CANACCORD Genuity

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FISCAL 2015 ANNUAL MD&A AND FINANCIAL STATEMENTS

Financial Review

CAUTION REGARDING FORWARD-LOOKING STATEMENTS:

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 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. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", "could" or the negative of these terms or other comparable terminology. Disclosure identified as an "Outlook" including the section entitled "Fiscal 2016 Outlook" contains forward-looking information. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties discussed from time to time in the Company's interim condensed and annual consolidated financial statements and 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 and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking information contained in this document include, but are not limited to, those set out in the Fiscal 2016 Outlook section in the annual MD&A and those discussed from time to time in the Company's interim condensed and annual consolidated financial statements and its annual report and AIF filed on www.sedar.com. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are cautioned that the preceding list of material factors or assumptions is 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.

Management's Discussion and Analysis

Fiscal year 2015 ended March 31, 2015 – this document is dated June 2, 2015.

The following discussion of Canaccord Genuity Group Inc.'s financial condition, financial performance and cash flows is provided to enable a reader to assess material changes in the financial condition, financial performance and cash flows for the year ended March 31, 2015 compared to the preceding fiscal year, with an emphasis on the most recent year. Unless otherwise indicated or the context otherwise requires, the "Company" refers to Canaccord Genuity Group Inc. and "Canaccord Genuity Group" refers to the Company and its direct and indirect subsidiaries. "Canaccord Genuity" refers to the investment banking and capital markets segment of the Company. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2015 and 2014, beginning on page 64 of this report. The Company's financial information is expressed in Canadian dollars unless otherwise specified. The Company's consolidated financial statements for the years ended March 31, 2015 and 2014 are prepared in accordance with International Financial Reporting Standards (IFRS).

Non-IFRS Measures

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

Canaccord Genuity Group's capital is represented by common shareholders' equity and, therefore, management uses return on common equity (ROE) as a performance measure. Also used by the Company as a performance measure is book value per diluted common share. Book value per diluted common share is calculated as total common shareholders' equity divided by the number of diluted common shares outstanding and, commencing in Q1/14, adjusted for shares purchased under the normal course issuer bid (NCIB) and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.

Assets under administration (AUA) and assets under management (AUM) are non-IFRS measures of client assets that are common to the wealth management business. AUA – Canada, AUM – UK & Europe, or AUM – Australia is the market value of client assets managed and administered by Canaccord Genuity Wealth Management from which the Company earns commissions or 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 – UK & Europe, or AUM – Australia 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 Canaccord Genuity Wealth Management and is included in AUA – Canada.

Financial statement items that exclude significant items are non-IFRS measures. Significant items for these purposes are defined as including restructuring costs, amortization of intangible assets and acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions. See the Selected Financial Information Excluding Significant Items table on page 31.

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

Business Overview

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

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

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

ABOUT CANACCORD GENUITY GROUP INC.'S OPERATIONS

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

Canaccord Genuity

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

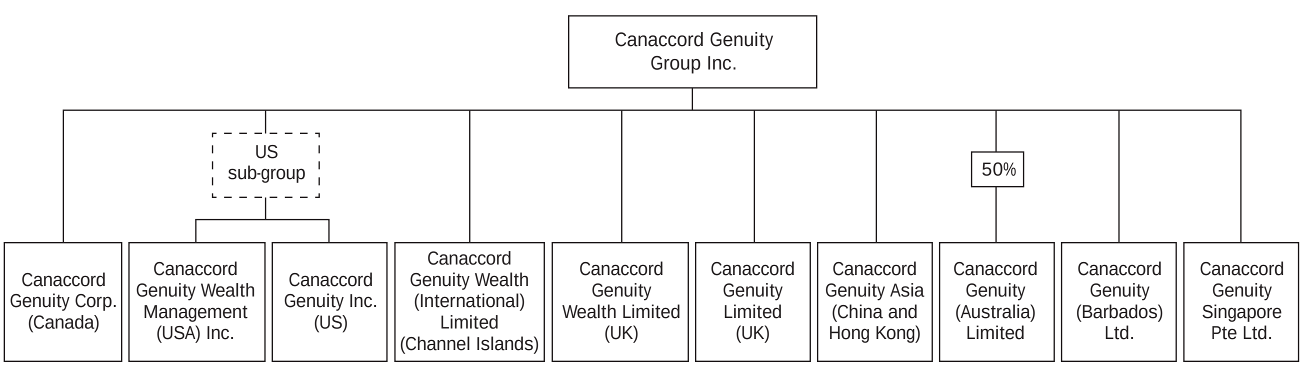
Canaccord Genuity Wealth Management

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

Corporate and Other

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

Corporate structure



The chart shows principal operating companies of Canaccord Genuity Group Inc.

The Company owns 50% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd. and Canaccord Genuity (Australia) Limited, but for accounting purposes, as of March 31, 2015, the Company is considered to have a 60% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2014 – 50%].

BUSINESS ACTIVITY

Our business is subject to the overall condition of the worldwide debt and equity markets. The timing of revenue recognition can also materially affect the Company's quarterly results. The majority of revenue from underwriting and advisory transactions is recorded when the transaction has closed and, as a result, quarterly results can also be affected by the timing of our capital markets business.

The Company has taken steps to reduce its exposure to variances in the equity markets and local economies by diversifying not only its industry sector coverage but also its international scope. Historically, the Company's diversification across major financial centres has allowed it to benefit from strong equity markets.

Market Data

TOTAL FINANCING VALUE BY EXCHANGE

	Q1/15	Q2/15	Q3/15	Q4/15	Fiscal 2015	Fiscal 2014	Fiscal 2015/ 2014 change
TSX and TSX Venture (C$ billions)	17.0	15.0	10.8	17.3	60.1	48.7	23.4%
AIM (£ billions)	1.9	0.8	1.4	0.9	5.0	5.1	(2.0)%
NASDAQ (US$ billions)	28.0	12.7	18.2	25.5	84.4	72.3	16.7%

Source: TSX Statistics, LSE AIM Statistics, Equidesk

Total financing values on each of the TSX, TSX Venture Exchange, AIM, and NASDAQ experienced increases compared to the previous year.

IMPACT OF CHANGES IN CAPITAL MARKETS ACTIVITY

As a brokerage firm, the Company derives its revenue primarily from sales commissions, underwriting and advisory fees, and trading activity. As a result, the Company's business is materially affected by conditions in the financial marketplace and the economic environment, primarily in North America and Europe, and to some degree Asia and Australia. Canaccord Genuity Group's long term international business development initiatives over the past several years have laid a solid foundation for revenue diversification. A conservative capital strategy allows the Company to remain competitive in today's changing financial landscape.

During fiscal 2015, the Company's capital markets activities were focused on the following sectors: Metals and Mining, Energy, Technology, Health Care and Life Sciences, Agriculture, Media and Telecommunications, Financials, Consumer and Retail, Real Estate and Hospitality, Infrastructure, Transportation and Industrials, Paper and Forestry Products, Sustainability, Support Services, Aerospace and Defense, Leisure, Diversified, Private Equity and Investment Companies. Coverage of these sectors included investment banking, mergers and acquisitions (M&A) and advisory services, and institutional equity activities, such as sales, trading and research.

Key Developments During Fiscal 2015

CORPORATE

- In June 2014, the Company was added to the S&P/TSX Composite Index, the S&P/TSX Composite Dividend Index, and the S&P/TSX High Beta Index
- On August 6, 2014, the Company held its 2014 Annual General Meeting of shareholders, where all nominated directors were re-elected or elected to the Board, including Ms. Kalpana Desai as an Independent Director
- On August 8, 2014, the Company renewed its normal course issuer bid (NCIB)/buy-back programme, which provides the Company the ability to purchase, at its discretion, up to 5,100,049 of its common shares through the facilities of the TSX for cancellation. During fiscal 2015, the Company purchased 1,197,649 of its common shares under the terms of its NCIB
- On November 5, 2014, the Board of Directors appointed Dennis Miller as an Independent Director
- In January 2015, the Company appointed Jefferies International Ltd. as joint corporate broker
- In February 2015, the Company announced a planned workforce reduction of 4% in its global capital markets business
- On April 1, 2015, Paul Reynolds, President & CEO of Canaccord Genuity Group Inc., passed away following a medical emergency in late March 2015. The Board of Directors appointed David Kassie as CEO of the Company. Mr. Kassie now serves as Chairman & CEO of Canaccord Genuity Group Inc.

CANACCORD GENUITY

- Canaccord Genuity generated revenue of $613.1 million in fiscal 2015
- Net income before taxes excluding significant items(1) was $44.3 million, a decrease of $42.3 million compared to the prior year
- Canaccord Genuity led 85 transactions globally, each over $1.5 million, to raise total proceeds of C$4.6 billion during fiscal 2015. Of this:
  - Canada led 38 transactions, which raised C$2.6 billion
  - The UK led 10 transactions, which raised C$696.9 million
  - The US led 11 transactions, which raised C$810.9 million
  - Asia and Australia operations led 26 transactions, which raised C$506.1 million
- During fiscal 2015, Canaccord Genuity participated in a total of 340 transactions globally, each over $1.5 million, to raise gross proceeds of C$39.2 billion. Of this:
  - Canada participated in 208 transactions, which raised C$25.1 billion
  - The UK participated in 23 transactions, which raised C$3.7 billion
  - The US participated in 67 transactions, which raised C$9.5 billion
  - Asia and Australia operations participated in 42 transactions, which raised C$947.6 million
- Significant investment banking transactions for Canaccord Genuity during fiscal 2015 include:
  - Two transactions totalling C$586.5 million for The Intertain Group Limited on the TSX
  - US$316.8 million for 3D Systems, Inc. on the NYSE
  - £294.0 million for Polypipe Group PLC on the LSE
  - C$289.8 million for Callidus Capital Corp. on the TSX
  - C$172.6 million for Bellatrix Exploration Ltd. on the TSX and NYSE
  - Two transactions totalling C$161.6 million for Kinaxis Inc. on the TSX
  - £154.4 million for OneSavings Bank PLC on the LSE
  - C$125.0 million for Canacol Energy Ltd. on the TSX
  - £120.8 million for Game Digital PLC on the LSE
  - C$115.0 million for Lumenpulse Inc. on the TSX

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

  - £100.0 million for Volution Group PLC on the LSE
  - £95.0 million for Ediston Property Investment Company PLC on the LSE
  - £92.0 million for Eurocell PLC on the LSE
  - £79.3 million for Patisserie Holdings PLC on AIM
  - US$65.0 million for Avinger, Inc. on the NASDAQ
  - £56.0 million for Intelligent Energy Plc on the LSE
  - C$45.0 million for NYX Gaming Group Limited on the TSX
  - £41.0 million for Matomy Media Limited on the LSE
  - £36.3 million for Mortgage Advice Bureau on AIM
  - £26.0 million for EKF Diagnostics on the LSE
- In Canada, Canaccord Genuity raised $821.0 million for government bond issuances and $167.1 million for corporate bond issuances during fiscal 2015
- During fiscal 2015, significant M&A and advisory transactions included:
  - Amaya Gaming Group on its US$4.9 billion purchase of Rational Group
  - The Intertain Group Limited on its £425.8 million acquisition of Jackpotjoy
  - Yamana Gold on the C$3.9 billion joint acquisition with Agnico Eagle Mines Limited of Osisko Mining Corporation
  - SOF Investments on the £212.0 million sale of Moneycorp to Bridgepoint
  - B2Gold Corp. on its merger with Papillon Resources Limited
  - TowerBrook Capital Partners on the acquisition of Independent Clinical Services from The Blackstone Group
  - Medical Action Industries Inc. on its acquisition by Owens & Minor
  - Jaguar Mining Inc. on its US$315.0 million recapitalization
  - DHX Media Limited on its acquisition of the Family Channel, Disney XD, Disney Junior (English) and Disney Junior (French)
  - Ultimo on its disposal to B2 Holding ASA
  - Plan Group on its sale to Bouygues SA
  - Nordion Inc. on its US$826.0 million sale to Sterigenics International
  - AIB, RBS and Santander on their disposal of Morethan Hotels Group to Somerston Capital and Lone Star
  - Agnico Eagle Mines Limited on its acquisition of Cayden Resources Inc.
  - Essar Power Canada Holdings Inc. on its US$65.0 million debt financing
  - Bridgepoint on its acquisition of ASK Italian and Zizzi for £250.0 million
  - The Co-operative Bank on the £157.5 million sale of Illius Properties Limited to Salmon Real Estate Limited
  - TA Associates on the £120.0 million disposal of MandM Direct
  - Regard Holdings Limited on its £120.0 million disposal by MML Capital Partners to Montreux Healthcare Funds and Macquarie Lending
  - World Energy Solutions, Inc. on its sale to EnerNOC, Inc.
  - Minova Insurance Holdings on its fundraise from Capital Z Partners Management
  - Paperny Entertainment Inc. on its sale to Entertainment One Limited

WEALTH MANAGEMENT (GLOBAL)

- Globally, Canaccord Genuity Wealth Management generated $257.2 million in revenue during fiscal 2015
- Total assets under administration in Canada and assets under management in the UK & Europe and Australia were $33.3 billion at March 31, 2015[2]

WEALTH MANAGEMENT (NORTH AMERICA)

- Canaccord Genuity Wealth Management (North America) generated $125.3 million in revenue during fiscal 2015
- Net loss before income taxes was $7.1 million
- Assets under administration were $10.7 billion as of March 31, 2015, up 5.6% from $10.2 billion at the end of fiscal 2014[2]
- Assets under management were $1.6 billion as of March 31, 2015, up 29.7% from $1.2 billion at the end of fiscal 2014[2]
- At March 31, 2015, Canaccord Genuity Wealth Management had 152 Advisory Teams in Canada[3], a decrease of eight Advisory Teams from March 31, 2014

WEALTH MANAGEMENT (UK & EUROPE)

- Canaccord Genuity Wealth Management (UK & Europe) generated $125.6 million in revenue and, excluding significant items, recorded net income of $21.6 million before taxes in fiscal 2015[1]
- Assets under management (discretionary and non-discretionary) were $21.8 billion (£11.6 billion), an increase of 8% from $20.2 billion (£10.0 billion) at the end of fiscal 2014[2]
- At March 31, 2015, Canaccord Genuity Wealth Management had 114 investment professionals and fund managers in the UK & Europe, a decrease of four from March 31, 2014

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.
(2) See Non-IFRS Measures on page 22.
(3) Advisory teams are normally comprised of one or more IAs and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licensed for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average-sized book of business.

Market Environment During Fiscal 2015

Fiscal 2015 started with a distinct strengthening in US economic growth. As the US unemployment rate fell steadily and headline inflation accelerated to 2%, the US Federal Reserve (Fed) gradually reduced its bond purchasing program (Quantitative Easing – QE) during the first half of the fiscal year. Elsewhere, the Eurozone experienced very low inflation and a fragile economic recovery, owing to banks' reluctance to lend to households and businesses. To facilitate credit, the European Central Bank (ECB) cut policy rates and announced targeted long term refinancing operations (LTROs) with credit access conditions for banks tied to lending activities. Throughout fiscal 2015, the euro currency depreciated due to Europe's monetary policy, which is somewhat relaxed relative to that of other world central banks. Growth in China moderated, with monetary authorities reluctant to stimulate growth and spur a possible housing bubble. In Japan, the economy surprisingly contracted, following the implementation of the Value Added Tax (VAT) increase. Overall, global growth concerns continued to escalate, despite accommodative financial conditions and the backstop from central banks in both developed markets (DMs) and emerging markets (EMs). The end of QE in the US triggered some turbulence in EMs, as it coincided with the beginning of a phase of US dollar appreciation. With most of EM corporate debt denominated in US dollar terms, funding risk emerged and EM currencies, along with the Canadian dollar, were kept under pressure. Nevertheless, powered by abundant liquidity conditions, US and Canadian equities continued to march higher. The S&P/TSX finally hit a new all-time high in September of 2014, surpassing the 15,000 resistance level that had prevailed since 2008.

During the second half of fiscal 2015, crude oil prices collapsed on the back of strong production growth from US shale-oil producers and the Organization of the Petroleum Exporting Countries' (OPEC) decision not to implement production cuts in order to avert a glut in global oil markets. The Bank of Canada (BoC) reacted with a surprise rate cut in fiscal Q4/15, to cushion the Canadian economy from an oil-driven downturn. This unexpected rate cut sent the Canadian dollar sharply lower. Despite a tame inflation backdrop and subdued growth, the Fed ended its QE program, citing marked improvement in labour market conditions. In its last policy meeting of calendar 2014, the Fed announced that its interest rate policy has become data dependent, with a focus on inflationary pressures and the state of the global economy. In Europe, the ECB launched an expanded asset purchase program (QE) in January 2015. In Japan, the Bank of Japan (BoJ) announced it would further expand its balance sheet in order to reach its stated goal of 2% inflation. Given the expectation of a relatively tighter monetary policy in the US versus the rest of the world, the US dollar began to appreciate very rapidly. In China, the People's Bank of China (PBoC) also eased monetary conditions, starting with an unexpected rate cut in November. In fact, rapidly falling energy prices raised the possibility of deflation, which caused several world central banks to deliver bold rate cuts. With European and Asian economies as net beneficiaries to lower oil prices, the long-held bull market in North American equities came to a pause and global equities began a much-awaited cycle of outperformance.

A global growth slowdown and a phase of swift US dollar appreciation (DXY up 22.8%) hurt commodity prices during fiscal 2015. Crude oil, copper and gold prices dropped 53.0%, 8.8% and 7.9%, respectively. Unsurprisingly, resource stocks underperformed the market by a wide margin. Meanwhile, high-dividend paying stocks benefited from lower bond yields. The S&P/TSX (4.0%) underperformed the S&P 500 by 10.4%. Finally, weak commodities pricing was particularly detrimental to the S&P/TSX small-cap index (-12.3%).

Fiscal 2016 Outlook

We expect world economic growth to reaccelerate going into the second half of calendar 2015. Similar to the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) in its biannual World Economic Outlook projects modest global growth reacceleration in 2015. In fact, the organization projects world GDP growth will rise from 3.4% in 2014 to 3.5% in 2015 and 3.8% in 2016. Expectedly for 2015, the outlook for DM growth is set to improve with acceleration in the US, Europe and Japan. However, growth in EMs is projected to decline, reflecting weaker prospects for China and oil-exporting countries. Notably, the global economy should benefit from the global decline in nominal and real long term bond yields, lower oil prices, which are more supply than demand driven, and finally, the rising US dollar, which has redistributed demand towards the weakest countries. When we combine these three factors and account for the lagged impact, we expect global economic activity to accelerate during the second half of calendar 2015.

Using the IMF's new country growth forecasts, we estimate that DMs now account for 30% of world GDP growth in 2015 compared to 70% for EMs. This is particularly important given that major EM economies such as China and India are net importers of crude oil and should benefit from lower energy prices. We expect a synchronized rebound in DM economies during the second half of calendar 2015. This should lift global bond yields and support commodity prices and underlying equities.

While we expect increased synchronization among world monetary policies in calendar 2015, we also expect this will lead to a recoupling between DM and EM economic regions later in the fiscal year. This is when we believe the US Federal Reserve will begin to gradually normalize interest rates. The uncertainty about the exact timing of the first rate hike by the Federal Reserve may keep the markets volatile throughout the fiscal year, especially if the US dollar resumes its upward trend. That said, we believe equity markets should continue to do well, propped by late or resource-cyclical equities, where valuations remain very inexpensive.

With regard to capital markets activities, we expect the momentum built last year to persist through fiscal 2016. That is, Canaccord Genuity should enjoy strong contributions from across its geographical platforms. One encouraging development is the increased level of volatility exhibited across various asset classes. This volatility is expected to support secondary trading agency revenues. Equity issuance activity should broaden out and include resource equities where US dollar weakness/consolidation and better global growth prospects support commodity prices. With resource cyclicals expected to lead equity markets, M&A and advisory activities are set to pick up in these areas as companies strengthen their balance sheets before entering a phase of stronger world growth in calendar 2016. However, there is much uncertainty remaining about the timing and magnitude of the US Federal Reserve's upcoming monetary tightening cycle. When we also consider above-average market valuation, conditions remain in place for volatile markets throughout the fiscal year ahead.

Overview of Preceding Years – Fiscal 2014 vs. 2013

Total revenue for the year ended March 31, 2014 (fiscal 2014) was $855.2 million, an increase of $58.1 million or 7.3% compared to the year ended March 31, 2013. Canaccord Genuity Group earned record revenue in fiscal 2014, primarily due to strong performances from many of our foreign operations.

Canaccord Genuity Group recorded net income of $52.1 million during fiscal 2014, compared to a loss of $18.9 million in fiscal 2013. Excluding significant items[1], net income for fiscal 2014 was $68.8 million, an increase of $43.2 million over fiscal 2013.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

Financial Overview

SELECTED FINANCIAL INFORMATION[1][2]

(C$ thousands, except per share and % amounts, and number of employees)	For the years ended March 31 2015	2014	2013	2015/2014 change	
Canaccord Genuity Group Inc. (CGGI)					
Revenue					
Commissions and fees	$ 374,058	$ 361,647	$ 353,125	$ 12,411	3.4%
Investment banking	238,517	221,410	145,772	17,107	7.7%
Advisory fees	151,336	139,142	179,690	12,194	8.8%
Principal trading	75,217	91,313	66,406	(16,096)	(17.6)%
Interest	22,212	24,549	29,199	(2,337)	(9.5)%
Other	19,423	17,183	22,930	2,240	13.0%
Total revenue	880,763	855,244	797,122	25,519	3.0%
Expenses					
Incentive compensation	455,480	413,289	406,724	42,191	10.2%
Salaries and benefits	85,770	91,135	88,522	(5,365)	(5.9)%
Other overhead expenses[3]	305,822	280,746	292,242	25,076	8.9%
Restructuring costs[4]	24,813	5,486	31,617	19,327	n.m.
Impairment of goodwill[5]	14,535	—	—	14,535	n.m.
Acquisition-related costs	—	—	1,719	—	—
Total expenses	886,420	790,656	820,824	95,764	12.1%
(Loss) income before income taxes	(5,657)	64,588	(23,702)	(70,245)	(108.8)%
Net (loss) income	$ (11,318)	$ 52,057	$ (18,775)	$ (63,375)	(121.7)%
Net (loss) income attributable to CGGI shareholders	$ (13,184)	$ 51,413	$ (16,819)	$ (64,597)	(125.6)%
Non-controlling interests	$ 1,866	$ 644	$ (1,956)	$ 1,222	189.8%
(Loss) earnings per common share (EPS) – basic	$ (0.27)	$ 0.42	$ (0.31)	$ (0.69)	(164.3)%
(Loss) earnings per common share (EPS) – diluted	$ (0.27)	$ 0.39	$ (0.31)	$ (0.66)	(169.2)%
Return on common equity (ROE)	(2.9)%	4.4%	(3.3)%	(7.3) p.p.	
Dividends per common share	$ 0.25	$ 0.20	$ 0.20	$ 0.05	25.0%
Book value per diluted common share[6]	$ 8.71	$ 9.05	$ 7.68	$ (0.34)	(3.8)%
Excluding significant items[7]					
Total expenses	$ 827,458	$ 770,587	$ 766,893	$ 56,871	7.4%
Income before income taxes	$ 53,305	$ 84,657	$ 30,229	$ (31,352)	(37.0)%
Net income	$ 39,330	$ 68,846	$ 25,644	$ (29,516)	(42.9)%
Net income attributable to CGGI shareholders	$ 36,448	$ 67,211	$ 26,207	$ (30,763)	(45.8)%
EPS – basic	$ 0.27	$ 0.59	$ 0.16	$ (0.32)	(54.2)%
EPS – diluted	$ 0.25	$ 0.54	$ 0.14	$ (0.29)	(53.7)%
Balance sheet data					
Total assets	$ 4,369,905	$ 5,014,622	$ 4,603,502	$ (644,717)	(12.9)%
Total liabilities	3,242,088	3,831,030	3,538,170	(588,942)	(15.4)%
Non-controlling interests	10,275	14,912	16,169	(4,637)	(31.1)%
Total shareholders' equity	1,117,542	1,168,680	1,049,163	(51,138)	(4.4)%
Number of employees	1,928	2,004	2,060	(76)	(3.8)%

(1) Data is in accordance with IFRS except for ROE, book value per diluted common share, figures excluding significant items and number of employees. See Non-IFRS Measures on page 22.
(2) The operating results of the Australian operations have been fully consolidated and a 40% non-controlling interest has been recognized for fiscal 2015 [fiscal 2014 and fiscal 2013 – 50%]. Results of the wealth management business of Eden Financial Ltd. since October 1, 2012 are also included.
(3) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization of tangible and intangible assets, and development costs.
(4) Consists of restructuring costs in connection with certain executive changes in our Corporate and Other segment, the closure of the Geneva office in our UK & European wealth management operations, certain real estate and office closure costs, as well as reorganization of our Canadian, UK & Europe and US capital markets operations. Fiscal 2014 and fiscal 2013 restructuring costs include expenses mainly in connection with restructuring of our sales and trading operations in Canada and the UK & Europe, and certain office closure costs.
(5) Impairment of goodwill in connection with our Singapore- and China-based operations.
(6) Book value per diluted common share is calculated as total common shareholders' equity divided by the number of diluted common shares outstanding and, commencing in fiscal 2014, adjusted for shares purchased under the normal course issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.
(7) Net income 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.
n.m.: not meaningful
p.p.: percentage points

SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS[1]

	For the years ended March 31				
(C$ thousands, except per share and % amounts)	2015	2014	2013	2015/2014 change	
Total revenue per IFRS	$ 880,763	$ 855,244	$ 797,122	$ 25,519	3.0%
Total expenses per IFRS	886,420	790,656	820,824	95,764	12.1%
Significant items recorded in Canaccord Genuity					
Amortization of intangible assets	6,823	6,742	14,740	81	1.2%
Impairment of goodwill	14,535	—	—	14,535	n.m.
Restructuring costs	20,997	5,486	15,232	15,511	282.7%
Acquisition-related costs	—	—	388	—	—
Significant items recorded in Canaccord Genuity Wealth Management					
Amortization of intangible assets	7,591	7,841	5,855	(250)	(3.2)%
Restructuring costs	783	—	15,485	783	n.m.
Acquisition-related costs	—	—	1,331	—	—
Significant items recorded in Corporate and Other					
Restructuring costs	3,033	—	900	3,033	n.m.
Development costs	5,200	—	—	5,200	n.m.
Total significant items	58,962	20,069	53,931	38,893	193.8%
Total expenses excluding significant items	827,458	770,587	766,893	56,871	7.4%
Net income before taxes – adjusted	$ 53,305	$ 84,657	$ 30,229	$ (31,352)	(37.0)%
Income taxes – adjusted	13,975	15,811	4,585	(1,836)	(11.6)%
Net income – adjusted	$ 39,330	$ 68,846	$ 25,644	$ (29,516)	(42.9)%
EPS – basic, adjusted	$ 0.27	$ 0.59	$ 0.16	$ (0.32)	(54.2)%
EPS – diluted, adjusted	$ 0.25	$ 0.54	$ 0.14	$ (0.29)	(53.7)%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.
n.m.: not meaningful

FOREIGN EXCHANGE

Revenues and expenses from our foreign operations are initially recorded in their respective functional currencies and translated into Canadian dollars at exchange rates prevailing during the period. The pound sterling and the US dollar appreciated against the Canadian dollar by approximately 8.8% and 7.9%, respectively, in fiscal 2015 when compared to fiscal 2014. This appreciation contributed to certain increases in revenue and expense items in Canadian dollars when compared to the applicable prior periods and should be considered when reviewing the following discussion in respect of our consolidated results as well as the discussion in respect of Canaccord Genuity and Canaccord Genuity Wealth Management UK & Europe.

GOODWILL

During the year ended March 31, 2015, as a result of operating losses in China and reduced revenue forecasts arising from changes in economic and market conditions in Other Foreign Locations – China and Singapore, the Company determined that there had been impairment in the goodwill in respect of these business units. As a result, the Company recorded impairment charges in respect of the goodwill allocated to Other Foreign Locations – China and Singapore in the amounts of $4.5 million and $10.0 million, respectively. The impairment charge in respect of China was recorded in Q3/15 and the impairment charge in respect of Singapore was recorded in Q4/15. Goodwill remaining as of March 31, 2015 in respect of Other Foreign Locations – Singapore is $23.0 million.

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.

Utilizing management's preliminary estimates for revenue and operating performance, growth rates and other assumptions typically required in connection with discounted cash flow models, the Company determined that there was no impairment in the goodwill and indefinite-lived intangible assets associated with its other business units. Notwithstanding this determination as of March 31, 2015, the continuing uncertainty in the economic environment may cause this determination to change. If the business climate remains uncertain and the Company is unable to achieve its internal forecasts, the Company may determine that there has been impairment and the Company may be required to record a goodwill impairment charge in future periods. As further described in Note 13 of the consolidated financial statements, reasonably possible adverse changes in the key assumptions utilized for purposes of the impairment testing for Canaccord Genuity – Canada, UK & Europe, and US and for Other Foreign

Locations – Australia and Singapore may result in the estimated recoverable amount of some or all of these business units declining below the carrying value with the result that impairment charges may be required. The extent of any such impairment charges could be some or all of the amounts recorded for goodwill and indefinite-lived intangible assets and would be determined after incorporating the effect of any changes in key assumptions including any consequential effects of such changes on estimated operating income and on other factors.

REVENUE

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 fiscal 2015 was $880.8 million, an increase of 3.0% or $25.5 million from fiscal 2014. Our capital markets operations experienced a slight decrease of $2.7 million, or 0.4%, in revenue compared to the prior year. Our wealth management operations, both in Canada and in the UK & Europe, showed strong performances compared to fiscal 2014, with increases of $14.3 million and $12.5 million, respectively. Our Corporate and Other segment further contributed to the overall increase in revenues by $1.4 million.

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 $12.4 million or 3.4% from fiscal 2014 to $374.1 million in fiscal 2015. Our Canaccord Genuity Wealth Management segment contributed $20.4 million to the increase, offset by a decrease in commissions and fees revenue of $8.0 million in our Canaccord Genuity operating segment.

Investment banking revenue was $238.5 million in fiscal 2015, up $17.1 million or 7.7% from fiscal 2014. The growth in investment banking revenue was most notable in our Canadian operations, with an increase of $25.7 million, largely due to the completion of the Amaya Gaming transaction during the current fiscal year. The Company's operations in the Other Foreign Locations geographic region, which includes operations in Australia, Singapore, China, Hong Kong and Barbados, also contributed $7.7 million to the increase in investment banking revenue, primarily due to the continued growth of our Australian capital markets operations. Investment banking revenue was offset by decreases of $15.6 million and $5.7 million in our UK & Europe and US capital markets operations, respectively.

Advisory fees of $151.3 million represented an increase of 8.8%, or $12.2 million, compared to the prior year. This was primarily due to higher activity in our capital markets operations in Canada, where advisory fees increased by $34.3 million compared to fiscal 2014. The Company's operations in the US and in Other Foreign Locations also contributed to the increase in advisory fees compared to the prior year through increases of $2.8 million and $2.0 million, respectively. Advisory fees were offset by a decrease of $26.7 million in our UK & Europe operations, as a result of the substantial decrease in transaction volume compared to the prior year.

Revenue derived from principal trading decreased by $16.1 million to $75.2 million for the year ended March 31, 2015, primarily due to the decline of $11.7 million in our UK & Europe capital markets operations and a $6.1 million decrease in our US capital markets operations. The decrease was slightly offset by a $1.4 million increase in principal trading revenue generated in our Canadian capital markets and wealth management operations.

Interest revenue decreased by $2.3 million compared to fiscal 2014, mostly as a result of a reduction in interest revenue in our Other Foreign Locations operations. Other revenue of $19.4 million was $2.2 million or 13.0% higher than in the year ended March 31, 2014, partially due to higher foreign exchange gains.

EXPENSES

Expenses as a percentage of revenue

	For the years ended March 31		
	2015	2014	2015/2014 change
Incentive compensation	51.7%	48.3%	3.4 p.p.
Salaries and benefits	9.8%	10.7%	(0.9) p.p.
Other overhead expenses(1)	34.7%	32.8%	1.9 p.p.
Restructuring costs(2)(3)	2.8%	0.6%	2.2 p.p.
Impairment of goodwill(4)	1.6%	—	1.6 p.p.
Total	100.6%	92.4%	8.2 p.p.

(1) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization of tangible and intangible assets and development costs.
(2) Refer to the Selected Financial Information Excluding Significant Items table on page 31.
(3) Consists of restructuring costs in connection with certain executive changes in our Corporate and Other segment, the closure of the Geneva office in our UK & European wealth management operations, certain real estate and office closure costs, as well as reorganization of our Canadian, UK & Europe and US capital markets operations. Fiscal 2014 restructuring costs incurred were mainly in connection with restructuring of our sales and trading operations in Canada and the UK & Europe, as well as certain office closure costs.
(4) Impairment of goodwill in connection with our Singapore- and China-based operations.
p.p.: percentage points

Expenses for fiscal 2015 were $886.4 million, an increase of 12.1% or $95.8 million compared to last year. Excluding significant items[1], total expenses were $827.5 million, up $56.9 million or 7.4% from fiscal 2014. Total expenses excluding significant items[1] as a percentage of revenue increased by 3.8 percentage points compared to the year ended March 31, 2014.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

Compensation expenses

Incentive compensation expense was $455.5 million, an increase of $42.2 million or 10.2% from the prior year. Incentive compensation expense as a percentage of total revenue increased to 51.7% in fiscal 2015, or by 3.4 percentage points compared to fiscal 2014. This increase was primarily due to the substantial decrease in capital markets revenue in the UK & Europe and the impact of that decrease on incentive compensation pools in the UK & Europe. In addition, there was an increase in share-based incentive compensation expense as a percentage of revenue as a result of an increase in restricted stock awards under our long-term incentive plan to staff in the US in fiscal 2015 to support the growth in that region. Salaries and benefits expense was $85.8 million, a decrease of 5.9% from the prior year. The decrease in salaries and benefits expense compared to fiscal 2014 was partly due to the recording of certain compensation costs in the UK as incentive compensation expense rather than as salaries and benefits as recorded in prior years.

The total compensation (incentive compensation plus salaries and benefits) expense as a percentage of total revenue was 61.5%, up 2.5 percentage points compared to 59.0% in fiscal 2014.

Other overhead expenses

	For the years ended March 31		
(C$ thousands, except % amounts)	2015	2014	2015/2014 change
Trading costs	$ 52,795	$ 47,872	10.3%
Premises and equipment	40,281	38,461	4.7%
Communication and technology	51,758	46,065	12.4%
Interest	13,424	16,359	(17.9)%
General and administrative	94,688	83,834	12.9%
Amortization(1)	28,428	26,786	6.1%
Development costs	24,448	21,369	14.4%
Total other overhead expenses	$ 305,822	$ 280,746	8.9%

(1) Includes $14.4 million and $14.6 million of amortization of intangible assets for the years ended March 31, 2015 and March 31, 2014, respectively. See the Selected Financial Information Excluding Significant Items table on page 31.

Other overhead expenses were $305.8 million or 8.9% higher in fiscal 2015, which as a percentage of revenue represented an increase of 1.9 percentage points compared to fiscal 2014. The overall increase in other overhead expenses was driven by higher general and administrative expense, communication and technology expense, trading costs, development costs, amortization, and premises and equipment expense. These increases were partially offset by a decrease in interest expense.

