BANQUE LAURENTIENNE

APPEL CONFÉRENCE

LE 6 SEPTEMBRE 2006

TÉLÉPHONISTE : Bienvenue à la conférence de la Banque Laurentienne. Welcome to the Laurentian Bank conference call.

Soyez avisés que cette conférence est enregistrée.

Je cède maintenant la parole à madame Gladys Caron.

Please be advised that this call is being recorded.

I would now like to turn the meeting over to Ms. Caron.

Please go ahead.

Mme G. CARON : Merci.

Bienvenue. Good afternoon everyone.

Our press release was issued today on Canada newswire and is posted on our Web site.

This afternoon's overview of our third quarter will be provided by Mr. Raymond McManus, President and CEO; Robert Cardinal, CFO; Bernard Piché, Head of Treasury, Capital Markets and Brokerage; Réjean Robitaille, Chief Operating Officer; Luc Bernard, Head of Retail Financial Services; André Scott, Head of Commercial Financial Services; and François Desjardins, in charge of B2B Trust.

The following members of our senior management team are also present at this call: Lorraine Pilon, Head of Corporate Affairs and Human Resources;

Marc Paradis, Controller; Louis Marquis, Head of Credit; André Lopresti, Chief Accountant; and myself, Head of Public Affairs, Communications and Investor Relations.

At this time, I would invite Mr. McManus to begin.

MR. R. McMANUS: Thank you, Gladys.

Good afternoon everyone.

Once again I am pleased to see that our earnings per share from core activities improved by 11% over the same quarter last year. Furthermore, on a year-over-year basis, income from Continuing Operations rose by more than 20%, which is very encouraging and clearly demonstrates that we are on the right track.

In accordance with GAAP, results included an $11 million tax charge which we mentioned was forthcoming in last quarter's press release. This charge represents a reduction in the value of our future tax assets, which more than offsets last quarter's $10.7 million favourable tax adjustment.

If we exclude securitization activities, I am pleased to see that Total Loans grew by 2% over the previous quarter and 7% over the same quarter last year. For the first nine months of 2006, Total Revenues also increased by 7% over the same period last year.

Retail Financial Services and B2B Trust have seen personal loan growth over the previous quarter, as well as the same quarter last year. Total Revenues for Retail Financial Services, Commercial Financial Services and B2B Trust have also grown respectively by 6%, 7% and 4% over the previous quarter.

In addition, Commercial Financial Services saw its commercial loans stabilize and commercial mortgages increase over the previous quarter.

As I will be retiring in early 2007, we officially announced last June that Réjean Robitaille has been appointed COO and ultimately will be replacing me as CEO. I am certain he will do a great job. Réjean has the leadership skills, as well as the in-depth knowledge of the Bank, to be successful. In the meantime, we are working very closely together during this transition period.

To conclude, I am very pleased with the ongoing improvements that we are making in the Bank's development.

At this time, I would now turn it over to Robert Cardinal, our Chief Financial Officer, to say a few words on our financial results.

MR. R. CARDINAL: Thank you, Ray.

As usual, my comments will cover a comparison of our results for the quarter with the same quarter last year, the previous quarter and our 2006 objectives.

On a GAAP basis, diluted earnings per share were 13 cents, and the return on equity was 1.7% for the quarter. Discontinued Operations had no material impact on the current quarter results, which however included an important tax charge of $11 million or 47 cents per share resulting from the adoption of the 2006 federal budget explained in detail under *Income Tax Expense* on page 4 of our press release.

This brings me to the comparison with the same quarter last year.

Excluding the tax charge, earnings per share would have been 60 cents per share for this quarter versus 52 cents for the corresponding quarter last year. This represents an increase of 16%.

Compared to the same quarter last year, Total Revenue rose by close to 4%. Net interest income increased by 7% or $6 million while Other Income decreased by $1.3 million to $44.4 million. This reduction is mainly due to the foregone revenue from Brome Financial sold in the first quarter, lower securitization income and lower fees on commissions on loans and deposits. These decreases were partially offset by stronger credit insurance revenues and mutual fund distribution revenues.

Non-interest expenses increased by $2.6 million versus the same quarter last year, coming from higher Other Expenses as well as higher salaries and employee benefits.

Other Expenses rose by $1.7 million largely due to the higher professional fees, some of which are related to the implementation of Bill 198 relative to the certification of the Bank's financial statements by the CFO and the CEO.

