Condensed Interim Financial statements of

C.A. BANCORP INC.

March 31, 2014

C.A. Bancorp Inc.
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Toronto, Ontario
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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements (the "financial statements"), the financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying financial statements of C.A. Bancorp Inc. (the "Company"), for the three month periods ended March 31, 2014 and 2013 have been prepared by and are the responsibility of management of the Company.

The Company's independent auditor has not performed a review of the accompanying financial statements in accordance with the standards established by Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

May 12, 2014

C.A. BANCORP INC.
March 31, 2014
(in thousands of Canadian dollars except per share amounts or unless otherwise stated)

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C.A. BANCORP INC.
Condensed Statements of Financial Position

In thousands of Canadian dollars	Note		March 31, 2014		December 31, 2013		January 1, 2013
							(Note 15)
ASSETS							
Cash and cash equivalents	**5**	**$**	**41,634**	$	25,797	$	25,126
Marketable securities	**6**		**-**		537		-
Accounts receivable and other assets			**566**		262		199
Investments in private entities	**7**		**3,777**		18,861		16,619
		$	**45,977**	$	45,457	$	41,944
LIABILITIES							
Accounts payable and accrued liabilities		**$**	**262**		129	$	622
Deferred revenue			**-**		-		214
			262		129		836
SHAREHOLDERS' EQUITY							
Share capital	**9**		**35,333**		35,333		35,333
Contributed surplus			**16,108**		16,108		16,108
Deficit			**(5,726)**		(6,113)		(10,333)
			45,715		45,328		41,108
		$	**45,977**	$	45,457	$	41,944

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

Robert Wolf
……………………..…… Director

J. Roy Pottle
……………………..…… Director

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

C.A. BANCORP INC.
Condensed Statements of Income and Comprehensive Income

In thousands of Canadian dollars	Note	Three months ended March 31 2014	2013
REVENUE			
Interest and investment income		**$ 263**	$ 388
Fee income		**-**	54
		263	442
NET RESULTS OF INVESTMENTS			
Realized gain on sale of marketable securities		**85**	24
Change in unrealized gain on marketable securities		**(52)**	72
Realized gain on sale of investments in private entities	**7**	**4,931**	-
Change in unrealized gain on investments in private entities	**7**	**(4,713)**	-
Realized foreign exchange gain		**243**	-
		494	96
EXPENSES			
Management fees		**22**	-
Audit & tax fees		**30**	12
Legal fees		**140**	12
Corporate and operating		**49**	65
Employee & administrative services fees		**-**	42
Consulting fees		**83**	45
Directors' fees		**34**	130
General & administrative		**12**	13
Cost of abandoned Realization Strategy and change of control	**8**	**-**	566
		370	884
INCOME (LOSS) BEFORE INCOME TAXES		**387**	(346)
PROVISION FOR INCOME TAXES			
Current tax provision		**-**	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		**$ 387**	$ (346)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (in thousands)			
Basic		**12,269**	12,269
Diluted		**12,269**	12,269
NET INCOME PER SHARE			
Basic		**$ 0.03**	$ (0.03)
Diluted		**$ 0.03**	$ (0.03)

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

C.A. BANCORP INC.
Condensed Statements of Changes in Equity

In thousands of Canadian dollars	Note		Three months ended March 31 2014		2013
Share Capital					
Balance at beginning of period		**$**	**35,333**	$	35,333
Changes during the period			**-**		-
Balance at end of period	**9**		**35,333**		35,333
Contributed Surplus					
Balance at beginning of period			**16,108**		16,108
Changes during the period			**-**		
Balance at beginning of period			**16,108**		16,108
Deficit					
Balance at beginning of period			**(6,113)**		(10,333)
Net income/(loss) for the period			**387**		(346)
Balance at beginning of period			**(5,726)**		(10,679)
Total Shareholders' Equity		**$**	**45,715**	$	40,762

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

C.A. BANCORP INC.

