SECOND QUARTER 2005

QUARTERLY REPORT FOR THE
PERIOD ENDED APRIL 30, 2005

LAURENTIAN BANK

REPORT TO SHAREHOLDERS

Laurentian Bank of Canada reports net income of $10.6 million for the second quarter of 2005

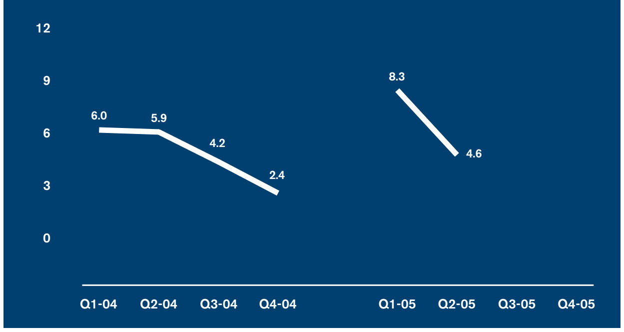
SUMMARY RESULTS

Laurentian Bank of Canada reported net income of $10.6 million or $0.33 diluted per common share for the second quarter ended April 30, 2005, compared to $11.4 million or $0.42 diluted per common share for the same period in 2004. Return on common shareholders' equity was 4.6% for the quarter, compared to 5.9% for the same period in 2004. For the quarter, income from continuing operations stood at $11.0 million or $0.34 diluted per common share, excluding the loss from discontinued operations of $0.3 million. Excluding the gain resulting from the sale of the Ontario and Western Canada Visa loan portfolio of $4.4 million ($3.8 million, net of income taxes or $0.16 diluted per common share), net income for the second quarter of 2004 would have been $7.6 million or $0.26 diluted per common share.

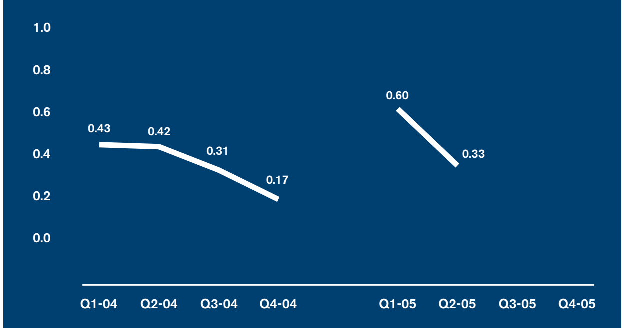
For the first six months of 2005, net income totaled $27.9 million or $0.93 diluted per common share, compared to net income of $23.0 million or $0.85 diluted per common share in 2004. Return on common shareholders' equity was 6.5% for the six-month period ended April 30, 2005, compared to 6.0% for the same period in 2004.

Raymond McManus, President and Chief Executive Officer, commented on the results of operations: "I am pleased to report that we met our net earning objectives for the quarter and the six-month period. I am particularly satisfied with the quality of our earnings. The evolution of the net interest income, which has improved steadily since the beginning of the year, is a major accomplishment. Moreover, the growth in loan and deposit volumes realized in the quarter demonstrates the progress we are making in the implementation of our plan."

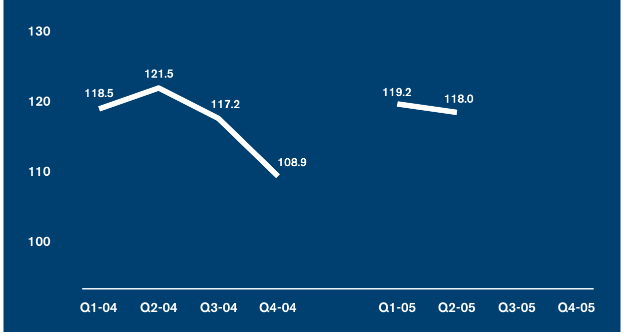
RETURN ON COMMON SHAREHOLDERS' EQUITY
AS A PERCENTAGE



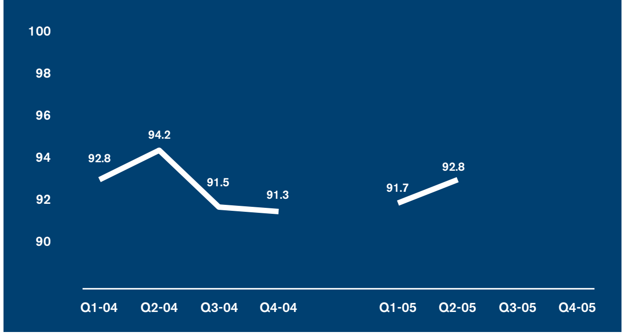
DILUTED NET INCOME PER COMMON SHARE
IN DOLLARS



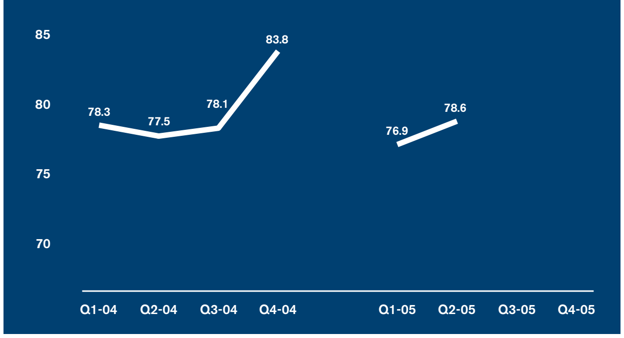
TOTAL REVENUE
IN MILLIONS OF DOLLARS



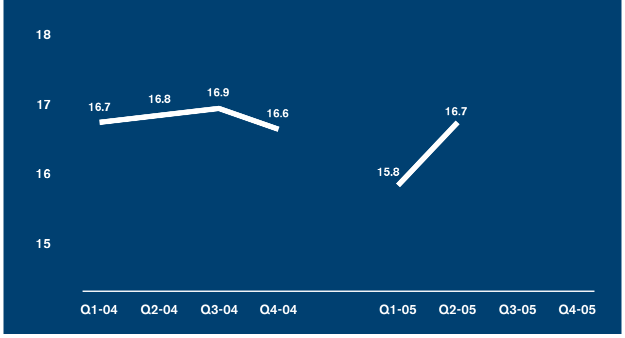
NON-INTEREST EXPENSES
IN MILLIONS OF DOLLARS



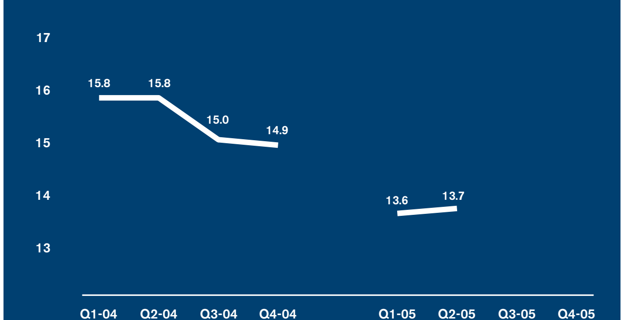
EFFICIENCY RATIO
NON-INTEREST EXPENSES AS A PERCENTAGE OF TOTAL REVENUE



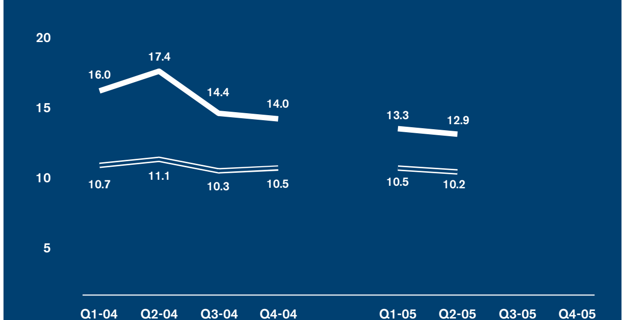
BALANCE SHEET ASSETS
IN BILLIONS OF DOLLARS



ASSETS UNDER ADMINISTRATION
IN BILLIONS OF DOLLARS



BIS CAPITAL RATIO
AS A PERCENTAGE



TIER 1
TOTAL CAPITAL

MANAGEMENT'S DISCUSSION AND ANALYSIS

PERFORMANCE AND FINANCIAL OBJECTIVES

Laurentian Bank publishes its financial objectives at the beginning of each financial year and then reports actual results quarterly. The Bank's practice is not to provide interim guidance. Strictly for information purposes, the following table presents the performance compared to objectives that have been set by management for 2005.

Performance for 2005

	2005 OBJECTIVES	SIX-MONTH PERIOD ENDED APRIL 30, 2005 – ACTUAL
Return on common shareholders' equity	**4.5% to 5.5%**	**6.5%**
		[5.0% from continuing operations]
Diluted net income per share	**$1.30 to $1.60 (annual)**	**$0.93**
		[$0.72 from continuing operations]
Total revenue	**$480 to $490 million (annual)**	**$237 million**
Efficiency ratio	**79% to 77.5%**	**77.8%**
Capital ratios		
Tier 1	**Minimum of 9.5%**	**10.2%**
Total	**Minimum of 13.0%**	**12.9%**
Credit quality (loan losses as a % of average assets)	**0.25% to 0.22%**	**0.23%**

HIGHLIGHTS

This section presents highlights regarding activities of the second quarter ended April 30, 2005 and details significant items affecting results, when compared to the second quarter of 2004 and the first quarter of 2005.

