Laurentian Bank of Canada reports second quarter 2026 results

The financial information reported herein is based on the condensed interim consolidated (unaudited) information for the three-month and six-month periods ended April 30, 2026 and has been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB). All amounts are denominated in Canadian dollars. The Laurentian Bank of Canada and its entities are collectively referred to as "Laurentian Bank" or the "Bank" and provide deposit, investment, loan, securities, trust and other products or services.

MONTREAL, May 29, 2026 /CNW/ - Consistent with the strategic context established in the first quarter of 2026, Laurentian Bank of Canada reported a net loss of $20.6 million and a diluted loss per share of $0.50 for the second quarter of 2026, compared with net income of $32.3 million and diluted earnings per share of $0.69 for the second quarter of 2025. Return on common shareholders' equity(1) was negative 3.7% for the second quarter of 2026, compared with 4.9% for the second quarter of 2025. Of note, reported results for the second quarter of 2026 included adjusting items of $58.8 million ($43.2 million after income taxes), or $0.97 per share, related to the Transactions announced on December 2, 2025 (defined below). Refer to the Non-GAAP Financial and Other Measures section and to the Business Highlights section on pages 5 to 9 of the Bank's MD&A for additional information. Adjusted net income(2) was $22.6 million and adjusted diluted earnings per share(1) were $0.46 for the second quarter of 2026, compared with $34.0 million and $0.73 for the second quarter of 2025. Adjusted return on common shareholders' equity(1) was 3.4% for the second quarter of 2026, compared with 5.2% for the second quarter of 2025.

For the six months ended April 30, 2026, Laurentian Bank of Canada reported a net loss of $41.1 million and a diluted loss per share of $1.08, compared with net income of $70.9 million and diluted earnings per share of $1.44 for the six months ended April 30, 2025. Return on common shareholders' equity(1) was negative 3.9% for the six months ended April 30, 2026, compared with 5.1% for the six months ended April 30, 2025. Of note, reported results for the six months ended April 30, 2026 included adjusting items of $133.2 million ($98.0 million after income taxes), or $2.19 per share, primarily related to the Transactions announced on December 2, 2025 (defined below). Refer to the Non-GAAP Financial and Other Measures section and to the Business Highlights section on pages 5 to 9 of the Bank's MD&A for additional information. Adjusted net income(2) was $56.9 million and adjusted diluted earnings per share(1) were $1.11 for the six months ended April 30, 2026, compared with $73.4 million and $1.50 for the six months ended April 30, 2025. Adjusted return on common shareholders' equity(1) was 4.0% for the six months ended April 30, 2026, compared with 5.3% for the same period one year ago.

"This quarter marked meaningful progress in preparing for our transactions with Fairstone Bank and National Bank. We remain confident in closing these transactions by late 2026", said Éric Provost, President and Chief Executive Officer of Laurentian Bank of Canada. "As we continue to execute and position the Bank for a sustainable, commercial specialty-focused future, our core businesses are delivering high-quality growth. Our teams remain fully committed to supporting our customers with consistency and care, while managing our operations with discipline."

	For the three months ended			For the six months ended		
In millions of dollars, except per share and percentage amounts (Unaudited)	**April 30, 2026**	April 30, 2025	Variance	**April 30, 2026**	April 30, 2025	Variance
Reported basis						
Net income (loss)	**$ (20.6)**	$ 32.3	n.m.	**$ (41.1)**	$ 70.9	n.m.
Diluted earnings (loss) per share	**$ (0.50)**	$ 0.69	n.m.	**$ (1.08)**	$ 1.44	n.m.
Return on common shareholders' equity(1)	**(3.7) %**	4.9 %		**(3.9) %**	5.1 %	
Efficiency ratio(3)	**102.7 %**	76.1 %		**104.7 %**	75.5 %	
Common Equity Tier 1 (CET1) capital ratio(4)	**11.0 %**	11.0 %		**11.0 %**	11.0 %	
Adjusted basis						
Adjusted net income(2)	**$ 22.6**	$ 34.0	(33) %	**$ 56.9**	$ 73.4	(23) %
Adjusted diluted earnings per share(1)	**$ 0.46**	$ 0.73	(37) %	**$ 1.11**	$ 1.50	(26) %
Adjusted return on common shareholders' equity(1)	**3.4 %**	5.2 %		**4.0 %**	5.3 %	
Adjusted efficiency ratio(1)	**77.6 %**	75.2 %		**77.1 %**	74.8 %	

(1) This is a non-GAAP ratio. For additional information, refer to the Non-GAAP Financial and Other Measures below and beginning on page 5 of the Second Quarter 2026 Report to Shareholders, including the Management's Discussion & Analysis (MD&A) for the period ended April 30, 2026. These pages are incorporated herein by reference. The MD&A is available on SEDAR+ at www.sedarplus.ca.

