



MAKING CAPITAL WORK



SECOND QUARTER 2016
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; those related to the integration and financial impact of the acquisition of various fleet management businesses from GE Capital; and the plans, strategies and objectives of Element for future operations, including with respect to the proposed separation, the expected timetable for completing the separation, the future financial and operating performance of each business, the strategic and competitive advantages of each business and future opportunities for each business.

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, the performance of partners, contractors and suppliers and the possibility that the proposed separation will not be consummated with the anticipated time period or at all, including as a result of regulatory, market or other factors, and the potential for disruption to our business in connection with the proposed separation.

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.

In addition, and as the Company operates in number of foreign jurisdictions and holds approximately 85% of its finance assets in currencies other than the Canadian dollar, it is exposed to fluctuation in foreign currencies namely the US dollar. While the Company is hedged for fluctuation in those foreign assets and related debt, it is exposed to fluctuation in its operating income when foreign income is converted to the Canadian dollar being the reporting currency. During the current quarter, weighted average foreign currencies have negatively impacted the financial results by approximately 6.3% as a result of the appreciation of the Canadian dollar over the other reporting currencies. As a result, and throughout the presentation, management has elected to disclose certain currency neutral financial information with regards to the comparative financial information of Q1, 2016 by converting the financial results of this immediate previous quarter at the rate of exchange applicable to the current period providing more meaningful comparative information by removing variations due to foreign exchanges.

Q2 2016 Analyst Conference Call

Agenda

1. Consolidated Highlights
2. Element Fleet Management – Operating & Financial Overview
3. ECN Capital – Operating & Financial Overview
4. Consolidated Financial Overview
5. Separation Update
6. Supplementary Disclosure
7. Summary



Michel Béland

CONSOLIDATED HIGHLIGHTS

Q2 Operating Highlights

Summary

- After-tax adjusted EPS of \$0.34 on a currency neutral basis compared to \$0.32 on a currency inclusive; a 6.3% impact
- Total earning assets of \$19.3B versus \$19.4B at the end of the previous quarter and \$10.6B at the end of the same period last year
- Originations were \$2.2 billion with 78% from Fleet Management

Operating Highlights

Strong Year-Over-Year Growth

	Originations			Total Earning Assets		
\$ millions	Q2 2015	Q1 2016	Q2 2016	Q2 2015	Q1 2016	Q2 2016
<i>Element Fleet</i>	820.7	1,590.3	1,702.8	5,208.4	12,760.9	12,733.0
<i>Commercial Finance</i>						
Commercial & Vendor	540.6	352.7	402.8	2,274.6	2,893.4	2,995.3
Rail Finance	275.1	51.3	16.6	1,664.6	2,230.4	2,236.1
Aviation Finance	164.7	119.5	54.6	1,484.4	1,468.0	1,331.5
Aviation Fund (Assets under Management)				0	1,924.0	1,890.0
	980.4	523.5	474.1	5,423.6	8,515.8	8,452.9
<i>Consolidated</i>	1,801.1	2,113.8	2,176.9	10,632.0	21,276.7	21,185.9

A black and white photograph of several interlocking metal gears, showing their teeth and circular forms in a close-up, slightly blurred perspective.

Bradley Nullmeyer

ELEMENT FLEET MANAGEMENT

Element Fleet Management

Strategy

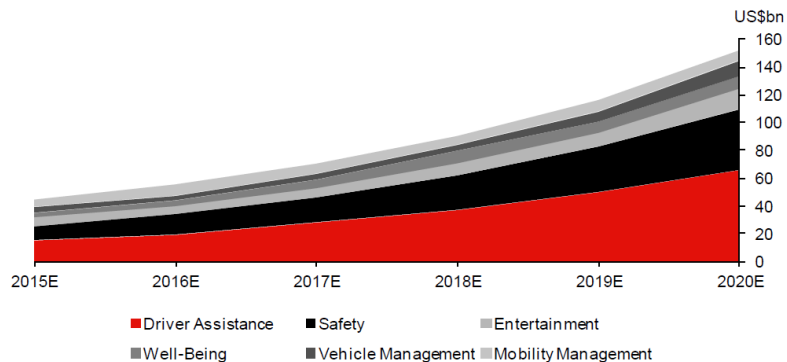
- On separation, Element Fleet will be the largest publicly traded Fleet Management Services company in the world – a leading provider of Global Fleet Management Services
- Integrated service offerings combined with exceptional consulting and ancillary supportive financial services provide opportunity for growth
- Continued focus on service offerings (service fee income to 57% of total income and growing)
- Utilize significant purchasing power, scale and an extensive North American supplier network to access significant opportunities
- Well positioned in the rapidly growing Connected Vehicle space
- Actionable in M&A where highly strategic and with price discipline
 - Tuck-Ins
 - Product development and offerings
 - Integrated to core products

