goeasy Ltd.

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

Three and Six Months Ended June 30, 2016

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

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Date: August 2, 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 June 30, 2016 compared to June 30, 2015, and the results of operations for the three and six month periods ended June 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 the 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 disclosed in its March 31, 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	**$360 – $390 million**	$360 – $390 million	No change.
Total revenue growth	**16% – 20%**	16% – 20%	No change.
easyfinancial operating margin	**34% – 36%**	32% – 35%	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 2018 targets and assumptions were disclosed in its March 31, 2016 MD&A. The Company has revised its targets for fiscal 2018 as follows:

	Revised Targets for 2018	Previously Reported Targets for 2018	Explanation for Change in Targets
Number of easyfinancial locations	**220 - 240 locations by the end of 2018**	220 - 240 locations by the end of 2018	No change.
Gross consumer loans receivable portfolio at year end	**$500 million**	$500 million	No change.
easyfinancial operating margin	**36% - 38%**	35%	Strong consumer loans receivable growth coupled with improving cost efficiencies, particularly in the areas of labour and advertising.

<u>Analysis of Results for the Three Months Ended June 30, 2016</u>

Second Quarter Highlights

- goeasy continued to grow revenue during the second quarter of 2016. Revenue for the quarter increased to $86.1 million from the $72.9 million reported in the second quarter of 2015, an increase of $13.2 million or 18.1%. 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 20.0%.

- The gross consumer loans receivable portfolio as at June 30, 2016 was $326.2 million compared with $230.9 million as at June 30, 2016, an increase of $95.3 million or 41.3%. Loan originations were strong in the quarter at $98.5 million, up 27.3% compared with the second quarter of 2015.

- The growth in originations during the second quarter of 2016 compared to the same period last year was a result of the maturation of the easyfinancial network, enhancements made to the easyfinancial transactional website in late 2015, the introduction of the indirect lending channel and an acceleration of advertising and promotion expenditures. During the second quarter of 2016, the Company increased its advertising and promotion expenditure by $1.4 million compared to the second quarter of 2015, with a particular focus on building the easyfinancial brand. When compared to the timing of advertising expenditures in 2015, approximately $1.0 million of advertising for 2016 was shifted from the third quarter to the second quarter. Overall advertising spend for 2016, however, will remain at approximately 3.8% of total revenue. This additional advertising expenditure during the second quarter of 2016 moderated earnings per share in the quarter by $0.07 on a diluted basis.

- easyfinancial generated a strong operating margin of 36.7% in the second quarter of 2016, up from the 27.1% reported in the second 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 maturity 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; and iii) moderated by increased advertising and promotion expenditure.

- Overall operating income for the quarter was $18.1 million, an increase of $7.7 million or 74.2% from the $10.4 million reported in the second quarter of 2015. The current quarter benefited from other income of $3.0 million related to a gain on the sale of an investment. Excluding this other income, operating income for the quarter was $15.1 million, an increase or $4.7 million or 45.4% when compared with the second quarter of 2015. Operating margin for the second quarter of 2016, excluding other income, was 17.6%, an increase of 3.3% from the 14.3% operating margin reported for the second quarter of 2015.

- Net income for the second quarter of 2016 was $10.5 million or $0.75 per share on a diluted basis. Excluding the after tax impact of the $3.0 million other income in the quarter, net income was $7.9 million or $0.57 per share on a diluted basis compared with $5.0 million or $0.36 per share for the second quarter of 2015. On this normalized basis, net income and diluted earnings per share increased by 58.2% and 58.3% respectively.

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended Jun. 30, 2016	Jun. 30, 2015	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**86,098**	72,890	13,208	18.1%
Other income[2]	**3,000**	-	3,000	100.0%
Operating expenses before depreciation and amortization	**57,356**	48,575	8,781	18.1%
EBITDA[1]	**20,601**	12,681	7,920	62.5%
EBITDA margin[1]	**23.9%**	17.4%	6.5%	-
Depreciation and amortization expense	**13,598**	13,901	(303)	(2.2%)
Operating income	**18,144**	10,414	7,730	74.2%
Operating margin[1]	**21.1%**	14.3%	6.8%	-
Finance costs	**5,114**	3,621	1,493	41.2%
Effective income tax rate	**19.2%**	26.1%	(6.9%)	-
Net income	**10,523**	5,017	5,506	109.7%
Diluted earnings per share	**0.75**	0.36	0.39	108.3%
Return on Equity[1]	**23.0%**	12.4%	10.6%	-
Adjusted (Normalized) Financial Results[2]				
Adjusted EBITDA margin	**20.4%**	17.4%	3.0%	-
Adjusted operating earnings	**15,144**	10,414	4,730	45.4%
Adjusted operating margin	**17.6%**	14.3%	3.3%	-
Adjusted earnings	**7,938**	5,017	2,921	58.2%
Adjusted earnings per share	**0.57**	0.36	0.21	58.3%
Adjusted return on equity	**17.4%**	12.4%	5.0%	-
Key Performance Indicators[1]				
Same-store revenue growth	**20.0%**	16.8%	3.2%	-
Same-store revenue growth excluding easyfinancial	**(0.5%)**	3.1%	(3.6%)	-
easyhome				
Potential monthly lease revenue	**9,787**	10,207	(420)	(4.1%)
Change in potential monthly lease revenue due to ongoing operations	**(180)**	(196)	16	8.2%
easyhome revenue	**35,672**	37,571	(1,899)	(5.1%)
easyhome operating margin	**12.9%**	14.9%	(2.0%)	-
easyfinancial				
Gross consumer loans receivable	**326,208**	230,901	95,307	41.3%
Growth in gross consumer loans receivable	**22,046**	23,392	(1,346)	(5.8%)
Gross loan originations	**98,466**	77,354	21,112	27.3%
easyfinancial revenue	**50,426**	35,319	15,107	42.8%
Bad debt expense as a percentage of easyfinancial revenue	**26.4%**	26.7%	(0.3%)	-
Net charge offs as a percentage of average gross consumer loans receivable	**15.2%**	14.3%	0.9%	-
easyfinancial operating margin	**36.7%**	27.1%	9.6%	-

[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.

