LAURENTIAN BANK

Press Release

FOR IMMEDIATE RELEASE

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LAURENTIAN BANK REPORTS RECORD NET INCOME OF $102.5 MILLION FOR 2008

For the year ended October 31, 2008, Laurentian Bank is reporting net income of $102.5 million, or diluted earnings of $3.80 per common share, compared with $94.5 million, or diluted earnings of $3.48 per common share in 2007. Return on common shareholders' equity was 11.0% in 2008, compared with 10.9% in 2007.

For the fourth quarter ended October 31, 2008, the Bank reports a net income of $27.3 million, or diluted earnings of $1.02 per common share, compared with $30.2 million, or diluted earnings of $1.14 per common share for the fourth quarter of 2007. Return on common shareholders' equity was 11.5 % for the fourth quarter of 2008 versus 13.8% for the same quarter of 2007.

Results for the fourth quarter of 2008 include an $8.1 million ($5.5 million net of income taxes, $0.23 diluted per common share) impairment charge on available-for-sale fixed income securities essentially issued by U.S. and international financial institutions, as further explained on page 5. Results for the fourth quarter of 2008 also include a $2.2 million charge ($1.5 million net of income taxes, $0.06 diluted per common share) related to the write-off of technology costs incurred by the Bank following the recent decision of the Canadian Payment Association not to proceed further with the image-based cheque-clearing project. Results for the fourth quarter of 2007 included a $4.0 million gain ($3.3 million net of income taxes, $0.14 diluted per common share) related to the Visa restructuring, as well as two other offsetting items, as described on page 4. Excluding these significant items, net income for the fourth quarter improved by $7.8 million, or 29%, and diluted income per share rose by $0.32, or 32% as compared to the fourth quarter of 2007.

Excluding the significant items for fiscal 2008 and 2007 detailed on page 4, net income for the year ended October 31, 2008 improved by $24.6 million, or 28%, and diluted net income per common share rose by $1.01, or 31% as compared to results achieved in 2007. This excellent performance is mainly attributable to strong loan and deposit growth, tight cost control, as well as gains on sale resulting from securitization activities.

Commenting on the results for the year, Laurentian Bank President and Chief Executive Officer, Mr. Réjean Robitaille, stated: "We had a great year in 2008, and given the current turmoil in the financial markets, such results are even more satisfying. Strong performance within our retail and commercial operations throughout Canada has contributed to our solid revenue growth and to our improved efficiency. In this environment, our prudent approach has shown benefits and contributed to maintaining our solid financial position. Our balance sheet is strong, our capital ratios are among the best in the industry, and our credit profile remains excellent."

"Global financial market declines are still a source of concern," added Mr. Robitaille, "therefore, we will continue to manage prudently. Nonetheless, we remain committed to pursuing our growth and further improving our profitability."

FINANCIAL REVIEW

The following sections present a summary analysis of the Bank's financial condition and operating results for the year ended October 31, 2008, as well as for the fourth quarter of 2008. The analysis should be read in conjunction with the unaudited financial information for the fourth quarter of 2008. The Bank's Audited Annual Consolidated Financial Statements and accompanying Management Discussion and Analysis for 2008 are also available on its Web site at www.laurentianbank.ca.

2008 Highlights

- Net income improved by 8% to $102.5 million in 2008, growing from $94.5 million in 2007.
- Excluding the significant items detailed on page 4, net income improved by 28% and diluted income per common share by 31%.
- Total revenue increased by 8% and stood at $630.5 million in 2008, compared with $583.9 million in 2007. This variation reflects the strong growth in loan and deposit portfolios, as well as higher securitization revenues.
- Non-interest expenses rose by 4% to $446.0 million in 2008, from $427.4 million in 2007.
- The provision for loan losses increased to $48.5 million in 2008, mainly as a result of the $8.0 million increase in general provision.
- Income tax expense related to continuing operations was $37.9 million in 2008, for an effective tax rate of 27.9%, compared with $26.4 million in 2007, for an effective tax rate of 22.7%. The income tax expense for 2008 and 2007 included the effect of certain tax items, as detailed on page 6 in the analysis of consolidated results.

2008 Fourth Quarter Highlights

- Net income declined by 9% to $27.3 million during the fourth quarter of 2008, compared with $30.2 million in 2007, mainly as a result of the significant items detailed on page 4.
- Excluding the significant items, net income improved by 29% and diluted earnings per common share by 32%.
- Total revenue increased to $152.8 million in 2008, compared with $145.6 million in 2007, as higher net interest income and securitization revenues were partially offset by impairment charges on U.S. and international financial institution fixed-income securities.
- Non-interest expenses rose to $113.0 million in 2008, growing from $105.8 million in 2007, including the effect of a $2.2 million write-off of technology cost related to the image-based cheque-clearing project.
- The provision for loan losses was $10.5 million for 2008, similar to 2007 when it stood at $10.0 million.
- Income tax expense related to continuing operations was $6.4 million in 2008, for an effective tax rate of 21.7%, compared with $4.1 million in 2007, for an effective tax rate of 13.8%. The income tax expense for both quarters of 2008 and 2007 included the effect of certain tax items, as detailed on page 6.

2008 Financial Performance

Despite the turmoil that has affected the financial industry, results obtained in 2008 were very satisfactory. Performance during 2008 was built around the Bank's focus on revenue growth, including a strong contribution from securitization activities, combined with tight cost control.

Performance Indicators

	2008 Objectives	2008 Performance
Return on common shareholders' equity	9.5 - 10.5%	11.0%
Diluted net income per share	$3.30 - $3.60	$3.80
Total revenue	+ 5% ($615 million)	+ 8% ($630 million)
Efficiency ratio	74 - 72%	70.7%
Tier 1 Capital ratio	Minimum of 9.5%	10.0%

As illustrated in the table above, the Bank exceeded all of its objectives for fiscal 2008. In line with its priorities, it dedicated further resources to generating internal growth and developing high-return operations. This contributed to strong increases in loan and deposit portfolios and, in turn, fostered revenue growth, higher overall profitability and improved efficiency.

Within the current challenging economic context, the Bank maintained a solid financial position and a strong Tier 1 capital ratio through capital management initiatives and sound business development.

Measuring 2009 Performance

For fiscal 2009, the Bank has based its objectives on a soft economic outlook. Despite these challenging market conditions, it is confident that it can attain these objectives.

