LAURENTIAN BANK

Press Release

FOR IMMEDIATE RELEASE

LAURENTIAN BANK REPORTS NET INCOME OF $33.9 MILLION FOR THE SECOND QUARTER OF 2012 AND INCREASES DIVIDEND BY $0.02 PER SHARE

Highlights of the second quarter 2012

- Quarterly common share dividend raised by $0.02 or 4% to $0.47 per share
- Net income of $33.9 million, return on common shareholders' equity of 12.1%, and diluted earnings per share of $1.22
- Continued strong loan growth, up 9% year-over-year
- Credit quality remains excellent as evidenced by loan losses down to $7.5 million
- Excluding Transaction and Integration Costs related to the acquisition of the MRS Companies:
  - Net income of $36.3 million, up 17% year-over-year;
  - Return on common shareholders' equity of 13.0%
  - Diluted earnings per share of $1.31

Montréal, June 6, 2012 – Laurentian Bank of Canada reported net income of $33.9 million, or $1.22 diluted per share, for the second quarter ended April 30, 2012, compared with $31.0 million, or $1.17 diluted per share, for the second quarter of 2011. Return on common shareholders' equity was 12.1% for the second quarter of 2012, compared with 12.7% for the second quarter of 2011. Excluding Transaction and Integration Costs[1] (T&I Costs), net income was up 17% to $36.3 million or $1.31 diluted per share for the second quarter of 2012 and return on common shareholders' equity was 13.0%. For the six-month period ended April 30, 2012, net income totaled $64.8 million or $2.38 diluted per share, compared with $67.9 million or $2.58 diluted per share in 2011. Return on common shareholders' equity was 11.8% for the six-month period ended April 30, 2012, compared with 14.0% for the same period in 2011. Excluding T&I Costs, net income was $69.2 million or $2.56 diluted per share for the six-month period ended April 30, 2012 and return on common shareholders' equity was 12.7%.

Concurrent with this press release, the Bank issued a separate press release providing details on B2B Trust's proposed acquisition of AGF Trust Company and the simultaneous common share private placement it has secured. Commenting on these transactions, Réjean Robitaille, President and Chief Executive Officer, mentioned: "We are very pleased to be acquiring AGF Trust Company, an established supplier of banking services to the financial advisor community. This significant transaction evidences our continued investment in our growth engines in order to further develop the Bank's competitive advantage and positioning, improve its profitability and create long-term shareholder value. In addition, the $120 million private placement we secured provides us with the additional financial strength to pursue our strategies."

Commenting on the Bank's financial results for the second quarter of 2012, Mr. Robitaille mentioned: "I am pleased with our solid performance for the second quarter considering the ongoing economic concerns and the challenging banking environment. Again this quarter, we maintained momentum and generated organic loan and deposit growth in all our business lines and benefited from excellent credit quality. Furthermore, the integration of the MRS Companies is proceeding according to plan as we remain focused on delivering on the expected synergies and managing expenses very closely."

"I am delighted that we have renewed the collective bargaining agreement with the Bank's unionized employees" added Réjean Robitaille. "This new six-year agreement assures a seamless pursuit of the development of the organization and enables our personnel to continue to enjoy the benefits of competitive working conditions for years to come. In fact, the continued development of our human capital is one of the Bank's three key priorities, and we are firmly committed to the required efforts in that regard." Mr. Robitaille concluded: "As the competitive position of our business lines is contributing to a solid balance sheet and earnings, we are also very pleased to announce an increase in our quarterly common share dividend by a further $0.02 to $0.47."

[1] Transaction and Integration Costs (T&I Costs) specifically refer to costs incurred by the Bank to finalize the acquisition of the MRS Companies (which included M.R.S. Inc.; MRS Trust Company; M.R.S. Securities Services Inc.; and M.R.S. Correspondent Corporation) and integrate their operations within the B2B Trust business segment. Refer to the non-GAAP financial measures section.

IFRS Conversion

The Bank implemented IFRS as its financial reporting framework on November 1, 2011. Transition to IFRS occurred as at November 1, 2010 and required restatement of the Bank's 2011 comparative information from Canadian GAAP basis to IFRS basis. Additional information on the impact from the transition is also available in the Bank's 2011 Annual Report, in the notes to the unaudited condensed interim consolidated financial statements and in the Supplementary Information reported for the second quarter of 2012.

Caution Regarding Forward-looking Statements

In this document and in other documents filed with Canadian regulatory authorities or in other communications, Laurentian Bank of Canada may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding the Bank's business plan and financial objectives. The forward-looking statements contained in this document are used to assist the Bank's security holders and financial analysts in obtaining a better understanding of the Bank's financial position and the results of operations as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Forward-looking statements typically use the conditional, as well as words such as prospects, believe, estimate, forecast, project, expect, anticipate, plan, may, should, could and would, or the negative of these terms, variations thereof or similar terminology.

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 prove to be inaccurate. Although the Bank believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct.

Financial objectives for 2012 are based on expected results presented on an International Financial Reporting Standards (IFRS) basis. The completion of the IFRS conversion process in October 2012 could lead to changes to these objectives.

The *pro forma* impact of Basel III on regulatory capital ratios is based on the Bank's interpretation of the proposed rules announced by the Basel Committee on Banking Supervision (BCBS) and related requirements of the Office of the Superintendent of Financial Institutions Canada (OSFI). The Basel rules and impact of IFRS conversion could be subject to further change, which may impact the results of the Bank's analysis.

The Bank cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include 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 further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause the Bank's actual results to differ from current expectations, please also refer to the Bank's Annual Report under the title “Integrated Risk Management Framework” and other public filings available at www.sedar.com.

With respect to the MRS Companies and proposed AGF Trust Company transactions, such factors also include, but are not limited to: the anticipated benefits from the transaction such as it being accretive to earnings and synergies may not be realized in the time frame anticipated; the ability to promptly and effectively integrate the businesses; reputational risks and the reaction of B2B Trust's or MRS Companies' and AGF Trust Company customers to the transaction; and diversion of management time on acquisition-related issues. In addition, with respect to the proposed AGF Trust Company transaction, such factors also include: the possibility that the proposed transaction does not close when expected or at all because required regulatory or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all; the terms of the proposed transaction may need to be modified to satisfy such approvals or conditions.

The Bank does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations.

Highlights

In thousands of Canadian dollars, except per share and percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30 2012	APRIL 30 2011	VARIANCE	FOR THE SIX MONTHS ENDED APRIL 30 2012	APRIL 30 2011	VARIANCE
Profitability						
Total revenue	**$ 198,670**	$ 183,237	8 %	**$ 392,414**	$ 370,092	6 %
Net income	**$ 33,863**	$ 31,016	9 %	**$ 64,825**	$ 67,936	(5) %
Diluted earnings per share	**$ 1.22**	$ 1.17	4 %	**$ 2.38**	$ 2.58	(8) %
Return on common shareholders' equity [1]	**12.1 %**	12.7 %		**11.8 %**	14.0 %	
Net interest margin [1]	**1.73 %**	1.83 %		**1.74 %**	1.84 %	
Efficiency ratio [1]	**74.0 %**	72.0 %		**73.9 %**	70.0 %	
Profitability - Excluding Transaction and Integration Costs [2]						
Transaction and Integration Costs	**$ 3,350**	$ -		**$ 6,010**	$ -	
Adjusted net income [1]	**$ 36,302**	$ 31,016	17 %	**$ 69,221**	$ 67,936	2 %
Adjusted diluted earnings per share [1]	**$ 1.31**	$ 1.17	12 %	**$ 2.56**	$ 2.58	(1) %
Adjusted return on common shareholders' equity [1]	**13.0 %**	12.7 %		**12.7 %**	14.0 %	
Adjusted efficiency ratio [1]	**72.4 %**	72.0 %		**72.4 %**	70.0 %	
Per common share						
Share price						
High	**$ 47.65**	$ 55.87		**$ 48.68**	$ 55.87	
Low	**$ 43.90**	$ 48.25		**$ 41.12**	$ 44.14	
Close	**$ 44.03**	$ 50.27	(12) %	**$ 44.03**	$ 50.27	(12) %
Price / earnings ratio (trailing four quarters)				**9.9 x**	n.a.	
Book value [1]				**$ 41.19**	$ 38.17	8 %
Market to book value				**107 %**	132 %	
Dividends declared	**$ 0.45**	$ 0.39	15 %	**$ 0.90**	$ 0.78	15 %
Dividend yield [1]	**4.09 %**	3.10 %		**4.09 %**	3.10 %	
Dividend payout ratio [1]	**37.0 %**	33.4 %		**37.8 %**	30.2 %	
Financial position						
Balance sheet assets				**$ 30,708,474**	$ 27,895,982	10 %
Loans and acceptances				**$ 23,121,470**	$ 21,158,665	9 %
Deposits				**$ 21,060,754**	$ 19,573,777	8 %
Basel II regulatory capital ratio [3]						
Tier I				**10.4 %**	11.1 %	
Other information						
Number of full-time equivalent employees				**4,003**	3,728	
Number of branches				**158**	157	
Number of automated banking machines				**426**	422	

[1] Refer to the non-GAAP financial measures section.

[2] Costs related to the acquisition of the MRS Companies.

[3] The ratio for 2011 is presented in accordance with previous Canadian GAAP as filed with OSFI.

Review of Business Highlights

Laurentian Bank continues to pursue its growth and development, thanks to four well-positioned business segments. At the end of the second quarter of 2012, the Bank reached another milestone, with balance sheet assets exceeding $30 billion. More importantly, the Bank is growing profitably, with the second quarter of 2012 being the best second quarter in its history.

The Retail and SME-Québec's focused strategy continues to reap benefits. Business development efforts resulted in an additional $1.0 billion of residential mortgage loans over the past year. The effective team of mobile mortgage bankers, the skilled personnel serving clients in branches and the strong partnerships that have been developed with mortgage brokers and real estate agents contributed to this achievement. Average SME-Québec loans increased by 22% over the past year to reach $1.1 billion, owing to the group's expertise and targeted client approach.

