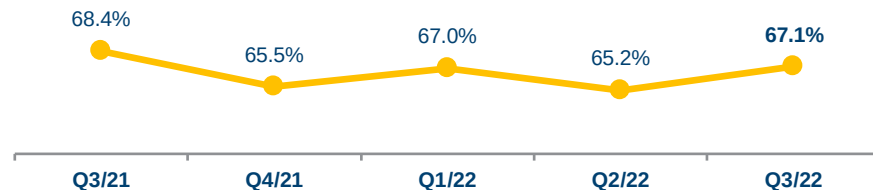
## Q/Q Highlights

- Other income decreased by \$8.1MM, mostly as a result of the volatile financial markets unfavourably impacting financial market related non-interest revenues, namely fees and securities brokerage commissions, commissions on sales of mutual funds and income from financial instruments

# Financial Review | Non-Interest Expenses (NIE)

| NIE (\$MM)                                       | Q3/22    | Y/Y  | Q/Q  |
|--------------------------------------------------|----------|------|------|
| Salaries and employee benefits                   | \$ 100.1 | +11% | +1%  |
| Premises and technology                          | \$ 44.2  | -10% | +1%  |
| Other                                            | \$ 33.2  | +6%  | +11% |
| Impairment and restructuring charges             | -\$      | -%   | -%   |
| Non-interest expenses                            | \$ 177.5 | +4%  | +3%  |
| Adjusted non-interest expenses <sup>(1)(3)</sup> | \$ 174.4 | -%   | +3%  |

## Adjusted Efficiency Ratio<sup>(2)(3)</sup>



## Y/Y Highlights

- Adjusted NIE was flat from a year ago, mainly from:
  - Strategic investments to close key foundational gaps and support growth, including higher headcount, salary base and accelerated business development activities
  - Offset by a decrease in premises and technology costs, mostly due to lower amortization charges and rent expenses
- Adjusted efficiency ratio improved by 130 bps and operating leverage was positive

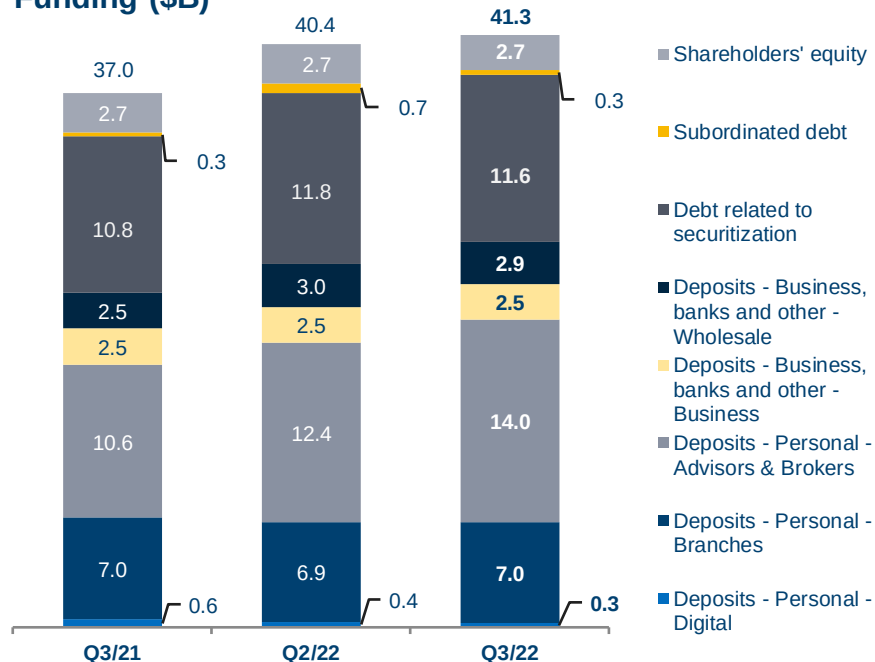
## Q/Q Highlights

- Adjusted NIE increased by \$5.1MM mainly due to strategic investments to close key foundational gaps and support growth, including higher headcount, salary base, accelerated business development activities, as well as higher professional and advertising fees, partly offset by lower performance-based compensation
- Adjusted efficiency ratio up 190 bps

(1) This is a non-GAAP financial measure. (2) This is a non-GAAP ratio. (3) For more information, refer to page 3 of this presentation and to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, including the MD&A as at and for the period ended July 31, 2022, which pages are incorporated by reference herein.

