



**LAURENTIAN BANK
OF CANADA**

PRESS RELEASE
For immediate release

**LAURENTIAN BANK TAKES ANOTHER STEP
IN THE IMPLEMENTATION OF ITS BUSINESS PLAN**

Montreal, November 4, 2004 – Laurentian Bank announced today that it has concluded an agreement in principle with Industrial Alliance Insurance and Financial Services Inc., whereby Industrial Alliance will acquire all of the shares of BLC-Edmond de Rothschild Asset Management Inc. presently held by Laurentian Bank and La Compagnie financière Edmond de Rothschild Banque. This transaction also includes a 10-year distribution agreement. Laurentian Bank is thus taking a further step in the implementation of its business plan, specifically by concentrating its activities in specific markets in which it holds a competitive edge.

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.

This agreement will enable the Bank to realize a gain that may exceed \$30 million, subject to certain conditions, including sales results. The Bank plans to account for a portion of this gain at the closing date of the transaction, and the remaining amount during the first few years of the distribution agreement. The transaction is scheduled to be finalized as early as December 22, 2004, subject to regulatory approval and confirmatory due diligence. The impact of the agreement on the Bank's financial results will be disclosed during the publication of Laurentian Bank's Q1 2005 results.

An engine of Laurentian Bank's business growth

This transaction is the logical follow-up to several actions taken by the Bank in the past year. It also grants the Bank additional resources to intensify its actions aimed at improving profitability and is part of the Bank's strategy of concentrating its activities in sectors in which it is strategically positioned.

Mr. Raymond McManus, President and CEO of the Laurentian Bank, explained that "this decision is another step in the execution of our business plan adopted a year ago. When we announced our three-year plan, we explained that we wanted to highlight our best assets to enhance efficiency, customer relations and performance. These are precisely the goals this agreement will let us achieve. Our greatest strength in the field of mutual funds is our ability to advise our clients based on their needs and financial priorities. This agreement will enable us to channel our energies into boosting business volume, with dynamic help from our team of in-branch advisors, and will also enable us to expand our line of mutual fund products."

In recent years Industrial Alliance has built a solid reputation in the field of institutional and wealth management along with management of segregated funds and mutual funds. Under this

agreement, Laurentian Bank will continue to distribute R Funds to its clients and expand its product line, while providing stability to its clients and employees alike. Mr. McManus added that “negotiating the terms of the distribution agreement was very important for us. It was essential that we successfully conclude a long-term agreement with a partner that wants to invest and establish a solid partnership with us. With Industrial Alliance, a strong Quebec company, we have found an excellent partner.”

In the past year, Laurentian Bank has carried out several major transactions as part of its effort to regain satisfactory profitability. Bank management now considers that the principal reorientation actions have been taken. The Bank will now focus on attaining its growth objectives, optimizing its processes to heighten its efficiency and reinforcing synergies among its lines of business. Mr. McManus commented that “The Retail Financial Services and Commercial Financial Services sectors, along with our subsidiaries Laurentian Bank Securities and B2B Trust, are now the basic niches of Laurentian Bank activities, in which we consider ourselves to be well positioned and on which we will rely to drive our development.”

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

- 30 -

For more information:

Media

Gladys Caron
Vice-President, Public Affairs and Communications
Office: (514) 284-4500, extension 7511
Cellular: (514) 893-3963
gladys.caron@banquelaurentienne.ca

Investors Relations

Alicia Zemanek
Vice-President, Investors Relations and
Integrated Risk Management
Office: (514) 284-4500, extension 5916
alicia.zemanek@banquelaurentienne.ca