LAURENTIAN BANK
OF CANADA

PRESS RELEASE
For immediate release

DECEMBER 12, 2006

LAURENTIAN BANK REPORTS NET INCOME OF $ 70.3 MILLION FOR 2006, COMPARED TO $65.3 MILLION FOR 2005

For the year ended October 31, 2006, Laurentian Bank reported net income of $70.3 million or $2.48 diluted per common share, compared to $65.3 million or $2.26 diluted per common share in 2005. Return on common shareholders' equity was 8.2% in 2006, compared to 7.8% in 2005. Income from continuing operations increased by 18% to $65.6 million or $2.28 diluted per common share for 2006, excluding income from discontinued operations of $4.8 million related to the recognition of a portion of the deferred gain on sale of BLC-Edmond de Rothschild Asset Management Inc., as detailed on page 4. For 2005, income from continuing operations was $55.6 million or $1.85 diluted per common share, excluding income from discontinued operations of $9.7 million.

For the fourth quarter ended October 31, 2006, the Bank reported net income of $22.6 million or $0.84 diluted per common share, compared to $21.6 million or $0.79 diluted per common share for the fourth quarter of 2005. Return on common shareholders' equity was 10.8% for the fourth quarter of 2006 versus 10.6% for the same quarter of 2005. Results from continuing operations reached $18.1 million or $0.65 diluted per common share for the fourth quarter of 2006, compared to $17.4 million or $0.61 diluted per common share for 2005.

Commenting on the results for the year, Mr. McManus, President and Chief Executive Officer stated: "Three years ago, we set forth a number of measures to reposition the Bank. Today, as I look back, I am proud of what we have accomplished. The Bank is improving its offering and increasing its presence in its main markets. Moreover, we have met or exceeded our earnings objectives in 2006. At this point, I would like to thank all our employees who have been instrumental in the Bank's recent performance and who will play a leading role so we can continue to improve our return on equity."

FINANCIAL REVIEW

The following sections present a summary analysis of the Bank's financial condition and operating results for the year ended October 31, 2006, as well as for the fourth quarter of 2006. A detailed analysis by management of the Bank's financial condition and operating results for the year ended October 31, 2006 will be published in the 2006 Annual Report.

The analyses provided herein generally refer to results from continuing operations for 2006 and 2005, which exclude the favorable impact of the sale of the BLC-Edmond de Rothschild Asset Management joint-venture and the related deferred gain.

This analysis should be read in conjunction with the unaudited interim consolidated financial statements for the fourth quarter of 2006. Complementary information on subjects, such as risk management, accounting policies and off-balance sheet arrangements, is also provided in the Bank's 2005 Annual Report.

2006 Performance and 2007 objectives

The following summarizes the Bank's performance with regard to its 2006 objectives and presents management's objectives for 2007.

Performance indicators	2006 objectives	2006 performance	2007 objectives
Return on common shareholders' equity	7% to 8%	8.2% [7.5% from continuing operations]	8% to 9%
Diluted net income per share	$2.05 to $2.35	$2.48 [$2.28 from continuing operations]	$2.55 to $2.85
Total revenue	$522 to $532 million	$531 million	$550 to $560 million
Efficiency ratio	75% to 73.5%	75.7%	75% to 73.5%
Capital ratios			
Tier 1	Minimum of 9.5%	10.3%	Minimum of 9.5%
Total	Minimum of 12.0%	12.4%	n/a (see note below)
Credit quality (loan losses as a % of average assets)	0.25% to 0.22%	0.24%	0.24% to 0.21%

Note: no specific objective was set for the Total capital ratio for 2007 as the Tier 1 capital ratio is considered the primary measure of capital strength. Management will nonetheless continue to monitor the Total capital ratio for regulatory purposes.

The Bank met or exceeded all of its 2006 objectives, except for its efficiency ratio. Growth in all business segments, as evidenced by the increase in revenues, and the favorable effect of certain tax items, as detailed on page 6, have been the major factors contributing to this year's achievements.

For 2007, the ability of the Bank to grow its net interest income through an improved management of its loan and deposit portfolios and the anticipated effects of recent development strategies, such as the opening of branches, should continue to contribute towards the stated objectives. These objectives also reflect anticipated progress in efficiency and further improvements in credit quality.

Highlights

- Income from continuing operations increased by 18% to $65.6 million in 2006, from $55.6 million in 2005.
- Total revenue stood at $530.7 million in 2006, compared to $502.1 million in 2005. The improvement, essentially in net interest income, results from the combined effect of growth in loan and deposit volumes, as well as increases in net interest margins.
- Non-interest expenses rose to $401.7 million in 2006 from $382.0 million in 2005. The increase results in part from growth in operations, as well as from other employee benefits.
- The provision for credit losses remained unchanged at $40.0 million.
- Income tax expense was $23.4 million in 2006, compared to $24.5 million in 2005. The tax expense for 2006 includes the effect of certain tax items, as detailed below in the analysis of consolidated results section.

- For the fourth quarter of 2006, net income was $22.6 million, compared to $21.6 million a year ago, as the increase in net interest income and the lower income taxes more than offset the decline in other income and higher non-interest expenses.

Analysis of consolidated results

For the year ended October 31, 2006, the Bank reported net income of $70.3 million or $2.48 diluted per common share, compared to $65.3 million or $2.26 diluted per common share in 2005. Return on common shareholders' equity was 8.2% in 2006, compared to 7.8% in 2005. Income from continuing operations stood at $65.6 million or $2.28 diluted per common share for 2006, excluding income from discontinued operations of $4.8 million. For 2005, income from continuing operations stood at $55.6 million or $1.85 diluted per common share, excluding income from discontinued operations of $9.7 million.

Income from continuing operations has increased by 18% year over year and by more than 60% when compared to 2004. The tighter asset and liability management strategies pursued since 2004 and the capital structure realignment continued to generate positive results, while the strong growth in all business segments and various tax strategies implemented during 2006 further contributed to the Bank's performance. Discontinued operations, resulting from the recognition of the gain on sale of the BLC-Edmond de Rothschild Asset Management Inc. joint-venture, as detailed below, have also positively contributed to net income.

For the fourth quarter ended October 31, 2006, the Bank reported net income of $22.6 million or $0.84 diluted per common share, compared to $21.6 million or $0.79 diluted per common share, for the fourth quarter of 2005. Return on common shareholders' equity was 10.8% for the fourth quarter of 2006 versus 10.6% for the same quarter of 2005. For the fourth quarter of 2006, income from continuing operations stood at $18.1 million or $0.65 diluted per common share, compared to $17.4 million or $0.61 diluted per common share in 2005.

The higher profitability in the fourth quarter of 2006, compared to the fourth quarter of 2005, results mainly from net interest income. The lower tax expense, resulting from adjustments and tax strategies implemented during the quarter, also contributed to the results of the quarter. These items more than offset the increase in non-interest expenses, as well as the reduced contribution from securitization and treasury and financial market activities.

Discontinued operations

In fiscal 2005, the Bank recognized an initial $5.2 million gain on sale of 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. As net sales, at the end of November 2005 significantly exceeded minimum requirements, a $5.2 million gain ($4.4 million, net of income taxes) was recognized during the fourth quarter of 2005. Again at the end of November 2006, net sales exceeded minimum requirements and a further $5.2 million gain ($4.4 million, net of income taxes) was recognized during the fourth quarter. Discontinued operations for 2006, also included revenues related to the separate recovery clause on institutional assets under management and other adjustments for $0.5 million ($0.4 million, net of income taxes). As at October 31, 2006, the remaining portion of the deferred gain amounted to $15.5 million. Note 2 to the interim consolidated financial statements provides additional information regarding this transaction and the related effect on earnings for 2006.

Total revenue was $530.7 million in 2006, compared to $502.1 million in 2005. The Bank's net interest income improved by 10% to $357.2 million in 2006, compared to $325.7 million in 2005. The substantial improvement in revenues resulted mainly from growth in loans and deposits portfolios, the stricter asset and liability management strategies and the capital structure realignment, which in turn contributed to the increase in net interest margin, from 1.99% in 2005 to 2.14% in 2006. Going forward, the anticipated growth in loans and deposits portfolios, combined with continuous efforts to improve the asset mix should be the main factors leading to revenue growth, as the major effect of the asset and liability management measures has now been embedded in the current margin.

Other income was $173.5 million in 2006, compared to $176.4 million in 2005. The $2.9 million decrease in 2006 is mainly attributable to the forgone revenues from Brome Financial Corporation Inc. (Brome) as well as, to a lesser extent, the lower income from treasury and financial markets activities and securitization operations. The decrease was partially offset by the significant improvements in credit insurance income, card service revenues and brokerage operations. Management is pleased with the contribution of these operations as it validates the relevance of its strategies. Furthermore, these activities generate a recurring stable stream of revenues, whereas treasury and financial markets activities and securitization operations have had a more volatile history given their nature.

Total revenue for the fourth quarter of 2006 amounted to $134.8 million, compared to $133.8 million for the same quarter in 2005. Net interest income improved by 8%, or $6.7 million, of which $0.6 million came from the settlement of an impaired loan. Otherwise, the increase results mainly from the same factors noted above. As for the $5.7 million decline in other income, it is mainly attributable to the forgone revenues from Brome and the lower securitization revenues. In 2006, the Bank has not securitized any mortgages during the fourth quarter, whereas it had recognized gains amounting to $4.2 million on such transactions in the fourth quarter of 2005.

