Letter from the President

Many firms dodge a bullet in 2011 relying on fairly stable retail revenue: Institutional firms bear the brunt of tough summer-fall markets

The purpose of this President's Letter is to describe industry financial performance in the past year. We have just received the third quarter financial results for the industry. These data give a financial picture of the industry for the January-September period, enabling a fairly accurate projection of year-end results. Moreover, the third quarter data coincide with a deterioration in market conditions, and describe the impact of these conditions on the advisory, trading and financing businesses of the integrated and specialized firms in the industry. The third quarter data, and continuation of difficult conditions in the final quarter of the year, therefore enable us to provide a more accurate projection of year-end industry results.

Industry snap-shot

The collapse in equity prices in the summer and fall of this year abruptly ended a promising earnings recovery for the Canadian securities industry. Operating profit will total about $4 billion for the industry this year, about 20% below last year's level, within the range of profitability in the past three years. ROE will average about 12%, considerably below historic levels in the 2003-08 bull market.

Operating Profit - All Firms ($B)

The impact of weak market conditions on corporate financing and trading operations in the second half of the year was responsible for the sharp earnings fall-off. Even though trading revenue only accounts for about 10% of overall revenue, the severe collapse in net trading revenue of nearly 50% in the year, reflecting substantial losses for equity market-makers, put a significant dent in overall earnings.

Principal Equity Trading Revenue - All Firms ($M)

Debt and equity financing slowed significantly since mid-year, with activity mainly limited to larger companies seizing narrow financing windows. Private placement financings for smaller companies virtually ground to a halt. Despite these difficult business conditions, we anticipate revenue from investment banking has held fairly steady year-over-year, even if activity collapses in the final quarter of the year.

The real surprise has been the stand-out performance of the wealth management business across the industry for the year as a whole. Relatively strong revenues in the middle two quarters of this year mean that, even with, say, a 20% decline in revenue in the fourth quarter, retail revenues for the industry will be flat for the year. All aspects of the retail business, including commissions, fee revenues and net interest earnings, demonstrated resilience in the third quarter.

Integrated Firms

The large integrated firms managed to withstand significant market hits to their equity trading book better than other firm groups. However, trading revenue will still be down by at

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least 40% year-over-year to $600 million, assuming no further losses in equity principal trading, and act as a drag on profitability.

On a positive note, even with a decline in investment banking revenue at the integrated firms from a weak fourth quarter, revenue should remain more or less unchanged for the year. The wealth management business similarly held up well through the first nine months of the year, based on a strong showing in the second and third quarters. As with investment banking revenue, retail revenue will register similar numbers to last year even if business weakens in the final quarter. On balance, operating profit at the integrated firms should total about $3 billion for the year, down only 5% from a year ago.

Despite retail revenue holding fairly steady in the past several years – albeit below revenue levels in the 2003-07 bull market, wealth management operations at the larger dealers have been under significant earnings pressure. Part of this relates to much lower net interest earnings and reduced revenue from the distribution of debt and equity offerings, important funding sources for the retail franchise. However, pressure also comes from escalating operating costs, proxied by total operating costs. These costs were up 10% in the past year and average about 3% per annum over the past three years. The larger firms have moved aggressively to reduce broker pay-out grids sharply for lower gross revenue levels, and to eliminate low revenue producing brokers.

