ECN CAPITAL

Management Discussion & Analysis

SEPTEMBER 30, 2017

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 ECN Capital Corp. (the "Company" or "ECN Capital") as at and for the three and nine-months ended September 30, 2017, and should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended 2016. Additional information relating to the Company, including the Company's Annual Information Form dated March 30, 2017, is available on SEDAR at www.sedar.com and on the Company's website at www.ecncapitalcorp.com.

All amounts set forth in this MD&A are in Canadian dollars unless otherwise noted.

Cautionary Statement

This analysis has been prepared taking into consideration information available to November 13, 2017. 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 ECN Capital.

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

ECN Capital Corp. (the "Company" or "ECN Capital") is a financial services company that originates and services financial assets, principally in the vendor finance sector, with operations in the United States ("US") and Canada. The Company originates the financing of a broad range of equipment and capital assets by way of loans; leases, both financial and operating; and retail installment contracts ("financings").

ECN Capital originates its financings through its employee sales force, equipment vendors and dealers as well as direct equipment users, distinguishing itself from traditional lenders such as banks and finance companies in that it:

- Originates primarily through its manufacturer and dealer network relationships; and
- Funds its activities through commitments from banks and institutional investors rather than accepting deposits from the public and by selling its financings to banks.

The Company has organized its operations around four separate segments of equipment finance namely: Rail Finance, Aviation Finance, Commercial and Vendor Finance ("C&V Finance") and Home Improvement Finance (a new business segment beginning in the quarter ended September 30, 2017).

Financial information prior to October 3, 2016 included in this MD&A has, unless otherwise indicated, been derived from the historical consolidated financial statements of Element Financial Corporation on a carve-out basis and is presented as if the Company's C&V Finance, Rail Finance and Aviation Finance segments had always operated as a stand-alone entity. The financial information post October 3, 2016 represents the actual results of the Company post Separation.

ECN CAPITAL

Strategy and Key Business Developments

STRATEGY

For over 30 years, ECN Capital's management has pursued a strategy of successfully deploying capital within asset classes that comprise the specialty finance sector, principally vendor finance, by originating and servicing portfolios of financial assets with yield, growth and credit characteristics that have consistently delivered superior risk-adjusted returns to shareholders.

The key differentiating factors that have enabled ECN Capital's team to successfully execute this strategy are as follows: (i) a consistent focus on specialty finance, principally vendor finance resulting in unequalled industry experience and relationships; (ii) superior credit management combined with traditional credit underwriting; (iii) maintaining optimal capital structures with matched and committed liquidity and broad access to debt and equity financing; (iv) partnering, not competing with banks; and (v) adaptive strategy: recognizing and responding to market changes to maximize profitability and scale while maintaining robust risk management.

The Company believes it is well positioned to capitalize on opportunities and successfully execute its strategy to transition from it's legacy businesses to businesses with higher growth, increased profitability and those requiring less capital with core expertise. This is demonstrated by the following recent accomplishments:

- Sale of U.S. C&V Finance Business to PNC Bank;
- Sale of Commercial Aviation Advisory Business to Stellwagon Group;
- Sale of non-core rail assets to ITE Management L.P. ("ITE") and Napier Park Global Capital US LP ("Napier");
- Completion of the Service Finance Holdings, LLC ("Service Finance") acquisition;
- The definitive agreement to acquire Triad Financial Services, Inc.;
- The definitive agreement to sell C&V Canada Finance business to Canadian Western Bank .

As its disciplined acquisition process continues, the Company is focused on acquiring vendor origination and servicing franchises that offer unique value propositions:

- Established originators with a history of high quality production across cycles
  - Enduring barriers to entry through industry relationships, manufacturers, dealer networks, customer loyalty and/or regulatory acceptance (bank funding partners)
- Excellent credit quality history - drives performance
  - History of servicing excellence
- Solid growth profiles
  - Positive underlying market dynamics
  - History of taking market share
- Scalable platforms with established operations and information technology

The Company provides origination and servicing partners the capital, knowledge and scale to help grow their businesses to the next level.

KEY BUSINESS DEVELOPMENTS

Definitive Agreement to Acquire Triad Financial Services, Inc.

On October 25, 2017 the Company announced that it has entered into a definitive agreement to acquire Triad Financial Services, Inc. ("Triad"). Under the terms of the agreement, ECN Capital will pay US$ 100 million (approximately C$125 million) in cash for Triad. In addition, the Company will enter into an incentive compensation plan with senior management that will be based on the achievement of a prescribed rate of return on average equity over the next five years.

Founded in 1959, Triad is the oldest manufactured housing finance company in the U.S. It originates, sells, and manages primarily prime and super-prime loans to consumers for the purchase of manufactured homes throughout the U.S. Originations are sourced through a national network of dealers and manufacturers and are sold to an established network of over 40 banks and credit unions. In addition to originating prime loans, Triad manages manufactured housing portfolios for third party owners.

Sale of Canadian C&V Assets

On October 30, 2017, the Company announced that it has entered into a definitive agreement with Canadian Western Bank ("CWB") to sell the Company's Canadian C&V Finance assets for cash proceeds of approximately $900 million, representing a $2 million premium to book value (exclusive of goodwill, break fees and other costs totaling approximately $10 million after-tax). The transaction is subject to customary approvals and is expected to close in the first quarter 2018. This transaction is expected to free up approximately $180 million in equity capital for redeployment in the furthering of ECN Capital's ongoing strategic plan.

Acquisition of Service Finance

On September 7, 2017, the Company completed the acquisition of Service Finance for cash consideration of $409 million (US$ 309 million) plus deferred purchase consideration with an estimated fair value of $40.4 million. The deferred purchase price consists of an earn-out plan with the vendors that will be based on the achievement of prescribed return on average equity targets over the next five years.

Founded in 2004, Service Finance originates and services prime and super-prime retail installment contracts to finance home improvement projects in the U.S. Originations are sourced through exclusive national vendor programs with top manufacturers and dealers. Service Finance will represent a significant operating and growth segment for the Company.
Acquisition-related costs expensed in the period were $18.7 million, including investment banking fees of $10.9 million, and legal, accounting, due diligence and other transaction-related expenses of $7.8 million.

Sale of Rail Finance Assets

Consistent with the Company's ongoing strategic plan, on August 4, 2017 ECN Capital closed a transaction to sell approximately 1,550 railcar assets to ITE for cash proceeds of approximately US

$173 million. On September 26, 2017, the Company completed a separate transaction in which it sold approximately 8,400 railcars (in its Element Rail Leasing II Portfolio) to Napier for cash proceeds of approximately US$935 million (collectively, the "Railcar Dispositions"). The total book value of the railcar assets sold was approximately US$1.15 billion and represents approximately 65% of the Company's railcar portfolio. On an after-tax basis, the Railcar Dispositions resulted in a total loss on sale of $49.6 million, comprised of a 2% or $26.7 million after tax loss on the book value of finance assets, deferred financing write-offs, swap and foreign exchange losses of $17.4 million (of which $11.1 million of these costs were previously recorded in Accumulated Other Comprehensive Income and therefore did not affect overall book value in the third quarter); and transaction-related costs of $5.5 million.

The Railcar Dispositions have allowed the Company to right-size its railcar portfolio, which will continue to provide a core asset with strong after-tax cash flows and underpin the Company's investment grade credit ratings, while releasing capital that can be redeployed into new businesses with the potential for higher yields.

Normal Course Issuer Bid

On June 29, 2017, the Toronto Stock Exchange approved the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB"). Pursuant to the NCIB, the Company may repurchase up to 36,999,219 common shares, representing approximately 10% of the "public float" as at June 29, 2017. The NCIB period commenced on July 5, 2017 and ends on the earlier of July 4, 2018 and the completion of purchases under the NCIB. In total, the Company purchased 6,522,400 common shares for a total of $25.0 million or $3.83 per common share during the quarter ended September 30, 2017.

Sale of Commercial Aviation Advisory Business

On May 31, 2017, the Company closed a transaction with Stellwagon Group, the commercial aviation finance advisory and asset management business of Acasta Enterprises Inc. ("Acasta"), to sell the Company's Commercial Aviation Advisory Business. As part of the transaction, certain key employees of the ECN Commercial Aviation Advisory and the office in Stamford, CT have transitioned to Acasta. In connection with the transaction, the Company received 3,037,500 common shares of Acasta and has recorded a gain of $2.3 million which is stated net of a reserve of approximately $8.0 million to reflect the impact of the twelve-month hold period on the value of the Acasta shares; transaction-related costs of $7.2 million; and transaction-related compensation expenses of $4.8 million for employees retained by Acasta.

