
COMMITTED

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President & CEO

National Bank Financial
Canadian Financial Services Conference
Montreal - March 29, 2006



Historical Review of Major Achievements 2003-2005

2003

Sale of 57 Branches outside Quebec

2004

B2B Trust Privatization

2005

**Sale of BLC - Edmond de Rothschild and
Distribution Agreement with Industrial Alliance**

Highlights 2005 versus 2004

Performance Measure	12 Months Period Ended October 31, 2004 Actual	2005 Annual Target	12 Months Period Ended October 31, 2005 Actual
Return on Equity	4.6%	4.5% to 5.5%	7.8% (6.4% from continuing operations)
Earnings per Share	\$1.33	\$1.30 to \$1.60	\$2.26 (\$1.85 from continuing operations)
Total Revenue	\$466M	\$480M to \$490M	\$502M
Efficiency Ratio	79.3%	79% to 77.5%	76.1%
Capital Ratios			
- Tier 1	10.5%	Min of 9.5%	10.2%
- Total	14.0%	Min of 13.0%	12.3%
Credit Quality (PCL Ratio) ¹	0.24%	0.25% to 0.22%	0.24%

(1) PCL ratio is calculated over Average Assets



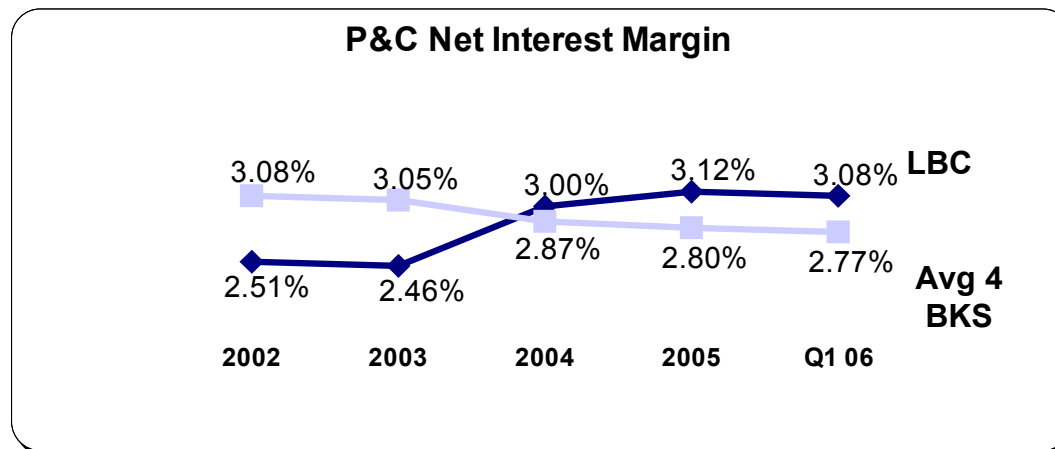
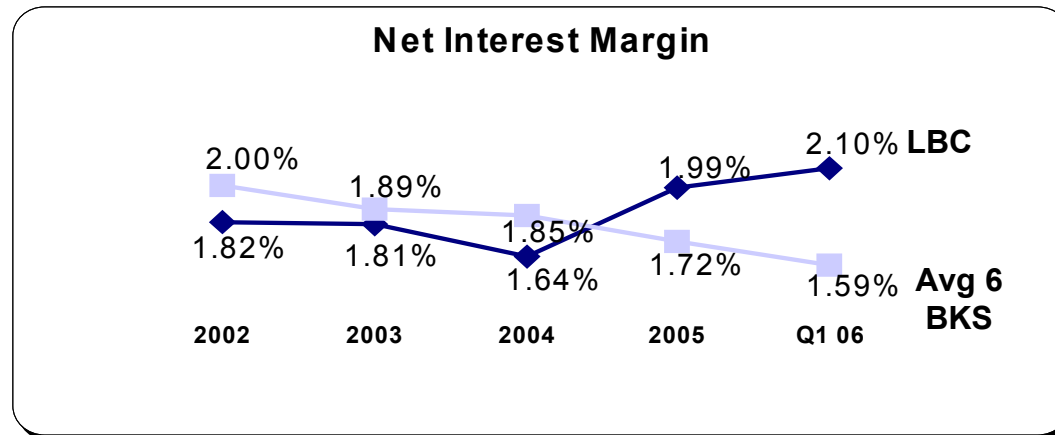
First quarter 2006 Performance and 2006 Objectives

Performance Measure	2006 Objectives	3 Months Period Ended January 31, 2006 Actual
Return on Equity	7% to 8%	7.9% (7.7% from continuing operations)
Earnings per Share	\$2.05 to \$2.35	\$0.59 (\$0.58 from continuing operations)
Total Revenue	\$522M to \$532M	\$131.5M
Efficiency Ratio	75% to 73.5%	76.4%
Capital Ratios		
- Tier 1	Min of 9.5%	10.3%
- Total	Min of 12.0%	14.1%
Credit Quality (PCL Ratio) ¹	0.25% to 0.22%	0.24%

