Management Discussion and Analysis

March 31, 2016

The following management discussion and analysis ("MD&A") provides information management believes is relevant to an assessment and understanding of the consolidated financial condition and consolidated results of operations of Element Financial Corporation (the "Company" or "Element") as at and for the three months ended March 31, 2016 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements as at and for the three months ended March 31, 2016 and the MD&A and audited consolidated financial statements and accompanying notes for the year ended December 31, 2015. Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.elementcorp.com

CAUTIONARY STATEMENT

THIS ANALYSIS HAS BEEN PREPARED TAKING INTO CONSIDERATION INFORMATION AVAILABLE TO MAY 11, 2016. CERTAIN STATEMENTS CONTAINED IN THIS REPORT CONSTITUTE "FORWARD LOOKING STATEMENTS". WHEN USED IN THIS REPORT, THE WORDS "MAY", "WOULD", "COULD", "WILL", "INTEND", "PLAN", "ANTICIPATE", "BELIEVE", "ESTIMATE", "EXPECT", AND SIMILAR EXPRESSIONS, AS THEY RELATE TO THE COMPANY, OR ITS MANAGEMENT, ARE INTENDED TO IDENTIFY FORWARD LOOKING STATEMENTS. SUCH STATEMENTS REFLECT OUR CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO INHERENT RISKS, UNCERTAINTIES AND NUMEROUS ASSUMPTIONS, INCLUDING, WITHOUT LIMITATION, GENERAL ECONOMIC CONDITIONS, RELIANCE ON DEBT FINANCING, DEPENDENCE ON BORROWERS, INABILITY TO SUSTAIN RECEIVABLES, COMPETITION, INTEREST RATES, REGULATION, INSURANCE, FAILURE OF KEY SYSTEMS, DEBT SERVICE, FUTURE CAPITAL NEEDS AND SUCH OTHER RISKS OR FACTORS DESCRIBED FROM TIME TO TIME IN REPORTS OF ELEMENT.

BY THEIR NATURE, FORWARD LOOKING STATEMENTS INVOLVE NUMEROUS ASSUMPTIONS, KNOWN AND UNKNOWN, RISKS AND UNCERTAINTIES, BOTH GENERAL AND SPECIFIC, WHICH CONTRIBUTE TO THE POSSIBILITY THAT PREDICTIONS, FORECASTS, PROJECTIONS AND OTHER FORMS OF FORWARD LOOKING INFORMATION MAY NOT BE ACHIEVED. MANY FACTORS COULD CAUSE OUR ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS AND READERS ARE CAUTIONED THAT THE LIST OF FACTORS IN THE FOREGOING PARAGRAPH IS NOT EXHAUSTIVE. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD ASSUMPTIONS UNDERLYING THE FORWARD LOOKING STATEMENTS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED HEREIN AS INTENDED, PLANNED, ANTICIPATED, BELIEVED, ESTIMATED OR EXPECTED. ACCORDINGLY, READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD LOOKING STATEMENTS OR INTERPRET OR REGARD FORWARD-LOOKING STATEMENTS AS GUARANTEES OF FUTURE OUTCOMES. EXCEPT AS MAY BE REQUIRED BY APPLICABLE CANADIAN SECURITIES LAWS, WE DO NOT INTEND, AND DISCLAIM ANY OBLIGATION TO UPDATE OR REWRITE ANY FORWARD LOOKING STATEMENTS WHETHER ORAL OR WRITTEN AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

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Overview

Element is a fleet management and equipment finance company that originates, co-invests in and manages asset-based financings and related service programs with operations in the United States ("US"), Canada, Australia, New Zealand and Mexico and internationally, for its fleet business, through the global alliance with BNP Arval. Element originates the financing of a broad range of fleet vehicles, equipment and capital assets by way of secured loans, financial leases, conditional sales contracts and operating leases. Element originates its financings through its employee sales force, which focuses on fleet customers, equipment vendors and direct equipment users. Element distinguishes itself from traditional lenders such as banks and finance companies in that it:

- Provides comprehensive fleet services across many asset classes and vehicle types;
- Offers complimentary asset-based financing services rather than providing traditional leasing or lending;
- Originates primarily through its manufacturer relationships; and,
- Funds its activities through commitments from institutional investors rather than accepting deposits from the public.

The Company has assembled a deep and experienced leadership team that has capitalized, and is poised to continue to capitalize, on the continuing strength and consolidation of the North American fleet management and equipment finance markets. Through its legacy and recently acquired businesses, the Company has established strong platforms across multiple lines of business in the asset and equipment finance market place as well as in the fleet management services. The Company plans to continue to grow its business organically, but will also continue to capitalize on new opportunities where the Company believes it is beneficial and accretive to earnings.

On February 16, 2016, the Company announced the results of its strategic review that had been initiated in October 2015. The Board of Directors of the Company has approved management's plan to separate Element Financial Corporation into two independent publicly-traded companies. The transaction will involve the separation into a newly created publicly traded company of the Rail Finance, Commercial and Vendor Finance, and Aviation Finance verticals from the existing corporate structure. The existing corporate structure will retain the Fleet Management business.

In connection with the proposed separation, the Company has amended its internal management reporting processes and is moving from a single operating segment to two separate operating segments covering, as a first segment, the Company's Fleet Management operations and as a second segment being referred internally as Commercial Finance, consisting of the combined operations previously referred to as the Rail Finance vertical, the Commercial and Vendor Finance vertical, and the Aviation vertical.

Selected Consolidated Financial Information and Financial Ratios - Three month periods ended March 31, 2016, December 31, 2015 and March 31, 2015

The following table highlights the currencies applicable to the Company's foreign operations used to convert foreign financial balances being reported at the end of the periods and reported income reported and earned throughout the reporting periods.

We have elected to provide this additional information because only approximately 18% of the Company's assets and operations are denominated in Canadian dollars and, as a result, the Company is exposed to fluctuations of these other currencies against the Canadian dollar being the reporting currency adopted by the Company at this time. The Company is hedged operationally for fluctuations in these currencies, but the reporting of assets and liabilities fluctuate against each other.

While the Company also has operations in Australia, New Zealand and Mexico, the largest impact on the current financial statements is the result of the contraction of the US dollar (representing 72.8% of total earning assets) against the Canadian currency which decreased by 6.2% at March 31, 2016 compared to its value at December 31, 2015.

Average foreign exchange rates applicable to the income during the reported periods have however remained more constant.

	Local currency to the Canadian dollar								
	March 31, 2016			December 31, 2015			March 31, 2015		
	Percent of Earning Assets	**Closing Rate**	**Average for the period**	Percent of Earning Assets	Closing Rate	Average for the period	Percent of Earning Assets	Closing Rate	Average for the period
US Dollar	**72.8%**	**1.29870**	**1.37925**	72.1%	1.38400	1.35323	67.0%	1.26660	1.24114
Australian Dollar	**4.7%**	**0.99560**	**0.99065**	4.6%	1.00830	0.96058	—	n/a	n/a
New Zealand Dollar	**3.3%**	**0.89770**	**0.90396**	4.3%	0.94690	0.90030	—	n/a	n/a
Mexican Peso	**1.4%**	**0.07520**	**0.07618**	1.4%	0.08048	0.07947	—	n/a	n/a

The following table summarizes key consolidated financial data to be read in conjunction with the interim condensed consolidated financial statements of the Company as at and for the three months ended March 31, 2016. Such financial statements are prepared in accordance with IFRS and are reported in Canadian dollars.

	As at and for the three months ended				
(in $000's for stated values, except ratios and per share amounts)	**March 31, 2016**	December 31, 2015	March 31, 2015	Change over Dec 31, 2015	Change over Mar 31, 2015
	$	$	$	%	%
After tax adjusted operating income per share (basic) (1)	**0.35**	0.35	0.21	—	66.7
Before tax adjusted operating income per share (basic) (1)	**0.45**	0.40	0.27	12.5	66.7
Net financial income	**309,760**	289,719	133,718	6.9	131.7
Adjusted operating income (1)	**182,900**	161,538	78,390	13.2	133.3
After tax adjusted operating income (1)	**143,342**	143,478	60,442	(0.1)	137.2
Income before taxes	**121,869**	97,942	64,458	24.4	89.1
Net income	**101,269**	104,433	49,497	(3.0)	104.6
Total assets	**23,933,519**	25,163,345	12,531,007	(4.9)	91.0
Net investment in finance receivables	**15,311,118**	16,199,530	8,439,702	(5.5)	81.4
Equipment under operating leases	**3,906,906**	4,126,553	1,624,053	(5.3)	140.6
Investment in managed fund	**135,065**	143,936	—	(6.2)	n/a
Total earning assets	**19,353,089**	20,470,019	10,063,755	(5.5)	92.3
Total finance assets	**20,577,820**	21,835,861	10,841,659	(5.8)	89.8
New originations	**2,113,799**	2,544,870	1,457,433	(16.9)	45.0
Secured borrowings	**17,025,064**	17,862,038	8,790,235	(4.7)	93.7
Convertible debentures	**841,312**	836,472	305,140	0.6	175.7
Total debt	**17,866,376**	18,698,510	9,095,375	(4.5)	96.4
Average finance receivables (1)	**16,008,503**	15,589,686	8,098,172	2.7	97.7
Average equipment under operating leases (1)	**4,047,103**	3,906,412	1,390,995	3.6	191.0
Average investment in managed fund	**143,422**	140,736	—	1.9	n/a
Average earning assets (1)	**20,199,028**	19,636,834	9,489,167	2.9	112.9
Average debt outstanding (1)	**18,661,653**	17,803,601	8,483,365	4.8	120.0
Number of shares outstanding (including special warrants)	**386,155**	386,135	264,094	—	46.2
Weighted average number of shares outstanding (including special warrants) [basic]	**386,135**	385,930	264,066	0.1	46.2
Total shareholders' equity	**5,401,579**	5,717,555	3,058,637	(5.5)	76.6
Average common shareholders' equity (1)	**5,008,337**	4,857,497	2,625,651	3.1	90.7
Common share dividends declared per share	**0.025**	0.025	—	—	n/a
Earnings per share [basic]	**0.24**	0.25	0.16	(4.0)	50.0
Earnings per share [diluted]	**0.24**	0.24	0.16	—	50.0

(1) For additional information, see "Description of Non-IFRS Measures" section.

The following table summarizes key operating ratios to be read in conjunction with the consolidated financial statements of the Company:

	As at and for the three-months ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Leverage ratios			
Standard Leverage (2) (3)			
- Financial leverage ratio	**3.31**	3.27	2.97
- Average financial leverage ratio	**3.37**	3.30	2.84
Bank Covenant (2) (4)			
- Tangible leverage ratio	**4.58**	4.57	3.92
- Average tangible leverage ratio	**4.22**	4.72	3.84
Other ratios and yields			
Allowance for credit losses as a percentage of finance receivables (2)	**0.18%**	0.19%	0.20%
Annualized credit loss provision as a percentage of average finance receivables (2)	**0.08%**	0.19%	0.16%
Portfolio average remaining life (in months, excluding equipment under operating leases) (2)	**29.5**	24.9	26.2
Adjusted operating income on average common shareholders' equity (2)	**13.90%**	12.57%	11.01%
Adjusted operating income on average earning assets (2)	**3.63%**	3.30%	3.30%
After-tax adjusted operating income on average common shareholders' equity (2)	**10.74%**	11.08%	8.28%
After-tax adjusted operating income on average earning assets (2)	**2.84%**	2.92%	2.55%
Book value per share (5)	**$ 12.61**	$ 13.43	$ 10.20

(1) All are ratios presented on an annualized basis.
(2) For additional information, see "Description of Non-IFRS Measures" section.
(3) Financial leverage ratio is computed as total debt (the sum of secured borrowings and extendible convertible debentures) divided by total shareholders' equity.
(4) Computed under bank covenant.
(5) Book value per share has declined by 6.1% since December 31, 2015 as a result of the appreciation of the Canadian dollar over its US counterpart between the two reporting dates. Refer to "Other Comprehensive Income (Loss) in the Interim Condensed Consolidated Financial Statements of March 31, 2016.