The Commercial and Real Estate business segment also fueled growth in the commercial loan portfolios. Average balances grew by 13% during the last year, supported by the team's strong reputation and stellar execution.

The B2B Trust segment continues to develop and evolve. During the quarter, solid progress was made with respect to the integration of the MRS Companies. As well, the transformation of B2B Trust to B2B Bank is well underway, with its introduction scheduled for July. This change will neither modify the segment's business model nor strategy, but will help to streamline its processes.

Laurentian Bank Securities, during the quarter, successfully partnered with Investissement Québec, providing financing for a northern Québec resource company. LBS was pleased and privileged to participate in the inaugural investment related to Québec's "Plan Nord". This confirms the growing importance of LBS in the institutional equity market.

Employees of the Bank who are unionized recently voted in favour of an agreement in principle for the renewal of their collective agreement. Effective January 1, 2012, this six-year agreement calls for employees to receive a 2% salary increase for the next 4 years. For the subsequent 2 years, the increase would be 2.5% with the possibility of a further increase of up to 1% based on the Bank's results. This is a win/win agreement and allows the Bank to pursue its development strategy.

The Bank's Management Committee has been further strengthened by the addition of Mr. Gilles Godbout. As Executive Vice President of Operations and Systems and Chief Information Officer, he will assure the dynamic and rigorous management of the Bank's infrastructure and technological investments.

The pursuit of the Bank's business plan is resulting in an institution with greater depth, strength and diversification. Each of our three growth engines generate about one-third of the Bank's profitability. As well, half of its profitability comes from outside of Québec. This is contributing to diversify Laurentian Bank's long-term growth and development.

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 April 30, 2012, and of how it performed during the three-month and six-month periods then ended. This MD&A, dated June 6, 2012, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the second quarter of 2012, prepared in accordance with IAS 34 *Interim financial reporting,* and IFRS 1 *First-time adoption of IFRS,* as issued by the International Accounting Standards Board. The comparative figures as at April 30, 2011 and October 31, 2011 and for the three-month and six-month periods ended April 30, 2011 have been restated to comply with IFRS. For details on the significant adjustments to the interim financial statements, refer to Note 5, "Adoption of IFRS", to the unaudited condensed interim consolidated financial statements. Supplemental information on risk management, critical accounting policies and estimates, and off-balance sheet arrangements is also provided in the Bank's 2011 Annual Report.

Additional information about the Laurentian Bank of Canada, including the Annual Information Form, is available on the Bank's website www.laurentianbank.ca and on SEDAR at www.sedar.com.

Economic Outlook

Globally, the economic picture remains dominated by growing concerns in the Euro Zone. In addition to worries about sovereign debt funding in peripheral countries, strong political opposition to fiscal austerity is reviving financial stress. Moreover, credit rating agencies proceeded with a series of credit rating downgrades in the Euro Zone. This situation is the main factor currently supporting the very low yield environment in North America as investors become increasingly risk averse. Furthermore, this massive flight-to-quality movement will likely persist until relevant solutions are found.

In North America, the sources of economic growth are shifting from the public to the private sector. This is becoming clearer now in Canada as well since the federal government and some provinces, Ontario specifically, are reducing spending. Fortunately, private sector full-time employment has been strong and payroll income is gaining traction, bringing some relief to consumers. In fact, inflation in Canada has slowed recently and will most likely oscillate around the 2% target. With inflation under control and a modestly growing economy, the Bank of Canada could start its interest rate normalization process sooner than previously anticipated, particularly considering the need to preserve financial stability. Nonetheless, the Bank still expects the overnight rate to be below 2% by the end of 2013, an accommodating level, thus enabling a moderate expansion of the Canadian economy to continue.

2012 Financial Objectives

The following table presents management's financial objectives for 2012 and the Bank's performance to date. Revenue growth was determined with reference to the restated 2011 IFRS comparative figures. These financial objectives are based on the same assumptions as noted on page 29 of the Bank's 2011 Annual Report under the title "Key assumptions supporting the Bank's objectives" and exclude Transaction and Integration Costs.

2012 FINANCIAL OBJECTIVES [1]

(Excluding Transaction and Integration Costs)

	2012 OBJECTIVES	FOR THE SIX MONTHS ENDED APRIL 30, 2012
Revenue growth	> 5 %	6 %
Adjusted efficiency ratio	73 % to 70 %	72.4 %
Adjusted return on common shareholders' equity	11.0 % to 13.5 %	12.7 %
Adjusted diluted earnings per share	$ 4.80 to $ 5.40	$ 2.56

[1] Refer to the non-GAAP financial measures section.

Based on the results for the six months ended April 30, 2012 and current forecasts, management expects the Bank to meet its objectives as set out at the beginning of the year. Strong loan growth, the acquisition of the MRS Companies, good cost control and continued improvements in credit quality have contributed to the overall good performance.

Analysis of Consolidated Results

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30 2012	JANUARY 31 2012	APRIL 30 2011	FOR THE SIX MONTHS ENDED APRIL 30 2012	APRIL 30 2011
Net interest income	**$ 128,324**	$ 130,629	$ 122,065	**$ 258,953**	$ 248,668
Other income	**70,346**	63,115	61,172	**133,461**	121,424
Total revenue	**198,670**	193,744	183,237	**392,414**	370,092
Provision for loan losses	**7,500**	10,000	11,984	**17,500**	23,441
Non-interest expenses	**147,111**	143,020	131,986	**290,131**	259,063
Income before income taxes	**44,059**	40,724	39,267	**84,783**	87,588
Income taxes	**10,196**	9,762	8,251	**19,958**	19,652
Net income	**$ 33,863**	$ 30,962	$ 31,016	**$ 64,825**	$ 67,936
Preferred share dividends, including applicable taxes	**3,165**	3,166	3,109	**6,331**	6,218
Net income available to common shareholders	**$ 30,698**	$ 27,796	$ 27,907	**$ 58,494**	$ 61,718
Earnings per share					
Basic	**$ 1.22**	$ 1.16	$ 1.17	**$ 2.38**	$ 2.58
Diluted	**$ 1.22**	$ 1.16	$ 1.17	**$ 2.38**	$ 2.58

Impact of Transaction and Integration Costs [1]

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
	APRIL 30 2012 [2]	JANUARY 31 2012	APRIL 30 2011	**APRIL 30 2012**	APRIL 30 2011
Items before income taxes					
Income before income taxes as reported	**$ 44,059**	$ 40,724	$ 39,267	**$ 84,783**	$ 87,588
Transaction and Integration Costs :					
Integration-related costs	**3,350**	2,660	-	**6,010**	-
Adjusted income before income taxes	**$ 47,409**	$ 43,384	$ 39,267	**$ 90,793**	$ 87,588
Items net of income taxes					
Net income as reported	**$ 33,863**	$ 30,962	$ 31,016	**$ 64,825**	$ 67,936
Transaction and Integration Costs :					
Integration-related costs	**2,439**	1,957	-	**4,396**	-
Adjusted net income	**$ 36,302**	$ 32,919	$ 31,016	**$ 69,221**	$ 67,936
Diluted, per common share					
Diluted earnings per share as reported	**$ 1.22**	$ 1.16	$ 1.17	**$ 2.38**	$ 2.58
Transaction and Integration Costs :					
Integration-related costs	**0.10**	0.08	-	**0.18**	-
Adjusted diluted earnings per share	**$ 1.31**	$ 1.24	$ 1.17	**$ 2.56**	$ 2.58

[1] Refer to the non-GAAP financial measures section.

[2] The impact of Transaction and Integration Costs on a per share basis does not add due to rounding.

Three months ended April 30, 2012 compared to three months ended April 30, 2011

Net income was $33.9 million, or $1.22 diluted per share, for the second quarter ended April 30, 2012, compared with $31.0 million, or $1.17 diluted per share, for the second quarter of 2011. Excluding T&I Costs, for the second quarter ended April 30, 2012, net income was $36.3 million, or $1.31 diluted per share as presented above.

Total revenue

Total revenue increased $15.4 million or 8% to $198.7 million in the second quarter of 2012, compared with $183.2 million in the second quarter of 2011. The contribution from the MRS Companies to total revenue amounted to $10.7 million for the second quarter of 2012.

Net interest income increased to $128.3 million for the second quarter of 2012, from $122.1 million in the second quarter of 2011, as strong loan and deposit growth year-over-year and higher revenues related to loan prepayments more than offset lower margins. When compared to the second quarter of 2011, margins decreased by 10 basis points to 1.73% in the second quarter of 2012, as the net interest margin was impacted by an increase in lower yielding assets related to securitization activities and the continued very low interest rate environment and flatter yield curve.

Other income was $70.3 million in the second quarter of 2012, compared to $61.2 million in the second quarter of 2011, a $9.2 million or 15% year-over-year increase. This includes a $7.0 million contribution to other income from the acquisition of the MRS Companies, largely from revenues related to registered self-directed plans, and higher card service revenues year-over-year due to higher transactional volume and fees. In addition, during the second quarter, the Bank completed a sale of $77.0 million of commercial mortgage loans, which led to the recognition of a $3.1 million gain in other income. This transaction dovetails with the Bank's syndication strategy and contributes to the proactive management of its risk-weighted assets. These increases were partly offset by lower credit insurance income resulting from a higher level of claims, as well as by lower income from brokerage operations due to unfavourable market conditions.

Provision for loan losses

The provision for loan losses amounted to $7.5 million in the second quarter of 2012, down $4.5 million or 37% from $12.0 million in the second quarter of 2011, reflecting excellent credit conditions in Canada and the quality of the Bank's loan portfolios. Losses in the quarter represented 0.13% of average loans and acceptances, down from 0.24% in the second quarter of 2011. However, the Bank remains cautious and continues to adhere to prudent loan underwriting standards amidst the ongoing economic uncertainty.

