Corporate Presentation

Fourth 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 may include, but are not limited to, statements regarding our business plan and financial objectives including statements contained in our 2019 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 are identified with words or phrases such as believe, estimate, forecast, project, expect, anticipate, plan, goal, target, may, should, could, would, will, intend or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. There is significant risk that the predictions, forecasts, projections or conclusions will prove to be inaccurate, that our assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, projections or conclusions.

We caution readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond our control and the effects of which can be difficult to predict, could cause our actual results to differ materially from the targets, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions; changes in government monetary, fiscal or economic policies; changes in currency and interest rates; legislative and regulatory developments, including tax legislation and interpretation; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; changes in competition; modifications to credit ratings; scarcity of human resources; developments with respect to labour relations; information technology and cyber security; developments in the technological environment; environmental risk including changes to global environmental policy and the effects of climate change; the possible effects of global conflicts and terrorism, natural disasters, public health emergencies, disruptions to public infrastructure and other catastrophic events; our ability to execute our strategic plans including the reorganization of our retail branches, the modernization of our core banking system and implementation of the Advanced Internal Ratings-Based (AIRB) Approach to credit risk, as well as our ability to anticipate and effectively manage risks arising from the foregoing.

We further caution that the foregoing list of factors is not exhaustive. Other factors and risks could adversely affect our results. 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 2019 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 amounts designated as adjusting items. Adjusting items relate 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)

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. Converted to 100% Advice. Launched Digital

Mission

Help customers improve their financial health

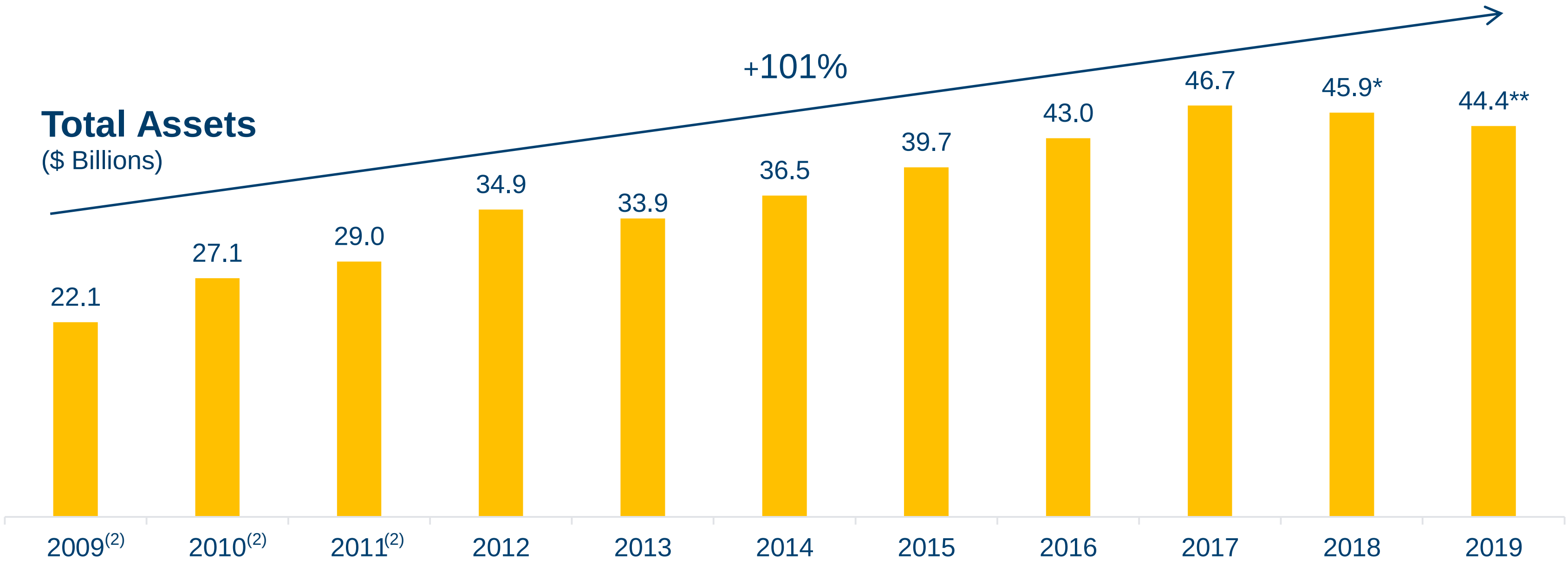
Values

Proximity Simplicity Honesty

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

7th Largest Canadian Bank[1] / Top 40 North American Bank

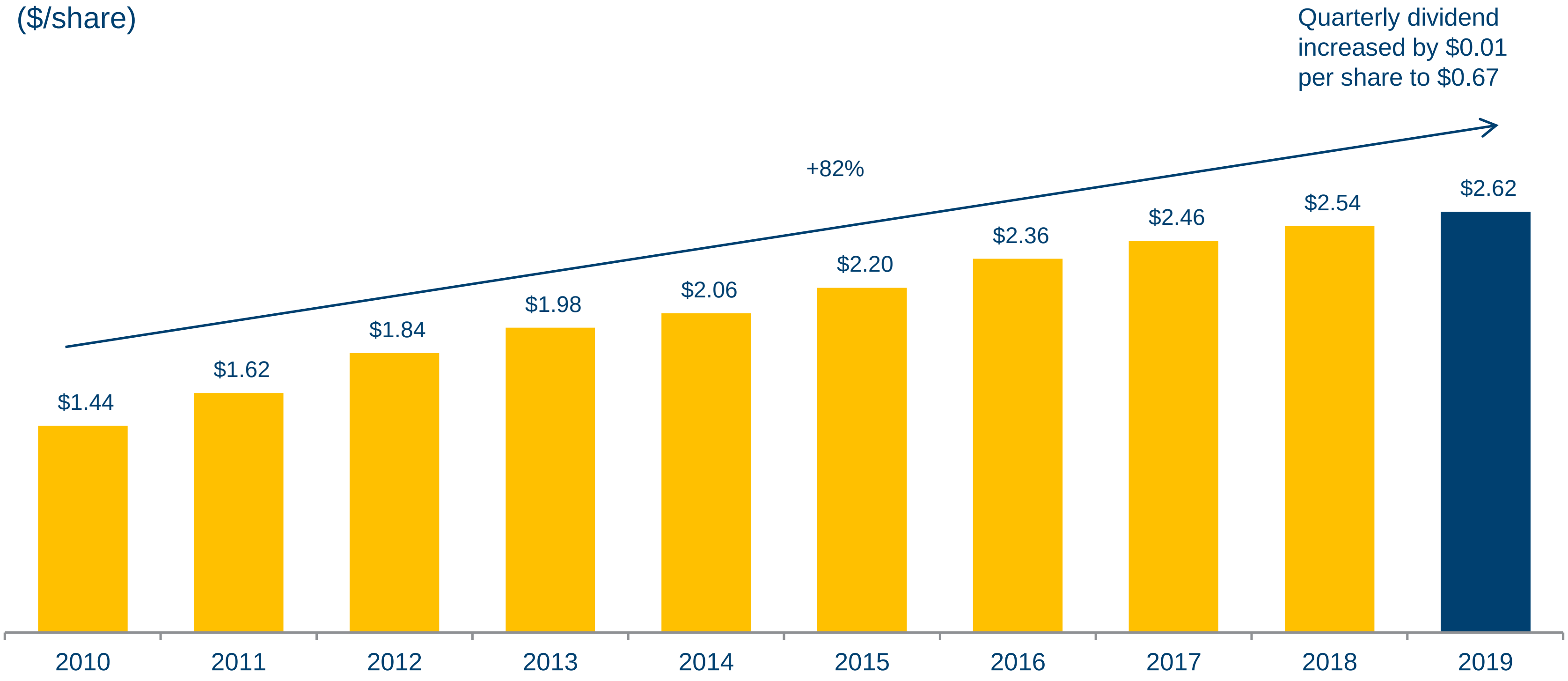
Total Assets: $44B
Assets Under Administration: $29B