(1) PCL ratio is calculated over Average Assets



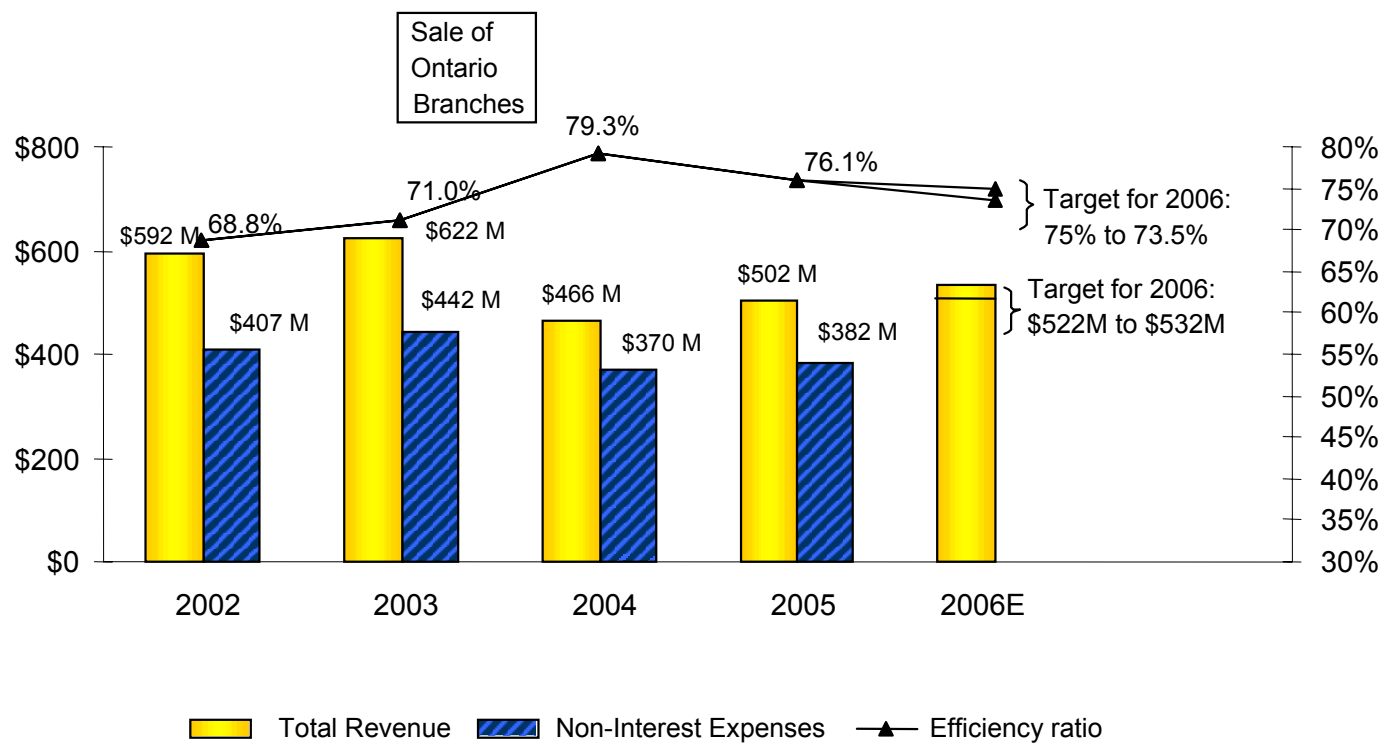
Bank's NIM Major Improvement



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

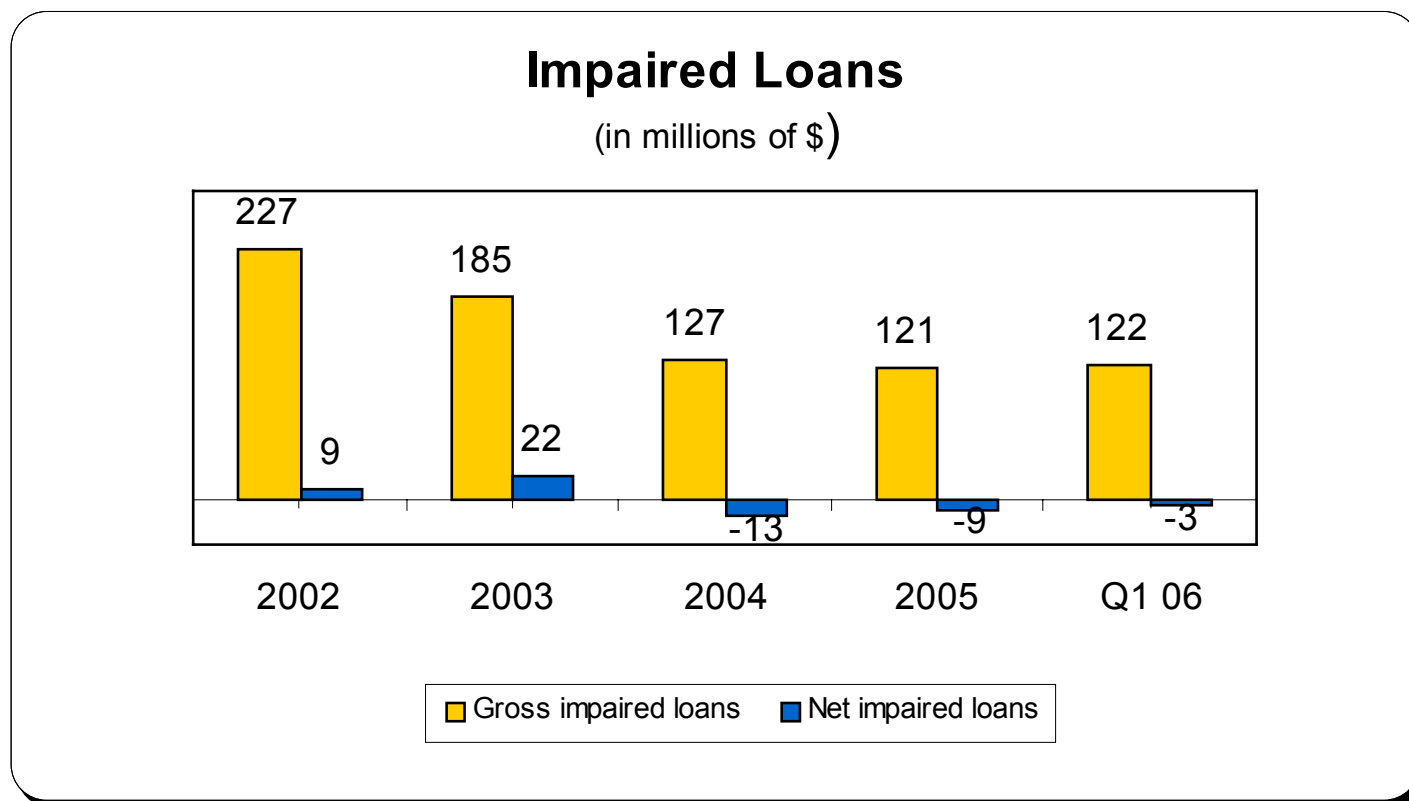


Efficiency Ratio Evolution



Credit Quality

Gross and net impaired loans have evolved as follows:



Provision for Credit Losses

in millions of \$	2002	2003	2004	2005	Q1 06
Personal loans	23.2	26.3	25.6	25.1	6.6
Residential mortgage loans	2.9	1.2	1.7	0.6	0.1
Commercial mortgage loans	2.6	1.6	3.1	1.6	0.4
Commercial and other loans	82.3	28.9	21.6	12.7	2.9
Total - Provision for credit losses	111.0	58.0	52.0	40.0	10.0
Reversal of general allowances	0.0	4.0	12.0	0.0	0
Net losses	111.0	54.0	40.0	40.0	10.0

Strong Capital Ratios

As of January 31 st , 2006	Tier 1 Capital Ratio	
	in %	Rank
TD	11.9%	1 st
Scotia	10.8%	2 nd
BMO	10.4%	3 rd
LBC	10.3%	4th
RBC	9.5%	5 th
NBC	9.5%	5 th
CIBC	9.0%	6 th
Aver. Big 6	10.2%	

As of January 31 st , 2006	Tangible Common Equity as a % of RWA	
	in %	Rank
Scotia	9.0%	1 st
TD	8.8%	2 nd
BMO	8.1%	3 rd
LBC	7.6%	4th
NBC	7.4%	5 th
RBC	7.2%	6 th
CIBC	6.5%	7 th
Aver. Big 6	7.8%	

As of January 31 st , 2006	Total Capital Ratio	
	in %	Rank
LBC	14.1%	1st
TD	13.8%	2 nd
CIBC	13.1%	3 rd
Scotia	12.8%	4 th
RBC	12.8%	4 th
NBC	12.7%	5 th
BMO	11.8%	6 th
Aver. Big 6	12.8%	

In January 2006, the Bank issued \$150M 4,9% subordinated debentures maturing in January 2016





Retail Financial Services

Retail Financial Services

- **Capitalize on our human resources**
 - **Entrepreneurship Model**
 - Empowerment
 - Accountability
 - Rewards
 - 26 Local Area Markets with a manager in each branch
 - Measure them (Profitability, sales, quality of service, compliance...)
 - If we can measure it, we can manage it
 - **Training**
 - Management skills
 - Sales skills
 - Products knowledge

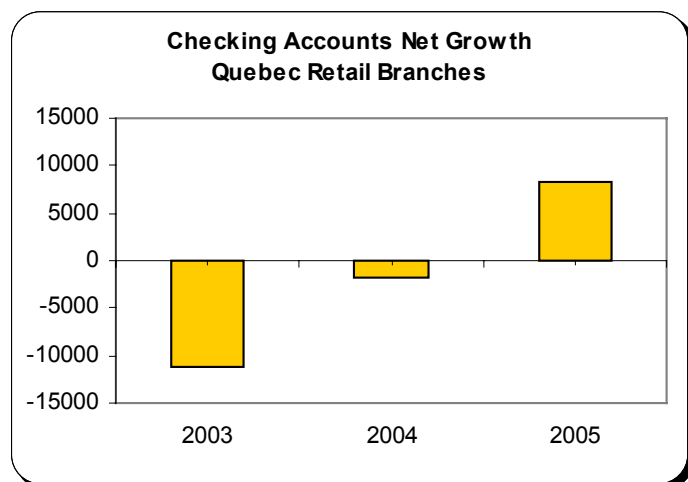


Retail Financial Services

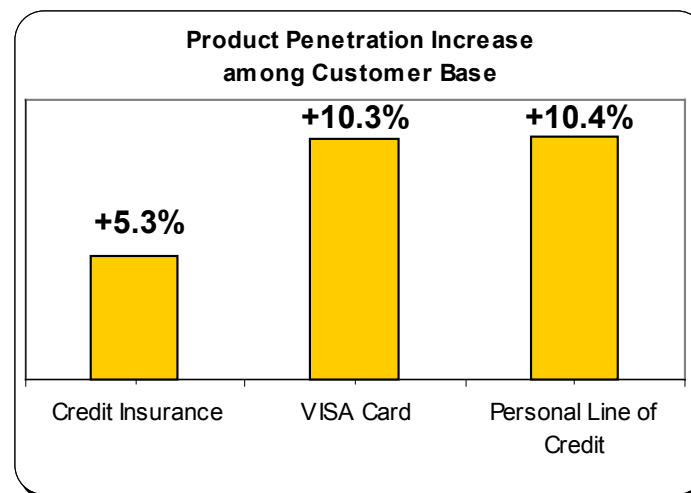
- **Increase the share of wallet of our customers**

For the past 3 years, we have put in place a robust analytical CRM environment in order to better understand our customers and increase the share of wallet ...

