

FIRST QUARTER 2026

Report to Shareholders

For the period ended January 31, 2026

Laurentian Bank of Canada reported a net loss of \$20.5 million and a diluted loss per share of \$0.58 for the first quarter of 2026, compared with net income of \$38.6 million and diluted earnings per share of \$0.76 for the first quarter of 2025. Return on common shareholders' equity⁽¹⁾ was negative 4.0% for the first quarter of 2026, compared with 5.2% for the first quarter of 2025. Of note, reported results for the first quarter of 2026 included restructuring and other impairment charges of \$61.2 million (\$45.0 million after income taxes), or \$0.89 per share, related to the Bank's strategic shift to a specialty commercial bank, resulting in its exit from the retail and SME banking business. Reported results also included transaction and conversion costs of \$11.0 million (\$8.1 million after income taxes), or \$0.18 per share, related to the Transactions announced on December 2, 2025 (defined below). Refer to the Non-GAAP Financial and Other Measures section and to the Business Highlights section for additional information. Adjusted net income⁽²⁾ was \$34.2 million and adjusted diluted earnings per share were \$0.65 for the first quarter of 2026, compared with \$39.4 million and \$0.78 for the first quarter of 2025. Adjusted return on common shareholders' equity⁽¹⁾ was 4.5% for the first quarter of 2026, compared with 5.3% for the first quarter of 2025.

"We are driven by the continued momentum of our focused strategy", said Éric Provost, President and Chief Executive Officer of Laurentian Bank of Canada. "This momentum is a direct reflection of our disciplined approach and the consistency of our execution. Our solid capital and liquidity positions allow us to move forward with confidence."

"Our first quarter results reflect a pivotal step in Laurentian Bank's transformation," added Éric Provost. "While reported results were impacted by charges stemming from the transactions announced in December, our core commercial businesses demonstrated solid underlying growth, consistent with our transformation plan. I want to recognize the commitment and professionalism of our employees, who are navigating this period of change with resilience, integrity and a strong focus on serving our customers."

In millions of dollars, except per share and percentage amounts (Unaudited)	For the three months ended				
	January 31, 2026	October 31, 2025	Variance	January 31, 2025	Variance
Reported basis					
Net income (loss)	\$ (20.5)	\$ 31.5	n.m.	\$ 38.6	n.m.
Diluted earnings (loss) per share	\$ (0.58)	\$ 0.66	n.m.	\$ 0.76	n.m.
Return on common shareholders' equity ⁽¹⁾	(4.0)%	4.6 %		5.2 %	
Efficiency ratio ⁽³⁾	106.3 %	77.2 %		74.9 %	
Common Equity Tier 1 (CET1) capital ratio ⁽⁴⁾	10.9 %	11.3 %		10.9 %	
Adjusted basis					
Adjusted net income ⁽²⁾	\$ 34.2	\$ 34.2	— %	\$ 39.4	(13)%
Adjusted diluted earnings per share ⁽¹⁾	\$ 0.65	\$ 0.73	(11)%	\$ 0.78	(17)%
Adjusted return on common shareholders' equity ⁽¹⁾	4.5 %	5.0 %		5.3 %	
Adjusted efficiency ratio ⁽¹⁾	76.7 %	75.6 %		74.3 %	

(1) This is a non-GAAP ratio. Refer to the Non-GAAP Financial and Other Measures section beginning on page 5 for additional information.

(2) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial and Other Measures section beginning on page 5 for additional information.

(3) This is a supplementary financial measure. Refer to the Non-GAAP Financial and Other Measures section beginning on page 5 for additional information.

(4) In accordance with the Office of the Superintendent of Financial Institutions' (OSFI) "Capital Adequacy Requirements" guideline. Refer to the Capital Management section beginning on page 15 for additional information.

TABLE OF CONTENTS

Management's Discussion and Analysis	2	Capital Management	15
Basis of Presentation	2	Risk Management	17
About Laurentian Bank of Canada	2	Additional Financial Information — Quarterly Results	24
Caution Regarding Forward-looking Statements	2	Corporate Governance and Changes to Internal Control over Financial Reporting	24
Highlights	4	Critical Accounting Policies and Estimates	24
Non-GAAP Financial and Other Measures	5	Future Changes to Accounting Policies	25
Business Highlights	8	Glossary	26
Outlook	10	Condensed Interim Consolidated Financial Statements	28
Analysis of Consolidated Results	11	Shareholder Information	52
Analysis of Financial Condition	14		

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE PERIOD ENDED JANUARY 31, 2026

This Management's Discussion and Analysis (MD&A) presents management's view of the financial condition of Laurentian Bank of Canada (the Bank and/or Laurentian Bank) as at January 31, 2026 and its operating results for the three-month period then ended, compared with the corresponding period shown. This MD&A should be read in conjunction with the Condensed Interim Consolidated Financial Statements. This MD&A is dated as of February 26, 2026.

Additional information about the Bank, including the 2025 Annual Information Form, is available on the Bank's website at www.laurentianbank.ca and on the Canadian Securities Administrators' national system SEDAR+ at www.sedarplus.ca.

BASIS OF PRESENTATION

The financial information reported herein is based on the Condensed Interim Consolidated Financial Statements as at and for the period ended January 31, 2026, and, unless otherwise indicated, has been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB), as well as in accordance with IAS 34, *Interim Financial Reporting*. All amounts are presented in Canadian dollars.

Assets held for sale and liabilities directly associated with assets held for sale

Assets and liabilities related to the National Bank Transactions (as defined below) meet the criteria, as at December 2, 2025, for classification as a disposal group held for sale in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*; refer to Notes 1.1, 2 and 9 to the Condensed Interim Consolidated Financial Statements for additional information. Accordingly, these assets and liabilities are presented as separate line items on the Bank's Consolidated Balance Sheet as at January 31, 2026 (not applicable as at October 31, 2025).

ABOUT LAURENTIAN BANK OF CANADA

Founded in Montreal in 1846, Laurentian Bank is committed to serving its customers and fostering deep relationships with specialized groups. Laurentian Bank runs operations across Canada – primarily in Québec and Ontario – as well as in the United States and competes where it sees market opportunity and has an edge, while harnessing the power of partnerships and collaboration.

CAUTION REGARDING 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, and legal and regulatory risk; statements under the heading "Risk Appetite and Risk Management Framework" contained in the 2025 Annual Report, including, the MD&A for the fiscal year ended October 31, 2025; 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 2025 Annual Report under the heading "Outlook", which assumptions are incorporated by reference herein.

Specifically, statements regarding the anticipated benefits of the Acquisition Transaction (as defined below) and the National Bank Transactions (as defined below) (collectively, in this section only, the "Transactions") for Laurentian Bank, Laurentian Bank Shareholders (as defined below), other Laurentian Bank stakeholders, Fairstone Bank (as defined below), and National Bank (as defined below), including, plans, objectives, expectations and intentions of Laurentian Bank, Fairstone Bank or National Bank; the satisfaction of the conditions precedent to the Transactions; the proposed timing and completion of the Transactions; the closing of the Transactions and the delisting from the TSX; and other statements that are not statements of historical facts are all considered to be forward-looking statements.

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 United States, and globally; the risk that the Transactions will not be completed on the terms and conditions, or on the timing, currently contemplated; that the Transactions may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required regulatory approvals and other conditions to the closing of the Transactions or for other reasons; the risk that competing offers or acquisition proposals will be made; the negative impact that the failure to complete the Transactions, for any reason, could have on the price of the Laurentian Bank Shares or on the business of Laurentian Bank; the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Transactions; risks relating to Laurentian Bank's ability to retain and attract key personnel during and following the interim period; the possibility of litigation relating to the Transactions; credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Transactions, including changes in economic conditions, interest rates or tax rates; and those other risks discussed in greater detail under the "Other Risks That May Affect Future Results" section of Laurentian Bank's 2025 Annual Report; risks relating to credit, market, liquidity, funding, insurance, operational and regulatory compliance (which has resulted in, or which could lead to, the Bank being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, and orders to pay damages, penalties, and fines); reputational risks; exposure to, and resolution of, significant litigation or regulatory matters, the appeal of favourable outcomes and our ability to successfully appeal adverse outcome of such matters, and the timing, determination and recovery of amounts related to such matters; competitive and systemic risks; supply chain disruptions; geopolitical events and uncertainties; government sanctions and tariffs (both domestic and foreign); conflict, war, or terrorism; and various other significant risks discussed in the risk-related portions of the Bank's 2025 Annual Report, such as those related to: Canadian and global economic conditions; 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 2025 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.

HIGHLIGHTS

TABLE 1
FINANCIAL HIGHLIGHTS

In thousands of dollars, except when noted	For the three months ended				
	January 31, 2026	October 31, 2025	Variance	January 31, 2025	Variance
Operating results					
Total revenue	\$ 251,555	\$ 244,710	3 %	\$ 249,637	1 %
Net income (loss)	\$ [20,497]	\$ 31,481	n.m.	\$ 38,601	n.m.
Adjusted net income ⁽¹⁾	\$ 34,237	\$ 34,232	— %	\$ 39,448	[13]%
Operating performance					
Diluted earnings (loss) per share ⁽²⁾	\$ [0.58]	\$ 0.66	n.m.	\$ 0.76	n.m.
Adjusted diluted earnings per share ⁽²⁾⁽³⁾	\$ 0.65	\$ 0.73	[11]%	\$ 0.78	[17]%
Return on common shareholders' equity ⁽³⁾	[4.0]%	4.6 %		5.2 %	
Adjusted return on common shareholders' equity ⁽³⁾	4.5 %	5.0 %		5.3 %	
Net interest margin ⁽⁴⁾	1.89 %	1.79 %		1.85 %	
Efficiency ratio ⁽⁴⁾	106.3 %	77.2 %		74.9 %	
Adjusted efficiency ratio ⁽³⁾	76.7 %	75.6 %		74.3 %	
Operating leverage ⁽⁴⁾	[38.8]%	[0.4]%		3.4 %	
Adjusted operating leverage ⁽³⁾	[1.4]%	0.1 %		0.9 %	
Financial position (\$ millions)					
Loans	\$ 31,714	\$ 36,014	[12]%	\$ 35,575	[11]%
Total loans ⁽¹⁾⁽⁵⁾	\$ 36,411	\$ 36,014	1 %	\$ 35,575	2 %
Total assets	\$ 49,912	\$ 50,148	— %	\$ 48,779	2 %
Deposits	\$ 16,514	\$ 23,999	[31]%	\$ 23,845	[31]%
Total deposits ⁽¹⁾⁽⁶⁾	\$ 24,292	\$ 23,999	1 %	\$ 23,845	2 %
Average earning assets ⁽⁴⁾⁽⁵⁾	\$ 40,909	\$ 40,597	1 %	\$ 39,839	3 %
Average loans ⁽⁴⁾⁽⁵⁾	\$ 36,179	\$ 35,607	2 %	\$ 35,223	3 %
Basel III regulatory capital ratios					
CET1 capital ratio ⁽⁷⁾	10.9 %	11.3 %		10.9 %	
Total risk-weighted assets (\$ millions) ⁽⁷⁾	\$ 21,089	\$ 20,700		\$ 21,188	
Credit quality					
Gross impaired loans as a % of total loans ⁽¹⁾⁽⁵⁾	0.96 %	1.18 %		1.12 %	
Net impaired loans as a % of total loans ⁽¹⁾⁽⁵⁾	0.75 %	0.97 %		0.90 %	
Provision for credit losses as a % of average loans ⁽⁴⁾⁽⁵⁾	0.18 %	0.20 %		0.17 %	
Common share information					
Closing share price ⁽⁸⁾	\$ 40.00	\$ 33.30	20 %	\$ 28.00	43 %
Price / earnings ratio (trailing four quarters) ⁽⁴⁾	26.7 x	11.7 x		[68.3] x	
Adjusted price / earnings ratio (trailing four quarters) ⁽³⁾	13.9 x	11.1 x		8.1 x	
Book value per share ⁽³⁾	\$ 56.46	\$ 57.67	[2]%	\$ 57.74	[2]%
Dividends declared per share	\$ 0.47	\$ 0.47	— %	\$ 0.47	— %
Dividend yield ⁽⁴⁾	4.7 %	5.6 %		6.7 %	
Dividend payout ratio ⁽⁴⁾	n.m.	70.9 %		62.0 %	
Adjusted dividend payout ratio ⁽³⁾	72.5 %	64.8 %		60.5 %	

(1) This is a non-GAAP financial measure. Refer to the Non-GAAP Financial and Other Measures section beginning on page 5 for additional information.

(2) The sum of the quarterly earnings per share may not be equal to the cumulative earnings per share due to rounding.

(3) This is a non-GAAP ratio. Refer to the Non-GAAP Financial and Other Measures section beginning on page 5 for additional information.

(4) This is a supplementary financial measure. Refer to the Non-GAAP Financial and Other Measures section beginning on page 5 for additional information.

(5) Amounts reported include loans classified as held for sale in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operation* on the Bank's Consolidated Balance Sheet.

(6) Amounts reported include deposits classified as liabilities directly associated with held for sale in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operation* on the Bank's Consolidated Balance Sheet.

(7) In accordance with OSFI's "Capital Adequacy Requirements" guideline. Refer to the Capital Management section beginning on page 15 for additional information.

(8) Toronto Stock Exchange (TSX) closing market price.

NON-GAAP FINANCIAL AND OTHER MEASURES

NON-GAAP FINANCIAL MEASURES

In addition to financial measures prepared based on generally accepted accounting principles (GAAP), management utilizes non-GAAP financial measures to evaluate the Bank's underlying and ongoing business performance. These non-GAAP financial measures, referred to throughout this document as adjusted measures, exclude items identified as adjusting items. Adjusting items consist of certain items of significance that arise from time to time which management believes are not indicative of underlying business performance.

Non-GAAP financial measures are not standardized financial measures under the financial reporting framework used to prepare the Bank's financial statements and may not be comparable to similar measures disclosed by other issuers. The Bank believes these 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.

Tables 2 and 3 present a reconciliation of the non-GAAP financial measures to their most directly comparable financial measure that is disclosed in the primary financial statements of the Bank.

TABLE 2

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES — CONSOLIDATED STATEMENT OF INCOME

In thousands of dollars (Unaudited)	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Total revenue	\$ 251,555	\$ 244,710	\$ 249,637
Less: Adjusting items, before income taxes			
Profit on sale of assets under administration ⁽¹⁾	—	—	875
Adjusted total revenue	\$ 251,555	\$ 244,710	\$ 248,762
Non-interest expenses	\$ 267,374	\$ 188,840	\$ 186,973
Less: Adjusting items, before income taxes			
Restructuring and other impairment charges ⁽²⁾	61,210	3,741	2,027
Transaction and conversion costs ⁽³⁾	11,015	—	—
Net loss on the settlement of pension plans resulting from annuity purchases ⁽⁴⁾	2,214	—	—
	74,439	3,741	1,152
Adjusted non-interest expenses	\$ 192,935	\$ 185,099	\$ 184,946
Income (loss) before income taxes	\$ (32,322)	\$ 37,831	\$ 47,489
Adjusting items, before income taxes (detailed above)	74,439	3,741	1,152
Adjusted income before income taxes	\$ 42,117	\$ 41,572	\$ 48,641
Reported net income (loss)	\$ (20,497)	\$ 31,481	\$ 38,601
Adjusting items, net of income taxes			
Profit on sale of assets under administration ⁽¹⁾	—	—	(643)
Restructuring and other impairment charges ⁽²⁾	45,007	2,751	1,490
Transaction and conversion costs ⁽³⁾	8,099	—	—
Net loss on the settlement of pension plans resulting from annuity purchases ⁽⁴⁾	1,628	—	—
	54,734	2,751	847
Adjusted net income	\$ 34,237	\$ 34,232	\$ 39,448
Net income (loss) available to common shareholders	\$ (25,746)	\$ 29,545	\$ 33,352
Adjusting items, net of income taxes (detailed above)	54,734	2,751	847
Adjusted net income available to common shareholders	\$ 28,988	\$ 32,296	\$ 34,199

(1) The profit on sale of assets under administration resulted from the sale of assets under administration of LBS' discount brokerage division in the first quarter of 2025. The profit on sale of assets under administration is included in the Other income line item.

(2) Restructuring and impairment charges in the first quarter of 2026 arose from the Bank's strategic shift to a specialty commercial bank and its exit from the retail and SME banking businesses. As part of this transition, management reassessed the recoverability of certain non-financial assets and recorded provisions related to the planned operational changes. In 2025, restructuring and other impairment charges primarily stemmed from the Bank's ongoing efforts to streamline its technology infrastructure and organizational structure, as well as from revised estimates related to lease contracts for corporate office premises. Restructuring and other impairment charges mainly comprised of impairment charges, severance charges, professional fees and charges related to leases and other, and are included in the Impairment and restructuring charges line item. Refer to the Business Highlights section for additional information.

(3) In connection with the Transactions announced on December 2, 2025, the Bank recognized transaction and conversion costs in the first quarter of 2026 that are attributable to the successful completion of the Transactions. These costs primarily relate to legal fees, professional fees and other incremental expenditures incurred as a direct result of the Transactions, and are included in the Transaction and conversion costs line item. Refer to the Business Highlights section for additional information.

(4) The net loss on the settlement of pension plans resulting from annuity purchases is related to the purchase of group annuity contracts de-risking the Bank's pension plans (or buy-out) and is included in the Salaries and employee benefits line item. Refer to the Business Highlights section for additional information regarding this transaction.

TABLE 3
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES — CONSOLIDATED BALANCE SHEET

In thousands of dollars (Unaudited)	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Shareholders' equity	\$ 2,821,965	\$ 2,881,820	\$ 2,865,480
Plus (less):			
Preferred shares and other equity instruments	(245,682)	(245,682)	(245,625)
Cash flow hedge reserve ⁽¹⁾	(52,086)	(64,763)	(72,438)
Common shareholders' equity	\$ 2,524,197	\$ 2,571,375	\$ 2,547,417
Impact of averaging month-end balances⁽²⁾	25,875	(14,666)	(8,934)
Average common shareholders' equity	\$ 2,550,072	\$ 2,556,709	\$ 2,538,483

(1) The cash flow hedge reserve is presented in the Accumulated other comprehensive income line item.

(2) Based on the month-end balances for the period.

Total loans and deposits

Assets and liabilities related to the National Bank Transactions (as defined below) are presented on separate line items on the Bank's Consolidated Balance Sheet as at January 31, 2026 (not applicable as at October 31, 2025). Refer to the Basis of presentation section for additional information on the classification of these balances as a disposal group held for sale under IFRS 5.

Tables 4 and 5 provide a view of the Bank's total loans and deposits, distinguishing between loans as reported, deposits as reported and those reclassified as assets held for sale and liabilities directly associated with assets held for sale, respectively. The Bank believes these non-GAAP financial measures are useful to readers in obtaining additional insight into the loans and deposits subject to the National Bank Transactions and supports the assessment of trends in the Bank's ongoing operations. These non-GAAP financial measures are defined as follows:

Total loans include loans as reported on the Bank's Consolidated Balance Sheet and those reclassified as assets held for sale in connection with the National Bank Transactions (as defined below).

Total deposits include deposits as reported on the Bank's Consolidated Balance Sheet and those reclassified as liabilities directly associated to assets held for sale in connection with the National Bank Transactions (as defined below).

TABLE 4
TOTAL LOANS

	As at January 31, 2026			As at October 31, 2025		
	Loans as reported	Loans classified as held for sale	Total loans	Loans as reported	Loans classified as held for sale	Total loans
Loans						
Personal	\$ 1,358,743	\$ 603,986	\$ 1,962,729	\$ 1,975,613	\$ —	\$ 1,975,613
Residential mortgage	13,361,496	2,462,591	15,824,087	16,131,795	—	16,131,795
Commercial	16,993,479	1,630,667	18,624,146	17,906,832	—	17,906,832
Total	31,713,718	4,697,244	36,410,962	36,014,240	—	36,014,240
Allowances for loan losses	(138,875)	(40,940)	(179,815)	(176,330)	—	(176,330)
Total, net of allowances for loan losses	\$ 31,574,843	\$ 4,656,304	\$ 36,231,147	\$ 35,837,910	\$ —	\$ 35,837,910

TABLE 5
TOTAL DEPOSITS

	As at January 31, 2026			As at October 31, 2025		
	Deposits as reported	Deposits classified as held for sale	Total deposits	Deposits as reported	Deposits classified as held for sale	Total deposits
Deposits						
Personal	\$ 14,670,367	\$ 6,855,008	\$ 21,525,375	\$ 21,206,691	\$ —	\$ 21,206,691
Business, banks and other	1,843,646	922,821	2,766,467	2,791,903	—	2,791,903
Total	\$ 16,514,013	\$ 7,777,829	\$ 24,291,842	\$ 23,998,594	\$ —	\$ 23,998,594

NON-GAAP RATIOS

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 Measures 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. The following ratios are non-GAAP ratios.

Adjusted diluted earnings per share is calculated by dividing adjusted net income available to common shareholders by the diluted weighted average number of common shares outstanding. The following table presents a reconciliation of adjusted diluted earnings per share to diluted earnings per share, which is disclosed in the primary financial statements of the Bank.

