

*Consolidated Financial Statements of*

**C.A. BANCORP INC.**

*June 30, 2009*

*(Unaudited)*

# **C.A. BANCORP INC.**

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**June 30, 2009 (Unaudited)**

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# C.A. BANCORP INC.

## Consolidated Balance Sheets

As at June 30, 2009 (Unaudited) and December 31, 2008 (in \$ thousands)

Note

2009

2008

### ASSETS

Cash and cash equivalents		\$	12,630	\$	1,245
Cash held as collateral			-		700
Accounts receivable			2,265		1,132
Assets from discontinued operations (AgriFinancial)	<a href="#">2</a>		-		85,664
Loans receivable	<a href="#">3</a>		180		104
Publicly traded investments	<a href="#">4</a>		1,175		2,024
Investments in private entities	<a href="#">5</a>		36,531		30,253
Investment in Charter REIT	<a href="#">6</a>		8,265		8,948
Investment in C.A. Bancorp Canadian Realty Finance Corporation	<a href="#">7</a>		9,054		9,293
Other corporate investments			348		378
Future income taxes	<a href="#">8</a>		369		2,745
Intangible assets	<a href="#">7, 9</a>		2,564		2,922
Goodwill	<a href="#">9</a>		-		1,823
Prepaid expenses and other assets			142		357
Capital assets			162		190
		\$	73,685	\$	147,778

### LIABILITIES

Accounts payable and accrued liabilities	<a href="#">10</a>	\$	1,405	\$	721
Due to broker			1		2,600
Future income tax liabilities	<a href="#">8</a>		140		-
Note payable to C.A. Bancorp Canadian Realty Finance Corporation	<a href="#">7</a>		2,281		2,578
Liabilities from discontinued operations (AgriFinancial)	<a href="#">2</a>		-		75,094
			3,827		80,993

### NON-CONTROLLING INTERESTS

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### SHAREHOLDERS' EQUITY

Share capital	<a href="#">11</a>		77,034		78,747
Contributed surplus	<a href="#">11</a>		5,058		4,408
Deficit			(12,277)		(16,436)
			69,815		66,719
		\$	73,685	\$	147,778

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"John F. Driscoll"

..... Director

"Paul Haggis"

..... Director

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

# C.A. BANCORP INC.

## Consolidated Statements of Operations and Comprehensive (Loss) Income

(Unaudited) (in \$ thousands except per share amounts)	Note	Three months ended June 30,		Six months ended June 30,	
		2009	2008	2009	2008
<b>REVENUE</b>					
Interest and investment income		\$ 795	\$ 1,836	\$ 1,495	\$ 3,200
Asset management fees		522	135	1,076	413
Other fees and commissions		80	132	174	269
		<b>1,397</b>	<b>2,103</b>	<b>2,745</b>	<b>3,882</b>
<b>NET RESULTS OF INVESTMENTS</b>					
Realized gain (loss) on sale of publicly traded investments	4	80	(1,740)	(670)	(1,969)
Change in unrealized gain (loss) on publicly traded investments	4	61	33	908	(2,766)
Change in unrealized gain on investments in private entities held for trading	5	632	57	189	108
Unrealized foreign exchange (loss) gain, investments in private entities	5	(77)	3	(44)	3
Impairment loss on goodwill and intangible assets related to Barlow	9	(2,069)	-	(2,069)	-
Equity participation in other corporate investments		(13)	(8)	(30)	(14)
Equity participation in C.A. Bancorp Canadian Realty Finance Corporation	7	107	-	129	-
Equity participation in Charter REIT		(222)	(68)	(263)	(264)
		<b>(1,501)</b>	<b>(1,723)</b>	<b>(1,850)</b>	<b>(4,902)</b>
<b>EXPENSES</b>					
Corporate and transaction costs	10	858	179	1,040	341
General and administration		606	352	989	686
Employee costs	10	398	-	949	-
Fees paid to Sentry Select	10	387	496	787	1,020
Interest expense		45	751	106	1,085
Other		8	-	36	-
Stock based compensation		(530)	192	(569)	332
		<b>1,772</b>	<b>1,970</b>	<b>3,338</b>	<b>3,464</b>
<b>NET LOSS BEFORE INCOME TAXES</b>		<b>(1,876)</b>	<b>(1,590)</b>	<b>(2,443)</b>	<b>(4,484)</b>
<b>PROVISION (RECOVERY) FOR INCOME TAXES</b>					
Current tax (recovery) provision	8	(172)	15	(490)	51
Future tax provision (recovery)	8	131	(336)	874	(924)
		<b>(41)</b>	<b>(321)</b>	<b>384</b>	<b>(873)</b>
<b>NET LOSS FROM CONTINUING OPERATIONS BEFORE NON-CONTROLLING INTERESTS</b>		<b>(1,835)</b>	<b>(1,269)</b>	<b>(2,827)</b>	<b>(3,611)</b>
<b>NON-CONTROLLING INTERESTS</b>		<b>(15)</b>	<b>-</b>	<b>(23)</b>	<b>-</b>
<b>NET LOSS FROM CONTINUING OPERATIONS</b>		<b>(1,820)</b>	<b>(1,269)</b>	<b>(2,804)</b>	<b>(3,611)</b>
<b>NET EARNINGS FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>123</b>	<b>6,963</b>	<b>365</b>
<b>NET EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS)</b>		<b>\$ (1,820)</b>	<b>\$ (1,146)</b>	<b>\$ 4,159</b>	<b>\$ (3,246)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (in thousands)</b>					
Basic		26,944	28,164	27,080	28,228
Diluted		26,944	28,164	27,080	28,228
<b>NET EARNINGS (LOSS) PER SHARE - BASIC</b>					
Continuing operations		\$ (0.07)	\$ (0.05)	\$ (0.11)	\$ (0.12)
Discontinued operations		-	0.01	0.26	0.01
Net earnings (loss) per share		<b>\$ (0.07)</b>	<b>\$ (0.04)</b>	<b>\$ 0.15</b>	<b>\$ (0.11)</b>
<b>NET EARNINGS (LOSS) PER SHARE - DILUTED</b>					
Continuing operations		\$ (0.07)	\$ (0.05)	\$ (0.11)	\$ (0.12)
Discontinued operations		-	0.01	0.26	0.01
Net earnings (loss) per share		<b>\$ (0.07)</b>	<b>\$ (0.04)</b>	<b>\$ 0.15</b>	<b>\$ (0.11)</b>

