

2018
2019

ANNUAL REPORT
RAPPORT ANNUEL

CFLA is “ an advocate for member concerns on regulation and legislation (...) and they’ve been effective. I think connections to government are a strength. ”

- Doug McKenzie

2018
2019

Annual
Report

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Dear Members

Driving Change - Building for the Future

For members of the asset-based finance and leasing industry, providing the capital to help Canadian businesses and Canada's economy grow is what we do. At CFLA, our mission is to provide the tools, resources and information to empower our members to grow and prosper as individual companies and as an industry.

In 2018-2019, the association continued to transform and build for the future with its new leadership. In an effort to better serve its members, CFLA made a number of internal changes over the past year: comprehensively reviewing, reorganising and refreshing its Committee structure; transitioning its knowledge and document management to a cloud based solution; and deploying new technology to both increase efficiency and drive collaboration on member services and industry projects to increase CFLA member value. The results speak for themselves.

Throughout this year, CFLA's thought leadership extended to the development and launch of two important new research initiatives, complementing CFLA's current stable of highly regarded research offerings.

Tooling Up: Sponsored and supported by CFLA and its Research Committee, the C.D. Howe Institute, Canada's leading business policy think tank, released its report, **Tooling Up: Canada needs More Robust Capital Investment**, on the asset-based finance and leasing industry and the need for more robust capital investment in Canada. This report will help CFLA better explain our industry's contributions to the Canadian economy and standard of living and will form part of CFLA's blueprint for submissions to government on industry liquidity and emergency funding in times of financial crisis.

Business Confidence Survey: An industry first in Canada, CFLA's Business Confidence Survey tracks the Canadian asset-based financing and leasing market's sentiment over time. This

member-centric survey is intended to enhance and complement the other ongoing research by the Association and will continue to improve as additional data points are added in the coming months and years.

Advocacy and government relations form the principal pillar of CFLA's current strategy. CFLA continues to champion issues that are important to its members, the business community and Canadians more broadly. Drawing upon the technical expertise of its members, this year saw several important legislative changes that deliver practical results for our industry. Three highlights, out of many active policy initiatives, include:

Ontario Vicarious Liability: After years of active lobbying, the Ontario government finally amended the Insurance Act to cap auto lessor liability for vehicles used for ride-hailing. This policy shift removes the threat of potentially devastating multimillion dollar legal judgments.

Quebec Consumer Protection Act: Bill 134 proposed changes to Quebec's Consumer Protection Act, which would have unbalanced the auto lending playing field by layering on an overly prescriptive obligation for only one segment of the industry to collect credit information that had little, if any, impact on the credit decision making of lenders.

Saskatchewan & Ontario eChattel Paper: In early 2018, Saskatchewan amended its legislation to enable perfection of a security interest by control of electronic chattel paper. Previously, priority was only provided to the holder of the original 'wet ink' signed chattel paper. Building upon this favourable change to the law, CFLA directly engaged the Ontario government's Red Tape Reduction initiative to successfully drive a similar result in Ontario resulting in the amendment of the PPSA and Electronic Commerce Act to enable the use of echattel paper in the province.

Professional development anchors the foundation of CFLA, providing education and development opportunities for its members. During the year, several networking and educational events were held by committees across the country. The Women in Asset Finance Committee, now in its third year, continues to provide a forum for

women to take a more active role in the CFLA and their workplaces. During the year, the Committee hosted several regional events with a focus on leadership development and networking opportunities.

Last but certainly not least, we would like to take this opportunity to express our gratitude to the Board, the Committees and staff for their unwavering support over the past year as we forged ahead fine-tuning for excellence as we prepare to take CFLA to the next level. We would also like to give a special thank you to the dedicated individuals from our member companies who have contributed to our advocacy, networking and research initiatives over the past year. CFLA is fortunate to have people who are so committed to the Association and to the advancement of the asset-based finance and leasing industry.

Change begins with just one action, and your industry association is changing and building for the future. We thank you for your confidence and support. Together we can accomplish great things.



RICHARD McAULIFFE
Chair of the Board of Directors



MICHAEL ROTHE
President & Chief Executive Officer

Mener le changement – Construire pour l’avenir

Fournir le capital nécessaire pour aider les entreprises canadiennes et favoriser la croissance économique du Canada c’est ce que nous, membres de l’industrie du financement et de la location basée sur l’actif, faisons. La mission de l’ACFL est de fournir les outils, les ressources et l’information permettant à nos membres de se développer et de prospérer en tant qu’entreprises et en tant qu’industrie.

Durant l’année 2018-2019, l’Association a continué de se transformer et de bâtir l’avenir avec un leadership renouvelé. Dans le but de mieux servir ses membres, l’ACFL a apporté un certain nombre de changements internes au cours de la dernière année. En effet, l’ACFL a procédé à la révision, la réorganisation et la mise à jour de la structure de son Comité. L’ACFL a également travaillé à la transition des connaissances et de la gestion de ses documents vers une solution infonuagique. Finalement l’ACFL a travaillé à déployer de nouvelles technologies pour accroître l’efficacité mais également encourager la collaboration pour le développement et la création de services aux membres de notre industrie afin d’accroître la valeur-ajoutée des membres de l’ACFL. Les résultats parlent d’eux-mêmes.

Tout au long de l’année, l’ACFL a travaillé à l’élaboration et au lancement de deux nouvelles initiatives de recherche, qui viennent compléter la brochette déjà enviable de services de recherches de l’ACFL.

Tooling Up: parrainé et soutenu par l’ACFL et son Comité de recherche, le C.D. Howe Institute, le principal groupe de réflexion sur les politiques commerciales au Canada, a publié son rapport intitulé, *Tooling Up: Canada Needs More Robust Capital Investment* (S’équiper : le Canada a besoin de plus d’investissements substantiels), portant sur le secteur du financement et de la location basé sur l’actif et la nécessité d’investir de façon encore plus substantielle au Canada. Ce rapport aidera l’ACFL à mieux expliquer les contributions de notre industrie à l’économie canadienne et au notre niveau de vie et sera partie intégrante du programme directeur de l’ACFL pour ses

soumissions aux gouvernements sur les liquidités de l’industrie et le financement d’urgence en période de crise financière.

Sondage sur la confiance des entreprises: une première dans l’industrie au Canada, le Sondage sur la confiance des entreprises de l’ACFL suit l’évolution de l’opinion de l’industrie au Canada relativement au marché du financement et de la location basée sur l’actif. Ce sondage, centré sur les membres, vise à améliorer et à compléter les autres sondages en cours menés par l’Association et continuera à se peaufiner à mesure que de nouvelles données seront ajoutés au cours des mois et des années à venir.

La défense des intérêts de nos membres et les relations avec les gouvernements constituent le principal pilier de la stratégie actuelle de l’Association. L’ACFL continue de défendre les enjeux importants pour ses membres, la communauté des affaires et les Canadiens en général. S’appuyant sur l’expertise technique de nos membres, cette année a été marquée par plusieurs modifications législatives importantes produisant des effets réels pour notre industrie. Parmi les nombreuses modifications législatives, nous attirons votre attention sur les trois faits saillants suivants:

Responsabilité du fait d’autrui en Ontario: après des années de lobbying actif par l’ACFL, le gouvernement de l’Ontario a finalement modifié la Loi sur les assurances afin de limiter la responsabilité du locateur dans les cas de véhicules utilisés via les plateformes de covoiturage. Cette modification est bienvenue puisqu’elle élimine la menace de jugements potentiellement dévastateurs de plusieurs millions de dollars à l’encontre de nos membres.

Loi sur la protection du consommateur du Québec: Les modifications initialement proposées à la Loi sur la protection du consommateur du Québec par le projet de Loi 134, auraient eu pour effet de déséquilibrer les règles du jeu en matière de financement automobile en imposant une obligation normative trop stricte à un seul segment de l’industrie en lui imposant de colliger des informations sur le crédit des emprunteurs (consommateurs) qui auraient eu un impact faible, voire pratiquement nul sur la prise de décision des prêteurs.

Saskatchewan et Ontario, Papier eChattel: Au début de l’année 2018, la Saskatchewan a modifié sa législation afin de permettre la réalisation d’une sûreté par le contrôle du