Salaries and employee benefits increased by $0.9 million and are principally related to retail business development activities in Retail Financial Services and Laurentian Bank Securities.

We continue to see improvement in our core earnings on a year-over-year basis for the following reasons.

First, we continue to see slight improvement in our net interest income. Net interest margins stood at 2.16% versus 2.06% in Q3 2005. These improvements come from our asset and liability management, loan growth, the redemption of Series 6 and 9 debentures for a total of $200 million, and the issuance of Series 10 debentures for $150 million at a lower rate.

We had an 8% increase in our personal loans over the year, mostly in investment loans and, to a lesser extent, in personal lines of credit.

Thirdly, our efficiency ratio continues to improve resulting from Total Revenue growth.

Now, I will compare our current quarter versus the previous quarter.

On a core basis, at 60 cents per share, the current quarter compares favourably to the 46 cents per share for the previous quarter. Total Revenue rose by 6% over the second quarter. Net interest income grew by 7% to $91.5 million. Asset and liability management, the redemption of debentures Series 9, as well as loan growth, explain most of the progress.

Net interest margin was 2.16% versus 2.11% in the second quarter.

Other Income rose by 4% to reach $44.4 million. The improvement is mainly coming from Treasury and Financial Markets operations, as well as fees and commissions on loans and deposits, but partially offset by lower Securitization revenues and Brokerage revenues.

Loan losses remained stable at $10 million.

Net impaired loans increased to $4.3 million in Q3 2006 compared to minus $4.4 million in the previous quarter. The increase is related to one account in the forestry and wood product manufacturing industry.

Non-interest expenses rose by 4% over Q2 2006, mostly explained by higher salaries and employee benefits.

Tier 1 Capital Ratio was maintained at 10.3% versus Q2 2006.

We have reduced our Total Capital Ratio to 12.5% from the 13.9% of the previous quarter due to the redemption, on June 1st 2006, of the debentures Series 9 for an amount of $150 million.

Now, a comparison to our 2006 annual objectives.

Our earnings to date on a GAAP basis are well in line with our objectives while our efficiency ratio is slightly above the target range as it was affected by higher expenses in salaries and employee benefits, higher professional fees, as well as advertising and business development expenses.

Our capital ratios remained strong and above our objectives for 2006.

Finally, our partnership with Industrial Alliance is going well, and our mutual fund net sales should exceed the pre-set target. If this is the case, a pre-tax revenue of $5.2 million related to the distribution agreement will be recognized in the fourth quarter.

This completes my comments.

Now, Bernard for Treasury and Brokerage.

MR. B. PICHÉ: Well, thank you, Robert.

Treasury and Financial Markets' Other Revenues stood at $5.1 million for the quarter as compared to $5.6 million for the same quarter last year and $2.9 million for the previous quarter.

For their part, our asset and liability management activities are on target as reflected by the continued good behaviour of the Bank's net interest margin.

Securitization revenues stood at $2.2 million for the quarter. Only one securitization transaction was undertaken during the quarter involving $116 million of conventional residential mortgages.

With the excellent liquidity situation of the Bank, the amount of new securitization activity should remain subdued during the next quarter.

For its part, Laurentian Bank Securities had a decent third quarter with Total Revenue of $5.1 million, the same level as the third quarter of last year. Institutional Fixed Income activities, as well as Retail Brokerage revenues, both contributed to this good performance.

This business line continued the development of its institutional equity activities, as well as the integration of its growing retail sales force.

This concludes my remarks, and I now turn to Réjean Robitaille.

MR. R. ROBITAILLE: Thank you, Bernard.

A few weeks ago, I took on my new duties as Chief Operating Officer of Laurentian Bank with great enthusiasm. I am strongly determined to rise to this challenge and to carry on the impressive work done to date. However, we need to continue improving our operating skills, managing rigorously and emphasizing our plan's successful implementation.

I firmly believe that the key to success rests with disciplined execution. We need to do the right things and above all, we need to execute them well. We still have quite a lot of work to do. Nevertheless, we are on the right track and we have a management team and employees that are both competent and highly educated to the Bank's growth and success.

As for our third quarter results, both B2B Trust and Commercial reported significant improvements whereas Retail posted slightly lower results. Volume growth is nevertheless continuing and all these business lines segments report increases in Total Revenue.

