## Canaccord Capital Inc.

## Supplementary Financial Information

Fiscal 2nd Quarter 2006
For the period ended September 30, 2005
(Unaudited and in Canadian dollars)

Investor Relations \& Communications Department
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## Advisory note:

This document is not audited and should be read in conjunction with the Second Fiscal Quarter 2006 Quarterly Report to Shareholders (unaudited) dated November 8, 2005, and the Annual Report dated June 27, 2005. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's fiscal second quarter 2006 ended September 30, 2005 is also referred to as Q2/06 in the following disclosure.

## Non-GAAP measures:

Certain non-GAAP measures are utilized by the Company as measures of financial performance. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Non-GAAP measures included are: capital employed, return on average capital employed (ROCE), return on average common equity (ROE), assets under administration (AUA), assets under management (AUM), compensation expenses as \% of revenue, non-compensation expenses as \% of revenue, dividend yield, dividend payout ratio, total shareholder return, pre-tax profit margin, price to earnings multiple (P/E), and price to book ratio (P/B).

## Currency:

Unless otherwise specified, all currencies are in Canadian dollars.

Cnnccord
Financial highlights

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{\text {(1) }}$ | Q2104 | Q3/04 | Q4104 | Q105 | Q2105 | Q3105 | Q4105 | Q106 | Q2106 | $\begin{aligned} & \text { Q2/06 vs } \\ & \text { Increase (d } \end{aligned}$ | $\begin{aligned} & 2205 \\ & \text { rease) } \end{aligned}$ | FY01 | FY02 | FY03 | FY04 | FY05 | Q2105 | $\begin{aligned} & \hline 6 \text { Months } \\ & \text { Q2106 } \\ & \hline \end{aligned}$ | Ended Increase |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Financial results |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue | 81,403 | 118,639 | 150,687 | 80,565 | 85,601 | 123,683 | 142,929 | 99,017 | 118,654 | 33,053 | 38.6\% | 218,769 | 170,433 | 199,206 | 402,157 | 432,778 | 166,166 | 217,671 | 51,505 | 31.0\% |
| Expenses | 67,652 | 100,609 | 119,477 | 68,094 | 75,332 | 99,094 | 117,502 | 83,587 | 94,407 | 19,075 | 25.3\% | 216,352 | 199,528 | 204,744 | 339,600 | 360,022 | 143,426 | 177,994 | 34,568 | 24.1\% |
| Income taxes | 5,150 | 6,763 | 10,218 | 4,065 | 4,146 | 7,846 | 8,120 | 4,352 | 8,493 | 4,347 | 104.8\% | (901) | $(11,015)$ | (485) | 22,128 | 24,177 | 8,211 | 12,845 | 4,634 | 56.4\% |
| Net income (loss) | 8,601 | 11,267 | 20,992 | 8,406 | 6,123 | 16,743 | 17,307 | 11,078 | 15,754 | 9,631 | 157.3\% | 3,318 | $(18,08)$ | $(5,053)$ | 40,429 | 48,579 | 14,529 | 26,832 | 12,303 | 84.7\% |
| Segmented disclosure |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income (loss) before income taxes |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Private Client Services | 13,241 | 15,509 | 22,515 | 10,038 | 9,814 | 14,176 | 16,644 | 8,610 | 15,329 | 5,515 | 56.2\% | 44,206 | 8,982 | 14,634 | 57,345 | 50,672 | 19,852 | 23,939 | 4,087 | 20.6\% |
| Global Capital Markets | 14,031 | 17,585 | 22,970 | 13,046 | 11,201 | 21,310 | 20,362 | 14,993 | 18,656 | 7,455 | 66.6\% | 2,187 | $(3,940)$ | 7,008 | 57,268 | 65,919 | 24,247 | 33,649 | 9,402 | 38.8\% |
| Other | $(13,521)$ | $(15,064)$ | $(14,275)$ | $(10,613)$ | (10,746) | $(10,897)$ | $(11,579)$ | $(8,173)$ | $(9,738)$ | 1,008 | 9.4\% | $(43,976)$ | $(34,137)$ | $(27,180)$ | $(52,056)$ | $(43,835)$ | $(21,359)$ | $(17,911)$ | 3,448 | 16.1\% |
| Balance sheet information |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total assets | 1,039,134 | 1,104,713 | 1,508,366 | 1,514,140 | 1,529,947 | 1,217,620 | 1,638,165 | 1,323,153 | 1,550,013 | 20,066 | 1.3\% | 512,303 | 783,221 | 830,737 | 1,508,366 | 1,638,165 | 1,529,947 | 1,550,013 | 20,066 | 1.3\% |
| Total liabilities ${ }^{(2)}$ | 980,540 | 1,030,983 | 1,409,679 | 1,316,432 | 1,330,455 | 1,003,240 | 1,415,954 | 1,096,495 | 1,326,395 | $(4,060)$ | -0.3\% | 445,803 | 732,964 | 778,034 | 1,409,679 | 1,415,954 | 1,330,455 | 1,326,395 | $(4,060)$ | -0.3\% |
| Total shareholders' equity ${ }^{(2)}$ | 58,594 | 73,730 | 98,687 | 197,708 | 199,492 | 214,380 | 222,211 | 226,658 | 223,618 | 24,126 | 12.1\% | 66,500 | 50,257 | 52,703 | 98,687 | 222,211 | 199,492 | 223,618 | 24,126 | 12.1\% |
| Off balance sheet information |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Assets under mgmt. (\$ millions) | 135 | 205 | 237 | 274 | 301 | 344 | 380 | 410 | 491 | 190 | 63.1\% | 18 | 51 | 104 | 237 | 380 | 301 | 491 | 190 | 63.1\% |
| Assets under admin. (\$ millions) | 6,232 | 7,049 | 8,292 | 8,244 | 8,678 | 8,998 | 9,967 | 9,954 | 11,495 | 2,817 | 32.5\% | 4,428 | 4,978 | 5,037 | 8,292 | 9,967 | 8,678 | 11,495 | 2,817 | 32.5\% |
| Common share information |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Per share (\$) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic earnings (loss) | 0.31 | 0.40 | 0.74 | 0.28 | 0.14 | 0.37 | 0.38 | 0.24 | 0.35 | 0.21 | 150.0\% | 0.14 | (0.71) | (0.18) | 1.43 | 1.17 | 0.38 | 0.60 | 0.22 | 57.9\% |
| Fully diluted earnings (loss) | 0.24 | 0.32 | 0.58 | 0.23 | 0.13 | 0.36 | 0.38 | 0.24 | 0.34 | 0.21 | 161.5\% | 0.14 | (0.71) | (0.18) | 1.12 | 1.11 | 0.35 | 0.58 | 0.23 | 65.7\% |
| Book value per diluted share ${ }^{(3)}$ | 1.56 | 1.94 | 2.59 | 4.29 | 4.32 | 4.65 | 4.82 | 4.91 | 4.82 | 0.50 | 11.6\% | n.m. | n.m. | 1.84 | 2.59 | 4.82 | 4.32 | 4.82 | 0.50 | 11.6\% |
| Share price (\$) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| High | - | - |  | 11.10 | 10.80 | 9.75 | 10.98 | 10.65 | 12.90 | 2.10 | 19.4\% | - |  |  |  | 11.10 | 11.10 | 12.90 | 1.80 | 16.2\% |
| Low | - | - |  | 10.66 | 7.96 | 8.43 | 8.75 | 9.00 | 9.10 | 1.14 | 14.3\% | - |  |  |  | 7.96 | 7.96 | 9.00 | 1.04 | 13.1\% |
| Close | - | - |  | 10.74 | 8.60 | 9.19 | 10.48 | 9.15 | 11.68 | 3.08 | 35.8\% |  |  |  |  | 10.48 | 8.60 | 11.68 | 3.08 | 35.8\% |
| Shares outstanding (thousands) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic | 27,762 | 28,887 | 29,983 | 45,165 | 45,305 | 45,416 | 45,413 | 45,413 | 44,190 | $(1,115)$ | -2.5\% | n.m. | n.m. | 27,956 | 29,983 | 45,413 | 45,305 | 44,190 | $(1,115)$ | -2.5\% |
| Diluted | 36,852 | 37,587 | 38,089 | 46,129 | 46,129 | 46,129 | 46,129 | 46,116 | 46,407 | 278 | 0.6\% | n.m. | n.m. | 28,589 | 38,089 | 46,129 | 46,129 | 46,407 | 278 | 0.6\% |
| Average basic | 28,043 | 28,154 | 29,043 | 30,292 | 45,305 | 45,388 | 45,353 | 45,426 | 44,479 | (826) | -1.8\% | 24,040 | 25,389 | 27,805 | 28,298 | 41,635 | 37,847 | 44,541 | 6,694 | 17.7\% |
| Average diluted | 37,053 | 37,134 | 37,524 | 38,467 | 46,095 | 46,101 | 46,069 | 46,129 | 46,403 | 308 | 0.7\% | 24,040 | 25,389 | 27,805 | 37,096 | 44,188 | 42,302 | 46,267 | 3,965 | 9.4\% |
| Market capitalization (thousands) | n.m. | n.m. | n.m. | 495,425 | 396,712 | 423,928 | 483,435 | 421,964 | 542,034 | 145,322 | 36.6\% | n.m. | n.m. | n.m. | n.m. | 483,435 | 396,712 | 542,034 | 145,322 | 36.6\% |
| Financial measures |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Incentive compensation as \% of revenue | 48.7\% | 58.9\% | 56.8\% | 43.6\% | 49.9\% | 52.9\% | 54.0\% | 49.1\% | 50.2\% | 0.3\% |  | 46.0\% | 46.0\% | 46.5\% | 54.4\% | 50.9\% | 46.8\% | 49.7\% | 2.9\% |  |
| Total compensation exp. as \% of revenue ${ }^{(4)}$ | 59.0\% | 66.7\% | 63.9\% | 57.5\% | 62.1\% | 61.8\% | 63.2\% | 58.5\% | 58.1\% | -4.0\% |  | 61.8\% | 64.9\% | 64.4\% | 63.6\% | 61.5\% | 59.8\% | 58.3\% | -1.5\% |  |
| Non-compensation exp. as \% of revenue | 24.1\% | 18.1\% | 15.4\% | 27.0\% | 25.9\% | 18.3\% | 19.0\% | 25.9\% | 21.5\% | $-4.4 \%$ |  | 37.1\% | 52.2\% | 38.4\% | 20.8\% | 21.7\% | 26.5\% | 23.5\% | -3.0\% |  |
| Total expenses as \% of revenue | 83.1\% | 84.8\% | 79.3\% | 84.5\% | 88.0\% | 80.1\% | 82.2\% | 84.4\% | 79.6\% | -8.4\% |  | 98.9\% | 117.1\% | 102.8\% | 84.4\% | 83.2\% | 86.3\% | 81.8\% | -4.5\% |  |
| Pre-tax profit margin | 16.9\% | 15.2\% | 20.7\% | 15.5\% | 12.0\% | 19.9\% | 17.8\% | 15.6\% | 20.4\% | 8.4\% |  | 1.1\% | -17.1\% | -2.8\% | 15.6\% | 16.8\% | 13.7\% | 18.2\% | 4.5\% |  |
| Dividends per share |  |  |  | 0.05 | 0.05 | 0.05 | 0.11 | 0.06 | 0.06 | 0.01 | 20.0\% |  |  |  |  | 0.26 | 0.10 | 0.12 | 0.02 | 20.0\% |
| Special distributions per share ${ }^{(5)}$ | . |  |  | - | - | 0.15 |  |  |  | n.m. | n.m. |  |  |  |  | 0.15 | - |  | n.m. | n.m. |
| Dividend yield (closing share price) ${ }^{(5)}$ | - |  |  | 1.9\% | 2.3\% | 2.2\% | 4.2\% | 2.6\% | 2.1\% | -0.2\% |  |  |  |  |  | 2.5\% | 2.3\% | 2.1\% | -0.2\% |  |
| Dividend payout ratio ${ }^{(5)}$ | - |  |  | 27.4\% | 37.7\% | 13.8\% | 29.3\% | 25.0\% | 17.7\% | -20.0\% |  |  |  |  |  | 24.7\% | 31.8\% | 20.7\% | -11.1\% |  |
| Total shareholder return ${ }^{(6)}$ | - | - |  | 4.8\% | -19.4\% | 7.5\% | 16.3\% | -11.7\% | 28.3\% | 47.7\% |  | - |  |  |  | 5.5\% | -15.6\% | 13.3\% | 28.9\% |  |
| Annualized ROE/ROCE ${ }^{(7)}$ | 44.9\% | 51.4\% | 79.1\% | 19.3\% | 12.2\% | 32.1\% | 32.2\% | 19.8\% | 27.8\% | 15.6\% |  | 5.1\% | -28.3\% | -7.5\% | 43.5\% | 23.9\% | 15.8\% | 23.8\% | 8.0\% |  |
| Price to earnings multiple ${ }^{(8)}$ | - |  |  | 7.8 | 6.8 | 7.1 | 9.5 | 8.2 | 8.8 | 2.0 | 29.4\% | - |  | - |  | 9.5 | 6.8 | 8.8 | 2.0 | 29.4\% |
| Price to book ratio ${ }^{(9)}$ |  |  |  | 2.5 | 2.0 | 2.0 | 2.2 | 1.9 | 2.4 | 0.4 | 20.0\% |  |  |  |  | 2.2 | 2.0 | 2.4 | 0.4 | 20.0\% |