... and making sure that we are the main financial institution for our customers day-to-day banking transactions



January 2006 versus October 2004



Retail Financial Services

□ Acquire new customers

In 2005:

- Optimization of the Branch and ABMs Network is a continuous ongoing process
 - Branch openings: opened 8 new branches with the Financial Services Boutiques concept since November 2004
 - 15 major branch renovations and 2 branch relocations
 - 20 new ABMs
- Laurentian's Bank *Complicité* Program
 - Offered exclusively to the 550,000 FTQ members and their families

And during 2006:

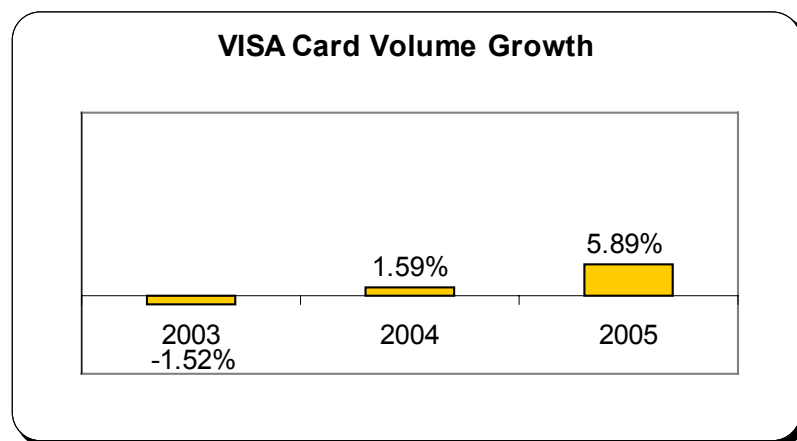
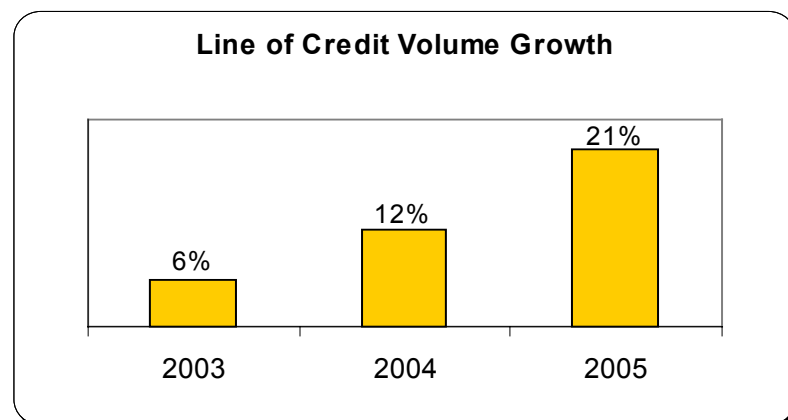
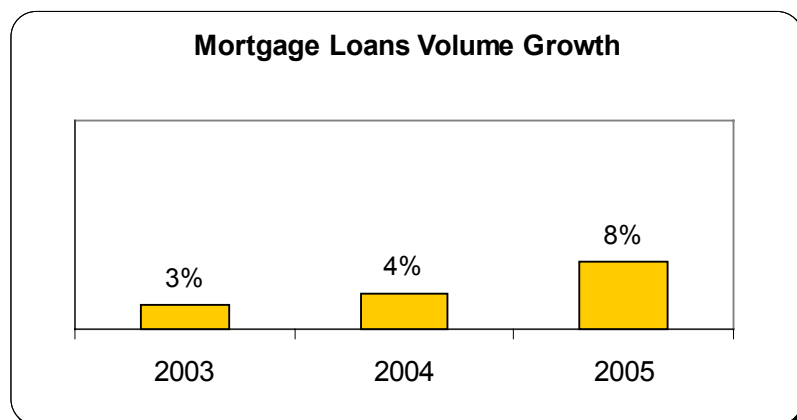
- Optimization of the Branch and ABMs Network is a continuous ongoing process
 - 6 branch relocations
 - At least 10 new ABMs
 - 1 new branch opening
 - 2 major branch renovations
 - Signage change in 80% of our branches



Retail Financial Services

Build the Laurentian Bank brand by differentiating ourselves

Loans and Credit Cards



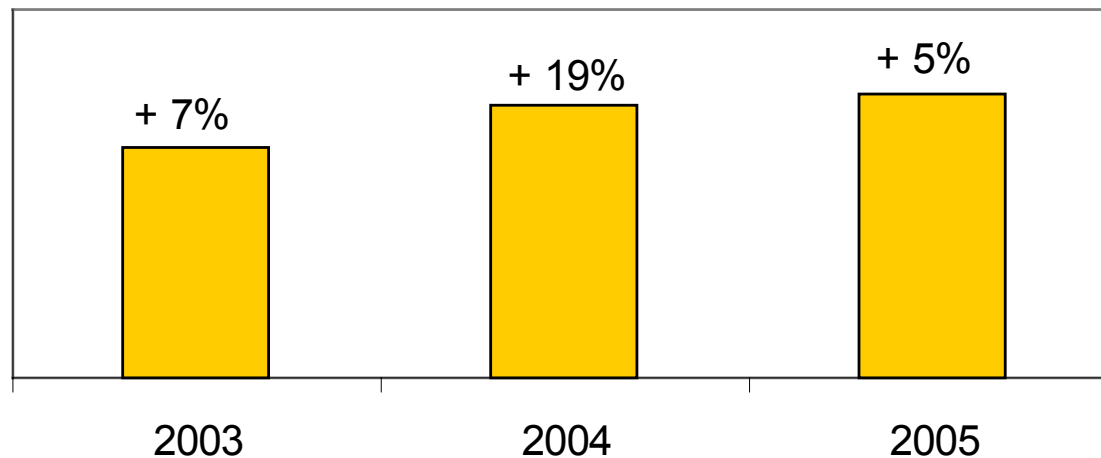
In 2006, year-to-date results indicate that we are ahead of 2005 for the 3 products.



