



**LAURENTIAN BANK
OF CANADA**

PRESS RELEASE
For immediate release

FEBRUARY 27, 2007

LAURENTIAN BANK REPORTS NET INCOME OF \$20.6 MILLION FOR THE FIRST QUARTER OF 2007

Summary Results

Laurentian Bank of Canada reported net income of \$20.6 million or \$0.74 diluted per common share for the first quarter ended January 31, 2007, compared to net income of \$17.0 million or \$0.59 diluted per common share for the first quarter of 2006. Return on common shareholders' equity was 9.4% for the quarter, compared to 7.9% for the same period in 2006.

Commenting on the first quarter results, Réjean Robitaille, President and Chief Executive Officer mentioned : "The Bank had a solid quarter, with all business lines contributing. We benefited again from strong loan and deposit growth. However, there is still a lot to be done. In that regard, we will maintain the focus on our three priorities aimed at improving our profitability and efficiency and developing our human capital to assure the long term success of the Bank."

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) is a narrative explanation, through the eyes of management, of the Bank's financial condition as at January 31, 2007, and of how it performed during the three-month period then ended. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the first quarter of 2007.

Complementary information on subjects, such as risk management, accounting policies and off-balance sheet arrangements, is also provided in the Bank's 2006 Annual Report.

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 2007:

Performance for 2007

	2007 Objectives	First quarter 2007 Actual
Return on common shareholders' equity	8% to 9%	9.4%
Diluted net income per share	\$2.55 to \$2.85 (annual)	\$0.74
Total revenue	\$550 to \$560 million (annual)	\$141.6 million
Efficiency ratio	75% to 73.5%	73.7%
Tier 1 Capital ratio	Minimum of 9.5%	10.2%
Credit quality (loan losses as a % of average assets)	0.24% to 0.21%	0.24%

Highlights

This section presents highlights regarding the activities of the first quarter ended January 31, 2007 and details significant items affecting results, compared to the first quarter of 2006.

- Total revenue increased by 6% to \$141.6 million in 2007, compared to \$133.7 million for the same period a year ago, mainly as a result of the improvement in net interest income associated to loan and deposit volume growth.
- Non-interest expenses increased by 2% to \$104.3 million in 2007, from \$102.8 million for the first quarter of 2006, essentially as a result of higher salaries and employee benefits.
- The provision for credit losses was stable at \$10.0 million in the first quarter of 2007 compared to the first quarter of 2006.
- Results for the first quarter of 2007 included the favorable effect of approximately \$0.9 million resulting from the adoption of certain amendments to the federal minimum tax on financial institutions. Results for the first quarter of 2006 included the favorable adjustment to future tax assets of \$2.4 million, resulting from the increase in Quebec income tax rates. The effective tax rate of the current quarter also benefited from lower taxes on dividends from Canadian securities and credit insurance income.

Analysis of consolidated results

Total revenue was \$141.6 million in the first quarter of 2007, compared to \$133.7 million in the first quarter of 2006.

The Bank's net interest income increased by more than 8% to \$95.2 million for the first quarter of 2007, from \$87.9 million in the first quarter of 2006. Net interest margin, as a percentage of average assets, improved from 2.10% to 2.27%. The increase in net interest income, when compared to the first quarter of 2006, is mainly the result of higher loan and deposit volumes and, to a lesser extent, to the liquidity and asset-liability management strategies, as well as to the transactions on the subordinated debentures in 2006. In the fourth quarter of 2006, total revenue was \$137.1 million and net interest income \$92.1 million, while net interest margin was 2.19%. The quarter-over-quarter improvement results mainly from the increase in the personal loan and deposit portfolios and from the higher yield on the Bank's liquidities.

Other income was \$46.4 million during the first quarter of 2007, compared to \$45.8 million in the first quarter of 2006. The first quarter of 2006 included the \$0.9 million gain on sale of Brome Financial Corporation Inc. and a \$2.2 million gain on securitization of residential mortgages. Excluding these transactions, other income improved by 9%. All operations, except for the registered self-directed plans business, improved their contribution. The most significant performance mainly came from treasury and financial market operations, brokerage operations and sales of mutual funds.

Other income for 2006 were reclassified to reflect the presentation on a gross basis of brokerage operations, which previously were presented net of commissions. Details are provided in note 1 to the interim consolidated financial statements.

The **provision for credit losses** was \$10.0 million in the first quarter of 2007 or 0.24% of average assets, the same level as a year ago. Net impaired loans stood at -\$2.8 million at January 31, 2007 (representing -0.02% of total loans, bankers' acceptances and assets purchased under reverse repurchase agreements), compared to \$5.4 million (0.04%) at October 31, 2006. Gross impaired loans stood at \$122.5 million at January 31, 2007, compared to \$130.6 million at October 31, 2006. The improvement results mainly from the final resolution of certain commercial credit exposures from prior periods in the softwood industry. Credit quality has remained stable in all other portfolios during the quarter. See Note 3 to the interim consolidated financial statements for more details.

Non-interest expenses increased to \$104.3 million for the first quarter of 2007, compared to \$102.8 million for the first quarter of 2006. The variation results essentially from higher salaries and employee benefits resulting from the increase in salaries and the number of employees, as other costs remained relatively unchanged.

The efficiency ratio (non-interest expenses divided by total revenue) was 73.7% in the first quarter of 2007 compared to 76.8% in the first quarter of 2006. As mentioned above, comparative figures for 2006 were reclassified to present brokerage operations on a gross basis, which led to a \$2.2 million increase in non-interest expenses and brokerage revenue and a 0.4% adjustment to the efficiency ratio.

Income tax expense was \$6.7 million (24.6% effective tax rate) in the first quarter of 2007, compared to \$4.3 million (20.6% effective tax rate) in the first quarter of 2006. This tax rate of 24.6% for the first quarter of 2007 compared to the full statutory tax rate of 33% reflects the effect of holding a larger Canadian securities portfolio which generate tax-exempt income (dividends), of the lower taxes on revenues from credit insurance operations, as well as a \$0.9 million favorable impact resulting from the adoption of certain amendments to federal minimum tax on financial institutions during the quarter. The lower effective tax rate in 2006 resulted from the favorable adjustment to future tax assets of

\$2.4 million, following the confirmation of an increase in the corporate tax rate in Quebec during the first quarter of 2006, and the lower taxation on the sale of Brome Financial Corporation Inc.

Analysis of financial condition

Balance sheet assets stood at \$17.2 billion at January 31, 2007, compared to \$17.3 billion at October 31, 2006.

Liquidity, including cash resources, securities and assets purchased under reverse repurchase agreements, slightly decreased, as a result of normal investment strategies and liquidity management. As noted below, the securities are now classified as Available-for-sale, Held-for-trading or Designated as held-for-trading, as of November 1, 2006, to conform to the new accounting standards.

The portfolio of loans and bankers' acceptances stood at \$12.6 billion at January 31, 2007, compared to \$12.4 billion at October 31, 2006. The \$172.3 million increase in the residential mortgage portfolio since last year-end results from the continuous sales efforts of the Retail and B2B Trust line of business. Commercial mortgages also increased during the quarter, in part as a result of the creation of a portfolio of \$40.3 million to be sold through a CMBS transaction. Also, personal loans slightly increased, mainly as a result of growth in the home equity lines of credit and B2B Trust's investment loan portfolio. Commercial loans, including bankers' acceptances, declined by \$34.5 million during the quarter, mainly in Ontario and Western Canada.

Total personal deposits grew significantly by \$150 million during the quarter to \$11.1 billion at January 31, 2007. These deposits are a very stable and profitable funding source. As such, the Bank continued to deploy numerous strategies in its Retail and B2B Trust lines of business to build clientele and attract new deposits. The level of business and other deposits decreased by \$75.9 million, mainly in treasury deposits, as other funding sources proved to be more attractive. At January 31, 2007, personal deposits accounted for 84% of total deposits of \$13.2 billion.

Shareholders' equity now includes Accumulated other comprehensive income as a result of the adoption of the new accounting standards and stood at \$935.2 million as at January 31, 2007, compared to \$946.4 million at October 31, 2006. The decrease in shareholders' equity results essentially from the \$21.7 million impact on adoption of the new accounting standards on financial instruments, of which \$3.2 million reduced opening Retained earnings and \$18.5 million reduced opening Accumulated other comprehensive income. The Bank's book value per common share, excluding Accumulated other comprehensive income, was \$31.49 as at January 31, 2007, compared to \$31.18 as at October 31, 2006. The consolidated statement of changes in shareholders' equity and note 1 to the interim consolidated financial statements provide further details. There were 23,632,947 common shares outstanding as at January 31, 2007.

