INVESTOR PRESENTATION

Fourth Quarter 2018

Conference call

December 5, 2018 at 11:00 am

LAURENTIAN BANK FINANCIAL GROUP

Caution Regarding Forward-Looking Statements

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.

NON-GAAP MEASURES

Management uses both generally accepted accounting principles (GAAP) and non-GAAP measures to assess the Bank's performance. Results prepared in accordance with GAAP are referred to as "reported" results. Non-GAAP measures presented throughout this document are referred to as "adjusted" measures and exclude the effect of certain amounts designated as adjusting items. Adjusting items are related to restructuring plans and to business combinations and have been designated as such as management does not believe they are indicative of underlying business performance. 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.

FRANÇOIS DESJARDINS

President and Chief Executive Officer

STRATEGIC HIGHLIGHTS

Our DNA

Mission

We help customers improve their financial health

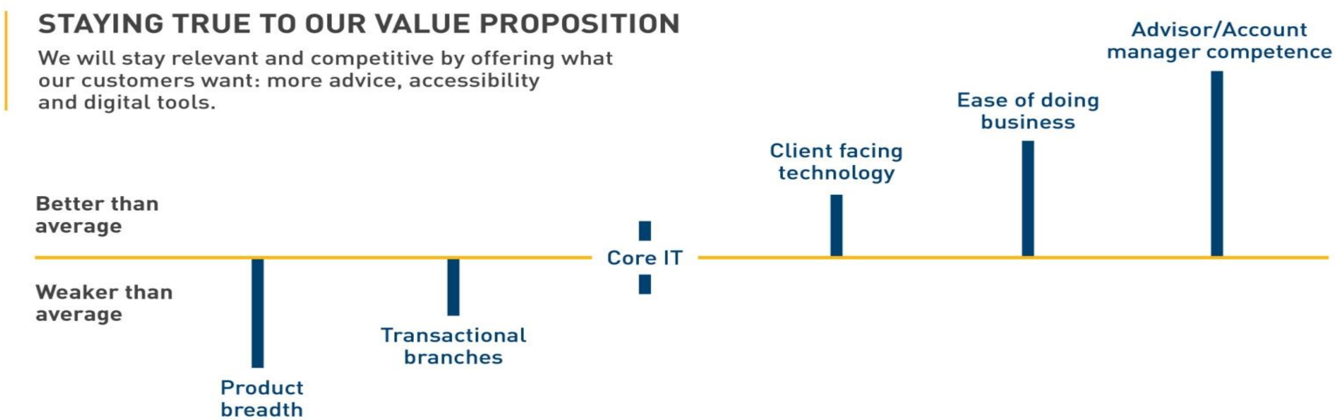
Vision

Everyone should have access to a financial professional

Values

Proximity
Simplicity
Honesty

Our value proposition



Strategic Objectives

Foundation

Building a Stronger Foundation

Growth

Investing in Profitable Growth

Performance

Improving Performance

Building a Stronger Foundation

Foundation

Investments	2018 Progress
Core Banking System	• Implementation nearly 75% complete as B2B Bank migrated all GICs at the end of the year. All B2B Bank deposits, investment and RSP loans migrated earlier in the year • Implemented Leasewave at LBC Capital to provide our leasing and equipment financing sector a best-in-class platform
Digital Banking Products	• Continued development of our digital offer that we will gradually launch across Canada under Laurentian Bank and B2B Bank brands
THE EXCHANGE Network	• Provides clients greater access to accounts through 3,600 ABMs across Canada
Montreal Corporate Office	• Completed the build of our new Montreal corporate office and moved teams from 9 locations into one central hub
Build a Culture of Performance	• Launched a Global Recognition Program to improve the performance within the organization
AIRB Approach	• Working towards adoption in late 2020 (1)

(1) Pending regulatory approval

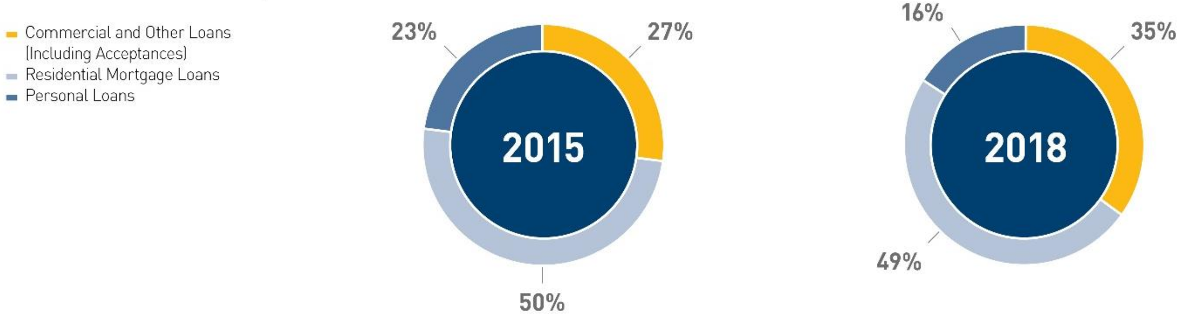
Investing in Profitable Growth

Growth

Strategic diversification at the heart of our plan

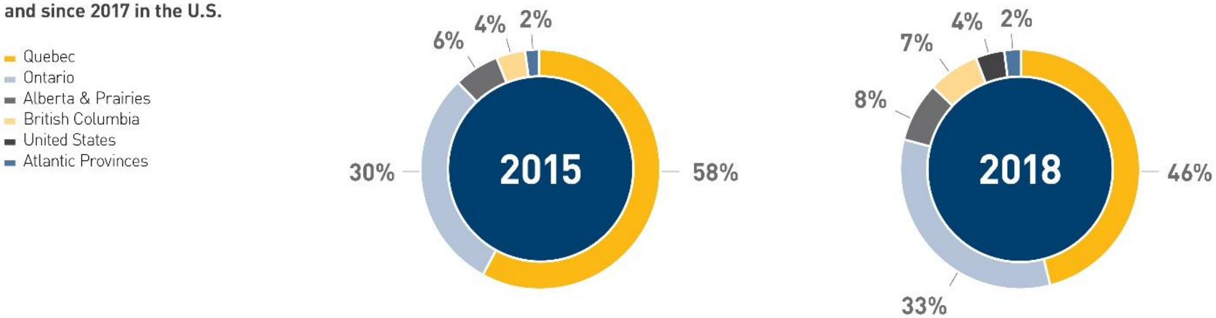
Evolving loan portfolio mix

A greater proportion of higher margin commercial loans in the Group mix



Expanding geographic footprint

Growth generated across Canada and since 2017 in the U.S.



Improving Performance

Performance

	2018
• **Strong Balance Sheet**	• CET1 at 9.0%, 140 bps higher than when we started the plan • Healthy level of liquid assets
• **Strong Credit Quality**	• Industry low provision for credit loss ratio of 12 basis points
• **Milestone Reached in Revenue**	• Exceeded $1.0B
• **Increase in Common Share Dividend**	• 8th consecutive year where dividend increased twice per year and stands at a quarterly rate of $0.65 per share

We are doing what we set out to do

Build a solid foundation

1 Rebuild a proper account management platform
- Implement technology roadmap including new core banking system
- Build proper web/mobile/ATM presence
- Execute a go-digital strategy

2 Right-size and modernize corporate functions
- Invest in governance and compliance
- Enhance and centralize processes
- Enhance and standardize governance across all sectors

3 Develop new brand elements
- Harmonize corporate brand
- Provide opportunities for financial literacy

Invest in profitable growth through meeting client needs

4 Develop competitive product offering
- Simplify current offering
- Align product offering across customer channels
- Build new offering meeting customer needs

5 Build best-in-class Advisor / Account Manager teams
- Drive sales force effectiveness
- Grow the advisor and account manager teams
- Modernize retail distribution
- Invest in advice

6 Better understand and service key client segments
- Focus efforts on key client segments
- Use analytics to better develop relationships
- Seek feedback from our customers on how we can improve

7 Expand distribution geographically
- Play where we can succeed
- Increase direct to client deposit sources
- Rethink and unlock new distribution options

Improve performance

8 Reduce cost of administration
- Merge, automate or outsource non-core administrative functions

9 Better manage capital
- Implement Advanced Internal Ratings Based Approach
- Optimize the product mix

10 Build a culture of performance
- Manage by results and metrics
- Become an employer of choice

LOOKING FORWARD

Building a Stronger Foundation

Foundation

Investments	2019
• **Core Banking System**	• Complete the phase 1 migration of all B2B Bank and most of business Services products to our new core banking platform
• **Digital Banking Products**	• Gradual launch across Canada under Laurentian Bank and B2B Bank brands • Renewed websites, mobile and social media services
• **Advice only branches**	• 100% advice-only by the end of 2019
• **AIRB Approach**	• Focus towards adoption in late 2020 [1]

2019: Continue investment in our people, processes and technology.
We expect these investments to impact our efficiency ratio.

