



**LAURENTIAN BANK
OF CANADA**

PRESS RELEASE

For immediate release

**ANNUAL MEETING OF SHAREHOLDERS OF LAURENTIAN BANK
2004: USING OUR STRENGTH**

Montreal, March 16, 2005 – At the Annual Meeting of Shareholders of Laurentian Bank, which took place today at the Windsor Hotel in Montreal, Mr. Raymond McManus, President and Chief Executive Officer, made an overview of the organization's accomplishments over the past year.

A year of refocusing

When presenting the results for the fiscal year ended on October 31, 2004 and for the past few months, Mr. McManus emphasized: "Year 2004 was a very busy year. We have announced various strategic decisions and measures over the past few months that, among other things, allowed us to complete the refocusing of our operations in order to ensure our consistent growth and improved profitability. From now on, the focus for the Bank's development will be on the Retail Financial Services and Commercial Financial Services business segments and on our subsidiaries B2B Trust and Laurentian Bank Securities".

"All our decisions are part of a long-term vision. In parallel, we put forth several measures to ensure the consistent growth of the Bank's volumes of business. Such undertakings, which include the privatization of B2B Trust, the sale of BLC-Edmond de Rothschild, the sale of certain portfolios outside Quebec, the repurchase of preferred shares and redemption of debentures, the launch of our two new branch concepts, and the settlement of the collective agreement of our unionized employees, will be favourable to the Bank's future business," explained Mr. McManus.

A new distinctive positioning

To support its business development and growth initiatives, the Bank launched a new advertising campaign at the beginning of the year, under the theme DARE, which mirrors the very essence of Laurentian Bank: daring, innovative, dynamic and flexible. In the framework of its repositioning efforts, the Bank pursued a number of various specific initiatives to ensure the integration of all these advertising and promotion initiatives.

Finally, thanks to the integrated marketing actions and to the use of the Bank's data warehouse, 2004 became a record year for the sales of RRSPs and mutual funds, while higher volumes of mortgage loans and VISA sales have exceeded the Bank's forecast.

An integrated strategy to ensure growth

One of the highlights of the past year was the launch of the Bank's new branch concepts – its Espresso Bank-Café and financial services boutiques. Laurentian Bank is the only financial institution to offer its clients an Espresso Bank-Café concept. And its financial services boutiques represent an innovative approach to the overall design and to the client in-branch experience. In total, the Bank now operates six branches of this concept in Gatineau, Quebec City, and in the suburbs of Montreal.

The Bank is very satisfied with the results of its Espresso Bank-Café and financial services boutiques' operations. At the Annual Meeting of Shareholders, Mr. McManus announced that three more financial services boutiques would open their doors in the following few months in Boisbriand, Chambly and Vaudreuil. Moreover, by the end of 2005, the Bank will inaugurate another Espresso Bank-Café located at the branch at the intersection of the avenues Laurier and du Parc, in the Plateau Mont-Royal district of Montreal.

The Bank has also become the sole financial institution to operate automatic banking machines inside the Montreal Metro stations. The Bank has obtained this contract following a call for tenders.

Top-quality service has always been the trademark of Laurentian Bank. And it has been confirmed once again this year in two independent surveys. The survey for Retail Financial Services shows that Laurentian Bank advisors receive more positive comments from their clients compared to other financial institutions. In the commercial financial services segment, 93% of clients surveyed said they were satisfied with the range of products and services offered by the Bank.

Moreover, several initiatives have been introduced in order to stimulate the growth of the commercial financial services segment. They include new service outlets for real estate financing and for farm lending. The sector has also stepped up its advertising initiatives with a new campaign in various specialized media.

The B2B Trust subsidiary has decided to build up its business development activities in the Maritime Region. Its new product, 100% Accelerator Loan, has been well received by consumers, who appreciate its simplicity and flexibility. B2B Trust clients can also take advantage of its EASE system that offers an online RRSP loan application and approval process in just a few clicks.

The sector Treasury, Financial Markets and Brokerage made certain adjustments that have already yielded positive results in the net interest margin for the first quarter of 2005.

It was an excellent year for Laurentian Bank Securities whose net income contribution increased almost twofold from the previous year. The subsidiary has also reinforced its team of investment advisors.

A partnership with the Union

With regard to labour relations, the arbitration board has rendered its final decision concerning the content of the collective agreement. This new agreement takes into consideration the reality of the Bank and offers additional flexibility, while ensuring that the unionized employees will continue to enjoy favourable working conditions. "The Bank and the Union are satisfied with this decision. With so much progress already made in our relations with the Union, we expect to continue on the same road in order to develop a real, solid partnership," stated Mr. McManus.

Mr. McManus also announced that the Bank and the Fédération des travailleurs du Québec (FTQ) had signed an agreement to provide an offer of financial products to the 550,000 FTQ members. The two organizations will work together to develop products that would meet the specific needs of these clients.

Tangible results

The first quarter of 2005 showed good results, with improvements across the board:

- Improved net income that reached \$17.3 million for the first quarter of 2005, which corresponds to a return on common shareholders' equity of 8.3%, or 5.3% excluding special items such as the sale of BLC-Edmond de Rothschild.
- A decrease of more than 120% in the level of net impaired loans, from \$22 million at October 31, 2003 to less than \$5 million at January 31, 2005.
- Maintaining sound capital ratios, with the Tier 1 and Total capital ratios at 10.5% and 13.3%, respectively, at January 31, 2005.
- Improved net interest margin that increased from 1.64% for the first quarter of 2004 to 1.83% for the first quarter of 2005.

"The results for the first quarter and our initiatives in various fields show that our business plan is still the best strategy for the Bank's situation. We will continue in the same direction, and we will not deviate from our plan," declared Mr. McManus when commenting on the Bank's results for the first quarter of fiscal 2005.

A solid third position in Quebec

Laurentian Bank's President and Chief Executive Officer concluded his presentation by saying: "Last December, I announced that I had set an objective to try to convince one of the five major Canadian banks to combine their retail financial services in Quebec with those of Laurentian Bank. We would consider such possibility only if it is a sure win-win transaction. And I want to add that this objective would not jeopardize our business plan. On the contrary, it would accelerate the implementation of our business plan and would allow us to become the indisputable third largest player in Quebec."

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.ca

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