Acquisition of Northpoint Commercial Finance

A Leading North American
Inventory Finance Lender

May 18, 2017

LAURENTIAN BANK

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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 the Bank believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Certain important assumptions by the Bank in making forward-looking statements include, but are not limited to: the satisfaction of all conditions to the completion of Acquisition and the related Equity Financing within the anticipated timeframe; the maintenance of the Bank’s Basel III Common Equity Tier 1 ratio; the Bank’s ability to execute its transformation plan and strategy; the successful and timely integration of the Bank and NCF and the realization of the anticipated benefits and synergies of the acquisition in the timeframe anticipated, including impact and accretion in various financial metrics; the ability to retain management and key employees of NCF; desired attributes of an equipment finance platform; the growth potential in the equipment finance niche market; the ability of the Bank to access the capital markets; the absence of significant undisclosed costs or liabilities associated with the acquisition; the absence of significant changes in foreign currency exchange rates or significant variability in interest rates; the ability to hedge exposures to fluctuations in interest rates and foreign exchange rates; the expectation of regulatory stability; no downturn in economic conditions; sufficient liquidity and capital resources; no material changes in competition, market conditions or in government monetary, fiscal and economic policies; and the maintenance of credit ratings.

The Bank cautions 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: the failure or delay to receive or fulfill regulatory approvals and notifications or otherwise satisfy the conditions to the completion of the acquisition or the Equity Financing; potential undisclosed costs or liabilities associated with the acquisition; historical and pro forma consolidated financial information may not be representative of future performance; reputational risks and the reaction of the Bank’s and NCF’s personnel and customers to the transaction; the failure to realize, in the timeframe anticipated or at all, the anticipated benefits and synergies of the acquisition; factors relating to the integration of the Bank and NCF, diversion of management time and unanticipated costs of integration; the Bank’s limited experience in the U.S. market and in inventory financing; difficulties in the operation of the Bank’s transformation plan and in particular the reorganization of retail branches, the modernization of the core banking system and adoption of the Advanced Internal Ratings-Based approach to credit risk; exchange rate risk; foreign currency exposure risk; 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, adverse modifications to credit ratings, scarcity of human resources, and developments in the technological environment.

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The Bank does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations.

Executive Summary

- Laurentian Bank of Canada ("LBC") has entered into an agreement to acquire Northpoint Commercial Finance (“NCF”), a leading non-bank inventory finance lender with a portfolio of approximately $1.2 billion (US $0.9 billion) in assets
- NCF is a diversified player in the equipment finance sector, specialized in inventory financing with a broad US & Canadian presence, based in Alpharetta, Georgia, USA & Burlington, Ontario, Canada
- Founded in 2012 by former Textron Financial Corporation leaders, NCF's top management team has unique expertise and a solid track record of originating, growing and managing a multi-billion dollar inventory finance portfolio
- NCF’s highly complementary activities will be combined with LBC Capital (within Business Services) to create a scalable end-to end equipment finance platform
- Transaction is expected to generate attractive margins and Bank believes this acquisition will be accretive to its EPS in the first full year of operation and by approximately 4% in 2019
- Concurrent with the acquisition, the Bank has entered into agreements providing for equity financings of subscription receipts, in the amount of (i) $200 million on a “bought deal” basis with a syndicate of underwriters and (ii) $25 million on a private placement basis with the Caisse de dépôt et placement du Québec
- Acquisition is expected to close before the end of fiscal 2017, subject to customary closing conditions, including regulatory approvals

Acquisition of NCF increases and diversifies Business Services in the Bank mix

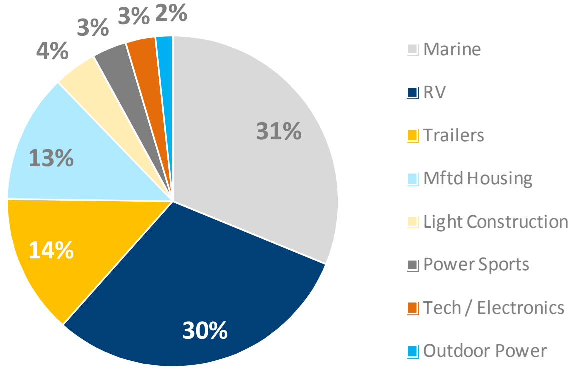
NCF – A Leading Specialized Inventory Financing Lender

