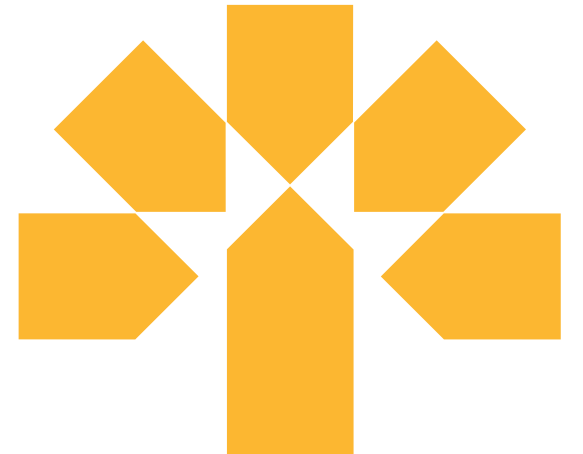


# Investor Day 2024

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.

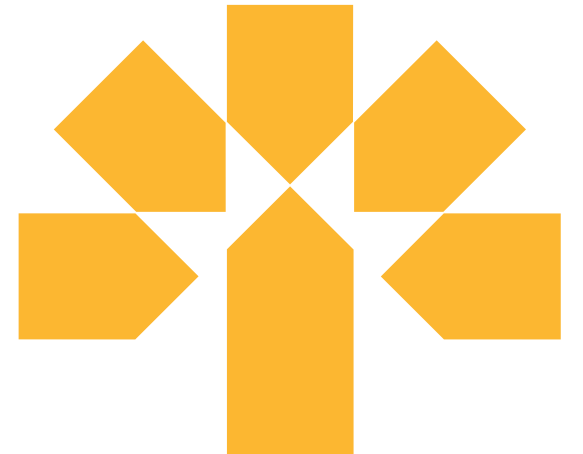
Management also uses supplementary financial measures to analyze the Bank’s results and in assessing underlying business performance and related trends. Please refer to the Glossary on page 25 of the Second Quarter 2024 Report to Shareholders, including the MD&A for more information about the composition 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 Financial Path

Yvan Deschamps

Executive Vice President & Chief Financial Officer



LAURENTIAN  
BANK



# Financial highlights

Our financial performance demonstrates continued resilience and persistence as we drive towards our target state

<b>Diluted EPS<sup>1</sup></b> (\$0.27)	<b>Adjusted Diluted EPS<sup>1,2</sup></b> \$4.02
<b>Net Income<sup>1</sup></b> (\$0MM)	<b>Adjusted Net Income<sup>1,2</sup></b> \$187MM
<b>Efficiency Ratio<sup>1,2</sup></b> 95.3%	<b>Adjusted Efficiency Ratio<sup>1,2</sup></b> 71.8%
<b>PCL<sup>1,4</sup></b> 18 basis points	<b>Book Value per Share<sup>3</sup></b> \$56.82



