



Becoming the Undisputed #3 in Quebec and a Highly Performing Niche Player Across Canada

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Laurentian Bank of Canada**

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Significant Achievements



Q2 05	Final Settlement of Collective Agreement	Special transactions initiated since Q4 03 have created shareholder value by giving us the means to better implement our Plan and maintain strong capital ratios
Q1 05	Five New Financial Services Boutiques	
Q1 05	Sale of BLC - Edmond De Rothschild & Distribution Agreement with Industrial Alliance	
Q1 05	Redemption of Debentures Series 8	
Q3 04	New Branch Concept: Espresso	
Q3 04	Redemption of Preferreds Series 7 & 8 at 7.75 %	
Q3 04	Redemption of Debentures Series 7	
Q3 04	Sale of Mutual Fund Rights Outside Quebec	
Q3 04	Sale of Merchant Terminals	
Q3 04	B2B Trust Privatization	
Q2 04	Sale of VISA Portfolio Outside Quebec	
Q2 04	Issuance of Preferreds Series 10 at 5.25%	
Q4 03	Sale of 57 Branches Outside Quebec	
Q4 03	Management Reduction Program	

A Strong Presence in Canada



With more than 150 years of history in serving its clients, Laurentian Bank is an important player in the Canadian financial services sector from coast to coast

Business Strategy Outside Quebec

- Through its B2B Trust subsidiary, its Commercial Financial Services sector, its indirect network of retail services point of sales, as well as its brokerage and foreign exchange services, the Bank is determined to focus its energy and resources to become a performing niche player in the sectors and markets in which it excels and has a competitive edge

Sustainable Growth Across Canada

- More than 13,000 independent financial intermediaries and deposit agents distributing B2B Trust's and Laurentian Bank's products: representing an increase of at least 30 % since 2001
- A billion-dollar portfolio of residential mortgage loans outside Quebec, which is one-sixth of the Bank's total portfolio of residential mortgage loans
- Loans issued outside Quebec represent 35% of total loans



Execution of our 3-Year Plan

Our Performance to Date



Performance Measure	3 Months Period Ended October 31, 2004 Core	3 Months Period Ended January 31, 2005 Continuing Operations	3 Months Period Ended January 31, 2005 GAAP	2005 Annual Target
Return on Equity	2.4%	5.3%	8.3%	4.5% to 5.5%
Earnings per Share	\$0.17	\$0.38	\$0.60	\$1.30 to \$1.60
Total Revenue	\$108.9 M	\$ 119.2 M	\$ 119.2 M	\$ 480 M to \$ 490 M
Efficiency Ratio	83.8%	76.9%	76.9%	77.5% to 79%
Capital Ratios				
- Tier 1 Capital Ratio	10.5%	10.5%	10.5%	Min of 9.5%
- Total Capital Ratio	14.0%	13.3%	13.3%	Min of 13.0%
Credit Quality (PCL Ratio) ¹	0.24%	0.24%	0.24%	0.22% to 0.25%

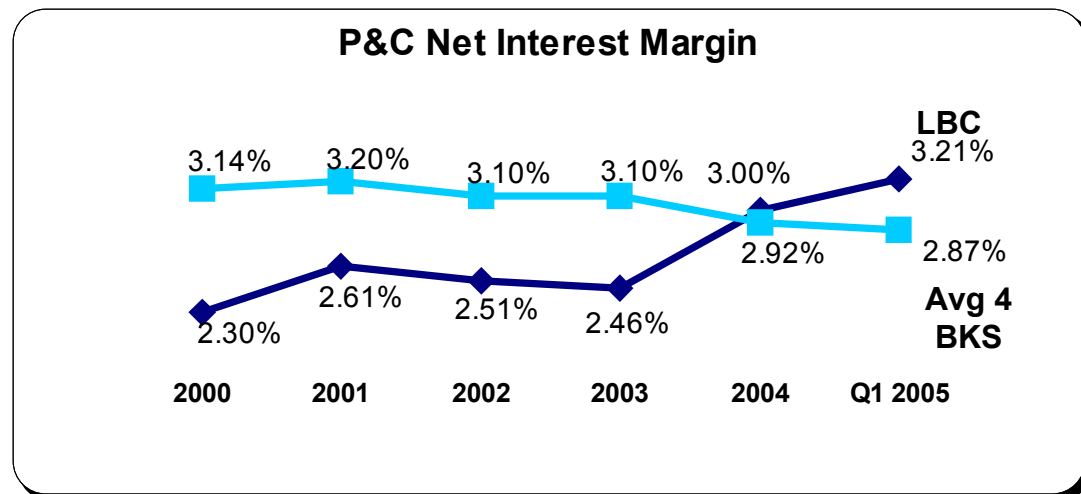
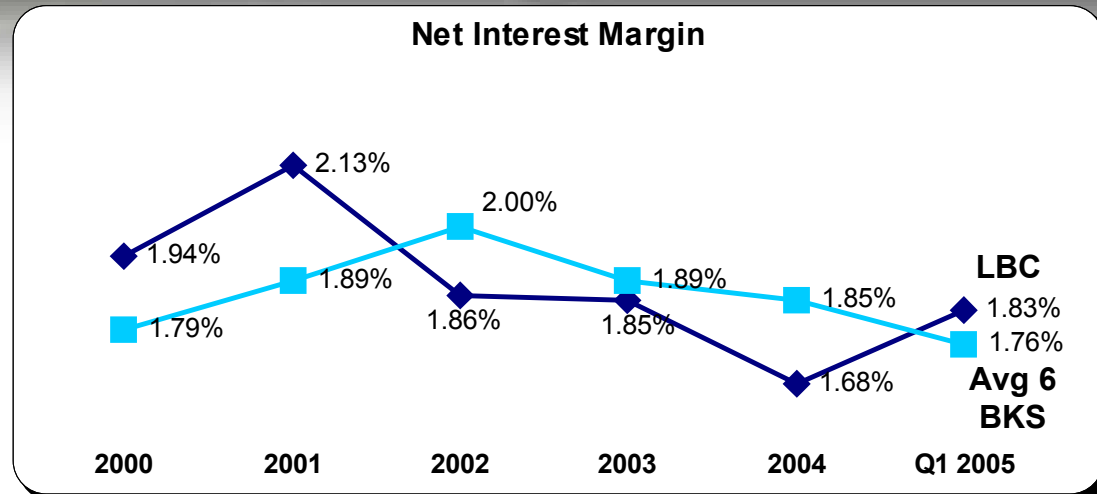
(1) PCL ratio is calculated internally over Average Assets and not Loans, Acceptances & Reverse Repos

