## CANACCORDFinancial

## Canaccord Financial Inc.

## Supplementary Financial Information

Third Quarter Fiscal 2010
For the period ended December 31, 2009
(Unaudited and in Canadian dollars)

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## CANACCORD Financial

Table of contents
Financial highlights ..... Page ..... 1
Condensed consolidated statement of operations
Canaccord Adams statement of operations ..... 32
Canaccord Wealth Management statement of operations ..... 4
Corporate and Other segment statement of operations ..... 5
Canada statement of operations ..... 6
UK and Other Foreign Location statement of operations ..... 7
US statement of operations ..... 8
Consolidated balance sheet ..... 9
Miscellaneous operational statistics ..... 10
Financial Post Data Group League Table ..... 11
Notes ..... 12
This document is not audited and should be read in conjunction with the Third Quarter Fiscal 2010 Quarterly Report to Shareholders (unaudited) dated February 4, 2010, and the Annual Report dated May 20, 2009. Canaccord's fiscal year end is defined as March 31st of each year. Canaccord's third quarter fiscal 2010 ended December 31, 2009 is also referred to as Q3/10 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 GAAF and are therefore unlikely to be comparable to similar measures presented by other companies. Non-GAAP measures included are: net income after intersegment allocated costs, supplementary information excluding significant items, capital employed, 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).
Unless otherwise specified, all currencies are in Canadian dollars.

## Advisory note:

## Currency:

Financial highlights
(Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$
Financial results
Revenue
Revenue
Expenses
Expenses
Income taxes (recovery)
aalance sheet information
Total assets
Total liabilities
Total shareholders' equity
Client assets
Assets under mgmt. (\$ millions) ${ }^{(2)}$
Assets under admin. (\$ millions)
Common share
Per share (\$)
er share (\$)
Basic earnings (loss)
Diluted earnings (loss)
Book value per diluted share ${ }^{(3)}$ (4)
Share price (\$)
High
Low
Close
Shares outstanding (thousands)
Issued shares excluding unvested shares ${ }^{(5)}$
Issued and outstanding ${ }^{(6)}$
Diluted shares ${ }^{(7)}$
Average outstanding - basic
Average diluted
Market capitalization (thousands)
Financial measures
Dividends ser share
Special distributions per share ${ }^{(3)}$
Dividend yield (closing share price) ${ }^{(5)}$
Dividend payout ratio ${ }^{(4)}$ (1) ${ }^{(9)}$
Annualized ROE
Price to earnings multiple ${ }^{(11)}$
Price to book ratio ${ }^{(12)}$

| $\begin{gathered} \hline \text { Q3/10 vs. Q3/09 } \\ \text { Q3/10 vs. Q3/09 } \\ \hline \end{gathered}$ |  |
| :---: | :---: |
| 86,009 | 98.6\% |
| (8,738) | (5.5)\% |
| 17,256 | (171.5)\% |
| 77,491 | (124.2)\% |
| 904,172 | 53.8\% |
| 861,466 | 65.2\% |
| 42,706 | 11.9\% |
| (31) | (6.8)\% |
| 3,180 | 35.2\% |
| 1.58 | (124.4)\% |
| 1.54 | (121.3)\% |
| 0.63 | 9.9\% |
| 3.68 | 44.9\% |
| 6.63 | 231.0\% |
| 6.33 | 156.7\% |
| $(1,002)$ | (2.0)\% |
| 769 | 1.4\% |
| 1,057 | 1.9\% |
| (926) | (1.9)\% |
| 1,055 | 1.9\% |
| 366,770 | 161.5\% |
| 0.05 |  |
| 1.9 p.p. |  |
| 18.9 p.p. |  |
| 51.1 p.p. |  |
| 79.5 p.p. |  |
| 27.6 | (253.2)\% |
| 0.9 | 150.0\% |


| Q3110 | Q2110 | Q1/10 | Q4109 | Q3/09 | Q2109 | Q109 | Q4108 | Q3108 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 173,197 | 123,744 | 137,463 | 106,996 | 87,188 | 110,829 | 172,708 | 143,446 | 183,354 |
| 150,887 | 115,883 | 121,468 | 100,311 | 159,625 | 115,805 | 149,179 | 194,004 | 159,043 |
| 7,197 | 1,115 | 6,883 | 3,019 | $(10,059)$ | 422 | 7,070 | $(15,404)$ | 9,263 |
| 15,113 | 6,746 | 9,112 | 3,666 | $(62,378)$ | $(5,398)$ | 16,459 | $(35,154)$ | 15,048 |
| 2,583,857 | 3,407,005 | 2,184,790 | 2,022,099 | 1,679,685 | 1,942,070 | 2,333,893 | 2,098,718 | 1,972,741 |
| 2,183,190 | 3,018,780 | 1,799,394 | 1,649,395 | 1,321,724 | 1,527,762 | 1,893,991 | 1,741,274 | 1,582,513 |
| 400,667 | 388,225 | 385,396 | 372,704 | 357,961 | 414,308 | 439,902 | 357,444 | 390,228 |
| 423 | 453 | 443 | 393 | 454 | 609 | 747 | 730 | 760 |
| 12,210 | 11,386 | 10,341 | 9,184 | 9,030 | 11,584 | 14,695 | 14,295 | 4,860 |
| 0.31 | 0.14 | 0.19 | 0.07 | (1.27) | (0.11) | 0.35 | (0.80) | 0.34 |
| 0.27 | 0.12 | 0.16 | 0.07 | (1.27) | (0.11) | 0.31 | (0.80) | 0.31 |
| 7.00 | 6.78 | 6.73 | 6.51 | 6.37 | 7.15 | 7.66 | 7.21 | 7.95 |
| 11.87 | 10.71 | 8.41 | 5.53 | 8.19 | 9.33 | 11.75 | 16.33 | 20.58 |
| 9.50 | 6.70 | 5.30 | 3.50 | 2.87 | 6.68 | 7.60 | 8.60 | 13.30 |
| 10.37 | 10.20 | 6.95 | 5.40 | 4.04 | 7.98 | 7.95 | 9.80 | 15.30 |
| 48,106 | 48,681 | 49,118 | 49,343 | 49,108 | 48,274 | 50,069 | 43,873 | 44,191 |
| 55,405 | 55,359 | 55,234 | 55,093 | 54,636 | 54,553 | 54,591 | 47,835 | 47,835 |
| 57,267 | 57,226 | 57,245 | 57,251 | 56,210 | 57,981 | 57,466 | 49,556 | 49,096 |
| 48,147 | 48,536 | 48,165 | 49,352 | 49,073 | 49,021 | 47,519 | 44,165 | 44,442 |
| 56,274 | 55,590 | 55,331 | 54,748 | 55,219 | 55,139 | 52,720 | 48,490 | 48,324 |
| 593,859 | 583,705 | 397,853 | 309,155 | 227,088 | 462,688 | 456,855 | 485,649 | 751,169 |
| 0.05 | 0.05 |  |  | - |  | 0.125 | 0.125 | 0.125 |
| 1.9\% | 2.0\% |  |  |  |  | 6.3\% | 5.1\% | 3.3\% |
| 18.9\% | 42.4\% |  | - | - | - | 43.6\% | (17.6)\% | 40.8\% |
| 1.7\% | 46.8\% | 28.7\% | 33.7\% | (49.4)\% | 0.4\% | (17.8)\% | (35.9)\% | (19.4)\% |
| 15.2\% | 6.9\% | 9.7\% | 4.0\% | (64.3)\% | (5.0)\% | 15.7\% | (37.8)\% | 16.2\% |
| 16.7 | (11.1) | (6.0) | 5.7 | (10.9) | 8.1 | 7.3 | 15.8 | 7.8 |
| 1.5 | 1.5 | 1.0 | 0.8 | 0.6 | 1.1 | 1.0 | 1.4 | 1.9 |


| 9 Months Ended |  |  |  |
| :---: | :---: | :---: | :---: |
| Q3110 | Q3/09 | Increase (decrease) |  |
| 434,404 | 370,725 | 63,679 | 17.2\% |
| 388,238 | 424,609 | $(36,371)$ | (8.6)\% |
| 15,195 | $(2,567)$ | 17,762 | n.m. |
| 30,971 | $(51,317)$ | 82,288 | (160.4)\% |
| 2,583,857 | 1,679,685 | 904,172 | 53.8\% |
| 2,183,190 | 1,321,724 | 861,466 | 65.2\% |
| 400,667 | 357,961 | 42,706 | 11.9\% |
| 423 | 454 | (31) | (6.8)\% |
| 12,210 | 9,030 | 3,180 | 35.2\% |
| 0.64 | (1.05) | 1.69 | (161.0)\% |
| 0.56 | (1.05) | 1.61 | (153.3)\% |
| 7.00 | 6.37 | 0.63 | 9.9\% |
| 11.87 | 11.75 | 0.12 | 1.0\% |
| 5.30 | 3.09 | 2.21 | 71.5\% |
| 11.36 | 4.04 | 7.32 | 181.2\% |
| 48,106 | 49,108 | $(1,002)$ | (2.0)\% |
| 55,405 | 54,636 | 769 | 1.4\% |
| 57,267 | 56,218 | 1,049 | 1.9\% |
| 48,376 | 48,656 | (280) | (0.6)\% |
| 55,577 | 54,330 | 1,247 | 2.3\% |
| 650,553 | 227,121 | 423,432 | 186.4\% |
| 0.10 | 0.125 | (0.03) | (24.0)\% |
| 1.3\% |  | 1.3 p.p. |  |
| 18.5\% | - | 18.5 p.p. |  |
| 92.0\% | (58.2)\% | 150.2 p.p. |  |
| 10.6\% | (18.0)\% | 28.6 p.p. |  |
| 16.7 | (10.9) | 27.6 | (253.2)\% |
| 1.5 | 0.6 | 0.9 | 150.0\% |


| FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: |
| 477,721 | 731,539 | 756,914 | 583,415 | 432,778 |
| 524,920 | 680,008 | 618,717 | 464,385 | 360,022 |
| 452 | 20,197 | 44,741 | 37,880 | 24,177 |
| $(47,651)$ | 31,334 | 93,456 | 81,150 | 48,579 |
| 2,022,099 | 2,098,718 | 2,609,942 | 2,177,973 | 1,638,165 |
| 1,649,395 | 1,741,274 | 2,237,751 | 1,890,143 | 1,415,954 |
| 372,704 | 357,444 | 372,191 | 287,830 | 222,211 |
| 393 | 730 | 807 | 613 | 380 |
| 9,184 | 14,295 | 15,014 | 14,310 | 9,967 |
| (0.97) | 0.70 | 2.03 | 1.82 | 1.17 |
| (0.97) | 0.64 | 1.94 | 1.74 | 1.11 |
| 6.51 | 7.21 | 7.74 | 5.99 | 4.82 |
| 11.75 | 25.92 | 27.50 | 1.25 | 11.10 |
| 2.87 | 8.60 | 15.80 | 9.00 | 7.96 |
| 5.40 | 9.80 | 22.12 | 20.80 | 10.48 |
| 49,343 | 43,873 | 45,973 | 45,746 | 45,413 |
| 55,093 | 47,835 | 47,832 | 47,827 | 46,129 |
| 57,251 | 49,556 | 48,084 | 48,017 | 46,129 |
| 48,929 | 44,778 | 45,969 | 44,606 | 41,635 |
| 54,189 | 48,727 | 48,081 | 46,699 | 44,188 |
| 309,155 | 485,649 | 1,063,625 | 998,762 | 483,435 |
| 0.125 | 0.50 | 0.36 | 0.28 | 0.26 |
| 2.3\% | 51\% | 1.6\% | $13 \%$ | 2.5\% |
| (15.1)\% | 78.3\% | 18.5\% | 16.2\% | 24.7\% |
| (44.2)\% | (55.5)\% | 8.3\% | 103.4\% | 5.5\% |
| (12.4)\% | 7.9\% | 28.4\% | 33.6\% | 23.9\% |
| 5.7 | 15.8 | 11.4 | 12.0 | 9.5 |
| 0.8 | 1.4 | 2.9 | 3.5 | 2.2 |