**\$1B+**  
Revenue<sup>1</sup>



**1.80%**  
Q2/24  
Net Interest  
Margin<sup>2</sup>



**\$36B**  
Total  
Loans<sup>3</sup>



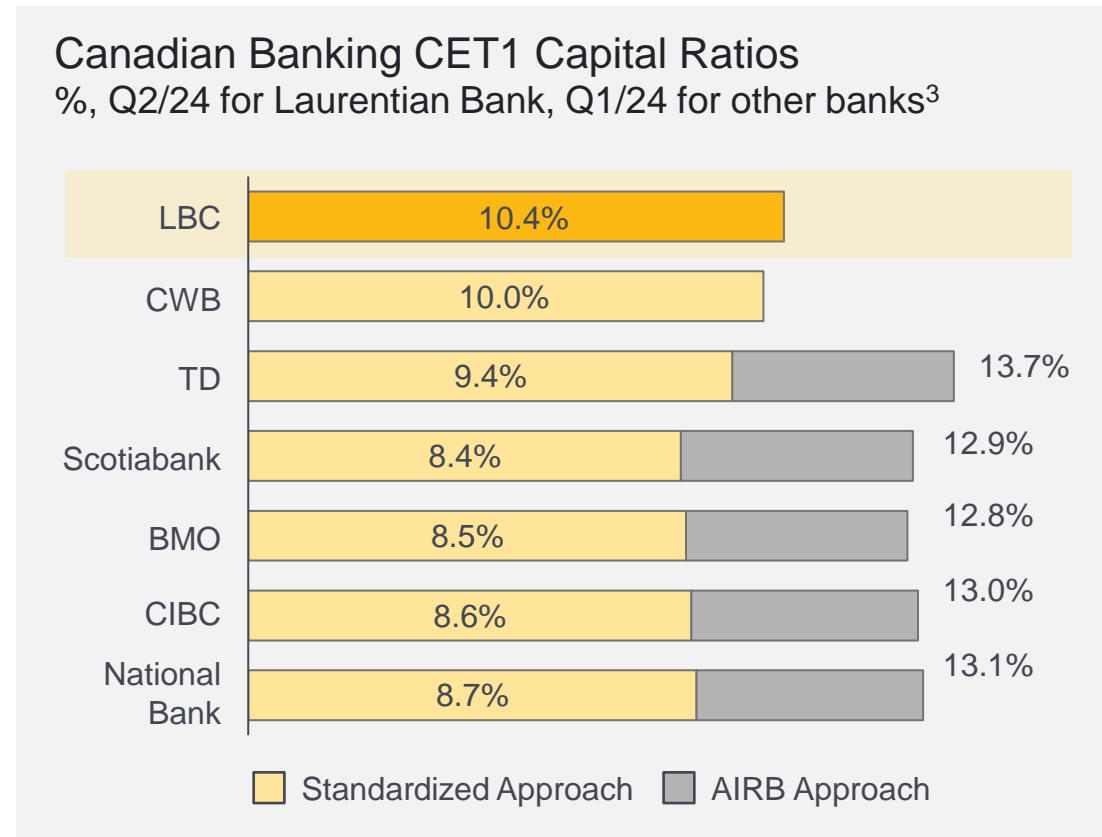
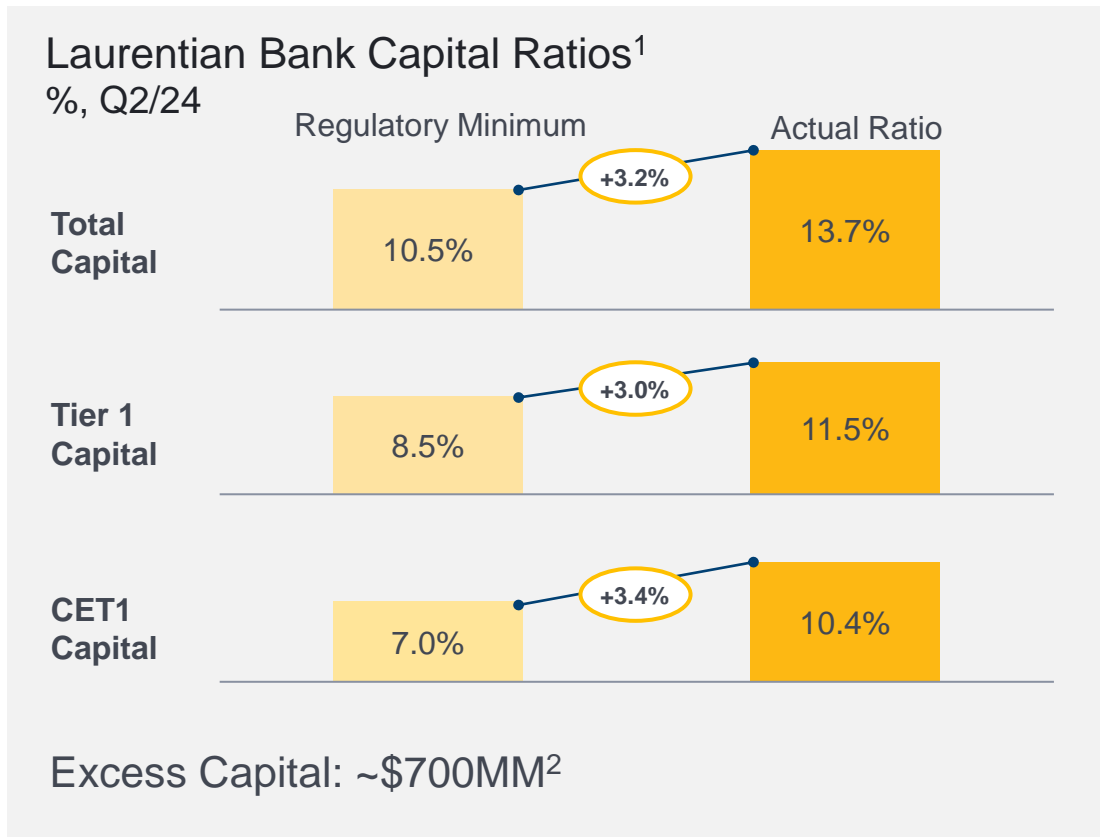
**\$25B**  
Total  
Deposits<sup>3</sup>

1. Trailing last twelve months: Q2/23-Q2/24, 2. This is a Non-GAAP financial measure, please refer to page 2. 3. As at April 30, 2024 4. Provision for Credit Losses.



