LAURENTIAN BANK
OF CANADA

PRESS RELEASE

For immediate release

FEBRUARY 28, 2006

LAURENTIAN BANK REPORTS NET INCOME OF $17.0 MILLION FOR THE FIRST QUARTER OF 2006

Summary Results

Laurentian Bank of Canada reported net income of $17.0 million or $0.59 diluted per common share for the first quarter ended January 31, 2006, compared to net income of $17.3 million or $0.60 diluted per common share for the first quarter of 2005. Return on common shareholders' equity was 7.9% for the quarter, compared to 8.3% for the same period in 2005.

For the current quarter, income from continuing operations stood at $16.7 million or $0.58 diluted per common share and return on common shareholders' equity was 7.7%. Income from continuing operations for the first quarter of 2005 was $12.1 million or $0.38 diluted per common share. For 2005, discontinued operations consisted of the gain of $5.4 million ($5.2 million net of income taxes) resulting from the sale of the BLC-Edmond de Rothschild Asset Management joint-venture and the related decrease in value of investments in seed capital of certain BLC-Edmond de Rothschild Asset Management's mutual funds. Return on common shareholders' equity for continuing operations for the first quarter of 2005 was 5.3%.

Raymond McManus, President and Chief Executive Officer, commented on the first quarter results: “I am satisfied with the results for the first quarter. Volumes and revenues continue to improve in the retail business segment, including the branch network, and B2B Trust segment. Further improvements in net interest margins have also positively contributed to results. Overall, I am pleased with the ongoing progress we are making in the implementation of our business plan.”

MANAGEMENT DISCUSSION AND ANALYSIS

Performance and financial objectives

Laurentian Bank publishes its financial objectives at the beginning of each financial year and then reports actual results quarterly. The Bank's practice is not to provide interim guidance. Strictly for information purposes, the following table presents the performance compared to objectives that have been set by management for 2006:

Performance for 2006

	2006 Objectives	First quarter 2006 Actual
Return on common shareholders' equity	7% to 8%	7.9% [7.7% from continuing operations]
Diluted net income per share	$2.05 to $2.35 (annual)	$0.59 [$0.58 from continuing operations]
Total income	$522 to $532 million (annual)	$131.5 million
Efficiency ratio	75% to 73.5%	76.4%
Capital ratios		
Tier 1	Minimum of 9.5%	10.3%
Total	Minimum of 12.0%	14.1%
Credit quality (loan losses as a % of average assets)	0.25% to 0.22%	0.24%

Highlights

This section presents highlights regarding the activities of the first quarter ended January 31, 2006 and details significant items affecting results, compared to the first quarter of 2005.

- Total income increased by 10% to $131.5 million in 2006, compared to $119.2 million for the same period a year ago, mainly as a result of the improvement in net interest income.
- Non-interest expenses increased by 10% to $100.5 million in 2006, from $91.7 million for the first quarter of 2005, essentially as a result of higher salaries and employee benefits, including a $3.1 million charge related to the stock appreciation rights plan.
- The provision for credit losses was relatively stable at $10.0 million in the first quarter of 2006 compared to the first quarter of 2005.
- During the quarter, the Bank completed the sale of its 51% interest in Brome Financial Corporation Inc., giving rise to a $0.9 million gain ($0.9 million net of income taxes), included in other income.
- Results for the first quarter of 2006 also include the favorable adjustment to future tax assets of $2.4 million, resulting from the increase in Quebec income tax rates.
- Discontinued operations for 2006 include the $0.3 million gain from the sale of all the remaining investments in seed capital in BLC-Edmond de Rothschild Asset Management's mutual funds, as well as to the recognition of a $0.2 million gain pertaining to a recovery clause on retention of institutional assets under management.
- On January 23, 2006, the Bank issued $150 million 4.9%, subordinated debentures maturing in January 2016, which contributed to improving the total capital ratio.

Analysis of consolidated results

Total income was $131.5 million in the first quarter of 2006, compared to $119.2 million in the first quarter of 2005.

The Bank's net interest income increased by 16% to $87.9 million for the first quarter of 2006, from $75.7 million in the first quarter of 2005. Net interest margin, as a percentage of average assets, also improved from 1.83% to 2.10%. In the fourth quarter of 2005, total income was $133.8 million and net interest income $85.4 million, while net interest margin was 2.06%. The increase in net interest income, when compared to the first and fourth quarters of 2005, is mainly the result of tighter asset-liability management strategies, higher loan volumes, as well as improved margins on retail loans and deposits.

Other income was $43.6 million during the first quarter of 2006, compared to $43.4 million in the first quarter of 2005. During the quarter, the sale of Brome Financial Corporation Inc., a subsidiary mainly involved in asset based lending and factoring gave rise to a $0.9 million gain. Further details related to this transaction can be found in Note 2 to the interim consolidated financial statements. Otherwise, the decrease in other revenues mainly results from lower revenues from treasury and financial market operations, as well as from the decline in fees and commissions on loans, partially offset by an increase in credit insurance income.

The ***provision for credit losses*** was $10.0 million in the first quarter of 2006 or 0.24% of average assets, compared to $9.8 million for the same period a year ago. Net impaired loans stood at -$2.7 million (-0.0% of total loans, bankers' acceptances and assets purchased under reverse repurchase agreements) at January 31, 2006, compared to -$8.9 million (-0.1%) at October 31, 2005. Gross impaired loans stood at $122.0 million at January 31, 2006, compared to $120.9 million at October 31, 2005. Credit quality has remained stable during the quarter, as the Canadian economy remains robust. See Note 3 to the interim consolidated financial statements for more details.

Non-interest expenses increased to $100.5 million for the first quarter of 2006, compared to $91.7 million for the first quarter of 2005. The variation results essentially from higher salaries and employee benefits. The $3.1 million expense related to the stock appreciation rights plan, the $1.0 million increase in employee future benefit costs, the increase in salaries, as well as the expansion in the retail banking operations and brokerage activities, all contributed to the rise in expenses.

Premises and technology costs remained at levels similar to a year ago, while other expenses increased as a result of higher advertising and business development expenses, partially offset by lower taxes and insurance costs.

The efficiency ratio (expenses divided by total income) was 76.4% in the first quarter of 2006 compared to 76.9% in the first quarter of 2005.

Income tax expense was $4.3 million (20.6% effective tax rate) in the first quarter of 2006, compared to $5.7 million (32.0% effective tax rate) in the first quarter of 2005. The lower effective tax rate in 2006 results from the favorable adjustment to future tax assets of $2.4 million, following the confirmation of the increase in the corporate tax rate in Quebec during the quarter, and the lower taxation on the sale of Brome Financial Corporation Inc.

Analysis of financial condition

Balance sheet assets stood at $16.7 billion at January 31, 2006, compared to $16.5 billion at October 31, 2005.

Liquidities, including cash resources, securities and assets purchased under reverse repurchase agreements, slightly increased, in part as a result of the issuance of the Series 10 debentures and loan securitization.