Non-interest expenses

Non-interest expenses totaled $147.1 million for the second quarter of 2012, compared to $132.0 million for the second quarter of 2011. Excluding T&I Costs of $3.4 million and the additional operating expenses related to the MRS Companies of $7.6 million, non-interest expenses increased moderately by $4.2 million or 3% to $136.2 million compared to a year ago.

Salaries and employee benefits increased by $6.1 million or 8% to $79.3 million compared to the second quarter of 2011, mainly due to increased headcount from the acquisition of the MRS Companies and regular salary increases. In addition, after the quarter end, the Bank announced the acceptance of an agreement in principle by its unionized employees for the renewal of their collective bargaining agreement. The new six-year agreement will be applied retroactively to January 1, 2012 and assures the seamless pursuit of the Bank's business plan, while enabling employees to continue to enjoy the benefits of competitive working conditions.

Premises and technology costs increased by $3.0 million to $38.0 million compared to the second quarter of 2011. Rental costs increased due to the acquisition of the MRS Companies and additional square footage of leased premises to accommodate growth and new IT projects. Continued investments in the Bank’s technology infrastructure and higher amortization expense related to completed IT development projects also contributed to the increase.

Other non-interest expenses increased by $2.6 million to $26.5 million for the second quarter of 2012 from $23.9 million for the second quarter of 2011, mainly as a result of the acquisition of the MRS Companies and other professional services.

T&I Costs for the second quarter of 2012 totaled $3.4 million and were related to IT, legal and communication expenses for the integration of the MRS Companies. As at the end of the second quarter, the integration process is progressing according to the planned timeline and budget.

Excluding the T&I Costs, the efficiency ratio was 72.4% in the second quarter of 2012, slightly higher compared to the second quarter of 2011. With pressure on net interest income likely to persist in the near future, as the current low interest rate environment lingers, the Bank is continuing to diversify its revenues from other income and to capitalize on organic growth opportunities while focusing on cost control, generating MRS synergies and improving execution.

Income taxes

For the quarter ended April 30, 2012, the income tax expense was $10.2 million and the effective tax rate was 23.1%. The lower tax rate, compared to the statutory rate, mainly resulted from the favourable effect of holding investments in Canadian securities that generate non-taxable dividend income and the lower taxation level on revenues from insurance operations. For the quarter ended April 30, 2011, the income tax expense was $8.3 million and the effective tax rate was 21.0%. Year-over-year, the higher income tax rate for the second quarter ended April 30, 2012 reflects a lower level of tax-advantaged income, which was partly offset by the 1.5% reduction in Federal income tax rates, effective this year.

Six months ended April 30, 2012 compared to six months ended April 30, 2011

Net income was $64.8 million, or $2.38 diluted per share, for the six months ended April 30, 2012, compared with $68.0 million, or $2.58 diluted per share, in 2011. Excluding T&I Costs, net income was $69.2 million, or $2.56 diluted per share.

Total revenue

Total revenue increased $22.3 million or 6% to $392.4 million for the six months ended April 30, 2012, compared with $370.1 million for the six months ended April 30, 2011. The contribution from the MRS Companies to total revenue amounted to $19.1 million for the six months ended April 30, 2012.

Net interest income increased to $259.0 million for the six months ended April 30, 2012, compared with $248.7 million for the same period in 2011. This increase is mainly explained by strong loan and deposit volume growth year-over-year of $2.0 billion and $1.5 billion respectively, which more than offset a decrease in net interest margin of 10 basis points over the same period. As noted above, the compression in net interest margin resulted from the increase in lower-yielding Replacement Assets related to securitization activities compared to last year, as well as to ongoing pricing pressure.

Other income was $133.5 million for the six months ended April 30, 2012, compared to $121.4 million for the same period in 2011, a 10% year-over-year increase. This includes a $12.7 million contribution to other income from the acquisition of the MRS Companies, largely from revenues related to registered self-directed plans. As noted above, during the second quarter of 2012, the Bank also sold commercial mortgage loans, resulting in the recognition of a $3.1 million gain in other income. The increase in other income is also explained by higher fees and commissions on loans and deposits, as well as higher card service revenues year-over-year. These increases were partly offset by lower credit insurance income resulting from a higher level of claims, as well as by lower income from brokerage operations due to unfavourable market conditions.

Provision for loan losses

The provision for loan losses amounted to $17.5 million for the six months ended April 30, 2012, a significant decrease of $5.9 million or 25% from $23.4 million from the six months ended April 30, 2011, reflecting the excellent credit conditions in the Canadian market and the quality of the Bank's loan portfolios. The decrease relates to improvements in all loan portfolios, with clear progress in the commercial loan portfolios.

Non-interest expenses

Non-interest expenses totaled $290.1 million for the six months ended April 30, 2012, compared to $259.1 million for the six months ended April 30, 2011. Excluding T&I Costs of $6.0 million and current operating costs related to MRS Companies of $14.7 million, non-interest expenses increased by $10.4 million or 4% to $269.5 million.

Salaries and employee benefits increased by $14.5 million or 10% to $156.3 million compared to the six months ended April 30, 2011, mainly due to increased headcount from the acquisition of the MRS Companies, as well as to regular salary increases, higher pension costs and higher employee benefits costs related to certain group insurance programs.

Premises and technology costs increased by $5.6 million compared to the six months ended April 30, 2011, resulting from higher rental costs due to the acquisition of the MRS Companies and increased square footage of leased premises, higher IT costs related to ongoing business growth and amortization expense related to completed IT development projects.

Other non-interest expenses increased by $5.0 million to $52.6 million for the six months ended April 30, 2012, from $47.7 million for the same period of 2011, mainly as a result of the acquisition of the MRS Companies.

T&I Costs for the six months ended April 30, 2012 totaled $6.0 million and were related to IT, legal and communication expenses for the integration of the MRS Companies.

For the six months ended April 30, 2012, excluding the T&I Costs, the efficiency ratio was 72.4%, compared with 70.0% for the six months ended April 30, 2011. Cost control measures aimed at slowing expense growth did not fully compensate for the impact of compressing margins.

Income taxes

For the six months ended April 30, 2012, the income tax expense was $20.0 million and the effective tax rate was 23.5%. The lower tax rate, compared to the statutory rate, mainly resulted from the favourable effect of holding investments in Canadian securities that generate non-taxable dividend income and the lower taxation level on revenues from insurance operations. For the six months ended April 30, 2011, the income tax expense was $19.7 million and the effective tax rate was 22.4%. Year-over-year, as noted above, the higher income tax rate for the six months ended April 30, 2012 reflects the lower level of revenues from insurance operations, which was partly offset by the 1.5% reduction in Federal income tax rates, effective this year.

Three months ended April 30, 2012 compared to three months ended January 31, 2012

Net income was $33.9 million or $1.22 diluted per share for the second quarter of 2012 compared with $31.0 million or $1.16 diluted per share for the first quarter of 2012. Excluding T&I Costs, net income was $36.3 million, or $1.31 diluted per share, compared to $32.9 million or $1.24 diluted per share for the first quarter ended January 31, 2012.

Total revenue increased to $198.7 million in the second quarter of 2012, from $193.7 million in the previous quarter as the MRS Companies contributed throughout the second quarter compared to 77 days in the first quarter. Despite growth in loan volumes, net interest income decreased by $2.3 million to $128.3 million sequentially. This decrease is mainly explained by the slightly lower net interest margin of 1.73% for the second quarter of 2012 compared with 1.75% for the previous quarter and the two fewer days in the second quarter.

Other income increased by $7.2 million or 11% sequentially, largely due the $3.1 million gain on sale of a $77.0 million commercial mortgage loan portfolio during the second quarter, combined with better performance across all revenue streams.

The provision for loan losses amounted to $7.5 million in the second quarter of 2012, compared to $10.0 million for the first quarter of 2012, reflecting the excellent quality of the portfolio and favourable credit conditions.

Non-interest expenses amounted to $147.1 million in the second quarter of 2012, compared to $143.0 million in the first quarter of 2012. Excluding T&I Costs of $3.4 million in the second quarter and of $2.7 million in the first quarter of 2012, non-interest expenses increased by $3.4 million sequentially. This was mainly a result of a full quarter of salary increases, non-recurring adjustments in variable compensation in the first quarter and 13 additional days of normal operating expenses related to the MRS Companies compared to the first quarter, which were partly offset by two less days in the second quarter and decreases in other expenses. Excluding T&I Costs, operating leverage was marginally positive sequentially, mainly due to the growth in total revenue quarter-over-quarter, combined with continued cost control initiatives.

Financial Condition

CONDENSED BALANCE SHEET

In thousands of Canadian dollars (Unaudited)	**AS AT APRIL 30 2012**	AS AT OCTOBER 31 2011	AS AT APRIL 30 2011
ASSETS			
Cash and deposits with other banks	**$ 696,280**	$ 367,059	$ 717,795
Securities	**5,294,610**	5,175,866	4,949,223
Securities purchased under reverse repurchase agreements	**978,063**	720,317	626,168
Loans and acceptances, net	**22,982,601**	21,944,394	21,022,460
Other assets	**756,920**	755,574	580,336
	$ 30,708,474	$ 28,963,210	$ 27,895,982
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits	**$ 21,060,754**	$ 20,016,281	$ 19,573,777
Other liabilities	**3,075,005**	2,725,215	2,875,652
Debt related to securitization activities	**5,051,652**	4,760,847	4,051,889
Subordinated debt	**243,426**	242,551	241,683
Shareholders' equity	**1,277,637**	1,218,316	1,152,981
	$ 30,708,474	$ 28,963,210	$ 27,895,982

Balance sheet assets stood at $30.7 billion as at April 30, 2012, up $1.7 billion from year-end 2011. Over the last twelve months, balance sheet assets increased by $2.8 billion or 10%.

Liquid assets

Liquid assets, including cash, deposits with other banks, securities and securities purchased under reverse repurchase agreements, increased by $0.7 billion from year-end 2011, as the Bank continued to actively manage its liquidity levels to support the growth in business activity. Liquid assets as a percentage of total assets increased marginally to 23% from 22% as at October 31, 2011.

