SECOND QUARTER 2009

QUARTERLY REPORT FOR THE PERIOD
ENDED APRIL 30, 2009

LAURENTIAN BANK

REPORT TO SHAREHOLDERS

Laurentian Bank reports net income of $21.2 million for the second quarter of 2009

HIGHLIGHTS OF THE SECOND QUARTER 2009

- Record loan and deposit growth during the quarter
- Net income of $21.2 million
- Return on common shareholders' equity of 8.5%
- Net interest margin has bottomed-out during the quarter at 1.92%
- Total revenue relatively unchanged at $154.8 million
- Net impaired loans and loan losses unchanged compared to the last quarter

Laurentian Bank of Canada reported net income of $21.2 million, or $0.76 diluted per common share, for the second quarter ended April 30, 2009, compared to net income of $25.1 million, or $0.93 diluted per common share, for the second quarter of 2008. Return on common shareholders' equity was 8.5% for the quarter, compared to 11.2% for the corresponding period in 2008.

For the six months ended April 30, 2009, net income totalled $46.2 million or $1.68 diluted per common share, compared with net income of $44.3 million or $1.61 diluted per common share in 2008. Return on common shareholders' equity was 9.3% for the six months ended April 30, 2009, compared to 9.6% for the same period in 2008.

Commenting on the Bank's operations, Réjean Robitaille, President and Chief Executive Officer, mentioned: "We are extremely pleased with the record core loan and deposit growth we were able to generate since the beginning of the year. This is a fundamental indicator of our ability to pursue our long term profitability strategy. We seized the opportunity provided by the latest investment campaign to generate growth and significantly improve our liquidity position. Combined with our strong financial condition, this liquidity level should further enable us to capitalize on opportunities."

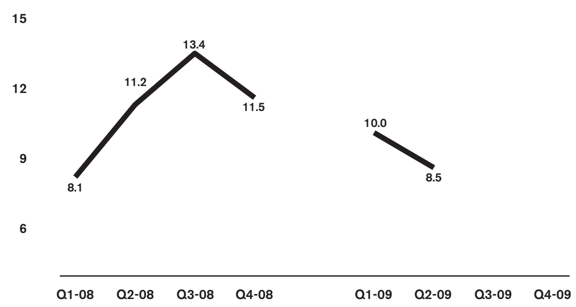
Mr. Robitaille added, with regards to the financial results: "The difficult economic conditions and unprecedented low interest rate environment have hampered profitability during the last quarter. However, measures aimed at restoring revenue growth have started to generate results. Also, even though the current market environment has been challenging, credit quality, while it deteriorated since last year-end, has held up nicely during the quarter."

REVIEW OF BUSINESS DEVELOPMENT INITIATIVES

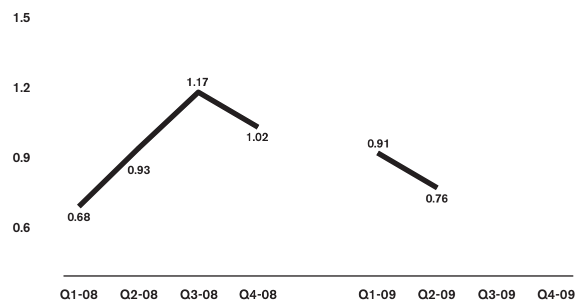
The strong growth of loan portfolio and the outstanding increase of deposit volumes testify to the effectiveness of the Bank's distribution networks and its strategies in the current environment.

Loans and bankers' acceptances increased by more than $307 million during the quarter while rigorous credit risk management was maintained. Close to 65% of this growth came from residential mortgages. Various initiatives launched by the Bank's business segments contributed to this growth and generated significant interest from homebuyers.

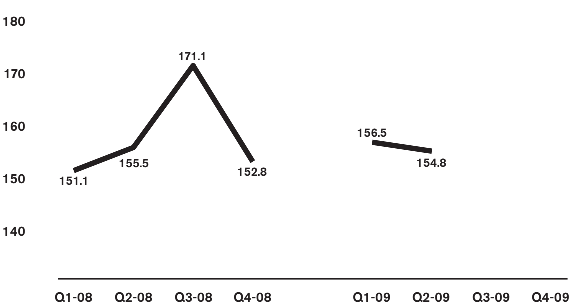
RETURN ON COMMON SHAREHOLDERS' EQUITY
AS A PERCENTAGE



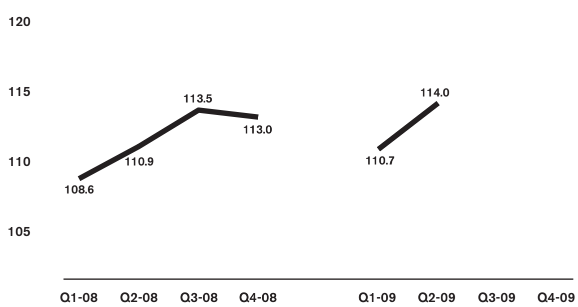
DILUTED NET INCOME PER COMMON SHARE
IN DOLLARS



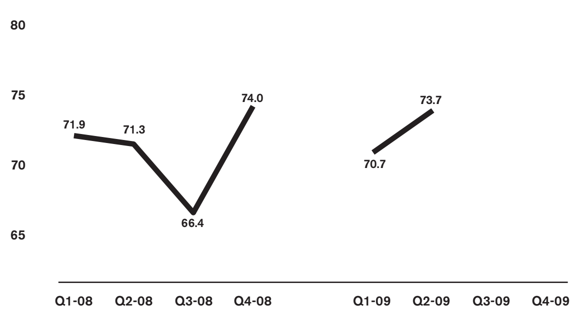
TOTAL REVENUE
IN MILLIONS OF DOLLARS



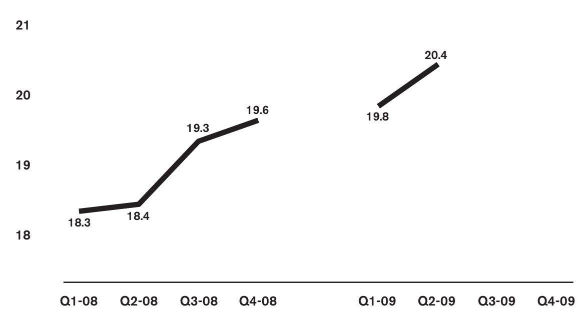
NON-INTEREST EXPENSES
IN MILLIONS OF DOLLARS



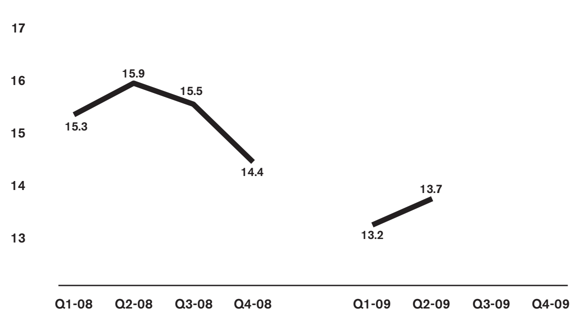
EFFICIENCY RATIO
NON-INTEREST EXPENSES AS A PERCENTAGE OF TOTAL REVENUE



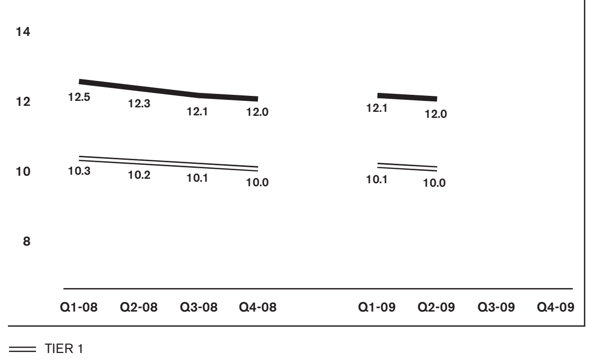
BALANCE SHEET ASSETS
IN BILLIONS OF DOLLARS



ASSETS UNDER ADMINISTRATION
IN BILLIONS OF DOLLARS



BIS CAPITAL RATIO
AS A PERCENTAGE



With respect to total deposits, volumes grew by a record $1.7 billion during the quarter. The Tax-Free Savings Account and GIC products continued to attract client attention supported by an excellent 2009 RRSP campaign, while it was B2B Trust's High Interest Investment Account (HIIA) that generated most of the growth. This product's competitiveness and ease of access for financial advisors are key contributors to its popularity and adds to B2B's leading position in the financial intermediary market.

The Bank experienced meaningful growth in its commercial loan portfolio, by taking advantage of other interesting opportunities that exist in this market. Furthermore, Laurentian Bank Securities' reputation and capabilities in the institutional fixed income and retail markets contributed to its very strong second quarter results.

Prudently pursuing business development, the Bank continues to exert tight expense control. Moreover, thanks to its strong capital base and high level of liquidity, the Bank can proactively take advantage of opportunities in the marketplace.

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, 2009, and of how it performed during the three- and six-month periods then ended. This MD&A, dated May 27, 2009, should be read in conjunction with the unaudited interim consolidated financial statements for the second quarter of 2009. Supplemental information on subjects such as risk management, accounting policies and off-balance sheet arrangements is also provided in the Bank's 2008 Annual Report.

PERFORMANCE AND FINANCIAL OBJECTIVES

The following presents management's financial objectives for 2009 and how the Bank has performed to date.

Performance indicators

	2009 OBJECTIVES	SIX MONTHS ENDED APRIL, 30 2009 (ACTUAL)
Return on common shareholders' equity	**10.0% to 12.0%**	**9.3%**
Diluted net income per share	**$3.70 to $4.40**	**$1.68**
Total revenue	**+ 2% to 5%**	**+ 1.5%**
	($645 to $665 million)	**($311 million)**
Efficiency ratio	**73% to 70%**	**72.2%**
Tier 1 capital ratio	**Minimum of 9.5%**	**10.0%**

Results for the first six months of 2009, as presented above, remain acceptable considering financial market conditions and 2009 objectives continue to be achievable, in view of the measures undertaken since the beginning of the year to improve the Bank's performance.