Sale of U.S. C&V Finance Business

On February 21, 2017, the Company announced that it had entered into an agreement to sell the majority of its U.S. C&V Finance business to PNC Financial Services Group for cash proceeds of approximately US$1.323 billion. As part of the transaction, PNC agreed to offer employment to all of the employees of the business as well as retaining the property lease on the existing operating office. On March 31, 2017 the Company sold the remaining assets of the U.S. C&V Finance business to another third party for total proceeds of US$208 million. The Company realized a gain of approximately $344 million as a result of the sale.

The gain on sale includes the realization of $155.2 million in accumulated other comprehensive income related to the US C&V Finance business, foreign exchange gains of $7.1 million relating to hedges entered into to reduce foreign exchange risk on the sale proceeds, transaction costs of

$24.5 million and transaction-related compensation expenses of $6.5 million for employees retained by purchasers of the US C&V Finance business.

Aviation Finance Business

Following a strategic review of the Aviation Finance Business in February 2016, the Company decided to discontinue originations of aviation finance assets onto its balance sheet and to sell or manage to maturity its portfolio of assets.

Credit Update

On October 6, 2017, the Company amended, extended and improved its senior credit agreement. Under the terms of the amended facility, the minimum tangible net worth covenant was replaced with a fixed minimum shareholders' equity covenant. The facility size was also reduced from US$2.5 billion to US$2.2 billion. These core changes to the facility better align with ECN Capital's transition to an asset light specialty finance business. The revised facility is syndicated to a group of 13 Canadian, US and International banks with a maturity date of December 31, 2020.

On October 31, 2017, subsequent to the key business developments outlined above, DBRS Inc. confirmed the Long-Term Issuer Rating of the Company at BBB (low) with a stable outlook. Further, on November 2, 2017 Kroll Bond Rating Agency affirmed the Company's BBB issuer rating with a stable outlook.

Results of Operations

HIGHLIGHTS FOR THE QUARTER

1. Continued and consistent execution of the Company's strategic plan:
   i. Announced the sale of Canadian C&V assets on October 30, 2017;
   ii. Announced the acquisition of Triad Financial Services, Inc. on October 25, 2017;
   iii. On October 6, 2017, the Company amended, extended, and improved its senior credit facility agreement and reduced it to US$ 2.2 billion from US$ 2.5 billion.
   iv. Completed the acquisition of Service Finance on September 7, 2017;
   v. On August 4, 2017 and September 26, 2017, the Company completed transactions resulting in the sale of approximately 65% of its railcar assets;
   vi. Continued pursuit of strategically consistent acquisition targets within the Company's return and risk framework.
2. Loss per share of $0.14 in the quarter on a reported basis with net loss of $50.9 million.
3. After tax adjusted earnings per share (a described non-IFRS measure; refer to "IFRS to Non-IFRS Reconciliation in this MD&A) of $0.03 in the quarter on after tax adjusted operating income[1] of $12.1 million.
4. Total originations from continuing operations were $228 million during the current quarter compared to $165 million for the immediate prior quarter and $214 million during the comparable quarter ended September 30, 2016. The addition of Service Finance on September 7, 2017 resulted in the significant increase in originations compared to the immediate preceding quarter. The impact of the Service Finance originations are partially offset by the Railcar Dispositions when compared to the comparable quarter ended September 30, 2016.
5. Average earning assets owned from continuing operations for the quarter ended September 30, 2017 were $3,467 million, compared to $4,030 million in the immediate prior quarter and $4,302 million in the comparable quarter ended September 30, 2016. The decrease in average earning assets owned primarily reflects the Railcar Dispositions and, to a lesser extent, the Company's decision to no longer originate assets in the Aviation vertical. Average earning assets owned and managed increased to $4,723 million with the addition of Service Finance.
6. The Company continues to have a strong liquidity position with diversified funding sources and is well capitalized with a 0.87:1 tangible leverage ratio at September 30, 2017. The Company has $2.9 billion of committed liquidity for organic and acquisition growth;
7. Book value per share was $4.51 as at September 30, 2017 compared to $4.70 as at June 30, 2017. In October 2017, book value per share increased back closer to June 30, 2017 levels due to the weakening Canadian dollar (see page 19 for an analysis of changes in book value per share and its sensitivity to exchange rates).

1. Adjusted net income after-tax is a non-IFRS measure. Please refer to "IFRS to non-IFRS Reconciliations" in this MD&A for a reconciliation to net income.

The following table sets forth a summary of the Company's consolidated results from continuing operations for the three month periods ended September 30, 2017, June 30, 2017 and September 30, 2016 and the nine-month period ended September 30, 2017 and September 30, 2016 to be read with the Company's interim condensed consolidated financial statements for the same periods.

	For the three-month period ended			For the nine-month period ended	
(in 000's for stated values, except percent, ratio and per share amounts)	**Sept 30, 2017** $	June 30, 2017 $	Sept 30, 2016 $	**Sept 30, 2017** $	Sept 30, 2016 $
Select metrics					
Originations	**227,811**	164,671	214,172	**557,495**	649,599
Average earning assets - Owned (1)	**3,466,947**	4,029,891	4,301,742	**3,925,684**	4,382,293
Average earning assets - Managed (1)	**1,256,402**	—	—	**1,256,402**	—
Average earning assets - Owned and Managed (1)	**4,723,349**	4,029,891	4,301,742	**5,182,086**	4,382,293
Average debt (1)	**2,044,136**	2,409,970	3,298,228	**2,562,088**	3,307,775
Average debt advance rate	**59.0%**	59.8%	76.7%	**65.3%**	75.5%
Net income					
Interest income and rental revenue, net (1)	**49,822**	62,341	66,021	**175,451**	207,305
Interest expense	**22,954**	27,307	34,854	**81,706**	97,305
	26,868	35,034	31,167	**93,745**	110,000
Syndication and other income	**5,358**	3,024	7,927	**13,997**	15,995
	32,226	38,058	39,094	**107,742**	125,995
Provision for credit losses	**658**	2,329	421	**3,104**	3,290
Net financial income	**31,568**	35,729	38,673	**104,638**	122,705
Operating expenses	**18,655**	19,691	13,302	**58,107**	38,448
Operating income	**12,913**	16,038	25,371	**46,531**	84,257
Non-operating items:					
Impairment and amortization of intangible assets from acquisitions	**—**	—	26,605	**—**	27,255
Acquisition costs	**18,724**	—	—	**18,724**	—
Separation and reorganization costs	**—**	—	7,704	**3,300**	7,704
Loss (gain) on business disposals	**78,348**	(2,318)	—	**76,030**	—
	97,072	(2,318)	34,309	**98,054**	34,959
Net (loss) income before income taxes from continuing operations	**(84,159)**	18,356	(8,938)	**(51,523)**	49,298
Income tax (recovery) expense	**(33,216)**	2,442	(10,010)	**(27,977)**	3,492
Net (loss) income from continuing operations	**(50,943)**	15,914	1,072	**(23,546)**	45,806
Net income from discontinued operations	**—**	—	153	**272,352**	5,915
Net (loss) income for the period	**(50,943)**	15,914	1,225	**248,806**	51,721
Weighted Average number of shares outstanding [basic] (2)	**385,887**	388,381	386,742	**387,185**	386,389
(Loss) Earnings per share [basic] - continuing operations (2)	**$ (0.14)**	$ 0.04	$ —	**$ (0.08)**	$ 0.12
Non-IFRS Measures					
Adjusted operating results:					
Operating income (1)	**12,913**	16,038	25,371	**46,531**	84,257
Stock-based compensation	**2,480**	4,062	2,792	**9,380**	6,033
Adjusted operating income (1)	**15,393**	20,100	28,163	**55,911**	90,290
Income tax expense applicable to adjusted operating income	**3,261**	3,754	2,513	**11,224**	15,515
After-tax adjusted operating income - continuing operations (1)	**12,132**	16,346	25,650	**44,687**	74,775
Before tax adjusted earnings per share [basic] - continuing operations (2)	**$0.04**	$0.05	$0.07	**$0.14**	$0.23
After tax adjusted earnings per share [basic] - continuing operations (2)	**$0.03**	$0.04	$0.06	**$0.11**	$0.18

(1) For additional information, see descriptions in the "IFRS to Non-IFRS Measures" section.
(2) For periods prior to Separation, book value per share is based on the Element shares outstanding as the Separation resulted in the issuance of one Company share for each Element share.