The **provision for credit losses** amounted to $40.0 million for 2006, the same level as for 2005. The Canadian economy has enjoyed another good year, thus enabling the Bank to maintain its loan losses within management objectives. Earlier in the year, the surges in the Canadian dollar and energy prices have caused difficulties for exporting industries, such as forestry and wood manufacturing, and generated certain losses for the Bank. However, measures taken over the last two years have significantly reduced the Bank's exposure to these industries. The higher loan losses on the personal loan portfolio are attributable, in part, to the growth in loan volumes and, for certain categories of loans, to a slight increase of the loss ratio, which nonetheless remain generally in line with the industry. For the fourth quarter, the provision for credit losses stood at $10.0 million, compared to $11.8 million for the same quarter a year ago.

Gross impaired loans increased to $130.6 million as at October 31, 2006, from $120.9 million as at October 31, 2005. Net impaired loans stood at $5.4 million (0.0% of total loans, bankers' acceptances and assets purchased under reverse repurchase agreements) in 2006, while they stood at -$8.9 million (-0.1%) a year ago. The general credit quality of the portfolios remains sound, despite the deterioration in these metrics, when compared to the beginning of the year. The measures taken to reduce the Bank's exposure to large credit risks over the last four years and the higher proportion of retail exposures has improved the Bank's risk profile.

Furthermore, the Bank has maintained an important presence throughout Canada, as evidenced by the fact that more than 35% of loans originate from outside of Quebec.

Non-interest expenses were $401.7 million in 2006, while they stood at $382.0 million in 2005. A significant portion of the increase is directly related to the measures initiated to develop the Bank's operations. The opening of new branches, the expansion of the brokerage activities and the additional resources to support sales initiatives are the three main factors, which resulted in higher salaries and employee benefits. The $5.9 million increase in pension costs also negatively affected expenses. Premises and technology expenses remained stable at approximately $107 million. Other expenses increased by $6.9 million, mainly as a result of the growth in advertising and business development activities, as well as higher professional fees related to compliance activities. The efficiency ratio slightly improved to 75.7% in 2006, compared to 76.1% in 2005, essentially as a result of higher revenues.

For the fourth quarter of 2006, non-interest expenses amounted to $102.6 million, compared to $99.0 million for the fourth quarter of 2005. The year over year increase is largely attributable to the same items noted above.

Income tax expense for fiscal 2006 was $23.4 million (26.3% effective tax rate) compared to $24.5 million (30.6% effective tax rate) for 2005.

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

			For the years ended	
(in millions of dollars)	October 31, 2006		October 31, 2005	
Income taxes at statutory rate	$29.3	32.9%	$25.7	32.0%
Changes resulting from :				
Resolution of income tax exposures	(11.3)	(12.7)	–	–
Tax rates changes	8.6	9.7	–	–
Realized gain on repatriation of accumulated foreign retained earnings	4.5	5.1	–	–
Recognition of previously unrecognized temporary differences related to the minimum tax on financial institutions	(2.8)	(3.2)	–	–
Lower tax rate on foreign credit insurance operations	(2.4)	(2.7)	–	–
Tax exempt revenues (dividends)	(1.1)	(1.2)	(0.3)	(0.4)
Federal large corporations tax	–	–	0.8	1.0
Corporate reorganization and other	(1.4)	(1.6)	(1.7)	(2.0)
	$23.4	26.3%	$24.5	30.6%

The tax rates changes resulting from the recent federal and Quebec budgets, the repatriation of accumulated foreign retained earnings, the resolution of income tax exposures and the recognition of previously unrecognized temporary differences, as detailed in the table above, were the most significant items which specifically affected the income tax expense in 2006. Excluding the impact of these items, the effective tax rate for 2006 would have been 27.4%, compared to 30.6% in 2005. This lower rate, in 2006, results from the increase in investments in Canadian securities that generate tax-exempt income (dividends) and a corporate reorganization that reduced the tax rate on foreign credit insurance income. Note 9 to the Interim Consolidated Financial Statements provides further information on the income tax expense.

For the fourth quarter of 2006, the income tax expense amounted to $4.1 million (18.5% effective tax rate), compared to $5.6 million (24.5% effective tax rate) for the fourth quarter of 2005. The lower tax expense in 2006 mainly results from the favorable effect of certain corporate reorganization and the items noted above. Results for the fourth quarter of 2005 included the effect of adjustments of $1.7 million related to the optimization of the Bank's tax position and the favorable results of the quarter. Note 9 to the Interim Consolidated Financial Statements provides further information on the income tax expense.

Analysis of financial condition

Balance sheet assets stood at $17.3 billion at October 31, 2006, compared to $16.5 billion at October 31, 2005. Cash resources and securities rose slightly, as a result of normal investment strategies and trading activities.

The portfolio of loans and bankers' acceptances rose by 4% to $12.4 billion at October 31, 2006, compared to $12.0 billion at October 31, 2005. Adding back the securitized mortgages, the loan portfolio would have increased by 6%.

As detailed in the table below, the residential mortgage loan portfolio, including both reported and securitized loans grew by 9% or $564 million during the year. In 2005, loans grew by $470 million. The continuing favorable housing market and economic conditions, combined with accrued sales' efforts, were again key factors which allowed the Bank to grow its portfolios, despite intense competition.

Residential mortgages portfolio

	As at October 31	
(in millions of dollars)	**2006**	**2005**
Residential mortgage loans, as reported on the balance sheet	$5,986	$5,807
Securitized loans	1,039	654
Total residential mortgage loans, including securitized loans	$7,025	$6,461

Personal loans also increased significantly in 2006. Investment loans, including RRSP and mutual fund loans, grew by 19% to $1,529 million, benefiting from B2B Trust's strong partnerships, the favorable mutual fund market environment and the expanding line of products. Lines of credit increased by $64 million, essentially as a result of the increase in home equity lines of credit.

Total personal deposits increased by $374 million to $10.9 billion as at October 31, 2006, compared to $10.6 billion as at October 31, 2005. These additional deposits improved the Bank's funding mix and contributed to fund the growth in loan portfolios. Business and other deposits decreased by $976 million during the year as certain Treasury deposits matured and as the availability and pricing of other funding sources, including securitization, assets sold under repurchase agreements and personal deposits, were more attractive. The Bank continues to benefit from very stable and diversified sources of funding through personal deposits. As at October 31, 2006, personal deposits accounted for 84% of total deposits of $13.1 billion, compared to 77% of total deposits of $13.7 billion in 2005.

Shareholders' equity stood at $946.4 million as at October 31, 2006, compared to $913.2 million as at October 31, 2005, while the total capital of the Bank, comprised of shareholders' equity and debentures, reached $1,096 million as at October 31, 2006 compared to $1,063 million as at October 31, 2005.

There were 23,620,436 common shares outstanding as at October 31, 2006 (23,627,455 as at November30, 2006) and the Bank's book value per common share increased to $31.18 from $29.85 at year-end 2005. There were also 339,604 share purchase options outstanding as at October 31, 2006 (332,585 as at November 30, 2006).

The BIS Tier 1 and Total capital ratios stood at 10.3% and 12.4%, respectively as at October 31, 2006, compared to 10.2% and 12.3% as at October 31, 2005. When compared to October 31, 2005, the amount of outstanding debentures has not changed, as the Bank has issued $150 million, Series 10, 4.90%, subordinated debentures in January of 2006 and redeemed the 6.50% Debentures, Series 9, due 2011, for an equivalent amount on June 1, 2006.

On November 7, 2006, the Board of Directors declared regular dividends on the various series of preferred shares to shareholders of record on December 8, 2006. Also, at its meeting on December 12, 2006, the Board of Directors declared a dividend of $0.29 per common share, payable on February 1, 2007 to shareholders of record on January 3, 2007.

Assets under administration stood at $14.7 billion at October 31, 2006 compared to $13.8 billion at October 31, 2005. Most classes of assets under administration have increased during the year as a result of organic growth, good market performance and securitization activities.

SEGMENTED INFORMATION

Results improved for all business segments in 2006, essentially as a result of higher revenues. Most impressive was the performance of B2B Trust, which improved its contribution by more than 25% over last year. The increase in net interest income of $12.2 million, in the Other sector was again a key element to the Bank's overall performance in 2006. The measures implemented over the recent years to grow business operations are also paying off, as indicate the increases in average loans for the B2B Trust, Retail Financial Services and Commercial Financial Services segments of 11%, 7% and 5%, respectively. For its part, the Laurentian Bank Securities segment improved its contribution by 12%, as business development activities also started to contribute to results.

Net income contributions

(in millions of $)	Retail Financial Services	Commercial Financial Services	B2B Trust	Laurentian Bank Securities	Other	Total
2006	34.6 [30.2 from cont. operations]	22.7	24.3	3.8	(15.1) [(15.4) from cont. operations]	70.3 [65.6 from cont. operations]
2005	34.5 [30.1 from cont. operations]	21.5	19.1	3.4	(13.3) [(18.5) from cont. operations]	65.3 [55.6 from cont. operations]
Q4-2006	14.3 [9.8 from cont. operations]	5.5	6.3	1.5	(5.1)	22.6 [18.1 from cont. operations]
Q3-2006	6.7	6.9	6.8	0.5	(14.7)	6.2
Q4-2005	13.0 [8.5 from cont. operations]	4.1	5.2	1.1	(1.8) [(1.6) from cont. operations]	21.6 [17.4 from cont. operations]

Retail Financial Services

For 2006, the contribution to consolidated results of the Retail Financial Services segment was relatively unchanged at $34.6 million, compared to $34.5 million in 2005, despite significant investments in business development activities, which should provide continued benefits in 2007. Income from continuing operations was $30.2 million in 2006, compared to $30.1 million in 2005, excluding the $5.2 million ($4.4 million net of income taxes) portions of the gain on the sale of BLC-Edmond de Rothschild Asset Management Inc. recorded in both 2006 and 2005.