(1) Based on total assets among publicly listed banks on the TSX
(2) In accordance with previous Canadian GAAP
* Reflects $0.7B of non-strategic commercial loan portfolio sales
** Reflects $0.1B of non-strategic commercial loan portfolio sales

Track Record of Increasing Dividends

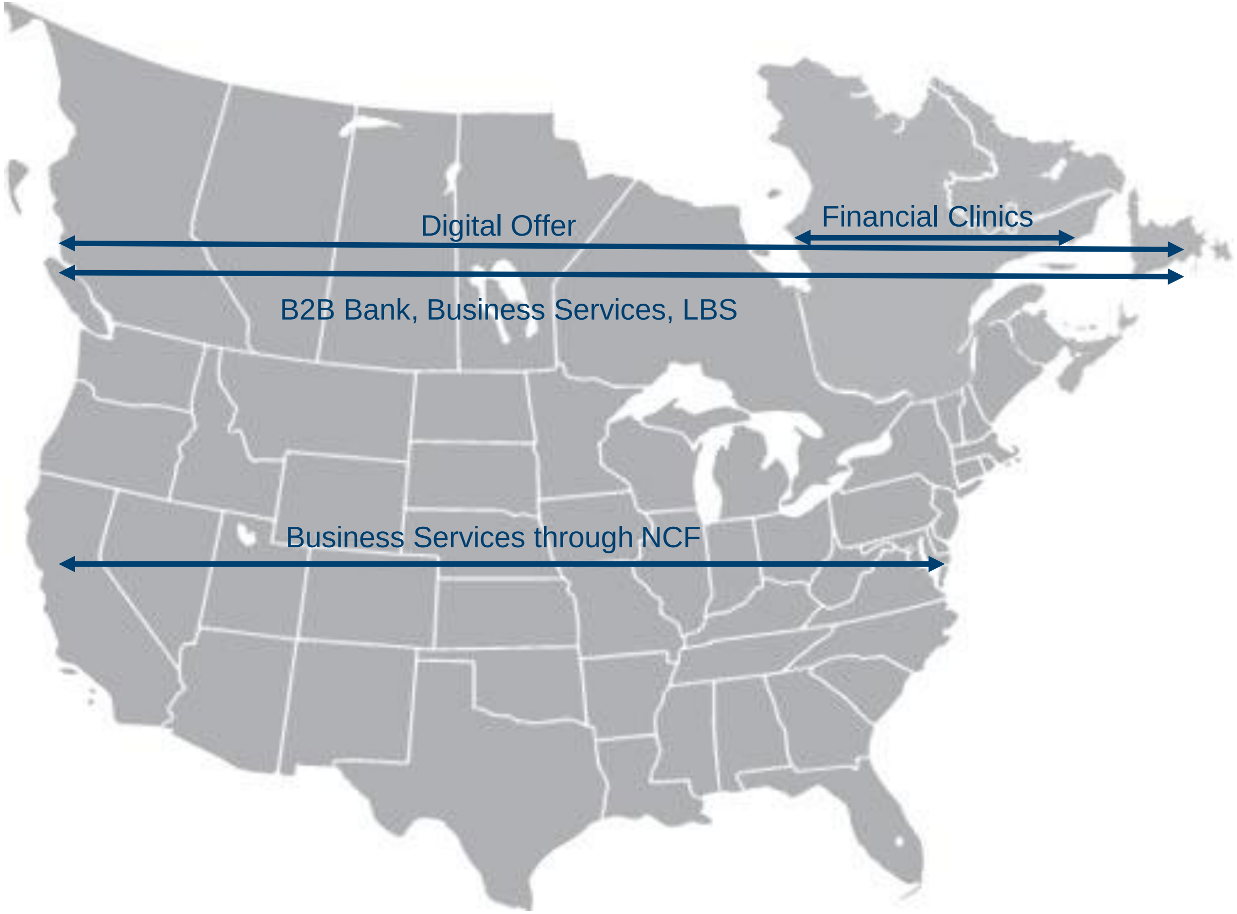
Dividends Declared Per Common Share
($/share)



Pan-Canadian Bank with Targeted U.S. Presence

Our Clients

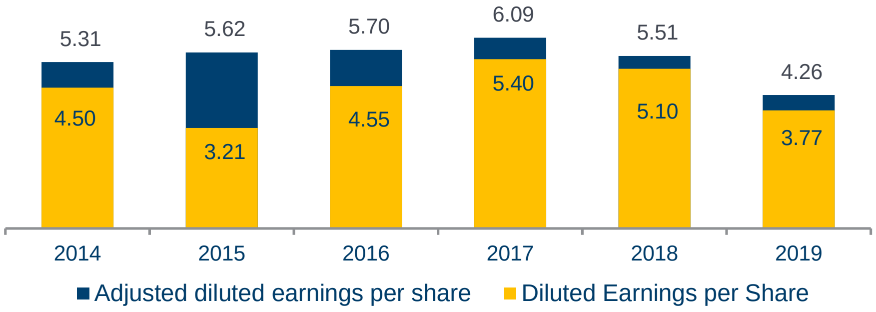
- **Personal**
- **Business**
- **Institutional**



Renewed Focus on Profitability Supported by a Culture of Performance

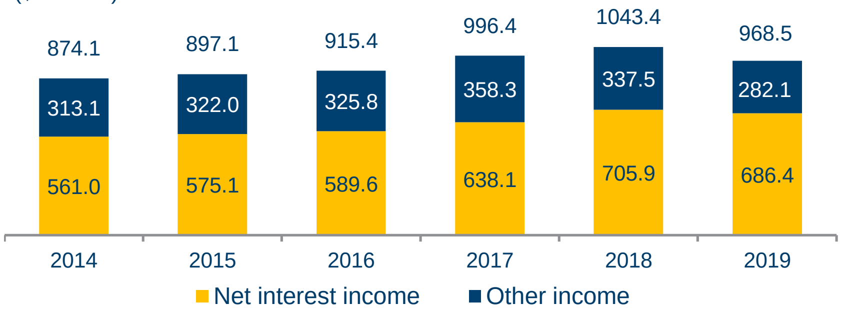
Diluted Earnings per Share

($)