Loans

Total loans and bankers' acceptances stood at $23.1 billion as at April 30, 2012, up $1.0 billion or 5% from October 31, 2011 and 9% year-over-year. While the acquisition of the MRS Companies added $0.3 billion to the loan portfolio, the Bank also generated $0.7 billion in organic growth since the beginning of the year in the midst of intense competition. Personal loans increased by $342.2 million or 6% since October 31, 2011, as higher investment loans acquired through the MRS Companies transaction, higher home equity lines of credit and personal loans granted under the Immigrant Investor Program more than offset the ongoing albeit slower run-offs in point-of-sale financing. Residential mortgage loans also increased by $410.1 million over the same period, including $60.9 million related to the acquisition of the MRS Companies. In addition, commercial mortgage loans grew by $107.0 million or 5% from October 31, 2011 despite a loan sale of $77.0 million during the second quarter, while commercial loans, including bankers' acceptances, increased by $174.7 million or 8% over the same period.

Deposits

Total personal deposits increased by $804.5 million or 5% from October 31, 2011 and stood at $16.4 billion as at April 30, 2012 including $675.2 million resulting from the acquisition of the MRS Companies and $129.3 million generated from organic growth. Business and other deposits, which include institutional deposits, were up $240.0 million since the beginning of the year to $4.6 billion as at April 30, 2012. The Bank took advantage of favourable market conditions and raised $200.0 million of three-year senior deposit notes during the second quarter to maintain prudent liquidity.

While the Bank continues to actively manage its liquidity levels and to maintain diversified funding sources, it focuses its efforts on retail deposit gathering through its Retail & SME-Québec and B2B Trust business segments; particularly stable sources of financing for the Bank which represented 78% of total deposits as at April 30, 2012.

Other Liabilities

Debt related to securitization activities increased by $290.8 million since the beginning of the year and stood at $5.1 billion as at April 30, 2012. Since October 31, 2011, the Bank securitized and legally sold $354.6 million of residential mortgage loans, $50.8 million in the first quarter and $303.8 million in the second quarter, which led to an increase in debt related to securitization activities of $353.0 million. In addition, loans totaling $459.3 million were sold as Replacement Assets during the same period, $228.6 million in the first quarter and $230.7 million in the second quarter. For additional information on the Bank's debt related to securitization activities, please refer to Note 8 to the unaudited condensed interim financial statements.

Subordinated debt stood at $243.4 million as at April 30, 2012, relatively unchanged from October 31, 2011.

Shareholders' equity

Shareholders' equity stood at $1,277.6 million as at April 30, 2012, compared with $1,218.3 million as at October 31, 2011. This increase resulted from a common share issue for net proceeds of $60.9 million as well as net income for the first six months of 2012, net of declared dividends, which more than offset the decrease in accumulated other comprehensive income (AOCI). The Bank's book value per common share, excluding AOCI, appreciated to $41.19 as at April 30, 2012 from $39.40 as at October 31, 2011. There were 25,250,137 common shares and 50,000 share purchase options outstanding as at May 28, 2012. The increase in the number of common shares from October 31, 2011 resulted from the issuance of 1,325,100 common shares on February 2, 2012 as detailed below.

Assets under administration

Assets under administration stood at $33.1 billion as at April 30, 2012, $21.0 billion higher than as at October 31, 2011, and $20.5 billion higher than as at April 30, 2011. These increases are mainly attributable to the growth in assets related to self-directed RRSPs due to the acquisition of the MRS Companies and mutual funds, which has started to benefit from the new distribution agreement related to Mackenzie funds.

Capital Management

The regulatory Tier I capital of the Bank, measured under IFRS, reached $1,245.3 million as at April 30, 2012, compared with $1,217.2 million as at October 31, 2011, measured under previous Canadian GAAP. Taking into account that the Bank has elected to phase-in the IFRS adjustments, the Tier 1 BIS capital and total BIS capital ratios stood at 10.4% and 12.9%, respectively, as at April 30, 2012, compared to 11.0% and 13.7%, respectively, as at October 31, 2011 under previous Canadian GAAP. These ratios remain well above present minimum requirements. The decrease in these ratios mainly results from the combined effect of a lower IFRS transition adjustment and higher risk-weighted assets related to the acquisition of the MRS Companies, partially offset by a common share issue of $60.9 million during the second quarter. The tangible common equity ratio of 8.0% continues to reflect the high quality of the Bank's capital.

On February 2, 2012, the Bank successfully completed a common share issue for net proceeds of $60.9 million. This is consistent with its prudent approach to managing capital and objective to maintain capital ratios above new regulatory requirements as detailed below, especially considering good organic growth prospects and the recent balance sheet expansion related to the acquisition of the MRS Companies.

REGULATORY CAPITAL

In thousands of Canadian dollars, except percentage amounts (Unaudited)	**AS AT APRIL 30 2012**	AS AT OCTOBER 31 [2] 2011	AS AT APRIL 30 [2] 2011
Tier 1 capital (A)	**$ 1,245,326**	$ 1,217,225	$ 1,177,648
Tier I BIS capital ratio (A/C)	**10.4 %**	11.0 %	11.1 %
Total regulatory capital - BIS (B)	**$ 1,543,140**	$ 1,516,840	$ 1,477,834
Total BIS capital ratio (B/C)	**12.9 %**	13.7 %	14.0 %
Total risk-weighted assets (C)	**$ 11,935,860**	$ 11,071,971	$ 10,562,773
Assets to capital multiple	**18.1 x**	16.2 x	16.4 x
Tangible common equity as a % of risk-weighted assets [1]	**8.0 %**	9.2 %	9.2 %

[1] Refer to the non-GAAP financial measures section.

[2] The amounts are presented in accordance with previous Canadian GAAP as filed with OSFI.

Impact of the adoption of IFRS on regulatory capital

Effective November 1, 2011, the Bank adopted IFRS, which impacted its shareholders' equity. The Bank has irrevocably elected to phase-in, over five quarters, the impact of the adjustment to retained earnings arising from the first-time adoption of certain IFRS changes, as allowed by OSFI's transition guidance. As such, for the purposes of calculating capital ratios, the Bank has amortized, since November 1, 2011, the eligible portion of the impact of IFRS on capital initially totaling $136.0 million on a straight-line basis over the next five quarters until January 31, 2013. Therefore, the total impact of the IFRS conversion on the Bank's capital ratios will only be fully reflected as of January 31, 2013. Excluding this transitional provision, the Tier 1 capital ratio and total capital ratio would have been 9.8% and 12.2%, respectively, as at April 30, 2012.

Upon adoption of IFRS, the Bank's assets increased by the amount of securitized residential mortgage loans and replacements assets. For purposes of the Asset to Capital Multiple (ACM) calculation, securitized mortgages sold through the CMB program on or before March 31, 2010 were excluded as permitted by OSFI. However, securitized mortgages sold after that date are now included in the ACM calculation and mainly contributed to the increase in the ACM, which stood at 18.1 as at April 30, 2012.

Proposal for new capital and liquidity regulatory measures

In December 2010, the Basel Committee on Banking Supervision (BCBS) published new capital guidelines commonly referred to as Basel III. OSFI indicated that it expects deposit-taking institutions to meet the Basel III capital requirements early in the Basel III transition period beginning January 1, 2013, including a 7% Common Equity Tier 1 ratio target (4.5% minimum plus 2.5% capital conservation buffer).

Considering the Bank’s capital position, and based on current understanding of the Basel III rules, management believes that the Bank is well positioned to meet upcoming capital requirements as of the initial date of implementation in January 2013. The *pro forma* Common Equity Tier 1 ratio, as at April 30, 2012, would be approximately 7.1% when applying the full Basel III rules applicable in 2019 (i.e., without transition arrangements). Further details on these capital measures, as well as the related new global liquidity standards, are provided in the Capital Management section of the annual MD&A.

Potential capital implication of the proposed acquisition of AGF Trust Company

On June 6, 2012, B2B Trust, a subsidiary of the Bank, and AGF Management Limited announced that they had entered into an agreement under which B2B Trust will acquire 100% of AGF Trust Company in a share purchase transaction. After incorporating the estimated capital requirements for AGF Trust at closing and the expected proceeds from the simultaneous private placement, the Bank’s Basel II Tier 1 Capital Ratio would be, on a pro forma basis, approximately 10.3% as at April 30, 2012, still comfortably above existing regulatory guidelines. Furthermore, the Bank’s Basel III Common Equity Tier 1 ratio based on the full Basel III rules applicable in 2019 (i.e. without transition arrangements), would be, on a pro forma basis, approximately 7.3% as at April 30, 2012, in line with expected regulatory requirements.

Dividends

On May 23, 2012, the Board of Directors declared regular dividends on the various series of preferred shares to shareholders of record on June 7, 2012. At its meeting on June 6, 2012, given the Bank's solid balance sheet and earnings as well as its confidence in the Bank’s future, the Board of Directors approved an increase of $0.02 per share, or 4%, to the quarterly dividend and thus declared a dividend of $0.47 per common share, payable on August 1, 2012, to shareholders of record on July 3, 2012.

COMMON SHARE DIVIDENDS AND PAYOUT RATIO

In Canadian dollars, except payout ratios (Unaudited)	FOR THE THREE MONTHS ENDED		FOR THE SIX MONTHS ENDED	FOR THE YEARS ENDED		
	APRIL 30 2012	**JANUARY 31 2012**	**APRIL 30 2012**	OCTOBER 31 2011	OCTOBER 31 2010	OCTOBER 31 2009
Dividends declared per common share	**$ 0.45**	**$ 0.45**	**$ 0.90**	$ 1.62	$ 1.44	$ 1.36
Dividend payout ratio [1][2]	**37.0 %**	**38.7 %**	**37.8 %**	34.8 %	31.1 %	32.1 %

[1] Refer to the non-GAAP financial measures section.