Store Locations Summary

	Locations as at Mar. 31, 2016	Locations opened / acquired during period	Locations closed / sold during period	Conversions	Locations as at Jun. 30, 2016
easyhome					
Corporately owned stores	153	-	(1)	(1)	**151**
Consolidated franchise locations	3	-	-	-	**3**
Total consolidated stores	156	-	(1)	(1)	**154**
Total franchise stores	26	-	(1)	1	**26**
Total easyhome stores	182	-	(2)	-	**180**
easyfinancial					
Kiosks (in store)	50	-	(1)	(1)	**48**
Stand-alone locations	158	2	-	1	**161**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	209	2	(1)	-	**210**

Summary of Financial Results by Operating Segment

($ in 000's except earnings per share)	Three Months Ended June 30, 2016			
	easyhome	**easyfinancial**	**Corporate**	**Total**
Revenue	**35,672**	**50,426**	**-**	**86,098**
Other income[1]	**-**	**-**	**3,000**	**3,000**
Total operating expenses before depreciation and amortization	**19,260**	**30,300**	**7,796**	**57,356**
Depreciation and amortization	**11,825**	**1,607**	**166**	**13,598**
Operating income (loss)	**4,587**	**18,519**	**(4,962)**	**18,144**
Finance costs				**5,114**
Income before income taxes				**13,030**
Income taxes				**2,507**
Net income				**10,523**
Diluted earnings per share				**0.75**

[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.

($ in 000's except earnings per share)	Three Months Ended June 30, 2015			
	easyhome	**easyfinancial**	**Corporate**	**Total**
Revenue	37,571	35,319	-	72,890
Total operating expenses before depreciation and amortization	19,586	24,408	4,581	48,575
Depreciation and amortization	12,403	1,347	151	13,901
Operating income (loss)	5,582	9,564	(4,732)	10,414
Finance costs				3,621
Income before income taxes				6,793
Income taxes				1,776
Net income				5,017
Diluted earnings per share				0.36

Revenue and Other Income

Revenue for the three month period ended June 30, 2016 was $86.1 million compared to $72.9 million in the same period in 2015, an increase of $13.2 million or 18.1%. Same-store sales growth for the quarter was 20.0%.

easyhome - Revenue for the three month period ended June 30, 2016 was $35.7 million, a decrease of $1.9 million when compared with the second quarter of 2015. Factors impacting revenue in the period included the following:

- The Company completed several transactions over the past 15 months to acquire merchandise lease portfolios (including the acquisition of the lease portfolio of 14 rent-to-own stores from a large U.S.-based rent-to-own company completed in third quarter of 2015) and closed or sold merchandise leasing stores that it owned. These transactions in aggregate reduced revenue by $0.5 million in the quarter when compared to the second quarter of 2015.
- Revenue in the second 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 $1.1 million in the quarter when compared to the second quarter of 2015. Similarly, same store sales declined by 0.5% when excluding the impact of easyfinancial.

easyfinancial - Revenue for the three month period ended June 30, 2016 was $50.4 million, an increase of $15.1 million or 42.8% from the comparable period in 2015. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $230.9 million as at June 30, 2015 to $326.2 million as at June 30, 2016, an increase of $95.3 million or 41.3%.

The yield realized by the Company on its consumer loans receivable portfolio declined by 50 bps in the second quarter of 2016 compared with the second quarter of 2015. In prior quarters, the Company experienced a year-over-year decline in yield due to i) the strong demand for larger dollar loans which have lower pricing on certain ancillary products to account for the lower overall risk and ii) the net commissions earned by the Company on these ancillary products were reduced due to increased claims activity. The reported decline in yield in the current quarter was considerably lower than the recent trend for three reasons. First, the introduction of new ancillary products and improved penetration of the existing products have increased yield in the current quarter. Second, the claims against the Company's creditor life insurance product have abated (such claims are netted against the commission earned by the Company). Lastly, the calendar timing resulted in improved cash collections in the quarter which positively impacted yield as commissions earned on ancillary products are recognized when the cash is received.

The gross consumer loans receivable portfolio experienced solid growth of $22.0 million in the quarter compared with growth of $23.4 million for the second quarter of 2015. Loan originations in the quarter were $98.5 million, up 27.3% compared to the second quarter of 2015.

During the quarter, 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 were $57.4 million for the three month period ended June 30, 2016, an increase of $8.8 million or 18.1% from the comparable period in 2015. The increase in operating expenses was driven primarily by the higher costs associated with the expanding easyfinancial business, increased advertising expenditures and higher corporate costs somewhat offset by lower costs within the easyhome business. Total operating expenses before depreciation and amortization represented 66.6% of revenue for the second quarter of 2016, consistent with the rate reported in the second quarter of 2015.

easyhome – Total operating expenses before depreciation and amortization for the three month period ended June 30, 2016 were $19.3 million, a decrease of $0.3 million from the $19.6 million reported in the second quarter of 2015. The cost savings were driven by the reduced store count and lower overhead costs and were offset by a $0.2 million increase in advertising expenditures. Consolidated leasing store count declined by seven from 161 as at June 30, 2015 to 154 as at June 30, 2016.

easyfinancial – Total operating expenses before depreciation and amortization were $30.3 million for the second quarter of 2016, an increase of $5.9 million or 24.1% from the second quarter of 2015. Operating expenses, excluding bad debts, increased by $2.0 million or 13.4% in the quarter driven by: i) the increased cost of nine additional branches when compared to June 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; iii) an additional $1.2 million in advertising and promotional expenditures to support the growth in the consumer loans receivable portfolio (including the shifting into the second quarter from the third quarter of approximately $1.0 million in advertising expenditures when comparing the quarterly advertising spend patterns between 2015 and 2016); and iv) higher costs associated with easyfinancial's Shared Service Centre to support the increase in loan originations and collection activities. Overall, branch count increased from 201 as at June 30, 2015 to 210 as at June 30, 2016. Operating expenses, excluding bad debts as a percentage of easyfinancial's revenue declined from 42.4% in the second quarter of 2015 to 33.7% in the current quarter as the business continues to scale.