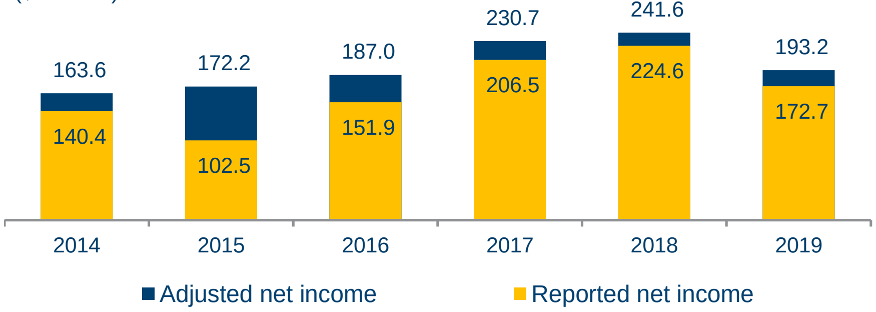
Total Revenue

($ millions)

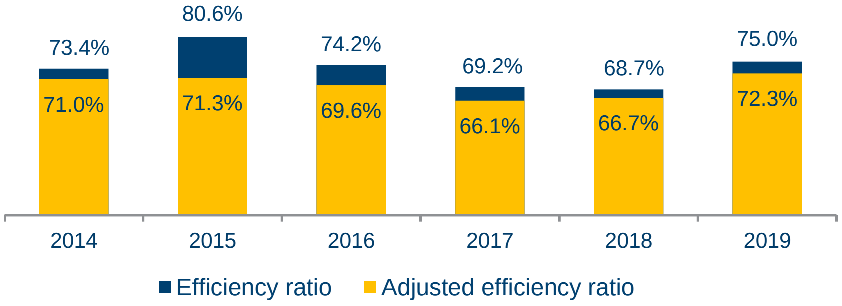


Net Income

($ millions)

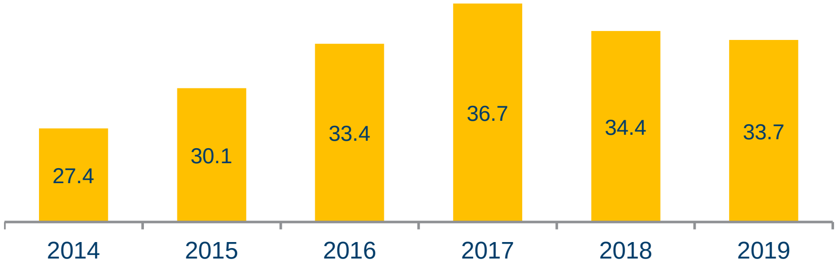


Efficiency Ratio

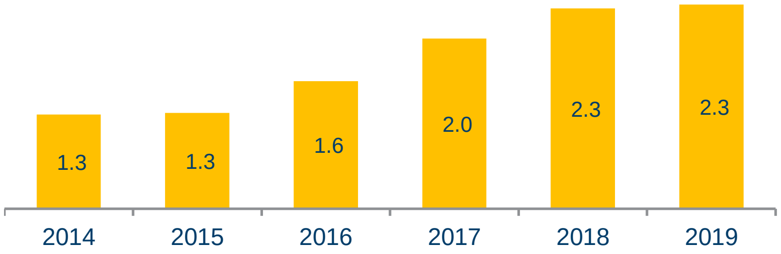


Renewed Focus on Growth Supported by a Solid Foundation

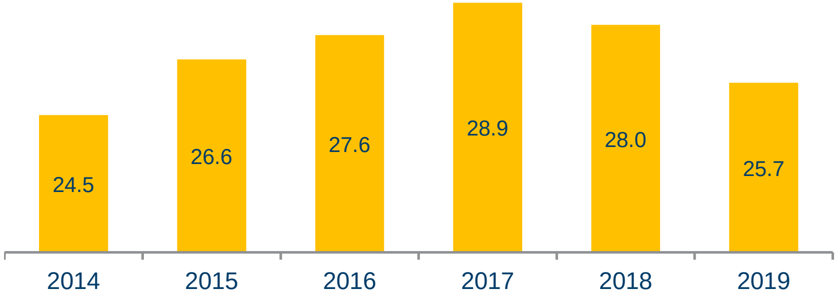
Total Loans and Acceptances
($ billions)



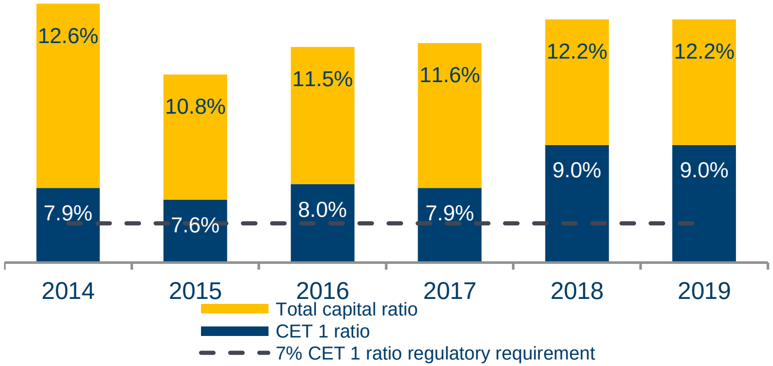
Common Shareholders' Equity
($ billions)



Total Deposits
($ billions)



CET 1 and Total Capital Ratios



Executing Our Strategic Plan

2019 Achievements

Strategic

Renewed labour relations environment so we can focus on growth and profitability

- Improves ability to serve customers
- Allows process efficiencies
- Emphasizes individual performance
- Consolidation of corporate functions

Financial

While 2019 profitability was below what we aim for, we achieved:

- Loans to business customers up 9% *
- Net interest margin up 3 bps
- Strong credit: low loan loss ratio at 13 bps
- Solid CET1 ratio: 9.0%

Foundational

Great progress made towards executing our strategic plan

- Implemented a new core banking system
- Converted branches to 100% Advice Financial Clinics
- Launched fully digital offerings for Canadians

* Loans to business customers increased 9% adjusting for the loan sale of $105 million in 2019 and 8% excluding this adjustment.