The following discussion relates to the results of operations for the three and nine-month period ended September 30, 2017 presented on a continuing operations basis.

Q3 2017 vs Q2 2017

Net loss was $50.9 million or $0.14 per share for the quarter ended September 30, 2017 compared to net income of $15.9 million or $0.04 per share for the second quarter of 2017. The significant decrease in after-tax income was primarily due to the after-tax loss on the sale of the Railcar Dispositions of $49.6 million and after-tax transaction costs related to the acquisition of Service Finance of $11.5 million. In the immediate preceding quarter, the Company realized a gain of approximately $2.3 million from the sale of its aviation advisory business to Acasta.

After tax adjusted operating income[1] of $12.1 million or $0.03 per share for the current quarter was down slightly from the prior quarter results of $16.3 million or $0.04 per share. This was due to the decrease in average earning assets in the Rail and Aviation verticals, partially offset by growth in the Canadian C&V vertical and the addition of the Home Improvement Finance vertical during the quarter.

The Company reported total originations from continuing operations of $227.8 million, representing a 38.3% increase over the $164.7 million in originations in the prior quarter. The large increase in originations is primarily due to the acquisition of Service Finance on September 7, 2017 which accounted for $60.2 million of originations.

Net financial income of $31.6 million in the current quarter was down compared to the $35.7 million reported in the prior quarter. The decrease was primarily due to lower interest and rental revenues as a result of the Railcar Dispositions and the continued run-off of the Aviation Vertical, partially offset by an increase in other revenues as a result of the origination and servicing fees earned by Service Finance since September 7, 2017.

Operating expenses of $18.7 million in the third quarter were down from the $19.7 million recorded in the prior quarter, primarily due to lower share-based compensation in the current quarter. This was partially offset by an increase in salaries, wages and benefits due to the addition of Service Finance and a small decline in general and administrative expenses. General and administrative expenses include professional services fees and travel costs related to potential acquisitions, and therefore will fluctuate based on the level and timing of such activity. As a result of the continuing transition of its businesses, the Company expects it will incur further reorganization charges as it right-sizes and aligns the corporate office to match its new business model going forward.

Income tax expense on adjusted operating income[1] for the quarter was $3.3 million at an effective tax rate of 21.5% compared to the immediate prior quarter with income tax expense of $3.8 million and an effective tax rate of 18.7%. The increase in the effective tax rate is the result of higher operating income in jurisdictions with higher tax rates.

(1) After tax adjusted operating income is a non-IFRS measure. Please refer to "IFRS to non-IFRS Reconciliations" in this MD&A for a reconciliation to net income.

Q3 AND Q3 YTD 2017 VS Q3 AND Q3 YTD 2016

Results of continuing operations for the three and nine-month periods ended September 30, 2017 were a loss of $50.9 million and $23.5 million, respectively, compared to income of $1.1 million and $45.8 million for the same prior year periods. The decrease in net income compared to the prior year quarter and year-to-date was primarily due to the loss on the Railcar Dispositions and the impact of this transaction on net financial income, combined with the impact of the transaction expenses related to the acquisition of Service Finance. After tax adjusted operating income[1] was $12.1 million and $44.7 million for the quarter and year-to-date periods ended September 30, 2017, respectively, compared to $25.7 million and $74.8 million for the comparable prior year periods. The decreases compared to the prior year reflect lower net financial income, primarily due to the Railcar Dispositions, discontinued originations in the Aviation Finance business and the impact of a strengthening Canadian dollar.

Total originations from continuing operations for the three and nine-month periods ended September 30, 2017 were $227.8 million and $557.5 million, respectively, compared to $214.2 million and $649.6 million for the comparable prior year periods. The year-to-date decrease in originations is primarily due to the decision to discontinue originations of aviation finance assets commencing in February 2016 and lower originations in the Rail Finance segment; partially offset by higher originations in the C&V Canada Finance segment and originations in the new Home Improvement Finance vertical as a result of the acquisition of Service Finance.

Net financial income from continuing operations of $31.6 million and $104.6 million for the quarter and year-to-date periods ended September 30, 2017, respectively, was lower than the $38.7 million and $122.7 million reported in the comparable prior year periods. The decreases reflect lower interest income due to lower average earning assets in the Aviation Finance segment and lower net rental revenue in the Rail Finance segment as a result of the Railcar Dispositions; partially offset by lower interest expense due to lower debt levels.

Operating expenses of $18.7 million and $58.1 million for the three and nine-month periods ended September 30, 2017, respectively, were up compared to the $13.3 million and $38.4 million reported for the same prior year periods. Operating expenses in the prior year periods are derived from the historical financial statements of Element on a carve out basis as described on page 3 of this MD&A. Consequently, they are not comparable to the operating expenses and adjusted operating expenses[2] incurred in the current year quarter and year-to-date periods.

One-time separation and related reorganization expenses of $3.3 million attributable to continuing operations ($1.4 million was attributable to discontinued operations) were incurred in the nine-month period ending September 30, 2017 related to termination costs for corporate office space commitments compared to $7.7 million in the comparable prior period.

Income tax expense on adjusted operating income[1] for the three and nine-month periods ended September 30, 2017 were $3.3 million and $11.2 million, respectively for effective tax rates of 21.5% and 20.2%, respectively. This is compared to $2.5 million and $15.5 million of income tax expense and effective tax rates of 8.9% and 17.2% for the comparable prior year periods.

1. After tax adjusted operating income is a non-IFRS measure. Please refer to "IFRS to non-IFRS Reconciliations" in this MD&A for a reconciliation to net income.
2. Adjusted operating expenses is a non-GAAP IFRS measure. Please refer to "IFRS to non-IFRS Reconciliations" in this MD&A for a reconciliation to net income.

RESULTS OF CONTINUING OPERATIONS

The following table sets forth a summary of the Company's select metrics and results from continuing operations, for the 3 month periods ended September 30, 2017, June 30, 2017 and September 30, 2016 and for the nine-month periods ended September 30, 2017 and September 30, 2016.

	For the three-month period ended			For the nine-month period ended	
	Sept 30, 2017	June 30, 2017	Sept 30, 2016	**Sept 30, 2017**	Sept 30, 2016
(in 000's for stated values, except percent amounts)	**$**	**$**	**$**	**$**	**$**
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Originations	**227,811**	164,671	214,172	**557,495**	649,599
Average earning assets - Owned (1)	**3,466,947**	4,029,891	4,301,742	**3,925,684**	4,382,293
Average earning assets - Managed (1)	**1,256,402**	—	—	**1,256,402**	—
Average earning assets - Owned and Managed (1)	**4,723,349**	4,029,891	4,301,742	**5,182,086**	4,382,293
Average debt (1)	**2,044,136**	2,409,970	3,298,228	**2,562,088**	3,307,775
Average debt advance rate	**59.0%**	59.8%	76.7%	**65.3%**	75.5%
Adjusted operating income					
Interest income and rental revenue, net	**49,822**	62,341	66,021	**175,451**	207,305
Interest expense	**22,954**	27,307	34,854	**81,706**	97,305
	26,868	35,034	31,167	**93,745**	110,000
Syndication and other income	**5,358**	3,024	7,927	**13,997**	15,995
	32,226	38,058	39,094	**107,742**	125,995
Provision for credit losses	**658**	2,329	421	**3,104**	3,290
Net financial income	**31,568**	35,729	38,673	**104,638**	122,705
Adjusted operating expenses (1)	**16,175**	15,629	10,510	**48,727**	32,415
Adjusted operating income before tax (1)	**15,393**	20,100	28,163	**55,911**	90,290
Adjusted operating income before tax comprised of (1):					
Rail Finance	**3,171**	9,552	14,953	**24,154**	46,744
Aviation Finance	**2,595**	3,632	9,884	**10,452**	32,627
C&V Canada	**6,948**	6,916	3,326	**18,626**	10,919
Home Improvement	**2,679**	—	—	**2,679**	—
	15,393	**20,100**	**28,163**	**55,911**	**90,290**
Select operating ratios (2)					
Interest income and rental revenue, net	**5.75%**	6.19%	6.14%	**5.96%**	6.31%
Interest expense	**2.65%**	2.71%	3.24%	**2.78%**	2.96%
	3.10%	3.48%	2.90%	**3.18%**	3.35%
Syndication and other income	**0.62%**	0.30%	0.74%	**0.48%**	0.49%
Provision for credit losses	**0.08%**	0.23%	0.04%	**0.11%**	0.10%
Net financial income	**3.64%**	3.55%	3.60%	**3.55%**	3.73%
Adjusted operating expenses (1)	**1.87%**	1.55%	0.98%	**1.65%**	0.99%
Adjusted operating income before tax (1)	**1.78%**	2.00%	2.62%	**1.90%**	2.75%
Cost of debt (3)	**4.04%**	4.12%	4.23%	**4.00%**	3.92%

(1) For additional information, see descriptions in the "IFRS to Non-IFRS Measures" section.
(2) Yield as a percent of average earning assets.
(3) Yield as a percent of average debt. Beginning in Q2-17, the cost of debt calculation excludes $2,497 and $2,290 in standby charges incurred in the three month period ended June 30, 2017 and September 30, 2017 respectively and $4,787 in standby charges incurred in the nine month period ended September 30, 2017, related to the undrawn portion of the Company's term senior credit facility as they are not representative of the business segments cost of debt capital.