The total capital of the Bank, comprised of shareholders' equity and debentures, reached \$1,085 million at January 31, 2007 compared to \$1,096 million at October 31, 2006. The decrease of \$11 million results from the effect of the adoption of the new accounting standards of \$-21.7 million, net income for the quarter of \$20.6 million and dividends paid of \$-9.8 million. The BIS Tier 1 and Total capital ratios stood at 10.2% and 12.3%, respectively, at January 31, 2007, compared to 10.3% and 12.4% at October 31, 2006.

At its meeting on February 27, 2007, the Board of Directors declared regular dividends on the various series of preferred shares to shareholders of record on March 9, 2007, as well as a dividend of \$0.29 per common share, payable on May 1, 2007, to shareholders of record on April 2, 2007.

Assets under administration stood at \$14.9 billion at January 31, 2007, compared to \$14.7 billion at October 31, 2006, and \$14.4 billion at January 31, 2006. The increase is attributable to the growth in self-directed RRSP accounts and mutual funds under administration resulting from market revaluation and business development.

Adoption of CICA's accounting standards on *Financial Instruments – Recognition and Measurement, Hedges and Comprehensive Income*.

On November 1, 2006, the Bank adopted the new accounting standards on financial instruments issued by the CICA. The effect of the adoption of these standards on shareholders' equity as at November 1, 2006 was mainly attributable to the reclassification of unrealized gains and losses, amounting to \$21.7 million, related to hedging relationships. The effect on net income for the first quarter of fiscal 2007 is not significant.

The comparative financial statements were not restated, in accordance with the transitional provisions.

Note 1 to the interim consolidated financial statements provides additional information on the new standards and on the effect of their adoption.

With regards to the calculation of the Return on common shareholders' equity ratio, the Bank has considered that Net income was the best measure of profitability and that Common shareholders' equity, excluding the Accumulated other comprehensive income, would be used as capital measure. The calculation of the Bank's book value will also be based on Common shareholders' equity, excluding the Accumulated other comprehensive income.

The Bank processed certain changes to its information systems in order to generate the financial information required by these new standards. As well, internal control over financial reporting was reviewed to provide reasonable assurance that the financial information is reliable.

Segmented information

The positive trend achieved in 2006 continued during the first quarter of 2007, with all segments showing significant increases in profitability when compared to the same quarter a year ago. Also, when compared to the last quarter, the strong performance of B2B Trust and the Commercial Financial Services, as well as the higher net interest income in the Other segment, helped maintain the momentum.

Net income contributions

(in millions of \$)	Retail Financial Services	Commercial Financial Services	B2B Trust	Laurentian Bank Securities	Other	Total [note 1]
Q1-2007						
Net income	9.3	6.4	7.4	1.0	(3.5)	20.6
	39%	26%	31%	4%	n/a	100%
Q4-2006						
Net income	14.3	5.5	6.3	1.5	(5.1)	22.6
	[9.8 from cont. operations]					[18.1 from cont. operations]
	52%	20%	23%	5%	n/a	100%
Q1-2006						
Net income	6.5	5.6	5.5	0.7	(1.3)	17.0
	35%	31%	30%	4%	n/a	100%

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

Retail Financial Services

The Retail Financial Services business segment's contribution to consolidated results was \$9.3 million for the first quarter of 2007, compared to \$6.5 million for the first quarter of 2006.

The increase in total revenue, from \$87.4 million in 2006 to \$91.1 million in 2007, results from the strong loan and deposit growth, with average volumes improving by more than \$480 million and \$275 million, respectively, when compared to the first quarter of 2006. Credit losses, at \$6.3 million for the first quarter of 2007, were \$0.7 million higher than for the same quarter in 2006, as a result of higher loan volumes and slightly higher loss ratios on personal loan portfolios. Non-interest expenses, at \$72.7 million for the first quarter of 2007 were essentially unchanged compared to the same quarter in 2006. Income taxes were \$2.8 million (23.4% effective tax rate) in the first quarter of 2007, compared to \$3.3 million (33.5% effective tax rate) in the first quarter of 2006. The decrease in income taxes for the first quarter of 2007, when compared to the first quarter of 2006, results mainly from lower taxes on revenue from credit insurance operations.

Compared to the fourth quarter of 2006, the lower profitability in 2007 is mainly attributable to higher credit losses, which were not entirely offset by increases in revenues.

Laurentian Bank's Retail Financial Services further expanded the rollout of its measures and initiatives designed to build customer loyalty, emphasizing in particular its offer of investment products during the RRSP campaign. New products were introduced and their marketing was supported by an intensive advertising campaign targeting major urban areas. This business segment considers the implementation of the Bank's strategy with regard to investment products and wealth management to be one of its top priorities.

Commercial Financial Services

The Commercial Financial Services segment's contribution to net income improved to \$6.4 million for the first quarter of 2007, compared to \$5.6 million for the first quarter of 2006. Revenue for 2006 included the \$0.9 million gain resulting from the sale of Brome Financial Corporation Inc. (Brome) and revenue of \$1.3 million from Brome's operations for the two-month period prior to the sale. Excluding these items, revenue improved by \$1.6 million, mainly as a result of the good performance in the Real estate financing group. Loan losses were stable, as the credit environment remained good. Non-interest expenses improved, essentially as a result of the forgone expenses of Brome.

Commercial Financial Services continued to develop its network of points of service, opening a new business centre in Eastern Montreal in January 2007. Including the business centre which opened in Kirkland in October 2006, Commercial Financial Services now operates 29 points of service for its business clients throughout Canada.

B2B Trust

Net income for the first quarter of 2007 was \$7.4 million, compared to \$5.5 million for the same period in 2006. At \$22.6 million, total revenue was up 8%, compared to the first quarter of 2006, essentially as a result of the improvement in net interest income. Loan losses were also lower, at \$1.0 million for the first quarter of 2007, compared to \$1.6 million for the first quarter of 2006, as losses on the personal line of credit portfolio decreased.

Investment loan volumes have continued to progress, increasing by close to \$50 million during the first quarter of 2007. The deposit portfolio also increased by \$62 million since year-end 2006.

Over the last few weeks, B2B Trust signed two new distribution agreements with mutual fund manufacturers. This brings to 47 the total number of distribution agreements for B2B Trust's investment loans and RRSP loan products. Throughout Canada, more than 15,000 financial advisors now offer B2B Trust's products to better meet their clients' investment objectives.

Laurentian Bank Securities

The Laurentian Bank Securities business segment reported net income of \$1.0 million for the first quarter of 2007, compared to \$0.7 million for the same quarter in 2006. Revenues were \$9.0 million for the first quarter of 2007, while they stood at \$7.6 million for the same quarter in 2006. Results for Laurentian Bank Securities were reclassified for 2006 to present revenue gross of certain commissions and other costs which were previously netted against revenue. This new presentation should better reflect the contribution from this line of business. Note 1 to the interim consolidated financial statements provides more details.

Laurentian Bank Securities' performance is obviously improving at a progressive and sustained pace. Priority for the coming months will be given to furthering the development of its divisions: Institutional Fixed Income, Institutional Equity, Retail Brokerage, Discount Brokerage and Back Office. Among other initiatives in this regard, Laurentian Bank Securities will focus on maximizing synergies with the Bank's other business segments.

Other

Net income was \$-3.5 million for the first quarter of 2007, compared to \$-1.3 million for the first quarter of 2006. Results for the first quarter of 2006 included the favorable effect of a \$2.4 million adjustment to future tax assets following the confirmation of the increase in the corporate tax rate in Quebec, whereas results for the first quarter of 2007 included a \$0.9 million favorable effect resulting from the adoption of certain amendments to federal minimum tax on financial institutions. Excluding these items, net income for the first quarter of 2007 declined by \$0.7 million, as the improvement in net interest income, associated with liquidities and asset and liability interest rate management, did not entirely offset the decrease in securitization income and the higher expenses.