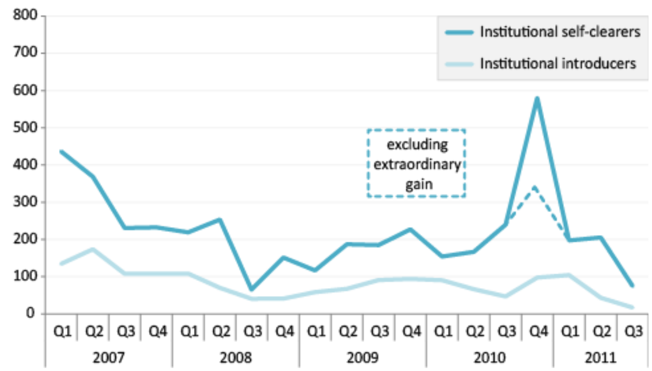
Institutional Firms

The institutional firm grouping will register the worst showing among industry firm groupings this year. Operating profit was down 16% year-over-year for the January-September period and estimated profit for the year will be down about 50%, even if losses from principal trading in the final quarter are minimal. If the extraordinary revenue gains in last year's fourth quarter are *excluded* from the revenue totals, operating profit for 2011 would still be down about 30% year-over-year. Nonetheless, estimated operating profit for the group, at $750 million this year, will be the lowest profit on record since 2004.

Investment banking at the institutional firms was also hit hard in the second half of the year, compared to this business at the integrated firms. Investment banking revenue will be down an estimated 25% for the year, compared with fairly stable banking revenue at the integrated firms. Tough financing and trading conditions in the venture markets contributed to reduced revenue from investment banking and losses in principal equity trading at the smaller institutional boutiques.

Both categories of institutional firms, self-clearing firms and introducers, will turn in poor results for the year. Operating profit for these two institutional groups, with equal number of firms (about 40 firms) in each group, was down 15% and 19% respectively in January-September 2011 compared with the previous year. Both groups focus mainly on investment banking and trading in junior resource markets. Better prospects for these businesses will turn on recovery in these markets. Relative performance among these firm groups, with similar lines of business, will depend on scope to expand business, and, for the self-clearing firms with two-thirds of the business volume, the capacity to extract economies of scale.

Operating Profit - Institutional Firms ($M)



Retail Firms

The surprising development since mid-year has been the sustainability in wealth management earnings at all firms, particularly since mid-year. Fee income held up for most of the third quarter with some erosion in recent months as asset values fell. Further, sustained brokerage business, partly in response to portfolio rebalancing as markets weakened, provided some support. However, as weak market conditions persist, retail brokerage and fee income could weaken further.

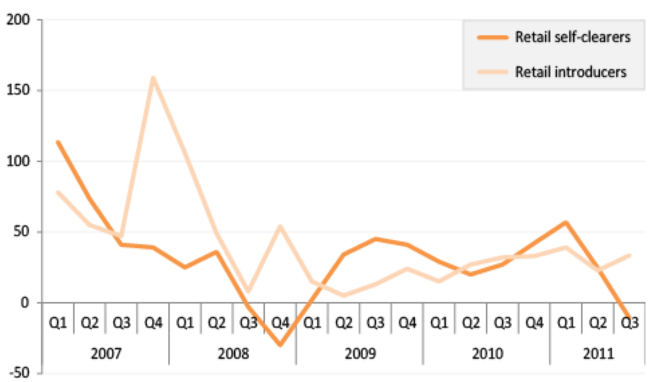
It is interesting to note the retail introducer firms, about 80 firms accounting for one-third of the retail boutique business, turned in markedly *different* performance than the larger retail self-clearers. Operating profit for the introducer group totaled $95 million in January-September 2011, up 29% year-over-year, a strong performance in light of difficult market conditions since mid-year.

The self-clearing retail firms, 34 firms accounting for two-thirds of the retail boutique business, have struggled this year. Operating profit for the latest nine months ended September was down 8% year-over-year. The reason is straightforward. These self-clearers, as a group, carry out significant investment banking and securities trading as an adjunct to their retail business, with revenues from these businesses accounting for nearly one-third of total revenue. It is these businesses that have run into serious problems, with banking and trading activity focused on the small cap marketplace. A further drag on earnings for this group is the escalating costs of clearing operations.

However, it should be noted that there are a number of large self-clearing retail firms with exclusive focus on the retail business that will notch up good performance this year, reflecting strategic focus on the brokerage and discretionary management business, and well managed business models.

