LAURENTIAN BANK
OF CANADA

First year of our 3 - Year Repositioning Plan

Raymond McManus
President & CEO

Institutional Investors and Analysts Meetings

December 2004

Table of Contents

Significant Achievements

- Q1 05 — Five New Branch Openings
- Q1 05 — Redemption of Debentures Series 8
- Q1 05 — Proposed Sale of BLC - Edmond De Rothschild
- Q3 04 — New Branch Concept : Espresso
- Q3 04 — Redemption of Debentures Series 7
- Q3 04 — Redemption of Preferreds at 7.75 %
- Q3 04 — Issuance of Preferreds at 5.25%
- Q3 04 — Sale of Mutual Fund Rights Outside Quebec
- Q3 04 — Sale of some Merchant Terminals Outside Quebec
- Q3 04 — B2B Trust Privatization
- Q2 04 — Sale of VISA Portfolio Outside Quebec
- Q4 03 — Sale of 57 Branches Outside Quebec
- Q4 03 — Management Reduction Program

Special transactions initiated since Q4 03 have created shareholder value by giving us the means to better implement our 3-year plan, improve credit quality and maintain strong capital ratios

Our performance for 2004

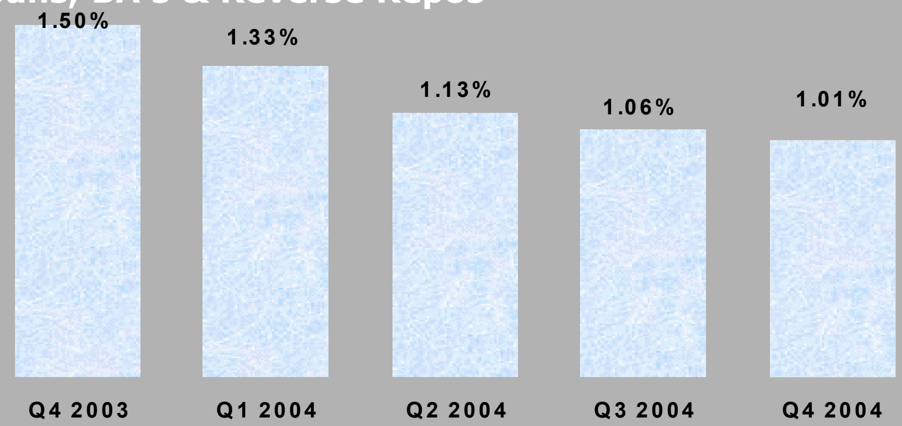
Performance Measure	12 Months Period Ended October 31, 2004	2004 Annual Target
Return on Equity	4.6%	5%
Earnings per Share	$1.33	$1.44
Total Revenue	$ 474 M	$ 503 M
Efficiency Ratio	78%	77%
Capital Ratios		
- **Tier 1 Capital Ratio**	10.5%	Min of 9.5%
- **Total Capital Ratio**	14.0%	Min of 13.0%
Credit Quality (PCL Ratio)[1]	0.24%	0.22%

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

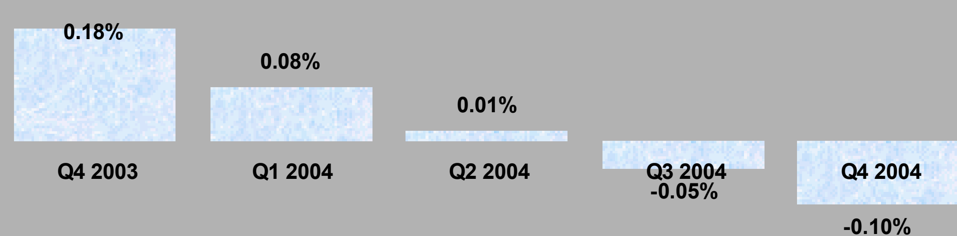
Lower NIM, lower growth in certain portfolios, as well as reduced contribution from treasury and financial markets activities, hindered the Bank's ability to meet its total revenue growth target

