SECOND QUARTER

Fiscal 2021 Report to Shareholders

Canaccord Genuity Group Inc. Reports Second Quarter Fiscal 2021 Results

Excluding significant items, second quarter earnings per common share of $0.28[(1)]

TORONTO, November 6, 2020 – Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the second fiscal quarter ended September 30, 2020.

“Our second fiscal quarter results reflect the breadth of our offerings, the resiliency of our business mix and the strength of the entire CG team. We earned record firmwide revenue for the second consecutive quarter and it was the strongest quarter on record for investment banking activities,” said Dan Daviau, President & CEO of Canaccord Genuity Group Inc.

“Despite concerns about the pandemic's ongoing influence on world economies, in addition to near-term political uncertainty in the UK and the U.S., we have good momentum and a supportive backdrop for activities in our core midmarket focus areas. We begin the second half of fiscal 2021 with a stronger market position in each of our businesses and geographies and a resilient business mix that is capable of delivering enduring value for our shareholders.”

Second quarter and six-month fiscal year-to-date highlights:

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

- Second quarter revenue of $390.4 million, highest quarterly revenue on record, surpassing Q1/21 revenue
- Record quarterly investment banking revenue of $131.6 million, an increase of 153.2% year-over-year on continued strength in mid-market life sciences, technology and mining sectors
- Excluding significant items[(1)], diluted earnings per common share for the second quarter were $0.28 per share ($0.25 per share on an IFRS basis)
- Excluding significant items[(1)], diluted earnings per common share for the first six months of fiscal 2021 were $0.53 per share ($0.47 per share on an IFRS basis)
- Excluding significant items[(1)], our global wealth management businesses contributed 46% of diluted earnings per share for our operating businesses in the second quarter and 47% of diluted earnings per share fiscal year-to-date
- Total client assets in our global wealth management businesses reached $73.4 billion, an increase of 6.6% from Q1/21 and an increase of 12.1% from Q2/20
- Purchased 49,600 common shares for cancellation under the normal course issuer bid during the six months ended September 30, 2020
- Second quarter common share dividend of $0.055 per share

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A

	Three months ended September 30		Quarter-over-quarter change	Three months ended June 30	Quarter-over-quarter change
	Q2/21	Q2/20		Q1/21	
Revenue	**$ 390,357**	$ 270,697	44.2%	$ 377,728	3.3%
Second fiscal quarter highlights – adjusted[1]					
Expenses – excluding significant items[1]	**$ 339,843**	$ 242,125	40.4%	$ 335,965	1.2%
Earnings per common share – diluted, excluding significant items[1]	**$ 0.28**	$ 0.18	55.6%	$ 0.25	12.0%
Net Income – excluding significant items[1][2]	**$ 36,891**	$ 23,760	55.3%	$ 32,897	12.1%
Net Income attributable to common shareholders – excluding significant items[1][3]	**$ 32,982**	$ 21,512	53.3%	$ 29,065	13.5%
Second fiscal quarter highlights – IFRS					
Expenses	**$ 344,499**	$ 254,527	35.3%	$ 340,674	1.1%
Earnings per common share – diluted	**$ 0.25**	$ 0.10	150.0%	$ 0.22	13.6%
Net Income[2]	**$ 32,993**	$ 13,178	150.4%	$ 28,964	13.9%
Net Income attributable to common shareholders[3]	**$ 29,084**	$ 11,137	161.1%	$ 25,132	15.7%

Core business performance highlights:

Canaccord Genuity Wealth Management

The Company's combined global wealth management operations earned revenue of $146.0 million for the second fiscal quarter and $283.9 million for the first six months of the fiscal year, a year-over-year increases of 26.5% and 15.8% respectively. Excluding significant items[1], the second quarter pre-tax net income contribution from this segment improved by 23.7% year-over-year to $26.9 million.

- Canaccord Genuity Wealth Management North America generated $67.3 million in revenue and, after intersegment allocations and before taxes, recorded net income of $11.7 million in Q2/21
- Wealth management operations in the UK & Europe generated $64.3 million in revenue and, after intersegment allocations, and excluding significant items[1], recorded net income of $14.1 million before taxes in Q2/21
- Wealth management operations in Australia generated $14.3 million in revenue and, after intersegment allocations and before taxes, and excluding significant items[1] recorded net income of $1.1 million before taxes in Q2/21, a slight increase of $0.4 million from Q1/21

In the UK & Europe, second quarter revenue decreased by 3.1% compared to the same period one year ago, primarily due to the reduction in interest revenue attributable to the lower interest rate environment and lower volume of execution-only activities during the three-month period. Excluding significant items[1], the pre-tax profit margin in this business was 22.8% for the first six months of fiscal 2021, an improvement of 1.7 percentage points when measured on a year-over-year basis.

Revenue in the Company's North American wealth management business increased by 37.5% year-over-year, primarily due to increased investment banking revenue from higher new issue activity compared to the same period in the prior year, in addition to higher commissions and fees revenue. The pre-tax profit margin in this business increased to 17.4% for the three-month period and increased by 0.7 percentage points to 15.6% for the first six months of the fiscal year.

Our Australian wealth management operations earned revenue of $14.3 million and excluding significant items[1], pre-tax net income of $1.1 million in the second quarter of fiscal 2021, reflecting contributions from the acquisition of Patersons Securities Limited in Q3/20.

Total client assets in the Company's global wealth management businesses at the end of the second fiscal quarter amounted to $73.4 billion.

- Client assets in North America were $24.6 billion as at September 30, 2020, an increase of 10.8% from $22.2 billion at the end of the previous quarter and an increase of 20.8% from $20.4 billion at September 30, 2019.
- Client assets in the UK & Europe were $45.4 billion (£26.4 billion) as at September 30, 2020, an increase of 4.2% from $43.6 billion (£25.9 billion) at the end of the previous quarter and an increase of 2.7% from $44.2 billion (£27.1 billion) at September 30, 2019.
- Client assets in Australia were $3.4 billion (AUD 3.5 billion) as at September 30, 2020, an increase of 9.9 % from $3.1 billion (AUD 3.3 billion) last quarter. In addition to client assets held in our investment management platform, client assets totalling $12.1 billion (AUD 12.6 billion) are also held in other accounts on our Australian wealth management trading platform.

Canaccord Genuity Capital Markets

Excluding significant items[1], the Company's global capital markets businesses contributed pre-tax net income of $42.9 million for the second quarter, an increase of 387.9% compared to the same period in the previous fiscal year. Globally, this segment earned revenue of $476.4 million for the first six months of the fiscal year, an improvement of 40.6%, compared to the same period a year ago. Revenue for the second quarter was $241.5 million, an increase of 62.4% from $148.7 million for the second quarter of fiscal 2020.

- Canaccord Genuity Capital Markets led or co-led 99 investment banking transactions globally, raising total proceeds of C$3.9 billion during fiscal Q2/21.
- Canaccord Genuity Capital Markets participated in 155 investment banking transactions globally, raising total proceeds of C$19.3 billion during fiscal Q2/21.

The US capital markets business was the largest contributor of revenue for this segment, with quarterly revenue of $113.0 million, representing an increase of 64.9% year over year. This included an increase of $17.8 million in principal trading revenue over Q2/20 resulting from increased

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A

trading volume during the quarter. Investment banking revenue also increased by 108.5% year-over-year, to $32.7 million, reflecting robust new-issue activity, primarily in the life sciences and technology segments.

Revenue in the Canadian capital markets operations increased by 27.2% year-over-year as a result of higher investment banking and commissions and fees revenue. This business continues to be a top-ranked domestic underwriter in the region and is the leading IPO underwriter for the calendar year-to-date.

Second quarter revenue contributed by our Australian capital markets operations increased significantly, to $46.3 million in Q2/21 from $7.1 million in Q2/20. This performance was largely driven by the robust environment for underwriting activities in our focus sectors and also includes unrealized gains in certain inventory and warrant positions earned in respect of investment banking activity.

Our UK & Europe operations recorded a decline in revenue of 25.9% year over year due to lower investment banking and advisory fees revenue. Despite the softer environment for capital raising and advisory activities during the three-month period, CG currently holds the #2 ranking for AIM listings year-to-date and has secured a healthy number of new corporate broking wins in this environment.

Summary of Corporate Developments:

On August 6, 2020 at the fiscal 2020 Annual General Meeting of Shareholders, Jill Denham and Eric Rosenfeld were elected to the Company's Board of Directors. The Company has ten directors, eight of whom are independent, and three of whom are female.

On August 18, 2020 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 5,390,674 of its common shares during the period from August 21, 2020 to August 20, 2021 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. During the six months ended September 30, 2020, there were 29,700 shares purchased and cancelled under the current NCIB and an additional 19,900 shares purchased but not yet cancelled as of September 30, 2020.

On September 10, Alex Aylen was promoted to Head of Equities for Canaccord Genuity's capital markets business in the UK & Europe. Alex joined the business as Head of Corporate Sales (UK & Europe) in June 2018 and has been instrumental in improving coordination of our institutional offerings in the region and increasing client wins. In her new role, Alex oversees and coordinates all current and prospective client engagement across Sales, Research and Corporate Broking for the region.

On October 22, Jason Melbourne was appointed Global Head of Distribution for Canaccord Genuity Group Inc. In addition to continuing to lead the Canadian institutional equities business, he becomes responsible for leading coordination of deal origination and securities placement across CG's key geographies. Mr. Melbourne joined the Company with the merger of Canaccord and Genuity in 2010 and has been integral to the building of the Canadian institutional sales desk. Following his promotion to Global Head of Canadian Equity sales in 2016, he has fostered a team-based performance culture that has extended to improving cross-border and cross-desk collaboration and strengthening our placement capabilities for clients across CG's geographies. As a member of the Global Operating Committee, Jason will work closely with global counterparts to support the advancement of key initiatives for the business.

On October 22, Jen Pardi was promoted to Global Head of Equity Capital Markets. In addition to continuing to lead the U.S. ECM team, she becomes responsible for driving best practices and coordination of ECM activities across all our geographies. With close to two decades of corporate finance, equity and debt capital markets experience, Jen has been involved in the completion of over 1,000 transactions with an aggregate value of over $150 billion. Since being promoted to Head of U.S. Equity Capital Markets in 2013, she has been integral to increasing Canaccord Genuity's U.S. syndicate participation and has been at the forefront of our cross-border equity capital markets activities. In this expanded role, Jen will lead an active dialogue with our Global Operating Committee on all ECM related activities.

Total compensation expense as a percentage of revenue increased from 58.3% in Q2/20 and 59.2% in the first six months of fiscal 2020 to 64.2% in Q2/21 and 65.6% on a year to date basis. The increase in the compensation ratio for the first six months of fiscal 2021 was primarily due to an increase in the fair value of performance share units (PSUs) granted in prior periods as a component of the Company's overall executive compensation program. The fair value of the PSUs is based upon progress against certain pre-determined three-year performance metrics, including share price relative to the market, as measured at the time of vesting. The PSUs are awarded annually and vest after three years and are paid in cash at the time of vesting in an amount calculated with reference to the share price at the time of vesting and, accordingly, the value will vary with share price as well as progress against other performance metrics. Changes to the fair value of the PSUs as measured in future periods may increase or decrease from the fair value as recorded at September 30, 2020 and such changes will be recorded through compensation expense.

Results for the second quarter and year-to-date fiscal 2021 were impacted by the following significant items:

- Amortization of intangible assets acquired in connection with business combinations
- Certain incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth business

Selected financial information excluding significant items[1]:

(C$ thousands, except per share and % amounts)	Three months ended Sept 30 2020	2019	Quarter-over-quarter change	Six months ended Sept 30 2020	2019	YTD over YTD change
Total revenue per IFRS	**$ 390,357**	$ 270,697	44.2%	**$ 768,085**	$ 596,205	28.8%
Total expenses per IFRS	**$ 344,499**	$ 254,527	35.3%	**$ 685,173**	$ 548,683	24.9%
Revenue						
Total revenue excluding significant items	**$ 390,357**	$ 270,697	44.2%	**$ 768,085**	$ 596,205	28.8%
Total expenses per IFRS	**$ 344,499**	$ 254,527	35.3%	**$ 685,173**	$ 548,683	24.9%
Expenses						
Significant items recorded in Canaccord Genuity Capital Markets						
Amortization of intangible assets	**$ 743**	$ 2,465	(69.9)%	**$ 1,491**	$ 4,936	(69.8)%
Acquisition- related costs	**—**	$ 1,629	(100.0)%	**—**	$ 1,806	(100.0)%
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	**$ 3,288**	$ 3,528	(6.8)%	**$ 6,614**	$ 6,571	0.7%
Restructuring costs	**$ —**	$ 1,098	(100.0)%	**—**	$ 1,098	(100.0)%
Acquisition-related costs	**$ —**	$ 1,973	(100.0)%	**—**	$ 2,308	(100.0)%
Incentive-based costs related to acquisitions[2]	**$ 625**	$ 1,709	(63.4)%	**$ 1,260**	$ 2,861	(56.0)%
Total significant items	**$ 4,656**	$ 12,402	(62.5)%	**$ 9,365**	$ 19,580	(52.2)%
Total expenses excluding significant items	**$ 339,843**	$ 242,125	40.4%	**$ 675,808**	$ 529,103	27.7%
Net income before taxes – adjusted	**$ 50,514**	$ 28,572	76.8%	**$ 92,277**	$ 67,102	37.5%
Income taxes – adjusted	**$ 13,623**	$ 4,812	183.1%	**$ 22,489**	$ 12,688	77.2%
Net income – adjusted	**$ 36,891**	$ 23,760	55.3%	**$ 69,788**	$ 54,414	28.3%
Net income attributable to common shareholders, adjusted	**$ 32,982**	$ 21,512	53.3%	**$ 62,047**	$ 49,730	24.8%
Earnings per common share – basic, adjusted	**$ 0.34**	$ 0.21	61.9%	**$ 0.64**	$ 0.49	30.6%
Earnings per common share – diluted, adjusted	**$ 0.28**	$ 0.18	55.6%	**$ 0.53**	$ 0.41	29.3%

(1) Figures excluding significant items are non-IFRS measures.

(2) Incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth business

Financial condition at the end of second quarter fiscal 2021 vs. second quarter of fiscal 2020

- Cash and cash equivalents balance of $904.6 million, an increase of $445.4 million from $459.2 million
- Working capital of $559.6 million, an increase of $13.1 million from $546.5 million
- Total shareholders' equity of $935.7 million, an increase of $99.5 million from $836.2 million

Common and Preferred Share Dividends:

On November 6, 2020, the Board of Directors approved a dividend of $0.055 per common share, payable on December 10, 2020, with a record date of November 27, 2020.

On November 6, 2020, the Board approved a cash dividend of $0.24281 per Series A Preferred Share payable on December 31, 2020 to Series A Preferred shareholders of record as at December 18, 2020.

On November 6, 2020, the Board approved a cash dividend of $0.31206 per Series C Preferred Share payable on December 31, 2020 to Series C Preferred shareholders of record as at December 18, 2020.

Management’s Discussion and Analysis

Second quarter fiscal 2021 for the three and six months ended September 30, 2020 — this document is dated November 6, 2020

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 six month period ended September 30, 2020 compared to the corresponding period in the preceding fiscal year. The three-month period ended September 30, 2020 is also referred to as second quarter 2021 and Q2/21. 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. This discussion should be read in conjunction with: the unaudited interim condensed consolidated financial statements for the three and six month period ended September 30, 2020, beginning on page 29 of this report; our Annual Information Form (AIF) dated June 26, 2020; and the 2020 annual Management’s Discussion and Analysis (MD&A) including the audited consolidated financial statements for the fiscal year ended March 31, 2020 (Audited Annual Consolidated Financial Statements) in the Company’s annual report dated June 2, 2020 (the 2020 Annual Report). There has been no material change to the information contained in the annual MD&A for fiscal 2020 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 potential continued impacts of the COVID-19 pandemic on our business operations, financial results and financial condition and on the global economy and financial market conditions, and Canaccord Genuity Group’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. 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 and the potential continued impacts of the COVID-19 pandemic on our business operations, financial results and financial condition and on the global economy and financial market conditions discussed from time to time in the Company’s interim condensed and annual consolidated financial statements and its annual report and Annual Information Form (AIF) filed on www.sedar.com as well as the factors discussed in the sections entitled “Risk Management” in this MD&A and “Risk Factors” in the AIF, which include market, liquidity, credit, operational, legal, cyber 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 2021 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 its 2020 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 also cautioned that the preceding list of material factors or assumptions is 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 six-month period ended September 30, 2020 (Second Quarter 2021 Financial Statements) prepared in accordance with International Financial Reporting Standards (IFRS). The Second Quarter 2021 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, 2020.

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, and figures that exclude significant items.

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 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, gains or losses related to business disposals including recognition of realized translation gains on the disposal of foreign operations, certain accounting charges related to the change in the Company's long-term incentive plan (LTIP) as recorded with effect on March 31, 2018, certain incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth management business, loss related to the extinguishment of convertible debentures as recorded for accounting purposes as well as certain expense items, typically included in development costs, which are considered by management to reflect a singular charge of a non-operating nature. See the Selected Financial Information Excluding Significant Items table on page 11.

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 wealth management offices located in Canada, the UK, Guernsey, Jersey, the Isle of Man and Australia. Canaccord Genuity Capital Markets, the Company's international capital markets division, operates in North America, the UK & Europe, Asia, Australia and the Middle East.

Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX. 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. The Company's 6.25% Convertible Unsecured Senior Subordinated Debentures are listed on the TSX under the symbol CF.DA.A.

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

Operating results of Jitneytrade Inc. and Finlogik Inc. (collectively referred to as "Jitneytrade") since the closing date of June 6, 2018 are included as part of Canaccord Genuity Capital Markets Canada. In addition, operating results of Petsky Prunier LLC ("Petsky Prunier") since the closing date of February 13, 2019 are included as part of Canaccord Genuity Capital Markets US. Included as part of the Canaccord Genuity UK & Europe Wealth Management segment are the operating results of Hargreave Hale Limited ("Hargreave Hale") since September 18, 2017, the operating results of McCarthy Taylor Limited (renamed as CG McCarthy Taylor Limited) ("McCarthy Taylor") since the closing date of January 29, 2019, and the operating results of Thomas Miller Wealth Management Limited (renamed as CG Wealth Planning Limited) ("Thomas Miller") since the closing date of May 1, 2019. Commencing in Q3/20, the Canaccord Genuity Australia wealth management segment includes the operating results of Patersons Securities Limited (renamed as Canaccord Genuity Financial Limited) ("Patersons") since the closing date of October 21, 2019.

