

# News Release

March 22, 2010

## C.A. Bancorp Inc. Reports 2009 Financial Results

### TORONTO

C.A. Bancorp Inc. (“C.A. Bancorp” or the “Company”) (TSX: BKP) today announced its consolidated financial results for the year ended December 31, 2009. The Company reported net earnings of \$2.1 million or \$0.08 per share compared to a loss of \$14.4 million or \$0.51 per share in 2008. Included in the 2009 financial results are one-time costs of \$2.8 million or \$0.10 per share related to the internalization of the Company’s management and administration functions as well as costs related to take-over bid defense and the Company’s ongoing strategic review process.

At December 31, 2009, the Company maintained a strong balance sheet having approximately \$12.3 million of cash and other net liquid assets, long-term debt of \$1.8 million and a net book value of \$2.53 per share. In addition, the Company’s portfolio of investments in private entities has carried a weighted average implied internal rate of return (IRR) of approximately 20% since inception.

### 2009 Review and Company Outlook

Management committed to spend 2009 operating the Company’s core business of managing its investments in private entities (the “Portfolio”) and its sponsored managed entities, Charter Real Estate Investment Trust (“Charter REIT”) and C.A. Bancorp Canadian Realty Finance Corporation (“CRFC”).

Management completed the Company’s first private investment realization in 2009 when the Company sold its largest private investment, AgriFinancial Canada Corp. to Western Financial Group Inc. The sale, which resulted in a \$10 million pre-tax capital gain (two times invested capital), was a preliminary validation of the Company’s private investment thesis of seeking control or minority positions (with significant security and exit rights) in Canadian small and mid-market growth companies.

The majority of the Company’s existing Portfolio is performing well since the time the Company’s investments were made. Each of High Fidelity, Bermingham and Digital Payment Technologies have generated superior financial and operational performance and have strengthened their balance sheets resulting in increased investment values. Management is cautiously optimistic that one or more of these investments will substantially outperform the Company’s original return targets.

The Company’s Portfolio did not make it through 2009 unscathed. The Company’s investments in Everus and Barlow sustained significant losses in 2009, which resulted in the Company’s management team dedicating significant resources to restructuring each investment and salvaging residual values. The Company has effectively streamlined the operations of Barlow, which will limit any future cash obligations by C.A. Bancorp. Recently,

the Company's investment in Everus has been salvaged through the sale of its assets and business to Barrett Xplore Inc. ("BXI") for consideration that will eventually be converted into common shares of BXI.

In summary, the Portfolio, with underlying investments in either year two or three of their investment cycle, is maturing in-line with our expectations, with a view to realizing increasing values in the next 12 to 36 months. It has shown resiliency in the face of challenging financial and economic headwinds. Since inception, the Company has invested \$50 million in the Portfolio and is pleased to report that the Company has realized \$25 million in cash proceeds and the weighted average IRR of the Portfolio is approximately 20%.

The Company's management team is also actively managing CRFC and Charter REIT. Both entities performed well throughout 2009 as the Canadian commercial real estate market slowly recovered from the lows of the previous year. The Company realizes total cash flows of approximately \$3.0 million per annum from these entities which are significant to its operations and positions the Company well to generate break-even to positive cash flow from operations.

Even when including the significant one-time costs related to the internalization, take-over bid defense and the strategic review process, the Company was still profitable in 2009. Management expects the business to be profitable and cash flow positive in 2010 as well. Regardless of any change in strategic direction as an outcome of the strategic review process described below, management continues to believe that the Company's asset base is valuable and with time and management focus it will yield solid investment returns for our shareholders in the future.

**Update on  
Strategic  
Review Process**

As previously announced, C.A. Bancorp is engaged in a strategic review process, which was initiated in response to the hostile take-over bid for the Company announced by Maxam on December 3, 2009. On February 2, 2010, the take-over bid lapsed, however the Company is continuing to pursue value maximizing alternatives which could yield values superior to the bid.

As at the date hereof, the Company is in advanced discussions with a number of interested third parties which have proposed transactions at values that are in excess of Maxam's expired offer but below the Company's net book value and tangible net book value.

The Company's strategic review process, including discussions with and due diligence activities undertaken by third parties, may require some time to conclude. While it is difficult to predict with certainty whether any transactions will emerge from these efforts and discussions, the Board and management believe that C.A. Bancorp and its assets are attractive to third parties.

The Company has provided enhanced disclosure regarding the Company's assets in the MD&A including a table which outlines the expected realization dates of each of its assets.