Additional financial information – Quarterly results

in millions of dollars, except per share amounts (unaudited)	2007				2006			2005
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total revenue	\$141.6	\$137.1	\$138.0	\$131.0	\$133.7	\$135.9	\$133.0	\$120.0
Income from continuing operations	20.6	18.1	6.2	24.6	16.7	17.4	15.2	11.0
Net income	20.6	22.6	6.2	24.6	17.0	21.6	15.8	10.6
Income per common share from continuing operations								
Basic	0.74	0.65	0.13	0.92	0.58	0.61	0.52	0.34
Diluted	0.74	0.65	0.13	0.91	0.58	0.61	0.52	0.34
Net income per common share								
Basic	0.74	0.84	0.13	0.92	0.59	0.79	0.54	0.33
Diluted	0.74	0.84	0.13	0.91	0.59	0.79	0.54	0.33
Return on common shareholders' equity	9.4%	10.8%	1.7%	12.5%	7.9%	10.6%	7.4%	4.6%
Balance sheet assets	17,177	17,296	17,062	17,307	16,742	16,507	16,125	16,671

Dividends – new taxation regime

Effective January 1, 2006, the Federal Government implemented a new dividend tax regime for dividends paid by Canadian corporations to their shareholders. The result of these changes is that the top federal personal income tax rate on eligible dividends received by individuals (investors) decreased by 5% in 2006. Certain provinces have mirrored the new federal regulations concerning such dividends.

Eligible dividends generally include dividends paid after 2005 by Canadian corporations out of income subject to the general corporate income tax rate.

For year 2006, all common and preferred share dividends paid by Laurentian Bank of Canada are considered as eligible dividends. For year 2007, the designation of dividends as eligible or non-eligible will be done at each dividends declaration date. All dividends declared on February 27, 2007, are eligible dividends for income tax legislation purposes.

Please contact a tax advisor for help or for further information on this subject.

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, financial advisors. It also provides full-service brokerage solutions through its 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 \$17 billion in balance sheet assets and close to \$15 billion in assets under administration. Founded in 1846, the Bank employs more than 3,300 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

The Bank may from time to time, in this press release, in other documents filed with Canadian regulatory authorities or in other communications, make forward-looking statements within the meaning of applicable securities legislation, whether written or oral, including statements regarding the Bank's business plan and financial objectives. These statements typically use the conditional, as well as words such as "prospects", "believe", "estimate", "forecast", "project", "should", "could" and "would", etc.

By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will be prove to be inaccurate.

The Bank cautions readers against placing undue reliance on forward-looking 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, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition, credit ratings, scarcity of human resources and technological environment. 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, except to the extent required by securities regulations.

Conference call

Laurentian Bank invites media representatives and the public to listen to the conference call with financial analysts to be held Tuesday February 27, 2007 at 2 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 27 until midnight March 20, 2007, by dialling the following play back number: 1-800-408-3053 Code 3213127 #.

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, UNLESS OTHERWISE INDICATED
(UNAUDITED)

FOR THE THREE-MONTH PERIODS ENDED
JANUARY 31 JANUARY 31
2007 2006 VARIATION

Earnings

Net income	\$	20.6	\$	17.0	21 %
Income from continuing operations	\$	20.6	\$	16.7	23 %
Net income available to common shareholders	\$	17.6	\$	14.0	26 %
Return on common shareholders' equity		9.4 %		7.9 %	

Per common share

Diluted net income	\$	0.74	\$	0.59	25 %
Diluted income from continuing operations	\$	0.74	\$	0.58	28 %
Dividends	\$	0.29	\$	0.29	- %
Book value	\$	31.49	\$	30.15	4 %
Share price - close	\$	30.60	\$	35.15	(13) %

Financial position

Balance sheet assets	\$	17,177	\$	16,742	3 %
Assets under administration	\$	14,911	\$	14,421	3 %
Loans, bankers' acceptances and assets purchased under reverse repurchase agreements, net	\$	13,102	\$	12,475	5 %
Personal deposits	\$	11,099	\$	10,684	4 %
Shareholders' equity and debentures	\$	1,085	\$	1,221	(11) %
Number of common shares (in thousands)		23,633		23,599	- %
Net impaired loans as a % of loans, bankers' acceptances and assets purchased under reverse repurchase agreements		- %		- %	
Risk-weighted assets	\$	8,816	\$	8,450	4 %

Capital ratios

Tier I BIS		10.2 %		10.3 %	
Total BIS capital		12.3 %		14.1 %	
Assets to capital multiple		15.9 x		14.1 x	
Tangible common equity as a percentage of risk-weighted assets		7.7 %		7.6 %	

FINANCIAL RATIOS

Per common share

Price / earnings ratio (trailing four quarters)		11.6 x		15.6 x	
Market to book value		97 %		117 %	
Dividend yield		3.79 %		3.30 %	
Dividend payout ratio		39.0 %		48.8 %	

As a percentage of average assets

Net interest income		2.27 %		2.10 %	
Provision for credit losses		0.24 %		0.24 %	
Net income		0.49 %		0.41 %	
Net income available to common shareholders		0.42 %		0.34 %	

Profitability

Other income (as a % of total revenue)		32.8 %		34.2 %	
Efficiency ratio (non-interest expenses as a % of total revenue)		73.7 %		76.8 %	

OTHER INFORMATION

Number of full-time equivalent employees		3,326		3,256	
Number of branches		158		157	
Number of automated banking machines		334		316	

CONSOLIDATED BALANCE SHEET

IN THOUSANDS OF DOLLARS (UNAUDITED)

NOTES

JANUARY 31
2007⁽¹⁾

OCTOBER 31
2006

JANUARY 31
2006

ASSETS

Cash resources

Cash and non-interest-bearing deposits with other banks
Interest-bearing deposits with other banks

\$	79,340	\$	70,907	\$	63,338
	252,252		98,722		366,957
	<u>331,592</u>		<u>169,629</u>		<u>430,295</u>

Securities

Available-for-sale account
Account held-for-trading
Account designated as held-for-trading
Investment account

	877,806	\$	-		-
	1,582,524		1,675,058		1,323,881
	507,706		-		-
	-		1,567,222		1,665,474
	<u>2,968,036</u>		<u>3,242,280</u>		<u>2,989,355</u>
	<u>586,967</u>		<u>802,546</u>		<u>674,573</u>

Assets purchased under reverse repurchase agreements

Loans

Personal
Residential mortgages
Commercial mortgages
Commercial and other

	4,182,644		4,168,026		3,940,923
	6,157,936		5,985,656		5,755,489
	707,710		659,014		618,519
	1,434,427		1,476,977		1,473,498
	<u>12,482,717</u>		<u>12,289,673</u>		<u>11,788,429</u>
	<u>(125,286)</u>		<u>(125,153)</u>		<u>(124,740)</u>
	<u>12,357,431</u>		<u>12,164,520</u>		<u>11,663,689</u>

Allowance for loan losses

	(125,286)		(125,153)		(124,740)
	<u>12,357,431</u>		<u>12,164,520</u>		<u>11,663,689</u>

Other

Customers' liabilities under acceptances
Property, plant and equipment
Derivative financial instruments
Future tax assets
Goodwill
Other intangible assets
Other assets

	157,876		149,818		137,023
	117,003		111,291		95,584
	78,030		96,980		138,827
	106,355		101,048		106,153
	53,790		53,790		53,790
	15,028		15,333		16,247
	404,688		388,724		436,540
	<u>932,770</u>		<u>916,984</u>		<u>984,164</u>
\$	<u>17,176,796</u>	\$	<u>17,295,959</u>	\$	<u>16,742,076</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits

Personal
Business, banks and other

\$	11,098,987	\$	10,949,473	\$	10,683,766
	2,069,123		2,145,028		2,616,699
	<u>13,168,110</u>		<u>13,094,501</u>		<u>13,300,465</u>

Other

Obligations related to assets sold short
Obligations related to assets sold under
repurchase agreements
Acceptances
Derivative financial instruments
Other liabilities

	1,358,414		1,077,009		953,880
	589,567		1,100,385		273,072
	157,876		149,818		137,023
	86,349		81,807		118,391
	731,257		696,019		737,838
	<u>2,923,463</u>		<u>3,105,038</u>		<u>2,220,204</u>
	<u>150,000</u>		<u>150,000</u>		<u>300,000</u>

Subordinated debentures

Shareholders' equity

Preferred shares
Common shares
Contributed surplus
Retained earnings
Treasury shares
Accumulated other comprehensive income

	210,000		210,000		210,000
	251,430		251,158		250,523
	16		518		184
	492,867		485,334		461,290
	-		(590)		(590)
	(19,090)		-		-
	<u>935,223</u>		<u>946,420</u>		<u>921,407</u>
\$	<u>17,176,796</u>	\$	<u>17,295,959</u>	\$	<u>16,742,076</u>

(1) Changes to accounting policies related to financial instruments. Refer to note 1.

