



## Canaccord Genuity Group Inc.

### Supplementary Financial Information

Fourth Quarter Fiscal 2019

For the period ended March 31, 2019

(Unaudited and in Canadian dollars)

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### **Advisory note:**

This document is not audited and should be read in conjunction with the Annual Report dated June 5, 2019. Canaccord's fiscal year end is defined as March 31st of each year.

### **Non-IFRS measures:**

Certain non-IFRS measures are utilized by the Company as measures of financial performance. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Non-IFRS measures included are: income (loss) before intersegment allocations and income taxes, supplementary information excluding significant items, return on average common equity (ROE), book value per diluted common share, assets under administration (AUA), assets under management (AUM), compensation expenses as % of revenue, non-compensation expenses as % of revenue, common dividend yield, common dividend payout ratio, total shareholder return, price to earnings multiple (P/E), price to book ratio (P/B), and WM fee-related revenue.

### **Currency:**

Unless otherwise specified, all currencies are in thousands of Canadian dollars.



























**Corporate and Other segment  
Condensed Statement of Operations**

(Unaudited, for the period ended)  
(in thousands of dollars) <sup>(1)</sup>

	Q4/19 vs. Q4/18		Q4/19							FY19 vs FY18		FY19						
	Increase (decrease)		Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17	Increase (decrease)		FY19	FY18	FY17	FY16	FY15
<b>Revenue</b>																		
Canada	2,616	52.2%	7,631	6,248	5,176	5,375	5,015	3,866	3,104	3,071	4,803	9,374	62.3%	24,430	15,056	14,044	8,968	16,768
	2,616	52.2%	7,631	6,248	5,176	5,375	5,015	3,866	3,104	3,071	4,803	9,374	62.3%	24,430	15,056	14,044	8,968	16,768
<b>Expenses</b>																		
Incentive compensation <sup>(10)</sup>	3,592	110.1%	6,854	5,149	4,890	2,487	3,262	3,849	1,717	2,643	957	7,909	68.9%	19,380	11,471	10,314	8,535	11,744
Salaries and benefits	947	13.7%	7,841	7,216	6,797	7,457	6,894	6,479	6,163	6,662	6,841	3,113	11.9%	29,311	26,198	26,554	29,350	29,356
Trading costs	(1,240)	100.0%	(2,480)	(1,788)	(1,381)	(2,153)	(1,240)	(1,973)	(1,165)	(2,205)	(2,446)	(1,219)	(18.5)%	(7,802)	(6,583)	(7,833)	(8,027)	(12,953)
Premises and equipment	1,005	170.6%	1,594	1,550	1,200	1,155	589	972	492	1,095	1,480	2,351	74.7%	5,499	3,148	7,540	5,262	3,953
Communication and technology	725	51.3%	2,138	839	1,214	1,495	1,413	968	869	1,528	1,807	908	19.0%	5,686	4,778	5,422	4,978	4,838
Interest	549	26.1%	2,653	2,624	4,377	1,396	2,104	1,183	1,180	1,758	1,325	4,825	77.5%	11,050	6,225	2,896	1,439	1,418
General and administrative	2,722	200.7%	4,078	3,289	2,657	3,339	1,356	3,075	2,421	2,611	5,905	3,900	41.2%	13,363	9,463	14,429	13,013	13,974
Amortization	(272)	(69.6)%	119	126	288	323	391	387	352	261	287	(535)	(38.5)%	856	1,391	1,371	1,160	1,920
Development costs	(15)	(28.8)%	37	44	37	37	52	39	39	71	2,435	(46)	(22.9)%	155	201	3,008	11,349	6,764
Restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,882	3,033
Acquisition-related costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acceleration of long-term Incentive plan expense <sup>(31)</sup>	(1,898)	(100.0)%	-	-	-	-	1,898	-	-	-	-	(1,898)	-	-	1,898	-	-	-
Loss on extinguishment of convertible debentures <sup>(32)</sup>	-	-	-	-	8,608	-	-	-	-	-	-	8,608	n.m.	8,608	-	-	-	-
Share of loss of an associate	(107)	n.m.	(111)	157	247	11	(4)	94	208	-	-	6	2.0%	304	298	-	-	-
	6,008	35.9%	22,723	19,206	28,934	15,547	16,715	15,073	12,276	14,424	18,591	27,922	47.7%	86,410	58,488	63,701	72,941	64,047
<b>Loss before intersegment allocations and income taxes</b>	(3,392)	29.0%	(15,092)	(12,958)	(23,758)	(10,172)	(11,700)	(11,207)	(9,172)	(11,353)	(13,788)	(18,548)	(42.7)%	(61,980)	(43,432)	(49,657)	(63,973)	(47,279)
Intersegment allocations	(2,329)	30.1%	(10,065)	(7,658)	(7,781)	(7,652)	(7,736)	(7,502)	(7,960)	(8,855)	(9,443)	(1,103)	(3.4)%	(33,156)	(32,053)	(35,006)	(38,941)	(33,593)
<b>Income (loss) before income taxes</b>	(1,063)	26.8%	(5,027)	(5,300)	(15,977)	(2,520)	(3,964)	(3,705)	(1,212)	(2,498)	(4,345)	(17,445)	n.m.	(28,824)	(11,379)	(14,651)	(25,032)	(13,686)
Number of employees	20	6.9%	308	303	294	291	288	282	276	274	279	20	6.9%	308	288	279	288	324

