

QUARTERLY PROFITABILITY STUMBLES FORWARD

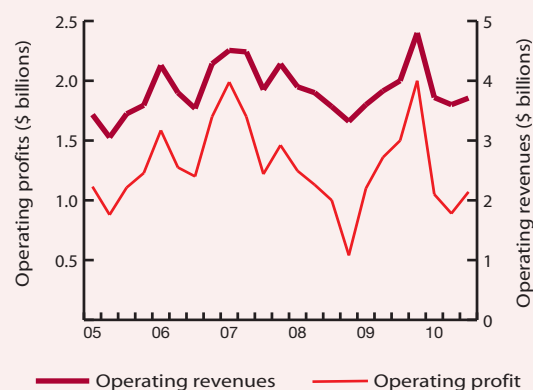
The securities industry witnessed higher operating revenues and profits in the third quarter, with integrated, institutional and retail firms all benefiting from improved market performance in the tail end of the period. A major performance driver for the quarter was principal trading activity. Fixed income and equity trading revenues combined for \$426 million in revenue in Q3, more than double the previous quarter's level. On a year-to-date basis, however, trading revenues are still approximately \$1 billion less than 2009. Volatility in financial markets reflecting uncertainty in the US economic recovery and nervousness about European banks has led overall industry performance to lag 2009.

Following a positive showing in the second quarter, investment banking activity experienced a setback in Q3 with an 8% decline. Equity and debt underwriting revenues fell by a combined \$157m. A 42% increase in the corporate advisory business, however, helped counterbalance the declining underwriting revenues. Year-to-date investment banking revenues are roughly in line with levels achieved during the same period last year and 20% better than 2008.

Revenues from the retail wealth management business remained relatively unchanged from the previous quarter. Q3's lower commission revenues were off-set by increased fee-based revenues. Mutual fund revenues were identical in Q2 and Q3. For the year-to-date, mutual fund revenues are 26% higher than 2009 and the 2010 fee-based business has outperformed both 2008 and 2009. Net-interest revenues, which jumped nearly 30% on the quarter, also benefited retail firms.

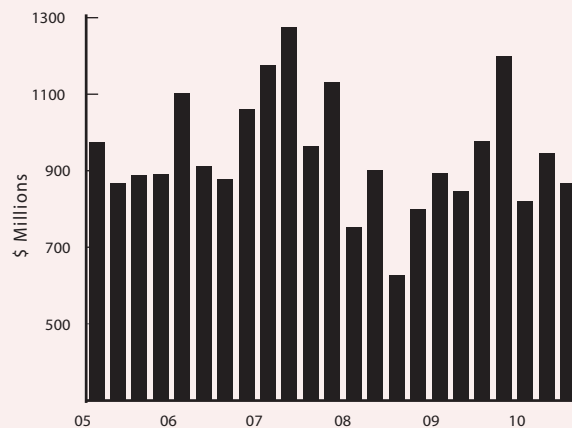
Client cash holdings fell slightly from the previous quarter but continue to hover around historically high levels. Total client debt margin outstanding stood at \$12.8 billion at quarter's end which was little changed from Q2 but nearly 25% higher than one year ago.

