

Second Quarter 2009 Report to Shareholders

Three and six months ended June 30, 2009

C.A. Bancorp Inc. Reports Second Quarter 2009 Results

All amounts in Canadian thousands of dollars except per share amounts or unless otherwise stated.

C.A. Bancorp Inc. is listed on the Toronto Stock Exchange (TSX) under the symbol “BKP”.

TORONTO, ONTARIO, August 7, 2009 – C.A. Bancorp Inc. (C.A. Bancorp or the Company) today announced its financial results for the second quarter and six months ended June 30, 2009. The Company reported:

SECOND QUARTER 2009 HIGHLIGHTS

- **Revenues of \$1.4 million** (Q2 2008 – \$2.1 million).
- **Net loss from results of investments of \$1.5 million** (Q2 2008 – net loss of \$1.7 million).
- **Net loss of \$1.8 million** (Q2 2008 – net loss of \$1.1 million) **or \$0.07 per share** (Q2 2008 – net loss of \$0.04 per share) **on a basic and fully diluted basis.**
- **A net book value of \$2.61 per share** (December 31, 2008 – \$2.44 per share) **compared to the Company’s closing share price on the TSX on June 30, 2009 of \$0.87 per share** (December 31, 2008 – \$0.65 per share).

SIX MONTHS YEAR-TO-DATE 2009 HIGHLIGHTS

- **Revenues of \$2.7 million** (2008 – \$3.9 million).
- **Net gain from results of investments of \$5.1¹ million** (2008 – net loss of \$4.9 million).
- **Net earnings of \$4.2 million** (2008 – net loss of \$3.2 million) **or \$0.15 per share** (2008 – net loss of \$0.11 per share) **on a basic and fully diluted basis.**

¹ Includes gain on sale of AgriFinancial (net of tax) reclassified from discontinued operations (as reported under GAAP).

CONTENTS

SECOND QUARTER 2009 HIGHLIGHTS	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	
Company Overview	3
Financial Highlights	5
Investments in Private Entities and Managed Entities	9
Significant Events	13
Results of Operations for Second Quarter 2009	15
Summary of Quarterly Results	20
Liquidity, Capital Resources and Off-Balance Sheet Arrangements	21
Company Outlook	24
Transactions with Related Parties	24
Changes in Accounting Policies and Critical Accounting Estimates	25
Factors That May Affect Future Results	26
Risk Management	26
Disclosure Controls and Procedures and Internal Controls Over Financial Reporting	28
CORPORATE INFORMATION AND DIRECTORY	29

Caution Regarding Forward-Looking Information

This MD&A and other public announcements by the Company contain information that is forward-looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Company’s future financial performance, business strategy, plans, goals, and objectives. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe” or “continue”, similar words or the negative thereof, or variations of words and phrases that certain actions, events or anticipated outcomes “may”, “would” or “might” be taken, occur or be achieved. These statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Factors which could cause actual results to differ materially from those set forth in the forward-looking statements include (but are not limited to): risks associated with general economic conditions, the nature of the Company’s investments; the Company’s dependence on management of portfolio companies; the Company’s limited operating history; the available opportunities and competition for investments; the concentration of the Company’s investments; the Company’s access to capital for fund management; the Company’s dependence on key personnel and Sentry Select; the ability of the Company to consummate the Proposed Transaction with Sentry Select; leverage of the businesses in which the Company invests; the market for the Company’s securities and volatility of trading price; the trading price of the Company’s common shares relative to the net book value (net asset value); risks affecting the Company’s investments; risks affecting the Company’s investments in capital pool companies; the need for the Company to make follow-on investments in portfolio companies; investments by the Company in private issuers and illiquid securities; joint investments with third parties; conflicts of interest; no guaranteed returns; the potential loss of investment in common shares; the Company’s additional financing requirements; the management of the growth of the Company; shifts in target exit dates and investment rates of return (IRR) for investments in private entities, and other risks detailed from time to time in the Company’s continuous disclosure documents. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Unless otherwise stated, all forward-looking statements speak only as of the date of this MD&A. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law. Additional information relating to the Company, including the Company’s annual information form, is available on SEDAR at www.sedar.com.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) dated August 7, 2009 presents material information and a discussion and analysis of the consolidated results, financial condition and future prospects of C.A. Bancorp Inc. for the three and six month periods ended June 30, 2009 which includes the accounts of C.A. Bancorp, its subsidiaries and variable interest entities where the Company is deemed to be the primary beneficiary under Canadian generally accepted accounting principles (GAAP). This MD&A should be read in conjunction with the unaudited consolidated financial statements and the notes thereto of the Company for the period ended June 30, 2009 and the audited consolidated financial statements and the notes thereto of the Company for the year ended December 31, 2008, and the related MD&A. These documents and additional information relating to the Company, including the Company's 2008 Annual Information Form (AIF) dated March 31, 2009 can be accessed on SEDAR at www.sedar.com.

All dollar amounts in this MD&A are expressed in Canadian thousands of dollars (except per share amounts or unless otherwise indicated) and have been primarily derived from the Company's unaudited consolidated financial statements prepared in accordance with Canadian GAAP. Additionally, and where applicable, the financial results of the Company have been reclassified as required under Canadian GAAP such that the net impact of the discontinued operations of AgriFinancial Canada Corp. (AgriFinancial) is captured as one line-item on the statement of operations.

COMPANY OVERVIEW

The following provides a brief overview of the Company, its subsidiaries, and its operations.

C.A. Bancorp is a publicly traded Canadian merchant bank and alternative asset manager that provides investors with access to a range of private equity and other alternative asset class investment opportunities. The Company is focused on investments, either directly (Direct Investments) or through entities managed by it (Asset Management), in small and middle capitalization public and private companies, with an emphasis on the industrial, real estate, infrastructure and financial services sectors.

The Company's common shares trade on the Toronto Stock Exchange (TSX) under the symbol **BKP**.

C.A. Bancorp's revenues from its Direct Investments and Asset Management activities include dividends, interest, commissions and capital gains, as well as management fees on managed entities. These diversified and recurring revenue streams have been designed with a view to minimizing volatility, reducing risk and maximizing return on shareholders' equity.

As at June 30, 2009, the Company had five principal and wholly-owned operating subsidiaries: C.A. Bancorp Ltd. (CAB Ltd.), C.A. Bancorp Realty Finance Inc. (Realty Finance), C.A. Realty Management Inc. (Realty Management), C.A.B. Barlow Holdings Corp. (Barlow Holdings), and C.A. Bancorp Telecom Inc. (Telecom Inc.).

Effective January 30, 2009, the Company exited its first Direct Investment selling its interest in C.A. Bancorp Financial Corp. (Financial Corp.). Financial Corp. owned 100% of AgriFinancial. See "Investments in Private Entities and Managed Entities – Investments in Private Entities Exited" and "Significant Events – Sale of AgriFinancial Canada Corp. to Western Financial Group Inc." below.

In addition, the Company is a significant unitholder of Charter Real Estate Investment Trust (Charter REIT), (TSX:CHR) and is a significant shareholder of C.A. Bancorp Canadian Realty Finance Corporation (CRFC), (TSX:RF). See "Investments in Private Entities and Managed Entities – Managed Entities – Charter REIT" and "Investments in Private Entities and Managed Entities – Managed Entities – CRFC" below.

The Company consolidated the accounts of its subsidiary AgriFinancial up to January 30, 2009 and AgriFinancial has been reclassified (including retroactively for 2008) as a discontinued operation as a result of its sale to a third party. See “Significant Events – Sale of AgriFinancial Canada Corp. to Western Financial Group Inc.” and “Investments in Private Entities and Managed Entities – Investments in Private Entities Exited – AgriFinancial Canada Corp.” below. In addition, the Company consolidated the accounts of CRFC for the period from February 22, 2008 to September 12, 2008 (when the Company held 100% of CRFC’s Class A Shares) and consolidated the accounts of Charter REIT (formerly Charter Realty Holdings Ltd.) for the period from February 23, 2007 to August 9, 2007 (when the Company held greater than 50% of Charter REIT’s equity).