**Supplementary Information Excluding Significant Items (Non-IFRS) <sup>(12)</sup>**

(in thousands of dollars) <sup>(1)</sup>

	Q4/19 vs. Q4/18		Q4/19							FY19 vs FY18		FY19						
	Increase (decrease)		Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17	Increase (decrease)		FY19	FY18	FY17	FY16	FY15
Revenue	2,616	52.2%	7,631	6,248	5,176	5,375	5,015	3,866	3,104	3,071	4,803	9,374	62.3%	24,430	15,056	14,044	8,968	16,768
Total expenses	7,906	53.4%	22,723	19,206	20,326	15,547	14,817	15,073	12,276	14,424	18,591	21,212	37.5%	77,802	56,590	63,701	60,155	55,814
Intersegment allocations	(2,329)	30.1%	(10,065)	(7,658)	(7,781)	(7,652)	(7,736)	(7,502)	(7,960)	(8,855)	(9,443)	(1,103)	(3.4)%	(33,156)	(32,053)	(35,006)	(38,941)	(33,593)
(Loss) income before income taxes	(2,961)	143.3%	(5,027)	(5,300)	(7,369)	(2,520)	(2,066)	(3,705)	(1,212)	(2,498)	(4,345)	(10,735)	(113.2)%	(20,216)	(9,481)	(14,651)	(12,246)	(5,453)

n.m.: not meaningful (percentages above 300% are indicated as n.m.)

p.p.: percentage points

Note: Please find notes on Page 15.



**Canaccord Genuity Group of Companies**

**Condensed Consolidated Statement of Financial Position <sup>(20)</sup>**

(Unaudited, for the period ended)  
(in thousands of dollars)

