CANACCORD Genuity

THIRD QUARTER

Fiscal 2016 Report to Shareholders

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Canaccord Genuity Group Inc. Reports Third Quarter Fiscal 2016 Results

Excluding significant items, third quarter loss per common share of $0.25[(1)] as weakened conditions in global equity markets continue
Restructuring program and headcount reductions expected to deliver significant cost savings

(All dollar amounts are stated in Canadian dollars unless otherwise indicated)

TORONTO, February 11, 2016 – During the third quarter of fiscal 2016, the quarter ended December 31, 2015, Canaccord Genuity Group Inc. (Canaccord Genuity, the Company, TSX: CF, LSE: CF.) generated $181.8 million in revenue. Excluding significant items[(1)], the Company recorded a net loss of $19.1 million or a net loss of $22.2 million attributable to common shareholders[(2)] (a loss per common share of $0.25). These results include certain charges for impairment of an investment in Canadian First Financial Group Inc. and a software development impairment charge in the aggregate amount of $6.3 million as further described below.

During the quarter the Company also recorded, as significant items, an impairment charge to the carrying value of its goodwill and other assets in the amount of $321.0 million and restructuring charges of $4.3 million. Including the goodwill and other assets impairment charge, the restructuring expenses and other significant items (amortization of intangible assets acquired in connection with a business combination), on an IFRS basis, the Company recorded a net loss of $346.4 million or a net loss attributable to common shareholders[(2)] of $349.3 million (a loss per common share of $3.91).

"A number of cyclical factors in the broader economy continued to put pressure on revenue and negatively impacted our third quarter performance," said Dan Daviau, President & Chief Executive Officer of Canaccord Genuity Group Inc. "We are making significant progress to reposition our business, with a strategy that is centered around improving our operational efficiencies and better aligning our core strengths, so that we can return to profitability and steadily improve our bottom-line returns."

As referred to above, in addition to the recurring significant item related to amortization of intangible assets acquired in connection with a business combination, the following significant items were recorded during the third quarter of fiscal 2016:

Impairment of goodwill and other assets: Canaccord Genuity, our capital markets division provides sales and trading, research, advisory and corporate finance services to institutional and corporate clients in the UK and Europe, Canada, the US and in the Asia-Pacific region. Due to the combined effect of weak equity market conditions globally and in each of our principal operating regions, these reporting units have experienced declines in business activity, revenue and profitability. With these adverse changes in the business environment, continued weakness in commodity prices and a challenging outlook through calendar 2016 as negative economic conditions persist, it was determined that the carrying value in each of our capital markets business units exceeded their fair values as determined in accordance with applicable accounting standards (i.e. an exit price as of December 31, 2015 under market conditions as at that date). This determination resulted in the recognition of a non-cash charge for the impairment of goodwill and other assets related to these reporting units of $321.0 million. These impairment charges will have no impact on regulatory capital or on the ongoing operations of these business units.

Restructuring costs: The Company has implemented a restructuring program that will reduce capital markets and infrastructure staff in Canada, the UK and the US. The Q3/16 charges recorded in connection with this restructuring program were $4.3 million. Costs associated with the closure of our office in Barbados have also been included in the restructuring charges recorded during the quarter. It is expected that an additional restructuring charge of approximately $14.0 million will be recorded in Q4/16. With this restructuring program overall headcount is expected to be reduced by approximately 125 or 12% of the capital markets and infrastructure staff in Canada, the UK and the US (7% of staff firm-wide).

In addition to the significant items recorded above, during the quarter the Company also recorded charges in respect of:

Incentive compensation: With the weak market conditions experienced through fiscal 2016, certain incentive compensation pools as recorded under our normal methodology were determined to be lower than would be required to provide necessary compensation to selective key production staff and, as a result of adjustments to these pools our compensation expense as a percentage of revenue was higher than in previous fiscal periods. It is expected that this higher compensation ratio will continue through fiscal Q4/16.

Software development: A decision was made during the quarter to choose an alternative solution in connection with certain software development projects which led to a charge of $2.3 million. This charge was recorded as a development cost.

Canadian First Financial: In fiscal 2014 the Company made an investment in Canadian First Financial Group Inc., a financial services firm that operates a number of financial centres in Canada offering mortgage and other financial services to retail customers. During the quarter, the Company made a determination that the fair value of its investment in Canadian First Financial exceeded its carrying cost and as a result a charge of $4.0 million was recorded under principal trading revenue during the quarter.

In response to the current business conditions and economic climate, the Company is undertaking a thorough review of its operations and cost structure. With the restructuring program and headcount reductions described above and other cost savings initiatives, the Company has identified more than $30 million of annual costs savings that it expects to realize through fiscal 2017. Approximately $10 million in respect of general and administrative expenses including promotion and travel, communications and technology and trading costs has been identified and approximately $20 million in respect of savings in compensation expense is expected to be realized as a result of the restructuring program described above.

Contents

Third Quarter of Fiscal 2016 vs. Third Quarter of Fiscal 2015

- Revenue of $181.8 million, an increase of 9% or $15.4 from $166.5 million
- Excluding significant items, expenses of $204.2 million, an increase of 11% or $20.1 million from $184.1 million(1)
- Expenses of $532.5 million, an increase of 177% or $340.5 million from $192.0 million
- Excluding significant items, loss per common share of $0.25 compared to a loss per common share of $0.19(1)
- Excluding significant items, net loss of $19.1 million compared to a net loss of $14.3 million(1)
- Net loss of $346.4 million compared to a net loss of $21.5 million
- Loss per common share of $3.91 compared to a loss per common share of $0.27

Third Quarter of Fiscal 2016 vs. Second Quarter of Fiscal 2016

- Revenue of $181.8 million, a decrease of 5% or $8.8 million from $190.6 million
- Excluding significant items, expenses of $204.2 million, an increase of 10% or $18.0 million from $186.2 million(1)
- Expenses of $532.5 million, an increase of 182% or $343.4 million from $189.1 million
- Excluding significant items, loss per common share of $0.25 compared to a loss per common share of $0.01(1)
- Excluding significant items, net loss of $19.1 million compared to a net income of $1.9 million(1)
- Net loss of $346.4 million compared to a net loss of $0.4 million
- Loss per common share of $3.91 compared to a loss per common share of $0.03

Year-to-Date Fiscal 2016 vs. Year-to-Date Fiscal 2015 (Nine Months Ended December 31, 2015 vs. Nine Months Ended December 31, 2014)

- Revenue of $586.9 million, a decrease of 10% or $61.4 million from $648.3 million
- Excluding significant items, expenses of $589.6 million, a decrease of 3% or $17.8 million from $607.4 million(1)
- Expenses of $923.6 million, an increase of 48% or $298.0 million from $625.6 million
- Excluding significant items, loss per common share of $0.15 compared to diluted EPS of $0.20(1)
- Excluding significant items, net loss of $2.7 million compared to net income of $40.9 million(1)
- Net loss of $335.9 million compared to net income of $15.0 million
- Loss per common share of $3.78 compared to diluted EPS of $0.05

Financial Condition at End of Third Quarter Fiscal 2016 vs. Fourth Quarter Fiscal 2015

- Cash and cash equivalents balance of $413.6 million, an increase of $91.3 million from $322.3 million
- Working capital of $408.3 million, a decrease of $18.9 million from $427.2 million
- Total shareholders' equity of $789.2 million, a decrease of $328.3 million from $1.12 billion
- Book value per diluted common share of $5.33, a decrease of $3.38 from $8.71(3)
- On February 11, 2016, the Board of Directors considered the Company's dividend policy in the context of the market environment and Canaccord's business activity and approved a suspension of the quarterly common dividend. This suspension will be reviewed quarterly and a determination made on the basis of business conditions and profitability.
- On February 11, 2016, the Board of Directors also approved a cash dividend of $0.34375 per Series A Preferred Share payable on March 31, 2016 with a record date of March 18, 2016, and a cash dividend of $0.359375 per Series C Preferred Share payable on March 31, 2016 to Series C Preferred shareholders of record as at March 18, 2016.

Summary of Operations

CORPORATE

- On August 4, 2015, the Board of Directors approved the filing of an application to renew the normal course issuer bid ("NCIB") to provide for the ability to purchase, at the Company's discretion, up to a maximum of 5,163,737 common shares through the facilities of the TSX and on alternative trading systems during the period from August 13, 2015 to August 12, 2016. The purpose of any purchases under this program is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased represents 5.0% of the Company's outstanding common shares. A total of 624,350 shares have been purchased and cancelled under the terms of the NCIB during the nine months ended December 31, 2015.
- In light of current market conditions the Company determined that the Company's office in Barbados was no longer required and accordingly that office was closed during the quarter.

CAPITAL MARKETS

- Canaccord Genuity participated in 47 transactions globally, raising total proceeds of C$11.9 billion[4] during fiscal Q3/16
- Canaccord Genuity led or co-led in 13 transactions globally, raising total proceeds of C$0.93 billion[4] during fiscal Q3/16
- Significant investment banking transactions for Canaccord Genuity during fiscal Q3/16 include:
  - £2.45 billion for Worldpay Group PLC on the LSE
  - US$531.3 million for Atlassian Corporation PLC on NASDAQ
  - C$460.1 million for Pembina Pipeline Corporation on the TSX
  - C$300.0 million for National Bank of Canada on the TSX
  - C$250.3 million for Canadian Apartment Properties Real Estate Investment Trust on the TSX
  - C$200.0 million for AltaGas Ltd. on the TSX
  - £121 million sell down for Paysafe Group plc on the LSE
  - £78 million for The Renewables Infrastructure Group on the LSE
  - C$104.3 million for Cara Operations Limited. on the TSX
  - US$86.3 million for Advanced Accelerator Applications S.A. on NASDAQ
  - US$72.9 million for Dimension Therapeutics, Inc. on NASDAQ
  - £51.0 million for HICL Infrastructure Company Limited on the LSE
  - C$69.0 million for Pine Cliff Energy Ltd. on the TSXV
  - C$53.5 million for NorthWest Healthcare Properties REIT on the TSX
  - C$40.3 million for Dalradian Resources Inc. on the TSX
  - US$36.0 million for T2 Biosystems, Inc. on NASDAQ
  - AUD$32.0 million for Starpharma Holdings Limited on the ASX
  - SGD$18.4 million for Asia-Pacific Strategic Investments Limited on the SGX
  - AUD$18.0 million for LatAm Autos Limited on the ASX
- In Canada, Canaccord Genuity participated in raising $198.0 million for government and corporate bond issuances during fiscal Q3/16
- Canaccord Genuity generated advisory revenues of $37.8 million during fiscal Q3/16, an increase of $15.2 million or 67% compared to the same quarter last year
- During fiscal Q3/16, significant M&A and advisory transactions included:
  - Ashley Park Financial Services Corp. on its cross-border debt financing
  - Amica Mature Lifestyles Inc. on its C$986 million sale to BayBridge Seniors Housing Inc.
  - Corsair Capital and Palamon Capital Partners on the acquisition of Currencies Direct
  - Ephesus Lighting, Inc. on its sale to Eaton Corporation PLC
  - American Eagle Energy on its sale to Resource Energy Can-AM LLC
  - Linxens SAS in the €1.5 billion sale to CVC Capital Partners from Astorg Partners
  - Investcorp, through its investment vehicle, Orca Bidco Limited, in the £66.7 million acquisition of OpSec Security Group PLC
  - Response Genetics, Inc. on its sale to Cancer Genetics, Inc.
  - Retroficiency, Inc. on its sale to Ecova, Inc.

CANACCORD GENUITY WEALTH MANAGEMENT (GLOBAL)

- Globally, Canaccord Genuity Wealth Management generated $61.8 million in revenue in Q3/16
- Assets under administration in Canada and assets under management in the UK & Europe and Australia were $34.4 billion at the end of Q3/16[3]

CANACCORD GENUITY WEALTH MANAGEMENT (NORTH AMERICA)

- Canaccord Genuity Wealth Management (North America) generated $25.6 million in revenue and, after intersegment allocations and before taxes, recorded a net loss of $2.4 million in Q3/16
- Assets under administration in Canada were $9.04 billion as at December 31, 2015, a decrease of 5% from $9.48 billion at the end of the previous quarter and a decrease of 12% from $10.31 billion at the end of fiscal Q3/15[3]
- Assets under management in Canada (discretionary) were $1.26 billion as at December 31, 2015, a decrease of 7% from $1.36 billion at the end of the previous quarter and a decrease of 12% from $1.44 billion at the end of fiscal Q3/15[3]
- Canaccord Genuity Wealth Management had 140 Advisory Teams[5], a decrease of one Advisory Team from September 30, 2015 and a decrease of 21 from December 31, 2014

CANACCORD GENUITY WEALTH MANAGEMENT (UK & EUROPE)

- Wealth management operations in the UK & Europe generated $35.0 million in revenue and, after intersegment allocations, and excluding significant items, recorded net income of $6.5 million before taxes in Q3/16(1)
- Assets under management (discretionary and non-discretionary) were $24.5 billion (£11.9 billion) as at December 31, 2015, an increase of 7% from $22.9 billion (£11.4 billion) at the end of the previous quarter and an increase of 21% from $20.3 billion (£11.2 billion) from December 31, 2014(3). In local currency (GBP), these increases were 4% and 6% respectively.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 and 10.
(2) Net (loss) income attributable to common shareholders is calculated as the net (loss) income adjusted for non-controlling interests and preferred share dividends.
(3) See Non-IFRS Measures on page 6 and 10.
(4) Source: Transactions over $1.5 million. Internally sourced information.
(5) Advisory Teams are normally comprised of one or more Investment Advisors (IAs) and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licensed for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average-sized book of business.

NON-IFRS MEASURES

The non-International Financial Reporting Standards (IFRS) measures presented include assets under administration, assets under management, book value per diluted common share and figures that exclude significant items. Significant items include restructuring costs, amortization of intangible assets acquired in connection with a business combination, impairment of goodwill and other assets and acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions. Book value per diluted common share is calculated as total common shareholders' equity divided by the number of diluted common shares outstanding including estimated amounts in respect of share issuance commitments and, commencing in Q1/14, adjusted for shares purchased under the NCIB and not yet cancelled and estimated forfeitures in respect of unvested share awards under share-based payment plans.

Management believes that these non-IFRS measures will allow for a better evaluation of the operating performance of the Company's business and facilitate meaningful comparison of results in the current period to those in prior periods and future periods. Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of the Company's core operating results. A limitation of utilizing these figures that exclude significant items is that the IFRS accounting effects of these items do in fact reflect the underlying financial results of the Company's business; thus, these effects should not be ignored in evaluating and analyzing the Company's financial results. Therefore, management believes that the Company's IFRS measures of financial performance and the respective non-IFRS measures should be considered together.

SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS[1]

	Three months ended December 31			Nine months ended December 31		
(C$ thousands, except per share and % amounts)	**2015**	2014	Quarter-over-quarter change	**2015**	2014	YTD-over-YTD change
Total revenue per IFRS	**$ 181,837**	$ 166,471	9.2%	**$ 586,893**	$ 648,298	(9.5)%
Total expenses per IFRS	**$ 532,456**	$ 191,991	177.3%	**$ 923,566**	$ 625,585	47.6%
Significant items recorded in Canaccord Genuity						
Amortization of intangible assets	**1,333**	1,684	(20.8)%	**4,063**	5,132	(20.8)%
Impairment of goodwill and other assets	**321,037**	4,535	n.m.	**321,037**	4,535	n.m.
Restructuring costs	**2,977**	—	n.m.	**2,977**	—	n.m.
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	**1,560**	1,660	(6.0)%	**4,584**	6,124	(25.1)%
Restructuring costs	**—**	—	—	**—**	783	(100.0)%
Significant items recorded in Corporate and Other						
Restructuring costs	**1,300**	—	n.m.	**1,300**	1,600	(18.8)%
Total significant items	**328,207**	7,879	n.m.	**333,961**	18,174	n.m.
Total expenses excluding significant items	**204,249**	184,112	10.9%	**589,605**	607,411	(2.9)%
Net (loss) income before taxes – adjusted	**$ (22,412)**	$ (17,641)	(27.0)%	**$ (2,712)**	$ 40,887	(106.6)%
Income taxes (recovery) – adjusted	**(3,268)**	(3,388)	3.5%	**1,170**	10,377	(88.7)%
Net (loss) income – adjusted	**$ (19,144)**	$ (14,253)	(34.3)%	**$ (3,882)**	$ 30,510	(112.7)%
(Loss) earnings per common share – basic, adjusted	**$ (0.25)**	$ (0.19)	(31.6)%	**$ (0.15)**	$ 0.21	(171.4)%
(Loss) earnings per common share – diluted, adjusted	**$ (0.25)**	$ (0.19)	(31.6)%	**$ (0.15)**	$ 0.20	(175.0)%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.
n.m.: not meaningful

Fellow Shareholders:

During our third fiscal quarter, numerous cyclical factors and persistent broad market volatility materially impacted our industry and continued to put pressure on activity levels in many areas of our business. While we have announced restructuring measures, we continue to use this period productively, to reposition our global operations for long-term success.

For the third fiscal quarter of 2016, Canaccord Genuity Group Inc. earned revenue of $181.8 million. Excluding significant items, the company recorded a net loss of $19.1 million, which translated into a loss per common share of $0.25. While revenues for the period increased by $15.4 million, or 9% when compared to the same period last year, the net loss was primarily attributable to certain software development charges, an impairment loss in our investment in Canadian First Financial Group Inc. and higher compensation expenses as a percentage of revenue.

From 2010 to 2012, we made strategic acquisitions which have helped us successfully expand our global footprint and deliver differentiated service levels for our clients. Since that period, changes in global economic conditions led to operating losses and reduced our revenue forecasts, such that the Company incurred goodwill impairment charges of $321.0 million with respect to our global capital markets operations. We continue to see material value in these operations over a cycle, however, accounting standards require a fair value test during a time that we perceive to be the bottom of a cycle.

The performance we are reporting today is not what we are accustomed to seeing for our industry or for our business. Importantly, it does not reflect the vision we have for our company going forward.

Positioning our business for stronger bottom line performance

We are moving aggressively to streamline our company and drive operating efficiencies. During the quarter, we took steps to rationalize our global infrastructure and exit underperforming business lines, so that we can significantly reduce our fixed cost base and stabilize our business for the future. While these developments will negatively impact our results in the near term, we expect to realize over $30 million in annualized savings in the next fiscal year.

While our review of operations is still ongoing, we have made steady progress in reducing general and administrative, communication and technology and trading costs across our operations. We have also taken steps to focus our business in the areas where we can achieve dominance as an independent midmarket global investment bank. As a result of these developments, approximately 125 professionals, or 12% of our workforce from front and back office operations in our Canadian, US and UK & Europe Capital Markets businesses have left or will be leaving the firm under various termination arrangements throughout the remainder of fiscal 2016.

Following a careful review of the impact the market environment has had on our business activity, the Board of Directors made the prudent decision to suspend our quarterly common share dividend. We remain committed to returning capital to our shareholders and look forward to reinstating this dividend payment under more positive market conditions and when profitability returns.

We believe these actions are in the best interests of the Company and our shareholders. Looking ahead, we expect to maximize shareholder value by creating a more efficient and aligned global business, while making disciplined investments in our key focus areas so that we can optimize our client relationships and provide meaningful opportunities for our employees.

Aligning global Capital Markets operations to improve cross-border capabilities and return to profitability

In the third quarter of fiscal 2016, Canaccord Genuity participated in 60 transactions and raised total proceeds of $12.8 billion for our clients.

Revenues for our capital markets business were $122.1 million, an increase of 18% from the same period a year ago, with the strongest contribution coming from our US operations, driven mainly by higher advisory and principal trading activity. Global advisory fees increased by $15.2 million or 67% compared to the same period last year, with the most significant contribution from our Canadian operations. Market conditions continued to challenge investment banking activity during the quarter and revenues for this segment of our global capital markets business were 24% lower on a year-over-year basis.

Our Canadian capital markets division experienced the most notable year-over-year decline in investment banking activity and recorded a 34% drop in revenues during the fiscal third quarter. While ECM activity in the region hit its lowest level since 2001, Canaccord Genuity retained its position as the top independent book runner in the region for the 2015 calendar year. Looking ahead, we will continue to leverage our strategic position in this market to deliver on our mission to be the dominant independent investment bank in Canada.