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

**C.A. BANCORP INC.**  
**Consolidated Statements of Deficit and Accumulated Other**  
**Comprehensive Income**

**For the three and six months ended June 30 (Unaudited)**

(in \$ thousands except per share amounts)

<b>For the three months ended June 30</b>	<b>Deficit</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Total</b>
Balance, March 31, 2008	\$ (4,177)	\$ -	\$ (4,177)
Net loss for the period	(1,146)	-	(1,146)
<b>Balance, June 30, 2008</b>	<b>\$ (5,323)</b>	<b>\$ -</b>	<b>\$ (5,323)</b>
<b>Balance, March 31, 2009</b>	<b>\$ (10,457)</b>	<b>\$ -</b>	<b>\$ (10,457)</b>
<b>Net loss for the period</b>	<b>(1,820)</b>	<b>-</b>	<b>(1,820)</b>
<b>Balance, June 30, 2009</b>	<b>\$ (12,277)</b>	<b>\$ -</b>	<b>\$ (12,277)</b>
<b>For the six months ended June 30</b>	<b>Deficit</b>	<b>Income</b>	<b>Total</b>
Balance, December 31, 2007	\$ (2,077)	\$ -	\$ (2,077)
Net loss for the period	(3,246)	-	(3,246)
<b>Balance, June 30, 2008</b>	<b>\$ (5,323)</b>	<b>\$ -</b>	<b>\$ (5,323)</b>
<b>Balance, December 31, 2008</b>	<b>\$ (16,436)</b>	<b>\$ -</b>	<b>\$ (16,436)</b>
<b>Net earnings for the period</b>	<b>4,159</b>	<b>-</b>	<b>4,159</b>
<b>Balance, June 30, 2009</b>	<b>\$ (12,277)</b>	<b>\$ -</b>	<b>\$ (12,277)</b>

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

**C.A. BANCORP INC.**  
**Consolidated Statements of Cash Flows**  
(Unaudited) (in \$ thousands)

	<i>Note</i>	Three months ended June 30,		Six months ended June 30,	
		2009	2008	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES IN CONTINUING OPERATIONS</b>					
Net earnings (loss)		\$ (1,820)	\$ (1,146)	\$ 4,159	\$ (3,246)
Less: Earnings from discontinued operations, net of tax		-	123	6,963	365
Net loss from continuing operations		(1,820)	(1,269)	(2,804)	(3,611)
Adjusted for non-cash items:					
Future tax provision (recovery)		131	(336)	874	(924)
Change in unrealized loss on publicly traded investments	4	(61)	(33)	(908)	2,766
Non-controlling interest		(15)	-	(23)	-
Stock based compensation		(530)	192	(569)	332
Equity participation in Charter REIT		222	68	263	264
Bad debt provision	3	(6)	-	8	-
Equity participation in C.A. Bancorp Canadian Realty Finance Corporation		(107)	-	(129)	-
Realized loss (gain) on publicly traded investments		(80)	1,740	670	1,969
Equity participation in other corporate entities		13	8	30	14
Depreciation and amortization		14	-	28	-
Amortization of issue costs		-	183	-	183
Impairment loss on goodwill and intangible assets related to Barlow	9	2,069	-	2,069	-
Non-cash interest income on private investments		(172)	(99)	(486)	(179)
Change in unrealized gain on private investments		(632)	(57)	(189)	(108)
Unrealized foreign exchange (loss) gain		76	(3)	43	(3)
		(898)	394	(1,123)	703
Changes in non-cash operating working capital:					
(Decrease) increase in current liabilities		252	2,655	(1,915)	8,576
(Increase) decrease in receivables		564	(652)	(1,133)	825
Increase (decrease) in prepaid expenses and other assets		212	(24)	215	71
Cash flows (used in) from operating activities in continuing operations		130	2,373	(3,956)	10,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES IN CONTINUING OPERATIONS</b>					
Mortgages and loans issued		-	(21,076)	(131)	(29,314)
Mortgages and loans repaid		33	500	47	812
Financing fees received		-	217	-	358
Purchase of publicly traded investments		(1)	(6,757)	(12)	(8,096)
Sale proceeds of publicly traded investments		751	9,966	1,099	13,961
Investments in private entities	5	(856)	(2,500)	(5,646)	(12,289)
Cash held as collateral		-	-	700	-
Class A Share distributions received from C.A. Bancorp Canadian Realty Finance Corporation		184	-	368	-
Loan from C.A. Bancorp Canadian Realty Finance Corporation		(111)	-	(185)	-
Distributions received from Charter REIT	6	242	455	482	909
Investment in Charter REIT	6	(16)	(79)	(62)	(79)
Purchase of capital assets		1	-	-	-
Cash flows (used in) from investing activities in continuing operations		227	(19,274)	(3,340)	(33,738)
<b>CASH FLOWS FROM FINANCING ACTIVITIES IN CONTINUING OPERATIONS</b>					
Preferred shares issued by C.A. Bancorp Canadian Realty Finance Corporation		-	-	-	38,500
C.A. Bancorp common shares repurchased	11	(324)	(694)	(494)	(1,243)
Issue costs of C.A. Bancorp Canadian Realty Finance Corporation		-	(260)	-	(3,352)
C.A. Bancorp Canadian Realty Finance Corporation preferred shares repurchased		-	(16)	-	(16)
Cash received by C.A. Bancorp Canadian Realty Finance Corporation from non-controlling interest		-	21,848	-	42,000
C.A. Bancorp Canadian Realty Finance Corporation common share portfolio		-	(21,404)	-	(40,539)
C.A. Bancorp Canadian Realty Finance Corporation forward contract		-	(444)	-	(1,461)
Cash flows (used in ) from financing activities in continuing operations		(324)	(970)	(494)	33,889
Cash flows (used in) from continuing operations		33	(17,871)	(7,790)	10,326
Cash flows from discontinued operating activities		-	223	-	546
Cash flows from discontinued investing activities	2	-	(279)	19,175	5,316
Cash flows from discontinued financing activities		-	(8)	-	(6,991)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>33</b>	<b>(17,935)</b>	<b>11,385</b>	<b>9,197</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>		<b>12,597</b>	<b>30,499</b>	<b>1,245</b>	<b>3,337</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>		<b>12,630</b>	<b>\$ 12,564</b>	<b>12,630</b>	<b>\$ 12,534</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>					
Cash and cash equivalents from continuing operations		\$ 12,630	\$ 11,332	\$ 12,630	\$ 11,332
Cash and cash equivalents from discontinued operations	2	-	1,262	-	1,202
		\$ 12,630	\$ 12,594	\$ 12,630	\$ 12,534
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>					
Income taxes paid		\$ 174	\$ 916	\$ 272	\$ 1,709
Interest paid		\$ 45	\$ 907	\$ 105	\$ 1,497