The portfolio of loans and bankers' acceptances stood at $11.9 billion at January 31, 2006, compared to $12.0 billion at October 31, 2005. Commercial loans, including bankers' acceptances, declined by $75.0 million during the quarter, mainly as demand for commercial credit remained soft and also as a result of the sale of Brome Financial Corporation Inc. The $51.4 million decrease in the residential mortgage portfolio is essentially the result of securitization transactions during the quarter amounting to $225 million, while the direct retail network continued its strong performance. Also, personal loans significantly increased, mainly as a result of the strong growth in B2B Trust's investment loan portfolio.

Total personal deposits grew by $108 million during the quarter to $10.7 billion at January 31, 2006 from $10.6 billion at October 31, 2005. The Bank reduced the level of business and other deposits by $0.5 billion, principally as a result of the issuance of the subordinated debentures and the securitization of residential mortgages. At January 31, 2006, personal deposits accounted for 80% of total deposits of $13.3 billion.

Shareholders' equity stood at $921.4 million as at January 31, 2006, while it stood at $913.2 million at October 31, 2005. There were 23,598,503 common shares outstanding as at January 31, 2006 and the Bank's book value per common share increased to $30.15 from $29.85 at year-end 2005.

The total capital of the Bank, comprised of shareholders' equity and debentures, reached $1,221 million at January 31, 2006 compared to $1,063 million at October 31, 2005, an increase of $158 million over the period, essentially as a result of the issuance of Series 10 debentures for $150 million. The BIS Tier 1 and Total capital ratios stood at 10.3% and 14.1%, respectively at January 31, 2006, compared to 10.2% and 12.3% at October 31, 2005.

At its meeting on February 28, 2006, the Board of Directors declared regular dividends on the various series of preferred shares to shareholders of record on March 10, 2006, as well as a dividend of $0.29 per common share, payable on May 1, 2006, to shareholders of record on April 3, 2006.

Assets under administration stood at $14.8 billion at January 31, 2006, compared to $13.8 billion at October 31, 2005, and $13.6 billion at January 31, 2005. Compared to year-end 2005, self-directed RRSP accounts, clients' brokerage assets and mutual funds under administration increased by $637 million, $150 million and $99 million respectively, mainly as a result of market revaluation. Mortgage loans under management also increased by $186 million as a result of the securitization transactions of the quarter.

Segmented information

The increase in revenues for the first quarter of 2006 contributed positively to results for all business segments. However, higher variable compensation expenses related to stock appreciation rights lessened the effect on net income.

Net income contributions

(in millions of $)	Retail Financial Services	Commercial Financial Services	B2B Trust	Laurentian Bank Securities	Other	Total [note 1]
Q1-2006						
Net income	6.5	5.6	5.5	0.7	(1.3)	17.0
	35%	31%	30%	4%	n/a	100%
Q4-2005[note 2]						
Net income	13.0	4.1	5.2	1.1	(1.8)	21.6
	55%	18%	22%	5%	n/a	100%
Q1-2005[note 2]						
Net income	8.1	5.0	4.9	0.9	(1.6)	17.3
	43%	26%	26%	5%	n/a	100%

Note 1: Percentage of net income contribution from the four business segments, excluding the Other segment.

Note 2: Results from all deposit brokerage operations are now included with the B2B Trust business segment, whereas certain activities were previously included with the Retail Financial Services segment. B2B Trust has developed a recognized expertise with regards to the business generated through intermediaries and, as such, it is well positioned to further develop these operations. As well, certain adjustments were carried to the cost of funds model in 2006. Comparative figures were restated to reflect the current period presentation.

Retail Financial Services

The Retail Financial Services business segment's contribution to consolidated results was $6.5 million for the first quarter of 2006, compared to $8.1 million for the first quarter of 2005.

The increase in total income, from $83.7 million in 2005 to $87.4 million in 2006, results mainly from the strong loan growth, with average loan volumes improving by more than $540 million compared to the first quarter of 2005, which more than offset the narrower margins on floating demand and notice deposits. Net income was however affected by the increase in provision for credit losses of $1.1 million and in non-interest expenses of $5.3 million, mainly as a result of the variable compensation expense related to the stock appreciation rights, and the additional advertising and business development activities of the quarter.

The lower profitability in 2006, compared to the fourth quarter of 2005, is mainly attributable to the additional $4.4 million gain resulting from the sale of BLC-Edmond de Rothschild Asset Management Inc. recognized in income from discontinued operations in 2005.

The RRSP season is now well underway. Again this year, the well received and still very relevant 'malretraite' theme (poorly retired) was used for the advertising campaign. Also, the renovation program continued during the quarter, and two new branches were opened in the Montreal suburbs of Boisbriand in December, and Chambly in January. This now brings the total number of branches to 157, including 9 openings since November 2004.

Commercial Financial Services

The Commercial Financial Services segment's contribution to net income improved to $5.6 million for the first quarter of 2006, compared to $5.0 million for the first quarter of 2005. Revenues increased as higher net interest income and the $0.9 million gain resulting from the sale of Brome Financial Corporation Inc. more than offset lower lending fees. Lower loan losses, which stood at $2.8 million for the first quarter of 2006, compared to $4.1 million in 2005, also contributed to the stronger quarter, while non-interest expense increased by $1.0 million, mainly as a result of the charge related to the stock appreciation rights.

Competitive pressure on loan demand has again constrained growth opportunities. However average loan volumes have slightly increased compared to year-end 2005, despite the sale of Brome Financial Corporation Inc. in December 2005.

During the quarter, Commercial Financial Services continued its business development activities targeted at its various customer segments. Banking solutions aimed at simplifying banking operations for the small and medium-sized businesses were launched at the end of the quarter. These should contribute to strengthen the Bank's relations with existing clients and increase their loyalty, as well as help to attract new clients.

B2B Trust

Net income for the first quarter of 2006 was $5.5 million, compared to $4.9 million for the same period in 2005. At $20.9 million, total income was up 10%, compared to the first quarter of 2005, essentially as a result of the improvement in net interest income. Loan losses stood at $1.6 million for the quarter ended January 31, 2006, while they stood at $1.1 million for the same period a year ago.

Loan volumes have continued to progress, recording a significant increase of more than $60 million during the quarter, mainly in the investment loan portfolio. The deposit portfolio also increased by $64 million since year-end 2005.

During the quarter, B2B Trust pursued its development activities, which led to the signature of a new distribution agreement with Assante Wealth Management. Also, with regards to the RRSP season, B2B Trust's leading loan programs were reviewed to ensure financial advisors throughout Canada benefit from the most comprehensive, up-to-date and competitive products.

Laurentian Bank Securities

The Laurentian Bank Securities business segment reported net income of $0.7 million for the first quarter of 2006, compared to $0.9 million for the same quarter in 2005. Revenues were $5.3 million for the first quarter of 2006, while they stood at $6.4 million for the same quarter in 2005. Results for 2005 included contributions to revenues and net income of $1.0 million and $0.03 million respectively, from BLC-Edmond de Rothschild Asset Management Inc. for the two months prior to its disposal.