Bad debt expense increased to $13.3 million for the second quarter of 2016 from $9.4 million during the comparable period in 2015. Bad debt expense increased by $3.9 million or 41.1% consistent with the growth in the loan book over the past twelve months which increased by 41.3%. Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.2% in the quarter compared with 14.3% in the second quarter of 2015. The year-over-year 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. The charge-off rate in the second quarter of 2015 benefitted from a relatively larger recovery of previously charged off accounts. The Company continues to expect that the net charge off rate will be in the range of 14% to 16% throughout 2016.

Corporate – Total operating expenses before depreciation and amortization were $7.8 million for the second quarter of 2016 compared to $4.6 million in the second quarter of 2015, an increase of $3.2 million. The increase was related to i) $1.5 million of higher accrued but not paid short-term incentive compensation as the results of the business have exceeded budget; ii) higher professional fees; iii) reduced gain on the sale of stores to franchisees; and iv) higher salary costs. Corporate expenses before depreciation and amortization represented 9.1% of revenue in the second quarter of 2016 compared to 6.3% of revenue in the second quarter of 2015.

Depreciation and Amortization

Depreciation and amortization expense for the three month period ended June 30, 2016 was $13.6 million, a decrease of $0.3 million from the comparable period in 2015 and driven primarily by lower depreciation and amortization in the easyhome business. Overall, depreciation and amortization expense represented 15.8% of revenue for the three months ended June 30 2016, a decrease from 19.1% reported in the comparable period of 2015.

easyhome's depreciation and amortization expense declined by $0.6 million in the second quarter of 2016 compared to the second 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 33.1%, consistent with the 33.0% reported in the second quarter of 2015.

The $0.3 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 expense expressed as a percentage of easyfinancial's revenue for the quarter was 3.2%, down from the 3.8% reported in the second quarter of 2015.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the three month period ended June 30, 2016 was $18.1 million, up from the $10.4 million reported in the second quarter of 2015 and an increase of $7.7 million or 74.2%. Excluding other income of $3.0 million associated with the gain on sale of an investment, operating income for the quarter was $15.1 million, up $4.7 million or 45.4% when compared with the second quarter of 2015. The growth in operating income was driven by the expansion of the easyfinancial business and improved operating margins for easyfinancial and was somewhat offset by i) lower operating income from easyhome; ii) higher advertising spend; and iii) higher corporate costs. Overall, operating margin excluding the benefit of the gain on sale of an investment was 17.6% for the second quarter of 2016, up from 14.3% reported for the second quarter of 2015.

easyhome – Operating income was $4.6 million for the second quarter of 2016, a decrease of $1.0 million when compared with the second quarter of 2015. The net benefit of store transactions in the current quarter was more than offset by the impact on operating income of the lower lease portfolio and related lower revenue coupled with higher advertising expenditures. Operating margin for the second quarter of 2016 was 12.9% compared to 14.9% reported in the second quarter of 2015.

*easyfinancia*l – Operating income was $18.5 million for the second quarter of 2016 compared with $9.6 million for the comparable period in 2015, an increase of $8.9 million or 93.6%. The increase in operating income was driven primarily by the growth of the consumer loans receivable portfolio and associated revenue and the maturity of 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 improvement in operating income was moderated by the $1.2 million increase in advertising spend in the current quarter when compared with the second quarter of 2015. Operating margin was 36.7% in the quarter compared with 27.1% reported in the second quarter of 2015.

Finance Costs

Finance costs for the three month period ended June 30, 2016 were $5.1 million, up $1.5 million from the same period in 2015. This increase in finance costs was driven by higher average borrowing levels.

Income Tax Expense

The effective income tax rate for the second quarter of 2016 was 19.2% compared to 26.1% in the second quarter of 2015. The effective income tax rate in the current quarter was lower due to the lower tax rate on the capital gains from investment and assets sales during the period as well as certain research and development tax credits realized in the quarter.

Net Income and EPS

Net income for the second quarter of 2016 was $10.5 million or $0.75 per share on a diluted basis. Excluding the after tax impact of the $3.0 million other income associated with the gain on sale of an investment in the quarter, net income was $7.9 million or $0.57 per share on a diluted basis, up from the $5.0 million (or $0.36 per share) reported in the second quarter of 2015. On this basis, net income and diluted earnings per share increased by 58.2% and 58.3%, respectively.

