Corporate Presentation

Second Quarter 2019

LAURENTIAN BANK
FINANCIAL GROUP

Caution Regarding Forward-Looking Statements

In this document and in other documents filed with Canadian regulatory authorities or in other communications, we may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding our business plan and financial objectives including statements contained in our 2018 Annual Report under the heading “Outlook”. The forward-looking statements contained in this document are used to assist readers in obtaining a better understanding of our financial position and the results of operations as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Forward-looking statements typically use the conditional, as well as words such as prospect, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove to be inaccurate. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurances that these expectations will prove to be correct. Certain important assumptions by us in making forward-looking statements include, but are not limited to, our estimates and statements regarding our business plan and financial objectives including statements contained in our 2018 Annual Report under the heading “Outlook”.

We caution readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include: changes in capital market conditions, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, changes in competition, modifications to credit ratings, scarcity of human resources, developments with respect to labour relations, as well as developments in the technological environment. Furthermore, these factors include the ability to execute our plan and in particular the successful reorganization of the Retail Services operations, the modernization of the core banking system and the adoption of the Advanced Internal Ratings-Based approach to credit risk (the AIRB approach).

We further caution that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause our actual results to differ from current expectations, please also refer to the “Risk Appetite and Risk Management Framework” section of our 2018 Annual Report, as well as to other public filings available at www.sedar.com.

We do not undertake to update any forward-looking statements, whether oral or written, made by us or on our behalf, except to the extent required by securities regulations.

NON-GAAP MEASURES

Management uses both generally accepted accounting principles (GAAP) and non-GAAP measures to assess the Bank’s performance. Results prepared in accordance with GAAP are referred to as “reported” results. Non-GAAP measures presented throughout this document are referred to as “adjusted” measures and exclude the effect of certain amounts designated as adjusting items. Adjusting items are related to restructuring plans and to business combinations and have been designated as such as management does not believe they are indicative of underlying business performance. Non-GAAP measures are considered useful to readers in obtaining a better understanding of how management analyzes the Bank’s results and in assessing underlying business performance and related trends. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are unlikely to be comparable to any similar measures presented by other issuers.

Who we are

Laurentian Bank Financial Group (LBCFG)

Main operating entities

- ✓ Laurentian Bank
- ✓ LBC Capital
- ✓ Northpoint Commercial Finance (NCF)
- ✓ B2B Bank
- ✓ LBC Financial Services
- ✓ Laurentian Bank Securities (LBS)

173 Years Strong

1846
Founded as Montreal City and District Savings Bank

1965
Allowed to offer services outside the city of Montreal

1981
Allowed to offer services outside of Quebec

1987
Became a chartered Bank, renamed Laurentian Bank of Canada, allowed to offer commercial loans

1993
LBS created

2000
B2B Trust created

2011
B2B Trust became federally chartered and was renamed B2B Bank. MRS Group of Companies acquired

2012
AGF Trust acquired

2015
Implemented Strategic Plan

2016
CIT Canada(1) acquired. LBC Capital created

2017
NCF acquired; LBCFG formed

2018
Total Revenue reached $1B. Established the first Advice-Only Branch

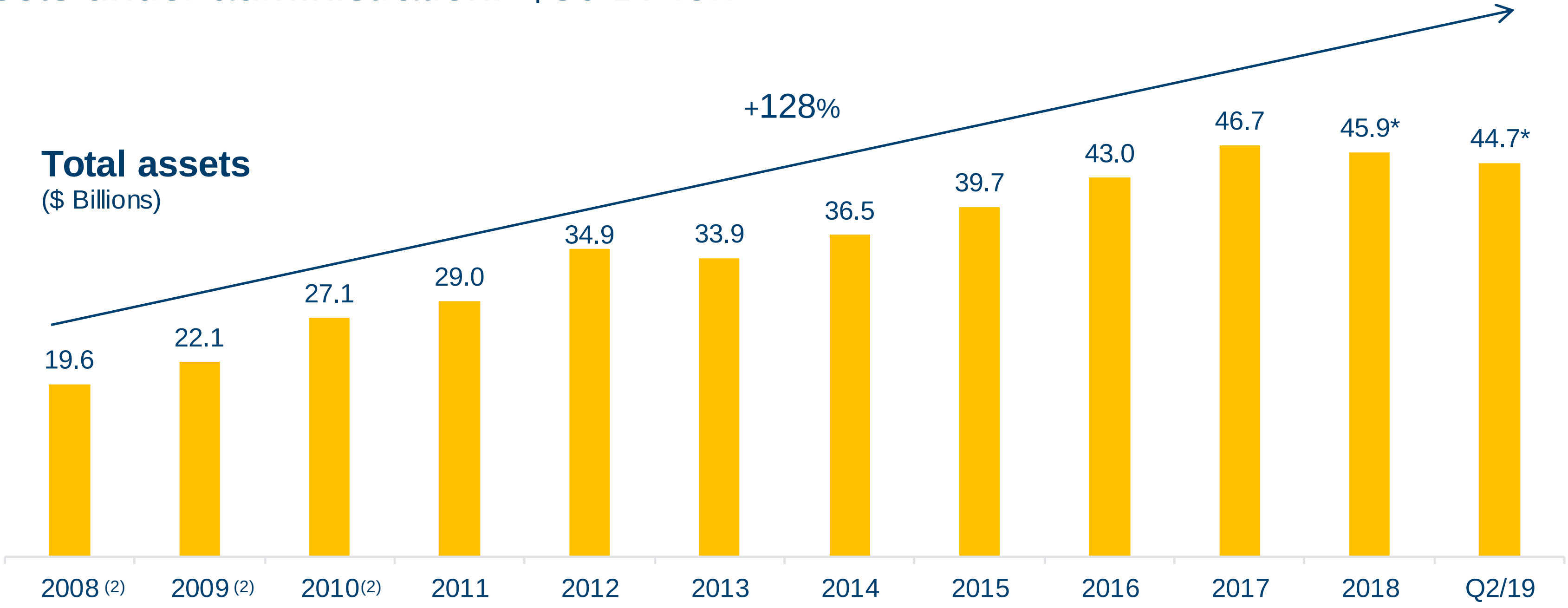
2019
Implemented Phase 1 Core Banking System

(1) The Canadian equipment financing and corporate financing activities of CIT Canada

