INVESTOR PRESENTATION

Second Quarter 2018

Conference call

June 1, 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 our estimate of the total amount of CMHC portfolio insured mortgage loans to be repurchased and 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 assumption that the in-depth review of CMHC portfolio insured mortgage loans will reveal a level of inadvertently portfolio insured and sold mortgage loans in line with those discovered through the normal course audit and our estimates and 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".

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, 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.

FRANÇOIS DESJARDINS

President and Chief Executive Officer

LAURENTIAN BANK FINANCIAL GROUP

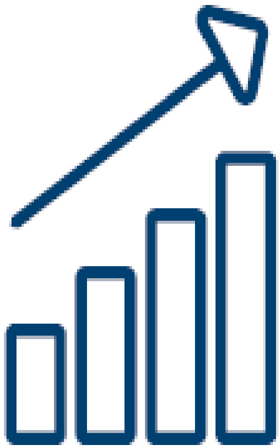
Mortgage Review

Significant progress towards resolution

- Successful resolution with the TPP
- CMHC resolution underway
- Enhanced quality controls and origination processes

Good Q2 2018 Performance

Performance



- Adjusted net income: $64.6M, up 25% Y/Y
- Adjusted ROE: 11.6%
- Adjusted efficiency ratio: 65.1%, improved 210 bps Y/Y
- CET1 ratio: 8.6%

Investing in Profitable Growth

Growth

Q2 2018 / Q2 2017

- Strategic loan growth
  - Loans to business customers: up 19%
    (excluding the sale of the agricultural loan portfolio - up 23%)
  - Residential mortgages through independent brokers and advisors: up 11%
- Deposits: up 7%

Q2 2018 / Q4 2017

- Limited loan growth excluding the sale of agricultural loan portfolio
  - Loans to business customers: up 2%
    (excluding the sale of the agricultural loan portfolio - up 5%)
  - Residential mortgages growth impacted by B-20 regulation
- Deposits: up 2%

Building a Strong Foundation

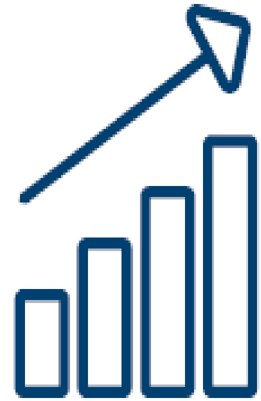
Foundation

Investments	Progress
• **Core Banking System**	• New leasing platform was deployed in Q2/18 • Migration of B2B Bank and Business Services products in 2018
• **Digital Banking Products**	• Planned roll-out of digital transaction and deposit offer in 2018 • Joined the EXCHANGE network, providing our clients with access to 3,600 full-service ATMs across Canada
• **Optimization of our Retail Activities**	• Executing on our strategy of advice-only model
• **New Montreal Corporate Office**	• Move to new premises in the fall of 2018
• **AIRB**	• Working towards adoption in late 2020 (1)

2018 & 2019: A time of investment in our processes, technology and people.
We expect these investments to impact our efficiency ratio.

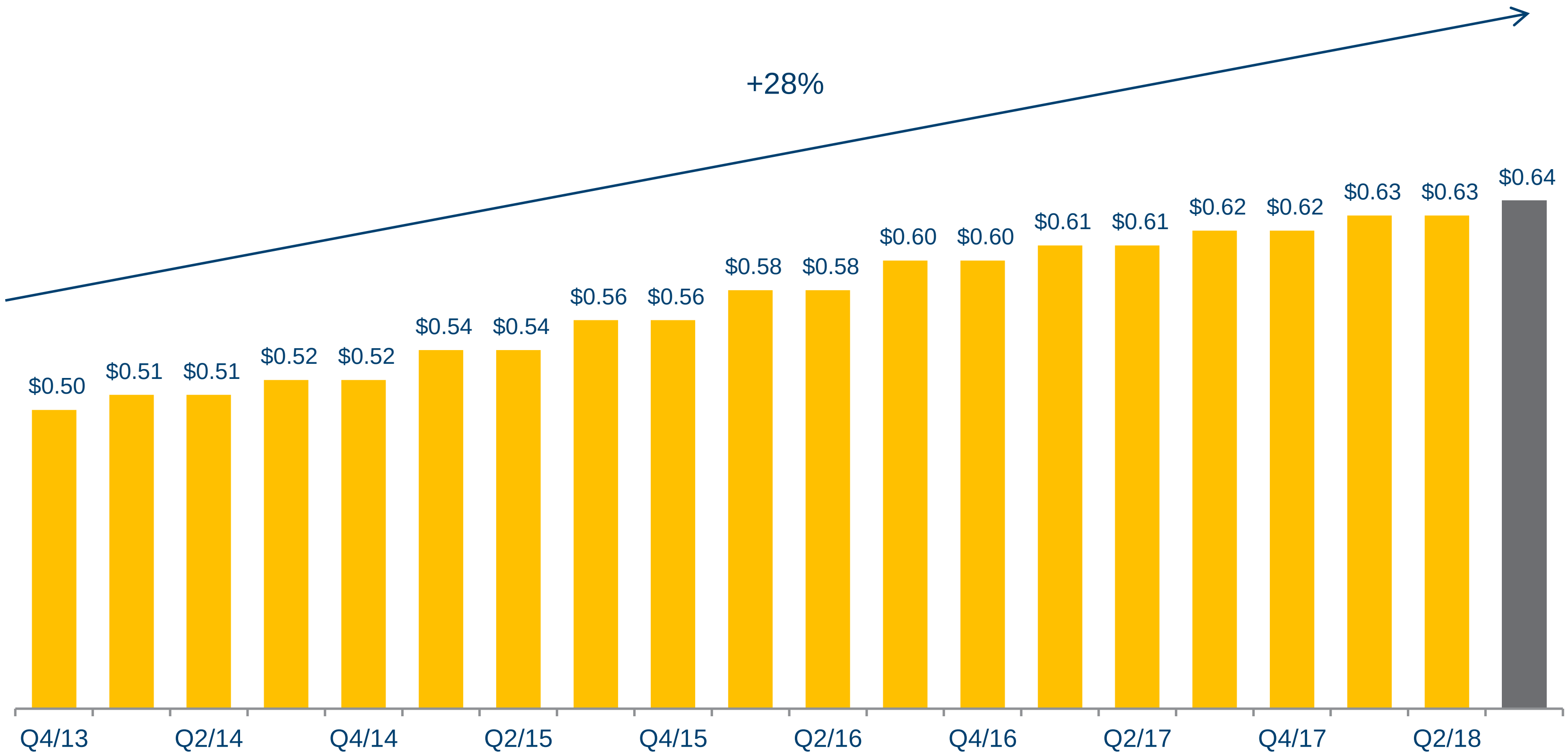
(1) Pending regulatory approval

Transformation Plan Strategic Objectives

Foundation	Growth	Performance
		
Building a Strong Foundation	Investing in Profitable Growth	Improving Performance

Increasing Dividends

Dividends Declared Per Common Share
($/share)



FRANÇOIS LAURIN

Executive Vice-President and Chief Financial Officer

LAURENTIAN BANK
FINANCIAL GROUP

FINANCIAL RESULTS

Q2 2018 Financial Performance

Adjusted [1]	Q2/18	Q/Q	Y/Y
Net Income ($M)	$ 64.6	2 %	25 %
Diluted EPS	$ 1.47	- 1 %	6 %
ROE	11.6 %	10 bps	- 10 bps
Efficiency Ratio	65.1 %	30 bps	- 210 bps

- Good results for the quarter
- Q2-2018 EPS and ROE were impacted by higher levels of capital
- Q2-2018 includes a $5.3M gain ($4.6M net of income tax, $0.11 EPS) on the sale of the $380.0 million agricultural loan portfolio
- Good improvement in the efficiency ratio Y/Y of 210 bps (excluding the sale of the agricultural loan portfolio – improved by 80 bps)

Reported	Q2/18	Q/Q	Y/Y
Net Income ($M)	$ 59.2	- 1 %	33 %
Diluted EPS	$ 1.34	- 5 %	13 %
ROE	10.5 %	- 30 bps	60 bps
Efficiency Ratio	67.6 %	110 bps	- 310 bps

- 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 due to their nature or significance. Refer to the Non-GAAP Measures appendix for further details.

