

# Investor Day 2024

May 31, 2024





# 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 2023 Annual Report, including, the MD&A for the fiscal year ended October 31, 2023, 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 2023 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 2023 Annual Report, such as those related to: Canadian and global economic conditions (including the risk of higher inflation and rising interest rates); 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 2023 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.

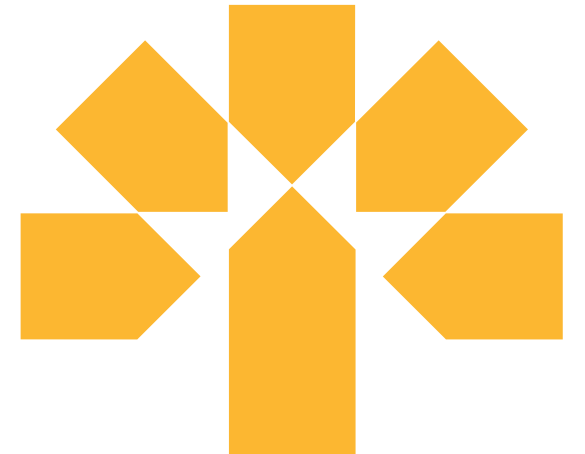
Non-GAAP ratios are not standardized financial measures under the financial reporting framework used to prepare the financial statements of the Bank to which the non-GAAP ratios relate and might not be comparable to similar financial measures disclosed by other issuers. Ratios are considered non-GAAP 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 on page 25 of the Second Quarter 2024 Report to Shareholders, including the MD&A for more information about the composition of supplementary financial measures disclosed in this document.

For more information, refer to page 69 of this presentation and to the Non-GAAP financial and other measures section beginning on page 5 of the Second Quarter 2024 Report to Shareholders, including the MD&A for the quarter ended on April 30, 2024, which is incorporated by reference. The MD&A is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# Our Path Forward

Éric Provost  
President & Chief Executive Officer





# Who we are

Laurentian Bank has a 175+ year history of supporting underserved customers



## Personal & Commercial Banking Segment

## Capital Markets Segment

### COMMERCIAL BANKING

### PERSONAL BANKING

### CAPITAL MARKETS

**Our  
growth engine:**

**Our  
community pillar:**

**Our  
support engine:**

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

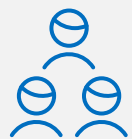
**A Quebec-based retail network augmented by a Canada-wide digital and advisor and broker network**

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



# Our Laurentian Bank team

Our team is performance-oriented, inspired and engaged, and works in an inclusive environment



~2,800

Employees



~40%

Reduction in voluntary turnover rate  
*FY21 – FY23*



~80%

8% increase in Employee Engagement - in line with industry average  
*FY21 – FY23*



30-60 days

To fill a position – in line with industry average  
*FY23*





# Our cultural evolution

Moving forward, we will continue to evolve our culture from activity-based to impact-oriented

	FROM:		TO:
<b>What we say</b> about ourselves	Apologetic for our missteps	>	<b>Proud</b> of our path forward
<b>How we define</b> our leaders	Responsible for activities	>	<b>Accountable</b> for outcomes
<b>How we talk</b> about the business	Aspirational in our approach	>	<b>Determined</b> in our execution capability
<b>How we behave</b> with stakeholders	Reactive to events	>	<b>Proactive</b> in our engagement
<b>How we invest</b> in opportunity	Wide coverage	>	<b>High</b> conviction and focused



# ESG at Laurentian Bank

We will continue to support sustainable environmental, social, and economic change



## Environment

We are **creating a more sustainable future for all** and incorporate environmental considerations into every aspect of our business



## Social

We are **fostering an inclusive and equitable workplace culture** where every person is empowered to thrive, reach their fullest potential, and belong



## Governance

We are **practicing sound governance and business principles**, which provide us with the solid foundation required to continue developing an effective ESG program



Our ambition

Foster prosperity for all customers through specialized commercial banking and low-cost banking services to grow savings for middle-class Canadians.





## 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



# Our business segment strategies

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



# Seasoned leadership team

Our seasoned leadership team brings significant industry experience and a diverse skillset to build for the future

## Enterprise leaders



**Éric Provost**  
President and CEO



**Sébastien Bélair**  
EVP, Chief Operating Officer



**Bindu Cudjoe**  
EVP, Chief Legal Officer &  
Corporate Secretary



**Yvan Deschamps**  
EVP, Chief Financial Officer



**Thierry Langevin**  
EVP, Commercial Banking



**William Mason**  
EVP, Chief Risk Officer

## Transformation leaders



**Benoit Bertrand**  
Chief Information Officer



**Sophie Boucher**  
Head, Personal Banking and SME



**Marie-Christine Custeau**  
Chief Strategy & Transformation  
Officer



**Macha Pohu**  
Chief Human Resources Officer



# We made significant progress on our last plan

In 2021, we launched a strategic plan and made significant progress



Exceeded our **Commercial Loan Growth target**

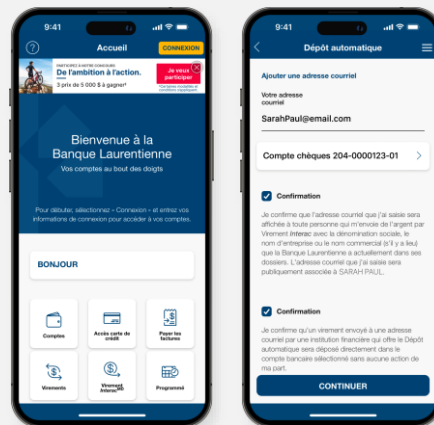
# \$17B<sup>+</sup>

**Commercial loan balance in FY23**

*From \$14B in FY21*



Closed top-five digital pain points in **Personal Banking**



Grew syndicate positions in **Capital Markets** with core government and corporate issuers



Progressed towards **7<sup>th</sup>** position in syndicates, from 9<sup>th</sup>

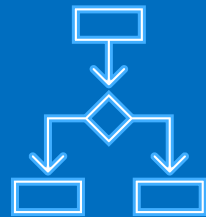


# Key learnings from our recent strategic review

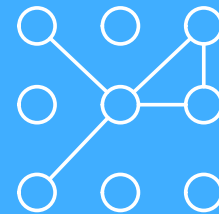
Through summer of 2023, our strategic review allowed us to reflect on our current state



We need to develop appropriate capabilities in **foundational technology infrastructure**