Revenue in our UK & Europe operations increased by 24% on a year over year basis, driven by higher advisory and principal trading activity. This performance was offset by higher expense levels primarily related to compensation expense. Subsequent to the quarter, we took steps to focus our operations and better align this business to become a stronger, long-term contributor to our global franchise. The restructuring initiatives we announced today will create a leaner, more focused midmarket securities and investment banking business, capable of delivering stronger returns in the next fiscal year.

I am also pleased to announce that Quest®, Canaccord Genuity's proprietary offering of online analytical tools, valuation models and market commentary will soon be rolled out internationally. Based on the success of the initial launch in the UK & Europe earlier this year, we expect this to provide opportunities for revenue growth and a valuable tool for enhancing our client relationships.

Revenue in our Asia-Pacific capital markets business increased by 15%, predominantly driven by increased business activity in our Australian operations. This business has steadily improved its performance since our initial investment in 2011. Looking ahead, we expect to be able to leverage the strength of our diversified Australian capital markets business to further integrate these operations and improve our strength in the region.

While the market environment continues to impact activity levels in our capital markets business, we are working to align our core offerings across our global operations with a focus on cross-selling opportunities, which will deepen our relationships with top-tier clients and ultimately, strengthen our profitability. We are also fortunate to have cultivated a pipeline of activity in all of our primary markets, and are well positioned to successfully execute on these mandates when market conditions permit.

Globally, Canaccord Genuity Wealth Management generated revenue of $61.8 million during the quarter.

While we continue to experience growth in our fee-based and proprietary asset management offerings, the ongoing weakness in investment banking activity continues to put pressure on commissions and fees for our Canadian wealth management business, a key distribution channel for our capital markets transactions. Despite challenging market conditions, we maintain a strong focus on attracting and retaining high quality advisors, investing in training programs and building a comprehensive suite of high quality products to help advisors grow their businesses.

In our UK wealth management business, we continue to attract new assets, which directly support our recurring revenue growth. Client holdings in our in-house investment management products exceed $1 billion and are attracting growing interest from domestic intermediaries and international fund companies. Additionally, we are increasingly attracting established and reputable professionals to our differentiated platform and have welcomed three senior advisors to our London and Isle of Man wealth management operations during the quarter. We continue to actively review opportunities to strategically expand this business to improve its contribution to our performance.

Strengthening alignment with our shareholders to improve our net-income focus

Our independence provides a level of agility in our business that allows us to stay competitive and exceed our clients' expectations while adjusting to new market realities.

Reducing our costs is an important priority. We remain diligent on expenses and are carefully reviewing our staffing mix, to ensure that our business is appropriately positioned for success in our operating environment. With an enhanced leadership team in place, we are actively examining additional opportunities to improve efficiencies across our organization. Our renewed commitment to managing our costs is not in response to the changes in our operating environment- this is quite simply how we intend to manage our business from now on. Additionally, we will continue to adjust our long-term incentive plan structure, to better align our compensation strategy with our performance.

We are acutely aware that we are operating in a new reality. Canaccord Genuity has an outstanding set of assets to draw upon — a more integrated business model, an established track record of delivering world-class ideas and solutions for our clients, ample working capital and a leadership team that is closely aligned with our shareholders through direct investment and a stronger net income focus.

While we reshape our business to perform in a continuously evolving market environment, we will also make careful adjustments to our global brand strategy, to ensure that our corporate identity resonates strongly with current and prospective clients, employees and shareholders.

In any market environment, we are focused and committed to improving long-term shareholder value. By continuing to strategically reposition our business in this challenging market, I am confident that Canaccord Genuity is well positioned to emerge as the dominant independent midmarket investment bank and wealth management firm, capable of improving our revenues, achieving above-average market share and delivering growing long-term returns for our shareholders.

Kind regards,

DAN DAVIAU
President & CEO
Canaccord Genuity Group Inc.

Management's Discussion and Analysis

Third quarter fiscal 2016 for the three months and nine months ended December 31, 2015 — this document is dated February 11, 2016

The following discussion of the financial condition and results of operations for Canaccord Genuity Group Inc. is provided to enable the reader to assess material changes in our financial condition and to assess results for the three- and nine-month periods ended December 31, 2015 compared to the corresponding period in the preceding fiscal year. The three-month period ended December 31, 2015 is also referred to as third quarter 2016 and Q3/16. Unless otherwise indicated or the context otherwise requires, the "Company" refers to Canaccord Genuity Group Inc. and "Canaccord Genuity Group" refers to the Company and its direct and indirect subsidiaries. "Canaccord Genuity" refers to the investment banking and capital markets segment of the Company. This discussion should be read in conjunction with: the unaudited interim condensed consolidated financial statements for the three- and nine-month periods ended December 31, 2015, beginning on page 33 of this report; our Annual Information Form (AIF) dated June 26, 2015; and the 2015 annual Management's Discussion and Analysis (MD&A) including the audited consolidated financial statements for the fiscal year ended March 31, 2015 (Audited Annual Consolidated Financial Statements) in the Company's annual report dated June 2, 2015 (the 2015 Annual Report). There has been no material change to the information contained in the annual MD&A for fiscal 2015 except as disclosed in this MD&A. The Company's financial information is expressed in Canadian dollars unless otherwise specified.

Cautionary Statement Regarding Forward-Looking Information

This document may contain "forward-looking statements" (as defined under applicable securities laws). These statements relate to future events or future performance and reflect management's expectations, beliefs, plans, estimates, intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts, including business and economic conditions and the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", "could" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties discussed from time to time in the Company's interim condensed and annual consolidated financial statements and in its 2015 Annual Report and AIF filed on www.sedar.com as well as the factors discussed in the section entitled "Risks" in this MD&A, which include market, liquidity, credit, operational, legal and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking information contained in this document include, but are not limited to, those set out in the Fiscal 2016 Outlook section in the annual MD&A and those discussed from time to time in the Company's interim condensed and annual consolidated financial statements and in its 2015 Annual Report and AIF filed on www.sedar.com. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are cautioned that the preceding list of material factors or assumptions is also not exhaustive.

Although the forward-looking information contained in this document is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this document are made as of the date of this document and should not be relied upon as representing the Company's views as of any date subsequent to the date of this document. Certain statements included in this document may be considered "financial outlook" for purposes of applicable Canadian securities laws, and such financial outlook may not be appropriate for purposes other than this document. Except as may be required by applicable law, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, further developments or otherwise.

Presentation of Financial Information and Non-IFRS Measures

This MD&A is based on the unaudited interim condensed consolidated financial statements for the three- and nine-month periods ended December 31, 2015 (Third Quarter 2016 Financial Statements) prepared in accordance with International Financial Reporting Standards (IFRS). The third quarter 2016 Financial Statements have been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" (IAS 34), and using accounting policies consistent with those applied in preparing the Company's Audited Annual Consolidated Financial Statements for the year ended March 31, 2015.

NON-IFRS MEASURES

Certain non-IFRS measures are utilized by the Company as measures of financial performance. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Non-IFRS measures presented include assets under administration, assets under management, book value per diluted common share, return on common equity and figures that exclude significant items.

The Company's capital is represented by common and preferred shareholders' equity and, therefore, management uses return on common equity (ROE) as a performance measure. Also used by the Company as a performance measure is book value per diluted common share, which is calculated as total common shareholders' equity divided by the number of diluted common shares outstanding including estimated amounts in respect of share issuance commitments and adjusted for shares purchased under the normal course issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.

Assets under administration (AUA) and assets under management (AUM) are non-IFRS measures of client assets that are common to the wealth management business. AUA — Canada, AUM — Australia and AUM — UK & Europe are the market value of client assets managed and administered by the Company from which the Company earns commissions and fees. This measure includes funds held in client accounts as well as the aggregate market value of long and short security positions. AUM — Canada includes all assets managed on a discretionary basis under programs that are generally described as or known as the *Complete Canaccord Investment Counselling Program* and the *Complete Canaccord Private Investment Management Program.* Services provided include the selection of investments and the provision of investment advice. The Company's method of calculating AUA — Canada, AUM — Canada, AUM — Australia and AUM — UK & Europe may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess operational performance of the Canaccord Genuity Wealth Management business segment. AUM — Canada is also administered by the Company and is included in AUA — Canada.

Financial statement items that exclude significant items are non-IFRS measures. Significant items for these purposes include restructuring costs, amortization of intangible assets acquired in connection with a business combination, impairment of goodwill and other assets, and acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions. See the Selected Financial Information Excluding Significant Items table on page 14.

Management believes that these non-IFRS measures allow for a better evaluation of the operating performance of the Company's business and facilitate meaningful comparison of results in the current period to those in prior periods and future periods. Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of the Company's core operating results. A limitation of utilizing these figures that exclude significant items is that the IFRS accounting effects of these items do in fact reflect the underlying financial results of the Company's business; thus, these effects should not be ignored in evaluating and analyzing the Company's financial results. Therefore, management believes that the Company's IFRS measures of financial performance and the respective non-IFRS measures should be considered together.

Business Overview

Through its principal subsidiaries, Canaccord Genuity Group Inc. is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and capital markets. Since its establishment in 1950, the Company has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. Canaccord Genuity Group has offices in 10 countries worldwide, including wealth management offices located in Canada, Australia, the UK, Guernsey, Jersey, and the Isle of Man. Canaccord Genuity, the Company's international capital markets division, has operations in Canada, the US, the UK, France, Ireland, Hong Kong, China, Singapore, Australia and Dubai.

Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX and the symbol CF. on the London Stock Exchange. Canaccord Genuity Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. Canaccord Genuity Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C.

Our business is affected by the overall condition of the worldwide equity and debt markets.

BUSINESS ENVIRONMENT

During the third quarter of fiscal 2016, the US central bank increased its target rate by 25bps for the first time since 2006, following a series of strong employment reports. Although inflation remains much below the US Federal Reserve's 2% target, Federal Open Market Committee (FOMC) members have indicated that most of the factors weighing on consumer prices are transitory. That said, the Federal Reserve has stated that future policy moves remain data dependent, with economic conditions expected to evolve in such a way that a gradual path of rate increases is projected in calendar 2016. In calendar 2015, US manufacturing activity and corporate earnings were restrained by slow global growth and a strong trade-weighted US dollar. In Canada, the economy remains constrained by weak energy prices. Fortunately, we expect that a weak Canadian dollar will stimulate non-energy related exports and that lower interest rates will support consumer spending. The European Central Bank (ECB) President Draghi continues to deliver much needed policy accommodation. During the period, the ECB cut its deposit facility rate by 10bps to -0.3% (from -0.2%). Also, the ECB's Quantitative Easing program remains intact at €60B/month and the length of asset purchases has been extended until March, 2017. In China, the People's Bank of China (PBoC) provided support to the economy with another interest rate cut in October and lowered the reserve requirement ratio (RRR) for both large and small banks. Meanwhile, the Chinese economy is slowly transitioning from a manufacturing-led economy to a service-led economy. GDP growth in the region came in at 6.8% year over year during the fiscal third quarter, representing the slowest pace of growth since 2009. As a result, Chinese authorities have proceeded with a steady devaluation of the Chinese yuan, a move aimed at stimulating economic growth through exports.

With regard to financial markets, equity markets have recovered from the marked drop seen in August. During the third quarter of fiscal 2016, the MSCI world equity index gained 5.8% and the S&P 500 gained 6.5%. However, the S&P/TSX lost 2.2%, notably hit by health care and energy sectors. Regarding the energy sector, the OPEC cartel decided in December not to cut oil output but rather boost production quotas to 31.5 Mbd. The organization is simply unwilling to consider production cuts unless other OPEC members and non-OPEC crude oil producers agree to cooperate and cut supply. Crude oil prices (WTI) ended the calendar year at approximately US$37/bbl for a 17.6% quarter over quarter loss. The Canadian dollar was not immune to lower energy prices and depreciated 3.8% against the US dollar during the period. With US and Canadian monetary policies moving in different directions, US 10-year Treasury bond yields gained 22bps to 2.28% while Canadian bond yields were lower by 5bps to end the quarter at 1.39%.

Looking ahead, we expect that the lagged impact of lower oil prices will keep US inflation in check and stimulate consumption globally. Conversely, US dollar strength and weak demand abroad should continue to restrain the US manufacturing sector. Depressed oil prices are having a net impact on inflation expectations; a development that we expect will prevent the Federal Reserve from tightening too quickly. Elsewhere, emerging market (EM) central banks are expected to take the opportunity of a lower inflationary pressure to accelerate monetary reflation. We expect the marked weakening in EM currencies will continue to filter through the global economy and redistribute growth. In China, we expect the Yuan will continue to devaluate as authorities endeavour to level the playing field between China and its trading partners. We believe this may halt the deflation in goods prices and allow China to recapture export market shares that had been lost due to the collapse in several EM currencies. Finally, we expect that crude oil prices are likely to stay volatile until the next OPEC meeting in June, but that a rebalancing in global oil markets should occur during the second half of calendar 2016, as oil consumption remains steady while production begins to decline. With this perspective in mind, the Canadian dollar and the S&P/TSX — which have been under pressure lately-should eventually return to investors' radar screens. We continue to believe that the Canadian economy faces some stiff challenges going forward, but that a recession could be averted as Canada is among a small group of countries that will enjoy both monetary and fiscal backstops over the next few years.

MARKET DATA

Financing values on the TSX and the TSX Venture Exchange remained unchanged from the previous quarter and decreased from the same period last year. Financing values on the NASDAQ experienced significant decreases compared to the previous quarter and compared to the same period last year, while financing values on the AIM experienced an increase compared to the previous quarter and compared to the same period last year.

TOTAL FINANCING VALUE BY EXCHANGE

	October 2015	November 2015	December 2015	Fiscal Q3/16	Change from fiscal Q3/15	Change from fiscal Q2/16
TSX and TSX Venture (C$ billions)	2.3	3.9	3.4	9.6	(11.1)%	0.0%
AIM (£ billions)	0.6	0.3	0.6	1.5	7.1%	25.0%
NASDAQ (US$ billions)	1.9	5.3	5.3	12.5	(31.3)%	(39.9)%

Source: TSX Statistics, LSE AIM Statistics, Dealogic and Placement Tracker

ABOUT CANACCORD GENUITY GROUP INC.'S OPERATIONS

Canaccord Genuity Group Inc.'s operations are divided into two business segments: Canaccord Genuity (investment banking and capital markets operations) and Canaccord Genuity Wealth Management. Together, these operations offer a wide range of complementary investment banking services, investment products and brokerage services to the Company's institutional, corporate and private clients. The Company's administrative segment is referred to as Corporate and Other.

Canaccord Genuity

Canaccord Genuity offers corporations and institutional investors around the world an integrated platform for equity research, sales and trading, and investment banking services that is built on extensive operations in Canada, the UK, Europe, the US, China, Hong Kong, Singapore, Australia and Dubai.

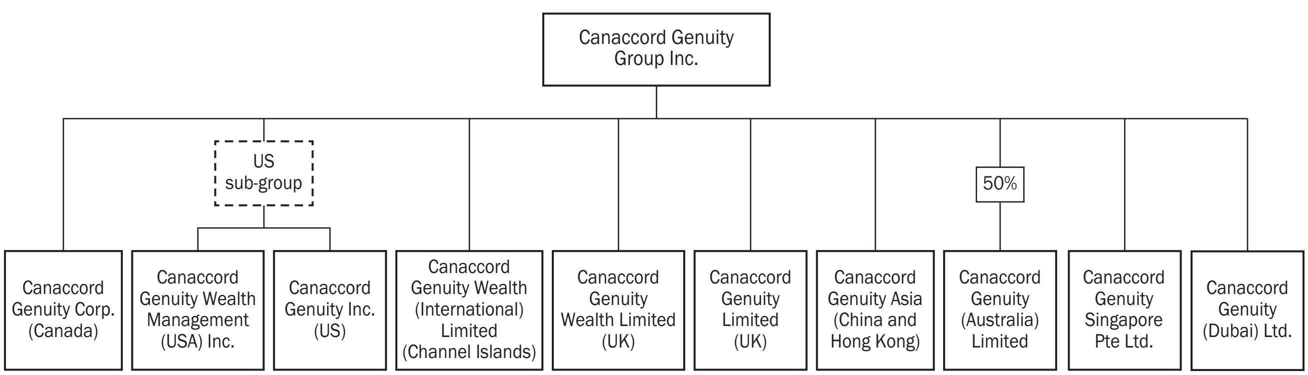
Canaccord Genuity Wealth Management

Canaccord Genuity Wealth Management operations provide comprehensive wealth management solutions and brokerage services to individual investors, private clients, charities and intermediaries through a full suite of services tailored to the needs of clients in each of its markets. The Company's wealth management division now has Investment Advisors (IAs) and professionals in Canada, Australia, the UK, the Channel Islands and the Isle of Man.

Corporate and Other

Canaccord Genuity Group's administrative segment, described as Corporate and Other, includes revenues and expenses associated with providing correspondent brokerage services, bank and other interest, foreign exchange gains and losses, and activities not specifically allocable to either the Canaccord Genuity or Canaccord Genuity Wealth Management divisions. Also included in this segment are the Company's operations and support services, which are responsible for front- and back-office information technology systems, compliance and risk management, operations, legal, finance, and all administrative functions of Canaccord Genuity Group Inc.

Corporate structure



The chart shows principal operating companies of the Canaccord Genuity group.

The Company owns 50% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd and Canaccord Genuity (Australia) Limited, but for accounting purposes, as of December 31, 2015 the Company is considered to have a 60% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd [March 31, 2015 — 60%].

Consolidated Operating Results

THIRD QUARTER AND YEAR-TO-DATE FISCAL 2016 SUMMARY DATA(1)(2)

(C$ thousands, except per share and % amounts, and number of employees)	Three months ended December 31 2015	2014	2013	QTD Q3/16 vs. Q3/15	Nine months ended December 31 2015	2014	2013	YTD FY 2016 vs. FY 2015
Canaccord Genuity Group Inc. (CGGI)								
Revenue								
Commissions and fees	$ **95,014**	$ 92,123	$ 87,581	3.1%	$ **278,902**	$ 273,189	$ 259,448	2.1%
Investment banking	**20,406**	27,601	70,841	(26.1)%	**117,309**	181,262	142,957	(35.3)%
Advisory fees	**37,809**	22,618	39,758	67.2%	**103,386**	111,053	105,557	(6.9)%
Principal trading	**20,202**	14,612	21,863	38.3%	**60,360**	52,596	60,286	14.8%
Interest	**3,981**	5,045	5,704	(21.1)%	**13,389**	17,251	18,641	(22.4)%
Other	**4,425**	4,472	5,212	(1.1)%	**13,547**	12,947	14,607	4.6%
Total revenue	**181,837**	166,471	230,959	9.2%	**586,893**	648,298	601,496	(9.5)%
Expenses								
Incentive compensation	**105,774**	87,199	114,877	21.3%	**304,955**	328,925	288,713	(7.3)%
Salaries and benefits	**23,509**	20,430	21,350	15.1%	**68,583**	63,231	65,966	8.5%
Other overhead expenses(3)	**77,859**	79,827	70,312	(2.5)%	**224,714**	226,511	208,754	(0.8)%
Restructuring costs(4)	**4,277**	—	—	n.m.	**4,277**	2,383	5,486	79.5%
Impairment of goodwill and other assets(5)	**321,037**	4,535	—	n.m.	**321,037**	4,535	—	n.m.
Total expenses	**532,456**	191,991	206,539	177.3%	**923,566**	625,585	568,919	47.6%
(Loss) income before income taxes	**(350,619)**	(25,520)	24,420	n.m.	**(336,673)**	22,713	32,577	n.m.
Net (loss) income	$ **(346,388)**	$ (21,479)	$ 18,334	n.m.	$ **(335,858)**	$ 15,004	$ 26,137	n.m.
Net (loss) income attributable to:								
CGGI shareholders	$ **(346,277))**	$ (21,380)	$ 17,321	n.m.	$ **(335,968)**	$ 13,810	$ 25,679	n.m.
Non-controlling interests	$ **(111)**	$ (99)	$ 1,013	(12.1)%	$ **110**	$ 1,194	$ 458	(90.8)%
(Loss) earnings per common share – diluted	$ **(3.91)**	$ (0.27)	$ 0.14	n.m.	$ **(3.78)**	$ 0.05	$ 0.16	n.m.
Return on common equity (ROE)	**(184.0)%**	(10.5)%	6.4%	(173.5) p.p.	**(60.7)%**	0.7%	2.5%	(61.4) p.p.
Dividends per common share	$ **—**	$ 0.05	$ 0.05	(100.0)	$ **0.10**	$ 0.20	$ 0.15	(50.0)%
Book value per diluted common share(6)	$ **5.33**	$ 8.63	$ 8.43	(38.2)%				
Total assets	$ **2,763,315**	$ 3,930,036	$ 4,122,920	(29.7)%				
Total liabilities	$ **1,962,623**	$ 2,812,476	$ 2,991,414	(30.2)%				
Non-controlling interests	$ **11,481**	$ 9,608	$ 12,110	19.5%				
Total shareholders' equity	$ **789,211**	$ 1,107,952	$ 1,119,396	(28.8)%				
Number of employees	**1,858**	2,002	1,994	(7.2)%				
Excluding significant items(7)								
Total expenses	$ **204,249**	$ 184,112	$ 202,914	10.9%	$ **589,605**	$ 607,411	$ 552,808	(2.9)%
(Loss) income before income taxes	**(22,412)**	(17,641)	28,045	(27.0)%	**(2,712)**	40,887	48,688	(106.6)%
Net (loss) income	**(19,144)**	(14,253)	21,227	(34.3)%	**(3,882)**	30,510	39,771	(112.7)%
Net (loss) income attributable to:								
CGGI shareholders	**(19,230)**	(14,400)	19,968	(33.5)%	**(4,629)**	28,548	38,574	(116.2)%
Non-controlling interests	**86**	147	1,259	41.5%	**747**	1,962	1,197	(61.9)%
(Loss) earnings per common share – diluted	**(0.25)**	(0.19)	0.17	(31.6)%	**(0.15)**	0.20	0.29	(175.0)%