**2009 Financial Results**      **Income Statement Highlights**

<i>In Canadian \$ millions except per share amounts</i>	<b>2009</b>	2008
Revenue	<b>\$ 5.4</b>	\$ 8.1
Net results of investments (incl. the gain on sale of AgriFinancial)	<b>5.8</b>	(17.9)
Expenses, taxes and non-controlling interest	<b>(9.1)</b>	(5.7)
Net earnings (loss) from continuing operations	<b>\$ 2.1</b>	\$ (15.5)
Net earnings from discontinued operations	<b>0.0</b>	1.1
<b>Net earnings (loss)</b>	<b>\$ 2.1</b>	\$ (14.4)
Add back: One-time costs related to the Internalization	<b>2.1</b>	-
Add back: One-time costs related to the strategic review process	<b>0.7</b>	-
<b>Net income (loss) excluding one-time costs related to the Internalization and strategic review process</b>	<b>\$ 4.9</b>	\$ (14.4)
<b>Net earnings (loss) per share</b>	<b>\$0.08</b>	\$ (0.51)
Add back: One-time costs related to the Internalization and strategic review process	<b>0.10</b>	-
<b>Net earnings (loss) per share adjusted for one-time costs</b>	<b>\$0.18</b>	\$ (0.51)

**Key Balance Sheet Items**

<i>In Canadian \$ millions except per share amounts</i>	<b>December 31, 2009</b>	December 31, 2008
Cash and other net liquid assets	<b>\$ 12.3</b>	\$ 1.5
Assets from continuing operations	<b>\$ 71.5</b>	\$ 72.7
Liabilities	<b>3.9</b>	6.0
Shareholders' equity	<b>\$ 67.6</b>	\$ 66.7
Number of shares outstanding (millions)	<b>26.7</b>	27.3
Net book value per share	<b>\$ 2.53</b>	\$ 2.44
Closing market price per share	<b>\$ 1.33</b>	\$ 0.65
Market price discount to net book value	<b>47%</b>	73%

## Financial Results Discussion

Revenues from continuing operations declined in 2009 compared to 2008. This is primarily attributable to two factors: (1) less revenue generation as the Company substantially liquidated its publicly traded investment portfolio in 2008, and (2) the Company no longer consolidated the accounts of CRFC which generated significant interest income revenue.

The Company also earned cash distributions of \$1.7 million from its investments in Charter REIT and CRFC in 2009 that are not included in the Company's revenues as those investments are accounted for under the equity method under Canadian GAAP.

Consolidated net results of investments resulted in a gain of \$5.8 million for the year ended 2009 compared to a loss of \$17.9 million for the year ended 2008. The gain was primarily driven by a change in unrealized gain on publicly traded investments of \$1.6 million as the public equity markets increased substantially in value in 2009 and a gain on the sale of AgriFinancial of \$6.9 million. This was offset by a realized loss on the sale of publicly traded investments of \$0.8 million and a \$2.0 million impairment loss on goodwill and intangible assets related to the Company's investment in Barlow. For the year ended 2009, the Company recognized an overall change in unrealized gain on investments in private entities of \$0.3 million, however the Company recognized specific unrealized gains in its investments in High Fidelity, Bermingham, Kingwood Estates and Digital Payment Technologies which was offset by a write-down in the carrying value of the Company's investment in Everus.

The Company's consolidated expenses, taxes and non-controlling interests increased by \$3.4 million for the year ended 2009 compared to the same period in 2008. For the year ended 2009, the Company incurred or accrued one-time expenses of \$2.1 million related to the internalization and \$0.7 million related to the hostile bid defense and strategic review process. The increase in expenses was offset by a decrease in interest expense of \$1.7 million when the Company consolidated the accounts of CRFC in 2008, and a \$1.2 million decrease in stock based compensation. The Company also incurred an additional \$1.9 million in tax expense as compared to 2008.

### Fourth Quarter 2009 Results

During the fourth quarter ended December 31, 2009, the Company generated consolidated revenues of \$1.4 million compared to \$1.7 million in the fourth quarter of 2008. The year-over-year decline can be attributed to a decrease in interest income in the form of distributions from the public portfolio as the Company significantly reduced its exposure to the public portfolio during 2008 and allocated the capital to investments in private entities.