# Capital standing

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



1. Regulatory Capital Ratios under the Standardized Approach, as applicable to Laurentian Bank.

2. Excess capital vs regulatory minimums under the Standardized Approach.

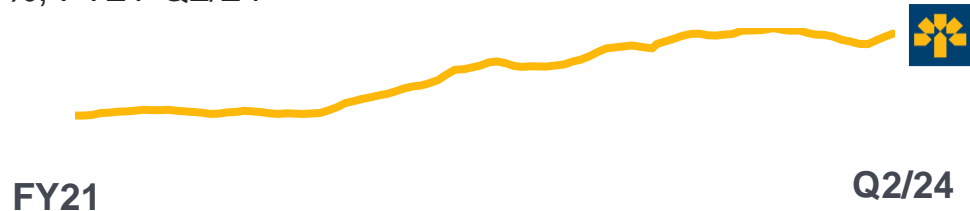
3. Yellow bars outline the Big 6 Banks CET1 Capital Ratios under the Standardized Approach. RBC is not illustrated as the proforma assessment of the HSBC acquisition was not disclosed under the Standardized Approach. AIRB is the Advanced Internal-Ratings Based Approach.



# Diversified funding strategy

Our funding base is resilient and enables us to drive growth for the organization

## Liquidity Coverage Ratio (LCR) Trend<sup>1</sup> %, FY21-Q2/24

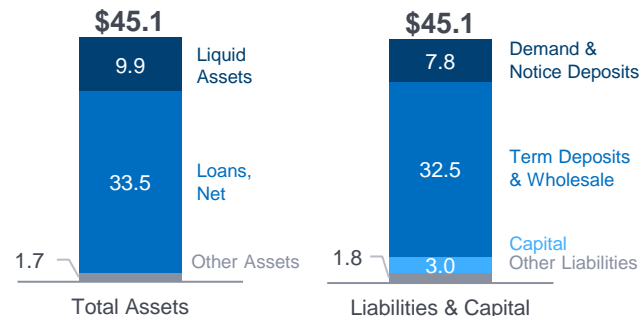


## Funding stability with strong liquidity base

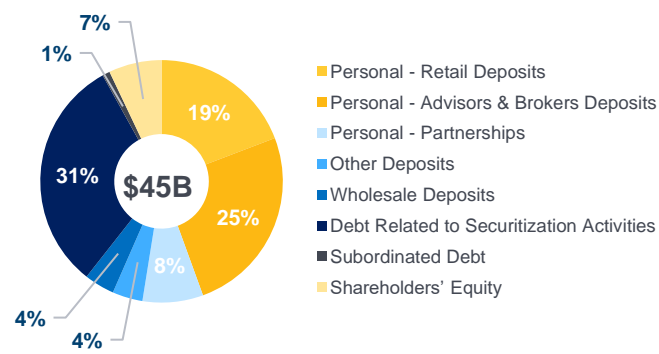
### Completed

- ✓ Stabilized retail deposits erosion
- ✓ Reduced wholesale funding by more than 20% since FY21
- ✓ Improved securitization conduit for conventional mortgages