We have **too many manual processes**



We are **too complex** as an organization



We need to **better manage expenses** of Personal Banking in line with revenues

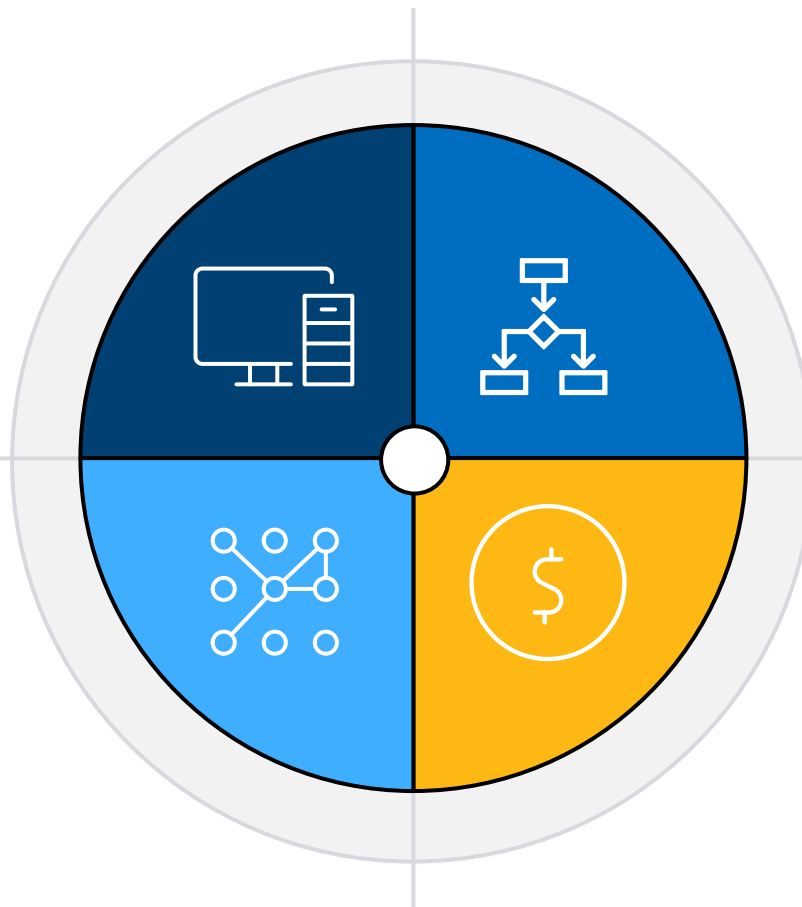


# Building a stronger bank

Today is about addressing the key learnings from our strategic review and charting the course to a stronger tomorrow

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

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



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

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



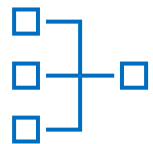
# We have already embarked on the journey

Over the past six months this team has already started executing and has successfully implemented several key initiatives across a number of pillars



## Customer

- Revamped leadership team to focus on the customer
- Completed end-to-end process review of retail products to improve the customer experience
- Reduced manual processes



## Simplification

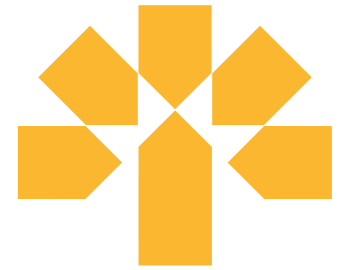
- Divested from businesses (e.g., LBS full-service brokerage, equity research) to simplify organization
- Realigned headcount to evolving organizational needs and market realities



## Technology

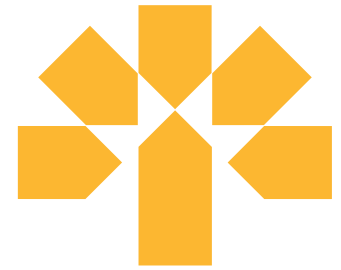
- Hired new leadership
- Introduced enhanced governance model
- Accelerated investments to improve resiliency and customer experience

# Personal & Commercial Banking Segment





# Commercial Banking



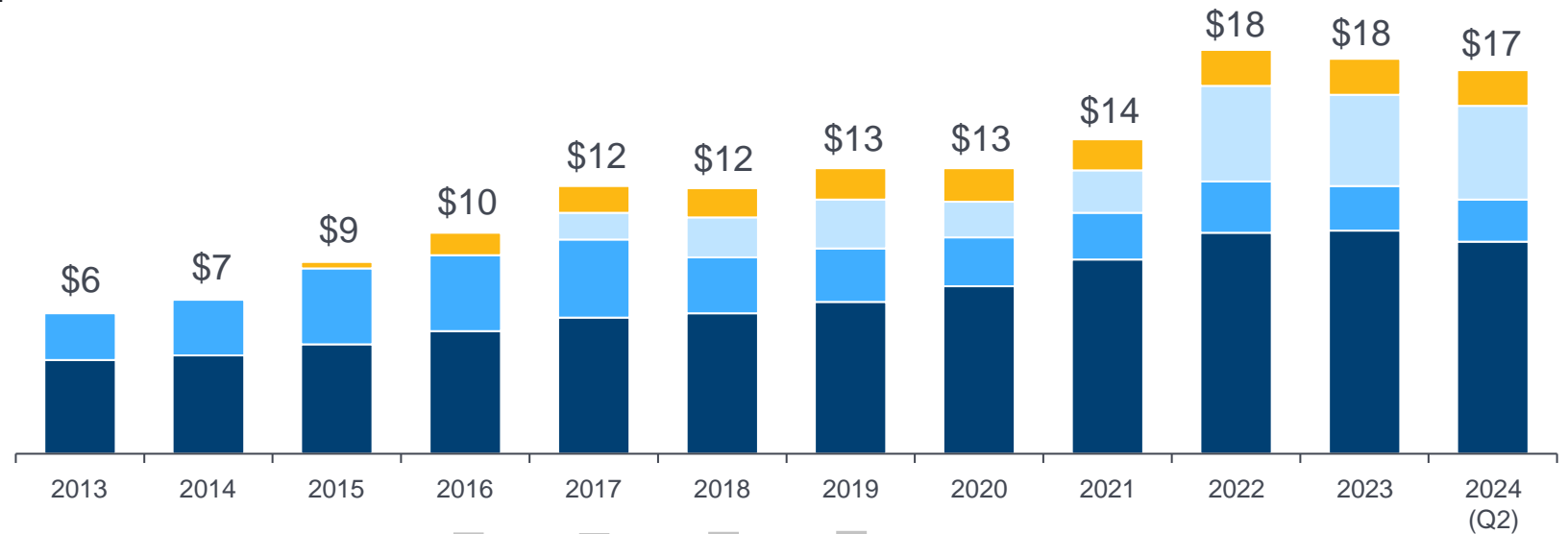


# Who we are

We efficiently achieved over 3x growth in commercial assets since 2013, while maintaining a disciplined approach over the business mix