RESULTS OF RAIL FINANCE OPERATIONS

The following table sets forth a summary of the Company's select metrics and results from the Rail Finance operations, for the three-month periods ended September 30, 2017, June 30, 2017 and September 30, 2016 and for the nine-month periods ended September 30, 2017 and September 30, 2016.

	For the three-month period ended			For the nine-month period ended	
	Sept 30, 2017	June 30, 2017	Sept 30, 2016	**Sept 30, 2017**	Sept 30, 2016
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Select metrics					
Originations	**52,246**	43,508	92,149	**136,768**	160,131
Average earning assets - Owned (1)	**1,751,287**	2,238,380	2,308,617	**2,123,270**	2,291,053
Average debt (1)	**1,175,382**	1,538,812	1,885,548	**1,537,041**	1,828,620
Average debt advance rate (1)	**67.1 %**	68.7 %	81.7%	**72.4%**	79.8%
Vertical adjusted operating income					
Interest income and rental revenue, net	**24,423**	36,483	36,767	**97,457**	113,418
Interest expense	**13,849**	18,558	20,143	**52,190**	54,016
	10,574	17,925	16,624	**45,267**	59,402
Syndication and other income	**(435)**	(154)	3,282	**2,358**	3,204
	10,139	17,771	19,906	**47,625**	62,606
Provision for credit losses	**—**	—	—	**—**	—
Net financial income	**10,139**	17,771	19,906	**47,625**	62,606
Adjusted operating expenses (1)	**6,968**	8,219	4,953	**23,471**	15,862
Vertical adjusted operating income before tax	**3,171**	9,552	14,953	**24,154**	46,744
Select operating ratios (2)					
Interest income and rental revenue, net	**5.58 %**	6.52 %	6.37%	**6.12%**	6.60%
Interest expense	**3.16 %**	3.32 %	3.49%	**3.28%**	3.14%
	2.42 %	3.20 %	2.88%	**2.84%**	3.46%
Syndication and other income	**(0.10)%**	(0.03)%	0.57%	**0.15%**	0.19%
Provision for credit losses	**— %**	— %	—%	**—%**	—%
Net financial income	**2.32 %**	3.18 %	3.45%	**2.99%**	3.64%
Adjusted operating expenses (1)	**1.59 %**	1.47 %	0.86%	**1.47%**	0.92%
Vertical adjusted operating income before tax	**0.72 %**	1.71 %	2.59%	**1.52%**	2.72%
Cost of debt (3)	**4.47 %**	4.61 %	4.27%	**4.39%**	3.94%

(1) For additional information, see descriptions in the "IFRS to Non-IFRS Measures" section.
(2) Yield as a percent of average earning assets.
(3) Yield as a percent of average debt. Beginning in Q2-17, the cost of debt calculation excludes $804 and $724 in standby charges incurred in the three month period ended June 30, 2017 and September 30, 2017 respectively and $1,528 in standby charges incurred in the nine month period ended September 30, 2017, related to the undrawn portion of the Company's term senior credit facility as they are not representative of the business segments cost of debt capital.

Rail Finance

The Company's Rail Finance business unit reported adjusted operating income before tax of $3.2 million for the three-month period ended September 30, 2017 and $24.2 million for the nine-month period ended September 30, 2017, compared to $15.0 million and $46.7 million for the comparable prior year periods. The decrease in segment income was primarily due to the Railcar Dispositions, higher interest expense and higher adjusted operating expenses. Interest expense and adjusted operating expenses for the prior year were determined on a carve-out basis, as described on page 3 of this MD&A, and therefore is not comparable to the actual interest and adjusted operating expenses incurred in the current year.

Total originations in the Rail Finance segment were $52.2 million in the quarter ending September 30, 2017 and $136.8 million for the year-to-date ending September 30, 2017 compared to $92.1 million and $160.1 million for the comparable prior year periods. Average earning assets were $1,751.3 million and net interest income and rental revenue was $24.4 million in the quarter ended September 30, 2017 declined compared to the $2,308.6 million and $36.8 million reported in the comparable prior year quarter. For the nine-month period ended September 30, 2017, average earning assets were $2,123.3 million and net interest and rental revenue was $97.5 million compared to $2,291.1 million and $113.4 million, respectively, for the same prior year periods. The decrease in net interest and rental income in the current periods was primarily due to the Railcar Dispositions in third quarter 2017, foreign exchange fluctuations and higher maintenance expenses.

The decrease in yield, excluding syndication and other income, to 5.58% from 6.52% in the second quarter of 2017 and 6.37% in the comparable prior year quarter is primarily due to the impact of the Railcar Dispositions. These dispositions enabled the portfolio to transition from higher risk and higher yielding crude-by-rail tank cars to lower yielding freight cars. In addition, several renewals in the current quarter were completed at lower yields compared to the previous contracts.

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RESULTS OF AVIATION FINANCE OPERATIONS

The following table sets forth a summary of the Company's select metrics and results from the Aviation Finance operations, for the three-month periods ended September 30, 2017, June 30, 2017 and September 30, 2016 and for the nine-month periods ended September 30, 2017 and September 30, 2016.

	For the three-month period ended			For the nine-month period ended	
	Sept 30, 2017	June 30, 2017	Sept 30, 2016	**Sept 30, 2017**	Sept 30, 2016
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Select metrics					
Originations	**—**	—	—	**—**	174,114
Average earning assets - Owned (1)	**705,863**	867,901	1,121,297	**852,385**	1,223,679
Average debt (1)	**180,248**	187,219	694,000	**321,502**	761,230
Average debt advance rate	**25.5 %**	21.6%	61.9%	**37.7%**	62.2%
Vertical adjusted operating income					
Interest income and rental revenue, net	**8,912**	11,366	15,364	**32,605**	51,880
Interest expense	**3,286**	3,351	6,363	**11,816**	19,980
	5,626	8,015	9,001	**20,789**	31,900
Syndication and other income	**(180)**	680	3,524	**1,854**	9,305
	5,446	8,695	12,525	**22,643**	41,205
Provision for credit losses	**82**	1,790	147	**1,989**	478
Net financial income	**5,364**	6,905	12,378	**20,654**	40,727
Adjusted operating expenses (1)	**2,769**	3,273	2,494	**10,202**	8,100
Vertical adjusted operating income before tax	**2,595**	3,632	9,884	**10,452**	32,627
Select operating ratios (2)					
Interest income and rental revenue, net	**5.05 %**	5.24%	5.48%	**5.10%**	5.65%
Interest expense	**1.86 %**	1.54%	2.27%	**1.85%**	2.18%
	3.19 %	3.69%	3.21%	**3.25%**	3.48%
Syndication and other income	**(0.10)%**	0.31%	1.26%	**0.29%**	1.01%
Provision for credit losses	**0.05 %**	0.82%	0.05%	**0.31%**	0.05%
Net financial income	**3.04 %**	3.18%	4.42%	**3.23%**	4.44%
Adjusted operating expenses (1)	**1.57 %**	1.51%	0.89%	**1.60%**	0.88%
Vertical adjusted operating income before tax	**1.47 %**	1.67%	3.53%	**1.63%**	3.56%
Cost of debt (3)	**5.32 %**	4.82%	3.67%	**4.08%**	3.50%

(1) For additional information, see descriptions in the "IFRS to Non-IFRS Measures" section.
(2) Yield as a percent of average earning assets.
(3) Yield as a percent of average debt. Beginning in Q2-17, the cost of debt calculation excludes $1,097 and $889 in standby charges incurred in the three month period ended June 30, 2017 and September 30, 2017 respectively and $1,986 in standby charges incurred in the nine month period ended September 30, 2017, related to the undrawn portion of the Company's term senior credit facility as they are not representative of the business segments cost of debt capital.

