



MAKING CAPITAL WORK



FOURTH QUARTER 2015
FINANCIAL RESULTS

Certain information in this presentation is forward-looking and related to anticipated financial performance, events and strategies. When used in this context, words such as “will”, “anticipate”, “believe”, “plan”, “intend”, “target” and “expect” or similar words suggest future outcomes. Forward-looking statements relate to, among other things, Element Financial Corporation’s (“Element”) objectives and strategy; future cash flows, financial condition, operating performance, financial ratios, projected asset base and capital expenditures; Element’s anticipated dividend policy; anticipated cash needs, capital requirements and need for and cost of additional financing; future assets; demand for services; Element’s competitive position; and anticipated trends and challenges in Element’s business and the markets in which it operates; and those related to the integration and financial impact of the acquisition of various fleet management businesses from GE Capital.

The forward-looking information and statements contained in this presentation reflect several material factors and expectations and assumptions of Element including, without limitation: that Element will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax and regulatory regimes; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund its capital and operating requirements as needed; and the extent of its liabilities. Element believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

By their nature, such forward-looking information and statements are subject to significant risks and uncertainties, which could cause the actual results and experience to be materially different than the anticipated results. Such risks and uncertainties include, but are not limited to, operating performance, regulatory and government decisions, competitive pressures and the ability to retain major customers, rapid technological changes, availability and cost of financing, availability of labour and management resources and the performance of partners, contractors and suppliers.

Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, Element disclaims any intention and assumes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Agenda

- | | |
|---|---|
| 1. Q4 Highlights | Steven Hudson, CEO |
| 2. Fleet Management and Commercial & Vendor | Brad Nullmeyer, President;
Dan Jauernig, Chief Operating Officer |
| 3. Rail Finance and Aviation Finance | David McKerroll, President Rail & Aviation |
| 4. Financial Highlights | Michel Beland, CFO |
| 5. Separation | Steven Hudson, CEO |
| 6. Summary and Outlook | Steven Hudson, CEO |



Steven Hudson
CEO

Q4 HIGHLIGHTS

Q4 Financial Highlights

- \$0.35 per share of after-tax adjusted operating income versus \$0.26 in the previous quarter and \$0.19 in the same period last year
- Q4-2016 benefited from a one-time non-recurring tax rate which accounted for 2.5 cents in additional post-tax EPS
- \$0.40 per share of pre-tax adjusted operating income versus \$0.32 in the previous quarter and \$0.25 in the same period last year
- Increased book value per share to \$13.43 from \$12.56 at the end of the previous quarter and \$9.34 at the end of the same period last year
- Total earning assets increased to \$20.5 B versus \$19.3 B at the end of the previous quarter and \$9.0 B at the end of the same period last year
- Originations exceeded \$2.5 billion (64% fleet)

Q4 Operating Highlights

- GE Fleet integration proceeding on plan
- Annualized integration savings estimate increased to ~US\$100 million
- Arrears decrease to 16 bps from 20 bps at the end of Q3-2015
- Closed US\$1.5 billion of variable funding notes and US\$ 1.7 billion of term notes through Chesapeake II ABS funding platform
- More than \$6 billion of committed available liquidity to fund growth into 2017
- 99%+ rail portfolio utilization

Q4 Strategic Highlights

Business Separation Announced

- Establish two market-leading public companies:
 - Element Fleet Management – the world’s largest publicly-traded fleet management company
 - Element Commercial Asset Management – North American leader in commercial finance
- Positive stakeholder feedback
 - Share price appreciation sessions following the announcement with increased “long-only” shareholder participation
 - Two rating agencies published review notices with positive outlook
- Provides single focus for each entity

Originations & Total Earning Assets

Strong Year-Over-Year Growth

- Strong organic currency neutral year-over-year growth led by Fleet
- Seasonality impacts each of our businesses → the important measure is year-over-year growth
- Total Earning Assets are the best indicator for organic growth

	Originations		Total Earning Assets ⁽¹⁾	
C\$ millions	Q4 2014	Q4 2015	Q4 2014	Q4 2015
Fleet	728	1,620	4,908	13,648
Commercial & Vendor	369 ⁽²⁾	422	1,874	2,895
Rail	137	198	1,154	2,342
Aviation	397	305	1,093	1,585
Total Consolidated	1,666	2,545	9,029	20,470

(1) Including the GE Fleet Business acquired in Q3 2015 of \$7,756 million

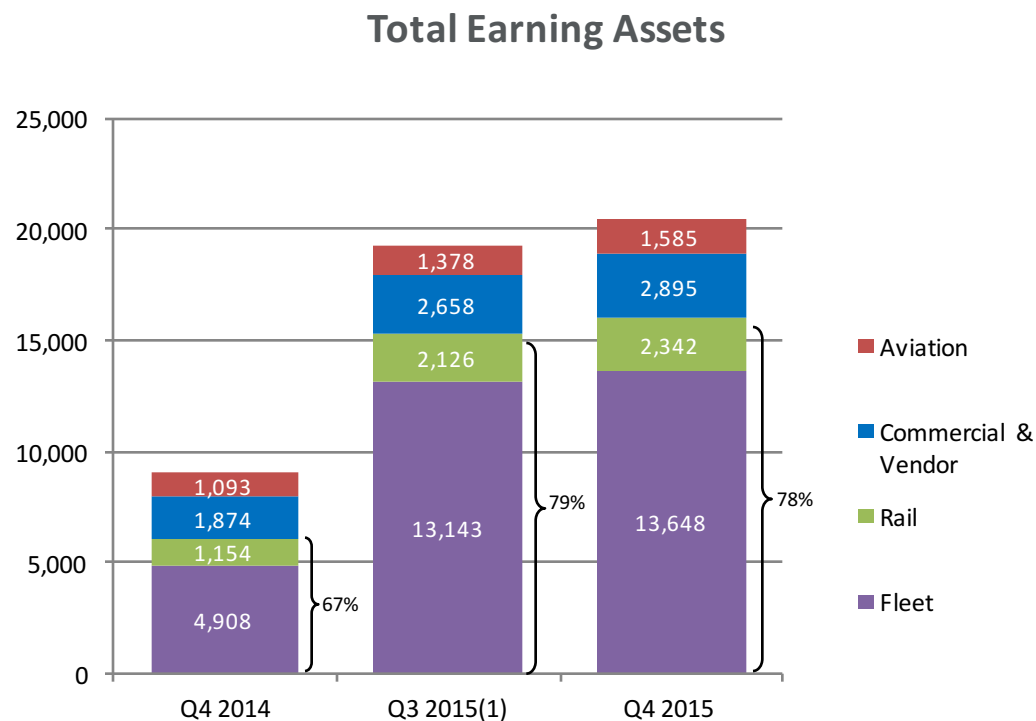
(2) Excludes discontinued business lines