Analysis of Results for the Six Months Ended June 30, 2016

Summary of Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Six Months Ended Jun. 30, 2016	Six Months Ended Jun. 30, 2015	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**168,423**	143,415	25,008	17.4%
Other income[2]	**3,000**	-	3,000	100.0%
Operating expenses before depreciation and amortization	**111,125**	95,699	15,426	16.1%
EBITDA[1]	**37,711**	24,458	13,253	54.2%
EBITDA margin[1]	**22.4%**	17.1%	5.3%	-
Depreciation and amortization expense	**27,401**	27,527	(126)	(0.5%)
Operating income	**32,897**	20,189	12,708	62.9%
Operating margin[1]	**19.5%**	14.1%	5.4%	-
Finance costs	**9,935**	6,751	3,184	47.2%
Effective income tax rate	**22.6%**	26.0%	(3.4%)	-
Net income	**17,775**	9,940	7,835	78.8%
Diluted earnings per share	**1.27**	0.71	0.56	78.9%
Return on equity	**19.7%**	12.5%	7.2%	-
Adjusted (Normalized) Financial Results[1]				
Adjusted EBITDA margin	**20.6%**	17.1%	3.5%	-
Adjusted operating earnings	**29,897**	20,189	9,708	48.1%
Adjusted operating margin	**17.8%**	14.1%	3.7%	-
Adjusted earnings	**15,190**	9,940	5,250	52.8%
Adjusted earnings per share	**1.09**	0.71	0.38	53.5%
Adjusted return on equity	**16.8%**	12.5%	4.3%	-
Key Performance Indicators[1]				
Same store revenue growth	**14.6%**	17.9%	(3.3)%	-
Same store revenue growth excluding easyfinancial	**1.2%**	3.2%	(2.0)%	-
easyhome				
Potential monthly lease revenue	**9,787**	10,207	(420)	(4.1%)
Change in potential monthly lease revenue due to ongoing operations	**(607)**	(436)	(171)	(39.2%)
easyhome revenue	**72,994**	75,864	(2,870)	(3.8%)
easyhome operating margin	**15.0%**	15.3%	(0.3%)	-
easyfinancial				
Gross consumer loans receivable	**326,208**	230,901	95,307	41.3%
Growth in consumer loans receivable	**36,782**	38,676	(1,894)	(4.9%)
Gross loan originations	**180,155**	137,993	42,162	30.6%
easyfinancial revenue	**95,429**	67,551	27,878	41.3%
Bad debt expense as a percentage of easyfinancial revenue	**26.9%**	26.1%	0.8%	-
Net charge offs as a percentage of average gross consumer loans receivable	**15.2%**	14.1%	1.1%	-
easyfinancial operating margin	**35.9%**	28.6%	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.

Store Locations Summary

	Locations as at Dec. 31, 2015	Locations opened / acquired during period	Locations closed / sold during period	Conversions	Locations as at Jun. 30, 2016
easyhome					
Corporately owned stores	155	-	(2)	(2)	**151**
Consolidated franchise locations	3	-	-	-	**3**
Total consolidated stores	158	-	(2)	(2)	**154**
Total franchise stores	26	-	(2)	2	**26**
Total easyhome stores	184	-	(4)	-	**180**
easyfinancial					
Kiosks (in store)	51	4	(1)	(6)	**48**
Stand-alone locations	150	5	-	6	**161**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	202	9	(1)	-	**210**

Summary of Financial Results by Operating Segment

($ in 000's except earnings per share)	Six Months Ended June 30, 2016			
	easyhome	**easyfinancial**	**Corporate**	**Total**
Revenue	**72,994**	**95,429**	**-**	**168,423**
Other income[1]	**-**	**-**	**3,000**	**3,000**
Total operating expenses before depreciation and amortization	**38,095**	**58,060**	**14,970**	**111,125**
Depreciation and amortization	**23,921**	**3,152**	**328**	**27,401**
Operating income (loss)	**10,978**	**34,217**	**(12,298)**	**32,897**
Finance costs				**9,935**
Income before income taxes				**22,962**
Income taxes				**5,187**
Net income				**17,775**
Diluted earnings per share				**1.27**

[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.

($ in 000's except earnings per share)	Six Months Ended June 30, 2015			
	easyhome	**easyfinancial**	**Corporate**	**Total**
Revenue	75,864	67,551	-	143,415
Total operating expenses before depreciation and amortization	39,551	45,800	10,348	95,699
Depreciation and amortization	24,739	2,461	327	27,527
Operating income (loss)	11,574	19,290	(10,675)	20,189
Finance costs				6,751
Income before income taxes				13,438
Income taxes				3,498
Net income				9,940
Diluted earnings per share				0.71

Revenue and Other Income

Revenue for the six month period ended June 30, 2016 was $168.4 million compared to $143.4 million in the same period in 2015, an increase of $25.0 million or 17.4%. The increase was driven by the growth of the easyfinancial business.

easyhome - Revenue for the six month period ended June 30, 2016 was $73.0 million, a decrease of $2.9 million from the comparable period in 2015. Factors impacting revenue in the period include:

- The Company completed several transactions over the past 18 months to acquire merchandise lease portfolios (including the acquisition of the lease portfolio of 14 rent-to-own stores from a large U.S.-based rent-to-own company completed in the current quarter) as well as closed or sold merchandise leasing stores that it owned. These transactions in aggregate reduced revenue by $0.8 million for the first six months of 2016 when compared to the first six months of 2015.
- Revenue in the first six months of 2016 declined by $1.0 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 18 months have resulted in a decline in revenue across the organic store network of $1.1 million in the first half of the year when compared to the first half of 2015.

easyfinancial - Revenue for the six month period ended June 30, 2016 was $95.4 million, an increase of $27.9 million or 41.3% from the comparable period in 2015. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $230.9 million as at June 30, 2015 to $326.2 million as at June 30, 2016, an increase of $95.3 million or 41.3%. The gross consumer loans receivable portfolio grew by $36.8 million in the current year to date period as compared with growth of $38.7 million for the same period of 2015. Loan originations were also strong in the first six months of 2016 at $180.2 million, up 30.6% compared with the same period of 2015.

