



LAURENTIAN  
BANK

## First Quarter 2008 Results Conference call

**Presented by Réjean Robitaille, President  
and CEO  
And  
Robert Cardinal, CFO**

Analysts and Institutional Investors  
**February 27, 2008**



LAURENTIAN  
BANK

## 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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**Results**

- Diluted EPS of \$0.68 (including an unfavourable tax adjustment of \$5.6M or \$0.23 per share) in Q1 2008
- Core net income of \$24.7M, representing a 25% increase over core Q1 2007
- Core diluted EPS of \$0.91, representing a 30% increase over core Q1 2007

**Main facts**

- Strong loan and deposit growth
- Improvement in asset mix
- Good expense control and improved efficiency
- Increase in net interest income and other income

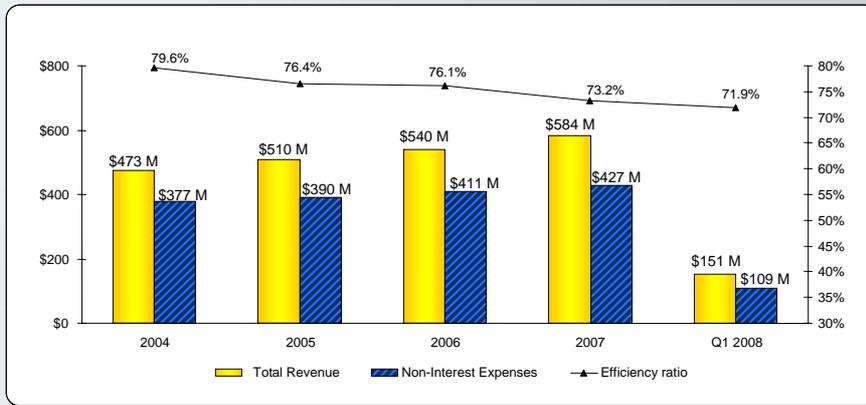
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Performance Indicators	2008 Objectives	3-Month Period Ended January 31, 2008 Actual
Return on Equity	9.5% to 10.5%	8.1%
Diluted Net Income per Share	\$3.30 to \$3.60	\$0.68 (3-months)
Total Revenue	+ 5% (\$615 M)	+ 7%
Efficiency Ratio	74% to 72%	71.9%
Tier 1 Capital Ratio	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.

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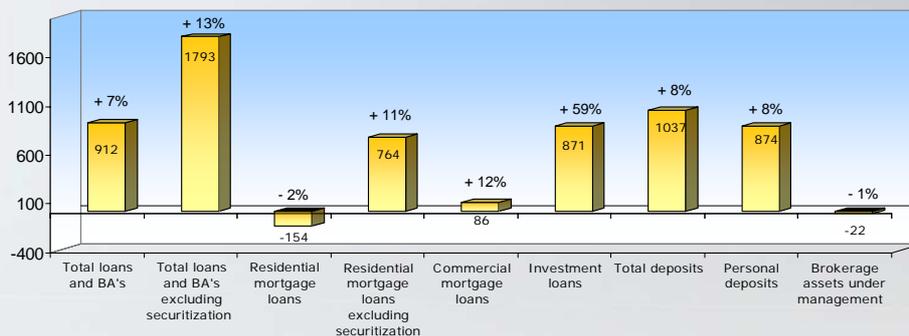
## Efficiency Ratio



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## Main Portfolio - Growth

### Q1 2008 growth over Q1 2007 (Consolidated)



### Segmented (excluding securitization)

#### Retail & SME Quebec

- Total loans: +8% (+\$689M)
- Total deposits: +6% (+\$421M)

#### Real Estate and Commercial

- Total loans: +16% (+\$292M)
- Real estate financing: +24% (+\$266M)

#### B2B Trust

- Investment loans: +59% (+\$871M)
- Total deposits: +12% (+\$635M)

#### Laurentian Bank Securities

- Brokerage assets under administration: -1% (-\$22M)