Market Environment during Q2 fiscal 2021

Economic backdrop

During our second fiscal quarter, global economic activity continued to benefit from the lagged impact of monetary and fiscal stimulus initiatives by world central banks and governments. The gradual re-opening of economies, firming labor markets and the beginning of an inventory restocking cycle contributed to economic growth during the three-month period.

Global markets reacted positively to improving economic conditions but entered a correction phase near the end of the quarter as overbought conditions, expensive valuations and a resurgence of new COVID-19 cases prompted investors to realize gains in July and August. The S&P 500, S&P/TSX and the world equities indices returned 8.9%, 4.7% and 8.3% respectively over the three-month period. Commodity prices and the Canadian dollar increased by 4.6% and 1.9% respectively while US Treasury bond yields were unchanged.

Investment banking and advisory

Market conditions remained supportive during the quarter for investment banking and advisory activities in our core focus areas. Improving economic conditions and increasing risk appetite by investors allowed small-cap equities to outperform their large-cap counterparts during the three-month period.

Business sentiment improved as economies reopened from imposed lockdowns and the lagged impact of monetary and fiscal reflation measures filtered through various parts of the economy, particularly in consumer spending as retail sales approached pre-COVID-19 levels. Strong demand from China and the ongoing inventory restocking cycle in developed countries underpinned commodity prices, notably industrial metals. The willingness by central banks to take inflation risk has boosted inflation expectations which pushed real interest rates further into negative territory, adding to the allure of long duration assets such as growth and precious metal equities.

Precious metals prices reacted positively to negative real interest rates and US dollar depreciation, suggesting that capital-raising activities in this area should remain relatively strong going forward. We also expect demand for e-commerce and work-from-home solutions to persist given the physical distancing measures in place in various countries.

The appetite for growth companies has prompted an increase in IPO activity.

Index Value at End of	Q2/20		Q3/20		Q4/20		Q1/21		Q2/21		
Fiscal Quarter	2019-09-30	(Y/Y)	2019-12-31	(Y/Y)	2020-03-31	(Y/Y)	2020-06-30	(Y/Y)	2020-09-30	(Y/Y)	(Q/Q)
S&P IFCI Global Small Cap	244.1	-6.1%	267.1	12.1%	191.9	-26.9%	236.0	-8.8%	258.3	5.8%	9.5%
S&P IFCI Global Large Cap	227.4	-3.8%	253.0	15.7%	194.0	-18.6%	225.8	-5.6%	243.2	7.0%	7.7%

Our capital-raising and advisory activities are primarily focused on small- and mid-capitalization companies in specific growth sectors of the global economy. These sectors may experience growth or downturns independent of broader economic and market conditions, and government regulation can also have a more profound impact on capital formation for smaller companies. Volatility in the business environment or in the market for securities of these companies in the regions where we operate could adversely affect our operating results and financial condition. Advisory revenues are primarily dependent on the successful completion of merger, acquisition and restructuring mandates.

Trading

Trading volumes in our core focus segments declined when compared to the previous quarter but remained positive on a year-over-year basis. Solid gains in equity indexes, notably within the small- and mid-cap universe, led investors to adjust their asset mix, sector and company weights.

Average Value During	Q2/20		Q3/20		Q4/20		Q1/21		Q2/21		
Fiscal Quarter/Year	30-Sep-19	(Y/Y)	31-Dec-19	(Y/Y)	31-Mar-20	(Y/Y)	30-Jun-20	(Y/Y)	30-Sep-20	(Y/Y)	(Q/Q)
Russell 2000	1534.2	-9.7%	1590.6	6.3%	1508.0	-0.1%	1319.0	-14.9%	1511.1	-1.5%	14.6%
S&P 400 M id Cap	1922.5	-4.4%	1985.2	8.8%	1871.8	1.4%	1663.4	-13.2%	1871.2	-2.7%	12.5%
FTSE 100	7359.4	-2.6%	7329.4	4.8%	6867.8	-2.7%	5980.8	-18.7%	6057.8	-17.7%	1.3%
MSCI EU Mid Cap	1083.4	-3.6%	1137.9	12.4%	1095.3	6.6%	979.6	-9.0%	1078.8	-0.4%	10.1%
S&P/TSX	16472.7	1.0%	16780.2	11.6%	16204.3	3.7%	14814.8	-9.5%	16231.1	-1.5%	9.6%

Global wealth management

Investors enjoyed a second consecutive quarter of strong positive gains in equity markets during the second fiscal quarter. The S&P 500, S&P/TSX and MSCI Emerging Market indices advanced 8.9%, 4.7% and 8.8% respectively on a quarter-over-quarter basis. US 10-year Treasury bonds were relatively flat quarter-over-quarter (+0.1%) during the three-month period.

While the profitability of our wealth management operations has been helped by the strong performance of global equity markets and trading volumes, the additions of new investment professionals to the firm has contributed to an increase in overall client assets. However, a prolonged environment of low to negative interest rates will continue to negatively impact the profitability associated with our margin lending and deposit activities in this segment.

Total Return (excl. currencies)	Q2/ 20 Change (Q/Q)	Q3/ 20 Change (Q/Q)	Q4/ 20 Change (Q/Q)	Q1/ 21 Change (Q/Q)	Q2/ 21 Change (Q/Q)
S&P 500	1.7%	9.1%	-19.6%	20.5%	8.9%
S&P/TSX	2.5%	3.2%	-20.9%	17.0%	4.7%
MSCI EMERGING MARKETS	-1.9%	9.6%	-19.0%	16.8%	8.8%
MSCI WORLD	0.1%	9.1%	-21.3%	19.4%	8.3%
S&P GS COMMODITY INDEX	-4.2%	8.3%	-42.3%	10.5%	4.6%
US 10-YEAR T-BONDS	3.8%	-1.9%	14.3%	0.3%	0.1%
CAD/USD	-1.1%	1.9%	-7.6%	3.6%	1.9%
CAD/EUR	3.1%	-0.9%	-6.1%	1.7%	-2.3%

Outlook

Looking ahead, we expect that central banks will remain accommodative, especially now that the US Federal Reserve has adopted an average inflation target framework, which implies a limited increase in long term interest rates. We also expect that governments will consider implementing broader stimulus measures as uncertainty in the economic recovery continues over the coming months.

Overall, current market conditions remain supportive for investment banking and advisory activities in our core focus areas. Global economies are still benefitting from the lagged impact of the unprecedented monetary and fiscal reflation efforts launched during the first wave of COVID-19 infections and interest rates remain low.

We continue to expect that commodities and other inflation assets will benefit from demand from manufacturing and the potential for governments to target infrastructure spending to support growth, as opposed to direct transfers to individuals. We expect this environment will drive investors to modify their asset mix, further supporting trading activities in our wealth management and capital markets businesses. Assuming market conditions remain accommodative, we expect demand to continue for investment banking and advisory services in our core focus sectors, as companies look to raise capital, restructure, merge or acquire new companies.

ABOUT CANACCORD GENUITY GROUP INC.'S OPERATIONS

Canaccord Genuity Group Inc.'s operations are divided into two business segments: Canaccord Genuity Capital Markets 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 Capital Markets

Canaccord Genuity Capital Markets is the global capital markets division of Canaccord Genuity Group Inc. (TSX: CF), offering institutional and corporate clients idea-driven investment banking, merger and acquisition, research, sales and trading services with capabilities in North America, the UK & Europe, Asia, Australia and the Middle East. We are committed to providing valued services to our clients throughout the entire lifecycle of their business and operating as a gold standard independent investment bank — expansive in resources and reach, but targeted in industry expertise, market focus and individual client attention.

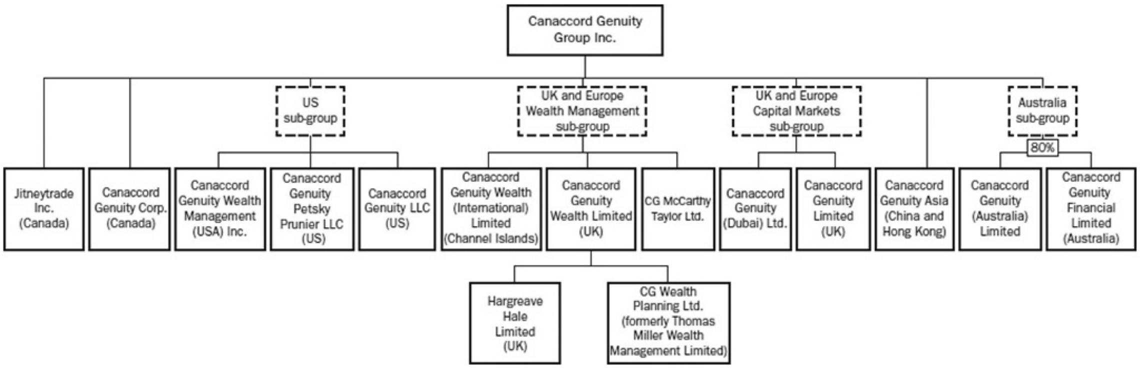
Canaccord Genuity Wealth Management

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 has Investment Advisors (IAs) and professionals in Canada, the UK, Jersey, Guernsey, the Isle of Man and Australia.

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, and activities not specifically allocable to either the Canaccord Genuity Capital Markets 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 other administrative functions of Canaccord Genuity Group Inc.

Corporate structure



The chart shows principal operating companies of the Canaccord Genuity Group as of September 30, 2020.

The Company owns 80% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., and through that ownership an 80% indirect interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited [previously Patersons Securities Limited] [March 31, 2020 — 80%], but for accounting purposes, as of September 30, 2020, the Company is considered to have an 85% interest because of shares held in an employee trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2020 — 85%].

Consolidated Operating Results

SECOND QUARTER FISCAL 2021 SUMMARY DATA(1)(2)(6)

(C$ thousands, except per share and % amounts, and number of employees)	Three months ended September 30 2020	2019	2018 (restated)(7)	Quarter over quarter change	Six months ended September 30 2020	2019	2018 (restated)(7)	YTD over YTD change
Canaccord Genuity Group Inc. (CGGI)								
Revenue								
Commissions and fees	**$ 167,575**	$ 132,325	$ 139,402	26.6%	**$ 336,577**	$ 274,117	$ 275,782	22.8%
Investment banking	**131,625**	51,992	67,426	153.2%	**242,193**	136,793	134,947	77.1%
Advisory fees	**37,281**	42,015	44,396	(11.3)%	**58,327**	95,819	69,310	(39.1)%
Principal trading	**42,746**	21,260	28,949	101.1%	**107,858**	46,333	59,857	132.8%
Interest	**6,005**	16,661	15,326	(64.0)%	**13,010**	31,846	24,572	(59.1)%
Other	**5,125**	6,444	4,537	(20.5)%	**10,120**	11,297	9,691	(10.4)%
Total revenue	**390,357**	270,697	300,036	44.2%	**768,085**	596,205	574,159	28.8%
Expenses								
Compensation expense	**250,796**	157,780	179,091	59.0%	**503,610**	352,688	345,424	42.8%
Other overhead expenses(3)	**93,689**	92,082	87,468	1.7%	**181,532**	190,549	170,876	(4.7)%
Acquisition-related costs	**—**	3,602	—	(100.0)%	**—**	4,114	1,173	(100.0)%
Restructuring costs(4)	**—**	1,098	—	(100.0)%	**—**	1,098	1,316	(100.0)%
Loss on extinguishment of convertible debentures	**—**	—	8,608	—	**—**	—	8,608	—
Share of loss (gain) from associate	**14**	(35)	247	(140.0)%	**31**	234	258	(86.8)%
Total expenses	**344,499**	254,527	275,414	35.3%	**685,173**	548,683	527,655	24.9%
Income before income taxes	**45,858**	16,170	24,622	183.6%	**82,912**	47,522	46,504	74.5%
Net income	**32,993**	13,178	18,019	150.4%	**61,957**	37,468	36,668	65.4%
Net income attributable to:								
CGGI shareholders	**31,435**	13,488	17,794	133.1%	**58,918**	37,693	35,410	56.3%
Non-controlling interests	**1,558**	(310)	225	n.m.	**3,039**	(225)	1,258	n.m.
Earnings per common share – diluted	**$ 0.25**	$ 0.10	$ 0.09	150.0%	**$ 0.47**	$ 0.28	$ 0.23	67.9%
Dividends per common share	**$ 0.055**	$ 0.05	$ 0.01	10.0%	**$ 0.11**	$ 0.10	$ 0.02	10.0%
Total assets	**$ 5,651,721**	$ 4,612,600	$ 4,220,131	22.5%				
Total liabilities	**$ 4,710,600**	$ 3,774,655	$ 3,420,074	24.8%				
Non-controlling interests	**$ 5,439**	$ 1,733	$ 2,004	213.8%				
Total shareholders' equity	**$ 935,682**	$ 836,212	$ 798,053	12.0%				
Number of employees	**2,285**	2,143	2,036	6.6%				
Excluding significant items(5)								
Total revenue	**390,357**	270,697	300,036	44.2%	**768,085**	596,205	574,159	28.8%
Total expenses	**339,843**	242,125	261,918	40.4%	**675,808**	529,103	506,692	27.7%
Income before income taxes	**50,514**	28,572	38,118	76.8%	**92,277**	67,102	67,467	37.5%
Net income	**36,891**	23,760	28,867	55.3%	**69,788**	54,414	53,902	28.3%
Net income attributable to:								
CGGI shareholders	**35,333**	23,863	28,642	48.1%	**66,749**	54,432	52,644	22.6%
Non-controlling interests	**1,558**	(103)	225	n.m.	**3,039**	(18)	1,258	n.m.
Net income attributable to common shareholders	**32,982**	21,512	26,291	53.3%	**62,047**	49,730	47,942	24.8%
Earnings per common share – diluted	**$ 0.28**	$ 0.18	$ 0.23	55.6%	**$ 0.53**	$ 0.41	$ 0.41	29.3%

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 6.

(2) The operating results of the Australian operations have been fully consolidated, and a 15% non-controlling interest has been recognized for the three months ended September 30, 2020 [six months ended September 30, 2019 — 15% and six months ended September 30, 2018 — 42%.].

(3) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization of tangible, intangible and right of use assets, and development costs.

(4) Restructuring costs for the three months ended September 30, 2018 were incurred in connection with our UK capital markets operations.

(5) Net income and earnings 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.

(6) Data includes the operating results of Hargreave Hale since September 18, 2017, Jitneytrade since June 6, 2018, McCarthy Taylor since January 29, 2019, Petsky Prunier since February 13, 2019, Thomas Miller since May 1, 2019, and Patersons since October 21, 2019.

(7) During the six months ended September 30, 2018, there was an accounting loss of $13.5 million related to the extinguishment of the $60.0 million convertible unsecured subordinated debentures issued in October 2016. This loss was adjusted to reflect directly in shareholders' equity $4.9 million of the loss that was related to the conversion feature of the extinguished debentures. The adjustment had no impact on the calculation of the basic or diluted earnings per share for the three or six month ended September 30, 2018. The comparatives for the prior period have been restated accordingly.

n.m.: not meaningful

SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS(1)

(C$ thousands, except per share and % amounts)	Three months ended September 30 2020	2019	Quarter-over-quarter change	Six months ended September 30 2020	2019	YTD-over-YTD change
Total revenue per IFRS	**390,357**	270,697	44.2%	**768,085**	596,205	28.8%
Total expenses per IFRS	**344,499**	254,527	35.3%	**685,173**	548,683	24.9%
Total expenses per IFRS	**344,499**	254,527	35.3%	**685,173**	548,683	24.9%
Significant items recorded in Canaccord Genuity						
Amortization of intangible assets	**743**	2,465	(69.9)%	**1,491**	4,936	(69.8)%
Acquisition related costs	**—**	1,629	(100.0)%	**—**	1,806	(100.0)%
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	**3,288**	3,528	(6.8)%	**6,614**	6,571	0.7%
Restructuring costs	**—**	1,098	(100.0)%	**—**	1,098	(100.0)%
Acquisition-related costs	**—**	1,973	(100.0)%	**—**	2,308	(100.0)%
Incentive based costs related to acquisitions(2)	**625**	1,709	(63.4)%	**1,260**	2,861	(56.0)%
Total significant items	**4,656**	12,402	(62.5)%	**9,365**	19,580	(52.2)%
Total expenses excluding significant items	**339,843**	242,125	40.4%	**675,808**	529,103	27.7%
Net income before taxes – adjusted	**$ 50,514**	$ 28,572	76.8%	**$ 92,277**	$ 67,102	37.5%
Income taxes – adjusted	**13,623**	4,812	183.1%	**22,489**	12,688	77.2%
Net income – adjusted	**$ 36,891**	$ 23,760	55.3%	**$ 69,788**	$ 54,414	28.3%
Net income attributable to common shareholders, adjusted	**32,982**	21,512	53.3%	**62,047**	49,730	24.8%
Earnings per common share – basic, adjusted	**$ 0.34**	$ 0.21	61.9%	**$ 0.64**	$ 0.49	30.6%
Earnings per common share – diluted, adjusted	**$ 0.28**	$ 0.18	55.6%	**$ $0.53**	$ 0.41	29.3%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6
(2) Incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth management business.

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. Fluctuations in foreign exchange contributed to certain changes 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 Capital Markets and Canaccord Genuity Wealth Management UK & Europe.

Geographies

Our Dubai operation is included as part of Canaccord Genuity Capital Markets UK & Europe. For purposes of the discussion provided herein the Canaccord Genuity Capital Markets operations in the UK, Europe and Dubai are referred to as "UK & Europe". Starting in Q1/20, our Asian based operations, comprising Singapore, China and Hong Kong, have been combined with our Canadian and Australian capital markets operations to reflect management of these operating units. Also, commencing in Q3/20, our Australian wealth management business, comprised of the operating results of Patersons since October 21, 2019 and the wealth management business of Australia previously included as part of Canaccord Genuity Capital Markets Australia, is disclosed as a separate operating business in the discussions below. Comparatives have not been restated.

Goodwill

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.

