Press Release

FOR IMMEDIATE RELEASE

LAURENTIAN BANK REPORTS 2011 RESULTS UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS

Montréal (March 7, 2012) – Laurentian Bank of Canada released today its unaudited quarterly and full year financial results for 2011 prepared in accordance with International Financial Reporting Standards (IFRS). The Bank adopted IFRS on November 1, 2011 and released, concurrently with this press release, its first interim financial statements under IFRS for the quarter ended January 31, 2012.

The release of the Bank's 2011 IFRS quarterly financial results, as well as the additional information in the Supplementary Information for the period ended January 31, 2012, provides a comprehensive view of the key impacts of the Bank's adoption of IFRS on its financial results for 2011, which will prove useful when analyzing the Bank's financial results for the upcoming quarters. The following information summarizes the impact of adopting IFRS on the results for 2011 and reflects the Bank's choice of elections on first-time adoption and choice of accounting policies available under IFRS, and should be read in conjunction with the Bank's 2011 Annual Report section Future Changes to Accounting Policies ─ IFRS on pages 60 to 66, as well as the supplementary information for the period ended January 31, 2012.

Note that the transition to IFRS is only an accounting change and does not reflect a change in the underlying business or strategies of the Bank.

The following table provides a summary of the differences between Canadian Generally Accepted Accounting Principles (Canadian GAAP)[1] and IFRS in measuring the Bank's financial performance for each quarter and year ended in 2011.

Key Performance Indicators for 2011 [1]

	FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED
In thousands of Canadian dollars (Unaudited)	OCTOBER 31 2011	JULY 31 2011	APRIL 30 2011	JANUARY 31 2011	OCTOBER 31 2011
Net income - Canadian GAAP	$ 28,572	$ 35,282	$ 30,142	$ 33,493	$ 127,489
Adjustments - net of income taxes	(1,863)	(6,210)	874	3,427	(3,772)
Net income - IFRS	**$ 26,709**	**$ 29,072**	**$ 31,016**	**$ 36,920**	**$ 123,717**
Diluted earnings per share					
Canadian GAAP	$1.06	$1.34	$1.13	$1.27	$4.81
IFRS	$0.99	$1.08	$1.17	$1.41	$4.65
Return on common shareholders' equity					
Canadian GAAP	9.4 %	12.1 %	10.7 %	11.9 %	11.0 %
IFRS	10.0 %	11.2 %	12.7 %	15.2 %	12.2 %
Adjusted metrics - Excluding Transaction and Integration Costs [2]					
Adjusted net income - Canadian GAAP	$ 34,412	$ 35,282	$ 30,142	$ 33,493	$ 133,329
Adjustments - net of income taxes	(1,037)	(6,210)	874	3,427	(2,946)
Adjusted net income - IFRS	**$ 33,375**	**$ 29,072**	**$ 31,016**	**$ 36,920**	**$ 130,383**
Adjusted diluted earnings per share					
Canadian GAAP	$1.31	$1.34	$1.13	$1.27	$5.05
IFRS [3]	$1.26	$1.08	$1.17	$1.41	$4.93
Adjusted return on common shareholders' equity					
Canadian GAAP	11.6 %	12.1 %	10.7 %	11.9 %	11.6 %
IFRS	12.8 %	11.2 %	12.7 %	15.2 %	12.9 %

[1] See the non-GAAP financial measures on page 7.
[2] Excluding the integration costs related to the recently acquired MRS Companies (which include M.R.S. Inc.; MRS Trust Company; M.R.S. Securities Services Inc.; and M.R.S. Correspondent Corporation) and the compensation for termination in 2012 of the distribution agreement of IA Clarington funds related to the signing of a new distribution agreement of Mackenzie mutual funds.
[3] The impact of Transaction and Integration Costs on a per share basis does not add due to rounding.

[1] Reference to Canadian GAAP throughout this release relates to Canadian GAAP prior to the adoption of IFRS.

As shown in the table above, for the year ended October 31, 2011, net income was $123.7 million or $4.65 diluted per share under IFRS, compared to $127.5 million or $4.81 diluted per share, under previous Canadian GAAP. Return on common shareholders' equity was 12.2% under IFRS in 2011, compared to 11.0% in 2011 under previous Canadian GAAP.

Excluding the integration costs related to the recently acquired MRS Companies and the compensation for termination in 2012 of the distribution agreement of IA Clarington funds related to the signing of a new distribution agreement of Mackenzie mutual funds (Transaction and Integration Costs or T&I Costs), for the year ended October 31, 2011, net income was $130.4 million or $4.93 diluted per share under IFRS, compared to $133.3 million or $5.05 diluted per share, under previous Canadian GAAP. Excluding these one-time costs, return on common shareholders' equity was 12.9% under IFRS in 2011, compared to 11.6% in 2011 under previous Canadian GAAP.

As detailed below, the main adjustments relate to securitization activities and employee benefits with regards to pension plans.

IFRS Quarterly Earnings Impact

The following table presents the reconciliation between the net income reported under Canadian GAAP and net income reported in accordance with IFRS, for each 2011 quarter.

	FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED
In thousands of Canadian dollars (Unaudited)	**OCTOBER 31 2011**	**JULY 31 2011**	**APRIL 30 2011**	**JANUARY 31 2011**	**OCTOBER 31 2011**
Net income - Canadian GAAP	$ 28,572	$ 35,282	$ 30,142	$ 33,493	$ 127,489
Adjustments					
Securitization	(3,343)	(4,066)	(2,588)	(3,003)	(13,000)
Hedge accounting	(282)	83	69	280	150
Employee benefits	2,110	1,898	1,897	1,898	7,803
Loan loss provisioning	-	(4,147)	879	3,292	24
Business combination	(826)	-	-	-	(826)
Consolidation of B2B Trust	217	218	217	218	870
Share-based payments	393	(390)	(286)	704	421
Securities	(53)	51	246	75	319
Tax accounting	(40)	232	604	-	796
Other	(39)	(89)	(164)	(37)	(329)
	(1,863)	(6,210)	874	3,427	(3,772)
Net income - IFRS	**$ 26,709**	**$ 29,072**	**$ 31,016**	**$ 36,920**	**$ 123,717**

Nature of Adjustments

The following paragraphs present both the quarterly impact on the income statement's line items as well as the impact on net income for the year ended October 31, 2011.

a) Securitization

The Bank securitizes residential mortgage loans primarily by participating to the Canada Mortgage Bonds Program (CMB Program) and through multi-seller conduits set up by large Canadian banks. According to Canadian GAAP, these securitization transactions met derecognition criteria and therefore were accounted for as transfers of receivables. Under IFRS, these transactions do not meet derecognition criteria and therefore were recorded as financing transactions.

The difference in accounting treatment between Canadian GAAP and IFRS for these securitization transactions has resulted in the following adjustments to the Bank's consolidated statement of income:

- Reversal of gains and losses on securitization, including gains and losses on seller swaps[2], on securities previously designated as at fair value through profit or loss[3] and on retained interests, as well as amortization of servicing liability previously recognized in net income under Canadian GAAP;
- Recognition of interest income earned on the securitized mortgages and Replacement Assets[4] not previously recognized under Canadian GAAP;
- Recognition of interest expense on the debt related to securitization activities not previously recognized under Canadian GAAP; and
- As of the first quarter of 2011, as a result of these changes, the Bank also modified certain hedging relationships in order to realign income recognition on derivatives used to hedge securitization activities.

The adjustments to the income statements are summarized as follows:

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED OCTOBER 31 2011	JULY 31 2011	APRIL 30 2011	JANUARY 31 2011	FOR THE YEAR ENDED OCTOBER 31 2011
Increase in interest income					
Increase in interest income due to the recording of the securitized residential mortgage loans and Replacement Assets	$ 41,441	$ 42,623	$ 39,733	$ 37,853	$ 161,650
Decrease in other interest income, including derivatives	(74)	(1,932)	(1,311)	(1,813)	(5,130)
	41,367	40,691	38,422	36,040	156,520
Increase in interest expense					
Increase in interest expense due to the recording of the debt related to securitization activities	38,552	36,333	33,983	31,875	140,743
Increase in net interest income	**2,815**	**4,358**	**4,439**	**4,165**	**15,777**
Decrease in other income					
Reversal of gains on sales and other income related to securitization activities	(8,831)	(10,201)	(7,564)	(8,890)	(35,486)
Other	1,037	178	(448)	543	1,310
Decrease in other income	(7,794)	(10,023)	(8,012)	(8,347)	(34,176)
Increase in other expenses	93	37	55	27	212
Decrease in income taxes	(1,729)	(1,636)	(1,040)	(1,206)	(5,611)
Decrease in net income	**$ (3,343)**	**$ (4,066)**	**$ (2,588)**	**$ (3,003)**	**$ (13,000)**
Average assets related to securitization activities - adjustment	$ 4,471,621	$ 4,149,135	$ 3,855,686	$ 3,581,304	$ 4,014,436
Net interest income as a percentage of average assets related to securitization activities	0.25 %	0.42 %	0.46 %	0.46 %	0.39 %

[2] As part of securitization transactions, the Bank enters into seller swaps which are designed to protect the conduits against interest rate and pre-payment risks. These seller swaps are derivatives and were therefore marked-to-market through the consolidated statement of income. Gains and losses on the seller swaps that were recognized in net income under Canadian GAAP were reversed under IFRS as the cash flows associated with these swaps are captured in the interest income recognized on the securitized mortgages and Replacement Assets and the interest expense recognized on the securitization liabilities under IFRS.

[3] These securities were designated as at fair value through profit or loss under Canadian GAAP in order to offset changes in the fair value of seller swaps. As seller swaps are no longer recognized under IFRS, the designation of these securities was amended.

[4] Replacement Assets consist of cash, deposits with other banks, securities purchased under reverse repurchase agreements and securities which were previously off balance sheet to manage the maturity mismatch between the amortizing securitized mortgages and the off-balance sheet securitization liabilities related to the CMB Program.

b) Hedge accounting

In accordance with Canadian GAAP, the Bank used the shortcut method and the variable cash flow method to measure the ineffectiveness of certain hedging relationships. As these methods cannot be used under IFRS, the Bank has developed admissible substitute quantitative methods. Other hedging relationships that were already using methods admissible under IFRS have not been modified and did not require any adjustments on the transition date.

In addition, the Bank reviewed and modified certain hedging relationships designated under Canadian GAAP due to changes in accounting for securitization transactions as explained above. The impact of these changes is included in the securitization adjustments above.

c) Employee benefits

Actuarial gains and losses

Under Canadian GAAP, actuarial gains and losses were amortized through income using a corridor approach over the estimated average remaining service life (EARSL) of employees. At the transition date, the Bank elected to use the exemption from retrospective application permitted by IFRS 1 and recorded the accumulated actuarial losses in retained earnings. Under IFRS, the Bank has elected that additional actuarial gains and losses recognized after the transition date will be amortized using a corridor approach.