n.m.: not meaningful
(1) Financial resuts are expressed in $C \$$ thousands, except for assets under management, assets under administration, common share information, and financial ratios.
(2) As discussed in Note 1 of the fiscal 2005 Annual Report, the Company adopted the requirements of CICA Handbook Section 1100 in which convertible debentures and subordinated debt are classified as liabilities. These consolidated financial statements have been adjusted to reflect the reclassification of Liabilities from the capital section of the balance shee
3) Book value per diliuted share is calculated as total shareholders' equity less redeemable preferred shares divided by the number of fully diluted shares outstanding
salaries and benefits, but excludes hiring incentives and development group salary and benefits, which are included in development costs. The change in compensation payout partially reflects the implementation of a new flat payour

()) Special distributions per share are not included in the dividend yield and dividend payout calculations.
(6) Total shareholder return is calculated as the change in share price plus dividends and special distributions paid in the current period as a percentage of the prior period's closing share price, assuming reinvestment of all dividend.
7) Q2/05 annualized ROE recalculated using simple average to reflect average shareholders' equity.
(8) The price to earnings multiple is calculated based on the end of period share price and 12 -month
(9) The price to book ratio is calculated based on the end of period share price and diluted book value

## Canaccord Group of Companies

Condensed consolidated statement of operations

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ |  |  |  |  |  |  |  |  |  | Q2106 vs. Q2/05 <br> Increase (decrease) |  | FY01 | FY02 | FY03 | FY04 | FY05 | 6 Months Ended |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Q2104 | Q3/04 | Q4/04 | Q1/05 | Q2105 | Q3/05 | Q4/05 | Q1/06 | Q2/06 | Increase (de | crease) |  |  |  |  |  | Q2105 | Q2106 | Increase (de | ecrease) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Private Client Services | 39,144 | 48,540 | 60,667 | 38,322 | 36,499 | 46,964 | 56,391 | 39,630 | 52,411 | 15,912 | 43.6\% | 140,251 | 90,534 | 97,784 | 175,983 | 178,176 | 74,821 | 92,041 | 17,220 | 23.0\% |
| Global Capital Markets | 39,001 | 66,515 | 85,425 | 39,171 | 46,671 | 72,368 | 81,444 | 54,457 | 60,048 | 13,377 | 28.7\% | 66,288 | 72,264 | 91,629 | 211,758 | 239,654 | 85,842 | 114,505 | 28,663 | 33.4\% |
| Other | 3,258 | 3,584 | 4,595 | 3,072 | 2,431 | 4,351 | 5,094 | 4,930 | 6,195 | 3,764 | 154.8\% | 12,230 | 7,635 | 9,793 | 14,416 | 14,948 | 5,503 | 11,125 | 5,622 | 102.2\% |
|  | 81,403 | 118,639 | 150,687 | 80,565 | 85,601 | 123,683 | 142,929 | 99,017 | 118,654 | 33,053 | 38.6\% | 218,769 | 170,433 | 199,206 | 402,157 | 432,778 | 166,166 | 217,671 | 51,505 | 31.0\% |
| Expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Incentive compensation ${ }^{(2)}$ | 39,669 | 69,927 | 85,532 | 35,093 | 42,721 | 65,449 | 77,191 | 48,650 | 59,580 | 16,859 | 39.5\% | 100,727 | 78,428 | 92,594 | 218,802 | 220,454 | 77,814 | 108,230 | 30,416 | 39.1\% |
| Salaries and benefits | 8,338 | 9,181 | 10,773 | 11,214 | 10,414 | 10,957 | 13,130 | 9,226 | 9,409 | $(1,005)$ | -9.7\% | 34,418 | 32,147 | 35,661 | 37,193 | 45,715 | 21,628 | 18,635 | $(2,993)$ | -13.8\% |
| Trading costs | 3,808 | 4,666 | 5,292 | 4,453 | 3,540 | 4,377 | 4,493 | 4,312 | 4,247 | 707 | 20.0\% | 13,745 | 9,621 | 15,343 | 17,310 | 16,863 | 7,993 | 8,559 | 566 | 7.1\% |
| Premises and equipment | 3,117 | 3,184 | 3,709 | 3,029 | 2,920 | 2,875 | 3,025 | 3,626 | 3,067 | 147 | 5.0\% | 13,274 | 12,616 | 12,089 | 13,017 | 11,849 | 5,949 | 6,693 | 744 | 12.5\% |
| Communication and technology | 3,072 | 3,114 | 2,946 | 3,221 | 3,573 | 3,524 | 3,719 | 3,690 | 3,798 | 225 | 6.3\% | 12,178 | 11,650 | 12,984 | 12,290 | 14,037 | 6,794 | 7,488 | 694 | 10.2\% |
| Interest | 938 | 1,019 | 1,168 | 2,273 | 1,436 | 1,990 | 2,125 | 2,491 | 2,405 | 969 | 67.5\% | 6,551 | 4,116 | 3,239 | 3,994 | 7,824 | 3,709 | 4,896 | 1,187 | 32.0\% |
| General and administrative ${ }^{(3)}$ | 5,927 | 6,433 | 6,910 | 6,044 | 8,013 | 7,248 | 10,866 | 10,016 | 9,063 | 1,050 | 13.1\% | 24,534 | 18,175 | 20,555 | 24,874 | 32,171 | 14,057 | 19,079 | 5,022 | 35.7\% |
| Amortization | 875 | 1,027 | 751 | 692 | 739 | 802 | 952 | 1,118 | 800 | 61 | 8.3\% | 2,794 | 3,982 | 3,898 | 3,565 | 3,185 | 1,431 | 1,918 | 487 | 34.0\% |
| Development costs | 1,955 | 2,058 | 2,396 | 2,075 | 1,976 | 1,872 | 2,001 | 2,091 | 2,038 | 62 | 3.1\% | 4,770 | 4,443 | 4,137 | 8,240 | 7,924 | 4,051 | 4,129 | 78 | 1.9\% |
| Restructuring and other costs | (47) |  |  |  |  |  |  |  |  |  |  | 1,906 | 22,753 | 8,505 | 315 |  |  |  |  |  |
| Discretionary payouts |  |  |  |  |  |  |  |  |  | - |  | 5,920 | 1,597 |  |  |  |  |  |  |  |
| Gain on disposal of invts \& claims | - | - | - | - | - | - |  | $(1,633)$ |  | - |  | $(4,465)$ |  | $(4,261)$ |  |  | - | $(1,633)$ | $(1,633)$ | n.m. |
|  | 67,652 | 100,609 | 119,477 | 68,094 | 75,332 | 99,094 | 117,502 | 83,587 | 94,407 | 19,075 | 25.3\% | 216,352 | 199,528 | 204,744 | 339,600 | 360,022 | 143,426 | 177,994 | 34,568 | 24.1\% |
| Income (loss) before income taxes | 13,751 | 18,030 | 31,210 | 12,471 | 10,269 | 24,589 | 25,427 | 15,430 | 24,247 | 13,978 | 136.1\% | 2,417 | $(29,095)$ | $(5,538)$ | 62,557 | 72,756 | 22,740 | 39,677 | 16,937 | 74.5\% |
| Income taxes | 5,150 | 6,763 | 10,218 | 4,065 | 4,146 | 7,846 | 8,120 | 4,352 | 8,493 | 4,347 | 104.8\% | (901) | $(11,015)$ | (485) | 22,128 | 24,177 | 8,211 | 12,845 | 4,634 | 56.4\% |
| Net income (loss) | 8,601 | 11,267 | 20,992 | 8,406 | 6,123 | 16,743 | 17,307 | 11,078 | 15,754 | 9,631 | 157.3\% | 3,318 | $(18,080)$ | $(5,053)$ | 40,429 | 48,579 | 14,529 | 26,832 | 12,303 | 84.7\% |
| Incentive compensation as \% of revenue | 48.7\% | 58.9\% | 56.8\% | 43.6\% | 49.9\% | 52.9\% | 54.0\% | 49.1\% | 50.2\% | 0.3\% |  | 46.0\% | 46.0\% | 46.5\% | 54.4\% | 50.9\% | 46.8\% | 49.7\% | 2.9\% |  |
| Total compensation exp. as \% of revenue ${ }^{(4)}$ | 59.0\% | 66.7\% | 63.9\% | 57.5\% | 62.1\% | 61.8\% | 63.2\% | 58.5\% | 58.1\% | -4.0\% |  | 61.8\% | 64.9\% | 64.4\% | 63.6\% | 61.5\% | 59.8\% | 58.3\% | -1.5\% |  |
| Non-compensation exp. as \% of revenue | 24.1\% | 18.1\% | 15.4\% | 27.0\% | 25.9\% | 18.3\% | 19.0\% | 25.9\% | 21.5\% | -4.4\% |  | 37.1\% | 52.2\% | 38.4\% | 20.8\% | 21.7\% | 26.5\% | 23.5\% | -3.0\% |  |
| Total expenses as \% of revenue | 83.1\% | 84.8\% | 79.3\% | 84.5\% | 88.0\% | 80.1\% | 82.2\% | 84.4\% | 79.6\% | -8.4\% |  | 98.9\% | 117.1\% | 102.8\% | 84.4\% | 83.2\% | 86.3\% | 81.8\% | -4.5\% |  |
| Pre-tax profit margin | 16.9\% | 15.2\% | 20.7\% | 15.5\% | 12.0\% | 19.9\% | 17.8\% | 15.6\% | 20.4\% | 8.4\% |  | 1.1\% | -17.1\% | -2.8\% | 15.6\% | 16.8\% | 13.7\% | 18.2\% | 4.5\% |  |
| Effective tax rate | 37.5\% | 37.5\% | 32.7\% | 32.6\% | 40.4\% | 31.9\% | 31.9\% | 28.2\% | 35.0\% | -5.4\% |  | 37.3\% | 37.9\% | 8.8\% | 35.4\% | 33.2\% | 36.1\% | 32.4\% | -3.7\% |  |
| Basic earnings (loss) per share | 0.31 | 0.40 | 0.74 | 0.28 | 0.14 | 0.37 | 0.38 | 0.24 | 0.35 | 0.21 | 150.0\% | 0.14 | (0.71) | (0.18) | 1.43 | 1.17 | 0.38 | 0.60 | 0.22 | 57.9\% |
| Fully diluted earnings (loss) per share | 0.24 | 0.32 | 0.58 | 0.23 | 0.13 | 0.36 | 0.38 | 0.24 | 0.34 | 0.21 | 161.5\% | 0.14 | (0.71) | (0.18) | 1.12 | 1.11 | 0.35 | 0.58 | 0.23 | 65.7\% |
| Book value per diluted share | 1.56 | 1.94 | 2.59 | 4.29 | 4.32 | 4.65 | 4.82 | 4.91 | 4.82 | 0.50 | 11.6\% | n.m. | n.m. | 1.84 | 2.59 | 4.82 | 4.32 | 4.82 | 0.50 | 11.6\% |
| Dividends per share | - | - | - | 0.05 | 0.05 | 0.05 | 0.11 | 0.06 | 0.06 | 0.01 | 20.0\% | - | - | - | - | 0.26 | 0.10 | 0.12 | 0.02 | 20.0\% |
| Special distributions per share ${ }^{(5)}$ | - | - | - | - | - | 0.15 | - | - | - | n.m. | n.m. | - | - | - | - | 0.15 | - | - | n.m. | n.m. |
| Dividend yield (closing share price) ${ }^{(5)}$ | - | - | - | 1.9\% | 2.3\% | 2.2\% | 4.2\% | 2.6\% | 2.1\% | -0.2\% |  | - | - | - | - | 2.5\% | 2.3\% | 2.1\% | -0.2\% |  |
| Dividend payout ratio ${ }^{(5)}$ | - | - | - | 27.4\% | 37.7\% | 13.8\% | 29.3\% | 25.0\% | 17.7\% | -20.0\% |  | - | - | - | - | 24.7\% | 31.8\% | 20.7\% | -11.1\% |  |
| Total shareholder return ${ }^{(6)}$ | - | - | - | 4.8\% | -19.4\% | 7.5\% | 16.3\% | -11.7\% | 28.3\% | 47.7\% |  | - | - | - | - | 5.5\% | -15.6\% | 13.3\% | 28.9\% |  |
| Annualized ROE/ROCE ${ }^{(7)}$ | 44.9\% | 51.4\% | 79.1\% | 19.3\% | 12.2\% | 32.1\% | 32.2\% | 19.8\% | 27.8\% | 15.6\% |  | 5.1\% | -28.3\% | -7.5\% | 43.5\% | 23.9\% | 15.8\% | 23.8\% | 8.0\% |  |
| Price to earnings multiple | - | - | - | 7.8 | 6.8 | 7.1 | 9.5 | 8.2 | 8.8 | 2.0 | 29.4\% | - | - | - | - | 9.5 | 6.8 | 8.8 | 2.0 | 29.4\% |
| Price to book ratio | - | - | - | 2.5 | 2.0 | 2.0 | 2.2 | 1.9 | 2.4 | 0.4 | 20.0\% | - | - | - | - | 2.2 | 2.0 | 2.4 | 0.4 | 20.0\% |