TABLE 6
IMPACT OF ADJUSTING ITEMS ON DILUTED EARNINGS PER SHARE

In thousands of dollars, except per share amounts (Unaudited)	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Diluted earnings (loss) per share	\$ (0.58)	\$ 0.66	\$ 0.76
Adjusting items, net of income taxes, on a per share basis ⁽¹⁾	1.23	0.07	0.02
Adjusted diluted earnings per share⁽²⁾	\$ 0.65	\$ 0.73	\$ 0.78

(1) Refer to Table 2 on page 5 for a detailed description of adjusting items.

(2) The impact of adjusting items on a per share basis may not add due to rounding, and the sum of the quarterly earnings per share may not equal to the cumulative earnings per share due to rounding.

Return on common shareholders' equity (ROE) is defined as net income available to common shareholders as a percentage of average common shareholders' equity. This ratio can be used in assessing the Bank's profitability.

Adjusted return on common shareholders' equity (Adjusted ROE) is defined as adjusted net income available to common shareholders as a percentage of average common shareholders' equity. This ratio can be used in assessing the Bank's profitability excluding adjusting items defined above.

Adjusted efficiency ratio is defined as adjusted non-interest expenses as a percentage of total revenue. This ratio can be used in assessing the Bank's productivity and cost control.

Adjusted operating leverage is the difference between total revenue and adjusted non-interest expenses growth rates. This ratio can be used in assessing the Bank's efficiency.

Adjusted price / earnings ratio is defined as closing common share price divided by adjusted diluted earnings per share.

Adjusted dividend payout ratio is defined as dividends declared on common shares as a percentage of adjusted net income available to common shareholders.

Book value per common share is defined as common shareholders' equity divided by the number of common shares outstanding at the end of the period.

Gross impaired loans as a % of total loans is defined as impaired loans as a percentage of total loans at the end of the period, including impaired loans and loans classified as assets held for sale.

Net impaired loans as a % of total loans is defined as impaired loans less allowances for credit losses for impaired loans, as a percentage of total loans at the end of the period, including impaired loans, allowances and total loans classified as assets held for sale.

SUPPLEMENTARY FINANCIAL MEASURES

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 26 of this MD&A for additional information about the composition of supplementary financial measures disclosed in this document.

BUSINESS HIGHLIGHTS

TRANSACTIONS ANNOUNCED ON DECEMBER 2, 2025

On December 2, 2025, Laurentian Bank announced a significant acceleration of its 2024 Strategic Plan toward a specialty commercial banking model, resulting in an exit from the retail and small and medium-sized enterprise (“SME”) banking business. This transformation will position Laurentian Bank as a commercially oriented bank, concentrating on commercial real estate lending, inventory and equipment financing, intermediary services and capital markets activities.

National Bank of Canada (directly or through one or more affiliates) (“National Bank”) has entered into a definitive agreement to acquire Laurentian Bank’s retail and SME banking portfolios (the “Retail/SME Transaction”). Laurentian Bank and National Bank have also entered into a definitive agreement in respect of the sale to National Bank of Laurentian Bank’s syndicated loan portfolio (the “Syndicated Loan Transaction” and, collectively with the Retail/SME Transaction, the “National Bank Transactions”).

In parallel, Fairstone Bank of Canada (“Fairstone Bank”), Canada’s leading alternative lender and a Schedule I bank, has entered into a definitive agreement (the “Acquisition Transaction Agreement”) to acquire all issued and outstanding common shares of Laurentian Bank (the “Laurentian Bank Shares”) (the “Acquisition Transaction” and, collectively with the Retail/SME Transaction, the “Transactions”).

Fairstone Acquisition Transaction

Under the terms of the Acquisition Transaction Agreement, Fairstone Bank will acquire all of the issued and outstanding common shares of Laurentian Bank at a price per Laurentian Bank Share of \$40.50, in cash, representing a premium of approximately 20% over the closing price of the Laurentian Bank Shares of \$33.76 on the Toronto Stock Exchange (the “TSX”) on December 1st, 2025, the last trading day prior to the announcement of the Acquisition Transaction, and a premium of approximately 22% over the 20-day volume-weighted average trading price of the Laurentian Bank Shares for the period ended on December 1st, 2025. The total cash consideration payable under the Acquisition Transaction is approximately \$1.9 billion. The Acquisition Transaction will provide holders of Laurentian Bank Shares (“Laurentian Bank Shareholders”) with immediate liquidity and certainty of value.

The Acquisition Transaction was subject to approval of 66^{2/3}% of the votes cast by Laurentian Bank Shareholders at a special meeting (the “Meeting”) of Laurentian Bank Shareholders held on February 5, 2026 to approve an amendment to Laurentian Bank’s by-laws to provide for the acquisition of the Laurentian Bank Shares pursuant to the terms of the Acquisition Transaction Agreement. At the Meeting, and as described in the section Summary of latest transaction developments below, the common shareholders of the Bank voted in favour of the Acquisition Transaction, and the required special resolution was obtained, with 98.8% of votes cast in favour. The Acquisition Transaction Agreement contains customary non-solicitation covenants on the part of Laurentian Bank, subject to customary “fiduciary out” provisions, as well as “right to match” provisions in favour of Fairstone Bank. A termination fee of \$40 million would be payable by Laurentian Bank to Fairstone Bank in certain circumstances, including in the context of a superior proposal supported by Laurentian Bank’s board of directors. A reverse termination fee of \$40 million would be payable by Fairstone Bank to Laurentian Bank in certain circumstances, including where key regulatory approvals are not obtained prior to the outside date.

The Acquisition Transaction is subject to the closing of the Retail/SME Transaction and will close on the date of, and immediately following, the closing of the Retail/SME Transaction, subject to customary closing conditions, including receipt of key regulatory approvals. The Acquisition Transaction is not subject to any financing condition.

Assuming the timely receipt of all required key regulatory approvals, and the satisfaction of other customary closing conditions, the Transactions are expected to close by late 2026.

Following completion of the Transactions, it is expected that the Laurentian Bank Shares will be delisted from the TSX. However, Laurentian Bank’s Non-Cumulative Class A Preferred Shares, Series 13, Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares, Series 17, 5.30% Limited Recourse Capital Notes, Series 1 and 5.095% subordinated non-viability contingent capital notes are expected to remain outstanding in accordance with their terms following the completion of the Transactions. Laurentian Bank’s Non-Cumulative Class A Preferred Shares, Series 13 will continue to be listed on the TSX and, as a result, Laurentian Bank will continue to be a reporting issuer under applicable Canadian securities laws following completion of the Transactions.

National Bank Transactions

Immediately prior to the closing of the Acquisition Transaction, National Bank will acquire certain assets and assume certain liabilities related to the retail and SME banking sector being exited by Laurentian Bank in the Retail/SME Transaction pursuant to a definitive asset purchase agreement entered into concurrently with the Acquisition Transaction Agreement (the “Retail/SME Agreement”). As at January 31, 2026, retail loans and deposits totalled approximately \$3.1 billion and \$6.7 billion, respectively, while SME loans and deposits totalled approximately \$0.9 billion and \$0.9 billion, respectively. National Bank will also assume the distribution agreement for certain mutual funds with underlying assets of approximately \$3.6 billion as at January 31, 2026.

The closing of the Retail/SME Transaction is conditional on all conditions precedent to the closing of the Acquisition Transaction having been satisfied or waived and will occur immediately prior to the closing of the Acquisition Transaction. The Retail/SME Agreement includes terms and conditions that are customary for transactions of this nature. The Retail/SME Transaction is not subject to the approval of Laurentian Bank Shareholders and is subject to customary closing conditions, including receipt of key regulatory approvals.

None of the employees or retail branches of Laurentian Bank will be transferred to National Bank. Laurentian Bank will be responsible for closing its branches and terminating the employment of certain employees (or reassigning them to other lines of business or to Fairstone Bank or its affiliates) prior to the closing of the Retail/SME Transaction.

A termination fee of \$10 million would be payable by Laurentian Bank to National Bank in certain circumstances, including in the context of a termination of the Retail/SME Agreement resulting from a termination of the Acquisition Transaction Agreement to accept a superior proposal. A reverse termination fee of \$10 million would be payable by National Bank to Laurentian Bank in certain circumstances, including where key regulatory approvals are not obtained prior to the outside date.

Separately, concurrently with the execution of the Retail/SME Agreement, Laurentian Bank and National Bank have also entered into a definitive loan purchase agreement in respect of the Syndicated Loan Transaction. As at January 31, 2026, the syndicated loans totalled approximately \$0.7 billion. The Syndicated Loan Transaction closed on February 17, 2026, subsequent to quarter-end; refer to Note 18 to the Condensed Interim Consolidated Financial Statements for further details. The closing of the Syndicated Loan Transaction was not conditional upon the closing of the Retail/SME Transaction or the Acquisition Transaction.

The National Bank Transactions will be fully settled in cash and cash equivalents, with the final consideration based on outstanding balances at closing. The final consideration for the Syndicated Loan Transaction will effectively be the outstanding balance of the purchased loans at closing, minus \$50 million. If the purchase price was calculated as at January 31, 2026, the aggregate purchase price of the Retail/SME Transaction (including related premium) and the Syndicated Loan Transaction (including related discount) would approximate net book value.

Summary of latest transaction developments

On January 12, 2026, Laurentian Bank announced that it had filed its management proxy circular (the "Circular") and related materials in connection with the Meeting. The Circular provides details regarding the proposed Acquisition Transaction, including the background and rationale for the Acquisition Transaction, voting information, and the matters to be considered at the Meeting.

On February 5, 2026, at the Meeting, the common shareholders of the Bank voted in favour of the Acquisition Transaction pursuant to which Fairstone Bank of Canada will acquire all of the issued and outstanding common shares of the Bank. The special resolution requiring approval by at least 66^{2/3}% of the votes cast was obtained, with 98.8% of votes cast in favour. Assuming the timely receipt of all required key regulatory approvals, and the satisfaction of other closing conditions, the Transactions are expected to close by late 2026.

On February 17, 2026, the Bank completed the sale of its syndicated loan portfolio to National Bank of Canada (the Syndicated Loan Transaction). The outstanding principal balance of the syndicated loans was approximately \$705 million as at closing. Certain liabilities were also assumed by National Bank. The cash consideration received at closing by Laurentian Bank was \$646 million, subject to customary post-closing adjustments, and reflected a discount of \$50 million to the outstanding balance of the syndicated loans. In the second quarter of 2026, the Bank will record a loss of approximately \$20 million before taxes (\$15 million after taxes) on the Syndicated Loan Transaction, reflecting the aforementioned discount and the impact of reversing previously recognized allowances for credit losses.

Summary of accounting impacts related to the Transactions

As at December 2, 2025, the Bank has classified the assets and liabilities associated with the National Bank Transactions as a disposal group held for sale. This classification reflects management's assessment that the relevant criteria have been met, including the Bank's commitment to the sale, the availability of the assets for immediate transfer in their current condition, and the expectation that the National Bank Transactions will both close within one year from the date of classification. Additional information regarding the assets and liabilities classified as held for sale is provided in Note 9 to the Condensed Interim Consolidated Financial Statements. The Bank's retail and SME banking business does not represent a separate cash-generating unit and therefore does not meet the definition of discontinued operations under IFRS 5. Accordingly, these results remain presented within continuing operations.

In connection with the Transactions announced on December 2, 2025, the Bank recognized transaction and conversion costs in the first quarter of 2026 that are attributable to the successful completion of the Transactions. These costs primarily relate to legal fees, professional fees and other incremental expenditures incurred as a direct result of the Transactions. Certain costs that are conditional upon the closing of the Transactions will be recognized as they are incurred in subsequent periods.

The Bank also recognized restructuring and impairment charges in the first quarter of 2026 arising from its strategic shift to a specialty commercial bank and its exit from the retail and SME banking businesses. As part of this transition, management reassessed the recoverability of certain non-financial assets and recorded provisions related to planned operational changes. These charges primarily included impairment of right-of-use assets and leasehold improvements affected by the exit of related activities, provisions for onerous contracts and unavoidable costs under contractual arrangements linked to the retail and SME operations, severance and employee benefit costs associated with anticipated workforce reductions, and the impairment and accelerated amortization of software and other intangible assets.

Refer to the Critical accounting and estimates section on page 24 of this MD&A and to Notes 7 and 17 to the Condensed Interim Consolidated Financial Statements for additional information.

OTHER BUSINESS HIGHLIGHTS

Purchase of group annuity contracts de-risking the Bank's pension plans

On December 11, 2025, in an effort to reduce its defined benefit pension plan obligation and decrease future pension volatility and risks, the Bank purchased \$61.2 million of group annuity contracts from a Canadian insurer and transferred \$59.0 million in obligations, resulting in a \$2.2 million net settlement loss (\$1.6 million net of income taxes). Under the agreement, the Canadian insurer will issue annuities covering the responsibility for pension benefits owed to Laurentian Bank of Canada pensioners. Following the transaction,

benefits for plan participants are protected under Assuris, the life insurance compensation association designated under the Insurance Companies Act of Canada.

For accounting purposes, this buy-out transaction essentially eliminates further legal or constructive obligation for benefits and a settlement occurred. Refer to Note 12 to the Condensed Interim Consolidated Financial Statements for additional information.

OUTLOOK

ECONOMIC OUTLOOK

The global economic outlook remains broadly resilient despite persistent geopolitical tensions and ongoing uncertainty surrounding U.S. economic and trade policy. Substantial investment in artificial intelligence (AI) and related technologies, supported by expansionary fiscal measures, is more than offsetting the impact of elevated tariffs. However, the combination of geopolitical conflict, increased global fragmentation, and shifting U.S. policy priorities has widened the range of potential global economic outcomes.

In the United States, solid economic momentum is being driven primarily by sustained AI-related capital spending. Nonetheless, growth remains uneven across regions and income groups, with high-income households benefiting disproportionately from fiscal stimulus and equity market performance. After implementing three 25-basis-point rate cuts in 2025, the Federal Reserve left its policy rate unchanged at 3.75% in January 2026, citing modest improvement in labour market conditions and inflation that remains somewhat above target, largely due to tariff-related cost pressures.

In Canada, the economy continues to adjust to ongoing global trade realignment and the effects of very slow population growth. Real GDP growth remained weak through late 2025 and early 2026. China and Canada are expected to substantially reduce targeted tariffs in March 2026 under a preliminary agreement-in-principle, although uncertainty remains elevated ahead of the mid-year review of the Canada–United States–Mexico Agreement (CUSMA). Against this backdrop, Canadian businesses remain cautious in their hiring and investment decisions, while consumer spending is supported modestly by prior interest rate reductions and solid equity market gains.

Labour market conditions remain soft in Canada, particularly in Ontario. The national unemployment rate stood at 6.5% in January, a moderate improvement from levels observed last summer and broadly consistent with the rate recorded prior to the introduction of U.S. tariffs. Employment in export-oriented industries has declined moderately since the imposition of U.S. tariff measures, whereas employment in other sectors has proven more resilient. Consumer price inflation has eased in recent quarters and is now near the Bank of Canada's 2% target.

Homebuilding activity rebounded sharply in the latter part of 2025, led by rental construction, which rose to near-record levels. Rental vacancy rates have increased from previously low levels in several regions, while demand for condominium units remains subdued and inventories continue to accumulate in Ontario and British Columbia, particularly in the Toronto and Vancouver metropolitan areas. Condo inventories have also risen in Calgary. In contrast, housing markets in Quebec remain firmly in sellers' territory, supported by relatively balanced supply-demand conditions.

The Bank of Canada has signalled its intention to maintain the overnight rate target at 2.25%. The Canadian dollar continues to experience significant volatility, reflecting heightened geopolitical tensions since the start of the year as well as broader movements in the U.S. dollar.

ANALYSIS OF CONSOLIDATED RESULTS

TABLE 7
CONDENSED CONSOLIDATED RESULTS

In thousands of dollars, except percentage amounts (Unaudited)	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Net interest income	\$ 194,863	\$ 182,657	\$ 186,207
Other income	56,692	62,053	63,430
Total revenue	251,555	244,710	249,637
Provision for credit losses	16,503	18,039	15,175
Non-interest expenses	267,374	188,840	186,973
Income (loss) before income taxes	(32,322)	37,831	47,489
Income taxes (recovery)	(11,825)	6,350	8,888
Net income (loss)	(20,497)	31,481	38,601
Dividends on preferred shares and distributions on other equity instruments	5,249	1,936	5,249
Net income (loss) available to common shareholders	\$ (25,746)	\$ 29,545	\$ 33,352
Non-GAAP financial measures			
Adjusted total revenue ⁽¹⁾	\$ 251,555	\$ 244,710	\$ 248,762
Adjusted non-interest expenses ⁽¹⁾	\$ 192,935	\$ 185,099	\$ 184,946
Adjusted income before income taxes ⁽¹⁾	\$ 42,117	\$ 41,572	\$ 48,641
Adjusted net income ⁽¹⁾	\$ 34,237	\$ 34,232	\$ 39,448
Adjusted net income available to common shareholders ⁽¹⁾	\$ 28,988	\$ 32,296	\$ 34,199

[1] This is a non-GAAP financial measure. Refer to the Non-GAAP Financial and Other Measures section beginning on page 5 for additional information.

FIRST QUARTER OF 2026 COMPARED WITH FIRST QUARTER OF 2025

A net loss of \$20.5 million and a diluted loss per share of \$0.58 were recorded for the first quarter of 2026, compared with net income of \$38.6 million and diluted earnings per share of \$0.76 for the first quarter of 2025. Of note, reported results for the first quarter of 2026 included restructuring and other impairment charges of \$61.2 million (\$45.0 million after income taxes), or \$0.89 per share, related to the Bank's strategic shift to a specialty commercial bank, resulting in its exit from the retail and SME banking business. Reported results also included transaction and conversion costs of \$11.0 million (\$8.1 million after income taxes), or \$0.18 per share related to the Transactions announced on December 2, 2025. Refer to the Non-GAAP Financial and Other Measures section and to the Business Highlights section for additional information. Adjusted net income was \$34.2 million and adjusted diluted earnings per share were \$0.65 for the first quarter of 2026, compared with \$39.4 million and \$0.78 for the first quarter of 2025. Refer to the Non-GAAP Financial and Other Measures section for a reconciliation of non-GAAP financial measures.

Total revenue

Total revenue increased by \$1.9 million to \$251.6 million for the first quarter of 2026, compared with \$249.6 million for the first quarter of 2025, attributable to an increase in net interest income, partially offset by a decrease in other income, as detailed below.

Net interest income increased by \$8.7 million or 5% to \$194.9 million for the first quarter of 2026, compared with \$186.2 million for the first quarter of 2025. This growth was mainly due to favourable loan repayments and shifts in the Bank's business mix. The net interest margin was 1.89% for the first quarter of 2026, an increase of 4 basis points compared with the first quarter of 2025, primarily for the same underlying reasons.

Other income decreased by \$6.7 million to \$56.7 million for the first quarter of 2026, compared with \$63.4 million for the first quarter of 2025. Of note, reported other income for the first quarter of 2025 included a \$0.9 million profit from the sale of assets under administration of LBS' discount brokerage division. The decrease in other income for the quarter was primarily driven by lower income from financial instruments compared with the first quarter of 2025.

Provision for credit losses

The provision for credit losses was \$16.5 million for the first quarter of 2026, compared with \$15.2 million for the first quarter of 2025, representing an increase of \$1.3 million. This increase primarily reflects higher provisions on performing loans driven principally by increased volumes and lower releases, partially offset by lower provisions on impaired loans. The provision for credit losses as a percentage of average loans, including those classified as assets held for sale, was 18 basis points for the quarter, compared with 17 basis points for the same quarter one year ago. Refer to the "Credit risk management" section on pages 17 to 19 of this MD&A and to Note 5 to the Condensed Interim Consolidated Financial Statements for additional information on provision for credit losses and allowances for credit losses.

Non-interest expenses

Non-interest expenses amounted to \$267.4 million for the first quarter of 2026, an increase of \$80.4 million compared with the first quarter of 2025. Adjusted non-interest expenses increased by \$8.0 million or 4% to \$192.9 million for the first quarter of 2026, compared with \$184.9 million for the first quarter of 2025.

Salaries and employee benefits amounted to \$102.7 million for the first quarter of 2026, an increase of \$5.8 million compared with the first quarter of 2025. The increase mainly reflects regular annual salary increases, as well as higher employer-related contributions and benefit costs. The Bank also recorded a net loss of \$2.2 million related to the settlement of certain pension plans resulting from an annuity purchase. Refer to the Business Highlights section and to Note 12 of the Condensed Interim Consolidated Financial Statements for additional details concerning the annuity purchase transaction.

Premises and technology costs were \$55.0 million for the first quarter of 2026, an increase of \$4.1 million compared with the first quarter of 2025. The increase mainly reflects higher IT-related costs, driven by continued investment in strategic technology initiatives and increased amortization from completed technology projects.

Impairment and restructuring charges were \$61.2 million for the first quarter of 2026, compared with \$2.0 million for the first quarter of 2025. In the first quarter of 2026, charges recorded result from the Bank's strategic shift to a specialty commercial bank and its exit from the retail and SME banking businesses. The charges primarily reflected the impairment of right-of-use assets and leasehold improvements affected by the exit of related activities, provisions for onerous contracts and unavoidable costs under contractual arrangements linked to the retail and SME operations, severance and employee benefit costs associated with anticipated workforce reductions, and the impairment and accelerated amortization of software and other intangible assets. Refer to the Business Highlights section and to Note 17 to the Condensed Interim Consolidated Financial Statements for additional information on the impairment and restructuring charges. In the first quarter of 2025, the Bank recorded restructuring charges of \$2.0 million related to the streamlining of its technology infrastructure and organizational structure.

