Management's Discussion and Analysis of Financial Condition and Results of Operations

Three and Nine Months Ended September 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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Date: November 3, 2016

The following Management's Discussion and Analysis ["MD&A"] presents an analysis of the financial condition of goeasy Ltd. and its subsidiaries [collectively referred to as "goeasy" or the "Company"] as at September 30, 2016 compared to September 30, 2015, and the results of operations for the three and nine month periods ended September 30, 2016 compared with the corresponding period of 2015. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes and MD&A for the year ended December 31, 2015. The financial information presented herein has been prepared in accordance with International Financial Reporting Standards ["IFRS"], unless otherwise noted. All dollar amounts are in thousands of Canadian dollars unless otherwise indicated.

There have been no material changes to the information discussed in the following sections of the Company's 2015 annual MD&A: Overview of the Business, Corporate Strategy, Commitments, Guarantees and Contingencies, Risk Factors, Critical Accounting Estimates and Adoption of New Accounting Standards and Standards Issued But Not Yet Effective.

This MD&A is the responsibility of management. The Board of Directors has approved this MD&A after receiving the recommendations of the Company's Audit Committee, which is comprised exclusively of independent directors, and the Company's Disclosure Committee.

This MD&A refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to our financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's Annual Information Form. These filings are available on SEDAR at *www.sedar.com* and on the Company's website at *www.goeasy.com*.

Caution Regarding Forward-Looking Statements

This MD&A includes forward-looking statements about goeasy, including, but not limited to, its business operations, strategy and expected financial performance and condition. Forward-looking statements include, but are not limited to, those with respect to the estimated number of new locations to be opened, targets for growth of the consumer loans receivable portfolio, annual revenue growth targets, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements, liquidity of the Company, plans and references to future operations and results and critical accounting estimates. In certain cases, forward-looking statements that are predictive in nature depend upon or refer to future events or conditions, and/or can be identified by the use of words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'budgeted', 'estimates', 'forecasts', 'targets' or negative versions thereof and similar expressions, and/or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company's operations, economic factors and the industry generally, as well as those factors referred to in the section entitled "Risk Factors". There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by the Company, due to, but not limited to important factors such as the Company's ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on favourable terms, secure new franchised locations, purchase products which appeal to customers at a competitive rate, respond to changes in legislation, react to uncertainties related to regulatory action, raise capital under favourable terms, manage the impact of litigation (including shareholder litigation), control costs at all levels of the organization and maintain and enhance the system of internal controls. The Company cautions that the foregoing list is not exhaustive.

The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which may not be appropriate for other purposes. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

Overview of the Business

goeasy Ltd. is a leading full-service provider of goods and alternative financial services that improve the lives of everyday Canadians. goeasy Ltd. serves its customers through two key operating divisions: easyhome and easyfinancial. easyhome is Canada's largest lease-to-own company, offering brand-name household furniture, appliances and electronics to consumers under weekly or monthly leasing agreements through both corporate and franchise stores. easyfinancial is the Company's financial services arm, offering unsecured, installment loans in amounts from $500 to $15,000 for 9 to 60 month terms with bi-weekly, semi-monthly and monthly repayment options.

The Company's overview of the business remains as described in its December 31, 2015 MD&A.

Corporate Strategy

The Company is committed to being a leading full-service provider of goods and alternative financial services that improve the lives of everyday Canadians. To maintain this position, the Company must continuously evolve to meet the needs of its chosen consumer segment. Additionally, the Company must focus on maintaining its competitive advantage by capitalizing on the key aspects of each business unit, including brand awareness, superior customer service and its cross-country retail network. Cost efficiencies through economies of scale and shared services will further contribute to the Company's ability to contend with competitive activities in the marketplace.

To achieve this long-term goal, the Company has three key business imperatives:

- Evolve the delivery channels
- Expand the size and scope of easyfinancial
- Execute with efficiency and effectiveness

The Company's corporate strategy remains as described in its December 31, 2015 MD&A.

Outlook

The targets disclosed in this section are inherently subject to risks which are referred to in the section entitled "Risk Factors" as described in the Company's December 31, 2015 MD&A.

Update on 2016 Targets

The Company's 2016 targets and assumptions were most recently communicated in its June 30, 2016 MD&A. The Company has revised its targets for fiscal 2016 as follows:

	Revised Targets for 2016	Previously Reported Targets for 2016	Explanation for Change in Targets
New easyfinancial locations	**10 – 20**	10 – 20	No change.
Gross consumer loans receivable portfolio at year end	**$370 – $380 million**	$360 – $390 million	Tightening the range based on year to date growth of the consumer loans receivable portfolio and revised expectations for the fourth quarter.
Total revenue growth	**14% – 16%**	16% – 20%	Overall revenue growth is expected to moderate from the previously communicated target due to modest declines in revenue within the easyhome business. The expected revenue growth of easyfinancial remains unchanged.
easyfinancial operating margin	**35% – 38%**	34% – 36%	Strong consumer loans receivable growth coupled with improving cost efficiencies, particularly in the areas of labour and advertising.

Update on 2018 Targets

The Company's 2016 targets and assumptions were most recently communicated in its June 30, 2016 MD&A. The Company's targets remain as described in its June 30, 2016 MD&A and are as follows:

	Targets for 2018
Number of easyfinancial locations	**220 - 240 locations by the end of 2018**
Gross consumer loans receivable portfolio at year end	**$500 million**
easyfinancial operating margin	**36% – 38%**

Analysis of Results for the Three Months Ended September 30, 2016

Third Quarter Highlights

- goeasy continued to grow revenue during the third quarter of 2016. Revenue for the quarter increased to $87.8 million from the $78.0 million reported in the third quarter of 2015, an increase of $9.8 million or 12.6%. The growth was driven by the expansion of easyfinancial and its consumer loans receivable portfolio. Same-store revenue growth for the quarter, which includes revenue growth from easyfinancial, was 15.4%.

- The gross consumer loans receivable portfolio as at September 30, 2016 was $343.7 million compared with $253.6 million as at September 30, 2015, an increase of $90.1 million or 35.5%. Loan originations were strong in the quarter at $101.1 million, up 23.5% compared with the third quarter of 2015.

- Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.4% in the quarter compared with 15.2% in the third quarter of 2015. Cash collections were strong during the quarter which resulted in a delinquency rate of 6.0% on the final Saturday of the quarter compared to 7.1% on the final Saturday of the third quarter of 2015. The Company continues to expect that the net charge off rate will be in the range of 14% to 16%.

- easyfinancial generated a strong operating margin of 39.9% in the third quarter of 2016, up from the 32.4% reported in the third quarter of 2015. The increase in operating margin was driven primarily by: i) the growth of the consumer loans receivable portfolio and associated revenue, ii) the maturation of the 45 branches acquired in the first quarter of 2015 which negatively impacted operating income in the comparable period of 2015 but which positively contributed to operating income in the current quarter, iii) the slowing of branch openings as the build out of the branch network is largely complete and iv) a relative decrease in the level of advertising expenditures compared to revenue for easyfinancial which declined from 4.1% in the third quarter of 2015 to 3.1% in the current quarter due to changes in the timing of advertising expenditures over the course of the year.

- During the quarter, $5.3 million in transaction advisory costs were incurred by the Company to analyze, arrange financing and submit a bid for a potential strategic acquisition. The Company did not ultimately complete the acquisition as, during the process, the Company determined that it would create greater shareholder value by continuing the growth and expansion of its current business rather than by continuing with the acquisition process.

- Operating income for the three month period ended September 30, 2016 was $12.4 million or $17.8 million excluding the impact of the transaction advisory costs. This represents an increase of $4.9 million or 37.9% when compared to the third quarter of 2015. Overall, adjusted operating margin for the third quarter of 2016, excluding the transaction advisory costs, was 20.2%, an increase of 3.7% from the 16.5% operating margin reported for the third quarter of 2015.

- Net income for the third quarter of 2016 was $4.9 million or $0.36 per share on a diluted basis. Excluding the after tax impact of the transaction advisory costs, adjusted net income was $8.8 million or $0.64 per share on a diluted basis compared with $6.3 million or $0.45 per share for the third quarter of 2015. On this normalized basis, net income and diluted earnings per share increased by 41.2% and 42.2%, respectively.