[2] The ratios for 2010 and 2009 are presented in accordance with previous Canadian GAAP.

Risk Management

The Bank is exposed to various types of risks owing to the nature of its activities. These risks are mainly related to the use of financial instruments. In order to manage these risks, controls such as risk management policies and various risk limits have been implemented. These measures aim to optimize the risk/return ratio in all operating segments. For additional information regarding the Bank's Risk Management Framework, please refer to the 2011 Annual Report.

Credit risk[1]

The following sections provide further details on the credit quality of the Bank's loan portfolios.

PROVISION FOR LOAN LOSSES

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30 2012	JANUARY 31 2012	APRIL 30 2011	FOR THE SIX MONTHS ENDED APRIL 30 2012	APRIL 30 2011
Provision for loan losses					
Personal loans	**$ 5,856**	$ 6,189	$ 6,029	**$12,045**	$12,784
Residential mortgage loans	**498**	284	706	**782**	1,042
Commercial mortgage loans	**2,555**	888	3,661	**3,443**	7,440
Commercial and other loans (including acceptances)	**(1,409)**	2,639	1,588	**1,230**	2,175
Total	**$ 7,500**	$10,000	$11,984	**$17,500**	$23,441
As a % of average loans and acceptances	**0.13 %**	0.18 %	0.24 %	**0.16 %**	0.23 %

The provision for loan losses decreased to $7.5 million in the second quarter of 2012, from $10.0 million in the first quarter of 2012 and $12.0 million a year ago, reflecting the good overall credit quality of the Bank's loan portfolios and continued favourable credit conditions in the Canadian market.

The year-over-year decrease in loan losses on personal loans partly results from a reduced exposure to the point-of-sale financing business. The provisions on residential mortgage loans were down marginally in the second quarter of 2012 compared to the second quarter of 2011, and remained at a very low level as the quality of the credit metrics used in establishing the collective provisions remained good.

Loan losses on commercial mortgages and commercial loans remained low during the second quarter and further decreased by a combined $2.4 million, mainly as a result of improvements in the credit conditions of certain loans and, to a lesser extent, to recoveries. The relatively low level of loan losses continues to reflect the good credit quality of this portfolio.

IMPAIRED LOANS

In thousands of Canadian dollars, except percentage amounts (Unaudited)	AS AT APRIL 30 2012	AS AT OCTOBER 31 2011	AS AT APRIL 30 2011
Gross impaired loans			
Personal	**$ 15,926**	$ 14,395	$ 16,256
Residential mortgages	**14,717**	17,053	16,186
Commercial mortgages	**60,394**	62,541	50,428
Commercial and other (including acceptances)	**56,284**	69,736	72,392
	147,321	163,725	155,262
Individual allowances	**(67,003)**	(69,450)	(67,461)
Collective allowances	**(71,866)**	(73,700)	(68,744)
Net impaired loans	**$ 8,452**	$ 20,575	$ 19,057
Impaired loans as a % of loans and acceptances			
Gross	**0.64 %**	0.74 %	0.73 %
Net	**0.04 %**	0.09 %	0.09 %

[1] Mortgage loans on residential real estate development properties and projects, which were previously reported in residential mortgage loans, were reclassified to commercial mortgage loans to better reflect the nature and risk of these loans.

Gross impaired loans amounted to $147.3 million as at April 30, 2012, compared to $163.7 million as at October 31, 2011 as credit quality continued to improve during the quarter. The decrease since October 31, 2011 essentially resulted from improvements in the commercial loan portfolios. Retail portfolios also performed well and related impaired loans were down $0.8 million from October 31, 2011 despite the Bank's strong loan growth, as borrowers continued to benefit from the current low interest rate environment and favourable employment conditions in Canada. Since the beginning of the year, individual allowances decreased by $2.4 million to $67.0 million. Over the same period, collective allowances decreased by $5.0 million, partly offset by a $3.2 million increase related to the acquisition of the MRS Companies, as improvements in credit quality and market conditions more than offset the impact of higher loan volumes. Net impaired loans amounted to $8.5 million as at April 30, 2012, compared to $20.6 million as at October 31, 2011.

Market risk

Market risk represents the financial losses that the Bank could incur following unfavourable fluctuations in the value of financial instruments subsequent to changes in the underlying factors used to measure them, such as interest rates, exchange rates or equity prices. This risk is inherent to the Bank's financing, investment, trading and asset and liability management (ALM) activities.

The purpose of ALM activities is to control structural interest rate risk, which corresponds to the potential negative impact of interest rate movements on the Bank's revenues and economic value. Dynamic management of structural risk is intended to maximize the Bank's profitability while preserving the economic value of common shareholders' equity. As at April 30, 2012, the effect on the economic value of common shareholders' equity and on net interest income before taxes of a sudden and sustained 1% increase in interest rates across the yield curve was as follows.

STRUCTURAL INTEREST RATE SENSITIVITY ANALYSIS

In thousands of Canadian dollars (Unaudited)	**AS AT APRIL 30 2012**	AS AT OCTOBER 31 2011
Increase in net interest income before taxes over the next 12 months	**$ 13,155**	$ 22,026
Decrease in the economic value of common shareholders' equity (Net of income taxes)	**$ (26,604)**	$ (15,964)

As shown in the table above, the Bank has slightly reduced its ALM short-term sensitivity compared to October 31, 2011. These results reflect management's efforts to take advantage in the movement of short-term and long-term interest rates, all the while maintaining the sensitivity to these fluctuations within approved limits.

Segmented Information

This section outlines the Bank's operations according to its organizational structure. Services to individuals, businesses, financial intermediaries and institutional clients are offered through the following business segments:

- Retail & SME-Québec
- Real Estate & Commercial
- B2B Trust
- Laurentian Bank Securities & Capital Markets
- Other

Retail & SME-Québec

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30 2012	JANUARY 31 2012	APRIL 30 2011	FOR THE SIX MONTHS ENDED APRIL 30 2012	APRIL 30 2011
Net interest income	**$ 76,096**	$ 78,725	$ 77,881	**$ 154,821**	$ 158,329
Other income	**33,422**	31,803	33,215	**65,225**	66,557
Total revenue	**109,518**	110,528	111,096	**220,046**	224,886
Provision for loan losses	**4,855**	6,216	6,570	**11,071**	14,254
Non-interest expenses	**91,268**	91,260	90,162	**182,528**	180,121
Income before income taxes	**13,395**	13,052	14,364	**26,447**	30,511
Income taxes	**2,737**	2,631	2,846	**5,368**	5,959
Net income	**$ 10,658**	$ 10,421	$ 11,518	**$ 21,079**	$ 24,552
Efficiency ratio [1]	**83.3 %**	82.6 %	81.2 %	**82.9 %**	80.1 %

[1] Refer to the non-GAAP financial measures section.

The Retail & SME-Québec business segment's contribution to net income was $10.7 million in the second quarter of 2012, compared with $11.5 million in the second quarter of 2011.

Total revenue decreased from $111.1 million in the second quarter of 2011 to $109.5 million in the second quarter of 2012 as higher other income was more than offset by lower net interest income. Year-over-year, net interest income decreased by $1.8 million, as significant growth in loan and deposit volumes, notably in the residential mortgage loan portfolio, did not fully compensate for the decline in net interest margin stemming from the ongoing low interest rate environment. Other income increased marginally from $33.2 million in the second quarter of 2011 to $33.4 million for the same period in 2012 as significantly higher revenues from card services due to increased transactional volume and fees was partly offset by lower credit insurance income owing to a higher level of claims.

Loan losses decreased by $1.7 million, or 22% from $6.6 million in the second quarter of 2011 to $4.9 million in the second quarter of 2012. This progress was mainly driven by the continued decrease in the point-of-sale portfolio stemming from the reduced exposure and marked improvements in the SME portfolio. Non-interest expenses increased by $1.1 million or 1% from $90.2 million in the second quarter of 2011 to $91.3 million in the second quarter of 2012 as lower expenses resulting from cost control initiatives were more than offset by regular salary increases and higher rental and operating costs due to increased business activity.

For the six months ended April 30, 2012, net income decreased $3.5 million to $21.1 million essentially due to the combined effect of lower interest margins and credit insurance income, which more than offset strong loan growth and the significant improvement in loan losses as explained above. Expenses, as a result of cost control measures were up a marginal $2.4 million or 1.3% over the same period.

Balance sheet highlights

- Loans up 8% or $978.1 million over the last 12 months
- Increase in deposits of 6% or $522.8 million over the last 12 months, to $9.7 billion as at April 30, 2012

Real Estate & Commercial

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30 2012	JANUARY 31 2012	APRIL 30 2011	FOR THE SIX MONTHS ENDED APRIL 30 2012	APRIL 30 2011
Net interest income	**$ 22,049**	$ 22,212	$ 22,514	**$ 44,261**	$ 45,609
Other income	**10,451**	8,006	7,851	**18,457**	15,945
Total revenue	**32,500**	30,218	30,365	**62,718**	61,554
Provision for loan losses	**1,755**	2,851	4,860	**4,606**	8,237
Non-interest expenses	**7,484**	7,756	7,004	**15,240**	14,363
Income before income taxes	**23,261**	19,611	18,501	**42,872**	38,954
Income taxes	**6,292**	5,305	5,296	**11,597**	11,151
Net income	**$ 16,969**	$ 14,306	$ 13,205	**$ 31,275**	$ 27,803
Efficiency ratio [1]	**23.0 %**	25.7 %	23.1 %	**24.3 %**	23.3 %

[1] Refer to the non-GAAP financial measures section.

The Real Estate & Commercial business segment’s contribution to net income increased by $3.8 million or 29% to $17.0 million in the second quarter of 2012, compared with $13.2 million in the second quarter of 2011.