For a more comprehensive review of the Company, its subsidiaries, and its operations, please refer to the Company’s AIF.

FINANCIAL HIGHLIGHTS

The following is a summary of (a) the Company's unaudited consolidated financial statements for the quarter ended June 30, 2009 compared to the quarters ended March 31, 2009 and June 30, 2008, (b) the Company's unaudited consolidated financial statements for the six month period ended June 30, 2009 compared to the same period ended June 30, 2008 and (c) the Company's financial position as at June 30, 2009 compared to the previous four quarter end periods.

	<i>For the three months ended</i>			<i>For the six months ended</i>	
	June 30 2009	Mar 31 2009	June 30 2008	June 30 2009	June 30 2008
Results from Operations					
Total revenues	\$ 1,397	\$ 1,348	\$ 2,103	\$ 2,745	\$ 3,882
Net results of investments ¹	(1,501)	6,586	(1,723)	5,085	(4,902)
Expenses	(1,772)	(1,566)	(1,970)	(3,338)	(3,464)
Taxes and non-controlling interest	56	(417)	321	(361)	873
Net earnings (loss) from continuing operations	(1,820)	5,951	(1,269)	4,131	(3,611)
Net earnings from discontinued operations	-	28	123	28	365
Net earnings (loss) earnings	\$ (1,820)	\$ 5,979	\$ (1,146)	\$ 4,159	\$ (3,246)
Earnings Per Common Share (EPS)					
EPS from continuing operations – basic	\$ (0.07)	\$ 0.22	\$ (0.05)	\$ 0.15	\$ (0.12)
EPS from discont'd operations – basic	-	0.00	0.01	0.00	0.01
Net earnings (loss) per common share	\$ (0.07)	\$ 0.22	\$ (0.04)	\$ 0.15	\$ (0.11)
EPS from continuing operations – diluted	\$ (0.07)	\$ 0.22	\$ (0.05)	\$ 0.15	\$ (0.12)
EPS from discont'd operations – diluted	-	0.00	0.01	0.00	0.01
Net earnings (loss) per common share	\$ (0.07)	\$ 0.22	\$ (0.04)	\$ 0.15	\$ (0.11)
Financial Position as	June 30 2009	March 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008
Cash and cash equivalents	\$ 12,630	\$ 12,597	\$ 1,245	\$ 6,340	\$ 12,594
Total assets as reported	\$ 73,685	\$ 76,171	\$ 147,778	\$ 182,308	\$ 242,212
Total assets (adjusted) ²	\$ 73,685	\$ 76,171	\$ 72,684	\$ 94,564	\$ 87,097
Total debt (adjusted) ³	\$ 2,282	\$ 2,687	\$ 5,178	\$ 13,914	\$ 8,282
Total shareholders' equity	\$ 69,815	\$ 72,489	\$ 66,719	\$ 77,706	\$ 78,360
Number of common shares outstanding	26,750	27,133	27,345	27,541	27,891
Per Common Share as at:					
Net book value	\$ 2.61	\$ 2.67	\$ 2.44	\$ 2.82	\$ 2.81
Closing market price	\$ 0.87	\$ 0.71	\$ 0.65	\$ 1.20	\$ 1.55
Market price discount to net book value	(67%)	(73%)	(73%)	(57%)	(45%)

¹ Includes unrealized and realized gains/losses on publicly traded investments and investments in private entities, equity participation in Charter REIT and CRFC and other corporate investments. Q2 2009 also includes an impairment loss on goodwill and intangible assets related to the Company's investment in Barlow.

² Excludes the discontinued operations of AgriFinancial in Q4 2008 and Q2 2008 and the operations of CRFC in Q2 2008. AgriFinancial (Financial Corp.) was sold on January 30, 2009 to a third party.

³ Debt excludes the discontinued operations of AgriFinancial in Q4 2008 and Q2 2008.

Results of Operations Highlights

The Company's operating results reflect (i) revenue recognized primarily from the income generated from the Company's investments in private entities and the management fees from the Company's managed entities and (ii) the expenses required to manage the Company's portfolio of invested capital. The Company's operations have increased over previous quarters as the Company has substantially invested all of the capital from its two previously completed public financings primarily in private entities and off-balance sheet entities the Company manages (managed entities).

Q2 2009	Q1 2009	Q2 2008
<ul style="list-style-type: none"> • Total revenues for the quarter ended June 30, 2009 were \$1.4 million: \$0.8 million generated from interest and investment income, \$0.5 million from asset management fees and \$0.1 million from other fees and commissions. 	<ul style="list-style-type: none"> • Total revenues for the quarter ended March 31, 2009 were \$1.3 million: \$0.7 million generated from interest and investment income, \$0.5 million from asset management fees and \$0.1 million from other fees and commissions. 	<ul style="list-style-type: none"> • Total revenues for the quarter ended June 30, 2008 were \$2.1 million: \$1.8 million generated from interest and investment income, \$0.1 million from asset management fees and \$0.1 million from other fees and commissions.
<ul style="list-style-type: none"> • The Company did not consolidate the operations of any significant entity in Q2 2009. 	<ul style="list-style-type: none"> • The Company did not consolidate the operations of any significant entity in Q1 2009. 	<ul style="list-style-type: none"> • The Company consolidated the accounts of CRFC for the period of February 22, 2008 to September 12, 2008 (when the Company held 100% of CRFC's Class A Shares).
<ul style="list-style-type: none"> • Net results of investments representing a loss of \$1.5 million consisting primarily of \$2.1 million in unrealized losses on the impairment of goodwill and intangibles (Barlow Capital) and \$0.6 million change in unrealized gains on investments in private entities. 	<ul style="list-style-type: none"> • Net results of investments representing a loss of \$0.3 million consisting primarily of \$0.8 million in realized losses on the sale of publicly traded investments, \$0.8 million in the change in unrealized gains on publicly traded investments, and \$0.4 million change in unrealized losses on investments in private entities. 	<ul style="list-style-type: none"> • Net results of investments representing a loss \$1.7 million primarily as a result of a \$1.7 million loss realized on publicly traded investments.
<ul style="list-style-type: none"> • Total expenses for the quarter ended June 30, 2009 were \$1.8 million consisting primarily of: \$0.9 million in corporate and transaction costs, \$0.6 million in general and administration expenses, \$0.4 million in employee costs, \$0.4 million in fees paid to Sentry Select, and a reversal of \$0.5 million related to stock option expenses. 	<ul style="list-style-type: none"> • Total expenses for the quarter ended March 31, 2009 were \$1.6 million consisting primarily of: \$0.6 million in employee costs, \$0.4 million in general and administration expenses, and \$0.4 million in fees paid to Sentry Select. 	<ul style="list-style-type: none"> • Total expenses for the quarter ended June 30, 2008 were \$2.0 million consisting primarily of: \$0.8 million in interest expense, \$0.5 in fees paid to Sentry Select, and \$0.4 in general and administration expenses.
<ul style="list-style-type: none"> • No earnings from discontinued operations. 	<ul style="list-style-type: none"> • Net earnings from discontinued operations of \$7.0 million which is primarily realized gains from the sale of AgriFinancial. 	<ul style="list-style-type: none"> • Net earnings from discontinued operations (AgriFinancial) of \$0.1 million.
<ul style="list-style-type: none"> • Net loss of \$1.8 million or \$0.07 per share on a basic and fully diluted basis. 	<ul style="list-style-type: none"> • Net earnings of \$6.0 million or \$0.22 per share on a basic and fully diluted basis. 	<ul style="list-style-type: none"> • Net loss of \$1.1 million or \$0.04 per share on a basic and fully diluted basis.