ANALYSIS OF CONSOLIDATED RESULTS

Three months ended April 30, 2009 compared to three months ended April 30, 2008

Net income was $21.2 million, or $0.76 diluted per common share, for the second quarter ended April 30, 2009, compared to net income of $25.1 million, or $0.93 diluted per common share, for the second quarter of 2008.

Total revenue was $154.8 million in the second quarter of 2009, compared to $155.5 million in the second quarter of 2008, as a decline in net interest income was mostly offset by other income growth.

The Bank's net interest income decreased $4.9 million to $94.1 million for the second quarter of 2009, from $99.0 million in the second quarter of 2008. Continued pressure on pricing over the last 18 months, as a result of the strong demand for retail deposits and a lower interest rate environment have affected margins and offset the effect of higher loan and deposit volumes when compared to a year ago. However, loan repricing measures introduced earlier this year and recent improvements in retail deposit pricing have already contributed to improve margins. After reaching a low at the beginning of the quarter, margins subsequently improved to more than 2.00% in April, back to levels observed at the beginning of the year. For the second quarter of 2009, the net interest margin stood at 1.92%, compared to 2.23% in the second quarter of 2008.

Other income totalled $60.7 million during the second quarter of 2009, compared to $56.5 million in the second quarter of 2008. Income from brokerage operations improved by $3.8 million during the second quarter of 2009, compared to the second quarter of 2008, mainly as a result of a strong performance from the Institutional Fixed Income division. Fees and commissions on loans and deposits also improved, by $2.1 million, as a result of the overall increase in business activity. Revenues from securitization activities stood at $8.6 million for the second quarter of 2009, including a $9.2 million gain on sale of residential mortgages, compared to securitization revenues of $9.5 million for the second quarter of 2008. Note 3 to the interim financial statements provides further details on securitization activities. Other activities yielded generally unchanged results year-over-year.

The provision for loan losses amounted to $12.0 million in the second quarter of 2009, compared to $10.0 million in the second quarter of 2008 and unchanged compared to the first quarter of 2009. The increase relates mainly to commercial exposures and, to a lesser extent, to higher loan volumes and a slight deterioration in consumer loan portfolios (particularly Visa and unsecured lines of credit). Over the last three months, gross impaired loans remained relatively unchanged, reflecting the overall good performance of the loan portfolio. Net impaired loans stood at $12.5 million at April 30, 2009 (representing 0.08% of total loans, bankers' acceptances and assets purchased under reverse repurchase agreements), compared to –$10.6 million (–0.07%) at October 31, 2008. Gross impaired loans stood at $125.7 million at April 30, 2009, compared to $124.6 million at January 31, 2009 and $101.9 million at October 31, 2008. The increase, essentially during the first quarter, mainly resulted from the real estate and commercial loan portfolios. See Note 2 to the interim consolidated financial statements for more details.

Non-interest expenses totalled $114.0 million for the second quarter of 2009, compared to $110.9 million for the second quarter of 2008; a 2.9% year-over-year increase. Salaries and employee benefits increased by $1.6 million, essentially as a result of higher salaries and targeted hiring, partially offset by lower pension expenses. Premises and technology costs remained relatively unchanged year-over-year. Other expenses increased by $0.9 million, mainly as a result of additional advertising expenses in the quarter. The efficiency ratio (non-interest expenses divided by total revenue) was 73.7% in the second quarter of 2009, compared with 71.3% in the second quarter of 2008.

For the quarter ended April 30, 2009, the income tax expense was $7.6 million and the effective tax rate was 26.4%. For the quarter ended April 30, 2008, the income tax expense was $9.5 million and the effective tax rate was 27.4%.

Six months ended April 30, 2009 compared to six months ended April 30, 2008

For the six months ended April 30, 2009, net income totalled $46.2 million or $1.68 diluted per common share, compared with net income of $44.3 million or $1.61 diluted per common share in 2008. Results for the six-month period ended April 30, 2008, included the effect of a $5.6 million unfavourable tax adjustment ($0.23 diluted per common share) recorded during the first quarter. Excluding the effect of this tax item, net income would have stood at $49.9 million for the six months ended April 30, 2008.

Total revenue improved to $311.3 million for the six months ended April 30, 2009, compared to $306.6 million for the six months ended April 30, 2008. Overall business growth has led to higher fees and commissions, higher brokerage revenues, as well as higher securitization income. These increases were partly offset by lower net interest income, as discussed above.

The provision for loan losses amounted to $24.0 million for the six months ended April 30, 2009, compared to $19.5 million for the six months ended April 30, 2008, as a result of a more challenging credit environment and higher loan volumes.

Non-interest expenses totalled $224.8 million for the six months ended April 30, 2009, compared to $219.4 million for the six months ended April 30, 2008. The increase is principally attributable to higher salaries in retail banking and technology, as well as to higher advertising expenses. These increases reflect management's continued efforts to devote resources to business lines' growth in order to drive additional revenues. For the six months ended April 30, 2009, the efficiency ratio stood at 72.2%, compared to 71.6% for the six months ended April 30, 2008.

For the six months ended April 30, 2009, the income tax expense was $16.3 million and the effective tax rate was 26.1%, compared to $23.4 million and 34.6% for the six months ended April 30, 2008. Results for the six months ended April 30, 2008, included the effect of a $5.6 million unfavourable tax adjustment resulting from federal income tax rate reductions.

Three months ended April 30, 2009 compared to three months ended January 31, 2009

Net income was $21.2 million, or $0.76 diluted per common share, for the second quarter ended April 30, 2009, compared to net income of $25.0 million, or $0.91 diluted per common share, for the first quarter of 2009. The decrease in profitability mainly results from lower net interest income, as discussed above, as well as from the effect of the shorter quarter. As measures taken earlier in 2009 take hold, net interest margin should improve and net interest income should recover over the next quarters, supported by loan and deposit growth. Other expenses also increased slightly, mainly in technology and advertising costs.

ANALYSIS OF FINANCIAL CONDITION

Balance sheet assets stood at $20.4 billion at April 30, 2009, compared to $19.6 billion at October 31, 2008.

Liquid assets, including cash, deposits with other banks, securities and assets purchased under reverse repurchase agreements, increased by $338.6 million, mainly as a result of strong deposit growth, as detailed below. This higher level of liquid assets preserves the Bank's ability to capitalize on growth opportunities as they arise and provides flexibility in meeting funding requirements associated with the ongoing mortgage renewal period.

The portfolio of loans and bankers' acceptances stood at $14.7 billion at April 30, 2009, up $369.6 million from October 31, 2008. The Bank had another solid quarter, with significant new loan volumes. Residential mortgages, including securitized loans, increased by $368 million, as detailed below.

Residential mortgage portfolio

IN MILLIONS OF DOLLARS	APRIL 30 2009	OCTOBER 31 2008	NET GROWTH
Residential mortgage loans, as reported on the balance sheet	**$ 6,335**	$ 6,183	$ 152
Securitized loans	**2,615**	2,399	216
Total residential mortgage loans, including securitized loans	**$ 8,950**	$ 8,582	$ 368

Commercial mortgages and commercial loans increased by more than $120 million and $90 million, respectively, since the beginning of the year. Personal loans remained relatively stable over the last six months.

Total personal deposits increased by a record $1.3 billion during the second quarter and $2.1 billion since the beginning of the year, to reach $14.5 billion as at April 30, 2009. B2B Trust's new HIIA provided for $1.7 billion of this total growth since the beginning of the year. The new account, only available through B2B Trust's financial advisor network, answers clients' financial preference for a higher yielding low-risk investment. This product also helps fund the Bank's consolidated variable rate loan portfolios and facilitates overall asset-liability management. Personal deposits sourced through the retail branch operations improved, as well, by $227.7 million since the beginning of the year as a result of another strong RRSP campaign. The level of business and other deposits decreased by $132.8 million since the beginning of the year, as reductions in commercial and institutional term deposits more than offset increases in demand and notice deposits. As at April 30, 2009, personal deposits accounted for 84% of total deposits of $17.3 billion.

Shareholders' equity stood at $1,131.6 million as at April 30, 2009, compared with $1,083.4 million as at October 31, 2008. The increase in shareholders' equity results from net income accumulated since the beginning of the year and from the increase in the value of derivatives designated as cash flow hedges, recorded in other comprehensive income.

The Bank's book value per common share, excluding accumulated other comprehensive income, was $36.83 as at April 30, 2009, compared to $35.84 as at October 31, 2008. There were 23,849,313 common shares and 125,725 share purchase options outstanding as at May 20, 2009.

The regulatory Tier I capital of the Bank reached $989.0 million as at April 30, 2009, as compared to $965.4 million as at October 31, 2008. The BIS Tier 1 and total capital ratios stood at 10.0% and 12.0%, respectively, as at April 30, 2009, unchanged from comparative ratios as at October 31, 2008. These ratios remain strong. The tangible common equity ratio, at 8.2%, also testifies to the high quality of the Bank's capital.

At its meeting held on May 27, 2009, the Board of Directors declared regular dividends on the various series of preferred shares to shareholders of record on June 8, 2009 and a dividend of $0.34 per common share, payable on August 1, 2009, to shareholders of record on July 2, 2009.

Assets under administration stood at $13.7 billion as at April 30, 2009, compared to $14.4 billion at October 31, 2008, and $15.9 billion at April 30, 2008. Declines in market values over the last 18 months have affected assets under administration. Mortgages under management increased as a result of securitization activities since the beginning of the year.

SEGMENTED INFORMATION

The table below presents the net income contribution of each business segment of the Bank. Compared to the first quarter of 2009, results were generally affected by the shorter quarter.