Aviation Finance

The Company's Aviation Finance business unit reported before-tax adjusted operating income of $2.6 million for the three-month period ended September 30, 2017 and $10.5 million for the nine-month period ended September 30, 2017, compared to $9.9 million and $32.6 million for the comparable prior year periods. The decrease in segment income primarily reflects the continued runoff of the aviation portfolio after the decision to discontinue new originations in the first quarter of 2016. Accordingly, average earning assets for the three and nine-month periods ending September 30, 2017 were $705.9 million and $852.4 million, down from the $1,121.3 million and $1,223.7 million for the comparable prior year periods. During the quarter, an aviation client filed for bankruptcy. The Company intends to repossess the aircraft and re-market it for lease. The lease for this aircraft has been moved to defaulted accounts. Based on the condition and marketability of the aircraft, no provision has been recorded at this time.

RESULTS OF C&V CANADA FINANCE OPERATIONS

The following table sets forth a summary of the Company's select metrics and results from the C&V Canada Finance operations, for the three-month periods ended September 30, 2017, June 30, 2017 and September 30, 2016 and for the nine-month periods ended September 30, 2017 and September 30, 2016.

	For the three-month period ended			For the nine-month period ended	
	Sept 30, 2017	June 30, 2017	Sept 30, 2016	**Sept 30, 2017**	Sept 30, 2016
(in 000's for stated values, except percent amounts)	**$**	$	$	**$**	$
Select metrics					
Originations	**115,333**	121,163	122,023	**360,495**	315,354
Average earning assets - Owned (1)	**1,009,797**	923,610	871,828	**950,029**	867,562
Average debt (1)	**688,506**	683,939	718,680	**703,545**	717,926
Average debt advance rate	**68.2%**	74.1%	82.4%	**74.1%**	82.8%
Vertical adjusted operating income					
Interest income and rental revenue, net	**16,487**	14,492	13,890	**45,389**	42,007
Interest expense	**5,819**	5,398	8,348	**17,700**	23,309
	10,668	9,094	5,542	**27,689**	18,698
Syndication and other income	**1,976**	2,498	1,121	**5,788**	3,486
	12,644	11,592	6,663	**33,477**	22,184
Provision for credit losses	**576**	539	274	**1,115**	2,812
Net financial income	**12,068**	11,053	6,389	**32,362**	19,372
Adjusted operating expenses (1)	**5,120**	4,137	3,063	**13,736**	8,453
Vertical adjusted operating income before tax	**6,948**	6,916	3,326	**18,626**	10,919
Select operating ratios (2)					
Interest income and rental revenue, net	**6.53%**	6.28%	6.37%	**6.37%**	6.46%
Interest expense	**2.31%**	2.34%	3.83%	**2.48%**	3.58%
	4.23%	3.94%	2.54%	**3.89%**	2.87%
Syndication and other income	**0.78%**	1.08%	0.51%	**0.81%**	0.54%
Provision for credit losses	**0.23%**	0.23%	0.13%	**0.16%**	0.43%
Net financial income	**4.78%**	4.79%	2.93%	**4.54%**	2.98%
Adjusted operating expenses (1)	**2.03%**	1.79%	1.41%	**1.93%**	1.30%
Vertical adjusted operating income before tax	**2.75%**	3.00%	1.53%	**2.61%**	1.68%
Cost of debt (3)	**2.99%**	2.81%	4.65%	**3.11%**	4.33%

(1) For additional information, see descriptions in the "IFRS to Non-IFRS Measures" section.
(2) Yield as a percent of average earning assets.
(3) Yield as a percent of average debt. Beginning in Q2-17, the cost of debt calculation excludes $596 and $677 in standby charges incurred in the three month period ended June 30, 2017 and September 30, 2017 respectively and $1,273 in standby charges incurred in the nine month period ended September 30, 2017, related to the undrawn portion of the Company's term senior credit facility as they are not representative of the business segments cost of debt capital.

C&V Canada Finance

The Company's C&V Canada business unit reported pre-tax adjusted income of $6.9 million for the three-month period ended September 30, 2017 and $18.6 million for the nine-month period ended September 30, 2017, compared to $3.3 million and $10.9 million for the comparable prior year periods. The increase in segment income for the current three and nine-month periods is primarily due to higher interest income earned on higher average earning assets, higher syndication income and lower credit losses compared to the same nine-month period in the prior year.

Total originations in the C&V Canada segment were $115.3 million in the quarter ending September 30, 2017 and $360.5 million for the year-to-date ending September 30, 2017 compared to $122.0 million and $315.4 million for the comparable prior year periods. Average earning assets were $1,009.8 million and net interest income and rental revenue was $16.5 million in the quarter ended September 30, 2017 were up from the $871.8 million and $13.9 million reported in the comparable prior year quarter. For the nine-month period ended September 30, 2017, average earning assets were $950.0 million and net interest and rental revenue was $45.4 million compared to $867.6 and $42.0 million, respectively, for the same prior year periods.

RESULTS OF HOME IMPROVEMENT FINANCE OPERATIONS

The following table sets forth a summary of the Company's select metrics and results from the Home Improvement Finance operations, for the period September 8, 2017 to September 30, 2017.

(in 000's for stated values, except percent amounts)	**Sept 30, 2017 $USD**	**Sept 30, 2017 $CAD**
Select metrics		
Originations	**49,021**	**60,232**
Managed Assets, Period End	**1,022,854**	**1,275,703**
Vertical adjusted operating income before tax	**2,181**	**2,679**

Home Improvement Finance

The Home Improvement Finance business is new to the Company, and was formed on completion of the Service Finance acquisition on September 7, 2017. Founded in 2004, Service Finance originates, sells and services primarily prime and super-prime retail installment contracts to finance home improvement projects in the U.S. Originations are sourced through national vendor programs with top manufacturers and dealers. Originations are subsequently sold to FDIC banks with no recourse. Service Finance retains the exclusive right to service all retail installment contracts that it originates and sells through to banks. Service Finance currently has 14 banks as funding counterparties.

Vertical adjusting operating income before tax of $2.7 million and originations of $60.2 million for the quarter ended September 30, 2017 reflect only a partial month of results (from September 8 to September 30). The results of this partial period were negatively impacted by 2 severe hurricanes affecting several southern states in the U.S. in the month of September 2017. In October 2017, the Company generated a further $100.6 million (US$79.9 million) in originations and vertical adjusted operating income of $4.4 million (US$3.5 million).

On June 8, 2017, the date that the Company announced that it has entered into a definitive agreement to acquire Service Finance, the Company projected calendar year 2017 originations for Service Finance to be US$740 million. On September 21, 2017, the Company raised its projected calendar year 2017 originations for Service Finance to US$780 million. The Company now projects calendar year 2017 originations for Service Finance to be more than US$800 million and accordingly adjusted operating income before tax is also anticipated to be higher than originally forecasted. This originations target is inclusive of the period prior to the Company assuming control of Service Finance on September 7, 2017.

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Financial Position

The following tables set forth a summary of the Company's balance sheet, including a breakdown by vertical, as at September 30, 2017, June 30, 2017 and September 30, 2016.

	September 30, 2017				
	Rail	Aviation	C&V Canada	Home Improvement	Total
(in 000's for stated values, except percentage amounts)	$	$	$		$
Assets					
Finance assets					
Finance receivables	3,959	407,600	1,050,601	—	**1,462,160**
Equipment under operating leases	800,632	230,266	—	—	**1,030,898**
Total finance assets	804,591	637,866	1,050,601	—	**2,493,058**
Goodwill and intangible assets	—	—	4,606	444,922	**449,528**
Other assets and investments	163,136	106,020	163,578	36,596	**469,330**
Total Assets	**967,727**	**743,886**	**1,218,785**	**481,518**	**3,411,916**
Liabilities					
Debt	472,007	115,481	683,853	—	**1,271,341**
Other liabilities	101,794	38,988	58,296	24,261	**223,339**
Total Liabilities	**573,801**	**154,469**	**742,149**	**24,261**	**1,494,680**
Earning Assets - Owned and Managed					
Earning assets - owned	804,591	637,866	1,050,601	—	**2,493,058**
Earning assets - managed	—	—	—	1,275,703	**1,275,703**
Total Earning Assets - Owned and Managed	**804,591**	**637,866**	**1,050,601**	**1,275,703**	**3,768,761**