We have improved credit quality

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

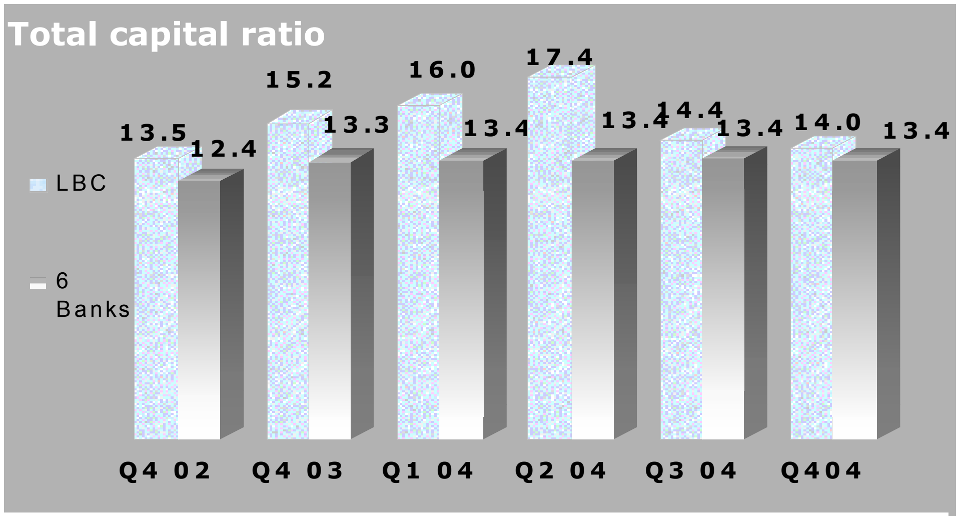


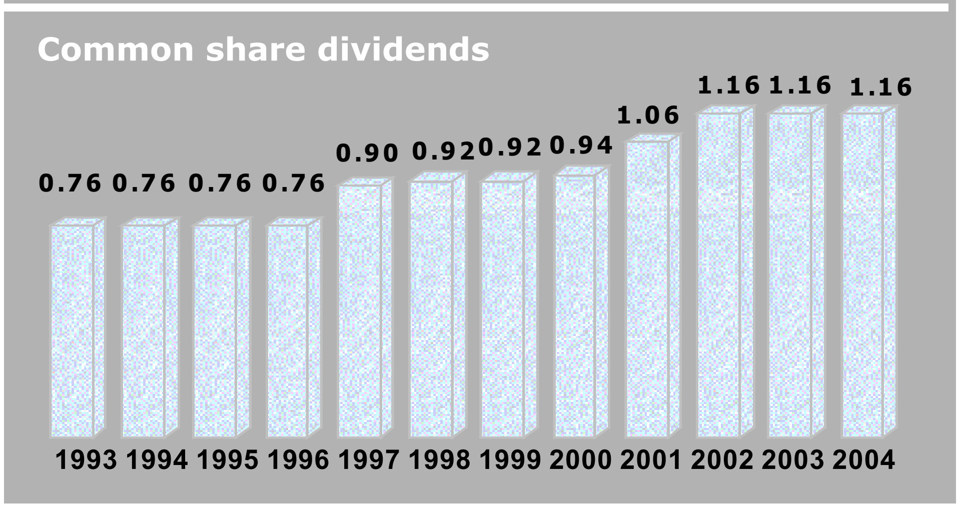
Net Impaired Loans as a % of Net Loans, BA's & Reverse Repos



For the first time since 1999, our loan loss provisions exceeded gross impaired loans by $13 M compared to a shortfall of $22 M at the end of last year