Vested past service costs and transitional obligation

Under Canadian GAAP, vested past service costs of defined benefit plans and transitional obligation resulting from the initial application of the accounting standard with respect to employee future benefits were amortized over the EARSL of plan participants. Under IFRS, these deferred costs were recognized in retained earnings at the transition date.

As a result of the above, amortization of actuarial losses and other deferred amounts, previously recognized in salaries and employee benefits, was reversed under IFRS.

d) Loan loss provisioning

As part of the IFRS conversion, the Bank improved its methodology to assess provisions for groups of similar loans (collective allowances). Collective allowances are established based on the risk rating of credit facilities and on parameters such as the related probability of default (loss frequency) and the loss given default (extent of losses) associated with each type of facility. The improved methodology relies more heavily on the current status of the portfolios in accordance with IFRS requirements. The Bank had already estimated the collective allowance as of July 31, 2011 using the adjusted methodology in its Canadian GAAP financial statements. As a result, from July 31, 2011, the calculation of the provision for loan losses is harmonized under IFRS and Canadian GAAP, except for the presentation items noted below.

Under IFRS, as under Canadian GAAP, loan loss provisions must reflect the time value of money. Under Canadian GAAP, the accretion of the net present value of the written down amount of the loan due to the passage of time was recognized as a reduction of the provision for loan losses. Under IFRS, the accretion must be recognized as interest income based on the original effective interest rate of the loan.

In addition, the allowance for undrawn amounts under approved credit facilities was reclassified from the general allowance to the other liabilities and the related expense is now presented as part of other non-interest expenses.

The adjustments to the provision for loan losses presented in the table below reflect the variation of the allowance due to the improved methodology for the three-month periods ended January 31, 2011, April 30, 2011 and July 31, 2011, as well as the effect of reclassifications to net interest income and other non-interest expenses for all periods presented.

In thousands of Canadian dollars (Unaudited)	FOR THE THREE MONTHS ENDED OCTOBER 31 2011	JULY 31 2011	APRIL 30 2011	JANUARY 31 2011	FOR THE YEAR ENDED OCTOBER 31 2011
Increase in net interest income (accretion on impaired loans)	$ 1,082	$ 1,130	$ 985	$ 900	$ 4,097
Decrease (increase) in provision for loan losses	(999)	(6,640)	16	3,543	(4,080)
Decrease (increase) in other non-interest expenses (allowance for undrawn amounts)	(83)	(174)	231	169	143
	-	(5,684)	1,232	4,612	160
Decrease (increase) in income taxes	-	1,537	(353)	(1,320)	(136)
Increase (decrease) in net income	**$ -**	**$ (4,147)**	**$ 879**	**$ 3,292**	**$ 24**

e) Business combination

Under Canadian GAAP, acquisition-related costs, such as legal fees, were recognized as costs of the business combination. Under IFRS, these costs are expensed. As a result, the costs previously deferred under Canadian GAAP with regards to the acquisition of the MRS Companies were charged to non-interest expenses.

f) Consolidation of B2B Trust

Under Canadian GAAP, the acquisition of the minority shareholders of B2B Trust in June 2004 was accounted for as a step acquisition and resulted in the accounting of an intangible asset related to contractual relationships with financial intermediaries and customer relationships. Under IFRS, the repurchase of the minority shareholders is considered an equity transaction as the Bank already had control of its subsidiary prior to the repurchase. As a result, under IFRS the excess of the purchase price over the book value of the minority interest was recognized in retained earnings, rather than allocated to the contractual and customer relationships intangible asset as required under Canadian GAAP. Consequently, the related amortization expense of that intangible recorded under Canadian GAAP was eliminated under IFRS. The restatement of the repurchase of the minority shareholders of B2B Trust resulted in a decrease in non-interest expense.

g) Share-based payments

Under Canadian GAAP, for the stock appreciation rights (SARs) settled in cash, the excess of the share price over the exercise price, reviewed on an ongoing basis, was recognized in income during the SARs' vesting period. Under IFRS, the Bank is required to recognize as an expense the fair value of SARs during the vesting period. The Bank measures the fair value of the SARs using the Black and Scholes option pricing model, taking into account the terms and conditions upon which the SARs were granted. The impact of the revaluation was recorded in salaries and benefits.

h) Securities

Under Canadian GAAP, an impairment expense was recognized on available-for-sale securities when there was objective evidence of impairment and when that impairment was considered to be other than temporary. Under IFRS, an impairment of these securities should be recognized as soon as there is objective evidence of the impairment. As a result, unrealized gains and losses on identified securities recorded in accumulated other comprehensive income were adjusted to other income.

i) Tax accounting

Under Canadian GAAP, changes in income taxes in a subsequent period were generally charged to the income statement regardless of where the underlying transaction was initially recorded. Under IFRS, deferred taxes that are related to items that have been charged to equity in previous periods are charged directly to equity in a manner consistent with the underlying transaction. The impact was recorded in income tax expense.

Expected Regulatory Capital Implications as a Result of the Adoption of IFRS

The IFRS conversion has had a significant impact on capital. Had the adjustments resulting from the IFRS transition been applied to the Bank's financial statements as at October 31, 2011, they would have had negative impacts of 90 basis points on the Tier 1 capital ratio and 90 basis points on the total capital ratio. The Office of the Superintendent of Financial Institutions Canada issued in March 2010 an Advisory that permits a five-quarter phase-in of the adjustment to retained earnings arising from the first-time adoption of certain IFRS changes for purposes of calculating certain ratios. The Bank has elected to phase-in the adjustments. Therefore, the impact of the IFRS transition on the Bank's capital ratios will only be fully reflected as of January 31, 2013.