Transaction and conversion costs amounted to \$11.0 million for the first quarter of 2026. In connection with the Transactions announced on December 2, 2025, the Bank recognized transaction and conversion costs that are attributable to the successful completion of the Transactions. These costs primarily relate to legal fees, professional fees and other incremental expenditures incurred as a direct result of the Transactions. No such costs were recognized in the first quarter of 2025. Refer to the Business Highlights section and to Note 17 to the Condensed Interim Consolidated Financial Statements for additional information on the transaction and conversion costs.

Other non-interest expenses were \$37.4 million for the first quarter of 2026, mainly unchanged compared with the first quarter of 2025.

Efficiency ratio

The efficiency ratio on a reported basis increased to 106.3% for the first quarter of 2026, compared with 74.9% for the first quarter of 2025. The year-over-year increase primarily reflects the impairment and restructuring charges recognized in the quarter, as well as transactions and conversion costs. The adjusted efficiency ratio increased to 76.7% for the first quarter of 2026, compared with 74.3% for the first quarter of 2025, for reasons outlined in the analysis above.

Income taxes

For the first quarter of 2026, the income tax recovery was \$11.8 million, and the effective income tax rate was 36.6%. The higher effective income tax rate compared to the statutory income tax rate reflects the impact of the loss recorded for the quarter and was essentially attributed to a lower taxation level on income from foreign operations. For the first quarter of 2025, the income tax expense was \$8.9 million, and the effective income tax rate was 18.7%. The lower effective income tax rate compared to the statutory income tax rate was essentially attributed to a lower taxation level on income from foreign operations.

FIRST QUARTER OF 2026 COMPARED WITH FOURTH QUARTER OF 2025

A net loss of \$20.5 million and a diluted loss per share of \$0.58 were recorded for the first quarter of 2026, compared with net income of \$31.5 million and diluted earnings per share of \$0.66 for the fourth quarter of 2025. Of note, reported results for the first quarter of 2026 included restructuring and other impairment charges of \$61.2 million (\$45.0 million after income taxes), or \$0.89 per share, related to the Bank's strategic shift to a specialty commercial bank, resulting in its exit from the retail and SME banking business. Reported results also included transaction and conversion costs of \$11.0 million (\$8.1 million after income taxes), or \$0.18 per share related to the Transactions announced on December 2, 2025. Refer to the Non-GAAP Financial and Other Measures section and to the Business Highlights section for additional information. Adjusted net income was \$34.2 million and adjusted diluted earnings per share were \$0.65 for the first quarter of 2026, compared with \$34.2 million and \$0.73 for the fourth quarter of 2025. Net income available to common shareholders in the first quarter of 2026 included the interest paid semi-annually on the Limited Recourse Capital Notes and the quarterly dividend declared on Preferred Shares Series 13. In comparison, the fourth quarter of 2025 results only included the quarterly dividend declared on the Preferred Shares Series 13.

Total revenue increased by \$6.8 million to \$251.6 million for the first quarter of 2026 compared with \$244.7 million for the previous quarter, attributable to an increase in net interest income, partially offset by a decrease in other income, as detailed below.

Net interest income increased by \$12.2 million to \$194.9 million, mainly due to favourable loan repricing lags, loan repayments, as well as shifts in the Bank's business mix. Net interest margin was 1.89% for the first quarter of 2026, an increase of 10 basis points compared with the fourth quarter of 2025, mainly for the same reasons.

Other income amounted to \$56.7 million for the first quarter of 2026, a decrease of \$5.4 million compared with \$62.1 million for the previous quarter. This decrease was primarily driven by lower income from financial instruments compared with the fourth quarter of 2025.

The provision for credit losses was \$16.5 million for the first quarter of 2026, a decrease of \$1.5 million compared with \$18.0 million for the fourth quarter of 2025. This decrease primarily reflects lower provisions on impaired commercial loans, partly offset by lower releases of provisions on performing loans. Refer to the "Credit risk management" section on pages 17 to 19 of this MD&A and to Note 5 to the Condensed Interim Consolidated Financial Statements for additional information on provision for credit losses and allowances for credit losses.

Non-interest expenses increased by \$78.5 million to \$267.4 million for the first quarter of 2026 from \$188.8 million in the fourth quarter of 2025. In the first quarter of 2026, non-interest expenses included impairment and restructuring charges of \$61.2 million, related to the Bank's strategic shift to a specialty commercial bank, resulting in its exit from the retail and SME banking business, compared with \$3.7 million in the fourth quarter of 2025. Non-interest expenses also included transaction and conversion costs of \$11.0 million for the first quarter of 2026, representing legal fees, professional fees and other incremental expenditures incurred as a direct result of the Transactions. Refer to the Business Highlights section and to Note 17 to the Condensed Interim Consolidated Financial Statements for additional information. Adjusted non-interest expenses amounted to \$192.9 million in the first quarter of 2026, an increase of \$7.8 million, primarily due to regular annual salary increases, and seasonally higher employee benefits.

ANALYSIS OF FINANCIAL CONDITION

TABLE 8
CONDENSED BALANCE SHEET

In thousands of dollars (Unaudited)	As at January 31, 2026	As at October 31, 2025
Assets		
Cash and deposits with banks	\$ 1,417,534	\$ 1,315,519
Securities	7,878,263	7,779,946
Securities purchased under reverse repurchase agreements	3,083,583	4,007,686
Liquid assets ⁽¹⁾	12,379,380	13,103,151
Loans, net of allowances	31,574,843	35,837,910
Assets held for sale	4,707,388	—
Other assets	1,250,376	1,206,635
	\$ 49,911,987	\$ 50,147,696
Liabilities and Shareholders' Equity		
Deposits	\$ 16,514,013	\$ 23,998,594
Liabilities directly associated with assets held for sale	8,094,322	—
Other liabilities	8,296,371	8,883,679
Debt related to securitization activities	13,868,485	14,052,700
Subordinated debt	316,831	330,903
Shareholders' equity	2,821,965	2,881,820
	\$ 49,911,987	\$ 50,147,696

(1) Liquid assets as presented on the balance sheet is a supplementary financial measure and consist of cash, deposits with banks, securities and securities purchased under reverse repurchase agreements.

As at January 31, 2026, total assets amounted to \$49.9 billion, compared with \$50.1 billion as at October 31, 2025, with the modest decrease primarily attributable to lower liquid assets, partially offset by higher loans including those classified as assets held for sale.

Liquid assets

As at January 31, 2026, liquid assets as presented on the balance sheet amounted to \$12.4 billion, a decrease of \$0.7 billion compared with \$13.1 billion as at October 31, 2025. The Bank continues to prudently manage its level of liquid assets. The Bank's funding sources, including those classified as held for sale, remain well diversified and sufficient to meet all liquidity requirements. Liquid assets represented 25% of total assets as at January 31, 2026, compared with 26% as at October 31, 2025.

Loans

Loans, net of allowances, stood at \$31.6 billion as at January 31, 2026, a decrease of \$4.3 billion since October 31, 2025. The decrease in gross loans reflects the reclassification of \$4.7 billion of loans to the Assets held for sale line item in connection with the National Bank Transactions.

Total loans, including loans classified on the Assets held for sale line item, amounted to \$36.4 billion as at January 31, 2026, an increase of \$0.4 billion compared with \$36.0 billion as at October 31, 2025, primarily driven by growth in the commercial loan portfolio. Total commercial loans amounted to \$18.6 billion as at January 31, 2026, an increase of \$0.7 billion or 4% since October 31, 2025 resulting from our key growth engines, namely commercial real estate, inventory financing and equipment financing. Total personal loans amounted to \$2.0 billion as at January 31, 2026, relatively unchanged from October 31, 2025. Total residential mortgage loans amounted to \$15.8 billion as at January 31, 2026, a decrease of \$0.3 billion or 2% from October 31, 2025, mainly due to easing housing market activity.

Assets held for sale

Assets held for sale amounted to \$4.7 billion as at January 31, 2026, with no such balance recognized as at October 31, 2025. The balance reflects the Bank's classification of the assets directly associated with the National Bank Transactions as a disposal group held for sale effective December 2, 2025. The balance consists primarily of loans, derivatives, and other related assets. Refer to Note 9 of the Condensed Interim Consolidated Financial Statements for additional information on assets held for sale and liabilities directly associated with assets held for sale.

Other assets

Other assets stood at \$1.3 billion as at January 31, 2026, relatively unchanged compared with October 31, 2025.

Deposits

Deposits decreased by \$7.5 billion to \$16.5 billion as at January 31, 2026, compared with \$24.0 billion as at October 31, 2025. The decrease in deposits is explained by the reclassification of \$7.8 billion to the Liabilities directly associated with assets held for sale line item in connection with the National Bank Transactions.

Total deposits, including deposits classified on the Liabilities directly associated with assets held for sale line item, amounted to \$24.3 billion as at January 31, 2026, an increase of \$0.3 billion compared with \$24.0 billion as at October 31, 2025, primarily driven by deposits from advisors and brokers. Total personal deposits stood at \$21.5 billion as at January 31, 2026 and increased by \$0.3 billion compared with \$21.2 billion as at October 31, 2025. Of note, deposits from advisors and brokers increased by \$0.6 billion and personal notice and demand deposits from partnerships decreased by \$0.2 billion from October 31, 2025. Total personal deposits represented 89% of total deposits as at January 31, 2026, compared with 88% as at October 31, 2025, and contributed to the Bank's sound liquidity position. Total business and other deposits remained stable over the period, totalling \$2.8 billion as at January 31, 2026.

Liabilities directly associated with assets held for sale

Liabilities directly associated with assets held for sale amounted to \$8.1 billion as at January 31, 2026, with no such balance recognized as at October 31, 2025. The balance reflects the Bank's classification of the liabilities directly associated with the National Bank Transactions as a disposal group held for sale effective December 2, 2025. The balance consists primarily of deposits, debt related to securitization activities, and other related liabilities, including accrued interest payable. Refer to Note 9 of the Condensed Interim Consolidated Financial Statements for additional information on assets held for sale and liabilities directly associated with assets held for sale.

Other liabilities

Other liabilities stood at \$8.3 billion as at January 31, 2026, a decrease of \$0.6 billion since October 31, 2025. The decrease is partly attributable to the reclassification of \$0.2 billion of other liabilities to the Liabilities directly associated with assets held for sale line item in connection with the National Bank Transactions. In addition, lower obligations related to trading activities contributed to the decrease.

Debt related to securitization activities

Debt related to securitization activities decreased by \$0.2 billion or 1% compared with October 31, 2025 and stood at \$13.9 billion as at January 31, 2026. During the quarter, maturities of liabilities and normal repayments exceeded new issuances of cost-effective long-term debt related to securitization activities.

Subordinated debt

Subordinated debt stood at \$0.3 billion as at January 31, 2026 unchanged from October 31, 2025. Subordinated debt is an integral part of the Bank's regulatory capital and affords its depositors additional protection, as further detailed in the Capital Management section below.

Shareholders' equity

Shareholders' equity stood at \$2.8 billion as at January 31, 2026 a decrease of \$59.9 million compared with October 31, 2025. Retained earnings decreased by \$43.5 million compared to October 31, 2025, mainly as a result of the sum of the net loss of \$20.5 million, dividends and other distributions. Accumulated other comprehensive income decreased by \$20.9 million compared to October 31, 2025. For additional information, please refer to the Capital Management section below and to the Consolidated Statement of Changes in Shareholders' Equity for the period ended January 31, 2026.

The Bank's book value per common share was \$56.46 as at January 31, 2026 compared to \$57.67 as at October 31, 2025.

CAPITAL MANAGEMENT

Management seeks to maintain an adequate level of capital that considers the Bank's targeted capital ratios and internal assessment of required capital that is aligned with the Bank's risk appetite, strategic plan and shareholders' expectations. This framework is underpinned by the Bank's Capital Management and Adequacy Policy which outlines the mechanisms for capital planning, management and adequacy assessment. Refer to the section "Capital Management" on page 35 of the Bank's 2025 Annual Report for additional information on the Bank's capital management framework.

REGULATORY CAPITAL

The Office of the Superintendent of Financial Institutions (OSFI) requires banks to meet minimum risk-based capital ratios drawn on the Basel Committee on Banking Supervision (BCBS) capital framework, commonly referred to as the Basel III Accord. Under OSFI's guideline, minimum Common Equity Tier 1 (CET1), Tier 1 and Total capital ratios are set at 7.0%, 8.5% and 10.5% respectively including a 2.5% capital conservation buffer. For additional information on the three types of capital and ratios definitions, see the Glossary on page 26 of this MD&A. Institutions are expected to meet minimum risk-based capital requirements for exposure to credit risk, operational risk and, where they are internationally active, market risk.

The Basel III Accord also introduced a non-risk-based leverage ratio requirement to act as a supplementary measure to the risk-based capital requirements. Under OSFI's Leverage Requirements Guideline, federally regulated deposit-taking institutions are expected to

maintain a Basel III leverage ratio that always meets or exceeds 3%. For additional information on the leverage ratio definition, see the Glossary on page 26 of this MD&A.

Regulatory capital developments

During the period ended January 31, 2026, there were no regulatory capital developments that materially impacted the Bank's capital framework.

Regulatory capital ratios

The CET1 capital ratio was 10.9% as at January 31, 2026, in excess of the minimum regulatory requirement and the Bank's target management levels. The CET1 capital ratio decreased by 40 basis points compared with 11.3% as at October 31, 2025, mainly due to internal capital consumption, as well as from an increase in risk-weighted assets. The Bank met OSFI's capital and leverage requirements throughout the quarter.

TABLE 9
REGULATORY CAPITAL AND LEVERAGE RATIOS⁽¹⁾

In thousands of dollars, except percentages	As at January 31, 2026	As at October 31, 2025
Regulatory capital		
Common shares	\$ 1,211,054	\$ 1,205,807
Retained earnings	1,308,763	1,352,215
Accumulated other comprehensive income	51,274	72,185
Share-based compensation reserve	5,192	5,931
Deductions from Common Equity Tier 1 capital ⁽²⁾	(282,575)	(306,359)
Common Equity Tier 1 capital	2,293,708	2,329,779
Qualifying preferred shares and other equity instruments	245,682	245,682
Additional Tier 1 capital	245,682	245,682
Tier 1 capital	2,539,390	2,575,461
Qualifying subordinated debt	316,831	330,903
Collective allowances	114,754	112,882
Tier 2 capital	431,585	443,785
Total capital	\$ 2,970,975	\$ 3,019,246
Total risk-weighted assets	\$ 21,088,652	\$ 20,700,183
Total exposure	\$ 51,294,363	\$ 51,303,517
Capital ratios		
Common Equity Tier 1 capital ratio	10.9 %	11.3 %
Tier 1 capital ratio	12.0 %	12.4 %
Total capital ratio	14.1 %	14.6 %
Leverage ratio	5.0 %	5.0 %

(1) Assets classified as held for sale under IFRS 5 remain subject to the same regulatory capital treatment until they are derecognized. Accordingly, the classification does not affect the measurement of the Bank's risk-weighted assets or regulatory capital ratios.

(2) Comprised of deductions for software and other intangible assets, deferred tax assets excluding those arising from temporary differences, net pension plan assets, cash flow hedge reserve and other.

OUTSTANDING CAPITAL INSTRUMENTS

As at February 17, 2026, there were 5,000,000 outstanding Preferred Shares Series 13, 44,709,784 outstanding common shares and 1,205,772 outstanding stock options.

NON-VIABILITY CONTINGENT (NVCC) CAPITAL INSTRUMENTS AND OTHER BAIL-IN REGULATIONS

As required under OSFI's Capital Adequacy Requirements Guideline in accordance with Basel III, all non-common regulatory capital instruments issued by the Bank include a non-viability contingent capital (NVCC) clause. This provision requires that, in the event OSFI determines the Bank is, or is about to become, non-viable, either independently or alongside a federal public sector capital injection, such instruments will automatically convert into common shares to support the Bank's recapitalization.

The Bank's NVCC instruments include its Class A Preferred Shares Series 13, subordinated debentures due June 15, 2032, and Limited Recourse Capital Notes (LRCN) Series 1. Upon a trigger event, these instruments convert into common shares at the greater of \$5.00 or the 10-day volume-weighted average trading price of the common shares prior to the trigger. Assuming no accrued and unpaid interest or dividends, the maximum number of common shares issuable upon conversion is approximately 120 million, representing potential dilution of approximately 72.9% based on common shares outstanding as at January 31, 2026.

Separately, under the Bank Act and the Canadian Deposit Insurance Corporation (CDIC) Act, certain senior unsecured liabilities may be subject to bail-in conversion if the Bank is, or is about to become, non-viable. These bail-in rules apply independently of the NVCC regime and exclude deposits and certain prescribed liabilities. The Bank is not designated as a Domestic Systemically Important Bank (D-SIB) by OSFI and is therefore not subject to Total Loss Absorbing Capacity (TLAC) requirements.

DIVIDENDS

On February 2, 2026, the Board of Directors declared a dividend of \$0.38725 per Preferred Share Series 13, payable on March 15, 2026 (the "Payment Date"), that will be paid out on March 16, 2026, the first business day following the Payment Date, to shareholders of record on March 9, 2026.

On February 26, 2026, the Board of Directors declared a quarterly dividend of \$0.47 per common share, payable on May 1, 2026 to shareholders of record on April 1, 2026. This quarterly dividend is equal to the dividend declared in the previous quarter and to the dividend declared in the previous year. On February 26, 2026, the Board also determined that shares attributed under the Bank's Shareholder Dividend Reinvestment and Share Purchase Plan will be made in common shares issued from Corporate Treasury at no discount.

RISK MANAGEMENT

The Bank is exposed to various types of risks owing to its activities, mainly as it relates to the use of financial instruments. In order to manage these risks, various risk management policies and risk limits, as well as other controls have been implemented. These measures aim to ensure we manage within our risk appetite while optimizing risk-return in all operating segments. Refer to the section "Risk Appetite and Risk Management Framework" on page 38 of the Bank's 2025 Annual Report for additional information on the Bank's risk management framework.

CREDIT RISK

The following sections provide further details on the credit quality of the Bank's loan portfolio.

Measurement uncertainty of expected credit loss estimates

The Bank updates its forward-looking economic scenarios on a quarterly basis to assess its allowances for credit losses. The three scenarios, "base", "downside" and "upside" were probability weighted as part of the Bank's approach to determining the expected credit losses as at January 31, 2026 and are further described in Note 5 to the Condensed Interim Consolidated Financial Statements.

The allowance for credit losses remains highly sensitive to model inputs, particularly macroeconomic variables embedded in forward-looking scenarios and their respective weightings. While the global economic outlook has shown resilience and near-term risks have moderated, uncertainty remains elevated, driven in part by ongoing shifts in U.S. trade policy and their downstream effects on both Canadian and U.S. economic activity. These factors continue to present challenges in the assessment of future credit performance, including the potential for write-offs or adjustments to the Bank's allowance for credit losses in subsequent reporting periods.

Impact of loans reclassified as held for sale on credit risk measures

Credit risk measures for the first quarter of 2026 are impacted by loans reclassified to the Assets held for sale line item in connection with the National Bank Transactions. While these loans are presented separately on the Consolidated Balance Sheet, they continue to be fully incorporated into the Bank's credit risk assessments and expected credit loss calculations, as they remain subject to the Bank's standard credit risk monitoring and provisioning processes. Accordingly, credit quality metrics continue to include these exposures, on a basis consistent with prior periods.

Provision for credit losses

First quarter of 2026 compared with first quarter of 2025

Total provision for credit losses of \$16.5 million increased by \$1.3 million compared with the first quarter of 2025, mainly as a result of higher provisions on performing loans driven principally by increased volumes and lower releases, partially offset by lower provisions on impaired loans. The provision for credit losses as a percentage of average loans, including those classified as assets held for sale, was 18 basis points for the quarter, compared with 17 basis points for the same quarter one year ago.

The provision for credit losses on performing loans was a provision of \$2.4 million for the first quarter of 2026, compared with a release of \$6.6 million for the first quarter of 2025. This mainly reflects lower releases of provisions on performing commercial, personal, and residential mortgage loans compared to the first quarter of 2025.

The provision for credit losses on impaired loans was \$14.1 million for the first quarter of 2026 and decreased by \$7.7 million compared with the first quarter of 2025. This mainly reflects lower provisions in the commercial loan portfolio compared to the first quarter of 2025.

First quarter of 2026 compared with fourth quarter of 2025

Total provision for credit losses of \$16.5 million decreased by \$1.5 million compared with the fourth quarter of 2025, mainly as a result of lower provisions on impaired commercial loans, partly offset by lower releases of provisions on performing loans. The provision for credit losses as a percentage of average loans was 18 basis points, compared with 20 basis points for the previous quarter.

The provision for credit losses on performing loans was a provision of \$2.4 million for the first quarter of 2026 compared with a release of \$8.7 million for the fourth quarter of 2025. This mainly reflects lower releases of provisions on performing commercial, personal, and residential mortgage loans compared to the prior quarter.

The provision for credit losses on impaired loans was \$14.1 million for the first quarter of 2026, and decreased by \$12.7 million compared with the fourth quarter of 2025, mainly due to lower provisions in the commercial loan portfolio.