Revenues improved significantly in 2006. Net interest income was up $6.6 million, as a result of the growth in both loan and deposit portfolios, while other revenues increased by $7.5 million, as credit insurance income, mutual funds distribution income and VISA credit card service revenues all improved. These increases in revenues are encouraging and reflect the effect of our strategies to increase the share of our customers' wallets. Loan losses increased to $23.0 million, compared to $20.7 million for 2005 as a combined effect of the growth in loan volumes and a slight increase of the loss ratio for consumer loan portfolios. Expenses were up $14.0 million to $287.2 million in 2006, from $273.2 million in 2005. The increase, essentially in salaries and employee benefits, results mainly from the hiring of additional employees to support growth, as well as higher salaries and pension costs.

Results for the fourth quarter of 2006 improved to $14.3 million, compared to $13.0 million in 2005. Income from continuing operations was $9.8 million in 2006, compared to $8.5 million in 2005. Improvements are largely attributable to the same items detailed above.

The Bank's innovative strategy with regard to its entire range of investment products and services has significantly contributed to increase sales. In addition to the growth in loan volumes, noted above, sales of mutual funds have reached a new record high in 2006. The Bank places great emphasis on products which contribute the most significantly to results. This strategy further aims at increasing revenues from its financial planning services and optimizing synergies, particularly with the full-service and discount brokerage divisions.

The Bank, furthermore, went ahead with the continuing expansion of its branch network with the opening of its 158th Laurentian Bank branch in Kirkland/Pierrefonds, a Montreal suburb. This is the very first Laurentian Bank full service boutique offering commercial financial services, private banking services and brokerage services through Laurentian Bank Securities, in addition to the traditional retail financial services. Indeed, the Kirkland branch now represents a one-stop center, where the clientele from the West Island of Montreal can find the whole range of services that best meet their needs.

Commercial Financial Services

For 2006, the contribution to consolidated results of the Commercial Financial Services business segment was $22.7 million, compared to $21.5 million in 2005. Excluding the forgone revenues of Brome, sold at the beginning of the year, revenues increased by more than $3.1 million. The growth in average loans of $99 million in 2006 mainly came from real estate financing and should contribute even further to revenue in 2007. Loan losses decreased by $2.0 million in 2006, when compared to 2005, as the credit environment remained generally stable despite certain pressures in Central Canada resulting from the Asian competition and the appreciation of the Canadian dollar. Excluding the effect of the sale of Brome, non-interest expense increased, mainly as a result of higher salaries and employee benefits.

Results for the fourth quarter of 2006 were $5.5 million, compared to $4.1 million for the fourth quarter of 2005. Lower loan losses largely explain this improvement, as the decrease in revenues and non-interest expenses, both related to the sale of Brome, more or less offset each other.

During the fourth quarter of 2006, Commercial Financial Services signed an agreement with a leading provider of commercial loan management solutions and launched a new product enabling clients to automate the ongoing management of their margin-based loans. The Bank thus becomes the very first Canadian banking institution offering its business clientele this innovative service that greatly simplifies their management process. Moreover, this new management tool will further reduce the amount of time the Bank's employees need to spend processing and monitoring these accounts and enable them to provide customers with value-added information.

B2B Trust

The net income contribution of B2B Trust improved by 27% to $24.3 million in 2006, from $19.1 million for 2005. The year over year increase results from higher net interest income coming from additional loan volumes, partially offset by lower fee-based revenues and higher non-interest expenses. Loan losses on the investment loan portfolios have remained excellent, while losses related to the line of credit portfolio have stabilized.

Net income for the fourth quarter of 2006 was $6.3 million, compared to $5.2 million for the fourth quarter of 2005. The improvement is largely attributable to the items detailed above.

In order to consolidate its leading position in its main markets, B2B Trust reviews its service offerings on a continuous basis. Over the last few months, B2B Trust's investment loan program has thus been updated so as to better meet the evolving demands of its clientele. The new program, launched in September 2006, offers a wider selection of made-to-measure options, higher loan limits and a wider range of eligible mutual funds, all the while adhering to such basics as value, choice and ease.

In November 2006, Fidelity Investments Canada Limited selected B2B Trust as the supplier of an investment loan program. Fidelity is ranked seventh in the Canadian market, with over $41 billion in assets under management.

Laurentian Bank Securities

The Laurentian Bank Securities business segment reported net income of $3.8 million for 2006, compared to $3.4 million for 2005. Revenues increased by $1.0 million to $23.6 million in 2006, mainly as a result of the good performance of the institutional sector. Non-interest expenses were up $0.8 million, mainly as a result of measures taken to develop its retail brokerage division, including the hiring of more than 20 new employees. Also, brokerage assets under management have increased by 19% or $301 million since the beginning of the year.

Net income for the fourth quarter of 2006 was $1.5 million, compared to $1.1 million for the fourth quarter of 2005. The improvement is largely attributable to the items detailed above.

Laurentian Bank Securities pursued the development of its new business unit, Institutional Equity, launched in May 2006. Furthermore, it has expanded and modernized its network of points of service: the Quebec City branch was opened during the fourth quarter of 2006, and Laurentian Bank Securities will also be operating in the new Kirkland/Pierrefonds financial boutique.

Other sector

The contribution of the Other sector for 2006 stood at $(15.1) million, compared to $(13.3) million a year ago. Income from continuing operations was $(15.4) million in 2006, compared to $(18.5) million in 2005. Net interest income improved to $(35.7) million in 2006, from $(47.9) million in 2005, mainly as a result of the stricter asset and liability management strategies and the capital structure realignment. The decline in other income is largely attributable to the lower income from treasury and financial market activities and securitization operations. The effect of certain tax items, as detailed above, also contributed positively to the sector's results.

Net income for the fourth quarter of 2006 was $(5.1) million, compared to $(1.8) million for the fourth quarter of 2005. The decrease is mainly related to the securitization operations, which were particularly high for this quarter in 2005, and the lower income from treasury and financial markets activities.

Additional financial information – Quarterly results

				2006				2005
in millions of dollars, except per share amounts (unaudited)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenue	**$134.8**	$135.8	$128.5	$131.5	$133.8	$131.1	$118.0	$119.2
Income from continuing operations	**18.1**	6.2	24.6	16.7	17.4	15.2	11.0	12.1
Net income	**22.6**	6.2	24.6	17.0	21.6	15.8	10.6	17.3
Income per common share from continuing operations								
Basic	**0.65**	0.13	0.92	0.58	0.61	0.52	0.34	0.38
Diluted	**0.65**	0.13	0.91	0.58	0.61	0.52	0.34	0.38
Net income per common share								
Basic	**0.84**	0.13	0.92	0.59	0.79	0.54	0.33	0.61
Diluted	**0.84**	0.13	0.91	0.59	0.79	0.54	0.33	0.60
Return on common shareholders' equity	**10.8%**	1.7%	12.5%	7.9%	10.6%	7.4%	4.6%	8.3%
Balance sheet assets	**17,296**	17,062	17,307	16,742	16,507	16,125	16,671	15,817

About Laurentian Bank

Laurentian Bank of Canada, is a Quebec banking institution operating across Canada dedicated to meeting the financial needs of its clients through the excellence of its service, its simplicity and its proximity. The Bank serves individual consumers, small and medium-sized businesses as well as, through B2B Trust, financial advisors. It also provides full-service brokerage solutions through its Laurentian Bank Securities subsidiary.

Laurentian Bank is well established in the Province of Quebec, operating the third largest retail branch network and is a performing player in specific market segments elsewhere in the country. Laurentian Bank of Canada has over $17 billion in balance sheet assets and close to $15 billion in assets under administration. Founded in 1846, the Bank employs more than 3,200 people. Its common shares are listed on the Toronto Stock Exchange (TSX: LB). For more information, please visit www.laurentianbank.ca.

Corporate governance

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

Caution regarding forward-looking statements

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

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

The Bank cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ appreciably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. These factors include, among other things, capital market activity, changes in government monetary, fiscal and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition, credit ratings, scarcity of human resource and technological change. The Bank cautions that the foregoing list of factors is not exhaustive.

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

Conference call

Laurentian Bank invites media representatives and the public to listen to the conference call with financial analysts to be held Tuesday December 12, 2006 at 2 p.m. Eastern Time. The live, listen-only, toll free call-in number is 1-866-898-9626.

You can listen to the call on a delayed basis at any time from 6:00 p.m. Tuesday December 12 until midnight January 2, 2007, by dialling the following play back number: 1-800-408-3053 Code 3203826 #.

The conference call can also be heard through the Investors' Relations section of the Bank's Web site at www.laurentianbank.ca.

The Bank's Website also offers additional financial information.