(1) Data is in accordance with IFRS except for ROE, book value per diluted common share, figures excluding significant items and number of employees. See Non-IFRS Measures on page 10.
(2) The operating results of the Australian operations have been fully consolidated and a 40% non-controlling interest has been recognized for the three and nine months ended December 31, 2015 [three and nine months ended December 31, 2014 and December 31, 2013 — 50%.].
(3) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization of tangible and intangible assets, and development costs.
(4) Restructuring costs for the three and nine months ended December 31, 2015 were related to the staff reductions in our US capital markets operations and the closure of our Barbados office in Other Foreign Locations, as well as charges related to certain executive changes in our Corporate and Other segment. Restructuring costs for the nine months ended December 31, 2014 were incurred in connection with certain executive changes in our Corporate and Other segment and the closure of the Geneva office in our UK & European wealth management operations. Restructuring costs for the nine months ended December 31, 2013 include expenses mainly in connection with restructuring of our sales and trading operations in Canada and the UK & Europe.
(5) Impairment of goodwill and other assets for the three and nine months ended December 31, 2015 is in connection with our UK, US and Canada capital markets and Other Foreign Locations — Singapore and Australian operations. Impairment of goodwill for the three and nine months ended December 31, 2014 is in connection with our China-based operations and the acquisitions of The Balloch Group and certain assets of Kenosis Capital Partners.
(6) Book value per diluted common share is calculated as total common shareholders' equity divided by the number of diluted common shares outstanding including estimated amounts in respect of share issuance commitments and adjusted for shares purchased under the normal course issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.
(7) Net income (loss) and earnings (loss) per common share excluding significant items reflect tax-effected adjustments related to such items. See the Selected Financial Information Excluding Significant Items table on the next page.
n.m.: not meaningful
p.p.: percentage points

SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS[1]

	Three months ended December 31			Nine months ended December 31		
(C$ thousands, except per share and % amounts)	2015	2014	Quarter-over-quarter change	2015	2014	YTD-over-YTD change
Total revenue per IFRS	$ 181,837	$ 166,471	9.2%	$ 586,893	$ 648,298	(9.5)%
Total expenses per IFRS	$ 532,456	191,991	177.3%	$ 923,566	625,585	47.6%
Significant items recorded in Canaccord Genuity						
Amortization of intangible assets	1,333	1,684	(20.8)%	4,063	5,132	(20.8)%
Impairment of goodwill and other assets	321,037	4,535	n.m.	321,037	4,535	n.m.
Restructuring costs	2,977	—	n.m.	2,977	—	n.m.
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	1,560	1,660	(6.0)%	4,584	6,124	(25.1)%
Restructuring costs	—	—	—	—	783	(100.0)%
Significant items recorded in Corporate and Other						
Restructuring costs	1,300	—	n.m.	1,300	1,600	(18.8)%
Total significant items	328,207	7,879	n.m.	333,961	18,174	n.m.
Total expenses excluding significant items	204,249	184,112	10.9%	589,605	607,411	(2.9)%
Net (loss) income before taxes – adjusted	$ (22,412)	$ (17,641)	(27.0)%	$ (2,712)	$ 40,887	(106.6)%
Income taxes (recovery) – adjusted	(3,268)	(3,388)	3.5%	1,170	10,377	(88.7)%
Net (loss) income – adjusted	$ (19,144)	$ (14,253)	(34.3)%	$ (3,882)	$ 30,510	(112.7)%
(Loss) earnings per common share – basic, adjusted	$ (0.25)	$ (0.19)	(31.6)%	$ (0.15)	$ 0.21	(171.4)%
(Loss) earnings per common share – diluted, adjusted	$ (0.25)	$ (0.19)	(31.6)%	$ (0.15)	$ 0.20	(175.0)%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.
n.m. not meaningful

Foreign exchange

Revenues and expenses from our foreign operations are initially recorded in their respective functional currencies and translated into Canadian dollars at exchange rates prevailing during the period. The pound sterling and the US dollar appreciated against the Canadian dollar by approximately 12.4% and 17.4%, respectively, in Q3/16 when compared to Q3/15, and by approximately 9.3% and 17.1%, respectively, during the nine-month period ended December 31, 2015 when compared to the nine-month period ended December 31, 2014. This appreciation contributed to certain increases in revenue and expense items in Canadian dollars when compared to the applicable prior periods and should be considered when reviewing the following discussion in respect of our consolidated results as well as the discussion in respect of Canaccord Genuity and Canaccord Genuity Wealth Management UK & Europe.

Goodwill

During the quarter the Company performed an interim impairment test of goodwill and other assets. In determining whether to perform an impairment test, the Company considers factors such as its market capitalization, market conditions generally and overall economic conditions as well as market conditions in the key sectors in which the Company operates and the impact that such conditions are expected to have on the Company's operations.

Due to the combined effect of weak equity market conditions globally and in each of the principal operating regions for each of the Company's capital markets business units, those business units experienced declines in business activity, revenue and profitability. With these adverse changes in the business environment, continued weakness in commodity prices and a challenging outlook through calendar 2016 as negative economic conditions persist, it was determined that the carrying value in each of the capital markets business units exceeded their fair values as determined in accordance with applicable accounting standards. Such standards require that fair value represent an estimate of the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants as at the end of the reporting period under market conditions as at that date (i.e. an exit price as at the measurement date). As a result, the Company determined that the carrying amounts of each of the capital markets business units exceeded the Company's estimates of their recoverable amounts and that there had been impairment in the goodwill in respect of each of these business units. As a result, the Company recorded impairment charges in respect of the goodwill allocated to the following Canaccord Genuity business units: (i) Canada – $150.0 million; (ii) UK & Europe – $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations — Australia – $22.1 million; and (v) Other Foreign Locations — Singapore – $24.3 million. In addition, the Company recorded impairment charges related to the unamortized intangible assets of $1.6 million and $0.2 million allocated to Other Foreign Locations — Singapore and Other Foreign Locations — Australia, respectively. In Q3/16, the Company also recorded an impairment charge related to equipment and leasehold improvements of $6.0 million in our US capital markets operations.

Utilizing management's preliminary estimates for revenue and operating performance, growth rates and other assumptions typically required in connection with discounted cash flow models the Company determined that there was no impairment in the goodwill and indefinite-lived intangible assets associated with any of its wealth management business units in the UK and Europe. Notwithstanding this determination as of December 31, 2015, the continuing uncertainty in the economic environment may cause this determination to change. If the business climate remains uncertain and the Company is unable to achieve its internal forecasts the Company may determine that there has been impairment and the Company may be required to record a goodwill impairment charge in future periods in respect of the Canaccord Genuity Wealth Management business units in the UK & Europe or in respect of the remaining goodwill recorded in Canaccord Genuity, Canada. Adverse changes in the key assumptions utilized for purposes of impairment testing for goodwill and indefinite-lived intangible assets may result in the estimated recoverable amount of some or all of the applicable business units declining below the carrying value with the result that impairment charges may be required. The amount of any impairment charge would affect some or all of the amounts recorded for goodwill and indefinite-lived intangible assets. Any such impairment charges would be determined after incorporating the effect of any changes in key assumptions including any consequential effects of such changes on estimated operating income and on other factors.

Revenue

Third quarter 2016 vs. third quarter 2015

On a consolidated basis, revenue is generated through six activities: commissions and fees associated with agency trading and private client wealth management activity, investment banking, advisory fees, principal trading, interest and other.

Revenue for the three months ended December 31, 2015 was $181.8 million, an increase of 9% or $15.4 million compared to the same period a year ago. The Canaccord Genuity segment experienced an increase of $18.3 million in Q3/16 compared to the same quarter in the prior year, mainly due to higher principal trading and advisory fees revenue. The Canaccord Genuity Wealth Management segment generated revenue of $60.7 million during the three months ended December 31, 2015, an increase of $2.4 million over Q3/15, due to higher commissions and fees revenue earned in our UK & Europe operations.

Commissions and fees revenue is primarily generated from private client trading activity and institutional sales and trading. Revenue generated from commissions and fees increased by $2.9 million, to $95.0 million in Q3/16, compared to the same period a year ago. Commissions and fees revenue earned in connection with the Canaccord Genuity Wealth Management segment was $55.3 million, an increase of $4.3 million over Q3/15. The Canaccord Genuity segment experienced a decline of $1.4 million in commission and fees revenue compared to the same quarter in the prior year, mainly due to lower revenue earned in our US operations.

Investment banking revenue decreased by $7.2 million or 26% compared to the same period a year ago, to $20.4 million in Q3/16. As a result of reduced corporate activity, all of our operating regions recorded a decline in investment banking revenue compared to Q3/15, except for our Other Foreign Locations operations, which generated a slight increase of $0.6 million.

Advisory fees revenue was $37.8 million, an increase of $15.2 million or 67% from the same quarter a year ago. Our Canadian capital market operations reported the highest increase in advisory fees of $8.6 million, mainly due to the completion of the Amica Mature Lifestyle advisory transaction. Our US and UK & Europe operations also reported an increase of $4.2 million and $3.2 million, respectively, in advisory fees revenue compared to Q3/15. Offsetting these increases was a decline of $0.8 million generated by our Other Foreign Locations operations compared to the same period last year.

Principal trading revenue was $20.2 million in Q3/16, representing a $5.6 million increase compared to Q3/15. Our US and UK & Europe capital market operations experienced a $5.7 million and a $5.2 million, respectively, increase in principal trading revenue compared to the same quarter in the prior year. These increases were offset by a decrease of $1.2 million in our Canadian capital markets principal trading revenue and a $4.0 million loss recorded in our Corporate & Other segment in connection with an impairment charge related to our investment in Canadian First Financial Group Inc.

Interest revenue was $4.0 million for the three months ended December 31, 2015, representing a decrease of $1.1 million from Q3/15, mostly attributable to our Canadian capital markets operations. Other revenue was $4.4 million for Q3/16, unchanged from the same period a year ago.

Year-to-date fiscal 2016 vs. year-to-date fiscal 2015

Revenue for the nine months ended December 31, 2015 was $586.9 million, a decrease of 10% or $61.4 million compared to the same period a year ago, mainly due to a decline in investment banking revenue across all geographic regions.

Commissions and fees revenue was $278.9 million, representing an increase of 2% compared to the nine months ended December 31, 2014, mostly due to higher revenue generated by our UK & Europe wealth management and US capital markets operations, offset by decreases in our other operating segments.

As a result of weakened market conditions, revenue generated from investment banking activities decreased by $64.0 million to $117.3 million, compared to $181.3 million in the same period a year ago. Investment banking revenue decreased across all geographies but most notably in our Canadian capital markets operations which decreased by $40.9 million year over year. In addition to reduced financing activity, the completion of the Amaya Gaming transaction in Q2/15 in Canada was a significant contributor to investment banking revenue in our Canadian operations during the nine months ended December 31, 2014, causing the comparative period to be significantly higher relative to the current fiscal period.

Advisory fees revenue of $103.4 million represented a decrease of 7% or $7.7 million compared to the same period in the prior year. The largest decrease was in our Canadian capital markets operations, which experienced a decline of $13.0 million, mostly as a result of reduced corporate activity. Advisory fees revenue in our US capital markets operation increased by $8.2 million during the nine months ended December 31, 2105 as a number of transactions were completed during the current period compared to the same period last year.

Revenue derived from principal trading was $60.4 million, an increase of $7.8 million compared to the same period last year, mainly due to higher revenue earned by our international equities group in the US capital markets operations.

Interest revenue decreased by $3.9 million compared to the nine months ended December 31, 2014 to $13.4 million. Other revenue increased by $0.6 million to $13.5 million during the nine months ended December 31, 2015 as a result of higher foreign exchange gains recognized during the current period.

Expenses

Expenses for the three months ended December 31, 2015 were $532.5 million, an increase of 177% or $340.5 million from Q3/15. For the nine months ended December 31, 2015 expenses were $923.6 million, an increase of 48% or $298.0 million compared to the same period of the prior year.

Excluding significant items[1], total expenses as a percentage of revenue increased by 1.7 percentage points in Q3/16 compared to Q3/15. On a year-to-date basis, because of the decrease in revenue during the period and the non-variable nature of certain infrastructure and overhead costs, total expenses excluding significant items[1] as a percentage of revenue increased by 6.8 percentage points compared to the nine months ended December 31, 2014.

EXPENSES AS A PERCENTAGE OF REVENUE

	Three months ended December 31			Nine months ended December 31		
	2015	2014	Quarter-over-quarter change	**2015**	2014	YTD-over-YTD change
Incentive compensation	**58.2%**	52.4%	5.8 p.p.	**52.0%**	50.7%	1.3 p.p.
Salaries and benefits	**12.9%**	12.3%	0.6 p.p.	**11.7%**	9.8%	1.9 p.p.
Other overhead expenses[1]	**42.8%**	47.9%	(5.1) p.p.	**38.3%**	34.9%	3.4 p.p.
Impairment of goodwill and other assets	**176.5%**	2.7%	173.8 p.p	**54.7%**	0.7%	54.0 p.p
Restructuring costs	**2.4%**	—	2.4 p.p	**0.7%**	0.4%	0.3 p.p.
Total	**292.8%**	115.3%	177.5 p.p.	**157.4%**	96.5%	60.9 p.p.

(1) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization and development costs.
p.p.: percentage points

Compensation expense

Third quarter 2016 vs. third quarter 2015

Incentive compensation expense was $105.8 million, an increase of 21% compared to Q3/15, partially as a result of the 9% increase in incentive-based revenue. Incentive compensation expense as a percentage of revenue was 58.2%, an increase of 5.8 percentage points from the same period last year. The increase was mainly related to certain adjustments to certain compensation pools recorded in Q3/16. With weaker market conditions, certain incentive compensation pools as recorded under our normal methodology were determined to be lower than would be required to provide for necessary compensation to selective key production staff and, as a result of adjustments to these pools our compensation expense as a percentage of revenue was higher than in previous fiscal periods. Salaries and benefits expense increased by $3.1 million compared to Q3/15, to $23.5 million in Q3/16, mainly as a result of capitalized employment costs incurred in connection with systems and software development in our UK & Europe wealth management operations during Q3/15 being treated as an operating expense in Q3/16. For these reasons, total compensation expense (incentive compensation plus salaries and benefits) as a percentage of consolidated revenue increased from 64.7% in Q3/15 to 71.1% in Q3/16.

Year-to-date fiscal 2016 vs. year-to-date fiscal 2015

Incentive compensation expense was $305.0 million for the nine months ended December 31, 2015, a decrease of 7% from the same period in the prior year, reflecting the decrease of 10% in incentive-based revenue from the prior period. Incentive compensation as a percentage of total revenue was 52.0%, an increase of 1.2 percentage points over the same period in the prior year, due to lower profit levels and related profit-based compensation which was partially offset by the adjustments as described above.

Salaries and benefits expense of $68.6 million for the nine months ended December 31, 2015 was $5.4 million or 9% higher than in the same period a year ago, mainly as a result of capitalized employment costs as discussed above. Total compensation expense (incentive compensation plus salaries and benefits) as a percentage of consolidated revenue was 63.6%, an increase of 3.2 percentage points from 60.5% in the same period a year ago.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.

OTHER OVERHEAD EXPENSES

	Three months ended December 31			Nine months ended December 31		
(C$ thousands, except % amounts)	**2015**	2014	Quarter-over-quarter change	**2015**	2014	YTD-over-YTD change
Trading costs	**$ 15,142**	$ 13,975	8.4%	**$ 43,059**	$ 39,384	9.3%
Premises and equipment	**9,912**	9,579	3.5%	**29,849**	29,692	0.5%
Communication and technology	**14,234**	12,997	9.5%	**42,104**	37,415	12.5%
Interest	**2,431**	3,291	(26.1)%	**8,014**	10,523	(23.8)%
General and administrative	**23,766**	26,718	(11.0)%	**68,728**	72,623	(5.4)%
Amortization(1)	**6,635**	6,587	0.7%	**19,221**	21,434	(10.3)%
Development costs	**5,739**	6,680	(14.1)%	**13,739**	15,440	(11.0)%
Total other overhead expenses	**$ 77,859**	$ 79,827	(2.5)%	**$ 224,714**	$ 226,511	(0.8)%

(1) Includes amortization of intangible assets. See the Selected Financial Information Excluding Significant Items table on page 14.

Third quarter 2016 vs. third quarter 2015

Other overhead expenses were $77.9 million, or 3% lower in Q3/16 compared to Q3/15. As a percentage of revenue, other overhead expenses decreased by 5.1 percentage points compared to Q3/15. The overall decline in other overhead expenses was mainly driven by decreases in development costs, interest expense and general and administrative expense, offset by increases in communication and technology expense and trading costs.

Development costs decreased by $0.9 million compared to the three months ended December 31, 2014, mainly due to lower hiring incentives in our US and UK & Europe capital markets operations. Offsetting the decrease in hiring incentives was an increase of $2.3 million in our Corporate and Other segment, primarily related to certain costs for systems and software development that were previously capitalized and expensed in Q3/16 as the project was terminated during the quarter.

General and administrative expense, which includes reserves, promotion and travel expense, office expense, professional fees and donations, was down $3.0 million, largely due to lower expenses associated with professional fees and promotion and travel expense across most operating segments.

Interest expense also decreased by $0.9 million, mostly as a result of a decrease in our Canadian capital markets operation.

Higher trading costs in our US capital markets operation was the primary reason for the $1.2 million increase in trading costs compared to Q3/15, largely due to higher costs related to the international equities group.

Communication and technology expense increased by $1.2 million or 10% from Q3/15 to $14.2 million for the third quarter of fiscal 2016, primarily due to increased costs in our US operation.

Amortization expense was $6.6 million for the three months ended December 31, 2015, unchanged from Q3/15.

During Q3/16, there were restructuring costs of $4.3 million related to staff reductions in our capital markets operations in the US and the closure of our Barbados office recorded under Other Foreign Locations, and there were also restructuring costs recognized in our Corporate and Other segment in connection with certain executive changes. There were no restructuring costs in Q3/15.

During Q3/16, as a result of reduced business activity, declines in revenue and operating losses, the Company recorded impairment charges in respect of the goodwill allocated to the following capital markets operations: (i) Canada – $150.0 million; (ii) UK & Europe – $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations — Australia – $22.1 million; and (v) Other Foreign Locations — Singapore – $24.3 million. In addition, the Company recorded impairment charges related to the unamortized intangible assets of $1.6 million and $0.2 million allocated to Other Foreign Locations — Singapore and Other Foreign Locations — Australia, respectively. In Q3/16, the Company also recorded an impairment charge related to equipment and leasehold improvements of $6.0 million in our US capital markets operations.

Year-to-date fiscal 2016 vs. year-to-date fiscal 2015

Other overhead expenses for the nine months ended December 31, 2015 decreased slightly by $1.8 million, to $224.7 million, from the same period a year ago. The decreases in development costs, general and administrative expense, interest and amortization expense were offset by increases in communication and technology expense and trading costs.