TABLE 10
PROVISION FOR CREDIT LOSSES

In thousands of dollars, except percentage amounts (Unaudited)	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Personal loans			
Performing (Stage 1 and 2)	\$ (154)	\$ (4,531)	\$ (2,756)
Impaired (Stage 3)	1,217	2,186	2,185
	1,063	(2,345)	(571)
Residential mortgage loans			
Performing (Stage 1 and 2)	491	(2,499)	(1,688)
Impaired (Stage 3)	403	593	523
	894	(1,906)	(1,165)
Commercial loans			
Performing (Stage 1 and 2)	2,065	(1,710)	(2,172)
Impaired (Stage 3)	12,481	24,000	19,083
	14,546	22,290	16,911
Total loans			
Performing (Stage 1 and 2)	2,402	(8,740)	(6,616)
Impaired (Stage 3)	14,101	26,779	21,791
Provision for credit losses	\$ 16,503	\$ 18,039	\$ 15,175
As a % of average loans ⁽¹⁾	0.18 %	0.20 %	0.17 %

(1) Amount reported includes loans classified as held for sale in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operation* on the Bank's Consolidated Balance Sheet. Refer to Notes 5 and 9 to the Condensed Interim Consolidated Financial Statements for additional information.

Allowances for credit losses

Allowances for loan losses, including allowances for loans classified within the Assets held for sale line item, amounted to \$179.8 million as at January 31, 2026, an increase of \$3.5 million compared with October 31, 2025. Allowances for loan losses on performing loans, including those classified as held for sale, totalled \$101.7 million as at January 31, 2026, up \$1.6 million compared with October 31, 2025, mainly as a result of higher allowances on certain commercial loan exposures. Allowances for loan losses on impaired loans, including those classified as held for sale, amounted to \$78.1 million as at January 31, 2026, an increase of \$1.9 million compared with October 31, 2025, primarily reflecting higher allowances on commercial loans.

TABLE 11
ALLOWANCES FOR CREDIT LOSSES (ACL)⁽¹⁾

In thousands of dollars (Unaudited)	As at January 31, 2026	As at October 31, 2025
Allowances for loan losses		
Personal	\$ 18,274	\$ 18,743
Residential mortgages	16,499	16,084
Commercial	145,042	141,503
Total allowances for loan losses	179,815	176,330
Allowances for off-balance sheet exposures losses	12,740	12,491
Total allowances for credit losses	\$ 192,555	\$ 188,821
Allowances for loan losses on performing loans (Stage 1 and 2)	\$ 101,675	\$ 100,091
Allowances for loan losses on impaired loans (Stage 3)	78,140	76,239
Total allowances for loan losses	\$ 179,815	\$ 176,330

(1) Amounts reported include allowances for loans classified as assets held for sale and allowances for off-balance sheet exposures directly associated with assets held for sale on the Bank's Consolidated Balance Sheet as at January 31, 2026. Refer to Notes 5 and 9 to the Condensed Interim Consolidated Financial Statements for additional information.

Impaired loans

Gross impaired loans, including loans classified within the Assets held for sale line item, amounted to \$350.8 million as at January 31, 2026, down \$75.1 million compared with October 31, 2025. The decrease primarily reflects net repayments of impaired commercial loans. Refer to Note 6 to the Condensed Interim Consolidated Financial Statements for additional information.

TABLE 12
IMPAIRED LOANS⁽¹⁾

In thousands of dollars, except percentage amounts (Unaudited)	As at January 31, 2026	As at October 31, 2025
Gross impaired loans (GIL)		
Personal	\$ 5,509	\$ 5,116
Residential mortgages	57,527	56,211
Commercial	287,809	364,616
	\$ 350,845	\$ 425,943
Allowances for loan losses on impaired loans (Stage 3)		
Personal	\$ (2,003)	\$ (2,241)
Residential mortgages	(3,501)	(3,578)
Commercial	(72,636)	(70,420)
	\$ (78,140)	\$ (76,239)
Net impaired loans		
Personal	\$ 3,506	\$ 2,875
Residential mortgages	54,026	52,633
Commercial	215,173	294,196
	\$ 272,705	\$ 349,704
Impaired loans as a % of total loans⁽²⁾		
Gross	0.96 %	1.18 %
Net	0.75 %	0.97 %

(1) Amounts include allowances related to loans classified as assets held for sale on the Bank's Consolidated Balance Sheet as at January 31, 2026. Refer to Notes 5 and 9 to the Condensed Interim Consolidated Financial Statements for additional information.

(2) This is a non-GAAP ratio. Refer to the Non-GAAP Financial and Other Measures section beginning on page 5 for additional information.

MARKET RISK

Market risk is the financial loss that the Bank may incur due to unfavourable fluctuations in the value of financial instruments as a result of changes in the underlying factors used to measure them, such as interest rates, currency exchange rates or equity prices. This risk is inherent to the Bank's financing, investment, trading and asset and liability management (ALM) activities.

The purpose of ALM activities is to control the interest rate risk in the banking book (IRRBB), which corresponds to the potential impact of interest rate movements on the Bank's net interest income (NII) and economic value of equity (EVE). Dynamic management of IRRBB is intended to enhance the Bank's profitability by maximizing NII and EVE, while considering the risk appetite established by the Board.

The table below provides a measure of the sensitivity to changes in interest rates of the Bank as at January 31, 2026. As presented, the effect on the economic value of common shareholders' equity and on net interest income before taxes of a sudden and sustained 1% increase in interest rates was as follows.

TABLE 13
SENSITIVITY ANALYSIS OF THE INTEREST RATE RISK OF THE BANKING BOOK

In thousands of dollars (Unaudited)	As at January 31, 2026		As at October 31, 2025	
	Effect on NII ⁽¹⁾	Effect on EVE ⁽²⁾	Effect on NII ⁽¹⁾	Effect on EVE ⁽²⁾
Change in interest rates				
Increase of 100 basis points	\$ 11,105	\$ (34,833)	\$ 5,681	\$ (31,539)
Decrease of 100 basis points	\$ (4,259)	\$ 43,985	\$ 349	\$ 38,253

(1) Over the next 12 months.

(2) Net of income taxes.

LIQUIDITY AND FUNDING RISK

Liquidity and funding risk is the possibility that the Bank may not be able to gather sufficient cash resources, when required and on reasonable conditions, to meet its financial obligations. Financial obligations include obligations to depositors and suppliers, as well as lending commitments, investments and posting collateral requirements.

The Bank maintains liquidity and funding that is appropriate for the execution of its strategy, with liquidity and funding risk remaining well within its approved limits.

The Bank monitors cash resources daily and ensures that liquidity indicators are within established limits, paying particular attention to deposit and loan maturities, as well as to funding availability and demand when planning financing. A reserve of unencumbered liquid assets that are readily available to face contingencies is maintained and constitutes the Bank's liquidity buffer. This reserve does not factor in the availability of the central bank's emergency liquidity facilities. Requirements are based on scenarios evaluating required liquid assets necessary to cover predetermined rates of withdrawal of wholesale financing and retail deposits over specified periods.

The Bank originates deposits from Personal, Business and Institutional customers, and has access to wholesale financing from diversified sources. Personal deposits are sourced through multiple channels including retail, partnerships and advisors and brokers. Wholesale funding options include loan securitization and the issuance of equity or debt instruments through capital markets. Limits on funding sources are monitored by the Asset-Liability Committee, the Executive Committee and the Board of Directors.

Certain deposits and funding sources that form part of the Bank's Transactions announced on December 2, 2025 have been classified in the Liabilities directly associated with assets held for sale line item on the Bank's Consolidated Balance Sheet. These deposits and funding sources remain fully integrated into the Bank's ongoing liquidity and funding management. These balances continue to be monitored within the Bank's standard liquidity metrics, stress scenarios and funding plans.

The Bank also manages its liquidity to comply with the regulatory liquidity metrics in the OSFI domestic Liquidity Adequacy Requirements (LAR) Guideline. These regulatory metrics include the Liquidity Coverage Ratio (LCR), drawn on the BCBS international Basel III liquidity framework, and the OSFI-designed Net Cumulative Cash Flow (NCCF) supervisory tool. The LCR requires that banks maintain sufficient high-quality liquid assets to meet net short-term financial obligations over a thirty-day period in an acute stress scenario.

The Bank remained compliant with the LAR Guideline throughout the three months ended January 31, 2026.

Regulatory developments concerning liquidity

Changes to the LAR Guideline (2026)

On January 29, 2026, OSFI issued updates to its LAR Guideline for 2026, with corresponding revisions to the Small and Medium-Sized Deposit-Taking Institutions (SMSB) Capital and Liquidity Requirements Guideline, which will take effect on May 1, 2026. The revised LAR Guideline introduces clarifications to the classification and liquidity treatment of deposit types, updates the treatment of structured notes, and refines contingent funding obligations. These enhancements strengthen liquidity risk management and maintain alignment with evolving market practices and Basel standards. The Bank is currently assessing the impact of the changes to the LAR Guideline.

Credit ratings

Personal deposits constitute the most important source of financing for the Bank. The Bank also accesses wholesale markets to obtain financing through securitization and unsecured funding. The Bank's capacity to obtain such financing, especially wholesale funding, is tied to the credit ratings set by rating agencies such as Morningstar DBRS (DBRS) and S&P Global Ratings (S&P). Revisions of the Bank's credit ratings may therefore influence financing operations, as well as other collateral obligations.

Changes to credit ratings could also impact the Bank involvement with other operational banking arrangements. The Bank regularly monitors the impact of a hypothetical downgrade of its credit rating on collateral requirements as part of its liquidity management approach. As at January 31, 2026, additional collateral that would be required to be posted to certain derivative counterparties in the event of a credit rating downgrade was not significant.

Table 14 presents the Bank's credit ratings as established by the rating agencies.

TABLE 14
CREDIT RATINGS
 As at February 26, 2026

	DBRS ⁽¹⁾	S&P ⁽²⁾
Long-term deposits and debt	BBB	BBB
Covered bonds	AA (high)	n/a
Short-term instruments	R-2 (high)	A-2
NVCC Subordinated debt	BB	BB+
NVCC Limited recourse capital notes	BB (low)	BB-
NVCC Preferred Shares	Pfd-4 (high)	BB-
Outlook	Under Review with Positive Implications	Negative

(1) Each DBRS rating category is appended with one of three rating trends — "Positive," "Stable," "Negative" — in addition to "Under Review." The rating trend helps to give investors an understanding of DBRS's opinion regarding the outlook for the rating in question. However, investors must not assume that a positive or negative trend necessarily indicates that a rating change is imminent.

(2) The S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future action. The S&P rating outlooks have the following meanings: "Positive" means that a rating may be raised; "Negative" means that a rating may be lowered; "Stable" means that a rating is not likely to change; "Developing" means a rating may be raised or lowered.

Contractual maturities of assets and liabilities

The following tables provide remaining contractual maturity profiles of assets and liabilities at their carrying value (e.g., amortized cost or fair value) as at January 31, 2026 and October 31, 2025. Details of contractual maturities and commitments to extend funds are a source of information for the management of liquidity risk and does not represent how the Bank manages its interest rate or its liquidity risk and funding needs. These details form a basis for assessing a behavioural balance sheet with effective maturities to calculate liquidity risk measures. Assets held for sale and liabilities directly associated with assets held for sale on the Consolidated Balance Sheet remain included in these tables and continue to be monitored within the Bank's established liquidity management framework.

TABLE 15
CONTRACTUAL MATURITIES OF ASSETS AND LIABILITIES⁽¹⁾

As at January 31, 2026									
In thousands of dollars (Unaudited)	Term								Total
	0 to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specific maturity	
Assets									
Cash and non-interest-bearing deposits with banks	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 63,583	\$ 63,583
Interest-bearing deposits with banks	1,091,408	50,000	40,000	80,000	—	—	—	92,543	1,353,951
Securities	521,724	537,891	382,499	111,934	816,127	2,330,436	3,096,230	81,422	7,878,263
Securities purchased under reverse repurchase agreements	2,853,379	230,204	—	—	—	—	—	—	3,083,583
Loans⁽²⁾									
Personal loans	3,373	299	359	256	1,390	1,803	284	1,954,965	1,962,729
Residential mortgages	913,534	1,122,968	1,127,942	828,194	3,912,364	7,803,929	17,247	97,909	15,824,087
Commercial loans	2,679,858	1,518,336	1,019,767	1,046,486	2,930,820	3,986,159	574,829	4,867,891	18,624,146
Allowances for loan losses	—	—	—	—	—	—	—	(179,815)	(179,815)
	3,596,765	2,641,603	2,148,068	1,874,936	6,844,574	11,791,891	592,360	6,740,950	36,231,147
Other assets	608	647	579	639	1,589	3,396	—	1,294,002	1,301,460
Total assets	\$8,063,884	\$3,460,345	\$2,571,146	\$2,067,509	\$7,662,290	\$14,125,723	\$3,688,590	\$ 8,272,500	\$49,911,987
Liabilities and equity									
Deposits									
Personal deposits ⁽²⁾	\$2,087,320	\$2,558,987	\$1,688,802	\$1,833,061	\$4,349,918	\$ 3,891,725	\$ 168,124	\$ 4,947,438	\$21,525,375
Business, banks and other deposits ⁽²⁾	64,895	180,540	67,800	65,154	77,693	67,919	2,006	1,068,808	1,594,815
Wholesale deposits	172,010	75,162	27,490	—	400,717	—	—	—	675,379
Covered bonds	—	243,701	—	—	252,572	—	—	—	496,273
	2,324,225	3,058,390	1,784,092	1,898,215	5,080,900	3,959,644	170,130	6,016,246	24,291,842
Obligations related to securities sold short ⁽³⁾	132,897	890	29,527	41,274	616,056	736,996	2,185,818	23,590	3,767,048
Obligations related to securities sold under repurchase agreements	2,979,343	—	—	—	—	—	—	—	2,979,343
Other liabilities	3,820	3,822	3,855	3,750	27,010	25,002	34,853	1,764,361	1,866,473
Debt related to securitization activities⁽⁴⁾									
Subordinated debt	—	—	—	—	316,831	—	—	—	316,831
Shareholders' equity	—	—	—	—	—	—	—	2,821,965	2,821,965
Total liabilities and equity	\$5,821,624	\$3,942,641	\$2,652,548	\$2,674,320	\$8,593,282	\$12,214,342	\$3,387,068	\$10,626,162	\$49,911,987

(1) Contractual maturity amounts include assets held for sale and liabilities directly associated with assets held for sale on the Bank's Consolidated Balance Sheet as at January 31, 2026. Refer to Note 9 to the Condensed Interim Consolidated Financial Statements for additional information.

(2) Amounts collectible on demand are considered to have no specific maturity.

(3) Amounts are disclosed according to the remaining contractual maturity of the underlying security.

(4) Personal loan securitization cash flows are based on a behavioural prepayment model.

In thousands of dollars (Unaudited)	Term								Total
	0 to 3 months	Over 3 months to 6 months	Over 6 months to 9 months	Over 9 months to 12 months	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	No specific maturity	
Assets									
Cash and non-interest-bearing deposits with banks	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 57,769	\$ 57,769
Interest-bearing deposits with banks	1,012,200	—	70,000	40,000	—	—	—	135,550	1,257,750
Securities	703,997	154,462	405,577	233,781	593,878	2,457,109	3,166,373	64,769	7,779,946
Securities purchased under reverse repurchase agreements	3,197,799	809,887	—	—	—	—	—	—	4,007,686
Loans⁽¹⁾									
Personal loans	3,459	321	396	384	1,775	2,187	303	1,966,788	1,975,613
Residential mortgages	901,505	969,424	1,101,939	1,159,647	3,990,685	7,886,796	20,676	101,123	16,131,795
Commercial loans	2,516,059	1,108,088	1,380,852	930,587	3,079,081	3,539,971	789,030	4,563,164	17,906,832
Allowances for loan losses	—	—	—	—	—	—	—	[176,330]	[176,330]
	3,421,023	2,077,833	2,483,187	2,090,618	7,071,541	11,428,954	810,009	6,454,745	35,837,910
Other assets	638	597	634	567	1,797	3,737	—	1,198,665	1,206,635
Total assets	\$ 8,335,657	\$ 3,042,779	\$ 2,959,398	\$ 2,364,966	\$ 7,667,216	\$ 13,889,800	\$ 3,976,382	\$ 7,911,498	\$ 50,147,696
Liabilities and equity									
Deposits									
Personal deposits ⁽¹⁾	\$ 1,778,773	\$ 2,080,553	\$ 2,558,422	\$ 1,701,097	\$ 3,726,464	\$ 3,984,224	\$ 172,255	\$ 5,204,903	\$ 21,206,691
Business, banks and other deposits ⁽¹⁾	92,297	49,717	162,422	63,497	66,960	76,511	2,116	1,139,645	1,653,165
Wholesale deposits	188,239	23,836	—	25,000	—	400,538	—	—	637,613
Covered bonds	—	—	249,579	—	251,546	—	—	—	501,125
	2,059,309	2,154,106	2,970,423	1,789,594	4,044,970	4,461,273	174,371	6,344,548	23,998,594
Obligations related to securities sold short⁽²⁾	263	87,320	25,489	35,816	448,671	730,110	1,953,217	15,526	3,296,412
Obligations related to securities sold under repurchase agreements	3,869,657	—	—	—	—	—	—	—	3,869,657
Other liabilities	3,783	3,773	3,767	3,757	26,535	25,020	39,179	1,611,796	1,717,610
Debt related to securitization activities⁽³⁾	787,416	396,932	888,019	834,143	2,645,097	7,197,817	1,303,276	—	14,052,700
Subordinated debt	—	—	—	—	330,903	—	—	—	330,903
Shareholders' equity	—	—	—	—	—	—	—	2,881,820	2,881,820
Total liabilities and equity	\$ 6,720,428	\$ 2,642,131	\$ 3,887,698	\$ 2,663,310	\$ 7,496,176	\$ 12,414,220	\$ 3,470,043	\$ 10,853,690	\$ 50,147,696

(1) Amounts collectible on demand are considered to have no specific maturity.

(2) Amounts are disclosed according to the remaining contractual maturity of the underlying security.

(3) Personal loan securitization cash flows are based on a behavioural prepayment model.

ADDITIONAL FINANCIAL INFORMATION - QUARTERLY RESULTS

TABLE 16

ADDITIONAL FINANCIAL INFORMATION - QUARTERLY RESULTS

In thousands of dollars, except per share amounts (Unaudited)	January 31, 2026	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024
Net interest income	\$ 194,863	\$ 182,657	\$ 185,879	\$ 182,181	\$ 186,207	\$ 173,878	\$ 180,764	\$ 179,611
Other income	56,692	62,053	60,930	60,335	63,430	76,893	75,739	72,983
Total revenue	251,555	244,710	246,809	242,516	249,637	250,771	256,503	252,594
Provision for credit losses	16,503	18,039	11,128	16,693	15,175	10,440	16,283	17,931
Non-interest expenses	267,374	188,840	189,759	184,518	186,973	194,458	200,239	386,341
Income (loss) before income taxes	(32,322)	37,831	45,922	41,305	47,489	45,873	39,981	(151,678)
Income taxes (recovery)	(11,825)	6,350	8,459	8,976	8,888	5,212	5,877	(34,131)
Net income (loss)	\$ (20,497)	\$ 31,481	\$ 37,463	\$ 32,329	\$ 38,601	\$ 40,661	\$ 34,104	\$ (117,547)
Earnings (loss) per share								
Basic	\$ (0.58)	\$ 0.66	\$ 0.73	\$ 0.69	\$ 0.76	\$ 0.88	\$ 0.67	\$ (2.72)
Diluted	\$ (0.58)	\$ 0.66	\$ 0.73	\$ 0.69	\$ 0.76	\$ 0.88	\$ 0.67	\$ (2.71)

CORPORATE GOVERNANCE AND CHANGES TO INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal Control over Financial Reporting (ICFR) is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. During the first quarter ended January 31, 2026, there have been no changes to ICFR that affected materially or are reasonably likely to materially affect ICFR.

The Board of Directors of Laurentian Bank of Canada approved this document prior to its release.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The material accounting policies followed by the Bank are outlined in Notes 2 and 3 to the 2025 Annual Consolidated Financial Statements. The Condensed Interim Consolidated Financial Statements for the first quarter ended January 31, 2026 have been prepared in accordance with these accounting policies.

Some of these accounting policies are deemed critical as they require management to apply judgment in order to make particularly significant estimates that, by their very nature, involve uncertainties. Changes in these estimates could materially affect the Bank's Consolidated Financial Statements. Refer to the section "Critical Accounting Policies and Estimates" of the Bank's 2025 Annual Report, as well as to Notes 2 and 3 to the 2025 Annual Consolidated Financial Statements, for additional information.

The accounting policies described in Note 3 to the Annual Consolidated Financial Statements have been applied consistently to all periods presented in the Condensed Interim Consolidated Financial Statements for the first quarter ended January 31, 2026. An exception relates to the accounting policy for non-current assets (or disposal groups) held for sale, described below, which was applied in the current period following the announcement of the Transactions on December 2, 2025, in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*.

Assets and liabilities held for sale

The Bank classifies non-current assets and disposal groups as held for sale when their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. Classification as held for sale requires that the asset or disposal group be available for immediate sale in its present condition, that a sale be highly probable, that management be committed to a plan to sell, and that an active program to locate a buyer and complete the plan be in place. With limited exceptions permitted by IFRS 5 completion of the sale must be expected within one year.