## Supplementary Information Excluding Significant Items (Non-GAAP) ${ }^{(15)}$

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ | Q3/10 vs. Q3/09(decrease) |  | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3109 | Q2109 | Q1/09 | Q4108 | Q3/08 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Financial results |  |  |  |  |  |  |  |  |  |  |  |
| Expenses | 42,353 | 39.0\% | 150,887 | 115,883 | 121,468 | 100, 169 | 108,534 | 115,805 | 149179 | 131,632 | 183,354 <br> 154,817 |
| Net income (loss) | 31,355 | (193.0)\% | 15,113 | 6,746 | 9,112 | 3,764 | $(16,242)$ | $(5,398)$ | 16,459 | 7,175 | 17,833 |
| Common share information |  |  |  |  |  |  |  |  |  |  |  |
| Per share (\$) |  |  |  |  |  |  |  |  |  |  |  |
| Basic earnings (loss) | 0.64 | (193.9)\% | 0.31 | 0.14 | 0.19 | 0.08 | (0.33) | (0.11) | 0.35 | 0.16 | 0.40 |
| Diluted earnings (loss) | 0.60 | (181.8)\% | 0.27 | 0.12 | 0.16 | 0.07 | (0.33) | (0.11) | 0.31 | 0.15 | 0.36 |
| Financial measures |  |  |  |  |  |  |  |  |  |  |  |
| Dividends per share | 0.05 |  | 0.05 | 0.05 |  |  |  |  | 0.125 | 0.12 | 0.125 |
| Special distributions per share ${ }^{(9)}$ |  |  |  |  |  |  |  |  |  |  |  |
| Dividend yield (closing share price) ${ }^{(9)}$ | 1.9 p.p. |  | 1.9\% | 2.0\% |  |  |  |  | 6.3\% | 5.1\% | 3.3\% |
| Dividend payout ratio ${ }^{(4)(9)}$ | 18.9 p.p. |  | 18.9\% | 42.4\% |  | - |  | - | 43.6\% | 86.3\% | 0.8\% |
| Price to earnings multiple ${ }^{(11)}$ | (21.7) | n.m. | 16.7 | (13.6) | (6.0) | 1.1 | 7.1 | 8.1 | 7.3 | 7.3 | 7.6 |


| 9 Months Ended |  |  |  |
| :---: | :---: | :---: | :---: |
| Q3110 | Q3/09 | Increase (decrease) |  |
| 434,404 | 370,725 | 63,679 | 17.2\% |
| 388,238 | 373,518 | 14,720 | 3.9\% |
| 15,195 | 2,388 | 12,807 | n.m. |
| 30,971 | $(5,181)$ | 36,152 | n.m. |
| 0.64 | (0.11) | 0.75 | n.m. |
| 0.56 | (0.11) | 0.67 | n.m. |
| 0.10 | 0.125 | (0.03) | (24.0)\% |
| 1.3\% |  | 1.3 p.p. | \#DIV/0! |
| 18.5\% |  | 18.5 p.p. | \#DIV0! |
| 16.7 | 7.1 | 9.6 | 135.2\% |


| FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: |
| 477,721 | 731,539 | 756,914 | 583,415 | 432,778 |
| 473,687 | 609,011 | 618,717 | 464,385 | 360,022 |
| 5,451 | 43,182 | 44,741 | 37,880 | 24,177 |
| $(1,417)$ | 79,346 | 93,456 | 81,150 | 48,579 |
| (0.03) | 1.77 | 2.03 | 1.82 | 1.17 |
| (0.03) | 1.63 | 1.94 | 1.74 | 1.11 |
| 0.125 | 0.50 | 0.36 | 0.28 | 0.26 |
| 2.3\% | 5.1\% | 1.6\% | 1.3\% | 2.5\% |
| n.m. | 30.9\% | 18.5\% | 16.2\% | 24.7\% |
| 1.1 | 7.3 | 11.4 | 12.0 | 9.5 |

n.m.: not meaningful
p.p.: percentage points

Note: Please find notes on Page 12.

Canaccord Group of Companies
Condensed consolidated statement of operation

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ | Q3/10 vs. Q3/09 <br> Increase (decrease) |  | Q3/10 | Q2/10 | Q1/10 | Q4109 | Q3109 | Q2109 | Q1/09 | Q4108 | Q3/08 | Q310 | $\begin{aligned} & \hline 9 \text { Months } \\ & \text { Q3/09 } \\ & \hline \end{aligned}$ | Ended Increase (d | crease) | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Commission | 9,223 | 17.9\% | 60,696 | 56,628 | 55,456 | 49,005 | 51,473 | ${ }^{60,630}$ | ${ }^{71,996}$ | 69,585 | 74,959 | 172,780 | 184,099 | $(11,319)$ | (6.1)\% | 233,104 | 296,047 | ${ }^{303,672}$ | 239,461 | 168,978 214,450 |
| Investment banking | 68,219 | n.m. | 88,417 | 47,620 | 55,886 | 39,000 8,540 | 20,198 3 3 | 34,024 | 76,147 5911 | 49,608 | 84,910 | 191,923 38,704 | 130,369 9 9779 | 61,554 28,925 | $47.2 \%$ $295.8 \%$ | 169,369 18,319 | 336,874 7,443 | $\begin{array}{r}350,273 \\ 31,638 \\ \hline\end{array}$ | 266,206 27,388 | 214,450 13,584 |
| Principal trading | 11,864 | n.m. | 15,645 | 11,589 | 11,470 | 8,540 | 3,781 | 87 | 5,911 | 4,168 | 387 | 38,704 | 9,779 | 28,925 | 295.8\% | 18,319 | 7,443 | 31,638 | 27,388 | 13,584 |
| Interest | $(6,009)$ | (66.0)\% | 3,099 | 3,121 | 3,476 | 5,116 | 9,108 | 11,734 | 12,329 | 14,574 | 16,011 | 9,696 | 33,171 | $(23,475)$ | (70.8)\% | 38,287 | 63,168 | 57,908 | 36,914 | 26,488 |
| Other | 2,712 | 103.2\% | 5,340 | 4,786 | 11,175 | 5,335 | 2,628 | 4,354 | 6,325 | 5,511 | 7,087 | 21,301 | 13,307 | 7,994 | 60.1\% | 18,642 | 28,007 | 13,423 | 13,446 | 9,278 |
|  | 86,009 | 98.6\% | 173,197 | 123,744 | 137,463 | 106,996 | 87,188 | 110,829 | 172,708 | 143,446 | 183,354 | 434,404 | 370,725 | 63,679 | 17.2\% | 477,721 | 731,539 | 756,914 | 583,415 | 432,778 |
| Expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and benefits | 2,128 | 116.8\% | 93,872 | 63,966 13,983 | 68,463 | 14,316 | 12,817 | 14,195 | 15,443 | 14.718 | 12,658 | -42,730 | 42,455 | 4,275 | 0.6\% | +56,771 | 54,294 | - 47,608 | 292,019 | 220,454 45,715 |
| Trading costs | 432 | 6.4\% | 7,140 | 7,002 | 13,824 7,324 | 6,565 | 6,708 | 6,717 | 6,321 | 5,829 | 12,054 <br> 7,054 | 21,466 | 19,746 | 1,720 | 8.7\% | 26,311 | 27,090 | 27,452 | 20,615 | 16,863 |
| Premises and equipment | (321) | (4.9)\% | 6,228 | 6,104 | 5,882 | 6,404 | 6,549 | 5,957 | 5,785 | 5,970 | 5,781 | 18,214 | 18,291 | (77) | (0.4)\% | 24,695 | 22,745 | 25,173 | 15,843 | 11,849 |
| Communication and technology | (439) | (7.0)\% | 5,838 | 5,245 | 5,489 | 6,249 | 6,277 | 6,539 | 6,163 | 6,065 | 5,611 | 16,572 | 18,979 | $(2,407)$ | (12.7)\% | 25,228 | 23,228 | 21,472 | 16,598 | 14,037 |
| Interest | $(1,937)$ | (75.4)\% | 631 | 492 | 845 | 1,339 | 2,568 | 3,354 | 3,959 | 5,372 | 6,574 | 1,968 | 9,881 | $(7,913)$ | (80.1)\% | 11,220 | 24,527 | 20,538 | 10,914 | 7,824 |
| General and administrative | $(6,218)$ | (31.4)\% | 13,609 | 11,698 | 11,888 | 10,974 | 19,827 | 19,611 | 19,277 | 18,047 | 17,390 | 37,195 | 58,715 | $(21,520)$ | (36.7)\% | 69,689 | 69,463 | 64,182 | 46,227 | 32,171 |
| Amortization | (847) | (30.8)\% | 1,904 | 1,906 | 1,921 | 2,129 | 2,751 | 2,072 | 2,042 | 2,216 | 2,197 | 5,731 | 6,865 | $(1,134)$ | (16.5)\% | 8,994 | 8,536 | 8,151 | 4,817 | 3,185 |
| Development costs | $(1,018)$ | (13.2)\% | 6,720 | 5,487 | 5,854 | 7,190 | 7,738 | 6,383 | 7,462 | 9,936 | 6,774 | 18,061 | 21,583 | $(3,522)$ | (16.3)\% | 28,773 | 32,049 | 21,244 | 9,797 | 7,924 |
| Gains on disposal of invts \& claims |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $(1,633)$ |  |
| ABCP fair value adjustment | $(6,700)$ | (100.0)\% |  |  |  |  | 6,700 |  |  | 4,172 | 4,226 | - | 6,700 | $(6,700)$ | n.m. | 6,700 | 12,797 |  |  |  |
| Canaccord relief program | $(5,347)$ | (100.0)\% |  |  |  |  | 5,347 |  |  | 54,200 |  | , | 5,347 | $(5,347)$ | n.m. | 5,347 | 54,200 |  |  |  |
| Impairment of goodwill and intangibles | $(31,524)$ | (100.0)\% |  |  |  |  | 31,524 |  |  |  |  |  | 31,524 | $(31,524)$ | n.m. | 31,524 |  |  |  |  |
| Restructuring costs | $(7,520)$ | (100.0)\% |  |  |  | 142 | 7,520 |  |  | 4,000 |  | - | 7,520 | $(7,520)$ | n.m. | 7,662 | 4,000 |  |  |  |
|  | (8,738) $\quad(5.5) \%$ |  | 150,887 | 115,883 | 121,468 | 100,311 | 159,625 | 115,805 | 149,179 | 194,004 | 159,043 | 388,238 | 424,609 | $(36,371)$ | (8.6)\% | 524,920 | 680,008 | 618,717 | 464,385 | 360,022 |
| Income (loss) before income taxes | $\begin{array}{ll} 94,747 & (130.8) \% \\ 17,256 & (171.5) \% \end{array}$ |  | 22,310 | 7,861 | 15,995 | 6,685 | (72,437) | $(4,976)$ | 23,529 | $(50,558)$ | 24,311 | 46,166 | $(53,884)$ | 100,050 (185.7)\% |  | $(47,199)$ | 51,531 | 138,197 | 119,030 | 72,756 |
| Income taxes (recovery) |  |  | 7,197 | 1,115 | 6,883 | 3,019 | $(10,059)$ | 422 | 7,070 | $(15,404)$ | 9,263 | 15,195 | $(2,567)$ | 17,762 |  | 452 | 20,197 | 44,741 | 37,880 | 24,177 |
| Net income (loss) | $\begin{array}{ll} 77,491 & (124.2)^{\%} \\ \hline 7 \end{array}$ |  | 15,113 | 6,746 | 9,112 | 3,666 | (62,378) | $(5,398)$ | 16,459 | $(35,154)$ | 15,048 | 30,971 | $(51,317)$ | 82,288 | (160.4)\% | (47,651) | 31,334 | 93,456 | 81,150 | 48,579 |
| Incentive compensation as \% of revenue | 4.5 p.p. |  | $54.2 \%$$62.8 \%$ | 51.7\% | 49.8\% | 42.1\% | 49.7\% | 46.0\% | 47.9\% | 44.3\% | 49.5\% | 52.1\% | 47.7\% | 4.4 p.p. |  | 46.5\% | 47.4\% | 50.6\% | 51.3\% | 50.9\% |
| Total compensation exp. as \% of revenue ${ }^{(14)}$ | (1.6) p.p. |  |  | 63.0\% | 59.8\% | 55.4\% | 64.4\% | 58.8\% | 56.8\% | 54.5\% | 56.4\% | 61.9\% | 59.2\% | 2.7 p.p. |  | 58.4\% | 54.9\% | 56.9\% | 58.5\% | 61.5\% |
| Non-compensation exp. as \% of revenue | (94.4) p.p. |  | 24.3\% | 30.7\% | 28.5\% | 38.3\% | 118.7\% | 45.7\% | 29.6\% | 80.7\% | 30.3\% | 27.4\% | 55.3\% | (27.9) p.p. |  | 51.5\% | 38.1\% | 24.8\% | 21.1\% | 21.7\% |
| Total expenses as \% of revenue | (96.0) p.p. |  |  | 93.7\% | 88.3\% | 93.8\% | 183.1\% | 104.5\% | 86.4\% | 135.2\% | 86.7\% | 89.3\% | 114.5\% | (25.2) p.p. |  | 109.9\% | 93.0\% | 81.7\% | 79.6\% | 83.2\% |
| Pre-tax profit margin | 96.0 p.p. |  | $\begin{aligned} & 12.9 \% \\ & 32.3 \% \end{aligned}$ | 6.4\% | 11.6\% | 6.2\% | (83.1)\% | (4.5)\% | 13.6\% | (35.2)\% | 13.3\% | 10.6\% | (14.5)\% | 25.2 p.p. |  | (9.9)\% | 7.0\% | 18.3\% | 20.4\% | 16.8\% |
| Effective tax rate | 18.4 p.p. |  |  | 14.2\% | 43.0\% | 45.2\% | 13.9\% | (8.5)\% | 30.0\% | 30.5\% | 38.1\% | 32.9\% | 4.8\% |  |  | $(1.0) \%$(10.0)\% | 39.2\% | 32.4\% | 31.8\% |  |
| Net profit margin | 80.2 p.p. |  | $\begin{gathered} 32.3 \% \\ 8.7 \% \end{gathered}$ | 5.5\% | 6.6\% | 3.4\% | (71.5)\% | (4.9)\% | 9.5\% | (24.5)\% | 8.2\% | 7.1\% | (13.8)\% | 21.0 p.p. |  |  | 4.3\% | 12.3\% | 13.9\% | 11.2\% |
| Basic earnings (loss) per share | $\begin{aligned} & 1.58 \\ & 1.54 \\ & 0.63 \end{aligned}$ | $\begin{gathered} (124.4) \% \\ (121.3) \% \\ 9.9 \% \% \end{gathered}$ | 0.310.27 | $\begin{aligned} & 0.14 \\ & 0.12 \\ & 6.78 \end{aligned}$ | 0.190.166.73 | $\begin{aligned} & 0.07 \\ & 0.07 \\ & 6.51 \end{aligned}$ | $\begin{aligned} & (1.27) \\ & (1.27) \\ & 6.37 \end{aligned}$ | $\begin{aligned} & (0.11) \\ & (0.11) \\ & 7.15 \end{aligned}$ | $\begin{aligned} & 0.35 \\ & 0.31 \end{aligned}$ | $\begin{gathered} (0.80) \\ (0.80) \\ 7.21 \end{gathered}$ | 0.340.317.95 | $\begin{array}{ll}0.64 & (1.05) \\ 0.56 & (1.05) \\ 7.00 & 6.37\end{array}$ |  | 1.69 | (161.0)\%9.9\% | $\begin{gathered} (0.97) \\ (0.97) \\ 6.51 \end{gathered}$ | 0.700.647.21 | 2.031.947.74 | $\begin{aligned} & 1.82 \\ & 1.74 \\ & 5.74 \\ & 5.99 \end{aligned}$ | 1.171.114.82 |
| Diluted earnings (loss) per share |  |  |  |  |  |  |  |  |  |  |  |  |  | 1.691.610.63 |  |  |  |  |  |  |
| Book value per diluted share |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Supplementary Information Excluding Significant Items (Non-GAAP) ${ }^{(15)}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (in thousands of dollars) <br> Revenue <br> Total expenses <br> Income (loss) before income taxes <br> Net income (loss) | $\begin{gathered} \text { Q3110 vs. Q3/09 } \\ \text { Increase (decrease) } \\ \hline \end{gathered}$ |  | Q3/10 $\quad$ Q2/10 $\quad$ Q1/10 |  |  | Q4109 | Q3109 | Q2109 | Q109 | Q4108 Q3108 |  | Q3/10 | 9 Months Ended ${ }_{\text {O3/09 }}$ |  |  | FY09 | FY08 | FY07 | FY06 | FY05 |
|  |  | ${ }_{\text {98.6\% }}$ | 173,197 | 123,744 | 137.463 |  | 837,188 | 110,829 | 172,708 | 143,446 | 183,354 | Q34,404 | Q370,725 | Increase (decrease) |  | $\begin{array}{r} \hline 477,721 \\ 473,687 \\ 4,034 \\ (1,417) \\ \hline \end{array}$ | 731.539 | 756,914 | 583,415 | 432,778 |
|  | 42,353 | 39.0\% | 150,887 | 115,883 | 121,468 | 100,169 | 108,534 | 115,805 | 149,179 | 131,632 | 154,817 | 388,238 | 373,518 | 14,720 | 3.9\% |  | 609,011 | 618,717 | 464,385 | 360,022 |
|  | 43,656 | (204.5)\% | 22,310 | 7,861 | 15,995 | 6,827 | (21,346) | $(4,976)$ | 23,529 | 11,814 | 28,537 | 46,166 | $(2,793)$ | 48,959 | n.m. |  | 122,528 | 138,197 | 119,030 | 72,756 |
|  | 31,355 | (193.0)\% | 15,113 | 6,746 | 9,112 | 3,764 | $(16,242)$ | $(5,398)$ | 16,459 | 7,175 | 17,833 | 30,971 | $(5,181)$ | 36,152 | n.m. |  | 79,346 | 93,456 | 81,150 | 48,579 |
| Non-compensation exp. as \% of revenue |  |  | 24.3\%$87.1 \%$ | 30.7\% | 28.5\% | 38.2\% | 60.1\% | 45.7\% | 29.5\% | 37.3\% | 28.0\% | 27.4\% | 41.6\% | (14.1) p.p. |  | 40.8\% | 28.4\% | 24.8\% | 21.1\% | 21.7\% |
| Total expenses as \% of revenue |  |  | 93.6\% | 88.3\% | 93.6\% | 124.5\% | 104.5\% | 86.4\% | 91.8\% | 84.4\% | 89.4\% | 100.8\% | (11.4) p.p. |  | 99.2\% | 83.3\% | 81.7\% | 79.6\% | 83.2\% |  |
| Pre-tax profit margin | (37.4) p.p. <br> 37.4 p. |  |  | $\begin{gathered} 12.9 \% \\ 8.7 \% \end{gathered}$ | 6.4\% | 11.6\% | 6.4\% | (24.5)\% | (4.5)\% | 13.6\% | 8.2\% | 15.6\% | 10.6\% | (0.8)\% | 11.4 p.p. |  | 0.8\% | 16.7\% | 18.3\% | 20.4\% | 16.8\% |
| Net profit margin | 37.4 p.p. <br> 27.3 p.p. | (193.9)\% | 5.5\% |  | 6.6\% | 3.5\% | (18.6)\% | (4.9)\% | 9.5\% | 5.0\% | 9.7\% | 7.1\% | (1.4)\% | 8.5 p.p. |  | (0.3)\% | 10.8\% | 12.3\% | 13.9\% | 11.2\% |
| Basic earnings per share | $\begin{aligned} & \text { 27.3 p.p. } \\ & 0.64 \end{aligned}$ |  | 0.31 | 0.14 | ${ }_{0}^{0.19}$ | 0.08 | (0.33) | (0.11) | ${ }_{0}^{0.31}$ | 0.16 | 0.40 | 0.64 | (0.11) | 0.75 | n.m. | (0.03) | 1.77 | 2.03 | 1.82 | 1.17 |
| Diluted earnings per share | 0.60 | (181.8)\% | 0.27 | 0.12 |  | 0.07 |  |  |  | 0.15 | 0.36 | 0.56 | (0.11) | 0.67 | n.m. | (0.03) | 1.63 | 1.94 | 1.74 | 1.11 |