Retail’s net contribution reached $6.7 million representing an $800,000 decrease compared to Q3 2005. While higher loan losses more than accounted for this difference, the level of non-performing loans has remained the same, and the overall quality of the loan portfolio is sound.

Total Revenue has increased nearly 5%, and the volumes of loans before securitization and deposits have increased respectively by $468 million and $203 million over the last 12 months.

Commercial reported a net contribution of $6.9 million. That is an increase of $1.4 million compared to the third quarter of 2005. Excluding the $2 million in foregone revenues from the sale of Brome Financial Corporation which was finalized in early 2006, Total Revenue increased by 5%. Moreover, the quality of the loan portfolio remains sound, and loan losses were at $1.2 million for the third quarter.

B2B Trust has recorded a very solid third quarter. Extended income grew 35% over last year and reached $6.8 million. Furthermore, B2B Trust continues to post strong growth in its investment loan portfolio. Since last year, its total loan portfolio has increased by nearly $300 million.

Luc, André and François will provide you with further details on the results of their respective business segments and on the most significant initiatives of this third quarter.

Luc.

MR. L. BERNARD: Thank you, Réjean.

I would summarize the third quarter with two statements: discipline pays and size matters.

Indeed, discipline pays as reflected by the fact that despite the increasingly competitive environment and a slowdown in housing starts, our team showed again this quarter its ability to increase customer share of wallet. This is an important indicator that our initiatives are starting to produce results.

Secondly, size matters. That is the reason why it is important for us to continue to capitalize on our agility and on our entrepreneurial culture in order to ensure our development. These two statements being fundamental in our approach, we continue to focus on a disciplined growth which has generated on a year-over-year basis an increase in retail assets of 6.5% and expanded the deposit portfolio of 2.4%, net interest income growth of 3.2%, non-interest income up by 10%, retail credit quality remaining solid and finally, maintaining mutual fund distribution momentum.

Disciplined investments are also at the heart of our strategy. Consequently, investments continue to be geared on building our business, especially in two areas: expanding our sales force, improving the overall customer experience which differentiates us from our competitors.

We will remain focused on executing our strategic plan in order to improve our profitability, efficiency and organic growth.

This wraps up my comments, and I would now like to turn it over to André Scott, Head of Commercial.

MR. A. SCOTT: Thank you, Luc.

As Réjean already mentioned, Q3 was a good quarter for our group.

Excluding the impact of Brome Financial Corporation which was sold in the first quarter, revenues were up by $1.1 million compared to last year and by $1.3 million compared to the second quarter of 2006. In the latter case, a portion of the increase came from the longer period.

Another improvement came from the lower loan losses as we experienced at this quarter since Q2 2005. With non-interest expenses under control, the overall contribution was our best in the last two years.

As far as our divisions are concerned, first, our Real Estate Group enjoyed good growth while Credit Quality remained untarnished. We are having a record year in terms of commitment, confirming our position as a significant player in the market in which we are present. Our success continues to be the mix of an experienced team coupled with longstanding customer relationships.

Our Farm Lending Group continued to grow slowly despite a difficult environment. One of the challenges in this specialized field is recruitment. However, through a concerted effort with our Human Resources Department, we have been able to recruit aggressively since the beginning of the year. We also continued our pinpointed marketing strategy.

Insofar as our Mid-Market Commercial business in Ontario, our assets have decreased since the beginning of the year and we have made a concerted effort to improve our risk profile, which resulted in reduced loan losses and improved credit quality.

In Quebec, our Commercial business remained relatively stable. During the third quarter, we launched our commercial signature, MAXAFFAIRES, supported by an advertising campaign. Our strategy is intended to increase awareness of our product offering and attract new clients. We will follow up on this first phase in the following quarters as, among others, we will be delivering new Internet platforms.

As a last comment, I am pleased to announce that a new Senior Vice-President joined our group in the last two weeks. Mrs. Dana Ades-Landy, an experienced banker in the Quebec community, will be responsible for the business development for our major commercial accounts for Quebec. I am confident her addition will be an asset to our team.

I will now pass it on to François Desjardins for B2B Trust.

MR. F. DESJARDINS: Thank you, André.

B2B's results for the third quarter accurately reflect the team's dedication and focused efforts. I am extremely proud of the work that has been done over the past few quarters to achieve the continued growth in our core products offered through the advisor community, improved margins, as well as effective expense containment.