Once classified as held for sale, assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. The measurement requirements of IFRS 5 apply only to non-current assets within the disposal group that are within the scope of the standard. Financial assets and liabilities within the disposal group continue to be recognized and measured in accordance with IFRS 9 *Financial Instruments*, as IFRS 5 does not modify the recognition or measurement requirements applicable to financial instruments. Depreciation and amortization of non-current assets cease from the date of classification. Moreover, impairment losses arising on initial or subsequent measurement to fair value less costs to sell are recognized in profit or loss, with any such loss allocated first to goodwill and then to the non-current assets within the disposal group. Any subsequent increase in fair value less costs to sell is recognized to the extent of previously recorded impairment losses. Assets and liabilities classified as held for sale are presented separately in the Bank's Consolidated Balance Sheet.

Critical judgments in the classification of assets and liabilities held for sale

Management must exercise significant judgment in determining whether the criteria for classification as held for sale have been met. This judgment includes assessing whether a sale is highly probable, which depends on the existence of appropriate approvals, binding agreements, customary closing conditions, and the likelihood that these conditions will be satisfied within the expected timeframe. Management also evaluates whether the assets or disposal group are available for immediate sale in their current condition and whether the Bank is committed to a plan to sell and has initiated the necessary actions to complete the transaction. The expected timing of completion, including regulatory and shareholder approval processes, forms an important part of this assessment. Management reassesses these factors on a continuous basis to confirm that held-for-sale classification remains appropriate up to each reporting date.

In the current period, management concluded that the assets and liabilities sold to National Bank pursuant to the Retail/SME Transaction and to the Syndicated Loan Transaction meet the criteria for classification as a disposal group held for sale. Further details are provided in Note 9 of the Condensed Interim Consolidated Financial Statements for the first quarter ended January 31, 2026.

Economic conditions impact on judgments, estimates and assumptions

The preparation of financial information requires the use of judgments and estimates based on expectations of future economic conditions. The current macroeconomic environment remains highly uncertain, shaped by elevated interest rates, persistent geopolitical tensions, and increasing volatility across global markets. In particular, evolving U.S. political dynamics and the potential introduction of new or heightened tariff measures add further complexity to economic forecasting and the assumptions underlying financial reporting. These factors continue to create uncertainty regarding the outlook for both the Canadian and U.S. economies and may materially affect the Bank's business activities, credit performance, and provisioning estimates. Refer to the section "Critical Accounting Policies and Estimations" of the Bank's 2025 Annual Report, as well as to Notes 2 and 3 to the 2025 Annual Consolidated Financial Statements.

FUTURE CHANGES TO ACCOUNTING POLICIES

The IASB has issued new standards and amendments to existing standards which are applicable for the Bank in various annual periods beginning on November 1, 2026. There have been no significant updates to the future accounting policy changes disclosed in Note 4 of the Annual Consolidated Financial Statements for the year ended October 31, 2025.

GLOSSARY

GENERAL TERMS

Allowances for credit losses (ACL) represent the Bank's estimate of expected credit losses (ECL) at the balance sheet date. ECLs are a probability-weighted estimate of credit losses over the remaining expected life of the financial instrument. These allowances are primarily related to loans and off-balance sheet exposures, including letters of guarantee and certain undrawn amounts under approved credit facilities.

Alt-A mortgages represent a classification of mortgages where borrowers have a clean credit history consistent with prime lending criteria. However, characteristics about the mortgage such as loan to value, loan documentation, occupancy status or property type, may cause the mortgage not to qualify under standard underwriting programs.

Basis point represents one one-hundredth of a percentage point.

Derivatives are contracts whose value is "derived" from movements in interest or foreign exchange rates, or equity or commodity prices. Derivatives allow for the transfer, modification or reduction of current or expected risks from changes in rates and prices.

Earnings per share (EPS) is calculated by dividing net income after deduction of preferred dividends, by the average number of common shares outstanding. Diluted EPS is calculated by adjusting the number of shares outstanding for possible conversions of financial instruments into common shares.

Economic value of equity (EVE) represents the present value of the Bank's net assets.

Effective interest rate represents the discount rate applied to estimated future cash payments or receipts over the expected life of the financial instrument to arrive at the net carrying amount of the financial asset or liability.

Fair value is the estimated price that would be received or paid in an orderly transaction between market participants at the measurement date.

Hedging is a risk management technique used to neutralize or manage interest rate, foreign currency, or credit exposures arising from normal banking activities by taking positions that are expected to react to market conditions in an offsetting manner.

Impaired loans consist of loans where one or more events that have a detrimental impact on the estimated future cash flows of a loan have occurred or when contractual payments are 90 days past due.

Net interest income is comprised of earnings on assets, such as loans and securities, including interest and dividend income, less interest expense paid on liabilities, such as deposits.

Notional amount refers to the principal used to calculate interest and other payments under derivative contracts.

Off-balance sheet financial instruments represent a variety of financial arrangements offered to clients, which include for the Bank derivatives, credit commitments and guarantees, and other indemnifications.

Options are contractual agreements between two parties in which the writer of the option grants the buyer the right, but not the obligation, to either buy or sell, at or by a specified date, a specific amount of a financial instrument at a price agreed upon when the agreement is entered into. The writer receives a premium for selling this instrument.

Provision for credit losses (PCL) is an amount charged or credited to income to adjust the allowances for credit losses to the appropriate level, for both performing and impaired financial assets.

Securities purchased under reverse repurchase agreements and obligations related to securities sold under repurchase agreements are short-term purchases of securities under agreements to resell as well as short-term sales of securities under agreements to repurchase at predetermined prices and dates. Given the low risk transfer associated with these purchases and sales, these agreements are treated as collateralized lending.

Swaps are contractual agreements between two parties to exchange a series of cash flows for a specified period of time. The various swap agreements that the Bank enters into are interest rate swaps, cross-currency swaps, foreign exchange swaps and total return swaps.

SUPPLEMENTARY FINANCIAL MEASURES

Allowances for credit losses as a % of total loans is defined as allowances for credit losses as a percentage of total loans, including allowances for credit losses and loans classified as assets held for sale.

Assets under administration mostly refers to assets related to registered and non-registered investment accounts, clients' brokerage assets, mutual funds and loans administered by the Bank that are beneficially owned by clients and therefore not reported on the balance sheet of the Bank.

Average earning assets include the Bank's loans net of allowances, as well as interest-bearing deposits with other banks, securities, securities purchased under reverse repurchase agreements used in the Bank's treasury operations and derivatives (including loans classified as assets held for sale), but exclude average earning assets related to trading activities. The averages are based on the daily balances for the period.

Dividend payout ratio is defined as dividends declared on common shares as a percentage of net income available to common shareholders.

Dividend yield is defined as dividends declared per common share divided by the closing common share price.

Efficiency ratio is a measure of productivity and cost control and is defined as non-interest expenses as a percentage of total revenue.

Interest-bearing liabilities include the Bank's deposits, debt related to securitization activities and subordinated debt used in the Bank's treasury operations and derivatives (including deposits and derivatives classified as liabilities directly associated with assets held for sale), but exclude interest-bearing liabilities related to trading activities.

Liquid assets consist of cash, deposits with banks, securities and securities purchased under reverse repurchase agreements.

Net interest margin is the ratio of net interest income to average earning assets (based on the daily balances for the period), expressed as a percentage or basis points.

Operating leverage is a measure of efficiency and is the difference between total revenue and non-interest expenses growth rates.

Price / earnings ratio is defined as closing common share price divided by basic earnings per share.

Provision for credit losses as a % of average loans is defined as provision for credit losses as a percentage of average loans, including loans classified as assets held for sale. For average loans, including loans classified as assets held for sale, the averages are based on the daily balances for the period.

RISK AND CAPITAL TERMS

Basel II is the second of the Basel Accords, which are recommendations on banking laws and regulations issued by the Basel Committee on Banking Supervision (BCBS). The purpose of Basel II is to create an international standard that banking regulators can use when creating regulations about how much capital banks need to put aside to guard against the types of financial and operational risks banks face. The Basel II Accord also introduced the Advanced Internal-Ratings Based (AIRB) approach to credit risk.

Basel III is a comprehensive set of reform measures, developed by the BCBS, to strengthen the Basel II Accord as well as the supervision and risk management of the banking sector. These measures also introduced liquidity adequacy requirements.

Capital ratios are defined as either Common Equity Tier 1 capital, Tier 1 capital or Total capital divided by risk-weighted assets.

Common Equity Tier 1 (CET1) capital represents, under Basel III, more permanent forms of capital, and primarily consists of common shareholders' equity and accumulated other comprehensive income, less a deduction for software and other intangible assets, net pension assets, cash flow hedge reserve and certain other deductions prescribed by OSFI.

Credit and counterparty risk is the risk of a financial loss occurring if a counterparty (including a debtor, an issuer or a guarantor) in a transaction fails to fully honour its contractual or financial obligation towards the Bank.

Exposure at default (EAD) is an amount expected to be owed by an obligor at the time of default.

Leverage ratio is comprised of Tier 1 capital, divided by unweighted on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions.

Liquidity coverage ratio (LCR) measures the sufficiency of high-quality liquid assets available to meet net short-term financial obligations over a thirty-day period in an acute stress scenario.

Loss given default (LGD) is an estimated percentage of EAD that is not expected to be recovered during the collections and recovery process.

Operational risk is the risk of loss or harm resulting from a failure ascribable to human resources, inadequate or failed internal processes or technology and systems, or from external events including legal risk but excluding regulatory, strategic and reputational risks.

Probability of default (PD) is an estimated percentage that represents the likelihood of default within a given time period of an obligor for a specific rating grade or for a specific pool of exposure.

Risk-weighted assets are assets calculated by applying a risk-weight factor to on and off-balance sheet exposure. The Bank uses standardized risk-weight factors as stipulated by OSFI, based on the guidelines developed by the Bank for International Settlement (BIS).

Tier 1 capital primarily consists of CET1 capital and preferred shares.

Total capital includes Tier 1 and Tier 2 capital, net of certain deductions. Tier 2 capital is primarily comprised of subordinated debt and the eligible portion of collective allowances for loan losses.

LAURENTIAN BANK OF CANADA

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS AT AND FOR THE PERIOD ENDED JANUARY 31, 2026

TABLE OF CONTENTS

CONSOLIDATED BALANCE SHEET	29
CONSOLIDATED STATEMENT OF INCOME	30
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	32
CONSOLIDATED STATEMENT OF CASH FLOWS	33

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General Information	34	10. Share Capital	45
2. Basis of Presentation	36	11. Share-Based Compensation	46
3. Future Accounting Policy Changes	37	12. Post-Employment Benefits	47
4. Securities	37	13. Earnings per Share	47
5. Loans and Allowances for Credit Losses	38	14. Financial Instruments - Fair Value	48
6. Securitization and Structured Entities	42	15. Income related to Financial Instruments	48
7. Software, Other intangibles and Premises and Equipment	43	16. Contingent Liabilities	48
8. Deposits	43	17. Impairment and Restructuring Charges	49
9. Assets held for sale and liabilities directly associated with assets held for sale	44	18. Subsequent Event	49

CONSOLIDATED BALANCE SHEET

In thousands of Canadian dollars (Unaudited)	Notes	As at January 31, 2026	As at October 31, 2025
Assets			
Cash and non-interest bearing deposits with banks		\$ 63,583	\$ 57,769
Interest-bearing deposits with banks		1,353,951	1,257,750
Securities	4 and 6		
At amortized cost		3,100,224	3,119,046
At fair value through profit or loss		4,424,331	4,384,240
At fair value through other comprehensive income		353,708	276,660
		7,878,263	7,779,946
Securities purchased under reverse repurchase agreements		3,083,583	4,007,686
Loans	5, 6 and 9		
Personal		1,358,743	1,975,613
Residential mortgage		13,361,496	16,131,795
Commercial		16,993,479	17,906,832
		31,713,718	36,014,240
Allowances for loan losses		(138,875)	(176,330)
		31,574,843	35,837,910
Assets held for sale	9	4,707,388	—
Other			
Derivatives		276,515	285,446
Premises and equipment	7	60,770	83,597
Software and other intangible assets	7	163,546	182,055
Deferred tax assets		175,640	149,656
Other assets		573,905	505,881
		1,250,376	1,206,635
		\$ 49,911,987	\$ 50,147,696
Liabilities and shareholders' equity			
Deposits	8 and 9		
Personal		14,670,367	21,206,691
Business, banks and other		1,843,646	2,791,903
		16,514,013	23,998,594
Liabilities directly associated with assets held for sale	9	8,094,322	—
Other			
Obligations related to securities sold short		3,767,048	3,296,412
Obligations related to securities sold under repurchase agreements		2,979,343	3,869,657
Derivatives		112,062	282,184
Deferred tax liabilities		68,379	66,946
Other liabilities		1,369,539	1,368,480
		8,296,371	8,883,679
Debt related to securitization activities	6	13,868,485	14,052,700
Subordinated debt		316,831	330,903
Shareholders' equity			
Preferred shares and other equity instruments	10	245,682	245,682
Common shares	10	1,211,054	1,205,807
Retained earnings		1,308,763	1,352,215
Accumulated other comprehensive income		51,274	72,185
Share-based compensation reserve	11	5,192	5,931
		2,821,965	2,881,820
		\$ 49,911,987	\$ 50,147,696

The accompanying notes are an integral part of the Condensed Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF INCOME

In thousands of Canadian dollars, except per share amounts (Unaudited)	Notes	For the three months ended		
		January 31, 2026	October 31, 2025	January 31, 2025
Interest and dividend income	15			
Loans		\$ 481,139	\$ 479,345	\$ 497,423
Securities		27,624	29,844	24,464
Deposits with banks		7,266	9,477	15,682
Other		388	2,215	737
		516,417	520,881	538,306
Interest expense	15			
Deposits		200,732	212,759	232,205
Debt related to securitization activities		107,345	104,582	99,446
Subordinated debt		4,590	4,590	4,581
Other, including derivatives		8,887	16,293	15,867
		321,554	338,224	352,099
Net interest income		194,863	182,657	186,207
Other income				
Income from financial instruments		10,288	14,127	16,294
Income from mutual funds		11,222	11,147	10,612
Lending fees		9,586	10,606	10,517
Service charges		6,145	6,088	6,447
Card service revenues		6,658	5,718	6,558
Fees and securities brokerage commissions		3,384	4,958	3,634
Fees on investment accounts		2,405	2,535	2,667
Insurance income, net		1,212	1,548	1,388
Profit on sale of assets under administration		—	—	875
Other		5,792	5,326	4,438
		56,692	62,053	63,430
Total revenue		251,555	244,710	249,637
Provision for credit losses	5	16,503	18,039	15,175
Non-interest expenses				
Salaries and employee benefits	11 and 12	102,707	94,541	96,936
Premises and technology		55,002	54,454	50,933
Impairment and restructuring charges	17	61,210	3,741	2,027
Transaction and conversion costs		11,015	—	—
Other		37,440	36,104	37,077
		267,374	188,840	186,973
Income (loss) before income taxes		(32,322)	37,831	47,489
Income taxes (recovery)		(11,825)	6,350	8,888
Net income (loss)		\$ (20,497)	\$ 31,481	\$ 38,601
Dividends on preferred shares and distributions on other equity instruments	10	5,249	1,936	5,249
Net income (loss) available to common shareholders		\$ (25,746)	\$ 29,545	\$ 33,352
Earnings (loss) per share	13			
Basic		\$ (0.58)	\$ 0.66	\$ 0.76
Diluted		\$ (0.58)	\$ 0.66	\$ 0.76
Dividends per common share		\$ 0.47	\$ 0.47	\$ 0.47

The accompanying notes are an integral part of the Condensed Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of Canadian dollars (Unaudited)	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Net income (loss)	\$ (20,497)	\$ 31,481	\$ 38,601
Other comprehensive income (loss), net of income taxes			
Items that may subsequently be reclassified to the Consolidated Statement of Income			
Net change in debt securities at fair value through other comprehensive income			
Unrealized net gains (losses) on debt securities at fair value through other comprehensive income	(159)	1,237	602
Reclassification of net gains on debt securities at fair value through other comprehensive income to net income	(240)	(52)	(100)
	(399)	1,185	502
Net change in value of derivatives designated as cash flow hedges	(12,677)	11,566	13,688
Net foreign currency translation adjustments			
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	(39,834)	16,407	56,474
Net gains (losses) on hedges of investments in foreign operations	31,999	(18,007)	(49,102)
	(7,835)	(1,600)	7,372
	(20,911)	11,151	21,562
Items that may not subsequently be reclassified to the Consolidated Statement of Income			
Remeasurement gains (losses) on employee benefit plans	2,542	(1,894)	(834)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	756	(330)	3
	3,298	(2,224)	(831)
Total other comprehensive income (loss), net of income taxes	(17,613)	8,927	20,731
Comprehensive income (loss)	\$ (38,110)	\$ 40,408	\$ 59,332

INCOME TAXES — OTHER COMPREHENSIVE INCOME

The following table shows income tax expense (recovery) for each component of other comprehensive income.

In thousands of Canadian dollars (Unaudited)	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Net change in debt securities at fair value through other comprehensive income			
Unrealized net gains (losses) on debt securities at fair value through other comprehensive income	\$ (57)	\$ 446	\$ 217
Reclassification of net gains on debt securities at fair value through other comprehensive income to net income	(86)	(19)	(36)
	(143)	427	181
Net change in value of derivatives designated as cash flow hedges	(4,564)	4,166	4,930
Net foreign currency translation adjustments			
Net gains (losses) on hedges of investments in foreign operations	—	5,227	9,067
Remeasurement gains (losses) on employee benefit plans	915	(682)	(300)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	272	(119)	1
	\$ (3,520)	\$ 9,019	\$ 13,879

The accompanying notes are an integral part of the Condensed Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of Canadian dollars (Unaudited)	Notes	For the three months ended	
		January 31, 2026	January 31, 2025
Preferred shares and other equity instruments at beginning of period	10	\$ 245,682	\$ 245,554
Net sale of other treasury equity instruments		—	71
Preferred shares and other equity instruments at end of period		245,682	245,625
Common shares at beginning of period	10	1,205,807	1,187,107
Issuance of common shares		5,247	3,124
Common shares at end of period		1,211,054	1,190,231
Retained earnings at beginning of period		1,352,215	1,307,747
Net income (loss)		(20,497)	38,601
Dividends on preferred shares and distributions on other equity instruments		(5,249)	(5,249)
Dividends on common shares		(21,004)	(20,683)
Remeasurement gains (losses) on employee benefit plans		2,542	(834)
Net gains on equity securities designated at fair value through other comprehensive income		756	3
Net sale of other treasury equity instruments		—	3
Retained earnings at end of period		1,308,763	1,319,588
Accumulated other comprehensive income at beginning of period		72,185	81,235
Net unrealized foreign currency translation gains (losses) on investments in foreign operations		(39,834)	56,474
Net gains (losses) on hedges of investments in foreign operations		31,999	(49,102)
Net change in value of derivatives designated as cash flow hedges		(12,677)	13,688
Unrealized net gains (losses) on debt securities at fair value through other comprehensive income		(159)	602
Reclassification of net gains on debt securities at fair value through other comprehensive income to net income		(240)	(100)
Accumulated other comprehensive income at end of period		51,274	102,797
Share-based compensation reserve at beginning of period		5,931	6,841
Net change in share-based compensation		(739)	398
Share-based compensation reserve at end of period		5,192	7,239
Total shareholders' equity		\$ 2,821,965	\$ 2,865,480

ACCUMULATED OTHER COMPREHENSIVE INCOME

In thousands of Canadian dollars (Unaudited)	As at January 31, 2026	As at January 31, 2025
Cash flow hedges	\$ 52,086	\$ 72,438
Translation of foreign operations	(2,121)	29,333
Debt securities at fair value through other comprehensive income	1,309	1,026
	\$ 51,274	\$ 102,797

The accompanying notes are an integral part of the Condensed Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾

In thousands of Canadian dollars (Unaudited)	Notes	For the three months ended		
		January 31, 2026	October 31, 2025	January 31, 2025
Cash flows relating to operating activities				
Net income (loss)		\$ (20,497)	\$ 31,481	\$ 38,601
Adjustments to determine net cash flows relating to operating activities:				
Provision for credit losses	5	16,503	18,039	15,175
Deferred income taxes		(20,313)	(1,975)	(1,901)
Impairment of software, intangible assets and premises and equipment		27,999	958	1,337
Depreciation of premises and equipment		4,500	4,336	4,058
Amortization of software and other intangible assets		14,777	8,568	7,003
Change in operating assets and liabilities:				
Loans		(408,603)	(252,283)	(325,672)
Securities at fair value through profit or loss		(40,091)	(308,440)	65,756
Securities purchased under reverse repurchase agreements		924,103	(51,533)	(87,692)
Accrued interest receivable and payable		7,467	(1,358)	65,580
Derivatives, net		(131,991)	2,857	100,867
Deposits		293,248	(326,704)	680,586
Obligations related to securities sold short		470,636	257,229	408,625
Obligations related to securities sold under repurchase agreements		(890,314)	(97,719)	(91,081)
Debt related to securitization activities		(184,215)	206,211	107,619
Other, net		143,382	101,716	(329)
		206,591	(408,617)	988,532
Cash flows relating to financing activities				
Payment of lease liabilities		(4,540)	(4,520)	(4,337)
Net sale (purchase) of subordinated debt		(14,167)	2,882	(3,602)
Net sale of treasury limited recourse capital notes	10	—	8	74
Net proceeds (costs) from issuance of common shares	10	3,809	7,953	(4)
Dividends and other distributions		(25,437)	(21,832)	(22,805)
		(40,335)	(15,509)	(30,674)
Cash flows relating to investing activities				
Change in securities at amortized cost				
Acquisitions		(738,198)	(762,593)	(766,916)
Proceeds on sale and at maturity		757,723	1,194,222	412,956
Change in securities at fair value through other comprehensive income				
Acquisitions		(346,478)	(160,675)	(262,303)
Proceeds on sale and at maturity		269,501	159,939	182,171
Additions to premises and equipment and software and other intangible assets		(4,873)	(10,404)	(6,823)
Change in interest-bearing deposits with banks		(96,201)	(15,579)	(513,846)
		(158,526)	404,910	(954,761)
Effect of exchange rate changes on cash and non-interest-bearing deposits with banks		(1,916)	1,351	4,432
Net change in cash and non-interest bearing deposits with banks		5,814	(17,865)	7,529
Cash and non-interest bearing deposits with banks at beginning of period		57,769	75,634	53,319
Cash and non-interest bearing deposits with banks at end of period		\$ 63,583	\$ 57,769	\$ 60,848
Supplemental disclosure about cash flows relating to operating activities:				
Interest paid during the period		\$ 329,420	\$ 326,777	\$ 306,986
Interest received during the period		\$ 524,497	\$ 512,636	\$ 542,179
Dividends received during the period		\$ 593	\$ 591	\$ 534
Income taxes paid during the period		\$ 10,726	\$ 5,374	\$ 14,576

The accompanying notes are an integral part of the Condensed Interim Consolidated Financial Statements.