## CANACCORDFinancial

Canaccord Adams
Condensed statement of operations

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ | Q3/10 vs. Q3/09 <br> Increase (decrease) |  | Q3/10 $\quad$ Q2/10 $\quad$ Q1/10 |  |  | Q4/09 | Q3109 | Q2109 | Q1/09 | Q4108 | Q3/108 | 9 Months Ended |  |  |  | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Revenue |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Canada |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital Markets | 45,401 | n.m. |  |  |  | 58,040 | 27,314 | 30,054 | 25,033 | 12,639 | 23,461 | 34,352 | 31,944 | 42,952 | 115,408 | 70,452 | 44,956 | 63.8\% | 95,485 | 176,655 | $\begin{array}{r}187,562 \\ 24 \\ \hline 1787\end{array}$ | 150,470 | 95,559 |
| International Trading |  | (18.6)\% | 3,235 | 2,854 | 2,817 | 2,825 | 3,975 | 3,439 | 4,365 | 4,034 | 4,912 | 8,906 | 11,779 | $(2,873)$ | (24.4)\% | 14,604 | 19,722 | 24,177 | 20,940 | 15,452 |
| Registered Traders | $(1,184)$ | (51.5)\% | 1,114 | 1,782 | 1,902 | 1,777 | 2,298 | 635 | 1,615 | 1,713 | 1,715 | 4,798 | 4,548 | 250 | 5.5\% | 6,325 | 7,368 | 7,878 | 9,124 | 4,275 |
| Fixed Income | 3,446 | 227.2\% | 4,963 | 2,513 | 1,704 | 1,641 | 1,517 | 1,575 | 1,703 | 2,042 | 2,499 | 9,180 | 4,795 | 4,385 | 91.4\% | 6,436 | 8,840 | 7,707 | 8,540 | 8,278 |
| Total Canada | 46,923 | 229.7\% | 67,352 | 34,463 | 36,477 | 31,276 | 20,429 | 29,110 | 42,035 | 39,733 | 52,078 | 138,292 | 91,574 | 46,718 | 51.0\% | 122,850 | 212,585 | 227,324 | 189,074 | 123,564 |
| UK and Other Foreign Location ${ }^{(16)}$ | 14,006 | 109.9\% | 26,754 | 14,417 | 22,350 | 17,000 | 12,748 | 11,770 | 38,189 | 14,940 | 35,117 | 63,521 | 62,707 | 814 | 1.3\% | 79,707 | 128,269 | 145,749 | 125,900 | 116,090 |
| Us ${ }^{(21)}$ | 5,911 | 36.8\% | 21,984 | 29,595 | 26,670 | 16,696 | 16,073 | 17,456 | 24,569 | 23,292 | 22,388 | 78,249 | 58,098 | 20,151 | 34.7\% | 74,794 | 90,788 | 76,644 | 18,692 |  |
|  | 66,840 | 135.7\% | 116,090 | 78,475 | 85,497 | 64,972 | 49,250 | 58,336 | 104,793 | 77,965 | 109,583 | 280,062 | 212,379 | 67,683 | 31.9\% | 277,351 | 431,642 | 449,717 | 333,666 | 239,654 |
| Expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Incentive compensation ${ }^{(13)}$ | 34,710 | 120.3\% | 63,567 | 42,761 | 45,231 | 30,210 | 28,857 | 29,998 | 52,529 | 40,395 | 57,933 | 151,559 | 111,384 | 40,175 | 36.1\% | 141,594 | 216,736 | 233,582 | 175,604 | 125,030 |
| Salaries and benefits | 1,028 | 30.1\% | 4,441 | 3,376 | 3,404 | 3,513 | 3,413 | 3,919 | 4,223 | 3,306 | 3,275 | 11,221 | 11,555 | (334) | (2.9)\% | 15,068 | 13,794 | 11,193 | 8,435 | 16,577 |
| Trading costs ${ }^{(18)}$ | 74 | 1.6\% | 4,661 | 4,275 | 4,870 | 4,618 | 4,587 | 5,118 | 4,540 | 4,027 | 4,655 | 13,806 | 14,245 | (439) | (3.1)\% | 18,863 | 18,029 | 16,982 | 10,095 | 6,951 |
| Premises and equipment | (338) | (10.2)\% | 2,984 | 2,972 | 2,884 | 3,106 | 3,322 | 3,104 | 2,868 | 3,067 | 3,011 | 8,840 | 9,294 | (454) | (4.9)\% | 12,400 | 11,601 | 14,129 | 5,886 | 3,980 |
| Communication and technology | (130) | (4.1)\% | 3,006 | 2,611 | 2,780 | 3,352 | 3,136 | 3,803 | 3,278 | 3,325 | 3,063 | 8,397 | 10,217 | $(1,820)$ | (17.8)\% | 13,569 | 12,229 | 10,347 | 6,727 | 5,252 |
| Interest | 18 | 6.6\% | 290 | 66 | 160 | 261 | 272 | 357 | 482 | 722 | 738 | 516 | 1,111 | (595) | (53.6)\% | 1,372 | 2,407 | 2,717 | 1,789 | 611 |
| General and administrative | $(3,079)$ | (34.7)\% | 5,794 | 5,244 | 5,901 | 5,237 | 8,873 | 12,243 | 12,065 | 10,920 | 8,753 | 16,939 | 33,181 | $(16,242)$ | (48.9)\% | 38,418 | 39,955 | 34,853 | 19,998 | 13,448 |
| Amortization | (683) | (43.1)\% | 903 | 926 | 958 | 1,009 | 1,586 | 926 | 912 | 998 | 984 | 2,787 | 3,424 | (637) | (18.6)\% | 4,433 | 3,878 | 3,921 | 1,910 | 1,204 |
| Development costs | $(1,787)$ | (42.0)\% | 2,464 | 1,787 | 2,944 | 3,212 | 4,251 | 3,682 | 4,123 | 6,398 | 3,936 | 7,195 | 12,056 | $(4,861)$ | (40.3)\% | 15,268 | 20,208 | 10,723 | 1,239 | 682 |
| ABCP fair value adjustment |  |  |  |  |  |  |  |  |  | 983 | 1,101 |  |  |  |  |  | 3,230 |  |  |  |
| Impairment of goodwill and intangibles | $(31,524)$ | (100.0)\% | - |  |  |  | 31,524 |  |  |  |  |  | 31,524 | $(31,524)$ | (100.0)\% | 31,524 |  |  |  |  |
| Restructuring costs | $(5,949)$ | (100.0)\% |  |  |  | 22 | 5,949 |  |  | 1,000 |  |  | 5,949 | $(5,949)$ | (100.0)\% | 5,971 | 1,000 |  |  |  |
| Income (loss) before intersegment allocations and income taxes <br> Intersegment Allocations | $(7,660)$ | (8.0)\% | 88,110 | 64,018 | 69,132 | 54,540 | 95,770 | 63,150 | 85,020 | 75,141 | 87,449 | 221,260 | 243,940 | $(22,680)$ | (9.3)\% | 298,480 | 343,067 | 338,447 | 231,683 | 173,735 |
|  | 74,500 | (160.1)\% | 27,980 | 14,457 | 16,365 | 10,432 | $(46,520)$ | $(4,814)$ | 19,773 | 2,824 | 22,134 | 58,802 | $(31,561)$ | 90,363 | (286.3)\% | (21,129) | 88,575 | 111,270 | 101,983 | 65,919 |
|  | 2,371 | n/a | 2,371 | 2,191 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Income (loss) before income taxes | 25,609 | n/a | 25,609 | 12,266 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Incentive compensation as \% of revenue | (3.8) p.p. |  | 54.8\% | 54.5\% | 52.9\% | 46.5\% | 58.6\% | 51.4\% | 50.1\% | 51.8\% | 52.9\% | 54.1\% | 52.4\% | 1.7 p.p. |  | 51.1\% | 50.2\% | 51.9\% | 52.6\% | 52.2\% |
| Total compensation exp. as \% of revenue ${ }^{(14)}$ | (6.9) p.p. |  | 58.6\% | 58.8\% | 56.9\% | 51.9\% | 65.5\% | 58.1\% | 54.2\% | 56.1\% | 55.9\% | 58.1\% | 57.9\% | 0.2 p.p. |  | 56.5\% | 53.4\% | 54.4\% | 55.2\% | 59.1\% |
| Non-compensation exp. as \% of revenue | (111.6) p.p. |  | 17.3\% | 22.8\% | 24.0\% | 32.0\% | 128.9\% | 50.1\% | 27.0\% | 40.3\% | 23.9\% | 20.9\% | 57.0\% | (36.1) p.p. |  | 51.1\% | 26.1\% | 20.9\% | 14.2\% | 13.4\% |
| Total expenses as \% of revenue | (118.6) p.p. |  | 75.9\% | 81.6\% | 80.9\% | 83.9\% | 194.5\% | 108.3\% | 81.1\% | 96.4\% | 79.8\% | 79.0\% | 114.9\% | (35.9) p.p. |  | 107.6\% | 79.5\% | 75.3\% | 69.4\% | 72.5\% |
| Pre-tax and intersegment allocation profit margin | 118.6 p.p. |  | 24.1\% | 18.4\% | 19.1\% | 16.1\% | (94.5)\% | (8.3)\% | 18.9\% | 3.6\% | 20.2\% | 21.0\% | (14.9)\% | 35.9 p.p. |  | (7.6)\% | 20.5\% | 24.7\% | 30.6\% | 27.5\% |
| Pre-tax profit margin | n/a |  | 22.1\% | 15.6\% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |  |  | n/a | n/a | n/a | n/a | n/a |
| Number of employees | 23 | 4.8\% | 503 | 482 | 474 | 474 | 480 | 551 | 545 | 541 | 531 | 503 | 480 | 23 | 4.8\% | 474 | 541 | 502 | 464 | 279 |