Total Earning Assets

Asset Mix Dominated by Fleet

Highlights

- Fleet and Rail represent 78% of Total Earning Assets at December 31, 2015 consistent with the previous quarter
- Over \$2.5 billion of originations during current quarter and \$7.7 billion year to date for an increase of 63% over the 2014 12-month period



(1) Q3 2015 adjusted to reclassify certain GE acquired assets related to fleet customers

Performing on Plan

Highlights

- After-tax adjusted operating income per share at \$0.35 with the full effect of the acquired GE assets
- Introduction of Chesapeake II funding throughout the quarter (closed December 16, 2015) would have increased pre-tax adjusted operating income per share by \$0.025
- Tax rate benefited from non-recurring advantageous financing structure of GE US Fleet acquisition during Q4 (~\$0.025 per share)
- Tangible leverage at 4.57:1 versus 4.53:1 at end of previous period
- Return on average earning assets would have increased from 3.3% to 3.5% for the quarter had the Chesapeake II facility being available throughout the period (closed December 16, 2015)
- Savings from achieved and projected synergies materialize from Q1- 2016 onward

Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
After-tax Adjusted Operating Income per Share							
\$0.10	\$0.11	\$0.16	\$0.19	\$0.21	\$0.23	\$0.26	\$0.35
Pre-tax Adjusted Operating Income per Share							
\$0.13	\$0.14	\$0.21	\$0.25	\$0.27	\$0.31	\$0.32	\$0.40
Tangible Leverage ⁽²⁾							
1.81:1	1.35:1 ⁽¹⁾	3.47:1	3.72:1	3.92:1	3.07:1	4.53:1	4.57:1
Before Tax Return on Average Earning Assets							
3.13%	3.30%	3.06%	3.36%	3.30%	3.55%	3.30%	3.30%
Before Tax Return on Equity							
7.04%	7.90%	9.69%	10.93%	11.01%	12.26%	11.22%	12.57%

(1) Reduction due to additional equity raised for PHH Arval acquisition

(2) Adjusted Operating Income on Average Earning Assets

Consolidated Revenue Mix

Highlights

- Fee revenue continues to grow as a percent of net financial income driven by:
 - Growth in Fleet management fees
 - Increased advisory, syndication and other fee income
- Additional Fleet management fee growth opportunities from:
 - Increased product penetration
 - New product offerings
 - Aligning service offerings across acquired GE businesses

% of Net Financial Income	2013	2014	2015
Total fee revenue ⁽¹⁾	28%	38%	40%
Spread revenue ⁽²⁾	72%	62%	60%

(1) Management fees and other revenues as a percent of net financial income

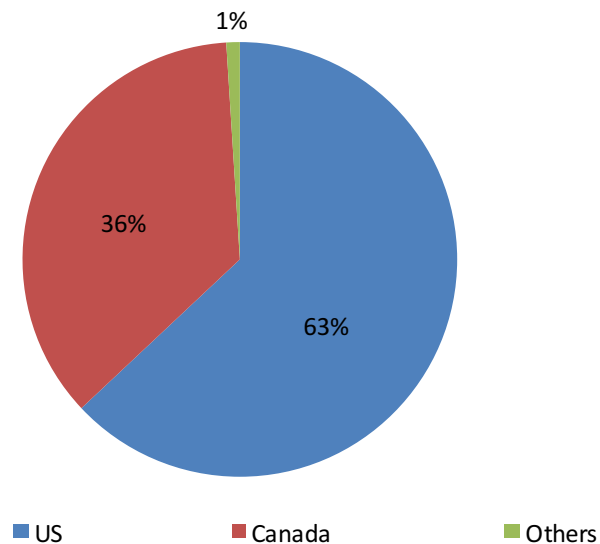
(2) Interest income and rental revenue, net of interest expense and amortization as a percent of net financial income

Geographic Diversification

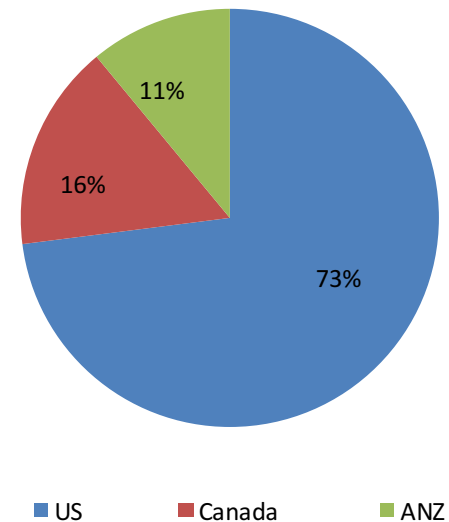
Highlights

- US market remains as the main source for Element's earnings and asset growth
- Canadian market exposure decreased from 36% to 16% over the last 12 months