General and administrative expense, which includes reserves, promotion and travel expense, office expense, professional fees and donations, was up $10.9 million, mainly due to an increase in promotion and travel expense in our Canadian and US operations as a result of higher activity during the year ended March 31, 2015. An increase in legal and other professional fees in our UK & Europe and US operations further contributed to the increase in general and administrative expense. Amortization expense increased by $1.6 million and was partially related to amortization of leasehold improvements in the UK capital markets operations.

Development costs increased by $3.1 million, mainly due to higher costs in our Corporate and Other operations, offset by lower hiring incentives in our wealth management operations. During Q4/15, an expense of $5.2 million was recorded in development costs as a result of the accelerated recognition of the unamortized cost of stock-based compensation awards which were held by our former CEO. His death on April 1, 2015 following a serious medical emergency near the end of the quarter required that we recognize the unamortized cost of these awards as of March 31, 2015.

Higher trading costs in our International Equities Group in the US was the main reason for the $4.9 million increase in trading costs in fiscal 2015 compared to the year ended March 31, 2014. Communication and technology expense increased by $5.7 million, primarily as a result of increases recorded in the US and UK & Europe capital markets operations. Premises and equipment expense was $1.8 million higher compared to fiscal 2014 due to higher expenses in our US operations.

Interest expense decreased by $2.9 million from the prior year, mainly due to lower expenses generated in our Canadian and Other Foreign Locations operations.

During the year ended March 31, 2015, the Company also recognized restructuring costs of $24.8 million. The restructuring costs incurred in fiscal 2015 were in connection with certain executive changes in our Corporate and Other segment and the closure of the Geneva office in our UK & Europe wealth management operations in Q1/15. In addition, included in restructuring expense were costs associated with the reorganization of the Canadian, UK & Europe and US capital markets operations incurred during the quarter ended March 31, 2015.

During Q3/15, as a result of operating losses in China and Hong Kong, we recorded an impairment charge in respect of the goodwill allocated to those operations in the amount of $4.5 million. In Q4/15, we revised our revenue forecasts for our operation in Singapore due to challenging economic and market conditions and as a result we recorded an impairment charge in respect of the goodwill allocated to that operation in the amount of $10.0 million. Accordingly, for the year ended March 31, 2015, an impairment charge in the amount of $14.5 million was recorded in respect of the goodwill allocated to Other Foreign Locations – China and Singapore.

NET LOSS

Net loss for fiscal 2015 was $11.3 million, down from net income of $52.1 million in fiscal 2014. Diluted loss per share was $0.27 in fiscal 2015 compared to diluted earnings per share (EPS) of $0.39 in the prior year. Excluding significant items(1), net income for fiscal 2015 was $39.3 million compared to net income of $68.8 million in fiscal 2014, and diluted EPS was $0.25 compared to diluted EPS of $0.54 in fiscal 2014.

Pre-tax profit excluding significant items(1) as a percentage of revenue declined by 3.8 percentage points compared to the year ended March 31, 2014 as a result of increases in certain overhead expenses to support the continued growth in our business.

Income tax expense was $5.7 million for fiscal 2015, reflecting an effective tax rate of (100.1)% compared to an effective tax rate of 19.4% in the prior year. The change in the effective tax rate was mainly due to non-deductible items as well as tax losses and other temporary differences not recognized in current and prior periods by certain subsidiaries outside of Canada. A further discussion of our taxes is provided in the Critical Accounting Policies and Estimates section of the MD&A on page 55.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

Quarterly Financial Information(1)(2)

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

(C$ thousands, except per share amounts)				Fiscal 2015				Fiscal 2014
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue								
Commissions and fees	$ 100,869	$ 92,123	$ 86,240	$ 94,826	$ 102,199	$ 87,581	$ 81,832	$ 90,035
Investment banking	57,255	27,601	66,289	87,372	78,453	70,841	40,283	31,833
Advisory fees	40,283	22,618	55,741	32,694	33,585	39,758	29,894	35,905
Principal trading	22,621	14,612	17,708	20,276	31,027	21,863	18,883	19,540
Interest	4,961	5,045	5,902	6,304	5,908	5,704	6,132	6,805
Other	6,476	4,472	4,391	4,084	2,576	5,212	6,282	3,113
Total revenue	232,465	166,471	236,271	245,556	253,748	230,959	183,306	187,231
Total expenses	260,835	191,991	211,326	222,268	221,737	206,539	184,262	178,118
Net (loss) income before taxes	(28,370)	(25,520)	24,945	23,288	32,011	24,420	(956)	9,113
Net (loss) income	$ (26,322)	$ (21,479)	$ 17,614	$ 18,869	$ 25,920	$ 18,334	$ (80)	$ 7,883
(Loss) earnings per share – basic	$ (0.33)	$ (0.27)	$ 0.16	$ 0.16	$ 0.24	$ 0.15	$ (0.03)	$ 0.06
(Loss) earnings per share – diluted	$ (0.33)	$ (0.27)	$ 0.14	$ 0.15	$ 0.22	$ 0.14	$ (0.03)	$ 0.06
Excluding significant items(3)								
Net income (loss)	$ 8,820	$ (14,253)	$ 20,746	$ 24,017	$ 29,075	$ 21,227	$ 6,734	$ 11,810
Earnings (loss) per share – basic	$ 0.05	$ (0.19)	$ 0.19	$ 0.22	$ 0.28	$ 0.18	$ 0.03	$ 0.10
Earnings (loss) per share – diluted	$ 0.05	$ (0.19)	$ 0.17	$ 0.20	$ 0.25	$ 0.17	$ 0.03	$ 0.09

(1) Data is in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 22.
(2) The operating results of our Australian operations have been fully consolidated and a 40% non-controlling interest has been recognized during fiscal 2015 [fiscal 2014 and fiscal 2013 – 50%]. Results of the wealth management business of Eden Financial Ltd. since October 1, 2012 are also included.
(3) Figures excluding significant items are non-IFRS measures. See the Quarterly Financial Information Excluding Significant Items table on the next page.

QUARTERLY FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS(1)(2)

(C$ thousands, except per share amounts)	Q4	Q3	Q2	Fiscal 2015 Q1	Q4	Q3	Q2	Fiscal 2014 Q1
Total revenue per IFRS	$ 232,465	$ 166,471	$ 236,271	$ 245,556	$ 253,748	$ 230,959	$ 183,306	$ 187,231
Total expenses per IFRS	260,835	191,991	211,326	222,268	221,737	206,539	184,262	178,118
Significant items recorded in Canaccord Genuity								
Restructuring costs	20,997	—	—	—	—	—	5,486	—
Amortization of intangible assets	1,691	1,684	1,707	1,741	1,702	1,680	1,658	1,702
Impairment of goodwill	10,000	4,535	—	—	—	—	—	—
Significant items recorded in Canaccord Genuity Wealth Management								
Restructuring costs	—	—	—	783	—	—	—	—
Amortization of intangible assets	1,467	1,660	2,224	2,240	2,256	1,945	1,751	1,889
Significant items recorded in Corporate and Other								
Restructuring costs	1,433	—	—	1,600	—	—	—	—
Development costs	5,200	—	—	—	—	—	—	—
Total significant items	40,788	7,879	3,931	6,364	3,958	3,625	8,895	3,591
Total expenses excluding significant items	220,047	184,112	207,395	215,904	217,779	202,914	175,367	174,527
Net income (loss) before taxes – adjusted	12,418	(17,641)	28,876	29,652	35,969	28,045	7,939	12,704
Income taxes (recovery) – adjusted	3,598	(3,388)	8,130	5,635	6,894	6,818	1,205	894
Net income (loss) – adjusted	$ 8,820	$ (14,253)	$ 20,746	$ 24,017	$ 29,075	$ 21,227	$ 6,734	$ 11,810
EPS – basic – adjusted	$ 0.05	$ (0.19)	$ 0.19	$ 0.22	$ 0.28	$ 0.18	$ 0.03	$ 0.10
EPS – diluted – adjusted	$ 0.05	$ (0.19)	$ 0.17	$ 0.20	$ 0.25	$ 0.17	$ 0.03	$ 0.09

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.
(2) The operating results of our Australian operations have been fully consolidated and a 40% non-controlling interest has been recognized during fiscal 2015 [fiscal 2014 and fiscal 2013 – 50%]. Results of the wealth management business of Eden Financial Ltd. since October 1, 2012 are also included.

Quarterly trends and risks

Our quarterly results are not significantly affected by seasonal factors. However, Canaccord Genuity Group'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 worldwide market. Revenue from an underwriting transaction is recorded only when the transaction has closed. Consequently, the timing of revenue recognition can materially affect the Company's quarterly results.

The first six months of fiscal 2015 continued to demonstrate the positive trend and momentum which started towards the second half of fiscal 2014. As a result of the decline in market conditions in mid-fiscal 2015, our Q3/15 results suffered throughout the different geographic regions. However, during Q4/15, revenues increased by $66.0 million from Q3/15, of which $55.5 million was from the Canaccord Genuity division and $10.5 million was from the Canaccord Genuity Wealth Management division. As a result of the market downturn in mid-fiscal 2015, the Q4/15 revenue in our UK & Europe capital markets operations decreased by 38.9% from revenue earned in Q4/14. Our US operations also experienced a decline in revenue during fiscal 2015 compared to the prior fiscal year. In Canada, our capital markets division had a strong performance throughout the year, particularly in Q2/15, which marked the highest revenue earned in a quarter since Q4/13. The substantive increase in revenue was mostly due to the completion of two significant transactions during the first six months of fiscal 2015 and a significant transaction in Q4/15. Due to the strong performance of our Australian operations, our Other Foreign Locations operations generated strong revenues throughout the current fiscal year, including $16.0 million in revenue during Q4/15, a record quarter for this geographic region.

Revenue from our Canaccord Genuity Wealth Management North America operations has trended higher in more recent quarters, reaching $33.1 million in Q4/15, the highest it has been over the past eight quarters. The pre-tax profit margin for this business unit also improved during this period, reflecting cost containment efforts. Assets under management increased by 29.7% compared to Q4/14, to $1.6 billion at the end of Q4/15, a solid indication of growth in our managed and fee-related accounts.

The Canaccord Genuity Wealth Management UK & Europe operations continued to experience steady revenue growth, reflecting the synergies achieved through the acquisition of Eden Financial Ltd. in fiscal 2013. The fee-related revenue in this division has also been steadily increasing. It now stands at 64.6% for Q4/15, a 3.9 percentage point increase from the same quarter a year ago. Assets under management for this group have also continued to grow over the past eight completed financial quarters and increased to $21.8 billion as at March 31, 2015. Our UK-based wealth management division recognized higher revenue in each of the quarters in fiscal 2015 compared to the same periods in fiscal 2014. During Q4/15, it also recognized record revenues of $35.7 million, which was 7.4% higher than in Q4/14.

Fourth quarter 2015 performance

Revenue for the fourth quarter was $232.5 million, a decrease of $21.3 million or 8.4% compared to the same period in the previous year, mainly due to a decline in investment banking and principal trading revenue, which was offset partially by a growth in advisory fees and other revenue. The decrease in investment banking revenue was attributable to lower activity across most of our capital markets operations, offset partially by strong performances in our Other Foreign Locations operations. Principal trading decreased by $8.4 million from Q4/14, primarily due to the $4.4 million decrease in the US and the $3.8 million decrease in the UK & Europe. Advisory fees revenue for the quarter increased by $6.7 million from Q4/14, predominantly due to the $10.4 million increase in our Canadian operations, offset by a $5.1 million decrease in our UK & Europe operations. The increase in advisory fees recognized in Canada for the quarter was mostly due to the completion of the Intertain Group Limited transaction.

Expenses were $260.8 million, up $39.1 million or 17.6% from Q4/14. Total expenses excluding significant items[(1)] were $220.0 million, an increase of $2.3 million or 1.0% from the same period last year. The increase in total expenses excluding significant items[(1)] was largely attributable to higher development costs and communication and technology expense compared to Q4/14.

Development costs increased by $3.9 million, mainly due to an increase in our Corporate and Other segment, offset by lower hiring incentives in our Canadian and US operations. During Q4/15, an expense of $5.2 million was recorded in development costs as a result of the accelerated recognition of the unamortized cost of stock-based compensation awards which were held by our former CEO. His death on April 1, 2015 following a serious medical emergency near the end of the quarter required that we recognize the unamortized cost of these awards as of March 31, 2015.

Communication and technology expense increased by $2.6 million from the same quarter in the prior year, mainly due to higher expenditures incurred in our US and UK & Europe operations during the fiscal year.

During the fourth quarter of fiscal 2015, the Company recognized $22.4 million in restructuring costs related to the reorganization of the Canadian, US, and UK & Europe capital markets operations in light of weak market conditions in Q3/15. In connection with these restructuring activities, decisions affecting real estate and office locations were made, resulting in the recognition of certain real estate costs in Q4/15 by our US capital markets operations.

The Company also recognized a $10.0 million impairment charge to goodwill related to our Singapore operations during the fourth quarter of fiscal 2015 due to revised revenue forecasts arising from changes in economic and market conditions.

Net loss for the fourth quarter of fiscal 2015 was $26.3 million, compared to net income of $25.9 million in Q4/14. The decrease in net income was attributable to lower revenue generated in our capital markets foreign operations, as well as increases in certain overhead costs incurred to support continued growth in the business. Diluted loss per share in the current quarter was $0.33, compared to diluted earnings per share of $0.22 in Q4/14. Book value per diluted common share decreased by 3.8%, from $9.05 in Q4/14 to $8.71 in Q4/15.

Excluding significant items[(1)], net income for Q4/15 was $8.8 million, compared to net income of $29.1 million in Q4/14, and diluted EPS was $0.05 in Q4/15, compared to diluted EPS of $0.25 in Q4/14.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

Business Segment Results[1][2]

(C$ thousands, except number of employees)	2015 Canaccord Genuity	2015 Canaccord Genuity Wealth Management	2015 Corporate and Other	2015 Total	2014 Canaccord Genuity	2014 Canaccord Genuity Wealth Management	2014 Corporate and Other	2014 Total
Revenue								
Canada	$ 204,585	$ 123,972	$ 16,768	$ 345,325	$ 148,514	$ 109,344	$ 15,418	$ 273,276
UK & Europe	155,942	125,551	—	281,493	212,307	113,046	—	325,353
US	202,972	1,367	—	204,339	216,485	1,646	—	218,131
Other Foreign Locations	49,606	—	—	49,606	38,484	—	—	38,484
Total revenue	613,105	250,890	16,768	880,763	615,790	224,036	15,418	855,244
Expenses	599,263	223,110	64,047	886,420	532,862	206,706	51,088	790,656
Intersegment allocations	11,910	21,683	(33,593)	—	8,537	24,719	(33,256)	—
Income (loss) before income taxes (recovery)	$ 1,932	$ 6,097	$ (13,686)	$ (5,657)	$ 74,391	$ (7,389)	$ (2,414)	$ 64,588
Excluding significant items[3]								
Expenses	556,908	214,736	55,814	827,458	520,634	198,865	51,088	770,587
Intersegment allocations	11,910	21,683	(33,593)	—	8,537	24,719	(33,256)	—
Income (loss) before income taxes (recovery)	$ 44,287	$ 14,471	$ (5,453)	$ 53,305	$ 86,619	$ 452	$ (2,414)	$ 84,657
Number of employees	901	703	324	1,928	974	714	316	2,004

For the years ended March 31

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 22. Detailed financial results for the business segments are shown in Note 21 of the Audited Consolidated Financial Statements on page 105.
(2) The operating results of Canaccord Genuity (Australia) Limited have been consolidated and a 40% non-controlling interest has been recognized and included in the Canaccord Genuity business segment in fiscal 2015 [fiscal 2014 – 50%]. Results of the wealth management business of Eden Financial Ltd. since October 1, 2012 are also included in the Canaccord Genuity Wealth Management business segment.
(3) See the Selected Financial Information Excluding Significant Items table on page 31.

Canaccord Genuity Group's operations are divided into three segments: Canaccord Genuity and Canaccord Genuity Wealth Management are the main operating segments while Corporate and Other is mainly an administrative segment.

CANACCORD GENUITY

Overview

Canaccord Genuity provides investment banking, research, and sales and trading services to corporate, institutional and government clients as well as conducting principal trading activities in Canada, the US, the UK & Europe, and the Asia-Pacific region. Canaccord Genuity has offices in 19 cities in 10 countries worldwide.

Our operating results demonstrate the strength of our global business and the success of our efforts to diversify our revenue streams. For fiscal 2015, 67% of total Canaccord Genuity revenue was earned outside of Canada.

Canaccord Genuity's expansion efforts in recent years have firmly positioned the Company as a leading global independent investment bank focused on the mid-market.

During fiscal 2015, the Company took steps to streamline its leadership structure and reduce the size of its global workforce by 4%, to rationalize operations in light of the prevailing market conditions. These changes were made in the interest of improving collaboration between global teams and accelerating the delivery of a consistent service model to our clients.

During fiscal 2015, Canaccord Genuity participated in 340 transactions for global clients, each valued over $1.5 million, to raise gross proceeds of $39.2 billion[1]. Of these, Canaccord Genuity led 85 transactions globally, raising total proceeds of $4.6 billion. Sector diversification remains a core component of the Company's strategy. Resource-related revenue accounted for 14% of Canaccord Genuity's total investment banking revenue in fiscal 2015, versus 22% in fiscal 2014. Resource-related transactions comprised 22% of the total number of Canaccord Genuity's investment banking transactions in fiscal 2015, down slightly by 1% from 23% in fiscal 2014. For fiscal 2015, 43% of the Company's investment banking revenue was earned in the Technology and Healthcare & Life Sciences sectors.

Outlook

Canaccord Genuity continues to be very well positioned in many of the Company's key markets. In the year ahead, management intends to focus on capturing operating efficiencies and generating revenue synergies through further integrating aspects of its global capital markets platform and encouraging further cross-border coordination among our global offices.

We believe Canaccord Genuity's integrated global platform provides a competitive advantage for the business compared to many of the domestically focused firms we compete with. Smaller regional or local investment dealers are increasingly under pressure to diversify, and larger international competitors dedicate limited resources to servicing growth companies. We believe this competitive landscape provides a significant opportunity for Canaccord Genuity in the global mid-market, as this space is currently relatively underserviced by other global investment banks. Canaccord Genuity's mid-market strategy and focus on key growth sectors differentiate the firm from its competition.

The continued shift towards electronic trading, and trading on alternative platforms, is expected to move some trading market share away from the main stock exchanges. In response to this, Canaccord Genuity is active in offering trading services on many of the alternative exchanges (Chi-X, CX2, Alpha, Aequitas, Pure, CSE (Canadian Stock Exchange), Omega, Lynx, Triact). The Company has also developed a strong presence in the US with its American Depositary Receipts (ADR) and foreign equity trading capabilities from our International Equities Group. The Company will continue to vigilantly monitor shifts in the capital markets and regulatory environment.

Canaccord Genuity remains committed to operating as efficiently as possible in order to sustain its global platform during periods of slower capital markets activity. A culture of cost containment continues to be reinforced throughout the Company, and strategies to lower operating costs over the long term continue to be explored.

While we are optimistic about our prospects for the future, the Company has made the prudent decision to balance investments in growth with our ability to generate profit in the current market environment. The dynamic nature of our operating environment requires us to maintain a level of agility in our business mix that allows us to stay competitive and meet the evolving needs of our clients. For this reason, the Company will make disciplined investments in the addition of small teams in specific sector verticals or key service offerings to further strengthen our operations in areas where we believe we can capture additional market share.

The management team believes the investments that the Company has made to improve Canaccord Genuity's global presence and broaden its service offering have positioned the business very well for the future.

(1) Transactions over $1.5 million.

FINANCIAL PERFORMANCE[1][2]

(C$ thousands, except number of employees)	2015 Canada	2015 UK & Europe	2015 US	2015 Other Foreign Locations	2015 Total	2014 Canada	2014 UK & Europe	2014 US	2014 Other Foreign Locations	2014 Total
Revenue	$ 204,585	$ 155,942	$ 202,972	$ 49,606	$ 613,105	$ 148,514	$ 212,307	$ 216,485	$ 38,484	$ 615,790
Expenses										
Incentive compensation	99,366	100,217	107,787	28,146	335,516	72,042	106,339	107,243	21,072	306,696
Salaries and benefits	5,226	7,037	9,986	3,404	25,653	4,819	16,671	9,933	3,366	34,789
Other overhead expenses	49,344	56,562	81,365	15,291	202,562	45,167	55,519	69,718	15,487	185,891
Restructuring costs	4,006	9,143	7,348	500	20,997	4,179	1,307	—	—	5,486
Impairment of goodwill	—	—	—	14,535	14,535	—	—	—	—	—
Total expenses	157,942	172,959	206,486	61,876	599,263	126,207	179,836	186,894	39,925	532,862
Intersegment allocations[3]	9,508	(602)	3,004	—	11,910	9,919	(4,233)	2,701	150	8,537
Income (loss) before income taxes (recovery)[3]	$ 37,135	$ (16,415)	$ (6,518)	$ (12,270)	$ 1,932	$ 12,388	$ 36,704	$ 26,890	$ (1,591)	$ 74,391
Excluding significant items[4]										
Total expenses	150,216	163,816	199,133	43,743	556,908	118,306	178,529	186,890	36,909	520,634
Intersegment allocations[3]	9,508	(602)	3,004	—	11,910	9,919	(4,233)	2,701	150	8,537
Income (loss) before income taxes (recovery)[3]	$ 44,861	$ (7,272)	$ 835	$ 5,863	$ 44,287	$ 20,289	$ 38,011	$ 26,894	$ 1,425	$ 86,619
Number of employees	201	329	269	102	901	215	372	286	101	974

For the years ended March 31

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 22.
(2) The operating results of Canaccord Genuity (Australia) Limited have been consolidated and a 40% non-controlling interest has been recognized and included in the Canaccord Genuity segment during fiscal 2015 [fiscal 2014 – 40%].
(3) Income (loss) before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 48.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 31.

REVENUE

Revenue by geography as a percentage of Canaccord Genuity revenue

For the years ended March 31

	2015	2014	2015/2014 change
Revenue generated in:			
Canada	33.4%	24.1%	9.3 p.p.
UK & Europe	25.4%	34.5%	(9.1) p.p.
US	33.1%	35.2%	(2.1) p.p.
Other Foreign Locations	8.1%	6.2%	1.9 p.p.
	100.0%	100.0%	

p.p.: percentage points

Canaccord Genuity generated revenue of $613.1 million, a decline of 0.4% or $2.7 million compared to fiscal 2014 as a result of lower market activity. Revenue from our US operations decreased by $13.5 million and revenue from our UK & Europe operations decreased by $56.4 million compared to the year ended March 31, 2014. The decline in revenue experienced in the US and in the UK & Europe was offset by an increase of $56.1 million in our Canadian operations and of $11.1 million in our Other Foreign Locations operations.

Investment banking activity

During fiscal 2015, Canaccord Genuity participated in raising $39.2 billion in 340 equity offerings of $1.5 million and greater. The Company's focus sector mix in fiscal 2015 showed increasing diversity, with 78% of total transactions occurring in sectors outside of Metals & Mining and Energy, which have traditionally been a significant component of the Company's revenue.

Canaccord Genuity's transactions and revenue by focus sectors are detailed below.

CANACCORD GENUITY – OVERALL

Investment banking transactions and revenue by sector

	For the year ended March 31, 2015	
Sectors	as a % of investment banking transactions	as a % of investment banking revenue
Technology	13.7%	30.3%
Healthcare & Life Sciences	9.6%	12.8%
Metals & Mining	13.7%	9.7%
Sustainability	2.7%	9.4%
Financials	7.7%	7.5%
Real Estate & Hospitality	11.8%	5.2%
Consumer & Retail	1.1%	4.8%
Infrastructure	3.3%	4.3%
Energy	7.9%	4.0%
Investment Companies	—	2.2%
Structured Products	19.2%	0.6%
Support Services	—	0.5%
Media & Telecommunications	1.4%	0.2%
Agriculture	0.3%	—
Diversified	7.6%	8.5%
Total	100.0%	100.0%

CANACCORD GENUITY – BY GEOGRAPHY

Investment banking transactions by sector (as a % of investment banking transactions for each geographic region)

	For the year ended March 31, 2015			
Sectors	Canada	UK & Europe	US	Other Foreign Locations
Structured Products	32.4%	—	—	—
Real Estate & Hospitality	19.4%	—	—	1.6%
Metals & Mining	12.5%	—	—	35.9%
Energy	10.6%	—	9.4%	—
Technology	6.0%	19.0%	34.4%	17.2%
Financials	6.0%	28.6%	—	14.1%
Media & Telecommunications	1.4%	9.5%	—	—
Healthcare & Life Sciences	0.9%	9.5%	40.6%	7.8%
Agriculture	0.5%	—	—	—
Infrastructure	—	14.4%	—	14.1%
Sustainability	—	9.5%	12.5%	—
Consumer & Retail	—	9.5%	3.1%	—
Support Services	—	—	—	—
Investment Companies	—	—	—	—
Diversified	10.3%	—	—	9.3%
Total	100.0%	100.0%	100.0%	100.0%

Investment banking revenue by sector (as a % of investment banking revenue for each geographic region)

	For the year ended March 31, 2015			
Sectors	Canada	UK & Europe	US	Other Foreign Locations
Technology	46.7%	19.3%	25.7%	11.6%
Metals & Mining	14.1%	2.5%	—	25.4%
Financials	10.7%	14.4%	—	3.1%
Energy	6.0%	—	5.0%	2.9%
Healthcare & Life Sciences	5.6%	7.9%	29.6%	8.3%
Real Estate & Hospitality	5.2%	15.1%	—	0.5%
Structured Products	1.5%	—	—	—
Support Services	1.2%	—	—	0.3%
Consumer & Retail	0.6%	8.4%	6.2%	8.2%
Sustainability	0.5%	—	29.7%	9.4%
Media & Telecommunications	0.4%	—	—	—
Infrastructure	—	20.9%	—	0.5%
Investment Companies	0.1%	10.8%	—	—
Agriculture	0.1%	—	—	—
Diversified	7.3%	0.7%	3.8%	29.8%
Total	100.0%	100.0%	100.0%	100.0%

EXPENSES

Expenses for fiscal 2015 were $599.3 million, an increase of 12.5% or $66.4 million year over year. The Canaccord Genuity segment recognized $42.4 million of significant items in fiscal 2015 including $21.0 million of restructuring costs, a goodwill impairment charge of $14.5 million and $6.9 million in amortization of intangible assets. Excluding significant items[(1)], total expenses for fiscal 2015 were $556.9 million, an increase of 7.0% or $36.3 million compared to fiscal 2014.

Incentive compensation and salaries and benefits

Incentive compensation expense for fiscal 2015 grew by $28.8 million or 9.4% compared to fiscal 2014. Incentive compensation expense as a percentage of revenue was 54.7%, an increase of 4.9 percentage points from fiscal 2014. Salaries and benefits expense for fiscal 2015 decreased by $9.1 million or 26.3% compared to fiscal 2014. Total compensation expense as a percentage of revenue was 3.5 percentage points higher at 58.9% for the year ended March 31, 2015.

In Canada, total compensation as a percentage of revenue decreased slightly by 0.6 percentage points compared to fiscal 2014, to 51.1% in fiscal 2015. Our US operations experienced an increase of 3.8 percentage points in the total compensation ratio as a result of lower revenue as well as higher share-based incentive compensation expense that resulted from an increase in restricted stock awards to support the expansion in this region. Total compensation expense as a percentage of revenue in our Other Foreign Locations segment increased slightly by 0.1 percentage point to 63.6% in fiscal 2015. In our UK & Europe operations, total compensation expense as a percentage of revenue increased by 10.8 percentage points to 68.8% as a result of a significant decrease in revenue and the impact that decrease had on the UK-based incentive compensation pools.

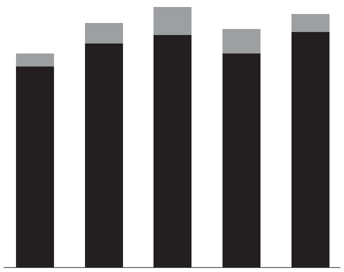
Canaccord Genuity incentive compensation expense as a percentage of revenue by geography

	For the years ended March 31		
	2015	2014	2015/2014 change
Incentive compensation expense as a percentage of revenue			
Canada	48.6%	48.5%	0.1 p.p.
UK & Europe	64.3%	50.1%	14.2 p.p.
US	53.1%	49.5%	3.6 p.p.
Other Foreign Locations	56.7%	54.8%	1.9 p.p.
Canaccord Genuity (total)	54.7%	49.8%	4.9 p.p.

p.p.: percentage points

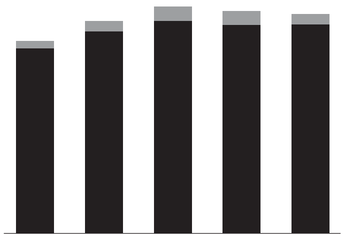
(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

TOTAL COMPENSATION AS A % OF CANACCORD GENUITY REVENUE – OVERALL



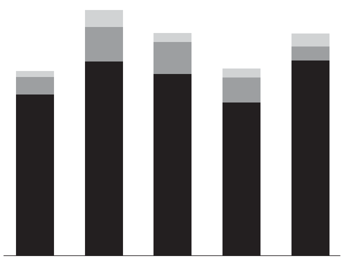
2011	2012	2013	2014	2015	
3.0%	4.7%	6.5%	5.7%	4.2%	Salaries and benefits
46.7%	52.1%	54.1%	49.8%	54.7%	Incentive compensation
49.7%	56.8%	60.6%	55.5%	58.9%	Total

TOTAL COMPENSATION AS A % OF CANACCORD GENUITY REVENUE – CANADA



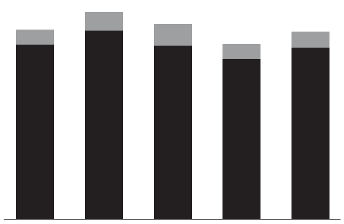
2011	2012	2013	2014	2015	
1.7%	2.4%	3.3%	3.3%	2.5%	Salaries and benefits
43.1%	47.0%	49.5%	48.5%	48.6%	Incentive compensation
44.8%	49.4%	52.8%	51.8%	51.1%	Total

TOTAL COMPENSATION AS A % OF CANACCORD GENUITY REVENUE – UK & EUROPE



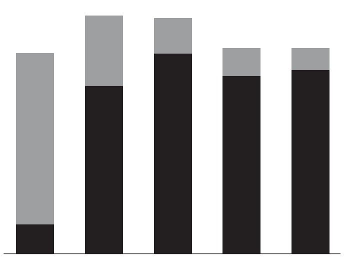
2011	2012	2013	2014	2015	
1.8%	5.3%	2.8%	2.7%	3.9%	National Insurance Tax
5.5%	10.7%	9.9%	7.8%	4.5%	Salaries and benefits
49.9%	60.1%	56.3%	47.4%	60.4%	Incentive compensation
57.2%	76.1%	69.0%	57.9%	68.8%	Total

TOTAL COMPENSATION AS A % OF CANACCORD GENUITY REVENUE – US



2011	2012	2013	2014	2015	
4.6%	5.7%	6.6%	4.6%	4.9%	Salaries and benefits
54.0%	58.3%	53.7%	49.5%	53.1%	Incentive compensation
58.6%	64.0%	60.3%	54.1%	58.0%	Total

TOTAL COMPENSATION AS A % OF CANACCORD GENUITY REVENUE – OTHER FOREIGN LOCATIONS



2011	2012	2013	2014	2015	
53.2%	22.0%	10.9%	8.7%	6.9%	Salaries and benefits
8.9%	51.7%	61.9%	54.8%	56.7%	Incentive compensation
62.1%	73.7%	72.8%	63.5%	63.6%	Total

Other overhead expenses

Other overhead expenses excluding significant items(1) were \$195.8 million for fiscal 2015, an increase of \$16.7 million from the prior year. The largest fluctuations in other overhead expenses were a \$6.9 million increase in general and administrative expense, a \$5.5 million increase in communication and technology expense and a \$5.8 million increase in trading costs, partially offset by a decrease in interest expense of \$2.7 million.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

General and administrative expense increased by $6.9 million or 13.7% to $57.4 million for the year ended March 31, 2015, mainly due to higher promotion and travel expense in the Canadian and US operations as a result of a higher headcount during the first nine months of the fiscal year and certain growth initiatives including the expansion of the fixed income business in the US in fiscal 2014. In addition, an increase in professional fees in our US operations also contributed to the overall increase in general and administrative expense.

Communication and technology expense increased by $5.5 million, to $34.8 million for the year ended March 31, 2015, primarily to support business growth in our US and UK & Europe operations.

Trading costs increased by $5.8 million or 13.4% to $49.0 million in fiscal 2015 due to higher agency trading volumes in Canada, as well as higher execution and settlement charges in connection with international trading activities in the US.

Interest expense decreased by $2.7 million to $11.5 million compared to fiscal 2014, mainly related to our Canadian operations.

An impairment charge of $4.5 million related to the goodwill in connection with our China-based operations and the acquisitions of The Balloch Group and certain assets of Kenosis Capital Partners was recorded during the year ended March 31, 2015. The Company also recorded a $10.0 million impairment charge in connection with Singapore-based operations due to reduced revenue forecasts arising from changes in economic conditions in that region.

During Q4/15, the Company recorded restructuring charges of $21.0 million to reduce the size of its workforce within the global capital markets business and to rationalize operations in light of the current market conditions. The restructuring charges include termination benefits as well as property costs.

INCOME BEFORE INCOME TAXES

Income before income taxes in fiscal 2015 was $1.9 million compared to $74.4 million in fiscal 2014. Excluding significant items[1], income before income taxes was $44.3 million compared to $86.6 million in fiscal 2014. The decrease in net income was mainly due to the decline in revenue, a higher compensation ratio resulting from the impact of the lower revenue on the incentive compensation pools, as well as increases in certain overhead expenses incurred to support the business.

CANACCORD GENUITY WEALTH MANAGEMENT

Overview

Canaccord Genuity Group’s wealth management division provides a range of comprehensive financial services and investment products to individual investors (private clients), institutions and intermediaries, and charities. Revenue from wealth management operations is generated through traditional commission-based brokerage services; the sale of fee-based products and services; client-related interest; and fees and commissions earned by Investment Advisors (IAs) from investment banking and venture capital transactions. The Company has wealth management operations in Canada, the UK & Europe, and Australia.

In the UK & Europe, Canaccord Genuity Wealth Management has five locations, including offices in the UK, the Channel Islands and the Isle of Man. Revenue earned by this business is largely generated through fee-based accounts and portfolio management activities. With 67.1% of its fiscal 2015 revenue generated from fee-based activity, this geography has a significantly higher proportion of fee-based revenue than the Company’s Canadian and Australian wealth management businesses. The business caters to both onshore (UK) and offshore client accounts and provides clients with investing options from both third party and proprietary financial products, including 29 funds managed by Canaccord Genuity Wealth Management portfolio managers. During fiscal 2015, the Company completed the implementation of a world-class operating system, which provides the necessary infrastructure to support our growth plans for this business.

At March 31, 2015, Canaccord Genuity Wealth Management had 16 offices located across Canada, including eight Independent Wealth Management (IWM) locations. During fiscal 2015, the Company continued the strategic refocusing of its Canadian wealth management division to fulfill the needs of a more conservative, aging client base by providing comprehensive financial planning services. The Company has significantly enhanced its training programs over the last several years to ensure Advisory Teams, investment professionals and fund managers possess the broad-based expertise required to deliver comprehensive wealth management advice.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

During fiscal 2015, Canaccord Genuity Wealth Management in Canada launched Canaccord Genuity Global Portfolio Solutions (GPS), a proprietary asset management platform that combines research and portfolio management with forward-looking risk management solutions. GPS is based on a similar asset management product offered by our UK wealth management business, which has been recognized as a best-in-class investing discipline and has been well received by existing and new wealth management clients across our geographies.