Significant items affecting results

- Total revenue stood at $118.0 million in the second quarter of 2005, compared to $121.5 million in the second quarter of 2004, which included a pre-tax gain of $4.4 million resulting from the sale of the Ontario and Western Canada Visa loan portfolio in 2004. Net interest income improved to $79.1 million or 2.02% of average assets in the second quarter of 2005, compared to $64.8 million or 1.61% for the second quarter of 2004. Other income decreased by $17.7 million from $56.6 million in the second quarter of 2004 to $38.9 million in the second quarter of 2005. The decrease results principally from lower treasury and financial markets revenues, the gain resulting from the sale of the Visa loan portfolio in 2004 and lower securitization revenues.
- Non-interest expenses decreased slightly to $92.8 million in the second quarter of 2005 from $94.2 million in the second quarter of 2004, mainly in other expenses.
- The efficiency ratio (expenses divided by total revenue) stood at 78.6% for the second quarter of 2005, compared to 77.5% for the second quarter of 2004. The ratio for 2004 benefited from the sale of the Visa loan portfolio.
- The provision for credit losses was $8.8 million in the second quarter of 2005 compared to $10.5 million in the second quarter of 2004.
- Results for the six-month period ended April 30, 2005 were essentially driven by the same factors as the three-month period then ended. The major improvement in net interest margin was partially offset by the decrease in other revenues from treasury and financial market activities.

Other significant events

- On March 7, 2005, the Bank and the union that represents its unionized employees announced that the arbitration board had rendered its final decision concerning the collective agreement. The agreement will be valid until December 31, 2007. The Bank and the union confirmed that they were satisfied with the board's decision. The ruling covers all of the aspects of the collective agreement that were not covered in the partial decision of December 2004.
- As part of the sale of the BLC-Edmond de Rothschild Asset Management joint-venture to Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance) in the first quarter of 2005, the Bank continues to distribute the R Funds, along with the Industrial Alliance mutual funds. The sales price is subject to certain recovery clauses. One of these clauses provided that the Bank would repay Industrial Alliance an amount of $5.2 million for each of the next five years, amounting to $26.2 million, if the net annual sales of mutual funds, as at December 31, do not reach $50 million. This portion of the proceeds was initially deferred and will be recognized over the next five years as the sales thresholds are expected to be achieved. As at April 30, 2005, net sales amounted to $70.3 million. Considering the uncertainty related to the sales level, no revenues were recognized in the second quarter. The situation will be fully evaluated at the end of the fourth quarter.

ANALYSIS OF CONSOLIDATED RESULTS

Total revenue was $118.0 million in the second quarter of 2005 compared to $121.5 million in the second quarter of 2004, a decrease of $3.5 million. The variation reflects the combined effect of the improvement of $14.3 million in net interest income, from $64.8 million in the second quarter of 2004 to $79.1 million in the second quarter of 2005, while other income decreased by $17.7 million compared to the same quarter a year ago.

The $14.3 million increase in net interest income from the second quarter of 2004 results largely from the tighter asset and liability management strategies initiated in 2004 and the redemption of $200 million debentures in 2004 and 2005. The $17.7 million decrease in Other income is principally attributable to the decrease in treasury and financial market revenues of $9.8 million. The $4.4 million gain on the sale of the Ontario and Western Canada Visa loan portfolio and the $1.3 million securitization gain recorded in 2004, had favorably impacted results a year ago.

Compared to the first quarter of 2005, net interest income increased by $3.4 million, despite a 3-day shorter quarter. The Bank benefited from improved margins from tighter asset and liability management, a positive contribution from the liquidities portfolio and growth in residential mortgage and personal loan portfolios. Other income decreased by $4.6 million, as a result of lower treasury and financial market contribution and lower securitization revenues, partially offset by higher insurance revenues and fees and commissions on loans and deposits.

The **provision for credit losses** was $8.8 million or 0.22% of average assets in the second quarter of 2005, compared to $10.5 million or 0.26% of average assets during the second quarter of 2004. The decrease of provision reflects the improving quality of all loan portfolios, which are benefiting from the sound economic environment. The provision for credit losses for the first quarter of 2005 was slightly higher at $9.8 million.

Net impaired loans were relatively unchanged at -$5.2 million at April 30, 2005, compared to -$5.8 million at the end of the first quarter of 2005. At October 31, 2004, net impaired loans stood at -$13.0 million. Gross impaired loans decreased to $113.4 million at April 30, 2005, compared to $127.0 million at October 31, 2004. The Bank's general provision remained unchanged at $65.3 million at April 30, 2005 compared to January 31, 2005 and year-end 2004. See Note 3 to the Interim Consolidated Financial Statements for more details.

Non-interest expenses decreased by 1.5% to $92.8 million in the second quarter of 2005, compared to $94.2 million in the second quarter of 2004. Salaries and other employee benefits remained relatively unchanged, as increases in salaries in 2005 were offset by decreases in the level of employees. Other expenses also decreased slightly as a result of lower taxes and professional fees, partially offset by higher marketing and business development expenses.

When compared to the first quarter of 2005, non-interest expense increased by $1.1 million, mainly as a result of higher marketing and business development expenses.

The efficiency ratio (expenses divided by total revenue) was 78.6% in the second quarter of 2005, compared to 77.5% in the second quarter of 2004. The lower efficiency ratio in 2004 is mainly related to the higher level of other income resulting in part from the gain on the sale of the Ontario and Western Canada Visa loan portfolio.

Income tax expense was $5.5 million (33.5% effective tax rate) in the second quarter of 2005 compared to $4.7 million (28.3% effective tax rate) in the second quarter of 2004 and $5.7 million (32.0% effective tax rate) in the first quarter of 2005. In 2004, the lower income taxes on the gain from the sale of the Visa loan portfolio reduced the effective tax rate.

ANALYSIS OF FINANCIAL CONDITION

Balance sheet assets stood at $16.7 billion at April 30, 2005, compared to $16.6 billion at October 31, 2004, as the increase in securities and loans offset decreases in assets purchased under reverse repurchase agreements and cash resources.

The portfolio of loans and bankers' acceptances stood at $11.7 billion at April 30, 2005, compared to $11.4 billion at October 31, 2004. The $293 million increase, essentially during the last three months, was driven by the strong residential mortgages market and the continued demand for personal credit, including RRSP loans. Commercial loans, including bankers' acceptances remained relatively stable over the six-month period, while commercial mortgages declined by $33.6 million.

Total personal deposits grew by 2% or $225 million over the last six months to $10.7 billion at April 30, 2005 from $10.5 billion at October 31, 2004. Business and other deposits remained stable at $2.5 billion. The Bank continues to benefit from very stable and diversified sources of funding through personal deposits. At April 30, 2005, personal deposits accounted for 81% of total deposits of $13.2 billion.

The Bank is continuously adjusting the level of its liquidities to meet its deposits portfolio and other cashflow obligations, while optimizing returns. Securities and cash resources amounted to $3.5 billion at April 30, 2005, while they stood at $3.3 billion at year-end 2004.

Total capital of the Bank, comprised of common shareholders' equity, preferred shares and debentures, reached $1,095 million at April 30, 2005, compared to $1,137 million at October 31, 2004. The decrease results essentially from the repurchase of the remaining balance of Series 8 debentures for $50.5 million during the first quarter.

Common shareholders' equity increased to $685 million at April 30, 2005, from $677 million at October 31, 2004. There were 23,511,343 common shares outstanding as at April 30, 2005, and the Bank's book value per common share increased to $29.14 from $28.78 at year-end 2004.

The BIS Tier 1 and Total capital ratios stood at 10.2% and 12.9%, respectively at April 30, 2005, compared to 10.5% and 14.0% at October 31, 2004. The decrease results mainly from the repurchase of debentures and the increase in loan volumes. Tangible common equity (common equity less goodwill and other intangibles) to risk-weighted assets ratio stood at 7.4%, compared to 7.6% at October 31, 2004.

At its meeting on May 27, 2005, considering the satisfactory results as well as the sound financial condition of the Bank as evidenced by its capital ratios, the Board of Directors declared regular dividends on the various series of preferred shares to shareholders of record on June 9, 2005, as well as a dividend of $0.29 per common share, payable on August 1, 2005 to shareholders of record on July 4, 2005.

Assets under administration stood at $13.7 billion at April 30, 2005 compared to $13.6 billion at January 31, 2005 and $14.9 billion at October 31, 2004. Assets under administration have increased slightly during the second quarter, while the reduction, compared to October 31, 2004, resulted from the sale of the BLC-Edmond de Rothschild Asset Management joint-venture during the first quarter.