The Company had a net gain on investments of \$0.6 million in the fourth quarter 2009 compared to a net loss of \$11.2 million in the fourth quarter 2008. The net gain resulted from unrealized gains on publicly traded investments and on investments in private entities. In the fourth quarter 2008, the Company realized an impairment of the Company's investment in Charter REIT of \$6.6 million, a realized loss on the Company's public portfolio investments of \$5.7 million, a change in unrealized gain on the public portfolio investments of \$2.5 million and a change in unrealized loss on the investments in private entities of \$1.2 million.

The Company recorded break-even net income for the three months ended December 31,

2009, compared to a net loss of \$10.9 million or \$0.39 per share on a fully diluted basis in the corresponding period of 2008.

<b>Subsequent to Year-end</b>	In March 2010, the Company announced the sale of substantially all the assets and business of Everus Communications Inc. and 2137532 Ontario Inc. (collectively, "Everus") to Barrett Xplore Inc. ("BXI"). The Company, as senior secured creditor of Everus, received approximately \$1.2 million in consideration, subject to certain post-closing adjustments. The consideration is structured as a promissory note, convertible into BXI common shares within the next twelve months.
<b>Financial Information</b>	C.A. Bancorp's 2009 consolidated financial statements and Management's Discussion and Analysis of the results will be available on its website at <a href="http://www.cabancorp.com">www.cabancorp.com</a> and on SEDAR at <a href="http://www.sedar.com">www.sedar.com</a> .
<b>Certifications</b>	The Company's annual certifications for 2008 have been refiled on SEDAR as they were previously filed prior to the date of the Company's 2008 Annual Information Form (AIF) and therefore were deemed not to certify the AIF. A non-material scope limitation was noted in the original certificates which limitation has therefore been removed from the refiled certificates. The corresponding scope limitation was referenced in the Company's 2008 Annual MD&A, which reference should be disregarded because it is non-material and therefore not required to be included.
<b>C.A. Bancorp Inc.</b>	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. C.A. Bancorp is focused on investments in small- and middle-capitalization public and private companies, with emphasis on the industrials, real estate, infrastructure and financial services sectors.
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This news release contains forward-looking statements. These statements relate to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent C.A. Bancorp's beliefs regarding future events. 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 such words and phrases that certain actions, events or anticipated outcomes "may", "would" or "might" be taken, occur or be achieved. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. The future business, operations and performance of C.A. Bancorp discussed herein could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Additional important factors that could cause actual results to differ materially from expectations include, among other things, the ability of the Company to make additional private investments, and general economic and market factors, competition, interest rates, tax related matters, loss of personnel, reliance on key personnel, ability of the Company to generate positive future returns for investors, Company's success in preserving capital, managing debt, maintaining liquidity and managing operating costs. The Company cautions that risk factors discussed in applicable continuous disclosure filings required by law that the Company has made and filed on SEDAR including its MD&A and annual information form, should also be considered carefully and that undue reliance not be placed on forward-looking statements as events and results could differ materially from those expressed or implied by forward-looking statements made by the Company. The cautionary statements qualify all forward-looking statements attributable to C.A. Bancorp and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. C.A. Bancorp does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law. This news release makes reference to net results of investments that are different than reported under Canadian GAAP. C.A. Bancorp has reclassified its interest in AgriFinancial from Discontinued Operations to Net Results of Operations. C.A. Bancorp believes that it is more appropriate to classify AgriFinancial under Net Results of Operations because it is more akin to a private equity investment and the capital gains from the sale of

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AgriFinancial would normally fall in Net Results of Operations if it were a non-consolidated private equity investment. C.A. Bancorp's method of classifying AgriFinancial is a Non-GAAP financial measure that does not have any standardized meaning prescribed by Canadian GAAP and therefore it is unlikely to be comparable to similar measures presented by other issuers. This classification is not a Canadian GAAP measure and should not be considered either in isolation of, or as a substitute for, measures prepared in accordance with Canadian GAAP. For a reconciliation of this Non-GAAP financial measure to Canadian GAAP, please see the Company's MD&A. In addition, this news release makes reference to the net book value per share which is a non-GAAP financial measure. The Company calculates the net book value per share as it believes it to be an important metric that shareholders use and frequently request and refer to because shareholders often view the Company as an holding company of investments in private entities. Net book value is a non-GAAP financial measure that does not have any standardized meaning prescribed by Canadian GAAP and therefore it is unlikely to be comparable to similar measures presented by other issuers. This classification is not a Canadian GAAP measure and should not be considered either in isolation of, or as a substitute for, measures prepared in accordance with Canadian GAAP.