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## Highlights – Q1 2008

In millions of \$  
except per share amounts

	Q1 2008	Q4 2007	Q1 2007	Variation	
				Q1 08 vs Q1 07	Q1 08 vs Q4 07
Net Interest Income	99.5	97.7	95.2	5%	2%
Other Income	51.5	47.9	46.4	11%	8%
<b>Total Revenue</b>	<b>151.1</b>	<b>145.6</b>	<b>141.6</b>	<b>7%</b>	<b>4%</b>
Provisions for credit losses	9.5	10.0	10.0	-5%	-5%
Non-Interest Expenses	108.6	105.8	104.3	4%	3%
Income Taxes	13.9	4.1	6.7	107%	237%
<b>Net Income from continuing operations</b>	<b>19.1</b>	<b>25.7</b>	<b>20.6</b>	<b>-7%</b>	<b>-26%</b>
Net Income from discontinued operations*		4.4		n.a.	n.a.
<b>Net Income</b>	<b>19.1</b>	<b>30.2</b>	<b>20.6</b>	<b>-7%</b>	<b>-37%</b>
Preferred shares dividends	2.9	3.0	3.0	-2%	-2%
Net Income available to common shareholders	16.2	27.2	17.6	-8%	-40%
<b>GAAP</b>					
<b>EPS (diluted)</b>	<b>\$0.68</b>	<b>\$1.14</b>	<b>\$0.74</b>	<b>-8%</b>	<b>-41%</b>
Return on Equity	8.1%	13.8%	9.4%		
<b>From continuing operations</b>					
EPS (diluted)	\$0.68	\$0.95	\$0.74	-9%	-28%
Return on Equity	8.1%	11.6%	9.4%		
<b>Significant items*</b>					
Tax adjustments	-5.6		0.9		
Tax adjustments, VISA restructuring, charge related to ABS		-3.6			
<b>Excluding special items and from continuing operations</b>					
<b>Net Income</b>	<b>24.7</b>	<b>22.1</b>	<b>19.7</b>	<b>25%</b>	<b>12%</b>
<b>EPS (diluted)</b>	<b>\$0.91</b>	<b>\$0.81</b>	<b>\$0.70</b>	<b>30%</b>	<b>13%</b>
Return on Equity	10.9%	9.7%	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

\*Q4 2007: VISA restructuring of \$4M or \$3.3M net of income taxes

\*Q4 2007: favorable tax adjustment of \$2.2M resulting from the resolution of certain tax exposures

\*Q4 2007: charge of \$2.9M (\$2.0M net of income taxes) related to the asset-backed securities portfolios

\*Q4 2007: recognition of \$5.2M or \$4.4M after taxes of deferred gain on the sale of BLC-EdR

\*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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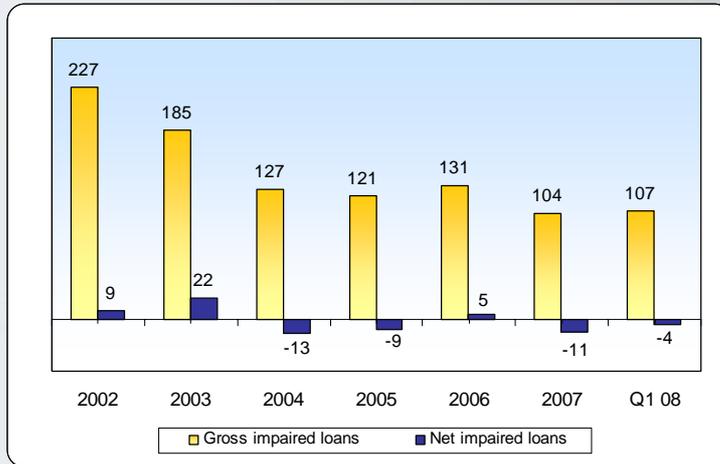


## Stronger and Less Volatile Earnings

### Q1 2008 vs Q1 2007

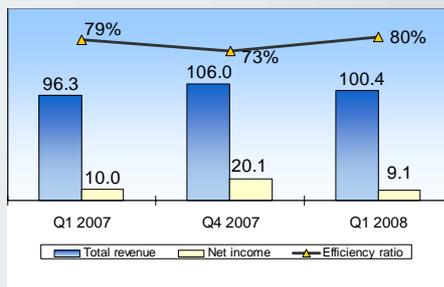
<b>Net interest income improvement</b>	✓
<b>Loan and deposit growth</b>	✓
<b>Other income increase</b>	✓
<b>Stable loan losses</b>	✓
<b>Positive operating leverage</b>	✓

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**Evolution of gross and net impaired loans**


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In millions of \$


**Q1 2008 versus Q1 2007**

- Total revenue growth of 4%
- Net income decreased by \$1M
- Higher provisions for credit losses
- Higher salaries and employee benefits to support growth initiatives

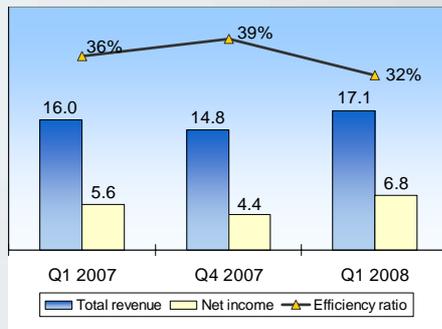
**Main drivers**

- Average loan growth: +7% (+\$665M)
- Average deposit growth: +4% (+\$302M)

Since November 1, 2007, activities related to small-medium enterprises in Quebec are now grouped with those of Retail Financial Services in the new Retail & SME Quebec segment. These commercial activities were previously included in the Commercial Financial Services segment. The latter now includes real estate financing throughout Canada and commercial financing in Ontario, as well as National accounts.

