



**LAURENTIAN BANK
OF CANADA**

PRESS RELEASE

for immediate release

**LAURENTIAN BANK COMPLETES TRANSACTION WITH INDUSTRIAL ALLIANCE
FOR THE SALE OF BLC-EDMOND DE ROTHSCHILD**

Montreal, December 31, 2004 – Laurentian Bank today announced that, having obtained the necessary regulatory approval, it had completed the transaction with Industrial Alliance Insurance and Financial Services Inc., whereby Industrial Alliance acquired all of the shares of BLC-Edmond de Rothschild held by Laurentian Bank and by La Compagnie financière Edmond de Rothschild Banque.

The transaction includes the payment of an initial amount of 69 million on December 31, 2004, and a final amount of \$8 million at the end of the fifth year. The initial amount is subject to a recovery clause that can reach up to \$28 million over the first five years, if certain conditions are not fulfilled. The final amount is also subject to certain conditions.

Further details regarding the impact of the transaction on Laurentian Bank's financial results will be provided when the Bank releases its results for the first quarter of 2005.

Laurentian Bank and Industrial Alliance have also concluded a ten-year exclusive distribution agreement. Under this agreement, Laurentian Bank will distribute the R Funds family acquired by Industrial Alliance to the Bank's clients, along with the Industrial Alliance mutual funds. Laurentian Bank will distribute all of the funds of these two families to its customers free of charge within its network.

Founded in 1846, Laurentian Bank ranks seventh among Canadian Schedule I banks, with balance sheet assets in excess of \$16 billion and \$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 (ticker symbol: LB) trade on the Toronto Stock Exchange. The address of the Bank's website is www.laurentianbank.com.

– 30 –

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