Condensed Statements of Cash Flows

In thousands of Canadian dollars	Note	Three months ended March 31 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)		**$ 387**	$ (346)
Adjustments to determine net cash flows from (used in) operating activities:			
Interest income	**7**	**(263)**	**(388)**
Non-cash fee income		**-**	**(54)**
Realized gain on sale of marketable securities	**7**	**(85)**	**-**
Change in unrealized gain on marketale securities	**7**	**52**	**-**
Net increase in financial assets at fair value through profit and loss	**7**	**4,713**	**-**
Net (increase) in receivables		**(304)**	**(29)**
Net increase/(decrease) in payables, accrued liabilities and accrued liquidation costs		**133**	**(277)**
Cash provided by operations		**4,633**	**(1,094)**
Interest received		**181**	**134**
Net Cash flows used in operating activities		**4,814**	(960)
CASH FLOWS FROM INVESTING ACTIVITIES		**-**	-
Sale of investments in private entities	**7**	**10,453**	1,908
Purchase of marketable securities		**-**	(1,259)
Proceeds from sale of marketable securities	**7**	**570**	-
Net Cash flows from investing activities		**11,023**	**649**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**15,838**	(311)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		**25,797**	25,126
CASH AND CASH EQUIVALENTS - END OF PERIOD		**$ 41,635**	$ 24,815

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

1. ORGANIZATION

C.A. Bancorp Inc. ("C.A. Bancorp" or the "Company") 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 incorporated under the *Business Corporations Act* (Alberta), with its head office at 225a Macpherson Ave., Suite 201, Toronto, Ontario M4V 1A1. The registered office of the Company is located at 3700 Canterra Tower, 400 Third Avenue SW, Calgary, Alberta T2P 4H2.

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

2. ADOPTION OF NEW AND REVISED STANDARDS

Standards, amendments and Interpretations that are issued but not yet effective for annual reporting periods ending December 31, 2014

The Company has not applied the following revised IFRS that has been issued but is not yet effective:

IFRS 9 Financial Instruments

Two phases of IFRS 9, Financial Instruments ("IFRS 9") were issued by the IASB in November 2009 and October 2010. IFRS 9 will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. In February 2014 the IASB tentatively set January 1, 2018 as the effective date for mandatory application of IFRS 9. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements comply with International Accounting Standard ("IAS") 34, Interim Financial Reporting. These are the Company's first International Financial Reporting Standards ("IFRS") condensed interim financial statements for part of the period covered by the first IFRS annual financial statements and IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied. The condensed interim financial statements do not include all of the information required for full annual financial statements.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 15.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

(b) Basis of preparation (continued)

The Company qualifies as an investment entity as it meets all of the following three tests:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of all of its investments on a fair value basis.

No significant judgments were made in respect of making this determination.

Judgments made by management in the application of IFRS that have significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

The principal accounting policies are set out below.

(c) Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements of the Company are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency.

(ii) Foreign currency translation

Transactions in currencies other than CAD are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are recognized in profit or loss in the period in which they arise. Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognized together with other changes in the fair value. Net foreign exchange gains/(losses) on non-monetary and monetary financial assets and liabilities other than those classified as at fair value through profit or loss are netted with realized gains/losses in the statements of comprehensive income.

(d) Revenue recognition

(i) Investment income

Dividend income is recognized when the Company's right to receive the payment has been established, normally being the ex-dividend date. Dividend income is recognized gross of withholding tax, if any.

Interest income on debt securities at fair value through profit or loss is recognized using the accrual basis of accounting. Interest income is recognized gross of withholding tax, if any.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

(d) Revenue recognition (continued)

(ii) Asset management fees

Asset management fees are recorded as revenue and recognized on an accrual basis.

(iii) Other fees

Deal fees or work fees are recognized when the engagement services have been fully completed and management is assured of their realization.

(e) Financial assets and financial liabilities at fair value through profit or loss

(i) Classification

The Company classifies its financial assets and financial liabilities as follows:

- Investments in private entities and marketable securities are classified as fair value through profit or loss ("FVTPL"). Gains and losses arising from the change in fair value are recognized in net income.

- Cash and cash equivalents and accounts receivable are classified as loans and receivables and are measured at amortized cost using the effective interest method less any allowance for impairment. As at March 31, 2014, December 31, 2013 and January 1, 2013, recorded amounts approximated fair value due to their short-term nature.

The Company classifies its financial instruments as financial assets or financial liabilities at fair value through profit or loss on the basis that the Company's financial assets and financial liabilities are classified as held for trading. Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition they are part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.

Financial assets that are measured at amortized cost are assessed for impairment each reporting period. Financial assets measured at amortized cost are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows have been affected. The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows.

(ii) Recognition

Financial assets and liabilities at fair value through profit or loss are recognized when the Company becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

(e) Financial assets and financial liabilities at fair value through profit or loss (continued)

Dividend and interest revenue relating to the Company's investments in equity and debt securities is recognized according to Note 3 (d) (i) Revenue recognition above. Dividend expense relating to equity securities sold short is recognized when the shareholders' right to receive the payment has been established.

