LAZARD

Investor Presentation

October 2022

Safe Harbor

This presentation contains certain statements, estimates and forecasts with respect to future performance and events. These statements, estimates and forecasts are “forward-looking statements.” In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “might,” “will,” “would,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “target,” “goal” or “continue” or the negatives thereof or variations thereon or similar terminology. All statements other than statements of historical fact included in this presentation are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks and uncertainties, and may include projections of our future financial performance based on our growth strategies, business plans and anticipated trends in our business. These forward-looking statements, including with respect to the current COVID-19 pandemic, are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance, targets, goals or achievements expressed or implied in the forward-looking statements. These factors include, but are not limited to, those discussed in our Annual Report on Form 10-K under Item 1A “Risk Factors,” and also discussed from time to time in our quarterly reports on Form 10-Q and current reports on Form 8-K, including the following: (a) a decline in general economic conditions or the global or regional financial markets, (b) a decline in our revenues, for example due to a decline in overall mergers and acquisitions (“M&A”) activity, our share of the M&A market or our assets under management (“AUM”), (c) losses caused by financial or other problems experienced by third parties, (d) losses due to unidentified or unanticipated risks, (e) a lack of liquidity, i.e., ready access to funds, for use in our businesses, and (f) competitive pressure on our businesses and on our ability to retain and attract employees at current compensation levels. As a result, there can be no assurance that the forward-looking statements included in this presentation will prove to be accurate or correct. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements to conform our prior statements to actual results or revised expectations and we do not intend to do so.

This presentation uses non-GAAP measures for (a) operating revenue, (b) compensation and benefits expense, as adjusted, (c) compensation and benefits expense, awarded basis (d) non-compensation expense, as adjusted (e) earnings from operations, (f) pre-tax income, as adjusted, (g) pre-tax income per share, as adjusted (h) earnings from operations, awarded basis (i) operating margin, as adjusted (j) operating margin, awarded basis (k) net income, as adjusted, (l) net income per share, as adjusted, (m) awarded EPS and (n) free cash flow. Such non-GAAP measures are not meant to be considered in isolation or as a substitute for the corresponding U.S. GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with U.S. GAAP. We believe that certain non-GAAP measures provide a meaningful and useful basis for assessing our operating results and comparisons between present, historical and future periods. See the attached appendices and related notes for a detailed explanation of applicable adjustments to corresponding U.S. GAAP measures.

Unless otherwise indicated, all information in this presentation relates to Lazard Ltd and its direct and indirect subsidiaries on a consolidated basis as of September 30, 2022.

Our Firm

Lazard's mission is to provide trusted financial advice and investment solutions to our clients. We have built a global network of relationships with key decision makers in business, government and investing institutions. We operate as a local firm in local markets and serve clients with our multinational resources and global perspective.

Global Offices

41 Cities | Countries **26**

FOUNDED 1848 | NYSE LISTED 2005

NEW YORK LONDON PARIS AMSTERDAM BEIJING BOGOTÁ BORDEAUX BOSTON BRUSSELS
BUENOS AIRES CHARLOTTE CHICAGO DUBAI DUBLIN FRANKFURT GENEVA HAMBURG
HONG KONG HOUSTON LOS ANGELES LUXEMBOURG LYON MADRID MELBOURNE MEXICO CITY
MILAN MINNEAPOLIS MONTREAL NANTES PANAMA CITY RIYADH SAN FRANCISCO SANTIAGO
SÃO PAULO SEOUL SINGAPORE STOCKHOLM SYDNEY TOKYO TORONTO ZÜRICH

170+ Years Serving Clients

$3.1bn LTM Operating Revenue

$198bn Assets Under Management

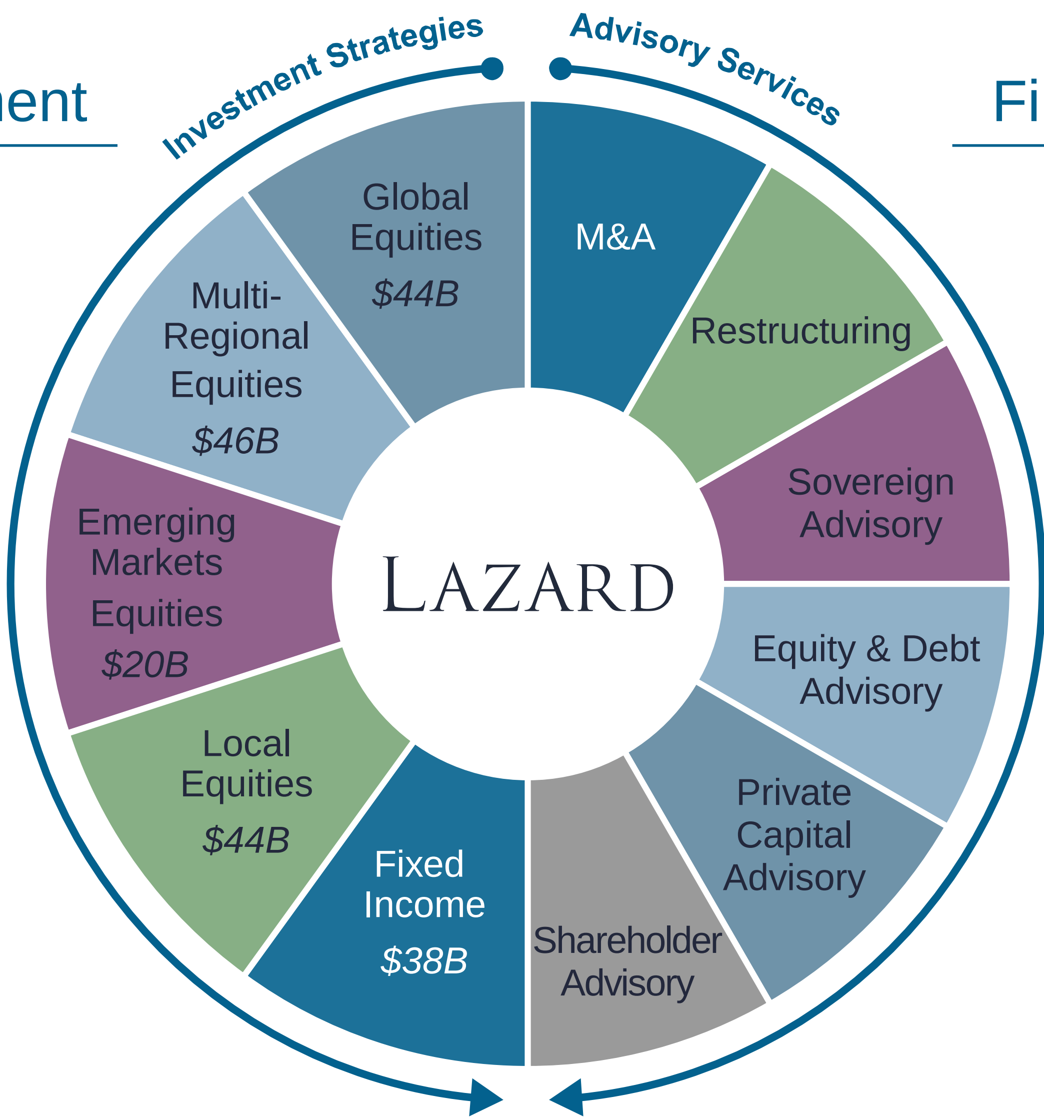
3,300+ Employees

Leadership and Diversification

Anticipating and meeting the evolving needs of clients

Asset Management

- Locally established teams with global perspective
- Investment platforms across asset classes and regions
- Investment-led manager; ~34% of staff are investment professionals
- Serving a primarily institutional client base globally



Financial Advisory

- Global platform built over decades of commitment to local markets
- Built-out advisory teams across sectors
- Unrivaled network of senior-level advisory bankers
- Serving business and government globally

Long-term Investment Thesis

Lazard is a uniquely diversified, global financial advisory firm and investment manager with an established track record of performance

Distinctive culture and people provide a sustainable foundation through macroeconomic cycles, market and industry evolution

Seasoned expertise and innovative insights attract clients across the spectrum of industries and geographies

Premier brand established in the world's developed and emerging markets, providing both stability and growth for our franchise

LAZARD

Demonstrated cost discipline and consistent focus on long-term value creation

Two businesses, independent and complementary, provide access to deep markets with diversified demand

Strong capital structure and cash flow generation enables annual capital returns through dividends and share repurchases

Our Purpose is Serving Clients

Culture is central to delivering for our clients and our long-term success

"We aim to provide a unique perspective with unparalleled execution"

- **Clients first –** Our success is derived from an ability to provide preeminent advice
- **Deliver excellence –** Insight, innovation and integrity underpins all that we do
- **Global integration –** Leveraging our partnership across continents and cultures
- **Diversity and collaboration –** Derive our best ideas from a wealth of perspectives and experience
- **Destination for top talent –** Investment and development of people, our most valuable asset
- **Technology-driven –** Agile and adaptive resources, investments in infrastructure and innovative applications

Investment Highlights

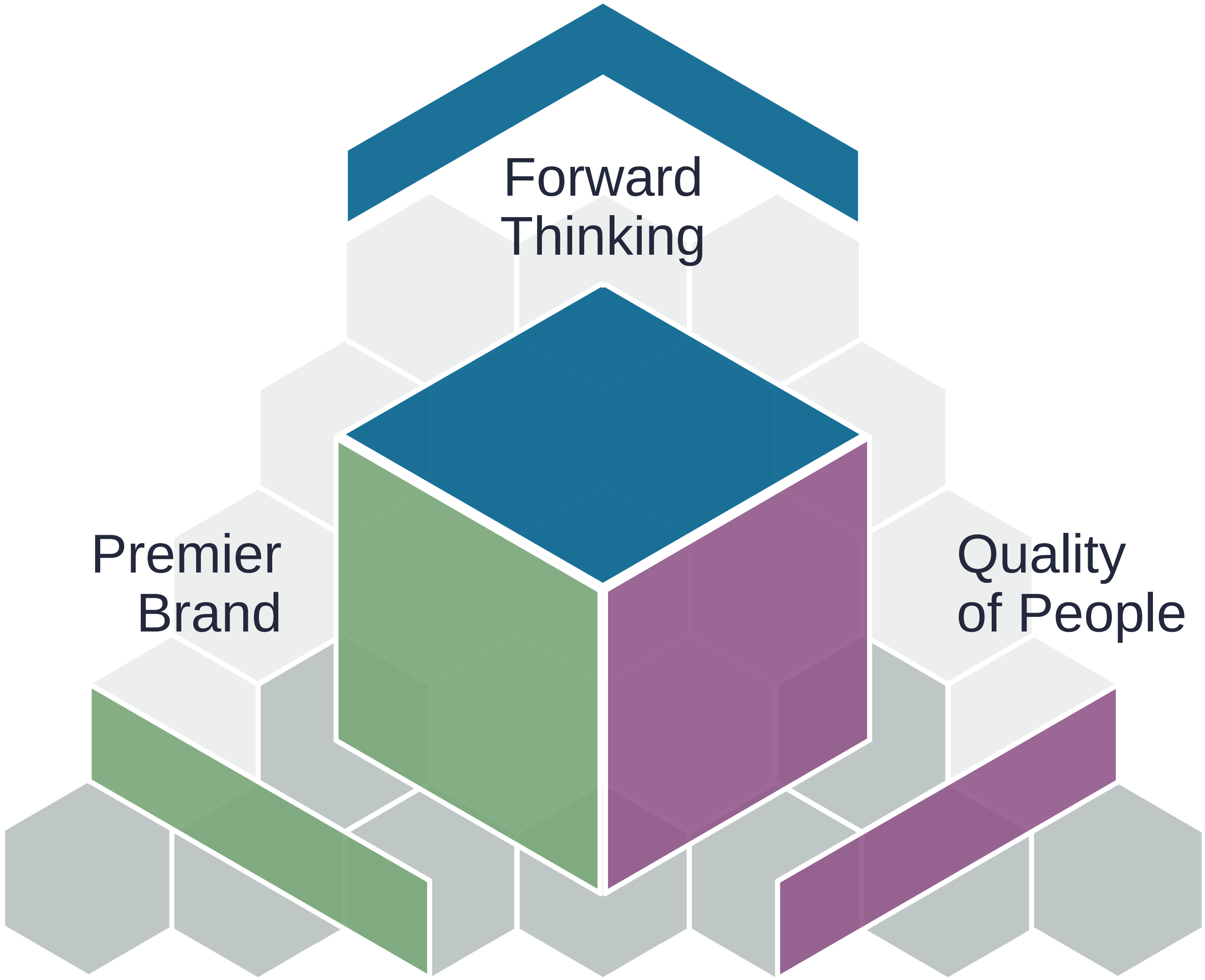
The Lazard Difference

Investment Highlights

Financial Strategy

The Lazard Difference

A firm built across centuries, structured around the needs of our clients



Premier Brand

Lazard is known globally for excellence, discretion, integrity and results

"One of the most influential financial institutions in the world"

THE TIMES OF LONDON

"Lazard's top-tier brand allows it to punch above its weight class"

BARRON'S

"A formidable reputation in the world's boardrooms"

FINANCIAL NEWS

"Showing bigger Wall Street rivals the power of simplicity"

BREAKINGVIEWS

"Success built on its bankers' discretion and its long-term relationships with clients"

The Economist

"Lazard can tackle the most seemingly insurmountable crises"

EUROMONEY

"One of the world's most influential investment banks"

DER SPIEGEL

"The bank stands apart in the landscape of finance"