(1) Including assets held for sale and liabilities directly associated with assets held for sale on the Consolidated Balance Sheet. Period-over-period balance sheet movements therefore reflect these non-cash reclassifications and, accordingly, have no impact on the Consolidated Statement of Cash Flows, where cash flows continue to be presented based on their nature.

(2) Certain comparative figures have been reclassified to conform to the current year presentation.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

All tabular amounts are in thousands of Canadian dollars, unless otherwise indicated (Unaudited)

1. GENERAL INFORMATION

Laurentian Bank of Canada ("Laurentian Bank" or the "Bank") provides financial services to its personal, commercial and institutional customers. The Bank operates across Canada and in the United States.

The Bank is the ultimate parent of the group. The Bank is a chartered bank under Schedule 1 of the *Bank Act* (Canada) and has its head office in Montreal, Canada. The Bank's common shares (stock symbol: LB) are listed on the Toronto Stock Exchange.

The Condensed Interim Consolidated Financial Statements for the period ended January 31, 2026 were approved for issuance by the Board of Directors on February 26, 2026.

1.1 TRANSACTIONS ANNOUNCED ON DECEMBER 2, 2025

On December 2, 2025, Laurentian Bank announced a significant acceleration of its 2024 Strategic Plan toward a specialty commercial banking model, resulting in an exit from the retail and small and medium-sized enterprise ("SME") banking business. This transformation will position Laurentian Bank as a commercially oriented bank, concentrating on commercial real estate lending, inventory and equipment financing, intermediary services and capital markets activities.

National Bank of Canada (directly or through one or more affiliates) ("National Bank") has entered into a definitive agreement to acquire Laurentian Bank's retail and SME banking portfolios (the "Retail/SME Transaction"). Laurentian Bank and National Bank have also entered into a definitive agreement in respect of the sale to National Bank of Laurentian Bank's syndicated loan portfolio (the "Syndicated Loan Transaction" and, collectively with the Retail/SME Transaction, the "National Bank Transactions").

In parallel, Fairstone Bank of Canada ("Fairstone Bank"), Canada's leading alternative lender and a Schedule I bank, has entered into a definitive agreement (the "Acquisition Transaction Agreement") to acquire all issued and outstanding common shares of Laurentian Bank (the "Laurentian Bank Shares") (the "Acquisition Transaction" and, collectively with the Retail/SME Transaction, the "Transactions").

Fairstone Acquisition Transaction

Under the terms of the Acquisition Transaction Agreement, Fairstone Bank will acquire all of the issued and outstanding common shares of Laurentian Bank at a price per Laurentian Bank Share of \$40.50, in cash, representing a premium of approximately 20% over the closing price of the Laurentian Bank Shares of \$33.76 on the Toronto Stock Exchange (the "TSX") on December 1st, 2025, the last trading day prior to the announcement of the Acquisition Transaction, and a premium of approximately 22% over the 20-day volume-weighted average trading price of the Laurentian Bank Shares for the period ended on December 1st, 2025. The total cash consideration payable under the Acquisition Transaction is approximately \$1.9 billion. The Acquisition Transaction will provide holders of Laurentian Bank Shares ("Laurentian Bank Shareholders") with immediate liquidity and certainty of value.

The Acquisition Transaction was subject to approval of 66^{2/3}% of the votes cast by Laurentian Bank Shareholders at a special meeting (the "Meeting") of Laurentian Bank Shareholders held on February 5, 2026 to approve an amendment to Laurentian Bank's by-laws to provide for the acquisition of the Laurentian Bank Shares pursuant to the terms of the Acquisition Transaction Agreement. At the Meeting, and as described in the section Summary of latest transaction developments below, the common shareholders of the Bank voted in favour of the Acquisition Transaction, and the required special resolution was obtained, with 98.8% of votes cast in favour. The Acquisition Transaction Agreement contains customary non-solicitation covenants on the part of Laurentian Bank, subject to customary "fiduciary out" provisions, as well as "right to match" provisions in favour of Fairstone Bank. A termination fee of \$40 million would be payable by Laurentian Bank to Fairstone Bank in certain circumstances, including in the context of a superior proposal supported by Laurentian Bank's board of directors. A reverse termination fee of \$40 million would be payable by Fairstone Bank to Laurentian Bank in certain circumstances, including where key regulatory approvals are not obtained prior to the outside date.

The Acquisition Transaction is subject to the closing of the Retail/SME Transaction and will close on the date of, and immediately following, the closing of the Retail/SME Transaction, subject to customary closing conditions, including receipt of key regulatory approvals. The Acquisition Transaction is not subject to any financing condition.

Assuming the timely receipt of all required key regulatory approvals, and the satisfaction of other customary closing conditions, the Transactions are expected to close by late 2026.

Following completion of the Transactions, it is expected that the Laurentian Bank Shares will be delisted from the TSX. However, Laurentian Bank's Non-Cumulative Class A Preferred Shares, Series 13, Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares, Series 17, 5.30% Limited Recourse Capital Notes, Series 1 and 5.095% subordinated non-viability contingent capital notes are expected to remain outstanding in accordance with their terms following the completion of the Transactions. Laurentian Bank's Non-Cumulative Class A Preferred Shares, Series 13 will continue to be listed on the TSX and, as a result, Laurentian Bank will continue to be a reporting issuer under applicable Canadian securities laws following completion of the Transactions.

National Bank Transactions

Immediately prior to the closing of the Acquisition Transaction, National Bank will acquire certain assets and assume certain liabilities related to the retail and SME banking sector being exited by Laurentian Bank in the Retail/SME Transaction pursuant to a definitive asset purchase agreement entered into concurrently with the Acquisition Transaction Agreement (the "Retail/SME Agreement"). As at January 31, 2026, retail loans and deposits totalled approximately \$3.1 billion and \$6.7 billion, respectively, while SME loans and deposits totalled approximately \$0.9 billion and \$0.9 billion, respectively. National Bank will also assume the distribution agreement for certain mutual funds with underlying assets of approximately \$3.6 billion as at January 31, 2026.

The closing of the Retail/SME Transaction is conditional on all conditions precedent to the closing of the Acquisition Transaction having been satisfied or waived and will occur immediately prior to the closing of the Acquisition Transaction. The Retail/SME Agreement includes terms and conditions that are customary for transactions of this nature. The Retail/SME Transaction is not subject to the approval of Laurentian Bank Shareholders and is subject to customary closing conditions, including receipt of key regulatory approvals.

None of the employees or retail branches of Laurentian Bank will be transferred to National Bank. Laurentian Bank will be responsible for closing its branches and terminating the employment of certain employees (or reassigning them to other lines of business or to Fairstone Bank or its affiliates) prior to the closing of the Retail/SME Transaction.

A termination fee of \$10 million would be payable by Laurentian Bank to National Bank in certain circumstances, including in the context of a termination of the Retail/SME Agreement resulting from a termination of the Acquisition Transaction Agreement to accept a superior proposal. A reverse termination fee of \$10 million would be payable by National Bank to Laurentian Bank in certain circumstances, including where key regulatory approvals are not obtained prior to the outside date.

Separately, concurrently with the execution of the Retail/SME Agreement, Laurentian Bank and National Bank have also entered into a definitive loan purchase agreement in respect of the Syndicated Loan Transaction. As at January 31, 2026, the syndicated loans totalled approximately \$0.7 billion. The Syndicated Loan Transaction closed on February 17, 2026, subsequent to quarter-end; refer to Note 18 for additional details. The closing of the Syndicated Loan Transaction was not conditional upon the closing of the Retail/SME Transaction or the Acquisition Transaction.

The National Bank Transactions will be fully settled in cash and cash equivalents, with the final consideration based on outstanding balances at closing. The final consideration for the Syndicated Loan Transaction will effectively be the outstanding balance of the purchased loans at closing, minus \$50 million. If the purchase price was calculated as at July 31, 2025, the aggregate purchase price of the Retail/SME Transaction (including related premium) and the Syndicated Loan Transaction (including related discount) would approximate net book value.

Summary of latest transaction developments

On January 12, 2026, Laurentian Bank announced that it had filed its management proxy circular (the "Circular") and related materials in connection with the Meeting. The Circular provides details regarding the proposed Acquisition Transaction, including the background and rationale for the Acquisition Transaction, voting information, and the matters to be considered at the Meeting.

On February 5, 2026, at the Meeting, the common shareholders of the Bank voted in favour of the Acquisition Transaction pursuant to which Fairstone Bank of Canada will acquire all of the issued and outstanding common shares of the Bank. The special resolution requiring approval by at least 66^{2/3}% of the votes cast was obtained, with 98.8% of votes cast in favour. Assuming the timely receipt of all required key regulatory approvals, and the satisfaction of other closing conditions, the Transactions are expected to close by late 2026.

Summary of accounting impacts related to the Transactions

As at December 2, 2025, the Bank has classified the assets and liabilities associated with the National Bank Transactions as a disposal group held for sale. This classification reflects management's assessment that the relevant criteria have been met, including the Bank's commitment to the sale, the availability of the assets for immediate transfer in their current condition, and the expectation that the National Bank Transactions will both close within one year from the date of classification. Additional information regarding the assets and liabilities classified as held for sale is provided in Note 9 to the Condensed Interim Consolidated Financial Statements. The Bank's retail and SME banking business does not represent a separate cash-generating unit and therefore does not meet the definition of discontinued operations under IFRS 5. Accordingly, these results remain presented within continuing operations.

In connection with the Transactions announced on December 2, 2025, the Bank recognized transaction and conversion costs in the first quarter of 2026 that are attributable to the successful completion of the Transactions. These costs primarily relate to legal fees, professional fees and other incremental expenditures incurred as a direct result of the Transactions. Certain costs that are conditional upon the closing of the Transactions will be recognized as they are incurred in subsequent periods.

The Bank also recognized restructuring and impairment charges in the first quarter of 2026 arising from its strategic shift to a specialty commercial bank and its exit from the retail and SME banking businesses. As part of this transition, management reassessed the recoverability of certain non-financial assets and recorded provisions related to planned operational changes. These charges primarily included impairment of right-of-use assets and leasehold improvements affected by the exit of related activities, provisions for onerous contracts and unavoidable costs under contractual arrangements linked to the retail and SME operations, severance and employee benefit costs associated with anticipated workforce reductions, and the impairment and accelerated amortization of software and other intangible assets.

2. BASIS OF PRESENTATION

These Condensed Interim Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), as well as in accordance with IAS 34, *Interim Financial Reporting*. These Condensed Interim Consolidated Financial Statements also comply with the Bank Act and the requirements of the Office of the Superintendent of Financial Institutions Canada (OSFI).

These Condensed Interim Consolidated Financial Statements should be read in conjunction with the Annual Consolidated Financial Statements for the year ended October 31, 2025 prepared in accordance with IFRS. The accounting policies described in Note 3 to the Annual Consolidated Financial Statements have been applied consistently to all periods presented within these financial statements, in addition to the material accounting policy information disclosed in Note 2.1 below.

These Condensed Interim Consolidated Financial Statements were prepared under a historical cost basis, except for certain items carried at fair value as discussed in Note 3 to the Annual Consolidated Financial Statements for the year ended October 31, 2025.

Unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Bank's presentation currency. Items included in the financial statements of each of the Bank's entities are measured using their functional currency, which is the currency of the primary economic environment in which they operate.

2.1 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies described in Note 3 to the Annual Consolidated Financial Statements have been applied consistently to all periods presented in these Condensed Interim Consolidated Financial Statements. An exception relates to the accounting policy for non-current assets (or disposal groups) held for sale, described below, which was applied in the current period following the announcement of the Transactions on December 2, 2025, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Assets held for sale and liabilities directly associated with assets held for sale

The Bank classifies non-current assets and disposal groups as held for sale when their carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. Classification as held for sale requires that the asset or disposal group be available for immediate sale in its present condition, that a sale be highly probable, that management be committed to a plan to sell, and that an active program to locate a buyer and complete the plan be in place. With limited exceptions permitted by IFRS 5 completion of the sale must be expected within one year.

Once classified as held for sale, assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. The measurement requirements of IFRS 5 apply only to non-current assets within the disposal group that are within the scope of the standard. Financial assets and liabilities within the disposal group continue to be recognized and measured in accordance with IFRS 9 *Financial Instruments*, as IFRS 5 does not modify the recognition or measurement requirements applicable to financial instruments. Depreciation and amortization of non-current assets cease from the date of classification. Moreover, impairment losses arising on initial or subsequent measurement to fair value less costs to sell are recognized in profit or loss, with any such loss allocated first to goodwill and then to the non-current assets within the disposal group. Any subsequent increase in fair value less costs to sell is recognized to the extent of previously recorded impairment losses. Assets and liabilities classified as held for sale are presented separately in the Bank's Consolidated Balance Sheet.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these Condensed Interim Consolidated Financial Statements, management is required to make significant judgments, estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenses and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable.

Significant accounting judgments, estimates and assumptions have been made specifically in the following areas and are further discussed in the Annual Consolidated Financial Statements for the year ended October 31, 2025 as follows:

Fair value of financial instruments	Notes 3 and 22	Post-employment benefits	Notes 3 and 18
Allowances for credit losses	Notes 3 and 6	Income taxes	Notes 3 and 19
Goodwill and other intangible assets	Notes 3 and 9	Provisions and contingent liabilities	Notes 3 and 27

In addition to those outlined above, significant accounting judgments, estimates and assumptions have been made in the first quarter of 2026 related to assets held for sale and liabilities directly associated with assets held for sale, as described below.

In view of the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of the items listed above, it is possible that the outcomes in future reporting periods could differ from those on which management's estimates are based. This could result in materially different judgments and estimates from those reached by management for the purposes of the Condensed Interim Consolidated Financial Statements.

Critical judgments in the classification of assets held for sale and liabilities directly associated with assets held for sale

Management must exercise significant judgment in determining whether the criteria for classification as held for sale have been met. This judgment includes assessing whether a sale is highly probable, which depends on the existence of appropriate approvals, binding agreements, customary closing conditions, and the likelihood that these conditions will be satisfied within the expected timeframe. Management also evaluates whether the assets or disposal group are available for immediate sale in their current condition and whether the Bank is committed to a plan to sell and has initiated the necessary actions to complete the transaction. The expected timing of completion, including regulatory and shareholder approval processes, forms an important part of this assessment. Management reassesses these factors on a continuous basis to confirm that held-for-sale classification remains appropriate up to each reporting date.

In the current period, management concluded that the assets and liabilities sold to National Bank pursuant to the Retail/SME Transaction and to the Syndicated Loan Transaction meet the criteria for classification as a disposal group held for sale. Further details are provided in Note 9.

Economic conditions impact on judgments, estimates and assumptions

The preparation of financial information requires the use of informed judgments and estimates, which are inherently influenced by expectations of future economic conditions. The macroeconomic environment remains highly uncertain, shaped by persistent geopolitical tensions and increased volatility across global financial markets. In particular, evolving U.S. political dynamics and the potential implementation of new or heightened trade barriers continue to challenge economic forecasting and the assumptions underpinning financial reporting. These factors contribute to an uncertain outlook for both the Canadian and U.S. economies and may materially impact the Bank's business activities, credit performance, and provisioning estimates. The Bank remains vigilant in monitoring these developments and adjusting its forward-looking assumptions accordingly.

3. FUTURE ACCOUNTING POLICY CHANGES

The IASB has issued new standards and amendments to existing standards which are applicable for the Bank in various annual periods beginning on November 1, 2026. There have been no significant updates to the future accounting policy changes disclosed in Note 4 of the Annual Consolidated Financial Statements for the year ended October 31, 2025.

4. SECURITIES

Credit quality

As at January 31, 2026, debt securities at amortized cost and at FVOCI are classified in Stage 1, with their credit rating falling mainly in the "Low risk" category according to the Bank's internal risk-rating categories.

Securities at amortized cost

	As at January 31, 2026	As at October 31, 2025
Securities issued or guaranteed		
by Canada ⁽¹⁾	\$ 971,777	\$ 886,119
by provinces	1,783,190	1,744,391
by municipalities	43,278	154,372
Other debt securities	301,979	334,164
	\$ 3,100,224	\$ 3,119,046

(1) Including mortgage-backed securities that are fully guaranteed by the Canada Mortgage and Housing Corporation pursuant to the *National Housing Act*.

Securities at FVOCI

Accumulated unrealized gains and losses recognized in other comprehensive income are detailed as follows:

	As at January 31, 2026				As at October 31, 2025			
	Amortized cost	Unrealized gains	Unrealized losses	Fair value	Amortized cost	Unrealized gains	Unrealized losses	Fair value
Securities issued or guaranteed								
by Canada ⁽¹⁾	\$ 315,194	\$ 2,482	\$ 754	\$ 316,922	\$ 239,883	\$ 3,011	\$ 3	\$ 242,891
by provinces	3,799	43	2	3,840	2,052	56	—	2,108
by municipalities	451	1	—	452	755	3	—	758
Other debt securities	2,606	10	—	2,616	2,188	13	—	2,201
Common shares and other securities	18,056	11,822	—	29,878	17,909	10,793	—	28,702
	\$ 340,106	\$ 14,358	\$ 756	\$ 353,708	\$ 262,787	\$ 13,876	\$ 3	\$ 276,660

(1) Including mortgage-backed securities that are fully guaranteed by the Canada Mortgage and Housing Corporation pursuant to the *National Housing Act*.

Equity securities designated at FVOCI

The Bank designated certain equity securities at FVOCI without subsequent reclassification of gains and losses to net income.

	For the three months ended	
	January 31, 2026	January 31, 2025
Fair value at beginning of period	\$ 28,702	\$ 26,333
Change in fair value	1,029	4
Designated at FVOCI	147	214
Fair value at end of period	\$ 29,878	\$ 26,551

5. LOANS AND ALLOWANCES FOR CREDIT LOSSES

As at January 31, 2026 and October 31, 2025, loans are recognized on the Consolidated Balance Sheet at amortized cost as outlined in Note 3 to the Annual Consolidated Financial Statements for the year ended October 31, 2025.

Determining and measuring expected credit losses (ECL)

For additional information on the measurement of expected credit losses, see Note 6 to the Annual Consolidated Financial Statements for the year ended October 31, 2025.

Credit risk exposure⁽¹⁾

The following table shows the gross and net carrying amounts of loans and off-balance sheet exposures, according to credit quality and ECL impairment stage of each loan category at amortized cost.