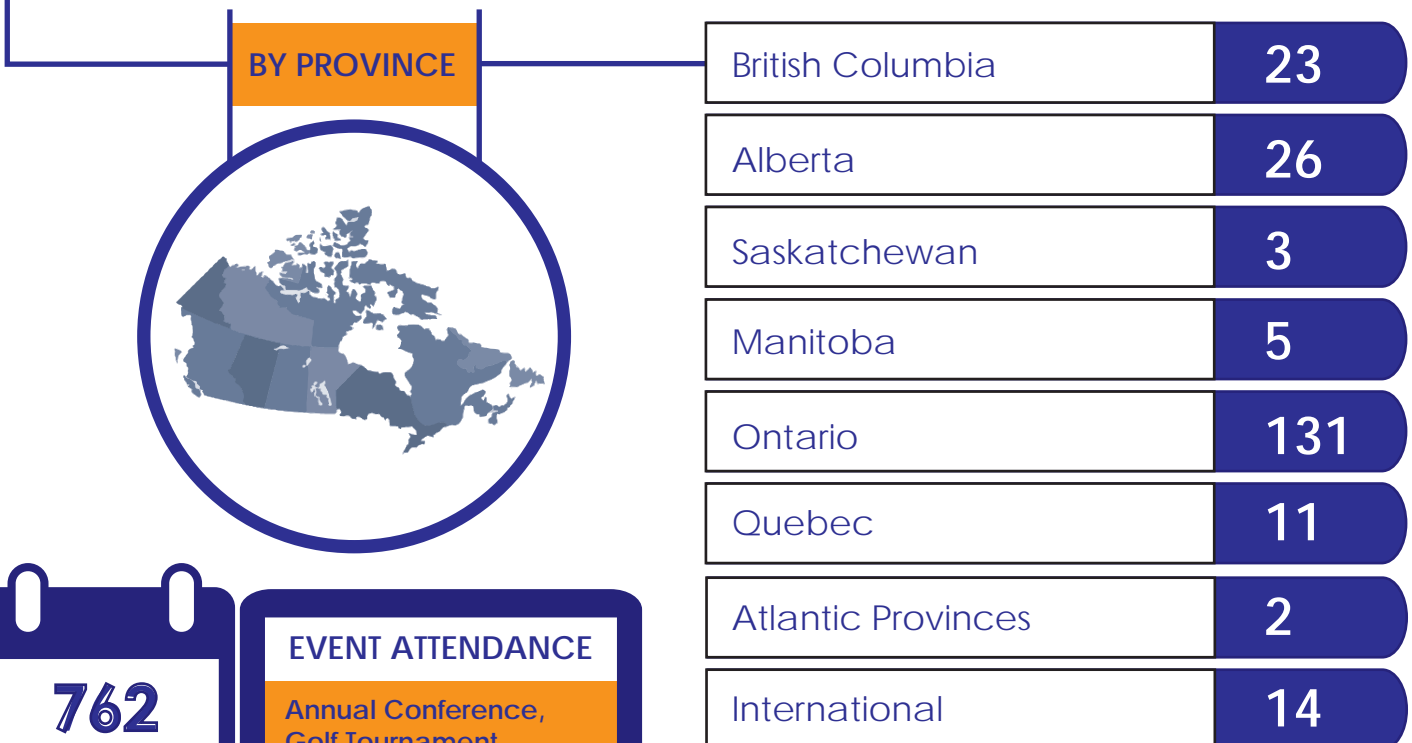
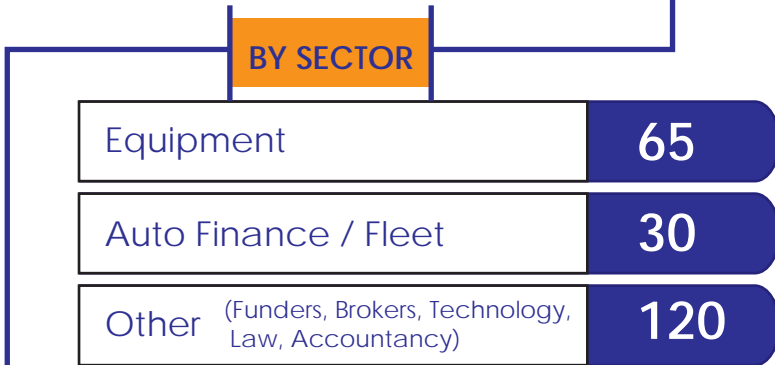
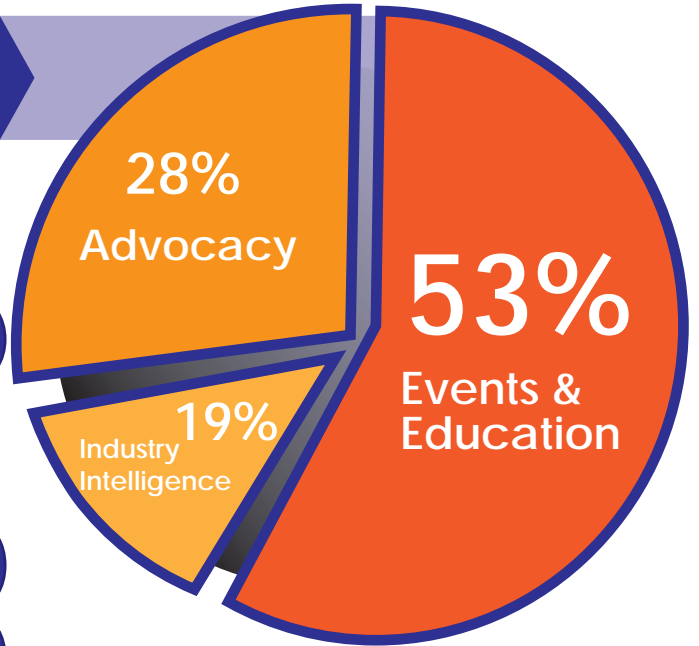
papier eChattel (document électronique). Auparavant, la priorité n’était accordée qu’au détenteur du document original signé «à l’encre bleue». S’appuyant sur ce changement favorable de la loi, l’ACFL a directement interpellé le gouvernement de l’Ontario dans la foulée de son initiative de réduction des formalités administratives inutiles afin de parvenir à un résultat similaire en Ontario. Cette demande a été reçue favorablement et le système sur les sûretés mobilières et de la Loi sur le commerce électronique sera modifié afin de permettre l’utilisation de papier eChattel dans la province.

Le développement professionnel solidifie les bases de l’ACFL et c’est pourquoi votre association vous offre des possibilités de formation et de développement. Au cours de l’année, plusieurs activités de réseautage et de formation ont été organisées par divers comités à travers le pays. Le Comité « Women in Asset Finance » (Les Femmes dans le financement reposant sur l’actif), qui en est à sa troisième année, continue de fournir un forum aux femmes afin de leur permettre de jouer un rôle plus actif, tant au sein de l’ACFL que de leurs entreprises. Au cours de l’année, le Comité a organisé plusieurs événements régionaux axés sur le développement du leadership et les possibilités de réseautage.

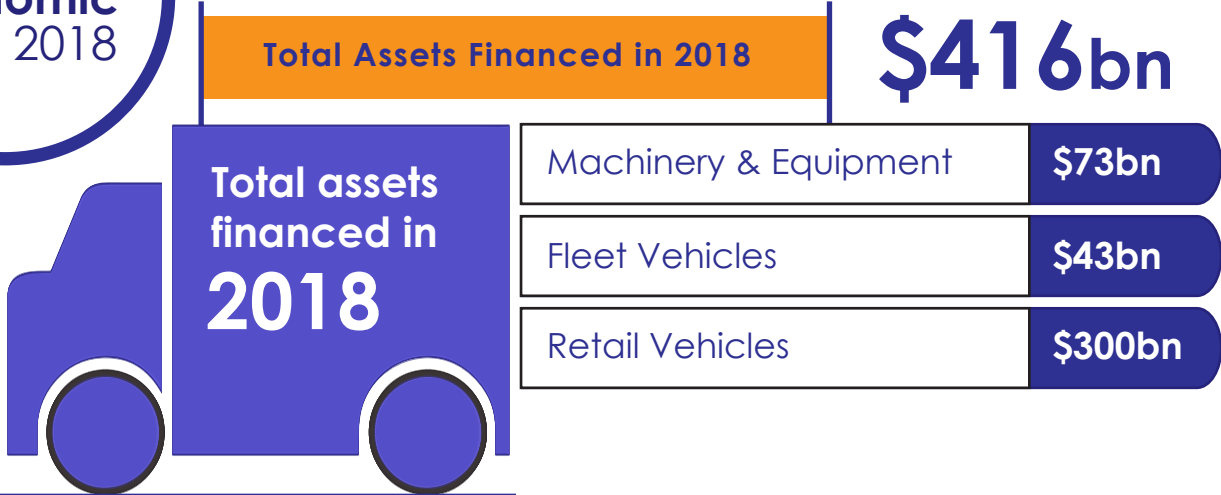
Finalement, nous aimerions saisir cette occasion pour exprimer notre gratitude au Conseil, aux divers comités et au personnel pour leur soutien indéfectible au cours de la dernière année, alors que nous nous efforçons de promouvoir l’excellence et voyons à amener l’ACFL au niveau supérieur. Nous voudrions également remercier tout particulièrement les employés dévoués de nos sociétés membres qui ont contribué à nos initiatives de défense des droits, de réseautage et de recherche au cours de la dernière année. L’ACFL a la chance de pouvoir compter sur des personnes de grande qualité qui s’engagent dans l’Association et dans le développement du secteur.

Le changement commence par une seule action et votre Association sectorielle évolue et construit l’avenir pour vous. Nous vous remercions de votre confiance et de votre soutien! Ensemble, nous pouvons accomplir de grandes choses.

CFLA by the Numbers

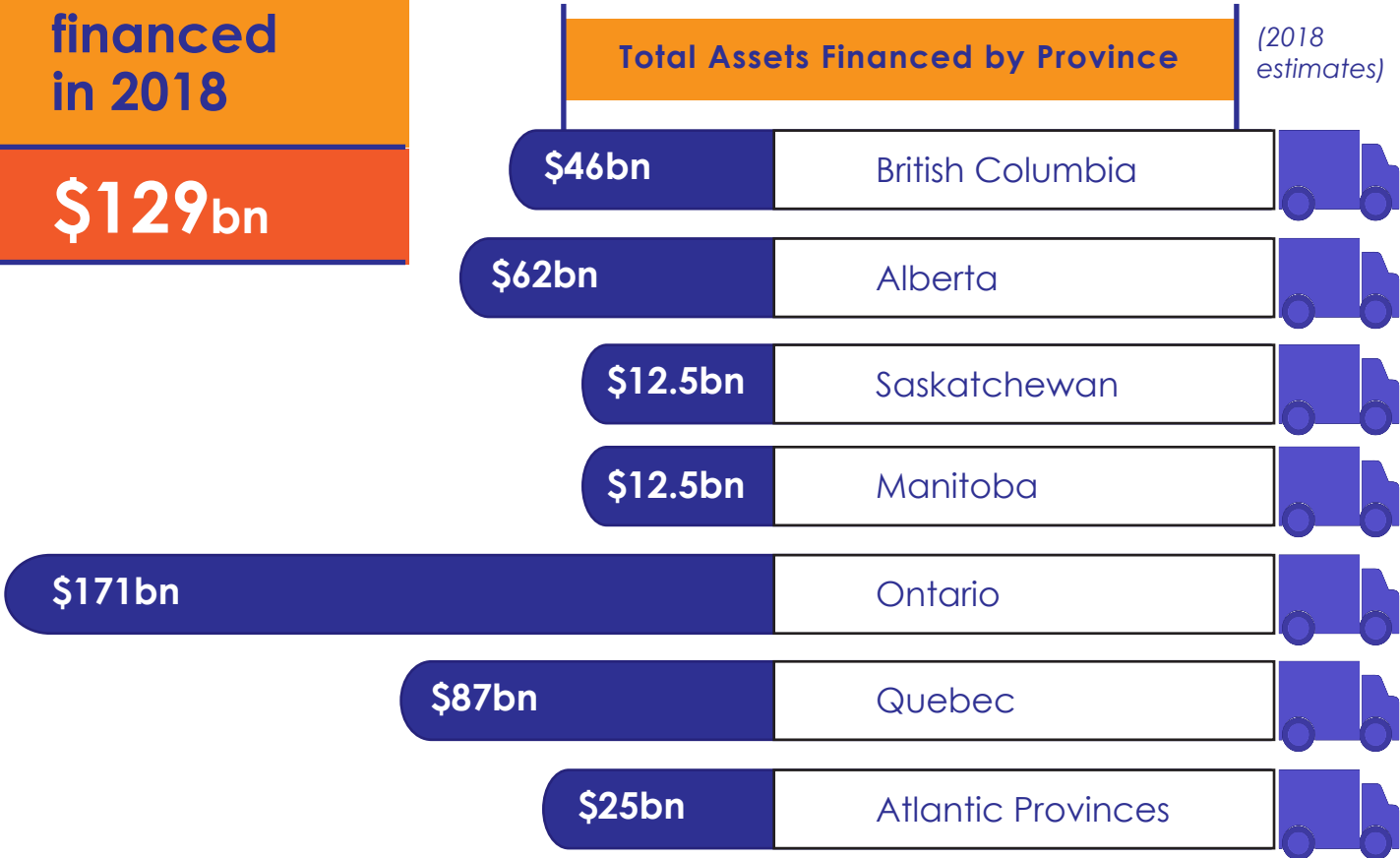


Industry
Economic
Data 2018



NEW
assets
financed
in 2018

\$129bn



Canadian Market Overview 2018 -19

Uneven Growth Ahead¹

By Robin Somerville, Quantitative Economic Decisions, Inc. (QEDinc), <http://qedinc.ca/>

With so many potential crisis events threatening global trade and security, most economists are even more gloomy than usual about the future. Canada's economy has not been spared and is expected to grow slower than last year despite continued high population growth, a low unemployment rate and reasonable wage gains.