The better performance of the retail introducer firms compared to their self-clearing counterparts – based on solid retail earnings and good cost control, belies strong headwinds for the group next year. Retail earnings performance is likely to move steadily lower from fourth quarter revenues in response to continued weak markets. Further, operating costs for this group, averaging a steady $600 million a year for the past several years, will escalate as compliance requirements for the Client Relationship Model are brought into effect over the next year. Another negative factor will be the costs of meeting U.S. Treasury tax-reporting obligations.

Operating Profit - Retail Firms ($M)



Without question, the retail self-clearing firms will face a similar assault on their operating margins. However, these firms have a larger revenue cushion to absorb the shocks of market developments and regulatory demands.

Summary

In the past six months, the securities industry has weathered difficult market conditions fairly well. Good results for the wealth management business provided a solid underpinning for the earnings of the integrated and retail boutique firms. On the other hand, difficult and treacherous trading conditions and a slowdown in investment banking activity contributed to a collapse in the earnings of the institutional boutiques. What does this year's performance tell us about the prospects for the industry next year?

A conservative assumption would argue that sovereign debt problems in Europe, and the rancorous fiscal debate in the United States, will not be resolved in the immediate near term, at least not before we move closer to the precipice of a financial crisis. This means market turbulence and sub-par equity markets will keep pressure on the investment banking and trading businesses. In these markets, institutional firms will find it challenging to generate satisfactory earnings results. Grinding market volatility and the risk of an evaporating global recovery will also erode investor confidence and market participation, with feedback to a slowing in the retail business. In sum, the earnings performance of all firm groupings will remain under siege in the near future.

We have been saying for some time the dual pressures of difficult market conditions and an increased regulatory burden will accelerate consolidation among firms across the industry. The last couple of years have already witnessed several strategic acquisitions: GMP-Richardson, Blackmont-Macquarie, NBF-Wellington West, and NBF-HSBC. So what's next? We will likely see two types of industry structural change: the amalgamation of mid-tier firms to build strategic critical mass, and acquisition of smaller firms by the larger players.

The more likely development is ongoing amalgamation among small firms in the industry. There are 113 firms earning gross revenues of less than $20 million a year, most firms falling into the introducer category. Many of the 81 retail introducers will find the going especially difficult, both from a slowing in the retail business and phased implementation of the Client Relationship Model with significant compliance requirements for client suitability, conflict of interest management, account disclosure and portfolio performance reporting.

The 41 institutional introducer firms focusing on market-making and investment banking will also face difficult business challenges. These firms account for about one-quarter of the specialized institutional business and, for the most part, are focused exclusively on financing and trading of small cap and venture-listed stocks. The difficulty in sourcing risk capital for small cap transactions will continue to complicate financings in public and private markets. Further, continued poor liquidity in venture markets will result in high risk of loss from equity market-making. Finally, the inability to build up capital reflecting poor retained earnings, coupled with ongoing risk of capital loss, could adversely impact the institutional boutique business. The need to build and preserve capital therefore should encourage strategic amalgamations among the introducer and self-clearing mid-sized institutional boutiques across the industry.

A special thanks to Eon Song for analytical and technical support.