## Commercial Loan Evolution<sup>1</sup> \$Billions

- Equipment Finance
- Inventory Finance
- Commercial SME
- Commercial Real Estate



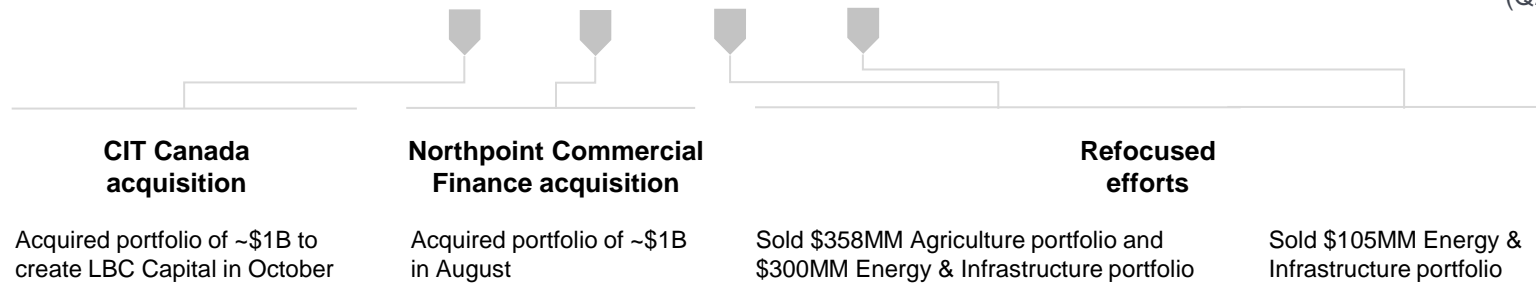
## Geographic segmentation (FY23)



~75%



~25%



1. As at October 31



# Our business sectors

We serve our customers through 4 key specializations



## Inventory Financing

Northpoint Commercial Finance (a subsidiary of Laurentian Bank) offers inventory financing solutions for dealers and manufacturers.



## Equipment Financing

LBC Capital (a subsidiary of Laurentian Bank) offers equipment financing solutions for suppliers and businesses.



## Commercial Real Estate

Financing of residential, commercial and industrial projects with real estate developers and entrepreneurs.



## Commercial SME

Offers financing solutions, personalized banking services and international services through specialized teams.



# Inventory Financing overview

Inventory Financing offers solutions for dealers and manufacturers across Canada and the U.S., where we are a top-three player

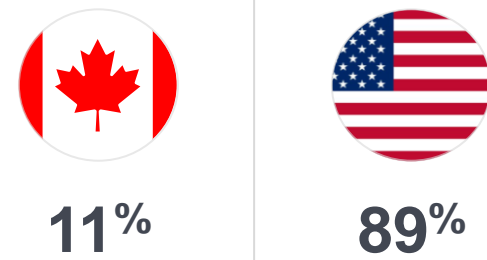
## Where we operate

 Marine	 RVs
 Manufactured housing	 Trailers

## Where we are growing

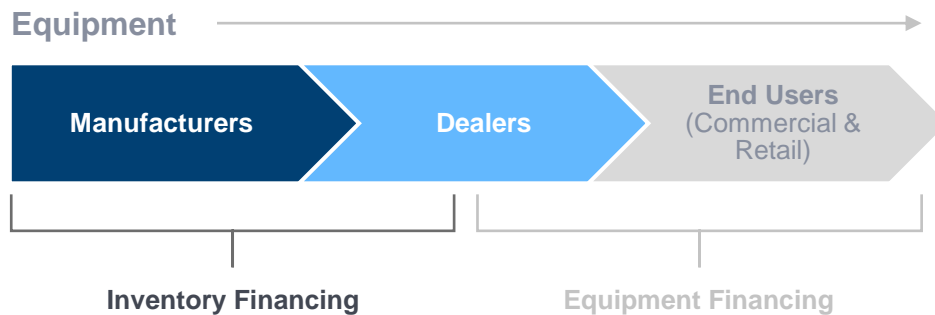
 Tech / appliances	 Outdoor equipment
 Power-sports	 Construction

## Geographic segmentation



## Our business model

- Business relationships with **6000+ dealers** in many different industries
- Relationship with **600+ Original Equipment Manufacturers**



## Our customer experience

NPS Rating  
**World Class**

- Main strengths:**
1. Ease of doing business
  2. Great service
  3. Collaboration / helpfulness
  4. Responsive / easy to reach





# Equipment Financing overview

We offer equipment financing solutions for suppliers and businesses

## Our customers

We support businesses by financing the acquisition, sale, and refinancing of their equipment in the following industries:



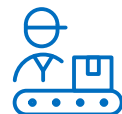
Transport



Construction



Technologies



Manufacturing



Corporate aviation

## Geographic segmentation



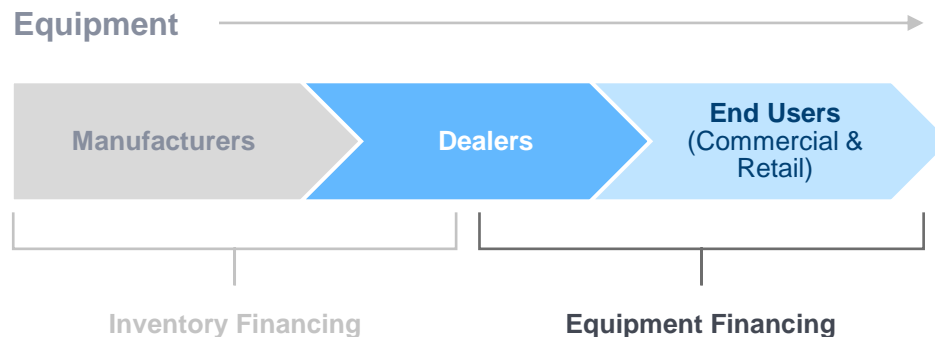
82%



18%

## Our business model

- Business relationships with thousands of dealers in many different industries
- Strong core and geographic growth potential
- Opportunities to increase product offerings and industry served through the ecosystem