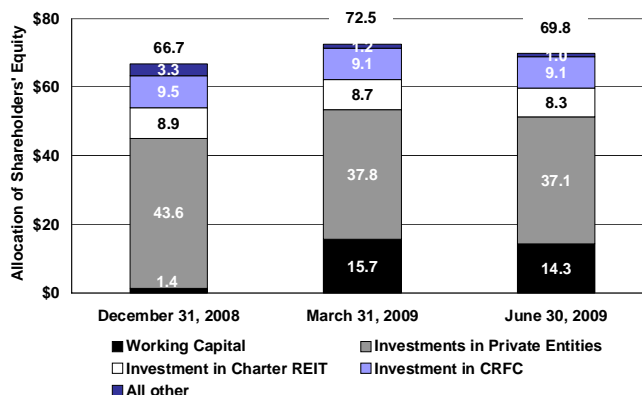
Balance Sheet Highlights

The Company's core assets are its investments in private entities and its investments in managed entities. These investments generate the majority of the Company's revenues and have been made with an objective of generating expected gross investment of return of approximately 15% to 25% over the investment hold period. The Company currently has working capital of approximately \$14.3 million on its balance sheet available for expected future commitments, new investments and general working capital purposes.

June 30, 2009	December 31, 2008	June 30, 2008
<ul style="list-style-type: none"> Total assets at June 30, 2009 were \$73.7 million. The increase in assets compared to December 31, 2008 is primarily a result of the gain from the sale of AgriFinancial in Q1 2009. 	<ul style="list-style-type: none"> Total assets excluding the discontinued operations of AgriFinancial at December 31, 2008 were \$72.7 million (\$147.8 million including the discontinued operations of AgriFinancial). 	<ul style="list-style-type: none"> Total assets excluding the discontinued operations of AgriFinancial and the operations of CRFC at June 30, 2008 were \$87.1 million (\$242.3 million including AgriFinancial and CRFC).
<ul style="list-style-type: none"> Total debt at June 30, 2009 of \$2.3 million (excluding short-term payables). The Company had a \$2.3 million unsecured note payable to CRFC that is payable over seven years ending December 31, 2015. 	<ul style="list-style-type: none"> Total debt at December 31, 2008 of \$5.2 million (excluding short-term payables and the discontinued operations of AgriFinancial). The Company had \$2.6 million that was due to broker and a \$2.6 million unsecured note payable to CRFC. 	<ul style="list-style-type: none"> Total debt at June 30, 2008 of \$8.3 million (excluding short-term payables and the discontinued operations of AgriFinancial and CRFC). The Company had \$8.3 million that was due to broker.
<ul style="list-style-type: none"> Total shareholders' equity at June 30, 2009 of \$69.8 million. The increase in shareholders' equity compared to December 31, 2008 is primarily as a result of the gain from the sale of AgriFinancial in Q1 2009 offset by the Company's Q2 2009 net loss. 	<ul style="list-style-type: none"> Total shareholders' equity at December 31, 2008 of \$66.7 million. 	<ul style="list-style-type: none"> Total shareholders' equity at June 30, 2008 of \$78.4 million.

Breakdown of the Company's Shareholders' Equity (Non-Consolidated)

The following is a breakdown of the Company's shareholders' equity as at June 30, 2009 compared to the most recently completed two quarters ended March 31, 2009 and December 31, 2008 (in \$millions).



Summary of Investments in Private Entities at June 30, 2009

The following is a summary of the Company's investments in private entities.

Investment in Private Entity	Invested Capital	Carrying Value
Birmingham Foundation Solutions ¹	\$ 10,000	\$ 10,000
Kingswood Estates	6,000	6,000
Digital Payment Technologies Corp. ²	6,000	6,202
Everus Communications Inc. ³	5,000	3,665
High Fidelity HDTV Inc. ⁴	4,000	5,669
Salbro Bottling Group ⁵	4,000	4,095
Barlow Capital Management Inc. ⁶	2,890	542
Windward Telecom Limited	710	900
Total	\$ 38,600	\$ 37,073

Summary of Managed Entities at June 30, 2009

The following is a summary of the Company's investments in managed entities.

Managed Entity	Invested Capital	Carrying Value	Fee Generating Assets
Charter REIT	\$ 18,865	\$ 8,265	\$ 145,700
CRFC	9,850	9,054	67,600
Total	\$ 28,715	\$ 17,319	\$ 213,300

¹ In March 2009, C.A. Bancorp acquired Sentry Select Total Strategy Fund's (Total Strategy Fund) investment in Birmingham for \$0.81 million.

² In February 2009, C.A. Bancorp advanced \$1.75 million to Digital. In May 2009, C.A. Bancorp advanced an additional \$0.75 million to Digital bringing its total investment to \$6.0 million.

³ During the first quarter 2009, C.A. Bancorp advanced \$0.6 million to Everus bringing its total investment to \$5.0 million.

⁴ In March 2009, C.A. Bancorp acquired Total Strategy Fund's investment in High Fidelity for \$1.36 million.

⁵ In March 2009, C.A. Bancorp acquired Total Strategy Fund's investment in Salbro for \$0.4 million.

⁶ Barlow is presented differently than the other investments in private entities as it is required to be consolidated for financial reporting purposes.

INVESTMENTS IN PRIVATE ENTITIES AND MANAGED ENTITIES

The following is a summary of the Company's investments in private entities and managed entities as at June 30, 2009. The Company targets an internal rate of return (IRR) of between 15% and 25% on both its invested capital in private entities and on its sponsor capital with the intent of doubling invested capital over the expected investment holding period. The range of targeted IRR is case specific and dependent upon the nature and risk profile of each investment.

For a more comprehensive review of the Company's previously exited and current investments in private entities and managed entities, please refer to the Company's 2008 Annual MD&A dated as at March 10, 2009 and filed under the Company's SEDAR profile at www.sedar.com.

Investments in Private Entities Exited

Industry	Company, Investment Overview and Rationale	Hold Period	Ownership Percentage	Cost of Investment	Gain on Investment
Financial Services	<p>AgriFinancial Canada Corp., (AgriFinancial) through its operating businesses, Agrifinance and AgriCard, is a leading independent provider of financing solutions to the Canadian agricultural sector.</p> <p>Investment Rationale: Platform investment in the financial services sector to capitalize on the significant growth in financing opportunities present in the Canadian agricultural marketplace.</p> <p>Investment Exit: AgriFinancial was sold to Western Financial Group Inc. (TSX: WES).</p>	<p>Investment Date: October 2007</p> <p>Exit Date: January 2009</p>	90%	\$9.5 million	<p>\$9.6 million (Proceeds on sale equalled 2x invested capital).</p> <p>Internal Rate of Return (IRR): 75%</p>

Current Portfolio of Investments in Private Entities

Currently, the Company has eight investments in private entities across various industry sectors that are at various stages of maturity. Each investment in the portfolio was made with a specific investment thesis at the time of entry and the C.A. Bancorp management team has been actively working with each portfolio company/investment on their specific growth and operational improvement objectives during the first six months of 2009.

In conjunction with the liquidation of the Total Strategy Fund effective March 31, 2009, the Company acquired the minority investments in private entities (Birmingham, High Fidelity and Salbro) held by Total Strategy Fund at cost plus any accrued distributions on account of interest/dividends. See "Significant Events – Wind-up of Sentry Select Total Strategy Fund" below.

Industry	Company and Investment Overview	Investment Date	Investment Cost	Carrying Value	Implied IRR ¹
Media	<p>High Fidelity HDTV Inc. (High Fidelity) creates specialty television channels in digital high-definition format and distributes its programming through major cable and satellite companies such as Rogers Cable, Bell TV, SaskTel, Canadian Cable Systems Alliance and Aurora Cable.</p> <p>Ownership Percentage: 10% to 25% based on financial performance and an option to purchase an additional 5% of equity.</p> <p>Investment Update: See “Results of Operations for Second Quarter 2009 – Net Results of Investments”.</p>	July 2007	\$4.0 million	\$5.7 million	31%
Equipment Manufacturing and Construction	<p>Birmingham Foundation Solutions (Birmingham) builds customized pile driving equipment for sale or lease in approximately 50 countries around the world, and provides foundation construction services for large infrastructure projects.</p> <p>Ownership Percentage: 33% to 45% based on financial performance on a fully diluted basis.</p> <p>Investment Update: Refer to the Company’s 2008 Annual MD&A.</p>	November 2007	\$10.0 million	\$10.0 million	9%
Multi-Residential Real Estate	<p>Kingswood Estates consists of eight garden-style apartment buildings containing a total of approximately 360 units. The property is strategically located in the south-end of Kitchener, Ontario with excellent access to major malls, the downtown area and highways.</p> <p>Ownership Percentage: 80% limited partnership interest in a partnership that acquired the property.</p> <p>Investment Update: Refer to the Company’s 2008 Annual MD&A.</p>	January 2008	\$6.0 million	\$6.0 million	0%
Packaging	<p>Salbro Bottling Group (Salbro) is an established designer, manufacturer and distributor of packaging components, specializing in glass and plastic bottles.</p> <p>Ownership Percentage: 12.5% equity interest with increases subject to financial performance and contractual</p>	February 2008	\$4.0 million	\$4.1 million	17%

¹ The implied internal rate of return as at June 30, 2009 is calculated based on all fees and interest received in cash up to and including June 30, 2009 plus the carrying value of the Company’s total investment in an entity as at June 30, 2009.