# Financial Review | Well Diversified and Stable Sources of Funding

## Funding (\$B)



## Y/Y Highlights

Total funding increased by \$4.3B

- Debt related to securitization increased by \$0.8B
- Total deposits increased by \$3.5B
  - Notice and demand deposits increased by \$1.5B reflecting our strategy to deepen and expand relationships with advisors and brokers
  - Term deposits increased by \$2.0B
- Personal deposits represent 80% of total deposits as at July 31, 2022, and contributed to the Bank's good liquidity position

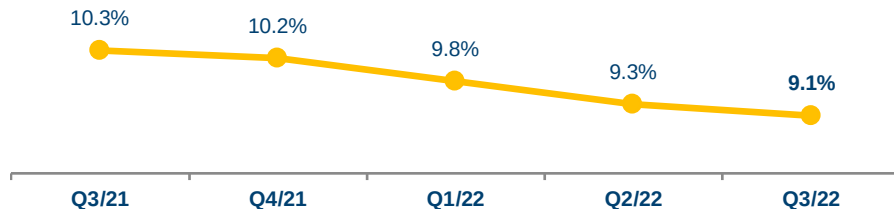
## Q/Q Highlights

Total funding increased by \$0.9B

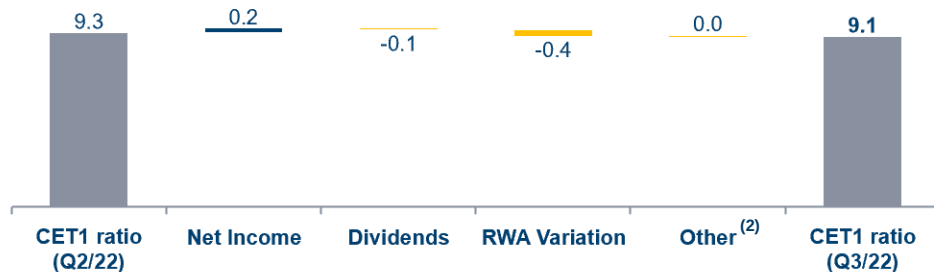
- Total deposits increased by \$1.4B
  - Personal deposits increased by \$1.6B
  - Wholesale deposits decreased by \$0.1B

# Financial Review | Strong Capital Position

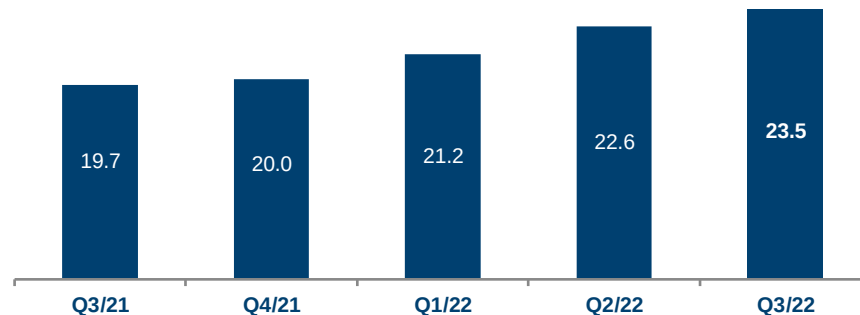
## Common Equity Tier 1 Capital Ratio (CET1)<sup>(1)</sup>



## Evolution of the CET1 Ratio (%)



## Risk-Weighted Assets (RWA) (\$B)<sup>(1)</sup>



## Y/Y Highlights

- CET1 ratio went from 10.3% to 9.1% as we redeployed capital accumulated during the pandemic to support sustainable, profitable commercial loan growth in line with our strategic plan
- Pre-pandemic (Q1/20), CET1 ratio stood at 9.0%