2009 Objectives

• Return on common shareholders' equity	10.0 - 12.0%
• Diluted net income per share	$3.70 - $4.40
• Total revenue	+ 2 - 5% $645 million - $665 million
• Efficiency ratio	73 - 70%
• Tier 1 capital ratio	Minimum of 9.5%

Key assumptions supporting Bank objectives

The following assumptions are the most significant items considered in setting the Bank's strategic priorities and in determining its financial objectives. Other factors such as those detailed in the Caution Regarding Forward-Looking Statements section herein and the Integrated Risk Management Framework section of the Management Discussion and Analysis for 2008 could also cause future results to differ materially from these objectives.

Objectives for 2009 assume that the Bank will continue to grow its loan and deposit portfolios at a rate similar to 2008. This has been the cornerstone of the Bank's success over the last five years and is again at the forefront of its strategies for the coming years. More specifically, the Bank believes that the prevailing market conditions for mortgage lending in Canada will continue to support its securitization activities. It assumes that these factors will more than offset foreseen margin compressions related to ever-continuing market competition, primarily on retail deposit operations.

The Bank also anticipates a moderate increase in loan losses, excluding the adjustment to general provisions, as a result of growth in loan volumes and a slight deterioration of credit conditions over the next twelve months.

Other underlying general economic conditions

- Very moderate growth of the Canadian economy is expected in 2009.
- The worldwide financial crisis affecting the industry is not expected to have a significant effect on the Bank's operations.
- Interest rates in Canada are expected to decline slightly in 2009 and the Canadian dollar is expected to trade around 0.80 U.S. dollar during the year.

Significant Items Affecting 2008 Results

(in millions of dollars, except per share amounts)	Segment	Items, before income taxes	Items, net of income taxes	Diluted, per common share
		Favourable (unfavourable)		
Q1-2008				
Decrease in future tax assets arising from the reduction of federal income tax rates	Other	-	(5.6)	(0.23)
Q3-2008				
Gain on sale of Montreal Exchange shares	Other	12.9	11.1	0.46
Loss on sale of securities	Other	(5.3)	(3.6)	(0.15)
Increase in the general allowance for loan losses	Other	(8.0)	(5.5)	(0.23)
		(0.4)	2.0	0.08
Q4-2008				
Impairment charge on U.S. and international financial institution fixed-income securities	Other	(8.1)	(5.5)	(0.23)
Write-off of technology development costs	Other	(2.2)	(1.5)	(0.06)
		(10.3)	(7.0)	(0.29)
Effect on net income for 2008			(10.6)	(0.44)
Net income for 2008, as reported			102.5	3.80
Net income for 2008, excluding significant items			113.1	4.24

Significant Items Affecting 2007 Results

(in millions of dollars, except per share amounts)	Segment	Items, before income taxes	Items, net of income taxes	Diluted, per common share
Q1 and Q2-2007				
Favorable adjustment to income taxes	Other		2.5	0.10
Q4-2007				
Gain resulting from the restructuring of Visa	R&SME Q	4.0	3.3	0.14
Charge related to securities issued by conduits covered by the Montreal Accord	LBS and Other	(2.9)	(2.0)	(0.09)
Favourable adjustment to income taxes	Other		2.2	0.09
			3.6	0.14
Effect on net income for 2007			6.0	0.25
Net income for 2007, as reported			94.5	3.48
Net income for 2007, excluding significant items			88.5	3.23

Consolidated Results

For the year ended October 31, 2008, net income stood at $102.5 million, compared with $94.5 million in 2007. Income from continuing operations increased to $98.1 million for 2008, compared to $90.1 million for fiscal 2007.

For the fourth quarter ended October 31, 2008, net income was $27.3 million, compared with $30.2 million for the fourth quarter of 2007. Income from continuing operations decreased to $22.9 million for the fourth quarter of 2008, compared to $25.7 million for the fourth quarter of 2007.

The Bank posted total revenues of $630.5 million in 2008, compared with $583.9 million in 2007. Net interest income improved by $15.1 million to $405.3 million in 2008, from $390.2 million in 2007. This increase essentially resulted from growth in loan and deposit portfolios. While net interest margins remained relatively stable at the beginning of the year, continued pressure on deposit pricing negatively affected interest margins in the latter part of 2008.

Other income totalled $225.2 million in 2008, compared with $193.7 million in 2007. Securitization income increased by $28.1 million to $34.5 million for 2008, compared to $6.4 million in 2007. During the year, the Bank securitized $1.3 billion of residential mortgages and recorded gains on sale of $29.6 million, an increase of $23.4 million compared to a year ago. This increase reflects the favourable prevailing market conditions for mortgage lending in Canada throughout the year and the Bank's ability to grow its loan portfolio. Income from treasury and financial market operations improved by $6.6 million, primarily as a result of higher revenues on foreign exchange operations. Treasury and financial market revenues also included a $12.9 million gain on the sale of Montreal Exchange shares, losses of $5.3 million resulting from sales of securities during the third quarter, and impairment charges of $8.1 million related to available-for-sale securities during the fourth quarter. Impairment charges were essentially incurred on corporate bonds issued by U.S. and international financial institutions. Write-downs were recorded where the Bank had significant evidence of impairments as a result of financial reorganizations of institutions or when investments suffered from major decline in value and severe illiquidity. Additional information related to the Bank's security portfolios are presented in Note 4 to the Annual Consolidated Financial Statements.

Total revenue for the fourth quarter of 2008 amounted to $152.8 million, compared with $145.6 million for the fourth quarter of 2007. Net interest income improved by $5.6 million as a result of higher loan and deposit volumes and despite the negative effect of higher funding costs of personal term deposits. Other income stood at $49.5 million for the fourth quarter of 2008, compared with $47.9 million for the fourth quarter of 2007. The increase is mainly attributable to higher securitization revenues, partly offset by the unrealized losses incurred, as detailed above. Other income for the fourth quarter of 2007 also included a $4.0 million gain resulting from the Visa worldwide restructuring, as well as a $2.9 million charge related to securities issued by conduits covered by the Montreal Accord.

The provision for loan losses totalled $48.5 million for 2008, compared to $40.0 million in 2007. Considering the increase in loan volumes and the deterioration of economic conditions, the Bank recorded an additional general provision for loan losses of $8.0 million during the third quarter of 2008. Excluding this adjustment, loan losses have remained relatively unchanged from a year ago. For the fourth quarter, the provision for loan losses stood at $10.5 million, similar to one year ago when it equalled $10.0 million.