Total revenue increased by $2.1 million, from $30.4 million in the second quarter of 2011 to $32.5 million in the second quarter of 2012. This increase largely results from a $3.1 million gain on the sale of $77.0 million of commercial mortgage loans recorded in other income, as the Bank looked to manage proactively its risk-weighted assets. This increase was partially offset by lower net interest income due to continued margin compression as the Bank generated strong loan growth year-over-year. Loan losses further reduced by $3.1 million to $1.8 million in the second quarter of 2012, compared with $4.9 million in the second quarter of 2011. This very low level of losses reflects the overall good credit quality of the loan portfolios, enhanced by the ongoing favourable economic conditions in Canada. Non-interest expenses increased marginally to $7.5 million in the second quarter of 2012 compared with $7.0 million in the second quarter of 2011 essentially due to higher rental and salary costs related to additional headcount hired to support increased business activity.

For the six months ended April 30, 2012, net income increased by 12% to $31.3 million as a result of improved loan losses and an increase in revenue due to the gain on sale of some commercial mortgage loans. Non-interest expenses increased by $0.9 million compared to the six months ended April 30, 2011, mainly due to increased salaries and benefits and rental costs as explained above.

Balance sheet highlights

- Loans and BAs up 10% or $299.7 million over the last 12 months
- Decrease in deposits of $38.2 million over the last 12 months

B2B Trust

In thousands of Canadian dollars, except percentage amounts (Unaudited)	FOR THE THREE MONTHS ENDED **APRIL 30 2012**	JANUARY 31 2012	APRIL 30 2011	FOR THE SIX MONTHS ENDED **APRIL 30 2012**	APRIL 30 2011
Net interest income	**$ 30,689**	$ 30,964	$ 28,410	**$ 61,653**	$ 57,222
Other income	**9,116**	8,143	2,419	**17,259**	4,944
Total revenue	**39,805**	39,107	30,829	**78,912**	62,166
Provision for loan losses	**890**	933	554	**1,823**	950
Non-interest expenses	**24,483**	23,422	15,666	**47,905**	31,568
Costs related to an acquisition and other [1]	**3,350**	2,660	-	**6,010**	-
Income before income taxes	**11,082**	12,092	14,609	**23,174**	29,648
Income taxes	**2,953**	3,221	4,141	**6,174**	8,403
Net income	**$ 8,129**	$ 8,871	$ 10,468	**$ 17,000**	$ 21,245
Efficiency ratio [2]	**69.9 %**	66.7 %	50.8 %	**68.3 %**	50.8 %
Adjusted net income [2]	**$ 10,568**	$ 10,828	$ 10,468	**$ 21,396**	$ 21,245
Adjusted efficiency ratio [2]	**61.5 %**	59.9 %	50.8 %	**60.7 %**	50.8 %

[1] Costs related to the acquisition of the MRS Companies.

[2] Refer to the non-GAAP financial measures section.

Excluding after-tax T&I Costs related to the acquisition of MRS Companies of $2.4 million, the B2B Trust business segment's contribution to net income was $10.6 million in the second quarter of 2012, up marginally from the second quarter of 2011. Reported net income for the second quarter of 2012 was $8.1 million.

Total revenue increased to $39.8 million in the second quarter of 2012 compared with $30.8 million in the second quarter of 2011, mainly as a result of the increase in other income from registered self-directed plans related to the acquisition of the MRS Companies. Net interest income also increased by $2.3 million compared to last year due to organic growth in loan and deposit volumes and the addition of assets from the acquisition of the MRS Companies.

Loan losses slightly increased by $0.3 million to $0.9 million in the second quarter of 2012, compared to $0.6 million in the second quarter of 2011, mainly due to marginally higher provisions required on greater volumes of investment loans. Non-interest expenses increased by $8.8 million to $24.5 million in the second quarter of 2012, compared with $15.7 million in the second quarter of 2011. This increase includes current operating costs of $7.6 million related to the MRS Companies. Otherwise, expenses increased by $1.2 million or 8% year-over-year, due to higher salary expenses and other expenses to support the segment's business growth objectives and higher IT costs due to increased activity. Costs related to an acquisition and other amounted to $3.4 million for the second quarter of 2012, resulting mainly from IT costs incurred and additional headcount hired to integrate the MRS Companies.

Results for the second quarter of 2012 were adversely impacted by two fewer days of activity compared to the first quarter. However, the second quarter results include 90 days of operation of the MRS Companies versus 77 days in the first quarter.

The acquisition of the MRS Companies, after five and a half months, is yielding excellent results and contributing to improve revenue diversification as evidenced by the growth in other income and assets under administration. The integration of the MRS Companies and the realization of anticipated synergies are progressing according to plan, with the IT integration proceeding smoothly. Management remains focused on completing this process in order to ensure anticipated synergies are achieved over the next 9 months.

For the six months ended April 30, 2012, net income, excluding after-tax T&I Costs related to the acquisition of MRS Companies of $4.4 million, was $21.4 million, slightly higher than the same period of 2011 essentially as a result of the operating contribution of MRS Companies. Reported net income for the six months ended April 30, 2012 was $17.0 million.

Balance sheet highlights

- Loans up 11% or $604.5 million over the last 12 months
- Total deposits up 10% or $895.7 million over the last 12 months

Laurentian Bank Securities & Capital Markets

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
In thousands of Canadian dollars, except percentage amounts (Unaudited)	**APRIL 30 2012**	JANUARY 31 2012	APRIL 30 2011	**APRIL 30 2012**	APRIL 30 2011
Total revenue	**$ 16,265**	$ 14,655	$ 17,872	**$ 30,920**	$ 34,113
Non-interest expenses	**12,530**	12,160	14,126	**24,690**	26,621
Income before income taxes	**3,735**	2,495	3,746	**6,230**	7,492
Income taxes	**956**	620	1,014	**1,576**	2,038
Net income	**$ 2,779**	$ 1,875	$ 2,732	**$ 4,654**	$ 5,454
Efficiency ratio [1]	**77.0 %**	83.0 %	79.0 %	**79.9 %**	78.0 %

[1] Refer to the non-GAAP financial measures section.

The Laurentian Bank Securities and Capital Markets (LBS & CM) business segment's contribution to net income was up marginally to $2.8 million in the second quarter of 2012, compared with $2.7 million in the second quarter of 2011.

Total revenue decreased by $1.6 million to total $16.3 million in the second quarter of 2012 compared with $17.9 million for the same quarter of 2011, as market conditions remained challenging for underwriting and trading activities compared to a year ago. Difficult market conditions also adversely impacted retail brokerage activity and contributed to the decrease in total revenue. Non-interest expenses decreased by $1.6 million, essentially due to lower performance-based compensation, in line with lower market-driven income, reduced commissions and cost reduction measures implemented during the quarter.

Compared to the first quarter of 2012, the contribution from the LBS & CM business segment continued to progress as markets gained some momentum in the beginning of the second quarter of 2012. This trend was tempered somewhat with the resurgence of global economic concerns, which has dampened results towards the end of the quarter.

For the six months ended April 30, 2012, net income decreased by $0.8 million compared to the same period last year, as lower expenses did not fully compensate for the decrease in revenues, essentially for the same reasons presented above.

Balance sheet highlight

- Assets under management stood at $2.2 billion as at April 30, 2012

Other Sector

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30 2012	JANUARY 31 2012	APRIL 30 2011	FOR THE SIX MONTHS ENDED APRIL 30 2012	APRIL 30 2011
Net interest income	**$ (1,206)**	$ (1,781)	$ (7,410)	**$ (2,987)**	$ (13,934)
Other income	**1,788**	1,017	485	**2,805**	1,307
Total revenue	**582**	(764)	(6,925)	**(182)**	(12,627)
Non-interest expenses	**7,996**	5,762	5,028	**13,758**	6,390
Loss before income taxes	**(7,414)**	(6,526)	(11,953)	**(13,940)**	(19,017)
Income taxes recovery	**(2,742)**	(2,015)	(5,046)	**(4,757)**	(7,899)
Net loss	**$ (4,672)**	$ (4,511)	$ (6,907)	**$ (9,183)**	$ (11,118)

The Other sector posted a negative contribution to net income of $4.7 million in the second quarter of 2012, compared with a negative contribution of $6.9 million in the second quarter of 2011.

Net interest income improved to negative $1.2 million in the second quarter of 2012, compared to negative $7.4 million in the second quarter of 2011, reflecting good market positioning as well as some adjustments to transfer pricing initiated in the first quarter of 2012. Other income for the second quarter of 2012 was $1.8 million, compared to $0.5 million for the second quarter of 2011 and essentially relates to gains on treasury activities.

Non-interest expenses in the second quarter of 2012 amounted to $8.0 million compared to $5.0 million a year ago, a $3.0 million increase. Higher pension costs, charges on group insurance programs and share-based incentive program costs, as well as regular salary increases contributed to the increase compared to last year.

For the six months ended April 30, 2012, the negative contribution stood at $9.2 million, compared to negative $11.1 million for the six months ended April 30, 2011, mainly due to the same reasons as noted above.

Proposed Acquisition of AGF Trust Company

On June 6, 2012, the Bank and AGF Management Limited announced that they had entered into an agreement pursuant to which B2B Trust, a subsidiary of the Bank, will acquire 100% of AGF Trust Company in a share purchase transaction. The transaction is expected to close in August 2012 subject to regulatory notifications and approvals. As of the closing date, assets of AGF Trust Company are expected to be approximately $3.8 billion, essentially including cash and marketable securities of $0.7 billion and retail loan portfolios of approximately $3.1 billion. The final purchase price will be based on the net book value of AGF Trust Company as at the closing date, estimated at approximately $242.0 million. The agreement also includes a contingent consideration of a maximum of $20.0 million over five years if credit quality reaches certain criteria.

To support the Bank’s balance sheet, considering this proposed transaction, the Bank entered into arm’s length subscription agreements with the Caisse de dépôt et placement du Québec and the Fonds de solidarité FTQ, relating to a private placement of 2,867,383 subscription receipts, which will be issued at a price of $41.85 per receipt and will be exchangeable, on a one-for-one basis, for common shares of the Bank. The offering of subscription receipts is expected to close, subject to the approval of the Toronto Stock Exchange, no later than June 15, 2012, and the proceeds of such offering will be placed in escrow until closing of the AGF Trust acquisition, at which point the subscription receipts will be automatically exchanged for common shares of the Bank. This agreement will provide net proceeds of $115.1 million.