7th largest Canadian bank(1) / Top 40 North American bank

Total assets: $45 Billion

Assets under administration: $30 Billion

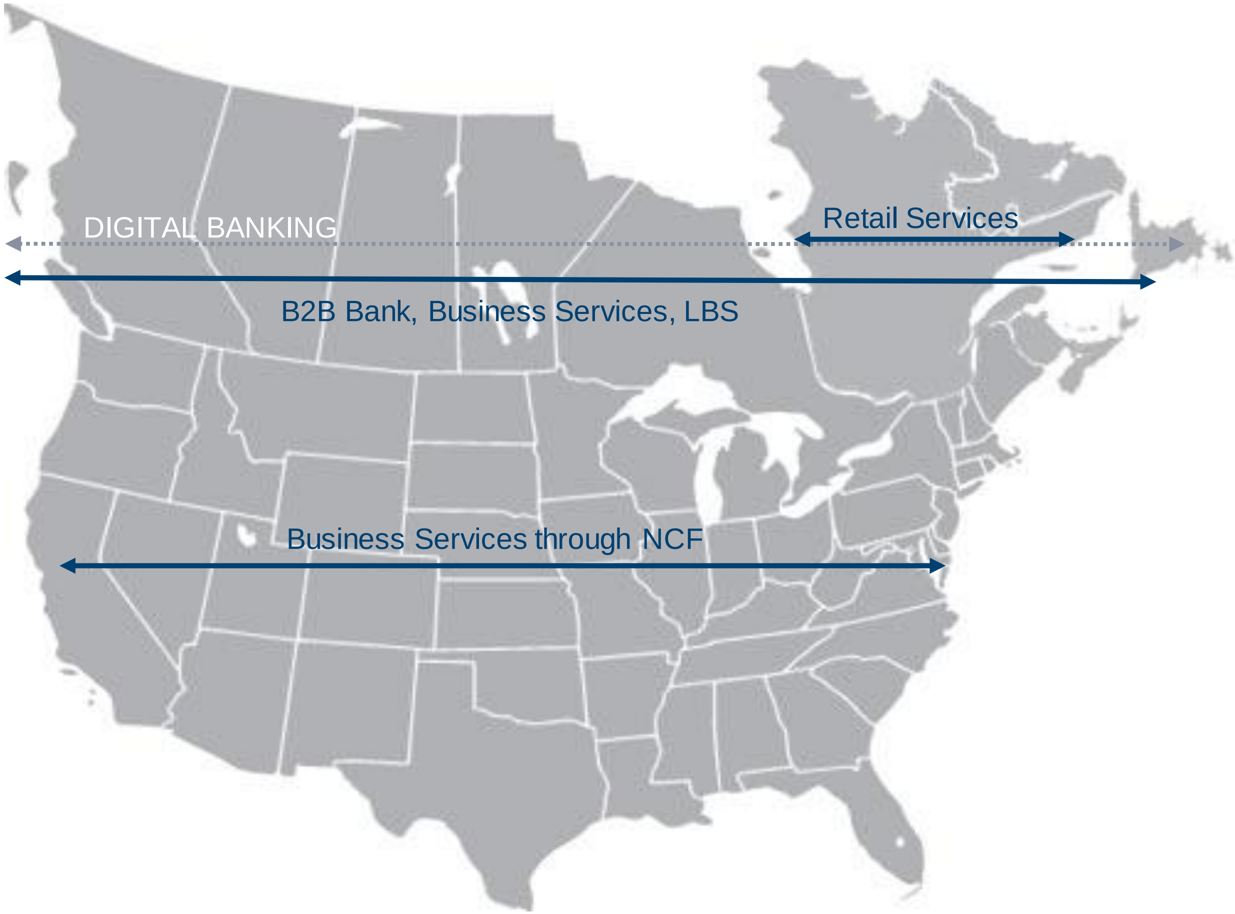


(1) Based on total assets among publicly listed banks on the TSX

(2) In accordance with previous Canadian GAAP

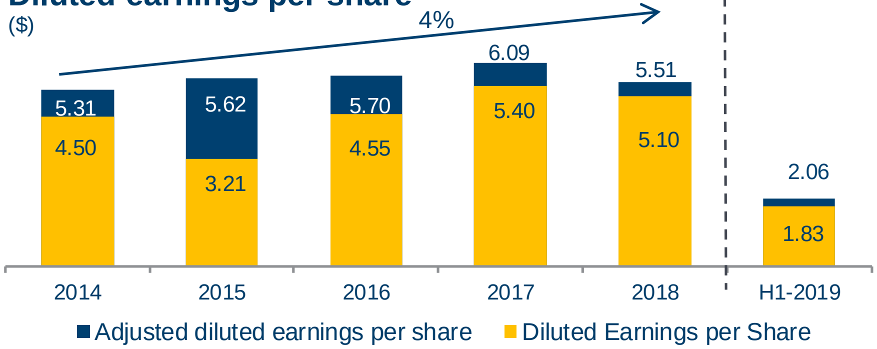
* Reflects $0.8B of non-strategic commercial loan portfolio sales

Pan-Canadian bank with targeted U.S. presence

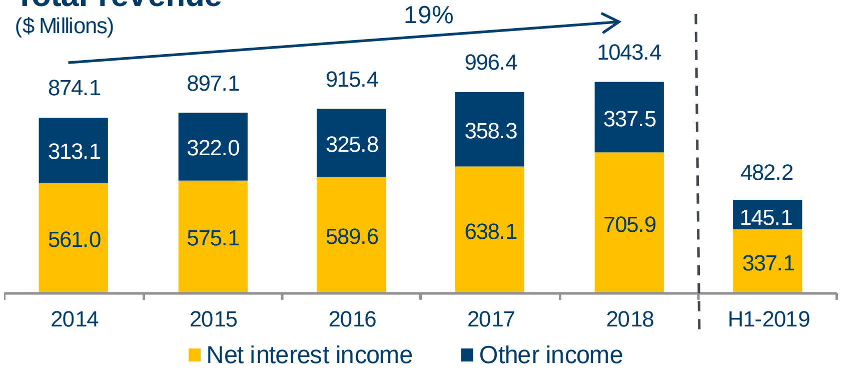


Deliver consistent and sustainable profitability

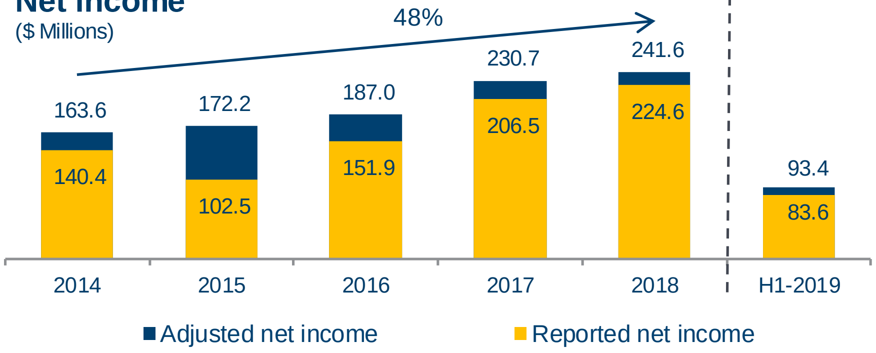
Diluted earnings per share
($)



