



Catalyst's Report to Women in Capital Markets
Benchmarking 2005



ABOUT CATALYST

Catalyst is the leading research and advisory organization working with businesses and the professions to build inclusive environments and expand opportunities for women at work, with offices in New York, San Jose, and Toronto. As an independent, nonprofit membership organization, Catalyst conducts research on all aspects of women's career advancement and provides strategic and web-based consulting services globally. In addition, Catalyst honors exemplary business initiatives that promote women's leadership with the annual Catalyst Award.

ABOUT WOMEN IN CAPITAL MARKETS

WCM is a nonprofit organization established in 1995 to advance the involvement and impact of women in the Capital Markets and to be a positive force for change in the industry in response to the evolving business environment.

Capital Markets activities include the issuing, buying, selling, or trading of securities, currencies, and derivatives. WCM is supported by nine founding firms, and the Board of Directors is assisted by an Advisory Council of distinguished leaders. WCM is based on sound business principles and is endorsed by the senior management of all the founding firms.

The goal of WCM is to help professionals reach their potential by:

- ◆ Providing networking support for experienced women on the Street to connect with their peers and share ideas.
- ◆ Leading one of the largest mentoring programs for women in finance in Canada.
- ◆ Providing career path insights to university and high school students.
- ◆ Supporting business leaders in assessing their progress on diversity as it relates to retention, advancement, and work-life balance.

For more information about Women in Capital Markets, visit www.wcm.ca.

PARTICIPATING FIRMS

The following six Canadian financial services institutions sponsored and participated in the benchmarking component of this study:



CATALYST'S REPORT TO WOMEN IN CAPITAL MARKETS

BENCHMARKING 2005

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CHAPTER 1: INTRODUCTION

WCM Benchmarking 2005 is the third of a series of research reports examining the representation levels of women in the Investment Dealer and Retail Private Client lines of business of the Canadian Capital Markets industry. Originally commissioned by Women in Capital Markets in 2000, this report is a follow-up to the benchmarking component of Catalyst's 2000 and 2002 reports to WCM, *Women in Canadian Investment Dealers: Growing the Pipeline (2000)* and *Women in Capital Markets: Benchmarking 2002*.

In 2005, a new addition to the series highlights company practices from the industry—programs, initiatives, or activities that support organizational diversity and inclusion efforts and are considered promising models for others to follow.

Six of Canada's largest financial institutions: BMO Financial Group, CIBC, National Bank Financial Inc. (a subsidiary of National Bank of Canada), RBC Financial Group, Scotiabank and TD Securities (a subsidiary of TD Bank Financial Group) have sponsored and participated in this study. The Investment Dealer and Retail Private Client lines of business play an essential role in the Canadian economy raising capital for governments and businesses, and advising and trading securities for individual and institutional clients. They help companies raise debt and equity capital. In turn, this capital is used to help companies grow by allowing for the development of new products or the expansion of existing operations. Since 2002, more than \$171 billion in new equity and \$209 billion in new debt has been raised through the industry representing 12,041 new issues.¹

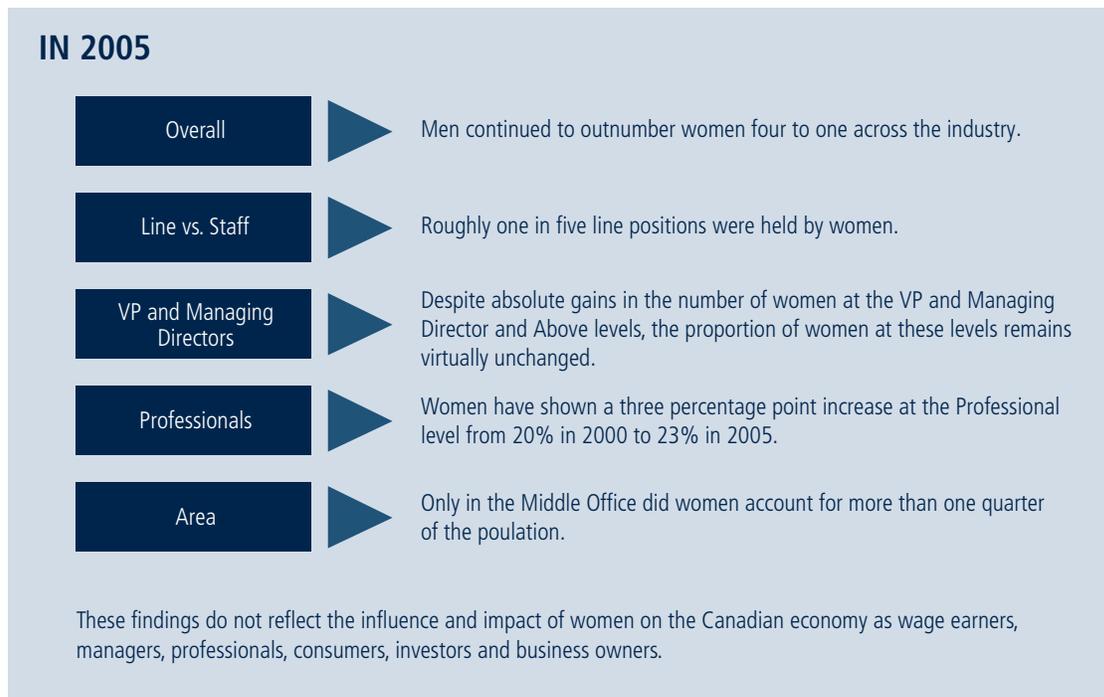
While the Canadian Securities industry, of which the Investment Dealer and Retail Private Client lines of business play a key role, experienced its third consecutive year of record profits and revenues in 2005,² many of the indicators of women's representation in the Capital Markets industry remain virtually unchanged. The overall representation of women in the industry has increased a mere two percentage points since the year 2000 and not at all since 2002. While some gains within functional areas or levels are observed, the numbers clearly demonstrate a continued lack of change in women's representation over time.

The participating firms' sponsorship of this study confirms the need for accurate statistics that benchmark women's advancement in order to promote understanding of the issues facing women in the industry. Ultimately, reporting on the progress of women enables the firms to understand where they are making progress in the recruitment, retention and advancement for women.

¹ IDA – Industry Association, 2006

² IDA - Investment Dealer Association, Securities Industry Performance (Fourth Quarter 2005)

Since 2000, there has been very little change in the representation of women across the industry. Men continued to outnumber women four to one across the industry and women continued to dominate in staff positions. A mere one percentage point increase in line positions since 2000 was a clear indication that the industry continued to experience challenges in recruiting, advancing, and retaining women. Across level, progress was nearly non-existent. The pipeline remained stagnant, with women’s representation increasing three percentage points at the Professional level since 2000. At the Vice President level, women’s representation remained the same. Furthermore, in five years, women’s representation at the Managing Director and above level is virtually unchanged.



This report presents detailed findings on the industry overall, by both area and level. Chapters 3 and 4 provide a closer look at the representation of women and men in different functional areas and roles within the Investment Dealer and Retail Private Client lines of business. In each chapter, Catalyst presents the data in terms of the actual number of women in a given business, level and function, and the proportional representation (i.e., women’s percentage of the total population). It is worth noting that while women’s proportional representation has changed little since 2002, industry shifts between 2002 and 2005 have, in some cases, had a substantial effect on the number of men and women in the capital markets industry in 2005. Finally, the study’s methodology is detailed at the end of the report.

A New Addition to the 2005 Benchmarking Report – Company Practices

A new addition to the 2005 Benchmarking report is a summary of efforts underway within the Capital Markets industry that support organizational diversity. These practices provide a baseline of activity and future reference for tracking the impact of companies’ change efforts on women’s representation in the Capital Markets.

CHAPTER 2: INDUSTRY FINDINGS

INDUSTRY KEY FINDINGS

Overall, in 2005, there were 5,729 women out of a total of 14,647 positions in the Canadian Capital Markets industry, down from 6,002 in 2002.

- ◆ Men continued to outnumber women four to one across the industry (excluding support staff³ in the Retail Private Client business).
- ◆ Women continued to predominate in staff positions, with the proportion of women in line roles virtually unchanged.
 - ▶ Women held only 18 percent of all line positions across the industry.
- ◆ Despite absolute gains in the number of women at the Vice President and Managing Director and above levels, the proportion of women at these levels remained virtually the same since 2002.
- ◆ Women's representation at the Professional level increased from 20 percent in 2000 and 2002 to 23 percent in 2005.

This chapter provides a quick snapshot of women's representation in the Capital Markets industry in 2005 (Investment Dealer and Retail Private Client combined), overall, by area, line/staff, and level.

From 2002 to 2005, the total population in the Capital Markets industry decreased from 15,216 in 2002 to 14,647 in 2005. Growth in the size of the Investment Dealer population (from 2,925 people in 2002 to 3,864 people in 2005) was offset by a decrease in the Retail Private Client population (from 12,291 in 2002 to 10,783 in 2005).

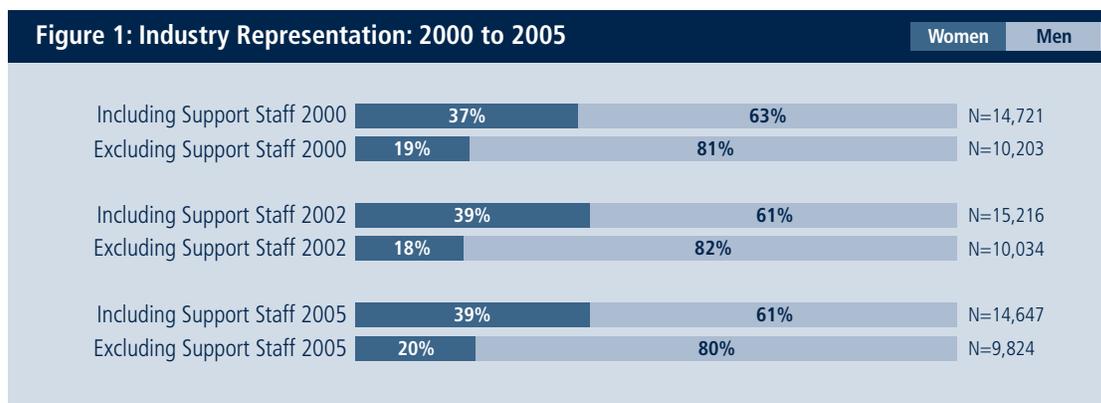
Amidst these fluctuations in industry size, women made some gains in absolute terms, but persistent patterns of under representation remained. For example, though there were more women in absolute terms in senior management ranks (i.e., Vice President and Managing Director and above levels), their proportional representation remained at levels unchanged since 2002. Moreover, when support staff was excluded, women's representation dropped precipitously to roughly one-third of the overall population, a number unchanged since 2000.

³ Support staff is defined as Sales Associates, Sales Assistants, and Branch Administrators in Retail Private Client.

OVERALL INDUSTRY REPRESENTATION

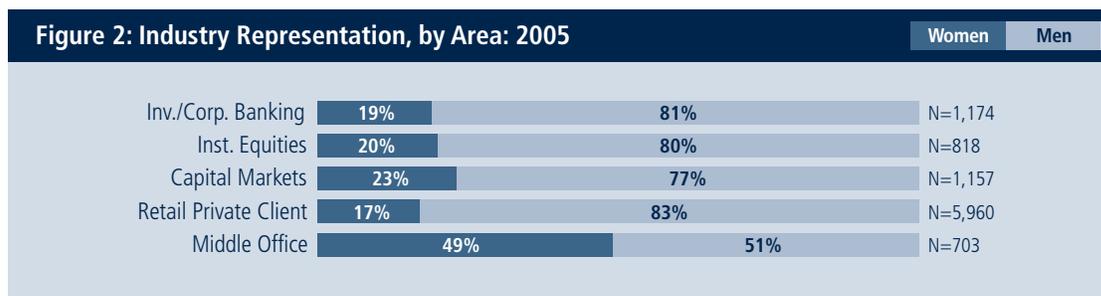
The proportional representation of women across the Investment Dealer and Retail Private Client lines of business remained virtually unchanged since Catalyst conducted its first benchmarking study in 2000. In 2005, 39 percent (5,729) of the total 14,647 positions in the industry were held by women, up from 37 percent in 2000.