(2) This is a non-GAAP financial measure. For additional information, refer to the Non-GAAP Financial and Other Measures section below and beginning on page 5 of the Second Quarter 2026 Report to Shareholders, including the MD&A for the period ended April 30, 2026. These pages are incorporated herein by reference.

(3) This is a supplementary financial measure. For additional information, refer to the Non-GAAP Financial below and beginning on page 5 of the Second Quarter 2026 Report to Shareholders, including the MD&A for the period ended April 30, 2026. These pages are incorporated herein by reference.

(4) In accordance with the Office of the Superintendent of Financial Institutions' (OSFI) Capital Adequacy Requirements Guideline.

Non-GAAP Financial and Other Measures

In addition to financial measures prepared based on generally accepted accounting principles (GAAP), management utilizes non-GAAP financial measures to evaluate the Bank's underlying and ongoing business performance. These non-GAAP financial measures, referred to throughout this document as adjusted measures, exclude items identified as adjusting items. Adjusting items consist of certain items of significance that arise from time to time which management believes are not indicative of underlying business performance.

Non-GAAP financial measures are not standardized financial measures under the financial reporting framework used to prepare the Bank's financial statements and may not be comparable to similar measures disclosed by other issuers. The Bank believes these non-GAAP financial measures are useful to readers in obtaining a better understanding of how management assesses the Bank's performance and in analyzing trends.

The following tables present a reconciliation of the non-GAAP financial measures to their most directly comparable financial measure that is disclosed in the primary financial statements of the Bank.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES -- CONSOLIDATED STATEMENT OF INCOME

In thousands of dollars (Unaudited)	For the three months ended April 30 2026	January 31 2026	April 30 2025	For the six months ended April 30 2026	April 30 2025
Total revenue	**$ 213,655**	$ 251,555	$ 242,516	**$ 465,210**	$ 492,153
Less: Adjusting items, before income taxes					
Net loss on the Syndicated Loan Transaction[1]	**(22,508)**	--	--	**(22,508)**	--
Profit on sale of assets under administration[2]	**--**	--	--	**--**	875
Adjusted total revenue	**$ 236,163**	$ 251,555	$ 242,516	**$ 487,718**	$ 491,278
Non-interest expenses	**$ 219,492**	$ 267,374	$ 184,518	**$ 486,866**	$ 371,491
Less: Adjusting items, before income taxes					
Restructuring and other impairment charges[3]	**31,216**	61,210	2,222	**92,426**	4,249
Transaction and conversion costs[4]	**5,067**	11,015	--	**16,082**	--
Net loss on the settlement of pension plans resulting from annuity purchases[5]	**--**	2,214	--	**2,214**	--
	36,283	74,439	2,222	**110,722**	4,249
Adjusted non-interest expenses	**$ 183,209**	$ 192,935	$ 182,296	**$ 376,144**	$ 367,242
Income (loss) before income taxes	**$ (32,709)**	$ (32,322)	$ 41,305	**$ (65,031)**	$ 88,794
Adjusting items, before income taxes (detailed above)	**58,791**	74,439	2,222	**133,230**	3,374
Adjusted income before income taxes	**$ 26,082**	$ 42,117	$ 43,527	**$ 68,199**	$ 92,168
Reported net income (loss)	**$ (20,587)**	$ (20,497)	$ 32,329	**$ (41,084)**	$ 70,930
Adjusting items, net of income taxes					
Net loss on the Syndicated Loan Transaction[1]	**16,550**	--	--	**16,550**	--
Profit on sale of assets under administration[2]	**--**	--	--	**--**	(643)
Restructuring and other impairment charges[3]	**22,951**	45,007	1,633	**67,958**	3,123
Transaction and conversion costs[4]	**3,726**	8,099	--	**11,825**	--
Net loss on the settlement of pension plans resulting from annuity purchases[5]	**--**	1,628	--	**1,628**	--
	43,227	54,734	1,633	**97,961**	2,480
Adjusted net income	**$ 22,640**	$ 34,237	$ 33,962	**$ 56,877**	$ 73,410
Net income (loss) available to common shareholders	**$ (22,523)**	$ (25,746)	$ 30,393	**$ (48,269)**	$ 63,745
Adjusting items, net of income taxes (detailed above)	**43,227**	54,734	1,633	**97,961**	2,480
Adjusted net income available to common shareholders	**$ 20,704**	$ 28,988	$ 32,026	**$ 49,692**	$ 66,225

(1) The net loss on the Syndicated Loan Transaction (defined below) is attributable to the sale of the Bank's syndicated loan portfolio to National Bank, together with the assumption of certain liabilities and the reversal of previously recognized allowances for credit losses, and is included in the Other income line item. For additional information, refer to the Business Highlights section beginning on page 8 of the Second Quarter 2026 Report to Shareholders including the MD&A for the period ended April 30, 2026. These pages are incorporated herein by reference.