Notwithstanding this determination as of September 30, 2020, changes or uncertainty in the economic environment may cause this determination to change. If the business climate changes 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, Canaccord Genuity Wealth Management Australia, Canaccord Genuity Capital Markets Canada or Canaccord Genuity Capital Markets US. Adverse changes in the key assumptions utilized for purposes of impairment testing for goodwill and indefinite life 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 life 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. In addition, notwithstanding that there may be no change in the performance estimates used by the Company for purposes of determining whether there has been any impairment in its indefinite life intangible asset related to the Genuity brand name, in the event that the Company changes the way in which it uses that asset the Company may be required to record an impairment charge.

Revenue

Second quarter 2021 vs. second quarter 2020

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 September 30, 2020 was $390.4 million, an increase of 44.2% or $119.7 million compared to the same period a year ago. The Canaccord Genuity Capital Markets segment experienced an increase of $92.9 million or 62.4% in Q2/21 compared to the same quarter in the prior year, mainly due to higher revenue recorded in our Australian and US operations. Further contributing to the overall increase in consolidated revenue was an increase of $30.6 million in our global Canaccord Genuity Wealth Management segment compared to Q2/20, largely due to the growth in our Canadian operations as well as contributions from our acquisition of Patersons in Q3/20.

Within our Canaccord Genuity Capital Markets operating segment, our US operations generated the largest revenue growth of $44.4 million or 64.9% due to higher investment banking and principal trading revenue. Our Australian operations also recorded a $39.2 million increase in revenue over Q2/20, largely driven by an increase in investment banking activity, which includes unrealized gains recorded in certain inventory and warrant positions earned in respect of investment banking activity and mandates. In Canada, overall revenue increased by $14.4 million or 27.2% mainly due to higher investment banking revenue. Partially offsetting these increases was a decline in revenue of $5.2 million or 25.9% in our UK operations, due to lower investment banking and advisory fee revenue.

Revenue in our UK & Europe wealth management operations decreased slightly by $2.1 million or 3.1% compared to Q2/20 primarily as a result of reduced interest revenue due to lower rates. Revenue from our North America wealth management operations showed an increase of $18.4 million or 37.5% compared to the three months ended September 30, 2019. In addition, there was $14.3 million of revenue generated in our Australian wealth management operations as a result of the acquisition of Patersons during Q3/20 (wealth management revenue in Australia was recorded under capital markets prior to Q3/20).

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 $35.3 million or 26.6% to $167.6 million in Q2/21, mainly reflecting higher contributions from our Canadian and Australian wealth management businesses as well as an increase in institutional trading activity in our Canadian and US capital markets operations.

Investment banking revenue increased by $79.6 million or 153.2% to $131.6 million in Q2/21 across our core operating regions except for our UK & Europe operations which experienced a small decrease compared to Q2/20. The increase in the current quarter was largely driven by higher revenue generated in our Australian operations resulting from increased activity in our focus sectors as well as unrealized gains in certain inventory and warrant positions earned in respect of investment banking activity. In the US and Canada, investment banking revenue was up $17.0 million or 108.5% and $13.8 million or 65.6%, respectively, compared to Q2/20.

Advisory fee revenue was $37.3 million, a decrease of $4.7 million or 11.3% from the same quarter a year ago. Both our Canadian and UK & Europe operations reported decreases from the three months ended September 30, 2019, partially offset by higher advisory fees revenue generated in our US operations.

Principal trading revenue was $42.7 million in Q2/21, representing a $21.5 million or 101.1% increase compared to Q2/20, mainly as a result of increased market and trading activity in our US and Canadian capital markets operations compared to the same period in the prior year which created favourable opportunities for trading profits.

Interest revenue was $6.0 million for the three months ended September 30, 2020, representing a decrease of $10.7 million or 64.0% from Q2/20, mostly attributable to our Canadian operations resulting from lower interest on margin accounts, lower stock loan revenue and lower interest rates. Other revenue was $5.1 million for Q2/21, a decrease of $1.3 million or 20.5% from the same period a year ago due to certain non-recurring gains included in the same period in the prior year.

Year to date fiscal 2021 vs. year-to-date fiscal 2020

Revenue for the six months ended September 30, 2020 was $768.1 million, an increase of 28.8% or $171.9 million compared to the same period a year ago. Revenue from our capital markets operations increased by $137.7 million or 40.6% to $476.4 million for the six months ended September 30, 2020, as our core operating regions all experienced increases in revenue except for our UK & Europe operations. Our wealth management operations also generated $283.9 million on a year to date basis in fiscal 2021, representing an increase of $38.8 million or 15.8% compared to the same period in the prior year.

Commissions and fees revenue was $336.6 million, representing an increase of $62.5 million or 22.8% compared to the six months ended September 30, 2019, reflecting the growth in our Canadian wealth management operations as well as institutional trading in our capital markets operations.

Investment banking revenue increased by $105.4 million or 77.1% to $242.2 million compared to the first six months of fiscal 2020. The largest increase was recorded in our Australian operations, which recorded an increase of $69.2 million compared to the same period in the prior year. Our US operations also reported $60.1 million of investment banking revenue, an increase of $18.2 million or 43.5% over the six months ended September 30, 2019. In Canada, investment banking revenue remained relatively flat, a slight increase of 2.8% compared to the same period in the prior year. Offsetting these increases was a decline in investment banking revenue reported in our UK & Europe capital markets operations of $5.2 million or 80.7%.

Advisory fees revenue of $58.3 million represented a decrease of 39.1% or $37.5 million compared to the same period in the prior year due to a decline in advisory activity across all the operating regions.

Revenue derived from principal trading was $107.9 million, an increase of $61.5 million or 132.8% compared to the six months ended September 30, 2019. Our US operations showed the largest increase in revenue of $50.1 million or 125.5%, while our Canadian and UK & Europe offices also recorded increases of $9.3 million and $1.5 million, respectively.

Interest revenue decreased by $18.8 million or 59.1% compared to the six months ended September 30, 2019 to $13.0 million on a year to date basis for fiscal 2021 mainly due to lower stock loan revenue earned from our Canadian capital markets operations. Other revenue decreased by $1.2 million to $10.1 million during the six months ended September 30, 2020 partially due to a decrease in revenue from our correspondent services business.

Expenses

Expenses for the three months ended September 30, 2020 were $344.5 million, an increase of 35.3% or $90.0 million from Q2/20. Total expenses excluding significant items(1) as a percentage of revenue decreased by 2.3 percentage points compared to the three months ended September 30, 2019 due to the increase in revenue and the non-variable nature of certain overhead expenses.

EXPENSES AS A PERCENTAGE OF REVENUE

	Three months ended September 30			Six months ended September 30		
	2020	2019	Quarter-over-quarter change	**2020**	2019	YTD-over-YTD change
Compensation expense	**64.2%**	58.3%	5.9 p.p.	**65.6%**	59.2%	6.4 p.p.
Other overhead expenses(1)	**24.1%**	34.0%	(9.9) p.p.	**23.6%**	32.0%	(8.4) p.p.
Restructuring costs	**0.0%**	0.4%	(0.4) p.p.	**0.0%**	0.2%	(0.2) p.p.
Acquisition-related costs	**0.0%**	1.3%	(1.3) p.p.	**0.0%**	0.7%	(0.7) p.p.
Share of loss of an associate	**0.0%**	0.0%	0.0 p.p.	**0.0%**	0.0%	0.0 p.p.
Total	**88.3%**	94.0%	(5.7) p.p.	**89.2%**	92.1%	(2.9) 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

Second quarter 2021 vs. second quarter 2020

Compensation expense in Q2/21 was $250.8 million, an increase of $93.0 million or 59.0% compared to Q2/20, consistent with the increase in revenue for the quarter. Total compensation expense as a percentage of revenue increased from 58.3% in Q2/20 to 64.2% in Q2/21. The increase in compensation ratio for the current quarter was primarily due to an increase in the fair value of performance share units (PSUs) granted in prior periods as a component of the Company's overall executive compensation program. The fair value of the PSUs is based upon performance against certain pre-determined three-year performance metrics, including share price, as measured at the time of vesting and, accordingly, the value will change with share price as well as changes in performance against the pre-determined metrics. The PSUs are awarded annually and vest after three years and are paid in cash at the time of vesting in an amount calculated with reference to the share price at the time of vesting. The PSUs were measured initially at fair value as at the end of the fiscal year for the applicable grant. The liability is remeasured to fair value at each reporting date up to and including the vesting date, with changes in fair value recognized through the statements of operations. The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at September 30, 2020 was $62.2 million compared to $22.7 million at March 31, 2020, and $43.0 million as of June 30, 2020. Changes to the fair value of the PSU's as measured in future periods may increase or decrease from the fair value as recorded at September 30, 2020 and such changes will be recorded through compensation expense. The number of PSUs that ultimately vest is adjusted for dividends paid during the vesting period and is a multiple of the number of PSUs that were originally granted. The multiple will be in a range of 0x to 2x based upon performance against certain pre-determined metrics as measured at the time of vesting.

Year to date fiscal 2021 vs. year to date fiscal 2020

Compensation expense for the six months ended September 30, 2020 was $503.6 million, an increase of $150.9 million or 42.8% compared to the same period in the prior year due to the increase in incentive-based revenue and also due to the PSU adjustment discussed above. Compensation expense as a percentage of revenue increased by 6.4 percentage points to 65.6% for the six months ended September 30, 2020.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

OTHER OVERHEAD EXPENSES

	Three months ended September 30			Six months ended September 30		
(C$ thousands, except % amounts)	2020	2019	Quarter-over-quarter change	2020	2019	YTD-over-YTD change
Trading costs	$ 27,783	$ 21,083	31.8%	$ 54,752	$ 41,203	32.9%
Premises and equipment	4,984	4,224	18.0%	9,362	9,008	3.9%
Communication and technology	17,284	15,191	13.8%	34,032	31,549	7.9%
Interest	6,671	8,313	(19.8)%	13,401	16,424	(18.4)%
General and administrative	20,181	26,289	(23.2)%	36,099	56,656	(36.3)%
Amortization[1]	6,941	8,049	(13.8)%	13,493	15,985	(15.6)%
Amortization of right of use assets	6,078	5,939	2.3%	12,811	11,521	11.2%
Development costs	3,767	2,994	25.8%	7,582	8,203	(7.6)%
Total other overhead expenses	93,689	92,082	1.7%	181,532	190,549	(4.7)%

(1) Includes amortization of intangible assets. See the Selected Financial Information Excluding Significant Items table on page 11.

Second quarter 2021 vs. second quarter 2020

Other overhead expenses were $93.7 million, an increase of 1.7% in Q2/21 compared to Q2/20. As a percentage of revenue, other overhead expenses were 24.0% in Q2/21 compared to 34.0% in Q2/20, a decrease of 10.0 percentage points.

General and administrative expense, which includes reserves, promotion and travel expense, office expense, professional fees and donations, was down by $6.1 million or 23.2% across all our core operations compared to Q2/20 mainly due to reduced promotion and travel and conference expenses resulting from restrictions imposed by the COVID-19 pandemic.

Interest expense decreased by $1.6 million or 19.8% compared to Q2/20 partially as a result of a reduction in stock borrowing activity and related costs in our Canadian capital markets operations.

Higher trading costs in our US and Canadian operations were the primary reason for the $6.7 million increase in trading costs in Q2/21 compared to Q2/20. These higher costs were due to increased trading activity as reflected in the principal trading revenue for the quarter.

Amortization expense decreased by $1.1 million or 13.8% mainly due to a reduction in intangible assets amortization in connection with the acquisition of Petsky Prunier in Q4/19 compared to the same quarter in the prior year.

Development costs increased by $0.8 million or 25.8% due to higher incentive-based costs related to acquisitions and growth initiatives in our UK wealth management operation as well as amortization of new hire incentive-based awards in Canada.

Year to date fiscal 2021 vs. year-to-date fiscal 2020

Other overhead expenses for the six months ended September 30, 2020 decreased by $9.0 million to $181.5 million, a 4.7% decrease from the same period a year ago. As a percentage of revenue, other overhead expenses decreased by 8.4 percentage points compared to the six months ended September 30, 2019.

General and administrative expense decreased by $20.6 million or 36.3% for the six months ended September 30, 2020 compared to the same period in the prior year due to lower costs resulting from COVID-19 restrictions as discussed above.

Lower stock borrowing activity in our Canadian capital markets operations was the primary reason for the decline in interest expense from $16.4 million to $13.4 million for the six months ended September 30, 2020.

Also, as discussed above, higher trading activity in our US operations led to an increase in trading costs of $13.5 million or 32.9%.

The decrease in amortization expense of $2.5 million or 15.6% over the six months ended September 30, 2020 related to lower amortization of intangible assets acquired in connection with our acquisition of Petsky Prunier.

There were no restructuring or acquisition-related costs recorded for the six months ended September 30, 2020.

There were $1.1 million of restructuring costs recorded during the first half of fiscal 2020 in connection with our UK & Europe capital markets operations. In addition, there were $4.1 million of acquisition related costs recorded in the six months ended September 30, 2019 in connection with the acquisition of Thomas Miller in Q1/20 and other integration costs, as well as the acquisition of Patersons that closed in October 2019.

Income tax

Second quarter 2021 vs. second quarter 2020

The effective tax rate for Q2/21 was 28.1% compared to the effective tax rate of 18.5% in the same quarter last year. The change in the effective tax rate was due to a partial recognition of deferred tax assets in our foreign operations in Q2/20 which resulted in a lower effective tax rate for that quarter, as well as higher profits in higher tax rate jurisdictions such as the US and Australia in the current quarter.

Year to date fiscal 2021 vs. year-to-date fiscal 2020

For the six months ended September 30, 2020, the effective tax rate was 25.3%, an increase of 4.1 percentage points from the same period last year for the same reasons as described above.

Net income

Second quarter 2021 vs. second quarter 2020

Net income for Q2/21 was $33.0 million compared to net income of $13.2 million in the same period a year ago. Diluted earnings per common share were $0.25 in Q2/21 compared to diluted earnings per common share of $0.10 in Q2/20.

Excluding significant items(1) and before non-controlling interests and preferred share dividends, net income for Q2/21 was $36.9 million compared to net income of $23.8 million in Q2/20. Diluted earnings per common share, excluding significant items(1), were $0.28 in Q2/21 compared to diluted earnings per common share excluding significant items(1) of $0.18 in Q2/20.

Year to date fiscal 2021 vs. year-to-date fiscal 2020

Net income for the six months ended September 30, 2020 was $62.0 million compared to net income of $37.5 million in the same period a year ago. Diluted earnings per common share were $0.47 in the current period compared to diluted earnings per common share of $0.28 in the same period in the prior year.

Excluding significant items(1), which include amortization of certain intangible assets, acquisition-related costs, restructuring costs and certain incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth business, and before non-controlling interests and preferred share dividends, year to date net income for fiscal 2021 was $69.8 million compared to net income of $54.4 million for the same period in fiscal 2020. Diluted earnings per common share, excluding significant items(1), were $0.53 for the six-month period compared to diluted earnings per common share excluding significant items(1) of $0.41 for the same period in the prior year.

Results of operations by business segment

CANACCORD GENUITY CAPITAL MARKETS(1)(2)

(C$ thousands, except number of employees and % amounts)	Three months ended September 30 2020	Three months ended September 30 2019	Quarter-over-quarter change	Six months ended September 30 2020	Six months ended September 30 2019	YTD-over-YTD change
Revenue	$ **241,549**	$ 148,693	62.4%	$ **476,402**	$ 338,716	40.6%
Expenses						
Compensation expense	**142,521**	82,471	72.8%	**287,784**	192,073	49.8%
Other overhead expenses	**52,276**	55,660	(6.1)%	**103,586**	113,582	(8.8)%
Acquisition-related costs	**—**	1,629	(100.0)%	**—**	1,806	(100.0)%
Total expenses	**194,797**	139,760	39.4%	**391,370**	307,461	27.3%
Intersegment allocations(3)	**4,563**	4,227	7.9%	**9,197**	8,772	4.8%
Income before income taxes(3)	$ **42,189**	$ 4,706	n.m.	$ **75,835**	$ 22,483	237.3%
Number of employees	**774**	777	(0.4)%	**—**	—	—
Excluding significant items(4)						
Total expenses	$ **194,054**	$ 135,666	43.0%	$ **389,879**	$ 300,719	29.6%
Intersegment allocations(3)	**4,563**	4,227	7.9%	**9,197**	8,772	4.8%
Income before income taxes(4)	$ **42,932**	$ 8,800	n.m.	$ **77,326**	$ 29,225	164.6%

(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 15% non-controlling interest has been recognized and included in the Canaccord Genuity Capital Markets business segment for the three and six months ended September 30, 2020 [three and six months ended September 30, 2019 — 15%].
(3) Income before income taxes includes intersegment allocated costs. See the Intersegment Allocated Costs section on page 23.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 11.

Canaccord Genuity Capital Markets provides investment banking, research, and sales and trading services to corporate, institutional and government clients, and it conducts principal trading activities in North America, the UK & Europe, Asia, Australia and the Middle East. Canaccord Genuity Capital Markets has offices in 21 cities in 9 countries worldwide.

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

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

REVENUE BY GEOGRAPHY AS A PERCENTAGE OF CANACCORD GENUITY CAPITAL MARKETS REVENUE

	Three months ended September 30			Six months ended September 30		
	2020	2019	Quarter-over-quarter change	**2020**	2019	YTD-over-YTD change
Revenue generated in:						
Canada	**27.9%**	35.7%	(7.8) p.p.	**25.8%**	34.7%	(8.9) p.p.
UK & Europe	**6.1%**	13.4%	(7.3) p.p.	**8.0%**	12.5%	(4.5) p.p.
US	**46.8%**	46.1%	0.7 p.p.	**47.6%**	48.0%	(0.4) p.p.
Australia	**19.2%**	4.8%	14.4 p.p.	**18.6%**	4.8%	13.8 p.p.
Canaccord Genuity Capital Markets (total)	**100.0%**	100.0%		**100.0%**	100.0%	

p.p.: percentage points

Second quarter 2021 vs. second quarter 2020

Revenue

Canaccord Genuity Capital Markets generated revenue of $241.5 million in Q2/21, an increase of 62.4% or $92.9 million from the same quarter a year ago. Revenue increases were recorded in all our core operating regions except for our UK & Europe operations, which generated a decrease of $5.2 million or 25.9% compared to the same period in the prior year. Our US and Australian operations recorded the most significant increases in revenue with increases of $44.4 million and $39.2 million, respectively, compared to Q2/20, driven by higher principal trading and commission and fees revenue in the US and, with a very active capital-raising market, higher investment banking revenue in Australia. Our Canadian operations reflected an increase of $14.4 million or 27.2% due to a growth in investment banking activity compared to Q2/20.