(iii) Measurement

At initial recognition financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed as incurred in the statements of income and comprehensive income.

Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in their fair value are included in the statements of income and comprehensive income for the period in which they arise. Dividend or interest earned on financial assets at fair value through profit or loss and dividend or interest expense on the financial liabilities at fair value through profit or loss are disclosed in a separate line item in the statements of income and comprehensive income. Fair value is determined in the manner described in Note 7.

(A) Publicly traded investments

Publicly traded investments, which include marketable securities, are carried at fair value. Quoted market prices are used in determining the fair value of individual investments held. The Company records security purchases and sales on a trade date basis. Purchases or sales that have not settled at year-end are recorded as "Due to/from broker".

(B) Investments in private entities

Investments in securities where no quoted market values are available are generally valued initially at the cost of acquisition on the basis that such cost is a reasonable estimate of fair value. Such investments are subsequently revalued using accepted industry valuation techniques such as a substantial arm's length transaction, earnings multiples of comparable publicly traded companies and discounted cash flow analysis. Any sale, size or other liquidity restrictions on the investment is considered by Management in its determination of fair value. Due to the inherent uncertainty of valuation, Management's estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

(iv) Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

(e) Financial assets and financial liabilities at fair value through profit or loss (continued)

(v) Offsetting

The Company only offsets financial assets and financial liabilities at fair value through profit or loss if the Company has a legally enforceable right to offset recognized amounts and either intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term investments in an active market with original maturities of three months or less, bank overdrafts and money market funds with daily liquidity and all highly liquid financial instruments that mature within three months of being purchased.

(g) Receivable from and due to brokers

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for but not yet delivered on the reporting date. Margin accounts represent cash deposits held with brokers as collateral against open futures contracts.

Amounts due to brokers are payables for securities purchased that have been contracted for but not yet delivered on the reporting date.

(h) Loans and other receivables

Loans and receivables, which are included in accounts receivable and other assets, are recorded at amortized cost using the effective interest method. Management has determined that the amortized cost approximates the fair value. Loans are subject to periodic impairment review and are classified as impaired when there is no longer reasonable assurance of full and timely collection of principal and interest.

(i) Accounts payable and accrued liabilities and accrued liquidation costs

Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost. As at March 31, 2014, December 31, 2013 and January 1, 2013, the recorded amounts approximated fair value.

(j) Income taxes

The Company uses the liability method to provide for income taxes on all transactions recorded in the financial statements. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax basis. Future income tax assets and liabilities are determined for each temporary difference and unused losses, as applicable, at substantively enacted tax rates expected to be in effect when the assets are realized or the liabilities are settled. A valuation allowance is established to reduce future income tax assets to the amount that is more likely than not to be realized.

3. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

(j) Income taxes (continued)

Income from investments held by the Company may be subject to withholding taxes in jurisdictions other than that of the Company's as imposed by the country of origin. Withholding taxes, if any, are shown in a separate item in the statements of income and comprehensive income.

(k) Income per share

Basic income per share is calculated using the weighted average number of shares outstanding for the period. The treasury stock method is used to determine diluted income per share.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3 to the financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

(i) Functional currency

The currency of the primary economic environment in which the Company operates is the CAD as this is the currency which represents the economic effects of underlying transactions, events and conditions. Furthermore, the CAD is the currency in which the Company measures its performance and also issues and redeems its common shares.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value of securities not quoted in an active market and over-the-counter derivative instruments.

As described in Note 7, management uses its judgment in selecting an appropriate valuation technique for financial instruments that are not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(a) Key sources of estimation uncertainty (continued)

estimation of fair value of unlisted shares includes some assumptions not supported by observable market prices or rates.

The Company's critical accounting estimates are primarily limited to valuing its investments. The valuation methods and the techniques it employs in valuing its investments and the assumptions used are described below.

Salbro Bottle Group ("Salbro")

The fair market value of Salbro was determined on a going concern basis under an income approach because a hypothetical purchaser would acquire Salbro on the expectation of future earnings and cash flows. Specifically, the Company selected the capitalized cash flow method as the primary valuation methodology given that Salbro is a mature business and is expected to continue to operate as a going concern and historical EBITDA is a good approximation of expected profitability going forward.

The capitalized cash flow method generally involves the estimation of future maintainable operating pre-debt cash flows which are then capitalized using a capitalization rate based on a weighted average cost of capital ("WACC"). It is a present value calculation of the future operating cash flow expectations. The enterprise value is then reduced for any debt outstanding.