Adjusting Items in Q2 2018

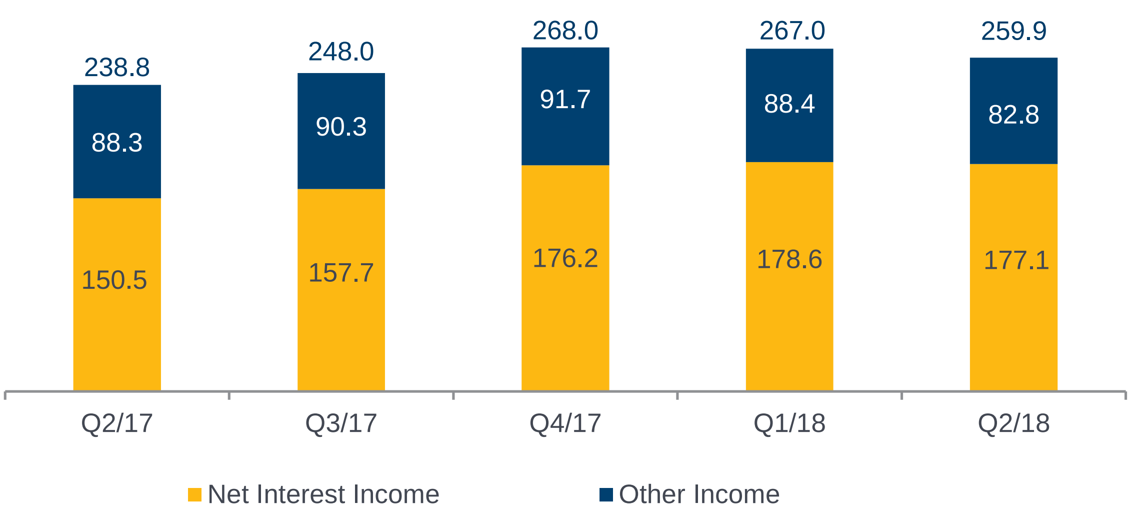
($ millions, except per share amounts)	Q2/18			Q1/18		
	Before taxes	**After taxes**	**EPS**	**Before taxes**	**After taxes**	**EPS**
Adjusting Items						
Other restructuring charges	$ 1.8	$ 1.3	$ 0.03	$ 0.9	$ 0.7	$ 0.02
Total restructuring charges	*$ 1.8*	*$ 1.3*	*$ 0.03*	*$ 0.9*	*$ 0.7*	*$ 0.02*
Items related to business combinations						
Amortization of net premium on purchased financial instruments	0.6	0.4	0.01	0.7	0.5	0.01
Amortization of acquisition-related intangible assets	3.0	2.4	0.06	3.0	1.9	0.05
Other cost related to business combinations	1.8	1.3	0.03	0.6	0.4	0.01
Total items related to business combinations	*$ 5.3*	*$ 4.1*	*$ 0.10*	*$4.2*	*$ 2.8*	*$ 0.07*
Total adjusting items (1)	$ 7.1	$ 5.4	$ 0.13	$ 5.2	$ 3.5	$ 0.09

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

Total Revenue

($ millions)	Q2/18	Q/Q	Y/Y
Net Interest Income	$ 177.1	- 1 %	18 %
Other Income	82.8	- 6 %	- 6 %
Total Revenue	$ 259.9	- 3 %	9 %

Total Revenue
($ millions)

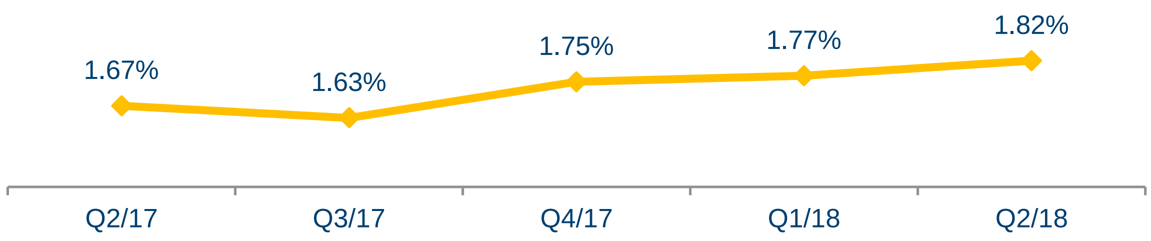


Total Revenue

- Net interest income: down $1.5M Q/Q mainly due to the negative impact of three fewer days in the second quarter
- Net interest income: up $26.6M Y/Y, due to strong volume growth in the commercial loan portfolios, both organic and from acquisitions, as well as from the higher margins earned on these loans
- Other income: down $5.6M Q/Q and Y/Y mainly due to more volatile treasury and financial market and brokerage activities, partly offset by the gain on the sale of the agricultural loan portfolio
- Simplifying our product suite has led to eliminating several fee generating products. The reduction in revenues is offset by a reduction in expenses, contributing to the overall improvement in efficiency

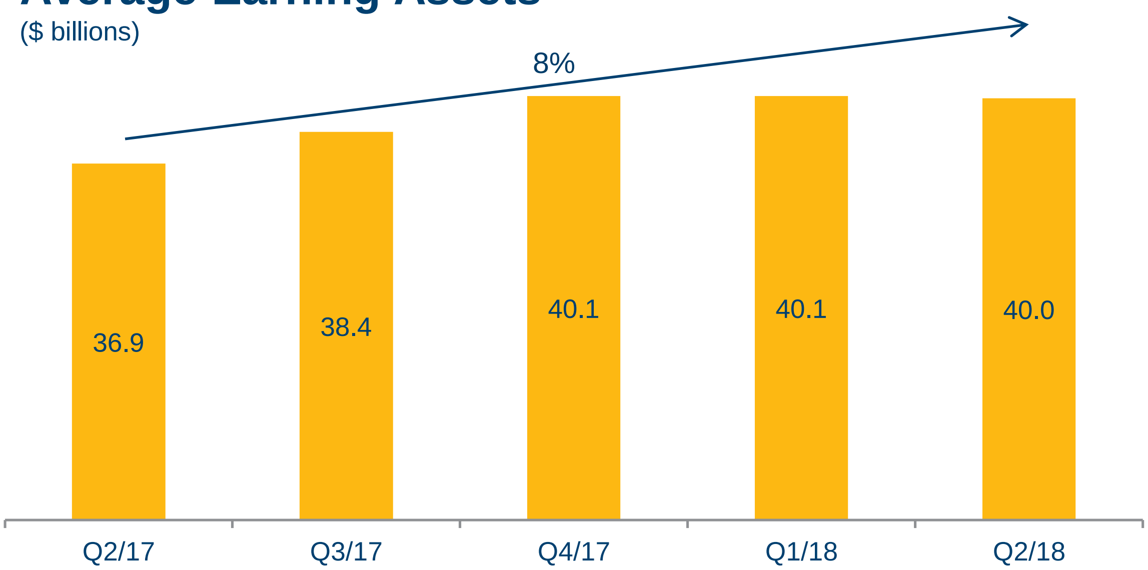
Net Interest Margin (NIM)