SEGMENTED INFORMATION

Business development results for the period were again encouraging, especially with regards to the increase in loan volumes for the Retail Financial Services and B2B Trust business segments. Although net interest income declined compared to the previous quarter, essentially as a result of the shorter quarter, margins remained strong for all business segments. Moreover, the lower loan losses positively contributed to the Commercial Financial Services business segment.

NET INCOME CONTRIBUTIONS

IN MILLIONS OF DOLLARS	RETAIL FINANCIAL SERVICES	COMMERCIAL FINANCIAL SERVICES	B2B TRUST	LAURENTIAN BANK SECURITIES	OTHER	TOTAL[1]
Q2-2005						
Net income	4.7	7.0	3.4	0.8	(5.3)	10.6
	30%	44%	21%	5%	n/a	100%
Q1-2005[2]						
Net income	7.0	5.0	4.2	0.9	0.2	17.3
	41%	29%	25%	5%	n/a	100%
Q2-2004						
Net income	7.3	4.7	3.2[3]	1.0	(4.8)	11.4
	45%	29%	20%	6%	n/a	100%

1 Percentage of net income contribution from the four business segments, excluding the Other segment.
2 During the second quarter, the Bank reviewed some of its internal transfer pricing assumptions. The changes mainly impacted the net interest income of the Retail Financial Services and B2B Trust business segments, where the margin associated to certain deposits was adjusted. The impact of the changes on the first quarter of 2005 results is detailed in note 9 of the Interim Consolidated Financial Statements. These changes did not have any effect on the Bank's overall results.
3 Based on a 77% participation prior to the privatization of B2B Trust in June of 2004.

Retail Financial Services

Results for the Retail Financial Services business segment stood at $4.7 million for the second quarter of 2005, compared to $7.0 million for the first quarter of 2005. The reduction in net interest income of $3.2 million, results mainly from the shorter quarter, which was partially offset by the increase in other revenues. Loan losses also increased by $1.6 million, compared to the first quarter of 2005.

Compared to the same quarter a year ago, net income decreased by $2.6 million. Results for the second quarter of 2004 included a $2.4 million ($2.1 million net of income taxes) share of the gain resulting from the sale of the Ontario and Western Canada Visa loan portfolio, attributed to the Retail Financial Services business segment. Excluding the impact of this gain, the decrease in profitability results mainly from higher loan losses, which were not fully offset by the improvement in net interest income.

Loan volumes increased by $165 million during the quarter, a significant achievement which denotes the ability of the Bank to grow its portfolios. The Bank is making progress in its sales objectives for all of its products. Sales of residential mortgage products are increasing, as a result of the combined initiatives at various levels: enhanced visibility for the Bank; targeted direct marketing efforts; and employees' ever increasing efficiency in terms of sales, among others.

The RRSP campaign has reached new heights this year, surpassing the previous campaign which itself was a record year. The combined strengths of the sales force and the marketing strategy have allowed to achieve excellent results in both guaranteed products and mutual funds. Deposits collected during this campaign constitute an important source of financing for the Bank. The advertising campaign in support of the RRSP campaign was also received very favorably, thanks to the significant impact of the media placement strategy and of the striking "poorly retired" theme, *la Malretraite*.

The first five financial services boutiques, which opened during the first quarter as part of the strategy of expanding the Bank's retail network, are now fully operational. Thanks to the employees' dynamism, the bold promotional strategy and the efficient direct marketing initiatives, results garnered to date are promising. Work has already begun with regards to the opening of three new boutiques in Chambly, Vaudreuil-Dorion and Boisbriand. Furthermore, several branch renovation projects are planned this year, in line with the Bank's business plan.

The success of the Espresso Bank-Café in Outremont, on the Island of Montréal, has convinced the Bank to announce a second similar project. The branch, located on Park Avenue in the Plateau-Mont-Royal borough of Montréal, will be converted into an Espresso Bank-Café in 2005, again in cooperation with Van Houtte Café.

The Bank has launched some new products during the second quarter of 2005. With its new *6-Month Free Mortgage*, it stands as the only financial institution in Canada to offer a product whereby the first six monthly mortgage payments (capital and interest for a 5 year mortgage amortized over 25 years) are covered by the Bank. This product offers a distinct advantage for first-time home buyers. The Bank has also launched a new credit card, *Reward Me*, offering a program of rewards redeemable at a large number of participating merchants, with low monthly fees.

After a six-month pilot project, the Bank decided to extend the Western Union's international money transfer and payment services to the entire branch network. All branches will thus be able to offer these services to their clients in mid-June. The Bank considers this to be a very interesting business opportunity, as it will bring it closer to its clients and potential future clients, particularly from the cultural communities.

Commercial Financial Services

Net income was $7.0 million in the second quarter of 2005, compared to $5.0 million for the first quarter of 2005. The improvement essentially results from lower loan losses resulting from recoveries on certain loans. Otherwise, the decrease in net interest income, resulting from the shorter quarter, was offset by lower non-interest expense.

Compared to the second quarter of 2004, net income improved by $2.3 million, mainly as a result of lower loan losses.

During the quarter, the real estate activities continued to perform very well, regardless of indicators pointing to a slowdown in this sector. Farm Lending also maintained its growth momentum during the quarter. A direct mailing marketing campaign targeted to clientele in specific geographic areas is expected to further increase volumes during the last portion of the year.

As planned, the Québec commercial mid-market group opened a new Business Centre on the South Shore of Montréal. This is part of the strategy to bring account managers closer to their current client base and enhance business development. In the third quarter, a similar center will be opened in Laval, north of Montréal. Promotional mailing and telemarketing efforts aimed at small and mid-sized businesses were initiated during the quarter to further increase shares in these markets. This campaign will continue until the end of the summer.

B2B Trust

The B2B Trust business segment's net income was $3.4 million in the second quarter of 2005, while it stood at $4.2 million in the first quarter of 2005. The variation results mainly from higher loan losses related to the consumer line of credit portfolio and seasonal expenses pertaining to the RRSP campaign. Results for the second quarter of 2004 were $3.2 million, net of non-controlling interest of $0.7 million.

B2B Trust continued to increase its personal loan volumes, with average volumes up 7% year over year. The investment loan portfolio, for which credit quality has remained sound, has been steadily growing since last year. This growth stems from, among other factors, the successful launch of new products and the sale of existing products through new channels.

RRSP loans results were also positive, with volumes superior to last year's. B2B Trust's innovative EASE online adjudication system combined with the "You're in the driver's seat!" marketing campaign contributed to the improvement of its results in a very competitive business environment.

B2B Trust pursued its business development activities and concluded agreements with two new partners: Acuity Funds Ltd. for the distribution of investment loans and Equitable Life for the distribution of investment and RSP loans. B2B Trust offers Investment loans and RRSP loans to more than 40 partners, and numerous financial intermediaries who rely on its products to complement their own offering.

Laurentian Bank Securities

The Laurentian Bank Securities business segment reported stable earnings of $0.8 million in the second quarter of 2005, compared to the first quarter of 2005. Revenues and expenses decreased by $1.1 million and $0.9 million respectively, essentially reflecting the effect of the sale of BLC-Edmond de Rothschild Asset Management in December 2004. Results stood at $1.0 million a year-ago, and included the $36 thousand contribution of BLC-Edmond de Rothschild Asset Management.

Laurentian Bank Securities pursued its efforts to enhance its presence within the retail brokerage market by using the same winning strategy that enabled it to carve out a choice position within the Canadian institutional market. This quarter, Laurentian Bank Securities launched an advertising campaign aimed at heightening its notoriety among investors and recorded a successful RRSP campaign.

While dedicating its energies to the consolidation of its sales force, Laurentian Bank Securities will be opening new offices in carefully targeted regions. The first will officially open in June on the South Shore of Montréal. This point of service expansion will enable Laurentian Bank Securities to better serve its clients, as well as underline its determination to grow its share of the retail brokerage market.

Laurentian Bank Securities mainly operates in two sectors: it is a leader in the Canadian fixed income market and is pursuing the development of its retail brokerage activities.

Other sector

The Other sector reported a negative contribution of $5.3 million, for the second quarter of 2005, compared to a positive contribution of $0.2 million for the first quarter of 2005. Excluding the effect of discontinued operations, related to the sale of the BLC-Edmond de Rothschild Asset Management joint-venture in December 2004, contributions would have stood at -$5.0 million for both periods. The improvement in net interest income, resulting from the tighter asset and liability management strategies initiated in 2004 and the redemption of $50.5 million debentures in December 2004, was offset by a decline in other income resulting from lower treasury and financial market revenues, as well as lower securitization revenues.

Results from discontinued operations were -$0.3 million for the quarter, while the first quarter results included the gain of $5.2 million resulting from the sale of the BLC-Edmond de Rothschild Asset Management joint-venture and other related costs.