Industry	Company and Investment Overview	Investment Date	Investment Cost	Carrying Value	Implied IRR ¹
	<p>rates of return.</p> <p>Investment Update: Refer to the Company's 2008 Annual MD&A.</p>				
Telecom	<p>Windward Telecom Limited (Windward) is a telecommunications company providing Caribbean markets with long distance phone and data infrastructure services.</p> <p>Ownership Percentage: 10% equity interest plus an additional 25% upon conversion of preferred shares.</p> <p>Investment Update: Refer to the Company's 2008 Annual MD&A.</p>	February 2008	\$0.7 million	\$0.9 million	20%
Telecom	<p>Everus Communications Inc. (Everus) is the largest wireless broadband internet service provider to rural communities in Southwestern Ontario.</p> <p>Ownership Percentage: 22% to 47% based on financial performance on a fully diluted basis.</p> <p>Investment Update: See "Results of Operations for Second Quarter 2009 – Net Results of Investments".</p>	June 2008	\$5.0 million	\$3.7 million	-30%
Investment Management	<p>Barlow Capital Management Inc. (Barlow) is a fee-for-service boutique investment counsel and portfolio manager with an exclusive focus on providing endowment style investment management services to high net worth Canadian investors.</p> <p>Ownership Percentage: 85% equity interest.</p> <p>Investment Update: See "Results of Operations for Second Quarter 2009 – Net Results of Investments".</p>	July 2008	\$2.9 million	\$0.5 million	-83%
Parking Solutions	<p>Digital Payment Technologies Corp. (DPT) develops, sells and supports electronic parking solutions for the collection of parking revenues and management of parking operations in on-street and off-street parking.</p> <p>Ownership Percentage: 25% to 35% based on C.A. Bancorp's total invested capital and DPT's financial performance on a fully diluted basis.</p> <p>Investment Update: Refer to the Company's 2008 Annual MD&A.</p>	November 2008	\$6.0 million	\$6.2 million	21%

Managed Entities

Currently, the Company is actively managing two entities: CRFC and Charter REIT. The entities combined have raised approximately \$120 million of investable capital and have approximately \$215 million in fee generating assets as at June 30, 2009. The entities generate management fees for the Company as well as distributions on the sponsorship capital that the Company has invested.

Sector	Industry	Fund/Entity
Financial Services	Commercial Real Estate	<p>C.A. Bancorp Canadian Realty Finance Corporation (CRFC) is a publicly traded mutual fund corporation that provides investment exposure to a highly diversified portfolio of commercial real estate mortgages and loans with attractive yields.</p> <p>Assets under Management: CRFC issued 1,540,000 Preferred Shares, Series 1 for aggregate gross proceeds of \$38.5 million providing investors with tax-efficient fixed cash distributions of \$1.69 or 6.75% per annum on a \$25.00 maturity value. CRFC has also issued approximately 3,666,000 subordinate Class A Shares for aggregate gross proceeds of \$36.9 million providing investors with tax-efficient cash distributions of 7.6% (yield is indicative and may vary over time) per annum on a \$10.00 issue price. CRFC also has 2,900,000 warrants outstanding, each of which entitles the holder to purchase one Preferred Share, Series 1 at a subscription price of \$23.75 at any time on or before 4:00 p.m. (Toronto time) on September 30, 2011 (Warrants).</p> <p>C.A. Bancorp Investment: \$9.85 million in Class A Shares carried on the Company's balance sheet at \$9.1 million with an estimated fair value of \$6.8 million based on the closing bid price of \$7.00 per Class A Share on June 30, 2009. The Company also holds 200,000 Warrants.</p> <p>Ticker Symbols: Preferred Shares, Series 1 (RF.PR.A on the TSX); Class A Shares (RF.A on the TSX) and Warrants to purchase Preferred Shares, Series 1 (RF.WT on the TSX).</p> <p>Preferred Shares, Series 1 Maturity Value: \$25.00 per share</p> <p>Class A Share Net Asset Value¹: \$9.46 per share at June 30, 2009</p>
Real Estate	Retail Properties	<p>Charter Real Estate Investment Trust (Charter REIT) is focused on acquiring a portfolio of retail and mixed-use retail community and neighbourhood centres, generally in the mid-market deal size range of \$10 to \$40 million, comprised of stable cash-flow and value added properties from both primary and secondary markets throughout Canada, with the principal goal of generating a reliable and growing yield for investors.</p> <p>Assets under Management: Charter REIT's portfolio includes ten retail properties located in Ontario and Quebec totalling approximately \$146 million (acquisition cost) in real estate assets.</p> <p>C.A. Bancorp's Investment: \$18.9 million or 33% of the issued and outstanding units of Charter REIT carried on the Company's balance sheet at \$8.3 million and with an estimated fair value of \$5.9 million based on the closing bid price of \$0.97 per unit on June 30, 2009.</p> <p>Ticker Symbol: CRH.UN on the TSX Venture Exchange.</p>

¹ Calculated in accordance with the requirements of National Instrument 81-106 for investment funds.

SIGNIFICANT EVENTS

The following is a discussion of the Company's significant events for the six months ended June 30, 2009, updated for subsequent events to the date hereof.

First Quarter of 2009

Sale of AgriFinancial Canada Corp. to Western Financial Group Inc.

On January 30 2009, the Company completed the sale of AgriFinancial to Bank West, a wholly-owned subsidiary of Western Financial Group Inc. (TSX: WES) (the Transaction). The purchase price at closing and including purchase price adjustments of the Transaction was \$21.6 million (\$21.1 million after transaction fees). C.A. Bancorp received approximately \$19.0 million in cash and \$0.13 million in loans receivable for total net consideration received of \$19.1 million. Total Strategy Fund received approximately \$2.0 million in cash. The final purchase price of the Transaction was \$21.6 million based on the net book value of the AgriFinancial as at end of day, January 30, 2009.

C.A. Bancorp and Total Strategy Fund collectively generated a net profit on the original invested capital (before taxes) of \$10.6 million representing an IRR of approximately 75% or two times invested capital over 16 months.

Purchase of Investments in Private Entities from Total Strategy Fund

In 2008, the Company made an offer (the Offer) to purchase the investments in private entities held by Total Strategy Fund (other than AgriFinancial), being Bermingham, High Fidelity and Salbro. As C.A. Bancorp was the Manager of Total Strategy Fund at the time the Offer was made, its Offer was a non-arm's length transaction. Sentry Select Capital Corp. (Sentry Select) as Investment Manager of Total Strategy Fund retained an independent valuator to prepare a fairness opinion in respect of the Offer. On March 6, 2009, the Company completed the purchase of the investments in private entities pursuant to the Offer for an aggregate purchase price of approximately \$2.6 million which represented the cost of the investments plus any accrued distributions.

Wind-Up of Sentry Select Total Strategy Fund

The Company as manager of Total Strategy Fund completed the liquidation and termination of Total Strategy Fund on March 31, 2009. Total Strategy Fund issued a final distribution to its unitholders in the amount of approximately \$3.85 per unit (equal to the remaining net assets in the fund) immediately prior to winding-up the fund. Additional information regarding the termination of Total Strategy Fund can be found on Total Strategy Fund's profile on SEDAR at www.sedar.com.

