



LAURENTIAN  
BANK

## Canadian Financial Services Conference National Bank Financial

**Presented by Réjean Robitaille,  
President and CEO**

**March 26, 2008**



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## Forward-Looking Statements

In this document and in other documents filed with Canadian regulatory authorities or in other communications, Laurentian Bank of Canada (the "Bank") may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation, including statements regarding the Bank's business plan and financial objectives. These statements typically use the conditional, as well as words such as prospects, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could, would or the negative of these terms or variations of them or similar terminology.

By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove inaccurate. Although the Bank believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct.

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. Among other things, these factors include 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 resources and technological environment. The Bank cautions that the foregoing list of factors is not exhaustive. For more information on the risk, uncertainties and assumptions that would cause the Bank's actual results to differ from current expectations, please also refer to the Bank's public filings available at

The Bank does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations.

### Net income, significant items

To facilitate analysis, net income excluding certain items has been presented in the document. In management's opinion, these items, which have been excluded, should not be considered when analysing the Bank's performance. Net income, excluding special items is not based on Canadian generally accepted accounting principles and may not be comparable to another company's net income.

### **For questions on this presentation, please contact:**

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## Laurentian Bank's Management Approach

- Improved risk profile
- Strong balance sheet and capital ratios
- Strong proportion of insured mortgages and of personal deposits
- High level of liquidities
- Minimal exposure to asset-backed commercial paper issued by non-bank conduits

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## Laurentian Bank's Management Approach

- Knowing who we are
- A good focus
  - Retail and SME Quebec
  - B2B Trust
  - Real Estate and Commercial
- Establish our priorities
  - To increase profitability
  - To improve efficiency
  - To further develop our human capital
- Strong execution

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## Highlights – Q1 2008

In millions of \$  
except per share amounts

	Q1 2008	Q1 2007	Variation Q1 08 vs Q1 07
<b>Total Revenue</b>	<b>151.1</b>	<b>141.6</b>	<b>7%</b>
Provisions for credit losses	9.5	10.0	-5%
Non-Interest Expenses	108.6	104.3	4%
Income Taxes	13.9	6.7	107%
<b>Net Income from continuing operations</b>	<b>19.1</b>	<b>20.6</b>	<b>-7%</b>
<b>Net Income from continuing operations</b>	<b>19.1</b>	<b>20.6</b>	<b>-7%</b>
<b>EPS (diluted)</b>	<b>\$0.68</b>	<b>\$0.74</b>	<b>-8%</b>
Return on Equity	8.1%	9.4%	
<b>Significant items*</b>	-5.6	0.9	
<b>Excluding special items and from continuing operations</b>			
<b>Net income</b>	<b>24.7</b>	<b>19.7</b>	<b>25%</b>
<b>EPS (diluted)</b>	<b>\$0.91</b>	<b>\$0.70</b>	<b>30%</b>
Return on Equity	10.9%	9.0%	

\*Q1 2008: unfavourable tax adjustment of \$5.6M resulting from the decrease to the Bank's future tax asset as a result of new reductions to the federal income tax rates adopted in December 2007

\*Q1 2007: favorable effect of \$0.9M resulting from the adoption of certain amendments to Income Tax Act on the federal minimum tax on financial institutions

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## 2008 Performance Indicators

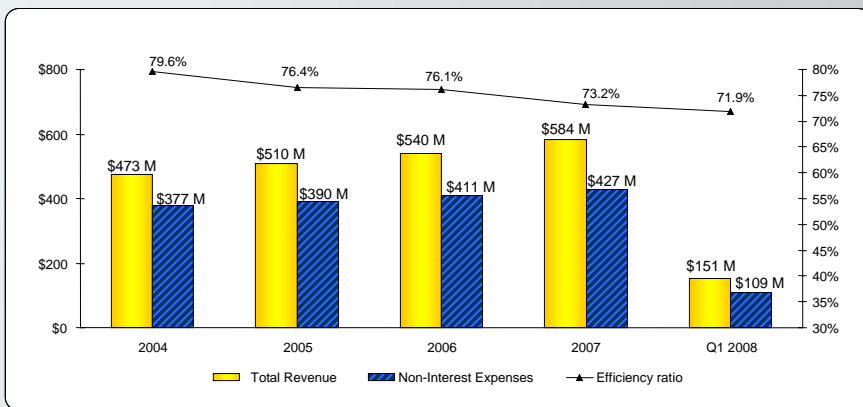
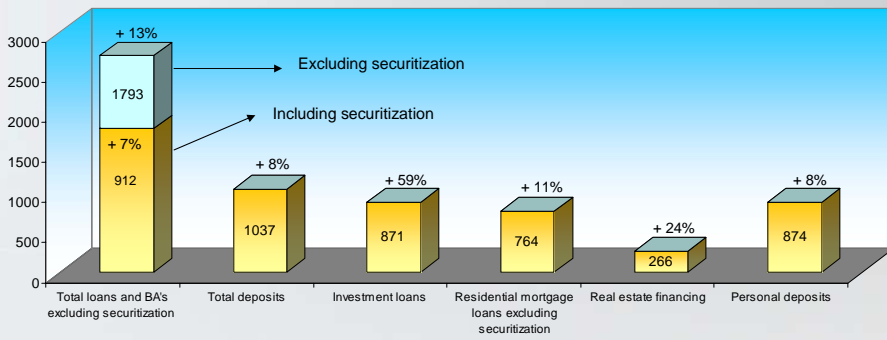
Performance Indicators	2007 Actual	2008 Objectives	3-Month Period Ended January 31, 2008 Actual
Return on Equity	10.9% (10.0%)*	9.5% to 10.5%	8.1% (10.9%)*
Diluted Net Income per Share	\$3.48 (12-months) (\$3.18)*	\$3.30 to \$3.60	\$0.68 (3-months) (\$0.91)*
Total Revenue	\$584M	+ 5% (\$615 M)	+ 7% (\$151.1 M)
Efficiency Ratio	73.2%	74% to 72%	71.9%
Tier 1 Capital Ratio	9.8%	Minimum of 9.5%	10.3%