	Q4/19 vs. Q4/18		Q4/19				Q4/18				FY19					
	Increase (decrease)		Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17	FY19	FY18	FY17	FY16	FY15
<b>Assets</b>																
Cash and cash equivalents	(42,099)	(4.9)%	820,739	930,912	897,276	739,311	862,838	592,873	543,109	521,725	677,769	820,739	862,838	677,769	428,329	322,324
Securities owned	221,282	47.2%	690,499	709,037	654,784	625,799	469,217	514,220	469,433	585,258	784,230	690,499	469,217	784,230	564,746	848,128
Accounts receivable	440,827	19.9%	2,656,664	1,888,600	2,209,995	2,388,761	2,215,837	1,758,532	1,944,939	2,171,795	3,395,736	2,656,664	2,215,837	3,395,736	2,041,150	2,491,488
Income taxes recoverable	1,332	113.8%	2,502	9,789	5,697	5,362	1,170	242	2,716	884	1,085	2,502	1,170	1,085	12,537	5,295
Deferred tax assets	2,176	10.9%	22,117	20,831	20,802	18,200	19,941	12,412	15,006	16,231	15,323	22,117	19,941	15,323	11,221	10,148
Investments	4,189	205.8%	6,224	6,184	2,278	2,191	2,035	2,030	2,321	2,960	2,829	6,224	2,035	2,829	5,578	8,693
Equipment and leasehold improvements	(5,175)	(16.7)%	25,792	25,941	26,014	28,467	30,967	31,966	30,717	30,592	31,479	25,792	30,967	31,479	37,049	43,373
Goodwill and other intangibles	106,026	25.3%	524,757	406,789	403,285	413,745	418,731	404,929	405,157	293,805	295,065	524,757	418,731	295,065	323,936	640,456
<b>Total assets</b>	<b>728,558</b>	<b>18.1%</b>	<b>4,749,294</b>	<b>3,998,083</b>	<b>4,220,131</b>	<b>4,221,836</b>	<b>4,020,736</b>	<b>3,317,204</b>	<b>3,413,398</b>	<b>3,623,250</b>	<b>5,203,516</b>	<b>4,749,294</b>	<b>4,020,736</b>	<b>5,203,516</b>	<b>3,424,546</b>	<b>4,369,905</b>
<b>Liabilities and equity</b>																
Bank indebtedness	9,639	n.m.	9,639	5,903	40,635	14,526	-	2,767	27,300	-	25,280	9,639	-	25,280	14,910	20,264
Securities sold short	72,413	24.1%	373,419	438,348	409,623	418,081	301,006	342,754	316,003	410,303	645,742	373,419	301,006	645,742	427,435	654,639
Accounts payable, accrued liabilities and other	494,595	18.7%	3,141,977	2,426,381	2,691,837	2,742,571	2,647,382	1,982,336	2,130,560	2,383,957	3,681,676	3,141,977	2,647,382	3,681,676	2,203,858	2,541,956
Income taxes payable	(2,436)	(31.0)%	5,415	6,527	4,344	3,739	7,851	12,988	9,666	10,394	10,093	5,415	7,851	10,093	4,242	8,172
Current portion of bank loan	(385)	(4.0)%	9,294	9,238	8,982	9,233	9,679	4,529	4,463	-	-	9,294	9,679.00	-	-	-
Deferred consideration	12,228	122.3%	22,225	9,553	9,743	10,117	9,997	9,958	10,030	-	-	22,225	9,997	-	-	-
Contingent consideration	58,475	117.3%	108,319	51,572	50,258	51,550	49,844	46,643	45,969	-	-	108,319	49,844	-	-	-
Promissory note	5,832	n.m.	5,832	5,733	5,594	-	-	-	-	-	-	5,832	-	-	-	-
Other long-term liability	1,741	n.m.	1,741	-	-	-	-	-	-	-	-	1,741	-	-	-	-
Bank loan	(11,388)	(18.4)%	50,370	54,596	53,003	59,009	61,758	62,230	61,244	-	-	50,370	61,758	-	-	-
Deferred tax liabilities	(5,737)	(41.8)%	7,978	14,264	11,848	13,435	13,715	10,220	10,170	141	140	7,978	13,715	140	450	2,057
Subordinated debt	-	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	15,000	15,000
Convertible debentures	70,144	122.9%	127,225	126,964	126,707	57,249	57,081	56,916	56,755	56,597	56,442	127,225	57,081	56,442	-	-
Non-controlling interests <sup>(20)</sup>	(11,574)	(85.3)%	1,997	2,338	2,004	15,259	13,571	12,031	13,354	12,481	11,858	1,997	13,571	11,858	8,722	10,275
Shareholders' equity	35,011	4.2%	876,363	839,166	798,053	819,567	841,352	766,332	720,384	741,877	764,785	876,363	841,352	764,785	749,929	1,117,542
<b>Total liabilities and equity</b>	<b>728,558</b>	<b>18.1%</b>	<b>4,749,294</b>	<b>3,998,083</b>	<b>4,220,131</b>	<b>4,221,836</b>	<b>4,020,736</b>	<b>3,317,204</b>	<b>3,413,398</b>	<b>3,623,250</b>	<b>5,203,516</b>	<b>4,749,294</b>	<b>4,020,736</b>	<b>5,203,516</b>	<b>3,424,546</b>	<b>4,369,905</b>

n.m.: not meaningful (percentages above 300% are indicated as n.m.)

p.p.: percentage points

Note: Please find notes on Page 15.