Les Echos

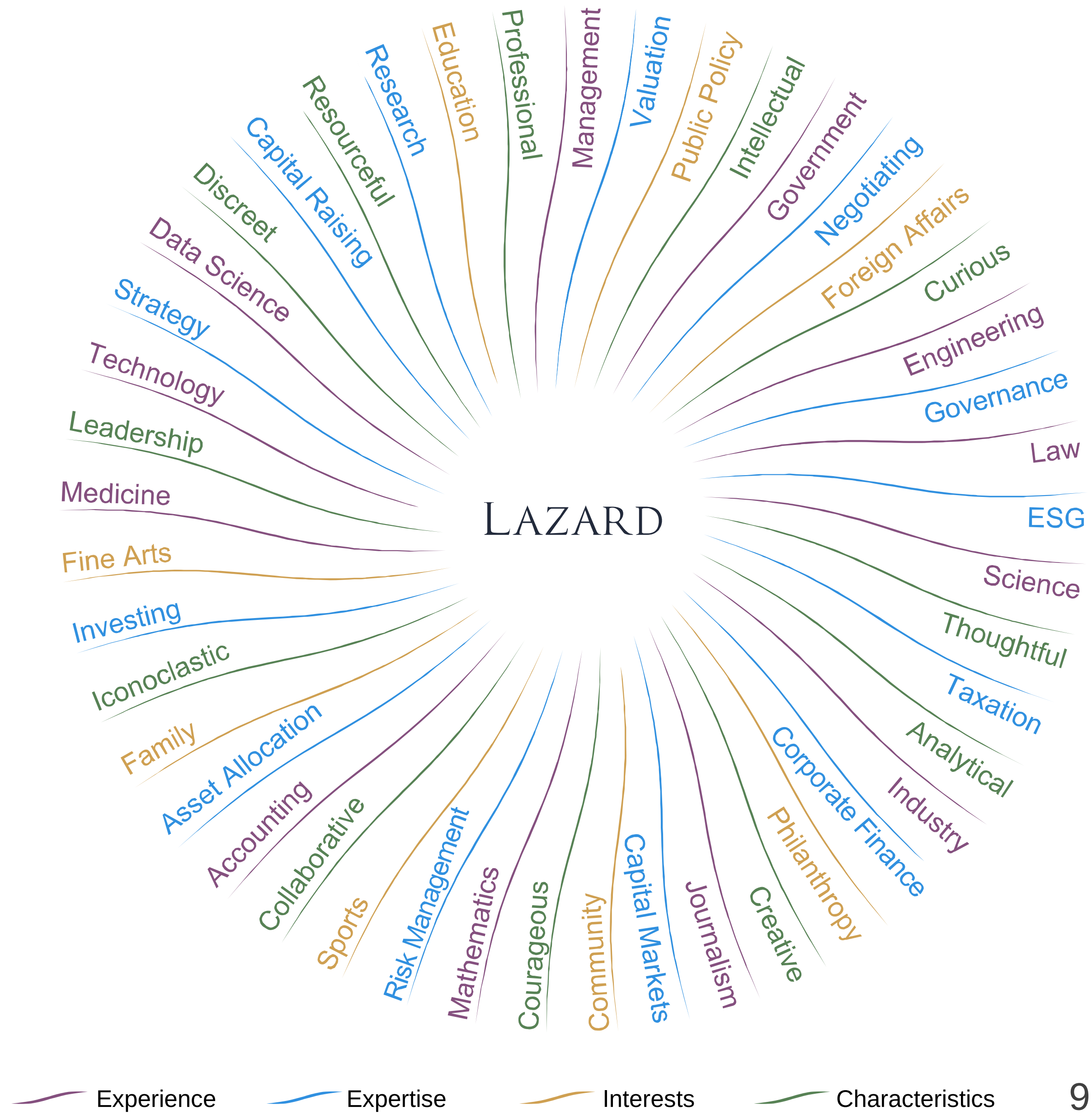
Quality of People

Unique assemblage of experience, expertise, interests and characteristics

90+
Nationalities

25+
Average years of experience (MDs)

14+
Average years of tenure (MDs)



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Forward Thinking

Culture of innovation

PIONEERING LEGACY — 19th century

CONTINUING INNOVATION — 20th century

EVOLUTION — 21st century

- Private Banking
- Foreign Exchange

- M&A
- Restructuring
- International Equity
- Sovereign Advisory
- Emerging Markets Equity
- Capital Raising Advisory
- Global Equity
- Private Fundraising
- Discounted Assets Strategy

- Capital Structure Advisory
- Structured Credit Advisory
- Emerging Markets Debt
- Middle Market Advisory
- Concentrated Strategies
- Secondary Fund Placement
- Shareholder Advisory
- Quantitative Strategies
- Dynamic Portfolio Solutions
- ESG & Sustainable Investment
- Data Analytics

Technology Driven

We invest in technology to drive our business forward

Remote collaboration

Optimizing workflow connectivity
- Real-time engagement through productivity platforms: Webex, Jabber, Slack and Symphony

Global information ecosystem
- Live, interactive town halls
- Lazard IQ knowledge center
- Tech academy training

Business continuity planning
- Critical function capabilities

Infrastructure & Analytics

Virtual network access
- Secure remote-access
- Enhanced cyber-security

High-power processing
- Portfolio evaluation and execution, compliance and risk management

Enterprise finance / risk
- Centralized global platform

Customer-centric solutions

Data privacy
- Multi-factor authentication
- Secure and single-source

Transaction execution
- Data room due diligence
- Trade processing

Digitization and personalization
- 360 portfolio view
- Specialized solutions

CLOUD BASED DATA PLATFORM

Technology architecture built to support firm-wide data and analytics initiatives in a global and scalable enterprise model

Proven Stability

The Lazard Difference

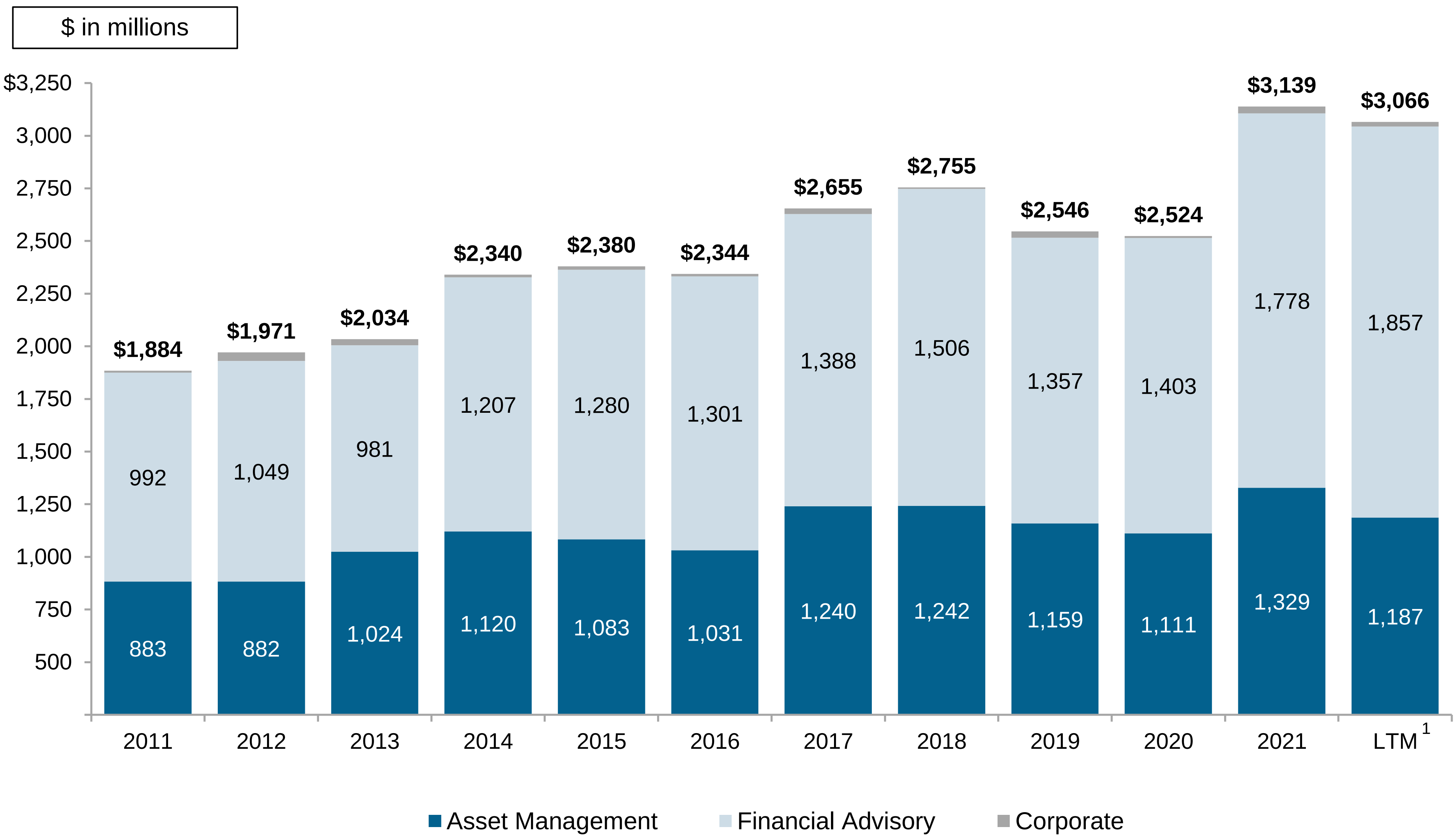
Investment Highlights

- Proven Stability
- High Performance
- Significant Opportunities for Growth

Financial Strategy

Strong Operating Revenue Generation

Significant scale provides stable platform through business cycles

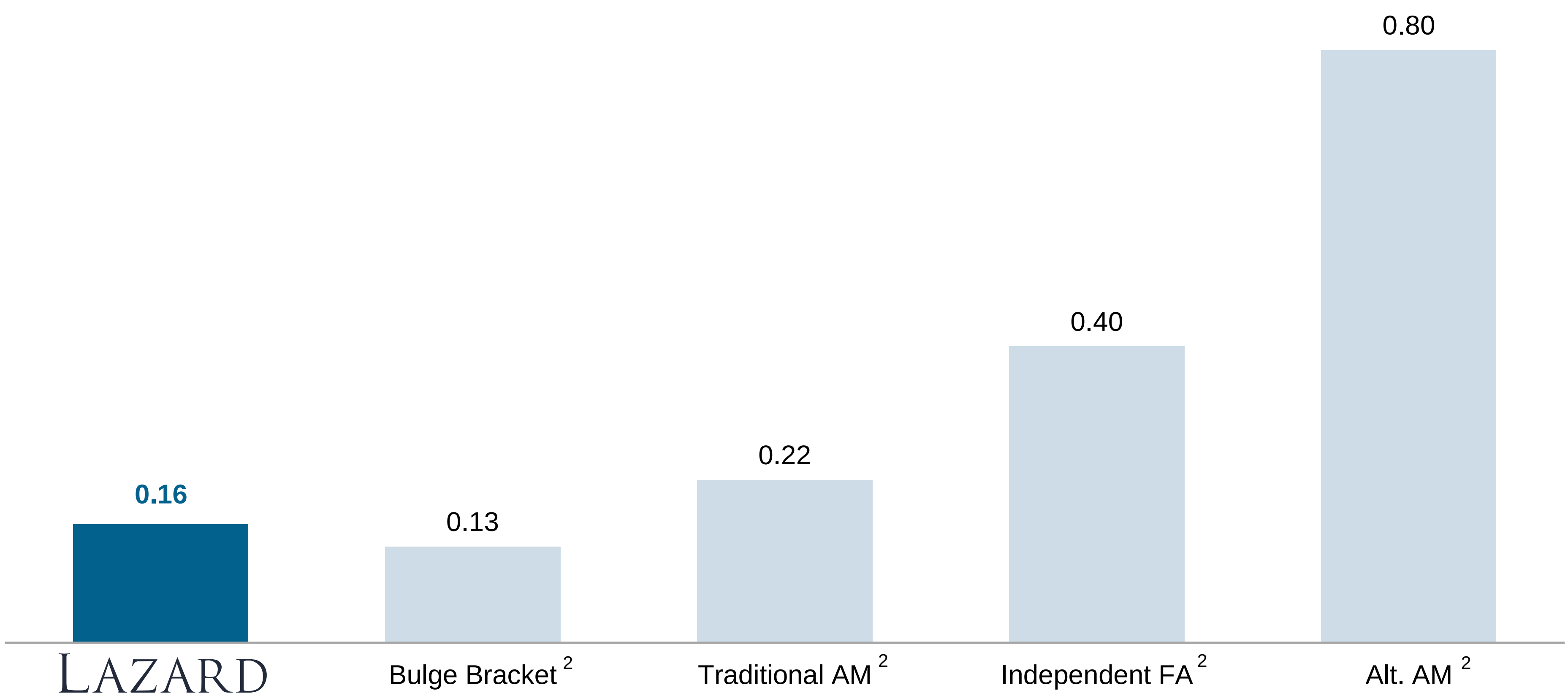


1 Last twelve months as of September 30, 2022

Lower Revenue Volatility than Peers

Unique combination of businesses minimizes volatility over time

OPERATING REVENUE VOLATILITY (2010-2021)[1]



Peer samples do not include firms that no longer exist, which, if included, could have resulted in higher volatility.

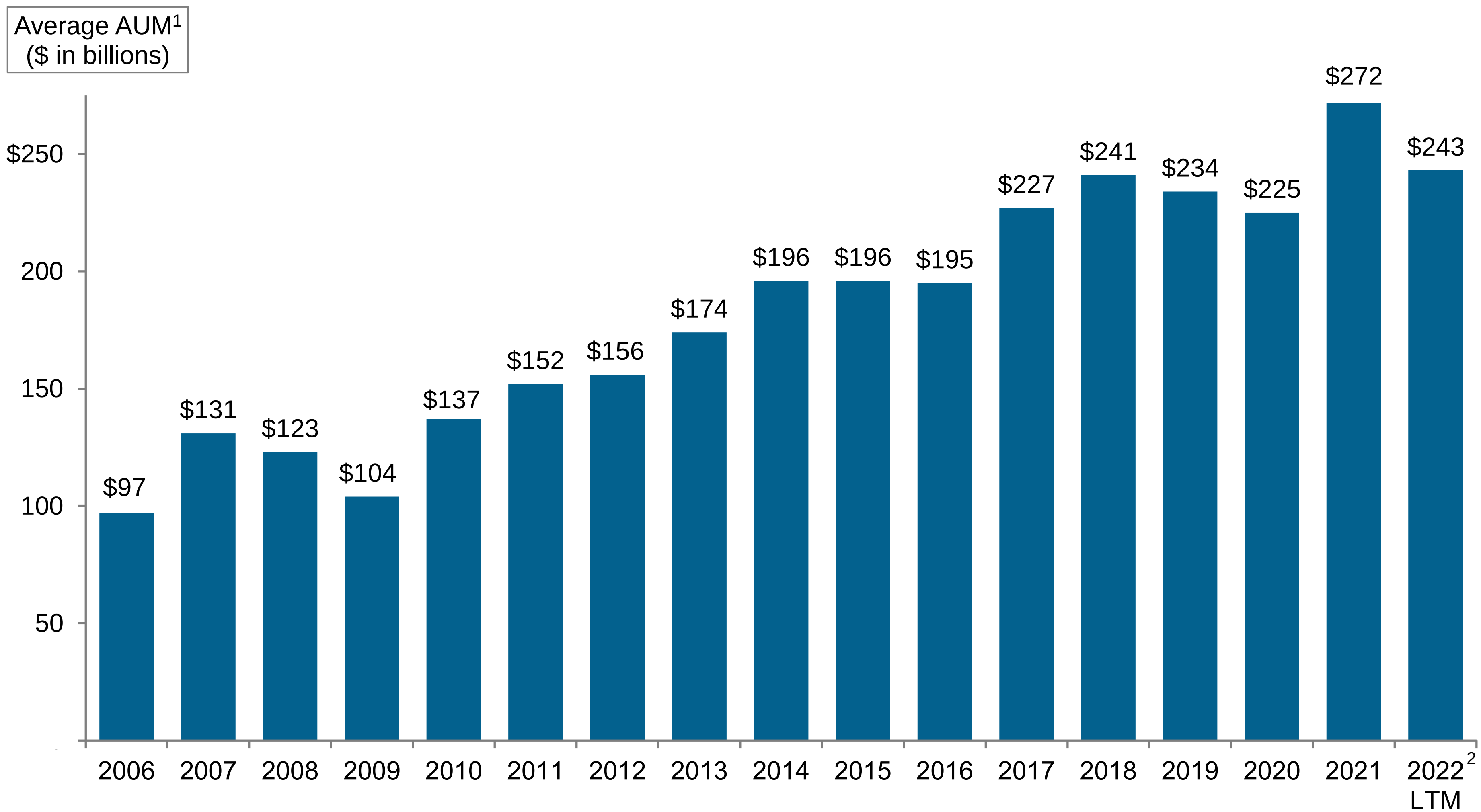
Source: IMF WEO Database, FactSet, company filings.