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.

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 transaction, 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' customers to the transaction; and diversion of management time on acquisition-related issues.

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.

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:

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.

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.

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.

Adjusted GAAP and non-GAAP measures

Certain analyses presented in this document are based on the Bank's core activities and therefore exclude the effect of the integration costs related to the recently acquired MRS Companies and the compensation for termination in 2012 of the distribution agreement of IA Clarington funds related to the signing of a new distribution agreement of Mackenzie mutual funds.

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 more than $29 billion in balance sheet assets and more than $32 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 close to 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, March 7, 2012. The live, listen-only, toll-free, call-in number is 514-861-2255 or 1-866-696-5910 Code 1035375#.

You can listen to the call on a delayed basis at any time from 6:00 p.m. on Wednesday, March 7, 2012 until 11:59 p.m. on April 6, 2012, by dialing the following playback number: 514-861-2272 or 1-800-408-3053 Code 1063231#. 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 Website 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

RECONCILIATION OF INCOME STATEMENT BETWEEN CANADIAN GAAP AND IFRS

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED OCTOBER 31, 2011			FOR THE THREE MONTHS ENDED JULY 31, 2011		
	CANADIAN GAAP [1]	ADJUSTMENTS [2]	IFRS	CANADIAN GAAP [1]	ADJUSTMENTS [2]	IFRS
Interest income						
Loans	$ 202,915	$ 39,048	$ 241,963	$ 203,304	$ 40,704	$ 244,008
Securities	15,340	3,457	18,797	15,737	3,040	18,777
Deposits with other banks	1,066	18	1,084	1,584	10	1,594
Other, including derivatives	15,826	(74)	15,752	18,221	(1,932)	16,289
	235,147	42,449	277,596	238,846	41,822	280,668
Interest expense						
Deposits	110,069	-	110,069	112,032	-	112,032
Debt related to securitization activities	-	38,552	38,552	-	36,333	36,333
Subordinated debt	2,432	-	2,432	2,411	-	2,411
Other, including derivatives	152	-	152	466	-	466
	112,653	38,552	151,205	114,909	36,333	151,242
Net interest income	122,494	3,897	126,391	123,937	5,489	129,426
Other income						
Fees and commissions on loans and deposits	29,960	(627)	29,333	30,240	(792)	29,448
Income from brokerage operations	8,332	-	8,332	10,221	-	10,221
Securitization income	8,831	(8,831)	-	10,201	(10,201)	-
Credit insurance income	4,994	-	4,994	4,104	-	4,104
Income from treasury and financial market operations	5,328	569	5,897	4,555	364	4,919
Income from sales of mutual funds	4,258	-	4,258	4,483	-	4,483
Income from registered self-directed plans	1,505	-	1,505	1,674	-	1,674
Other income	1,712	-	1,712	1,558	-	1,558
	64,920	(8,889)	56,031	67,036	(10,629)	56,407
Total revenue	187,414	(4,992)	182,422	190,973	(5,140)	185,833
Provision for loan losses	12,000	999	12,999	8,000	6,640	14,640
Non-interest expenses						
Salaries and employee benefits	73,716	(3,285)	70,431	72,466	(2,112)	70,354
Premises and technology	35,332	43	35,375	36,198	84	36,282
Other	23,077	(737)	22,340	28,108	(848)	27,260
Costs related to an acquisition and other [3]	8,180	826	9,006	-	-	-
	140,305	(3,153)	137,152	136,772	(2,876)	133,896
Income before income taxes	35,109	(2,838)	32,271	46,201	(8,904)	37,297
Income taxes	6,537	(975)	5,562	10,919	(2,694)	8,225
Net income	$ 28,572	$ (1,863)	$ 26,709	$ 35,282	$ (6,210)	$ 29,072
Preferred share dividends, including applicable taxes	3,111	-	3,111	3,107	-	3,107
Net income available to common shareholders	$ 25,461	$ (1,863)	$ 23,598	$ 32,175	$ (6,210)	$ 25,965
Average number of common shares outstanding (in thousands)						
Basic	23,925	-	23,925	23,925	-	23,925
Diluted	23,941	-	23,941	23,943	-	23,943
Earnings per share						
Basic	$ 1.06	$ (0.07)	$ 0.99	$ 1.34	$ (0.25)	$ 1.09
Diluted	$ 1.06	$ (0.07)	$ 0.99	$ 1.34	$ (0.26)	$ 1.08
Net interest margin	2.00 %	(0.24) %	1.76 %	2.03 %	(0.20) %	1.83 %
Efficiency ratio	74.9 %	0.3 %	75.2 %	71.6 %	0.5 %	72.1 %
Return on common shareholders' equity	9.4 %	0.6 %	10.0 %	12.1 %	(0.9) %	11.2 %
Excluding Transaction and Integration Costs [3]						
Adjusted diluted earnings per share	$ 1.31	$ (0.05)	$ 1.26	$ 1.34	$ (0.26)	$ 1.08
Adjusted efficiency ratio	70.5 %	(0.3) %	70.2 %	71.6 %	0.5 %	72.1 %
Adjusted return on common shareholders' equity	11.6 %	1.2 %	12.8 %	12.1 %	(0.9) %	11.2 %

[1] See Reclassification of comparative figures in Note 2 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[2] See Note 5 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[3] Costs related to the recently acquired MRS Companies and the compensation for termination in 2012 of the distribution agreement of IA Clarington funds.