Development costs decreased by $1.7 million during the period compared to the nine months ended December 31, 2014, mostly as a result of lower hiring incentive costs in our US capital markets operations, offset by charging to expense previously capitalized costs associated with certain software development costs in our Corporate and Other segment. Interest expense decreased by $2.5 million during the period, primarily as a result of lower expenses in our US and Canadian capital markets operations.

General and administrative expense decreased by $3.9 million for the nine months ended December 31, 2015 compared to the same period last year across most of our operating segments as a result of reduced activity and focus on cost reductions. Our US capital markets operations recorded a $1.9 million increase in general and administrative expense in the nine months ended December 31, 2015 compared to the same period last year, mostly due to higher promotion and travel expense as well as increased regulatory settlement costs.

Amortization expense decreased by $2.2 million or 10% compared to the same period in the prior year, primarily due to a decrease in amortization of intangible assets in our Canadian operations.

Trading costs increased by $3.7 million or 9% compared to the same period in the prior year due to higher costs in our US capital markets operations in connection with the international equities group trading activities.

Communication and technology expense increased by $4.7 million for the nine months ended December 31, 2015, to $42.1 million, largely as a result of an increase of $2.1 million in the US operations and an increase of $2.4 million in our UK & Europe capital markets and wealth management operations.

Restructuring costs increased by $1.9 million to $4.3 million during the nine months ended December 31, 2015. As discussed above, restructuring costs incurred during the nine months ended December 31, 2015 related to staff reductions in our US capital markets operations and the closure of our office in Barbados, as well as certain executive changes in our Corporate and Other operating segment.

In addition, as discussed above, the Company recorded impairment charges in respect of the goodwill and other assets allocated to the following capital markets operations: (i) Canada – $150.0 million; (ii) UK & Europe – $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations — Australia – $22.3 million; and (v) Other Foreign Locations — Singapore – $25.9 million. During the nine months ended December 31, 2015, the Company also recorded an impairment charge related to equipment and leasehold improvements of $6.0 million in our US capital markets operations.

Net (loss) income

Third quarter 2016 vs. third quarter 2015

Net loss for Q3/16 was $346.4 million compared to net loss of $21.5 million in the same period a year ago. Loss per common share was $3.91 in Q3/16 compared to a loss per common share of $0.27 in Q3/15. The significant increase in net loss was attributable to the goodwill and other assets impairment charges of $321.0 million recognized in Q3/16.

Excluding significant items(1), the net loss for Q3/16 was $19.1 million compared to a net loss of $14.3 million in Q3/15. Loss per common share, excluding significant items(1), was $0.25 in Q3/16 compared to a loss per common share, excluding significant items(1), of $0.19 in Q3/15.

The effective tax recovery rate for Q3/16 was 1.2% compared to an effective tax recovery rate of 15.8% in the same quarter last year. The decrease in the effective tax recovery rate was mainly due to higher non-deductible items affecting the determination of taxable income and the non-recognition of certain deferred tax assets in our foreign operations.

Year-to-date fiscal 2016 vs. year-to-date fiscal 2015

Net loss for the nine months ended December 31, 2015 was $335.9 million compared to net income of $15.0 million for the same period a year ago, a decrease of $350.9 million, largely related to the goodwill and other assets impairment charges, additional incentive compensation expense and an impairment charge related to our investment in Canadian First Financial Group Inc., as well as the decline in revenue. Loss per common share was $3.78 compared to diluted EPS of $0.05 a year ago. Excluding significant items,(1) net loss was $3.9 million and loss per common share was $0.15, compared to net income of $30.5 million and diluted EPS of $0.20 in the same period a year ago.

Income tax recovery was $0.8 million for the nine months ended December 31, 2015, reflecting a year-to-date effective tax rate of 0.2%, compared to income taxes of $7.7 million and an effective tax rate of 33.9% for the same period last year. The change in effective tax rate was mainly due to higher non-deductible items affecting the determination of taxable income, and the non-recognition of certain deferred tax assets in our foreign operations.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.

Results of Operations by Business Segment

CANACCORD GENUITY[1][2]

(C$ thousands, except number of employees and % amounts)	Three months ended December 31 2015	Three months ended December 31 2014	Quarter-over-quarter change	Nine months ended December 31 2015	Nine months ended December 31 2014	YTD-over-YTD change
Revenue	$ 122,145	$ 103,866	17.6%	$ 393,691	$ 453,726	(13.2)%
Expenses						
Incentive compensation	80,084	61,675	29.8%	223,559	242,923	(8.0)%
Salaries and benefits	7,513	6,157	22.0%	20,728	19,112	8.5%
Other overhead expenses	50,548	55,640	(9.2)%	149,775	153,172	(2.2)%
Impairment of goodwill and other assets	321,037	4,535	n.m.	321,037	4,535	n.m.
Restructuring costs	2,977	—	n.m.	2,977	—	n.m.
Total expenses	462,159	$ 128,007	n.m.	718,076	419,742	71.1%
Intersegment allocations[3]	3,918	2,697	45.3%	12,021	8,788	36.8%
(Loss) income before income taxes[3]	$ (343,932)	$ (26,838)	n.m.	$ (336,406)	$ 25,196	n.m.
Number of employees	854	973	(12.2)%			
Excluding significant items[4]						
Total expenses	$ 136,812	121,788	12.3%	$ 389,999	$ 410,075	(4.9)%
Intersegment allocations[3]	3,918	2,697	45.3%	12,021	8,788	36.8%
(Loss) income before income taxes[3]	(18,585)	(20,619)	9.9%	(8,329)	34,863	(123.9)%

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees.
(2) The operating results of Canaccord Genuity (Australia) Limited have been consolidated and a 40% non-controlling interest has been recognized and included in the Canaccord Genuity business segment for the three and nine months ended December 31, 2015 [three and nine months ended December 31, 2014 — 50%].
(3) (Loss) income before income taxes includes intersegment allocated costs. See the Intersegment Allocated Costs section on page 27.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 14.
n.m.: not meaningful

Canaccord Genuity provides investment banking, research, and sales and trading services to corporate, institutional and government clients and it conducts principal trading activities in Canada, the US, the UK & Europe, and the Asia-Pacific region. Canaccord Genuity has offices in 19 cities in 9 countries worldwide.

Revenue from Canaccord Genuity is generated from commissions and advisory fees earned in connection with investment banking transactions and institutional sales and trading activity, as well as trading gains and losses from Canaccord Genuity's principal and international trading operations.

REVENUE BY GEOGRAPHY AS A PERCENTAGE OF CANACCORD GENUITY REVENUE

	Three months ended December 31 2015	Three months ended December 31 2014	Quarter-over-quarter change	Nine months ended December 31 2015	Nine months ended December 31 2014	YTD-over-YTD change
Revenue generated in:						
Canada	27.2%	28.1%	(0.9) p.p.	23.4%	34.4%	(11.0) p.p.
UK and Europe	24.0%	22.8%	1.2 p.p.	28.7%	25.9%	2.8 p.p.
US	42.1%	41.9%	0.2 p.p.	41.2%	32.3%	8.9 p.p.
Other Foreign Locations	6.7%	7.2%	(0.5) p.p.	6.7%	7.4%	(0.7) p.p.
	100.0%	100.0%		100.0%	100.0%	

p.p.: percentage points

Third quarter 2016 vs. third quarter 2015

Revenue
Canaccord Genuity generated revenue of $122.1 million in Q3/16, an increase of 18% or $18.3 million from the same quarter a year ago. Revenue in our Canadian capital markets operations increased by $4.0 million compared to Q3/15, mainly due to the completion of the Amica Mature Lifestyle advisory transaction. The largest increase in revenue was in our US operations, which recorded an increase of $7.9 million, mostly as a result of higher principal trading and advisory fees revenue. Our UK capital markets operation generated $29.3 million of revenue in Q3/16, a $5.6 million increase over the same period in the prior year due to the completion of a number of advisory transactions this quarter and an increase in principal trading revenue. In our Other Foreign Locations, revenue increased by $0.7 million in Q3/16 compared to same period in the prior year as a result of an increased contribution from our Australian operations.

Expenses
Expenses for Q3/16 were $462.2 million, an increase of 261% or $334.2 million compared to Q3/15. Excluding significant items[1], total expenses as a percentage of revenue decreased by 5.2 percentage points compared to the same quarter in the prior year.

Incentive compensation and salaries and benefits
Incentive compensation expense for Q3/16 increased by $18.4 million or 30% compared to Q3/15. Incentive compensation expense as a percentage of revenue was 65.6%, an increase of 6.2 percentage points from Q3/15. Total compensation expense as a percentage of revenue was 71.7%, 6.4 percentage points higher than in Q3/15.

In Canada total compensation as a percentage of revenue increased by 5.9 percentage points compared to Q3/15 due to a change in the estimate for deferred compensation. With weaker market conditions, certain incentive compensation pools as recorded under our normal methodology were determined to be lower than would be required to provide for necessary compensation to selective key production staff and, as a result of adjustments to these pools our compensation expense as a percentage of revenue was higher than in previous fiscal periods. As a result of these adjustments, our US operations experienced an increase of 6.5 percentage points in its total compensation ratio, offset by an increase in revenue as well as reduced fixed income compensation resulting from the restructuring of the fixed income group during fiscal 2015. In our UK & Europe and Australian operations, total compensation expense as a percentage of revenue increased by 3.5 percentage points and 11.5 percentage points, respectively, also as a result of adjustments to the compensation pools recorded in Q3/16.

CANACCORD GENUITY TOTAL COMPENSATION EXPENSE AS A PERCENTAGE OF REVENUE BY GEOGRAPHY

	Three months ended December 31			Nine months ended December 31		
	2015	2014	Quarter-over-quarter change	**2015**	2014	YTD-over-YTD change
Canada	**56.2%**	50.3%	5.9 p.p.	**52.1%**	50.5%	1.6 p.p.
UK and Europe	**95.9%**	92.4%	3.5 p.p.	**71.9%**	66.0%	5.9 p.p.
US	**67.2%**	60.7%	6.5 p.p.	**59.0%**	57.1%	1.8 p.p.
Other Foreign Locations	**76.4%**	64.9%	11.5 p.p.	**73.9%**	65.5%	8.5 p.p.
Canaccord Genuity (total)	**71.7%**	65.3%	6.4 p.p.	**62.1%**	57.8%	4.3 p.p.

p.p.: percentage points

Other overhead expenses
Total other overhead expenses excluding significant items[1] for Q3/16 were $49.2 million, a decrease of 9% compared to Q3/15. The most significant fluctuations in other overhead expenses included a $3.0 million decrease in general and administrative expense, a $2.7 million decrease in development costs, and a $0.7 million decrease in interest expense, offset by a $1.0 million increase in communication and technology expense.

General and administrative expense in Q3/16 was $14.5 million, a decrease of $3.0 million or 17% over Q3/15, as a result of reduced activity across the different geographic regions. The most significant decreases were promotion and travel expense in Canada and professional fees in our US operations.

Development costs decreased $2.7 million or 66% in Q3/16 compared to the same period last year, as a result of lower hiring incentives in our US and UK operations.

Interest expense decreased by $0.7 million or 25% in Q3/16 to $2.1 million mainly due to a decrease in our Canadian capital markets operations.

Communication and technology expense increased by $1.0 million or 12% to $9.5 million in Q3/16, mostly as a result of higher costs in our US operations.

During Q3/16, the Canaccord Genuity segment recorded restructuring costs of $3.0 million related to the staff reductions and the closure of our Barbados office. In addition, the Company recorded impairment charges in respect of the goodwill allocated to the following capital markets operations: (i) Canada – $150.0 million; (ii) UK & Europe – $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations — Australia – $22.1 million; and (v) Other Foreign Locations — Singapore – $24.3 million. The Company also recorded impairment charges related to the unamortized intangible assets of $1.6 million and $0.2 million allocated to Other Foreign Locations — Singapore and Other Foreign Locations — Australia, respectively. In Q3/16, the Company also recorded an impairment charge related to equipment and leasehold improvements of $6.0 million in our US capital markets operations.

Loss before income taxes
Loss before income taxes, including allocated overhead expenses, was $343.9 million in Q3/16 compared to net loss of $26.8 million in the same quarter a year ago. Excluding significant items[1], loss before income taxes, including allocated overhead expenses, decreased from $20.6 million in Q3/15 to a loss of $18.6 million in Q3/16. The decrease in operating losses in Q3/16 was mainly attributable to higher revenue as well as lower overhead costs.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.

Year-to-date fiscal 2016 vs. year-to-date fiscal 2015

Revenue

Revenue for Canaccord Genuity in the nine months ended December 31, 2015 was $393.7 million, a decrease of $60.0 million compared to the same period last year. Revenue decreased across most geographies, most notably in Canada, where revenue decreased by 41% or $64.0 million compared to the same period last year. Revenue in our UK & Europe and Other Foreign Location operations also decreased by 4% and 22%, respectively, due to weakened market conditions and decreased corporate activity in our focus sectors in these geographies. Our US operations generated revenue of $162.1 million, which represents an 11% increase from the same period in fiscal 2015.

Expenses

Expenses for the nine months ended December 31, 2015 were $718.1 million, an increase of 71% or $298.3 million from the same period last year. Total expenses excluding significant items(1) as a percentage of revenue increased by 8.7 percentage points compared to the first nine months of fiscal 2015 as a result of the reduction in revenue and the non-variable nature of certain expenses.

Incentive compensation and salaries and benefits

Incentive compensation expense as a percentage of revenue increased by 3.2 percentage points to 56.8% for the nine months ended December 31, 2015. Total compensation as a percentage of revenue increased from 57.8% for the nine months ended December 31, 2014 to 62.1% in the current period, mainly due to the non-variable nature of certain fixed compensation costs such as salaries and stock-based compensation and increases to incentive compensation pools as discussed above.

Other overhead expenses

The Company incurred lower amortization expense, interest expense, general and administrative expense and development costs compared to the nine months ended December 31, 2014, offset by increases in trading costs, communication and technology expense, and premises and equipment expense.

Development costs decreased by $3.1 million from the same period in the prior year mainly due to a $2.4 million decrease in our US operations and a $0.8 million decrease in our UK and Europe operations, as a result of lower hiring incentive costs.

Interest expense decreased by $2.2 million compared to the same period in the prior year as a result of a decrease in our Canadian operations.

General and administrative expense decreased by $2.0 million compared to the nine months ended December 31, 2014, mainly due to lower professional fees in our US operations and promotion and travel expenses in our Canadian operations.

Amortization expense decreased by $1.0 million to $10.6 million in Q3/16 compared to the same period in the prior year due to a decrease in amortization of intangible assets in our Canadian operations.

Communication and technology expense increased by $3.6 million or 15% compared to the same period of the prior year, most notably in our US and UK & Europe operations. Premises and equipment expense increased by $0.8 million or 4% compared to same quarter in prior year, mainly due to higher expenses incurred in our US operations.

Trading costs increased by $0.5 million principally because of higher execution and settlement charges in connection with the international equities group trading activities in our US operations, partially offset by a reduction in trading costs in our Canadian operations resulting from a change in allocation from our Corporate and Other segment.

There were restructuring costs of $3.0 million recorded for the nine months ended December 31, 2015 related to staff reductions in our US operations and the closure of our Barbados office, as discussed above.

In addition, as discussed above, impairment charges related to the goodwill in connection with the following capital markets operations were recorded during the nine months ended December 31, 2015: (i) Canada – $150.0 million; (ii) UK & Europe – $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations — Australia – $22.1 million; and (v) Other Foreign Locations — Singapore – $24.3 million. The Company also recorded impairment charges related to the unamortized intangible assets of $1.6 million and $0.2 million allocated to Other Foreign Locations — Singapore and Other Foreign Locations — Australia, respectively. During the nine months ended December 31, 2015, the Company also recorded an impairment charge related to equipment and leasehold improvements of $6.0 million in our US capital markets operations.

Loss income before income taxes

Loss before income taxes for the nine months ended December 31, 2015 was $336.4 million, a decrease of $361.6 million from net income of $25.2 million in the same period a year ago. Excluding significant items(1), loss before income taxes for the nine months ended December 31, 2015 was $8.3 million, a decrease of $43.2 million from the same period a year ago. The decrease in income before income taxes was attributable to reduced market activity, which led to lower revenue across our geographic regions.

CANACCORD GENUITY WEALTH MANAGEMENT

Revenue from Canaccord Genuity Wealth Management is generated through traditional commission-based brokerage services, the sale of fee-related products and services, margin interest, and commissions and fees earned from investment banking and venture capital transactions by private clients.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.

CANACCORD GENUITY WEALTH MANAGEMENT NORTH AMERICA[1]

(C$ thousands, except AUM and AUA (in C$ millions), number of employees, Advisory Teams and % amounts)	Three months ended December 31 2015	2014	Quarter-over-quarter change	Nine months ended December 31 2015	2014	YTD-over-YTD change
Revenue	**$ 25,616**	$ 28,267	(9.4)%	**$ 82,687**	$ 92,260	(10.4)%
Expenses						
Incentive compensation	**11,919**	13,980	(14.7)%	**40,054**	46,446	(13.8)%
Salaries and benefits	**2,727**	2,565	6.3%	**8,387**	8,715	(3.8)%
Other overhead expenses	**8,738**	9,714	(10.0)%	**24,413**	29,981	(18.6)%
Total expenses	**23,384**	26,259	(10.9)%	**72,854**	85,142	(14.4)%
Intersegment allocations[2]	**4,592**	3,794	21.0%	**14,251**	12,941	10.1%
Loss before income taxes[2]	**$ (2,360)**	$ (1,786)	(32.1)%	**$ (4,418)**	$ (5,823)	24.1%
AUM – Canada (discretionary)[3]	**1,262**	1,441	(12.4)%			
AUA – Canada[4]	**9,035**	10,310	(12.4)%			
Number of Advisory Teams – Canada	**140**	161	(13.0)%			
Number of employees	**361**	405	(10.9)%			
Excluding significant items[5]						
Total expenses	**$ 23,384**	$ 26,259	(10.9)%	**$ 72,854**	$ 85,142	(14.4)%
Intersegment allocations[2]	**4,592**	3,794	21.0%	**14,251**	12,941	10.1%
Loss before income taxes[2]	**(2,360)**	(1,786)	(32.1)%	**(4,418)**	(5,823)	24.1%

(1) Data is in accordance with IFRS except for AUM, AUA, number of Advisory Teams and number of employees. See Non-IFRS Measures on page 10.
(2) Loss before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 27.
(3) AUM in Canada are assets managed on a discretionary basis under our programs generally described as or known as the *Complete Canaccord Investment Counselling Program* and the *Complete Canaccord Private Investment Management Program*.
(4) AUA in Canada is the market value of client assets administered by the Company, from which the Company earns commissions and fees and includes AUM.
(5) Refer to the Selected Financial Information Excluding Significant Items table on page 14.

Third quarter 2016 vs. third quarter 2015

Revenue from Canaccord Genuity Wealth Management North America was $25.6 million, a decrease of $2.7 million or 9% compared to the three months ended December 31, 2014, as a result of weaker market conditions and reduced client and corporate finance activities.

AUA in Canada decreased by 12% to $9.0 billion at December 31, 2015 compared to $10.3 billion at December 31, 2014, partially attributable to lower market values at the end of Q3/16 as well as a reduced number of investment advisory teams. AUM in Canada also decreased by 12% compared to Q3/15. There were 140 Advisory Teams in Canada, a decrease of 21 from a year ago. Fee-related revenue in our North American operations as a percentage of total revenue increased by 6.5 percentage points compared to Q3/15 and accounted for 47% of the wealth management revenue in Canada during the third quarter of fiscal 2016.

As a result of our cost reduction initiatives, expenses for Q3/16 decreased by 11% or $2.9 million from Q3/15 and total expenses as a percentage of revenue decreased by 1.6 percentage points compared to Q3/15.

Incentive compensation expense decreased by $2.1 million compared to Q3/15, consistent with the decline in incentive-based revenue. Total compensation expense as a percentage of revenue decreased by 1.4 percentage points compared to Q3/15, as a result of lower fixed compensation levels.

Non-compensation expense decreased by $1.0 million compared to Q3/15, mainly due to a $0.3 million decrease in amortization expense and a $0.3 million decrease in premises and equipment expense. Trading costs decreased by $0.4 million as a result of a change in the allocation of certain trading, clearing and settlement charges from our Corporate and Other segment.

Loss before income taxes was $2.4 million in Q3/16 compared to a loss of $1.8 million in the same period a year ago, primarily as a result of lower revenue.