Second Quarter 2009

Following discussions with Sentry Select regarding the internalization of management, the Company received a proposal from Sentry Select to terminate the management and administration agreements that are currently in place between the Company and Sentry Select and to internalize the management functions of the Company (the Proposed Transactions). The standing committee of independent directors of the Company (the Independent Directors) retained independent financial and legal advisors and have been engaged in negotiations with Sentry Select. Assuming the Proposed Transactions can be consummated, the Company has offered to complete the Proposed Transactions on a basis where the main elements would be (i) the Company would hire as employees those employees of Sentry Select who currently provide services to the Company on a full time basis; (ii) the Company would sublet its offices from Sentry Select; (iii) the Company would purchase the furniture and equipment that it currently uses from Sentry Select; (iv) the

Company would make a one-time payment to Sentry Select of up to \$1.6 million; (v) Sentry Select would provide the Company with some transitional services, and (vi) the management and administration agreements would terminate. The termination of the management and administration agreements would eliminate the annual administration fee and the variable management and performance fees currently payable to Sentry Select pursuant to such agreements. In the aggregate, these fees totalled approximately \$1.6 million for the fiscal year ended December 31, 2008 and \$0.7 million for the six months ended June 30, 2009. These fees are based in part on the Company's financial performance and therefore fluctuate over time^{1, 2}. Despite the elimination of these fees, the Company currently anticipates that if the Proposed Transactions are consummated, the operating costs of the Company would increase by approximately \$0.6 million per annum in the short term as a result of internalizing the management functions. However, over the long term, the Proposed Transactions are expected to result in cost savings to the Company as a result, in part, of the elimination of the variable management and performance fees. See "Liquidity, Capital Resources and Off Balance Sheet Arrangements" below. If the Proposed Transactions can be accomplished on these or similar terms, the Company is expected to benefit from a simplified corporate structure, the better alignment of management's interest with those of the Company's shareholders and a reduction of conflicts of interest. There can be no assurance that an agreement will be reached with Sentry Select in respect of the Proposed Transactions or, if so, when that might occur and what the terms might be of any definitive agreement concerning the Proposed Transactions.

Subsequent to the End of Second Quarter 2009

See "Expenses, Income Tax and Non-Controlling Interests" below.

¹ The management fee payable pursuant to the Management Agreement was calculated as 1.5% of the Company's net book value in 2008. Effective February 1, 2009, this amount was reduced to 1.1% of the Company's net book value.

² No performance fees were assessable or paid to Sentry Select during 2008. Performance fees may be payable in the future depending upon the performance of the Company.

RESULTS OF OPERATIONS FOR SECOND QUARTER 2009

The following is an analysis of the Company's results of operations for the three and six month periods ended June 30, 2009 based on a GAAP basis of presentation. This analysis should be read in conjunction with the unaudited consolidated financial statements for the quarter and six month period ended June 30, 2009 and the corresponding notes thereto.

The consolidated financial statements include the accounts of C.A. Bancorp and its wholly-owned subsidiaries: CAB Ltd., Realty Finance, Realty Management, Barlow Holdings, Telecom Inc., its majority-ownership in Financial Corp. for the period of October 12, 2007 to January 30, 2009, and CRFC for the period from February 22, 2008 to September 12, 2008 (when the Company held 100% of CRFC's Class A Shares). For financial reporting purposes in the fourth quarter 2008, the operations of Financial Corp. were deemed to be "discontinued" due to the sale of Financial Corp. and its wholly-owned subsidiary AgriFinancial to a third party on January 30, 2009. All intercompany transactions and balances have been eliminated in these consolidated statements in accordance with GAAP.

Revenues

	<i>Three month period ended June 30</i>			<i>Six month period ended June 30</i>		
	2009	2008	Inc/ (Dec)	2009	2008	Inc/ (Dec)
Interest and investment income	\$ 795	\$ 1,836	\$ (1,041)	\$ 1,495	\$ 3,200	\$ (1,705)
Asset management fees	522	135	387	1,076	413	663
Other fees and commissions	80	132	(52)	174	269	(95)
Total	\$ 1,397	\$ 2,103	\$ (706)	\$ 2,745	\$ 3,882	\$ (1,137)

Consolidated revenues declined by \$0.7 million for the quarter ended June 30, 2009 compared to second quarter ended June 30, 2008. The decrease in revenue was primarily driven by the consolidation of approximately \$0.8 million of interest income from CRFC in Q2 2008. The decrease was also driven by a decline in investment income from the Company's public portfolio as the Company substantially liquidated its public portfolio in Q4 2008. The overall decline year over year was partially offset by an increase in asset management fees recognized in income from CRFC as the Company no longer consolidated CRFC in Q2 2009. The Company also generated cash flow of \$0.4 million in the second quarter from distributions received from its investments in Charter REIT and CRFC that were not classified as investment income but as a return of capital for accounting purposes and therefore were not recognized as revenue.

Net Results of Investments

	<i>Three month period ended June 30</i>			<i>Six month period ended June 30</i>		
	2009	2008	Inc/ (Dec)	2009	2008	Inc/ (Dec)
Realized gain (loss) on sale of publicly traded investments	\$ 80	\$ (1,740)	\$ 1,820	\$ (670)	\$ (1,969)	\$ 1,299
Change in unrealized gain (loss) on publicly traded investments	61	33	28	908	(2,766)	3,674
Change in unrealized gain on investments in private entities, held	632	57	575	189	108	81

for trading						
Gain on sale of AgriFinancial ¹	-	-	-	6,935	-	6,935
Unrealized foreign exchange (loss) gain	(77)	3	(80)	(44)	3	(47)
Impairment loss on goodwill and intangible assets related to Barlow	(2,069)	-	(2,069)	(2,069)	-	(2,069)
Equity participation in other corporate entities	(13)	(8)	(5)	(30)	(14)	(16)
Equity participation in CRFC	107	-	107	129	-	129
Equity participation in Charter REIT	(222)	(68)	(154)	(263)	(264)	1
Total	\$ (1,501)	\$ (1,723)	\$ 222	\$ 5,085	\$ (4,902)	\$ 9,987

Consolidated net results of investments resulted in a loss of \$1.5 million for the second quarter 2009 (2009 six month loss of \$1.9 million) compared to a loss of \$1.7 million for the second quarter ended 2008 (2008 six month loss of \$4.9 million). The loss in the second quarter was primarily driven by an impairment loss on goodwill and intangible assets related to the Company's investment in Barlow (see "Investment in Barlow Capital Management Inc." below) which was offset by an unrealized gain on the Company's investment in High Fidelity (see "Investment in High Fidelity HDTV Inc." below).

Investment in Barlow Capital Management Inc.

In the second quarter ended June 30, 2009, the Company recognized non-cash impairment charges of \$2.1 million related to the goodwill and intangible assets of the Company's investment in Barlow Capital. The impairment charges are as a result of a reduction in assets under management in Barlow's private client business and a strategic decision to slow all money raising efforts in its pooled funds division. Barlow has reduced the size of its operations and currently intends to continue to manage the remaining assets under management as a going concern on a go forward basis.

Investment in High Fidelity HDTV Inc.

In the second quarter ended June 30, 2009, the Company recognized an unrealized gain of \$0.7 million on the equity component (warrants and common shares) of its investment in High Fidelity. The unrealized gain is a reflection of High Fidelity's corporate performance to date and its long-term growth prospects. Since the date of the Company's investment (June 2007), High Fidelity has consistently acquired net new subscribers at or above forecasted levels while effectively managing expenses. In March 2009, after a three-month free subscriber preview period, High Fidelity's channels were launched on another of Canada's large media carriers. Initial subscriber growth on this new carrier has been favourable and is expected to increase the number of net subscribers in the future. Additionally, management believes that Corus Entertainment's (TSX:CJR.B) July 2009 acquisition of Drive-in Classics and SexTV from CTVglobemedia lends some support to an enterprise value range for High Fidelity that is consistent with the Company's current value of its equity component in High Fidelity.

Investment in Everus Communications Inc.

¹ Includes gain on sale of AgriFinancial (net of tax) reclassified from discontinued operations (as reported under GAAP).

