Interim Condensed Consolidated Financial Statements

goeasy Ltd.

(Unaudited)
March 31, 2017

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)
(expressed in thousands of Canadian dollars)

	As At March 31, 2017	As At December 31, 2016
ASSETS		
Cash	**24,193**	24,928
Amounts receivable	**11,830**	7,857
Prepaid expenses	**4,034**	1,909
Consumer loans receivable (note 5)	**371,662**	354,499
Lease assets	**54,835**	55,288
Property and equipment	**15,737**	16,103
Deferred tax assets (note 11)	**7,985**	6,856
Intangible assets	**14,875**	14,312
Goodwill	**21,310**	21,310
TOTAL ASSETS	**526,461**	503,062
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	**31,581**	31,879
Income taxes payable	**6,160**	2,874
Dividends payable (note 7)	**2,414**	1,666
Deferred lease inducements	**1,373**	1,506
Unearned revenue	**4,600**	5,204
Provisions	**484**	608
Term loan (note 6)	**276,284**	263,294
TOTAL LIABILITIES	**322,896**	307,031
Shareholders' equity		
Share capital (note 7)	**84,242**	82,598
Contributed surplus	**7,991**	9,943
Accumulated other comprehensive income	**866**	880
Retained earnings	**110,466**	102,610
TOTAL SHAREHOLDERS' EQUITY	**203,565**	196,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**526,461**	503,062

See accompanying notes to the interim condensed consolidated financial statements

On behalf of the Board:

David Ingram
Director

Donald K. Johnson
Director

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)
(expressed in thousands of Canadian dollars, except earnings per share)

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
REVENUE		
Interest income	**38,602**	31,555
Lease revenue	**33,358**	35,948
Other	**22,753**	14,822
	94,713	82,325
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION		
Salaries and benefits	**23,822**	22,457
Stock-based compensation (note 8)	**1,066**	1,007
Advertising and promotion	**3,900**	2,485
Bad debts	**14,117**	12,380
Occupancy	**8,312**	7,979
Other expenses (note 9)	**9,835**	6,985
Transaction advisory costs (note 10)	**-**	476
	61,052	53,769
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets	**10,722**	11,446
Depreciation of property and equipment	**1,324**	1,383
Amortization of intangible assets	**1,202**	974
	13,248	13,803
Total operating expenses	**74,300**	67,572
Operating income	**20,413**	14,753
Finance costs (note 6)	**5,825**	4,821
Income before income taxes	**14,588**	9,932
Income tax expense (recovery) (note 11)		
Current	**5,447**	3,653
Deferred	**(1,129)**	(973)
	4,318	2,680
Net income	**10,270**	7,252
Basic earnings per share (note 12)	**0.76**	0.54
Diluted earnings per share (note 12)	**0.73**	0.52

See accompanying notes to the interim condensed consolidated financial statements

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)
(expressed in thousands of Canadian dollars)

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
Net income	**10,270**	7,252
Other comprehensive loss		
Change in foreign currency translation reserve	**(14)**	(162)
Comprehensive income	**10,256**	7,090

See accompanying notes to the interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)
(expressed in thousands of Canadian dollars)

	Share Capital	Contributed Surplus	Total Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, December 31, 2016	**82,598**	**9,943**	**92,541**	**102,610**	**880**	**196,031**
Common shares issued	**1,644**	**(1,365)**	**279**	**-**	**-**	**279**
Stock-based compensation (note 8)	**-**	**1,066**	**1,066**	**-**	**-**	**1,066**
Shares withheld related to net share settlement	**-**	**(1,653)**	**(1,653)**	**-**	**-**	**(1,653)**
Comprehensive income	**-**	**-**	**-**	**10,270**	**(14)**	**10,256**
Dividends (note 7)	**-**	**-**	**-**	**(2,414)**	**-**	**(2,414)**
Balance, March 31, 2017	**84,242**	**7,991**	**92,233**	**110,466**	**866**	**203,565**
Balance, December 31, 2015	81,725	9,852	91,577	83,513	969	176,059
Common shares issued	2,722	(2,660)	62	-	-	62
Stock-based compensation (note 8)	-	1,007	1,007	-	-	1,007
Shares purchased for cancellation (note 7)	(966)	-	(966)	(1,840)	-	(2,806)
Comprehensive income	-	-	-	7,252	(162)	7,090
Dividends (note 7)	-	-	-	(1,690)	-	(1,690)
Balance, March 31, 2016	83,481	8,199	91,680	87,235	807	179,722