## Our customer experience

NPS Rating

**Excellent**

Main strengths:

1. Quality of service
2. Fast service
3. Ease of doing business
4. Collaboration / support





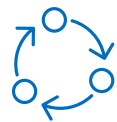
# Commercial Real Estate overview

We finance residential, commercial and industrial projects across Canada with top-tier developers

## Our customers



**Developers** responsible for revenue-generating properties (e.g., condos, purpose-built rentals)



**Asset Managers** who oversee the performance and value of real estate assets



**Investors** looking to contribute capital to real estate projects



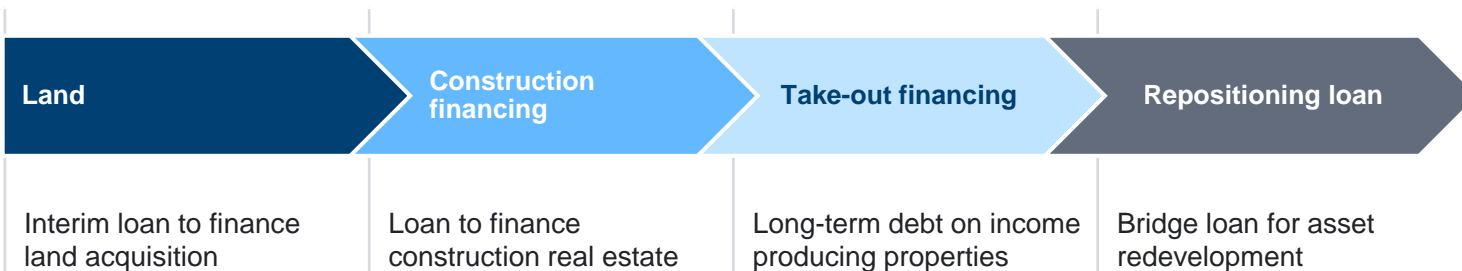
We have **repeat customers** undertaking large scale projects

## Geographic segmentation



**100%**

## Our business model



## Our customer experience

NPS Rating

**Excellent**

**Main strengths:**

1. Quality of service
2. Professionalism and competence
3. Availability and follow-up
4. Good support





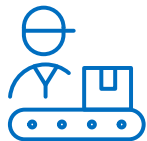
# Commercial SME overview

We offer financing solutions through specialized teams in the small and medium enterprise space

## Our customers



Daycare



Manufacturing



Insurance  
Brokerage firms



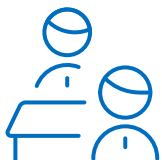
Business transfers

## Geographic segmentation



100%

## Our business model



Engage C-level executives and owners of **small to mid-sized companies**



High degree of specialization, including **daycare, manufacturing, and distribution industries**

## Our customer experience

NPS Rating

**Good**

**Main strengths:**

1. Quality of service
2. Availability and follow up
3. Good support
4. Meets needs and expectations





# What we said in 2021

Commercial Banking was identified as our growth engine, and we were able to grow our portfolio at ~7% CAGR from 2021 to now



## Continued to focus on our specialized sectors

- ✓ Increased the number of relationship managers and dedicated resources to growing markets and new focus industries



## Diversified by geography and by industry

- ✓ Succeeded in growing our commercial portfolio from \$14B to more than \$17B, along with expanding into new focus industries like technology and small-construction



## Deepened customer relationships

- ✓ Improved our NPS in key specializations, including “world-class” and “excellent” ratings

## Key challenges

Macro-economic challenges:

- Rate hikes
- Depressed consumer spending
- Soft economic growth
- Low business confidence





# Megatrends shaping the commercial opportunity set

Going forward, there are many opportunities in the specialized lending market



Long term shortage of housing supply and affordability challenges are increasing demand for rental / multi-unit



Widening ranges of economic outcomes across industries, geographies, and households



Growing need for capital to support 'retooling' and 'resilience' of industries and value chains



Increasingly complex and volatile household economics (multi-source, multi-party, multi-risk)



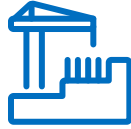
Continued growth in lending demand

Increasing need for sectoral and segment specialization



# Headroom for growth

We see significant growth headroom where we already have specialization, strong relationships, and a track record of profitability

	 <b>Inventory Financing</b>	 <b>Equipment Financing</b>	 <b>Commercial Real Estate</b>
<b>Strength of customer relationship (NPS)</b>	'World-Class'	'Excellent'	'Excellent'
<b>Addressable credit market</b>	~\$360B <sup>1</sup>	~\$111B <sup>2</sup>	~\$420B <sup>3</sup>
<b>Our share</b>	<2%	<2%	<3%
<b>Growth drivers</b>	Increased consumer demand and supply chain investments	Accelerated retooling of industries	Structural housing shortage

Sources: 1. Secured Financial Network, figure based on the U.S. market, USA – Asset based lending report, 2. CLDA 2023 Factbook, figure based on the Canadian market, 3. Figure based on the Canadian market, analysis based on Statistics Canada



# Our approach going forward

We will continue to grow through our specialized approach, further diversification into adjacent sectors and by building on the strength of our customer relationships