- **Well established non-bank leader in inventory financing with a broad US and Canadian presence**
  - Head office based in Alpharetta, Georgia, USA
  - Canadian office in Burlington, Ontario, Canada
- **Operates in a large fragmented inventory finance market**
  - North American inventory finance market is fragmented and totals approximately $280+ billion (US $200+ billion[1])
  - The Bank believes the market presents significant growth opportunities
- **Founded in 2012 by a strong team of former Textron Financial Corporation professionals, under the leadership of Dan Radley**
  - Over 25 years of average experience and strong client relationships with leading companies
  - Strong professional and cultural fit
  - Existing management expected to continue to operate the company post acquisition
- **Well diversified portfolio of equipment loans**
  - $1.2 billion (US $0.9 billion) as at March 31, 2017, with average outstanding lines of credit below $0.5 million (US $0.4 million) per dealer
  - Relationships with > 300 manufacturers and > 2,000 dealers in 8 market segments
- **Attractive portfolio metrics & strong credit profile**
  - Floating rate lines of credit with attractive net interest margins projected in the mid-single digit range
  - Excellent underwriting standards with multiple sources of credit protection
    - Manufacturer repurchase and remarketing agreements
    - Dealer personal guarantees
    - Security interest on new equipment acquired at dealer cost
  - Average annual loss ratio of 19 bps since inception

1. Source: Equipment Leasing and Finance Foundation, 2016-2017 US Equipment Finance Market Study
Portion of the equipment finance market financed through lines of credit used as a proxy for inventory finance

Well Diversified Business

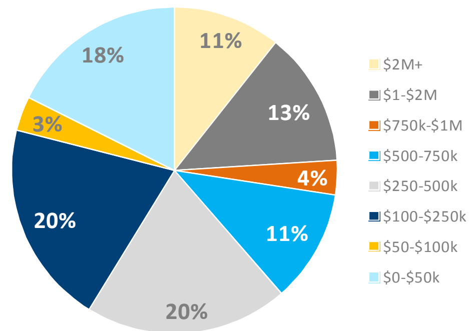
Market Segment Diversification [1]



Larger exposures reflect market segments at inception
Smaller exposures reflect recent entries into market segments

Dealer Credit Lines Diversification[1]

(based on authorized size)



Average authorized size of credit line is $0.8 million
Average outstanding credit line is $0.5 million

Geographic Diversification[1]

State / Province	Receivables ($M)	% Total Receivables
Texas	97.7	7.9%
Florida	84.6	6.9%
Michigan	70.0	5.7%
California	69.7	5.7%
Alabama	46.4	3.8%
New Jersey	37.7	3.1%
Washington	37.4	3.0%
Ohio	36.3	2.9%
New York	34.0	2.8%
North Carolina	33.0	2.7%
States 11-20	281.6	22.8%
States 21-50	277.3	22.5%
Subtotal - U.S.	**1 105.5**	**89.7%**
Ontario	32.8	2.7%
Subtotal - Canada	**127.5**	**10.3%**
Total Receivables	**1 233.0**	**100.0%**

Dealer Diversification[1]

Top 10 Dealers	Balance ($M)	% of Receivables
Dealer 1	34.4	2.8%
Dealer 2	19.2	1.6%
Dealer 3	18.6	1.5%
Dealer 4	15.3	1.2%
Dealer 5	14.4	1.2%
Dealer 6-10	Avg. 11.7	Avg. 0.9%
Top 10 Total	**113.6**	**13.0%**

1 Figures as of March 31, 2017

Strong Strategic Fit & Highly Complementary to LBC Capital

Equipment Finance Value Chain

Manufacturers → Equipment → **Dealers** → Equipment → **End-Users**

Inventory Finance

Loans & Leases

NORTHPOINT COMMERCIAL FINANCE ↔ Cross-Sell Opportunities ↔ LBC CAPITAL

Growth Drivers
Cross-sell opportunities
Increased penetration within dealer base
New dealers within existing manufacturer base
New manufacturers
New / complementary / adjacent product lines