Supplementary Information Excluding Significant Items (Non-GAAP) ${ }^{(15)}$

| (in thousands of dollars)Revenue | $\begin{aligned} & \text { Q3/10 vs. Q3/09 } \\ & \text { Increase (decrease } \end{aligned}$ |  | Q3/10 | Q2/10 | Q1/10 | Q4109 | Q3109 | Q2109 | Q1/09 | Q4/08 | Q3/18 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 66,840 | 135.7\% | 116,090 | 78,475 | 85,497 | 64,972 | 49,250 | 58,336 | 104,793 | 77,965 | 109,583 |
| Total expenses | 29,813 | 51.1\% | 88,110 | 64,018 | 69,132 | 54,518 | 58,297 | 63,150 | 85,020 | 73,158 | 86,348 |
| Income (loss) before intersegment allocations and income taxes | 37,027 | n.m. | 27,980 | 14,457 | 16,365 | 10,454 | $(9,047)$ | $(4,814)$ | 19,773 | 4,807 | 23,235 |
| Non-compensation exp. as \% of revenue | (35.5) p.p. |  | 17.3\% | 22.8\% | 24.0\% | 32.0\% | 52.8\% | 50.1\% | 27.0\% | 37.8\% | 22.9\% |
| Total expenses as \% of revenue | (42.5) p.p. |  | 75.9\% | 81.6\% | 80.9\% | 83.9\% | 118.4\% | 108.3\% | 81.1\% | 93.8\% | 78.8\% |
| Pre-tax and intersegment allocation profit margin | 42.5 p.p. |  | 24.1\% | 18.4\% | 19.1\% | 16.1\% | (18.4)\% | (8.3)\% | 18.9\% | 6.2\% | 21.2\% |

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| FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: |
| 277,351 | 431,642 | 449,717 | 333,666 | 239,654 |
| 260,985 | 338,837 | 338,447 | 231,683 | 173,735 |
| 16,366 | 92,805 | 111,270 | 101,983 | 65,919 |
| 37.6\% | 25.1\% | 20.9\% | 14.2\% | 13.4\% |
| 94.1\% | 78.5\% | 75.3\% | 69.4\% | 72.5\% |
| 5.9\% | 21.5\% | 24.7\% | 30.6\% | 27.5\% |

Canaccord Wealth Management
Condensed statement of operations

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ | Q3110 vs. Q3/09 Increase (decrease) |  | Q310 | Q2110 | Q1/10 | Q4109 | Q3109 | Q2109 | Q1/09 | Q4108 | Q3/08 | 9 Months EndedO3/09 |  |  |  | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Revenue |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 178,176 |
| Canada | 17,828 | 53.9\% | 50,900 | 39,596 | 39,676 | 36,739 | 33,072 | 43,016 | 56,801 | 53,686 | 60,447 | 130,172 | 132,889 | $(2,717)$ | (2.0)\% | 169,628 | 245,711 | 268,590 | 223,925 |  |
| Us ${ }^{(21)}$ | 373 | 81.1\% | 833 | 542 | 509 | 516 | 460 | 828 | 1,052 | 777 | 719 | 1,884 | 2,340 | (456) | (19.5)\% | 2,856 | 3,416 | 4,029 | 1,269 |  |
|  | 18,201 | 54.3\% | 51,733 | 40,138 | 40,185 | 37,255 | 33,532 | 43,844 | 57,853 | 54,463 | 61,166 | 132,056 | 135,229 | $(3,173)$ | (2.3)\% | 172,484 | 249,127 | 272,619 | 225,194 | 178,176 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Incentive compensation | 10,181 | 71.7\% | 24,376 | 19,368 | 18,643 | 13,122 | 14,195 | 20,116 | 26,950 | 24,166 | 28,443 | 62,387 | 61,261 | 1,126 | 1.8\% | 74,383 | 115,640 | 126,668 | 105,283 | 84,396 |
| Salaries and benefits | 958 | 31.3\% | 4,015 | 4,360 | 4,246 | 4,505 | 3,057 | 3,477 | 3,781 | 4,683 | 3,272 | 12,621 | 10,315 | 2,306 | 22.4\% | 14,820 | 15,514 | 13,626 | 13,053 | 11,158 |
| Trading costs | 54 | 2.9\% | 1,910 | 2,120 | 2,156 | 1,697 | 1,856 | 1,606 | 1,849 | 1,694 | 2,331 | 6,186 | 5,311 | 875 | 16.5\% | 7,008 | 8,582 | 10,157 | 9,013 | 8,802 |
| Premises and equipment | 442 | 27.1\% | 2,074 | 2,075 | 1,951 | 1,822 | 1,632 | 1,702 | 1,632 | 1,630 | 1,605 | 6,100 | 4,966 | 1,134 | 22.8\% | 6,788 | 6,375 | 6,153 | 5,464 | 4,653 |
| Communication and technology | 70 | 4.4\% | 1,660 | 1,494 | 1,536 | 1,630 | 1,590 | 1,556 | 1,639 | 1,596 | 1,544 | 4,690 | 4,785 | (95) | (2.0)\% | 6,415 | 6,383 | 6,338 | 6,066 | 5,819 |
| Interest | $(1,707)$ | (97.1)\% | 51 | 104 | 243 | 671 | 1,758 | 2,459 | 2,915 | 4,124 | 5,305 | 398 | 7,132 | (6,734) | (94.4)\% | 7,803 | 19,924 | 17,751 | 7,194 | 3,711 |
| General and administrative | $(3,718)$ | (47.5)\% | 4,108 | 2,461 | 3,886 | 2,268 | 7,826 | 3,206 | 3,942 | 3,477 | 3,587 | 10,455 | 14,974 | $(4,519)$ | (30.2)\% | 17,242 | 12,611 | 13,678 | 12,162 | 5,080 |
| Amortization | 174 | 37.6\% | 637 | 618 | 602 | 655 | 463 | 411 | 409 | 436 | 495 | 1,857 | 1,283 | 574 | 44.7\% | 1,938 | 1,833 | 1,648 | 1,439 | 1,087 |
| Development costs | 904 | 39.1\% | 3,216 | 2,613 | 1,905 | 2,597 | 2,312 | 1,378 | 1,566 | 1,897 | 1,550 | 7,734 | 5,256 | 2,478 | 47.1\% | 7,853 | 6,160 | 6,071 | 4,302 | 2,798 |
| Canaccord relief program | $(5,347)$ | (100.0)\% |  |  |  | - | 5,347 | - |  | 54,200 |  |  | 5,347 | $(5,347)$ | (100.0)\% | 5,347 | 54,200 |  |  |  |
| Restructuring costs | (180) | (100.0)\% |  |  |  |  | 180 |  |  | 700 |  |  | 180 | (180) | (100.0)\% | 180 | 700 |  |  |  |
| Income (loss) before intersegment allocations and income taxes <br> Intersegment Allocations | 1,831 | 4.6\% | 42,047 | 35,213 | 35,168 | 28,967 | 40,216 | 35,911 | 44,683 | 98,603 | 48,132 | 112,428 | 120,810 | $(8,382)$ | (6.9)\% | 149,777 | 247,922 | 202,090 | 163,976 | 127,504 |
|  | 16,370 | (244.9)\% | 9,686 | 4,925 | 5,017 | 8,288 | $(6,684)$ | 7,933 | 13,170 | $(44,140)$ | 13,034 | 19,628 | 14,419 | 5,209 | 36.1\% | 22,707 | 1,205 | 70,529 | 61,218 | 50,672 |
|  | 9,773 | n/a | 9,773 | 8,219 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Income (loss) before income taxes | (87) | n/a | (87) | $(3,294)$ | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| CWM fee-related revenue ${ }^{(12)}$ | (6.7) p.p. |  | 11.7\% | 15.2\% | 13.8\% | 14.5\% | 18.4\% | 19.3\% | 15.7\% | 16.3\% | 15.3\% | 13.4\% | 17.3\% | (3.9) p.p. |  | 16.9\% | 14.7\% | 11.9\% | 9.9\% | 7.7\% |
| Incentive compensation as \% of revenue | 4.8 p.p. |  | 47.1\% | 48.3\% | 46.4\% | 35.2\% | 42.3\% | 45.9\% | 46.6\% | 44.4\% | 46.5\% | 47.2\% | 45.3\% | 1.9 p.p. |  | 43.1\% | 46.4\% | 46.5\% | 46.8\% | 47.4\% |
| Total compensation exp. as \% of revenue ${ }^{(14)}$ | 3.5 p.p. |  | 54.9\% | 59.1\% | 57.0\% | 47.3\% | 51.4\% | 53.8\% | 53.1\% | 53.0\% | 51.9\% | 56.8\% | 52.9\% | 3.9 p.p. |  | 51.7\% | 52.6\% | 51.5\% | 52.5\% | 53.6\% |
| Non-compensation exp. as \% of revenue | (42.1) p.p. |  | 26.4\% | 28.6\% | 30.5\% | 30.4\% | 68.5\% | 28.1\% | 24.1\% | 128.0\% | 26.8\% | 28.3\% | 36.4\% | (8.1) p.p. |  | 35.1\% | 46.9\% | 22.6\% | 20.3\% | 18.0\% |
| Total expenses as \% of revenue | (38.6) p.p. |  | 81.3\% | 87.7\% | 87.5\% | 77.8\% | 119.9\% | 81.9\% | 77.2\% | 181.0\% | 78.7\% | 85.1\% | 89.3\% | (4.2) p.p. |  | 86.8\% | 99.5\% | 74.1\% | 72.8\% | 71.6\% |
| Pre-tax and intersegment allocation profit margin | 38.6 p.p. |  | 18.7\% | 12.3\% | 12.5\% | 22.2\% | (19.9)\% | 18.1\% | 22.8\% | (81.0)\% | 21.3\% | 14.9\% | 10.7\% | 4.2 p.p. |  | 13.2\% | 0.5\% | 25.9\% | 27.2\% | 28.4\% |
| Pre-tax profit margin | n/a |  | (0.2)\% | (8.2)\% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |  | n/a | n/a | n/a | n/a | n/a |
| Assets under mgmt. (\$ millions) ${ }^{(2)}$ | (31) | (6.8)\% | 423 | 453 | 443 | 393 | 454 | 609 | 747 | 730 | 760 | 423 | 454 | (31) | (6.8)\% | 393 | 730 | 807 | 613 | 380 |
| Assets under admin. (\$ millions) | 3,180 | 35.2\% | 12,210 | 11,386 | 10,341 | 9,184 | 9,030 | 11,584 | 14,695 | 14,295 | 14,860 | 12,210 | 9,030 | 3,180 | 35.2\% | 9,184 | 14,295 | 15,014 | 14,310 | 9,967 |
| Number of employees | (18) | (2.5)\% | 707 | 698 | 688 | 700 | 725 | 744 | 760 | 762 | 772 | 707 | 725 | (18) | (2.5)\% | 700 | 762 | 728 | 689 | 657 |
| Number of Advisory Teams ${ }^{(18)}$ | (20) | (5.8)\% | 327 | 334 | 335 | 338 | 347 | 341 | 354 | 354 | 377 | 327 | 347 | (20) | (5.8)\% | 338 | 354 | 368 | 365 | 343 |
| Number of CWM client accounts | $(8,265)$ | (4.8)\% | 162,934 | 163,197 | 166,747 | 167,659 | 171,199 | 173,949 | 175,976 | 175,570 | 173,599 | 162,934 | 171,199 | $(8,265)$ | (4.8)\% | 167,659 | 175,570 | 156,003 | 155,404 | 144,451 |