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

CONSOLIDATED STATEMENT OF INCOME

IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS (UNAUDITED)	NOTES	FOR THE THREE-MONTH PERIODS ENDED		
		JANUARY 31 2007	OCTOBER 31 2006 ⁽¹⁾	JANUARY 31 2006 ⁽¹⁾
Interest income				
Loans		\$ 201,690	\$ 199,015	\$ 180,307
Securities		16,142	17,317	16,718
Deposits with other banks		1,885	2,419	1,700
		<u>219,717</u>	<u>218,751</u>	<u>198,725</u>
Interest expense				
Deposits and other liabilities		122,569	124,704	107,805
Subordinated debentures		1,951	1,965	2,971
		<u>124,520</u>	<u>126,669</u>	<u>110,776</u>
Net interest income		<u>95,197</u>	<u>92,082</u>	<u>87,949</u>
Provision for credit losses	3	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
		<u>85,197</u>	<u>82,082</u>	<u>77,949</u>
Other income				
Fees and commissions on loans and deposits		21,570	21,262	21,044
Brokerage operations		8,548	8,896	7,222
Income from treasury and financial market operations		4,584	4,168	3,047
Credit insurance income		3,582	3,222	2,976
Income from sales of mutual funds		3,074	2,911	2,373
Income from registered self-directed plans		2,359	2,325	2,757
Securitization income		560	1,035	3,138
Gain on disposal		-	-	931
Other		2,117	1,158	2,302
		<u>46,394</u>	<u>44,977</u>	<u>45,790</u>
		<u>131,591</u>	<u>127,059</u>	<u>123,739</u>
Non-interest expenses				
Salaries and employee benefits		56,266	55,529	54,279
Premises and technology		26,756	27,322	26,810
Other		21,307	21,967	21,674
		<u>104,329</u>	<u>104,818</u>	<u>102,763</u>
Income from continuing operations before income taxes				
		27,262	22,241	20,976
Income taxes	7	6,706	4,105	4,317
Income from continuing operations net of income taxes		<u>20,556</u>	<u>18,136</u>	<u>16,659</u>
Income from discontinued operations, net of income taxes	2	-	4,422	324
Net income		<u>\$ 20,556</u>	<u>\$ 22,558</u>	<u>\$ 16,983</u>
Preferred share dividends, including applicable income taxes		2,990	2,811	2,982
Net income available to common shareholders		<u>\$ 17,566</u>	<u>\$ 19,747</u>	<u>\$ 14,001</u>
Average number of common shares outstanding (in thousands)				
Basic		23,627	23,616	23,580
Diluted		23,656	23,639	23,640
Income per common share from continuing operations				
Basic		\$ 0.74	\$ 0.65	\$ 0.58
Diluted		\$ 0.74	\$ 0.65	\$ 0.58
Net income per common share				
Basic		\$ 0.74	\$ 0.84	\$ 0.59
Diluted		\$ 0.74	\$ 0.84	\$ 0.59

(1) Comparatives were reclassified as a result of recognition on a gross basis of income related to brokerage activities. Refer to Note 1.
The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF DOLLARS (UNAUDITED)	FOR THE THREE-MONTH PERIOD ENDED	
	NOTES	JANUARY 31 2007
Net income		\$ 20,556
Other comprehensive income, net of income taxes	1	
Change in unrealized gains (losses) on available-for-sale securities		(427)
Reclassification to income of realized gains and losses on available-for-sale securities		247
Change in gains (losses) on derivatives designated as cash flow hedges		(358)
		<u>(538)</u>
Comprehensive income		\$ 20,018

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		
	NOTES	JANUARY 31 2007	JANUARY 31 2006
Preferred shares			
Balance at beginning and end of period		\$ 210,000	\$ 210,000
Common shares	4		
Balance at beginning of period		251,158	249,633
Issued during the period		272	890
Balance at end of period		<u>251,430</u>	<u>250,523</u>
Contributed surplus			
Balance at beginning of period		518	73
Stock-based compensation	5	(502)	111
Balance at end of period		<u>16</u>	<u>184</u>
Retained earnings			
Previous balance at beginning of period		485,334	454,124
Impact of adopting the new accounting policy regarding financial instruments, net of income taxes	1	(3,185)	-
Restated balance at beginning of period		<u>482,149</u>	<u>454,124</u>
Net income		20,556	16,983
Dividends			
Preferred shares, including applicable income taxes		(2,990)	(2,982)
Common shares		(6,848)	(6,835)
Balance at end of period		<u>492,867</u>	<u>461,290</u>
Treasury shares			
Balance at beginning of period		(590)	(590)
Attribution of shares	5	590	-
Balance at end of period		<u>-</u>	<u>(590)</u>
Accumulated other comprehensive income	1		
Balance at beginning of period		-	-
Impact of adopting the new accounting policy regarding financial instruments, net of income taxes		(18,552)	-
Other comprehensive income, net of income taxes		(538)	-
Balance at end of period		<u>(19,090)</u>	<u>-</u>
Shareholders' equity		\$ 935,223	\$ 921,407

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

CONSOLIDATED STATEMENT OF CASH FLOWS

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	FOR THE THREE-MONTH PERIODS ENDED		
		JANUARY 31 2007	OCTOBER 31 2006	JANUARY 31 2006
Cash flows relating to operating activities				
Net income		\$ 20,556	\$ 22,558	\$ 16,983
Adjustments to determine net cash flows relating to operating activities:				
Provision for credit losses		10,000	10,000	10,000
Gains on securitization operations		-	-	(2,246)
Net loss (gain) on disposal of property, plant and equipment		(103)	3	(2)
Net gain from discontinued operations	2	-	(5,182)	(487)
Gain on disposal		-	-	(931)
Net loss (gain) on sale of held-for-trading securities		(1,304)	(98)	3,116
Future income taxes		5,687	3,101	(303)
Depreciation and amortization		6,874	7,180	6,807
Net change in held-for-trading securities		(257,353)	(153,982)	(295,294)
Change in accrued interest receivable		11,067	(3,424)	11,154
Change in assets relating to derivative financial instruments		18,950	21,595	4,626
Change in accrued interest payable		14,151	29,412	6,512
Change in liabilities relating to derivative financial instruments		4,542	(24,132)	13,065
Other, net		(30,093)	54,527	59,620
		<u>(197,026)</u>	<u>(38,442)</u>	<u>(167,380)</u>
Cash flows relating to financing activities				
Net change in deposits		73,609	(421,681)	(396,473)
Change in obligations related to assets sold short		281,405	122,124	227,817
Change in obligations related to assets sold under repurchase agreements		(510,818)	476,905	213,007
Issuance of subordinated debentures		-	-	150,000
Issuance of common shares		272	210	890
Dividends, including applicable income taxes		(9,838)	(9,654)	(9,817)
		<u>(165,370)</u>	<u>167,904</u>	<u>185,424</u>
Cash flows relating to investing activities				
Change in available for sale and designated as held-for-trading securities				
Acquisitions		(1,735,019)	-	-
Proceeds from sales		2,258,763	-	-
Change in investment securities				
Acquisitions		-	(2,905,462)	(4,645,445)
Proceeds from sales and maturity		-	2,977,052	4,888,674
Change in loans		(202,911)	(171,958)	(197,013)
Change in assets purchased under reverse repurchase agreements		215,579	(264,378)	(166,500)
Proceeds from mortgage loan securitizations		-	-	223,195
Additions to property, plant and equipment		(12,876)	(15,442)	(8,448)
Proceeds from disposal of property, plant and equipment		823	18	400
Net change in interest-bearing deposits with other banks		(153,530)	264,664	(107,166)
Net cash flows from the sale of a subsidiary		-	-	(140)
		<u>370,829</u>	<u>(115,506)</u>	<u>(12,443)</u>
Net change in cash and non-interest-bearing deposits with other banks during the period		8,433	13,956	5,601
Cash and non-interest-bearing deposits with other banks at beginning of period		70,907	56,951	57,737
Cash and non-interest-bearing deposits with other banks at end of period		\$ 79,340	\$ 70,907	\$ 63,338
Supplemental disclosure relating to cash flows:				
Interest paid during the period		\$ 107,120	\$ 93,979	\$ 104,787
Income taxes paid during the period		\$ 8,096	\$ 1,558	\$ 7,903

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, who is responsible for the integrity and fairness of the financial information presented. These interim consolidated financial statements have been 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, except for changes to accounting policies stated below, are the same as those in the Bank's annual consolidated audited financial statements as at October 31, 2006. 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, 2006. 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.