Gross impaired loans remained relatively stable at $101.9 million as at October 31, 2008, compared to $103.9 million as at October 31, 2007. Net impaired loans stood at −$10.6 million (−0.1% of total loans, bankers' acceptances and assets purchased under reverse repurchase agreements) as at October 31, 2008, while they were at −$11.4 million (−0.1%) one year ago. Although the Bank is not immune from the effect of a slowdown in the economy, at this time, the credit quality of our portfolios has remained excellent. Our loan underwriting is subject to a rigorous process which allows for the efficient management of the credit risk associated with the clients and more than 90% of our loans are secured. Furthermore, all consumer credit applications are scored and authorizations are heavily based on our clients' capacity to reimburse loans, as well as their financial strength. To date, we have seen no significant deterioration of the financial strength of our portfolios.

Non-interest expenses amounted to $446.0 million in 2008, as compared to $427.4 million in 2007. The increase is primarily related to higher salaries and employee benefits, higher technology costs, as well as higher professional fees and business development costs. During the past fiscal year, the Bank continued to exercise tight cost control to limit its overall level of expenses while specifically devoting additional resources to increasing revenues. This resulted in an improvement in the efficiency ratio to 70.7% for 2008 (70.3% excluding the significant items), from 73.2% for 2007(73.3% excluding the significant items).

For the fourth quarter of 2008, non-interest expenses amounted to $113.0 million, compared with $105.8 million for the fourth quarter of 2007. The year-over-year increase is largely attributable to a higher amortization expense related to technological developments in 2007 and 2008 aimed at improving business development, as well as to the $2.2 million charge resulting from the write-off of development costs following the decision of the Canadian Payment Association not to proceed further with the image-based cheque-clearing project.

Income tax expense related to continuing operations for fiscal 2008 was $37.9 million (27.9% effective tax rate), compared with $26.4 million (22.7% effective tax rate) for 2007, as detailed below.

Reconciliation of the income tax expense from continuing operations to the dollar amount of income tax using the statutory rate

	For the three-month periods ended				***For the years ended***			
(in millions of dollars)	**October 31, 2008**		October 31, 2007		**October 31, 2008**		October 31, 2007	
Income taxes at statutory rate	$9.2	31.6%	$9.8	32.8%	$42.9	31.6%	$38.4	33.0%
Changes resulting from:								
Lower tax rate on foreign credit insurance operations	(1.0)	(3.6)	(1.0)	(3.3)	(3.8)	(2.8)	(3.6)	(3.0)
Tax-exempt revenues	(0.7)	(2.3)	(1.2)	(4.0)	(1.9)	(1.4)	(2.4)	(2.1)
	$7.5	25.7%	$7.6	25.5%	$37.2	27.4%	$32.4	27.9%
Resolution of income tax exposures	-	-	(2.2)	(7.4)	(1.8)	(1.3)	(3.3)	(2.9)
Tax rate changes	-	-	(0.2)	(0.6)	5.6	4.2	(0.7)	(0.7)
Non taxable portion of capital gains	(0.1)	(0.5)	(0.7)	(2.3)	(2.7)	(2.0)	(1.5)	(1.3)
Other	(1.0)	(3.5)	(0.4)	(1.4)	(0.4)	(0.4)	(0.5)	(0.3)
	$6.4	21.7%	$4.1	13.8%	$37.9	27.9%	$26.4	22.7%

As detailed in the table above, certain transactions and tax rate changes, as well as the resolution of various tax exposures, contributed to reducing the effective tax rate in 2008 and 2007. Excluding the impact of these items, the effective tax rate for 2008 would have been 27.4%, compared with 27.9% in 2007. Note 17 to the Annual Consolidated Financial Statements provides further information on the income tax expense.

Discontinued Operations
In fiscal 2005, the Bank sold its asset management activities to Industrial Alliance Insurance and Financial Services Inc. As part of this transaction, a portion of the proceeds was subject to recovery clauses based on net annual sales of mutual funds. Consequently, a $26.2 million portion of the gain on sale was initially deferred in 2005. As net sales at the end of November 2008 exceeded minimum requirements, a $5.2 million gain ($4.4 million, net of income taxes) was recognized during the fourth quarter of 2008. For the same reason, a similar $5.2 million gain was also recognized in the fourth quarter of the three previous years. As at October 31, 2008, the remaining portion of the deferred gain amounted to $5.2 million. Moreover, an additional payment of $8.3 million would be made to the Bank at the end of December 2009 if cumulative net sales of mutual funds reach $350 million. Note 27 to the Annual Consolidated Financial Statements provides additional information regarding this transaction.

Analysis of Financial Condition

Balance sheet assets stood at $19.6 billion at October 31, 2008, compared with $17.8 billion at October 31, 2007.

At the end of the past fiscal year, the Bank's cash resources equalled $4.3 billion and represented 22% of total assets. Compared to the previous fiscal year, cash resources showed an increase of $762 million. While this higher level of liquid assets has slightly reduced net interest margins over the last twelve months, it has also improved the Bank's flexibility during the financial crisis. Additional information related to the Bank's security portfolios is presented in Note 4 to the Annual Consolidated Financial Statements.

The loans and bankers' acceptances portfolio increased by $831 million, or 6%, since the beginning of the year to $14.4 billion as at October 31, 2008, compared with $13.5 billion at October 31, 2007. Personal loans increased by $344 million in 2008, mainly as a result of the strong growth in B2B Trust's investment loan portfolio. Home equity lines of credit also increased significantly since the beginning of the year. For its part, the residential mortgage portfolio decreased by $50 million in 2008. Considering the increase of $837 million in securitized loans (as shown in the table below), total residential mortgage loan growth amounted to $787 million over the same period.

Residential Mortgage Portfolio

	As at October 31		
(in millions of dollars)	**2008**	**2007**	**Net growth**
Residential mortgage loans, as reported on the balance sheet	$6,183	$6,233	-$50
Securitized loans	2,399	1,562	837
Total residential mortgage loans, including securitized loans	$8,582	$7,795	$787

Commercial mortgages increased by $248 million in 2008, while commercial and other loans including bankers' acceptances increased by $289 million, mainly for small and medium-sized enterprises in Quebec, as well as in the National Accounts unit.

Personal deposits increased by $866 million in 2008 to reach $12.4 billion at October 31, 2008. At that date, personal deposits accounted for 81% of total deposits of $15.3 billion. These deposits constitute the Bank's preferred funding source because of their relative stability, as well as their lower marginal cost compared to wholesale deposits despite strong market rate competition. Business and other deposits increased by $590 million during the same period as a result of new deposits raised from small businesses and municipalities in Quebec.