During the quarter, two new brokerage offices were opened in Chicoutimi and Saint-Hyacinthe. The subsidiary is now offering its services through a 13-office network in Quebec and Ontario. Leveraging on its institutional bond market expertise, Laurentian Bank Securities launched a new web-based bond platform as part of its discount brokerage offering. This transaction service, aimed at completing the retail product offering, is also strengthening its market position.

LBS is primarily active in the institutional sector, mainly in the bond market, as well as in retail and discount brokerage.

Other

Income from continuing operations was $-1.6 million for the first quarter of 2006, compared to $-6.8 million for the first quarter of 2005. The improvement is mainly related to the increase of $8.0 million in net interest income resulting from tighter asset-liability management strategies and to the favorable adjustment to future tax assets of $2.4 million, following the confirmation of the increase in the corporate tax rate in Quebec.

For the first quarter of 2005, income from discontinued operations includes the initial $5.2 million gain resulting from the sale of the BLC-Edmond de Rothschild Asset Management joint-venture and the related decrease in value of investments in seed capital of certain BLC-Edmond de Rothschild Asset Management's mutual funds. In 2006, income from discontinued operations only amounted to $0.3 million.

Additional financial information – Quarterly results

In millions of dollars, except per share amounts (unaudited)	**2006**	2005				2004		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total income	**131.5**	133.8	131.1	118.0	119.2	108.9	117.2	121.5
Income from continuing operations	**16.7**	17.4	15.2	11.0	12.1	7.1	9.7	11.4
Net income	**17.0**	21.6	15.8	10.6	17.3	7.1	9.7	11.4
Income per common share from continuing operations								
Basic	**0.58**	0.61	0.52	0.34	0.38	0.17	0.31	0.42
Diluted	**0.58**	0.61	0.52	0.34	0.38	0.17	0.31	0.42
Net income per common share								
Basic	**0.59**	0.79	0.54	0.33	0.61	0.17	0.31	0.42
Diluted	**0.59**	0.79	0.54	0.33	0.60	0.17	0.31	0.42
Return on common shareholders' equity	**7.9%**	10.6%	7.4%	4.6%	8.3%	2.4%	4.2%	5.9%
Balance sheet assets	**16,742**	16,507	16,125	16,671	15,817	16,607	16,906	16,757

About Laurentian Bank

Laurentian Bank of Canada, is a Quebec banking institution operating across Canada dedicated to meeting the financial needs of its clients through the excellence of its service, its simplicity and its proximity. The Bank serves individual consumers, small and medium-sized businesses as well as, through B2B Trust, independent financial advisors. It also provides full-service brokerage solutions through the Laurentian Bank Securities subsidiary.

Laurentian Bank is well established in the Province of Quebec, operating the third largest retail branch network and is a performing player in specific market segments elsewhere in the country. Laurentian Bank of Canada has over $16 billion in balance sheet assets and close to $15 billion in assets under administration. Founded in 1846, the Bank employs more than 3,000 people. Its common shares are listed on the Toronto Stock Exchange (TSX: LB). For more information, please visit www.laurentianbank.ca.

Corporate governance

The Board of Directors and the Audit Committee of Laurentian Bank reviewed this press release prior to its release today. The disclosure controls and procedures support the ability of the President and Chief Executive Officer and the Senior Executive Vice-President and Chief Financial Officer to assure that Laurentian Bank's interim consolidated financial statements are fairly presented.

Caution regarding forward-looking statements

This press release and related communications may contain forward-looking statements, including statements regarding the business and anticipated financial performance of Laurentian Bank. These statements typically use the conditional and words such as prospects, believe, estimate, forecast, project, should, could and would. By their very nature, forward-looking statements involve inherent risks and uncertainties, and it is possible that the forecasts, projections and other forward-looking statements will not be achieved. The Bank cautions readers against placing undue reliance on these statements when making decisions, as the actual results could differ appreciably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. These factors include, among other things, capital market activity, changes in government monetary, economic and fiscal policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition, credit ratings, scarcity of human resource and technological change. The Bank cautions that the foregoing list of factors is not exhaustive. The Bank does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf.

Conference call

Laurentian Bank invites media representatives and the public to listen to the conference call with financial analysts to be held Tuesday, February 28, 2006 at 2:00 p.m. Eastern Time. The live, listen only, toll free call-in number is 1-866-898-9626.

You can listen to the call on a delayed basis at any time from 6:00 p.m., Tuesday, February 28th to midnight, Tuesday, March 7th, 2006, by dialing the following play back number: 1-800-408-3053 Code 3175155#.

The conference call can also be heard through the Investors' Relations section of the Bank's Web site at www.laurentianbank.ca.

The Bank's Website also offers additional financial information.

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Chief Financial Officer: Robert Cardinal, (514) 284-4500 #7535
Media and Investors Relations contact: Gladys Caron, (514) 284-4500 #7511; cell (514) 893-3963

Financial highlights

In millions of dollars, except per share amounts (unaudited)	For the three-month periods ended January 31 2006	January 31 2005	Percentage variation
Earnings			
Net income	$ **17.0**	$ 17.3	(1.7) %
Income from continuing operations	$ **16.7**	$ 12.1	38.0 %
Net income available to common shareholders	$ **14.0**	$ 14.2	(1.4) %
Return on common shareholders' equity	**7.9 %**	8.3 %	
Per common share			
Diluted net income	$ **0.59**	$ 0.60	(1.7) %
Diluted income from continuing operations	$ **0.58**	$ 0.38	52.6 %
Dividends	$ **0.29**	$ 0.29	- %
Book value	$ **30.15**	$ 29.10	3.6 %
Share price - close	$ **35.15**	$ 23.60	48.9 %
Financial position			
Balance sheet assets	$ **16,742**	$ 15,817	5.8 %
Assets under administration	$ **14,841**	$ 13,599	9.1 %
Loans, bankers' acceptances and assets purchased under reverse repurchase agreements, net	$ **12,475**	$ 11,676	6.8 %
Personal deposits	$ **10,684**	$ 10,738	(0.5) %
Shareholders' equity and debentures	$ **1,221**	$ 1,094	11.6 %
Number of common shares (in thousands)	**23,599**	23,511	0.4 %
Net impaired loans as a % of loans, bankers' acceptances and assets purchased under reverse repurchase agreements	**- %**	- %	
Risk-weighted assets	$ **8,450**	$ 8,083	4.5 %
Capital ratios			
Tier I BIS	**10.3 %**	10.5 %	
Total BIS capital	**14.1 %**	13.3 %	
Assets to capital multiple	**14.1 x**	14.8 x	
Tangible common equity as a percentage of risk-weighted assets	**7.6 %**	7.7 %	
FINANCIAL RATIOS			
Per common share			
Price / earnings ratio (trailing four quarters)	**15.6 x**	15.6 x	
Market to book value	**117 %**	81 %	
Dividend yield	**3.30 %**	4.92 %	
Dividend payout ratio	**48.8 %**	47.9 %	
As a percentage of average assets			
Net interest income	**2.10 %**	1.83 %	
Provision for credit losses	**0.24 %**	0.24 %	
Net income	**0.41 %**	0.42 %	
Net income available to common shareholders	**0.34 %**	0.34 %	
Profitability			
Other income (as a % of total income)	**33.1 %**	36.5 %	
Efficiency ratio (non-interest expenses as a % of total income)	**76.4 %**	76.9 %	
OTHER INFORMATION			
Number of full-time equivalent employees	**3,256**	3,207	
Number of branches	**157**	156	
Number of automated banking machines	**316**	308	