Investment loans, mortgage loans and deposit volumes are up from the previous quarter by $54 million, $13 million and $55 million respectively.

Total Revenue has increased by $2.6 million or 13% over the prior year's third quarter, and $0.9 million or 4% over the second quarter of 2006.

Loan losses for the third quarter were $0.2 million lower than the prior year's quarter, partly explained by the tighter management of the line of credit portfolio.

In addition, operating expenses remained contained as reflected in the efficiency ratio of 47.2% for the third quarter, an improvement of over 5% versus the same period a year ago.

Fully committed to the financial intermediary community, B2B Trust continued the deployment of its no nonsense strategy in Q3 by launching a fully redesigned investment loan product fleet operated exclusively through financial advisors, brokers and dealers.

At this point, B2B's balance sheet reads at $2.8 billion in loans, $5 billion in deposits, and is entrusted with $5.2 billion held in self-directed client accounts.

This wraps up my comments. I will now turn it back over to Gladys.

MS. G. CARON: Thank you, François.

I would now like to turn the call over to the conference operator for the question and answer period. Please feel free to ask your questions in English or in French.

OPERATOR: Thank you.

Pour poser votre question, appuyez sur *1. Si vous désirez annuler votre question, vous pouvez appuyer sur le dièse.

If you wish to ask a question, please press *1 on your telephone keypad. To cancel your question, please press the # sign.

Vous pouvez maintenant procéder. You may now proceed.

The first question is from Michael Goldberg from Desjardins Securities.

Please go ahead.

Mr. Goldberg, your line is now open.

MR. M. GOLDBERG (Desjardins Securities): Yes, hello.

MR. R. McMANUS: Hi, Michael.

MR. M. GOLDBERG (Desjardins Securities): Hi. Okay. A couple of questions.

First of all, can you give us some idea of the prognosis for this forestry loan that got classified this quarter?

MR. L. MARQUIS: It is, as we mentioned, in the forest industry. We feel that from what we know, it has the reserve that is required to deal with it. Obviously, the whole industry is suffering right now and it is one account that we will have to work through the next few quarters with the company.

There is not much more than that at this point. As far as the sector is concerned, obviously the results in the softwood industry, the settlement will help a lot in the industry and that account also.

MR. M. GOLDBERG (Desjardins Securities): Just trying to, you know, zero in maybe a little bit more. Do you think that the loan will ultimately get resolved satisfactorily so that there is no loss that is incurred or, you know, is it your expectation that there will be a loss, or is it just too difficult to tell how it is going to go right now?

MR. L. MARQUIS: It is too early in the process to anticipate how it will finish. The company has filed, as others have done in the past, and it will take a few months to play out.

MR. M. GOLDBERG (Desjardins Securities): Okay. One other question that I have.

Robert, you mentioned – I think it was – the likelihood that in the fourth quarter, you will book $5.2 million pre-tax for the mutual fund partnership with Industrial Alliance.

Is this amount built into the 2006 objectives that the company had set out?

MR. R. McMANUS: Yes. I think, Michael, you have asked me that question before and I said yes. It is in the high end of our range. When we gave the range between 7 and 8%, this was built into our range.

MR. M. GOLDBERG (Desjardins Securities): Okay. Alright. Those are my questions for now. Thanks.

OPERATOR: Thank you.

The next question is from Susan Cohen from Dundee Securities.

Please go ahead.

MS. S. COHEN (Dundee Securities): Thank you.

I was pleased to see that margins were increasing somewhat this quarter. Do you think there is more margin improvement left for fourth quarter and into 2007 and, if so, what might the drivers be?

MR. B. PICHÉ: Susan, we said in the past that the improvement of the margins was due in large part to asset and liability management. I have been saying for the last two quarters now that I think the impact of this asset and liability management improvement is tapering off. So I think the margin will not improve significantly from the level it is here now.

MS. S. COHEN (Dundee Securities): Do you think you can hold it at current levels?

MR. B. PICHÉ: It is very difficult because asset and liability is only one element. As you know, the asset mix growth in different business lines, the spread we have in the different products will affect that. What I am saying is that the asset liability management side of it is now – I think – tapering off. As for the rest, it is really the business environment that all of the banks are in.

MS. S. COHEN (Dundee Securities): You also mentioned something about improving your customer share of wallet. How are you measuring that?

