# INVESTOR PRESENTATION

First Quarter 2019

LAURENTIAN BANK
FINANCIAL GROUP

lbcfg.ca

# 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

LAURENTIAN BANK
FINANCIAL GROUP

# Progress on Strategic Objectives

A quarter of significant progress on key initiatives that will propel our organisation in the coming months and years

## Foundation

**Building a Stronger Foundation**

## Growth

**Investing in Profitable Growth**

## Performance

**Improving Performance**

# Building a Stronger Foundation

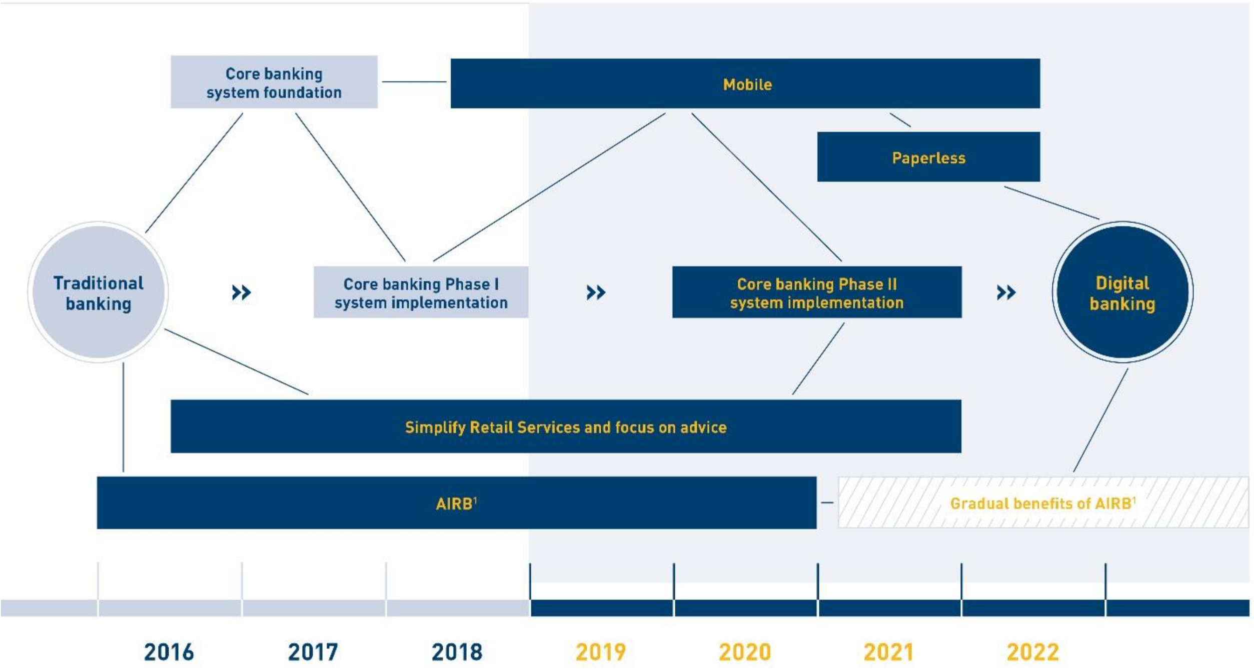
## Foundation

| Investments | Q1/19 Progress |
|---|---|
| • **Core Banking System** | • Phase 1 of core banking system 100% complete as all of B2B Bank products and most of Business Services loans migrated onto the new platform |
| • **Digital Banking Products** | • Continued development of our digital offer that we will gradually launch across Canada under Laurentian Bank and B2B Bank brands |
| • **Advice-only branches** | • 100% advice-only by the end of 2019 |
| • **Risk Management** | • Progress in Regulatory and Compliance Initiatives |
| • **AIRB Approach** | • Working towards adoption in late 2020(1) |

(1) Subject to regulatory approval

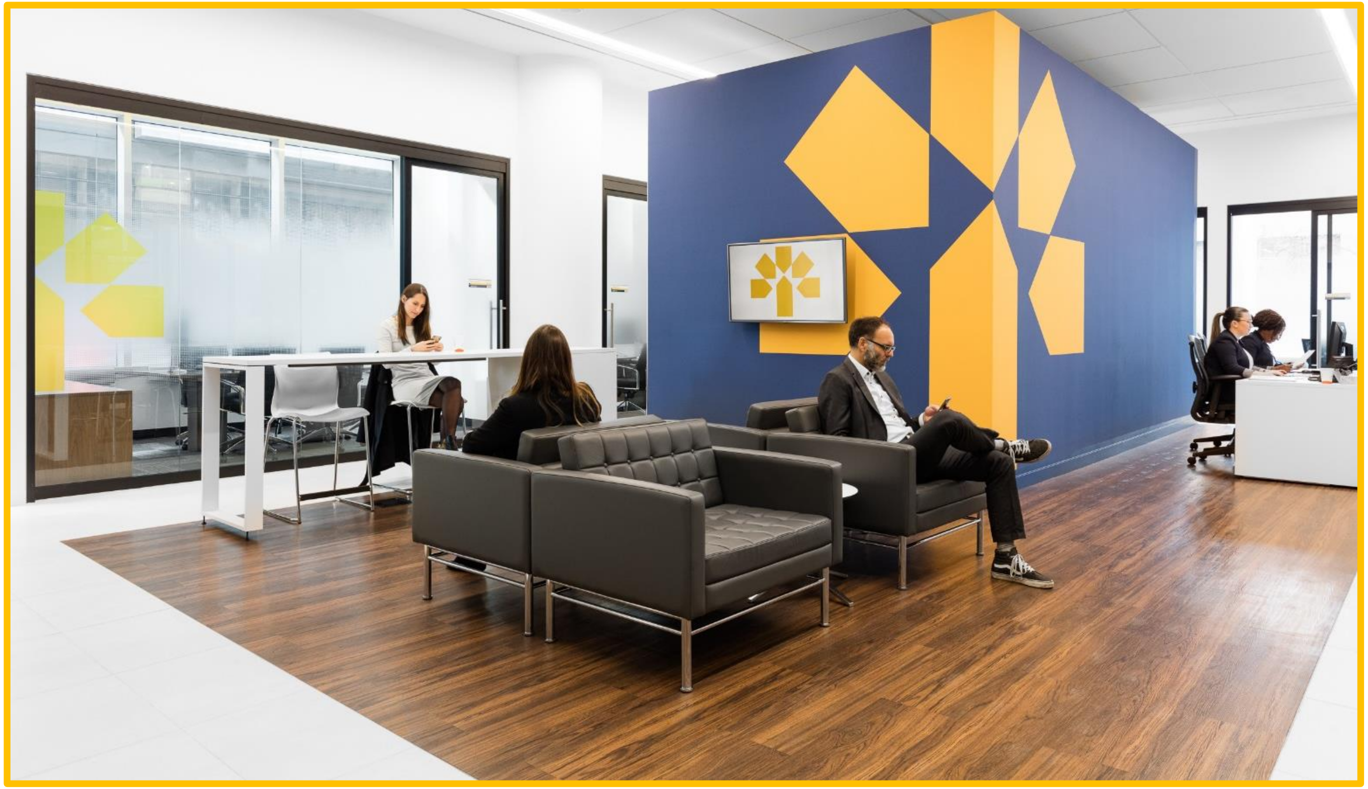
# Building a Stronger Foundation

## Foundation




(1) Subject to regulatory approval

# Building a Strong Foundation




# Investing in Profitable Growth

## Growth

| | Q1/19 |
|---|---|
| • **Loans to Business Customers** | • Loans are up 2% sequentially<br>• Loans are up 3% sequentially excluding loan sales<br>• On target to achieve low double digit growth in 2019 |