Stronger Fundamentals Than Ever Before

Capital and liquidity position	• Solid CET1 ratio and appropriate liquidity level
Funding	• Multiple and diversified funding sources to support growth, including 3 Personal Banking channels: Financial Clinics, Advisors and Brokers, and Digital direct to customer
Credit and Risk Management	• Industry low loss provision – a testament to the quality of the Bank’s underwriting and credit risk management
Processes and Technology	• Continuous improvement in processes and technology, reinforced by data risk governance • Changed the foundation of the core banking system and working towards full implementation by December 2020

Well positioned to pursue profitable growth

2020: Levers for Growth and Improving Profitability

Business	Continue to grow by double digits using our industry and product specializations, while enhancing the customer experience • Inventory and Equipment financing: expand in U.S. and Canada • Real Estate financing: leverage strong relationships to pursue high quality growth

Personal	Stabilize residential mortgage and personal loan portfolios and resume growth
	• Financial Clinics:
	    • Enhance the customer experience
	    • Grow volumes in lending and investment products
	• Advisors and Brokers:
	    • Launch Alt-A programs, including Business For Self, Equity programs, etc.
	    • Strengthen partnerships with major mortgage brokerage firms across Canada
	• Digital offerings: a new source of customers, deposits and cross-sell opportunities
	    • Add functionality, transactions and products to the platform
	    • Promote the offer from coast to coast

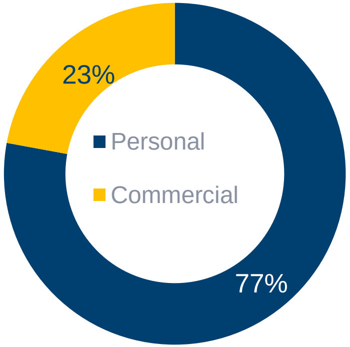
Institutional	Harness more opportunities, facilitated by new leadership in Capital Markets Build on strengths and better align Capital Markets with the rest of the organization

Loan Portfolio Evolution – Strategic Diversification

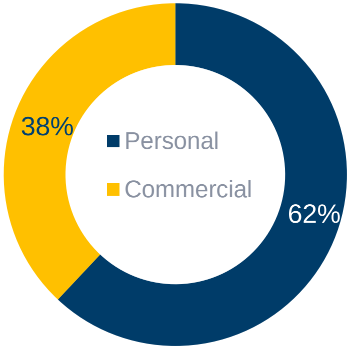
Q4-2015
Total Loans $30.0B

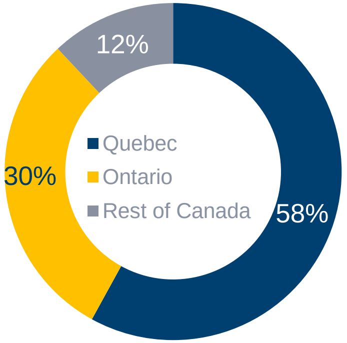
Organic growth & acquisitions

Q4-2019
Total Loans $33.7B

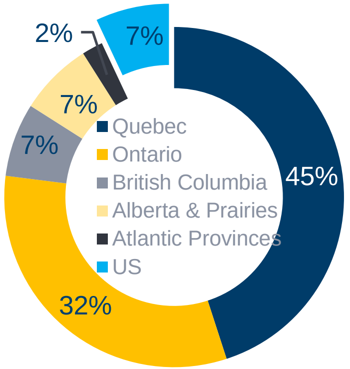


Diversified across business lines





Diversified across geographies



Note: Personal includes Personal Loans and Residential Mortgage Loans

Solid Capital Position

A healthy level to support growth and withstand unforeseen events

	Q4-2015		Q4-2019
CET1 Ratio	7.6%	+ 140 bps	9.0%
Basel III Leverage Ratio	3.5%	+ 110 bps	4.6%

2022 and Beyond:

AIRB will improve the capital efficiency of the balance sheet and further enhance performance

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 October 31, 2019	9.0%	10.2%	12.2%	4.6%
Regulatory Minimum	7.0%	8.5%	10.5%	3.0%

2022 Medium-Term Performance Targets[1]

Adjusted ROE

Narrow gap to 250 bps by 2022[2]

Adjusted Efficiency Ratio

< 63% by 2022

Adjusted Diluted EPS

Grow by 5% to 10% annually

Adjusted Operating Leverage

Positive

Loans to Business Customers

Grow by $4.5B to $17.5B by 2022

2019 $13.0B

2022 $17.5B

Loans to Personal Customers[3]

Grow by $1.8B to $22.5B by 2022

2019 $20.7B

2022 $22.5B

Deposits from Clients[4]

Grow by $3.5B to $26.0B by 2022

2019 $22.5B

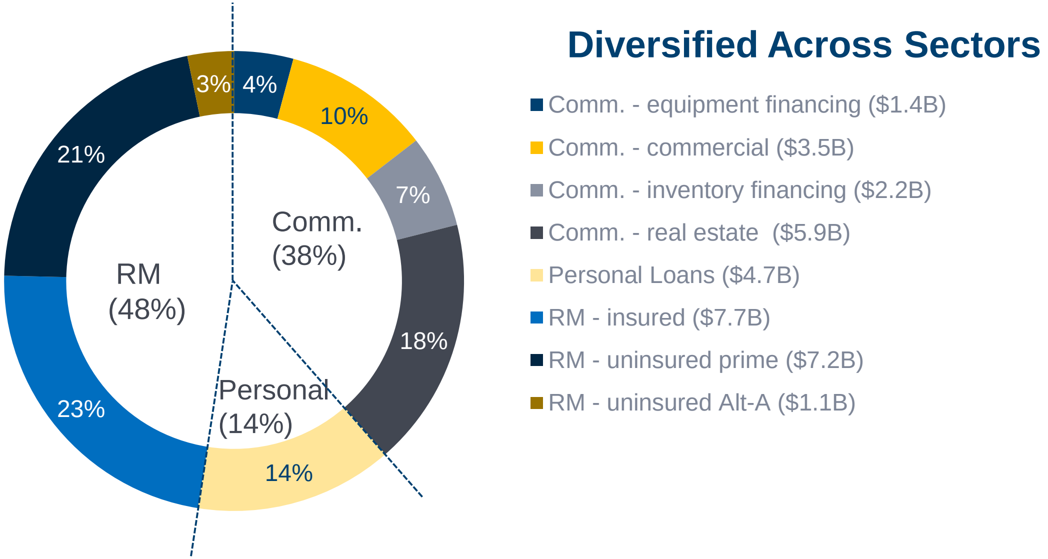
2022 $26.0B

(1) Certain measures presented throughout this document exclude the effect of amounts designated as adjusting items. Refer to the Non-GAAP Measures appendix for further details.
(2) Gap based on 2019 results (the weighted average of the 6 major Canadian banks at 15.6%).
(3) Including personal loans and residential mortgage loans.
(4) Including personal deposits from Financial Clinics, Advisors and Brokers, Digital Direct to customers and Business customers.