Expenses

Expenses for Q2/21 were $194.8 million, an increase of 39.4% or $55.0 million compared to Q2/20. Excluding significant items(1), total expenses as a percentage of revenue decreased by 10.9 percentage points compared to the same quarter in the prior year, primarily as a result of the increase in revenue and the fixed nature of certain overhead expenses.

Compensation expense

Compensation expense for Q2/21 increased by $60.0 million or 72.8% compared to Q2/20. Total compensation expense as a percentage of revenue was 59.0%, 3.5 percentage points higher than in Q2/20. The higher compensation ratio was partially due to a fair value adjustment in connection with the PSUs as described above.

In Canada, total compensation as a percentage of revenue decreased by 1.2 percentage points compared to Q2/20 largely due to the increase in revenue relative to fixed staff costs. Our US operations experienced an increase of 6.6 percentage points compared to the same period last year partially due to an increase in the fair value adjustment of the PSUs, as well as compensation formulas for certain types of revenue. Total compensation as a percentage of revenue in our UK operations increased by 3.7 percentage points due to a reduction in revenue relative to fixed staff costs. Total compensation expense as a percentage of revenue in our Australian operations was 61.6% for Q2/21, a slight increase of 0.3 percentage points from Q2/20.

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

	Three months ended September 30			Six months ended September 30		
	2020	2019	Quarter-over-quarter change	**2020**	2019	YTD-over-YTD change
Canada	**51.7%**	52.9%	(1.2) p.p.	**55.5%**	51.7%	3.8 p.p.
UK & Europe	**66.9%**	63.2%	3.7 p.p.	**66.6%**	61.2%	5.4 p.p.
US	**61.2%**	54.6%	6.6 p.p.	**61.4%**	58.4%	3.0 p.p.
Australia	**61.6%**	61.3%	0.3 p.p.	**61.9%**	64.7%	(2.8) p.p.
Canaccord Genuity Capital Markets (total)	**59.0%**	55.5%	3.5 p.p.	**60.4%**	56.7%	3.7 p.p.

p.p.: percentage points

Other overhead expenses

Total other overhead expenses excluding significant items(1) for Q2/21 were $52.3 million or 21.6% as a percentage of revenue.

General and administrative expense in Q2/21 decreased by $6.9 million or 44.6% over Q2/20 across all our capital markets operations, largely due to a reduction in promotion and travel and conference expenses due to COVID-19 restrictions. In addition, interest expense decreased by $1.2 million or 30.5% due to lower stock borrowing activity and related costs in Canada.

Amortization expense in Q2/21 declined by $1.6 million or 46.9% mainly due to a reduction in the amortization of intangible assets acquired in connection with the acquisition of Petsky Prunier.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

Partially offsetting the decreases in overhead expenses discussed above was an increase of $4.8 million or 27.6% in trading costs, largely due to higher costs recorded in our US operations and consistent with the increased trading revenue.

Income before income taxes

Income before income taxes, including allocated overhead expenses, was $42.2 million in Q2/21 compared to net income of $4.7 million in the same quarter a year ago. Excluding significant items(1), income before income taxes, including allocated overhead expenses, was $42.9 million in Q2/21, compared to the income before income taxes of $8.8 million in Q2/20. The increase in income before income taxes was mostly attributable to higher revenue earned in our US and Australian operations during Q2/21 combined with a reduction in overhead expenses.

Year to date fiscal 2021 vs. year-to-date fiscal 2020

Revenue

For the six months ended September 30, 2020, Canaccord Genuity Capital Markets generated revenue of $476.4 million, an increase of $137.7 million or 40.6% from the six-month period a year ago. Our US and Australian operations recorded the most significant increases, with revenue growing by $64.0 million and $72.4 million, respectively. In Canada, revenue increased by 4.5% to $122.7 million for the six months ended September 30, 2020. In our UK & Europe operations, a decline in advisory fees revenue was the main reason for a decrease in overall revenue of $4.1 million or 9.7% compared to the same period in the prior year.

Expenses

Expenses for the six months ended September 30, 2020 were $391.4 million, an increase of $83.9 million or 27.3% compared to the same period in the prior year. Excluding significant items(1), total expenses as a percentage of revenue decreased by 6.9 percentage points compared to the six-month period in the prior year.

Compensation expense

Compensation expense for the six months ended September 30, 2020 increased by $95.7 million or 49.8% compared to the same period in the prior year. Compensation expense as a percentage of revenue was 60.4%, an increase of 3.7 percentage points compared to the first six months of fiscal 2020 due to the PSU fair value adjustment as discussed above.

Other overhead expenses

Other overhead expenses decreased by $10.0 million or 8.8% over the same period in the prior year. The most significant decreases were in general and administrative expense, interest expense and amortization expense.

General and administrative expense for the six-month period ended September 30, 2020 was $16.7 million, a decrease of $17.3 million or 50.9% over the same period in the prior year, as a result of lower conference and promotion and travel costs as a result of the COVID-19 pandemic. There was also a decrease of $2.2 million or 28.0% in interest expense due to lower stock borrowing fees in Canada. Amortization expense for the six months ended September 30, 2020 was also impacted by the amortization of intangible assets in connection with the acquisition of Petsky Prunier completed in Q4/19.

There were no acquisition-related costs in the first six months of fiscal 2021. The acquisition-related costs in connection with the acquisitions of Petsky Prunier LLC and Patersons Securities Limited amounted to $1.8 million in the first six months of fiscal 2020 (Australian wealth management results were included as part of capital markets prior to Q3/20).

Income before income taxes

Income before income taxes, including allocated overhead expenses, was $75.8 million for the six months ended September 30, 2020 compared to net income of $22.5 million in the same period a year ago. Excluding significant items(1), income before income taxes, including allocated overhead expenses, was $77.3 million in the current period, compared to income before income taxes of $29.2 million in the first half of fiscal 2020. The increase in income before income taxes was mostly attributable to higher revenue earned in our US and Australian operations combined with a decline in certain overhead expenses.

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.

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 September 30 2020	2019	Quarter-over-quarter change	Six months ended September 30 2020	2019	YTD-over-YTD change
Revenue	**$ 67,347**	$ 48,996	37.5%	**$ 124,300**	$ 106,814	16.4%
Expenses						
Compensation expense	**39,317**	27,849	41.2%	**74,576**	61,341	21.6%
Other overhead expenses	**12,321**	11,232	9.7%	**22,513**	22,586	(0.3)%
Total expenses	**51,638**	39,081	32.1%	**97,089**	83,927	15.7%
Intersegment allocations[2]	**3,972**	3,309	20.0%	**7,880**	7,021	12.2%
Income before income taxes[2]	**$ 11,737**	$ 6,606	77.7%	**$ 19,331**	$ 15,866	21.8%
AUM – Canada (discretionary)[3]	**4,941**	4,423	11.7%			
AUA – Canada[4]	**24,648**	20,408	20.8%			
Number of Advisory Teams – Canada	**145**	151	(4.0)%			
Number of employees	**438**	430	1.9%			
Excluding significant items[5]						
Total expenses	**$ 51,638**	$ 39,081	32.1%	**$ 97,089**	$ 83,927	15.7%
Intersegment allocations[2]	**3,972**	3,309	20.0%	**7,880**	7,021	12.2%
Income before income taxes[2]	**11,737**	6,606	77.7%	**19,331**	15,866	21.8%

(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 6.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 23.
(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 11.

Second quarter 2021 vs. second quarter 2020

Revenue from Canaccord Genuity Wealth Management North America was $67.3 million, an increase of $18.4 million or 37.5% compared to the three months ended September 30, 2019. The increase was driven by a growth in commissions and fees and investment banking revenue, partially offset by lower interest on stock loan activity and margin accounts.

AUA in Canada increased by 20.8% to $24.6 billion at September 30, 2020, compared to $20.4 billion at September 30, 2019. There were 145 Advisory Teams in Canada, a decrease of 6 from a year ago. Fee-related revenue in our North American operations as a percentage of total revenue decreased by 9.1 percentage points] compared to Q2/20 and accounted for 32.5% of the wealth management revenue in Canada during the second quarter of fiscal 2021. The decrease in fee-based revenue as a percentage of revenue was primarily a result of strong transaction revenue recorded during the quarter.

Total expenses for Q2/21 were $51.6 million, an increase of $12.6 million or 32.1% compared to Q2/20. Total compensation expense was $39.3 million, an increase of 41.2% which was in line with the higher commission-based revenue and reflected the PSU adjustment described earlier. Total compensation expense as a percentage of revenue increased by 1.5 percentage points to 58.4% in Q2/21 compared to Q2/20.

Other overhead costs increased by $1.1 million compared to the three months ended September 30, 2019, largely driven by an increase in general and administrative expense, due to an increase in reserves for certain ongoing regulatory matters. Also, development costs increased by $0.4 million or 17.3% as a result of amortization of new hire incentive-based payments to new recruits.

Year to date fiscal 2021 vs. year-to-date fiscal 2020

Revenue from Canaccord Genuity Wealth Management North America was $124.3 million for the six months ended September 30, 2020, an increase of $17.5 million or 16.4% compared to the same period in the prior year, largely due to an increase in commission and fees revenue.

Total expenses for the six months ended September 30, 2020 were $97.1 million, an increase of $13.2 million or 15.7% compared to the same period in the prior year. Total compensation expense as a percentage of revenue increased by 2.6 percentage point to 60.0% for the six-month period ended September 30, 2020.

Other overhead expenses decreased slightly by 0.3% over the same period in the prior year. General and administrative expense decreased by $2.1 million or 38.7% due to lower reserves on client accounts recorded in the current period. Conference and promotion and travel expenses also decreased as a result of the restrictions imposed by the COVID-19 pandemic. The decrease in general and administrative expense was partially offset by an increase in trading costs due to higher activity as reflected by the higher commission and fees revenue.

Income before income taxes was $19.3 million for the six months ended September 30, 2020 compared to income before taxes of $15.9 million in the same period in the prior year primarily due to an increase in revenue.

CANACCORD GENUITY WEALTH MANAGEMENT UK & EUROPE(1)(5)

(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	Three months ended September 30 2020	2019	Quarter-over-quarter change	Six months ended September 30 2020	2019	YTD-over-YTD change
Revenue	$ 64,308	$ 66,376	(3.1)%	$ 132,259	$ 138,299	(4.4)%
Expenses						
Compensation expense	35,541	36,856	(3.6)%	72,989	76,067	(4.0)%
Other overhead expenses	18,240	19,333	(5.7)%	36,248	41,910	(13.5)%
Restructuring expense	—	1,098	(100.0)%	—	1,098	(100.0)%
Acquisition- related costs	—	1,973	(100.0)%	—	2,308	(100.0)%
Total expenses	53,781	59,260	(9.2)%	109,237	121,383	(10.0)%
Intersegment allocations(2)	276	310	(11.0)%	565	611	(7.5)%
Income before income taxes(2)	10,251	6,806	50.6%	22,457	16,305	37.7%
AUM – UK & Europe(3)	45,380	44,183	2.7%			
Number of investment professionals and fund managers	208	215	(3.3)%			
Number of employees	530	572	(7.3)%			
Excluding significant items(4)						
Total expenses	$ 49,968	$ 50,952	(1.9)%	$ 101,602	$ 108,545	(6.4)%
Intersegment allocations(2)	276	310	(11.0)%	565	611	(7.5)%
Income before income taxes(2)	14,064	15,114	(6.9)%	30,092	29,143	3.3%

(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 6.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 23.
(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 11.
(5) Includes the operating results of Thomas Miller since the acquisition date of May 1, 2019.

Second quarter 2021 vs. second quarter 2020

Revenue generated by our Canaccord Genuity Wealth Management UK & Europe operation is largely generated through fee-related accounts and portfolio management activities and, as such, is less sensitive to changes in levels of trading activity. Revenue for Q2/21 was $64.3 million, a decrease of $2.1 million or 3.1% compared to Q2/20. Measured in local currency (GBP), revenue was £37.4 million in Q2/21 compared to £40.8 million in Q2/20, a decrease of 8.3% compared to the same quarter last year. The decrease was largely due to lower interest revenue earned during the quarter.

AUM in the UK & Europe as of September 30, 2020 was $45.4 billion, an increase of 2.7% compared to $44.2 billion as of September 30, 2019. Measured in local currency (GBP), AUM decreased by 2.9% from £27.1 billion at September 30, 2019 to £26.4 billion at September 30, 2020. Fee-related revenue in our UK & European wealth management operations accounted for 75.2% of total revenue in Q2/21, a slight increase of 0.3 percentage points.

Driven by the decrease in revenue, total compensation expense decreased by $1.3 million or 3.6% in Q2/21 compared to the three months ended September 30, 2019. Total compensation expense as a percentage of revenue decreased slightly by 0.2 percentage points from 55.5% in Q2/20 to 55.3% in Q2/21.

Other overhead expenses for the three months ended September 30, 2020 were $18.2 million for Q2/21 compared to $19.3 million in Q2/20, a decrease of $1.1 million or 5.7% quarter over quarter. General and administrative expense decreased by $0.5 million or 9.1% compared to the three months ended September 30, 2019 partially due to reserves recorded in respect of certain ongoing legal matters in Q2/20 and lower travel and promotion costs in Q2/21.

Income before income taxes was $10.3 million compared to $6.8 million in Q2/20. Excluding significant items(1), income before income taxes was $14.1 million, representing a $1.1 million decrease from the same period in the prior year due to the decline in revenue.

Year to date fiscal 2021 vs. year-to-date fiscal 2020

Revenue from Canaccord Genuity Wealth Management UK & Europe was $132.3 million, a decrease of $6.0 million or 4.4% compared to the prior year.

Expenses for the six months ended September 30, 2020 decreased by $12.1 million or 10.0% over the same period in the prior year. General and administrative expense decreased by $2.7 million or 24.2% partially due to lower reserves recorded in respect of certain ongoing legal matters as well as lower promotion and travel expense. The decrease in trading costs of $1.0 million or 16.3% was due to a decline in trading activity during the current period.

There were no restructuring or acquisition-related costs recorded in the current period. There were acquisition-related costs of $2.3 million related to the acquisition of Thomas Miller as well as restructuring costs of $1.1 million recorded in the six months ended September 30, 2019.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

Income before income taxes was $22.5 million compared to $16.3 million in the six months ended September 30, 2019. Excluding significant items[1], which includes acquisition-related costs, amortization of intangible assets acquired in business combination, restructuring expense as well as certain incentive-based costs related to the acquisitions and growth initiatives of the UK wealth business , income before income taxes was $30.1 million, representing a $0.9 million or 3.3% increase from the same period in the prior year reflecting the decrease in certain overhead expenses.

CANACCORD GENUITY WEALTH MANAGEMENT AUSTRALIA[(1)(2)]

(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	Three months ended September 30 2020	2019	Quarter-over-quarter change	Six months ended September 30 2020	2019	YTD-over-YTD change
Revenue	$ 14,322	—		$ 27,356	—	
Expenses						
Compensation expense	10,116	—		18,631	—	
Other overhead expenses	3,230	—		7,184	—	
Total expenses	13,346	—		25,815	—	
Intersegment allocations[(3)]	—	—		15	—	
Income before income taxes[(3)]	976	—		1,526	—	
AUM[(4)]	3,366	—				
Number of investment professionals and fund managers	115	—				
Number of employees	198	—				
Excluding significant items[(5)]						
Total expenses	$ 13,246	—		$ 25,576	—	
Intersegment allocations[(3)]	—	—		15	—	
Income before income taxes[(3)]	1,076	—		1,765	—	

(1) Data is in accordance with IFRS except for AUM, number of investment advisors and number of employees. See Non-IFRS Measures on page 6.
(2) Includes the operating results of Patersons which was acquired on October 21, 2019.
(3) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 23.
(4) AUM is the market value of client assets managed and administered by the Company.
(5) Refer to the Selected Financial Information Excluding Significant Items table on page 11.
n.m.: not meaningful

The Canaccord Genuity Australia wealth management segment includes the operating results of Patersons Securities Limited (renamed as Canaccord Genuity Financial Limited) since the closing date of October 21, 2019, as well as the wealth management business previously included as part of Canaccord Genuity Australia capital markets. Comparatives have not been restated.

Second quarter 2021

During the three months ended September 30, 2020, Canaccord Genuity Wealth Management Australia generated revenue of $14.3 million. AUM in the Australian wealth management operations was $3.4 billion at September 30, 2020 comprised of client assets held in its investment management platforms. In addition, client assets totalling $12.1 billion are also held in other accounts on our Australian wealth management trading platforms. Fee-related revenue in our Australian operations as a percentage of total revenue accounted for 26.6% of the wealth management revenue during the second quarter of fiscal 2021.

Total expenses for Q2/21 were $13.3 million, largely made up of compensation expense, trading costs, and general and administrative expense. Total compensation expense as a percentage of revenue was 70.6% for Q2/21.

Income before income taxes was $1.0 million in Q2/21. Excluding significant items[1], pre-tax income was $1.1 million for the three months ended September 30, 2020.

Year to date fiscal 2021

Revenue from Canaccord Genuity Wealth Management Australia was $27.4 million in the first six months of fiscal 2021.

Expenses for the six months ended September 30, 2020 totalled $25.8 million. Total compensation expense as a percentage of revenue was 68.1%. Other overhead expenses were $7.2 million, comprised mainly of general and administrative expense, trading costs, communication and technology and amortization expense.

Income before income taxes was $1.5 million in the six months ended September 30, 2020. Excluding significant items[1], which includes amortization of intangible assets acquired in business combination, income before income taxes was $1.8 million, reflecting the positive net contribution of our expansion in this business unit.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6.