(2) The profit on sale of assets under administration resulted from the sale of assets under administration of LBS' discount brokerage division in the first quarter of 2025. The profit on sale of assets under administration is included in the Other income line item. For additional information, refer to the Business Highlights section beginning on page 8 of the Second Quarter 2026 Report to Shareholders including the MD&A for the period ended April 30, 2026. These pages are incorporated herein by reference.

(3) Restructuring and impairment charges in 2026 arose from the Bank's strategic shift to a specialty commercial bank and its exit from the retail and SME banking businesses. As part of this transition, management reassessed the recoverability of certain non-financial assets and recorded provisions related to the planned operational changes. In 2025, restructuring and other impairment charges stemmed from the Bank's efforts to streamline its technology infrastructure and organizational structure, as well as from revised estimates related to lease contracts for corporate office premises. Restructuring and other impairment charges mainly comprised of impairment charges, severance charges, professional fees and charges related to leases and other, and are included in the Impairment and restructuring charges line item. For additional information, refer to the Business Highlights section beginning on page 8 of the Second Quarter 2026 Report to Shareholders including the MD&A for the period ended April 30, 2026. These pages are incorporated herein by reference.

(4) In connection with the Transactions announced on December 2, 2025, the Bank recognized transaction and conversion costs in 2026 that are attributable to the successful completion of the Transactions. These costs primarily relate to legal fees, professional fees and other incremental expenditures incurred as a direct result of the Transactions, and are included in the Transaction and conversion costs line item. Certain costs that are conditional upon the closing of the Transactions will be recognized as they are incurred in subsequent periods. For additional information, refer to the Business Highlights section beginning on page 8 of the Second Quarter 2026 Report to Shareholders including the MD&A for the period ended April 30, 2026. These pages are incorporated herein by reference.

(5) The net loss on the settlement of pension plans resulting from annuity purchases is related to the purchase of group annuity contracts de-risking the Bank's pension plans (or buy-out) in the first quarter of 2026 and is included in the Salaries and employee benefits line item. Refer to Note 12 to the Condensed Interim Consolidated Financial Statements for additional information.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES -- CONSOLIDATED BALANCE SHEET

In thousands of dollars (Unaudited)	For the three months ended April 30 2026	January 31 2026	April 30 2025	For the six months ended April 30 2026	April 30 2025
Shareholders' equity	**$ 2,755,324**	$ 2,821,965	$ 2,857,415	**$ 2,755,324**	$ 2,857,415
Plus (less):					
Preferred shares and other equity instruments	**(245,682)**	(245,682)	(245,625)	**(245,682)**	(245,625)
Cash flow hedge reserve[1]	**(29,088)**	(52,086)	(72,795)	**(29,088)**	(72,795)
Common shareholders' equity	**$ 2,480,554**	$ 2,524,197	$ 2,538,995	**$ 2,480,554**	$ 2,538,995

Impact of averaging month-end balances(2)	**18,117**	25,875	(825)	**44,243**	(666)
Average common shareholders' equity	**$ 2,498,671**	$ 2,550,072	$ 2,538,170	**$ 2,524,797**	$ 2,538,329

(1) The cash flow hedge reserve is presented in the Accumulated other comprehensive income line item.

(2) Based on the month-end balances for the period.

TOTAL LOANS AND DEPOSITS

Assets and liabilities related to the National Bank Transactions (defined below) are presented on separate line items on the Bank's Consolidated Balance Sheet as at April 30, 2026 and as at January 31, 2026 (not applicable as at October 31, 2025).

The tables below provide a view of the Bank's total loans and deposits, distinguishing between loans as reported, deposits as reported and those reclassified as assets held for sale and liabilities directly associated with assets held for sale, respectively. The Bank believes these non-GAAP financial measures are useful to readers in obtaining additional insight into the loans and deposits subject to the National Bank Transactions and supports the assessment of trends in the Bank's ongoing operations.