When support staff was removed from this population, the proportion of women who were Managing Directors, Vice Presidents, and Professionals across the five functional areas in the industry dropped dramatically to 20 percent (1,981). In 2005, men continued to outnumber women by approximately four to one in the industry.



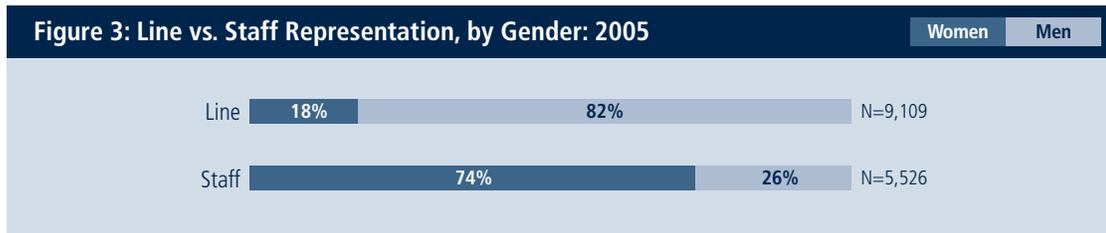
By Area

In 2005, women accounted for roughly one-half (49 percent) of the Middle Office population. Their representation dropped dramatically in the four other functional areas examined in this study: Corporate and Investment Banking, Institutional Equities, Capital Markets, and all positions in Retail Private Client (excluding support staff). Women's representation within these lines of business was low in comparison to Middle Office, ranging from 17 percent in Retail Private Client (excluding support staff) to 23 percent in Capital Markets.

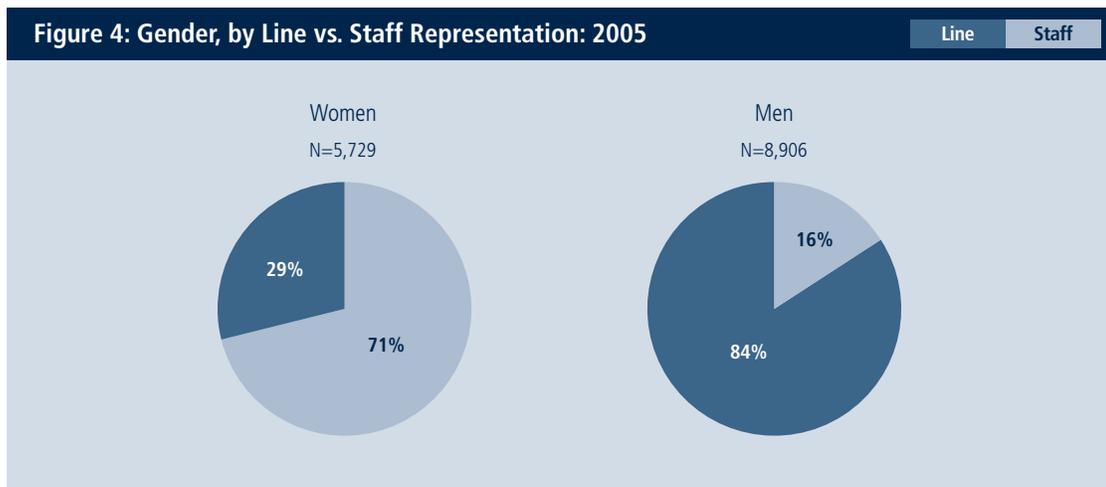


Line Versus Staff

In 2005, women held 18 percent (1,638) of all line positions,⁴ a number that has changed little since Catalyst first conducted the benchmarking study in 2000. Conversely, women held almost three-quarters (74 percent) of all staff positions in 2005 (4,091). Staff positions include the Middle Office and support staff in the Retail Private Client business.



To look at the data another way, approximately three times as many men as women held line positions in the Capital Markets industry. Of the 8,906 men in the industry, 16 percent (1,435) held staff positions and 84 percent (7,471) held line positions. By comparison, of the 5,729 women in the industry, 71 percent (4,091) held staff positions and 29 percent (1,638) held line positions.



⁴ For the purposes of this report, all positions in Corporate and Investment Banking, Institutional Equities, Capital Markets, and Retail Private Client (with the exception of support staff) are considered line positions.

By Level

Since 2002, although the Capital Markets industry experienced a growth in staffing, women’s proportional representation remained flat at the Vice President and Managing Director and above levels. Small but meaningful change was seen at the Professional level. Despite a sharp drop in overall population levels at the professional level, women’s representation grew by three percentage points, from 20 percent in 2002 to 23 percent in 2005.⁵

A cautionary note: In absolute terms, there were fewer women at the Professional level in 2005 (1,408) than in 2002 (1,432). Capital markets firms that look to their professional ranks as a source of future senior management talent are now facing a smaller pool of available female talent than ever before.



⁵ The inclusion of support staff dramatically increases women’s representation at the Professional level (this is driven by the Retail Private Client business, where the support staff roles are). At this level, when support staff is included, women’s representation is almost 50 percent.

INVESTMENT DEALERS KEY FINDINGS

- ◆ Women represented 26 percent of the Investment Dealer population in 2005, up from 23 percent in 2002.
 - ▶ Women's representation in Corporate and Investment Banking was virtually unchanged since 2000 at 19 percent.
 - ▶ Between 2002 and 2005, women's representation in Institutional Equities increased three percentage points to 20 percent with the most notable gains made at the Professional and Vice President levels (4 and 6 percentage point increases, respectively).
 - ▶ In 2005, women held 23 percent of positions in Capital Markets, down one percentage point since both 2000 and 2002.
 - ▶ In 2005, women represented 49 percent of the Middle Office, down from 53 percent in both 2000 and 2002.
- ◆ No women held "clout titles" (i.e., most senior titles in the firms) at the Investment Dealers.
- ◆ Women comprised nine percent of the Management Committees, a decrease of one percentage point from 2002.
- ◆ Women were twice as likely to be found in sales as in trading positions.

Since 2002, the Investment Dealer business experienced substantial growth, expanding from a total population of 2,925 in 2002 to 3,864 in 2005. Staffing increases occurred across all four functional areas, especially in the Middle Office which accounted for 45 percent of the expansion of the population between 2002 and 2005.

In 2005, there were more women than ever before in the Investment Dealer business—996 women now work across Corporate and Investment Banking, Institutional Equities, Capital Markets, and the Middle Office. A large part of this increase in the number of women stemmed from more women at the Professional level in the Middle Office. This growth in the Middle Office also drove the increase in women's proportional representation in the Investment Dealer business, from 23 percent in 2002 to 26 percent in 2005.

WHAT ARE THE INVESTMENT DEALERS?

Canadian Investment Dealers assist a wide range of organizations in raising capital. Unlike other financial service organizations, the Investment Dealers do not accept deposits from or provide loans to individuals. They assist companies in issuing new securities and they aid investors in buying and selling securities.

In this report, we focus on four specific functional areas within the Investment Dealer business:

Corporate and Investment Banking—In the Corporate and Investment Banking area, the firm underwrites or acts as an agent for corporations and governments issuing securities and offers advisory services to investors. Investment Banking also has a large role in facilitating mergers and acquisitions, private equity placements, and corporate restructuring.

Institutional Equities—In the Institutional Equities area, the Investment Dealer sells and trades equity securities (i.e., stocks). Equity research analysts also track and analyze the performance of a wide variety of company stocks in a range of industries.

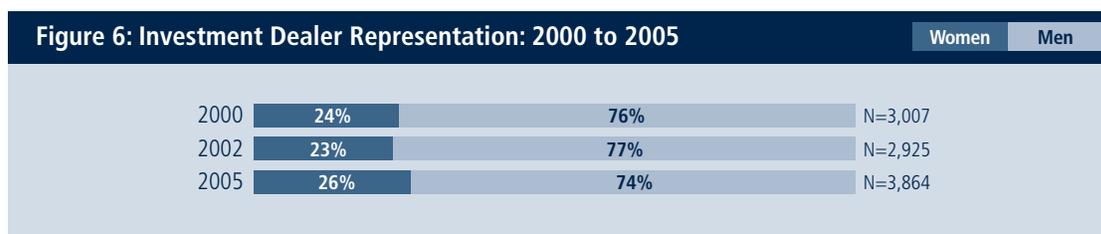
Capital Markets—In Capital Markets, the Investment Dealer sells and trades debt securities. Within Capital Markets, the Investment Dealer focuses on specific kinds of markets (Fixed Income, Derivatives, Foreign Exchange, and Money Markets functions).

Middle Office—The Middle Office comprises a variety of staff functions that support the other three areas. These functions included Finance, Human Resources, and Compliance.

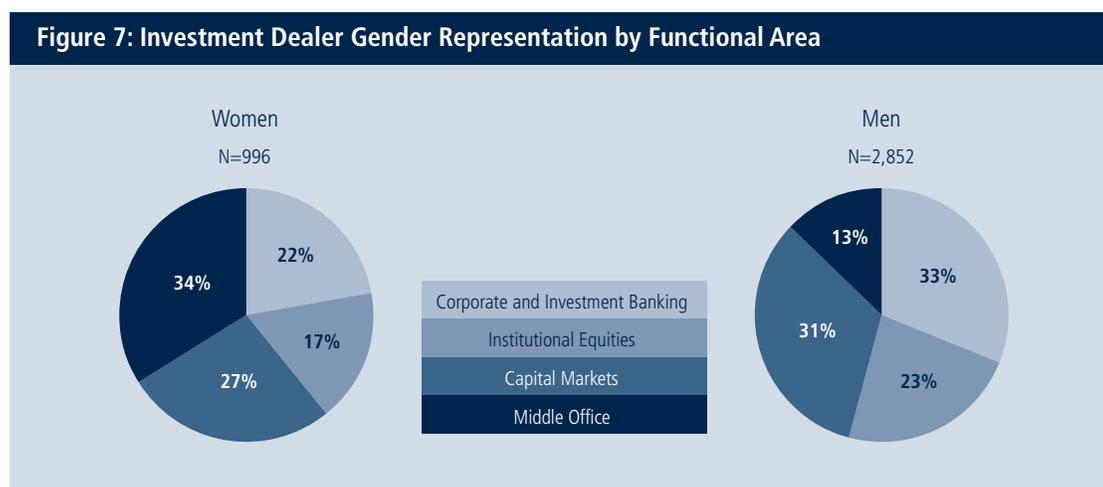
OVERALL REPRESENTATION

The Investment Dealer total population increased 32 percent from 2,925 in 2002 to 3,864 in 2005.

Men continued to outnumber women at roughly three to one in the industry despite the fact that, in 2005, over three hundred more women worked in the industry than in 2002. As of 2005, women represented 26 percent of the positions in the Investment Dealer business, up from 23 percent in 2002.



Looking at the Investment Dealer business by its four functional areas clearly revealed that the Middle Office held the highest proportion of women.