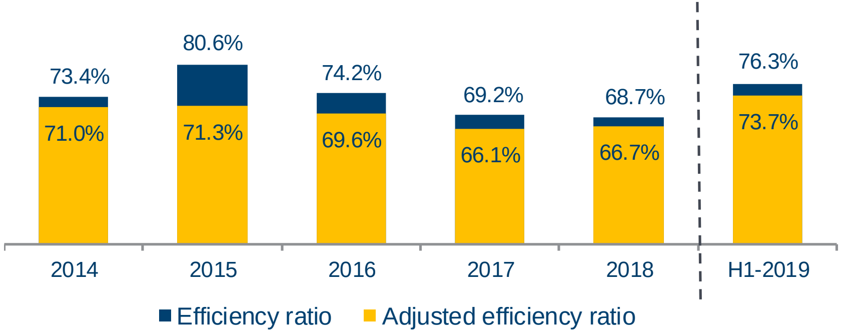
Total revenue
($ Millions)



Net income
($ Millions)

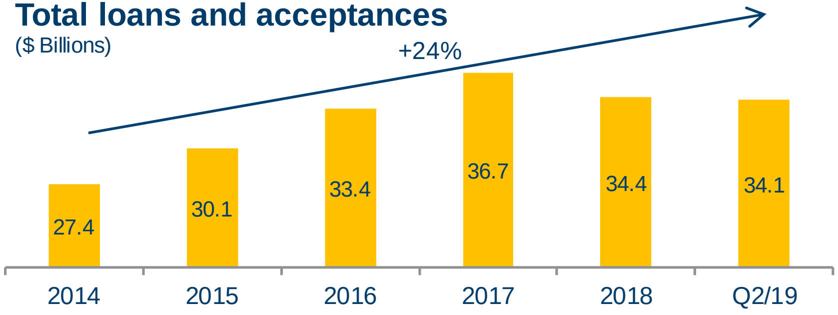


Efficiency ratio

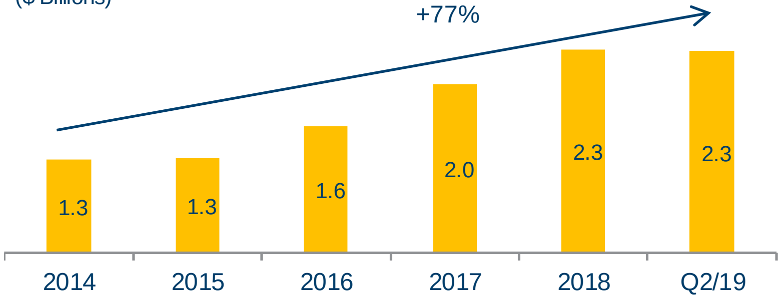


Commitment to sustainable performance & a strong foundation

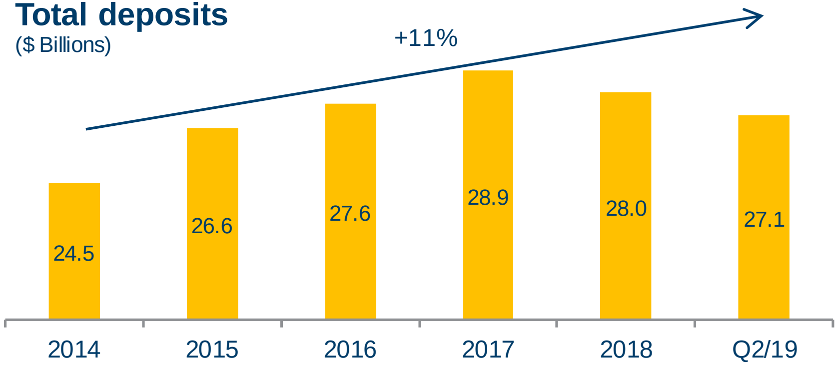
Total loans and acceptances
($ Billions)



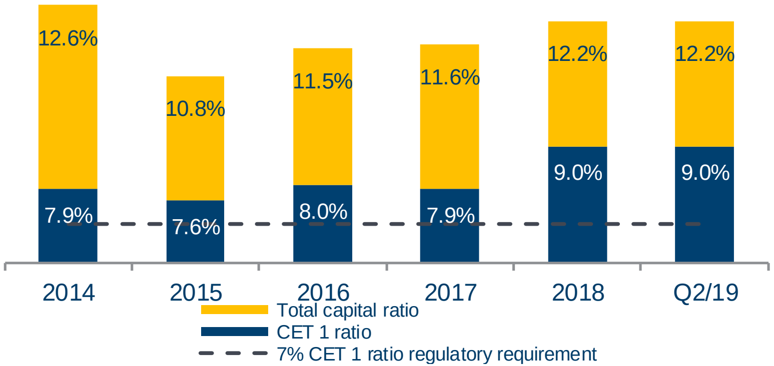
Common shareholders' equity
($ Billions)



Total deposits
($ Billions)