See accompanying notes to the interim condensed consolidated financial statements

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(expressed in thousands of Canadian dollars)

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
OPERATING ACTIVITIES		
Net income	**10,270**	7,252
Add (deduct) items not affecting cash		
Depreciation of lease assets	**10,722**	11,446
Depreciation of property and equipment	**1,324**	1,383
Amortization of intangible assets	**1,202**	974
Stock-based compensation (note 8)	**1,066**	1,007
Bad debts expense	**14,117**	12,380
Deferred income tax recovery	**(1,129)**	(973)
Loss (gain) on sale or disposal of property and equipment	**67**	(786)
	37,639	32,683
Net change in other operating assets and liabilities (note 13)	**(3,971)**	2,539
Net issuance of consumer loans receivable	**(31,280)**	(26,687)
Cash provided by operating activities	**2,388**	8,535
INVESTING ACTIVITIES		
Purchase of lease assets	**(10,282)**	(9,090)
Purchase of property and equipment	**(1,026)**	(1,069)
Purchase of intangible assets	**(1,765)**	(1,429)
Proceeds on sale of assets	**-**	1,305
Cash used in investing activities	**(13,073)**	(10,283)
FINANCING ACTIVITIES		
Advances of term loan	**12,990**	12,717
Payment of common share dividends (note 7)	**(1,666)**	(1,341)
Issuance of common shares	**279**	62
Taxes paid related to net share settlement of equity awards	**(1,653)**	-
Purchase of common shares for cancellation (note 7)	**-**	(2,806)
Cash provided by financing activities	**9,950**	8,632
Net (decrease) increase in cash during the period	**(735)**	6,884
Cash, beginning of period	**24,928**	11,389
Cash, end of period	**24,193**	18,273

See accompanying notes to the interim condensed consolidated financial statements

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)
(Expressed in thousands of Canadian dollars except where otherwise indicated)
For the periods ended March 31, 2017 and March 31, 2016

1. CORPORATE INFORMATION

goeasy Ltd. [the "Parent Company"] was incorporated under the laws of the province of Alberta, Canada by Certificate and Articles of Incorporation dated December 14, 1990 and was continued as a corporation in the province of Ontario pursuant to Articles of Continuance dated July 22, 1993. The Parent Company has common shares listed on the Toronto Stock Exchange and its head office is located in Mississauga, Ontario, Canada.

The Parent Company, and all of the companies that it controls [collectively referred to as "goeasy" or the "Company"], is a leading full service provider of goods and alternative financial services that improve the lives of everyday Canadians. The principal operating activities of the Company include: i) providing loans and other financial services to consumers; and ii) leasing household products to consumers.

The Company operates in two reportable segments: easyfinancial and easyhome. As at March 31, 2017, the Company operated 209 easyfinancial locations (including 44 kiosks within easyhome stores) and 174 easyhome stores (including 27 franchises and 2 consolidated locations). As at December 31, 2016, the Company operated 208 easyfinancial locations (including 46 kiosks within easyhome stores) and 176 easyhome stores (including 28 franchises and 2 consolidated franchise locations).

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements include the financial statements of the Parent Company and all of the companies that it controls. goeasy Ltd. controls an entity: i) when it has the power to direct the activities of the entity that have the most significant impact on the entity's risks and/or returns; ii) where it is exposed to significant risks and/or returns arising from the entity; and iii) where it is able to use its power to affect the risks and/or returns to which it is exposed. This includes all wholly-owned subsidiaries and certain special purpose entities ["SPEs"] where goeasy Ltd. has control, but does not have ownership of a majority of voting rights.

As at March 31, 2017, the Parent Company's principal subsidiaries were:

- RTO Asset Management Inc.
- easyfinancial Services Inc.
- easyhome U.S. Ltd.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 2, 2017.

Statement of Compliance with IFRS

The unaudited interim condensed consolidated financial statements for the three month period ended March 31, 2017 were prepared in accordance with International Accounting Standards ["IAS"] 34, *Interim Financial Reporting*, using the same accounting policies as those used in the Company's most recent audited annual consolidated financial statements. These unaudited interim condensed consolidated financial statements do not include all of the disclosures included in the Company's audited annual consolidated financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read together with the audited annual consolidated financial statements.