## How we will win in Commercial Banking

Objective 1

**Grow organically and through partnerships**

Objective 2

**Maximize value of our ecosystems**

Objective 3

**Diversify into adjacent sectors / specializations**





# Objective 1: Grow organically and through partnerships

A strong partnership strategy will help us accelerate growth

## Organic growth opportunities



Increase specialized salesforce



Deepen existing relationships



Continue expansion across Canada



Maintain operational efficiency

## Partnership benefits



Maximizes operational capabilities



Improves capability competitiveness



Drives scalability



Lowers need for 'change' investments



Opens 'white-label' opportunities

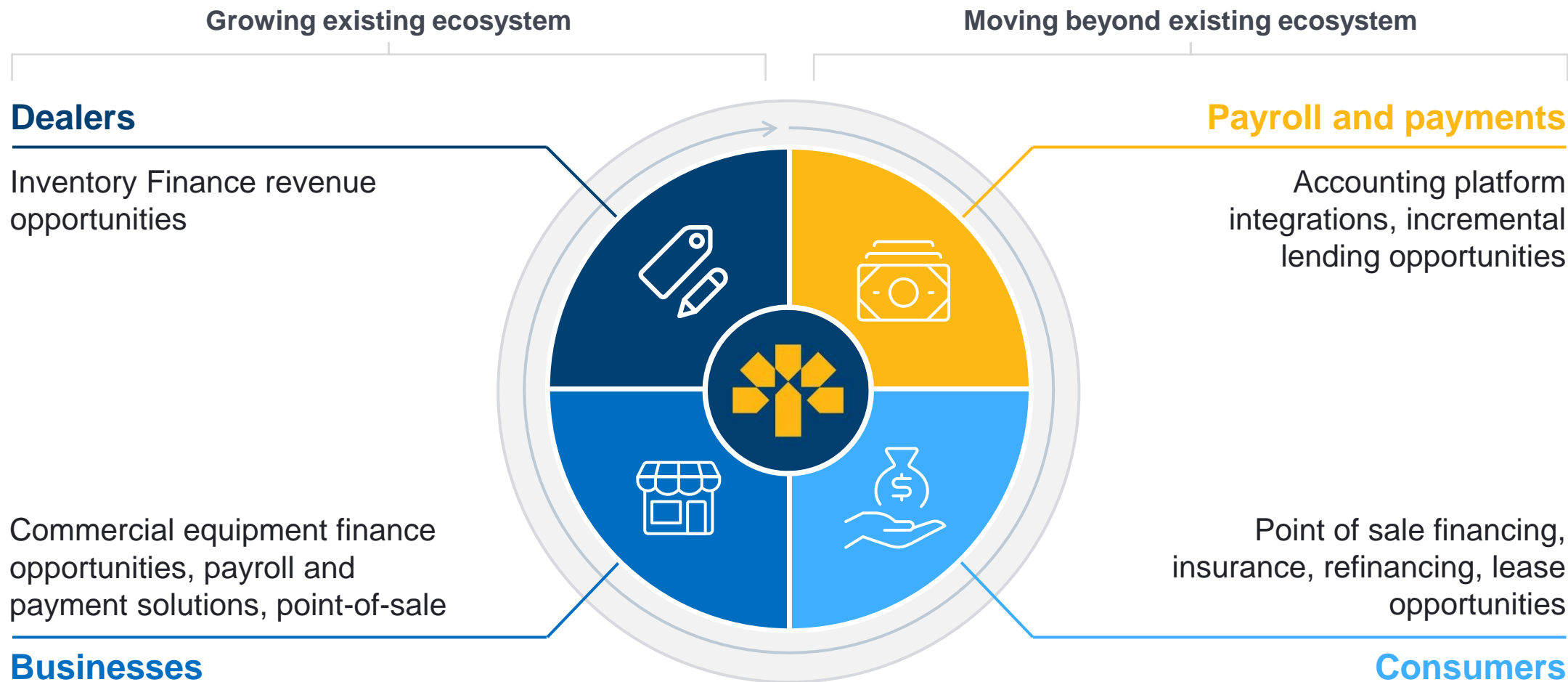


Provides opportunity for incremental fee income



# Objective 2: Maximize value of our ecosystems

An ecosystem play could open opportunities for Laurentian Bank to leverage core capabilities for growth





# Objective 3: Diversify into adjacent sectors

A diversified portfolio strategy will fortify the business against headwinds








# Success measurements

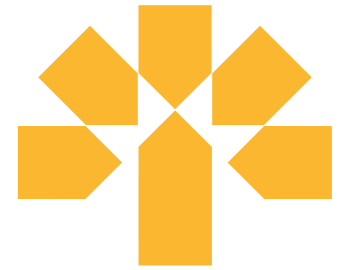
We will continue to profitably grow our commercial business through our specialized lending capabilities

## Commercial Banking Medium-Term Targets

 <b>Loan Growth</b>	High single-digit growth
 <b>NPS</b>	Maintain industry leading position in our specializations
 <b>Efficiency Ratio<sup>1</sup></b>	Sustain a low efficiency ratio

1. This is a Non-GAAP financial measure, please refer to page 2.

# Personal Banking







# Who we are

Our retail customer network creates an opportunity to strengthen our position in a core Canadian market

## Franchise snapshot



**57** branches across Quebec



**100+** ATMs in Quebec



**Stable deposit** base



Advisors with long tenure of **10+ years**

## Key highlights



Laurentian Bank is the third-largest Quebec-based bank with 57 branches and a national advisor and broker network through our subsidiary, B2B



Provides 85% of deposit funding for the bank, including \$8 billion in core deposit funding from our retail network



We have long-tenured retail advisors that have strong customer relationships



We have a deep and strong commitment to the communities we serve and believe there is room for growth



# What we said in 2021

We began repositioning our Personal Banking business for growth and made good progress



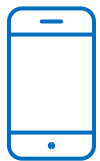
## Created one performance-oriented personal bank

- ✓ Introduced a new operating model, along with sales management discipline and new training and development to improve skills



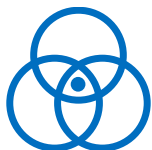
## Enhanced focus products and services

- ✓ Reduced days to mortgage approval from eight to two, introduced a new VISA experience with enhanced features, and digitized account onboarding



## Introduced a digital-first approach

- ✓ Closed the top five digital pain points for our customers and introduced new and enhanced self-service options



## Built a unified brand

- ✓ Developed a new public website with a modern, unified and refreshed brand

## Key challenges

- Remained all things to all people
- Too many products on the shelf
- Key technology gaps driving manual processes



# Voice of the customer

Our customers value our employees and the advice offering



The professionalism of my advisor is remarkable. She always arrives well prepared for appointments with her clients. She shows a definite interest in customers. With her, understanding the financial tools that are available to us is greatly facilitated by her great ability to popularize. As a bonus, the joie de vivre, the alertness of mind make the meetings very pleasant.”



My advisor is fantastic, professional, attentive and always available for my requests, which is why I stay at Laurentian Bank.”



Staff was friendly, knew what he was talking about, made us feel at ease, did not put pressure on any in any way. He seems to be the type that will find or do his best to make you feel secure, no worries and will be there if ever questions come up.”