# Improving Performance

## Performance

| | Q1/19 |
|---|---|
| • **Strong Balance Sheet** | • CET1 at 8.9%,130 bps higher than when we started the plan (Q4/15)<br>• Healthy level of liquid assets |
| • **Net Interest Margin** | • Improved by 3 basis points year-over-year and sequentially to 1.80%, as our strategy to gradually increase higher-margin commercial loans is being successfully implemented |
| • **Strong Credit Quality** | • Industry low provision for credit loss ratio of 12 basis points |

# Laurentian Bank Financial Group Workforce Distribution

| | Non-unionized - 2,500 team members | Unionized - 1,200 team members |
|---|---|---|
| | - Most of Business Services<br>- Most of Head Office Functions<br>- B2B Bank<br>- LBC Tech<br>- LBC Capital<br>- Northpoint Commercial Finance<br>- Laurentian Bank Securities | - Retail Services Operations and Support Groups |
| **Estimated % of profitability** | ~90% | ~10% |
| **Territory** | Across Canada and in the United States | Quebec |

# 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**
   - Streamline 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

# Laurentian Bank Financial Group Key Elements

## Strong Financial Position and Solid Credit Quality throughout our transformation

| | |
|---|---|
| **Capital and liquidity position** | LBCFG has never been in a better financial position, in terms of its solid capital and liquidity levels |
| **Funding** | LBCFG leverages multiple funding sources and remains well diversified which will be supported by the launch of the digital products |
| **Credit and Risk Management** | LBCFG continues to have an industry low loss provision – a testament to the quality of our underwriting and credit risk management |
| **Processes and Technology** | LBCFG continues to improve processes and technology. With the completion of Phase 1 of the core banking initiative, we are building on solid ground |

# Our 2021 Medium-Term Financial Objectives

The initiatives we are undertaking will help us attain our mid-term and long-term objectives, creating long-term shareholder value

## Performance(1)

| 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

# FRANÇOIS LAURIN

Executive Vice-President and Chief Financial Officer

## Financial Results

LAURENTIAN BANK
FINANCIAL GROUP

# FINANCIAL RESULTS

# Q1/19 Financial Performance

| Adjusted [1] | Q1/19 | Q/Q | Y/Y |
|---|---|---|---|
| Net Income ($M) | **$ 44.7** | -18% | -29% |
| Diluted EPS | **$ 0.98** | -20% | -34% |
| ROE | **7.3%** | -170 bps | -420 bps |
| Efficiency Ratio | **74.0%** | 680 bps | 920 bps |

| Reported | Q1/19 | Q/Q | Y/Y |
|---|---|---|---|
| Net Income ($M) | **$ 40.3** | -21% | -33% |
| Diluted EPS | **$ 0.88** | -22% | -38% |
| ROE | **6.5%** | -190 bps | -430 bps |
| Efficiency Ratio | **76.2%** | 720 bps | 970 bps |

## Q1/19 Highlights

### Y/Y and Q/Q

- Impacted by pressure on revenues and expenses, as well as the full-quarter effect of a common share issuance completed in Q1/18

- 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 Q1/19

| ($ millions, except per share amounts) | Q1/19 | | | Q4/18 | | |
|---|---|---|---|---|---|---|
| | Before taxes | After taxes | EPS | Before taxes | After taxes | EPS |
| Adjusting items | | | | | | |
| Restructuring charges | | | | | | |
| Severance charges | **$ 1.3** | **$ 1.0** | **$ 0.02** | $ 0.9 | $ 0.7 | $ 0.02 |
| Other restructuring charges | **0.7** | **0.5** | **0.01** | 0.1 | 0.1 | - |
| Total restructuring charges | **2.0** | **1.5** | **0.03** | 1.0 | 0.8 | 0.02 |
| | | | | | | |
| Items related to business combinations | | | | | | |
| Amortization of net premium on purchased financial instruments | **0.4** | **0.3** | **0.01** | 0.5 | 0.4 | 0.01 |
| Amortization of acquisition-related intangible assets | **3.4** | **2.6** | **0.06** | 3.4 | 2.4 | 0.06 |
| Total items related to business combinations | **3.9** | **2.9** | **0.07** | 3.9 | 2.8 | 0.07 |
| Total adjusting items[(1)] | **$ 5.9** | **$ 4.4** | **$ 0.10** | $ 4.9 | $ 3.5 | $ 0.08 |

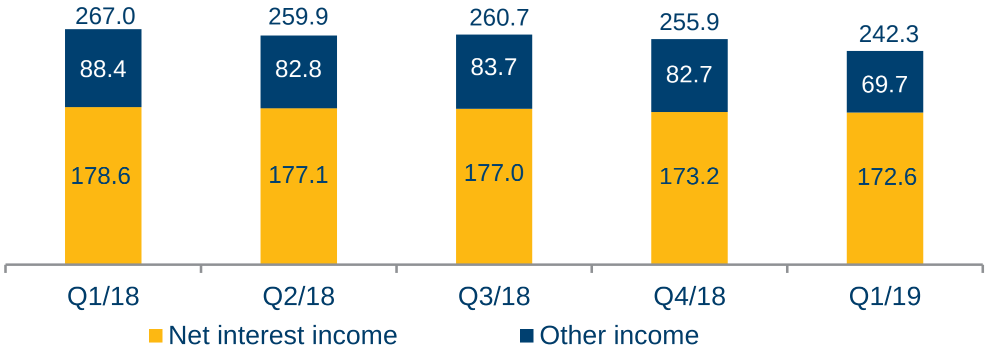
(1) The impact of adjusting items does not add due to rounding

# Total Revenue

| ($ millions) | Q1/19 | Q/Q | Y/Y |
|---|---|---|---|
| Net interest income | **$172.6** | – | -3% |
| Other income | **69.7** | -16% | -21% |
| Total revenue | **$ 242.3** | -5% | -9% |

## Total Revenue

($ millions)




**Q1/19 Highlights**

**Y/Y**

- Total revenue down by $25.0M or by 9%
- Net interest income down by $6.0M or by 3%, mainly due to lower loan volumes and higher funding costs
- Other income down by $18.6M or by 21%, mainly due to lower market related revenues