Shareholders' equity stood at $1,083.4 million as at October 31, 2008, compared with $1,004.7 million at October 31, 2007. The increase is primarily attributable to net income generated since the beginning of the year net of declared dividends, as well as to the increase in accumulated other comprehensive income.

The regulatory Tier I capital of the Bank, as detailed in Note 13 to the Audited Consolidated Financial Statements, reached $965.4 million at October 31, 2008 [based on the Basel II framework], as compared to $950.0 million at October 31, 2007 [based on the Basel I framework]. The BIS Tier 1 and total capital ratios stood at 10.0% and 12.0% respectively at October 31, 2008 [based on the Basel II framework], compared to 9.8% and 11.6% at October 31, 2007 [based on the Basel I framework].

On November 6, 2008, the Board of Directors declared regular dividends on the various series of preferred shares to shareholders of record on December 8, 2008. At its meeting on December 5, 2008, the Board of Directors also declared a dividend of $0.34 per common share, payable on February 1, 2009 to shareholders of record on January 2, 2009.

Assets under administration stood at $14.4 billion at October 31, 2008, compared with $15.6 billion at October 31, 2007. This decrease is mainly attributable to market declines which significantly affected the value of assets under administration. For their part, mortgage loans under management increased in 2008 as a result of securitization activities.

SEGMENTED INFORMATION

Since November 1, 2007, activities related to commercial lending to small and medium-sized enterprises in Quebec have been grouped with retail financial services activities in the new Retail & SME Quebec segment. These commercial loan activities were previously included in the Commercial Financial Services segment, which is now known as Real Estate & Commercial and includes real estate financing throughout Canada, commercial financing in Ontario, and National Accounts.

Compared to 2007, the Retail & SME Quebec, Real Estate & Commercial and B2B Trust segments all benefited from strong loan and deposit growth and improved their total revenue. This led to overall increases in profitability in most segments, as detailed below. As for Laurentian Bank Securities, its profitability was affected by prevailing market conditions.

Net Income Contributions

(in millions of $)	Retail & SME Quebec	Real Estate & Commercial	B2B Trust	Laurentian Bank Securities	Other	Total
2008 Net income	45.4 [41.0 from cont. operations]	28.6	34.9	1.7	(8.0)	102.5 [98.1 from cont. operations]
2007 Net income	47.4 [42.9 from cont. operations]	21.6	30.5	7.1	(11.9)	94.5 [90.1 from cont. operations]
Q4-2008 Net income	16.2 [11.8 from cont. operations]	6.7	7.0	(0.2)	(2.4)	27.3 [22.9 from cont. operations]
Q3-2008 Net income	11.6	7.7	9.2	1.1	1.3	30.9
Q4-2007 Net income	20.1 [15.7 from cont. operations]	4.4	7.9	0.2	(2.5)	30.2 [25.8 from cont. operations]

Retail & SME Quebec

The Retail & SME Quebec business segment's contribution to net income from continuing operations declined by 4% and stood at $41.0 million for 2008, compared with $42.9 million for 2007. Results for 2007 included a $4.0 million gain ($3.3 million net of income taxes) resulting from the worldwide restructuring of Visa.

The segment's revenues increased by $17.3 million, from $397.9 million in 2007 to $415.2 million in 2008, mainly as a result of higher net interest income and deposit service charges stemming from the growth in loans and deposits, as well as from card service revenues. Loan losses totalled $33.6 million, up $4.4 million as compared to 2007, reflecting overall increases in loan volumes, as well as slight deteriorations in point-of-sale financing. Non-interest expenses increased by $16.4 million, from $310.5 million in 2007 to $326.9 million in 2008. This increase is due primarily to higher salary charges resulting from the expansion in retail banking operations combined with regular salary increases, as well as to higher technology costs.

Discontinued operations contributed $5.2 million ($4.4 million net of income taxes) in 2008 and 2007, since net sales threshold exceeded minimum requirements as at October 31 of both years.

For the fourth quarter, the contribution to net income declined by 19% and stood at $16.2 million in 2008, compared with $20.1 million in 2007. Results for 2007 included the $4.0 million ($3.3 million net of income taxes) Visa gain. Excluding the effect of this gain, results were relatively stable, as increases in net interest income were generally offset by higher loan losses and non-interest expenses.

Real Estate & Commercial

The Real Estate & Commercial business segment's contribution to net income improved 32% to reach $28.6 million in 2008, compared to $21.6 million in 2007.

Revenues increased by $9.4 million, from $62.0 million in 2007 to $71.4 million in 2008, mainly as a result of higher net interest income due to growth in loan volumes. Loan losses improved to $5.4 million in 2008, compared with $6.7 million in 2007. Non-interest expenses increased slightly by $0.5 million to $23.4 million in 2008, from $22.9 million in 2007.

During the fourth quarter, the segment's contribution to net income improved by 53% and stood at $6.7 million in 2008, compared to $4.4 million in 2007. The increase resulted mainly from higher revenues stemming from growth in loan volumes, as well as from lower loan losses. These were partly offset by higher non-interest expenses, primarily salaries and variable compensation.

B2B Trust

The B2B Trust business segment's contribution to net income improved 14%, reaching $34.9 million in 2008, compared with $30.5 million in 2007.

Revenues increased by $5.3 million, from $92.5 million in 2007 to $97.8 million in 2008. Higher net interest income was the key driver during the year, influenced positively by volume growth and dampened by margin reductions. As of the third quarter of 2008, B2B Trust was particularly affected by the higher funding costs of personal term deposits. Loan losses were lower at $1.5 million in 2008, compared with $4.0 million in 2007, mainly as a result of the sale during the first quarter of 2008 of a retail portfolio which was experiencing high loan losses. Non-interest expenses increased slightly to $43.7 million in 2008, compared with $42.4 million in 2007.

For the fourth quarter, the segment's contribution to net income declined by 11% and stood at $7.0 million in 2008, compared to $7.9 million in 2007. As noted above, B2B Trust was affected by the higher funding costs of personal term deposits, as competition increased in this market. Non-interest expenses also increased, mainly as a result of business development initiatives, including costs incurred to launch the new High Interest Investment Account at the end of the fourth quarter, as well as salary expenses.