- **Significant improvement in our performance since Q4 2004 and on target for 2005**
- **Revenue growth coming mostly from higher NIM**
- **Measures associated with our 3-year plan have increased our profitability and demonstrate our ability to strongly execute on our plan**

Our NIM is Back on Track



For Q1 2005, there has been a significant turnaround in the Bank's net interest margin coming from tighter asset and liability management as well as strong improvement coming from the retail sector

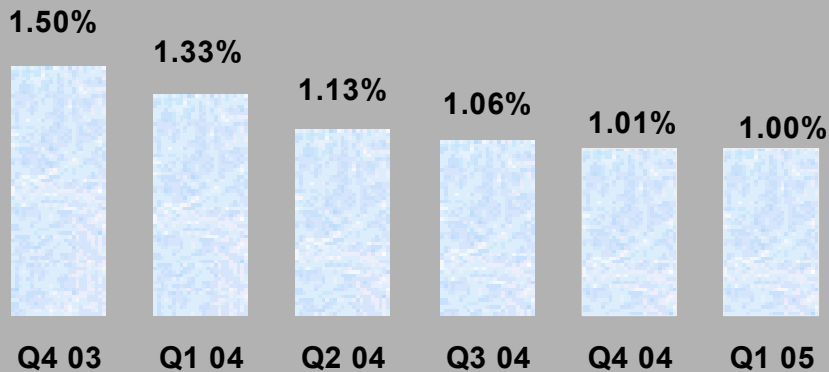


For P&C NIM:
 Includes Retail & Commercial Services but not B2B Trust and is calculated on average assets
 Excluding Scotia (reported numbers only on average earnings assets)
 Excluding TD because only P&C average loans available
 For 2000 and 2001, excluding NBC because P&C average assets not reported

