LAURENTIAN BANK

Press release

FOR IMMEDIATE RELEASE

RRSP- STRATEGIES FOR VOLATILE TIMES

Montreal, December 10, 2008 — During this period of financial market volatility, and as the 2009 RRSP season approaches, savers are wondering what strategies to adopt to effectively prepare for retirement. Laurentian Bank is pleased to offer individuals some valuable investment advices adapted to their particular situations in order to help them make the most enlightened decisions within the current economic context.

THREE RETIREMENT PLANNING PERIODS

Generally speaking, in turbulent times, it is advisable to keep a cool head and not act on impulse. During such times of uncertainty, certain strategies are recommended, depending on what stage of life the saver is at.

First Period: Retirement in 30 Years

Savers at this stage of life tend to be between the ages of 24 and 34 and are anticipating retirement in the longer term. These investors are relatively young and have likely been paying into their RRSP for only a few years.

For investors in this age bracket, it is preferable to adopt a long-term vision with respect to their investments. During a period of volatility, they should not allow themselves to be influenced by short-term market activity. Instead, they need to recognize that the markets will rebound during the years to come.

As the market is currently down, certain securities can be purchased at a lower cost. Consequently, investors in this category should not be hesitating or waiting for the situation to stabilize before making a move to build their portfolio.

For investors in the 24-34 age bracket, the best strategy is to start saving early in spite of market fluctuations. It is also advisable to adopt a systematic contribution plan and to contribute regularly, which both facilitates the process and increases returns in the longer term. Other productive strategies include portfolio diversification and always investing in line with one's investor profile and risk tolerance so as to be able to remain more at ease during market fluctuations.

Second Period: Retirement in 15 Years

The second life stage encompasses savers between the ages of 35 and 49 who already have a certain number of securities in their portfolio. On the average, these individuals have been contributing for several years, and they are planning for their retirement in the medium-term (in approximately 15 years). For investors who are not at ease with market volatility, this is the time to review their investor profile in order to shape their portfolio in a more prudent fashion.

Most importantly, the saver must not sell. The best strategy is to adjust future contributions to rebalance the portfolio in accordance with the revised investor profile. That way, the investor can take advantage of the eventual market rebound and will not suffer any real loss. At 15 years from retirement, the markets certainly have time to bounce back. Individuals in this age bracket must maintain their focus on their long-term objective.

Third Period: Retirement in 5 Years

Savers at this stage of life are approaching retirement. They are generally between the ages of 50 and 64 and have been contributing to their RRSP for a number of years. At this point, their portfolio should be distributed more conservatively, with a maximum of 30-40% invested in stocks and 70% in less volatile fixed income securities.

Within the present market environment, investors approaching retirement should take particular care to balance their portfolio. They must also avoid allowing themselves to be influenced. When conditions are turbulent, it is not the time to be retreating from the market. Rather, it is preferable to consult a financial planner to reassess retirement objectives. Furthermore, portfolio diversification is just as important in an RRIF (Registered Retirement Income Fund) as it is in an RRSP because such diversification yields higher revenues.

In sum, investors must take the opportunity to think carefully about when they will be retiring and to properly prepare for that eventuality. Since retirement generally spans a period of 20 to 30 years, they must evaluate all of their options, and when the time comes, the proceeds of their plan must be disbursed progressively.

THE 3 STARS OF THE GAME

Basically, the goal of an RRSP is to secure a comfortable future. Investors must provide for the most likely eventuality and it is here that planning comes into play. To help consumers through this process and to make sure all their vital considerations are taken into account, three aspects are essential to successful planning:

- *dollars*, because the first step toward enjoying a good return on investment is to contribute ;
- *duration*, because now is the time to contribute, and to do so regularly and methodically ;
- *diversification*, because varied investment instruments help keep fluctuations to a minimum, thus making for a more stable portfolio.