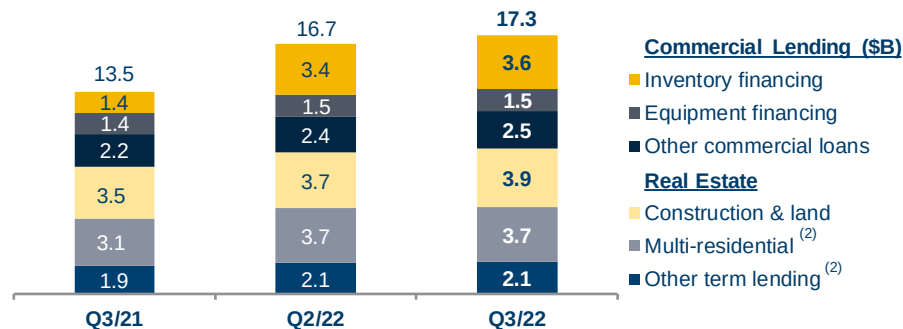
## Q/Q Highlights

- CET1 ratio went from 9.3% to 9.1% mainly for the same reasons

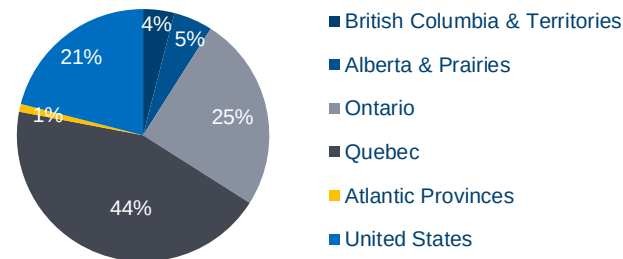
(1) In accordance with OSFI's "Capital Adequacy Requirements" guideline. (2) Comprised of other variations in other comprehensive income, as well as deductions for software and other intangible assets, pension plan assets and other.

# Financial Review | Strong and Diversified Commercial Loan Portfolio

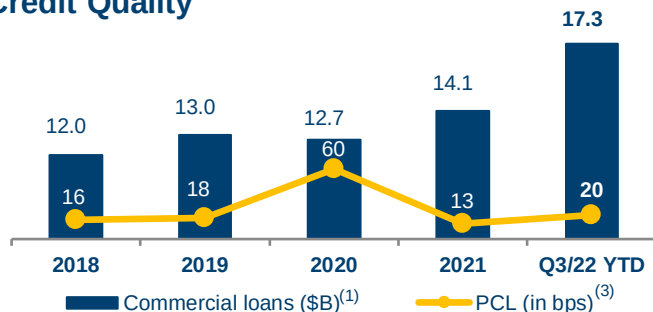
## Commercial Loan Portfolio<sup>(1)</sup>



## A Pan-Canadian Portfolio and a U.S. Presence (as at July 31, 2022)



## Credit Quality



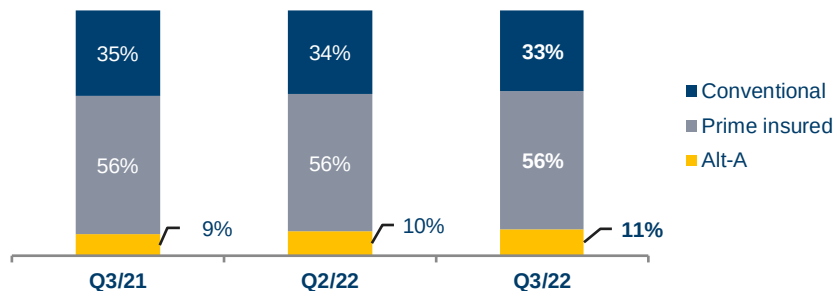
## Loan to Value (LTV) on Term Lending and Multi-residential Mortgage Portfolios

- LTV on term loan portfolio: 59%
- LTV on uninsured multi-residential mortgage portfolio: 56%

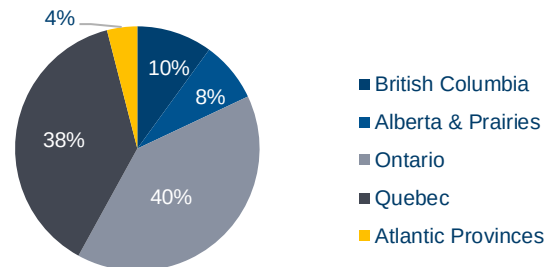
(1) Including customers' liabilities under acceptances. (2) Comparative figures have been reclassified to conform to the current quarter presentation. (3) This is a supplementary financial measure. For more information, refer to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, which pages are incorporated by reference herein.