December 31, 2014 Earning Assets



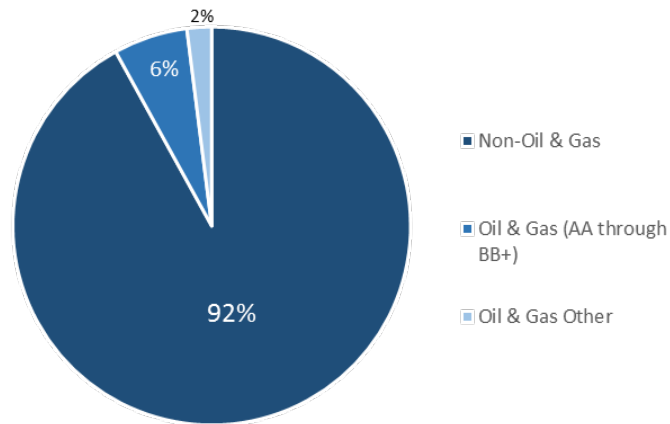
December 31, 2015 Earning Assets



Limited Oil & Gas Exposure

Diversification of Total Earning Assets

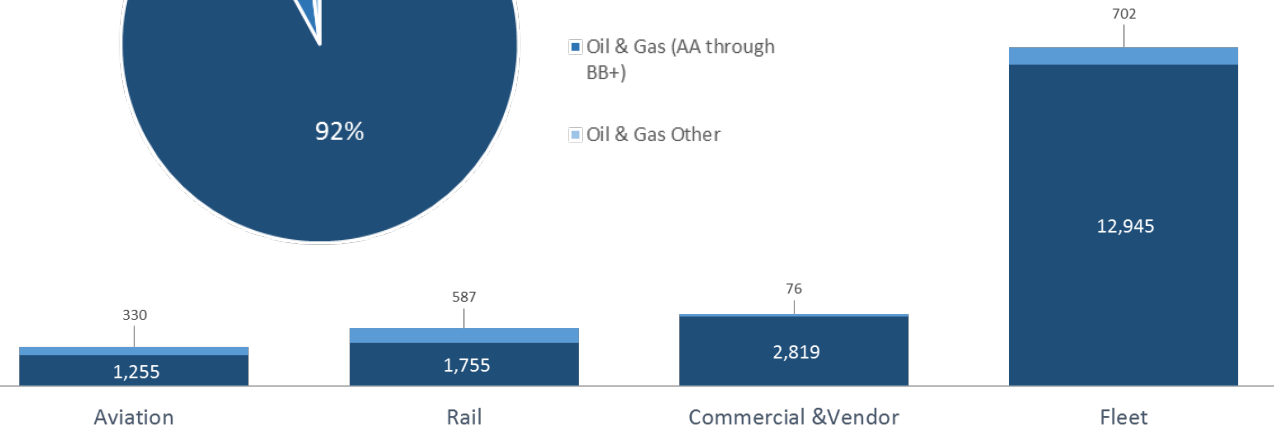
as at December 31, 2015
(\$, millions)



■ Non-Oil & Gas

■ Oil & Gas (AA through BB+)

■ Oil & Gas Other



Highlights

- Less than 8% of Total Earning Assets are outstanding with credits related to the oil & gas industry
- AA through BB+ credits account for 75%
- Fleet Management's oil & gas related earning assets are standard vehicles with average duration of two years
- Rail's oil & gas related earning assets have an average remaining lease term of five years
- Portfolio performance remains very strong and is well within expected limits



Bradley Nullmeyer

President

Dan Jauernig

Chief Operating Officer

FLEET MANAGEMENT BUSINESS

COMMERCIAL & VENDOR FINANCE
BUSINESS

Fleet Management

Highlights

- Fleet's organic year-over-year growth in Total Earning Assets was 5.4% after adjusting for currency impact and excluding the assets acquired from GE in Q3 2015
- Revenue Yield increased by 30 bps over prior quarter primarily due to the Australia and New Zealand business acquisition on September 30, 2015 and initial procurement savings
- Chesapeake II closed December 16, 2015; would have contributed 30 bps to both NIM and ROAA on a pro-forma basis
- Adjusted pro-forma ROAA of 3.2% consistent with prior quarters

	Q4 2014	Q3 2015	Q4 2015
Financial Revenue Yield	8.4%	8.1%	8.4%
NIM Yield/NIM Yield Pro Forma ⁽³⁾	6.7%	6.4%	6.2%/6.5% ⁽³⁾
Adjusted OpEx Ratio	3.5%	3.3%	3.3%
ROAA ⁽¹⁾ /ROAA Pro Forma ⁽³⁾	3.2%	3.1%	2.9%/3.2% ⁽³⁾
Average Debt Advance Rate ⁽²⁾	100.0%	100.0%	98.1%
% of Total Average Earning Assets	56.1%	56.3%	68.1%

Originations (\$ millions)	Q4-2015	
US	\$1,263.3	78.0%
Canada	\$146.8	9.1%
Other	\$210.0	12.9%
	<u>\$1,620.1</u>	<u>100.0%</u>