Canadian real gross domestic product (GDP) growth is expected to decelerate from 1.6 per cent in 2018 to 1.4 per cent in 2019, down significantly from 3 per cent in 2017. While economic growth could surprise on the upside—it is expected to accelerate to 2 per cent in 2020--the downside risks dominate both in number and scale. Real residential and non-residential business investment spending are largely responsible for the economy's weakness in 2019. But their recovery will also be responsible for the growth expected in 2020.

The impact on the Canadian asset finance industry from these trends has been mixed.

The asset-based finance market in Canada continued to grow in 2018. Total new business volumes climbed 1.1 per cent to \$129.5 billion in 2018 – down from the 7.4 percent growth recorded in 2017 – for a total of \$416 billion in assets financed. Growth in the fleet vehicle market offset weakness in the machinery and equipment (M&E) market. But the outlook for 2019 is positive, growing at 4 per cent overall.

Uncertainty causes

Uncertainty stemming from the Canada United States Mexico Agreement (CUSMA) negotiations as well as fears over widening tariff wars and their impact on global trade helped dampen growth in 2018. They also have curtailed the Bank of Canada's plans for further interest rate increases.

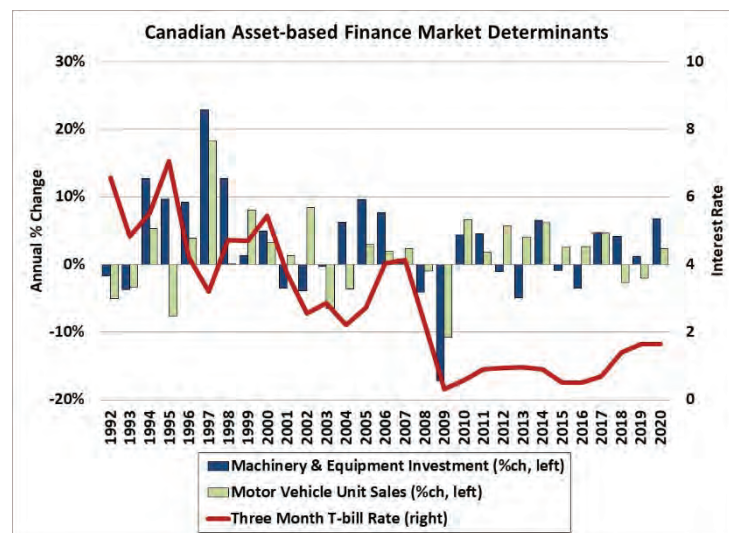
Canada is not alone; economists anticipate slower economic growth in most major markets around the world in 2019 and 2020.

This will also impact the Canadian economy by affecting export markets and the cost of imported goods, including M&E and vehicles.

The U.S. economy, fuelled by tax cuts, grew 2.9 per cent in 2018 but will slow to 1.8 per cent by 2020, while Europe and Japan will grow about 1.7 per cent and 1 per cent respectively in 2019. China's growth continues to slow from its torrid pace over the last decade and at 6.3 per cent in 2019 will be eclipsed by India which will grow by 7.3 per cent.

Asset spending dips and rises

Of the Canadian asset markets, new M&E spending is expected to be sluggish in 2019 despite the federal government's Accelerated Investment Incentive, introduced in the 2018 Fall Economic Statement. At the same time DesRosiers Automotive Consultants anticipates further softening in motor vehicle sales in 2019 before growth resumes in 2020. The following chart shows the determinants of asset-based finance market growth along with their outlook for 2019 and 2020.



Source: Public and Private Investment Survey, Statistics Canada; Bank of Canada; 2019 Summer Forecast, Quantitative Economic Decisions, Inc.; DesRosiers Automotive Consultants

Statistics Canada's survey of public and private investment intentions for 2019 anticipates a 1.2 per cent or \$1 billion rise in public and private M&E capital spending this year, following a 4.1 per cent increase in 2018. Growth in spending on new equipment varied across the country in 2018 with strong gains in the eastern half of the country and British Columbia being offset by declines on the Prairies.

Spending patterns are expected to shift significantly in 2019, with Manitoba making strong gains while Alberta and the Atlantic Provinces lose ground.

Public & Private Spending on New Machinery & Equipment				
	Millions of Dollars		% Growth	
	2019 F	2018	2019 F	2018
Canada	87,723	86,676	1.2%	4.1%
Atlantic Provinces	5,265	5,339	-1.4%	11.9%
Quebec	15,209	14,603	4.1%	3.2%
Ontario	33,142	32,757	1.2%	8.2%
Manitoba	3,125	2,949	6.0%	-13.5%
Saskatchewan	4,613	4,487	2.8%	-13.6%
Alberta	14,381	14,781	-2.7%	0.9%
British Columbia	11,390	10,949	4.0%	7.5%

Source: Statistics Canada (34-10-0035-01)

¹ This Annual Report presents the highlights of the Canadian Market Survey 2018-2019. A more detailed version is available to CFLA members on the CFLA website.

Canadian Market Overview 2018 -19

There were also large differences in M&E spending across industries in 2018. Double-digit gains were reported for manufacturing, wholesale trade, information and cultural industries, arts, entertainment and recreation, other private services, educational and government services. But this strength was offset by declines in many industries, most notably, with double-digit declines in the mining and utilities sectors.

In 2019, the transportation and warehousing sector and the finance and insurance sector are anticipated to see spending on new M&E grow 16 per cent. But the retail trade, accommodation and food services, other private services and government services sectors are all expected to see their spending shrink by more than 10 per cent.

Asset-based market changes

New business activity in 2018 was led by the fleet vehicle market, which grew 5.7 per cent, followed by the market for M&E (excluding commercial vehicles) at 3.3 per cent. However, the retail vehicle market was limited by the decline in units sold to 1.4 per cent. As a result, total assets financed rose 4.6 per cent in 2018 to \$416.2 billion: down from the 6.1 per cent growth of the year before.

Asset-based Finance Market in Canada				
	Millions of Dollars		% Growth	
	2018	2017	2018	2017
Total Finance Assets	416,180	397,752	4.6%	6.1%
Machinery & Equipment Market	72,580	74,466	-2.5%	-3.4%
Fleet Vehicle Market	43,133	39,827	8.3%	10.0%
Retail Vehicle Market	300,466	283,460	6.0%	8.3%
Equipment & Commercial Vehicles	115,714	114,292	1.2%	0.9%
Total Vehicle Market	343,600	323,286	6.3%	8.5%
Total New Business	129,481	128,074	1.1%	7.4%
Machinery & Equipment Market	19,391	20,044	-3.3%	0.8%
Fleet Vehicle Market	13,990	13,230	5.7%	5.8%
Retail Vehicle Market	96,100	94,800	1.4%	9.1%
Equipment & Commercial Vehicles	33,381	33,274	0.3%	2.7%
Total Vehicle Market	110,090	108,030	1.9%	8.7%

Source: Canadian Finance and Leasing Association, DesRosiers Automotive Consultants Inc.

The rapid growth of new light vehicle sales in Canada following the 2009 financial crisis came to a halt in 2018 as rising interest rates, rising prices and the dearth of new drivers combined to slow unit sales by 3 per cent. Conversely, the fleet vehicle market segment has performed well since 2009. The fleet share of total new vehicle sales has recovered from a financial crisis low of 12 per cent to its pre-crisis share of about 17 per cent.

Market penetration rate set to recover

In 2018 the penetration rate slipped to 39 per cent from 40 per cent in 2017 but is expected to recover to 40 per cent in 2019.

The penetration rates for the consumer new motor vehicle sales segment are based on units sold (the dollar value ratios

are very similar to those for the units)². New leasing business for new and used retail vehicles is forecast to reach \$27 billion in 2019 from \$26 billion in 2018. While the lease rate on new vehicles is still below the 2005 peak of 45 per cent it is rapidly approaching that level. The lease penetration rate remained at 37 per cent in 2018 and expected to be 39 per cent in 2019. The overall share of new consumer vehicles financed is relatively constant at just over 90 per cent.

Canadian Asset-based Finance Market Penetration Rates			
	2019 F	2018	2017
Equipment & Commercial Vehicles New Business	35,222	33,381	33,274
Spending on New Machinery & Equipment	87,723	86,676	83,223
Finance Penetration Rate	40%	39%	40%
Consumer Market New MV Sales (units)	1,588,954	1,622,748	1,689,205
Lease	612,000	605,000	622,000
Loan	845,000	881,000	931,000
Lease Penetration Rate	39%	37%	37%
Finance Penetration Rate	92%	92%	92%

Source: CFLA, Statistics Canada, DesRosiers Automotive Consultants Inc.

Broader financial market developments

The long-awaited rise in interest rates that began in July 2017, which saw the Central Bank Rate rise from 0.75 per cent to 2 per cent in October 2018. Deteriorating confidence in the global economic environment led the Bank of Canada to expect slower economic growth and a reduction in inflationary pressures. As a result, the Central Bank Rate remains at 2 per cent and is not expected to change for the next few years.