Changes to accounting policies

Income related to brokerage activities

Other income for 2006 was adjusted to reflect the presentation on a gross basis of brokerage operations, which previously were presented net of commissions and other expenses. The impact of the reclassification is as follows:

IN THOUSANDS OF DOLLARS	FOR THE THREE-MONTH PERIODS ENDED	
	OCTOBER 31 2006	JANUARY 31 2006
Adjustments for 2006		
Other income - Brokerage operations	\$ 2,248	\$ 2,233
Non-interest expenses - Salaries and employee benefits	\$ 1,950	\$ 1,937
Non-interest expenses - Premises and technology	\$ 298	\$ 296

Financial instruments

On April 1, 2005, the CICA issued three accounting standards: *Recognition and Measurement*, *Hedges* and *Comprehensive Income*. The Bank prospectively adopted these standards on November 1, 2006. As a result, the financial statements presented for comparison purposes have not been restated, in accordance with the applicable transitional provisions. The accounting consequences of these new standards on the financial statements of the Bank are presented below.

Section 3855, Financial Instruments – Recognition and Measurement

Under Section 3855, all financial assets and liabilities are carried at fair value on the settlement date in the consolidated balance sheet, except for loans and receivables, investments held-to-maturity and non-trading liabilities, which are recognized at amortized cost using the effective interest method of amortization. Realized and unrealized gains and losses on trading assets and liabilities will be recognized immediately in the consolidated statement of income under income from treasury and financial market operations. 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. Interest income earned, amortization of premiums and discounts as well as dividends received are included in interest income. Interest income related to loans is accounted for using the accrual basis of accounting. Commissions received and origination fees in respect of loans, including restructuring and renegotiation charges, are generally recorded in interest income over the term of the loans. Loan origination and other fees paid are charged to interest income over the terms of the loans. The fees received for mortgage prepayments are included in interest income upon prepayment.

All derivative financial instruments will be carried at fair value in the consolidated balance sheet, including those derivatives that are embedded in other contracts but are not considered to be closely related to the host contract.

Derivative financial instruments used to manage the Bank's interest rate risk are accounted for using the accrual method. Under this method, interest income or expense on these derivative instruments is accrued and included in interest expense in the consolidated statement of income. When these derivative financial instruments do not meet the requirements for hedge accounting, as discussed below, the resulting realized and unrealized gains and losses are recognized in income from treasury and financial market operations.

When the derivative financial instruments are used in connection with trading activities or to serve the needs of customers, the resulting realized and unrealized gains and losses are also recognized in income from treasury and financial market operations.

Section 3855 also permits an entity to voluntarily designate a financial instrument as held-for-trading. The Bank elected this fair value measurement option:

- Where the voluntary designation allows the Bank to eliminate or significantly reduce a measurement or recognition inconsistency that would have otherwise resulted from the fact that the assets or liabilities are measured differently, or that gains and losses on these items are recognized differently; and
- Where it is possible to reliably determine the fair value of the financial instruments designated as held-for-trading.

Instruments that are classified as held-for-trading by way of this "fair value option" are subject to certain conditions and additional requirements set out by OSFI.

The market value of derivative financial instruments is determined using pricing models that incorporate current market and contractual prices of the underlying instruments, the time value of money, yield curves and volatility factors.

Section 3865, Hedges

When it uses derivative financial instruments to manage its own exposures, the Bank determines for each derivative financial instrument whether hedge accounting is appropriate. When appropriate, the Bank formally documents the hedging relationship detailing, among other things, the type of hedge (either fair value or cash flow), the item being hedged, the risk management objective, the hedging strategy and the method to be used to measure its effectiveness. The derivative financial instrument must be highly effective in accomplishing the objective of offsetting the changes in the hedged item's fair value attributable to the risk being hedged both at inception and over the life of the hedge. Effectiveness is generally reviewed on a monthly basis using statistical regression models.

Fair value hedge

Fair value hedge transactions predominantly use interest rate swaps to hedge the changes in the fair value of an asset, liability or firm commitment.

Effective derivative financial instruments, held for fair value hedging purposes, are recognized at fair value and the changes in fair value are recognized in the consolidated statement of income under income from treasury and financial market operations. Changes in fair value of the hedged items attributable to the hedged risk are also recognized in the consolidated statement of income under income from treasury and financial market operations, with a corresponding adjustment to the carrying amount of the hedged items in the consolidated balance sheet. When the derivative instrument no longer qualifies as an effective hedge or the hedging instrument is sold or terminated prior to maturity, hedge accounting is discontinued prospectively. The cumulative adjustment of the carrying amount of the hedged item related to a hedging relationship that ceases to be effective is recognized in net interest income in the periods during which the hedged item affects income. Furthermore, if the hedged time is sold or terminated prior to maturity, hedge accounting is discontinued, and the cumulative adjustment of the carrying amount of the hedged item is then immediately recognized in other income.

Cash flow hedge

Cash flow hedge transactions predominantly use interest rate swaps to hedge the variability in cash flows related to a variable rate asset or liability.

Effective derivative financial instruments, held for cash flow hedging purposes, are recognized at fair value and the changes in fair value related to the effective portion of the hedge are recognized in other comprehensive income. The changes in fair value related to the ineffective portion of the hedge are immediately recorded in the consolidated statement of income. The changes in fair value recognized in other comprehensive income are reclassified in the consolidated statement of income under net interest income in the periods during which the cash flows constituting the hedged item affect income. When the derivative instrument no longer qualifies as an effective hedge, or when the hedging instrument is sold or terminated prior to maturity, hedge accounting is discontinued prospectively. Accumulated other comprehensive income related to a cash flow hedging relationship that ceases to be effective is reclassified in the consolidated statement of income under net interest income in the periods during which the cash flows constituting the hedged item affect income. Furthermore, if the hedged item is sold or terminated prior to maturity, hedge accounting is discontinued, and the related accumulated other comprehensive income is then immediately reclassified in the consolidated statement of income under other income.

Other considerations

The derivative financial instruments for which the Bank has ceased applying hedge accounting remain eligible for designation in future hedging relationships. Upon redesignation, any previously recognized fair value in the consolidated balance sheet is amortized to other income over the remaining life of the derivative financial instrument.

Section 1530, Comprehensive Income

The consolidated financial statements include a consolidated statement of comprehensive income, and the cumulative amount, i.e. accumulated other comprehensive income, is presented separately under shareholders' equity in the consolidated balance sheet. The consolidated statement of comprehensive income presents net income, as well as "other comprehensive income items": the unrealized gains and losses on the financial instruments classified as available-for-sale, the effective portion of the changes in value of the derivative instruments designated as cash flow hedging instruments and the balance to be reclassified in the consolidated statement of income from terminated cash flow hedges.

IMPACT OF ADOPTING SECTIONS 3855, 3865 AND 1530

The adoption of Sections 3855, 3865 and 1530 had an impact on certain items of the Bank's consolidated balance sheet, which are as follows:

- a) The reclassification of investment portfolio securities in new financial asset classes, i.e. *securities available-for-sale*, *securities designated as held-for-trading* and *securities held-to-maturity*, with adjustments to the opening balances of retained earnings and accumulated other comprehensive income;
- b) The reclassification of the balances in the consolidated balance sheet to reflect the new accounting standards regarding hedge accounting, with adjustments to the opening balances of retained earnings and accumulated other comprehensive income.

Reconciliation of opening retained earnings balance

IN THOUSANDS OF DOLLARS

Opening retained earnings balance as reported as at October 31, 2006, before adoption of Sections 3855, 3865 and 1530	\$ 485,334
Adjustments, net of income taxes:	
Securities designated as held-for-trading	1,061
Hedging relationships for which hedge accounting is no longer appropriate and other items	(4,246)
Total adjustments	(3,185)
Balance of retained earnings as at November 1, 2006, after adoption of Sections 3855, 3865 and 1530	\$ 482,149

Reconciliation of opening of accumulated other comprehensive income

IN THOUSANDS OF DOLLARS

Balance of accumulated other comprehensive income as reported as at October 31, 2006, before adoption of Sections 3855, 3865 et 1530	\$ -
Adjustments, net of income taxes:	
Securities available-for-sale	(2,620)
Hedge accounting	(15,932)
Total adjustments	\$ (18,552)
Balance of accumulated other comprehensive income as at November 1, 2006, after adoption of Sections 3855, 3865 and 1530	\$ (18,552)

(a) Securities

The securities in the *investment account* have been reclassified in the following new financial asset classes:

- *Securities available-for-sale* – The remeasurement reflecting the unrealized gains and losses on these securities gave rise to an adjustment to accumulated other comprehensive income of (\$3,906,000) ((\$2,620,000), net of income taxes).
- *Securities designated as financial instruments held-for-trading* – The remeasurement reflecting the unrealized gains and losses on these securities gave rise to an adjustment to the opening balance of retained earnings of \$1,581,000 (\$1,061,000, net of income taxes).
- No investment account security was reclassified among the *securities held-to-maturity*, or transferred into the account of securities held-for-trading.