# Financial Review | High Quality Residential Mortgage Loan Portfolio

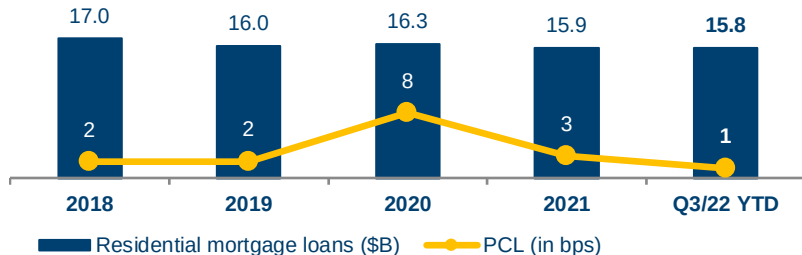
## Insured vs Uninsured



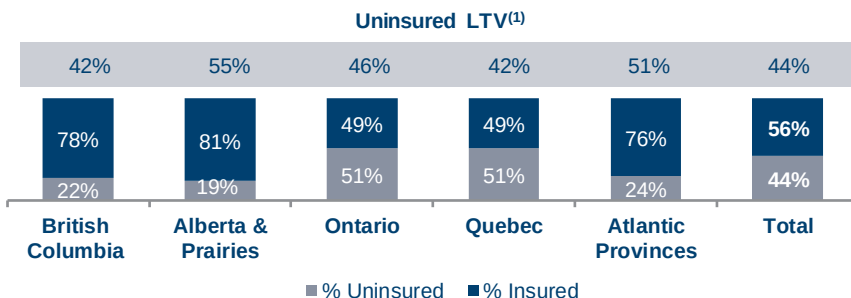
## A Pan-Canadian Portfolio (as at July 31, 2022)



## Credit Quality



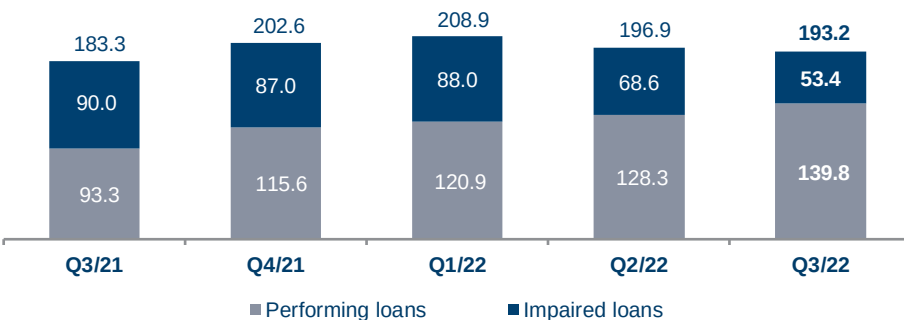
## Insured, Uninsured & Loan to Value (LTV) by Province<sup>(2)</sup>