1 Volatility for each firm calculated as one standard deviation of annual revenue over the period divided by average revenue.

2 Bulge Bracket includes Bank of America, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, JPMorgan, Morgan Stanley and UBS. Traditional Asset Management includes Alliance Bernstein, Blackrock, Franklin Resources, Invesco and T. Rowe Price. Independent Financial Advisory includes Evercore, Greenhill, Moelis and PJT. Alternative Asset Management includes Apollo, Blackstone, KKR and Sculptor Capital Management.

Stable Asset Management Business

Assets Under Management provides stability to long-term revenue generation



1 Average assets under management as of December 31 each year
2 Assets under management four-quarter average as of September 30, 2022

High Performance

The Lazard Difference

Investment Highlights

- Proven Stability
- High Performance
- Significant Opportunities for Growth

Financial Strategy

High Performance

Results reflect strong performance across the businesses

$3.1bn
Operating revenue LTM Q3 2022

$724mn
Record Q3 2022 operating revenue

$198bn
Assets under management Q3 2022

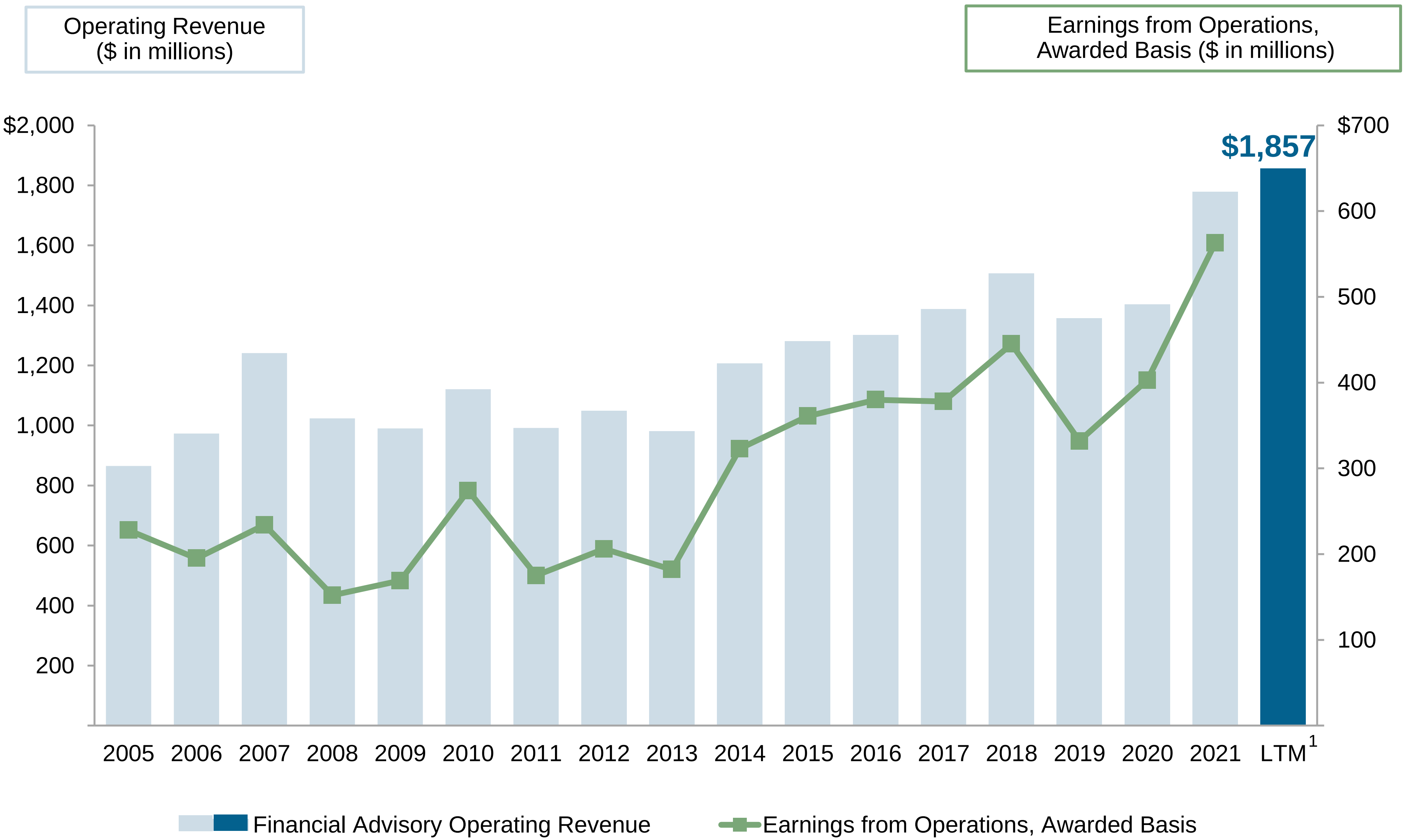
$286mn
Return of capital to shareholders Q3 2022

$454mn
Record Financial Advisory operating revenue Q3 2022

$263mn
Asset Management operating revenue Q3 2022

Financial Advisory Performance

Significant growth in earnings from operations



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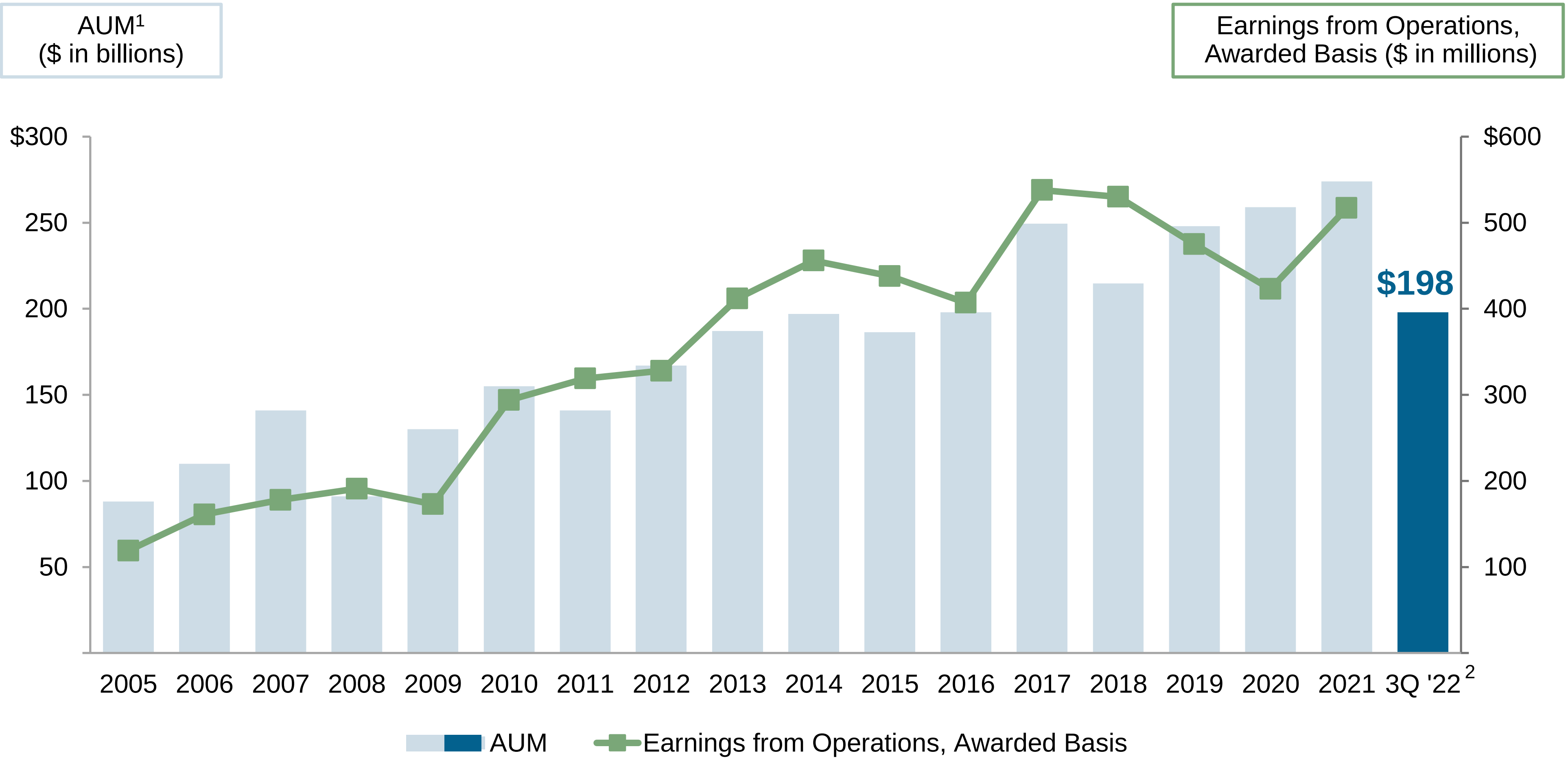
1 Last twelve months as of September 30, 2022

Asset Management Performance

Doubling of AUM since global financial crisis and stable fees drive earnings



Avg. Fees (bps)[3]	49	50	50	48	50	54	56	54	54	54	54	52	53	51	49	47	44	45

1 Assets under management as of December 31 each year
2 Assets under management as of September 30, 2022
3 Average Fees (bps) represent management fees and other revenue

Significant Opportunities for Growth

The Lazard Difference

Investment Highlights

- Proven Stability
- High Performance
- Significant Opportunities for Growth

Financial Strategy

Growth Framework

Stable foundation and high performance create multiple growth opportunities

Ongoing Investments

Lazard

- Technology / analytics

Financial Advisory

- External hiring ~10-15 net MD growth annually
- Additional senior advisor hires

Asset Management

- New hires
  - Sustainable / ESG
  - Research
  - Distribution

Organic Growth

Lazard

- Lazard Climate Center

Financial Advisory

- Expanded capabilities Private Equity / Financial Sponsors

Asset Management

- New equity strategies
  - US/Global Sustainable
  - Global/Int'l Quality Growth
- Platform extensions
  - Convertible Bonds
  - European Fixed Income

Inorganic Growth

Lazard

- Lazard Growth Acquisition Corp.

Financial Advisory

- Strategic Alliance Independence Point Advisors

Asset Management

- New team additions
  - Alternative
  - Sustainable
  - Thematic

Financial Advisory Diversity of Revenues

Sophisticated, local financial expertise, paired with global execution capabilities

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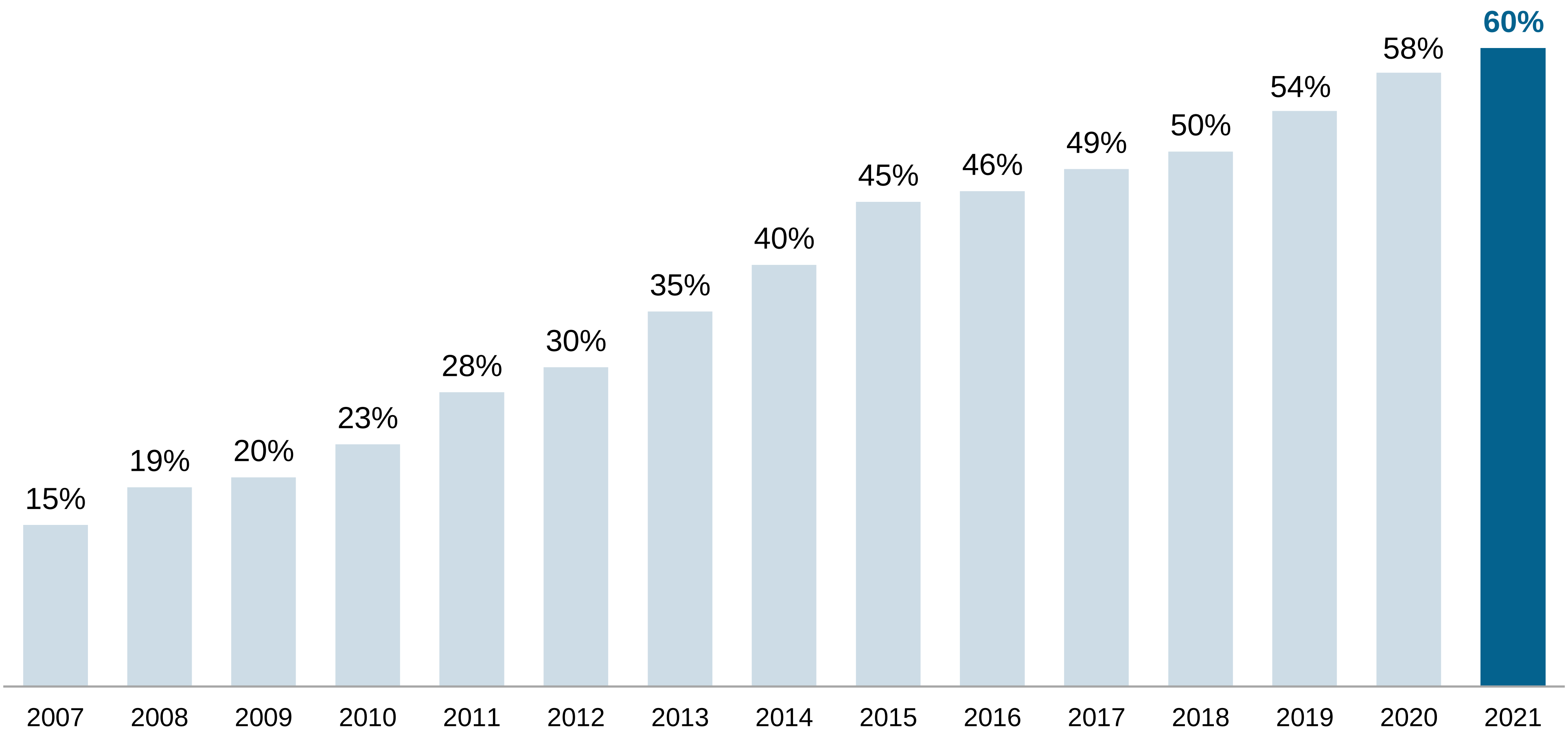
Shareholder Advisory	Public & Private Capital Advisory	Mergers & Acquisition Advisory	Restructuring Advisory	Sovereign Advisory
• Activism • Governance • Investor analytics	• Equity • Debt • Public to private equity • Fundraising and capital solutions • Structured finance	• Public/private valuation • Industry specialization • Cross-border • Special committee • Mega, large, mid, small capitalization	• Chapter 11 • Out-of-court restructuring • Recapitalization • Liability/liquidity management • Asset divestiture	• Liability/liquidity management • Bond negotiation • Capital adequacy