Net income contributions

IN MILLIONS OF DOLLARS	RETAIL & SME QUEBEC	REAL ESTATE & COMMERCIAL	B2B TRUST	LAURENTIAN BANK SECURITIES	OTHER	TOTAL[1]
Q2-2009	**9.8**	**7.5**	**7.8**	**1.9**	**(5.8)**	**21.2**
	36%	**28%**	**29%**	**7%**	**n/a**	**100%**
Q1-2009	10.2	7.9	8.1	1.0	(2.2)	25.0
	37%	29%	30%	4%	n/a	100%
Q2-2008	8.6	7.4	9.2	0.4	(0.4)	25.1
	34%	29%	36%	1%	n/a	100%

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

Retail & SME Quebec

The Retail & SME Quebec business segment's contribution to net income improved 14%, totalling $9.8 million for the second quarter of 2009, compared with $8.6 million for the second quarter of 2008.

Total revenue increased by $2.8 million, from $101.0 million in the second quarter of 2008 to $103.8 million in the second quarter of 2009, as a result of continued growth in loan and deposit volumes. Loan losses were slightly lower, at $8.1 million in the second quarter of 2009, compared to $8.5 million in the second quarter of 2008, as credit quality remained relatively steady in spite of economic conditions. Non-interest expenses increased by 2.4% or $1.9 million, from $81.2 million in the second quarter of 2008 to $83.1 million in the second quarter of 2009, mainly as a result of increases in advertising expenses.

Real Estate & Commercial

The Real Estate & Commercial business segment's contribution to net income improved slightly to $7.5 million for the second quarter of 2009, compared to $7.4 million for the second quarter of 2008.

Total revenue increased by 16%, or $2.8 million, from $17.6 million in the second quarter of 2008 to $20.4 million in the second quarter of 2009, mainly as a result of higher net interest income due to growth in loan volumes. Loan losses were higher at $3.2 million in the second quarter of 2009, compared to $1.0 million in the second quarter of 2008, as certain commercial accounts were provisioned during the quarter. Non-interest expenses also increased by $0.8 million to $6.3 million in the second quarter of 2009, from $5.5 million in the second quarter of 2008.

B2B Trust

The B2B Trust business segment's contribution to net income declined by $1.4 million, to $7.8 million in the second quarter of 2009, compared with $9.2 million in the second quarter of 2008.

Total revenue decreased by $1.1 million, from $25.0 million in the second quarter of 2008 to $23.9 million in the second quarter of 2009. Net interest income decreased by $0.8 million year-over-year. Over the last 18 months, B2B Trust's margins were under pressure, as competition for retail deposits rose. In addition, margins were affected during the second quarter of 2009 by the premium introductory pricing on B2B Trust's HIIA. The recent easing of institutional funding conditions, combined with adjustments to the HIIA pricing back to normal market conditions, have helped improve margins and should allow for renewed net interest revenue growth for the remainder of the year.

Since the beginning of the year, deposits grew by more than $2.1 billion, essentially as a result of the B2B Trust's HIIA. Average loans also continued their progression, increasing by $159.0 million over the last six months, including $82.1 million in investment loans. For the quarter ended April 30, 2009, average loans were $4,194 million; while average deposits were $7,810 million. B2B Trust's indirect retail deposits continue to contribute to the Bank's overall liquidity and balance sheet strength.

Loan losses, including losses on investment lending activities, remained low at $0.7 million in the second quarter of 2009, compared with $0.5 million in the second quarter of 2008. Non-interest expenses increased slightly to $11.7 million in the second quarter of 2009, compared with $10.7 million in the second quarter of 2008.

Laurentian Bank Securities

The Laurentian Bank Securities (LBS) business segment's contribution to net income reached $1.9 million in the second quarter of 2009, compared with $0.4 million in the second quarter of 2008. The solid performance of the Institutional Fixed Income division and a better performance of retail brokerage activities helped improve profitability significantly. Non-interest expenses increased to $8.7 million in the second quarter of 2009, from $7.3 million in the second quarter of 2008, primarily due to higher variable compensation costs.

Other Segment

The Other segment posted a negative contribution to net income of $5.8 million in the second quarter of 2009, compared with a negative contribution of $0.4 million in 2008. Higher funding costs and lower margins on liquid assets, as well as the effect of securitization activities have led to negative net interest income of $17.8 million for the second quarter of 2009, compared to negative net interest income of $10.4 million for the second quarter of 2008. Other income for the second quarter of 2009 was slightly lower at $13.1 million, compared to $14.4 million for the second quarter of 2008, mainly as a result of lower securitization revenues. Non-interest expenses improved to $4.1 million for the second quarter of 2009, compared to $6.2 million for the second quarter of 2008.

ADDITIONAL DISCLOSURES – INVESTMENT IN ASSET-BACKED SECURITIES

As detailed below, the Bank holds investments in asset-backed securities in its investment and trading portfolios.

AS AT APRIL 30, 2009 (AT MARKET VALUE, IN MILLIONS OF DOLLARS)		TERM NOTES		
	ABCP	CMBS	OTHER ABS[1]	TOTAL
Securities issued by conduits previously covered by the Montreal Accord[2]	–	–	13	13
Other securities	–	15	7	22
Total – Asset-backed securities	–	15	20	35

1 Excluding mortgage-backed securities that are fully guaranteed by the Canada Mortgage and Housing Corporation under the National Housing Act (NHA).
2 During the first quarter of 2009, all ABCP issued by conduits covered by the Montreal Accord were converted into term notes. The new securities have not traded actively to date. As a result, valuation techniques were used to estimate fair values. Compared to previous carrying amounts, the cumulative reductions in the value of these securities amount to $6.4 million, or approximately 33%.

ABCP – Asset-backed commercial paper
CMBS – Commercial mortgage-backed securities
ABS – Asset-backed securities

ADDITIONAL FINANCIAL INFORMATION – QUARTERLY RESULTS

IN MILLIONS OF DOLLARS, EXCEPT PER SHARE AMOUNTS (UNAUDITED)	**2009**		2008				2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenue	**$ 154.8**	$ 156.5	$ 152.8	$ 171.1	$ 155.5	$ 151.1	$ 145.6	$ 151.0
Income from continuing operations	**21.2**	25.0	22.9	30.9	25.1	19.1	25.7	23.2
Net income	**21.2**	25.0	27.3	30.9	25.1	19.1	30.2	23.2
Income per common share from continuing operations								
Basic	**0.76**	0.92	0.84	1.17	0.93	0.68	0.96	0.85
Diluted	**0.76**	0.91	0.84	1.17	0.93	0.68	0.95	0.85
Net income per common share								
Basic	**0.76**	0.92	1.02	1.17	0.93	0.68	1.14	0.85
Diluted	**0.76**	0.91	1.02	1.17	0.93	0.68	1.14	0.85
Return on common shareholders' equity	**8.5%**	10.0%	11.5%	13.4%	11.2%	8.1%	13.8%	10.5%
Balance sheet assets	**$ 20,382**	$ 19,847	$ 19,508	$ 19,301	$ 18,383	$ 18,270	$ 17,787	$ 18,011

ACCOUNTING POLICIES

New accounting standards adopted during fiscal 2009

Goodwill and other intangible assets

In November 2007, the Canadian Accounting Standards Board (AcSB) approved new Section 3064, *Goodwill and Intangible Assets*, which supersedes Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. New Section 3064 reinforces a principle-based approach to the recognition of costs as assets in accordance with the definition of an asset and the criteria for asset recognition in Section 1000, *Financial Statement Concepts*. It also specifically addresses the recognition of internally generated intangible assets. In addition, EIC-27, *Revenues and Expenditures during the Pre-operating Period*, will no longer apply following the adoption of Section 3064. These changes, effective for the Bank as of November 1, 2008, had no significant effect on the interim consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

On January 20, 2009, the Emerging Issue Committee of the Canadian Institute of Chartered Accountants issued Abstract EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, applicable to the Bank retroactively as of November 1, 2008. The Abstract confirms that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. This abstract had no significant effect on the interim consolidated financial statements.

Future changes in accounting policy

International financial reporting standards

In January 2006, the AcSB released its new Strategic Plan, which includes the decision to move financial reporting for Canadian public entities to a single set of globally accepted standards, namely, the International Financial Reporting Standards (IFRS). Under the AcSB's plan, this new framework will be effective for fiscal years beginning on or after January 1, 2011, that is, for the Bank's fiscal year ending October 31, 2012. An analysis of the accounting consequences of the conversion to IFRS is underway, and a timetable has been prepared to assess the impact on financial disclosures, information systems and internal controls. The Bank is also closely monitoring potential implications of changes on capital requirements. A detailed changeover plan will be prepared by the end of 2009 to facilitate the transition in 2011.

To date, the Bank has analyzed the new requirements, especially with respect to the accounting for financial instruments, including securitization activities, hedging transactions and loan losses. Other topics of noteworthy interest include employee benefits, business combinations and share-based payments.

CORPORATE GOVERNANCE AND CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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

During the last quarter ended April 30, 2009, 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.

NON-GAAP FINANCIAL MEASURES

The Bank uses both generally accepted accounting principles ("GAAP") and certain non-GAAP measures to assess performance, such as return on common shareholders' equity, net interest margin, book value per common share and efficiency ratios. In addition, net income excluding significant items has been presented at certain points in this document. 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. The Bank believes that these non-GAAP financial measures provide investors and analysts with useful information so that they can better understand financial results and analyze the Bank's growth and profitability potential more effectively.

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, including statements regarding the Bank's business plan and financial objectives. These statements typically use the conditional, as well as words such as prospects, believe, estimate, forecast, project, 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 inaccurate. Although the Bank believes that the expectations reflected in these forward-looking statements are reasonable, it provides 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 public filings available at www.sedar.com.

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.