**Miscellaneous operational statistics**

(Unaudited, for the period ended)

	Q4/19 vs. Q4/18		Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17	FY19	FY18	FY17	FY 16	FY15
	Increase (decrease)															
<b>Number of employees in Canada</b>																
Number in Canaccord Genuity	66	34.9%	255	248	248	244	189	189	194	190	178	255	189	178	180	201
Number in Canaccord Genuity Wealth Management	51	13.5%	430	425	413	412	379	352	353	351	359	430	379	359	354	400
Number in Corporate and Other	20	6.9%	308	303	294	291	288	282	276	274	279	308	288	279	288	324
Total Canada	137	16.0%	993	976	955	947	856	823	823	815	816	993	856	816	822	925
<b>Number of employees in UK, Europe, and Dubai</b>																
Number in Canaccord Genuity	(17)	(7.9)%	197	192	192	197	214	214	217	222	225	197	214	225	282	329
Number in Canaccord Genuity Wealth Management	6	1.1%	565	548	559	559	559	574	586	314	313	565	559	313	312	303
<b>Number of employees in US</b>																
Number in Canaccord Genuity	52	20.3%	308	260	260	263	256	257	258	275	275	308	256	275	291	269
<b>Number of employees in Australia</b>																
Number in Canaccord Genuity	1	1.8%	58	58	56	57	57	56	55	58	58	58	57	58	55	56
Number in Canaccord Genuity Wealth Management	(1)	(9.1)%	10	10	10	11	11	12	12	11	11	10	11	11	10	13
<b>Number of employees in Other Foreign Locations</b>																
Number in Canaccord Genuity	1	33.3%	4	4	4	4	3	3	2	2	2	4	3	2	23	33
<b>Number of employees firm wide <sup>(17)</sup></b>	179	9.2%	2,135	2,048	2,036	2,038	1,956	1,939	1,953	1,697	1,700	2,135	1,956	1,700	1,795	1,928
<b>Number of Advisory Teams in Canada <sup>(15)</sup></b>	13	9.2%	155	150	150	148	142	134	134	135	141	155	142	141	139	152
<b>Number of licenced professionals in Canada</b>	46	12.3%	420	416	410	407	374	353	356	355	367	420	374	367	392	437
<b>Number of investment professionals and fund managers in UK and Europe <sup>(22)</sup></b>	12	6.4%	200	188	193	190	188	197	200	119	118	200	188	118	118	114
<b>Number of Advisors - Australia</b>	(1)	(14.3)%	6	6	6	7	7	8	8	8	8	6	7	8	7	9
<b>Assets under mgmt. (discretionary) (\$millions) - Canada <sup>(2)</sup></b>	1,406	49.9%	4,221	3,954	4,158	3,721	2,815	2,838	2,688	2,647	2,637	4,221	2,815	2,637	1,257	1,561
<b>Assets under admin. (\$millions) - Canada <sup>(2)</sup></b>	5,107	32.8%	20,674	18,260	19,746	18,921	15,567	14,451	12,801	12,669	13,228	20,674	15,567	13,228	9,192	10,729
<b>Assets under mgmt. (\$millions) - UK and Europe <sup>(3)</sup></b>	(682)	(1.5)%	44,195	41,153	45,230	46,434	44,877	43,791	40,797	25,755	24,526	44,195	44,877	24,526	22,791	21,763
<b>Assets under mgmt. (\$millions) - Australia <sup>(3)</sup></b>	24	2.9%	854	771	834	845	830	928	866	860	862	854	830	862	731	836
<b>Total AUA - Canada, AUM - UK and Europe, Australia</b>	4,449	7.3%	65,723	60,184	65,810	66,200	61,274	59,170	54,464	39,284	38,616	65,723	61,274	38,616	32,714	33,328
<b>Average currency conversion rate <sup>(29)</sup></b>																
Pound sterling to Canadian dollar	(0)	(1.6)%	1.732	1.695	1.704	1.755	1.759	1.688	1.640	1.720	1.638	2	1.759	1.709	1.968	1.840
US dollar to Canadian dollar	0	5.1%	1.329	1.327	1.307	1.290	1.264	1.272	1.253	1.345	1.323	1	1.264	1.312	1.311	1.147