Consolidated statement of income

In thousands of dollars, except per share amounts (unaudited)	January 31 2006	October 31 2005	January 31 2005
	For the three-month periods ended		
Interest income			
Loans	$ 180,307	$ 174,932	$ 169,948
Securities	16,718	14,710	16,057
Deposits with other banks	1,700	2,341	1,702
	198,725	191,983	187,707
Interest expense			
Deposits and other liabilities	107,805	102,802	107,318
Subordinated debentures (note 5)	2,971	3,769	4,678
	110,776	106,571	111,996
Net interest income	87,949	85,412	75,711
Provision for credit losses (note 3)	10,000	11,750	9,750
	77,949	73,662	65,961
Other income			
Fees and commissions on loans and deposits	21,044	22,689	21,546
Brokerage operations	4,989	5,603	4,931
Income from treasury and financial market operations	3,047	4,805	4,215
Income from registered self-directed plans	2,757	3,008	2,960
Securitization income (note 4)	3,138	4,852	3,061
Income from distribution and management of mutual funds	2,373	2,335	2,832
Credit insurance income	2,976	2,510	1,658
Gain on disposal (note 2)	931	-	-
Other	2,302	2,598	2,246
	43,557	48,400	43,449
	121,506	122,062	109,410
Non-interest expenses			
Salaries and employee benefits	52,342	51,091	44,807
Premises and technology	26,514	27,518	26,866
Other	21,674	20,401	20,015
	100,530	99,010	91,688
Income from continuing operations before income taxes	20,976	23,052	17,722
Income taxes (note 9)	4,317	5,642	5,668
Income from continuing operations	16,659	17,410	12,054
Income from discontinued operations, net of income taxes (note 2)	324	4,149	5,213
Net income	$ 16,983	$ 21,559	$ 17,267
Preferred share dividends, including applicable income taxes	2,982	2,998	3,035
Net income available to common shareholders	$ 14,001	$ 18,561	$ 14,232
Average number of common shares (in thousands)			
Basic	23,580	23,546	23,511
Diluted	23,640	23,586	23,531
Income per common share from continuing operations			
Basic	$ 0.58	$ 0.61	$ 0.38
Diluted	$ 0.58	$ 0.61	$ 0.38
Net income per common share			
Basic	$ 0.59	$ 0.79	$ 0.61
Diluted	$ 0.59	$ 0.79	$ 0.60

The accompanying notes are an integral part of the interim consolidated financial statements.

Consolidated balance sheet

In thousands of dollars (unaudited)	January 31 2006	October 31 2005	January 31 2005
ASSETS			
Cash resources			
Cash and non-interest-bearing deposits with other banks	$ **63,338**	$ 57,737	$ 51,160
Interest-bearing deposits with other banks	**366,957**	259,791	387,881
	430,295	317,528	439,041
Securities			
Investment account	**1,665,474**	1,911,819	1,548,382
Trading account	**1,323,881**	1,028,587	1,239,493
	2,989,355	2,940,406	2,787,875
Assets purchased under reverse repurchase agreements	**674,573**	508,073	353,760
Loans (notes 3 and 4)			
Personal	**3,940,923**	3,907,320	3,635,252
Residential mortgages	**5,755,489**	5,806,853	5,557,193
Commercial mortgages	**618,519**	595,946	602,880
Commercial and other	**1,473,498**	1,539,893	1,543,624
	11,788,429	11,850,012	11,338,949
Allowance for loan losses	**(124,740)**	(129,806)	(124,311)
	11,663,689	11,720,206	11,214,638
Other			
Customers' liability under acceptances	**137,023**	145,629	107,686
Property, plant and equipment	**95,584**	93,793	90,236
Derivative financial instruments	**138,827**	143,453	188,094
Future tax assets	**106,153**	106,932	110,870
Goodwill	**53,790**	53,790	53,790
Other intangible assets	**16,247**	16,547	17,465
Other assets	**436,540**	460,627	453,405
	984,164	1,020,771	1,021,546
	$ **16,742,076**	$ 16,506,984	$ 15,816,860
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Personal	$ **10,683,766**	$ 10,575,416	$ 10,738,499
Business, banks and other	**2,616,699**	3,121,522	2,175,158
	13,300,465	13,696,938	12,913,657
Other			
Obligations related to assets sold short	**953,880**	726,063	815,286
Obligations related to assets sold under repurchase agreements	**273,072**	60,065	6,425
Acceptances	**137,023**	145,629	107,686
Derivative financial instruments	**118,391**	105,326	161,251
Other liabilities	**737,838**	709,723	718,390
	2,220,204	1,746,806	1,809,038
Subordinated debentures (note 5)	**300,000**	150,000	200,000
Shareholders' equity			
Preferred shares	**210,000**	210,000	210,000
Common shares (note 6)	**250,523**	249,633	248,593
Contributed surplus	**184**	73	-
Retained earnings	**461,290**	454,124	435,572
Treasury shares (note 6)	**(590)**	(590)	-
	921,407	913,240	894,165
	$ **16,742,076**	$ 16,506,984	$ 15,816,860

The accompanying notes are an integral part of the interim consolidated financial statements.

Consolidated statement of changes in shareholders' equity

In thousands of dollars (unaudited)	For the three-month periods ended January 31 2006	January 31 2005
Preferred shares		
Balance at beginning and end of period	**$ 210,000**	$ 210,000
Common shares (note 6)		
Balance at beginning of period	**249,633**	248,593
Issued during the period	**890**	-
Balance at end of period	**250,523**	248,593
Contributed surplus		
Balance at beginning of period	**73**	-
Stock-based compensation	**111**	-
Balance at end of period	**184**	-
Retained earnings		
Balance at beginning of period	**454,124**	428,159
Net income	**16,983**	17,267
Dividends		
Preferred shares, including applicable income taxes	**(2,982)**	(3,035)
Common shares	**(6,835)**	(6,819)
Balance at end of period	**461,290**	435,572
Treasury shares		
Balance at beginning and end of period	**(590)**	-
Shareholders' equity	**$ 921,407**	$ 894,165

The accompanying notes are an integral part of the interim consolidated financial statements.