Laurentian Bank Securities

The Laurentian Bank Securities (LBS) business segment's contribution to net income stood at $1.7 million in 2008, compared with $7.1 million in 2007. Results for 2008 included a $3.0 million ($2.1 million net of income taxes) charge related to securities issued by conduits covered by the Montreal Accord. For their part, results for 2007 included a $4.4 million gain ($3.7 million net of income taxes) originating from the sale of Montreal Exchange shares and losses of $2.1 million ($1.4 million net of income taxes) related to securities issued by conduits covered by the Montreal Accord. Excluding these items, results declined by $1.0 million as a result of the reduced level of activity in the Retail division and despite another very strong year posted by the Institutional Fixed Income division, which benefited from higher market volatility. Non-interest expenses decreased to $29.7 million for 2008 from $30.7 million in 2007 due primarily to lower variable compensation costs.

During the fourth quarter, the segment's contribution to net income was -$0.2 million in 2008, as compared to $0.2 million in 2007. Results for the fourth quarter of 2008 included a $1.3 million charge ($0.9 million net of income taxes) related to securities issued by conduits covered by the Montreal Accord, while results for the fourth quarter of 2007 included a $2.1 million charge ($1.4 million net of income taxes) on these same securities.

Other Sector

The Other sector posted a negative contribution to net income of $8.0 million in 2008, compared with a negative contribution of $11.9 million in 2007. As detailed on page 4, results for 2008 included net unfavourable significant items of $10.6 million, while results for 2007 included net favourable significant items of $4.2 million.

Net interest income decreased by $16.6 million in 2008 compared with 2007, mainly as a result of the higher level of securitized loans that generated a net reversal to net interest income of −$16.9 million, as well as of the higher funding costs associated with asset-liability management.

Other income increased by $38.4 million in 2008 compared to 2007. The increase is mainly attributable to higher securitization revenues, including gains on sale of $29.6 million and servicing revenues of $6.3 million in 2008, compared to $6.7 million and $3.2 million respectively in 2007. Income from treasury and financial market operations also improved by $6.6 million, primarily because of higher revenues on foreign exchange operations. Other income also included the following items: a $12.9 million gain on the sale of Montreal Exchange shares, losses of $5.3 million resulting from sales of securities during the third quarter, and impairment charges of $8.1 million related to available-for-sale securities during the fourth quarter.

The additional general provision for loan losses of $8.0 million recorded during the third quarter of 2008 was attributed to the Other segment in accordance with internal management reporting.

For the fourth quarter, the Other segment's contribution to net income was -$2.4 million in 2008, compared to -$2.5 million in 2007. Higher revenues in 2008 mainly as a result of securitization activities were offset by higher expenses and income taxes. Results for both 2008 and 2007 included significant items, as detailed on page 4.

ADDITIONAL DISCLOSURE – INVESTMENT IN ASSET-BACKED SECURITIES

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

As at October 31, 2008 (at market value, in thousands of dollars)	ABCP	Term Notes CMBS	Term Notes Other ABS(1)	Total
Securities issued by conduits covered by the Montreal Accord	5,577	-	8,129	13,706
Other securities	-	16,674	10,183	26,857
Total - Asset-backed securities	5,577	16,674	18,312	40,563

(1) Excluding mortgage-backed securities, which are fully guaranteed by the Canada Mortgage and Housing Corporation under the National Housing Act (NHA).

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

Cumulatively, reductions in values of securities issued by conduits covered by the Montreal Accord amount to $5.6 million, or approximately 30%.

ADDITIONAL FINANCIAL INFORMATION – QUARTERLY RESULTS

(in millions of dollars, except per share amounts (unaudited))	**2008 Q4**	Q3	Q2	Q1	2007 Q4	Q3	Q2	Q1
Total revenue	**152.8**	171.1	155.5	151.1	145.6	151.0	145.7	141.6
Income from continuing operations	**22.9**	30.9	25.1	19.1	25.7	23.2	20.7	20.6
Net income	**27.3**	30.9	25.1	19.1	30.2	23.2	20.7	20.6
Income per common share from continuing operations								
Basic	**0.84**	1.17	0.93	0.68	0.96	0.85	0.75	0.74
Diluted	**0.84**	1.17	0.93	0.68	0.95	0.85	0.75	0.74
Net income per common share								
Basic	**1.02**	1.17	0.93	0.68	1.14	0.85	0.75	0.74
Diluted	**1.02**	1.17	0.93	0.68	1.14	0.85	0.75	0.74
Return on common shareholders' equity	**11.5%**	13.4%	11.2%	8.1%	13.8%	10.5%	9.7%	9.4%
Balance sheet assets	**19,508**	19,301	18,383	18,270	17,787	18,011	17,809	17,177

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 and efficiency ratios. In addition, net income excluding significant items has been presented at certain points in the 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 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 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.

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 accessibility, the Bank serves individual consumers and small and medium-sized enterprises. The Bank also offers its products to a wide network of independent financial intermediaries through B2B Trust and provides full-service brokerage solutions through Laurentian Bank Securities.

Laurentian Bank is well established in the Province of Quebec, operating the third-largest retail branch network there. Elsewhere in Canada, it operates in specific market segments, where it holds an enviable position. Laurentian Bank of Canada has more than $19 billion in balance sheet assets and more than $14 billion in assets under administration. Founded in 1846, the Bank employs nearly 3,400 people.

CONFERENCE CALL

Laurentian Bank invites media representatives and the public to listen to the financial analysts' conference call to be held Friday, December 5, 2008 at 3:30 p.m. Eastern time. The live, listen-only, toll-free call-in number is 1-866-225-0198.

You may listen to a playback of the call at any time from 6:00 p.m. on Friday, December 5, 2008, to midnight on Friday, December 26, 2008 by dialling the following number: 1-800-408-3053 Code 3247669#.

In addition, the conference call can be heard through the Investor Relations section of Laurentian Bank's Web site at www.laurentianbank.ca. The Web site also offers additional financial information.