Consolidated Financial Information

Consolidated Results of Operations – For the three months ended March 31, 2016, December 31, 2015 and March 31, 2015

The following table sets forth a summary of the Company's results of consolidated operations for the three months ended March 31, 2016, December 31, 2015 and March 31, 2015:

	For the three-month periods ended				
	March 31, 2016	December 31, 2015	March 31, 2015	Change over Dec 31, 2015	Change over Mar 31, 2015
(in 000's for stated values, except per unit amounts)	**$**	$	$	%	%
Net Financial Income					
Interest income (1)	**223,216**	212,585	111,219	5.0	100.7
Rental revenue, net (2)	**73,774**	75,406	25,981	(2.2)	184.0
Total interest income and rental revenue, net	**296,990**	287,991	137,200	3.1	116.5
Interest expense	**124,341**	119,521	53,602	4.0	132.0
Net interest income and rental revenue, net before provision for credit losses	**172,649**	168,470	83,598	2.5	106.5
Provision for credit losses	**3,221**	7,360	3,227	(56.2)	(0.2)
Net interest income and rental revenue, net	**169,428**	161,110	80,371	5.2	110.8
Management fees and other revenues (1)	**140,332**	128,609	53,347	9.1	163.1
Net financial income	**309,760**	289,719	133,718	6.9	131.7
Operating Expenses					
Salaries, wages and benefits	**71,677**	70,386	34,023	1.8	110.7
General and administration expenses	**55,183**	57,795	21,305	(4.5)	159.0
Amortization of convertible debenture synthetic discount	**3,003**	2,955	1,472	1.6	104.0
Share-based compensation	**9,883**	9,449	6,536	4.6	51.2
	139,746	140,585	63,336	(0.6)	120.6
Business acquisition costs					
Amortization of intangibles from acquisition	**16,776**	16,445	4,743	2.0	253.7
Transaction and integration costs	**31,369**	34,747	1,181	(9.7)	2,556.1
	48,145	51,192	5,924	(6.0)	712.7
Net income before taxes	**121,869**	97,942	64,458	24.4	89.1
Income tax expense	**20,600**	(6,491)	14,961	(417.4)	37.7
Net income for the period	**101,269**	104,433	49,497	(3.0)	104.6
Earnings per share [basic]	**0.24**	0.25	0.16	(4.0)	50.0
Earnings per share [diluted]	**0.24**	0.24	0.16	—	50.0

(1) Prior periods have been reclassified to conform to the current period classification and presentation.
(2) Rental revenue, net is equal to rental income earned on equipment under operating leases, less depreciation on equipment under operating leases.

The following table provides a reconciliation of Non-IFRS Measures for consolidated adjusted operating expense, consolidated adjusted operating income and consolidated after-tax adjusted operating income:

	For the three-month periods ended				
	March 31, 2016	December 31, 2015	March 31, 2015	Change over Dec 31, 2015	Change over Mar 31, 2015
(in 000's for stated values, except per unit amounts)	**$**	$	$	%	%
Net financial income					
Interest income (4)	**223,216**	212,585	111,219	5.0	100.7
Rental revenue, net (3)	**73,774**	75,406	25,981	(2.2)	184.0
Interest income and rental revenue, net	**296,990**	287,991	137,200	3.1	116.5
Interest expense	**124,341**	119,521	53,602	4.0	132.0
	172,649	168,470	83,598	2.5	106.5
Other revenues					
Fleet Management Fees (4)	**103,020**	92,404	37,681	11.5	173.4
Syndication and other income (4)	**37,312**	36,205	15,666	3.1	138.2
	312,981	297,079	136,945	5.4	128.5
Provision for credit losses	**(3,221)**	(7,360)	(3,227)	(56.2)	(0.2)
Net financial income	**309,760**	289,719	133,718	6.9	131.7
Adjusted operating expenses					
Salaries, wages and benefits	**71,677**	70,386	34,023	1.8	110.7
General and administration expenses	**55,183**	57,795	21,305	(4.5)	159.0
Adjusted operating expenses (1)	**126,860**	128,181	55,328	(1.0)	129.3
Adjusted operating income (1)	**182,900**	161,538	78,390	13.2	133.3
Provision for taxes applicable to adjusted operating income	**39,558**	18,060	17,948	119.0	120.4
After-tax adjusted operating income (1, 2)	**143,342**	143,478	60,442	(0.1)	137.2
Less: Cumulative preferred share dividends	**8,912**	8,912	6,109	—	45.9
After-tax adjusted operating income attributable to common shareholders (1)	**134,430**	134,566	54,333	(0.1)	147.4
Weighted average number of shares outstanding [basic]	**386,135**	385,930	264,066	0.1	46.2
After-tax adjusted operating income per share [basic] (1)	**0.35**	0.35	0.21	—	66.7
Before-tax adjusted operating income per share [basic] (1)	**0.45**	0.40	0.27	12.5	66.7

(1) For additional information, see "Description of Non-IFRS Measures" section.
(2) For reconciliation from IFRS Net Income to After-tax adjusted operating income, see page 46.
(3) Rental revenue, net is equal to rental income earned on equipment under operating leases, less depreciation on equipment under operating leases.
(4) Prior periods have been reclassified to conform to the current period classification and presentation.

Interest income and rental revenue, net of depreciation for the three month period ended March 31, 2016 was $297.0 million, an increase of $9.0 million or 3.1% from the $288.0 million reported during the preceding quarter ended December 31, 2015 and an increase of $159.8 million or 116.5% from the $137.2 million reported in the comparative quarter ended March 31, 2015. The increase over the comparative quarter of 2015 is the result of the GE Fleet Operations acquisition which closed in Q3 2015. The smaller increase over the preceding quarter ended December 31, 2015 is partly the impact of the increase in the average

USD to CAD foreign exchange rate throughout the period which increased by approximately 2% over these periods.

Interest expense increased to $124.3 million during the current quarter ended from the $119.5 million reported during the quarter ended December 31, 2015 and from the $53.6 million reported during Q1 2015. The increase over the amount reported during Q1 2015 reflects the impact of the GE Fleet acquisition in Q3 2015. The increase over the amount reported in Q4 2015 is partly due to the increase in the average USD to CAD foreign exchange rate during the period and the slight increase in average outstanding debt during the period.

In Other Revenues, Fleet Management fees were $103.0 million for the quarter ended March 31, 2016, $37.7 million for the quarter ended March 31, 2015 and $92.4 million for the immediately preceding quarter ended December 31, 2015. The increase over the quarter ended March 31, 2015 is largely due to the acquisition of the GE Fleet Operations in Q3 2015 and the increase over the quarter ended December 31, 2015 represents growth in the services provided to Fleet customers. Syndication and other income were $37.3 million for the quarter ended March 31, 2016, $15.7 million for the quarter ended March 31, 2015 and $36.2 million for the immediately preceding quarter ended December 31, 2015.

Salaries, Wages and Benefits and General and Administrative expenses were $126.9 million for the quarter ended March 31, 2016 compared to $55.3 million for the comparable quarter of 2015 and $128.2 million for the immediate preceding quarter ended December 31, 2015. The increase over the comparative period ended March 31, 2015 is due to the acquisition of the GE Fleet Operations on August 31, 2015 and September 30, 2015.

Net income before income taxes for the current period ended March 31, 2016 was $121.9 million compared to $97.9 million reported during the quarter ended December 31, 2015 and $64.5 million reported for the quarter ended March 31, 2015. The increase over the amounts reported during the quarter ended March 31, 2015 is the result of the acquisition of GE Fleet in Q3 2015.

The Company is reporting net income of $101.3 million for the quarter ended March 31, 2016, compared to net income of $49.5 million for the comparative quarter ended March 31, 2015 and net income of $104.4 million reported during the immediately preceding quarter ended December 31, 2015. The increase in net income reported in the current quarter over the comparative quarter ended March 31, 2015 is again primarily due to higher financial revenue as a result of the acquisition of the GE Fleet Operations on August 31, 2015 and September 30, 2015, and the continuing organic origination volumes and growth in the earning assets in the intervening period. The small decrease over the immediately preceding quarter, is primarily due to lower income tax expense during that previous quarter for fiscal 2015 adjustments.

Basic and diluted earnings per share were $0.24 and $0.24, respectively, for the three months ended March 31, 2016, compared to basic and diluted earnings per share of $0.16 and $0.16, respectively, for the quarter ended March 31, 2015, and basic and diluted earnings per share of $0.25 and $0.24, respectively, for the immediately preceding quarter ended December 31, 2015. The large variances from the comparable quarter are the result of the acquisition of the GE Fleet Operations, and the timing of the related integration and transaction costs incurred on that acquisition.

As indicated previously, management believes that adjusted operating income, a Non-IFRS Measure, is the most appropriate operating measure of the Company's performance as it excludes non-cash items related to share-based compensation and business acquisition costs which do not relate to maintaining operating activities. Adjusted operating income for the three month period ended March 31, 2016 was $182.9 million, an increase of $104.5 million or 133.3% over the amount reported during the comparative quarter ended March 31, 2015 and an increase of $21.4 million or 13.2% over the amount reported during the immediately

preceding quarter ended December 31, 2015. The increase over the comparative quarter ended March 31, 2015, is primarily the result of the aforementioned acquisition of the GE Fleet Operations and of strong organic growth in earning assets in the intervening periods. The increase over the immediately preceding quarter is primarily due to increases in net financial income on continuing growth in average earning assets, and increases in other income which are not directly correlated to average earning assets and subject to volatility from period to period.

Adjusted operating income on average common shareholders' equity was 13.90% during the quarter ended March 31, 2016 compared to 11.01% for the quarter ended March 31, 2015 and 12.57% for the immediately preceding quarter ended December 31, 2015. After-tax adjusted operating income on average common shareholders' equity was 10.74% during the quarter ended March 31, 2016 compared to 8.28% for the quarter ended March 31, 2015 and 11.08% for the immediately preceding quarter ended December 31, 2015. The improvement over the comparative period is a result of the higher average leverage. The small decline over the preceding quarter results from the much lower tax rate applicable to that period which included fiscal year adjustments.

For the three months ended March 31, 2016, the Company is reporting adjusted operating income before income taxes of $182.9 million and after-tax adjusted operating income per share (basic) of $0.35, compared to $78.4 million in adjusted operating income before taxes or $0.21 in after-tax operating income per share (basic) for the comparative three months ended March 31, 2015, compared to $161.5 million in adjusted operating income before taxes or $0.35 in after-tax operating income per share (basic) for the immediately preceding quarter ended December 31, 2015.

As indicated previously, Management also believes that Before-Tax Adjusted Operating Income per Share as described in the Non-IFRS Measures section of this MD&A are a key statistics to properly assess the operating performances of the Company to mostly reflect the substantial value being created by the very long deferral of cash income taxes and the investment value produced by that deferral. Thus, while the Company is reporting after-tax adjusted operating income per share (basic) of $0.35 for the three months ended March 31, 2016, free operating cash flows per share (basic) reached $0.45, compared to $0.21 and $0.27, respectively, for the comparative three months ended March 31, 2015, and $0.35 and $0.40, respectively, for the immediately preceding quarter ended December 31, 2015.

The following table summarizes key annualized operating ratios and yields to average earning assets derived from the Company's consolidated financial statements and adjusted using Non-IFRS Measures as at and for the three months ended March 31, 2016, December 31, 2015 and March 31, 2015, which management believes are key performance indicators in managing the business and in evaluating the operating performance of the Company.

	For the three month periods ended		
	March 31, 2016	December 31, 2015	March 31, 2015
	%	%	%
Interest income and rental revenue, net (1)	**5.88**	5.87	5.78
Interest expense	**2.46**	2.43	2.26
	3.42	3.43	3.52
Fleet Management Fees and Other revenues (1)	**2.77**	2.63	2.26
	6.19	6.06	5.78
Provision for credit losses	**0.06**	0.15	0.14
Net financial income	**6.13**	5.91	5.64
Adjusted operating expenses	**2.51**	2.61	2.34
Adjusted operating income	**3.62**	3.30	3.30

(1) Prior periods have been reclassified to conform to the current period classification and presentation.

Interest income and rental revenue, net of amortization as a percentage of average earning assets was 5.88% during the quarter ended March 31, 2016, an increase over the 5.78% reported for the comparative quarter ended March 31, 2015, and the 5.87% reported for the quarter ended December 31, 2015.

Interest expense as a percentage of average earning assets increased to 2.46% during the quarter ended March 31, 2016, from the 2.27% for the comparative quarter ended March 31, 2015, and is consistent with the 2.43% for the quarter ended December 31, 2015. The increase over the comparative quarter ended March 31, 2015 is primarily due to higher average leverage as Fleet management earning assets have a higher debt advance rate.

