PRESENTATION BY FRANÇOIS LAURIN

EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

LAURENTIAN BANK OF CANADA

ANNUAL MEETING OF SHAREHOLDERS

APRIL 10th, 2018

PRESENTATION BY FRANÇOIS LAURIN,
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

ANNUAL MEETING OF SHAREHOLDERS
APRIL 10th, 2018 — 9:30 A.M.
CENTRE MONT ROYAL, MONTRÉAL

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 2017 Annual Report under the headings "Outlook" and "Off-Balance Sheet Arrangements - Securitization Activities". 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 ability to execute our transformation plan and strategy; the expectation of regulatory stability; the continued favourable economic conditions; our ability to maintain sufficient liquidity and capital resources; the absence of material unfavorable changes in competition, market conditions or in government monetary, fiscal and economic policies; the maintenance of credit ratings and our assumption that the in-depth review of the branch-underwritten mortgages described under the heading "Off-Balance Sheet Arrangements - Securitization Activities - Review of Mortgage Portfolios" of our 2017 Annual Report and in the Management Discussion and Analysis of the Bank for the period ended January 31, 2018, will reveal a level of ineligible loans with documentation issues in line with the level discovered through the limited sample audit. See also "How the Bank Will Measure its Performance - Key assumptions supporting the Bank's medium-term objectives" in our 2017 Annual Report.

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, levels of branch-underwritten ineligible loans with documentation issues being in excess of levels identified during sample file audits or other related assumptions pertaining to the conduit requirements, 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 transformation 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).

With respect to the anticipated benefits from the acquisition of Northpoint Commercial Finance ("NCF") and statements with regards to this transaction being accretive to earnings, such factors also include, but are not limited to: the ability to promptly and effectively integrate the businesses, reputational risks and the reaction of our and NCF's customers to the transaction; the failure to realize, in the timeframe anticipated or at all, the anticipated benefits and synergies of the acquisition of NCF; our limited experience in the U.S. market and in inventory financing; and diversion of management time on acquisition-related issues.

With respect to the anticipated benefits from the acquisition of CIT Canada and statements with regards to this transaction being accretive to earnings, such factors also include, but are not limited to: the ability to realize synergies in the anticipated time frame, the ability to promptly and effectively integrate the businesses, and diversion of management time on integration-related issues.
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” on page 44 of our Management's Discussion and Analysis as contained in our 2017 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 certain non-GAAP measures to assess the Bank's performance. The Bank's non-GAAP measures presented throughout this document exclude the effect of certain amounts designated as adjusting items due to their nature or significance. These 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.

Only the delivered speech shall be considered as authoritative.

Thank you, Mme Courville.
Good morning ladies and gentlemen.

2017 Financial Results

Fiscal 2017 was a year marked by strong core performance for Laurentian Bank Financial Group. Adjusted net income reached $230.7 million, or $6.09 per diluted share. Adjusted net income increased by 23% from a year earlier and adjusted diluted EPS increased by 7%. EPS was impacted by 15% more shares outstanding, as well as higher preferred share dividends compared to a year ago. Adjusted ROE was 12.3%, 30 basis points higher than in 2016.

Reported results for 2017 took into account adjusting items of $24.3 million and included costs related to the Bank's branch mergers and the integration of CIT Canada, as well as costs related to the acquisition of Northpoint Commercial Finance. This resulted in net income of $206.5 million or $5.40 per share.

Core earnings were positively impacted by growth in the niches which we are targeting and the good progress that we are making in key elements of our transformation plan. Specifically, in 2017 we achieved growth in loans to business customers of 22%. Excluding the acquisition of Northpoint, organic growth was 9%. As well, growth in residential mortgage loans through independent brokers and advisors reached 22%.

Overall, our revenues in 2017 increased by 9% while adjusted non-interest expenses rose by 3% compared to 2016. Our adjusted efficiency ratio of 66.1% improved by 350 basis points compared to a year earlier, helped by our evolving product mix and disciplined control of expenses.

We remain very satisfied with the credit quality of our loan portfolios. In 2017, the provision for credit losses stood at $37.0 million or $3.7 million higher than in 2016, and includes the favorable impact of reviews of allowance models, as well as the impact of the evolution of the mix and overall growth in the loan portfolios. This represents a ratio of provision for credit losses as a percentage of average loans and acceptances of only 11 basis points.

In 2017, we issued $240.6 million of common shares to support the Northpoint transaction.

Furthermore, the Board of Directors increased the dividend on common shares twice in the past year – in June 2017 and again in December 2017.

First Quarter 2018 Financial Results

At the end of February, the Bank reported good financial performance for the first quarter of 2018. Adjusted net income totalled $63.2 million, an increase of 20% compared to a year earlier. Adjusted diluted EPS were $1.49, an increase of 4%, and were impacted by 16% more average common shares outstanding compared to the first quarter of 2017. Adjusted ROE stood at 11.5%. On a reported basis, net income and diluted EPS were $59.7 million and $1.41 respectively. ROE at 10.8% was relatively unchanged from the first quarter of 2017.

Earnings were positively impacted by an increase in revenue of 10% year-over-year, mainly due to strong volume growth in the commercial loan portfolio, both organic and from acquisitions, and the higher margins earned, particularly on the acquired loans. When combined with disciplined expense control, our adjusted efficiency ratio improved by 260 basis points year-over-year to 64.8%.

In the first quarter, we continued to grow strategically. Loans to business customers increased by 22% year-over-year and excluding the acquisition of Northpoint, organic growth was 8%. As well, residential mortgage loans through independent brokers and advisors rose by 19% compared to a year ago. We grew deposits by 10% year-over year.

Good credit quality continued to be reflected in relatively low credit losses, with a loan loss ratio of 13 basis points. Over the medium-term, we expect the loss ratio to gradually move higher as our business mix continues to evolve, but it should continue to compare favorably to the banking industry.

These good core earnings were achieved while we strengthened our financial foundation. During the first quarter, we increased our CET1 ratio, calculated according to the Standardized Approach, to 8.6% from 8.2% a year earlier and we are maintaining a strong liquidity position to provide operational flexibility to execute our transformation plan.

Financial Objectives

With the plan aimed at improving performance, we are making progress towards achieving our 2020 medium-term growth targets and financial objectives.

Thank you for your attention and I will now return the floor to Mme. Courville.