MR. L. BERNARD: We measure the penetration rate of our products on our customer base. As we mentioned earlier this year, we are working closely in improving the penetration rate. At this stage – I would say – for the past year, we have been steadily increasing our penetration rate by roughly 10%.

MS. S. COHEN (Dundee Securities): Right. Thank you very much.

MR. L. BERNARD: Thanks.

OPERATOR: Thank you.

The next question is from Sumit Malhotra from Genuity Capital Markets.

Please go ahead.

MR. S. MALHOTRA (Genuity Capital Markets): Good afternoon.

MR. R. McMANUS: Good afternoon.

MR. S. MALHOTRA (Genuity Capital Markets): I wanted to follow up on Michael's question on the move-up in impairments. If we look at gross impaired in the Commercial loans and other, it is up about $10.1 million from last quarter. Now, I think last quarter, in André Scott's comments, he had mentioned there was a provision on specific loans also in the forestry sector that was – I think – somewhere south of $10 million. Are we talking about the same account here?

MR. L. MARQUIS: It is a different account. The other one was resolved as we had mentioned, although there is still some outstanding amount from that previous account, but it is fully reserved at this point.

MR. S. MALHOTRA (Genuity Capital Markets): I just brought that up because it looks like the provisions in Commercial are down quarter over quarter but the impairments are back up. So I wanted to ensure that we were not on the same account, but okay, it is a different one than the one we are looking at.

On the expense side, your move-up in full-time employees this quarter is about 4%, it looks like, but the growth in salaries was well contained. Was a lot of this growth in staffing back-ended in the quarter, meaning will we see a little higher move up in salaries next quarter?

MR. R. CARDINAL: Going forward, I think that we should not have any significant increases. One thing you have to take into account also is that the numbers we report on July 31st is a picture as of that date and we are in the middle of the summer vacation. So that number may be a little high when you compare it. There is a seasonality in the number of employees.

Going forward, we still have the intention to improve our efficiency. So we follow the number of employees and our total expenses very closely.

MR. S. MALHOTRA (Genuity Capital Markets)**:** Okay, thanks.

OPERATOR: Thank you.

The next question is from Ian de Verteuil from BMO Capital Markets.

Please go ahead.

MR. I. DE VERTEUIL (BMO Capital Markets): Hello everyone. How are you?

MR. R. McMANUS: Hi, Ian. How are you?

MR. I. DE VERTEUIL (BMO Capital Markets): Good, thank you.

I guess the question du jour all relates to loan losses, and in the Retail Financial Services segment, in the narrative, you talk about slightly higher losses on the merchant loan and personal loan portfolios. Your PCOs are up here.

In my simplistic mind, there should be a fair amount of stability to both the losses, both the provisioning and, you know, the delinquencies. Is there any change going on that would account for this? What change is going on that accounts for the swing in loan losses in the quarter?

MR. L. MARQUIS: Actually, there are some fluctuations from quarter to quarter. I would like to look at it more from a yearly basis because, you know, from one quarter, sometimes the impaired loan level will go down a little bit as we resolve more accounts. So, really, I would not make more out of this than the quarterly fluctuations that at the end of the year, it should probably equate out.

MR. I. DE VERTEUIL (BMO Capital Markets): What is your merchant loan portfolio?

MR. L. MARQUIS: The size? It is $1.3 billion.

MR. I. DE VERTEUIL (BMO Capital Markets): And that would be… When I think about merchant processing business, when you say a merchant business, what is your exposure? Is it to retail merchants?

MR. L. MARQUIS: No. It is really all point-of-sale financing that we do to all merchants all across Canada. It is quite an important business for the Bank. So it could be all sorts of goods, and we provide financing to merchants all over the country.

UNIDENTIFIED SPEAKER: But it is retail.

MR. L. MARQUIS: It is retail business. Yes, it is strictly retail business.

MR. R. McMANUS: It is financing the buyer, whether it be that he buys a boat or…

MR. I. DE VERTEUIL (BMO Capital Markets): I see. Okay.

MR. R. McMANUS: A skidoo or…

MR. I. DE VERTEUIL (BMO Capital Markets): Right. Okay. I think of the merchant acquisition and processing business when I think of the merchant business.

Okay. So you would broadly say the volatility quarter to quarter is more… You know, you have $10 million in loan losses and Commercial is a bit better this quarter. So more of it is in Retail this quarter. Is that the right way to think of it?