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

# C.A. BANCORP INC.

## Notes to the Consolidated Financial Statements

June 30, 2009 (Unaudited)

(in thousands of dollars except per share amounts or unless otherwise stated)

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### 1. CHANGES AND ADDITIONS TO ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). The disclosures contained in these unaudited interim consolidated financial statements do not include all the requirements of GAAP for annual financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2008. These unaudited interim consolidated financial statements are based on accounting principles consistent with those used and described in the audited annual consolidated financial statements, except as described below.

#### (a) *Comparative figures*

Financial information has been reclassified for previous periods to reflect the discontinued operations from the sale of the Company’s investment in AgriFinancial Canada Corp. The results of this business and the assets and liabilities are shown in discontinued operations (see Note 2).

#### (b) *Principles of consolidation*

These financial statements as at June 30, 2009 include the accounts of C.A. Bancorp’s (the “Company”) subsidiaries (with ownership percentages in parentheses):

- C.A. Bancorp Ltd. (100%)
- C.A. Realty Management Inc. (100%)
- C.A. Bancorp Realty Finance Inc. (100%)
- C.A. Bancorp Telecom Inc. (100%)
- C.A.B. Barlow Holdings Corp. (100%)

The Company’s financial statements also include the results of operations of C.A. Bancorp Financial Corp. and the wholly-owned subsidiaries of C.A. Bancorp Financial Corp., AgriFinancial Canada Corp. and AgriFinancial Leasing Inc. (collectively “AgriFinancial”) from the beginning of 2009 until the date of sale on January 30, 2009. AgriFinancial has been classified as a discontinued operation (see Note 2).

In addition, the Company proportionately consolidates the accounts of International Infrastructure L.P. a joint-venture with Sentry Select Capital Corp. The Company proportionately consolidated cash of \$1.

All intercompany transactions and balances have been eliminated in these consolidated financial statements.

#### (c) *Use of estimates*

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are used in the valuation of loans receivable, valuation of intangible assets and goodwill, allocation of purchase price to intangible assets and goodwill, valuation of private equity investments, impairment of assets, loan provisions, useful life for amortization, and the calculation of the fair value of stock options. Actual results could differ from these estimates.

# C.A. BANCORP INC.

## Notes to the Consolidated Financial Statements

June 30, 2009 (Unaudited)

(in thousands of dollars except per share amounts or unless otherwise stated)

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### 1. CHANGES AND ADDITIONS TO ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

#### *(d) Changes in Accounting Policies and Recent Pronouncements*

In February 2008, the CICA issued Section 3064 “Goodwill and Intangible Assets” replacing Section 3062, “Goodwill and Other Intangible Assets” and Section 3450, “Research and Development Costs”. The changes are applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company has adopted the new standards for its fiscal year beginning January 1, 2009. The new standard establishes the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. The new standard did not have an impact on the consolidated financial statements.

#### *(e) Future Accounting Policies*

In January 2009, the CICA issued Sections 1582, “Business Combinations”, 1601, “Consolidated Financial Statements”, and 1602, “Non-Controlling Interests” which superseded current Sections, 1581, “Business Combinations” and 1600 “Consolidated Financial Statements”. These Sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these Sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. These new Sections were created to converge Canadian GAAP and International Financial Reporting Standards. The Company is currently evaluating the impact of the adoption of these standards on its consolidated financial statements.

**C.A. BANCORP INC.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2009 (Unaudited)**  
**(in thousands of dollars except per share amounts or unless otherwise stated)**

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**2. DISCONTINUED OPERATIONS - SALE OF AGRIFINANCIAL CANADA CORP.**

In October 2007 the Company invested \$9,500 and the Sentry Select Total Strategy Fund (“Total Strategy Fund”) invested \$1,000 of equity capital in C.A. Bancorp Financial Corp. which became the holding entity for the Company’s purchase of the AgriFinancial business lines: Agrifinance and AgriCard. The purchase was effected through two other newly created corporations and was financed with \$10,500 of equity capital provided by the Company and the Total Strategy Fund and approximately \$77,800 of debt financing (total assets purchased were approximately \$90,000 and the assumption of \$1,700 of liabilities).

In September 2008, the Company and Total Strategy Fund entered into an agreement to sell all of the outstanding shares of C.A. Bancorp Financial Corp. to a third party (the “Transaction”). The Transaction was subject to regulatory approvals and closed on January 30, 2009.

The sale price at closing of the Transaction was \$21.638 million (\$21.117 million after transaction fees). The Company received approximately \$18.976 million in cash (\$18.398 on closing and \$578 in April, 2009) and \$130 million in term loans for total net consideration received of \$19.106 million. Total Strategy Fund received approximately \$2.011 million in cash.

The gain on the sale of AgriFinancial was calculated as follows:

Total purchase price at closing	\$	21,638
Transaction fees		(521)
<hr/>		
Net consideration received		21,117
Less: Total Strategy Fund's proceeds		(2,011)
<hr/>		
Net proceeds on sale to C.A. Bancorp		19,106
Carrying value of C.A. Bancorp's equity in C.A. Bancorp Financial Corp. at closing		10,530
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Pre-tax realized gain on sale of AgriFinancial		8,576
Provision for income taxes		(1,641)
<hr/>		
Realized gain on sale of AgriFinancial, net of taxes		6,935
Net earnings from discontinued operations January 1st to January 30th, 2009		28
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Net earnings from discontinued operations	\$	6,963
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For financial reporting purposes in the fourth quarter of 2008 the operations of AgriFinancial were classified as “discontinued” and were accounted for in that manner. Assets and liabilities, while still consolidated, are aggregated and shown in two separate lines on the balance sheet which are discrete from the rest of the balance sheet captions. On the statement of operations, the discontinued operations of AgriFinancial are shown net so that revenues, expenses, taxes and non-controlling interests in relation to the AgriFinancial business are reflected on one-line and distinguished from the rest of the Company’s continuing operations.