We have maintained strong capital ratios

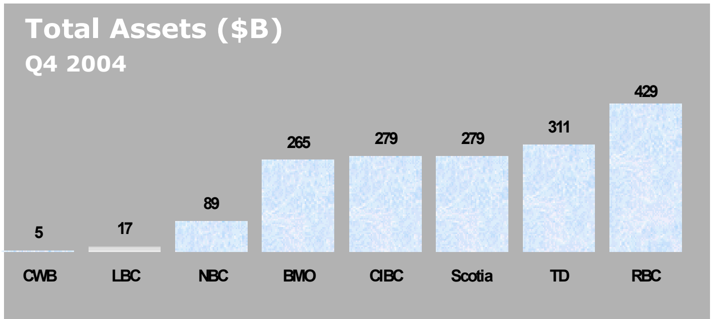


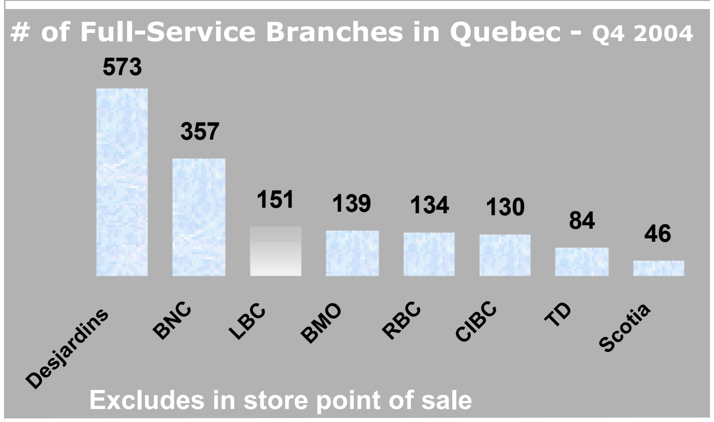


- **Our capital ratios remain strong compared to the industry**

- **We have the highest dividend yield in the industry at 4.6%**

Our market position is strong in Quebec





Market Share in Quebec - June 2004

	LBC	Desjardins	Other Banks
Retail loans	4.9%	43.4%	51.6%
Commercial loans	3.7%	31.7%	64.6%
Deposits	6.1%	45.2%	48.7%

Source: Bank of Canada, Statistics Canada, Banks' internet site

- **LBC ranks 7th among schedule 1 banks**
- **LBC ranks 3rd in terms of full-service branches in Quebec**
- **LBC's market share in Quebec is below its two main competitors but is better positioned to compete in the Quebec market than some of the Big 5 banks**

Our 2005-2006 Objectives: Achieve Sustainable Growth

	2003 pro-forma (1)	2004 objectives	2004 performance	2004 pro-forma (2)	2005E objectives (3)	2006E objectives (3)
ROE	3.7%	5.0%	4.6%	3.4%	4.5% to 5.5%	7% to 8%
EPS	$1.07	$1.44	$1.33	$0.97	$1.30 to $1.60	$2.05 to $2.35
Total revenue	$498 M	1%	-5%	-7%	+ 4% to 6%	+ 7 to 9%
Efficiency ratio	78%	77%	78%	80%	79% to 77.5%	75% to 73.5%
Capital ratios		Minimum of			Minimum of	Minimum of
Tier 1 capital ratio	10.2%	9.5%	10.5%	10.5%	9.5%	9.5%
Total capital ratio	15.2%	13.0%	14.0%	14.0%	13.0%	13.0%
Credit quality (loan loss ratio)	0.24%	0.22%	0.24%	0.24%	0.25% to 0.22%	0.25% to 0.22%

(1) Excluding the impact of significant items (gain on sale of Ontario and Western branches, restructuring charge and Air Canada loss and contribution of branches sold).

(2) Excluding the impact of six significant items: 1) increase in future tax assets 2) sale of Visa loan portfolio 3) sale of debit and credit card transaction and certain rights to service mutual funds accounts 4) review of provisions related to branches sold outside Quebec 5) costs related to the redemption of debentures Series 7 6) redemption premium paid on the repurchase of preferred shares and overlap in dividends payments.

(3) Excludes any gains related to the sale of BLC-Edmond de Rothschild

2005 EPS Contribution

- **Growth in EPS is expected to range between $0.33 and $0.63 for 2005**
- **Increase will mostly come from the improvement in net interest income (from 1.68% in 2004 to slightly above 2.00% by the end of 2005)**
- **Part of the improvement will come from tighter asset & liability management which will impact our treasury division bottom line**
- **Improvement will also come from higher volume growth generated by the Retail Financial Services division**

How Do We Intend to Achieve This ?