Retail Financial Services

Build the Laurentian Bank brand by differentiating ourselves

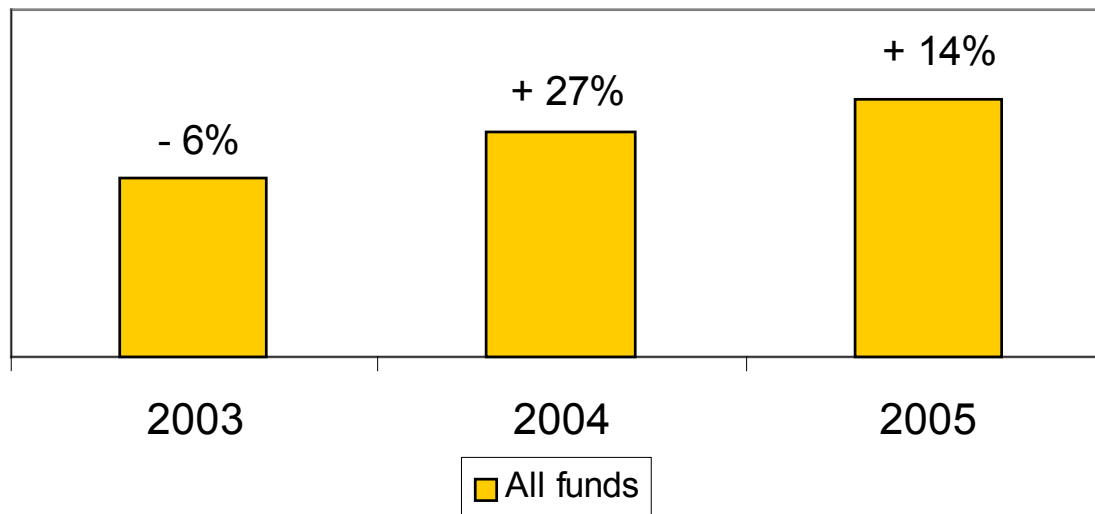
RRSP Campaign Net Sales Growth
on a year over year basis



Retail Financial Services

Build the Laurentian Bank brand by differentiating ourselves

Mutual Funds Net Sales Volume Growth





Commercial Financial Services

Commercial Financial Services

2005 was the turnaround

Strategic moves to reduce risk AND actions to improve our offering

- ❑ Corporate Lending withdrawal is over
- ❑ Reduce group and single name exposure
- ❑ Reduce concentration limits
- ❑ Improve underwriting and account follow-up
- ❑ Regroup the SME offering in Quebec under one umbrella

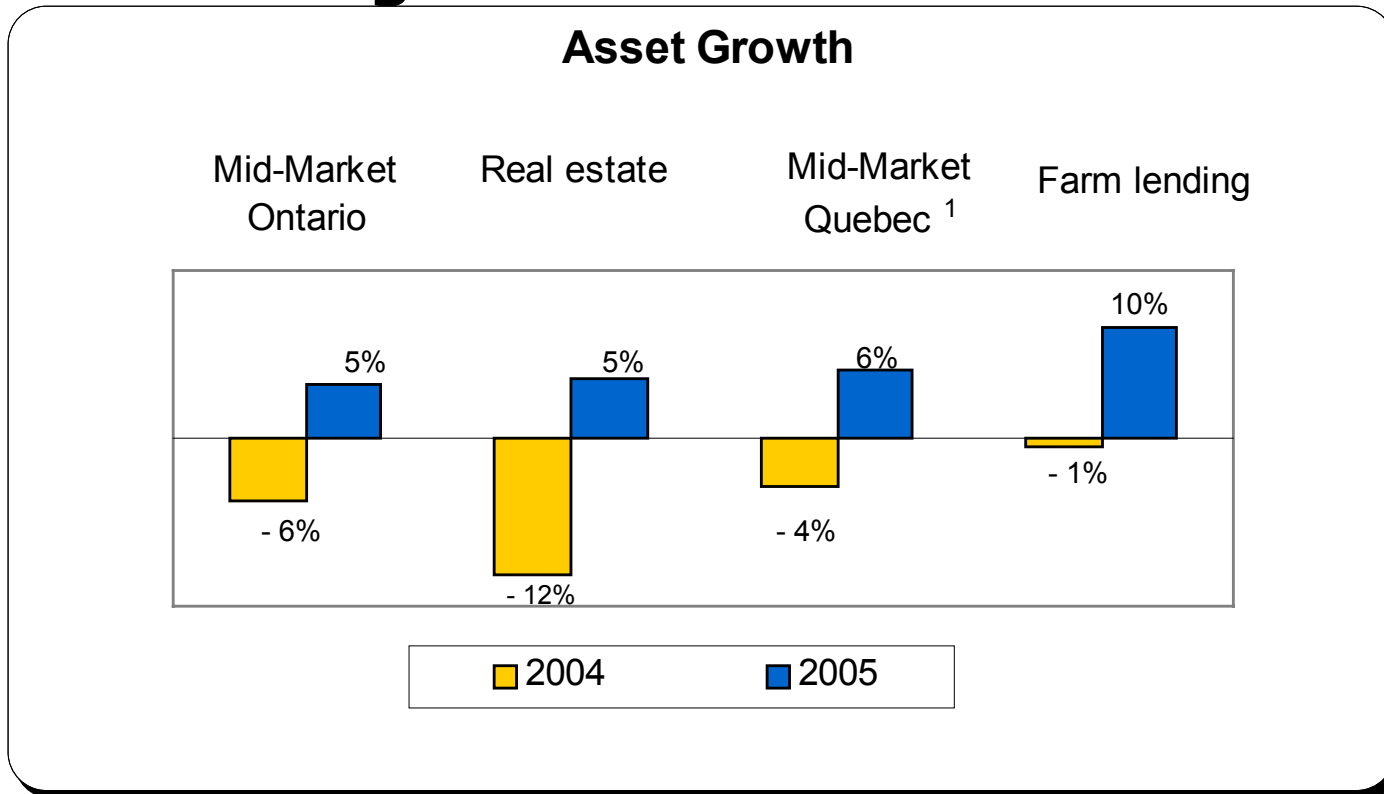
Concentrating on our core activities

- ❑ Focus on relationship approach instead of asset based approach
- ❑ Real Estate is growing with new term lending offering
- ❑ Mid-Market has stabilized
- ❑ Farm Lending continues to grow
- ❑ Sale of Brome Financial Corporation



Commercial Financial Services

We are seeing the results of our efforts



Growth based on average assets, except for Real Estate which is based on year-end balances

(1) Mid-Market Quebec: excluding micro business and corporate assets



Commercial Financial Services

Priorities for 2006

- Develop synergies between business segments
- Further develop commercial mortgage securitization activities
- Continue to grow the small and medium sized business sector, as well as agriculture by loan development activities
- Improve our product and service offering



B2B Trust

B2B Trust

2005 and first quarter of 2006

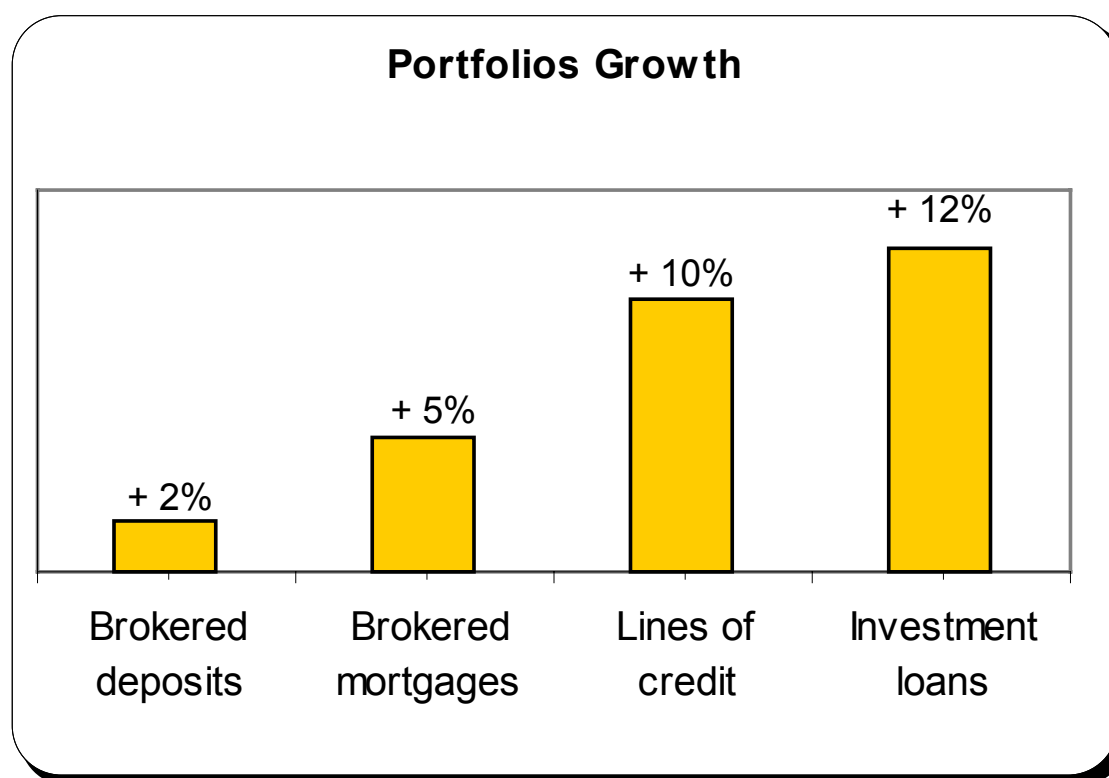
- Improved product offering
- New distribution agreements with new partners
- EASE platform improvement
- Straight-through RSP loan processing implementation