Other revenues increased to 2.77% from 2.26% in the comparative quarter ended March 31, 2015 and 2.63% in the immediately preceding quarter ended December 31, 2015. Other revenues increased on the continuing growth in other revenue in the Fleet Management segment.

The adjusted operating expense ratio increased to 2.51% during the quarter ended March 31, 2016, from the 2.33% for the comparative quarter ended March 31, 2015, and decreased from 2.61% for the quarter ended December 31, 2015. The increase over the comparative quarter is primarily due to the acquisition of GE Fleet Operations on August 31, 2015 and September 30, 2015, as previously mentioned, the Fleet Management vertical has a comparatively higher cost structure than the Company's other verticals. The decrease from the immediately preceding quarter is due to the integration and separation initiatives.

Adjusted operating income on average earning assets was 3.63% during the quarter ended March 31, 2016 compared to 3.30% for the quarter ended March 31, 2015 and 3.30% for the immediately preceding quarter ended December 31, 2015, namely from higher Other revenues and slight reduction in operating expenses.

Consolidated Financial Position

The following table sets forth a summary of the Company's consolidated financial position as of the dates presented:

(in 000's for stated values, except per unit amounts)	**March 31, 2016** **$**	December 31, 2015 $	Change %
Assets			
Finance assets			
Finance receivables	**16,526,084**	17,555,296	(5.9)
Equipment under operating leases	**3,906,906**	4,126,553	(5.3)
Investment in managed fund	**144,830**	154,012	(6.0)
Total finance assets	**20,577,820**	21,835,861	(5.8)
Other assets			
Cash	**50,168**	61,007	(17.8)
Restricted cash	**795,015**	619,870	28.3
Derivative financial instruments	**7,787**	18,114	(57.0)
Deferred taxes	**166,053**	142,563	16.5
Other non-portfolio assets	**233,996**	240,632	(2.8)
Total other assets	**1,253,019**	1,082,186	15.8
Goodwill and intangible assets	**2,102,680**	2,245,298	(6.4)
Total assets	**23,933,519**	25,163,345	(4.9)
Liabilities			
Debt			
Secured borrowings	**17,025,064**	17,862,038	(4.7)
Convertible debentures	**841,312**	836,472	0.6
Total debt	**17,866,376**	18,698,510	(4.5)
Other liabilities			
Accounts payable and accrued liabilities	**516,418**	654,638	(21.1)
Derivative financial instruments	**68,161**	33,359	104.3
Deferred tax liabilities	**80,985**	59,283	36.6
Total other liabilities	**665,564**	747,280	(10.9)
Total liabilities	**18,531,940**	19,445,790	(4.7)
Shareholders' equity	**5,401,579**	5,717,555	(5.5)
Total liabilities and shareholders' equity	**23,933,519**	25,163,345	(4.9)

Assets and liabilities have decreased by 4.9% and 4.7% respectively over the period from December 31, 2015 to March 31, 2016 mainly as a result of the depreciation of the US dollar over the Canadian dollar which retracted by approximately 6.2% between the periods applicable to approximately 73% of total assets of the Company. While the Company is also exposed to other currencies which also retracted over the Canadian dollar during the period, the Company is mostly exposed to the US dollar. The net impact of these variations flows as Other Comprehensive Income through Shareholders Equity.

Portfolio Finance Asset Details

Finance receivables

The following table sets forth a breakdown of the Company's consolidated finance receivables as of March 31, 2016 and December 31, 2015:

(in 000's for stated values, except percentage amounts)	**March 31, 2016** **$**	December 31, 2015 $	Change **%**
Net investment in finance receivables	**15,311,118**	16,199,530	(5.5)
Impaired receivables - at net realizable value	**8,830**	4,852	82.0
	15,319,948	16,204,382	(5.5)
Unamortized origination costs and subsidies	**(118,902)**	(138,516)	(14.2)
Net finance receivables	**15,201,046**	16,065,866	(5.4)
Prepaid lease payments and Security deposits	**(25,246)**	(41,619)	(39.3)
Interim funding	**597,710**	713,323	(16.2)
Fleet management service receivables	**672,893**	707,852	(4.9)
Other	**109,411**	143,665	(23.8)
	16,555,814	17,589,087	(5.9)
Allowance for credit losses	**29,730**	33,791	(12.0)
Total finance receivables	**16,526,084**	17,555,296	(5.9)
Ratios			
Allowance for credit losses as a percentage of finance receivables	**0.18%**	0.19%	

Total finance receivables have decreased by 5.9% over the amount reported at December 31, 2015 mainly as a result of the US dollar retraction over the Canadian dollar as mentioned previously.

All finance receivables are secured under the applicable provincial personal property registries and the applicable United States Uniform Commercial Code.

Allowance for credit losses

Management maintains an allowance for credit losses, which it establishes to provide for impairment of individual, or groups of assets. Individual impairment is assessed by examining contractual delinquency, and the individual borrower's financial condition, such as the identification of a borrower entering bankruptcy, or the company being in the process of legal or collateral repossession proceedings with a debtor. Accounts over 120 days past due are automatically considered to be impaired and are fully provisioned net of any anticipated recoveries and are presented at their net realizable value. Accounts that are contractually delinquent less than 120 days are provisioned by applying probability-weighted assumptions consistent with industry standards and the Company's own experience with respect to the chances of an identified account resulting in a borrower default. The amount of allowance for credit losses is measured as the difference between the carrying amounts of the assets on the consolidated statements of financial position and the present value of the estimated future cash flows on the financial receivables, discounted at the financial receivable's original effective interest rate.

According to the Company's underwriting policies and procedures, the Company assesses credit risk related to specific customer defaults, by performing detailed assessments on the value of the underlying security, the customer's financial condition and ability to service the debt, both at loan inception and throughout the term of the loan.

The Company's allowance for credit losses was $29.7 million as at March 31, 2016, a decrease of $4.1 million or 12.0% over the $33.8 million reported at December 31, 2015. The allowance for credit losses as a percentage of finance receivables as at March 31, 2016 was 0.18% consistent with 0.19% as at December 31, 2015 and also impacted by the fluctuation in currencies.

Please refer to sections titled "Geographic Portfolio Segmentation", "Asset Class Portfolio Distribution" and "Delinquencies and Losses" of this MD&A for additional information.

Geographic Portfolio Segmentation

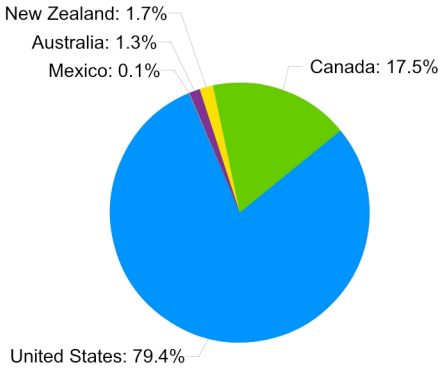
The Company's portfolio of net finance receivables continues to be weighted to the U.S. which accounted for 79.4% of the portfolio, while Canada represents 17.5%. The Canadian distribution of the Company's finance receivables is concentrated in the provinces with the largest populations and the greatest economic activity, while the U.S. portfolio is more broadly distributed throughout the U.S.

The geographic distribution of the Company's net finance receivables by vertical and by the ultimate obligor is as follows:

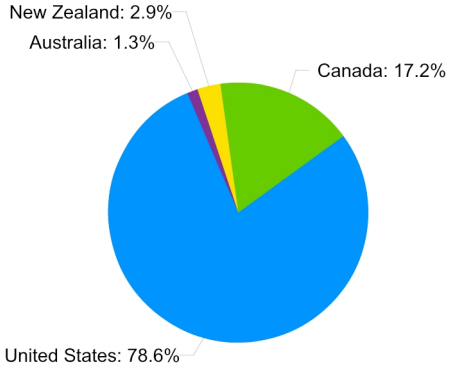
	March 31, 2016				
	Fleet Management	**Rail Finance**	**Aviation Finance**	**C&V Finance**	**Total**
United States	**9,413,149**	**1,842**	**618,287**	**2,042,923**	**12,076,201**
Canada	**1,385,541**	**397**	**392,523**	**878,520**	**2,656,981**
Australia	**203,559**	**—**	**—**	**—**	**203,559**
New Zealand	**255,900**	**—**	**—**	**—**	**255,900**
Mexico	**8,405**	**—**	**—**	**—**	**8,405**
Total	**11,266,554**	**2,239**	**1,010,810**	**2,921,443**	**15,201,046**

	December 31, 2015				
	Fleet Management	**Rail Finance**	**Aviation Finance**	**C&V Finance**	**Total**
United States	9,933,720	1,781	666,715	2,028,997	12,631,213
Canada	1,449,063	435	421,528	892,103	2,763,129
Australia	210,203	—			210,203
New Zealand	461,321	—			461,321
Total	12,054,307	2,216	1,088,243	2,921,100	16,065,866

Geographic Distribution - March 31, 2016



Geographic Distribution - December 31, 2015



Asset Class Portfolio Distribution

The distribution of the net finance receivables over asset classes is as follows:

				As at
	March 31, 2016		December 31, 2015	
(in 000's, except percentage amounts)	**$**	**%**	**$**	**%**
Vehicles	**11,893,842**	**78.3**	12,510,416	77.9
Aircrafts	**1,016,642**	**6.7**	1,100,755	6.9
Construction equipment	**653,327**	**4.3**	685,433	4.3
Highway Trailers	**470,052**	**3.1**	559,641	3.5
Restaurant equipment	**200,966**	**1.3**	189,646	1.2
Healthcare equipment	**185,020**	**1.2**	186,130	1.2
Industrial equipment	**142,994**	**0.9**	172,628	1.1
Office equipment	**159,366**	**1.0**	169,540	1.1
Highway Tractors	**141,218**	**0.9**	149,975	0.9
Inter-city transportation equipment	**140,663**	**0.9**	144,250	0.9
Technology equipment	**35,186**	**0.2**	41,381	0.2
Manufacturing equipment	**52,832**	**0.3**	48,333	0.3
Golf carts	**10,028**	**0.1**	11,079	—
Other equipment	**98,910**	**0.8**	96,659	0.5
	15,201,046	**100.0**	16,065,866	100.0

Delinquencies and losses

The contractual delinquency of the net finance receivables at each reporting period, by geography of the ultimate obligor is as follows:

(in $'000s, except percentage amounts)								**As at March 31, 2016**
	Canada	**%**	**USA**	**%**	**Other**	**%**	**Total**	**%**
Current	**2,643,325**	**99.49**	**12,051,880**	**99.80**	**465,689**	**99.53**	**15,160,894**	**99.74**
31 to 60 days	**4,771**	**0.18**	**13,626**	**0.11**	**1,120**	**0.24**	**19,517**	**0.13**
61 to 90 days	**283**	**0.01**	**9,248**	**0.08**	**27**	**0.01**	**9,558**	**0.06**
91 to 120 days	**800**	**0.03**	**1,447**	**0.01**	**—**	**—**	**2,247**	**0.01**
Impaired receivables	**7,802**	**0.29**	**—**	**—**	**1,028**	**0.22**	**8,830**	**0.06**
Total	**2,656,981**	**100.00**	**12,076,201**	**100.00**	**467,864**	**100.00**	**15,201,046**	**100.00**

(in $'000s, except percentage amounts)								**As at December 31, 2015**
	Canada	**%**	**USA**	**%**	**Other**	**%**	**Total**	**%**
Current	2,755,372	99.73	12,612,827	99.85	667,348	99.38	16,035,547	99.81
31 to 60 days	1,707	0.06	10,655	0.08	593	0.09	12,955	0.08
61 to 90 days	1,735	0.06	4,492	0.04	1,293	0.19	7,520	0.05
91 to 120 days	1,173	0.04	2,079	0.02	1,740	0.26	4,992	0.03
Impaired receivables	3,142	0.11	1,160	0.01	550	0.08	4,852	0.03
Total	2,763,129	100.00	12,631,213	100.00	671,524	100.00	16,065,866	100.00

Credit losses, delinquency and provisions, as at and for each of the respective periods are as follows:

	Three months ended March 31, 2016	**Year ended December 31, 2015**
(in 000's)	**$**	$
Allowance for credit losses, beginning of period	**33,791**	16,915
Provision for credit losses	**3,221**	18,641
Charge-offs, net of recoveries (1)	**(5,569)**	(13,758)
Business acquisition	**—**	8,974
Impact of foreign exchange rates	**(1,713)**	3,019
Allowance for credit losses, end of period	**29,730**	33,791
Allowance for credit losses as a percentage of finance receivables	**0.18%**	0.19%

(1)	Charge-offs, net of recoveries by segment		
	Fleet Management	**110**	199
	Commercial Finance	**5,459**	13,559
		5,569	13,758

The allowance for credit losses of $29.7 million as at March 31, 2016 represent 0.18% of the finance receivables outstanding, a marginal reduction from the 0.19% reported at December 31, 2015. Overall, the allowance is in-line with management's expectation of losses from the business and the mix of assets, including the addition of finance receivables acquired from the GE Fleet Operations.