RECONCILIATION OF INCOME STATEMENT BETWEEN CANADIAN GAAP AND IFRS (CONTINUED)

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE THREE MONTHS ENDED APRIL 30, 2011			FOR THE THREE MONTHS ENDED JANUARY 31, 2011		
	CANADIAN GAAP [1]	ADJUSTMENTS [2]	IFRS	CANADIAN GAAP [1]	ADJUSTMENTS [2]	IFRS
Interest income						
Loans	$ 196,505	$ 37,928	$ 234,433	$ 206,271	$ 36,145	$ 242,416
Securities	15,418	2,781	18,199	15,686	2,600	18,286
Deposits with other banks	1,581	8	1,589	1,002	8	1,010
Other, including derivatives	15,507	(1,311)	14,196	16,921	(1,813)	15,108
	229,011	39,406	268,417	239,880	36,940	276,820
Interest expense						
Deposits	108,851	-	108,851	113,511	-	113,511
Debt related to securitization activities	-	33,983	33,983	-	31,875	31,875
Subordinated debt	2,352	-	2,352	4,379	-	4,379
Other, including derivatives	1,166	-	1,166	452	-	452
	112,369	33,983	146,352	118,342	31,875	150,217
Net interest income	116,642	5,423	122,065	121,538	5,065	126,603
Other income						
Fees and commissions on loans and deposits	28,211	(329)	27,882	28,184	159	28,343
Income from brokerage operations	16,592	-	16,592	13,284	-	13,284
Securitization income	7,564	(7,564)	-	8,890	(8,890)	-
Credit insurance income	4,290	-	4,290	5,203	-	5,203
Income from treasury and financial market operations	4,003	(10)	3,993	5,087	1,042	6,129
Income from sales of mutual funds	4,460	-	4,460	4,107	-	4,107
Income from registered self-directed plans	1,990	-	1,990	2,084	-	2,084
Other income	1,965	-	1,965	1,102	-	1,102
	69,075	(7,903)	61,172	67,941	(7,689)	60,252
Total revenue	185,717	(2,480)	183,237	189,479	(2,624)	186,855
Provision for loan losses	12,000	(16)	11,984	15,000	(3,543)	11,457
Non-interest expenses						
Salaries and employee benefits	75,416	(2,259)	73,157	72,332	(3,644)	68,688
Premises and technology	34,845	109	34,954	34,464	137	34,601
Other	24,563	(688)	23,875	24,162	(374)	23,788
Costs related to an acquisition and other [3]	-	-	-	-	-	-
	134,824	(2,838)	131,986	130,958	(3,881)	127,077
Income before income taxes	38,893	374	39,267	43,521	4,800	48,321
Income taxes	8,751	(500)	8,251	10,028	1,373	11,401
Net income	$ 30,142	$ 874	$ 31,016	$ 33,493	$ 3,427	$ 36,920
Preferred share dividends, including applicable taxes	3,109	-	3,109	3,109	-	3,109
Net income available to common shareholders	$ 27,033	$ 874	$ 27,907	$ 30,384	$ 3,427	$ 33,811
Average number of common shares outstanding (in thousands)						
Basic	23,923	-	23,923	23,922	-	23,922
Diluted	23,946	-	23,946	23,942	-	23,942
Earnings per share						
Basic	$ 1.13	$ 0.04	$ 1.17	$ 1.27	$ 0.14	$ 1.41
Diluted	$ 1.13	$ 0.04	$ 1.17	$ 1.27	$ 0.14	$ 1.41
Net interest margin	2.01 %	(0.18) %	1.83 %	2.03 %	(0.17) %	1.86 %
Efficiency ratio	72.6 %	(0.6) %	72.0 %	69.1 %	(1.1) %	68.0 %
Return on common shareholders' equity	10.7 %	2.0 %	12.7 %	11.9 %	3.3 %	15.2 %
Excluding Transaction and Integration Costs [3]						
Adjusted diluted earnings per share	$ 1.13	$ 0.04	$ 1.17	$ 1.27	$ 0.14	$ 1.41
Adjusted efficiency ratio	72.6 %	(0.6) %	72.0 %	69.1 %	(1.1) %	68.0 %
Adjusted return on common shareholders' equity	10.7 %	2.0 %	12.7 %	11.9 %	3.3 %	15.2 %

[1] See Reclassification of comparative figures in Note 2 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[2] See Note 5 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[3] Costs related to the recently acquired MRS Companies and the compensation for termination in 2012 of the distribution agreement of IA Clarington funds.

RECONCILIATION OF INCOME STATEMENT BETWEEN CANADIAN GAAP AND IFRS (CONTINUED)