Chart 1: Operating profits and revenues



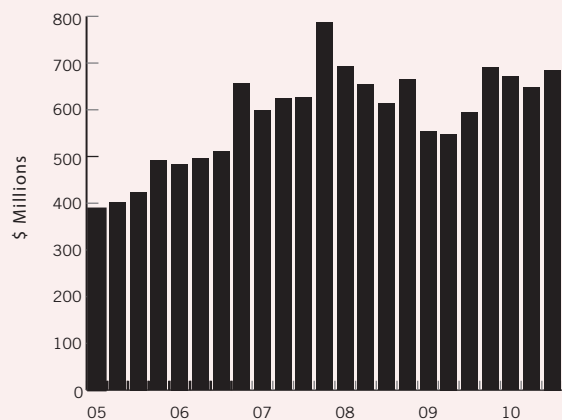
Source: IIAC

Chart 2: Investment banking revenues



Source: IIAC

Chart 3: Fee-based revenues



Source: IIAC

Q3 2010 INDUSTRY HIGHLIGHTS

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Cumulative Year-over-Year				Annual Year-over-Year						
	Quarters		% Change		Year to Date		% Change		Years		% Change				
	Q3 10	Q2 10	Q3 09	Q3/Q2 10	Q3 10/09	2010	2009	2008	10/09	09/08	2009	2008	2007	09/08	08/07
Number of firms	197	195	201	1.0	-2.0	197	201	201	-2.0	0.0	200	202	203	-1.0	-0.5
Number of employees	39,793	39,692	40,122	0.3	-0.8	39,793	40,122	41,397	-0.8	-3.1	39,894	40,836	42,329	-2.3	-3.5
Revenue	1,285	1,379	1,292	-6.8	-0.5	4,083	3,711	4,294	10.0	-13.6	5,052	5,592	6,315	-9.7	-11.4
<i>Mutual fund only commissions</i>	472	472	418	0.0	12.9	1,440	1,141	1,491	26.2	-23.5	1,605	1,860	2,249	-13.7	-17.3
Investment banking	867	946	976	-8.4	-11.2	2,633	2,717	2,277	-3.1	19.3	3,915	3,077	4,546	27.2	-32.3
<i>New issues equity</i>	392	537	582	-27.0	-32.6	1,364	1,626	1,146	-16.1	41.9	2,356	1,580	2,589	49.1	-39.0
<i>New issues debt</i>	211	223	149	-5.4	41.6	592	471	397	25.7	18.6	653	483	581	35.2	-16.9
<i>Corporate advisory fees</i>	264	186	245	41.9	7.8	676	619	735	9.2	-15.8	906	1,014	1,376	-10.7	-26.3
Fixed income trading	349	236	550	47.9	-36.5	1,001	1,746	659	-42.7	164.9	2,109	1,045	698	101.8	49.7
Equity trading	77	-34	267	326.5	-71.2	110	333	-62	-67.0	637.1	459	-11	460	n.m.	-102.4
Net interest	275	214	213	28.5	29.1	672	725	1,435	-7.3	-49.5	914	1,894	1,794	-51.7	5.6
Fees	685	647	594	5.9	15.3	2,004	1,694	1,960	18.3	-13.6	2,385	2,624	2,636	-9.1	-0.5
Other	175	181	141	-3.3	24.1	501	573	713	-12.6	-19.6	1,473	371	674	297.0	-45.0
Operating revenue	3,712	3,568	4,034	4.0	-8.0	11,004	11,499	11,276	-4.3	2.0	16,306	14,593	17,123	11.7	-14.8
Operating expenses¹	1,669	1,681	1,579	-0.7	5.7	4,996	4,822	4,785	3.6	0.8	6,555	6,528	6,279	0.4	4.0
Operating profit	1,067	891	1,528	19.8	-30.2	3,011	3,998	3,370	-24.7	18.6	5,987	3,914	6,382	53.0	-38.7
Net profit (loss)	446	468	798	-4.7	-44.1	1,322	2,075	1,594	-36.3	30.2	2,869	1,875	2,771	53.0	-32.3
Shareholders' equity	18,197	16,343	14,961	11.3	21.6	18,197	14,961	13,357	21.6	12.0	15,225	13,507	12,655	12.7	6.7
Regulatory capital	32,095	30,250	29,092	6.1	10.3	32,095	29,092	29,561	10.3	-1.6	29,559	27,461	23,413	7.6	17.3
Client cash holdings	35,987	36,209	35,977	-0.6	0.0	35,987	35,977	29,995	0.0	19.9	36,816	33,677	28,500	9.3	18.2
Client debt margin outstanding	12,838	12,941	10,275	-0.8	24.9	12,838	10,275	14,374	24.9	-28.5	11,048	8,846	14,001	24.9	-36.8
Productivity (\$ thousands)²	373	360	402	3.8	-7.2	830	860	817	-3.5	5.2	409	357	405	14.4	-11.7
Annual return³ (%)	9.8	11.5	21.3	-1.7	-11.5	9.7	18.5	15.9	-8.8	2.6	18.8	13.9	21.9	5.0	-8.0

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholder's equity.

Integrated firms

Firms that are national in scope and have extensive retail and institutional operations; includes dealers of the six major chartered banks.