(1) Financial results are expressed in $\mathrm{C} \$$ thousands, except for common share information and financial ratios
(2) Incentive compensation includes National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout. Refer to the UK statement of operations for further details (page 7 ).
(3) $1 / 05$ figures are reclassified to reflect the reclassification of promotion and travel expenses in Global Capital Market from incentive compensation to general and administrative.


(5) Special distributions per share are not included in the dividend yield and dividend payout calculations.
6) Total shareholder return is calculated as the change in share price plus dividends and special distributions paid in the current period as a percentage of the prior period's closing share price, assuming reinvestment of all dividends.
(7) Q2/05 annualized ROE recalculated using simple average to reflect average shareholders' equity.

## Private Client Services

Condensed statement of operations

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ |  |  |  |  |  |  |  |  |  | Q2/06 vs. Q2/05 |  | FY01 | FY02 | FY03 | FY04 | FY05 | 6 Months Ended |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Q2/04 | Q3/04 | Q4/04 | Q1/05 | Q2/05 | Q3/05 | Q4/05 | Q1/06 | Q2/06 | Increase (d | crease) |  |  |  |  |  | Q2/05 | Q2/06 | Increase (d | ecrease) |
| Private Client Services (PCS) | 39,144 | 48,540 | 60,667 | 38,322 | 36,499 | 46,964 | 56,391 | 39,630 | 52,411 | 15,912 | 43.6\% | 140,251 | 90,534 | 97,784 | 175,983 | 178,176 | 74,821 | 92,041 | 17,220 | 23.0\% |
| Expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Incentive compensation | 17,542 | 23,896 | 28,498 | 17,724 | 17,344 | 22,668 | 26,660 | 17,581 | 25,033 | 7,689 | 44.3\% | 61,864 | 40,915 | 45,179 | 82,758 | 84,396 | 35,068 | 42,614 | 7,546 | 21.5\% |
| Salaries and benefits | 2,201 | 2,382 | 3,237 | 2,851 | 2,454 | 2,494 | 3,359 | 3,036 | 2,827 | 373 | 15.2\% | 9,950 | 7,703 | 9,105 | 10,157 | 11,158 | 5,305 | 5,863 | 558 | 10.5\% |
| Trading costs ${ }^{(2)}$ | 100 | 309 | 509 | 2,341 | 1,850 | 2,310 | 2,301 | 2,217 | 2,014 | 164 | 8.9\% | 2,388 | 1,050 | 1,646 | 1,308 | 8,802 | 4,191 | 4,231 | 40 | 1.0\% |
| Premises and equipment | 1,158 | 1,168 | 1,229 | 1,117 | 1,133 | 1,132 | 1,271 | 1,350 | 1,298 | 165 | 14.6\% | 4,778 | 4,739 | 4,555 | 4,742 | 4,653 | 2,250 | 2,648 | 398 | 17.7\% |
| Communication and technology | 1,294 | 1,400 | 1,368 | 1,455 | 1,459 | 1,442 | 1,463 | 1,459 | 1,480 | 21 | 1.4\% | 6,319 | 6,575 | 6,636 | 5,491 | 5,819 | 2,914 | 2,939 | 25 | 0.9\% |
| Interest |  |  |  | 778 | 668 | 1,028 | 1,237 | 1,282 | 1,267 | 599 | 89.7\% |  |  |  |  | 3,711 | 1,446 | 2,549 | 1,103 | 76.3\% |
| General and administrative | 2,297 | 2,678 | 2,462 | 1,093 | 948 | 709 | 2,330 | 2,833 | 1,985 | 1,037 | 109.4\% | 6,906 | 7,057 | 5,719 | 9,311 | 5,080 | 2,041 | 4,818 | 2,777 | 136.1\% |
| Amortization | 330 | 448 | 189 | 242 | 253 | 274 | 318 | 380 | 273 | 20 | 7.9\% | 871 | 1,321 | 1,399 | 1,295 | 1,087 | 495 | 653 | 158 | 31.9\% |
| Development costs | 1,028 | 750 | 660 | 683 | 576 | 731 | 808 | 882 | 905 | 329 | 57.1\% | 1,949 | 1,295 | 2,015 | 3,261 | 2,798 | 1,259 | 1,787 | 528 | 41.9\% |
| Restructuring and other costs | (47) |  |  | - |  | - |  | - |  |  |  | 1,020 | 10,897 | 6,896 | 315 | - | - | - | - |  |
| Discretionary payouts | - | - | - | - | - | - |  | - | - | - |  |  |  |  |  |  |  |  | - |  |
| Gain on disposal of invts \& claims | - |  |  | - |  | - |  | - |  |  |  |  |  |  |  |  | - | - | - |  |
|  | 25,903 | 33,031 | 38,152 | 28,284 | 26,685 | 32,788 | 39,747 | 31,020 | 37,082 | 10,397 | 39.0\% | 96,045 | 81,552 | 83,150 | 118,638 | 127,504 | 54,969 | 68,102 | 13,133 | 23.9\% |
| Income before income taxes ${ }^{(3)}$ | 13,241 | 15,509 | 22,515 | 10,038 | 9,814 | 14,176 | 16,644 | 8,610 | 15,329 | 5,515 | 56.2\% | 44,206 | 8,982 | 14,634 | 57,345 | 50,672 | 19,852 | 23,939 | 4,087 | 20.6\% |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| PCS fee-related revenue ${ }^{(4)}$ | 23.8\% | 18.7\% | 14.1\% | 20.3\% | 18.5\% | 15.4\% | 17.5\% | 24.2\% | 19.2\% | 0.7\% |  | 12.7\% | 18.8\% | 28.9\% | 20.3\% | 17.7\% | 19.4\% | 21.4\% | 2.0\% |  |
| Incentive compensation as \% of revenue | 44.8\% | 49.2\% | 47.0\% | 46.3\% | 47.5\% | 48.3\% | 47.3\% | 44.4\% | 47.8\% | 0.3\% |  | 44.1\% | 45.2\% | 46.2\% | 47.0\% | 47.4\% | 46.9\% | 46.3\% | -0.6\% |  |
| Total compensation exp. as \% of revenue ${ }^{(5)}$ | 50.4\% | 54.1\% | 52.3\% | 53.7\% | 54.2\% | 53.6\% | 53.2\% | 52.0\% | 53.2\% | -1.0\% |  | 51.2\% | 53.7\% | 55.5\% | 52.8\% | 53.6\% | 54.0\% | 52.7\% | -1.3\% |  |
| Non-compensation exp. as \% of revenue | 15.8\% | 13.9\% | 10.6\% | 20.1\% | 18.9\% | 16.2\% | 17.3\% | 26.3\% | 17.6\% | -1.3\% |  | 17.3\% | 36.4\% | 29.5\% | 14.6\% | 18.0\% | 19.5\% | 21.3\% | 1.8\% |  |
| Total expenses as \% of revenue | 66.2\% | 68.0\% | 62.9\% | 73.8\% | 73.1\% | 69.8\% | 70.5\% | 78.3\% | 70.8\% | -2.3\% |  | 68.5\% | 90.1\% | 85.0\% | 67.4\% | 71.6\% | 73.5\% | 74.0\% | 0.5\% |  |
| Pre-tax profit margin | 33.8\% | 32.0\% | 37.1\% | 26.2\% | 26.9\% | 30.2\% | 29.5\% | 21.7\% | 29.2\% | 2.3\% |  | 31.5\% | 9.9\% | 15.0\% | 32.6\% | 28.4\% | 26.5\% | 26.0\% | -0.5\% |  |
| Assets under mgmt. (\$ millions) | 135 | 205 | 237 | 274 | 301 | 344 | 380 | 410 | 491 | 190 | 63.1\% | 18 | 51 | 104 | 237 | 380 | 301 | 491 | 190 | 63.1\% |
| Assets under admin. (\$ millions) | 6,232 | 7,049 | 8,292 | 8,244 | 8,678 | 8,998 | 9,967 | 9,954 | 11,495 | 2,817 | 32.5\% | 4,428 | 4,978 | 5,037 | 8,292 | 9,967 | 8,678 | 11,495 | 2,817 | 32.5\% |
| Number of employees | 602 | 608 | 623 | 642 | 638 | 647 | 657 | 667 | 663 | 25 | 3.9\% | 630 | 623 | 628 | 623 | 657 | 638 | 663 | 25 | 3.9\% |
| Number of Investment Advisors | 410 | 408 | 409 | 426 | 420 | 426 | 434 | 439 | 441 | 21 | 5.0\% | 413 | 416 | 417 | 409 | 434 | 420 | 441 | 21 | 5.0\% |
| Number of PCS clients | 130,837 | 133,961 | 138,142 | 140,553 | 138,684 | 140,915 | 144,451 | 145,336 | 147,930 | 9,246 | 6.7\% | 147,908 | 149,360 | 131,584 | 138,142 | 144,451 | 138,684 | 147,930 | 9,246 | 6.7\% |