Supplementary Information Excluding Significant Items (Non-GAAP) ${ }^{(15)}$
(in thousands of dollars)
Revenue
Total expenses
Income (loss) before intersegment allocations and
income taxes
Non-compensation exp. as \% of revenue
Total expenses as \%of revenue
Pre-tax and intersegment allocation profit margin
Note: Please find notes on Page 12 .

| Q3/10 vs. Q3109 |  |
| :---: | :---: |
| Increase (decrease) |  |
| 18,201 | $54.3 \%$ |
| 7,358 | $21.2 \%$ |
| 10,843 | n.m. |


| Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2/09 | Q1/09 | Q4108 | Q3/08 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 51,733 | 40,138 | 40,185 | 37,255 | 33,532 | 43,844 | 57,853 | 54,463 | 61,166 |
| 42,047 | 35,213 | 35,168 | 28,967 | 34,689 | 35,911 | 44,683 | 43,703 | 48,132 |
| 9,686 | 4,925 | 5,017 | 8,288 | $(1,157)$ | 7,933 | 13,170 | 10,760 | 13,034 |
| 26.4\% | 28.6\% | 30.6\% | 30.4\% | 52.0\% | 28.1\% | 24.1\% | 27.3\% | 26.8\% |
| 81.3\% | 87.7\% | 87.5\% | 77.8\% | 103.5\% | 81.9\% | 77.2\% | 80.2\% | 78.7\% |
| 18.7\% | 12.3\% | 12.5\% | 22.2\% | (3.5)\% | 18.1\% | 22.8\% | 19.8\% | 21.3\% |


| 9 Months Ended |  |  |  |
| :---: | :---: | :---: | :---: |
| Q3110 | Q3109 | Increase (d | ease) |
| 132,056 | 135,229 | $(3,173)$ | (2.3)\% |
| 112,428 | 115,283 | $(2,855)$ | (2.5)\% |
| 19,628 | 19,946 | (318) | (1.6)\% |
| 28.3\% | 32.3\% | (4.0) p.p. |  |
| 85.1\% | 85.3\% | (0.2) p.p. |  |
| 14.9\% | 14.7\% | 0.2 p.p. |  |


| FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: |
| 172,484 | 249,127 | 272,619 | 225,194 | 178,176 |
| 144,250 | 193,022 | 202,090 | 163,976 | 127,504 |
| 28,234 | 56,105 | 70,529 | 61,218 | 50,672 |
| 31.9\% | 24.8\% | 22.6\% | 20.3\% | 18.0\% |
| 83.6\% | 77.5\% | 74.1\% | 72.8\% | 71.6\% |
| 16.4\% | 22.5\% | 25.9\% | 27.2\% | 28.4\% |

## CANACCORD Financial

Corporate and Other segment
Condensed statement of operations

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ <br> Revenue <br> Canada | Q3/10 vs. Q3/09Increase (decrease) |  | Q3110 | Q2/10 | Q1/10 | Q4/09 | Q3109 | Q2109 | Q1/09 | Q4108 Q3/08 |  | Q3/10 | ${ }_{\text {Q3/09 }} \begin{aligned} & 9 \text { Months }\end{aligned}$ | ded Increase | rease) | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 968 | 22.0\% | 5,374 | 5,131 | 11,781 | 4,769 | 4,406 | 8,649 | 10,062 | 11,018 | 12,605 | 22,286 | 23,117 | (831) | (3.6)\% | 27,886 | 50,770 | 34,578 | 24,555 | 14,948 |
|  |  |  |  |  |  |  |  |  |  |  |  | 22,286 | 23,117 | (831) | (3.6)\% | 27,886 | 50,770 | 34,578 | 24,555 | 14, |
|  |  |  |  |  |  |  |  |  |  |  |  | 12,355 | 4,358 | 7,997 | 183.5\% | 6.029 | 14.703 | 22,647 | 18.301 | 11.028 |
| Salaries and benefits | 142 | $2.2 \%$ | 6,489 | 6,247 | 6,152 | 6,298 | 6,347 | 6,799 | 7,439 | 6,729 | 6,111 | 18,888 | 20,585 | $(1,697)$ | (8.2)\% | 26,883 | 24,986 | 22,789 | 20,531 | 17,980 |
| Trading costs | 304 | 114.7\% | 569 | 607 | 298 | 250 | 265 | (7) | (68) | 108 | 68 | 1,474 | 190 | 1,284 | n.m. | 440 | 479 | 313 | 1,507 | 1,110 |
| Premises and equipment | (425) | (26.6)\% | 1,170 | 1,057 | 1,047 | 1,476 | 1,595 | 1,151 | 1,285 | 1,273 | 1,165 | 3,274 | 4,031 | (757) | (18.8)\% | 5,507 | 4,769 | 4,891 | 4,493 | 3,216 |
| Communication and technology | (379) | (24.4)\% | 1,172 | 1,140 | 1,173 | 1,267 | 1,551 | 1,180 | 1,246 | 1,144 | 1,004 | 3,485 | 3,977 | (492) | (12.4)\% | 5,244 | 4,616 | 4,787 | 3,805 | 2,966 |
| Interest | (248) | (46.1)\% | 290 | 322 | 442 | 407 | 538 | 538 | 562 | 526 | 531 | 1,054 | 1,638 | (584) | (35.7)\% | 2,045 | 2,196 | 70 | 1,931 | 3,502 |
| General and administrative | 579 | 18.5\% | 3,707 | 3,993 | 2,101 | 3,469 | 3,128 | 4,162 | 3,270 | 3,650 | 5,050 | 9,801 | 10,560 | (759) | (7.2)\% | 14,029 | 16,897 | 15,651 | 14,067 | 13,643 |
| Amortization | (338) | (48.1)\% | 364 | 362 | 361 | 465 | 702 | 735 | 721 | 782 | 718 | 1,087 | 2,158 | $(1,071)$ | (49.6)\% | 2,623 | 2,825 | 2,582 | 1,468 | 894 |
| Development costs | (135) | (11.5)\% | 1,040 | 1,087 | 1,005 | 1,381 | 1,175 | 1,323 | 1,773 | 1,641 | 1,288 | 3,132 | 4,271 | $(1,139)$ | (26.7)\% | 5,652 | 5,681 | 4,450 | 4,256 | ,444 |
| Gains on disposal of invts \& claims |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $(1,633)$ |  |
| ABCP fair value adjustment | $(6,700)$ | (100.0)\% |  |  |  |  | 6,700 |  |  | 3,189 | 3,125 |  | 6,700 | $(6,700)$ | (100.0)\% | 6,700 | 9,567 |  |  |  |
| Restructuring costs | $(1,391)$ | (100.0)\% |  |  |  | 120 | 1,391 |  |  | 2,300 |  |  | 1,391 | $(1,391)$ | (100.0)\% | 1,511 | 2,300 |  |  |  |
| Income (loss) before intersegment allocations and income taxes | $(2,909)$ | (12.3)\% | 20,730 | 16,652 | 17,168 | 16,804 | 23,639 | 16,744 | 19,476 | 20,260 | 23,462 | 54,550 | 59,859 | $(5,309)$ | (8.9)\% | 76,663 | 89,019 | 78,180 | 68,726 | 58,783 |
|  | 3,877 | (20.2)\% | (15,356) | (11,521) | $(5,387)$ | (12,035) | $(19,233)$ | $(8,095)$ | (9,414) | $(9,242)$ | $(10,857)$ | (32,264) | $(36,742)$ | 4,478 | (12.2)\% | $(48,777)$ | $(38,249)$ | $(43,602)$ | (44,171) | $(43,835)$ |
| Intersegment Allocations to Canaccord Adams Intersegment Allocations to Canaccord Wealth | (2,371) | n/a | $(2,371)$ | $(2,191)$ | n/a | n/a | n/a | n/a | n/a |  | n/a | n/a | n/a |  | n/a | n/a | n/a | n/a | n/a |  |
| Management | (9,773) | n/a | $(9,773)$ | $(8,219)$ | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Income (loss) before income taxes | $(3,212)$ | n/a | $(3,212)$ | (1,111) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of employees | (5) | (1.4)\% | 360 | 359 | 352 | 356 | 365 | 393 | 393 | 380 | 373 | 360 | 365 | (5) | (1.4)\% | 356 | 380 | 360 | 335 | 324 |

Supplementary Information Excluding Significant Items (Non-GAAP) ${ }^{(15)}$

| (in thousands of dollars) | $\begin{gathered} \hline \text { Q3/10 vs. Q3/09 } \\ \text { (decrease) } \\ \hline \end{gathered}$ |  | $\frac{\text { Q3/10 }}{5,374}$ | $\frac{\text { Q2/10 }}{5,131}$ | Q1/10 | Q4/09 | $\frac{\text { Q3109 }}{4,406}$ | ${ }_{\text {Q2/09 }}$ | Q1/09 | Q4108 | $\frac{\text { Q3108 }}{12,605}$ | 9 Months Ended |  |  |  | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 968 | 22.0\% |  |  |  |  |  |  |  |  |  | 22,286 | 23,117 | (831) | (3.6)\% | 27,886 | 50,770 | 34,578 | 24,555 | 14,948 |
| Total expenses | 5,182 | 33.3\% | 20,730 | 16,652 | 17,168 | 16,684 | 15,548 | 16,744 | 19,476 | 14,771 |  | 54,550 | 51,768 | 2,782 | 5.4\% | 68,452 | 77,152 | 78,180 | 68,726 | 58,783 |
| Income (loss) before intersegment allocations and income taxes | $(4,214)$ | 37.8\% | $(15,356)$ | (11,521) | $(5,387)$ | (11,915) | $(11,142)$ | $(8,095)$ | (9,414) | $(3,753)$ | (7,732) | $(32,264)$ | $(28,651)$ | $(3,613)$ | 12.6\% | $(40,566)$ | $(26,382)$ | $(43,602)$ | (44,171) | (43,835) |