– 30 –

Chief Financial Officer: Robert Cardinal, (514) 284-4500 #7535
Media and Investors Relations contact: Gladys Caron, (514) 284-4500 #7511;
cell (514) 893-3963

FINANCIAL HIGHLIGHTS

IN MILLIONS OF DOLLARS, EXCEPT PER SHARE AMOUNTS (UNAUDITED)	Q4-06	Q4-05	VARIATION	FOR THE YEARS ENDED OCTOBER 31 2006	OCTOBER 31 2005	VARIATION
Earnings						
Net income	$ 22.6	$ 21.6	5 %	$ 70.3	$ 65.3	8 %
Income from continuing operations	$ 18.1	$ 17.4	4 %	$ 65.6	$ 55.6	18 %
Net income available to common shareholders	$ 19.7	$ 18.6	6 %	$ 58.6	$ 53.3	10 %
Return on common shareholders' equity	10.8 %	10.6 %		8.2 %	7.8 %	
Per common share						
Diluted net income	$ 0.84	$ 0.79	6 %	$ 2.48	$ 2.26	10 %
Diluted income from continuing operations	$ 0.65	$ 0.61	7 %	$ 2.28	$ 1.85	23 %
Dividends	$ 0.29	$ 0.29	- %	$ 1.16	$ 1.16	- %
Book value				$ 31.18	$ 29.85	5 %
Share price - close				$ 29.05	$ 30.35	(4) %
Financial position						
Balance sheet assets				$ 17,296	$ 16,507	5 %
Assets under administration				$ 14,725	$ 13,766	7 %
Loans, bankers' acceptances and assets purchased under reverse repurchase agreements, net				$ 13,117	$ 12,374	6 %
Personal deposits				$ 10,949	$ 10,575	4 %
Shareholders' equity and debentures				$ 1,096	$ 1,063	3 %
Number of common shares (in thousands)				23,620	23,557	- %
Net impaired loans as a % of loans, bankers' acceptances and assets purchased under reverse repurchase agreements				- %	(0.1) %	
Risk-weighted assets				$ 8,702	$ 8,523	2 %
Capital ratios						
Tier I BIS				10.3 %	10.2 %	
Total BIS capital				12.4 %	12.3 %	
Assets to capital multiple				16.1 x	15.8 x	
Tangible common equity as a percentage of risk-weighted assets				7.7 %	7.5 %	
FINANCIAL RATIOS						
Per common share						
Price / earnings ratio				11.7 x	13.4 x	
Market to book value				93 %	102 %	
Dividend yield	3.99 %	3.82 %		3.99 %	3.82 %	
Dividend payout ratio	34.7 %	36.8 %		46.7 %	51.2 %	
As a percentage of average assets						
Net interest income	2.19 %	2.06 %		2.14 %	1.99 %	
Provision for credit losses	0.24 %	0.28 %		0.24 %	0.24 %	
Net income	0.54 %	0.52 %		0.42 %	0.40 %	
Net income available to common shareholders	0.47 %	0.45 %		0.35 %	0.33 %	
Profitability						
Other income (as a % of total revenue)	31.7 %	36.2 %		32.7 %	35.1 %	
Efficiency ratio (non-interest expenses as a % of total revenue)	76.1 %	74.0 %		75.7 %	76.1 %	
OTHER INFORMATION						
Number of full-time equivalent employees				3,238	3,180	
Number of branches				158	157	
Number of automated banking machines				325	313	

CONSOLIDATED STATEMENT OF INCOME

IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS (UNAUDITED)	NOTES	FOR THE THREE-MONTH PERIODS ENDED OCTOBER 31 2006	JULY 31 2006	OCTOBER 31 2005	FOR THE YEARS ENDED OCTOBER 31 2006	OCTOBER 31 2005
Interest income						
Loans		$ **199,015**	$ 195,625	$ 174,932	$ **755,009**	$ 682,591
Securities		**17,317**	19,609	14,710	**70,446**	59,744
Deposits with other banks		**2,419**	3,709	2,341	**11,721**	7,864
		218,751	218,943	191,983	**837,176**	750,199
Interest expense						
Deposits and other liabilities		**124,704**	124,394	102,802	**467,255**	408,309
Subordinated debentures	5	**1,965**	3,057	3,769	**12,714**	16,199
		126,669	127,451	106,571	**479,969**	424,508
Net interest income		**92,082**	91,492	85,412	**357,207**	325,691
Provision for credit losses	3	**10,000**	10,000	11,750	**40,000**	40,000
		82,082	81,492	73,662	**317,207**	285,691
Other income						
Fees and commissions on loans and deposits		**21,262**	22,097	22,689	**84,615**	89,164
Brokerage operations		**6,648**	4,837	5,603	**22,286**	20,167
Income from treasury and financial market operations		**4,168**	5,102	4,805	**15,206**	16,223
Income from registered self-directed plans		**2,325**	2,540	3,008	**10,515**	11,830
Securitization income	4	**1,035**	2,245	4,852	**9,972**	11,664
Income from sale of mutual funds		**2,911**	2,717	2,335	**10,637**	9,570
Credit insurance income		**3,222**	3,131	2,510	**12,578**	7,687
Gain on disposal	2	**-**	-	-	**931**	-
Other		**1,158**	1,681	2,598	**6,728**	10,066
		42,729	44,350	48,400	**173,468**	176,371
		124,811	125,842	122,062	**490,675**	462,062
Non-interest expenses						
Salaries and employee benefits		**53,579**	51,530	51,091	**205,711**	192,163
Premises and technology		**27,024**	26,457	27,518	**106,891**	107,559
Other		**21,967**	23,075	20,401	**89,081**	82,229
		102,570	101,062	99,010	**401,683**	381,951
Income from continuing operations before income taxes		**22,241**	24,780	23,052	**88,992**	80,111
Income taxes	9	**4,105**	18,624	5,642	**23,436**	24,488
Income from continuing operations		**18,136**	6,156	17,410	**65,556**	55,623
Income from discontinued operations, net of income taxes	2	**4,422**	-	4,149	**4,776**	9,659
Net income		$ **22,558**	$ 6,156	$ 21,559	$ **70,332**	$ 65,282
Preferred share dividends, including applicable income taxes		**2,811**	2,986	2,998	**11,766**	12,030
Net income available to common shareholders		$ **19,747**	$ 3,170	$ 18,561	$ **58,566**	$ 53,252
Average number of common shares (in thousands)						
Basic		**23,616**	23,613	23,546	**23,605**	23,525
Diluted		**23,639**	23,644	23,586	**23,649**	23,552
Income per common share from continuing operations						
Basic		$ **0.65**	$ 0.13	$ 0.61	$ **2.28**	$ 1.85
Diluted		$ **0.65**	$ 0.13	$ 0.61	$ **2.28**	$ 1.85
Net income per common share						
Basic		$ **0.84**	$ 0.13	$ 0.79	$ **2.48**	$ 2.26
Diluted		$ **0.84**	$ 0.13	$ 0.79	$ **2.48**	$ 2.26

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

CONSOLIDATED BALANCE SHEET

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	OCTOBER 31 2006	OCTOBER 31 2005
ASSETS			
Cash resources			
Cash and non-interest-bearing deposits with other banks		$ 70,907	$ 57,737
Interest-bearing deposits with other banks		98,722	259,791
		169,629	317,528
Securities			
Investment account		1,567,222	1,911,819
Trading account		1,675,058	1,028,587
		3,242,280	2,940,406
Assets purchased under reverse repurchase agreements		802,546	508,073
Loans	3 AND 4		
Personal		4,168,026	3,907,320
Residential mortgages		5,985,656	5,806,853
Commercial mortgages		659,014	595,946
Commercial and other		1,476,977	1,539,893
		12,289,673	11,850,012
Allowance for loan losses		(125,153)	(129,806)
		12,164,520	11,720,206
Other			
Customers' liability under acceptances		149,818	145,629
Property, plant and equipment		111,291	93,793
Derivative financial instruments		96,980	143,453
Future tax assets	9	101,048	106,932
Goodwill		53,790	53,790
Other intangible assets		15,333	16,547
Other assets		388,724	460,627
		916,984	1,020,771
		$ 17,295,959	$ 16,506,984
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Personal		$ 10,949,473	$ 10,575,416
Business, banks and other		2,145,028	3,121,522
		13,094,501	13,696,938
Other			
Obligations related to assets sold short		1,077,009	726,063
Obligations related to assets sold under repurchase agreements		1,100,385	60,065
Acceptances		149,818	145,629
Derivative financial instruments		81,807	105,326
Other liabilities		696,019	709,723
		3,105,038	1,746,806
Subordinated debentures	5	150,000	150,000
Shareholders' equity			
Preferred shares		210,000	210,000
Common shares	6	251,158	249,633
Contributed surplus		518	73
Retained earnings		485,334	454,124
Treasury shares	6	(590)	(590)
		946,420	913,240
		$ 17,295,959	$ 16,506,984

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 YEARS ENDED OCTOBER 31 2006	OCTOBER 31 2005
Preferred shares			
Balance at beginning and end of year		**$ 210,000**	$ 210,000
Common shares	6		
Balance at beginning of year		**249,633**	248,593
Issued during the year		**1,525**	1,040
Balance at end of year		**251,158**	249,633
Contributed surplus			
Balance at beginning of year		**73**	-
Stock-based compensation		**445**	73
Balance at end of year		**518**	73
Retained earnings			
Balance at beginning of year		**454,124**	428,159
Net income		**70,332**	65,282
Dividends			
Preferred shares, including applicable income taxes		**(11,766)**	(12,030)
Common shares		**(27,356)**	(27,287)
Balance at end of year		**485,334**	454,124
Treasury shares			
Balance at beginning of year		**(590)**	-
Acquisition		**-**	(590)
Balance at end of year		**(590)**	(590)
Shareholders' equity		**$ 946,420**	$ 913,240