Additional Financial Information – Quarterly Results

In thousands of Canadian dollars, except per share and percentage amounts (Unaudited)	IFRS						CANADIAN GAAP	
	APRIL 30 2012	JANUARY 31 2012	OCTOBER 31 2011	JULY 31 2011	APRIL 30 2011	JANUARY 31 2011	OCTOBER 31 2010	JULY 31 2010
Total revenue	**$ 198,670**	$ 193,744	$ 182,422	$ 185,833	$ 183,237	$ 186,855	$ 190,074	$ 188,810
Net income	**$ 33,863**	$ 30,962	$ 26,709	$ 29,072	$ 31,016	$ 36,920	$ 32,514	$ 30,064
Earnings per share								
Basic	**$ 1.22**	$ 1.16	$ 0.99	$ 1.09	$ 1.17	$ 1.41	$ 1.24	$ 1.13
Diluted	**$ 1.22**	$ 1.16	$ 0.99	$ 1.08	$ 1.17	$ 1.41	$ 1.24	$ 1.13
Return on common shareholders' equity [1]	**12.1 %**	11.6 %	10.0 %	11.2 %	12.7 %	15.2 %	11.8 %	11.0 %
Balance sheet assets (in millions of dollars)	**$ 30,708**	$ 29,921	$ 28,963	$ 28,239	$ 27,896	$ 26,919	$ 23,772	$ 23,549
Excluding Transaction and Integration Costs [2]								
Adjusted net income [1]	**$ 36,302**	$ 32,919	$ 33,375	$ 29,072	$ 31,016	$ 36,920	$ 32,514	$ 30,064
Adjusted diluted earnings per share [1]	**$ 1.31**	$ 1.24	$ 1.26	$ 1.08	$ 1.17	$ 1.41	$ 1.24	$ 1.13
Adjusted return on common shareholders equity [1]	**13.0 %**	12.4 %	12.8 %	11.2 %	12.7 %	15.2 %	11.8 %	11.0 %

[1] Refer to the non-GAAP financial measures section.

[2] Costs related to the acquisition of the MRS Companies.

Accounting Policies

A summary of the Bank's significant accounting policies is presented in Notes 2 and 3 of the April 30, 2012 unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements for the second quarter of 2012 have been prepared in accordance with these accounting policies.

Future changes in accounting policy

The International Accounting Standards Board ("IASB") has issued new standards and amendments to existing standards on financial instruments, consolidation, fair value measurement, employee benefits, offsetting and presentation of other comprehensive income. These future accounting changes will be applicable for the Bank in various annual periods beginning on November 1, 2012 at the earliest. The Bank has not yet assessed the impact of the adoption of these standards on its financial statements. Additional information on the new standards and amendments to existing standards can be found in Note 4 to the unaudited condensed interim consolidated financial statements.

Corporate Governance and Changes in Internal Control over Financial Reporting

On November 16, 2011, the Bank completed the acquisition of the MRS Companies. In accordance with Canadian securities law, which allows an issuer to limit its design of the disclosure controls and procedures, and internal controls over financial reporting to exclude the controls, policies and procedures of a business acquired not more than 365 days before the last day of the period covered by the interim filings, management has excluded the controls, policies and procedures of MRS Companies, the results of which are included in the unaudited condensed interim consolidated financial statements of the Bank for the period ended April 30, 2012. MRS Companies constituted approximately 3% of total assets, 2% of total liabilities, 5% of total revenue and 5% of total net income as at and for the six-month period ended April 30, 2012. For additional information on the assets acquired and liabilities assumed at the date of acquisition, refer to Note 15 to the unaudited condensed interim consolidated financial statements.

During the last quarter ended April 30, 2012, there have been no changes in the Bank's policies or procedures and other processes that comprise its internal control over financial reporting which have materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting.

The Board of Directors and the Audit Committee of Laurentian Bank reviewed this press release prior to its release today.

Non-GAAP Financial Measures

The Bank has adopted IFRS as its accounting framework. IFRS are the generally accepted accounting principles (GAAP) for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011. The Bank uses both GAAP and certain non-GAAP measures to assess performance. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are unlikely to be comparable to any similar measures presented by other companies. These non-GAAP financial measures are considered useful to investors and analysts in obtaining a better understanding of the Bank's financial results and analyzing its growth and profit potential more effectively. The Bank's non-GAAP financial measures are defined as follows:

Return on common shareholders' equity

Return on common shareholders' equity is a profitability measure calculated as the net income available to common shareholders as a percentage of average common shareholders' equity, excluding accumulated other comprehensive income.

Book value per common share

The Bank's book value per common share is defined as common shareholders' equity, excluding accumulated other comprehensive income, divided by the number of common shares outstanding at the end of the period.

Tangible common equity ratio

Tangible common equity is defined as common shareholders' equity, excluding accumulated other comprehensive income, less goodwill and contractual and customer relationship intangible assets. The tangible common equity ratio is defined as the tangible common equity as a percentage of risk-weighted assets.

Net interest margin

Net interest margin is the ratio of net interest income to total average assets, expressed as a percentage or basis points.

Efficiency ratio and operating leverage

The Bank uses the efficiency ratio as a measure of its productivity and cost control. This ratio is defined as non-interest expenses as a percentage of total revenue. The Bank also uses operating leverage as a measure of efficiency. Operating leverage is the difference between total revenue and non-interest expenses growth rates.

Dividend payout ratio

The dividend payout ratio is defined as dividends declared on common shares as a percentage of net income available to common shareholders.

Dividend yield

The dividend yield is defined as dividends declared per common share divided by the closing common share price.

Adjusted GAAP and non-GAAP measures

Certain analyses presented throughout this document are based on the Bank's core activities and therefore exclude the effect of the integration costs related to the acquisition of the MRS Companies.

About Laurentian Bank

Laurentian Bank of Canada is a banking institution operating across Canada and offering its clients diversified financial services. Distinguishing itself through excellence in service, as well as through its simplicity and proximity, the Bank serves individual consumers and small and medium-sized businesses. The Bank also offers its products to a wide network of independent financial intermediaries through B2B Trust, as well as full-service brokerage solutions through Laurentian Bank Securities.

Laurentian Bank is well established in the Province of Québec, operating the third-largest retail branch network. Elsewhere throughout Canada, it operates in specific market segments where it holds an enviable position. Laurentian Bank of Canada has more than $30 billion in balance sheet assets and more than $33 billion in assets under administration. Founded in 1846, it has been selected as the Québec and Atlantic Canada regional winner of the Canada's 10 Most Admired Corporate Cultures™ program presented by Waterstone Human Capital. The Bank employs more than 4,000 people.

Conference Call

Laurentian Bank invites media representatives and the public to listen to the conference call with financial analysts to be held at 2:00 p.m. Eastern Time on Wednesday, June 6, 2012. The live, listen-only, toll-free, call-in number is 514-861-2909 or 1-888-789-9572 Code 3478978#.

You can listen to the call on a delayed basis at any time from 6:00 p.m. on Wednesday, June 6, 2012 until 11:59 p.m. on July 6, 2012, by dialing the following playback number: 514-861-2272 or 1-800-408-3053 Code 4742839#. The conference call can also be heard through the Investor Relations section of the Bank's Web site at www.laurentianbank.ca. The Bank's Web site also offers additional financial information.

Chief Financial Officer: Michel C. Lauzon, 514-284-4500 #7997
Media and Investor Relations contact: Gladys Caron, 514-284-4500 #7511; cell 514-893-3963

Unaudited Condensed Interim Consolidated Financial Statements

The complete unaudited condensed interim consolidated financial statements for the quarter ended April 30, 2012, including the notes to the unaudited condensed interim consolidated financial statements, are also available on the Bank's Web site at www.laurentianbank.ca.

Consolidated Balance Sheet [1]

In thousands of Canadian dollars (Unaudited)	**AS AT APRIL 30 2012**	AS AT OCTOBER 31 2011	AS AT APRIL 30 2011	AS AT NOVEMBER 1 2010
ASSETS				
Cash and non-interest-bearing deposits with other banks	**$ 72,029**	$ 81,600	$ 71,262	$ 72,444
Interest-bearing deposits with other banks	**624,251**	285,459	646,533	99,394
Securities				
Available-for-sale	**2,055,991**	2,108,075	2,054,503	2,138,861
Held-to-maturity	**1,056,657**	885,822	646,713	559,457
Held-for-trading	**2,181,962**	2,181,969	2,248,007	1,496,583
Designated as at fair value through profit or loss	**-**	-	-	624,642
	5,294,610	5,175,866	4,949,223	4,819,543
Securities purchased under reverse repurchase agreements	**978,063**	720,317	626,168	994,674
Loans				
Personal	**6,116,400**	5,774,207	5,681,527	5,636,203
Residential mortgage	**12,279,486**	11,869,412	11,252,744	10,859,647
Commercial mortgage	**2,470,794**	2,363,808	2,213,760	2,166,375
Commercial and other	**2,087,886**	1,900,977	1,823,234	1,691,190
Customers' liabilities under acceptances	**166,904**	179,140	187,400	165,450
	23,121,470	22,087,544	21,158,665	20,518,865
Allowances for loan losses	**(138,869)**	(143,150)	(136,205)	(131,567)
	22,982,601	21,944,394	21,022,460	20,387,298
Other				
Premises and equipment	**66,308**	61,708	60,966	55,727
Derivatives	**161,807**	228,261	118,719	158,066
Goodwill	**64,077**	29,224	29,224	29,224
Software and other intangible assets	**142,401**	113,949	100,414	101,671
Deferred tax assets	**2,467**	4,160	21,172	47,995
Other assets	**319,860**	318,272	249,841	289,289
	756,920	755,574	580,336	681,972
	$ 30,708,474	$ 28,963,210	$ 27,895,982	$ 27,055,325
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits				
Personal	**$ 16,414,315**	$ 15,609,853	$ 15,510,692	$ 15,354,851
Business, banks and other	**4,646,439**	4,406,428	4,063,085	4,250,819
	21,060,754	20,016,281	19,573,777	19,605,670
Other				
Obligations related to securities sold short	**1,352,007**	1,471,254	1,437,259	1,362,336
Obligations related to securities sold under repurchase agreements	**441,532**	36,770	205,923	60,050
Acceptances	**166,904**	179,140	187,400	165,450
Derivatives	**128,626**	129,969	129,588	115,235
Deferred tax liabilities	**1,408**	6,362	290	27,543
Other liabilities	**984,528**	901,720	915,192	945,939
	3,075,005	2,725,215	2,875,652	2,676,553
Debt related to securitization activities	**5,051,652**	4,760,847	4,051,889	3,486,634
Subordinated debt	**243,426**	242,551	241,683	150,000
Shareholders' equity				
Preferred shares	**210,000**	210,000	210,000	210,000
Common shares	**320,435**	259,492	259,484	259,363
Share-based payment reserve	**227**	227	227	243
Retained earnings	**719,372**	683,007	653,541	610,483
Accumulated other comprehensive income	**27,603**	65,590	29,729	56,379
	1,277,637	1,218,316	1,152,981	1,136,468
	$ 30,708,474	$ 28,963,210	$ 27,895,982	$ 27,055,325