Complementary offering provides attractive growth opportunities

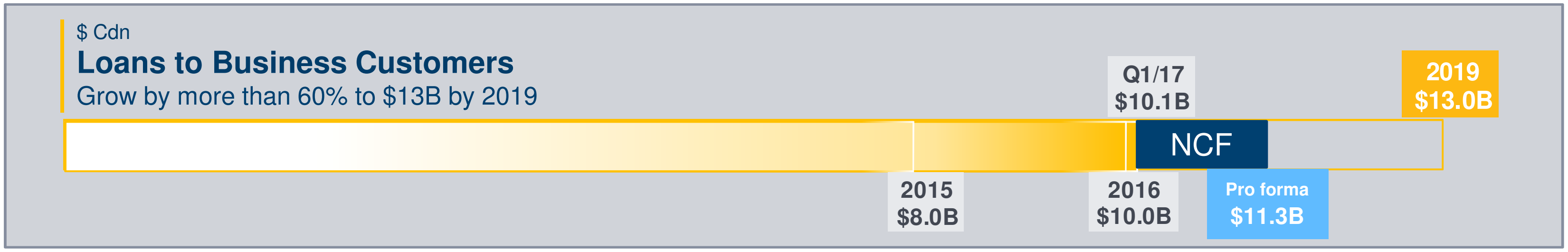
The making of LBC Capital – Strategic and Targeted

Desired Attributes of an Equipment Finance Platform	2014	2016 CIT Cdn Equipment Financing activities	2017 NORTHPOINT COMMERCIAL FINANCE	Now LBC CAPITAL
Team & Expertise	✓	✓	✓	✓
Leasing Capability	✓	✓		✓
Inventory Finance Capability			✓	✓
Scale / Brand Awareness		✓	✓	✓
Systems / Processes		✓	✓	✓
Footprint to Support North American Manufacturers			✓	✓

LBC Capital to become an end-to-end equipment finance platform for North American manufacturers and their dealer networks

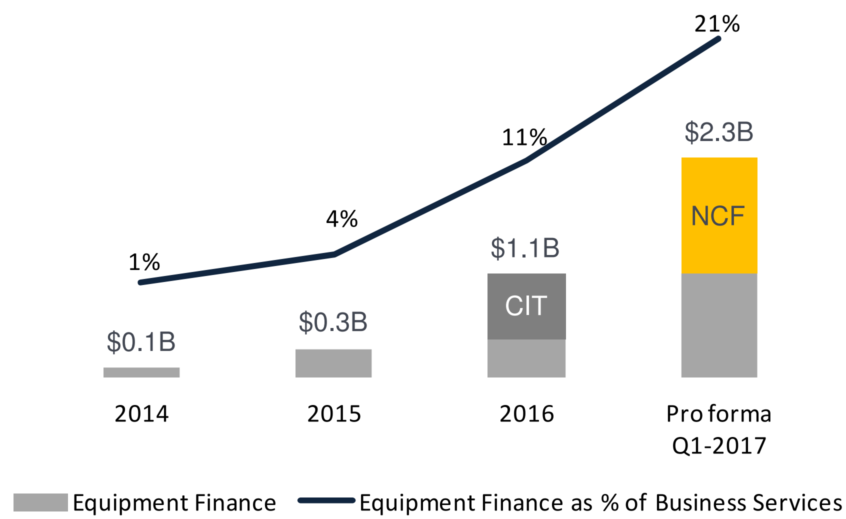
Aligned with our Transformation Plan Objectives

Increase Business Services in Bank mix



- Acquisition of NCF activities adds approximately $1.2 billion of diverse and attractive yielding assets to Business Services, advancing towards our 2019 target of $13.0 billion
  - 12% increase in the Business Services portfolio to $11.3 billion pro forma from $10.1 billion in Q1 2017
  - Business Services loans within the Bank mix increases from 30% in Q1 2017 to 32% pro forma

Growth Propelled by the Equipment Finance Specialty within Business Services



Attractive Financial Profile

Valuation	• Purchase price based on the book value of equity plus a premium • Favourable premium compared to recent comparable transactions
Consideration	• Issuing \$225 million of subscription receipts at \$51.70. The subscription receipts will be exchangeable into common shares of the Bank upon closing of the acquisition • Bank's current liquidity position to fund remainder of the assets
Impact on Capital	• Based on anticipated assets at the close of the transaction and giving effect to the related equity issuance, it is expected that the Bank's pro forma CET1 ratio would be maintained within the guided 7.8% to 8.2% range
Synergies and Costs	• Revenue synergies anticipated to be realized over time through cross-selling between existing NCF / LBC customers • Approximately \$6 million of transaction and integration costs are currently expected with a substantial portion to be incurred by the end of calendar 2017
Accretion	• Attractive margins that should be accretive, with the Bank's lower cost of funds expected to have a positive impact on Northpoint's margins • Bank believes this acquisition will be accretive to its EPS in the first full year of operation and by approximately 4% in 2019

Investor Relations

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