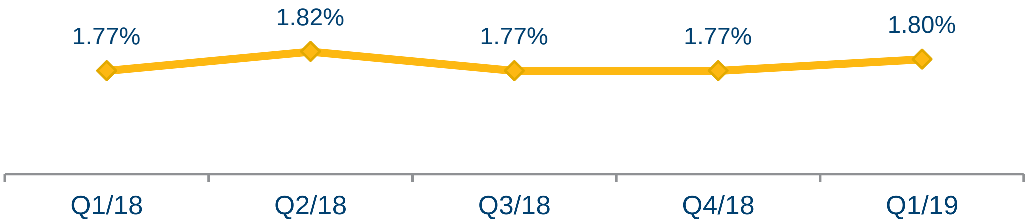
**Q/Q**

- Total revenue down by $13.5M or by 5%
- Net interest income relatively stable
- Other income down by $13.0M or 16%

# Net Interest Margin (NIM)

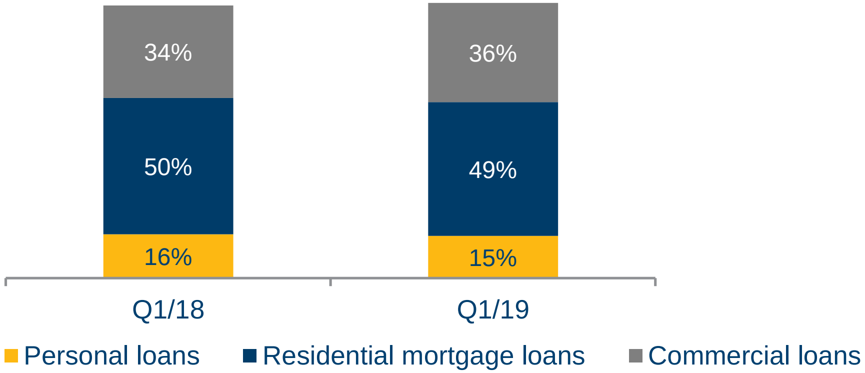
## Net Interest Margin

(on average earning assets)




## Loan Portfolio Mix

($ billions)




**Q1/19 Highlights**

- NIM up 3 bps Q/Q and Y/Y due to successful evolution of the portfolio towards higher margin commercial loans
- In Q1/19 we completed the alignment of our commercial loan portfolio and resumed net growth of 3% sequentially excluding loan sales
  - Sold non-strategic and low margin commercial loans of $708M in 2018 and $105M in Q1/19
- Prudent liquidity management translating into an estimated $7.0M annual reduction in net interest income

# Other Income

| ($ millions) | Q1/19 | Q/Q | Y/Y |
|---|---|---|---|
| Lending fees | **$ 14.6** | - 22% | - 10% |
| Deposit service charges | **10.5** | -5% | -19% |
| Card service revenues | **8.6** | 10% | -4% |
| Fees and commissions on loans and deposits | **$ 33.7** | -10% | -11% |
| Fees and commissions – brokerage operations | **10.0** | - 25% | -26% |
| Commissions on sales of mutual funds | **10.7** | - 8% | - 12% |
| Fees on investments accounts | **4.6** | 2% | -20% |
| Income from treasury and financial market operations | **1.6** | - 72% | - 71% |
| Insurance income, net | **3.6** | -2% | 2% |
| Securities gains (losses) – brokerage operations | **1.7** | - 47% | -66% |
| Other | **3.7** | 33% | -18% |
| | **$ 69.7** | -16% | -21% |

### Q1/19 Highlights

### Y/Y

- Fees and commissions on brokerage operations down by $3.6M Y/Y – lower activity level given poor market conditions. Looking forward, the pipeline is strong
- Other market related revenues, including securities gains and income from treasury and financial market operations down by a combined $7.3M Y/Y
  - Lower gains on inventory held for brokerage activities
  - Lower realized gains on treasury portfolios
- Fees and commissions on loans and deposits down by $4.4M Y/Y – lower deposit and payment service charges as clients gradually modify their banking behavior.

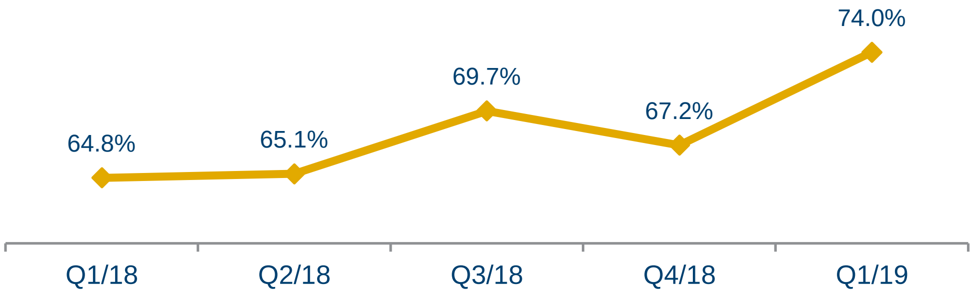
### Q/Q

- Brokerage operations – poor market conditions resulted in sequentially lower activity levels and lower securities gains
- Lending fees – impact of commercial loan prepayment penalties and loan portfolio sales in Q4/18

# Non-Interest Expenses (NIE)

| **Adjusted NIE** ($ millions) | **Q1/19** | **Q/Q** | **Y/Y** |
|---|---|---|---|
| Salaries and employee benefits | **$ 92.1** | 5% | -2% |
| Premises and technology | **49.0** | 1% | 4% |
| Other | **38.1** | 6% | 19% |
| | **$ 179.2** | 4% | 4% |