The carrying amount of the Salbro investment at March 31, 2014 is $3,777 (December 31, 2013 - $3,695; January 1, 2013 – $2,411). Details of assumptions used and of the end results of sensitivity analysis regarding these assumptions are provided in Note 7.

Digital Payment Technologies Corp. ("DPT")

As at December 31, 2013, the Company was in the process of exiting from its investment in DPT. The purchase price for such exit had been established and the final form of the consideration to be provided was in the process of being negotiated between the parties (vendor and purchaser). The plan of arrangement transaction was completed on January 31, 2014.

The basis used for determining the fair market value of DPT was the consideration received from the disposal of the Company's investment in DPT. Given the proximity of the aforementioned dates and a review of the arrangement agreement, management assumed that the proceeds derived from the transaction represent fair market value as at the year-end, after adjusting for interest earned and a foreign exchange gain in January 2014.

As at March 31, 2014, the only proceeds remaining to be received are $585 from an amount held in escrow pending any claims by the purchaser for representations made by DPT.

Estimates and assumptions are also used in accounts payable and accrued liabilities and the calculation of taxes. Actual results could differ from these estimates.

5. CASH AND CASH EQUIVALENTS

At March 31, 2014, the company held $41,634 (December 31, 2013 – $20,760; January 1, 2013 – $25,126) in cash at a Canadian chartered bank. The Company also held $Nil (December 31, 2013 - $5,037; January 1, 2013 - $Nil) at an investment dealer.

6. MARKETABLE SECURITIES

The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the period-end date. The quoted market price used for financial assets held by the Company is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Company held no positions (December 31, 2013 – one position; January 1, 2013 – no positions) in its marketable securities portfolio as at March 31, 2014 - fair value $Nil (December 31, 2013 - fair value $537; January 1, 2013 – fair value $Nil).

7. INVESTMENTS IN PRIVATE ENTITIES

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each period-end date. Valuation techniques used for non-standardized financial instruments include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value unlisted equity and debt securities for which markets were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the inputs to estimate the fair value are observable:

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

7. INVESTMENTS IN PRIVATE ENTITIES (continued)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The inputs are considered as observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the assets or liability.

	As at March 31, 2014			
	Fair value measurements using:			
Asset	**Level 1**	**Level 2**	**Level 3**	**Assets at fair value**
Cash and cash equivalents	**$ 41,634**	**$ -**	**$ -**	**$ 41,634**
Investments in private entities	**-**	**-**	**3,777**	**3,777**

	As at December 31, 2013			
	Fair value measurements using:			
Asset	Level 1	Level 2	Level 3	Assets at fair value
Cash and cash equivalents	$ 25,797	$ -	$ -	$ 25,797
Marketable securities	537	-	-	537
Investments in private entities	-	-	18,861	18,861

	As at January 1, 2013			
	Fair value measurements using:			
Asset	Level 1	Level 2	Level 3	Assets at fair value
Cash and cash equivalents	$ 25,126	$ -	$ -	$ 25,126
Investments in private entities	-	-	16,619	16,619

There were no transfers between levels during the three months ended March 31, 2014 or March 31, 2013 or the years ended December 31, 2013 or December 31, 2012.

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

7. INVESTMENTS IN PRIVATE ENTITIES (continued)

Changes in fair value measurement for instruments categorized in Level 3

The following table presents a reconciliation of the changes in fair value measurements of financial assets included in Level 3 of the fair value hierarchy.

Three months ended March 31, 2014

Asset	Fair value December 31, 2013	Total unrealized gains included in income	Investments in Private Entities and Loans Receivable	Settlement of investments in Private Entities and Loans Receivable	Fair value March 31, 2014	Changes in unrealized gains included in earnings for assets for the period ended March 31, 2014 for positions still held
Investments in private entities	**$ 18,861**	**$ -**	**$ 172**	**$ (15,256)**	**$ 3,777**	**$ -**

Three months ended March 31, 2013

Asset	Fair value December 31, 2012	Total unrealized gains included in earnings	Investments in Private Entities and Loans Receivable	Settlement of investments in Private Entities and Loans Receivable	Fair value March 31, 2013	Changes in unrealized gains included in earnings for assets for the period ended March 31, 2013 for positions still held
Investments in private entities	$ 16,619	$ -	$ 254	$ (1,908)	$ 14,965	$ -

Realized and unrealized gains and losses recognized for Level 3 investments are reported as net realized gain/(loss) on sale of investments in private entities, and net change in unrealized gains/(losses) on investments in private entities respectively.