3. ADOPTION OF ACCOUNTING STANDARDS

Amendments to IFRS 2, *Share-based Payment*

On June 20, 2016, the IASB issued amendments to IFRS 2, *Share-based Payment* ("IFRS 2"), which provided clarifications to the classification and measurement of share-based payment transactions. Under the previous requirements of IFRS 2, where a Company issued equity instruments to employees and intended to settle such instruments by withholding a certain number of those equity instruments equal to the monetary value of the employee's tax obligation, such a transaction would be divided into an equity-settled component and a cash-settled component. These amendments permitted the settlement of such instruments to be entirely classified as equity-settled, if certain conditions were met.

The effective date of the amendments was January 1, 2018, with early adoption permitted. On January 1, 2017, the Company early-adopted and applied, for the first time, the amendments to IFRS 2.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9, *Financial Instruments*

The Company will be required to adopt IFRS 9, *Financial Instruments* ("IFRS 9"), which is the IASB's replacement of IAS 39. IFRS 9 will provide new requirements for the classification and measurement of financial assets and liabilities, impairment and hedge accounting. IFRS 9 is required to be applied for years beginning on or after January 1, 2018.

The transition to IFRS 9 will have a significant impact for financial services companies. The most significant impact on the Company's financial reporting will be as a result of the new impairment standard within IFRS 9.

The Company has established a project team for the transition to IFRS 9, which includes senior stakeholders from the Company's Risk and Finance groups. The key responsibilities of the project team include defining IFRS 9 risk methodology and accounting policy, identifying data and system requirements, and developing an appropriate governance framework. The Company will continue to focus on implementation of the standard throughout 2017.

IFRS 15, *Revenue from Contracts with Customers*

The Company will be required to adopt IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), which clarifies the principles for recognizing revenue and cash flows arising from contracts with customers. IFRS 15 is required to be applied for years beginning on or after January 1, 2018, and is to be applied retrospectively.

The Company is in the process of analyzing its inventory of impacted contracts under the new standard. The Company does not believe that the implementation of this standard will have a material impact on its consolidated financial statements.

(Expressed in thousands of Canadian dollars except where otherwise indicated)

IFRS 16, *Leases*

The Company will be required to adopt IFRS 16, *Leases* ("IFRS 16"), which is the IASB's replacement of IAS 17. IFRS 16 will require lessees to recognize a lease liability that reflects future lease payments and a "right-of-use-asset" for most lease contracts. IFRS 16 is required to be applied for years beginning on or after January 1, 2019, with early adoption permitted, but only in conjunction with the adoption of IFRS 15. The Company is in the process of assessing the impact of this standard.

5. CONSUMER LOANS RECEIVABLE

Consumer loans receivable represented amounts advanced to customers. Loan terms generally ranged from 9 to 60 months.

	March 31, 2017	**December 31, 2016**
Gross consumer loans receivable	**387,055**	370,517
Interest receivable from consumer loans	**4,346**	4,753
Unamortized deferred acquisition costs	**4,555**	2,685
Allowance for loan losses	**(24,294)**	(23,456)
	371,662	354,499
Current	**160,975**	153,600
Non-current	**210,687**	200,899
	371,662	354,499

An aging analysis of gross consumer loans receivable past due is as follows:

	March 31, 2017		**December 31, 2016**	
	$	**% of total loans**	**$**	**% of total loans**
1 - 30 days	**10,768**	**2.8%**	13,468	3.6%
31 - 44 days	**3,054**	**0.8%**	2,712	0.7%
45 - 60 days	**2,299**	**0.6%**	2,366	0.6%
61 - 90 days	**3,310**	**0.8%**	3,094	0.8%
	19,431	**5.0%**	21,640	5.7%

(Expressed in thousands of Canadian dollars except where otherwise indicated)

The changes in the allowance for loan losses are summarized below:

	Three Months Ended March 31, 2017	Year Ended December 31, 2016
Balance, beginning of the year	**23,456**	18,465
Net amounts written off against allowance	**(13,279)**	(50,677)
Increase due to lending and collection activities	**14,117**	55,668
Balance, end of the year	**24,294**	23,456

6. CREDIT FACILITIES

The Company's credit facilities consisted of a $280.0 million term loan and a $20.0 million revolving operating facility. $280.0 million of the term loan was drawn as at March 31, 2017. Borrowings under the term loan bore interest at the Canadian Bankers' Acceptance rate plus 699 bps with a 799 bps floor, while borrowings under the revolving operating facility bore interest at the lender's prime rate plus 175 to 275 bps depending on the Company's debt to earnings before interest, taxes, depreciation and amortization ["EBITDA"] ratio. The Company's credit facilities expire on October 4, 2019 and are secured by a first charge over substantially all assets of the Company.