## Adjusted Efficiency Ratio




### Q1/19 Highlights

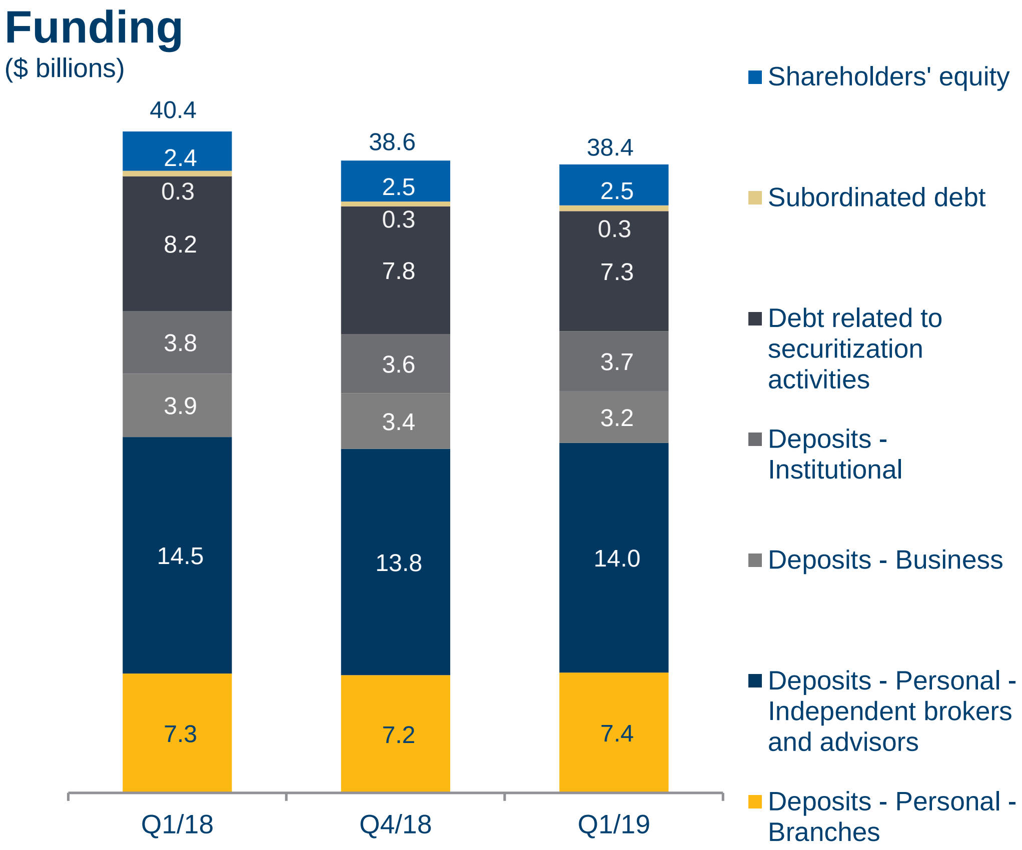
**Y/Y**

- Adjusted NIE up by $6.2M or by 4% – higher technology costs and regulatory expenses partly offset by lower employee benefits and performance-based compensation

**Q/Q**

- Adjusted NIE up by $7.2M or by 4% – higher salaries due to additional costs to run concurrent platforms and seasonal variances in vacation accruals and government payroll charges, as well as higher other expenses

# Well Diversified and Stable Sources of Funding




**Total deposits: up 1% Q/Q and down 4% Y/Y, in line with loan portfolio:**

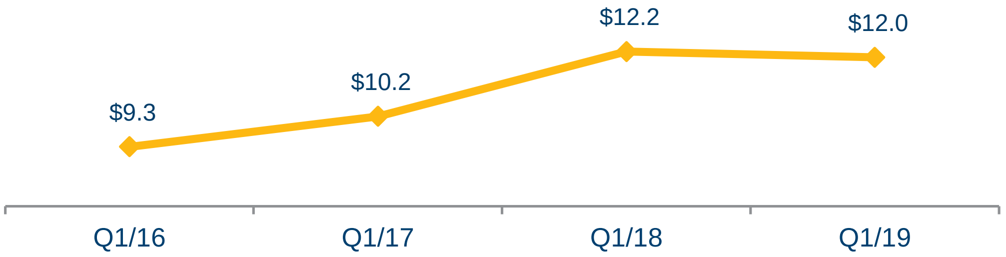
- Personal branch deposits up 3% Q/Q and up 1% Y/Y
- Personal deposits through independent brokers and advisors up 1% Q/Q and down 3% Y/Y
- Business deposits down 7% Q/Q and down 18% Y/Y
- Institutional deposits up 2% Q/Q and down 4% Y/Y

**Debt related to securitization activities: down 6% Q/Q and down 11% Y/Y**

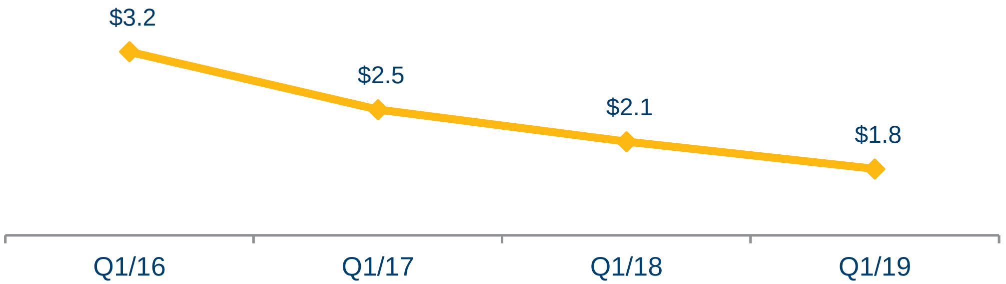
- Maturities of liabilities related to the Canada Mortgage Bond program and normal repayments, in line with reduced level of mortgage loans

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

## Non-Redeemable GICs - Third Party
($ billions)




## High Interest Investment Accounts (HIIA)
($ billions)

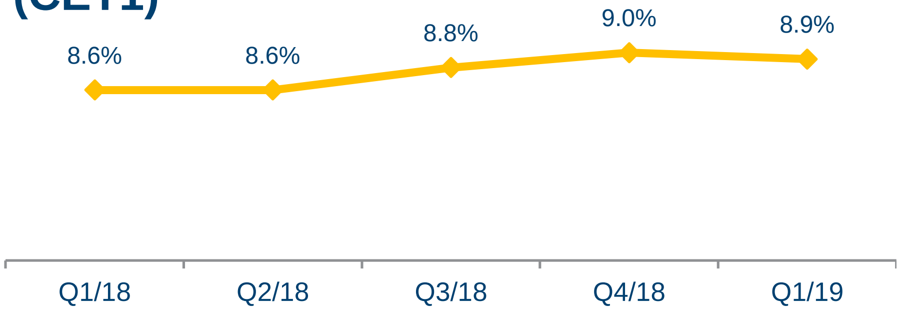



## Strategic Decisions

- **Increasing our Non-Redeemable Broker-Sourced GIC:**
  - We have been focusing on increasing our Non-Redeemable Broker-Sourced GICs over the last 3 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 3 years ago to reduce our exposure to the more volatile Broker-Sourced HIIA product
  - We will continue to prioritize higher quality term funding sources