Net Interest Margin
(on average earning assets)



- NIM Q2/18 vs Q1/18
  - 5 bps increase driven by a larger proportion of higher-yielding loans to business customers and recent increases in the prime rate
- NIM Q2/18 vs Q2/17
  - 15 bps increase mainly driven by a larger proportion of higher-yielding loans to business customers and recent increases in the prime rate, partly offset by higher levels of liquidity

Average Earning Assets
($ billions)



- Average earning assets increased 8% Y/Y:
  - Organic growth in residential mortgage loans through independent brokers and advisors up 11% Y/Y
  - Loans to business customers up 19% Y/Y including acquisition of Northpoint in Q4/17

Other Income

Other Income ($ millions)	Q2/18	Q/Q	Y/Y
Deposit Service Charges	$ 12.5	- 4 %	- 12 %
Lending Fees	15.0	- 7 %	- 2 %
Card Service Revenues	8.5	- 6 %	2 %
Fees and Commissions on Loans and Deposits	$ 36.0	- 6 %	- 5 %
Income from Brokerage Operations	14.4	- 23 %	- 22 %
Income from Sales of Mutual Funds	11.8	- 3 %	1 %
Income from Investment Accounts	5.1	- 10 %	- 17 %
Income from Treasury and Financial Market Operations	1.5	- 74 %	- 69 %
Other (1)	14.0	72 %	47 %
	$ 82.8	- 6 %	- 6 %

Other Income

Y/Y Highlights

- Deposit service charges down $1.7M, as a result of lower transaction fees and service charges on deposits as clients continue to modify their banking behavior and as a result of product simplification
- Income from brokerage operations down $4.0M, reflecting a lower level of activity as a result of market conditions
- Income from treasury and financial market operations down $3.3M due to lower net securities gains
- Other up $5.9M due to the $5.3M gain on the sale of the agricultural loan portfolio

Q/Q Highlights

- Income from brokerage operations down $4.2M due to a lower level of fixed income activities as a result of market conditions
- Income from treasury and financial market operations down $4.1M due to lower net securities gains
- Other increased by $4.5M due to the $5.3M gain on the sale of the agricultural loan portfolio

(1) Includes net Insurance Income, Leasing Revenues and Other.

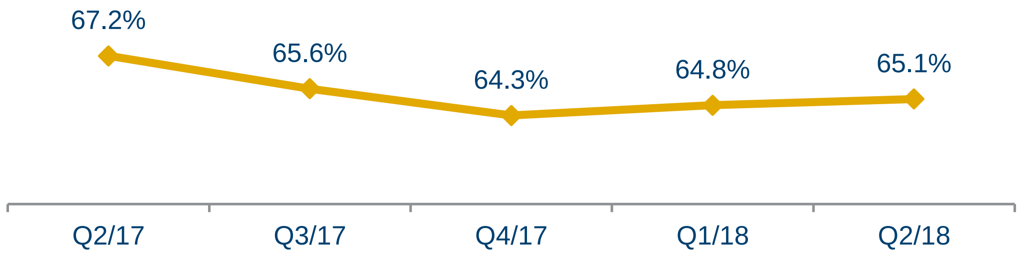
Non-Interest Expenses (NIE)

Adjusted NIE ($ millions)	**Q2/18**	**Q/Q**	**Y/Y**
Salaries and Employee Benefits	$ 91.6	- 2 %	4 %
Premises and Technology	48.0	1 %	5 %
Other	29.6	- 8 %	10 %
	$ 169.1	- 2 %	5 %

Good Ongoing Cost Control:

- Adjusted NIE up 5% Y/Y: mainly due to the acquisition of NCF, regular salary increases and higher technology costs related to ongoing activities to enhance IT service levels and security
- Adjusted NIE decreased $4.0M Q/Q: mainly due to lower salaries given the fewer number of days in the second quarter and sequentially lower advertising and business development expenses

Adjusted Efficiency Ratio

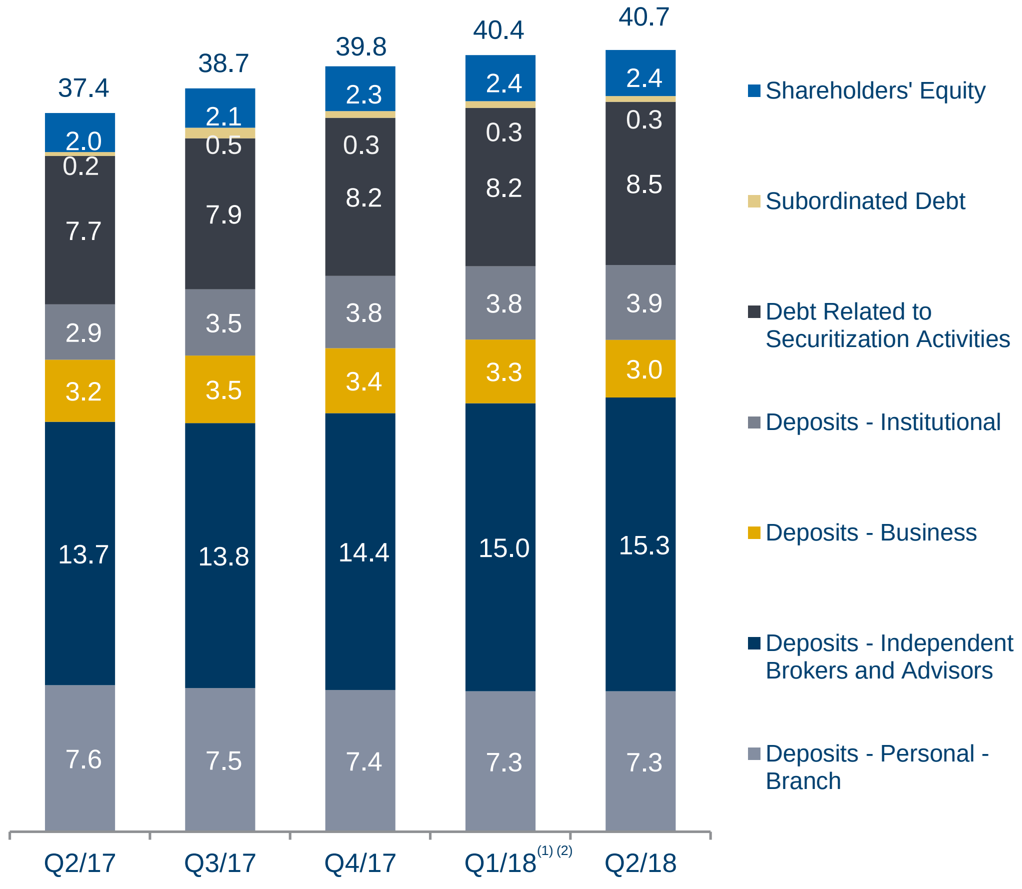


Adjusted Efficiency Ratio Improved:

- 210 bps Y/Y (excluding the sale of the agricultural loan portfolio – improved by 80 bps)

Optimizing Bank Funding Through Well Diversified Sources

Funding
($ billions)



Continue to optimize sources of funds which are well diversified, stable and strong

Total deposit growth (unchanged Q/Q and up 7% Y/Y):

- Stable level of branch deposits from previous quarter and minimal attrition over last year in line with expectations given the branch mergers
- Growth in deposits through independent brokers and advisors (up 3% Q/Q and 11% Y/Y)
- Strong growth in institutional deposits (up 3% Q/Q and 36% Y/Y)
- Business deposits (down 9% Q/Q and 8% Y/Y)

(1) Issued common shares for gross proceeds of $143.8M in Q1/18 and net proceeds of $139.2M
(2) Repurchased preferred shares of $100.0M in Q1/18

