

**Notes for a speech by Raymond McManus, President and Chief Executive Officer,
To the annual meeting of the shareholders of Laurentian Bank,
9 a.m. on March 17, 2004, at the Mount Royal Centre in Montreal**

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This speech 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 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.

ONLY THE DELIVERED SPEECH SHALL BE CONSIDERED AS AUTHORITATIVE

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Ladies and gentlemen,
Dear friends and colleagues

Twelve months ago, at my first shareholders meeting, I had the opportunity of outlining our priorities with regard to the Bank's short-term objectives and long-term development.

Let me mention them again.

2003 PRIORITIES AND OBJECTIVES

Our first priority was to create shareholder value.

Our second priority was to emphasize the Bank's competitive advantages in each of our lines of business.

Bringing them forward and underlining their strategic importance allows us to drive home a clear and simple message: for the Bank and for each of its employees, it's "back to basics" — the indispensable road to sustainable growth.

A look back at fiscal 2003 should shed some light on the necessity and the urgency of this approach.

2003 FINANCIAL RESULTS

• Net income

The Bank's net income for fiscal 2003 was \$91.9 million, compared with \$44.3 million in 2002.

These results also include the gain on the sale of retail branches in Ontario and Western Canada, as well as restructuring charges, following the implementation of our expense reduction program.

• Earnings per share

The Bank's net income for the year ended October 31, 2003 translates into a net income of \$3.32 diluted per common share.

For 2002, net income was \$1.26 per common share.

- Return on Shareholders' Equity (ROE)

Return on shareholders' equity climbed from 4.8% in 2002 to 12.4% in 2003.

- Capital Ratios

Capital ratios improved during 2003.

As at October 31, 2003, Tier 1 capital ratio and Total capital ratios stood at 10.2% and 15.2%.

For fiscal 2002, they stood at 8.8% and 13.5% respectively.

A CRUCIAL TRANSITION YEAR

To put it bluntly, last year's core results were less than satisfactory...

On the other hand, fiscal 2003 has been a year of transition — and a crucial one— for the Bank's organization itself, as well as for its entire operations.

Indeed, management did not wait to start making decisions and implemented initiatives that would bring lasting solutions in order to further its growth and profitability over the medium and long term.

Our efforts were inspired by a very clear vision of the Bank's situation, which indicated the necessity of a more focused approach and a determination to ensure the Bank's sustainable growth.

Our efforts were also guided by principles and values which we must commit to, adhere to, and to embody in our daily activities.

Adopting a "back to basics" approach, we need to be disciplined and rigorous, in order for our initiatives to succeed. We also need to be transparent and open-minded in our interactions with the Bank's clients, as well as with all others concerned with its success.

These values entail a basic principle which should animate the actions of the Bank's employees and managers. That is... ACCOUNTABILITY.

Each employee has a key role to play in the development and the success of our Bank.

They are our clients' first contact. They are called upon to deliver our products and services in a personalized and efficient manner.

All our employees must be able to enjoy a productive environment in order to perform their work with pride and confidence. We must also see to it that throughout the Bank, our employees and managers develop a true team spirit. I am convinced that the Bank's size actually constitutes an advantage in this regard.

This “back to basics” approach has animated our decisions and actions throughout the year, in a very real and concrete manner. As evidenced by this review of our operations...

REVIEW OF OPERATIONS

Throughout the year — given the economic context and the challenges of the competition — all of the Bank’s sectors, have mobilized their energy and resources in order to maintain efficiency and profitability.

Given this business environment, we evaluated all our operations. This evaluation has been conducted with rigor and transparency.

This has brought to light the necessity of repositioning the Bank’s operations, both in the fields where the Bank excels and in the markets where it holds competitive advantages.

It finally led to the adoption of our new three-year business plan.

EXPENSE REDUCTION PROGRAM

At the same time, the Bank implemented a major expense reduction program, with far-reaching effects.

As warranted by our commitment to manage the Bank in a rigorous and disciplined manner — this program led us, to simplify the Bank’s organizational structure, lowering the number of members on the management committee, and centralizing the finance, risk management and human resources functions.

Our expense reduction program further led to the reorganization of the Bank’s technology sector, as well as the implementation of measures designed to enhance the efficiency of our administrative centers.

This program had a negative financial impact on the Bank’s results for fiscal 2003, in the form of a \$21.5 million restructuring charge. But we have a positive impact estimated at \$9 million per year, starting in 2004.

SALE OF 57 BRANCHES IN ONTARIO AND WESTERN CANADA

The sale of 57 Laurentian Bank branches, located in Ontario and Western Canada, stands out as the single most important “event” of 2003.

This transaction was first and foremost a strategic initiative in repositioning the Bank in order to enhance its efficiency and profitability.

Indeed, as we assessed the Bank’s situation and its business model, the size of our territory came to be viewed as a handicap: operating costs were significant and resources were just spread too thin.

The sale of our direct retail network outside Quebec — excluding the two Ottawa branches — has allowed us to focus our energy and resources much more effectively in markets where we enjoy real competitive advantages.