In the second quarter ended June 30, 2009, following a write-down of the carrying value of the Company's investment in Everus in the first quarter ended March 31, 2009, the Company worked with management of Everus 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 interim receiver. As Everus continues to operate as a going concern and strategic alternatives are being sought, the Company has held the carrying-value of this investment constant at the end of the second quarter.

Expenses, Income Tax and Non-Controlling Interests

	<i>Three month period ended June 30</i>			<i>Six month period ended June 30</i>		
	2009	2008	Inc/ (Dec)	2009	2008	Inc/ (Dec)
Employee costs	\$ 398	\$ -	\$ 398	\$ 949	\$ -	\$ 949
General and administration	606	352	254	989	686	303
Corporate and transaction costs	858	179	679	1,040	341	699
Fees paid to Sentry Select	387	496	(109)	787	1,020	(233)
Interest expense	45	751	(706)	106	1,085	(979)
Other	8	-	8	36	-	36
Stock based compensation	(530)	192	(722)	(569)	332	(901)
Provision (recovery) for income taxes	(41)	(321)	280	384	(873)	1,257
Non-controlling interests	(15)	-	(15)	(23)	-	(23)
Total	\$ 1,716	\$ 1,649	\$ 67	\$ 3,699	\$ 2,591	\$ 1,108

The Company's consolidated expenses, taxes and non-controlling interests increased by \$0.1 million for the quarter ended June 30, 2009 compared to same period in 2008. However, excluding stock based compensation, expenses actually increased by \$0.8 million for the second quarter compared to the same period in 2008. The increase was primarily driven by the assumption of salary costs of certain employees that were paid by Sentry Select in previous quarters and are now paid by the Company as described in the Company's 2008 annual MD&A and AIF.

The Company also incurred corporate transaction and general and administration costs in the second quarter of 2009 which were higher than those incurred in the same period of 2008. This increase in costs is primarily attributable to costs incurred in connection with negotiations between the Company and Sentry Select regarding the Proposed Transactions. In total, approximately \$0.5 million of fees have been expensed in the second quarter 2009 in connection with services provided by third parties and the Independent Directors related to the Proposed Transactions.

The Company's current expectation is that the Proposed Transactions, if consummated, would require the Company to extend offers of employment to substantially all of the existing Sentry Select employees who provide full time services to the Company including certain executive officers of C.A. Bancorp. Such offers, which are conditional on the closing of the Proposed Transactions have been made and accepted. If the Proposed Transactions are consummated the Company expects that it will pay all of the remaining 2009 incentive compensation for such employees. At this time, the Company has accrued for incentive compensation for those employees whose compensation it currently reimburses to Sentry Select¹. If the Proposed Transactions are consummated, the Company expects it will accrue for the compensation of all employees who provide full time services to the Company.

¹ The Company and its affiliates currently receive services from 15 Sentry Select employees on a full-time basis. At present, the Company reimburses Sentry Select for the compensation costs of 8 of such employees as previously announced in the Company's press releases dated November 4, 2008 and February 3, 2009. At present, Sentry Select pays the compensation costs of the other 7 employees under the terms of the management and administration agreements.

If the Proposed Transactions are consummated, the Company expects that it would no longer pay management and administration fees to Sentry Select but would have an additional expense of one-time consideration of up to \$1.6 million and assumption of lease obligations relating to leased office space at a cost of approximately \$0.3 million per annum until 2014. The Company would also incur expenses relating to the purchase price for furniture and equipment from Sentry Select and transitional services to be provided by Sentry Select.

The Company estimates that an additional \$0.1 million of fees have been incurred in respect of services to third parties between June 30, 2009 and August 7, 2009 (the date of this MD&A) which are expected to be reflected in the Company's third quarter financial statements. This figure is expected to increase over the remainder of the third quarter (subsequent to August 7th) and the final amount of such fees will be dependent upon whether the Proposed Transactions are consummated or not and the nature and extent of any negotiations required to finalize the Proposed Transactions.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's results for the last eight quarters.

	2009		2008				2007	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	\$1,397	\$ 1,348	\$ 1,696	\$ 2,480	\$ 2,103	\$ 1,779	\$ 1,751	\$ 2,478
Net results of investments ¹	(1,501)	6,586	(11,246)	(1,705)	(1,723)	(3,179)	(1,192)	(1,623)
Expenses	(1,772)	(1,566)	(1,584)	(2,033)	(1,970)	(1,494)	(1,117)	(2,506)
Non-controlling interests	15	8	11	3	-	-	-	237
Net tax recovery (provision)	41	(425)	(92)	617	321	552	32	348
Net loss from continuing operations	(1,820)	5,951	(11,215)	(638)	(1,269)	(2,342)	(526)	(1,066)
Net earnings (loss) from discontinued operations ²	-	28	348	392	123	242	161	(19)
Net (loss) earnings	\$ (1,820)	\$ 5,979	\$ (10,867)	\$ (246)	\$ (1,146)	\$ (2,100)	\$ (365)	\$ (1,085)
Weighted avg. # of shares								
Basic	26,944	27,275	27,375	28,141	28,164	28,471	28,808	28,957
Diluted	26,944	27,275	27,375	28,141	28,164	28,471	28,808	28,957
EPS from continuing operations – basic/diluted	\$ (0.07)	\$ 0.22	\$ (0.41)	\$ (0.02)	\$ (0.04)	\$ (0.08)	\$ (0.02)	\$ (0.04)
EPS from discontinued operations – basic/diluted	-	-	0.02	0.01	0.00	0.01	0.01	(0.00)
Net (loss) earnings per share	\$ (0.07)	\$ 0.22	\$ (0.39)	\$ (0.01)	\$ (0.04)	\$ (0.07)	\$ (0.01)	\$ (0.04)
Net book value ³	\$ 69,815	\$ 72,489	\$ 66,719	\$ 77,706	\$ 78,360	\$ 80,008	\$ 82,516	\$ 83,433
Common shares outstanding	26,750	27,133	27,345	27,541	27,891	28,338	28,683	28,988
Net book value per share ⁴	\$ 2.61	\$ 2.67	\$ 2.44	\$ 2.82	\$ 2.81	\$ 2.82	\$ 2.88	\$ 2.88
Total assets ⁵	\$ 73,685	\$ 76,171	\$ 147,778	\$ 182,308	\$ 242,212	\$ 206,258	\$ 154,348	\$ 85,671

Revenue generally increased throughout 2008 due to an increase in investment and interest income and asset management fees as a result of the Company increasing the size of its public portfolio and on-balance sheet assets and assets under management. Over the past three quarters, the Company has reduced its exposure to public investments which has reduced its investment income. The capital from the sale of the Company's public investments has been redeployed to more illiquid private investments that have less current income but have a greater long-term return profile. The Company also had higher revenues (and expenses) in the second and third quarters of 2008 as the Company consolidated the financial statements of CRFC for the period of February 22, 2008 to September 12, 2008 (when the Company held 100% of CRFC's Class A Shares). Net results of investments vary on a quarter-to-quarter basis due to realized gains or losses on investments but also unrealized gains or losses on investments being measured at fair value on the balance sheet (See "Net Results of Investments" above).

In the second quarter of 2009, the Company incurred or accrued one-time expenses related to the negotiation of the Proposed Transactions. See "Expenses, Income Tax and Non-Controlling Interest" above.

¹ Includes gain on sale of AgriFinancial (net of tax) reclassified from discontinued operations (as reported under GAAP)

² The results have been reclassified as required under Canadian GAAP so that the net impact of the discontinued operations of AgriFinancial is captured as one line item (excluding the gain on sale).

³ Shareholders' equity per Canadian GAAP.

⁴ Non-GAAP financial measure calculated by dividing net book value (shareholders' equity) by the number of shares outstanding.

⁵ The Company owned its interest in Financial Corp. (AgriFinancial) from October 2007 to January 2009.

LIQUIDITY, CAPITAL RESOURCES AND OFF-BALANCE SHEET ARRANGEMENTS

The following is an analysis of the liquidity, capital resources and off-balance sheet arrangements of the Company and should be read in conjunction with the unaudited consolidated financial statements for the quarter ended June 30, 2009 and the corresponding notes thereto and the audited consolidated financial statements for the year ended December 31, 2008 and the corresponding notes thereto.