FINANCIAL HIGHLIGHTS

IN MILLIONS OF DOLLARS, UNLESS OTHERWISE INDICATED (UNAUDITED)	FOR THE THREE MONTHS ENDED APRIL 30 2009	APRIL 30 2008	VARIATION	FOR THE SIX MONTHS ENDED APRIL 30 2009	APRIL 30 2008	VARIATION
Earnings						
Net income	**$ 21.2**	$ 25.1	(16)%	**$ 46.2**	$ 44.3	4 %
Net income available to common shareholders	**$ 18.2**	$ 22.2	(18)%	**$ 40.0**	$ 38.4	4 %
Return on common shareholders' equity[1]	**8.5 %**	11.2 %		**9.3 %**	9.6 %	
Per common share						
Diluted net income	**$ 0.76**	$ 0.93	(18)%	**$ 1.68**	$ 1.61	4 %
Dividends declared	**$ 0.34**	$ 0.32	6 %	**$ 0.68**	$ 0.64	6 %
Book value[1]				**$ 36.83**	$ 34.30	7 %
Share price – close				**$ 28.80**	$ 42.21	(32)%
Financial position						
Balance sheet assets				**$ 20,382**	$18,383	11 %
Assets under administration				**$ 13,688**	$15,861	(14)%
Loans, bankers' acceptances and assets purchased under reverse repurchase agreements, net				**$ 15,172**	$14,005	8 %
Personal deposits				**$ 14,490**	$12,267	18 %
Shareholders' equity and debentures				**$ 1,282**	$ 1,202	7 %
Number of common shares – end of period (in thousands)				**23,849**	23,840	– %
Net impaired loans as a % of loans, bankers' acceptances and assets purchased under reverse repurchase agreements				**0.08 %**	(0.02)%	
Risk-weighted assets				**$ 9,870**	$ 9,167	8 %
Capital ratios						
Tier I BIS capital ratio				**10.0 %**	10.2 %	
Total BIS capital ratio				**12.0 %**	12.3 %	
Assets to capital multiple				**17.3 x**	16.4 x	
Tangible common equity as a percentage of risk-weighted assets[2]				**8.2 %**	8.2 %	
FINANCIAL RATIOS						
Per common share						
Price / earnings ratio (trailing four quarters)				**7.4 x**	11.7 x	
Market to book value				**78 %**	123 %	
Dividend yield	**4.72 %**	3.03 %		**4.72 %**	3.03 %	
Dividend payout ratio	**44.7 %**	34.4 %		**40.6 %**	39.8 %	
As a percentage of average assets						
Net interest income	**1.92 %**	2.23 %		**1.96 %**	2.25 %	
Provision for credit losses	**0.24 %**	0.22 %		**0.24 %**	0.22 %	
Profitability						
Efficiency ratio (non-interest expenses as a % of total revenue)	**73.7 %**	71.3 %		**72.2 %**	71.6 %	
OTHER INFORMATION						
Number of full-time equivalent employees				**3,453**	3,385	
Number of branches				**156**	156	
Number of automated banking machines				**351**	337	

1 With regards to the calculation of the Return on common shareholders' equity ratio, the Bank considers that net income is the best measure of profitability and that common shareholders' equity, excluding accumulated other comprehensive income, would be used as a capital measure. The calculation of the Bank's book value is also based on common shareholders' equity, excluding accumulated other comprehensive income.

2 Tangible common equity is defined as common shareholders' equity, excluding accumulated other comprehensive income, less goodwill and other intangible assets.

CONSOLIDATED BALANCE SHEET

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	AS AT APRIL 30 2009	AS AT OCTOBER 31 2008	AS AT APRIL 30 2008
ASSETS				
Cash and non-interest-bearing deposits with other banks		**$ 60,383**	$ 54,410	$ 65,298
Interest-bearing deposits with other banks		**241,564**	94,291	306,652
Securities accounts				
Available-for-sale		**1,531,078**	1,327,504	1,119,563
Held-for-trading		**856,691**	1,069,197	1,131,149
Designated as held-for-trading		**1,434,664**	1,118,838	967,755
		3,822,433	3,515,539	3,218,467
Assets purchased under reverse repurchase agreements		**539,859**	661,391	479,320
Loans	2 AND 3			
Personal		**5,308,722**	5,302,046	5,179,589
Residential mortgage		**6,334,599**	6,182,871	5,853,891
Commercial mortgage		**1,053,537**	932,688	812,499
Commercial and other		**1,915,326**	1,847,327	1,693,475
		14,612,184	14,264,932	13,539,454
Allowance for loan losses		**(113,129)**	(112,434)	(109,798)
		14,499,055	14,152,498	13,429,656
Other				
Customers' liabilities under acceptances		**132,670**	110,342	95,838
Tangible capital assets and software		**141,152**	143,489	136,540
Derivative financial instruments		**283,590**	237,704	125,357
Goodwill		**53,790**	53,790	53,790
Other intangible assets		**12,287**	12,896	13,505
Other assets		**595,434**	522,202	458,852
		1,218,923	1,080,423	883,882
		$ 20,382,217	$19,558,552	$18,383,275
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits				
Personal		**$ 14,489,829**	$12,430,038	$12,267,498
Business, banks and other		**2,770,934**	2,903,774	2,174,424
		17,260,763	15,333,812	14,441,922
Other				
Obligations related to assets sold short		**571,182**	819,236	945,755
Obligations related to assets sold under repurchase agreements		**183,424**	1,136,096	887,723
Acceptances		**132,670**	110,342	95,838
Derivative financial instruments		**147,930**	147,469	81,867
Other liabilities		**804,670**	778,162	728,361
		1,839,876	2,991,305	2,739,544
Subordinated debentures		**150,000**	150,000	150,000
Shareholders' equity				
Preferred shares	4	**210,000**	210,000	210,000
Common shares	4	**257,496**	257,462	257,278
Contributed surplus		**193**	173	142
Retained earnings		**620,732**	596,974	560,364
Accumulated other comprehensive income	8	**43,157**	18,826	24,025
		1,131,578	1,083,435	1,051,809
		$20,382,217	$19,558,552	$18,383,275

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

CONSOLIDATED STATEMENT OF INCOME

IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS (UNAUDITED)	NOTES	FOR THE THREE MONTHS ENDED APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	FOR THE SIX MONTHS ENDED APRIL 30 2009	APRIL 30 2008
Interest income						
Loans		**$ 171,158**	$ 190,648	$ 206,420	**$ 361,806**	$ 427,138
Securities		**16,723**	18,465	14,831	**35,188**	28,237
Deposits with other banks		**509**	3,014	6,952	**3,523**	14,372
Other, including derivative financial instruments		**34,257**	22,275	4,391	**56,532**	4,391
		222,647	234,402	232,594	**457,049**	474,138
Interest expense						
Deposits		**125,571**	129,074	125,249	**254,645**	251,969
Other, including derivative financial instruments		**1,116**	4,678	6,421	**5,794**	19,761
Subordinated debentures		**1,887**	1,947	1,903	**3,834**	3,851
		128,574	135,699	133,573	**264,273**	275,581
Net interest income		**94,073**	98,703	99,021	**192,776**	198,557
Other income						
Fees and commissions on loans and deposits		**24,665**	23,609	22,535	**48,274**	44,115
Income from brokerage operations		**10,754**	8,691	6,965	**19,445**	14,357
Income from treasury and financial market operations		**5,979**	4,575	6,289	**10,554**	13,425
Income from sales of mutual funds		**2,985**	2,836	3,456	**5,821**	6,898
Credit insurance income		**3,768**	4,060	3,217	**7,828**	6,273
Income from registered self-directed plans		**2,038**	1,979	2,368	**4,017**	4,548
Securitization income	3	**8,594**	10,525	9,497	**19,119**	14,855
Other		**1,912**	1,559	2,157	**3,471**	3,547
		60,695	57,834	56,484	**118,529**	108,018
Total revenue		**154,768**	156,537	155,505	**311,305**	306,575
Provision for loan losses	2	**12,000**	12,000	10,000	**24,000**	19,500
Non-interest expenses						
Salaries and employee benefits		**60,414**	60,389	58,798	**120,803**	117,065
Premises and technology		**29,790**	27,985	29,154	**57,775**	58,384
Other		**23,830**	22,358	22,898	**46,188**	43,955
		114,034	110,732	110,850	**224,766**	219,404
Income before income taxes		**28,734**	33,805	34,655	**62,539**	67,671
Income taxes		**7,579**	8,758	9,506	**16,337**	23,410
Net income		**$ 21,155**	$ 25,047	$ 25,149	**$ 46,202**	$ 44,261
Preferred share dividends, including applicable taxes		**3,004**	3,222	2,967	**6,226**	5,897
Net income available to common shareholders		**$ 18,151**	$ 21,825	$ 22,182	**$ 39,976**	$ 38,364
Average number of common shares outstanding (in thousands)						
Basic		**23,849**	23,848	23,837	**23,849**	23,830
Diluted		**23,855**	23,872	23,882	**23,863**	23,872
Net income per common share						
Basic		**$ 0.76**	$ 0.92	$ 0.93	**$ 1.68**	$ 1.61
Diluted		**$ 0.76**	$ 0.91	$ 0.93	**$ 1.68**	$ 1.61

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	FOR THE THREE MONTHS ENDED APRIL 30 2009	APRIL 30 2008	FOR THE SIX MONTHS ENDED APRIL 30 2009	APRIL 30 2008
Net income		**$ 21,155**	$ 25,149	**$ 46,202**	$ 44,261
Other comprehensive income, net of income taxes	8				
Net change in unrealized gains (losses) on available-for-sale securities		**8,369**	(535)	**855**	(2,732)
Reclassification of realized (gains) and losses on available-for-sale securities to net income		**(45)**	(396)	**672**	(2,130)
Net gains on derivative instruments designated as cash flow hedges		**7,763**	5,278	**22,804**	28,010
		16,087	4,347	**24,331**	23,148
Comprehensive income		**$ 37,242**	$ 29,496	**$ 70,533**	$ 67,409