The 2008 second quarter comparatives have been reclassified to reflect the change in status of AgriFinancial from a continuing operation to a discontinued operation. However this reclassification has not resulted in any change to the total assets, total liabilities, or net earnings (loss) reported for 2008.

**C.A. BANCORP INC.**  
**Notes to the Consolidated Financial Statements**

June 30, 2009 (Unaudited)

(in thousands of dollars except per share amounts or unless otherwise stated)

**2. DISCONTINUED OPERATIONS - SALE OF AGRIFINANCIAL CANADA CORP. (continued)**

The following table summarizes the statements of operations for the discontinued operations (note that only the net earnings from discontinued operations are reflected on the statement of operations):

	For the three months ended June 30,		For the six months ended June 30,	
	2009	2008	2009	2008
Revenues	\$ -	\$ 2,490	\$ 787	\$ 4,674
Expenses	-	(2,255)	(727)	(4,044)
Pre-tax earnings before non-controlling interest	-	235	60	630
Income tax expense	-	(102)	(29)	(233)
Non-controlling interest	-	(10)	(3)	(32)
Net earnings from discontinued operations	\$ -	\$ 123	\$ 28	\$ 365

**3. LOANS RECEIVABLE**

*a) Composition of loans receivable*

	June 30, 2009		December 31, 2008	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Loans receivable are comprised of the following:				
Related party loan (Barlow employee)	\$ 99	\$ 99	\$ 104	\$ 104
Other term loans	89	89	-	-
	<b>188</b>	<b>188</b>	104	104
Less: allowance for impaired loans	(8)	(8)	-	-
	<b>\$ 180</b>	<b>\$ 180</b>	\$ 104	\$ 104

The related party loan receivable is due from a management employee of Barlow Capital, repayable over three years and is at a market rate of interest. The term loans were received as consideration for the sale of C.A. Bancorp Financial Corp. (AgriFinancial – See Note 2).

*b) Allowance for impaired loans*

The allowance for impaired loans is comprised of \$8 of specific allowances on term loans.

**C.A. BANCORP INC.**  
**Notes to the Consolidated Financial Statements**

**June 30, 2009 (Unaudited)**

**(in thousands of dollars except per share amounts or unless otherwise stated)**

**3. LOANS RECEIVABLE (continued)**

The change in the allowance for impaired loans for the period is as follows:

<b>Term loans</b>	For the three and six months ended June 30,	
Allowance, December 31, 2008	\$	-
Provision		14
Write-offs		-
Recoveries		(6)
<b>Allowance, June 30, 2009</b>	<b>\$</b>	<b>8</b>

**4. PUBLICLY TRADED INVESTMENTS**

In accordance with the Company's accounting policies, a fair value (change in unrealized gain (loss)) adjustment of \$908 was recognized in the statement of operations on the publicly traded investments for the six months ended June 30, 2009 (six months ended June 30, 2008 – change in unrealized loss taken to income of \$2,766) bringing the total balance sheet adjustment to an unrealized loss of \$(4,317) at June 30, 2009 (December 31, 2008 – unrealized loss adjustment of \$(5,225)).

Industry Grouping	June 30, 2009			December 31, 2008		
	Cost	Fair Value	Unrealized Loss	Cost	Fair Value	Unrealized Loss
Industrials	\$ 3,162	\$ 398	\$ (2,764)	\$ 3,162	\$ 412	\$ (2,750)
Diversified and Other	-	-	-	307	575	268
Financial Services	2,330	777	(1,553)	3,531	987	(2,544)
Infrastructure	-	-	-	179	37	(142)
Energy and Commodities	-	-	-	70	13	(57)
<b>Total</b>	<b>\$ 5,492</b>	<b>\$ 1,175</b>	<b>\$ (4,317)</b>	<b>\$ 7,249</b>	<b>\$ 2,024</b>	<b>\$ (5,225)</b>

The Company had five positions in its publicly traded investments portfolio as at June 30, 2009 carried at a fair value of \$1,175. The largest position in the portfolio was \$398. The average investment size in the portfolio was \$235 and the median investment size was \$214.

A 10% price move on the average investment in the portfolio would result in a pre-tax gain or loss on the statement of operations of \$24 and on the portfolio's largest position of \$40.

A 10% move on the entire portfolio would result in a pre-tax gain or loss of \$118.

# C.A. BANCORP INC.

## Notes to the Consolidated Financial Statements

June 30, 2009 (Unaudited)

(in thousands of dollars except per share amounts or unless otherwise stated)