Liquidity

The Company had liquid net assets of approximately \$14.3 million at June 30, 2009. The Company's cash equivalents of \$12.6 million consist of overnight deposits with Royal Bank of Canada.

The Company calculates its liquid net assets (excluding AgriFinancial at December 31, 2008) as follows:

	June 30, 2009	March 31, 2009	December 31, 2008
Cash and cash equivalents	\$ 12,630	\$ 12,597	\$ 1,945
Accounts receivable	2,265	2,829	1,132
Publicly traded investments	1,175	1,783	2,024
Accounts payable and accrued liabilities	(1,405)	(937)	(721)
Due to broker	(1)	(217)	(2,600)
Portion of note payable to CRFC due in next twelve months	(362)	(353)	(382)
Total	\$ 14,302	\$ 15,702	\$ 1,398

The Company believes it has sufficient working capital to support the Company's operations. The Company is approximately break-even on an adjusted cash flow from normal operations (cash flow from operations plus distributions from CRFC and Charter REIT) on a quarterly basis. Cash flow from operations may increase over time as the Company invests its available capital.

As of the date of this MD&A, if the Proposed Transactions are completed, this would result in the Company making a one time cash payment of up to \$1.6 million to Sentry Select (the Termination Fee). In the Company's view, the Proposed Transactions would provide a less costly and more straightforward solution to achieving the objectives of independence and longer-term financial and operating flexibility for C.A. Bancorp. Aside from the Termination Fee and other one-time costs associated with the Proposed Transactions (including legal, financial advisory and independent director fees estimated at \$0.5 million for the quarter and \$0.7 million in aggregate), the Company expects that, in the short-term, the post-Proposed Transactions operating costs of the Company would increase by approximately \$0.6 million per annum. However, in the long-term the Proposed Transactions are expected to result in costs savings to the Company as a result, in part, of the elimination of variable management and performance fees which are currently payable to Sentry Select under the management and administration agreements.

The Company's investing activities may require significant amounts of capital beyond what it currently has. The Company anticipates that additional funds may be secured through additional public offerings (either equity or debt), as well as through private equity placements, and/or the exercise of stock options. Some of the Company's initiatives may involve the use of credit facilities, short-term borrowings or debt structures at

the level of a target investment. The Company is also considering seeking a short to medium-term operating facility to allow for greater financial flexibility.

Capital Resources

With the sale of AgriFinancial completed, the Company has no long-term debt, capital lease obligations or other long-term obligations at the parent-company level other than the repayment of the note payable to CRFC as detailed in the chart below. The Company expects that the management fees earned on CRFC will be sufficient to pay for all the principal and interest payments due on the note payable.

	Payment Due Period			Total
	Less than 1 year	1-3 years	Beyond 3 years	
Note payable to CRFC	\$ 362	\$ 1,086	\$ 833	\$ 2,281
Total	\$ 362	\$ 1,086	\$ 833	\$ 2,281

The Company has the following additional contractual obligation. 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 CRFC Preferred Shares exceeds the tangible net book value of the CRFC Class A Shares 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).

Share Capital and Options Outstanding

As at June 30, 2009, a total of approximately 26.75 million (December 31, 2008 – 27.35 million) common shares were outstanding with the Company reporting a net book value of \$69.8 million (December 31, 2008 – \$66.7 million).

Since inception and through to August 1, 2009, 900,100 common shares have been repurchased and cancelled through the Company’s normal course issuer bid program (NCIB) at an average price (including commission) of \$1.86 per common share. During this time, a total of approximately \$1.7 million of the Company’s capital has been spent effecting these repurchases through the NCIB. Notice of the Company’s intention to make a NCIB is available from the Company upon request.

Since inception and through to June 30, 2009, 1,447,300 common shares were repurchased and cancelled through the Company’s mandatory market purchase program (MMPP) at an average price (including commission) of \$1.17 per common share. During this time, a total of approximately \$1.7 million of the Company’s capital has been spent effecting these repurchases through the MMPP. As of June 26, 2009, the Company’s MMPP is no longer effective.

The Company had incentive stock options to purchase common shares outstanding as at June 30, 2009. The table that follows summarizes those options. No stock options were “in-the-money”, otherwise stated, none had a positive intrinsic value.

	Number	Weighted Average Exercise Price	Number of Options “In-the-Money”
Optioned shares outstanding	1.4 million	\$3.21	Nil
Optioned shares vested	1.1 million	\$3.19	Nil

Off-Balance Sheet Arrangements

The Company currently has no off-balance sheet arrangements.

COMPANY OUTLOOK

Given this period of economic uncertainty, the Company continues to work towards achieving the following 2009 business objectives that were stated in its 2008 annual MD&A:

1. Aggressively manage the Company's investments in private entities and managed public entities;
2. Maintain liquidity and preserve capital; and,
3. Minimize operating costs and debt.

As such, the outlook for the remainder of 2009 is substantially unchanged (aside from the Proposed Transactions) from what was originally discussed in the Company's 2008 annual MD&A.

The Company continues to manage its portfolio of investments in private entities by meeting regularly with the management teams of each of its portfolio companies as well as attend scheduled Board of Director meetings. Each investment has specific growth or value creation objectives to execute upon and the Company is working with its portfolio companies' management teams to ensure growth plans and other business initiatives are being executed and that risks are mitigated to increase the likelihood that each investment increases in value throughout its life.

The Company is cautiously looking at new private investment opportunities given the current economic environment. The economic environment presents significant challenges for many businesses but can also offer investors significant opportunity as enterprise valuations are depressed due to the scarcity of capital. The Company may work on new investment opportunities if the opportunities can demonstrate similar characteristics to those of the Company's existing portfolio of investments in private entities at the time of investment, namely: (i) companies with positive and growing cash flow businesses in favourable industries and led by strong management teams, (ii) growth initiatives management can execute, (iii) structured investments on favourable terms for the Company, and (iv) contracted exit strategy to increase likelihood of liquidity.

The Company is actively managing its managed entities and continuously looking at new opportunities to acquire and manage a range of alternative assets on behalf of its investors.

The Company is actively managing CRFC. Management is monitoring the existing loans in the CRFC Mortgage Portfolio. The net asset value of CRFC Class A shares as at June 30, 2009 was \$9.46 per share (calculated in accordance with the requirements of NI 81-106). Since the beginning of 2009, actual real estate mortgage deal flow for CRFC has declined along with the significant decrease in commercial real estate transactions as a result of the atypically large spread between bid-and-offer terms on real estate properties.

TRANSACTIONS WITH RELATED PARTIES

With the exception of the negotiation of the Proposed Transactions described herein and as described below, the Company's ongoing contractual relationships with related parties (Sentry Select Capital Corp. and CRFC) remain substantially unchanged from the disclosure in the Company's 2008 Annual MD&A.

The following transactions with related parties took place during the first quarter of 2009:

Effective February 1, 2009, C.A. Bancorp and Sentry Select reached an agreement providing for a reduction in the management fee paid to Sentry Select by C.A. Bancorp pursuant to the terms of an amended and restated management agreement between C.A. Bancorp and Sentry Select (the Management Agreement). Under the Management Agreement, the annual management fee paid to Sentry Select by C.A. Bancorp was reduced from 1.50% to 1.10% of C.A. Bancorp's financial statement capital (net assets) under Canadian GAAP. C.A. Bancorp estimates that the reduction in the annual management fee will provide a cost savings to C.A. Bancorp of approximately \$0.3 million per annum.

In February 2009, C.A. Bancorp also announced that it will reimburse Sentry Select for the salaries (including bonuses and benefits) of certain individuals whose full-time services are provided to Charter REIT by Sentry Select, on behalf of C.A. Bancorp. The reimbursement followed receipt by C.A. Bancorp of a notice from Sentry Select requesting reimbursement under the terms of an amended and restated administration agreement between the parties (the Administration Agreement). As approved by the Independent Directors of C.A. Bancorp, this change became effective February 1, 2009. As a result of the reimbursement, C.A. Bancorp will have additional expenses of approximately \$0.7 million per annum, which is an estimate based on current data. C.A. Bancorp, through its wholly-owned subsidiary, Realty Management, is obligated to provide certain services and personnel to Charter REIT. The salaries (including bonuses and benefits) of such individuals had, prior to February 2009, been borne by Sentry Select under the terms of the Administration Agreement.