Our 3-Year Repositioning Plan

3-Year Repositioning Plan

Retail Financial Services

Retail Financial Services performance

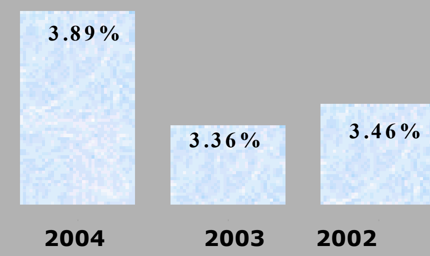
New Laurentian Bank Signature

Optimization of the branch network

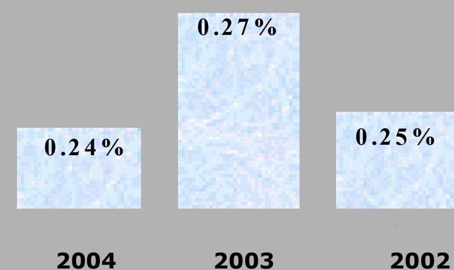
Entrepreneurship Business Model

Retailer approach to client servicing

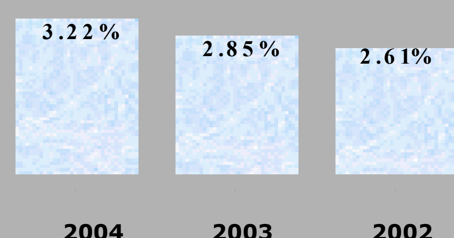
Total operating revenue as a % of ave assets



PCL as a % of average loans



NIE as a % of ave assets



- **RFS delivered on its plan for 2004. Expected revenue growth was on target with a net earnings contribution of 50% above 2004 objectives**
- **Improvement in PCL is due to higher asset quality**
- **NIE increased in 2004 following the sale of branches outside Quebec**

Retail Financial Services – Update on 2004 Plan

What we said we would do and where we stand

1. New Laurentian Bank Signature	
Development of a new branch design and concept	*Done*
2. Optimization of Branch Network	
Creation of permanent expansion team	*Done*
Opening of 20 branches in 3 years (first one in June)	Opening of 5 branches by Jan. 2005
Relocation, renovation or merging of existing branches	*In progress* As of Oct. 04: 10 branches By Dec. 04: 18 branches
Increase by 10% the number of ATMs in 2004	As of Oct. 04: 3% By Dec. 04: 11%
3. Deployment of the Entrepreneurship Project	
Deployment throughout the whole network	*Done*
Creation of a recognition program	*Done*
Creation of standards of excellence	*Done*
4. "Retailer Approach" Client Servicing	
Creation of a permanent evaluation panel composed of 3,000 customers	*Done*
Development of CRM tools for direct marketing	*Done*
New advertising campaign	*Done*
Repositioning of our VISA Gold card	*On Track*
5. Enhancement of the Multi-Channel Strategy	
Optimization of the profitability of point-of-sales loans	*On Track*

- **Although branch openings have been slower than anticipated, Retail Financial Services is strongly executing on its plan**
- **These actions already translate into revenue growth and increased contribution to the Bank's bottom line**

Retail Financial Services – 2005 Strategic Plan

RFS 2005-2006 Strategic Plan

New Laurentian Bank Signature

Optimization of Branch Network

Deployment of the Entrepreneurship Project and Quality of services

“Retailer Approach” to Client Servicing

Enhancement of the Multi-Channel Strategy

- **The initiatives undertaken in 2004 have provided a strong base for future growth**
- **We expect significant organic growth in 2005 from branches, new branch openings, direct marketing initiatives and mass advertising**
- **The high standards of quality and excellence put in place in 2004 have showed that we can clearly differentiate ourselves from our competitors**
- **We will continue to build around our client model by growing our distribution network through increased mobilization of employees and managers (including builders, mortgage brokers, merchants and new road reps)**
- **The success of the Espresso branch is proof that we must become more of a community-type bank**

3-Year Repositioning Plan

Commercial Financial Services

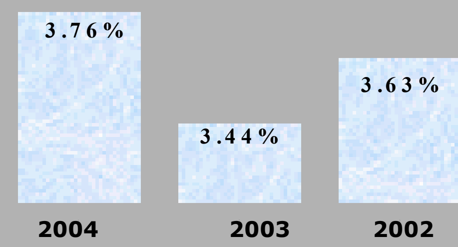
Commercial Financial Services

Grow the commercial book

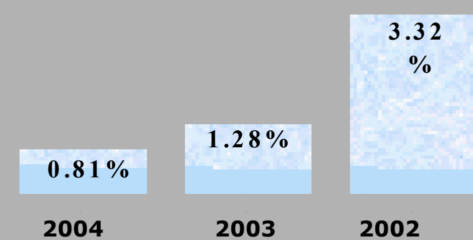
Continue to build on reputation as a recognized prime construction real estate lender

Maintain credit discipline

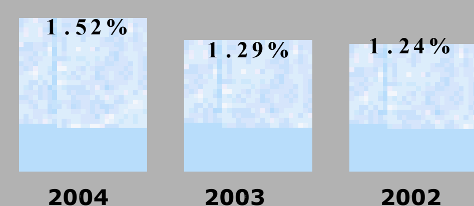
Total operating revenue as a % ave of assets