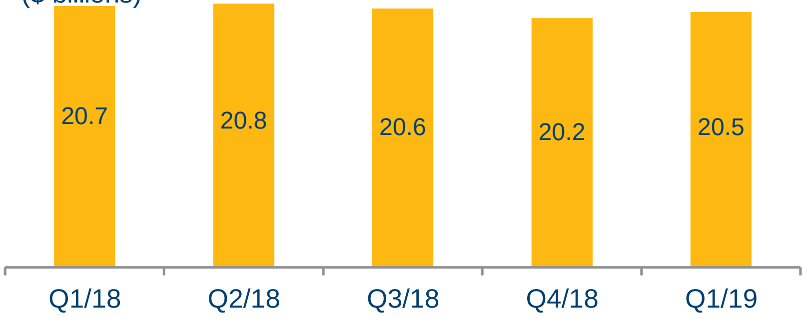
# Regulatory Capital

## Common Equity Tier 1 Capital Ratio (CET1)

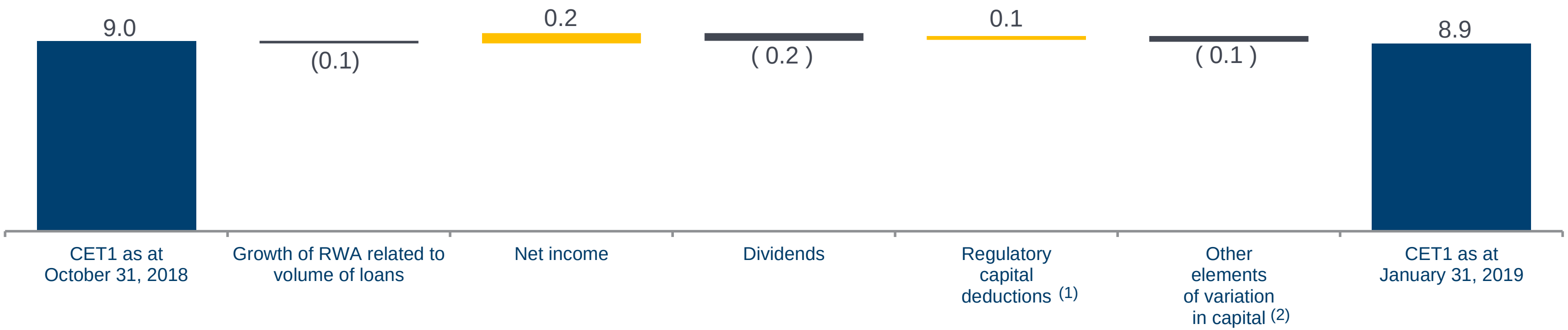



## Risk-Weighted Assets (RWA)

($ billions)




## Evolution of the CET1 Ratio (in %)




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

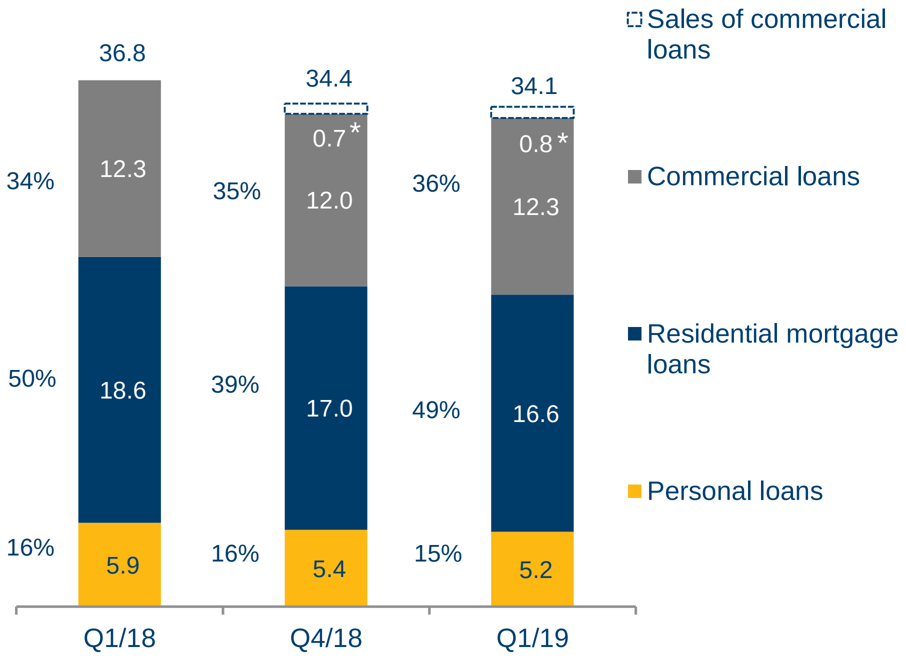
(2) Includes the impact of IFRS 9 adoption as of November 1, 2018 of -4 bps

# RISK REVIEW

# Positioning the Bank for Profitable Growth

## Loan Portfolio Mix

($ billions)



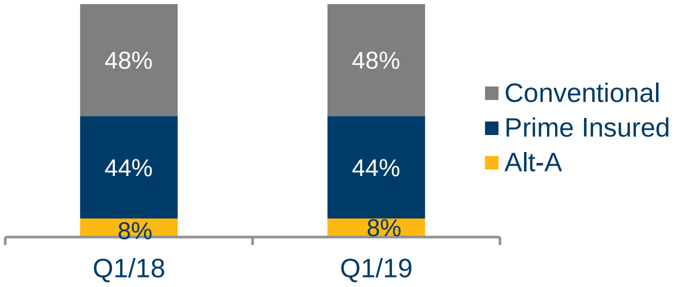

**Total loans down $0.3B Q/Q and $0.5B Y/Y. The decrease reflects the optimization of our portfolio mix in order to better position the Bank to foster profitable growth**

- Personal loans down by $0.2B Q/Q – continued reduction in the investment loan portfolio as consumers deleverage
- Residential mortgage loans down $0.4B Q/Q – gradual decrease in origination as we focus on higher yielding commercial loans to optimize product mix
- Commercial loans and acceptances up 2% Q/Q and 3% Q/Q excluding loan sales – growth in inventory financing volumes and in real estate financing loans
  - 2018: loan sales of $708M
  - Q1/19: loan sales of $105M

* Cumulative commercial loan portfolio sales of $0.7M in Q4/18 and $0.8M in Q1/19.

# Residential Mortgage Loan Porfolio – High Quality

## Insured vs Uninsured

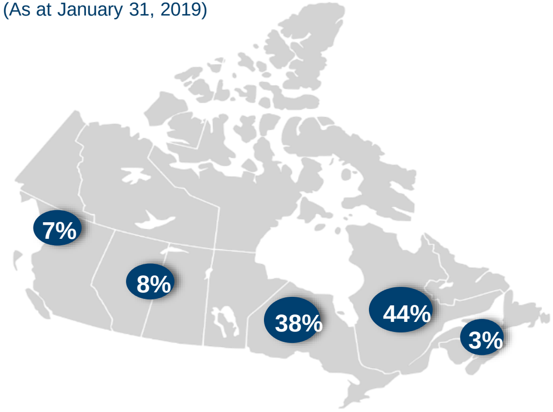



## Insured, Uninsured & Loan to Value (LTV) by Province – Conservative LTV's

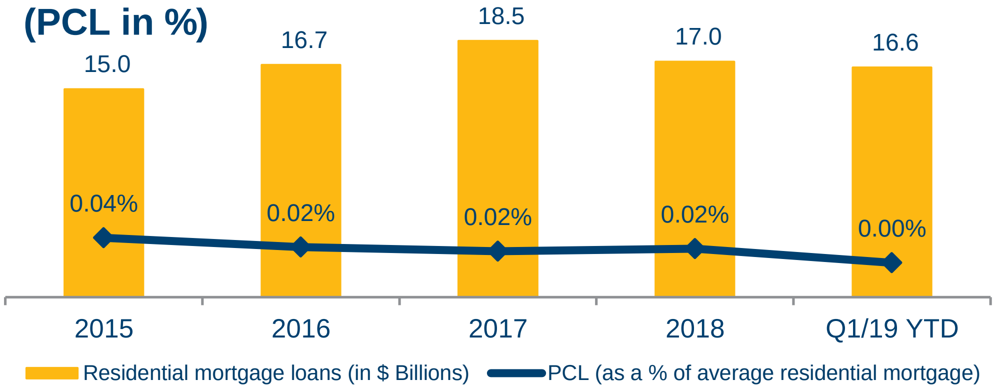
| As at January 31, 2019 | % of Residential Mortgage Loan Portfolio | | LTV %[1] |
|---|---|---|---|
| | Uninsured | Insured | |
| British Columbia | 54% | 46% | 59% |
| Alberta & Prairies | 25% | 75% | 75% |
| Ontario | 62% | 38% | 59% |
| Quebec | 58% | 42% | 61% |
| Atlantic Provinces | 35% | 65% | 74% |
| Total | 56% | 44% | 61% |