B2B Trust deals with more than 14,000 financial professionals and has more than 40 distribution alliances for investment loans, RSP loans and banking products

B2B Trust

Main portfolios are growing

2005 versus 2004



B2B Trust

Priorities for 2006

- Focus on primary markets
 - 5 core distribution channels: mutual fund industry, insurance industry, investment industry, mortgage brokerage and deposit brokerage
- Build a solid organizational foundation
- Sell by cultivating organic growth within highest profit categories
- Evaluate new market opportunities



Laurentian Bank Securities

Laurentian Bank Securities

2005 and first quarter of 2006

- Opened 4 new offices (We now have 14 offices in Quebec and Ontario)
- Hired approximately 25 investment advisors and staff
- Launched a new web-based bond platform

Priorities for 2006

- Pursue the development of institutional brokerage activities - fixed income
- Develop synergies between business segments
- Develop retail brokerage operations



Laurentian Bank's Strengths

- **Conservative financial position**

- Strong balance sheet and capital ratios
- Strong proportion of insured mortgages
- Limited capital market exposure compared to peer group
- Large proportion of personal loans secured

- **Strategic focus and flexibility**

- Selective regional positioning
- Specific market segments outside Quebec
- Partnership approach
- Experienced management team and committed employees
- Quality and efficiency of our products and services



Conclusion

- **Employees are committed and have fully bought into the plan**
- **A very focused strategy has proven to be effective and we intend to continue to build on our accomplishments**
- **The Bank is being managed in a conservative manner with a long term vision**

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 forward looking-statements include, among others, statements regarding the business and objectives for the coming years, medium- and long-term strategies to achieve these objectives and statements with respect to the Bank's beliefs, plans, expectations, anticipations, estimates and intentions. These statements typically use the conditional and words such as prospects, believe, estimate, forecast, project, should, could and would. By their very nature, forward-looking statements involve inherent risks and uncertainties, and it is possible that the forecasts, projections and other forward-looking statements will not be achieved. The Bank cautions readers against placing undue reliance on these statements when making decisions, as the actual results could differ appreciably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. These factors include, among other things, capital market activity, changes in government monetary, economic and fiscal policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition, credit ratings, scarcity of human resource and technological change, as well as the Bank's success at increasing revenues and managing costs related to carrying out its business plan. The Bank cautions that the foregoing list of factors is not exhaustive. The 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 contact:

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APPENDICES

Laurentian Bank: an Overview

- ❑ Founded in 1846
- ❑ 3rd largest financial institution in Quebec in terms of number of branches
- ❑ 7th largest Canadian Schedule 1 chartered bank
- ❑ Balance sheet assets: \$16.7 billion (as of January 31, 2006)
- ❑ Assets under administration: \$14.8 billion (as of January 31, 2006)
- ❑ Number of branches: 157
- ❑ Number of full-time equivalent employees: 3,256



Management Committee

Raymond McManus

**President and
Chief Executive Officer**

✓ CEO at Laurentian Bank since 2002 and a member of the Board of Directors since 1988

Robert Cardinal

**Senior executive Vice-President
Finance, Administration and Strategic
Development and Chief Financial Officer**

✓ At Laurentian Bank since 1991

Réjean Robitaille

**Senior executive Vice-President
Retail and Commercial Financial Services**

✓ At Laurentian Bank since 1988

André Scott

**Executive Vice-President
Commercial Financial Services**

✓ At Laurentian Bank since 1991

Lorraine Pilon

**Executive Vice-President
Corporate Affairs and Human
Resources, and Secretary**

✓ At Laurentian Bank since 1990

Bernard Piché

**Senior Executive Vice-President
Treasury, Capital Markets and Brokerage**

✓ At Laurentian Bank since 1994



Laurentian Bank' Vision

Laurentian Bank's vision is to become the undisputed #3 banking institution in Quebec and a performing player in specific market segments elsewhere in Canada

A Clear Geographical and Business Focus

□ **Laurentian Bank's main market is Quebec**

- With 157 retail, 20 commercial and 14 brokerage branches, Quebec is LBC's main market. All our business lines are active in this market.

