



PRESENTATION BY MICHAEL MUELLER
CHAIR OF THE BOARD

ANNUAL GENERAL MEETING
APRIL 7, 2020 – 9:30 am
VIRTUAL MEETING

Only the delivered speech shall be considered as authoritative.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

At this meeting and in 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 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, including the direct and indirect impacts of the novel coronavirus (COVID-19) pandemic, 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.

Good morning, Bonjour à tous,

It has been an eventful, stimulating and productive year, both for the Board and the Laurentian Bank Financial Group.

In 2019, the Board continued to work with Management to ensure the advancement of the Strategic Plan. Although financial performance was negatively affected, the significant progress made over the past year on our transformation, in particular the progress made towards new core banking, digital, and the new labour relations environment, has reinforced the confidence that the Board has in the Group's overall strategy and its leadership. Moving the organisation forward to meet the changing behaviors of customers; focussing on digital offerings and advisory services, is a sound strategy: and a clear way forward into the next decade.

My fellow directors and I believe that the four-year foundational steps that have been completed will bring the Group closer to its goal of enhancing growth and achieving sustainable performance over the long term.

The Board recognizes the need for sound corporate governance, and its role in ensuring that we do business in an effective, ethical and transparent manner. Let me share a few thoughts on what that has meant to us.

Steps have been taken to better incorporate feedback received from shareholders and to enhance governance through various initiatives. This led us to implement majority voting, to adopt a diversity policy and a board renewal approach with 60% of the independent directors being appointed over the last 5 years.

Our outreach initiatives helped us to understand common areas of concern, the majority of which were addressed through enhanced disclosure. Specifically, we have provided improved transparency and additional information with respect to our short-term and long-term incentives.

Following last year's AGM, the Bank offered to engage with the 25 largest institutional shareholders who collectively represent 92% of total institutional shareholdings. Our discussions have been fruitful and mutually beneficial.

In addition, during 2019 significant changes to our compensation policies came into force, to include increasing of the level of at-risk pay for executives. This creates a strong pay-for-performance relationship. Among other things, we implemented a streamlined design of long-term incentives, which makes a higher percentage of compensation at risk and lengthens the time horizon for our long-term incentives.

As we are now midway through the roll-out of the Strategic Plan, the Board has also completed a review of, and has updated the composition of its Board Committees and is in the process of reviewing its mandates to ensure their effectiveness.

I would also like to highlight 3 key areas of focus for the Board, namely cybersecurity, ESG and regulatory compliance.

Laurentian Bank Financial Group has developed disciplined and rigorous policies based on advanced data security practices which the Board considers to be appropriate. With our major transformation toward the digital economy, it is essential that everyone in the organization becomes more knowledgeable in cybersecurity. All Directors have completed comprehensive training this year on the subject.

With respect to ESG, environment, social and governance factors, the Board supports the Group's initiative to advance the development of its plan and the hiring of an external expertise to enhance its disclosure and build a road map leading to the adoption of the recommendations of the Task Force on Climate Related Financial Disclosure. We are pursuing these worthwhile initiatives commensurate with the size and resources of our organization.

Regarding regulatory compliance, the Group completed a review of their Committee governance framework as well as a review of the corporate policy framework to adjust global governance in the context of the digitalization of the bank's offering and of a continuously evolving regulatory environment.

Additionally, Key Risk Indicators were put in place and/or improved to meet new regulatory requirements and to ensure risk measurement is consistent with the Group's transformation.

Please allow me now to comment on how Laurentian Bank Financial Group is responding to the challenges posed by the COVID-19 pandemic. I first want to state that this situation has been appropriately and carefully prioritized by the Board and the leadership team.

It is the Board's responsibility to ensure that robust business continuity plans are in place across the organization. It is reassuring that these plans, in place to continue operations when major events arise, were activated by Management and rolled out swiftly and proactively. As every scenario is different, Management has adapted these plans to deal most effectively with the specific challenges that a global pandemic presents. We continue to closely monitor developments and are taking all necessary measures to protect our team members and customers.

Despite the impacts this pandemic will have on the global economy we have put in place measures to ensure that the organization weathers the storm. The Board will continue to work with Management to make appropriate changes to its strategy, based on this new reality, one where the world has hit the pause button, and where there is economic uncertainty.

I would at this point like to take the opportunity to welcome Ms. Andrea Bolger and Mr. David Mowat who joined the Board last August. Ms. Bolger has extensive expertise in strategic direction and risk management in Canada's largest financial institution.

Mr. Mowat headed the largest financial institution in Alberta, where he oversaw the replacement of its core banking system and IT infrastructure.

I would also like to take this opportunity to pay tribute to Mr. A. Michel Lavigne who left the Board in March. Mr. Lavigne was appointed to the Board in March 2013 and was a key member of the Human Resources and Corporate Governance Committee. On behalf of the Board of Directors, I would like to thank him for his valuable contribution during his mandate and wish him the best of luck in his projects.

On behalf of my fellow Directors, I would like to thank François Desjardins, our President and Chief Executive Officer, as well as the other members of Management, for their vision, ability and resilience to successfully lead the Group to its current success during the most significant change in its history, and now even more so through a worldwide pandemic crisis.

This team has enthusiastically embraced the responsibility to move the organization to the next level by tackling foundational and strategic elements that if unaddressed, would have held LBCFG back from attaining its full potential. Their resolve and dedication is to be commended.

I would also like to sincerely thank all Laurentian Bank Financial Group team members during this time of crisis: their commitment, professionalism and care for our customers is remarkable.

Un grand merci à tous les membres de l'équipe de Banque Laurentienne Groupe Financier. Votre professionnalisme, engagement et support envers nos clients est remarquable.

I would be remiss not to acknowledge the efforts of my fellow Directors, whose valuable advice is essential to our success.

I also wish to express our appreciation to our shareholders and customers. Their loyalty and trust are essential to accomplish our mission.

Thank you