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Chief Financial Officer:

Robert Cardinal 514-284-4500 #7535

Media and Investor Relations:

Gladys Caron 514-284-4500 #7511
Cell: 514-893-3963

FINANCIAL HIGHLIGHTS

IN MILLIONS OF DOLLARS, UNLESS OTHERWISE INDICATED (UNAUDITED)	Q4-08	Q4-07	VARIATION	FOR THE YEARS ENDED OCTOBER 31 2008	OCTOBER 31 2007	VARIATION
Earnings						
Net income	$ 27.3	$ 30.2	(10) %	$ 102.5	$ 94.5	8 %
Income from continuing operations	$ 22.9	$ 25.7	(11) %	$ 98.1	$ 90.1	9 %
Net income available to common shareholders	$ 24.4	$ 27.2	(10) %	$ 90.7	$ 82.6	10 %
Return on common shareholders' equity	11.5 %	13.8 %		11.0 %	10.9 %	
Per common share						
Diluted net income	$ 1.02	$ 1.14	(11) %	$ 3.80	$ 3.48	9 %
Diluted income from continuing operations	$ 0.84	$ 0.95	(12) %	$ 3.61	$ 3.29	10 %
Dividends declared	$ 0.34	$ 0.29	17 %	$ 1.30	$ 1.16	12 %
Book value				$ 35.84	$ 33.34	7 %
Share price - close				$ 40.88	$ 43.70	(6) %
Financial position						
Balance sheet assets				$ 19,559	$ 17,787	10 %
Assets under administration				$ 14,428	$ 15,636	(8) %
Loans, bankers' acceptances and assets purchased under reverse repurchase agreements, net				$ 14,924	$ 13,969	7 %
Personal deposits				$ 12,430	$ 11,565	7 %
Shareholders' equity and debentures				$ 1,233	$ 1,155	7 %
Number of common shares (in thousands)				23,848	23,811	- %
Net impaired loans as a % of loans, bankers' acceptances and assets purchased under reverse repurchase agreements				(0.1) %	(0.1) %	
Risk-weighted assets				$ 9,629	$ 9,724	(1) %
Capital ratios						
Tier I BIS capital ratio				10.0 %	9.8 %	
Total BIS capital ratio				12.0 %	11.6 %	
Assets to capital multiple				17.0 x	15.8 x	
Tangible common equity as a percentage of risk-weighted assets				8.2 %	7.5 %	
FINANCIAL RATIOS						
Per common share						
Price / earnings ratio				10.7 x	12.5 x	
Market to book value				114 %	131 %	
Dividend yield	3.33 %	2.65 %		3.18 %	2.65 %	
Dividend payout ratio	33.3 %	25.4 %		34.2 %	33.3 %	
As a percentage of average assets						
Net interest income	2.15 %	2.26 %		2.21 %	2.31 %	
Provision for credit losses	0.22 %	0.23 %		0.26 %	0.24 %	
Net income	0.57 %	0.70 %		0.56 %	0.56 %	
Net income available to common shareholders	0.51 %	0.63 %		0.49 %	0.49 %	
Profitability						
Efficiency ratio (non-interest expenses as a % of total revenue)	74.0 %	72.6 %		70.7 %	73.2 %	
OTHER INFORMATION						
Number of full-time equivalent employees				3,393	3,289	
Number of branches				156	157	
Number of automated banking machines				342	338	

The unaudited financial information provided therein do not reflect all of the information and disclosures required by Canadian generally accepted accounting principles for complete financial statements. Accordingly, the financial information should be read in conjunction with the annual consolidated audited financial statements as at October 31, 2008 available on the Bank's web site at www.laurentianbank.ca.

CONSOLIDATED BALANCE SHEET

IN THOUSANDS OF DOLLARS (UNAUDITED)	OCTOBER 31 2008	OCTOBER 31 2007
ASSETS		
Cash and non-interest-bearing deposits with other banks	$ **54,410**	$ 65,245
Interest-bearing deposits with other banks	**94,291**	283,255
Securities accounts		
Available-for-sale	**1,327,504**	917,676
Held-for-trading	**1,069,197**	1,086,958
Designated as held-for-trading	**1,118,838**	669,745
	3,515,539	2,674,379
Assets purchased under reverse repurchase agreements	**661,391**	540,304
Loans		
Personal	**5,302,046**	4,958,176
Residential mortgage	**6,182,871**	6,232,778
Commercial mortgage	**932,688**	684,625
Commercial and other	**1,847,327**	1,556,831
	14,264,932	13,432,410
Allowance for loan losses	**(112,434)**	(115,322)
	14,152,498	13,317,088
Other		
Customers' liabilities under acceptances	**110,342**	111,891
Property, plant and equipment	**143,489**	137,691
Derivative financial instruments	**237,704**	62,745
Goodwill	**53,790**	53,790
Other intangible assets	**12,896**	14,114
Other assets	**522,202**	526,344
	1,080,423	906,575
	$ **19,558,552**	$ 17,786,846
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Personal	$ **12,430,038**	$ 11,564,530
Business, banks and other	**2,903,774**	2,314,178
	15,333,812	13,878,708
Other		
Obligations related to assets sold short	**819,236**	868,675
Obligations related to assets sold under repurchase agreements	**1,136,096**	928,987
Acceptances	**110,342**	111,891
Derivative financial instruments	**147,469**	70,851
Other liabilities	**778,162**	773,053
	2,991,305	2,753,457
Subordinated debentures	**150,000**	150,000
Shareholders' equity		
Preferred shares	**210,000**	210,000
Common shares	**257,462**	256,445
Contributed surplus	**173**	105
Retained earnings	**596,974**	537,254
Accumulated other comprehensive income	**18,826**	877
	1,083,435	1,004,681
	$ **19,558,552**	$ 17,786,846

