



PRESENTATION BY FRANÇOIS DESJARDINS

PRESIDENT ET CHIEF EXECUTIVE OFFICER

ANNUAL MEETING OF SHAREHOLDERS

APRIL 9th, 2019

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TMX BROADCAST CENTRE GALLERY, TORONTO

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 retail branches, 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.

Only the delivered speech shall be considered as authoritative.

On behalf of the Laurentian Bank Financial Group, I want to thank you for being here.

Ms. Courville, the team and I wish to thank you and wish you the greatest success in your new role as Board Chair at CP Rail.

Mr. Mueller, we are happy to welcome you, on our journey to becoming a better and different bank. And I must say, BETTER and DIFFERENT it will be.

Now, allow me to ask: “who would have thought?”

Who would have thought that a bank, founded 173 years ago, that helped countless new Canadians when arriving in the port of Montreal, would today have more than \$45 billion in assets and be ranked among the top 40 banks in North America?

Who would have thought that the same bank, who less than 40 years ago, that was only able to serve retail customers on the island of Montreal, would today be a pan-Canadian institution and, have a targeted presence in the US? And moreover, not only serve retail customers, but:

- have a growing Business Services sector, and be a key player in inventory, equipment and commercial real estate financing;
- have a unique business model that harnesses the independent network of advisors and brokers to distribute its products;
- have an integrated broker that can gather a group of more than 300 institutional investors, corporate issuers and investment bankers for a top ranked small cap conference;
- and have a real focus on financial advice because THAT is what our customers tell us they want and need.

Who would have thought that this financial institution, perceived by some as your grandfather’s sleepy bank, would be the largest bank in Canada to implement a new core banking system, one that will allow it to:

- retire old legacy systems;
- move forward with a modern, flexible platform; and
- launch digital banking across Canada, delivering on the promise of free banking services and a renewed customer experience?

Who would have thought this same bank, by embracing the values of Simplicity, Proximity and Honesty, is putting its customers first, moving day to day transactions to digital to enhance the experience, while prioritizing high value human interactions through its account managers and financial advisors.

And finally, who would have thought that this bank, after years of lackluster performance, is courageously following a transformation plan that repositions it for durable sustainable growth and improved profitability in an industry ripe for disruption?

At today's Laurentian Bank Financial Group, we are doing all this and more. We are becoming a better and different financial institution.

And, after a 28-year journey that took me from a branch teller to CEO, who would have thought that I still get excited about our prospects and completely carried away when I talk about this organisation that I know and love ?

Three years ago, we launched a 7-year plan focused on making Laurentian Bank Financial Group a renewed financial institution. Customer behaviors had shifted and continue to evolve at a rapid pace, sparked by advancements in technology and the globalization of banking.

In response, we crafted a mission statement that guides us in our journey to reinvent ourselves.

We help our customers improve their financial health. To achieve this, we outlined 3 strategic objectives:

- Build a stronger foundation;
- Invest in profitable growth;
- Improve financial performance.

At first, when we launched our 7 year plan, some were questioning the merits of such a long and ambitious plan. Others did not really know our organization at all, and how it had already changed from being the Quebec based, traditional retail bank it once was.

But Management and the Board of directors saw clearly what was to come: disruption in banking on a scale that we had only seen in other industries like photography or music.

The path we are on will make this organization a slick, nimble, cost efficient financial services group, ready to prosper, and ready to seek growth opportunities, whether they be organic or by acquisition.

To get there, in 2018, investments were made in our people, our processes and our technology:

- We completed phase one of the Core Banking implementation. This is a huge achievement and it is an exciting time for us because, going forward, this modern technology will significantly reduce implementation costs and time to market. In short, we are now building on solid ground;
- We implemented new best-in-class technology to improve our performance in leasing and equipment financing for one of our key growth engines: LBC Capital;
- We increased the self-service capacity for our customers by multiplying ABM access in joining THE EXCHANGE® Network – giving access to way more ABMs, going from about 300 to now 3300 – and that- from coast to coast;
- We have improved the quality of work life for our employees by completing the build of a new corporate office in Montreal. This investment is already paying dividends in supporting better teamwork, and a culture of performance. With our new Montreal office now fully operational, a strong presence in Toronto and offices across the country, we are seeing the vision of who we are becoming, come to life;
- We celebrated the grand opening of our first Advice Lounge located at our Montreal Corporate Office. This new concept focuses only on financial advice, improves the customer experience and lowers operating costs. We plan to replicate this concept at a prominent location on Montreal's south shore this year;
- We also strengthened the backbone elements of a growing organization, by improving processes and practices notably in the area of IT Governance, IT Security and Business Continuity.