	As at January 31, 2026				As at October 31, 2025			
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Personal loans								
Very low risk	\$ 1,531,198	\$ 185	\$ —	\$ 1,531,383	\$ 1,512,146	\$ 166	\$ —	\$ 1,512,312
Low risk	176,622	22,945	—	199,567	183,028	24,114	—	207,142
Medium risk	120,749	99,499	—	220,248	124,881	120,022	—	244,903
High risk	—	6,022	—	6,022	—	6,140	—	6,140
Default	—	—	5,509	5,509	—	—	5,116	5,116
Gross carrying amount	1,828,569	128,651	5,509	1,962,729	1,820,055	150,442	5,116	1,975,613
Allowances for loan losses	4,339	11,932	2,003	18,274	4,619	11,883	2,241	18,743
Net carrying amount	\$ 1,824,230	\$ 116,719	\$ 3,506	\$ 1,944,455	\$ 1,815,436	\$ 138,559	\$ 2,875	\$ 1,956,870
Residential mortgage loans								
Very low risk	\$12,848,662	\$ 243	\$ —	\$ 12,848,905	\$12,998,894	\$ —	\$ —	\$12,998,894
Low risk	1,481,062	14,194	—	1,495,256	1,570,811	12,442	—	1,583,253
Medium risk	769,544	539,534	—	1,309,078	800,189	584,898	—	1,385,087
High risk	—	113,321	—	113,321	—	108,350	—	108,350
Default	—	—	57,527	57,527	—	—	56,211	56,211
Gross carrying amount	15,099,268	667,292	57,527	15,824,087	15,369,894	705,690	56,211	16,131,795
Allowances for loan losses	3,243	9,755	3,501	16,499	3,361	9,145	3,578	16,084
Net carrying amount	\$15,096,025	\$ 657,537	\$ 54,026	\$ 15,807,588	\$15,366,533	\$ 696,545	\$ 52,633	\$16,115,711
Commercial loans								
Very low risk	\$ 3,490,664	\$ 18,373	\$ —	\$ 3,509,037	\$ 3,512,299	\$ 10,522	\$ —	\$ 3,522,821
Low risk	9,360,115	188,229	—	9,548,344	9,163,203	170,823	—	9,334,026
Medium risk	3,646,138	960,473	—	4,606,611	3,298,522	793,702	—	4,092,224
High risk	—	672,345	—	672,345	—	593,145	—	593,145
Default	—	—	287,809	287,809	—	—	364,616	364,616
Gross carrying amount	16,496,917	1,839,420	287,809	18,624,146	15,974,024	1,568,192	364,616	17,906,832
Allowances for loan losses	42,860	29,546	72,636	145,042	43,759	27,324	70,420	141,503
Net carrying amount	\$16,454,057	\$ 1,809,874	\$ 215,173	\$ 18,479,104	\$15,930,265	\$ 1,540,868	\$ 294,196	\$17,765,329
Total loans								
Gross carrying amount	\$33,424,754	\$ 2,635,363	\$ 350,845	\$ 36,410,962	\$33,163,973	\$ 2,424,324	\$ 425,943	\$36,014,240
Allowances for loan losses	50,442	51,233	78,140	179,815	51,739	48,352	76,239	176,330
Net carrying amount	\$33,374,312	\$ 2,584,130	\$ 272,705	\$ 36,231,147	\$33,112,234	\$ 2,375,972	\$ 349,704	\$35,837,910
Off-balance sheet exposures⁽²⁾								
Very low risk	\$ 976,008	\$ 42	\$ —	\$ 976,050	\$ 1,032,660	\$ 78	\$ —	\$ 1,032,738
Low risk	922,316	15,960	—	938,276	889,774	16,433	—	906,207
Medium risk	652,937	32,782	—	685,719	612,514	42,236	—	654,750
High risk	—	27,783	—	27,783	—	15,368	—	15,368
Default	—	—	—	—	—	—	—	—
Total exposure	2,551,261	76,567	—	2,627,828	2,534,948	74,115	—	2,609,063
Allowances for off-balance sheet exposure losses	11,082	1,658	—	12,740	10,864	1,627	—	12,491
Total exposure, net	\$ 2,540,179	\$ 74,909	\$ —	\$ 2,615,088	\$ 2,524,084	\$ 72,488	\$ —	\$ 2,596,572

(1) Including loans classified as assets held for sale as at January 31, 2026 as well as off-balance sheet exposures directly associated with assets held for sale. Refer to Note 9 for additional details.

(2) Including letters of guarantee and certain undrawn amounts under approved credit facilities.

Reconciliation of allowances for credit losses⁽¹⁾

The following table presents the reconciliation of allowances for credit losses for each exposure category at amortized cost according to ECL impairment stage.

Quarterly reconciliation of allowances for credit losses

	For the three months ended January 31, 2026				For the three months ended January 31, 2025			
	Performing		Impaired		Performing		Impaired	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Personal loans								
Balance at beginning of period	\$ 5,753	\$ 13,054	\$ 2,241	\$ 21,048	\$ 5,781	\$ 24,258	\$ 3,259	\$ 33,298
Transfers:								
to Stage 1	2,521	(2,467)	(54)	—	3,098	(2,858)	(240)	—
to Stage 2	(875)	1,117	(242)	—	(387)	800	(413)	—
to Stage 3	(13)	(399)	412	—	(8)	(796)	804	—
Originations	749	—	—	749	205	—	—	205
Derecognitions	(430)	(868)	(729)	(2,027)	(178)	(2,784)	(1,653)	(4,615)
Net remeasurement of allowances	(2,220)	2,731	1,830	2,341	(2,017)	2,169	3,687	3,839
Provision for (reversal of) credit losses	(268)	114	1,217	1,063	713	(3,469)	2,185	(571)
Write-offs	—	—	(2,804)	(2,804)	—	—	(4,801)	(4,801)
Recoveries	—	—	1,569	1,569	—	—	1,811	1,811
Foreign exchange and other	—	—	(220)	(220)	—	—	(222)	(222)
Balance at end of period	\$ 5,485	\$ 13,168	\$ 2,003	\$ 20,656	\$ 6,494	\$ 20,789	\$ 2,232	\$ 29,515
Total allowances for loan losses	\$ 4,339	\$ 11,932	\$ 2,003	\$ 18,274	\$ 5,559	\$ 19,660	\$ 2,232	\$ 27,451
Total allowances for off-balance sheet exposures	1,146	1,236	—	2,382	935	1,129	—	2,064
Total allowances for credit losses	\$ 5,485	\$ 13,168	\$ 2,003	\$ 20,656	\$ 6,494	\$ 20,789	\$ 2,232	\$ 29,515
Residential mortgage loans								
Balance at beginning of period	\$ 3,376	\$ 9,154	\$ 3,578	\$ 16,108	\$ 4,456	\$ 10,422	\$ 3,211	\$ 18,089
Transfers:								
to Stage 1	945	(937)	(8)	—	2,364	(2,357)	(7)	—
to Stage 2	(250)	860	(610)	—	(242)	752	(510)	—
to Stage 3	(1)	(819)	820	—	(1)	(783)	784	—
Originations	219	—	—	219	192	—	—	192
Derecognitions	(122)	(304)	(905)	(1,331)	(255)	(425)	(559)	(1,239)
Net remeasurement of allowances	(914)	1,814	1,106	2,006	(2,314)	1,381	815	(118)
Provision for (reversal of) credit losses	(123)	614	403	894	(256)	(1,432)	523	(1,165)
Write-offs	—	—	(291)	(291)	—	—	(226)	(226)
Recoveries	—	—	193	193	—	—	47	47
Foreign exchange and other	—	—	(382)	(382)	—	—	(382)	(382)
Balance at end of period	\$ 3,253	\$ 9,768	\$ 3,501	\$ 16,522	\$ 4,200	\$ 8,990	\$ 3,173	\$ 16,363
Total allowances for loan losses	\$ 3,243	\$ 9,755	\$ 3,501	\$ 16,499	\$ 4,043	\$ 8,862	\$ 3,173	\$ 16,078
Total allowances for off-balance sheet exposure losses	10	13	—	23	157	128	—	285
Total allowances for credit losses	\$ 3,253	\$ 9,768	\$ 3,501	\$ 16,522	\$ 4,200	\$ 8,990	\$ 3,173	\$ 16,363
Commercial loans								
Balance at beginning of period	\$ 53,474	\$ 27,771	\$ 70,420	\$ 151,665	\$ 69,051	\$ 20,231	\$ 63,118	\$ 152,400
Transfers:								
to Stage 1	4,129	(3,468)	(661)	—	4,213	(3,521)	(692)	—
to Stage 2	(1,354)	4,021	(2,667)	—	(1,537)	4,903	(3,366)	—
to Stage 3	(149)	(738)	887	—	(219)	(2,407)	2,626	—
Originations	4,763	—	—	4,763	4,652	—	—	4,652
Derecognitions	(2,837)	(841)	(4,948)	(8,626)	(4,682)	(1,097)	(4,052)	(9,831)
Net remeasurement of allowances	(4,926)	3,465	19,870	18,409	(7,997)	5,520	24,567	22,090
Provision for (reversal of) credit losses	(374)	2,439	12,481	14,546	(5,570)	3,398	19,083	16,911
Write-offs	—	—	(9,745)	(9,745)	—	—	(10,973)	(10,973)
Recoveries	—	—	864	864	—	—	1,561	1,561
Foreign exchange and other	(314)	(255)	(1,384)	(1,953)	575	224	302	1,101
Balance at end of period	\$ 52,786	\$ 29,955	\$ 72,636	\$ 155,377	\$ 64,056	\$ 23,853	\$ 73,091	\$ 161,000
Total allowances for loan losses	\$ 42,860	\$ 29,546	\$ 72,636	\$ 145,042	\$ 54,580	\$ 22,575	\$ 73,091	\$ 150,246
Total allowances for off-balance sheet exposure losses	9,926	409	—	10,335	9,476	1,278	—	10,754
Total allowances for credit losses	\$ 52,786	\$ 29,955	\$ 72,636	\$ 155,377	\$ 64,056	\$ 23,853	\$ 73,091	\$ 161,000
Total exposure								
Total allowances for loan losses	\$ 50,442	\$ 51,233	\$ 78,140	\$ 179,815	\$ 64,182	\$ 51,097	\$ 78,496	\$ 193,775
Total allowances for off-balance sheet exposure losses	11,082	1,658	—	12,740	10,568	2,535	—	13,103
Total allowances for credit losses	\$ 61,524	\$ 52,891	\$ 78,140	\$ 192,555	\$ 74,750	\$ 53,632	\$ 78,496	\$ 206,878

(1) Including allowances for loans classified as assets held for sale and allowances for off-balance sheet exposures directly associated with assets held for sale as at January 31, 2026. Refer to Note 9 for additional details.

Main macroeconomic factors

The following tables show the main macroeconomic factors used to estimate the collective allowances for credit losses as at January 31, 2026 and as at October 31, 2025.

	As at January 31, 2026					
	Base scenario		Upside scenario		Downside scenario	
	Next 12 months ⁽¹⁾	Remaining forecast period ⁽²⁾	Next 12 months ⁽¹⁾	Remaining forecast period ⁽²⁾	Next 12 months ⁽¹⁾	Remaining forecast period ⁽²⁾
Main macroeconomic factors						
Gross Domestic Product (GDP) growth (decrease)	1.7%	3.8%	2.7%	4.3%	(1.6)%	3.3%
Average unemployment rate (percentage points)	6.6	6.1	6.3	5.5	7.3	7.0
Housing price index growth (decrease)	2.0%	5.2%	6.5%	6.9%	(6.0)%	0.9%
S&P/TSX index growth (decrease) ⁽³⁾	7.8%	11.1%	13.8%	20.1%	(16.4)%	3.9%
	As at October 31, 2025					
	Base scenario		Upside scenario		Downside scenario	
	Next 12 months ⁽¹⁾	Remaining forecast period ⁽²⁾	Next 12 months ⁽¹⁾	Remaining forecast period ⁽²⁾	Next 12 months ⁽¹⁾	Remaining forecast period ⁽²⁾
Main macroeconomic factors						
GDP growth (decrease)	1.6%	3.5%	2.5%	3.9%	(0.9)%	3.2%
Average unemployment rate (percentage points)	7.4	6.8	6.9	5.8	7.9	7.7
Housing price index growth (decrease)	1.0%	4.2%	4.7%	7.0%	(6.0)%	(0.2)%
S&P/TSX index growth (decrease) ⁽³⁾	3.2%	7.5%	10.2%	13.2%	(14.8)%	3.8%

(1) Expected variation or average over the next 12 months. These factors are used for Stage 1 ECL calculations.

(2) Expected variation or average over the remaining forecast period of 24 months. These factors are used for Stage 2 and Stage 3 ECL calculations.

(3) Main stock index in Canada.

The main macroeconomic factors used for the personal and residential mortgage loan portfolios are the average unemployment rate, the housing price index and the S&P/TSX index. The main macroeconomic factor used for the commercial loan portfolio is the GDP. An increase in the average unemployment rate will generally correlate with higher allowances for credit losses, whereas an increase in the other macroeconomic factors mentioned above will generally correlate with lower allowances for credit losses.

Description of scenarios used for ECL measurement as at January 31, 2026

The scenarios described below are based on information and data available as at January 31, 2026.

Base Scenario

In the base scenario, global trade conditions improve modestly as the United States reduces certain tariffs applied to most countries other than Canada. Tariffs introduced by the United States and China on Canadian exports in early January of last year remain in place over the full three-year forecast horizon. The Canada–United States–Mexico Agreement (CUSMA) remains in force. Following inconclusive negotiations during the 2026 review, the agreement is expected to undergo further review in 2027 and 2028. U.S. economic policy uncertainty remains elevated, but the U.S. economy continues to expand at a solid pace, supported primarily by strong investment related to artificial intelligence (AI) and by pro-growth fiscal measures. In Canada, the combination of federal budget initiatives and favourable final investment decisions for several large-scale projects supports modest economic growth. Nevertheless, ongoing trade frictions continue to weigh on U.S.-oriented Canadian exports and constrain domestic production capacity. Both households and businesses maintain a cautious outlook. Consumer Price Index (CPI) inflation remains contained within the Bank of Canada's target range. Labour market conditions remain soft, with unemployment peaking in early 2026. Housing market activity remains subdued, and home prices appreciate gradually. Equity markets deliver moderate returns amid heightened short-term volatility. Technological progress in AI continues at its current pace. The Bank of Canada raises its policy rate modestly, implementing two consecutive 25-basis-point increases in 2027. The nomination of a new U.S. Federal Reserve Chair does not disrupt market confidence or perceptions of central bank independence.

Downside Scenario

In the downside scenario, global trade tensions intensify materially. Tariffs between the United States and most countries, excluding Canada, remain in place. Meanwhile, the effective U.S. tariff rate on Canadian exports doubles from 7% to 14%, reflecting new restrictions targeting specific sectors. This escalation in trade barriers leads to a significant deterioration in both business and consumer confidence. At the same time, technological progress slows as advancements in AI falter. Canadian economic performance weakens further as anticipated federal budget measures fail to stimulate growth and no major domestic projects advance. Against this backdrop, both the U.S. and Canadian economies enter recession. Unemployment rises sharply and home prices decline. Equity markets falter amid heightened volatility and growing investor risk aversion. Canada loses permanent market share in the United States, and disposable income remains constrained throughout the forecast period. The nomination of a new U.S. Federal Reserve Chair in 2026 is perceived as politically motivated, undermining confidence in monetary policy independence and contributing to foreign exchange volatility and elevated U.S. interest rates.

Upside Scenario

In the upside scenario, global trade tensions ease meaningfully in 2026. Following constructive negotiations, the CUSMA is renewed, and U.S. tariffs on Canadian goods fall below 5%, though not fully eliminated. The reduced tariff burden mitigates macroeconomic disruption, and trade flows begin to normalize. Economic uncertainty recedes, boosting business investment and consumer spending. CPI inflation remains under control, and both the U.S. and Canadian economies gain momentum. In Canada, federal budget measures and several favourable investment decisions related to large projects bolster economic activity. The Bank of Canada modestly increases its policy rate in 2026. Labour market conditions improve, with unemployment trending downward. Home prices appreciate at a healthy pace, and equity markets post strong gains, supported by improving investor sentiment. Technological progress also accelerates, with rapid advancements in AI yielding measurable productivity gains. The nomination of a new U.S. Federal Reserve Chair in 2026 is perceived as maintaining institutional continuity, preserving market confidence.

Sensitivity analysis of allowances for credit losses on performing loans

If the Bank was to only use the base scenario for the measurement of allowances for credit losses on performing loans, including those classified as assets held for sale, it would be \$12.6 million lower than the recognized allowances for credit losses as at January 31, 2026 (\$11.1 million lower as at October 31, 2025). If the Bank was to only use the downside scenario for the measurement of allowances for credit losses on performing loans, including those classified as assets held for sale, it would be \$24.3 million higher than the recognized allowances for credit losses as at January 31, 2026 (\$21.5 million higher as at October 31, 2025).

This sensitivity is isolated to the measurement of allowances for credit losses and therefore did not consider changes in the migration of exposures between Stage 1 and Stage 2 from the determination of the significant increase in credit risk that would have resulted in a 100% base scenario or a 100% downside scenario. As a result, the allowances for credit losses on performing loans could exceed the amount implied by the 100% downside scenario from the migration of additional exposures from Stage 1 to Stage 2. Actual credit losses could differ materially from those reflected in these estimates.

Under the current probability-weighted scenarios, if all performing loans were in Stage 1, reflecting a 12-month expected loss period, the allowances for credit losses on performing loans, including those classified as assets held for sale, would be \$102.3 million as at January 31, 2026 (\$101.2 million as at October 31, 2025).

Finance lease receivables

The Commercial loans line item includes net investment in leases of \$1.2 billion as at January 31, 2026 (\$1.2 billion as at October 31, 2025).

6. SECURITIZATION AND STRUCTURED ENTITIES

6.1 TRANSFER OF FINANCIAL ASSETS

The Bank primarily sells residential mortgage loans through the Canada Mortgage Bond (CMB) program and to third-party investors under the National Housing Act (NHA) Mortgage-Backed Securities (MBS) program set-up by the Canada Mortgage and Housing Corporation (CMHC), as well as through other multi-seller conduits set up by other Canadian banks.

Financial assets not qualifying for derecognition and associated financial liabilities

The following table summarizes the carrying amounts of financial assets sold through the CMHC programs or to a multi-seller conduit that do not qualify for derecognition and their associated financial liabilities included on the Consolidated Balance Sheet.

	As at January 31, 2026	As at October 31, 2025
Residential mortgage loans ⁽¹⁾	\$ 12,585,245	\$ 12,410,123
Replacement Assets ⁽²⁾	574,000	818,610
Debt related to securitization activities	(13,148,490)	(13,287,492)

(1) Including residential mortgage loans classified as assets held for sale as at January 31, 2026. Refer to Note 9 for additional details.

(2) Includes cash and deposits with banks, securities purchased under reverse repurchase agreements and securities acquired as part of the principal reinvestment account that is required to be maintained for the Bank to participate in the CMB program.

As at January 31, 2026, the Bank also has securitized other residential mortgage loans for a total amount of \$260.9 million (\$182.1 million as at October 31, 2025) as part of the NHA MBS program, which were not subsequently sold. The resulting NHA MBS are presented as part of residential mortgage loans.

6.2 STRUCTURED ENTITIES SECURITIZATION VEHICLES

In the ordinary course of business, the Bank enters into transactions with other structured entities as part of securitization programs to obtain alternative sources of funding. The Bank sells personal loans and finance lease receivables to two intermediate partnerships, B2B Securitization Limited Partnership and LBC Leasing Limited Partnership (the Partnerships), respectively. To fund these purchases, the Partnerships issue interest-bearing liabilities to securitization conduits of other Canadian banks. These Partnerships are consolidated as the Bank holds 100% of the rights, has the ability to direct the relevant activities and can exercise power to affect returns. The interest-bearing liabilities issued by the Partnerships are recorded as debt related to securitization activities on the Consolidated Balance Sheet.

Financial assets not qualifying for derecognition and associated financial liabilities

The following table summarizes the carrying amounts of financial assets securitized through other structured entities that do not qualify for derecognition and their associated financial liabilities included on the Consolidated Balance Sheet.

	As at January 31, 2026	As at October 31, 2025
Personal loans	\$ 1,082,605	\$ 858,402
Commercial loans ⁽¹⁾	276,918	323,461
Debt related to securitization activities	(719,995)	(765,208)

(1) The Bank securitizes finance lease receivables which are included in the Commercial loans line item.

6.3 COVERED BONDS

The Bank has established a \$2.0 billion legislative covered bond programme (the Programme) pursuant to the Canadian Registered Covered Bond Programs Guide, published by the Canada Mortgage and Housing Corporation (CMHC). As at January 31, 2026, two series of covered bonds were outstanding, with a respective principal balance of \$250.0 million and \$260.0 million and which bear interest respectively at a rate of 1.603% and 3.545% annually, payable semi-annually. The covered bonds are presented as Deposits on the Bank's Consolidated Balance Sheet.

The Bank periodically transfers mortgages to a consolidated structured entity, LBC Covered Bond (Legislative) Guarantor Limited Partnership (the Guarantor LP), to support funding activities and asset coverage requirements under the Programme. As at January 31, 2026, the total amount of mortgages outstanding was \$654.1 million (\$694.7 million as at October 31, 2025).

7. SOFTWARE, OTHER INTANGIBLES AND PREMISES AND EQUIPMENT

Management periodically reviews the recoverability and ongoing utilization of the Bank's assets, including premises and equipment as well as software and other intangible assets, and assesses for impairment whenever indicators of impairment are identified.

During the first quarter of 2026, the Bank announced its strategic shift to a specialty commercial bank, resulting in its exit from the retail and SME banking business. As a result of this decision, indicators of impairment were identified for right-of-use assets and leasehold improvements associated with the retail branch network. The Bank assessed the recoverable amount of these assets reflecting the cessation of branch activities. An impairment charge of \$21.5 million related to right-of-use assets and leasehold improvements was recognized in the first quarter of 2026 in the Impairment and restructuring charges line item. Refer to Note 17 for further information.

In addition, management reviewed the utilization of software and other intangible assets supporting the retail activities. While some assets continue to be utilized during the transition period, their useful lives were reassessed to reflect the shortened expected period of economic benefit. As a result, the Bank recorded \$7.1 million of accelerated amortization on certain software and other intangible assets in the first quarter of 2026, which has been recognized within the Impairment and restructuring charges line item. The Bank also recorded \$6.5 million of other impairment charges related to software and licenses. Refer to Note 17 for further information.

8. DEPOSITS⁽¹⁾

	As at January 31, 2026			
	Demand ⁽²⁾	Notice ⁽³⁾	Term ⁽⁴⁾	Total
Personal	\$ 112,294	\$ 4,854,708	\$ 16,558,373	\$ 21,525,375
Business, banks and other ⁽⁵⁾	789,012	268,720	1,708,735	2,766,467
	\$ 901,306	\$ 5,123,428	\$ 18,267,108	\$ 24,291,842

	As at October 31, 2025			
	Demand ⁽²⁾	Notice ⁽³⁾	Term ⁽⁴⁾	Total
Personal	\$ 115,274	\$ 5,101,703	\$ 15,989,714	\$ 21,206,691
Business, banks and other ⁽⁵⁾	891,800	236,284	1,663,819	2,791,903
	\$ 1,007,074	\$ 5,337,987	\$ 17,653,533	\$ 23,998,594

(1) Including deposits classified as liabilities directly associated with assets held for sale as at January 31, 2026. Refer to Note 9 for additional details.