### 5. INVESTMENTS IN PRIVATE ENTITIES

Issuer <i>Financial Instrument</i>	Classification	Maturity Date	June 30, 2009				December 31, 2008			
			Face/ Contractual Value	Cost	Carrying Value	Unrealized Gain (Loss)	Face/ Contractual Value	Cost	Carrying Value	Unrealized Gain (Loss)
<b>High Fidelity HDTV</b>										
<i>Debenture</i>	Held-to-Maturity	Jul-10	\$ 3,976	\$ 3,707	\$ 3,707	\$ -	\$ 2,750	\$ 2,464	\$ 2,464	\$ -
<i>PIK Interest</i>	Held-to-Maturity	Jul-10	408	408	408	-	209	209	209	-
<i>Common Shares</i>	Held-for-Trading	n/a	-	4	11	7	-	4	5	1
<i>Warrants</i>	Held-for-Trading	n/a	-	546	1,489	943	-	451	644	193
<i>Equity Option</i>	Held-for-Trading	n/a	-	65	55	(10)	-	50	40	(10)
			<b>4,384</b>	<b>4,729</b>	<b>5,669</b>	<b>940</b>	<b>2,959</b>	<b>3,178</b>	<b>3,362</b>	<b>184</b>
<b>Birmingham Foundation Solutions</b>										
<i>Preferred Shares</i>	Held-for-Trading	n/a	9,000	9,000	9,000	-	8,280	8,280	8,280	-
<i>Common Shares</i>	Held-for-Trading	n/a	-	1,000	1,000	-	-	920	920	-
			<b>9,000</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>8,280</b>	<b>9,200</b>	<b>9,200</b>	<b>-</b>
<b>Windward Telecom</b>										
<i>Preferred Shares</i>	Held-for-Trading	n/a	-	509	581	72	-	509	609	100
<i>Common Shares</i>	Held-for-Trading	n/a	-	201	233	32	-	201	244	43
<i>Promissory Note</i>	Held-to-Maturity	Demand	86	81	86	5	87	78	87	9
			<b>86</b>	<b>791</b>	<b>900</b>	<b>109</b>	<b>87</b>	<b>788</b>	<b>940</b>	<b>152</b>
<b>Kingswood Estates</b>										
<i>Equity</i>	Held-for-Trading	n/a	-	6,000	6,000	-	-	6,000	6,000	-
			<b>-</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>
<b>Salbro Bottle Group</b>										
<i>Debenture</i>	Held-to-Maturity	Feb-12	4,000	3,564	3,564	-	3,600	3,152	3,152	-
<i>Warrants</i>	Held-for-Trading	n/a	-	580	531	(49)	-	532	506	(26)
			<b>4,000</b>	<b>4,144</b>	<b>4,095</b>	<b>(49)</b>	<b>3,600</b>	<b>3,684</b>	<b>3,658</b>	<b>(26)</b>
<b>Everus Communications</b>										
<i>Debenture</i>	Available-for-Sale	Jun-10	5,000	4,444	3,427	(1,017)	4,413	3,918	2,901	(1,017)
<i>PIK Interest</i>	Available-for-Sale	Jun-10	580	238	238	-	238	238	238	-
<i>Warrants</i>	Held-for-Trading	n/a	-	644	-	(644)	-	583	431	(152)
			<b>5,580</b>	<b>5,326</b>	<b>3,665</b>	<b>(1,661)</b>	<b>4,651</b>	<b>4,739</b>	<b>3,570</b>	<b>(1,169)</b>
<b>Digital Payment Technologies</b>										
<i>Debenture</i>	Held-to-Maturity	Oct-11	6,000	4,990	4,990	-	3,500	2,819	2,819	-
<i>PIK Interest</i>	Held-to-Maturity	Oct-11	127	127	127	-	22	22	22	-
<i>Warrants</i>	Held-for-Trading	n/a	-	1,164	1,085	(78)	-	708	682	(26)
			<b>6,127</b>	<b>6,280</b>	<b>6,202</b>	<b>(78)</b>	<b>3,522</b>	<b>3,549</b>	<b>3,523</b>	<b>(26)</b>
<b>Total</b>			<b>\$ 29,175</b>	<b>\$ 37,269</b>	<b>\$ 36,531</b>	<b>\$ (739)</b>	<b>\$ 23,099</b>	<b>\$ 31,138</b>	<b>\$ 30,253</b>	<b>\$ (885)</b>

The change in unrealized gain (loss) representing the difference between cost and carrying value of the above investments of \$146 in the period is comprised of two components: the change in unrealized gain on investments held-for-trading of \$189 and the unrealized currency loss of \$43 on a U.S. denominated investment. During the period the Company acquired the investments of Total Strategy Fund based on the consideration determined by an independent valuator as described below.

#### (a) High Fidelity HDTV

On March 6, 2009, the Company purchased an additional \$1,250 investment in High Fidelity HDTV from Total Strategy Fund at cost plus accrued contractual amounts owing. The investment was allocated as \$1,140 to Debenture and \$110 to equity and equity option. The additional \$1,250 brings the Company's total cash investment in High Fidelity HDTV to \$4,000 when combined with the initial \$2,750 the Company invested in 2007.

The Company has estimated the fair value of the common shares and warrants collectively at \$1,500 as at June 30, 2009 an increase of \$756 from year-end and \$664 from March 31, 2009.

**C.A. BANCORP INC.**  
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**5. INVESTMENTS IN PRIVATE ENTITIES (continued)**

*(b) Birmingham Foundation Solutions*

On March 6, 2009, the Company purchased an additional \$800 investment in Birmingham Foundation Solutions (“Birmingham”) from Total Strategy Fund at cost plus accrued contractual amounts owing. The investment consisted of \$720 in preferred shares and \$80 in common shares. The additional \$800 brings the Company’s total invested capital in Birmingham to \$10,000 when considering the original \$9,200 invested in 2007.

There has been no material change to the estimated fair value or carrying value of the aggregate investments since December 31, 2008.

*(c) Windward Telecom Limited*

There has been no material change to the estimated fair value or carrying value of the aggregate investments since year-end. The change in carrying value is attributable to changes in the foreign exchange rate for Canadian and U.S. dollars.

*(d) Kingswood Estates*

There has been no material change to the estimated fair value of Kingswood estates since December 31, 2008.

*(e) Salbro Bottle Group*

On March 6, 2009, the Company purchased an additional \$400 investment in Salbro Bottle Group (“Salbro”) from Total Strategy Fund at cost plus accrued contractual amounts owing. The investment was allocated as \$353 to debenture and \$47 to equity. The additional \$400 brings the Company’s total invested capital in Salbro to \$4,000 when considering the original \$3,600 invested in 2008.

There has been no material change to the fair value or carrying value of the aggregate investments since December 31, 2008.

*(f) Everus Communications Inc.*

On June 24, 2008, the Company funded \$2,500 to the privately held Everus Communications Inc. (“Everus”) by way of debenture and warrants providing an equity interest. Subsequent to the initial advance, the Company funded an additional \$1,900 to Everus prior to December 31, 2008 (again by way of a debenture and warrants). During the first quarter of 2009, the Company funded an additional \$587 in Everus.

The Company’s investment is structured as a secured debenture with a 15% coupon and nominal cost warrants providing the Company with a minimum 22% equity interest in Everus.

Due to a slower than anticipated growth rate at Everus since the time the investments have been made and the fact that not all interest payments on the debenture are current, the Company decided in the fourth quarter of 2008 that the risk profile of the investments have increased and an other than temporary impairment and fair value adjustment of \$1,017 and \$152 on the debenture and warrants (equity) respectively, were taken as at December 31, 2008. An additional fair value adjustment of \$492 was taken against the warrants (equity) as at March 31, 2009 to bring the estimated fair value of equity down to zero to reflect the fact that there was likely little or negligible equity value in Everus at that point in time. The Company also did not recognize any interest income on the debenture in the first two quarters of 2009. Although the Company did not recognize revenue on the debenture the Company remains legally entitled to all cash and paid-in-kind interest payments. As a result of a change in management’s intention to hold this investment to maturity it is reclassified as available for sale.