In thousands of Canadian dollars, except per share amounts (Unaudited)	FOR THE YEAR ENDED OCTOBER 31, 2011		
	CANADIAN GAAP [1]	ADJUSTMENTS [2]	IFRS
Interest income			
Loans	$ 808,995	$ 153,825	$ 962,820
Securities	62,181	11,878	74,059
Deposits with other banks	5,233	44	5,277
Other, including derivatives	66,475	(5,130)	61,345
	942,884	160,617	1,103,501
Interest expense			
Deposits	444,463	-	444,463
Debt related to securitization activities	-	140,743	140,743
Subordinated debt	11,574	-	11,574
Other, including derivatives	2,236	-	2,236
	458,273	140,743	599,016
Net interest income	484,611	19,874	504,485
Other income			
Fees and commissions on loans and deposits	116,595	(1,589)	115,006
Income from brokerage operations	48,429	-	48,429
Securitization income	35,486	(35,486)	-
Credit insurance income	18,591	-	18,591
Income from treasury and financial market operations	18,973	1,965	20,938
Income from sales of mutual funds	17,308	-	17,308
Income from registered self-directed plans	7,253	-	7,253
Other income	6,337	-	6,337
	268,972	(35,110)	233,862
Total revenue	753,583	(15,236)	738,347
Provision for loan losses	47,000	4,080	51,080
Non-interest expenses			
Salaries and employee benefits	293,930	(11,300)	282,630
Premises and technology	140,839	373	141,212
Other	99,910	(2,647)	97,263
Costs related to an acquisition and other [3]	8,180	826	9,006
	542,859	(12,748)	530,111
Income before income taxes	163,724	(6,568)	157,156
Income taxes	36,235	(2,796)	33,439
Net income	$ 127,489	$ (3,772)	$ 123,717
Preferred share dividends, including applicable taxes	12,436	-	12,436
Net income available to common shareholders	$ 115,053	$ (3,772)	$ 111,281
Average number of common shares outstanding (in thousands)			
Basic	23,924	-	23,924
Diluted	23,943	-	23,943
Earnings per share			
Basic	$ 4.81	$ (0.16)	$ 4.65
Diluted	$ 4.81	$ (0.16)	$ 4.65
Net interest margin	2.02 %	(0.20) %	1.82 %
Efficiency ratio	72.0 %	(0.2) %	71.8 %
Return on common shareholders' equity	11.0 %	1.2 %	12.2 %
Excluding Transaction and Integration Costs [3]			
Adjusted diluted earnings per share	$ 5.05	$ (0.12)	$ 4.93
Adjusted efficiency ratio	71.0 %	(0.4) %	70.6 %
Adjusted return on common shareholders' equity	11.6 %	1.3 %	12.9 %

[1] See Reclassification of comparative figures in Note 2 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[2] See Note 5 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[3] Costs related to the recently acquired MRS Companies and the compensation for termination in 2012 of the distribution agreement of IA Clarington funds.

RECONCILIATION OF BALANCE SHEET BETWEEN CANADIAN GAAP AND IFRS

In thousands of Canadian dollars (Unaudited)	AS AT OCTOBER 31, 2011				AS AT JULY 31, 2011			
	CANADIAN GAAP [1]	ADJUSTMENTS [2]	RECLASSIFICATIONS [2]	IFRS	CANADIAN GAAP [1]	ADJUSTMENTS [2]	RECLASSIFICATIONS [2]	IFRS
ASSETS								
Cash and non-interest-bearing deposits with other banks	$ 81,600	$ -	$ -	$ 81,600	$ 69,820	$ 193	$ -	$ 70,013
Interest-bearing deposits with other banks	276,429	9,030	-	285,459	596,979	2,773	-	599,752
Securities								
Available-for-sale	1,096,333	-	1,011,742	2,108,075	1,028,953	868	1,013,003	2,042,824
Held-to-maturity	-	885,822	-	885,822	-	830,964	-	830,964
Held-for-trading	2,181,969	-	-	2,181,969	2,044,465	-	-	2,044,465
Designated as at fair value through profit or loss	1,011,742	-	(1,011,742)	-	1,013,003	-	(1,013,003)	-
	4,290,044	885,822	-	5,175,866	4,086,421	831,832	-	4,918,253
Securities purchased under reverse repurchase agreements	318,753	401,564	-	720,317	312,647	227,573	-	540,220
Loans								
Personal	5,768,787	-	5,420	5,774,207	5,728,317	-	4,553	5,732,870
Residential mortgage	8,378,029	3,394,017	97,366	11,869,412	8,183,447	3,299,905	95,578	11,578,930
Commercial mortgage	2,363,808	-	-	2,363,808	2,302,562	-	-	2,302,562
Commercial and other	1,900,977	-	-	1,900,977	1,863,448	-	-	1,863,448
Customers' liabilities under acceptances	179,140	-	-	179,140	198,429	-	-	198,429
	18,590,741	3,394,017	102,786	22,087,544	18,276,203	3,299,905	100,131	21,676,239
Allowances for loan losses	(149,743)	1,000	5,593	(143,150)	(147,663)	1,000	5,510	(141,153)
	18,440,998	3,395,017	108,379	21,944,394	18,128,540	3,300,905	105,641	21,535,086
Other								
Premises and equipment	64,752	(3,044)	-	61,708	63,616	(3,036)	-	60,580
Derivatives	228,704	(443)	-	228,261	147,009	(866)	-	146,143
Goodwill	53,790	(24,566)	-	29,224	53,790	(24,566)	-	29,224
Software and other intangible assets	123,357	(9,408)	-	113,949	114,812	(9,730)	-	105,082
Deferred tax assets	-	19,876	(15,716)	4,160	-	19,570	(11,834)	7,736
Other assets	612,024	(186,806)	(106,946)	318,272	509,054	(180,762)	(101,751)	226,541
	1,082,627	(204,391)	(122,662)	755,574	888,281	(199,390)	(113,585)	575,306
	$ 24,490,451	$ 4,487,042	$ (14,283)	$ 28,963,210	$ 24,082,688	$ 4,163,886	$ (7,944)	$ 28,238,630
LIABILITIES AND SHAREHOLDERS' EQUITY								
Deposits								
Personal	$ 15,610,012	$ (159)	$ -	$ 15,609,853	$ 15,606,705	$ (72,176)	$ -	$ 15,534,529
Business, banks and other	4,457,406	(50,978)	-	4,406,428	3,891,333	-	-	3,891,333
	20,067,418	(51,137)	-	20,016,281	19,498,038	(72,176)	-	19,425,862
Other								
Obligations related to securities sold short	1,471,254	-	-	1,471,254	1,436,439	-	-	1,436,439
Obligations related to securities sold under repurchase agreements	36,770	-	-	36,770	367,814	-	-	367,814
Acceptances	179,140	-	-	179,140	198,429	-	-	198,429
Derivatives	246,475	(116,506)	-	129,969	181,758	(77,731)	-	104,027
Deferred tax liabilities	-	(17,244)	23,606	6,362	-	(17,241)	18,260	1,019
Other liabilities	912,190	27,419	(37,889)	901,720	854,628	4,403	(26,204)	832,827
	2,845,829	(106,331)	(14,283)	2,725,215	3,039,068	(90,569)	(7,944)	2,940,555
Debt related to securitization activities	-	4,760,847	-	4,760,847	-	4,442,256	-	4,442,256
Subordinated debt	242,512	39	-	242,551	242,072	41	-	242,113
Shareholders' equity								
Preferred shares	210,000	-	-	210,000	210,000	-	-	210,000
Common shares	259,492	-	-	259,492	259,492	-	-	259,492
Share-based payment reserve	227	-	-	227	227	-	-	227
Retained earnings	818,207	(135,200)	-	683,007	802,795	(133,337)	-	669,458
Accumulated other comprehensive income	46,766	18,824	-	65,590	30,996	17,671	-	48,667
	1,334,692	(116,376)	-	1,218,316	1,303,510	(115,666)	-	1,187,844
	$ 24,490,451	$ 4,487,042	$ (14,283)	$ 28,963,210	$ 24,082,688	$ 4,163,886	$ (7,944)	$ 28,238,630
Average assets (for the three-month period)	$ 24,270,292	$ 4,243,355	$ -	$ 28,513,647	$ 24,146,118	$ 3,912,825	$ -	$ 28,058,943
Book value per common share	$ 45.05	$ (5.65)	$ -	$ 39.40	$ 44.41	$ (5.57)	$ -	$ 38.84