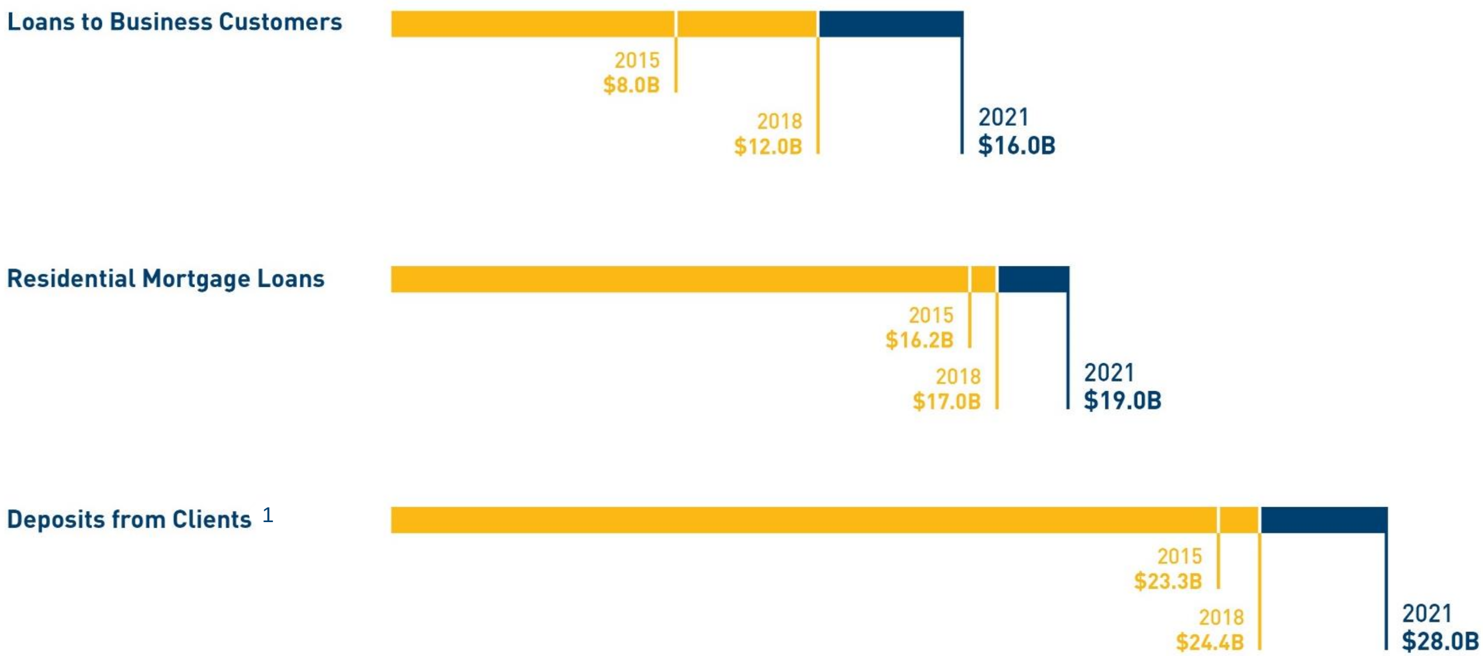
(1) Pending regulatory approval

Laurentian Bank Financial Group Workforce Distribution

	Non-unionized - 2,550 team members	Unionized - 1,250 team members
	- Most of Business Services - Most of Head Office Functions - B2B Bank - LBC Tech - LBC Capital - Northpoint Commercial Finance - Laurentian Bank Securities	- Retail Services Operations and Support Groups
Estimated % of profitability	~90%	~10%
Territory	Across Canada and in the United States	Quebec

Our 2021 Medium-Term Financial Objectives

Growth



(1) Including deposits through branches, independent brokers and advisors and commercial clients

Our 2021 Medium-Term Financial Objectives [1]

Performance

Adjusted ROE	Adjusted Efficiency Ratio	Adjusted Diluted EPS	Adjusted Operating Leverage
Narrow gap to 250 bps [2]	< 63%	Grow by 5% to 10% annually	Positive

(1) Certain measures presented throughout this document exclude the effect of certain amounts designated as adjusting items. Refer to the Non-GAAP Measures appendix for further details

(2) Compared to the major Canadian banks, based on the Bank using the AIRB approach in determining credit risk and the Standardized approach in determining operational risk. .

Laurentian Bank Financial Group

- Solid capital base
- Diversified and stable funding
- Strong liquidity position
- Track record of strong credit quality & sound risk management
- Focus on foundation and technology initiatives
- Target profitable and diversified growth translating into improving ROE and efficiency

Our Focus: Executing the strategic plan to build a renewed financial institution for the next decade

FRANÇOIS LAURIN

Executive Vice-President and Chief Financial Officer

FINANCIAL RESULTS

Q4/18 and 2018 Financial Performance

Adjusted (1)	Q4/18	Q/Q	Y/Y	2018	2018/ 2017
Net Income ($M)	$ 54.3	-8%	-18%	$ 241.6	5%
Diluted EPS	$ 1.22	-9%	-25%	$ 5.51	-10%
ROE	9.0%	-100 bps	-370 bps	10.5%	-180 bps
Efficiency Ratio	67.2%	- 250 bps	290 bps	66.7%	60 bps

Reported	Q4/18	Q/Q	Y/Y	2018	2018/ 2017
Net Income ($M)	$ 50.8	-7%	-13%	$ 224.6	9%
Diluted EPS	$ 1.13	-8%	-20%	$ 5.10	- 6%
ROE	8.4%	-80 bps	-270 bps	9.7%	-120 bps
Efficiency Ratio	69.0%	-280 bps	20 bps	68.7%	- 50 bps

2018 Highlights

- 2018 EPS and ROE were impacted by a higher level of capital which strengthened the balance sheet and higher loan losses related to a single syndicated commercial loan

Q4/18 Highlights

Y/Y

- Impacted by higher levels of capital and liquidity, lower assets, a common share issuance completed in Q1/18 and higher loan losses

Q/Q

- Lower expenses, offset by higher loan losses and lower net interest income

- Reported measures were impacted by adjusting items such as restructuring charges and items related to business combinations (details on the next page and in the appendix on Non-GAAP Measures)

(1) Certain measures presented throughout this document exclude the effect of certain amounts designated as adjusting items. Refer to the Non-GAAP Measures appendix for further details

Adjusting Items in Q4/18 [1]