PCL as a % of average loan



NIE as a % of ave assets



- 2004 contribution increased versus 2003 mainly from reduced loan losses
- Slight margin improvement in 2004 and robust fee generation
- Strong improvement in credit quality
- Increase in NIE in 2004 mostly due to a lower level of average assets

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 business

Geographical Distribution

	Quebec	Ontario	Western Cda
Real Estate	31%	60%	9%
Mid-Market	54%	46%	0%
Corporate	64%	36%	0%
Agriculture	100%	0%	0%

Relative Contribution
October 31, 2004

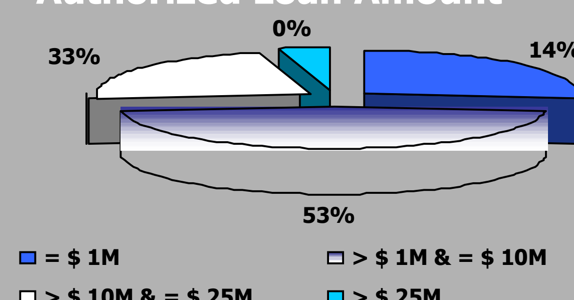
	% of Net Income	Efficiency ratio	Avg O/S ($M)	PCL (%)
Real Estate	49%	21.8%	845	0.15%
Mid-Market Quebec[1]	18%	33.1%	534	0.75%
Mid-Market Ontario	10%	19.0%	458	2.03%
Corporate	21%	11.3%	343	0.03%
Agriculture	2%	49.8%	136	0.49%

(1) Excludes small business lending
(2) PCL as of % of average assets of business lines

Sources: CBA, Bank of Canada

- In 2004, real estate activities benefited from a strong market, which permitted to generate all-time records for construction loans activity. This was achieved mostly by the opening of an office in Ottawa and the increased activity level in the Toronto and Montreal regions
- In the commercial mid-market, the opening of three regional centers in Quebec has improved the positioning of the bank as an alternative. In Ontario, operations remained focused on the $1M to $20M niche
- Farm lending slowly growing

Authorized Loan Amount



High client satisfaction level

Results from independent survey

Commercial clients	
Commercial clients :Quebec	
☆ ☆	LBC's Quebec commercial clients are satisfied with a proportion of 93%
☆	Near half of the clients had the same account manager over the last 3 years
☆	The majority of the clients are doing all their business with LBC
☆	On average, commercial clients have been with the Bank more than 5 years
☆	Commercial clients uses on average 5 LBC banking products
☆ ☆	The commercial clients are mainly satisfied by the high touch service provided by their account manager :understanding their business needs and rapidity in obtaining financing
Commercial clients : Ontario	
☆	LBC's Ontario commercial clients are satisfied with a proportion of 89%
☆	On average, commercial clients confer almost all of their business banking to LBC
☆ ☆	The commercial clients are mainly satisfied by the high touch service provided by their account manager :understanding their business needs and rapidity in obtaining financing

Source: Guilbault et associés, August 2004

- **Results from an independent survey shows a high level of satisfaction from commercial clients both in Quebec and Ontario**
- **When benchmarking with other institutions, LBC scores in top tier**

Commercial Financial Services
2005 Strategic Plan

Commercial Financial Services

Increase our products line
- Merger of two websites
- Development of an internet platform for international transactions
- Cash management functionality
- Enhancement of line of credit for micro business

Corporate lending:
- Transfer the corporate activity to Treasury

Mid market - Quebec: increase our market share **(some of the many strategies)**
- Deploy sales force geographically
- Create specialized groups such as "agri-business"
- Continue aggressive telemarketing solicitation program

Mid market - Ontario: a niche player **(some of the strategies)**
- Convert our commercial centers into commercial branches
- Start a telemarketing solicitation campaign

Real Estate: increase our presence in Western Canada and stabilize the portfolio
- Increase staffing in Vancouver and Calgary
- Increase term lending activities to become less dependent on construction lending

Farm lending: be third in Quebec
- Deploy concept of "satellite branches”
- Develop a branding
- Acquisitions

- **In Quebec, our goal is to be more present in all segments of the market**
- **Outside Quebec, we are a niche player in fields of expertise**