Element Fleet is a leading Business Service Company

Element Fleet Management

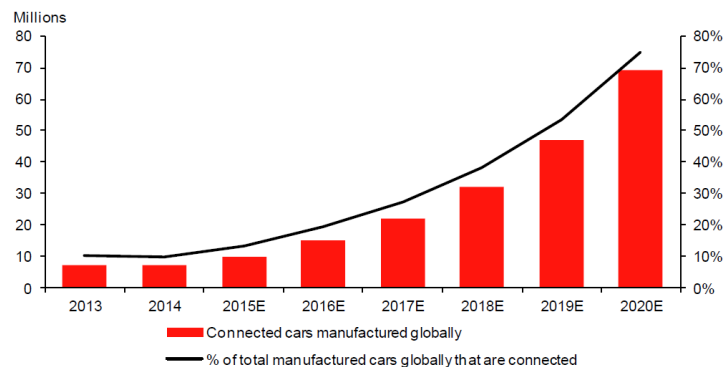
Connected Vehicle Growth

We expect the global connected car market will reach US\$150bn+ by '20



Source: Company Data, Macquarie Capital (USA), August 2016

We believe that 75% of vehicles shipped globally will be connected by '20

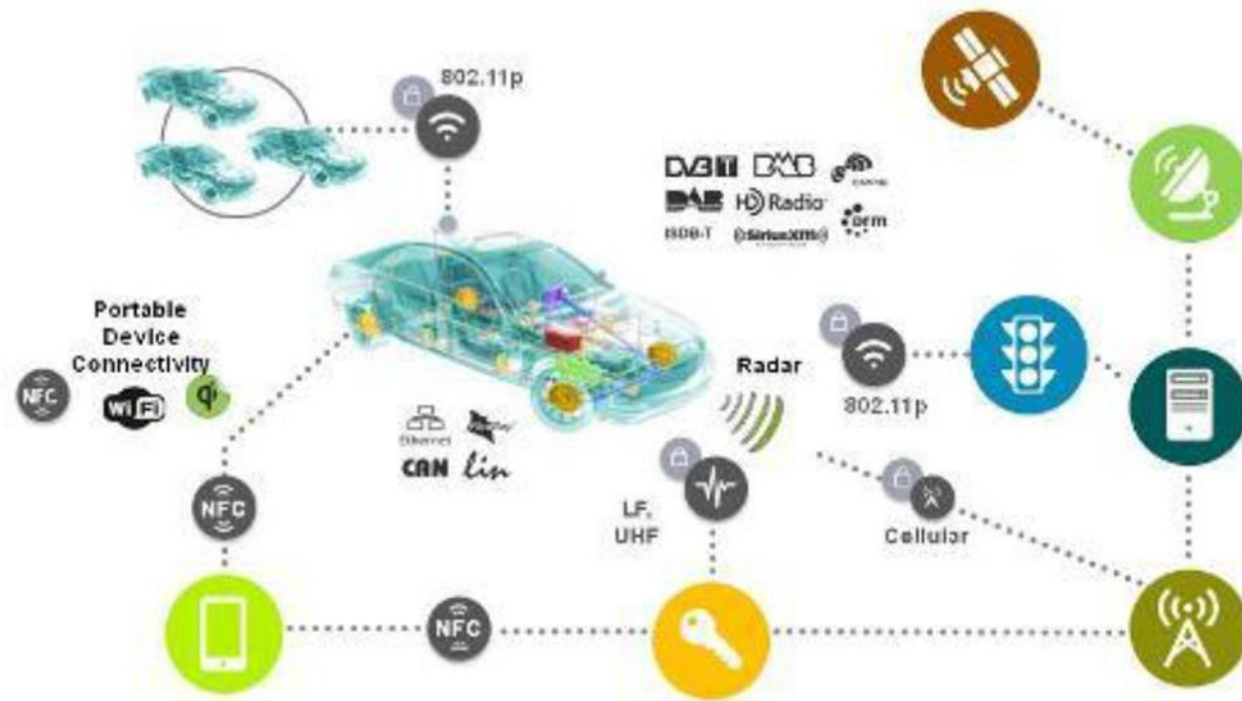


Source: Company Data, Macquarie Capital (USA), August 2016

Element Fleet Management

Connected Vehicle Opportunities

We expect the global connected car market will reach US\$150bn+ by '20



Source: NXPI, Macquarie Capital (USA), August 2016

Element Fleet Management

Business Drivers

- Near term annual growth targets:
 - Earning assets – between 5% and 7%
 - Service and fee revenue – between 8% and 10%
 - OpEx – between 5% and 6%
 - Operating income – between 8% and 10%
- Yield Targets
 - ROAA to exit 2016 at 4%
 - Return on Tangible Equity – between 22% and 24%
- Tuck-in Acquisitions
 - Acquire proven service businesses with strategic service offerings
 - Adds incremental 2% to 3% EPS growth annually
- Key growth drivers:
 - Gains in market share through technology advances and scale advantage
 - Deeper penetration of service offerings to existing clients
 - Expansion of services offerings through technology (SAS)
 - Secure self-funded and self-managed fleets with value-added services
 - Acquisition and scaling of proven service businesses
 - Optimize balance sheet, cost of capital and leverage

Element Fleet Management

Key Performance Indicators (pro-forma)

- Element Fleet operating on Plan and seeing improved normalized margins from Fleet service revenue and impact of integration savings
- Before-tax Adjusted Operating Income per Share was \$0.33 for the quarter compared to \$0.32 during preceding quarter, on a currency neutral basis
- After-tax Adjusted Operating Income per Share was \$0.26 compared to \$0.25 during the proceeding quarter, on a currency neutral basis
- Tax rate in line with management expectation
- Tangible leverage was 7.5:1 compared to 7.3:1 at March 31, 2016 in line with expectation for Element Fleet
- Before Tax Return on Average Earning Assets of 3.92% at highest level from solid Fleet service revenue and impact of integration initiatives
- Tangible After Tax Return on Equity was approximately 22% during the quarter on a pro-forma basis and in line with expectations

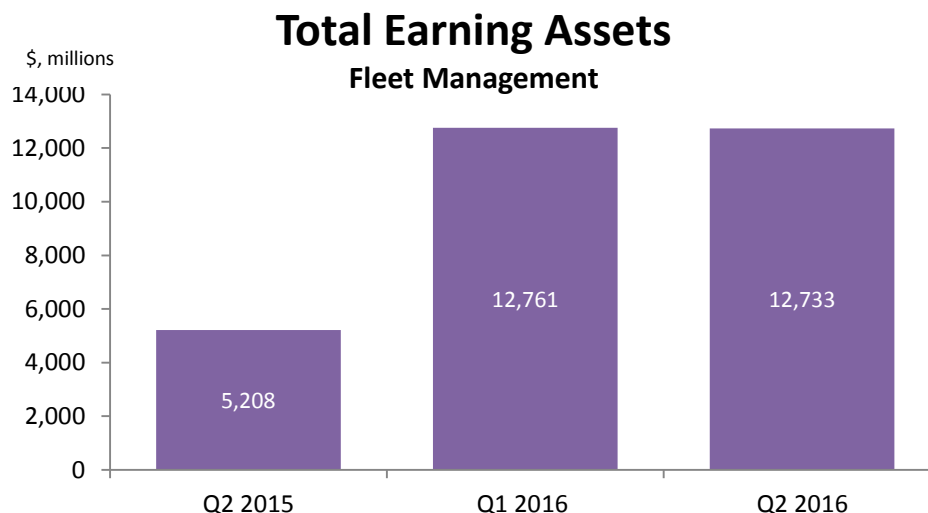
*F/X adjusted using current F/X rate

	Q1 2016	Q1 2016*	Q2 2016
Before-tax Adjusted Operating Income per Share			
	\$0.34	\$0.32	\$0.33
After-tax Adjusted Operating Income per Share			
	\$0.26	\$0.25	\$0.26
Tangible Leverage			
	7.3:1	N/A	7.5:1
Before Tax Return on Average Earning Assets			
	3.90%	N/A	3.92%
After Tax Tangible Return on Equity			
	22.5%	N/A	22.0%