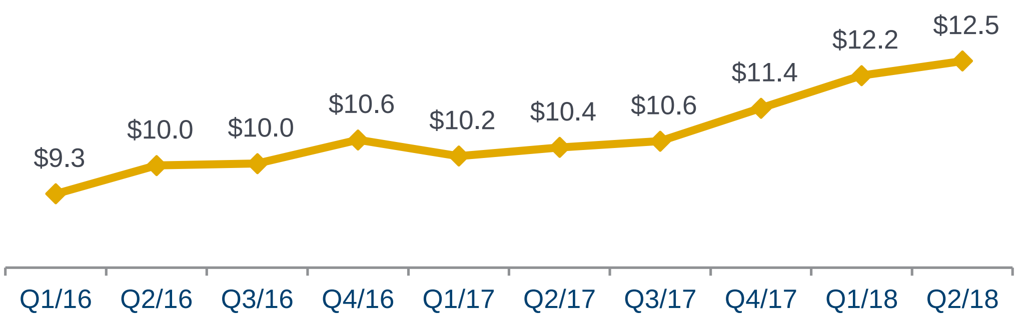
Continuing to Further Diversify Funding

- **We have been diversifying and optimizing funding during the first two and a half years of our transformation plan**
  - CMHC CMB : began participation in the 10-Year fixed-rate program - *April 2016*
  - Syndicated NHA MBS - *September 2016*
  - Securitization conduits of CIT assets (leasing) - *October 2016*
  - First Investment Loan Securitization program in Canada - *June 2017*
  - Securitization conduits of LBC Capital assets (leasing) - *October 2017*
  - Lower exposure on HIIA (redeemable deposits) - *ongoing*

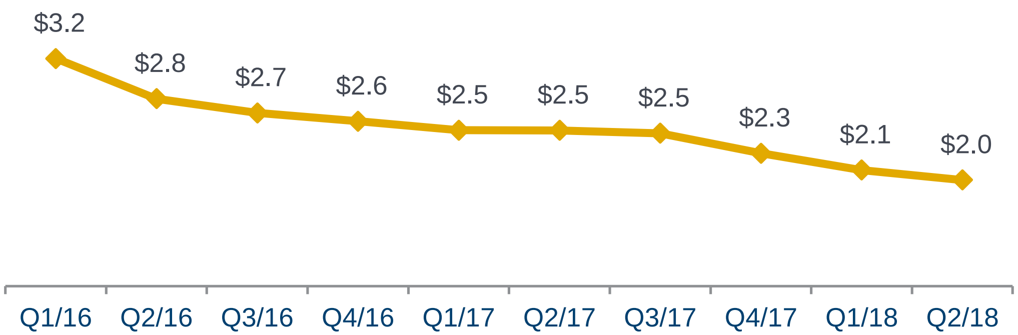
- **Future Initiatives**
  - Increased focus on personal deposits
    - Retail Branches
    - Digital Banking
  - US financing programs

Broker-Sourced: Non-Redeemable GIC's up / HIIA down

Non-Redeemable GICs - Third party
($ billions)



High Interest Investment Account (HIIA)
($ billions)



Strategic Decisions

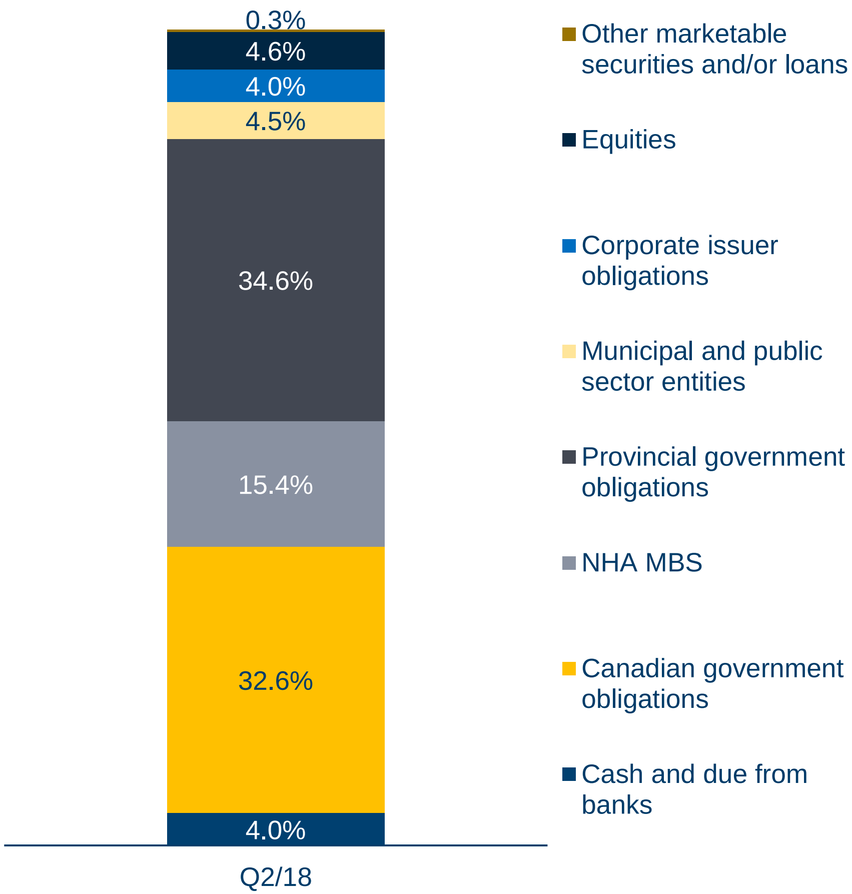
- **Increasing our Non-Redeemable Broker-Sourced GIC:**
  - We have been focusing on increasing our Non-Redeemable Broker-Sourced GIC balances over the last 2 years - a higher quality term funding source
  - We have confirmed our ability to increase our funding through this cost effective market while we implement our strategic plan for the Retail network and Digital Banking

- **Reduce our Broker-Sourced HIIA:**
  - We made the strategic decision 2 years ago to reduce our exposure to the more volatile Broker-Sourced HIIA product
  - We will continue to manage down this source of funding to optimize our funding mix and reduce volatility

Conservative Liquidity Management

Composition of Liquidity Portfolio

(April 30, 2018)



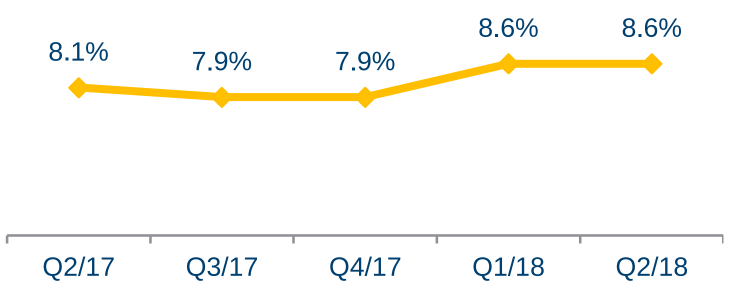
Our liquidity management is rigorous, prudent and conservative

- We track two metrics that are monitored daily
  - Internal Liquidity Metric (ILM)
  - Liquidity Coverage Ratio (LCR)
- Our ILM measure is more conservative than the LCR as scenarios are stressed for longer periods of time and for higher run-offs

Nearly 90% of LBC's liquidity portfolio is invested in low risk, liquid assets such as Canadian Government, Provincial and Municipal securities, as well as in cash