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

# Financial Review | Allowances for Credit Losses

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



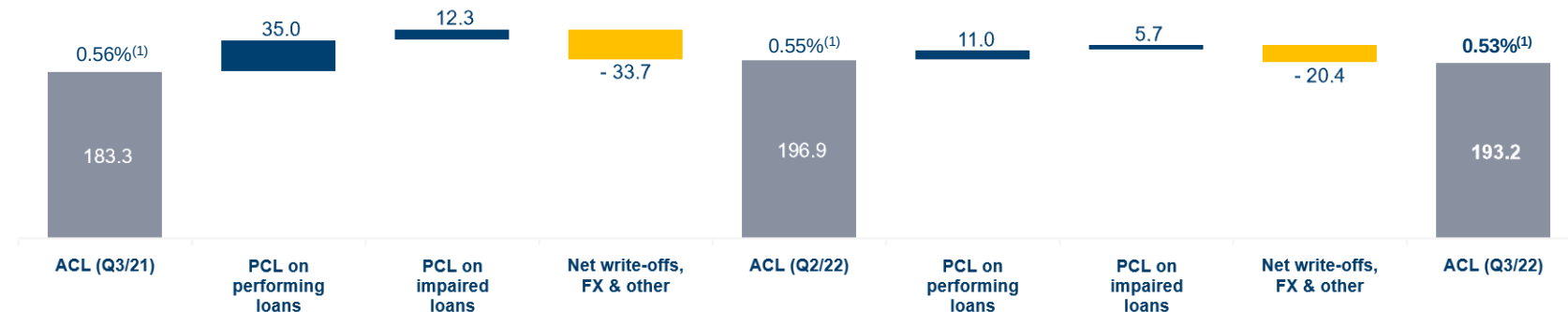
## Y/Y Highlights

- ACL increased by \$9.9MM mainly as a result of higher provisions on commercial loans related to volume growth and the less favourable macroeconomic outlook

## Q/Q Highlights

- ACL decreased by \$3.7MM mainly due to write-offs of previously provisioned accounts in the commercial loan portfolio

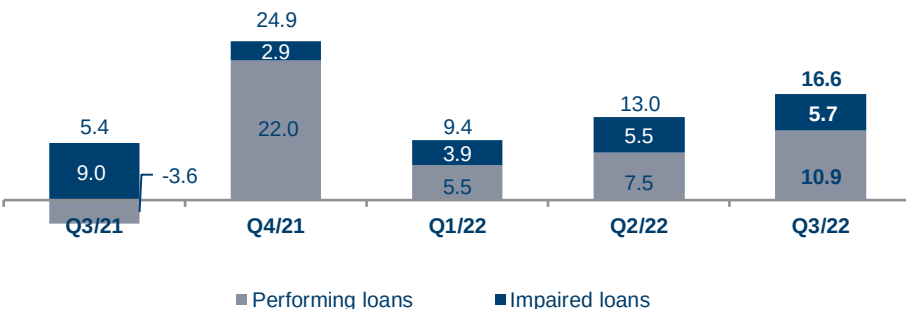
## Movement in ACL (\$MM)



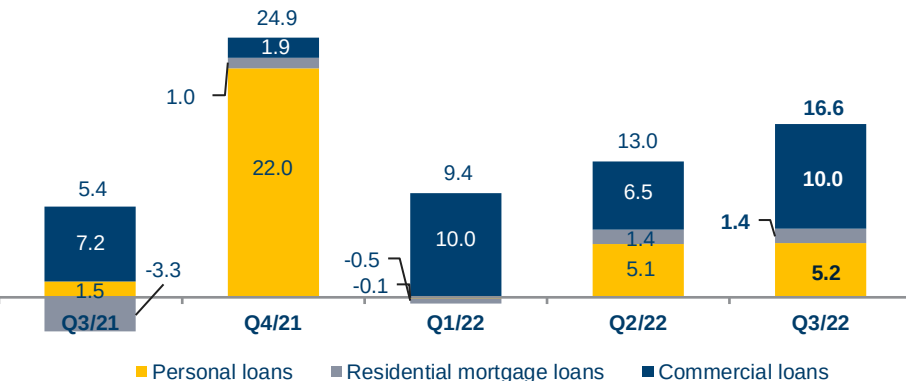
(1) The ACL as a % of loans and acceptances is a supplementary financial measure. For more information, refer to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, including the MD&A as at and for the period ended July 31, 2022, which pages are incorporated by reference herein.

# Financial Review | Provision for Credit Losses

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



## PCL (\$MM)



(1) Weighted-average PCL based on industry data.

## Y/Y Highlights

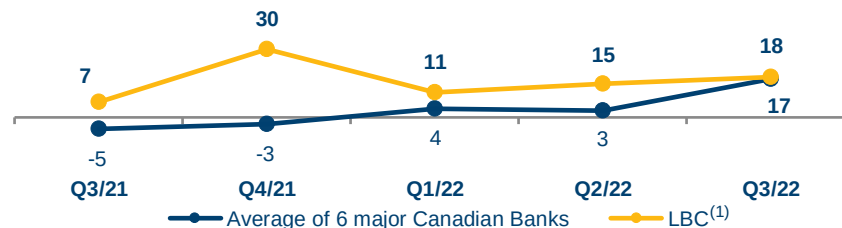
- PCL increased by \$11.2MM mainly as a result of higher provisions on performing loans due to volume growth and the less favourable macroeconomic outlook
- PCL as a % of average loans and acceptances increased by 11 bps