CORPORATE AND OTHER[1]

(C$ thousands, except number of employees and % amounts)	Three months ended September 30 2020	2019	Quarter-over-quarter change	Six months ended September 30 2020	2019	YTD-over-YTD change
Revenue	$ 2,831	$ 6,632	(57.3)%	$ 7,768	$ 12,376	(37.2)%
Expenses						
Compensation expense	23,301	10,604	119.7%	49,630	23,207	113.9%
Other overhead expenses	7,622	5,857	30.1%	12,001	12,471	(3.8)%
Share of loss (gain) of an associate	14	(35)	(140.0)%	31	234	(86.8)%
Total expenses	30,937	16,426	88.3%	61,662	35,912	71.7%
Intersegment allocations[2]	(8,811)	(7,846)	12.3%	(17,657)	(16,404)	7.6%
Loss before income taxes[2]	(19,295)	(1,948)	n.m.	(36,237)	(7,132)	n.m.
Number of employees	345	328	5.2%			
Excluding significant items[3]						
Total expenses	$ 30,937	$ 16,426	88.3%	$ 61,662	$ 35,912	71.7%
Intersegment allocations[2]	(8,811)	(7,846)	12.3%	(17,657)	(16,404)	7.6%
Loss before income taxes[2]	(19,295)	(1,948)	n.m.	(36,237)	(7,132)	n.m.

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 6.
(2) Loss before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 23.
(3) Refer to the Selected Financial Information Excluding Significant Items table on page 11.
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 Capital Markets or Canaccord Genuity Wealth Management divisions. Also included in this segment are the Company's Canadian-based 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.

Second quarter 2021 vs. second quarter 2020

Revenue in the Corporate and Other segment for the three months ended September 30, 2020 was $2.8 million, a decrease of $3.8 million from the same quarter a year ago due to a decline in interest revenue as well as lower foreign exchange gains.

Expenses for Q2/21 increased by $14.5 million or 88.3%, to $30.9 million compared to the three months ended September 30, 2019. Compensation expense increased by $12.7 million or 119.7% compared to the three months ended September 30, 2019, driven by an increase in the fair value adjustment of the PSUs.

The increase in other overhead expenses of $1.8 million over Q2/20 was mainly related to a decrease in trading cost recoveries from our Canadian capital markets and wealth management operations.

Overall, the loss before income taxes was $19.3 million in Q2/21 compared to a loss of $1.9 million in Q2/20.

Year to date fiscal 2021 vs. year-to-date fiscal 2020

Revenue in the Corporate and Other segment for the six months ended September 30, 2020 was $7.8 million, a decrease of $4.6 million or 37.2% from the same period a year ago due to a decrease in foreign exchange gains as well as a reduction in revenue from our correspondent services business. Interest revenue also decreased as a result of lower interest rate and lower cash balances held during the period.

Expenses for the six months ended September 30, 2020 increased by $25.8 million or 71.7% mainly due to higher compensation expense recorded in the current period.

Compensation expense increased by $26.4 million or 113.9% compared to the six months ended September 30, 2019, largely driven by the PSU fair value adjustment recorded during the six months ended September 30, 2020.

Other overhead expenses decreased by 3.8% compared to the same period in the prior year largely due to a decrease in general and administrative expense such as office and promotion and travel expense.

Overall, the loss before income taxes was $36.3 million for the six months ended September 30, 2020 compared to $7.1 million for the same period in the prior year.

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 September 30, 2020. 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.

	Fiscal 2021		Fiscal 2020				Fiscal 2019	
(C$ thousands, except per share amounts)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue								
Canaccord Genuity Capital Markets	**241,549**	234,853	176,579	174,174	148,693	190,023	160,047	209,373
Canaccord Genuity Wealth Management:								
North America	**67,347**	56,953	56,733	46,019	48,996	57,818	53,636	54,202
UK & Europe	**64,308**	67,951	68,354	71,300	66,376	71,923	63,494	61,777
Australia	**14,322**	13,034	12,851	11,065	—	—	—	—
Corporate and Other	**2,831**	4,937	5,131	5,456	6,632	5,744	7,631	6,248
Total revenue	**390,357**	377,728	319,648	308,014	270,697	325,508	284,808	331,600
Net income	**32,993**	28,964	26,246	22,840	13,178	24,290	2,456	$ 32,458
Earnings per common share – basic	**$ 0.30**	$ 0.26	$ 0.25	$ 0.21	$ 0.11	$ 0.22	$ 0.00	$ 0.31
Earnings per common share – diluted	**$ 0.25**	$ 0.22	$ 0.21	$ 0.17	$ 0.10	$ 0.18	$ 0.00	$ 0.25
Net Income excluding significant items(1)	**36,891**	$ 32,897	$ 21,451	$ 30,458	$ 23,760	$ 30,654	$ 16,610	$ 36,843
Earnings per common share, excluding significant items(1) – basic	**$ 0.34**	$ 0.30	$ 0.20	$ 0.29	$ 0.21	$ 0.28	$ 0.15	$ 0.35
Earnings per common share, excluding significant items(1) – diluted	**$ 0.28**	$ 0.25	$ 0.17	$ 0.23	$ 0.18	$ 0.23	$ 0.12	$ 0.28

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6.

Despite the difficult and uncertain market environment in the past six months due to the COVID-19 pandemic, the Company has continued to perform exceptionally well, with revenue reaching $390.4 million in Q2/21, surpassing the record quarterly revenue set last quarter.

Our Canaccord Genuity Capital Markets operations generated revenue of $241.5 million, an increase of 62.4% over Q2/20 and 2.9% on a sequential basis. The quarterly revenue earned in our US capital markets operations in the past eight quarters has been consistently strong, with revenue reaching a high of $113.0 million in Q2/21. The completion of the acquisition of Petsky Prunier in Q4/19 contributed in large part to the higher advisory fee revenue. Our International Equities Group continued to perform well with the increased market and trading activity during the past six months. Total principal trading revenue reached $37.1 million in the current quarter, a 30.0% decrease from the record quarterly performance in Q1/21, but an increase of 92.1% compared to the same period a year ago. Our US operations have also been consistently profitable over the last eight consecutive quarters, with pre-tax income excluding significant items[1] reaching a near record high of $14.5 million in Q2/21.

Revenue in our Canadian capital markets operations was $67.5 million, an increase of 27.2% compared to Q2/20, and an increase of 22.1% compared to the previous quarter due to higher investment banking revenue. The Canadian operating region has been consistently profitable for the past eight quarters, with pre-tax profit margins excluding significant items[1] reaching 24.2% in Q2/21.

Revenue in our Australian capital markets operations increased by $39.2 million compared to Q2/20. Our Australian operations have experienced significant revenue increase in the last two quarters, largely driven by increased investment banking activity in our focus sectors, including mining and resource companies, and includes unrealized gains on certain inventory and warrant positions earned in respect of investment banking activity. As a result of the higher revenue, pre-tax income was $14.3 million, the highest in the past eight quarters.

Our UK & Europe capital markets operations recorded a decrease in revenue compared to both Q2/20 and Q1/21 of 25.9% and 37.0%, respectively, as a result of a softer market for investment banking and advisory activities. The reduction in revenue led to a loss of $2.2 million for the current quarter after being profitable or break-even for the past five quarters.

Our Canaccord Genuity Wealth Management North America operations have been positively impacted by improved transaction activity and a growth in client assets. Revenue was $67.3 million in Q2/21, the highest in the past eight quarters. Assets under administration were $24.6 billion, an increase of 20.8% year over year and 10.8% over the prior quarter, reflecting net inflows of new assets as well as higher market values. Assets under management which are included in assets under administration increased by 11.7% from $4.4 billion in Q4/20 to $4.9 billion in Q2/21.

The Canaccord Genuity Wealth Management UK & Europe operations have contributed consistently to our revenue and profitability levels. The quarterly revenue generated in this region decreased by 3.1% in Q2/21 compared to the same period in the prior year mainly due to lower interest

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6

revenue. Pre-tax profit margins continued to be strong at 21.9% in Q2/21 excluding significant items[1]. At the end of Q2/21, fee-related revenue was at 75.2%, a slight increase of 0.3 percentage points from Q2/20. Assets under management for this group increased by 2.7% as of the end of Q2/21 compared to Q2/20 due to the growth in market values.

With the completion of the acquisition of Patersons in Q3/20, our Australian operations were expanded, with revenue reaching $14.3 million in Q2/21. Assets under management as at September 30, 2020 were $3.4 billion, an improvement of 9.9% compared to the previous quarter.

The movement in revenue in the Corporate and Other division was mainly due to interest revenue and foreign exchange gains or losses resulting from fluctuations in the Canadian dollar.

Intersegment Allocated Costs

Included in the Corporate and Other segment are certain support services and other expenses that have been incurred to support the activities within the Canaccord Genuity Capital Markets 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 Capital Markets 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 Q2/21 unaudited interim condensed consolidated statement of financial position as compared to the Audited Annual Consolidated Financial Statements.

ASSETS

Cash and cash equivalents were $904.6 million on September 30, 2020 compared to $997.1 million on March 31, 2020. Refer to the Liquidity and Capital Resources section on page 24 for more details.

Securities owned were $903.4 million on September 30, 2020 compared to $931.5 million on March 31, 2020 mainly due to a decrease in corporate and government debt owned as of September 30, 2020.

Accounts receivable were $3.1 billion at September 30, 2020 compared to $3.3 billion at March 31, 2020, mainly due to a decrease in receivables with brokers and investment dealers.

Goodwill was $385.1 million and intangible assets were $158.5 million at September 30, 2020. At March 31, 2020, goodwill was $395.4 million and intangible assets were $170.2 million. These amounts represent the goodwill and intangible assets acquired through the purchases of Genuity Capital Markets, Collins Stewart Hawkpoint plc, Eden Financial Ltd., Hargreave Hale, Jitneytrade, McCarthy Taylor, Petsky Prunier, Thomas Miller, and Patersons.

Right-of-use assets were $91.4 million compared to $106.1 million at March 31, 2020, mainly due to amortization recorded during the period.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments, were $78.3 million at September 30, 2020 compared to $80.1 million at March 31, 2020.

LIABILITIES

Securities sold short were $700.9 million at September 30, 2020 compared to $875.0 million at March 31, 2020, mostly due to a decrease in short positions in corporate and government debt.

Accounts payable and accrued liabilities, including provisions, were $3.6 billion at September 30, 2020, a decrease from $3.7 billion at March 31, 2020, mainly due to decreases in payables to brokers and investment dealers.

Other liabilities, including subordinated debt, income taxes payable, other long-term liability, and deferred tax liabilities, were $23.9 million at September 30, 2020, a decrease from $30.9 million at March 31, 2020. The decrease was mostly due to the decrease in income tax payable.

There were also lease liabilities of $100.3 million recorded as of September 30, 2020 [March 31, 2020 — $112.3 million].

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale and Thomas Miller. The balance outstanding as of September 30, 2020 was $81.1 million [March 31, 2020 — $86.2 million]. The loan is repayable in instalments of principal and interest over a period of 4 years and matures in September 2023. The interest rate on this loan is 2.1859% per annum as at September 30, 2020 [March 31, 2020 — 2.6584% per annum].

Excluding the bank loan in connection with the acquisitions of Hargreave Hale and Thomas Miller as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $643.5 million [March 31, 2020 — $653.7 million]. These credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are collateralized by unpaid client securities and/or securities owned by the Company. As of September 30, 2020, there were no balances outstanding under these other credit facilities [March 31, 2020 — $nil].

There were deferred and contingent considerations of $8.0 million and $47.8 million, respectively, recorded at September 30, 2020 [March 31, 2020 — $9.0 million and $105.5 million, respectively] in connection with the acquisitions of Hargreave Hale, Jitneytrade, McCarthy Taylor, Petsky Prunier, Thomas Miller, as well as Patersons Securities.

Non-controlling interests were $5.4 million at September 30, 2020 compared to $0.2 million as at March 31, 2020, which represents 15% [March 31, 2020 — 15%] of the net assets of our operations in Australia.

Off-Balance Sheet Arrangements

A subsidiary of the Company has entered into secured irrevocable standby letters of credit from a financial institution totaling $3.1 million (US$2.3 million) [March 31, 2020 — $3.3 million (US$2.3 million)] as rent guarantees for its leased premises in New York. As of September 30, 2020 and March 31, 2020, there were no outstanding balances under these standby letters of credit.

Bank Indebtedness and Other Credit Facilities

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by unpaid client securities and/or securities owned by the Company. As of September 30, 2020, and March 31, 2020, the Company had no bank indebtedness outstanding under these facilities.

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 September 30, 2020:

(C$ thousands)	Total	Fiscal 2022	Fiscal 2023 – Fiscal 2024	Fiscal 2025 – Fiscal 2026
Premises and equipment operating leases	103,967	27,005	42,334	34,628
Bank loan[1]	81,406	14,071	67,335	—
Convertible debentures[2]	157,611	8,295	149,316	—
Total contractual obligations	**342,984**	**49,371**	**258,985**	**34,628**

(1) Bank loan consists of £40,000,000 credit facility obtained to finance a portion of the cash consideration for the acquisition of Hargreave Hale and £15,000,000 for the acquisition of Thomas Miller. The bank loan bears interest at 2.1859% [March 31, 2020 — 2.6584%] per annum and is repayable in instalments of principal and interest over 4 years and matures in September 2023. The current balance outstanding is £47.1 million.

(2) Convertible debentures consist of the unsecured senior subordinated convertible debentures (the "Debentures") issued in Q2/19. The Debentures bear interest at a rate of 6.25% per annum and mature on December 31, 2023. The Company, under certain circumstances, may redeem the Debentures on or after December 31, 2021.

Liquidity and Capital Resources

The Company has a capital structure comprised of preferred shares, common shares, convertible debentures, contributed surplus, retained earnings (deficit) and accumulated other comprehensive income. On September 30, 2020, cash and cash equivalents were $904.6 million, a decrease of $92.5 million from $997.1 million as of March 31, 2020. During the six months ended September 30, 2020, financing activities used cash in the amount of $103.6 million, mainly due to payment of deferred and contingent consideration, purchases of common shares for the long-term incentive plan (LTIP), and cash dividends paid on common and preferred shares. Investing activities used cash in the amount of $1.9 million for the purchase of equipment and leasehold improvements and investment. Operating activities provided cash in the amount of $19.5 million, which was largely due to changes in non-cash working capital. A decrease in cash of $6.5 million was attributable to the effect of foreign exchange translation on cash balances.

Compared to the six months ended September 30, 2019, cash used in financing activities increased by $31.1 million due to payment of deferred and contingent considerations in the current year. Cash used in investing activities decreased by $31.9 million during the six months ended September 30, 2020 compared to the same period last year, mainly due to the acquisition of Thomas Miller in May 2019. Changes in non-cash working capital balances led to an increase in cash provided by operating activities of $263.9 million. In addition, cash balances increased by $4.3 million from the effects of foreign exchange translation on cash balances in Q2/21 compared to Q2/20. Overall, cash and cash equivalents increased by $445.4 million from $459.2 million at September 30, 2019 to $904.6 million at September 30, 2020.

The Company's business requires capital for operating and regulatory purposes. The Company's working capital, including cash and cash equivalents, is fully deployed by the Company in its operations to support regulatory capital levels as required and counter-party requirements including cash deposit requirements needed to maintain current levels of activity. The majority of current assets reflected on the Company's unaudited interim condensed consolidated statement 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 two -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.

Convertible Debentures

On August 22, 2018, the Company completed its bought deal offering of convertible unsecured senior subordinated debentures for gross proceeds of $59,225,000 (the Offered Debentures). The Company had also closed a concurrent non-brokered private placement with a large Canadian asset manager for gross proceeds of $73,500,000, which together with the gross proceeds from the Offered Debentures, represent an aggregate principal amount of $132,725,000 (together with the Offered Debentures, the "Convertible Debentures"). A portion of the proceeds of the non-brokered private placement were used to repay the convertible debentures issued in October 2016 in the principal amount of $60,000,000 and a premium of $13,500,000 for a total of $73,500,000. The remainder of the proceeds were allocated for use by the Company to finance growth in its wealth management business in Canada and the UK & Europe, and elsewhere as opportunities arise.

The Convertible Debentures bear interest at a rate of 6.25% per annum, payable semi-annually on the last day of December and June each year commencing December 31, 2018. The Convertible Debentures are convertible at the holder's option into common shares of the Company, at a conversion price of $10.00 per common share. The Convertible Debentures mature on December 31, 2023 and may be redeemed by the Company in certain circumstances, on or after December 31, 2021.

Outstanding Share Data

	Outstanding shares as of September 30	
	2020	2019
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)	**96,872,618**	98,308,485
Issued shares outstanding(2)	**107,783,782**	108,492,487
Issued shares outstanding – diluted(3)	**129,631,979**	132,682,013
Average shares outstanding – basic	**96,525,851**	101,315,212
Average shares outstanding – diluted(4)	**123,548,171**	130,434,563

(1) Excludes 10,580,109 unvested shares purchased by employee benefit trusts for the LTIP, 208,700 shares committed to be purchased under the normal course issuer bid and 122,355 outstanding shares related to share purchase loans

(2) Includes 10,580,109 unvested shares purchased by employee benefit trusts for the LTIP, 208,700 shares committed to be purchased under the normal course issuer bid and 122,355 outstanding shares related to share purchase loans

(3) Includes 21,848,197 share issuance commitments net of forfeitures.

(4) This is the diluted share number used to calculate diluted EPS.

On August 18, 2020, 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 5,390,674 of its common shares during the period from August 21, 2020 to August 20, 2021 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. During the six months ended September 30, 2020, there were 29,700 shares purchased and cancelled and an additional 19,900 shares purchased but not yet cancelled as of September 30, 2020.

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.

The ability to make purchases under the current NCIB commenced on August 21, 2020 and will continue for one year (to August 20, 2021) 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, the daily purchases are limited to 76,127 common shares of the Company (which is 25% of the average daily trading volume of common shares of the Company on the TSX (ADTV) in the six calendar months from February 2020 to July 2020 (25% of the ADTV of 304,508)).

As of October 31, 2020, the Company has 107,641,982 common shares issued and outstanding.

Share-Based Payment Plans

There have been no updates to the share-based payment plans discussed in the 2020 Annual Report.

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 September 30, 2020, forward contracts outstanding to sell US dollars had a notional amount of US$2.4 million, an increase of US $1.2 million compared to September 30, 2019. Forward contracts outstanding to buy US dollars had a notional amount of US $3.2 million, a decrease of US $1.1 million from September 30, 2019. The fair value of these contracts was nominal. Some of the Company's operations in the US, the UK & Europe, Australia, 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 various futures contracts, in an attempt to mitigate market risk, interest rate risk, yield curve risk and liquidity risk. Futures contracts are agreements to buy or sell a standardized amount of an underlying asset, 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 have traditionally engaged in the trading of Canadian & US Government bond futures contracts to mitigate its risk. The Company's Canadian operations also began trading other types of futures contracts, including but not limited to, index futures and commodity futures.