Ability to Innovate, Scale Investment Strategies

New strategies represent more than half of our total AUM

NEW STRATEGIES[1] AS % OF TOTAL AUM



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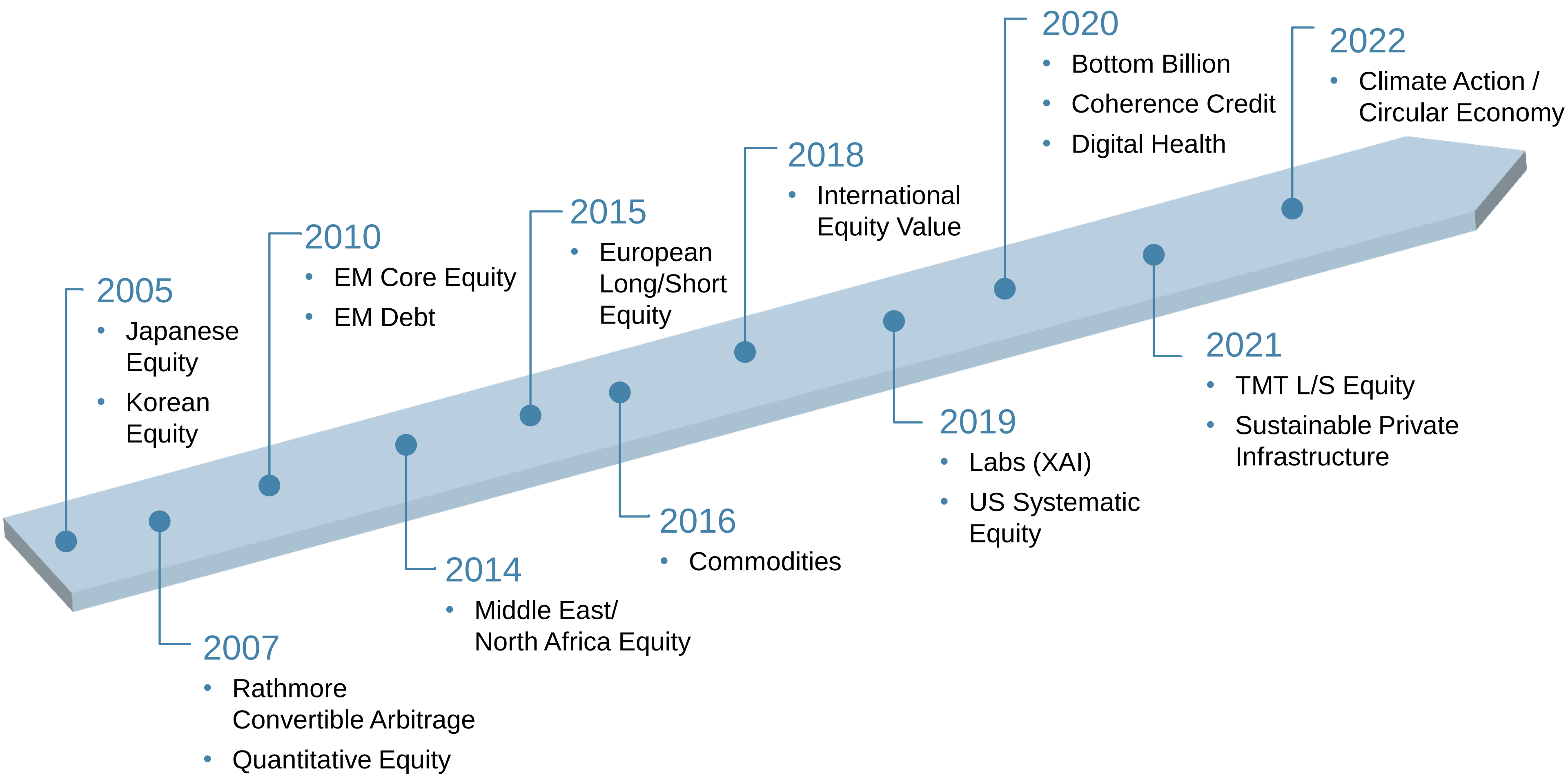
Note: Data excludes Lazard Frères Gestion
1 Includes strategies with less than $1 billion AUM as of December 31, 2005 and strategies launched after December 31, 2005

Asset Management Team Additions

Integral part of successful growth strategy



Investment Strategies Scaled in Recent Years

Demonstrated ability to seed new portfolios and scale AUM

Scaled Strategies

Strategy/Platform	Inception	Current AUM ($B)
International Strategic Equity	2001	~$15
Quantitative Equity Platform	2008	>$13
Global Listed Infrastructure	2005	>$13
Emerging Markets Debt Platform	2010	>$9
Convertibles Platform	2007	>$6
US Equity Concentrated	2003	>$5
Global Robotics	2015	~$5
Rathmore	2007	>$2
Global Equity Franchise	2013	>$2

Product Focus

New Opportunities for Growth

Sustainable Equity	Global & International Quality Growth	US Equity Focus
Thematic Equity	US Systematic Equity	European Fixed Income
Credit / Capital Fi	Alternative Investments	Dynamic Portfolio Solutions / Multi-Asset

Sustainable Business Integration

ESG expertise across businesses provides differentiated perspective

Financial Advisory

Valuation and Financing

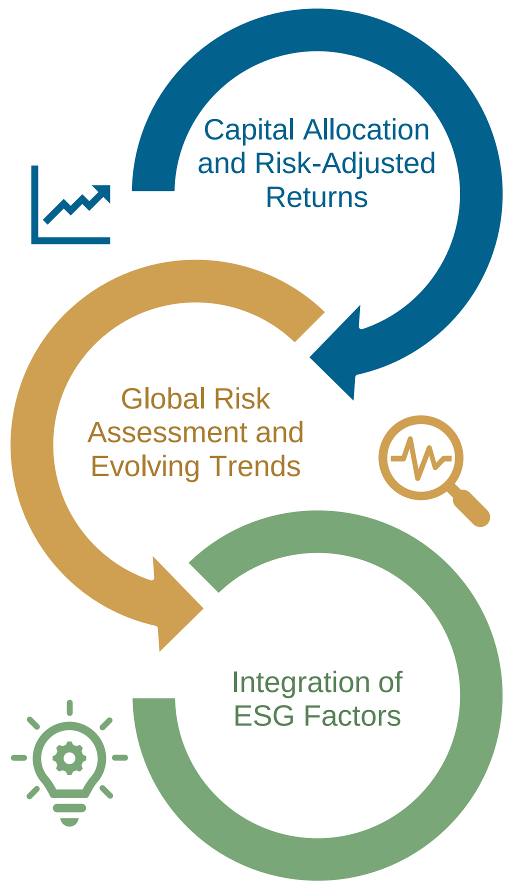
- ESG factors assessed alongside financial and market conditions

Market Perspectives

- Deep insights on industries, capital markets and emerging trends

Client Advisory

- ESG-driven innovation/disruption increasingly a component of corporate strategy



Asset Management

Fundamental Research

- Proprietary analysis to identify material ESG issues by sector and determine key quantitative and qualitative metrics

Sector Expertise

- In-depth knowledge of regional, industry and company landscape enables forward-looking insights to better position our clients

Active Engagement

- Engage with companies to contextualize company-specific events

Sustainability aligned with an increasingly global, evolving and interconnected market

Financial Strategy

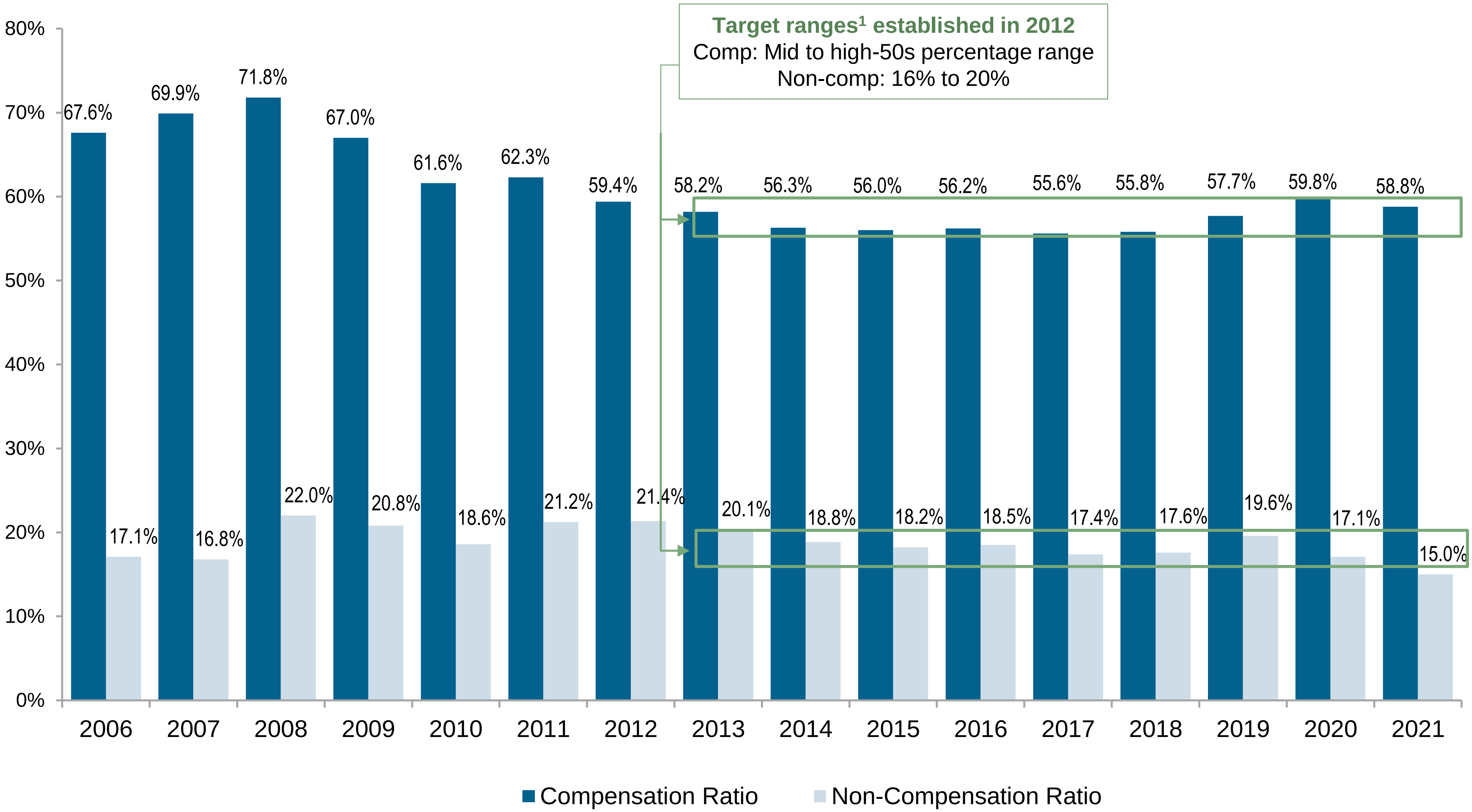
The Lazard Difference

Investment Highlights

Financial Strategy

Discipline on Costs

Consistency in compensation and non-compensation expenses while increasing investment



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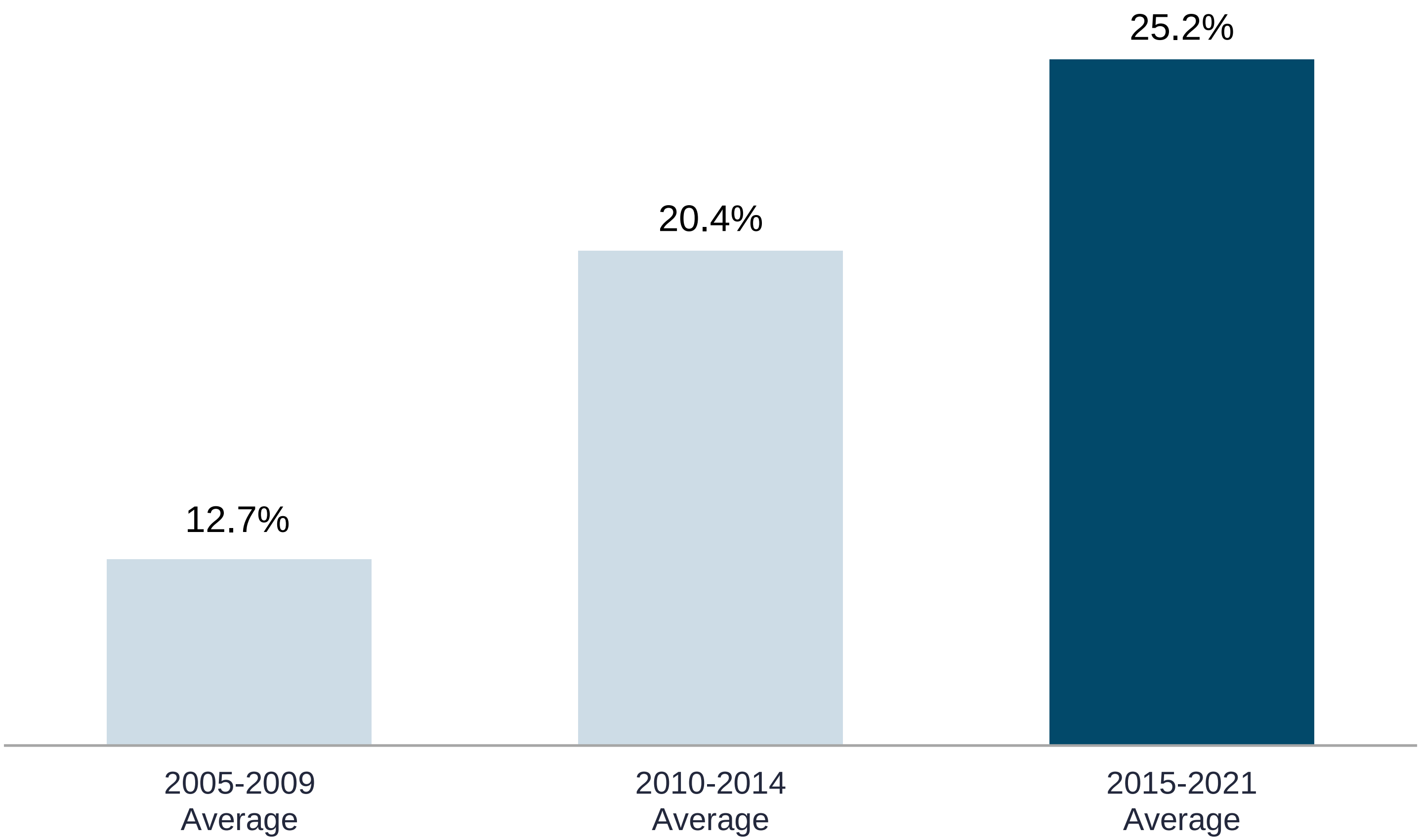
Note: Compensation ratio calculated based on awarded compensation; non-compensation ratio calculated based on non-compensation expense, as adjusted