## Q/Q Highlights

- PCL increased by \$3.6MM mainly for the same reasons
- PCL as a % of average loans and acceptances increased by 3 bps

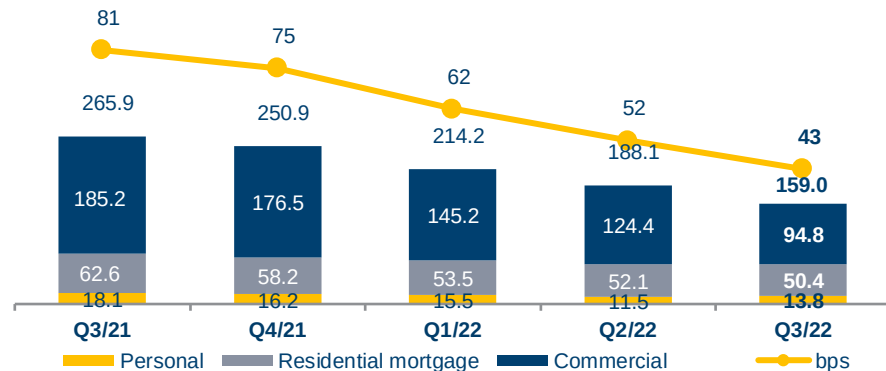
## PCL (bps)

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

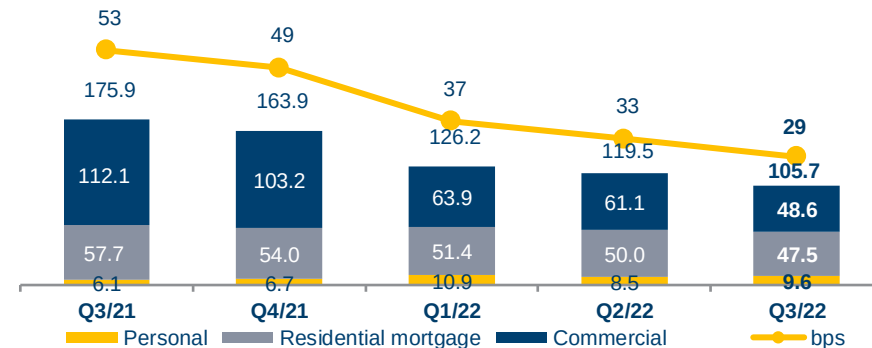


# Financial Review | Impaired Loans

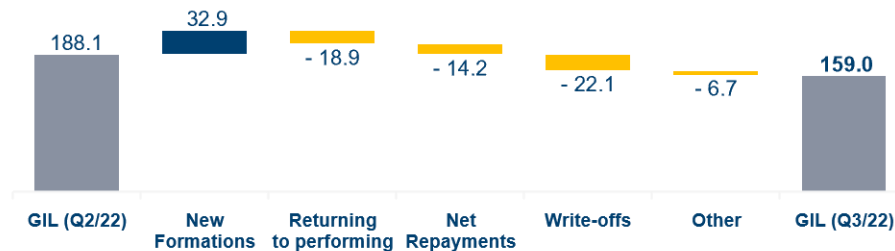
## Gross Impaired Loans (\$MM, bps)



## Net Impaired Loans (\$MM, bps)



## Gross Impaired Loans (GIL) Net Formation (\$MM)



## Y/Y Highlights

- Gross impaired loans decreased by \$106.9MM mainly due to favourable repayments and write-offs of previously provisioned accounts in the commercial loan portfolio
- Net impaired loans decreased by \$70.2MM

## Q/Q Highlights

- Gross impaired loans decreased by \$29.1MM mainly for the same reasons
- Net impaired loans decreased by \$13.8MM



# Rania Llewellyn

President & Chief Executive Officer

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Closing Remarks

# Closing Remarks | Key Takeaways



**Solid results this quarter**



**Continued execution against our strategy heading into Q4**



**Our credit quality is sound** and we are confident in our **strong underwriting practices** and **highly collateralized portfolio**