The objectives above are solely intended to provide the reader with information about how management measures its performance. It is not intended to disclose the Bank's expectations for future financial results.

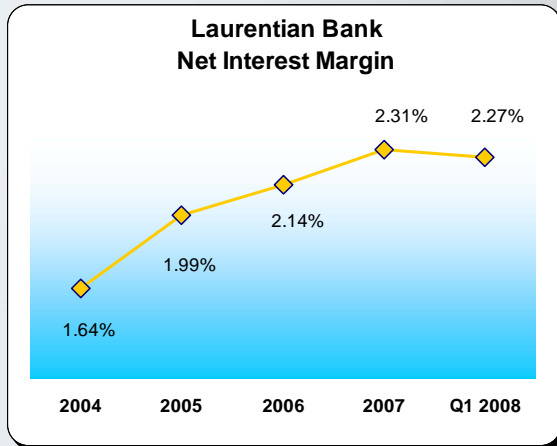
\*core results

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Q1 2008 growth over Q1 2007 (Consolidated)



## Net Interest Margin



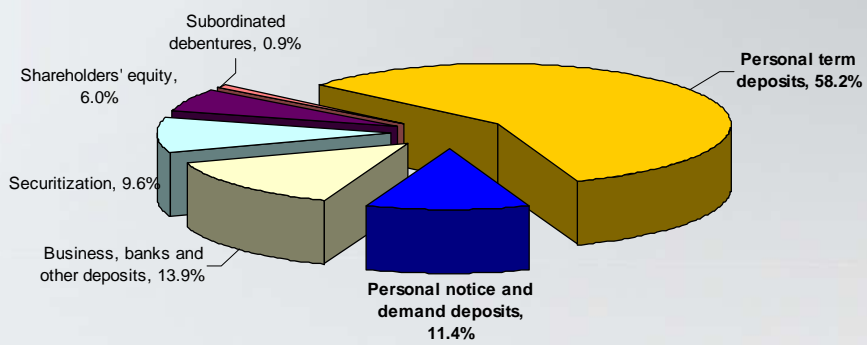
As at January 31, 2008 Net Interest Margin		
	in %	Rank
<b>LBC</b>	<b>2.27%</b>	<b>1<sup>st</sup></b>
Scotia	1.79%	2 <sup>nd</sup>
TD	1.62%	3 <sup>rd</sup>
NBC	1.46%	4 <sup>th</sup>
RBC	1.38%	5 <sup>th</sup>
CIBC	1.33%	6 <sup>th</sup>
BMO	1.23%	7 <sup>th</sup>
<b>Average Big 6</b>	<b>1.47%</b>	

\* Q1 2007 NIM: 2.27%

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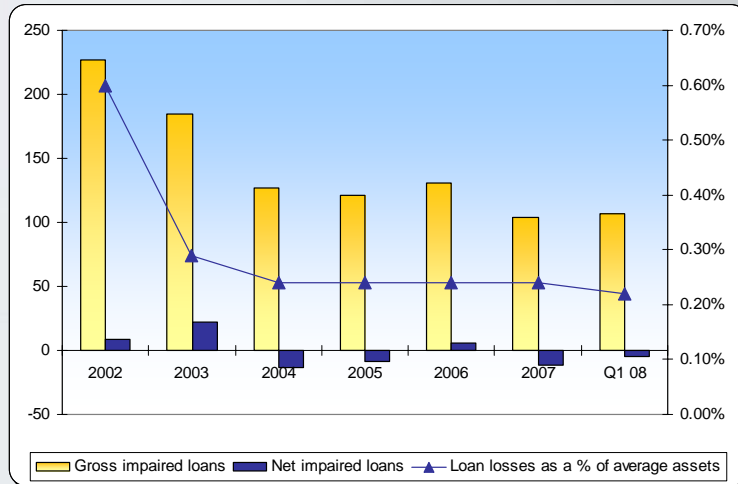
## Funding sources