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 were $111.1 million for the six month period ended June 30, 2016, an increase of $15.4 million or 16.1% 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 represented 66.0% of revenue for the first half of 2016 down from the 66.7% reported for the first half of 2015.

easyhome – Total operating expenses before depreciation and amortization for the six month period ended June 30, 2016 were $38.1 million, a decrease of $1.5 million or 3.7% from the comparable period in 2015. The decline was driven primarily by the reduced store count. Consolidated leasing store count declined by seven from 161 as at June 30, 2015 to 154 as at June 30, 2016.

easyfinancial – Total operating expenses before depreciation and amortization were $58.1 million for the six month period ending June 30, 2016, an increase of $12.3 million from the comparable period in 2015. Operating expenses, excluding bad debts, increased by $4.2 million or 14.8% in the current year to date period compared to revenue growth of 41.3% 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 nine additional branches when compared to June 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; iii) an additional $1.4 million in advertising and promotional expenditures to support the growth in the consumer loans receivable portfolio (including the shifting into the second quarter from the third quarter of approximately $1.0 million in advertising expenditures when comparing the quarterly advertising spend patterns between 2015 and 2016); and iv) higher costs associated with easyfinancial's Shared Service Centre to support the increase in loan originations and collection activities. Overall, branch count increased from 201 as at June 30, 2015 to 210 as at June 30, 2016. Operating expenses, excluding bad debts, as a percentage of easyfinancial revenue declined from 41.7% in the first half of 2015 to 33.9% in the first half of 2016 as the business continues to scale.

Bad debt expense increased to $25.7 million for the first six months of 2016 from $17.6 million during the comparable period in 2015, up $8.1 million or 46.0%. The increase was primarily driven by the growth of the consumer loans receivable portfolio that grew by 41.3% over the past 12 months. Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.2% for the first six months of 2016, up from the 14.1% reported for the comparable period of 2015. The year-over-year 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. The charge-off rate in the first half of 2015 benefitted from a relatively larger recovery of previously charged off accounts. The Company continues to expect that the net charge off rate will be in the range of 14% to 16% throughout 2016.

Corporate – Total operating expenses before depreciation and amortization were $15.0 million for the six month period ending June 30, 2016 compared to $10.3 million in the same period of 2015, an increase of $4.7 million. The increase was related to i) higher accrued but not paid short-term incentive compensation as the results of the business have exceeded budget; ii) higher professional fees; iii) a reduced gain on the sale of stores to franchisees; and iv) higher salary costs. Corporate expenses before depreciation and amortization represented 8.9% of revenue in the first half of 2016 compared to 7.2% of revenue in the first half of 2015.

Depreciation and Amortization

Depreciation and amortization expense for the six month period ended June 30, 2016 was $27.4 million, down $0.1 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 16.3% of revenue for the six months ended June 30, 2016, down from 19.2% in the comparable period of 2015.

easyhome's depreciation and amortization expense declined by $0.8 million in the current year to date period compared with the same period of 2015 due to the lower revenue. easyhome's depreciation and amortization expense expressed as a percentage of easyhome's revenue for the first half of 2016 was 32.8% up slightly from the 32.6% reported for the comparable period of 2015.

The $0.7 million increase in depreciation and amortization expense within easyfinancial was attributable to its growing branch network and the amortization of new systems.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the six month period ended June 30, 2016 was $32.9 million compared to $20.2 million for the comparable period in 2015, an increase of $12.7 million or 62.9%. Excluding other income of $3.0 million associated with the gain on sale of an investment, operating income for the quarter was $29.9 million, up $9.7 million or 48.1% when compared with the first half of 2015. The growth in operating income was driven by the expansion of the easyfinancial business and improved operating margins for easyfinancial and was somewhat offset by i) lower operating income from easyhome; ii) higher advertising expenditures; and iii) higher corporate costs. Overall, operating margin excluding the benefit of the gain on sale of an investment was 17.8% for the first half of 2016, up from 14.1% reported for the comparable period of 2015.

easyhome – Operating income was $11.0 million for the first six months of 2016, down $0.6 million from the same period of 2015. The net benefit of store transactions in the current year to date period was more than offset by the impact on operating income of the lower lease portfolio and related lower revenue. Operating margin for the first six months of 2016 was 15.0% compared with 15.3% reported in the comparable period of 2015.

easyfinancial – Operating income was $34.2 million for the first six months of 2016, compared with $19.3 million for the comparable period in 2015, an increase of $14.9 million or 77.4%. The increase in operating income was driven primarily by the growth of the consumer loans receivable portfolio and associated revenue and the maturity of 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 35.9% compared with 28.6% for the same period in 2015.

Finance Costs

Finance costs for the six month period ended June 30, 2016 were $9.9 million, up $3.2 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 22.6% down from the 26.0% reported in the same period of 2015. The decline in the effective tax rate in the current period was due to the lower tax rate on the capital gains from the sale of investment 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 first half of 2016 was $17.8 million or $1.27 per share on a diluted basis. Excluding the after tax impact of the $3.0 million other income associated with the gain on sale of an investment, net income was $15.2 million or $1.09 per share on a diluted basis, up from the $9.9 million or $0.71 per share reported for the first half of 2015. On this normalized basis, net income and diluted earnings per share increased by 52.8% and 53.5% respectively.