Yours sincerely,

Ian C. W. Russell, FCSI
President & CEO, IIAC
December 2011

Industry

($ millions unless otherwise noted)	Quarter-over-Quarter					YTD Year-over-Year			Annual Year-over-Year						
	Quarters			% Change		Q1-Q3	Q1-Q3	% Change	Years				% Change		
	Q3 11	Q2 11	Q3 10	Q3/Q2 11	Q3 11/10	2011	2010	YTD 11/10	2010	2009	2008	2007	10/09	09/08	08/07
Number of firms	204	205	197	-0.5%	3.6%	204	197	3.6%	201	200	202	203	0.5%	-1.0%	-0.5%
Number of employees	40,489	40,657	39,793	-0.4%	1.7%	40,489	39,793	1.7%	39,917	39,894	40,836	42,329	0.1%	-2.3%	-3.5%
Revenue															
Commissions	1,368	1,442	1,285	-5.1%	6.5%	4,509	4,083	10.4%	5,631	5,052	5,592	6,315	11.5%	-9.7%	-11.4%
Mutual fund only commissions	520	546	472	-4.8%	10.2%	1,637	1,441	13.6%	1,950	1,605	1,860	2,249	21.5%	-13.7%	-17.3%
Investment banking	776	1,161	867	-33.2%	-10.5%	3,117	2,634	18.3%	4,029	3,915	3,077	4,546	2.9%	27.2%	-32.3%
New issues equity	417	611	392	-31.8%	6.3%	1,698	1,365	24.4%	2,234	2,356	1,580	2,589	-5.2%	49.1%	-39.0%
New issues debt	155	208	211	-25.6%	-26.5%	643	592	8.6%	809	653	483	581	23.9%	35.2%	-16.9%
Corporate advisory fees	204	341	264	-40.2%	-22.6%	776	676	14.8%	986	906	1,014	1,376	8.8%	-10.7%	-26.3%
Fixed income trading	176	229	349	-23.2%	-49.5%	769	1,001	-23.1%	1,173	2,109	1,045	698	-44.4%	101.8%	49.7%
Equity trading	-150	34	77	-542.9%	-294.4%	20	110	-81.7%	267	459	-11	460	-41.8%	4272.7%	-102.4%
Net interest	342	355	275	-3.6%	24.4%	1,036	671	54.4%	1,054	914	1,894	1,794	15.3%	-51.7%	5.6%
Fees	751	758	685	-0.9%	9.6%	2,234	2,004	11.5%	2,721	2,385	2,624	2,636	14.1%	-9.1%	-0.5%
Other	234	185	175	26.3%	33.5%	612	501	22.2%	1,004	1,473	371	674	-31.8%	297.0%	-45.0%
Operating revenue	3,497	4,164	3,712	-16.0%	-5.8%	12,298	11,003	11.8%	15,878	16,306	14,593	17,123	-2.6%	11.7%	-14.8%
Operating expenses[1]	1,809	1,813	1,669	-0.2%	8.4%	5,481	4,997	9.7%	6,825	6,555	6,528	6,279	4.1%	0.4%	4.0%
Operating profit	660	1,200	1,067	-45.0%	-38.2%	3,367	3,011	11.8%	4,789	5,987	3,914	6,382	-20.0%	53.0%	-38.7%
Net profit (loss)	253	616	446	-58.9%	-43.3%	1,613	1,322	22.0%	2,395	2,869	1,875	2,771	-16.5%	53.0%	-32.3%
Shareholders' equity	15,747	15,619	18,197	0.8%	-13.5%	15,747	18,197	-13.5%	16,988	15,225	13,507	12,655	11.6%	12.7%	6.7%
Regulatory capital	30,947	31,393	32,095	-1.4%	-3.6%	30,947	32,095	-3.6%	31,647	29,559	27,461	23,413	7.1%	7.6%	17.3%
Client cash holdings	38,842	37,139	35,987	4.6%	7.9%	38,842	35,987	7.9%	37,952	36,816	33,677	28,500	3.1%	9.3%	18.2%
Client debt margin outstanding	14,154	14,469	12,838	-2.2%	10.2%	14,154	12,838	10.2%	13,731	11,048	8,846	14,001	24.3%	24.9%	-36.8%
Productivity[2] ($ thousands)	345	410	373	-15.7%	-7.4%	405	369	9.8%	398	409	357	405	-2.7%	14.4%	-11.7%
Annual return[3] (%)	6.4	15.8	9.8	-9.3%	-3.4%	13.7	9.7	4.0%	14.1	18.8	13.9	21.9	-4.7%	5.0%	-8.0%