[1] See Reclassification of comparative figures in Note 2 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[2] See Note 5 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

RECONCILIATION OF BALANCE SHEET BETWEEN CANADIAN GAAP AND IFRS (CONTINUED)

In thousands of Canadian dollars (Unaudited)

	AS AT APRIL 30, 2011				AS AT JANUARY 31, 2011			
	CANADIAN GAAP [1]	ADJUSTMENTS [2]	RECLASSIFICATIONS [2]	IFRS	CANADIAN GAAP [1]	ADJUSTMENTS [2]	RECLASSIFICATIONS [2]	IFRS
ASSETS								
Cash and non-interest-bearing deposits with other banks	$ 69,287	$ 1,975	$ -	$ 71,262	$ 74,322	$ 2,104	$ -	$ 76,426
Interest-bearing deposits with other banks	641,777	4,756	-	646,533	454,600	2,607	-	457,207
Securities								
Available-for-sale	1,041,380	796	1,012,327	2,054,503	1,015,174	1,216	1,018,239	2,034,629
Held-to-maturity	-	646,713	-	646,713	-	638,276	-	638,276
Held-for-trading	2,248,007	-	-	2,248,007	1,889,086	-	-	1,889,086
Designated as at fair value through profit or loss	1,012,327	-	(1,012,327)	-	1,023,680	-	(1,018,239)	5,441
	4,301,714	647,509	-	4,949,223	3,927,940	639,492	-	4,567,432
Securities purchased under reverse repurchase agreements	443,456	182,712	-	626,168	331,935	183,920	-	515,855
Loans								
Personal	5,677,165	-	4,362	5,681,527	5,622,733	-	4,886	5,627,619
Residential mortgage	7,976,899	3,185,279	90,566	11,252,744	7,998,024	2,950,019	89,567	11,037,610
Commercial mortgage	2,213,760	-	-	2,213,760	2,205,736	-	-	2,205,736
Commercial and other	1,823,234	-	-	1,823,234	1,742,889	-	-	1,742,889
Customers' liabilities under acceptances	187,400	-	-	187,400	170,098	-	-	170,098
	17,878,458	3,185,279	94,928	21,158,665	17,739,480	2,950,019	94,453	20,783,952
Allowances for loan losses	(148,225)	6,684	5,336	(136,205)	(146,562)	5,452	5,567	(135,543)
	17,730,233	3,191,963	100,264	21,022,460	17,592,918	2,955,471	100,020	20,648,409
Other								
Premises and equipment	63,952	(2,986)	-	60,966	63,549	(2,911)	-	60,638
Derivatives	120,201	(1,482)	-	118,719	132,776	(3,911)	-	128,865
Goodwill	53,790	(24,566)	-	29,224	53,790	(24,566)	-	29,224
Software and other intangible assets	110,467	(10,053)	-	100,414	110,349	(10,376)	-	99,973
Deferred tax assets	-	23,010	(1,838)	21,172	-	22,342	1,330	23,672
Other assets	524,547	(174,803)	(99,903)	249,841	587,543	(173,246)	(103,360)	310,937
	872,957	(190,880)	(101,741)	580,336	948,007	(192,668)	(102,030)	653,309
	$ 24,059,424	$ 3,838,035	$ (1,477)	$ 27,895,982	$ 23,329,722	$ 3,590,926	$ (2,010)	$ 26,918,638
LIABILITIES AND SHAREHOLDERS' EQUITY								
Deposits								
Personal	$ 15,563,425	$ (52,733)	$ -	$ 15,510,692	$ 15,418,261	$ (36,895)	$ -	$ 15,381,366
Business, banks and other	4,063,085	-	-	4,063,085	3,545,739	-	-	3,545,739
	19,626,510	(52,733)	-	19,573,777	18,964,000	(36,895)	-	18,927,105
Other								
Obligations related to securities sold short	1,437,259	-	-	1,437,259	1,170,817	-	-	1,170,817
Obligations related to securities sold under repurchase agreements	205,923	-	-	205,923	469,021	-	-	469,021
Acceptances	187,400	-	-	187,400	170,098	-	-	170,098
Derivatives	180,805	(51,217)	-	129,588	186,061	(54,082)	-	131,979
Deferred tax liabilities	-	(12,909)	13,199	290	-	(12,727)	13,978	1,251
Other liabilities	913,780	16,088	(14,676)	915,192	877,912	19,151	(15,988)	881,075
	2,925,167	(48,038)	(1,477)	2,875,652	2,873,909	(47,658)	(2,010)	2,824,241
Debt related to securitization activities	-	4,051,889	-	4,051,889	-	3,786,336	-	3,786,336
Subordinated debt	241,640	43	-	241,683	241,075	41	-	241,116
Shareholders' equity								
Preferred shares	210,000	-	-	210,000	210,000	-	-	210,000
Common shares	259,484	-	-	259,484	259,388	-	-	259,388
Share-based payment reserve	227	-	-	227	227	-	-	227
Retained earnings	780,668	(127,127)	-	653,541	762,966	(128,001)	-	634,965
Accumulated other comprehensive income	15,728	14,001	-	29,729	18,157	17,103	-	35,260
	1,266,107	(113,126)	-	1,152,981	1,250,738	(110,898)	-	1,139,840
	$ 24,059,424	$ 3,838,035	$ (1,477)	$ 27,895,982	$ 23,329,722	$ 3,590,926	$ (2,010)	$ 26,918,638
Average assets (for the three-month period)	$ 23,786,039	$ 3,629,237	$ -	$ 27,415,276	$ 23,711,163	$ 3,362,645	$ -	$ 27,073,808
Book value per common share	$ 43.49	$ (5.32)	$ -	$ 38.17	$ 42.75	$ (5.35)	$ -	$ 37.40