1 Target ranges over the cycle for awarded compensation and non-compensation, as adjusted

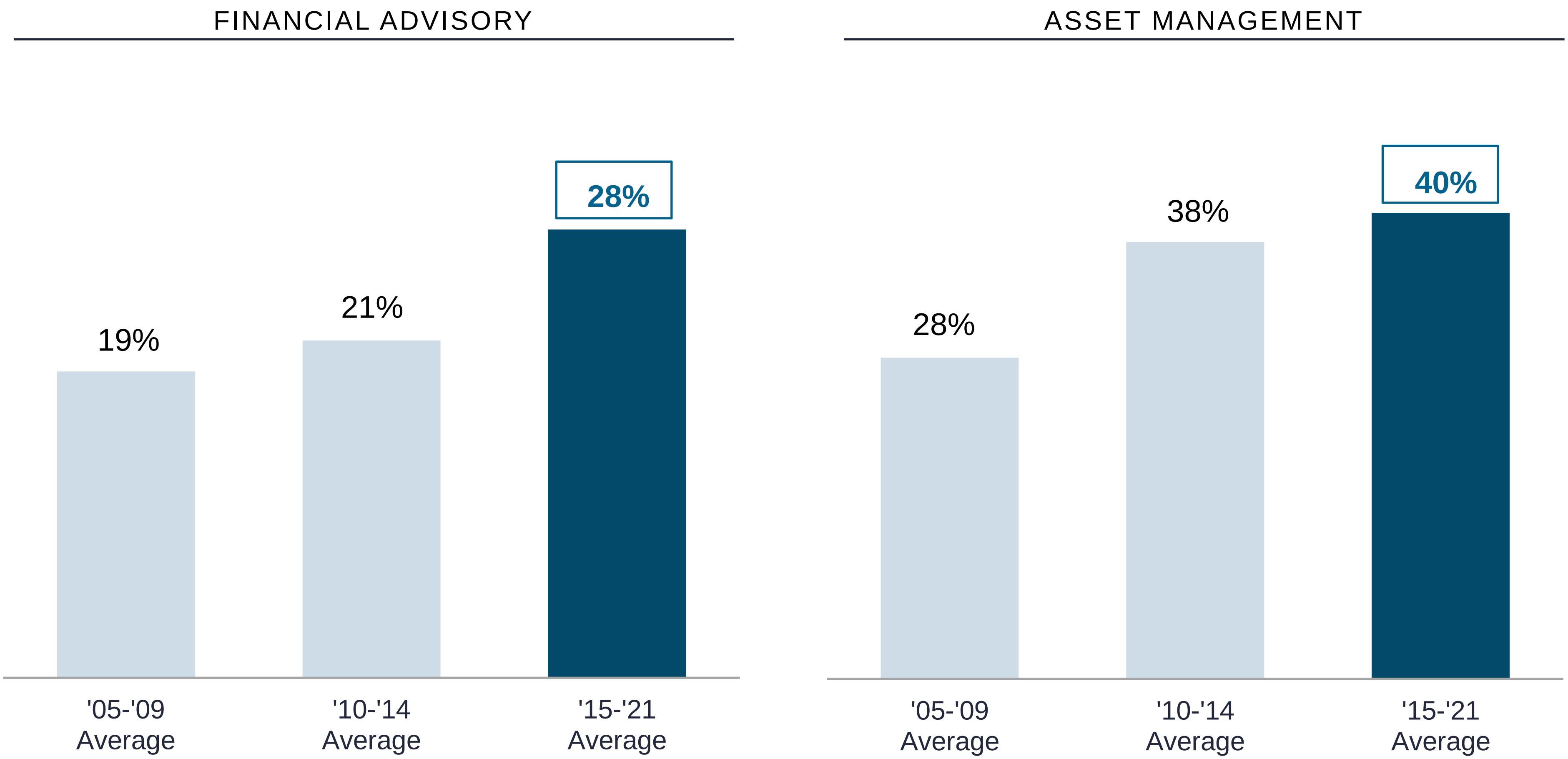
Focus on Operating Margins

Increased revenues and cost management has resulted in significant impact on operating margin, awarded basis



Operating Margin Growth

Operating margin, awarded basis increased in both businesses since 2005



Segment results exclude expenses not directly associated with the businesses. See the "Reconciliation of U.S. GAAP Operating Income to Earnings from Operations, Awarded Basis" slides for additional information regarding overhead allocations.

Capital Management Strategy

Commitment to shareholder value creation

Goals

- Gradually increase common dividend over time
- Repurchase shares to offset dilution from year-end share-based compensation
- Retain appropriate cash balance to support operations, accruals consistent with our business, and regulatory requirements
- Disciplined approach to identifying and executing on growth and investment opportunities
- Return excess capital to shareholders, primarily in the form of additional share repurchases

Note: Subject to other uses of capital

Strong Balance Sheet and Liquidity

Disciplined leverage profile and consistent access to capital markets provides flexible balance sheet to navigate varying market environments

Strong liquidity profile

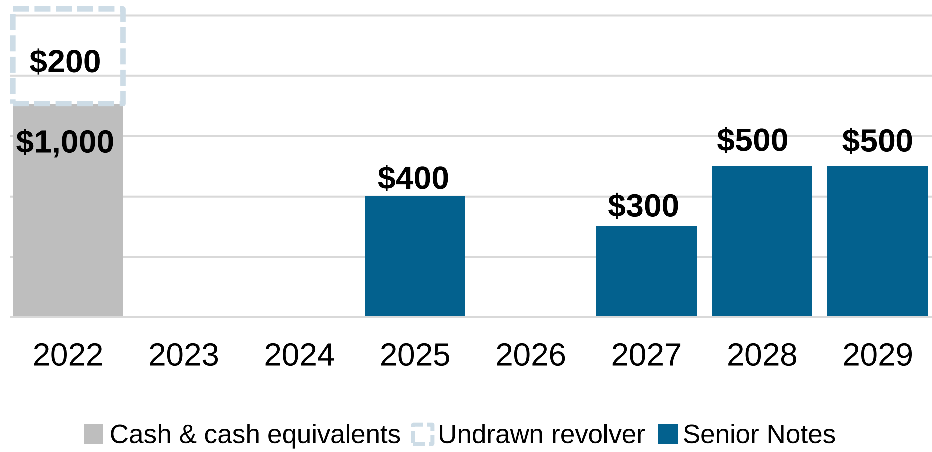
- Current cash and cash equivalents – $1.0 billion
- Undrawn credit facility – $200 million

Investment grade capital structure

- Senior Notes – $1.7 billion
- Nearest maturity 2025
- No financial covenants
- Weighted average coupon ~4.13%

Balanced Debt Profile with Long-term Maturities

($ in millions)

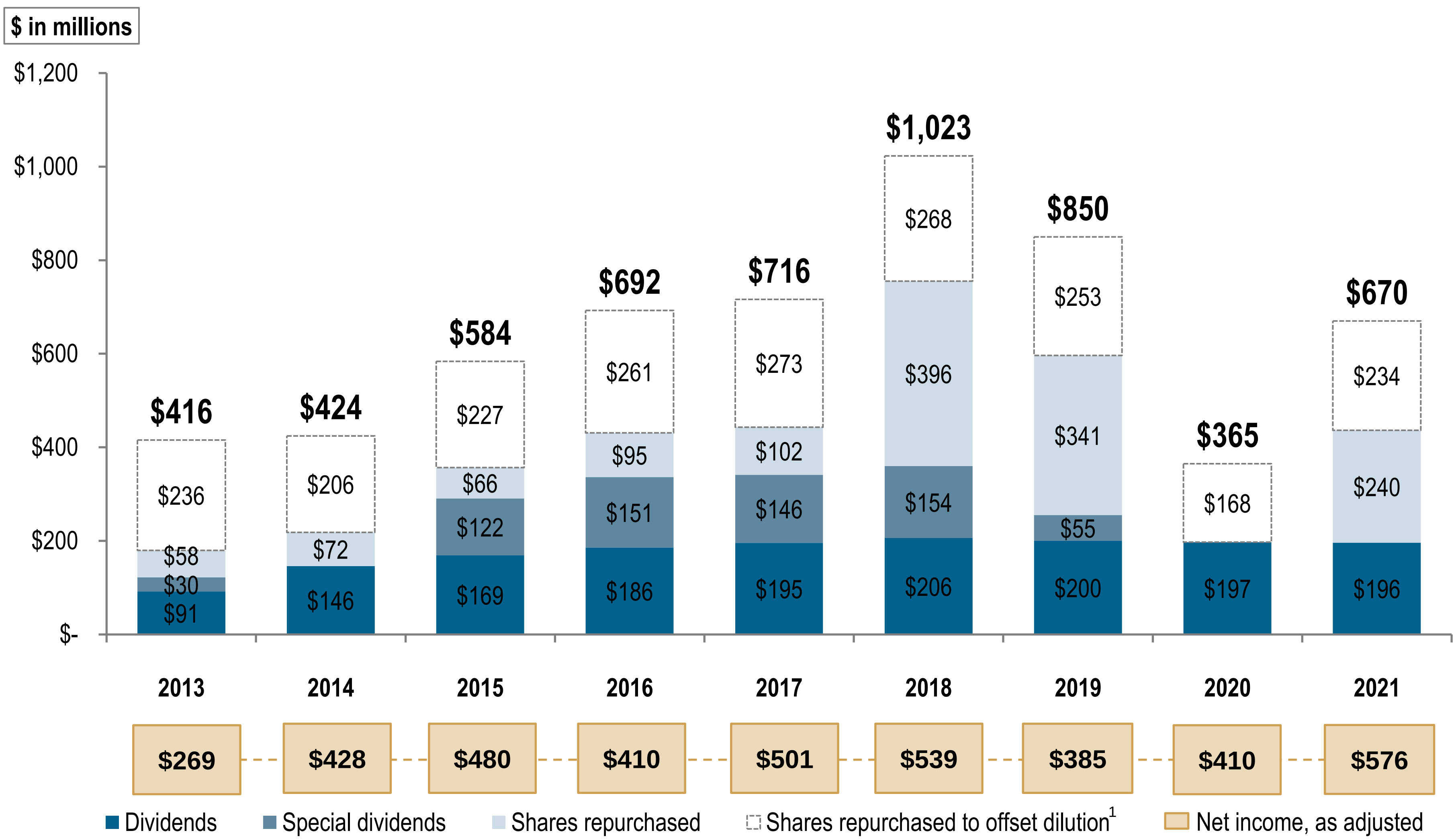


Investment Grade Credit Ratings

Fitch	BBB+ Stable
S&P	BBB+ Stable
Moody's	Baa3 Stable

Significant Cash Generation

Significant capital return to shareholders in addition to offsetting dilution from stock-based compensation



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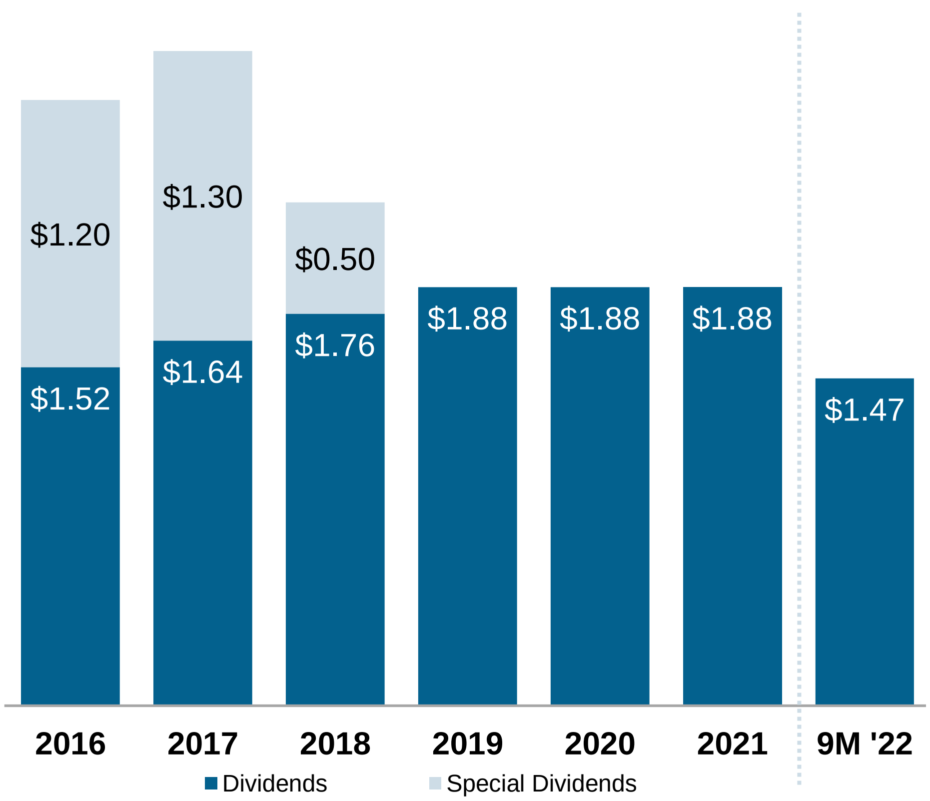
As of December 31 for each year

1 Estimated based on annual amortization expense for share-based incentive plans within the Company's annual consolidated statements of operations