Senior Management

In 2002, Catalyst reported on the representation of women and men who held “clout titles” (i.e., executives at the top of the organization, including the Chair, CEO, President, and Chief Administrative Officer). At that time, a total of 16 men and zero women held these positions. In 2005, there were still zero women in the senior-most levels in the participating Investment Dealers. The number of men decreased to 12.⁶

	2002	2005
Women	0	0
Men	16	12
Total	16	12

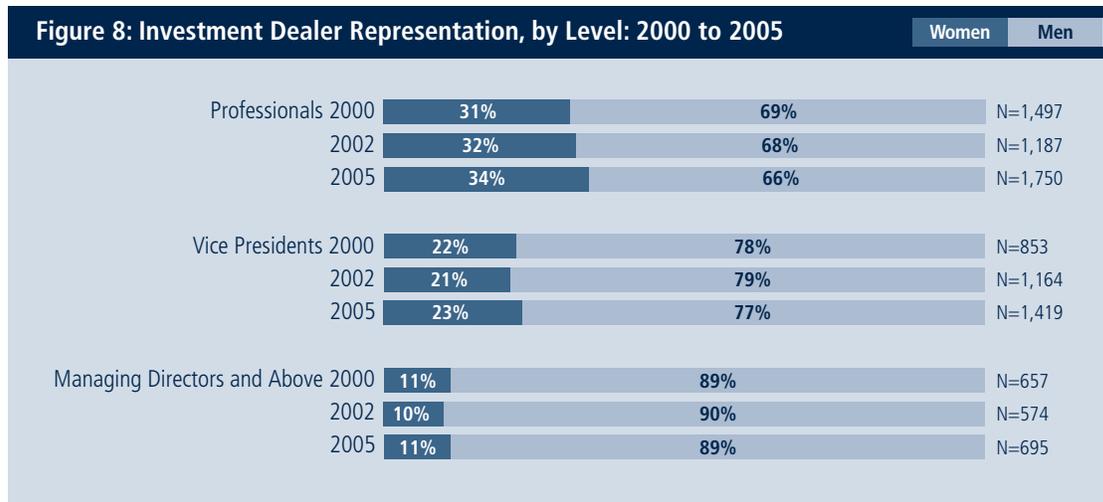
Each participating bank is managed by a senior leadership body (e.g. Management Committee, Operating Committee). In 2005, women held four positions in the participating firms’ management committees.

	2002	2005
Women	5	4
Men	43	41
Total	48	45

⁶ Data on Senior Management was not collected in 2000.

By Level

Population growth in the Investment Dealer business between 2002 and 2005 was accompanied by an increase in the total number of women in the Investment Dealer business. The largest gains were at the Professional level, where in 2005 there were approximately 600 women, up from 376 in 2002. Slight gains were also made in women's proportional representation at this level, increasing from 32 percent in 2002 to 34 percent in 2005. Similar increases in women's proportional representation were observed at the Vice President and Managing Director and above levels.



However, when Middle Office positions were excluded from the total Investment Dealer population the results were less promising. Despite more women in absolute numbers at these levels (534 in 2002 to 653 in 2005), their proportional representation remained virtually unchanged in 2005.



Sales and Trading

Both Institutional Equities and Capital Markets have sales and trading functions. In 2005, women accounted for 32 percent of sales jobs (215), approximately double the proportion of women in trading jobs (101 women or 15 percent).

Women regained some of their drop in representation between 2000 and 2002 in sales jobs, rising from 28 percent in 2002 to 32 percent in 2005. In absolute terms, the number of women in both sales and trading jobs increased since 2000. In 2000, 184 women held sales positions, which increased to 187 in 2002, and 215 in 2005. In trading, the absolute number of women increased from 74 in 2000, to 82 in 2002, to 101 in 2005.

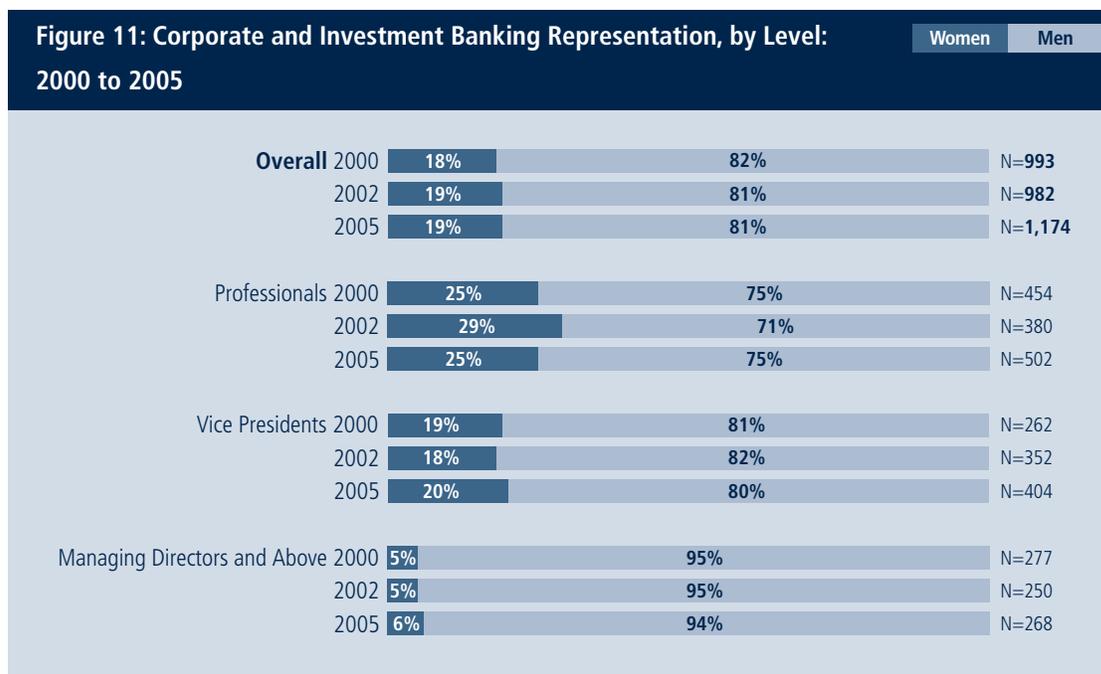


CORPORATE AND INVESTMENT BANKING

The total population in Corporate and Investment Banking increased 20 percent from 982 in 2002 to 1,174 in 2005.

Women represented just under one-fifth of this line of business, as they did in 2002.

At the Professional level, despite an increase in the overall population, women's representation dropped from 29 percent in 2002 (110) to 25 percent (124) in 2005. At the Vice President level in 2005, women's representation slightly increased to 20 percent (79). Finally, as of 2005, 16 women held positions at the Managing Director and above level, representing 6 percent of the positions at this level, up one percentage point since 2002.

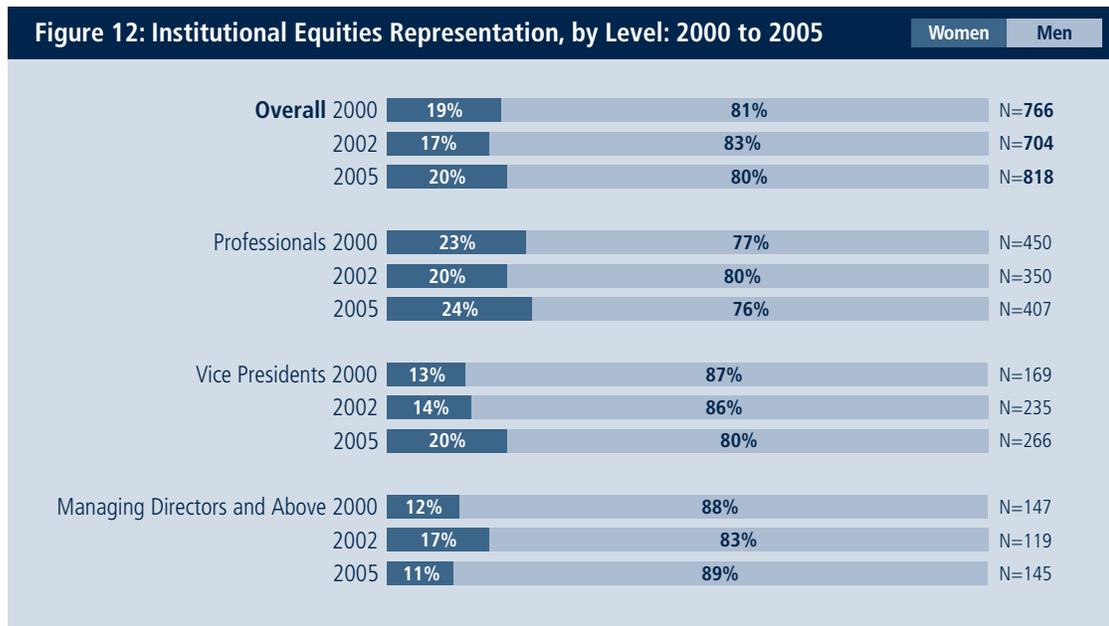


INSTITUTIONAL EQUITIES

The total population in Institutional Equities increased 16 percent from 704 in 2002 to 818 in 2005.

The total population of women in this functional area increased 36 percent from 121 in 2002 to 165 in 2005. Women represented 20 percent of the population in Institutional Equities in 2005, regaining 2000 levels.

Women made notable gains in proportional representation since 2002. In 2005, women Professionals and Vice Presidents were 24 percent and 20 percent of the population at these levels, respectively, amounting to the largest increases in women’s proportional representation in the whole Capital Markets industry since 2002. Disappointingly, women’s representation at the Managing Directors and above level dropped sharply in 2005, from 17 percent (20) to 11 percent (16).



Equity Research

Equity Research comprised 52 percent of the total population in the Institutional Equity functional area in 2005, up from 46 percent in 2002. Equity research drove the population growth in Institutional Equities, accounting for 83 percent of the population growth in the area since 2002.

Women’s overall representation in Equity Research remained essentially flat since 2000, increasing one percentage point to 21 percent (87) over five years. However, some fluctuations were evident in proportional representation by level. Women’s representation at the Professional and Managing Director and above levels was its lowest since 2000 at 24 percent (62) and 9 percent (6), respectively. However, gains were made at the Vice President level, where the proportion of women increased from 12 percent (8) in 2000 to 19 percent (19) in 2005.



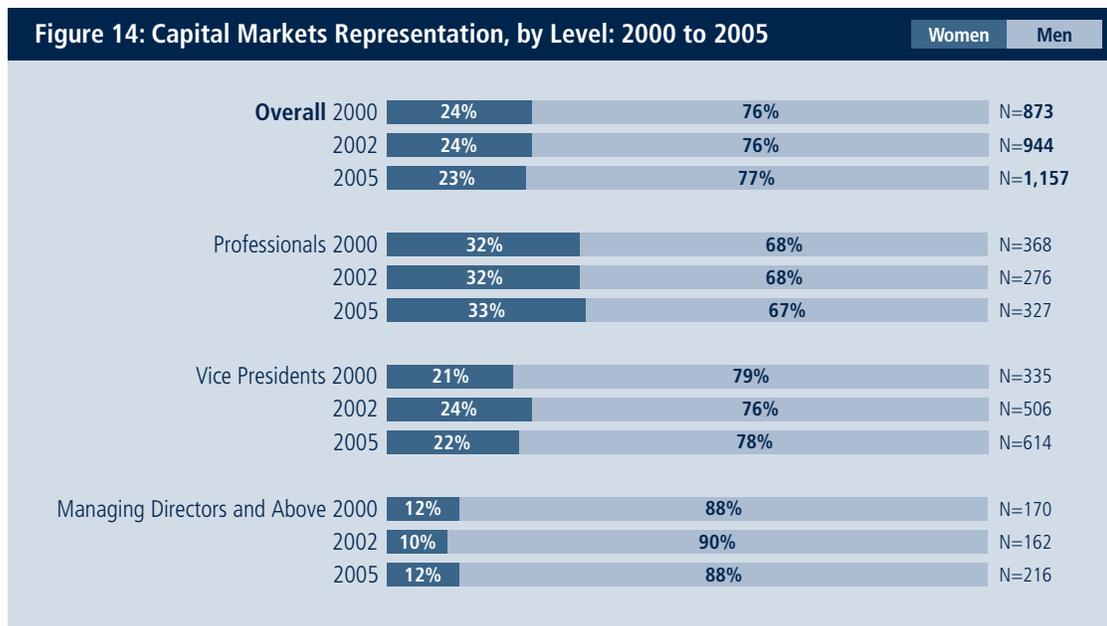
CAPITAL MARKETS

Capital Markets is comprised of four functional areas: Fixed Income, Derivatives, Foreign Exchange, and Money Markets.