At September 30, 2020, the notional amount of the Canadian bond futures contracts outstanding was long $2.9 million [March 31, 2020 — long $29.9 million].

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 24 of 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, performance share units, and a performance stock option plan. Directors 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)	**September 30, 2020 $**	March 31, 2020 $
Accounts receivable	**2,750**	2,328
Accounts payable and accrued liabilities	**849**	980

Critical Accounting Policies and Estimates

The unaudited interim condensed consolidated financial statements for the quarter ended September 30, 2020 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. Amendments may be made to estimates relating to net assets acquired in an acquisition as well as the allocation of identifiable intangible assets between indefinite life and finite lives. Judgments, estimates and assumptions were also utilized in connection with the preliminary purchase price allocation including the valuation of goodwill and intangible assets acquired in connection with the acquisition of Patersons.

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. 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 CGUs 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.

Significant accounting policies used and policies requiring management's judgment and estimates have not changed during the second quarter of fiscal 2021 and are discussed under "Critical Accounting Policies and Estimates" in our 2020 Annual Report.

Changes in Accounting Policies

The accounting policies applied in the preparation of the Q2/21 unaudited interim condensed consolidated financial statements are consistent with those discussed in Note 5 of the 2020 Audited Annual Consolidated Financial Statements.

Future Changes in Accounting Policies and Estimates

There have been no updates to the "Future Changes in Accounting Policies and Estimates" disclosed in our 2020 Annual Report, during the three months ended September 30, 2020.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

DISCLOSURE CONTROLS AND PROCEDURES

As of September 30, 2020, an evaluation was carried out, under the supervision of and with the participation of management, including the President & CEO and the Executive Vice President & Chief Financial Officer, 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 & Chief Financial Officer concluded that our disclosure controls and procedures were effective as at September 30, 2020.

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 September 30, 2020, 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 November 6, 2020, the Board of Directors approved a dividend of $0.055 per common share, payable on December 10, 2020, with a record date of November 27, 2020.

On November 6, 2020, the Board of Directors approved the following cash dividends: $0.24281 per Series A Preferred Share payable on December 31, 2020 with a record date of December 18, 2020; and $0.31206 per Series C Preferred Share payable on December 31, 2020 with a record date of December 18, 2020.

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, cyber 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. In addition, the Company's operations in the UK are exposed to market risk and volatility risk associated with the UK's decision to depart from the EU, referred to as "Brexit". 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 Capital Markets' 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, 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 26 of the Company's 2020 Audited Annual Consolidated Financial Statements.

The Company and its affiliates provide financial advisory, underwriting and other services to, and trade the securities of issuers that are involved with new and emerging industries, including the US cannabis industry. Activities within such industries, including the US cannabis industry, typically have not had the benefit of a history of successful operating results. In addition to the economic uncertainties associated with new industries, new activities and new issuers, the laws applicable to such industries or activities, particularly the US cannabis industry and the activities of issuers in that industry, and the effect or enforcement of such laws are undetermined, conflicting and uncertain. With respect to the US cannabis industry, cannabis continues to be a controlled substance under the United States Controlled Substances Act and as such, there is a risk that certain issuers, while in compliance with applicable state law, may be prosecuted under federal law. Accordingly, the Company has adopted policies and procedures reasonably designed to ensure compliance with the United States Currency and Foreign Transactions Reporting Act of 1970 (the "Bank Secrecy Act") and the guidance issued by the United States Department of the Treasury Financial Crimes Enforcement Network, FIN-2014-G001 (the "FinCEN Guidance") relating to providing financial services to marijuana related businesses in the United States (as that term is used in the FinCEN Guidance). While the Company takes steps to identify the risks associated with emerging industries, including the US cannabis industry, and only provides services to those issuers where it determines that there is no material risk to the Company or where any risk is unlikely to result in a material adverse consequence to the Company, there is a risk that the Company could be the subject of third party proceedings which may have a material adverse effect on the Company business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company. The Company has determined that any such proceedings are unlikely and, accordingly, has not recorded a provision in respect of such matters.

Risks associated with emerging industries such as the cannabis and e-cigarette and vaping industries also include the risk of the insolvency of issuers and the consequent inability of such issuers to satisfy their indemnification obligations to the Company. Accordingly, in the event of a loss to the Company, the ability of the Company to recover amounts in respect of any indemnity claims also cannot be predicted with certainty.

Pandemic risk is the risk of large-scale outbreaks of infectious diseases that can greatly increase morbidity and mortality over a wide geographic area and cause significant social and economic disruption. Such disruptions could have a negative impact on the Company's operations and could prevent the Company from operating as it would under normal conditions. The global outbreak of COVID-19 and the declaration of a pandemic by the World Health Organization in March 2020 caused a significant disruption in economic activity and resulted in a sharp downturn in global equity markets which impacted the normal operation of the Company's business. In the early stages of the outbreak, the Company overhauled its Disaster Recovery Plan in preparation of an escalation of the outbreak. This overhaul included the setup of low-latency remote access trading systems for trading desks, updates of technology solutions and the network infrastructure, load testing of remote access systems, and policy and procedural enhancements to reduce the need for manual processes to ensure the smooth operations of the business in the event of a remote working environment. As a result, the Company was well prepared and experienced no visible disruptions to its operations as a result of most employees working from remote locations. Trading desks operated smoothly and effectively to both service clients and to limit the Company's exposure and risks in managing its own inventory and trading positions. Although the Company's systems, processes and procedures were effective in limiting the risk associated with the outbreak of the COVID-19 pandemic there is a risk that such systems, processes and procedures may not be successful in the event of future pandemics or in the event that conditions under the COVID-19 pandemic deteriorate or persist for an extended period of time.

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 2020 Annual Report, which are available on our website at www. canaccordgenuitygroup.com/EN/IR/FinReports/Pages/default.aspx and on SEDAR at www.sedar.co

Shareholder Information

Corporate Headquarters

STREET ADDRESS

Canaccord Genuity Group Inc.
609 Granville Street, Suite 2200
Vancouver, BC, Canada

MAILING ADDRESS

Pacific Centre
609 Granville Street, Suite 2200
P.O. Box 10337
Vancouver, BC V7Y 1H2, Canada

Stock Exchange Listing

Common shares:
TSX: CF

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

Convertible Unsecured Senior Subordinated Debentures
TSX: CF.DQ.A

Corporate Website

www.canaccordgenuity.com

General Shareholder Inquiries and Information

INVESTOR RELATIONS

161 Bay Street, Suite 3000
Toronto, ON, Canada
Telephone: 416.869.7293
Fax: 416.947.8343
Email: investor.relations@cgf.com

Media Relations and Inquiries from Institutional Investors and Analysts

Christina Marinoff
Vice President, Investor Relations and Communications
Phone: 416-687-5507
Email: cmarinoff@cgf.com

The Canaccord Genuity Group Inc. 2020 Annual Report is available on our website at www.canaccordgenuitygroup.com. For a printed copy, please contact the Investor Relations department.

Fiscal 2021 Expected Dividend(1) and Earnings Release Dates

	Expected earnings release date	Preferred dividend record date	Preferred dividend payment date	Common dividend record date	Common dividend payment date
Q3/21	February 3, 2021	March 19, 2021	March 31, 2021	February 26, 2021	March 10, 2021
Q4/21	June 2, 2021	June 18, 2021	June 30, 2021	June 18, 2021	June 30, 2021
Q1/22	August 4, 2021	September 17, 2021	September 30, 2021	August 27, 2021	September 10, 2021
Q2/22	November 3, 2021	December 17, 2021	December 31, 2021	November 26, 2021	December 10, 2021

(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:

COMPUTERSHARE INVESTOR SERVICES INC.

100 University Avenue, 9th Floor
Toronto, ON M5J 2Y1
Telephone toll free (North America):
1.800.564.6253
International: 514.982.7555
Fax: 1.866.249.7775
Toll free fax (North America) or International fax: 416.263.9524
Email: service@computershare.com
Website: www.computershare.com

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 Professional Accountants
Vancouver, BC

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	September 30, 2020 $	March 31, 2020 $
ASSETS			
Current			
Cash and cash equivalents		904,598	997,111
Securities owned	4	903,416	931,467
Accounts receivable	6,17	3,130,499	3,275,841
Income taxes receivable		3,710	5,603
Total current assets		4,942,223	5,210,022
Deferred tax assets		40,599	39,487
Investments	7	10,396	10,105
Equipment and leasehold improvements		23,569	24,860
Intangible assets	8	158,516	170,170
Goodwill	8	385,060	395,417
Right-of-use assets		91,358	106,134
		5,651,721	5,956,195
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Securities sold short	4	700,909	875,017
Accounts payable and accrued liabilities	6,17	3,609,831	3,673,451
Provisions	19	9,800	6,735
Income taxes payable		6,192	11,721
Subordinated debt	5,10	7,500	7,500
Current portion of bank loan	11	8,605	7,042
Current portion of lease liabilities		22,465	23,417
Current portion of contingent consideration	5	17,286	57,859
Total current liabilities		4,382,588	4,662,742
Deferred tax liabilities		8,489	9,903
Convertible debentures	12	128,902	128,322
Deferred consideration	5	8,039	8,966
Contingent consideration	5	30,515	47,614
Other long-term liability	5	1,721	1,760
Lease liabilities		77,871	88,922
Bank loan	11	72,475	79,192
		4,710,600	5,027,421
Shareholders' equity			
Preferred shares	13	205,641	205,641
Common shares	14	676,789	663,553
Equity portion of convertible debentures	12	5,156	5,156
Deferred consideration		6,545	6,545
Contributed surplus		77,255	101,501
Retained deficit		(145,475)	(193,131)
Accumulated other comprehensive income		109,771	139,353
Total shareholders' equity		935,682	928,618
Non-controlling interests		5,439	156
Total equity		941,121	928,774
		5,651,721	5,956,195

See accompanying notes

"Daniel Daviau"

DANIEL DAVIAU

Director

"Terrence A. Lyons"

TERRENCE A. LYONS

Director

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Operations

		For the three months ended		For the six months ended	
(in thousands of Canadian dollars, except per share amounts)	Notes	**September 30, 2020**	September 30, 2019	**September 30, 2020**	September 30, 2019
REVENUE					
Commissions and fees		**167,575**	132,325	**336,577**	274,117
Investment banking		**131,625**	51,992	**242,193**	136,793
Advisory fees		**37,281**	42,015	**58,327**	95,819
Principal trading		**42,746**	21,260	**107,858**	46,333
Interest		**6,005**	16,661	**13,010**	31,846
Other		**5,125**	6,444	**10,120**	11,297
		390,357	270,697	**768,085**	596,205
EXPENSES					
Compensation expense		**250,796**	157,780	**503,610**	352,688
Trading costs		**27,783**	21,083	**54,752**	41,203
Premises and equipment		**4,984**	4,224	**9,362**	9,008
Communication and technology		**17,284**	15,191	**34,032**	31,549
Interest		**6,671**	8,313	**13,401**	16,424
General and administrative		**20,181**	26,289	**36,099**	56,656
Amortization		**6,941**	8,049	**13,493**	15,985
Amortization of right of use assets		**6,078**	5,939	**12,811**	11,521
Development costs		**3,767**	2,994	**7,582**	8,203
Restructuring costs		**—**	1,098	**—**	1,098
Acquisition-related costs		**—**	3,602	**—**	4,114
Share of loss (gain) of an associate	7	**14**	(35)	**31**	234
		344,499	254,527	**685,173**	548,683
Net income before income taxes		**45,858**	16,170	**82,912**	47,522
Income taxes (recovery)					
Current		**16,741**	4,454	**22,187**	7,205
Deferred		**(3,876)**	(1,462)	**(1,232)**	2,849
	9	**12,865**	2,992	**20,955**	10,054
Net income for the period		**32,993**	13,178	**61,957**	37,468
Net income (loss) attributable to:					
CGGI shareholders		**31,435**	13,488	**58,918**	37,693
Non-controlling interests		**1,558**	(310)	**3,039**	(225)
Weighted average number of common shares outstanding (thousands)					
Basic		**97,669**	102,503	**96,526**	101,315
Diluted		**125,254**	131,613	**123,548**	130,435
Net income per common share					
Basic	14	**0.30**	$ 0.11	**0.56**	$ 0.33
Diluted	14	**0.25**	$ 0.10	**0.47**	$ 0.28
Dividend per common share	15	**$ 0.055**	$ 0.05	**$ 0.11**	$ 0.10
Dividend per Series A Preferred Share	15	**$ 0.24**	$ 0.24	**$ 0.48**	$ 0.48
Dividend per Series C Preferred Share	15	**$ 0.31**	$ 0.31	**$ 0.62**	$ 0.62

See accompanying notes

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars)	For the three months ended		For the six months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
Net income for the period	**$32,993**	$13,178	**$ 61,957**	$ 37,468
Other comprehensive income (loss)				
Net change in unrealized gains (losses) on translation of foreign operations	**1,617**	(9,069)	**(24,912)**	(17,032)
Comprehensive income for the period	**34,610**	$ 4,109	**37,045**	$ 20,436
Comprehensive income (loss) attributable to:				
CGGI shareholders	**$32,954**	$ 4,230	**$ 33,427**	$ 19,724
Non-controlling interests	**1,656**	(121)	**3,618**	712

See accompanying notes

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the six months ended (in thousands of Canadian dollars)	Notes	September 30, 2020	September 30, 2019
Preferred shares, opening and closing	13	$205,641	$205,641
Common shares, opening		663,553	672,896
Shares issued in connection with share-based payments		10	53
Acquisition of common shares for long-term incentive plan (LTIP)		(20,429)	(11,851)
Release of vested common shares from employee benefit trusts		34,903	64,347
Shares issued through exercise of private placements warrants		—	720
Shares purchased and cancelled under normal course issuer bid		(206)	—
Shares committed to be purchased under normal course issuer bid		(1,444)	—
Shares purchased and cancelled under substantial issuer bid		—	(40,000)
Unvested share purchase loans		402	999
Common shares, closing	14	676,789	687,164
Warrants, opening	14	—	1,975
Reclassification to liability		—	(1,975)
Warrants, closing		—	—
Convertible debentures – equity, opening and closing		5,156	5,156
Contributed surplus, opening		101,501	124,710
Share-based payments, amortization net of vestings		(24,927)	(55,090)
Shares purchased and cancelled under normal course issuer bid		14	—
Change in deferred tax asset relating to share based payments		1,069	(140)
Unvested share purchase loans		(402)	(999)
Contributed surplus, closing		77,255	68,481
Retained deficit, opening		(193,131)	(237,770)
Net income attributable to CGGI shareholders		58,918	37,693
Reclassification of realized gains on disposal of financial instruments measured at fair value through other comprehensive income		4,091	—
Preferred shares dividends	15	(4,702)	(4,701)
Common shares dividends	15	(10,651)	(24,329)
Retained deficit, closing		(145,475)	(229,107)
Deferred consideration, opening		6,545	—
Reclassification of the deferred consideration in connection with the acquisition of Petsky Prunier LLC from liability to equity		—	13,091
Deferred consideration, closing		6,545	13,091
Accumulated other comprehensive income, opening		139,353	103,755
Reclassification of realized gains on disposal of financial instruments measured at fair value through other comprehensive income		(4,091)	—
Other comprehensive loss attributable to CGGI shareholders		(25,491)	(17,969)
Accumulated other comprehensive income, closing		109,771	85,786
Total shareholders' equity		935,682	836,212
Non-controlling interests, opening		156	1,997
Foreign exchange on non-controlling interests		1,665	(976)
Comprehensive income attributable to non-controlling interests		3,618	712
Non-controlling interests, closing		5,439	1,733
Total equity		941,121	837,945

See accompanying notes

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the six months ended (in thousands of Canadian dollars)	Notes	September 30, 2020 $	September 30, 2019 $
OPERATING ACTIVITIES			
Net income for the period		$ 61,957	$ 37,468
Items not affecting cash			
Amortization		13,493	15,985
Amortization of right of use assets		12,811	11,521
Deferred income tax (recovery) expense		(1,232)	2,849
Share-based compensation expense	16	47,291	10,050
Share of loss of associate	7	31	234
Interest expense in connection with lease liabilities		2,786	3,603
Changes in non-cash working capital			
Decrease (increase) in securities owned		28,051	(68,366)
Decrease (increase) in accounts receivable		145,372	(31,621)
Decrease in net income taxes payable		(5,646)	(12,927)
(Decrease) increase in securities sold short		(174,108)	169,617
Decrease in accounts payable, accrued liabilities and provisions		(111,336)	(382,820)
Cash provided by (used in) operating activities		19,470	(244,407)
FINANCING ACTIVITIES			
Bank indebtedness		—	(5,260)
Acquisition of common shares for long-term incentive plan		(20,429)	(11,851)
Purchase of shares under normal course issuer bid		(192)	—
Purchase of shares under substantial issuer bid		—	(40,000)
Proceeds from bank loan		—	26,318
Cash dividends paid on common shares		(10,651)	(24,329)
Cash dividends paid on preferred shares		(4,702)	(4,701)
Payment of deferred and contingent consideration		(53,698)	—
Lease payments		(13,968)	(12,756)
Cash used in financing activities		(103,640)	(72,579)
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		(1,221)	(1,672)
Acquisition of Thomas Miller, net of cash acquired		—	(27,634)
Purchase of investment		(663)	(498)
Investment in associate		—	(4,000)
Cash used in investing activities		(1,884)	(33,804)
Effect of foreign exchange on cash balances		(6,459)	(10,791)
Decrease in cash position		(92,513)	(361,581)
Cash position, beginning of period		997,111	820,739
Cash position, end of period		904,598	459,158
Supplemental cash flow information			
Interest received		$ 13,363	$ 27,382
Interest paid		$ 12,856	$ 15,104
Income taxes paid		$ 27,064	$ 21,386

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 or CGGI) is a leading independent, full-service investment dealer with capital markets operations in North America, the UK & Europe, Asia, Australia and the Middle East. The Company also has wealth management operations in Canada, the UK, Jersey, Guernsey, the Isle of Man 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 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5.

The Company's common shares are publicly traded under the symbol CF on the Toronto Stock Exchange (TSX). 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 6.25% Convertible Unsecured Senior Subordinated Debentures are listed on the TSX under the symbol CF.DA.A.

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, 2020 (March 31, 2020 consolidated financial statements) filed on SEDAR on June 2, 2020. All defined terms used herein are consistent with those terms defined in the March 31, 2020 consolidated financial statements.