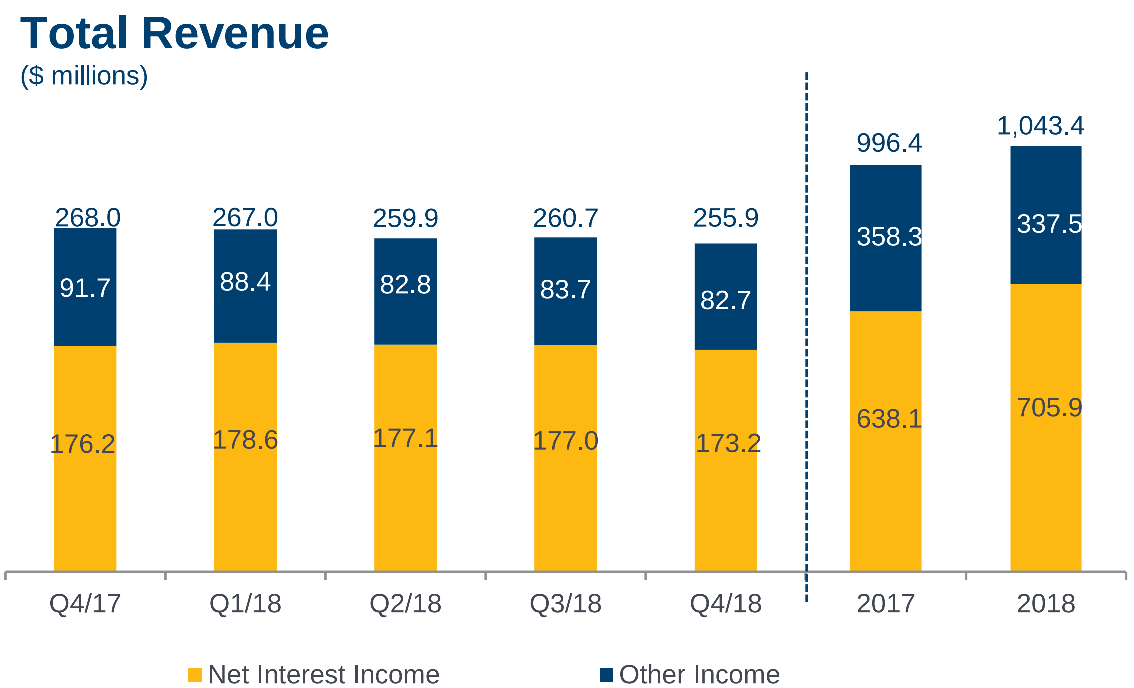
($ millions, except per share amounts)	Q4/18			Q3/18		
	Before taxes	After taxes	EPS	Before taxes	After taxes	EPS
Adjusting Items						
Restructuring charges						
Severances charges	$ 0.9	$ 0.7	$ -	$ -	$ -	$ -
Other restructuring charges	0.1	0.1	0.02	2.2	1.6	0.04
Total restructuring charges	1.0	0.8	0.02	2.2	1.6	0.04
Items related to business combinations						
Amortization of net premium on purchased financial instruments	0.5	0.4	0.01	0.5	0.4	0.01
Amortization of acquisition-related intangible assets	3.4	2.4	0.06	3.4	2.4	0.06
Total items related to business combinations	3.9	2.8	0.07	3.9	2.8	0.07
Total adjusting items [2]	$ 4.9	$ 3.5	$ 0.08	$ 6.2	$ 4.5	$ 0.11

(1) See Appendices for 2018 and 2017 figures

(2) The impact of adjusting items does not add due to rounding

Total Revenue

($ millions)	Q4/18	Q/Q	Y/Y	2018	2018/ 2017
Net Interest Income	$173.2	-2%	-2%	$ 705.9	11%
Other Income	82.7	-1%	-10%	337.5	-6%
Total Revenue	$ 255.9	-2%	-5%	$ 1,043.4	5%



2018 Highlights

- Total revenue up 5% or by $47.0M and exceeded $1.0B
- Net interest income up 11% or by $67.8M, driven by the contribution of NCF acquired in August 2017
- Other income down by 6% or by $20.8M

Q4/18 Highlights

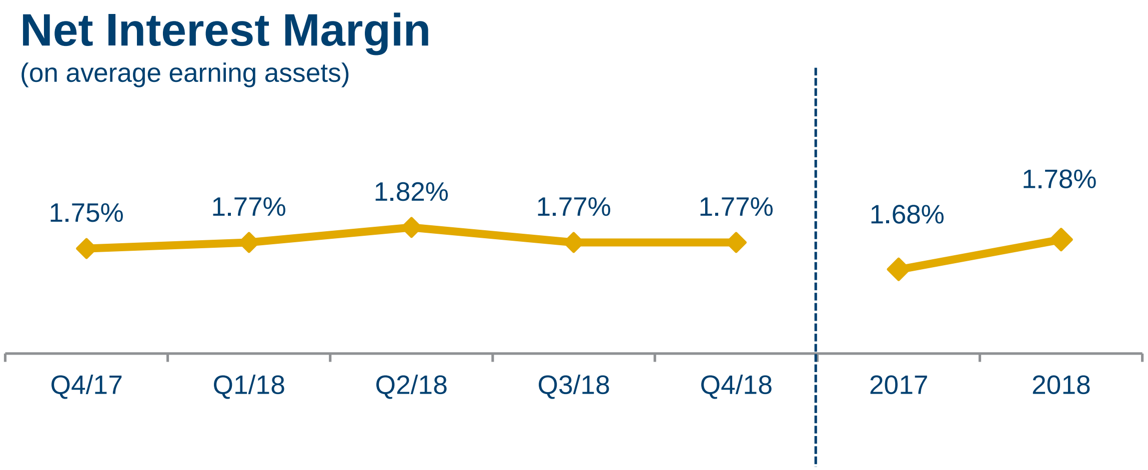
Y/Y

- Net interest income down $3.1M, mainly due to lower loan volumes as well as higher liquid assets
- Other income down $9.0M
- Q4/17 included a $5.9M gain on the sale of the Bank's investment in Verico

Q/Q

- Net interest income down $3.9M, essentially due to the lower level of loans
- Other income down $0.9M

Net Interest Margin (NIM)



2018 Highlights

- NIM up 10 bps Y/Y as a greater proportion of higher margin commercial loans and rising interest rates were partially offset by carrying a higher level of liquid assets