3-Year Repositioning Plan

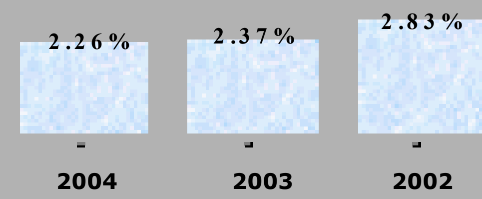
B2B Trust

B2B Trust performance

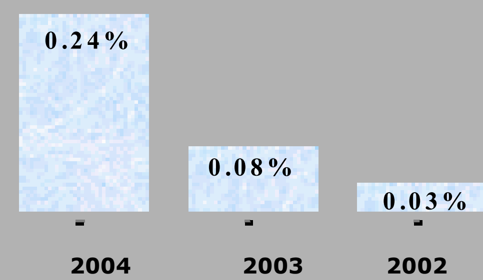
Become a major supplier of private label lending products for non-bank financial institutions & major retailers

Maintain leadership position in investment loans

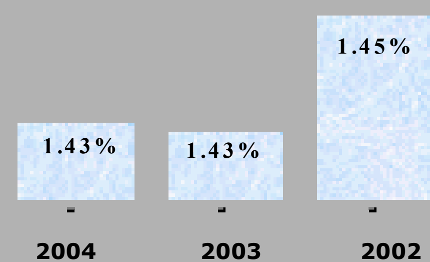
Total operating revenue as a % ave of assets



PCL as a % of average loan



NIE as a % of ave assets



- **2004 lower contribution was mostly due to higher PCL**
- **Lower total operating revenues in 2004 is mainly due to lower net interest income. However, we are seeing signs of improvement**
- **PCL increase is mainly related to a personal line of credit portfolio**
- **NIE remained stable compared to 2003**

B2B Trust – 2005 Strategic Plan

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

- **The improvement in profit contribution will come from rebuilding a team, increasing strategic alliances with partners as well as increasing product offering**
- **Full strategic review in may 2005**

Recent Developments in B2B Trust

ALLIANCES

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

B2B Trust deals with more than 10,000 independent financial advisors for various financial products and services and has also entered into the following programs:

Banking Programs

Cartier Mutual Funds Inc.
IPC Financial Network Inc.
Canadian Tire Financial Services

Investment Loan Programs

AIC Limited
Berkshire Group *(New)*
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.
SSQ Groupe Financier

RSP Loan Programs

AIC Limited
Algonquin Power Venture Fund Inc. *(New)*
Armstrong & Quaile Associates Inc. *(New)*
AXA Services Financiers Inc.
Berkshire Group
BLC-Edmond De Rothschild Asset Management
Capital Teraxis
CI Mutual Funds Inc.
ClaringtonFunds Inc.
Dundee Wealth Management *(New)*
Equitable Life *(New)*
Franklin Templeton Investment Corp.
HUB Capital Inc. *(New)*
Northwest Mutual Funds Inc.
Peak Investments Services Inc.
Return on Innovation Management Ltd.
Standard Life Assurance Co.
Transamerica Life Canada

3-Year Repositioning Plan

Treasury, Wealth Management & Brokerage

Treasury's performance

Treasury & Financial Mkts Non Interest Income

	Non Interest Income (M)	Annual Growth	As a % of Other Income
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%

Global VAR by major risk category - Trading Portfolios (1)

(in Thousands of Canadian Dollars)	Year-End
Interest Rate	566
Foreign Exchange	10
Diversification Effect	-51
Global VAR	525

(1) Amounts are presented on a pre-tax basis and represent one-day VAR at a 99% confidence level (1) Trading portfolios do not include investment in shares
n.a. = non applicable

- **Trading activity at LBC is relatively less important than at other banks**
- **Contribution from other revenues has slipped, some of which is explained by tough market conditions but also in part due to a new regulatory environment**
- **As demonstrated by our trading VAR numbers, portfolios are much less diversified compared to the industry**

Treasury - 2005 Strategic Plan

- Our goal is to increase our contribution in the bank's net interest income
- Improvement of net interest income will come from
  1. In the context of a new regulatory environment, there is a decrease in trading volatility and in turn, reduced emphasis on capital gains recorded as other income to the benefit of net interest income generation
  2. We will manage asset and liability more tightly
  3. Net interest margin will also be improved by building a diversified portfolio of higher yielding instruments
  4. We will increase our foreign exchange revenues from commercial activities by the optimization mix of some revenues and a wider access to the arbitrage market
  5. Margins should benefit slightly from rising interest rates
- Full strategic review in may 2005

Sale of BLC-Edmond de Rothschild

- On November 2004, LBC and La Compagnie financière Edmond de Rothschild Banque, the co-venturer, entered into an agreement to sell all of the shares outstanding of BLC-Edmond de Rothschild Asset Management inc to Industrial Alliance Insurance and Financial Services Inc.