It has also enabled us to significantly increase our investment in the fields where we excel, thereby consolidating the Bank's position.

Moreover, the gain on the sale has given the Bank a stronger balance sheet and a lower risk profile.

IMPLEMENTATION OF A THREE-YEAR BUSINESS PLAN (2004-2006)

As you already know, the Bank has adopted a comprehensive 3-year business plan.

A 3-year period may seem overly conservative, but I believe these three years are needed to restore the Bank's growth, profitability and strong operating foundation.

Indeed, our 3-year plan is, basically, our roadmap to sustainable growth.

To reach it, we will put forward a series of concrete measures that will benefit customers, employees and shareholders alike.

Let's examine

OUR PLAN IN BLACK AND WHITE

LET US START WITH RETAIL FINANCIAL SERVICES

Relationship banking has always been one of Laurentian Bank's foremost strengths.

Our approach, where the client is a guest, remains one of the Bank's most valuable assets.

Still, we need to develop and maintain, a corporate culture that is ever more centered on each and every single client. Each employee must offer products and services in a warm, personalized manner, without forgetting that he is accountable for that client's satisfaction. In that manner, he personally contributes to the Bank's overall growth and profitability.

• [Our Three-Year Business Plan in Detail](#)

The sale of the Bank's branches in Ontario and Western Canada underscored our strategic decision to focus in Quebec our direct retail banking activities.

At the same time, however, we remain just as determined to improve our Canada-wide multi-channel strategy, such as point of sale financing and brokered mortgages, which has already proven quite successful.

In retail banking, this strategy involves a series of measures geared towards improving our products and services offering, optimizing our branch network's efficiency and, above all, maximizing our clients' satisfaction and loyalty.

Let me talk about a few of them:

New Laurentian Bank Signature and Optimization of Branch Network

- The New Laurentian Bank signature including the New standards for the design of branches
 - Therefore we will assist to the opening of the first "new" branch in the Montreal area in the next few months.
 - Let's see the first glimpse of the new branch concept
(video clip)
- In order to enhance our network, we have put in place an expansion committee to evaluate existing and potential branch locations
 - We preview to open 20 new branches by 2006 and
 - Renovate, relocate or merge several branches and to
 - Increase by 10% the number of automated banking machines.
- And as you know we already extended banking hours.

Deployment of the Entrepreneurship Project

In addition to these measures, the Entrepreneurship Project launched in early 2003, has been instrumental in improving customer satisfaction, energizing our sales force and stimulating profitable growth.

That success has led us to broaden the reach of the Entrepreneurship project for the benefit of our entire network and of our clients.

First, we have grouped all branches into 25 local area markets (or LAM) and appointed a manager to each LAM.

Moreover each branch will now be under the responsibility of a branch manager. It is his (or her) mandate to oversee the development of the branch and to ensure that its employees provide the best possible service to each of our clients.

These employees and their manager are to be held responsible for their branch results, and their success will be acknowledged and rewarded in a tangible manner.

By becoming more attuned to the merits of empowerment, the employees will make Laurentian Bank an institution known for its *flexibility, service quality, proximity* and *simplicity*. Four fundamental values that will now represent their motivation.

"Retailer Approach" to Client Services

Throughout 2003, we have also focused on enhancing the Bank's visibility in its markets. Which is why we have launched a new ad campaign, in collaboration with Marketel...

(VIDEO)

These ads have been the "talk of the town" since our campaign started, and our clients have already made it their own. Moreover, the positive impact of our new "teaser" — DARE — is being felt throughout the Bank.

Enhancement of the Multi-Channel Strategy across Canada

It is also our intention to improve our indirect financial services across Canada

Our plan calls for a substantial development of those services.

This will be achieved, in part, by offering mortgage loans credit through brokers. Furthermore we are in process of establishing a specialized mortgage loans sales team.

The Bank is already recognized as a leader in point-of-sale financing, and our goal is to significantly optimize the profitability of this type of activity.

COMMERCIAL FINANCIAL SERVICES

• Our Three-Year Business Plan in Detail

Over the past two years, Commercial Financial Services have taken their own, specific measures to reduce the Bank's credit risk and implement more stringent risk management processes.

A personalized approach to commercial financial services, as well as a leading position in some niche markets, still represent the main differentiating strengths of Laurentian Bank.

Within the framework of the Bank's three-year business plan, Commercial Financial Services is committed to significantly increase the volume of quality commercial loans in the mid-market segment.

We will also continue to develop our real estate loan portfolio — both in and outside Quebec — building on our growing reputation as a prime construction lender. Our Business Service Centers, across Canada, will play a key role in this regard.

In the mid-market business segment, we have two distinct strategies:

In Ontario, we plan to become a niche player, catering to mid-size companies and distinguishing ourselves with a trademark of high-quality customer care.

In Quebec, we will cover a broader spectrum, ranging from micro-enterprises to small businesses and mid-size companies.

We have already put in operation four new regional centres to offer these entrepreneurs and business clients all the convenience of our retail, credit and lending facilities.

Laurentian Bank is also intent on increasing significantly the size of its agricultural loan portfolio in Quebec. To do so, a team of specialists, working out of seven agricultural service centres, will focus exclusively on meeting the needs of agricultural entrepreneurs.