Year-to-date fiscal 2016 vs. year-to-date fiscal 2015

Revenue from Canaccord Genuity Wealth Management North America was $82.7 million during the nine months ended December 31, 2015, a decrease of $9.6 million or 10.4% from the same period in the prior year.

Expenses for the nine months ended December 31, 2015 were $72.9 million, a decrease of $12.3 million or 14% from the same period in the prior year as a result of our cost reduction initiatives. Total expenses as a percentage of revenue decreased by 4.2 percentage points compared to the same period last year.

Incentive compensation expense decreased by $6.4 million compared to the first nine months of fiscal 2015 as a result of lower incentive-based revenue. Total compensation as a percentage of revenue decreased by 1.2 percentage points compared to the same period last year due partially to lower salaries and benefits expense arising from reduced staff levels.

Non-compensation expense decreased by $5.6 million compared to the same period in the prior year as a result of the continued focus on cost reductions. The most significant decreases include a $1.4 million decrease in general and administrative expense, a $1.0 million decrease in premises and equipment expense, a $1.0 million decrease in amortization and a $0.6 million decrease in development costs. Trading costs also decreased by $1.4 million as a result of a change in the allocation of certain trading, clearing and settlement charges from our Corporate and Other segment.

Loss before income taxes for the nine months ended December 31, 2015 was $4.4 million, compared to a loss before income taxes of $5.8 million for the same period a year ago reflecting the positive results of continued cost reduction efforts undertaken by this business unit.

CANACCORD GENUITY WEALTH MANAGEMENT UK & EUROPE[1]

(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	Three months ended December 31 2015	Three months ended December 31 2014	Quarter-over-quarter change	Nine months ended December 31 2015	Nine months ended December 31 2014	YTD-over-YTD change
Revenue	$ 35,040	$ 29,965	16.9%	$ 103,446	$ 89,879	15.1%
Expenses						
Incentive compensation	12,424	10,762	15.4%	36,725	32,248	13.9%
Salaries and benefits	5,988	4,725	26.7%	17,553	13,893	26.3%
Other overhead expenses	11,050	10,465	5.6%	32,999	32,232	2.4%
Restructuring costs	—	—	—	—	783	(100.0)%
Total expenses	29,462	25,952	13.5%	87,277	79,156	10.3%
Intersegment allocations[2]	622	936	(33.5)%	1,853	3,156	(41.3)%
Income before income taxes[2]	$ 4,956	$ 3,077	61.1%	$ 14,316	$ 7,567	89.2%
AUM – UK and Europe[3]	24,530	20,307	20.8%			
Number of investment professionals and fund managers – UK and Europe	117	113	3.5%			
Number of employees	317	308	2.9%			
Excluding significant items[4]						
Total expenses	$ 27,902	$ 24,292	14.9%	$ 82,693	$ 72,249	14.5%
Intersegment allocations[2]	622	936	(33.5)%	1,853	3,156	(41.3)%
Income before income taxes[2]	6,516	4,737	37.6%	18,900	14,474	30.6%

(1) Data is in accordance with IFRS except for AUM, number of investment professionals and fund managers and number of employees. See Non-IFRS Measures on page 10.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 27.
(3) AUM in the UK & Europe is the market value of client assets managed and administered by the Company, from which the Company earns commissions and fees. This measure includes both discretionary and non-discretionary accounts.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 14.

Third quarter 2016 vs. third quarter 2015

Revenue generated by our Canaccord Genuity Wealth Management UK & Europe operation is largely produced through fee-related accounts and portfolio management activities and, as such, is less sensitive to changes in market conditions. Revenue for Q3/16 was $35.0 million, an increase of 17% compared to Q3/15, largely as a result of higher fee-related revenue earned from an increase in the size and market value of managed accounts. AUM in the UK & Europe as of December 31, 2015 was $24.5 billion, an increase of 21% compared to $20.3 billion as of December 31, 2014. Measured in local currency (GBP), AUM increased by 6% when compared to December 31, 2014. The fee-related revenue in our UK & European wealth management operations accounted for 71% of total revenue in this geography in Q3/16. As discussed above, this business has a higher proportion of fee-related revenue and managed accounts compared to our Canadian wealth management business.

Incentive compensation expense was $12.4 million, a $1.7 million increase from $10.8 million in Q3/15 as a result of an increase in incentive-based revenue. Salaries and benefits expense increased by $1.3 million compared to Q3/15 to $6.0 million in Q3/16. The increase was largely related to capitalized employment costs in Q3/15 incurred in connection with the Avaloq system and software development prior to its implementation now being treated as an operating expense. Total compensation expense (incentive compensation plus salaries and benefits) as a percentage of revenue increased by 0.8 percentage points from 51.7% in Q3/15 to 52.5% in Q3/16.

Other overhead expenses for the three months ended December 31, 2015 remained relatively consistent with Q3/15. The most significant increase was amortization expense which increased by $0.6 million compared to Q3/15, largely related to the amortization of capitalized systems and software development costs discussed above.

Income before income taxes was $5.0 million compared to $3.1 million in the same period a year ago as a result of the increase in revenue. Excluding significant items[1], which include amortization of intangible assets acquired in connection with a business combination, net income before income taxes was $6.5 million, an increase of $1.8 million compared to net income before income taxes of $4.7 million in Q3/15.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.

Year-to-date fiscal 2016 vs. year-to-date fiscal 2015

Revenue from Canaccord Genuity Wealth Management UK and Europe was $103.4 million for the nine months ended December 31, 2015, an increase of $13.6 million or 15% from the same period in the prior year.

Expenses for the nine months ended December 31, 2015 were $87.3 million, an increase of $8.1 million or 10% from the same period in the prior year.

Total compensation expense (incentive compensation plus salaries and benefits) as a percentage of revenue increased by 1.1 percentage points to 52.5% for the nine months ended December 31, 2015. As discussed above, the increase in total compensation expense was mainly due to employment costs that were previously capitalized in connection with the development of the Avaloq system now treated as an operating expense in the current period.

Communication and technology expense increased by $1.2 million and trading costs increased by $0.7 million compared to the same period last year, mainly to support the growth in this region. Offsetting these increases were decreases in premises and equipment expense, interest and general and administrative expense.

During the nine months ended December 31, 2014, the Company incurred restructuring costs of $0.8 million in connection with the closure of our office in Geneva. No restructuring charges were incurred during the nine months ended December 31, 2015.

Income before income taxes was $14.3 million compared to $7.6 million in the same period a year ago mainly as a result of an increase in revenue during the current period. Excluding significant items[1], net income before income taxes was $18.9 million, an increase of $4.4 million compared to the same period of the prior year.

CORPORATE AND OTHER[1]

	Three months ended December 31			Nine months ended December 31		
(C$ thousands, except number of employees and % amounts)	**2015**	2014	Quarter-over-quarter change	**2015**	2014	YTD-over-YTD change
Revenue	**$ (964)**	$ 4,373	(122.0)%	**$ 7,069**	$ 12,433	(43.1)%
Expenses						
Incentive compensation	**1,347**	782	72.3%	**4,617**	7,308	(36.8)%
Salaries and benefits	**7,281**	6,983	4.3%	**21,915**	21,511	1.9%
Other overhead expenses	**7,523**	4,008	87.7%	**17,527**	11,126	57.5%
Restructuring costs	**1,300**	—	n.m.	**1,300**	1,600	(18.8)%
Total expenses	**17,451**	11,773	48.2%	**45,359**	41,545	9.2%
Intersegment allocations[2]	**(9,132)**	(7,427)	(23.0)%	**(28,125)**	(24,885)	(13.0)%
(Loss) income before income taxes[2]	**$ (9,283)**	$ 27	n.m.	**$ (10,165)**	$ (4,227)	(140.5)%
Number of employees	**326**	316	3.2%			
Excluding significant items[3]						
Total expenses	**$ 16,151**	$ 11,773	37.2%	**$ 44,059**	$ 39,945	10.3%
Intersegment allocations[2]	**(9,132)**	(7,427)	(23.0)%	**(28,125)**	(24,885)	(13.0)%
(Loss) income before income taxes[2]	**(7,983)**	27	n.m.	**(8,865)**	(2,627)	(237.5)%

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 10.
(2) (Loss) income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 27.
(3) Refer to the Selected Financial Information Excluding Significant Items table on page 14.
n.m.not meaningful.

This segment, described as Corporate and Other, includes revenues and expenses associated with providing correspondent brokerage services, bank and other interest, foreign exchange gains and losses, and expenses not specifically allocable to either the Canaccord Genuity or Canaccord Genuity Wealth Management divisions. Also included in this segment are the Company's Canadian operations and support services, which are responsible for front- and back-office information technology systems, compliance and risk management, operations, finance, and all administrative functions.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.

Third quarter 2016 vs. third quarter 2015

Revenue in the Corporate and Other segment for the three months ended December 31, 2015 was negative $1.0 million, a decrease of $5.3 million from the same quarter a year ago. The decrease was primarily related to an impairment charge in connection with our investment in Canadian First Financial Group Inc.

Expenses for Q3/16 increased by $5.7 million or 48%, to $17.5 million compared to the three months ended December 31, 2014. Incentive compensation expense increased by $0.6 million compared to Q3/15, partly as a result of higher amortization expense related to long-term incentive awards granted in conjunction with the appointment of our new CEO. Trading costs increased by $1.4 million compared to Q3/15 due to a change in the allocation of certain trading, clearing and settlement charges to the Canaccord Genuity and Canaccord Genuity Wealth Management segments, thus resulting in a lower trading cost recovery in Corporate and Other. The Company also recorded restructuring costs in Q3/16 of $1.3 million in connection with certain executive changes in Canada.

Overall, loss before income taxes was $9.3 million compared to an income before income taxes of $0.1 million in the same period a year ago.

Year-to-date fiscal 2016 vs. year-to-date fiscal 2015

Revenue was $7.1 million for the nine months ended December 31, 2015, a decrease of $5.4 million from the same period in the prior year, mainly due to the impairment charge as discussed above.

Expenses for the nine months ended December 31, 2015 were $45.4 million, an increase of $3.8 million from the same period last year. The overall increase in expenses was mainly attributable to a $3.9 million increase in trading costs due to a change in the allocation of certain trading, clearing and settlement charges to the Canaccord Genuity and Canaccord Genuity Wealth Management segments, thus resulting in a lower trading cost recovery in Corporate and Other. This increase was mainly offset by a $2.7 million decrease in incentive compensation expense as a result of reduced group profitability.

Restructuring costs of $1.3 million and $1.6 million, respectively, were recorded in the nine months ended December 31, 2015 and December 31, 2014 in connection with certain executive changes in Canada.

Overall, loss before income taxes, after intersegment allocations, was $10.2 million for the nine months ended December 31, 2015 compared to a loss before income taxes of $4.2 million in the same period a year ago. Excluding significant items[1], loss before income taxes was $8.9 million in the nine months ended December 31, 2015 compared to a loss before income taxes of $2.6 million in the same period last year.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 10.

Quarterly Results

Our quarterly results are generally not significantly affected by seasonal factors. However, the Company's revenue and income can experience considerable variations from quarter to quarter and year to year due to factors beyond the Company's control. The business is affected by the overall condition of the global capital markets. The Company's revenue from an underwriting transaction is recorded only when the transaction has been substantially completed. Consequently, the timing of revenue recognition can materially affect Canaccord Genuity Group Inc.'s quarterly results.

The following table provides selected quarterly financial information for the eight most recently completed financial quarters ended on or before December 31, 2015. This information is unaudited but reflects all adjustments of a recurring nature, which are, in the opinion of management, necessary to present a fair statement of the results of operations for the periods presented. Quarter-to-quarter comparisons of financial results are not necessarily meaningful and should not be relied upon as indications of future performance.

(C$ thousands, except per share amounts)	**Fiscal 2016**			Fiscal 2015				Fiscal 2014
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue								
Canaccord Genuity	**$ 122,145**	$ 126,511	$ 145,035	$ 159,379	$ 103,866	$ 170,615	$ 179,245	$ 186,659
Canaccord Genuity Wealth Management:								
North America	**25,616**	26,155	**30,916**	33,079	28,267	31,637	32,356	32,016
UK & Europe	**35,040**	34,039	34,367	35,672	29,965	29,786	30,128	33,220
Corporate and Other	**(964)**	3,897	4,136	4,335	4,373	4,233	3,827	1,853
Total revenue	**181,837**	$ 190,602	$ 214,454	$ 232,465	$ 166,471	$ 236,271	$ 245,556	$ 253,748
Net (loss) income	**(346,388)**	(431)	10,961	(26,322)	(21,479)	17,614	18,869	25,920
(Loss) earnings per common share – basic	**$ (3.91)**	$ (0.03)	$ 0.08	$ (0.33)	$ (0.27)	$ 0.16	$ 0.16	$ 0.24
(Loss) earnings per common share – diluted	**$ (3.91)**	$ (0.03)	**$ 0.08**	$ (0.33)	$ (0.27)	$ 0.14	$ 0.15	$ 0.22

During the first nine months of fiscal 2016 our revenue was negatively impacted by the decline in market conditions throughout the different geographic regions. The Canaccord Genuity division, which has been affected by the decline in market conditions, experienced a further decrease in revenue in Q3/16 of 3% compared to Q2/16 and 16% compared to Q1/16. Our Canadian capital markets operations experienced an increase of 34% in revenue in Q3/16 compared to the previous quarter, mainly due to the completion of a significant advisory transaction. Our UK & Europe capital markets operations continued to be negatively impacted by the market downturn, with Q3/16 being the lowest revenue generating quarter during the first nine months of fiscal 2016. As a result of the significant decrease in revenue and the impact on incentive compensation pools, total compensation as a percentage of revenue has increased, leading to an operating loss this quarter.

Revenue in our US capital markets operations decreased by 8% compared to Q2/16. The operating profits for the US operations in the recent quarters have been impacted by additional costs resulting from certain growth initiatives including expansion of the fixed income business. Restructuring efforts in fiscal 2015 and fiscal 2016 substantially reduced the US fixed income activity. In the first nine months of fiscal 2016, the operating profits of the US operations have been negatively impacted by higher trading costs in relation to the international equities group trading activities, higher expenses related to a regulatory settlement, as well as restructuring costs.

As a result of an improved performance by our Australian operation, the Other Foreign Locations operations generated higher revenues throughout fiscal 2015 compared to the same quarters as in fiscal 2014. However, as a result of a decline in market activity, revenue decreased in fiscal 2016 in comparison to fiscal 2015. Revenue decreased by 49% in Q3/16 compared to Q4/15 but increased by 9% compared to Q2/16.

Our Canaccord Genuity Wealth Management North America operations have also been negatively impacted by the weakened market conditions, with a decrease of 9% in revenue during Q3/16 compared to the same period a year ago. Assets under management also decreased by 12% compared to Q3/15, to $1.3 billion as a result of lower market values and a reduced number of investment advisory teams. The operations have maintained their effort at cost containment as expenses have decreased 11% since Q3/15.

The Canaccord Genuity Wealth Management UK & Europe operations continued to experience steady revenue growth, and the fee-related revenue in this division has been steadily increasing. At the end of Q3/16, fee-related revenue was at 71%, a 1.9 percentage point increase from Q3/15. Assets under management for this group have also generally increased over the past eight completed financial quarters, reaching $24.5 billion as of the end of Q3/16.

The movement in revenue in the Corporate and Other division was mainly due to foreign exchange gains or losses resulting from fluctuations in the Canadian dollar. The impairment charge related to our investment in Canadian First Financial Group Inc. also contributed to the loss in Q3/16.

Intersegment Allocated Costs

Included in the Corporate and Other segment are certain support services, research and other expenses that have been incurred to support the activities within the Canaccord Genuity and Canaccord Genuity Wealth Management segments in Canada. Certain trading, clearing and settlement charges are included as a trading cost in the applicable business units and as a trading cost recovery in Corporate and Other. In addition, certain overhead costs are charged by Canaccord Genuity UK & Europe to Canaccord Genuity Wealth Management UK & Europe and included in intersegment allocated costs for these business units.

Financial Condition

Below are specific changes in selected items on the unaudited interim condensed consolidated statement of financial position as compared to the Audited Annual Consolidated Financial Statements.

ASSETS

Cash and cash equivalents were $413.6 million on December 31, 2015 compared to $322.3 million on March 31, 2015. Refer to the Liquidity and Capital Resources section on page 28 for more details.

Securities owned were $556.6 million on December 31, 2015 compared to $848.1 million on March 31, 2015 due to a decrease in corporate and government debt and equities owned as of December 31, 2015.

Accounts receivable were $1.4 billion at December 31, 2015 compared to $2.5 billion at March 31, 2015, mainly due to a decrease in receivables with brokers and investment dealers and clients as a result of lower trading activity.

Goodwill was $215.1 million and intangible assets were $130.0 million at December 31, 2015. At March 31, 2015, goodwill was $505.6 million and intangible assets were $134.9 million, representing the goodwill and intangible assets acquired through the purchases of Genuity Capital Markets, Collins Stewart Hawkpoint plc, a 50% interest in Canaccord Genuity (Australia) Limited, and the wealth management business of Eden Financial Ltd. As discussed in previous sections, the Company recorded impairment charges in respect of the goodwill allocated to the following capital markets operations during the nine months ended December 31, 2015: (i) Canada – $150.0 million; (ii) UK & Europe – $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations — Australia – $22.1 million; and (v) Other Foreign Locations — Singapore – $24.3 million. In addition, the Company recorded impairment charges related to the unamortized intangible assets of $1.6 million and $0.2 million allocated to Other Foreign Locations — Singapore and Other Foreign Locations — Australia, respectively. During the nine months ended December 31, 2015, the Company also recorded an impairment charge related to equipment and leasehold improvements of $6.0 million in our US capital markets operations.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments, were $63.5 million at December 31, 2015 compared to $67.5 million at March 31, 2015, mainly due to an increase in income taxes receivable.

LIABILITIES

Bank overdrafts and call loan facilities utilized by the Company may vary significantly on a day-to-day basis and depend on securities trading activity. At December 31, 2015, the Company had available credit facilities with banks in Canada and the UK in the aggregate amount of $789.3 million [March 31, 2015 — $770.0 million]. These credit facilities, consisting of call loans, subordinated debt, letters of credit and daylight overdraft facilities, are collateralized by either unpaid client securities and/or securities owned by the Company. On December 31, 2015, there was $21.5 million in bank indebtedness, compared to $20.3 million on March 31, 2015.

Securities sold short were $400.2 million at December 31, 2015 compared to $654.6 million at March 31, 2015, mostly due to a decrease in short positions in corporate and government debt.

Accounts payable and accrued liabilities, including provisions, were $1.5 billion at December 31, 2015, a decrease from $2.5 billion at March 31, 2015, mainly due to a decrease in payables to brokers and investment dealers, and clients.

Other liabilities, including subordinated debt, income taxes payable and deferred tax liabilities, were $22.7 million at December 31, 2015, a decrease from $25.2 million at March 31, 2015.

Non-controlling interests were $11.5 million at December 31, 2015 compared to $10.3 million at March 31, 2015, which represents 40% of the net assets of our operations in Australia.

Off-Balance Sheet Arrangements

As of December 31, 2015, a subsidiary of the Company had an irrevocable secured standby letter of credit from a financial institution totalling $2.8 million (US$2.0 million) [March 31, 2015 — $1.1 million (US$0.9 million)] as a rent guarantee for its leased premises in Boston and New York.

Liquidity and Capital Resources

The Company has a capital structure comprised of preferred shares, common shares, contributed surplus, retained earnings and accumulated other comprehensive income. On December 31, 2015, cash and cash equivalents were $413.6 million, an increase of $91.3 million from $322.3 million as of March 31, 2015. During the nine months ended December 31, 2015, financing activities used cash in the amount of $73.3 million, mainly due to cash dividends paid and purchases of common shares for the long-term incentive plan (LTIP). Investing activities used cash in the amount of $8.5 million mainly for the purchase of equipment and leasehold improvements and intangible assets. Operating activities generated cash in the amount of $165.9 million, which was largely due to changes in non-cash working capital. An increase in cash of $7.1 million was attributable to the effect of foreign exchange translation on cash balances.