- This transaction will permit LBC to continue to distribute the R funds over the next 10 years

- The agreement foresees the payment of an initial amount of \$65M at the conclusion of the transaction, and a final amount of \$8M at the end of the fifth year. The initial amount is subject to a recovery clause that can reach up to \$28M within the first 5 years if certain conditions are not met. The final amount is also subject to certain conditions.

- The transaction is expected to close on December 31, 2004

- This transaction is profitable for LBC because WM contributed only \$0.2M in LBC’s net income for 2004

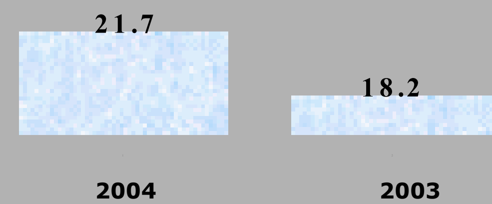
Laurentian Bank Securities performance

Expand distribution capabilities

Increase asset under management

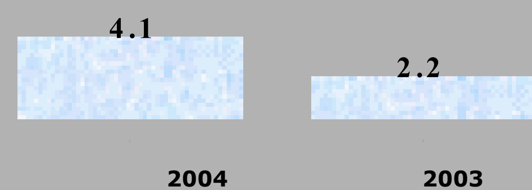
Further increase institutional market share

Total operating revenue



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

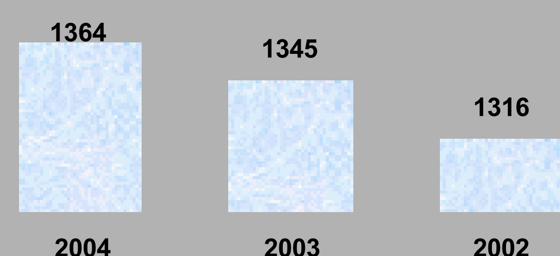
Net Income



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

AUM

(in $M)



In 2004, LBS substantially improved its contribution to the Bank's results with total revenue increasing by 19% and net income by 86%

LBS – 2005 Strategic Plan

Retail Brokerage

	Assets under Mgmt ($M)		# Financial Advisors
	Full Service	Discount	
Q4 04	1,297	67	42
Q3 04	1,288	69	42
Q2 04	1,306	84	39
Q1 04	1,314	91	38
2003	1,265	80	37
2002	1,272	43	53

- **Continued growth of the full service brokerage distribution capabilities through training and hiring of representatives**
- **Expand the discount brokerage client base using the newly established transactional platform complementing the retail bank investment product offering**
- **Pursue the expansion of our institutional fixed income offering**
- **Develop the corresponding network offering; increase client base**

Labor Relations

- **Continue the binding arbitration process**
- **The arbitrator will decide on a new collective agreement for the next three years**
- **Confident that the settlement of this issue will be positive for the Bank as well as for our unionized employees**
- **Main objective is to form a lasting partnership with our union**

Quote from Henri Massé from Le Devoir Dec 4th, 2004 :’’ In the month of January, we will debate the issue of launching in our ranks a vast campaign to encourage our members to deal with unionized Banks’’

We want to be a much stronger #3 in Quebec

> **"There is a lot of goodwill attached to the Laurentian Bank brand name in Quebec. It is in this mindset that we think it would make sense for one of the big five to merge its Quebec retail operations with ours"**
>
> Raymond McManus

- **We have a strong quality of service**
- **We have a strong brand name in Quebec**
- **Our roots have been in Quebec for over 158 years**
- **Partnerships with Industrial Alliance and Van Houtte have brought us even closer to our roots**
- **We are looking for another strategic partnership in Quebec to grow our market share**
- **By the end of our 3 year-plan, we will be a much stronger number 3 in Quebec; a future partnership would only accelerate the process**

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:

Alicia Zemanek, Vice President, Investors Relations and Integrated Risk Management