# C.A. BANCORP INC.

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### 5. INVESTMENTS IN PRIVATE ENTITIES (continued)

The write-downs on the debenture and warrants are considered to be an unrealized loss and are reflected in the net results of investments on the consolidated statements of operations.

(g) *Digital Payments Technologies Corp.*

The Company made the following investments in Digital Payment Technologies Corp. (“Digital”) totaling \$6,000 by way of a debenture and warrants providing an equity interest:

- October 31, 2008 - \$3,000
- November 26, 2008 - \$500
- February 5, 2009 - \$1,750
- May 25, 2009 - \$750

The \$6,000 investment was allocated to the securities received based on the estimated fair value of each security at the time of closing. The debenture was fair valued using a discounted cash flow analysis with an effective discount rate of 20% and is classified as held-to-maturity.

The equity is classified as held-for-trading and was fair valued using a 45% per annum discount rate on the projected enterprise value in five years. The projected enterprise value was based on Digital’s forecasted EBITDA.

Digital is a privately held company based in Vancouver that designs, manufactures, and distributes multi-space pay station hardware, software, and online management solutions for customers to manage their parking assets (e.g. parking lots).

### 6. INVESTMENT IN CHARTER REIT

The Company owns approximately 6.05 million units of Charter REIT representing 33% (December 31, 2008 – 33%) of the outstanding units.

The Company’s investment in Charter REIT had an estimated fair value of \$5,866 (December 31, 2008 - \$4,176) as at June 30, 2009 based on the closing bid price of \$0.97 (December 31, 2008 - \$0.70).

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**7. C.A. BANCORP CANADIAN REALTY FINANCE CORPORATION**

*(a) CRFC Preferred Share Offering and the Company's Commitment*

CRFC completed a public offering of preferred shares ("Preferred Shares") in February 2008 (the "Preferred Share Offering"). The Company subscribed for 766,160 Class A shares in CRFC by way of a private placement contemporaneous to the Preferred Share Offering. The Class A Shares are subordinate to the Preferred Shares.

The Company has agreed to subscribe for, or arrange subscriptions for, additional Class A shares of CRFC on a quarterly basis if the face value of the outstanding Preferred Shares in CRFC exceeds the tangible net book value of the Class A shares in CRFC by a ratio of greater than 9 to 1. As at June 30, 2009, the ratio was approximately 1.2 to 1 (December 31, 2008 – 1.2 to 1).

*(b) CRFC Unit Offering*

The Company and CRFC filed a short-form prospectus for CRFC dated August 27, 2008 offering stapled units ("Units") at a price of \$10.00 per Unit (the "Unit Offering"). Each Unit consisted of one Class A Share and one warrant ("Warrant") to purchase one Series 1, Preferred Share (the "Preferred Shares"). The issuance of Class A Shares under the Unit Offering came from CRFC's treasury.

The Company agreed to pay for all issue costs related to the Unit Offering over a period of seven years.

The Company has issued a note payable in the amount of \$2,756 to CRFC in connection with the Unit Offering to repay CRFC for the expenses of the Unit Offering over seven years, plus interest equal to 6% per annum. A corresponding amount has been included in intangible assets representing asset management contracts.

The note is forgivable in proportion to the amount of any Class A repurchases on account of CRFC's mandatory market purchase program or normal course issuer bid.

	<b>Intangible Asset</b>	<b>Note Payable</b>
Issue costs of Unit Offering	\$ 2,738	\$ 2,738
Forgiveness on account of Class A Share repurchases	(62)	(62)
Principal repayments	-	(98)
Balance as at December 31, 2008	\$ 2,676	\$ 2,578
Additional issue costs paid during the year	18	18
Forgiveness on account of Class A Share repurchases	(130)	(130)
Principal repayments	-	(185)
Balance as at June 30, 2009	\$ 2,564	\$ 2,281

The amount outstanding on this note as at June 30, 2009 is \$2,281 (December 31, 2008 - \$2,578) of which \$362 is payable within the next year in quarterly equal installments plus accrued interest. The amount of interest accrued at June 30, 2009 is \$nil (December 31, 2008 - \$nil).

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**7. C.A. BANCORP CANADIAN REALTY FINANCE CORPORATION (continued)**

The following is a continuity of CRFC's Class A Shares (number of shares) and the Company's ownership in CRFC:

	<b>Held by C.A. Bancorp</b>	<b>% of total</b>	<b>Held Publicly by Other Investors</b>	<b>% of total</b>	<b>Total Class A Shares</b>
Preferred Share Offering (February 20, 2008)	766,160	100.0%	-	-	<b>766,160</b>
Unit Offering (September 20, 2008)	200,000	6.9%	2,700,000	93.1%	<b>2,900,000</b>
Repurchased and cancelled under MMPP and NCIB	-	-	(66,100)	100.0%	<b>(66,100)</b>
<b>Balance as at December 31, 2008</b>	<b>966,160</b>	<b>26.8%</b>	<b>2,633,900</b>	<b>73.2%</b>	<b>3,600,060</b>
Repurchased and cancelled under MMPP and NCIB	-	-	(138,400)	100%	<b>(138,400)</b>
<b>Balance as at June 30, 2009</b>	<b>966,160</b>	<b>27.9%</b>	<b>2,495,500</b>	<b>72.1%</b>	<b>3,461,660</b>

*(c) Fair Value*

The Company's investment in CRFC had a fair value of \$6,763 as at June 30, 2009 (December 31, 2008 - \$5,894) based on the closing bid price of \$7.00 per Class A Share (December 31, 2008 - \$6.10).

*(d) Equity Accounting for Investment*

The Company consolidated the financial statements of CRFC until September 12, 2008 as it held 100% of the Class A shares to that date. Subsequent to the Unit Offering the Company's ownership decreased to 26.8% and the Company is accounting for this investment under the equity method as it exercises significant influence over CRFC.

In accordance with the equity method of accounting for investments a carrying value adjustment of \$129 (December 31, 2008 - \$(118)) was taken into earnings based on the Company's percentage ownership in CRFC.