## Multiple Funding Sources with High Level of Liquidity (\$B) Q2/24



## Diversified Funding Mix Q2/24



### In progress

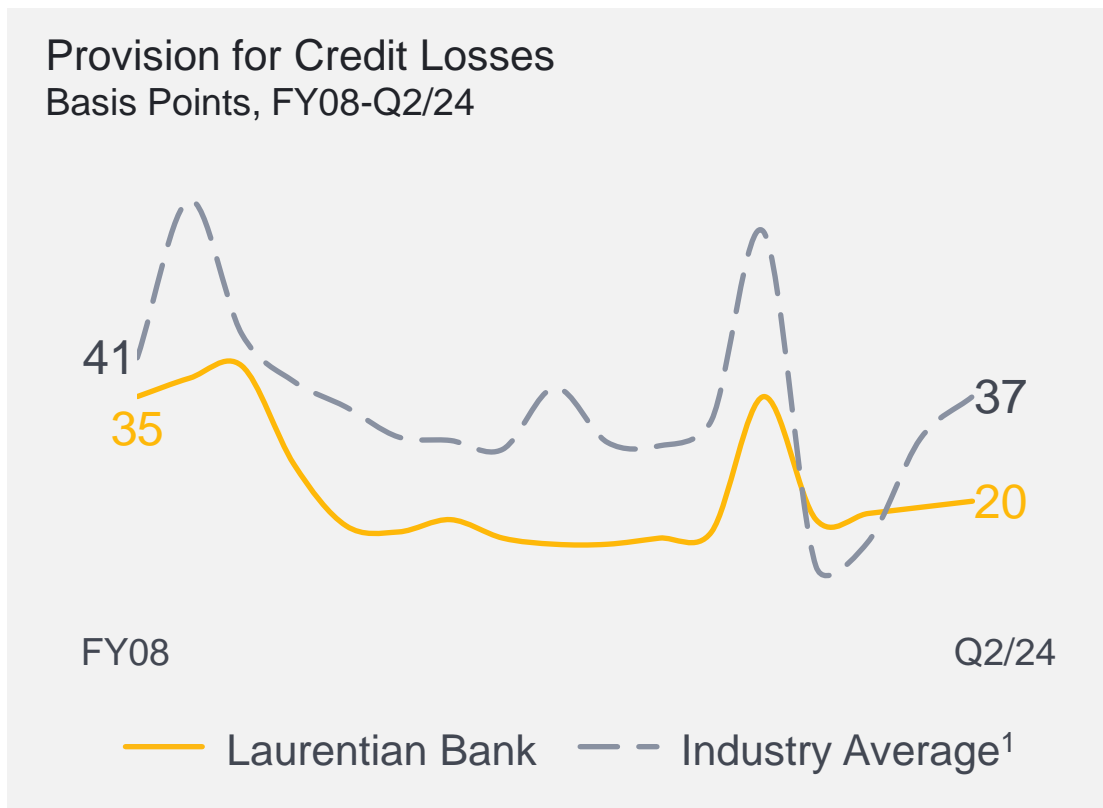
- Enhancing digital deposit capabilities (new product launch)
- Adding partnerships for commercial finance asset growth
- New securitization conduit for Alt-A

1. 20-week LCR average trend



# Credit and risk management

We have sustained a robust credit risk management approach with our highly secured loan portfolio



## Prudent risk management with strong underwriting practices

- ✓ Historical losses at about half the industry
- ✓ ~95% of the loan book is secured
- ✓ 59% Residential mortgages are insured, and remaining has a LTV of 50%
- ✓ Commercial real estate:
  - Over 67% of our book is residential with LTV of 62% on uninsured multi-residential mortgage portfolio
  - Office represents only 3% of the Commercial book
- ✓ 5 levels of Credit Protection in Inventory Financing<sup>2</sup>

1. Industry Averages defined as Big 6 Canadian banks + CWB.  
2. See page 15 of the 2<sup>nd</sup> quarter 2024 financial results investor deck for more details.



# Recent performance

Despite making progress on loan and deposit growth, the Bank's overall financial performance has been lacking progress through FY23

	FY22 target	FY22 status	Previous mid-term targets	FY23 status
<b>Loan Growth</b>	Mid single digit	✓	Mid single digit	✓
<b>Deposit Growth</b>	Mid single digit	✓	Mid single digit	✓
<b>Loan Portfolio Mix</b>	Commercial > 45%	✓	Commercial > 45%	✓
<b>Net Interest Margin (NIM)</b>	> 1.90%	—	> 1.90%	—
<b>Provision for Credit Losses (PCL) (bps)</b>	High teens	✓	High teens	✓
<b>Adjusted Earnings Per Share (EPS)<sup>1</sup></b>	> 5%	✓	7-10%	—
<b>Adjusted Return on Equity (ROE)<sup>1</sup></b>	> 8.5%	✓	> 10%	—
<b>Adjusted Efficiency Ratio<sup>1</sup></b>	< 68%	✓	< 65%	—
<b>Adjusted Operating Leverage<sup>1</sup></b>	Positive	✓	Positive	—