Selected Quarterly Information

($ in millions except percentages and per share amounts)	Jun. 2016	Mar. 2016	Dec. 2015	Sept. 2015	Jun. 2015	Mar. 2015	Dec. 2014	Sept. 2014	Jun. 2014
Revenue	**86.1**	82.3	82.9	78.0	72.9	70.5	70.0	65.5	63.2
Net income	**10.5**	7.3	7.5	6.3	5.0	4.9	7.1	3.5	4.5
Net income as a percentage of revenue	**12.2%**	8.8%	9.1%	8.0%	6.9%	7.0%	10.2%	5.3%	7.2%
Earnings per share[1]									
Basic	**0.77**	0.54	0.56	0.46	0.37	0.36	0.53	0.26	0.34
Diluted	**0.75**	0.52	0.54	0.45	0.36	0.35	0.51	0.25	0.33

[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:

	Three Months Ended		Six Months Ended	
($ in 000's)	Jun. 30, 2016	Jun. 30, 2015	Jun. 30, 2016	Jun. 30, 2015
Opening potential monthly lease revenue	**10,064**	10,614	**10,651**	10,955
Change due to store openings or acquisitions during the period	**-**	-	**-**	81
Change due to store closures or sales during the period	**(97)**	(211)	**(257)**	(393)
Change due to ongoing operations	**(180)**	(196)	**(607)**	(436)
Net change	**(277)**	(407)	**(864)**	(748)
Ending potential monthly lease revenue	**9,787**	10,207	**9,787**	10,207

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)	Jun. 30, 2016	Jun. 30, 2015
Furniture	**4,172**	4,176
Appliances	**1,142**	1,173
Electronics	**3,172**	3,351
Computers	**1,301**	1,507
Potential monthly lease revenue	**9,787**	10,207

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)	June 30, 2016		June 30, 2015	
	$	% of total	$	% of total
Newfoundland & Labrador	**864**	**8.8%**	915	9.0%
Nova Scotia	**791**	**8.1%**	808	7.9%
Prince Edward Island	**187**	**1.9%**	194	1.9%
New Brunswick	**706**	**7.2%**	695	6.8%
Quebec	**565**	**5.8%**	545	5.3%
Ontario	**3,492**	**35.7%**	3,633	35.6%
Manitoba	**246**	**2.5%**	259	2.5%
Saskatchewan	**527**	**5.4%**	658	6.5%
Alberta	**1,311**	**13.4%**	1,313	12.9%
British Columbia	**969**	**9.9%**	938	9.2%
USA	**129**	**1.3%**	249	2.4%
Potential monthly lease revenue	**9,787**	**100.0%**	10,207	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 Jun. 30, 2016	Three Months Ended Jun. 30, 2015	Six Months Ended Jun. 30, 2016	Six Months Ended Jun. 30, 2015
Net charge offs	**1,220**	681	**2,422**	1,853
Leasing revenue	**35,672**	37,571	**72,994**	75,864
Net charge offs as a percentage of easyhome revenue	**3.4%**	1.8%	**3.3%**	2.4%

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:

($ in 000's)	Three Months Ended Jun. 30, 2016	Three Months Ended Jun. 30, 2015	Six Months Ended Jun. 30, 2016	Six Months Ended Jun. 30, 2015
Loan originations to new customers	**45,543**	36,231	**81,426**	63,659
Loan originations to existing customers	**52,923**	41,123	**98,729**	74,334
Less: Proceeds applied to repay existing loans	**(26,554)**	(18,899)	**(49,867)**	(35,022)
Net advance to existing customers	**26,369**	22,224	**48,862**	39,312
Net principal written	**71,912**	58,455	**130,288**	102,971

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		Six Months Ended	
($ in 000's)	**Jun. 30, 2016**	**Jun. 30, 2015**	**Jun. 30, 2016**	**Jun. 30, 2015**
Opening gross consumer loans receivable	**304,162**	207,509	**289,426**	192,225
Gross loan originations	**98,466**	77,354	**180,155**	137,993
Gross principal payments and other adjustments	**(62,517)**	(44,633)	**(116,888)**	(82,389)
Gross charge offs before recoveries	**(13,903)**	(9,329)	**(26,485)**	(16,928)
Net growth in gross consumer loans receivable during the period	**22,046**	23,392	**36,782**	38,676
Ending gross consumer loans receivable	**326,208**	230,901	**326,208**	230,901

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 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		Six Months Ended	
($ in 000's except percentages)	**Jun. 30, 2016**	**Jun. 30, 2015**	**Jun. 30, 2016**	**Jun. 30, 2015**
Net charge offs	**12,084**	7,955	**23,461**	14,908
Average gross consumer loans receivable	**318,283**	222,330	**308,560**	211,652
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**15.2%**	14.3%	**15.2%**	14.1%

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:

($ in 000's except percentages)	Three Months Ended Jun. 30, 2016	Three Months Ended Jun. 30, 2015	Six Months Ended Jun. 30, 2016	Six Months Ended Jun. 30, 2015
Net charge offs	**12,084**	7,955	**23,461**	14,908
Net change in allowance for loan losses	**1,231**	1,481	**2,234**	2,696
Bad debt expense	**13,315**	9,436	**25,695**	17,604
easyfinancial revenue	**50,426**	35,319	**95,429**	67,551
Bad debt expense as a percentage of easyfinancial revenue	**26.4%**	26.7%	**26.9%**	26.1%