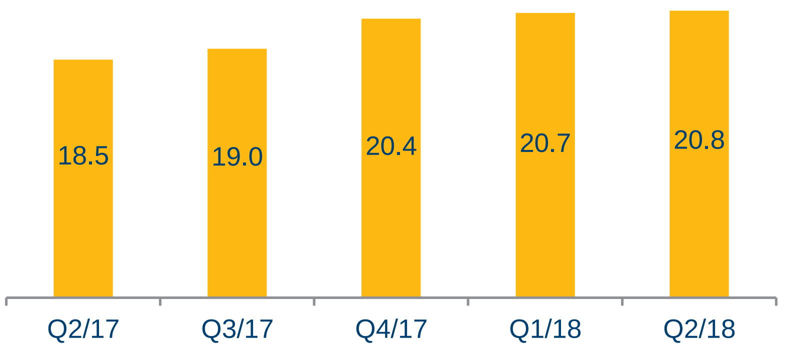
Capital Management

Common Equity Tier 1 Capital Ratio (CET1)

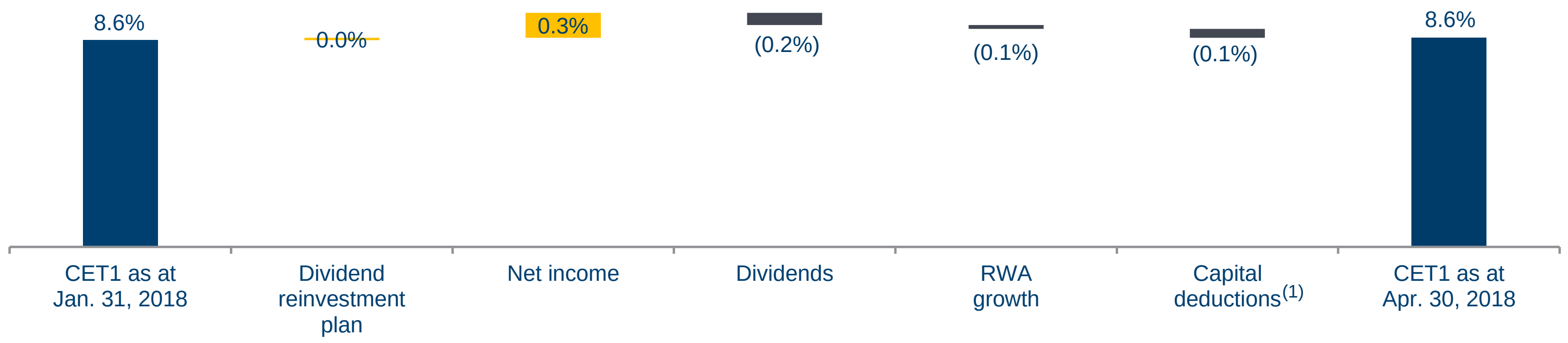


Risk-Weighted Assets

($ billions)



Evolution of the CET1 Ratio

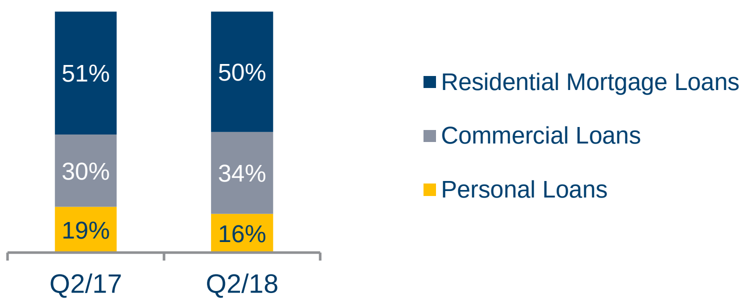


(1) Comprised of deductions for software and other intangible assets, goodwill, pension plan assets and other.

RISK REVIEW

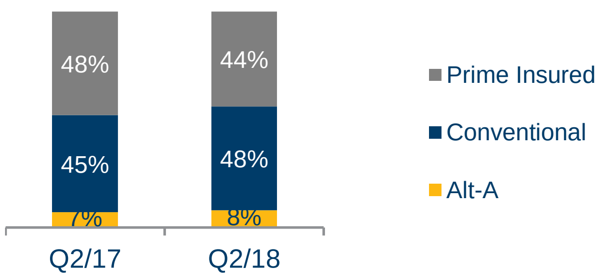
Laurentian Bank Loan Portfolios – Well Diversified

Loan Portfolio Mix



Residential Mortgage Loans

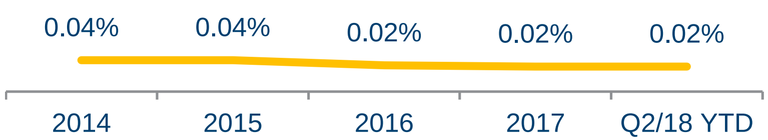
Insured vs Uninsured



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 50% of total loans as at Q2/18
- Commercial loans represent 34% of total loans as at Q2/18 compared to 30% as at Q2/17 as we evolve our portfolio mix

Large proportion of the Bank's residential mortgage loans is insured prime mortgage loans:

- Declining proportion of insured residential mortgage loans given changes to eligibility requirements for mortgage loan insurance - an industry-wide trend
- 56% of the residential mortgage loans 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 and 4% of the total loan portfolio

- **Consistently low loan losses**

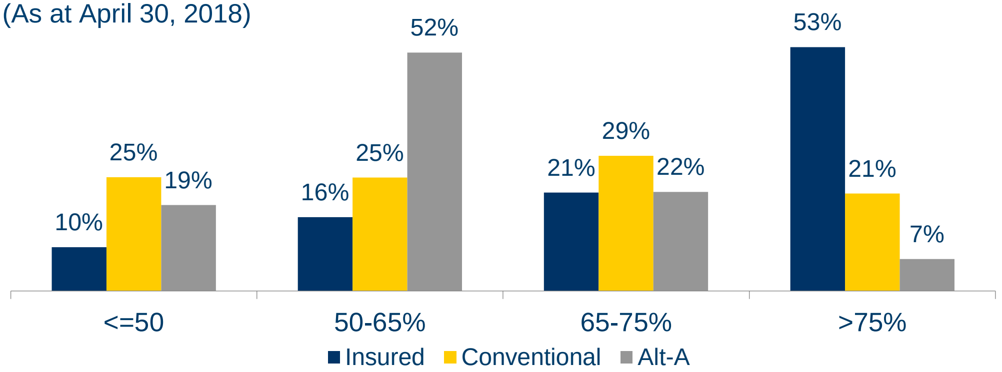
High Quality Residential Mortgage Loan Portfolio

Low Loan-to-Value (LTV)

Residential Mortgage Loans

LTV Distribution

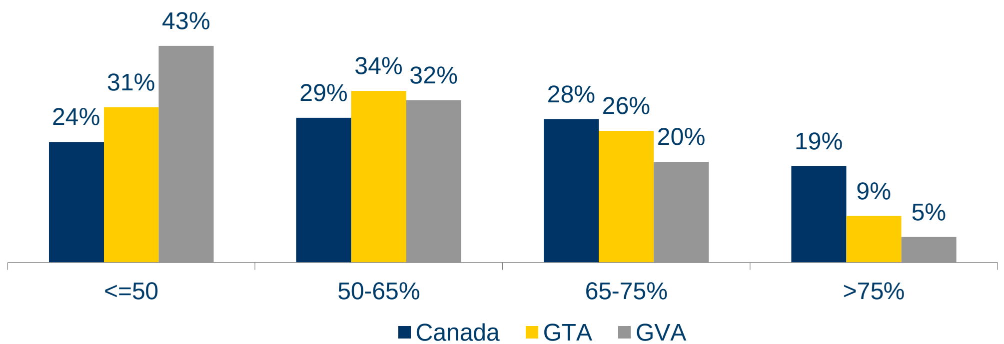
(As at April 30, 2018)