(1) Adjusted Operating Income on Average Earning Assets

(2) Average Debt as a percent of Average Earning Assets

(3) Pro Forma based on Chesapeake II in place for full Quarter

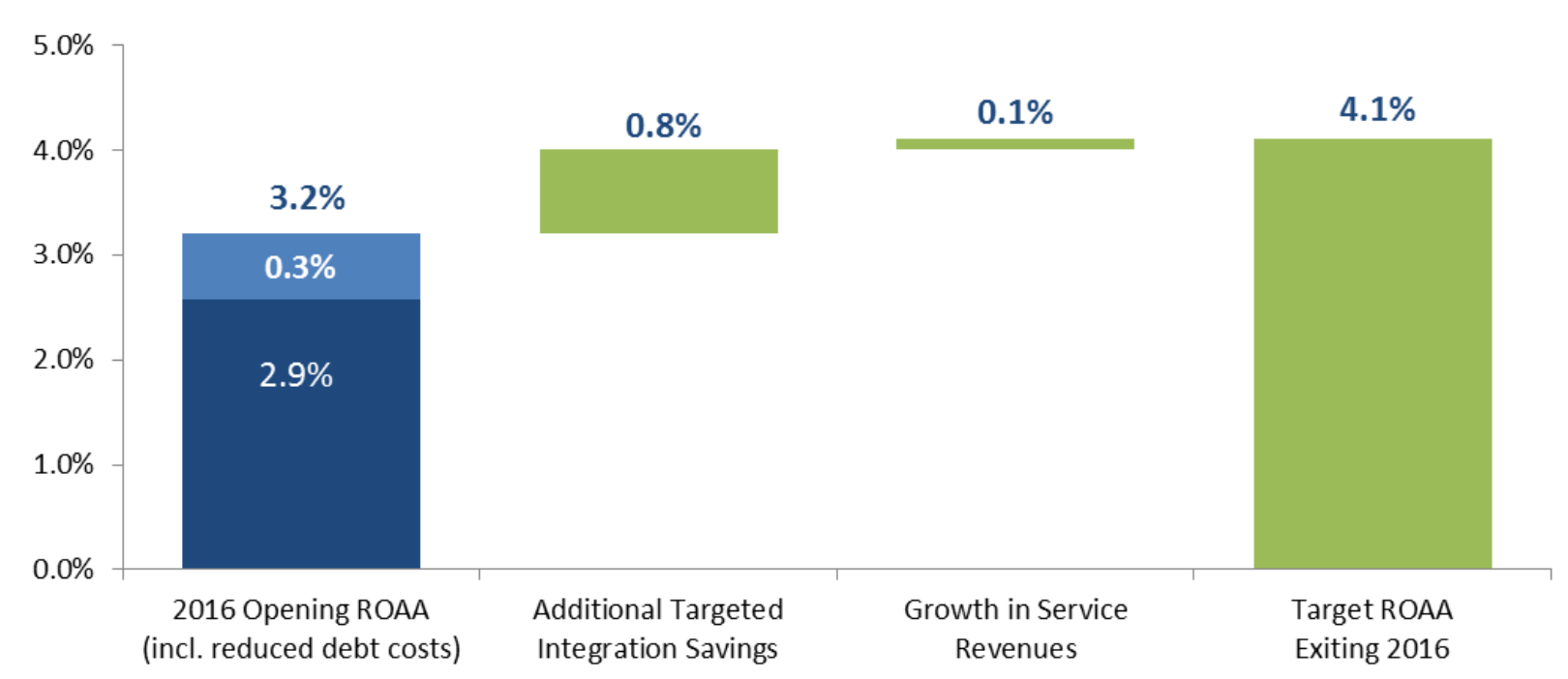
GE Fleet Acquisition Update

Highlights

- Integration is on track and on budget
- Updating targeted annualized integration savings of US\$90 to US\$95 million within 18 months to US\$100 million by the end of 2016, as follows:
 - Cost of funds reduction - \$18M, completed; to be realized beginning January 1, 2016
 - Purchasing economies – \$51M, substantially completed; benefits beginning January 1, 2016
 - Operations consolidation – \$31M, ongoing; majority to be realized beginning in Q4-2016
- Detailed regular integration updates are being provided to Element's Board of Directors
- Integration is a catalyst for product and service innovations to drive deeper market penetration
- IT integration projects are underway; positioning Element for future growth and new product innovation
 - Delivers incremental fee income
 - Accelerates product development
 - Enables deeper data analysis

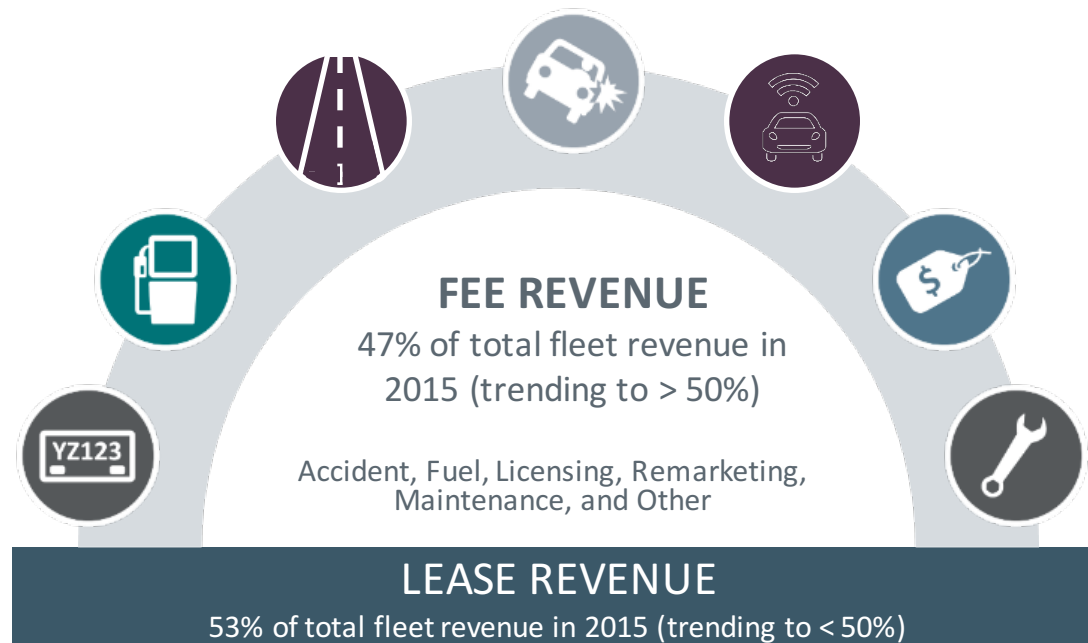
Fleet Asset Returns - 2016 Target

Fleet Management's Path to 4%+ ROAA Exiting 2016



As expected, Debt Costs negatively impacted Fleet's Q4 2015 ROAA by 30 bps since the acquired GE Fleet business was funded by Element's bank facility prior to the launch of Chesapeake II on December 16, 2015

Fleet Management Services Opportunities



- Fleet Management fees increased to \$101.3 million in Q4 2015 (49% of Fleet's net financial income) from \$39.0 million in Q4 2014
- Lease revenues are term in nature
- Service revenues are annuity like due to value created and integrated into client demonstrated savings
- Service versus lease revenue mix is balanced and complementary
- Scale of service offerings, such as fuel cards, leasing, maintenance, accident management, telematics, tolls and violations management
- Creating new pipeline of service offerings to further enhance value proposition
- Culture of continuous improvement of product delivery and innovation across industry

Element's Key Strengths in Fleet

- Combined offerings of financing, services and exceptional consulting are best in class and provide a compelling value proposition
- Significant purchasing power, scale, and leverage combined with an extensive North American supplier network
- Largest and most comprehensive ownership of global benchmarking data set for customer consulting and portfolio management
- Proven stable performance through economic cycles and downturns due to:
 - Access to stable funding sources
 - Pristine credit quality and portfolio
 - Stable revenues that shift between fee income and financing income
- Ability to offer global solutions in 45+ countries
- Size provides scale for significant investment in new fleet technologies
- Experienced leaders in transformations through technology

Element Fleet Leadership

Experienced Leaders in Fleet Management and Technological Transformation

- **Kristi Webb** - experienced fleet business leader with fleet product innovation expertise, former President & CEO of GE Fleet Services
- **Jim Halliday** - deep international Fleet experience with expertise in strategic growth initiatives, former President & CEO of PHH Fleet
- **Dan Jauernig** - formerly President & CEO of Cars.com, largest online automotive website in the U.S., with expertise in financial services and technological transformation
- **Bradley Nullmeyer** - extensive strategic financial services experience with expertise in fintech and using technology to drive transformation and change

Commercial & Vendor Finance

Highlights

- Increased US originations from – Q4 2014 by 24% year-over-year
- Reduction in originations from Q3 as a result of:
 - Reduced funding activity in a single vendor program to remain within Element's internal concentration limit
 - Q1-2016 outlook shows continued strength in US market with Q1 – 2016 Originations expected to be ahead of Q1 2015
- Net Interest Margin Yield fluctuates due to the timing and variability of syndication income
- Overall ROAA in Q4 and on a full year basis was higher than last year
- Asset Quality remains very strong
- 3 new vendor programs added to capitalize on market disruption and Element strengths – one expected to generate \$100M annually