n.m. not meaningful

Note: Please find notes on Page 15.



- (1) Financial results are expressed in C\$ thousands, except for assets under administration, assets under management, preferred share information, common share information, dividends, number of employees, number of Advisory Teams, number of Advisors, number of investment professionals and fund managers, number of licensed professionals, and number of companies as Broker and number of companies as Nomad.
- (2) Assets under management in Canada are assets managed on discretionary basis under our programs generally described as or known as the Complete Canaccord Investment Counseling Program and the Complete Canaccord Private Investment Management Program offered by Canaccord. Assets under management in Canada are included in the total of assets under administration in Canada. Assets under administration in Canada is the market value of client assets managed and administered by Canaccord, from which Canaccord earns commissions or fees. This measure includes both discretionary and non-discretionary accounts.
- (3) Assets under management in Australia and assets under management in UK and Europe are the market value of client assets managed and administered by Canaccord, from which Canaccord earns commissions or fees. This measure includes both discretionary and non-discretionary accounts.
- (4) Book value per diluted share is calculated as total common shareholders' equity adjusted for assumed proceeds from the exercise of options, warrants, settlement of the promissory note issued as purchase consideration in shares at the Company's option, and conversion of convertible debentures divided by the number of diluted common shares which will then be outstanding.
- (5) Excludes shares relating to share purchase loans for recruitment and retention programs and unvested shares purchased by employee benefit trust for LTIP, and excludes shares held in treasury purchased through the NCIB to be cancelled.
- (6) Includes shares relating to share purchase loans for recruitment and retention programs and unvested shares purchased by employee benefit trust for LTIP, and includes shares held in treasury purchased through the NCIB to be cancelled.
- (7) This is the diluted common share number used to calculate book value per diluted share. As such it includes amounts in respect of share issuance commitments including options, warrants and convertible debentures as applicable, and a promissory note issued as purchase consideration and commencing in Q1/14, 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) This is the diluted common share number used to calculate diluted earnings (loss) per common share. For periods with net losses, all instruments involving potential common shares were excluded from the calculation of diluted loss per common share as they were anti-dilutive.
- (9) Special distributions per share and dividends per preferred share are not included in the dividend yield and dividend payout calculations.
- (10) Incentive compensation expense is comprised of both share-based and non-share based incentive compensation expense. Share-based compensation expense consists of amortization of RSU awards granted under our LTIP plan, amortization of our forgivable share loans plans, as well as other share-based awards.
- (11) Total compensation expense includes incentive compensation expense and salaries and benefits, but excludes hiring incentives and certain salaries and benefits expense incurred in relation to development activities which are included as development costs.
- (12) Significant items include restructuring costs, amortization of intangible assets acquired in connection with a business combination, impairment of goodwill and other assets, acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions, gains or losses related to business disposals including recognition of translation gains on the disposal of foreign operations, certain accounting charges related to the change in the Company's LTIP Plan as recorded with effect on March 31, 2018, certain incentive based payments related to the acquisition of Hargreave Hale, as well as certain expense items, typically included in development costs, which are considered by management to reflect a singular charge of a non-operating nature.
- (13) Operating results from former CSHP entities have been included beginning March 22, 2012.
- (14) Fee-based revenue includes fees earned in separately managed, advisor managed and fee-based accounts, as well as mutual fund and segregated fund trailer revenue in this calculation. This method of calculating fee-based revenue may differ from approaches used by other companies and therefore may not be comparable.