Q3 2010 INTEGRATED FIRM HIGHLIGHTS

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Cumulative Year-over-Year				Annual Year-over-Year						
	Quarters		% Change		Year to Date		% Change		Years		% Change				
	Q3 10	Q2 10	Q3 09	Q3/Q2 10	Q3 10/09	2010	2009	2008	10/09	09/08	2009	2008	2007	09/08	08/07
Number of firms	11	11	11	0.0	0.0	11	11	11	0.0	0.0	11	11	11	0.0	0.0
Number of employees	24,851	24,818	25,320	0.1	-1.9	24,851	25,320	26,233	-1.9	-3.5	25,131	25,973	26,925	-3.2	-3.5
Revenue	869	921	872	-5.6	-0.3	2,746	2,483	2,804	10.6	-11.4	3,384	3,675	4,145	-7.9	-11.3
Commissions <i>Mutual fund only commissions</i>	360	356	321	1.1	12.1	1,087	873	1,131	24.5	-22.8	1,226	1,414	1,665	-13.3	-15.1
Investment banking	525	597	657	-12.1	-20.1	1,631	1,836	1,315	-11.2	39.6	2,598	1,874	2,642	38.6	-29.1
<i>New issues equity</i>	223	297	395	-24.9	-43.5	774	1,123	634	-31.1	77.1	1,587	967	1,421	64.1	-31.9
<i>New issues debt</i>	170	192	125	-11.5	36.0	494	394	335	25.4	17.6	546	405	461	34.8	-12.1
<i>Corporate advisory fees</i>	133	108	138	23.1	-3.6	363	318	347	14.2	-8.4	465	502	758	-7.4	-33.8
Fixed income trading	283	190	433	48.9	-34.6	809	1,392	481	-41.9	189.4	1,690	782	514	116.1	52.1
Equity trading	4	-51	225	107.8	-98.2	-8	252	56	-103.2	350.0	332	106	184	213.2	-42.4
Net interest	234	187	185	25.1	26.5	577	621	1,129	-7.1	-45.0	790	1,488	1,399	-46.9	6.4
Fees	499	483	439	3.3	13.7	1,459	1,243	1,396	17.4	-11.0	1,764	1,877	1,857	-6.0	1.1
Other	120	106	104	13.2	15.4	317	410	422	-22.7	-2.8	1,233	-1	436	n.m.	-100.2
Operating revenue	2,535	2,434	2,917	4.1	-13.1	7,532	8,236	7,605	-8.5	8.3	11,792	9,801	11,177	20.3	-12.3
Operating expenses¹	1,116	1,110	1,053	0.5	6.0	3,302	3,124	3,008	5.7	3.9	4,300	4,145	4,029	3.7	2.9
Operating profit	722	612	1,195	18.0	-39.6	2,100	3,180	2,394	-34.0	32.8	4,782	2,722	3,985	75.7	-31.7
Net profit (loss)	356	353	677	0.8	-47.4	1,047	1,781	1,319	-41.2	35.0	2,422	1,502	2,006	61.3	-25.1
Shareholders' equity	11,080	11,047	9,990	0.3	10.9	11,080	9,990	8,486	10.9	17.7	10,029	8,637	7,761	16.1	11.3
Regulatory capital	21,671	21,912	21,183	-1.1	2.3	21,671	21,183	20,975	2.3	1.0	21,372	19,334	15,669	10.5	23.4
Client cash holdings	30,311	30,445	30,024	-0.4	1.0	30,311	30,024	24,948	1.0	20.3	31,451	28,157	23,811	11.7	18.3
Productivity (\$ thousands)²	408	392	461	4.0	-11.5	909	976	870	-6.8	12.2	469	377	415	24.3	-9.1
Annual return³ (%)	12.9	12.8	27.1	0.1	-14.3	12.6	23.8	20.7	-11.2	3.0	24.1	17.4	25.8	6.8	-8.5

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholder's equity.