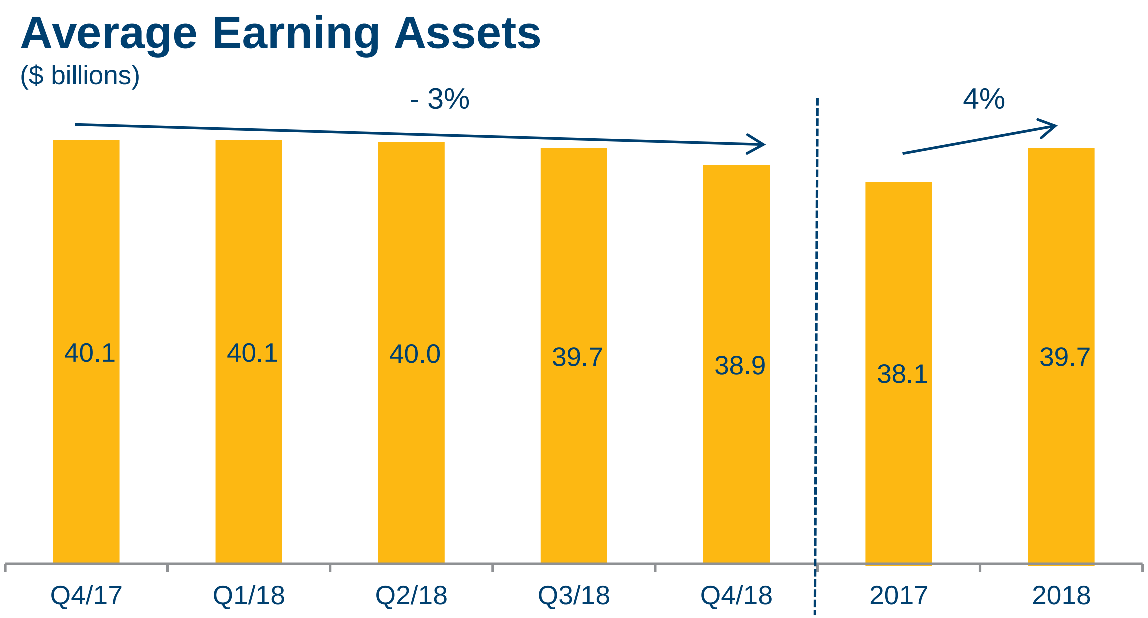
Q4/18 Highlights

Y/Y

- Up 2 bps

Q/Q

- Unchanged

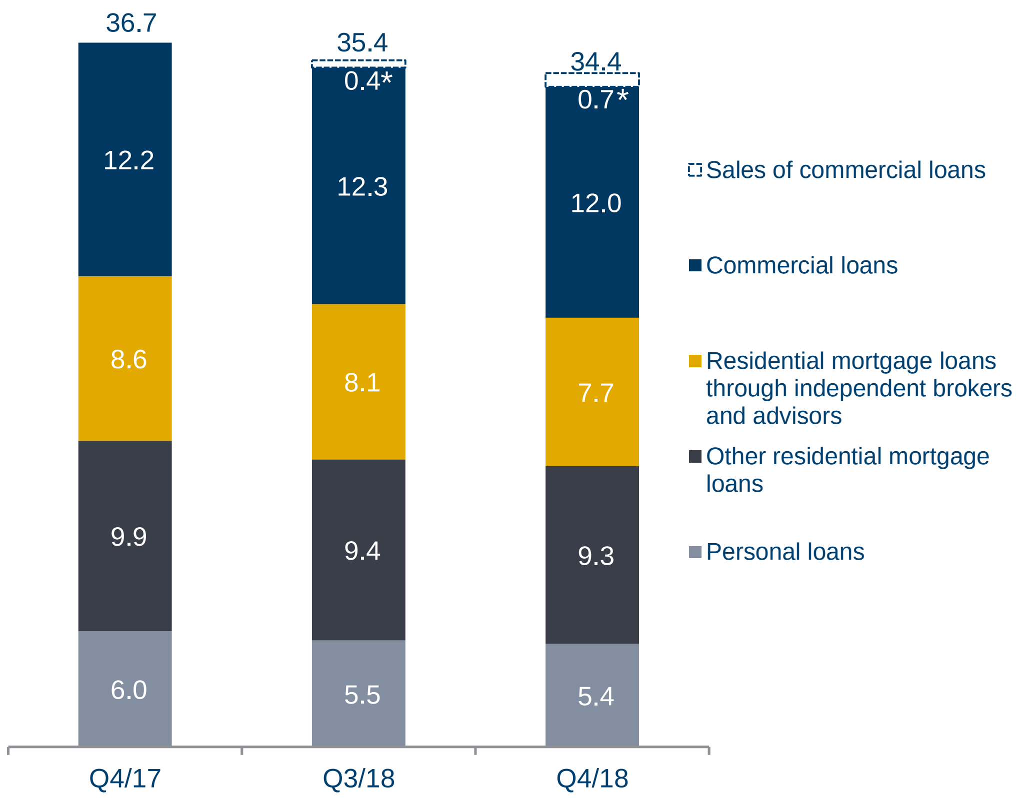


In 2018, we optimized our loan portfolio to ensure we are playing in sectors where there are profitable business opportunities. This resulted in $708M of commercial loan sales (see next page for details)

Positioning the Bank for Profitable Growth

Loan portfolio mix

($ billions)



Total loans down 3% Q/Q and down 6% Y/Y, as we optimized the portfolio to be well positioned for profitable growth

- Organic growth in loans to business customers was offset by loan portfolio sales of $708M in 2018
  - Q2/18: $380M of Agricultural loans
  - Second half of 2018: $328M mainly from Energy & Infrastructure loans
- Commercial loans grew 5% Y/Y excluding loan sales
- Reduction in residential mortgage loans reflecting a gradual decrease in originations as we focused on higher margin commercial loans
- Lower volume of personal loans, reflecting expected attrition given some consumer deleveraging

* Cumulative commercial loan portfolio sales of $0.4M in Q3/18 and $0.7M in Q4/18.

Other Income

Other Income ($ millions)	Q4/18	Q/Q	Y/Y	2018	2018/ 2017
Deposit Service Charges	$ 11.2	- 10%	- 18%	$ 49.0	- 13%
Lending Fees	18.7	11%	6%	66.5	3%
Card Service Revenues	7.8	- 8%	-7%	33.8	1%
Fees and Commissions on Loans and Deposits	$ 37.6	0%	-5%	$ 149.3	-3%
Income from Brokerage Operations	16.6	2%	-11%	65.8	-12%
Income from Sales of Mutual Funds	11.6	-2%	-5%	47.6	1%
Income from Investment Accounts	4.5	- 5%	- 8%	20.1	-8%
Income from Treasury and Financial Market Operations	5.8	8%	122%	18.3	3%
Other (1)	6.5	-16%	-52%	36.4	-13%
	$ 82.7	-1%	-10%	$ 337.5	-6%

2018 Highlights

- Other income down 6%

Q4/18 Highlights

Y/Y

- Fees and commissions on loans and deposits down by $2.0M, mainly driven by lower transaction fees and service charges as clients continue to modify their banking behavior and as we simplify our product offering
- Income from brokerage operations down $2.1M, reflecting a lower activity level
- Other down by $7.1M as Q4/17 included a $5.9M gain on the sale of the Bank's investment in Verico
- Income from treasury and financial markets up $3.2M due to higher net securities gains

Q/Q

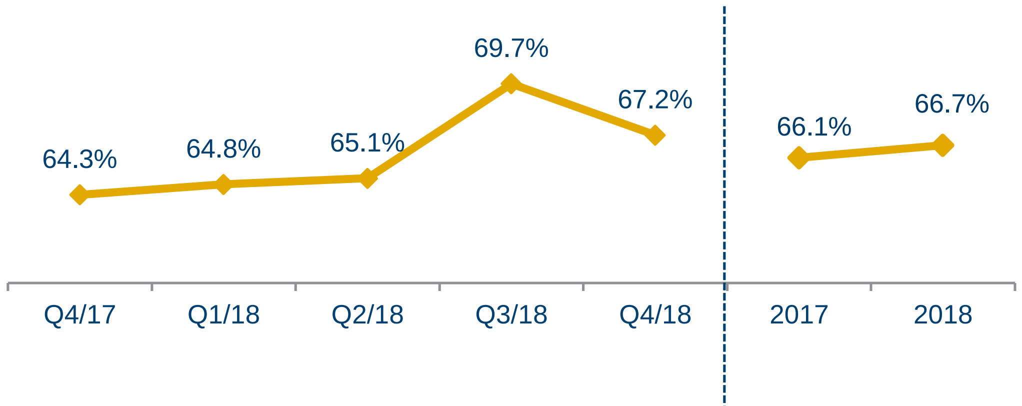
- Essentially unchanged

(1) Includes Net Insurance Income and Other

Non-Interest Expenses (NIE)

Adjusted NIE ($ millions)	**Q4/18**	**Q/Q**	**Y/Y**	**2018**	**2018/ 2017**
Salaries and Employee Benefits	$ 87.8	-6%	-7%	$ 366.0	1%
Premises and Technology	48.4	-1%	6%	192.4	5%
Other	35.9	-10%	10%	137.4	19%
	$ 172.0	-5%	0%	$ 695.8	6%

Adjusted Efficiency Ratio



2018 Highlights

- Adjusted non-interest expenses up $37.3M or 6% Y/Y mainly due to addition of NCF's expenses and higher other non-interest expenses

Q4/18 Highlights

Y/Y

- Adjusted NIE stable, mainly due to lower performance-based compensation and lower headcount, partly offset by higher technology costs and regulatory expenses

Q/Q

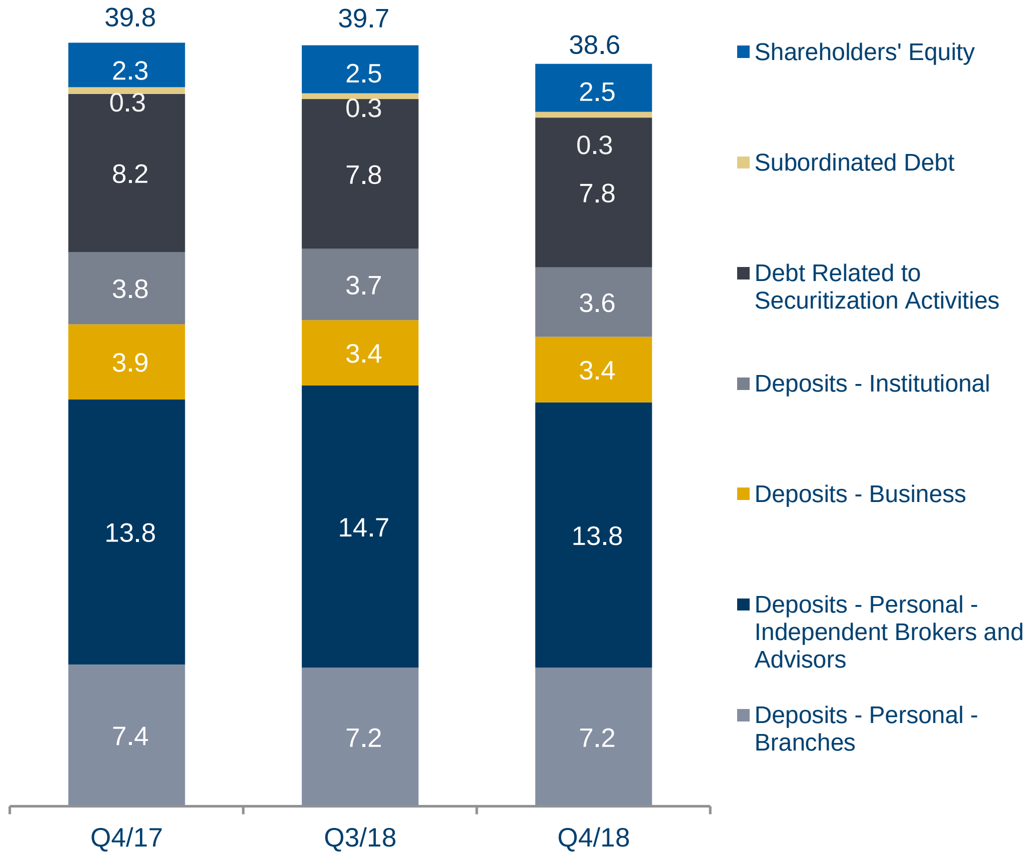
- Adjusted NIE down $9.6M or 5%, as a result of lower salaries, due to higher capitalized project costs, lower employee benefits and lower regulatory expenses