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

CONSOLIDATED STATEMENT OF CASH FLOWS

IN THOUSANDS OF DOLLARS (UNAUDITED)	NOTES	FOR THE THREE-MONTH PERIODS ENDED OCTOBER 31 2006	JULY 31 2006	OCTOBER 31 2005	FOR THE YEARS ENDED OCTOBER 31 2006	OCTOBER 31 2005
Cash flows relating to operating activities						
Net income		$ **22,558**	$ 6,156	$ 21,559	$ **70,332**	$ 65,282
Adjustments to determine net cash flows relating to operating activities:						
Provision for credit losses		**10,000**	10,000	11,750	**40,000**	40,000
Gains on securitization operations	4	**-**	(1,251)	(4,222)	**(6,161)**	(8,995)
Net loss on disposal of property, plant and equipment		**3**	-	948	**29**	1,312
Net loss (gain) from discontinued operations	2	**(5,182)**	1	(4,771)	**(5,714)**	(10,595)
Gain on disposal	2	**-**	-	-	**(931)**	-
Net loss (gain) on sale of securities held for investment		**(98)**	(127)	1,076	**1,421**	(2,019)
Future income taxes		**3,101**	12,549	4,060	**8,036**	10,805
Depreciation and amortization		**7,180**	6,552	7,105	**27,193**	29,707
Net change in trading securities		**(153,982)**	138,461	48,117	**(590,977)**	(18,431)
Change in accrued interest receivable		**(3,424)**	(1,842)	(4,703)	**1,605**	(5,460)
Change in assets relating to derivative financial instruments		**21,595**	29,505	39,628	**46,473**	58,264
Change in accrued interest payable		**29,412**	3,830	200	**40,224**	(45,086)
Change in liabilities relating to derivative financial instruments		**(24,132)**	(35,713)	(38,136)	**(23,519)**	(84,163)
Other, net		**54,527**	(76,649)	(24,171)	**61,309**	(70,604)
		(38,442)	91,472	58,440	**(330,680)**	(39,983)
Cash flows relating to financing activities						
Net change in deposits		**(421,681)**	408,326	435,047	**(602,437)**	785,898
Change in obligations related to assets sold short		**122,124**	(312,238)	(26,057)	**350,946**	(769,511)
Change in obligations related to assets sold under repurchase agreements		**476,905**	(129,649)	19,190	**1,040,320**	44,158
Issuance of subordinated debentures	5	**-**	-	-	**150,000**	-
Redemption of subordinated debentures	5	**-**	(150,000)	(50,000)	**(150,000)**	(100,525)
Issuance of common shares, net of issue costs		**210**	-	443	**1,525**	1,040
Acquisition of treasury shares		**-**	-	(590)	**-**	(590)
Dividends, including applicable income taxes		**(9,654)**	(9,829)	(9,821)	**(39,122)**	(39,317)
		167,904	(193,390)	368,212	**751,232**	(78,847)
Cash flows relating to investing activities						
Net cash flows from the sale of discontinued operations	2	**-**	-	5,040	**-**	45,670
Net cash flows from the sale of a subsidiary	2	**-**	-	-	**(140)**	-
Net change in interest-bearing deposits with other banks		**264,664**	(19,039)	134,351	**161,069**	20,960
Change in investment securities						
Acquisitions		**(2,905,462)**	(1,958,771)	(7,019,758)	**(12,881,435)**	(26,117,606)
Proceeds from sales and maturity		**2,977,052**	1,865,608	6,553,923	**13,168,669**	26,189,909
Change in loans		**(171,958)**	(394,531)	(194,680)	**(1,150,389)**	(948,243)
Change in assets purchased under reverse repurchase agreements		**(264,378)**	512,339	(75,738)	**(294,473)**	625,847
Proceeds from mortgage loan securitizations	4	**-**	111,087	179,621	**631,896**	341,408
Additions to property, plant and equipment		**(15,442)**	(9,998)	(11,158)	**(43,002)**	(29,165)
Proceeds from disposal of property, plant and equipment		**18**	-	5	**423**	106
		(115,506)	106,695	(428,394)	**(407,382)**	128,886
Net change in cash and non-interest-bearing deposits with other banks during the period		**13,956**	4,777	(1,742)	**13,170**	10,056
Cash and non-interest-bearing deposits with other banks at beginning of period		**56,951**	52,174	59,479	**57,737**	47,681
Cash and non-interest-bearing deposits with other banks at end of period		$ **70,907**	$ 56,951	$ 57,737	$ **70,907**	$ 57,737
Supplemental disclosure relating to cash flows:						
Interest paid during the period		$ **93,979**	$ 125,266	$ 107,416	$ **440,922**	$ 475,255
Income taxes paid during the period		$ **1,558**	$ 3,943	$ 5,686	$ **18,832**	$ 31,640

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. ■ ACCOUNTING POLICIES

The unaudited interim consolidated financial statements of Laurentian Bank have been prepared by management, who is responsible for the integrity and fairness of the financial information presented. These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for interim financial statements. The significant accounting policies used in the preparation of these interim consolidated financial statements are the same as those in the Bank's annual consolidated audited financial statements as at October 31, 2005. 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, 2005. These interim consolidated financial statements reflect amounts, which are based on the best estimates and judgement of management. Actual results may differ from these estimates. Certain comparative figures have been reclassified to conform to the current period presentation.

Future changes to accounting policies
Financial instruments
On April 1, 2005, the CICA issued three accounting standards *Financial Instruments – Recognition and Measurement, Hedges and Comprehensive Income*. These new standards will be effective for the Bank on November 1, 2006. The Bank is presently completing its analysis of the new standards, including the potential effect of the proposed amendments. Therefore, the impact of implementing these standards on the Bank's financial statements cannot yet be determined. Furthermore, the impact on financial statements will also be dependent on the Bank's investment and hedging strategies, as well as on market volatility at the time of application of these standards.

Financial Instruments – Recognition and Measurement
All financial assets and liabilities will be carried at fair value in the consolidated balance sheet, except loans and receivables held-to-maturity, investments held-to-maturity and non-trading financial liabilities, which will be carried at amortized cost. Realized and unrealized gains and losses on trading financial assets and liabilities will be recognized immediately in the consolidated statement of income. Unrealized gains and losses on financial assets that are available for sale will be recognized in other comprehensive income until their realization, after which these amounts will be recognized in the consolidated statement of income. All derivative financial instruments will be carried at fair value in the consolidated balance sheet.

Hedges
In a fair value hedge, hedging derivatives are carried at fair value, with changes in fair value recognized in the consolidated statement of income. The changes in the fair value of the hedged items attributable to the hedged risk will also be recorded in consolidated income by way of a corresponding adjustment of the carrying amount of the hedged items recognized in the consolidated balance sheet. In a cash flow hedge, the changes in fair value of derivative financial instruments will be recorded in other comprehensive income. These amounts will be reclassified in the consolidated statement of income in the periods in which results are affected by the cash flows of the hedged items. Similarly, any hedge ineffectiveness will be recorded in the consolidated statement of income.

Comprehensive income
Other comprehensive income will be included in the consolidated balance sheet as a separate component of shareholders' equity.

2. DISPOSALS

2006

Sale of the subsidiary Brome Financial Corporation Inc.

On December 31, 2005, the Bank completed the sale of its 51% participation in Brome Financial Corporation Inc. The net sale price, paid in cash, amounted to $3,853,000, for a gain of $931,000 ($931,000 net of taxes). At the date of sale, total assets sold amounted to $32,170,000, including cash for an amount of $3,993,000. These operations were presented in the Commercial Financial Services segment. The gain resulting from the sale was entirely attributed to this segment.

Contribution to net income was not significant and total revenue was as follows:

IN THOUSANDS OF DOLLARS	FOR THE THREE-MONTH PERIODS ENDED OCTOBER 31 **2006**	JULY 31 2006	OCTOBER 31 2005	FOR THE YEARS ENDED OCTOBER 31 **2006**	OCTOBER 31 2005
Total revenue	**$ -**	$ -	$ 2,007	**$ 1,279**	$ 7,800

2005

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

On December 31, 2004, the Bank recognized an initial $5,377,000 gain in income from discontinued operations as a result of the sale of the BLC-Edmond de Rothschild Asset Management Inc. joint-venture (BLCER) to Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance). The sale price was subject to recovery clauses of $25,917,000 based on net sales of mutual funds over the following six years ending on December 31, 2010 and of $300,000 based on the balance of institutional funds under management on December 31, 2005. As a result, $26,217,000 was initially recorded as a deferred gain. For both 2006 and 2005, the expected level of net sales of mutual funds to be achieved by December 31 of each years exceeded significantly the required minimum levels. Consequently, the sale proceeds of $5,183,000 ($4,422,000 net of income taxes) related to each of the first two years was recognized in income during the fourth quarter of 2006 and 2005. The remaining deferred portion of the proceeds will be recognized over the next three years as the net sales thresholds are considered achieved. During the first quarter ended January 31, 2006, the Bank also recognized a gain of $187,000 ($124,000 net of income taxes) with regards to the recovery clause related to institutional funds under management.