# Market opportunity

We see a real alternative for customers that are taken for granted by their banks - the middle-class and younger population - that will enable growth for our organization

## Middle-class population that we can capture<sup>1</sup>



~17M  
Canadians



>850K  
'Gig workers'<sup>2</sup>

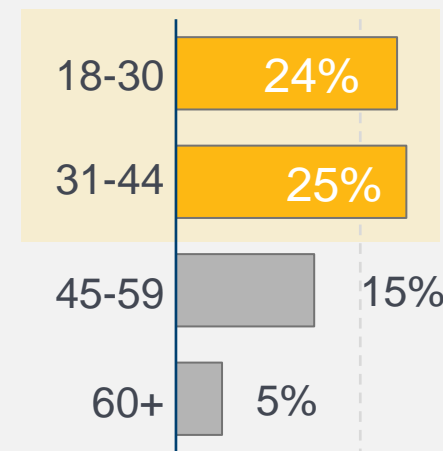


~2M  
Self  
employed



~400K+  
New Canadians  
per year

## Young customers are open to new options



Canadian banking customers who are likely to consider switching banks  
%, by age band<sup>3</sup>

## Competitive digital capabilities

Digital usage patterns  
% of Canadian population

**78%**  
Do most of their banking **digitally**

**65%**  
Of Canadians use **mobile banking apps**

**46%**  
Of Gen Z say apps are their **primary banking method**

1. Middle class is defined as annual individual income of \$30k-\$100k  
2. Refers to Canadians taking on 'gig work' as their primary source of income  
3. Results are based on a March 2024 nationwide survey conducted by Abacus Data  
Sources: Statistics Canada, Government of Canada, Abacus Data



# What it will take to 'win'

Evolving our technology and digital capabilities to better serve our customers



**Seamless digital and mobile experience** through user-friendly, responsive and intuitive interfaces



**Customer-centric experiences** through tailored interactions with their advisors and best-in-class support







**Strategic partnerships** to enhance product offerings (e.g., VISA and mortgages)



# Provide value to customers

We believe in putting more money back into our customers' pockets

		Average bank
	Annual account fee <sup>1</sup>	~\$250
	Annual interest amount 'lost' on account balances <sup>2</sup>	~\$50 - \$100
	Net annual cost to an average middle-class Canadian	~\$300 - \$350



Deliver enhanced value to our customers by actively returning savings to their accounts

1. The Globe and Mail: <https://www.theglobeandmail.com/business/article-canadians-paying-billions-of-dollars-in-excess-bank-fees-report-finds/>  
 2. Assumes interest of 2.5% on average \$2,000 balances plus an additional 1% interest if the customers signs up for direct deposits.



# Our approach going forward

Focus on the middle class, simplify our product offering, and improve our organizational performance

## How we will win in Personal Banking

Objective 1

**Improve our product offering, including self-serve options**

Objective 2

**Simplify our Bank**

Objective 3

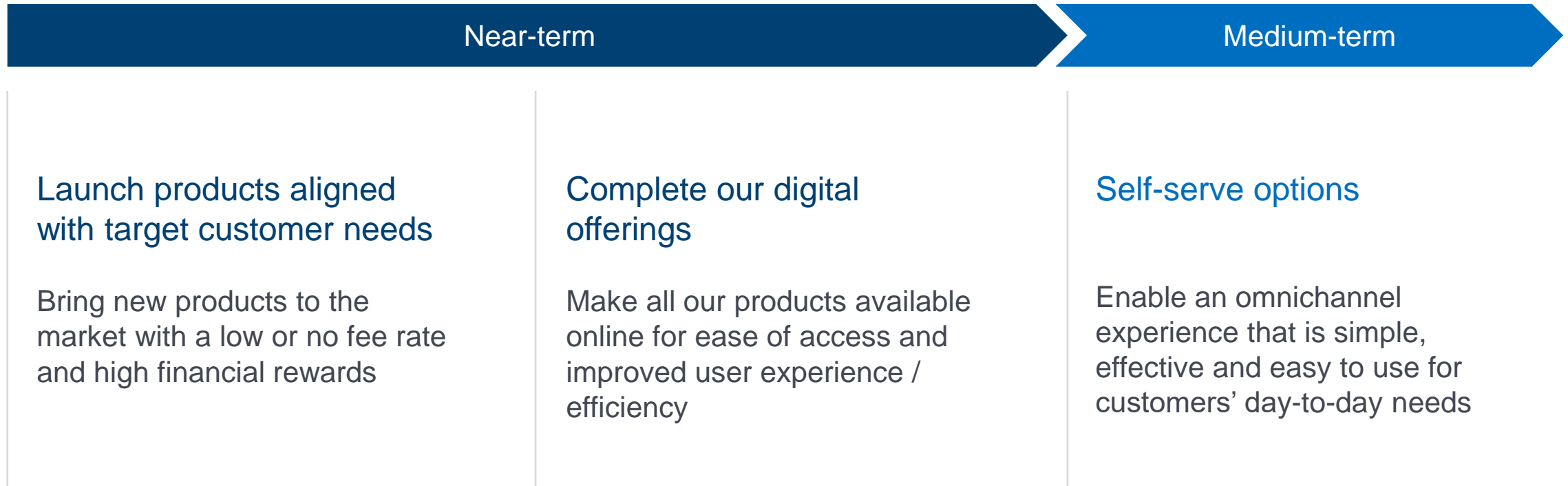
**Accelerate technology investments and explore partnerships**





# Objective 1: Improve our product offering

We will improve our retail bank proposition to meet the needs of the middle class and drive greater deposit gathering capabilities through new offerings

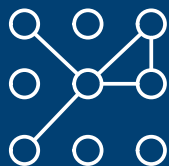






## Objective 2: Simplify our bank

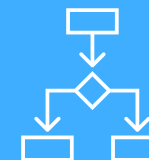
We will reduce the complexity throughout our organization to serve our customers more effectively



**Optimize product portfolio** to align with needs of target segments



**Reimagine our physical presence** to bring our frontlines closer to our target segments



**Improve operations** through systems and processes to enhance the customer experience



# Objective 3: Leverage strategic partnerships

We will continue to establish strategic partnerships with independent 3rd party providers to build new capabilities at pace and scale

## Benefits of partnerships



Enable faster speed to market



Streamline our processes



Drive efficiency and portfolio growth









# Success measurements

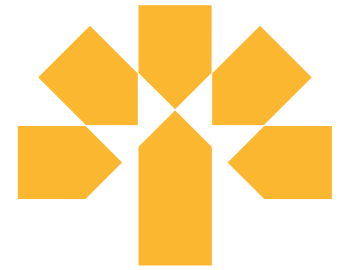
As we move forward, we will measure our success against a few key indicators