MR. L. MARQUIS: That is correct. Really, when you talk about point of sales, there are some quarterly fluctuations as we tend to sell the assets more in some quarters than others. So, given that it is an important business line for us, it would tend to, we would tend to have some quarterly fluctuations in that portfolio.

MR. I. DE VERTEUIL (BMO Capital Markets): Okay. Those are my questions. Thanks. Congratulations on a good quarter!

MR. R. McMANUS: Thank you, Ian.

OPERATOR: Thank you.

The next question is from Samid Mahacha from Genuity Capital Markets.

Please go ahead.

MR. S. MALHOTRA (Genuity Capital Markets): Sorry, guys. One more question. This is on the funding side with the strong loan growth that seems to be picking up across the portfolio. I just wanted to talk about the funding base.

In a response to a question last quarter, you had mentioned that switching over to the repose may be a more cost-friendly action instead of going to the business deposits and the rising rate environment. A bit of a switch in that in Q3. It looks like the repose dropped off a bit and business accounts were up.

How much relief are you seeing on the funding side from your business deposits with the Bank of Canada seemingly on the sidelines for a while? Does that account for the change we see in the quarter?

MR. B. PICHÉ: No. What you see in the repose, for example, we do not have all the numbers last quarter, but last quarter was even higher at 753 and now it is 623.

If I go back to funding our loan growth, the best source of funding we have had this year has been the growth in the personal deposits that we got through the B2B efforts and the branch network. So we are very happy about that.

Our second layer of borrowing in terms of costs, I mean to finance the business as a growing concern, is securitization, and as I was saying, we have a slowdown in securitization because we are in a very liquid situation. So our ability to securitize mortgages is very good. So, as growth continues in the coming quarters, we would first see how much of it can be financed through our retail deposits. Then, we would tap on securitization.

What you see in the repose is really – how should I say? – an arbitrage between repose and what you have, which is called business deposits, which is really the institutional borrowing that we can do through the institutions in the capital markets in Canada. So we can borrow at the end, you know, through banks or other issuers, municipalities, provinces and all of that.

Repose tend to be cheaper. So we will favour repose versus other things like that, but that is more the Treasury operations.

Funding the core of the business going forward is done through the two previous sources that I have mentioned. That is deposits, retail deposits and securitization.

MR. S. MALHOTRA (Genuity Capital Markets): The reason I bring it up is because if you look, if you bring back the securitizations back onto the balance sheet, your loan growth is accelerating – I think – it is four or five quarters in a row now. The growth loans including the securitized are picking up steam on a year-over-year basis, and it does not look like the personal deposits are moving anywhere near at the same pace. You know, granted securitization activity has been pretty heavy over the last year, I am just not sure which other avenue you were going to tap if the personal deposits do not play ball, so to speak, if it is going to be on the business side and you feel that it is going to be cost effective. But you sound pretty confident that you should be able to…

MR. B. PICHÉ: Yes. Securitization, whether it is in the OHCR, in the conventional, offers us a source of funding that is ample and that is very competitive with the cost of funding of other financial institutions, which in fact is on par with those. So it is a good source of funding at competitive costs. So that is certainly the route that we are going to be following. I do not see bottlenecks appearing in that area.

MR. S. MALHOTRA (Genuity Capital Markets): Okay, great. Thanks very much.

OPERATOR: Thank you.

The next question is from John Aiken from National Bank Financial.

Please go ahead.

MR. J. AIKEN (National Bank Financial): Good afternoon.

I guess I will continue picking on Bernard if you are going to let me do that.

Bernard, it was my understanding that with the asset liability management program that you are putting into place, that the net interest margin was going to be increasing at the possible expense of Treasury. Yet sequential growth for Treasury and Financial Markets revenues was exceptionally strong.

Can you give us some colour as to what was going on in that line item during this quarter?

MR. B. PICHÉ: Do you mean Treasury Other Revenues?

MR. J. AIKEN (National Bank Financial): Yes.

MR. B. PICHÉ: Well, I have mentioned that as we were… Treasury Other Revenues were higher than that if you move back – let us say – eight quarters or 12 quarters. For the last two years now, we have been changing our approach to asset and liability, and that has reduced those amounts to amounts between $3 and $5 million of other revenues in the Treasury and Financial Markets, and I expect that those numbers will continue. They are not related to asset and liability management. They are related to foreign exchange sales and trading, to other activities that we have in the Treasury area.