The total population in Capital Markets increased 23 percent from 944 in 2002 to 1,157 in 2005. Most of the industry increase in Capital Markets came from two of the four functional areas: Fixed Income and Derivatives, which experienced a 29 and 45 percent total population increase, respectively. Conversely, Foreign Exchange and Money Markets increased by 5 percent and decreased by 44 percent, respectively.

The total population of women in Capital Markets increased by 19 percent, or 43 women, from 226 in 2002 to 269 in 2005. In 2005, the overall proportion of women in Capital Markets decreased one percentage point from 24 percent in 2000 and 2002 to 23 percent in 2005.

In 2005, there were more women at every level in Capital Markets, but women’s proportional representation remained relatively flat.



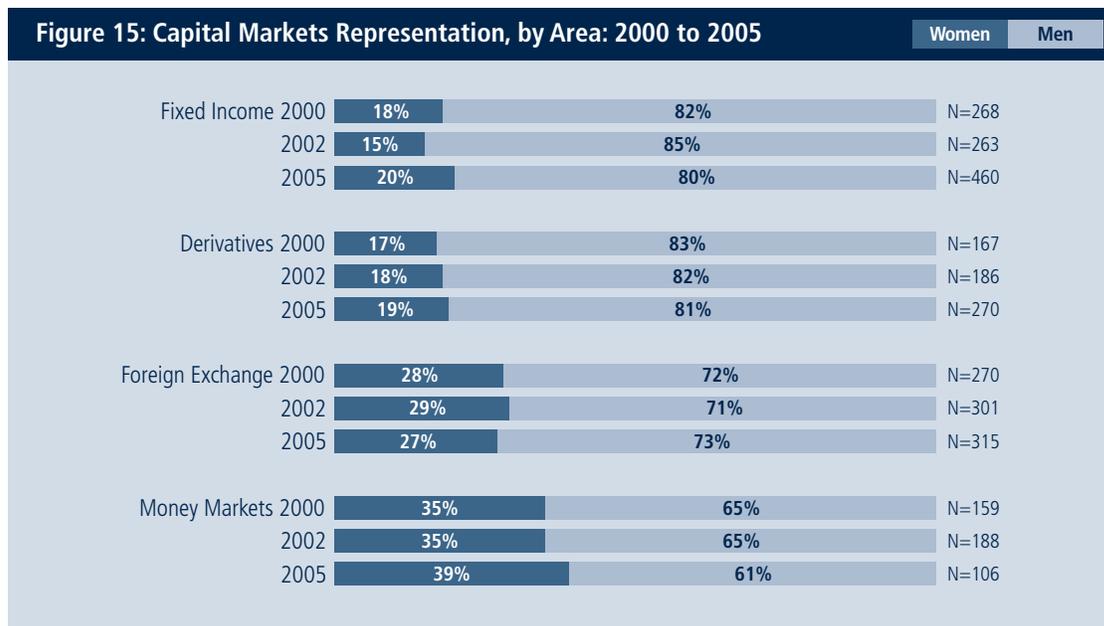
Women increased their representation in three of the four functional areas within Capital Markets from 2002 to 2005: Fixed Income, Derivatives, and Money Markets.⁷ However, due to population decreases in Money Markets between 2002 and 2005, the absolute number of women increased only in Fixed Income and Derivatives.

Fixed Income showed its highest representation of women since 2000, at 20 percent in 2005. The absolute number of women in this functional area has more than doubled, from 40 in 2002 to 93 in 2005.⁸

The representation of women remained steady in Derivatives, below one-fifth of the total population. However, despite low representation, the increase in absolute numbers is encouraging, keeping pace with the high industry growth in this functional area (from 28 women in 2000 to 34 women in 2002 to 50 women in 2005).

Women’s representation in Foreign Exchange was its lowest since 2000, decreasing to 27 percent (85) in 2005.

Women were best represented in Money Markets, holding 39 percent of all positions in this area in 2005. This reflected a four percentage point increase from 2000. However, in absolute numbers, women’s representation decreased from 65 positions in 2002 to 41 positions in 2005.



⁷ The N’s for both the 2000 and 2002 data on Capital Markets representation, by Area, were incorrectly stated in the 2002 Benchmarking Report.

⁸ In 2005, Debt Capital Markets data was captured in Fixed Income.

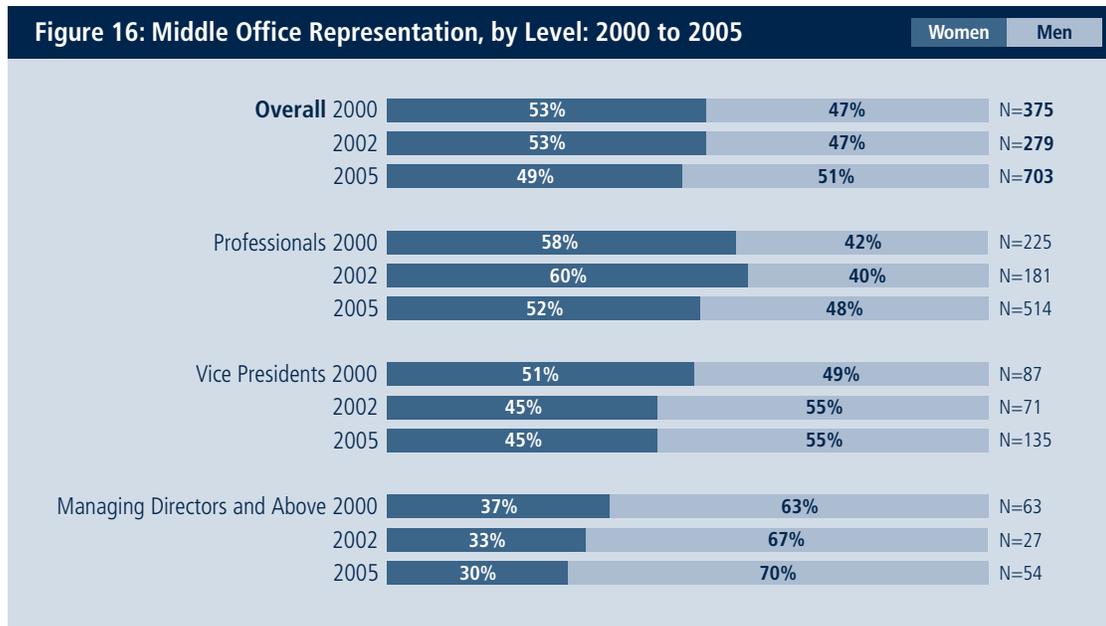
MIDDLE OFFICE

The total population in the Middle Office more than doubled from 2002 to 2005, increasing from 279 to 703 people.

During this time period, women’s proportional representation dropped from 53 percent in 2002 to 49 percent in 2005. Notwithstanding this drop, in 2005 there were 343 women in the Middle Office up from 149 in 2002.

The large population increase in the Middle Office between 2002 and 2005 was driven by the growth of the Finance group at the Professional level. In 2005, there were more women Professionals (266) in the Middle Office than ever before. More men entered the Professional ranks during this time period as well, creating a sharp shift in proportional representation. In 2005, women held 52 percent of positions at the Professional level, down from 60 percent in 2002.

Population increases occurred at the Vice President and Managing Director and above levels as well, albeit to a smaller degree and with no impact on women’s proportional representation. Indeed, women’s proportional representation either remained flat (45 percent at the Vice President level in 2005) or dropped (from 33 percent in 2002 to 30 percent in 2005 at the Managing Director and above level).



RETAIL PRIVATE CLIENT KEY FINDINGS

Overall, in 2005, women held 17 percent of all Retail Private Client positions, up one percentage point since 2002 (excluding support staff roles).

- ◆ By level, women's proportional representation increased by one percentage point at the Professional level since 2002 to 19 percent, and remained unchanged at 10 percent at the Vice President level. At the Managing Director and above level, women's representation increased from 8 percent in 2002 to 12 percent in 2005.
- ◆ The proportion of women in National and Regional Management rose from 28 percent in 2002 to 31 percent in 2005, but was still below 2000 levels.
- ◆ The proportion of women Branch Managers steadily increased from 9 percent in 2000 to 12 percent in 2005.
- ◆ In 2005, the proportion of women Investment Advisors was 16 percent, unchanged from 2002.
- ◆ Women dominated in support positions, comprising 76 percent of Sales Associates and Sales Assistants and 92 percent of Branch Administrators in 2005.

The major function of the Retail Private Client business is to help individual clients manage their investments. In this report, we focus on the following levels within the Retail Private Client line of business:

National/Regional Management—Branch Offices report up through Regional and/or National Offices. Activities at this level can include day-to-day management of organization-wide issues, including policy-making.

Branch Management—Investment Advisors, Sales Associates, and Sales Assistants work in branches. Branch Management is comprised of Branch Managers, Assistant Branch Managers, and Branch Administrators. Branch Managers plan, direct, and evaluate the activities or operational departments of their offices, overseeing business development and performance. Branch Managers and Assistant Branch Managers may have various levels of client responsibility. Branch Administrators provide operational and administrative support to Investment Advisors and assist the Branch Managers in the performance of investment advisory activities.

Investment Advisors determine individuals' investment needs and provide professional advice using a variety of financial services and products. An Investment Advisor is registered with the provincial securities commission and can advise on trades.

Sales Associates and Sales Assistants work with and help fully registered Investment Advisors manage their businesses. This role largely involves administrative tasks, such as organizing the Investment Advisor's client records and other client documentation. Sales Associates and Sales Assistants may speak with clients, but are not permitted to give advice. They may take unsolicited client orders to buy and sell securities.

OVERALL REPRESENTATION

The total population in Retail Private Client decreased 12 percent from 12,291 in 2002 to 10,783 in 2005.⁹

Women comprised 44 percent (4,733) of this total population. Removing support staff roles,¹⁰ the overall proportion of women in the Retail Private Client business dropped to 17 percent (985). As in 2000 and 2002, in 2005 men outnumbered women by roughly five to one in non-support staff positions in the Retail Private Client business.



⁹ For the purpose of this report, total population includes management employees in the National and Regional offices, Branch Management (Branch Managers, Assistant Branch Managers, and Branch Administrators), Investment Advisors, Sales Associates, Sales Assistants, and Trainees.

¹⁰ Support staff is defined as Sales Associates, Sales Assistants, and Branch Administrators.

In 2005, a 29 percent total population decrease occurred at the Professional level (excluding support staff). At this level, when support staff was included, women and men were equally represented at 50 percent. However, when support staff was removed from the Retail Private Client population, women’s representation dropped dramatically to 19 percent at the Professional level, reflecting an increase of one percentage point since 2002.

At the Vice President and Managing Director and above levels, women made notable gains in terms of absolute numbers. Unchanged at 10 percent representation, the number of women at the Vice President level increased from 106 to 143 positions in 2002 and 2005, respectively.

More positively still, women at the Managing Director and above level experienced a four percentage point increase from 8 percent (7) in 2002 to 12 percent (28) in 2005.