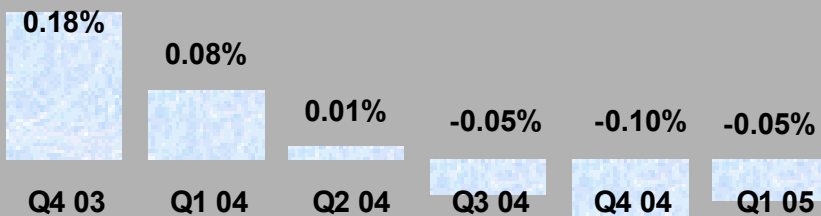
Our Credit Quality Remains Strong



Gross Impaired Loans as a % of Gross Loans, BA's & Reverse Repos

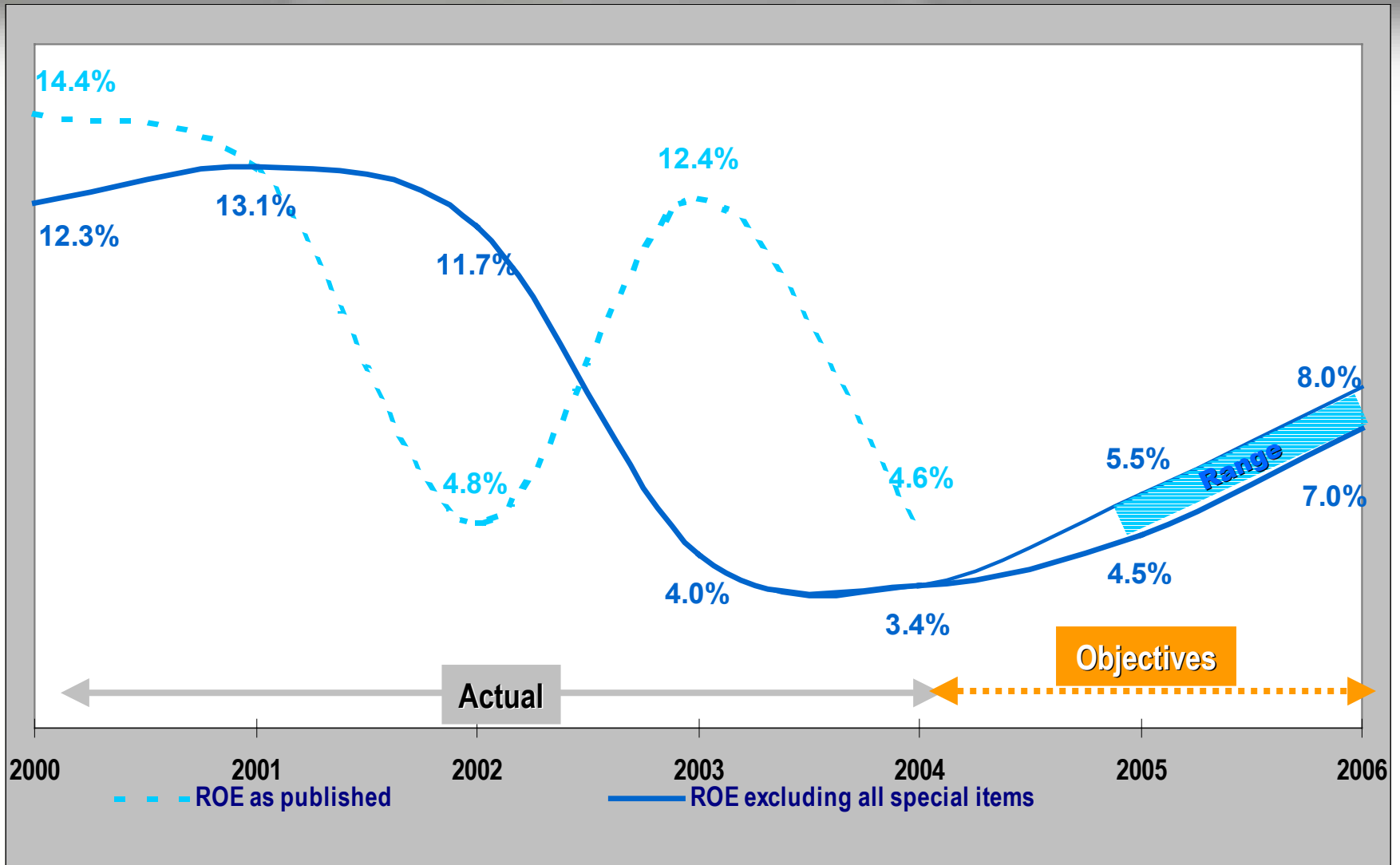


Net Impaired Loans as a % of Net Loans, BA's & Reverse Repos



- **Gross impaired loans have decreased by nearly 30% compared with Q1 2004**
- **Strong improvement in our net impaired loans which amounted to -\$5.8M compared to +\$10.5M a year ago**