[1] See Reclassification of comparative figures in Note 2 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[2] See Note 5 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

RECONCILIATION OF BALANCE SHEET BETWEEN CANADIAN GAAP AND IFRS (CONTINUED)

In thousands of Canadian dollars (Unaudited) — AS AT NOVEMBER 1, 2010

	CANADIAN GAAP [1]	ADJUSTMENTS [2]	RECLASSIFICATIONS [2]	IFRS
ASSETS				
Cash and non-interest-bearing deposits with other banks	$ 70,537	$ 1,907	$ -	$ 72,444
Interest-bearing deposits with other banks	95,561	3,833	-	99,394
Securities				
Available-for-sale	1,103,744	1,281	1,033,836	2,138,861
Held-to-maturity	-	559,457	-	559,457
Held-for-trading	1,496,583	-	-	1,496,583
Designated as at fair value through profit or loss	1,658,478	-	(1,033,836)	624,642
	4,258,805	560,738	-	4,819,543
Securities purchased under reverse repurchase agreements	803,874	190,800	-	994,674
Loans				
Personal	5,630,788	-	5,415	5,636,203
Residential mortgage	8,055,034	2,715,535	89,078	10,859,647
Commercial mortgage	2,166,375	-	-	2,166,375
Commercial and other	1,691,190	-	-	1,691,190
Customers' liabilities under acceptances	165,450	-	-	165,450
	17,708,837	2,715,535	94,493	20,518,865
Allowances for loan losses	(138,143)	840	5,736	(131,567)
	17,570,694	2,716,375	100,229	20,387,298
Other				
Premises and equipment	58,536	(2,809)	-	55,727
Derivatives	162,610	(4,544)	-	158,066
Goodwill	53,790	(24,566)	-	29,224
Software and other intangible assets	112,369	(10,698)	-	101,671
Deferred tax assets	-	18,416	29,579	47,995
Other assets	585,362	(172,001)	(124,072)	289,289
	972,667	(196,202)	(94,493)	681,972
	$ 23,772,138	$ 3,277,451	$ 5,736	$ 27,055,325
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits				
Personal	$ 15,396,911	$ (42,060)	$ -	$ 15,354,851
Business, banks and other	4,250,819	-	-	4,250,819
	19,647,730	(42,060)	-	19,605,670
Other				
Obligations related to securities sold short	1,362,336	-	-	1,362,336
Obligations related to securities sold under repurchase agreements	60,050	-	-	60,050
Acceptances	165,450	-	-	165,450
Derivatives	199,278	(84,043)	-	115,235
Deferred tax liabilities	-	(13,977)	41,520	27,543
Other liabilities	947,879	33,844	(35,784)	945,939
	2,734,993	(64,176)	5,736	2,676,553
Debt related to securitization activities	-	3,486,634	-	3,486,634
Subordinated debt	150,000	-	-	150,000
Shareholders' equity				
Preferred shares	210,000	-	-	210,000
Common shares	259,363	-	-	259,363
Share-based payment reserve	243	-	-	243
Retained earnings	741,911	(131,428)	-	610,483
Accumulated other comprehensive income	27,898	28,481	-	56,379
	1,239,415	(102,947)	-	1,136,468
	$ 23,772,138	$ 3,277,451	$ 5,736	$ 27,055,325
Average assets (for the three-month period)	n.a.	n.a.	n.a.	n.a.
Book value per common share	$ 41.87	$ (5.50)	$ -	$ 36.37

[1] See Reclassification of comparative figures in Note 2 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.

[2] See Note 5 to the unaudited condensed interim consolidated financial statements as at January 31, 2012 for further details.