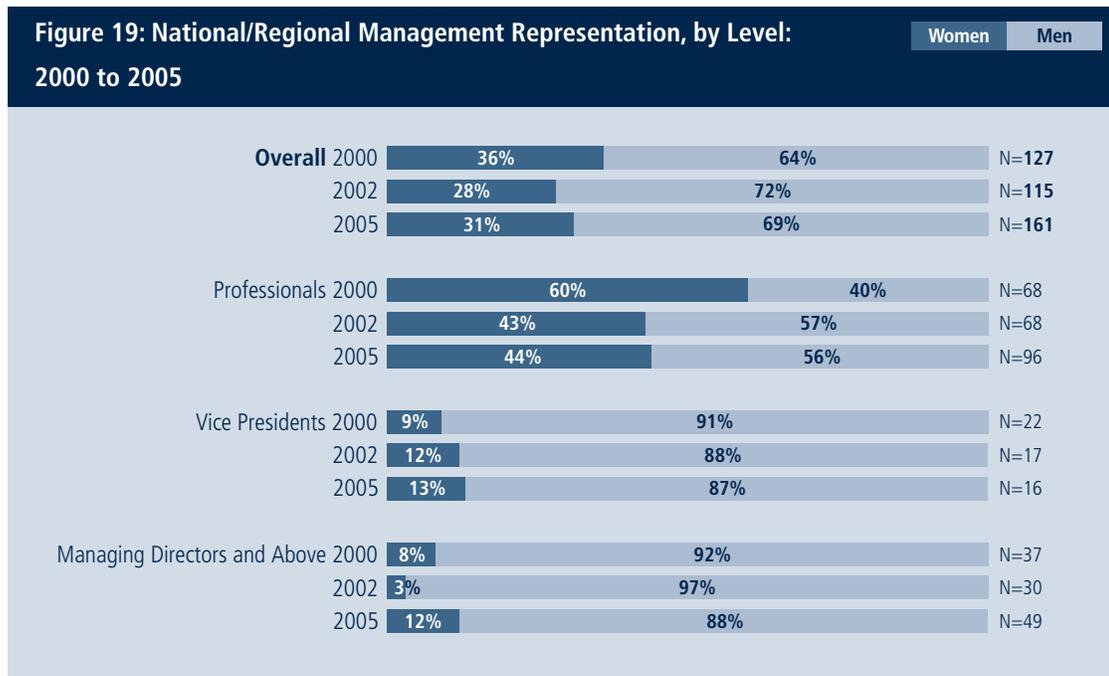


NATIONAL/REGIONAL MANAGEMENT

In 2005, the total population in National and Regional Management increased 40 percent from 115 in 2002 to 161 in 2005.

The overall proportion of women in positions in the National and Regional offices fluctuated from 36 percent (46) in 2000, to 28 percent (32) in 2002, to 31 percent (50) in 2005.

Women were better represented at the Professional level than at the Vice President and Managing Director and above levels, accounting for 44 percent (42) of Professionals compared to 13 percent (2) and 12 percent (6) of Vice President and Managing Director and above levels, respectively. Promisingly, women’s proportional representation has jumped sharply at the Managing Director and above level from 3 percent (1) to 12 percent (6) in 2005.

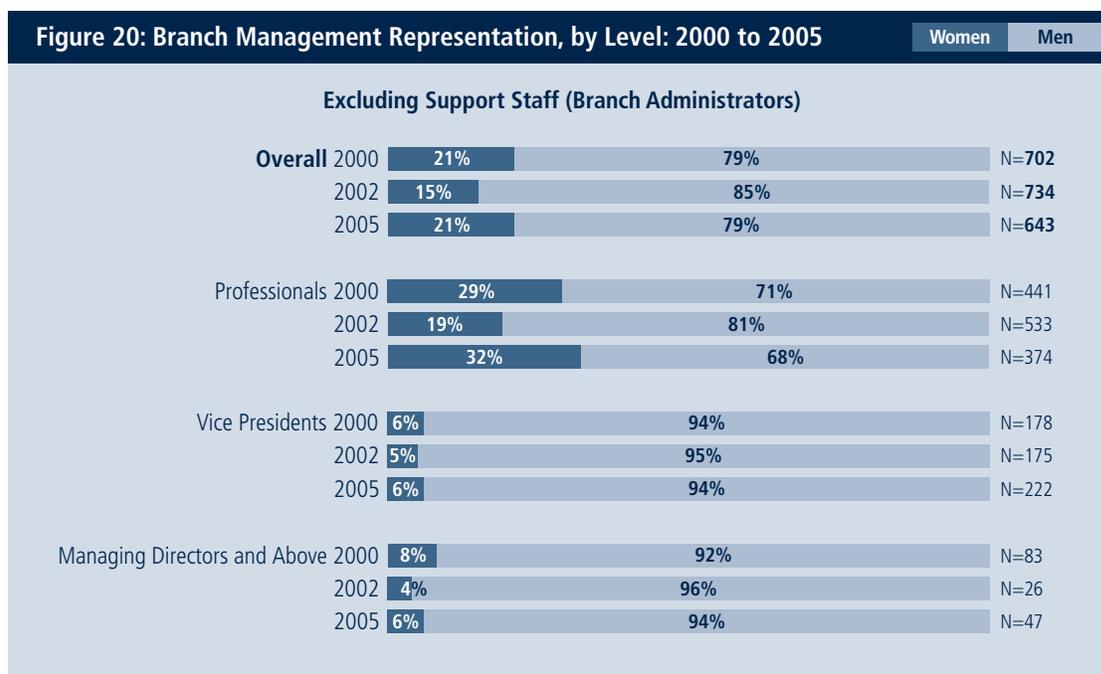


BRANCH MANAGEMENT

Branch Management includes Branch Managers, Assistant Branch Managers, and Branch Administrators. The Branch Management population decreased 10 percent from 1,216 in 2002 to 1,096 in 2005.

In 2005, women represented 51 percent (556) of the participating firms' Branch Management positions, up from 46 percent in 2002. However, women's representation dropped to 21 percent (138) when support staff roles (Branch Administrators) were removed from the overall population. Nevertheless, at 21 percent, women's representation in line positions was up six percentage points from 2002 (111), returning to 2000 levels .

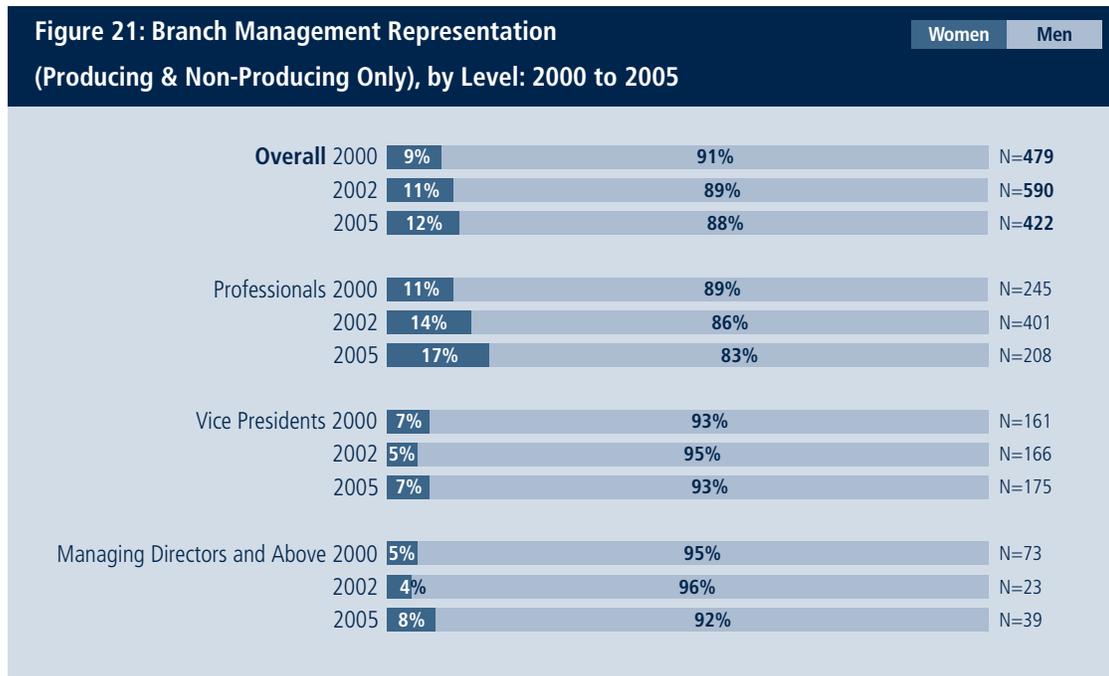
Across level, and excluding staff positions, women's representation at the Professional level rebounded to 32 percent (121) in 2005, surpassing a 29 percent high in 2000 (126). Slight increases occurred in proportional representation at the Vice President and Managing Director and above level: representation at the Vice President level increased from 5 percent (8) in 2002 to 6 percent (14) in 2005 and representation at the Managing Director and above level increased from 4 percent (1) in 2002 to 6 percent (3) in 2005.



Branch Managers

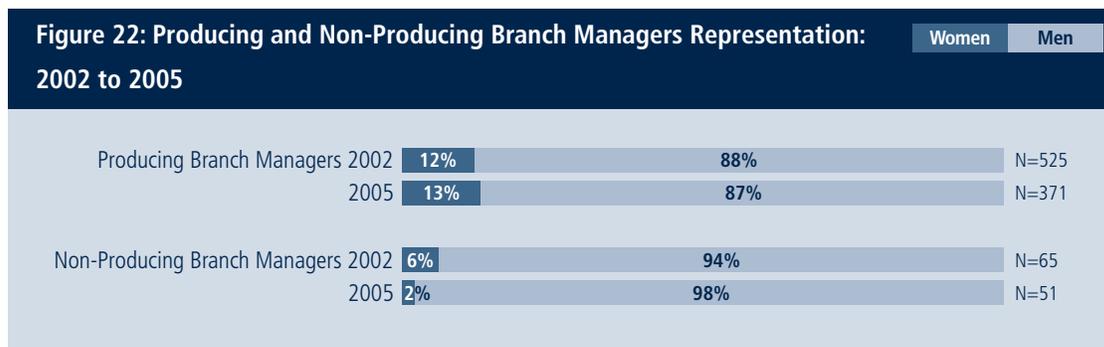
Between 2002 and 2005, the total number of Branch Managers dropped from 590 in 2002 to 422 in 2005.

The decrease in the number of Branch Managers between 2002 and 2005 occurred solely at the Professional level. Amidst this decrease, the proportion of women at this level rose from 14 percent (56) in 2002 to 17 percent (35) in 2005. At the Vice President and Managing Director and above levels, both the proportion and absolute number of women increased from 2002 to 2005: At the Vice President level, from 5 percent (8) to 7 percent (12) and at the Managing Director and above level from 4 percent (1) to 8 percent (3).



Branch Managers may be considered “producing” or “non-producing.” Producing Branch Managers have direct client responsibilities in addition to management responsibilities. Non-Producing Branch Managers have management responsibilities only.

In absolute terms, 49 of the 50 women in Branch Management were in Producing Management roles in 2005. In 2005, women comprised 13 percent (49) of all Producing Branch Managers, an increase of one percentage point from 2002 (61). The proportion of women Non-Producing Branch Managers decreased from 6 percent (4) in 2002 to 2 percent (1) in 2005.¹¹



Assistant Branch Managers and Branch Administrators

The Assistant Branch Manager population grew sizeably between 2002 and 2005 from 144 to 221 positions. The proportion of women Assistant Branch Managers grew as well, from 32 percent (46) in 2002 to 40 percent (88) in 2005.