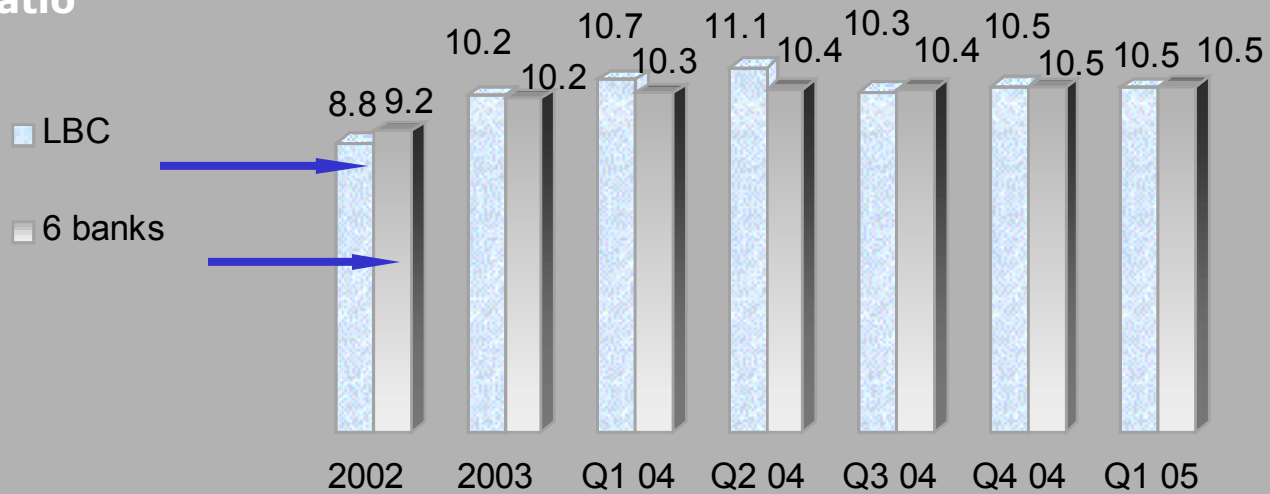
Consistent Growth in ROE Going Forward



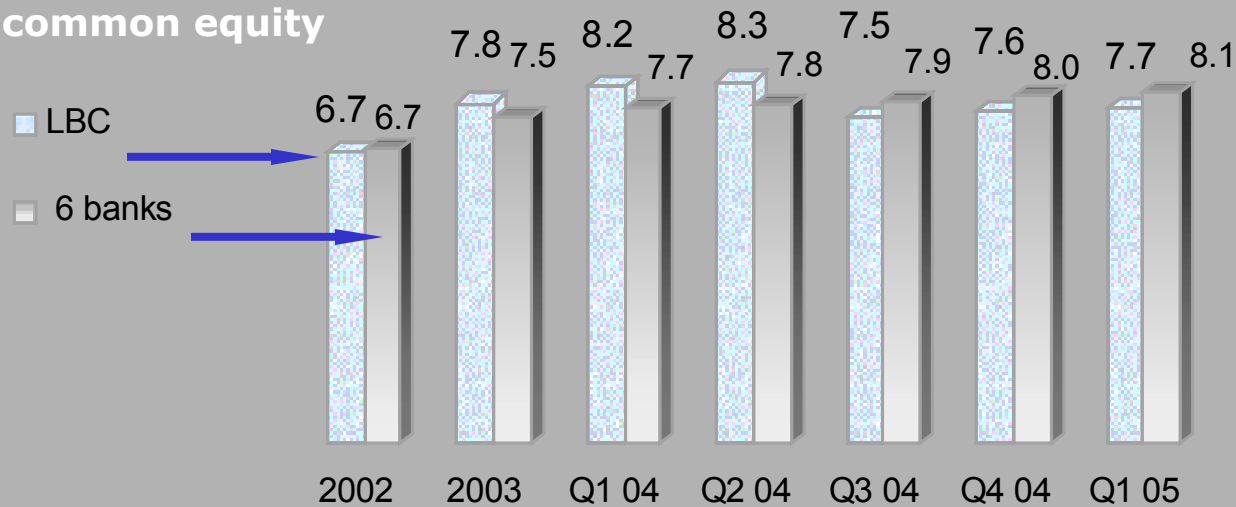


We Have Maintained Strong Capital Ratios

Tier 1 ratio



Tangible common equity



Sale of BLC-Edmond de Rothschild



“ The sale of BLC - Edmond de Rothschild to Industrial Alliance, completed in last December, is the final step towards a full repositioning of the Bank and most certainly our biggest achievement in the last quarter ”

Raymond McManus

Strategic transaction

- ❑ **Sale of non-core assets**
- ❑ **Wealth management generated only \$0.2M or less than 1% of total core net income of \$36.2M during 2004**
- ❑ **Partnership with a Quebec based company: Industrial Alliance**
- ❑ **R funds continue to be distributed via a 10-year distribution agreement**

Sale of BLC-Edmond de Rothschild



In millions of dollars

Net sale price	\$ 67.8
Less:	
Deferred revenue under the recovery clauses	-\$ 26.2
Net assets sold, including the amount related to the purchase of LCFER's shares	-\$ 29.5
	\$ 12.0
Transaction fees	-\$ 2.3
Write-down to market of investments related to seed capital	-\$ 4.4
Gain before income taxes	\$ 5.4
Income taxes	-\$ 0.2
Gain on discontinued operations	\$ 5.2

Recovery clauses

- Claw-backs:
 - 5 year period
 - \$ 5.2 M / year if annual net sales do not reach \$ 50 M for a maximum of \$ 26.2 M
 - Catch up provision, provided cumulative net sales reach \$ 290 M at year 6
- LBC's R Funds net sales performance in 2004: \$ 110 M
- Claw-backs to up to \$ 1 M based on retention of institutional assets under management at the end of year 1
- Additional \$ 8.3 M if cumulative net sales reach \$ 350 M by the end of year 5