Adjusted efficiency ratio:

- 2018: up 60 bps Y/Y
- Q4/18: up 290 bps Y/Y

Well Diversified and Stable Sources of Funding

Funding
($ billions)



Total deposits down 4% Q/Q and down 3% Y/Y and in line with loan portfolio:

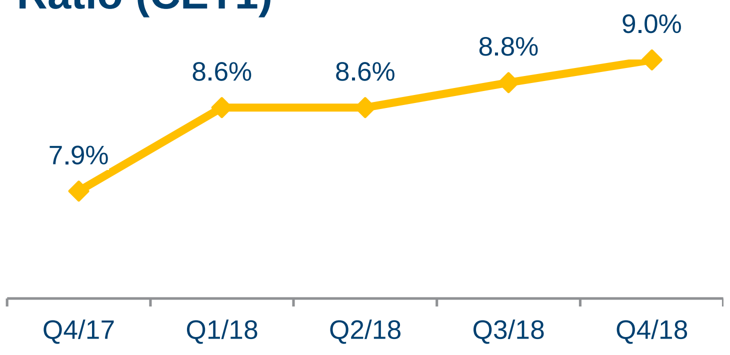
- Minimal attrition in personal branch deposits (down 1% Q/Q and down 3% Y/Y) and in line with expectations given branch mergers
- Personal deposits through independent brokers and advisors down 6% Q/Q and unchanged Y/Y
- Business deposits down 1% Q/Q and down 14% Y/Y
- Institutional deposits down 4% Q/Q and down 4% Y/Y

Debt related to securitization activities: unchanged Q/Q and down $0.4B Y/Y:

- Down 5% Y/Y due to maturities, repurchases and repayments
- $1.2B of residential mortgage loans securitized in 2018

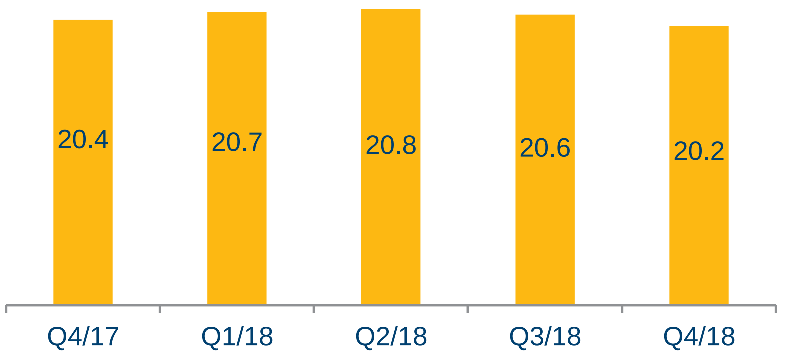
Capital Management

Common Equity Tier 1 Capital Ratio (CET1)

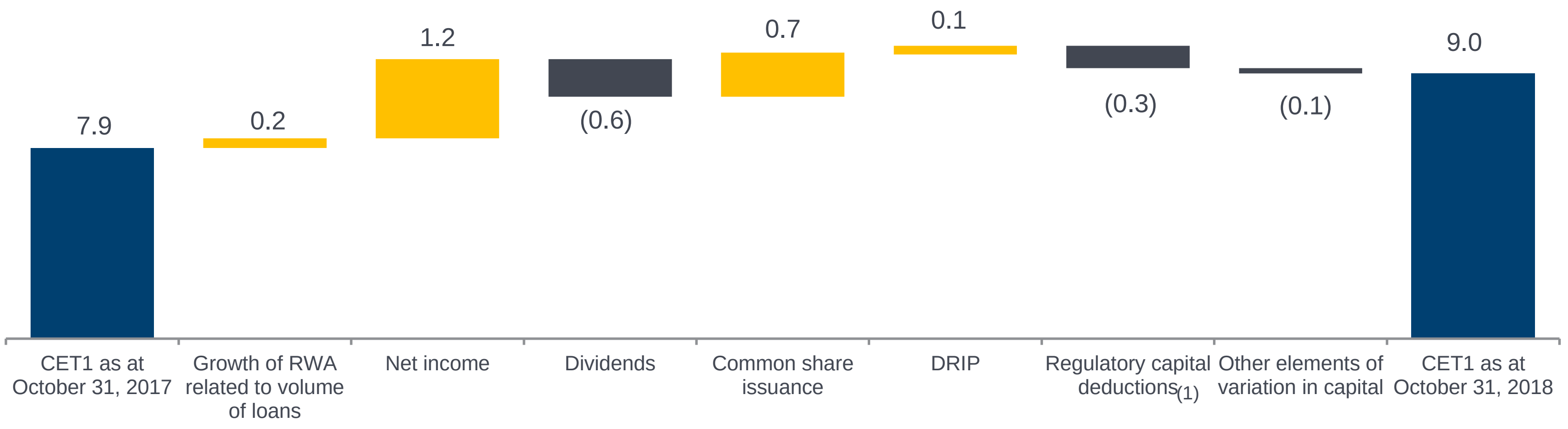


Risk-Weighted Assets

($ billions)



Evolution of the CET1 Ratio

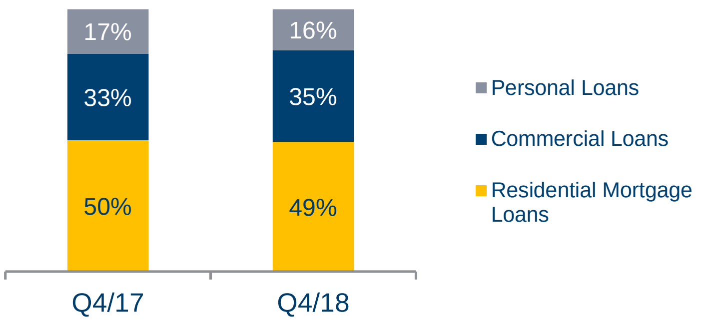


(1) Comprised of deductions for software and other intangible assets, goodwill, pension plan assets and other

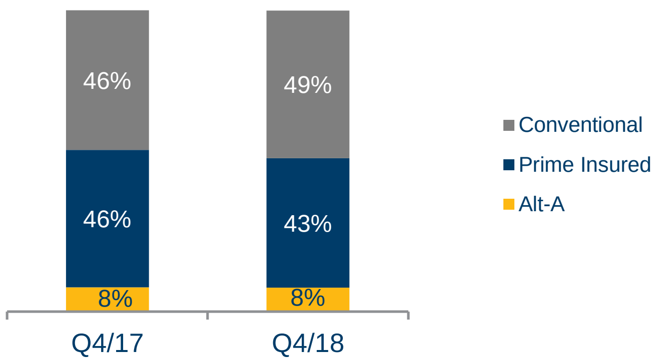
RISK REVIEW

Laurentian Bank Loan Portfolios – Well Diversified

Loan Portfolio Mix



Residential Mortgage Loans – Insured vs Uninsured



Provision for Credit Losses – Residential Mortgage Loans

(As a % of average residential mortgage loans)

Laurentian Bank has a diversified lending product suite:

- Residential mortgage loans represent 49% of total loans as at Q4/18, similar to a year earlier
- Commercial loans represent 35% of total loans as at Q4/18 compared to 33% as at Q4/17 as we evolve our portfolio mix

A significant portion of the Bank's mortgage loan portfolio consists of insured prime mortgage loans:

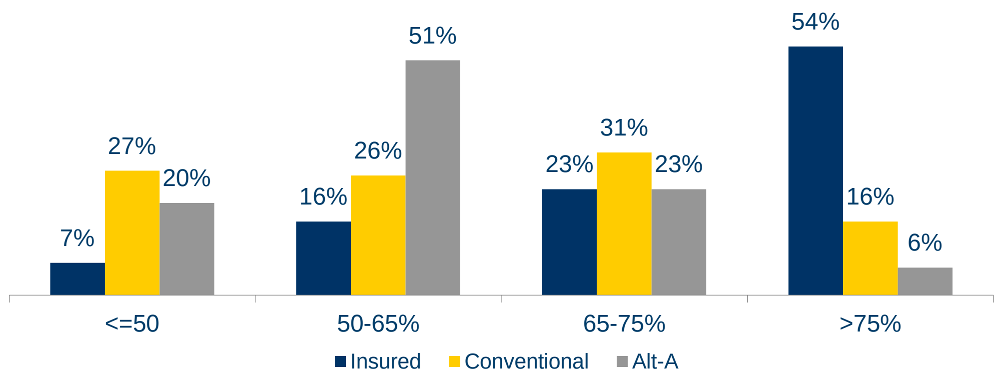
- Declining proportion of insured mortgages given changes to eligibility requirements for mortgage insurance − an industry-wide trend
- 57% of the residential mortgage loan portfolio is uninsured and comprised of Conventional and Alt-A mortgage loans
- Alt-A mortgage loans are originated by B2B Bank and represent 8% of the total residential mortgage loan book and 4% of the total loan portfolio

Consistently low loan losses

High Quality Mortgage Loan Portfolio – Low Loan-to-Value

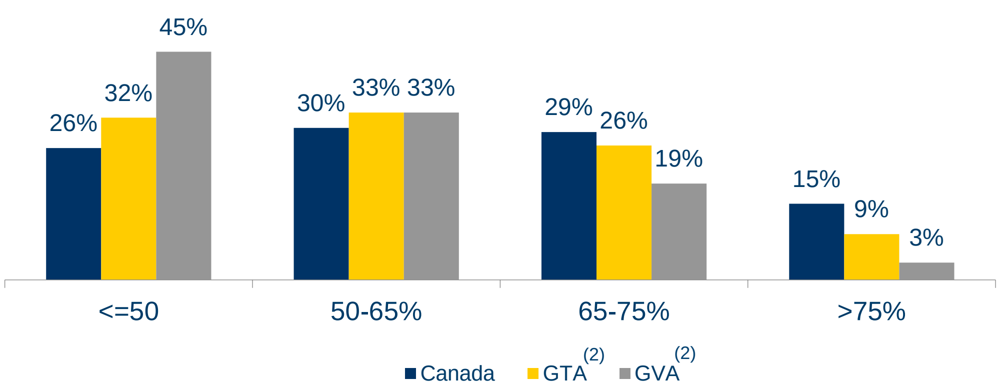
Loan-to-Value Distribution

(As at October 31, 2018)



Loan-to-Value Distribution (Uninsured) (1)

(As at October 31, 2018)



We target the high end of the Alt-A market through low LTV ratios

- Vast majority of uninsured and Alt-A mortgages have LTVs of 75% or less
  - 84% of Conventional portfolio
  - 94% of Alt-A portfolio

- Substantial buffer against potential home price declines with LTVs of 75% or less
  - 85% of total portfolio
  - 91% of GTA portfolio
  - 97% of GVA portfolio

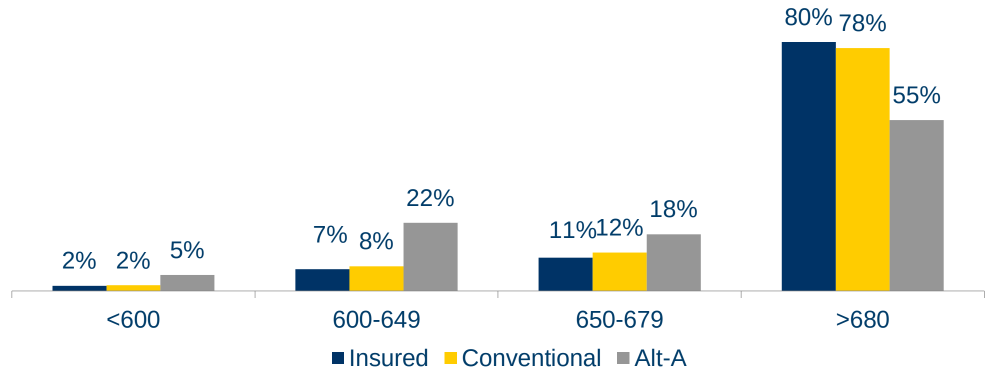
(1) Uninsured equals prime uninsured plus Alt-A

(2) GTA: Greater Toronto Area; GVA: Greater Vancouver Area

High Quality Mortgage Loan Portfolio – High Beacon Scores

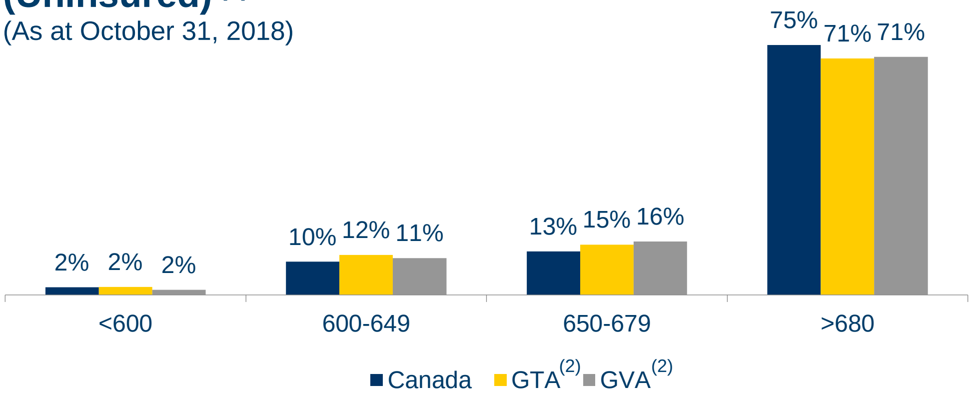
Beacon Distribution

(As at October 31, 2018)



Geographic Beacon Distribution (Uninsured) (1)

(As at October 31, 2018)



We target high end of the Alt-A market through high beacon scores

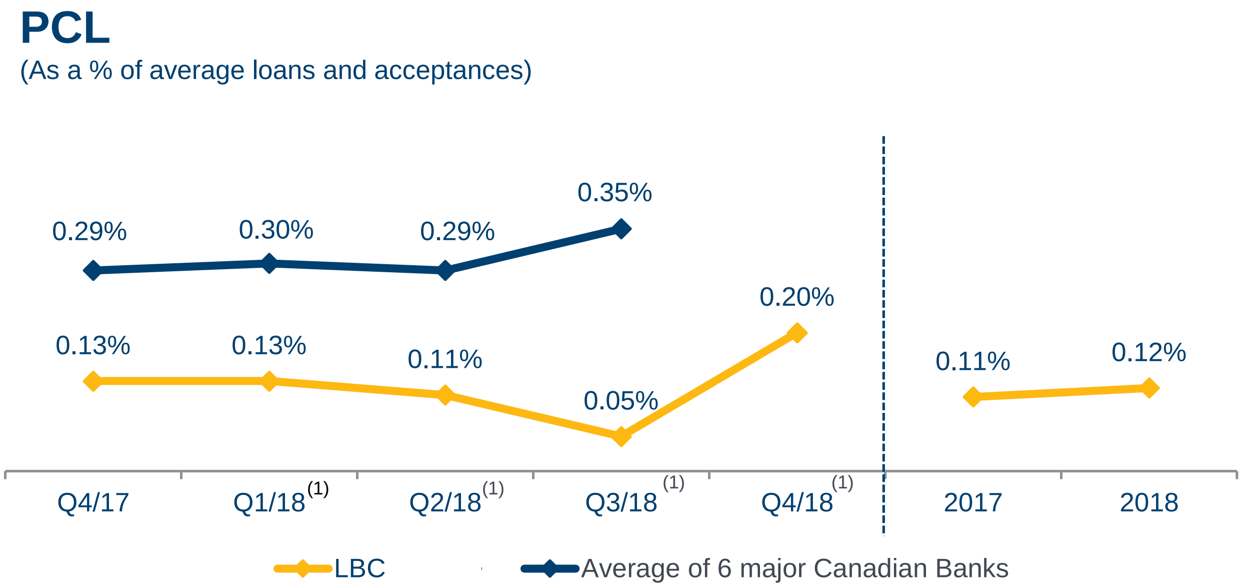
- Vast majority of Alt-A and uninsured portfolios with beacon scores > 650
  - 90% of Conventional portfolio
  - 73% of Alt-A portfolio