Results for the second quarter of 2004 were -$4.8 million and included a $2.0 million ($1.7 million net of income taxes) portion of the gain on sale of the Visa loan portfolio and a $1.3 million gain on securitization. Variations in net interest income and other income, when compared to the second quarter of 2005, are essentially resulting from the same factors noted above.

FUTURE CHANGES TO ACCOUNTING POLICIES

Accounting standards for financial instruments

On January 27, 2005, the Accounting Standards Board issued new accounting standards for financial instruments (*Comprehensive income; Hedges; and Financial Instruments – recognition and measurement*). The recommendations will be applicable to the Bank's fiscal years beginning on November 1, 2006. The Bank is in the process of analyzing the new standards.

NET INCOME, EXCLUDING SPECIAL ITEMS

To facilitate analysis, net income excluding special items has been presented at certain points in the document. In management's opinion, these significant items, which have been excluded, must be considered distinctly when analyzing 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.

CORPORATE GOVERNANCE

The Board of Directors and the Audit Committee of Laurentian Bank reviewed this report prior to its issuance. The disclosure controls and procedures support the ability of the President and Chief Executive Officer and the Senior Executive Vice-President and Chief Financial Officer to assure that Laurentian Bank's interim consolidated financial statements are fairly presented.

L. DENIS DESAUTELS, O.C.
Chairman of the Board

RAYMOND MCMANUS
President and Chief Executive Officer

Montréal, May 27, 2005

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report 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, fiscal 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.

FINANCIAL HIGHLIGHTS

IN MILLIONS OF DOLLARS, EXCEPT PER SHARE AMOUNTS (UNAUDITED)	Q2-05	Q2-04	PERCENTAGE VARIATION	FOR THE SIX-MONTH PERIODS ENDED APRIL 30 2005	APRIL 30 2004	PERCENTAGE VARIATION
Earnings						
Net income	**$ 10.6**	$ 11.4	(7.0)%	**$ 27.9**	$ 23.0	21.3 %
Income from continuing operations	**$ 11.0**	$ 11.4	(3.5)%	**$ 23.0**	$ 23.0	– %
Net income available to common shareholders	**$ 7.7**	$ 9.9	(22.2)%	**$ 21.9**	$ 20.0	9.5 %
Return on common shareholders' equity	**4.6 %**	5.9 %		**6.5 %**	6.0 %	
Per common share						
Diluted net income	**$ 0.33**	$ 0.42	(21.4)%	**$ 0.93**	$ 0.85	9.4 %
Diluted income from continuing operations	**$ 0.34**	$ 0.42	(19.0)%	**$ 0.72**	$ 0.85	(15.3)%
Dividends	**$ 0.29**	$ 0.29	– %	**$ 0.58**	$ 0.58	– %
Book value				**$ 29.14**	$ 28.89	0.9 %
Share price – close				**$ 26.52**	$ 27.67	(4.2)%
Financial position						
Balance sheet assets				**$ 16,671**	$ 16,757	(0.5)%
Assets under administration				**$ 13,701**	$ 15,781	(13.2)%
Loans, bankers' acceptances and assets purchased under reverse repurchase agreements, net				**$ 12,264**	$ 12,160	0.9 %
Personal deposits				**$ 10,679**	$ 10,378	2.9 %
Shareholders' equity, non-controlling interest in a subsidiary, liability related to preferred shares and debentures				**$ 1,095**	$ 1,431	(23.5)%
Number of common shares (in thousands)				**23,511**	23,482	0.1 %
Net impaired loans (as a % of loans, bankers' acceptances and assets purchased under reverse repurchase agreements)				**– %**	– %	
Risk-weighted assets				**$ 8,349**	$ 8,093	3.2 %
Capital ratios						
Tier I BIS				**10.2 %**	11.1 %	
Total BIS capital				**12.9 %**	17.4 %	
Assets to capital multiple				**15.5 x**	11.9 x	
Tangible common equity as a percentage of risk-weighted assets				**7.4 %**	8.3 %	
FINANCIAL RATIOS						
Per common share						
Price/earnings ratio (trailing four quarters)				**18.7 x**	8.8 x	
Market to book value				**91 %**	96 %	
Dividend yield	**4.37 %**	4.19 %		**4.37 %**	4.19 %	
Dividend payout ratio	**89.1 %**	68.7 %		**62.3 %**	68.0 %	
As a percentage of average assets						
Net interest income	**2.02 %**	1.61 %		**1.92 %**	1.63 %	
Provision for credit losses	**0.22 %**	0.26 %		**0.23 %**	0.25 %	
Net income	**0.27 %**	0.28 %		**0.35 %**	0.28 %	
Net income available to common shareholders	**0.20 %**	0.25 %		**0.27 %**	0.24 %	
Profitability						
Other income (as a % of total revenue)	**33.0 %**	46.6 %		**34.7 %**	44.6 %	
Efficiency ratio (non-interest expenses as a % of total revenue)	**78.6 %**	77.5 %		**77.8 %**	77.9 %	
OTHER INFORMATION						
Number of full-time equivalent employees				**3,140**	3,167	
Number of branches				**156**	154	
Number of automated banking machines				**310**	281	

CONSOLIDATED STATEMENT OF INCOME

IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS (UNAUDITED)	NOTES	FOR THE THREE-MONTH PERIODS ENDED APRIL 30 2005	JANUARY 31 2005	APRIL 30 2004	FOR THE SIX-MONTH PERIODS ENDED APRIL 30 2005	APRIL 30 2004
				RESTATED (NOTE 1)		RESTATED (NOTE 1)
Interest income						
Loans		**$ 164,352**	$ 169,948	$ 171,224	**$ 334,300**	$ 351,553
Securities		**14,182**	19,500	11,271	**33,682**	30,641
Deposits with other financial institutions		**1,854**	1,702	2,601	**3,556**	5,252
		180,388	191,150	185,096	**371,538**	387,446
Interest expense						
Deposits and other liabilities		**97,483**	110,761	111,523	**208,244**	236,907
Subordinated debentures	4	**3,817**	4,678	6,814	**8,495**	13,801
Liability related to preferred shares	1	**–**	–	1,938	**–**	3,876
		101,300	115,439	120,275	**216,739**	254,584
Net interest income		**79,088**	75,711	64,821	**154,799**	132,862
Provision for credit losses	3	**8,750**	9,750	10,500	**18,500**	20,250
		70,338	65,961	54,321	**136,299**	112,612
Other income						
Fees and commissions on loans and deposits		**22,145**	21,546	22,830	**43,691**	45,044
Revenues from treasury and financial market operations		**1,566**	4,215	11,391	**5,781**	24,097
Brokerage operations		**4,899**	4,931	5,128	**9,830**	10,584
Gain on disposal		**–**	–	4,435	**–**	4,435
Revenues from sale and management of mutual funds		**2,238**	2,832	3,582	**5,070**	6,564
Revenues from registered self-directed plans		**3,023**	2,960	3,326	**5,983**	6,377
Insurance revenues		**2,004**	1,658	1,591	**3,662**	3,416
Securitization revenues		**719**	3,061	1,713	**3,780**	1,980
Other		**2,297**	2,246	2,647	**4,543**	4,648
		38,891	43,449	56,643	**82,340**	107,145
		109,229	109,410	110,964	**218,639**	219,757
Non-interest expenses						
Salaries and employee benefits		**45,647**	44,807	45,844	**90,454**	91,982
Premises and technology		**26,708**	26,866	26,998	**53,574**	53,332
Other	7	**20,404**	20,015	21,324	**40,419**	41,618
		92,759	91,688	94,166	**184,447**	186,932
Income from continuing operations before income taxes and non-controlling interest in net income of a subsidiary		**16,470**	17,722	16,798	**34,192**	32,825
Income taxes	1	**5,518**	5,668	4,747	**11,186**	8,130
Income from continuing operations before non-controlling interest in net income of a subsidiary		**10,952**	12,054	12,051	**23,006**	24,695
Non-controlling interest in net income of a subsidiary		**–**	–	677	**–**	1,656
Income from continuing operations		**10,952**	12,054	11,374	**23,006**	23,039
Income (loss) from discontinued operations, net of income taxes	2	**(303)**	5,213	–	**4,910**	–
Net income		**$ 10,649**	$ 17,267	$ 11,374	**$ 27,916**	$ 23,039
Preferred share dividends, including applicable income taxes	1	**2,999**	3,035	1,465	**6,034**	3,025
Net income available to common shareholders		**$ 7,650**	$ 14,232	$ 9,909	**$ 21,882**	$ 20,014
Average number of common shares (in thousands)						
Basic		**23,511**	23,511	23,481	**23,511**	23,469
Diluted		**23,534**	23,531	23,519	**23,533**	23,510
Income per common share from continuing operations						
Basic		**$ 0.34**	$ 0.38	$ 0.42	**$ 0.72**	$ 0.85
Diluted		**$ 0.34**	$ 0.38	$ 0.42	**$ 0.72**	$ 0.85
Net income per common share						
Basic		**$ 0.33**	$ 0.61	$ 0.42	**$ 0.93**	$ 0.85
Diluted		**$ 0.33**	$ 0.60	$ 0.42	**$ 0.93**	$ 0.85

