PRESS RELEASE

For immediate release

In volatile periods, keep a cool head

Montreal, February 6, 2008 – As part of the current RRSP season, Laurentian Bank would like to recall some principles to be observed in the context of volatility affecting particular investment vehicles on the market. The Bank outlines a few recommendations as a complement to its 3D formula, which is based on three simple components – dollars, duration, diversification – that are essential for good investment management with a view to retirement.

Impulses that amplify the difficulties

The current volatile context, characterized by a destabilizing economic climate, is likely to lead investors into making impulsive decisions. For example, some investors are tempted to withdraw from the market completely in an attempt to limit their losses. In fact, liquidating one's assets at this time would be based on a short-term outlook and represent a much larger net loss than holding on to them. Other investors are thinking about an in-depth portfolio review and overhaul; history shows that in many cases, the resulting losses will be offset as the market picks up.

Although annually updating one's investor profile is recommended, the current situation is not favourable to making drastic changes based on emotion. In periods of instability, there is a strong trend towards more conservative positions, which only aggravates the situation.

Moreover, since the market is down, some investors will reflexively suspend their continuous savings plan or their monthly or weekly contributions. There again, one should resist the temptation to do something rash, not give in to fear and stay focused on the investment strategy and long-term objectives that underpin a successful RRSP approach.

Measures for overcoming obstacles to growth

Retirement planning is a structured, long-term approach. Shrewd investors will have defined their plan and investor profile with their investment advisors beforehand, keeping in mind the likelihood of periods of instability and volatility that accompany a developing economy. The profitability of accumulated savings is amplified over the long term. It is therefore essential to stay on track and view market fluctuations as an opportunity to acquire quality investments at bargain prices.

Contributing to investment vehicles when prices are low may be even more advisable for **young investors in their twenties and thirties**. While some tend to believe that the glut of investors during the RRSP season invariably causes an increase in the price of investments, the current situation belies this hypothesis, as there are many purchase opportunities.

Investors in the 35-to-55-year-old bracket who are disciplined about growing their RRSP holdings should realize – or will have learned from their financial advisors – that business cycles generally last five to seven years. As this generation of individuals still has a few years and business cycles to go until full retirement, continuing to follow one's strategy and staying focused on the objectives to be reached is the way to go.

The situation for pre-retirees, usually between 60 and 65 years of age, could be positive if retirement planning has been well done and if asset allocations have been reviewed in a timely manner. With just a few years to go until retirement, lower-risk investments are recommended: this means reducing the weighting of securities with a potential for high volatility and focusing on highly tradable securities, bonds and cash assets. Also, since the disbursement period may be spread over several decades, depending on life expectancy and other factors, e.g. other sources of revenue and public and employer-sponsored pension plans, asset liquidation will therefore be much more gradual and orderly.

In all cases, it is important to annually review one's investor profile to avoid undue exposure to destabilizing elements. By contributing to a systematic investment plan and having the appropriate asset allocation, investors can stay "above the fray." Consult your financial planner annually for a more accurate assessment of your own specific financial situation as regards your RRSP.

About Laurentian Bank

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

Laurentian Bank is well established in the Province of Quebec, operating the third-largest retail branch network. Elsewhere throughout Canada, it operates in specific market segments where it holds an enviable position. Laurentian Bank of Canada has close to $18 billion in balance sheet assets and more than $15 billion in assets under administration. Founded in 1846, the Bank employs close to 3,300 people.

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