



**LAURENTIAN BANK  
OF CANADA**



**INDUSTRIAL ALLIANCE**  
INSURANCE AND FINANCIAL SERVICES INC.

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**PRESS RELEASE**  
For immediate release

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**INDUSTRIAL ALLIANCE ACQUIRES BLC-EDMOND DE ROTHSCHILD ASSET  
MANAGEMENT INC. AND SIGNS AN AGREEMENT WHEREBY LAURENTIAN BANK WILL  
DISTRIBUTE INDUSTRIAL ALLIANCE MUTUAL FUNDS**

**Montreal, November 4, 2004** – Laurentian Bank and Industrial Alliance Insurance and Financial Services Inc. announced today that they have signed an agreement in principle whereby Industrial Alliance will acquire all of the shares of BLC-Edmond de Rothschild Asset Management inc., currently held by Laurentian Bank and La Compagnie financière Edmond de Rothschild Banque. This transaction includes a 10-year exclusive distribution agreement between the two companies whereby Laurentian Bank will distribute R Funds acquired by Industrial Alliance to its clients, along with the Industrial Alliance mutual funds.

BLC-Edmond de Rothschild specializes in mutual fund management, particularly R Funds, private wealth management and institutional portfolio management. Industrial Alliance will thus become, through certain of its subsidiaries, the manufacturer of the R Funds family, in addition to acting as manager of the company's institutional and wealth management portfolios. Laurentian Bank clients can continue to hold R Funds and can still purchase these funds from their Laurentian Bank financial advisors.

The agreement foresees the payment of an initial amount of \$65 million at the time of conclusion of the transaction, 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 within the first five years if certain conditions are not met. The final amount is also subject to certain conditions.

At September 30, 2004, BLC-Edmond de Rothschild managed assets of \$902 million in mutual funds, \$144 million in private wealth management and \$704 million in institutional management for a total of \$1.75 billion. The transaction is scheduled to be finalized as early as December 22, 2004, subject to regulatory approval and confirmatory due diligence.

Following the announcement, Mr. Raymond McManus, President and CEO of Laurentian Bank explained that "This decision is a logical follow-up to the various actions the Bank has taken in the past year. It is part of our strategy of concentrating our activities in markets in which we excel and where we hold a strategic position. We are entrusting the manufacturing of the funds to our new partner so that we can concentrate on distributing these funds in our branch network, an area in which we have very strong capacities. We can thus offer our clients the same mutual fund families, while benefiting from the Industrial Alliance support team."

“We are very pleased with this transaction, which is an excellent springboard for our mutual fund management activities,” said Mr. Yvon Charest, President and CEO of Industrial Alliance. “This transaction will enable us to quickly expand our fund family and will provide us with immediate scale in this sector. While maintaining our focus on the broad independent advisory channel, this transaction grants us access to a new distribution network, a banking network made up of experienced advisors, which is perfectly in line with our distribution strategy, whose success rests on multiple, diversified networks. The clients and advisors of Laurentian Bank will appreciate our approach based on service quality and a commitment to constantly meet their needs.”

This is the ninth transaction Industrial Alliance has concluded in the wealth management sector in the past four years. The company now possesses all of the tools it requires to successfully implement its strategy in this sector, including a wide array of segregated funds (\$5.5 billion in assets under management), a sizeable family of mutual funds (\$998 million in assets under management) and private wealth management and institutional management activities (\$1.2 billion in assets under management).

#### **About Laurentian Bank**

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 and 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](http://www.laurentianbank.com)

#### **About Industrial Alliance**

Founded in 1892, Industrial Alliance is a life and health insurance company that offers a wide range of insurance products and financial services. The fifth largest life insurance company in Canada, Industrial Alliance insures over 1.7 million Canadians, employs more than 2,400 people and manages and administers \$25.5 billion in assets. Industrial Alliance stock is listed on the Toronto Stock Exchange under the ticker symbol IAG. Industrial Alliance is among the 100 largest public companies in Canada.

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For more information:

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