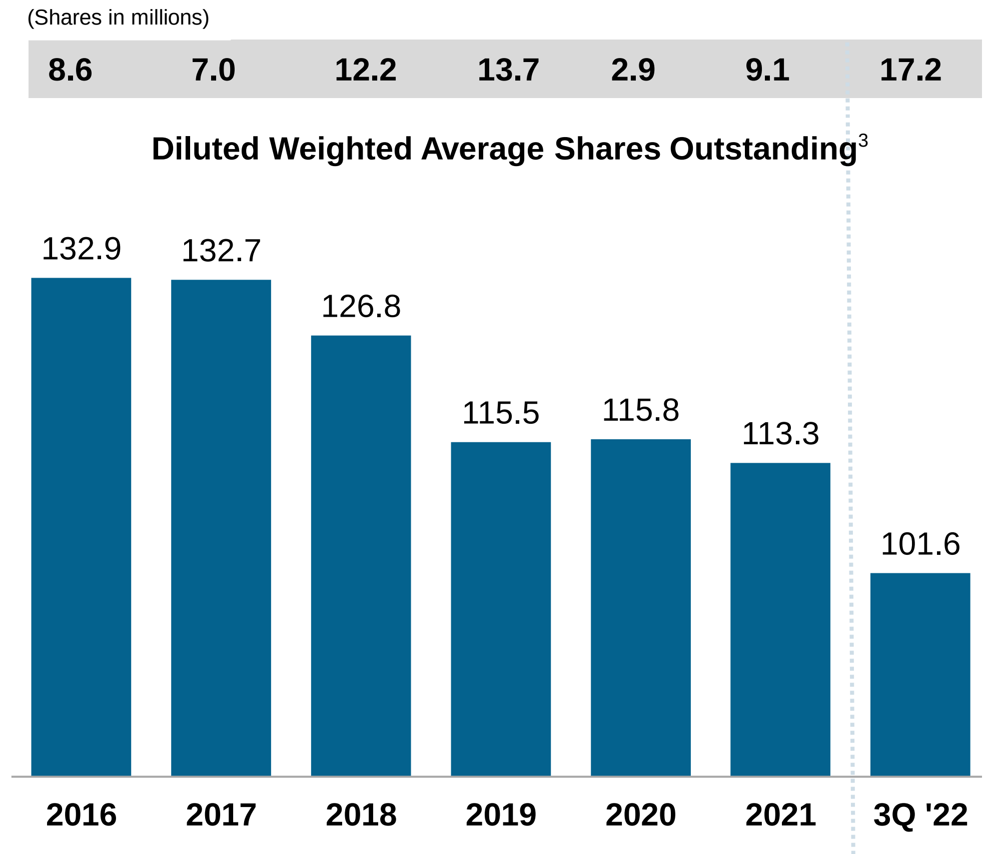
Strong Capital Returns to Shareholders

Balancing dividend growth and share repurchases through the cycle

Annual Dividends[1]



Share Repurchases[2]



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1 Annual dividend values are calculated with respect to fiscal year performance
2 Share repurchases for the full year and year to date as of September 30, 2022
3 Fourth quarter diluted weighted average shares outstanding

Supplemental Financial Information

Corporate Structure & Tax Considerations

Corporate Structure

Bermuda corporation with common stock traded on the NYSE

- Corporate governance structure consistent with U.S. peers and files annual proxy statement
  - Files 10-Ks and 10-Qs with SEC, including IRS Employer Identification Number
- Partnership structure for U.S. tax purposes
  - K-1 issuer for dividends – no Unrelated Business Taxable Income (UBTI) or Effectively Connected Income (ECI)
  - No separate state filing requirements, appropriate for tax-exempt investors
  - Foreign investors only subject to withholding tax on U.S. portion of dividends

Investor Diversification

Broadly diversified investor base includes key indexes, mutual funds and global institutions

- Included in Russell and CRSP market capitalization weighted indexes, and Dow Jones U.S. Select Dividend Index
  - Approximately 22% of Lazard holders identified as index investors, compared to generally de minimis for publicly traded partnerships
- Float approximately 96% held by a broad range of active and passive institutional investors
  - Representing approximately 209 mutual funds and 83 ETFs

Tax Considerations

US tax provisions suggest conversion to a U.S. C-corporation would result in a significantly higher tax rate

- Recent analysis indicates a conversion under the current tax law could add significantly to our steady-state effective tax rate
- Net operating losses (NOLs) restrict our ability to use foreign tax credits and to access the special deduction for foreign earnings, resulting in double taxation for non-U.S. earnings
- Expansion of categories of foreign income to be taxed would result in increased tax payments

Unaudited

U.S. GAAP Selected Financial Information

($ in millions)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
																		Q3	9M
Net revenue	$1,301	$1,494	$1,918	$1,557	$1,531	$1,905	$1,830	$1,912	$1,985	$2,300	$2,354	$2,333	$2,644	$2,826	$2,587	$2,566	$3,193	$727	$2,061
% Growth		*15%*	*28%*	*(19%)*	*(2%)*	*24%*	*(4%)*	*5%*	*4%*	*16%*	*2%*	*(1%)*	*13%*	*7%*	*(8%)*	*(1%)*	*24%*		
Operating Expenses:																			
Compensation and benefits	699	891	1,123	1,128	1,309	1,194	1,169	1,351	1,279	1,314	1,320	1,341	1,513	1,515	1,563	1,551	1,896	421	1,182
Non-Compensation [1]	260	275	376	404	404	468	425	437	490	467	1,051	475	306	631	631	514	573	148	436
Operating Income (loss)	$342	$328	$419	$25	($182)	$243	$236	$124	$216	$519	($17)	$517	$825	$681	$393	$502	$724	$158	$444
% of Net revenue	*26%*	*22%*	*22%*	*2%*	*(12%)*	*13%*	*13%*	*6%*	*11%*	*23%*	*(1%)*	*22%*	*31%*	*24%*	*15%*	*20%*	*23%*	*22%*	*22%*

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1 Includes provision (benefit) pursuant to tax receivable agreement. For additional detail, see "Reconciliation of U.S. GAAP Non-Compensation Expense to Non-Compensation, As Adjusted" on page 40.

Unaudited

Reconciliation of U.S. GAAP Net Revenue to Operating Revenue

($ in millions)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
																		Q3	9M
Net revenue - U.S. GAAP Basis	$1,301	$1,494	$1,918	$1,557	$1,531	$1,905	$1,830	$1,912	$1,985	$2,300	$2,354	$2,333	$2,644	$2,826	$2,587	$2,566	$3,193	$727	$2,061
Adjustments:																			
(Revenue) loss related to noncontrolling interests [1]	(2)	(5)	(5)	13	(7)	(16)	(17)	(14)	(15)	(15)	(16)	(21)	(16)	(19)	(23)	(11)	(32)	(21)	(32)
(Gains) losses related to Lazard Fund Interests ("LFI") and other similar arrangements [2]	-	-	-	-	-	-	3	(7)	(14)	(7)	4	(3)	(23)	14	(32)	(41)	(35)	16	66
Interest Expense [3]	59	82	102	105	94	90	86	80	78	62	50	48	50	54	75	75	74	19	57
Gain on repurchase of subordinated debt [4]	-	-	-	-	-	-	(18)	-	-	-	-	-	-	-	-	-	-	-	-
MBA Lazard acquisition and Private Equity revenue adjustment [5]	-	-	-	-	-	-	-	-	-	-	(12)	(13)	-	-	-	-	-	-	-
Distribution fees, reimbursable deal costs, bad debt expense and other [6]	-	-	-	-	-	-	-	-	-	-	-	-	-	(121)	(76)	(65)	(85)	(18)	(53)
Private Equity investment adjustment [7]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	-	-	-
Expenses associated with the business realignment [8]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-
Losses associated with restructuring and closing of certain offices [9]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	-	-
Operating revenue	$1,358	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971	$2,034	$2,340	$2,380	$2,344	$2,655	$2,755	$2,546	$2,524	$3,139	$724	$2,098

Operating Revenue is a non-GAAP measure which excludes:

1 Noncontrolling interests principally related to Edgewater, ESC Funds and a Special Purpose Acquisition Company, and is a non-GAAP measure.

2 Changes in the fair value of investments held in connection with LFI and other similar deferred compensation arrangements for which a corresponding equal amount is excluded from compensation and benefits expense.

3 Interest expense related to corporate financing activities because such expense is not considered to be a cost directly related to the revenue of our business. For year ended 2016, includes excess interest of $0.6 million due to the delay between the issuance of the 2027 notes and the settlement of the 2017 notes. For year ended 2015, includes excess interest expense of $2.7 million due to the delay between the issuance of the 2025 senior notes and the settlement of the 2017 notes. For the year ended 2018, excess interest expense of $0.3 million due to the period of time between the issuance of 2028 notes and the settlement of 2020 notes. For the first quarter 2019, excess interest expense of $0.3 million due to the period of time between the issuance of the 2029 notes and the settlements of 2020 notes.

4 Gain related to the repurchase of the then outstanding subordinated promissory note due to the non-operating nature of such transaction.

5 For the year ended December 31, 2016, represents a gain relating to the Company’s acquisition of MBA Lazard resulting from the increase in fair value of the Company’s investment in the business. For the year ended December 31, 2015, represents revenue relating to the Company’s disposal of the Australian private equity business which was adjusted for the recognition of an obligation, which was previously recognized for U.S. GAAP.

6 Represents certain distribution, introducer and management fees paid to third parties and reimbursable deal costs for which an equal amount is excluded from both non-GAAP operating revenue and non-compensation expense, respectively, and excludes bad debt expense, which represents fees that are deemed uncollectible.

7 Represents write-down of private equity investment to potential transaction value.

8 Represents losses and expenses associated with the business realignment which includes employee reductions and closing of subscale office and investment strategies.

9 Represents losses related to the reclassification of currency translation adjustments to earnings from accumulated other comprehensive loss associated with restructuring and closing of certain of our offices.

Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation

($ in millions)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
																		Q3	9M
Compensation and benefits expense - U.S. GAAP basis	$699	$891	$1,123	$1,128	$1,309	$1,194	$1,169	$1,351	$1,279	$1,314	$1,320	$1,341	$1,513	$1,515	$1,563	$1,551	$1,896	$421	$1,182
Adjustments:																			
2005 adjustment [23]	75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LAM Equity Charge [7]	-	-	-	(197)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2009 and 2010 adjustments [6]	-	-	-	-	(147)	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation related to noncontrolling interests [5]	-	-	-	-	(2)	(3)	(4)	(4)	(4)	(5)	(5)	(12)	(8)	(11)	(11)	(8)	(9)	(3)	(9)
(Charges)/Credits pertaining to LFI and other similar arrangements [3]	-	-	-	-	-	-	3	(7)	(14)	(7)	4	(4)	(24)	14	(32)	(41)	(35)	16	66
Expenses associated with the business realignment [31]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(57)	-	-	-	-
Charges pertaining to cost saving initiatives [1]	-	-	-	-	-	-	-	(100)	(52)	-	-	-	-	-	-	-	-	-	-
Charges pertaining to staff reductions [2]	-	-	-	-	-	-	-	(22)	-	-	-	-	-	-	-	-	-	-	-
Expenses associated with ERP system implentation [27]	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-
Private Equity incentive compensation [4]	-	-	-	-	-	-	-	-	(12)	-	-	-	-	-	-	-	-	-	-
Expenses associated with restructuring and closing of certain offices [32]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15)	-	-
Compensation and benefits expense, as adjusted	774	891	1,123	931	1,160	1,166	1,168	1,218	1,197	1,302	1,319	1,325	1,481	1,517	1,464	1,502	1,836	434	1,238
Amortization of deferred incentive awards	-	(23)	(105)	(238)	(333)	(241)	(289)	(335)	(298)	(299)	(321)	(352)	(367)	(376)	(368)	(384)	(400)		
Total cash compensation and benefits [8]	774	868	1,018	693	827	925	879	883	899	1,003	998	973	1,114	1,141	1,096	1,118	1,436		
Deferred year-end incentive awards [9]	116	204	337	352	239	293	282	272	291	325	336	342	351	378	361	364	390		
Sign-on and other special deferred incentive awards [10]	-	13	88	180	39	27	40	42	22	14	26	30	36	46	38	55	49		
Adjustment for actual/estimated forfeitures [11]	(14)	(24)	(35)	(23)	(16)	(27)	(28)	(27)	(27)	(25)	(27)	(28)	(25)	(28)	(26)	(27)	(29)		
Compensation and benefits expense - Awarded basis	$876	$1,061	$1,408	$1,202	$1,089	$1,218	$1,173	$1,170	$1,185	$1,317	$1,333	$1,317	$1,476	$1,537	$1,469	$1,510	$1,846		
% of Operating revenue - Awarded basis	65%	68%	70%	72%	67%	62%	62%	59%	58%	56%	56%	56%	56%	56%	58%	60%	59%		
Memo: Operating Revenue	$1,358	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971	$2,034	$2,340	$2,380	$2,344	$2,655	$2,755	$2,546	$2,524	$3,139		

LAZARD

See endnotes for information regarding non-GAAP adjustments.

Reconciliation of U.S. GAAP Non-Compensation Expense to Non-Compensation, As Adjusted

($ in millions)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
																		Q3	9M
Non-Compensation expense - U.S. GAAP basis	$260	$275	$376	$404	$404	$468	$425	$437	$490	$467	$1,051	$475	$306	$631	$631	$514	$571	$148	$436
Adjustments:																			
IPO related costs [24]	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision (benefit) pursuant to the tax receivable agreement obligation ("TRA") [15]	-	(6)	(17)	(17)	1	(3)	-	-	(2)	(18)	(548)	-	203	6	-	-	-	-	-
Amortization and other acquisition-related costs (benefits) [14]	-	-	(21)	(5)	(5)	(8)	(12)	(8)	(10)	(6)	(6)	(36)	(10)	16	(19)	(2)	(0)	(0)	(0)
Provision for counterparty defaults [7]	-	-	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LAM Equity Charge [7]	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring charges [17]	-	-	-	-	(63)	(87)	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-compensation related to noncontrolling interests [5]	-	-	-	-	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(8)	(1)	(3)
Write-off of Lazard Alternative Investment Holdings option prepayment [16]	-	-	-	-	-	-	(6)	-	-	-	-	-	-	-	-	-	-	-	-
Provision for a lease contract for U.K. facility [16]	-	-	-	-	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-	-
Expenses associated with the business realignment [31]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	-	-
Charges pertaining to cost saving initiatives [1]	-	-	-	-	-	-	-	(3)	(13)	-	-	-	-	-	-	-	-	-	-
Charges pertaining to staff reductions [2]	-	-	-	-	-	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-
Charges pertaining to Senior Debt refinancing [13]	-	-	-	-	-	-	-	-	(54)	-	(60)	(3)	-	(7)	(7)	-	-	-	-
Gain on partial extinguishment of TRA obligation [22]	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-	-
Expenses associated with ERP system implementation [27]	-	-	-	-	-	-	-	-	-	-	-	-	(25)	(27)	(17)	-	-	-	-
Expenses related to office space reorganization [12]	-	-	-	-	-	-	-	-	-	-	-	-	(11)	(2)	(5)	(13)	(5)	(1)	(3)
Expenses associated with Lazard Foundation [29]	-	-	-	-	-	-	-	-	-	-	-	-	-	(10)	-	-	-	-	-
Expenses associated with restructuring and closing of certain offices [32]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)	-	-
Distribution fees, reimbursable deal costs, bad debt expense and other [28]	-	-	-	-	-	-	-	-	-	-	-	-	-	(121)	(76)	(65)	(85)	(18)	(53)
Non-compensation expense, as adjusted	$257	$269	$338	$368	$337	$368	$400	$421	$409	$441	$434	$434	$461	$484	$499	$432	$472	$128	$376
% of Operating revenue	19%	17%	17%	22%	21%	19%	21%	21%	20%	19%	18%	19%	17%	18%	20%	17%	15%	18%	18%
Memo: Operating Revenue	$1,358	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971	$2,034	$2,340	$2,380	$2,344	$2,655	$2,755	$2,546	$2,524	$3,139	$724	$2,098

See endnotes for information regarding non-GAAP adjustments.