TOTAL LOANS

	As at April 30, 2026			As at January 31, 2026			
	Loans as reported	**Loans classified as held for sale**	**Total loans**	Loans as reported	Loans classified as held for sale	Total loans	Loans a reporte
Loans							
Personal	**$ 1,379,715**	**$ 595,358**	**$ 1,975,073**	$ 1,358,743	$ 603,986	$ 1,962,729	$ 1,975,6
Residential mortgage	**13,244,075**	**2,331,236**	**15,575,311**	13,361,496	2,462,591	15,824,087	16,131,79
Commercial	**17,369,243**	**943,239**	**18,312,482**	16,993,479	1,630,667	18,624,146	17,906,83
Total	**31,993,033**	**3,869,833**	**35,862,866**	31,713,718	4,697,244	36,410,962	36,014,24
Allowances for loan losses	**(151,975)**	**(16,673)**	**(168,648)**	(138,875)	(40,940)	(179,815)	(176,33
Total, net of allowances for loan losses	**$ 31,841,058**	**$ 3,853,160**	**$ 35,694,218**	$ 31,574,843	$ 4,656,304	$ 36,231,147	$ 35,837,91

TOTAL DEPOSITS

	As at April 30, 2026			As at January 31, 2026			
	Deposits as reported	**Deposits classified as held for sale**	**Total deposits**	Deposits as reported	Deposits classified as held for sale	Total deposits	Deposits as reported
Deposits							
Personal	**$ 14,753,992**	**$ 6,755,251**	**$ 21,509,243**	$ 14,670,367	$ 6,855,008	$ 21,525,375	$ 21,206,691
Business, banks and other	**2,013,811**	**894,937**	**2,908,748**	1,843,646	922,821	2,766,467	2,791,903
Total	**$ 16,767,803**	**$ 7,650,188**	**$ 24,417,991**	$ 16,514,013	$ 7,777,829	$ 24,291,842	$ 23,998,594

Business Highlights

Transactions Announced On December 2, 2025

On December 2, 2025, Laurentian Bank and National Bank of Canada (directly or through one or more of its affiliates) ("National Bank") entered into a definitive agreement to acquire Laurentian Bank's retail and SME banking portfolios (the "Retail/SME Transaction"). Laurentian Bank and National Bank also entered into a definitive agreement in respect of the sale to National Bank of Laurentian Bank's syndicated loan portfolio (the "Syndicated Loan Transaction" and, collectively with the Retail/SME Transaction, the "National Bank Transactions").

In parallel, Fairstone Bank of Canada entered into a definitive agreement (the "Acquisition Transaction Agreement") to acquire all issued and outstanding common shares of Laurentian Bank (the "Laurentian Bank Shares") (the "Acquisition Transaction" and, collectively with the Retail/SME Transaction, the "Transactions").

Refer to the Business Highlights section in the Bank's Second Quarter 2026 Report to Shareholders, including the MD&A for the period ended April 30, 2026, for additional information about the Transactions and the Syndicated Loan Transaction.

Summary of latest transaction developments

On February5,2026, at a special meeting of Laurentian Bank Shareholders (the "Meeting"), the common shareholders of the Bank voted in favour of the Acquisition Transaction pursuant to which Fairstone Bank of Canada will acquire all of the issued and outstanding common shares of the Bank. The special resolution requiring approval by at least $66^{2/3}$% of the votes cast was obtained, with 98.8% of votes cast in favour.

On February17,2026, the Bank completed the sale of its syndicated loan portfolio to National Bank of Canada (the Syndicated Loan Transaction). At the closing date, the outstanding principal balance of the syndicated loans was $705.7 million. As part of the Syndicated Loan Transaction, certain other liabilities were also assumed by National Bank. The total cash consideration received at closing by Laurentian Bank was $646.2 million, reflecting a discount of $50.0 million to the outstanding balance of the syndicated loans and assumption of certain liabilities. In the second quarter of 2026, the Bank recorded a net loss of $22.5 million ($16.6 million after income taxes) in connection with the Syndicated Loan Transaction, reflecting the aforementioned discount and the impact of reversing previously recognized allowances for credit losses. Refer to Note 5 to the Condensed Interim Consolidated Financial Statements for additional information.

As of May 8, 2026, the Competition Bureau concluded its review of the Retail/SME Transaction and the Acquisition Transaction. The Competition Act approval condition to closing for both Transactions has been satisfied, provided that there is no change in circumstances relating to the Competition Bureau. Each of the Transactions also requires approval by the Office of the Superintendent of Financial Institutions, the Canadian Investment Regulatory Organization and the relevant securities regulatory authorities. The Acquisition Transaction additionally requires approval by the Minister of Finance. The completion of the Acquisition Transaction is subject to the satisfaction of other closing conditions, including the closing of the Retail/SME Transaction. Assuming the timely receipt of all other required regulatory approvals and the satisfaction of other customary closing conditions, the Transactions are expected to be completed by late 2026.