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 Jun. 30, 2016	Three Months Ended Jun. 30, 2015	Six Months Ended Jun. 30, 2016	Six Months Ended Jun. 30, 2015
Allowance for loan losses, beginning of period	**19,467**	12,747	**18,465**	11,532
Net charge offs written off against the allowance	**(12,084)**	(7,955)	**(23,461)**	(14,908)
Change in allowance due to lending and collection activities	**13,317**	9,436	**25,696**	17,604
Allowance for loan losses, ending of period	**20,700**	14,228	**20,700**	14,228
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)	June 30, 2016		June 30, 2015	
	$	**% of total**	**$**	**% of total**
Current	**308,767**	**94.7%**	215,277	93.2%
Days past due				
1 - 30 days	**9,875**	**3.0%**	9,314	4.1%
31 - 44 days	**2,065**	**0.6%**	1,948	0.8%
45 - 60 days	**2,099**	**0.7%**	2,049	0.9%
61 - 90 days	**3,402**	**1.0%**	2,313	1.0%
	17,441	**5.3%**	15,624	6.8%
Gross consumer loans receivable	**326,208**	**100.0%**	230,901	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, Jun. 25, 2016	Saturday, Jun. 27, 2015
	% of total	**% of total**
Current	**94.0%**	93.0%
Days past due		
1 - 30 days	**3.6%**	4.4%
31 - 44 days	**0.6%**	0.8%
45 - 60 days	**0.7%**	0.8%
61 - 90 days	**1.1%**	1.0%
	6.0%	7.0%
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)	June 30, 2016		June 30, 2015	
	$	% of total	$	% of total
Newfoundland & Labrador	**16,981**	**5.2%**	12,987	5.6%
Nova Scotia	**24,902**	**7.6%**	19,795	8.6%
Prince Edward Island	**4,346**	**1.3%**	3,088	1.3%
New Brunswick	**18,023**	**5.5%**	13,666	5.9%
Quebec	**-**	**-**	-	-
Ontario	**143,438**	**44.0%**	101,980	44.2%
Manitoba	**13,292**	**4.1%**	8,543	3.7%
Saskatchewan	**17,828**	**5.5%**	11,912	5.2%
Alberta	**45,953**	**14.1%**	31,614	13.7%
British Columbia	**38,146**	**11.7%**	25,262	10.9%
Territories	**3,299**	**1.0%**	2,054	0.9%
Gross consumer loans receivable	**326,208**	**100.0%**	230,901	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		Six Months Ended	
	Jun. 30, 2016	Jun. 30, 2015	Jun. 30, 2016	Jun. 30, 2015
Same store revenue growth	**20.0%**	16.8%	**14.6%**	17.9%
Same store revenue growth excluding easyfinancial	**(0.5%)**	3.1%	**1.2%**	3.2%

Adjusted Operating Earnings, Adjusted Operating Margin, Adjusted Earnings, 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 earnings as operating income excluding such unusual and non-recurring items, ii) adjusted earnings 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 earnings, adjusted earnings 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 six month period ended June 30, 2016 and 2015 include those indicated in the chart below:

($ in 000's except earnings per share)	Three months ended Jun. 30, 2016	Three months ended Jun. 30, 2015	Six months ended Jun. 30, 2016	Six months ended Jun. 30, 2015
Operating income as stated	**18,144**	10,414	**32,897**	20,189
Divided by revenue	**86,098**	72,890	**168,423**	143,415
Operating margin	**21.1%**	14.3%	**19.5%**	14.1%
Operating income as stated	**18,144**	10,414	**32,897**	20,189
Other income[1]	**(3,000)**	-	**(3,000)**	-
Adjusted operating earnings	**15,144**	10,414	**29,897**	20,189
Divided by revenue	**86,098**	72,890	**168,423**	143,415
Adjusted operating margin	**17.6%**	14.3%	**17.8%**	14.1%
Net income as stated	**10,523**	5,017	**17,775**	9,940
Other income	**(3,000)**	-	**(3,000)**	-
Tax impact of above item	**415**	-	**415**	-
After tax impact of above item	**(2,585)**	-	**(2,585)**	-
Adjusted earnings	**7,938**	5,017	**15,190**	9,940
Weighted average number of diluted shares outstanding	**13,982**	14,069	**13,994**	14,034
Diluted earnings per share as stated	**0.75**	0.36	**1.27**	0.71
Per share impact of other income	**0.18**	-	**0.18**	-
Adjusted earnings per share	**0.57**	0.36	**1.09**	0.71

[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.

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 Jun. 30, 2016	Three Months Ended Jun. 30, 2015	Six Months Ended Jun. 30, 2016	Six Months Ended Jun. 30, 2015
Operating expenses before depreciation and amortization	**57,356**	48,575	**111,125**	95,699
Divided by revenue	**86,098**	72,890	**168,423**	143,415
Operating expenses before depreciation and amortization as % of revenue	**66.6%**	66.6%	**66.0%**	66.7%

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 Jun. 30, 2016	Three Months Ended Jun. 30, 2015	Six Months Ended Jun. 30, 2016	Six Months Ended Jun. 30, 2015
easyhome				
Operating income	**4,587**	5,582	**10,978**	11,574
Divided by revenue	**35,672**	37,571	**72,994**	75,864
easyhome operating margin	**12.9%**	14.9%	**15.0%**	15.3%
easyfinancial				
Operating income	**18,519**	9,564	**34,217**	19,290
Divided by revenue	**50,426**	35,319	**95,429**	67,551
easyfinancial operating margin	**36.7%**	27.1%	**35.9%**	28.6%
Total				
Operating income	**18,144**	10,414	**32,897**	20,189
Divided by revenue	**86,098**	72,890	**168,423**	143,415
Total operating margin	**21.1%**	14.3%	**19.5%**	14.1%
Total (adjusted)				
Adjusted operating earnings	**15,144**	10,414	**29,897**	20,189
Divided by revenue	**86,098**	72,890	**168,423**	143,415
Total (adjusted) operating margin	**17.6%**	14.3%	**17.8%**	14.1%

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		
	Jun. 30, 2016	**Jun. 30, 2016 (adjusted)**	**Jun. 30, 2015**
Net income as stated	**10,523**	**10,523**	5,017
Finance costs	**5,114**	**5,114**	3,621
Income tax expense	**2,507**	**2,507**	1,776
Depreciation and amortization, excluding dep. of lease assets	**2,457**	**2,457**	2,267
EBITDA	**20,601**	**20,601**	12,681
Other income	**-**	**(3,000)**	-
Adjusted EBITDA	**20,601**	**17,601**	12,681
Divided by revenue	**86,098**	**86,098**	72,890
EBITDA margin	**23.9%**	**20.4%**	17.4%