- High credit worthiness of the portfolio with beacon score >650
  - 88% of total portfolio
  - 86% of GTA portfolio
  - 87% of GVA portfolio

(1) Uninsured equals prime uninsured plus Alt-A

(2) GTA: Greater Toronto Area; GVA: Greater Vancouver Area

Provision for Credit Losses (PCL)



2018 Highlights

- PCL up $7.0M that reflected a provision of $10.0M for a single syndicated commercial loan
- Overall credit quality remains good

Q4/18 Highlights

- Loss ratio reflected the $10.0M provision for a single syndicated commercial loan

PCL ($ millions)	**Q4/18**	**Q3/18**	**Q4/17**	**2018**	**2017**
Personal Loans	$ 4.1	$ 4.4	$ 3.9	$ 21.2	$ 24.8
Residential Mortgage Loans	0.9	1.1	0.8	3.4	3.0
Commercial Loans	12.6	-0.6	6.9	19.5	9.2
	$ 17.6	$ 4.9	$ 11.5	$ 44.0	$ 37.0

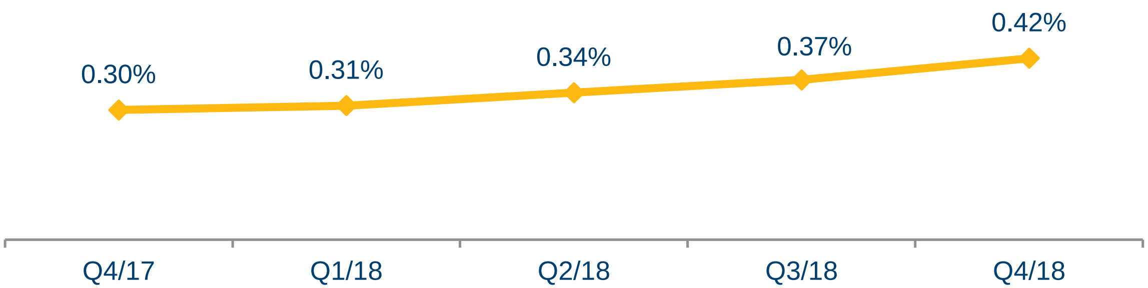
- 97% of our loan book is collateralized
- On an annual basis we continue to expect the loss ratio to trend higher as the loan portfolio mix evolves

(1) In Q1/18 the 6 major Canadian Banks adopted IFRS 9. LBC adopted IFRS 9 on November 1, 2018, therefore LBC's ratio is based on IAS 39 for fiscal 2018.

Impaired Loans

Net Impaired Loans (NIL) (1)

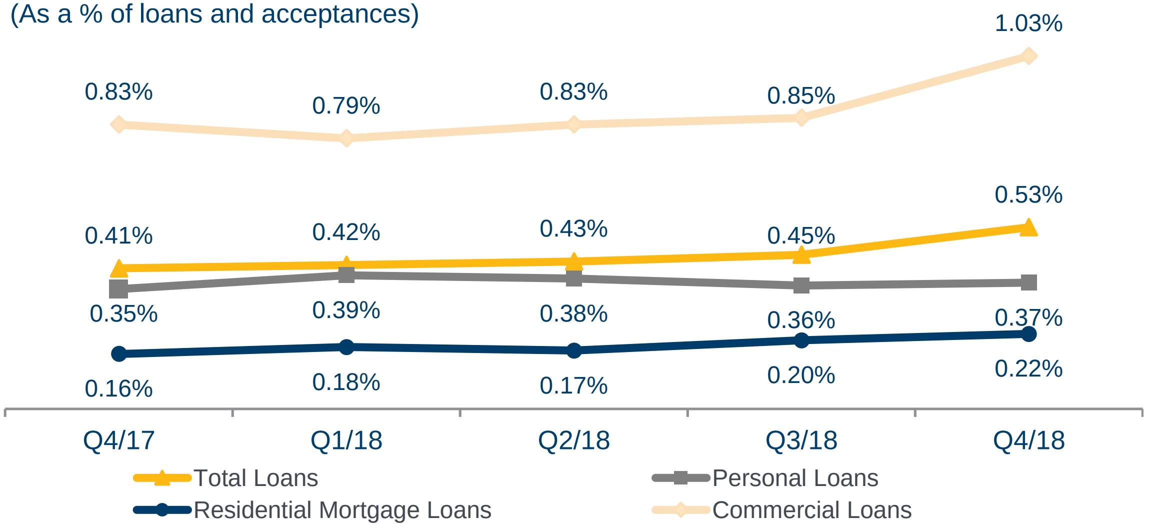
(As a % of loans and acceptances)



- Net impaired loans of $143.1M remain within historical fluctuations
- We are provisioned adequately considering our loan portfolio is well collateralized

Gross Impaired Loans

(As a % of loans and acceptances)



- Gross impaired loans of $181.3M, increased by $22.4M Q/Q and $29.4M Y/Y mostly due to the single syndicated commercial loan
- Loan portfolios continue to perform well

(1) Net impaired loans are calculated as gross impaired loans less individual allowances and collective allowances against impaired loans

IFRS 9 & IFRS 15 – New accounting standards

- **Adoption of IFRS 9, *Financial Instruments* and IFRS 15, *Revenue from Contracts with Customers* as of November 1, 2018**
  - Finalizing validations and remains subject to ongoing refinements
  - Impact at transition not expected to exceed on a combined basis:
    - $20M decrease in shareholders' equity
    - 10 bps decrease of the CET1 capital ratio

APPENDICES

Working Toward our Strategic Objectives

	OUR 2022 STRATEGIC OBJECTIVES	WE ACHIEVED GREAT MILESTONES OVER THE PAST THREE YEARS	WHAT'S NEXT: INVESTING IN OUR PEOPLE, PROCESSES AND TECHNOLOGY
FOUNDATION	**Building a stronger foundation:** Rebuild a proper account management platform Rightsize and modernize corporate functions Develop new brand elements	We developed the core banking platform and completed the migration of B2B Bank investment and RSP loans as well as Guaranteed Investment Certificates onto our new core banking system. We completed the implementation of a new platform for our equipment financing activities We created LBC Tech to better manage our IT assets We created a new name, Laurentian Bank Financial Group, to better reflect the diverse nature of our business	We will continue the development and migration of existing products and accounts to the core banking platform We will continue to rightsize and modernize our corporate functions We will continue to enhance our regulatory and compliance framework

Working Toward our Strategic Objectives

GROWTH

OUR 2022 STRATEGIC OBJECTIVES

Investing in profitable growth:

Develop competitive product offering

Build best-in-class teams of advisors and account managers

Better understand and service key client segments

Expand distribution geographically

WE ACHIEVED GREAT MILESTONES OVER THE PAST THREE YEARS

We optimized Retail Services activities by simplifying our product offer and rightsizing the branch network

We acquired CIT's Canadian activities and Northpoint Commercial Finance and completed their integrations into LBC Capital

We diversified our loan portfolios by business lines and geographies

We increased loans to business customers by 50% since Q4/15

We increased residential mortgage loans through independent brokers and advisors by 35% since Q4/15

WHAT'S NEXT: INVESTING IN OUR PEOPLE, PROCESSES AND TECHNOLOGY

B2B Bank and Laurentian Bank will launch a digital banking offer gradually across Canada to generate a new source of deposits and to diversify our client base

LBC Capital and Northpoint Commercial Finance will continue increasing equipment and inventory financing activities to generate higher margin commercial loans

LBS and Capital Markets will continue to operate in defined niches where we have a key competitive advantage to generate income from brokerage, treasury, and financial market operations