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED BALANCE SHEET

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	APRIL 30 2005	OCTOBER 31 2004	APRIL 30 2004 RESTATED (NOTE 1)
ASSETS				
Cash resources				
Cash and due from other financial institutions without interest		**$ 97,412**	$ 75,653	$ 47,479
Interest-bearing deposits with other financial institutions		**137,598**	252,779	534,589
Cheques and other items in transit, net		**–**	–	106,849
		235,010	328,432	688,917
Securities				
Investment account		**2,128,468**	2,007,471	2,189,348
Trading account		**1,169,916**	995,004	941,878
		3,298,384	3,002,475	3,131,226
Assets purchased under reverse repurchase agreements		**649,804**	1,133,920	1,010,062
Loans	3			
Personal		**3,776,622**	3,638,991	3,592,635
Residential mortgages		**5,692,090**	5,509,022	5,319,501
Commercial mortgages		**570,532**	604,085	638,299
Commercial and other		**1,576,180**	1,542,760	1,534,266
		11,615,424	11,294,858	11,084,701
Allowance for loan losses		**(118,541)**	(140,042)	(136,795)
		11,496,883	11,154,816	10,947,906
Other				
Customers' liability under acceptances		**117,557**	144,830	202,415
Capital assets		**90,239**	94,490	103,508
Amounts related to derivative financial instruments		**172,531**	201,717	208,452
Goodwill		**53,790**	54,029	54,029
Other intangible assets		**17,161**	18,897	1,502
Other assets		**539,684**	473,870	408,932
		990,962	987,833	978,838
		$ 16,671,043	$16,607,476	$16,756,949
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits				
Personal		**$ 10,679,458**	$10,454,368	$10,378,196
Business and other		**2,473,473**	2,456,672	2,030,771
		13,152,931	12,911,040	12,408,967
Other				
Obligations related to assets sold short		**987,138**	1,495,574	1,182,465
Obligations related to assets sold under repurchase agreements		**478,744**	15,907	684,276
Acceptances		**117,557**	144,830	202,415
Amounts related to derivative financial instruments		**146,615**	189,489	202,268
Other liabilities		**693,061**	713,359	645,336
		2,423,115	2,559,159	2,916,760
Subordinated debentures	4	**200,000**	250,525	400,000
Liability related to preferred shares	1	**–**	–	100,000
Non-controlling interest in a subsidiary		**–**	–	42,745
Shareholders' equity				
Preferred shares	1 AND 5	**210,000**	210,000	210,000
Common shares	5	**248,593**	248,593	247,845
Retained earnings	1	**436,404**	428,159	430,632
		894,997	886,752	888,477
		$ 16,671,043	$16,607,476	$16,756,949

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	FOR THE SIX-MONTH PERIODS ENDED APRIL 30 2005	APRIL 30 2004 RESTATED (NOTE 1)
Preferred shares	1 AND 5		
Balance at beginning of period and as previously reported		**$ 210,000**	$ 200,000
Impact of adopting the new accounting policy regarding presentation of liabilities and equity		**–**	(100,000)
Restated balance at beginning of period		**210,000**	100,000
Issued during the period		**–**	110,000
Restated balance at end of period		**210,000**	210,000
Common shares	5		
Balance at beginning of period		**248,593**	246,813
Issued during the period		**–**	1,032
Balance at end of period		**248,593**	247,845
Retained earnings	1		
Balance at beginning of period		**428,159**	426,500
Net income		**27,916**	23,039
Dividends			
Preferred shares, including applicable income taxes		**(6,034)**	(3,025)
Common shares		**(13,637)**	(13,618)
Preferred share issue costs, net of income taxes		**–**	(2,264)
Balance at end of period		**436,404**	430,632
Shareholders' equity		**$ 894,997**	$ 888,477

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

IN THOUSANDS OF DOLLARS, (UNAUDITED)	NOTES	FOR THE THREE-MONTH PERIODS ENDED APRIL 30 2005	JANUARY 31 2005	APRIL 30 2004	FOR THE SIX-MONTH PERIODS ENDED APRIL 30 2005	APRIL 30 2004
				RESTATED (NOTE 1)		RESTATED (NOTE 1)
Cash flows relating to operating activities						
Net income		**$ 10,649**	$ 17,267	$ 11,374	**$ 27,916**	$ 23,039
Adjustments to determine net cash flows :						
Provision for credit losses		**8,750**	9,750	10,500	**18,500**	20,250
Gains on securitization operation		**–**	(2,447)	(1,270)	**(2,447)**	(1,270)
Net loss on disposal of capital assets		**6**	5	520	**11**	240
Net gain (loss) from discontinued operations	2	**456**	(5,377)	–	**(4,921)**	–
Gain on disposal of assets		**–**	–	(4,435)	**–**	(4,435)
Net gain on sale of securities held for investment		**(1,016)**	(587)	(5,823)	**(1,603)**	(12,871)
Future income taxes		**1,144**	2,074	(100)	**3,218**	(1,322)
Depreciation and amortization		**7,767**	7,907	9,534	**15,674**	19,133
Change in trading securities		**69,577**	(244,489)	90,929	**(174,912)**	74,445
Change in accrued interest receivable		**(10,721)**	(2,074)	880	**(12,795)**	6,612
Change in assets related to derivative financial instruments		**15,563**	13,623	39,560	**29,186**	(116,180)
Change in accrued interest payable		**(47,780)**	(2,641)	(49,613)	**(50,421)**	1,805
Change in liabilities related to derivative financial instruments		**(14,636)**	(28,238)	(29,877)	**(42,874)**	99,643
Other, net		**56,157**	(108,781)	(605)	**(52,624)**	719
		95,916	(344,008)	71,574	**(248,092)**	109,808
Cash flows relating to financing activities						
Change in deposits		**239,274**	2,617	(85,486)	**241,891**	(883,982)
Change in obligations related to assets sold short		**171,852**	(680,288)	(507,419)	**(508,436)**	212,802
Change in obligations related to assets sold under repurchase agreements		**472,319**	(9,482)	611,490	**462,837**	511,030
Redemption of subordinated debentures	4	**–**	(50,525)	–	**(50,525)**	–
Issuance of preferred shares, net of issue costs		**–**	–	106,682	**–**	106,682
Issuance of common shares, net of issue costs		**–**	–	56	**–**	1,032
Dividends, including applicable income taxes		**(9,817)**	(9,854)	(8,655)	**(19,671)**	(17,403)
		873,628	(747,532)	116,668	**126,096**	(69,839)
Cash flows relating to investing activities						
Net proceeds from the sale of discontinued operations	2	**–**	40,630	–	**40,630**	–
Net proceeds from the sale of assets		**–**	–	32,216	**–**	32,216
Change in interest-bearing deposits with other financial institutions		**236,093**	(120,912)	(149,473)	**115,181**	88,334
Change in securities held for investment						
Acquisitions		**(6,091,904)**	(7,341,875)	(8,555,062)	**(13,433,779)**	(13,929,692)
Proceeds from sales and maturities		**5,512,834**	7,796,376	8,113,030	**13,309,210**	13,807,768
Change in loans		**(290,995)**	(131,228)	(182,701)	**(422,223)**	(15,324)
Change in assets purchased under reverse repurchase agreements		**(296,044)**	780,160	325,062	**484,116**	(128,026)
Proceeds from mortgage loan securitizations		**–**	61,559	52,634	**61,559**	52,634
Acquisitions of capital assets		**(7,527)**	(3,473)	(4,269)	**(11,000)**	(8,211)
Proceeds from disposal of capital assets		**61**	–	30	**61**	2,850
		(937,482)	1,081,237	(368,533)	**143,755**	(97,451)
Change in cash and cash equivalents during the period		**32,062**	(10,303)	(180,291)	**21,759**	(57,482)
Cash and cash equivalents at beginning of period		**65,350**	75,653	334,619	**75,653**	211,810
Cash and cash equivalents at end of period		**$ 97,412**	$ 65,350	$ 154,328	**$ 97,412**	$ 154,328
Cash and cash equivalents at end of period represented by:						
Cash and due from other financial institutions without interest		**$ 97,412**	$ 65,350	$ 47,479	**$ 97,412**	$ 47,479
Cheques and other items in transit, net		**–**	–	106,849	**–**	106,849
		$ 97,412	$ 65,350	$ 154,328	**$ 97,412**	$ 154,328
Supplemental disclosure relating to cash flows:						
Interest paid during the period		**$ 145,843**	$ 129,559	$ 164,198	**$ 275,402**	$ 246,233
Income taxes paid during the period		**$ 7,846**	$ 19,265	$ 5,561	**$ 27,111**	$ 16,476

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

1. ACCOUNTING POLICIES

The unaudited interim consolidated financial statements of Laurentian Bank have been prepared by management, which is responsible for the integrity and fairness of the financial information presented. These interim consolidated financial statements have been prepared in accordance with the Bank Act, which states that, except as otherwise specified by the Superintendent of Financial Institutions of Canada, the interim consolidated financial statements are to be prepared in accordance with Canadian generally accepted accounting principles (GAAP) for interim financial statements. The significant accounting policies used in the preparation of these interim consolidated financial statements, including the accounting requirements of the Superintendent, are the same as those in the Bank's annual consolidated audited financial statements as at October 31, 2004, except as described below. These accounting policies conform to GAAP. However, these interim consolidated financial statements do not reflect all of the information and disclosures required by GAAP for complete financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the annual consolidated audited financial statements. These interim consolidated financial statements reflect amounts, which are based on the best estimates and judgement of management. Actual results may differ from these estimates. Certain comparative figures have been reclassified to conform to the current period presentation.