Consolidated Results

Three months ended April 30, 2026 financial performance

A net loss of $20.6 million and a diluted loss per share of $0.50 were recorded for the second quarter of 2026, compared with net income of $32.3 million and diluted earnings per share of $0.69 for the second quarter of 2025. Of note, reported results for the second quarter of 2026 included adjusting items of $58.8 million ($43.2 million after income taxes), or $0.97 per share, related to the Transactions announced on December 2, 2025. Refer to the Non-GAAP Financial and Other Measures section and to the Business Highlights section on pages 5 to 9 of the Bank's MD&A for additional information. Adjusted net income was $22.6 million and adjusted diluted earnings per share were $0.46 for the second quarter of 2026, compared with $34.0 million and $0.73 for the second quarter of 2025.

Total revenue

Total revenue decreased by $28.9 million to $213.7 million for the second quarter of 2026, compared with $242.5 million for the second quarter of 2025, mostly attributable to a decrease in other income, partially offset by an increase in net interest income, as detailed below.

Net interest income increased by $2.8 million or 2% to $185.0 million for the second quarter of 2026, compared with $182.2 million for the second quarter of 2025. This increase is mainly due to favourable shifts in the Bank's business mix. The net interest margin was 1.84% for the second quarter of 2026, mainly unchanged compared with 1.85% for the second quarter of 2025.

Other income decreased by $31.7 million to $28.6 million for the second quarter of 2026, compared with $60.3 million for the second quarter of 2025. This decrease is primarily attributable to the $22.5 million net loss on the Syndicated Loan Transaction. The decrease was further driven by $9.8 million lower income from financial instruments, reflecting subdued financial markets related activity.

Provision for credit losses

The provision for credit losses was $26.9 million for the second quarter of 2026, compared with $16.7 million for the second quarter of 2025, representing an increase of $10.2 million, primarily driven by higher provisions on impaired commercial loans. The provision for credit losses as a percentage of average loans, including those classified as assets held for sale, was 31 basis points for the quarter, compared with 19 basis points for the same quarter one year ago. Refer to the "Credit risk" section on pages 18 to 20 of the Bank's MD&A and to Note 5 to the Condensed Interim Consolidated Financial Statements for additional information on provision for credit losses and allowances for credit losses.

Non-interest expenses

Non-interest expenses amounted to $219.5 million for the second quarter of 2026, an increase of $35.0 million compared with the second quarter of 2025. Adjusted non-interest expenses increased by $0.9 million or 1% to $183.2 million for the second quarter of 2026, compared with $182.3 million for the second quarter of 2025.

Salaries and employee benefits amounted to $91.0 million for the second quarter of 2026, a decrease of $1.4 million compared with the second quarter of 2025. The decrease primarily reflects lower regular salary and employee-related costs, consistent with workforce optimization efforts, partially offset by higher performance-based compensation.

Premises and technology costs were $54.2 million for the second quarter of 2026, an increase of $2.4 million compared with the second quarter of 2025. The increase mainly reflects higher technology costs, driven by the deployment of strategic technology initiatives and increased amortization from completed technology projects.

Impairment and restructuring charges were $31.2 million for the second quarter of 2026, compared with $2.2 million for the second quarter of 2025. In the second quarter of 2026, charges recorded result from the Bank's strategic shift to a specialty commercial bank and its exit from the retail and SME banking businesses. The charges primarily reflected the severance and employee benefit costs associated with anticipated workforce reductions, the impairment and accelerated amortization of software and other intangible assets, the impairment of right-of-use assets and leasehold improvements affected by the exit of related activities, and provisions for onerous contracts and unavoidable costs under contractual arrangements linked to the retail and SME operations. Refer to the Business Highlights section on pages 8 to 9 of the Bank's MD&A and to Note 17 to the Condensed Interim Consolidated Financial Statements for additional details. In the second quarter of 2025, the Bank recorded impairment and restructuring charges of $2.2 million related to streamlining the Bank's organizational structure.

Transaction and conversion costs amounted to $5.1 million for the second quarter of 2026. In connection with the Transactions announced on December 2, 2025, the Bank recognized transaction and conversion costs that are attributable to the successful completion of the Transactions. These costs primarily relate to legal fees, professional fees and other incremental expenditures incurred as a direct result of the Transactions. No such costs were recognized in the second quarter of 2025. Refer to the Business Highlights section on pages 8 to 9 of the Bank's MD&A and to Note 17 to the Condensed Interim Consolidated Financial Statements for additional details.

Other non-interest expenses were $38.0 million for the second quarter of 2026, essentially unchanged compared with the second quarter of 2025.