Uninsured Residential Mortgage Loans [1]

Geographic LTV Distribution

(As at April 30, 2018)



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

- Vast majority of Conventional and Alt-A residential mortgage loans have LTVs of 75% or less:
  - 79% of Conventional portfolio
  - 93% of Alt-A portfolio

- Substantial buffer against potential home price declines with LTVs of 75% or less
  - 81% of total portfolio
  - 91% of GTA portfolio
  - 95% of GVA portfolio

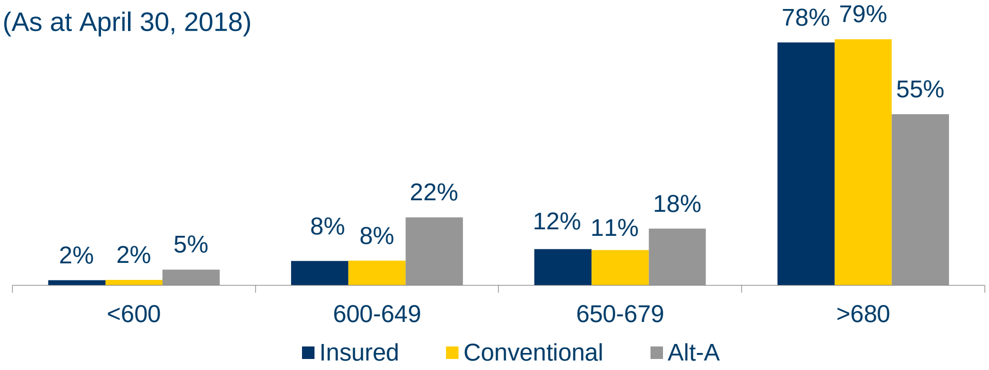
(1) Uninsured equals prime uninsured plus Alt-A

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

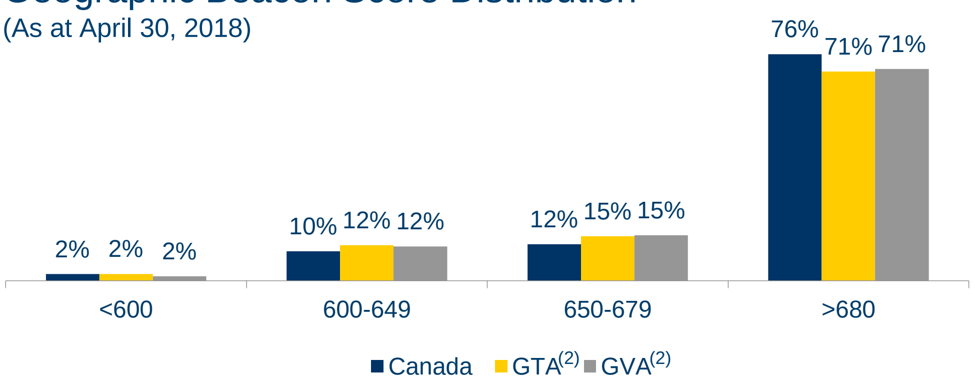
High Quality Residential Mortgage Loan Portfolio

High Beacon Scores

Residential Mortgage Loans
Beacon Score Distribution
(As at April 30, 2018)



Uninsured Residential Mortgage Loans (1)
Geographic Beacon Score Distribution
(As at April 30, 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

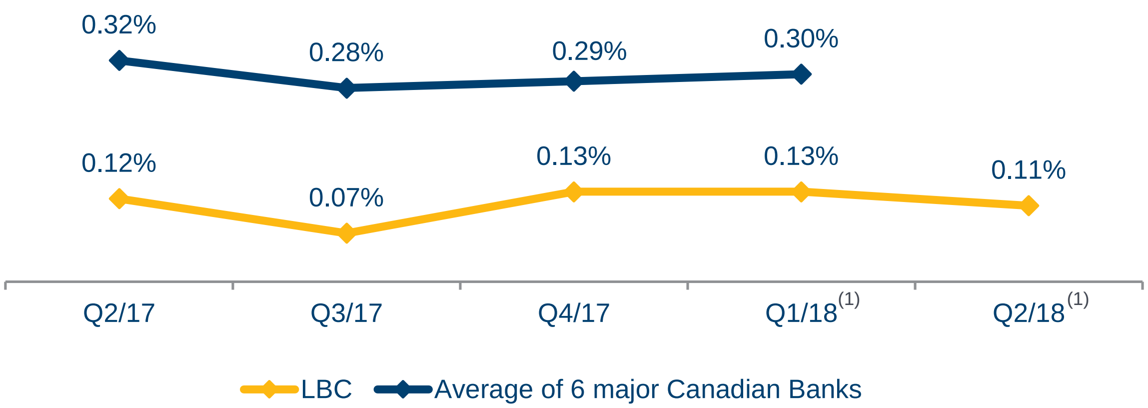
- High credit worthiness of the portfolio with beacon score >650
  - 88% of total portfolio
  - 86% of GTA portfolio
  - 86% of GVA portfolio

(1) Uninsured equals prime uninsured plus Alt-A
(2) GTA: Greater Toronto Area; GVA: Greater Vancouver Area

Provision for Credit Losses (PCL)

PCL

(As a % of average loans and acceptances)



PCL ($ millions)	Q2/18	Q1/18	Q2/17
Personal Loans	$5.7	$ 7.0	$ 7.9
Residential Mortgage Loans	- 0.2	1.6	1.3
Commercial Loans	4.0	3.4	0.9
	$ 9.5	$ 12.0	$ 10.1

Low Loss Ratio:

- Down 1 bps Y/Y:
  - Includes impact of the evolution of the mix and overall growth in the loan portfolio
  - The continued relatively low level of credit losses reflects the overall underlying good credit quality of the loan portfolios

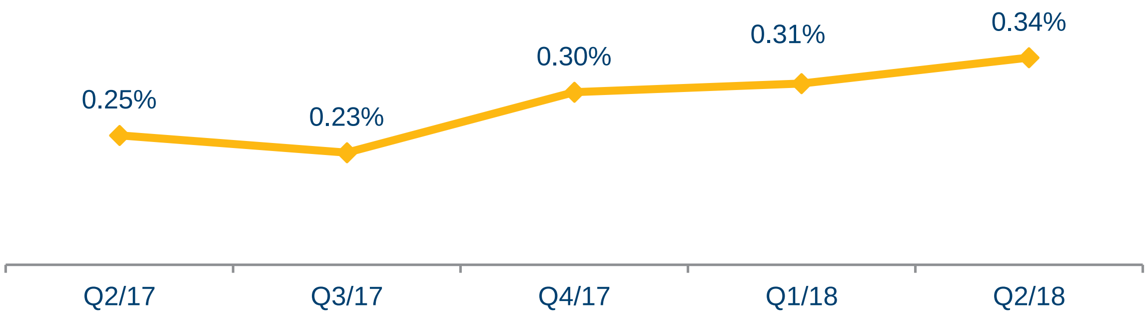
- Favourable impact of $2.8M resulting from updates to risk model parameters
- 97% of our loan book is collateralized
- Expected to trend slightly higher as the loan portfolio mix evolves

(1) In Q1/18 the 6 major Canadian Banks adopted IFRS 9, the average ratio from Q1/18 and Q2/18 reflects the new standard. LBC will adopt IFRS 9 on November 1, 2018, therefore LBC's ratio is based on IAS 39.