Element Fleet Management

Total Earning Assets

- Year-over-year growth driven by core organic growth and the GE Fleet acquisition
- Total Earning Assets (including the GE Fleet acquisition) grew by 7.9% over Q2/2015, on a currency neutral basis and by 2.1% over Q1/2016
- Growth in total earning assets driving increased service revenues at a faster pace than Spread Income

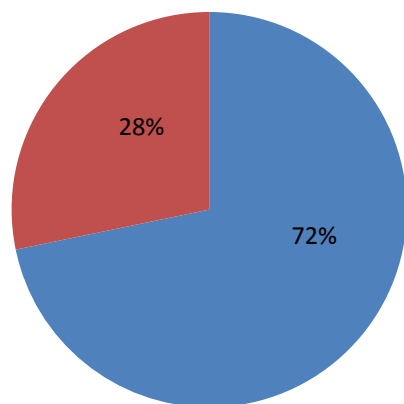


Element Fleet Management

Geographic Diversification

Earning Assets by Region

June 30, 2015

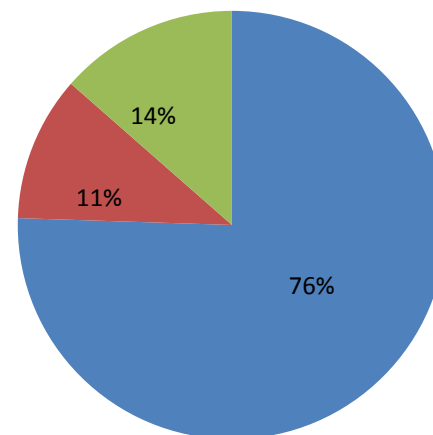


■ US

■ Canada

Earning Assets by Region

June 30, 2016



■ US

■ Canada

■ ANZ & Mexico

Dominant U.S Centred Business Service Company

Element Fleet Management

Highlights

- On track for separation into a market leading Global Fleet Management company – October 3, 2016
- Revenue yield of 9.2% consistent with last quarter, up year over year
- Total services and fee revenue equal to 57% of total revenue
- ROAA of 3.9% (normalized at 3.8% in Q2, and 3.7% in Q1). On plan to exit Q4 '16 at 4%
- Confident of receiving increased credit ratings and third rating. Will improve Cost of Funds going forward after the split

**FX adjusted using current period FX rates*

- (1) Adjusted Operating Income on Average Earning Assets
 (2) Average Debt as a percent of Average Earning Assets
 (3) Fleet only originations

Income Statement	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Interest Income & Rental Revenue	40,556	105,235	98,583	97,083
Net Interest Expense				
Service & Fee Revenue	44,620	133,869	126,679	126,748
Operating Expenses	44,269	107,932	102,135	99,584
Adjusted Operating Income before tax	40,907	131,172	124,127	124,247
Key Ratios	Q2 2015	Q1 2016		Q2 2016
Financial Revenue Yield	8.3%	9.2%		9.2%
NIM Yield	6.7%	7.1%		7.1%
Adjusted OpEx Ratio	3.5%	3.2%		3.2%
ROAA ⁽¹⁾	3.2%	3.9%		3.9%
Average Debt Advance Rate ⁽²⁾	104.8%	98.6%		99.0%
% of Total Average Earning Assets	51.3%	66.6%		66.3%
	Q2 2015	Q1 2016		Q2 2016
Originations (C\$ millions)	\$820.7	\$1,590.3		\$1,702.8

Element Fleet Management

Revenue Mix

- Total Service and Fee Revenue as a percent of total Fleet Revenue at 57%, in line with management expectations
- Continue to expect service and fee revenue to grow as a percentage of total revenue as Element Fleet continues to drive into the connected vehicle space
- “One Element” platform once complete and integrated will increase service and fee revenue, both on an absolute and percentage basis

% of Total Fleet Revenue	Q2 2015	Q1 2016	Q2 2016
Total Service & Fee Revenue ⁽¹⁾	52%	56%	57%
Spread Revenue	48%	44%	43%

(1) Fleet management service fees plus syndication and other income

Element Fleet Management

Integration Update

- Integration is substantially complete and annualized run rate integration savings of US\$100 million will be achieved by year end
- Data Migration is last remaining item of significance to be completed in Q4/2016
- Data Migration provides:
 - One database for all customers
 - One forward facing integrated customer solution set
- One complete single platform will allow for:
 - Innovation pace to quicken and strategically focused on consolidated service offerings
 - New consolidated products offering being developed and implemented
 - Deeper penetration of current offering with ease of use to current clients
 - Industry leading data set and analytics provide immediate benefit to customers

Element Fleet Management

Outlook

2016

- ROAA to exit 2016 at 4%
- Tangible ROE of 22%
- EPS outlook of \$1.05 - \$1.15 dependent on;
 - Industry Consolidation opportunities and participation
 - Service Tuck-In acquisitions
 - Currency fluctuations

2017

- ROAA of 4% plus
- Tangible ROE of 22% to 24%
- EPS to grow 10% - 12% from 2016

Element Fleet Management

Summary

- Element Fleet has emerged as leading Business Service Company driven by technology in a very active and growing connected vehicle space
- Ability to monetize product offerings and provide value to our customers through core service offerings
- Large and comprehensive ownership of global benchmarking data set for customer consulting and portfolio management. Data analytics focus on providing value to customers
- Proven stable performance through economic cycles and downturns:
 - Resilient and predictable annuity-like revenue streams
 - Product offerings that are mission critical to our business clients
 - Access to stable funding sources (committed bank facilities and ABS)
 - Pristine credit quality with negligible credit losses
- Ability to offer global fleet management solutions in 45+ countries through Element Arval (BNP Paribas Strategic Partnership)
- Size provides scale for significant R & D investment in new fleet technologies, new consolidated product offerings in the IoT space