For its Level 3 investments, the Company relies primarily on the capitalized cash flow valuation method. This approach is one of estimating the present value of the projected future cash flows to be generated from the business and theoretically available (though not necessarily paid) to the capital providers of the investee company. A discount rate is applied to the projected future cash flows to arrive at a present value. The discount rate is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. It can also be interpreted as the rate of return that would be required by providers of capital to the company to compensate them for the time value of their money, as well as the risk inherent in the particular investment.

The capitalized cash flow method generally involves the estimation of future maintainable operating pre-debt cash flows which are then capitalized using a capitalization rate based on a weighted average cost of capital (WACC). It is a present value calculation of the future operating cash flow expectations. The enterprise value was then reduced for the debt outstanding. Historical net operating earnings of the company, adjusted for one-time and non-recurring items, were used to estimate its future operating cash flows.

A capitalization rate of 9.5% was used to value the company. A 1% change in that rate would have increased or decreased the value of the investments by approximately $200. Management has assessed and determined that using possible alternative assumptions will not result in significantly different fair values.

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

7. INVESTMENTS IN PRIVATE ENTITIES (continued)

A summary of the face/contractual value, cost, fair value and unrealized gain or loss on each of the Company's financial instruments as at March 31, 2014, December 31, 2013 and January 1, 2013 is presented below:

		March 31, 2014			
Financial Instrument	Maturity Date	**Face / Contractual Value**	**Cost**	**Fair Value**	**Unrealized Gain**
Salbro Bottle Group					
Debenture	August 22, 2019	**2,300**	**2,300**	**2,300**	
Accrued Interest on Debenture	August 22, 2019	**487**	**487**	**487**	
Common Share Warrants	n/a	**-**	**580**	**990**	**410**
Total		**$ 2,787**	**$ 3,367**	**$ 3,777**	**$ 410**

		December 31, 2013			
Financial Instrument	Maturity Date	Face / Contractual Value	Cost	Fair Value	Unrealized Gain (Loss)
Salbro Bottle Group					
Debenture	August 22, 2019	2,300	2,300	2,300	
Accrued Interest on Debenture	August 22, 2019	405	405	405	
Common Share Warrants	n/a	-	580	990	410
		2,705	3,285	3,695	410
Digital Payment Technologies Corp.					
Promissory Note	February 15, 2014	250	250	250	
Debenture	February 15, 2014	6,000	6,000	6,000	
Accrued Interest on Debenture	February 15, 2014	2,789	2,789	2,789	
Amount Receivable	February 15, 2014	250	250	250	
Preferred Share Warrants	n/a	-	969	665	(304)
Common Share Warrants	n/a	-	195	5,212	5,017
		9,289	10,453	15,166	4,713
Total		$ 11,994	$ 13,738	$ 18,861	$ 5,123

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

7. INVESTMENTS IN PRIVATE ENTITIES (continued)

Financial Instrument	Maturity Date	January 1, 2013 Face / Contractual Value	Cost	Fair Value	Unrealized Gain (Loss)
Blue Ant Media Inc.					
Common Shares	n/a	-	1,907	1,907	
		-	1,907	1,907	
Salbro Bottle Group					
Debenture	August 22, 2019	2,300	2,300	2,300	
PIK Interest on Debenture	August 22, 2019	101	101	101	
Common Share Warrants	n/a	-	580	10	(570)
		2,401	2,981	2,411	(570)
Digital Payment Technologies Corp.					
Promissory Note	December 31, 2013	250	250	250	
Debenture	December 31, 2013	6,000	6,000	6,000	
Accrued Interest on Debenture	December 31, 2013	2,032	2,032	2,032	
Amount Receivable	December 31, 2013	250	250	250	
Preferred Share Warrants	n/a	-	969	969	
Common Share Warrants	n/a	-	195	2,800	2,605
		8,532	9,696	12,301	2,605
Total		$ 10,933	$ 14,584	$ 16,619	$ 2,035

i) Investment in Blue Ant Media Inc.

In December, 2011, the Company agreed to sell an existing investment in High Fidelity HDTV, Inc. ("High Fidelity") to Blue Ant Media Inc. ("Blue Ant").

Blue Ant purchased 29.9% of the shares of High Fidelity in December, 2011 (the "First Closing") and agreed to acquire the remaining 70.1% of the shares of High Fidelity in August 2012 (the "Second Closing"). At the First Closing, the Company received $4,848 in cash and recognized a realized gain of $4,239 in 2011.