As at October 31, 2007



**Personal deposits accounted for 83% of our total deposits**

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**Evolution of gross and net impaired loans**


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**Initiatives**

- . Efficient marketing and sales strategies allowing to an increase of more than \$2 billion in the loan and deposit portfolios
- . Continue to build on a highly customer-focused culture
- . Improvements and enlargement to the branch network / Complete overhaul of the ABM network
- . Strategic investments at B2B Trust to maintain its market portfolios in investment loans and deposit brokers and for cultivating growth within the highest profit categories

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**Initiatives**

- . Revision and update our business processes
- . Continue to optimize customer and market information management tools, including our datawarehouse
- . Technology investments
- . Deployment of a new Web platform to meet the informational and operational needs of employees

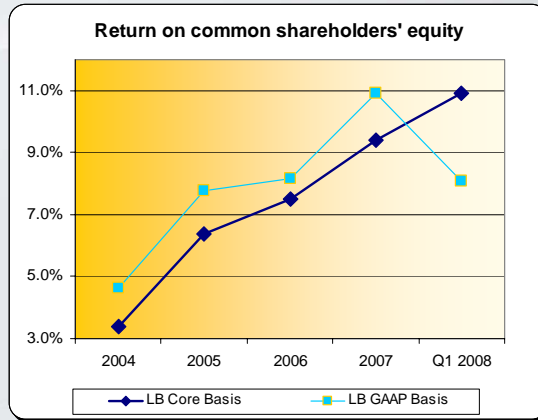
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**Initiatives**

- . Renewal of the collective agreement for a four-year term
- . Implementation of a new performance program for all employees
- . Launching of a new development program for Retail branch managers: *Leaders in Action*
- . Increased efforts to develop a sales culture

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CAGR from 2004 to 2007:  
GAAP: 33%  
CORE: 40%



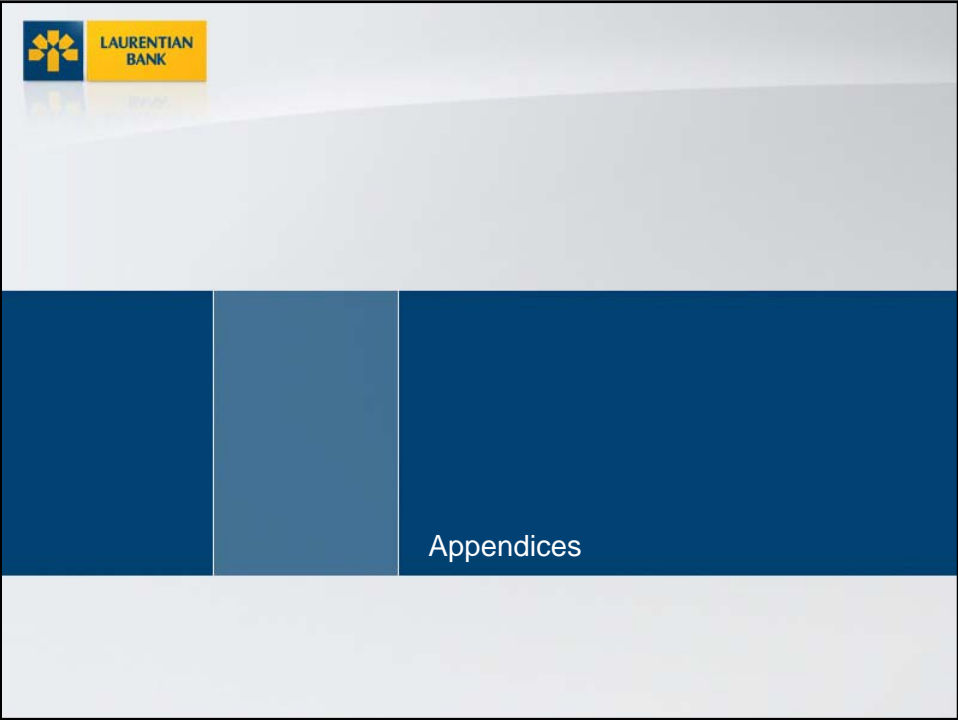
- \* Core results are calculated excluding:
- \* Q1 2008: unfavourable tax adjustment
- \* 2007: favorable tax adjustments of \$6M, VISA restructuring gain, recognition of deferred gain on the sale of BLC-EdR, charge related to the asset-backed securities portfolios
- \* 2006 : recognition of deferred gain on the sale of BLC-EdR, tax charge related to the revaluation of future tax assets, tax reduction expenses, gain from the sale of Brome, tax expense reduction
- \* 2005 : revenue recognized from the distribution agreement, decrease and increase in value of the investment in seed capital, gain on sale of BLC-Edmond de Rothschild, securities write-down
- \* 2004: cost from the redemption of the Debenture Series 7, review of the provisions related to Ontario and Western branches, sale of the debit and credit card transaction, premium paid from redemption of preferred shares series 7 & 8 and the overlap with issuance of series 10, VISA Gain, favorable tax impact