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended Sep. 30, 2016	Sep. 30, 2015	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**87,788**	77,983	9,805	12.6%
Operating expenses before depreciation and amortization and transaction advisory costs	**56,517**	50,613	5,904	11.7%
Transaction advisory costs[2]	**5,308**	-	5,308	100.0%
EBITDA[1]	**15,109**	15,122	(13)	(0.1%)
EBITDA margin[1]	**17.2%**	19.4%	(2.2%)	-
Depreciation and amortization expense	**13,519**	14,498	(979)	(6.8%)
Operating income	**12,444**	12,872	(428)	(3.3%)
Operating margin[1]	**14.2%**	16.5%	(2.3%)	-
Finance costs	**5,411**	3,978	1,433	36.0%
Effective income tax rate	**29.9%**	29.7%	0.2%	-
Net income	**4,932**	6,256	(1,324)	(21.2%)
Diluted earnings per share	**0.36**	0.45	(0.09)	(20.0%)
Return on Equity[1]	**10.5%**	15.0%	(4.5%)	-
Adjusted (Normalized) Financial Results[1,2]				
Adjusted EBITDA margin	**23.3%**	19.4%	3.9%	-
Adjusted operating income	**17,752**	12,872	4,880	37.9%
Adjusted operating margin	**20.2%**	16.5%	3.7%	-
Adjusted net income	**8,833**	6,256	2,577	41.2%
Adjusted earnings per share	**0.64**	0.45	0.19	42.2%
Adjusted return on equity	**18.9%**	15.0%	3.9%	-
Key Performance Indicators[1]				
Same-store revenue growth	**15.4%**	18.6%	(3.2%)	-
Same-store revenue growth excluding easyfinancial	**(4.1%)**	8.0%	(12.1%)	-
easyhome				
Potential monthly lease revenue	**9,714**	10,555	(841)	(8.0%)
Change in potential monthly lease revenue due to ongoing operations	**(62)**	24	(86)	(358.3%)
easyhome revenue	**35,140**	38,692	(3,552)	(9.2%)
easyhome operating margin	**14.4%**	15.6%	(1.2%)	-
easyfinancial				
Gross consumer loans receivable	**343,711**	253,607	90,104	35.5%
Growth in gross consumer loans receivable	**17,503**	22,706	(5,203)	(22.9%)
Gross loan originations	**101,059**	81,801	19,258	23.5%
easyfinancial revenue	**52,648**	39,291	13,357	34.0%
Bad debt expense as a percentage of easyfinancial revenue	**26.7%**	27.6%	(0.9%)	-
Net charge offs as a percentage of average gross consumer loans receivable	**15.4%**	15.2%	0.2%	-
easyfinancial operating margin	**39.9%**	32.4%	7.5%	-

[1] See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures".

[2] During the third quarter of 2016, the Company incurred $5.3 million in transaction advisory costs related to a potential acquisition.

Store Locations Summary

	Locations as at Jun. 30, 2016	Locations opened / acquired during period	Locations closed / sold during period	Conversions	Locations as at Sep. 30, 2016
easyhome					
Corporately owned stores	**151**	-	(3)	-	**148**
Consolidated franchise locations	**3**	-	-	-	**3**
Total consolidated stores	**154**	-	(3)	-	**151**
Total franchise stores	**26**	-	-	-	**26**
Total easyhome stores	**180**	-	(3)	-	**177**
easyfinancial					
Kiosks (in store)	**48**	-	-	-	**48**
Stand-alone locations	**161**	-	(1)	-	**160**
National loan office	**1**	-	-	-	**1**
Total easyfinancial locations	**210**	-	(1)	-	**209**

Summary of Financial Results by Operating Segment

($ in 000's except earnings per share)	Three Months Ended September 30, 2016 easyhome	easyfinancial	Corporate	Total
Revenue	**35,140**	**52,648**	**-**	**87,788**
Total operating expenses before depreciation and amortization and transaction advisory costs	**18,369**	**30,011**	**8,137**	**56,517**
Transaction advisory costs[1]	**-**	**-**	**5,308**	**5,308**
Depreciation and amortization	**11,705**	**1,652**	**162**	**13,519**
Operating income (loss)	**5,066**	**20,985**	**(13,607)**	**12,444**
Finance costs				**5,411**
Income before income taxes				**7,033**
Income taxes				**2,101**
Net income				**4,932**
Diluted earnings per share				**0.36**

[1] During the third quarter of 2016, the Company incurred $5.3 million in transaction advisory costs related to a potential acquisition.

($ in 000's except earnings per share)	Three Months Ended September 30, 2015 easyhome	easyfinancial	Corporate	Total
Revenue	38,692	39,291	-	77,983
Total operating expenses before depreciation and amortization	19,653	25,191	5,769	50,613
Depreciation and amortization	12,986	1,379	133	14,498
Operating income (loss)	6,053	12,721	(5,902)	12,872
Finance costs				3,978
Income before income taxes				8,894
Income taxes				2,638
Net income				6,256
Diluted earnings per share				0.45

Revenue

Revenue for the three month period ended September 30, 2016 was $87.8 million compared to $78.0 million in the same period in 2015, an increase of $9.8 million or 12.6%. Same-store sales growth for the quarter was 15.4%.

easyhome - Revenue for the three month period ended September 30, 2016 was $35.1 million, a decrease of $3.6 million or 9.2% when compared with the third quarter of 2015. Factors impacting revenue in the period included the following:

- The Company acquired the lease portfolio of 14 rent-to-own stores from a large U.S. based rent-to-own company in the third quarter of 2015. Such acquired lease portfolios tend to experience a decline over the twelve months subsequent to the acquisition. The revenue contribution from this acquired portfolio declined by $0.5 million during the third quarter of 2016 when compared to the third quarter of 2015.
- In addition to the above noted acquisition, the Company completed several other transactions over the past 15 months to close or sell merchandise leasing stores that it owned. These transactions in aggregate reduced revenue by $1.5 million in the quarter when compared to the third quarter of 2015.
- Revenue in the third quarter of 2016 declined by $0.3 million due to the deconsolidation or closure of U.S. franchise locations that were previously consolidated for financial reporting purposes. The Company has been winding down its remaining U.S. operations.
- Other reductions in the lease portfolio over the preceding 15 months have resulted in a decline in revenue across the organic store network of $1.3 million in the quarter when compared to the third quarter of 2015. Similarly, same store sales declined by 4.1%.

easyfinancial - Revenue for the three month period ended September 30, 2016 was $52.6 million, an increase of $13.4 million or 34.0% from the comparable period in 2015. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $253.6 million as at September 30, 2015 to $343.7 million as at September 30, 2016, an increase of $90.1 million or 35.5%.

The yield realized by the Company on its consumer loans receivable portfolio declined by 200 bps in the third quarter of 2016 compared with the third quarter of 2015. The decline in yield was driven by the continuing strong demand for larger dollar loans which have lower pricing on certain ancillary products. This decline was partially offset by yield improvements relating to the introduction of new ancillary products and improved penetration of existing products. The Company has also seen a sequential improvement in claims against its creditor life insurance product which peaked in the first quarter of 2016 but which have since decreased in each ensuing quarter (such claims are netted against the commission earned by the Company).

The gross consumer loans receivable portfolio experienced growth of $17.5 million in the quarter compared with $22.7 million for the third quarter of 2015. Loan originations in the quarter were $101.1 million, up 23.5% compared to the third quarter of 2015.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization and transaction advisory costs were $56.5 million for the three month period ended September 30, 2016, an increase of $5.9 million or 11.7% from the comparable period in 2015. The increase in operating expenses was driven primarily by the higher costs associated with the expanding easyfinancial business and higher corporate costs somewhat offset by lower costs within the easyhome business. Total operating expenses before depreciation and amortization and transaction advisory costs represented 64.4% of revenue for the third quarter of 2016, down from 64.9% reported in the third quarter of 2015.

easyhome – Total operating expenses before depreciation and amortization for the three month period ended September 30, 2016 were $18.4 million, a decrease of $1.3 million from the $19.7 million reported in the third quarter of 2015. The cost savings were driven by the reduced store count and a $0.2 million reduction in advertising expenditures. Consolidated leasing store count declined by ten from 161 as at September 30, 2015 to 151 as at September 30, 2016.

easyfinancial – Total operating expenses before depreciation and amortization were $30.0 million for the third quarter of 2016, an increase of $4.8 million or 19.1% from the third quarter of 2015. Operating expenses, excluding bad debts, increased by $1.6 million or 11.4% in the quarter driven by: i) the eight net new branches added over the past 12 months and ii) the additional operating costs associated with the 45 branches acquired and opened during the first quarter of 2015, the cost of which increased over the past year as these branches expanded. Overall, branch count increased from 201 as at September 30, 2015 to 209 as at September 30, 2016. Additionally, while total advertising expenditures in the quarter were consistent with the expenditure in the third quarter of 2015, the rate of spend when compared to revenue declined from 4.1% in the third quarter of 2015 to 3.1% in the current quarter. Operating expenses, excluding bad debts, expressed as a percentage of easyfinancial's revenue declined from 36.5% in the third quarter of 2015 to 30.3% in the current quarter as the easyfinancial branch network is largely complete and the pace of new branch openings has decreased.