Allowance for credit losses by segment are as follows:

				As at
	March 31, 2016		December 31, 2015	
(in 000's, except percentage amounts)	**$**	**% of Finance Receivable**	**$**	**% of Finance Receivable**
Fleet Management	**11,875**	**0.09**	13,396	0.10
Commercial Finance	**17,855**	**0.46**	20,395	0.51
Total	**29,730**	**0.18**	33,791	0.19

Equipment under operating leases

The following table sets forth a breakdown by vertical of the Company's equipment under operating leases as of March 31, 2016 and December 31, 2015:

	March 31, 2016	December 31, 2015	Change
(in 000's for stated values, except for percentage amounts)	**$**	$	%
Equipment under operating leases, net			
Railcars	**2,230,425**	2,342,058	(4.8)
Fleet Vehicles	**1,355,730**	1,433,822	(5.4)
Aircraft	**320,751**	350,673	(8.5)
	3,906,906	4,126,553	(5.3)

The Company's railcar assets are amortized for up to 50 years from their manufacture date to an approximate 10% salvage value. The Company's aircraft assets are amortized for up to 30 years from their manufacture date up to a 30% salvage value. Fleet vehicle assets are amortized up to 10 years, with average amortization period approximately 45 months.

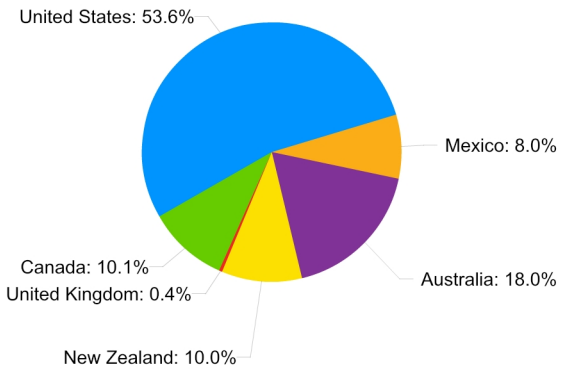
Geographic Portfolio Segmentation

The geographic distribution of the Company's equipment under operating lease by vertical and by the ultimate obligor is as follows:

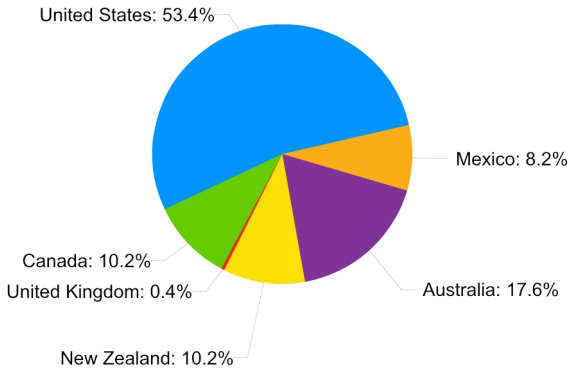
	March 31, 2016			
	Fleet Management	**Rail Finance**	**Aviation Finance**	**Total**
United States	**—**	**1,964,383**	**130,312**	**2,094,695**
Canada	**—**	**218,051**	**174,654**	**392,705**
Australia	**701,511**	**—**	**—**	**701,511**
New Zealand	**391,328**	**—**	**—**	**391,328**
Mexico	**262,891**	**47,991**	**—**	**310,882**
United Kingdom	**—**	**—**	**15,785**	**15,785**
Total	**1,355,730**	**2,230,425**	**320,751**	**3,906,906**

	December 31, 2015			
	Fleet Management	**Rail Finance**	**Aviation Finance**	**Total**
United States	—	2,058,788	143,566	2,202,354
Canada	—	232,126	190,157	422,283
Australia	728,065	—	—	728,065
New Zealand	419,822	—	—	419,822
Mexico	285,935	51,144	—	337,079
United Kingdom	—	—	16,950	16,950
Total	1,433,822	2,342,058	350,673	4,126,553

Geographic Distribution - March 31, 2016



Geographic Distribution - December 31, 2015



Segmented Financial Information

The segmented financial information presented in the following pages is extracted from the actual results and financial statements of each of the presented verticals. Corporate expenses which are not attributed to a single vertical have been allocated between the segments and verticals based on their proportion of average earning assets outstanding during the periods. Interest expense related to corporate debt consisting of the Company's Term Senior Credit Facility and the Convertible Debentures which is not attributed to a single vertical has been allocated between the segments and verticals based on their proportion of average un-securitized earning assets outstanding during the periods. These allocations of corporate expenses and corporate interest expense have been applied on a consistent basis in each reported period.

While the allocation of corporate expenses, interest expense and debt between the segments and verticals has been applied on a consistent basis over the comparative periods, these segmented financial results and the segmented statements of financial position may not be fully representative of such performance and financial position for each of the presented segments following the proposed separation. Namely, financial leverage will vary between the segments from those presented here. In addition, there are certain yet un-allocated assets and liabilities that are being assessed at this time which may impact the resulting shareholders' equity of the two segments post separation.

Segmented Results of Operations – For the three months ended March 31, 2016, December 31, 2015 and March 31, 2015

The following summarizes the Company's operating income by segment:

	For the three-month periods ended				
	March 31, 2016	December 31, 2015	March 31, 2015	Change over Dec 31, 2015	Change over Mar 31, 2015
(in 000's for stated values, except percent amounts)	**$**	$	$	%	%
Adjusted segmented operating income					
Fleet Management	**131,172**	96,023	39,659	36.6	230.7
Commercial Finance	**51,728**	65,515	38,731	(21.0)	33.6
Total adjusted operating income before taxes	**182,900**	161,538	78,390	13.2	133.3
Other unallocated expenses					
Amortization of convertible debenture synthetic discount	**3,003**	2,955	1,472	1.6	104.0
Share based compensation	**9,883**	9,449	6,536	4.6	51.2
Business acquisition costs	**48,145**	51,192	5,924	(6.0)	712.7
Net income before taxes	**121,869**	97,942	64,458	24.4	89.1
Income tax expense	**20,600**	(6,491)	14,961	(417.4)	37.7
Net income for the period	**101,269**	104,433	49,497	(3.0)	104.6

Fleet Management

The following table sets forth a summary of the Fleet Management segment's select metrics and results of operations for the three months ended March 31, 2016, December 31, 2015 and March 31, 2015:

	For the three-month periods ended				
	March 31, 2016	December 31, 2015	March 31, 2015	Change over Dec 31, 2015	Change over Mar 31, 2015
(in 000's for stated values, except percent amounts)	**$**	$	$	%	%
Select metrics					
Originations	**1,590,251**	1,620,076	663,745	(1.8)	139.6
Average earning assets	**13,444,315**	13,363,748	5,139,922	0.6	161.6
Average debt	**13,254,844**	13,104,770	5,221,175	1.1	153.9
Average debt advance rate	**98.6%**	98.1 %	101.6%		
Segment adjusted operating income					
Interest income and rental revenue, net	**174,976**	172,007	60,051	1.7	191.4
Interest expense	**70,685**	73,804	21,325	(4.2)	231.5
	104,291	98,203	38,726	6.2	169.3
Other revenues					
Fleet management fees	**103,020**	92,404	37,681	11.5	173.4
Syndication and other income	**30,849**	17,256	3,644	78.8	746.6
	238,160	207,863	80,051	14.6	197.5
Recovery of (provision for) credit losses	**944**	(1,718)	939	(154.9)	0.5
Net financial income	**239,104**	206,145	80,990	16.0	195.2
Operating expenses (1)	**107,932**	110,122	41,331	(2.0)	161.1
Segment adjusted operating income before tax	**131,172**	96,023	39,659	36.6	230.7
Select operating ratios (2)					
Interest income and rental revenue, net	**5.21%**	5.15 %	4.67%		
Interest expense	**2.11%**	2.21 %	1.66%		
	3.10%	2.94 %	3.01%		
Other revenues					
Fleet Management Fees	**3.07%**	2.77 %	2.93%		
Syndication and other income	**0.92%**	0.51 %	0.29%		
	7.09%	6.22 %	6.23%		
Recovery of (provision for) credit losses	**0.03%**	(0.05)%	0.07%		
Net financial income	**7.11%**	6.17 %	6.30%		
Operating expenses (1)	**3.21%**	3.30 %	3.21%		
Segment adjusted operating income before tax	**3.90%**	2.87 %	3.09%		
Cost of debt	**2.13%**	2.25 %	1.63%		

(1) Segment operating expenses consist of salaries and wages and general and administration expenses, and excludes share based compensation, amortization of synthetic discount on convertible debentures, and business acquisition and integration costs.
(2) Yield as a percent of average earning assets.

During the quarter ended March 31, 2016, the Fleet Management segment originated $1,590.3 million in new assets compared to $663.7 million for the comparative quarter of Q1, 2015 and $1,620.1 million during the immediately preceding quarter ended December 31, 2015. The small decline is the result of the impact of the timing of renewals.

Interest income and rental revenue, net of depreciation was $175.0 million for the current quarter ended March 31, 2016 compared to $60.1 million for the comparative quarter ended March 31, 2015, and $172.0 million for the immediately preceding quarter ended December 31, 2015 on Average Earning Assets of $13,444.3 million, $5,139.9 million and $13,363.7 million respectively for a yield on Average Earning Assets of 5.2%, 4.7% and 5.1% respectively.

Interest expense was $70.7 million for the quarter ended March 31, 2016, compared to $21.3 million for the quarter ended March 31, 2015 and $73.8 million for the immediately preceding quarter ended December 31, 2015, reflecting an increase of $49.4 million and decrease of $3.1 million, respectively. This increase over the comparative period ended March 31, 2015 is the result of an increase in the average outstanding debt during the periods which increased to $13,254.8 million during the quarter ended March 31, 2016 from $5,221.2 million during the quarter ended March 31, 2015. The decrease over the immediately preceding quarter, is the result of an increase in use of the discrete Chesapeake securitization to fund the Fleet US assets, which decreased the cost of borrowing to 2.1% from 2.3% reported during the quarter ended December 31, 2015, offset by an increase in average debt.

Fleet Management Fees increased to $103.0 million for the current quarter, an increase of $65.3 million over the $37.7 million reported during the quarter ended March 31, 2015 and $10.6 million over the $92.4 million reported during the quarter ended December 31, 2015 and represents a yield to Average Earning Assets of 3.07% compared to 2.93% for comparative quarter and 2.77% for the immediately preceding quarter and now represent 49.7% of the combined net interest income and Fleet Management Fees compared to 48.5% for the immediately preceding quarter ended December 31, 2015 and in line with management's expectations.

Operating expenses, which consist of direct operating expenses and an allocation of corporate expenses based on the segment's average earning assets outstanding during the period, were $107.9 million for the quarter ended March 31, 2016 compared to $41.3 million for the comparable quarter of 2015 and $110.1 million for the immediately preceding quarter ended December 31, 2015. The increase over the comparative period ended March 31, 2015 due to the acquisition of the GE Fleet Operations on August 31, 2015 and September 30, 2015. The decrease from the immediately preceding quarter is primarily due to the integration initiatives and efficiencies gained.

Segment adjusted operating income before taxes for the three months ended March 31, 2016 was $131.2 million compared to $39.7 million reported for the three months ended March 31, 2015 and $96.0 million reported in the immediately preceding quarter representing a return on average earning assets of 3.90% for the current quarter, compared to 2.87% for the immediately preceding quarter and 3.09% for the comparative quarter ended March 31, 2015.