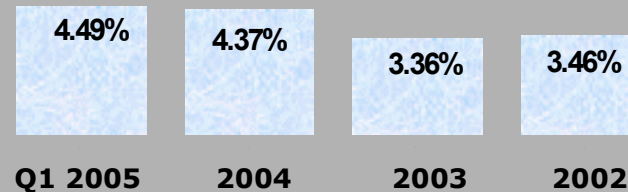


Retail Financial Services

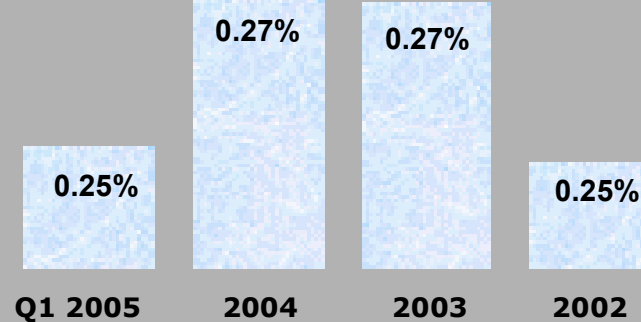
Retail Financial Services Performance



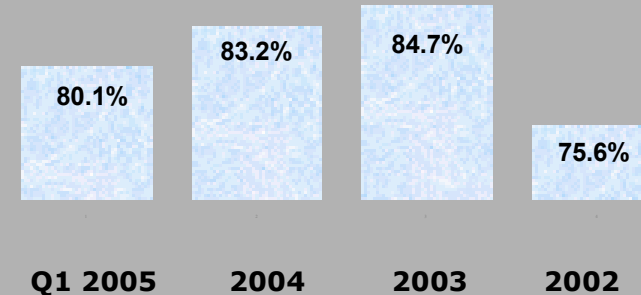
Total operating revenue as a % of ave assets



PCL as a % of average loans



Efficiency Ratio



- **Significant increase in performance on a quarterly and year over year basis mostly due to increase in net interest margin**
- **PCL ratio decreased due to lower PCL and higher average loans**
- **Efficiency ratio improved due to higher net interest income**



RFS 2005 Strategic Plan

New Laurentian Bank Signature

Optimization of the Branch Network

Entrepreneurship Business Model

Retailer Approach to Client Servicing

Enhancement of Multichannel Strategy



Opening of 5 Financial Services Boutiques

- Blainville: Nov. 2004 - Mascouche: Dec. 2004
- Ste-Dorothée: Dec. 2004 - Gatineau: Dec. 2004
- La Prairie: Jan. 2005
- New branches have up to 10 different zones such as children playground, service islands instead of traditional counters, library zone, coffee zone etc.
- Opening of three new financial services boutiques in the coming months in Boisbriand, Chambly and Vaudreuil

Espresso

- Opened in July 2004
- One other opening expected by the end of the year in the Montreal area

Marketing

- New non-traditional and challenging corporate brand positioning and slogan "Dare"
- Integrated-media advertising campaign
- Reality-show sponsorship

ABMs

- 32 new installations (including the 10 ABMs in the Montreal Metro)

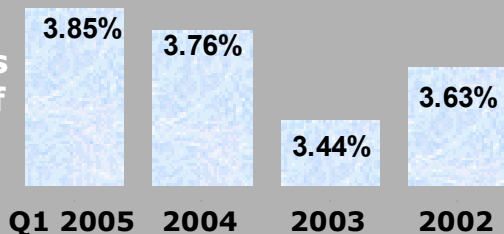


Commercial Financial Services

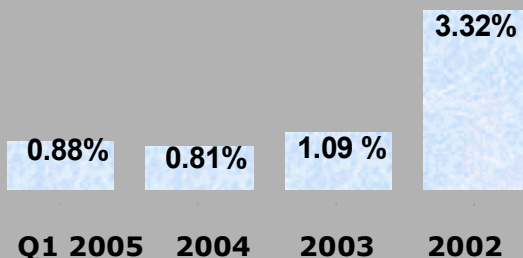


Commercial Financial Services

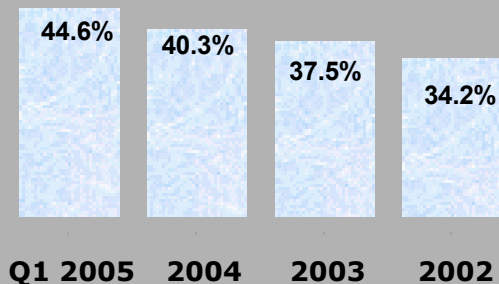
Total operating revenue as a % ave of assets



PCL as a % of average loans



Efficiency Ratio



- **Increase in operating revenues ratio mostly due to change in loans and deposits mix**
- **Significant improvement in PCL since 2002**
- **Deterioration in efficiency ratio partly due to lower level of loans**



Commercial Financial Services

Canadian Market Share 2003

	LBC	NBC	Desjardins	Big 5	Others
Real Estate ¹	3.3%	4.4%	n/a	76.7%	15.6%
Mid-Market Quebec ²	2.6%	28.0%	23.6%	42.9%	2.9%
Mid-Market Ontario	1.8%	3.9%	0.0%	87.5%	6.8%
Agriculture	1.5%	25.0%	37.4%	15.3%	20.8%