Integrated

($ millions unless otherwise noted)	Quarter-over-Quarter					YTD Year-over-Year			Annual Year-over-Year						
	Quarters			% Change		Q1-Q3	Q1-Q3	% Change	Years				% Change		
	Q3 11	Q2 11	Q3 10	Q3/Q2 11	Q3 11/10	2011	2010	YTD 11/10	2010	2009	2008	2007	10/09	09/08	08/07
Number of firms	11	11	11	0.0%	0.0%	11	11	0.0%	11	11	11	11	0.0%	0.0%	0.0%
Number of employees	25,045	25,069	24,851	-0.1%	0.8%	25,045	24,851	0.8%	24,955	25,131	25,973	26,925	-0.7%	-3.2%	-3.5%
Revenue															
Commissions	925	966	869	-4.3%	6.4%	3,012	2,746	9.7%	3,767	3,384	3,675	4,145	11.3%	-7.9%	-11.3%
Mutual fund only commissions	401	415	360	-3.5%	11.3%	1,243	1,088	14.3%	1,471	1,226	1,414	1,665	20.0%	-13.3%	-15.1%
Investment banking	552	797	525	-30.8%	5.2%	2,129	1,631	30.5%	2,566	2,598	1,874	2,642	-1.2%	38.6%	-29.1%
New issues equity	306	382	223	-19.9%	37.0%	1,077	774	39.1%	1,311	1,587	967	1,421	-17.4%	64.1%	-31.9%
New issues debt	130	171	170	-23.8%	-23.6%	548	494	10.9%	682	546	405	461	24.9%	34.8%	-12.1%
Corporate advisory fees	117	245	133	-52.4%	-12.2%	504	364	38.5%	573	465	502	758	23.2%	-7.4%	-33.8%
Fixed income trading	81	194	283	-58.2%	-71.4%	568	808	-29.7%	960	1,690	782	514	-43.2%	116.1%	52.1%
Equity trading	-15	-31	65	50.6%	-123.4%	33	-8	-513.3%	38	332	106	184	-88.6%	213.2%	-42.4%
Net interest	295	305	234	-3.2%	26.2%	891	577	54.4%	906	790	1,488	1,399	14.7%	-46.9%	6.4%
Fees	547	565	499	-3.3%	9.5%	1,643	1,459	12.6%	1,994	1,764	1,877	1,857	13.0%	-6.0%	1.1%
Other	108	107	120	0.6%	-10.0%	348	318	9.4%	415	1,233	-1	436	-66.3%	n.m.	-100.2%
Operating revenue	2,493	2,905	2,535	-14.2%	-1.7%	8,623	7,532	14.5%	10,645	11,792	9,801	11,177	-9.7%	20.3%	-12.3%
Operating expenses[1]	1,181	1,186	1,116	-0.4%	5.8%	3,603	3,303	9.1%	4,497	4,300	4,145	4,029	4.6%	3.7%	2.9%
Operating profit	546	905	722	-39.7%	-24.4%	2,561	2,099	22.0%	3,127	4,782	2,722	3,985	-34.6%	75.7%	-31.7%
Net profit (loss)	291	544	356	-46.5%	-18.3%	1,440	1,046	37.7%	1,610	2,422	1,502	2,006	-33.5%	61.3%	-25.1%
Shareholders' equity	10,942	10,718	11,080	2.1%	-1.2%	10,942	11,080	-1.2%	11,585	10,029	8,637	7,761	15.5%	16.1%	11.3%
Regulatory capital	22,732	22,316	21,671	1.9%	4.9%	22,732	21,671	4.9%	22,882	21,372	19,334	15,669	7.1%	10.5%	23.4%
Client cash holdings	32,440	30,986	30,311	4.7%	7.0%	32,440	30,311	7.0%	31,677	31,451	28,157	23,811	0.7%	11.7%	18.3%
Productivity[2] ($ thousands)	398	464	408	-14.1%	-2.4%	459	404	13.6%	427	469	377	415	-9.1%	24.3%	-9.1%
Annual return[3] (%)	10.6	20.3	12.9	-9.7%	-2.2%	17.5	12.6	5.0%	13.9	24.1	17.4	25.8	-10.3%	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.