CONSOLIDATED STATEMENT OF INCOME

IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS (UNAUDITED)	FOR THE THREE-MONTH PERIODS ENDED OCTOBER 31 2008	JULY 31 2008	OCTOBER 31 2007	FOR THE YEARS ENDED OCTOBER 31 2008	OCTOBER 31 2007
Interest income					
Loans	$ **206,157**	$ 204,237	$ 222,042	$ **837,532**	$ 837,092
Securities	**16,475**	16,161	13,004	**60,873**	58,000
Deposits with other banks	**5,173**	6,815	5,117	**26,360**	13,802
Other	**12,651**	13,148	-	**30,190**	-
	240,456	240,361	240,163	**954,955**	908,894
Interest expense					
Deposits	**128,170**	128,264	125,297	**508,403**	466,867
Other liabilities	**7,047**	6,739	15,186	**33,547**	44,089
Subordinated debentures	**1,946**	1,945	1,950	**7,742**	7,738
	137,163	136,948	142,433	**549,692**	518,694
Net interest income	**103,293**	103,413	97,730	**405,263**	390,200
Other income					
Fees and commissions on loans and deposits	**24,138**	23,660	22,320	**91,913**	88,703
Income from brokerage operations	**5,377**	8,973	6,454	**28,707**	32,359
Income from treasury and financial market operations	**(432)**	13,159	3,912	**25,862**	19,286
Income from sales of mutual funds	**3,329**	3,943	3,493	**14,170**	13,406
Credit insurance income	**3,487**	3,957	3,492	**13,717**	12,557
Income from registered self-directed plans	**1,939**	2,249	2,231	**8,736**	9,652
Securitization income	**9,399**	9,933	1,407	**34,477**	6,418
Gain on change in ownership interest	**-**	-	4,000	**-**	4,000
Other	**2,281**	1,808	583	**7,636**	7,345
	49,518	67,682	47,892	**225,218**	193,726
Total revenue	**152,811**	171,095	145,622	**630,481**	583,926
Provision for loan losses	**10,500**	18,500	10,000	**48,500**	40,000
Non-interest expenses					
Salaries and employee benefits	**58,547**	60,668	56,302	**236,280**	229,290
Premises and technology	**30,871**	29,937	28,477	**119,192**	111,559
Other	**23,622**	22,942	20,978	**90,519**	86,561
	113,040	113,547	105,757	**445,991**	427,410
Income from continuing operations before income taxes	**29,271**	39,048	29,865	**135,990**	116,516
Income taxes	**6,361**	8,111	4,130	**37,882**	26,394
Income from continuing operations	**22,910**	30,937	25,735	**98,108**	90,122
Income from discontinued operations, net of income taxes	**4,423**	-	4,423	**4,423**	4,423
Net income	$ **27,333**	$ 30,937	$ 30,158	$ **102,531**	$ 94,545
Preferred share dividends, including applicable taxes	**2,954**	2,967	2,996	**11,818**	11,966
Net income available to common shareholders	$ **24,379**	$ 27,970	$ 27,162	$ **90,713**	$ 82,579
Average number of common shares outstanding (in thousands)					
Basic	**23,846**	23,842	23,783	**23,837**	23,678
Diluted	**23,889**	23,888	23,843	**23,880**	23,728
Income per common share from continuing operations					
Basic	$ **0.84**	$ 1.17	$ 0.96	$ **3.62**	$ 3.30
Diluted	$ **0.84**	$ 1.17	$ 0.95	$ **3.61**	$ 3.29
Net income per common share					
Basic	$ **1.02**	$ 1.17	$ 1.14	$ **3.81**	$ 3.49
Diluted	$ **1.02**	$ 1.17	$ 1.14	$ **3.80**	$ 3.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN THOUSANDS OF DOLLARS (UNAUDITED)	FOR THE THREE-MONTH PERIODS ENDED OCTOBER 31 2008	OCTOBER 31 2007	FOR THE YEARS ENDED OCTOBER 31 2008	OCTOBER 31 2007
Net income	**$ 27,333**	$ 30,158	**$ 102,531**	$ 94,545
Other comprehensive income, net of income taxes				
Net change in unrealized gains (losses) on available-for-sale securities	**(17,764)**	(1,143)	**(23,347)**	15,333
Reclassification of realized (gains) and losses on available-for-sale securities to net income	**5,692**	209	**(4,376)**	(1,581)
Net change in gains (losses) on derivative instruments designated as cashflow hedges	**18,303**	11,760	**45,672**	5,677
	6,231	10,826	**17,949**	19,429
Comprehensive income	**$ 33,564**	$ 40,984	**$ 120,480**	$ 113,974

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

IN THOUSANDS OF DOLLARS (UNAUDITED)	FOR THE YEARS ENDED OCTOBER 31 2008	OCTOBER 31 2007
Preferred shares		
Balance at beginning and end of year	**$ 210,000**	$ 210,000
Common shares		
Balance at beginning of year	**256,445**	251,158
Issued during the year under the stock option purchase plan	**1,017**	5,287
Balance at end of year	**257,462**	256,445
Contributed surplus		
Balance at beginning of year	**105**	518
Shares awarded under the performance-based share plan	**-**	(590)
Stock-based compensation	**68**	177
Balance at end of year	**173**	105
Retained earnings		
Balance at beginning of year	**537,254**	482,149
Net income	**102,531**	94,545
Dividends		
Preferred shares, including applicable taxes	**(11,818)**	(11,966)
Common shares	**(30,993)**	(27,474)
Balance at end of year	**596,974**	537,254
Treasury shares		
Balance at beginning of year	**-**	(590)
Shares granted	**-**	590
Balance at end of year	**-**	-
Accumulated other comprehensive income		
Balance at beginning of year	**877**	-
Effect of adopting the new accounting policy on financial instruments, net of income taxes	**-**	(18,552)
Other comprehensive income, net of income taxes	**17,949**	19,429
Balance at end of year	**18,826**	877
Shareholders' equity	**$ 1,083,435**	$ 1,004,681

OTHER INCOME

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	Q1	2008 TOTAL
Fees and commissions on loans and deposits					
Deposit service charges	$ 13,286	$ 13,286	$ 13,180	$ 12,562	$ 52,314
Lending fees	6,496	5,936	5,466	5,078	22,976
Card service revenues	4,356	4,438	3,889	3,940	16,623
Sub-total - fees and commissions on loans and deposits	24,138	23,660	22,535	21,580	91,913
Other					
Income from brokerage operations	5,377	8,973	6,965	7,392	28,707
Income from treasury and financial market operations	(432)	13,159	6,482	6,653	25,862
Income from sales of mutual funds	3,329	3,943	3,456	3,442	14,170
Credit insurance income	3,487	3,957	3,217	3,056	13,717
Income from registered self-directed plans	1,939	2,249	2,368	2,180	8,736
Securitization income	9,399	9,933	9,304	5,841	34,477
Other	2,281	1,808	2,157	1,390	7,636
Sub-total - other	25,380	44,022	33,949	29,954	133,305
Total - other income	$ 49,518	$ 67,682	$ 56,484	$ 51,534	$ 225,218
As a % of average assets	1.03 %	1.44 %	1.27 %	1.17 %	1.23 %

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	Q1	2007 TOTAL
Fees and commissions on loans and deposits					
Deposit service charges	$ 12,675	$ 13,083	$ 12,599	$ 12,291	$ 50,648
Lending fees	5,904	5,963	5,663	5,882	23,412
Card service revenues	3,741	4,160	3,345	3,397	14,643
Sub-total - fees and commissions on loans and deposits	22,320	23,206	21,607	21,570	88,703
Other					
Income from brokerage operations	6,454	7,664	9,693	8,548	32,359
Income from treasury and financial market operations	3,912	6,516	4,274	4,584	19,286
Income from sales of mutual funds	3,493	3,521	3,318	3,074	13,406
Credit insurance income	3,492	2,453	3,030	3,582	12,557
Income from registered self-directed plans	2,231	2,490	2,572	2,359	9,652
Securitization income	1,407	1,236	3,215	560	6,418
Gain on change in ownership interest	4,000	-	-	-	4,000
Other	583	2,189	2,456	2,117	7,345
Sub-total - other	25,572	26,069	28,558	24,824	105,023
Total - other income	$ 47,892	$ 49,275	$ 50,165	$ 46,394	$ 193,726
As a % of average assets	1.11 %	1.16 %	1.23 %	1.11 %	1.15 %