Outlook

Management's priorities for Canaccord Genuity Wealth Management will be focused on growing assets under administration and management, and increasing its proportion of fee-based revenues. By increasing recurring revenue streams, we expect to meaningfully reduce our reliance on transaction-based revenue over the coming years, making our business less sensitive to changes in market conditions.

With 67.1% of its revenue derived from recurring, fee-based activities, the revenue streams generated through Canaccord Genuity Wealth Management's UK & European wealth management business help to improve the stability of the division's overall performance. The Company will continue to pursue strategic opportunities to increase the scale of its UK wealth management business.

In Canada, the Company will focus on enhancing margins, managing costs, and growing the business through targeted recruitment and training. While the recruiting environment remains competitive, we expect the benefits of our enhanced global platform to help drive continued recruiting success in select markets. The Company also intends to invest further in training programs for new and existing Investment Advisors to continue developing the skills of our Advisory Teams and to support the growth of fee-based services offered through the Canadian business.

In Australia, the Company still has a relatively small wealth management operation; however, expansion is expected to occur through targeted recruiting, and through the build-out of wealth management services and products in this market.

FINANCIAL PERFORMANCE – NORTH AMERICA[1][2]

(C$ thousands, except AUM and AUA (in C$ millions), number of employees, Advisory Teams and % amounts)	For the years ended March 31			
	2015	2014	2015/2014 change	
Revenue	$ 125,339	$ 110,990	$ 14,349	12.9%
Expenses				
Incentive compensation	62,813	56,521	6,292	11.1%
Salaries and benefits	12,188	13,260	(1,072)	(8.1)%
Other overhead expenses	39,957	42,653	(2,696)	(6.3)%
Total expenses	114,958	112,434	2,524	2.2%
Intersegment allocations[3]	17,483	16,672	811	4.9%
Loss before income taxes (recovery)[3]	$ (7,102)	$ (18,116)	$ 11,014	60.8%
AUM – Canada (discretionary)[4]	1,561	1,204	357	29.7%
AUA – Canada[5]	10,729	10,160	569	5.6%
Number of Advisory Teams – Canada	152	160	(8)	(5.0)%
Number of employees	400	420	(20)	(4.8)%
Excluding significant items[6]				
Total expenses	$ 114,958	$ 112,434	$ 2,524	2.2%
Intersegment allocations[3]	17,483	16,672	811	4.9%
Loss before income taxes (recovery)[3]	(7,102)	(18,116)	11,014	60.8%

(1) Data is in accordance with IFRS except for figures excluding significant items, AUA, AUM, number of Advisory Teams and number of employees. See Non-IFRS Measures on page 22.
(2) Includes Canaccord Genuity Wealth Management operations in Canada and the US.
(3) Loss before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 48.
(4) AUM represents 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*.
(5) AUA is the market value of client assets administered by the Company, for which the Company earns commissions or fees.
(6) Refer to the Selected Financial Information Excluding Significant Items table on page 31.

Revenue from Canaccord Genuity Wealth Management North America was $125.3 million, an increase of $14.3 million from fiscal 2014.

AUA in Canada increased by 5.6% to $10.7 billion at March 31, 2015 from $10.2 billion at March 31, 2014, reflecting higher market values over the year and growth in the business. AUM in Canada increased by 29.7% compared to fiscal 2014 due to the Company's increased focus on the transition from traditional commission-based accounts to fee-based and managed accounts. There were 152 Advisory Teams in Canada, a decrease of eight from a year ago. The fee-based revenue in our North American operations was 2.9 percentage points higher than in the prior year and accounted for 35.1% of the wealth management revenue earned in Canada during the year ended March 31, 2015.

Expenses for the current fiscal year were $115.0 million, an increase of $2.5 million or 2.2% from fiscal 2014. The continued focus on cost containment led to a decrease in total expenses as a percentage of revenue of 9.6 percentage points compared to last year. Incentive compensation expense increased by $6.3 million compared to fiscal 2014 as a result of higher incentive-based revenue. Total compensation expense as a percentage of revenue decreased by 3.0 percentage points compared to last year due to lower fixed compensation levels.

The increase in incentive compensation expense due to higher revenue was partially offset by decreases in salaries and benefits and in non-compensation expenses. Trading costs decreased by $1.5 million compared to the prior year. Lower hiring incentives for the year ended March 31, 2015 also led to a $1.5 million decrease in development costs. As a result of the continued focus on cost reduction initiatives, communication and technology expense decreased by $0.6 million compared to last year.

Loss before income taxes for fiscal 2015 was $7.1 million compared to a loss before income taxes of $18.1 million for fiscal 2014. The Company's efforts to continuously monitor costs and implement cost reduction initiatives resulted in a lower loss before income taxes for the year ended March 31, 2015 compared to last year.

FINANCIAL PERFORMANCE – UK & EUROPE[1]

(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	For the years ended March 31			
	2015	2014	2015/2014 change	
Revenue	$ 125,551	$ 113,046	$ 12,505	11.1%
Expenses				
Incentive compensation	45,407	40,139	5,268	13.1%
Salaries and benefits	18,573	14,656	3,917	26.7%
Other overhead expenses	43,389	39,477	3,912	9.9%
Restructuring costs	783	—	783	n.m.
Total expenses	108,152	94,272	13,880	14.7%
Intersegment allocations[2]	4,200	8,047	(3,847)	(47.8)%
Income before income taxes[2]	$ 13,199	$ 10,727	$ 2,472	23.0%
AUM – UK & Europe[3]	21,763	20,156	1,607	8.0%
Number of investment professionals and fund managers – UK & Europe	114	118	(4)	(3.4)%
Number of employees	303	294	9	3.1%
Excluding significant items[4]				
Total expenses	$ 99,778	$ 86,431	$ 13,347	15.4%
Intersegment allocations[2]	4,200	8,047	(3,847)	(47.8)%
Income before income taxes[2]	21,573	18,568	3,005	16.2%

(1) Data is in accordance with IFRS except for figures excluding significant items, AUM, number of investment professionals and fund managers, and number of employees. See Non-IFRS Measures on page 22.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 48.
(3) AUM in the UK & Europe is the market value of client assets managed and administered by the Company, for which the Company earns commissions or fees. This measure includes both discretionary and non-discretionary accounts.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 31.
n.m.: not meaningful

Revenue generated by our UK & Europe operations is largely produced through fee-based accounts and portfolio management activities, and, as such, is less sensitive to changes in market conditions. Revenue for fiscal 2015 was $125.6 million, an increase of 11.1% compared to fiscal 2014.

AUM in the UK & Europe as of March 31, 2015 was $21.8 billion. The fee-based revenue in our UK & European operations accounted for 67.1% of total revenue in this geography, an increase of 6.5 percentage points compared to fiscal 2014. As discussed above, this business has a higher proportion of fee-based revenue and managed accounts compared to our Canadian wealth management business.

Incentive compensation expense was $45.4 million, up from $40.1 million in fiscal 2014. Total compensation expense (incentive compensation plus salaries and benefits) as a percentage of revenue increased by 2.5 percentage points to 51.0% for the year ended March 31, 2015 as a result of the recording of certain costs as salaries and benefits that were previously recorded as allocated costs from Canaccord Genuity UK & Europe (capital markets). There was also a $1.9 million increase in premises and equipment expense, partially as a result of our wealth management operations relocating to a different office location in London, UK.

General and administrative expense increased by $1.2 million, partially as a result of higher consulting fees incurred during the year ended March 31, 2015 to support the growth in activity.

Income before income taxes was $13.2 million compared to $10.7 million in the prior year, mainly as a result of higher revenue generated in fiscal 2015. Excluding significant items[(1)], income before income taxes was $21.6 million, an increase of 16.2% from the prior year.

CORPORATE AND OTHER SEGMENT

Overview

The Corporate and Other segment includes Pinnacle Correspondent Services (Canaccord Genuity Group Inc.'s correspondent brokerage services division), interest, foreign exchange revenue, and expenses not specifically allocable to Canaccord Genuity or Canaccord Genuity Wealth Management.

Pinnacle provides trade execution, clearing, settlement, custody, and other middle- and back-office services to other introducing brokerage firms, portfolio managers and other financial intermediaries. The Pinnacle business unit was developed as an extension and application of the Company's substantial investment in its information technology and operating infrastructure.

Also included in this segment are Canaccord Genuity Group Inc.'s administrative, operational and support services departments, which are responsible for front- and back-office information technology systems, compliance and risk management, operations, legal, finance, and other administrative functions. The Company has approximately 324 employees in the Corporate and Other segment. The majority of Canaccord Genuity Group Inc.'s corporate support functions are based in Vancouver and Toronto, Canada.

Our operations group is responsible for all activity in connection with processing securities transactions, including the clearing and settlement of securities transactions, account administration and custody of client securities. The finance department is responsible for internal financial accounting and controls, and external financial and regulatory reporting, while the compliance department is responsible for client credit and account monitoring in relation to certain legal and financial regulatory requirements. Canaccord Genuity Group Inc.'s risk management and compliance activities include procedures to identify, control, measure and monitor the Company's risk exposure at all times.

Outlook

Pinnacle Correspondent Services will be renamed Canaccord Genuity Correspondent Services during the first half of fiscal 2016.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

FINANCIAL PERFORMANCE[1]

(C$ thousands, except number of employees and % amounts)	2015	2014	2015/2014 change	
	For the years ended March 31			
Revenue	$ 16,768	$ 15,418	$ 1,350	8.8%
Expenses				
Incentive compensation	11,744	9,933	1,811	18.2%
Salaries and benefits	29,356	28,430	926	3.3%
Other overhead expenses	19,914	12,725	7,189	56.5%
Restructuring costs	3,033	—	3,033	n.m.
Total expenses	64,047	51,088	12,959	25.4%
Intersegment allocations[2]	(33,593)	(33,256)	(337)	(1.0)%
Loss before income taxes (recovery)[2]	$ (13,686)	$ (2,414)	$ (11,272)	n.m.
Number of employees	324	316	8	2.5%
Excluding significant items[3]				
Total expenses	$ 55,814	$ 51,088	$ 4,726	9.3%
Intersegment allocations[2]	(33,593)	(33,256)	(337)	(1.0)%
Loss before income taxes (recovery)[2]	(5,453)	(2,414)	(3,039)	125.9%

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 22.
(2) Loss before income taxes (recovery) includes intersegment allocations. See the Intersegment Allocated Costs section below.
(3) Refer to the Selected Financial Information Excluding Significant Items table on page 31.
n.m.: not meaningful

Revenue for fiscal 2015 was $16.8 million, an increase of $1.4 million or 8.8% from fiscal 2014, primarily due to higher foreign exchange gains recognized during the current fiscal year.

Total expenses were $64.0 million for the year ended March 31, 2015, an increase of $13.0 million or 25.4% over the prior year. The $1.8 million increase in incentive compensation expense resulted from higher share-based incentive compensation expense. Salaries and benefits expense increased by $0.9 million over the prior year.

During Q4/15, an expense of $5.2 million was recorded as a result of the accelerated recognition of the unamortized cost of stock-based compensation awards which were held by our former CEO. Following his death on April 1, 2015, due to a serious medical emergency near the end of the quarter, we recognized the unamortized cost of these awards as of March 31, 2015 under development costs.

General and administrative expense increased by $2.6 million or 23.2%, mainly due to an increase in promotion and travel expense. In addition, the Company also recorded restructuring costs of $3.0 million in connection with certain executive changes in Canada during Q1/15 as well as certain redundant real estate costs recognized during Q4/15. Premises and equipment expense decreased by $1.0 million, mainly due to the reduction in repairs, maintenance and installation expenses throughout the year.

Loss before income taxes was $13.7 million for fiscal 2015 compared to a loss before income taxes of $2.4 million for the prior year. Excluding significant items[1], loss before income taxes was $5.4 million for the year ended March 31, 2015 compared to a loss before income taxes of $2.4 million last year.

INTERSEGMENT ALLOCATED COSTS

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

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 22.

Financial Condition

Below are selected balance sheet items for the past five years:

	Balance sheet summary as at March 31				
(C$ thousands)	2015	2014	2013	2012	2011
	IFRS	IFRS	IFRS	IFRS	IFRS
Assets					
Cash and cash equivalents	$ 322,324	$ 364,296	$ 491,012	$ 814,238	$ 954,068
Securities owned	848,128	1,143,201	924,337	1,171,988	947,185
Accounts receivable	2,491,488	2,785,898	2,513,958	3,081,640	2,828,812
Income taxes recoverable	5,295	3,983	—	8,301	—
Deferred tax assets	10,148	9,735	12,552	3,959	1,503
Investments	8,693	9,977	3,695	9,493	5,934
Equipment and leasehold improvements	43,373	50,975	42,979	51,084	40,818
Goodwill and other intangible assets	640,456	646,557	614,969	622,020	319,180
Total assets	$ 4,369,905	$ 5,014,622	$ 4,603,502	$ 5,762,723	$ 5,097,500
Liabilities and shareholders' equity					
Bank indebtedness	$ 20,264	$ —	$ 66,138	$ 75,141	$ 13,580
Short term credit facility	—	—	—	150,000	—
Securities sold short	654,639	913,913	689,020	914,649	722,613
Accounts payable and accrued liabilities	2,527,636	2,877,933	2,726,735	3,550,600	3,551,124
Provisions	14,320	10,334	20,055	39,666	6,151
Income taxes payable	8,172	10,822	4,428	—	23,977
Contingent consideration	—	—	14,218	—	—
Deferred tax liabilities	2,057	3,028	2,576	8,088	8,163
Subordinated debt	15,000	15,000	15,000	15,000	15,000
Shareholders' equity	1,117,542	1,168,680	1,049,163	992,125	756,892
Non-controlling interests	10,275	14,912	16,169	17,454	—
Total liabilities and shareholders' equity	$ 4,369,905	$ 5,014,622	$ 4,603,502	$ 5,762,723	$ 5,097,500

ASSETS

Cash and cash equivalents were $322.3 million on March 31, 2015 compared to $364.3 million on March 31, 2014. Refer to the Liquidity and Capital Resources section for more details.

Securities owned were $848.1 million compared to $1.1 billion on March 31, 2014, mainly attributable to a decrease in both corporate and government debt owned.

Accounts receivable were $2.5 billion on March 31, 2015 compared to $2.8 billion on March 31, 2014, mainly due to a decrease in receivables from brokers and investment dealers.

Goodwill was $505.6 million and intangible assets were $134.9 million at March 31, 2015, representing the goodwill and intangible assets acquired through the purchases of Genuity Capital Markets, Collins Stewart Hawkpoint plc (CSHP), a 50% interest in Canaccord Genuity (Australia) Limited, and the wealth management business of Eden Financial Ltd. The change in intangible assets from March 31, 2014 was primarily a result of the amortization of intangible assets, netted against an increase in capitalized costs relating to systems development, as well as the appreciation of the US dollar and pound sterling against the Canadian dollar. The changes in goodwill were due to the impairment charge of $4.5 million in connection with our China-based operations and the impairment charge of $10.0 million in connection with our Singapore-based operations, offset by the depreciation of the Canadian dollar as discussed above.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments, were $67.5 million at March 31, 2015 compared to $74.7 million at March 31, 2014.

LIABILITIES AND SHAREHOLDERS' EQUITY

Bank overdrafts and call loan facilities utilized by the Company may vary significantly on a day-to-day basis and depend on securities trading activity. On March 31, 2015, Canaccord Genuity Group had available credit facilities with banks in Canada and the UK & Europe in the aggregate amount of $770.0 million [March 31, 2014 – $720.8 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. On March 31, 2015, there was bank indebtedness of $20.3 million, compared to $nil on March 31, 2014.

Accounts payable and accrued liabilities, including provisions, were $2.5 billion, a decrease from $2.9 billion on March 31, 2014, mainly due to a decrease in payables to brokers and investment dealers.

Securities sold short were $654.6 million at March 31, 2015 compared to $913.9 million at March 31, 2014, due mostly to a decrease in short positions in corporate and government debt.

Other liabilities, including subordinated debt, income taxes payable and deferred tax liabilities, were $25.2 million at March 31, 2015, a decrease from $28.9 million in the prior year.

Non-controlling interests were $10.3 million at March 31, 2015 compared to $14.9 million at March 31, 2014. During the current fiscal year, the Company purchased a portion of the non-controlling interests, thereby reducing the non-controlling interests to 40% 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 totalling $1.1 million (US$0.9 million) [March 31, 2014 – $0.9 million (US$0.9 million)] as rent guarantees for its leased premises in New York.

The following table summarizes Canaccord Genuity Group's long term contractual obligations on March 31, 2015.

		Contractual obligations payments due by period			
(C$ thousands)	Total	Fiscal 2016	Fiscal 2017– Fiscal 2018	Fiscal 2019– Fiscal 2020	Thereafter
Premises and equipment operating leases	$ 183,217	$ 34,621	$ 56,319	$ 38,326	$ 53,951

Liquidity and Capital Resources

Canaccord Genuity Group has a capital structure comprised of preferred shares, common shares, contributed surplus, retained earnings and accumulated other comprehensive losses, which is further complemented by subordinated debt.

On March 31, 2015, cash and cash equivalents were $322.3 million, a decrease of $42.0 million from $364.3 million as of March 31, 2014. During the fiscal year ended March 31, 2015, financing activities used cash in the amount of $85.8 million, which was primarily due to the $38.8 million used for cash dividends paid on common and preferred shares, $9.9 million used for redemption of share capital, and $58.2 million used for the acquisition of common shares for the long-term incentive plan (LTIP). Investing activities used cash in the amount of $29.6 million, primarily related to the purchase of equipment and leasehold improvements, the purchase of intangible assets, and the purchase of the non-controlling interest in Australia. Operating activities provided cash in the amount of $71.4 million, which was due to changes in working capital. A $2.0 million increase in cash was attributable to the effect of foreign exchange on cash balances.

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

Preferred Shares

SERIES A PREFERRED SHARES

In fiscal 2012, the Company issued 4,540,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series A (Series A Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $113.5 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $110.8 million.

Quarterly cumulative cash dividends, if declared, will be paid at an annual rate of 5.5% for the initial five-year period ending on September 30, 2016. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 3.21%.

Holders of Series A Preferred Shares have the right, at their option, to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series B (Series B Preferred Shares), subject to certain conditions, on September 30, 2016 and on September 30 every five years thereafter. Holders of the Series B Preferred Shares will be entitled to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.21%.

The Company has the option to redeem the Series A Preferred Shares on September 30, 2016 and on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends. The Series B Preferred Shares are redeemable at the Company's option on September 30, 2021 and on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

SERIES C PREFERRED SHARES

In fiscal 2013, the Company issued 4,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series C (Series C Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $100.0 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $97.5 million.

Quarterly cumulative cash dividends, if declared, will be paid at an annual rate of 5.75% for the initial five-year period ending on June 30, 2017. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 4.03%.

Holders of Series C Preferred Shares have the right, at their option, to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series D (Series D Preferred Shares), subject to certain conditions, on June 30, 2017 and on June 30 every five years thereafter. Holders of the Series D Preferred Shares will be entitled to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.03%.

The Company has the option to redeem the Series C Preferred Shares on June 30, 2017 and on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends. The Series D Preferred Shares are redeemable at the Company's option on June 30, 2022 and on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

Outstanding Share Data

	Outstanding shares as of March 31	
	2015	2014
Preferred shares		
Series A – issued shares outstanding	4,540,000	4,540,000
Series C – issued shares outstanding	4,000,000	4,000,000
Common shares		
Issued shares excluding unvested shares(1)	91,794,667	93,115,359
Issued shares outstanding(2)	102,607,705	101,471,456
Issued shares outstanding – diluted(3)	104,704,483	107,937,492
Average shares outstanding – basic	91,693,485	94,124,672
Average shares outstanding – diluted(4)	n/a	101,992,679

(1) Excludes 3,424,549 outstanding unvested shares related to share purchase loans for recruitment and 7,388,489 unvested shares purchased by the employee benefit trusts for the LTIP.
(2) Includes 3,424,549 unvested shares related to share purchase loans for recruitment and 7,388,489 unvested shares purchased by the employee benefit trusts for the LTIP.
(3) Includes 3,531,202 of share issuance commitments adjusted for estimated forfeitures.
(4) This is the diluted share number used to calculate diluted EPS. For years with net losses attributable to common shareholders, all instruments involving potential common shares were excluded from the calculation of diluted earnings per share as they were anti-dilutive.

On August 6, 2013, the Company filed a notice to renew the NCIB to provide the Company with the choice to purchase up to a maximum of 5,136,948 of its common shares during the period from August 13, 2013 to August 12, 2014 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. There were 2,634,304 shares purchased through the NCIB between August 13, 2013 and August 12, 2014. They were all cancelled.

On August 5, 2014, 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 5,100,049 of its common shares during the period from August 13, 2014 to August 12, 2015 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. There were 933,449 shares purchased through the NCIB between August 13, 2014 and March 31, 2015 and cancelled.

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

Purchases under the current NCIB commenced on August 13, 2014, and will continue for one year (to August 12, 2015) at the discretion of the Company. The maximum consideration will be the market price of the securities at the time of acquisition. In order to comply with the trading rules of the TSX and the conditions for trading under the *EU Buy-back and Stabilisation Regulation*, the daily purchases are limited to 77,383 common shares of the Company (which is the lesser of (a) 25% of the average daily trading volume of common shares of the Company on the TSX in the six calendar months from February 2014 to July 2014 and (b) 25% of the average daily trading volume of common shares of the Company on the TSX in the month of July 2014). To fulfill its regulatory reporting requirements in Canada and in the UK, the Company will issue a press release no later than the end of the seventh daily market session following the date of execution of the purchases.

As of May 31, 2015, the Company has 102,572,826 common shares issued and outstanding.

ISSUANCE AND CANCELLATION OF COMMON SHARE CAPITAL

	Fiscal 2015
Total common shares issued and outstanding as of March 31, 2014	101,471,456
Shares issued in connection with share-based payment plans	2,565,653
Shares issued in connection with replacement plans	270,528
Shares cancelled	(1,699,932)
Total common shares issued and outstanding as of March 31, 2015	102,607,705

Share-Based Payment Plans

LONG-TERM INCENTIVE PLAN

Under the long-term incentive plan (LTIP), eligible participants are awarded restricted share units (RSUs), which generally vest over three years. For employees in Canada, an employee benefit trust has been established. Prior to June 30, 2014, for employees in the United States and the United Kingdom, at the time of each RSU award, the Company allotted common shares and these shares were issued from treasury to plan participants following vesting of the RSUs.

Effective from June 2014, employee benefit trusts have also been established in the United States and the United Kingdom. The Company or certain of its subsidiaries, as the case may be, fund the employee benefit trusts (the Trusts) with cash which is used by the trustees to purchase common shares on the open market that will be held in the Trusts until the RSUs vest. The Company also has the option to issue common shares from treasury to plan participants following vesting of the RSUs.

FORGIVABLE COMMON SHARE PURCHASE LOANS

The Company provides forgivable common share purchase loans to employees in order to purchase common shares. These loans are forgiven over a vesting period. No interest is charged related to the share purchase loans. The common share purchase loans include the employee stock incentive plan, the bonus compensation plan and the appreciation program.

REPLACEMENT PLANS

As a result of the acquisition of CSHP, the Company introduced the Replacement Annual Bonus Equity Deferral (ABED) plan, which replaced the ABED plans that existed at CSHP as of the acquisition date. Eligible employees who participated in the CSHP ABED plan were granted awards under the Replacement ABED plan. In addition, the Company introduced the Replacement Long-term Incentive Plan, which replaced the existing LTIPs at CSHP as of the acquisition date for eligible employees.

CSH INDUCEMENT PLAN

In connection with the acquisition of CSHP, the Company agreed to establish a retention plan for key CSHP staff. On each vesting date, the RSUs entitle the awardee to receive cash or common shares of the Company. If at the vesting date the share price is less than $8.50 per share, then the Company, at its election, will either (a) pay cash to the employee equal to $8.50 multiplied by the number of RSUs vesting on such date, or (b) pay cash to the employee equal to the difference between $8.50 and the vesting date share price, multiplied by the number of RSUs vesting on that date plus that number of shares equal to the number of RSUs vesting on such date. If the share price is greater than $8.50, then the Company will settle the RSUs in common shares.

SHARE OPTIONS

The Company previously granted share options to purchase common shares of the Company to independent directors and senior management. The independent directors and senior management have been granted options to purchase common shares of the Company. As at March 31, 2015, there were 1,609,354 options outstanding. The stock options vest over a four- to five-year period and expire seven years after the grant date. The weighted average exercise price of the share options is $9.25 per common share.

DEFERRED SHARE UNITS

Beginning April 1, 2011, the Company adopted a deferred share unit (DSU) plan for its independent directors. The independent directors can elect to have fees payable to them paid in the form of DSUs or in cash. Directors must elect annually as to how they wish their directors' fees to be paid and can specify the allocation of their directors' fees between DSUs and cash. When a director leaves the Board of Directors, outstanding DSUs are paid out in cash, with the amount equal to the number of DSUs granted multiplied by the closing share price as of the end of the fiscal quarter immediately following such terminations. Under the plan, the directors are not entitled to receive any common shares in the Company, and under no circumstances will DSUs confer on any participant any of the rights or privileges of a holder of common shares.

OTHER RETENTION AND INCENTIVE PLANS

During the course of the fiscal year, there were other retention and incentive plans, including the employee stock purchase plan, with individual employees, for which the amount incurred was not significant in the aggregate.

International Financial Centre

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

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.

The Company's principal trading subsidiaries and principal intermediate holding companies are listed in the following table:

		% equity interest	
	Country of incorporation	March 31, 2015	March 31, 2014
Canaccord Genuity Corp.	Canada	100%	100%
Canaccord Genuity SAS	France	100%	100%
Canaccord Genuity Wealth (International) Limited	Guernsey	100%	100%
Canaccord Genuity Financial Planning Limited	United Kingdom	100%	100%
Canaccord Genuity Wealth Limited	United Kingdom	100%	100%
Canaccord Genuity Wealth Group Limited	United Kingdom	100%	100%
Canaccord Genuity Limited	United Kingdom	100%	100%
Canaccord Genuity Inc.	United States	100%	100%
Canaccord Genuity Wealth Management (USA) Inc.	United States	100%	100%
Canaccord Wealth & Estate Planning Services Ltd.	Canada	100%	100%
Canaccord Asset Management Inc.	Canada	100%	100%
Canaccord Adams Financial Group Inc.	United States	100%	100%
Collins Stewart Inc.	United States	100%	100%
Canaccord Adams (Delaware) Inc.	United States	100%	100%
Canaccord Adams Financial Group ULC	Canada	100%	100%
Canaccord Genuity Securities LLC	United States	100%	100%
Stockwave Equities Ltd.	Canada	100%	100%
CLD Financial Opportunities Limited	Canada	100%	100%
Canaccord Genuity Singapore Pte Ltd.	Singapore	100%	100%
Canaccord Genuity (Hong Kong) Limited	China (Hong Kong SAR)	100%	100%
Canaccord Financial Group (Australia) Pty Ltd.*	Australia	50%	50%
Canaccord Genuity (Australia) Limited*	Australia	50%	50%
加通贝祥（北京）投资顾问有限公司 (Canaccord Genuity Asia (Beijing) Limited)	China	100%	100%
The Balloch Group Limited	British Virgin Islands	100%	100%
Canaccord Genuity Asia (Hong Kong) Limited	China (Hong Kong SAR)	100%	100%
Canaccord Genuity (Barbados) Ltd.	Barbados	100%	100%

* The Company owns 50% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd. and Canaccord Genuity (Australia) Limited, but for accounting purposes, as of March 31, 2015, the Company is considered to have a 60% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2014 – 50%].

Security trades executed for employees, officers and directors of Canaccord Genuity Group Inc. 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 Canaccord Genuity Group.

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

Disclosed in the table below are the amounts recognized as expenses related to individuals who are key management personnel as at March 31, 2015 and March 31, 2014.

	March 31, 2015	March 31, 2014
Short term employee benefits	$ 8,063	$ 16,790
Share-based payments	9,412	2,001
Total compensation paid to key management personnel	$ 17,475	$ 18,791

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

	March 31, 2015	March 31, 2014
Accounts payable and accrued liabilities	$ 1,041	$ 4,769

Critical Accounting Policies and Estimates

The following is a summary of Canaccord Genuity Group's critical accounting estimates. The Company's accounting policies are in accordance with IFRS and are described in Note 5 to the Audited Consolidated Financial Statements for the year ended March 31, 2015. The Company's consolidated financial statements for the years ended March 31, 2014 and 2013 were also prepared in accordance with IFRS.

The preparation of the March 31, 2015 Audited Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. 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, tax losses available for carryforward, impairment of goodwill, indefinite life intangible assets and other long-lived assets, allowance for credit losses, fair value of financial instruments, capitalization of software costs, and provisions. Significant accounting policies used and policies requiring management's judgment and estimates are disclosed in Notes 2 and 5 of the Audited Consolidated Financial Statements for the year ended March 31, 2015.

CONSOLIDATION

The Company owns 50% of the voting shares of Canaccord Genuity (Australia) Limited (CGAL) as at March 31, 2015. The Company also completed an evaluation of its contractual arrangement with the other shareholders and the power it has over the financial and operating policies of CGAL and determined it should consolidate under IFRS 10, "*Consolidated Financial Statements*" (IFRS 10), as at March 31, 2015 and 2014. Therefore, the financial position, financial performance and cash flows of CGAL have been consolidated. Although the Company owns 50% of the issued shares of CGAL, for accounting purposes, as of March 31, 2015, the Company is considered to have a 60% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. and therefore has recognized a 40% non-controlling interest (March 31, 2014 – 50%), which represents the portion of CGAL's net identifiable assets not owned by the Company. At the date of acquisition, the non-controlling interest was determined using the proportionate method. Net income (loss) and each component of other comprehensive income (loss) are attributed to the non-controlling interest and to the owners of the parent.

The Company has established employee benefit trusts, which are considered special purpose entities (SPEs), to fulfill obligations to employees arising from the Company's share-based payment plans. The employee benefit trusts have been consolidated in accordance with IFRS 10 since their activities are conducted on behalf of the Company, and the Company retains the majority of the benefits and risks of the employee benefit trusts.

INTANGIBLE ASSETS

Identifiable intangible assets acquired separately are measured on initial recognition at cost. The cost of identifiable intangible assets acquired in a business combination is equal to their fair value as at the date of acquisition. Following initial recognition, identifiable intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of identifiable intangible assets are assessed to be either finite or indefinite. Identifiable intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the identifiable intangible asset may be impaired. The amortization period and the amortization method for an identifiable intangible asset are reviewed at least annually, at each financial year end. Identifiable intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

Technology development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate that the technical feasibility of the asset for use has been established. The asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, and recognized in the income statement.

In assessing fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Company bases its impairment calculation on annual budget calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budget calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the consolidated statements of operations in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment at least annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level and when circumstances indicate that the carrying value may be impaired.

REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company assesses its revenue arrangements in order to determine if it is acting as principal or agent.

Commissions and fees revenue consists of revenue generated through commission-based brokerage services, recognized on a trade date basis, and the sale of fee-based products and services, recognized on an accrual basis. Realized and unrealized gains and losses on securities purchased for client-related transactions are reported as net facilitation losses and recorded as a reduction of commission revenues.

Investment banking revenue consists of underwriting fees and commissions earned on corporate finance activities. Revenue from underwritings and other corporate finance activities is recorded when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable.

Advisory fees consist of management and advisory fees that are recognized on an accrual basis. Also included in advisory fees is revenue from mergers and acquisitions activities, which is recognized when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable.

Principal trading revenue consists of income earned in connection with principal trading operations and is recognized on a trade date basis.

Interest revenue consists of interest earned on client margin accounts, interest earned on the Company's cash and cash equivalents balances, interest earned on cash delivered in support of securities borrowing activity, and dividends earned on securities owned. Interest revenue is recognized on an effective interest rate basis. Dividend income is recognized when the right to receive payment is established.

Other revenue includes foreign exchange gains or losses, revenue earned from our correspondent brokerage services and administrative fees revenues.

INCOME TAXES

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of operations.

Deferred tax

Deferred taxes are accounted for using the liability method. This method requires that deferred taxes reflect the expected deferred tax effect of temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial statement purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited in the statements of operations except where it relates to items that may be credited directly to equity, in which case the deferred tax is recognized directly against equity.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except where the amount of sales tax incurred is not recoverable from the tax authority. In these circumstances, sales tax is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of accounts receivable or accounts payable in the consolidated statements of financial position.

SHARE-BASED PAYMENTS

Employees (including senior executives and directors) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). Independent directors also receive DSUs as part of their remuneration, which can only be settled in cash (cash-settled transactions). The dilutive effect of outstanding options and share-based payments is reflected as additional share dilution in the computation of diluted earnings per common share.

Equity-settled transactions

For equity-settled transactions, the Company measures the fair value of share-based awards as of the grant date and recognizes the cost as an expense over the applicable vesting period with a corresponding increase in contributed surplus. The cost is recognized on a graded basis.

The Company estimates the number of equity instruments that will ultimately vest when calculating the expense attributable to equity-settled transactions. No expense is recognized for awards that do not ultimately vest.

When share-based awards vest, contributed surplus is reduced by the applicable amount and share capital is increased by the same amount.

Cash-settled transactions

Cash-settled transactions are measured initially at fair value at the grant date. The fair values of DSUs are expensed upon grant, as there are no vesting conditions. 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.

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS AND FOREIGN SUBSIDIARIES

The Company's consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each subsidiary of the Company determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and its subsidiaries at their respective functional currencies using exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at the exchange rate in effect at the reporting date. All differences upon translation are recognized in the consolidated statements of operations.

Non-monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at historical rates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates in effect at the date when the fair value is determined.

Translation of foreign subsidiaries

Assets and liabilities of foreign subsidiaries with a functional currency other than the Canadian dollar are translated into Canadian dollars at rates prevailing at the reporting date, and income and expenses are translated at average exchange rates prevailing during the period. Unrealized gains or losses arising as a result of the translation of the foreign subsidiaries are recorded in accumulated other comprehensive income (loss). On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of operations.

The Company also has monetary assets and liabilities that are receivable or payable from a foreign operation. If settlement of the receivable or payable is neither planned nor likely to occur in the foreseeable future, the differences upon translation are recognized in accumulated other comprehensive income (loss) as these receivables and payables form part of the net investment in the foreign operation.

PROVISIONS

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of operations net of any reimbursement. If the effect of the time value of money is significant, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Financial Instruments

A significant portion of the Company's assets and liabilities are composed of financial instruments. The Company uses financial instruments for both trading and non-trading activities. Canaccord Genuity Group engages in trading activities which include the purchase and sale of securities in the course of facilitating client trades and taking principal trading positions with the objective of earning a profit.

The use of financial instruments may either introduce or mitigate exposures to market, credit and/or liquidity risks. See Risk Management in this MD&A for details on how these risks are managed. For significant assumptions made in determining the valuation of financial and other instruments, refer to Critical Accounting Policies and Estimates in this MD&A. For additional information regarding the Company's financial instruments, refer to Note 7 of the Audited Consolidated Financial Statements for the year ended March 31, 2015.

DERIVATIVE FINANCIAL INSTRUMENTS

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. Realized and unrealized gains and losses related to these contracts are recognized in the consolidated statements of operations during the reporting period.

On March 31, 2015, forward contracts outstanding to sell US dollars had a notional amount of US$7.5 million, a decrease of US$6.3 million from a year ago. Forward contracts outstanding to buy US dollars had a notional amount of US$12.0 million, an increase of US$6.5 million compared to a year ago. Canaccord Genuity Group'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.