(1) Includes only non-residential mortgages (2) Includes small businesses

Geographical Distribution - Q1-2005

	Québec	Ontario	Western Cda
Real Estate	30%	62%	8%
Mid-Market	58%	42%	0%
Agriculture	100%	0%	0%

Corporate lending was transferred to Mid-Market in Q1-2005

Relative Contribution

January 31, 2005

	% of Net Income	Efficiency Ratio	Avg O/S (\$M)	PCL (%) ²
Real Estate	53%	24.0%	809	0.02%
Mid-Market Quebec ¹	26%	38.6%	720	0.19%
Mid-Market Ontario	18%	17.1%	479	0.35%
Agriculture	3%	56.4%	143	0.00%

(1) Excludes small business lending but includes corporate lending

(2) PCL as of % of business lines average assets

- **According to a survey done by Guilbeaut et Associés, 93% of our commercial clients say they are satisfied with all the products and services offered by Laurentian Bank**
- **Real Estate continues to perform very well and we plan to increase our presence in Western Canada in the coming months**
- **In Quebec, our goal is to be present in all segments of the market**
- **Outside Quebec, we are a niche player in fields of expertise**

3-Year Repositioning Plan

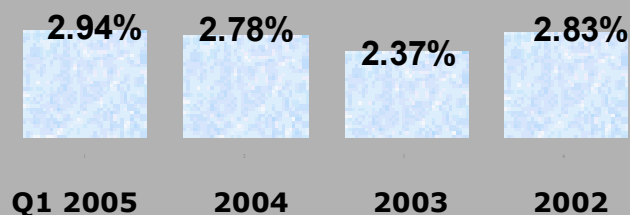


B2B Trust

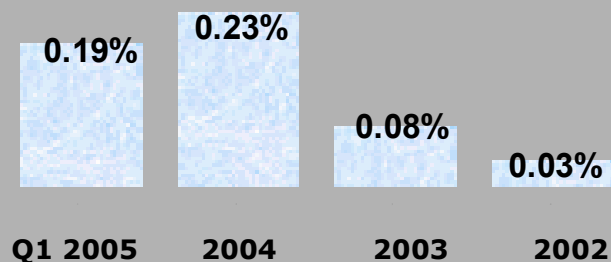


B2B Trust Performance

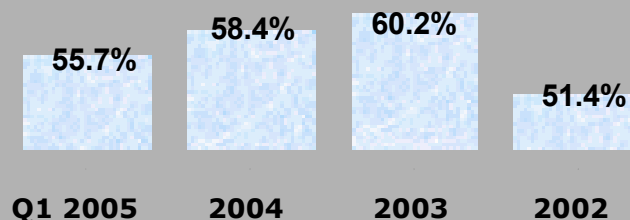
Total operating revenue as a % of assets



PCL as a % of average loans



Efficiency Ratio



- **Operating revenues improved significantly over the previous quarter due to increased volumes and higher NIM for all major product offerings**
- **PCL ratio improved compared to the previous quarter due to lower PCL and slightly higher average loans**
- **Efficiency ratio improved due to higher net interest income**

B2B Trust – 2005 Strategic Plan



Full strategic review in May 2005

B2B 2005 plan

- ▣ Introducing an evolved call centre workflow
- ▣ Reviewing management structure to improve accountability
- ▣ Increasing pre-approved RSP loans through B2B's new EASE RSP platform
- ▣ Implementing new tools and training for our employees
- ▣ Enlarging investment loans offering in terms of product design, delivery channels and markets reach

- ▣ **We have entered into distribution agreements with more than 65% of the 183 members of the Mutual Funds Dealers Association**

- ▣ **Four of the ten largest mutual fund manufacturers have investment loans programs with us: CI, Franklin Templeton, Dynamic and AIC**

Recent Developments in B2B Trust



We deal with more than 13,000 independent financial advisors and deposit agents and have also entered into more than 40 banking, investment loan and RSP loan programs

List of distribution alliances in Banking, Investment Loan and RSP Loan Programs

Investment Loan Programs

AIC Limited
Berkshire Investment Group Inc.
Berkshire Securities Inc.
CI Mutual Funds Inc.
ClaringtonFunds Inc.
Dynamic Mutual Funds Ltd.
Franklin Templeton Investment Corp.
Northwest Mutual Funds Inc.
Standard Life Assurance Co.