Efficiency ratio

The efficiency ratio on a reported basis increased to 102.7% for the second quarter of 2026, compared with 76.1% for the second quarter of 2025. The year-over-year increase primarily reflects the impairment and restructuring charges recognized in the quarter, as well as transaction and conversion costs. The adjusted efficiency ratio increased to 77.6% for the second quarter of 2026, compared with 75.2% for the second quarter of 2025, for reasons outlined in the analysis above.

Income taxes

For the second quarter of 2026, the income tax recovery was $12.1 million, and the effective income tax rate was 37.1%. The higher effective income tax rate compared to the statutory income tax rate reflects the impact of the loss recorded for the quarter and was essentially attributed to a lower taxation level on income from foreign operations. For the second quarter of 2025, the income tax expense was $9.0 million, and the effective income tax rate was 21.7%. The lower effective income tax rate compared to the statutory income tax rate was essentially attributed to a lower taxation level on income from foreign operations.

Financial Condition

As at April 30, 2026, total assets amounted to $49.4 billion, compared with $50.1 billion as at October 31, 2025, with the decrease primarily attributable to lower liquid assets and lower net loans, including those classified as assets held for sale.

Liquid assets

As at April 30, 2026, liquid assets as presented on the balance sheet amounted to $12.6 billion, a decrease of $0.5 billion compared with $13.1 billion as at October 31, 2025. The Bank continues to prudently manage its level of liquid assets. The Bank's funding sources, including those classified as held for sale, remain well diversified and sufficient to meet all liquidity requirements. Liquid assets represented

25% of total assets as at April 30, 2026, compared with 26% as at October 31, 2025.

Loans

Loans, net of allowances, stood at $31.8 billion as at April 30, 2026, a decrease of $4.0 billion since October 31, 2025. The decrease in gross loans reflects the reclassification of $3.9 billion of loans to the Assets held for sale line item in connection with the National Bank Transactions. The decrease in loans also reflects the sale of $0.7 billion of syndicated loans pursuant to the Syndicated Loan Transaction.

Total loans, including loans classified on the Assets held for sale line item, amounted to $35.9 billion as at April 30, 2026 compared with $36.0 billion as at October 31, 2025. Total commercial loans amounted to $18.3 billion as at April 30, 2026, an increase of $0.4 billion or 2% since October 31, 2025 resulting from key growth engines, namely commercial real estate and inventory financing, partially offset by the impact of the Syndicated Loan Transaction. Total personal loans amounted to $2.0 billion as at April 30, 2026, relatively unchanged from October 31, 2025. Total residential mortgage loans amounted to $15.6 billion as at April 30, 2026, a decrease of $0.6 billion or 3% from October 31, 2025, reflecting the Bank's strategic shift in business mix as it transitions towards a specialty commercial banking model.

Assets held for sale

Assets held for sale amounted to $3.9 billion as at April 30, 2026, with no such balance recognized as at October 31, 2025. The balance as at April 30, 2026 reflects the Bank's classification of the assets directly associated with the National Bank Transactions as a disposal group held for sale effective December 2, 2025. The balance consists primarily of loans, derivatives, and other related assets. Refer to Note 9 to the Condensed Interim Consolidated Financial Statements for additional information on assets held for sale and liabilities directly associated with assets held for sale.

Deposits

Deposits decreased by $7.2 billion to $16.8 billion as at April 30, 2026, compared with $24.0 billion as at October 31, 2025. The decrease in deposits is explained by the reclassification of $7.7 billion to the Liabilities directly associated with assets held for sale line item in connection with the National Bank Transactions.

Total deposits, including deposits classified on the Liabilities directly associated with assets held for sale line item, amounted to $24.4 billion as at April 30, 2026, an increase of $0.4 billion compared with $24.0 billion as at October 31, 2025, primarily driven by deposits from advisors and brokers. Total personal deposits stood at $21.5 billion as at April 30, 2026 and increased by $0.3 billion compared with $21.2 billion as at October 31, 2025. Of note, deposits from advisors and brokers increased by $0.8 billion whereas personal notice and demand deposits from partnerships decreased by $0.3 billion and $0.2 billion from retail compared with October 31, 2025. Total personal deposits represented 88% of total deposits as at April 30, 2026, unchanged compared with October 31, 2025, and contributed to the Bank's sound liquidity position. Total deposits from business, banks and other amounted to $2.9 billion as at April 30, 2026, an increase of $0.1 billion compared with $2.8 billion as at October 31, 2025, primarily driven by an increase in wholesale funding.