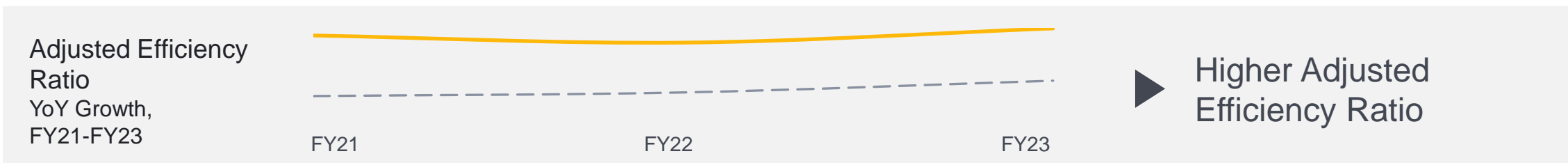
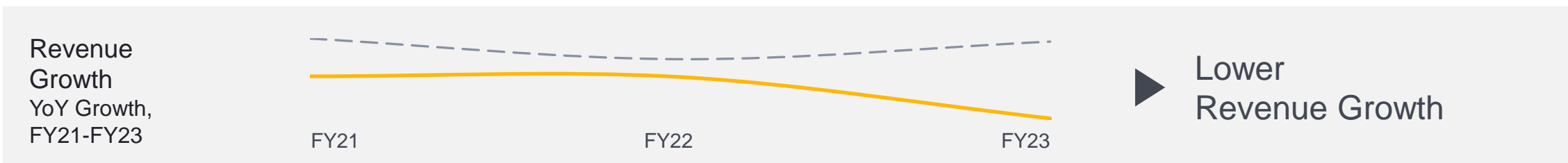
1. This is a Non-GAAP financial measure, please refer to page 2.





# Performance versus the industry

Our focus on short-term expense management led to a deferral of crucial long-term investments – and considering recent revenue impact due to the economic environment, no sustainable efficiency gains could be generated



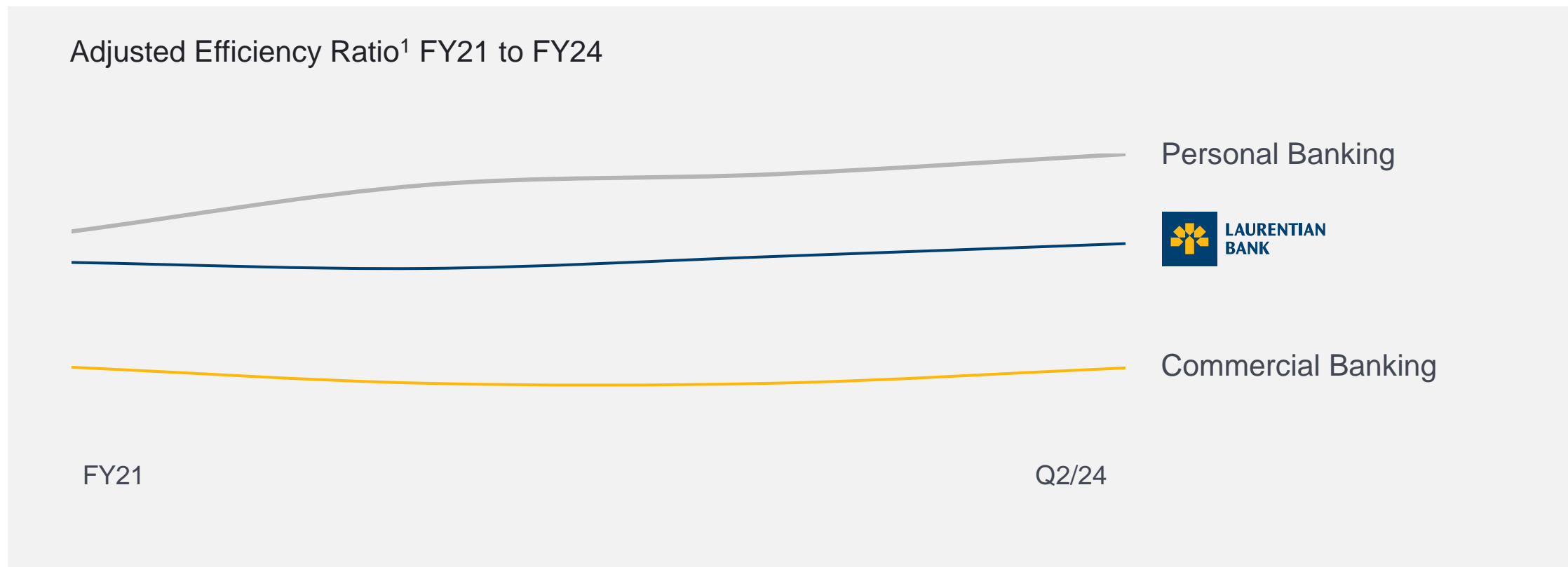
— Laurentian Bank    - - Industry Average<sup>1</sup>