The drawings under the Company's credit facilities were as follows:

	March 31, 2017	December 31, 2016
Revolving operating facility	**-**	-
Amounts borrowed under term loan	**280,000**	267,500
Accrued interest on term loan	**1,821**	1,733
Unamortized deferred financing costs	**(5,537)**	(5,939)
Term loan	**276,284**	263,294

As at March 31, 2017, the Company's interest rates under the term loan and revolving operating facility were 7.99% and 5.45%, respectively.

The financial covenants of the credit facility were as follows:

Financial Covenant	Requirements	March 31, 2017
Total debt to EBITDA ratio	< 3.90	**3.46**
Total debt to tangible net worth ratio	< 1.70	**1.66**
Adjusted EBITDA for preceding 12 months (consolidated)	> 70,600	**81,375**

(Expressed in thousands of Canadian dollars except where otherwise indicated)

The financial covenant requirements described above adjust each quarter as per the lending agreement and were based on accommodating the Company's financial forecast over these periods. As at March 31, 2017, the Company was in compliance with all of its financial covenants under its lending agreements.

Finance Costs

Included in finance costs in the consolidated statements of income was interest expense on the credit facilities and amortization of deferred financing costs as follows:

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
Interest expense	**5,284**	4,366
Amortization of deferred financing costs	**541**	455
	5,825	4,821

7. SHARE CAPITAL

Common Shares Issued and Outstanding

The changes in common shares are summarized as follows:

	Three Months Ended March 31, 2017		**Year Ended December 31, 2016**	
	# of shares (in 000's)	**$**	**# of shares (in 000's)**	**$**
Balance, beginning of the period	**13,325**	**82,598**	13,411	81,725
Exercise of stock options	**27**	**322**	9	106
Exercise of RSUs	**57**	**1,301**	337	3,365
Shares purchased for cancellation	**-**	**-**	(436)	(2,684)
Dividend reinvestment plan	**1**	**21**	4	86
Balance, end of the period	**13,410**	**84,242**	13,325	82,598

Dividends on Common Shares

For the three month period ended March 31, 2017, the Company paid dividends of $1.7 million (2016 – $1.3 million) or $0.125 per share (2016 – $0.10 per share). On February 15, 2017, the Company increased the dividend rate from $0.125 per share to $0.18 per share to shareholders of record on March 31, 2017, payable on April 13, 2017. The dividend paid on April 13, 2017 was $2.4 million.

Shares Purchased for Cancellation

During the three month period ended March 31, 2016, the Company purchased and cancelled 158,500 of its common shares on the open market at an average price of $17.68 for a total cost of $2.8 million pursuant to a normal course issuer bid. No share were purchased and cancelled in the current year. The Company has purchased and cancelled 94,500 of its common shares under the normal course issuer bid in effect as at March 31, 2017, which allows for a total purchase of up to 986,105 common shares and expires on June 26, 2017.

8. STOCK-BASED COMPENSATION

Share Option Plan

Under the Company's stock option plan, options to purchase common shares may be granted by the Board of Directors to directors, officers and employees. The Company recorded an expense of $157 (2016 – $129) in stock-based compensation expense in the unaudited interim condensed consolidated statements of income, with a corresponding adjustment to contributed surplus.

Restricted Share Unit ["RSU"] Plan

No RSUs were granted during the three month period ended March 31, 2017 or the comparable period ended March 31, 2016. RSUs are granted at fair market value at the grant date and generally vest at the end of a three-year period based on long-term targets. For the three month period ended March 31, 2017, $783 (2016 – $728) was recorded as an expense in stock-based compensation expense in the unaudited interim condensed consolidated statements of income. Additionally, for the three month period ended March 31, 2017, an additional 2,450 RSUs (2016 – 3,101 RSUs) were granted as a result of dividends payable.