All the while, in 2018, we continued to focus on profitable growth:

- We exited businesses that we believe were non strategic, like agriculture loans or safety deposit boxes;
- We had better than expected growth in LBC Capital and Northpoint Commercial Finance – who specialize in equipment and inventory financing, generating positive results with higher-margin loans;

- We refocused the retail branch network on advice, preferring to build longer lasting and more wholesome relationships with customers;
- All this points towards the objective of evolving the bank mix, by increasing loans to business customers and expanding our geographic footprint across Canada and the U.S.

In 2018, we had more than a few challenges:

- First, we successfully completed a very extensive mortgage loan portfolio review, to ensure that securitisation partners were satisfied with the quality of our paperwork. Unfortunately, our review attracted attention from media and created some insecurity in the market.
 - I am happy to report that we have completed this work as planned. Building on a long track record of disciplined management and conservative credit quality, we are now ready to focus on profitable mortgage growth.
- Second, we had very challenging negotiations with the union representing the Quebec branch network employees, and because the agreement had ended, we also needed to develop a contingency plan in case of a labour conflict, which included operational impacts and important costs.
 - I am happy to report that we will no longer bear the increased costs related to labour relations, as our unionized Quebec branch network employees have overwhelmingly supported our offer for a renewed collective agreement. This agreement allows us to play on a level field with others in our industry because we can now:
 - offer competitive working conditions, including a program to reward performance;
 - operate with flexibility and streamline non-core administration activities, as we continue to transform;
 - reduce unnecessary costs – notably as it relates to unionized staff employment security - and allows us to refocus our efforts on essential elements of our plan.

In terms of performance, we indicated that during this time of transformation, short-term performance would not follow a straight line. The investment we made - and continue to make throughout 2019 - contribute to a higher-than-usual expense run-rate, as we are managing two core banking systems side by side, as well as incurring higher regulatory and other transformation related costs.

I am sometimes asked “What is happening over there at Laurentian?” – I know that shareholders might be asking themselves the same question, and rightly so. I always answer “We are building the bank of tomorrow”.

What we have learned about the HMMVs and the Blockbusters is this: they failed because of their inertia, a failure to recognize that the world was changing around them. The financial industry is facing the same phenomena.

Laurentian is standing out and it is my wish that shareholders believe that this organization is making these investments because this will be the winning strategy.

Despite short term performance, this Bank has never been in a better financial position, in terms of its solid capital and liquidity levels; it continues to have an industry low loan loss provision – a testament to the quality of our underwriting and credit risk management; and it has never been stronger in terms of its processes and technology.

I cannot speak about other financial institutions, but what we are doing to move this organization into the next decade takes work and courage, but in the end this courage pays off:

- We are moving our brand, our people and our culture to one that puts the customers first, not on paper, in real life;
- We are moving our entire customer base to digital banking, an easier, mobile way to do banking, meaning that we will be the first to eliminate all manual transactions in our branches;
- We will be launching digital products gradually across Canada under two brands: Laurentian Bank and B2B Bank which will represent added value for our customers including independent financial advisors and brokers. In addition, this new customer base will provide a new source of funding.

“Nothing that is worthwhile comes easily” as the saying goes, and the team here at Laurentian is very much looking forward to seeing, in a not too distant future, our work create growth, performance and, value for our shareholders.

I would like then to introduce the team, some of the people that are making things happen at Laurentian; please stand when I call your name:

- Craig Backman, Executive Vice President, Personal Digital Banking;
- François Laurin, Executive Vice President, Finance, Treasury, Capital Markets, and Chief Financial Officer;
- William Mason, Executive Vice President and Chief Risk Officer
- Deborah Rose, Executive Vice President and Chief Operating Officer;
- Stéphane Therrien, Executive Vice President, Personal & Commercial Banking.

2019 continues to be a year of investment, and one where we are putting a lot behind us, completing a lot of foundational elements. Consequently, it is a year where we see the delivery of improved technology, a renewed and relevant collective agreement and better processes to drive future customer, loan and deposit growth.

We remain confident that the investments we are making will improve efficiency, and position Laurentian Bank Financial Group for sustainable growth, and performance, in an industry that is rapidly evolving and, while the road has been, and will continue to be bumpy for a little while longer, we are certain that the initiatives of our transformation plan will ultimately create long-term value for our shareholders. For this reason, Management remains steadfast and committed to achieving our mid-term targets.

I would like to thank our shareholders for their continued support, our Board members and team members for their dedication and most importantly, I express my gratitude to our customers who motivate us to surpass their expectations everyday.

Our dream, is to change this organisation for decades to come: we are building a better and different bank. And I must say, BETTER and DIFFERENT it will be.