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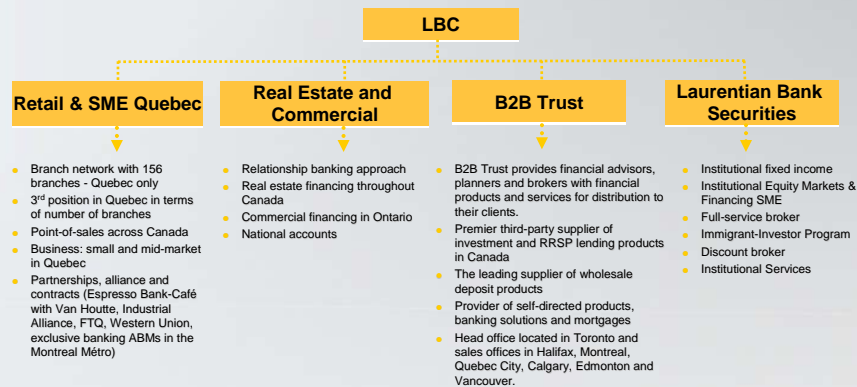
- Maintain our focus on our 3 priorities
- Rigorous management of risk
- Continue to focus on execution

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- 3rd largest institution in Quebec in terms of branches and 7th largest Canadian Schedule 1 chartered bank based on assets
- Assets (as at January 31, 2008)
  - Balance sheet: \$18.3 billion
  - Assets under administration: \$15.3 billion
- Main markets: Province of Quebec (Canada) with significant activities elsewhere in Canada (41% of total loans outside of Quebec as at October 31, 2007)
- 156 retail branches
- 3,389 employees (FTE)
- Founded in 1846



As at January 31, 2008

**Retail and SME Quebec**

- \$6.1 billion in residential mortgage loans
- \$0.5 billion in lines of credit
- \$6.1 billion in personal deposits

**B2B Trust**

- \$5.6 billion in brokered deposits
- \$2.4 billion in investment and RRSP loans
- \$1.2 billion in mortgages
- \$4.9 billion in assets under administration

**Real Estate and Commercial**

- \$0.6 billion in commercial loans
- \$0.8 billion in commercial mortgage loans
- \$0.2 billion in business deposits

**Laurentian Bank Securities**

- Total assets under management of \$1.9 billion for full service brokerage and discount brokerage

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**Positioning in Quebec**

- Quebec is LBC's main market; all business lines are active in this market
  - 156 retail branches
  - 21 commercial centres
  - 12 brokerage offices
  - 1 B2B Trust office
- Retail network is the 3rd largest in Quebec

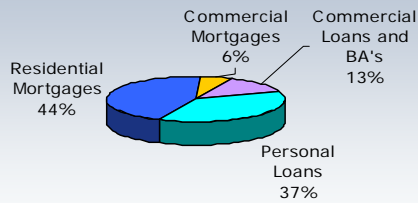
**Positioning elsewhere in Canada**

- Target specific niches where LBC has distinctive advantages, that is:
  - B2B Trust
  - Commercial Financial Services
  - Indirect points-of-sale network
  - Laurentian Bank Securities
  - Mortgages and deposits through brokers

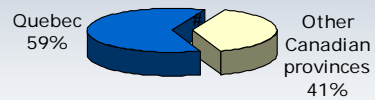
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## Diversification of Loan Portfolio

**Loan Portfolio**  
As at January 31, 2008



**Geographic Distribution of Loans**  
As at October 31, 2007



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## Management Committee

**Réjean Robitaille**

President and Chief Executive Officer

**Robert Cardinal**

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

**Bernard Piché**

Senior Executive Vice-President  
Treasury, Capital Markets and Brokerage

**Luc Bernard**

Executive Vice-President  
Retail and SME Quebec

**François Desjardins**

President and Chief Executive Officer  
B2B Trust

**Lorraine Pilon**

Executive Vice-President  
Corporate Affairs and Secretary

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