Consolidation of variable interest entities

In September 2004, the Canadian Institute of Chartered Accountants (CICA) issued a revised version of Accounting Guideline no. 15 (AcG-15), "Consolidation of Variable Interest Entities". AcG-15 provides guidance for applying consolidation principles to certain entities that are subject to control on a basis other than ownership of voting interests. Under this new standard, the Bank must consolidate these entities if it is the primary beneficiary thereof, that is, if as a result of its investments or the relationships it has with these entities, the Bank risks being exposed to a majority of their expected losses or is in a position to benefit from a majority of their expected residual returns. Where the Bank holds a significant variable interest in a variable interest entity (VIE) that it has not consolidated, certain information regarding the nature, purpose, size and activities of the VIE must also be provided. On November 1, 2004, the Bank adopted this guideline on a retroactive basis without restatement of prior period figures. The main impacts are detailed below.

Securitization conduits

The Bank securitizes its own assets through single-seller and multi-seller securitization conduits, which are normally considered VIEs. As at November 1, 2004, the Bank consolidated one of these conduits, whose total assets amounted to approximately $109,900,000. During the first quarter, the Bank converted this conduit into a qualified special-purpose entity and consequently it was deconsolidated. These operations did not have a material impact on the interim consolidated financial statements.

The other conduits were not consolidated under AcG-15, because the Bank's level of participation relative to other variable interest holders in the VIEs does not expose the Bank to a majority of the expected losses.

Note 5 to the annual consolidated financial statements presents more details on the Bank's securitization activities.

Mutual funds

Through its ownership interest in the joint venture BLC-Edmond de Rothschild Asset Management Inc., the Bank was the sponsor of mutual funds that met VIE criteria, as at November 1, 2004 with assets totalling $910,200,000. The Bank's joint venture charged fees, mainly based on the value of assets under management, in respect of the management and administration of these funds. This joint venture has been disposed as of December 31, 2004 (see note 2). The Bank also holds units relating to investments in seed capital for certain funds amounting to $19,782,000 as at April 30, 2005. Based on the analysis made, the Bank is not the primary beneficiary of these entities because the variability of the variable interests that the Bank holds is not significant relative to the other investors or beneficiaries. Therefore, these entities have not been consolidated.

Other entities

The Bank also acts as trustee of a certain number of personal trusts for which it levies fees. Based on the analyses made, the Bank is not the primary beneficiary of these entities because the variability in the fees earned is not significant relative to the risk assumed by the beneficiaries. Therefore, these entities have not been consolidated.

Presentation of liabilities and equity

In January 2004, the CICA issued revised Section 3860, "Financial Instruments – Disclosure and Presentation", to require that obligations that can be settled, at the issuer's option, by a variable number of the issuer's own equity instruments, under conditions that are potentially unfavourable, be presented as liabilities. The dividend payments on these shares will be presented as interest expense in the statement of income. The revised recommendations are applicable on a retroactive basis with restatement of corresponding amounts.

The application of this revised standard as at November 1, 2004 did not have any impact on the liabilities and equities of the Bank since the securities issued and outstanding as at November 1, 2004 qualified as equity.

However, the comparative figures relative to the Preferred Shares, Series 7 and 8, which were redeemed in June 2004, were restated. An amount of $100,000,000 originally reported in Preferred shares as at April 30, 2004 was reclassified to Liability related to preferred shares in the consolidated balance sheet. Also, for the three-month period ended April 30, 2004, the dividends related to these instruments that were previously reported in the consolidated statement of changes in shareholders' equity amounting to $1,966,000 including taxes ($3,933,000 for the six-month period ended April 30, 2004) were reclassified to the interim consolidated statement of income as Interest expense for an amount of $1,938,000 ($3,876,000 for the six-month period ended April 30, 2004) and Income taxes for an amount of $28,000 ($57,000 for the six-month period ended April 30, 2004). This reclassification had no impact on net income available to common shareholders and on earnings per share.

2. DISCONTINUED OPERATIONS

Sale of BLC-Edmond de Rothschild Asset Management Inc.

On December 31, 2004, the Bank completed the acquisition of the 49.9% share of BLC-Edmond de Rothschild Asset Management Inc. that was owned by La Compagnie Financière Edmond de Rothschild Banque (LCFER) for an amount of $23,397,000, subject to certain post-closing adjustments. Subsequently, on December 31, 2004, Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance) acquired all of the shares of BLC-Edmond de Rothschild Asset Management Inc. from Laurentian Bank. The net sale price, paid in cash, amounts to $67,795,000, based on the assets under management as at December 31, 2004. This sale price is subject to certain recovery clauses that can reach $26,930,000, based on net sales of mutual funds for the next six years and on the balance of institutional funds under management on December 31, 2005. In addition, Laurentian Bank, Industrial Alliance and BLC-Edmond de Rothschild Asset Management Inc. entered into a ten-year distribution agreement. Under this agreement, Laurentian Bank will distribute the R Funds family acquired by Industrial Alliance to the Bank's clients, along with the Industrial Alliance mutual funds. The Bank will continue to receive commissions related to the distribution of funds, under terms equivalent to those prevailing in the industry.

During the first quarter, a pre-tax gain amounting to $9,777,000 ($8,139,000 net of related income taxes), was recorded under Income from discontinued operations, net of related transaction fees of $2,261,000.

Under a recovery clause, the Bank must repay Industrial Alliance an annual amount of $5,183,000, for the next five years, if the net annual sales of mutual funds do not reach $50,000,000. This portion of the proceeds was deferred and will be recognized over the next five years as the net sales thresholds are expected to be achieved. At the end of the six-year period ending on December 31, 2010, if the cumulative net sales of mutual funds reach $290,000,000, the amounts that would have been repaid to Industrial Alliance under this clause would be reimbursed to the Bank. A final payment of $8,300,000 would moreover be made to the Bank at the end of the first five years of the agreement if the cumulative net sales of mutual funds reach $350,000,000; including this premium, the total sale price related to the transaction would be $76,095,000. The gain relating to this final payment will be recognized in earnings once the conditions are expected to be met.

Under a separate recovery clause, the Bank could repay up to $1,015,000 to Industrial Alliance based on retention of institutional assets under management in the twelve-month period ending on December 31, 2005. The Bank deferred revenues of $300,000 related to this clause.

As the Bank will no longer be involved in the management of Mutual funds, the investment related to seed capital, which was carried at cost, will be disposed. As a result, an initial $4,400,000 charge was recorded in Income from discontinued operations to carry the investment at market value. During the second quarter, the Bank recorded a $456,000 ($303,000 net of income taxes) charge to reflect the decrease in value of this investment.

The gain, recorded in Income from discontinued operations, was entirely attributed to the Other sector.

2. DISCONTINUED OPERATIONS (CONTINUED)

Transaction summary

IN THOUSANDS OF DOLLARS

Net sale price	$	**67,795**
Less: Deferred revenue under the recovery clauses		**26,217**
Net assets sold, including the amount related to the purchase of LCFER's shares[1]		**29,540**
		12,038
Transaction fees		**2,261**
Gain before the following items		**9,777**
Initial write-down of investments related to seed capital		**(4,400)**
Net gain before income taxes		**5,377**
Income taxes		**164**
Net gain after income taxes		**5,213**
Subsequent change in value of investments related to seed capital, net of income taxes ($456 before income taxes)		**(303)**
Income from discontinued operations, net of income taxes	**$**	**4,910**

1 The assets consist mainly of goodwill, other intangible assets and cash of $1,507,000.

The operating results and the financial situation related to these operations, included in the attached interim consolidated financial statements, are presented hereafter. These operations are presented in the Laurentian Bank Securities segment.