Considerable attention is currently being paid to yields in the bond market. The yield curve in Canada is expected to be flat in 2019 and 2020 with rates for both 3-month Treasury bills and 10-year Government of Canada bonds remaining at 1.65 per cent in both years.

As a major producer of oil, the Canada-U.S. exchange rate often tracks the price of oil quite closely, but uncertainty over global trading relationships is fueling volatility in currency markets. The Canadian dollar averaged \$US 0.77 in 2018 and is forecast to depreciate to \$US 0.75 in 2019 and 2020, but it remains vulnerable - both on the up-and-downside - to shocks in commodity prices, U.S. and domestic public policy and other global events.

Notably, the federal government continues to support the securitization of equipment and vehicle lease and loan portfolios through the Funding Platform for Independent Lenders (F-PIL) program. The programme is a public-private partnership between the BDC The Business Development Bank of Canada (BDC) and TAO Asset Management. It provides funding on commercial terms and on a match fund basis to independent small and medium-sized finance or leasing companies that extend financing for vehicles and/or commercial equipment.

² Note: this table excludes consumer purchases of used motor vehicles.

CFLA at Work 2018 - 2019

CFLA constantly strives to better serve its members by delivering excellence in advocacy, industry-relevant intelligence, networking opportunities, and educational resources to help members in all aspects of their business. Below is a brief summary of some of the highlights of CFLA's work over the past year.

Advocacy

Below is a selection from over 15 active federal and provincial policy files that CFLA has helped to resolve over the past year, and some that the Association continues to work on for its members.

Unlimited Vicarious Liability for Auto Lessors – Big Win in Ontario. After years of lobbying, Ontario amended the Insurance Act to cap auto lessor liability for vehicles used for ride-hailing. This policy shift removes the threat of potentially devastating multi-million-dollar lawsuits arising out of motor vehicle accidents that financing companies have absolutely no connection to, other than merely providing the financing to the individuals to purchase their vehicle. CFLA continues to lobby this issue in British Columbia.

Accelerated Investment Incentive – Does It Favour Loan over Lease? While CFLA welcomed the investment incentives contained in the Department of Finance's 2018 Fall Economic Statement, such measures should also extend to financing models such as asset-based finance and leasing to ensure that typical lease securitization structures may take advantage of the accelerated investment incentives. CFLA has brought this oversight to the attention of the Department of Finance and is currently working with them to rectify this situation.

Electronic Chattel Paper – Doing Business in the 21st Century. In early 2019, Ontario amended the *PPSA* and *Electronic Commerce Acts* to enable perfection of a security interest by control of electronic chattel paper. Previously, priority was only provided to the holder of the original 'wet ink' signed chattel paper. In late 2018, Saskatchewan introduced similar provisions. CFLA is closely monitoring nation-wide progress and implementation of these developments.

Open Banking – Keeping on Eye on the Future of Finance. The Department of Finance has launched public consultations about open banking, or the use of open application programming interfaces that enable third-party developers to build applications and services around financial institutions. Open banking may have potentially far-reaching consequences on the way traditional bank and lenders do business. CFLA submitted its comments in early 2019 and is both actively monitoring developments in this field as well as directly engaging with the Department of Finance on this matter.

Anti-Money Laundering (AML) and the Asset-Finance Industry – No Need for Duplication. Over the years there have been repeated attempts to extend AML requirements to the non-bank finance sector, including non-traditional lenders and leasing companies, most recently targeting luxury automobiles. CFLA is concerned that such regulations may duplicate existing AML efforts adding additional cost with little if any additional protection. CFLA made an official submission urging the Government not to include our industry in the new AML regime and is directly engaging with the Department of Finance on this matter.

Phase II Credit Harmonization/Modernization in Quebec – CFLA a Main Stakeholder. The Quebec Office de la Protection du Consommateur (OPC) approached CFLA for stakeholder input on sweeping draft changes to Quebec's Consumer Protection Act, including limiting loan terms and negative equity. After meeting with the President of the OPC, CFLA also met with the office of the Attorney General, who is ultimately responsible for this file. Together with members and partners in Quebec, CFLA is working hard to ensure the voice of the asset finance industry will resonate in the new legislation.

Farm Credit Canada (FCC) – Ensuring a Level-Playing Field. Canada's largest agricultural term lender enjoys extraordinary taxpayer-supported competitive advantages undermining the ability of private sector lenders to provide financing

in the sector. A Freedom of Information request by CFLA to obtain the FCC interest rate lending margins confirmed this suspicion. FCC is also the only Financial Federal Crown Corporation not required by law to undergo regular mandate review. Consequently, and as a first step, CFLA is currently meeting with Senators, MPs, and Policy Officials to raise awareness in Ottawa to call for an FCC mandate review.

Saskatchewan Bill-151 – An Uphill Battle from the Start. This Bill amended the *Personal Property Security Act, 1993*, and moved in the direction of 'purity of the database' for name searches, rather than perfection by VIN number as is the case in Ontario, leaving creditors unperfected in case of any debtor name error (however minor). Despite CFLA's submission and request for a meeting with the responsible minister, the Bill passed Third Reading less than four months after introduction and gained Royal Assent shortly thereafter. CFLA nonetheless continues to engage on this issue in both Saskatchewan and elsewhere.

Research Initiatives & Industry Data

Business Confidence Survey. This new, biannual survey reflects the opinions and sentiments of industry executives and employees from a broad range of the membership. The survey for its inaugural edition was conducted in the first half of 2019 and represents the latest addition to a growing portfolio of CFLA research data for its members.

Canadian Market Overview. Prepared for CFLA by Quantitative Economic Decisions, Inc. (QEDinc) and published yearly in the CFLA Annual Report (highlights) and as a stand-alone publication, the Canadian Market Overview provides a review of recent trends along with the outlook for and highlights of major directions in the asset-based finance sector.

End-User Survey – Equipment Financing Market Research. The primary purpose of the fourth edition of this biennial research initiative, commissioned by CFLA and conducted by PMG Intelligence, is to gain a better understanding of the composition of the commercial market, examine financing behaviours among companies that fit the profile of the target market, and to identify where growth opportunities exist.

Industry data. CFLA continues to provide exclusive member-only industry data by **PayNet** (Canadian Commercial Credit Trends, monthly), **DesRosier Automotive Consultants** (Canadian Light Vehicle Market Review, monthly/yearly), **EQUIFAX** (National Consumer Trends), and **Scotiabank** (Auto Flash/Global Auto Report, monthly), among others. This information is available on the member-only CFLA website Industry Research and Data section, a one-stop-shop for Canadian asset-based finance industry statistics.

Events & Networking Opportunities

Over the past year, CFLA continued to offer networking opportunities to build and cultivate business contacts in a variety of contexts.

Our Association's **Annual Conference** in Montreal featured high-profile speakers and in-depth workshops and brought together 500 industry leaders from companies across our entire sector.

CFLA's **Annual Golf Tournament** at the Woodbridge Golf and Country club had over 200 participating golfers from both member companies and their clients and included a Golf Clinic for players to learn and refresh the basics.

The **CFLA Women in Asset Finance** Committee also organized a series of talks and networking opportunities, among others a panel discussion in Burlington and a networking luncheon and talk in Calgary in the context of International Women's Day.

Communication

CFLA's **website** has become the industry's resource center with a growing archive of information providing a range of member-only value-added services: Changes in government policy, new legislation and regulation, the latest court decisions, legal, accounting, and tax commentaries by professional members are regularly posted.

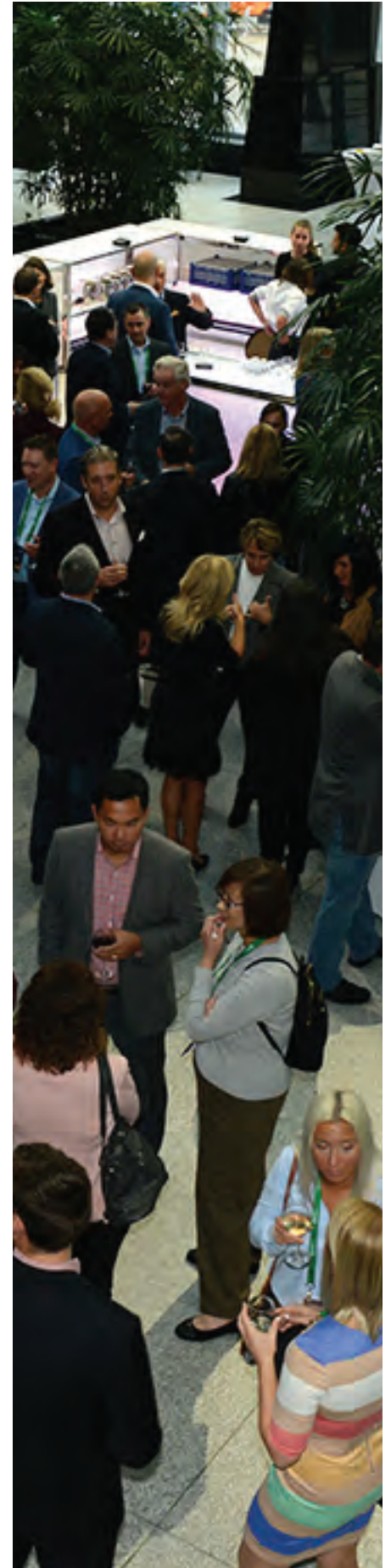
The delivery of timely information to members is further enhanced by the weekly **CFLA Weekly Round Up**, an email newsletter that provides industry information, member news, and a summary of the Association's activities.

Education

Canadian Lease Education On-demand (CLEO). CLEO is series of pre-taped educational webcasts designed to enhance your general understanding of the asset-based financing, equipment and vehicle leasing business in Canada.

Other Initiatives

Partnership with TalentEgg – Recruiting the next generation. TalentEgg is a career website that targets current students and recent graduates. The purpose of the partnership was to introduce the asset-based finance industry to a new generation and to attract promising talent to member companies.



L'ACFL au travail 2018 – 2019

L'ACFL s'efforce toujours de mieux servir ses membres dans la défense de leurs intérêts, la transmission d'informations pertinentes à l'industrie tout en créant des possibilités de réseautage et de formation pour aider les membres dans tous les aspects de leurs affaires. Vous trouverez ci-dessous un bref résumé de l'essentiel des travaux de l'ACFL au cours de la dernière année.