(1) Financial results are expressed in C\$ thousands, except for financial ratios, assets under administration, assets under management, number of employees, Investment Advisors, and PCS clients.
(2) Prior to fiscal 2005, trading costs for Private Client Services and Global Capital Markets were recorded in Other segment. As of Q1/05, trading costs applicable to each business segment are reflected in their respective financial statements. As a result, year-over-year comparisons may vary due to the change in methodology.
(3) Income before income taxes excludes allocated overhead expenses which are included in Other segment expenses.
(4) PCS fee-related revenue includes RRSP interest revenue and commissions earned from managed accounts, fee-based accounts, bonds, mutual funds, and insurance
(5) Total compensation expenses include incentive compensation and salaries and benefits.

## Global Capital Markets

## Condensed statement of operations

Unaudited, for the period ended)
(in thousands of dollars) ${ }^{(1)}$

## Capital Markets <br> International Trading <br> Registered Trad Fixed Income <br> International (UK)

## Expenses

Incentive compensation ${ }^{(2)}$
Salaries and benefits
Trading costs ${ }^{(3)}$
Premises and equipment
Communication and technology
interest
General and administrative ${ }^{(4)}$
Amortization
Development costs
Restructuring and other costs
Discretionary payouts
Gain on disposal of invts \& claims
Income (loss) before income taxes ${ }^{(5)}$
ncentive compensation as \% of revenue
Total compensation exp. as \% of revenue ${ }^{(6)}$ Non-compensation exp. as \% of revenue
Total expenses as $\%$ of revenue
Pre-tax profit margin

|  |  |  |  |  |  |  |  |  |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Q2/04 | Q3/04 | Q4/04 | Q1/05 | Q2/05 | Q3/05 | Q4/05 | Q1/06 | Q2/06 |
|  |  |  |  |  |  |  |  |  |
| 19,234 | 25,036 | 36,524 | 17,307 | 16,087 | 22,371 | 39,794 | 25,828 | 35,054 |
| 3,557 | 5,766 | 4,829 | 3,308 | 3,023 | 4,406 | 4,715 | 3,426 | 4,691 |
| 2,416 | 3,247 | 3,456 | $(82)$ | 187 | 2,306 | 1,864 | 532 | 2,000 |
| 1,851 | 2,128 | 4,162 | 2,289 | 2,050 | 1,703 | 2,236 | 1,838 | 1,891 |
| 11,943 | 30,338 | 36,454 | 16,349 | 25,324 | 41,582 | 32,835 | 22,833 | 16,412 |
| 39,001 | 66,515 | 85,425 | 39,171 | 46,671 | 72,368 | 81,444 | 54,457 | 60,048 |
|  |  |  |  |  |  |  |  |  |
| 17,815 | 40,606 | 52,427 | 15,083 | 23,405 | 39,964 | 46,578 | 28,781 | 30,704 |
| 2,845 | 3,103 | 3,500 | 3,821 | 3,808 | 4,123 | 4,825 | 1,287 | 1,790 |
| 353 | 1,044 | 1,069 | 1,751 | 1,496 | 1,781 | 1,923 | 1,663 | 1,879 |
| 1,105 | 1,023 | 1,104 | 1,025 | 1,062 | 970 | 923 | 1,340 | 919 |
| 936 | 1,054 | 969 | 1,251 | 1,386 | 1,240 | 1,375 | 1,507 | 1,462 |
| 19 | $(12)$ | 7 | 49 | 48 | 202 | 312 | 388 | 196 |
| 1,479 | 1,665 | 2,630 | 2,799 | 3,693 | 2,375 | 4,581 | 3,898 | 4,054 |
| 304 | 308 | 317 | 265 | 291 | 317 | 331 | 445 | 300 |
| 114 | 139 | 432 | 81 | 281 | 86 | 234 | 155 | 88 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 24,970 | 48,930 | 62,455 | 26,125 | 35,470 | 51,058 | 61,082 | 39,464 | 41,392 |
| 14,031 | 17,585 | 22,970 | 13,046 | 11,201 | 21,310 | 20,362 | 14,993 | 18,656 |


| Q2/06 vs. Q2/05 <br> Increase (decrease) |  |
| ---: | ---: |
| 18,967 | $117.9 \%$ |
| 1,668 | $55.2 \%$ |
| 1,813 | $969.5 \%$ |
| $(159)$ | $-7.8 \%$ |
| $8,912)$ | $-35.2 \%$ |
| 13,377 | $28.7 \%$ |
|  |  |
| 7,299 | $31.2 \%$ |
| $(2,018)$ | $-53.0 \%$ |
| 383 | $25.6 \%$ |
| $(143)$ | $-13.5 \%$ |
| 76 | $5.5 \%$ |
| 148 | $308.3 \%$ |
| 361 | $9.8 \%$ |
| 9 | $3.1 \%$ |
| $(193)$ | $-68.7 \%$ |
| - | - |
| - | - |
| - | - |
| 5,922 | $16.7 \%$ |
| 7,455 | $66.6 \%$ |


| FY01 | FY02 | FY03 | FY04 | FY05 |
| :---: | :---: | :---: | :---: | :---: |
| 26,077 | 23,464 | 35,601 | 88,821 | 95,559 |
| 8,665 | 6,270 | 7,491 | 16,800 | 15,452 |
| 7,018 | 7,795 | 10,564 | 11,493 | 4,275 |
| 5,614 | 9,465 | 9,509 | 10,155 | 8,278 |
| 18,914 | 25,270 | 28,464 | 84,489 | 116,090 |
| 66,288 | 72,264 | 91,629 | 211,758 | 239,654 |
| 33,588 | 35,649 | 45,982 | 120,298 | 125,030 |
| 11,199 | 11,939 | 13,486 | 12,517 | 16,577 |
| 3,358 | 2,425 | 3,782 | 3,440 | 6,951 |
| 3,770 | 4,144 | 4,634 | 4,236 | 3,980 |
| 3,402 | 4,105 | 4,921 | 4,205 | 5,252 |
| 619 | 296 | 332 | 35 | 611 |
| 10,229 | 4,810 | 9,057 | 7,632 | 13,448 |
| 876 | 1,644 | 1,488 | 1,291 | 1,204 |
| 139 | 375 | (670) | 836 | 682 |
| 886 | 10,656 | 1,609 |  |  |
| 500 | 161 |  |  |  |
| $(4,465)$ |  |  |  |  |
| 64,101 | 76,204 | 84,621 | 154,490 | 173,735 |
| 2,187 | (3,940) | 7,0 | 57268 |  |