## Personal Banking medium-term metrics

 <b>NPS</b>	+ 10 points
 <b>Digitization</b>	Core day-to-day retail products available digitally
 <b>Medium-Term Retail Deposit Target</b>	High single digit growth
 <b>Efficiency Ratio<sup>1</sup></b>	Double digit reduction

1. This is a Non-GAAP financial measure, please refer to page 2.

# Capital Markets Segment





# What we said in 2021

Capital markets provided a focused and aligned offering



## Acted as an alternative to large banks

- ✓ Provided a high level of service and offered targeted capabilities for our customers



## Expanded capabilities to align with Commercial Banking

- ✓ Introduced selected industry verticals and further aligned capital markets capabilities with key commercial banking customers



## Offered ESG capabilities to amplify our purpose

- ✓ Built an ESG focused advisory capability and created an equitable, diverse and inclusive culture

## Key challenges

Macro-economic challenges:

- Rate hikes
- Low economic growth
- Low business confidence
- Lack of scale



# Our approach going forward

Capital Markets will maintain strong connectivity to institutional and government partners while maintaining alignment in key product segments with commercial customers



## Fixed income

We will continue to specialize in a niche where we can win



## F/X

We will continue to have strong alignment to support our commercial customers



## Overall simplification

For other service offerings, we will focus on where we have expertise, scale and can win



# Success measurements

As we move forward, we will measure our success against a few key indicators

## Capital Markets Medium-Term metrics



### Specialization

We will grow in our Fixed Income and Foreign Exchange specializations



### Simplicity

We will maintain connectivity and alignment in key offerings where we have scale and can win

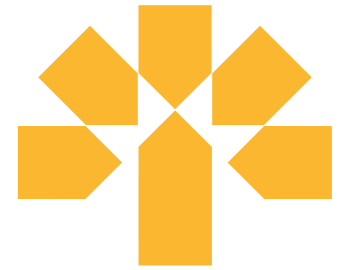


### ESG

Continue to focus on our ESG offerings

1. This is a Non-GAAP financial measure, please refer to page 2.

# Technology & Operations





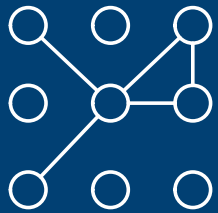


# Key technology challenges

We are focused on simplifying our technology stack and processes while improving our resiliency and digital capabilities

## Simplify

## Transform



### Complex

Complexity of tech portfolio vs. scale of institution



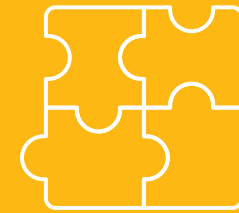
### Manual

High degree of manual intervention



### Capability

Capability gaps (i.e., digital) relative to market



### Execution

History of incomplete transformation projects



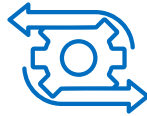
# Acting on our opportunities

While we have made progress, we still have work to do in order to improve the customer experience

## Changes we have introduced



New leadership and governance

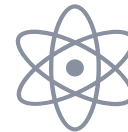


Introduced process excellence and agile ways of working



Accelerated investments to improve customer experience

## Path ahead



Modernization and simplification



Embracing partnerships for speed to market and efficiency



Portfolio rationalization to make efficiency gains



# Acting to simplify our operations

Principles that will define our actions to reduce our expenses



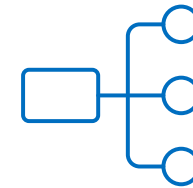
## Where we work

- We will maintain our hybrid work environment to attract and retain talent
- We will better align our footprint with areas of focus and specialization
- We will reduce our corporate office space and be closer to our customers



## How we work

- We will reduce manual processes to improve the customer experience
- We will simplify systems to improve efficiency



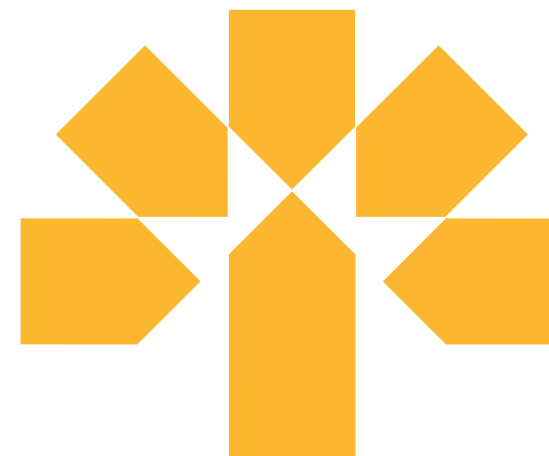
## How we organize work

- We will align our structure and ways of working for our customers

# Conclusion

Éric Provost

President & Chief Executive Officer





# Who we plan to be

The successful execution of our strategy will lead to a stronger and more profitable institution



## Personal & Commercial Banking Segment

### COMMERCIAL BANKING

#### Refreshed growth engine:

A commercial banking business focused on its specialties, with extended ecosystems to serve even more customers and achieve efficient, sustainable and profitable growth



### PERSONAL BANKING

#### Remains the community pillar:

A Quebec-based retail network with digital capabilities and advisors promoting savings among the middle-class, augmented by a Canada-wide digital channel and broker network



## Capital Markets Segment

### CAPITAL MARKETS

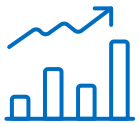
#### Our support engine:

A simpler business, focused on solutions where it has scale and can win



# The actions we will take

We have an integrated plan to achieve our ambition



## Commercial finance

Develop our ecosystem by sourcing strategic partners to drive further growth in Commercial Finance



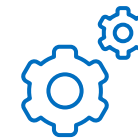
## Business mix

Grow our specialized commercial business into other adjacencies where we have expertise and can deliver exceptional customer experience



## Funding

Grow our deposit base by enhancing our retail channel value proposition (e.g., digitization and digital self-serve capabilities) while optimizing our funding portfolio



## Technology

Accelerate our technology investments to enhance organizational efficiency and customer experience, through digitalization and simplification