Défense des intérêts

Vous trouverez ci-dessous une sélection de plus de 15 dossiers politiques stratégiques tant au niveau fédéral que provincial que l'ACFL a aidé à résoudre au cours de la dernière année, et d'autres sur lesquels l'Association continue de travailler dans l'intérêt de ses membres.

Responsabilité civile illimitée pour les locataires automobiles - Une grande victoire en Ontario. Après des années de lobbying, l'Ontario a modifié la Loi sur les assurances afin de limiter la responsabilité du locataire pour les véhicules utilisés pour le transport via les plateformes de covoiturage. Ce changement de politique élimine le risque de poursuites potentiellement dévastatrices de plusieurs millions de dollars résultant d'accidents de la route sur lesquels les sociétés de financement n'ont absolument aucun contrôle, si ce n'est de simplement fournir le financement aux particuliers pour l'achat de leur véhicule. L'ACFL continue de faire pression sur cette question en Colombie-Britannique.

Incitation à l'investissement accéléré – Cette mesure favorise-t-elle le prêt plutôt que la location ? Bien que l'ACFL se soit félicitée des incitations à l'investissement contenues dans l'Énoncé économique de l'automne 2018 du Ministère des Finances Canada, elle est d'avis que ces mesures devraient également s'appliquer au financement et la location basé sur l'actif, afin que les structures de titrisation des contrats de location puissent également bénéficier des incitations à l'investissement accélérées. L'ACFL a attiré l'attention du Ministère des Finances Canada sur cette question et travaille actuellement avec lui pour remédier à la situation.

Papier eChattel - Faire des affaires au 21e siècle. Au début de l'année 2019, l'Ontario a modifié sa Loi sur les sûretés mobilières et sa Loi sur le commerce électronique pour maintenant permettre que la réalisation

d'une sûreté puisse être faite uniquement par la possession du document électronique. Auparavant, la priorité n'était accordée qu'au détenteur du document original signé «à l'encre bleue». À la fin de l'année 2018, la Saskatchewan a adopté des dispositions similaires. L'ACFL suit de près les progrès et la mise en œuvre de ces modifications législatives à l'échelle nationale

Système bancaire ouvert (Open Banking) - Garder un œil sur l'avenir de la finance. Le ministère des Finances Canada a lancé des consultations publiques sur le système bancaire ouvert ou l'utilisation d'interfaces de programmation d'applications ouvertes permettant aux développeurs tiers de créer des applications et des services relatifs aux opérations financières. Le système bancaire ouvert pourrait avoir d'importantes conséquences sur la manière dont les banques et les prêteurs traditionnels font des affaires. L'ACFL a soumis ses commentaires au Ministre des Finances Canada au début de l'année 2019 et suit à la fois activement les développements dans ce domaine et collabore directement avec le Ministère à ce sujet.

Lutte contre le blanchiment d'argent et le secteur du financement basé sur l'actif - Pas besoin de duplication. Au fil des ans, de nombreuses tentatives ont été menées pour étendre les exigences en matière de lutte contre le blanchiment de capitaux au secteur financier non bancaire, y compris aux prêteurs non traditionnels et aux sociétés de location, ciblant tout récemment les automobiles de luxe. L'ACFL craint qu'une telle réglementation ne duplique les initiatives déjà existantes de lutte contre le blanchiment d'argent, ce qui aurait comme conséquence d'augmenter les coûts en contrepartie d'une protection minimale, voire inexistante. L'ACFL a officiellement présenté un exposé exhortant le gouvernement fédéral à ne pas inclure notre industrie dans le nouveau régime de lutte contre le blanchiment d'argent et a noué un dialogue direct avec le Ministère des Finances à ce sujet.

Phase II Credit Harmonization/Modernization in Quebec – CFLA a Main Stakeholder. The Quebec Office de la Protection du Consommateur (OPC) approached CFLA for stakeholder input on sweeping draft changes to Quebec's Consumer Protection Act, including limiting loan terms and

negative equity. After meeting with the President of the OPC, CFLA also met with the office of the Attorney General, who is ultimately responsible for this file. Together with members and partners in Quebec, CFLA is working hard to ensure the voice of the asset finance industry will resonate in the new legislation.

Phase II: Harmonisation / modernisation du crédit à la consommation au Québec – l'ACFL, principal intervenant. L'Office de la protection du consommateur du Québec (OPC) s'est adressé à l'ACFL pour obtenir ses commentaires sur les modifications radicales proposées à la Loi sur la protection du consommateur du Québec, visant notamment à limiter la durée des prêts/locations et l'équité négative. Après avoir rencontré le président de l'OPC, l'ACFL a également rencontré les membres du cabinet du Ministre de la Justice qui est l'entité gouvernementale responsable de ce dossier. En collaboration avec ses membres et ses partenaires au Québec, l'ACFL travaille d'arrache-pied pour faire en sorte que les préoccupations des membres du secteur du financement basé sur l'actif soient prises en considération dans la nouvelle législation.

Financement agricole Canada (FAC) - Assurer des règles du jeu équitables. Le plus grand prêteur agricole à terme au Canada bénéficie d'extraordinaires avantages concurrentiels financés par les contribuables, ce qui compromet la capacité des prêteurs du secteur privé à fournir du financement dans le secteur agricole au Canada. L'ACFL a formulé une demande d'accès à l'information visant à obtenir les marges de prêt sur taux de la FAC, ce qui a permis de confirmer ce qui précède. FAC est également la seule société d'État fédérale à ne pas être légalement obligée de se soumettre à un examen régulier de son mandat. Par conséquent l'ACFL rencontre actuellement des sénateurs, des députés et des responsables des politiques afin de sensibiliser Ottawa à réexaminer le mandat de FAC.

Projet de loi 151 en Saskatchewan - Une bataille difficile depuis le début. Ce projet de loi modifiait la Loi de 1993 sur les sûretés mobilières et visait la «pureté de la base de données» dans la fiche de recherche de noms plutôt que la recherche du numéro d'identification du véhicule, comme c'est le cas en Ontario, laissant les créanciers sans recours en cas d'erreur, même mineures, dans le nom du débiteur. Malgré les pressions de l'ACFL et sa demande de rencontre avec le ministre responsable du dossier, le projet de loi 151 a été adopté en troisième lecture, moins de quatre mois après son dépôt, et a obtenu la sanction royale peu de temps après. L'ACFL continue néanmoins de travailler activement sur cette question en Saskatchewan et dans les autres provinces.

Initiatives de recherche et données sur l'industrie

L'ACFL est déterminée à fournir aux membres les outils et les données nécessaires pour acquérir une compréhension complète de l'industrie canadienne du financement de véhicules et d'équipements basé sur l'actif, avec autant de perspectives que possible. À cet égard, l'Association propose plusieurs initiatives qui profitent à la fois aux membres et à l'industrie.

Enquête sur la confiance des entreprises.

Cette nouvelle enquête semestrielle reflète les opinions et les sentiments des dirigeants membres de l'industrie et de leurs employés. La première édition de l'enquête a été réalisée au premier semestre de 2019 et représente le dernier ajout aux projets de recherches de l'ACFL dans un objectif d'accroître sa base de données, à l'avantage de ses membres.

Aperçu du marché canadien. Préparé pour l'ACFL par Quantitative Economic Decisions, Inc. (QEDinc) et publié chaque année dans le rapport annuel de l'ACFL (faits saillants) et en tant que publication autonome, l'Aperçu du marché canadien fournit un aperçu des tendances et perspectives récentes et les faits saillants de grandes orientations du secteur du financement basé sur l'actif.

Enquête auprès des utilisateurs finaux - Étude de marché sur le financement des équipements. L'objectif principal de la quatrième édition de cette initiative de

recherche biennale, commandée par l'ACFL et menée par PMG Intelligence, est de mieux comprendre la composition du marché, d'examiner les comportements de financement des entreprises qui correspondent au profil du marché cible et d'identifier les opportunités de croissance existantes.

Données de l'industrie. L'ACFL continue de fournir des données exclusives au secteur réservées aux membres, telles que **PayNet** (Tendances du crédit commercial au Canada, mensuelle), **DesRosier Automotive Consultants** (Revue du marché des véhicules légers au Canada, mensuelle / annuelle), **EQUIFAX** (Tendances nationales de consommation) et **Scotiabank** (Auto Flash / Global Auto Report (Nouvelles du secteur automobile), mensuelle), entre autres. Cette information est disponible sur le site internet de l'ACFL et réservée exclusivement aux membres, dans la section Recherche et données de l'industrie; un guichet unique pour les statistiques de l'industrie canadienne du financement basée sur l'actif.

Événements et opportunités de réseautage
Au cours de la dernière année, l'ACFL a continué à offrir des possibilités de réseautage pour nouer et entretenir des relations d'affaires dans divers contextes.

La **conférence annuelle** de notre Association, qui s'est tenue l'an dernier à Montréal, a présenté des conférenciers de haut niveau et des ateliers aux sujets variés. Elle a rassemblé 500 chefs de file de l'industrie appartenant à des entreprises de l'ensemble du secteur.

Le **tournoi de golf annuel** de l'ACFL au Woodbridge Golf and Country Club a réuni plus de 200 golfeurs participants composé de sociétés membres et de leurs clients, et a en prime offert une clinique de golf pour permettre aux joueurs de peaufiner leur jeu.

Le Comité « **Women in Asset Finance** » (Comité des Femmes dans le financement reposant sur l'actif) a également organisé une série de conférences et d'activités de réseautage, notamment une table ronde à Burlington et un dîner-causerie de réseautage dans le cadre d'une conférence à Calgary à l'occasion de la Journée internationale de la femme.

Communication

Le **site internet** de l'ACFL est devenu le centre de ressources des membres de notre industrie avec une banque de données croissante réservées aux membres traitants de sujets variés tels que, les modifications de la politique gouvernementale, les nouvelles lois et règlements, les jugements récents touchant notre industrie et divers commentaires légaux, comptables et fiscaux rédigés par nos membres y sont régulièrement publiés. La distribution hebdomadaire d'informations aux membres de l'ACFL, par l'envoi du **Weekly Round Up**, un bulletin électronique contenant des informations sur l'industrie, des nouvelles sur les membres et un résumé des activités de l'Association permet de fournir des informations ponctuelles aux membres.

Education

Canadian Lease Education On Demand (CLEO).