	June 30, 2017			
	Rail	Aviation	C&V Canada	Total
(in 000's for stated values, except percentage amounts)	$	$	$	$
Assets				
Finance assets				
Finance receivables	9,291	535,326	1,046,943	**1,591,560**
Equipment under operating leases	2,322,807	255,526	—	**2,578,333**
Total finance assets	2,332,098	790,852	1,046,943	**4,169,893**
Goodwill and intangible assets	—	—	4,617	**4,617**
Other assets and investments	138,832	110,200	148,463	**397,495**
Total Assets	**2,470,930**	**901,052**	**1,200,023**	**4,572,005**
Liabilities				
Debt	1,506,818	184,511	675,356	**2,366,685**
Other liabilities	56,471	19,225	110,368	**186,064**
Total Liabilities	**1,563,289**	**203,736**	**785,724**	**2,552,749**

(in 000's for stated values, except percentage amounts)	Rail	Aviation	C&V Canada	Continuing Operations	Discontinued Operations	Total
	September 30, 2016					
	$	$	$	$	$	$
Assets						
Finance assets						
Finance receivables	3,916	748,955	898,911	**1,651,782**	1,422,892	**3,074,674**
Equipment under operating leases	2,296,234	263,001	—	**2,559,235**	—	**2,559,235**
Total finance assets	2,300,150	1,011,956	898,911	**4,211,017**	1,422,892	**5,633,909**
Goodwill and intangible assets	—	3,330	4,560	**7,890**	335	**8,225**
Other assets and investments	174,942	124,180	114,353	**413,475**	35,880	**449,355**
Total Assets	**2,475,092**	**1,139,466**	**1,017,824**	**4,632,382**	**1,459,107**	**6,091,489**
Liabilities						
Debt	1,771,684	575,275	876,527	**3,223,486**	1,045,045	**4,268,531**
Other liabilities	57,254	24,095	5,695	**87,044**	25,441	**112,485**
Total Liabilities	**1,828,938**	**599,370**	**882,222**	**3,310,530**	**1,070,486**	**4,381,016**

Total finance assets for continuing operations were $2,493 million on September 30, 2017 compared to $4,170 million at June 30, 2017, and $4,211 million at September 30, 2016.

Rail assets of $805 million decreased $1,528 million compared to June 30, 2017 and $1,496 million compared to the prior year at September 30, 2016. The decrease in assets is a result of the Railcar Dispositions. The Company will continue to opportunistically participate in the Railcar business depending on market conditions.

Aviation assets of $638 million decreased $153 million over the previous quarter and $374 million over the prior year reflecting the continued run-off of this business.

In C&V Canada assets of $1,051 million increased $4 million over the previous quarter and $152 million over the prior year comparative quarter on strong originations and new vendor relationships.

The Home Improvement Finance segment, which began with the acquisition of Service Finance on September 7, 2017 had assets owned of $482 million, consisting primarily of goodwill and intangibles, and managed assets of $1,276 which reflects the off-balance sheet nature of Service Finance's earning assets.

Debt from continuing operations of $1,271 million decreased by $1,095 million compared to June 30, 2017, largely reflecting the ERL II program being transferred to the purchaser as part of the Railcar Dispositions. Debt decreased $1,952 million over September 30, 2016 which reflects the Railcar Dispositions and the repayment of the US $902.6 million of the senior facility with proceeds from the sale of the U.S. C&V Finance business.

Book Value per Share

	Book value per share ($CAD)	Book value per share ($USD)[1]
September 30, 2016	$4.42	$3.37
December 31, 2016	$4.47	$3.35
March 31, 2017	$4.75	$3.57
June 30, 2017	$4.70	$3.63
September 30, 2017	**$4.51**	**$3.62**
October 31, 2017	$4.60	$3.57

1 - Calculated by dividing the Canadian book value per share by the $USD to $CAD exchange rate in effect as at the relevant balance sheet date.

Book value per share decreased C$ 0.19 quarter-over-quarter due primarily to foreign translation losses, the loss on the Railcar Dispositions, and acquisition costs related to Service Finance, all of which were partially offset by operating income during the quarter. With the Canadian dollar weakening following the quarter-ended September, 30, 2017, the Company's book value per share has increased closer to June 30, 2017 levels.

Geographical Portfolio Segmentation

ECN Capital's portfolio of net finance receivables (inclusive of defaulted receivables and deferred origination costs and subsidies) and operating leases continues to be weighted to the United States although at a lower proportion than previous quarters after the sale of the U.S. C&V business. The U.S. accounted for 47% of the portfolio, while Canada represents 52% and Other geographies represents 1% at September 30, 2017. In comparison, the portfolio geographic split at June 30, 2017 and September 30, 2016 was 62% and 74% in the United States, 37% and 25% in Canada and 1% in both periods for Other geographies respectively.

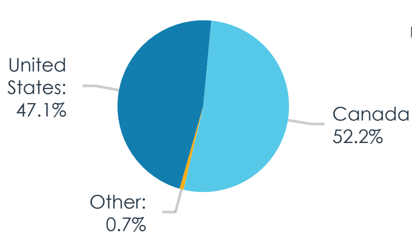
The geographic distribution of the Company's net finance receivables at the indicated periods and by the ultimate obligor is as follows:

	September 30, 2017				
	Rail	Aviation	C&V Canada	Home Improvement	Total
United States	756,488	416,703	—	—	**1,173,191**
Canada	38,626	212,333	1,050,601	—	**1,301,560**
Other	9,477	8,830	—	—	**18,307**
Total	**804,591**	**637,866**	**1,050,601**	**—**	**2,493,058**

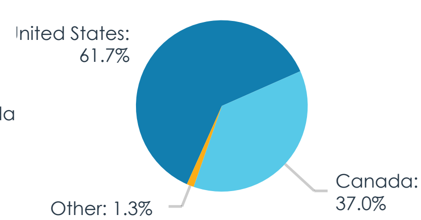
	June 30, 2017			
	Rail	Aviation	C&V Canada	Total
United States	2,025,566	547,061	—	**2,572,627**
Canada	260,223	234,493	1,046,944	**1,541,660**
Other	46,308	9,298	—	**55,606**
Total	**2,332,097**	**790,852**	**1,046,944**	**4,169,893**

	September 30, 2016					
	Rail	Aviation	C&V	Continuing Operations	Discontinuing Operations	Total
United States	2,077,266	694,685	—	2,771,951	1,431,890	**4,203,841**
Canada	221,551	330,950	896,668	1,449,169	—	**1,449,169**
Other	48,794	6,757	—	55,551	—	**55,551**
Total	**2,347,611**	**1,032,392**	**896,668**	**4,276,671**	**1,431,890**	**5,708,561**

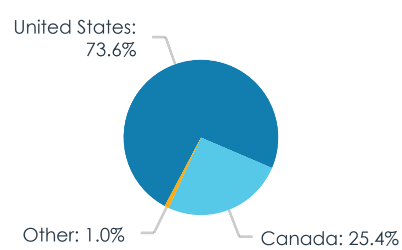
Geographic Distribution - September 30, 2017



Geographic Distribution - June 30, 2017



Geographic Distribution - September 30, 2016



Delinquencies and Losses

The contractual delinquency of the net finance receivables at each reporting period is as follows:

	September 30, 2017		June 30, 2017		September 30, 2016	
	$	**%**	$	%	$	%
Current	**1,387,208**	**95.53%**	1,583,684	99.49%	1,662,490	99.52%
31-60 days past due	**1,462**	**0.10%**	2,061	0.13%	980	0.06%
61-90 days past due	**70**	**0.01%**	114	0.01%	—	—%
Greater than 90 days past due	**1,024**	**0.07%**	550	0.03%	158	0.01%
Defaulted Accounts	**62,291**	**4.29%**	5,400	0.34%	6,932	0.41%
Total continuing operations	**1,452,055**	**100.00%**	1,591,809	100.00%	1,670,560	100.00%

During the quarter, an aviation client filed for bankruptcy. The Company intends to repossess the aircraft and re-market it for lease. The lease for this aircraft has been moved to defaulted accounts. Based on the condition and marketability of the aircraft, no provision has been recorded at this time.

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

	Nine-month period ended September 30, 2017	Year ended December 31, 2016
(in 000's except percentage amounts)	**$**	$
Allowance for credit losses continuing operations, beginning of period	**4,377**	8,122
Provision for credit losses	**8,400**	4,719
Charge-offs, net of recoveries	**(6,245)**	(8,444)
Impact of foreign exchange	**(38)**	(20)
Allowance for credit losses continuing operations, end of period	**6,494**	4,377
Allowance as a % of finance receivables	**0.44%**	0.27%

Allowance for Credit Losses

The Company's allowance for credit losses of $6.5 million as at September 30, 2017 represents 0.44% of the finance receivables outstanding, higher than the 0.27% reported at December 31, 2016, which reflects an increase in provision for the Aviation Finance business of approximately $1.7 million. Overall, the allowance is in-line with management's expectation of losses from the business and the current mix of assets.