Note: Please find notes on Page 12

## CANACCORD Financial

Canada
Condensed statement of operations ${ }^{(19)}$

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ | $\begin{gathered} \text { Q3/10 vs. Q3/09 } \\ \text { Increase (decrease) } \end{gathered}$ |  | O3/10 | Q2110 | Q1/10 | Q4109 | Q3109 | Q2109 | Q1/09 | Q4/08 | Q3/08 | 9 Months Ended |  |  |  | FY09 | Y08 | Y07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Q3110 |  |  |  |  |  |  |  |  | Q3109 | Increase (d) | crease) |  |  |  |  |  |
|  |  |  |  | 67,352 | 34,463 | 36,477 | 31,276 | 20.429 | 29,110 | 42,035 | 39,733 | 52,078 | 138,292 | 91,574 | 46,718 |  |  |  |  |  |  |
| Canaccord Adams | 46,923 | 529\% |  |  |  |  |  |  |  |  |  |  |  |  |  | 122,80 | 212,585 | 227,32 | 18,074 | 123,564 |
| Canaccord Wealth Management Corrorate and Other | 17,828 | $53.9 \%$ | 50,900 | 39,596 | 39,676 | 36,739 | 33,072 4,406 | 43,016 | 56,801 | 53,686 | 60,447 | 130,172 22,286 | 132,889 23,117 | (2,717) | (2.0)\% | 169,628 | 245,711 | 268,590 | 223,925 | 178,176 |
| Corporate and Other | 65,719 | 22.0\% | 5,374 | 5,131 79,190 | 11,781 87,934 | - 72,784 | 4,406 57,907 | 8,649 80,775 | 10,062 108,898 | $\underset{104,437}{ }$ | 12,605 | 22,20,750 | 247,580 | (831) 43,170 | ${ }_{1}{ }^{(3.6 .4 \%}$ \% | 27,886 320,364 | 50,770 509,066 | 34,578 530,492 | 24,555 437,554 | 14,948 316,688 |
| Expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Incentive compensation | 36,864 | 130.6\% | 65,080 | 38,928 | 43,575 | 29,690 | 28,216 | 35,846 | 52,312 | 42,278 | 58,353 | 147,583 | 116,374 | 31,209 | 26.8\% | 146,064 | 231,721 | 263,196 | 221,165 | 154,427 |
| Salaries and benefits | 1,831 | 17.9\% | 12,075 | 11,462 | 11,235 | 11,808 | 10,244 | 11,347 | 12,594 | 12,403 | 10,559 | 34,772 | 34,185 | 587 | 1.7\% | 45,993 | 45,217 | 39,359 | 37,196 | 36,920 |
| Trading costs | 688 | 16.9\% | 4,751 | 4,541 | 4,327 | 3,862 | 4,063 | 3,347 | 3,325 | 3,357 | 4,334 | 13,619 | 10,735 | 2,884 | 26.9\% | 14,597 | 16,262 | 16,983 | 17,399 | 15,700 |
| Premises and equipment | 17 | 0.4\% | 4,027 | 3,885 | 3,702 | 4,062 | 4,010 | 3,660 | 3,721 | 3,733 | 3,630 | 11,614 | 11,391 | 223 | 2.0\% | 15,453 | 14,500 | 14,529 | 12,701 | 9,706 |
| Communication and technology | (864) | (18.8)\% | 3,740 | 3,502 | 3,811 | 4,293 | 4,604 | 4,576 | 4,647 | 4,496 | 4,310 | 11,053 | 13,827 | $(2,774)$ | (20.1)\% | 18,120 | 17,836 | 16,961 | 14,662 | 13,001 |
| 1 It erest | $(1,234)$ | (74.2)\% | 429 | 277 | (260) | 198 | 1,663 | 2,707 | 3,325 | 4,900 | 6,118 | 446 | 7,695 | $(7,249)$ | (94.2)\% | 7,893 | 22,799 | 20,121 | 10,820 | 7,823 |
| General and administrative | $(3,476)$ | (26.3)\% | 9,716 | 7,759 | 7,413 | 5,941 | 13,192 | 10,569 | 11,595 | 10,702 | 12,891 | 24,888 | 35,356 | $(10,468)$ | (29.6)\% | 41,297 | 45,245 | 42,592 | 38,066 | 26,292 |
| Amortization | (710) | (36.7)\% | 1,226 | 1,204 | 1,192 | 1,390 | 1,936 | 1,372 | 1,355 | 1,478 | 1,452 | 3,622 | 4,663 | $(1,041)$ | (22.3)\% | 6,053 | 5,605 | 5,428 | 3,923 | 2,565 |
| Development costs | 1,349 | 32.7\% | 5,476 | 4,114 | 3,772 | 4,637 | 4,127 | 3,304 | 3,855 | 4,230 | 3,260 | 13,362 | 11,286 | 2,076 | 18.4\% | 15,923 | 14,038 | 12,105 | 9,243 | 7,924 |
| Gain on disposal of invts \& claims |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $(1,633)$ |  |
| ABCP fair value adjustment | $(6,700)$ | (100.0)\% |  |  |  |  | 6,700 |  |  | 4,172 | 4,226 |  | 6,700 | $(6,700)$ | (100.0)\% | 6,700 | 12,797 |  |  |  |
| Canaccord relief program | $(5,347)$ | (100.0)\% |  |  |  |  | 5,347 |  |  | 54,200 |  |  | 5,347 | $(5,347)$ | (100.0)\% | 5,347 | 54,200 |  |  |  |
| Impairment of goodwill and intangibles | $(3,958)$ | (100.0)\% |  |  |  |  | 3,958 |  |  |  |  |  | 3,958 | $(3,958)$ | (100.0)\% | 3,958 |  |  |  |  |
| Restructuring costs | $(2,623)$ | (100.0)\% |  |  |  | 142 | 2,623 |  |  | 4,000 |  |  | 2,623 | $(2,623)$ | (100.0)\% | 2,765 | 4,000 |  |  |  |
|  | 15,837 | 17.5\% | 106,520 | 75,672 | 78,767 | 66,023 | 90,683 | 76,728 | 96,729 | 149,949 | 109,133 | 260,959 | 264,140 | $(3,181)$ | (1.2)\% | 330,163 | 484,220 | 431,274 | 363,542 | 274,358 |
| Income (loss) before income taxes | 49,882 | $\stackrel{(152.2) \%}{ }$ | 17,106 | 3,518 | 9,167 | 6,761 | (32,776) | 4,047 | 12,169 | (45,512) | 15,997 | 29,791 | (16,560) | 46,351 | $\stackrel{(279.9) \%}{ }$ | $\stackrel{(9,799)}{ }$ | 24,846 | 99,218 | 74,012 | 42,330 |
| Incentive compensation as \% of revenue | 3.8 p.p. |  | 52.6\% | 49.2\% | 49.6\% | 40.8\% | 48.8\% | 44.4\% | 48.0\% | 40.5\% | 46.6\% | 50.8\% | 47.0\% | 3.8 p.p. |  | 45.6\% | 45.5\% | 49.7\% | 50.6\% | 48.8\% |
| Total compensation exp. as \% of revenue ${ }^{(14)}$ | (4.1) p.p. |  | 62.4\% | 63.6\% | 62.3\% | 57.0\% | 66.5\% | 58.4\% | 59.6\% | 52.4\% | 55.1\% | 62.7\% | 60.8\% | 1.9 p.p. |  | 59.9\% | 54.4\% | 57.1\% | 59.1\% | 60.4\% |
| Non-compensation exp. as \% of revenue | (66.5) p.p. |  | 23.8\% | 31.9\% | 27.2\% | 33.7\% | 90.3\% | 36.6\% | 29.2\% | 91.2\% | 32.1\% | 27.0\% | 45.9\% | (18.9) p.p. |  | 43.1\% | 40.8\% | 24.3\% | 24.0\% | 26.2\% |
| Total expenses as \% of revenue | (70.5) p.p. |  | 86.2\% | 95.6\% | 89.5\% | 90.7\% | 156.7\% | 95.0\% | 88.8\% | 143.6\% | 87.2\% | 89.7\% | 106.7\% | (17.0) p.p. |  | 103.1\% | 95.2\% | 81.4\% | 83.1\% | 86.6\% |
| Pre-tax and profit margin | 70.5 p.p. |  | 13.8\% | 4.4\% | 10.4\% | 9.3\% | (56.7)\% | 5.0\% | 11.2\% | (43.6)\% | 12.8\% | 10.2\% | (6.7)\% | 16.9 p.p. |  | (3.1)\% | 4.8\% | 18.6\% | 16.9\% | 13.40 |
| Number of employees | (30) | (2.3)\% | 1,271 | 1,257 | 1,244 | 1,265 | 1,301 | 1,385 | 1,404 | 1,395 | 1,399 | 1,271 | 1,301 | (30) | (2.3)\% | 1,265 | 1,395 | 1,334 | 1,257 | 1,190 |

Supplementary Information Excluding Significant Items (Non-GAAP) ${ }^{(15)}$
(in thousands of dollars)
Revenue
Revenue
Total expenses
Income (loss) before intersegment allocations and
income taxes

Non-compensation exp. as $\%$ of revenue
Total expenses as \% of revenue
Note: Please find notes on Page 12.

| Q3110 vs. Q3/09 |  |
| :---: | ---: |
| Increase (decrease) |  |
| 65,719 | $113.5 \%$ |
| 34,465 | $47.8 \%$ |
| 31,254 | $(220.9) \%$ |

(34.3) p.p.
(38.3) p.p. (38.3) p.p.
38.3 p.p.


| $23.8 \%$ | $31.9 \%$ | $27.2 \%$ | $33.5 \%$ | $58.1 \%$ | $36.6 \%$ | $29.2 \%$ | $31.5 \%$ | $28.8 \%$ |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $86.2 \%$ | $95.6 \%$ | $89.5 \%$ | $90.5 \%$ | $124.5 \%$ | $95.0 \%$ | $88.8 \%$ | $83.9 \%$ | $83.9 \%$ |
| $13.8 \%$ | $4.4 \%$ | $10.4 \%$ | $9.5 \%$ | $(24.5) \%$ | $5.0 \%$ |  |  |  |


$\begin{array}{llr}27.0 \% & 38.4 \% & \text { (11.4) p.p. } \\ 89.7 \% & 99.2 \% & \text { (9.5) p.p. }\end{array}$ $\begin{array}{ccc}89.7 \% & 99.2 \% & \text { (9.5) p.p. } \\ 10.2 \% & 0.8 \% & 9.4 \text { p.p. }\end{array}$

| FYO9 | FYO8 | FY07 | FY06 | FY05 |
| ---: | :--- | :--- | :--- | :--- |
| 320,364 | 509,066 | 530,492 | 437,554 | 316,688 |
| 311,393 | 413,223 | 431,274 | 363,542 | 274,358 |
| 8,971 | 95,843 | 99,218 | 74,012 | 42,330 |


| $37.3 \%$ | $26.8 \%$ | $24.3 \%$ | $24.0 \%$ | $26.2 \%$ |
| :---: | :---: | :---: | :---: | :---: |
| $97.2 \%$ | $81.2 \%$ | $81.4 \%$ | $83.1 \%$ | $86.6 \%$ |
| $2.8 \%$ | $18.8 \%$ | $18.6 \%$ | $16.9 \%$ | $13.4 \%$ |

## CANACCORD Financial

UK and Other Foreign Location
Condensed statement of operations ${ }^{(16)}$

| (Unaudited, for the period ended) (in thousands of dollars) ${ }^{(1)}$ | Q3110 vs. Q3/09 <br> Increase (decrease) |  | Q310 | Q2/10 | Q1/10 | Q4109 | Q3109 | Q2109 | Q1/09 | Q4/08 | Q3108 | 9 Months Ended |  |  |  | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Revenue <br> Canaccord Adams | 14,006 | 109.9\% | 26,754 | 14,417 | 22,350 | 17,000 | 12,748 | 11,770 | 38,189 | 14,940 | 35,117 | 63,521 | 62,707 | 814 | 1.3\% | 79,707 | 128,269 | 145,749 | 125,900 | 116,090 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expenses Incentive compensation | 8,513 | 129.9\% | 15,066 | 7,986 | 10,793 | 6,451 | 6,553 | 6,306 | 19,046 | 6,304 | 19,655 | 33,845 | 31,905 | 1,940 | 6.1\% | 38,356 | 65,047 | 73,627 | 65,303 | 62,316 |
| National Health Insurance tax ${ }^{(13)}$Total incentive compensation | 34 | 8.1\% | 456 | 371 | 362 | 349 | 422 | 405 | 383 | 422 | 392 | 1,189 | 1,210 | (21) | (1.7)\% | 1,559 | 1,571 | 3,514 | 3,586 | 3,711 |
|  | 8,547 | 122.5\% | 15,522 | 8,357 | 11,155 | 6,800 | 6,975 | 6,711 | 19,429 | 6,726 | 20,047 | 35,034 | 33,115 | 1,919 | 5.8\% | 39,915 | 66,618 | 77,141 | 68,889 | 66,027 |
| Salaries and benefits | 331 | 24.5\% | 1,680 | 1,402 | 1,482 | 1,310 | 1,349 | 1,622 | 1,336 | 1,335 | 1,081 | 4,564 | 4,307 | 257 | 6.0\% | 5,617 | 4,594 | 3,139 | 3,210 | 8,795 |
| Trading costs | 72 | 9.8\% | 808 | 968 | 995 | 816 | 736 | 757 | 633 | 573 | 690 | 2,771 | 2,126 | 645 | 30.3\% | 2,942 | 2,179 | 1,477 | 1,190 | 1,163 |
| Premises and equipment | (89) | (7.7)\% | 1,067 | 920 | 952 | 940 | 1,156 | 1,038 | 967 | 963 | 896 | 2,939 | 3,161 | (222) | (7.0)\% | 4,101 | 3,278 | 6,400 | 2,139 | 2,143 |
| Communication and technology | 816 | n.m. | 754 | 523 | 476 | 525 | (62) | 791 | 793 | 798 | 686 | 1,753 | 1,522 | 231 | 15.2\% | 2,047 | 2,816 | 2,227 | 1,440 | 1,036 |
| Interest | 2 | 9.5\% | 23 | 15 | 25 | 21 | 21 | 63 | 148 | ${ }^{(2)}$ |  | 63 | 232 | (169) | (72.8)\% | 253 | (2) | 2 | 5 | 1 |
| General and administrative | $(2,566)$ | (62.2)\% | 1,552 | 1,571 | 1,878 | 2,704 | 4,108 | 5,129 | 3,834 | 4,149 | 2,038 | 5,001 | 13,071 | $(8,070)$ | (61.7)\% | 15,775 | 11,784 | 10,469 | 6,374 | 5,879 |
| Amortization | (129) | (24.8)\% | 391 | 425 | 448 | 441 | 520 | 441 | 441 | 440 | 449 | 1,264 | 1,402 | (138) | (9.8)\% | 1,843 | 1,825 | 2,016 | 716 | 620 |
| Development costs | (20) | (5.5)\% | 345 | 343 | 352 | 349 | 365 | 360 | 266 | 373 | 274 | 1,040 | 991 | 49 | 4.9\% | 1,340 | 1,133 | 269 |  |  |
| Restructuring costs | $(1,274)$ | (100.0)\% |  |  |  |  | 1,274 |  |  |  |  | - | 1,274 | $(1,274)$ | (100.0)\% | 1,274 |  |  |  |  |
|  | 5,700 | 34.7\% | 22,142 | 14,524 | 17,763 | 13,906 | 16,442 | 16,912 | 27,847 | 15,355 | 26,161 | 54,429 | 61,201 | $(6,772)$ | (11.1)\% | 75,107 | 94,225 | 103,140 | 83,963 | 85,664 |
| Income (loss) before income taxes | 8,306 | (224.9)\% | 4,612 | (107) | 4,587 | 3,094 | $(3,694)$ | (5,142) | 10,342 | (415) | 8,956 | 9,092 | 1,506 | 7,586 | n.m. | 4,600 | 34,044 | 42,609 | 41,937 | 30,426 |
| Incentive compensation as \% of revenue | 3.3 p.p. |  | 58.0\% | 58.0\% | 49.9\% | 40.0\% | 54.7\% | 57.0\% | 50.9\% | 45.0\% | 57.1\% | 55.2\% | 52.8\% | 2.3 p.p. |  | 50.1\% | 51.9\% | 52.9\% | 54.7\% | 56.9\% |
| Total compensation exp. as \% of revenue ${ }^{(14)}$ | (1.0) p.p. |  | 64.3\% | 67.7\% | 56.5\% | 47.7\% | 65.3\% | 70.8\% | 54.4\% | 54.0\% | 60.2\% | 62.3\% | 59.7\% | 2.7 p.p. |  | 57.1\% | 55.5\% | 55.1\% | 57.3\% | 64.5\% |
| Non-compensation exp. as \% of revenue | (45.2) p.p. |  | 18.5\% | 33.1\% | 22.9\% | 34.1\% | 63.7\% | 72.9\% | 18.5\% | 48.8\% | 14.3\% | 23.4\% | 35.9\% | (12.4) p.p. |  | 37.1\% | 17.9\% | 15.7\% | 9.4\% | 9.3\% |
| Total expenses as \% of revenue | (46.2) p.p. |  | 82.8\% | 100.7\% | 79.4\% | 81.8\% | 129.0\% | 143.7\% | 72.9\% | 102.8\% | 74.5\% | 85.7\% | 97.6\% | (11.9) p.p. |  | 94.2\% | 73.4\% | 70.8\% | 66.7\% | 73.8\% |
| Pre-tax profit margin | 46.2 p.p. |  | 17.2\% | (0.7)\% | 20.5\% | 18.2\% | (29.0)\% | (43.7)\% | 27.1\% | (2.8)\% | 25.5\% | 14.3\% | 2.4\% | 11.9 p.p. |  | 5.8\% | 26.5\% | 29.2\% | 33.3\% | 26.2\% |
| Number of employees | 20 | 17.1\% | 137 | 125 | 118 | 114 | 117 | 127 | 125 | 125 | 116 | 137 | 117 | 20 | 17.1\% | 114 | 125 | 93 | 81 |  |