CLEO est une série de webémissions éducatives préenregistrées qui sont conçues pour améliorer la compréhension générale des activités de financement et de location de d'équipement et de véhicules reposant sur l'actif.

Autres initiatives

Partenariat avec TalentEgg - Recruter la prochaine génération.

TalentEgg est un site de carrière destiné aux étudiants et aux jeunes diplômés. Le partenariat a comme objectif de présenter le secteur de la finance reposant sur l'actif à une nouvelle génération ainsi que d'attirer les talents prometteurs vers les sociétés membres de notre Association.

Annual Conference 2018

Over 480 delegates, a new CFLA record, met in Montréal at CFLA's 45th Annual Conference, the asset-finance industry's leading annual learning and networking event. With 26 speakers, 6 plenary sessions and 9 workshops, the Conference is the place for our industry to meet, network and learn.

In welcoming delegates, **CFLA Chairman Richard McAuliffe**, Senior Vice President and COO of Key Equipment Finance Canada Ltd. observed that blockchain, cryptocurrencies and today's technology the business world is being transformed and is enabling the creation of new business models and threatening traditional ones. However, quoting John Maynard Keynes, "the difficulty lies not so much in developing new ideas as in escaping from old ones."

The Conference kicked-off with the **Women in Asset Finance Breakfast** which saw CFLA Board Member **Angela Armstrong** in conversation with **Lori Frasier**, Senior Vice President of Strategy and Performance Management, Key Equipment Finance discussed the challenges and opportunities facing women in the world of finance.

Scotia Bank's Senior Vice-President and Chief Economist, **J.F. Perrault**, provided delegates with a comprehensive analysis of the issues impacting the Canadian economy from the Canada, Mexico, US free trade discussions to the outlook for Europe, China and the rest of the world.

Futurist **Jim Carroll** spoke to the Conference theme of "the Future of Money" and focused his expert lens on the trends and innovations facing the world today and specifically how they could impact our industry and the finance sector more broadly. Jim took delegates on a fast paced whirlwind tour of the future demonstrating how everything "from precision agriculture to self-driving cars, smart clothing and robotic construction technology" was making "every company in every industry ... a computer company, with software and technology at its heart and soul."

Tooling Up: Canada Needs More Robust Capital Investment, the first in a series of annual research projects commissioned by CFLA to demonstrate the importance and significance of the sector as well as its impact on the broader economy was presented by **William Robson**, President and Chief Executive Officer, C.D. Howe Institute (Canada's most influential think tank). The conclusion, "weak business investment is a threat to Canada's future prosperity". A threat our industry is uniquely positioned to address.

First thing Thursday morning, **Richard McAuliffe**, CFLA Chairman and Senior Vice President & COO Key Equipment Finance Canada Ltd. presented his State-of-the-Association Report.



This was followed by the keynote moderated conversation with Former Prime Minister the **Rt. Hon. Brian Mulroney**. During his free wheeling, conversation with **Huw Williams**, Mr. Mulroney demonstrated his characteristic wit and charm providing the delegates with an informative and entertaining glimpse behind some of the highlights of his career in Canadian politics and beyond. Coming only days before the final agreement between Canada, US and Mexico was announced, Mr. Mulroney shared his singularly unique perspective on the North American Free Trade Agreement (now the United States-Mexico-Canada Agreement or USMCA), its genesis and its future.

The final plenary, and a fitting close to the conference, was the political update given this year by **Chantal Hébert** a political columnist with the Toronto Star and a weekly participant on CBC's The National.

Annual Conference 2018

There were **nine business-relevant workshops** during the Conference.

Two back by popular request

What's New in Law?

Jennifer Babe, Miller Thomson LLP
Michael Burke, Blake Cassels and Graydon LLP
François Joubert, Savoie Joubert, s.e.n.c.
Brian MacKay, DLA Piper (Canada) LLP

and

Measuring the Industry

Roger Mitchell, Equifax Canada
William Phelan, PayNet, Inc.
Robin Somerville, Centre for Spatial Economics
Hugh Swandel, The Alta Group

Transformation of Banking/Finance for the Information Age

Patricia Meredith, Rotman School of Management and co-author of *Stumbling Giants: Transforming Canada's Banks for the Information Age and Catalytic Governance*

Automotive Industry:
Canadian Leasing and Financing Trends

Robert Karwel, J.D. Power

Better Leaders, Better Results:
Striking a Balance in Individuals, Teams and Organizations

Caroline Turner, DifferenceWORKS, LLC

Personalized Lifestyle Genomics

Harris Yousuf Khan, Youtrients

Cryptocurrency – Fad or Fashion?

Thorsten v. Koepl, Professor and RBC Fellow, Department of Economics, Queen's University

How Technology Applies to what we do in Leasing

Kevin Clark, Lendi-fied
Amar Ahluwalia, OnDeck Capital
Aaron Seaton, TAO Solutions



A moderated conversation with Huw Williams of Impact Public Affairs & former Prime Minister Brian Mulroney

David Powell Member of the Year Award 2018

Hugh Swandel



Award recipient Hugh Swandel with (from left to right) CFLA Chairman Richard McAuliffe, CFLA CEO & President Michael Rothe, and former CFLA President & CEO David Powell

This year in recognition of his 22 years of service to CFLA and the asset-based finance and leasing industry, CFLA's Board of Directors renamed the CFLA Member of Year Award, the David Powell Member of the Year Award.

CFLA's success in servicing its members and advocating for the industry is only possible through the valuable voluntary contributions made by its many members. However, some members go above and beyond in helping our industry. Just such a member, Hugh Swandel, Senior Managing Director of the Alta Group in Canada, was recognized as the recipient of the David Powell Member of the Year 2017-2018.

"One member who time and time again steps up and stands out in his unwavering support of the asset-based finance and leasing industry is Hugh Swandel", said CFLA Chairman, Richard McAuliffe, "Hugh does so with only one goal in mind; the betterment of the industry he has dedicated his life to and is so passionate about."

In recognizing Hugh's contribution to the Association, the CFLA Chairman reviewed Hugh's many achievements over the past year saying: "Hugh has been instrumental in ensuring the successful launch of CFLA's Research Committee, the successful completion of the CFLA backed C.D. Howe Institute report – *Tooling Up: Canada Needs More Robust Capital Investment and both initiating and laying the foundation for the first ever CFLA Business Confidence Survey.*"

The Member of the Award recognizes individuals from member companies who volunteer their time and expertise to support the Association and its goals. Through their quiet work and generous efforts CFLA is able to face the challenges confronting the entire asset-based financing and leasing industry "These members are wonderful examples of those who are pleased to give back to the industry," said the CFLA Chairman. "Their generous efforts are a significant contribution to the Association, to its members and to the industry as a whole."

David Powell Member of the Year Award 2018

Past Honourees

- 2017-18 Hugh Swandel (the Alta Group)**
2016-17 Industry Compensation Survey Steering Committee
Lucy Elcome (RCAP Leasing)
Clara McLaughlin
(De Lage Landen Financial Services Canada Inc.), and
Rick Yacknovets (Royal Bank Financial Group)
2015-16 Jennifer Babe (Miller Thomson LLP)
2014-15 PayNet, Inc. & William Phelan
2013-14 Moe Danis (Pacific & Western Bank of Canada)
2012-13 Paul Zalesky (AllWest Insurance Services)
2011-12 Angela Armstrong (Prime Capital Consulting
and Forest Leasing)***
2010-11 David Dalziel (Deloitte & Touche LLP)
Loraine McIntosh (Deloitte & Touche LLP)
Rishi Malkani (Deloitte & Touche LLP)
2009-10 The volunteer instructors of Canadian
Lease Education On-demand (CLEO)
Angela Armstrong (Prime Capital Consulting
and Forest Leasing)***
Kevin Bowman (Equirex Leasing Corporation)
Michael Burke (Blake, Cassels and Graydon LLP)
Jason Cooper (PricewaterhouseCoopers LLP)
Murray Derraugh (The Alta Group)
Michel Lévesque (Group Credit Lease)
Stuart Sherma (Morrison Acceptance Corporation)
Judy Smiley
Hugh Swandel (The Alta Group)**
Michael Stewart (KPMG LLP)
Steve Weisz (Blake Cassels and Graydon LLP)
Robin Wilks (HKMB HUB International)
2008-09 Michael Collins (DealerTrack Canada, Inc.)
2007-08 The CFLA Education & Program Committee
Chair: Richard McAuliffe
(Key Equipment Finance Canada Ltd.)
John Barraclough (Maxium Financial Services Inc.)
Gary Batchelor (Travelers Financial Corporation)
John Estey (Stonebridge Financial Corporation)
Douglas McKenzie
(BAL Global Finance Canada Corporation), and
Alan Morgan (RBC Equipment Finance Group)
2006-07 Ford Motor Company of Canada Ltd.
and Ford Credit Canada Ltd.
2005-06 Hugh Swandel (Swandel and Associates)
2004-05 Peter Freill (Securcor Group of Companies)
2003-04 Mark Robinson
(DaimlerChrysler Services Canada Inc.)
2002-03 Diane Sekula
(CIT Financial) and Bob Westlake (GE Capital)
2001-02 David Chaiton (Chaitons, LLP),
Tom Hopkirk* (HKMB Capital Solutions)
and Raja Singh (Pitney Bowes Global Credit Services)
2000-01 Brian Stevens (MFP Financial Services)
1996-97 Serge Mâsse (Crédit-Bail Findeq)
1995-96 Tom Simmons
(Commcorp Financial Services)
1994-95 Greg Korsos (Sako Leasing Inc.)
1993-94 Tom Hopkirk*
(Barclays Bank of Canada Leasing Division)

*Tom Hopkirk has been named Member of the Year twice: in 1993-94 and 2001-02.

** Hugh Swandel has been named Member of the Year on two other occasions: in 2005-2006 and 2009-2010.

*** Angela Armstrong has been named Member of the Year twice: in 2009 - 2010 and 2011 - 2012.

Association Profile

The Canadian Finance & Leasing Association (CFLA) is the only organization advocating the interests of the asset-based financing, vehicle and equipment leasing industry in Canada. Through CFLA, members help shape the industry's future within the competitive financial services sector.

Established in 1993 through the merger of the Canadian Automotive Leasing Association (CALA) and the Equipment Lessors Association of Canada (ELAC), the Association has grown from an initial membership of 61 companies to over 215 companies today.