Bad debt expense increased to $14.0 million for the third quarter of 2016 from $10.9 million during the third quarter of 2015. This year over year increase of 29.3% in bad debt expense was lower than the 35.5% increase in the loan book over the past 12 months. Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.4% in the quarter compared with 15.2% in the third quarter of 2015. Cash collections were strong during the quarter which resulted in a delinquency rate of 6.0% on the final Saturday of the quarter compared to 7.1% on the final Saturday of the third quarter of 2015. The Company continues to expect that the net charge off rate will be in the range of 14% to 16%.

Corporate – Total operating expenses before depreciation and amortization and transaction advisory costs were $8.1 million for the third quarter of 2016 compared to $5.8 million in the third quarter of 2015, an increase of $2.3 million. The increase was related primarily to: i) higher accrued but not paid short-term incentive compensation as the results of the business have exceeded budget, ii) reduced gain on the sale of stores to franchisees and iii) higher salary costs to support the growing business, particularly in the areas of information technology and risk management. Corporate expenses before depreciation and amortization and transaction and advisory costs represented 9.3% of revenue in the third quarter of 2016 compared to 7.4% of revenue in the third quarter of 2015.

Transaction Advisory Costs – During the third quarter of 2016, $5.3 million in transaction advisory costs were incurred by the Company to analyze, arrange financing and submit a bid for a potential strategic acquisition. The acquisition was ultimately not completed by the Company as, during the process, the Company determined that it would create greater shareholder value by continuing the growth and expansion of its current business rather than by continuing with the acquisition process.

Depreciation and Amortization

Depreciation and amortization expense for the three month period ended September 30, 2016 was $13.5 million, a decrease of $1.0 million from the comparable period in 2015 and driven primarily by lower depreciation and amortization in the easyhome business partially offset by increases in easyfinancial. Overall, depreciation and amortization expense represented 15.4% of revenue for the three months ended September 30 2016, a decrease from 18.6% reported in the comparable period of 2015.

easyhome – easyhome's depreciation and amortization expense declined by $1.3 million in the third quarter of 2016 compared to the third quarter of 2015 due primarily to reductions in the lease portfolio. easyhome's depreciation and amortization expense expressed as a percentage of easyhome's revenue for the quarter was 33.3%, down from the 33.6% reported in the third quarter of 2015.

easyfinancial – The $0.3 million increase in depreciation and amortization expense within easyfinancial was mainly attributable to the amortization of new systems. easyfinancial's depreciation and amortization expense expressed as a percentage of easyfinancial's revenue for the quarter was 3.1%, down from the 3.5% reported in the third quarter of 2015.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the three month period ended September 30, 2016 was $12.4 million. Excluding the transaction advisory costs of $5.3 million, adjusted operating income was $17.8 million, an increase of $4.9 million or 37.9% against the third quarter of 2015. The growth in normalized operating income was driven by the expansion of easyfinancial and improved operating margins and was partially offset by lower operating income from easyhome and higher corporate expenses. Overall, operating margin excluding the impact of the transaction advisory costs was 20.2% for the third quarter of 2016, up from 16.5% reported for the third quarter of 2015.

easyhome – Operating income was $5.1 million for the third quarter of 2016, a decrease of $1.0 million when compared with the third quarter of 2015. The reduction in operating income was driven primarily by lower revenue as previously described. The $3.6 million decline in revenue was partially offset by a reduction in advertising and other operating expenses. Operating margin for the third quarter of 2016 was 14.4% compared to 15.6% reported in the third quarter of 2015.

easyfinancial – Operating income was $21.0 million for the third quarter of 2016 compared with $12.7 million for the comparable period in 2015, an increase of $8.3 million or 65.0%. The increase in operating income was driven primarily by the growth of the consumer loans receivable portfolio and associated revenue and the 45 branches acquired in the first quarter of 2015 which negatively impacted earnings in the comparable period of 2015 but which positively contributed to operating income in the current quarter. The branch network is largely complete and the reduced pace of branch openings has had a positive impact on operating income and margin. Operating margin was 39.9% in the quarter compared with 32.4% reported in the third quarter of 2015.

Finance Costs

Finance costs for the three month period ended September 30, 2016 were $5.4 million, up $1.4 million from the same period in 2015. This increase in finance costs was driven by higher average borrowing levels to finance the growth of the easyfinancial business.

Income Tax Expense

The effective income tax rate for the third quarter of 2016 was 29.9% consistent with the rate in the third quarter of 2015. The effective income tax rate in the current quarter was elevated due to a higher level of expenses within the Company's U.S. subsidiary which are not deductible to reduce taxes paid in Canada.

Net Income and EPS

Net income for the third quarter of 2016 was $4.9 million or $0.36 per share on a diluted basis. Excluding the after tax impact of the transaction advisory costs, net income was $8.8 million or $0.64 per share on a diluted basis, up from the $6.3 million or $0.45 per share reported in the third quarter of 2015. On this normalized basis, net income and diluted earnings per share increased by 41.2% and 42.2%, respectively.

Analysis of Results for the Nine Months Ended September 30, 2016

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Nine Months Ended Sep. 30, 2016	Nine Months Ended Sep. 30, 2015	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**256,211**	221,398	34,813	15.7%
Other income[2]	**3,000**	-	3,000	100.0%
Operating expenses before depreciation and amortization and transaction advisory costs	**166,568**	146,312	20,256	13.8%
Transaction advisory costs[3]	**6,382**	-	6,382	100.0%
EBITDA[1]	**52,820**	39,580	13,240	33.5%
EBITDA margin[1]	**20.6%**	17.9%	2.7%	-
Depreciation and amortization expense	**40,920**	42,025	(1,105)	(2.6%)
Operating income	**45,341**	33,061	12,280	37.1%
Operating margin[1]	**17.7%**	14.9%	2.8%	-
Finance costs	**15,346**	10,729	4,617	43.0%
Effective income tax rate	**24.3%**	27.5%	(3.2%)	-
Net income	**22,707**	16,196	6,511	40.2%
Diluted earnings per share	**1.63**	1.15	0.48	41.7%
Return on equity	**16.6%**	13.4%	3.2%	-
Adjusted (Normalized) Financial Results[1,2,3]				
Adjusted EBITDA margin	**21.9%**	17.9%	4.0%	-
Adjusted operating income	**48,723**	33,061	15,662	47.4%
Adjusted operating margin	**19.0%**	14.9%	4.1%	-
Adjusted net income	**24,813**	16,196	8,617	53.2%
Adjusted earnings per share	**1.78**	1.15	0.63	54.8%
Adjusted return on equity	**18.1%**	13.4%	4.7%	-
Key Performance Indicators[1]				
Same store revenue growth	**13.3%**	18.3%	(5.0%)	-
Same store revenue growth excluding easyfinancial	**(0.5%)**	5.0%	(5.5%)	-
easyhome				
Potential monthly lease revenue	**9,714**	10,555	(841)	(8.0%)
Change in potential monthly lease revenue due to ongoing operations	**(670)**	(412)	(258)	(62.6%)
easyhome revenue	**108,134**	114,556	(6,422)	(5.6%)
easyhome operating margin	**14.8%**	15.4%	(0.6%)	-
easyfinancial				
Gross consumer loans receivable	**343,711**	253,607	90,104	35.5%
Growth in consumer loans receivable	**54,285**	61,382	7,097	(11.6%)
Gross loan originations	**281,214**	219,794	61,420	27.9%
easyfinancial revenue	**148,077**	106,842	41,235	38.6%
Bad debt expense as a percentage of easyfinancial revenue	**26.8%**	26.6%	0.2%	-
Net charge offs as a percentage of average gross consumer loans receivable	**15.3%**	14.5%	0.8%	-
easyfinancial operating margin	**37.3%**	30.0%	7.3%	-

[1] See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures".

[2] On June 30, 2016, the Company sold its minority interest in a provider of credit remediation products for cash proceeds of $3.0 million. The shares were acquired by the Company during the start-up phase of this company and the net book value of those shares was nil.

[3] During the year to date period ending September 30, 2016, the Company incurred $6.4 million in transaction advisory costs related to a potential acquisition.

Store Locations Summary

	Locations as at Dec. 31, 2015	Locations opened / acquired during period	Locations closed / sold during period	Conversions	Locations as at Sep. 30, 2016
easyhome					
Corporately owned stores	155	-	(5)	(2)	**148**
Consolidated franchise locations	3	-	-	-	**3**
Total consolidated stores	158	-	(5)	(2)	**151**
Total franchise stores	26	-	(2)	2	**26**
Total easyhome stores	184	-	(7)	-	**177**
easyfinancial					
Kiosks (in store)	51	4	(1)	(6)	**48**
Stand-alone locations	150	5	(1)	6	**160**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	202	9	(2)	-	**209**

Summary of Financial Results by Operating Segment

($ in 000's except earnings per share)	Nine Months Ended September 30, 2016			
	easyhome	easyfinancial	Corporate	Total
Revenue	108,134	148,077	-	256,211
Other income[1]	-	-	3,000	3,000
Total operating expenses before depreciation and amortization and transaction advisory costs	56,464	88,071	22,033	166,568
Transaction advisory costs[2]	-	-	6,382	6,382
Depreciation and amortization	35,626	4,804	490	40,920
Operating income (loss)	16,044	55,202	(25,905)	45,341
Finance costs	-	-	15,346	15,346
Income before income taxes				29,995
Income taxes				7,288
Net income				22,707
Diluted earnings per share				1.63

[1] On June 30, 2016, the Company sold its minority interest in a provider of credit remediation products for cash proceeds of $3.0 million. The shares were acquired by the Company during the start-up phase of this company and the net book value of those shares was nil.
[2] During the year to date period ending September 30, 2016, the Company incurred $6.4 million in transaction advisory costs related to a potential acquisition.