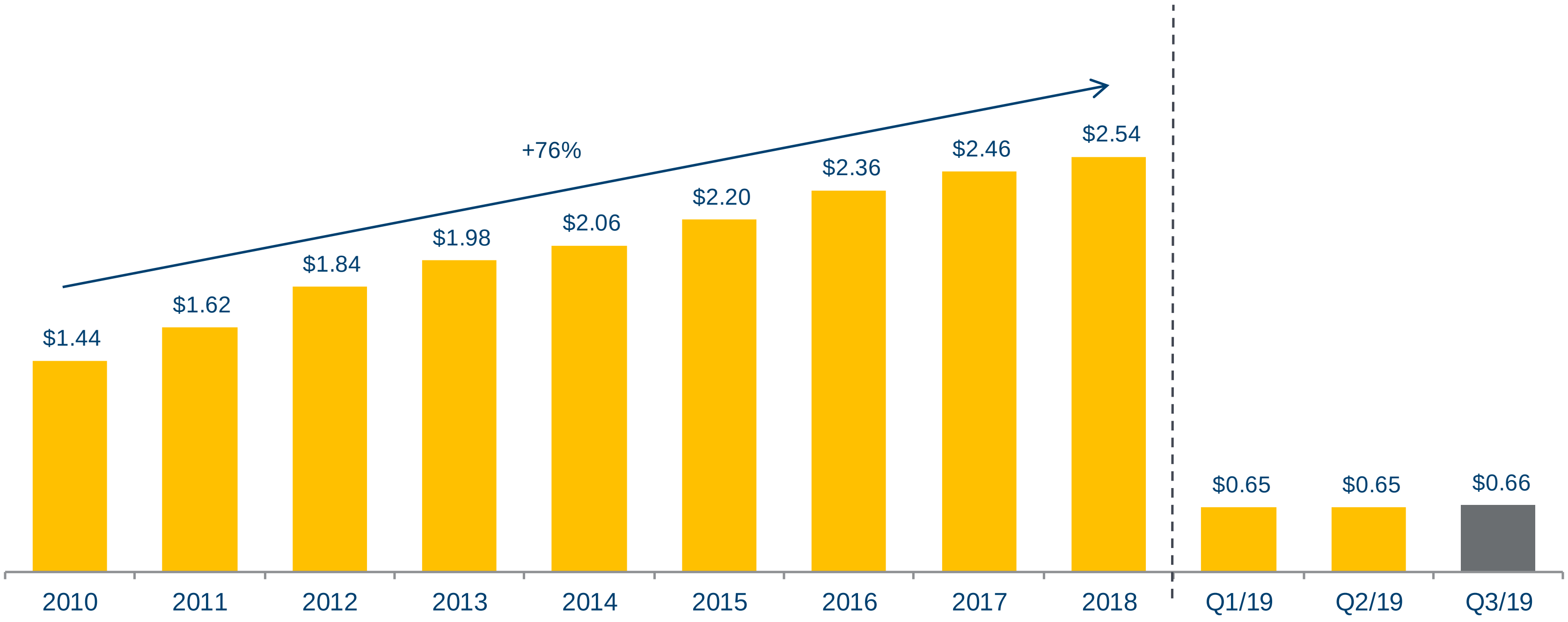


CET 1 and Total Capital Ratios



Track Record of Increasing Dividends

Dividends Declared Per Common Share
($/share)



Strategic Plan

Progress on strategic objectives

Making significant progress on key initiatives that will propel LBCFG in the coming months and years

Foundation

Build a Stronger Foundation

Growth

Invest in Profitable Growth

Performance

Improve Performance

New Collective Agreement

- New collective agreement signed on March 29, 2019 and effective through December 31, 2021

Achieved two critical goals:

- Redefined the bargaining unit – now limited to specific existing positions (mainly financial advisors and client-facing positions in Quebec branch network)
- Obtained working conditions that promote a culture of performance (i.e. job security eliminated)

- Attained working conditions comparable to those offered by our competition

- Gained flexibility (i.e. to outsource and automate administrative activities, to schedule employees working hours around the needs of customers)

With the negotiation of the collective agreement behind us
the whole organization can resume its full focus on growth and performance

Growth focus:
Business Services: equipment and inventory financing, real estate financing
Retail activities: overall customer experience, helping our clients to improve their financial health through sound financial advice

Advancing Strategic Initiatives

Foundation

Build a Stronger Foundation

Growth

Invest in Profitable Growth

Performance

Improve Performance

• **Core banking Phase 2**	• December 2020: all remaining products migrated to new core banking platform (Retail Services and remaining Business Services products) • From 2021: extra costs of operating parallel systems to be gradually eliminated
• **Digital offer**	• Now in pilot mode; launch to independent advisors and brokers in the Fall; direct to consumer across Canada at the end of the 2019
• **Retail Services**	• Conversion to advice-only branches to be completed by the end of 2019
• **AIRB implementation**	• Between the end of 2021 and first half of 2022, benefits to be realized in 2022 and beyond

Targeted asset growth

	Q4 2015		Q2 2019		2021 Target
Total Assets	$39.7 B	+13%	$44.7 B		
Commercial Loans	$6.8 B	+87%	$12.7 B	+26%	$16.0 B
Residential mortgage loans	$16.2 B	+1%	$16.3 B	+17%	$19.0 B

2018:

Rebalanced the commercial loan portfolio after three years of accelerated growth and acquisitions

2019 and Beyond:

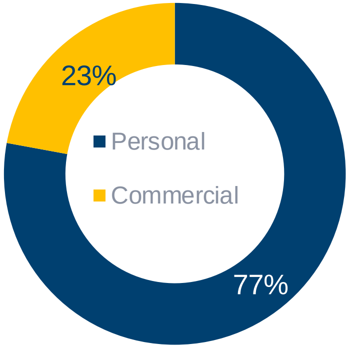
Target double digit growth in high margin commercial loans and low single digit growth in residential mortgages

Loan portfolio evolution – Strategic diversification

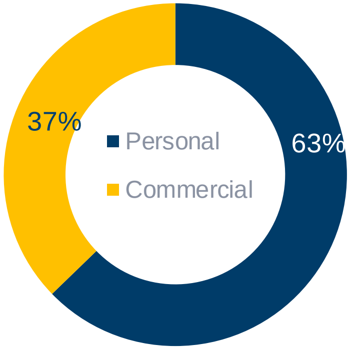
Q4 2015
Total Loans $30.0 B

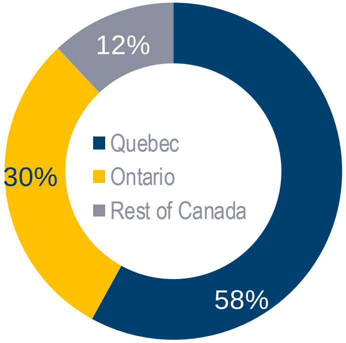
Organic growth & acquisitions →

Q2 2019
Total Loans $34.0 B

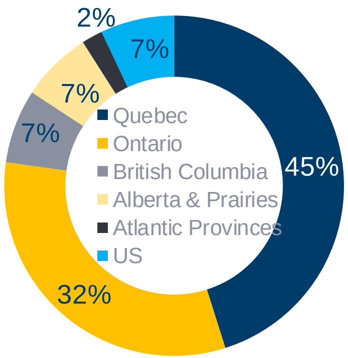


Diversified across business lines →





Diversified across geographies →



Note: Personal includes Personal Loans and Residential Mortgages

Solid capital position

A healthy level to support growth and withstand unforeseen events

	Q4 2015		Q2 2019		2022 and Beyond:
CET1 Ratio	7.6%	+ 140 bps	9.0%	→	AIRB will improve the capital efficiency of the balance sheet, and further enhance performance
Basel III Leverage Ratio	3.5%	+ 110 bps	4.6%		

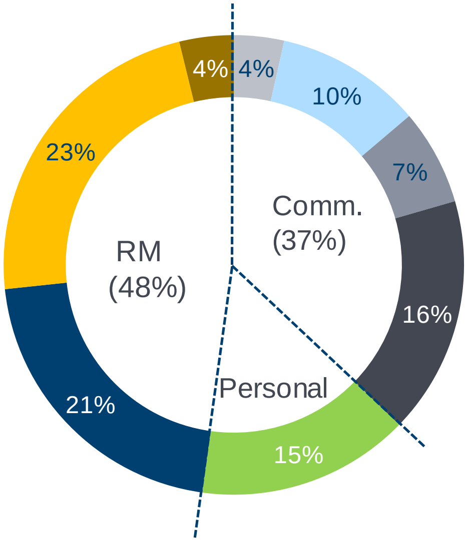
Well above regulatory requirements (under the Standardized approach for credit risk)