| $\mathbf{6}$ Months Ended |  |  |  |
| ---: | ---: | ---: | ---: |
| Q2/05 | Q2/06 | Increase (decrease) |  |
|  |  |  |  |
| 33,394 | 60,882 | 27,488 | $82.3 \%$ |
| 6,331 | 8,117 | 1,786 | $28.2 \%$ |
| 105 | 2,532 | 2,427 | $2311.4 \%$ |
| 4,339 | 3,729 | $(610)$ | $-14.1 \%$ |
| 41,673 | 39,245 | $(2,428)$ | $-5.8 \%$ |
| 85,842 | 114,505 | 28,663 | $33.4 \%$ |
|  |  |  |  |
| 38,488 | 59,485 | 20,997 | $54.6 \%$ |
| 7,629 | 3,077 | $(4,552)$ | $-59.7 \%$ |
| 3,247 | 3,542 | 295 | $9.1 \%$ |
| 2,087 | 2,259 | 172 | $8.2 \%$ |
| 2,637 | 2,969 | 332 | $12.6 \%$ |
| 97 | 584 | 487 | $502.1 \%$ |
| 6,492 | 7,952 | 1,460 | $22.5 \%$ |
| 556 | 745 | 189 | $34.0 \%$ |
| 362 | 243 | $(119)$ | $-32.9 \%$ |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 61,595 | 80,856 | 19,261 | $31.3 \%$ |
| 24,247 | 33,649 | 9,402 | $38.8 \%$ |


|  |  |  |  |  |  |  |  |  |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $45.7 \%$ | $61.0 \%$ | $61.4 \%$ | $38.5 \%$ | $50.1 \%$ | $55.2 \%$ | $57.2 \%$ | $52.9 \%$ | $51.1 \%$ |
| $53.0 \%$ | $65.7 \%$ | $65.5 \%$ | $48.3 \%$ | $58.3 \%$ | $60.9 \%$ | $63.1 \%$ | $55.2 \%$ | $54.1 \%$ |
| $11.0 \%$ | $7.9 \%$ | $7.6 \%$ | $18.4 \%$ | $17.7 \%$ | $9.7 \%$ | $11.9 \%$ | $17.3 \%$ | $14.8 \%$ |
| $64.0 \%$ | $73.6 \%$ | $73.1 \%$ | $66.7 \%$ | $76.0 \%$ | $70.6 \%$ | $75.0 \%$ | $72.5 \%$ | $68.9 \%$ |
| $36.0 \%$ | $26.4 \%$ | $26.9 \%$ | $33.3 \%$ | $24.0 \%$ | $29.4 \%$ | $25.0 \%$ | $27.5 \%$ | $31.1 \%$ |

$1.0 \%$
$-4.2 \%$
$-2.9 \%$
$-7.1 \%$
$7.1 \%$

| $50.7 \%$ | $49.3 \%$ | $50.2 \%$ | $56.8 \%$ | $52.2 \%$ |
| ---: | ---: | ---: | ---: | ---: |
| $67.6 \%$ | $65.9 \%$ | $64.9 \%$ | $62.7 \%$ | $59.1 \%$ |
| $29.1 \%$ | $39.6 \%$ | $27.5 \%$ | $10.3 \%$ | $13.4 \%$ |
| $96.7 \%$ | $105.5 \%$ | $92.4 \%$ | $73.0 \%$ | $72.5 \%$ |
| $3.3 \%$ | $-5.5 \%$ | $7.6 \%$ | $27.0 \%$ | $27.5 \%$ |


| $44.8 \%$ | $51.9 \%$ | $7.1 \%$ |
| ---: | ---: | ---: |
| $53.7 \%$ | $54.6 \%$ | $0.9 \%$ |
| $18.1 \%$ | $16.0 \%$ | $-2.1 \%$ |
| $71.8 \%$ | $70.6 \%$ | $-1.2 \%$ |
| $28.2 \%$ | $29.4 \%$ | $1.2 \%$ |

Number of employees
230

1) Financial results are expressed in C\$ thousands, except for financial ratios and number of employees.
(2) Incentive compensation includes National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout. Refer to the UK statement of operations for further details (page 7).
 year-over-year comparisons may vary due to the change in methodology.
(4) Q1/05 figures are reclassified to reflect the reclassification of promotion and travel expenses in Global Capital Market from incentive compensation to general and administrative.
(5) Income (loss) before income taxes excludes allocated overhead expenses which are included in Other segment expenses.
 implementation of a new flat payout structure for Global Capital Markets, which will effectively reduce the overall company compensation expense ratio across the full year.

## Other segment

## Condensed statement of operations

| (Unaulited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ | Q2/04 | Q3/04 | Q4/04 | Q1/05 | Q2/05 | Q3/05 | Q4/05 | Q1/06 | Q2/06 | $\begin{gathered} \hline \text { Q2/06 vs } \\ \text { Increase } \end{gathered}$ | $\begin{aligned} & \mathrm{Q} 2105 \\ & \text { crease) } \\ & \hline \end{aligned}$ | FY01 | FY02 | FY03 | FY04 | FY05 | Q2105 | 6 Month Q2/06 | Ended Increase ( | ecrease) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Revenue |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other | 3,258 | 3,584 | 4,595 | 3,072 | 2,431 | 4,351 | 5,094 | 4,930 | 6,195 | 3,764 | 154.8\% | 12,230 | 7,635 | 9,793 | 14,416 | 14,948 | 5,503 | 11,125 | 5,622 | 102.2\% |
| Expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Incentive compensation | 4,312 | 5,425 | 4,607 | 2,286 | 1,972 | 2,817 | 3,953 | 2,288 | 3,843 | 1,871 | 94.9\% | 5,275 | 1,864 | 1,433 | 15,746 | 11,028 | 4,258 | 6,131 | 1,873 | 44.0\% |
| Salaries and benefits | 3,292 | 3,696 | 4,036 | 4,542 | 4,152 | 4,340 | 4,946 | 4,903 | 4,792 | 640 | 15.4\% | 13,269 | 12,505 | 13,070 | 14,519 | 17,980 | 8,694 | 9,695 | 1,001 | 11.5\% |
| Trading costs ${ }^{(2)}$ | 3,355 | 3,313 | 3,714 | 361 | 194 | 286 | 269 | 432 | 354 | 160 | 82.5\% | 7,999 | 6,146 | 9,915 | 12,562 | 1,110 | 555 | 786 | 231 | 41.6\% |
| Premises and equipment | 854 | 993 | 1,376 | 887 | 725 | 773 | 831 | 936 | 850 | 125 | 17.2\% | 4,726 | 3,733 | 2,900 | 4,039 | 3,216 | 1,612 | 1,786 | 174 | 10.8\% |
| Communication and technology | 842 | 660 | 609 | 515 | 728 | 842 | 881 | 724 | 856 | 128 | 17.6\% | 2,457 | 970 | 1,427 | 2,594 | 2,966 | 1,243 | 1,580 | 337 | 27.1\% |
| Interest | 919 | 1,031 | 1,161 | 1,445 | 721 | 760 | 576 | 821 | 942 | 221 | 30.7\% | 5,932 | 3,820 | 2,907 | 3,959 | 3,502 | 2,166 | 1,763 | (403) | -18.6\% |
| General and administrative | 2,151 | 2,090 | 1,818 | 2,152 | 3,372 | 4,164 | 3,955 | 3,285 | 3,024 | (348) | -10.3\% | 7,399 | 6,308 | 5,779 | 7,931 | 13,643 | 5,524 | 6,309 | 785 | 14.2\% |
| Amortization | 241 | 271 | 245 | 185 | 195 | 211 | 303 | 293 | 227 | 32 | 16.4\% | 1,047 | 1,017 | 1,011 | 979 | 894 | 380 | 520 | 140 | 36.8\% |
| Development costs | 813 | 1,169 | 1,304 | 1,312 | 1,118 | 1,055 | 959 | 1,054 | 1,045 | (73) | -6.5\% | 2,682 | 2,773 | 2,792 | 4,143 | 4,444 | 2,430 | 2,099 | (331) | -13.6\% |
| Restructuring and other costs | - |  |  |  | - |  |  |  |  |  |  |  | 1,200 |  |  |  | - | - | - |  |
| Discretionary payouts | - |  |  |  |  | - |  | - |  |  |  | 5,420 | 1,436 |  |  |  |  |  | - |  |
| Gain on disposal of invts \& claims | - | - | - | - | - | - | - | $(1,633)$ |  | - |  | - | - | $(4,261)$ | - | - | - | $(1,633)$ | $(1,633)$ | n.m. |
|  | 16,779 | 18,648 | 18,870 | 13,685 | 13,177 | 15,248 | 16,673 | 13,103 | 15,933 | 2,756 | 20.9\% | 56,206 | 41,772 | 36,973 | 66,472 | 58,783 | 26,862 | 29,036 | 2,174 | 8.1\% |
| Loss before income taxes ${ }^{(3)}$ | $(13,521)$ | $(15,064)$ | $(14,275)$ | $(10,613)$ | $(10,746)$ | $(10,897)$ | $(11,579)$ | $(8,173)$ | $(9,738)$ | 1,008 | 9.4\% | (43,976) | $(34,137)$ | $(27,180)$ | $(52,056)$ | $(43,835)$ | $(21,359)$ | $(17,911)$ | 3,448 | $\underline{ }$ |
| Number of employees | 275 | 281 | 296 | 308 | 314 | 316 | 324 | 328 | 336 | 22 | 7.0\% | 282 | 259 | 277 | 296 | 324 | 314 | 336 | 22 | 7.0\% |

(1) Financial results are expressed in C\$ thousands, except for number of employees
 result, year-over-year comparisons may vary due to the change in methodology
(3) Loss before income taxes includes general expenses and overhead expenses prior to allocation to the Private Client Services and Global Capital Markets segments.