In the Retail Private Client business, women continued to dominate in the Branch Administrator role, representing 92 percent (418) of Branch Administrators.



¹¹ Data on Producing and Non-Producing Branch Managers is not available for 2000.

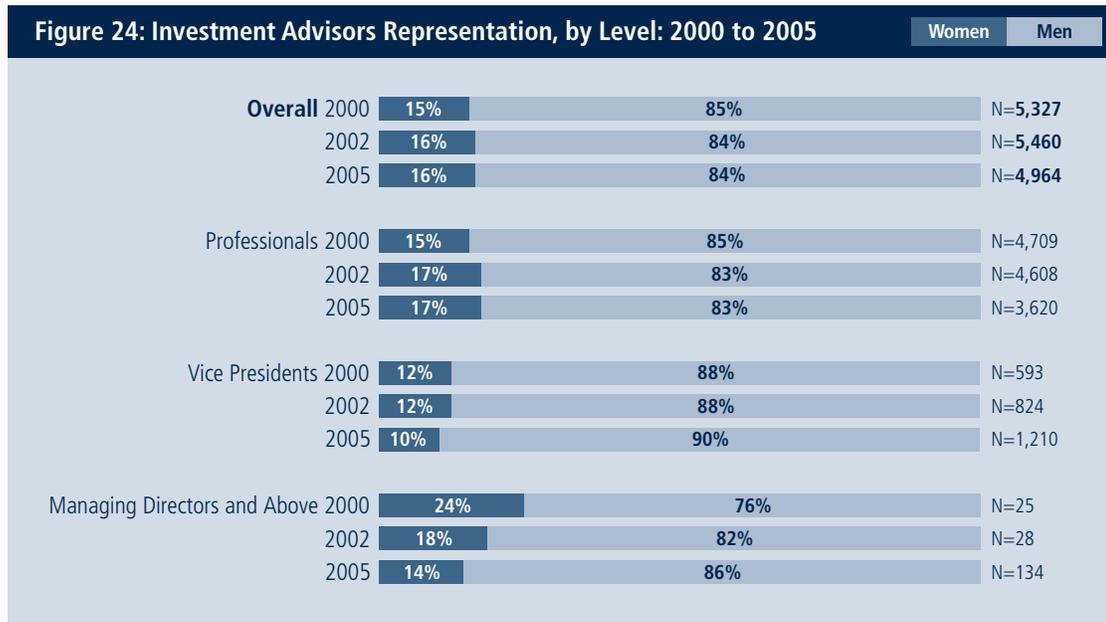
INVESTMENT ADVISORS

Between 2002 and 2005, the Investment Advisor total population decreased 9 percent from 5,460 to 4,964.

During this same period, the number of women Investment Advisors decreased 13 percent from 891 in 2002 to 773 in 2005. In 2005, the proportion of women Investment Advisors was 16 percent, unchanged from 2002.

The decrease in the Investment Advisor total population was driven by the decrease in the population at the Professional level, which realized a 21 percent decrease between 2002 (4,608) and 2005 (3,620). Women’s proportional representation at this level remained unchanged at 17 percent during this time period.

Total populations at the Vice President and Managing Director and above levels increased considerably between 2002 and 2005. At the Vice President level, the population grew from 824 in 2002 to 1,210 in 2005. At the Managing Director and above level, the population of Investment Advisors increased substantially from 28 in 2002 to 134 in 2005.¹² In 2005, there were substantially more women Investment Advisors at both these levels, although they represented a smaller proportion of the population. Women held 10 percent (127) of Vice President positions in 2005, down from 12 percent (96) in 2002. At the Managing Director and above level, the drop in women’s proportional representation was more pronounced, from 18 percent (5) in 2002, to 14 percent (19) in 2005.

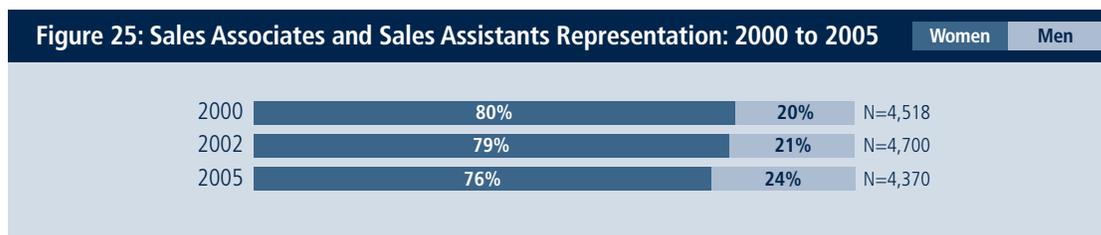


¹² Data from two participating dealers drove the increase at the Vice President and Managing Director and above levels.

SALES ASSOCIATES AND SALES ASSISTANTS

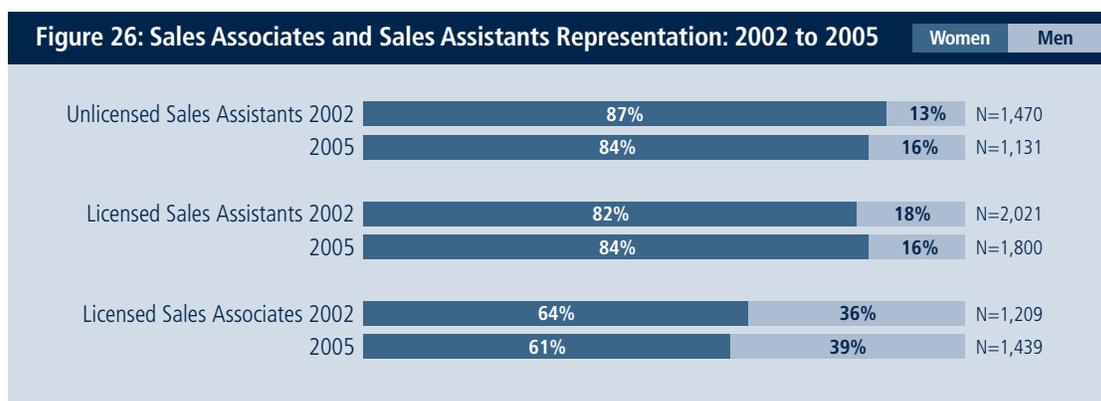
Between 2002 and 2005, the Sales Associate and Sales Assistant total population decreased 8 percent from 4,700 to 4,370.

Women dominated as Sales Associates and Sales Assistants, representing more than three-quarters of all positions. However, since 2000, the proportion of women Sales Associates and Sales Assistants has steadily decreased from 80 percent (3,626) in 2000, to 79 percent (3,707) in 2002, to 76 percent (3,330) in 2005.



In 2005, women outnumbered men four to one at the Unlicensed and Licensed Sales Assistant levels, with a three percentage point decrease and two percentage point increase at these levels between 2002 and 2005, respectively.

A closer look at the data revealed that of all Sales Assistant and Associate positions, the total population increased only at the Licensed Sales Associate level, by 19 percent between 2002 (1,209) and 2005 (1,439). Despite this overall total population increase, women's representation decreased from 64 percent (776) in 2002 to 61 percent (878) in 2005.¹³



¹³ Data on Licensed and Unlicensed Sales Associates and Sales Assistants is not available for 2000.

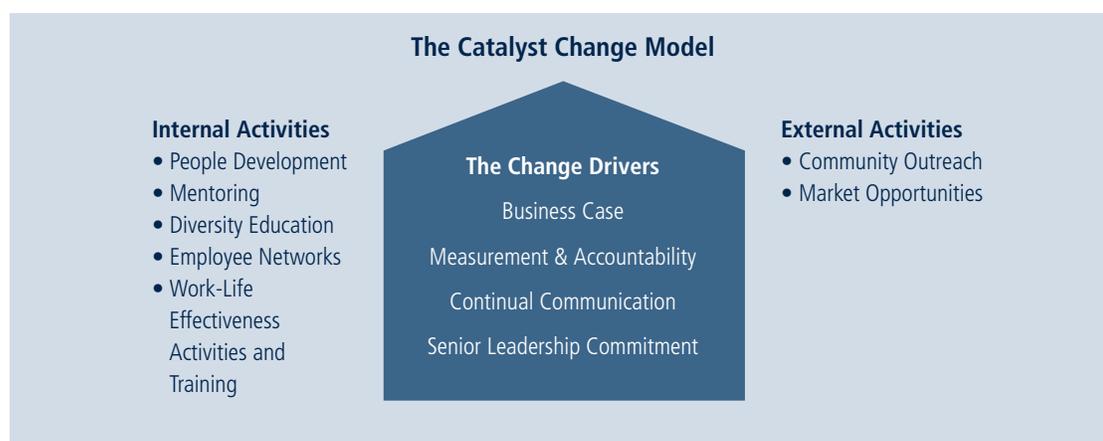
CHAPTER 5: COMPANY PRACTICES

Company practices are programs, initiatives, or activities that support organizational diversity and inclusion efforts and are considered promising models for other organizations to follow. For the first time, Catalyst collected company practices for the 2005 Women in Capital Markets study through a series of in-depth interviews with companies in the industry. Information on company practices was gathered at the enterprise wide level, and is described as such on the following pages.

Several company practices described in the report were chosen because they address one or more key barriers to women’s advancement.¹⁴ These include:

- ◆ Gender-based stereotyping
- ◆ Exclusion from informal networks
- ◆ Lack of role models
- ◆ Lack of mentoring opportunities
- ◆ Lack of line experience

Some company practices also incorporate aspects of the Catalyst Change Model. Based on Catalyst’s long-time research, advisory services work, and the Catalyst Award¹⁵, the Catalyst Change Model captures the activities and core change drivers necessary for making long-term cultural change and improving gender diversity in organizations. The diagram below illustrates the various aspects of the model.



¹⁴ Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?*, 2004.

¹⁵ The Catalyst Award honours innovative approaches with proven results by companies to address the recruitment, development, and advancement of all managerial and professional women. Initiatives are assessed against seven criteria: measurable results; accountability; articulation of a business rationale; senior leadership support; communication; originality; and replicability. Since 1987, when Catalyst first presented the Award, 60 initiatives have been honoured.

Six company practices are described on the following pages:

1. Developing Women Leaders at Scotiabank
2. Catalyst Change Drivers in Effect at TD Bank Financial Group
3. Coventree Capital Group: Living Core Values¹⁶
4. Employee Health and Well-Being at BMO Financial Group
5. Leveraging Affinity Groups at CIBC
6. Leadership and Learning at RBC

DEVELOPING WOMEN LEADERS AT SCOTIABANK

Scotiabank's Advancement of Women strategy reflects the competitive landscape for both clients and top talent. Established in 1993, and renewed in 2003, the strategy is focused on attracting, retaining, and advancing women across the organization. The result has been an increase in women at the senior management levels, from 19.6 percent at the start of 2003 to 28.4 percent in 2005. Two key elements of the Advancement of Women strategy are Scotiabank's company-wide women's networks and its accountability framework.

Building Women's Networks

Scotiabank's women's networks provide role models, career development, and visibility opportunities for women throughout the company. Through a global approach in which best practices and network opportunities are offered across business lines and geographies, women across the organization, in Canada and internationally, have been actively involved in Scotiabank's women's networks.

" We know that networking alone does not move the dial and it has more long term implications, but it was a very visible thing to build spirit and momentum"

— Ruth Woods, Head of Human Resources Scotia Capital and
Global Risk Management Member of the Scotiabank
Advancement of Women Steering Committee

¹⁶ Catalyst approached several Investment Dealers, beyond the sponsoring companies, to identify promising company practices within the industry.