($ in 000's)	Six months ended		
	Jun. 30, 2016	**Jun. 30, 2016 (adjusted)**	**Jun. 30, 2015**
Net income as stated	**17,775**	**17,775**	9,940
Finance costs	**9,935**	**9,935**	6,751
Income tax expense	**5,187**	**5,187**	3,498
Depreciation and amortization, excluding dep. of lease assets	**4,814**	**4,814**	4,269
EBITDA	**37,711**	**37,711**	24,458
Other income	**-**	**(3,000)**	-
Adjusted EBITDA	**37,711**	**34,711**	24,458
Divided by revenue	**168,423**	**168,423**	143,415
EBITDA margin	**22.4%**	**20.6%**	17.1%

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 Jun. 30, 2016	Jun. 30, 2016 (adjusted)	Jun. 30, 2015
Net income as stated	**10,523**	**10,523**	5,017
Other income	**-**	**(3,000)**	-
Tax impact of other income	**-**	**415**	-
After tax impact	**-**	**(2,585)**	-
Adjusted earnings	**10,523**	**7,938**	5,017
Multiplied by number of periods in year	**X 4/1**	**X 4/1**	X 4/1
Divided by average shareholders' equity for the period	**182,947**	**182,947**	161,770
Return on equity	**23.0%**	**17.4%**	12.4%

($ in 000's)	Six months ended Jun. 30, 2016	Jun. 30, 2016 (adjusted)	Jun. 30, 2015
Net income as stated	**17,775**	**17,775**	9,940
Other income	**-**	**(3,000)**	-
Tax impact of other income	**-**	**415**	-
After tax impact	**-**	**(2,585)**	-
Adjusted earnings	**17,775**	**15,190**	9,940
Multiplied by number of periods in year	**X 4/2**	**X 4/2**	X 4/2
Divided by average shareholders' equity for the period	**180,651**	**180,651**	159,169
Return on equity	**19.7%**	**16.8%**	12.5%

Financial Condition

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

($ in 000's, except for ratios)	Jun. 30, 2016	Jun. 30, 2015
Consumer loans receivable (net of allowance and fees)	**306,789**	216,673
Lease assets	**56,404**	61,013
Cash	**20,491**	4,794
Property and equipment	**17,908**	19,886
Intangible assets	**14,842**	12,059
Amounts receivable	**10,884**	11,947
Other assets	**31,845**	29,210
Total assets	**459,163**	355,582
External debt (includes term loan)	**235,924**	155,223
Other liabilities	**37,067**	36,049
Total liabilities	**272,991**	191,272
Shareholders' equity	**186,172**	164,310
Total capitalization (total debt plus total shareholders' equity)	**422,096**	319,533
External debt to shareholders' equity	**1.27**	0.94
External debt to total capitalization	**0.56**	0.49
External debt to EBITDA [1]	**3.52**	3.38

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

Total assets were $459.2 million as at June 30, 2016, an increase of $103.6 million or 29.1% over June 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 fees) which increased by $90.1 million over the past 12 months; and ii) a $15.7 million increase in cash on hand related to the timing of advances on the Company's credit facilities.

The $103.6 million growth in total assets was financed by an $80.7 million increase in external debt and a $21.9 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 June 30, 2016, $242.5 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 were secured by a first charge over substantially all assets of the Company. As at June 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 Jun. 30, 2016	Three Months Ended Jun. 30, 2015	Six Months Ended Jun. 30, 2016	Six Months Ended Jun. 30, 2015
Cash provided by operating activities before issuance of consumer loans receivable	**37,635**	27,875	**72,857**	50,614
Net issuance of consumer loans receivable	**(34,836)**	(31,347)	**(61,523)**	(53,584)
Cash provided by (used in) operating activities	**2,799**	(3,472)	**11,334**	(2,970)
Cash used in investing activities	**(8,404)**	(9,788)	**(18,687)**	(25,902)
Cash provided by financing activities	**7,823**	17,721	**16,455**	32,501
Net increase in cash for the period	**2,218**	4,461	**9,102**	3,629

Cash flows provided by operating activities for the three month period ended June 30, 2016 were $2.8 million. Included in this amount was a net investment of $34.8 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 $37.6 million in the second quarter of 2016, up $9.8 million compared to the same period of 2015, driven primarily by: i) higher net income; ii) an increase in non-cash expenses such as bad debts expense; and iii) improvements in working capital.

During the quarter, the Company used $8.4 million in cash in investing activities, which included: i) acquiring $10.3 million in lease assets; ii) purchasing $2.4 million in property and equipment and intangible assets (primarily software development); and iii) offset by $3.0 million in proceeds on the sale of investment.

During the quarter, the Company generated $7.8 million in cash flow from financing activities, which included a $12.9 million increase in borrowing under the Company's credit facilities and was offset by: i) $3.4 million in common shares repurchased for cancellation 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 June 30, 2016 were $11.3 million. Included in this amount was a net investment of $61.5 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 $72.9 million in the current year to date period, up $22.2 million compared to the same period of 2015 driven primarily by: i) higher net income; ii) an increase in non-cash expenses such as bad debts expense; and iii) improvements in working capital.

During the current year to date period, the Company used $18.7 million in cash in investing activities which included: i) acquiring $19.3 million in lease assets; ii) investing $4.9 million in property and equipment and intangible assets (primarily software development); and iii) offset by $3.0 million in proceeds on the sale of investment.

Also during the current year to date period, the Company generated $16.5 million in cash flow from financing activities which included a $25.6 million increase in borrowing under the Company's credit facilities and was offset by i) $6.2 million in common shares repurchased for cancellation under the normal course issuer bid; and ii) the payment of $3.0 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 August 2, 2016 there were 13,394,268 shares, 135,895 DSUs, 472,734 options, 607,208 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 June 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 June 30, 2016, the Company had not cancelled any of its common shares pursuant to this June 27, 2016 NCIB.

Dividends

During the quarter ended June 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 June 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 may 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 second 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

Commitments

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 June 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 June 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 June 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 June 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.