As well, in relation with the sale of BLCER, it was agreed that investments in seed capital owned by the Bank at the time of the transaction would be disposed of. Since then, the realized and unrealized net gains and losses related to these investments were recognized under income from discontinued operations. During the first and second quarter of 2006, the Bank completed the sale of these investments and recorded revenues of $344,000 ($230,000 net of income taxes) to reflect the realized net gains.

Income recognized with respect to the recovery clause related to the sales threshold of mutual funds was attributed to the Retail Financial Services segment, while the other gains were attributed to the Other segment.

Income per common share from discontinued operations

IN DOLLARS	FOR THE THREE-MONTH PERIODS ENDED OCTOBER 31 **2006**	JULY 31 2006	OCTOBER 31 2005	FOR THE YEARS ENDED OCTOBER 31 **2006**	OCTOBER 31 2005
Basic	**$ 0.19**	$ -	$ 0.18	**$ 0.20**	$ 0.41
Diluted	**$ 0.19**	$ -	$ 0.18	**$ 0.20**	$ 0.41

3. LOANS

LOANS AND IMPAIRED LOANS

AS AT OCTOBER 31, 2006

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

AS AT OCTOBER 31, 2005

IN THOUSANDS OF DOLLARS	GROSS AMOUNT OF LOANS	GROSS AMOUNT OF IMPAIRED LOANS	SPECIFIC ALLOWANCES	GENERAL ALLOWANCES	TOTAL ALLOWANCES
Personal loans	$ 3,907,320	$ 16,919	$ 7,267	$ 24,828	$ 32,095
Residential mortgages	5,806,853	9,783	3,735	5,559	9,294
Commercial mortgages	595,946	12,173	5,904	4,648	10,552
Commercial loans and other	1,539,893	82,063	47,650	25,818	73,468
Unallocated general allowance	-	-	-	4,397	4,397
	$ 11,850,012	$ 120,938	$ 64,556	$ 65,250	$ 129,806

SPECIFIC ALLOWANCES FOR LOAN LOSSES

FOR THE YEARS ENDED OCTOBER 31

IN THOUSANDS OF DOLLARS	PERSONAL LOANS	RESIDENTIAL MORTGAGES	COMMERCIAL MORTGAGES	COMMERCIAL LOANS AND OTHER	2006 TOTAL SPECIFIC ALLOWANCES	2005 TOTAL SPECIFIC ALLOWANCES
Balance at beginning of year	$ 7,267	$ 3,735	$ 5,904	$ 47,650	$ 64,556	$ 74,792
Provision for credit losses recorded in the consolidated statement of income	27,660	369	(145)	12,116	40,000	40,000
Write-offs	(33,721)	(662)	(2,287)	(12,398)	(49,068)	(56,001)
Recoveries	4,453	37	-	336	4,826	5,765
Provision for credit losses resulting from the sale of a subsidiary (see note 2)	-	-	-	(411)	(411)	-
Balance at end of year	$ 5,659	$ 3,479	$ 3,472	$ 47,293	$ 59,903	$ 64,556

GENERAL ALLOWANCES FOR LOAN LOSSES

FOR THE YEARS ENDED OCTOBER 31

IN THOUSANDS OF DOLLARS	PERSONAL LOANS	RESIDENTIAL MORTGAGES	COMMERCIAL MORTGAGES	COMMERCIAL LOANS AND OTHER	UNALLOCATED GENERAL ALLOWANCE	2006 TOTAL GENERAL ALLOWANCES	2005 TOTAL GENERAL ALLOWANCES
Balance at beginning of year	$ 24,828	$ 5,559	$ 4,648	$ 25,818	$ 4,397	$ 65,250	$ 65,250
Change during the year	1,608	(788)	(2,177)	1,082	275	-	-
Balance at end of year	$ 26,436	$ 4,771	$ 2,471	$ 26,900	$ 4,672	$ 65,250	$ 65,250

4. LOAN SECURITIZATION

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

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

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE YEARS ENDED	
IN THOUSANDS OF DOLLARS	**OCTOBER 31 2006**	JULY 31 2006	OCTOBER 31 2005	**OCTOBER 31 2006**	OCTOBER 31 2005
Cash proceeds, net of transaction related costs	**$ -**	$ 111,087	$ 179,621	**$ 631,896**	$ 341,408
Rights to future excess interest	**-**	2,856	7,362	**14,375**	14,567
Servicing liabilities	**-**	(733)	(1,549)	**(4,401)**	(2,889)
Cash reserve accounts	**-**	4,629	760	**15,582**	760
Other	**-**	(872)	(1,404)	**(3,646)**	(2,003)
	-	116,967	184,790	**653,806**	351,843
Residential loans securitized and sold	**-**	115,716	180,568	**647,645**	342,848
Gains before income taxes, net of transaction related costs	**$ -**	$ 1,251	$ 4,222	**$ 6,161**	$ 8,995

The total principal amount of securitized loans outstanding amounted to $1,079,026,000 as at October 31, 2006 ($702,718,000 as at October 31, 2005).

5. SUBORDINATED DEBENTURES

On June 1, 2006, the Bank completed the early redemption of all of its 6.50% Debentures, Series 9, maturing in 2011, with an aggregate principal amount of $150,000,000, plus accrued and unpaid interest to the date of redemption.

On January 23, 2006, the Bank issued $150,000,000 of subordinated debentures, Series 10, due in January 2016. Interest on this issue is payable semi-annually at a fixed rate of 4.90% until January 25, 2011, and at a floating rate equal to the rate on 90 days bankers' acceptances plus 1.65% (paid quarterly) thereafter to maturity.

6. CAPITAL STOCK

Issuance of common shares

During the quarter, 7,571 common shares (63,891 common shares during the year ended October 31, 2006) were issued under the employee share purchase option plan for the management of the Bank for a cash consideration of $210,000 ($1,525,000 during the year ended October 31, 2006).

ISSUED AND OUTSTANDING	**AS AT OCTOBER 31, 2006**		AS AT OCTOBER 31, 2005	
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	**23,620,436**	**$ 251,158**	23,556,545	$ 249,633
Treasury shares	**(20,000)**	**$ (590)**	(20,000)	$ (590)

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

7. STOCK-BASED COMPENSATION

Restricted Share Unit Program

During the first quarter of 2006, the Bank established a new stock-based compensation program, the Restricted Share Unit Program. The Program provides that 50% of the annual bonus otherwise payable to an eligible employee, under the Bank's short term incentive compensation program, could be held back and converted into entirely vested restricted share units at the employees' option. The Bank undertakes to contribute additional restricted share units for an amount equal to 60% of the held back bonus. These additional units will vest at the end of the three-year period after they have been granted. These share units are entitled to an amount equivalent to the dividend paid on the Bank's common shares, which is also converted into additional share units. The expense related to these units is recognized similarly as for stock appreciation rights, over the rights' vesting period.

On January 19, 2006, annual bonuses for certain employees amounting to $854,000 were converted into 24,382 entirely vested restricted share units. On the same date, the Bank granted 14,629 additional restricted share units which will vest in December 2008.

Stock option purchase plan

There were no new grants in 2006. Information on outstanding number of options is as follows:

	AS AT OCTOBER 31, 2006	AS AT OCTOBER 31, 2005
	NUMBER	NUMBER
Share purchase options		
Outstanding at end of year	**339,604**	429,037
Exercisable at end of year	**339,604**	404,037

Employee share purchase program

During the year, the Bank established a new employee share purchase program. Under this program, employees who meet the eligibility criteria can contribute up to 5% of their annual gross salary by way of payroll deductions. The Bank matches 30% of the employee contribution amount, to a maximum of $1,500 per annum. The Bank's contributions vest to the employee two years after each employee's contribution. The Bank's contributions, amounting to $113,000 during the year of 2006, were charged to salaries and employee benefits.

8. EMPLOYEE FUTURE BENEFITS

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE YEARS ENDED	
	OCTOBER 31	JULY 31	OCTOBER 31	OCTOBER 31	OCTOBER 31
IN THOUSANDS OF DOLLARS	**2006**	2006	2005	**2006**	2005
Defined benefit pension plans expense	**$ 4,795**	$ 4,805	$ 3,378	**$ 18,835**	$ 13,408
Defined contribution pension plan expense	**677**	691	551	**2,591**	2,183
Other plans expense	**642**	630	628	**2,512**	2,497
Total	**$ 6,114**	$ 6,126	$ 4,557	**$ 23,938**	$ 18,088

9. INCOME TAXES

The following table presents the 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					
IN THOUSANDS OF DOLLARS	OCTOBER 31 2006		JULY 31 2006		OCTOBER 31 2005	
Income taxes at statutory rate	**$ 7,317**	**32.9 %**	$ 8,152	32.9 %	$ 7,376	32.0 %
Changes resulting from:						
Tax rate changes	**-**	**-**	11,000	44.4	-	-
Lower tax rate on foreign credit insurance operations	**(837)**	**(3.8)**	(517)	(2.1)	-	-
Tax exempt revenues (dividends)	**(253)**	**(1.1)**	(419)	(1.7)	(68)	(0.3)
Federal large corporations tax	**-**	**-**	-	-	97	0.4
Corporate reorganization and other	**(2,122)**	**(9.5)**	408	1.6	(1,763)	(7.6)
Income taxes from continuing operations	**$ 4,105**	**18.5 %**	$ 18,624	75.1%	$ 5,642	24.5 %

	FOR THE YEARS ENDED			
IN THOUSANDS OF DOLLARS	OCTOBER 31 2006		OCTOBER 31 2005	
Income taxes at statutory rate	**$ 29,280**	**32.9 %**	$ 25,651	32.0 %
Changes resulting from:				
Resolution of income tax exposures	**(11,300)**	**(12.7)**	-	-
Tax rate changes	**8,602**	**9.7**	-	-
Realized gain on repatriation of accumulated foreign retained earnings	**4,520**	**5.1**	-	-
Recognition of previously unrecognized temporary differences related to the minimum tax on financial institutions	**(2,750)**	**(3.2)**	-	-
Tax exempt revenues (dividends)	**(1,061)**	**(1.2)**	(343)	(0.4)
Lower tax rate on foreign credit insurance operations	**(2,441)**	**(2.7)**	-	-
Federal large corporations tax	**-**	**-**	779	1.0
Corporate reorganization and other	**(1,414)**	**(1.6)**	(1,599)	(2.0)
Income taxes from continuing operations	**$ 23,436**	**26.3 %**	$ 24,488	30.6 %

The net charge resulting from tax rate changes of $8,602,000, presented above, is attributable to the $2,398,000 gain resulting from the increase in the corporate tax rate in Quebec for the years 2006 and thereafter, as well as from the $11,000,000 charge resulting from the reduction of the Federal Corporate Income Tax Rate for the years 2008 and thereafter.