Credit

Loan Portfolio at a Glance (as at October 31, 2019)

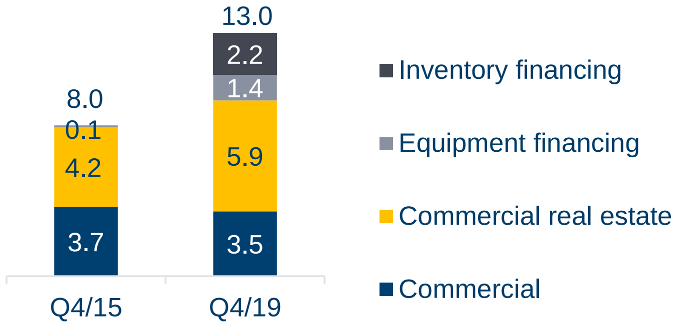
Total Loans	**$33.7B**
Residential Mortgages (RM)	$16.0B
Commercial Loans (Comm.)	$13.0B
Personal Loans	$4.7B



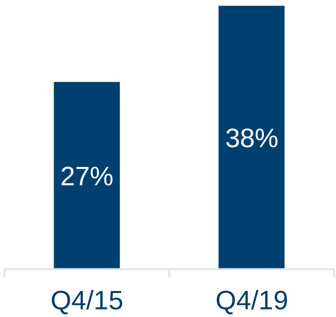
- ✓ **98% of the loan portfolio is collateralized**
- ✓ **No single industry exposure > 12%**
- ✓ **No sub-prime mortgage lending**

Commercial Loan Portfolio: Strong, Diversified and Growing

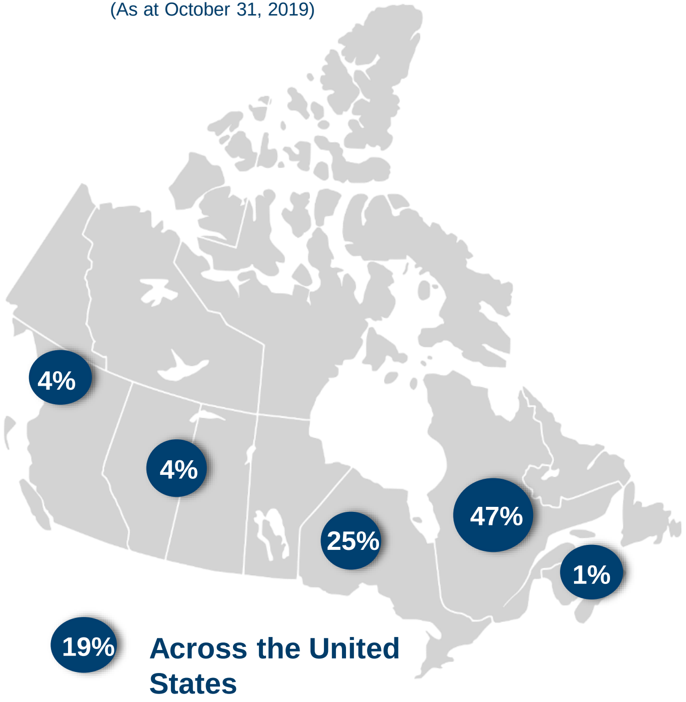
Commercial Loan Portfolio
(In $ Billions)



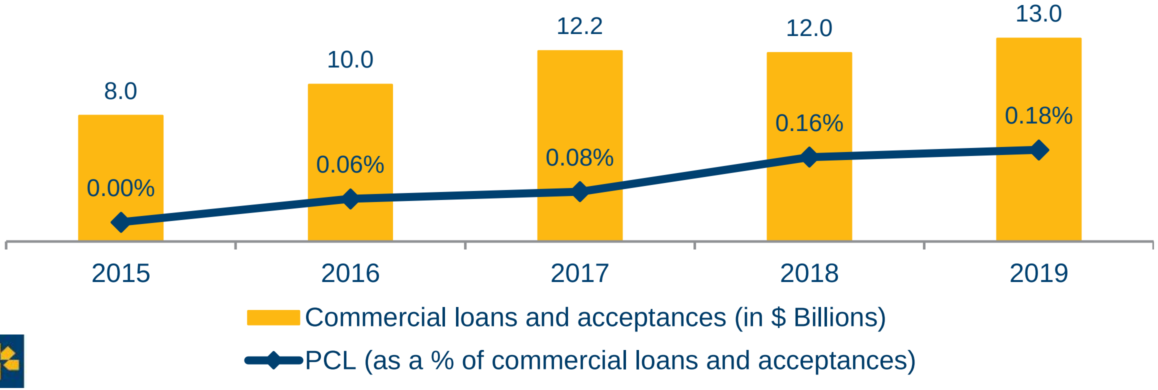
Commercial Loans
(As a % of total loans)



A pan-Canadian Portfolio and a U.S. Presence
(As a % of commercial loan portfolio)
(As at October 31, 2019)

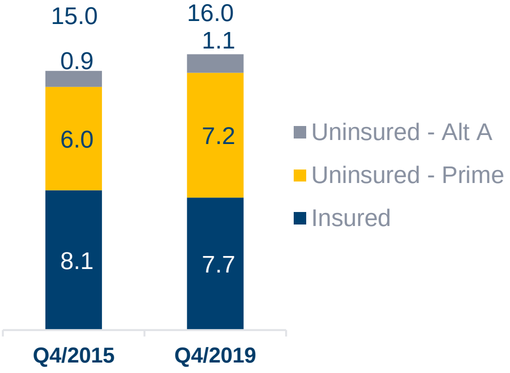


Strong Credit Quality With a Low Loss Ratio



Residential mortgage (RM) portfolio (as at October 31, 2019)

RM portfolio mix (in $ billions)



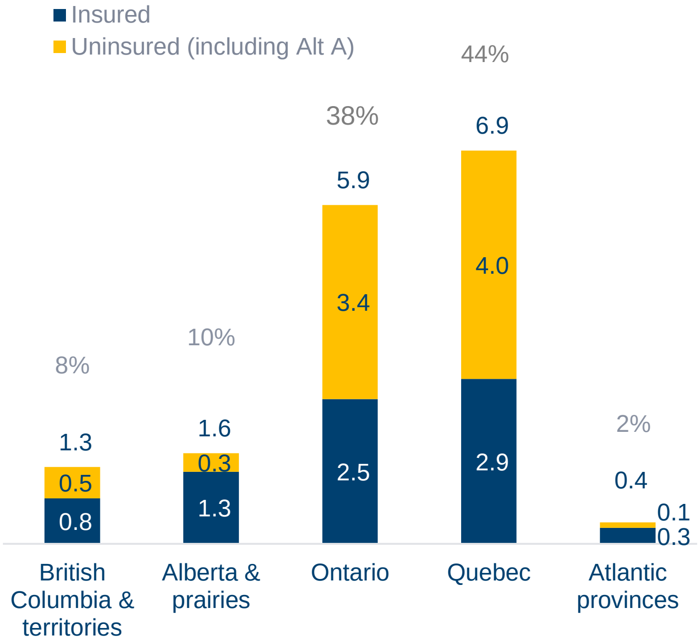
From Q4/2015 – Q4/2019:

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

As at Oct. 31, 2019: LBCFG has

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

RM portfolio by region (in $ billions)

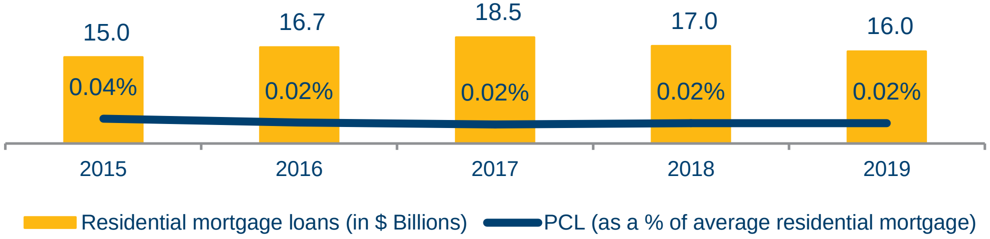


LTV of Uninsured RM by region (including Alt A)