Q3 2010 INSTITUTIONAL FIRM HIGHLIGHTS

	Quarter-over-Quarter				Cumulative Year-over-Year				Annual Year-over-Year								
	Quarters		% Change		Year to Date		% Change		Years		% Change						
	Q3 10	Q2 10	Q3 09	Q3/Q2 10	Q3 10/09	% Change	2010	2009	2008	10/09	% Change	2009	2008	2007	09/08	% Change	
(\$ millions unless otherwise noted)																	
Number of firms	72	70	71	2.9	1.4	67	71	72	71	67	1.4	72	69	68	6.0	1.5	
Number of employees	2,785	2,805	2,854	-0.7	-2.4	3,024	2,854	2,785	2,854	3,024	-2.4	2,801	2,926	2,988	-5.6	-2.1	
Revenue																	
Commissions	146	161	155	-9.3	-5.8	597	473	464	473	597	-1.9	623	777	783	-20.8	-19.8	-0.8
Investment banking revenues																	
<i>New issues equity</i>	273	258	256	5.8	6.6	764	710	762	710	764	7.3	1,052	938	1,425	-7.1	12.2	-34.2
<i>New issues debt</i>	123	174	148	-29.3	-16.9	368	371	417	371	368	12.4	568	438	767	0.8	29.7	-42.9
<i>Corporate advisory fees</i>	23	13	10	76.9	130.0	33	38	50	38	33	31.6	51	42	76	15.2	21.4	-44.7
	128	71	97	80.3	32.0	363	302	295	302	363	-2.3	433	458	581	-16.8	-5.5	-21.2
Fixed income trading																	
Equity trading	28	25	71	12.0	-60.6	66	214	102	214	66	-52.3	249	94	82	224.2	164.9	14.6
Net interest	50	6	21	733.3	138.1	-98	18	68	18	-98	277.8	46	-61	199	118.4	175.4	-130.7
Fees	10	3	6	233.3	66.7	151	34	17	34	151	-50.0	33	212	201	-77.5	-84.4	5.5
Other	15	15	20	0.0	-25.0	63	58	83	58	63	43.1	77	79	85	-7.9	-2.5	-7.1
	29	33	12	-12.1	141.7	137	58	86	58	137	48.3	101	174	126	-57.7	-42.0	38.1
Operating revenue	552	501	541	10.2	2.0	1,680	1,564	1,583	1,564	1,680	1.2	2,182	2,214	2,901	-6.9	-1.4	-23.7
Operating expenses¹	211	220	209	-4.1	1.0	717	708	651	708	717	-8.1	923	990	889	-1.3	-6.8	11.4
Operating profit	286	233	275	22.7	4.0	755	704	763	704	755	8.4	1,025	947	1,790	-6.8	8.2	-47.1
Net profit (loss)	90	114	112	-21.1	-19.6	262	303	276	303	262	-8.9	444	382	660	15.6	16.2	-42.1
Shareholders' equity	5,853	4,045	3,918	44.7	49.4	3,805	3,918	5,853	3,918	3,805	49.4	3,972	3,803	3,768	3.0	4.4	0.9
Regulatory capital	8,793	6,694	6,177	31.4	42.4	6,075	6,177	8,793	6,177	6,075	42.4	6,607	6,118	5,937	1.7	8.0	3.0
Client cash holdings	911	1,182	740	-22.9	23.1	776	740	911	740	776	23.1	768	1,326	1,034	-4.6	-42.1	28.2
Productivity (\$ thousands)²	793	714	758	11.0	4.6	1,667	1,644	1,705	1,644	1,667	3.7	2,337	757	971	-1.4	208.9	-22.1
Annual return³ (%)	6.2	11.3	11.4	-5.1	-5.3	9.2	10.3	6.3	10.3	9.2	-4.0	11.2	10.0	17.5	1.1	1.1	-7.5

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholder's equity.