Originations (\$ millions)	Q4 2014	Q3 2015	Q4 2015
U.S.	258.8	459.3	322.0
Canada	110.3 ⁽³⁾	120.7	99.7

	Q4 2014	Q3 2015	Q4 2015
Financial Revenue Yield	7.9%	8.7%	8.1%
Net Interest Margin Yield	4.7%	5.6%	5.1%
Adjusted OpEx Ratio	2.0%	1.7%	1.6%
ROAA ⁽¹⁾	2.7%	3.9%	3.5%
Average Debt Advance Rate ⁽²⁾	86.1%	85.4%	84.6%
% of Total Average Earning Assets	20.9%	19.1%	14.0%

(1) Adjusted Operating Income on Average Earning Assets

(2) Average Debt as a percent of Average Earning Assets

(3) Excludes discontinued business lines



David McKerroll

President – Rail & Aviation

AVIATION FINANCE BUSINESS

RAIL FINANCE BUSINESS

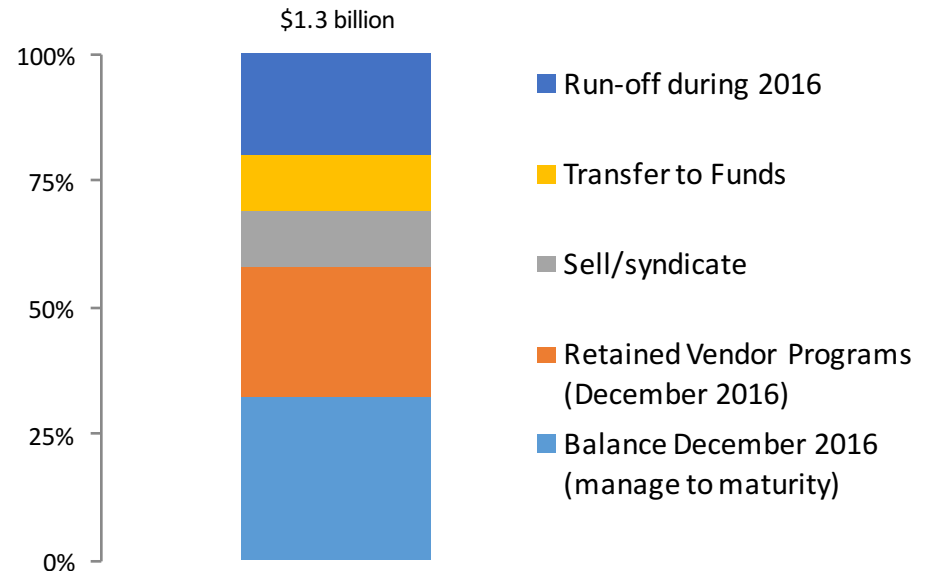
Aviation Finance

- February 16, 2016: Announced discontinuing Element's "On Balance Sheet" aviation business and focus on asset management capabilities

On Balance Sheet Wind Down Starting Q1 2016

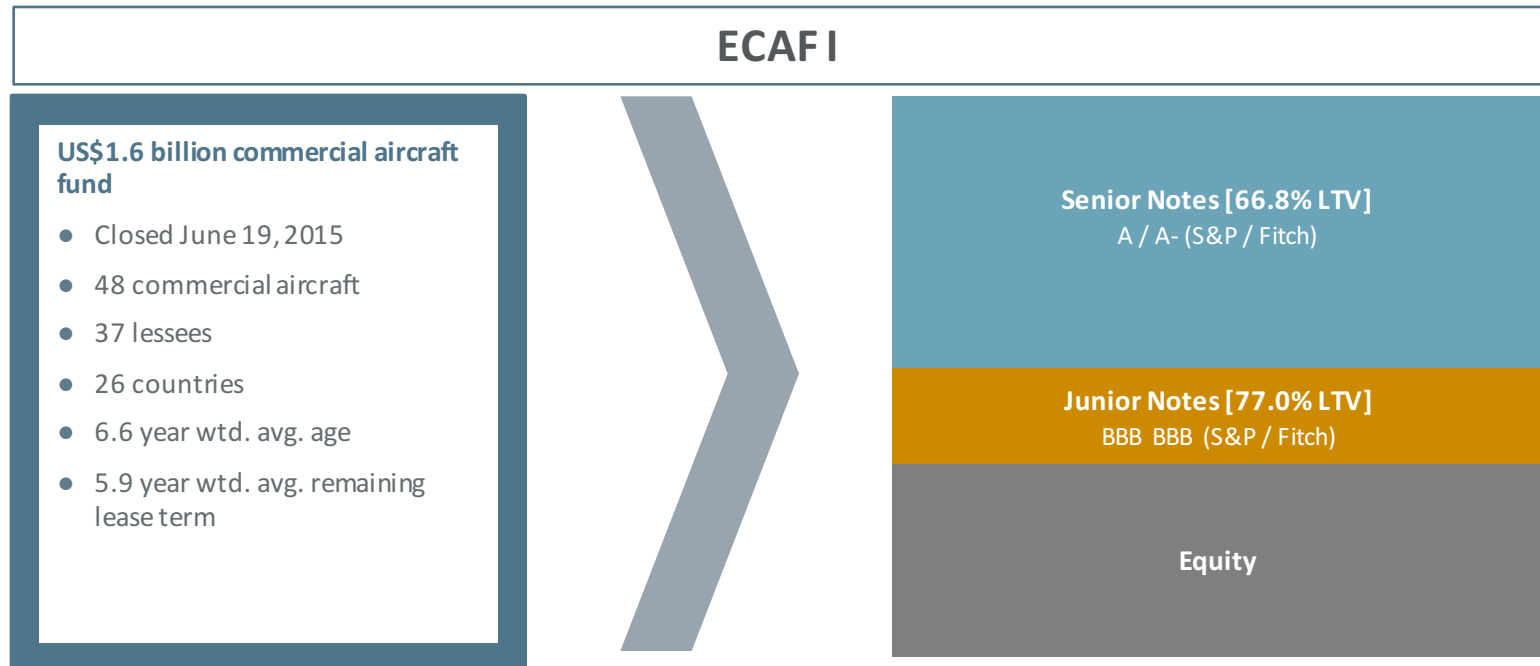
- Rationale for wind down:
 - Low ROE and small market
- Approach to wind down:
 - Transfer to future Element managed funds
 - Asset sales and syndications
 - Manage to maturity
- Retaining vendor relationships that will generate significant fee opportunities