Building the Future of Fleet Management



Steven Hudson

ECN CAPITAL

Strategy

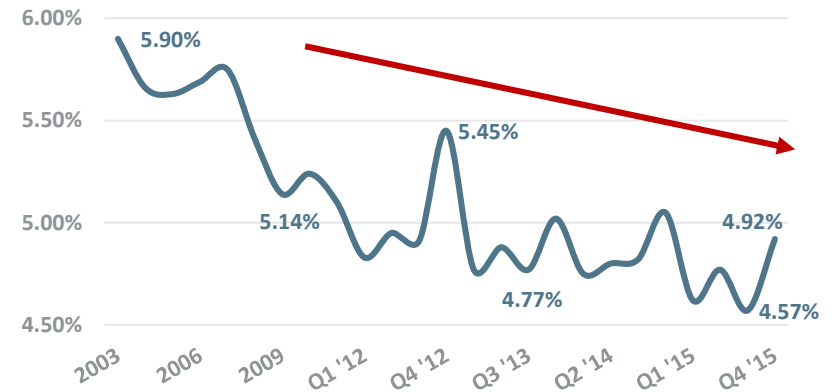
- Pivoting ECN Capital to satisfy the yield needs of institutional investors seeking high quality fixed income secured investments
- Strategic positioning to asset manager:
 - Investment grade commercial finance company that is adding asset management to an already proven platform
 - Preparation for asset management transition began mid-2015 with General Aviation and accelerated in H1-2016 (i.e. reduced originations and increased run-off)
 - Focus on growing fee income; can be lumpy
 - Pivot creates near-term revenue and earnings transition

Institutional Current Yield Environment

US Treasury Yield (10yr)

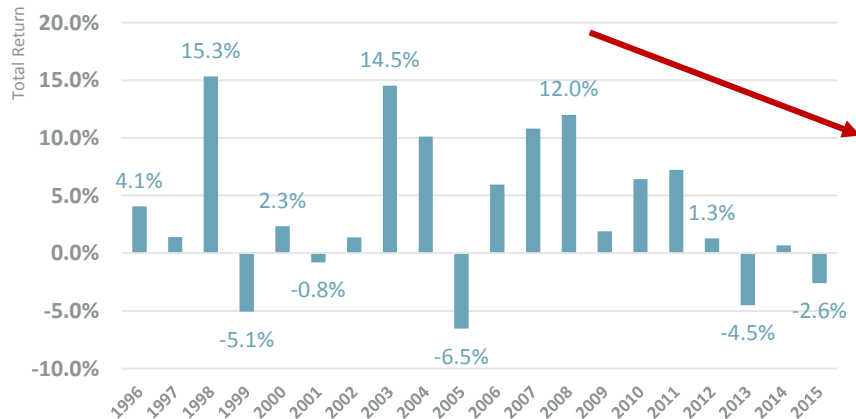


Average US Life Insurer Net Yield on Invested Assets



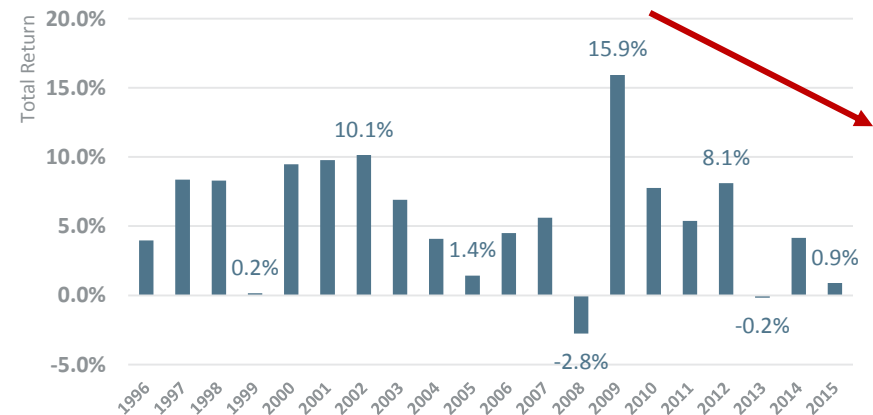
Government Bonds

JP Morgan Global Government Bond Index



Corporate Bonds

Barclays U.S. Intermediate Credit Bond Index



Tailored Investment Products

Evolving Market Conditions

- **Institutional investors have an ongoing need to deploy capital**
 - Life insurance companies, pension funds, sovereign wealth funds tasked with increasing AUMs
- **Traditional fixed income investments no longer provide sufficient returns to meet their requirements**
 - Declining yields and inconsistent total returns
- **Resulting in higher allocations to alternative investments**
 - Initial focus on infrastructure and real estate has expanded into other long lived capital assets
 - Growing interest in the transportation sector

ECN Capital Opportunity

- **Uniquely positioned to provide investors with specialist-funds and co-investment opportunities**
 - Using proprietary origination channels and structuring capabilities
- **Offering exposure to asset classes uncorrelated to traditional markets**
 - Predicable asset-based cash flows over medium to long-term durations
 - Embedded security features
 - Broad diversification benefits

Fund Structure

ECN Capital Funds

Equipment Lease Funds

1

Commercial Aviation Funds

- 2015: \$2.2B
- 2016: \$2.0B
- Total: \$4.2B

- ✓ Long useful life
- ✓ Broad and global user base
- ✓ Material shift from owned to leased assets

2

Commercial Rail Funds

- 2017: \$0.5 - \$1.0B

- ✓ Long useful life
- ✓ Broad North American asset base
- ✓ Minimal risk of technological obsolescence

Private Debt Funds

3

Vendor Finance Funds

- 2017: \$2.2B

- ✓ Provides shorter duration opportunities
- ✓ Achieves higher risk-adjusted returns through participation in large, broad diversified portfolios

4

New Debt Fund Offerings (Q4-2016)

General Aviation Wind Down

- Dispositions commenced in Q1 2016 with commitments accelerating during the second quarter
- As of December 31, 2015 C\$1.36 billion of exposure is expected to be reduced to C\$500 million by YE 2017

Portfolio and account-by-account analysis used to determine optimal wind-down strategy

Syndications

- Engaged with a number of third parties who are seeking assets on operating lease or select participations in loans and capital leases

Packaging Transactions

- Negotiations underway with larger buyers seeking participations in “mini-portfolios”
- Designed to meet specific investor requirements