## A pan-Canadian Portfolio

(As a % of residential mortgage portfolio)
(As at January 31, 2019)




## Strong Credit Quality – Provision for Credit Losses (PCL in %)

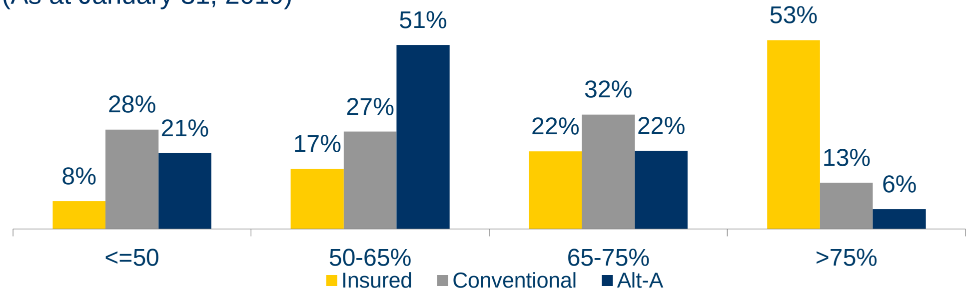



(1) Reflects current estimated value of collateral, including HELOCs

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

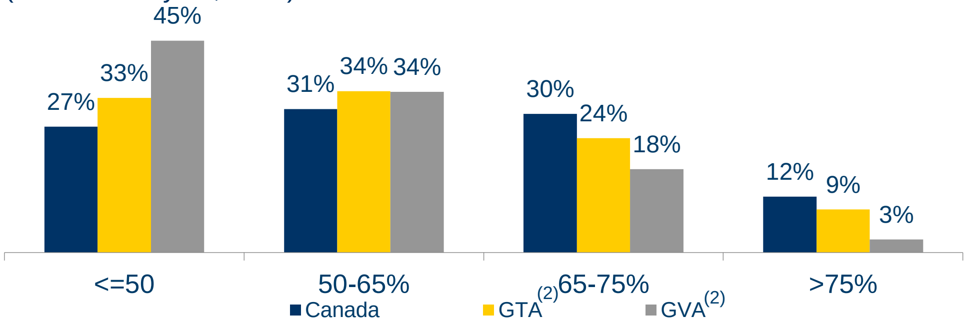
## Loan-to-Value Distribution

(As at January 31, 2019)




## Loan-to-Value Distribution (Uninsured)[1]

(As at January 31, 2019)




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

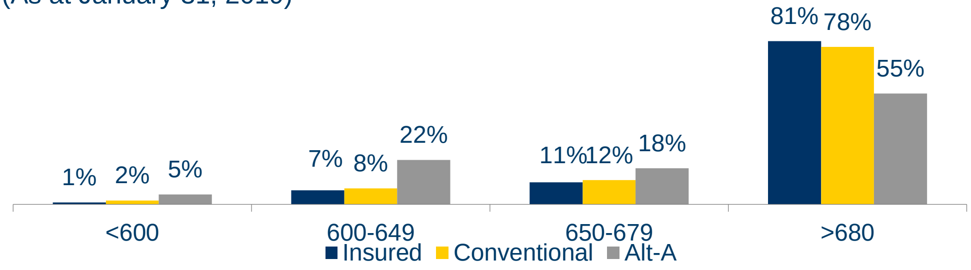
- Vast majority of uninsured and Alt-A mortgages have LTVs of 75% or less
  - 87% of Conventional portfolio
  - 94% of Alt-A portfolio
- Substantial buffer against potential home price declines with LTVs of 75% or less
  - 88% of total portfolio
  - 91% of GTA portfolio
  - 97% of GVA portfolio

(1) Uninsured equals prime uninsured plus Alt-A

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

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

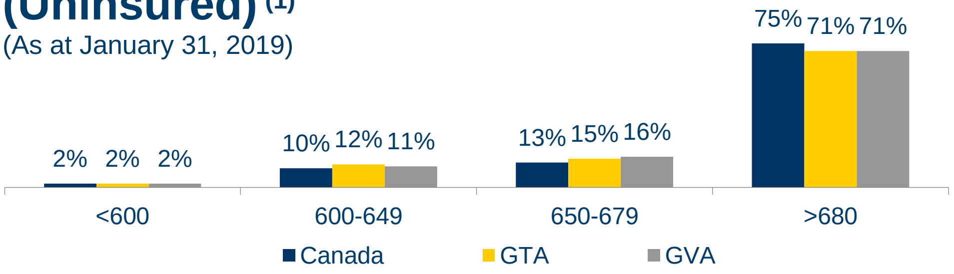
## Beacon Distribution
(As at January 31, 2019)




**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

## Geographic Beacon Distribution (Uninsured) (1)
(As at January 31, 2019)

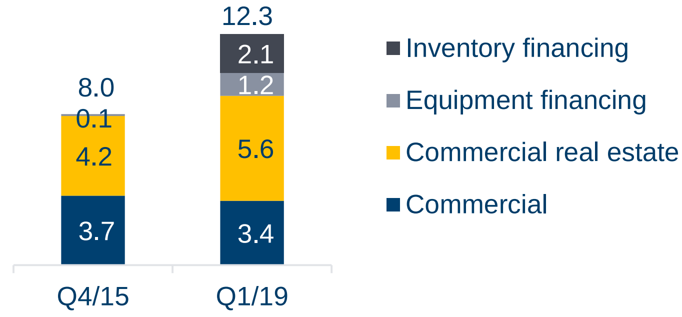



- High credit worthiness of the portfolio with beacon scores > 650
    - 88% of total portfolio
    - 86% of GTA portfolio
    - 87% of GVA portfolio

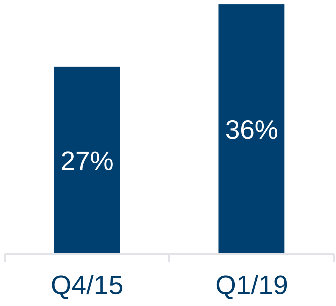
(1) Uninsured equals prime uninsured plus Alt-A
(2) GTA: Greater Toronto Area; GVA: Greater Vancouver Area