($ in 000's except earnings per share)	Nine Months Ended September 30, 2015			
	easyhome	easyfinancial	Corporate	Total
Revenue	114,556	106,842	-	221,398
Total operating expenses before depreciation and amortization	59,204	70,991	16,117	146,312
Depreciation and amortization	37,725	3,840	460	42,025
Operating income (loss)	17,627	32,011	(16,577)	33,061
Finance costs				10,729
Income before income taxes				22,332
Income taxes				6,136
Net income				16,196
Diluted earnings per share				1.15

Revenue and Other Income

Revenue for the nine month period ended September 30, 2016 was $256.2 million compared to $221.4 million in the same period in 2015, an increase of $34.8 million or 15.7%.

easyhome - Revenue for the nine month period ended September 30, 2016 was $108.1 million, a decrease of $6.4 million from the comparable period in 2015. Factors impacting revenue in the period include:

- The Company completed several transactions over the past 21 months to acquire merchandise lease portfolios and closed or sold merchandise leasing stores that it owned. These transactions in aggregate reduced revenue by $2.7 million in the current year to date period when compared to the same period in 2015.
- Revenue in the first nine months of 2016 declined by $1.3 million due to the deconsolidation or closure of U.S. franchise locations that were previously consolidated for financial reporting purposes. The Company has been winding down its remaining U.S. operations.
- Other reductions in the lease portfolio over the preceding 21 months have resulted in a decline in revenue across the organic store network of $2.4 million in the first nine months of 2016 when compared to the first nine months of 2015.

easyfinancial - Revenue for the nine month period ended September 30, 2016 was $148.1 million, an increase of $41.2 million or 38.6% from the comparable period in 2015. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $253.6 million as at September 30, 2015 to $343.7 million as at September 30, 2016, an increase of $90.1 million or 35.5%. The gross consumer loans receivable portfolio grew by $54.3 million in the current year to date period as compared with growth of $61.4 million for the same period of 2015. Loan originations were also strong in the current year to date period at $281.2 million, up 27.9% compared with the same period of 2015.

Other income - During the second quarter of 2016, the Company sold its minority interest in a provider of credit remediation products for cash proceeds of $3.0 million. The Company acquired the shares during the start-up phase of this entity and the net book value of the shares was nil.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization and transaction advisory costs were $166.6 million for the nine month period ended September 30, 2016, an increase of $20.3 million or 13.8% from the comparable period in 2015. The increase in operating expenses was driven primarily by the higher costs associated with the expanding easyfinancial business, higher advertising expenditures and higher corporate costs somewhat offset by lower costs within the easyhome business. Total operating expenses before depreciation and amortization and transaction advisory costs represented 65.0% of revenue in the nine month period ended September 30, 2016, down from the 66.1% reported in the comparable period of 2015.

easyhome – Total operating expenses before depreciation and amortization for the nine month period ended September 30, 2016 were $56.5 million, a decrease of $2.7 million or 4.6% from the comparable period in 2015. The decline was driven primarily by the reduced store count and a $0.3 million reduction in advertising spend. Consolidated leasing store count declined by ten from 161 as at September 30, 2015 to 151 as at September 30, 2016.

easyfinancial – Total operating expenses before depreciation and amortization were $88.1 million for the nine month period ending September 30, 2016, an increase of $17.1 million from the comparable period in 2015. Operating expenses, excluding bad debts, increased by $5.8 million or 13.7% in the current year to date period compared to revenue growth of 38.6% during the same time frame. The increase in operating expenses, excluding bad debts, in the current year to date period was driven by: i) the increased cost of eight additional branches when compared to September 30, 2015, ii) the additional operating costs associated with the 45 branches acquired and opened during the first quarter of 2015, the cost of which increased over the past year as these branches expanded and iii) an additional $1.4 million in advertising and promotional expenditures to support the growth in the consumer loans receivable portfolio. Overall, branch count increased from 201 as at September 30, 2015 to 209 as at September 30, 2016. Operating expenses, excluding bad debts, as a percentage of easyfinancial revenue declined from 39.8% in the nine month period ended September 30, 2015, to 32.6% in the nine month period ended September 30, 2016, as the business continues to scale.

Bad debt expense increased to $39.7 million for the first nine months of 2016 from $28.5 million during the comparable period in 2015, up $11.3 million or 39.6%. The increase was primarily driven by the growth of the consumer loans receivable portfolio that grew by 35.5% over the past 12 months. Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.3% for the first nine months of 2016, up from the 14.5% reported for the comparable period of 2015. The net charge off rate in the third quarter of 2016 was comparable to the third quarter of 2015. However, the charge off rate in the first half of 2016 was higher than that experienced in the first half of 2015. This increase was largely driven by a greater proportion of loans originating on-line as such loans tend to have a higher charge off rate than retail originated customers as well as an increase in customer bankruptcy related charge offs. Additionally, the charge off rate in the first half of 2015 benefitted from a relatively larger recovery of previously charged off accounts.

Corporate – Total operating expenses before depreciation and amortization and transaction advisory costs were $22.0 million for the nine month period ending September 30, 2016 compared to $16.1 million in the same period of 2015, an increase of $5.9 million. The increase was driven primarily by: i) higher accrued but not paid short-term incentive compensation as the results of the business have exceeded budget whereas the 2015 year to date results trailed budget, ii) higher salary costs, iii) higher professional fees and iv) reduced gains on the sale of stores to franchisees. Corporate expenses before depreciation and amortization and transaction advisory costs represented 8.6% of revenue in the first nine months of 2016 compared to 7.3% of revenue in the comparable period of 2015.

Transaction Advisory Costs - During the nine month period ending September 30, 2016, $6.4 million in transaction advisory costs were incurred by the Company to analyze, arrange financing and submit a bid for a potential strategic acquisition. The acquisition was ultimately not completed by the Company as, during the process, the Company determined that it would create greater shareholder value by continuing the growth and expansion of its current business rather than by continuing with the acquisition process.

Depreciation and Amortization

Depreciation and amortization expense for the nine month period ended September 30, 2016 was $40.9 million, down $1.1 million from the comparable period in 2015. Increases in depreciation and amortization expense within the easyfinancial business were more than offset by declines within the easyhome business. Overall depreciation and amortization represented 16.0% of revenue for the nine months ended September 30, 2016, down from 19.0% in the comparable period of 2015.

easyhome – easyhome's depreciation and amortization expense declined by $2.1 million in the current year to date period compared with the same period of 2015 due primarily to the smaller lease portfolio and lower revenue. easyhome's depreciation and amortization expense expressed as a percentage of easyhome's revenue for the first nine months of 2016 was 32.9%, consistent with the rate reported for the comparable period of 2015.

easyfinancial – The $1.0 million increase in depreciation and amortization expense within easyfinancial was attributable to its growing branch network and the amortization of new systems. easyfinancial's depreciation and amortization represented 3.2% of revenue in the current year to date period down from 3.6% in the same period of 2015.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the nine month period ended September 30, 2016 was $45.3 million. Excluding both the $3.0 million gain on sale of investment included in other income and the $6.4 million in transaction advisory costs, adjusted operating income was $48.7 million, an increase of $15.7 million or 47.4% against the comparable period of 2015. The growth in normalized operating income was driven by the expansion of easyfinancial and improved operating margins partially offset by lower operating income from easyhome and higher corporate expenses. Overall, adjusted operating margin, expressed on this normalized basis, was 19.0% for the current year to date period, up from 14.9% reported for the same period of 2015.

easyhome – Operating income was $16.0 million for the first nine months of 2016, down $1.6 million from the same period of 2015. Declines in revenue of $6.4 million related to store transactions and negative same store sales were partially offset by reduced costs due to a smaller store network and reductions in advertising expenditures. Operating margin for the first nine months of 2016 was 14.8%, down from the 15.4% reported in the comparable period of 2015.

easyfinancial – Operating income was $55.2 million for the first nine months of 2016, compared with $32.0 million for the comparable period in 2015, an increase of $23.2 million or 72.4%. The increase in operating income was driven primarily by the growth of the consumer loans receivable portfolio and associated revenue and the 45 branches acquired in the first quarter of 2015 which negatively impacted earnings in the comparable period of 2015 but which positively contributed to operating income in the current period. Operating margin for the period was 37.3% compared with 30.0% for the same period in 2015.