Continued to apply **strong cost discipline** and identify additional **cost optimization opportunities**



Our **One Winning Team** is engaged and shown resilience through this period of economic volatility

**We are confident in our ability to exceed our 2022 financial targets**



# Appendices

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# Appendices | Adjusting Items

|                                                                              | Q3/22                       |                               |                           | Q2/22                       |                               |                           | Q3/21                       |                               |                           |
|------------------------------------------------------------------------------|-----------------------------|-------------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------|
|                                                                              | Pre-Tax<br>Impact<br>(\$MM) | After-Tax<br>Impact<br>(\$MM) | Impact<br>(\$ /<br>Share) | Pre-Tax<br>Impact<br>(\$MM) | After-Tax<br>Impact<br>(\$MM) | Impact<br>(\$ /<br>Share) | Pre-Tax<br>Impact<br>(\$MM) | After-Tax<br>Impact<br>(\$MM) | Impact<br>(\$ /<br>Share) |
| Strategic review-related charges                                             | \$ -                        | \$ -                          | \$ -                      | \$ -0.3                     | \$ -0.2                       | \$ -                      | \$ -                        | \$ -                          | \$ -                      |
| Net gain on the settlement of pension plans resulting from annuity purchases | -                           | -                             | -                         | -                           | -                             | -                         | -7.1                        | -5.2                          | -0.12                     |
| Amortization of acquisition-related intangible assets                        | 3.1                         | 2.3                           | 0.06                      | 3.0                         | 2.3                           | 0.05                      | 2.9                         | 2.2                           | 0.05                      |
| Impact of adjusting items <sup>(1)</sup>                                     | \$ 3.1                      | \$ 2.3                        | \$ 0.06                   | \$ 2.8                      | \$ 2.1                        | \$ 0.05                   | \$ -4.2                     | \$ -3.0                       | \$ -0.07                  |

(1) For more information about adjusting items and an explanation of each reconciling item, refer to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, including the MD&A as at and for the period ended July 31, 2022, which pages are incorporated by reference herein. The impact of adjusting items may not add due to rounding.

# Appendices | Non-GAAP Financial Measures

| In \$MM                                                                   | Q3-2022           | Q2-2022           | Q3-2021           |
|---------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Income before income taxes                                                | \$ 65.8           | \$ 74.5           | \$ 79.2           |
| Provision for credit losses                                               | 16.6              | 13.0              | 5.4               |
| Pre-tax pre-provision (PTPP) income <sup>(1)</sup>                        | 82.5              | 87.5              | 84.6              |
| Pre-tax impact of adjusting items <sup>(2)</sup>                          | 3.1               | 2.8               | -4.2              |
| <b>Adjusted PTPP income<sup>(1)</sup></b>                                 | <b>\$ 85.5</b>    | <b>\$ 90.3</b>    | <b>\$ 80.5</b>    |
| Net income                                                                | \$ 55.9           | \$ 59.5           | \$ 62.1           |
| After-tax impact of adjusting items <sup>(2)</sup>                        | 2.3               | 2.1               | -3.0              |
| <b>Adjusted net income<sup>(1)</sup></b>                                  | <b>\$ 58.2</b>    | <b>\$ 61.6</b>    | <b>\$ 59.0</b>    |
| Net income available to common shareholders                               | \$ 51.3           | \$ 58.3           | \$ 57.4           |
| After-tax impact of adjusting items <sup>(2)</sup>                        | 2.3               | 2.1               | -3.0              |
| <b>Adjusted net income available to common shareholders<sup>(1)</sup></b> | <b>\$ 53.6</b>    | <b>\$ 60.3</b>    | <b>\$ 54.4</b>    |
| Shareholders' equity <sup>(1)</sup>                                       | \$ 2,726.8        | \$ 2,689.3        | \$ 2,747.2        |
| Adjusting items related to shareholders equity                            | -296.3            | -298.0            | -321.8            |
| <b>Average common shareholders' equity</b>                                | <b>\$ 2,430.5</b> | <b>\$ 2,391.4</b> | <b>\$ 2,425.4</b> |

(1) For more information about non-GAAP financial measures, refer to the Non-GAAP Financial and Other Measures section beginning on page 5 of the Third Quarter 2022 Report to Shareholders, including the MD&A as at and for the period ended July 31, 2022, which pages are incorporated by reference herein. (2) Refer to page 27 of this presentation for detailed information about adjusting items. The impact of adjusting items may not add due to rounding.

