



INVESTMENT INDUSTRY ASSOCIATION OF CANADA
ASSOCIATION CANADIENNE DU COMMERCE DES VALEURS MOBILIÈRES

NEWS RELEASE

For immediate release

Q3 2006 Securities Industry Performance: 'Tis soon the season to be jolly

December 14, 2006 (Toronto, Ontario) – Following a stellar first half, the Canadian securities industry posted another solid – albeit softer – performance in the third quarter: operating profit totaled \$1.2 billion, down 5.8 per cent from the second quarter but up 8.5 per cent from the same period last year. The industry third quarter and nine-month results were released today in the Investment Industry Association of Canada's quarterly publication *Securities Industry Performance*.

“The industry is poised to post its fourth consecutive year in record profit. It's been a phenomenal year for all business segments – the robust M&A and stock markets have bolstered earnings for all firms”, said Ian Russell, President and CEO of the IIAC. Despite the period's relatively weaker performance reflecting the summer lull and heightened market volatility, which dampened commissions in the period, activity was the fourth strongest on record. For the first nine months, operating profit totaled a record high of \$4.1 billion, an increase of 31 per cent over the same period last year.

While overall operating profit was down, one of the highlights of the quarter – and year – has been the explosive breakout in corporate advisory fees. Underwriting continues to dominate investment banking, but advisory fees in the first nine months surged to \$797 million, an 80 per cent increase over last year's level. For the integrated firms, the group has benefited immensely from the boom in high-end M&A deals, which dominated the M&A landscape this year.

Another record high is employment. Employment in the industry in the third quarter, at just under 40,600, is up 4.5 per cent year-over-year.

Electronic copies of the report are available at
<http://www.iiac.ca/en/research/industryPerformance.php>

- 30 -

The Investment Industry Association of Canada (IIAC), formerly the industry association arm of the Investment Dealers Association of Canada (IDA), advances the position of the Canadian

investment industry on regulatory and public policy issues. As the professional association for the industry, IIAC has a mandate to promote efficient, fair and competitive capital markets for Canada while helping its member firms across the country succeed in the industry.

For more information:

Annie Côté-Kennedy
Director, Public Affairs
416-687-5474
acotekennedy@iiac.ca