The results related to these operations, included in continuing operations in the consolidated statement of income, are as follows:

IN THOUSANDS OF DOLLARS	FOR THE THREE-MONTH PERIODS ENDED			FOR THE SIX-MONTH PERIODS ENDED	
	APRIL 30 2005	JANUARY 31 2005	APRIL 30 2004	**APRIL 30 2005**	APRIL 30 2004
Other income	**$ –**	$ 1,036	$ 1,448	**$ 1,036**	$ 2,712
Net income	**$ –**	$ 29	$ 36	**$ 29**	$ 43

Assets held for sale and liabilities related to these assets are detailed as follows:

IN THOUSANDS OF DOLLARS	**APRIL 30 2005**	OCTOBER 31 2004	APRIL 30 2004
Total assets	**$ 19,782**	$ 34,245	$ 36,522
Total liabilities	**$ –**	$ 1,528	$ 1,350

3. LOANS

A_LOANS AND IMPAIRED LOANS

AS AT APRIL 30, 2005

IN THOUSANDS OF DOLLARS	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	**$ 3,776,622**	**$ 13,152**	**$ 3,213**	**$ 25,271**	**$ 28,484**
Residential mortgages	**5,692,090**	**10,369**	**3,811**	**5,541**	**9,352**
Commercial mortgages	**570,532**	**15,716**	**5,935**	**3,467**	**9,402**
Commercial loans and other	**1,576,180**	**74,124**	**40,332**	**27,604**	**67,936**
Unallocated general allowance	**–**	**–**	**–**	**3,367**	**3,367**
	$ 11,615,424	**$ 113,361**	**$ 53,291**	**$ 65,250**	**$ 118,541**

AS AT OCTOBER 31, 2004

IN THOUSANDS OF DOLLARS	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	$ 3,638,991	$ 18,103	$ 10,059	$ 23,795	$ 33,854
Residential mortgages	5,509,022	13,199	3,935	5,832	9,767
Commercial mortgages	604,085	15,482	6,064	3,625	9,689
Commercial loans and other	1,542,760	80,213	54,734	23,063	77,797
Unallocated general allowance	–	–	–	8,935	8,935
	$11,294,858	$ 126,997	$ 74,792	$ 65,250	$ 140,042

AS AT APRIL 30, 2004

IN THOUSANDS OF DOLLARS	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	$ 3,592,635	$ 21,115	$ 7,440	$ 19,449	$ 26,889
Residential mortgages	5,319,501	11,936	3,356	5,048	8,404
Commercial mortgages	638,299	11,773	4,378	5,043	9,421
Commercial loans and other	1,534,266	93,612	44,371	25,486	69,857
Unallocated general allowance	–	–	–	22,224	22,224
	$11,084,701	$ 138,436	$ 59,545	$ 77,250	$ 136,795

3. LOANS (CONTINUED)

B_SPECIFIC ALLOWANCES FOR LOAN LOSSES

	FOR THE SIX-MONTH PERIODS ENDED APRIL 30				2005	2004
IN THOUSANDS OF DOLLARS	PERSONAL LOANS	RESIDENTIAL MORTGAGES	COMMERCIAL MORTGAGES	COMMERCIAL LOANS AND OTHER	TOTAL SPECIFIC ALLOWANCES	TOTAL SPECIFIC ALLOWANCES
Balance at beginning of period	$ 10,059	$ 3,935	$ 6,064	$ 54,734	$ 74,792	$ 85,927
Provision for credit losses	11,924	350	1,091	5,135	18,500	20,250
Write-offs	(20,910)	(632)	(1,227)	(19,818)	(42,587)	(48,970)
Recoveries	2,140	158	7	281	2,586	2,338
Balance at end of period	$ 3,213	$ 3,811	$ 5,935	$ 40,332	$ 53,291	$ 59,545

C_GENERAL ALLOWANCES FOR LOAN LOSSES

	FOR THE SIX-MONTH PERIODS ENDED APRIL 30					2005	2004
IN THOUSANDS OF DOLLARS	PERSONAL LOANS	RESIDENTIAL MORTGAGES	COMMERCIAL MORTGAGES	COMMERCIAL LOANS AND OTHER	UNALLOCATED GENERAL ALLOWANCE	TOTAL GENERAL ALLOWANCES	TOTAL GENERAL ALLOWANCES
Balance at beginning of period	$ 23,795	$ 5,832	$ 3,625	$ 23,063	$ 8,935	$ 65,250	$ 77,250
Change during the period	1,476	(291)	(158)	4,541	(5,568)	–	–
Balance at end of period	$ 25,271	$ 5,541	$ 3,467	$ 27,604	$ 3,367	$ 65,250	$ 77,250

4. REDEMPTION OF SUBORDINATED DEBENTURES

On December 15, 2004, the Bank redeemed all of its 7.00% Debentures, Series 8, maturing in 2009 of a notional amount of $100,000,000, including debentures amounting to $49,475,000 that it had purchased as at October 31, 2004, plus the accrued interest not paid at the date of the redemption.

5. CAPITAL STOCK

ISSUED AND OUTSTANDING	AS AT APRIL 30, 2005		AS AT OCTOBER 31, 2004	
IN THOUSANDS OF DOLLARS, EXCEPT NUMBER OF SHARES	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	AMOUNT
Class A Preferred Shares[1]				
Series 9	4,000,000	$ 100,000	4,000,000	$ 100,000
Series 10	4,400,000	110,000	4,400,000	110,000
Total preferred shares	8,400,000	210,000	8,400,000	210,000
Common Shares	23,511,343	248,593	23,511,343	248,593
Total capital stock		$ 458,593		$ 458,593

1 The preferred shares are convertible into common shares. However, the number of shares issuable on conversion is not determinable until the date of conversion.

	AS AT APRIL 30, 2005	AS AT OCTOBER 31, 2004
	NUMBER	NUMBER
Share purchase options		
Oustanding at end of period	**475,289**	476,089
Exercisable at end of period	**416,889**	416,239

6. EMPLOYEE FUTURE BENEFITS

IN THOUSANDS OF DOLLARS	FOR THE THREE-MONTH PERIODS ENDED APRIL 30 **2005**	2004	FOR THE SIX-MONTH PERIODS ENDED APRIL 30 **2005**	2004
Defined benefit pension plans expense	**$ 3,079**	$ 3,109	**$ 6,855**	$ 6,273
Defined contribution pension plan expense	**546**	508	**1,072**	982
Other plans expense	**610**	640	**1,239**	1,293
Total	**$ 4,235**	$ 4,257	**$ 9,166**	$ 8,548

7. RESTRUCTURING COSTS

During the second quarter of 2005, a restructuring provision for remaining lease rentals, initially recorded on October 31, 2003, was reduced by an amount of $266,000 ($235,000 during the first quarter of 2005) as a result of adjustments to the anticipated occupancy level of certain premises.

The amounts used during the three-month period ended April 30, 2005 amounted to $176,000 ($337,000 during the six-month period ended April 30, 2005). The restructuring costs balance as at April 30, 2005 amounted to $1,533,000 ($2,371,000 as at October 31, 2004).

8. RENEWAL OF COLLECTIVE AGREEMENT

On February 2, 2003, the Bank and the union representing its unionized employees agreed to have an arbitration board determine the content of the next collective agreement via a binding decision. The arbitration board had to, among other things, determine the scope of certain retroactive adjustments affecting employee compensation as of the expiry of the collective agreement. As at October 31, 2004, provisions had been recorded in this regard using management's best estimates.

The arbitration board rendered a decision concerning the monetary clauses of the collective agreement on December 10, 2004 and all of the other aspects on March 7, 2005. These decisions did not have any significant impact on the financial statements since the recorded provisions were adequate.

9. SEGMENTED INFORMATION

FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2005

IN THOUSANDS OF DOLLARS	RFS[2]	CFS	B2B[2]	LBS	OTHER[2]	TOTAL
Net interest income	$ 59,507	$ 13,596	$ 13,542	$ 329	$ (7,886)	$ 79,088
Other income	21,884	7,230	3,448	4,957	1,372	38,891
Total revenue	81,391	20,826	16,990	5,286	(6,514)	117,979
Provision for credit losses	6,127	894	1,729	–	–	8,750
Non-interest expenses	68,020	9,113	10,082	4,160	1,384	92,759
Income (loss) from continuing operations before income taxes	7,244	10,819	5,179	1,126	(7,898)	16,470
Income taxes (recovery)	2,517	3,799	1,759	367	(2,924)	5,518
Income (loss) from continuing operations	4,727	7,020	3,420	759	(4,974)	10,952
Loss from discontinued operations, net of income taxes	–	–	–	–	(303)	(303)
Net income	$ 4,727	$ 7,020	$ 3,420	$ 759	$ (5,277)	$ 10,649
Average assets[1]	$ 7,579,102	$ 2,225,877	$ 2,395,815	$ 1,354,821	$ 2,506,054	$ 16,061,669
Average loans[1]	$ 7,373,670	$ 2,001,955	$ 2,403,290	$ 6	$ (415,766)	$ 11,363,155
Average deposits[1]	$ 9,421,460	$ 82,338	$ 2,257,614	$ –	$ 1,455,140	$ 13,216,552

FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2005

IN THOUSANDS OF DOLLARS	RFS[2]	CFS	B2B[2]	LBS[3]	OTHER[2]	TOTAL
Net interest income[4]	$ 62,718	$ 14,203	$ 13,402	$ 370	$ (14,982)	$ 75,711
Other income	20,437	7,220	3,541	5,988	6,263	43,449
Total revenue	83,155	21,423	16,943	6,358	(8,719)	119,160
Provision for credit losses	4,561	4,110	1,079	–	–	9,750
Non-interest expenses	67,898	9,565	9,545	5,035	(355)	91,688
Income (loss) from continuing operations before income taxes	10,696	7,748	6,319	1,323	(8,364)	17,722
Income taxes (recovery)[4]	3,737	2,718	2,146	449	(3,382)	5,668
Income (loss) from continuing operations	6,959	5,030	4,173	874	(4,982)	12,054
Income from discontinued operations, net of income taxes	–	–	–	–	5,213	5,213
Net income[4]	$ 6,959	$ 5,030	$ 4,173	$ 874	$ 231	$ 17,267
Average assets[1]	$ 7,486,669	$ 2,210,015	$ 2,315,976	$ 1,521,121	$ 2,849,201	$16,382,982
Average loans[1]	$ 7,274,507	$ 1,983,307	$ 2,326,403	$ 7	$ (398,746)	$11,185,478
Average deposits[1]	$ 9,441,826	$ 87,087	$ 2,286,460	$ –	$ 1,246,354	$13,061,727

FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2004

IN THOUSANDS OF DOLLARS	RFS[2]	CFS	B2B[2]	LBS	OTHER[2]	TOTAL
Net interest income	$ 57,030	$ 14,293	$ 12,419	$ 333	$ (19,254)	$ 64,821
Other income	23,182	8,454	3,916	6,617	14,474	56,643
Total revenue	80,212	22,747	16,335	6,950	(4,780)	121,464
Provision for credit losses	3,804	6,077	619	–	–	10,500
Non-interest expenses	65,279	9,352	9,763	5,439	4,333	94,166
Income (loss) before income taxes and non-controlling interest in net income of a subsidiary	11,129	7,318	5,953	1,511	(9,113)	16,798
Income taxes (recovery)	3,852	2,619	2,030	519	(4,273)	4,747
Non-controlling interest in net income of a subsidiary	–	–	677	–	–	677
Net income	$ 7,277	$ 4,699	$ 3,246	$ 992	$ (4,840)	$ 11,374
Average assets[1]	$ 7,201,839	$ 2,372,764	$ 2,296,672	$ 1,533,702	$ 2,974,860	$16,379,837
Average loans[1]	$ 7,027,531	$ 2,039,781	$ 2,301,407	$ 9	$ (502,385)	$10,866,343
Average deposits[1]	$ 9,147,221	$ 81,657	$ 2,294,901	$ 187	$ 1,183,180	$12,707,146

FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2005

IN THOUSANDS OF DOLLARS	**RFS[2]**	**CFS**	**B2B[2]**	**LBS[3]**	**OTHER[2]**	**TOTAL**
Net interest income	**$ 122,225**	**$ 27,799**	**$ 26,944**	**$ 699**	**$ (22,868)**	**$ 154,799**
Other income	**42,321**	**14,450**	**6,989**	**10,945**	**7,635**	**82,340**
Total revenue	**164,546**	**42,249**	**33,933**	**11,644**	**(15,233)**	**237,139**
Provision for credit losses	**10,688**	**5,004**	**2,808**	**–**	**–**	**18,500**
Non-interest expenses	**135,918**	**18,678**	**19,627**	**9,195**	**1,029**	**184,447**
Income (loss) from continuing operations before income taxes	**17,940**	**18,567**	**11,498**	**2,449**	**(16,262)**	**34,192**
Income taxes (recovery)	**6,254**	**6,517**	**3,905**	**816**	**(6,306)**	**11,186**
Income (loss) from continuing operations	**11,686**	**12,050**	**7,593**	**1,633**	**(9,956)**	**23,006**
Income from discontinued operations, net of income taxes	**–**	**–**	**–**	**–**	**4,910**	**4,910**
Net income	**$ 11,686**	**$ 12,050**	**$ 7,593**	**$ 1,633**	**$ (5,046)**	**$ 27,916**
Average assets[1]	**$ 7,532,119**	**$ 2,217,815**	**$ 2,355,234**	**$ 1,439,349**	**$ 2,680,471**	**$ 16,224,988**
Average loans[1]	**$ 7,323,267**	**$ 1,992,476**	**$ 2,364,209**	**$ 7**	**$ (407,115)**	**$ 11,272,844**
Average deposits[1]	**$ 9,431,812**	**$ 84,752**	**$ 2,272,276**	**$ –**	**$ 1,349,017**	**$ 13,137,857**

9. SEGMENTED INFORMATION (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2004

IN THOUSANDS OF DOLLARS	RFS[2]	CFS	B2B[2]	LBS	OTHER[2]	TOTAL
Net interest income	$ 116,051	$ 29,029	$ 25,292	$ 674	$ (38,184)	$ 132,862
Other income	44,041	16,785	7,557	13,409	25,353	107,145
Total revenue	160,092	45,814	32,849	14,083	(12,831)	240,007
Provision for credit losses	8,510	10,477	1,263	–	–	20,250
Non-interest expenses	129,697	17,959	19,272	10,720	9,284	186,932
Income (loss) before income taxes and non-controlling interest in net income of a subsidiary	21,885	17,378	12,314	3,363	(22,115)	32,825
Income taxes	7,609	6,036	4,200	1,146	(10,861)	8,130
Non-controlling interest in net income of a subsidiary	–	–	1,656	–	–	1,656
Net income	$ 14,276	$ 11,342	$ 6,458	$ 2,217	$ (11,254)	$ 23,039
Average assets[1]	$ 7,246,610	$ 2,406,781	$ 2,286,846	$ 1,444,530	$ 3,051,886	$16,436,653
Average loans[1]	$ 7,083,222	$ 2,045,944	$ 2,288,285	$ 8	$ (519,240)	$10,898,219
Average deposits[1]	$ 9,160,721	$ 83,962	$ 2,323,175	$ 226	$ 1,302,322	$12,870,406

RFS – The Retail Financial Services segment covers the full range of savings, investment, financing and transactional products and services offered through its direct distribution network, which includes branches, the electronic network and the call centre, as well as Point-of-Sale financing and agent deposits across Canada. This business segment also offers Visa credit card services and insurance products as well as trust services.

CFS – The Commercial Financial Services segment handles commercial loans and larger financings as part of banking syndicates, as well as commercial mortgage financing, leasing, factoring and other services.

B2B – The B2B Trust business segment supplies generic and complementary banking and financial products to independent financial advisors and non-bank financial institutions across Canada.

LBS – LBS segment consists of the activities of the subsidiary Laurentian Bank Securities Inc. and up to December 31, 2004, the activities of BLC – Edmond de Rothschild Asset Management Inc.

Other – The category "Other" includes treasury and securitization activities and other activities of the Bank including revenues and expenses that are not attributable to the above-mentioned segments.

1 Assets and liabilities are disclosed on an average basis as this measure is most relevant to a financial institution.

2 Since November 1, 2004 results from broker-sourced mortgages are now included with the B2B Trust business segment while they were previously included with the RFS business segment. Also, B2B Trust's treasury operations were integrated into the Bank's treasury operations and certain other items related to corporate activities were reclassified in the Other category. Comparative figures were restated to reflect the current period presentation.

3 Results for the first quarter of 2005 include a $0.03 million contribution from BLC-Edmond de Rothschild Asset Management Inc. for the two months prior to the sale (note 2).

4 During the second quarter, the Bank reviewed its internal transfer pricing assumptions and adjusted the first quarter results accordingly. The impact of these changes on the first quarter of 2005 results are as follows:

IN THOUSANDS OF DOLLARS, INCREASE (DECREASE)	RFS	CFS	B2B	LBS	OTHER	TOTAL
Net interest income	$ (1,637)	$ –	$ (195)	$ –	$ 1,832	$ –
Income taxes	573	–	67	–	(640)	–
Net income	$ (1,064)	$ –	$ (128)	$ –	$ 1,192	$ –

SHAREHOLDER INFORMATION

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Change of address and inquiries
Shareholders should notify the Transfer Agent of a change of address. Inquiries or requests may be directed to the Secretary's Office at Head Office or by calling (514) 284-4500 ext. 7545.

STOCK SYMBOL AND DIVIDEND PAYMENT

THE COMMON AND PREFERRED SHARES INDICATED BELOW ARE LISTED ON THE TORONTO STOCK EXCHANGE.	STOCK SYMBOL CODE CUSIP	DIVIDEND RECORD DATE*	DIVIDEND PAYMENT DATE*
Common shares	51925D 10 6 LB	First business day of: January April July October	First business day of: February May August November
Preferred shares			
Series 9	51925D 87 4 LB.PR.D	**	March 15
Series 10	51925D 86 6 LB.PR.E	**	June 15
			September 15
			December 15

* Subject to the approval of the Board of Directors.
** On such day (which shall not be more than 30 days preceding the date fixed for payment of such dividend) as may be determined from time to time by the Board of Directors of the Bank.

LAURENTIAN
BANK