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, equipment under operating leases 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.

The Company views its financial leverage as a key indicator of the strength of the Company's Consolidated Statements of Financial Position. As at September 30, 2017, the Company's financial leverage ratio was 0.66:1; well within the most restrictive covenant of 4:1.

The Company's capitalization for continuing operations is calculated as follows:

		As at		
(in 000's for stated values, except for percentage amounts)		**Sept 30, 2017** **$**	June 30, 2017 $	Sept 30, 2016 $
Total debt	**(a)**	**1,271,341**	2,366,685	3,223,486
Shareholders' equity	**(b)**	**1,917,236**	2,019,256	1,321,852
Financial leverage	**(a)/(b)**	**0.66**	1.17	2.44
Goodwill and Intangibles	**(c)**	**449,528**	4,617	7,890
Tangible leverage	**(a)/[(b)-(c)]**	**0.87**	1.17	2.45

The decrease in financial and tangible leverage reflects the repayment of the US $902.6 million of the senior facility with proceeds from the sale of the U.S. C&V Finance business.

DEBT AND CONTRACTUAL REPAYMENT OBLIGATIONS

The Company has significant resources available to continue funding projected growth. Finance receivables are securitized on a regular basis to ensure cash is available to fund new transactions. Cash levels are also monitored 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	
	Sept 30, 2017	June 30, 2017	Sept 30, 2016
(in 000's)	**$**	$	$
Cash and cash equivalents	**23,791**	9,041	47,204
Senior Facilities			
Facilities	**3,118,000**	3,241,000	3,279,250
Utilized against Facility; Continuing operations	**354,220**	462,815	1,207,223
Utilized against Facility; Discontinued operations	**—**	—	410,757
	2,763,780	2,778,185	1,661,270
Life Insurance Company Term Funding Facilities			
Facilities	**229,932**	352,039	428,925
Utilized against Facility	**179,932**	212,945	289,411
	50,000	139,094	139,514
Securitization Programs			
Facilities; Continuing operations	**400,624**	400,648	1,426,249
Facilities; Discontinued operations	**—**	—	—
Utilized against Facility; Continuing operations	**385,168**	354,534	336,534
Utilized against Facility; Discontinued operations	**—**	—	634,288
	15,456	46,114	455,427
Public Asset-Backed Securities			
Facilities	**369,990**	1,375,438	1,440,207
Utilized against Facility	**369,990**	1,375,438	1,440,207
	—	—	—
Total available sources of capital, end of period	**2,853,027**	2,972,434	2,303,415
Unutilized Borrowing Facilities (i.e. excl. Cash & Equiv.)	**2,829,236**	2,963,393	2,256,211

The Company had available liquidity of approximately $2.9 billion at September 30, 2017 which was relatively consistent with with June 30, 2017. Management believes that the available liquidity of $2.9 billion available to the Company is sufficient to fund operations and growth throughout 2017.

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 as at September 30, 2017. Financial information prior to Q4, 2016 has been derived from the historical carve-out combined financial statements of the Company and is prepared as if ECN Capital had operated as a stand-alone entity throughout the reporting periods. The information should be read in conjunction with ECN Capital's audited and interim unaudited, consolidated financial statements, the notes thereto and the related management discussion and analysis for the relevant periods.

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; the timing of the major portfolio acquisitions including the railcar portfolios acquired in June 2015, September 2015, December 2015 and March 2016, and subsequent railcar dispositions in August 2017 and September 2017; syndications; the various new vendor and commercial finance programs and relationships entered into; the decision to discontinue originations of the Aviation Finance assets in February 2016; the sale of the U.S. C&V Finance business in March 2017; and the acquisition of Service Finance on September 7, 2017.

(in $ 000's for stated values, except ratio and per share amounts)	**Q3, 2017**	Q2, 2017	Q1, 2017	Q4, 2016	Q3, 2016	Q2, 2016	Q1, 2016	Q4, 2015
Net financial income continuing operations	**31,568**	35,729	37,341	41,489	38,672	48,426	35,607	54,103
Net financial income discontinued operations	**—**	—	14,682	13,347	9,872	(616)	20,318	6,857
Net financial income, total	**31,568**	35,729	52,023	54,836	48,544	47,810	55,925	60,960
Adjusted operating income before tax continuing operations (1)	**15,393**	20,100	20,418	28,473	28,163	38,360	23,767	44,705
Adjusted operating income before tax, discontinued operations (1)	**—**	—	5,707	5,012	2,924	(5,464)	13,676	(1,138)
Adjusted operating income before tax, total (1)	**15,393**	20,100	26,125	33,485	31,087	32,896	37,443	43,567
Impairment and amortization of intangible assets from acquisitions - total	**—**	—	—	43,665	26,605	—	650	299
Share based compensation - total	**2,480**	4,062	3,809	2,871	3,089	1,815	2,070	2,390
Separation and reorganization costs - total	**—**	—	4,672	13,208	10,250	—	—	—
Acquisition costs	**18,724**	—	—	—	—	—	—	—
Loss (gain) on business disposals	**78,348**	(2,318)	341,817	—	—	—	—	—
Net (loss) / income before income taxes	**(84,159)**	18,356	359,461	(26,259)	(8,857)	31,081	34,723	40,878
Net (loss) /income - total	**(50,943)**	15,914	283,835	(18,717)	1,225	23,932	26,563	31,598
Net (loss)/ earnings per share, basic, continuing operations	**-$0.14**	$0.04	$0.03	-$0.05	$0.00	$0.07	$0.05	$0.09
Net earnings per share, basic, discontinued operations	**$0.00**	$0.00	$0.70	$0.00	$0.00	-$0.01	$0.03	-$0.01
Net (loss) / earnings per share, basic, total	**-$0.14**	$0.04	$0.73	-$0.05	$0.00	$0.06	$0.08	$0.08
After tax adjusted earnings per share, basic, continuing operations (1)	**$0.03**	$0.04	$0.04	$0.06	$0.06	$0.08	$0.05	$0.08

After tax adjusted earnings per share, basic, discontinued operations (1)	**$0.00**	$0.00	$0.01	$0.01	$0.01	-$0.01	$0.02	$0.00
After tax adjusted earnings per share, basic, total (1)	**$0.03**	$0.04	$0.05	$0.07	$0.07	$0.07	$0.07	$0.08
Total Earning Assets, continuing operations	**2,493,058**	4,169,893	4,145,030	4,255,955	4,213,493	4,389,522	4,433,332	4,668,118
Total Earning Assets, discontinued operations	**—**	—	—	1,749,082	1,417,505	1,352,646	1,225,085	1,182,692
Earning Assets, total	**2,493,058**	4,169,893	4,145,030	6,005,037	5,630,998	5,742,168	5,658,417	5,850,810
Loan and lease originations, continuing operations	**227,811**	164,671	165,013	227,863	214,172	187,980	247,447	602,756
Loan and lease originations, discontinued operations	**—**	—	233,175	305,969	192,843	286,113	229,880	253,365
Loan and lease originations, total	**227,811**	164,671	398,188	533,832	407,015	474,093	477,327	856,121
Allowance for credit losses	**6,494**	8,355	5,746	14,089	16,629	18,092	17,855	20,394
As a % of finance receivables	**0.44%**	0.53%	0.36%	0.41%	0.54%	0.56%	0.58%	0.65%
Term senior credit facility, total	**354,220**	462,815	1,676,614	1,744,988	1,617,980	1,537,407	1,504,501	2,029,816
Secured borrowings, total	**917,121**	1,903,870	2,531,278	2,759,603	2,650,551	2,848,578	2,879,375	2,441,576
Total Debt	**1,271,341**	2,366,685	4,207,892	4,504,591	4,268,531	4,385,985	4,383,876	4,471,392
Shareholders' Equity / Owners' Net Investment, total	**1,917,236**	2,019,256	1,939,382	1,827,171	1,710,473	1,562,738	1,502,001	1,591,411
Book value per share (excluding pref. shares), total (2)	**$ 4.51**	$ 4.70	$ 4.75	$ 4.47	$ 4.42	$ 4.04	$ 3.89	$ 4.12

(1) For additional information, see "Description of Non-IFRS Measures" section.
(2) Book value per share prior to the Separation is based on the Element shares outstanding as the Separation resulted in the issuance of 1 Company share for each Element share

IFRS to Non-IFRS Measures

DESCRIPTION OF NON-IFRS MEASURES

The Company's 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 September 30, 2017 and December 31, 2016, the results of operations, comprehensive income and cash flows for the three months ended September 30, 2017, June 30, 2017 and September 30, 2016.