	CET1 Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio	Basel III Leverage Ratio
As at April 30, 2019	9.0%	10.2%	12.2%	4.6%
Regulatory Minimum	7.0%	8.5%	10.5%	3.0%

Credit

Loan portfolio at a glance (as at April 30, 2019)

Total Loans	**$34.1 B**
Residential Mortgages (RM)	$16.3 B
Commercial Loans (Comm.)	$12.7 B
Personal Loans	$5.1 B



Diversified across sectors

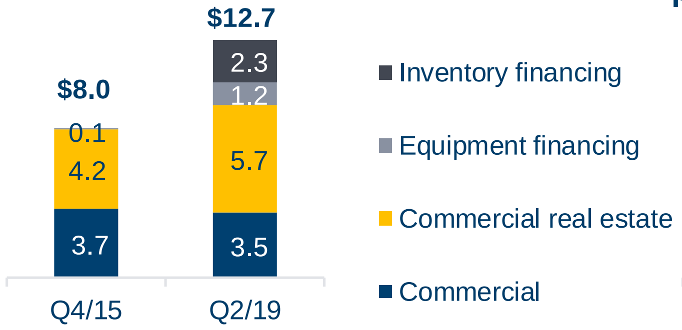
- Comm. - equipment financing ($1.2 B)
- Comm. - commercial ($3.5 B)
- Comm. - inventory financing ($2.3 B)
- Comm. - real estate ($5.7 B)
- Personal Loans ($5.1 B)
- RM - insured ($7.2 B)
- RM - uninsured prime ($7.8 B)
- RM - uninsured Alt-A ($1.3 B)

- ✓ **97% of the loan portfolio is collateralized**
- ✓ **No single industry exposure > 10%**
- ✓ **No sub-prime mortgage lending**

Commercial Loan Portfolio: Strong, Diversified and Growing

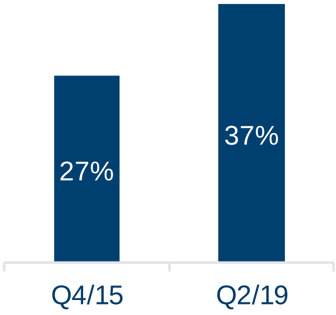
Commercial Loan Portfolio
(In $ Billions)

Grow organically and by acquisition

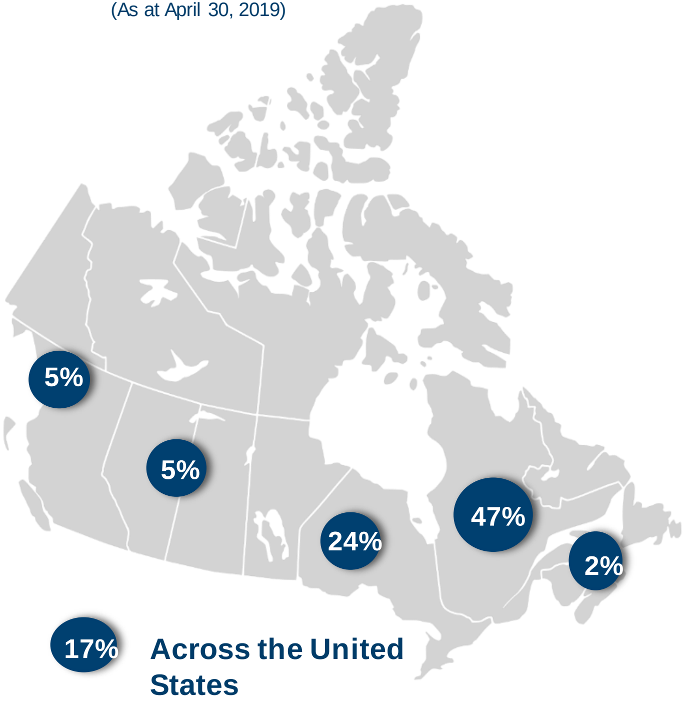


Commercial Loans
(As a % of total loans)

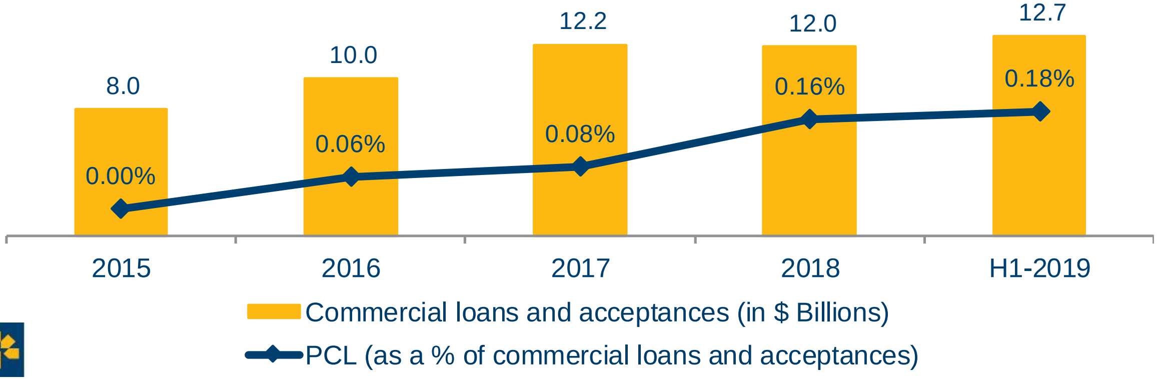
Business mix evolving towards more profitable commercial loans



A pan-Canadian Portfolio and a US Presence
(As a % of commercial loan portfolio)
(As at April 30, 2019)

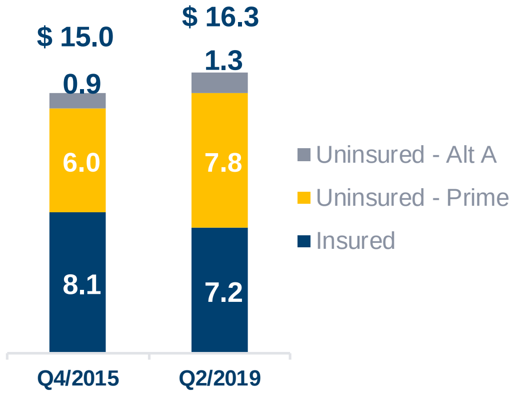


Strong Credit Quality With a Low Loss Ratio



Residential mortgage (RM) portfolio (as at April 30th, 2019)

RM portfolio mix (in $ Billions)