Recognizing that two top barriers to women's advancement include exclusion from informal networks and lack of role models,¹⁷ sub-committees throughout the organization create network opportunities to offset these barriers and further support women in their career development. Leadership from Corporate Human Resources, visible CEO and senior management commitment at the bank and divisional levels, and local leaders assist these groups in their efforts. The creation of networking opportunities for women that leverage external and internal speakers, web cast technology, and the Advancement of Women website, allows Scotiabank's community of women around the globe to build networks, create role models, and ensure continued advancement through career and professional development. From *Oprah*-style forums highlighting women at the Executive Vice President levels to career information panels, the events are targeted, creative, and well-supported by the most senior levels of management. As well, initially designed specifically for women, some network events now include men. These events, held in environments that are comfortable for women, not only further the creation of an inclusive work environment but also increase women's visibility to senior-level executives.

What Gets Measured Gets Done

Catalyst knows that a robust accountability and measurement framework is critical to translate diversity goals into diversity practice, and to creating a work environment where every employee can make a contribution to the organization and also have the opportunity to advance.

Scotiabank's accountability framework reflects Catalyst's disciplined approach to monitoring diversity progress. It holds its leaders accountable for the success of the Advancement of Women strategy through a comprehensive system of goal-setting, tracking, and evaluation processes. Each year, the President and Chief Executive Officer set all-bank diversity targets, including specific targets for the representation of women in senior positions. These targets are reviewed by the Human Resources Committee of the Board of Directors. In support of the all-bank targets, members of the Executive Management Committee (executive vice-presidents and business line leaders) establish goals for their respective business units. These goals, recorded in the people quadrant of their balanced scorecards, include targets for the number of women in senior positions as well as targets for all-employee initiatives such as employee satisfaction index measures, development plans, and cross-divisional moves. Performance is reviewed quarterly and assessed at year-end, and compensation is linked to how well the leader has performed in all areas of his or her balanced scorecard. Accountability cascades further into the organization each year, with goals related to the representation of women and/or all-employee developmental activities, depending on the level and role.

¹⁷ Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?*, 2004; Catalyst, *Women in Canadian Investment Dealers: Growing the Pipeline*, 2001.

Cultural Change = Time + Commitment

Scotiabank's disciplined approach to accountability and measurement, as well as a comprehensive global strategy to developing a successful women's network, reflects the company's commitment to breaking down systemic barriers and reaching its diversity goals. The company has experienced solid results in just two years and, with continued senior management commitment to diversity as a long-term strategy to cultural change, Scotiabank is well-positioned to create an inclusive environment for women, and all employees.

CATALYST CHANGE DRIVERS IN EFFECT AT TD BANK FINANCIAL GROUP

To achieve its goal of doubling the number of women at the executive levels and above within three years, TD Bank Financial Group's ("TDBFG") diversity strategy, renewed in 2005, focuses on the following elements: creating an accountability framework, building a fact base, visible leadership commitment, and a communication strategy that emphasizes the importance of gender diversity to TDBFG's market success.

Create an Accountability Framework

TDBFG's diversity strategy is tied closely to the bank's overall business goal to be one of the top three of the Big Five Banks and is evaluated like any other strategic business initiative. Initiated at the Board of Director level and driven by the CEO, the company has incorporated metrics and accountability into its revitalized diversity strategy. The company has set targets for five diverse groups, one of which is women, and is incorporating detailed and measurable metrics into its diversity plan. These metrics are tracked monthly and include monitoring representation levels, executive appointments, terminations, and promotions. As well, it places accountability for reaching the company's targets within the business lines, with compensation and bonus tied directly to diversity results. Business leaders report their results quarterly to the CEO who, in turn, is accountable to the Board of Directors.

Build a Fact Base

Initiatives to improve diversity at TDBFG had traditionally been developed on anecdotal evidence and experience. Today, the company is increasing buy-in for diversity and focusing its efforts more adeptly by assembling a fact base that accurately describes the work environment and lays a strong foundation for sustainable cultural change.

Secure Visible Leadership Commitment

The CEO and Diversity Leadership Council members champion diversity throughout the organization. The Diversity Leadership Council comprises 12 individuals at the Senior Vice President level and above. The Council is chaired by the Chairman and CEO of TD Waterhouse Canada, who is accountable to the CEO of TD Bank Financial Group. The Diversity Leadership Council is mandated to drive enterprise-wide diversity by embedding diversity in business plans throughout the organization. Its members demonstrate individual leadership and commitment through mentoring, participation in events, and through internal and external communications. As a group, they are a visible and empowering voice for diversity.

Continually Communicate

With visible CEO commitment, TD Bank Financial Group has profiled diversity as a strategic business issue. Through a series of senior meetings and conferences, TDBFG has implemented a communication plan that initially concentrates its efforts on engaging the 600 most senior people throughout the company. With the intent of building knowledge and a sense of urgency, senior leaders publicly emphasize how gender diversity is important to its ability to serve its customers and communities.

“ We feel quite strongly that we’re better positioned in the marketplace by having representation that more closely reflects our customer base and the communities we serve.”

— Mike MacBain, EVP Wholesale Banking, President TD Securities

COVENTREE CAPITAL GROUP: LIVING CORE VALUES

Founded in 1998, Coventree Capital Group has built a corporate culture defined by the following set of values: Excellence, Respect, Entrepreneurial, Meritocracy, Innovation, Integrity, and “Coventree First.” The Coventree First principle helps guide decisions, which are always based on what is in the best interests of Coventree and its stakeholders (including its customers, employees, and shareholders). Guided by these values, along with a talent mindset at the most senior levels of the organization, this small organization of roughly 44 people has created an inclusive work environment that is reflected through its recruitment, retention, and development strategies.

Build a Value Based Culture to Attract and Retain Top Talent

Coventree’s recruitment process ensures the company’s core values are never jeopardized. The hiring process is extensive and lengthy, combining a series of in-depth interviews and use of assessment tools that assist the company in evaluating the fit of the candidate into the culture of the organization. This process ensures longevity of top talents who have an appreciation of Coventree’s humble culture (no one has titles or designations behind their name, for example) and driving principles.

Focus on Career Development and Succession Planning

Coventree’s focus on people is reflected through a multiplicity of well-funded training and development initiatives. External resources are leveraged, for example, to offer leadership training throughout the organization. At the most senior levels, extensive management training is offered to prepare future successors for the top job. As well, internal development programs such as one-on-one coaching and performance evaluations, which assess both a person’s professional and personal development plans, characterize a culture that values and understands today’s knowledge worker.

Create a Flexible Work Environment

A culture of trust and recognition of the individual, combined with strong development and training programs, allows for a flexible work environment at Coventree. Flexible working hours, working at home, part-time work, and family commitments are supported through a culture committed to flexibility and its people values. As well, the impact of unexpected absences is minimized by a team-based approach to client management. In the Portfolio Management Group, for example, there is 100 percent backup capability, meaning that a colleague can seamlessly step in when needed.

Commit to Inclusion

Coventree prides itself on being a special place to work. The value-driven culture is supported by extensive recruitment policies, development, and succession programs, and a flexible work environment that places equal value on an employees' personal and professional lives. As a result, women are well-represented at the senior levels, holding three of the eight senior leadership positions. Coventree's inclusive culture accommodates valued employees, recognizes the individual, and places trust in employees to make the right decisions for themselves and, ultimately, the company.

EMPLOYEE HEALTH AND WELL-BEING AT BMO FINANCIAL GROUP

BMO's strategic approach to recruiting and retaining top talent includes a commitment to Employee Health and Well-Being. Driven by the company's corporate values and direct impact on the bottom line, the company has demonstrated a deep commitment to employee well-being for more than 20 years with the establishment of an award-winning Employee Assistance Program (EAP).¹⁸ The largest internally operated EAP in Canada, this program has proven effective in its ability to respond to both business objectives and employee needs. In 2004, the company's EAP was integrated into an expanded Health and Wellness Strategy to reflect the individual needs of BMO's diverse workforce, increase business results, and better compete for top talent in an increasingly competitive marketplace.

¹⁸ In 2002, The Employee Assistance Society of North America and the Council on Accreditation recognized BMO's EAP for the provision of "Exemplary Employee Assistance Programming" for meeting the highest International Standards of Professional Performance for Employee Assistance Programs according to the standards set out by the Council on Accreditation.

Promote Health and Well-Being for Increased Business Results

Catalyst, as well as other well documented research, has demonstrated that commitment to family and personal responsibilities is an important barrier to women's advancement.¹⁹ BMO's long-standing commitment to foster a healthy, supportive, and inclusive work environment addresses this barrier through a revitalized strategy of integrated policies, easily accessible programs, and effective dissemination of information throughout the organization. In direct response to feedback garnered through the Annual Employee Survey, the strategy is continually updated to assist employees in dealing with life's complexities, including individual well-being, work-life balance, stress, and family obligations. Given the competing personal and work demands faced by women, BMO's enterprise-wide commitment to these issues is promising in promoting gender diversity throughout the organization.

Develop Strategies for Better Work-Life Balance

In April, 2005, BMO's myWell-being site was launched as the vehicle by which information and resources on all aspects of an individual's well-being are disseminated and, at the same time, to communicate enterprise-wide guiding principles to uphold the creation of an inclusive culture. This internally operated site clearly articulates BMO's commitment to health and wellness as a business issue. Moreover, because managers are held accountable for cultivating a supportive and equitable workplace, the site is also a repository of guides, programs, and policies to support them in their efforts. As well, BMO's myWell-being site was developed with input from all business lines. As such, the site effectively places tools and resources in the hands of BMO's diverse employees, encouraging them to self-manage their health, work-life balance, and family obligations. Within its first year, the site has received more than 29,000 hits and has received tremendous positive feedback from managers and employees across the bank.

"As a people manager, I am a huge proponent of the myWell-being site. It offers our employees a central point of access to BMO's policies, programs, and resources regarding their health and wellness. As a new mother I can fully appreciate the need to balance my work and life commitments effectively. I myself have used many of the resources covered on the site during my maternity leave and upon my return. Knowing that I have the support of my employer really means a lot to me."

— Susan Witteveen, Executive Managing Director and
Head of Canadian Cash Management, BMO Nesbitt Burns

¹⁹ Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?*, 2004; Catalyst, *Women in Law*, 2001; Catalyst, *Women in Canadian Investment Dealers: Growing the Pipeline*, 2001.

The company's focus on employee well-being aims to increase employee engagement and productivity, decrease costs, and directly contribute to the bottom line performance of the organization. Utilizing technology to organize and disseminate pertinent information on a timely basis, BMO has an improved position to create an inclusive work environment that meets the needs of a diverse workforce and effectively attract and retain top talent.

LEVERAGING AFFINITY GROUPS AT CIBC

CIBC's eight Affinity Groups are a visible and influential force in creating sustainable cultural change throughout the organization. Initiated and led by employees, CIBC's Affinity Groups represent Women, Blacks, Gays, Lesbians, Hispanics, Aboriginal People, Persons with Disabilities, Asians, and South Asians. With a focus on the intersections of gender, race, culture, and ability, these groups provide valuable insight to CIBC's Senior Executive Team on a range of workplace and business issues. As well, they provide mentoring, career advancement, and networking opportunities for members, and are a leading force in creating an inclusive environment at CIBC.

Affinity Groups Address Lack of Role Models and Mentoring Opportunities

In just three years, membership in CIBC's Affinity Groups has grown to more than 1,000 employees, with women comprising an estimated 75 percent of membership. The increase in popularity stems from the value the Affinity Groups provide to members by addressing the lack of role models and mentoring opportunities available for diverse groups.²⁰ The Black Employee Network, for example, has established a formal mentoring program pairing senior- and junior-level Black employees to help deal with discrimination and barriers to advancement. Moreover, CIBC's Affinity Groups host career workshops, provide networking opportunities, create a sense of community, and form a strong voice to build diversity awareness throughout the company. Some corporate events organized by CIBC's Affinity Groups include National Aboriginal Day in Toronto and Victoria, Access Awards for Students with Disabilities, the Pan-Asian Festival, Black History Month Receptions, and participation in Pride Parades in urban centres across Canada. Event information is shared amongst groups and marketed throughout the company via newsletters, emails, and the Employment Equity & Diversity website, developed in May, 2004. The website is accessible to all CIBC employees, serving as a repository for all Affinity Group activities and an information source on each group's mandate, mission, and operating structure.