45%	**54%**	**47%**	**55%**	**55%**

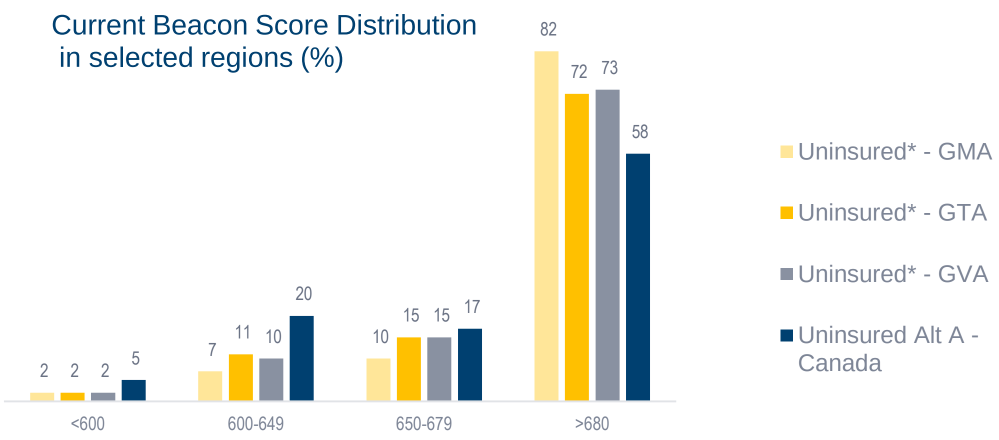
- ✓ **Consistently low LTV on Uninsured RM across Canada**
- ✓ **A sliding scale: higher the property value, lower the LTV**

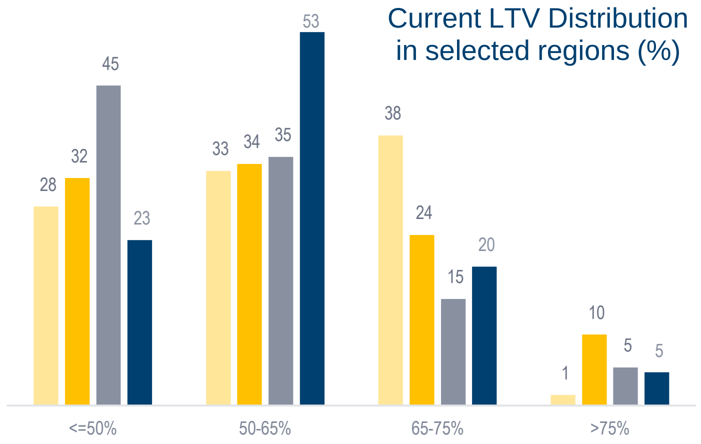
Total RM: PCL(%) vs Loan balance ($B)



LTV reflects current estimated value of collateral, including HELOCs. As at October 31, 2019: HELOCs $0.7B (67% in Quebec, 18% Ontario, 15% rest of Canada)

Uninsured RM portfolio (as at October 31, 2019)





Uninsured RM	Prime			Alt A
Region	**GMA**	**GTA**	**GVA**	**CANADA**
Loan balance	$2.5B	$ 1.6B	$0.2B	$1.1B
Average LTV (%) **	53%	48%	51%	46%
Average Beacon Score	751	688	693	669

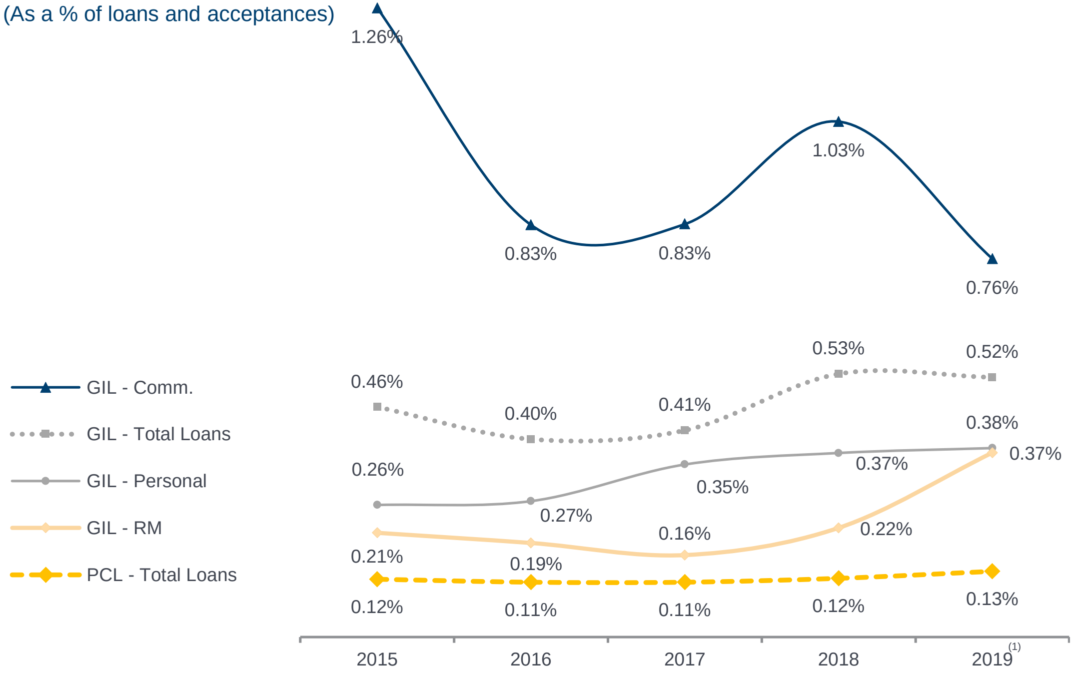
* Uninsured include Prime and Alt A

** 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)



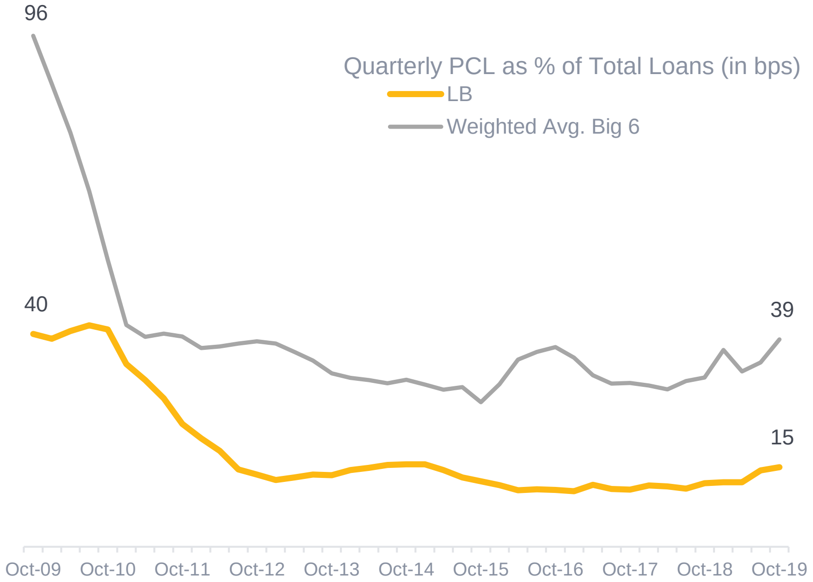
PCL remains low and stable because problem commercial loans are dealt with by a strong in-house workout group consisting of former insolvency experts.

