



LAURENTIAN BANK
OF CANADA

PRESS RELEASE

For immediate release

LAURENTIAN BANK LAUNCHES ITS CALCULATOR FOR UNUSED RRSP CONTRIBUTION ROOM: A NEW TOOL TO HELP YOU AVOID BEING 'POORLY RETIRED'

Montreal, February 4, 2005 – New this year, Laurentian Bank offers its clients a tool to calculate potential long-term growth on their unused RRSP contribution room. This tool can be accessed from the Bank's new information site dedicated entirely to retirement at www.malretraite.com, and allows estimating the eventual benefits of rigorous management of RRSP contributions.

The Calculator is very easy to use. You just enter the amount of your unused RRSP deduction limit, as it appears in the notice of assessment issued by the Canada Revenue Agency, as well as your taxable income. The Calculator right away calculates your approximate income tax refund as well as the future value of the contribution in 10 years, 20 years and 30 years. Moreover, since many people have to borrow for their RRSP, the Calculator also helps to evaluate monthly payments on such loans depending on the term of the selected financing option, on the interest rate, as well as on the fact whether the tax refund will be used to pay back the loan.

For example, a client, whose annual income is \$40,000, borrows \$10,000, which corresponds to the amount of his unused RRSP contribution room.

The Calculator allows to find out the following:

Approximate income tax refund¹	\$3,710		
Monthly payment² if tax refund is used to pay back the loan	\$85.65		
Monthly payment if no tax refund is used to pay back the loan	\$149.71		
Future value of the investment of \$10,000³ with compound interest after	10 years	20 years	30 years
	\$17,908	\$32,071	\$57,435

Results

In this example, for a taxable income of \$40,000, a RRSP loan of \$10,000 would cost only \$8,093².

If tax refund is used towards the loan payment	
Future value of the investment in 30 years	\$57,435
Cost of borrowing	\$8,093
If no tax refund is used towards the loan payment	
Future value of the investment in 30 years	\$57,435
Cost of borrowing	\$12,575
Amount of tax refund	\$3,710

There are simple ways for a consumer to take advantage of unused RRSP contribution room. You should meet with one of the Bank's advisors in a branch near you to discuss your options and determine the solution that meets your specific investment goals. Other strategies that might be of interest, besides a RRSP loan or a RRSP line of credit, include using savings in non-registered accounts and systematic payments for RRSP contribution, which would allow the investment to grow faster thanks to compound interest.

1 Estimation based on the exemption for a single person without dependants, using federal and provincial tax tables for year 2003 for the Province of Quebec.

2 Based on RRSP financing at 6.75% for a term of 7 years. It considers that the tax refund calculated earlier has been used to reduce the loan amount after six months and that the loan has been refinanced for an amortization period of 84 months. Payment at the end of the month. The amount of \$8,093 represents the cost of borrowing (principal and interest) for the purposes of this example.

3 Based on annual compound rate of return of 6%.

Example is based on reasonable assumptions. Results may differ materially depending on individual situations. To find out the actual amount of your income tax refund, it is recommended that you consult an accountant or a tax specialist. Amounts are estimates and may differ from amounts produced using other calculators or systems.

About Laurentian Bank

Founded in 1846, Laurentian Bank ranks seventh among Canadian Schedule I banks, with assets in excess of \$16 billion and close to \$15 billion in assets under management. The Bank offers highly competitive products and superior personalized service to meet the banking and financial needs of individuals, small and medium-sized businesses and independent financial advisors. The Bank's common shares are traded on the Toronto Stock Exchange (ticker symbol: LB). The address of the Bank's website is www.laurentianbank.com.

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