[1] Comparative figures have been prepared in accordance with IFRS. See Note 5 to the unaudited condensed interim consolidated financial statements as at April 30, 2012 for further details.

Consolidated Statement of Income [1]

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30 2012	JANUARY 31 2012	APRIL 30 2011	FOR THE SIX MONTHS ENDED APRIL 30 2012	APRIL 30 2011
Interest income					
Loans	**$ 240,943**	$ 245,083	$ 234,433	**$ 486,026**	$ 476,849
Securities	**18,377**	18,891	18,199	**37,268**	36,485
Deposits with other banks	**1,276**	1,024	1,589	**2,300**	2,599
Other, including derivatives	**14,557**	15,697	14,196	**30,254**	29,304
	275,153	280,695	268,417	**555,848**	545,237
Interest expense					
Deposits	**104,653**	107,673	108,851	**212,326**	222,362
Debt related to securitization activities	**39,508**	39,672	33,983	**79,180**	65,858
Subordinated debt	**2,374**	2,403	2,352	**4,777**	6,731
Other, including derivatives	**294**	318	1,166	**612**	1,618
	146,829	150,066	146,352	**296,895**	296,569
Net interest income	**128,324**	130,629	122,065	**258,953**	248,668
Other income					
Fees and commissions on loans and deposits	**29,657**	28,511	27,882	**58,168**	56,225
Income from brokerage operations	**14,354**	13,549	16,592	**27,903**	29,876
Credit insurance income	**3,662**	3,770	4,290	**7,432**	9,493
Income from treasury and financial market operations	**5,856**	4,714	3,993	**10,570**	10,122
Income from sales of mutual funds	**4,488**	4,329	4,460	**8,817**	8,567
Income from registered self-directed plans	**7,648**	6,801	1,990	**14,449**	4,074
Other income	**4,681**	1,441	1,965	**6,122**	3,067
	70,346	63,115	61,172	**133,461**	121,424
Total revenue	**198,670**	193,744	183,237	**392,414**	370,092
Provision for loan losses	**7,500**	10,000	11,984	**17,500**	23,441
Non-interest expenses					
Salaries and employee benefits	**79,282**	77,032	73,157	**156,314**	141,845
Premises and technology	**37,998**	37,166	34,954	**75,164**	69,555
Other	**26,481**	26,162	23,875	**52,643**	47,663
Costs related to an acquisition and other	**3,350**	2,660	-	**6,010**	-
	147,111	143,020	131,986	**290,131**	259,063
Income before income taxes	**44,059**	40,724	39,267	**84,783**	87,588
Income taxes	**10,196**	9,762	8,251	**19,958**	19,652
Net income	**$ 33,863**	$ 30,962	$ 31,016	**$ 64,825**	$ 67,936
Preferred share dividends, including applicable taxes	**3,165**	3,166	3,109	**6,331**	6,218
Net income available to common shareholders	**$ 30,698**	$ 27,796	$ 27,907	**$ 58,494**	$ 61,718
Average number of common shares outstanding (in thousands)					
Basic	**25,235**	23,925	23,923	**24,573**	23,922
Diluted	**25,253**	23,943	23,946	**24,591**	23,944
Earnings per share					
Basic	**$ 1.22**	$ 1.16	$ 1.17	**$ 2.38**	$ 2.58
Diluted	**$ 1.22**	$ 1.16	$ 1.17	**$ 2.38**	$ 2.58
Dividends declared per share					
Common share	**$ 0.45**	$ 0.45	$ 0.39	**$ 0.90**	$ 0.78
Preferred share - Series 9	**$ 0.38**	$ 0.38	$ 0.38	**$ 0.75**	$ 0.75
Preferred share - Series 10	**$ 0.33**	$ 0.33	$ 0.33	**$ 0.66**	$ 0.66

[1] Comparative figures have been prepared in accordance with IFRS. See Note 5 to the unaudited condensed interim consolidated financial statements as at April 30, 2012 for further details.

Consolidated Statement of Comprehensive Income [1]

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30 2012	JANUARY 31 2012	APRIL 30 2011	FOR THE SIX MONTHS ENDED APRIL 30 2012	APRIL 30 2011
Net income	**$ 33,863**	$ 30,962	$ 31,016	**$ 64,825**	$ 67,936
Other comprehensive income, net of income taxes					
Unrealized net gains (losses) on available-for-sale securities	**(3,751)**	(1,483)	(1,617)	**(5,234)**	(8,556)
Reclassification of net (gains) losses on available-for-sale securities to net income	**(888)**	(321)	90	**(1,209)**	(1,625)
Net change in value of derivatives designated as cash flow hedges	**(23,980)**	(7,564)	(4,004)	**(31,544)**	(16,469)
	(28,619)	(9,368)	(5,531)	**(37,987)**	(26,650)
Comprehensive income	**$ 5,244**	$ 21,594	$ 25,485	**$ 26,838**	$ 41,286

[1] Comparative figures have been prepared in accordance with IFRS. See Note 5 to the unaudited condensed interim consolidated financial statements as at April 30, 2012 for further details.

Consolidated Statement of Changes in Shareholders' Equity [1]

FOR THE SIX MONTHS ENDED APRIL 30, 2012

In thousands of Canadian dollars (Unaudited)	PREFERRED SHARES	COMMON SHARES	RETAINED EARNINGS	AOCI RESERVES AVAILABLE-FOR-SALE SECURITIES	AOCI RESERVES CASH FLOW HEDGES	AOCI RESERVES TOTAL	SHARE-BASED PAYMENT RESERVE	TOTAL SHARE-HOLDERS' EQUITY
Balance as at October 31, 2011	**$ 210,000**	**$ 259,492**	**$ 683,007**	**$ 22,217**	**$ 43,373**	**$ 65,590**	**$ 227**	**$ 1,218,316**
Net income			**64,825**					**64,825**
Other comprehensive income (net of income taxes)								
Unrealized net gains (losses) on available-for-sale securities				**(5,234)**		**(5,234)**		**(5,234)**
Reclassification of net (gains) losses on available-for-sale securities to net income				**(1,209)**		**(1,209)**		**(1,209)**
Net change in value of derivatives designated as cash flow hedges					**(31,544)**	**(31,544)**		**(31,544)**
Comprehensive income			**64,825**	**(6,443)**	**(31,544)**	**(37,987)**		**26,838**
Net proceeds from issuance of common shares		**60,943**						**60,943**
Equity dividends								
Preferred shares, including applicable taxes			**(6,331)**					**(6,331)**
Common shares			**(22,129)**					**(22,129)**
Balance as at April 30, 2012	**$ 210,000**	**$ 320,435**	**$ 719,372**	**$ 15,774**	**$ 11,829**	**$ 27,603**	**$ 227**	**$ 1,277,637**

FOR THE SIX MONTHS ENDED APRIL 30, 2011

In thousands of Canadian dollars (Unaudited)	PREFERRED SHARES	COMMON SHARES	RETAINED EARNINGS	AOCI RESERVES AVAILABLE-FOR-SALE SECURITIES	AOCI RESERVES CASH FLOW HEDGES	AOCI RESERVES TOTAL	SHARE-BASED PAYMENT RESERVE	TOTAL SHARE-HOLDERS' EQUITY
Balance as at November 1, 2010	$ 210,000	$ 259,363	$ 610,483	$ 37,071	$ 19,308	$ 56,379	$ 243	$ 1,136,468
Net income			67,936					67,936
Other comprehensive income (net of income taxes)								
Unrealized net gains (losses) on available-for-sale securities				(8,556)		(8,556)		(8,556)
Reclassification of net (gains) losses on available-for-sale securities to net income				(1,625)		(1,625)		(1,625)
Net change in value of derivatives designated as cash flow hedges					(16,469)	(16,469)		(16,469)
Comprehensive income			67,936	(10,181)	(16,469)	(26,650)		41,286
Issuance of common shares under share purchase option plan		121						121
Share-based payments							(16)	(16)
Equity dividends								
Preferred shares, including applicable taxes			(6,218)					(6,218)
Common shares			(18,660)					(18,660)
Balance as at April 30, 2011	$ 210,000	$ 259,484	$ 653,541	$ 26,890	$ 2,839	$ 29,729	$ 227	$ 1,152,981

[1] Comparative figures have been prepared in accordance with IFRS. See Note 5 to the unaudited condensed interim consolidated financial statements as at April 30, 2012 for further details.