Liabilities directly associated with assets held for sale

Liabilities directly associated with assets held for sale amounted to $8.0 billion as at April 30, 2026, with no such balance recognized as at October 31, 2025. The balance as at April 30, 2026 reflects the Bank's classification of the liabilities directly associated with the National Bank Transactions as a disposal group held for sale effective December 2, 2025. The balance consists primarily of deposits, debt related to securitization activities, and other related liabilities, including accrued interest payable. Refer to Note 9 to the Condensed Interim Consolidated Financial Statements for additional information on assets held for sale and liabilities directly associated with assets held for sale.

Debt related to securitization activities

Debt related to securitization activities increased by $0.1 billion or 1% compared with October 31, 2025 and stood at $14.1 billion as at April 30, 2026. During the quarter, new issuances of cost-effective long-term debt related to securitization activities more than offset maturities of liabilities, as well as normal repayments.

Shareholders' equity and regulatory capital

Shareholders' equity stood at $2.8 billion as at April 30, 2026, a decrease of $126.5 million compared with October 31, 2025. Retained earnings decreased by $86.3 million compared to October 31, 2025, mainly as a result of the sum of the net loss of $41.1 million, dividends and other distributions. Accumulated other comprehensive income decreased by $47.6 million compared to October 31, 2025. For additional information, please refer to the Capital Management section of the Bank's MD&A and to the Consolidated Statement of Changes in Shareholders' Equity for the period ended April 30, 2026.

The Bank's book value per common share was $55.38 as at April 30, 2026 compared to $57.67 as at October 31, 2025.

The CET1 capital ratio was 11.0% as at April 30, 2026, in excess of the minimum regulatory requirement and the Bank's target management levels. The CET1 capital ratio decreased by 30 basis points compared with 11.3% as at October 31, 2025, mainly due to internal capital consumption. The Bank met OSFI's capital and leverage requirements throughout the quarter.

On May 12, 2026, the Board of Directors declared a dividend of $0.38725 per Preferred Share Series 13, payable on June 15, 2026 (the "Payment Date") to shareholders of record on June 8, 2026.

On May 28, 2026, the Board of Directors declared a quarterly dividend of $0.47 per common share, payable on August 1, 2026 (the "Payment Date") that will be paid out on August 3, 2026, the first business day following the Payment Date to shareholders of record on July 1, 2026. This quarterly dividend is equal to the dividend declared in the previous quarter and to the dividend declared in the previous year. On May 28, 2026, the Board also determined that shares attributed under the Bank's Shareholder Dividend Reinvestment and Share Purchase Plan will be made in common shares issued from Corporate Treasury at no discount.

Caution Regarding Forward-Looking Statements

From time to time, Laurentian Bank of Canada and, as applicable its subsidiaries (collectively referred to as the Bank) will make written or oral forward-looking statements within the meaning of applicable Canadian and United States (U.S.) securities legislation, including, forward-looking statements contained in this document (and in the documents incorporated by reference herein), as well as in other documents filed with Canadian and U.S. regulatory authorities, in reports to shareholders, and in other written or oral communications. These forward-looking statements are made in accordance with the "safe harbor" provisions, and are intended to be forward-looking statements in accordance with, applicable Canadian and U.S. securities legislation. They include, but are not limited to; statements regarding the Bank's vision, strategic goals, business plans and strategies, priorities and financial performance objectives; the economic, market, and regulatory review and outlook for Canadian, U.S. and global economies; the regulatory environment in which the Bank operates; the risk environment, including, credit risk, liquidity, and funding risks, and legal and regulatory risk; statements under the heading "Risk Appetite and Risk

Management Framework" contained in the 2025 Annual Report, including, the MD&A for the fiscal year ended October 31, 2025; and other statements that are not historical facts.

Forward-looking statements typically are identified with words or phrases such as "believe", "assume", "estimate", "forecast", "outlook", "project", "vision", "expect", "foresee", "anticipate", "intend", "plan", "goal", "aim", "target", and expressions of future or conditional verbs such as "may", "should", "could", "would", "will", "intend" or the negative of any of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, which give rise to the possibility that the Bank's predictions, forecasts, projections, expectations, or conclusions may prove to be inaccurate; that the Bank's assumptions may be incorrect (in whole or in part); and that the Bank's financial performance objectives, visions, and strategic goals may not be achieved. Forward-looking statements should not be read as guarantees of future performance or results, or indications of whether or not actual results will be achieved. Material economic assumptions underlying such forward-looking statements are set out in the 2025 Annual Report under the heading "Outlook", which assumptions are incorporated by reference herein.

Specifically, statements regarding the Acquisition Transaction and the National Bank Transactions (collectively, in this section only, the "Transactions") are all considered to be forward-looking statements.