Compared to the nine months ended December 31, 2014, cash used in financing activities decreased by $20.9 million, primarily due to lower cash spent on acquisition of common shares for the LTIP and on dividends paid. Cash used in investing activities decreased by $11.4 million during the nine months ended December 31, 2015 compared to the same period last year, mainly due to lower additions of intangible assets and the purchase of non-controlling interests during the nine months ended December 31, 2014. Changes in working capital led to an increase in cash generated by operating activities of $73.9 million. In addition, due to the appreciation of pound sterling and the US dollar against the Canadian dollar, the effect of foreign exchange on cash balances increased by $9.3 million. Overall, cash and cash equivalents increased by $73.6 million from $340.0 million at December 31, 2014 to $413.6 million at December 31, 2015.

The Company's business requires capital for operating and regulatory purposes. The majority of current assets reflected on the Company's unaudited interim condensed consolidated statements of financial position are highly liquid. The majority of the positions held as securities owned are readily marketable, and all are recorded at their fair value. Securities sold short are highly liquid securities. The fair value of these securities fluctuates daily as factors such as changes in market conditions, economic conditions and investor outlook affect market prices. Client receivables are secured by readily marketable securities and are reviewed daily for impairment in value and collectability. Receivables and payables from brokers and dealers represent the following: current open transactions that generally settle within the normal three-day settlement cycle; collateralized securities borrowed and/or loaned in transactions that can be closed within a few days on demand; and balances on behalf of introducing brokers representing net balances in connection with their client accounts.

As discussed above, subsidiaries of the Company also have other credit facilities, such as call loans, letters of credit and overdraft facilities, with banks in Canada and the UK. The aggregate amount of other credit facilities available to the Company was $789.3 million as of December 31, 2015.

In the normal course of business, the Company enters into contracts that give rise to commitments of future minimum payments that affect its liquidity.

The following table summarizes the Company's long term contractual obligations on December 31, 2015:

		Contractual obligations payments due by period			
(C$ thousands)	Total	Fiscal 2017	Fiscal 2018–Fiscal 2019	Fiscal 2020–Fiscal 2021	Thereafter
Premises and equipment operating leases	$ 165,458	$ 32,493	$ 53,193	$ 37,275	$ 42,497

Outstanding Share Data

	Outstanding shares as of December 31	
	2015	2014
Preferred shares		
Series A – issued shares outstanding	**4,540,000**	4,540,000
Series C – issued shares outstanding	**4,000,000**	4,000,000
Common shares		
Issued shares excluding unvested shares(1)	**89,201,211**	90,878,279
Issued shares outstanding(2)	**103,107,990**	101,883,242
Issued shares outstanding – diluted(3)	**109,541,050**	104,538,229
Average shares outstanding – basic	**91,202,181**	91,835,900
Average shares outstanding – diluted	**n/a**	100,825,296

(1) Excludes 1,841,751 outstanding unvested shares related to share purchase loans for recruitment and retention programs and 12,065,028 unvested shares purchased by employee benefit trusts for the LTIP.
(2) Includes 1,841,751 outstanding unvested shares related to share purchase loans for recruitment and retention programs and 12,065,028 unvested shares purchased by employee benefit trusts for the LTIP.
(3) Includes 6,433,060 share issuance commitments.

Under the NCIB which commenced on August 13, 2014, and ended on August 12, 2015, a total of 1,075,432 shares were purchased at a weighted average price per share of $7.9555. All these shares have been cancelled. On August 4, 2015, the Company filed a notice to renew the normal-course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,163,737 of its common shares during the period from August 13, 2015 to August 12, 2016 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. Shareholders may obtain a copy of the notice, without charge, by contacting the Company. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. A total of 624,350 shares have been purchased and cancelled under the terms of the NCIB from April 1, 2015 to December 31, 2015.

The Company has entered into a predefined plan with a designated broker to allow for the repurchase of its common shares under this NCIB. The Company's broker may repurchase the common shares under the plan on any trading day during the NCIB, including at any time during the Company's internal trading blackout periods. The plan has been reviewed by the TSX and will terminate on the earlier of the termination of the plan by the Company in accordance with its terms and the expiry of the NCIB.

Purchases under the current NCIB commenced on August 13, 2015, and will continue for one year (to August 12, 2016) at the discretion of the Company. The maximum consideration will be the market price of the securities at the time of acquisition. In order to comply with the trading rules of the TSX and the conditions for trading under the EU Buy-back and Stabilisation Regulation, the daily purchases are limited to 41,767 common shares of the Company (which is the lesser of (a) 25% of the average daily trading volume of common shares of the Company on the TSX in the six calendar months from February 2015 to July 2015 and (b) 25% of the average daily trading volume of common shares of the Company on the TSX in the month of July 2015. To fulfill its regulatory reporting requirements in Canada and in the UK, the Company will issue a press release no later than the end of the seventh daily market session following the date of execution of the purchases.

As of January 31, 2016, the Company has 103,107,990 common shares issued and outstanding.

Share-Based Payment Plans

There have been no updates to the share-based payment plans discussed in the 2015 Annual Report.

International Financial Centre

Canaccord Genuity Group is a member of the AdvantageBC International Business Centre Society (formerly known as the International Financial Centre British Columbia Society) and the Montréal International Financial Centre, both of which provide certain tax and financial benefits pursuant to the *International Business Activity Act* of British Columbia and the *Act Respecting International Financial Centres* of Québec. Accordingly, the Company's overall income tax rate is less than the rate that would otherwise be applicable.

Financial Instruments

FOREIGN EXCHANGE

The Company manages its foreign exchange risk by periodically hedging pending settlements in foreign currencies. Realized and unrealized gains and losses related to these transactions are recognized in income during the period. On December 31, 2015, forward contracts outstanding to sell US dollars had a notional amount of US$1.0 million, a decrease of US$2.3 million compared to December 31, 2014. Forward contracts outstanding to buy US dollars had a notional amount of US$5.3 million, an increase of US$3.8 million from December 31, 2014. The fair value of these contracts was nominal. Some of the Company's operations in the US, the UK & Europe, Australia, Singapore, Hong Kong and China are conducted in the local currency; however, any foreign exchange risk in respect of these transactions is generally limited as pending settlements on both sides of the transaction are typically in the local currency.

These contracts were entered into in an attempt to mitigate foreign exchange risk on pending security settlements in foreign currencies. The fair value of these contracts is nominal due to their short term to maturity.

The Company's Canaccord Genuity Wealth Management segment in the UK & Europe trades foreign exchange forward contracts on behalf of its clients, and establishes matching contracts with the counterparties. The Company has no significant net exposure, assuming no counterparty default.

FUTURES

The Company's Canadian operations are involved in trading bond futures contracts, which are agreements to buy or sell a standardized amount of an underlying Government of Canada bond, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations trade in bond futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At December 31, 2015, the notional amount of the bond futures contracts outstanding was short $0.1 million [March 31, 2015 — long $1.6 million].

The Company's Canadian operations are also involved in trading US Treasury futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At December 31, 2015, the notional amount of US Treasury futures contracts outstanding held in a short position was $11.4 million (US$8.2 million) [March 31, 2015 — $nil]. The fair value of all of the above futures contracts is nominal due to their short term to maturity. Realized and unrealized gains and losses related to these contracts are recognized in net income (loss) during the reporting period.

Related Party Transactions

The Company's related parties include the following persons and/or entities: (a) entities that are controlled or significantly influenced by the Company, and (b) key management personnel, who are comprised of the directors of the Company, as well as executives involved in strategic decision-making for the Company. A list of the Company's principal trading subsidiaries and principal intermediate holding companies is disclosed in Note 20 of the March 31, 2015 Audited Annual Consolidated Financial Statements.

Security trades executed for employees, officers and directors of the Company are transacted in accordance with terms and conditions applicable to all clients. Commission income on such transactions in the aggregate is not material in relation to the overall operations of the Company.

The Company offers various share-based payment plans to its key management personnel, including common share purchase loans, a long-term incentive plan, the CSH Inducement Plan and share options. Directors have also been granted share options and have the right to acquire deferred share units (DSUs).

Accounts receivable and accounts payable and accrued liabilities include the following balances with key management personnel:

(C$ thousands)	**December 31, 2015 $**	March 31, 2015 $
Accounts Receivable	**$ 36**	—
Accounts payable and accrued liabilities	**$ 497**	$ 1,041

Critical Accounting Policies and Estimates

The unaudited interim condensed consolidated financial statements for the quarter ended December 31, 2015 have been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" (IAS 34), as issued by the International Accounting Standards Board (IASB).

The preparation of the unaudited interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying note disclosures, and the disclosure of contingent liabilities at the reporting date. Therefore, actual results may differ from those estimates and assumptions. The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes, valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair value of financial instruments, capitalization of intangible assets related to software costs and provisions.

In particular, the assessment for impairment of goodwill and identifiable indefinite life intangible assets requires management's best estimates in order to determine fair values using discounted cash flow projections that employ the following key assumptions: future cash flows, growth projections and discount rates. Due to continuing economic uncertainties, interim impairment tests were performed for goodwill and indefinite life intangible assets for all applicable cash-generating units (CGUs) as of December 31, 2015.

In accordance with IAS 36, "*Impairment of Assets*" (IAS 36), the recoverable amounts of the CGUs' net assets is determined using fair value less costs to sell (FVLCS) calculations, which are based on future cash flow assumptions which are considered to be appropriate for the purposes of such calculations. In accordance with IFRS 13 fair value represents an estimate of the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants as at the end of the reporting period under market conditions as at that date (an exit price as at the measurement date). There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGUs' net assets given that these estimates involve making key assumptions about the future. In making such assumptions, management has used its best estimate of future economic and market conditions within the context of the Company's capital markets and wealth management activities.

The FVLCS calculations are based on assumptions made in connection with future cash flows, terminal growth rates and discount rates. In order to estimate the FVLCS for each CGU, cash flows are forecast over a five-year period, a terminal growth rate is applied and then such cash flows are discounted to their present value. The discount rate is based on the specific circumstances of each CGU and is derived from the estimated weighted average cost of capital of the Company. The CGUs which continued to record goodwill in their carrying value as of December 31, 2015 were Canaccord Genuity, Canada and Canaccord Genuity Wealth Management UK & Europe (Channel Islands) and UK. The discount rate utilized for each of these CGUs for the purposes of these calculations was 12.5% [March 31, 2015 — 12.5% to 14.0%]. Cash flow estimates for each of these CGUs were based on management assumptions and utilized five-year compound annual revenue growth rates 5% [March 31, 2015 — 5.0% to 10.0%] as well as estimates in respect of operating margins. The terminal growth rate used for each of Canaccord Genuity, Canada and Canaccord Genuity Wealth Management UK & Europe (Channel Islands) and UK was 2.5% [March 31, 2015 – 2.5%].

During the nine months ended December 31, 2015, as a result of operating losses and reduced revenue forecasts, the Company recorded impairment charges in respect of the goodwill allocated to the following CGUs in the Canaccord Genuity segment: (i) Canada – $150.0 million; (ii) UK & Europe – $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations — Australia – $22.1 million; and (v) Other Foreign Locations — Singapore $24.3 million. In addition, the Company recorded impairment charges related to the unamortized intangible assets of $1.6 million and $0.2 million allocated to Other Foreign Locations — Singapore and Other Foreign Locations — Australia, respectively. During the nine months ended December 31, 2015, the Company also recorded an impairment charge related to equipment and leasehold improvements of $6.0 million in our US capital markets operations.

Refer to Note 7 of the unaudited interim condensed consolidated financial statements for the nine months ended December 31, 2015 for further information regarding the key assumptions used in connection with the December 31, 2015 interim impairment tests of goodwill and other assets.

Significant accounting policies used and policies requiring management's judgment and estimates have not changed during the third quarter of fiscal 2016 and are discussed under "Critical Accounting Policies and Estimates" in our 2015 Annual Report.

Changes in Accounting Policies

There were no significant changes in the accounting policies discussed in Note 5 of the 2015 Audited Annual Consolidated Financial Statements, during the nine months ended December 31, 2015.

Future Changes in Accounting Policies and Estimates

There have been no updates to the "Future Changes in Accounting Policies and Estimates" disclosed in our 2015 Annual Report, during the nine months ended December 31, 2015, except as noted below.

During July 2015, due to significant feedback from stakeholders and to align with the US Financial Accounting Standards Board, the International Accounting Standards Board decided to defer the effective date of IFRS 15 by one year. As a result, IFRS 15 will be effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

During January 2016, the IASB issued the new standard IFRS 16 "Leases", which requires lessees to recognize assets and liabilities for most leases. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

DISCLOSURE CONTROLS AND PROCEDURES

As of December 31, 2015, an evaluation was carried out, under the supervision of and with the participation of management, including the President & CEO and the Executive Vice President & CFO, of the effectiveness of our disclosure controls and procedures as defined under *National Instrument 52-109*. Based on that evaluation, the President & CEO and the Executive Vice President & CFO concluded that our disclosure controls and procedures were effective as at December 31, 2015.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes made in our internal control over financial reporting that occurred during the quarter ended December 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Dividend Policy

Although dividends are expected to be declared and paid quarterly, the Board of Directors, in its sole discretion, will determine the amount and timing of any dividends. All dividend payments will depend on general business conditions, the Company's financial condition, results of operations, capital requirements and such other factors as the Board determines to be relevant.

Dividend Declaration

On February 11, 2016, the Board of Directors considered the Company's dividend policy in the context of the market environment and Canaccord's business activity and agreed a suspension of the quarterly dividend on common shares. This suspension will be reviewed quarterly and a determination made on the basis of business conditions and profitability.

On February 11, 2016 the Board of Directors approved the following cash dividends: $0.34375 per Series A Preferred Share payable on March 31, 2016 with a record date of March 18, 2016; and $0.359375 per Series C Preferred Share payable on March 31, 2016 with a record date of March 18, 2016.

Risks

The Company's ability to maintain and successfully execute its business strategy depends upon the personal reputation, judgment, business generation capabilities and project execution skills of its senior professionals. Any management disruption could result in a loss of clients and customers, or revenues from clients and customers, and could significantly affect the Company's business and results of operations.

The securities industry and the Company's activities are by their very nature subject to a number of inherent risks. Economic conditions, competition and market factors such as volatility in the Canadian and international markets, interest rates, commodity prices, market prices, trading volumes and liquidity will have a significant impact on the Company's profitability. An investment in the common or preferred shares of the Company involves a number of risks, including market, liquidity, credit, operational, legal and regulatory risks, which could be substantial and are inherent in the Company's business. The Company is also directly exposed to market price risk, liquidity risk and volatility risk as a result of its principal trading activities in equity securities and to interest rate risk and credit spread risk as a result of its principal trading in fixed income securities. Canaccord Genuity Wealth Management revenue is dependent on both trading volumes and asset values and, as such, is dependent on the level of market activity, investor confidence and the level of market prices. Canaccord Genuity's revenue is dependent on financing activity by corporate issuers, participation in advisory engagements, the success of its market making and principal trading, as well as the willingness of institutional clients to actively trade and participate in capital markets transactions. There may also be a lag between market fluctuations, changes in business conditions and the level of the Company's market activity and the impact that these factors have on the Company's operating results and financial position.

The financial services business is subject to extensive regulation in Canada, the US, the UK & Europe, Singapore, Hong Kong, Australia and elsewhere. Compliance with many of the regulations applicable to the Company involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation and change. Changing regulations and interpretations could have a significant impact on the Company's business and profitability. The Company has a capital management framework to maintain the level of capital that will meet the Company's regulated subsidiaries' target ratios as set out by the respective regulators, to fund current and future operations, to ensure that the firm is able to meet its financial obligations as they come due, and to support the creation of shareholder value. The regulatory bodies that govern the Company's subsidiaries' use of regulatory capital are listed in Note 22 of the Company's 2015 Audited Annual Consolidated Financial Statements.

Further discussion regarding risks can be found in our Annual Information Form.

Additional Information

A comprehensive discussion of the Company's business, strategies, objectives and risks is available in our Annual Information Form and in the Management's Discussion and Analysis and Audited Annual Consolidated Financial Statements included in our 2015 Annual Report, which are available on our website at *www.canaccordgenuitygroup.com/EN/IR/FinReports/Pages/default.aspx* and on SEDAR at *www.sedar.com*.

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	December 31, 2015	March 31, 2015
ASSETS			
Current			
Cash and cash equivalents		$ 413,589	$ 322,324
Securities owned	4	556,613	848,128
Accounts receivable	6	1,384,550	2,491,488
Income taxes receivable		12,344	5,295
Total current assets		2,367,096	3,667,235
Deferred tax assets		10,006	10,148
Investments		5,621	8,693
Equipment and leasehold improvements		35,539	43,373
Intangible assets	7	129,917	134,877
Goodwill	7	215,136	505,579
		$ 2,763,315	$ 4,369,905
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Bank Indebtedness		$ 21,491	$ 20,264
Securities sold short	4	400,175	654,639
Accounts payable and accrued liabilities	6, 13	1,504,763	2,527,636
Provisions	15	13,514	14,320
Income taxes payable		3,838	8,172
Subordinated debt		15,000	15,000
Total current liabilities		1,958,781	3,240,031
Deferred tax liabilities		3,842	2,057
		1,962,623	3,242,088
Shareholders' equity			
Preferred shares	9	205,641	205,641
Common shares	10	616,527	620,858
Contributed surplus		69,318	85,597
Retained earnings (deficit)		(268,654)	92,815
Accumulated other comprehensive income		166,379	112,631
Total shareholders' equity		789,211	1,117,542
Non-controlling interests		11,481	10,275
Total equity		800,692	1,127,817
		$ 2,763,315	$ 4,369,905

See accompanying notes

On behalf of the Board:

"Daniel Daviau"

DANIEL DAVIAU
Director

"Terrence A. Lyons"

TERRENCE A. LYONS
Director

Unaudited Interim Condensed Consolidated Statements of Operations

		For the three months ended		For the nine months ended	
(in thousands of Canadian dollars, except per share amounts)	Notes	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
REVENUE					
Commissions and fees		$ 95,014	$ 92,123	$ 278,902	$ 273,189
Investment banking		20,406	27,601	117,309	181,262
Advisory fees		37,809	22,618	103,386	111,053
Principal trading		20,202	14,612	60,360	52,596
Interest		3,981	5,045	13,389	17,251
Other		4,425	4,472	13,547	12,947
		181,837	166,471	586,893	648,298
EXPENSES					
Incentive compensation		105,774	87,199	304,955	328,925
Salaries and benefits		23,509	20,430	68,583	63,231
Trading costs		15,142	13,975	43,059	39,384
Premises and equipment		9,912	9,579	29,849	29,692
Communication and technology		14,234	12,997	42,104	37,415
Interest		2,431	3,291	8,014	10,523
General and administrative		23,766	26,718	68,728	72,623
Amortization		6,635	6,587	19,221	21,434
Development costs		5,739	6,680	13,739	15,440
Impairment of goodwill and other assets	7	321,037	4,535	321,037	4,535
Restructuring costs	15	4,277	—	4,277	2,383
		$ 532,456	$ 191,991	$ 923,566	$ 625,585
(Loss) income before income taxes		(350,619)	(25,520)	(336,673)	22,713
Income taxes (recovery)					
Current		(2,440)	(5,237)	(3,566)	7,414
Deferred		(1,791)	1,196	2,751	295
	8	(4,231)	(4,041)	(815)	7,709
Net (loss) income for the period		$ (346,388)	$ (21,479)	$ (335,858)	$ 15,004
Net (loss) income attributable to:					
CGGI shareholders		$ (346,277)	$ (21,380)	$ (335,968)	$ 13,810
Non-controlling interests		$ (111)	(99)	$ 110	1,194
Weighted average number of common shares outstanding (thousands)					
Basic		89,336	91,404	91,202	91,836
Diluted		n/a	n/a	n/a	100,825
Net (loss) income per common share					
Basic	10iii	$ (3.91)	$ (0.27)	$ (3,78)	$ 0.05
Diluted	10iii	$ (3.91)	$ (0.27)	$ (3.78)	$ 0.05
Dividend per common share	11	$ —	$ 0.05	$ 0.10	$ 0.20
Dividend per Series A Preferred Share	11	$ 0.34	$ 0.34	$ 1.03	$ 1.03
Dividend per Series C Preferred Share	11	$ 0.36	$ 0.36	$ 1.08	$ 1.08

See accompanying notes

Unaudited Interim Condensed Consolidated Statements of Comprehensive (Loss) Income