# Appendices | Financial Roadmap

● On track
 ● Behind
 ● At Risk

| Financial Targets                          | 2021 Actual | 2022 Target      | YTD Results         | Progress | Medium Term      |
|--------------------------------------------|-------------|------------------|---------------------|----------|------------------|
| Adjusted diluted EPS growth <sup>1,2</sup> | +56%        | >5%              | +11% <sup>(1)</sup> | ●        | 7-10%            |
| Adjusted ROE <sup>2</sup>                  | 8.3%        | >8.5%            | 9.4%                | ●        | >10%             |
| Adjusted efficiency ratio <sup>2</sup>     | 68.2%       | <68%             | 66.4%               | ●        | <65%             |
| Adjusted operating leverage <sup>1,2</sup> | 5.8%        | Positive         | 3.9% <sup>(1)</sup> | ●        | Positive         |
| Key Financial Drivers                      |             |                  |                     |          |                  |
| Loan Growth                                | +1%         | Low single digit | +9%                 | ●        | Mid single digit |
| Deposit Growth                             | -4%         | Low single digit | +16%                | ●        | Mid single digit |
| Loan Portfolio Mix                         | 42%         | Comm >42%        | 47%                 | ●        | >45%             |
| Net Interest Margin                        | 1.85%       | >1.85%           | 1.86%               | ●        | >1.90%           |
| PCL (bps)                                  | 15 bps      | Mid teens        | 15 bps              | ●        | High teens       |

(1) Compared to the nine months ended July 31, 2021.

(2) The financial objectives are non-GAAP ratios based on non-GAAP financial measures. Refer to the Non-GAAP Financial and Other Measures section on page 5 of the MD&A for more information.

# Appendices | Annual Key Performance Indicators

● On track
 ● Behind
 ● At Risk

| Culture                       |      |          | Targets |                    |
|-------------------------------|------|----------|---------|--------------------|
|                               | 2021 | Progress | 2022    | 2024               |
| Employee Engagement index     | 74%  | ●        | 75%     | ≥80%               |
| Employee turnover             | 27%  | ●        | 25%     | <20%               |
| Women leaders AVP+            | 37%  | ●        | 39%     | ≥40%               |
| Students from Black community | 8%   | ●        | 5%      | 5%                 |
| BIPOC leaders VP+             | 12%  | ●        | 14%     | +3% <sup>(1)</sup> |

| Capital Markets                                                     |                 |          | Targets |                 |
|---------------------------------------------------------------------|-----------------|----------|---------|-----------------|
|                                                                     | 2021            | Progress | 2022    | 2024            |
| Grow syndicate positions with core provincial and corporate issuers | 9 <sup>th</sup> | ●        | -       | 7 <sup>th</sup> |
| Expand coverage universe of our top-tier Commercial clients         | 50%             | ●        | 75%     | 100%            |
| Participate in sustainable bond issuances with our core clients     | n.m.            | ●        | >75%    | >75%            |

(1) 2025 Target

| Commercial Banking                    |       |          | Targets |        |
|---------------------------------------|-------|----------|---------|--------|
|                                       | 2021  | Progress | 2022    | 2024   |
| Loan Growth (\$)                      | \$14B | ●        | \$15B   | >\$18B |
| % of Commercial loans in U.S.         | 14%   | ●        | 15%     | >18%   |
| Maintain excellent Net Promoter Score | 53    | ●        | 50+     | 50+    |

| Personal Banking                     |          |          | Targets  |          |
|--------------------------------------|----------|----------|----------|----------|
|                                      | 2021     | Progress | 2022     | 2024     |
| Mortgage time to yes                 | 8 days   | ●        | 3 days   | 2 days   |
| Visa time to yes                     | 25 days  | ●        | Instant  | Instant  |
| New Bank Account Openings            | n.m.     | ●        | 10x      | 30x      |
| Account Opening & Digital Activation | 2-3 days | ●        | <30 mins | <30 mins |



# Investor Relations Contact

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