MR. J. AIKEN (National Bank Financial): That is great. Thank you.

And just one follow-up question for Louis, if I may.

Louis, in terms of the launch for loan losses on the personal side, I understand fluctuations and the provisions that are going to come through, but for the first three quarters in 2006, we have been seeing write-offs in that loan portfolio just under $9 million a quarter.

Can you give us some sort of sense as to what loans have been felled or have been written off, whether this is broad-based within the portfolio or if there are previous segments that had gone to non-performing?

MR. L. MARQUIS: It would be broad-based. We did last year, at the end of last year change our provisioning policies, which had some impact in the earlier part of the year as to some write-offs that when we changed our policies of provisioning at the end of the year, we did not have time to write them off. So it did impact the first quarter without really impacting the expense. So that would account for early in the year write-offs.

Yes, the third quarter was a bit higher because it just happened to be that way, but at the end of the year it probably will even out.

I do not know if that answers your question.

MR. J. AIKEN (National Bank Financial): No, that is good. Thank you very much.

OPERATOR: Thank you.

Once again, if you do have a question, please press *1 on your telephone keypad.

The next question is from Jason Donville from Sprott Securities.

Please go ahead.

MR. J. DONVILLE (Sprott Securities): Good afternoon.

MR. R. McMANUS: Hi Jason.

MR. J. DONVILLE (Sprott Securities): I guess most of the questions have been fairly – I guess – positive questions. I am going to take a slightly more cautious tone with my questions.

I am looking at the aggregate loan growth and recognizing that you have some strong segments within your loan book and some other segments that are not moving as quickly, but I see year-over-year loan growth of about 3.2% and I see an aggregate in terms of fee income, year over year gross rate of 0.4%, so less than half-a-percent.

So, looking into these results, what I am wondering is, is there a slowdown happening in the economy? Is there something here that is happening that is kind of being reflected when we look across the entirety of the Bank and perhaps is this a reflection, for example, of the currency or housing markets, or is there something here that suggests a slowdown because I am not seeing an acceleration or a lot of growth here? I am seeing, when I look at all the numbers and aggregate, what I am seeing here is very, very modest growth.

MR. R. ROBITAILLE: In fact, there is not necessarily a slowdown. We mentioned that if you look at the mortgages excluding securitization, we had a very strong growth. It was the same thing also in terms of personal loans, both in terms of investment loans and lines of credit. As for commercial mortgages, we probably also will have a record year this year.

So, on those sides, it is going very well.

On the commercial side, commercial loans are not at the level that we want to be. So that is probably why also we have a differentiation when you look at the fees because we have less commercial loans. So that is why in terms of increasing our fees, we have less fees in the same vein. But André and his team have been working very hard. Well, and as you know, we have just hired a new person. So we will be able to – I think – achieve also better growth in commercial loans activities.

MR. J. DONVILLE (Sprott Securities): Okay. And then besides the loan growth, the fee income is almost flat year over year. Once again is that a reflection of the economy? I know that businesses have been sold and businesses are moving out. So sometimes your year-over-year base is changing, but it still looks kind of flattish year over year. I am wondering. Is there a message here or is it just different businesses arising and setting at different rates and we should not read too much into it?

MR. R. McMANUS: I would not read… I will add to what Réjean said. As you know, we ran down our commercial portfolio in the corporate area from $750 million down to under $100 million. It has now stabilized. Where we are putting a focus on is really through relationship management is growing our commercial portfolio. I think what will come with this, Jason, is additional fees as well to the level we had – let us say – hopefully in previous years.

MR. R. ROBITAILLE: And if I could add on, Jason, you have to take into consideration that if we look at the numbers on a year-over-year basis, because of the sale of Brome Financial Corporation, that is also an impact. We mentioned that the impact in terms of other income is $2 million… $1.8 million. So that is also another impact if you look at the year-over-year basis comparison.

MR. J. DONVILLE (Sprott Securities): Okay, thank you.

OPERATOR: Thank you.

Once again, please press *1 at this time if you have a question.

There are no further questions registered at this time.

I would like to turn the meeting back over to Ms. Caron.

MS. G. CARON: Thank you all for joining us today. Merci de votre participation.

If you have any other questions, the phone numbers are listed on the press release. Thank you.

End of conference call

The Bank cautions readers against placing undue reliance on forward-looking 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, fiscal and economic 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. 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, except to the extent required by securities regulations.