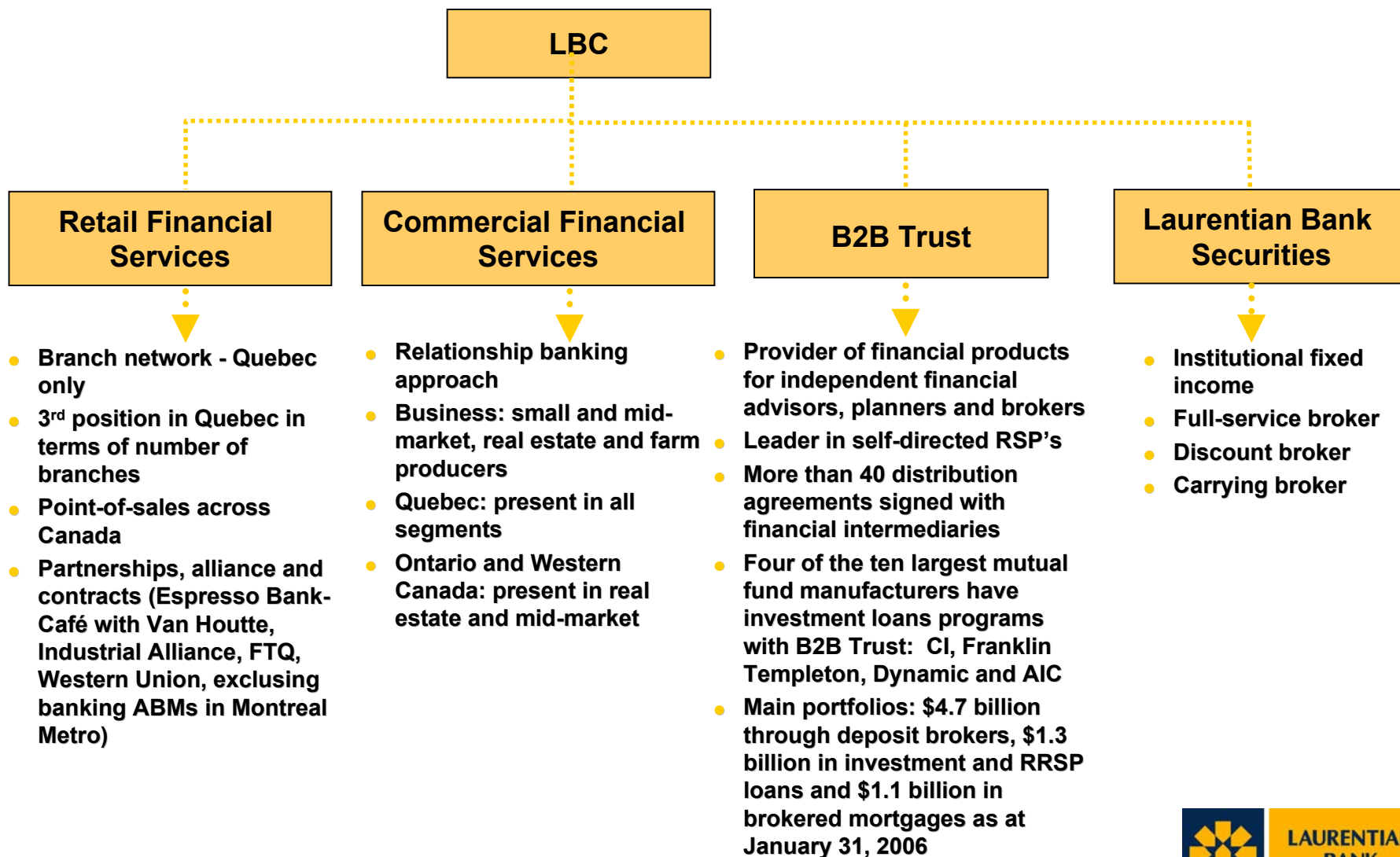
□ **A performing player across Canada**

- In the sectors and markets in which LBC excels and has a competitive edge, that is B2B Trust, Commercial Financial Services and our indirect points-of-sale network, Laurentian Bank Securities as well as mortgages and deposits through brokers.

✓ 36% of LBC's total loans are outside Quebec (as of October 31st, 2005)



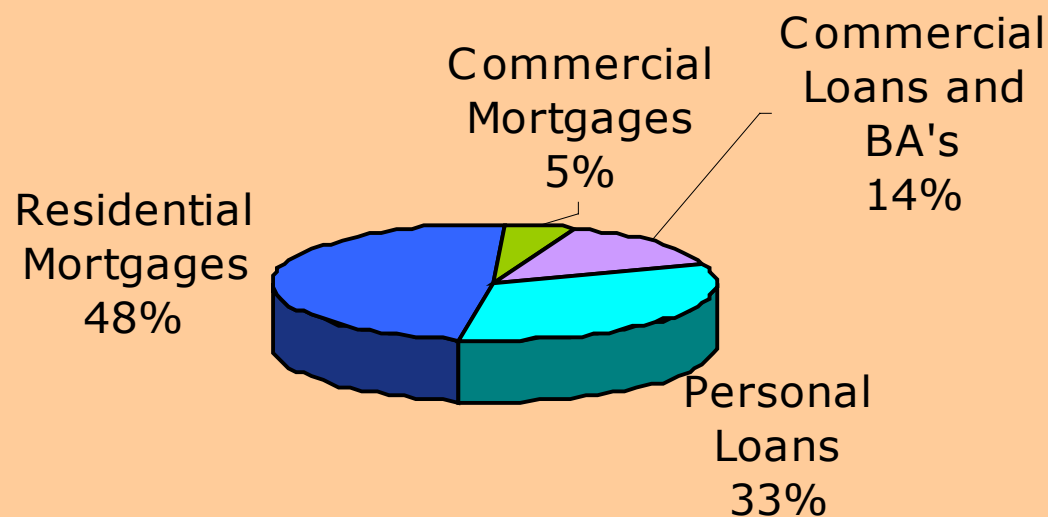
Four Business Lines



Diversification of Loan Portfolio

Loan Portfolio Mix

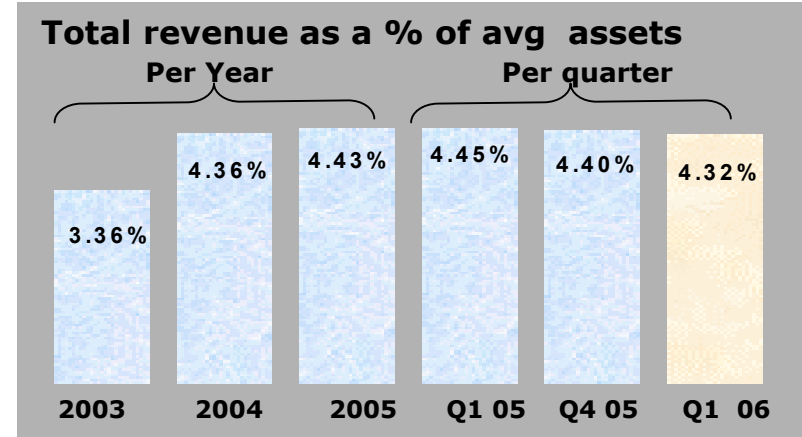
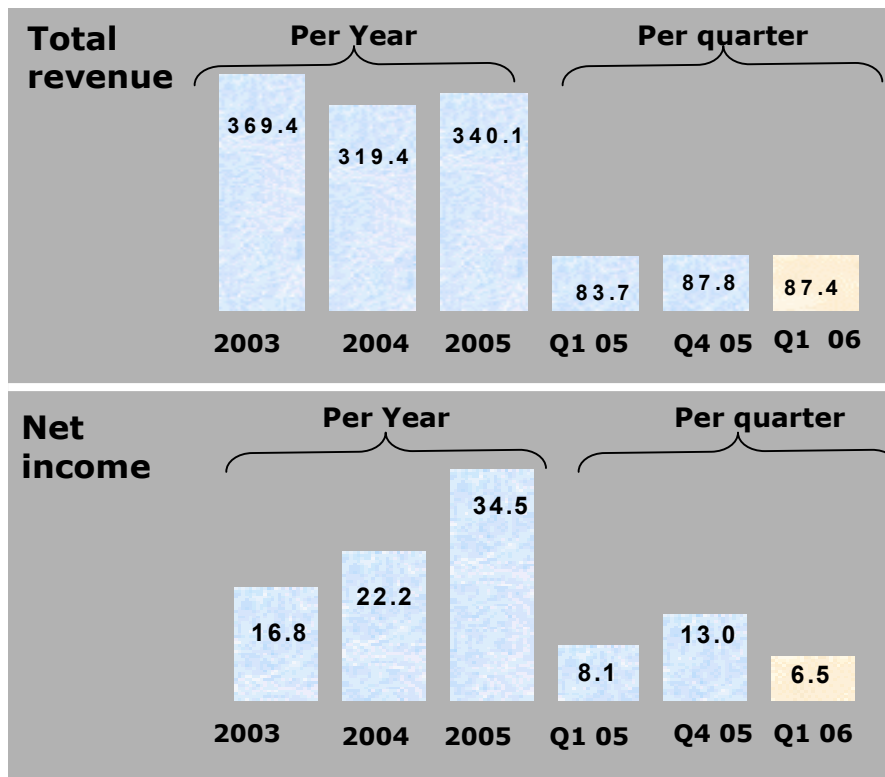
Loan Portfolio As of January 31, 2006



At October 31st, 2005, 36% of our loan portfolio were originated from outside of Quebec.

Our loan portfolio is diversified geographically and by loan types.