Members range from large multinationals to national and smaller regional domestic companies, crossing the financial services spectrum from manufacturers' finance companies and independent leasing companies, to banks, insurance companies, and suppliers to the industry such as law and accounting firms.

The Association has four key responsibilities:

- **Advocacy** -- to key publics including governments, media, other associations in the financial services sector, and the general public.
- **Business - relevant Information** -- providing timely information to members to alert them of changes that may directly impact their businesses.
- **Networking** -- providing a forum and creating opportunities for industry leaders and their employees to meet, exchange information on issues of common interest, and learn best practices from each other.
- **Professional Education** -- providing member employees with sessions on the basics of asset-based finance and leasing as well as seminars and workshops on specific industry topics.

Membership Profile

As of June 30, 2017, CFLA had 215 members: 65% of members were Regular Members whereas Associate Members accounted for 31% of the membership. The remaining 4% of the members were non-residents. CFLA is moving to eliminate the non-resident membership category in 2017.

Governance

CFLA is a federal not-for-profit corporation with its office located in Toronto, Ontario.

A **Board of Directors**, nominated from the Association membership and elected to serve two-year terms, determines CFLA's policies. It is composed of business leaders representing a cross-section of the industry in terms of market size, area of business and geographical location.

The **Executive Committee** is composed of a Chairman, Vice-Chairmen, a Secretary-Treasurer with one or more members at large plus the President. The Executive Committee is appointed by the Board.

The **Annual General Meeting of Members** is open to all CFLA members and is usually held during the fall annual national conference.

Committees

Much of the active work of the Association is conducted within ten volunteer committees:

- Accounting
- Automotive Finance Working Group
- Education & Program
- Fleet
- Human Resources
- Legal
- Research
- Small Ticket Funders
- Tax
- Women in Asset Finance

In their relevant area of expertise, Committees serve as:

- CFLA's radar -- being proactive -- bringing forward intelligence, issues, challenges and opportunities affecting the industry.
- CFLA's sounding board -- to react to issue and advise on policy options.
- An exchange on experience, expertise best practices
- A channel to circulate information relevant the industry.

Association Staff

A full-time professional staff of five people manages the Association.



From left to right: Michael Rothe (President & CEO), Charlene Forde (Director of Events & Member Services), Lalita Sirnaik (Director of Finance & Administration), Stephanie Godinho (Administrative Assistant), Marcel Buerkler (Manager, Policy)

Board of Directors¹

THANK YOU

A sincere thank you to all of you who volunteer your time, expertise, and enthusiasm in support of the asset-based finance and leasing industry and your association. Whether it's providing pro bono services to CFLA, serving on a committee or task force, or participating in our industry research initiatives, your passion and commitment continue to make an impact.

Chairman



Richard McAuliffe*
Key Equipment Finance Canada Ltd.

President & CEO



Michael Rothe
Canadian Finance & Leasing Association

Secretary Treasurer



Doug McKenzie*
BAL Global Finance Canada Corporation



Angela Armstrong*
Prime Capital Group Inc.



Andy Ayotte
Wilson Vukelich LLP



Eugene Basolini +
RCAP Leasing Inc.



Michael E. Burke
Blake, Cassels & Graydon LLP



Howard Cobham
General Motors Financial of Canada Ltd.



Darren Cooke
TD Equipment Finance Canada



Jenny Croth
IBM Global Financing (Canada),
A Division of IBM Canada Ltd.



David Dalziel
Deloitte LLP



Bill Dost
DND Finance



Michael Dubowec
CWB National Leasing Inc.



Tanya Eisener
Scotiabank Leasing



Chris Gittens
Element Fleet Management Inc.



Jeffery Hartley+
Foss National Leasing



Blake Macaskill
Ritchie Bros. Financial Services Ltd.



Larry Mlynowski
Bennington Financial Corp.



Doug Moore
Somerville National Leasing & Rentals Ltd.



François Nantel
Hitachi Capital Canada Corp.



Bill Patterson
ADD Capital Corp.



Bill Phelan
PayNet Inc.



Mark Reichling
De Lage Landen Financial Services
Canada Inc.



Peter Ringler*
Wells Fargo Equipment Finance Company



Mike Rusch
Jim Pattison Lease



Geoff Seely
ARI Financial Services Inc.



Jim Spangler
Ford Credit Canada Company



Hugh Swandel
Meridian OneCap Credit Corp.

* Executive Committee
+ Former Chairman

¹ As at June 30, 2019

Committees¹

Accounting

Chair

- David Dalziel, Deloitte LLP

Members

- Shanker Basu, Spartan Services Inc./Securcor
- Gerlinda Beintema, Key Equipment Finance Canada Ltd.
- Mike Rusch, Jim Pattison Lease
- Tom Simmons, Jim Pattison Lease
- Raja Singh, Bodkin Leasing Corporation

Auto Finance Working Group

Chairs

- Anthony Ruffolo, Honda Canada Finance Inc.
- Diana Galassi, Toyota Credit Canada Inc.

Members

- David Adams, Global Automakers of Canada
- Shahayda Babb, Toyota Credit Canada Inc.
- Alain Ballu, Nissan Canada Finance
- Mathew Bertin, General Motors of Canada Limited
- Daniel Bosse, Ford Credit Canada Company
- Paula Campbell Kelly, Porsche Financial Services Canada
- Howard Cobham, General Motors Financial of Canada Ltd.
- Darren Cooper, Toyota Credit Canada Inc.
- Alan Cusworth, Ford Credit Canada Company
- Sue Diaz, BMW Group Financial Services Canada, a Division of BMW Canada Inc.
- Jodi Foreman, General Motors Financial of Canada Ltd.
- Jeffrey Fung, Nissan Canada Finance
- Jared Grossman, Honda Canada Finance Inc.
- Carolyn Hansen, General Motors Financial of Canada Ltd.
- Suresh Kanthasamy, BMW Group Financial Services Canada, a Division of BMW Canada Inc.
- Hina Latif, Mercedes-Benz Financial Services Canada Corporation
- Jonathan Lippert, Porsche Financial Services Canada
- Lori Murtagh, SCI Lease Corp.
- Mark Nantais, Canadian Vehicle Manufacturers' Association
- John O'Toole, Mercedes-Benz Financial Services Canada Corporation
- Jennifer Steeves, Canadian Vehicle Manufacturers' Association
- Keri Wallace, Hyundai Capital Canada
- Zoë Zeng, Global Automakers of Canada

Education & Program

Chair

- Gary Batchelor, CLE Capital Inc

Members

- Jeff Brubacher, Equifax Canada
- Murray Derraugh, CWB National Leasing Inc
- John Estey, Stonebridge Lease Financing Corporation
- Lucy Forte-Morelli, RBC Equipment Finance Group
- Doug McKenzie, BAL Global Finance Canada Corporation
- Badria Wolcott, Great American Insurance Company

Fleet

Members

- Romy Bria, ARI Financial Services Inc.
- Greg Grant, EMKAY Canada Fleet Services Corporation
- Ireni Michail, Wheels, Inc.
- Doug Moore, Somerville National Leasing & Rentals Ltd.
- Richard Oliveira, Foss National Leasing
- Kevin Sambleson, Jim Pattison Lease

Human Resources

Chair

- Lucy Forte-Morelli, RBC Equipment Finance Group

Members

- Katherine Chen-sy, General Motors Financial of Canada Ltd.
- Lisa De Felice, John Deere Financial Inc.
- Katie Denis, Bennington Financial Corp.
- Mayda Forrester, Foss National Leasing
- Catherine Houzwiczka, Bennington Financial Corp.
- Alane MacDonald, TD Equipment Finance Canada
- Alexandra Miller, ARI Financial Services Inc.

Legal

Chair

- Andy Ayotte, Wilson Vukelich LLP

Members

- Jennifer Babe, Miller Thomson LLP
- Michael E. Burke, Blake, Cassels & Graydon LLP
- Francois Joubert, Savoie Joubert, g.p.
- Brian MacKay, DLA Piper (Canada) LLP
- Bonny Murray, Blake, Cassels & Graydon LLP
- Elizabeth Sale, Blake, Cassels & Graydon LLP
- Sheryl Watson, ADESA Canada

¹ As at June 30, 2019

Research

Chair

- Hugh Swandel, Meridian OneCap Credit Corp.

Members

- Rajan Ariyur, Sun Life Financial
- Murray Derraugh, CWB National Leasing Inc
- Jeffery Hartley, Foss National Leasing
- Chris McDermott, TD Equipment Finance Canada
- Roger Mitchell, Equifax Canada
- Bill Phelan, PayNet Inc.
- Mike Rusch, Jim Pattison Lease
- Robin Somerville, Quantitative Economic Decisions, Inc (QEDinc)
- Laks Swaminathan, Wells Fargo Equipment Finance Company
- David Thoms, VersaBank

Small Ticket Funders

Chair

- Kevin Bowman, HarbourEdge Commercial Finance Corporation

Members

- Angela Armstrong, Prime Capital Group Inc.
- Carl Crechiolo, RCAP Leasing Inc.
- Bill Dost, DND Finance
- Jen Dreher, Prime Capital Group Inc.
- Marko Gotovac, Blue Chip Leasing Corporation
- Shahan Khan, Bennington Financial Corp.
- Mike Mattina, LBC Capital
- Larry Mlynowski, Bennington Financial Corp.
- Bill Patterson, ADD Capital Corp.
- Vincent Piccolo, LBC Capital
- Raja Singh, Bodkin Leasing Corporation
- Tara Skewes, DND Finance
- Todd Taylor, Hitachi Capital Canada Corp.

Tax/Fiscalité

Chair

- Diane Sekula, Wells Fargo Equipment Finance Company

Members

- Tracy Clark, CWB National Leasing Inc
- Daniel Fontaine, John Deere Financial Inc.
- Allan Gelkopf, Blake, Cassels & Graydon LLP
- Zvi Halpem-Shavim, Blake, Cassels & Graydon LLP
- Barbara Hoffman, Ford Credit Canada Company
- Aaron Johnson, RCAP Leasing Inc.
- Jackie Kwan, Honda Canada Finance Inc.
- Cindy Losier, De Lage Landen Financial Services Canada Inc.
- Kathleen Penny, Blake, Cassels & Graydon LLP
- Pat Winstanley, John Deere Financial Inc.