The following tables summarizes the reclassifications in the investment portfolio subsequent to the adoption of Section 3855.

Consolidated balance sheet amounts before adoption of section 3855, as reported as at October 31, 2006		Consolidated balance sheet amounts after adoption of section 3855 as at November 1, 2006		
IN THOUSANDS OF DOLLARS	INVESTMENT ACCOUNT	ACCOUNT OF INVESTMENTS DESIGNATED AS HELD-FOR-TRADING (A)	ACCOUNT OF INVESTMENTS DESIGNATED AVAILABLE-FOR-SALE (B)	TOTAL SECURITIES OTHER THAN HELD FOR TRADING ⁽¹⁾ (A+B)
Securities issued or guaranteed by the Government of Canada	\$ 1,277,679	\$ 13,796	\$ 1,260,467	\$ 1,274,263
Provinces	2,674	-	2,672	2,672
Other debt securities	196,312	165,720	30,818	196,538
Preferred shares	56,556	-	56,678	56,678
Common and other shares	34,001	-	35,049	35,049
	<u>\$ 1,567,222</u>	<u>\$ 179,516</u>	<u>\$ 1,385,684</u>	<u>\$ 1,565,200</u>

¹ These amounts now include unrealized gains and losses previously unrecognized as at October 31, 2006 in the investment account.

Trading account securities have been reclassified into the held-for-trading account, without any effect on opening amounts in the consolidated balance sheet.

(b) Hedge accounting

Fair value hedging

Unrealized gains and losses on fair value hedges are included in the opening balance of retained earnings. Prior changes in the fair value of hedged items attributable to the hedged risk have also been recognized in the opening balance of retained earnings, with a corresponding adjustment to the carrying amount of the hedged items in the consolidated balance sheet. These adjustments did not have any effect on the opening balance of retained earnings as they offset one another on November 1, 2006.

Cash flow hedging

The adoption of Section 3865 gave rise to an adjustment to accumulated other comprehensive income in the amount of (\$23,750,000) (\$15,932,000), net of income taxes), representing the unrealized loss on interest rate swaps designated as cash flow hedging instruments of \$14,075,000 (\$9,442,000, net of income taxes) and to deferred losses of \$9,675,000 (\$6,490,000, net of income taxes) related to previously terminated hedging relationships, which are amortized.

Termination of hedging relationships involving hedging instruments other than derivatives and accumulated ineffectiveness in hedging relationships

In accordance with Section 3865, certain investments may no longer be hedged with financial instruments other than derivative financial instruments. Moreover, the accumulated ineffectiveness of hedging relationships must be measured, and the ineffective portion of changes in fair value must be recognized in the consolidated statement of income. In light of the foregoing, the opening balance of retained earnings was adjusted by (\$6,337,000) ((\$4,246,000), net of income taxes), as a result of the adoption of Section 3865.

During the quarter ended January 31, 2007, the ineffective portion of accumulated changes in the fair value of hedging instruments recognized in the income statement amounted to \$31,000 as it relates to cash flow hedging relationships and (\$7,000) as it relates to fair value hedging relationships.

Breakdown of swap contracts designated as hedging instruments, by category

The following table presents the Bank's swap contracts between those designated as cash flow hedging instruments and those designated as fair value hedging instruments.

The swap contracts designated as hedging instruments are used by the Bank primarily for balance sheet matching purposes and to mitigate net interest revenue volatility. The fair value of such swap contracts may vary considerably. Accordingly, changes in the fair value of the swap contracts designated as cash flow hedging instruments could result in significant changes in accumulated other comprehensive income, in shareholders' equity.

NOVEMBER 1,
2006

IN THOUSANDS OF DOLLARS	NOMINAL AMOUNT	FAIR VALUE NET AMOUNT
Contracts designated as hedging instruments		
Interest rate swap contracts		
Swaps used for cash flow hedging	\$ 3,822,000	\$ (13,830)
Swaps used for fair value hedging	130,000	220
	<u>\$ 3,952,000</u>	<u>\$ (13,610)</u>

Of the amount of net deferred losses included in accumulated other comprehensive income as at January 31, 2007, the Bank expects to transfer \$3,236,000 into net income over the next twelve months.

The maximum term of cash flow hedging relationships of anticipated transactions was five years as at January 31, 2007.

Other comprehensive income

IN THOUSANDS OF DOLLARS	AMOUNTS BEFORE INCOME TAXES	INCOME TAXES	AMOUNT NET OF INCOME TAXES
Unrealized gains and losses on available-for-sale securities			
Unrealized gains and losses during the period	\$ (642)	\$ 215	\$ (427)
less : reclassification to income of realized gains losses during the period	367	(120)	247
Unrealized gains and losses on available-for-sale securities	<u>(275)</u>	<u>95</u>	<u>(180)</u>
Gains and losses on derivatives designated as cash flow hedges	<u>(573)</u>	<u>215</u>	<u>(358)</u>
Other comprehensive income	<u>\$ (848)</u>	<u>\$ 310</u>	<u>\$ (538)</u>

Accumulated other comprehensive income

IN THOUSANDS OF DOLLARS	CASH FLOW HEDGING	GAINS (LOSSES) ON AVAILABLE- FOR-SALE SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME
Balance at beginning of period	\$ -	\$ -	\$ -
Impact of adopting the new accounting policy, net of income taxes	(15,932)	(2,620)	(18,552)
Change during the period	<u>(358)</u>	<u>(180)</u>	<u>(538)</u>
Balance at end of period	<u>\$ (16,290)</u>	<u>\$ (2,800)</u>	<u>\$ (19,090)</u>

2. DISPOSALS

2005

Sale of the joint-venture BLC–Edmond de Rothschild Asset Management Inc.

On December 31, 2004, the Bank completed the sale of the BLC-Edmond de Rothschild Asset Management Inc. joint-venture (BLCER) to Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance).

During the first quarter ended January 31, 2006, the Bank recognized a gain of \$187,000 (\$124,000 net of income taxes) with regards to the recovery clause related to institutional funds under management. As well, in relation with the sale of BLCER, it was agreed that investments in seed capital owned by the Bank at the time of the transaction would be disposed of. 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.

During the fourth quarter ended October 31, 2006, the Bank recognized the sale proceeds of \$5,183,000 (\$4,422,000 net of income taxes) related to net annual sales threshold of mutual funds. This gain was attributed to the Retail Financial Services segment.

Income per common share from discontinued operations

IN DOLLARS	FOR THE THREE-MONTH PERIODS ENDED		
	JANUARY 31 2007	OCTOBER 31 2006	JANUARY 31 2006
Basic	\$ -	\$ 0.19	\$ 0.01
Diluted	\$ -	\$ 0.19	\$ 0.01

3. LOANS

LOANS AND IMPAIRED LOANS

AS AT JANUARY 31, 2007

IN THOUSANDS OF DOLLARS	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	\$ 4,182,644	\$ 18,795	\$ 6,406	\$ 27,153	\$ 33,559
Residential mortgages	6,157,936	19,271	2,499	4,583	7,082
Commercial mortgages	707,710	7,967	3,394	4,202	7,596
Commercial and other loans	1,434,427	76,460	47,737	29,312	77,049
	\$ 12,482,717	\$ 122,493	\$ 60,036	\$ 65,250	\$ 125,286

AS AT OCTOBER 31, 2006

IN THOUSANDS OF DOLLARS	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	\$ 4,168,026	\$ 16,100	\$ 5,659	\$ 26,436	\$ 32,095
Residential mortgages	5,985,656	16,501	3,479	4,771	8,250
Commercial mortgages	659,014	8,393	3,472	2,471	5,943
Commercial and other loans	1,476,977	89,603	47,293	26,900	74,193
Unallocated general allowance	-	-	-	4,672	4,672
	\$ 12,289,673	\$ 130,597	\$ 59,903	\$ 65,250	\$ 125,153