In August, 2012, the Second Closing was completed and the Company received $9,459 in cash, $1,907 in Blue Ant common shares and recognized a realized gain of $9,939 in 2012.

In aggregate, for the sale of its common share interests in High Fidelity, the Company received $14,307 in cash and $1,907 in Blue Ant common shares.

The Company completed the sale of its interest in the Blue Ant common shares to a third party in March 2013.

ii) Salbro Bottle Group

Salbro Bottle Group ("Salbro") is a manufacturer and distributor of packaging components, specializing in glass and plastic bottles.

In February, 2008, the Company invested $3,600 in Salbro. The Company was issued (a) a debenture from Salbro paying 12% cash interest and (b) common share warrants providing the Company with a 12.5% equity interest on a fully diluted basis.

7. INVESTMENTS IN PRIVATE ENTITIES (continued)

ii) Salbro Bottle Group (continued)

In March 2009, the Company purchased from Total Strategy Company $400 of additional 12% debentures at par plus accrued interest. The Company's total invested capital in Salbro increased to $4,000.

In August, 2012, Salbro completed a refinancing resulting in a principal repayment to the Company of $1,700. As of March 31, 2014, $2,300 in principal remains owing by Salbro to the Company. As part of the refinancing, the Company agreed to certain amendments to the Salbro debenture, including an extension of the maturity date and modifications of the terms of certain payment obligations to the Company.

For the three months ended March 31, 2014, the Company recognized as investment income from the Salbro debenture, accrued interest of $82 (2013 – accrued interest of $73).

iii) Digital Payment Technologies Corp.

Digital Payment Technologies Corp. ("DPT") develops, sells and supports electronic parking solutions for the collection of parking revenues and the management of parking operations for both on-street and off-street markets.

In 2008 and 2009 the Company invested in a $6,000 debenture paying 12% interest, preferred share warrants and common share warrants representing a 35% equity interest in DPT on a fully diluted basis.

In September, 2011, the Company completed a follow-on investment in DPT. A promissory note was issued to the Company in the principal amount of $650. The promissory note was secured and matured in September, 2012. In connection with the financing, the Company extended the maturity date of the debenture from October 2011 to September 2012 to mature concurrently with the promissory note. Certain other amendments to the terms of the debenture were also made including but not limited to the interest payment terms and certain financial covenants.

In October, 2012, DPT completed a refinancing resulting in a payment to the Company of approximately $591 in principal and interest owing under the promissory note. Subsequent to the refinancing, $250 remained outstanding under the promissory note. As a condition of the refinancing, the Company agreed to extend the maturity date of the promissory note and debenture to December 31, 2013.

On January 31, 2014, the Company, together with the other shareholders of DPT, completed the sale of their interests in DPT to a third party pursuant to a court approved plan of arrangement resulting in payment to C.A. Bancorp of approximately $9,400 in respect of contractual amounts that were owing under the debenture and term promissory note including related fees and interest. The Company also received approximately $5,800 as consideration for its common and preferred share warrants. The total cash proceeds from the sale amounted to approximately $15,200 which amount is included in cash and cash equivalents in the Statement of Financial Position. An amount of $585 remains in escrow until July 2014 and will be payable to the Company at that time, less any applicable fees, provided that no claims are made against such funds in accordance with the terms of such escrow arrangement.

For the three months ended March 31, 2014, the Company recognized as investment income on the DPT Debenture, $87 of cash interest (2013 – $181 of accrued interest and $60 of cash interest). For the three months ended March 31, 2014, the Company recognized as investment income on the promissory note, $4 of cash interest (2013 – $11 of cash interest).

8. COST OF ABANDONED REALIZATION STRATEGY AND CHANGE OF CONTROL

In August 2010, the Company implemented a plan to monetize its existing assets, distribute any realized cash and ultimately dissolve the business (the "Realization Strategy). While under the Realization Strategy, the Company was not operating as a going concern. On March 7, 2013, upon a change of control, in which CDJ Global Catalyst LLC ("CDJ") acquired all of the issued and outstanding common shares of the Company, the Company abandoned the Realization Strategy and resumed operations as a going concern. As of January 1, 2013, while the Company was not a going concern, the Company had recorded its assets at their recoverable amounts and recognized any liabilities for which any contractual commitments had become onerous as a result of the Realization Strategy. Due to this change of control, additional costs, including a $300 termination payment to a company controlled by the former CEO and $250 reimbursed to CDJ relating to legal fees incurred by CDJ in relation to the change of control of the Company, were incurred during the period ended March 31, 2013. These costs have been included in Cost of abandoned Realization Strategy and change of control in the Statements of Income and Comprehensive Income.