Institutional

($ millions unless otherwise noted)	Quarter-over-Quarter					YTD Year-over-Year			Annual Year-over-Year						
	Quarters			% Change		Q1-Q3	Q1-Q3	% Change	Years				% Change		
	Q3 11	Q2 11	Q3 10	Q3/Q2 11	Q3 11/10	2011	2010	YTD 11/10	2010	2009	2008	2007	10/09	09/08	08/07
Number of firms	78	79	72	-1.3%	8.3%	78	72	8.3%	74	72	69	68	2.8%	4.3%	1.5%
Number of employees	3,108	3,197	2,785	-2.8%	11.6%	3,108	2,785	11.6%	2,793	2,801	2,926	2,988	-0.3%	-4.3%	-2.1%
Revenue															
Commissions	166	167	146	-0.6%	13.9%	542	463	17.0%	655	623	777	783	5.1%	-19.8%	-0.8%
Investment banking	155	271	273	-42.7%	-43.1%	721	763	-5.5%	1,082	1,052	938	1,425	2.9%	12.2%	-34.2%
New issues equity	64	159	123	-59.8%	-47.9%	418	418	0.1%	634	568	438	767	11.6%	29.7%	-42.9%
New issues debt	9	18	23	-49.2%	-59.6%	44	50	-11.8%	58	51	42	76	13.7%	21.4%	-44.7%
Corporate advisory fees	82	94	128	-12.3%	-35.9%	258	295	-12.4%	390	433	458	581	-9.9%	-5.5%	-21.2%
Fixed income trading	89	0	28	n.m.	218.7%	126	102	23.5%	122	249	94	82	-51.0%	164.9%	14.6%
Equity trading	-121	71	50	-269.3%	-341.5%	-22	69	-132.5%	145	46	-61	199	215.2%	175.4%	-130.7%
Net interest	5	7	10	-24.0%	-50.3%	19	17	13.4%	35	33	212	201	6.1%	-84.4%	5.5%
Fees	25	29	15	-12.0%	67.5%	91	83	9.1%	104	77	79	85	35.1%	-2.5%	-7.1%
Other	66	28	29	133.9%	128.2%	112	85	31.5%	453	101	174	126	348.5%	-42.0%	38.1%
Operating revenue	387	573	552	-32.5%	-30.0%	1,588	1,583	0.3%	2,596	2,182	2,214	2,901	19.0%	-1.4%	-23.7%
Operating expenses[1]	253	254	211	-0.2%	20.1%	750	651	15.2%	899	923	990	889	-2.6%	-6.8%	11.4%
Operating profit	92	248	286	-63.0%	-67.9%	640	763	-16.1%	1,440	1,025	947	1,790	40.5%	8.2%	-47.1%
Net profit (loss)	-12	59	90	-120.9%	-113.7%	144	276	-47.8%	752	444	382	660	69.4%	16.2%	-42.1%
Shareholders' equity	3,600	3,653	5,853	-1.5%	-38.5%	3,600	5,853	-38.5%	4,108	3,972	3,803	3,768	3.4%	4.4%	0.9%
Regulatory capital	6,550	6,616	8,793	-1.0%	-25.5%	6,550	8,793	-25.5%	7,068	6,607	6,118	5,937	7.0%	8.0%	3.0%
Client cash holdings	1,500	1,382	911	8.5%	64.6%	1,500	911	64.6%	1,306	768	1,326	1,034	70.1%	-42.1%	28.2%
Productivity[2] ($ thousands)	497	717	793	-30.6%	-37.3%	681	758	-10.1%	929	2,337	757	971	-60.2%	208.9%	-22.1%
Annual return[3] (%)	-1.4	6.4	6.2	-7.8%	-7.5%	5.3	6.3	-0.9%	18.3	11.2	10.0	17.5	7.1%	1.1%	-7.5%