The Company's Canadian operations also have a net buy position for pounds sterling (GBP) of £2.5 million, unchanged from the prior year. Forward contracts to buy euro (EUR) had a notional amount of €1.1 million.

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

FUTURES

The Company's Canadian operations are involved in trading bond futures contracts, which are agreements to buy or sell a standardized amount of an underlying Government of Canada bond, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations trade in bond futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At March 31, 2015, the notional amount of the bond futures contracts outstanding was long $1.6 million [March 31, 2014 – $nil].

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

Future Changes in Accounting Policies and Estimates

The Company monitors the potential changes proposed by the International Accounting Standards Board on an ongoing basis and analyzes the effect that changes in the standards may have on the Company's operations.

Please see Note 4 of the Audited Consolidated Financial Statements for the year ended March 31, 2015 for further information.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

DISCLOSURE CONTROLS AND PROCEDURES

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management, including the Chairman & CEO and the Executive Vice President & CFO, has designed internal control over financial reporting as defined under *National Instrument 52-109* to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Based on that evaluation, the Chairman & CEO and the Executive Vice President & CFO concluded that the Company's internal control over financial reporting was designed and operating effectively as of and during the year ended March 31, 2015 and that there were no material weaknesses in our internal control over financial reporting.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in internal control over financial reporting that occurred during the year ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, Canaccord Genuity Group's internal control over financial reporting.

Risk Management

OVERVIEW

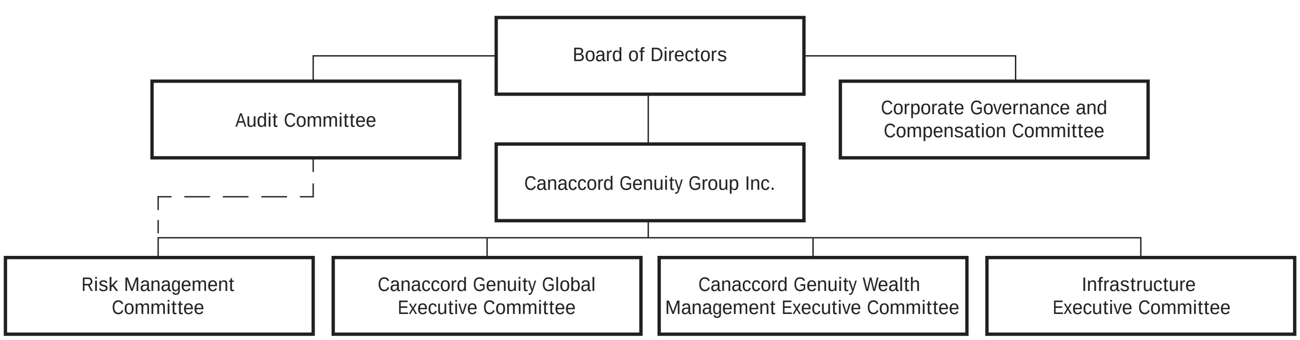
Uncertainty and risk are inherent when conducting operations within financial markets. As an active participant in the Canadian and international capital markets, Canaccord Genuity Group is exposed to risks that could result in financial losses. The Company has identified its principal risks as: market risk, credit risk, operational risk and other risks. Accordingly, risk management and control of the balance between risk and return are critical elements in maintaining the Company's financial stability and profitability. Therefore, an effective risk management framework is integral to the success of Canaccord Genuity Group Inc.

RISK MANAGEMENT STRUCTURE AND GOVERNANCE

Canaccord Genuity Group's disciplined risk management process encompasses a number of functional areas and requires frequent communication, judgment and knowledge of the business, products and markets. The Company's senior management is actively involved in the risk management process and has developed policies, procedures and reports that enable the Company to assess and control its risks. These policies and procedures are subject to ongoing review and modification as activities, markets and circumstances change.

As part of Canaccord Genuity Group's risk philosophy, the first line of responsibility for managing risk lies with branch managers, department heads and trading desk managers (within prescribed limits). The monitoring and control of the Company's risk exposure is conducted through a variety of separate, but complementary, financial, credit, operational, compliance and legal reporting systems.

The Company's governance structure includes the following elements:



The Board of Directors (the Board) has oversight of the company-wide risk management framework. These responsibilities are delegated to the Audit and Risk Management Committees. See Canaccord Genuity Group's current Annual Information Form (AIF) for details of the Audit Committee's mandate as it relates to risk management.

The Audit Committee assists the Board in fulfilling its oversight responsibility by monitoring the effectiveness of internal controls and the control environment. It also receives and reviews various quarterly and annual updates, and reports on key risk metrics as well as the overall risk management program.

The Risk Management Committee assists the Board in fulfilling its responsibilities for monitoring risk exposures against the defined risk appetite and for general oversight of the risk management process. The Risk Management Committee is led by the CFO, and committee members include the CEO and senior management representation from the key revenue-producing businesses and functional areas of Canaccord Genuity Group. The Committee identifies, measures and monitors the principal risks facing the business through review and approval of the Company's risk appetite, policies, procedures, and limits / thresholds.

The segregation of duties and management oversight are important aspects of the Company's risk management framework. Canaccord Genuity Group has a number of functions that are independent of the revenue-producing businesses that perform risk management activities, including the monitoring, evaluating and analyzing of risk. These functions include Enterprise Risk Management, Compliance, Operations, Internal Controls and Financial Analysis, Treasury, Finance and Legal.

MARKET RISK

Market risk is the risk that a change in market prices and / or any of the underlying market factors will result in losses. Each business area is responsible for ensuring that its market risk exposure is prudent. In addition, the Company has established procedures to ensure that risks are measured, closely monitored, controlled and visible to senior levels of management.

Canaccord Genuity Group is exposed to equity price risk, liquidity risk and volatility risk as a result of its principal trading activities in equity securities. The Company is also exposed to specific interest rate risk, credit spread risk and liquidity risk in respect of its principal trading in fixed income securities. In addition to active supervision and review of trading activities by senior management, Canaccord Genuity Group mitigates its risk exposure through a variety of limits to control concentration, capital allocation and usage, as well as through trading policies and guidelines. The Company manages and monitors its risks in this area using both qualitative and quantitative measures, on a company-wide basis, and also by trading desk and by individual trader. Canaccord Genuity Group operates a firm-wide scenario analysis and Value-at-Risk (VaR) risk measurement system for its equity and fixed income inventories. Management also regularly reviews and monitors inventory levels and positions, trading results, position aging and concentration levels. Consequently, the Company can ensure that it is adequately diversified with respect to market risk factors and that trading activity is within the risk tolerance levels established by senior management. For a detailed description of Canaccord Genuity Group's VaR methodology, see the Market Risk section in the Company's current AIF.

CREDIT RISK

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The primary source for credit risk to Canaccord Genuity Group is in connection with trading activity by clients in the Canaccord Genuity Wealth Management business segment and private client margin accounts. In order to minimize financial exposure in this area, the Company applies certain credit standards and conducts financial reviews with respect to clients and new accounts.

Canaccord Genuity Group provides financing to clients by way of margin lending. In a margin-based transaction, the Company extends credit for a portion of the market value of a securities transaction in a client's account, up to certain limits. Margin loans are collateralized by securities in the client's account. In connection with this lending activity, Canaccord Genuity Group faces a risk of financial loss in the event that a client fails to meet a margin call if market prices for securities held as collateral decline and if the Company is unable to recover sufficient value from the collateral held. For margin lending purposes, Canaccord Genuity Group has established limits that are generally more restrictive than those required by applicable regulatory policies.

Canaccord Genuity Group also faces a risk of financial loss with respect to trading activity by clients if such trading results in overdue or unpaid amounts in under-secured cash accounts. The Company has developed a number of controls within its automated trade order management system to ensure that trading by individual account and advisor is done in accordance with customized limits and risk parameters.

The Company is engaged in various trading and brokerage activities whose counterparties primarily include broker dealers, banks, clearing agents, exchanges, financial intermediaries and other financial institutions. These activities include agency trading, securities borrowing and lending, and entering into repurchase agreements and reverse repurchase agreements. In the event that counterparties do not fulfill their obligations, Canaccord Genuity Group may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty and / or the issuer of the instrument. The Company manages this risk by imposing and monitoring individual and aggregate position limits within each business segment, for each counterparty, conducting regular credit reviews of financial counterparties, reviewing security and loan concentrations, holding and marking to market collateral on certain transactions, and conducting business through clearing organizations that guarantee performance.

Canaccord Genuity Group records a provision for bad debts in general and administrative expense. Any actual losses arising from or associated with client trading activity as described above are charged to this provision. Historically, this provision has been sufficient to cover actual losses.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, fraud, people and systems, or from external events such as the occurrence of disasters or security threats. Operational risk exists in all of the Company's activities, including processes, systems and controls used to manage other risks. Failure to manage operational risk can result in financial loss, reputational damage, regulatory fines and failure to manage market or credit risks.

Canaccord Genuity Group operates in different markets and relies on its employees and systems to process a high number of transactions. In order to mitigate this risk, the Company has developed a system of internal controls and checks and balances at appropriate levels, which includes overnight trade reconciliation, control procedures related to clearing and settlement, transaction and daily value limits within all trading applications, cash controls, physical security, independent review procedures, documentation standards, billing and collection procedures, and authorization and processing controls for transactions and accounts. In addition, the Company has implemented an operational risk program that helps Canaccord Genuity Group measure, manage, report and monitor operational risk issues (see RCSA below). Canaccord Genuity Group also has disaster recovery procedures, business continuity plans and built-in redundancies in place in the event of a systems or technological failure. In addition, the Company utilizes third party service agreements and security audits where appropriate.

Risk and Control Self-Assessment (RCSA)

The purpose of RCSAs is to:

- Identify and assess key risks inherent to the business and categorize them based on severity and frequency of occurrence
- Rate the effectiveness of the control environment associated with the key risks
- Mitigate the risks through the identification of action plans to improve the control environment where appropriate
- Provide management with a consistent approach to articulate and communicate the risk profiles of their areas of responsibility
- Meet regulatory requirements and industry standards

Canaccord Genuity Group has established a process to determine what the strategic objectives of each group / unit / department are and identify, assess and quantify operational risks that hinder the Company's ability to achieve those objectives. The RCSA results are specifically used to calculate the operational risk regulatory capital requirements for operations in the UK and operational risk exposure in all geographies. The RCSAs are periodically updated and results are reported to the Risk Management and Audit Committees.

OTHER RISKS

Other risks encompass those risks that can have an adverse material impact on the business but do not belong to market, credit or operational risk categories.

Regulatory and legal risk

Regulatory risk results from non-compliance with regulatory requirements, which could lead to fines and / or sanctions. Canaccord Genuity Group has established procedures to ensure compliance with all applicable statutory and regulatory requirements in each jurisdiction. These procedures address issues such as regulatory capital requirements, disclosure requirements, internal controls over financial reporting, sales and trading practices, use of and safekeeping of client funds, credit granting, collection activity, anti-money laundering, insider trading, conflicts of interest and recordkeeping.

Legal risk results from potential criminal, civil or regulatory litigation against Canaccord Genuity Group that could materially affect the Company's business, operations or financial condition. Canaccord Genuity Group has in-house legal counsel, as well as access to external legal counsel, to assist the Company in addressing legal matters related to operations and to defend the Company's interests in various legal actions.

Losses or costs associated with routine regulatory and legal matters are included in general and administrative expense in Canaccord Genuity Group's Audited Consolidated Financial Statements.

Reputational risk

Reputational risk is the risk that an activity undertaken by an organization or its representatives will impair its image in the community or lower public confidence in it, resulting in a loss of revenue, legal action or increased regulatory oversight. Possible sources of reputational risk could come from operational failures, non-compliance with laws and regulations, or leading an unsuccessful financing. Reputational risk can also be reflected within customer satisfaction and external ratings, such as equity analyst reports. In addition to its various risk management policies, controls and procedures, Canaccord Genuity Group has a formal Code of Business Conduct and Ethics and an integrated program of marketing, branding, communications and investor relations to help manage and support the Company's reputation.

RISK FACTORS

For a detailed list of the risk factors that are relevant to Canaccord Genuity Group's business and the industry in which it operates, see the Risk Factors section in the Company's current AIF. Risks include, but are not necessarily limited to, those listed in the AIF. Investors should carefully consider the information about risks, together with the other information in this document, before making investment decisions. It should be noted that this list is not exhaustive, but contains risks that Canaccord Genuity Group considers to be of particular relevance. Other risk factors may apply.

CONTROL RISK

As of March 31, 2015, senior officers and directors of the Company collectively owned approximately 18.0% of the issued and outstanding (23.0% fully diluted) common shares of Canaccord Genuity Group Inc. If a sufficient number of these shareholders act or vote together, they will have the power to exercise significant influence over all matters requiring shareholder approval, including the election of the Company's directors, amendments to its articles, amalgamations and plans of arrangement under Canadian law and mergers or sales of substantially all of its assets. This could prevent Canaccord Genuity Group from entering into transactions that could be beneficial to the Company or its other shareholders. Also, third parties could be discouraged from making a tender offer or takeover bid to acquire any or all of the outstanding common shares of the Company.

In addition, as at March 31, 2015, the single largest shareholder that management was aware of was RBC Global Asset Management Inc. The most recent filing that confirms its total holdings was filed on March 9, 2015, which indicated the company owned 5,156,774 shares of Canaccord Genuity Group Inc. The company's ownership outlined in this filing represents 5.03% of common shares issued and outstanding as at March 31, 2015.

Any significant change in these shareholdings through sale or other disposition, or significant acquisitions by others of the common shares in the public market or by way of private transactions, could result in a change of control and changes in business focus or practices that could affect the profitability of Canaccord Genuity Group's business.

Restrictions on ownership and transfer of common shares

Restrictions on ownership and transfer of common shares in the articles of Canaccord Genuity Group to prevent unauthorized change in control without regulatory approval could, in certain cases, affect the marketability and liquidity of the common shares.

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, Canaccord Genuity Group's financial condition, results of operations, capital requirements and such other factors as the Board determines to be relevant.

Dividend Declaration

On June 2, 2015, the Board of Directors approved a quarterly dividend of $0.05 per common share payable on July 2, 2015 with a record date of June 19, 2015. The Board of Directors also approved a cash dividend of $0.34375 per Series A Preferred Share payable on June 30, 2015 with a record date of June 19, 2015; as well as a cash dividend of $0.359375 per Series C Preferred Share payable on June 30, 2015 with a record date of June 19, 2015.

Additional Information

Additional information relating to Canaccord Genuity Group Inc., including the Company's Annual Information Form, can be found on SEDAR's website at www.sedar.com.

Independent Auditors' Report

To the Shareholders of
Canaccord Genuity Group Inc.

We have audited the accompanying consolidated financial statements of Canaccord Genuity Group Inc., which comprise the consolidated statements of financial position as at March 31, 2015 and 2014, and the consolidated statements of operations, comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Canaccord Genuity Group Inc. as at March 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Chartered accountants
Vancouver, Canada
June 2, 2015

Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	March 31, 2015	March 31, 2014
ASSETS			
Current			
Cash and cash equivalents		$ 322,324	$ 364,296
Securities owned	6	848,128	1,143,201
Accounts receivable	9	2,491,488	2,785,898
Income taxes receivable		5,295	3,983
Total current assets		3,667,235	4,297,378
Deferred tax assets	14	10,148	9,735
Investments	10	8,693	9,977
Equipment and leasehold improvements	11	43,373	50,975
Intangible assets	13	134,877	131,650
Goodwill	13	505,579	514,907
		$ 4,369,905	$ 5,014,622
LIABILITIES AND EQUITY			
Current			
Bank indebtedness	7	$ 20,264	$ —
Securities sold short	6	654,639	913,913
Accounts payable and accrued liabilities	9, 20	2,527,636	2,877,933
Provisions	24	14,320	10,334
Income taxes payable		8,172	10,822
Subordinated debt	15	15,000	15,000
Total current liabilities		3,240,031	3,828,002
Deferred tax liabilities	14	2,057	3,028
		3,242,088	3,831,030
Equity			
Preferred shares	16	205,641	205,641
Common shares	17	620,858	653,189
Contributed surplus		85,597	74,037
Retained earnings		92,815	144,799
Accumulated other comprehensive income		112,631	91,014
Total shareholders' equity		1,117,542	1,168,680
Non-controlling interests		10,275	14,912
Total equity		1,127,817	1,183,592
		$ 4,369,905	$ 5,014,622

See accompanying notes

On behalf of the Board:

DAVID KASSIE
Director

TERRENCE A. LYONS
Director

Consolidated Statements of Operations

For the years ended (in thousands of Canadian dollars, except per share amounts)	Notes	March 31, 2015	March 31, 2014
REVENUE			
Commissions and fees		$ 374,058	$ 361,647
Investment banking		238,517	221,410
Advisory fees		151,336	139,142
Principal trading		75,217	91,313
Interest		22,212	24,549
Other		19,423	17,183
		880,763	855,244
EXPENSES			
Incentive compensation		455,480	413,289
Salaries and benefits		85,770	91,135
Trading costs		52,795	47,872
Premises and equipment		40,281	38,461
Communication and technology		51,758	46,065
Interest		13,424	16,359
General and administrative		94,688	83,834
Amortization	11, 13	28,428	26,786
Development costs		24,448	21,369
Restructuring costs	24	24,813	5,486
Impairment of goodwill	13	14,535	—
		886,420	790,656
(Loss) income before income taxes		(5,657)	64,588
Income tax expense (recovery)	14		
Current		7,261	8,270
Deferred		(1,600)	4,261
		5,661	12,531
Net (loss) income for the year		$ (11,318)	$ 52,057
Net (loss) income attributable to:			
CGGI shareholders		$ (13,184)	$ 51,413
Non-controlling interests		$ 1,866	$ 644
Weighted average number of common shares outstanding (thousands)			
Basic	17	91,693	94,125
Diluted	17	n/a	101,993
Net (loss) income per common share			
Basic	17	$ (0.27)	$ 0.42
Diluted	17	$ (0.27)	$ 0.39
Dividend per Series A Preferred Share	18	$ 1.375	$ 1.375
Dividend per Series C Preferred Share	18	$ 1.4375	$ 1.4375
Dividend per common share	18	$ 0.25	$ 0.20

See accompanying notes

Consolidated Statements of Comprehensive (Loss) Income

For the years ended (in thousands of Canadian dollars)		March 31, 2015		March 31, 2014
Net (loss) income for the year	$	(11,318)	$	52,057
Other comprehensive income (loss) (OCI) to be reclassified to net income (loss) in future periods				
Net change in valuation of available for sale investments, net of tax		(314)		(149)
Net change in unrealized gains on translation of foreign operations, net of tax		22,945		97,791
Comprehensive income for the year	$	11,313	$	149,699
Comprehensive income attributable to:				
CGGI shareholders	$	8,433	$	149,545
Non-controlling interests	$	2,880	$	154

See accompanying notes

Consolidated Statements of Changes in Equity

As at and for the years ended (in thousands of Canadian dollars)	Notes	March 31, 2015	March 31, 2014
Preferred shares, opening and closing	16	$ 205,641	$ 205,641
Common shares, opening		653,189	638,456
Shares issued in connection with share-based payments		21,321	21,375
Acquisition of common shares for long-term incentive plan (LTIP)		(58,240)	(11,046)
Release of vested common shares from employee benefit trust		20,867	18,059
Shares cancelled		(11,702)	(26,393)
Net unvested share purchase loans		(4,577)	12,738
Common shares, closing	17	620,858	653,189
Contributed surplus, opening		74,037	85,981
Replacement stock plan awards related to the acquisition of Collins Stewart Hawkpoint plc (CSHP)		(2,420)	(4,612)
Share-based payments		8,015	559
Shares cancelled		656	3,891
Purchase of non-controlling interests		(3,092)	—
Unvested share purchase loans		8,401	(11,782)
Contributed surplus, closing		85,597	74,037
Retained earnings, opening		144,799	126,203
Net (loss) income attributable to CGGI shareholders		(13,184)	51,413
Common shares dividends	18	(26,806)	(21,055)
Preferred shares dividends	18	(11,994)	(11,762)
Retained earnings, closing		92,815	144,799
Accumulated other comprehensive income (loss), opening		91,014	(7,118)
Other comprehensive income attributable to CGGI shareholders		21,617	98,132
Accumulated other comprehensive income, closing		112,631	91,014
Total shareholders' equity		1,117,542	1,168,680
Non-controlling interests, opening		14,912	16,169
Foreign exchange on non-controlling interests		(1,171)	(751)
Comprehensive income attributable to non-controlling interests		2,880	154
Dividends paid to non-controlling interests		(1,723)	(660)
Purchase of non-controlling interests		(4,623)	—
Non-controlling interests, closing		10,275	14,912
Total equity		$ 1,127,817	$ 1,183,592

See accompanying notes

Consolidated Statements of Cash Flows

For the years ended (in thousands of Canadian dollars)	Notes	March 31, 2015	March 31, 2014
OPERATING ACTIVITIES			
Net (loss) income for the year		$ (11,318)	$ 52,057
Items not affecting cash			
Amortization	11, 13	28,428	26,786
Deferred income tax (recovery) expense		(1,600)	4,261
Share-based compensation expense	19	61,305	52,363
Impairment of goodwill	13	14,535	—
Impairment of investment in Canadian First Financial Holdings Limited (Canadian First)	10	1,000	—
Changes in non-cash working capital			
Decrease (increase) in securities owned		305,250	(193,629)
Decrease (increase) in accounts receivable		341,381	(221,777)
(Decrease) increase in income taxes payable, net		(1,153)	2,268
(Decrease) increase in securities sold short		(266,619)	213,725
(Decrease) increase in accounts payable, accrued liabilities and provisions		(399,788)	80,951
Cash provided by operating activities		71,421	17,005
FINANCING ACTIVITIES			
Increase (decrease) in bank indebtedness		20,264	(66,138)
Redemption of share capital		(9,936)	(21,117)
Acquisition of common shares for long-term incentive plan		(58,240)	(11,046)
Cash dividends paid on common shares		(26,806)	(21,055)
Cash dividends paid on preferred shares		(11,994)	(11,762)
Cash paid related to CSH Inducement Plan		(1,295)	—
Proceeds from exercise of stock options		2,222	—
Cash used in financing activities		(85,785)	(131,118)
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		(5,232)	(15,475)
Purchase of intangible assets		(16,636)	(7,002)
Purchase of non-controlling interests		(7,715)	—
Investment in Canaccord Genuity (Hong Kong) Limited		—	(699)
Investment in Canadian First		—	(5,730)
Contingent consideration paid on the acquisition of Eden Financial Ltd. (Eden Financial)		—	(9,129)
Cash used in investing activities		(29,583)	(38,035)
Effect of foreign exchange on cash balances		1,975	25,432
Decrease in cash position		(41,972)	(126,716)
Cash position, beginning of year		364,296	491,012
Cash position, end of year		$ 322,324	$ 364,296
Supplemental cash flow information			
Interest received		$ 22,187	$ 22,788
Interest paid		$ 12,836	$ 14,877
Income taxes paid		$ 16,020	$ 8,359

See accompanying notes

Notes to Consolidated Financial Statements

As at March 31, 2015 and March 31, 2014
and for the years ended March 31, 2015 and 2014
(in thousands of Canadian dollars, except per share amounts)

NOTE 01 Corporate Information

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the Company) is a leading independent, full-service investment dealer in Canada with capital markets operations in Canada, the United Kingdom (UK) & Europe, the United States of America (US), Australia, China, Singapore and Barbados. The Company also has wealth management operations in Canada, the UK & Europe, and Australia. The Company has operations in each of the two principal segments of the securities industry: capital markets and wealth management. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to the Company's private, institutional and corporate clients. The Company changed its name to Canaccord Genuity Group Inc. from Canaccord Financial Inc. on October 1, 2013.

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

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

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

NOTE 02 Basis of Preparation

STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

The consolidated financial statements are presented in Canadian dollars and all values are in thousands of dollars, except when otherwise indicated.

These audited consolidated financial statements were authorized for issuance by the Company's Board of Directors on June 2, 2015.

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Company, its subsidiaries and controlled special purpose entities (SPEs).

The financial results of a subsidiary or controlled SPE should be consolidated if the Company acquires control. Control is achieved when an entity has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the statements of operations from the effective date of the acquisition or up to the effective date of the disposal, as appropriate.

All inter-company transactions and balances have been eliminated. In cases where an accounting policy of a subsidiary differs from the Company's accounting policies, the Company has made the appropriate adjustments to ensure conformity for purposes of the preparation of these consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the 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 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.

Consolidation

The Company owns 50% of the voting shares of Canaccord Genuity (Australia) Limited (CGAL) as at March 31, 2015. The Company also completed an evaluation of its contractual arrangement with the other shareholders and the power it has over the financial and operating policies of CGAL and determined it should consolidate under IFRS 10, "*Consolidated Financial Statements*" (IFRS 10), as at March 31, 2015 and 2014. Therefore, the financial position, financial performance, and cash flows of CGAL have been consolidated. Although the Company owns 50% of the issued shares of CGAL as at March 31, 2015, for accounting purposes, the Company is considered to have a 60% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. Accordingly, the Company has recognized a 40% non-controlling interest as at March 31, 2015 (March 31, 2014 – 50%), which represents the portion of CGAL's net identifiable assets not owned by the Company. At the date of acquisition, the non-controlling interest was determined using the proportionate method. Net income (loss) and each component of other comprehensive income (loss) are attributed to the non-controlling interest and to the owners of the parent.

The Company has employee benefit trusts, which are considered SPEs [Note 19], to fulfill obligations to employees arising from the Company's share-based payment plans. The employee benefit trusts have been consolidated in accordance with IFRS 10 since their activities are conducted on behalf of the Company, and the Company retains the majority of the benefits and risks of the employee benefit trusts.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Judgment may be required to determine the amount of revenue that can be recognized and also the timing of the substantial completion of the underlying investment banking or advisory transactions.

Share-based payments

The Company measures the cost of equity-settled and cash-settled transactions with employees and directors based on the fair value of the awards granted. The fair value is determined based on the observable share prices or by using an appropriate valuation model. The use of option pricing models to determine the fair value requires the input of highly subjective assumptions including the expected price volatility, expected forfeitures, expected life of the award and dividend yield. Changes in the subjective assumptions can materially affect the fair value estimates. The assumptions and models used for estimating the fair value of share-based payments, if and as applicable, are disclosed in Note 19.

Income taxes and valuation of deferred taxes

Accruals for income tax liabilities require management to make estimates and judgments with respect to the ultimate outcome of tax filings and assessments. Actual results could vary from these estimates. The Company operates within different tax jurisdictions and is subject to individual assessments by these jurisdictions. Tax filings can involve complex issues, which may require an extended period of time to resolve in the event of a dispute or re-assessment by tax authorities. Deferred taxes are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and the level of future taxable profit.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The Company establishes tax provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as the Company's experience of previous tax audits.

Impairment of goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are tested for impairment at least annually, or whenever an event or change in circumstance may indicate potential impairment, to ensure that the recoverable amount of the cash-generating unit (CGU) to which goodwill and indefinite life intangible assets are attributed is greater than or equal to their carrying values.

In determining the recoverable amount, which is the higher of fair value less costs to sell (FVLCS) and value-in-use, management uses valuation models that consider such factors as projected earnings, price-to-earnings multiples, relief of royalties related to brand names and discount rates. Management must apply judgment in the selection of the approach to determining the recoverable amount and in making any necessary assumptions. These judgments may affect the recoverable amount and any resulting impairment write-down. The key assumptions used to determine recoverable amounts for the different cash-generating units are disclosed in Note 13.

Impairment of other long-lived assets

The Company assesses its amortizable long-lived assets at each reporting date to determine whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the recoverable amount of the asset or the CGU containing the asset using management's best estimates and available information.

Allowance for credit losses

The Company records allowances for credit losses associated with clients' receivables, loans, advances and other receivables. The Company establishes an allowance for credit losses based on management's estimate of probable unrecoverable amounts. Judgment is required as to the timing of establishing an allowance for credit losses and the amount of the required specific allowance, taking into consideration counterparty creditworthiness, current economic trends and past experience. Clients' receivable balances are generally collateralized by securities; therefore, any provision is generally measured after considering the market value of the collateral, if any.

Fair value of financial instruments

The Company measures its financial instruments at fair value. Fair value is determined on the basis of market prices from independent sources, if available. If there is no available market price, then the fair value is determined by using valuation models. The inputs to these models, such as expected volatility and liquidity discounts, are derived from observable market data where possible, but where observable data is not available, judgment is required to select or determine inputs to a fair value model.

There is inherent uncertainty and imprecision in estimating the factors that can affect fair value, and in estimating fair values generally, when observable data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect the reported fair values.

Provisions

The Company records provisions related to pending or outstanding legal matters and regulatory investigations. Provisions in connection with legal matters are determined on the basis of management's judgment in consultation with legal counsel, considering such factors as the amount of the claim, the possibility of wrongdoing by an employee of the Company and precedents. Contingent litigation loss provisions are recorded by the Company when it is probable that the Company will incur a loss as a result of a past event and the amount of the loss can be reliably estimated. The Company also records provisions related to restructuring costs when the recognition criteria for provisions as they apply to restructuring costs are fulfilled.

NOTE 03 Adoption of New and Revised Standards

The Company adopted certain standards and amendments, discussed below, which were effective as of April 1, 2014 and have been applied retrospectively.

The nature and the impact of each new standard and amendment are described below:

IAS 32 – "*Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32*"

These amendments clarify the meaning of "currently has a legally enforceable right to set off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Company, since none of the entities in the Company has any offsetting arrangements.

International Financial Reporting Interpretations Committee (IFRIC) 21 – "*Levies*"

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. This interpretation has no impact on the Company as the Company has applied the recognition principles under IAS 37, "*Provisions, Contingent Liabilities and Contingent Assets",* consistent with the requirements of IFRIC 21 in prior years.

Annual improvements – 2010–2012 cycle

In the 2010–2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13, "*Fair Value Measurement*". The amendment to IFRS 13 clarifies in the Basis for Conclusions that short term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no significant impact on the Company.

NOTE 04 Future Changes in Accounting Policies

The Company monitors the potential changes in standards proposed by the IASB and analyzes the effect that changes in the standards may have on the Company's operations. Potential changes are as follows:

IFRS 9 – "*Financial Instruments*"

In July 2014, the IASB issued the final version of IFRS 9, "*Financial Instruments",* which reflects all phases of the financial instruments project and replaces IAS 39, "*Financial Instruments: Recognition and Measurement",* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Company is still in the process of assessing the impact of the adoption of IFRS 9.

IFRS 15 – "*Revenue from Contracts with Customers*"

In May 2014, the IASB issued IFRS 15, "*Revenue from Contracts with Customers*". IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The standard supersedes all current revenue recognition requirements under IFRS. Application of the standard is mandatory for all entities and it applies to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2017. Application of the standard is mandatory and early adoption is permitted. The Company has not yet determined the impact of the adoption of IFRS 15 on the Company's financial statements.

NOTE 05 Summary of Significant Accounting Policies

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the fair value of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, "*Business Combinations*", are recognized at their fair value at the acquisition date except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, "*Non-current Assets Held for Sale and Discontinued Operations*", which are recognized and measured at FVLCS.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date at the best estimate of such amount. Subsequent changes in the fair value of the contingent consideration that are deemed to be a liability are recognized in the statements of operations.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the consideration transferred over the fair value of the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the difference is recognized in the statements of operations.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in each of the business combinations is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the corresponding combinations, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS AND FOREIGN SUBSIDIARIES

The Company's consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each subsidiary of the Company determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and its subsidiaries at their respective functional currencies using exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at the exchange rate in effect at the reporting date. All differences upon translation are recognized in the consolidated statements of operations.

Non-monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at historical rates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates in effect at the date when the fair value is determined.

Translation of foreign subsidiaries

Assets and liabilities of foreign subsidiaries with a functional currency other than the Canadian dollar are translated into Canadian dollars at rates prevailing at the reporting date, and income and expenses are translated at average exchange rates prevailing during the period. Unrealized gains or losses arising as a result of the translation of the foreign subsidiaries are recorded in accumulated other comprehensive income (loss). On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of operations.

The Company also has monetary assets and liabilities that are receivable or payable from a foreign operation. If settlement of the receivable or payable is neither planned nor likely to occur in the foreseeable future, the differences upon translation are recognized in accumulated other comprehensive income (loss) as these receivables and payables form part of the net investment in the foreign operation.

INTANGIBLE ASSETS

Identifiable intangible assets acquired separately are measured on initial recognition at cost. The cost of identifiable intangible assets acquired in a business combination is equal to their fair value as at the date of acquisition. Following initial recognition, identifiable intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The amortization of intangible assets is recognized in the consolidated statements of operations as part of amortization expense.

The useful lives of identifiable intangible assets are assessed to be either finite or indefinite. Identifiable intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the identifiable intangible asset may be impaired. The amortization period and the amortization method for an identifiable intangible asset are reviewed at least annually, at each financial year end.

Identifiable intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

Identifiable intangible assets purchased through the acquisitions of Genuity Capital Markets (Genuity), the 50% interest in Canaccord Genuity (Australia) Limited (Canaccord Genuity Australia), Collins Stewart Hawkpoint plc (CSHP) and Eden Financial are brand names, customer relationships, non-competition agreements, trading licences and technology, which have finite lives and are amortized on a straight-line basis over their estimated useful lives. In addition, a software under development became available for use during fiscal 2015, and the Company began amortizing the asset over its estimated useful life. The estimated amortization periods of these amortizable intangible assets are as follows:

	Acquired in business combinations				Internally developed
	Genuity	Canaccord Genuity Australia	CSHP	Eden Financial	Software
Brand names	indefinite	n/a	n/a	n/a	n/a
Customer relationships	11 years	5 years	8 to 24 years	8 years	n/a
Non-competition agreements	5 years	4.5 years	n/a	n/a	n/a
Trading licences	n/a	indefinite	n/a	n/a	n/a
Technology	n/a	n/a	3 years	n/a	10 years

Trading licences acquired through the acquisition of the 50% interest in Canaccord Genuity Australia are considered to have an indefinite life as they are expected to provide benefit to the Company over a continuous period. Branding acquired through the acquisition of Genuity is also considered to have an indefinite life, as it will provide benefit to the Company over a continuous period.

Internally developed software

Expenditures towards the development of an individual project are recognized as an intangible asset when the Company can demonstrate that the technical feasibility of the asset for use has been established. The asset is carried at cost less any accumulated amortization and accumulated impairment losses. Capitalized costs are expenditures directly attributable to the software development, such as employment, consulting or professional fees. Amortization of the asset begins when development is complete and the asset is available for use. The asset is amortized over the period of expected future benefit.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the FVLCS and the value-in-use of a particular asset or CGU. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, and recognized in the consolidated statements of operations.

In assessing FVLCS, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Company bases its impairment calculation on annual budget calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budget calculations generally cover a period of five years. A long term growth rate is then calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the consolidated statements of operations.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of operations.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level and when circumstances indicate that the carrying value may be impaired.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit, commercial paper and bankers' acceptances with a term to maturity of less than three months from the date of purchase, which are subject to an insignificant risk of changes in value.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

[i] Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale financial assets, as applicable.

Financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument. For financial assets, trade date accounting is applied, the trade date being the date at which the Company commits itself to either the purchase or sale of the asset.

All financial assets are initially measured at fair value. Transaction costs related to financial instruments classified as fair value through profit or loss are recognized in the consolidated statements of operations when incurred. Transaction costs for all financial instruments other than those classified as fair value through profit or loss are included in the costs of the assets.

