



As at October 31, 2011

Monthly Update

Canadian Banc Recovery Corp is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified portfolio consisting of six Canadian Banks. Two types of shares are available, a Class A and a Preferred.

	One Month to Oct 31, 2011	Year to Date Oct 31, 2011
TSX	5.40%	-8.86%
S&P 500	10.77%	-0.35%
DJII	9.54%	3.26%
NASDAQ	11.14%	1.19%

Distributions (by record date)

	BK	BK.PR.A	Total
Total to Date	\$5.6816	\$3.5639	\$9.2455
2011 YTD	\$0.6250	\$0.4167	\$1.0417
2010	\$0.7500	\$0.5000	\$1.2500
2009	\$0.5625	\$0.5000	\$1.0625
2008	\$0.9535	\$0.5648	\$1.5183
2007	\$1.2156	\$0.6854	\$1.9010
2006	\$1.1625	\$0.6500	\$1.8125
2005	\$0.4125	\$0.2470*	\$0.6595

*Initial distribution for the period July 15/05 to Dec 29/05.

Commentary

October was an exceptional month for the North American financial markets, despite uncertainties of spillover effects of the debt crisis surrounding the Eurozone countries. Market sentiment and performance continued to be dictated by macroeconomic and political events during the month. Increased market volatility was observed as European leaders hammered out an agreement intended to stabilize the Greek sovereign debt crisis. Global markets rallied sharply toward the end of the month as investors welcomed the specific details contained in the Greece bailout plan. The extent of extremely positive market reaction underlies the importance of resolving the Eurozone debt crisis to the financial markets. The potential success of this plan and future actions to deal with the Greek sovereign debt crisis and other distressed Eurozone countries will have a significant impact on global financial markets. In addition, investors will also continue to focus on U.S. efforts to deal with extraordinary large and growing government deficits.

Notwithstanding overall macro concerns, valuations remain relatively attractive in this low interest rate environment. The valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios and current dividend yields and this should continue to act as a major support at these current market prices. Due to increased market volatility in the recent months, the covered call writing program has added a higher level of income to supplement dividend income earned in the portfolio.

Details

Gross Proceeds:	\$288,125,000
Units Issued:	11,525,000
Inception Date:	July 15, 2005
Termination Date:	December 1, 2012
Net Asset Value	\$20.96

Cash Weighting:	4%
Canadian Equity Weighting:	96%

BK.PR.A	Trading Price:	\$10.05
	Current Yield*:	5.0%
	Asset Coverage:	210%
	Market Capitalization:	\$75,251,204
BK	Trading Price:	\$10.88
	Current Yield*:	6.9%
	Market Capitalization:	\$81,465,980

*Last distribution annualized.

Top Holdings (sorted by weight)

Toronto-Dominion Bank
 Bank of Nova Scotia
 Royal Bank of Canada
 Bank of Montreal
 National Bank of Canada
 Canadian Imperial Bank of Commerce

Weightings subject to change at any time.