Q3 2010 RETAIL FIRM HIGHLIGHTS

(\$ millions unless otherwise noted)	Quarter-over-Quarter						Cumulative Year-over-Year				Annual Year-over-Year				
	Quarters		% Change		Year to Date		% Change		Years		% Change				
	Q3 10	Q2 10	Q3 09	Q3/Q2 10	Q3 10/09	2010	2009	2008	10/09	09/08	2009	2008	2007	09/08	08/07
Number of firms	114	114	119	0.0	-4.2	114	119	123	-4.2	-3.3	117	122	124	-4.1	-1.6
Number of employees	12,157	12,069	11,948	0.7	1.7	12,157	11,948	12,140	1.7	-1.6	11,962	11,937	12,416	0.2	-3.9
Revenue	270	296	264	-8.8	2.3	873	755	893	15.6	-15.5	1,045	1,140	1,387	-8.3	-17.8
<i>Mutual fund only commissions</i>	112	116	95	-3.4	17.9	352	264	356	33.3	-25.8	375	440	577	-14.8	-23.7
Investment banking	68	91	63	-25.3	7.9	239	170	199	40.6	-14.6	265	265	481	0.0	-44.9
<i>New issues equity</i>	46	66	40	-30.3	15.0	173	132	144	31.1	-8.3	201	176	400	14.2	-56.0
<i>New issues debt</i>	18	17	14	5.9	28.6	48	39	29	23.1	34.5	56	36	43	55.6	-16.3
<i>Corporate advisory fees</i>	4	7	10	-42.9	-60.0	19	-524	25	103.6	-2196.0	8	54	36	-85.2	50.0
Fixed income trading	38	20	46	90.0	-17.4	90	140	111	-35.7	26.1	169	139	88	21.6	58.0
Equity trading	23	11	21	109.1	9.5	49	63	-20	-22.2	415.0	81	17	40	376.5	-57.5
Net interest	31	25	22	24.0	40.9	77	70	154	10.0	-54.5	91	194	195	-53.1	-0.5
Fees	170	149	135	14.1	25.9	462	393	501	17.6	-21.6	544	667	694	-18.4	-3.9
Other	26	41	25	-36.6	4.0	98	106	154	-7.5	-31.2	138	198	111	-30.3	78.4
Operating revenue	625	633	576	-1.3	8.5	1,889	1,699	1,991	11.2	-14.7	2,322	2,578	3,045	-9.9	-15.3
Operating expenses¹	342	351	317	-2.6	7.9	1,043	990	1,060	5.4	-6.6	1,332	1,394	1,361	-4.4	2.4
Operating profit	58	46	58	26.1	0.0	148	115	221	28.7	-48.0	180	245	606	-26.5	-59.6
Net profit (loss)	0	1	9	-100.0	-100.0	-1	-10	13	90.0	-176.9	3	-8	104	137.5	-107.7
Shareholders' equity	1,264	1,251	1,053	1.0	20.0	1,264	1,053	1,066	20.0	-1.2	1,224	1,067	1,126	14.7	-5.2
Regulatory capital	1,631	1,644	1,732	-0.8	-5.8	1,631	1,732	1,734	-5.8	-0.1	1,580	1,744	1,807	-9.4	-3.5
Client cash holdings	4,665	4,476	3,995	4.2	16.8	4,665	5,119	3,995	-8.9	28.1	4,506	4,194	3,655	7.4	14.7
Productivity (\$ thousands)²	206	210	193	-2.0	6.6	466	427	492	9.3	-13.3	194	216	245	-10.1	-11.9
Annual return³ (%)	0.3	0.3	3.4	0.0	-3.1	-0.1	-1.3	1.6	1.2	-2.9	0.2	-0.7	9.2	1.0	-10.0

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholder's equity.

Domestic institutional

Firms that generate most of their revenues from servicing institutional clients and have their head office located in Canada.

Q3 2010 DOMESTIC INSTITUTIONAL FIRM HIGHLIGHTS

	Quarter-over-Quarter				Cumulative Year-over-Year				Annual Year-over-Year								
	Quarters		% Change		Year to Date		% Change		Years		% Change						
	Q3 10	Q2 10	Q3 09	Q3/Q2 10	Q3 10/09	% Change	2010	2009	2008	10/09	09/08	2009	2008	2007	09/08	08/07	
(\$ millions unless otherwise noted)																	
Number of Firms	52	50	51	4.0	2.0	2.0	52	51	47	2.0	8.5	52	49	48	6.1	2.1	
Number of Employees	1,989	2,025	2,132	-1.8	-6.7	1,989	1,989	2,132	2,206	-6.7	-3.4	2,090	2,146	2,048	-2.6	4.8	
Revenue																	
Commission	97	108	113	-10.2	-14.2	314	314	334	405	-6.0	-17.5	439	517	537	-15.1	-3.7	
Investment banking																	
<i>New issues equity</i>	167	211	162	-20.9	3.1	551	551	429	520	28.4	-17.5	684	635	956	7.7	-33.6	
<i>New issues debt</i>	105	165	110	-36.4	-4.5	383	383	297	325	29.0	-8.6	468	389	670	20.3	-42.0	
<i>Corporate advisory fees</i>	10	5	3	100.0	233.3	19	19	11	8	72.7	37.5	17	9	12	88.9	-26.6	
Fixed income trading	53	41	49	29.3	8.2	150	150	120	187	25.0	-35.8	198	237	274	-16.5	-13.4	
Equity trading	6	4	11	50.0	-45.5	15	15	31	10	-51.6	210.0	38	25	6	52.0	297.3	
Net interest	26	-10	31	360.0	-16.1	30	30	80	-94	-62.5	185.1	113	-127	25	189.0	-602.4	
Fees	6	4	5	50.0	20.0	14	14	15	13	-6.7	15.4	19	50	51	-62.0	-2.3	
Other	13	12	18	8.3	-27.8	75	75	53	51	41.5	3.9	69	64	66	7.8	-3.4	
Operating revenue	9	13	5	-30.8	80.0	33	33	15	33	120.0	-54.5	25	57	23	-56.1	146.1	
Operating expenses¹	325	342	344	-5.0	-5.5	1,031	1,031	955	966	8.0	-1.1	1,388	1,222	1,664	13.6	-26.6	
Operating profit	127	137	139	-7.3	-8.6	406	406	414	370	-1.9	11.9	548	502	428	9.2	17.3	
Net profit (loss)	147	161	153	-8.7	-3.9	469	469	415	414	13.0	0.2	635	484	1,000	31.2	-51.6	
	12	81	55	-85.2	-78.2	140	140	183	117	-23.5	56.4	277	137	386	102.2	-64.5	
Shareholders' Equity	1,437	1,739	1,643	-17.4	-12.5	1,437	1,437	1,643	1,596	-12.5	2.9	1,685	1,563	1,686	7.8	-7.3	
Regulatory Capital	2,002	2,009	1,922	-0.3	4.2	2,002	2,002	1,922	1,931	4.2	-0.5	1,943	1,900	2,008	2.3	-5.4	
Client cash holdings	624	782	477	-20.2	30.8	624	624	477	712	30.8	-33.0	464	768	519	-39.6	48.0	
Productivity (\$ thousands)²	654	676	645	-3.3	1.3	1,555	1,555	1,344	1,314	15.7	2.3	664	569	813	16.6	-29.9	
Annual return³ (%)	3.3	18.6	13.4	-15.3	-10.0	13.0	13.0	14.9	9.8	-1.9	5.1	16.4	8.8	22.9	7.7	-14.1	