Retail Financial Services Performance

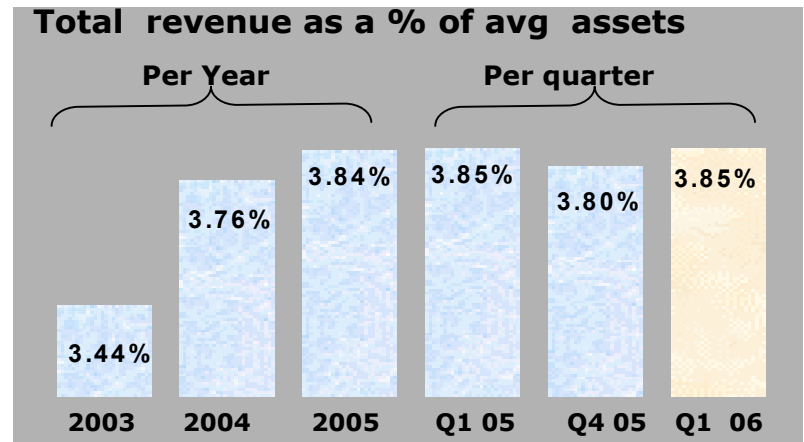
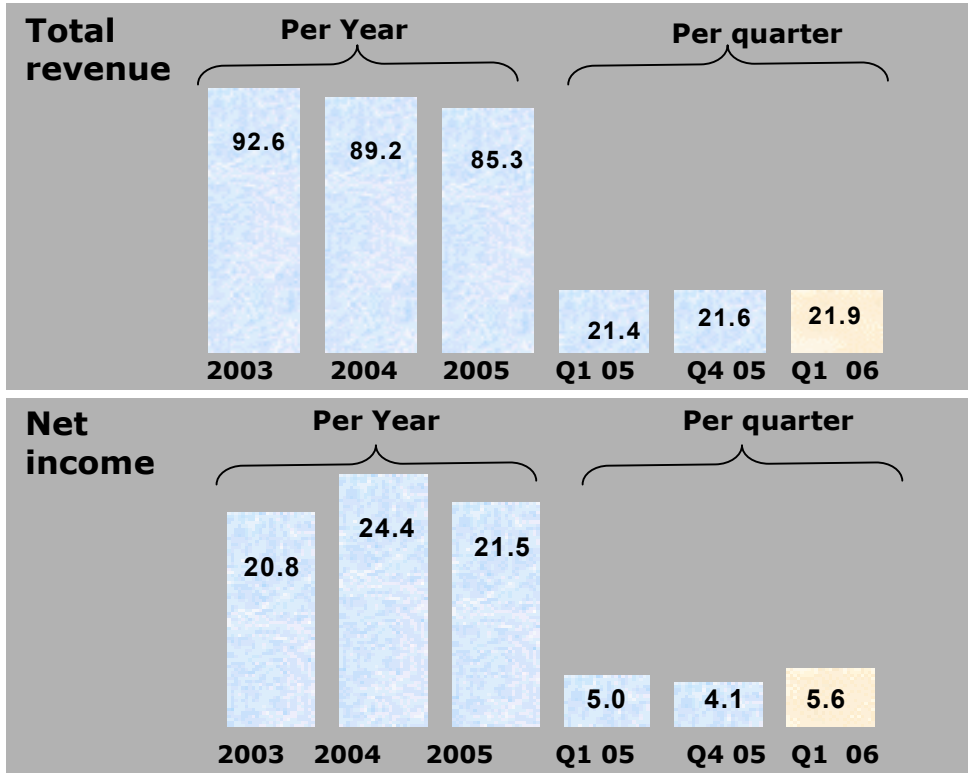


- In Q1 2006, 4% rise in total revenue over Q1 2005 coming mainly from higher average loan volume which grew by \$540M from Q1 2005 to Q1 2006

- Over the same period last year, average assets rose by 7% (Q1 2006 vs Q1 2005)
- Net income was impacted by higher non-interest expense; variable compensation as well as additional advertising and business development activities



Commercial Financial Services Performance



- Total revenue slightly increased in Q1 2006 versus Q1 2005 even as we reduce our corporate lending portfolio over the same period

- Sale of 51% stake in Brome Financial Corporation
- Lower provisions for credit losses more than offset higher non-interest expenses
- Average assets rose slightly over Q1 2005



Commercial Financial Services

Geographical Distribution - Q1-2006

	Québec	Ontario	Western Cda
Real Estate	33%	55%	12%
Mid-Market	60%	40%	-
Agriculture	100%	-	-

Corporate lending was transferred to treasury in Q1-2005

Relative Contribution January 31, 2006

	% of Net Income	Efficiency Ratio	Avg Assets (\$M)	PCL (%) ²
Real Estate	52%	30.3%	987	0.13%
Mid-Market Quebec ¹	17%	47.1%	573	0.44%
Mid-Market Ontario	28%	29.2%	460	0.61%
Agriculture	3%	60.3%	161	0.13%

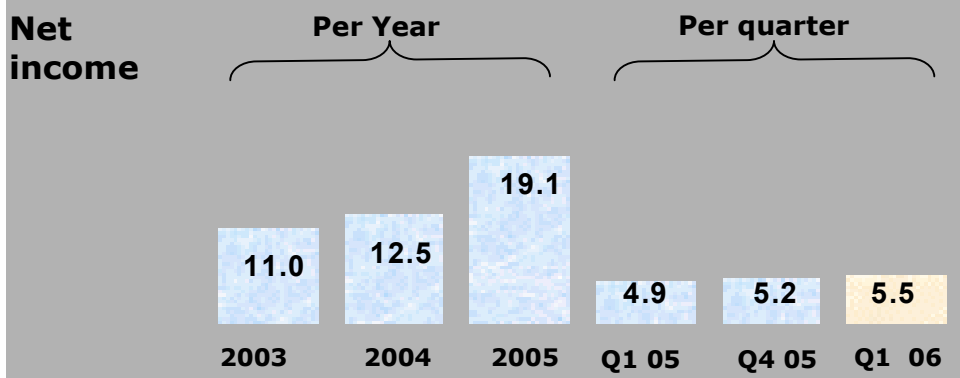
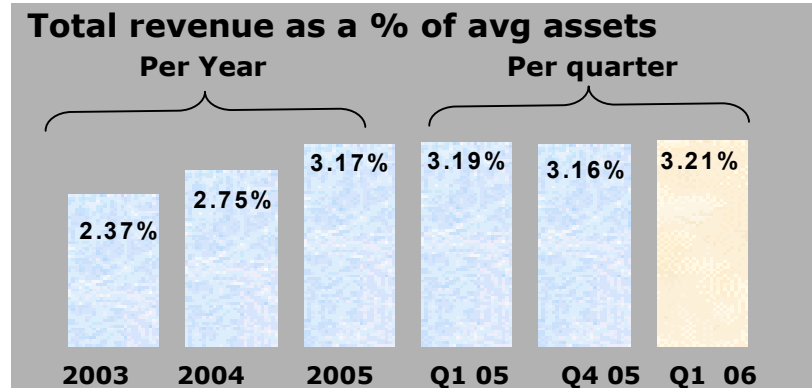
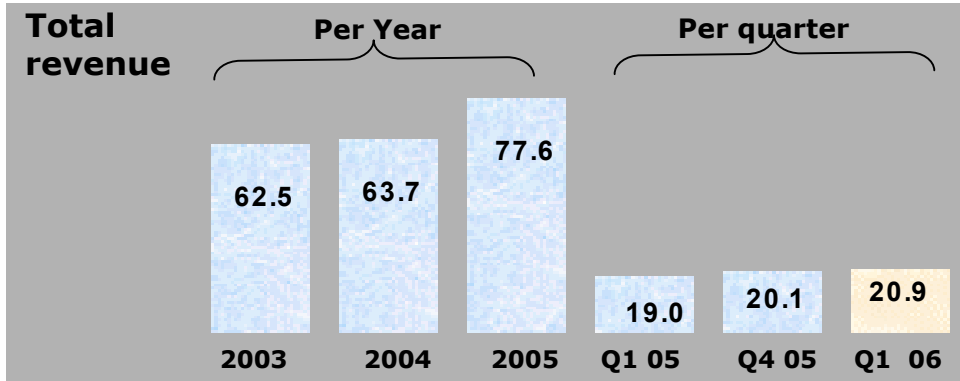
(1) Excludes small business lending and corporate lending

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

- **Real Estate continues to perform very well**
- **Small and mid-market current accounts and demand deposit base are growing**
- **Farm lending group continues to grow as average asset rose by 12% since last year**



