

Annual Meeting of the Shareholders of Laurentian Bank

March 6, 2007

Speech by Réjean Robitaille President and Chief Executive Officer

Shareholders and partners,
Ladies and gentlemen,
Good morning and welcome,

It is a great honour for me to address you for the first time as the President and Chief Executive Officer of Laurentian Bank of Canada.

I would like to start by thanking the members of the Board of Directors for the trust they have shown in me by appointing me to the presidency of the Bank. I accepted this mandate with all of the enthusiasm, energy and determination needed to pursue the Bank's growth and give it new impetus.

Like Mr. Desautels, I too would like to express my sincere gratitude to Mr. Raymond McManus for his outstanding contribution. He gave a new boost to our organization and undoubtedly will have had a great impact on its history. It was a great privilege to have worked with Ray. He was a model of leadership, integrity and diligence for many of us. He leaves an impressive legacy, which I am convinced will inspire us for many years to come.

Thank you, Mr. McManus.

Ladies and gentlemen,

160 years of history have contributed to making Laurentian Bank a major banking institution. Our retail branch network is the third largest in the Quebec market, and

we are a high-performance player in well-targeted market segments elsewhere in Canada.

We thus have all of the tools we need to pursue our mission and step up the Bank's growth for the benefit of all our shareholders and customers.

In fact, this is fully evidenced by the achievements and results of fiscal 2006.

For instance, the Bank posted a return on common shareholders' equity of 8.2%, slightly exceeding its 2006 objective between 7 and 8%.

Net income from continuing operations, for its part, increased by 18% during the past year.

Overall, the Bank's total revenue amounted to \$531 million, an increase of nearly \$29 million over the 2005 figure.

In addition to these results, undoubtedly the most significant and promising highlight is that all our business segments made major progress.

In fact, during fiscal 2006, average loans for B2B Trust, Retail Financial Services and Commercial Financial Services increased by 11%, 7% and 5%, respectively. Moreover, Laurentian Bank Securities' assets under management increased by 19%.

The results for the first quarter of fiscal 2007 are in line with our objectives for the year. In fact, we posted a return on common shareholders' equity of 9.4%, compared to our annual objective of 8 to 9%.

Robert Cardinal, Chief Financial Officer, will be giving you more details on our financial results for 2006 and the first quarter of 2007 a little later on.

In general, our product portfolios saw sustained growth throughout the year:

- The total value of mutual funds under administration was up 19%.
- The volume of investment loans provided by B2B Trust also increased by 19%.
- Commercial mortgage loans were also up 19%.
- Farm loans increased by 12%.
- And residential mortgage loans were up 9%.

In short, fiscal 2006 allowed us to produce satisfactory results and especially to make significant progress for the coming months and years. To do so, we implemented new initiatives that are already bringing us closer to our long-term performance and profitability objectives.

For instance, we stepped up our efforts to round out our range of products and services for our personal banking clients. In fact, we launched a new mortgage product, called 10X Less, and revised our range of bank packages. In terms of investment products, we now offer a more varied range of products, such as the China Objective Note and the Clarington Target Click Funds. In addition, we provided additional training to our in-branch advisors enabling them to better assess their clients' financial needs with a view to retirement.

With our new service, MAXAffaires Dashboard, corporate clients can now conduct on-line transfers of financial information required for margin-based loan management. In fact, Laurentian Bank is the only Canadian banking institution currently offering this type of product, which substantially reduces administrative tasks for the Bank's clients.

Also for our corporate clients, we have introduced an all-new range of business packages that are highly user-friendly and already very popular.

Similarly, B2B Trust has completely revamped its range of investment products to make them simpler and even more competitive.

Its products have been merged into one program, the range of eligible fund products has been increased, and its distribution network continues to expand thanks to its business development offices and distribution agreements with new partners. The other highlight of the year was undoubtedly the signing of a distribution agreement with Fidelity Investments, one of Canada's largest mutual fund manufacturers. This is the first time that Fidelity Investments is offering its clients financing products originating with a third party.

Lastly, we set up a new division at Laurentian Bank Securities: Institutional Equity. This new business unit caters to small-cap companies and addresses a niche strategy. In addition, it will benefit from Laurentian Bank Securities' experience and reputation with institutional clients who have already used its services for fixed-income products.

Our network

Six new points of service opened their doors during fiscal 2006: two new financial services boutiques, a commercial business centre in Montreal East, and three brokerage offices.

I would like to specifically bring your attention to our new branch in Kirkland. This new point of service is a one-stop centre that offers all of Laurentian Bank's financial and banking services, namely personal banking, commercial financing, private banking, and the brokerage services of Laurentian Bank Securities.

In addition, 12 new ATMs have been added to our network, bringing the total to 325. We also continued our branch renovation program, with 25% of our retail branch network being upgraded to date.