Classification and subsequent measurement
Financial assets classified as fair value through profit or loss
Financial assets classified as fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as fair value through profit or loss. Financial assets purchased for trading activities are classified as held for trading and are measured at fair value, with unrealized gains (losses) recognized in the consolidated statements of operations. In addition, provided that the fair value can be reliably determined, IAS 39 permits an entity to designate any financial instrument as fair value through profit or loss on initial recognition or adoption of this standard even if that instrument would not otherwise meet the definition of fair value through profit or loss as specified in IAS 39. The Company did not designate any financial assets upon initial recognition as fair value through profit or loss. The Company's financial assets classified as held for trading include cash and cash equivalents, and securities owned, including derivative financial instruments.

The Company periodically evaluates the classification of its financial assets as held for trading based on whether the intent to sell the financial assets in the near term is still appropriate. If the Company is unable to trade these financial assets due to inactive markets or if management's intent to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances.

Financial assets classified as available for sale
Available for sale assets are measured at fair value, with subsequent changes in fair value recorded in other comprehensive income, net of tax, until the assets are sold or impaired, at which time the difference is recognized in net income for the year. Investments in equity instruments classified as available for sale that do not have a quoted market price in an active market are measured at fair value unless fair value is not reliably measurable. The Company's investments in Euroclear and Canadian First Financial Holdings Limited are classified as available for sale and measured at their estimated fair value.

Financial assets classified as loans and receivables and held to maturity
Financial assets classified as loans and receivables and held to maturity are measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statements of operations. The Company classifies accounts receivable as loans and receivables. The Company did not have any held to maturity investments during the years ended March 31, 2015 and 2014.

Impairment of financial assets
The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that have occurred since the initial recognition of the asset and those events have had a significant or prolonged impact on the estimated future cash flows of the asset that can be reliably estimated. The determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of operations.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is recognized in the consolidated statements of operations and is measured as the difference between the carrying value and the fair value.

Derecognition
A financial asset is derecognized primarily when the rights to receive cash flows from the asset have expired, or the Company has transferred its right to receive cash flows from the asset.

[ii] Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and borrowings. All financial liabilities are recognized initially at fair value less, in the case of other financial liabilities, directly attributable transaction costs.

Classification and subsequent measurement
Financial liabilities classified as fair value through profit or loss
Financial liabilities classified as fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognized in the statements of operations. The Company has not designated any financial liabilities as fair value through profit or loss that would not otherwise meet the definition of fair value through profit or loss upon initial recognition. Bank indebtedness, contingent consideration and securities sold short, including derivative financial instruments, are classified as held for trading and recognized at fair value.

Financial liabilities classified as loans and borrowings
After initial recognition, financial liabilities classified as loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statements of operations through the EIR method of amortization. Loans and borrowings include accounts payable and accrued liabilities, and subordinated debt. The carrying value of loans and borrowings approximates their fair value.

[iii] Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

[iv] Derivative financial instruments

Derivative financial instruments are financial contracts, the value of which is derived from the value of the underlying assets, interest rates, indices or currency exchange rates.

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. Realized and unrealized gains and losses related to these contracts are recognized in the consolidated statements of operations during the reporting period.

The Company trades in futures contracts, which are agreements to buy or sell standardized amounts of a financial instrument at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and subject to daily cash margining. The Company trades in futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk.

The Company also trades in forward contracts, which are non-standardized contracts to buy or sell a financial instrument at a specified price on a future date. The Company trades in forward contracts in an attempt to mitigate foreign exchange risk on pending security settlements in foreign currencies.

FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

When available, quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs, are used to determine fair value. For financial instruments not traded in an active market, the fair value is determined using appropriate and reliable valuation techniques. Such techniques may include recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same;

discounted cash flow analysis; or other valuation models. Valuation techniques may require the use of estimates or management assumptions if observable market data is not available. When the fair value cannot be reliably measured using a valuation technique, then the financial instrument is measured at cost.

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measured based on the lowest level input significant to the fair value measurement in its entirety [Note 7]. For assets and liabilities that are recognized in the consolidated financial statements 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.

SECURITIES OWNED AND SOLD SHORT

Securities owned and sold short are recorded at fair value based on quoted market prices in an active market or a valuation model if no market prices are available. Unrealized gains and losses are reflected in income. Certain securities owned have been pledged as collateral for securities borrowing transactions. Securities owned and sold short are classified as held for trading financial instruments.

SECURITIES LENDING AND BORROWING

The Company employs securities lending and borrowing activities primarily to facilitate the securities settlement process. These arrangements are typically short term in nature, with interest being received when cash is delivered and interest being paid when cash is received. Securities borrowed and securities loaned are carried at the amounts of cash collateral delivered and received in connection with the transactions. Securities borrowed transactions require the Company to deposit cash, letters of credit or other collateral with the lender. For securities loaned, the Company receives collateral in the form of cash or other collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the fair value of the securities loaned and borrowed against the cash collateral on a daily basis and, when appropriate, the Company may require counterparties to deposit additional collateral or it may return collateral pledged to ensure such transactions are adequately collateralized.

Securities purchased under agreements to resell and securities sold under agreements to repurchase represent collateralized financing transactions. The Company receives securities purchased under agreements to resell, makes delivery of securities sold under agreements to repurchase, monitors the market value of these securities on a daily basis and delivers or obtains additional collateral as appropriate.

The Company manages its credit exposure by establishing and monitoring aggregate limits by customer for these transactions. Interest earned on cash collateral is based on a floating rate.

SECURITIES PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS AND OBLIGATIONS RELATED TO SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The Company recognizes these transactions on the settlement date at amortized cost using the effective interest rate method. Securities sold and purchased under repurchase agreements remain on the consolidated statement of financial position. Reverse repurchase agreements and repurchase agreements are treated as collateralized lending and borrowing transactions.

REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company assesses its revenue arrangements in order to determine if it is acting as principal or agent.

Commissions and fees revenue consists of revenue generated through commission-based brokerage services, recognized on a trade date basis, and the sale of fee-based products and services, recognized on an accrual basis. Realized and unrealized gains and losses on securities purchased for client-related transactions are reported as net facilitation losses and recorded as a reduction of commission revenues. Facilitation losses for the year ended March 31, 2015 were $13.8 million [March 31, 2014 – $14.8 million].

Investment banking revenue consists of underwriting fees and commissions earned on corporate finance activities. Revenue from underwritings and other corporate finance activities is recorded when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable.

Advisory fees consist of management and advisory fees that are recognized on an accrual basis. Also included in advisory fees is revenue from mergers and acquisitions activities, which is recognized when the underlying transaction is substantially completed under the engagement terms and the related revenue is reasonably determinable.

Principal trading revenue consists of revenue earned in connection with principal trading operations and is recognized on a trade date basis.

Interest revenue consists of interest earned on client margin accounts, interest earned on the Company's cash and cash equivalents balances, interest earned on cash delivered in support of securities borrowing activity, and dividends earned on securities owned. Interest revenue is recognized on an effective interest rate basis. Dividend income is recognized when the right to receive payment is established.

Other revenue includes foreign exchange gains or losses, revenue earned from our correspondent brokerage services and administrative fees revenues.

EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Computer equipment, furniture and equipment, and leasehold improvements are recorded at cost less accumulated amortization. Amortization is being recorded as follows:

Computer equipment	33% declining balance basis
Furniture and equipment	10% to 20% declining balance basis
Leasehold improvements	Straight-line over the shorter of useful life and respective term of the leases

An item of property, plant and equipment, and any specific part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of operations when the asset is derecognized.

The assets' residual values, useful lives and method of amortization are reviewed at each financial year end, and are adjusted prospectively where appropriate.

INCOME TAXES

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of operations.

Deferred tax

Deferred taxes are accounted for using the liability method. This method requires that deferred taxes reflect the expected deferred tax effect of temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial statement purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

No deferred tax liability has been recognized for taxable temporary differences associated with investments in subsidiaries from undistributed profits and foreign exchange translation differences as the Company is able to control the timing of the reversal of these temporary differences. The Company has no plans or intention to perform any actions that will cause the temporary differences to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited in the statements of operations except where it relates to items that may be credited directly to equity, in which case the deferred tax is recognized directly against equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except where the amount of sales tax incurred is not recoverable from the tax authority. In these circumstances, sales tax is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of accounts receivable or accounts payable in the consolidated statements of financial position.

TREASURY SHARES

The Company's own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. This includes shares held in the long-term incentive plan (LTIP) and unvested share purchase loans and preferred shares. No gain or loss is recognized in the statements of operations in the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in contributed surplus. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them.

EARNINGS (LOSS) PER COMMON SHARE

Basic earnings (loss) per common share is computed by dividing the net income attributable to common shareholders for the period by the weighted average number of common shares outstanding. Diluted earnings per common share reflects the dilutive effect in connection with the LTIP and other share-based payment plans based on the treasury stock method. The treasury stock method determines the number of incremental common shares by assuming that the number of shares the Company has granted to employees has been issued.

SHARE-BASED PAYMENTS

Employees (including senior executives and directors) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). Independent directors also receive deferred share units (DSUs) as part of their remuneration, which can only be settled in cash (cash-settled transactions). The dilutive effect, if any, of outstanding options and share-based payments is reflected as additional share dilution in the computation of diluted earnings (loss) per common share.

Equity-settled transactions

For equity-settled transactions, the Company measures the fair value of share-based awards as of the grant date and recognizes the cost as an expense over the applicable vesting period with a corresponding increase in contributed surplus. The cost is recognized on a graded basis.

The Company estimates the number of equity instruments that will ultimately vest when calculating the expense attributable to equity-settled transactions. No expense is recognized for awards that do not ultimately vest.

When share-based awards vest, contributed surplus is reduced by the applicable amount and share capital is increased by the same amount.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. The fair values of DSUs are expensed upon grant, as there are no vesting conditions [Note 19]. 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.

PROVISIONS

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of operations net of any reimbursement. If the effect of the time value of money is significant, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Legal provisions

Legal provisions are recognized when it is probable that the Company will be liable for the future obligation as a result of a past event related to legal matters and when they can be reasonably estimated.

Restructuring provisions

Restructuring provisions are only recognized when the recognition criteria for provisions are fulfilled. In order for the recognition criteria to be met, the Company needs to have in place a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of associated costs and an appropriate timeline. In addition, either the personnel affected must have a valid expectation that the restructuring is being carried out or the implementation must have been initiated. The restructuring provision recognized includes staff restructuring costs, reorganization expenses, onerous lease provisions and impairment of equipment and leasehold improvements.

LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. The Company has assessed its lease arrangements and concluded that the Company only has leases that have the characteristics of an operating lease. An operating lease is a lease that does not transfer substantially all of the risks and benefits and ownership of an asset to the lessee. Operating lease payments are recognized as an expense in the statements of operations on a straight-line basis over the lease term.

CLIENT MONEY

The Company's UK & Europe operations hold money on behalf of their clients in accordance with the client money rules of the Financial Conduct Authority in the United Kingdom. Such money and the corresponding liabilities to clients are not included in the consolidated statements of financial position as the Company is not beneficially entitled thereto. The amounts held on behalf of clients at the reporting date are included in Note 23.

SEGMENT REPORTING

The Company's segment reporting is based on the following operating segments: Canaccord Genuity, Canaccord Genuity Wealth Management, and Corporate and Other. The Company's business operations are grouped into the following geographic regions: Canada, the UK & Europe, Other Foreign Locations, and the US.

NOTE 06 Securities Owned and Securities Sold Short

	March 31, 2015		March 31, 2014	
	Securities owned	Securities sold short	Securities owned	Securities sold short
Corporate and government debt	$ 638,551	$ 555,792	$ 924,149	$ 823,148
Equities and convertible debentures	209,577	98,847	219,052	90,765
	$ 848,128	$ 654,639	$ 1,143,201	$ 913,913

As at March 31, 2015, corporate and government debt maturities range from 2015 to 2097 [March 31, 2014 – 2014 to 2097] and bear interest ranging from 0.00% to 15.00% [March 31, 2014 – 0.00% to 15.00%].

NOTE 07 Financial Instruments

CATEGORIES OF FINANCIAL INSTRUMENTS

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

	Held for trading		Available for sale		Loans and receivables		Loans and borrowings		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Financial assets										
Securities owned	$ 848,128	$1,143,201	$ —	$ —	$ —	$ —	$ —	$ —	$ 848,128	$1,143,201
Accounts receivable from brokers and investment dealers	—	—	—	—	1,503,666	2,006,183	—	—	1,503,666	2,006,183
Accounts receivable from clients	—	—	—	—	601,486	418,799	—	—	601,486	418,799
RRSP cash balances held in trust	—	—	—	—	276,159	259,614	—	—	276,159	259,614
Other accounts receivable	—	—	—	—	110,177	101,302	—	—	110,177	101,302
Investments	—	—	8,693	9,977	—	—	—	—	8,693	9,977
Total financial assets	$ 848,128	$1,143,201	$ 8,693	$ 9,977	$2,491,488	$2,785,898	$ —	$ —	$3,348,309	$3,939,076
Financial liabilities										
Securities sold short	$ 654,639	$ 913,913	$ —	$ —	$ —	$ —	$ —	$ —	$ 654,639	$ 913,913
Accounts payable to brokers and investment dealers	—	—	—	—	—	—	1,172,198	1,659,617	1,172,198	1,659,617
Accounts payable to clients	—	—	—	—	—	—	1,130,893	965,229	1,130,893	965,229
Other accounts payable and accrued liabilities	—	—	—	—	—	—	224,545	253,087	224,545	253,087
Subordinated debt	—	—	—	—	—	—	15,000	15,000	15,000	15,000
Total financial liabilities	$ 654,639	$ 913,913	$ —	$ —	$ —	$ —	$2,542,636	$2,892,933	$3,197,275	$3,806,846

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

		Estimated fair value		
			March 31, 2015	
	March 31, 2015	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	$ 18,369	$ —	$ 18,369	$ —
Government debt	620,182	128,049	492,133	—
Corporate and government debt	638,551	128,049	510,502	—
Equities	208,678	186,950	21,505	223
Convertible debentures	899	—	27	872
Equities and convertible debentures	209,577	186,950	21,532	1,095
	848,128	314,999	532,034	1,095
Securities sold short				
Corporate debt	(18,032)	—	(18,032)	—
Government debt	(537,760)	(137,924)	(399,836)	—
Corporate and government debt	(555,792)	(137,924)	(417,868)	—
Equities	(98,847)	(95,715)	(3,132)	—
	(654,639)	(233,639)	(421,000)	—
Available for sale investments	8,693	—	3,963	4,730

		Estimated fair value		
			March 31, 2014	
	March 31, 2014	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	$ 41,181	$ —	$ 41,181	$ —
Government debt	882,968	357,917	525,051	—
Corporate and government debt	924,149	357,917	566,232	—
Equities	201,666	175,228	26,125	313
Convertible debentures	5,501	—	2,801	2,700
Private investments	11,885	—	—	11,885
Equities and convertible debentures	219,052	175,228	28,926	14,898
	1,143,201	533,145	595,158	14,898
Securities sold short				
Corporate debt	(31,017)	—	(31,017)	—
Government debt	(792,131)	(366,894)	(425,237)	—
Corporate and government debt	(823,148)	(366,894)	(456,254)	—
Equities	(90,765)	(83,166)	(7,599)	—
	(913,913)	(450,060)	(463,853)	—
Available for sale investments	9,977	—	4,247	5,730

Movement in net Level 3 financial assets

Balance, March 31, 2013	$	4,737
Purchases of Level 3 assets during the year		14,943
Transfer to Level 1 assets		(8,339)
Transfer to Level 2 assets		(3,695)
Transfer from Level 2 to Level 3 assets		2,700
Net unrealized loss during the year		(4,026)
Reversal of contingent consideration		6,000
Payment of contingent consideration		8,218
Other		251
Realized loss in settlement of contingent consideration		(126)
Net disposals during the year		(35)
Balance, March 31, 2014	$	20,628
Transfer to Level 1 assets		(11,608)
Net unrealized loss during the year		(2,865)
Other		(330)
Balance, March 31, 2015	$	5,825

During the fiscal year ended March 31, 2015, there was $11.6 million of Level 3 assets that were transferred to Level 1 as a result of a private company stock that became publicly traded in the UK. There were no transfers between Level 1 and Level 2 fair value measurements. The fair value net unrealized loss related to convertible debentures of $1.9 million recognized during the year was recognized through investment banking revenue. The unrealized loss related to available for sale investments of $1.0 million was recognized through general and administrative expense.

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.

Level 2 financial instruments also include the Company's equity investment in Euroclear, which has an estimated fair value of $4.0 million as at March 31, 2015 [March 31, 2014 – $4.2 million]. The current fair value is determined using a market-based approach based on recent share buyback transactions.

ii. Level 3 financial instruments

a. Available for sale investments

Available for sale investments include the Company's equity and debenture investment in Canadian First Financial Holdings Limited (Canadian First), which has an estimated fair value of $4.7 million as at March 31, 2015 [March 31, 2014 – $5.7 million] [Note 10]. The fair value for Canadian First is determined by the Company using a market-based approach with information that the Company has determined to be reliable, and represents the best estimate of fair value readily available. During the year ended March 31, 2015, the Company recorded an impairment charge of $1.0 million as a result of changes in market indicators.

b. Held for trading

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 March 31, 2015 was $1.1 million [March 31, 2014 – $14.9 million].

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

RISK MANAGEMENT

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Credit risk arises from cash and cash equivalents, net receivables from clients and brokers and investment dealers, and other accounts receivable. The maximum exposure of the Company to credit risk before taking into account any collateral held or other credit enhancements is the carrying amount of financial assets as disclosed in the consolidated financial statements as at March 31, 2015 and 2014.

The primary source of credit risk to the Company is in connection with trading activity by private clients and private client margin accounts. To minimize its exposure, the Company applies certain credit standards, applies limits to transactions and requires settlement of securities transactions on a cash basis or delivery against payment. Margin transactions are collateralized by securities in the clients' accounts in accordance with limits established by the applicable regulatory authorities and are subject to the Company's credit review and daily monitoring procedures. Management monitors the collectibility of receivables and estimates an allowance for doubtful accounts. The accounts receivable outstanding are expected to be collectible within one year. The Company has recorded an allowance for doubtful accounts of $12.0 million as at March 31, 2015 [March 31, 2014 – $13.2 million] [Note 9].

The Company is also exposed to the risk that counterparties to transactions will not fulfill their obligations. Counterparties primarily include investment dealers, clearing agencies, banks and other financial institutions. The Company does not rely entirely on ratings assigned by credit rating agencies in evaluating counterparty risk. The Company mitigates credit risk by performing its own due diligence assessments on the counterparties, obtaining and analyzing information regarding the structure of the financial instruments, and keeping current with new innovations in the market. The Company also manages this risk by conducting regular credit reviews to assess creditworthiness, reviewing security and loan concentrations, holding and marking to market collateral on certain transactions and conducting business through clearing organizations with performance guarantees.

As at March 31, 2015 and 2014, the Company's most significant counterparty concentrations were with financial institutions and institutional clients. Management believes that they are in the normal course of business and does not anticipate loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they become due, as well as ensuring adequate funds exist to support business strategies and operational growth. The Company's business requires capital for operating and regulatory purposes. The current assets reflected on the statements of financial position are highly liquid. The majority of the positions held as securities owned are readily marketable and all are recorded at their fair value. Client receivables are generally collateralized by readily marketable securities and are reviewed daily for impairment in value and collectibility. Receivables and payables from brokers and dealers represent the following: current open transactions that generally settle within the normal three-day settlement cycle; collateralized securities borrowed and/or loaned in transactions that can be closed within a few days on demand; and balances on behalf of introducing brokers representing net balances in connection with their client accounts. Additional information regarding the Company's capital structure and capital management objectives is discussed in Note 22.

The following table presents the contractual terms to maturity of the financial liabilities owed by the Company as at March 31, 2015:

Financial liability	Carrying amount		Contractual term to maturity
	March 31, 2015	March 31, 2014	
Bank indebtedness	$ 20,264	$ —	Due on demand
Accounts payable and accrued liabilities	2,527,636	2,877,933	Due within one year
Securities sold short	654,639	913,913	Due within one year
Subordinated debt	15,000	15,000	Due on demand[1]

(1) Subject to Investment Industry Regulatory Organization of Canada's approval.

The fair values for cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values and will be paid within 12 months.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The Company separates market risk into three categories: fair value risk, interest rate risk and foreign exchange risk.

Fair value risk

When participating in underwriting activities, the Company may incur losses if it is unable to resell the securities it is committed to purchase or if it is forced to liquidate its commitment at less than the agreed upon purchase price. The Company is also exposed to fair value risk as a result of its principal trading activities in equity securities, fixed income securities, and derivative financial instruments. Securities at fair value are valued based on quoted market prices where available and, as such, changes in fair value affect earnings as they occur. Fair value risk also arises from the possibility that changes in market prices will affect the value of the securities the Company holds as collateral for client margin accounts. The Company mitigates its fair value risk exposure through controls to limit concentration levels and capital usage within its inventory trading accounts, as well as through monitoring procedures of the margin accounts.

The following table summarizes the effect on earnings as a result of a fair value change in financial instruments as at March 31, 2015. This analysis assumes all other variables remain constant. The methodology used to calculate the fair value sensitivity is consistent with the prior year.

	March 31, 2015			March 31, 2014		
Financial instrument	Carrying value Asset (Liability)	Effect of a 10% increase in fair value on net income	Effect of a 10% decrease in fair value on net income	Carrying value Asset (Liability)	Effect of a 10% increase in fair value on net income	Effect of a 10% decrease in fair value on net income
Equities and convertible debentures owned	$ 209,577	$ 7,229	$ (7,229)	$ 219,052	$ 8,593	$ (8,593)
Equities and convertible debentures sold short	(98,847)	(3,409)	3,409	(90,765)	(3,560)	3,560

The following table summarizes the effect on OCI as a result of a fair value change in the financial instruments classified as available for sale. This analysis assumes all other variables remain constant and there is no permanent impairment. The methodology used to calculate the fair value sensitivity is consistent with the prior year.

	March 31, 2015			March 31, 2014		
Financial instrument	Carrying value	Effect of a 10% increase in fair value on OCI	Effect of a 10% decrease in fair value on OCI	Carrying value	Effect of a 10% increase in fair value on OCI	Effect of a 10% decrease in fair value on OCI
Investments	$ 8,693	$ 545	$ (545)	$ 9,977	$ 712	$ (712)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Company. The Company incurs interest rate risk on its cash and cash equivalent balances, bank indebtedness, fixed income portion of securities owned and securities sold short, net clients' balances, RRSP cash balances held in trust, and net brokers' and investment dealers' balances, as well as its subordinated debt. The Company attempts to minimize and monitor its exposure to interest rate risk through quantitative analysis of its net positions of fixed income securities, clients' balances, securities lending and borrowing activities, and short term borrowings. The Company also trades in futures in an attempt to mitigate interest rate risk. Futures are included in marketable securities owned, net of marketable securities sold short, for the purpose of calculating interest rate sensitivity.

All cash and cash equivalents mature within three months. Net clients' receivable (payable) balances charge (incur) interest based on floating interest rates. Subordinated debt bears interest at a rate of prime plus 4%, payable monthly. The bank indebtedness bears interest at 0.90% per annum.

The following table provides the effect on net income for the years ended March 31, 2015 and 2014 if interest rates had increased or decreased by 100 basis points applied to balances as of March 31, 2015 and 2014. Fluctuations in interest rates do not have an effect on OCI. This sensitivity analysis assumes all other variables remain constant. The methodology used to calculate the interest rate sensitivity is consistent with the prior year.

	March 31, 2015			March 31, 2014		
	Carrying value Asset (Liability)	Net income effect of a 100 bps increase in interest rates	Net income effect of a 100 bps decrease in interest rates[1]	Carrying value Asset (Liability)	Net income effect of a 100 bps increase in interest rates	Net income effect of a 100 bps decrease in interest rates[1]
Cash and cash equivalents, net of bank indebtedness	$ 302,060	$ 1,894	$ (1,907)	$ 364,296	$ 2,470	$ (2,470)
Marketable securities owned, net of marketable securities sold short	193,489	(276)	264	229,288	(872)	959
Clients' payable, net	(529,407)	(3,462)	(2,138)	(546,430)	(3,888)	(2,082)
RRSP cash balances held in trust	276,159	1,732	(1,732)	259,614	1,852	(1,852)
Brokers' and investment dealers' balance, net	331,468	(37)	2	346,566	(47)	2
Subordinated debt	15,000	(95)	94	(15,000)	(107)	107

(1) Subject to a floor of zero.

Foreign exchange risk

Foreign exchange risk arises from the possibility that changes in foreign currency exchange rates will result in losses. The Company's primary foreign exchange risk results from its investment in its US, Australia, and UK & Europe subsidiaries. These subsidiaries are translated using the foreign exchange rate at the reporting date. Any fluctuation in the Canadian dollar against the US dollar, the pound sterling, or the Australian dollar will result in a change in the unrealized gains (losses) on translation of foreign operations recognized in accumulated other comprehensive income (loss).

All of the subsidiaries may also hold financial instruments in currencies other than their functional currency; therefore, any fluctuations in foreign exchange rates will impact foreign exchange gains or losses in the statement of operations.

The following table summarizes the estimated effects on net income (loss) and OCI as a result of a 10% change in the value of the foreign currencies where there is significant exposure. The analysis assumes all other variables remain constant. The methodology used to calculate the foreign exchange rate sensitivity is consistent with the prior year.

As at March 31, 2015:

Currency	Effect of a 5% appreciation in foreign exchange rate on net income	Effect of a 5% depreciation in foreign exchange rate on net income	Effect of a 5% appreciation in foreign exchange rate on OCI	Effect of a 5% depreciation in foreign exchange rate on OCI
US dollar	$ (973)	$ 973	$ 8,304	$ (8,304)
Pound sterling	(1,780)	1,780	50,107	(50,107)
Australian dollar	nil	nil	2,489	(2,489)

As at March 31, 2014:

Currency	Effect of a 5% appreciation in foreign exchange rate on net income	Effect of a 5% depreciation in foreign exchange rate on net income	Effect of a 5% appreciation in foreign exchange rate on OCI	Effect of a 5% depreciation in foreign exchange rate on OCI
US dollar	$ (913)	$ 913	$ 5,485	$ (5,485)
Pound sterling	(2,891)	2,891	50,093	(50,093)
Australian dollar	nil	nil	2,754	(2,754)

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial contracts, the value of which is derived from the value of the underlying assets, interest rates, indices or currency exchange rates. All derivative financial instruments are expected to be settled within six months subsequent to fiscal year end.

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. Realized and unrealized gains and losses related to these contracts are recognized in the consolidated statements of operations during the reporting period.

Forward contracts outstanding at March 31, 2015:

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

Forward contracts outstanding at March 31, 2014:

		Notional amount (millions)	Average price	Maturity		Fair value
To sell US dollars	USD $	13.8	$1.11 (CAD/USD)	April 3, 2014	$	11
To buy US dollars	USD $	5.5	$1.10 (CAD/USD)	April 1, 2014	$	13
To buy pounds sterling (GBP)	GBP £	2.5	$1.84 (CAD/GBP)	April 30, 2014	$	7

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 103 days as at March 31, 2015 [March 31, 2014 – 115 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 March 31, 2015. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

	March 31, 2015						March 31, 2014					
		Assets		Liabilities		Notional amount		Assets		Liabilities		Notional amount
Foreign exchange forward contracts	$	7,858	$	(7,635)	$	326,058	$	1,359	$	(1,365)	$	327,386

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 March 31, 2015, the notional amount of the bond futures contracts outstanding was long $1.6 million [March 31, 2014 – $nil].

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

SECURITIES LENDING AND BORROWING

The Company employs securities lending and borrowing primarily to facilitate the securities settlement process. These arrangements are typically short term in nature, with interest being received when cash is delivered and interest being paid when cash is received. These transactions are fully collateralized and are subject to daily margin calls for any deficiency between the market value of the security given and the amount of collateral received. These transactions are collateralized by either cash or securities, including government treasury bills and government bonds, and are reflected within accounts receivable and accounts payable. Interest earned on cash collateral is based on a floating rate. At March 31, 2015, the floating rates ranged from 0.00% to 0.42% [March 31, 2014 – 0.00% to 0.66%].

	Cash		Securities	
	Loaned or delivered as collateral	Borrowed or received as collateral	Loaned or delivered as collateral	Borrowed or received as collateral
March 31, 2015	$ 155,031	$ 43,393	$ 42,734	$ 172,615
March 31, 2014	158,430	41,290	41,253	190,689

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 unpaid client securities and/or securities owned by the Company. As at March 31, 2015, the Company had $20.3 million of bank indebtedness balance outstanding [March 31, 2014 – $nil].

OTHER CREDIT FACILITIES

Subsidiaries of the Company also have other credit facilities with banks in Canada and the UK for an aggregate amount of $770.0 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 March 31, 2015 and 2014, there were no balances outstanding under these other credit facilities.

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totalling $1.1 million (US$0.9 million) as rent guarantees for its leased premises in New York. As of March 31, 2015 and 2014, there were no outstanding balances under these standby letters of credit.

NOTE 08 Interest in Other Entities

The Company has a 60% controlling interest for accounting purposes in Canaccord Financial Group (Australia) Pty Ltd. and Canaccord Genuity (Australia) Limited as of March 31, 2015 [March 31, 2014 – 50%]. Together, these entities operate as Canaccord Genuity Australia and the operation's principal place of business is in Australia. As discussed in Note 22, Canaccord Genuity (Australia) Limited is regulated by the Australian Securities and Investments Commission.

During the year ended March 31, 2015, the Company purchased $4.6 million of non-controlling interests, which increased its ownership interest from 50% as of March 31, 2014 to 60% as of March 31, 2015. As a result of the purchase, the Company recorded a reduction in its contributed surplus of $3.4 million.

Canaccord Genuity Australia reported total net income of $4.6 million in fiscal 2015 [2014 – $1.3 million]. As at March 31, 2015, accumulated non-controlling interest was $10.3 million [March 31, 2014 – $14.9 million]. Summarized financial information including goodwill on acquisition and consolidation adjustments but before inter-company eliminations is presented on the next page.

Summarized statement of profit or loss for the years ended March 31, 2015 and 2014:

	Canaccord Genuity Australia	
For the years ended	March 31, 2015	March 31, 2014
Revenue	$ 41,608	$ 28,138
Expenses	34,640	26,160
Net income before taxes	6,968	1,978
Income tax expense	2,396	690
Net income	4,572	1,288
Attributable to:		
CGGI shareholders	2,706	644
Non-controlling interests	1,866	644
Total comprehensive income	6,813	308
Attributable to:		
CGGI shareholders	3,933	154
Non-controlling interests	2,880	154
Dividends paid to non-controlling interests	1,723	660

Summarized statement of financial position as at March 31, 2015 and 2014:

	Canaccord Genuity Australia	
For the years ended	March 31, 2015	March 31, 2014
Current assets	$ 34,280	$ 31,897
Non-current assets	28,263	32,008
Current liabilities	11,440	(10,067)
Non-current liabilities	—	(155)

Summarized cash flow information for the years ended March 31, 2015 and 2014:

	Canaccord Genuity Australia	
For the years ended	March 31, 2015	March 31, 2014
Cash provided by operating activities	$ 9,768	$ 7,427
Cash used by financing activities	(3,545)	(1,217)
Cash used by investing activities	(8,108)	(1,550)
Foreign exchange impact on cash balance	(1,204)	(125)
Net (decrease) increase in cash and cash equivalents	$ (3,089)	$ 4,535

NOTE 09 Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	March 31, 2015	March 31, 2014
Brokers and investment dealers	$ 1,503,666	$ 2,006,183
Clients	601,486	418,799
RRSP cash balances held in trust	276,159	259,614
Other	110,177	101,302
	$ 2,491,488	$ 2,785,898

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2015	March 31, 2014
Brokers and investment dealers	$ 1,172,198	$ 1,659,617
Clients	1,130,893	965,229
Other	224,545	253,087
	$ 2,527,636	$ 2,877,933

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 Investment Industry Regulatory Organization of Canada (IIROC) and other 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 clients' accounts. Interest on margin loans and on amounts due to clients is based on a floating rate [March 31, 2015 – 5.85% to 6.25% and 0.00% to 0.05%, respectively; March 31, 2014 – 6.00% to 6.25% and 0.00% to 0.05%, respectively].

As at March 31, 2015, the allowance for doubtful accounts was $12.0 million [March 31, 2014 – $13.2 million]. See below for the movements in the allowance for doubtful accounts:

Balance, March 31, 2013	$ 13,986
Charge for the year	6,208
Recoveries	(6,022)
Write-offs	(1,860)
Foreign exchange	844
Balance, March 31, 2014	$ 13,156
Charge for the year	7,510
Recoveries	(8,818)
Write-offs	288
Foreign exchange	(151)
Balance, March 31, 2015	$ 11,985

NOTE 10 Investments

	March 31, 2015	March 31, 2014
Available for sale	$ 8,693	$ 9,977

The Company holds an investment in Euroclear, one of the principal clearing houses for securities traded in the Euromarket.

During the year ended March 31, 2014, the Company invested $5.0 million in common shares and $0.7 million in debenture and warrant certificates of Canadian First, a private company that has been established as a Canadian retail financial services organization. As a result of changes in market indicators, the Company recorded an impairment charge of $1.0 million during the year ended March 31, 2015.

These investments are carried at fair value, as described in Note 7.

NOTE 11 Equipment and Leasehold Improvements

	Cost	Accumulated amortization	Net book value
March 31, 2015			
Computer equipment	$ 10,320	$ 3,694	$ 6,626
Furniture and equipment	21,080	15,499	5,581
Leasehold improvements	87,883	56,717	31,166
	$ 119,283	$ 75,910	$ 43,373
March 31, 2014			
Computer equipment	$ 10,628	$ 3,941	$ 6,687
Furniture and equipment	21,494	14,913	6,581
Leasehold improvements	78,833	41,126	37,707
	$ 110,955	$ 59,980	$ 50,975

	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Cost				
Balance, March 31, 2013	$ 10,231	$ 21,073	$ 75,685	$ 106,989
Additions	2,550	2,688	10,237	15,475
Disposals	(6,109)	(2,771)	(12,706)	(21,586)
Foreign exchange	3,956	504	5,617	10,077
Balance, March 31, 2014	$ 10,628	$ 21,494	$ 78,833	$ 110,955
Additions	2,913	660	1,659	5,232
Disposals	(2,256)	(1,464)	(3,155)	(6,875)
Foreign exchange	(965)	390	8,516	7,941
Other	—	—	2,030	2,030
Balance, March 31, 2015	$ 10,320	$ 21,080	$ 87,883	$ 119,283

	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Accumulated amortization				
Balance, March 31, 2013	$ 3,821	$ 15,478	$ 44,711	$ 64,010
Amortization	3,425	1,674	7,104	12,203
Disposals	(6,037)	(2,604)	(11,773)	(20,414)
Foreign exchange	2,732	365	1,084	4,181
Balance, March 31, 2014	$ 3,941	$ 14,913	$ 41,126	$ 59,980
Amortization	3,104	1,728	9,181	14,013
Disposals	(2,243)	(1,370)	(2,840)	(6,453)
Foreign exchange	(1,108)	228	7,491	6,611
Other	—	—	1,759	1,759
Balance, March 31, 2015	$ 3,694	$ 15,499	$ 56,717	$ 75,910

The carrying value of any temporarily idle property, plant and equipment is not considered material as at March 31, 2015 and March 31, 2014.