Segregated Fund Loan Programs

CI Mutual Funds Inc.
Equitable Life
Standard Life Assurance Co.
Transamerica Life Canada (New)

Banking Programs

Goodman and Company, Investment Counsel Ltd.¹
IPC Financial Network Inc.
Canadian Tire Financial Services

RSP Loan Programs

Aegon Fund Management Inc. (New)
AIC Limited
Algonquin Power Venture Fund Inc.
Armstrong & Quaille Associates Inc.
AXA Services Financiers Inc.
Berkshire Investment Group Inc.
Berkshire Securities Inc.
BLC-Edmond De Rothschild Asset Management
CI Mutual Funds Inc.
ClaringtonFunds Inc.
Dundee Private Investors Inc.
Dundee Securities Corporation
Equitable Life Insurance Company of Canada
Franklin Templeton Investment Corp.
Goodman and Company, Investment Counsel Ltd.¹
Groupe Furtur Inc.²
HUB Capital Inc.
Iforum Financial Services Inc. (New)
Laurentian Bank Securities (New)
Norboung Capital Inc.²
Northwest Mutual Funds Inc.
Peak Investments Services Inc.
Queensbury Insurance Brokers Inc. (New)
Queensbury Strategies Inc. (New)
Queensbury Securities Inc. (New)
Return on Innovation Management Ltd.
Standard Life Assurance Co.
Sun Life Assurance Company of Canada (New)
Tandem Wealth Management Inc.²
Transamerica Life Canada

¹ Goodman and Company, Investment Counsel Ltd regroup now Cartier Mutual Funds Inc. and Dynamic Mutual Funds Ltd.

² Groupe Furtur Inc, Norboung Capital Inc. and Tandem Wealth Management Inc. are the new names for Capital Teraxis.



Treasury and Brokerage

Treasury's Performance



Treasury & Financial Markets

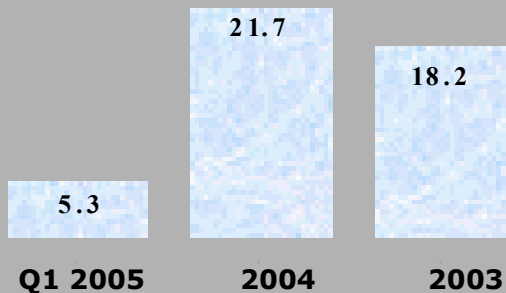
	Non Interest Income (\$M)	Annualized Growth	As a % of Other Income
Q1 2005	4.2	-45%	10%
2004	30.6	-40%	15%
Q4 2004	0.8	-94%	2%
Q3 2004	5.7	-55%	11%
Q2 2004	11.4	-11%	20%
Q1 2004	12.7	-1%	25%
2003	50.9	-18%	18%
2002	61.9	27%	24%

- **Trading activity at LBC is relatively less important than at other banks**
- **The contribution as a % of other income has slipped, which is explained by market conditions, but also in part due to tighter asset and liability management**

Laurentian Bank Securities Performance

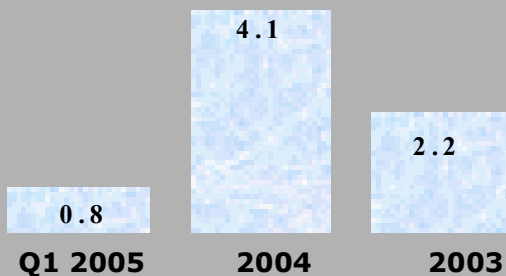


Total Operating Revenue



Excluding a \$6.7M after-tax gain on the sale of TSX shares for 2003

Net Income



Excluding a \$6.7M after-tax gain on the sale of TSX shares for 2003

Retail Brokerage

Assets under Management (\$M) # Financial Advisors

	Full	Discount	
--	------	----------	--

Q1 05	1,369	74	50
Q4 04	1,297	67	42
Q3 04	1,288	69	42
Q2 04	1,306	84	39
Q1 04	1,314	91	38

- **Strong performance in 2004 with contribution to net revenues that nearly doubled compared to the previous year**
- **AUM have increased by 6% over the previous quarter for full service brokerage and 10% for the discount sector**
- **LBS is very complementary to our treasury operations**



Forming a Lasting Partnership with our Union

Settlement of the Collective Agreement



“This is an historical moment... In the coming months, we will appeal to all our members and their families to make Laurentian Bank their business institution of choice if they are currently clients of a non-unionized financial institution.”

Serge Cadieux, VP FTQ and Director for Quebec, Office and Professional Employees Union

- On March 7, 2005, the arbitrator rendered a final decision concerning the collective agreement
- We now have a new contract which will be valid until December 31, 2007
- The new collective agreement provides more flexibility to the Bank
- Employees continue to benefit from good working conditions
- We are developing a real partnership with the Union representing our employees

New financial product offering

- LBC and FTQ are working together to offer financial products to FTQ's 550,000 members