9. SHARE CAPITAL

a) Authorized

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

b) Issued and Outstanding

At March 31, 2014 12,269,280 common shares were issued and outstanding (December 31, 2013 – 12,269,280; January 1, 2013 – 12,269,280).

10. TRANSACTIONS WITH RELATED PARTIES

In March 2013 the Company agreed that CDJ Global Catalyst LLC ("CDJ"), a majority shareholder of the Company, would provide the Company with management and administration services. The agreement is for a one year term and thereafter will automatically renew for additional one year terms unless terminated. The agreement can be terminated with 180 days prior written notice by either party subject to payment to CDJ, in certain circumstances, of a termination fee based on a reasonable estimate of the management fee that would have been payable for the 6 months following termination. For the three months ended March 31, 2014, the fee charged to the Company was USD $20 (2013 - $Nil).

On April 3, 2013, the Board of Directors approved an amount of $250 to be reimbursed to CDJ relating to legal fees incurred by CDJ in relation to the change of control of the Company. The $250 is included in Costs (recovery) of abandoned Realization Strategy and change of control on the Statement of Income and Comprehensive Income.

Included in accounts payable and accrued liabilities as at March 31, 2014 is $22,000 (December 31, 2013 - $22,000; January 1, 2013 – $nil) owing to CDJ.

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

10. TRANSACTIONS WITH RELATED PARTIES (continued)

Key Management Compensation

Key management includes Chief Executive Officer, Chief Financial Officer and non-independent directors. The compensation paid or payable to key management is shown below:

Three month periods ended March 31,	**2014**	2013
Management contract	**$ 22**	$ -
Directors' fees	**34**	130

11. NORMAL COURSE ISSUER BID

The Company announced on September 9, 2013 that the Toronto Stock Exchange had approved its notice of intention to make a normal course issuer bid for up to 613,464 of its common shares, or approximately 5% of its 12,269,280 outstanding common shares. The Company may purchase common shares at prevailing market prices during the period from September 11, 2013 to September 10, 2014. Purchases will be made at market prices in accordance with the rules and policies of the Toronto Stock Exchange. Daily purchases will be limited to 1,000 common shares, other than block purchase exceptions and will be made through the facilities of the TSX. All common shares purchased by the Company under the normal course issuer bid will be cancelled.

The Company believes that, from time to time, the market price of its common shares may not reflect their underlying value and that the purchase of its shares may represent an appropriate and desirable use of Company funds. No shares have been purchased to date.

12. SUBSTANTIAL ISSUER BID

On March 7, 2014, the Board of Directors of C.A. Bancorp Inc. approved a substantial issuer bid (the "Offer"), pursuant to which C.A. Bancorp offered to repurchase for cancellation up to $25,000 in value of its outstanding common shares (the "Shares") from shareholders for cash. The Offer was by way of a modified Dutch auction process which allowed shareholders to individually select the price, within the specified range (in increments of $0.01 per Share), at which they were willing to sell all or a portion of their Shares. The range of Offer prices was between $3.45 and $3.55 per Share. The Offer expired on April 15, 2014.

A total of 6,995,473 Shares were validly deposited and not withdrawn under the Offer. Pursuant to the terms of the Offer, the Company determined the purchase price to be $3.50 per Share. The Company took up 6,965,273 Shares, representing 99.6% of the total number of Shares tendered to the Offer, for aggregate consideration of $24,378. These Shares represented approximately 56.8% of the total Shares issued and outstanding as at April 15, 2014 and, following the purchase and cancellation of these Shares, 5,304,007 Shares remain outstanding.

13. FINANCIAL RISK MANAGEMENT

The Company is exposed to a number of risks due to the nature of its activities and as further set out in its offering memorandum related to the substantial issuer bid. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's objective in managing these risks is the protection and enhancement of shareholder value.

13. FINANCIAL RISK MANAGEMENT (continued)

The Company's risk management policies are approved by the Board of Directors and seek to minimize the potential adverse effects of these risks on the Company's financial performance. The risk management process is an ongoing process of identification, measurement, monitoring and controlling risk.

a. Risk management structure

The Board of Directors is ultimately responsible for the overall risk management within the Company but has delegated the responsibility for identifying and controlling risks to CDJ, the Company's Investment Manager.

Risk measurement and reporting system

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

b. Risk mitigation

The Company's Annual Information Form details its investment policy and guidelines that encompasses its overall investment strategy, its tolerance for risk and its general risk management philosophy.