Approximate wind down during 2016



Transition to an Asset Manager

- Element's Aviation advisory business has demonstrated ability to originate, structure and launch Funds within the commercial aviation sector:
 - ECAF I Ltd was Element's first commercial aircraft fund that launched during Q2 2015 – US\$1.6 billion
 - Element structured the transaction and sourced the equity
 - Element acts as the manager on behalf of the ECAF I institutional investors
 - Element is a minority pari passu equity participant in ECAF I
- Creating a family of ECAF funds following on from ECAF I:
 - ~US\$1 billion during Q2-2016 and ~US\$1.5 billion during Q4-2016/Q1-2017



Aviation Finance

Highlights

- Aviation originations are generally strongest in Q4, but were down year over year
- Q4 sequential improvement in Revenue Yield versus Q3 due to syndication fees
- Element will increase focus on advisory and fund management by developing more funds similar to ECAF 1 that launched in Q2 2015
- The General Aviation portfolio will be wound down beginning in 2016

	Q4 2014	Q3 2015	Q4 2015
Originations (C\$ millions)	397.2	83.7	305.5

	Q4 2014	Q3 2015	Q4 2015
Financial Revenue Yield	9.0%	7.2%	8.3%
Net Interest Margin Yield	6.4%	4.6%	6.0%
Adjusted OpEx Ratio	0.8%	0.9%	0.7%
ROAA ⁽¹⁾	5.6%	3.7%	5.3%
Actual Debt Advance Rate ⁽²⁾	65.0%	65.0%	54.9%
% of Total Average Earning Assets	11.0%	11.1%	6.9%

(1) Adjusted Operating Income on Average Earning Assets

(2) Average Debt as a percent of Average Earning Assets

Rail Finance

Highlights

- Q4-2015 Financial Revenue Yield benefited from gain on sale of a lease to assist with portfolio diversification
- Completed original program with Trinity during Q4 2015 and established meaningful scale
- Element has been building its own origination capabilities; expected to be 50% of 2016 volume
- Going forward:
 - Extended Trinity \$1 billion program in place for 2016 to 2019 to meet current needs (expect US\$200 million during 2016)
 - Direct originations supplement portfolio diversification
- Anticipate 2016 originations to be weighted to the 2nd Half of 2016

	Q4 2014	Q3 2015	Q4 2015
Originations (C\$ millions)	136.7	358.4	197.6

	Q4 2014	Q3 2015	Q4 2015
Financial Revenue Yield	7.6%	7.4%	8.5%
Net Interest Margin Yield	4.3%	4.3%	5.3%
Adjusted OpEx Ratio	1.0%	1.0%	0.9%
ROAA ⁽¹⁾	3.3%	3.3%	4.4%
Actual Debt Advance Rate ⁽²⁾	75.0%	75.0%	75.0%
% of Total Average Earning Assets	12.0%	13.5 %	11.0%

(1) Adjusted Operating Income on Average Earning Assets

(2) Average Debt as a percent of Average Earning Assets

Key Attributes of Element's "CBR" Railcars

Young Age

- The average age of the CBR cars in Element's rail portfolio is 1.7 years

Leased to Solid Credits

- The CBR lessees in Element's rail portfolio are with large, highly rated industry players

Long Lease Durations

- The average remaining lease term of the CBR cars in Element's rail portfolio is five years
- 0.5% of the portfolio is comprised of CBR cars due for renewal in the next two years



Michel Beland
Chief Financial Officer

FINANCIAL STATEMENTS

Financial Statements

Income Statement

GE Fleet Acquisition Impacts Operating Results

- Financial revenue increased by 58% over Q3 2015
- Interest expense increased by 62% over Q3 2015
- Average financial leverage to 3.3:1 for the quarter compared to 2.9:1 during the previous quarter
- Adjusted operating income before taxes increased by 51%
- Adjusted operating income after tax increased by 65% exceeding growth in pre-tax income from non-recurring tax rate during the quarter on tax advantageous funding of the GE US Fleet

	3 Months Ended (\$ thousands)		
	Q4 2014	Q3 2015	Q4 2015
Financial revenue	175,703	258,521	409,240
Interest expense	50,046	73,590	119,521
Net financial income	125,657	184,931	289,719
Adjusted operating expenses	53,819	77,810	128,181
Adjusted operating income before taxes	71,838	107,121	161,538
Adjusted operating income after taxes	55,445	87,173	143,478

Financial Statements

Yields

GE Fleet Acquisition Impacts Operating Results

- Financial Revenue improved to 8.34% from 7.96% and 8.23% reported in the previous quarter and comparative quarter due to higher syndication activities and other revenues
- Interest expense was 2.43%, an increase from the 2.27% and 2.35% reported comparative periods resulting from the interim funding of the GE Fleet Acquisition using a facility with higher debt costs. This has been partly addressed with the completion of the Chesapeake II facility introduced December 16, 2015
- Adjusted operating expenses at 2.61% are higher than comparative periods again from increased costs associated with the larger Fleet business. Integration savings from synergies are being generated from 2016 onward
- Adjusted operating income before income taxes was 3.30% compared to the same yield reported for Q3, 2015 and slightly lower than the comparative quarter of 2014. The introduction of Chesapeake II throughout the quarter would have increased yield to 3.5%

	As a % of Average Earning Assets 3 Months Ended		
	Q4 2014	Q3 2015	Q4 2015
Financial revenue	8.23%	7.96%	8.34%
Interest expense	2.35%	2.27%	2.43%
Net financial income margin	5.88%	5.69%	5.91%
Adjusted operating expenses	2.52%	2.39%	2.61%
Adjusted operating income before taxes	3.36%	3.30%	3.30%
Average debt advance rate	92.2%	90.0%	90.7%

Financial Statements

Balance Sheet (CAD \$millions)

GE Fleet Acquisition impacts Financial Position

- Total assets grew to \$25.2 billion from \$11.3 billion at December 31, 2014
- Total earning assets grew to \$20.5 billion from \$9.0 billion at December 31, 2014 from organic growth and the GE Fleet acquisition
- Book equity grew to \$5.7 billion from \$2.8 billion at December 31, 2014 from capital issued in May 2015 to finance the GE Fleet acquisition and from comprehensive income
- Tangible leverage ratio grew to 4.57:1 at December 31, 2015 compared to 3.72:1 at December 31, 2014
- Leverage ratio's are also currently impacted by the movement in the US dollar from increased US assets and debt and current changes in this currency versus the Canadian dollar