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**8. INCOME TAXES**

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's consolidated future income tax assets and liabilities as at the year-end are as follows:

	<b>June 30, 2009</b>	December 31, 2008
Future income tax assets		
Non-capital loss carryforwards	\$ 855	\$ 515
Unrealized impairment on Charter REIT units	960	960
Deemed capital gain on conversion of Charter shares to Charter REIT units	435	435
Other Charter REIT carrying value adjustments	230	196
Net unrealized loss on investments	1,033	996
Net realized loss on investments	-	1,255
Cumulative eligible capital expenses	27	28
Other	8	33
	<b>3,548</b>	<b>4,418</b>
Valuation allowance	<b>(3,179)</b>	<b>(1,673)</b>
Net future tax asset	<b>\$ 369</b>	<b>\$ 2,745</b>

	<b>June 30, 2009</b>	December 31, 2008
Future income tax liabilities		
Non-capital loss carryforwards	\$ (604)	\$ -
Net realized loss on investments	(112)	-
Intangible assets	777	-
Other	(33)	-
	<b>28</b>	<b>-</b>
Valuation allowance	<b>112</b>	<b>-</b>
Net future tax liability	<b>\$ 140</b>	<b>\$ -</b>

As at June 30, 2009, the Company and its subsidiaries had non-capital losses available to be carried forward to offset income in future years of \$4,878. A valuation allowance against the benefit of these losses has been recognized in these consolidated financial statements but these losses are still available to offset future taxable income up to the date of their expiry. These losses expire as follows:

Year		
2026	\$	1,313
2028		3,565
	<b>\$</b>	<b>4,878</b>

**C.A. BANCORP INC.**  
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**8. INCOME TAXES (continued)**

The recovery of income taxes differs from the result that would be obtained by applying the combined Canadian Federal and Provincial statutory income tax rates to loss before income taxes as follows:

	<b>For the six months ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
Loss before income taxes		
and non-controlling interest	\$ (2,443)	\$ (4,484)
Combined federal and provincial income tax rate	<b>33.0%</b>	33.5%
Expected recovery for income taxes	<b>(806)</b>	(1,502)
Permanent differences	<b>(463)</b>	476
Future tax rate change	<b>(36)</b>	115
Valuation allowance	<b>3,291</b>	110
Recognition of previously unrecognized tax losses	<b>(1,605)</b>	-
Prior year adjustments	-	(14)
Other	<b>3</b>	(58)
<b>Net tax recovery</b>	<b>\$ 384</b>	<b>\$ (873)</b>
Current tax provision	\$ (490)	\$ 51
Future tax recovery	<b>874</b>	(924)
<b>Net tax recovery</b>	<b>\$ 384</b>	<b>\$ (873)</b>

**9. BARLOW CAPITAL MANAGEMENT INC.**

As a result of its goodwill and intangible asset impairment test, the Company recorded non-cash impairment charges of \$1,823 and \$246 on goodwill and intangible assets, respectively. The impairment charges are a result of the current economic environment resulting in a material reduction during the quarter in the assets under management of Barlow Capital Management Inc. in its private client division as well as a strategic decision to curtail money raising efforts in its pooled funds division.

**C.A. BANCORP INC.**  
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**10. ADMINISTRATION AND MANAGEMENT AGREEMENTS WITH SENTRY SELECT**

The Company is a party to a management and an administration agreement (“Management Agreement” and “Administration Agreement” respectively) with Sentry Select Capital Corp. (“Sentry Select”). Sentry Select is privately held and controlled by the Chairman and Chief Executive Officer of C.A. Bancorp.

*(a) Employee costs*

Under the terms of the Administration Agreements, Sentry Select had the option to ask C.A. Bancorp for reimbursement of the additional management personnel by way of formal notice, which was given to C.A. Bancorp (the “Notice”). The Company was served with a formal notice on November 1, 2008, as a result of the Notice approximately \$223 and \$512 of additional operating expenses were incurred during the three and six month periods ended June 30, 2009.

Similar to the Notice provided under the Administration Agreement effective November 2008, Sentry Select provided an additional Notice to C.A. Bancorp in respect of three employees for which it had previously paid cash salaries, bonuses and benefits related to the operation of Charter REIT for which C.A. Bancorp has a management contract to operate. As a result approximately \$140 and \$217 of additional operating expenses were incurred during the three and six month periods ended June 30, 2009.

In addition, the Company accrued \$35 and \$220 for annual incentive compensation during the three and six months periods ended June 30, 2009 related to both C.A. Bancorp and Charter REIT employees.

*(b) Costs incurred in negotiations to terminate the Administration and Management Agreements*

Included in corporate and transaction costs are additional expenses of \$75 and \$516 incurred during the three and six month periods ended June 30, 2009 in connection with the negotiation of the termination of the Administration Agreement and Management Agreement in place between the Company and Sentry Select. These costs are comprised primarily of legal, advisory, and independent director fees.

*(c) Fees paid to Sentry Select*

An amendment to the Management Agreement was made between Sentry Select and C.A. Bancorp pursuant to which the Management Fee was reduced from 1.50% to 1.10% of financial statement capital per year. Sentry Select had previously paid the 0.40% difference to investment dealers as a servicing fee which was terminated, along with the reduction in management fee, effective February 1, 2009.

	For the three months ended June 30,		For the six months ended June 30,	
	2009	2008	2009	2008
Management fees	\$ 208	\$ 312	\$ 421	\$ 631
Administration fees	126	125	251	249
CRFC investment fees	53	34	106	49
Total Strategy investment fees	-	25	9	91
Net earnings from discontinued operations	\$ 387	\$ 496	\$ 787	\$ 1,020

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**11. SHAREHOLDERS' EQUITY**

(a) *Share capital*

Authorized:

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Class A, Class B and Class C Preference Shares, issuable in series without nominal or par value.

On August 8, 2007, the Company announced its intention to purchase and cancel its common shares through a normal course issuer bid ("NCIB") made through the facilities of the Toronto Stock Exchange ("TSX"). The Company renewed the NCIB on August 18, 2008 and can purchase up to a maximum of 6,299 common shares in any trading day. Since the NCIB has been in effect, as at June 30, 2009, 900,100 shares have been repurchased and cancelled at an average price of \$1.86.