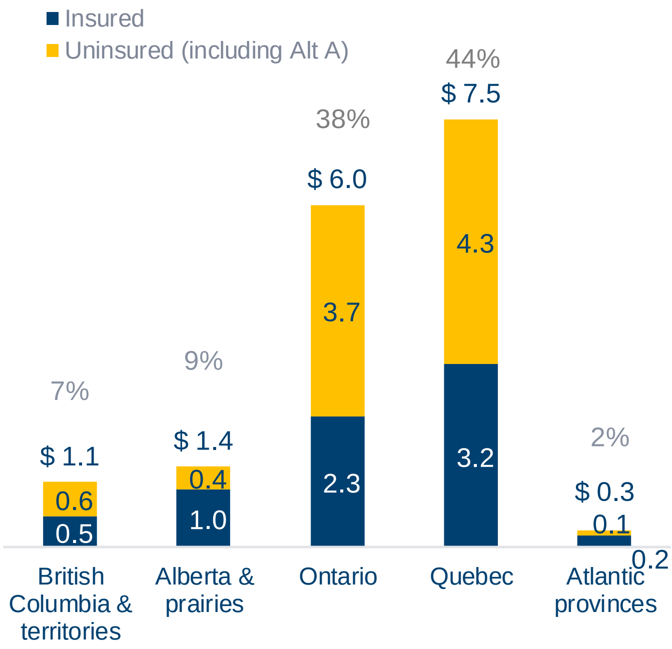
From Q4/2015 – Q2/2019:

- ✓ **Declining proportion of insured mortgages and consistently low loan losses reflect LBCFG's strong underwriting**

As at Jan. 31, 2019: LBCFG has

- ✓ **2 in-house origination channels** (Branches & B2B Bank. Alt-A through B2B Bank only)
- ✓ **1 underwriting policy and guideline**

RM portfolio by region (in $ Billions)

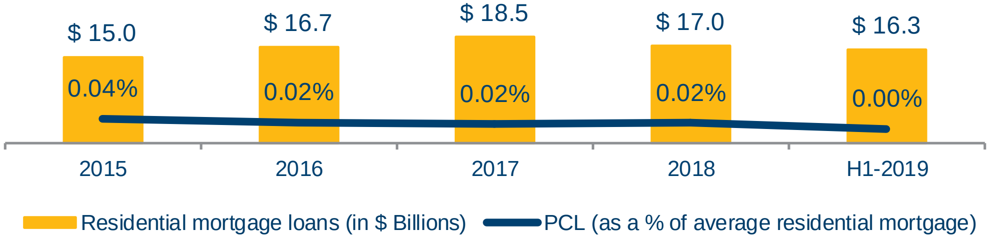


LTV of Uninsured RM by region (including Alt A)

49%	**57%**	**52%**	**57%**	**59%**

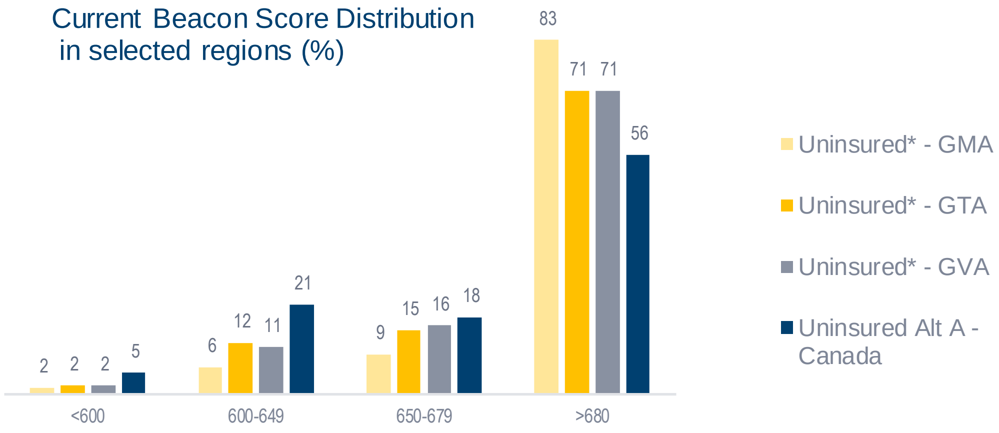
- ✓ **Consistently low LTV (avg. 57%) on Uninsured RM across Canada**
  - ✓ **A sliding scale: higher the property value, lower the LTV**

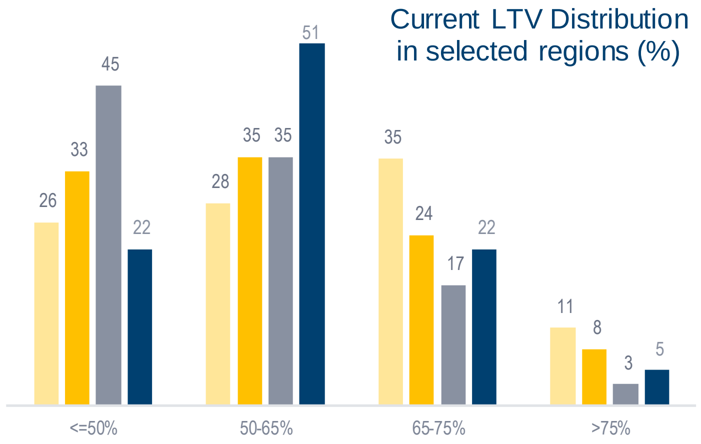
Total RM: PCL(%) vs Loan balance ($B)



LTV reflects current estimated value of collateral, including HELOCs. As at April 30th, 2019: HELOCs $0.8B (67% in Quebec, 18% Ontario, 15% rest of Canada)

Uninsured RM portfolio (as at April 30th, 2019)





Uninsured RM	Prime			Alt A
Region	GMA	GTA	GVA	CANADA
Loan balance	$2.7 B	$ 1.8 B	$0.3 B	$1.3 B
Average LTV (%) **	55%	51%	47%	54%
Average Beacon Score	754	688	693	668