AS AT JANUARY 31, 2006

IN THOUSANDS OF DOLLARS	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
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 and other loans	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

SPECIFIC ALLOWANCES FOR LOAN LOSSES

FOR THE THREE-MONTH PERIODS ENDED JANUARY 31
2007 2006

IN THOUSANDS OF DOLLARS	PERSONAL LOANS	RESIDENTIAL MORTGAGES	COMMERCIAL MORTGAGES	COMMERCIAL AND OTHER LOANS	TOTAL SPECIFIC ALLOWANCES	TOTAL SPECIFIC ALLOWANCES
Balance at beginning of period	\$ 5,659	\$ 3,479	\$ 3,472	\$ 47,293	\$ 59,903	\$ 64,556
Provision for credit losses recorded in the consolidated statement of income	7,092	160	229	2,519	10,000	10,000
Write-offs	(7,291)	(1,153)	(309)	(2,100)	(10,853)	(15,606)
Recoveries	946	13	2	25	986	951
Provision for credit losses resulting from the sale of a subsidiary	-	-	-	-	-	(411)
Balance at end of period	\$ 6,406	\$ 2,499	\$ 3,394	\$ 47,737	\$ 60,036	\$ 59,490

GENERAL ALLOWANCES FOR LOAN LOSSES

FOR THE THREE-MONTH PERIODS ENDED JANUARY 31
2007 2006

IN THOUSANDS OF DOLLARS	PERSONAL LOANS	RESIDENTIAL MORTGAGES	COMMERCIAL MORTGAGES	COMMERCIAL AND OTHER LOANS	UNALLOCATED GENERAL ALLOWANCE	TOTAL GENERAL ALLOWANCES	TOTAL GENERAL ALLOWANCES
Balance at beginning of period	\$ 26,436	\$ 4,771	\$ 2,471	\$ 26,900	\$ 4,672	\$ 65,250	\$ 65,250
Change during the period	717	(188)	1,731	2,412	(4,672)	-	-
Balance at end of period	\$ 27,153	\$ 4,583	\$ 4,202	\$ 29,312	\$ -	\$ 65,250	\$ 65,250

4. CAPITAL STOCK

Issuance of common shares

During the quarter, 12,511 common shares were issued under the employee share purchase option plan for the management of the Bank for a cash consideration of \$272,000.

ISSUED AND OUTSTANDING	AS AT JANUARY 31, 2007		AS AT OCTOBER 31, 2006	
	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	AMOUNT
IN THOUSANDS OF DOLLARS, EXCEPT NUMBER OF SHARES				
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	23,632,947	\$ 251,430	23,620,436	\$ 251,158
Treasury shares	-	\$ -	(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.

5. STOCK-BASED COMPENSATION

Restricted Share Unit Program

Under the Restricted Share Unit Program, annual bonuses for certain employees amounting to \$612,000 were converted into 19,978 entirely vested restricted share units in 2007. The Bank granted 11,987 additional restricted share units which will vest in December 2009.

Stock option purchase plan

During the quarter, the Bank awarded 50,000 stock options with an exercise price of \$29.47, at a fair value of \$4.55 per stock option.

The fair value of these options was estimated, on the award date, using the Black-Sholes valuation model, with the following assumptions:

FOR THE THREE-MONTH PERIOD ENDED JANUARY 31	
2007	
Risk-free interest rate	4.10 %
Expected options life	7 years
Expected volatility	19.60 %
Expected dividend yield	4.00 %

Information on outstanding number of options is as follows:

	AS AT JANUARY 31, 2007	AS AT OCTOBER 31, 2006
	NUMBER	NUMBER
Share purchase options		
Outstanding at end of period	347,893	339,604
Exercisable at end of period	297,893	339,604

Performance-based share agreement

In accordance with performance-based share agreement, all 20,000 common shares which were granted in 2005 were attributed in January 2007, as objectives were met.

6. EMPLOYEE FUTURE BENEFITS

IN THOUSANDS OF DOLLARS	FOR THE THREE-MONTH PERIODS ENDED		
	JANUARY 31 2007	OCTOBER 31 2006	JANUARY 31 2006
Defined benefit pension plans expense	\$ 4,337	\$ 4,795	\$ 4,693
Defined contribution pension plan expense	695	677	578
Other plans expense	807	642	630
Total	\$ 5,839	\$ 6,114	\$ 5,901

7. INCOME TAXES

For the quarter ended January 31, 2007, the effective tax rate was 24.6%. A \$900,000 adjustment was recorded to reflect the increase in value of the future tax assets following the adoption, in December 2006, of Federal fiscal measures which provided for raising the threshold of the federal minimum tax on financial institutions to \$1 billion. The investments in Canadian securities that generate tax-exempt income, as well as the decision not to recognize income taxes on revenues from credit insurance operations have also enable to reduce the effective tax rate for the quarter.

For the quarter ended October 31, 2006, the effective tax rate was 18.5%. This rate reflects the favorable effect of holding Canadian securities that generate tax-exempt income, the decision not to recognize income taxes on revenues from credit insurance operations and the effect of corporate reorganizations.

For the quarter ended January 31, 2006, the effective tax rate was 20.6%. A favorable adjustment of \$2,398,000 to the future tax assets, as a result of the increase in the Quebec tax rates, and to the lower taxes on the gain on sale of Brome Financial Corporation.

8. WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES

	FOR THE THREE-MONTH PERIODS ENDED		
	JANUARY 31 2007	OCTOBER 31 2006	JANUARY 31 2006
Average number of outstanding common shares	23,627,126	23,615,910	23,580,114
Dilutive and other share purchase options	28,788	23,570	60,105
Weighted average number of outstanding common shares	23,655,914	23,639,480	23,640,219
Average number of share purchase options not taken into account in the calculation of diluted net income per common share ¹	89,467	115,867	-

¹ The average number of share purchase options was not taken into account in the calculation of diluted net income per common share since the average exercise price of these options exceeded the average market price of the Bank's share during these periods.

9. SEGMENTED INFORMATION

FOR THE THREE-MONTH PERIOD ENDED
JANUARY 31, 2007

IN THOUSANDS OF DOLLARS	RFS	CFS	B2B	LBS ²	OTHER	TOTAL
Net interest income	\$ 65,726	\$ 15,426	\$ 19,756	\$ 293	\$ (6,004)	\$ 95,197
Other income	25,358	5,843	2,794	8,712	3,687	46,394
Total revenue	91,084	21,269	22,550	9,005	(2,317)	141,591
Provision for credit losses	6,296	2,689	1,015	-	-	10,000
Non-interest expenses	72,666	8,973	10,413	7,639	4,638	104,329
Income (loss) from continuing operations before income taxes	12,122	9,607	11,122	1,366	(6,955)	27,262
Income taxes (recovered)	2,838	3,218	3,770	379	(3,499)	6,706
Income (loss) from continuing operations	9,284	6,389	7,352	987	(3,456)	20,556
Income from discontinued operations, net of income taxes	-	-	-	-	-	-
Net income	\$ 9,284	\$ 6,389	\$ 7,352	\$ 987	\$ (3,456)	\$ 20,556
Average assets ¹	\$ 8,509,322	\$ 2,342,979	\$ 2,834,793	\$ 1,639,013	\$ 1,283,532	\$ 16,609,639

FOR THE THREE-MONTH PERIOD ENDED
OCTOBER 31, 2006

IN THOUSANDS OF DOLLARS	RFS	CFS	B2B	LBS ²	OTHER	TOTAL
Net interest income	\$ 66,103	\$ 15,173	\$ 18,984	\$ 228	\$ (8,406)	\$ 92,082
Other income	24,483	5,153	2,869	9,002	3,470	44,977
Total revenue	90,586	20,326	21,853	9,230	(4,936)	137,059
Provision for credit losses	5,455	3,246	1,299	-	-	10,000
Non-interest expenses	71,602	8,751	11,000	7,131	6,334	104,818
Income (loss) from continuing operations before income taxes	13,529	8,329	9,554	2,099	(11,270)	22,241
Income taxes (recovered)	3,686	2,790	3,240	562	(6,173)	4,105
Income (loss) from continuing operations	9,843	5,539	6,314	1,537	(5,097)	18,136
Income from discontinued operations, net of income taxes	4,422	-	-	-	-	4,422
Net income	\$ 14,265	\$ 5,539	\$ 6,314	\$ 1,537	\$ (5,097)	\$ 22,558
Average assets ¹	\$ 8,410,836	\$ 2,297,350	\$ 2,797,887	\$ 1,598,461	\$ 1,574,901	\$ 16,679,435

9. SEGMENTED INFORMATION (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED
JANUARY 31, 2006

IN THOUSANDS OF DOLLARS	RFS	CFS	B2B	LBS ^{2,3}	OTHER	TOTAL
Net interest income	\$ 64,615	\$ 15,058	\$ 17,639	\$ 304	\$ (9,667)	\$ 87,949
Other income	22,749	6,803	3,247	7,276	5,715	45,790
Total revenue	87,364	21,861	20,886	7,580	(3,952)	133,739
Provision for credit losses	5,612	2,811	1,577	-	-	10,000
Non-interest expenses	72,012	10,572	11,029	6,552	2,598	102,763
Income (loss) from continuing operations before income taxes	9,740	8,478	8,280	1,028	(6,550)	20,976
Income taxes (recovered)	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

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 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.