The multiplying effect resulting from the combination of these factors places investors on a solid footing, with optimal return prospects.

Dollars

Contributing means growing your savings to build the future: all contributions to an RRSP enrich the investor, and investing small amounts earlier and regularly allows investors to leverage the reinvested revenues. It is easier—and often more advantageous—for investors to contribute small amounts on a regular basis than large amounts once a year. Moreover, once an amount is invested, the investor benefits from another advantage: capitalization, which is the effect obtained when the revenues generated are reinvested, thereby accelerating portfolio growth.

Also, it is more convenient and easier on the budget to contribute regularly. This is the perfect solution for investors, as it also cushions the financial impact of a one-time large investment. In addition, a monthly, rather than annual, contribution adding up to the same overall amount offers a substantially higher long-term return.

Contributors often forget to translate their current budget dollars into future dollars, for a clearer idea of the cost of living at the time of retirement. For instance, a pair of jeans selling for $50 today will cost $90.50 in 20 years.

Duration

Everyone should start planning as early as possible, because the decision to do so is bound to pay off in the end. This is why Laurentian Bank has selected scenarios for three age groups based on the specificities of each.

- The action plan for contributors in the 20-to-34 age group consists in opening an RRSP account and contributing in accordance with one's means. The idea is to start the process by sticking to a methodical savings plan. Later on, plan members can increase their contributions to reflect their financial growth.

- In the case of customers aged 35 to 49, the goal is to keep growing one's savings. Now is the time to define retirement goals and establish the optimal plan to reach those goals. Insofar as possible, investors should contribute the maximum amount, using any unused RRSP deductions.

- For those aged 50 to 64, the plan is to capitalize on the growth of investments, while still keeping caution and safety in mind. As a rule, these are the best earning years. Mortgages are often paid, so this is a good time to invest even more in an RRSP.

On the other hand, deferring retirement by five years reduces the portion of income one has to offset with personal savings. RRSPs therefore continue to grow rather than dwindle, and investors continue to contribute to the plan, as well as to the pension plan and QPP, all of which keep mounting. Since a lesser amount of personal savings is required to maintain the same lifestyle, investors have more funds at their disposal for personal expenses.

Diversification

Because it is impossible to predict future performances of the various market sectors, diversification is essential to reduce the overall portfolio risk, offset volatility and develop a higher growth opportunity. Diversification can take various forms: based on the investor's profile, his or her timetable, geographic region or sector of activity.

Basically, diversification is a way to reduce risk. Investors should know the different investment risks. Asset allocation is key to this process. A combination of various types of assets such as stocks, bonds and other securities, asset allocation is used to define a portfolio in order to reach financial objectives. Over time, certain asset allocations perform better than others, hence the importance of maintaining a diversified portfolio. As shown by numerous analyses, diversification helps combine a wide variety of portfolio investments, in order to reduce volatility. Finally, it is important to know one's tolerance to risk whenever attempting to diversify. The trick is to find the appropriate asset allocation mix after establishing one's goals and evaluating one's financial situation.

About Laurentian Bank

Laurentian Bank of Canada is a banking institution operating across Canada and offering its clients diversified financial services. Distinguishing itself through excellence in service, as well as through its accessibility, the Bank serves individual consumers and small and medium-sized businesses. The Bank offers its products to a wide network of independent financial advisors through B2B Trust, as well as full-service brokerage solutions through Laurentian Bank Securities.

With 156 branches and 342 automated banking machines, Laurentian Bank of Canada is well established in the Province of Quebec, operating the third-largest branch network. Elsewhere throughout Canada, it operates in specific market segments where it holds an enviable position. Laurentian Bank of Canada has more than $19 billion in balance sheet assets. Founded in 1846, the Bank employs nearly 3,400 people.

-30-

Information:

Manon Stebenne
Senior Manager
Medias and Public relations
514 284-4500, extension 8232
manon.stebenne@banquelaurentienne.ca