Finance Costs

Finance costs for the nine month period ended September 30, 2016 were $15.3 million, up $4.6 million from the same period in 2015. The increase in finance costs was driven by higher average borrowing levels.

Income Tax Expense

The effective income tax rate for the current year to date period was 24.3%, down from the 27.5% reported in the same period of 2015. The decline in the effective tax rate in the current year to date period was due to the lower tax rate on the capital gains from the sale of investments and assets during the period as well as certain research and development tax credits realized in the second quarter of 2016.

Net Income and EPS

Net income for the nine month period ended September 30, 2016 was $22.7 million or $1.63 per share on a diluted basis. Excluding the after tax impact of the $3.0 million gain on sale of investment included in other income and the transaction advisory costs, net income was $24.8 million or $1.78 per share on a diluted basis, up from the $16.2 million or $1.15 per share reported for the first nine months of 2015. On this normalized basis, net income and diluted earnings per share increased by 53.2% and 54.8%, respectively.

Selected Quarterly Information

($ in millions except percentages and per share amounts)	Sep. 2016	Jun. 2016	Mar. 2016	Dec. 2015	Sept. 2015	Jun. 2015	Mar. 2015	Dec. 2014	Sept. 2014
Revenue	**87.8**	86.1	82.3	82.9	78.0	72.9	70.5	70.0	65.5
Net income	**4.9**	10.5	7.3	7.5	6.3	5.0	4.9	7.1	3.5
Net income as a percentage of revenue	**5.6%**	12.2%	8.8%	9.1%	8.0%	6.9%	7.0%	10.2%	5.3%
Earnings per share[1]									
Basic	**0.37**	0.77	0.54	0.56	0.46	0.37	0.36	0.53	0.26
Diluted	**0.36**	0.75	0.52	0.54	0.45	0.36	0.35	0.51	0.25

[1]Quarterly earnings per share are not additive and may not equal the annual earnings per share reported. This is due to the effect of stock issued during the year on the basic weighted average number of common shares outstanding together with the effects of rounding.

Portfolio Analysis

The Company generates its revenue from a portfolio of lease agreements and consumer loans receivable that are originated through the initial transaction with its customers. To a large extent, the business results for a period are determined by the performance of these portfolios, and the make-up of the portfolios at the end of a period are an important indicator of future business results.

The Company measures the performance of its portfolios during a period and their make-up at the end of a period using a number of key performance indicators as described in more detail below. Several of these key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

The discussion in this section refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to the Company's financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

easyhome Portfolio Analysis

Potential Monthly Leasing Revenue

The Company measures its leasing portfolio through potential monthly lease revenue. Potential monthly lease revenue reflects the revenue that the Company's portfolio of leased merchandise would generate in a month providing it collected all lease payments due in that period. Growth in potential monthly lease revenue is driven by several factors including an increased number of customers, an increased number of leased assets per customer as well as an increase in the average price of the leased items.

The change in the potential monthly lease revenue during the periods was as follows:

($ in 000's)	Three Months Ended Sep. 30, 2016	Three Months Ended Sep. 30, 2015	Nine Months Ended Sep. 30, 2016	Nine Months Ended Sep. 30, 2015
Opening potential monthly lease revenue	**9,787**	10,207	**10,651**	10,955
Change due to store openings or acquisitions during the period	**-**	467	**-**	547
Change due to store closures or sales during the period	**(11)**	(143)	**(267)**	(535)
Change due to ongoing operations	**(62)**	24	**(670)**	(412)
Net change	**(73)**	348	**(937)**	(400)
Ending potential monthly lease revenue	**9,714**	10,555	**9,714**	10,555

easyhome Portfolio by Product Category

At the end of the periods, the Company's leasing portfolio as measured by potential monthly lease revenue was allocated between the following product categories:

($ in 000's)	Sep. 30, 2016	Sep. 30, 2015
Furniture	**4,172**	4,352
Appliances	**1,158**	1,216
Electronics	**3,120**	3,424
Computers	**1,264**	1,563
Potential monthly lease revenue	**9,714**	10,555

easyhome Portfolio by Geography

At the end of the periods, the Company's Leasing portfolio as measured by potential monthly lease revenue was allocated between the following geographic regions:

($ in 000's)	September 30, 2016		September 30, 2015	
	$	% of total	$	% of total
Newfoundland & Labrador	**813**	**8.4%**	910	8.6%
Nova Scotia	**797**	**8.2%**	803	7.6%
Prince Edward Island	**178**	**1.8%**	189	1.8%
New Brunswick	**714**	**7.4%**	707	6.7%
Quebec	**571**	**5.9%**	557	5.3%
Ontario	**3,512**	**36.1%**	3,876	36.8%
Manitoba	**247**	**2.5%**	256	2.4%
Saskatchewan	**506**	**5.2%**	628	5.9%
Alberta	**1,287**	**13.3%**	1,490	14.1%
British Columbia	**956**	**9.8%**	940	8.9%
USA	**133**	**1.4%**	199	1.9%
Potential monthly lease revenue	**9,714**	**100.0%**	10,555	100.0%

easyhome Charge Offs

When easyhome enters into a leasing transaction with a customer, a sale is not recorded as the Company retains ownership of the related asset under the lease. Instead, the Company recognizes its leasing revenue over the term of the lease as payments are received from the customer. Periodically, the lease agreement is terminated by the customer or by the Company prior to the anticipated end date of the lease and the assets are returned by the customer to the Company. In some instances, the Company is unable to regain possession of the assets which are then charged off. Net charge offs (charge offs less subsequent recoveries of previously charged-off assets) are included in the depreciation of lease assets expense for financial reporting purposes.

($ in 000's except percentages)	Three Months Ended		Nine Months Ended	
	Sep. 30, 2016	Sep. 30, 2015	Sep. 30, 2016	Sep. 30, 2015
Net charge offs	**1,209**	1,305	**3,630**	3,158
Leasing revenue	**35,140**	38,692	**108,134**	114,556
Net charge offs as a percentage of easyhome revenue	**3.4%**	3.4%	**3.4%**	2.8%

Consumer Loans Receivable Portfolio

Loan Originations and Net Principal Written

Gross loan originations is the value of all consumer loans receivable advanced to the Company's customers during the period where new credit underwritings have been performed. Included in gross loan originations are loans to new customers and new loans to existing customers, a portion of which is applied to eliminate their prior borrowings.

When the Company extends additional credit to an existing customer, a full credit underwriting is performed using up-to-date information. Additionally, the loan repayment history of that customer throughout their relationship with the Company is considered in the credit decision. As a result, the quality of the credit decision is improved and is expected to result in better performance.

Net principal written details the Company's gross loan originations during a period, excluding that portion of the origination that has been used to eliminate the prior borrowings.

The gross loans originations and net principal written during the periods were as follows:

	Three Months Ended		Nine Months Ended	
($ in 000's)	**Sep. 30, 2016**	**Sep. 30, 2015**	**Sep. 30, 2016**	**Sep. 30, 2015**
Loan originations to new customers	**39,611**	35,344	**121,037**	99,003
Loan originations to existing customers	**61,448**	46,457	**160,177**	120,791
Less: Proceeds applied to repay existing loans	**(32,410)**	(22,243)	**(82,277)**	(57,265)
Net advance to existing customers	**29,038**	24,214	**77,900**	63,526
Net principal written	**68,649**	59,558	**198,937**	162,529

Gross Consumer Loans Receivable

The measure that the Company uses to measure its easyfinancial portfolio is gross consumer loans receivable. Gross consumer loans receivable reflects the period-end balance of the portfolio before provisioning for potential future charge offs. Growth in gross consumer loans receivable is driven by several factors including an increased number of customers and an increased loan value per customer. The changes in the gross consumer loans receivable portfolio during the periods were as follows:

	Three Months Ended		Nine Months Ended	
($ in 000's)	**Sep. 30, 2016**	**Sep. 30, 2015**	**Sep. 30, 2016**	**Sep. 30, 2015**
Opening gross consumer loans receivable	**326,208**	230,901	**289,426**	192,225
Gross loan originations	**101,059**	81,801	**281,214**	219,794
Gross principal payments and other adjustments	**(68,792)**	(48,850)	**(185,681)**	(131,239)
Gross charge offs before recoveries	**(14,764)**	(10,245)	**(41,248)**	(27,173)
Net growth in gross consumer loans receivable during the period	**17,503**	22,706	**54,285**	61,382
Ending gross consumer loans receivable	**343,711**	253,607	**343,711**	253,607

Net Charge Offs

In addition to loan originations, the consumer loans receivable portfolio during a period is impacted by charge offs of delinquent customers. The Company charges off delinquent customers when they are 90 days contractually in arrears. Subsequent collections or recovery of previously charged-off accounts are netted with gross charge offs during a period to arrive at net charge offs.