Supplementary Information Excluding Significant Items (Non-GAAP) ${ }^{(15)}$

(in thousands of dollars) Revenue<br>Total expenses Income (loss) before income taxes

| Q3/10 vs. Q3/09 (decrease) |  | Q3110 | Q2110 | Q1/10 | Q4109 | Q3/09 | Q2109 | Q109 | Q4108 | Q3108 |  9 <br> O Months <br> O3/09 <br> Q3ded  <br> Increas  |  |  |  | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 14,006 | 109.9\% | 26,754 | 14,417 | 22,350 | 17,000 | 12,748 | 11,770 | 38,189 | 14,940 | 35,117 | 63,521 | 62,707 | 814 | 1.3\% | 79,707 | 128,269 | 145,749 | 125,900 | 116,090 |
| 6,974 | 46.0\% | 22,142 | 14,524 | 17,763 | 13,906 | 15,168 | 16,912 | 27,847 | 15,355 | 26,161 | 54,429 | 59,927 | $(5,498)$ | (9.2)\% | 73,833 | 94,225 | 103,140 | 83,963 | 85,664 |
| 7,032 | (290.6)\% | 4,612 | (107) | 4,587 | 3,094 | $(2,420)$ | (5,142) | 10,342 | (415) | 8,956 | 9,092 | 2,780 | 6,312 | 227.1\% | 5,874 | 34,044 | 42,609 | 41,937 | 30,426 |

US

## Condensed statement of operations ${ }^{(20)}$

(Unaudited, for the period ended)
(in thousands of dollars)
Revenue
Cana
Canaccord Weath Managemen
Incentive compensation
Trading costs
Premises and equipment
Communication and technology
Interest
General and administrative
Amortization
Development costs
Impairment of goodwill and intangibles Restructuring costs

Income (loss) before income taxes
Incentive compensation as \% of revenue
Total compensation exp. as $\%$ of revenue ${ }^{(14)(\text { (21) }}$
Total compensation exp. as $\%$ of revenue
Non-compensation exp. as \% of revenue
Total expenses as \% of revenu
Pre-tax profit margin

| Q3/10 vs. Q3/09 Increase (decrease) |  |
| :---: | :---: |
| 5,911 | 36.8\% |
| 373 | 81.1\% |
| 6,284 | 38.0\% |
| 5,162 | 63.7\% |
| (34) | (2.8)\% |
| (328) | (17.2)\% |
| (249) | (18.0)\% |
| (391) | (22.5)\% |
| (705) | (79.8)\% |
| (186) | (7.4)\% |
| (8) | (2.7)\% |
| $(2,347)$ | (72.3)\% |
| $(27,566)$ | (100.0)\% |
| $(3,623)$ | (100.0)\% |
| (30,275) | (57.7)\% |
| 36,559 | (101.6)\% |


| Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2109 | Q1/09 | Q4108 | Q3/08 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 21,984 | 29,595 | 26,670 | 16,696 | 16,073 | 17,456 | 24,569 | 23,292 | 22,388 |
| 833 | 542 | 509 | 516 | 460 | 828 | 1,052 | 777 | 719 |
| 22,817 | 30,137 | 27,179 | 17,212 | 16,533 | 18,284 | 25,621 | 24,069 | 23,107 |
| 13,270 | 16,681 | 13,733 | 8,513 | 8,108 | 8,420 | 10,986 | 14,475 | 12,378 |
| 1,190 | 1,119 | 1,085 | 1,198 | 1,224 | 1,226 | 1,513 | 980 | 1,018 |
| 1,581 | 1,493 | 2,002 | 1,887 | 1,909 | 2,613 | 2,363 | 1,899 | 2,030 |
| 1,134 | 1,299 | 1,228 | 1,402 | 1,383 | 1,259 | 1,097 | 1,274 | 1,255 |
| 1,344 | 1,220 | 1,202 | 1,431 | 1,735 | 1,172 | 723 | 771 | 615 |
| 179 | 200 | 1,080 | 1,120 | 884 | 584 | 486 | 474 | 456 |
| 2,341 | 2,368 | 2,597 | 2,329 | 2,527 | 3,913 | 3,848 | 3,196 | 2,461 |
| 287 | 277 | 281 | 298 | 295 | 259 | 246 | 298 | 296 |
| 899 | 1,030 | 1,730 | 2,204 | 3,246 | 2,719 | 3,341 | 5,333 | 3,240 |
|  |  |  |  | 27,566 |  |  |  |  |
|  |  |  |  | 3,623 |  |  |  |  |
| 22,225 | 25,687 | 24,938 | 20,382 | 52,500 | 22,165 | 24,603 | 28,700 | 23,749 |
| 592 | 4,450 | 2,241 | $(3,170)$ | $(35,967)$ | $(3,881)$ | 1,018 | $(4,631)$ | (642) |


| 9 Months Ended <br> Q3/109 |  |  |  |  |
| :---: | ---: | ---: | ---: | :---: |
| Q3crease (decrease) |  |  |  |  |$|$


| FYo9 | FYo8 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: |
| 74,794 | 90,788 | 76,644 | 18,692 |  |
| 2,856 | 3,416 | 4,029 | 1,269 |  |
| 77,650 | 94,204 | 80,673 | 19,961 |  |
| 36,027 | 48,740 | 42,560 | 9,134 |  |
| 5,161 | 4,483 | 5,110 | 1,613 |  |
| 8,772 | 8,649 | 8,992 | 2,026 |  |
| 5,141 | 4,967 | 4,244 | 1,003 |  |
| 5,061 | 2,576 | 2,284 | 496 |  |
| 3,074 | 1,730 | 415 | 89 |  |
| 12,617 | 12,434 | 11,121 | 1,787 |  |
| 1,098 | 1,106 | 707 | 178 |  |
| 11,510 | 16,878 | 8,870 | 554 |  |
| 27,566 |  |  |  |  |
| 3,623 |  |  |  |  |
| 119,650 | 101,563 | 84,303 | 16,880 |  |
| $(42,000)$ | $(7,359)$ | $(3,630)$ | 3,081 |  |

Supplementary Information Excluding Significant Items (Non-GAAP) ${ }^{(15)}$

(in thousands of dollars)<br>Revenue<br>Total expenses<br>Income (loss) before income taxes

| Q3/10 vs. Q3/09 (decrease) | Q3110 | Q210 | Q110 | Q4109 | Q3109 | Q2109 | Q1/09 | Q4108 | Q3108 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6,284 38.0\% | 22,817 | 30,137 | 27,179 | 17,212 | 16,533 | 18,284 | 25,621 | 24,069 | 23,107 |
| $914 \quad 4.3 \%$ | 22,225 | 25,687 | 24,938 | 20,382 | 21,311 | 22,165 | 24,603 | 28,700 | 3,749 |
| 5,370 (112.4)\% | 592 | 4,450 | 2,241 | $(3,170)$ | (4,778) | $(3,881)$ | 1,018 | $(4,631)$ | (642) |


| 9 Months |  |  |  |  | Ended |
| :---: | :---: | :---: | ---: | :---: | :---: |
| Q3110 | Q3 309 | Increase (decrease) |  |  |  |
| 80,133 | 60,438 | 19,695 | $32.6 \%$ |  |  |
| 72,850 | 68,097 | 4,71 | $7.0 \%$ |  |  |
| 7,283 | $(7,641)$ | 14,924 | $(195.3) \%$ |  |  |


| FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: |
| 77,650 | 94,204 | 80,673 | 19,961 |  |
| 88,461 | 101,563 | 84,33 | 16880 | - |
| $(10,811)$ | $(7,359)$ | $(3,630)$ | 3,081 |  |

## CANACCORD Financial

## Canaccord group of companies

## Consolidated balance sheet

| (Unaudited, for the period ended) (in thousands of dollars) | Q3/10 vs. Increase | ease) | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3109 | Q2109 | Q1/09 | Q4108 | Q3108 | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Assets |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 98,113 | 14.3\% | 782,576 | 709,455 | 734,268 | 701,173 | 684,463 | 521,322 | 555,017 | 435,649 | 421,783 | 701,173 | 435,649 | 506,640 | 370,507 | 349,700 |
| Securities owned, at market | 331,599 | n.m. | 404,537 | 517,070 | 169,030 | 133,691 | 72,938 | 56,055 | 117,013 | 92,796 | 164,388 | 133,691 | 92,796 | 348,764 | 203,020 | 160,348 |
| Accounts receivable | 504,742 | 62.6\% | 1,311,144 | 2,085,356 | 1,166,610 | 1,061,161 | 806,402 | 1,227,426 | 1,525,096 | 1,422,917 | 1,260,869 | 1,061,161 | 1,422,917 | 1,672,035 | 1,539,998 | 1,068,757 |
| Income taxes recoverable | $(29,887)$ | (100.0)\% |  | 2,107 | 17,740 | 23,771 | 29,887 | 19,772 | 19,440 | 11,083 | 2,758 | 23,771 | 11,083 |  |  |  |
| Future income taxes | $(1,767)$ | (12.9)\% | 11,890 | 12,019 | 13,358 | 15,680 | 13,657 | 11,566 | 10,725 | 28,207 | 10,630 | 15,680 | 28,207 | 11,021 | 10,769 | 3,992 |
| Investments |  |  | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |  |  |  |
| Investment in asset backed commercial paper | 5,079 | 21.9\% | 28,239 | 34,280 | 34,418 | 35,312 | 23,160 | 29,860 | 29,860 | 29,860 | 34,501 | 35,312 | 29,860 |  |  |  |
| Equipment and leasehold improvements | $(3,707)$ | (8.4)\% | 40,471 | 41,718 | 44,366 | 46,311 | 44,178 | 39,254 | 39,575 | 40,686 | 39,939 | 46,311 | 40,686 | 37,549 | 25,750 | 13,750 |
| Notes receivable |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 41,618 |
| Goodwill and other intangibles |  |  | - |  |  |  |  | 31,815 | 32,167 | 32,520 | 32,873 |  | 32,520 | 33,933 | 27,929 |  |
| Total assets | 904,172 | 53.8\% | 2,583,857 | 3,407,005 | 2,184,790 | 2,022,099 | 1,679,685 | 1,942,070 | 2,333,893 | 2,098,718 | 1,972,741 | 2,022,099 | 2,098,718 | 2,609,942 | 2,177,973 | 1,638,165 |
| Liabilities and shareholders' equity |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bank indebtedness | 5,560 | 14.2\% | 44,600 | 85,600 | 105,788 | 75,600 | 39,040 | 6,854 |  | 15,038 |  | 75,600 | 15,038 |  | 4,684 |  |
| Securities sold short, at market | 262,726 | n.m. | 324,877 | 382,209 | 56,318 | 79,426 | 62,151 | 15,194 | 32,227 | 13,757 | 96,383 | 79,426 | 13,757 | 41,176 | 37,169 | 105,527 |
| Accounts payable and accrued liabilities | 598,590 | 50.1\% | 1,794,123 | 2,535,971 | 1,622,288 | 1,469,369 | 1,195,533 | 1,480,714 | 1,836,764 | 1,687,479 | 1,461,130 | 1,469,369 | 1,687,479 | 2,156,540 | 1,832,956 | 1,262,072 |
| Income taxes payable | 4,590 |  | 4,590 |  |  |  |  |  |  |  |  |  |  | 15,035 | 15,334 | 6,737 |
| Notes payable |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 41,618 |
| Subordinated debt | $(10,000)$ | (40.0)\% | 15,000 | 15,000 | 15,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |  |  |
| Shareholders' equity | 42,706 | 11.9\% | 400,667 | 388,225 | 385,396 | 372,704 | 357,961 | 414,308 | 439,902 | 357,444 | 390,228 | 372,704 | 357,444 | 372,191 | 287,830 | 222,211 |
| Total liabilities and shareholders' equity | 904,172 | 53.8\% | 2,583,857 | 3,407,005 | 2,184,790 | 2,022,099 | 1,679,685 | 1,942,070 | 2,333,893 | 2,098,718 | 1,972,741 | 2,022,099 | 2,098,718 | 2,609,942 | 2,177,973 | 1,638,165 |