Income earned on foreign credit insurance operations would generally be taxed only upon repatriation to Canada. As at October 31, 2005, since the Bank did not intend to repatriate accumulated income prior to November 1, 2003, no income taxes were recognized . As a result of certain amendments to the Income Tax Act which prompted the Bank to repatriate its foreign credit insurance income, income taxes were recognized from November 1, 2003 to July 27, 2006, on these operations.

On July 27, 2006, the Bank repatriated substantially all income accumulated as at that date, including income accumulated prior to October 31, 2003. This transaction generated an additional income tax expense of $4,520,000.

Since the Bank's management does not expect to repatriate income accumulated after July 27, 2006, no future income tax expense has been recognized on such income. Taxes that would be payable if all unremitted earnings were repatriated are estimated at $837,000 as at October 31, 2006.

10. WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES

	FOR THE THREE-MONTH PERIODS ENDED			FOR THE YEARS ENDED	
	OCTOBER 31 **2006**	JULY 31 2006	OCTOBER 31 2005	OCTOBER 31 **2006**	OCTOBER 31 2005
Average number of outstanding common shares	**23,615,910**	23,612,865	23,546,016	**23,605,077**	23,525,404
Dilutive share options and other	**23,570**	31,025	39,873	**43,741**	27,026
Weighted average diluted number of outstanding common shares	**23,639,480**	23,643,890	23,585,889	**23,648,818**	23,552,430
Average number of share purchase options that were not taken into account in the calculation of diluted net income per common share[1]	**115,867**	124,200	137,800	**60,510**	290,285

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

11. SEGMENTED INFORMATION

FOR THE THREE-MONTH PERIOD ENDED OCTOBER 31, 2006

IN THOUSANDS OF DOLLARS	RFS [2]	CFS	B2B [2]	LBS	OTHER	TOTAL
Net interest income	$ 66,103	$ 15,173	$ 18,984	$ 228	$ (8,406)	$ 92,082
Other income	24,483	5,153	2,869	6,754	3,470	42,729
Total revenue	90,586	20,326	21,853	6,982	(4,936)	134,811
Provision for credit losses	5,455	3,246	1,299	-	-	10,000
Non-interest expenses	71,602	8,751	11,000	4,883	6,334	102,570
Income (loss) from continuing operations before income taxes	13,529	8,329	9,554	2,099	(11,270)	22,241
Income taxes (recovery)	3,686	2,790	3,240	562	(6,173)	4,105
Income (loss) from continuing operations	9,843	5,539	6,314	1,537	(5,097)	18,136
Income from discontinued operations, net of income taxes	4,422	-	-	-	-	4,422
Net income	$ 14,265	$ 5,539	$ 6,314	$ 1,537	$ (5,097)	$ 22,558
Average assets[1]	$ 8,410,836	$ 2,297,350	$ 2,797,887	$ 1,598,461	$ 1,574,901	$ 16,679,435

FOR THE THREE-MONTH PERIOD ENDED JULY 31, 2006

IN THOUSANDS OF DOLLARS	RFS [2]	CFS	B2B [2]	LBS	OTHER [4]	TOTAL
Net interest income	$ 66,198	$ 14,648	$ 19,051	$ 207	$ (8,612)	$ 91,492
Other income	24,515	5,873	3,145	4,913	5,904	44,350
Total revenue	90,713	20,521	22,196	5,120	(2,708)	135,842
Provision for credit losses	7,289	1,215	1,496	-	-	10,000
Non-interest expenses	73,307	8,939	10,469	4,565	3,782	101,062
Income (loss) from continuing operations before income taxes	10,117	10,367	10,231	555	(6,490)	24,780
Income taxes	3,388	3,473	3,471	43	8,249	18,624
Income (loss) from continuing operations	6,729	6,894	6,760	512	(14,739)	6,156
Income from discontinued operations, net of income taxes	-	-	-	-	-	-
Net income	$ 6,729	$ 6,894	$ 6,760	$ 512	$ (14,739)	$ 6,156
Average assets[1]	$ 8,277,569	$ 2,265,991	$ 2,771,988	$ 1,464,569	$ 2,052,333	$ 16,832,450

11. SEGMENTED INFORMATION (CONTINUED)

IN THOUSANDS OF DOLLARS	RFS [2,3]	CFS [3]	B2B [2,3]	LBS	OTHER	TOTAL
						FOR THE TREE-MONTH PERIOD ENDED OCTOBER 31, 2005
Net interest income	$ 64,817	$ 14,206	$ 16,510	$ 292	$ (10,413)	$ 85,412
Other income	23,019	7,381	3,576	5,660	8,764	48,400
Total revenue	87,836	21,587	20,086	5,952	(1,649)	133,812
Provision for credit losses	5,126	4,957	1,667	-	-	11,750
Non-interest expenses	69,576	10,238	10,538	4,255	4,403	99,010
Income (loss) from continuing operations before income taxes	13,134	6,392	7,881	1,697	(6,052)	23,052
Income taxes (recovery)	4,589	2,276	2,690	586	(4,499)	5,642
Income (loss) from continuing operations	$ 8,545	$ 4,116	$ 5,191	$ 1,111	$ (1,553)	$ 17,410
Income (loss) from discontinued operations, net of income taxes	4,422	-	-	-	(273)	4,149
Net income	$ 12,967	$ 4,116	$ 5,191	$ 1,111	$ (1,826)	$ 21,559
Average assets[1]	$ 7,925,976	$ 2,255,775	$ 2,524,306	$ 1,274,537	$ 2,450,145	$ 16,430,739

IN THOUSANDS OF DOLLARS	RFS [2]	CFS [5]	B2B [2]	LBS	OTHER [4]	TOTAL
						FOR THE YEAR ENDED OCTOBER 31, 2006
Net interest income	**$ 259,091**	**$ 59,166**	**$ 73,606**	**$ 1,018**	**$ (35,674)**	**$ 357,207**
Other income	**95,139**	**22,762**	**12,633**	**22,619**	**20,315**	**173,468**
Total revenue	**354,230**	**81,928**	**86,239**	**23,637**	**(15,359)**	**530,675**
Provision for credit losses	**23,047**	**11,136**	**5,817**	**-**	**-**	**40,000**
Non-interest expenses	**287,158**	**36,705**	**43,657**	**18,331**	**15,832**	**401,683**
Income (loss) from continuing operations before income taxes	**44,025**	**34,087**	**36,765**	**5,306**	**(31,191)**	**88,992**
Income taxes (recovery)	**13,873**	**11,417**	**12,473**	**1,458**	**(15,785)**	**23,436**
Income (loss) from continuing operations	**30,152**	**22,670**	**24,292**	**3,848**	**(15,406)**	**65,556**
Income from discontinued operations, net of income taxes	**4,422**	**-**	**-**	**-**	**354**	**4,776**
Net income	**$ 34,574**	**$ 22,670**	**$ 24,292**	**$ 3,848**	**$ (15,052)**	**$ 70,332**
Average assets[1]	**$ 8,206,159**	**$ 2,260,638**	**$ 2,713,829**	**$ 1,506,531**	**$ 2,004,321**	**$ 16,691,478**

11. SEGMENTED INFORMATION (CONTINUED)

FOR THE YEAR ENDED OCTOBER 31, 2005

IN THOUSANDS OF DOLLARS	RFS [2,3]	CFS [3]	B2B [2,3]	LBS [6]	OTHER	TOTAL
Net interest income	$ 252,496	$ 56,221	$ 63,577	$ 1,290	$ (47,893)	$ 325,691
Other income	87,639	29,112	14,036	21,361	24,223	176,371
Total revenue	340,135	85,333	77,613	22,651	(23,670)	502,062
Provision for credit losses	20,685	13,107	6,208	-	-	40,000
Non-interest expenses	273,198	38,874	42,435	17,535	9,909	381,951
Income (loss) from continuing operations before income taxes	46,252	33,352	28,970	5,116	(33,579)	80,111
Income taxes (recovery)	16,140	11,813	9,886	1,733	(15,084)	24,488
Income (loss) from continuing operations	30,112	21,539	19,084	3,383	(18,495)	55,623
Income from discontinued operations, net of income taxes	4,422	-	-	-	5,237	9,659
Net income	$ 34,534	$ 21,539	$ 19,084	$ 3,383	$ (13,258)	$ 65,282
Average assets[1]	$ 7,684,783	$ 2,221,761	$ 2,451,836	$ 1,439,039	$ 2,530,115	$ 16,327,534

RFS - The Retail Financial Services segment covers the full range of savings, investment, financing and transactional products and services offered through its direct distribution network, which includes branches, the electronic network and the call centre, as well as Point-of-Sale financing across Canada. This business segment also offers Visa credit card services and insurance products as well as trust services.