NOTE 12 Business Combination

ACQUISITION FOR THE YEAR ENDED MARCH 31, 2014

On July 25, 2013, the Company acquired the remaining 50% ownership of Canaccord Genuity (Hong Kong) Limited (CGHKL) for cash consideration of $0.7 million to now own 100% of CGHKL. The fair value of the net assets acquired approximates the cash consideration. The Company previously already held a 50% beneficial interest in CGHKL through its ownership of Canaccord Financial Group (Australia) Pty Ltd. CGHKL is licensed with the Securities and Futures Commission in Hong Kong.

NOTE 13 Goodwill and Other Intangible Assets

	Goodwill	Identifiable intangible assets: Brand names	Customer relationships	Technology	Software under development	Non-competition	Trading licences	Total
Gross amount								
Balance, March 31, 2013	$ 484,686	$ 46,627	$ 86,516	$ 5,771	$ —	$ 14,609	$ 202	$ 153,725
Additions	—	—	—	—	7,002	—	—	7,002
Foreign exchange	36,471	168	10,096	1,128	—	(251)	(7)	11,134
Balance, March 31, 2014	521,157	46,795	96,612	6,899	7,002	14,358	195	171,861
Additions	—	—	—	—	16,884	—	—	16,884
Transfer between categories	—	—	—	19,395	(19,395)	—	—	—
Other	—	(1,865)	—	—	—	—	—	(1,865)
Foreign exchange	5,207	—	966	301	—	(413)	(11)	843
Balance, March 31, 2015	526,364	44,930	97,578	26,595	4,491	13,945	184	187,723
Accumulated amortization and impairment								
Balance, March 31, 2013	—	(1,697)	(13,256)	(1,923)	—	(6,566)	—	(23,442)
Amortization	—	—	(9,023)	(2,469)	—	(3,091)	—	(14,583)
Impairment	(6,250)	—	—	—	—	—	—	—
Foreign exchange	—	(168)	(1,568)	(555)	—	105	—	(2,186)
Balance, March 31, 2014	(6,250)	(1,865)	(23,847)	(4,947)	—	(9,552)	—	(40,211)
Amortization	—	—	(9,427)	(2,259)	—	(3,038)	—	(14,724)
Impairment	(14,535)	—	—	—	—	—	—	—
Other	—	1,865	—	—	—	—	—	1,865
Foreign exchange	—	—	77	(146)	—	293	—	224
Balance, March 31, 2015	(20,785)	—	(33,197)	(7,352)	—	(12,297)	—	(52,846)
Net book value								
March 31, 2014	514,907	44,930	72,765	1,952	7,002	4,806	195	131,650
March 31, 2015	505,579	44,930	64,381	19,243	4,491	1,648	184	134,877

During the year ended March 31, 2015, there were $19.4 million of intangible assets transferred from software under development to technology. These intangible assets relate to a back-office software developed for use in the UK & Europe wealth management operations. The carrying amount of the software at March 31, 2015 was $19.2 million. The software became available for use during the current fiscal year and is being amortized over the estimated useful life of 10 years.

The additions to software under development intangible assets prior to being put into use during the year ended March 31, 2015 relate to any costs directly attributable to the development of the software, including employment, consulting and other professional fees.

During the year ended March 31, 2014, the Company recorded an impairment charge of $6.3 million related to the goodwill acquired in connection with the acquisition of certain assets and liabilities of Kenosis Capital Partners. This goodwill was allocated to the Other Foreign Locations CGU.

During the year ended March 31, 2015, as a result of operating losses in China and reduced revenue forecasts arising from changes in economic and market conditions in Other Foreign Locations – China and Singapore, the Company determined that the carrying amounts of these CGUs exceeded our estimates of their recoverable amounts and that there had been impairment in the goodwill in respect of these CGUs. As a result, the Company recorded impairment charges in respect of the goodwill allocated to these CGUs in the amounts of $4.5 million and $10.0 million, respectively. In accordance with IAS 36, "*Impairment of Assets*" (IAS 36), the recoverable amount of the Other Foreign Locations CGU's net assets is determined using the FVLCS calculations, which are based on cash flow assumptions approved by senior management. This valuation is categorized as Level 3 in the fair value hierarchy.

IMPAIRMENT TESTING OF GOODWILL AND IDENTIFIABLE INTANGIBLE ASSETS WITH INDEFINITE LIVES

The carrying amounts of goodwill and indefinite life intangible assets acquired through business combinations have been allocated to the CGUs as follows:

	Intangible assets with indefinite lives		Goodwill		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Canaccord Genuity						
Canada	$ 44,930	$ 44,930	$ 242,074	$ 242,074	$ 287,004	$ 287,004
UK & Europe	—	—	97,676	95,789	97,676	95,789
US	—	—	9,103	7,942	9,103	7,942
Other Foreign Locations (China)	—	—	—	4,764	—	4,764
Other Foreign Locations (Australia)	188	195	21,265	22,537	21,453	22,732
Other Foreign Locations (Singapore)	—	—	22,971	31,539	22,971	31,539
Canaccord Genuity Wealth Management						
UK & Europe (Channel Islands)	—	—	101,335	99,322	101,335	99,322
UK & Europe (Eden Financial)	—	—	11,155	10,940	11,155	10,940
	$ 45,118	$ 45,125	$ 505,579	$ 514,907	$ 550,697	$ 560,032

The Genuity brand name is considered to have an indefinite life as the Company has no plans to cease its use in the future.

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 impairment testing was carried out for all applicable CGUs at June 30, September 30 and December 31, 2014.

In accordance with IAS 36, the recoverable amounts of the CGUs' net assets have been determined using FVLCS calculations, which are based on cash flow assumptions approved by senior management. 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 discount rate utilized for each CGU for the purposes of these calculations was 12.5% in respect of Canada and the UK & Europe [March 31, 2014 – 12.5%] and 14.0% in respect of Australia, Singapore and the US [March 31, 2014 – 14.0%]. Cash flow estimates for each CGU are based on management assumptions as described above and utilize five-year compound annual revenue growth rates ranging from 5.0% to 10.0% [March 31, 2014 – 9.0% to 15.0%] as well as estimates in respect of operating margins. The compound annual revenue growth rates utilized were: (a) Canaccord Genuity (i) Canada – 5.0%, (ii) UK & Europe – 7.5%, (iii) US – 10.0%, (iv) Other Foreign Locations – 5.0% to 10.0%; and (b) Canaccord Genuity Wealth Management, UK & Europe – 5.0%. The terminal growth rate used for CGUs located in Canada and the UK & Europe was 2.5% [March 31, 2014, Canada – 3.0%] and for CGUs located in all other locations was 3.0% [March 31, 2014 – 5.0%].

At March 31, 2015, there is $44.9 million of intangible assets with indefinite lives allocated to the Canaccord Genuity Canada CGU, which relates to the Genuity brand name. For the March 31, 2015 annual goodwill impairment testing, an estimate of the annual royalty income is included in the five-year discounted cash flows of the Canaccord Genuity Canada CGU using the relief of royalty method, with the corresponding expense allocated to each of the other CGUs in the Canaccord Genuity segment over the same forecast period. The royalty rates used were in the range of 0.75% to 2.0%.

During the year ended March 31, 2015, as a result of operating losses in China and reduced revenue forecasts arising from changes in economic and market conditions in Other Foreign Locations – China and Singapore, the Company determined that the carrying amounts of these CGUs exceeded our estimates of their recoverable amounts and that there had been impairment in the goodwill in respect of these CGUs. As a result, the Company recorded impairment charges in respect of the goodwill allocated to these CGUs in the amounts of $4.5 million and $10.0 million, respectively.

Sensitivity testing was conducted as part of the annual impairment test of goodwill and indefinite life intangible assets. The sensitivity testing includes assessing the impact that reasonably possible declines in revenue estimates for the 12-month period ending on March 31, 2016 and declines in growth rates after that period and increases in the discount rates would have on the recoverable amounts of the CGUs, with other assumptions being held constant.

The Company's annual impairment testing has determined that any reasonably possible adverse change in the key assumptions in respect of the CGUs listed below may cause a further impairment loss to be recognized. Reasonably possible declines in the compounded annual growth rates utilized for the five-year period beginning on April 1, 2015, decreases in the revenue estimates for the 12-month period ending on March 31, 2016, decreases in the estimated annual improvement in operating margins, or increases in the discount rates would cause the estimated recoverable amount to equal the carrying value and consequently a further impairment loss to be recognized. These sensitivities are indicative only and should be considered with caution, as the effect of the variation in each assumption on the estimated recoverable amount is calculated in isolation without changing any other assumptions. The extent of any such impairment loss would be determined after incorporating any consequential effects of that change on estimated operating income and on other factors.

		Change required for carrying value to equal the estimated recoverable amount			
CGU	Excess of the estimated recoverable amount over carrying value	Increase in discount rate (p.p.)	Decrease in five-year CAGR (p.p.)	Decrease in estimated revenue for the 12-month period ending on March 31, 2016	Decrease in estimated annual improvement in operating margins (p.p.)
Canaccord Genuity – Canada	$ 127,000	3.1	10.4	$ 32,000	1.4
Canaccord Genuity – UK & Europe	$ 24,000	1.0	2.9	$ 7,000	0.3
Canaccord Genuity – US	$ 13,000	1.1	4.2	$ 7,000	0.2
Canaccord Genuity Other Foreign Locations – Australia	$ 15,000	2.7	6.3	$ 5,000	1.1
Canaccord Genuity Other Foreign Locations – Singapore*	$ —	1.9	4.6	$ 1,000	1.4

* Remaining goodwill allocated to Other Foreign Locations – Singapore after the impairment loss described above is $22,971 as of March 31, 2015. Accordingly, sensitivity testing was also performed in respect of this CGU.
p.p.: percentage points

NOTE 14 Income Taxes

The major components of income tax expense are:

	March 31, 2015	March 31, 2014
Consolidated statements of operations		
Current income tax expense		
Current income tax expense	$ 8,510	$ 6,518
Adjustments in respect of prior years	(1,249)	1,752
	7,261	8,270
Deferred income tax (recovery) expense		
Origination and reversal of temporary differences	(1,589)	4,632
Impact of change in tax rates	(11)	(309)
Benefit arising from a previously unrecognized tax loss	—	(62)
	(1,600)	4,261
Income tax expense reported in the statements of operations	$ 5,661	$ 12,531

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

	March 31, 2015	March 31, 2014
(Loss) income before income taxes	$ (5,657)	$ 64,588
Income taxes at the statutory rate of 26.0% (2014: 26.0%)	(1,471)	16,793
Difference in tax rates in foreign jurisdictions	(785)	1,679
Non-deductible items affecting the determination of taxable income	4,786	2,957
Change in accounting and tax base estimate	760	2,328
Change in deferred tax asset – reversal period of temporary difference and other	1,180	(2,882)
Tax losses and other temporary differences not recognized (utilization of tax losses previously not recognized)	1,191	(8,344)
Income tax expense reported in the statements of operations	$ 5,661	$ 12,531

The following were the deferred tax assets and liabilities recognized by the Company and movements thereon during the year:

	Consolidated statements of financial position		Consolidated statements of operations	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unrealized gain on securities owned	$ (1,585)	$ (1,936)	$ (370)	$ 73
Legal provisions	602	1,675	1,073	372
Unpaid remunerations	2,179	1,936	109	(1,615)
Unamortized capital cost of equipment and leasehold improvements over their net book value	2,786	2,170	(598)	(68)
Unamortized common share purchase loans	3,448	3,792	344	2,217
Loss carryforwards	7,612	4,531	(3,049)	7,024
Common and preferred shares issuance costs	741	1,253	512	444
Long-term incentive plan	11,898	15,431	3,520	(1,244)
Other intangible assets	(21,762)	(24,086)	(2,706)	(2,720)
Other	2,172	1,941	(435)	(222)
	$ 8,091	$ 6,707	$ (1,600)	$ 4,261

Deferred tax assets and liabilities as reflected in the consolidated statements of financial position are as follows:

	March 31, 2015	March 31, 2014
Deferred tax assets	$ 10,148	$ 9,735
Deferred tax liabilities	(2,057)	(3,028)
	$ 8,091	$ 6,707

The movement for the year in the net deferred tax position was as follows:

	March 31, 2015	March 31, 2014
Opening balance as of April 1	$ 6,707	$ 9,976
Tax recovery (expense) recognized in the consolidated statements of operations	1,600	(4,261)
Foreign exchange on deferred tax position	—	621
Amounts recognized through other comprehensive income (loss)	—	47
Other	(216)	324
	$ 8,091	$ 6,707

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Tax loss carryforwards of $19.3 million [2014 – $14.6 million] in the UK & Europe have been recognized as a deferred tax asset. The losses in the UK & Europe can be carried forward indefinitely. Tax loss carryforwards of $11.2 million [2014 – $3.1 million] in Canada have been recognized as a deferred tax asset and can be carried forward for 20 years.

At the balance sheet date, the Company has tax loss carryforwards of approximately $30.6 million [2014 – $29.1 million] for which a deferred tax asset has not been recognized. These losses relate to subsidiaries outside of Canada that have a history of losses and may also be subject to legislative limitations on use and may not be used to offset taxable income elsewhere in the consolidated group of companies. The subsidiaries have no taxable temporary differences or any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets, as the likelihood of future economic benefit is not sufficiently assured. These losses begin expiring in 2029.

Other temporary differences not recognized as deferred tax assets in relation to subsidiaries outside of Canada amount to $26.7 million at March 31, 2015 [2014 – $17.3 million]. Since the subsidiaries outside of Canada have a history of losses and the deductible temporary differences may not be used to offset taxable income elsewhere in the consolidated group of companies, no asset has been recognized as the likelihood of future economic benefit is not sufficiently assured.

NOTE 15 Subordinated Debt

	March 31, 2015	March 31, 2014
Loan payable, interest payable monthly at prime + 4% per annum, due on demand	$ 15,000	$ 15,000

The loan payable is subject to a subordination agreement and may only be repaid with the prior approval of IIROC. As at March 31, 2015 and 2014, the interest rates for the subordinated debt were 6.85% and 7.0%, respectively. The carrying value of subordinated debt approximates its fair value due to the short term nature of this liability.

NOTE 16 Preferred Shares

	March 31, 2015		March 31, 2014	
	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

[i] SERIES A PREFERRED SHARES

The Company issued 4,540,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series A (Series A Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $113.5 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $110.8 million.

Quarterly cumulative cash dividends, if declared, will be paid at an annual rate of 5.5% for the initial five-year period ending on September 30, 2016. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 3.21%.

Holders of Series A Preferred Shares have the right, at their option, to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series B (Series B Preferred Shares), subject to certain conditions, on September 30, 2016 and on September 30 every five years thereafter. Holders of the Series B Preferred Shares will be entitled to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.21%.

The Company has the option to redeem the Series A Preferred Shares on September 30, 2016 and on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends. The Series B Preferred Shares are redeemable at the Company's option on September 30, 2021 and on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

[ii] SERIES C PREFERRED SHARES

The Company issued 4,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series C (Series C Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $100.0 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $97.5 million.

Quarterly cumulative cash dividends, if declared, will be paid at an annual rate of 5.5% for the initial five-year period ending on June 30, 2016. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 4.03%.

Holders of Series C Preferred Shares have the right, at their option, to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series D (Series D Preferred Shares), subject to certain conditions, on June 30, 2017 and on June 30 every five years thereafter. Holders of the Series D Preferred Shares will be entitled to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.03%.

The Company has the option to redeem the Series C Preferred Shares on June 30, 2017 and on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends. The Series D Preferred Shares are redeemable at the Company's option on June 30, 2022 and on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

NOTE 17 Common Shares

	March 31, 2015		March 31, 2014	
	Amount	Number of shares	Amount	Number of shares
Issued and fully paid	$ 722,509	102,607,705	$ 713,140	101,471,456
Unvested share purchase loans	(25,852)	(3,424,549)	(21,275)	(3,576,051)
Shares repurchased through NCIB for cancellation	—	—	(250)	(45,600)
Held for the LTIP	(75,799)	(7,388,489)	(38,426)	(4,734,446)
	$ 620,858	91,794,667	$ 653,189	93,115,359

[i] AUTHORIZED

Unlimited common shares without par value

[ii] ISSUED AND FULLY PAID

	Number of shares	Amount
Balance, March 31, 2013	102,896,172	$ 717,908
Shares issued in connection with the LTIP [note 19]	1,629,285	14,511
Shares issued in connection with retention plan [note 19]	160,656	2,048
Shares issued in connection with replacement plans [note 19]	526,483	4,816
Shares cancelled	(3,741,140)	(26,143)
Balance, March 31, 2014	101,471,456	$ 713,140
Shares issued in connection with share-based payment plans [note 19]	2,565,653	18,901
Shares issued in connection with replacement plans [note 19]	270,528	2,420
Shares cancelled	(1,699,932)	(11,952)
Balance, March 31, 2015	102,607,705	$ 722,509

On August 5, 2014, 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 5,100,049 of its common shares during the period from August 13, 2014 to August 12, 2015 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. There were 1,197,649 shares purchased through the NCIB between April 1, 2014 and March 31, 2015 and cancelled.

[iii] FORGIVABLE COMMON SHARE PURCHASE LOANS

The Company provides forgivable common share purchase loans to employees in order to purchase common shares. The unvested balance of forgivable common share purchase loans is presented as a deduction from share capital. The forgivable common share purchase loans are amortized over the vesting period. The difference between the unvested and unamortized values is included in contributed surplus.

[iv] (LOSS) EARNINGS PER COMMON SHARE

For the years ended	March 31, 2015	March 31, 2014
Basic (loss) earnings per common share		
Net (loss) earnings attributable to CGGI shareholders	$ (13,184)	$ 51,413
Preferred shares dividends	(11,877)	(11,762)
Net (loss) earnings attributable to common shareholders	(25,061)	39,651
Weighted average number of common shares (number)	91,693,485	94,124,672
Basic (loss) earnings per share	$ (0.27)	$ 0.42
Diluted (loss) earnings per common share		
Net (loss) earnings attributable to common shareholders	(25,061)	39,651
Weighted average number of common shares (number)	n/a	94,124,672
Dilutive effect in connection with LTIP (number)	n/a	5,260,323
Dilutive effect in connection with other share-based payment plans (number)	n/a	2,607,684
Adjusted weighted average number of common shares (number)	n/a	101,992,679
Diluted (loss) earnings per common share	$ (0.27)	$ 0.39

For the year ended March 31, 2015, the instruments involving potential common shares were excluded from the calculation of diluted (loss) earnings per share as they were anti-dilutive.

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of authorization of these financial statements which would have a significant impact on earnings per share.

NOTE 18 Dividends

COMMON SHARES DIVIDENDS

The Company declared the following common shares dividends during the year ended March 31, 2015:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
June 20, 2014	July 2, 2014	$ 0.05	$ 5,093
August 29, 2014	September 10, 2014	$ 0.05	$ 5,106
November 21, 2014	December 10, 2014	$ 0.10	$ 10,252
February 27, 2015	March 10, 2015	$ 0.05	$ 5,101

On June 2, 2015, the Board of Directors approved a cash dividend of $0.05 per common share payable on July 2, 2015 to common shareholders of record as at June 19, 2015 [Note 26].

PREFERRED SHARES DIVIDENDS

Record date	Payment date	Cash dividend per Series A Preferred Share	Cash dividend per Series C Preferred Share	Total preferred dividend amount
June 13, 2014	June 30, 2014	$ 0.34375	$ 0.359375	$ 2,998
September 19, 2014	September 30, 2014	$ 0.34375	$ 0.359375	$ 2,998
December 19, 2014	December 31, 2014	$ 0.34375	$ 0.359375	$ 2,998
March 20, 2015	March 31, 2015	$ 0.34375	$ 0.359375	$ 2,998

On June 2, 2015, the Board also approved a cash dividend of $0.34375 per Series A Preferred Share payable on June 30, 2015 to Series A Preferred shareholders of record as at June 19, 2015 [Note 26].

On June 2, 2015, the Board also approved a cash dividend of $0.359375 per Series C Preferred Share payable on June 30, 2015 to Series C Preferred shareholders of record as at June 19, 2015 [Note 26].

NOTE 19 Share-Based Payment Plans

[i] LONG-TERM INCENTIVE PLAN

Under the long-term incentive plan (LTIP), eligible participants are awarded restricted share units (RSUs), which generally vest over three years. For employees in Canada, an employee benefit trust has been established. Prior to June 30, 2014, for employees in the United States and the United Kingdom, at the time of each RSU award, the Company allotted common shares and these shares were issued from treasury to plan participants following vesting of the RSUs.

Effective from June 2014, employee benefit trusts have also been established in the United States and the United Kingdom. The Company or certain of its subsidiaries, as the case may be, fund the employee benefit trusts (the Trusts) with cash which is used by the trustees to purchase common shares on the open market that will be held in the Trusts until the RSUs vest. The Company also has the option to issue common shares from treasury to plan participants following vesting of the RSUs.

There were 5,562,539 RSUs [year ended March 31, 2014 – 5,870,844 RSUs] granted in lieu of cash compensation to employees during the year ended March 31, 2015. The Trusts purchased 5,112,934 common shares [year ended March 31, 2014 – 1,797,069 common shares] for the year ended March 31, 2015.

The vested and forfeited numbers include the LTIP portion of the CSH Inducement Plan [Note 19 [iv]].

The fair value of the RSUs at the measurement date is based on the purchase price of the shares by the Trusts on the open market and is amortized on a graded basis over the vesting period of generally three years. The weighted average fair value of RSUs granted during the year ended March 31, 2015 was $10.58 [March 31, 2014 – $6.18].

	Number
Awards outstanding, March 31, 2013	9,128,169
Grants	5,870,844
Vested	(3,666,660)
Forfeited	(749,110)
Awards outstanding, March 31, 2014	10,583,243
Grants	5,562,539
Vested	(4,776,985)
Forfeited	(622,579)
Awards outstanding, March 31, 2015	10,746,218

	Number
Common shares held by the Trusts, March 31, 2013	4,961,829
Acquired	1,797,069
Released on vesting	(2,024,452)
Common shares held by the Trusts, March 31, 2014	4,734,446
Acquired	5,112,934
Released on vesting	(2,458,891)
Common shares held by the Trusts, March 31, 2015	7,388,489

[ii] FORGIVABLE COMMON SHARE PURCHASE LOANS

The Company provides loans to certain employees for the purpose of partially funding the purchase of shares of the Company and increasing share ownership by the employees. These loans are equity-settled transactions that are generally forgiven over a three- to five-year period from the initial advance of the loan or at the end of that three- to five-year period [Note 17 [iii]].

[iii] REPLACEMENT PLANS

As a result of the acquisition of CSHP, the following share-based payment plans were introduced to replace the share-based payment plans that existed at CSHP at the acquisition date:

Canaccord Genuity Group Inc. Collins Stewart Hawkpoint Replacement Annual Bonus Equity Deferral (ABED) Plan

On March 21, 2012, the Company introduced the Replacement ABED Plan, which replaced the ABED plans that existed at CSHP as of the acquisition date. Eligible employees who participated in the CSHP ABED plans were granted options to purchase common shares of the Company under the Replacement ABED Plan. The exercise price of these options was $nil. The options, which are now vested, vested between one and three years from the acquisition date of CSHP. In accordance with IFRS 3, "*Business Combinations*" (IFRS 3), a portion of the awards granted was included as part of the purchase consideration for the acquisition of CSHP and a portion was deferred and amortized to incentive compensation expense over the vesting period. The awards have now been fully amortized as of March 31, 2015.

	Number
Balance, March 31, 2013	466,645
Exercised	(349,200)
Forfeited	(18,214)
Balance, March 31, 2014	99,231
Exercised	(66,338)
Forfeited	—
Balance, March 31, 2015	32,893

The following table summarizes the share options outstanding as at March 31, 2015:

	Options outstanding			Options exercisable	
Range of exercise price	Number of common shares	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
$nil	32,893	5.01	$ nil	32,983	$ nil

Canaccord Genuity Group Inc. Collins Stewart Hawkpoint Replacement Long-Term Incentive Plan Award

On March 21, 2012, the Company introduced the Replacement LTIP, which replaced the existing LTIPs at CSHP on the acquisition date. Eligible employees who participated in the CSHP LTIPs were granted options to purchase shares of the Company awards under the Replacement LTIP. The exercise price of these options was $nil. The options, which are now vested, vested annually on a graded basis over a three-year period. In accordance with IFRS 3, a portion of awards granted was included as part of the purchase consideration for the acquisition of CSHP and a portion was deferred and amortized to incentive compensation expense over the vesting period. The awards have now been fully amortized as of March 31, 2015.

	Number
Awards outstanding, March 31, 2013	711,700
Exercised	(177,283)
Forfeited	(37,421)
Balance, March 31, 2014	496,996
Exercised	(204,190)
Forfeited	(10,832)
Balance, March 31, 2015	281,974

The following table summarizes the share options outstanding as at March 31, 2015:

	Options outstanding			Options exercisable	
Range of exercise price	Number of common shares	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
$nil	281,974	5.01	$ nil	281,974	$ nil

[iv] CSH INDUCEMENT PLAN

In connection with the acquisition of CSHP, the Company agreed to establish a retention plan for key CSHP staff. During the year ended March 31, 2013, the Company awarded 2,418,861 RSUs, which vest over a five-year period. In accordance with the plan, one-third of the total RSUs (806,302 RSUs) vested on the third anniversary of the date of the grant under the terms of the existing LTIP. The remaining two-thirds of the total RSUs (1,612,559 RSUs) will vest under the terms of the new CSH Inducement Plan, with one-half of the 1,612,559 RSUs vesting on the fourth anniversary and the remaining half on the fifth anniversary.

	LTIP (Number)	Non-LTIP (Number)	Total RSUs awarded (Number)
Balance, March 31, 2013	774,635	1,549,224	2,323,859
Forfeited	(49,378)	(98,744)	(148,122)
Balance, March 31, 2014	725,257	1,450,480	2,175,737
Vested	(666,551)	—	(666,551)
Forfeited	(58,706)	(117,413)	(176,119)
Balance, March 31, 2015	—	1,333,067	1,333,067

On each vesting date, the RSUs entitle the awardee to receive cash or common shares of the Company. If at the vesting date the share price is less than $8.50 per share, then the Company, at its election, will either (a) pay cash to the employee equal to $8.50 multiplied by the number of RSUs vesting on such date, or (b) pay cash to the employee equal to the difference between $8.50 and the vesting date share price, multiplied by the number of RSUs vesting on that date plus that number of shares equal to the number of RSUs vesting on such date. If the share price is greater than $8.50, then the Company will settle the RSUs in common shares.

The awards under this plan require either full or partial cash settlement if the share price at vesting is less than $8.50 per share. To the extent that it is considered probable that cash settlement will be required, a portion of these awards is treated as cash settled, and recorded on the statements of financial position as a liability. The carrying amount of the liability at March 31, 2015 was $1.7 million [March 31, 2014 – $0.3 million].

The fair value of the RSUs at the grant date was $8.50, for a total plan value of $20.2 million, which is being amortized on a graded basis.

[v] SHARE OPTIONS

The Company has previously granted share options to purchase common shares of the Company to directors and senior management. Share options to independent directors vest over a four-year period and expire seven years after the grant date or 30 days after the participant ceases to be a director. Share options to senior management vest over a five-year period and expire on the earliest of: (a) seven years from the grant date; (b) three years after death or any other event of termination of employment; (c) after any unvested optioned shares held by the optionee are cancelled for any reason (other than early retirement but including resignation without entering into a formal exit agreement and termination for cause); and (d) in the case of early retirement, after a determination that the optionee has competed with the Company or violated any non-competition, non-solicitation or non-disclosure obligations. The exercise price is based on the fair market value of the common shares at grant date.

The following is a summary of the Company's share options as at March 31, 2015 and changes during the period then ended:

	Number of options	Weighted average exercise price
Balance, March 31, 2013	2,384,910	$ 9.84
Expired	(115,642)	$ 23.13
Forfeited	(309,636)	$ 9.47
Balance, March 31, 2014	1,959,632	$ 9.23
Exercised	(234,636)	$ 9.47
Expired	(115,642)	$ 9.47
Balance, March 31, 2015	1,609,354	$ 9.25

The following table summarizes the share options outstanding as at March 31, 2015:

	Options outstanding			Options exercisable	
Range of exercise price	Number of common shares	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
$7.21–$9.48	1,609,354	1.44	$ 9.25	1,609,354	$ 9.25

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Volatility is based on the historical trend of the share prices of the Company. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options.

[vi] DEFERRED SHARE UNITS

Beginning April 1, 2011, the Company adopted a DSU plan for its independent directors. Independent directors must elect annually as to how they wish their directors' fees to be paid and can specify the allocation of their directors' fees between DSUs and cash. When a director leaves the Board of Directors, outstanding DSUs are paid out in cash, with the amount equal to the number of DSUs granted multiplied by the closing share price as of the end of the fiscal quarter immediately following such terminations. Under the plan, the directors are not entitled to receive any common shares in the Company, and under no circumstances will DSUs confer on any participant any of the rights or privileges of a holder of common shares.

During the year ended March 31, 2015, the Company granted 53,307 DSUs [2014 – 54,332 DSUs]. The carrying amount of the liability relating to DSUs at March 31, 2015 was $1.2 million [2014 – $1.1 million].

[vii] SHARE-BASED COMPENSATION EXPENSE

For the years ended	March 31, 2015	March 31, 2014
Long-term incentive plan	$ 36,496	$ 28,806
Forgivable common share purchase loans	15,824	10,249
Replacement plans	90	3,483
CSH Inducement Plan	4,062	5,719
Share options	242	750
Deferred share units (cash-settled)	(320)	187
Other	1,151	1,712
Accelerated share-based payment expense included as restructuring expense	3,760	1,457
Total share-based compensation expense	$ 61,305	$ 52,363

NOTE 20 Related Party Transactions

[i] CONSOLIDATED SUBSIDIARIES

The financial statements include the financial statements of the Company and the Company's principal operating subsidiaries and principal intermediate holding companies listed in the following table:

		% equity interest	
	Country of incorporation	March 31, 2015	March 31, 2014
Canaccord Genuity Corp.	Canada	100%	100%
Canaccord Genuity SAS	France	100%	100%
Canaccord Genuity Wealth (International) Limited	Guernsey	100%	100%
Canaccord Genuity Financial Planning Limited	United Kingdom	100%	100%
Canaccord Genuity Wealth Limited	United Kingdom	100%	100%
Canaccord Genuity Wealth Group Limited	United Kingdom	100%	100%
Canaccord Genuity Limited	United Kingdom	100%	100%
Canaccord Genuity Inc.	United States	100%	100%
Canaccord Genuity Wealth Management (USA) Inc.	United States	100%	100%
Canaccord Wealth & Estate Planning Services Ltd.	Canada	100%	100%
Canaccord Asset Management Inc.	Canada	100%	100%
Canaccord Adams Financial Group Inc.	United States	100%	100%
Collins Stewart Inc.	United States	100%	100%
Canaccord Adams (Delaware) Inc.	United States	100%	100%
Canaccord Adams Financial Group ULC	Canada	100%	100%
Canaccord Genuity Securities LLC	United States	100%	100%
Stockwave Equities Ltd.	Canada	100%	100%
CLD Financial Opportunities Limited	Canada	100%	100%
Canaccord Genuity Singapore Pte Ltd.	Singapore	100%	100%
Canaccord Genuity (Hong Kong) Limited	China (Hong Kong SAR)	100%	100%
Canaccord Financial Group (Australia) Pty Ltd.*	Australia	50%	50%
Canaccord Genuity (Australia) Limited*	Australia	50%	50%
加通贝祥（北京）投资顾问有限公司 (Canaccord Genuity Asia (Beijing) Limited)	China	100%	100%
The Balloch Group Limited	British Virgin Islands	100%	100%
Canaccord Genuity Asia (Hong Kong) Limited	China (Hong Kong SAR)	100%	100%
Canaccord Genuity (Barbados) Ltd.	Barbados	100%	100%

* The Company owns 50% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd. and Canaccord Genuity (Australia) Limited, but for accounting purposes, as of March 31, 2015, the Company is considered to have a 60% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2014 – 50%] [Note 8].

[ii] COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE COMPANY

Disclosed in the table below are the amounts recognized as expenses related to individuals who are key management personnel as at March 31, 2015 and 2014:

	March 31, 2015	March 31, 2014
Short term employee benefits	$ 8,063	$ 16,790
Share-based payments	9,412	2,001
Total compensation paid to key management personnel	$ 17,475	$ 18,791

[iii] OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

	March 31, 2015	March 31, 2014
Accounts payable and accrued liabilities	$ 1,041	$ 4,769

[iv] TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

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.

NOTE 21 Segmented Information

The Company operates in two industry segments as follows:

Canaccord Genuity – 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 the US. Operations located in Other Foreign Locations under Canaccord Genuity (Barbados) Ltd., Canaccord Genuity Asia and the 60% controlling interest [March 31, 2014 – 50%] in Canaccord Genuity Australia are also included in Canaccord Genuity.

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

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

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

The Company does not allocate total assets, liabilities or equipment and leasehold improvements to the segments. Amortization of tangible assets is allocated to the segments based on the square footage occupied. Amortization of identifiable intangible assets is allocated to the Canaccord Genuity segment, as it relates to the acquisitions of Genuity and the controlling interest in Canaccord Genuity Australia. Amortization of identifiable intangible assets acquired through the purchase of CSHP is allocated to Canaccord Genuity and Canaccord Genuity Wealth Management segments in the UK & Europe (Channel Islands). Amortization of identifiable intangible assets acquired through the acquisition of Eden Financial Ltd. is allocated to Canaccord Genuity Wealth Management segments in the UK & Europe (Eden Financial Ltd.). Income taxes are managed on a Company basis and are not allocated to operating segments. All revenue and income (loss) before taxes and intersegment allocations is derived from external customers. The Company also does not allocate cash flows by reportable segments.