Average gross consumer loans receivable has been calculated based on the average of the month-end loan balances for the indicated period. This metric is a measure of the collection performance of the easyfinancial consumer loans receivable portfolio. For interim periods, the rate is annualized.

	Three Months Ended		Nine Months Ended	
($ in 000's except percentages)	**Sep. 30, 2016**	**Sep. 30, 2015**	**Sep. 30, 2016**	**Sep. 30, 2015**
Net charge offs	**13,021**	9,384	**36,481**	24,292
Average gross consumer loans receivable	**338,590**	246,548	**318,570**	223,284
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**15.4%**	15.2%	**15.3%**	14.5%

easyfinancial Bad Debt Expense

The Company's bad debt expense for a period includes the net charge offs for that particular period plus any increases or decreases to its allowance for loan losses. The details of the Company's bad debt expense for the periods were as follows:

	Three Months Ended		Nine Months Ended	
($ in 000's except percentages)	**Sep. 30, 2016**	**Sep. 30, 2015**	**Sep. 30, 2016**	**Sep. 30, 2015**
Net charge offs	**13,021**	9,384	**36,481**	24,292
Net change in allowance for loan losses	**1,016**	1,472	**3,251**	4,168
Bad debt expense	**14,037**	10,856	**39,732**	28,460
easyfinancial revenue	**52,648**	39,291	**148,077**	106,842
Bad debt expense as a percentage of easyfinancial revenue	**26.7%**	27.6%	**26.8%**	26.6%

easyfinancial Allowance for Loan Losses

The allowance for loan losses is a provision that is reported on the Company's balance sheet that is netted against the gross consumer loans receivable to arrive at the net consumer loans receivable. The allowance for loan losses provides for a portion of the future charge offs that have not yet occurred within the portfolio of consumer loans receivable that exist at the end of a period. It is determined by the Company using a standard calculation that considers: i) the relative maturity of the loans within the portfolio; ii) the long-term expected charge off rates based on actual historical performance; and iii) the long-term expected charge off pattern (timing) for a vintage of loans over their life based on actual historical performance. The allowance for loan losses essentially estimates the charge offs that are expect to occur over the subsequent five-month period for loans that existed as of the balance sheet date. Customer loan balances that are delinquent greater than 90 days are written off against the allowance for loan losses.

($ in 000's except percentages)	Three Months Ended Sep. 30, 2016	Three Months Ended Sep. 30, 2015	Nine Months Ended Sep. 30, 2016	Nine Months Ended Sep. 30, 2015
Allowance for loan losses, beginning of period	**20,700**	14,228	**18,465**	11,532
Net charge offs written off against the allowance	**(13,021)**	(9,384)	**(36,481)**	(24,292)
Change in allowance due to lending and collection activities	**14,037**	10,856	**39,732**	28,460
Allowance for loan losses, ending of period	**21,716**	15,700	**21,716**	15,700
Allowance for loan losses as a percentage of the ending gross consumer loans receivable	**6.3%**	6.2%	**6.3%**	6.2%

Aging of the Consumer Loans Receivable Portfolio

An aging analysis of the consumer loans receivable portfolio at the end of the periods was as follows:

($ in 000's)	September 30, 2016 $	September 30, 2016 % of total	September 30, 2015 $	September 30, 2015 % of total
Current	**325,764**	**94.8%**	235,222	92.8%
Days past due				
1 - 30 days	**10,245**	**3.0%**	11,334	4.5%
31 - 44 days	**2,410**	**0.7%**	2,218	0.9%
45 - 60 days	**2,202**	**0.6%**	1,891	0.7%
61 - 90 days	**3,090**	**0.9%**	2,942	1.1%
	17,947	**5.2%**	18,385	7.2%
Gross consumer loans receivable	**343,711**	**100.0%**	253,607	100.0%

A large portion of the Company's consumer loans receivable portfolio operates on a bi-weekly rather than monthly repayment cycle. As such, the aging analysis between different fiscal periods may not be comparable depending upon the day of the week on which the fiscal period ends. An alternate aging analysis prepared as of the last Saturday of the fiscal periods often presents a more relevant comparison.

An aging analysis of the consumer loans receivable portfolio as of the last Saturday of the periods was as follows:

($ in 000's)	Saturday, Sep. 24, 2016 % of total	Saturday, Sep. 26, 2015 % of total
Current	**94.0%**	92.9%
Days past due		
1 - 30 days	**3.5%**	4.5%
31 - 44 days	**0.8%**	0.8%
45 - 60 days	**0.8%**	0.8%
61 - 90 days	**0.9%**	1.0%
	6.0%	7.1%
Gross consumer loans receivable	**100.0%**	100.0%

easyfinancial Consumer Loans Receivable Portfolio by Geography

At the end of the periods, the Company's easyfinancial consumer loans receivable portfolio was allocated between the following geographic regions:

($ in 000's)	September 30, 2016		September 30, 2015	
	$	% of total	$	% of total
Newfoundland & Labrador	**17,645**	**5.1%**	13,808	5.4%
Nova Scotia	**25,716**	**7.5%**	21,012	8.3%
Prince Edward Island	**4,585**	**1.3%**	3,315	1.3%
New Brunswick	**19,395**	**5.6%**	14,856	5.9%
Quebec	**-**	**-**	-	-
Ontario	**152,117**	**44.3%**	112,466	44.4%
Manitoba	**14,021**	**4.1%**	9,486	3.7%
Saskatchewan	**18,436**	**5.4%**	13,143	5.2%
Alberta	**47,351**	**13.8%**	35,228	13.9%
British Columbia	**40,745**	**11.9%**	27,913	11.0%
Territories	**3,700**	**1.1%**	2,380	0.9%
Gross consumer loans receivable	**343,711**	**100.0%**	253,607	100.0%

Key Performance Indicators and Non-IFRS Measures

In addition to the reported financial results under IFRS and the metrics described in the Portfolio Analysis section of this MD&A, the Company also measures the success of its strategy using a number of key performance indicators as described in more detail below. Several of these key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

The discussion in this section refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to the Company's financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Several non-IFRS measures that are used throughout this discussion are defined as follows:

Same-Store Revenue Growth

Same-store revenue growth measures the revenue growth for all stores that were open throughout the current period as well as the comparable prior year period. To calculate same-store revenue growth for a period, the revenue for applicable stores for that period is compared to the same period in the prior year. Same-store revenue growth is influenced by both the Company's product offerings as well as the number of stores which have been open for a 12 to 36 month time frame, as these stores tend to be in the strongest period of growth at this time.

	Three Months Ended		Nine Months Ended	
	Sep. 30, 2016	**Sep. 30, 2015**	**Sep. 30, 2016**	**Sep. 30, 2015**
Same store revenue growth	**15.4%**	18.6%	**13.3%**	18.3%
Same store revenue growth excluding easyfinancial	**(4.1%)**	8.0%	**(0.5%)**	5.0%

Adjusted Operating Income, Adjusted Operating Margin, Adjusted Net Income, Adjusted Earnings Per Share

At various times, operating income, operating margin, net income and earnings per share may be affected by unusual items which have occurred in the period and which impact the comparability of these measures with other periods. Items are considered unusual if they are outside of normal business activities, significant in amount and scope and are not expected to occur on a recurring basis. The Company defines operating margin as operating income divided by revenue. The Company defines: i) adjusted operating income as operating income excluding such unusual and non-recurring items, ii) adjusted net income as net income excluding such items and iii) adjusted earnings per share as diluted earnings per share excluding such items. The Company believes that adjusted operating income, adjusted net income and adjusted earnings per share are important measures of the profitability of operations adjusted for the effects of unusual items.

Items which can be used to adjust operating income, net income and earnings per share for the three and nine month period ended September 30, 2016 and 2015 include those indicated in the chart below:

($ in 000's except earnings per share)	Three months ended		Nine months ended	
	Sep. 30, 2016	**Sep. 30, 2015**	**Sep. 30, 2016**	**Sep. 30, 2015**
Operating income as stated	**12,444**	12,872	**45,341**	33,061
Divided by revenue	**87,788**	77,983	**256,211**	221,398
Operating margin	**14.2%**	16.5%	**17.7%**	14.9%
Operating income as stated	**12,444**	12,872	**45,341**	33,061
Other income[1]	**-**	-	**(3,000)**	-
Transaction advisory costs[2]	**5,308**	-	**6,382**	-
Adjusted operating income	**17,752**	12,872	**48,723**	33,061
Divided by revenue	**87,788**	77,983	**256,211**	221,398
Adjusted operating margin	**20.2%**	16.5%	**19.0%**	14.9%
Net income as stated	**4,932**	6,256	**22,707**	16,196
Other income[1]	**-**	-	**(3,000)**	-
Transaction advisory costs[2]	**5,308**	-	**6,382**	-
Tax impact of above items	**(1,407)**	-	**(1,276)**	-
After tax impact of above item	**3,901**	-	**2,106**	-
Adjusted net income	**8,833**	6,256	**24,813**	16,196
Weighted average number of diluted shares outstanding	**13,854**	14,029	**13,919**	14,029
Diluted earnings per share as stated	**0.36**	0.45	**1.63**	1.15
Per share impact of other income and transaction advisory costs	**0.28**	-	**0.15**	-
Adjusted earnings per share	**0.64**	0.45	**1.78**	1.15

[1] On June 30, 2016, the Company sold its minority interest in a provider of credit remediation products for cash proceeds of $3.0 million. The shares were acquired by the Company during the start-up phase of this company and the net book value of those shares was nil.