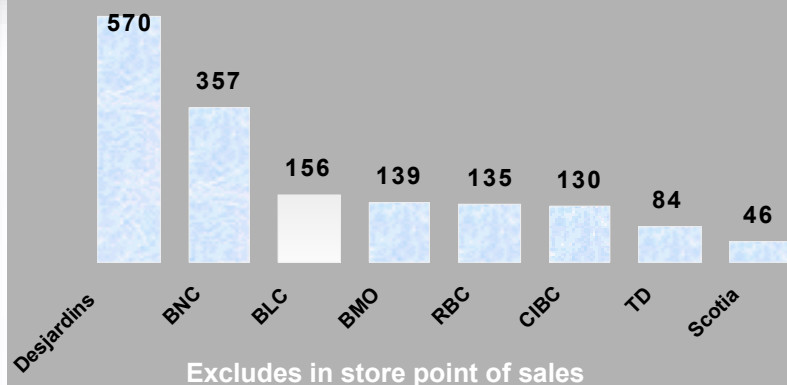


Becoming the Undisputed #3 in Quebec

A Strong Brand Name in Quebec

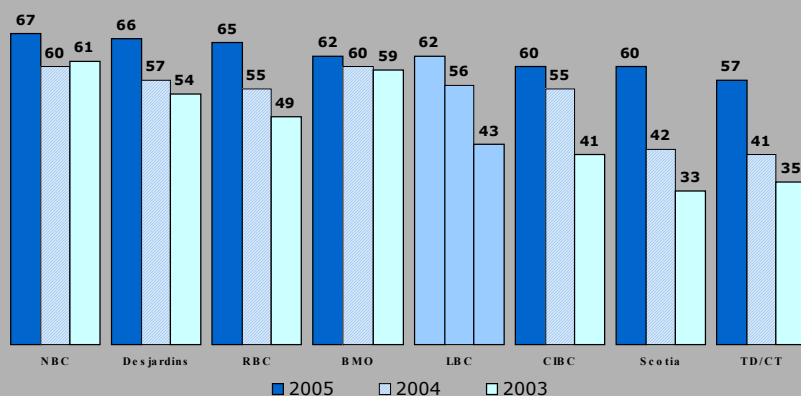


of Full-Service Branches in Quebec - Q1 2005



- Strong brand name in Quebec with the #3 position in terms of number of branches

Ranking of Most Admired Financial Institutions

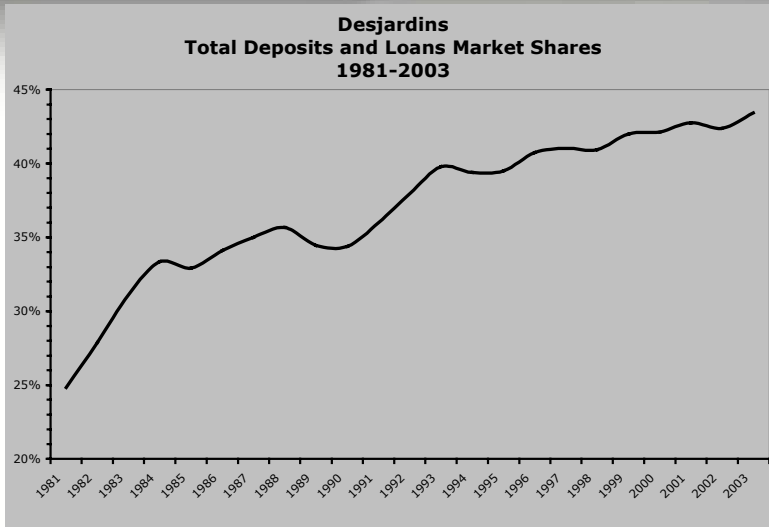


- Significant jump in LBC's ranking as most admired financial institution (from a total score of 43 to a score of 62 in 3 years)

Survey done in Quebec by Léger Marketing



Market Shares in Quebec



Source: Bank of Canada, Statistics Canada, Banks' internet site, Institut de la statistique du Québec

- **Desjardins and NBC have approximately 65% market share in Quebec**

- **Laurentian Bank has over 5% and growing**
- **Total market share for the big 5 banks in Quebec is less than 25%**

Conclusion



- We have finished our repositioning and are now focussing on growth by intensifying our sales and marketing efforts
- Our 3,000 plus employees are fully committed and have bought into our plan
- We want to be the undisputed #3 in Quebec within 3 years and a performing niche player across Canada
- If any person is thinking of changing their financial institution, we want them to think "Laurentian Bank "

Conclusion



**“Actions taken in the past year will help us advance towards our principal target, which is to become the undisputed #3 bank in Quebec and a highly performing niche player across Canada by the end of our business plan”
Raymond McManus**

We are poised to succeed!

- ✓ Our size
- ✓ Our focused positioning
- ✓ Our strong quality of service
- ✓ Our strong brand name in Quebec
- ✓ Our partnerships with Industrial Alliance, Van Houtte and FTQ
- ✓ Our innovative capabilities
- ✓ Our 158-year history

We fully intend to make the most of these strengths



Q & A

Forward Looking Statements



This presentation and related communications may contain forward-looking statements, including statements regarding the business and anticipated financial performance of Laurentian Bank. These statements are subject to a number of risks and uncertainties. Actual results may differ from results contemplated by the forward-looking statements. Such differences may be caused by factors which include, among others, global capital market activity, changes in government monetary and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition and technological change. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Laurentian Bank does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf.

For questions on this presentation, please call:

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