²⁰ Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?*, 2004; Catalyst, *Women in Law*, 2001; Catalyst, *Women in Canadian Investment Dealers: Growing the Pipeline*, 2001.

Affinity Groups Assist in Reaching New Markets and Attracting Top Talent

Additionally, CIBC's Affinity Groups assist the company in reaching niche markets and attracting top talent from diverse groups into the workplace. In 2003, CIBC's three-year Employment Equity Plan allocated annual funding and dedicated resources to assist the groups in their formation and ongoing operations. In 2006, the Plan will be renewed at CIBC's National Diversity Congress where the Affinity Groups, through their delegates, will prioritize the company's diversity strategy and update the Plan. These delegates form a united position representing interests of each of the eight Affinity Groups to maximize the groups' impact on important issues. These include targeted recruitment strategies to ensure greater representation of group members within senior management ranks and a more transparent internal census process to better identify diverse groups within the company's total employee population. As well, each group's accomplishments and individual achievements are celebrated through receptions hosted by members of the Senior Executive Team, sending a clear message throughout the organization of the high level of support for these valued groups.

Emphasize Cross-Cultural Connections to Build an Inclusive Culture

CIBC's Affinity Groups are an increasingly powerful voice at CIBC. They link employees from a variety of backgrounds, and are an effective way for individuals to become engaged in information sharing, professional networking, mentoring, and building awareness. With an emphasis on cross-cultural connections and gender balance in governance structures, women have assumed leadership positions in these groups, with most being chaired or co-chaired by women. The focus on gender in CIBC's promotion of Affinity Groups has served to bring issues affecting women from a variety of backgrounds to the forefront of the groups' mandates and operational strategies. As such, women in all eight Affinity Groups have played a critical role in influencing change at CIBC. As growth continues and senior management stays committed to the value these groups bring to the organization, CIBC's Affinity Groups can look forward to increased access to networks, role models, mentoring, and career development opportunities.

LEADERSHIP AND LEARNING AT RBC

Driven by strong leadership and a firm commitment to diversity by the CEO, RBC Financial Group's diversity strategy includes a business case tied to client markets, a metrics and accountability model with established goals, and an organizational culture that promotes inclusivity and respect. Established in 2001 and chaired by the CEO, RBC's Diversity Leadership Council drives the achievement of RBC's strategy and objectives through a leadership structure built on visible business unit engagement. This includes a commitment to diversity learning for both external and internal communities.

"From our perspective at RBC, I see diversity both as a great business opportunity and as 'the right thing to do.' I believe that a personal commitment to diversity from senior business leaders must permeate every aspect of an organization. And I know that diversity must be embedded in how we conduct business and how we unleash the full potential of our people."

— Gordon Nixon, CEO, RBC Financial Group

Commit to Diversity Education for External and Internal Audiences

RBC's commitment to diversity as an important business issue for Canada's economy is demonstrated through the release of a groundbreaking economics report titled *The Diversity Advantage: A Case for Canada's 21st Century Economy*. Published in October, 2005, the report focuses on the challenges facing our diverse cities, the opportunities for growth, and the role and responsibilities of both governments and businesses. It makes specific recommendations to increase the engagement of women, older workers, and new immigrants in the workforce. RBC's leadership has spoken actively and publicly on this report, providing a good example of an organization where senior leaders "walk the talk".

Furthermore, the company demonstrates its internal values and commitment to diversity by engaging managers and employees through an array of initiatives, across levels and business units. These programs increase awareness of the company's diversity strategy, report achievements, educate on the business case for diversity, and challenge individual biases and attitudes. The company utilizes technology, small group facilitation, and one-on-one formal and informal mentoring in accomplishing this learning.

Diversity Dialogues

Diversity Dialogues is a reciprocal mentoring program that pairs Diversity Leadership Council (DLC) members with members of diverse groups. Launched in April, 2006, in a pilot phase, this promising initiative is designed to better position DLC members to drive change by deepening their understanding of diversity issues while, at the same time, accelerating the leadership development of a talented pool of diverse candidates. General parameters and themes for discussion are outlined in a Diversity Dialogues toolkit helping to facilitate dialogue between partners. Implemented initially with DLC members, the intention is to cascade it to other senior leaders within the organization.

Business Excellence Through Diversity

RBC's diversity awareness program, titled "Business Excellence through Diversity," is an enterprise-wide initiative that links to the company's diversity strategy. Led by an internal facilitator, the program is customized to meet the unique needs of each business unit. In groups of approximately 20 people, over a period ranging from one to four hours, employees from various levels of the organization gain an understanding of the importance of diversity to clients, colleagues, and the company. As well, through hands-on exercises, participants increase self-awareness and learn to better manage within the context of the company's diversity values.

Destination Diversity Intranet

A key communication vehicle for diversity is RBC's Destination Diversity Intranet. The site hosts a wealth of information, including the company's strategy, the business case for diversity, activities from employee resource groups, and a multicultural calendar. Learning resources such as videos, books, and diversity self-assessment tools are available through the site to assist managers in sourcing diversity training for their teams. Viewed by approximately 3,000 visitors per month in 2005, the Destination Diversity Intranet also links to RBC's Work-Life and Wellness sites.

CHAPTER 6: CONCLUSION

Statistics Canada reported this past March that “Women are playing stronger roles in the workplace and their profile is rising in many professional fields.” However, it also notes that although women have increased their representation in several professional fields, there still remain substantial gaps between men and women’s representation in key areas. For example, among managers, women tend to be better represented in lower-level positions as opposed to those at more senior levels. In addition, the majority of employed women continue to work in occupations in which women have traditionally been concentrated. In 2004, two-thirds of all employed women were working in teaching, nursing and related health occupations, clerical or other administrative positions, and sales and service occupations. There has been virtually no change in the proportion of women employed in these traditionally female-dominated occupations over the past decade.²¹

Similarly, as this report demonstrates, there has virtually been no change in the proportion of women in the Capital Markets industry. As well, for those women in the industry, the pattern of occupation remains virtually unchanged, with women continuing to predominate in staff roles, accounting for one-fifth of all line positions in 2005, as was true in 2000. Furthermore, notwithstanding individual success stories of women who have attained positions of clout and authority, women’s representation drops markedly across levels, accounting for one out of five Professionals, but only one out of ten Managing Directors and Above; again, a steady pattern since 2000.

Catalyst states frequently that there is a strong business case for increasing the representation of women. Our 2004 report, *The Bottom Line: Connecting Corporate Performance and Gender Diversity* demonstrated that the companies with the highest representation of women on their top management teams experienced better financial performance—in terms of Return on Equity (ROE) and Total Return to Shareholders (TRS)—than the group of companies with the lowest women’s representation. Catalyst has also emphasized that the slow change in women’s representation within senior management and leadership ranks²² in corporate Canada is not commensurate with their influence and clout as decision makers, investors and consumers in the Canadian economy. Both are compelling reasons for why organizations should take greater gender diversity, or lack thereof, seriously. But, there is a third reason that is particularly relevant for the Capital Markets industry today; namely, that the patterns in women’s representation seen since 2000 are ultimately unsustainable. Demographic indicators suggest organizations will increasingly grapple with a shortage of available talent—a serious consideration

²¹ Statistics Canada, *Women in Canada: A Gender-based Statistical Report*, 2005.

²² Catalyst, *2004 Catalyst Census of Women Corporate Officers and Top Earners of the FP500*; Catalyst, *2005 Catalyst Census of Women Board Directors of the FP500*.

for any company that relies on the drive, dynamism and commitment of its employees for growth. The companies that weather predicted demographic trends well will be those that both cast their net for talent widely and remove organizational barriers to women's advancement to take advantage of what is still a relatively untapped talent pool.

Catalyst challenges the Capital Markets industry to take the numbers captured in the 2005 Benchmarking Report as seriously as other indicators of its growth and performance today. It is our hope, that when the next Benchmarking Report is released, Catalyst will be able to report that this industry has seized the opportunity to harness the energy and expertise of its leaders to create more inclusive work environments that will include higher numbers of capable and talented women in the field.

CHAPTER 7: METHODOLOGY

BENCHMARKING

Catalyst collected representation data from six financial institutions—BMO Financial Group, CIBC, National Bank Financial Inc (subsidiary of the National Bank of Canada), RBC Financial Group, Scotiabank Group, and TD Securities (subsidiary of TD Bank Financial Group). Representation data was gathered as of October 31, 2005, for the Investment Dealer and Retail Private Client businesses.

For each line of business, we gathered data across three broad levels. The broad levels include individuals with the following titles:

- ◆ **Managing Director and Above**—CEO/Chair/President, Executive Managing Director, Executive Vice President, Senior Vice President, and Managing Director.
- ◆ **Vice President**—Vice President and Director, Vice President, Associate Vice President, Assistant Vice President, Director, and Associate Director.
- ◆ **Professionals**—Staff who are not captured in the “Vice President” or “Managing Director and above” categories including Associates and Analysts, and, in Retail Private Client, Assistants and Branch Administrators.

In the **Investment Dealer** business, representation data was also collected across four functional areas: Corporate and Investment Banking, Institutional Equities, Capital Markets, and the Middle Office.

In the **Retail Private Client** business, representation data was also collected by role: National/Regional Management, Branch Management (including Branch Managers, Assistant Branch Managers, and Branch Administrators), Investment Advisors, Sales Associates, Sales Assistants, and Trainees.

COMPOSITIONAL CHANGES: 2002 TO 2005

Investment Dealer

Middle Office—As noted within the report, there was a large increase in the Middle Office population between 2002 and 2005 (from 279 in 2002 to 703 in 2005). This large increase was driven by the Finance group at the Professional level, for which the majority of participating dealers submitted much higher numbers in this data collection than in 2002.

Capital Markets—Debt Capital Markets was added as a discrete category within Fixed Income.

Retail Private Client

Investment Advisors—There was a large increase in the numbers of Investment Advisors at the Vice President and, most notably, at the Managing Director and above level. At the Vice President level, the population grew 47 percent, from 824 in 2002 to 1,210 in 2005. At the Managing Director and above level, the population grew 379 percent, from 28 in 2002 to 134 in 2005. This increase is attributed to submissions from two participating dealers.

Trainees— In 2005, Catalyst did not report on gender representation of Trainees as was done in previous years. A dramatic decrease in the Trainee population (from 800 in 2002 to 192 in 2005) made meaningful comparison difficult. The substantial decrease in the Trainee population can be partially explained by four of the six banks reporting either a change in the way Trainee data was captured within their bank or timing (Trainees completed their training program at the time this data was captured).

COMPANY PRACTICES

Catalyst company practices are programs, initiatives, or activities that support organizational diversity and inclusion efforts, and are considered promising models for others to follow. Catalyst approached several companies within the industry with the opportunity to share their company practice(s) in the Women in Capital Markets Benchmarking 2005 report. Women in Capital Markets assisted in identifying companies. Each company was asked to identify one or more company practice and arrange the logistics of interviews with appropriate individuals. Catalyst conducted confidential, taped interviews over the course of four months and selected those that addressed known barriers to women's advancement and/or aspects of the Catalyst Change Model. Catalyst composed a summary of each company practice, highlighting key components of the initiative. Participating companies were given the opportunity to review the document prior to publication.

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