## Canada

Condensed statement of operations
(Unaudited, for the period ended)
(in thousands of dollars) ${ }^{(1)}$
Revenue
Private Client Services
Global Capital Market
Other

## Expenses

incentive compensation
Salaries and benefits
Trading costs
Premises and equipmen Communication and technology Interest
General and administrative ${ }^{(2)}$
Amortization
Development costs
Restructuring and other costs
Discretionary payouts
Gain on disposal of invts \& claims
Income (loss) before income taxes
Incentive compensation as $\%$ of revenue Total compensation exp. as \% of revenue ${ }^{(3)}$ Non-compensation exp. as \% of revenue Total expenses as $\%$ of revenue
Pre-tax profit margin
Number of employees

|  |  |  |  |  |  |  |  |  |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Q2/04 | Q3/04 | Q4/04 | Q1/05 | Q2105 | Q3/05 | Q4/05 | Q1/06 | Q2/06 |
|  |  |  |  |  |  |  |  |  |
| 39,144 | 48,540 | 60,667 | 38,322 | 36,499 | 46,964 | 56,391 | 39,630 | 52,411 |
| 27,058 | 36,177 | 48,971 | 22,822 | 21,347 | 30,786 | 48,609 | 31,624 | 43,636 |
| 3,258 | 3,584 | 4,595 | 3,072 | 2,431 | 4,351 | 5,094 | 4,930 | 6,195 |
| 69,460 | 88,301 | 114,233 | 64,216 | 60,277 | 82,101 | 110,094 | 76,184 | 102,242 |
|  |  |  |  |  |  |  |  |  |
| 33,610 | 49,413 | 60,586 | 28,574 | 28,050 | 39,688 | 58,115 | 36,379 | 51,046 |
| 7,078 | 7,703 | 9,086 | 9,357 | 8,360 | 8,690 | 10,513 | 8,668 | 8,561 |
| 3,561 | 4,386 | 4,935 | 4,162 | 3,264 | 4,065 | 4,209 | 4,023 | 3,986 |
| 2,426 | 2,560 | 3,036 | 2,456 | 2,362 | 2,339 | 2,549 | 2,941 | 2,695 |
| 2,894 | 2,908 | 2,712 | 2,967 | 3,305 | 3,275 | 3,454 | 3,343 | 3,547 |
| 919 | 1,030 | 1,162 | 2,273 | 1,435 | 1,989 | 2,126 | 2,491 | 2,402 |
| 5,064 | 5,796 | 5,540 | 5,125 | 6,552 | 6,010 | 8,605 | 8,437 | 7,847 |
| 702 | 874 | 593 | 566 | 588 | 628 | 783 | 941 | 646 |
| 1,955 | 2,058 | 2,396 | 2,075 | 1,976 | 1,872 | 2,001 | 2,091 | 2,038 |
| $(47)$ | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | $(1,633)$ | - |
| 58,162 | 76,728 | 90,046 | 57,555 | 55,892 | 68,556 | 92,355 | 67,681 | 82,768 |
| 11,298 | 11,573 | 24,187 | 6,661 | 4,385 | 13,545 | 17,739 | 8,503 | 19,474 |


| $\begin{gathered} \hline \text { Q2106 vs. Q2/05 } \\ \text { Increase (decrease) } \\ \hline \end{gathered}$ |  | FY01 | FY02 | FY03 | FY04 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 15,912 | 43.6\% | 140,251 | 90,534 | 97,784 | 175,983 | 178,176 |
| 22,289 | 104.4\% | 47,374 | 46,994 | 63,165 | 127,269 | 123,564 |
| 3,764 | 154.8\% | 12,230 | 7,635 | 9,793 | 14,416 | 14,948 |
| 41,965 | 69.6\% | 199,855 | 145,163 | 170,742 | 317,668 | 316,688 |
| 22,996 | 82.0\% | 91,273 | 64,869 | 77,997 | 164,826 | 154,427 |
| 201 | 2.4\% | 29,253 | 26,310 | 28,762 | 31,335 | 36,920 |
| 722 | 22.1\% | 13,236 | 8,739 | 14,233 | 16,193 | 15,700 |
| 333 | 14.1\% | 10,889 | 10,085 | 9,115 | 10,444 | 9,706 |
| 242 | 7.3\% | 11,443 | 10,840 | 11,950 | 11,453 | 13,001 |
| 967 | 67.4\% | 5,932 | 3,821 | 2,907 | 3,959 | 7,823 |
| 1,295 | 19.8\% | 22,528 | 15,768 | 17,969 | 21,411 | 26,292 |
| 58 | 9.9\% | 2,169 | 2,864 | 2,936 | 2,849 | 2,565 |
| 62 | 3.1\% | 4,770 | 4,443 | 4,137 | 8,240 | 7,924 |
| - |  | 1,906 | 22,403 | 8,259 | 315 |  |
| - |  | 5,420 | 1,436 |  |  |  |
| - |  |  |  | $(4,261)$ |  |  |
| 26,876 | 48.1\% | 198,819 | 171,578 | 174,004 | 271,025 | 274,358 |
| 15,089 | 344.1\% | 1,03 | (26,4 | 3,26 | 46,6 | 42,330 |


| 6 Months Ended |  |  |  |
| :---: | :---: | :---: | :---: |
| Q2105 | Q2106 | Increase (decrease) |  |
| 74,821 | 92,041 | 17,220 | 23.0\% |
| 44,169 | 75,260 | 31,091 | 70.4\% |
| 5,503 | 11,125 | 5,622 | 102.2\% |
| 124,493 | 178,426 | 53,933 | 43.3\% |
| 56,624 | 87,425 | 30,801 | 54.4\% |
| 17,717 | 17,229 | (488) | -2.8\% |
| 7,426 | 8,009 | 583 | 7.9\% |
| 4,818 | 5,636 | 818 | 17.0\% |
| 6,272 | 6,890 | 618 | 9.9\% |
| 3,708 | 4,893 | 1,185 | 32.0\% |
| 11,677 | 16,284 | 4,607 | 39.5\% |
| 1,154 | 1,587 | 433 | 37.5\% |
| 4,051 | 4,129 | 78 | 1.9\% |
|  |  |  |  |
|  |  | - |  |
| - | $(1,633)$ | $(1,633)$ | n.m |
| 113,447 | 150,449 | 37,002 | 32.6\% |
| 11,046 | 27,977 | 16,931 | 153.3\% |


| $48.4 \%$ | $56.0 \%$ | $53.0 \%$ | $44.5 \%$ | $46.5 \%$ | $48.3 \%$ | $52.8 \%$ | $47.8 \%$ | $49.9 \%$ |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | :--- |
| $58.6 \%$ | $64.7 \%$ | $61.0 \%$ | $59.1 \%$ | $60.4 \%$ | $58.9 \%$ | $62.3 \%$ | $59.1 \%$ | $58.3 \%$ |
| $25.1 \%$ | $2.2 \%$ | $17.8 \%$ | $30.5 \%$ | $32.3 \%$ | $24.6 \%$ | $21.6 \%$ | $29.7 \%$ | $22.7 \%$ |
| $83.7 \%$ | $86.9 \%$ | $78.8 \%$ | $89.6 \%$ | $92.7 \%$ | $83.5 \%$ | $83.9 \%$ | $88.8 \%$ | $81.0 \%$ |
| $16.3 \%$ | $13.1 \%$ | $21.2 \%$ | $10.4 \%$ | $7.3 \%$ | $16.5 \%$ | $16.1 \%$ | $11.2 \%$ | $19.0 \%$ |


|  |  |  |  |  |  |
| ---: | ---: | ---: | ---: | ---: | ---: |
| $3.4 \%$ | $45.7 \%$ | $44.7 \%$ | $45.7 \%$ | $51.9 \%$ | $48.8 \%$ |
| $-2.1 \%$ | $60.3 \%$ | $62.8 \%$ | $62.5 \%$ | $61.8 \%$ | $60.4 \%$ |
| $-9.6 \%$ | $39.2 \%$ | $55.4 \%$ | $39.4 \%$ | $23.5 \%$ | $26.2 \%$ |
| $-11.7 \%$ |  | $99.5 \%$ | $118.2 \%$ | $101.9 \%$ | $85.3 \%$ |
| $11.7 \%$ |  | $0.5 \%$ | $-18.2 \%$ | $-1.9 \%$ | $14.7 \%$ |
|  |  |  |  | $13.4 \%$ |  |
| 75 | $6.6 \%$ | 1,097 | 1,069 | 1,102 | 1,104 |
|  | 1,190 |  |  |  |  |


| $45.5 \%$ | $49.0 \%$ | $3.5 \%$ |
| ---: | ---: | ---: |
| $59.7 \%$ | $58.7 \%$ | $-1.0 \%$ |
| $31.4 \%$ | $25.6 \%$ | $-5.8 \%$ |
| $91.1 \%$ | $84.3 \%$ | $-6.8 \%$ |
| $8.9 \%$ | $15.7 \%$ | $6.8 \%$ |

$\begin{array}{lllllllll}1,055 & 1,071 & 1,104 & 1,148 & 1,137 & 1,157 & 1,190 & 1,215 & 1,212\end{array}$
1,137
75 6.6\%
(1) Financial results are expressed in $C \$$ thousands, except for financial ratios and number of employees
(2) Q1/05 figures are reclassified to reflect the reclassification of promotion and travel expenses in Global Capital Market from incentive compensation to general and administrative.
(3) Total compensation expenses include incentive compensation and salaries and benefits, but excludes hiring incentives and development group salary and benefits, which are included in development costs. The change in compensation payout partially reflects the implementation of new flat payout structure for Global Capital Markets, which will effectively reduce the overall company compensation expense ratio across the full year.

## UK

## Condensed statement of operations

(Unaudited, for the period ended)
(in thousands of dollars) $^{\text {(1) }}$
Revenue
Private Client Services
Global Capital Markets
Other

Expenses
Incentive compensation National Health Insurance tax ${ }^{(2)}$ Total incentive compensation Salaries and benefits
Trading costs
Premises and equipment Communication and technology interest
General and administrative Amortization
Development costs
Restructuring and other costs Discretionary payouts
Gain on disposal of invts \& claims

## ncome (loss) before income taxe

| Q2/04 | Q3/04 | Q4/04 | Q1/05 | Q2/05 | Q3/05 | Q4/05 | Q1/06 | Q2/06 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  |  |  |  | - |  |  |  |  |
| 11,943 | 30,338 | 36,454 | 16,349 | 25,324 | 41,582 | 32,835 | 22,833 | 16,412 |
| - | - | - | - | - | - | - | - | - |
| 11,943 | 30,338 | 36,454 | 16,349 | 25,324 | 41,582 | 32,835 | 22,833 | 16,412 |
|  |  |  |  |  |  |  |  |  |
| 5,751 | 19,449 | 23,773 | 6,136 | 13,850 | 24,323 | 18,007 | 11,647 | 8,111 |
| 308 | 1,065 | 1,173 | 383 | 821 | 1,438 | 1,069 | 624 | 423 |
| 6,059 | 20,514 | 24,946 | 6,519 | 14,671 | 25,761 | 19,076 | 12,271 | 8,534 |
| 1,260 | 1,478 | 1,687 | 1,857 | 2,054 | 2,267 | 2,617 | 558 | 848 |
| 247 | 280 | 357 | 291 | 276 | 312 | 284 | 289 | 261 |
| 691 | 624 | 673 | 573 | 558 | 536 | 476 | 685 | 372 |
| 178 | 206 | 234 | 254 | 268 | 249 | 265 | 347 | 251 |
| 19 | $(11)$ | 6 | - | 1 | 1 | $(1)$ | - | 3 |
| 863 | 637 | 1,370 | 919 | 1,461 | 1,238 | 2,261 | 1,579 | 1,216 |
| 173 | 153 | 158 | 126 | 151 | 174 | 169 | 177 | 154 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 9,490 | 23,881 | 29,431 | 10,539 | 19,440 | 30,538 | 25,147 | 15,906 | 11,639 |
| 2,453 | 6,457 | 7,023 | 5,810 | 5,884 | 11,044 | 7,688 | 6,927 | 4,773 |