[^0]
## CANACCORDFinancial

| (Unaudited, for the period ended) | $\begin{aligned} & \hline \text { Q3/10 vs } \\ & \text { Increase (d } \end{aligned}$ | 3/09 | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2109 | Q1/09 | Q4/08 | Q3108 | FY09 | FY08 | FY07 | FY06 | FY05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Number of employees in Canada |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Number in Canaccord Adams | (7) | (3.3)\% | 204 | 200 | 204 | 209 | 211 | 248 | 251 | 253 | 254 | 209 | 253 | 246 | 233 | 209 |
| Number in Canaccord Wealth Management | (18) | (2.5) \% | 707 | 698 | 688 | 700 | 725 | 744 | 760 | 762 | 772 | 700 | 762 | 728 | 689 | 657 |
| Number in Corporate and Other |  | (1.4)\% | 360 | 359 | 352 | 356 | 365 | 393 | 393 | 380 | 373 | 356 | 380 | 360 | 335 | 324 |
| Total Canada |  | (2.3)\% | 1,271 | 1,257 | 1,244 | 1,265 | 1,301 | 1,385 | 1,404 | 1,395 | 1,399 | 1,265 | 1,395 | 1,334 | 1,257 | 1,190 |
| Number of employees in UK |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Number in Canaccord Adams | 20 | 17.1\% | 137 | 125 | 118 | 114 | 117 | 127 | 125 | 125 | 116 | 114 | 125 | 93 | 81 | 70 |
| Number of employees in US |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Number in Canaccord Adams | 10 | 6.6\% | 162 | 157 | 152 | 151 | 152 | 176 | 169 | 163 | 161 | 151 | 163 | 163 | 150 | 0 |
| Number of employees firm wide ${ }^{(23)}$ | 0 |  | 1,570 | 1,539 | 1,514 | 1,530 | 1,570 | 1,688 | 1,698 | 1,683 | 1,676 | 1,530 | 1,683 | 1,590 | 1,488 | 1,260 |
| Number of Advisory Teams ${ }^{(19)}$ | (20) | (5.8)\% | 327 | 334 | 335 | 338 | 347 | 341 | 354 | 354 | 377 | 338 | 354 | 368 | 365 | 343 |
| Number of licenced professionals | (56) | (6.9)\% | 753 | 763 | 773 | 790 | 809 | 818 | 832 | 852 | 859 | 790 | 852 | 817 | 763 | 710 |
| Number of CWM client accounts | $(8,265)$ | (4.8)\% | 162,934 | 163,197 | 166,747 | 167,659 | 171,199 | 173,949 | 175,976 | 175,570 | 173,599 | 167,659 | 175,570 | 156,003 | 155,404 | 144,451 |
| Assets under mgmt. (\$millions) ${ }^{(2)}$ |  | (6.8)\% | 423 | 453 | 443 | 393 | 454 | 609 | 747 | 730 | 760 | 393 | 730 | 807 | 613 | 380 |
| Assets under admin. (\$millions) | 3,180 | 35.2\% | 12,210 | 11,386 | 10,341 | 9,184 | 9,030 | 11,584 | 14,695 | 14,295 | 14,860 | 9,184 | 14,295 | 15,014 | 14,310 | 9,967 |
| AUA per Advisory Team (\$ millions) ${ }^{(18)}$ | 11 | 44.8\% | 37 | 34 | 31 | 27 | 26 | 34 | 42 | 40 | 39 | 27 | 40 | 41 | 39 | 29 |
| Number of companies with Canaccord Adams Limited as Broker |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| London Stock Exchange (LSE) | 16 | 228.6\% | 23 | 9 | 9 | 9 | 7 | 5 | 5 | 5 | 4 | 9 | 5 | 1 | 1 | 6 |
| Alternative Investment Market (AIM) | (10) | (18.2)\% | 45 | 44 | 49 | 51 | 55 | 55 | 58 | 60 | 60 | 51 | 60 | 58 | 53 | 51 |
| Total Broker | 6 | 9.7\% | 68 | 53 | 58 | 60 | 62 | 60 | 63 | 65 | 64 | 60 | 65 | 59 | 54 | 57 |
| Number of companies with Canaccord Adams Limited as Nomad / Financial Adviser ${ }^{(22)}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| LSE | - |  | - | - |  | - | - | - |  | 1 | 1 | 0 | 1 | 0 | 1 | 4 |
| AIM | (9) | (19.6)\% | 37 | 36 | 41 | 42 | 46 | 45 | 48 | 51 | 50 | 42 | 51 | 50 | 49 | 47 |
| Total Nomad / Financial Adviser | (9) | (19.6)\% | 37 | 36 | 41 | 42 | 46 | 45 | 48 | 52 | 51 | 42 | 52 | 50 | 50 | 51 |

Note: Please find notes on Page 12.

## CANACCORDFinancial

Financial Post Data Group League Table ${ }^{(24)}$

Q3/10 vs. Q3/09:

| Q3/10 (October 1, 2009 - December 31, 2009) |  |  |  |  |  |  |  | Q3/09 (October 1, 2008 - December 31, 2008) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Manager | $\begin{aligned} & \text { \# of deals } \\ & \text { led } \end{aligned}$ | Market share | Rank by mkt. share | Total proceeds (led transactions) (\$000's) | Participation in \# of deals | Rank by \# of deals | Total proceeds ( $\$ 000$ 's) | Manager | $\begin{gathered} \text { \# of deals } \\ \text { led } \\ \hline \end{gathered}$ | Market share | Rank by mkt. share | Total proceeds (led transactions) (\$000's) | Participation in \# of deals | Rank by \# of deals | Total proceeds (\$000's) |
| Canaccord Adams ${ }^{(25)}$ | 40 | 11.6\% | 1 | 1,108,755,430 | 115 | 1 | 2,058,847,132 | GMP Securities L.P | 11 | 12.9\% | 1 | 398,677 | 27 | 5 | 4,804,773 |
| RBC Capital Markets | 31 | 9.0\% | 2 | 3,985,410,000 | 66 | 6 | 1,454,370,000 | Canaccord Adams ${ }^{(25)}$ | 9 | 10.6\% | 2 | 189,305 | 26 | 6 | 5,789,085 |
| CIBC Wholesale Banking | 27 | 7.8\% | 3 | 2,685,110,000 | 87 | 2 | 1,455,840,000 | CIBC World Markets | 8 | 9.4\% | 3 | 142,564 | 25 | 8 | 9,488,855 |
| BMO Capital Markets | 24 | 7.0\% | 4 | 1,481,130,000 | 78 | 4 | 1,153,020,000 | Dundee Securities Corp. | 7 | 8.2\% | 4 | 67,155 | 30 | 2 | 5,311,336 |
| GMP Securities L.P. | 22 | 6.4\% | 5 | 966,630,000 | 83 | 3 | 984,440,000 | Scotia Capital Markets | 6 | 7.1\% | 5 | 2,750,730 | 28 | 3 | 10,065,749 |
| TD Securities Inc. | 19 | 5.5\% | 6 | 1,291,710,000 | 58 | 8 | 1,058,740,000 | Blackmont Capital Inc. |  | 7.1\% | 6 | 43,451 | 26 | 7 | 5,135,413 |
| Cormark Securities Inc. | 15 | 4.4\% | 7 | 434,230,000 | 47 | 10 | 394,630,000 | RBC Capital Markets | 5 | 5.9\% | 7 | 3,552,275 | 19 | 9 | 9,475,091 |
| Dundee Securities Corporation | 14 | 4.1\% | 8 | 129,240,000 | 62 | 7 | 428,760,000 | BMO Capital Markets | 4 | 4.7\% | 8 | 1,802,400 | 30 | 1 | 8,890,206 |
| National Bank Financial Inc. | 12 | 3.5\% | 9 | 170,790,000 | 67 | 5 | 756,900,000 | TD Securities Inc. | 3 | 3.5\% | 9 | 1,430,380 | 27 | 4 | 8,718,535 |
| Wellington West Capital Markets II | \| 10 | 2.9\% | 10 | 103,060,000 | 58 | 9 | 271,270,000 | Wellington West Capital | 3 | 3.5\% | 10 | 21,910 | 17 | 10 | 4,151,344 |
| Others | 130 | 37.8\% |  | 4,151,210,000 |  |  |  | Others | 23 | 27.1\% |  | 384,457 |  |  |  |
|  | 344 | 100.0\% |  |  |  |  |  |  | 85 | 100.0\% |  |  |  |  |  |

Fiscal 2010 vs. Fiscal 2009:


| Fiscal 2009 (April 1, 2008 - December 31, 2008) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Manager | $\#$ of deals led $^{(25)}$ | Market share | Rank by mkt. share | Total proceeds (led transactions) (\$000's) | Participation in \# of deals | Rank by \# of deals | Total proceeds (\$000's) |
| Canaccord Adams ${ }^{(25)}$ | 82 | 22.0\% | 1 | 1,074,953 | 146 | 1 | 11,792,728 |
| GMP Securities L.P | 31 | 8.3\% | 2 | 1,836,877 | 76 | 6 | 7,604,091 |
| Blackmont Capital Inc. | 30 | 8.0\% | 3 | 164,776 | 87 | 3 | 7,155,811 |
| RBC Capital Markets | 28 | 7.5\% | 4 | 7,281,822 | 70 | 7 | 18,162,168 |
| CIBC World Markets Inc. | 27 | 7.2\% | 5 | 2,702,660 | 85 | 4 | 18,329,749 |
| Dundee Securities Corp. | 19 | 5.1\% | 6 | 309,374 | 76 | 5 | 9,034,925 |
| BMO Capital Markets | 17 | 4.6\% | 7 | 1,829,195 | 88 | 2 | 18,269,951 |
| Raymond James Ltd. | 17 | 4.6\% | 8 | 441,164 | 70 | 8 | 6,205,831 |
| Haywood Securities inc. | 15 | 4.0\% | 9 | 101,879 | 32 | 10 | 558,562 |
| Wellington West Capital | 14 | 3.8\% | 10 | 259,518 | 55 | 9 | 5,763,257 |
| Others | 93 | 24.9\% |  | 5,864,138 |  |  |  |
|  | 373 | 100.0\% |  |  |  |  |  |

Source: FPinfomart and Company Information
Note: Please find notes on Page 12.

## CANACCORD Financial

## Canaccord Group of Companies

Notes

2) AUM are assets managed on a discretionary basis under our programs generally described as or known as the Independence Accounts, Separately Managed Accounts, and Advisor Managed Accounts offered by Canaccord.
(3) Book value per diluted share is calculated as total shareholders' equity less redeemable preferred shares divided by the number of diluted shares outstanding
(4) In Q4/07, the definition of diluted shares outstanding was revised to include shares related to share issuance commitment.
(5) Excludes shares relating to share purchase loans for recruitment and retention programs and unvested shares purchased by employee benefit trust for LTIP.
(6) Includes shares relating to share purchase loans for recruitment and retention programs and unvested shares purchased by employee benefit trust for LTIP.
(7) Includes dilutive earned shares under our stock-based compensation plan.
(8) This is the diluted share number used to calculated diluted EPS
9) Special distributions per share are not included in the dividend yield and dividend payout calculations
(10) 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.
(11) The price to earnings multiple is calculated based on the end of period share price and 12 -month trailing diluted EPS.
(12) The price to book ratio is calculated based on the end of period share price and book value per diluted share
(13) Incentive compensation includes National Health Insurance tax applicable to the UK and is based on a percentage of incentive compensation payout
(14) Total compensation expense includes incentive compensation and salaries and benefits, but excludes hiring incentives and development group salary and benefits, which are included in development costs
(15) Excludes ABCP fair value adjustment, Canaccord relief program, Impairment of goodwill and intangibles and Restructuring costs.
(16) Canaccord's UK operations include activities related to Canaccord Adams Limited, engaged in capital markets activities in the United Kingdom. Revenue derived from capital markets activity outside of Canada, the US and the UK is reported as Other Foreign Location.
(17) Starting in fiscal 2008, we are reporting fee-based revenue which includes fees earned in separately managed, advisor managed and fee-based accounts. We are also including mutual fund and segregated fund trailer revenue in this calculation. This method of calculating fee-based revenue may differ from approaches used by other companies and therefore may not be comparable. Historical figures prior to Q4/08 have been restated
(18) Upon reviewing the population of Investment Advisors (IAs), it was determined that IAs will be reported as IA teams excluding rookies that have been licensed three years or less, and therefore, historical statistics prior to Q4/08 have been reclassified.
(19) Canaccord's Canadian operations include activities related to Canadian Canaccord Wealth Management, capital markets activities in Canada delivered through Canaccord Adams (a division of Canaccord Financial Limited, our principal Canadian operating subsidiary), and Canadian Corporate and Other operations.
(20) Canaccord's US operations include activities related to US Canaccord Wealth Management, delivered through Canaccord Financial (USA), Inc., and US capital markets operations, delivered through Canaccord Adams Inc. US Other operations, also delivered through Canaccord Financial (USA), Inc., include revenue and expenses not specifically allocable to US Canaccord Wealth Management and US Canaccord Adams.
(21) Total compensation in Canaccord Adams Inc. also includes retention costs from the Adams Harkness acquisition.
(22) A company listed on AIM is required to retain a Nominated Adviser (commonly referred to as Nomad) during the company's life on the market. Nominated Advisers are responsible, amongst other duties, for warranting that a company is appropriate for joining AIM. The Nomad is similar to a Financial Adviser on the LSE, but is specific to AIM
(23) The employee count excludes temporary employees and those on long term disability but includes employees on leave of absence.
(24) League table includes all transactions $\$ 1.5$ million and greater listed on the Canadian exchanges and all Canadian issuer transactions listed on any foreign exchanges. Total proceeds for number of deals led is achieved by using full credit for the lead, or divided evenly with joint book runners, and total proceeds for participation is achieved using bonus credit for participants.
(25) In addition to the transactions participated by its Canadian operation, Canaccord's figures also include deals transacted by its UK, and US operations.


[^0]:    Note: Please find notes on Page 12.