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholder's equity.

Foreign institutional

Firms that generate most of their revenues from servicing institutional clients and have their head office located offshore.

(\$ millions unless otherwise noted)	Q3 2010 FOREIGN INSTITUTIONAL FIRM HIGHLIGHTS														
	Quarter-over-Quarter				Cumulative Year-over-Year				Annual Year-over-Year						
	Quarters		% Change		Year to Date		% Change		Years		% Change				
	Q3 10	Q2 10	Q3 09	Q3/Q2 10	Q3 10/09	2010	2009	2008	10/09	09/08	2009	2008	2007	09/08	08/07
Number of firms	20	20	20	0.0	0.0	20	20	20	0.0	0.0	20	20	20	0.0	0.0
Number of employees	796	780	722	2.1	10.2	796	722	818	10.2	-11.7	711	780	940	-8.8	-17.0
Revenue															
Commissions	49	53	43	-7.5	14.0	150	139	192	7.9	-27.6	183	260	246	-29.6	5.6
Investment banking															
New issues equity	105	47	94	123.4	11.7	211	282	244	-25.2	15.6	367	303	467	21.1	-35.1
New issues debt	18	8	37	125.0	-51.4	34	74	43	-54.1	72.1	99	49	96	102.0	-49.2
Corporate advisory fees	13	9	8	44.4	62.5	32	27	25	18.5	8.0	34	33	64	3.0	-48.1
	75	30	49	150.0	53.1	145	181	175	-19.9	3.4	234	220	308	6.4	-28.5
Fixed income trading															
Equity trading	23	22	60	4.5	-61.7	87	183	56	-52.5	226.8	212	69	76	207.2	-9.1
Net interest	23	16	-10	43.8	330.0	39	-62	-4	162.9	-1450.0	-67	66	173	-201.5	-61.9
Fees	5	-2	1	350.0	400.0	4	19	111	-78.9	-82.9	14	162	150	-91.4	8.1
Other	3	3	2	0.0	50.0	8	5	11	60.0	-54.5	8	15	19	-46.7	-20.2
	20	20	7	0.0	185.7	53	43	104	23.3	-58.7	76	118	103	-35.6	14.4
Operating revenue															
Operating expenses ¹	228	159	197	43.4	15.7	552	609	714	-9.4	-14.7	794	992	1,237	-20.0	-19.8
Operating profit	84	83	70	1.2	20.0	244	294	347	-17.0	-15.3	375	488	463	-23.2	5.4
Net profit (loss)	139	72	122	93.1	13.9	294	289	341	1.7	-15.2	390	463	790	-15.8	-41.4
	78	33	57	136.4	36.8	136	120	146	13.3	-17.8	167	245	274	-31.8	-10.7
Shareholders' equity															
Regulatory capital	4,416	2,306	2,275	91.5	94.1	4,416	2,275	2,209	94.1	3.0	2,287	2,239	2,082	2.1	7.5
Client cash holdings	6,791	4,684	4,255	45.0	59.6	6,791	4,255	4,920	59.6	-13.5	4,664	4,218	3,929	10.6	7.4
	287	400	263	-28.3	9.1	287	263	275	9.1	-4.4	304	493	334	-38.3	47.6
Productivity (\$ thousands)²															
Annual return ³ (%)	1,146	815	1,091	40.5	5.0	2,080	2,530	2,619	-17.8	-3.4	3,350	1,272	1,316	163.4	-3.4
	7.1	5.7	10.0	1.3	-3.0	4.1	7.0	8.8	-2.9	-1.8	9.7	10.9	13.2	-1.2	-2.2