Retail

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	Quarters			% Change		Q1-Q3	Q1-Q3	% Change	Years				% Change		
	Q3 11	Q2 11	Q3 10	Q3/Q2 11	Q3 11/10	2011	2010	YTD 11/10	2010	2009	2008	2007	10/09	09/08	08/07
Number of firms	115	115	114	0.0%	0.9%	115	114	0.9%	116	117	122	124	-0.9%	-4.1%	-1.6%
Number of employees	12,336	12,391	12,157	-0.4%	1.5%	12,336	12,157	1.5%	12,169	11,962	11,937	12,416	1.7%	0.2%	-3.9%
Revenue															
Commissions	277	309	270	-10.2%	2.6%	955	873	9.4%	1,208	1,045	1,140	1,387	15.6%	-8.3%	-17.8%
Mutual fund only commissions	120	132	112	-9.1%	7.3%	395	353	11.8%	478	375	440	577	27.5%	-14.8%	-23.7%
Investment banking	68	92	68	-26.1%	0.3%	268	239	12.0%	381	265	265	481	43.8%	0.0%	-44.9%
New issues equity	47	70	46	-33.1%	2.0%	203	172	18.0%	289	201	176	400	43.8%	14.2%	-56.0%
New issues debt	16	20	18	-19.0%	-12.0%	51	47	8.6%	69	56	36	43	23.2%	55.6%	-16.3%
Corporate advisory fees	5	3	4	103.4%	35.9%	14	19	-28.6%	23	8	54	36	187.5%	-85.2%	50.0%
Fixed income trading	6	36	38	-83.5%	-84.5%	76	90	-15.3%	91	169	139	88	-46.2%	21.6%	58.0%
Equity trading	-14	-7	23	-102.8%	-159.8%	9	50	-81.3%	84	81	17	40	3.7%	376.5%	-57.5%
Net interest	42	43	31	-3.5%	34.9%	126	77	63.5%	113	91	194	195	24.2%	-53.1%	-0.5%
Fees	179	164	170	9.4%	5.4%	501	462	8.3%	623	544	667	694	14.5%	-18.4%	-3.9%
Other	59	49	26	20.6%	128.4%	152	98	55.5%	137	138	198	111	-0.7%	-30.3%	78.4%
Operating revenue	618	686	625	-10.0%	-1.1%	2,087	1,889	10.5%	2,637	2,322	2,578	3,045	13.6%	-9.9%	-15.3%
Operating expenses[1]	375	373	342	0.5%	9.5%	1,129	1,043	8.2%	1,428	1,332	1,394	1,361	7.2%	-4.4%	2.4%
Operating profit	22	47	58	-52.4%	-61.2%	166	147	12.7%	222	180	245	606	23.3%	-26.5%	-59.6%
Net profit (loss)	-26	13	0	-300.4%	n.m.	29	0	n.m.	33	3	-8	104	1000.0%	137.5%	-107.7%
Shareholders' equity	1,206	1,248	1,264	-3.4%	-4.6%	1,206	1,264	-4.6%	1,295	1,224	1,067	1,126	5.8%	14.7%	-5.2%
Regulatory capital	1,665	2,461	1,631	-32.3%	2.1%	1,665	1,631	2.1%	1,697	1,580	1,744	1,807	7.4%	-9.4%	-3.5%
Client cash holdings	4,896	4,772	4,665	2.6%	5.0%	4,896	4,665	5.0%	4,820	4,506	4,194	3,655	7.0%	7.4%	14.7%
Productivity[2] ($ thousands)	200	222	206	-9.6%	-2.6%	226	207	8.9%	217	194	216	245	11.6%	-10.1%	-11.9%
Annual return[3] (%)	-8.6	4.1	0.3	-12.7%	-8.9%	3.3	0.0	3.3%	2.5	0.2	-0.7	9.2	2.3%	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.