On March 6, 2009, the Company completed the purchase of the investments in private entities (Birmingham, High Fidelity and Salbro) held by Total Strategy Fund for a total purchase price of approximately \$2.6 million which represented the cost of the investments plus any accrued distributions. The Company was the manager of Total Strategy Fund from its inception until its termination effective March 31, 2009. The Company made an offer to purchase Total Strategy Fund's private investments following a vote by Total Strategy Fund's unitholders to liquidate the fund's assets in connection with a termination of the fund. The Company was a logical purchaser for these investments, given that it already held interests in each of these private entities.

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The Company's unaudited interim consolidated financial statements have been prepared in accordance with Canadian GAAP. These unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2008 and related MD&A. The accounting policies used in the preparation of these interim unaudited consolidated financial statements are consistent with those used in the Company's 2008 audited consolidated financial statements.

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 will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Corporation will adopt 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. In January 2009, the CICA adopted 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 IFRS. The Corporation is currently evaluating the impact of the adoption on these changes on its consolidated financial statements.

The Canadian Accounting Standards Board will require all public companies to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter beginning January 1, 2011 when the Company will prepare both the current and comparative financial information using IFRS. The adoption of IFRS will have an impact on the financial statements of the Company.

The Company is in the early stages of development of its IFRS changeover plan, which will include project structure and governance, resourcing and training, analysis of key GAAP differences and a phase plan to assess accounting policies under IFRS as well as potential IFRS exemptions. The Company plans to complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities, such as financing and compensation arrangements, during the fiscal year 2009.

FACTORS THAT MAY AFFECT FUTURE RESULTS

Company Factors

Future financial performance could be influenced by the Company's ability to (i) manage and maintain the value of its existing portfolio of investments in private entities and its investments in managed entities; (ii) successfully evaluate, structure and complete new investments in private entities; and (iii) manage and grow its existing assets under management.

Non-Company Factors

The Canadian small- and mid-market private equity space has been relatively undercapitalized in recent years and this is due to the significant change in the market participants. During the previous five years, the main bank sponsored private equity groups that have been active in this space have either exited the business or significantly scaled back their investment activities. In addition, Canada has its own unique regulatory, tax and capital market environment. These unique characteristics tend to favour local firms.

Given the current economic environment and the limited amount of capital being raised today, the Company may have difficulty in raising new funds as described under "Capital Resources" above. To date, the Company has not yet put a credit facility in place as described above under "Capital Resources". Given current economic conditions, the Company may encounter difficulties securing a short to medium-term operating facility.

For general factors affecting the Company see the section entitled "Risk Factors" included on pages 19 to 23 of the Company's AIF dated as at March 31, 2009 and filed under the Company's SEDAR profile at www.sedar.com.

RISK MANAGEMENT

The Company is looking for opportunities as outlined in "Company Outlook" above. The merchant banking business is affected by a number of economic factors, including changing economic environments, capital markets and interest rates.

The Company attempts to manage the risks associated with its merchant banking business and investment portfolio through planning, significant due diligence of investment opportunities and active involvement in and monitoring of its investments.

Investments in private entities are less liquid than public securities as there is no readily available market to sell an investment. There is a possibility that when an investment is to be sold, the price received may not be equal to its intrinsic value or its fair value for financial reporting purposes.

Currently, the Company has assets invested in cash and cash equivalents as well as in marketable securities. Therefore interest rates will affect income derived from the cash and cash equivalent investments and general risk such as commodity prices, the business environment and company specific risks will affect the value of the marketable securities.

Concentration Risk

The Company has made considerable investments in the form of sponsor capital in both Charter REIT and CRFC. The investments were intended to be strategic in nature and expected to be long-term in nature as the Company intends to continue to raise new capital that will increase assets under management and drive increased asset management fees for the Company.

If the Company made a decision to liquidate these assets and given the size and percentage ownership the Company holds in Charter REIT (33%) and CRFC (28%) as well as the relatively low daily trading volumes, the Company would likely need to find a strategic buyer for each position in order to generate a fair return for the Company, as opposed to selling its equity interests in the public market where the Company could realize a significant discount to fair value. In addition, the Company might have to sell its interests in the management agreements it holds for Charter REIT and CRFC to facilitate a sale of its equity positions in the respective entity.

Liquidity Risk

The Company has made investments in private entities which do not typically have an active market in which they can be sold. Private investment transactions can be highly structured and the Company takes measures, where possible, to create defined liquidity events. However, such liquidity events are rarely expected in the first year of making the investment. The Company seeks to obtain regular cash flow from its investments through coupon payments and/or management fees.

The Company has invested in public securities in an active market which can typically be readily disposed of. However, there can be no assurance that an active trading market for the securities will exist at all times, or that the prices at which the securities trade accurately reflect their values. Thin trading in a security could make it difficult to liquidate holdings in a timely manner as described above.

Interest Rate Sensitivity and Risk Management

The Company does not currently have any material direct interest rate sensitivity or exposure.

Exposure to interest rate risk exists as a result of the mismatch, or gap, between assets, liabilities and off-balance sheet instruments, if any, scheduled to mature or reset on particular dates.

The Company manages interest rate risk, where possible, by maintaining an appropriate mix of fixed and floating rate assets and liabilities. The Company may, from time to time, consider the use of interest rate swap contracts and forward interest rate contracts to hedge interest rate risk. Decisions to use these products will be based on the relative merits of hedging as compared to the costs of such hedging arrangements.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted a policy of only dealing with counterparties it determines to be creditworthy and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company does not have any significant credit risk exposure to any single counterparty except overnight term deposits placed with the Royal Bank of Canada (RBC) of \$11.9 as at June 30, 2009.

For general factors affecting the Company see the section entitled "Risk Factors" included on pages 19 to 23 of the Company's AIF dated as at March 31, 2009 and filed under the Company's SEDAR profile at www.sedar.com.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its compliance with Canadian GAAP in its consolidated financial statements. Disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer (the Certifying Officers) by others, and is recorded, processed, summarized and reported within the required time periods specified under securities legislation. The Certifying Officers are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal controls over financial reporting.

The Certifying Officers have evaluated whether there were material weaknesses relating to the design of the Company's internal controls over financial reporting as at June 30, 2009. No such material weaknesses were identified through their evaluation.

The Certifying Officers have evaluated whether there were any changes in the Company's internal controls over financial reporting that occurred during the second quarter ended June 30, 2009 that have materially affected, or are reasonably likely to materially affect its internal controls over financial reporting. No such changes were identified in their evaluation.

The Certifying Officers have limited the scope of their design of the Company's disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of International Infrastructure L.P., a proportionately consolidated entity in which the Company has an interest.

CORPORATE INFORMATION & DIRECTORY

C.A. Bancorp Inc.
The Exchange Tower
130 King Street West
Suite 2810
Toronto, ON M5X 1A4
Phone: 416-214-5985
Toll Free: 1-866-388-5985
Fax: 416-861-8166
info@cabancorp.com
www.cabancorp.com

Directors:

John F. Driscoll
Richard Zarzeczny^{1,2,3}
Frank Potter
Paul Haggis^{1,2,3}
Timothy Unwin^{1,2,3}

Officers:

John F. Driscoll	Chairman and Chief Executive Officer
Mark Gardhouse	President
Paolo De Luca	Chief Financial Officer
Michael Lovett	Managing Director, Real Estate Capital
Kurt Brands	Vice-President, Corporate Development
Helen Martin	General Counsel and Corporate Secretary
Greg Walker	Manager, Equity Investments

Auditors:

Deloitte & Touche LLP, Toronto, Ontario

Transfer Agent:

Computershare Investor Services Inc., Calgary, Alberta

Counsel:

Macleod Dixon LLP, Toronto, Ontario

¹Member of Audit Committee.

²Member of Corporate Governance, Compensation and Nominating Committee.

³Member of Standing Independent Committee.