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholder's equity.

Full service

Firms that generate most of their revenues from servicing retail clients and have their own front and back offices.

Q3 2010 FULL SERVICE RETAIL FIRM HIGHLIGHTS

(\$ millions unless otherwise noted)	Quarter-over-Quarter				Cumulative Year-over-Year				Annual Year-over-Year							
	Quarters		% Change		Year to Date		% Change		Years		% Change					
	Q3 10	Q2 10	Q3 09	Q3/Q2 10	Q3 10/09	% Change	2010	2009	2008	10/09	% Change	2009	2008	2007	09/08	08/07
Number of firms	35	35	35	0.0	0.0	0.0	35	35	34	0.0	2.9	35	34	36	2.9	-5.6
Number of employees	6,151	6,131	6,043	0.3	1.8	1.8	6,151	6,043	6,156	1.8	-1.8	6,072	6,018	6,517	0.9	-7.7
Revenue	153	164	151	-6.7	1.3	1.3	486	439	518	10.7	-15.3	605	659	810	-8.2	-18.6
Commissions <i>Mutual fund only commissions</i>	68	69	56	-1.4	21.4	21.4	210	159	218	32.1	-27.1	227	268	298	-15.3	-10.1
Investment banking	48	67	43	-28.4	11.6	11.6	174	126	130	38.1	-3.1	192	156	334	23.1	-53.3
<i>New issues equity</i>	31	47	24	-34.0	29.2	29.2	120	83	90	44.6	-7.8	128	107	249	19.6	-57.0
<i>New issues debt</i>	15	15	12	0.0	25.0	25.0	41	34	21	20.6	61.9	48	27	33	77.8	-18.2
<i>Corporate advisory fees</i>	2	4	7	-50.0	-71.4	-71.4	13	10	19	30.0	-47.4	17	22	23	-22.7	-4.8
Fixed income trading	31	16	36	93.8	-13.9	-13.9	74	110	88	-32.7	25.0	134	136	56	-1.5	143.1
Equity trading	13	0	12	n.m.	8.3	8.3	22	34	-20	-35.3	270.0	42	-50	40	184.0	-226.6
Net interest	17	14	11	21.4	54.5	54.5	42	37	82	13.5	-54.9	49	104	108	-52.9	-3.4
Fees	76	79	76	-3.8	0.0	0.0	232	208	221	11.5	-5.9	288	292	294	-1.4	-0.5
Other	14	19	14	-26.3	0.0	0.0	51	39	43	30.8	-9.3	57	58	59	-1.7	-2.4
Operating revenue	352	359	343	-1.9	2.6	2.6	1,082	993	1,061	9.0	-6.4	1,367	1,356	1,670	0.8	-18.8
Operating expenses¹	195	202	176	-3.5	10.8	10.8	598	554	600	7.9	-7.7	752	780	778	-3.6	0.2
Operating profit	27	20	45	35.0	-40.0	-40.0	75	82	59	-8.5	39.0	122	29	267	320.7	-89.1
Net profit (loss)	7	1	18	600.0	-61.1	-61.1	15	16	-2	-6.3	900.0	31	-29	80	206.9	-136.4
Shareholders' equity	874	852	925	2.6	-5.5	-5.5	874	925	900	-5.5	2.8	804	894	899	-10.1	-0.6
Regulatory capital	1,053	1,055	1,153	-0.2	-8.7	-8.7	1,053	1,153	1,115	-8.7	3.4	987	1,094	1,104	-9.8	-0.9
Client cash holdings	3,726	3,540	3,497	5.3	6.5	6.5	3,726	3,497	2,659	6.5	31.5	3,620	2,745	2,608	31.9	5.3
Productivity (\$ thousands)²	229	234	227	-2.3	0.8	0.8	528	493	517	7.0	-4.7	225	225	256	-0.1	-12.1
Annual return³ (%)	3.2	0.5	7.8	2.7	-4.6	-4.6	2.3	2.3	-0.3	0.0	2.6	3.9	-3.2	8.9	7.1	-12.1

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholder's equity.