Commercial Finance

The following table sets forth a summary of the Commercial Finance segment's select metrics results of operations, including a breakdown by vertical, for the three months ended March 31, 2016, December 31, 2015 and March 31, 2015:

	For the three-month period ended March 31, 2016					
	Rail Finance Vertical	**Aviation Finance Vertical**	**C&V Finance Vertical**	**Total Commercial Finance Segment**	Segment change over Dec 31, 2015	Segment change over Mar 31, 2015
(in 000's for stated values, except percent amounts)	**$**	**$**	**$**	**$**	%	%
Select metrics						
Originations	**51,335**	**119,476**	**352,737**	**523,548**	(43.4)	(34.0)
Average earning assets	**2,335,673**	**1,505,672**	**2,913,368**	**6,754,713**	7.7	55.3
Average debt	**1,864,155**	**940,433**	**2,602,221**	**5,406,809**	15.1	65.7
Average debt advance rate	**79.8 %**	**62.5 %**	**89.3 %**	**80.1 %**		
Segment adjusted operating income						
Interest income and rental revenue, net	**40,265**	**24,821**	**56,928**	**122,014**	5.2	58.2
Interest expense	**19,970**	**10,167**	**23,519**	**53,656**	17.4	66.2
	20,295	**14,654**	**33,409**	**68,358**	(2.7)	52.3
Syndication and other income	**(49)**	**3,000**	**3,512**	**6,463**	(65.9)	(46.2)
	20,246	**17,654**	**36,921**	**74,821**	(16.1)	31.5
Recovery of (provision for) credit losses	**—**	**(171)**	**(3,994)**	**(4,165)**	(26.2)	—
Net financial income	**20,246**	**17,483**	**32,927**	**70,656**	(15.5)	34.0
Operating expenses (1)	**5,395**	**3,215**	**10,318**	**18,928**	4.8	35.2
Segment adjusted operating income before taxes	**14,851**	**14,268**	**22,609**	**51,728**	(21.0)	33.6
Select operating ratios (2)						
Interest income and rental revenue, net	**6.90 %**	**6.59 %**	**7.82 %**	**7.23 %**		
Interest expense	**3.42 %**	**2.70 %**	**3.23 %**	**3.18 %**		
	3.48 %	**3.89 %**	**4.59 %**	**4.05 %**		
Syndication and other income	**(0.01)%**	**0.80 %**	**0.48 %**	**0.38 %**		
	3.47 %	**4.69 %**	**5.07 %**	**4.43 %**		
Recovery of (provision for) credit losses	**— %**	**(0.05)%**	**(0.55)%**	**(0.25)%**		
Net financial income	**3.47 %**	**4.64 %**	**4.52 %**	**4.18 %**		
Operating expenses	**0.92 %**	**0.85 %**	**1.42 %**	**1.12 %**		
Segment adjusted operating income before taxes	**2.54 %**	**3.79 %**	**3.10 %**	**3.06 %**		
Cost of debt	**4.29 %**	**4.32 %**	**3.62 %**	**3.97 %**		

(1) Segment operating expenses consist of salaries and wages and general and administration expenses, and excludes share based compensation, amortization of synthetic discount on convertible debentures, and business acquisition and integration costs.
(2) Yield as a percent of average earning assets.

	For the three month period ended December 31, 2015			
	Rail Finance Vertical	Aviation Finance Vertical	C&V Finance Vertical	Total Commercial Finance Segment
(in 000's for stated values, except percent amounts)	$	$	$	$
Select metrics				
Originations	197,552	305,540	421,702	924,794
Average earning assets	2,166,634	1,363,128	2,743,324	6,273,086
Average debt	1,630,537	747,959	2,320,335	4,698,831
Average debt advance rate	75.3%	65.2 %	84.6 %	77.1 %
Segment adjusted operating income				
Interest income and rental revenue, net	39,133	22,151	54,700	115,984
Interest expense	17,467	8,011	20,239	45,717
	21,666	14,140	34,461	70,267
Syndication and other income	6,782	6,006	6,161	18,949
	28,448	20,146	40,622	89,216
Recovery of (provision for) credit losses	—	(154)	(5,488)	(5,642)
Net financial income	28,448	19,992	35,134	83,574
Operating expenses (1)	4,884	2,281	10,894	18,059
Segment adjusted operating income before taxes	23,564	17,711	24,240	65,515
Select operating ratios (2)				
Interest income and rental revenue, net	7.22%	6.50 %	7.98 %	7.40 %
Interest expense	3.22%	2.35 %	2.95 %	2.92 %
	4.00%	4.15 %	5.02 %	4.48 %
Syndication and other income	1.25%	1.76 %	0.90 %	1.21 %
	5.25%	5.91 %	5.92 %	5.69 %
Recovery of (provision for) credit losses	—%	(0.05)%	(0.80)%	(0.36)%
Net financial income	5.25%	5.87 %	5.12 %	5.33 %
Operating expenses	0.90%	0.67 %	1.59 %	1.15 %
Segment adjusted operating income before taxes	4.35%	5.20 %	3.53 %	4.18 %
Cost of debt	4.28%	4.28 %	3.49 %	3.89 %

	For the three-month periods ended March 31, 2015			
	Rail Finance Vertical	Aviation Finance Vertical	C&V Finance Vertical	Total Commercial Finance Segment
(in 000's for stated values, except percent amounts)	$	$	$	$
Select metrics				
Originations	**161,211**	**265,309**	**367,168**	**793,688**
Average earning assets	**1,233,749**	**1,087,385**	**2,028,111**	**4,349,245**
Average debt	**955,495**	**660,095**	**1,646,600**	**3,262,190**
Average debt advance rate	**77.4%**	**60.7%**	**81.2 %**	**75.1 %**
Segment adjusted operating income				
Interest income and rental revenue, net	**22,764**	**16,992**	**37,393**	**77,149**
Interest expense	**10,336**	**7,350**	**14,591**	**32,277**
	12,428	**9,642**	**22,802**	**44,872**
Syndication and other income	**59**	**8,352**	**3,611**	**12,022**
	12,487	**17,994**	**26,413**	**56,894**
Recovery of (provision for) credit losses	**297**	**118**	**(4,581)**	**(4,166)**
Net financial income	**12,784**	**18,112**	**21,832**	**52,728**
Operating expenses (1)	**2,804**	**2,144**	**9,049**	**13,997**
Segment adjusted operating income before income taxes	**9,980**	**15,968**	**12,783**	**38,731**
Select operating ratios (2)				
Interest income and rental revenue, net	**7.38%**	**6.25%**	**7.37 %**	**7.10 %**
Interest expense	**3.35%**	**2.70%**	**2.88 %**	**2.97 %**
	4.03%	**3.55%**	**4.50 %**	**4.13 %**
Syndication and other income	**0.02%**	**3.07%**	**0.71 %**	**1.11 %**
	4.05%	**6.62%**	**5.21 %**	**5.23 %**
Recovery of (provision for) credit losses	**0.10%**	**0.04%**	**(0.90)%**	**(0.38)%**
Net financial income	**4.14%**	**6.66%**	**4.31 %**	**4.85 %**
Operating expenses (1)	**0.91%**	**0.79%**	**1.78 %**	**1.29 %**
Segment adjusted operating income before income taxes	**3.24%**	**5.87%**	**2.52 %**	**3.56 %**
Cost of debt	**4.33%**	**4.45%**	**3.54 %**	**3.96 %**

(1) Segment operating expenses consist of salaries and wages and general and administration expenses, and excludes share based compensation, amortization of synthetic discount on convertible debentures, and business acquisition and integration costs.
(2) Yield as a percent of average earning assets.

The Commercial Finance segment is reporting total originations of $523.5 million during the current quarter compared to $793.7 million during the same first comparative quarter of 2015 and $924.8 million during the immediate quarter ended December 31, 2015. As stated previously, the Company is no longer originating Aviation assets and this action and the lower levels of origination in the Rail Finance vertical are responsible for the majority of the decline in originations over the comparable periods.

Interest income and rental revenue, net of depreciation for the three month period ended March 31, 2016 was $122.0 million, an increase of $44.9 million from the amount of $77.1 million reported during the quarter ended March 31, 2015, and an increase of $6.0 million over the amount of $116.0 million reported during the immediately preceding quarter ended December 31, 2015. The increase in interest income and net rental

revenue, over both the comparative period ended March 31, 2015 and immediately preceding period ended December 31, 2015 resulted from increases in average earning assets outstanding during the periods which grew to $6,754.7 million during quarter ended March 31, 2016, from 4,349.2 million during the quarter ended March 31, 2015 and $6,273.1 million for the quarter ended December 31, 2015.

Interest expense was $53.7 million for the quarter ended March 31, 2016, compared to $32.3 million for the quarter ended March 31, 2015 and $45.7 million for the immediately preceding quarter ended December 31, 2015, reflecting increases of $21.4 million and $8.0 million, respectively. The increase over the comparative period ended March 31, 2015 is the result of an increase in the average outstanding debt during the periods which increased to $5,406.8 million during the quarter ended March 31, 2016 from $3,262.2 million during the quarter ended March 31, 2015 and from $4,698.8 million in during the quarter ended December 31, 2015.

Syndication and other revenue, declined to $6.5 million from $12.0 million in the comparative quarter ended March 31, 2015 as that quarter had the benefit of structuring fees earned on ECAF I Ltd. Management fees and other revenues declined from the immediately preceding quarter, as the prior quarter included a gain on sale of a portfolio of railcars.

Operating expenses, which consist of direct operating expenses and an allocation of corporate expenses based on the segment's average earning assets outstanding during the period, were $18.9 million for the quarter ended March 31, 2016 compared to $14.0 million for the comparable quarter of 2015 and $18.1 million for the immediately preceding quarter ended December 31, 2015. The increase over comparative quarter ended March 31, 2015 and immediately preceding quarter is consistent with the growth of average earning assets.

Segment adjusted operating income before taxes for the three months ended March 31, 2016 was $51.7 million compared to $38.7 million reported for the three months ended March 31, 2015 and $65.5 million reported in the immediately preceding quarter.

Unallocated Expenses

The following table sets forth a summary of the Company's other unallocated expenses by category for the three months ended March 31, 2016, December 31, 2015 and March 31, 2015:

	For the three-month period ended				
	March 31, 2016	December 31, 2015	March 31, 2015	Change over Dec 31, 2015	Change over Mar 31, 2015
(in 000's, except percentage amounts)	**$**	$	$	%	%
Amortization of convertible debenture synthetic discount	**3,003**	2,955	1,472	1.6	104.0
Share-based compensation	**9,883**	9,449	6,536	4.6	51.2
Business acquisition costs	**48,145**	51,192	5,924	(6.0)	712.7
Unallocated expenses	**61,031**	63,596	13,932	(4.0)	338.1

Other unallocated expenses, not allocated for segment reporting purposes, were $61.0 million for the three months ended March 31, 2016, an increase of 338.1% compared to $13.9 million for the three months ended March 31, 2015, and an decrease of 4.0% compared to $63.6 million for the three months ended December 31, 2015.

Amortization of convertible debenture synthetic discount

Amortization of convertible debenture synthetic discount represents the accretion of the convertible debenture discount created from the bifurcation of the convertible debenture between debt and share capital.

Share-based compensation

Share-based compensation represents the recognition of the non-cash fair value attributed to the options granted to the Company's employees and directors, and the value of deferred share units ("DSUs") and performance share units ("PSUs") granted during the period. Options expense is recognized on a proportionate basis consistent with the vesting period of such options. The options amounts are calculated using the Black-Scholes option pricing model, while DSUs and PSUs are calculated based on the market value of the Company's common shares. Share-based compensation expenses were $9.9 million for the three months ended March 31, 2016, compared to $6.5 million for the three months ended March 31, 2015, and $9.4 million for the three months ended December 31, 2015.

Business acquisition costs

Business acquisition costs, which consist of integration costs, transaction costs and the amortization of intangibles acquired as part of business acquisitions, were $48.1 million for the three months ended March 31, 2016 compared to $5.9 million three months ended March 31, 2015, and $51.2 million for the three months ended December 31, 2015. The expenses incurred during the three months ended March 31, 2016 and the immediately preceding quarter are primarily related to the acquisition of the GE Fleet Operations. Expenses incurred in the comparative quarter in 2015 are primarily related to the acquisition of PHH Arval and the amortization of intangibles acquired as part of business acquisitions in the prior periods. Certain integration costs, including deferred compensation costs, are recognized in the period where the service is received by the Company.