# Commercial Loan Portfolio: Strong, Diversified and Growing

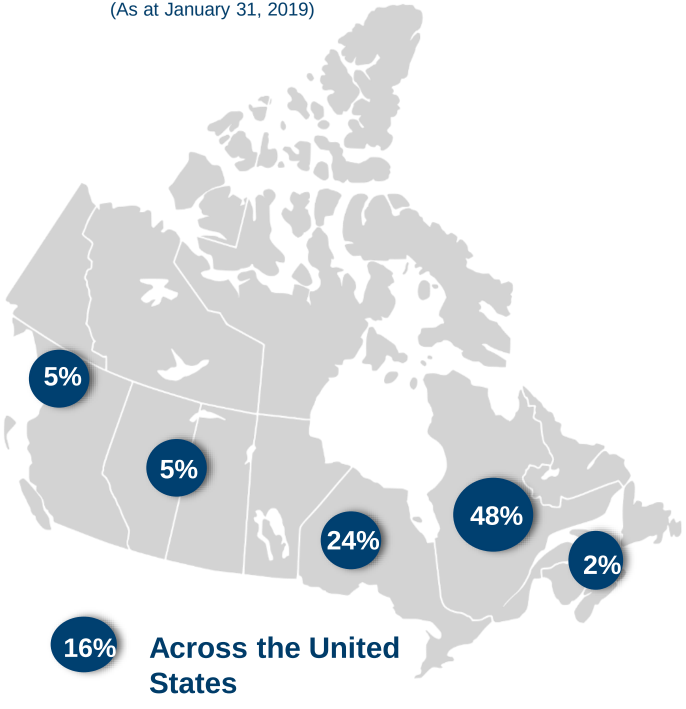
## Commercial Loan Portfolio
(In $ Billions)
### Grow organically and by acquisition



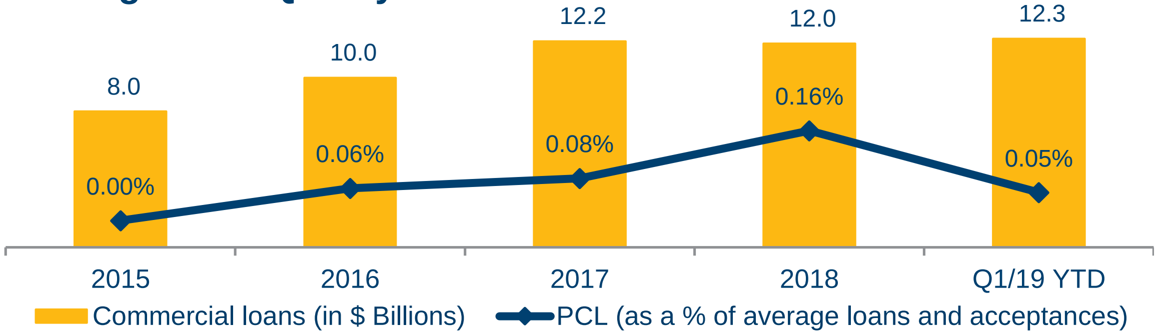

## Commercial Loans
(As a % of total loans)
### Business mix evolving towards more profitable commercial loans




## A pan-Canadian Portfolio and a US Presence
(As a % of commercial loan portfolio)
(As at January 31, 2019)



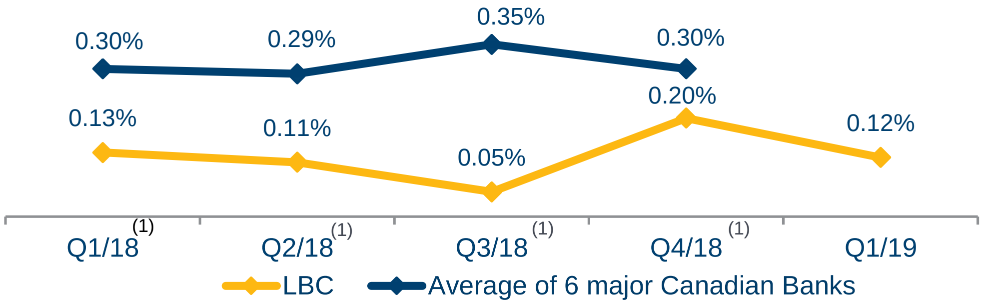

## Strong Credit Quality With a Low Loss Ratio



# Provision for Credit Losses (PCL)

## PCL

(As a % of average loans and acceptances)




| PCL ($ millions) | Q1/19 | Q4/18 | Q1/18 |
|---|---|---|---|
| Personal Loans | **$ 4.4** | $ 4.1 | $ 7.0 |
| Residential Mortgage Loans | **–** | 0.9 | 1.6 |
| Commercial Loans | **6.1** | 12.6 | 3.4 |
| | **$ 10.5** | $ 17.6 | $ 12.0 |

### Q1/19 Highlights

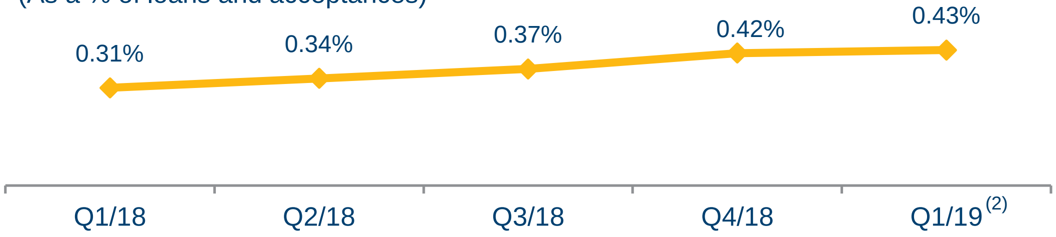
- Loss ratio of 12 bps reflects the strong underlying credit quality of our portfolio
- 98% of our loan book is collateralized
- We continue to expect the loss ratio to trend higher as the loan portfolio mix evolves
- PCL for commercial loans include charges of $10.0M and $4.5M on a single exposure in Q4/18 and Q1/19 respectively

(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]

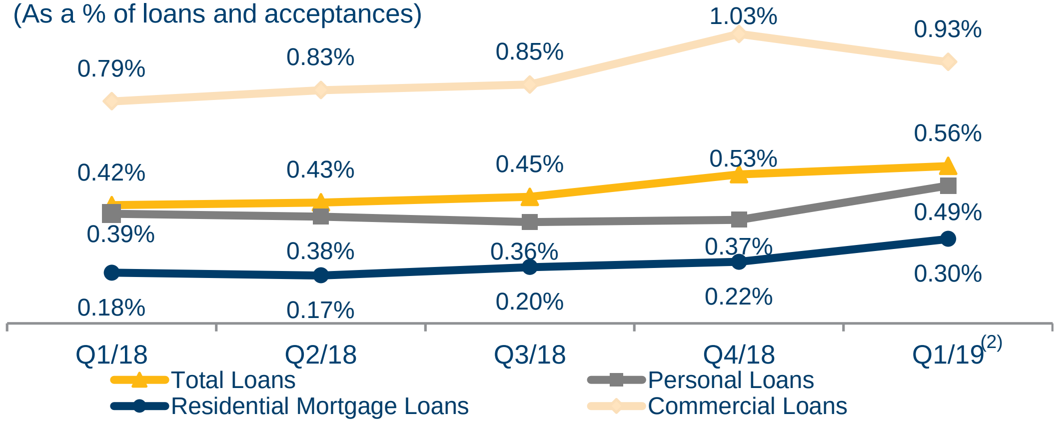
(As a % of loans and acceptances)




- Net impaired loans of $148.0M remain within historical fluctuations

## Gross Impaired Loans

(As a % of loans and acceptances)




- Gross impaired loans of $189.6M, increased by $8.3M Q/Q due to the IFRS 9 adoption, as we now include $15.0M of insured residential mortgage loans to align with the new stage 3 definition
- Loan portfolios continue to perform well

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

(2) Given the adoption of IFRS 9, all loans classified in Stage 3 of the ECL model are impaired loans, including $15.0M of insured residential mortgage loans. Under IAS 39, loans were considered impaired according to different criteria.