| Q2/06 vs. Q2/05 <br> Increase (decrease) |  |
| ---: | ---: |
| - | - |
| $(8,912)$ | $-35.2 \%$ |
| - | - |
| $(8,912)$ | $-35.2 \%$ |
| $(5,739)$ | $-41.4 \%$ |
| $(398)$ | $-48.5 \%$ |
| $(6,137)$ | $-41.8 \%$ |
| $(1,206)$ | $-58.7 \%$ |
| $(15)$ | $-5.4 \%$ |
| $(186)$ | $-33.3 \%$ |
| $(17)$ | $-6.3 \%$ |
| 2 | $200.0 \%$ |
| $(245)$ | $-16.8 \%$ |
| 3 | $2.0 \%$ |
| - | - |
| - | - |
| - | - |
| - | - |
| $(7,801)$ | $-40.1 \%$ |
| $(1,111)$ | $-18.9 \%$ |


| FY01 | FY02 | FY03 | FY04 | FY05 | 6 Months Ended |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Q2105 | Q2106 | Increase (de | crease) |
| 18,914 | 25,270 | 28,464 | 84,489 | 116,090 | 41,673 | 39,245 | $(2,428)$ | -5.8\% |
| 18,914 | 25,270 | 28,464 | 84,489 | 116,090 | 41,673 | 39,245 | $(2,428)$ | -5.8\% |
| 8,970 | 12,929 | 13,877 | 51,311 | 62,316 | 19,986 | 19,758 | (228) | -1.1\% |
| 484 | 630 | 720 | 2,665 | 3,711 | 1,204 | 1,047 | (157) | -13.0\% |
| 9,454 | 13,559 | 14,597 | 53,976 | 66,027 | 21,190 | 20,805 | (385) | -1.8\% |
| 5,165 | 5,837 | 6,899 | 5,858 | 8,795 | 3,911 | 1,406 | $(2,505)$ | -64.1\% |
| 509 | 882 | 1,110 | 1,117 | 1,163 | 567 | 550 | (17) | -3.0\% |
| 2,385 | 2,531 | 2,974 | 2,573 | 2,143 | 1,131 | 1,057 | (74) | -6.5\% |
| 735 | 810 | 1,034 | 837 | 1,036 | 522 | 598 | 76 | 14.6\% |
| 619 | 295 | 332 | 35 | 1 | 1 | 3 | 2 | 200.0\% |
| 2,006 | 2,407 | 2,586 | 3,463 | 5,879 | 2,380 | 2,795 | 415 | 17.4\% |
| 625 | 1,118 | 962 | 716 | 620 | 277 | 331 | 54 | 19.5\% |
|  |  | 246 |  |  |  | - | - |  |
| 500 | 161 | - |  |  |  | - | . |  |
| $(4,465)$ |  |  |  |  | - | - | - |  |
| 17,533 | 27,950 | 30,740 | 68,575 | 85,664 | 29,979 | 27,545 | $(2,434)$ | -8.1\% |
| 1,381 | $(2,680)$ | $(2,276)$ | 15,914 | 30,426 | 11,694 | 11,700 | 6 | 0.1\% |

ncentive compensation as \% of revenue
otal compensation exp. as $\%$ of revenue ${ }^{(3)}$
Non-compensation exp. as $\%$ of revenue
Total expenses as $\%$ of revenue
Pre-tax profit margin

| $50.7 \%$ | $67.6 \%$ | $68.4 \%$ | $39.9 \%$ | $57.9 \%$ | $62.0 \%$ | $58.1 \%$ | $53.7 \%$ | $52.0 \%$ |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $61.3 \%$ | $72.5 \%$ | $73.1 \%$ | $51.2 \%$ | $66.0 \%$ | $67.4 \%$ | $66.1 \%$ | $56.2 \%$ | $57.2 \%$ |
| $18.2 \%$ | $6.2 \%$ | $7.6 \%$ | $13.3 \%$ | $10.8 \%$ | $6.0 \%$ | $10.5 \%$ | $13.5 \%$ | $13.7 \%$ |
| $79.5 \%$ | $78.7 \%$ | $80.7 \%$ | $64.5 \%$ | $76.8 \%$ | $73.4 \%$ | $76.6 \%$ | $69.7 \%$ | $70.9 \%$ |
| $20.5 \%$ | $21.3 \%$ | $19.3 \%$ | $35.5 \%$ | $23.2 \%$ | $26.6 \%$ | $23.4 \%$ | $30.3 \%$ | $29.1 \%$ |
|  |  |  |  |  |  |  |  |  |
| 52 | 52 | 52 | 54 | 66 | 67 | 70 | 73 | 70 |


| $-5.9 \%$ |  |
| ---: | ---: |
| $-8.8 \%$ |  |
| $2.9 \%$ |  |
| $-5.9 \%$ |  |
| $5.9 \%$ |  |
| 4 | $6.1 \%$ |


| $50.0 \%$ | $53.7 \%$ | $51.3 \%$ | $63.9 \%$ | $56.9 \%$ | $50.8 \%$ | $53.0 \%$ | $2.2 \%$ |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $77.3 \%$ | $76.8 \%$ | $75.5 \%$ | $70.8 \%$ | $64.5 \%$ | $60.2 \%$ | $56.6 \%$ | $-3.6 \%$ |
| $15.4 \%$ | $33.8 \%$ | $32.5 \%$ | $10.4 \%$ | $9.3 \%$ | $11.7 \%$ | $13.6 \%$ | $1.9 \%$ |
| $92.7 \%$ | $110.6 \%$ | $108.0 \%$ | $81.2 \%$ | $73.8 \%$ | $71.9 \%$ | $70.2 \%$ | $-1.7 \%$ |
| $7.3 \%$ | $-10.6 \%$ | $-8.0 \%$ | $18.8 \%$ | $26.2 \%$ | $28.1 \%$ | $29.8 \%$ | $1.7 \%$ |

Number of employees

1) Financial results are expressed in $C \$$ thousands, except for financial ratios and number of employees.
(2) NHI is a National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout.
 implementation of a new flat payout structure for Global Capital Markets, which will effectively reduce the overall company compensation expense ratio across the full year

## Canaccord group of companies

Consolidated balance sheet
(Unaudited, as at)
in thousands of dollars)
Assets
Cash and cash equivalents
Securities owned, at marke
Accounts receivable
Income taxes recoverable
Future income taxes
Equipment and leasehold improvements
Notes receivable
Deferred charges
Deferred cha
otal Assets
Liabilities and shareholders' equity
Call loans
Securities sold short, at market
Accounts payable and accrued liabilities
Accounts payable and
Income taxes payabl
Future income taxes
Notes payable
Notes payable
Convertible debentures ${ }^{(1)}$
Subordinated debt ${ }^{(1)}$
Shareholders' equity ${ }^{(1)}$
Total liabilities and shareholders' equity

| Q2104 | Q3/04 | Q4/04 | Q1/05 | Q2105 | Q3105 | Q4105 | Q1/06 | Q2/06 | Q2/06 vs. Q2/05Increase (decrease) |  | FY01 | FY02 | FY03 | FY04 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 90,306 | 110,001 | 91,966 | 34,008 | 158,560 | 256,158 | 349,700 | 282,485 | 223,914 | 65,354 | 41.2\% | 24,291 | 23,697 | 100,024 | 91,966 | 349,700 |
| 154,298 | 202,500 | 376,447 | 377,789 | 305,611 | 184,895 | 160,348 | 122,745 | 157,334 | $(148,277)$ | -48.5\% | 94,057 | 89,608 | 136,073 | 376,447 | 160,348 |
| 761,732 | 754,766 | 997,621 | 1,052,409 | 1,011,210 | 719,508 | 1,068,537 | 855,583 | 1,138,934 | 127,724 | 12.6\% | 366,042 | 639,243 | 559,627 | 997,621 | 1,068,537 |
|  | - |  |  | 701 |  |  | 1,222 |  | (701) | -100.0\% | 10,861 | 8,581 | 558 |  |  |
| 3,202 | 3,029 |  | 1,645 | 1,609 | 1,834 | 3,992 | 4,109 | 3,557 | 1,948 | 121.1\% |  | 2,327 | 3,735 |  | 3,992 |
| 10,671 | 10,719 | 12,373 | 12,182 | 12,373 | 13,904 | 13,750 | 14,131 | 15,937 | 3,564 | 28.8\% | 16,085 | 14,151 | 12,027 | 12,373 | 13,750 |
| 17,834 | 22,758 | 28,765 | 35,355 | 39,251 | 41,055 | 41,618 | 42,731 | 10,023 | $(29,228)$ | -74.5\% |  | 5,614 | 17,393 | 28,765 | 41,618 |
| 1,091 | 940 | 1,194 | 752 | 632 | 266 | 220 | 147 | 314 | (318) | -50.3\% | 967 |  | 1,300 | 1,194 | 220 |
| 1,039,134 | 1,104,713 | 1,508,366 | 1,514,140 | 1,529,947 | 1,217,620 | 1,638,165 | 1,323,153 | 1,550,013 | 20,066 | 1.3\% | 512,303 | 783,221 | 830,737 | 1,508,366 | 1,638,165 |
| - | - | 2,541 | 40,745 | 677 | 6,311 |  | 819 |  | (677) | -100.0\% | 45,072 | 1,924 | - | 2,541 | - |
| 57,816 | 113,189 | 281,723 | 270,228 | 190,796 | 90,033 | 105,527 | 49,180 | 59,602 | $(131,194)$ | -68.8\% | 21,312 | 31,645 | 85,373 | 281,723 | 105,527 |
| 869,895 | 853,968 | 1,048,395 | 957,362 | 1,099,731 | 862,582 | 1,262,072 | 1,003,765 | 1,254,396 | 154,665 | 14.1\% | 358,736 | 662,724 | 644,043 | 1,048,395 | 1,262,072 |
| 3,780 | 10,305 | $\begin{array}{r} 16,905 \\ 973 \end{array}$ | 2,742 | - | 3,259 | 6,737 | - | 2,374 | 2,374 | n.m. |  |  |  | 16,905 973 | 6,737 |
| 17,834 | 22,758 | 28,765 | 35,355 | 39,251 | 41,055 | 41,618 | 42,731 | 10,023 | $(29,228)$ | -74.5\% | 683 | 8,446 | 17,393 | 28,765 | 41,618 |
| 21,215 | 20,763 | 20,377 |  | - | - |  | - |  | - |  |  | 11,225 | 21,225 | 20,377 |  |
| 10,000 | 10,000 | 10,000 | 10,000 | - | - | - | - | - | - |  | 20,000 | 17,000 | 10,000 | 10,000 | - |
| 58,594 | 73,730 | 98,687 | 197,708 | 199,492 | 214,380 | 222,211 | 226,658 | 223,618 | 24,126 | 12.1\% | 66,500 | 50,257 | 52,703 | 98,687 | 222,211 |
| 1,039,134 | 1,104,713 | 1,508,366 | 1,514,140 | 1,529,947 | 1,217,620 | 1,638,165 | 1,323,153 | 1,550,013 | 20,066 | 1.3\% | 512,303 | 783,221 | 830,737 | 1,508,366 | 1,638,165 |

(1) As discussed in Note 1 of the fiscal 2005 Annual Report, the Company adopted the requirements of CICA Handbook Section 1100 in which convertible debentures and subordinated debt are classified as liabilities. These
onsolidated finnacial statements has adiusted to reflect the reclassification of these tilities from the capita section of the balane sheet.