Segmented Balance Sheets – As at March 31, 2016 and December 31, 2015

The following table summarizes total assets and liabilities by segment:

(in 000's for stated values, except per unit amounts)	**March 31, 2016** **$**	December 31, 2015 $	Change %
Total assets			
Fleet Management	**16,786,370**	17,777,569	(5.6)
Commercial Finance	**6,825,105**	7,079,506	(3.6)
Unallocated	**322,044**	306,270	5.2
Total finance assets	**23,933,519**	25,163,345	(4.9)
Total liabilities			
Fleet Management	**13,202,197**	14,061,233	(6.1)
Commercial Finance	**5,185,838**	5,240,878	(1.1)
Unallocated	**143,905**	143,679	0.2
Total liabilities	**18,531,940**	19,445,790	(4.7)

Unallocated assets and liabilities represent certain assets and liabilities not allocated to a business segment and consist mainly of deferred tax items and financial instruments. These items will be fully allocated upon the separation.

As discussed previously, finance assets and all assets and liabilities declined overall from the amounts reported at December 31, 2015 mainly resulting from an improvement of approximately 6.2% of the Canadian dollar over its US counterpart between December 31, 2015 and March 31, 2016. While the Company is also exposed to other currencies namely the New Zealand dollar and the Australian dollar resulting from its acquisition of the Fleet Management operations of GE in these countries back in September 2015, the US assets represents over all 72.8% of the consolidated assets of the Companies and has the major impact on reportable numbers back to Canadian dollar.

Fleet Management

The following table sets forth a summary of the Fleet Management segment's balance sheet as at March 31, 2016 and December 31, 2015.

(in 000's for stated values, except percent amounts)	**March 31, 2016** **$**	December 31, 2015 $	Change %
Assets			
Finance assets			
Finance earning assets	**12,760,927**	13,647,720	(6.5)
Other finance assets	**1,216,324**	1,381,874	(12.0)
Other assets	**738,242**	536,900	37.5
Goodwill and intangible assets	**2,070,877**	2,211,075	(6.3)
Total assets	**16,786,370**	17,777,569	(5.6)
Liabilities			
Debt			
Direct	**12,004,160**	12,713,366	(5.6)
Allocated	**744,618**	811,737	(8.3)
Other liabilities	**453,419**	536,130	(15.4)
Total liabilities	**13,202,197**	14,061,233	(6.1)

Finance Earning Assets decreased by $886.8 million or 6.5% from the $13,647.7 million reported at December 31, 2015 namely from the improvement in the Canadian dollar over its US, counterpart over the reporting periods. On a currency neutral basis, assets have remained constant period over period.

Other Finance Assets which consist of Fleet Management Service receivables and trade receivables have also declined by $165.6 million or 12.0% over the amount reported at December 31, 2015 as a result of the same currency movement and the reduction in trade receivable outstanding.

Other Assets have increased by $201.3 million also impacted by the variation in currencies but offset by cash in transit representing collections received on account of securitization vehicles in transit on the last day of the quarter. These funds are subsequently remitted to the specific lenders on the following days.

Goodwill and intangibles which represents goodwill, customer lists and system software acquired by the Company mainly from the acquisitions of PHH Fleet and GE Fleet, have decreased by $140.2 million or 6.3% almost exclusively affected by the US dollar retraction over the periods.

Debt which consists of direct securitization debt and the allocation of corporate debt, namely the convertible debentures and the term senior credit facility, has decreased by 5.7% over the presented comparative period again as a result of the decline of the US dollar over the Canadian dollar between December 31, 2015 and March 31, 2016. As a percent of Finance Earning Assets, the third party debt has remained relatively constant at 100% at March 31, 2016 compared to 99% as December 31, 2015.

The allocated debt has been allocated between the segments on the basis of the un-securitized collateral outstanding as the end of the period. Related interest expense has been allocated on the same basis but applying the average outstanding collateral during the periods. This has been applied consistently over the comparable periods.

Commercial Finance

The following table sets forth a summary of the Commercial Finance segment's balance sheet, including a breakdown by vertical, as at March 31, 2016 and December 31, 2015.

	March 31, 2016				
	Rail Finance Vertical	**Aviation Finance Vertical**	**C&V Finance Vertical**	**Total Commercial Finance Segment**	Segment Change
(in 000's for stated values, except percent amounts)	**$**	**$**	**$**	**$**	%
Assets					
Finance assets					
Finance earning assets	**2,230,425**	**1,468,385**	**2,893,352**	**6,592,162**	(3.4)
Other finance assets	**3,820**	**(12,776)**	**17,363**	**8,407**	(152.4)
Other assets	**58,350**	**30,226**	**104,697**	**193,273**	(19.3)
Goodwill and intangible assets	**—**	**26,215**	**5,048**	**31,263**	(7.1)
Total assets	**2,292,595**	**1,512,050**	**3,020,460**	**6,825,105**	(3.6)
Liabilities					
Debt					
Direct	**1,249,783**	**140,434**	**1,384,100**	**2,774,317**	10.0
Allocated	**357,997**	**790,751**	**1,194,533**	**2,343,281**	(11.6)
Other liabilities	**18,827**	**8,489**	**40,924**	**68,240**	1.1
Total liabilities	**1,626,607**	**939,674**	**2,619,557**	**5,185,838**	(1.1)

	December 31, 2015			
	Rail Finance Vertical	Aviation Finance Vertical	C&V Finance Vertical	Total Commercial Finance Segment
(in 000's for stated values, except percent amounts)	$	$	$	$
Assets				
Finance assets				
Finance earning assets	2,342,058	1,584,796	2,895,445	6,822,299
Other finance assets	1,123	(25,529)	8,374	(16,032)
Other assets	99,396	33,470	106,734	239,600
Goodwill and intangible assets	—	28,605	5,034	33,639
Total assets	2,442,577	1,621,342	3,015,587	7,079,506
Liabilities				
Debt				
Direct	969,520	154,692	1,398,968	2,523,180
Allocated	841,104	759,295	1,049,828	2,650,227
Other liabilities	19,193	11,183	37,095	67,471
Total liabilities	1,829,817	925,170	2,485,891	5,240,878

As in the Fleet Management segment, the Commercial Finance segment is impacted by US dollar variation. In particular the Rail Finance vertical, is affected exclusively by the US dollar variation over the reporting periods and shows a reduction in Finance Earning Assets of $111.6 million or 5% slightly aided by the longer life of the assets. On a currency neutral basis, this portfolio has grown by 0.8% from the new origination and the longer life of the assets. Total earning assets for the Aviation Finance and C&V Finance vertical have

declined by $116.4 million and $2.1 million, respectively, over the amounts reported at December 31, 2015, as these verticals were also affected by the declined in the US dollar. On a currency neutral basis however, combined earning assets for Aviation and C&V finance would have increased by 1% during the current quarter over the amount reported at December 31, 2015.

Debt consists of direct securitization debt and the allocation of corporate debt, namely the convertible debentures and the term senior credit facility, has decreased by $55.8 million for the Commercial Finance segment. This decrease was due to a combination i) a decrease of $202.8 million from a combination of currencies and corporate debt allocation in the Rail Finance vertical, and ii) an increase of $17.2 million and $129.8 million in the Aviation Finance and C&V Finance verticals, respectively, from a combination of currencies and corporate debt allocation.

Consistent with the Fleet Segment, the allocated debt has been allocated between the segments on the basis of the un-securitized collateral outstanding as the end of the reported periods. Related interest expense has been allocated on the same basis but applying the average outstanding collateral during the periods. This has been applied consistently over the comparable periods.

Summary of Quarterly Information

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended March 31, 2016. This information has been prepared on the same basis as the Company's audited consolidated financial statements, and all necessary adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with the audited consolidated financial statements of the Company and the related notes to those statements.

(in $ 000's for stated values, except per share amounts)	Q1, 2016	Q4, 2015	Q3, 2015	Q2, 2015	Q1, 2015	Q4, 2014	Q3, 2014	Q2, 2014
Net financial income	**309,760**	289,719	184,931	149,631	133,718	125,657	111,224	52,092
Adjusted operating income (1)	**182,900**	161,538	107,121	88,764	78,390	71,838	59,996	31,334
Amortization of convertible debenture synthetic discount	**3,003**	2,955	2,906	1,956	1,472	1,445	1,418	—
Share based compensation	**9,883**	9,449	8,774	9,438	6,536	6,135	4,861	3,661
Business acquisition costs	**48,145**	51,192	133,040	44,489	5,924	11,186	83,434	13,942
Net income / (loss) before income taxes	**121,869**	97,942	(37,599)	32,881	64,458	53,072	(29,717)	13,731
Net income / (loss)	**101,269**	104,433	(4,656)	25,157	49,497	47,064	(19,959)	11,128
Net earnings (loss) per share, basic	**0.24**	0.25	(0.04)	0.07	0.16	0.16	(0.10)	0.04
Net earnings (loss) per share, diluted	**0.24**	0.24	(0.04)	0.07	0.16	0.15	(0.10)	0.04
Total earning assets (2)	**19,353,089**	20,470,019	19,310,511	10,632,095	10,063,755	9,028,930	8,296,138	4,043,790
Loan and lease originations	**2,113,799**	2,544,870	1,889,951	1,801,054	1,457,433	1,665,765	1,174,764	792,603
Allowance for credit losses	**29,730**	33,791	24,135	19,313	18,475	16,915	16,308	11,767
As a % of finance receivables	**0.18**	0.19	0.15	0.20	0.20	0.20	0.21	0.37
Senior revolving credit facility	**4,613,580**	5,243,840	8,596,492	775,494	1,127,608	1,106,072	815,431	323,835
Secured borrowings	**12,411,484**	12,618,198	7,979,712	7,906,706	7,662,627	6,645,323	6,179,421	2,033,155
Convertible debentures	**841,312**	836,472	831,916	829,470	305,140	303,147	301,189	299,264
Shareholders' equity	**5,401,579**	5,717,555	5,377,345	3,269,854	3,058,637	2,830,951	2,723,435	1,726,331
Book value per common share	**12.61**	13.43	12.56	10.29	10.20	9.34	8.93	7.22

(1) For additional information, see "Description of Non-IFRS Measures" section.
(2) Prior period amounts have been restated for current period presentation of total earning assets.

Key factors that account for the fluctuation in the Company's quarterly results include the volume of leases and loans that the Company has originated as well as the timing of the major business and portfolio acquisitions including: (i) the railcar portfolios acquired in March 2014, June 2014, September 2014, December 2014, March 2015, June 2015, September 2015, December 2015 and March 2016; (iii) PHH Arval on July 7, 2014; (iv) GE Capital's fleet management operations in the U.S., Mexico, New Zealand and Australia in August and September 2015; and (v) the various new vendor and commercial finance programs and relations entered into during the intervening periods.

Liquidity & Capital Resources

An important liquidity measure for the Company is its ability to maintain diversified funding sources to support its operations. The Company's primary sources of liquidity are (i) cash flows from operating activities, (ii) the secured borrowing facilities, and (iii) equity. The Company's primary use of cash is the funding of finance receivables and the funding of working capital. The Company manages its capital resources by utilizing the financial leverage available under its term funding and revolving facilities and, when additional capital is required, the Company has access to capital through the issuance of convertible debt, preferred or common shares.

Management believes that the immediate liquidity available to the Company of $6,551.6 million at March 31, 2016 plus the cash flow internally generated from the repayment of leases and loans is sufficient to fund the Company's operations throughout 2016 and into 2017.

The Company views its financial leverage as a key indicator of the strength of the Company's Consolidated Statements of Financial Position. As at March 31, 2016, the Company's financial leverage ratio was 3.31:1. As at the same date, the Company's tangible leverage ratio as computed in accordance with the terms of the Company's most restrictive covenant was 4.58:1 and well within the maximum imposed of 6:1.

The Company's capitalization is calculated as follows:

			As at
		March 31, 2016	December 31, 2015
(in 000's, except ratio amounts)		**$**	$
Secured borrowings		**17,025,064**	17,862,038
Convertible debentures		**841,312**	836,472
Total debt	**(a)**	**17,866,376**	18,698,510
Accounts payable and accrued liabilities		**516,418**	654,638
		18,382,794	19,353,148
Total shareholders' equity	**(b)**	**5,401,579**	5,717,555
		23,784,373	25,070,703
Financial leverage	**(a)/(b)**	**3.31**	3.27
Tangible leverage ratio		**4.58**	4.57

Cash flow and liquidity

On a year to date basis, overall corporate cash has decreased from $61.0 million at December 31, 2015 to $50.2 million at March 31, 2016.