Consolidated statement of cash flows

In thousands of dollars (unaudited)		For the three-month periods ended				
		January 31 2006		October 31 2005		January 31 2005
Cash flows relating to operating activities						
Net income	**$**	**16,983**	$	21,559	$	17,267
Adjustments to determine net cash flows relating to operating activities:						
Provision for credit losses		**10,000**		11,750		9,750
Gains on securitization operation (note 4)		**(2,246)**		(4,222)		(2,447)
Net loss (gain) on disposal of property, plant and equipment		**(2)**		948		5
Net gain from discontinued operations (note 2)		**(487)**		(4,771)		(5,377)
Gain on disposal (note 2)		**(931)**		-		-
Net loss (gain) on sale of securities held for investment		**3,116**		1,076		(587)
Future income taxes		**(303)**		3,124		2,074
Depreciation and amortization		**6,807**		7,105		7,907
Net change in trading securities		**(295,294)**		48,117		(244,523)
Change in accrued interest receivable		**11,154**		(4,703)		(2,074)
Change in assets relating to derivative financial instruments		**4,626**		39,628		13,623
Change in accrued interest payable		**6,512**		200		(2,641)
Change in liabilities relating to derivative financial instruments		**13,065**		(38,136)		(28,238)
Other, net		**59,620**		(23,235)		(108,781)
		(167,380)		58,440		(344,042)
Cash flows relating to financing activities						
Net change in deposits		**(396,473)**		435,047		2,617
Change in obligations related to assets sold short		**227,817**		(26,057)		(680,288)
Change in obligations related to assets sold under repurchase agreements		**213,007**		19,190		(9,482)
Issuance of subordinated debentures (note 5)		**150,000**		-		-
Redemption of subordinated debentures		**-**		(50,000)		(50,525)
Issuance of common shares, net of issue costs		**890**		443		-
Acquisition of treasury shares		**-**		(590)		-
Dividends, including applicable income taxes		**(9,817)**		(9,821)		(9,854)
		185,424		368,212		(747,532)
Cash flows relating to investing activities						
Net cash flows from the sale of discontinued operations (note 2)		**-**		5,040		40,630
Net cash flows from the sale of a subsidiary (note 2)		**(140)**		-		-
Net change in interest-bearing deposits with other banks		**(107,166)**		134,351		(107,130)
Change in investment securities						
Acquisitions		**(4,645,445)**		(7,019,758)		(7,341,841)
Proceeds from sales and maturity		**4,888,674**		6,553,923		7,796,376
Change in loans		**(197,013)**		(194,680)		(131,228)
Change in assets purchased under reverse repurchase agreements		**(166,500)**		(75,738)		780,160
Proceeds from mortgage loan securitizations (note 4)		**223,195**		179,621		61,559
Additions to property, plant and equipment		**(8,448)**		(11,158)		(3,473)
Proceeds from disposal of property, plant and equipment		**400**		5		-
		(12,443)		(428,394)		1,095,053
Net change in cash and non-interest-bearing deposits with other banks during the period		**5,601**		(1,742)		3,479
Cash and non-interest-bearing deposits with other banks at beginning of period		**57,737**		59,479		47,681
Cash and non-interest-bearing deposits with other banks at end of period	**$**	**63,338**	$	57,737	$	51,160
Supplemental disclosure relating to cash flows:						
Interest paid during the period	**$**	**104,787**	$	107,416	$	126,116
Income taxes paid during the period	**$**	**7,903**	$	5,686	$	19,265

The accompanying notes are an integral part of the interim consolidated financial statements.

Notes to consolidated financial statements
(unaudited)

1. ACCOUNTING POLICIES

The unaudited interim consolidated financial statements of Laurentian Bank have been prepared by management, which is responsible for the integrity and fairness of the financial information presented. These interim consolidated financial statements have been prepared in accordance with the *Bank Act,* which states that, except as otherwise specified by the Superintendent of Financial Institutions of Canada, the interim consolidated financial statements are to be prepared in accordance with Canadian generally accepted accounting principles (GAAP) for interim financial statements. The significant accounting policies used in the preparation of these interim consolidated financial statements, including the accounting requirements of the Superintendent, are the same as those in the Bank's annual consolidated audited financial statements as at October 31, 2005. These accounting policies conform to GAAP. However, these interim consolidated financial statements do not reflect all of the information and disclosures required by GAAP for complete financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the annual consolidated audited financial statements as at October 31, 2005. These interim consolidated financial statements reflect amounts, which are based on the best estimates and judgement of management. Actual results may differ from these estimates. Certain comparative figures have been reclassified to conform to the current period presentation.

Future changes to accounting policies
Financial instruments
On April 1, 2005, the CICA issued three accounting standards *Financial Instruments – Recognition and Measurement, Hedges and Comprehensive Income.* These new standards will be effective for the Bank on November 1, 2006. The impact of implementing these standards on the Bank's financial statements cannot yet be determined as it is dependent on the Bank's investment and hedging strategies, as well as on market volatility at the time of application of these standards.

Financial Instruments – Recognition and Measurement
All financial assets and liabilities will be carried at fair value in the consolidated balance sheet, except loans and receivables, held-to-maturity investments and non-trading financial liabilities, which will be carried at amortized cost. Realized and unrealized gains and losses on trading financial assets and liabilities will be recognized immediately in the consolidated statement of income. Unrealized gains and losses on financial assets that are available for sale will be recognized in other comprehensive income until their realization, after which these amounts will be recognized in the consolidated statement of income. All derivative financial instruments will be carried at fair value in the consolidated balance sheet.

Hedges
In a fair value hedge, hedging derivatives are carried at fair value, with changes in fair value recognized in the consolidated statement of income. The changes in the fair value of the hedged items attributable to the hedged risk will also be recorded in consolidated income by way of a corresponding adjustment of the carrying amount of the hedged items recognized in the consolidated balance sheet. In a cash flow hedge, the changes in fair value of derivative financial instruments will be recorded in other comprehensive income. These amounts will be reclassified in the consolidated statement of income in the periods in which results are affected by the cash flows of the hedged items. Similarly, any hedge ineffectiveness will be recorded in the consolidated statement of income.

Comprehensive income
Other comprehensive income will be included in the consolidated balance sheet as a separate component of shareholders' equity.

2. DISPOSALS

2006
Sale of the subsidiary Brome Financial Corporation Inc.
On December 31, 2005, the Bank completed the sale of its 51% participation in Brome Financial Corporation Inc. The net sale price, paid in cash, amounted to $3,853,000, for a gain of $931,000 ($931,000 net of taxes). At the date of sale, total assets sold amounted to $32,170,000, including cash for an amount of $3,993,000. These operations were presented in the Commercial Financial Services segment. The gain resulting from the sale was entirely attributed to this segment.

Contribution to net income was not significant and income was as follows:

	For the three-month periods ended			For the year ended
	January 31	October 31	January 31	October 31
In thousands of dollars	**2006**	2005	2005	2005
Income	**$ 1,279**	$ 2,008	$ 1,850	$ 7,800

2005
Sale of BLC–Edmond de Rothschild Asset Management Inc.

On December 31, 2004, the Bank recognized an initial $5,377,000 gain in income from discontinued operations as a result of the sale of the BLC-Edmond de Rothschild Asset Management Inc. joint-venture (BLCER) to Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance). The sale price was subject to recovery clauses of $25,917,000 based on net sales of mutual funds for the next six years ending on December 31, 2010 and of $300,000 based on the balance of institutional funds under management on December 31, 2005.

During the first quarter ended January 31, 2006, the Bank recognized revenues of $187,000 in relation with the recovery clause related to institutional funds under management. Gains related to net sales of mutual funds will be recognized in income once the conditions are met.