[2] During the three and nine month periods ending September 30, 2016, the Company incurred transaction advisory costs related to a potential acquisition of $5.3 million and $6.4 million, respectively.

Operating Expenses Before Depreciation and Amortization

The Company defines operating expenses before depreciation and amortization as total operating expenses excluding depreciation and amortization expenses for the period. The Company believes that operating expenses before depreciation and amortization is an important measure of the cost of operations adjusted for the effects of purchasing decisions that may have been made in prior periods.

($ in 000's except percentages)	Three Months Ended		
	Sep. 30, 2016	Sep. 30, 2016 (adjusted)	Sep. 30, 2015
Operating expenses before depreciation and amortization as stated	61,825	61,825	50,613
Transaction advisory costs included in operating expenses	-	(5,308)	-
Adjusted operating expenses before depreciation and amortization	61,825	56,517	50,613
Divided by revenue	87,788	87,788	77,983
Operating expenses before depreciation and amortization as % of revenue	70.4%	64.4%	64.9%

($ in 000's except percentages)	Nine Months Ended		
	Sep. 30, 2016	Sep. 30, 2016 (adjusted)	Sep. 30, 2015
Operating expenses before depreciation and amortization as stated	172,950	172,950	146,312
Transaction advisory costs included in operating expenses	-	(6,382)	-
Adjusted operating expenses before depreciation and amortization	172,950	166,568	146,312
Divided by revenue	256,211	256,211	221,398
Operating expenses before depreciation and amortization as % of revenue	67.5%	65.0%	66.1%

Operating Margin

The Company defines operating margin as operating income divided by revenue for the Company as a whole and for its operating segments: easyhome and easyfinancial. The Company believes operating margin is an important measure of the profitability of its operations, which in turn assists it in assessing the Company's ability to generate cash to pay interest on its debt and to pay dividends.

($ in 000's except percentages)	Three Months Ended Sep. 30, 2016	Three Months Ended Sep. 30, 2015	Nine Months Ended Sep. 30, 2016	Nine Months Ended Sep. 30, 2015
easyhome				
Operating income	**5,066**	6,053	**16,044**	17,627
Divided by revenue	**35,140**	38,692	**108,134**	114,556
easyhome operating margin	**14.4%**	15.6%	**14.8%**	15.4%
easyfinancial				
Operating income	**20,985**	12,721	**55,202**	32,011
Divided by revenue	**52,648**	39,291	**148,077**	106,842
easyfinancial operating margin	**39.9%**	32.4%	**37.3%**	30.0%
Total				
Operating income	**12,444**	12,872	**45,341**	33,061
Divided by revenue	**87,788**	77,983	**256,211**	221,398
Total operating margin	**14.2%**	16.5%	**17.7%**	14.9%
Total (adjusted)				
Operating income as stated	**12,444**	12,872	**45,341**	33,061
Other income	**-**	-	**(3,000)**	-
Transaction advisory costs	**5,308**	-	**6,382**	-
Adjusted operating income	**17,752**	12,872	**48,723**	33,061
Divided by revenue	**87,788**	77,983	**256,211**	221,398
Total (adjusted) operating margin	**20.2%**	16.5%	**19.0%**	14.9%

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and EBITDA Margin

The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, excluding depreciation of leased assets. The Company uses EBITDA, among other measures, to assess the operating performance of its ongoing businesses. EBITDA margin is calculated as EBITDA divided by revenue.

($ in 000's)	Three months ended		
	Sep. 30, 2016	**Sep. 30, 2016 (adjusted)**	**Sep. 30, 2015**
Net income as stated	**4,932**	**4,932**	6,256
Finance costs	**5,411**	**5,411**	3,978
Income tax expense	**2,101**	**2,101**	2,638
Depreciation and amortization, excluding dep. of lease assets	**2,665**	**2,665**	2,250
EBITDA	**15,109**	**15,109**	15,122
Transaction advisory costs	**-**	**5,308**	-
Adjusted EBITDA	**15,109**	**20,417**	15,122
Divided by revenue	**87,788**	**87,788**	77,983
EBITDA margin	**17.2%**	**23.3%**	19.4%

($ in 000's)	Nine months ended		
	Sep. 30, 2016	**Sep. 30, 2016 (adjusted)**	**Sep. 30, 2015**
Net income as stated	**22,707**	**22,707**	16,196
Finance costs	**15,346**	**15,346**	10,729
Income tax expense	**7,288**	**7,288**	6,136
Depreciation and amortization, excluding dep. of lease assets	**7,479**	**7,479**	6,519
EBITDA	**52,820**	**52,820**	39,580
Other income	**-**	**(3,000)**	-
Transaction advisory costs	**-**	**6,382**	-
Adjusted EBITDA	**52,820**	**56,202**	39,580
Divided by revenue	**256,211**	**256,211**	221,398
EBITDA margin	**20.6%**	**21.9%**	17.9%

Return on Equity

The Company defines return on equity as annualized net income in the period divided by average shareholders' equity for the period. The Company believes return on equity is an important measure of how shareholders' invested capital is utilized in the business.

($ in 000's)	Three months ended		
	Sep. 30, 2016	**Sep. 30, 2016 (adjusted)**	**Sep. 30, 2015**
Net income as stated	**4,932**	**4,932**	6,256
Transaction advisory costs	**-**	**5,308**	
Tax impact of transaction advisory costs	**-**	**(1,407)**	-
After tax impact	**-**	**3,901**	-
Adjusted net income	**4,932**	**8,833**	6,256
Multiplied by number of periods in year	**X 4/1**	**X 4/1**	X 4/1
Divided by average shareholders' equity for the period	**187,119**	**187,119**	166,572
Return on equity	**10.5%**	**18.9%**	15.0%

($ in 000's)	Nine months ended		
	Sep. 30, 2016	**Sep. 30, 2016 (adjusted)**	**Sep. 30, 2015**
Net income as stated	**22,707**	**22,707**	16,196
Other income	**-**	**(3,000)**	-
Transaction advisory costs	**-**	**6,382**	
Tax impact of other income & transaction advisory costs	**-**	**(1,276)**	-
After tax impact	**-**	**2,106**	-
Adjusted net income	**22,707**	**24,813**	16,196
Multiplied by number of periods in year	**X 4/3**	**X 4/3**	X 4/3
Divided by average shareholders' equity for the period	**182,505**	**182,505**	161,585
Return on equity	**16.6%**	**18.1%**	13.4%

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at September 30, 2016 and September 30, 2015.

($ in 000's, except for ratios)	Sep. 30, 2016	Sep. 30, 2015
Consumer loans receivable (net of allowance and acquisition costs)	**323,890**	237,907
Lease assets	**54,178**	60,523
Cash	**29,752**	22,261
Property and equipment	**16,757**	19,437
Intangible assets	**14,753**	13,884
Amounts receivable	**11,664**	14,321
Other assets	**32,391**	31,175
Total assets	**483,385**	399,508
External debt (includes term loan)	**248,654**	197,515
Other liabilities	**46,665**	33,160
Total liabilities	**295,319**	230,675
Shareholders' equity	**188,066**	168,833
Total capitalization (total debt plus total shareholders' equity)	**436,720**	366,348
External debt to shareholders' equity	**1.32**	1.17
External debt to total capitalization	**0.57**	0.54
External debt to EBITDA [1]	**3.39**	3.81

[1] EBITDA excludes the impact of other income and unusual items and is expressed in a trailing 12-month basis.

Total assets were $483.4 million as at September 30, 2016, an increase of $83.9 million or 21.0% over September 30, 2015. The growth in total assets was driven primarily by: i) the increased size of the consumer loans receivable portfolio (net of allowance and acquisition costs) which increased by $86.0 million over the past 12 months, ii) a $7.5 million increase in cash on hand and iii) offset by a $6.3 million decline in lease assets given the reduced size of the lease portfolio and iv) a $2.7 million reduction in property and equipment as the easyfinancial branch buildout is largely complete resulting in depreciation exceeding capital spending on facilities.