During the three-months ended March 31, 2016, cash provided by operating activities was $143.5 million, an increase of $618.6 million over the $475.1 million utilized during the comparative period ended March 31, 2015. The increase over the comparative period is due to an increase in net income for the current period and an increase in non-cash amounts charged to income, combined with a reduction in cash utilized in net operating asset and liabilities balances.

During the three-months ended March 31, 2016, cash utilized in investing activities was $256.8 million and compared to a utilization of $75.4 million for the comparative period ended March 31, 2015, an increase of $181.4 million. The increase during the current period is primarily due to an increase to restricted funds attributable to the timing of remittances to lenders.

Cash generated from financing activities for the three-months ended March 31, 2016 was $104.0 million, respectively, compared to $501.6 million generated in the comparative period ended March 31, 2015, a decrease of $397.6 million. During the current period ended, the Company had lower net utilization from secured borrowings.

As added information, the Company is providing below an adjusted condensed cash flow statement that more closely reflect the key cashflows from the operations presented in a more standard model.

	For the three month period ended
	March 31, 2016
(in 000's)	$
CASH FROM ADJUSTED OPERATING ACTIVITIES	
Adjusted operating income	143,342
Items not affecting cash	
Income taxes on adjusted operating income	39,558
Amortization and depreciation, and provisions	25,781
	208,681
Other cash flows from leases	
Principal repayments of finance receivables and depreciation of equipment under operating leases	2,080,977
Syndications of finance receivables	112,681
Cash provided in adjusted operating activities	2,402,339
CASH USED IN ADJUSTED INVESTING ACTIVITIES	
Purchase of finance assets and equipment under operating leases	(2,113,799)
Others	(403,366)
Cash used in adjusted investing activities	(2,517,165)
CASH PROVIDED BY FINANCING ACTIVITIES	
Issuance of share capital from exercise of stock options	10
Issuance of secured borrowings, net	122,792
Dividends paid	(18,815)
Cash provided by financing activities	103,987
Net increase (decrease) in adjusted cash during the period	(10,839)
Cash, beginning of period	61,007
Cash, end of period	50,168

Debt and contractual repayment obligations

The Company with $6.6 billion in available sources of financing, has significant resources available to continue funding projected growth. Finance receivables are securitized on a regular basis to ensure cash is always available to fund new transactions. Cash levels are also monitored closely by management. In addition, the Company adheres to a strict policy of matching the maturities of owned finance assets and the related debt as closely as possible in order to manage its liquidity position.

The Company's available sources of financing are as follows:

		As at
	March 31, 2016	December 31, 2015
(in 000's)		$
Cash	**50,168**	61,007
Term Senior Facility		
Facility amount	**6,924,418**	7,379,222
Utilized against facility	**4,613,580**	5,243,840
	2,310,838	2,135,382
Vehicle Management Asset-Backed Debt		
Facilities	**13,318,009**	13,619,893
Utilized against available facilities	**9,684,982**	10,144,437
	3,633,027	3,475,456
Life Insurance Company Term Funding Facilities		
Commitments	**618,105**	689,983
Utilized against facilities	**390,462**	444,128
	227,643	245,855
Bank Securitization Programs		
Facility commitments	**1,468,768**	1,452,769
Utilized against facility	**1,138,834**	1,115,783
	329,934	336,986
Asset-Backed Securities		
Facility	**1,273,515**	980,503
Utilized against facility	**1,273,515**	980,503
	—	—
Total available sources of capital, end of period	**6,551,610**	6,254,686

The Company was in compliance with all of the terms of its credit facilities and loan agreements throughout the period and as at March 31, 2016.

Other Disclosures

Related Party Transactions

The Company's related parties include the following persons and/or entities: (a) associates, or entities which are controlled or significantly influenced by the Company; (b) key management personnel, which are comprised of directors and/or officers of the Corporation and those persons having authority and responsibility for planning, directing and controlling the activities of the Company; (c) entities controlled by key management personnel. The Company's policies and procedures and nature of its related party transactions have not changed materially from December 31, 2015, as described under "Related-Party Transactions" in the Company's 2015 Annual MD&A.

Risk Management

The Company has risk management processes in place to monitor, evaluate and manage the principal risks it assumes in conducting its business activities. These risks include credit, liquidity, interest rate, and various sources of operational risk. The Company's approach to the management of risk has not changed significantly from that described in the "Risk Management" section of the Company's 2015 Annual MD&A.

Outlook and Economic Conditions

The Company's principal objective is a continuation of managed growth by developing quality new business opportunities while maintaining high underwriting standards. The Company is well positioned to capitalize on market opportunities and to address increased competition through its experienced management and staff, coupled with its substantial capital and borrowing capacity. The Company continues to look for opportunities to introduce new financial and credit services to fuel growth in a competitive market.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial conditions and results of operations are made with reference to the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2016. A summary of the Company's significant accounting policies are presented in Note 2 to audited consolidated financial statements for the year ended December 31, 2015. Some of the Company's accounting policies, as required by IFRS, require management to make subjective, complex judgments and estimates to matters that are inherently uncertain. Accounting policies that require management's judgment and estimates are described in the "Critical Accounting Policies and Estimates" section of the December 31, 2015 MD&A.

Future Accounting Changes

All accounting standards effective for periods beginning on or after January 1, 2016 have been adopted by the Company. The following new IFRS pronouncements have been issued but are not yet effective and may have a future impact on the Company's financial statements.

IFRS 9, Financial Instruments ["IFRS 9"], was issued in November 2009 and amended in October 2010, November 2013, and July 2014, and is effective for years beginning on or after January 1, 2018, to be applied retrospectively, or on a modified retrospective basis. It is intended to replace IAS 39. The project has been divided into three phases: classification and measurement, impairment of financial assets, and hedge accounting. IFRS 9's classification and measurement methodology provides that financial assets are measured at either amortized cost or fair value on the basis of the entities business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement for financial liabilities remains generally unchanged. The new standard replaces the existing incurred loss model used for measuring the allowance for credit losses with an expected loss model. The standard introduces a new hedge accounting model, together with corresponding disclosures about risk management activity for those applying hedge accounting. Management is currently evaluating the potential impact that the adoption of IFRS 9 will have on the Company's consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ["IFRS 15"] was issued in May 2014 and is effective for years beginning on or after January 1, 2018, to be applied retrospectively or on a modified retrospective basis. IFRS 15 clarifies revenue recognition principles, provides a robust framework for recognizing revenue and cash flows arising from contracts with customers and enhances qualitative and quantitative disclosure requirements. IFRS 15 does not apply to lease contracts, financial instruments and other related contractual rights and obligations and insurance contracts. Management is currently evaluating the potential impact that the adoption of IFRS 15 will have on the Company's consolidated financial statements.

IFRS 16, Leases ["IFRS 16"], will replace IAS 17, Leases ["IAS 17"]. IFRS 16 substantially carry forward IAS 17 accounting requirements for lessor accounting, with additional disclosure requirements. For lessee accounting, the new standard will result in almost all leases being accounted for similar to finance leases under IAS 17, including leases previously accounted for as operating leases. IFRS 16 is to be effective for fiscal years beginning on or after January 1, 2019. Management is currently evaluating the potential impact that the adoption of IFRS16 will have on the Company's consolidated financial statements.

Internal Control over Disclosure and Financial Reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for designing disclosure controls and procedures to ensure that material information is being recorded, processed, summarized, and reported to senior management, including the certifying officers and other members of the Board of Directors, on a timely basis, so that appropriate decisions can be made regarding public disclosure. In addition, the CEO and CFO are responsible to design, or cause to be designed under their supervision, internal controls over financial reporting to a standard that provides reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Limitations on the effectiveness of disclosure controls and internal controls over financial reporting

It should be noted that while the Company's CEO and CFO believe that the Company's internal control system and disclosure controls and procedures provide a reasonable level of assurance that the objectives of the control systems are met, they do not expect that the Company's control systems will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurances that any designs will succeed in achieving its stated goals under all potential conditions.

The Company has an established process in place which includes the continuous testing and reporting of the results to senior management and the Board of Directors on the effectiveness of the disclosure controls and internal controls over financial reporting.

IFRS to Non-IFRS Measures

Description of Non-IFRS Measures

Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the accounting policies we adopted in accordance with IFRS. These consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary to present fairly our financial position as at March 31, 2016 and December 31, 2015, the results of operations, comprehensive income and cash flows for the three months ended March 31, 2016 and March 31, 2015.

Management uses both IFRS and Non-IFRS Measures to monitor and assess the operating performance of the Company's operations. Throughout this MD&A, management uses the following terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations:

Adjusted operating expenses

Adjusted operating expenses are equal to Salaries, wages and benefits and, General and administration expenses. Management believes Adjusted operating expenses provide the most appropriate measure of operating costs during the period as they exclude synthetic discount amortization and share-based compensation.

Adjusted operating income or Before-tax adjusted operating income

Adjusted operating income reflects Income before income taxes, Business acquisition costs, amortization of convertible debenture synthetic discount and Share-based compensation. Management believes that this measure is the most appropriate operating measure of the Company's performance as it excludes business acquisition costs, synthetic discount amortization and share-based compensation which do not relate to maintaining operating activities.

Adjusted operating expense ratio

Adjusted operating expense ratio is calculated as the adjusted operating expenses divided by average earning assets outstanding throughout the period. The adjusted operating expense ratio, presented on an annualized basis, is used by the Company to assess the efficiency of the management of the Company's earning assets.

Adjusted operating income on average earning assets

Adjusted operating income on average earning assets is the adjusted operating income for the period divided by the average earning assets outstanding throughout the period, presented on an annualized basis.

Adjusted operating income on average common shareholders' equity

Adjusted operating income on average common shareholders' equity is the adjusted operating income for the period less the cumulative preferred share dividend for the period, divided by the average common shareholders' equity outstanding throughout the period, presented on an annualized basis.

After-tax adjusted operating income

After-tax adjusted operating income reflects the adjusted operating income after the application of the Company's effective tax rates.

After-tax adjusted operating income attributable to common shareholders

After-tax adjusted operating income attributable to common shareholders is computed as after-tax adjusted operating income less the cumulative preferred share dividends for the period.

After-tax adjusted operating income per share

After-tax adjusted operating income per share is computed as the after-tax adjusted operating income attributable to common shareholders for the period, divided by the basic weighted average number of common shares outstanding during the period.

After-tax adjusted operating income on average earning assets

After-tax adjusted operating income on average earning assets is the after-tax adjusted operating income for the period divided by average earning assets outstanding throughout the period, presented on an annualized basis.

After-tax adjusted operating income on average common shareholders' equity

After-tax adjusted operating income on average common shareholders' equity is the after-tax adjusted operating income attributable to common shareholders for the period, divided by average common shareholders' equity outstanding throughout the period, presented on an annualized basis.

After-tax proforma diluted adjusted operating income per share

After-tax proforma diluted adjusted operating income per share computes the diluted after-tax adjusted operating income per share for the period on the assumption that all outstanding options at the end of the period that have an exercise price less than the closing market value on that day, are fully vested on that day and are fully exercised at their exercise price, and a corresponding number of shares are repurchased at the closing market value on that day using the cash proceeds from these option exercises. Convertible debentures are assumed to be converted at the beginning of the period (or at issuance if issued during the period on a time weighted basis) with the other effects of dilution adjusted operating income basis added to the adjusted operating income, if they are dilutive.

Allowance for credit losses as a percentage of finance receivables

Allowance for credit losses as a percentage of finance receivables is the allowance for credit losses at the end of the period divided by the finance receivables (gross of the allowance for credit losses) at the end of the period.

Annualized loss rate or Annual loss rate

The annualized loss rate or annual loss rate is equal to the Charge-offs, net of recoveries recorded through the allowance for credit losses during the period divided by the average finance receivables outstanding throughout the period, presented on an annualized basis. The annualized loss rate is used by the Company to assess the percentage of the finance receivables portfolio that incurred losses during the period. In addition,

the Company utilizes the annualized loss rate as an alternative measure to the provision for credit losses as it excludes the effect of provisions for (reductions in) the allowance for credit losses during the period which may not coincide with the actual timing of write-offs and recoveries.

Average cost of borrowing

Average cost of borrowing is equal to interest expense divided by the average debt outstanding during the period and is presented on an annualized basis. The average cost of borrowing provides an indication of the average interest rate that the Company pays on debt financing.

Average debt outstanding

Average debt outstanding is calculated as the daily weighted average borrowings outstanding under all of the Company's secured borrowings facilities and convertible debentures throughout the period.