Also, in relation with the sale of BLCER, it was agreed that investments in seed capital owned by the Bank would be disposed of. Since then, the realized and unrealized net gains and losses related to these investments were recognized under income from discontinued operations. During the first quarter ended January 31, 2006, the Bank completed the sale of these investments and recorded revenues of $300,000 ($200,000 net of income taxes) to reflect the realized net gains.

These gains were entirely attributed to the Other segment.

3. LOANS

A) LOANS AND IMPAIRED LOANS

In thousands of dollars	Gross amount of loans	Gross amount of impaired loans	Specific allowances	General allowances	Total allowances
As at January 31, 2006					
Personal loans	$ 3,940,923	$ 18,559	$ 6,304	$ 23,812	$ 30,116
Residential mortgages	5,755,489	9,258	3,596	4,838	8,434
Commercial mortgages	618,519	11,616	5,562	2,861	8,423
Commercial loans and other	1,473,498	82,573	44,028	29,010	73,038
Unallocated general allowance	-	-	-	4,729	4,729
	$ 11,788,429	$ 122,006	$ 59,490	$ 65,250	$ 124,740

In thousands of dollars	Gross amount of loans	Gross amount of impaired loans	Specific allowances	General allowances	Total allowances
As at October 31, 2005					
Personal loans	$ 3,907,320	$ 16,919	$ 7,267	$ 24,828	$ 32,095
Residential mortgages	5,806,853	9,783	3,735	5,559	9,294
Commercial mortgages	595,946	12,173	5,904	4,648	10,552
Commercial loans and other	1,539,893	82,063	47,650	25,818	73,468
Unallocated general allowance	-	-	-	4,397	4,397
	$ 11,850,012	$ 120,938	$ 64,556	$ 65,250	$ 129,806

In thousands of dollars	Gross amount of loans	Gross amount of impaired loans	Specific allowances	General allowances	Total allowances
As at January 31, 2005					
Personal loans	$ 3,635,252	$ 12,940	$ 3,326	$ 24,954	$ 28,280
Residential mortgages	5,557,193	13,945	3,964	5,303	9,267
Commercial mortgages	602,880	15,971	5,524	3,857	9,381
Commercial loans and other	1,543,624	75,620	46,247	26,745	72,992
Unallocated general allowance	-	-	-	4,391	4,391
	$ 11,338,949	$ 118,476	$ 59,061	$ 65,250	$ 124,311

B) SPECIFIC ALLOWANCES FOR LOAN LOSSES

For the three-month periods ended January 31

in thousands of dollars	Personal loans	Residential mortgages	Commercial mortgages	Commercial loans and other	2006 Total specific allowances	2005 Total specific allowances
Balance at beginning of period	$ 7,267	$ 3,735	$ 5,904	$ 47,650	$ 64,556	$ 74,792
Provision for credit losses recorded in the consolidated statement of income	6,663	52	390	2,895	10,000	9,750
Write-offs	(8,532)	(202)	(732)	(6,140)	(15,606)	(26,653)
Recoveries	906	11	-	34	951	1,172
Provision for credit losses resulting from the sale of a subsidiary (see note 2)	-	-	-	(411)	(411)	-
Balance at end of period	$ 6,304	$ 3,596	$ 5,562	$ 44,028	$ 59,490	$ 59,061

C) GENERAL ALLOWANCES FOR LOAN LOSSES

For the three-month periods ended January 31

in thousands of dollars	Personal loans	Residential mortgages	Commercial mortgages	Commercial loans and other	Unallocated general allowance	2006 Total general allowances	2005 Total general allowances
Balance at beginning of period	$ 24,828	$ 5,559	$ 4,648	$ 25,818	$ 4,397	$ 65,250	$ 65,250
Change during the period	(1,016)	(721)	(1,787)	3,192	332	-	-
Balance at end of period	$ 23,812	$ 4,838	$ 2,861	$ 29,010	$ 4,729	$ 65,250	$ 65,250

4. LOAN SECURITIZATION

During the first quarter, the Bank securitized residential mortgages insured by the Canadian Mortgage and Housing Corporation in the amount of $51,289,000 through the creation of mortgage-backed securities. The Bank subsequently sold such mortgage-backed securities. During the quarter, the Bank also securitized conventional residential mortgages for $173,811,000 under another program. As part of these transactions, the Bank received total proceeds of $223,195,000 and recognized a gain on sale net of transaction costs of $2,246,000 in other income. The calculation of this gain mainly takes into account the rights to future excess interest of $6,501,000, servicing liabilities of $1,704,000 and cash reserve accounts of $1,738,000.

The total principal amount of securitized loans outstanding amounted to $887,190,000 as at January 31, 2006 ($702,718,000 as at October 31, 2005).

5. SUBORDINATED DEBENTURES

On January 23, 2006, the Bank issued $150,000,000 of subordinated debentures, Series 10, due in January 2016. Interest on this issue is payable semi-annually at a fixed rate of 4.90% until January 25, 2011, and at a floating rate equal to the rate on 90 days bankers' acceptances plus 1.65% (paid quarterly) thereafter to maturity.

6. CAPITAL STOCK

Issuance of common shares
During the quarter, 41,958 common shares were issued under the employee share purchase option plan for the management of the Bank for a cash consideration of $890,000.

Issued and outstanding	**As at January 31, 2006**		As at October 31, 2005	
In thousands of dollars, except number of shares	**Number of shares**	**Amount**	Number of shares	Amount
Class A Preferred Shares [(1)]				
Series 9	**4,000,000**	**$ 100,000**	4,000,000	$ 100,000
Series 10	**4,400,000**	**110,000**	4,400,000	110,000
Total preferred shares	**8,400,000**	**210,000**	8,400,000	210,000
Common shares	**23,598,503**	**250,523**	23,556,545	249,633
Treasury shares	**(20,000)**	**$ (590)**	(20,000)	$ (590)

[(1)] The preferred shares are convertible into common shares. However, the number of shares issuable on conversion is not determinable until the date of conversion.

	As at January 31, 2006	As at October 31, 2005
	Number	Number
Share purchase options		
Oustanding at end of period	**387,079**	429,037
Exercisable at end of period	**362,079**	404,037

7. STOCK-BASED COMPENSATION

Restricted Share Unit Program
During the quarter, the Bank established a new stock-based compensation program, the Restricted Share Unit Program. The Program provides that 50% of the annual bonus otherwise payable to the eligible employee, under the Bank's short term incentive compensation program, could be held back and converted in entirely vested restricted share units at the employees' option. The Bank undertakes to contribute additional restricted share units an amount equal to 60% of the held back bonus. These units will vest at the end of the three-year period after they have been granted. These share units are entitled to an amount equivalent to the dividend paid on the Bank's common shares, which is also converted into additional share units. The expense related to these units is recognized similarly as for stock appreciation rights, over the rights' vesting period.

On January 19, 2006, annual bonuses of $854,000 were converted into 24,382 entirely vested restricted share units. On the same date, the Bank granted 14,629 additional restricted share units which will vest in December 2008.