NON - INTEREST EXPENSES

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	Q1	2008 Total
Salaries and employee benefits					
Salaries	$ 38,741	$ 39,270	$ 38,515	$ 39,165	$ 155,691
Employee benefits	12,019	12,825	12,762	12,521	50,127
Performance-based compensation	7,787	8,573	7,521	6,581	30,462
Sub-total - salaries and employee benefits	58,547	60,668	58,798	58,267	236,280
Premises and technology					
Equipment and computer services	10,591	12,304	11,173	11,175	45,243
Rent and property taxes	8,528	8,419	8,760	8,768	34,475
Depreciation	7,738	7,402	7,364	7,368	29,872
Maintenance and repairs	1,414	1,415	1,372	1,290	5,491
Public utilities	289	293	385	310	1,277
Other	2,311	104	100	319	2,834
Sub-total - premises and technology	30,871	29,937	29,154	29,230	119,192
Other					
Fees and commissions	6,999	5,384	5,088	3,607	21,078
Taxes and insurance	4,086	4,432	4,587	4,466	17,571
Communications and travelling expenses	4,566	5,083	4,686	4,572	18,907
Advertising and business development	5,341	4,738	4,050	3,912	18,041
Stationery and publications	1,342	1,580	1,756	1,655	6,333
Recruitment and training	450	850	853	1,564	3,717
Other	838	875	1,878	1,281	4,872
Sub-total - other	23,622	22,942	22,898	21,057	90,519
Total - non-interest expenses	$ 113,040	$ 113,547	$ 110,850	$ 108,554	$ 445,991
As a % of average assets	2.36 %	2.41 %	2.49 %	2.47 %	2.43 %

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	Q1	2007 Total
Salaries and employee benefits					
Salaries	$ 36,882	$ 37,606	$ 36,266	$ 36,160	$ 146,914
Employee benefits	12,617	13,655	13,809	12,965	53,046
Performance-based compensation	6,803	7,341	8,045	7,141	29,330
Sub-total - salaries and employee benefits	56,302	58,602	58,120	56,266	229,290
Premises and technology					
Equipment and computer services	10,655	10,402	11,291	10,103	42,451
Rent and property taxes	8,715	8,617	8,750	8,461	34,543
Depreciation	7,127	6,883	6,814	6,569	27,393
Maintenance and repairs	1,595	1,424	1,208	1,200	5,427
Public utilities	262	296	417	309	1,284
Other	123	136	88	114	461
Sub-total - premises and technology	28,477	27,758	28,568	26,756	111,559
Other					
Fees and commissions	5,251	5,208	4,845	3,649	18,953
Taxes and insurance	4,094	4,431	4,590	5,641	18,756
Communications and travelling expenses	4,634	4,631	4,677	4,373	18,315
Advertising and business development	4,143	4,534	4,433	3,660	16,770
Stationery and publications	1,420	1,418	1,691	1,705	6,234
Recruitment and training	419	684	708	982	2,793
Other	1,017	1,107	1,319	1,297	4,740
Sub-total - other	20,978	22,013	22,263	21,307	86,561
Total - non-interest expenses	$ 105,757	$ 108,373	$ 108,951	$ 104,329	$ 427,410
As a % of average assets	2.44 %	2.54 %	2.67 %	2.49 %	2.54 %

REGULATORY CAPITAL - BIS[1]

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT OCTOBER 31 2008	AS AT OCTOBER 31 2007
Tier 1 capital		
Common shares	$ 257,462	$ 256,445
Contributed surplus	173	105
Retained earnings	596,974	537,254
Non-cumulative preferred shares	210,000	210,000
Less: goodwill, securitization and other	(99,239)	(53,790)
Total - Tier 1 capital (A)	965,370	950,014
Tier 2 capital		
Subordinated debentures	150,000	150,000
General allowances	73,250	65,250
Less : securitization and other	(31,738)	(33,827)
Total - Tier 2 capital	191,512	181,423
Total - capital (B)	$ 1,156,882	$ 1,131,437
Total risk-weighted assets (C)	$ 9,629,115	$ 9,723,950
Tier I BIS capital ratio (A/C)	10.0 %	9.8 %
Total BIS capital ratio (B/C)	12.0 %	11.6 %
Assets to capital multiple	17.0 x	15.8 x
Tangible common equity as a percentage of risk-weighted assets	8.2 %	7.5 %

(1) Regulatory capital as of November 1, 2007 is now based on capital adequacy requirements under Basel II. Prior year figures are based on the previous Basel I framework.

RISK-WEIGHTED ASSETS[1]

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT OCTOBER 31 2008	AS AT OCTOBER 31 2007
Balance sheet items		
Cash resources	$ 9,809	$ 85,613
Securities	310,080	328,325
Mortgage loans	2,426,226	2,636,531
Other loans and customers' liabilities under acceptances	5,057,545	5,906,449
Other assets	422,838	476,308
General allowances	n.a.	65,250
Total - balance sheet items	8,226,498	9,498,476
Off-balance sheet items		
Derivative financial instruments	77,010	28,647
Credit-related commitments	250,219	196,827
	327,229	225,474
Operational risk	1,075,388	n.a.
Total - risk-weighted assets	$ 9,629,115	$ 9,723,950

(1) Regulatory capital as of November 1, 2007 is now based on capital adequacy requirements under Basel II. Prior year figures are based on the previous Basel I framework.

ASSETS UNDER ADMINISTRATION

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT OCTOBER 31 2008	AS AT OCTOBER 31 2007
Self-directed RRSPs and RRIFs	$ 7,196,471	$ 8,429,223
Mortgage loans under management	2,563,665	1,742,466
Clients' brokerage assets	1,643,088	1,994,766
Institutional	1,701,664	1,823,965
Mutual funds	1,305,530	1,615,886
Other - Personal	17,346	29,988
Total - assets under administration	$ 14,427,764	$ 15,636,294