Impaired Loans

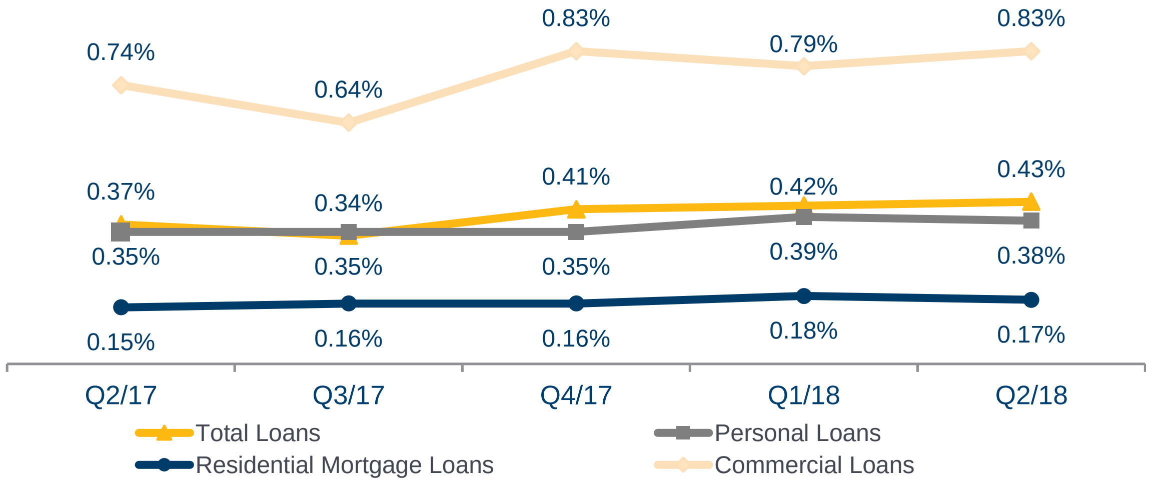
Net Impaired Loans (NIL) (1)

(As a % of loans and acceptances)



Gross Impaired Loans

(As a % of loans and acceptances)

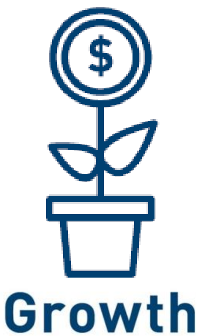


- Gross impaired loans of $154.7M, increased by $0.9M Q/Q, and $28.9M Y/Y and includes the impact of the evolution and overall growth in the loan portfolio
- Loan portfolios continue to perform well
- Gross impaired loans remain at relatively low levels, reflecting the good credit quality of the underlying portfolios

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

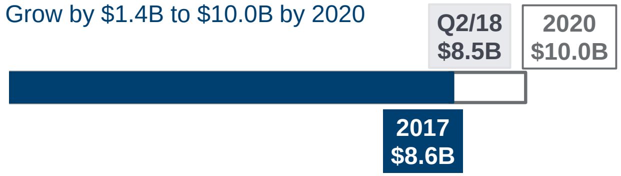
MID-TERM OBJECTIVES

Our 2020 Medium-Term Growth Targets

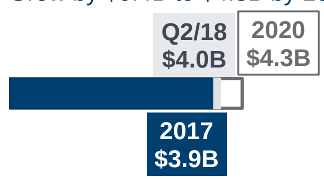


Loans to Business Customers
Grow by $1.8B to $14.0B by 2020

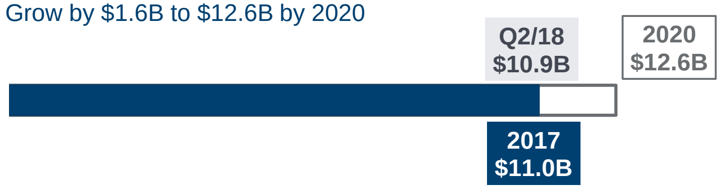
Residential Mortgage Loans Through Independent Brokers and Advisors
Grow by $1.4B to $10.0B by 2020



Assets Under Management at Laurentian Bank Securities
Grow by $0.4B to $4.3B by 2020



Assets Under Management from Retail Services Clients (1)
Grow by $1.6B to $12.6B by 2020



Total Deposits from Clients (2)
Grow by $1.9 to $27.1B by 2020

(1) Including deposits and mutual funds from Retail clients.

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

Our 2020 Medium-Term Objectives and Performance

Performance
(for the six months ended April 30, 2018)

Adjusted ROE [1]
11.5% gap at 530 bps

Narrow gap to 300 bps by 2020 [2]

Adjusted Efficiency Ratio
64.9%

< 65% by 2020

Adjusted Diluted EPS
$2.96 up 5% [3]

Grow by 5% to 10% annually

Adjusted Operating Leverage
3.9% [3]

Positive

(1) Gap based on Q1/18 results (the weighted average of the 6 major Canadian banks at 16.8%).
(2) Compared to the major Canadian banks and to achieve a comparable ROE by 2022.
(3) Compared to Q2/17 YTD.

APPENDICES

Mortgage Review – Successfully Resolved with TPP

- Situation with TPP (Third-Party Purchaser) is now resolved for both B2B Bank and branch network
- In Q3, the Bank will repurchase $115 million of mortgage loans ineligible for securitization, slightly lower than the Bank's initial assessment of $124 million reported at the end of the first quarter
- TPP agreed to continue to consider future purchases, subject to terms and conditions to be agreed upon at the time of each purchase
- No material impact expected on the Bank's operations, funding and capital

In millions of Canadian dollars	**B2B Bank**	**Branch network**	**Total**	**Status**
Total mortgage loans sold (1)	$655	$1,157	$1,812	-
Ineligible mortgage loans identified (2) (4)	$ 89	-	$ 89	✓
Mortgage loans inadvertently sold (3) (4)	$ 1	$ 90	$ 91	✓
Ineligible mortgage loans identified during Q2-2018 (5)	-	$115	$115	✓
Total ineligible mortgage loans inadvertently sold and identified	$ 90	$205	$295	✓

(1) As at September 30, 2017, as reported in our 2017 Annual Report, excluding the impact of repurchases. As at April 30, 2018, mortgage loans sold to the TPP by B2B Bank and the branch network totaled $526 million and $950 million respectively. The variations from what was previously disclosed are due to net repayments and the aforementioned repurchases.
(2) Mortgage loans with documentation issues ineligible for securitization.
(3) Loans inadvertently sold relate to low LTV mortgage loans which did not meet the TPP criteria for securitization.
(4) Repurchased in the first half of 2018.
(5) Will be repurchased in the third quarter of 2018.