Performance Share Unit ["PSU"] Plan

During the three month period ended March 31, 2017, the Company granted 168,363 PSUs (2016 – 226,236 PSUs) to senior executives of the Company under its PSU Plan. PSUs are granted at fair market value at the grant date and vest at the end of a three-year period based on long-term targets. For the three month period ended March 31, 2017, nil (2016 – nil) was recorded as an expense in stock-based compensation expense in the unaudited interim condensed consolidated statements of income. Additionally, for the three month period ended March 31, 2017, an additional nil PSUs (2016 – nil PSUs) were granted as a result of dividends payable.

The PSU liability as at March 31, 2017 was nil (December 31, 2016 – nil).

Deferred Share Unit ["DSU"] Plan

During the three month period ended March 31, 2017, the Company granted 3,662 DSUs (2016 – 6,898 DSUs) to directors under its DSU Plan. DSUs are granted at fair market value at the grant date and vest immediately upon grant. For the three month period ended March 31, 2017, $126 (2016 – $150) was recorded as stock-based compensation expense under the DSU Plan in the unaudited interim condensed consolidated statements of income. Additionally, for the three months ended March 31, 2017, an additional 725 DSUs (2016 – 1,060 DSUs) were granted as a result of dividends payable.

(Expressed in thousands of Canadian dollars except where otherwise indicated)

Stock-Based Compensation Expense

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
Equity-settled stock-based compensation	**1,066**	1,007
Cash-settled stock-based compensation	**-**	-
	1,066	1,007

9. OTHER EXPENSES

In the normal course of its operations, the Company periodically sells select lease portfolios and other assets. For the three month period ended March 31, 2017, other expenses included net gains realized on the sale of lease portfolios and other assets of nil (2016 – $818).

10. TRANSACTION ADVISORY COSTS

During the three month period ended March 31, 2016, the Company incurred $476 in transaction advisory costs to analyze, arrange financing and submit a bid for a potential strategic acquisition. The acquisition was ultimately not completed by the Company.

11. INCOME TAXES

The Company's income tax provision was determined as follows:

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
Combined basic federal and provincial income tax rates	**27.4%**	27.3%
Expected income tax expense	**3,997**	2,714
Non-deductible expenses	**92**	93
U.S. and SPE results not tax effected	**355**	(17)
Other	**(126)**	(110)
	4,318	2,680

(Expressed in thousands of Canadian dollars except where otherwise indicated)

The significant components of the Company's deferred tax assets are as follows:

	March 31, 2017	December 31, 2016
Tax cost of lease assets and property and equipment in excess of net book value	**(470)**	(1,817)
Amounts receivable and provisions	**7,309**	7,090
Deferred salary arrangements	**935**	1,368
Unearned revenue	**437**	501
Financing fees	**(226)**	(286)
Other	**-**	-
	7,985	6,856

12. EARNINGS PER SHARE

Basic Earnings Per Share

Basic earnings per share amounts were calculated by dividing the net income for the year by the weighted average number of ordinary shares and DSUs outstanding. DSUs were included in the calculation of the weighted average number of ordinary shares outstanding as these units vest upon grant.

	Three Months Ended	
	March 31, 2017	March 31, 2016
Net income	**10,270**	7,252
Weighted average number of ordinary shares outstanding (in 000's)	**13,488**	13,541
Basic earnings per ordinary share	**0.76**	0.54

For the three month period ended March 31, 2017, 146,642 DSUs (2016 – 167,052) were included in the weighted average number of ordinary shares outstanding.

Diluted Earnings Per Share

Diluted earnings per share reflect the potential dilution that could occur if additional common shares are assumed to be issued under securities that entitle their holders to obtain common shares in the future. The number of additional shares for inclusion in diluted earnings per share was determined using the treasury stock method, whereby stock options and warrants, whose exercise price is less than the average market price of the Company's common shares, were assumed to be exercised and the proceeds are used to purchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and warrants was included in the calculation of diluted earnings per share.