- (15) 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 licenced 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.
- (16) A company listed on AIM is required to retain a Nominated Adviser (commonly referred to as a Nomad). Nominated Advisers are responsible, amongst other duties, for warranting that a company is appropriate for joining AIM.
- (17) The employee count excludes temporary employees and those on long term disability but includes employees on leave of absence.
- (18) Canaccord Genuity Capital Market's facilitation losses, which are included as part of commission revenue, are disclosed separately beginning Q1/11 as part of our transition to IFRS.
- (19) Operating results disclosed as Other Foreign Locations prior to Q3/17 include Canaccord Genuity (Barbados) Ltd., Canaccord Genuity Asia, Canaccord Singapore Pte. Ltd., and our 50% ownership interest in the issued shares of Canaccord Genuity (Australia) Limited. Commencing in Q3/17, the operating results of the Australian and Dubai operations are disclosed as Canaccord Genuity Australia and Canaccord Genuity UK, Europe, and Dubai respectively. Comparatives for all prior periods have been reclassified.
- (20) The operating results of the Australian operations have been fully consolidated since November 1, 2011. The Company owns 80% of the issued shares, but for accounting purposes, the Company is considered to have an 85% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [November 1, 2011 to December 31, 2014 - 50%, January 1, 2015 to December 31, 2015 - 60%, January 1, 2016 to August 10, 2018 - 58%]. Non-controlling interests have been which represent the portion of the net identifiable assets in Australia attributable to non-controlling shareholders.
- (21) Includes wealth management operations in Australia. Results for wealth management operations in Australia have been included starting April 1, 2012.
- (22) Investment professionals include all staff with direct sales responsibilities, which include brokers and assistants with direct client contacts. Fund managers include all staff who manage client assets.
- (23) Result of former CSHP Wealth Management group has been included beginning March 22, 2012 and the wealth management business of Eden Financial Ltd. beginning October 1, 2012 are included.
- (24) Due to rounding or calculation of the dilutive impact of share issuance commitments included in the quarterly and year to date EPS figures, the sum of the quarterly earnings (loss) per common share figures may not equal the year to date earnings (loss) per share.
- (25) The operations of Canaccord Genuity (Barbados) Ltd were discontinued in Q3/16.
- (26) The Company disposed of 100% of its shares in Canaccord Genuity Singapore Pte Ltd. as of June 30, 2016.
- (27) Commencing in Q3/17, the operating results of our Australian operations are disclosed separately as Canaccord Genuity - Australia. In previous quarters, the operating results have been reported as Other Foreign Locations. Comparatives for all prior periods have been reclassified.
- (28) Commencing in Q3/17, the operating results of Canaccord Genuity Capital Markets (Dubai) are included as Canaccord Genuity Capital Markets UK, Europe, and Dubai. In previous quarters, the operating results have been reported as Other Foreign Locations. Comparatives for all prior periods have been reclassified.
- (29) 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.
- (30) Includes our capital markets operations in Canada, US, UK & Dubai, and Australia.
- (31) Effective as of March 31, 2018, the long-term incentive plan (LTIP) was changed to remove certain employment-related conditions for the vesting of RSU awards made as part of the normal course incentive payment cycle. As a result of this change, the costs of RSUs granted as part of the normal incentive compensation payment cycle will be expensed in the period in which those awards are deemed to be earned, instead of recognizing the costs over the vesting period. The change led to the acceleration of the remaining expense for certain awards made under the LTIP which had not been fully amortized as of March 31, 2018.
- (32) During Q2/19, there was an accounting loss of \$13.5 million related to the extinguishment of the \$60.0 million convertible unsecured subordinated debentures issued in October 2016. This loss was adjusted to reflect directly in shareholders' equity \$4.9 million of the loss that was related to the conversion feature of the extinguished debentures. The adjustment had no impact on the calculation of the basic or diluted earnings per share.