	For the three months ended		For the nine months ended	
(in thousands of Canadian dollars)	**December 31, 2015**	December 31, 2014	**December 31, 2015**	December 31, 2014
Net (loss) income for the period	**$ (346,388)**	$ (21,479)	**$ (335,858)**	$ 15,004
Other comprehensive (loss) income				
Reversal of unrealized gains on disposal of available for sale investment	**(747)**	—	**(747)**	—
Net change in unrealized gains (losses) on translation of foreign operations	**12,837**	2,907	**54,866**	(8,247)
Comprehensive (loss) income for the period	**$ (334,298)**	$ (18,572)	**$ (281,739)**	$ 6,757
Comprehensive (loss) income attributable to:				
CGGI shareholders	**$ (333,148)**	$ (18,853)	**$ (282,220)**	$ 4,335
Non-controlling interests	**$ (1,150)**	$ 281	**$ 481**	$ 2,422

See accompanying notes

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the nine months ended (in thousands of Canadian dollars)	Notes	December 31, 2015	December 31, 2014
Preferred shares, opening and closing	9	$ 205,641	$ 205,641
Common shares, opening		620,858	653,189
Shares issued in connection with share-based payments		8,487	13,666
Acquisition of common shares for long-term incentive plan (LTIP)		(45,553)	(57,276)
Release of vested common shares from employee benefit trust		23,996	20,554
Shares cancelled		(4,779)	(9,529)
Net unvested share purchase loans		13,518	(3,608)
Common shares, closing	10	616,527	616,996
Contributed surplus, opening		85,597	74,037
Share-based payments		(6,731)	2,386
Shares cancelled		1,340	465
Unvested share purchase loans		(10,888)	1,463
Purchase of non-controlling interests		—	(3,092)
Contributed surplus, closing		69,318	75,259
Retained earnings, opening		92,815	144,799
Net (loss) income attributable to CGGI shareholders		(335,968)	13,810
Preferred shares dividends	11	(8,994)	(8,994)
Common shares dividends	11	(16,507)	(21,098)
Retained earnings (deficit), closing		(268,654)	128,517
Accumulated other comprehensive income, opening		112,631	91,014
Other comprehensive income (loss) attributable to CGGI shareholders		53,748	(9,475)
Accumulated other comprehensive income, closing		166,379	81,539
Total shareholders' equity		789,211	1,107,952
Non-controlling interests, opening		10,275	14,912
Foreign exchange on non-controlling interests		725	(1,380)
Comprehensive income attributable to non-controlling interests		481	2,422
Dividends paid to non-controlling interests		—	(1,723)
Purchase of non-controlling interests		—	(4,623)
Non-controlling interests, closing		11,481	9,608
Total equity		$ 800,692	$ 1,117,560

See accompanying notes

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the nine months ended (in thousands of Canadian dollars)	Notes	December 31, 2015	December 31, 2014
OPERATING ACTIVITIES			
Net (loss) income for the period		$ (335,858)	$ 15,004
Items not affecting cash			
Amortization		19,221	21,434
Deferred income tax expense		2,751	295
Share-based compensation expense	12	31,147	39,185
Impairment of goodwill and other assets	7	321,037	4,535
Impairment of investment in Canadian First Financial Group Inc.	5	4,000	—
Write-off of intangible assets		2,350	—
Changes in non-cash working capital			
Decrease in securities owned		308,263	126,803
Decrease in accounts receivable		1,193,699	894,220
Increase in income taxes receivable		(9,423)	(8,846)
Decrease in securities sold short		(263,901)	(74,885)
Decrease in accounts payable, accrued liabilities and provisions		(1,107,420)	(925,803)
Cash provided by operating activities		165,866	91,942
FINANCING ACTIVITIES			
Bank indebtedness		1,227	—
Acquisition of common shares for long-term incentive plan		(45,553)	(57,276)
Purchase of shares for cancellation		(3,439)	(9,064)
Cash dividends paid on common shares		(16,507)	(21,098)
Cash dividends paid on preferred shares		(8,994)	(8,994)
Proceeds from exercise of share options		—	2,222
Cash used in financing activities		(73,266)	(94,210)
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		(4,359)	(1,522)
Purchase of intangible assets		(4,105)	(10,644)
Purchase of non-controlling interests		—	(7,715)
Cash used in investing activities		(8,464)	(19,881)
Effect of foreign exchange on cash balances		7,129	(2,185)
Increase (decrease) in cash position		91,265	(24,334)
Cash position, beginning of period		322,324	364,296
Cash position, end of period		413,589	$ 339,962
Supplemental cash flow information			
Interest received		$ 11,606	$ 19,260
Interest paid		$ 6,794	$ 9,832
Income taxes paid		$ 10,154	$ 15,445

See accompanying notes

Notes to Unaudited Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

NOTE 01 Corporate Information

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the Company) is a leading independent, full-service investment dealer with capital markets operations in Canada, the United Kingdom (UK) & Europe, the United States of America (US), Australia, China, Singapore, and Dubai. The Company also has wealth management operations in Canada, the UK & Europe, and Australia. The Company has operations in each of the two principal segments of the securities industry: capital markets and wealth management. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to the Company's private, institutional and corporate clients.

Canaccord Genuity Group Inc. was incorporated on February 14, 1997 by the filing of a memorandum and articles with the Registrar of Companies for British Columbia under the *Company Act* (British Columbia) and continues in existence under the *Business Corporations Act* (British Columbia). The Company's head office is located at Suite 2200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1H2. The Company's registered office is located at Suite 1000 – 840 Howe Street, Vancouver, British Columbia, V6Z 2M1.

The Company's common shares are publicly traded under the symbol CF on the TSX and the symbol CF. on the main market of the London Stock Exchange. The Company's Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. The Company's Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C.

The Company's business experiences considerable variations in revenue and income from quarter to quarter and year to year due to factors beyond the Company's control. The Company's business is affected by the overall condition of the worldwide equity and debt markets.

NOTE 02 Basis of Preparation

STATEMENT OF COMPLIANCE

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" (IAS 34), as issued by the International Accounting Standards Board (IASB).

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the year ended March 31, 2015 (March 31, 2015 consolidated financial statements) filed on SEDAR on June 2, 2015. All defined terms used herein are consistent with those terms defined in the March 31, 2015 consolidated financial statements.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for investments, securities owned and securities sold short, which have been measured at fair value as set out in the relevant accounting policies.

The unaudited interim condensed consolidated financial statements are presented in thousands of Canadian dollars, except when otherwise indicated.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on February 11, 2016.

USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the unaudited interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying note disclosures, and the disclosure of contingent liabilities at the reporting date. Therefore, actual results may differ from those estimates and assumptions. The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes, valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair value of financial instruments, capitalization of intangible assets related to software costs and provisions, which are more fully described in Note 2 of the March 31, 2015 consolidated financial statements.

FUTURE ACCOUNTING DEVELOPMENTS

There have been no further updates to the future accounting developments disclosed in Note 4 of the March 31, 2015 consolidated financial statements, during the nine months ended December 31, 2015, except as noted below.

IFRS 15 — "Revenue from Contracts with Customers"
During July 2015, due to significant feedback from stakeholders and to align with the US Financial Accounting Standards Board, the International Accounting Standards Board decided to defer the effective date of IFRS 15 by one year. As a result, IFRS 15 will be effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16 — "Leases"

During January 2016, the IASB issued the new standard, which requires lessees to recognize assets and liabilities for most leases. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 *Revenue from Contracts with Customers,* has been applied, or is applied at the same date as IFRS 16.

NOTE 03 Summary of Significant Accounting Policies

There were no significant changes in the accounting policies discussed in Note 5 of the March 31, 2015 consolidated financial statements, during the nine months ended December 31, 2015.

NOTE 04 Securities Owned and Securities Sold Short

	December 31, 2015		March 31, 2015	
	Securities owned	Securities sold short	Securities owned	Securities sold short
Corporate and government debt	$ 361,591	$ 298,875	$ 638,551	$ 555,792
Equities and convertible debentures	195,022	101,300	209,577	98,847
	$ 556,613	$ 400,175	$ 848,128	$ 654,639

As at December 31, 2015, corporate and government debt maturities range from 2016 to 2097 [March 31, 2015 – 2015 to 2097] and bear interest ranging from 0.0% to 15.0% [March 31, 2015 – 0.0% to 15.0%].

NOTE 05 Financial Instruments

The categories of financial instruments, other than cash and cash equivalents and bank indetedeness, held by the Company at December 31, 2015 and March 31, 2015 are as follows:

	Held for trading		Available for sale		Loans and receivables		Loans and borrowings		Total	
	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015
Financial assets										
Securities owned	$ 556,613	$848,128	$ —	$ —	$ —	$ —	$ —	$ —	$ 556,613	$ 848,128
Accounts receivable from brokers and investment dealers	—	—	—	—	792,058	1,503,666	—	—	792,058	1,503,666
Accounts receivable from clients	—	—	—	—	257,451	601,486	—	—	257,451	601,486
RRSP cash balances held in trust	—	—	—	—	280,068	276,159	—	—	280,068	276,159
Other accounts receivable	—	—	—	—	54,973	110,177	—	—	54,973	110,177
Investments	—	—	5,621	8,693	—	—	—	—	5,621	8,693
Total financial assets	$ 556,613	$848,128	$ 5,621	$ 8,693	$ 1,384,550	$2,491,488	$ —	$ —	$ 1,946,784	$3,348,309
Financial liabilities										
Securities sold short	$ 400,175	$654,639	$ —	$ —	$ —	$ —	$ —	$ —	$ 400,175	$ 654,639
Accounts payable to brokers and investment dealers	—	—	—	—	—	—	536,724	1,172,198	536,724	1,172,198
Accounts payable to clients	—	—	—	—	—	—	839,094	1,130,893	839,094	1,130,893
Other accounts payable and accrued liabilities	—	—	—	—	—	—	128,945	224,545	128,945	224,545
Subordinated debt	—	—	—	—	—	—	15,000	15,000	15,000	15,000
Total financial liabilities	$ 400,175	$654,639	$ —	$ —	$ —	$ —	$ 1,519,763	$2,542,636	$ 1,919,938	$3,197,275

The Company has not designated any financial instruments as fair value through profit or loss upon initial recognition.

FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognized or disclosed are categorized within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at December 31, 2015, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value December 31, 2015		
	December 31, 2015	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	$ 19,505	$ —	$ 19,505	$ —
Government debt	342,086	209,839	132,247	—
Corporate and government debt	361,591	209,839	151,752	—
Equities	194,231	133,678	60,385	168
Convertible debentures	791	—	791	—
Equities and convertible debentures	195,022	133,678	61,176	168
Available for sale investments	5,621	—	3,108	2,513
	562,234	343,517	216,036	2,681
Securities sold short				
Corporate debt	(11,712)	—	(11,712)	—
Government debt	(287,163)	(175,085)	(112,078)	—
Corporate and government debt	(298,875)	(175,085)	(123,790)	—
Equities	(101,300)	(74,272)	(27,028)	—
	(400,175)	(249,357)	(150,818)	—

As at March 31, 2015, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value March 31, 2015		
	March 31, 2015	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	$ 18,369	$ —	$ 18,369	$ —
Government debt	620,182	128,049	492,133	—
Corporate and government debt	638,551	128,049	510,502	—
Equities	208,678	186,950	21,505	223
Convertible debentures	899	—	27	872
Equities and convertible debentures	209,577	186,950	21,532	1,095
Available for sale investments	8,693	—	3,963	4,730
	856,821	314,999	535,997	5,825
Securities sold short				
Corporate debt	(18,032)	—	(18,032)	—
Government debt	(537,760)	(137,924)	(399,836)	—
Corporate and government debt	(555,792)	(137,924)	(417,868)	—
Equities	(98,847)	(95,715)	(3,132)	—
	(654,639)	(233,639)	(421,000)	—

Movement in net Level 3 financial assets

March 31, 2015	$	5,825
Purchase of Level 3 assets		2,890
Net unrealized loss during the period		(4,872)
Redemption of debentures		(1,107)
Other		(55)
December 31, 2015	**$**	**2,681**

During the nine months ended December 31, 2015, the Company made an additional investment of $0.5 million in the debenture notes of Canadian First Financial Group Inc. (Canadian First). The Company also made an investment of $2.4 million in Sphere Exchange Traded Investments Ltd (Sphere), a private company engaged in the business of exchange-traded funds.

The Company received $1.1 million from the redemption of debentures by Canadian First.

During the nine months ended December 31, 2015, the Company recorded an unrealized loss of $4.9 million, of which $4.0 million was related to the impairment of Canadian First and recorded as a loss through principal trading revenue. The remaining $0.9 million was recorded in investment banking revenue.

FAIR VALUE ESTIMATION

i. Level 2 financial instruments

Level 2 financial instruments include the Company's investment in certain corporate and government debt, equities and convertible debt. The fair values of corporate and government debt, equities and convertible debt classified as Level 2 are determined using the quoted market prices of identical assets or liabilities in markets that do not have transactions which take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company regularly reviews the transaction frequency and volume of trading in these instruments to determine the accuracy of pricing information.

Level 2 financial instruments also include the Company's investment in Euroclear, which has an estimated fair value of $3.1 million as at December 31, 2015 [March 31, 2015 – $4.0 million]. The current fair value is determined using a market-based approach based on recent share buyback transactions. During the nine months ended December 31, 2015, the Company disposed of a portion of its holding in Euroclear, resulting in a gain of $0.9 million recorded through the statement of operations.

ii. Level 3 financial instruments

a. Available for sale investments

Available for sale investments include the Company's investment in Canadian First, which has an estimated fair value of $0.1 million as at December 31, 2015 [March 31, 2015 – $4.7 million]. Available for sale investments also include the Company's investment in Sphere, which has an estimated fair value of $2.4 million as at December 31, 2015 [March 31, 2015 – $nil].

The fair value for available for sale investments is determined by the Company using a market-based approach with information that the Company has determined to be reliable, and represents the best estimate of fair value readily available. During the nine months ended December 31, 2015, the Company recorded an impairment charge of $4.0 million related to its investment in the common shares of Canadian First as a result of changes in market indicators. The remaining investment balance of $0.1 million represents the fair value of debentures notes held by the Company at December 31, 2015.

The Company's investment in Sphere was measured at historical cost basis in the absence of any market indicators.

An increase or decrease of 10% in the fair value of the Company's available for sale investments held as at December 31, 2015 would cause an increase or decrease of approximately $0.3 million in other comprehensive income.

b. Held for trading

The fair value of level 3 investments classified as held for trading is determined by the Company using a market-based approach with information that the Company has determined to be reliable, and represents the best estimate of fair value readily available. Prices for held for trading investments are determined based on the last trade price or offer price, or, if these prices are considered stale, the Company obtains information based on certain inquiries, recent trades or pending new issues. The fair value of the level 3 investments classified as held for trading as at December 31, 2015 was $0.2 million [March 31, 2015 – $1.1 million].

The fair value measurements determined as described above may not be indicative of net realizable value or reflective of future values. Furthermore, the Company believes its valuation methods are appropriate and consistent with those which would be utilized by a market participant.

Foreign exchange forward contracts

The Company uses derivative financial instruments in an attempt to mitigate foreign exchange risk on pending security settlements in foreign currencies. The fair value of these contracts is nominal due to their short term to maturity. Realized and unrealized gains and losses related to these contracts are recognized in net income during the reporting period.

Forward contracts outstanding at December 31, 2015:

		Notional amount (millions)	Average price	Maturity		Fair value
To sell US dollars	**USD$**	**1.0**	**$1.37(CAD/USD)**	**January 4, 2016**	**$**	**(20)**
To buy US dollars	**USD$**	**5.3**	**$1.39 (CAD/USD)**	**January 5, 2016**	**$**	**(12)**

Forward contracts outstanding at March 31, 2015:

		Notional amount (millions)	Average price	Maturity		Fair value
To sell US dollars	USD$	7.5	$1.27(CAD/USD)	April 6, 2015	$	11
To buy US dollars	USD$	12.0	$1.27(CAD/USD)	April 6, 2015	$	(20)
To buy pounds sterling (GBP)	GBP£	2.5	$1.88(CAD/GBP)	April 30, 2015	$	(6)
To buy euro (EUR)	EUR€	1.1	$1.38(CAD/EUR)	July 31, 2015	$	(24)

The Company's Canaccord Genuity Wealth Management segment in the UK & Europe trades foreign exchange forward contracts on behalf of its clients, and establishes matching contracts with the counterparties. The Company has no significant net exposure, assuming no counterparty default. The principal currencies of the forward contracts are: the UK pound sterling, the US dollar, or the Euro. The weighted average term to maturity is 92 days as at December 31, 2015 [March 31, 2015 – 103 days]. The table below shows the fair value of the forward contract assets and liabilities, and the notional value of these forward contracts as at December 31, 2015 and March 31, 2015, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

	December 31, 2015			March 31, 2015		
	Assets	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
Foreign exchange forward contracts	**$ 5,326**	**$ 5,038**	**$ 378,149**	$ 7,858	$ (7,635)	$ 326,058

Futures

The Company's Canadian operations are involved in trading bond futures contracts, which are agreements to buy or sell a standardized amount of an underlying Government of Canada bond, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations trade in bond futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At December 31, 2015, the notional amount of the bond futures contracts outstanding was short $0.1 million [March 31, 2015 – long $1.6 million].

The Company's Canadian operations are also involved in trading US Treasury futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At December 31, 2015, the notional amount of US Treasury futures contracts outstanding held in a short position was $11.4 million (US$8.2 million) [March 31, 2015 – $nil].

The fair value of all of the above futures contracts is nominal due to their short term to maturity. Realized and unrealized gains and losses related to these contracts are recognized in net income during the reporting period.

SECURITIES LENDING AND BORROWING

	Cash		Securities	
	Loaned or delivered as collateral	Borrowed or received as collateral	Loaned or delivered as collateral	Borrowed or received as collateral
December 31, 2015	**$ 124,096**	**$ 33,742**	**$ 32,721**	**$ 165,059**
March 31, 2015	155,031	43,393	42,734	172,615

Securities lending and borrowing are included in the accounts receivable and accounts payable and accrued liabilities balances on the statements of financial position.

NOTE 06 Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	December 31, 2015	March 31, 2015
Brokers and investment dealers	$ 792,058	$ 1,503,666
Clients	257,451	601,486
RRSP cash balances held in trust	280,068	276,159
Other	54,973	110,177
	$ 1,384,550	$ 2,491,488

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2015	March 31, 2015
Brokers and investment dealers	$ 536,724	$ 1,172,198
Clients	839,094	1,130,893
Other	128,945	224,545
	$ 1,504,763	$ 2,527,636

Amounts due from and to brokers and investment dealers include balances from resale and repurchase agreements, securities loaned and borrowed, as well as brokers' and dealers' counterparty balances.

Client security purchases are entered into on either a cash or a margin basis. In the case of a margin account, the Company extends a loan to a client for the purchase of securities, using securities purchased and/or other securities in the client's account as collateral. Amounts loaned to any client are limited by the margin regulations of the regulatory authorities and are subject to the Company's credit review and daily monitoring procedures.

Amounts due from and to clients are due by the settlement date of the trade transaction. Margin loans are due on demand and are collateralized by the assets in the client's account. Interest on margin loans and on amounts due to clients is based on a floating rate [December 31, 2015 – 5.70% to 6.25% and 0.00% to 0.05%, respectively; March 31, 2015 – 5.85% to 6.25% and 0.00% to 0.05%, respectively].

As at December 31, 2015, the allowance for doubtful accounts was $14.1 million [March 31, 2015 – $12.0 million].

NOTE 07 Impairment Testing of Goodwill and Other Assets

The carrying amounts of goodwill and indefinite life intangible assets acquired through business combinations have been allocated to the cash-generating units (CGUs) as follows:

	Intangible assets with indefinite lives		Goodwill		Total	
	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015
Canaccord Genuity						
Canada	$ 44,930	$ 44,930	$ 92,074	$ 242,074	137,004	$ 287,004
UK and Europe	—	—	—	97,676	—	97,676
US	—	—	—	9,103	—	9,103
Other Foreign Locations (Australia)	—	188	—	21,265	—	21,453
Other Foreign Locations (Singapore)	—	—	—	22,971	—	22,971
Canaccord Genuity Wealth Management						
UK and Europe (Channel Islands)	—	—	110,859	101,335	110,859	101,335
UK and Europe	—	—	12,203	11,155	12,203	11,155
	$ 44,930	$ 45,118	$ 215,136	$ 505,579	$ 260,066	$ 550,697

Goodwill and intangible assets with indefinite lives are tested for impairment annually at March 31, and when circumstances indicate the carrying value may potentially be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the CGU to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGU and then if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. The Company considers the relationship between its market capitalization and the book value of its equity, among other factors, when reviewing for indicators of impairment. Consequently, interim goodwill impairment testing was carried out for all applicable CGUs at December 31, 2015.