	Q4 2014	Q3 2015	Q4 2015
Total assets	11,291	23,572	25,163
Total earning assets ⁽¹⁾	9,029	19,305	20,470
Book equity	2,831	5,377	5,718
Financial leverage ratio	2.85	3.24	3.27
Tangible leverage ratio ⁽²⁾	3.72	4.53	4.57

(1) Total earning assets = Net investment in finance receivables + Equipment under operating leases + Investment in managed fund

(2) Convertible debentures as both equity and debt

Financial Statements

Return on Average Equity

GE Fleet Acquisition Improves Return on Average Equity

- Before-tax adjusted operating income was 12.57% for quarter compared to 11.22% and 10.93% for the previous quarter and comparative quarter of the previous year
- After-tax adjusted operating income for the quarter positively affected by one-time tax advantageous structure to fund the GE Fleet assets.

	3 Months Ended		
	Q4 2014	Q3 2015	Q4 2015
After-tax adjusted operating income	8.20%	8.94%	11.08%
Before-tax adjusted operating income ⁽¹⁾	10.93%	11.22%	12.57%

(1) Reported Average Operating Income on Average of Common Shareholders' Equity

Financial Statements

Per-Share Amounts

GE Fleet Acquisition Contributes to Increased EPS

- Book value per share increases by \$0.87 and \$4.09 over the previous quarter and over the last calendar year
- After-tax adjusted operating income EPS was \$0.35 per share for the quarter compared to \$0.26 and \$0.19 during Q3 2015 and Q4 2014
- Free operating cash flow adds \$0.05 per share from the deferral of cash taxes
- Maintain timing benefit of ~12 year tax deferral

	As at, and for the 3 Months Ended		
	Q4 2014	Q3 2015	Q4 2015
Book value	\$9.34	\$12.56	\$13.43
Pre-tax adjusted operating income (basic)	\$0.25	\$0.32	\$0.40
After-tax adjusted operating income (basic)	\$0.19	\$0.26	\$0.35

Asset Quality

Low Risk Assets/Minimal Credit Losses

- Overall portfolio reflects continued quality of assets and high level of rated customers
- Past due accounts at all time low at 16 bps of finance receivables
- Impaired assets at all time low at 3 bps of finance receivables
- Allowance for credit losses at conservative 19 bps of finance receivables to provide excess capacity

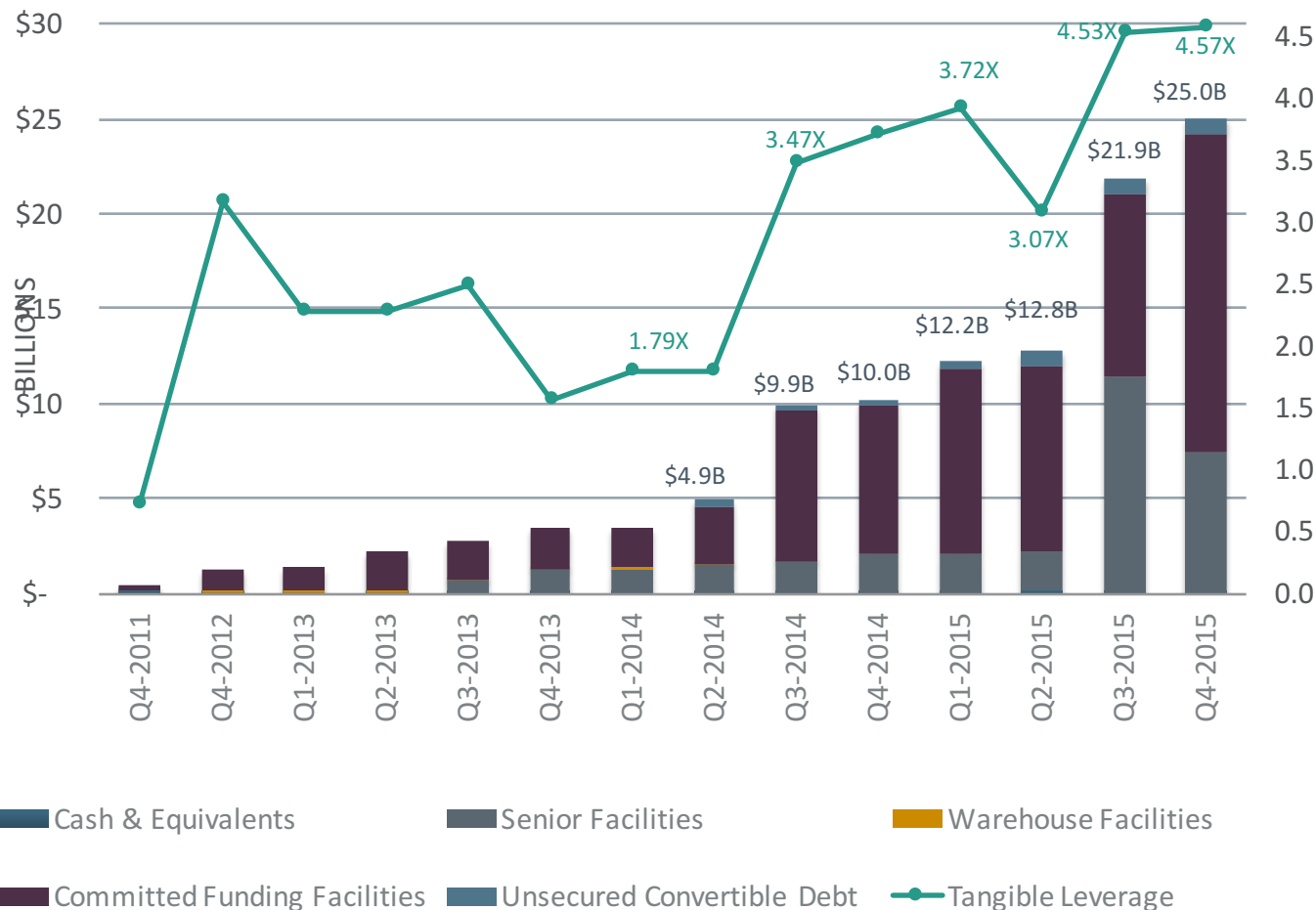
	Delinquencies as a % of Finance Receivables				
	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Non-current (> 31 days)	0.33	0.34	0.20	0.20	0.16
Impaired	0.07	0.05	0.12	0.10	0.03
Allowance for credit loss (as a % of total finance assets)	0.20	0.20	0.20	0.15	0.19