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for investments, securities owned and securities sold short, deferred and contingent consideration. All of these have been measured at fair value as set out in the relevant accounting policies except for certain investments which have been accounted for under the equity method.

These 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 November 6, 2020.

USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these unaudited interim condensed consolidated financial statements 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 global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgements and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Company's business is highly uncertain and difficult to predict at this time, there is a higher level of uncertainty with respect to management's judgements and estimates.

The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes and 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. Amendments may be made to estimates relating to net assets acquired in an acquisition as well as the allocation of identifiable intangible assets between indefinite life and finite lives. Judgments, estimates and assumptions were also utilized in connection with the purchase price allocation, including the valuation of goodwill and intangible assets acquired in connection with the acquisition of Patersons Securities Limited.

In the discussions below, unless otherwise noted, Hargreave Hale Limited is referred to as “Hargreave Hale”, Petsky Prunier LLC is referred to as “Petsky Prunier”, McCarthy Taylor Ltd. (renamed as CG McCarthy Taylor Limited) is referred to as “McCarthy Taylor”, Thomas Miller Wealth Management Limited and the private client business of Thomas Miller Investment (Isle of Man) Limited (renamed as CG Wealth Planning Limited) is referred to as “Thomas Miller”, Patersons Securities Limited (renamed as Canaccord Genuity Financial Limited) is referred to as “Patersons”, and Jitneytrade Inc., Finlogik Capital Inc. and Finlogik Inc. are collectively referred to as “Jitneytrade”.

NOTE 03 Adoption of New and Revised Standards

There were no new accounting standards adopted for the period ended September 30, 2020.

NOTE 04 Securities Owned and Securities Sold Short

	September 30, 2020		March 31, 2020	
	Securities owned	**Securities sold short**	Securities owned	Securities sold short
Corporate and government debt	**621,536**	**574,369**	724,444	688,400
Equities and convertible debentures	**281,880**	**126,540**	207,023	186,617
	903,416	**700,909**	931,467	875,017

As at September 30, 2020, corporate and government debt maturities range from [2020 to 2115] [March 31, 2020 – 2020 to 2098] and bear interest ranging from [0.00% to 14.00%] [March 31, 2020 – 0.00% to 14.00%].

NOTE 05 Financial Instruments

The categories of financial instruments, other than cash and cash equivalents and bank indebtedness, as well as investments accounted for under the equity method, held by the Company at September 30, 2020 and March 31, 2020 are as follows:

	Fair value through profit and loss		Fair value through other comprehensive income		Amortized cost		Total	
	September 30, 2020 $	March 31, 2020 $	**September 30, 2020 $**	March 31, 2020 $	**September 30, 2020 $**	March 31, 2020 $	**September 30, 2020 $**	March 31, 2020 $
Financial assets								
Securities owned	**903,416**	924,594	**—**	6,873	**—**	—	**903,416**	931,467
Accounts receivable from brokers and investment dealers	**—**	—	**—**	—	**1,836,709**	2,036,876	**1,836,709**	2,036,876
Accounts receivable from clients	**—**	—	**—**	—	**725,958**	696,644	**725,958**	696,644
RRSP cash balances held in trust	**—**	—	**—**	—	**401,920**	388,376	**401,920**	388,376
Other accounts receivable	**—**	—	**—**	—	**165,912**	153,945	**165,912**	153,945
Investments	**6,607**	6,287	**—**	—	**—**	—	**6,607**	6,287
Total financial assets	**910,023**	930,881	**—**	6,873	**3,130,499**	3,275,841	**4,040,522**	4,213,595
Financial liabilities								
Securities sold short	**700,909**	875,017	**—**	—	**—**	—	**700,909**	875,017
Accounts payable to brokers and investment dealers	**—**	—	**—**	—	**1,351,934**	1,618,004	**1,351,934**	1,618,004
Accounts payable to clients	**—**	—	**—**	—	**1,851,910**	1,703,574	**1,851,910**	1,703,574
Other accounts payable and accrued liabilities	**—**	—	**—**	—	**405,987**	351,873	**405,987**	351,873
Subordinated debt	**—**	—	**—**	—	**7,500**	7,500	**7,500**	7,500
Convertible debentures	**—**	—	**—**	—	**128,902**	128,322	**128,902**	128,322
Deferred consideration	**8,039**	8,966	**—**	—	**—**	—	**8,039**	8,966
Contingent consideration	**47,801**	105,473	**—**	—	**—**	—	**47,801**	105,473
Other long-term liability	**—**	—	**—**	—	**1,721**	1,760	**1,721**	1,760
Bank loan	**—**	—	**—**	—	**81,080**	86,234	**81,080**	86,234
Total financial liabilities	**756,749**	989,456	**—**	—	**3,829,034**	3,897,267	**4,585,783**	4,886,723

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 September 30, 2020, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value September 30, 2020		
	September 30, 2020	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	31,172	—	31,172	—
Government debt	590,364	244,285	346,079	—
Corporate and government debt	621,536	244,285	377,251	—
Equities	279,959	185,067	68,379	26,513
Convertible debentures	1,921	—	1,921	—
Equities and convertible debentures	281,880	185,067	70,300	26,513
	903,416	429,352	447,551	26,513
Investments	6,607	—	—	6,607
	910,023	429,352	447,551	33,120
Securities sold short				
Corporate debt	(6,178)	—	(6,178)	—
Government debt	(568,191)	(233,506)	(334,685)	—
Corporate and government debt	(574,369)	(233,506)	(340,863)	—
Equities	(126,540)	(110,723)	(15,817)	—
Convertible debentures	—	—	—	—
Equities and convertible debentures	(126,540)	(110,723)	(15,817)	—
	(700,909)	(344,229)	(356,680)	—
Deferred consideration	(8,039)	—	—	(8,039)
Contingent consideration	(47,801)	—	—	(47,801)
	(756,749)	(344,229)	(356,680)	(55,840)

As at March 31, 2020, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value		
		March 31, 2020		
	March 31, 2020 $	Level 1 $	Level 2 $	Level 3 $
Securities owned				
Corporate debt	26,428	—	26,428	—
Government debt	698,016	244,526	453,490	—
Corporate and government debt	724,444	244,526	479,918	—
Equities	206,043	139,916	63,130	2,997
Convertible debentures	980	—	980	—
Equities and convertible debentures	207,023	139,916	64,110	2,997
	931,467	384,442	544,028	2,997
Investments	6,287	—	—	6,287
	937,754	384,442	544,028	9,284
Securities sold short				
Corporate debt	(1,800)	—	(1,800)	—
Government debt	(686,600)	(277,653)	(408,947)	—
Corporate and government debt	(688,400)	(277,653)	(410,747)	—
Equities	(186,617)	(168,826)	(17,791)	—
Convertible debentures	—	—	—	—
Equities and convertible debentures	(186,617)	(168,826)	(17,791)	—
	(875,017)	(446,479)	(428,538)	—
Deferred considerations	(8,966)	—	—	(8,966)
Contingent consideration	(105,473)	—	—	(105,473)
	(989,456)	(446,479)	(428,538)	(114,439)

Movement in net Level 3 financial liabilities

Balance, March 31, 2020	(105,155)
Payment of deferred and contingent consideration in connection with acquisition of Jitneytrade	1,330
Payment of contingent consideration in connection with acquisition of Thomas Miller	5,166
Payment of contingent consideration in connection with acquisition of Petsky Prunier	13,400
Payment of contingent consideration in connection with acquisition of Hargreave Hale	34,408
Movement in fair value of level 3 securities owned during the period	23,516
Foreign exchange revaluation	4,615
Balance, September 30, 2020	(22,720)

FAIR VALUE ESTIMATION

i. Level 2 financial instruments

Level 2 financial instruments include the Company's investment in certain corporate and government debt, convertible debt, and over-the-counter equities. The fair values of corporate and government debt, 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.

The Company disposed of its investment in Euroclear, previously classified as a Level 2 investment, during the six months ended September 30, 2020. [March 31, 2020 – $6.9 million (€4.4 million)]. Accordingly, the cumulative realized gains on Euroclear of $ 4.1 million was reclassified from accumulated other comprehensive income to retained earnings.

ii. Level 3 financial instruments

The fair value for 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 held for trading investments as at September 30, 2020 was $26.5 million [March 31, 2020 – $3.0 million].

As at September 30, 2020, the Company, through a wholly owned subsidiary, held investments of $6.1 million in Family Office Network and Capital Markets Gateway, which have been classified as Level 3 financial instruments given the investments do not have any observable inputs or market indicators. In addition, the Company also held an investment of $0.5 million in Castle Ridge Asset Management Ltd. which has also been classified as Level 3 financial instruments. [Note 7].

Level 3 financial liabilities also include the deferred and contingent considerations included as part of the total purchase consideration for the acquisitions of Hargreave Hale, Jitneytrade, McCarthy Taylor, Petsky Prunier and Thomas Miller.

The fair value measurements determined as described above may not be indicative of net realizable value or reflective of future values, although 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 to manage 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.

Forward contracts outstanding at September 30, 2020:

		Notional amount (millions)		Average price	Maturity		Fair value
To sell US dollars	**USD$**	**2.4**	**$**	**1.33(CAD/USD)**	**October 1, 2020**	**$**	**0.1**
To buy US dollars	**USD$**	**3.2**	**$**	**1.33(CAD/USD)**	**October 1, 2020**	**$**	**(0.1)**

Forward contracts outstanding at March 31, 2020:

		Notional amount (millions)		Average price	Maturity		Fair value
To sell US dollars	USD$	2.1	$	1.42(CAD/USD)	April 1, 2020	$	0.1
To buy US dollars	USD$	0.8	$	1.42(CAD/USD)	April 1, 2020	$	(0.1)

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 59 days as at September 30, 2020 [March 31, 2020 – 60 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 September 30, 2020 and March 31, 2020, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

	September 30, 2020			March 31, 2020		
	Assets	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
Foreign exchange forward contracts	**128**	**112**	**17,772**	587	560	25,461

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 September 30, 2020, the notional amount of the bond futures contracts outstanding was long $2.9 million [March 31, 2020 – long $29.9 million].

The fair value of all of the above futures contracts is nominal due to their short term to maturity and are included in accounts receivable and accounts payable and accrued liabilities. Realized and unrealized gains and losses related to these contracts are recognized in the statement of operations 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**
September 30, 2020	**307,550**	**65,295**	**93,279**	**282,625**
March 31, 2020	191,244	119,070	136,163	195,673

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

BANK INDEBTEDNESS

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by either unpaid client securities and/or securities owned by the Company. As at September 30, 2020 the Company had nil-balance outstanding [March 31, 2020 – $nil].

BANK LOAN

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale and Thomas Miller. The balance outstanding as of September 30, 2020 was $81.1 million [March 31, 2020 – $86.2 million]. The loan is repayable in instalments of principal and interest over a period of 4 years and matures in September 2023. The interest rate on this loan is 2.1859% per annum as at September 30, 2020 [March 31, 2020 – 2.6584% per annum].

OTHER CREDIT FACILITIES

Excluding the bank loan in connection with the acquisitions of Hargreave Hale and Thomas Miller as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $643.5 million [March 31, 2020 – $653.7 million]. These credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are collateralized by unpaid client securities and/or securities owned by the Company. As of September 30, 2020, there were no balances outstanding under these other credit facilities [March 31, 2020 – $nil].

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totaling $3.1 million (US$2.3 million) [March 31, 2020 – $3.3 million (US$2.3 million)] as rent guarantees for its leased premises in New York. As of September 30, 2020 and March 31, 2020, there were no outstanding balances under these standby letters of credit.

NOTE 06 Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	September 30, 2020 $	March 31, 2020 $
Brokers and investment dealers	$ 1,836,709	$ 2,036,876
Clients	725,958	696,644
RRSP cash balances held in trust	401,920	388,376
Other	165,912	153,945
	$ 3,130,499	$ 3,275,841

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2020 $	March 31, 2020 $
Brokers and investment dealers	$ 1,351,934	$ 1,618,004
Clients	1,851,910	1,703,574
Other	405,987	351,873
	$ 3,609,831	$ 3,673,451

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 [September 30, 2020 – 5.45% to 6.25% and 0.00% to 0.05%; March 30, 2020 – 5.45% to 6.25% and 0.00% to 0.05%].

As at September 30, 2020, the allowance for doubtful accounts was $7.6 million [March 31, 2020 – $8.9 million].

NOTE 07 Investments

	September 30, 2020 $	March 31, 2020 $
Investments accounted for under the equity method	$ 3,789	$ 3,818
Investments held as fair value through profit and loss	6,607	6,287
	$ 10,396	$ 10,105

During the year ended March 31, 2019, the Company, through a wholly owned subsidiary, invested $4.0 million for 1,334,001 Class B Units, at $3.00 per unit, in Canaccord Genuity Growth II Corp ("CGGIIC"). CGGIIC is a special purpose acquisition corporation formed to effect an acquisition of one or more businesses. Each Class B Unit consists of one Class B Share and one warrant.

The Company holds a 23.5% interest in CGGIIC and is considered to exert significant influence over the operations of CGGIIC. Accordingly, the investment in CGGIIC is accounted for using the equity method. The Company's equity portion of the net loss of CGGIIC for the six months ended September 30, 2020 was $0.03 million.

As of September 30, 2020, the Company, through a wholly owned subsidiary, held investments in Family Office Network (FON) for US$1.5 million ($2.0 million) [March 31, 2020 – US$1.0 million ($1.3 million)] and Capital Markets Gateway Inc. (CMG) for US$3.1 million ($4.1 million) [March 31, 2020 – US$3.1 million ($4.4 million)]. In addition, the Company held an investment of $0.5 million [March 31, 2020 – $0.5 million] in Castle Ridge Asset Management Limited (CRAML). The Company is not considered to exert significant influence over the operations of FON, CMG or CRAML. Accordingly, these investments are accounted for as financial assets measured at FVTPL and included as investments on the unaudited interim condensed consolidated statement of financial position as at September 30, 2020.

NOTE 08 Goodwill and Other Intangible Assets

	Goodwill $	Brand names (indefinite life) $	Brand names $	Customer relationships $	Technology $	Trading licenses $	Fund management $	Contract book $	Favourable lease $	Total $
Gross amount										
Balance, March 31, 2020	**718,049**	**44,930**	**614**	**164,940**	**37,893**	**584**	**39,427**	**6,884**	**594**	**295,866**
Additions	—	—	—	—	64	—	—	—	—	64
Foreign exchange	(10,357)	—	(37)	(2,106)	(720)	41	(877)	(371)	(36)	(4,106)
Balance, September 30, 2020	**707,692**	**44,930**	**577**	**162,834**	**37,237**	**625**	**38,550**	**6,513**	**558**	**291,824**
Accumulated amortization and impairment										
Balance, March 31, 2020	**(322,632)**	**—**	**(238)**	**(85,079)**	**(23,787)**	**(196)**	**(9,306)**	**(6,852)**	**(238)**	**(125,696)**
Amortization	—	—	(98)	(5,875)	(1,486)	(419)	(1,819)	—	(114)	(9,811)
Foreign exchange	—	—	16	1,139	461	(10)	208	369	16	2,199
Balance, September 30, 2020	**(322,632)**	**—**	**(320)**	**(89,815)**	**(24,812)**	**(625)**	**(10,917)**	**(6,483)**	**(336)**	**(133,308)**
Net book value										
March 31, 2020	395,417	44,930	376	79,861	14,106	388	30,121	32	356	170,170
September 30, 2020	**385,060**	**44,930**	**257**	**73,019**	**12,425**	**—**	**27,633**	**30**	**222**	**158,516**

Identifiable intangible assets purchased through the acquisitions of Genuity Capital Markets (Genuity), the 80% interest in Canaccord Genuity (Australia) Limited (Canaccord Genuity Australia), Collins Stewart Hawkpoint plc (CSHP), Eden Financial Ltd., Hargreave Hale, Jitneytrade, Petsky Prunier, McCarthy Taylor, Thomas Miller and Patersons are customer relationships, non-competition agreements, trading licences, fund management contracts, technology and brand names acquired through the acquisition of Petsky Prunier, which have finite lives and are amortized on a straight-line basis over their estimated useful lives. Branding acquired through the acquisition of Genuity is considered to have an indefinite life as the Company has no plans to cease its use in the future.

IMPAIRMENT TESTING OF GOODWILL AND INDEFINITE LIFE INTANGIBLE 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	
	September 30, 2020 $	March 31, 2020 $	**September 30, 2020 $**	March 31, 2020 $	**September 30, 2020 $**	March 31, 2020 $
Canaccord Genuity Capital Markets CGUs						
Canada	**44,930**	44,930	**101,732**	101,732	**146,662**	146,662
US (Petsky Prunier)	**—**	—	**103,455**	110,031	**103,455**	110,031
Canaccord Genuity Wealth Management CGUs						
UK & Europe (Channel Islands)	**—**	—	**92,813**	94,944	**92,813**	94,944
UK & Europe (UK wealth)	**—**	—	**84,142**	86,073	**84,142**	86,073
Australia	**—**	—	**2,918**	2,637	**2,918**	2,637
	44,930	44,930	**385,060**	395,417	**429,990**	440,347

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 CGUs 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 and other assets impairment testing was carried out for all applicable CGUs at September 30, 2020.

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 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, relief of royalties with respect to the brand name indefinite life intangible asset, 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 recorded goodwill in their carrying value as of September 30, 2020 were Canaccord Genuity Capital Markets Canada, Canaccord Genuity Capital Markets US (Petsky Prunier), Canaccord Genuity Wealth Management UK & Europe (Channel Islands), Canaccord Genuity Wealth Management UK & Europe (UK) and Canaccord Genuity Wealth Management (Australia). 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 discount rate utilized for each of these CGUs for the purposes of these calculations was 12.5% [March 31, 2020 – 12.5%]. Cash flow estimates for each of these CGUs were based on management assumptions as described above and utilized a compound annual revenue growth rate of 5.0% over the forecast period except for Canaccord Genuity Capital Markets US which utilized a compound annual growth rate of 2.5% [March 31, 2020 2.5%] as well as estimates in respect of operating margins. The terminal growth rate used for each of Canaccord Genuity Capital Markets Canada, Canaccord Genuity Capital Markets US (Petsky Prunier), Canaccord Genuity Wealth Management UK & Europe (Channel Islands), Canaccord Genuity Wealth Management UK & Europe (UK), and Canaccord Genuity Wealth Management (Australia) was 2.5% [March 31, 2020 – 2.5%].