Early buy-outs

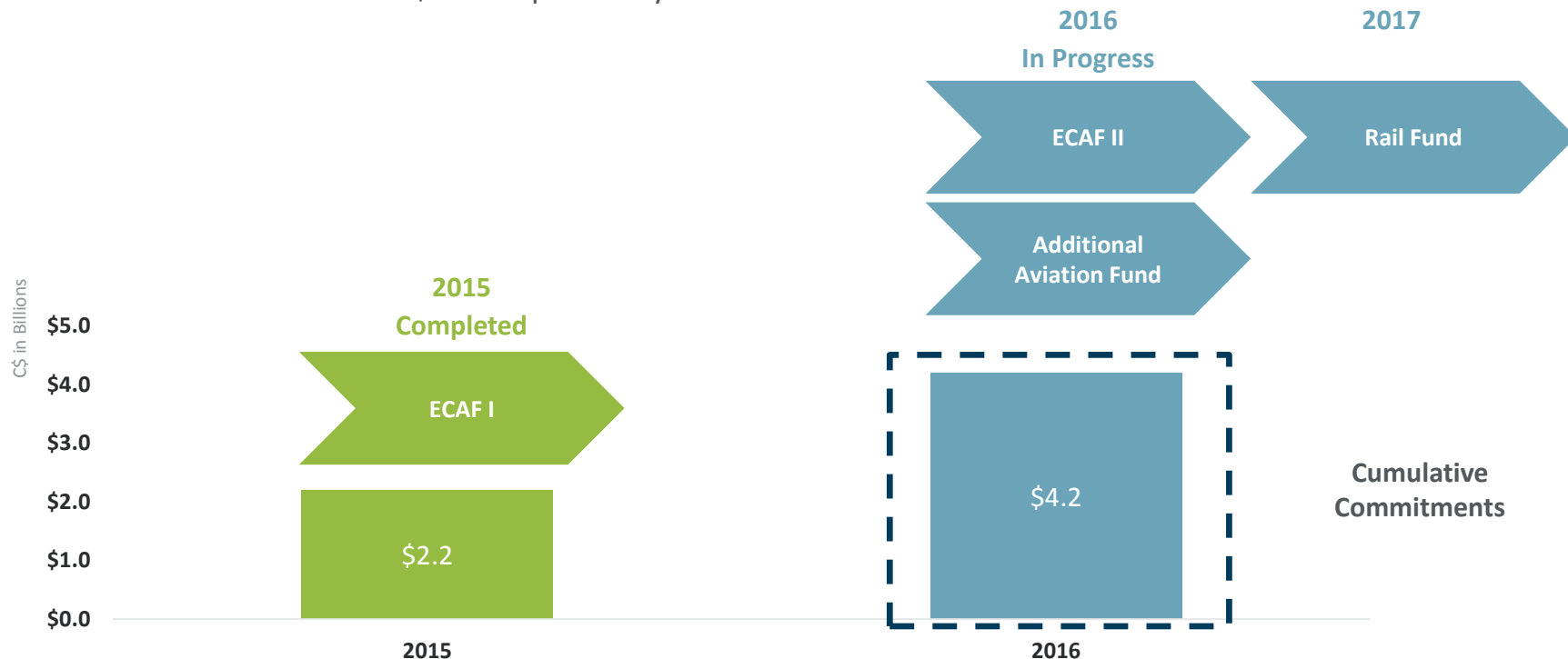
- Ongoing early-termination discussions with select customers

Transfer to ECN Capital Funds

- Suitable assets retained for future ECN Capital managed fund vehicles

Additional Fund Vehicles

- We are at various stages with multiple investment partners regarding specific upcoming funds
- Currently in the process of tailoring those funds to meet our institutional partners' investment criteria
 - Optimizing each fund structure to satisfy specific investor needs
 - Total commitments of >C\$4 Bn expected by YE 2016



Growth Capital

- Targeting 3 actionable opportunities; proven history of successful accretive acquisitions
- All targets are
 - Consistent with transition to asset manager
 - Proven U.S. management teams and portfolios
 - In conjunction with our institutional investors
- Multiple sources of capital
 - IAC transaction
 - Preferred share issuance
 - General Aviation portfolio run-off ($\approx$ \$350M of imbedded equity)
 - Re-optimize on-balance sheet assets (i.e. portion of rail portfolio into an institutional fund)

Growth Capital

- ECN Capital will be acquiring, subject to shareholder approval, all of the outstanding shares of INFOR Acquisition Corp. (“IAC”) post Element separation
 - 100% share exchange with IAC valued at net cash per share and ECN Capital shares issued at fair market value
 - Access to IAC’s ~\$220 million in cash (assuming no redemptions)
 - Impact of IAC promotes materially reduced to represent 5% cost (same commission as issuing equity) ~5% of capital accessed (cost in line with market rates for equity financings of similar size)
- Number of benefits to ECN Capital
 - Access immediate, timely and cost-effective capital to fund and accelerate its ECN’s immediate growth plans
 - Strong signal to the market that ECN Capital is worth at least net book value;
 - Augment ECN Capital’s shareholder base with IAC’s high quality institutional investors; and
 - Strengthen ECN Capital’s board governance and strategic development with the addition of William Holland and Neil Selfe to ECN Capital’s board of directors, both of whom have significant experience in building and managing asset management companies
- Rigorous process undertaken by the Element Special Committee, pursuant to which Steven Hudson and Richard Venn recused themselves, ensured full compliance with governance procedures
 - Element Special Committee led by William Lovatt and included Paul Stoyan and Pierre Lortie

Key Performance Indicators (As Reported)

- Before-tax adjusted operating income per share was \$0.11 for the quarter compared to \$0.13 in Q1, 2016 or \$0.12 on a currency neutral basis
- After-tax adjusted operating income per share was \$0.09 for the quarter compared to \$0.11 in the pervious quarter or \$0.10 on a currency neutral basis.
- Tangible leverage consistent over the pervious period at 3.3:1
- Before-tax return on average asset declined to 2.65% compared to 3.06% during Q1 2016
- After tax return on tangible equity of 7.9% compared to 9.2% in Q1 or 8.7% on a currency neutral basis

	Q1 2016	Q1 2016*	Q2 2016
Before-tax Adjusted Operating Income per Share			
	\$0.13	\$0.12	\$0.11
After-tax Adjusted Operating Income per Share			
	\$0.11	\$0.10	\$0.09
Tangible Leverage			
	3.3:1	N/A	3.3:1
Before Tax Return on Average Earning Assets			
	3.06%	N/A	2.65%
After Tax Tangible Return on Equity			
	9.2%	8.7%	7.9%

