
**WITH 14.2% OF QUÉBEC FAMILIES CATEGORIZED AS BLENDED,
ADAPTED FINANCIAL PLANNING IS OF THE UTMOST IMPORTANCE**

Montréal, October 20, 2011 – Under the banner of Financial Planning Week, Laurentian Bank is underlining the importance to its clients of planning for the future — not only in terms of their financial situation, but with respect to their family situation as well. In that regard, with more and more blended families making up Québec's demographic fabric, it is essential for savers to fully understand the effects this situation could have on their financial future.

From a fiscal standpoint, a family is deemed to be blended when at least one child from a previous relationship of one of the spouses lives under the same roof with the new couple¹. According to the most recent statistics², the number of biparental blended families in Québec rose from 107,000 in 1995 to 140,000 in 2006, representing an increase of 30.8%. Blended families accounted for 10.6% of all families in the province in 1995, with their proportion having grown to 14.2% in 2006 based on the latest official data. This growth trend does not seem to be abating at all today.

Practices to Assure Better Financial Protection

Couples in a blended family are well advised to show prudence and to refrain from lumping all their assets together too quickly. "It is highly recommended for each spouse in a blended family to take an inventory of their assets and liabilities," explains Alain Fortin, Senior Manager at Laurentian Trust and head of financial planner training. "That way, they can avoid the problems associated with different potential eventualities."

Another effective protection strategy is the establishment of a cohabitation contract, which clearly sets forth the terms and conditions of a new relationship. This document can be very useful for settling the details of the union of a new couple, particularly from an inheritance standpoint, where the interests of the children and the surviving spouse tend to be divergent. In the event of a rupture or death, the consequences of an unclear situation can prove to be costly for the ex-spouses. "Certain pitfalls should also be avoided with respect to estate planning, such as usufruct and substitution — two ways of bequeathing that could unduly penalize the children of a prior union," adds Alain Fortin.

In view of the different circumstances that may arise within a union, the role of the financial planner is to raise the points that could be problematic and to direct clients to the appropriate specialist as required. These specialists could include a notary, a tax consultant, or a neutral liquidator associated with a trust company.

Laurentian Bank has financial planners available at all of its branches to offer clients a global, strategic and personalized approach to securing their financial future.

¹ *A Statistical Portrait of Québec Families – 2011*, Ministry of Family and Seniors, Government of Québec, 629 p.

² *Idem*



Press release

FOR IMMEDIATE RELEASE

About Laurentian Bank

Laurentian Bank of Canada is a banking institution operating across Canada and offering its clients diversified financial services. 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 Québec, 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 more than \$24 billion in balance sheet assets and more than \$15 billion in assets under administration. Founded in 1846, the Bank employs more than 3,800 people.

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