(Expressed in thousands of Canadian dollars except where otherwise indicated)

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
Net income	**10,270**	7,252
Weighted average number of ordinary shares outstanding (in 000's)	**13,488**	13,541
Dilutive effect of stock-based compensation (in 000's)	**616**	490
Weighted average number of diluted shares outstanding (in 000's)	**14,104**	14,031
Dilutive earnings per ordinary share	**0.73**	0.52

13. NET CHANGE IN OTHER OPERATING ASSETS AND LIABILITIES

The net change in other operating assets and liabilities was as follows:

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
Amounts receivable	**(3,973)**	931
Prepaid expenses	**(2,125)**	(261)
Accounts payable and accrued liabilities	**(298)**	809
Income taxes payable	**3,286**	1,283
Deferred lease inducements	**(133)**	(100)
Unearned revenue	**(604)**	4
Provisions	**(124)**	(127)
	(3,971)	2,539

Supplemental disclosures in respect of the unaudited interim condensed consolidated statements of cash flows comprised the following:

	Three Months Ended	
	March 31, 2017	**March 31, 2016**
Income taxes paid	**2,161**	2,370
Interest paid	**5,196**	4,380
Interest received	**39,038**	30,089

(Expressed in thousands of Canadian dollars except where otherwise indicated)

14. CONTINGENCIES

The Company was involved in various legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material adverse effect on the Company's financial position, financial performance or cash flows.

The Company has agreed to indemnify its directors and officers and particular employees in accordance with the Company's policies. The Company maintains insurance policies that may provide coverage against certain claims.

15. FINANCIAL INSTRUMENTS

Recognition and Measurement of Financial Instruments

The Company classified its financial instruments as follows:

Financial Instruments	Measurement	March 31, 2017	December 31, 2016
Cash	Fair value	**24,193**	24,928
Amounts receivable	Amortized cost	**11,830**	7,857
Consumer loans receivable	Amortized cost	**371,662**	354,499
Accounts payable and accrued liabilities	Amortized cost	**31,581**	31,879
Term loan	Amortized cost	**276,284**	263,294

Fair Value Measurement

All assets and liabilities for which fair value was measured or disclosed in the unaudited interim condensed consolidated financial statements were categorized within the fair value hierarchy, described as follows, based on the lowest level input that was significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(Expressed in thousands of Canadian dollars except where otherwise indicated)

The hierarchy required the use of observable market data when available. The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities measured at amortized cost as at March 31, 2017:

	Total	Level 1	Level 2	Level 3
Amounts receivable	**11,830**	-	-	**11,830**
Consumer loans receivable	**371,662**	-	-	**371,662**
Accounts payable and accrued liabilities	**31,581**	-	-	**31,581**
Term loan	**276,284**	-	-	**276,284**

There were no transfers between Level 1, Level 2, or Level 3 during the period.

16. SEGMENTED REPORTING

For management purposes, the Company had two reportable segments: easyfinancial and easyhome.

General and administrative expenses directly related to the Company's business segments were included as operating expenses for those segments. All other general and administrative expenses were reported separately as part of Corporate. Management assessed the performance based on segment operating income (loss). The following tables summarize the relevant information for the three month period ended March 31, 2017 and 2016:

Three Months Ended March 31, 2017	easyfinancial	easyhome	Corporate	Total
Revenue	**60,021**	**34,692**	**-**	**94,713**
Total operating expenses before depreciation and amortization	**33,790**	**18,199**	**9,063**	**61,052**
Depreciation and amortization	**1,688**	**11,325**	**235**	**13,248**
Segment operating income (loss)	**24,543**	**5,168**	**(9,298)**	**20,413**
Finance costs	**-**	**-**	**5,825**	**5,825**
Income (loss) before income taxes	**24,543**	**5,168**	**(15,123)**	**14,588**

(Expressed in thousands of Canadian dollars except where otherwise indicated)

Three Months Ended March 31, 2016	**easyfinancial**	**easyhome**	**Corporate**	**Total**
Revenue	45,003	37,322	-	82,325
Total operating expenses before depreciation and amortization and transaction advisory costs	27,760	18,835	6,698	53,293
Transaction advisory costs	-	-	476	476
Depreciation and amortization	1,545	12,096	162	13,803
Segment operating income (loss)	15,698	6,391	(7,336)	14,753
Finance costs	-	-	4,821	4,821
Income (loss) before income taxes	15,698	6,391	(12,157)	9,932

As at March 31, 2017, the Company's goodwill of $21.3 million (December 31, 2016 – $21.3 million) related entirely to its easyhome segment.

The Company's easyhome business consisted of four major product categories: furniture, electronics, computers and appliances. Lease revenue generated by these product categories as a percentage of total lease revenue for the three month period ended March 31, 2017 and 2016 were as follows:

	Three Months Ended	
	March 31, 2017 (%)	**March 31, 2016 (%)**
Furniture	**42**	40
Electronics	**33**	34
Computers	**13**	14
Appliances	**12**	12
	100	100