1. Industry Averages defined as Big 6 Canadian banks and CWB.  
2. This is a Non-GAAP financial measure, please refer to page 2.



# Our performance drivers

To derive sustainable efficiency gains, not only do we need to pursue our efficient Commercial Banking growth as the economic uncertainty vanishes, we also recognize the imperative to improve operations in Personal Banking



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



# Our path to achieve our ambition

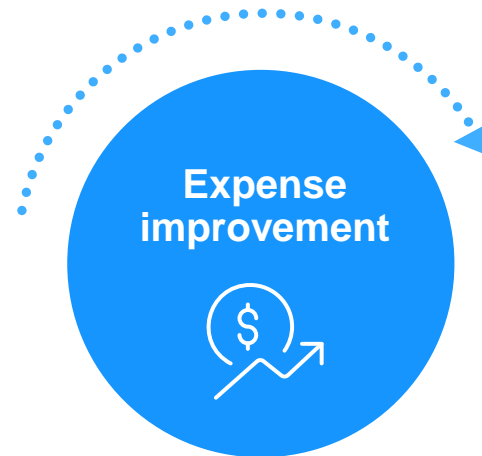
There are a handful of key levers that could advance us towards our Adjusted ROE target



- Strength of our commercial franchise
- Foundational retail footprint



- Growth in commercial banking
- Expanding our low-cost funding base through deposits



- Improvement in operational efficiency through technology investments
- Reduced complexity driven by a simplified product shelf

Double-digit Adjusted ROE<sup>1</sup>



- Driven by focused execution of our strategy, competing where we have an edge and harnessing the power of partnerships

**6.1% Adjusted ROE<sup>1,2</sup>**

1. This is a Non-GAAP financial measure, please refer to page 2.  
 2. As at Q2/24.



# Financial roadmap

We have laid out directional business segments objectives to help achieve our medium-term objectives

## Key Enablers



### Personal & Commercial Banking Segment

COMMERCIAL BANKING

#### Objective

Growth

#### Target metrics

- Loan growth: high single digit
- Maintain adjusted efficiency ratio level<sup>1</sup>



PERSONAL BANKING

#### Objective

Efficiency and funding

#### Target metrics

- Retail deposit growth: high single digit
- Adjusted efficiency ratio<sup>1</sup>: double digit reduction



### Capital Markets Segment

CAPITAL MARKETS

#### Objective

Focused Growth

#### Target metrics

- Adjusted efficiency ratio<sup>1</sup>: double digit reduction

**Technology investments (digital, processes, simplification) + partnerships**

**Maintain strong liquidity, funding, and capital position**





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







# Financial targets

We have established medium-term financial targets

## Growth drivers

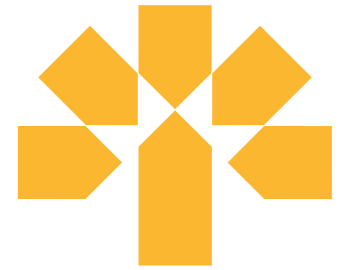
Metrics		Mid-term targets
	<b>Loan growth</b>	Mid single digit
	<b>Deposit growth</b>	Mid single digit
	<b>Net Interest Margin<sup>1</sup> (NIM)</b>	2%+
	<b>Loan portfolio mix</b>	>55% Commercial

## Financial targets

Metrics		Mid-term targets
	<b>Adjusted diluted EPS<sup>1</sup> growth</b>	Double-digit
	<b>Adjusted Return on Equity (ROE)<sup>1</sup></b>	Double-digit
	<b>Adjusted efficiency ratio<sup>1</sup></b>	≤60%
	<b>Adjusted operating leverage<sup>1</sup></b>	Positive

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.



# Investor relations contact

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