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	FOR THE SIX MONTHS ENDED APRIL 30 2009	APRIL 30 2008
Preferred shares			
Balance at beginning and end of period		**$ 210,000**	$ 210,000
Common shares	4		
Balance at beginning of period		**257,462**	256,445
Issued during the period under the stock option purchase plan	5	**34**	833
Balance at end of period		**257,496**	257,278
Contributed surplus			
Balance at beginning of period		**173**	105
Stock-based compensation	5	**20**	37
Balance at end of period		**193**	142
Retained earnings			
Balance at beginning of period		**596,974**	537,254
Net income		**46,202**	44,261
Dividends			
Preferred shares, including applicable taxes		**(6,226)**	(5,897)
Common shares		**(16,218)**	(15,254)
Balance at end of period		**620,732**	560,364
Accumulated other comprehensive income	8		
Balance at beginning of period		**18,826**	877
Other comprehensive income, net of income taxes		**24,331**	23,148
Balance at end of period		**43,157**	24,025
Shareholders' equity		**$1,131,578**	$1,051,809

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

CONSOLIDATED STATEMENT OF CASH FLOWS

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	FOR THE THREE MONTHS ENDED APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	FOR THE SIX MONTHS ENDED APRIL 30 2009	APRIL 30 2008
Cash flows relating to operating activities						
Net income		**$ 21,155**	$ 25,047	$ 25,149	**$ 46,202**	$ 44,261
Adjustments to determine net cash flows relating to operating activities:						
Provision for loan losses		**12,000**	12,000	10,000	**24,000**	19,500
Gains on securitization operations	3	**(9,229)**	(16,672)	(9,163)	**(25,901)**	(15,185)
Net loss (gain) on disposal of non-trading securities		**725**	2,685	(1,016)	**3,410**	(3,703)
Future income taxes		**4,294**	7,319	8,169	**11,613**	20,150
Depreciation and amortization		**8,193**	8,045	7,667	**16,238**	15,340
Net change in held-for-trading securities		**196,179**	16,327	155,250	**212,506**	(44,191)
Change in accrued interest receivable		**(14,919)**	9,376	(9,093)	**(5,543)**	(6,762)
Change in assets relating to derivative financial instruments		**(5,299)**	(40,587)	(28,916)	**(45,886)**	(62,612)
Change in accrued interest payable		**4,480**	(11,649)	(6,886)	**(7,169)**	(5,506)
Change in liabilities relating to derivative financial instruments		**13,901**	(13,440)	14,372	**461**	11,016
Other, net		**(12,209)**	(25,657)	35,415	**(37,866)**	39,461
		219,271	(27,206)	200,948	**192,065**	11,769
Cash flows relating to financing activities						
Net change in deposits		**1,687,893**	239,058	236,682	**1,926,951**	563,214
Change in obligations related to assets sold short		**(334,147)**	86,093	(300,933)	**(248,054)**	77,080
Change in obligations related to assets sold under repurchase agreements		**(968,424)**	15,752	178,956	**(952,672)**	(41,264)
Issuance of common shares		**–**	34	312	**34**	833
Dividends, including applicable income taxes		**(11,113)**	(11,331)	(10,595)	**(22,444)**	(21,151)
		374,209	329,606	104,422	**703,815**	578,712
Cash flows relating to investing activities						
Change in securities available-for-sale and designated as held-for-trading						
Acquisitions		**(1,810,651)**	(1,002,611)	(424,575)	**(2,813,262)**	(1,213,395)
Proceeds on sale and at maturities		**1,497,435**	835,849	173,038	**2,333,284**	730,860
Change in loans		**(467,955)**	(387,043)	(509,506)	**(854,998)**	(967,809)
Change in assets purchased under reverse repurchase agreements		**35,480**	86,052	(36,942)	**121,532**	60,984
Proceeds from mortgage loan securitizations		**171,816**	312,116	405,200	**483,932**	806,249
Additions to tangible capital assets and software		**(8,356)**	(4,770)	(7,586)	**(13,126)**	(13,655)
Proceeds from disposal of tangible capital assets and software		**–**	4	19	**4**	103
Net change in interest-bearing deposits with other banks		**(596)**	(146,677)	100,919	**(147,273)**	(23,397)
Net cash flows from the sale of asset		**–**	–	–	**–**	29,632
		(582,827)	(307,080)	(299,433)	**(889,907)**	(590,428)
Net change in cash and non-interest-bearing deposits with other banks during the period		**10,653**	(4,680)	5,937	**5,973**	53
Cash and non-interest-bearing deposits with other banks at beginning of period		**49,730**	54,410	59,361	**54,410**	65,245
Cash and non-interest-bearing deposits with other banks at end of period		**$ 60,383**	$ 49,730	$ 65,298	**$ 60,383**	$ 65,298
Supplemental disclosure relating to cash flows:						
Interest paid during the period		**$ 112,728**	$ 149,341	$ 141,444	**$ 262,069**	$ 287,653
Income taxes paid during the period		**$ 1,709**	$ 8,289	$ 5,089	**$ 9,998**	$ 1,098

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ALL TABULAR AMOUNTS ARE IN THOUSANDS OF DOLLARS, UNLESS OTHERWISE INDICATED (UNAUDITED)

1. ACCOUNTING POLICIES

The unaudited interim consolidated financial statements of Laurentian Bank of Canada (the Bank) have been prepared by management who is responsible for the integrity and fairness of the financial information presented. These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles "GAAP" for interim financial statements. The significant accounting policies used in the preparation of these interim consolidated financial statements, except for changes to accounting policies stated below, are the same as those in the Bank's annual consolidated audited financial statements as at October 31, 2008. These accounting policies conform to GAAP. However, these interim consolidated financial statements do not reflect all of the information and disclosures required by GAAP for complete financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the annual consolidated audited financial statements as at October 31, 2008. These interim consolidated financial statements reflect amounts which are based on the best estimates and judgment of management. Actual results may differ from these estimates. Certain comparative figures have been reclassified to conform to the current period presentation.

Changes to accounting policies

Goodwill and other intangible assets

In November 2007, the Canadian Accounting Standards Board (AcSB) approved new Section 3064, *Goodwill and Intangible Assets*, which supersedes Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. New Section 3064 reinforces a principle-based approach to the recognition of costs as assets in accordance with the definition of an asset and the criteria for asset recognition in Section 1000. It also specifically addresses the recognition of internally developed intangible assets. In addition, EIC-27, *Revenues and Expenditures during the Pre-operating Period*, will no longer apply following the adoption of Section 3064. These changes, effective for the Bank as of November 1, 2008, had no significant effect on the interim consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

On January 20, 2009, the Emerging Issue Committee of the Canadian Institute of Chartered Accountants issued Abstract EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities,* applicable for the Bank retroactively as of November 1, 2008. The Abstract confirms that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. This abstract had no significant effect on the interim consolidated financial statements.

2. LOANS

LOANS AND IMPAIRED LOANS

AS AT APRIL 30, 2009

	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	**$ 5,308,722**	**$ 22,057**	**$ 7,738**	**$ 31,695**	**$ 39,433**
Residential mortgages	**6,334,599**	**24,025**	**1,986**	**3,976**	**5,962**
Commercial mortgages	**1,053,537**	**6,057**	**1,908**	**5,660**	**7,568**
Commercial and other loans	**1,915,326**	**73,538**	**28,247**	**31,919**	**60,166**
	$ 14,612,184	**$ 125,677**	**$ 39,879**	**$ 73,250**	**$ 113,129**

AS AT OCTOBER 31, 2008

	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	$ 5,302,046	$ 19,250	$ 6,634	$ 33,052	$ 39,686
Residential mortgages	6,182,871	16,579	1,405	4,211	5,616
Commercial mortgages	932,688	6,275	1,883	4,760	6,643
Commercial and other loans	1,847,327	59,769	29,262	31,227	60,489
	$14,264,932	$ 101,873	$ 39,184	$ 73,250	$ 112,434

AS AT APRIL 30, 2008

	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	$ 5,179,589	$ 17,780	$ 6,240	$ 29,161	$ 35,401
Residential mortgages	5,853,891	20,683	1,551	2,517	4,068
Commercial mortgages	812,499	4,847	1,828	3,772	5,600
Commercial and other loans	1,693,475	64,183	34,929	29,800	64,729
	$13,539,454	$ 107,493	$ 44,548	$ 65,250	$ 109,798

2. LOANS (CONTINUED)

SPECIFIC ALLOWANCES FOR LOAN LOSSES

					FOR THE SIX MONTHS ENDED APRIL 30	
					2009	2008
	PERSONAL LOANS	**RESIDENTIAL MORTGAGES**	**COMMERCIAL MORTGAGES**	**COMMERCIAL AND OTHER LOANS**	**TOTAL SPECIFIC ALLOWANCES**	TOTAL SPECIFIC ALLOWANCES
Balance at beginning of period	**$ 6,634**	**$ 1,405**	**$ 1,883**	**$ 29,262**	**$ 39,184**	$ 50,072
Provision for loan losses recorded in the consolidated statement of income	**17,142**	**796**	**25**	**6,037**	**24,000**	19,500
Write-offs	**(19,325)**	**(540)**	**–**	**(7,113)**	**(26,978)**	(27,705)
Recoveries	**3,287**	**325**	**–**	**61**	**3,673**	2,681
Balance at end of period	**$ 7,738**	**$ 1,986**	**$ 1,908**	**$ 28,247**	**$ 39,879**	$ 44,548

LOANS PAST DUE BUT NOT IMPAIRED

Personal and residential mortgage loans shown in the table below are not classified as impaired because either they are less than 90 days past due or they are secured in order to reasonably expect full repayment. Commercial loans past due but not impaired are not significant.

				AS AT APRIL 30, 2009
	1 TO 31 DAYS	**32 TO 90 DAYS**	**OVER 90 DAYS**	**TOTAL**
Personal loans	**$ 83,358**	**$ 28,192**	**$ 5,883**	**$ 117,433**
Residential mortgages	**164,538**	**49,662**	**8,919**	**223,119**
	$ 247,896	**$ 77,854**	**$ 14,802**	**$ 340,552**

				AS AT OCTOBER 31, 2008
	1 TO 31 DAYS	32 TO 90 DAYS	OVER 90 DAYS	TOTAL
Personal loans	$ 86,850	$ 26,298	$ 3,665	$ 116,813
Residential mortgages	151,524	27,861	16,368	195,753
	$ 238,374	$ 54,159	$ 20,033	$ 312,566

3. LOAN SECURITIZATION

The Bank securitizes residential mortgage loans insured by the Canadian Mortgage and Housing Corporation, as well as conventional mortgages. The gains before income taxes, net of transaction related costs, are recognized in securitization income.