8. EMPLOYEE FUTURE BENEFITS

In thousands of dollars	For the three-month periods ended January 31 2006	2005
Defined benefit pension plans expense	**$ 4,693**	$ 3,776
Defined contribution pension plan expense	**578**	526
Other plans expense	**630**	629
Total	**$ 5,901**	$ 4,931

9. INCOME TAXES

A bill, sanctioned on December 13, 2005, confirmed the increase in the corporate tax rate in Quebec for the years 2006 and thereafter. This modification in tax rates resulted in a $2,398,000 increase of future tax assets. The related income tax revenue was recognized during the first quarter of 2006.

10. SEGMENTED INFORMATION

For the three-month period ended **January 31, 2006**

In thousands of dollars	RFS[2], [3]	CFS[3], [4]	B2B[2], [3]	LBS[3]	Other	Total
Net interest income	$ 64,615	$ 15,058	$ 17,639	$ 304	$ (9,667)	$ 87,949
Other income	22,749	6,803	3,247	5,043	5,715	43,557
Total income	87,364	21,861	20,886	5,347	(3,952)	131,506
Provision for credit losses	5,612	2,811	1,577	-	-	10,000
Non-interest expenses	72,012	10,572	11,029	4,319	2,598	100,530
Income (loss) from continuing operations before income taxes	9,740	8,478	8,280	1,028	(6,550)	20,976
Income taxes (recovery)	3,259	2,838	2,809	346	(4,935)	4,317
Income (loss) from continuing operations	6,481	5,640	5,471	682	(1,615)	16,659
Income from discontinued operations, net of income taxes	-	-	-	-	324	324
Net income	$ 6,481	$ 5,640	$ 5,471	$ 682	$ (1,291)	$ 16,983
Average assets [1]	$ 8,023,556	$ 2,254,469	$ 2,584,642	$ 1,457,802	$ 2,258,084	$ 16,578,553
Average loans [1]	$ 7,814,994	$ 2,080,005	$ 2,548,191	$ -	$ (680,430)	$ 11,762,760
Average deposits [1]	$ 6,642,364	$ 103,477	$ 5,060,166	$ -	$ 1,894,166	$ 13,700,173

For the three-month period ended October 31, 2005

In thousands of dollars	RFS[2], [3]	CFS[3]	B2B[2], [3]	LBS[3]	Other	Total
Net interest income	$ 64,817	$ 14,206	$ 16,510	$ 292	$ (10,413)	$ 85,412
Other income	23,019	7,381	3,576	5,660	8,764	48,400
Total income	87,836	21,587	20,086	5,952	(1,649)	133,812
Provision for credit losses	5,126	4,957	1,667	-	-	11,750
Non-interest expenses	69,576	10,238	10,538	4,255	4,403	99,010
Income (loss) from continuing operations before income taxes	13,134	6,392	7,881	1,697	(6,052)	23,052
Income taxes (recovery)	4,589	2,276	2,690	586	(4,499)	5,642
Income (loss) from continuing operations	8,545	4,116	5,191	1,111	(1,553)	17,410
Income (loss) from discontinued operations, net of income taxes	4,422	-	-	-	(273)	4,149
Net income	$ 12,967	$ 4,116	$ 5,191	$ 1,111	$ (1,826)	$ 21,559
Average assets [1]	$ 7,925,976	$ 2,255,775	$ 2,524,306	$ 1,274,537	$ 2,450,145	$ 16,430,739
Average loans [1]	$ 7,729,290	$ 2,045,642	$ 2,484,708	$ -	$ (601,859)	$ 11,657,781
Average deposits [1]	$ 6,572,096	$ 100,952	$ 5,049,251	$ -	$ 2,037,421	$ 13,759,720

10. SEGMENTED INFORMATION (CONTINUED)

For the three-month period ended
January 31, 2005

In thousands of dollars	RFS[2], [3]	CFS[3]	B2B[2], [3]	LBS[3], [5]	Other	Total
Net interest income	$ 63,327	$ 14,214	$ 15,464	$ 370	$ (17,664)	$ 75,711
Other income	20,414	7,220	3,564	5,988	6,263	43,449
Total income	83,741	21,434	19,028	6,358	(11,401)	119,160
Provision for credit losses	4,561	4,110	1,079	-	-	9,750
Non-interest expenses	66,692	9,603	10,539	5,035	(181)	91,688
Income (loss) before income taxes	12,488	7,721	7,410	1,323	(11,220)	17,722
Income taxes (recovery)	4,365	2,722	2,528	449	(4,396)	5,668
Income (loss) from continuing operations	$ 8,123	$ 4,999	$ 4,882	$ 874	$ (6,824)	$ 12,054
Income from discontinued operations, net of income taxes	-	-	-	-	5,213	5,213
Net income	$ 8,123	$ 4,999	$ 4,882	$ 874	$ (1,611)	$ 17,267
Average assets [1]	$ 7,473,791	$ 2,210,015	$ 2,362,986	$ 1,521,121	$ 2,815,069	$ 16,382,982
Average loans [1]	$ 7,274,656	$ 1,983,307	$ 2,326,403	$ 7	$ (398,895)	$ 11,185,478
Average deposits [1]	$ 6,563,340	$ 87,087	$ 5,166,588	$ -	$ 1,244,712	$ 13,061,727

RFS - The Retail Financial Services segment covers the full range of savings, investment, financing and transactional products and services offered through its direct distribution network, which includes branches, the electronic network and the call centre, as well as Point-of-Sale financing across Canada. This business segment also offers Visa credit card services and insurance products as well as trust services.

CFS - The Commercial Financial Services segment handles commercial loans and larger financings as part of banking syndicates, as well as commercial mortgage financing, leasing, factoring and other services.

B2B - The B2B Trust business segment supplies generic and complementary banking and financial products to independent financial advisors and non-bank financial institutions across Canada.This business segment also consists of deposit brokerage operations.

LBS - LBS segment consists of the activities of the subsidiary Laurentian Bank Securities Inc. and up to December 31, 2004, the activities of BLC - Edmond de Rothschild Asset Management Inc.

Other - The category "Other" includes treasury and securitization activities and other activities of the Bank including revenues and expenses that are not attributable to the above-mentioned segments.

(1) Assets and liabilities are disclosed on an average basis as this measure is most relevant to a financial institution.

(2) Since November 1, 2005 results from all deposit brokerage operations are now included with the B2B Trust business segment while certain activities were previously included with the RFS business segment. Comparative figures were restated to reflect the current period presentation.

(3) In 2006, the Bank reviewed its internal transfer pricing assumptions and modified net interest margin allocation betwen segments. Comparative figures were restated to reflect the current presentation.

(4) Results for the first quarter of 2006 include a $0.05 million contribution to net income from Brome Financial Corporation Inc. for the two months prior to the sale of the subsidiary and the $0.93 million gain from this sale (note 2).

(5) Results for the first quarter of 2005 include a $0.03 million contribution to net income from BLC-Edmond de Rothschild Asset Management Inc. for the two months prior to the sale of the joint-venture.