Women in Asset Finance

Chair

- Diane P.L. Brooks, Blaney McMurtry LLP

Members

- Suhuyini Abudulai, Cassels Brock & Blackwell LLP
- Angela Armstrong, Prime Capital Group Inc.
- Gary Batchelor, CLE Capital Inc
- Janice Boulet, CWB National Leasing Inc
- Jeff Brubacher, Equifax Canada
- Elaine Curwin, PNC Equipment Finance
- Kirstin Elmer, Ritchie Bros. Financial Services Ltd.
- Lucy Forte-Morelli, RBC Equipment Finance Group
- Jeff Haig, TAO Asset Management Inc.
- Carolyn Hansen, General Motors Financial of Canada Ltd.
- Alane MacDonald, TD Equipment Finance Canada
- Doug McKenzie, BAL Global Finance Canada Corporation
- Lori Murtagh, SCI Lease Corp. - Markham, ON
- Marcelle Newstadt, Equilease Corporation
- Elizabeth Sale, Blake, Cassels & Graydon LLP
- Nicole Taylor-Smith, Miller Thomson LLP
- Badria Wolcott, Great American Insurance Company

¹ As at June 30, 2019

CFLA Member Companies

Accord Small Business Finance
Accord Small Business Leasing Corp.
Accurate Leasing Ltd.
ADD Capital Corp.
ADESA Canada
Admiralty Leasing Inc.
Advant Leasing Limited
Aird & Berlis LLP, Barristers & Solicitors
ALLWEST INSURANCE SERVICES LTD.
Alta Canada
Anderson Sinclair PC
Arbutus Capital Leasing
ARI Financial Services Inc.
Arundel Capital Corporation
ATB Equipment Finance
Atticus Financial Group
AutoVin Canada Corp.
Axiom Leasing Inc.
BAL Global Finance Canada Corporation
Bank of Montreal
Banque Laurentienne - Laurentian Bank
BAYNE AND COMPANY
Bennington Financial Corp.
Blake, Cassels & Graydon LLP
Blaney McMurtry LLP
Blue Chip Leasing Corporation
BluePay Canada
BMO Transportation Finance
BMW Group Financial Services Canada, a Division of BMW Canada Inc.
BNP Paribas Leasing Solutions Canada Inc.
Bodkin Leasing Corporation
Calidon Financial Services Inc. (Calidon Equipment Leasing)
Canadian Automotive Fleet Magazine
Canadian Equipment Finance & Leasing Inc.
Canadian Western Bank
CANADIAN WESTERN CIVIL ENFORCEMENT LTD.
Capital Hands Ltd.
Carbon Capital Corporation
CARFAX Canada
Cars4u.com
Cassels Brock & Blackwell LLP
Catalyst Finance Partners Inc.
Central Technology Services Corporation
Checker Flag Leasing Inc.
CIK Capital Corp
CLE Capital Inc
Coast Capital Equipment Finance LTD
Concentra
Connect Lease Corporation
Constellation Financing Systems
Constellation Financing Systems, Casitron Division
Corcentric
Core Capital Group Inc.
Corpfinance International Limited
Cox Automotive Canada
Creditor Financial Corp.
Crédit Bail Globale Inc./ Globale Leasing Inc.
CUL Administration of Canada Ltd.
Current Financial Corp
CWB Maxium Financial
CWB National Leasing Inc
CXO Corporation
DaimlerTruck Financial
De Lage Landen Financial Services Canada Inc.
Dealertrack Canada
Deloitte LLP
Deutsche Leasing Canada Corp
DLA Piper (Canada) LLP
DND Finance
Drive Finance Company (Canada) Limited
DRIVING FORCE INC.
DSM Leasing Ltd.
Dynamic Capital Equipment Finance Inc
EASYLEASE CORP.
Element Fleet Management Inc.
EMKAY Canada Fleet Services Corporation
Equifax Canada
Equilease Corporation
Equirex Leasing Corp.
Equitable Group Inc.
ESC Corporate Services Ltd.
Essex Capital Leasing Corp.
Essex Lease Financial Corporation
Eugene E. Macchi Personal Law Corporation
Excel Leasing Inc.
Execucor Financial Limited
Fast Loans & Leasing
Finloc 2000 Inc.
First Capital Leasing Ltd.
First West Leasing Ltd., A division of First West Credit Union
Ford Credit Canada Company
Foss National Leasing
Fuyo General Lease (Canada) Inc.
General Motors Financial of Canada Ltd.
Geolin Leasing inc.
Go Lease It Inc.
Great American Insurance Company
Greenback Business Solutions Inc/ Greenback Leasing Corp
HarbourEdge Commercial Finance Corporation
Hav-A-Kar Auto Group
Hitachi Capital Canada Corp.
Honda Canada Finance Inc.
HUB International HKMB Limited
Humberview Group Leasing Inc.
Hyundai Capital Canada
i2iQ
iA Auto Finance
IBM Global Financing (Canada), A division of IBM Canada Ltd.
IndCom Leasing Inc.
Jim Pattison Lease
Jim Peplinski Leasing Inc.
John Deere Financial Inc.
Kempfenfelt Capital Inc.
Key Equipment Finance Canada Ltd.
KPMG LLP
Kronis, Rotsztain, Margles, Cappel LLP
Kropschot Financial Services, a member of The Alta Group.
LAKES Leasing
LBC Capital
Lease 1 Financial Ltd.
Lease Link Canada Corp.
Lease Plus Financial - 7964927 Canada Inc.
LeaseDirect Canada Corporation
LeaseFund International Inc.
Leasepath
Leasepath.com
LeasePlan Canada
Leman Group Advisory Services
Lionhart Capital Ltd.

CFLA Members Companies

LTi Technology Solutions
M+I Equipment Finance Co.
Macquarie Equipment Finance Ltd.
Manheim Canada
MapleLease Financial Services Ltd.
McMillan LLP
Medi-One Financial
Menwal Credit Coalition Inc
Mercedes-Benz Financial Services Canada Corporation
Meridian OneCap Credit Corp.
Miller Thomson LLP
Minden Gross LLP
Minerva Holdings Ltd.
Newroads Automotive Group
Nisco National Leasing
Nissan Finance Canada
Norand Capital Ltd. o/a UMA "Your Financial Partner"
Northstar Acceptance Corporation
Northstar Leasing Corporation
O'Regan's National Leasing
Odessa
OnDeck Canada
Oracle Financing Division
Patron West Equip Finance
PayNet Inc.
Peel Financial Inc.
Pfaff Leasing
Pivotal Capital Corp
PNC Equipment Finance
Polaris Leasing Ltd.
Porsche Financial Services Canada
Portfolio Financial Servicing Company/PFSC Canada Inc.
POWER LINE EQUIPMENT LOAN INC
PPSA Canada Inc.
Precision Paralegal Services
Prime Capital Group Inc.
Proven Financial Group Inc.
PYA Solutions Inc
QUESTOR FINANCIAL CORP.
RBC Equipment Finance Group
RCAP Leasing Inc.
Reliance Comfort Limited Partnership
Rifco National Auto Finance
Riordan Leasing Inc.
Ritchie Bros. Financial Services Ltd.
Ryzn Enterprise Systems Inc.
Savoie Joubert, g.p.
SCI Lease Corp.
Scotiabank Leasing
Securcor Corporation
Securefact
Smarter Loans
Somerset Equipment Finance Ltd.
Somerville National Leasing & Rentals Ltd.
Spartan Services Inc./Securcor
Stonebriar Commercial Finance Canada
Stonebridge Lease Financing Corporation
Stride Capital
Summit-Northlake Canadian Leasing Corp.
Sun Life Financial
TAO Asset Management Inc.
TAO Solutions Inc.
TD Equipment Finance Canada
Teranet Collateral Management Solutions
TFG Financial Corporation

Torys LLP
Toyota Credit Canada Inc.
Toyota Industries Commercial Finance Canada, Inc.
TPine Leasing Capital Corporation
Trademark Capital Finance Corporation
Trans Lease Canada
Transcourt Tank Leasing
Tribucore Capital Ltd.
Tricor Lease & Finance Corporation
TUV NORD / APEX Inspections
VantageOne Leasing Inc.
Veranova & Legal Support Services
VersaBank
Volvo Financial Services
VW Credit Canada Inc.
Wells Fargo Equipment Finance Company
West Rock Capital Corp
Wheels Leasing Canada Ltd.
Wilson Vukelich LLP
WS Leasing Ltd.
Yellowhead Equipment Finance Ltd

Summary of Financial Position

Canadian Finance and Leasing Association		
Statement of Financial Position		
as at Jun 30, 2019		
	2019	2018
	(\$)	(\$)
ASSETS		
CURRENT		
Cash and cash equivalents	1,317,853	1,646,545
Short-term Investment	653,770	640,109
Accounts Receivable	14,988	28,883
Prepaid Expenses	59,435	89,518
TOTAL CURRENT ASSETS	2,046,046	2,405,055
Prepaid and Deposits	18,297	13,297
Capital Assets	-	-
TOTAL ASSETS	2,064,343	2,418,352
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	117,278	106,409
Government remittances payable	23,988	57,208
Deferred membership fees	425,255	686,290
Deferred national conference revenue	25,615	92,000
TOTAL CURRENT LIABILITIES	592,136	941,907
Unrestricted net assets	1,472,207	1,476,445
TOTAL LIABILITIES AND NET ASSETS	2,064,343	2,418,352

Financial statements audited by Kriens - LaRose LLP are available for members upon request.

The Equipment Leasing Association of Canada (ELAC) was incorporated by Letters Patent under Part II of the Canada Corporations Act on April 18, 1973. On October 7, 1993, ELAC changed its name to the Canadian Finance & Leasing Association – Association canadienne de financement et de location (CFLA-ACFL).

The Canadian Automotive Leasing Association (CALA) was incorporated by Letters Patent under Part II of the Canada Corporations Act on October 10, 1979. In 1993, CALA transferred all its assets to CFLA-ACFL. On May 1, 1995, CALA was dissolved.

CFLA-ACFL was continued under the Canada Not-for-profit Corporations Act on September 30, 2013 with the purposes (a) to promote, develop and encourage the business of asset financing and leasing in Canada; and (b) to encourage and advance the interests of parties engaged in the business of asset financing and leasing in Canada.



CANADIAN FINANCE & LEASING ASSOCIATION

L'ASSOCIATION CANADIENNE DE FINANCEMENT ET DE LOCATION

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Website: www.cfla-acfl.ca • Email: info@cfla-acfl.ca