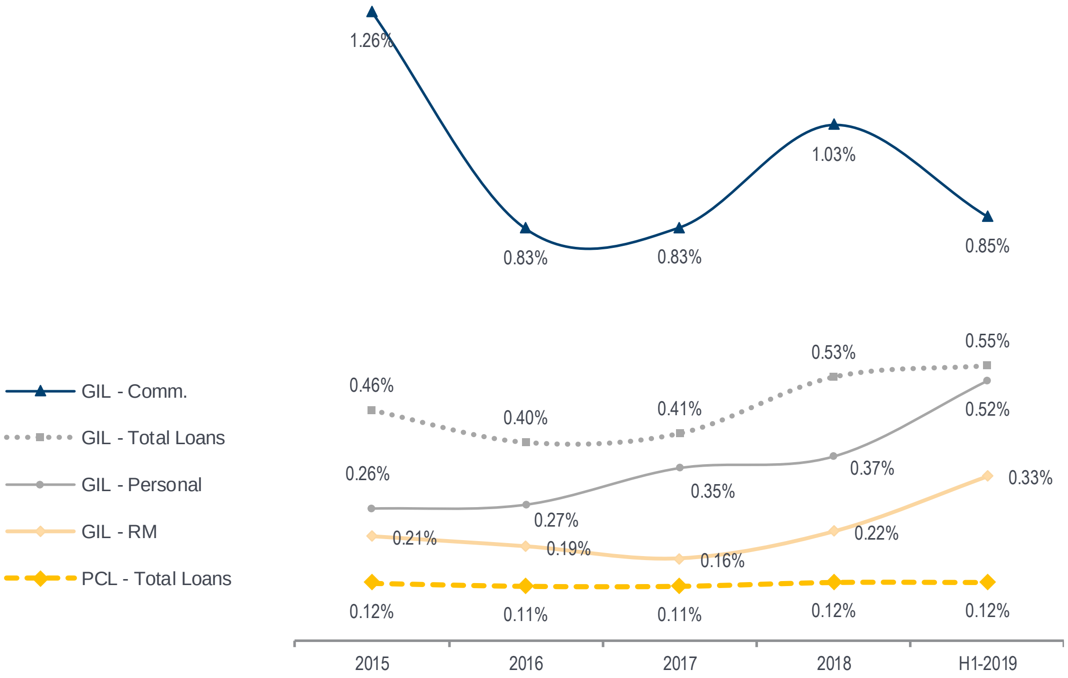
* Uninsured include Prime and Alt A

** LTV – reflects current estimated value, including HELOCs | GMA- Greater Montreal Area. GTA- Greater Toronto Area. GVA- Greater Vancouver Area

Sound credit risk management

Gross Impaired Loans (GIL) vs Provisions for Credit Losses (PCL)

(As a % of loans and acceptances)



Despite higher gross impaired loans in the Commercial sector compared to other sectors, PCLs remain low and stable.

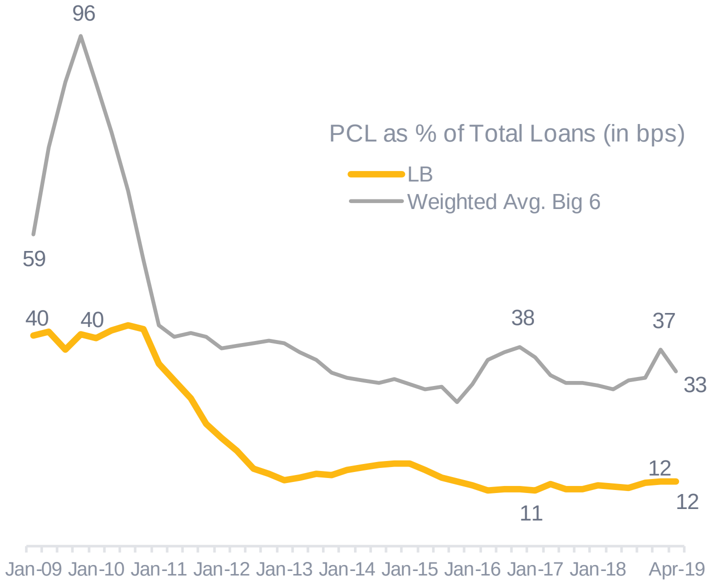
This reflects the fact that problem commercial loans are dealt with by a strong in-house workout group consisting of former insolvency experts.

This leads to higher impaired loans due to a longer management cycle, but lower actual losses through careful exits, reinforced by LBCFG’s conservative secured lending and disciplined underwriting.

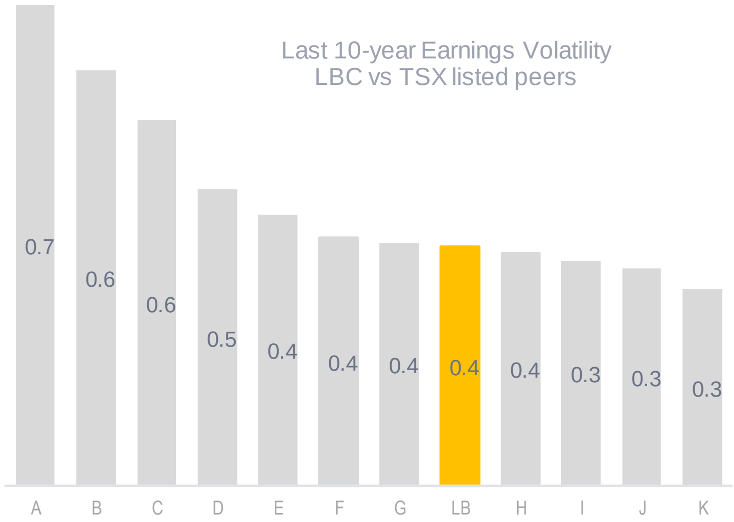
PCL for commercial loans include charges of $10.0M and $4.5M on the same, single, syndicated loan in Q4/18 and Q1/19 respectively

Low loan losses & earnings volatility

Credit consistently outperformed the Big 6 average - underpinned by in-house expertise in chosen niche markets, reinforced by secured lending, disciplined underwriting and careful exits



Consistently low earnings volatility in line with Big 6 - underlines Solid Risk Management, Diversification and Stability of Income



Reported Net Income, Provision for Credit Losses (PCL) and Total Loan Balance are quarterly data sourced from Bloomberg.
Volatility = Standard Deviation of quarterly reported net income / Mean

Liquidity and funding

Funding evolution

	Q4 2015*		Q2 2019*		2021 Target
Client Deposits	$23.3 B 68%	+1%	$23.5 B 62%	+19%	$28.0 B 60% -70%
Personal Deposits	$19.4 B 57%	+6%	$20.6 B 54%		
Institutional Funding	$3.3 B 10%	+8%	$3.6 B 9%		
Securitization Funding	$5.5 B 16%	+43%	$7.9 B 21%		
Equity	$1.6 B 5%	+59%	$2.6 B 7%		

Stable deposits despite closing 1/3 of branches

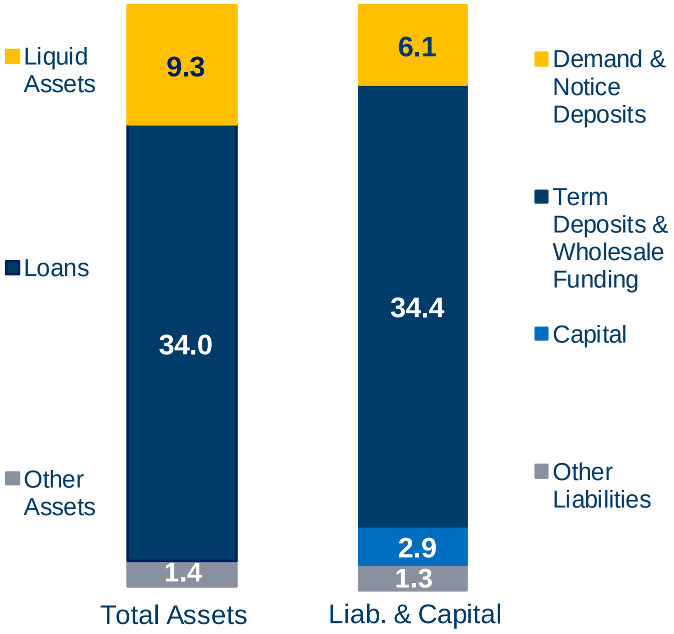
2019 and Beyond:

- Liability driven Balance Sheet
- Focus on sticky retail deposits and GICs
- Prudent liquidity position
- Funding diversification

* As % of total funding. Client Deposits include all Personal and Business Deposits

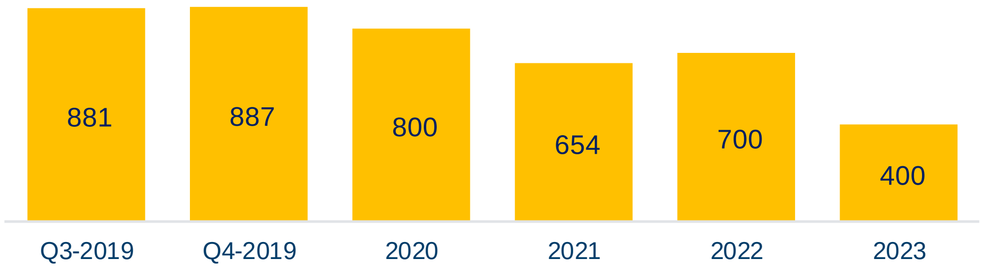
Balance Sheet management (as at April 30, 2019)

Balance Sheet ($44.7 B)



- Prudent liquidity management guided by risk appetite
- Reducing excess liquidity after signing the new collective agreement
- Internal liquidity metric targets a 90-day survival horizon and is more conservative than LCR
- ~90% of the liquidity portfolio is invested in high quality, liquid assets
- Maintain a comprehensive contingency funding plan in case of stress events
- Regular issuances to Canadian market while ensuring diversification
- Match funding: Term Liabilities to fund Term Assets

Unsecured wholesale funding maturities ($M)



Loans: net loans and acceptances. Capital: Equity and Subordinated Debt

Looking forward

We are doing what we set out to do

Build a solid foundation

1. **Rebuild a proper account management platform**
   - Implement technology roadmap including new core banking system
   - Build proper web/mobile/ATM presence
   - Execute a digital strategy
2. **Right-size and modernize corporate functions**
   - Invest in governance and compliance
   - Enhance and centralize processes
   - Enhance and standardize governance across all sectors
3. **Develop new brand elements**
   - Harmonize corporate brand
   - Provide opportunities for financial literacy

Invest in profitable growth through meeting client needs

4. **Develop competitive product offering**
   - Simplify current offering
   - Align product offering across customer channels
   - Build new offering meeting customer needs
5. **Build best-in-class Advisor / Account Manager teams**
   - Drive sales force effectiveness
   - Grow the advisor and account manager teams
   - Modernize retail distribution
   - Invest in advice
6. **Better understand and service key client segments**
   - Focus efforts on key client segments
   - Use analytics to better develop relationships
   - Seek feedback from our customers on how we can improve
7. **Expand distribution geographically**
   - Play where we can succeed
   - Increase direct to client deposit sources
   - Rethink and unlock new distribution options

Improve performance

8. **Reduce cost of administration**
   - Streamline administrative functions
9. **Better manage capital**
   - Optimize the product mix
   - Implement Advanced Internal Ratings Based Approach
10. **Build a culture of performance**
    - Manage by results and metrics
    - Become an employer of choice

Our 2021 Medium-Term Financial Objectives

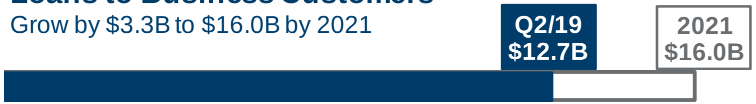
Q2/19 YTD Performance[1]

Performance

Adjusted ROE	Adjusted Efficiency Ratio	Adjusted Diluted EPS	Adjusted Operating Leverage
7.8%	**73.7%**	**$2.06**	**(12.4)%**
gap at 790 bps[2]		down 30%[4]	
Narrow gap to 250 bps by 2021[3]	< 63% by 2021	Grow by 5% to 10% annually	Positive

Growth

Loans to Business Customers
Grow by $3.3B to $16.0B by 2021



Residential Mortgage Loans
Grow by $2.7B to $19.0B by 2021

Deposits from Clients[5]
Grow by $4.5B to $28.0B by 2021

(1) Certain measures presented throughout this document exclude the effect of amounts designated as adjusting items. For further details, please refer to the Non-GAAP Measures in the Q2 2019 Report to Shareholders (2) Gap based on Q2/19 results (the weighted average of the 6 major Canadian banks at 15.7%) (3) Compared to the major Canadian banks, based on the Bank using the AIRB approach in determining credit risk and the Standardized approach in determining operational risk (4) Compared to Q2/18 YTD (5) Including personal deposits from branches and independent brokers and advisors, as well as commercial deposits

Laurentian Bank Financial Group

Strong financial position and solid credit quality throughout our transformation

Capital and liquidity position	LBCFG has never been in a better financial position, in terms of its solid capital and liquidity levels
Funding	LBCFG leverages multiple funding sources and remains well diversified which will be supported by the launch of the digital products
Credit and Risk Management	LBCFG continues to have an industry low loss provision – a testament to the quality of our underwriting and credit risk management
Processes and Technology	LBCFG continues to improve processes and technology. With the completion of Phase 1 of the core banking initiative, we are building on solid ground

Q2-2019 Highlights

Q2/19 Financial Performance

Adjusted [1]	Q2/19	Q/Q	Y/Y
Net Income ($M)	**$ 48.7**	9%	-25%
Diluted EPS	**$ 1.08**	10%	-27%
ROE	**8.3%**	100 bps	-330 bps
Efficiency Ratio	**73.5%**	-50 bps	840 bps

Reported	Q2/19	Q/Q	Y/Y
Net Income ($M)	**$ 43.3**	8%	-27%
Diluted EPS	**$ 0.95**	8%	-29%
ROE	**7.3%**	80 bps	-320 bps
Efficiency Ratio	**76.3%**	10 bps	870 bps

Q2/19 Highlights

Y/Y

- Q2/18 included a $5.3M gain ($4.6M net of income tax, $0.11 EPS) on the sale of the agricultural loan portfolio

Q/Q

- Impacted by better market related revenues and three fewer days in the second quarter

- Reported measures were impacted by adjusting items such as restructuring charges and items related to business combinations[1]

(1) Certain measures presented throughout this document exclude the effect of certain amounts designated as adjusting items. For further details, please refer to the Non-GAAP Measures in the Q2 2019 Report to Shareholders.

Investor Relations Contact

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