# Our 2021 Medium-Term Financial Objectives

## Q1/19 Performance[1]

Performance

| Adjusted ROE | Adjusted Efficiency Ratio | Adjusted Diluted EPS | Adjusted Operating Leverage |
|---|---|---|---|
| **7.3%** | **74.0%** | **$0.98** | **-12.8%** |
| gap at 890 bps[2] | | down 34%[4] | |
| Narrow gap to 250 bps by 2021[3] | < 63% by 2021 | Grow by 5% to 10% annually | Positive |

Growth

### Loans to Business Customers
Grow by $3.7B to $16.0B by 2021

Q1/19 $12.3B | 2021 $16.0B

### Residential Mortgage Loans
Grow by $2.4B to $19.0B by 2021

Q1/19 $16.6B | 2021 $19.0B

### Deposits from Clients[5]
Grow by $3.4B to $28.0B by 2021

Q1/19 $24.6B | 2021 $28.0B

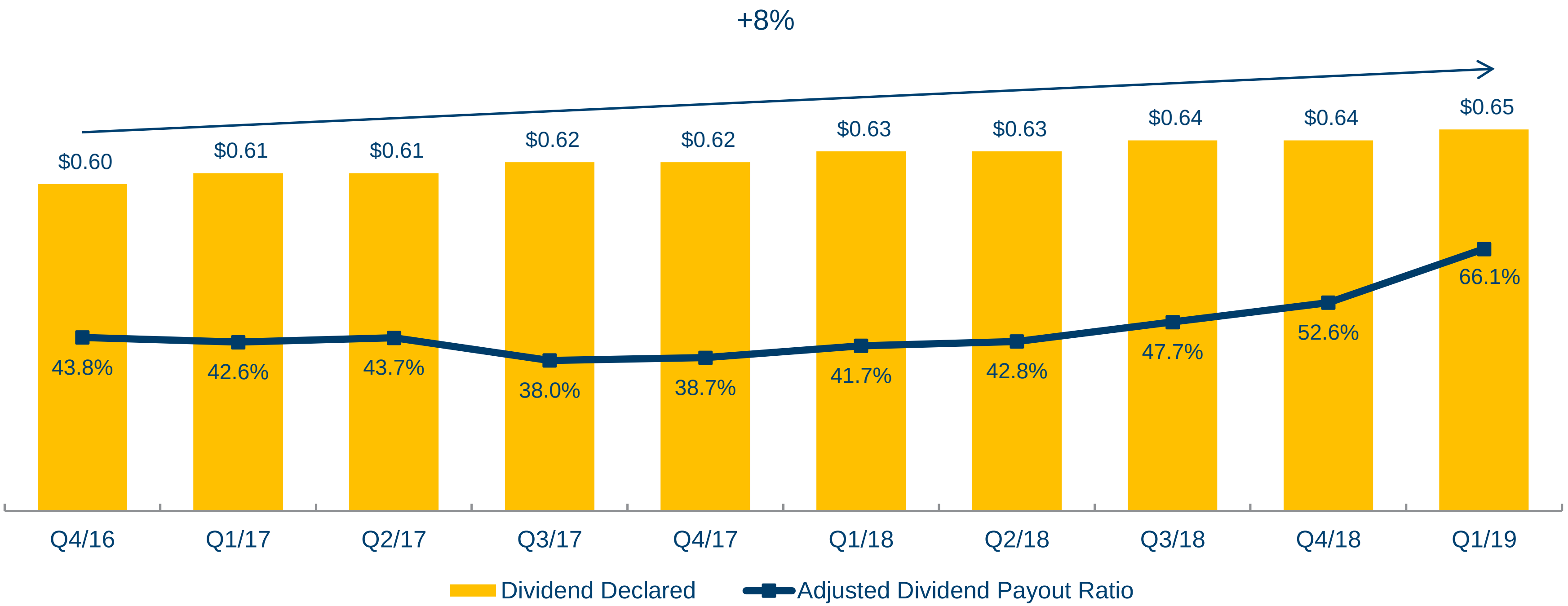
(1) Certain measures presented throughout this document exclude the effect of certain amounts designated as adjusting items. Refer to the Non-GAAP Measures appendix for further details
(2) Gap based on Q4/18 results (the weighted average of the 6 major Canadian banks at 16.2%).
(3) Compared to the major Canadian banks, based on the Bank using the AIRB approach in determining credit risk and the Standardized approach in determining operational risk
(4) Compared to Q1/18.
(5) Including personal deposits from branches and independent brokers and advisors, as well as commercial deposits

# APPENDICES

# Dividend Growth and Adjusted Dividend Payout Ratio

## Dividends Declared Per Common Share and Adjusted Dividend Payout Ratio

($/share and as a %)




- Target payout Ratio: 40% to 50%

# Non-GAAP Measures

| ($ millions, except per share amounts) | Q1/19 | Q4/18 | Q1/18 |
|---|---|---|---|
| **Reported net income** | **$ 40.3** | $ 50.8 | $ 59.7 |
| ***Adjusting items, net of income taxes*[(1)]** | | | |
| Restructuring charges | | | |
| Severances charges | **1.0** | 0.7 | – |
| Other restructuring charges | **0.5** | 0.1 | 0.7 |
| | **1.5** | 0.8 | 0.7 |
| | | | |
| Items related to business combinations | | | |
| Amortization of net premium on purchased financial instruments | **0.3** | 0.4 | 0.5 |
| Amortization of acquisition-related intangible assets | **2.6** | 2.4 | 1.9 |
| Other costs related to business combinations | **–** | – | 0.4 |
| | **2.9** | 2.8 | 2.8 |
| | **4.4** | 3.5 | 3.5 |
| **Adjusted net income** | **$ 44.7** | $ 54.3 | $ 63.2 |
| | | | |
| **Reported diluted earnings per share** | **$0.88** | $1.13 | $ 1.41 |
| Adjusting items | **0.10** | 0.08 | 0.09 |
| **Adjusted diluted earnings per share** | **$0.98** | $1.22 | $ 1.49 |

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

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