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. Adjusted operating expenses excludes Impairment and amortization of intangible assets from acquisitions, Share-based compensation, and Separation and reorganization costs. Management believes Adjusted operating expenses is a useful supplementary measure of operating costs incurred during the period because Impairment and amortization of intangible assets from acquisitions and Share-based compensation are primarily non-cash in nature while separation and reorganization costs do not relate to maintaining operating activities. Impairment and amortization of intangible assets from acquisitions, Share-based compensation and Separation and reorganization costs are isolated by management and assessed separately from Salaries, wages and benefits and General and administrative expenses and are discussed quantitatively and qualitatively elsewhere in this document.

Adjusted operating income or Before-tax adjusted operating income
Adjusted operating income reflects Income before income taxes, Impairment and amortization of intangible assets from acquisitions, Share-based compensation, and Separation and reorganization costs. Management believes adjusted operating income is a useful supplementary measure of operating results during the period because Impairment and amortization of intangible assets from acquisitions and Share-based compensation are primarily non-cash in nature while Separation and reorganization costs do not relate to maintaining operating activities. Impairment and amortization of intangible assets from acquisitions, Share-based compensation and Separation and reorganization costs are isolated by management and assessed separately from Salaries, wages and benefits and General and administrative expenses and are discussed quantitatively and qualitatively elsewhere in this document.

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.

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 earnings per share
After-tax adjusted earnings 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.

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.

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

Average earning assets - owned
Average earning assets is the sum of the average finance receivables and average equipment under operating leases.

Average earning assets - managed
Average earning assets - managed is the average off balance sheet portfolio which the Company manages and/or services on behalf of third party banks in return for a fee.

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 finance receivables
Average finance receivables is the daily weighted average finance receivables net investment balance [gross investment less unearned income] outstanding during the period.

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.

Cost of debt
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.

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

Finance assets or total finance assets
Finance assets are the sum of the total finance receivables and the total carrying value of the equipment under operating leases.

Financial leverage or financial leverage ratio
Financial leverage or financial leverage ratio is calculated as total debt (secured borrowings) 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.

Syndication and other income
Syndication and other income consist of syndication fees, capital advisory fees, and other income including gains/losses on foreign exchange.

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 secured borrowings divided by the net of shareholders' equity less goodwill and intangible assets, at the period end. The tangible leverage ratio refers to the use of debt to acquire or finance additional finance receivables. Similar to the financial leverage ratios, the tangible leverage ratio provides an indication of the potential ability to increase the level of debt but based on tangible equity (excluding goodwill and intangible assets) within the Company.

IFRS TO NON-IFRS RECONCILIATIONS

The following table provides a reconciliation of non-IFRS to IFRS measures related to the Company's consolidated continuing results of operations:

		For the three months ended		
(in 000's)		**Sept 30, 2017**	**June 30, 2017**	**Sept 30, 2016**
Reported and adjusted income measures				
Net (loss) income	A	**(50,943)**	15,914	1,072
Adjustments:				
Share-based compensation		**2,480**	4,062	2,792
Separation and reorganization costs		**—**	—	7,704
Acquisition costs		**18,724**	—	—
Loss (gain) on business disposals		**78,348**	(2,318)	—
(Recovery) provision of income taxes		**(33,216)**	2,442	(10,010)
Adjusted operating income before tax	B	**15,393**	20,100	28,163
Provision for taxes applicable to adjusted operating income	C	**3,261**	3,754	2,513
After-tax adjusted operating income	D = B - C	**12,132**	16,346	25,650
Cumulative preferred share dividends during the period	E	**3,200**	2,241	—
After-tax adjusted operating income attributable to common shareholders	F = D - E	**8,932**	14,105	25,650
Selected statement of financial position amounts				
Finance receivables, before allowance for credit losses	G	**1,468,654**	1,599,915	1,649,737
Allowance for credit losses	H	**6,494**	8,355	7,324
Earning assets - owned				
Finance receivables	I	**1,462,160**	1,591,560	1,651,782
Equipment under operating leases	J	**1,030,898**	2,578,333	2,559,235
Total earning assets - owned	K = I + J	**2,493,058**	4,169,893	4,211,017
Average earning assets - owned	L	**3,466,947**	4,029,891	4,301,742
Goodwill and intangible assets	M	**449,528**	4,617	7,890
Accounts payable and accrued liabilities	N	**176,398**	86,245	57,099
Secured borrowings	O	**1,271,341**	2,366,685	3,223,486
Average debt	P	**2,044,136**	2,409,970	3,298,228
Total shareholders' equity	Q	**1,917,236**	2,019,256	1,321,852
Preferred shares	R	**194,719**	194,719	—
Common shareholders' equity	S = Q - R	**1,722,517**	1,824,537	1,321,852
Key operating ratios				
Leverage ratios				
Financial leverage ratio	O/Q	**0.66**	1.17	2.44
Tangible leverage ratio	O/(Q-M)	**0.87**	1.17	2.45
Other key operating ratios				
Allowance for credit losses as a percentage of finance receivables	H/G	**0.44%**	0.53%	0.44%
Adjusted operating income before tax annualized on average earning assets	B/L	**1.78%**	2.00%	2.62%
Per share information				
Weighted average number of shares outstanding [basic]	T	**385,886,570**	388,380,693	386,741,904
Net income per share [basic]	(A-E)/T	**-$0.14**	$0.04	$0.00
Before tax adjusted income per share [basic]	B/T	**$0.04**	$0.05	$0.07
After-tax adjusted income per share [basic]	D/T	**$0.03**	$0.04	$0.06

(in 000's)		For the nine months ended Sept 30, 2017	Sept 30, 2016
Reported and adjusted income measures			
Net (loss) income	A	**(23,546)**	45,806
Adjustments:			
Share-based compensation		**9,380**	6,033
Separation and reorganization costs		**3,300**	7,704
Acquisition costs		**18,724**	—
Loss (gain) on business disposals		**76,030**	—
(Recovery) provision of income taxes		**(27,977)**	3,492
Adjusted operating income before tax	B	**55,911**	90,290
Provision for taxes applicable to adjusted operating income	C	**11,224**	15,515
After-tax adjusted operating income	D = B - C	**44,687**	74,775
Cumulative preferred share dividends during the period	E	**7,561**	—
After-tax adjusted operating income attributable to common shareholders	F = D - E	**37,126**	74,775
Selected statement of financial position amounts			
Finance receivables, before allowance for credit losses	G	**1,468,654**	1,649,737
Allowance for credit losses	H	**6,494**	7,324
Earning assets - owned			
Finance receivables	I	**1,462,160**	1,651,782
Equipment under operating leases	J	**1,030,898**	2,559,235
Total earning assets - owned	K = I + J	**2,493,058**	4,211,017
Average earning assets - owned	L	**3,925,684**	4,382,293
Goodwill and intangible assets	M	**449,528**	7,890
Accounts payable and accrued liabilities	N	**176,398**	57,099
Secured borrowings	O	**1,271,341**	3,223,486
Average debt	P	**2,562,088**	3,307,775
Total shareholders' equity	Q	**1,917,236**	1,321,852
Preferred shares	R	**194,719**	—
Common shareholders' equity	S = Q - R	**1,722,517**	1,321,852
Key operating ratios			
Leverage ratios			
Financial leverage ratio	O/Q	**0.66**	2.44
Tangible leverage ratio	O/(Q-M)	**0.87**	2.45
Other key operating ratios			
Allowance for credit losses as a percentage of finance receivables	H/G	**0.44%**	0.44%
Adjusted operating income before tax annualized on average earning assets	B/L	**1.90%**	2.75%
Per share information			
Weighted average number of shares outstanding [basic]	T	**387,184,637**	386,389,018
Net income per share [basic]	(A-E)/T	**-$0.08**	$0.12
Before tax adjusted income per share [basic]	B/T	**$0.14**	$0.23
After-tax adjusted income per share [basic]	D/T	**$0.11**	$0.18

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 November 13, 2017, the Company had 382,197,263 common shares, 31,474,236 options; 4,000,000 Series A preferred shares issued and outstanding; and 4,000,000 Series C preferred shares issued and outstanding.

This Management's Discussion and Analysis is dated as of the close of business on November 13, 2017.

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