The Company does not use derivatives and other instruments for trading purposes or for risk management.

c. Excessive risk concentration

A concentration of risk exists where: (i) positions in financial instruments are affected by changes in the same risk factor or group of correlated factors; and (ii) the exposure could, in the event of large but plausible adverse developments, result in significant losses.

Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market to realize liquid assets. Concentrations of foreign exchange risk may arise if the Company has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together. Concentrations of counterparty risk may arise when a number of financial instruments or contracts are contracted with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Company's investment policies and risk management procedures include specific guidelines to ensure the maintenance of a diversified portfolio. The Investment Manager is mandated within prescribed limits to reduce exposure.

a) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company has made investments in private entities which do not typically have an active market. Private investment transactions can be highly structured and the Company takes measures, where possible, to create defined liquidity events and as part of its strategy, the Company has sought to create or accelerate such liquidity

13. FINANCIAL RISK MANAGEMENT (continued)

events. However, such liquidity events are rarely expected in the first two or three years of making an investment and may not be realized as expected. The Company has historically sought to obtain regular cash flow from these investments through interest payments and/or management fees.

The Company funds itself with operating cash flows and return of capital and capital gains from its investments. Operating cash flows have historically been sufficient to cover normal operating expenses. The Company's liabilities are expected to be realized in the next 12 months.

b) Interest rate sensitivity

As at and during the three months ended March 31, 2014, the Company did not have any significant exposure to interest rate risk as the Company intends to hold its debt instruments to maturity, and therefore, would not be impacted by changes in interest rates.

c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

At reporting date, financial assets exposed to credit risk include debt instruments and derivatives disclosed in Note 7 to the financial statements. The Company has adopted a policy of dealing with creditworthy counterparties 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.

All purchases and sales of listed securities are settled/paid for upon delivery using approved brokers. The delivery of securities sold is only made once payment has been received by the broker and payment is made on a purchase only after the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The credit risk on cash transactions and transactions involving derivative financial instruments is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies.

As at March 31, 2014, December 31, 2013 and January 1, 2013, none of these financial assets was either impaired or past due but not impaired. The Company does not hold any collateral as security.

The Company's maximum exposure to credit risk arising from private equity investments is equal to the fair value of those investments (see Note 7). The Company also has credit exposure related to overnight deposits placed with its Canadian chartered bank of $41,634 as at March 31, 2014 (December 31, 2013 – $20,760; December 31, 2012 – $25,126). The bank has a senior debt rating of AA- from DBRS.

d) Foreign Exchange Risk

The Company does not have significant exposure to foreign exchange risk; however, its investee companies may have exposure to sudden changes in foreign exchange rates.

13. FINANCIAL RISK MANAGEMENT (continued)

e) Concentration Risk

The Company participates in a limited number of investments and, as a consequence, the Company's financial results may be substantially adversely affected by the unfavourable performance of a single investment.

14. CAPITAL DISCLOSURES

The Company's objectives when managing capital are: (a) to safeguard the Company's ability to continue to execute its strategy, so that it can continue to provide returns for shareholders and benefits to other stakeholders, and (b) to provide an adequate return to shareholders by seeking returns on investments that are commensurate with the level of risk on the investments.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Company may buy back shares or sell assets.

The Company views all shareholders' equity as capital. The Company is not subjected to any material externally imposed capital requirement.

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

As stated in the Statement of compliance (Note 3(a)) and the Basis of preparation (Note 3(b)), these are the Company's first financial statements prepared in accordance with IFRS.

The policies set out in Note 3, Significant Accounting Policies, have been applied in preparing the financial statements for the period ended March 31, 2014, the comparative information presented in these financial statements for the period ended March 31, 2013, being the statements of income and comprehensive income, changes in equities and cash flows, and the opening IFRS statement of financial position as at January 1, 2013 (the Company's date of transition).

In preparing these IFRS financial statements, the Company determined no adjustments were required to amounts previously reported in the financial statements previously prepared in accordance with Canadian GAAP as those policies are consistent with IFRS policies. There is no impact on the Company's financial position, net income or cash flows as a result of adopting IFRS.

The Company has followed the recommendations in IFRS 1 First-time adoption of IFRS, in preparing its transitional statements. IFRS 1 provides specific one-time choices and mandates specific one-time exceptions with respect to first-time adoption of IFRS.

Exceptions that are mandated by IFRS 1

Estimates

IFRS 1 prohibits use of hindsight to create or revise previous estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any differences in accounting policies.