You will also likely have noticed that almost all of our branches' signs have been replaced. The new signs emphasize the strategic locations of our branches and thus increase the Bank's visibility.

Visibility and marketing

Speaking of visibility. In 2006, we implemented a number of measures to increase our visibility among both existing and potential business clients by introducing the new MAXAffaires signature for our Commercial Financial Services sector.

Our Web site was completely redesigned and now better reflects the Bank's image and attitude.

As seen in this quick overview of the results and initiatives in fiscal 2006, Laurentian Bank is clearly on a path to growth which, I am firmly convinced, will be both sustained and lasting.

We are in fact more determined than ever to pursue the development of all the Bank's business segments. We are therefore counting on our values of excellence and service in the best interests of our shareholders, employees and clients. Though we have resumed the road to growth, we now need to fine-tune our approaches, perfect our strategies, and better focus our efforts and investments in order to increase our profitability.

To do so, it is essential to strategically define the priorities to which we should commit our best resources. Three priorities have been set:

- Increase profitability
- Improve operational efficiency
- Develop human capital

Here are the main lines:

Increasing profitability

The Bank's day-to-day operations can be a more efficient source of revenue.

We already have many strengths that we can leverage. Our balance sheet is sound, and so are our capital ratios. The importance of insured mortgage loans is a mainstay of our balance sheet. Our deposit basis is also very solid.

However, we need to increase our revenues. And the strategy for doing so is based on internal growth. For instance, we will be emphasizing high-margin products such as Visa, creditor insurance and mutual funds. We will also be using an integrated strategy in wealth and investment product management.

Similarly, we will be working on developing more efficient synergies among the Bank's business segments in order to offer an even more comprehensive range of products and to steadily increase cross-sales.

Improving operational efficiency

The efficiency of our operations can be optimized at every level. In fiscal 2007, we will accordingly be devoting a good part of our efforts to reviewing our key processes and procedures. A special project has been set up to this effect. It affects the entire organization and is designed to define the measures necessary to improve efficiency.

We definitely wish to focus more energy on growth-generating activities, yet maintain proper control of our expenses.

In short, we will be targeting greater efficiency in our overall operations while continuing to offer the quality of service that is already a hallmark of Laurentian Bank.

Developing human capital

Our employees are the Bank's most precious asset and a key factor in attaining our objectives.

We therefore need to develop and promote their talent and skills at every level of the organization.

By implementing a more efficient performance management approach that is backed by concrete measures, I am convinced we will be able to optimize each employee's contribution to the development of Bank operations. We are seeking to gradually instill a greater performance culture within the organization.

It is also through a highly structured training approach that our employees will be able to continue to develop.

I am just as convinced that instituting a true performance culture at all Bank levels requires maintaining good relations with the labour union that represents a large proportion of our employees.

Over the years, we have managed to develop a real partnership with our unionized employees based on mutual respect and communication. This solid partnership will continue to have beneficial repercussions, not only for the Bank but also for all its employees.

Ladies and gentlemen,

It goes without saying that our priorities for fiscal 2007 are in line with our past achievements and our long-term vision of the Bank's growth.

As I've often said, we advocate profitable, sustained, long-lasting development that is in the best interests of each and every one of our shareholders, employees and clients.

To carry out this mission, I am fortunate to be backed by a solid and experienced team.

So without further ado, let me introduce the members of Laurentian Bank's Management Committee:

- Luc Bernard, Executive Vice-President, Retail Financial Services,
- Robert Cardinal, Senior Executive Vice-President and Chief Financial Officer,
- François Desjardins, President and Chief Executive Officer of B2B Trust,
- Bernard Piché, Senior Executive Vice-President, Treasury, Capital Markets and Brokerage, and
- Lorraine Pilon, Executive Vice-President, Corporate Affairs.

On their behalf and mine, I can assure you that we will do everything in our power to meet our short- and long-term objectives, and pursue Laurentian Bank's growth.

Conclusion

To conclude, I would like to pay special homage to Laurentian Bank's employees.

Their sense of work ethic, dedication and enthusiasm make them true ambassadors who ensure that our bank stands out both in Quebec and elsewhere in Canada.

Day in, day out, they use their talent and energy to offer our products and services to our clients. In so doing, they increase our clients' satisfaction and loyalty, and their contribution will always remain just as crucial to the Bank's growth and success.

I would also like to thank our clients for their loyalty. Rest assured that you are the focus of our concerns and that we are always looking for better ways to meet your needs.

Lastly, I would like to thank you, Laurentian Bank shareholders, for your loyalty and support. As I begin my mandate as president and chief executive officer, this support means a lot to me and, in return, I assure you that you can count on my full cooperation.

Thank you.