The Bank cautions readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond the Bank's control and the effects of which can be difficult to predict or measure, could influence, individually or collectively, the accuracy of the forward-looking statements and cause the Bank's actual future results to differ significantly from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These factors include, but are not limited to general and market economic conditions; inflationary pressures; the dynamic nature of the financial services industry in Canada, the United States, and globally; the risk that the Transactions will not be completed on the terms and conditions, or on the timing, currently contemplated; that the Transactions may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required regulatory approvals and other conditions to the closing of the Transactions or for other reasons; the risk that competing offers or acquisition proposals will be made; the negative impact that the failure to complete the Transactions, for any reason, could have on the price of the Laurentian Bank Shares or on the business of Laurentian Bank; the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Transactions; risks relating to Laurentian Bank's ability to retain and attract key personnel during and following the interim period; the possibility of litigation relating to the Transactions; credit, market, currency, operational, liquidity and funding risks generally and relating specifically to the Transactions, including changes in economic conditions, interest rates or tax rates; and those other risks discussed in greater detail under the "Other Risks That May Affect Future Results" section of Laurentian Bank's 2025 Annual Report; risks relating to credit, market, liquidity, funding, insurance, operational and regulatory compliance (which has resulted in, or which could lead to, the Bank being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, and orders to pay damages, penalties, and fines); reputational risks; exposure to, and resolution of, significant litigation or regulatory matters, the appeal of favourable outcomes and our ability to successfully appeal adverse outcome of such matters, and the timing, determination and recovery of amounts related to such matters; competitive and systemic risks; supply chain disruptions; geopolitical events and uncertainties; government sanctions and tariffs (both domestic and foreign); conflict, war, or terrorism; and various other significant risks discussed in the risk-related portions of the Bank's 2025 Annual Report, such as those related to: Canadian and global economic conditions; Canadian housing and household indebtedness; technology, information systems and cybersecurity; technological disruption, privacy, data and third party related risks; competition; the Bank's ability to execute on its strategic objectives; digital disruption and innovation (including, emerging fintech competitors); changes in government fiscal, monetary and other policies; tax risk and transparency; fraud and criminal activity; human capital; business continuity; emergence of widespread health emergencies or public health crises; environmental and social risks including, climate change; and various other significant risks, as described in the relevant pages of the 2025 Annual Report, including the MD&A, which information is incorporated by reference herein. The Bank further cautions that the foregoing list of factors is not exhaustive. When relying on the Bank's forward-looking statements to make decisions involving the Bank, investors, financial analysts, and others should carefully consider the foregoing factors, uncertainties, and current and potential events.

Any forward-looking statements contained herein or incorporated by reference represent the views of management of the Bank only as at the date such statements were or are made, are presented for the purposes of assisting investors, financial analysts, and others in understanding certain key elements of the Bank's financial position, current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank's business and anticipated financial performance and operating environment and may not be appropriate for other purposes. The Bank does not undertake any obligation to update any forward-looking statements made by the Bank or on its behalf whether as a result of new information, future events or otherwise, except to the extent required by applicable securities legislation. Additional information relating to the Bank can be located on SEDAR+ at www.sedarplus.ca.

Access to Quarterly Results Materials

This press release can be found on the Bank's website atwww.laurentianbank.ca, in the About us section under the News releases tab, and the Bank's Report to Shareholders, Investor Presentation and Supplementary Financial Information can be found in the About us section under the Investor relations tab, Quarterly results.

Conference Call

Laurentian Bank of Canada invites media representatives and the public to listen to the conference call to be held at 9:00 a.m. (EST) on May 29, 2026. The live, listen-only, toll-free, call-in number is 1-800-990-4777, and mention Laurentian Bank to the operator. A live webcast will also be available on the Bank's website at www.laurentianbank.ca in the Investor relations tab, Quarterly results.

The conference call playback will be available on a delayed basis from 12:00 p.m. (EST) on May 29, 2026, until 12:00 p.m. (EST) on June 29, 2026, on our website under the Investor relations tab, Quarterly results.

The presentation material referenced during the call will be available on our website under the Investor relations section, Quarterly results.

About Laurentian Bank of Canada

Founded in Montreal in 1846, Laurentian Bank is committed to serving its customers and fostering deep relationships with specialized groups. Laurentian Bank runs operations across Canada– primarily in Québec and Ontario– as well as in the United States and competes where it sees market opportunity and has an edge, while harnessing the power of partnerships and collaboration.

SOURCE Laurentian Bank of Canada

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https://news.laurentianbank.ca/2026-05-29-Laurentian-Bank-of-Canada-reports-second-quarter-2026-results