Reconciliation of U.S. GAAP Net Income to Net Income, As Adjusted

($ in millions, except per share values)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Q3	2022 9M
Net income attributable to Lazard Ltd - U.S. GAAP Basis	$84	$160	$427	$986	$388	$254	$527	$287	$402	$528	$106	$315
Adjustments:												
Charges pertaining to staff reductions [2]	25	-	-	-	-	-	-	-	-	-	-	-
Charges pertaining to cost saving initiatives [1]	103	65	-	-	-	-	-	-	-	-	-	-
Expenses associated with the business realignment [31]	-	-	-	-	-	-	-	68	-	-	-	-
Amount attributable to LAZ-MD Holdings [18]	(2)	(1)	-	-	-	-	-	-	-	-	-	-
Tax expense (benefit) allocated to adjustments [18]	(21)	(23)	-	(4)	(15)	(13)	(10)	(27)	(4)	1	(0)	(1)
Private Equity incentive compensation [4]	-	12	-	-	-	-	-	-	-	-	-	-
Charges pertaining to Senior Debt refinancing [13]	-	54	-	63	4	-	7	7	-	-	-	-
Gain on partial extinguishment of TRA obligation (net of tax) [22]	-	-	-	(259)	-	-	-	-	-	-	-	-
Recognition of deferred tax assets (net of TRA accrual) [21]	-	-	-	(294)	-	-	-	-	-	-	-	-
MBA Lazard acquisition and Private Equity revenue adjustment [20]	-	-	-	(12)	(13)	-	-	-	-	-	-	-
Valuation Allowance for changed tax laws [26]	-	-	-	-	12	-	-	-	-	-	-	-
Acquisition-related (benefits)/costs [25]	-	-	-	-	34	7	(19)	17	-	-	-	-
Reduction of deferred tax assets (net of TRA reduction) [15]	-	-	-	-	-	217	-	-	-	-	-	-
Provision (benefit) pursuant to tax receivable agreement obligation ("TRA") [15]	-	-	-	-	-	-	(6)	(1)	(0)	2	-	-
Expenses associated with ERP system implementation [27]	-	-	-	-	-	25	29	17	-	-	-	-
Expenses related to office space reorganization [12]	-	-	-	-	-	11	2	5	13	5	1	3
Expenses associated with Lazard Foundation [29]	-	-	-	-	-	-	10	-	-	-	-	-
Private Equity investment adjustment [30]	-	-	-	-	-	-	-	12	-	-	-	-
Losses associated with restructuring and closing of certain offices [32]	-	-	-	-	-	-	-	-	-	24	-	-
Expenses associated with restructuring and closing of certain offices [33]	-	-	-	-	-	-	-	-	-	16	-	-
Adjustment for full exchange of exchangable interests [19]:												
Tax adjustment for full exchange	(1)	-	-	-	-	-	-	-	-	-	-	-
Amount attributable to LAZ-MD Holdings	7	2	1	-	-	-	-	-	-	-	-	-
Net Income, as adjusted	$195	$269	$428	$480	$410	$501	$539	$385	$410	$576	$106	$317
Weighted average shares outstanding:												
U.S. GAAP, diluted	129,326	133,737	133,813	133,245	132,634	132,480	129,768	116,080	113,483	113,675	98,865	103,268
As adjusted, diluted	135,117	133,737	133,813	133,245	132,634	132,480	129,768	117,348	113,904	114,248	101,603	105,183
Diluted Net Income per share:												
U.S. GAAP Basis	$0.65	$1.21	$3.20	$7.40	$2.92	$1.91	$4.06	$2.44	$3.54	$4.63	$1.06	$3.03
As adjusted	$1.44	$2.01	$3.20	$3.60	$3.09	$3.78	$4.16	$3.28	$3.60	$5.04	$1.05	$3.02

LAZARD

See endnotes for information regarding non-GAAP adjustments.

Earnings from Operations – As Adjusted/Awarded

($ in millions)

As Adjusted	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenue	$1,358	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971	$2,034	$2,340	$2,380	$2,344	$2,655	$2,755	$2,546	$2,524	$3,139
Compensation and benefits	774	891	1,123	931	1,160	1,166	1,168	1,218	1,197	1,302	1,319	1,325	1,481	1,517	1,464	1,502	1,836
Non-Compensation expense	257	269	338	368	337	368	400	421	409	441	434	434	461	484	499	432	472
Earnings from Operations	$327	$411	$554	$376	$121	$445	$316	$332	$428	$597	$627	$585	$713	$754	$583	$590	$831
Operating Margin, As Adjusted	*24%*	*26%*	*27%*	*22%*	*7%*	*22%*	*17%*	*17%*	*21%*	*26%*	*26%*	*25%*	*27%*	*27%*	*23%*	*23%*	*26%*
Adjusted EPS	$1.72	$2.24	$2.77	$1.65	$0.09	$2.06	$1.31	$1.44	$2.01	$3.20	$3.60	$3.09	$3.78	$4.16	$3.28	$3.60	$5.04

Awarded	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenue	$1,358	$1,571	$2,015	$1,675	$1,618	$1,979	$1,884	$1,971	$2,034	$2,340	$2,380	$2,344	$2,655	$2,755	$2,546	$2,524	$3,139
Compensation and benefits	876	1,061	1,408	1,202	1,089	1,218	1,173	1,170	1,185	1,317	1,333	1,317	1,476	1,537	1,469	1,510	1,846
Non-Compensation expense	257	269	338	368	337	368	400	421	409	441	434	434	461	484	499	432	472
Earnings from Operations	$224	$241	$269	$105	$192	$393	$311	$380	$440	$582	$613	$593	$718	$734	$578	$582	$821
Operating Margin, Awarded Basis	*16%*	*15%*	*13%*	*6%*	*12%*	*20%*	*17%*	*19%*	*22%*	*25%*	*26%*	*25%*	*27%*	*27%*	*23%*	*23%*	*26%*

Supplemental Segment Information

($ in millions)

	Financial Advisory				
	2017	2018	2019	2020	2021
Operating Revenue	$1,388	$1,506	$1,357	$1,403	$1,778
% Growth	*7%*	*9%*	*(10%)*	*3%*	*27%*
Compensation and benefits, Awarded basis	$830	$881	$837	$856	$1,056
% of Operating Revenue	*60%*	*58%*	*62%*	*61%*	*59%*
Non-Compensation expense	$180	$180	$188	$144	$160
% of Operating Revenue	*13%*	*12%*	*14%*	*10%*	*9%*
Earnings from Operations, Awarded basis	$378	$445	$332	$403	$563
Operating Margin, Awarded basis	*27%*	*30%*	*24%*	*29%*	*32%*

	Asset Management				
	2017	2018	2019	2020	2021
Operating Revenue	$1,240	$1,242	$1,159	$1,111	$1,329
% Growth	*20%*	*0%*	*(7%)*	*(4%)*	*20%*
Compensation and benefits, Awarded basis	$521	$524	$498	$514	$617
% of Operating Revenue	*42%*	*42%*	*43%*	*46%*	*46%*
Non-Compensation expense	$181	$188	$186	$175	$195
% of Operating Revenue	*15%*	*15%*	*16%*	*16%*	*15%*
Earnings from Operations, Awarded basis	$538	$530	$475	$423	$517
Operating Margin, Awarded basis	*43%*	*43%*	*41%*	*38%*	*39%*

	Corporate				
	2017	2018	2019	2020	2021
Operating Revenue	$2,655	$2,755	$2,546	$2,524	$3,139
% Growth	*13%*	*4%*	*(8%)*	*(1%)*	*24%*
Compensation and benefits, Awarded basis	$125	$132	$134	$140	$173
% of Operating Revenue	*5%*	*5%*	*5%*	*6%*	*6%*
Non-Compensation expense	$100	$116	$125	$113	$117
% of Operating Revenue	*4%*	*4%*	*5%*	*4%*	*4%*
Earnings from Operations, Awarded basis					
Operating Margin, Awarded basis					

1 Segment results exclude expenses not directly associated with the businesses. See the “Reconciliation of U.S. GAAP Operating Income to Earnings from Operations, Awarded Basis” for additional information regarding overhead allocations on pages 44-46.

2 Awarded compensation and non-compensation amounts recorded in the Corporate segment are measured as a percentage of total Lazard operating revenue.

Reconciliation of U.S. GAAP Operating Income to Earnings from Operations, Awarded Basis

($ in millions)

	Financial Advisory					Asset Management					Corporate					Total				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Net Revenue - U.S. GAAP Basis	**$1,388**	**$1,556**	**$1,374**	**$1,421**	**$1,765**	**$1,256**	**$1,332**	**$1,237**	**$1,167**	**$1,425**	**$1**	**($61)**	**($25)**	**($22)**	**$4**	**$2,644**	**$2,826**	**$2,587**	**$2,566**	**$3,193**
Adjustments [(a)]:																				
Revenue related to noncontrolling interests [5]	-	-	-	-	-	(16)	(19)	(23)	(8)	(22)	-	(0)	-	(3)	(10)	(16)	(19)	(23)	(11)	(32)
(Gain) loss related to LFI and other similar arrangements	-	-	-	-	-	-	-	-	-	-	(23)	14	(32)	(41)	(35)	(23)	14	(32)	(41)	(35)
Interest expense	-	-	-	-	-	-	1	-	-	-	50	54	75	74	74	50	54	75	74	74
MBA Lazard acquisition and Private Equity revenue adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Losses associated with the business realignment [31]	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-
Private Equity investment adjustment [30]	-	-	-	-	-	-	-	-	-	-	-	-	12	-	-	-	-	12	-	-
Distribution fees, reimbursable deal costs, bad debt expense and other [28]	-	(49)	(20)	(17)	(10)	-	(72)	(56)	(48)	(75)	-	(0)	-	-	-	-	(121)	(76)	(65)	(85)
Losses associated with restructuring and closing of certain offices [32]	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24
Operating revenue	**$1,388**	**$1,506**	**$1,357**	**$1,403**	**$1,778**	**$1,240**	**$1,242**	**$1,159**	**$1,111**	**$1,329**	**$27**	**$7**	**$30**	**$9**	**$33**	**$2,655**	**$2,755**	**$2,546**	**$2,524**	**$3,139**
Operating Income (loss) - U.S. GAAP Basis	**$244**	**$357**	**$148**	**$290**	**$408**	**$445**	**$420**	**$350**	**$306**	**$392**	**$136**	**($96)**	**($105)**	**($94)**	**($76)**	**$825**	**$681**	**$393**	**$502**	**$724**
Adjustments:																				
Sum of Adjustments - Revenue - U.S. GAAP vs. Operating revenue (from above)	-	(49)	(16)	(17)	13	(16)	(89)	(79)	(56)	(96)	27	68	55	31	29	11	(72)	(40)	(42)	(54)
Sum of Adjustments - Compensation and benefits expense, as adjusted to awarded basis [(b, c)]	6	(24)	(11)	(24)	(31)	(1)	7	3	10	12	-	(3)	3	6	10	5	(20)	(5)	(8)	(9)
Charges (credits) pertaining to LFI and other similar arrangements [3]	-	-	-	-	-	-	-	-	-	-	23	(14)	32	41	35	23	(14)	32	41	35
Operating expenses related to noncontrolling interests[5]	-	-	-	-	-	10	13	13	10	11	-	-	-	0	6	10	13	13	10	17
Charges pertaining to Senior Debt refinancing [13]	-	-	-	-	-	-	-	-	-	-	-	7	6	-	-	-	7	6	-	-
Amortization and other acquisition-related costs (benefits) [14]	9	(19)	17	-	-	-	-	-	-	-	-	-	-	-	-	9	(19)	17	-	-
Provision (benefit) pursuant to the tax receivable agreement [15]	-	-	-	-	-	-	-	-	-	-	(203)	-	-	-	-	(203)	(6)	-	-	-
Loss (gain) on partial extinguishment of TRA obligation [22]	-	-	-	-	-	-	-	-	-	-	-	(6)	1	0	2	-	-	1	0	2
Expenses related to office space reorganization [12]	-	-	-	-	-	-	-	-	-	-	11	2	4	13	5	11	2	4	13	5
Expenses associated with the business realignment [31]	-	-	40	-	-	-	-	17	-	-	-	-	8	-	-	-	-	65	-	-
Distribution fees, reimbursable deal costs, bad debt expense and other [28]	-	50	20	17	10	-	72	56	48	75	-	-	-	-	-	-	122	76	65	85
Expenses associated with Lazard Foundation [29]	-	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-	10	-	-	-
Expenses associated with ERP system Implementation [27]	12	16	9	-	-	12	13	8	-	-	1	2	-	-	-	25	29	17	-	-
Expenses associated with restructuring and closing of certain offices [33]	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16
Corporate support group allocations to business segments [(c)]	108	114	125	137	146	88	96	106	105	123	(194)	(210)	(231)	(241)	(269)	2	-	-	-	-
Total adjustments	135	88	184	113	155	93	111	125	117	124	(335)	(144)	(124)	(150)	(182)	(107)	53	185	80	97
Earnings from Operations, Awarded basis	**$378**	**$445**	**$332**	**$403**	**$563**	**$538**	**$530**	**$475**	**$423**	**$517**	**($199)**	**($240)**	**($229)**	**($244)**	**($258)**	**$718**	**$735**	**$578**	**$582**	**$821**
Operating Margin, Awarded basis	***27%***	***30%***	***24%***	***29%***	***32%***	***43%***	***43%***	***41%***	***38%***	***39%***	***nm***	***nm***	***nm***	***nm***	***nm***	***27%***	***27%***	***23%***	***23%***	***26%***

Notes: (a) See “Reconciliation of U.S. GAAP Net Revenue to Operating Revenue” on page 38.
(b) See “Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation” on page 39.
(c) Operating margins for Financial Advisory and Asset Management reflect a reallocation of expenses from Corporate to the business segments.