(2) Demand deposits, primarily chequing accounts, consist of deposits in respect of which the Bank is not authorized to require notice prior to withdrawal by customers.

(3) Notice deposits, primarily savings accounts, consist of deposits in respect of which the Bank may legally require a withdrawal notice.

(4) Term deposits include deposits maturing at a specific date, particularly term deposits and guaranteed investment certificates, as well as senior unsecured notes and covered bonds.

(5) The Bank has access to a credit facility agreement, enhancing the Bank's liquidity position and supporting its funding strategy, for an amount of up to \$300 million secured by residential mortgage loans, of which nil was drawn as at January 31, 2026 (nil as at October 31, 2025).

9. ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

Assets and liabilities related to the National Bank Transactions meet the criteria for classification as a disposal group held for sale as at December 2, 2025; refer to Note 1.1 for additional information. Accordingly, the following tables delineate the assets held for sale and liabilities directly associated with assets held for sale on the Consolidated Balance Sheet as at January 31, 2026 (not applicable as at October 31, 2025).

Assets held for sale

	As at January 31, 2026	As at October 31, 2025
Loans		
Personal	\$ 603,986	\$ —
Residential mortgage ⁽¹⁾	2,462,591	—
Commercial	1,630,667	—
	4,697,244	—
Allowances for loan losses	(40,940)	—
	4,656,304	—
Other		
Derivatives	42,585	—
Other assets ⁽²⁾	8,499	—
	\$ 4,707,388	\$ —

Liabilities directly associated with assets held for sale

	As at January 31, 2026	As at October 31, 2025
Deposits		
Personal	\$ 6,855,008	\$ —
Business, banks and other	922,821	—
	7,777,829	—
Other		
Derivatives	71,785	—
Other liabilities ⁽²⁾	244,708	—
	316,493	—
	\$ 8,094,322	\$ —

(1) Under the NHA MBS program, the Bank issues marketable securities backed by insured eligible residential mortgage loans (the NHA MBS). As part of the Retail/SME Transaction, the Bank will transfer residential mortgage loans securitized as part of the NHA MBS program to National Bank, amounting to \$0.5 billion as at January 31, 2026. National Bank will assume obligations associated with the transferred NHA MBS, and Laurentian Bank will remain the owner of the NHA MBS. At closing, the NHA MBS will be recognized on the Bank's Consolidated Balance Sheet as securities, and the securitized residential mortgage loans will be derecognized.

(2) Other assets classified as held for sale are composed entirely of accrued interest receivable. Other liabilities classified as held for sale consist primarily of accrued interest payable (\$0.2 billion as at January 31, 2026).

10. SHARE CAPITAL

Shares and other equity instruments – issued and outstanding

	For the three months ended			
	January 31, 2026		January 31, 2025	
	Number of shares	Amount ⁽¹⁾	Number of shares	Amount ⁽¹⁾
Common shares				
Outstanding at beginning of period	44,583,685	\$ 1,205,807	44,005,566	\$ 1,187,107
Issuance under the Shareholder Dividend Reinvestment and Share Purchase Plan	20,475	809	112,468	3,124
Issuance under the employee share purchase option plan	105,536	4,438	—	—
Outstanding at the end of period – common shares	44,709,696	\$ 1,211,054	44,118,034	\$ 1,190,231
Preferred shares and other equity instruments				
<i>Non-Cumulative Class A Preferred Shares</i>				
Series 13 ⁽²⁾				
Outstanding at beginning and end of period	5,000,000	\$ 122,071	5,000,000	\$ 122,071
<i>Limited Recourse Capital Notes (LCRN)</i>				
Series 1 ⁽²⁾				
Outstanding at beginning of period	n/a	\$ 123,611	n/a	\$ 123,483
Net sale (purchase) of treasury limited recourse capital notes ⁽³⁾	n/a	—	n/a	71
Outstanding at the end of period	n/a	\$ 123,611	n/a	\$ 123,554
Outstanding at the end of period – preferred shares and other equity instruments	n/a	\$ 245,682	n/a	\$ 245,625

(1) Incremental costs directly attributable to the issuance of preferred shares and other equity instruments are recorded in equity as a deduction from the proceeds, net of applicable income taxes.

(2) The preferred shares and LRCN include Non-Viability Contingent Capital (NVCC) provisions, necessary for the shares to qualify as Tier 1 regulatory capital under Basel III. NVCC provisions require the conversion of the instrument into a variable number of common shares upon the occurrence of a non-viability trigger event.

(3) When the Bank sells (purchases) its own equity instruments as part of its trading business, they are classified as treasury instruments and the cost of these instruments is recorded as an increase (a reduction) in equity.

Dividends and other

	For the three months ended			
	January 31, 2026		January 31, 2025	
	Dividends declared per share	Total amount	Dividends declared per share	Total amount
Dividends on preferred shares and distributions on other equity instruments				
Preferred Shares Series 13	\$ 0.39	\$ 1,936	\$ 0.39	\$ 1,936
Limited Recourse Capital Notes, Series 1	n/a	3,313	n/a	3,313
		\$ 5,249		\$ 5,249
Common shares dividends	\$ 0.47	\$ 21,004	\$ 0.47	\$ 20,683

On February 2, 2026, the Board of Directors declared a dividend of \$0.38725 per Preferred Share Series 13, payable on March 15, 2026 (the "Payment Date"), that will be paid out on March 16, 2026, the first business day following the Payment Date, to shareholders of record on March 9, 2026.

On February 26, 2026, the Board of Directors declared a quarterly dividend of \$0.47 per common share, payable on May 1, 2026 to shareholders of record on April 1, 2026. This quarterly dividend is equal to the dividend declared in the previous quarter and to the dividend declared in the previous year.

Shareholder dividend reinvestment and share purchase plan

On February 26, 2026, the Board determined that shares attributed under the Bank's Shareholder Dividend Reinvestment and Share Purchase Plan will be made in common shares issued from Corporate Treasury at no discount.

Capital management

Regulatory capital

OSFI requires banks to meet minimum risk-based capital ratios drawn on the Basel Committee on Banking Supervision (BCBS) capital framework, commonly referred to as the Basel III Accord. Under OSFI's Capital Adequacy Requirements guideline, the Bank must maintain minimum levels of capital depending on various criteria. Tier 1 capital, the most permanent and subordinated forms of capital, consists of two components: Common Equity Tier 1 capital and Additional Tier 1 capital. Tier 1 capital is predominantly composed of common equity to ensure that risk exposures are backed by a high-quality capital base. Tier 2 capital consists of supplementary capital instruments and contributes to the overall strength of a financial institution as a going concern. Under OSFI's guideline, minimum Common Equity Tier 1, Tier 1 and Total capital ratios are set at 7.0%, 8.5% and 10.5% respectively including a 2.5% capital conservation buffer.

Under OSFI's Leverage Requirements Guideline, federally regulated deposit-taking institutions are expected to maintain a Basel III leverage ratio that always meets or exceeds 3%. The leverage ratio is defined as the Tier 1 capital divided by unweighted on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions, as defined within the requirements.

The Bank has complied with regulatory capital and leverage requirements throughout the three-month period ended January 31, 2026. Regulatory capital is detailed below.

	As at January 31, 2026	As at October 31, 2025
Regulatory capital		
Common Equity Tier 1 capital	\$ 2,293,708	\$ 2,329,779
Tier 1 capital	\$ 2,539,390	\$ 2,575,461
Total capital	\$ 2,970,975	\$ 3,019,246
Total risk-weighted assets ⁽¹⁾⁽²⁾	\$ 21,088,652	\$ 20,700,183
Regulatory capital ratios⁽²⁾		
Common Equity Tier 1 capital ratio	10.9 %	11.3 %
Tier 1 capital ratio	12.0 %	12.4 %
Total capital ratio	14.1 %	14.6 %

(1) Using the Standardized approach in determining credit risk and operational risk.

(2) Assets classified as held for sale under IFRS 5 remain subject to the same regulatory capital treatment until they are derecognized. Accordingly, the classification does not affect the measurement of the Bank's risk-weighted assets or regulatory capital ratios.

11. SHARE-BASED COMPENSATION

Share purchase option plan

During the three months ended January 31, 2026, the Bank did not award any stock options under the New Stock Option Plan (410,367 stock options with an exercise price of \$30.18 awarded during the three months ended January 31, 2025). As no options were granted during the three months ended January 31, 2026, no weighted-average fair value is presented (\$4.77 per option during the three months ended January 31, 2025).

The weighted-average fair value of options granted in the prior year was estimated on the award date using the Black-Scholes model as well as the following assumptions.

	For the three months ended	
	January 31, 2026	January 31, 2025
Risk free interest rate	n/a	2.82 %
Expected life of options	n/a	8 years
Expected volatility ⁽¹⁾	n/a	22.0 %
Expected dividend yield	n/a	5.70 %

(1) Expected volatility is extrapolated from the implied volatility of the Bank's share price and observable market inputs, which are not necessarily representation of actual results.

For the three months ended January 31, 2026, the Bank recognized a reversal of compensation expense for stock option awards of \$0.2 million (\$0.4 million compensation expense for the three months ended January 31, 2025).

12. POST-EMPLOYMENT BENEFITS

Expense for post-employment benefits

The total expense recognized for post-employment benefit plans was as follows:

	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Defined contribution pension plans	\$ 2,841	\$ 2,767	\$ 2,570
Defined benefit pension plans	757	1,172	979
Other plans	158	159	160
Settlement loss, net (refer below)	2,214	—	—
	\$ 5,970	\$ 4,098	\$ 3,709

Settlement related to annuity purchases

On December 11, 2025, in an effort to reduce its defined benefit pension plan obligation and decrease future pension volatility and risks, the Bank purchased \$61.2 million of group annuity contracts from a Canadian insurer and transferred \$59.0 million in obligations, resulting in a \$2.2 million net settlement loss (\$1.6 million net of income taxes). Under the agreement, the Canadian insurer will issue annuities covering the responsibility for pension benefits owed to Laurentian Bank of Canada pensioners. Following the transaction, benefits for plan participants are protected under Assuris, the life insurance compensation association designated under the Insurance Companies Act of Canada.

The Bank considers, for accounting purposes, that this buy-out transaction essentially eliminates any further legal or constructive obligation for benefits, provided that, the combined risk: i) that the Canadian insurer goes bankrupt; and ii) that the Bank would be responsible for paying the portion of pensions not covered by Assuris should the Canadian insurer go bankrupt, is remote. Accordingly, the Bank considers that a settlement occurred.

13. EARNINGS PER SHARE

	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Earnings (loss) per share – basic⁽¹⁾			
Net income (loss)	\$ (20,497)	\$ 31,481	\$ 38,601
Dividends on preferred shares and distributions on other equity instruments	5,249	1,936	5,249
Net income (loss) attributable to common shareholders	\$ (25,746)	\$ 29,545	\$ 33,352
Weighted-average number of outstanding common shares (in thousands)	44,651	44,440	44,044
Earnings (loss) per share – basic ⁽²⁾	\$ (0.58)	\$ 0.66	\$ 0.76
Earnings (loss) per share – diluted⁽¹⁾			
Net income (loss) attributable to common shareholders	\$ (25,746)	\$ 29,545	\$ 33,352
Weighted-average number of outstanding common shares (in thousands)	44,651	44,440	44,044
Dilutive share purchase options (in thousands) ⁽²⁾	—	79	33
Diluted weighted-average number of outstanding common shares (in thousands)	44,651	44,519	44,077
Earnings (loss) per share – diluted ⁽³⁾	\$ (0.58)	\$ 0.66	\$ 0.76

(1) There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the completion of these Condensed Interim Consolidated Financial Statements which would require the restatement of earnings per share.

(2) As the Bank incurred a loss for the three months ended January 31, 2026, share purchase options were excluded from the diluted weighted-average number of outstanding common shares as their effect would have been anti-dilutive.

(3) The sum of the quarterly earnings per share may not be equal to the cumulative earnings per share due to rounding.

14. FINANCIAL INSTRUMENTS – FAIR VALUE

Determining fair value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of financial instruments is best evidenced by an independent quoted market price for the same instrument in an active market when available. Otherwise, fair value is measured using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of valuation inputs (Level 1, 2 or 3). Additional information on the fair value hierarchy and the valuation methodologies used by the Bank to measure the fair value of financial instruments can be found in Note 21 of the 2025 Annual Consolidated Financial Statements. There were no changes in fair value measurement methods in the period.

Financial instruments recorded at fair value in the financial statements are classified in Level 2 of the fair value hierarchy, except for securities of \$52.1 million which are classified in Level 1 as at January 31, 2026 (\$37.9 million as at October 31, 2025) and \$29.7 million which are classified in Level 3 as at January 31, 2026 (\$28.6 million as at October 31, 2025). There were no significant transfers between Level 1 and Level 2 of the hierarchy in the period.

15. INCOME RELATED TO FINANCIAL INSTRUMENTS

Income related to financial instruments reported in the Consolidated Statement of Income is detailed as follows.

Net interest income

	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Interest and dividend income			
Interest income calculated using the effective interest method			
Financial instruments measured at amortized cost	\$ 512,491	\$ 517,475	\$ 534,836
Financial instruments measured at FVOCI	2,513	2,034	1,394
Interest and dividend income on financial instruments not measured at amortized cost ⁽¹⁾	1,413	1,372	2,076
	516,417	520,881	538,306
Interest expense			
Interest expense calculated using the effective interest method			
Financial instruments measured at amortized cost	313,955	323,357	337,483
Interest expense on financial instruments not measured at amortized cost ⁽¹⁾	7,599	14,867	14,616
	321,554	338,224	352,099
Net interest income	\$ 194,863	\$ 182,657	\$ 186,207

(1) Including interest income and expense on derivatives, as well as dividend income on securities not held for-trading. Dividend income was \$0.6 million for the three months ended January 31, 2026 (\$0.6 million for the three months ended January 31, 2025).

16. CONTINGENT LIABILITIES

Contingent liabilities and legal provisions

In the ordinary course of business, the Bank and its subsidiaries are involved in various legal and regulatory proceedings. Such proceedings involve a variety of issues, and the timing of their resolution is varied and uncertain.

Legal provisions are recognized when it becomes probable that the Bank will incur an expense related to legal proceedings and the amount can be reliably estimated. Legal provisions are recorded at the best estimate of the amounts required to settle the obligation as at the reporting date, taking into account the risks and uncertainties associated with the obligation. Management and external experts are involved in estimating any legal provision, as necessary. The actual costs of settling some obligations may be substantially higher or lower than the amounts of the provisions. In some cases, it is not possible to either determine whether an obligation is probable or to reliably estimate the amount of loss, in which case no accrual can be made. This is an area of significant judgment and uncertainty, given the varying stages of the proceedings, the fact that the Bank's liability, if any, has yet to be determined and the fact that the underlying matters will change from time to time. As such the extent of our financial and other exposure to such legal proceedings, after taking into account current accruals, could be material to our results of operations in any period.

17. IMPAIRMENT AND RESTRUCTURING CHARGES

The following table details the Impairment and restructuring charges line item:

	For the three months ended		
	January 31, 2026	October 31, 2025	January 31, 2025
Restructuring and other impairment charges			
Impairment of premises and equipment	\$ 21,481	\$ 929	\$ 107
Charges related to onerous contracts, leases, and other	14,749	1,286	101
Severance and employee benefits	11,383	1,575	589
Accelerated amortization of software and other intangible assets	7,079	—	—
Impairment of software and other intangible assets	6,518	(49)	1,230
Total	\$ 61,210	\$ 3,741	\$ 2,027

Restructuring and other impairment charges for the period ended January 31, 2026 arose primarily in connection with the Bank's Transactions announced on December 2, 2025. The execution of binding agreements to sell the Bank's retail and SME banking portfolios and its syndicated loan portfolio to National Bank, together with the expected transition of these activities upon closing, led management to reassess the recoverability of certain non-financial assets and to recognize restructuring provisions associated with the planned changes in operations. The related restructuring charges include severance and employee benefit costs associated with expected workforce reductions in connection with the Transactions. As entitlement to these benefits is contingent on satisfying service conditions through the closing of the Transactions, the related costs are recognized progressively until closing.

Indicators of impairment were identified for right-of-use assets and leasehold improvements associated with the affected retail branch network, resulting in impairment charges recognized within the Impairment and restructuring charges line item. Moreover, this line item included accelerated amortization on technology and other assets that will be abandoned or whose useful lives were shortened due to the planned exit of the related activities, as outlined in Note 7. The Bank also reviewed existing contractual arrangements associated with the retail and SME activities, including service, premises and technology agreements. Where unavoidable costs under these agreements exceeded the expected economic benefits until the date of cessation, the Bank recognized provisions for onerous contracts in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

The combination of impairment charges, severance and employee benefit costs, accelerated amortization and provisions for onerous contracts reflects management's assessment of the financial impacts arising from the Transactions and the resulting restructuring of the Bank's operations.

Restructuring and other impairment charges in 2025 mainly resulted from the simplification of the Bank's technology infrastructure and organizational structure.

Provision for restructuring charges

The following table shows the change in the provision for restructuring charges, including severance charges and charges related to lease and other contracts, which is included in the Other liabilities line item on the Consolidated Balance Sheet. Most payments are expected to be made within the next 12 months.

	January 31, 2026	October 31, 2025
Balance at beginning of the period	\$ —	\$ —
Charges incurred during the period	25,177	—
Payments made during the period	—	—
Balance at end of the period	\$ 25,177	\$ —

18. SUBSEQUENT EVENT

Closing of the Syndicated Loan Transaction

Subsequent to quarter-end, on February 17, 2026, the Bank completed the sale of its syndicated loan portfolio to National Bank of Canada (the Syndicated Loan Transaction). The outstanding principal balance of the syndicated loans was approximately \$705 million as at closing. Certain liabilities were also assumed by National Bank. The cash consideration received at closing by Laurentian Bank was \$646 million, subject to customary post-closing adjustments, and reflected a discount of \$50 million to the outstanding balance of the syndicated loans. In the second quarter of 2026, the Bank will record a loss of approximately \$20 million before taxes (\$15 million after taxes) on the Syndicated Loan Transaction, reflecting the aforementioned discount and the impact of reversing previously recognized allowances for credit losses.

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

SHAREHOLDER INFORMATION

Corporate offices

Montreal
1360 René-Lévesque Blvd West,
Suite 600
Montreal, Quebec H3G 0E5

Toronto
199 Bay St, Suite 600
Toronto, Ontario M5L 0A2

www.laurentianbank.ca

Head of Complaints Resolution

1360 René-Lévesque Blvd West,
Suite 600
Montreal, Quebec H3G 0E5

HCR@laurentianbank.ca
Tel.: 514-284-7192
or 1-800-479-1244
Fax : 514-284-7194
or 1-800-473-4790

Corporate Governance

The Bank's website provides information on our corporate governance practices, including our governance policies and our Board and committee mandates.
www.laurentianbank.ca/en/about-us

Transfer agent and registrar

Computershare Investor Services Inc.
650 de Maisonneuve W. Blvd,
7th Floor
Montreal, Quebec H3A 3T2

service@computershare.com
Tel.: 514-982-7888

Change of address and inquiries

Shareholders must notify the Bank's transfer agent and registrar of any change of address. Inquiries or requests may be directed to the Bank's Corporate Secretariat's Office at corporate.secretariat@laurentianbank.ca

Direct deposit service

Shareholders of the Bank may, by advising the transfer agent in writing, have their dividends deposited directly into an account held at any financial institution member of the Payments Canada.

Investors and analysts

Investors and analysts are invited to contact the Bank's Investor Relations Team.
investor.relations@lbcfg.ca

Media

Journalists may contact the Media and Investor Relations Lead Advisor at media@lbcfg.ca

Tel.: 438-364-1596

Social media



Dividend reinvestment and share purchase plan

The Bank has a dividend reinvestment and share purchase plan for Canadian holders of its common and preferred shares under which they can acquire common shares of the Bank without paying commissions or administration fees. Participants acquire shares through the reinvestment of cash dividends paid on the shares they hold or through optional cash payments of a minimum amount of \$500 per payment, up to an aggregate amount of \$20,000 in each 12-month period ending October 31.

For more information, shareholders may contact Computershare at service@computershare.com or 1-800-564-6253.

To participate in the plan, the Bank's non-registered shareholders must contact their financial institution or broker.

STOCK SYMBOL AND DIVIDEND RECORD AND PAYMENT DATES

The common and preferred shares indicated below are listed on the Toronto Stock Exchange.	CUSIP CODE / STOCK SYMBOL	RECORD DATE*	DIVIDEND PAYMENT DATE*
Common shares	51925D 10 6 / LB	First business day of:	
		January	February 1
		April	May 1
		July	August 1
		October	November 1
Preferred shares Series 13	51925D 82 5 / LB.PR.H	**	March 15
		**	June 15
		**	September 15
		**	December 15

* Subject to the approval of the Board of Directors.

** On such day (which shall not be more than 30 days preceding the date fixed for payment of such dividend) as may be determined from time to time by the Board of Directors of the Bank.