Average common shareholders' equity

Average common shareholders' equity is calculated as the daily average common shareholders' equity during the period.

Average financial leverage or average financial leverage ratio

Average financial leverage or average financial leverage ratio is calculated as average debt outstanding during the period, divided by average total shareholders' equity outstanding during the period. Financial leverage refers to the use of debt to acquire/finance additional finance receivables and provides an indication of future potential ability to increase the level of debt when compared to specific industry-standard and or existing debt covenants.

Average net financial income margin yield

Average net financial income margin yield is the net financial income divided by average earning assets outstanding during the period provided on an annualized basis. Average net financial income margin yield provides an indication of the effective net yield generated on the earning assets before deductions for all other operating expenses and of the net margin generated on the portfolio of earning assets.

Average portfolio yield

Average portfolio yield is financial revenue divided by average earning assets in the period. Average portfolio yield provides an indication of the effective yield generated on the earning assets before deductions for financial, operating, transaction costs and income tax expenses.

Average outstanding earning assets or average earning assets

Average outstanding earning assets or average earning assets is the sum of the average outstanding finance receivables, average equipment under operating leases and average investment in managed fund during the period.

Average outstanding finance receivables or average finance receivables

Average outstanding finance receivables or average finance receivables is the sum of [i] the average finance receivables net investment balance [gross investment less unearned income] outstanding during the period [ii] the average investment in managed fund during the period.

Average equipment under operating leases

Average equipment under operating leases is the daily weighted average equipment under operating leases outstanding during the period and is calculated net of accumulated depreciation.

Average investment in managed fund

Average investment in managed fund is the monthly weighted average investment in managed fund during the period.

Average tangible leverage ratio

The average tangible leverage ratio has been computed as the sum of the average secured borrowings, average convertible debentures and average derivative liabilities that have recourse to the Company, divided by total average shareholders' equity plus average convertible debentures, less average goodwill and intangible assets, average notes receivable, average deferred financing costs and average deferred tax assets during the period.

Common shareholders' equity

Common shareholders' equity is total shareholders' equity less principal face value of the preferred shares outstanding.

Earning assets or total earning assets or finance earning assets

Earning assets are the sum of the total net investment in finance receivables, total carrying value of the equipment under operating leases and carrying value of the investment in managed fund.

Finance assets or total finance assets

Finance assets are the sum of the total finance receivables, total carrying value of the equipment under operating leases and carrying value of the investment in managed fund.

Financial leverage or financial leverage ratio

Financial leverage or financial leverage ratio is calculated as total debt (the sum of secured borrowings and convertible debentures) outstanding at the end of the period, divided by total shareholders' equity outstanding at the end of the period. Financial leverage refers to the use of debt to acquire/finance additional finance receivables and provides an indication of future potential ability to increase the level of debt when compared to specific industry-standard and/or existing debt covenants.

Gross average yield

Gross average yield is equal to financial revenues before provision for credit losses divided by average earning assets outstanding throughout the period, and is presented on an annualized basis. Gross average yield provides an indication of the yield earned on earning assets before consideration of credit losses.

Gross interest expense

Gross interest expense is equal to interest expense before amortization of deferred financing costs as reported for the period.

Gross interest income

Gross interest income is equal to interest income before amortization of lease origination costs as reported for the period.

Net interest income and rental revenue, net before provisions for credit losses

Net interest income and rental revenue, net before provisions for credit losses is equal to total interest income and total rental revenue, net less total interest expense and excludes provisions for credit losses as reported for the period. Net interest income and rental revenue before provisions for credit losses provides an indication of the gross interest and rental revenues from earning assets, before consideration of credit losses.

Operating expense ratio

The operating expense ratio is calculated as total operating expenses divided by average earning assets outstanding throughout the period on an annualized basis. The operating expense ratio is used by the Company to assess the efficiency of the management of the Company's finance receivables portfolio and equipment under operating leases.

Other effects of dilution adjusted operating income basis

Other effects of dilution adjusted operating income basis represents, if dilutive, the add back of the after-tax convertible debt interest and the amortization of deferred financing costs related to the convertible debt, and excludes the add back of the after-tax amortization of the synthetic discount of the convertible debt (which is included on an IFRS basis).

Management fees and other revenues

Management fees and other revenues consist of syndication fees, capital advisory fees, fleet management fees, and other income including gains/losses on foreign exchange.

Proforma diluted average number of shares outstanding

Proforma diluted average number of shares outstanding is the basic weighted average number of shares outstanding, plus the assumption that all outstanding options at the end of the period that have an exercise price less than the closing market value on that day, are fully vested on that day and are fully exercised at their exercise price, and a corresponding number of shares are repurchased at the closing market value on that day using the cash proceeds from these option exercises.

Portfolio average remaining life (in months)

Portfolio average remaining life (in months), is the average remaining life in months of the outstanding finance receivables at the end of the period.

Provision for credit loss as a percentage of average finance receivables

The provision for credit loss as a percentage of average finance receivables is the provision for credit losses during the period as recorded on the statements of operations divided by the average finance receivables outstanding throughout the period, presented on an annualized basis.

Rental revenue, net

Rental revenue, net is equal to rental income earned on equipment under operating leases, less depreciation.

Tangible leverage ratio

The tangible leverage ratio has been computed as the sum of secured borrowings excluding deferred financing costs, convertible debentures excluding deferred financing costs, and net derivative liabilities, divided by total shareholders' equity plus convertible debentures, less goodwill and intangible assets, notes receivable, leasehold improvements, deferred financing costs and deferred tax assets, at the period end.

IFRS to Non-IFRS Reconciliations

The following table provides a reconciliation of non-IFRS to IFRS measures related to the Company:

		As at and for the three months ended		
$ thousands (except % and per share amounts)		**March 31, 2016**	December 31, 2015	March 31, 2015
Reported and adjusted income measures				
Net income (loss)	A	**101,269**	104,433	49,497
Adjustments:				
Amortization of debenture synthetic discount		**3,003**	2,955	1,472
Share-based compensation		**9,883**	9,449	6,536
Amortization of intangible assets from acquisitions		**16,776**	16,445	4,743
Transaction and integration costs		**31,369**	34,747	1,181
Provision (recovery) of income taxes		**20,600**	(6,491)	14,961
Before-tax adjusted operating income	B	**182,900**	161,538	78,390
Provision for taxes applicable to adjusted operating income	C	**(39,558)**	(18,060)	(17,948)
After-tax adjusted operating income	D=B-C	**143,342**	143,478	60,442
Cumulative preferred share dividends during the period	Y	**8,912**	8,912	6,109
After-tax adjusted operating income attributable to common shareholders	D1= D-Y	**134,430**	134,566	54,333
Selected statement of financial position amounts				
Finance receivables, before allowance for credit losses	E	**16,555,814**	17,589,087	9,236,081
Allowance for credit losses	F	**29,730**	33,791	18,475
Earning assets				
Net investment in finance receivable	G	**15,311,118**	16,199,530	8,439,702
Equipment under operating leases	H	**3,906,906**	4,126,553	1,624,053
Investment in managed fund	H1	**135,065**	143,936	—
Total earning assets	I=G+H +H1	**19,353,089**	20,470,019	10,063,755
Average earning assets, net	J	**20,199,028**	19,636,834	9,489,167
Goodwill and intangible assets	K	**2,102,680**	2,245,298	925,777
Accounts payable and accrued liabilities	L	**516,418**	654,638	324,987
Secured borrowings	M	**17,025,064**	17,862,038	8,790,235
Unsecured convertible debentures	N	**841,312**	836,472	305,140
Total debt	O=M +N	**17,866,376**	18,698,510	9,095,375
Average debt	P	**18,661,653**	17,803,601	8,483,365
Total shareholders' equity	Q	**5,401,579**	5,717,555	3,058,637
Preferred shares	R	**533,656**	533,656	365,113
Common shareholders' equity	S=Q-R	**4,867,923**	5,183,899	2,693,524
Average common shareholders' equity	T	**5,008,337**	4,857,497	2,625,651
Average total shareholders' equity	U	**5,541,993**	5,391,140	2,990,763

Non-IFRS and IFRS Key Annualized Operating Ratios and per Share Information:

		As at and for the three months ended		
$ thousands (except % and per share amounts)		**March 31, 2016**	December 31, 2015	March 31, 2015
Before tax adjusted operating income per share [basic]	**(B-Y)/W**	**$ 0.45**	$ 0.40	$ 0.27
After-tax adjusted operating income per share [basic] (1)	**(D1)/W**	**$ 0.35**	$ 0.35	$ 0.21
After-tax proforma diluted adjusted operating income per share	**(D1+Z)/X**	**$ 0.33**	$ 0.33	$ 0.20
Key annualized operating ratios				
Leverage ratios				
Financial leverage ratio	O/Q	**3.31**	3.27	2.97
Tangible leverage ratio		**4.58**	4.57	3.92
Average financial leverage ratio	P/U	**3.37**	3.30	2.84
Average tangible leverage ratio		**4.22**	4.72	3.84
Other key operating ratios				
Allowance for credit losses as a percentage of finance receivables	F/E	**0.18%**	0.19%	0.20%
Adjusted operating income on average common shareholders' equity	(B-Y)/T	**13.90%**	12.57%	11.01%
Adjusted operating income on average earning assets	B/J	**3.63%**	3.30%	3.30%
After-tax adjusted operating income on average common shareholders' equity	(D-Y)/T	**10.74%**	11.08%	8.28%
After-tax adjusted operating income on average earning assets	D/J	**2.84%**	2.92%	2.55%
Per share information				
Number of shares outstanding (including special warrants)	V	**386,155**	386,135	264,094
Weighted average number of shares outstanding [basic]	W	**386,135**	385,930	264,066
Proforma diluted average number of shares outstanding	X	**433,788**	435,469	291,120
Cumulative preferred share dividends during the period	Y	**$ 8,912**	$ 8,912	$ 6,109
Other effects of dilution adjusted operating income basis	Z	**$ 9,203**	$ 9,600	$ 3,632
Net income (loss) per share [basic]	(A-Y)/W	**$ 0.24**	$ 0.25	$ 0.16
Net income (loss) per share [diluted]		**$ 0.24**	$ 0.24	$ 0.16
Book value per share	S/V	**$ 12.61**	$ 13.43	$ 10.20

The following table provides a reconciliation of the after tax adjusted operating income per share and the after-tax diluted adjusted operating income per share for the three months ended March 31, 2016:

in thousands (except per share amounts)	Amount $	Weighted average number of shares outstanding applicable	Amount per share $
Adjusted operating income before taxes	182,900		0.47
Less:			
Income taxes related to adjusted operating income	(39,558)		(0.10)
Preferred share dividends	(8,912)		(0.02)
After-tax adjusted operating income attributable to common shareholders	134,430	386,135	0.35
Dilution items:			
Employee stock option plan	—	4,166	—
Convertible debentures (after-tax net interest expense)	9,203	43,487	(0.02)
After-tax proforma diluted adjusted operating income	143,633	433,788	0.33

Non-IFRS and IFRS Key Annualized Operating Ratios and Indicators

	As at and for the three months ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Allocation of average earning assets (1)			
Fleet Management	**66.6%**	68.1%	54.2%
Rail Finance	**11.6%**	11.0%	13.0%
Aviation Finance	**7.5%**	6.9%	11.5%
Commercial and Vendor Finance	**14.3%**	14.0%	21.3%
	100.0%	100.0%	100.0%

(1) Distribution of the Company's average earning assets outstanding during the period.

Updated Share Information

The Company is currently authorized to issue (i) an unlimited number of common shares without nominal or par value and (ii) an unlimited number of preferred shares, issuable in series.

As at May 11, 2016, the Company had 386,195,697 common shares issued and outstanding. In addition, 23,471,632 options were issued and outstanding under the Company's stock option plan as at May 11, 2016. These convertible securities are convertible into, or exercisable for common shares of the Company of which 12,859,759 are exercisable at March 31, 2016 for proceeds to the Company upon exercise of $128.7 million. In addition, the Company had extendible convertible debentures outstanding that are convertible into an aggregate of 43,487,394 common shares.

As at May 11, 2016, the Company had 4,600,000 Preferred Shares, Series A, 5,126,400 Preferred Shares, Series C, 5,321,900 Preferred Shares, Series E and 6,900,000 Preferred Shares, Series G issued and outstanding.

This Management's Discussion and Analysis is dated as of the close of business on May 11, 2016.