Excess Liquidity to Fund Operations into 2017

	Sources of Funds	Consolidated (C\$ millions)
As at December 31st, 2015 Element has \$6.2B in committed and available liquidity	Senior Line availability	2,135.4
	Forward Funding Facilities	4,119.3
		6,254.7
During 2016, Element will generate \$4.9B cash flow from operations and amortization of leases and equipment	Cash Flow from Operations	850.0
	Net Cash Flow from Assets	4,017.5
		4,867.5
	Total Sources of Funds	11,122.0

Funding and Leverage

Balance Sheet Capacity to Fund Planned Growth



Committed facilities amounted to C\$25 billion as of December 31, 2015

At December 31, 2015, Element had C\$6.2 billion in committed and available financing to fund ongoing originations into 2017

Committed facilities are supplemented by access to the ABS market to fund both Rail and Fleet verticals

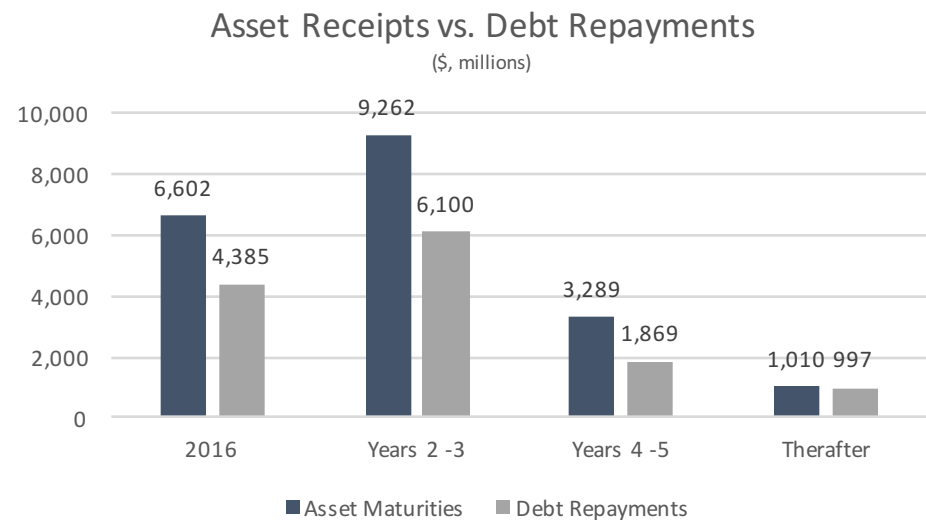
Debt maturities matched to asset run off with repayment schedule mirroring expected debt repayments

Funding Vehicles & Liquidity

- Funding strategy: Matched funding for maturity, currency and interest rates
- Matched funding program ensures:
 - No exposure to foreign exchange variations on assets
 - Spread fixed over term of debt
 - No liquidity events, term 3-year Revolving Senior Facility
- Robust US Fleet funding vehicle funded throughout last credit crisis, funding \$2.2 billion in 2009 in the ABS markets
- As at December 31, 2015, the Company had C\$25 billion in committed facilities, with committed and available funding capacity of C\$6.2 billion.

Matched Funding

- Element matches debt maturities to long-tenured asset receipts inherent in its business
- Current debt facilities have an amortizing repayment schedule mirroring expected asset receipts
- No liquidity events, senior facilities has been extended for a three year term



	<u>2016</u>	<u>Years 2 -3</u>	<u>Years 4 -5</u>	<u>Therafter</u>	<u>Total⁽¹⁾</u>
Net	\$2,217	\$3,162	\$1,420	\$13	\$6,812

(1) Term Senior Facility for \$5,244 excluded as temporary funding



Steven Hudson
CEO

STRATEGIC SEPARATION

Separation Highlights

- Creates world's largest publicly traded fleet management company with stable growth, pristine credit quality and recurring high-margin fee income
- Creates high-growth commercial finance business transitioning to an asset management business with a strong investment-grade balance sheet
- Final structure being evaluated to be tax neutral and most cost effective
- Both DBRS and Kroll have issued credit positive statements leading to improved corporate rating of Fleet management in the future
- Both companies to be independent from each other:
 - Bradley Nullmeyer, CEO Fleet and Steven Hudson, CEO Asset Manager
 - Independent Boards save for cross representation for both CEOs
 - Independent senior management and leadership teams
 - No cross-company service/funding arrangement
- Preferred shares to remain with existing issuer and therefore Element Fleet Management
- Convertible Debentures to remain with existing issuer and therefore Element Fleet Management conversion rates to be adjusted to reflect value transferred out
- Consolidated EPS guidance for 2016 remains at \$1.61 (basic) subject to component variation for foreign exchange and tax rates
- Commitment to upsize current common share dividend from \$0.025 per share with formal dividend policies in place for both entities

Separation - Timeline

February 16, 2016

- Announcement of business separation

4th week of March 2016

- Announce leadership and governance structure

1st week of May 2016

- Supplementary disclosure on separated businesses including financial statements

2nd week of August 2016

- Supplementary disclosure on separated businesses including financial statements
- Go-forward financial reporting metrics

September/October 2016

- Transaction approval
- Separation
- Updated dividend policy

“Investors Applaud Element Restructuring”

Financial Post
February 18, 2016

“Split into Fleet and Capital Light Asset Management highlights exceptional value.”

“Commercial Finance Unit Will Have Greater M&A Potential.”

“The benefits of isolating the Fleet Management business are obvious: higher credit rating (A), more financial leverage and a higher trading multiple.”

“Sum-of-the-parts approach yields a conservative consolidated valuation range of between \$18.50 and \$24.50 per share, with upside potential above \$30.”



Steven Hudson
CEO

SUMMARY & OUTLOOK

1. 2016 EPS guidance at \$1.61 per share
 - F/X upside offset by tax
2. GE Fleet integration proceeding on plan
 - Cost savings estimate increased to ~US\$100 million
3. Rail portfolio performing as planned with 99% utilization
4. Energy exposure decreased to 8% in Q4 from 9% in Q3
5. +\$6 billion of committed funding in place for 2016 and 2017
6. Business separation process on track for September/October 2016 closing



MAKING CAPITAL WORK