The following table summarizes the residential mortgage loan securitization transactions carried out by the Bank:

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
	APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	**APRIL 30 2009**	APRIL 30 2008
Cash proceeds, net of transaction costs	**$ 171,816**	$ 312,116	$ 405,200	**$ 483,932**	$ 806,249
Rights to future excess spreads	**15,180**	28,307	21,516	**43,487**	34,625
Servicing liability	**(1,301)**	(2,798)	(3,284)	**(4,099)**	(6,650)
Other	**(2,735)**	(5,058)	(6,161)	**(7,793)**	(8,248)
	182,960	332,567	417,271	**515,527**	825,976
Residential mortgages securitized and sold	**(172,039)**	(312,402)	(406,246)	**(484,441)**	(805,683)
Write-off of loan origination costs	**(1,692)**	(3,493)	(1,862)	**(5,185)**	(5,108)
Securitization gains	**$ 9,229**	$ 16,672	$ 9,163	**$ 25,901**	$ 15,185

With regard to the transfer of residential mortgages, the key assumptions used to determine the initial fair value of retained interests at the securitization date for transactions carried out during the second quarter of 2009 are summarized as follows:

Weighted average term (Months)	**31**
Rate of prepayment	**26.1** %
Discount rate	**1.1** %

No loss is expected on insured residential mortgages.

The following table details securitization income as reported in the consolidated statement of income:

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
	APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	**APRIL 30 2009**	APRIL 30 2008
Securitization gains	**$ 9,229**	$ 16,672	$ 9,163	**$ 25,901**	$ 15,185
Changes in fair value of seller swaps and financial instruments held as economic hedges	**4,245**	(5,789)	(1,007)	**(1,544)**	(1,490)
Servicing income	**1,820**	1,835	1,568	**3,655**	2,981
Revaluation of retained interests	**(6,287)**	(1,520)	413	**(7,807)**	1,096
Other	**(413)**	(673)	(640)	**(1,086)**	(2,917)
	$ 8,594	$ 10,525	$ 9,497	**$ 19,119**	$ 14,855

As at April 30, 2009, the Bank held rights to future excess spreads of $86,635,000 [of which $81,943,000 related to insured mortgages] and cash reserve accounts of $15,063,000.

The total principal amount of securitized residential mortgages outstanding amounted to $2,614,559,000 as at April 30, 2009 ($2,398,564,000 as at October 31, 2008).

4. CAPITAL STOCK

Issuance of common shares

During the quarter, no common shares were issued to management under the Bank's employee share purchase option plan (1,613 common shares for a cash consideration of $34,000 during the six-month period ended April 30, 2009).

ISSUED AND OUTSTANDING	AS AT APRIL 30, 2009		AS AT OCTOBER 31, 2008	
IN THOUSANDS OF DOLLARS, EXCEPT NUMBER OF SHARES	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	AMOUNT
Class A Preferred Shares[1]				
Series 9	**4,000,000**	**$ 100,000**	4,000,000	$ 100,000
Series 10	**4,400,000**	**110,000**	4,400,000	110,000
Total preferred shares	**8,400,000**	**$ 210,000**	8,400,000	$ 210,000
Common shares	**23,849,313**	**$ 257,496**	23,847,700	$ 257,462

1 The preferred shares are convertible into common shares at the Bank's option. However, the number of shares issuable on conversion is not determinable until the date of conversion.

Capital management

The Bank's objective is to maintain an optimal level of capital to support activities while generating an acceptable return for its shareholders, considering the Bank's specific risk profile. Capital must be sufficient to demonstrate the Bank's solvency and its ability to deal with all of its operating risks, as well as to offer depositors and creditors the requisite safety. Capital must also meet minimum regulatory requirements, as defined by the Office of the Superintendent of Financial Institutions Canada (OSFI), internal capital adequacy objectives and be aligned with targeted credit ratings.

Regulatory guidelines issued by OSFI require banks to maintain a minimum Tier 1 capital ratio of at least 7% and a total capital ratio of at least 10%. The Bank is monitoring its regulatory capital based on the Standard Approach for credit risk and on the Basic Indicator Approach for operational risk, as proposed by the Bank for International Settlements regulatory risk-based capital framework (Basel II). The Bank has complied with these requirements throughout the six-month period ended April 30, 2009.

Regulatory capital

	AS AT APRIL 30 2009	AS AT OCTOBER 31 2008	AS AT APRIL 30 2008
Tier 1 capital			
Common shares	**$ 257,496**	$ 257,462	$ 257,278
Contributed surplus	**193**	173	142
Retained earnings	**620,732**	596,974	560,364
Non-cumulative preferred shares	**210,000**	210,000	210,000
Less: goodwill, securitization and other	**(99,373)**	(99,239)	(91,973)
Total – Tier 1 capital	**989,048**	965,370	935,811
Tier 2 capital			
Subordinated debentures	**150,000**	150,000	150,000
General allowances	**73,250**	73,250	65,250
Less: securitization and other	**(30,788)**	(31,738)	(27,319)
Total – Tier 2 capital	**192,462**	191,512	187,931
Total – capital	**$ 1,181,510**	$ 1,156,882	$ 1,123,742

5. STOCK-BASED COMPENSATION

Stock Option Purchase Plan

There were no new grants during the first six months of 2009. Information on outstanding number of options is as follows:

	AS AT APRIL 30, 2009	AS AT OCTOBER 31, 2008
	NUMBER	NUMBER
Share purchase options		
Outstanding at end of period	**125,725**	127,338
Exercisable at end of period	**100,725**	89,838

Restricted share unit plan

During the first quarter of 2009, under the restricted share unit plan, annual bonuses for certain employees amounting to $1,528,000 were converted into 42,537 entirely vested restricted share units. The Bank also granted 25,522 additional restricted share units that will vest in December 2011.

Performance-based share unit plan

During the first quarter of 2009, under the performance-based share unit plan, the Bank granted 42,724 performance-based share units valued at $35.93 each. Rights to 37.5% of these units will vest after 3 years. The rights to the remaining units will vest after 3 years, upon meeting certain financial objectives.

Stock appreciation rights plan

During the second quarter of 2009, under the stock appreciation rights plan, the Bank granted 2,000 stock appreciation rights (SARs) (27,000 SARs during the six-month period ended April 30, 2009).

Stock-based compensation plan expense

The following table presents the expense related to all stock-based compensation plans, net of the effect of related hedging transactions.

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
	APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	**APRIL 30 2009**	APRIL 30 2008
Stock-based compensation plan expense	**$ 238**	$ (5,915)	$ 4,319	**$ (5,677)**	$ 206
Effect of hedges	**(16)**	8,029	(4,386)	**8,013**	1,253
Total	**$ 222**	$ 2,114	$ (67)	**$ 2,336**	$ 1,459

6. EMPLOYEE FUTURE BENEFITS

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
	APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	**APRIL 30 2009**	APRIL 30 2008
Defined benefit pension plan expense	**$ 1,140**	$ 1,471	$ 2,583	**$ 2,611**	$ 5,223
Defined contribution pension plan expense	**1,031**	993	929	**2,024**	1,745
Other plan expense	**804**	832	812	**1,636**	1,642
Total	**$ 2,975**	$ 3,296	$ 4,324	**$ 6,271**	$ 8,610

7. WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
	APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	**APRIL 30 2009**	APRIL 30 2008
Average number of outstanding common shares	**23,849,313**	23,848,489	23,836,734	**23,848,894**	23,830,300
Dilutive share purchase options	**5,289**	23,426	45,108	**14,508**	41,511
Weighted average number of outstanding common shares	**23,854,602**	23,871,915	23,881,842	**23,863,402**	23,871,811
Average number of share purchase options not taken into account in the calculation of diluted net income per common share[1]	**105,400**	–	–	**51,827**	–

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

8. SUPPLEMENTAL INFORMATION ON OTHER COMPREHENSIVE INCOME

Other comprehensive income

	FOR THE THREE MONTHS ENDED APRIL 30 2009			FOR THE THREE MONTHS ENDED APRIL 30 2008		
	BEFORE INCOME TAXES	**INCOME TAXES**	**NET OF INCOME TAXES**	BEFORE INCOME TAXES	INCOME TAXES	NET OF INCOME TAXES
Unrealized gains and (losses) on available-for-sale securities						
Net unrealized gains and (losses) during the period	**$ 12,054**	**$ (3,685)**	**$ 8,369**	$ (710)	$ 175	$ (535)
Less: reclassification of realized (gains) and losses to net income during the period	**(64)**	**19**	**(45)**	(512)	116	(396)
	11,990	**(3,666)**	**8,324**	(1,222)	291	(931)
Net gains on derivatives designated as cash flow hedges	**11,777**	**(4,014)**	**7,763**	7,822	(2,544)	5,278
Other comprehensive income	**$ 23,767**	**$ (7,680)**	**$ 16,087**	$ 6,600	$ (2,253)	$ 4,347

	FOR THE SIX MONTHS ENDED APRIL 30 2009			FOR THE SIX MONTHS ENDED APRIL 30 2008		
	BEFORE INCOME TAXES	**INCOME TAXES**	**NET OF INCOME TAXES**	BEFORE INCOME TAXES	INCOME TAXES	NET OF INCOME TAXES
Unrealized gains and (losses) on available-for-sale securities						
Net unrealized gains and (losses) during the period	**$ 1,136**	**$ (281)**	**$ 855**	$ (3,915)	$ 1,183	$ (2,732)
Less: reclassification of realized (gains) and losses to net income during the period	**977**	**(305)**	**672**	(2,525)	395	(2,130)
	2,113	**(586)**	**1,527**	(6,440)	1,578	(4,862)
Net gains on derivatives designated as cash flow hedges	**34,163**	**(11,359)**	**22,804**	41,412	(13,402)	28,010
Other comprehensive income	**$ 36,276**	**$ (11,945)**	**$ 24,331**	$ 34,972	$ (11,824)	$ 23,148