B2B Trust Performance

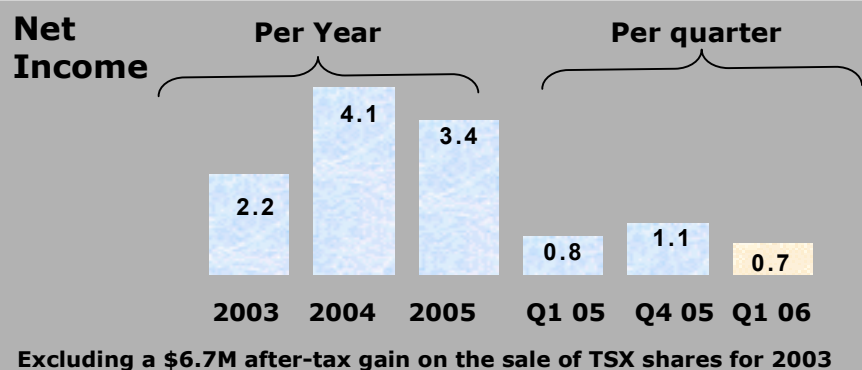
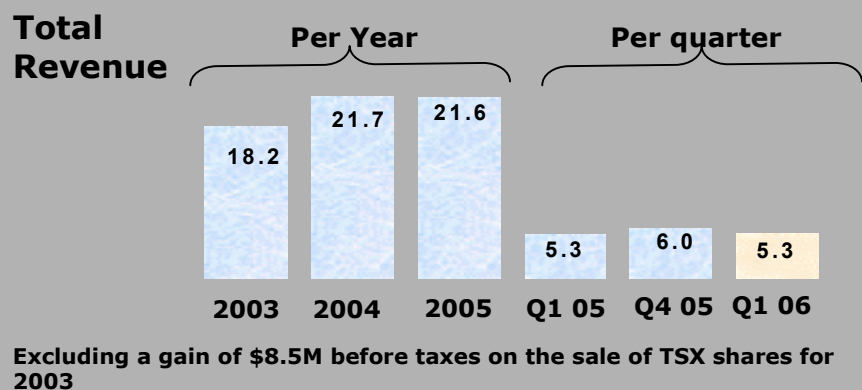


- Total revenue went up by 10% over Q1 2005 coming from higher investment loans, mortgages loans and deposits volume as well as higher net interest margins

- Net income rose by 12% over the same quarter last year as higher total revenue more than offset higher PCLs and non-interest expenses
- In Q1 2006, average assets grew by 9% versus Q1 2005



Laurentian Bank Securities Performance



Retail Brokerage








	Assets under Management (\$M)		# Financial Advisors
	Full Service	Discount	
Q1 06	1,576	94	61
2005	1,440	78	50
2004	1,297	67	42

- In Q1 2006, total revenue remain stable versus Q1 2005 (excluding BLC-EdR)
- Net income decreased over the same period due to higher development expenses
- LBS opened 2 new offices in Quebec during Q1 2006 with one in Chicoutimi and another one in Saint-Hyacinthe
- In Q1 2006, AUM have increased by 9% for the full service brokerage and 20% for the discount sector over Q4 2005



Distribution Network across Canada





RETAIL FINANCIAL SERVICES REGIONS

-  Branch network Quebec
-  Mortgage through brokers Across Canada
-  Mortgage through builders Quebec
-  Point-of-sale financing Across Canada
-  VISA Across Canada
-  Deposit through brokers Across Canada
-  Small business Quebec




B2B TRUST

-  Across Canada

COMMERCIAL FINANCIAL SERVICES REGIONS

-  Commercial services Quebec and Ontario
-  Corporate lending Across Canada
-  Real estate lending Major cities across Canada
-  Farm lending Quebec

LAURENTIAN BANK SECURITIES REGIONS

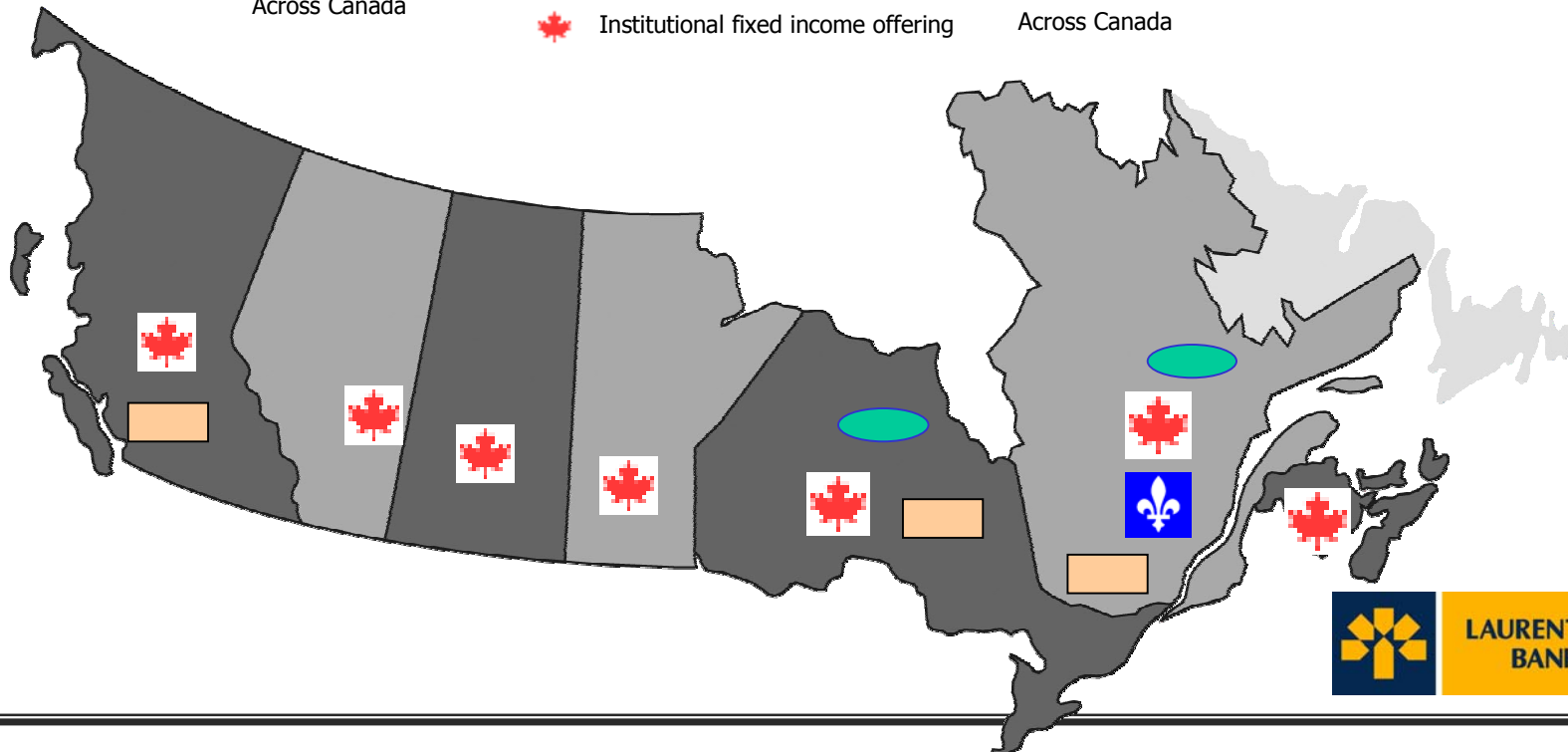
-  Full Service Quebec, Ontario and British Columbia
-  Discount Quebec and Ontario
-  Institutional fixed income offering Across Canada

Highlights:

▫ **36% of total loans are outside Quebec (as of October 31, 2005)**

As of January 31, 2006:

- **3,593 point of sales**
- **157 branches**
- **more than 14,000 independent advisors**



Historical Dividend per Year