## Miscellaneous operational statistics

(Unaudited, for the period ended)
Number of employees in Canad ${ }^{(1)}$
Number in Private Client Services Number in Global Capital Markets Number in Other
Total Canada
Number of employees in UK ${ }^{(1)}$
Number in Global Capital Markets
Number of employees firm wide ${ }^{(1)}$
Number of Investment Advisors
Number of licensed professionals
Number of PCS clients
Assets Under Mgmt. (\$millions)
Assets Under Mgmt. (Smilions)
Assets Under Admin. (\$millions)
AUA per Investment Advisor (\$ millions)

Number of companies with Canaccord Capital Europe Ltd. as Broker

London Stock Exchange (LSE)
Alternative Investment Market (AIM)
Total Broker

Number of companies with Canaccord Capital
Europe Ltd. as Financial Adviser/Nomad
LSE
Financial Advisers / Nomad

| Q2104 | Q3104 | Q4/04 | Q1/05 | Q2/05 | Q3/05 | Q4/05 | Q1/06 | Q2106 | Q2106 vs. Q2/05 <br> Increase (decrease) |  | FY01 | FY02 | FY03 | FY04 | FY05 | 6 Months Ended |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  |  | Q2105 |  |  |  |  | Q2/06 | Increase (d | crease) |
| 602 | 608 | 623 | 642 | 638 | 647 | 657 | 667 | 663 | 25 | 3.9\% |  | 630 | 623 | 628 | 623 | 657 | 638 | 663 | 25 | 3.9\% |
| 178 | 182 | 185 | 198 | 185 | 194 | 209 | 220 | 213 | 28 | 15.1\% | 185 | 187 | 197 | 185 | 209 | 185 | 213 | 28 | 15.1\% |
| 275 | 281 | 296 | 308 | 314 | 316 | 324 | 328 | 336 | 22 | 7.0\% | 282 | 259 | 277 | 296 | 324 | 314 | 336 | 22 | 7.0\% |
| 1,055 | 1,071 | 1,104 | 1,148 | 1,137 | 1,157 | 1,190 | 1,215 | 1,212 | 75 | 6.6\% | 1,097 | 1,069 | 1,102 | 1,104 | 1,190 | 1,137 | 1,212 | 75 | 6.6\% |
| 52 | 52 | 52 | 54 | 66 | 67 | 70 | 73 | 70 | 4 | 6.1\% | 45 | 48 | 50 | 52 | 70 | 66 | 70 | 4 | 6.1\% |
| 1,107 | 1,123 | 1,156 | 1,202 | 1,203 | 1,224 | 1,260 | 1,288 | 1,282 | 79 | 6.6\% | 1,142 | 1,117 | 1,152 | 1,156 | 1,260 | 1,203 | 1,282 | 79 | 6.6\% |
| 410 | 408 | 409 | 426 | 420 | 426 | 434 | 439 | 441 | 21 | 5.0\% | 413 | 416 | 417 | 409 | 434 | 420 | 441 | 21 | 5.0\% |
| 672 | 686 | 675 | 689 | 692 | 709 | 710 | 720 | 727 | 35 | 5.1\% | n.m | n.m | 668 | 675 | 710 | 692 | 727 | 35 | 5.1\% |
| 130,837 | 133,961 | 138,142 | 140,553 | 138,684 | 140,915 | 144,451 | 145,336 | 147,930 | 9,246 | 6.7\% | 147,908 | 149,360 | 131,584 | 138,142 | 144,451 | 138,684 | 147,930 | 9,246 | 6.7\% |
| 135 | 205 | 237 | 274 | 301 | 344 | 380 | 410 | 491 | 190 | 63.1\% | 18 | 51 | 104 | 237 | 380 | 301 | 491 | 190 | 63.1\% |
| 6,232 | 7,049 | 8,292 | 8,244 | 8,678 | 8,998 | 9,967 | 9,954 | 11,495 | 2,817 | 32.5\% | 4,428 | 4,978 | 5,037 | 8,292 | 9,967 | 8,678 | 11,495 | 2,817 | 32.5\% |
| 15 | 17 | 20 | 19 | 21 | 21 | 23 | 23 | 26 | 5 | 23.8\% | 11 | 12 | 12 | 20 | 23 | 21 | 26 | 5 | 23.8\% |
| 5 | 5 | 5 | 6 | 7 | 6 | 6 | 5 | 2 |  | -71.4\% | 2 | 3 | 5 | 5 | 6 | 7 | 2 | (5) | -71.4\% |
| 22 | 28 | 31 | 35 | 37 | 44 | 51 | 50 | 51 | 14 | 37.8\% | - | 6 | 16 | 31 | 51 | 37 | 51 | 14 | 37.8\% |
| 27 | 33 | 36 | 41 | 44 | 50 | 57 | 55 | 53 | 9 | 20.5\% | 2 | 9 | 21 | 36 | 57 | 44 | 53 | 9 | 20.5\% |
| 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 2 | (2) | -50.0\% | 1 | 1 | 3 | 3 | 4 | 4 | 2 | (2) | -50.0\% |
| 15 | 21 | 24 | 28 | 32 | 40 | 47 | 46 | 46 | 14 | 43.8\% | - | 3 | 10 | 24 | 47 | 32 | 46 | 14 | 43.8\% |
| 18 | 24 | 27 | 31 | 36 | 44 | 51 | 50 | 48 | 12 | 33.3\% | 1 | 4 | 13 | 27 | 51 | 36 | 48 | 12 | 33.3\% |

 supplementary disclosure
 joining AIM. The Nomad is similar to a Financial Adviser on the LSE, but is specific to AIM.

Equity offerings of \$1.5 million and greater
Q2/06 vs. Q2/05:


Fiscal 2006 vs. Fiscal 2005:

| Fiscal 2006 (April 1, 2005-September 30, 2005) |  |  |  |  |  |  |  | Fiscal 2005 (April 1, 2004-September 30, 2004) ${ }^{(2)}$ |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Manager | Participation in \# of deals | Rank by \# of deals | Total proceeds (\$000's) | $\begin{gathered} \# \text { of deals } \\ \text { led }{ }^{(1)} \\ \hline \end{gathered}$ | Market share | Rank by mkt. share | Gross proceeds (led transactions) ( $\$ 000$ 's) | Manager |  | ticipation \# of deals | Rank by \# of deals | Total proceeds (\$000's) | $\begin{gathered} \text { \# of deals } \\ \text { led }{ }^{(1)} \end{gathered}$ | Market share | Rank by mkt. share | Gross proceeds (led transactions) (\$000's) |
| Canaccord Capital | 156 | 1 | 12,152,276 | 37.5 | 8.3\% | 1 | 767,289 | Canaccord Capital |  | 159 | 1 | 11,947,958 | 40.5 | 9.4\% | 1 | 395,638 |
| CIBC World Markets | 123 | 2 | 14,276,910 | 36.5 | 8.1\% | 2 | 4,986,197 | CIBC World Markets |  | 117 | 2 | 15,443,264 | 35.0 | 8.1\% | 2 | 4,021,680 |
| TD Securities | 120 | 3 | 14,091,369 | 16.0 | 3.5\% | 9 | 1,239,619 | National Bank |  | 115 | 3 | 15,599,019 | 17.7 | 4.1\% | 8 | 1,544,640 |
| BMO Nesbitt | 102 | 4 | 12,876,399 | 24.5 | 5.4\% | 5 | 2,493,446 | BMO Nesbitt |  | 115 | 4 | 15,494,113 | 18.0 | 4.2\% | 7 | 1,557,828 |
| Blackmont Capital | 102 | 5 | 8,210,999 | 21.0 | 4.7\% | 6 | 313,321 | RBC Dominion |  | 109 | 5 | 15,905,135 | 34.8 | 8.1\% | 3 | 4,434,361 |
| National Bank | 99 | 6 | 11,609,799 | 10.0 | 2.2\% | 13 | 825,229 | TD Securities |  | 105 | 6 | 14,865,333 | 9.0 | 2.1\% | 14 | 1,291,432 |
| Scotia Capital | 98 | 7 | 12,264,676 | 14.8 | 3.3\% | 11 | 1,725,594 | Scotia Capital |  | 102 | 7 | 15,269,616 | 21.7 | 5.1\% | 6 | 2,473,795 |
| RBC Dominion | 92 | 8 | 12,362,418 | 27.8 | 6.2\% | 4 | 3,648,723 | Dundee Securities |  | 96 | 8 | 8,358,191 | 29.0 | 6.8\% | 5 | 384,828 |
| Raymond James | 76 | 9 | 7,381,529 | 5.5 | 1.2\% | 17 | 223,651 | GMP |  | 93 | 9 | 7,392,016 | 33.0 | 7.7\% | 4 | 785,233 |
| GMP | 75 | 10 | 4,573,182 | 28.5 | 6.3\% | 3 | 947,038 | Raymond James |  | 80 | 10 | 10,246,905 | 5.0 | 1.2\% | 17 | 71,855 |
| Others |  |  |  | 228.9 | 50.8\% |  | 3,150,016 | Others |  |  |  |  | 185.3 | 43.2\% |  | 4,119,241 |
|  |  |  |  | 451 | 100\% |  |  |  |  |  |  |  | 429 | 100\% |  |  |

(1) Number of deals led reflects both led and joint led deals and is participation weighted.
(2) Q2/05 and Fiscal 2005 figures are reclassified to reflect number of deals led and joint led. Market share and gross proceeds are recalculated based on the number of deals led and joint led.