Retail introducers

Firms that generate most of their revenues from servicing retail clients and typically do not have back offices (use a “carrier” firm to manage their back office).

Q3 2010 RETAIL INTRODUCER FIRM HIGHLIGHTS																
(\$ millions unless otherwise noted)	Quarter-over-Quarter				Cumulative Year-over-Year				Annual Year-over-Year							
	Quarters		% Change		Year to Date		% Change		Years			% Change				
	Q3 10	Q2 10	Q3 09	Q3/Q2 10	Q3 10/09	% Change	2010	2009	2008	10/09	09/08	2009	2008	2007	09/08	08/07
Number of firms	79	79	84	0.0	-6.0		79	84	89	-6.0	-5.6	82	88	88	-6.8	0.0
Number of employees	6,006	5,938	5,905	1.1	1.7		6,006	5,905	5,984	1.7	-1.3	5,890	5,919	5,899	-0.5	0.3
Revenue	116	133	113	-12.8	2.7		387	316	375	22.5	-15.7	440	480	577	-8.3	-16.8
Commissions <i>Mutual fund only commissions</i>	43	47	39	-8.5	10.3		142	105	138	35.2	-23.9	148	172	251	-14.0	-31.4
Investment banking	21	24	21	-12.5	0.0		65	44	69	47.7	-36.2	73	110	175	-33.6	-37.0
<i>New issues equity</i>	16	19	16	-15.8	0.0		53	49	55	8.2	-10.9	73	69	151	5.8	-54.2
<i>New issues debt</i>	3	2	2	50.0	50.0		6	5	8	20.0	-37.5	8	9	11	-11.1	-19.6
<i>Corporate advisory fees</i>	2	3	3	-33.3	-33.3		6	-11	6	154.5	-283.3	-8	32	14	-125.0	133.5
Fixed income trading	7	4	10	75.0	-30.0		16	30	24	-46.7	25.0	35	34	46	2.9	-26.8
Equity trading	10	11	9	-9.1	11.1		27	30	0	-10.0	n.m.	38	-6	36	733.3	-116.7
Net interest	14	11	11	27.3	27.3		35	33	72	6.1	-54.2	42	89	87	-52.8	2.7
Fees	94	70	59	34.3	59.3		230	185	280	24.3	-33.9	256	375	401	-31.7	-6.6
Other	12	22	11	-45.5	9.1		47	67	110	-29.9	-39.1	81	140	51	-42.1	174.3
Operating revenue	273	274	233	-0.4	17.2		807	705	930	14.5	-24.2	966	1,222	1,376	-20.9	-11.2
Operating expenses¹	148	149	141	-0.7	5.0		445	436	460	2.1	-5.2	580	614	582	-5.5	5.5
Operating profit	32	27	13	18.5	146.2		73	33	163	121.2	-79.8	57	216	339	-73.6	-36.3
Net profit (loss)	-7	0	-10	n.m.	30.0		-16	-26	15	38.5	-273.3	-27	21	23	-228.6	-8.0
Shareholders' equity	389	399	128	-2.5	203.9		389	128	166	203.9	-22.9	420	173	227	142.8	-23.8
Regulatory capital	578	588	579	-1.7	-0.2		578	579	619	-0.2	-6.5	593	650	703	-8.8	-7.5
Client cash holdings	939	936	1,622	0.3	-42.1		939	1,622	1,336	-42.1	21.4	886	1,448	1,319	-38.8	9.8
Productivity (\$ thousands)²	182	185	158	-1.5	15.2		403	358	466	12.5	-23.2	164	206	233	-20.6	-11.5
Annual return³ (%)	-7.2	0.1	-31.3	-7.3	24.1		-5.5	-27.1	12.0	21.6	-39.1	-6.4	12.1	10.1	-18.6	2.1

¹ Operating expenses reflect the underlying cost of running the securities firm and exclude commissions, bonuses and other compensation to brokers.

² Annual revenue per employee.

³ Annual return is calculated as net profit/shareholder's equity.

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