This arrangement leads to a longer management cycle, therefore higher impaired amounts. However, it effectively lowers the actual losses through careful management, reinforced by LBCFG's conservative secured lending and disciplined underwriting.

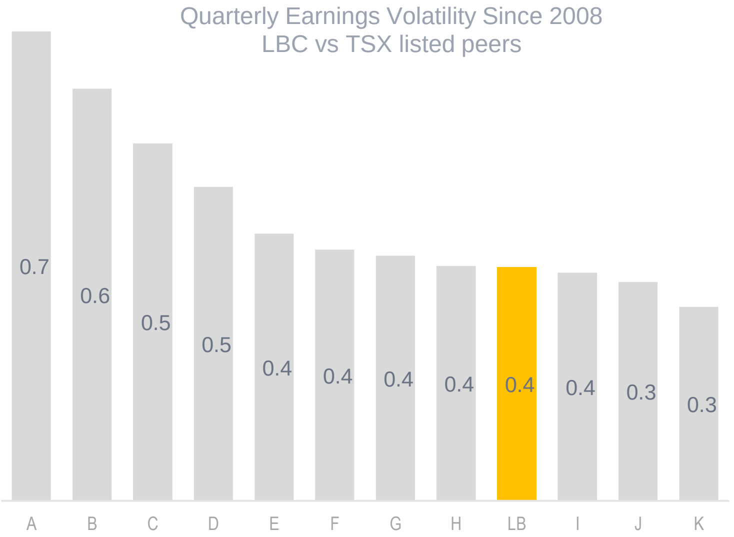
(1) Under IFRS 9, adopted on November 1, 2019, all loans classified in stage 3 of the ECL model are impaired loans, including $27.1M of insured residential mortgage loans and $3.3M of insured personal loans.

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 management strategies to mitigate risk



Consistently low earnings volatility in line with Big 6 - underlines solid risk management, diversification and stability of income

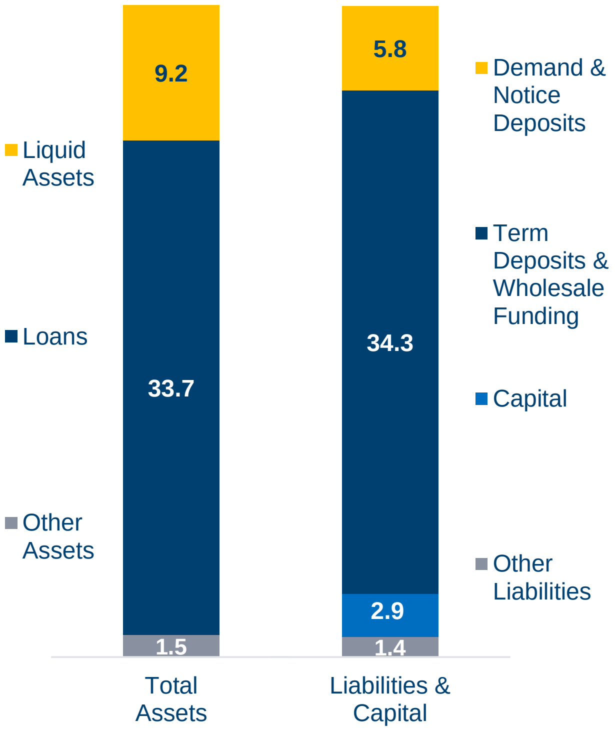


Reported Net Income, Provision for Credit Losses (PCL) and Total Loan Balance are quarterly data sourced from Bloomberg.
Volatility = Standard Deviation of quarterly reported net income / Mean

Liquidity and Funding

Balance Sheet Management (as at October 31, 2019)

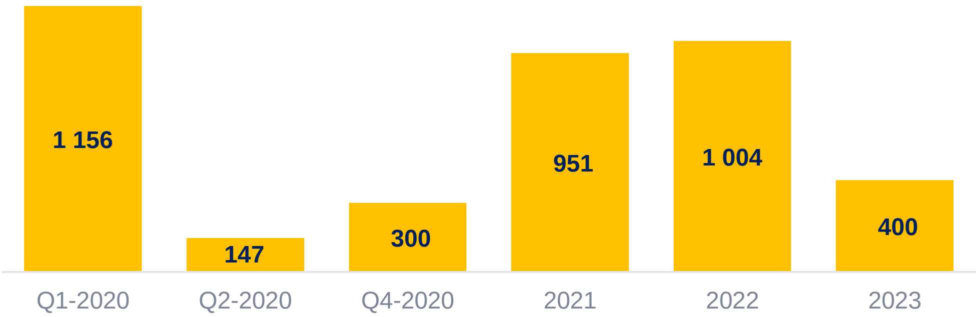
Balance Sheet ($44.4B)



- Prudent liquidity management guided by risk appetite
- Reduced excess liquidity after ratifying 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

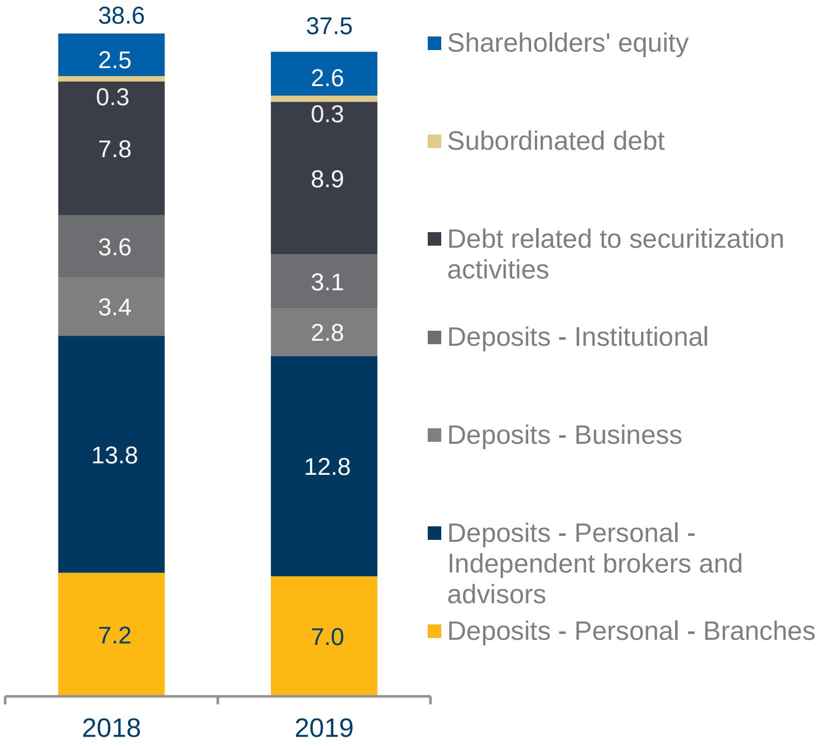
(in $ Millions)