## Focus on profitability

Simplify our product shelf and focus on profitable growth rather than volume



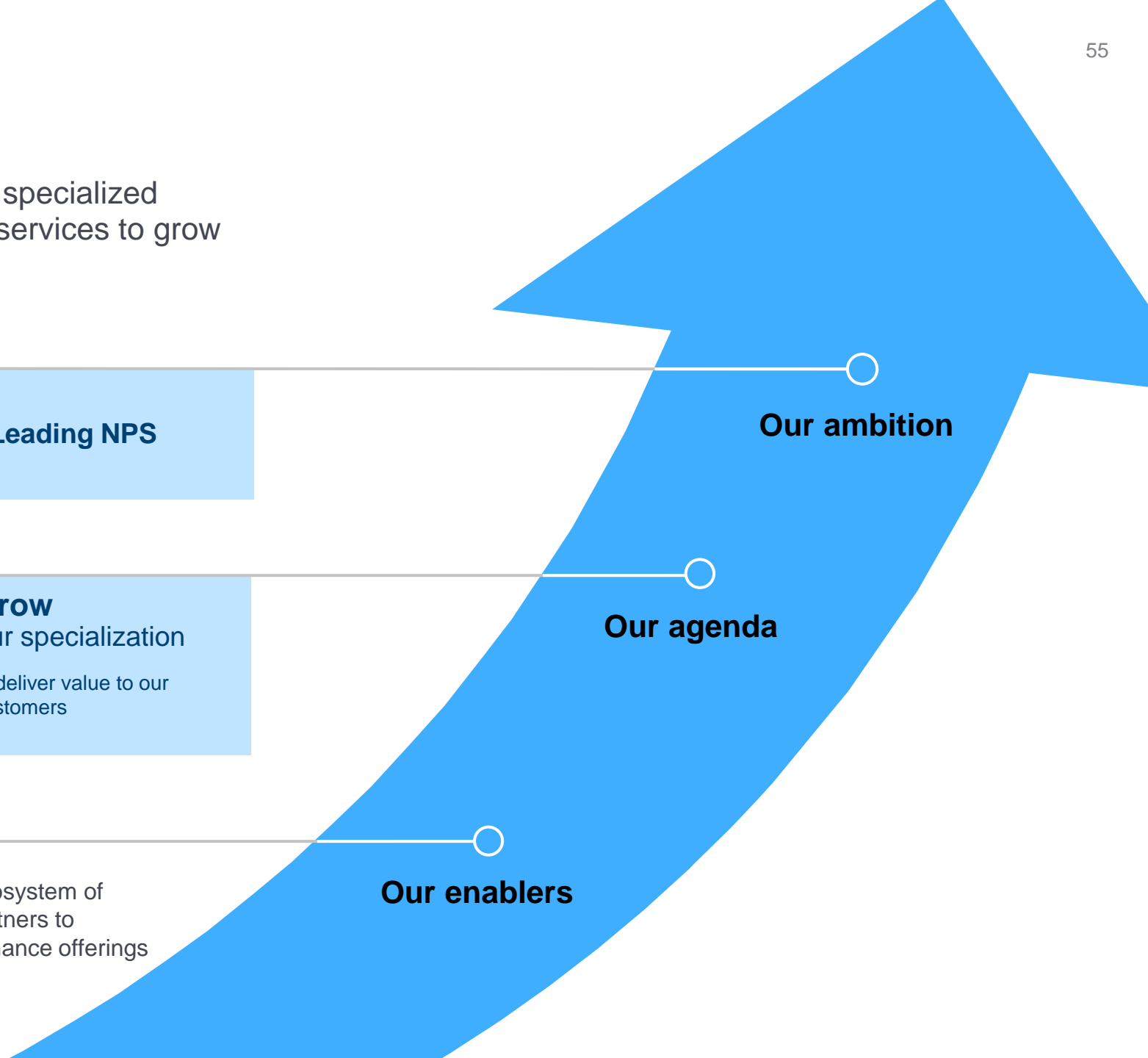
# Our path forward

Foster prosperity for all customers through specialized commercial banking and low-cost banking services to grow savings for middle-class Canadians

<b>Double-digit Adjusted ROE<sup>1</sup></b>	<b>≤ 60% Adjusted Efficiency Ratio<sup>1</sup></b>	<b>Leading NPS</b>
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<b>Focus our efforts</b> with a customer-first mindset	<b>Optimize our cost structure</b> with tech modernization and process improvements	<b>Grow our specialization</b> to deliver value to our customers
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- 1 Simplified operating model aligned with customer needs
- 2 Swift execution to drive transformation
- 3 Ecosystem of partners to enhance offerings



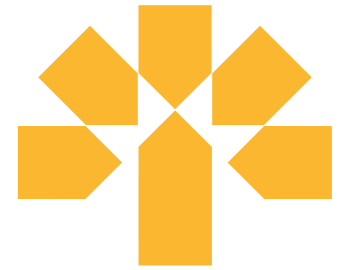
**Our ambition**

**Our agenda**

**Our enablers**

1. This is a Non-GAAP financial measure, please refer to page 2.

# Appendices







# Adjusting items

	Trailing last twelve months: Q2/23-Q2/24		
	Pre-tax impact (\$MM)	After-tax impact (\$MM)	Impact (\$ / share)
P&C Banking impairment charges	\$155.9	\$125.6	\$2.87
Restructuring and other impairment charges	65.1	47.8	1.10
Strategic review-related charges	5.9	4.4	0.10
Amortization of acquisition-related intangible assets	12.9	9.6	0.22
<b>Impact of adjusting items</b>	<b>\$239.8</b>	<b>\$158.1</b>	<b>\$4.29</b>

Please refer to page 2 for additional details about Non-GAAP financial measures.  
The impact of adjusting items may not add due to rounding.



# Non-GAAP financial measures

In \$MM	Trailing last twelve months: Q2/23-Q2/24
Non-interest expenses	\$971.5
Less: Pre-tax impact of adjusting items <sup>(1)</sup>	239.8
<b>Adjusted non-interest expenses</b>	<b>\$731.7</b>
Income (loss) before income taxes	-\$17.1
Pre-tax impact of adjusting items <sup>(1)</sup>	239.8
<b>Adjusted income before income taxes</b>	<b>\$222.7</b>
Reported net income (loss)	-\$0.4
After-tax impact of adjusting items <sup>(1)</sup>	187.4
<b>Adjusted net income</b>	<b>\$187.0</b>
Net income (loss) available to common shareholders	-\$12.2
After-tax impact of adjusting items <sup>(1)</sup>	187.4
<b>Adjusted net income available to common shareholders</b>	<b>\$175.3</b>
Shareholders' equity	\$2,744.8
<b>Average common shareholders' equity<sup>(1)</sup></b>	<b>\$2,590.9</b>

Please refer to page 2 for additional details about Non-GAAP financial measures.  
The impact of adjusting items may not add due to rounding.

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