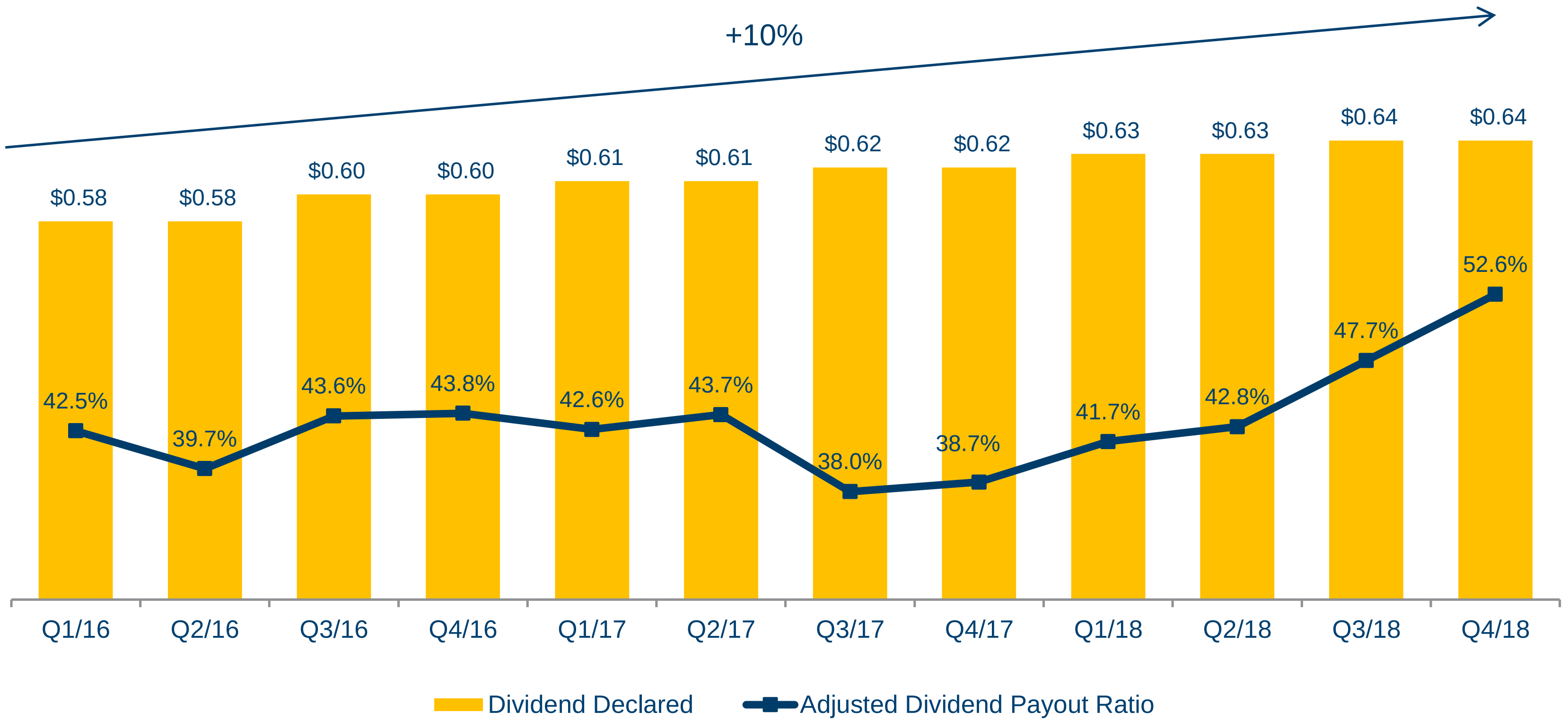
We will continue the transition of all our Retail branches to an advice-only model to help our clients improve their financial health

Working Toward our Strategic Objectives

PERFORMANCE	OUR 2022 STRATEGIC OBJECTIVES	WE ACHIEVED GREAT MILESTONES OVER THE PAST THREE YEARS	WHAT'S NEXT: INVESTING IN OUR PEOPLE, PROCESSES AND TECHNOLOGY
	Improving performance: Reduce cost of administration Better manage capital Build a culture of performance	We optimized our funding mix, including securitization and institutional deposits We moved to our new Montreal corporate office We launched a Global Recognition Program to improve the performance within the organization	We will continue to prudently manage a strong balance sheet We will work toward adoption of the AIRB approach to credit risk in late 2020 We will continue to maintain solid credit quality

Dividend Growth and Adjusted Dividend Payout Ratio

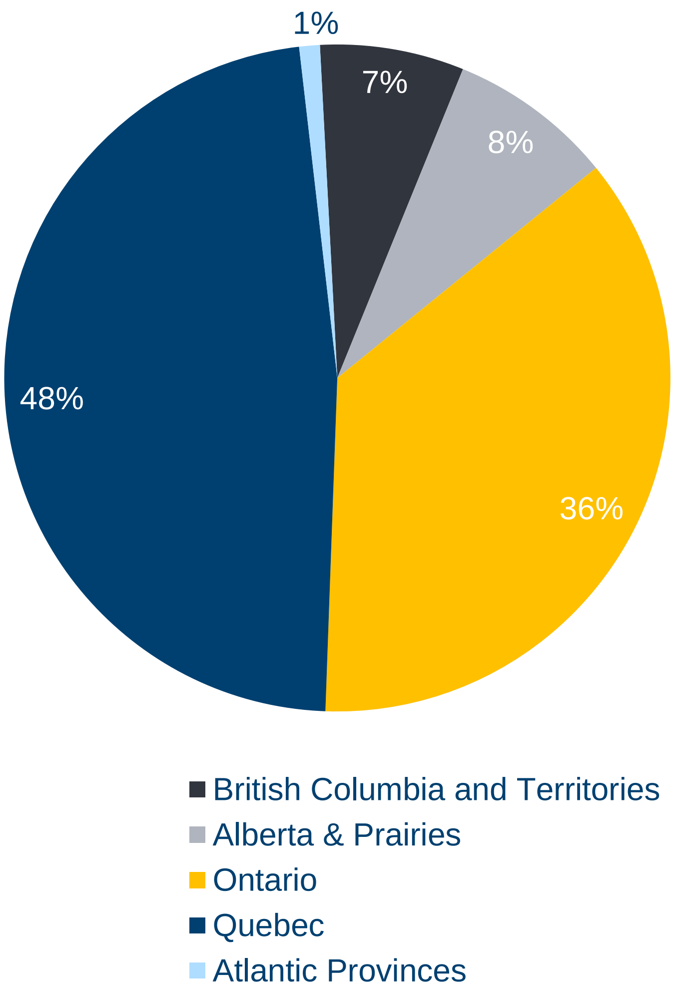
Dividends Declared Per Common Share and Adjusted Dividend Payout Ratio
($/share and as a %)



- Q1/19 common share dividend raised by $0.01 to $0.65 per share
- Target payout Ratio: 40% to 50%

Residential Mortgage Loan Portfolio

Portfolio of $17.0B as at October 31, 2018



Insured, Uninsured & Loan to Value (LTV) by Province

	% of Residential Mortgage Loan Portfolio		LTV % (1)
	Uninsured	Insured	
British Columbia	55	45	59
Alberta & Prairies	26	74	72
Ontario	63	37	59
Quebec	57	43	61
Atlantic Provinces	37	63	71
Total	57	43	61

(1) Reflects current estimated value, including HELOCs

Non-GAAP Measures

($ millions, except per share amounts)	Q4/18	Q3/18	Q4/17	2018	2017
Reported net income	**$ 50.8**	$ 54.9	$58.6	**$224.6**	$206.5
Adjusting items, net of income taxes [(1)]					
Restructuring charges					
Severances charges	**0.7**	-	2.4	**0.7**	2.4
Other restructuring charges	**0.1**	1.6	1.8	**3.7**	5.3
	0.8	1.6	4.2	**4.4**	7.7
Items related to business combinations					
Amortization of net premium on purchased financial instruments	**0.4**	0.4	0.5	**1.7**	2.5
Amortization of acquisition-related intangible assets	**2.4**	2.4	2.2	**9.1**	2.8
Other costs related to business combinations	**–**	–	0.9	**1.7**	11.3
	2.8	2.8	3.7	**12.6**	16.6
	3.5	4.5	7.8	**16.9**	24.3
Adjusted net income	**$ 54.3**	$ 59.4	$ 66.5	**$241.6**	$230.7
Reported diluted earnings per share	**$1.13**	$1.23	$ 1.42	**$5.10**	$5.40
Adjusting items	**0.08**	0.11	0.21	**0.41**	0.69
Adjusted diluted earnings per share	**$1.22**	$1.34	$ 1.63	**$5.51**	$6.09

(1) The impact of adjusting items does not add due to rounding

Investor Relations Contact

Susan Cohen
Director, Investor Relations
(514) 284-4500, ext. 40452
susan.cohen@lbcfg.ca