For the years ended	March 31, 2015				March 31, 2014			
	Canaccord Genuity	**Canaccord Genuity Wealth Management**	**Corporate and Other**	**Total**	Canaccord Genuity	Canaccord Genuity Wealth Management	Corporate and Other	Total
Revenues, excluding interest revenue	**$ 606,497**	**$ 240,178**	**$ 11,876**	**$ 858,551**	$ 606,150	$ 214,143	$ 10,402	$ 830,695
Interest revenue	**6,608**	**10,712**	**4,892**	**22,212**	9,640	9,893	5,016	24,549
Expenses, excluding undernoted	**527,380**	**202,480**	**50,912**	**780,772**	488,670	185,978	46,008	720,656
Amortization	**15,417**	**11,091**	**1,920**	**28,428**	14,858	10,146	1,782	26,786
Development costs	**9,467**	**8,217**	**6,764**	**24,448**	9,682	10,080	1,607	21,369
Interest expense	**11,467**	**539**	**1,418**	**13,424**	14,166	502	1,691	16,359
Restructuring costs	**20,997**	**783**	**3,033**	**24,813**	5,486	—	—	5,486
Impairment of goodwill	**14,535**	**—**	**—**	**14,535**	—	—	—	—
Income (loss) before income taxes and intersegment allocations	**13,842**	**27,780**	**(47,279)**	**(5,657)**	82,928	17,330	(35,670)	64,588
Less: Intersegment allocations	**11,910**	**21,683**	**(33,593)**	**—**	8,537	24,719	(33,256)	—
Income (loss) before income taxes	**$ 1,932**	**$ 6,097**	**$ (13,686)**	**$ (5,657)**	$ 74,391	$ (7,389)	$ (2,414)	$ 64,588

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

For the years ended	**March 31, 2015**	March 31, 2014
Canada	**$ 345,325**	$ 273,276
United Kingdom & Europe	**281,493**	325,353
United States	**204,339**	218,131
Other Foreign Locations	**49,606**	38,484
	$ 880,763	$ 855,244

The following table presents selected figures pertaining to the financial position of each geographic location:

	Canada	UK & Europe	United States	Other Foreign Locations	Total
As at March 31, 2015					
Equipment and leasehold improvements	**$ 15,607**	**$ 14,300**	**$ 11,128**	**$ 2,338**	**$ 43,373**
Goodwill	**242,074**	**210,146**	**9,103**	**44,256**	**505,579**
Intangible assets	**60,819**	**68,371**	**90**	**5,597**	**134,877**
Non-current assets	**318,500**	**292,817**	**20,321**	**52,191**	**683,829**
As at March 31, 2014					
Equipment and leasehold improvements	20,435	18,240	9,500	2,800	50,975
Goodwill	242,074	206,051	7,942	58,840	514,907
Intangible assets	62,763	60,165	78	8,644	131,650
Non-current assets	325,272	284,456	17,520	70,284	697,532

NOTE 22 Capital Management

The Company's business requires capital for operating and regulatory purposes, including funding current and future operations. The Company's capital structure is underpinned by shareholders' equity, which is comprised of preferred shares, common shares, contributed surplus, retained earnings and accumulated other comprehensive income (loss), and is further complemented by the subordinated debt. The following table summarizes our capital as at March 31, 2015 and 2014:

Type of capital	March 31, 2015	March 31, 2014
Preferred shares	$ 205,641	$ 205,641
Common shares	620,858	653,189
Contributed surplus	85,597	74,037
Retained earnings	92,815	144,799
Accumulated other comprehensive income	112,631	91,014
Shareholders' equity	1,117,542	1,168,680
Subordinated debt	15,000	15,000
	$ 1,132,542	$ 1,183,680

The Company's capital management framework is designed to maintain the level of capital that will:

- Meet the Company's regulated subsidiaries' target ratios as set out by the respective regulators
- Fund current and future operations
- Ensure that the Company is able to meet its financial obligations as they become due
- Support the creation of shareholder value

The following subsidiaries are subject to regulatory capital requirements in the respective jurisdictions by the listed regulators:

- Canaccord Genuity Corp. is subject to regulation in Canada primarily by IIROC
- Canaccord Genuity Limited, Canaccord Genuity Wealth Limited, and Canaccord Genuity Financial Planning Limited are regulated in the UK by the Financial Conduct Authority
- Canaccord Genuity Wealth (International) Limited is licensed and regulated by the Guernsey Financial Services Commission, the Isle of Man Financial Supervision Commission and the Jersey Financial Services Commission
- Canaccord Genuity Singapore Pte Ltd. is subject to regulation by the Monetary Authority of Singapore
- Canaccord Genuity (Australia) Limited is regulated by the Australian Securities and Investments Commission
- Canaccord Genuity (Hong Kong) Limited is regulated in Hong Kong by the Securities and Futures Commission
- Canaccord Genuity Inc. is registered as a broker dealer in the US and is subject to regulation primarily by the Financial Industry Regulatory Authority, Inc. (FINRA)
- Canaccord Genuity Wealth Management (USA) Inc. is registered as a broker dealer in the US and is subject to regulation primarily by FINRA
- Canaccord Asset Management Inc. is subject to regulation in Canada by the Ontario Securities Commission

Margin requirements in respect of outstanding trades, underwriting deal requirements and/or working capital requirements cause regulatory capital requirements to fluctuate on a daily basis. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of cash disbursements. Some of the subsidiaries are also subject to regulations relating to withdrawal of capital, including payment of dividends to the Company. There were no significant changes in the Company's capital management policy during the current year. The Company's subsidiaries were in compliance with all of the minimum regulatory capital requirements as at and during the year ended March 31, 2015.

NOTE 23 Client Money

At March 31, 2015, the UK & Europe operations held client money in segregated accounts of $1,880.4 million (£1,000 million) [2014 – $1,707.5 million; £926.7 million]. This is comprised of $18.4 million (£9.8 million) [2014 – $10.1 million; £5.5 million] of balances held on behalf of clients to settle outstanding trades and $1,862 million (£991.2 million) [2014 – $1,697.4 million; £921.2 million] of segregated deposits, held on behalf of clients, which are not reflected on the consolidated statements of financial position. Movement in settlement balances is reflected in operating cash flows.

NOTE 24 Provisions and Contingencies

PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when 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 years ended March 31, 2015 and 2014:

	Legal provisions	Restructuring provisions	Total provisions
Balance, March 31, 2013	$ 10,179	$ 9,876	$ 20,055
Additions	3,314	5,486	8,800
Utilized	(5,891)	(12,440)	(18,331)
Recoveries	(190)	—	(190)
Balance, March 31, 2014	$ 7,412	$ 2,922	$ 10,334
Additions	4,428	24,813	29,241
Utilized	(7,068)	(16,261)	(23,329)
Recoveries	(1,926)	—	(1,926)
Balance, March 31, 2015	$ 2,846	$ 11,474	$ 14,320

During the year ended March 31, 2015, the Company incurred $24.8 million in restructuring costs in connection with the reorganization of the capital markets operations in Canada, the US and the UK & Europe. The restructuring provisions at March 31, 2015 relate primarily to termination benefits and onerous leases incurred as part of the Company's reorganization. It is expected that the restructuring provisions at March 31, 2015 will be mostly utilized during the year ending March 31, 2016.

Commitments, litigation proceedings and contingent liabilities

In the normal course of business, the Company is involved in litigation, and as of March 31, 2015, 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 amounts claimed in respect of two actions are material and, accordingly, these actions are described below.

In 2002, two actions were commenced in the Superior Court of Québec against Canaccord Genuity Corp. and other defendants including another investment dealer. Both were class action proceedings in which the plaintiffs made allegations of certain wrongful trading and disclosure practices by the Company and another defendant and that the Company was negligent in respect of a private placement in 2000. These actions were set for trial starting in September 2014, but they have been settled comprehensively by way of court approval (granted on October 27, 2014) of a settlement agreement. The 30-day appeal period expired without any appeal, and the Company has now paid its share of the settlement.

Certain claims have been asserted against the Company in respect of the sale of certain conventional wealth management tax advantaged film partnership products in the UK by a predecessor which could be material if such claims are advanced, additional claims are made, and the Company's assumptions used to evaluate the matter as neither probable nor estimable change in future periods. In that event, the Company may be required to record a provision for an adverse outcome, which could have a material adverse effect on the Company's financial position. The aggregate investment by the Company's clients in respect of these products is estimated to be $11.0 million. The aggregate initial tax deferral realized by the Company's clients in respect of these products when they were purchased by those clients during the period from 2006 to 2009 is estimated to be $15.0 million. Litigation underway in the UK in respect of the taxation of other similar products sold by other financial advisors (the Litigation) and enforcement in accordance with recent announcements from the UK taxation authority could result in tax liabilities to the purchasers of those products in excess of the initial tax deferral amount. The potential tax liability for the Company's clients that is in excess of the initial tax deferral amount is estimated to be $15.6 million. The probable outcome of the Litigation and the resulting impact on taxation in respect of this matter and the likelihood of a loss to the Company in connection with any claims asserted against the Company, or which may be asserted against the Company, are not determinable at the date of these consolidated financial statements.

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

NOTE 25 Commitments

Subsidiaries of the Company are committed to approximate minimum lease payments for premises and equipment over the next five years and thereafter as follows:

2016	$	34,621
2017		30,039
2018		26,280
2019		21,242
2020		17,084
Thereafter		53,951
	$	183,217

Some leases include extension options and provide for stepped rents, which mainly relate to lease of office space.

Certain subsidiaries of the Company have agreed to sublease agreements and the approximate minimum lease receipts for premises and equipment over the next five years and thereafter as follows:

2016	$	3,332
2017		478
2018		478
2019		199
2020		—
Thereafter		—
	$	4,487

NOTE 26 Subsequent Event

DIVIDENDS

On June 2, 2015, the Board of Directors approved the following cash dividends: $0.05 per common share payable on July 2, 2015 to common shareholders with a record date of June 19, 2015; $0.34375 per Series A Preferred Share payable on June 30, 2015 with a record date of June 19, 2015; and $0.359375 per Series C Preferred Share payable on June 30, 2015 with a record date of June 19, 2015.

Supplemental Information

Advisory note: This supplemental information is not audited and should be read in conjunction with the audited financial statements contained herein.

Financial Highlights[1]

(C$ thousands, except for AUM, AUA, common and preferred share information, financial measures and percentages)	For the years ended and as at March 31				
	2015	2014	2013	2012	2011
	IFRS	IFRS	IFRS	IFRS	IFRS
Financial results					
Revenue	$ 880,763	$ 855,244	$ 797,122	$ 604,864	$ 803,631
Expenses	886,420	790,656	820,824	620,983	661,159
Income tax expense (recovery)	5,661	12,531	(4,927)	5,227	42,729
Net (loss) income	(11,318)	52,057	(18,775)	(21,346)	99,743
Net (loss) income attributable to CGGI shareholders	(13,184)	51,413	(16,819)	(20,307)	99,743
Net (loss) income attributable to common shareholders	(25,061)	39,651	(28,539)	(25,122)	99,743
Business segment					
Income (loss) before income taxes					
Canaccord Genuity[2]	$ 1,932	$ 74,391	$ 3,640	$ (13,534)	$ 136,659
Canaccord Genuity Wealth Management	6,097	(7,389)	(35,978)	(912)	12,132
Corporate and Other	(13,686)	(2,414)	8,636	(1,673)	(6,319)
Geographic segment					
Income (loss) before income taxes					
Canada[3]	$ 16,487	$ (8,572)	$ 4,206	$ 39,439	$ 111,905
UK & Europe[4]	(3,216)	47,431	(9,709)	(41,202)	14,129
US[5]	(6,658)	27,320	(8,881)	(7,533)	16,755
Other Foreign Locations[6]	(12,270)	(1,591)	(9,318)	(6,823)	(317)
Client assets information ($ millions)					
AUM – Canada (discretionary)	$ 1,561	$ 1,204	$ 835	$ 677	$ 546
AUA – Canada	10,729	10,160	10,429	14,828	16,985
AUM – UK & Europe	21,763	20,156	15,936	13,087	—
AUM – Australia	836	555	451	—	—
Total	33,328	30,871	26,816	27,915	16,985
Common share information					
Per common share ($)					
Basic (loss) earnings	$ (0.27)	$ 0.42	$ (0.31)	$ (0.33)	$ 1.37
Diluted (loss) earnings	(0.27)	0.39	(0.31)	(0.33)	1.22
Book value per diluted common share[7]	8.71	9.05	7.68	8.26	8.79
Common share price ($)					
High	$ 13.49	$ 8.45	$ 8.30	$ 15.31	$ 16.41
Low	5.98	5.05	4.03	6.94	7.95
Close	6.52	8.20	6.82	8.30	14.00
Common shares outstanding (thousands)					
Issued shares excluding unvested shares	91,795	93,115	93,062	94,026	75,404
Issued and outstanding	102,608	101,471	102,896	101,689	82,810
Diluted shares	104,704	107,937	109,880	106,883	85,655
Average basic	91,693	94,125	92,218	76,715	72,990
Average diluted	n/a	101,993	n/a	n/a	81,717
Market capitalization (thousands)	682,673	885,087	749,380	887,131	1,199,170
Preferred share information (thousands)					
Shares issued and outstanding	8,540	8,540	8,540	4,540	—
Financial measures					
Dividends per common share	$ 0.25	$ 0.20	$ 0.20	$ 0.40	$ 0.275
Common dividend yield (closing common share price)	3.8%	2.4%	2.9%	4.8%	2.0%
Common dividend payout ratio	(101.9)%	51.6%	(71.8)%	(139.9)%	22.8%
Total shareholder return[8]	(17.4)%	23.2%	(15.4)%	(37.9)%	28.6%
ROE[9]	(2.9)%	4.4%	(3.3)%	(3.1)%	14.2%
Price to earnings multiple[10]	(21.0)	21.0	(22.0)	(24.4)	11.8
Price to book ratio[11]	0.7	0.9	0.9	1.0	1.6

(1) 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 included are: return on average common equity (ROE), book value per diluted common share, common dividend yield, common dividend payout ratio, total shareholder return, price to earnings multiple (P/E), price to book ratio (P/B), assets under management (AUM) and assets under administration (AUA).
(2) Includes the global capital markets division in Canada, the UK & Europe, the US, Australia, China, Barbados and Singapore.
(3) The Company's Canada geographic segment includes operations for Canaccord Genuity, Canaccord Genuity Wealth Management, and Corporate and Other business segments.
(4) The Company's UK & Europe geographic segment engages in capital markets and wealth management activities. Results of former CSHP entities located in the UK & Europe since March 22, 2012 and the wealth management operations of Eden Financial Ltd. since October 1, 2012 are also included.
(5) The Company's US geographic segment includes US capital markets and wealth management operations. Results of former CSHP entities located in the US are included since March 22, 2012.
(6) Revenue derived from capital markets activity outside of Canada, the US, and the UK & Europe is reported as Other Foreign Locations, which includes operations in Australia, China, Barbados and Singapore. Results of Australian operations are included since November 1, 2011, and Singaporean operations are included since March 22, 2012.
(7) Book value per diluted common share, a non-IFRS measure, is calculated as total shareholders' equity divided by the number of diluted common shares outstanding and, commencing in fiscal 2014, adjusted for shares purchased under the normal course issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.
(8) Total shareholder return is calculated as the change in share price plus dividends paid to common shares and special distributions paid in the current period as a percentage of the prior period's closing common share price, assuming reinvestment of all dividends.
(9) ROE is calculated by dividing the annual net income attributable to common shareholders over the average common shareholders' equity.
(10) The price to earnings multiple is calculated based on the end of period share price and 12-month trailing diluted EPS.
(11) The price to book ratio is calculated based on the end of period common share price and book value per diluted common share.

Condensed Consolidated Statements of Operations and Retained Earnings[1]

(C$ thousands, except per share amounts and percentages)	For the years ended March 31 2015	2014	2013	2012	2011
	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue					
Commissions and fees	$ 374,058	$ 361,647	$ 353,125	$ 252,877	$ 294,650
Investment banking	238,517	221,410	145,772	175,225	327,499
Advisory fees	151,336	139,142	179,690	107,370	84,914
Principal trading	75,217	91,313	66,406	10,647	43,644
Interest	22,212	24,549	29,199	31,799	24,040
Other	19,423	17,183	22,930	26,946	28,884
	880,763	855,244	797,122	604,864	803,631
Expenses					
Incentive compensation[2]	455,480	413,289	406,724	304,908	389,046
Salaries and benefits	85,770	91,135	88,522	63,924	64,420
Trading costs	52,795	47,872	43,892	30,313	31,507
Premises and equipment	40,281	38,461	41,124	27,546	27,158
Communication and technology	51,758	46,065	49,115	28,343	25,466
Interest	13,424	16,359	15,302	9,816	7,811
General and administrative	94,688	83,834	89,504	69,523	67,882
Amortization	28,428	26,786	33,779	14,108	12,742
Development costs	24,448	21,369	19,526	21,193	22,387
Restructuring costs	24,813	5,486	31,617	35,253	—
Impairment of goodwill	14,535	—	—	—	—
Acquisition-related costs	—	—	1,719	16,056	12,740
	886,420	790,656	820,824	620,983	661,159
(Loss) income before income taxes	(5,657)	64,588	(23,702)	(16,119)	142,472
Income tax expense (recovery)	5,661	12,531	(4,927)	5,227	42,729
Net (loss) income for the year	$ (11,318)	$ 52,057	$ (18,775)	$ (21,346)	$ 99,743
Non-controlling interests	1,866	644	(1,956)	(1,039)	—
Net (loss) income attributable to CGGI shareholders	(13,184)	51,413	(16,819)	(20,307)	99,743
Retained earnings, beginning of year	144,799	126,203	180,748	238,647	194,007
Opening IFRS adjustments	—	—	—	—	(35,869)
Common shares dividends	(26,806)	(21,055)	(26,006)	(32,778)	(19,234)
Preferred shares dividends	(11,994)	(11,762)	(11,720)	(4,814)	—
Retained earnings, end of year	$ 92,815	$ 144,799	$ 126,203	$ 180,748	$ 238,647
Incentive compensation expenses as a % of revenue	51.7%	48.3%	51.0%	50.4%	48.4%
Total compensation expenses as a % of revenue[3]	61.5%	59.0%	62.1%	61.0%	56.4%
Non-compensation expenses as a % of revenue	39.2%	33.6%	40.8%	41.7%	25.8%
Total expenses as a % of revenue	100.6%	92.4%	103.0%	102.7%	82.3%
Pre-tax profit margin	(0.6)%	7.6%	(3.0)%	(2.7)%	17.7%
Effective tax rate	(100.1)%	19.4%	20.8%	(32.4)%	30.0%
Net profit margin	(1.3)%	6.1%	(2.4)%	(3.5)%	12.4%
Basic (loss) earnings per share	$ (0.27)	$ 0.42	$ (0.31)	$ (0.33)	$ 1.37
Diluted (loss) earnings per share	$ (0.27)	$ 0.39	$ (0.31)	$ (0.33)	$ 1.22
Book value per diluted common share[4]	$ 8.71	$ 9.05	$ 7.68	$ 8.26	$ 8.79
Supplemental segmented revenue information					
Canaccord Genuity	$ 613,105	$ 615,790	$ 541,033	$ 373,477	$ 538,644
Canaccord Genuity Wealth Management	250,890	224,036	231,612	201,290	233,049
Corporate and Other	16,768	15,418	24,477	30,097	31,938
	$ 880,763	$ 855,244	$ 797,122	$ 604,864	$ 803,631

(1) 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 included are: incentive compensation expenses as a % of revenue, total compensation expenses as a % of revenue, non-compensation expenses as a % of revenue, total expenses as a % of revenue, and book value per diluted common share.
(2) Incentive compensation expenses include the National Insurance Tax applicable to the UK.
(3) Total compensation expenses include incentive compensation and salaries and benefits, but exclude hiring incentives, which are included in development costs. Beginning in fiscal 2011, development group salaries and benefits have been included as compensation expense, whereas they were classified as development costs prior to fiscal 2011.
(4) Book value per diluted common share, a non-IFRS measure, is calculated as total shareholders' equity divided by the number of diluted common shares outstanding and, commencing in fiscal 2014, adjusted for shares purchased under the normal course issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.

Condensed Consolidated Statements of Financial Position

As at March 31 (C$ thousands)	2015	2014	2013	2012	2011
	IFRS	IFRS	IFRS	IFRS	IFRS
Assets					
Cash and cash equivalents	$ 322,324	$ 364,296	$ 491,012	$ 814,238	$ 954,068
Securities owned, at market	848,128	1,143,201	924,337	1,171,988	947,185
Accounts receivable	2,491,488	2,785,898	2,513,958	3,081,640	2,828,812
Income taxes recoverable	5,295	3,983	—	8,301	—
Deferred tax assets	10,148	9,735	12,552	3,959	1,503
Investments	8,693	9,977	3,695	9,493	5,934
Equipment and leasehold improvements	43,373	50,975	42,979	51,084	40,818
Goodwill and other intangibles	640,456	646,557	614,969	622,020	319,180
	$ 4,369,905	$ 5,014,622	$ 4,603,502	$ 5,762,723	$ 5,097,500
Liabilities and shareholders' equity					
Bank indebtedness	$ 20,264	$ —	$ 66,138	$ 75,141	$ 13,580
Short term credit facility	—	—	—	150,000	—
Securities sold short, at market	654,639	913,913	689,020	914,649	722,613
Accounts payable and accrued liabilities	2,541,956	2,888,267	2,746,790	3,590,266	3,557,275
Income taxes payable	8,172	10,822	4,428	—	23,977
Contingent consideration	—	—	14,218	—	—
Deferred tax liabilities	2,057	3,028	2,576	8,088	8,163
Subordinated debt	15,000	15,000	15,000	15,000	15,000
Non-controlling interests	10,275	14,912	16,169	17,454	—
Shareholders' equity	1,117,542	1,168,680	1,049,163	992,125	756,892
	$ 4,369,905	$ 5,014,622	$ 4,603,502	$ 5,762,723	$ 5,097,500

Miscellaneous Operational Statistics[1]

As at March 31	2015	2014	2013	2012	2011
Number of employees in Canada					
Number in Canaccord Genuity	201	215	222	247	268
Number in Canaccord Genuity Wealth Management	400	420	461	684	684
Number in Corporate and Other	324	316	332	378	373
Total Canada	925	951	1,015	1,309	1,325
Number of employees in the UK & Europe					
Number in Canaccord Genuity	329	372	400	461	143
Number in Canaccord Genuity Wealth Management	303	294	294	276	—
Number of employees in the US					
Number in Canaccord Genuity	269	286	253	302	175
Number of employees in Other Foreign Locations					
Number in Canaccord Genuity	89	89	84	80	41
Number in Canaccord Genuity Wealth Management	13	12	14	—	—
Number of employees company-wide	1,928	2,004	2,060	2,428	1,684
Number of Advisory Teams in Canada[2]	152	160	178	280	271
Number of licensed professionals in Canada	437	436	494	604	645
Number of investment professionals and fund managers in the UK & Europe[3]	114	118	122	106	—
Number of Advisors – Australia	9	9	12	—	—
AUM – Canada (discretionary) (C$ millions)	$ 1,561	$ 1,204	$ 835	$ 677	$ 546
AUA – Canada (C$ millions)	$ 10,729	$ 10,160	$ 10,429	$ 14,828	$ 16,985
AUM – UK & Europe (C$ millions)	$ 21,763	$ 20,156	$ 15,936	$ 13,087	$ —
AUM – Australia (C$ millions)	$ 836	$ 555	$ 451	$ —	$ —
Total (C$ millions)	$ 33,328	$ 30,871	$ 26,816	$ 27,915	$ 16,985
Number of companies with Canaccord Genuity Limited as broker					
London Stock Exchange (LSE)	53	52	55	52	26
Alternative Investment Market (AIM)	40	43	56	77	39
Total broker	93	95	111	129	65
Number of companies with Canaccord Genuity Limited as Nomad[4]					
LSE	1	—	—	—	1
AIM	30	33	45	62	30
Total Nomad	31	33	45	62	31

(1) These miscellaneous operational statistics are non-IFRS measures.
(2) Advisory Teams in Canada are normally comprised of one or more Investment Advisors (IAs) and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licensed for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average-sized book.
(3) Investment professionals include all staff with direct sales responsibilities, which includes brokers and assistants with direct client contacts. Fund managers include all staff who manage client assets.
(4) A company listed on AIM is required to retain a Nominated Adviser (commonly referred to as a Nomad) during the company's life on the market. Among other duties, Nomads are responsible for warranting that a company is appropriate for joining AIM. A Nomad is similar to a Financial Advisor on the LSE, but is specific to AIM.

Quarterly Financial Highlights[1]

(C$ thousands, except for AUM, AUA, common and preferred share information, financial measures and percentages)	Fiscal 2015				Fiscal 2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial results								
Revenue	$ 232,465	$ 166,471	$ 236,271	$ 245,556	$ 253,748	$ 230,959	$ 183,306	$ 187,231
Expenses	260,835	191,991	211,326	222,268	221,737	206,539	184,262	178,118
Income tax (recovery) expense	(2,048)	(4,041)	7,331	4,419	6,091	6,086	(876)	1,230
Net (loss) income	(26,322)	(21,479)	17,614	18,869	25,920	18,334	(80)	7,883
Net (loss) income attributable to CGGI shareholders	(26,994)	(21,380)	17,109	18,081	25,734	17,321	(383)	8,741
Net (loss) income attributable to common shareholders	(29,992)	(24,340)	14,188	15,083	22,774	14,400	(3,304)	5,781
Business segment								
(Loss) income before income taxes								
Canaccord Genuity[2]	$ (23,264)	$ (26,838)	$ 25,264	$ 26,770	$ 34,617	$ 27,908	$ (26)	$ 11,892
Canaccord Genuity Wealth Management	4,353	1,291	658	(205)	963	(3,101)	(3,338)	(1,913)
Corporate and Other	(9,459)	27	(977)	(3,277)	(3,569)	(387)	2,408	(866)
Geographic segment								
(Loss) income before income taxes								
Canada[3]	$ (5,983)	$ (2,375)	$ 17,021	$ 7,808	$ (456)	$ 37	$ (6,399)	$ (1,746)
UK & Europe[4]	(9,326)	(11,291)	10,618	6,783	17,863	17,625	3,024	8,919
US[5]	(5,470)	(6,006)	(2,951)	7,785	14,905	2,887	3,147	6,374
Other Foreign Locations[6]	(7,591)	(5,848)	257	912	(301)	3,872	(728)	(4,435)
Client assets ($ millions)								
AUM – Canada (discretionary)	$ 1,561	$ 1,441	$ 1,391	$ 1,270	$ 1,204	$ 1,070	$ 935	$ 880
AUA – Canada	10,729	10,310	10,757	10,958	10,160	9,536	9,427	9,325
AUM – UK & Europe	21,763	20,307	20,420	20,486	20,156	18,984	17,655	16,125
AUM – Australia	836	634	569	631	555	463	411	360
Total	33,328	31,251	31,746	32,075	30,871	28,983	27,493	25,810
Common share information								
Per common share ($)								
Basic (loss) earnings	$ (0.33)	$ (0.27)	$ 0.16	$ 0.16	$ 0.24	$ 0.15	$ (0.03)	$ 0.06
Diluted (loss) earnings	(0.33)	(0.27)	0.14	0.15	0.22	0.14	(0.03)	0.06
Book value per diluted common share[7]	8.71	8.63	8.90	8.70	9.05	8.43	8.00	7.87
Common share price ($)								
High	$ 7.85	$ 11.47	$ 13.49	$ 13.05	$ 8.45	$ 7.00	$ 7.06	$ 6.94
Low	6.14	5.98	10.73	7.80	6.54	5.84	5.37	5.05
Close	6.52	7.81	11.19	12.29	8.20	6.95	6.63	5.71
Common shares outstanding (thousands)								
Issued shares excluding unvested shares	91,795	90,878	91,104	91,393	93,115	92,912	93,951	94,936
Issued and outstanding	102,608	101,883	102,163	101,983	101,471	101,819	102,520	103,570
Diluted shares	104,652	104,357	105,275	105,470	107,945	108,409	109,604	109,667
Average basic	91,252	91,404	91,070	92,763	92,930	93,369	94,486	94,524
Average diluted	n/a	n/a	101,059	102,203	102,218	102,667	n/a	102,770
Market capitalization (thousands)	682,331	815,027	1,178,027	1,296,226	885,151	753,446	726,672	626,201
Preferred shares outstanding (thousands)								
Shares issued and outstanding	8,540	8,540	8,540	8,540	8,540	8,540	8,540	8,540
Financial measures								
Dividends per common share	$ 0.05	$ 0.05	$ 0.10	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05
Common dividend yield (closing share price)	3.1%	2.6%	3.6%	1.6%	2.4%	2.9%	3.0%	3.5%
Common dividend payout ratio	(17.1)%	(20.9)%	72.0%	33.8%	22.3%	35.4%	(155.1)%	89.6%
Total shareholder return[8]	(15.9)%	(29.8)%	(8.1)%	50.5%	18.7%	5.6%	17.0%	(15.5)%
Annualized ROE[9]	(13.4)%	(10.5)%	6.1%	6.4%	9.8%	6.4%	(1.5)%	2.7%
Price to earnings multiple[10]	(21.0)	32.5	17.2	25.6	21.0	33.1	44.2	(571.0)
Price to book ratio[11]	0.7	0.9	1.3	1.4	0.9	0.8	0.8	0.7

(1) 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 included are: return on average common equity (ROE), book value per diluted common share, common dividend yield, common dividend payout ratio, total shareholder return, price to earnings multiple (P/E), price to book ratio (P/B), assets under management (AUM) and assets under administration (AUA).
(2) Includes the global capital markets division in Canada, the UK & Europe, the US, Australia, China, Barbados and Singapore.
(3) The Company's Canada geographic segment includes operations for Canaccord Genuity, Canaccord Genuity Wealth Management, and Corporate and Other business segments.
(4) The Company's UK & Europe geographic segment engages in capital markets and wealth management activities. Results of former CSHP entities located in the UK & Europe since March 22, 2012 and the wealth management operations of Eden Financial Ltd. since October 1, 2012 are also included.
(5) The Company's US geographic segment includes US capital markets and wealth management operations. Results of former CSHP entities located in the US are included since March 22, 2012.
(6) Revenue derived from capital markets activity outside of Canada, the US, and the UK & Europe is reported as Other Foreign Locations, which includes operations in Australia, China, Barbados and Singapore. Results of Australian operations are included since November 1, 2011, and Singaporean operations are included since March 22, 2012.
(7) Book value per diluted common share, a non-IFRS measure, is calculated as total shareholders' equity divided by the number of diluted common shares outstanding and, commencing in fiscal 2014, adjusted for shares purchased under the normal course issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.
(8) Total shareholder return is calculated as the change in share price plus dividends paid to common shares and special distributions paid in the current period as a percentage of the prior period's closing common share price, assuming reinvestment of all dividends.
(9) ROE is presented on an annualized basis. Quarterly annualized ROE is calculated by dividing the annualized net income attributable to common shareholders for the three-month period over the average common shareholders' equity.
(10) The price to earnings multiple is calculated based on the end of period share price and 12-month trailing diluted EPS.
(11) The price to book ratio is calculated based on the end of period common share price and book value per diluted common share.

Condensed Consolidated Statements of Operations[1]

(C$ thousands, except per share amounts and percentages)	Fiscal 2015 Q4	Fiscal 2015 Q3	Fiscal 2015 Q2	Fiscal 2015 Q1	Fiscal 2014 Q4	Fiscal 2014 Q3	Fiscal 2014 Q2	Fiscal 2014 Q1
Revenue								
Commissions and fees	$ 100,869	$ 92,123	$ 86,240	$ 94,826	$ 102,199	$ 87,581	$ 81,832	$ 90,035
Investment banking	57,255	27,601	66,289	87,372	78,453	70,841	40,283	31,833
Advisory fees	40,283	22,618	55,741	32,694	33,585	39,758	29,894	35,905
Principal trading	22,621	14,612	17,708	20,276	31,027	21,863	18,883	19,540
Interest	4,961	5,045	5,902	6,304	5,908	5,704	6,132	6,805
Other	6,476	4,472	4,391	4,084	2,576	5,212	6,282	3,113
	232,465	166,471	236,271	245,556	253,748	230,959	183,306	187,231
Expenses								
Incentive compensation[2]	126,555	87,199	119,389	122,337	124,576	114,877	87,511	86,325
Salaries and benefits	22,539	20,430	20,268	22,533	25,169	21,350	21,506	23,110
Trading costs	13,411	13,975	12,775	12,634	14,199	11,370	10,336	11,967
Premises and equipment	10,589	9,579	10,080	10,033	9,211	10,092	9,823	9,335
Communication and technology	14,343	12,997	12,901	11,517	11,790	12,345	11,406	10,524
Interest	2,901	3,291	2,977	4,255	3,778	3,875	4,063	4,643
General and administrative	22,065	26,718	21,836	24,069	20,494	22,077	20,440	20,823
Amortization	6,994	6,587	7,475	7,372	7,455	6,750	6,020	6,561
Development costs	9,008	6,680	3,625	5,135	5,065	3,803	7,671	4,830
Restructuring costs	22,430	—	—	2,383	—	—	5,486	—
Impairment of goodwill	10,000	4,535	—	—	—	—	—	—
	260,835	191,991	211,326	222,268	221,737	206,539	184,262	178,118
(Loss) income before income taxes	(28,370)	(25,520)	24,945	23,288	32,011	24,420	(956)	9,113
Income tax (recovery) expense	(2,048)	(4,041)	7,331	4,419	6,091	6,086	(876)	1,230
Net (loss) income for the period	$ (26,322)	$ (21,479)	$ 17,614	$ 18,869	$ 25,920	$ 18,334	$ (80)	$ 7,883
Non-controlling interests	672	(99)	505	788	186	1,013	303	(858)
Net (loss) income attributable to CGGI shareholders	(26,994)	(21,380)	17,109	18,081	25,734	17,321	(383)	8,741
Incentive compensation expenses as a % of revenue	54.4%	52.4%	50.5%	49.8%	49.1%	49.7%	47.7%	46.1%
Total compensation expenses as a % of revenue[3]	64.1%	64.7%	59.1%	59.0%	59.0%	59.0%	59.5%	58.4%
Non-compensation expenses as a % of revenue	48.1%	50.7%	30.3%	31.5%	28.5%	30.4%	41.1%	36.7%
Total expenses as a % of revenue	112.2%	115.3%	89.4%	90.5%	87.4%	89.4%	100.5%	95.1%
Pre-tax profit margin	(12.2)%	(15.3)%	10.6%	9.5%	12.6%	10.6%	(0.5)%	4.9%
Effective tax rate	7.2%	15.8%	29.4%	19.0%	19.0%	24.9%	91.6%	13.5%
Net profit margin	(11.3)%	(12.9)%	7.5%	7.7%	10.2%	7.9%	—	4.2%
Basic (loss) earnings per share	$ (0.33)	$ (0.27)	$ 0.16	$ 0.16	$ 0.24	$ 0.15	$ (0.03)	$ 0.06
Diluted (loss) earnings per share	$ (0.33)	$ (0.27)	$ 0.14	$ 0.15	$ 0.22	$ 0.14	$ (0.03)	$ 0.06
Book value per diluted common share[4]	$ 8.71	$ 8.63	$ 8.90	$ 8.70	$ 9.05	$ 8.43	$ 8.00	$ 7.87
Supplemental segmented revenue information								
Canaccord Genuity	$ 159,379	$ 103,866	$ 170,615	$ 179,245	$ 186,659	$ 171,234	$ 126,691	$ 131,206
Canaccord Genuity Wealth Management	68,751	58,232	61,423	62,484	65,236	54,737	50,243	53,820
Corporate and Other	4,335	4,373	4,233	3,827	1,853	4,988	6,372	2,205
	$ 232,465	$ 166,471	$ 236,271	$ 245,556	$ 253,748	$ 230,959	$ 183,306	$ 187,231

(1) 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 included are: incentive compensation expenses as a % of revenue, total compensation expenses as a % of revenue, non-compensation expenses as a % of revenue, total expenses as a % of revenue, and book value per diluted common share.
(2) Incentive compensation expenses include the National Insurance Tax applicable to the UK.
(3) Total compensation expenses include incentive compensation and salaries and benefits, but exclude hiring incentives, which are included in development costs.
(4) Book value per diluted common share, a non-IFRS measure, is calculated as total shareholders' equity divided by the number of diluted common shares outstanding and, commencing in fiscal 2014, adjusted for shares purchased under the normal course issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.