Highlights

- Results compared to prior periods reflect runoff from decision to strategically reduce Aviation, Rail and one transportation vendor program originations in addition to lower yields. The appreciation of the Canadian dollar over other reporting currencies impacted Q/Q results
- Syndication and other income consistent Q/Q. The prior year included structuring fees earned on ECAF 1 Ltd
- Revenue and NIM yields reflect run-off rate environment and impact in the quarter of a defaulted Aviation lease
- Better adjusted operating expense ratio reflects increasing economies of scale

*FX Adjusted using current period FX rates

(1) Adjusted Operating Income on Average Earning Assets

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

(3) Fleet only originations

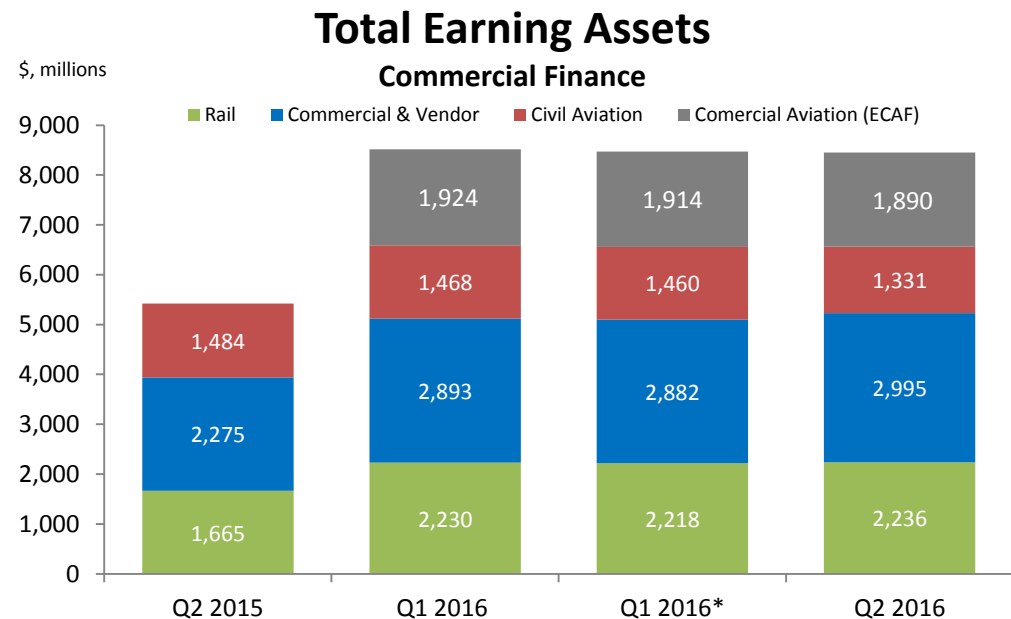
Income Statement	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Interest Income & Rental Revenue	44,555	64,193	60,746	51,180
Net Interest Expense				
Syndication and other income	19,900	6,463	6,116	6,723
Operating Expenses	16,598	18,928	17,912	15,334
Adjusted Operating Income before tax	47,857	51,728	48,950	42,569

Key Ratios	Q2 2015	Q1 2016	Q2 2016
Financial Revenue Yield	8.4%	7.4%	7.0%
NIM Yield	5.3%	4.2%	3.6%
Adjusted OpEx Ratio	1.4%	1.1%	1.0%
ROAA ⁽¹⁾	3.9%	3.1%	2.6%
Average Debt Advance Rate ⁽²⁾	76.4%	80.1%	82.5%
% of Total Average Earning Assets	48.7%	33.4%	33.7%

	Q2 2015	Q1 2016	Q2 2016
Originations (C\$ millions)	980,368	523,548	474,093

Highlights

- Transition Commercial Finance into an integrated structuring, advisory and asset management business.
- Rail originations up Y/Y and modestly Q/Q. We continue to selectively grow and capitalize on opportunities.
- On Balance Sheet Aviation portfolio assets in run-off.
- Aviation Fund \$1.9B of assets under Management; Family of Funds underway.

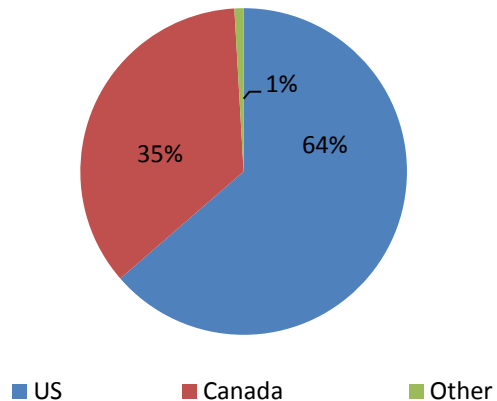


*FX Adjusted using current period FX rates

Geographic Diversification

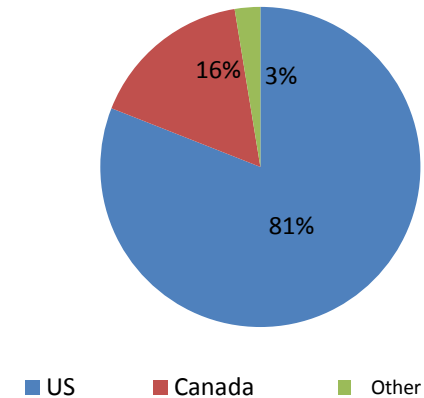
Earning Assets by Region

June 30, 2015



Earning Assets by Region

June 30, 2016





David McKerroll

President – Aviation & Rail

ECN CAPITAL

Status

Institutional investors looking to deploy capital in higher yielding assets are increasingly investing in commercial aircraft leasing vehicles

Commercial Aircraft Leasing - Benefits

- ✓ Long-lived assets
- ✓ Generate predictable asset-based cash flows over medium to long-term durations
- ✓ Achieves targeted cash yields
- ✓ Diversified lessee and country exposures
- ✓ An alternative asset class typically uncorrelated to commercial or residential real estate and other traditional asset classes

ECN Capital - Well Positioned

- ✓ Extensive industry relationships with airlines, lessors and OEM's
- ✓ Long-term relationships with life insurance companies, pension funds and other institutional investors
- ✓ Award winning team - proven track record of arranging and structuring aircraft financing transactions across the capital structure

ECAF I

- ✓ Debt Deal of the Year (*Airline Economics*)
- ✓ Aviation ABS Deal of the Year (*Global Transport Finance*)
- ✓ North America Deal of the Year (*Airfinance Journal*)