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In millions of \$



### Q1 2008 versus Q1 2007

- Total revenue growth of 7%
- Net income growth of 20%
- Lower provisions for credit losses
- Relatively stable non-interest expenses

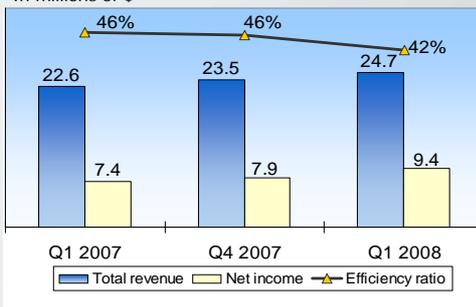
### Main drivers

- Average loan growth: +22% (+\$340M)
- Average deposit growth: +28% (\$43M)

Since November 1, 2007, activities related to small-medium enterprises in Quebec are now grouped with those of Retail Financial Services in the new Retail & SME Quebec segment. These commercial activities were previously included in the Commercial Financial Services segment. The latter now includes real estate financing throughout Canada and commercial financing in Ontario, as well as National accounts.

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In millions of \$



### Q1 2008 versus Q1 2007

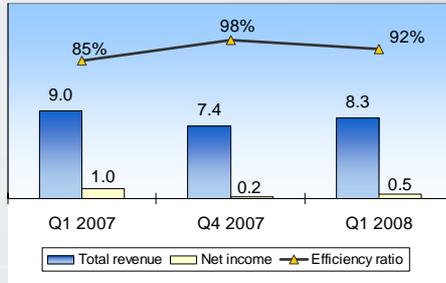
- Total revenue growth of 9%
- Net income growth of 28%
- Lower provisions for credit losses
- Stable non-interest expenses

### Main drivers

- Investment loan growth: +59% (+\$871M)
- Average loan growth: +30% (+843M)
- Average deposit growth: +10% (+\$533M)

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In millions of \$



### Q1 2008 versus Q1 2007

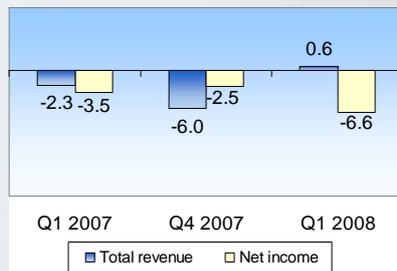
- Total revenue decreased by \$0.7M, mainly as a result of the reduced level of activity in the Retail division
- Net income decreased by \$0.5M

### Main driver

- Stable revenues in the Institutional Equity and Fixed income divisions

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In millions of \$



### Q1 2008 versus Q1 2007

- Total revenue was higher by \$2.9M, mainly resulting from the \$6M gain on securitization which was partially offset by a decrease of \$3.8M in net interest income as a result of the higher level of securitized mortgages
- Net income was lower by \$3.1M
- Lower net contribution was mostly affected by the 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

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**During Q1 2008**

- Completed modernization of ABMs
- Opening of another Espresso Bank-Café Branch
- Addition of new employees to support business development
- Distribution agreement between B2B Trust and Aim Trimark Investment for investment and RRSP loan programs

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**Q1 2008**

- Higher total revenue coming from organic growth
- Significant improvement of efficiency
- Improving core results

**For 2008, we are maintaining our 3 priorities**

- To increase profitability
- To improve efficiency
- To further develop our human capital

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The image shows a slide with the Laurentian Bank logo in the top left corner. The logo consists of a stylized yellow and blue flower-like symbol next to the text 'LAURENTIAN BANK'. The slide has a light blue background with a dark blue horizontal band at the bottom. The word 'Appendices' is written in white text on the dark blue band.

## Overview of Laurentian Bank

- **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**

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## 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 proportions of personal loans secured**

Strategic focus and flexibility

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

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## A Clear Geographical and Business Focus

### Positioning in Quebec

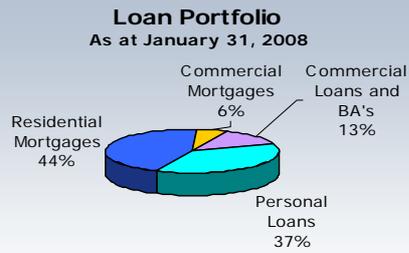
- With 156 retail, 21 commercial and 12 brokerage branches, Quebec is LBC's main market. All business lines are active in this market
- Retail network is the 3rd largest in Quebec

### Positioning elsewhere in Canada

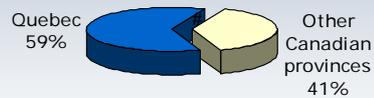
- Target specific niches where LBC has distinctive advantages, that is:
  - B2B Trust
  - Commercial Financial Services
  - Indirect points-of-sale network
  - Laurentian Bank Securities
  - Mortgages and Deposits through brokers

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## Diversification of Loan Portfolio



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



## Four Business Lines





## Portfolios

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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## Management Committee

### Réjean Robitaille

#### President and Chief Executive Officer

- ✓ CEO at Laurentian Bank since 2006 and with the Bank since 1988

### Robert Cardinal

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

- ✓ At Laurentian Bank since 1991

### Bernard Piché

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

- ✓ At Laurentian Bank since 1994

### Luc Bernard

#### Executive Vice-President Retail and SME Quebec

- ✓ At Laurentian Bank since 2001

### François Desjardins

#### President and Chief Executive Officer B2B Trust

- ✓ At Laurentian Bank since 1991

### Lorraine Pilon

#### Executive Vice-President Corporate Affairs and Secretary

- ✓ At Laurentian Bank since 1990

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