Condensed Consolidated Statements of Financial Position

	Fiscal 2015				Fiscal 2014			
(C$ thousands)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Assets								
Cash and cash equivalents	$ 322,324	$ 339,962	$ 290,403	$ 273,880	$ 364,296	$ 357,713	$ 360,172	$ 380,869
Securities owned, at market	848,128	1,018,038	1,041,320	1,313,241	1,143,201	1,143,898	929,247	1,426,328
Accounts receivable	2,491,488	1,868,510	2,679,165	2,068,340	2,785,898	1,912,423	2,268,642	2,843,247
Income taxes recoverable	5,295	5,112	3,022	6,823	3,983	1,755	3,405	3,276
Deferred tax assets	10,148	9,706	9,366	9,165	9,735	9,322	10,877	9,938
Investments	8,693	9,964	9,920	9,931	9,977	9,491	9,267	4,113
Equipment and leasehold improvements	43,373	43,126	45,240	48,500	50,975	50,390	41,306	42,293
Goodwill and other intangibles	640,456	635,618	640,766	641,258	646,557	637,928	622,766	617,369
	$4,369,905	$3,930,036	$4,719,202	$4,371,138	$5,014,622	$4,122,920	$4,245,682	$5,327,433
Liabilities and shareholders' equity								
Bank indebtedness	$ 20,264	$ —	$ —	$ —	$ —	$ 85,080	$ 83,430	$ 84,185
Securities sold short, at market	654,639	839,826	777,237	564,166	913,913	816,037	718,815	1,215,685
Accounts payable and accrued liabilities	2,541,956	1,948,539	2,756,351	2,637,409	2,888,267	2,064,779	2,317,668	2,915,765
Income taxes payable	8,172	6,082	11,774	10,653	10,822	—	—	—
Contingent consideration	—	—	—	—	—	5,988	14,288	14,218
Deferred tax liabilities	2,057	3,029	1,899	4,796	3,028	4,530	1,493	1,711
Subordinated debt	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Non-controlling interests	10,275	9,608	15,130	15,821	14,912	12,110	12,375	12,244
Shareholders' equity	1,117,542	1,107,952	1,141,811	1,123,293	1,168,680	1,119,396	1,082,613	1,068,625
	$4,369,905	$3,930,036	$4,719,202	$4,371,138	$5,014,622	$4,122,920	$4,245,682	$5,327,433

Miscellaneous Operational Statistics[(1)]

	Fiscal 2015				Fiscal 2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of employees in Canada								
Number in Canaccord Genuity	201	206	208	215	215	214	215	221
Number in Canaccord Genuity Wealth Management	400	405	412	407	420	425	430	448
Number in Corporate and Other	324	316	315	320	316	319	320	323
Total Canada	925	927	935	942	951	958	965	992
Number of employees in the UK & Europe								
Number in Canaccord Genuity	329	373	384	372	372	361	385	388
Number in Canaccord Genuity Wealth Management	303	308	305	305	294	294	287	289
Number of employees in the US								
Number in Canaccord Genuity	269	294	295	291	286	279	275	264
Number of employees in Other Foreign Locations								
Number in Canaccord Genuity	89	87	86	88	89	90	90	88
Number in Canaccord Genuity Wealth Management	13	13	13	13	12	12	10	10
Number of employees company-wide	1,928	2,002	2,018	2,011	2,004	1,994	2,012	2,031
Number of Advisory Teams in Canada[(2)]	152	161	162	163	160	163	163	173
Number of licensed professionals in Canada	437	422	426	422	436	441	446	472
Number of investment professionals and fund managers in the UK & Europe[(3)]	114	113	113	116	118	119	115	119
Number of Advisors – Australia	9	9	9	9	9	9	8	7
AUM – Canada (discretionary) (C$ millions)	$ 1,561	$ 1,441	$ 1,391	$ 1,270	$ 1,204	$ 1,070	$ 935	$ 880
AUA – Canada (C$ millions)	$ 10,729	$ 10,310	$ 10,757	$ 10,958	$ 10,160	$ 9,536	$ 9,427	$ 9,325
AUM – UK & Europe (C$ millions)	$ 21,763	$ 20,307	$ 20,420	$ 20,486	$ 20,156	$ 18,984	$ 17,655	$ 16,125
AUM – Australia (C$ millions)	$ 836	$ 634	$ 569	$ 631	$ 555	$ 463	$ 411	$ 360
Total (C$ millions)	$ 33,328	$ 31,251	$ 31,746	$ 32,075	$ 30,871	$ 28,983	$ 27,493	$ 25,810
Number of companies with Canaccord Genuity Limited as broker								
London Stock Exchange (LSE)	53	55	53	48	52	53	55	57
Alternative Investment Market (AIM)	40	41	42	42	43	46	50	51
Total broker	93	96	95	90	95	99	105	108
Number of companies with Canaccord Genuity Limited as Nomad[(4)]								
LSE	1	1	1	1	—	—	—	—
AIM	30	31	32	33	33	36	40	43
Total Nomad	31	32	33	34	33	36	40	43

(1) These miscellaneous operational statistics are non-IFRS measures.
(2) Advisory Teams are normally comprised of one or more Investment Advisors (IAs) and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licensed for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average-sized book.
(3) Investment professionals include all staff with direct sales responsibilities, which includes brokers and assistants with direct client contacts. Fund managers include all staff who manage client assets.
(4) A company listed on AIM is required to retain a Nominated Adviser (commonly referred to as a Nomad) during the company's life on the market. Among other duties, Nomads are responsible for warranting that a company is appropriate for joining AIM. A Nomad is similar to a Financial Advisor on the LSE, but is specific to AIM.

Glossary

Acquisition-related expense items
Acquisition-related expense items include costs incurred to acquire Genuity Capital Markets, The Balloch Group Limited, 50% interest in BGF Capital Pty Ltd., Collins Stewart Hawkpoint plc, certain assets and liabilities of Kenosis Capital Partners, and the wealth management business of Eden Financial Ltd., as well as the amortization of intangible assets related to these acquisitions. Acquisition-related expense items also include costs incurred for prospective acquisitions not pursued. Figures that exclude acquisition-related items are considered non-IFRS measures.

AdvantageBC International Business Centre Society
Membership provides certain tax and financial benefits, reducing the overall corporate tax rate, pursuant to British Columbia legislation.

Advisory fees
Revenue related to the fees the Company charges for corporate advisory, mergers and acquisitions or corporate restructuring services is recorded as advisory fees.

Advisory Teams (IA Teams)
Advisory Teams are normally comprised of one or more IAs and their assistants and associates, who together manage a shared set of client accounts. Advisory Teams that are led by, or only include, an IA who has been licensed for less than three years are not included in our Advisory Team count, as it typically takes a new IA approximately three years to build an average-sized book. As Independent Wealth Management branches are led by one advisor (with a team), each IWM branch is counted as a single Advisory Team.

Alternative Investment Market (AIM)
The junior arm of the London Stock Exchange (LSE), AIM provides a global market for smaller, growing companies.

Assets under administration (AUA) Canada
AUA is the market value of client assets administered by the Company, for which the Company earns commissions or fees. This measure includes funds held in client accounts, as well as the aggregate market value of long and short security positions. Management uses this measure to assess operational performance of the Canaccord Genuity Wealth Management business segment. This measure is non-IFRS.

Assets under management (AUM) Canada
AUM consists of assets that are beneficially owned by clients and discretionarily managed by the Company as part of 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. AUM is also administered by the Company and is therefore included in AUA. This measure is non-IFRS.

Assets under management (AUM) UK & Europe
AUM is the market value of client assets managed and administered by the Company, for which the Company earns commissions or fees. This measure includes both discretionary and non-discretionary accounts. This measure is non-IFRS.

Book value per diluted common share
A measure of common equity per share calculated by subtracting liabilities from assets and dividing by the number of diluted shares outstanding and, commencing in fiscal 2014, adjusted for shares purchased under the normal course issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans. This measure is non-IFRS.

Canaccord Genuity
Canaccord's capital markets division was rebranded from Canaccord Adams to Canaccord Genuity in May 2010, following the acquisition of Genuity Capital Markets. Canaccord Genuity refers to the Company's global capital markets division.

Canaccord Genuity Asia
Canaccord Genuity Asia was the brand used for Canaccord Genuity's operations in the Asia-Pacific region. These operations have been rebranded to reflect our global capital markets branding.

Canaccord Genuity Hawkpoint
Canaccord Genuity Hawkpoint was the brand used to represent part of Canaccord Genuity's global corporate advisory operations based in the UK & Europe. This division has been rebranded to reflect our global capital markets branding.

Canaccord Genuity Wealth Management (CGWM)
The Company's wealth management businesses were rebranded Canaccord Genuity Wealth Management on May 1, 2013 to reflect the Company's global wealth management presence. CGWM has operations in Canada, the UK, Europe and Australia.

Collins Stewart Hawkpoint plc (CSHP)
Canaccord Genuity Group acquired Collins Stewart Hawkpoint plc (CSHP) on March 21, 2012. CSHP was a leading independent financial advisory group with operations in the UK, the US, Europe and Singapore. Subsequent to the acquisition, CSHP was rebranded Canaccord Genuity.

Common equity
Also referred to as common shares, which are, as the name implies, the most usual and commonly held form of stock in a corporation. Dividends paid to the stockholders must be paid to preferred shares before being paid to common stock shareholders.

Correspondent brokerage services
The provision of secure administrative, trade execution and research services to other brokerage firms through the Company's existing technology and operations infrastructure (Pinnacle Correspondent Services). Pinnacle Correspondent Services is being rebranded as Canaccord Genuity Correspondent Services.

CSH Inducement Plan
A retention plan for key CSHP staff in connection with the acquisition of CSHP.

Dilution
The change in earnings and book value per share resulting from the exercise of all warrants and options and conversion of convertible securities.

Dividend yield
A financial ratio that shows how much a company pays out in dividends each year relative to its share price. It is calculated as total annual dividends per share divided by the company share price.

Earnings (loss) per share (EPS), diluted
Net income (loss) divided by the weighted average number of shares outstanding adjusted for the dilutive effects of stock options and other share-based compensation.

Efficiency ratio
A financial ratio to measure efficiency calculated by dividing total expense over total revenue.

Employee Stock Purchase Plan (ESPP)
Voluntary plan that provides eligible employees with the ability to purchase shares in the Company through payroll deductions, with an additional contribution by the Company.

Escrowed securities
Common shares in the Company that are subject to specific terms of release.

Fair value adjustment
An estimate of the fair value of an asset (or liability) for which a market price cannot be determined, usually because there is no established market for the asset.

Fixed income trading
Trading in new issues, government and corporate bonds, treasury bills, commercial paper, strip bonds, high-yield debt and convertible debentures.

Genuity Capital Markets
Canaccord Genuity Group acquired Genuity Capital Markets and certain of its affiliates (also referred to as "Genuity") on April 23, 2010. Genuity was an independent Canadian investment bank with strong mergers and acquisitions and advisory practices. Subsequent to the acquisition, the Company renamed its capital markets division Canaccord Genuity.

Incentive-based revenue
A percentage of incentive-based revenue earned is directly paid out as incentive compensation expense. At Canaccord Genuity Group, this includes commission, investment banking, advisory fees, and principal trading revenue.

Independent Wealth Management (IWM)
An independent operating platform of Canaccord Genuity Wealth Management, under which Investment Advisors operate as independent agents of the Company. Each IWM branch is classified as one Advisory Team, which is comprised of one or more Investment Advisors and their assistants and associates, who together manage a shared set of client accounts.

Institutional sales and trading
A capital markets business segment providing market information and research, advice and trade execution to institutional clients.

International Equities Group (IEG)
The International Equities Group is a premium, low cost order routing destination for both US listed securities and foreign listed ordinary shares for local market execution in the US operations.

International trading
Executing trades in Canadian securities on behalf of US brokerage firms.

Investment banking
Assisting public and private businesses and governments to obtain financing in the capital markets through the issuance of debt, equity and derivative securities on either an underwritten or an agency basis.

Investment professionals and fund managers
Investment professionals include all staff with direct sales responsibilities, which include brokers and assistants with direct contacts. Fund managers include all staff who manage client assets.

Liquidity
The total of cash and cash equivalents available to the Company as capital for operating and regulatory purposes.

London Stock Exchange (LSE)
One of the world's largest stock exchanges, the LSE has been in existence for more than 300 years and has over 3,000 listed companies. The exchange has four main sectors: the Main Market; the AIM Market; the Professional Securities Market; and the Specialist Fund Market.

Long-term incentive plan (LTIP)
A reward system designed to align employee and external shareholder interests. Under the Company's LTIP, a portion of an eligible employee's annual compensation is held back to purchase restricted share units (RSUs) of the Company. The RSUs are topped up by the firm and vest over three years.

Montréal International Financial Centre
Membership provides certain tax and financial benefits, reducing the overall corporate tax rate, pursuant to Québec legislation.

National Insurance (NI) tax
Payroll tax applicable to UK employees based on a percentage of incentive compensation payout.

Nominated Adviser (NOMAD)
A company approved by the LSE to act as an adviser for companies who wish to be admitted to AIM. A Nomad warrants to the LSE that the company is appropriate for admission and assists the listed company on an ongoing basis with disclosure and other market-related matters.

Non-cash charges
Charges booked by a company that do not impact its cash balance or working capital.

Non-IFRS measures
Non-IFRS measures do not have any standardized meaning prescribed by International Financial Reporting Standards (IFRS) and are therefore unlikely to be comparable to similar measures presented by other companies. See page 22 of this annual report.

Offshore operations
For the Company's purposes, offshore operations refer to wealth management offices in the Channel Islands and the Isle of Man. These offices were rebranded Canaccord Genuity Wealth Management on May 1, 2013.

Preferred shares
A class of ownership in a corporation that has a higher claim on the assets and earnings than common stock. Preferred shares generally do not have voting rights; however, preferred shareholders receive a dividend that must be paid out before dividends are paid to common stockholders.

Principal trading
Trading in equity securities in principal and inventory accounts. Revenue is generated through inventory trading gains and losses.

Registered trading
Trading in equity securities in principal and inventory accounts by registered traders who operate by taking positions, trading and making markets in equity securities including securities of companies with small to medium-sized market capitalizations. Revenue is generated through inventory trading gains and losses.

Replacement plans
Share-based payment plans introduced to replace the share-based payment plans that existed at CSHP at the date of acquisition.

Return on average common equity (ROE)
Net income expressed as a percentage of average common equity. This measure is non-IFRS.

Risk
Financial institutions face a number of risks that may expose them to losses, including market, credit, operational, regulatory and legal risk.

Separately managed accounts (SMAs)
Investment portfolios available to clients that are managed by a senior portfolio manager. In SMAs, clients own the individual securities within the portfolio, rather than a portion of a pooled fund.

Significant items
Charges not considered to be recurring or indicative of operating earnings. For Canaccord Genuity Group this includes acquisition-related expense items, impairment of goodwill and intangibles, restructuring costs, ABCP fair value adjustments and accrual for the Company's client relief program. Figures excluding significant items are considered to be non-IFRS measures.

Syndicate participation
A group of investment banking firms coordinating the marketing, distribution, pricing and stabilization of equity financing transactions.

The Balloch Group (TBG)
The Balloch Group was a leading boutique investment bank in China that the Company acquired in January 2011. The Company's operations in China were subsequently rebranded Canaccord Genuity.

Trading services
Quotation services, trade reconciliation, execution management, order book management and trade reporting.

Underwriter – investment banking
Purchases securities or other instruments from a corporate issuer for resale to investors.

Value-at-Risk (VaR)
VaR is a generally accepted risk measurement concept that is defined as the predicted minimum loss in market value of a portfolio at a specific confidence level (e.g., 95%) over a certain period of time (e.g., daily).

Wrap accounts
A type of brokerage account in which a single or flat fee covers all administrative, research, advisory and management expenses.

Corporate Governance

The Board of Directors (Board) assumes responsibility for the stewardship of the Company, acting as a whole and through its committees, and has approved a formal Board Governance Manual (Mandate) including terms of reference for the Board and setting forth the Board's stewardship responsibilities and other specific duties and responsibilities. The Board's responsibilities are also governed by:

- The *Business Corporations Act* (British Columbia)
- The Company's articles
- The charters of its committees
- Other corporate policies and applicable laws

Communication with Independent Members of the Board

Terrence Lyons has been appointed by the Board of Directors of Canaccord Genuity Group Inc. as its Lead Director. One of his responsibilities is to receive and determine appropriate action on any communications from interested parties that are addressed to the independent directors of the Board. Such communications can be sent to Mr. Lyons in writing by mail to 2039 West 35th Avenue, Vancouver, BC, Canada, V6M 1J1.

Strategic Planning Process

The Board's Mandate provides that the Board is responsible for ensuring that the Company has an effective strategic planning process. As such, the Board reviews, approves, monitors and provides guidance on the Company's strategic plan.

Identification and Management of Risks

The Board's Mandate includes:

- Assisting management to identify the principal business risks of the Company
- Taking reasonable steps to ensure the implementation of appropriate systems to manage and monitor those risks
- Reviewing plans for evaluating and testing the Company's internal financial controls
- Overseeing the external auditors, including the approval of the external auditors' terms of reference

Succession Planning and Evaluation

The Board's Mandate includes keeping in place adequate and effective succession plans for the Chief Executive Officer (CEO) and senior management.

- The Corporate Governance and Compensation Committee (CGCC) receives periodic updates on the Company's succession plan at the senior officer level and monitors the succession planning process
- The succession plan is reviewed, at least annually, by the CGCC
- On the recommendation of the Chairman & CEO, the Board appoints the senior officers of the Company

Communications and Public Disclosure

The Company's Disclosure Controls Policy (DCP) addresses the accurate and timely communication of all important information relating to the Company and its interaction with shareholders, investment analysts, other stakeholders and the public generally.

- The DCP is reviewed annually by the Board
- The DCP, public securities regulatory filings, press releases and investor presentations are posted on the Company's website
- The Board reviews all quarterly and annual consolidated financial statements and related management discussion and analysis, the Company's earnings releases, management information circulars, annual information forms (AIFs) and financing documents

Internal Controls

The Board requires management to maintain effective internal controls and information systems. The Board, with the assistance of the Audit Committee, oversees the integrity of the Company's internal control and information systems.

- The Audit Committee meets no less than four times a year with the Company's Chief Financial Officer (CFO) and senior finance staff to review internal controls over financial reporting and related information systems
- External auditors provide recommendations to the Audit Committee on an annual basis in relation to the Company's internal controls and information systems

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

Governance

The Board is currently composed of nine directors, eight of whom are independent of management as determined under applicable securities legislation. In order to facilitate the exercise of independent judgment by the Board of Directors, the Board has appointed a lead director and holds regular meetings without management directors present.

- The CGCC is responsible for periodically reviewing the composition of the Board and its committees
- A formal annual assessment process has been established to include feedback by all the directors to the full Board, including the completion of a confidential survey
- New directors are provided with substantial reference material on the Company's strategic focus, financial and operating history, corporate governance practices and corporate vision

Summary of Charters and Committees

The Board has delegated certain of its responsibilities to two committees, each of which has specific roles and responsibilities as defined by the Board. Both of these Board committees are made up of independent directors.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities by monitoring the Company's financial reporting practices and financial disclosure. It comprises two unrelated directors and a third director who is related only as a director of a subsidiary. All members of the Audit Committee are financially literate; that is, they are able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The current members of the Audit Committee are Messrs. Lyons (Chair), Eeuwes and Carello.

The Audit Committee has adopted a charter which specifically defines the roles and responsibilities of the Audit Committee. The Audit Committee Charter can be found in the Company's AIF filed on SEDAR. The Audit Committee has direct communication channels with the external auditors and CFO and senior finance staff and discusses and reviews issues with each of them on a regular basis. The Audit Committee's mandate was updated in fiscal 2013 to better reflect the Audit Committee's oversight of the Company's risk management function.

The Audit Committee is responsible for ensuring management has designed and implemented an effective system of internal control. The external auditors are hired by and report directly to the Audit Committee. After consultation with management, the Audit Committee is responsible for setting the external auditors' compensation. The external auditors attend each meeting of the Audit Committee, and a portion of each meeting is held without the presence of management. The Audit Committee annually reviews and approves the external auditors' audit plan and must approve any audit and non-audit work performed by the external auditors. The CFO and senior finance staff attend each meeting of the Audit Committee other than the portion of the meeting which is held without management present to allow more open discussion. The Audit Committee annually reviews and approves the internal audit plan.

CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE

The Corporate Governance and Compensation Committee is responsible for developing the Company's approach to governance issues, reviewing the Company's overall governance principles and recommending changes to those principles from time to time. It comprises three unrelated directors: Messrs. Harris (Chair), Eeuwes and Lyons. The committee has full access to staff and resources. At all regular committee meetings during the year, a portion of each meeting is held without management present to allow more open discussion.

Board of Directors

Charles N. Bralver (2010)
Charles N. Bralver is a financial services executive with over 30 years of capital markets experience. For more than 23 years – from 1984 to 2007 – Mr. Bralver was a founder and Vice Chairman of management consultancy Oliver, Wyman & Co. where he specialized in strategy, risk and operational work for leading investment banks, asset managers, exchanges and other market utilities. He continues to serve as a member of the senior advisory board of Oliver Wyman. Mr. Bralver served as Senior Associate Dean for International Business and Finance at the Fletcher School of Law and Diplomacy from 2007 to 2010, from 2007 to 2009 as a strategic advisor to Warburg Pincus LLC. Mr. Bralver serves as a director of the Company, as a director and member of the risk committee of NewStar Financial, Inc. and on the Board of Visitors of the Fletcher School. Mr. Bralver started his career at Booz Allen Hamilton. He is a US citizen and a graduate of the Fletcher School of Law and Diplomacy and Dartmouth College.

In addition to Canaccord Genuity Group Inc., Mr. Bralver is a director of the following public companies: NewStar Financial, Inc. and the Co-operative Bank p.l.c.

Massimo Carello (2008)
Audit Committee
Mr. Carello is a corporate director and a private investor in public companies. Mr. Carello was the Chairman and Chief Executive Officer of Diners Club UK Ltd. from 2001 to 2004 and was the Chairman and Chief Executive Officer of Fiat UK Ltd. from 1990 to 2001. Mr. Carello served as a member of the Confederation of British Industry (CBI) President's Committee from 1998 to 2003 and was a member of the CBI European Committee. He was Vice President of the Italian Chamber of Commerce in the UK from 1998 to 2005. He is the Honorary Vice-President of CLIC Sargent, the UK's leading cancer charity for children and young people.

In addition to Canaccord Genuity Group Inc., Mr. Carello is a director and a member of the Audit Committees of the following public companies: Canadian Overseas Petroleum Limited and Orsu Metals Corporation. Until December 2010, he was also a director and a member of the Audit Committee of Uranium One Inc.

Kalpana Desai (2014)
Kalpana Desai is a corporate director and advisor. She has over 25 years of international investment banking and advisory experience. She was Head of Macquarie Capital Asia, the investment banking division of Macquarie Group, and a member of the Global Macquarie Capital Operations Committee from 2010 to 2013. Before joining Macquarie Group in 2009, Ms. Desai was Head of the Asia-Pacific Mergers & Acquisitions Group and a Managing Director in the investment banking division of Merrill Lynch (now called Bank of America Merrill Lynch) based in Hong Kong, having joined that firm in 1998. Earlier, Ms. Desai worked in the investment banking divisions of Barclays de Zoete Wedd and J. Henry Schroder Wagg in London, having started her career with Coopers & Lybrand Consulting in London.

Ms. Desai was a member of the Takeovers and Mergers Panel of the Securities and Futures Commission in Hong Kong from 2007 to 2014.

Born in Kenya and educated in the United Kingdom, Ms. Desai has lived in Hong Kong since 1997. Ms. Desai holds a B.Sc. (honours) from the London School of Economics and Political Science and is an Associate Member of the Institute of Chartered Accountants of England and Wales.

Ms. Desai is not currently a director of any other public companies.

William J. Eeuwes (2002)
Audit Committee
Corporate Governance and Compensation Committee
Mr. Eeuwes retired in April 2015 as Senior Vice President & Global Head, Private Equity, Manulife Financial. In that position, he had executive responsibility for Regional Power Inc., NAL Resources Limited (oil and gas) and two private equity teams: Manulife Capital in Canada and Hancock Capital Management in the US.

Before joining Manulife in 1999, Mr. Eeuwes was a career banker with 25 years of experience in underwriting and the management of a broad range of financing including LBOs, corporate lending and project finance. Mr. Eeuwes is a graduate of the Richard Ivey School of Business at the University of Western Ontario. Mr. Eeuwes is a director of several private companies in Canada, and is a member of the Institute of Corporate Directors. Mr. Eeuwes is not a director of any public companies other than Canaccord Genuity Group Inc.

Michael D. Harris, ICD.D (2004)
Corporate Governance and Compensation Committee
Michael Harris, ICD.D, is a senior business advisor with the law firm of Fasken Martineau DuMoulin LLP in Toronto, and the President of his own consulting firm, Steane Consulting Ltd., and, in this capacity, acts as a consultant to various Canadian companies. Before joining Fasken Martineau in September 2013, he was a senior business advisor with the law firm of Cassels Brock & Blackwell in Toronto from March 2010 and before that a senior business advisor with the law firm of Goodmans LLP in Toronto.

Mr. Harris was born in Toronto in 1945 and was raised in Callander and North Bay, Ontario. Before his election to the Ontario Legislature in 1981, Mike Harris was a schoolteacher, a school board trustee and chair, and an entrepreneur in the Nipissing area. On June 8, 1995, Mr. Harris became the 22nd Premier of Ontario following a landslide election victory. In 1999, he was re-elected – making him the first Ontario Premier in over 30 years to form a second consecutive majority government.

In addition to sitting on several boards of Canadian corporations, he also serves as a director of the Luminato Festival and the Manning Centre for Building Democracy. He is the Honorary Chair of the North Bay District Hospital Capital Campaign and the Nipissing University and Canadore College Capital Campaign. Mr. Harris is also a Senior Fellow of the Fraser Institute. He has received his ICD.D certification from the Institute of Corporate Directors.

In addition to Canaccord Genuity Group Inc., Mr. Harris is a director of the following public companies: Chartwell Retirement Residences (Chair), FirstService Corporation and Routel Inc. (Chair).

David Kassie (2010)
David Kassie became Group Chairman and a director of Canaccord Genuity Group Inc. on the closing of the acquisition of Genuity Capital Markets, a Canadian investment bank, on April 23, 2010, and became Chairman on April 1, 2012. He was the Principal, Chairman and Chief Executive Officer of Genuity Capital Markets from 2004 until May 9, 2010, when the integration of the businesses of Genuity Capital Markets and Canaccord Financial Ltd. was completed under the name Canaccord Genuity. Before 2004, he was Chairman and Chief Executive Officer of CIBC World Markets and the Vice Chairman of CIBC. On the death of Paul Reynolds on April 1, 2015, Mr. Kassie was appointed as the Chief Executive Officer of the Company.

Mr. Kassie has extensive experience as an advisor, underwriter and principal. He sits on a number of corporate boards. Mr. Kassie is actively involved in community and charitable organizations and is on the boards of the Richard Ivey School of Business and the Toronto International Film Festival Group and was formerly on the Board of the Hospital for Sick Children. Mr. Kassie is a director of CFF Bank and its holding company.

Mr. Kassie holds a B.Comm. (Honours) in Economics from McGill University (1977), and an MBA from the University of Western Ontario (1979).

In addition to Canaccord Genuity Group Inc., Mr. Kassie is a director of the following public company: Reitmans (Canada) Limited.

Terrence A. Lyons, ICD.D (2004)
Audit Committee
Corporate Governance and Compensation Committee
Terry Lyons is a corporate director. He is a director of several public and private corporations including Sprott Resource Corp. (Chairman), Martinrea International Inc. and Polaris Minerals Corporation (Chairman). Mr. Lyons is a retired Managing Partner of Brookfield Asset Management and past Chairman of Northgate Minerals Corporation, which was acquired by AuRico Gold Inc. to create a new mid-cap gold company. He was also Chairman of Eacom Timber Corporation, which was sold to a private equity firm in 2013. In 2014, he stepped down as a director of BC Pavilion Corporation (Pavco), Royal Oak Ventures, which was privatized by Brookfield, and the BC Board of the Institute of Corporate Directors.

Mr. Lyons is a Civil Engineer (UBC) with an MBA from the University of Western Ontario. He sits on the Advisory Board of the Richard Ivey School of Business and has been active in a number of sports and charitable organizations including Junior Achievement, Special Olympics and United Way. Mr. Lyons is a past Governor of the Olympic Foundation of Canada, past Chairman of the Mining Association of BC, past Governor and member of the Executive Committee of the BC Business Council and in 2007 was awarded the INCO Medal by the Canadian Institute of Mining and Metallurgy for distinguished service to the mining industry. He has received his ICD.D certification from the Institute of Corporate Directors.

Mr. Lyons currently serves as the Lead Director and Chairman of the Audit Committee of Canaccord Genuity Group Inc.

Dennis Miller (2014)
Dennis Miller is a corporate director and advisor who has spent the last 25 years operating at the intersection of media and technology. He began his career in the entertainment and tax department of the law firm of Manatt, Phelps, Rothenberg and Tunney before becoming Executive Vice President of Turner Network Television from 1991 to 1995. Following this, from 1995 to 1998, Mr. Miller was the Executive Vice President of Sony Pictures Entertainment, a subsidiary of Sony Corporation of America. From 1998 until 2000, Mr. Miller served as Executive Vice President of Lions Gate Entertainment before turning to the private equity industry as Managing Director for Constellation Ventures, the venture arm of Bear Stearns, from 2000 until 2005. In 2005, he became General Partner at Spark Capital, a firm known for investing in notable early stage software and Internet firms including Twitter, Tumblr, Oculus Rift, and Square. Most recently, he advised Lions Gate Entertainment on its digital strategy and investment in TVGN, a fully distributed cable network, through its sale to CBS.

In addition to Canaccord Genuity Group Inc., Mr. Miller also serves on the Board of Directors of Radio One Inc. and Nexstar Broadcasting Group, Inc.

Dipesh Shah (2012)
Dipesh Shah is a director on the boards of Thames Water group of companies, Equus Petroleum plc (where he is Senior Independent Director and Chairman of the Nominations Committee), JKX Oil & Gas plc (where he is Senior Independent Director and Chairman of the Remuneration Committee), The Crown Estate, Cavendish Fluor Partnership and the 2020 European Fund for Energy, Climate Change and Infrastructure (the “EU Marguerite Fund”, where he is Chairman of the Investment Committee). He is also a Trustee of the British Youth Opera and a Governor of Merchant Taylors’ School.

Mr. Shah was formerly the Chief Executive of the UK Atomic Energy Authority and of various large businesses in BP Plc, where he was a member of the Group Leadership for more than a decade and latterly also the Global Head of Acquisitions and Divestitures. Mr. Shah was Chairman, inter alia, of Viridian Group plc, HgCapital Renewable Power Partners LLP and the European Photovoltaic Industry Association. In addition, he has been a Director of several major organizations, including Babcock International Group Plc and Lloyd’s of London. He was also a member of the UK Government’s Renewable Energy Advisory Committee from 1994 to 2002. Earlier, Mr. Shah was the Chief Economist for BP Oil UK.

Born in India, and brought up in Uganda, Mr. Shah is a graduate of the University of London, the University of Warwick, and the Harvard Business School management program. He was appointed an Officer of the Order of the British Empire (O.B.E.) in the 2007 New Year Honours and is a Life Fellow of the Royal Society of Arts (F.R.S.A.).

In addition to Canaccord Genuity Group Inc., Mr. Shah is a director of the following public company: JKX Oil & Gas plc.

Locations

Capital Markets

CANACCORD GENUITY

Canada

Toronto
Brookfield Place
161 Bay Street, Suite 3000
P.O. Box 516
Toronto, ON
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Telephone: 416.869.7368
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Toll free (US): 1.800.896.1058

Vancouver
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Canada V7Y 1H2
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Toll free (US): 1.800.663.8061

Calgary
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Barbados

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Shareholder Information

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Stock Exchange Listing

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LSE: CF.

Corporate Website

www.canaccordgenuity.com

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

Common Share Trading Information (Fiscal 2015)

Stock exchange	Ticker	Diluted shares outstanding at March 31, 2015	Year-end price March 31, 2015	High	Low	Total volume of shares traded
Toronto TSX	CF	104,704,483	$ 6.52	$ 13.49	$ 5.98	95,033,200
London LSE	CF.	104,704,483	£ 3.35	£ 7.29	£ 3.00	2,366,623

Fiscal 2015 Preferred Dividend Dates and Amounts

Quarter-end date	Preferred dividend record date	Preferred dividend payment date	Series A preferred dividend	Series C preferred dividend	Total preferred dividend
June 30, 2014	September 19, 2014	September 30, 2014	$ 0.34375	$ 0.359375	$ 0.703125
September 30, 2014	December 19, 2014	December 31, 2014	$ 0.34375	$ 0.359375	$ 0.703125
December 31, 2014	March 20, 2015	March 31, 2015	$ 0.34375	$ 0.359375	$ 0.703125
March 31, 2015	June 19, 2015	June 30, 2015	$ 0.34375	$ 0.359375	$ 0.703125
			$ 1.375	$ 1.4375	$ 2.8125

Fiscal 2015 Common Dividend Dates and Amounts

Quarter-end date	Common dividend record date	Common dividend payment date	Common dividend
June 30, 2014	August 29, 2014	September 10, 2014	$ 0.05
September 30, 2014	November 21, 2014	December 10, 2014	$ 0.05
September 30, 2014 (special dividend)	November 21, 2014	December 10, 2014	$ 0.05
December 31, 2014	February 27, 2015	March 10, 2015	$ 0.05
March 31, 2015	June 19, 2015	July 2, 2015	$ 0.05
			$ 0.25

Fiscal 2016 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
Q1/16	August 4, 2015	September 18, 2015	September 30, 2015	August 28, 2015	September 10, 2015
Q2/16	November 4, 2015	December 18, 2015	December 31, 2015	November 20, 2015	December 10, 2015
Q3/16	February 3, 2016	March 18, 2016	March 31, 2016	February 26, 2016	March 10, 2016
Q4/16	June 1, 2016	June 17, 2016	June 30, 2016	June 17, 2016	June 30, 2016

(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.

Eligible Dividend Designation: *Income Tax Act* (Canada)

In Canada, the *Federal Income Tax Act*, and most provincial income tax legislation, provides lower levels of taxation for Canadian individuals who receive eligible dividends. All of the common share dividends paid by Canaccord Genuity Group Inc. (formerly called Canaccord Capital Inc. and Canaccord Financial Inc.) since 2006 are eligible, as are common share dividends paid hereafter unless otherwise indicated.

Shareholder Administration

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

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INVESTOR SERVICES INC.

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Toronto, ON M5J 2Y1
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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.

Annual General Meeting

The Annual General Meeting of shareholders will be held on Wednesday, August 5, 2015 at 10:00 am (Eastern Time)
at the TMX Broadcast Centre
The Exchange Tower
130 King Street West
Toronto, ON, Canada

A live Internet webcast will also be available for shareholders to view. Please visit the webcast events page at www.canaccordgenuitygroup.com for more information and a direct link.

To view Canaccord Genuity Group Inc.'s regulatory filings on SEDAR, please visit www.sedar.com.

Financial Information

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

Auditor

Ernst & Young LLP
Chartered Accountants
Vancouver, BC

Fees Paid to Shareholders' Auditors

For fees paid to shareholders' auditors, see the fiscal 2015 Annual Information Form.

Qualified Foreign Corporation

CGGI is a "qualified foreign corporation" for US tax purposes under the *Jobs & Growth Tax Reconciliation Act of 2003*.

Editorial and Design Services

The Works Design Communications Ltd.

CANACCORD Genuity

Canaccord Genuity Group Inc.'s operations are divided into two business segments: Canaccord Genuity (investment banking and capital markets operations) and Canaccord Genuity Wealth Management. Together, these operations offer a wide range of complementary investment banking services, investment products and brokerage services to the Company's institutional, corporate and private clients. Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX and the symbol CF. on the London Stock Exchange.

CANACCORD Genuity

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

CANACCORD Genuity
Wealth Management

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

CANACCORD Genuity
Correspondent Services

Canaccord Genuity Correspondent Services provides trade execution, clearing, settlement, custody, and other middle- and back-office services to introducing brokerage firms, portfolio managers and other financial intermediaries. The business unit was developed as an extension and application of Canaccord Genuity Group Inc.'s substantial investment in its information technology and operating infrastructure.

NORTH AMERICA

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