CFS - The Commercial Financial Services segment handles commercial loans and larger financings as part of banking syndicates, as well as commercial mortgage financing, leasing, factoring and other services.

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

LBS - LBS segment consists of the activities of the subsidiary Laurentian Bank Securities Inc. and up to December 31, 2004, the activities of BLC - Edmond de Rothschild Asset Management Inc.

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

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

2 Since November 1, 2005 results from all deposit brokerage operations are now included with the B2B Trust business segment while certain activities were previously included with the RFS business segment. Comparative figures were restated to reflect the current period presentation.

3 In 2006, the Bank reviewed its internal transfer pricing assumptions and modified net interest margin allocation betwen segments. Comparative figures were restated to reflect the current presentation.

4 See note 9 related to income taxes.

5 Results for the first quarter of 2006 include a $0.05 million contribution to net income from Brome Financial Corporation Inc. for the two months prior to the sale of the subsidiary and the $0.93 million gain from this sale (note 2).

6 Results for the first quarter of 2005 include a $0.03 million contribution to net income from BLC-Edmond de Rothschild Asset Management Inc. for the two months prior to the sale of the joint-venture.

OTHER INCOME

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	Q1	2006 TOTAL
Fees and commissions on loans and deposits					
Deposit service charges	$ 12,055	$ 12,096	$ 11,926	$ 11,836	$ 47,913
Lending fees	5,865	6,414	5,303	6,096	23,678
Card service revenues	3,342	3,587	2,983	3,112	13,024
Sub-total - fees and commissions on loans and deposits	21,262	22,097	20,212	21,044	84,615
Other					
Brokerage operations	6,648	4,837	5,812	4,989	22,286
Income from treasury and financial market operations	4,168	5,102	2,889	3,047	15,206
Income from registered self-directed plans	2,325	2,540	2,893	2,757	10,515
Securitization income	1,035	2,245	3,554	3,138	9,972
Income from sale of mutual funds	2,911	2,717	2,636	2,373	10,637
Credit insurance income	3,222	3,131	3,249	2,976	12,578
Gain on disposal	-	-	-	931	931
Other	1,158	1,681	1,587	2,302	6,728
Sub-total - other	21,467	22,253	22,620	22,513	88,853
Total - other income	$ 42,729	$ 44,350	$ 42,832	$ 43,557	$ 173,468
As a % of average assets	1.02 %	1.05 %	1.05 %	1.04 %	1.04 %

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	Q1	2005 TOTAL
Fees and commissions on loans and deposits					
Deposit service charges	$ 11,960	$ 12,096	$ 12,145	$ 11,538	$ 47,739
Lending fees	7,693	7,666	7,517	7,499	30,375
Card service revenues	3,036	3,022	2,483	2,509	11,050
Sub-total - fees and commissions on loans and deposits	22,689	22,784	22,145	21,546	89,164
Other					
Brokerage operations	5,603	4,734	4,899	4,931	20,167
Income from treasury and financial market operations	4,805	5,637	1,566	4,215	16,223
Income from registered self-directed plans	3,008	2,839	3,023	2,960	11,830
Securitization income	4,852	3,032	719	3,061	11,664
Income from sale of mutual funds	2,335	2,165	2,238	2,832	9,570
Credit insurance income	2,510	1,515	2,004	1,658	7,687
Other	2,598	2,925	2,297	2,246	10,066
Sub-total - other	25,711	22,847	16,746	21,903	87,207
Total - other income	$ 48,400	$ 45,631	$ 38,891	$ 43,449	$ 176,371
As a % of average assets	1.17 %	1.10 %	0.99 %	1.05 %	1.08 %

NON - INTEREST EXPENSES

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	Q1	2006 TOTAL
Salaries and employee benefits	$ 53,579	$ 51,530	$ 48,260	$ 52,342	$ 205,711
Premises and technology					
Equipment and computer services	10,187	10,214	10,415	9,948	40,764
Rent and property taxes	8,399	8,345	8,372	8,451	33,567
Depreciation	6,874	6,249	6,348	6,502	25,973
Maintenance and repairs	1,327	1,211	1,209	1,177	4,924
Public utilities	265	276	364	316	1,221
Other	(28)	162	188	120	442
Sub-total - premises and technology	27,024	26,457	26,896	26,514	106,891
Other expenses					
Taxes and insurance	5,983	5,732	6,110	6,090	23,915
Communications and travelling expenses	4,436	4,666	4,371	4,061	17,534
Fees and commissions	5,357	5,210	4,903	3,688	19,158
Advertising and business development	3,124	3,837	3,728	4,611	15,300
Stationery and publications	1,412	1,443	1,490	1,622	5,967
Recruitment and training	383	612	490	611	2,096
Other	1,272	1,575	1,273	991	5,111
Sub-total - other expenses	21,967	23,075	22,365	21,674	89,081
Total - non-interest expenses	$ 102,570	$ 101,062	$ 97,521	$ 100,530	$ 401,683
As a % of average assets	2.44 %	2.38 %	2.40 %	2.41 %	2.41 %

IN THOUSANDS OF DOLLARS (UNAUDITED)	Q4	Q3	Q2	Q1	2005 TOTAL
Salaries and employee benefits	$ 51,091	$ 50,618	$ 45,647	$ 44,807	$ 192,163
Premises and technology					
Equipment and computer services	9,712	9,608	9,036	9,243	37,599
Rent and property taxes	8,092	8,253	8,389	8,387	33,121
Depreciation	6,799	6,624	7,462	7,475	28,360
Maintenance and repairs	1,436	1,222	1,550	1,131	5,339
Public utilities	231	220	333	276	1,060
Other	1,248	540	(62)	354	2,080
Sub-total - premises and technology	27,518	26,467	26,708	26,866	107,559
Other expenses					
Taxes and insurance	5,458	5,989	5,691	6,447	23,585
Communications and travelling expenses	4,331	4,539	4,362	4,373	17,605
Fees and commissions	4,576	4,435	3,965	3,545	16,521
Advertising and business development	2,531	4,008	3,736	2,935	13,210
Stationery and publications	1,402	1,312	1,603	1,705	6,022
Recruitment and training	586	612	493	643	2,334
Other	1,517	514	554	367	2,952
Sub-total - other expenses	20,401	21,409	20,404	20,015	82,229
Total - non-interest expenses	$ 99,010	$ 98,494	$ 92,759	$ 91,688	$ 381,951
As a % of average assets	2.39 %	2.38 %	2.37 %	2.22 %	2.34 %

REGULATORY CAPITAL - BIS

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT OCTOBER 31 2006	AS AT OCTOBER 31 2005
Tier I capital		
Common shares	$ 250,568	$ 249,043
Contributed surplus	518	73
Retained earnings	485,334	454,124
Non-cumulative preferred shares	210,000	210,000
Non-controlling interest in a subsidiary	-	6,715
Less: goodwill	(53,790)	(53,790)
Total - Tier I capital (A)	892,630	866,165
Tier II capital		
Subordinated debentures	150,000	150,000
General allowances	65,250	65,250
Total - Tier II capital	215,250	215,250
Investment in non-consolidated corporations, securitization and other	(28,469)	(32,364)
Regulatory capital - BIS (B)	$ 1,079,411	$ 1,049,051
Total risk-weighted assets (C)	$ 8,702,241	$ 8,522,568
Tier I BIS capital ratio (A/C)	10.3 %	10.2 %
Total BIS capital ratio (B/C)	12.4 %	12.3 %
Assets to capital multiple	16.1 x	15.8 x
Tangible common equity as a percentage of risk-weighted assets	7.7 %	7.5 %

RISK-WEIGHTED ASSETS

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT OCTOBER 31 2006	AS AT OCTOBER 31 2005
Balance sheet items		
Cash resources	$ 41,931	$ 87,652
Securities	481,035	396,881
Mortgage loans	2,400,540	2,328,913
Other loans and customers' liability under acceptances	5,146,909	5,063,069
Other assets	462,541	496,652
General allowances	65,250	65,250
Total - balance sheet items	8,598,206	8,438,417
Off-balance sheet items		
Derivative financial instruments	26,620	33,040
Credit-related commitments	77,415	51,111
Total - risk-weighted assets	$ 8,702,241	$ 8,522,568

ASSETS UNDER ADMINISTRATION

IN THOUSANDS OF DOLLARS (UNAUDITED)	AS AT OCTOBER 31 2006	AS AT OCTOBER 31 2005
Self-directed RRSPs and RRIFs	$ 8,283,398	$ 7,958,593
Institutional	1,724,998	1,808,809
Clients' brokerage assets	1,923,658	1,622,608
Mutual funds	1,405,164	1,212,810
Mortgage loans under management	1,223,020	843,015
Other - Personal	165,070	319,683
Total - assets under administration	$ 14,725,308	$ 13,765,518