The Island ECN, Inc.

Financial E-Commerce
Federal Reserve Bank of New York
February 23rd, 2001
Impact of ECN Activity

- Narrower Spreads
- Greater Quote Depth
- Increased Liquidity
ECN Advantages

- Reliability
- Speed
- Transparency
- Empowerment of New Investors
Next Steps: Building Upon the Nasdaq Example

- Create competition in NYSE listed issues
- Knock down regulatory barriers
- Offer new products and services to investors
Island has substantial liquidity in QQQs and its orders are often equal to or superior to the national best bid and offer.

% of Trading Day Island is At or Better than the NBBO

*Source: Island internal analysis from Nasdaq NQDS and Island itch data, February 13, 2001