NOTE 09 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 six months ended	
	September 30, 2020 $	September 30, 2019 $	September 30, 2020 $	September 30, 2019 $
Net income before income taxes	45,858	16,170	82,912	47,522
Income taxes at the statutory rate of 27.0% (F2020: 27.0%)	12,301	4,353	22,306	12,804
Difference in tax rates in foreign jurisdictions	(206)	(1,069)	(219)	(1,780)
Non-deductible items affecting the determination of taxable income	369	(58)	783	1,187
Share based payments	(397)	294	(2,351)	162
Change in accounting and tax base estimate	746	301	970	733
Deferred tax asset recognition		(1,289)		(1,289)
Other	13	148	(609)	835
(utilization of tax losses previously not recognized) tax losses and other temporary differences not recognized	39	312	75	(2,598)
Income tax expense – current and deferred	12,865	2,992	20,955	10,054

NOTE 10 Subordinated Debt

	September 30, 2020 $	March 31, 2020 $
Loan payable, interest payable monthly at prime + 4% per annum, due on demand	7,500	7,500

The loan payable is subject to a subordination agreement and may only be repaid with the prior approval of the Investment Industry Regulatory Organization of Canada ["IIROC"]. As at September 30, 2020 and March 31, 2020, the interest rates for the subordinated debt were 6.45% and 6.45%, respectively. The carrying value of subordinated debt approximates its fair value due to the short-term nature of this liability.

NOTE 11 Bank Loan

	September 30, 2020 $	March 31, 2020 $
Loan	$ 82,019	$ 87,421
Less: Unamortized financing fees	(939)	(1,187)
	81,080	86,234
Current portion	$ 8,605	$ 7,042
Long term portion	72,475	79,192

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale and Thomas Miller. The loan is repayable in instalments of principal and interest over a period of 4 years and matures in September 2023. The interest rate on this loan is 2.1859% per annum as at September 30, 2020 [March 31, 2020 – 2.6584% per annum].

NOTE 12 Convertible Debentures

	September 30, 2020		March 31, 2020	
	Liability	Equity	Liability	Equity
Convertible debentures	$ 128,902	$ 5,156	$ 128,322	$ 5,156

Terms of the convertible debentures are disclosed in Note 19 of the March 31, 2020 consolidated financial statements.

NOTE 13 Preferred Shares

	September 30, 2020		March 31, 2020	
	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 20 of the March 31, 2020 consolidated financial statements.

NOTE 14 Common Shares

	September 30, 2020		March 31, 2020	
Common Shares	Amount $	Number of shares	Amount $	Number of shares
Issued and fully paid	745,079	107,783,782	745,275	107,812,361
Shares committed to be purchased under normal course issuer bid	(1,444)	(208,700)	—	—
Held for share purchase loans	(824)	(122,355)	(1,226)	(284,645)
Held for the LTIP	(66,022)	(10,580,109)	(80,496)	(14,063,465)
	676,789	96,872,618	663,553	93,464,251

On August 18, 2020, 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 5,390,674 of its common shares during the period from August 21, 2020 to August 20, 2021 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. During the six months ended September 30, 2020, there were 29,700 shares purchased and cancelled and an additional 19,900 shares purchased but not yet cancelled as of September 30, 2020.

[i] AUTHORIZED

Unlimited common shares without par value

[ii] ISSUED AND FULLY PAID

	Number of shares	Amount $
Balance, March 31, 2020	107,812,361	$ 745,275
Shares issued in connection with share-based payment plans	1,121	10
Shares purchased and cancelled under normal course issuer bid	(29,700)	(206)
Balance, September 30, 2020	**107,783,782**	**745,079**

[iii] EARNINGS PER COMMON SHARE

	For the three months ended		For the six months ended	
	September 30, 2020 $	September 30, 2019 $	September 30, 2020 $	September 30, 2019 $
Basic earnings per common share				
Net income attributable to CGGI shareholders	$ 31,435	$ 13,488	$ 58,918	$ 37,693
Preferred shares dividends	(2,351)	(2,351)	(4,702)	(4,702)
Net income available to common shareholders	29,084	11,137	54,216	32,991
Weighted average number of common shares (number)	97,669,184	102,503,466	96,525,851	101,315,212
Basic earnings per share	$ 0.30	$ 0.11	$ 0.56	$ 0.33
Diluted earnings per common share				
Net income available to common shareholders	29,084	11,137	54,216	32,991
Interest on convertible debentures, net of tax	1,728	1,712	3,451	3,420
Adjusted net earnings available to common shareholders	30,812	12,849	57,667	36,411
Weighted average number of common shares (number)	97,669,184	102,503,466	96,525,851	101,315,212
Dilutive effect in connection with LTIP (number)	10,652,058	12,411,131	10,595,885	12,421,180
Dilutive effect in connection with warrants (number)	—	115,962	—	115,962
Dilutive effect in connection with a promissory note (number)	—	1,099,159	—	1,099,159
Dilutive effect in connection with other share-based payment plans (number)	1,703,643	—	1,680,235	—
Dilutive effect in connection with performance stock options (number)	483,345	—	—	—
Dilutive effect in connection with convertible debentures (number)	13,272,500	13,272,500	13,272,500	13,272,500
Dilutive effect in connection with acquisition of Petsky Prunier (number)	1,473,700	2,210,550	1,473,700	2,210,550
Adjusted weighted average number of common shares (number)	125,254,430	131,612,768	123,548,171	130,434,563
Diluted earnings-per common share	$ 0.25	$ 0.10	$ 0.47	$ 0.28

NOTE 015 Dividends

COMMON SHARE DIVIDENDS

The Company declared the following common share dividend during the six months ended September 30, 2020:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
June 19, 2020	June 30, 2020	$ 0.05	$ 5,390
August 28, 2020	September 10, 2020	$ 0.055	$ 5,930

On November 6, 2020, the Board of Directors approved a dividend of $0.055 per common share, payable on December 10, 2020, with a record date of November 27, 2020 [Note 20].

PREFERRED SHARE DIVIDENDS

The Company declared the following preferred share dividends during the three months ended September 30, 2020:

Record date	Payment date	Cash dividend per Series A Preferred Share	Cash dividend per Series C Preferred Share	Total preferred dividend amount
June 19, 2020	June 30, 2020	$ 0.24281	$ 0.31206	$ 2,351
September 18, 2020	September 30, 2020	$ 0.24281	$ 0.31206	$ 2,351

On November 6, 2020, the Board approved a cash dividend of $0.24281 per Series A Preferred Share payable on December 31, 2020 to Series A Preferred shareholders of record as at December 18, 2020 [Note 20].

On November 6, 2020, the Board approved a cash dividend of $0.31206 per Series C Preferred Share payable on December 31, 2020 to Series C Preferred shareholders of record as at December 18, 2020 [Note 20].

NOTE 16 Share-Based Payment Plans

i. LONG-TERM INCENTIVE PLAN

Under the long-term incentive plan (LTIP) or the “Plan”, eligible participants are awarded restricted share units (RSUs), which generally vest over three years. All awards under the Plan are settled by transfer of shares from employee benefit trusts (“Trusts”) which are funded by the Company, or certain of its subsidiaries, as the case may be, 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. No further shares may be issued from treasury under the LTIP.

For RSUs granted as part of the normal course incentive compensation payment cycle, vesting will continue after termination of employment so long as the employee does not violate certain post-termination restrictions and is not engaged in certain competitive or soliciting activities as provided in the Plan. These RSUs are expensed in the period in which those awards are deemed to be earned with a corresponding increase in contributed surplus, which is generally the fiscal period in which the awards are either made or the immediately preceding fiscal year for those awards made after the end of such fiscal year but were determined and earned in respect of that fiscal year.

For certain awards, typically new hire awards or retention awards, vesting is subject to continued employment and therefore these awards are subject to a continuing service requirement. Accordingly, the Company recognizes the cost of such awards as an expense on a graded basis over the applicable vesting period with a corresponding increase in contributed surplus.

There were 4,771,468 RSUs granted in lieu of cash compensation to employees during the period ended September 30, 2020 [September 30, 2019 – 5,562,972 RSUs]. The Trusts purchased 3,077,128 common shares during the six months ended September 30, 2020 [September 30, 2019 – 2,733,258 common shares].

The fair value of the RSUs at the measurement date is based on the fair value on the grant date. The weighted average fair value of RSUs granted during the six-month period ended September 30, 2020 was $5.60 [September 30, 2019 – $5.47].

	Number
Awards outstanding, March 31, 2020	13,104,975
Grants	4,771,468
Vested	(6,547,640)
Cancelled	(161,870)
Forfeited	(157,352)
Awards outstanding, September 30, 2020	11,009,581

	Number
Common shares held by the Trusts, March 31, 2020	14,063,465
Acquired	3,077,128
Released on vesting	(6,560,484)
Common shares held by the Trusts, September 30, 2020	10,580,109

ii. PERFORMANCE SHARE UNITS

The Company adopted a performance share unit (“PSU”) plan for certain senior executives. The PSUs are a notional equity-based instrument linked to the value of the Company’s common shares. At the end of a 3-year vesting period, the number of PSUs which vest is determined upon performance against certain metrics pre-determined for each annual grant. The PSUs cliff vest on the third anniversary of the date of the grant. The PSUs are settled in cash, based on the market price of the Company’s shares at the time of vesting. The number of PSUs that ultimately vest is adjusted for dividends paid during the vesting period and is a multiple of the number of PSUs that were originally granted. The multiple will be in a range of 0x to 2x based upon performance against certain pre-determined metrics as measured at the time of vesting.

The PSUs were measured at fair value on grant date. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized through the statements of operations. The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at September 30, 2020 was $62.2 million [March 31, 2020 – $22.7 million].

iii. PERFORMANCE STOCK OPTIONS

On June 1, 2018, the Company created a performance share option (“PSO”) plan. The options have an exercise price of $6.73 per share. The PSOs have a term of five years and will time-vest ratably over four years (with one third vesting on each of the second, third and fourth anniversaries of the date of the grant). The PSOs will also be subject to market (stock price) performance vesting conditions, as well as have a four times exercise price cap on payout value (i.e. the gain on the exercise of the options is limited to three times the exercise price).

During the six months ended September 30, 2020, one of the stock price performance vesting conditions have been met and accordingly 25% of the PSOs have vested.

The following is a summary of the Company’s PSOs as at September 30, 2020:

	Number of PSOs	Weighted average exercise price ($)
Balance, March 31, 2020	6,320,000	6.76
Granted	—	—
Exercised	—	—
Balance, September 30, 2020	6,320,000	6.76

iv. OTHER SHARE-BASED PAYMENT PLAN

During the year ended March 31, 2019, the Company granted a share-based award to a senior executive. The award vests on March 31, 2021, or at the holder’s option, can be extended to March 31, 2022.

v. SHARE-BASED COMPENSATION EXPENSE

	For the three months ended		For the six months ended	
	September 30, 2020 $	September 30, 2019 $	September 30, 2020 $	September 30, 2019 $
Long-term incentive plan	1,381	1,645	3,192	8,002
Deferred share units (cash-settled)	(50)	(305)	1,076	(342)
PSU (cash-settled)	19,215	(947)	40,092	(947)
PSO	694	1,362	1,635	2,099
Other share-based payment plan	642	1,002	1,296	1,238
Total share-based compensation expense	21,882	2,757	47,291	10,050

NOTE 17 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:

	September 30, 2020	**March 31, 2020**
Accounts receivable	2,750	2,328
Accounts payable and accrued liabilities	849	980

NOTE 18 Segmented Information

The Company operates in two industry segments as follows:

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

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

Corporate and Other includes correspondent brokerage services, interest and foreign exchange revenue and expenses not specifically allocable to Canaccord Genuity Capital Markets 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 Capital Markets Canada segment, as it relates to the acquisitions of Genuity and Jitneytrade. Amortization of the identifiable intangible assets acquired through the purchase of Collins Stewart Hawkpoint plc (CSHP) is allocated to the Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management segments in the UK & Europe (Channel Islands). Amortization of identifiable intangible assets acquired through the acquisitions of Eden Financial Ltd., Hargreave Hale, McCarthy Taylor and Thomas Miller is allocated to the Canaccord Genuity Wealth Management UK & Europe (UK Wealth) segment. Amortization of identifiable intangible assets acquired through the acquisition of Petsky Prunier is allocated to the Canaccord Genuity Capital Markets US segment. Amortization of identifiable intangible assets acquired through the acquisition of Patersons is allocated to Canaccord Genuity Wealth Management Australia. 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							
	September 30, 2020				September 30, 2019			
	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $
Commissions and fees	49,118	118,457	—	167,575	34,606	97,719	—	132,325
Investment banking	108,985	22,640	—	131,625	42,795	9,197	—	51,992
Advisory fees	36,662	563	56	37,281	42,019	(4)	—	42,015
Principal trading	42,430	316	—	42,746	21,267	(7)	—	21,260
Interest	1,766	3,199	1,040	6,005	6,490	7,743	2,428	16,661
Other	2,588	802	1,735	5,125	1,516	724	4,204	6,444
Expenses, excluding undernoted	186,514	107,235	27,279	321,028	126,937	85,111	12,519	224,567
Interest expense	2,768	1,231	2,672	6,671	3,982	1,476	2,855	8,313
Amortization	1,814	5,022	105	6,941	3,416	4,519	114	8,049
Amortization of right of use assets	3,341	1,907	830	6,078	3,564	1,439	936	5,939
Development costs	360	3,370	37	3,767	232	2,725	37	2,994
Restructuring costs	—	—	—	—	—	1,098	—	1,098
Acquisition-related costs	—	—	—	—	1,629	1,973	—	3,602
Share of loss (gain) of an associate	—	—	14	14	—	—	(35)	(35)
Income (loss) before intersegment allocations and income taxes	46,752	27,212	(28,106)	45,858	8,933	17,031	(9,794)	16,170
Intersegment allocations	4,563	4,248	(8,811)	—	4,227	3,619	(7,846)	—
Income (loss) before income taxes	42,189	22,964	(19,295)	45,858	4,706	13,412	(1,948)	16,170

	For the six months ended							
	September 30, 2020				September 30, 2019			
	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $
Commissions and fees	98,515	238,062	—	336,577	70,464	203,653	—	274,117
Investment banking	206,493	35,700	—	242,193	112,279	24,514	—	136,793
Advisory fees	57,242	1,029	56	58,327	95,481	338	—	95,819
Principal trading	107,351	507	—	107,858	46,343	(10)	—	46,333
Interest	3,334	6,902	2,774	13,010	11,425	14,892	5,529	31,846
Other	3,467	1,715	4,938	10,120	2,724	1,726	6,847	11,297
Expenses, excluding undernoted	374,914	208,696	54,245	637,855	283,610	179,572	27,922	491,104
Interest expense	5,672	2,253	5,476	13,401	7,880	2,918	5,626	16,424
Amortization	3,556	9,727	210	13,493	6,851	8,903	231	15,985
Amortization of right of use assets	6,796	4,425	1,590	12,811	6,923	2,819	1,779	11,521
Development costs	432	7,040	110	7,582	391	7,692	120	8,203
Restructuring costs	—	—	—	—	—	1,098	—	1,098
Acquisition-related costs	—	—	—	—	1,806	2,308	—	4,114
Share of loss of an associate	—	—	31	31	—	—	234	234
Income (loss) before intersegment allocations and income taxes	85,032	51,774	(53,894)	82,912	31,255	39,803	(23,536)	47,522
Intersegment allocations	9,197	8,460	(17,657)	—	8,772	7,632	(16,404)	—
Income (loss) before income taxes	75,835	43,314	(36,237)	82,912	22,483	32,171	(7,132)	47,522

For geographic reporting purposes, the Company's business operations are grouped into Canada, the US, the UK & Europe (including Dubai), Australia and Other Foreign Locations (OFL), which is comprised of our Asian operations.The OFL geography is allocated to our Canadian and

Australian capital markets operations. 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 six months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Canada	135,168	107,967	250,218	235,295
UK & Europe (including Dubai)	79,113	86,367	170,548	180,696
United States	115,418	69,220	231,177	163,866
Australia	60,658	7,143	116,142	16,348
	390,357	270,697	768,085	596,205

NOTE 19 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 six months ended September 30, 2020:

	Legal provisions	Restructuring provisions	Total provisions
Balance, March 31, 2020	$ 4,545	$ 2,190	$ 6,735
Additions	3,727	—	3,727
Utilized	(598)	(64)	(662)
Balance, September 30, 2020	7,674	2,126	9,800

COMMITMENTS, LITIGATION PROCEEDINGS AND CONTINGENT LIABILITIES

In the normal course of business, the Company is involved in litigation, and as of September 30, 2020, it was a defendant in various legal actions. The Company has established provisions for matters where payments are probable and can be reasonably estimated. While the outcome of these actions is subject to future resolution, management's evaluation and analysis of these actions indicate that, individually and in the aggregate, the probable ultimate resolution of these actions will not have a material effect on the financial position of the Company.

The Company is also subject to asserted and unasserted claims arising in the normal course of business which, as of September 30, 2020, 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.

There were no additional changes to the Company's commitments or contingencies from those described in Note 28 of the March 31, 2020 audited consolidated financial statements except as noted below.

A final finding of liability has been made in an action against Collins Stewart (C.I.) Limited, now called Canaccord Genuity Wealth (International) Limited (CGWIL), arising out of a non-compete agreement with one of its clients entered into before CGWIL became a subsidiary of the Company in 2012. Proceedings to determine the quantum of damages have concluded with a damages award of approximately $4.5 million plus interest and costs. The Company is considering its options with respect to seeking leave to appeal. As at the date of these unaudited interim condensed consolidated financial statements the probable outcome of any further proceedings in respect of this matter, if commenced, cannot be determined and changes to the damages award, if any, cannot be reasonably estimated. The ultimate resolution of this matter will not have a material effect on the financial position of the Company.

NOTE 20 Subsequent Events

i. Dividends

On November 6, 2020, the Board of Directors approved a dividend of $0.055 per common share, payable on December 10, 2020, with a record date of November 27, 2020 [Note 15].

On November 6, 2020, the Board of Directors approved the following cash dividends: $0.24281 per Series A Preferred Share payable on December 31, 2020 with a record date of December 18, 2020; and $0.31206 per Series C Preferred Share payable on December 31, 2020 with a record date of December 18, 2020 [Note 15].