Highlights

- Wind down initiatives of General Aviation based on account by account analysis on track and will continue through 2017
 - Initiatives include syndications, packaging transactions for sale and early buyouts for selective customers.
- Originations from retained vendor program and committed deals were as expected
- Run off of existing balances were in line with our expectations on a currency neutral basis
- CHC filed for bankruptcy in May, CHC re-affirming 2 leases with ECN Capital (\$17 million) ECN Capital has repossessed and is remarketing 5 other helicopters (\$59 million) ⁽³⁾

*FX Adjusted using current period FX rates

(1) Adjusted Operating Income on Average Earning Assets

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

(3) CHC amounts are in USD

Income Statement	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Interest Income & Rental Revenue	7,437	14,483	13,705	10,964
Net Interest Expense				
Syndication and other income	10,123	3,000	2,839	2,850
Operating Expenses	2,540	3,215	3,042	2,390
Adjusted Operating Income before tax	15,020	14,268	13,502	11,424

Key Ratios	Q2 2015	Q1 2016	Q2 2016
Financial Revenue Yield	8.3%	7.3%	7.2%
Net Interest Margin Yield	5.5%	4.6%	4.2%
Adjusted OpEx Ratio	0.8%	0.8%	0.7%
ROAA ⁽¹⁾	4.7%	3.8%	3.5%
Actual Debt Advance Rate ⁽²⁾	60.8%	62.5%	68.9%
% of Total Average Earning Assets ⁽³⁾	12.7%	7.5%	6.9%

	Q2 2015	Q1 2016	Q2 2016
Originations (C\$ millions)	164.7	119.5	54.6

Status

Railcar leased assets are well suited to meet institutional investor criteria

- Generates stable and predictable asset based cash flows over a 40-50 year useful life
- Only real estate and infrastructure offer asset based returns with longer useful lives

ECN Capital – Well Positioned

Attractive Portfolio

- ✓ Young fleet (4.4 years vs. ~19 years industry average)
- ✓ Maturity profile broadly diversified by industry type
- ✓ Few near term lease renewals (~5% in 2016)
- ✓ Insignificant coal exposure
- ✓ Strong lessee credits
- ✓ Long and evenly distributed lease terms

Origination Channels

- ✓ Trinity relationship
- ✓ Direct relationships with shippers, railways, OEMs
- ✓ Secondary market opportunities

ECN Capital

- ✓ Proven track record in financing and arranging funds
- ✓ Long-term relationships with life insurance companies, pension funds and other institutional investors

Highlights

- Originations reduced to \$16.6 million in the quarter as Element reduced or deferred originations from the Trinity Program and Element's direct business to be well positioned to take advantage of market opportunities
- Decrease in Interest Income & Rental Revenue Net Interest Expense primarily due to appreciation of Canadian Dollar
- Revenue Yield declined primarily due to higher maintenance costs
- Secondary markets continue to support leased railcar values demonstrating continued institutional demand for leased railcars

*FX Adjusted using current period FX rates

- (1) Adjusted Operating Income on Average Earning Assets
 (2) Average Debt as a percent of Average Earning Assets

Income Statement	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Interest Income & Rental Revenue	13,307	20,295	18,265	16,890
Net Interest Expense				
Syndication and other income	176	(49)	(46)	(7)
Operating Expenses	3,735	5,395	5,105	5,515
Adjusted Operating Income before tax	9,748	14,851	13,114	11,368

Key Ratios	Q2 2015	Q1 2016	Q2 2016
Financial Revenue Yield	7.4%	6.9%	6.6%
Net Interest Margin Yield	3.9%	3.5%	3.1%
Adjusted OpEx Ratio	1.1%	0.9%	1.0%
ROAA ⁽¹⁾	2.8%	2.5%	2.1%
Actual Debt Advance Rate ⁽²⁾	81.7%	79.8%	78.0%
% of Total Average Earning Assets	13.8%	11.6%	11.6%

	Q2 2015	Q1 2016	Q2 2016
Originations (C\$ millions)	275.1	51.3	16.6



Steven Hudson

Vendor Finance

ECN CAPITAL

Vendor Finance

Update

- Strong growth in U.S. and Canadian originations and pipelines
- Originations

	Q1 Originations	Q2 Originations	% Growth
U.S.	276.1	286.1	4%
Canada	76.6	116.7	52%

- Pipeline
 - Further examples of continued dislocation by transactional lenders

Vendor Finance

Update

- Capture additional vendor relationships (e.g. well positioned to enhance market share with recent changes in competitive landscape.
 - Bobcat/Doosan growing to \$200 million in origination in 2016 from \$130 million in 2015; and
 - New programs – Wabash National new program in 2016 projected at \$50 million in origination in first year
- Targeted floor-plan financing; tied to incremental term vendor financings for core vendors (Year 1 wholesale \$60-\$80 million plus incremental term financings \$150 million)
- Small-balance, high yield capabilities with existing vendors, driven by proven IT solutions

Vendor Finance

Highlights

- US and Canadian originations and pipeline growing
- Originations up in Canada comparing Q2 to Q1 primarily organic growth
- ROAA at 2.7% was down from Q1 due to lower yielding assets and higher funding costs from an increased debt advance rate net of lower operating expenses
- Portfolio performance continues to perform well with minimal exposure to Oil & Gas sector (2.5% of earning assets)

Income Statement	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Interest Income & Rental Revenue	23,811	29,415	27,835	23,326
Net Interest Expense				
Syndication and other income	9,601	3,512	3,323	3,880
Operating Expenses	10,323	10,318	9,764	7,429
Adjusted Operating Income before tax	23,089	22,609	21,395	19,777

Key Ratios	Q2 2015	Q1 2016	Q2 2016
Financial Revenue Yield	9.0%	7.7%	7.1%
Net Interest Margin Yield	6.0%	4.5%	3.7%
Adjusted OpEx Ratio	1.9%	1.4%	1.0%
ROAA ⁽¹⁾	4.1%	3.1%	2.7%
Average Debt Advance Rate ⁽²⁾	82.1%	89.3%	92.1%
% of Total Average Earning Assets	22.2%	14.3%	15.2%

*FX Adjusted using current period FX rates

(1) Adjusted Operating Income on Average Earning Assets

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

Originations (\$ millions)	Q2 2015	Q1 2016	Q2 2016
Originations (C\$ millions)	540.6	352.7	402.8