Accumulated other comprehensive income (net of income taxes)

	CASH FLOW HEDGING	AVAILABLE-FOR-SALE SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME
Balance at October 31, 2008	**$ 35,417**	**$ (16,591)**	**$ 18,826**
Change during the three months ended January 31, 2009	**15,041**	**(6,797)**	**8,244**
Change during the three months ended April 30, 2009	**7,763**	**8,324**	**16,087**
Balance at April 30, 2009	**$ 58,221**	**$ (15,064)**	**$ 43,157**

	CASH FLOW HEDGING	AVAILABLE-FOR-SALE SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME
Balance at October 31, 2007	$ (10,255)	$ 11,132	$ 877
Change during the three months ended January 31, 2008	22,732	(3,931)	18,801
Change during the three months ended April 30, 2008	5,278	(931)	4,347
Balance at April 30, 2008	17,755	6,270	24,025
Change during the three months ended July 31, 2008	(641)	(10,789)	(11,430)
Change during the three months ended October 31, 2008	18,303	(12,072)	6,231
Balance at October 31, 2008	$ 35,417	$ (16,591)	$ 18,826

9. RISK MANAGEMENT

The Bank is exposed to various types of risks owing to the nature of the business activities it carries on, including those related to the use of financial instruments. In order to manage the risks associated with using financial instruments, including loan and deposit, security and derivative financial instrument portfolios, controls such as risk management policies and various risk limits have been implemented. These measures aim to optimize the return/risk ratio in all operating segments. A corporate governance structure was also designed to ensure global risk tolerance is consistent with the Bank's strategies and objectives. The main risks to which the Bank is exposed are set out below.

Market risk

Market risk corresponds to the financial losses that the Bank could incur because of unfavorable fluctuations in the value of financial instruments following variations in the parameters underlying their valuation, such as interest rates, exchange rates or quoted stock market prices.

As at April 30, 2009 the effect on the economic value of common shareholders' equity and on its net interest income before taxes of a sudden and sustained 1% increase in interest rates is as follows:

	AS AT APRIL 30, 2009	AS AT OCTOBER 31, 2008
Increase (decrease) in net interest income before taxes over the next 12 months	**$ 4,202**	$ 8,901
Increase (decrease) in the economic value of common shareholders' equity	**$ (36,037)**	$ (27,060)

9. RISK MANAGEMENT (CONTINUED)

Credit risk

The use of financial instruments, including derivatives, can result in credit risk exposure representing the risk of financial loss arising from a counterparty's inability or refusal to fully honour its contractual obligations.

Note 2 to these interim consolidated financial statements provides detailed information on the Bank's loan portfolios.

With respect to derivative financial instruments, the majority of the Bank's credit concentration is with financial institutions, primarily Canadian banks.

The amount that best represents the maximum exposure to credit risk of the Bank as at April 30, 2009, without taking account of any collateral held or other credit enhancements, essentially corresponds to the sum of financial assets on the consolidated financial statement to which are added credit-related commitments as set out below.

IN MILLIONS OF DOLLARS	AS AT APRIL 30, 2009	AS AT OCTOBER 31, 2008
Financial assets, as reported on balance sheet	$ 20,049	$ 19,255
Credit commitments and other off-balance sheet items[1]	4,605	4,153
Total	$ 24,654	$ 23,408

1 Including $2,175,000,000 as at April 30, 2009 ($2,083,000,000 as at October 31, 2008) related to personal credit facilities and credit card lines.

Liquidity risk

Liquidity risk represents the possibility that the Bank may not be able to gather sufficient cash resources, when required and under reasonable conditions, to meet its financial obligations. Liquidity management pays particular attention to deposit and loan maturities, as well as to funding availability and demand when planning financing.

Contractual maturities of financial liabilities

The following table presents the principal obligations related to financial liabilities by contractual maturity.

AS AT APRIL 30, 2009

	DEMAND AND NOTICE	TERM WITHIN 1 YEAR	TERM 1 TO 5 YEARS	TERM OVER 5 YEARS	TOTAL
Deposits	$ 5,326,824	$ 5,206,480	$ 6,717,550	$ 9,909	$ 17,260,763
Obligations related to assets sold short	–	571,182	–	–	571,182
Obligations related to assets sold under repurchase agreements	–	183,424	–	–	183,424
Subordinated debentures	–	–	150,000	–	150,000
	$ 5,326,824	$ 5,961,086	$ 6,867,550	$ 9,909	$ 18,165,369

10. SUPPLEMENTAL INFORMATION ON FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of a financial instrument is defined as the amount of consideration for a financial instrument that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Quoted market prices are not available for a significant portion of the Bank's financial instruments. As a result, for these instruments, the fair values presented are estimates derived using present value or other valuation techniques and may not be indicative of the net realizable value.

When fair value is determined using valuation models, it may be necessary to use assumptions as to the amount and timing of estimated future cash flows and discount rates. These assumptions reflect the risks inherent in financial instruments.

As at April 30, 2009, the fair value of financial assets and liabilities approximate their carrying amount, except for the assets and liabilities presented below.

	AS AT APRIL 30, 2009			AS AT OCTOBER 31, 2008		
IN MILLIONS OF DOLLARS	CARRYING AMOUNT	FAIR VALUE	FAVORABLE (UNFAVORABLE) VARIANCE	CARRYING AMOUNT	FAIR VALUE	FAVORABLE (UNFAVORABLE) VARIANCE
Assets						
Loans	**$ 14,499**	**$ 14,803**	**$ 304**	$ 14,153	$ 14,272	$ 119
Liabilities						
Deposits	**17,261**	**17,519**	**(258)**	15,334	15,418	(84)
Subordinated debentures	**$ 150**	**$ 157**	**$ (7)**	$ 150	$ 155	$ (5)

Methods and assumptions used in estimating the fair value of financial instruments

Loans

The fair value of loans is estimated by discounting cash flows adjusted to reflect prepayments, if any, at the prevailing interest rates in the marketplace for new loans with substantially similar terms. For certain variable rate loans subject to frequent rate resets and loans with indeterminate maturities, the fair value is deemed to represent the carrying amount.

Deposits

The fair value of fixed rate deposits is estimated using discounted cash flows based on current market interest rates for deposits with substantially similar terms. The fair value of deposits without stated maturities or variable rate deposits is deemed to represent their carrying amount.

Subordinated debentures

The fair value of subordinated debentures is estimated using discounted cash flows based on current market interest rates for similar issues or rates currently offered for debt securities with the same term to maturity.

10. SUPPLEMENTAL INFORMATION ON FINANCIAL INSTRUMENT (CONTINUED)
Fair value of financial instruments (continued)

Unrealized gains and losses on the portfolio of available-for-sale securities
The following table presents the gross unrealized gains and unrealized losses on available-for-sale securities, recognized in other comprehensive income.

				AS AT APRIL 30, 2009
	AMORTIZED COST	**UNREALIZED GAINS**	**UNREALIZED LOSSES**	**FAIR VALUE**
Securities issued or guaranteed				
by Canada	**$ 727,882**	**$ 372**	**$ –**	**$ 728,254**
by provinces	**544,084**	**5,855**	**–**	**549,939**
Other debt securities	**134,182**	**4,623**	**2,016**	**136,789**
Asset-backed securities	**20,225**	**–**	**2,466**	**17,759**
Preferred shares	**72,959**	**54**	**6,115**	**66,898**
Common shares and other securities	**43,962**	**–**	**12,523**	**31,439**
	$ 1,543,294	**$ 10,904**	**$ 23,120**	**$ 1,531,078**

				AS AT OCTOBER 31, 2008
	AMORTIZED COST	UNREALIZED GAINS	UNREALIZED LOSSES	FAIR VALUE
Securities issued or guaranteed				
by Canada	$ 977,724	$ 575	$ 31	$ 978,268
by provinces	26,604	–	303	26,301
Other debt securities	200,342	287	3,650	196,979
Asset-backed securities	20,323	1	1,036	19,288
Preferred shares	75,329	6	6,263	69,072
Common shares and other securities	46,966	29	9,399	37,596
	$ 1,347,288	$ 898	$ 20,682	$ 1,327,504

As at April 30, 2009, unrealized losses mainly related to publicly traded equity and preferred shares of Canadian financial institutions, and to a lesser extent, to investments in other public companies. The share prices of these companies have generally declined over the last 6 to 9 months due to current market conditions. However, these companies have maintained good financial conditions and their business plans remain sound. As a result, Management has determined that these declines in fair value were temporary in nature and that it had the ability and the intent to hold these securities until their fair value recovers. These declines in value were included in accumulated other comprehensive income.

Financial instruments designated as held-for-trading

Management can elect to designate financial instruments as held-for-trading instruments, with changes in fair value recorded in income, provided that such designations meet specific criteria. Certain securities, retained interests related to securitization activities and retail deposits were designated as held-for-trading in order to significantly reduce a recognition inconsistency that would otherwise have arisen from recognizing gains and losses on different bases. These financial instruments are used as part of the Bank's overall asset-liability management and provide an economic hedge for other financial instruments that are measured at fair value. Gains and losses on these instruments are therefore generally offset by changes in value of other financial instruments. The following table presents the effect on net income of fair valuing these instruments:

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
	APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	**APRIL 30 2009**	APRIL 30 2008
Included in securitization income	**$ 3,455**	$ 21,246	$ 9,504	**$ 24,701**	$ 23,858
Included in income from treasury and financial market operations	**139**	(45)	(1,083)	**94**	(426)
Total	**$ 3,594**	$ 21,201	$ 8,421	**$ 24,795**	$ 23,432

The nominal amount of deposits designated as held for trading was $20,000,000 as at April 30, 2009 ($71,315,000 as at April 30, 2008). The difference between the amount the Bank would be contractually required to pay at maturity to the holders of these deposits and their carrying amount of $20,160,000 as at April 30, 2009 ($71,652,000, as at April 30, 2008), is $160,000 ($337,000, as at April 30, 2008).

