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Press Release

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J.D. Power and Associates Reports: Low Rates, New Investment Products and Efficient Online Trading Drive Rapid Growth of Discount Brokerage Firms in Canada

TORONTO: 15 July 2009 -Discount brokerage firms in Canada have experienced a considerable increase in new customers during the past year, largely due to low rates, new product offerings and efficient online trading, according to the inaugural J.D. Power and Associates 2009 Canadian Discount Brokerage Investor Satisfaction StudySM released today.

Nearly one-third of discount brokerage customers in Canada indicate they have been with their primary firm less than 12 months.

"The large percentage of investors that have migrated to these discount brokerage firms in such a short period of time is truly a true demonstration of the growth within this channel," said Lubo Li, senior director and financial services practice leader at J.D. Power and Associates, Toronto.

The study finds that while lower trading fees are an important factor in the rapid growth of discount brokerage firms, new investment products such as Exchange Traded Funds (ETFs), which are investment vehicles with lower costs and more tax efficiency than mutual funds, also help to attract customers. Advanced Internet technology and online trading, which make transactions almost instant and more secure, also help to draw in these investors.

"Although investors are generally willing to recommend their primary firm, there is a high risk in that nearly 50 percent of discount brokerage investors believe it is easy to switch firms if they so choose," said Li. "With this in mind, it will be paramount for discount brokerage firms to focus on keeping customers satisfied, particularly by providing them with high quality customer service and assistance when needed."

The inaugural study examines investor satisfaction with their discount brokerage firm by measuring six key factors. In order of importance, they are: interaction; account information/statements; trading charges and fees; account offerings; information resources; and problem resolution.

The study also finds that interaction with customers-which includes both trading and customer service components-is the most important factor driving customer satisfaction, accounting for 36 percent of the index. While discount brokerage firm Web sites are the most frequently used channel for trading, the telephone and in-branch channels are primarily used for customer service.

"Although lower pricing may be the primary focus for discount brokerage firms, interaction channels and direct engagement with a representative are still very important," said Li. "Discount brokerage customers may be independent and very self-directed overall, but when something goes wrong or they need assistance, it is critical that the firm delivers in efficiently resolving any issues."

2009 Canadian Discount Brokerage Investor Satisfaction Rankings

Disnat, which is owned by Desjardins, ranks highest in discount brokerage customer satisfaction with a score of 723 on a 1,000-point scale. Disnat performs particularly well in interaction, account offerings and information resources. RBC Direct Investing (714) follows Disnat in the ranking while ScotiaMcLeod Direct Investing (702) ranks third overall.

The 2009 Canadian Discount Brokerage Investor Satisfaction Study includes responses from 2,696 investors who use investment services with discount brokerage firms in Canada. The study was fielded in May 2009.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](#). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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Product and service rankings that result from this research reflect the opinions of consumers and business customers-not the opinion of J.D. Power and Associates. Rankings are derived from nationally syndicated studies that serve as industry benchmarks for measuring and tracking quality and customer satisfaction.

J.D. Power and Associates conducts the research, publicly announces the results, and then offers analysis based on consumer feedback to product and service providers to help them improve their businesses.

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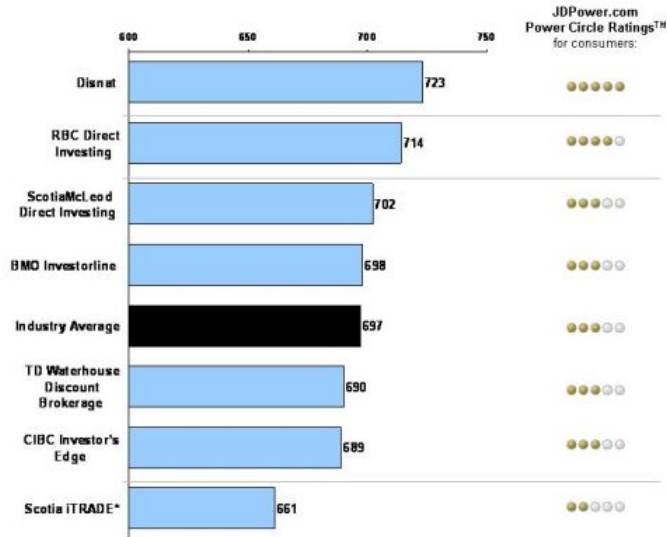
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J.D. Power and Associates
2009 Canadian Discount Brokerage Investor Satisfaction StudySM

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: HSBC InvestDirect, National Bank Direct Brokerage, Qtrade and Questrade.
 *Scotia iTRADE is formerly eTRADE Canada.

Source: J.D. Power and Associates 2009 Canadian Discount Brokerage Investor Satisfaction StudySM

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