For all numerical footnotes, see endnotes for information regarding non-GAAP adjustments.

Reconciliation of U.S. GAAP Operating Income to Earnings from Operations, Awarded Basis

($ in millions)

	Financial Advisory											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Revenue - U.S. GAAP Basis	$865	$973	$1,240	$1,023	$987	$1,120	$992	$1,049	$981	$1,207	$1,280	$1,301
Adjustments [a]:												
Interest expense	-	-	1	1	4	1	-	-	-	-	-	-
Operating revenue	$865	$973	$1,241	$1,024	$991	$1,121	$992	$1,049	$981	$1,207	$1,280	$1,301
Operating Income - U.S. GAAP Basis	$276	$251	$319	$226	($12)	$169	$62	($9)	$21	$229	$274	$284
Adjustments:												
Sum of Adjustments - Revenue - U.S. GAAP vs. Operating revenue (from above)	-	-	1	1	4	1	-	-	-	-	-	-
Sum of Adjustments - Compensation and benefits expense, as adjusted to awarded basis [b, c]	(57)	(128)	(191)	(175)	84	(13)	17	36	18	(5)	(14)	(15)
Charges pertaining to cost saving initiatives [1]	-	-	-	-	-	-	-	77	48	-	-	-
2010 adjustments [6]	-	-	-	-	-	20	-	-	-	-	-	-
Amortization and other acquisition-related costs[14]	-	-	22	4	-	-	-	-	-	-	-	4
2005 Adjustments [23]	(63)	-	-	-	-	-	-	-	-	-	-	-
Corporate support group allocations to business segments [c]	71	72	83	96	93	97	96	102	95	99	102	107
Total adjustments	(49)	(56)	(85)	(74)	181	105	113	215	161	94	88	96
Earnings from Operations, Awarded basis	$227	$195	$234	$152	$169	$274	$175	$206	$182	$323	$362	$380
Operating Margin, Awarded basis	*26%*	*20%*	*19%*	*15%*	*17%*	*24%*	*18%*	*20%*	*19%*	*27%*	*28%*	*29%*

Notes: (a) See "Reconciliation of U.S. GAAP Net Revenue to Operating Revenue" on page 38.
(b) See "Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation" on page 39.
(c) Operating margins for Financial Advisory and Asset Management reflect a reallocation of expenses from Corporate to the business segments.

For all numerical footnotes, see endnotes for information regarding non-GAAP adjustments.

Reconciliation of U.S. GAAP Operating Income to Earnings from Operations, Awarded Basis

($ in millions)

	Asset Management											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Revenue - U.S. GAAP Basis	**$466**	**$553**	**$725**	**$615**	**$602**	**$850**	**$897**	**$896**	**$1,039**	**$1,135**	**$1,111**	**$1,052**
Adjustments [(a)]:												
Revenue related to noncontrolling interests [5]	(2)	(5)	(8)	13	(7)	(15)	(14)	(14)	(15)	(15)	(16)	(21)
Interest expense	-	1	-	1	1	-	-	-	-	-	-	-
MBA Lazard acquisition and Private Equity revenue adjustment		-	-	-	-	-	-	-	-	-	(12)	-
Operating revenue	**$464**	**$549**	**$717**	**$629**	**$596**	**$835**	**$883**	**$882**	**$1,024**	**$1,120**	**$1,083**	**$1,031**
Operating Income - U.S. GAAP Basis	**$116**	**$135**	**$185**	**($63)**	**$97**	**$265**	**$268**	**$237**	**$335**	**$385**	**$374**	**$281**
Adjustments:												
Sum of Adjustments - Revenue - U.S. GAAP vs. Operating revenue (from above)	(2)	(4)	(8)	14	(6)	(15)	(14)	(14)	(15)	(15)	(28)	(21)
Sum of Adjustments - Compensation and benefits expense, as adjusted to awarded basis [(b, c)]	(31)	(20)	(54)	(24)	17	(34)	(20)	4	(15)	(8)	(4)	19
Charges pertaining to cost saving initiatives [1]	-	-	-	-	-	-	-	13	-	-	-	-
Private Equity incentive compensation [4]	-	-	-	-	-	-	-	-	12	7	-	-
2010 adjustments [6]	-	-	-	-	-	3	-	-	-	-	-	-
Operating expenses related to noncontrolling interests[5]	-	-	-	-	2	5	6	6	6	6	7	14
Amortization and other acquisition-related costs[14]	-	-	-	1	5	8	12	8	10	-	7	32
LAM Equity Charge [7]	-	-	-	199	-	-	-	-	-	-	-	-
2005 Adjustments [23]	(11)	-	-	-	-	-	-	-	-	-	-	-
Corporate support group allocations to business segments [(c)]	47	51	55	64	58	62	67	74	78	81	82	82
Total adjustments	3	27	(7)	254	76	29	51	91	76	71	64	126
Earnings from Operations, Awarded basis	**$119**	**$162**	**$178**	**$191**	**$173**	**$294**	**$319**	**$328**	**$411**	**$456**	**$438**	**$407**
Operating Margin, Awarded basis	***26%***	***30%***	***25%***	***30%***	***29%***	***35%***	***36%***	***37%***	***40%***	***41%***	***40%***	***40%***

Notes: (a) See "Reconciliation of U.S. GAAP Net Revenue to Operating Revenue" on page 38.
(b) See "Reconciliation of U.S. GAAP Compensation to Adjusted/Awarded Compensation" on page 39.
(c) Operating margins for Financial Advisory and Asset Management reflect a reallocation of expenses from Corporate to the business segments.

For all numerical footnotes, see endnotes for information regarding non-GAAP adjustments.

Endnotes related to non-GAAP adjustments

1 For the years ended December 31, 2013 and 2012, represents charges pertaining to cost saving initiatives including severance and benefit payments, acceleration of unrecognized amortization of deferred incentive compensation previously granted to individuals terminated, settlement of certain contractual obligations, occupancy cost reduction and other non-compensation related costs, and for purposes of net income, net of applicable tax benefits.

2 For the year ended December 31, 2012 represents charges pertaining to staff reductions including severance and benefit payments, acceleration of unrecognized amortization of deferred incentive compensation previously granted to individuals terminated, and other non-compensation related costs, and for purposes of net income, net of applicable tax benefits.

3 Represents changes in the fair value of the compensation liability recorded in connection with Lazard Fund Interests ("LFI") and other similar deferred incentive compensation arrangements for which a corresponding equal amount is excluded from operating revenue.

4 Represents an adjustment to match the timing of the recognition of carried interest revenue subject to clawback to the recognition of the related incentive compensation expense, which is not aligned under U.S. GAAP. Such adjustment will reduce compensation expense prior to the recording of revenue and increase compensation expense in periods when revenue is recognized, generally at the end of the life of a fund.

5 Amounts related to the consolidation of noncontrolling interests which are excluded because the Company has no economic interest in such amounts.

6 For the year ended December 31, 2009, represents expenses in connection with the acceleration of unamortized restricted stock units granted to our former Chairman and Chief Executive Officer and the accelerated vesting of deferred cash awards previously granted; for the year ended December 31, 2010, represents expenses related to the accelerated vesting of restricted stock units in connection with the Company's change in retirement policy.

7 For the year ended December 31, 2008 excludes (i) compensation and benefits and non-compensation charges in connection with the Company's repurchase of all outstanding Lazard Asset Management ("LAM") Equity units held by certain current and former MDs and employees of LAM and (ii) a provision for losses from counterparty defaults related to the bankruptcy filing of one of our prime brokers.

8 Includes base salaries and benefits of $774 million, $683 million, $705 million, $696 million, $648 million, $575 million, $584 million, $570 million, $530 million, $516 million, $507 million, $453 million, $422 million, $468 million, $456 million, $398 million and $380 million for 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 and 2005, respectively, and cash incentive compensation of $662 million, $435 million, $391 million, $446 million, $466 million, $398 million, $414 million, $433 million, $369 million, $367 million, $372 million, $473 million, $405 million, $225 million, $562 million, $470 million and $394 million, for the respective years.

9 Grant date fair value of deferred incentive compensation awards granted applicable to the relevant year-end compensation process (i.e. grant date fair value of deferred incentive awards granted in 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007 and 2006 related to the 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006 and 2005 year-end compensation processes, respectively).

10 Represents special deferred incentive awards that are granted outside the year-end compensation process, and includes grants to new hires, retention awards and performance units earned under PRSU grants.

11 Under U.S. GAAP, an estimate is made for future forfeitures of the deferred portion of such awards. This estimate is based on both historical experience and future expectations. The result reflects the cost associated with awards that are expected to vest. This calculation is undertaken in order to present awarded compensation on a similar basis to GAAP compensation. Amounts for 2014-2017 represent actual forfeiture experience. The 2018-2021 amounts represent estimated forfeitures.

12 Represents incremental rent expense, building depreciation, impairment losses, legal fees and lease abandonment costs related to office space reorganization and an onerous lease provision.

Endnotes related to non-GAAP adjustments (continued)

13 For the year ended December 31, 2013, represents charges related to the refinancing of the Company's 7.125% Senior Notes maturing on May 15, 2015 and the issuance of $500 million of 4.25% Senior Notes maturing on November 14, 2020. The charges include a pre-tax loss on the extinguishment of $54.1 million. For the period ended March 31, 2015, represents charges related to the extinguishment of $450 million of the 6.85% Senior Notes maturing in June 2017 and the issuance of $400 million of 3.75% notes maturing in February 2025. The charges include a pre-tax loss on extinguishment of $60.2 million and excess interest expense of $2.7 million (due to delay between the issuance of the 2025 notes and the settlement of the 2017 notes). For the period ended December 31, 2016, represents charges related to the extinguishment of $98 million of the Company's 6.85% Senior Notes maturing in June 2017 and the issuance of $300 million of 3.625% notes maturing in March 2027. The charges include a pre-tax loss on the extinguishment of $3.1 million and excess interest expense of $0.6 million (due to the delay between the issuance of the 2027 notes and the settlement of 2017 notes). For the period ended December 31, 2018, represents charges related to the extinguishment of $250 million of the Company's 4.25% Senior Notes maturing in November 2020 and the issuance of $500 million of 4.50% notes maturing in September 2028. The charges include a pre-tax loss on the extinguishment of $6.5 million and excess interest expense of $0.3 million (due to the period of time between the issuance of the 2028 notes and the settlement of 2020 notes). For the period ended March 31, 2019, represents charges related to the extinguishment of $168 million of the Company's 4.25% Senior Notes maturing in November 2020 and the issuance of $500 million of 4.375% notes maturing in March 2029. The charges include a pre-tax loss on the extinguishment of $6.5 million and excess interest expense of $0.3 million (due to the period of time between the issuance of the 2029 notes and the settlement of 2020 notes).

14 Represents amortization of intangibles, and for 2016, 2017, 2018 and 2019, primarily relates to the change in fair value of the contingent consideration associated with certain business acquisitions.

15 Represents amounts the Company may be required to pay LTBP Trust under the Tax Receivable Agreement based on the expected utilization of deferred tax assets that are subject to the TRA. For the year ended December 31, 2017, as a result of the 2017 US Tax Cuts and Jobs Act, the Company incurred a charge of approximately $420 million primarily relating to the reduction in certain deferred tax assets, with an offsetting benefit of approximately $203 million relating to the reduction in our Tax Receivable Agreement obligation. For the year ended December 31, 2018, represents tax rate adjustment associated with the 2017 US Tax Cuts and Jobs Act.

16 Represents (i) a charge related to the write-off of a partial prepayment of the Company's option to acquire the fund management activities of Lazard Alternative Investment Holdings and (ii) a provision for a lease contract for the Company's leased facility in the U.K.

17 For the years ended December 31, 2009 and 2010, represents severance and benefit payments, acceleration of unrecognized amortization of deferred incentive compensation previously granted to individuals terminated and other charges in connection with the reduction and realignment of staff.

18 Represents the tax benefit applicable to adjustments described above and for the years ended December 31, 2012 and 2013, the portion of adjustments described above attributable to LAZ-MD Holdings.

19 Represents a reversal of noncontrolling interests related to LAZ-MD Holdings ownership of Lazard Group common membership interests and an adjustment for Lazard Ltd entity-level taxes to effect a full exchange of interests.

20 For the year ended December 31, 2016 represents a gain relating to the Company's acquisition of MBA Lazard resulting from the increase in fair value of the Company's investment in the business. For the year ended December 31, 2015 represents revenue relating to the Company's disposal of the Australian private equity business adjusted for the recognition of an obligation, which was previously recognized for U.S. GAAP.

Endnotes related to non-GAAP adjustments (continued)

21. For the nine month period ended December 31, 2015, represents the recognition of deferred tax assets of $1,217 million, net of accrual of $962 million for the tax receivable agreement. For the three month period ended December 31, 2015, represents the recognition of deferred tax assets of $39 million relating to the release of additional valuation allowance

22. In July of 2015 the Company extinguished approximately 47% of the outstanding TRA obligation. Accordingly, for the three month period ended December 31, 2015 and the twelve month period ended December 31, 2015, the Company recorded a pre-tax gain of $420 million and a related tax expense of $161 million.

23. Reflects payments for services rendered by our employee members of LAM and managing directors, which prior to the IPO were accounted for as either distributions from members' capital or as minority interest expense.

24. Represents the exclusion of one-time IPO-related costs.

25. Primarily relates to the change in fair value of the contingent consideration associated with certain business acquisitions.

26. Represents valuation allowance associated with a change in NYC UBT tax laws.

27. Represents expenses associated with Enterprise Resource Planning (ERP) system implementation.

28. Represents certain distribution, introducer and management fees paid to third parties and reimbursable deal costs for which an equal amount is excluded from both non-GAAP operating revenue and non-compensation expense, respectively, and excludes bad debt expense, which represents fees that are deemed uncollectible.

29. Represents expenses associated with the Lazard Foundation unconditional commitment.

30. Represents write-down of private equity investment to potential transaction value.

31. Represents losses and expenses associated with the business realignment which includes employee reductions and closing of subscale office and investment strategies.

32. Represents losses related to the reclassification of currency translation adjustments to earnings from accumulated other comprehensive loss associated with restructuring and closing of certain of our offices.

33. Expenses associated with restructuring and closing of certain offices.