Mortgage Review – Resolution Underway with CMHC

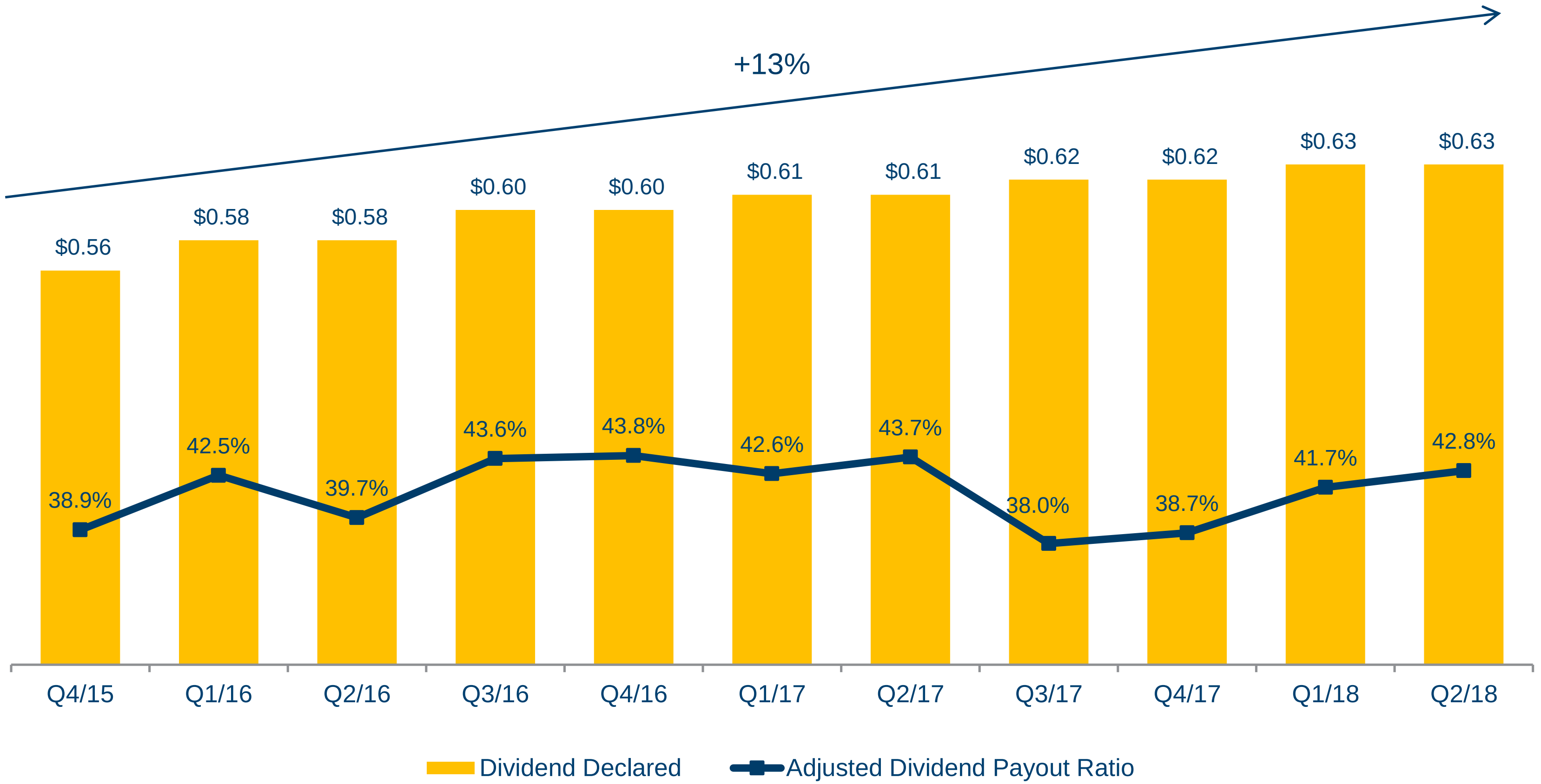
- Securitization program remains available and the Bank has been securitizing mortgage loans as usual during 2018
- Estimated $125M to $150M of mortgage loans to repurchase
- No credit issues, low LTVs
- $20M cash reserve deposit
- Conclude review before end of fiscal year
- No material impact on the Bank's operations, funding and capital

In millions of Canadian dollars	Total	Status
Total mortgage loans sold (1)	$5,157	-
Mortgage loans inadvertently sold as at January 31, 2018 (2) (3)	$ 88	✓
Additional estimated mortgage loans inadvertently sold (2)	$125-150	In progress
Estimated total mortgage loans inadvertently sold	$213-238	

(1) As at September 30, 2017, as reported in our 2017 Annual Report, excluding the impact of repurchases, and new securitizations to CMHC. As at April 30, 2018, mortgage loans sold to CMHC totaled $5,014 million. The variation from what was previously disclosed is due to new securitizations and net repayments.
(2) Loans inadvertently sold relate to low LTV mortgage loans which did not meet CMHC criteria for securitization.
(3) Repurchased in the second quarter of 2018.

Dividend Growth and Adjusted Dividend Payout Ratio

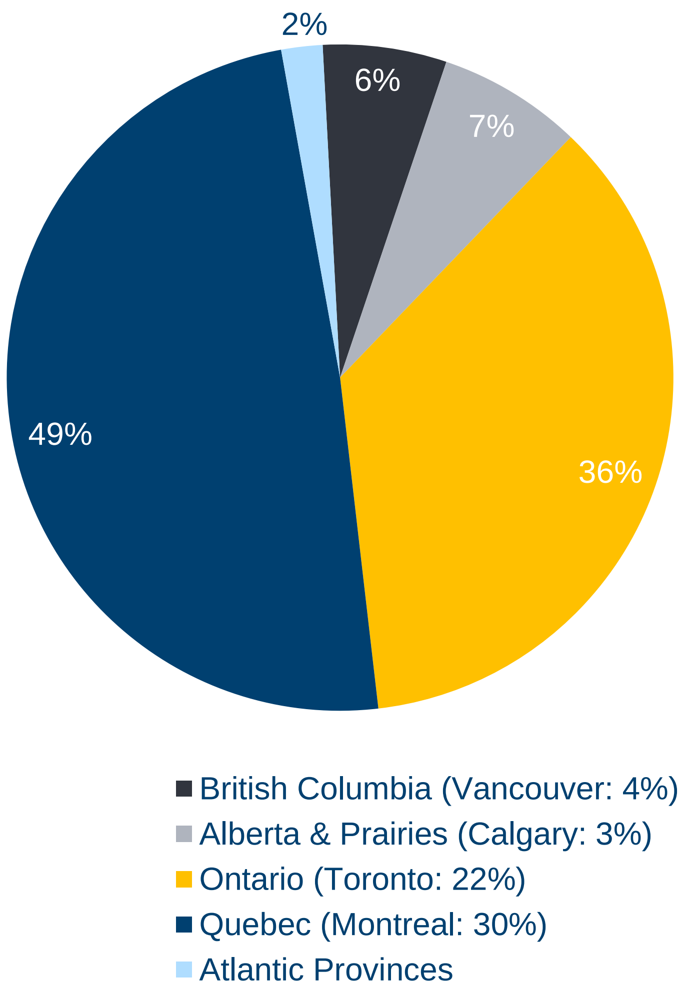
Dividends Declared Per Common Share and Adjusted Dividend Payout Ratio
($/share and as a %)



- Q3/18 common share dividend raised by $0.01 to $0.64 per share
- Target payout Ratio: 40% to 50%

Residential Mortgage Loan Portfolio

Portfolio of $18.2B as at April 30, 2018



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

	% of Residential Mortgage Portfolio		LTV % (1)
	Uninsured	Insured	
British Columbia	62	38	59
Alberta & Prairies	36	64	71
Ontario	63	37	59
Quebec	54	46	62
Atlantic Provinces	38	62	71
Total	57	43	62

(1) Reflects current estimated value, including HELOCs.

Non-GAAP Measures

($ millions, except per share amounts)	Q2/18	Q1/18	Q2/17
Reported net income	$ 59.2	$ 59.7	$ 44.6
Adjusting items, net of income taxes (1)			
Restructuring charges			
Other restructuring charges	1.3	0.7	1.2
	$ 1.3	$ 0.7	$ 1.2
Items related to business combinations			
Amortization of net premium on purchased financial instruments	0.4	0.5	0.6
Amortization of acquisition-related intangible assets	2.4	1.9	0.2
Other costs related to business combinations	1.3	0.4	5.0
	$ 4.1	$ 2.8	$ 5.8
	$ 5.4	$ 3.5	$ 7.0
Adjusted net income	$ 64.6	$ 63.2	$ 51.6
Reported diluted earnings per share	$ 1.34	$ 1.41	$ 1.19
Adjusting items	0.13	0.09	0.21
Adjusted diluted earnings per share	$ 1.47	$ 1.49	$ 1.39

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

Investor Relations Contact

Susan Cohen
Director, Investor Relations
(514) 284-4500, ext. 4926
susan.cohen@lbcfg.ca