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 are disclosed on an average basis as this measure is most relevant to a financial institution.

2 Results for LBS were reclassified for 2006 to present revenues gross of certain commissions and other costs which were previously netted against revenues.

3 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.

OTHER INCOME

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	2007 Q1
Fees and commissions on loans and deposits				
Deposit service charges	\$ -	\$ -	\$ -	\$ 12,291
Lending fees	-	-	-	5,882
Card service revenues	-	-	-	3,397
Sub-total - fees and commissions on loans and deposits	-	-	-	21,570
Other				
Brokerage operations	-	-	-	8,548
Income from treasury and financial market operations	-	-	-	4,584
Credit insurance income	-	-	-	3,582
Income from sales of mutual funds	-	-	-	3,074
Income from registered self-directed plans	-	-	-	2,359
Securitization income	-	-	-	560
Other	-	-	-	2,117
Sub-total - other	-	-	-	24,824
Total - other income	\$ -	\$ -	\$ -	\$ 46,394
As a % of average assets	- %	- %	- %	1.11 %

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	2006 Q1
Fees and commissions on loans and deposits				
Deposit service charges	\$ 12,055	\$ 12,096	\$ 11,926	\$ 11,836
Lending fees	5,865	6,414	5,303	6,096
Card service revenues	3,342	3,587	2,983	3,112
Sub-total - fees and commissions on loans and deposits	21,262	22,097	20,212	21,044
Other				
Brokerage operations	8,896	7,020	8,281	7,222
Income from treasury and financial market operations	4,168	5,102	2,889	3,047
Credit insurance income	3,222	3,131	3,249	2,976
Income from sales of mutual funds	2,911	2,717	2,636	2,373
Income from registered self-directed plans	2,325	2,540	2,893	2,757
Securitization income	1,035	2,245	3,554	3,138
Gain on disposal	-	-	-	931
Other	1,158	1,681	1,587	2,302
Sub-total - other	23,715	24,436	25,089	24,746
Total - other income	\$ 44,977	\$ 46,533	\$ 45,301	\$ 45,790
As a % of average assets	1.07 %	1.10 %	1.11 %	1.10 %

NON - INTEREST EXPENSES

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	2007 Q1
Salaries and employee benefits	\$ -	\$ -	\$ -	\$ 56,266
Premises and technology				
Equipment and computer services	-	-	-	10,103
Rent and property taxes	-	-	-	8,461
Depreciation	-	-	-	6,569
Maintenance and repairs	-	-	-	1,200
Public utilities	-	-	-	309
Other	-	-	-	114
Sub-total - premises and technology	-	-	-	26,756
Other expenses				
Taxes and insurance	-	-	-	5,641
Fees and commissions	-	-	-	3,649
Communications and travelling expenses	-	-	-	4,373
Advertising and business development	-	-	-	3,660
Stationery and publications	-	-	-	1,705
Recruitment and training	-	-	-	982
Other	-	-	-	1,297
Sub-total - other expenses	-	-	-	21,307
Total - non-interest expenses	\$ -	\$ -	\$ -	\$ 104,329
As a % of average assets	- %	- %	- %	2.49 %

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	2006 Q1
Salaries and employee benefits	\$ 55,529	\$ 53,401	\$ 50,375	\$ 54,279
Premises and technology				
Equipment and computer services	10,485	10,526	10,769	10,244
Rent and property taxes	8,399	8,345	8,372	8,451
Depreciation	6,874	6,249	6,348	6,502
Maintenance and repairs	1,327	1,211	1,209	1,177
Public utilities	265	276	364	316
Other	(28)	162	188	120
Sub-total - premises and technology	27,322	26,769	27,250	26,810
Other expenses				
Taxes and insurance	5,983	5,732	6,110	6,090
Fees and commissions	5,357	5,210	4,903	3,688
Communications and travelling expenses	4,436	4,666	4,371	4,061
Advertising and business development	3,124	3,837	3,728	4,611
Stationery and publications	1,412	1,443	1,490	1,622
Recruitment and training	383	612	490	611
Other	1,272	1,575	1,273	991
Sub-total - other expenses	21,967	23,075	22,365	21,674
Total - non-interest expenses	\$ 104,818	\$ 103,245	\$ 99,990	\$ 102,763
As a % of average assets	2.49 %	2.43 %	2.46 %	2.46 %

REGULATORY CAPITAL - BIS

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT JANUARY 31 2007	AS AT OCTOBER 31 2006	AS AT JANUARY 31 2006
Tier I capital			
Common shares	\$ 251,430	\$ 250,568	\$ 249,933
Contributed surplus	16	518	184
Retained earnings	492,867	485,334	461,290
Unrealized losses on available for sale equity securities	(1,077)	-	-
Non-cumulative preferred shares	210,000	210,000	210,000
Less: goodwill	(53,790)	(53,790)	(53,790)
Total - Tier I capital (A)	<u>899,446</u>	<u>892,630</u>	<u>867,617</u>
Tier II capital			
Subordinated debentures	150,000	150,000	300,000
General allowances	65,250	65,250	65,250
Unrealized gains on available for sale equity securities	1,899	-	-
Total - Tier II capital	<u>217,149</u>	<u>215,250</u>	<u>365,250</u>
Securitization, investment in non-consolidated corporations and other	<u>(29,888)</u>	<u>(28,469)</u>	<u>(41,046)</u>
Regulatory capital - BIS (B)	<u>\$ 1,086,707</u>	<u>\$ 1,079,411</u>	<u>\$ 1,191,821</u>
Total risk-weighted assets (C)	<u>\$ 8,815,925</u>	<u>\$ 8,702,241</u>	<u>\$ 8,449,879</u>
Tier I BIS capital ratio (A/C)	10.2 %	10.3 %	10.3 %
Total BIS capital ratio (B/C)	12.3 %	12.4 %	14.1 %
Assets to capital multiple	15.9 x	16.1 x	14.1 x
Tangible common equity as a percentage of risk-weighted assets	7.7 %	7.7 %	7.6 %

RISK-WEIGHTED ASSETS

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT JANUARY 31 2007	AS AT OCTOBER 31 2006	AS AT JANUARY 31 2006
Balance sheet items			
Cash resources	\$ 71,242	\$ 41,931	\$ 100,791
Securities	468,041	481,035	385,791
Mortgage loans	2,510,018	2,400,540	2,311,112
Other loans and customers' liability under acceptances	5,118,642	5,146,909	5,027,232
Other assets	478,512	462,541	470,444
General allowances	65,250	65,250	65,250
Total - balance sheet items	<u>8,711,705</u>	<u>8,598,206</u>	<u>8,360,620</u>
Off-balance sheet items			
Derivative financial instruments	29,806	26,620	33,189
Credit-related commitments	74,414	77,415	56,070
Total - risk-weighted assets	<u>\$ 8,815,925</u>	<u>\$ 8,702,241</u>	<u>\$ 8,449,879</u>

ASSETS UNDER ADMINISTRATION

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT JANUARY 31 2007	AS AT OCTOBER 31 2006	AS AT JANUARY 31 2006
Self-directed RRSPs and RRFs	\$ 8,541,885	\$ 8,415,222	\$ 8,307,120
Clients' brokerage assets	1,929,122	1,923,658	1,772,857
Institutional	1,765,677	1,724,998	1,834,132
Mutual funds	1,496,250	1,405,164	1,311,818
Mortgage loans under management	1,146,996	1,223,020	1,029,346
Other - Personal	31,271	33,246	165,329
Total - assets under administration	<u>\$ 14,911,201</u>	<u>\$ 14,725,308</u>	<u>\$ 14,420,602</u>