Derivative financial instruments

Ineffectiveness related to hedging relationships

The following table presents the ineffective portion of accumulated changes in the fair value of hedging instruments recognized in the consolidated statement of income.

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED	
	APRIL 30 2009	JANUARY 31 2009	APRIL 30 2008	**APRIL 30 2009**	APRIL 30 2008
Favorable (unfavorable) ineffectiveness					
on cash flow hedging	**$ 89**	$ 35	$ 7	**$ 124**	$ 263
on fair value hedging	**(227)**	(770)	(352)	**(997)**	(252)
	$ (138)	$ (735)	$ (345)	**$ (873)**	$ 11

Breakdown of swap contracts designated as hedging instruments, by category

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

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

	AS AT APRIL 30, 2009		AS AT OCTOBER 31, 2008	
	NOMINAL AMOUNT	**FAIR VALUE NET AMOUNT**	NOMINAL AMOUNT	FAIR VALUE NET AMOUNT
Interest rate swap contracts designated as hedging instruments				
Swaps used for cash flow hedging	**$ 3,841,000**	**$ 70,781**	$ 2,557,000	$ 46,118
Swaps used for fair value hedging	**2,947,250**	**109,713**	3,021,750	68,148
	$ 6,788,250	**$ 180,494**	$ 5,578,750	$ 114,266

Other information on hedging relationships

Net deferred gains of $30,916,000, included in accumulated other comprehensive income as at April 30, 2009, are expected to be transferred into net income over the next twelve months.

The maximum term of cash flow hedging relationships was 5 years as at April 30, 2009.

11. SEGMENTED INFORMATION

FOR THE THREE MONTHS ENDED APRIL 30, 2009

	R & SME QUEBEC	RE&C	B2B	LBS	OTHER	TOTAL
Net interest income	**$ 74,489**	**$ 15,342**	**$ 21,496**	**$ 526**	**$ (17,780)**	**$ 94,073**
Other income	**29,281**	**5,033**	**2,417**	**10,833**	**13,131**	**60,695**
Total revenue	**103,770**	**20,375**	**23,913**	**11,359**	**(4,649)**	**154,768**
Provision for loan losses	**8,129**	**3,161**	**710**	**–**	**–**	**12,000**
Non-interest expenses	**83,105**	**6,346**	**11,740**	**8,721**	**4,122**	**114,034**
Income (loss) before income taxes	**12,536**	**10,868**	**11,463**	**2,638**	**(8,771)**	**28,734**
Income taxes (recovered)	**2,780**	**3,401**	**3,630**	**772**	**(3,004)**	**7,579**
Net income	**$ 9,756**	**$ 7,467**	**$ 7,833**	**$ 1,866**	**$ (5,767)**	**$ 21,155**
Average assets[1]	**$ 10,849,661**	**$ 2,274,033**	**$ 4,231,056**	**$ 1,315,395**	**$ 1,440,895**	**$ 20,111,040**

FOR THE THREE MONTHS ENDED JANUARY 31, 2009

	R & SME QUEBEC	RE&C	B2B	LBS	OTHER	TOTAL
Net interest income	$ 76,254	$ 14,279	$ 21,115	$ 750	$ (13,695)	$ 98,703
Other income	28,545	4,865	2,386	8,823	13,215	57,834
Total revenue	104,799	19,144	23,501	9,573	(480)	156,537
Provision for loan losses	9,535	1,654	811	–	–	12,000
Non-interest expenses	82,233	5,932	10,776	8,191	3,600	110,732
Income (loss) before income taxes	13,031	11,558	11,914	1,382	(4,080)	33,805
Income taxes (recovered)	2,851	3,617	3,788	391	(1,889)	8,758
Net income	$ 10,180	$ 7,941	$ 8,126	$ 991	$ (2,191)	$ 25,047
Average assets[1]	$10,740,803	$ 2,205,826	$ 4,164,755	$ 1,279,855	$ 1,218,262	$19,609,501

FOR THE THREE MONTHS ENDED APRIL 30, 2008

	R & SME QUEBEC	RE&C	B2B	LBS	OTHER	TOTAL
Net interest income	$ 72,690	$ 13,692	$ 22,297	$ 703	$ (10,361)	$ 99,021
Other income	28,331	3,890	2,737	7,141	14,385	56,484
Total revenue	101,021	17,582	25,034	7,844	4,024	155,505
Provision for loan losses	8,545	997	458	–	–	10,000
Non-interest expenses	81,182	5,526	10,651	7,322	6,169	110,850
Income (loss) before income taxes	11,294	11,059	13,925	522	(2,145)	34,655
Income taxes (recovered)	2,728	3,672	4,700	141	(1,735)	9,506
Net income	$ 8,566	$ 7,387	$ 9,225	$ 381	$ (410)	$ 25,149
Average assets[1]	$ 9,917,143	$ 2,110,641	$ 3,806,798	$ 1,431,709	$ 809,073	$18,075,364

FOR THE SIX MONTHS ENDED APRIL 30, 2009

	R & SME QUEBEC	RE&C	B2B	LBS	OTHER	TOTAL
Net interest income	**$ 150,743**	**$ 29,621**	**$ 42,611**	**$ 1,276**	**$ (31,475)**	**$ 192,776**
Other income	**57,826**	**9,898**	**4,803**	**19,656**	**26,346**	**118,529**
Total revenue	**208,569**	**39,519**	**47,414**	**20,932**	**(5,129)**	**311,305**
Provision for loan losses	**17,664**	**4,815**	**1,521**	**–**	**–**	**24,000**
Non-interest expenses	**165,338**	**12,278**	**22,516**	**16,912**	**7,722**	**224,766**
Income (loss) before income taxes	**25,567**	**22,426**	**23,377**	**4,020**	**(12,851)**	**62,539**
Income taxes (recovered)	**5,631**	**7,018**	**7,418**	**1,163**	**(4,893)**	**16,337**
Net income	**$ 19,936**	**$ 15,408**	**$ 15,959**	**$ 2,857**	**$ (7,958)**	**$ 46,202**
Average assets[1]	**$ 10,794,330**	**$ 2,239,364**	**$ 4,197,356**	**$ 1,297,330**	**$ 1,327,734**	**$ 19,856,114**

FOR THE SIX MONTHS ENDED APRIL 30, 2008

	R & SME QUEBEC	RE&C	B2B	LBS	OTHER	TOTAL
Net interest income	$ 145,674	$ 27,325	$ 44,301	$ 1,437	$ (20,180)	$ 198,557
Other income[2]	55,710	7,403	5,398	14,691	24,816	108,018
Total revenue	201,384	34,728	49,699	16,128	4,636	306,575
Provision for loan losses	16,383	2,494	623	–	–	19,500
Non-interest expenses	161,573	11,064	20,995	14,940	10,832	219,404
Income (loss) before income taxes	23,428	21,170	28,081	1,188	(6,196)	67,671
Income taxes[3]	5,784	7,007	9,472	339	808	23,410
Net income	$ 17,644	$ 14,163	$ 18,609	$ 849	$ (7,004)	$ 44,261
Average assets[1]	$ 9,850,937	$ 2,102,509	$ 3,742,640	$ 1,427,512	$ 651,623	$17,775,221

R & SME Quebec – The Retail & SME Quebec segment covers the full range of savings, investment, financing and transactional products and services offered through its direct distribution network, which includes branches, the electronic network and the call centre, as well as Point-of-Sale financing across Canada. This business segment also offers Visa credit card services, insurance products and trust services. As well, it offers all commercial financial services to the small and medium enterprises in Quebec.

RE&C – The Real Estate & Commercial segment handles real estate financing throughout Canada, commercial financing in Ontario and National accounts.

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

LBS – LBS segment consists of the activities of the Laurentian Bank Securities Inc. subsidiary.

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

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

2 Other income in the Other segment includes a $0.4 million ($0.3 million net of income taxes) loss on the sale of a $30.1 million personal line of credit portfolio. The Bank has not retained any rights or obligations in respect of these loans.

3 The Other segment's income taxes include a $5.6 million tax adjustment reflecting the decrease in the Bank's future income tax assets as a result of reductions in federal income tax rates.

SHAREHOLDER INFORMATION

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Website:
www.laurentianbank.ca
Telex: 145069

Transfer Agent and Registrar
Computershare Investor
Services
1500 University Street
Suite 700
Montreal, Quebec H3A 3S8
Phone: 1-800-564-6253
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the United States)
or (514) 982-7555
(international direct dial).

Investors and analysts
Investors and analysts may contact the Investor Relations Department at Head Office by calling (514) 284-4500 ext. 7511.

Media
Journalists may contact the Public Affairs and Communications Department at Head Office by calling (514) 284-4500 ext. 7511.

Ombudsman's office
Laurentian Bank of Canada
1981 McGill College Avenue
14th Floor
Montreal, Quebec H3A 3K3
(514) 284-7192
1-800-473-4782

Change of address and inquiries
Shareholders should notify the Transfer Agent of a change of address. Inquiries or requests may be directed to the Secretary's Office at Head Office or by calling (514) 284-4500 ext. 7545.

STOCK SYMBOL AND DIVIDEND PAYMENT

THE COMMON AND PREFERRED SHARES INDICATED BELOW ARE LISTED ON THE TORONTO STOCK EXCHANGE.	STOCK SYMBOL CODE CUSIP	DIVIDEND RECORD DATE*	DIVIDEND PAYMENT DATE*
Common shares	51925D 10 6 LB	First business day of:	
		January	February 1st
		April	May 1st
		July	August 1st
		October	November 1st
Preferred shares			
Series 9	51925D 87 4 LB.PR.D	**	March 15
Series 10	51925D 86 6 LB.PR.E	**	June 15
			September 15
			December 15

* Subject to the approval of the Board of Directors.
** On such day (which shall not be more than 30 days preceding the date fixed for payment of such dividend) as may be determined from time to time by the Board of Directors of the Bank.

LAURENTIAN BANK

100 %