The $83.9 million growth in total assets was financed by a $51.1 million increase in external debt and a $19.2 million increase in total shareholder's equity. While the Company has continued to pay a dividend to its shareholders, a large portion of the Company's earnings over the prior 12 months have been retained to fund the growth of easyfinancial.

The Company's credit facilities consisted of a $280 million term loan and a $20 million revolving operating facility. As at September 30, 2016, $255 million had been drawn under the Company's term loan. Borrowings under the term loan bore interest at the Canadian Bankers' Acceptance rate plus 699 bps with a 799 bps floor, while borrowings under the revolving operating facility bore interest at the lender's prime rate plus 175 to 275 bps depending on the Company's EBITDA ratio. The Company's credit facilities expire on October 4, 2019 and are secured by a first charge over substantially all assets of the Company. As at September 30, 2016, the Company's interest rates under the term loan and revolving operating facility were 7.99% and 5.45%, respectively.

Liquidity and Capital Resources

Summary of Cash Flow Components

($ in 000's)	Three Months Ended Sep. 30, 2016	Three Months Ended Sep. 30, 2015	Nine Months Ended Sep. 30, 2016	Nine Months Ended Sep. 30, 2015
Cash provided by operating activities before issuance of consumer loans receivable	**41,058**	25,834	**113,915**	76,448
Net issuance of consumer loans receivable	**(31,138)**	(32,090)	**(92,661)**	(85,674)
Cash provided by (used in) operating activities	**9,920**	(6,256)	**21,254**	(9,226)
Cash used in investing activities	**(10,037)**	(15,563)	**(28,724)**	(41,465)
Cash provided by financing activities	**9,378**	39,286	**25,833**	71,787
Net increase in cash for the period	**9,261**	17,467	**18,363**	21,096

Cash flows provided by operating activities for the three month period ended September 30, 2016 were $9.9 million. Included in this amount was a net investment of $31.1 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial consumer loans receivable portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $41.1 million in the third quarter of 2016, up $15.2 million compared to the same period of 2015, driven primarily by improvements in working capital.

During the quarter, the Company used $10.0 million in cash in investing activities, which included: i) acquiring $8.6 million in lease assets, and ii) purchasing $1.4 million in property and equipment and intangible assets (primarily software development).

During the quarter, the Company generated $9.4 million in cash flow from financing activities, which included a $12.7 million increase in borrowing under the Company's credit facilities which was offset by: i) the repurchase of $1.7 million in common shares under the normal course issuer bid and ii) the payment of $1.7 million in dividends.

Cash flows provided by operating activities during the year to date period ended September 30, 2016 were $21.3 million. Included in this amount was a net investment of $92.7 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial consumer loans receivable portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $113.9 million in the current year to date period, up $37.5 million compared to the same period of 2015 driven primarily by: i) higher net income; ii) improvements in working capital and iii) an increase in non-cash expenses such as bad debts.

During the current year to date period, the Company used $28.7 million in cash in investing activities which included: i) acquiring $28.0 million in lease assets, ii) investing $6.3 million in property and equipment and intangible assets (primarily software development) and iii) offset by $5.5 million in proceeds on the sale of investment and other assets.

Also during the current year to date period, the Company generated $25.8 million in cash flow from financing activities which included a $38.4 million increase in borrowing under the Company's credit facilities which was offset by: i) the purchase of $7.9 million in common shares under the normal course issuer bid and ii) the payment of $4.7 million in dividends.

The Company believes that the cash flows provided by operations will be sufficient in the near-term to meet operational requirements, purchase lease assets, meet capital spending requirements and pay dividends. Also, the additional availability under the Company’s credit facilities will allow the Company to achieve its targets for the growth of its consumer loans receivable portfolio into 2017. However, for easyfinancial to achieve its full long-term growth potential, additional sources of financing over and above the currently available credit facility and term loan are required. There is no certainty that these long-term sources of capital will be available or at terms favourable to the Company.

Outstanding Shares & Dividends

As at November 3, 2016 there were 13,323,258 shares, 140,515 DSUs, 472,734 options, 604,305 RSUs, and no warrants outstanding.

Normal Course Issuer Bids

On June 23, 2015, the Company announced the acceptance by the Toronto Stock Exchange (the "TSX") of the Company's Notice of Intention to Make a Normal Course Issuer Bid. This initial NCIB terminated on June 24, 2016. As of September 30, 2016, the Company had purchased and cancelled 452,341 of its common shares on the open market under this initial NCIB at an average price of $18.14 per share for a total cost of $8.2 million.

On June 22, 2016, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make a Normal Course Issuer Bid to commence June 27, 2016. Pursuant to this second NCIB, the Company proposes to purchase, from time to time, if it is considered advisable, up to an aggregate of 986,105 common shares which represented approximately 7.3% of the 13,488,603 common shares issued and outstanding as at June 10, 2016. The Company had an average daily trading volume for the six months prior to May 31, 2016 of 28,219 shares.

Under the June 27, 2016 NCIB, daily purchases will be limited to 6,494 common shares, other than block purchase exemptions. The purchases may commence on June 27, 2016 and will terminate on June 26, 2017 or on such earlier date as goeasy may complete its purchases pursuant to the Notice of Intention. The purchases made by goeasy will be effected through the facilities of the TSX, as well as alternative trading systems, and in accordance with the rules of the TSX. The price that the Company will pay for any common shares will be the market price of such shares at the time of acquisition. The Company will not purchase any common shares other than by open-market purchases.

As of September 30, 2016, the Company had purchased and cancelled 94,500 of its common shares on the open market under this June 27, 2016 NCIB at an average price of $17.94 per share for a total cost of $1.7 million.

Dividends

During the quarter ended September 30, 2016, the Company paid a $0.125 per share quarterly dividend on outstanding common shares.

On February 17, 2016, the Company increased the dividend rate by 25% from $0.10 to $0.125. For the quarter ended September 30, 2016, the Company paid a $0.125 per share quarterly dividend on outstanding common shares. The Company reviews its dividend distribution policy on a regular basis, evaluating its financial position, profitability, cash flow and other factors the Board of Directors considers relevant. However, no dividends can be declared in the event there is a default of the loan facility, or where such payment would lead to a default.

The following table sets forth the quarterly dividends paid by the Company in the third quarter of the years indicated:

	2016	2015	2014	2013	2012	2011	2010
Dividend per share	**$ 0.125**	$ 0.100	$ 0.085	$ 0.085	$ 0.085	$ 0.085	$ 0.085
Percentage increase	**25.0%**	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Commitments, Guarantees and Contingencies

The Company’s commitments, guarantees and contingencies remain as described in its December 31, 2015 MD&A.

Risk Factors

The Company’s activities are exposed to a variety of commercial, operational, financial and regulatory risks. The Company’s overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company’s financial performance. The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Audit Committee of the Board of Directors reviews the Company’s risk management policies on an annual basis.

The Company’s risk factors remain as described in its December 31, 2015 MD&A.

Critical Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual amounts could differ from these estimates.

Significant changes in assumptions, including those with respect to future business plans and cash flows, could change the recorded amounts by a material amount.

The Company’s critical accounting estimates are fully described in the Company’s December 31, 2015 Notes to the Financial Statements.

Adoption of New Accounting Standards and Standards Issued But Not Yet Effective

No new accounting standards were adopted by the Company during the reporting period.

New accounting standards that have been issued but are not yet effective are fully described in the Company’s September 30, 2016 Notes to the Financial Statements.

Internal Controls

Disclosure Controls and Procedures [“DC&P”]

DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company’s management, including the Chief Executive Officer [“CEO”] and Chief Financial Officer [“CFO”], so that timely decisions can be made regarding disclosure.

The Company’s management, under supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company’s DC&P, as required in Canada by National Instrument 52-109, “*Certification of Disclosure in Issuers’ Annual and Interim Filings*”. Based on this evaluation, the CEO and CFO have concluded that the design of the system of disclosure controls and procedures were effective as at September 30, 2016.

Internal Controls over Financial Reporting [“ICFR”]

ICFR is a process designed by, or under the supervision of, senior management, and effected by the Board of Directors, management and other personnel, to provide reasonable assurances regarding the reliability of financial reporting and preparation of the Company’s consolidated financial statements in accordance with IFRS. Management is responsible for establishing and maintaining ICFR and designs such controls to attempt to ensure that the required objectives of these internal controls have been met. Management uses the Internal Control – Integrated Framework (2013) to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission [“COSO”].

Based on this evaluation, the CEO and CFO have concluded that the design of the Company’s internal controls over financial reporting were effective as at September 30, 2016.

In designing and evaluating such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance and may not prevent or detect all misstatements as a result of, among other things, error or fraud.

In addition, the CEO and CFO evaluated whether there were changes in the internal controls over financial reporting during the interim period ended September 30, 2016 that materially affected, or were reasonably likely to materially affect, the internal controls over financial reporting. There were no such changes during the quarter.