Other income

In thousands of dollars (unaudited)	Q4	Q3	Q2	2006 Q1
Fees and commissions on loans and deposits				
Deposit service charges	$ -	$ -	$ -	$ 11,836
Lending fees	-	-	-	6,096
Card service revenues	-	-	-	3,112
Sub-total - fees and commissions on loans and deposits	-	-	-	21,044
Other				
Brokerage operations	-	-	-	4,989
Income from treasury and financial market operations	-	-	-	3,047
Income from registered self-directed plans	-	-	-	2,757
Securitization income	-	-	-	3,138
Income from distribution of mutual funds	-	-	-	2,373
Credit insurance income	-	-	-	2,976
Gain on disposal	-	-	-	931
Other	-	-	-	2,302
Sub-total - other	-	-	-	22,513
Total - other income	$ -	$ -	$ -	$ 43,557
As a % of average assets	- %	- %	- %	1.04 %

In thousands of dollars (unaudited)	Q4	Q3	Q2	2005 Q1
Fees and commissions on loans and deposits				
Deposit service charges	$ 11,960	$ 12,096	$ 12,145	$ 11,538
Lending fees	7,693	7,666	7,517	7,499
Card service revenues	3,036	3,022	2,483	2,509
Sub-total - fees and commissions on loans and deposits	22,689	22,784	22,145	21,546
Other				
Brokerage operations	5,603	4,734	4,899	4,931
Income from treasury and financial market operations	4,805	5,637	1,566	4,215
Income from registered self-directed plans	3,008	2,839	3,023	2,960
Securitization income	4,852	3,032	719	3,061
Income from distribution and management of mutual funds	2,335	2,165	2,238	2,832
Credit insurance income	2,510	1,515	2,004	1,658
Other	2,598	2,925	2,297	2,246
Sub-total - other	25,711	22,847	16,746	21,903
Total - other income	$ 48,400	$ 45,631	$ 38,891	$ 43,449
As a % of average assets	1.17 %	1.10 %	0.99 %	1.05 %

Non - interest expenses

In thousands of dollars (unaudited)	Q4	Q3	Q2	2006 Q1
Salaries and employee benefits	$ -	$ -	$ -	$ 52,342
Premises and technology				
Equipment and computer services	-	-	-	9,948
Rent and property taxes	-	-	-	8,451
Depreciation	-	-	-	6,502
Maintenance and repairs	-	-	-	1,177
Public utilities	-	-	-	316
Other	-	-	-	120
Sub-total - premises and technology	-	-	-	26,514
Other expenses				
Taxes and insurance	-	-	-	6,090
Communications and travelling expenses	-	-	-	4,061
Fees and commissions	-	-	-	3,688
Advertising and business development	-	-	-	4,611
Stationery and publications	-	-	-	1,622
Recruitment and training	-	-	-	611
Other	-	-	-	991
Sub-total - other expenses	-	-	-	21,674
Total - non-interest expenses	$ -	$ -	$ -	$ 100,530
As a % of average assets	- %	- %	- %	2.41 %

In thousands of dollars (unaudited)	Q4	Q3	Q2	2005 Q1
Salaries and employee benefits	$ 51,091	$ 50,618	$ 45,647	$ 44,807
Premises and technology				
Equipment and computer services	9,712	9,608	9,036	9,243
Rent and property taxes	8,092	8,253	8,389	8,387
Depreciation	6,799	6,624	7,462	7,475
Maintenance and repairs	1,436	1,222	1,550	1,131
Public utilities	231	220	333	276
Other	1,248	540	(62)	354
Sub-total - premises and technology	27,518	26,467	26,708	26,866
Other expenses				
Taxes and insurance	5,458	5,989	5,691	6,447
Communications and travelling expenses	4,331	4,539	4,362	4,373
Fees and commissions	4,576	4,435	3,965	3,545
Advertising and business development	2,531	4,008	3,736	2,935
Stationery and publications	1,402	1,312	1,603	1,705
Recruitment and training	586	612	493	643
Other	1,517	514	554	367
Sub-total - other expenses	20,401	21,409	20,404	20,015
Total - non-interest expenses	$ 99,010	$ 98,494	$ 92,759	$ 91,688
As a % of average assets	2.39 %	2.38 %	2.37 %	2.22 %

Regulatory capital - BIS

In thousands of dollars (unaudited)	As at January 31 2006	As at October 31 2005	As at January 31 2005
Tier I capital			
Common shares	$ 249,933	$ 249,043	$ 248,593
Contributed surplus	184	73	-
Retained earnings	461,290	454,124	435,572
Non-cumulative preferred shares	210,000	210,000	210,000
Non-controlling interests in a subsidiary	-	6,715	6,370
Less: goodwill	(53,790)	(53,790)	(53,790)
Total - Tier I capital (A)	867,617	866,165	846,745
Tier II capital			
Subordinated debentures	300,000	150,000	200,000
General allowances	65,250	65,250	65,250
Total - Tier II capital	365,250	215,250	265,250
Investment in non-consolidated corporations, securitization and other	(41,046)	(32,364)	(37,891)
Regulatory capital - BIS (B)	$ 1,191,821	$ 1,049,051	$ 1,074,104
Total risk-weighted assets (C)	$ 8,449,879	$ 8,522,568	$ 8,082,791
Tier I BIS capital ratio (A/C)	10.3 %	10.2 %	10.5 %
Total BIS capital ratio (B/C)	14.1 %	12.3 %	13.3 %
Assets to capital multiple	14.1 x	15.8 x	14.8 x
Tangible common equity as a percentage of risk-weighted assets	7.6 %	7.5 %	7.7 %

Risk-weighted assets

In thousands of dollars (unaudited)	As at January 31 2006	As at October 31 2005	As at January 31 2005
BALANCE SHEET ITEMS			
Cash resources	$ 100,791	$ 87,652	$ 109,615
Securities	385,791	396,881	319,282
Mortgage loans	2,311,112	2,328,913	2,197,000
Other loans and customers' liability under acceptances	5,027,232	5,063,069	4,784,995
Other assets	470,444	496,652	498,571
General allowances	65,250	65,250	65,250
Total - balance sheet items	8,360,620	8,438,417	7,974,713
OFF-BALANCE SHEET ITEMS			
Derivative financial instruments	33,189	33,040	47,721
Credit-related commitments	56,070	51,111	60,357
Total - risk-weighted assets	$ 8,449,879	$ 8,522,568	$ 8,082,791

Assets under administration

In thousands of dollars (unaudited)	As at January 31 2006	As at October 31 2005	As at January 31 2005
Self-directed RRSPs and RRIFs	$ 8,595,105	$ 7,958,593	$ 7,832,164
Institutional	1,834,132	1,808,809	2,016,415
Clients' brokerage assets	1,772,857	1,622,608	1,503,670
Mutual funds	1,311,818	1,212,810	1,142,946
Mortgage loans under management	1,029,346	843,015	815,369
Other - Personal	297,394	319,683	288,216
Total - assets under administration	$ 14,840,652	$ 13,765,518	$ 13,598,780