In accordance with IAS 36, "*Impairment of Assets*" (IAS 36), the recoverable amounts of the CGUs' net assets have been determined using fair value less costs to sell (FVLCS) calculations, which are based on future cash flow assumptions which are considered to be appropriate for the purposes of such calculations. In accordance with IFRS 13 fair value represents an estimate of the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants as at the end of the reporting period under market conditions as at that date (an exit price as at the measurement date). There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGUs' net assets given that these estimates involve making key assumptions about the future. In making such assumptions, management has used its best estimate of future economic and market conditions within the context of the Company's capital markets and wealth management activities. These valuations are categorized as Level 3 in the fair value hierarchy.

The FVLCS calculations are based on assumptions, as described above, made in connection with future cash flows, terminal growth rates and discount rates. In order to estimate the FVLCS for each CGU, cash flows are forecast over a five-year period, a terminal growth rate is applied and then such cash flows are discounted to their present value. The discount rate is based on the specific circumstances of each CGU and is derived from the estimated weighted average cost of capital of the Company. The CGUs which continued to record goodwill in their carrying value as of December 31, 2015 were Canaccord Genuity, Canada and Canaccord Genuity Wealth Management UK & Europe (Channel Islands) and UK. The discount rate utilized for each of these CGUs for the purposes of these calculations was 12.5% [March 31, 2015 – 12.5%]. Cash flow estimates for each of these CGUs were based on management assumptions as described above and utilized five-year compound annual revenue growth rates of 5% [March 31, 2015 – 5%] as well as estimates in respect of operating margins. The terminal growth rate used for each of Canaccord Genuity, Canada and Canaccord Genuity Wealth Management UK & Europe (Channel Islands) and UK was 2.5% [March 31, 2015 – 2.5%].

Due to the combined effect of weak equity market conditions globally and in the principal operating regions for each of the Canaccord Genuity CGUs, these CGUs experienced declines in business activity, revenue and profitability. With these adverse changes in the business environment, continued weakness in commodity prices and a challenging outlook through calendar 2016 as negative economic conditions persist, it was determined that the carrying value in each of the Canaccord Genuity CGUs exceeded their fair values. As a result, the Company determined that the carrying amounts of the Canaccord Genuity CGUs exceeded the Company's estimates of their recoverable amounts and that there had been impairment in the goodwill in respect of these CGUs. As a result, the Company recorded impairment charges in respect of the goodwill allocated to these following CGUs in the Canaccord Genuity segment: (i) Canada - $150.0 million; (ii) UK & Europe - $106.9 million; (iii) US – $10.0 million; (iv) Other Foreign Locations – Australia - $22.1 million; and (v) Other Foreign Locations – Singapore - $24.3 million.

In addition, the Company recorded impairment charges related to the unamortized intangible assets of $1.6 million and $0.2 million allocated to Other Foreign Locations – Singapore and Other Foreign Locations — Australia, respectively.

During the nine months ended December 31, 2015, the Company recorded an impairment charge of $6.0 million related to the impairment of equipment and leasehold improvements in our Canaccord Genuity US operations.

NOTE 08 Income Taxes

The Company's income tax expense differs from the amount that would be computed by applying the combined federal and provincial/state income tax rates as a result of the following:

	For the three months ended		For the nine months ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Income tax (recovery) expense at the statutory rate (F2016: 26%; F2015: 26.0%)	**$ (91,110)**	$ (6,635)	**$ (87,484)**	$ 5,905
Difference in tax rates in foreign jurisdictions	**(2,229)**	(761)	**(2,809)**	(505)
Non-deductible items affecting the determination of taxable income	**83,404**	1,262	**86,192**	2,557
Change in accounting and tax base estimate	**160**	36	**(871)**	347
Tax rate differential	**(742)**	70	**(1,391)**	(1,041)
Tax losses and other temporary differences not recognized	**6,286**	1,987	**5,548**	446
Income tax (recovery) expense – current and deferred	**$ (4,231)**	$ (4,041)	**$ (815)**	$ 7,709

NOTE 09 Preferred Shares

	December 31, 2015		March 31, 2015	
	Amount	Number of shares	Amount	Number of shares
Series A Preferred Shares issued and outstanding	$ 110,818	4,540,000	$ 110,818	4,540,000
Series C Preferred Shares issued and outstanding	97,450	4,000,000	97,450	4,000,000
Series C Preferred Shares held in treasury	(2,627)	(106,794)	(2,627)	(106,794)
	94,823	3,893,206	94,823	3,893,206
	$ 205,641	8,433,206	$ 205,641	8,433,206

Terms of the Series A and C Preferred Shares are disclosed in Note 16 of the March 31, 2015 consolidated financial statements.

NOTE 10 Common Shares

	December 31, 2015		March 31, 2015	
	Amount	Number of shares	Amount	Number of shares
Issued and fully paid	$ 726,217	103,107,990	$ 722,509	102,607,705
Unvested share purchase loans	(12,333)	(1,841,751)	(25,852)	(3,424,549)
Held for long-term incentive plan (LTIP)	(97,357)	(12,065,028)	(75,799)	(7,388,489)
	$ 616,527	89,201,211	$ 620,858	91,794,667

[i] AUTHORIZED

Unlimited common shares without par value

[ii] ISSUED AND FULLY PAID

	Number of shares	Amount
Balance, March 31, 2015	102,607,705	$ 722,509
Shares issued in connection with share-based payment plans	1,136,409	7,055
Shares issued in connection with replacement plans	42,712	1,432
Shares cancelled	(678,836)	(4,779)
Balance, December 31, 2015	**103,107,990**	**$ 726,217**

On August 4, 2015, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,163,737 of its common shares during the period from August 13, 2015 to August 12, 2016 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. A total of 624,350 shares have been purchased and cancelled through the NCIB between April 1, 2015 and December 31, 2015.

[iii] (LOSS) EARNINGS PER COMMON SHARE

	For the three months ended		For the nine months ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Basic (loss) earnings per common share				
Net (loss) income attributable to CGGI shareholders	**$ (346,277)**	$ (21,380)	**$ (335,968)**	S13,810
Preferred shares dividends	**(2,998)**	(2,960)	**(8,994)**	(8,879)
Net (loss) income available to common shareholders	**(349,275)**	(24,340)	**(344,962)**	4,931
Weighted average number of common shares (number)	**89,336,043**	91,404,245	**91,202,181**	91,835,900
Basic (loss) earnings per share	**$ (3.91)**	$ (0.27)	**$ (3.78)**	$ 0.05
Diluted (loss) earnings per common share				
Net (loss) income available to common shareholders	**(349,275)**	(24,340)	**(344,962)**	4,931
Weighted average number of common shares (number)	**n/a**	n/a	**n/a**	91,835,900
Dilutive effect in connection with LTIP (number)	**n/a**	n/a	**n/a**	5,580,418
Dilutive effect in connection with other share-based payment plans (number)	**n/a**	n/a	**n/a**	3,408,978
Adjusted weighted average number of common shares (number)	**n/a**	n/a	**n/a**	100,825,296
Diluted (loss) earnings per common share	**$ (3.91)**	$ (0.27)	**$ (3.78)**	$ 0.05

NOTE 11 Dividends

COMMON SHARES DIVIDENDS

The Company declared the following common shares dividends during the nine months ended December 31, 2015:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
November 20, 2015	December 10, 2015	$ 0.05	$ 5,163
August 28, 2015	September 10, 2015	$ 0.05	$ 5,165
June 19, 2015	July 2, 2015	$ 0.05	$ 5,163

On February 11, 2016, the Board of Directors considered the Company's dividend policy in the context of the market environment and Canaccord's business activity and agreed a suspension of the quarterly dividend on common shares [Note 16]. This suspension will be reviewed quarterly and a determination made on the basis of business conditions and profitability.

PREFERRED SHARES DIVIDENDS

The Company declared the following preferred shares dividends during the nine months ended December 31, 2015:

Record date	Payment date	Cash dividend per Series A Preferred Share	Cash dividend per Series C Preferred Share	Total preferred dividend amount
December 18, 2015	December 31, 2015	$ 0.34375	$ 0.359375	$ 2,998
September 18, 2015	September 30, 2015	$ 0.34375	$ 0.359375	$ 2,998
June 19, 2015	June 30, 2015	$ 0.34375	$ 0.359375	$ 2,998

On February 11, 2016, the Board also approved a cash dividend of $0.34375 per Series A Preferred Share payable on March 31, 2016 to Series A Preferred shareholders of record as at March 18, 2016 [Note 16].

On February 11, 2016, the Board also approved a cash dividend of $0.359375 per Series C Preferred Share payable on March 31, 2016 to Series C Preferred shareholders of record as at March 18, 2016 [Note 16].

NOTE 12 Share-Based Payment Plans

a. LONG-TERM INCENTIVE PLAN

Under the long-term incentive plan (LTIP), eligible participants are awarded restricted share units (RSUs), which generally vest over three years. Employee benefit trusts (the Trusts) have also been established in Canada, the United States and the United Kingdom. The Company or certain of its subsidiaries, as the case may be, fund the Trusts with cash which is used by the trustees to purchase common shares on the open market that will be held in the Trusts until the RSUs vest. The Company also has the option to issue common shares from treasury to plan participants following vesting of the RSUs.

The fair value of the RSUs at the measurement date is based on the purchase price of the shares by the Trusts on the open market and is amortized on a graded basis over the vesting period of generally three years. The weighted average fair value of RSUs granted during the nine month period ended December 31, 2015 was $6.42 [December 31, 2014 – $10.77].

	Number
Awards outstanding, March 31, 2015	10,746,218
Grants	7,902,292
Vested	(3,786,305)
Forfeited	(789,979)
Awards outstanding, December 31, 2015	**14,072,226**

	Number
Common shares held by the Trusts, March 31, 2015	7,388,489
Acquired	7,325,965
Released on vesting	(2,649,426)
Common shares held by the Trusts, December 31, 2015	**12,065,028**

b. SHARE-BASED COMPENSATION EXPENSE

	For the three months ended		For the nine months ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Long-term incentive plan	**$ 8,222**	$ 8,667	**$ 23,776**	$ 26,163
Forgivable common share purchase loans	**1,659**	3,826	**4,668**	9,138
CSH Inducement Plan	**475**	898	**2,748**	2,858
Deferred share units (cash-settled)	**(21)**	(489)	**(302)**	(107)
Other	**222**	360	**(175)**	1,133
Accelerated share-based payment expense included as restructuring expense	**432**	—	**432**	—
Total share-based compensation expense	**$ 10,989**	13,262	**$ 31,147**	$ 39,185

Effective October 1, 2015, the Company appointed a new CEO. As part of the related total compensation arrangement, a total grant of 1.5 million RSUs was made. A similar grant of 425,000 RSUs was made in relation to the appointment of the new Senior Executive Vice President. These RSUs vest in equal increments over five years. The amortization of these RSUs commenced on October 1, 2015, being the effective date of the appointment of these two positions.

NOTE 13 Related Party Transactions

Security trades executed by the Company for officers and directors are transacted in accordance with the terms and conditions applicable to all clients. Commission income on such transactions in the aggregate is not material in relation to the overall operations of the Company.

Accounts receivable and accounts payable and accrued liabilities include the following balances with key management personnel:

	December 31, 2015	March 31, 2015
Accounts receivable	**$ 36**	—
Accounts payable and accrued liabilities	**$ 497**	$ 1,041

NOTE 14 Segmented Information

The Company operates in two industry segments as follows:

Canaccord Genuity – includes investment banking, research and trading activities on behalf of corporate, institutional and government clients as well as principal trading activities in Canada, the UK and Europe and the US. Operations located in Other Foreign Locations under Canaccord Genuity (Dubai) Ltd., Canaccord Genuity Asia and the 50% interest in Canaccord Genuity Australia are also included in Canaccord Genuity.

Canaccord Genuity Wealth Management – provides brokerage services and investment advice to retail or institutional clients in Canada, the US, and the UK and Europe.

Corporate and Other includes correspondent brokerage services, interest and foreign exchange revenue and expenses not specifically allocable to Canaccord Genuity or Canaccord Genuity Wealth Management.

The Company's industry segments are managed separately because each business offers different services and requires different personnel and marketing strategies. The Company evaluates the performance of each business based on operating results, without regard to non-controlling interests.

The Company does not allocate total assets, liabilities or equipment and leasehold improvements to the segments. Amortization of tangible assets is allocated to the segments based on the square footage occupied. Amortization of identifiable intangible assets is allocated to the Canaccord Genuity segment, as it relates to the acquisitions of Genuity and the 50% interest in Canaccord Genuity Australia. Amortization of the identifiable intangible assets acquired through the purchase of Collins Stewart Hawkpoint plc (CSHP) is allocated to Canaccord Genuity and Canaccord Genuity Wealth Management segments in the UK and Europe (Channel Islands). Amortization of identifiable intangible assets acquired through the acquisition of Eden Financial Ltd. is allocated to Canaccord Genuity Wealth Management segments in the UK and Europe (Eden Financial Ltd.). There are no significant intersegment revenues. Income taxes are managed on a Company basis and are not allocated to operating segments. All revenue and operating profit is derived from external customers. The Company also does not allocate cash flows by reportable segments.

	For the three months ended							
	December 31, 2015				December 31, 2014			
	Canaccord Genuity	Canaccord Genuity Wealth Management	Corporate and Other	Total	Canaccord Genuity	Canaccord Genuity Wealth Management	Corporate and Other	Total
Revenues, excluding interest revenue	$ 121,414	$ 58,326	$ (1,884)	$ 177,856	$ 102,721	$ 55,470	$ 3,235	$ 161,426
Interest revenue	731	2,330	920	3,981	1,145	2,762	1,138	5,045
Expenses, excluding undernoted	131,013	48,529	12,795	192,337	112,940	47,448	10,510	170,898
Amortization	3,662	2,662	311	6,635	3,657	2,467	463	6,587
Development costs	1,414	1,632	2,693	5,739	4,120	2,177	383	6,680
Interest expense	2,056	23	352	2,431	2,755	119	417	3,291
Restructuring costs	2,977	—	1,300	4,277	—	—	—	—
Impairment of goodwill and intangible assets	321,037	—	—	321,037	4,535	—	—	4,535
(Loss) income before intersegment allocations and income taxes	(340,014)	7,810	(18,415)	(350,619)	(24,141)	6,021	(7,400)	(25,520)
Intersegment allocations	3,918	5,214	(9,132)	—	2,697	4,730	(7,427)	—
(Loss) income before income taxes	$ (343,932)	$ 2,596	$ (9,283)	$ (350,619)	$ (26,838)	$ 1,291	$ 27	$ (25,520)

	For the nine months ended							
	December 31, 2015				December 31, 2014			
	Canaccord Genuity	Canaccord Genuity Wealth Management	Corporate and Other	Total	Canaccord Genuity	Canaccord Genuity Wealth Management	Corporate and Other	Total
Revenues, excluding interest revenue	$ 391,017	$ 178,173	$ 4,314	$ 573,504	$ 448,592	$ 174,007	$ 8,448	$ 631,047
Interest revenue	2,674	7,960	2,755	13,389	5,134	8,132	3,985	17,251
Expenses, excluding undernoted	371,906	146,634	38,738	557,278	386,741	148,020	36,509	571,270
Amortization	10,616	7,739	866	19,221	11,618	8,509	1,307	21,434
Development costs	4,734	5,615	3,390	13,739	7,845	6,523	1,072	15,440
Interest expense	6,806	143	1,065	8,014	9,003	463	1,057	10,523
Restructuring costs	2,977	—	1,300	4,277	—	783	1,600	2,383
Impairment of goodwill and intangible assets	321,037	—	—	321,037	4,535	—	—	4,535
(Loss) income before intersegment allocations and income taxes	(324,385)	26,002	(38,290)	(336,673)	33,984	17,841	(29,112)	22,713
Intersegment allocations	12,021	16,104	(28,125)	—	8,788	16,097	(24,885)	—
(Loss) income before income taxes	$ (336,406)	$ 9,898	$ (10,165)	$ (336,673)	$ 25,196	$ 1,744	$ (4,227)	$ 22,713

For geographic reporting purposes, the Company's business operations are grouped into Canada, the US, the UK and Europe, and Other Foreign Locations. The following table presents the revenue of the Company by geographic location (revenue is attributed to geographic areas on the basis of location of the underlying corporate operating results):

	For the three months ended		For the nine months ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Canada	$ 57,502	$ 61,555	$ 180,858	$ 260,067
UK and Europe	64,381	53,657	216,359	207,227
United States	51,791	43,770	163,340	147,376
Other Foreign Locations	8,163	7,489	26,336	33,628
	$ 181,837	$ 166,471	$ 586,893	$ 648,298

NOTE 15 Provisions and Contingencies

PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. At each reporting date, the Company assesses the adequacy of its pre-existing provisions and adjusts the amounts as necessary. The following is a summary of the changes during the nine months ended December 31, 2015:

	Legal provisions	Restructuring provisions	Total provisions
Balance, March 31, 2015	**$ 2,846**	**$ 11,474**	**$ 14,320**
Additions	**1,734**	**4,277**	**6,011**
Utilized	**(781)**	**(6,036)**	**(6,817)**
Balance, December 31, 2015	**3,799**	**9,715**	**13,514**

During the nine months ended December 31, 2015, the Company recorded restructuring provision of $4.3 million in connection with staff reductions in the US capital markets operations and the closure of the Barbados office in Other Foreign Locations, as well as charges related to certain executive changes in Canada. The restructuring provisions at December 31, 2015 relate primarily to termination benefits incurred as part of the Company's reorganization. The Company's restructuring activities are ongoing and will result in further restructuring provisions in the fourth quarter of fiscal 2016.

Commitments, litigation proceedings and contingent liabilities

During the period ended December 31, 2015, there were no material changes to the Company's commitments or contingencies from those described in Notes 24 and 25 of the March 31, 2015 consolidated financial statements.

The Company is also subject to asserted and unasserted claims arising in the normal course of business which, as of December 31, 2015, have not resulted in the commencement of legal actions. The Company cannot determine the effect of all asserted and unasserted claims on its financial position; however, where losses arising from asserted and unasserted claims are considered probable and where such losses can be reasonably estimated, the Company has recorded a provision.

NOTE 16 Subsequent Event

DIVIDENDS

On February 11, 2016, the Board of Directors considered the Company's dividend policy in the context of the market environment and Canaccord's business activity and agreed a suspension of the quarterly dividend on common shares. This suspension will be reviewed quarterly and a determination made on the basis of business conditions and profitabiity.

On February 11, 2016 the Board of Directors approved the following cash dividends: $0.34375 per Series A Preferred Share payable on March 31, 2016 with a record date of March 18, 2016; and $0.359375 per Series C Preferred Share payable on March 31, 2016 with a record date of March 18, 2016.

Shareholder Information

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Stock Exchange Listing

Common shares:
TSX: CF
LSE: CF.

Preferred shares:
Series A (TSX): CF.PR.A.
Series C (TSX): CF.PR.C.

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The Canaccord Genuity Group Inc. 2015 Annual Report is available on our website at www.canaccordgenuitygroup.com. For a printed copy, please contact the Investor Relations department.

Expected Dividend(1) and Earnings Release Dates for the Next Four Quarters

	Expected earnings release date	Preferred dividend record date	Preferred dividend payment date	Common dividend record date	Common dividend payment date
Q4/16	June 1, 2016	June 17, 2016	June 30, 2016	June 17, 2016	June 30, 2016
Q1/17	August 3, 2016	September 16, 2016	September 30, 2016	September 2, 2016	September 15, 2016
Q2/17	November 2, 2016	December 23, 2016	January 3, 2017	December 2, 2016	December 15, 2016
Q3/17	February 9, 2017	March 17, 2017	March 31, 2017	February 24, 2017	March 10, 2017

(1) Dividends are subject to Board of Directors approval. All dividend payments will depend on general business conditions and the Company's financial conditions, results of operations, capital requirements and such other factors as the Board determines to be relevant.

Shareholder Administration

For information about stock transfers, address changes, dividends, lost stock certificates, tax forms and estate transfers, contact:

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Offers enrolment for self-service account management for registered shareholders through the Investor Centre.

Financial Information

For present and archived financial information, please visit www.canaccordgenuitygroup.com

Auditor

Ernst & Young LLP
Chartered Accountants
Vancouver, BC