On April 25, 2008, the Company's shareholders passed a motion to implement a mandatory market purchase plan ("MMPP") pursuant to which, the Company will use its best efforts to purchase for cancellation its common shares if they are offered at a price less than 90% of the net book value per common share on the principal stock exchange on which they are traded, currently the TSX. The obligation is subject to a limit in any calendar quarter of 1.25% of the number of outstanding common shares at the beginning of each quarter. The obligation is also subject to certain conditions to ensure that the marketability of the common shares is not seriously impaired, the Company has adequate liquidity, the Company does not have to liquidate securities other than in an orderly manner, there is no material legal action instituted or threatened that materially adversely affects the Company and that there is no general suspension of trading of the Company's common shares. Since inception and as at June 30, 2009, 1,434,300 common shares have been repurchased and cancelled at an average price of \$1.17 under the MMPP. The MMPP expired at the Company's annual meeting which took place on June 25, 2009.

The following is a continuity of the share capital of the Company:

	(000s) Number of common shares	Share capital
	<u>                    </u>	<u>                    </u>
As at December 31, 2007	28,683	\$ 82,603
Common Shares issued (cancelled) during the year as a result of:		
Normal course issuer bid	(499)	(1,439)
Mandatory market purchase program	(839)	(2,417)
As at December 31, 2008	27,345	\$ 78,747
Common Shares cancelled during the period as a result of:		
Mandatory market purchase program	(595)	(1,713)
<b>As at June 30, 2009</b>	<b>26,750</b>	<b>\$ 77,034</b>

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**11. SHAREHOLDERS' EQUITY (continued)**

*(b) Contributed surplus*

	<u>Carrying Value</u>
As at December 31, 2007	\$ 1,990
Net increase related to:	
Stock based compensation	531
Normal course issuer bid	1,226
Mandatory market purchase plan	661
As at December 31, 2008	\$ 4,408
Net (decrease) increase related to:	
Stock based compensation	(569)
Mandatory market purchase plan	1,219
<b>As at June 30, 2009</b>	<b>\$ 5,058</b>

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**12. SEGMENT DISCLOSURES**

The Company has organized its reporting structure based on the following segments:

- (i) *Financial services* which includes agricultural lending, commercial real estate lending and commercial mortgage brokering.
- (ii) *Investing and asset management* which includes private and public entity "direct" investments (excluding real estate) and asset management activities (excluding real estate management or lending activities).
- (iii) *Real estate which includes real estate equity* (Charter REIT, Kingswood Estates) and real estate management (the management contract with Charter REIT).

	Six months ended June 30							
	Financial Services		Investing and Asset Management		Real Estate		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues	\$ 40	\$ 1,185	\$ 2,485	\$ 2,446	\$ 220	\$ 251	\$ 2,745	\$ 3,882
Net results of investments	129	-	(1,716)	(4,638)	(263)	(264)	(1,850)	(4,902)
Expenses	(47)	(1,284)	(3,039)	(2,045)	(252)	(135)	(3,338)	(3,464)
Pre-tax net (loss) earnings	122	(99)	(2,270)	(4,237)	(295)	(148)	(2,443)	(4,484)
Net (provision) recovery of income taxes	-	(8)	(420)	884	36	(3)	(384)	873
Net (loss) earnings before non-controlling interests	122	(107)	(2,690)	(3,353)	(259)	(151)	(2,827)	(3,611)
Non-controlling interests	-	-	23	-	-	-	23	-
Net (loss) earnings from continuing operations	122	(107)	(2,667)	(3,353)	(259)	(151)	(2,804)	(3,611)
Net earnings from discontinued operations	6,963	365	-	-	-	-	6,963	365
Net (loss) earnings	\$ 7,085	\$ 258	\$ (2,667)	\$ (3,353)	\$ (259)	\$ (151)	\$ 4,159	\$ (3,246)
Total assets:								
From continuing operations	\$ 9,082	\$ 9,312	\$ 50,223	\$ 37,822	\$ 14,380	\$ 14,980	\$ 73,685	\$ 62,114
From discontinued operations	-	85,664	-	-	-	-	-	85,664
Total assets	\$ 9,082	\$ 94,976	\$ 50,223	\$ 37,822	\$ 14,380	\$ 14,980	\$ 73,685	\$ 147,778

	Three months ended June 30							
	Financial Services		Investing and Asset Management		Real Estate		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues	\$ 20	\$ 870	\$ 1,267	\$ 1,144	\$ 110	\$ 89	\$ 1,397	\$ 2,103
Net results of investments	108	-	(1,387)	(1,655)	(222)	(68)	(1,501)	(1,723)
Expenses	(29)	(852)	(1,594)	(1,052)	(149)	(66)	(1,772)	(1,970)
Pre-tax net (loss) earnings	99	18	(1,714)	(1,563)	(261)	(45)	(1,876)	(1,590)
Net (provision) recovery of income taxes	-	(3)	39	332	2	(8)	41	321
Net (loss) earnings before non-controlling interests	99	15	(1,675)	(1,231)	(259)	(53)	(1,835)	(1,269)
Non-controlling interests	-	-	15	-	-	-	15	-
Net (loss) earnings from continuing operations	99	15	(1,660)	(1,231)	(259)	(53)	(1,820)	(1,269)
Net earnings from discontinued operations	-	123	-	-	-	-	-	123
Net (loss) earnings	\$ 99	\$ 138	\$ (1,660)	\$ (1,231)	\$ (259)	\$ (53)	\$ (1,820)	\$ (1,146)
Total assets:								
From continuing operations	\$ 9,082	\$ 9,312	\$ 50,223	\$ 37,822	\$ 14,380	\$ 14,980	\$ 73,685	\$ 62,114
From discontinued operations	-	85,664	-	-	-	-	-	85,664
Total assets	\$ 9,082	\$ 94,976	\$ 50,223	\$ 37,822	\$ 14,380	\$ 14,980	\$ 73,685	\$ 147,778

# **C.A. BANCORP INC.**

## **Notes to the Consolidated Financial Statements**

**June 30, 2009 (Unaudited)**

**(in thousands of dollars except per share amounts or unless otherwise stated)**

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### **12. SUBSEQUENT EVENTS**

#### *Everus Communication*

In the second quarter of 2009 the Company worked with Everus management to reduce the cost structure of the Everus business. The Company, in conjunction with Everus management, also evaluated a number of secondary financing investment opportunities, none of which materialized. After reviewing its strategic options, the Company sought to enforce its rights under the terms of its debenture with Everus. The Company commenced legal proceedings seeking to have a court appointed receiver run the Everus business and manage a process to seek strategic alternatives. A receiver was appointed by the court on July 31, 2009. Everus continues to operate as a going concern and to service its customers in southwestern Ontario under the supervision of a court appointed receiver.