B2B TRUST

- [Our Three-Year Business Plan in Detail](#)

During fiscal 2003, B2B Trust has endeavored to increase its alliances and to consolidate its leadership in its traditional markets.

At the same time, it has undertaken to diversify its sources of revenues and reduce its dependence on the mutual fund lending business to sustain growth.

Our three-year business plan calls for B2B Trust to achieve that growth through two specific means:

It will expand its investment loans offering in terms of product design, as well as delivery channels.

B2B Trust will also focus on growing its consumer loans business, both through its traditional channels and through large scale retailers.

As you are no doubt aware, the Bank last week announced, its proposal to privatize B2B Trust. With the abandoning of the Holding Company Concept, this decision follows our strategy to be a more focused Bank.

WEALTH MANAGEMENT AND BROKERAGE

- [Our Three-Year Business Plan in Detail](#)

Laurentian Bank Securities, part of the Bank's Wealth Management and Brokerage line of business, will concentrate on growing its corporate finance and institutional activities.

As regards to its retail brokerage services, the Bank will continue to expand referral activities internally, through its other lines of business, and increase its sales team. The Bank will also be introducing a dedicated Internet platform to support discount brokerage transactions.

For its part, BLC-Edmond de Rothschild Asset Management continues to generate organic growth in mutual funds, as well as in portfolio management.

OUR THREE-YEAR BUSINESS PLAN FINANCIAL OBJECTIVES (2004-2006)

Laurentian Bank's three-year business plan would not be "complete" without some kind of measuring instrument to evaluate its progress on our growth and profitability.

Accordingly, we have set ourselves specific (and realistic) financial objectives for the three years of our plan.

- Return on Common Shareholders' Equity

We project a return on shareholders' equity of 5% in the first year, 8% in 2005 and 10% in 2006.

- Earnings per share

Projected earnings per share are \$1.44 in 2004, \$2.37 in 2005 and \$3.13 in 2006. These objectives represent a growth of nearly 50% per year compared with 2003, excluding special items.

- Efficiency Ratio

The expense reduction program have had an immediate, and positive impact on our efficiency ratios. Through renewed growth and continued improvements in our operational processes, the efficiency ratio should improve to 69% by 2006.

- Capital Ratios

Considering the results of 2003 — following the sale of our branches in Ontario and Western Canada — our policy is to maintain the statutory capital ratios at a level comparable to that of the industry.

FIRST QUARTER RESULTS

Our three-year business plan is well underway as we can notice at the Bank's results for the first quarter of fiscal 2004.

	2004 Objectives	First quarter 2004 (actual)
1. Return on common shareholders' equity	5%	6%
2. Diluted earnings per share	\$1.44 (annual)	\$0.43
3. Total revenue	1% increase over a \$498 million base	\$120.5 million
4. Efficiency ratio	77%	77%
5. Capital ratios		
Tier 1 capital ratio	Minimum of 9.5%	10.7%
Total capital ratio	Minimum of 13.0%	16.0%
6. Credit quality (loan loss ratio)	0.22%	0.24%

In Brief

- Total revenue

Laurentian Bank reported total revenue of \$120.5 million

- Earnings per share

It has reported net income of \$13.6 million or \$0.43 diluted per common share.

- Return on Shareholders' Equity (ROE)

Return on shareholders' equity was 6.0% .

At this point, I am pleased to underline the fact that our first quarterly results are on track with our financial objectives set under our three-year business plan.

- Efficiency Ratio

The efficiency ratio was 77.0% . Expense reduction program has been — and will continue to be — instrumental in improving efficiency.

- Credit Quality

At 24 basis points, credit quality is slightly above our 22 basis points yearly objective; however, we believe that our credit quality will fall in line with our objectives by year end.

- Capital Ratios

The Tier 1 and Total capital ratios increased to 10.7% and 16.0%, respectively, much better than our objective.

Stronger capital ratios provide us with the necessary flexibility to implement all of our strategies.

Our intention is to maintain the Bank's dividend on common shares at its current level of \$0.29 per share, per quarter, provided we attain our financial targets and maintain strong capital ratios.

THE LAURENTIAN BANK OF CANADA, TOMORROW

Laurentian Bank has all the resources that may be required to carry out its business plan. Clear signs of even more positive changes attest of that.

Throughout the Bank, there is a growing sense of pride and a renewed commitment to its growth and success .

Employees are more than ever aware that their personal contribution will make the difference, and that this is "their" Bank.

Through the implementation of the Bank's business plan, we are all learning from the past, rigorously managing the present and looking forward to the future with a more focused approach and a stronger determination to do all little things right for the greater benefit of our clients, our shareholders and our employees.

In closing, I would like to thank you for your presence and interest, and in particular I would like to thank our shareholders for their continued support and understanding, our employees for their dedication and hard work throughout this critical period in the Bank's development, and most important all our clients for their loyalty and trust.

I wish to assure them that, at Laurentian Bank of Canada, we are deeply committed to honoring their trust.

Thank you.