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

Well Diversified and Stable Sources of Funding

Funding ($ billions)



Funding Strategies:

Continue to maintain prudent liquidity position & funding diversification:

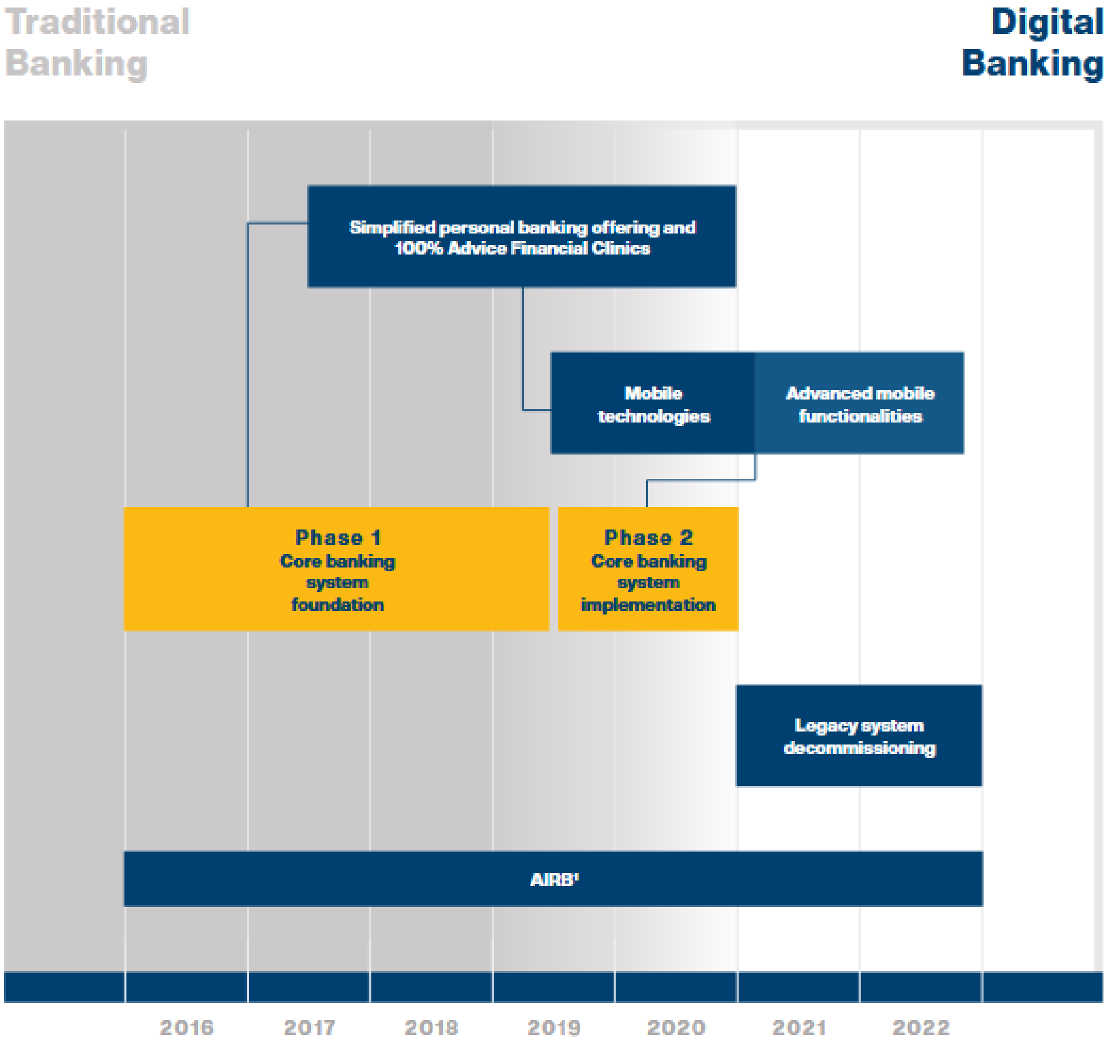
- Optimize securitization funding
- Focus on sticky deposits and GICs from 3 Personal channels - Financial Clinics, Advisors and Brokers, Digital Direct to Customers
- Explore alternative funding sources

Appendices

Working toward our strategic objectives

	2022 strategic objectives	What is completed	What must be achieved
Foundation	**Building a strong foundation:** • Rebuild a proper account management platform • Rightsize and modernize corporate functions • Develop new brand elements	• Implementation of the foundation of the core banking system • Migration of B2B Bank products and most of the Business Services accounts onto the new core banking system • Implementation of a platform for our equipment financing activities • Creation of Laurentian Bank Financial Group, LBC Tech and LBC Capital • Consolidation of various corporate functions	• Migrate all remaining products and accounts to the new core banking system • Continue to automate and improve the efficiency of our processes • Refine our regulatory and compliance frameworks • Launch of an online commercial banking platform to improve business client experience • Improve client experience through enhanced digital and social media functionalities • Continued investment in cybersecurity • Develop brand presence in social media
Growth	**Investing in profitable growth:** • Develop competitive product offering • Build best-in-class teams of advisors and account managers • Better understand and service key client segments • Expand distribution geographically	• Optimization of branch network activities in Quebec • Implementation of 100% Advice Financial Clinics • Launch of a digital banking offer to clients of Advisors and Brokers • Launch of a digital banking offer under the LBC Digital brand • Acquisition and integration of CIT Canada activities and those of Northpoint Commercial Finance • Increase of loans to business customers in the loan portfolio mix	• Resume growth in residential mortgages and personal loans • Gain personal deposits with digital direct to customer offering across Canada • Enhance digital direct to customer offering with lending products • Continue to grow loans to business customers in Canada and in the U.S. • Increase revenues from brokerage, treasury and capital markets activities
Performance	**Improving performance:** • Reduce cost of administration • Better manage capital • Build a culture of performance	• Efficiency improvements of some administrative functions • Optimization of our sources of financing including securitization and institutional deposits • Consolidation of our corporate offices in Montreal • Launch of a new Global Performance Recognition Program within the organization • Renewed labor relations environment including the redefinition of the bargaining unit	• Focus growth activities on advice in Financial Clinics • Optimize footprint by creating regional hubs • Invest in infrastructure to expand equipment and inventory financing activities in the U.S. • Prudently manage a strong balance sheet and maintain good credit quality • Continue to work toward adopting the AIRB approach to credit risk

Path to our transformation



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