



**LAURENTIAN  
BANK**

# **2024 Annual Meeting of Shareholders**

Remarks delivered by  
**Éric Provost**  
President and Chief Executive Officer  
Laurentian Bank

April 9, 2024

**CHECK AGAINST DELIVERY**



Thank you, Mike.

Good morning and thank you for attending Laurentian Bank's Annual Meeting of Shareholders.

I am honoured to be here today, leading this organization, which has been an important part of our society for more than 175 years. I am extremely proud to be a part of an institution that plays such an integral role in helping Canadian families achieve their dreams, supporting businesses so they can prosper, and engaging in our communities to help them thrive. It is a great privilege to guide the Bank through this important time in our history.

Looking back to the 2023 fiscal year, the Bank had a strong start to the year, and we achieved a number of important deliverables for our customers. In Personal Banking, we continued to make good progress in launching new digital functions to improve the customer experience. This included new Interac features that improve the speed of deposits and give customers more ways to receive funds.

And in Commercial Banking, our teams continued to make progress in areas of specialization to provide high value for our customers. We also made good progress on our Environmental, Social and Governance (ESG) program, which remains a priority for the Bank.

The second half of the year proved more challenging, and our results were impacted by two key factors: 1) the volatile macroeconomic environment, and 2) the limited progress we made on reducing our cost base.

Macroeconomic conditions impacted business and consumer spending, which affected our loan growth. During this period, the Bank also decided to conduct a review of our strategic options to maximize value for our shareholders and stakeholders. I truly believe this was an important exercise because, not only did it give us a better understanding of the Bank's position in the market, but it also provided us with key insights that will better shape our future.

Regarding our expenses – which included foundational investments, costs related to the strategic review, and unexpected costs due to the outage of the Bank's mainframe in late September – we had also failed as an organization to reduce our costs at an appropriate pace over the past few years. This is why one of my top priorities as new CEO has been to double down in our efforts of simplifying our organization and finding meaningful savings. Now more than ever, every single employee, manager and senior leader is committed to simplifying our organization and to making better choices so that we can improve the Bank's short-term performance while creating long-term value for all our shareholders.

I would like to take a moment to speak about the mainframe outage. As you know by now, a scheduled upgrade of our mainframe in September caused the outage of our banking services, including our online banking platform, *LBC Direct* for more than three days. The customer impact was significant and the inconvenience it caused was completely unacceptable. And so, my first mandate on becoming CEO was to

establish and successfully execute a three-point plan to restore trust with our customers.

First, we quickly resolved all outstanding issues related to the outage. Second, we increased communication with our customers to ensure that they were provided with timely updates on the full restoration of the Bank's services. Third, we launched a comprehensive review of the factors that led to the outage and are adjusting internal processes based on the lessons learned.

Since becoming CEO, I was also pleased to announce key leadership and organizational changes which will allow us to deliver on our renewed focus to be closer and more accountable to our customers. This included four internal promotions and the addition of one external executive. I would also like to welcome our three new Board members. These appointments demonstrate the Board's commitment to ongoing renewal which is key to enhancing its overall effectiveness and ensures an appropriate balance between skills and experience, and a diversity of perspectives.

As I mentioned at the start, this is an important time in Laurentian Bank's history and the decisions we make today will set the course for a brighter tomorrow. I am a firm believer that we must understand the past in order to shape the future. And that refocusing the Bank's core activities is the best way to create maximum, long-term value for you, and all of our stakeholders.

To that end, at the beginning of fiscal year 2024 we introduced three strategic priorities to guide all actions and decisions for the organization:

1. **Becoming more customer centric** by building out an end-to-end view of the customer experience and putting them at the centre of all our actions.
2. **Simplifying our organization** by streamlining our products to focus on areas where we can win.
3. **Investing in technology.** We are focussing on running the Bank and investing in technology that improves our systems, generates additional revenue or saves costs.

The work to refresh our strategic plan is well underway.

This plan will refine our focus on the areas where we can win to increase our competitiveness, while always maintaining our objective of improving the customer experience. As part of this revamp, we have launched a review of all products and are mapping all end-to-end processes to help inform our decision-making as we look to simplify our operating model. Already, we have taken steps to simplify the organization when we announced a 2% reduction in our workforce early in Q1 2024. This was a difficult but necessary decision.

Strategy is about making choices. My commitment to all stakeholders is that every decision we make will be thoughtful and will be centered on what is in the best interest of our customers and shareholders, and the future success of Laurentian Bank. I look forward to sharing the details of this refreshed strategic plan with you later this spring.

In closing, I would like to sincerely thank the Board for your confidence in me and my team, as well as for your guidance and ongoing support.

To our Bank's amazing employees – thank you for your commitment to our Bank, for your ongoing efforts to improve our operations and reduce our complexities, and thank you for your dedicated service to our customers.

To our customers, thank you for your patience, your loyalty, and your business. You have my word that we are committed to you and look forward to serving you each and every day.

And, to our shareholders, we appreciate your ongoing support. Laurentian Bank has a solid foundation, and our capital and liquidity positions are strong. We are here for you – and are more committed than ever to proving our value and delivering growth for the long term.

Thank you and have a nice day!