Michel Béland

Chief Financial Officer

Q1 FINANCIAL OVERVIEW

Q2 Financial Highlights

Balance Sheet

Total assets and liabilities impacted by appreciation of the Canadian dollar over the other reporting currencies of ~ 1% over the other reporting currencies between the two reporting dates of 2016

- Total assets of \$24.0 billion at June 30, 2016 increased slightly compared to March 31, 2016 from organic growth net of the impact from 1.0% appreciation in the Canadian dollar against the U.S. dollar.
- Total Earning Assets of \$19.3 billion declined modestly at June 30, 2016 compared to March 31, 2016 due to the appreciation of the Canadian vs U.S. dollar.
- Book equity increased driven by after-tax operating income net of dividends.
- Financial leverage at 3.3:1 remained relatively constant compared to March 31, 2016.
- Tangible leverage at 4.49:1 remained relatively constant compared to March 31, 2016

	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Total assets	15,286	23,934	23,694	24,002
Total earning assets ⁽¹⁾	10,632	19,353	19,159	19,296
Book equity	3,270	5,402	5,402	5,440
Financial leverage ratio	2.91	3.31	3.31	3.28
Tangible leverage ratio ⁽²⁾	3.07	4.58	4.58	4.49

*FX Adjusted using current period FX rates

(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

Q2 Financial Highlights

Income Statement

Financial results negatively impacted by appreciation of 6.3% of the Canadian dollar over other operating currencies

- Interest income and net rental revenue increased 86% over Q2, 2015 from the GE Acquisition but declined 8% over previous quarter from strengthening of the Canadian dollar combined with reduced revenues in the Commercial Finance vertical from lower average asset base.
- Interest expense increased 111% over Q2, 2015 from the GE Acquisition but declined 1.4% from a combination of slightly higher advance rate to the assets and slight increase in debt costs.
- Fleet management fees stable on a currency neutral basis.
- Adjusted operating expenses increased 89% over Q2, 2015 but decreased 9% over previous quarter from gained integration efficiencies and foreign exchange.
- Adjusted operating income before income taxes increased 88% over Q2, 2015 namely from the GE Acquisition. The decrease of 9% over Q1, 2016 results from negative movement in foreign currencies and lower revenue on reduced average assets in the Commercial Finance vertical.
- Income tax rate remains constant in Q2, 2016 versus Q1, 2016 at 21.6% of pre tax income.

	3 Months Ended (\$ thousands)			
	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Interest income and net rental revenue	146,503	296,990	281,040	272,340
Interest expense	58,108	124,341	117,663	122,594
Net Margin	88,395	172,649	163,377	149,746
Fleet Management Fees and Other Revenues	64,520	140,332	132,795	133,471
Provision for credit losses	3,284	3,221	3,048	1,483
Net financial income	149,631	309,760	293,124	281,734
Adjusted operating expenses	60,867	126,860	120,047	114,918
Adjusted operating income before taxes	88,764	182,900	173,077	166,816
Adjusted operating income after taxes	67,931	143,342	135,643	130,712

*FX Adjusted using current period FX rates

Q2 Financial Highlights

Operating Yields

Consolidated operating ratios are maintained relatively constant over the reporting periods

- Net interest margin slightly lower than previous quarter from lower gross yields in Commercial Finance and small increase in debt costs from wider spreads in recent securitization activities.
- Fleet Management Fees and Other Revenues of 2.79% slightly up from previous quarter from ongoing increase in Fleet service revenues
- Provision for credit losses ratio better than comparative quarters driven by allowance reversals related to prior period business acquisitions and rebalancing of the operating segments in connection with the upcoming separation
- Net financial income ratio declined from comparable periods due to the lower Commercial Finance segment net margin.
- Adjusted operating expense ratio better than comparable periods benefitting from acquisition synergies realized.
- Adjusted operating income before taxes reflects impact of lower net interest margin.

	As a % of Average Earning Assets 3 Months Ended		
	Q2 2015	Q1 2016	Q2 2016
Interest income and net rental revenue	5.87%	5.88%	5.70%
Interest expense	2.33%	2.46%	2.57%
Net Interest Margin	3.54%	3.42%	3.14%
Fleet Management Fees and Other Revenues	2.58%	2.77%	2.79%
Provision for credit losses	0.13%	0.06%	0.03%
Net financial income	5.99%	6.13%	5.90%
Adjusted operating expenses	2.44%	2.51%	2.41%
Adjusted operating income before taxes	3.55%	3.62%	3.49%
Adjusted operating income after taxes	2.72%	2.84%	2.74%

Q2 Financial Highlights

Return on Average Equity

Canadian dollar appreciation impacts adjusted operating income metrics to average common shareholders' equity

- Before-tax and After-tax adjusted operating income returns up compared to Q2, 2015 driven by higher income growth net of higher average equity.
- Lower income from negative currency fluctuations and lower Commercial Finance assets also impacted returns to common shareholders' equity

	3 Months Ended			
	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Before-tax adjusted operating income return ⁽¹⁾	12.26%	13.90%	13.11%	13.29%
After-tax adjusted operating income return ⁽¹⁾	9.13%	10.74%	10.12%	10.25%

*FX Adjusted using current period FX rates

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

Q2 Financial Highlights

Per-Share Amounts

Exposure to foreign operating currencies and lower average assets in Commercial and Finance lowers Earnings per Share

- Pre-tax adjusted operating income per share of \$0.41, up from \$0.31 in Q2, 2015 reflecting GE Acquisition but down \$0.04 from Q1, 2016 impacted by a loss of \$0.02 on movement in foreign operating currencies and \$0.02 on lower average earning assets in the Commercial Finance segment.
- After-tax adjusted operating income of \$0.32 compared to \$0.35 during preceding quarter driven by pre-tax changes noted above.
- Book value per share of \$12.69, up from the \$12.61 reported at March 31, 2016. Increase reflecting higher income net of dividends offset by the impact of foreign operating currencies against the Canadian dollar at the end of the periods.

As at, and for the 3 Months Ended				
	Q2 2015	Q1 2016	Q1 2016*	Q2 2016
Pre-tax adjusted operating income (basic)	\$0.31	\$0.45	\$0.43	\$0.41
After-tax adjusted operating income (basic)	\$0.23	\$0.35	\$0.33	\$0.32
Book value	\$10.29	\$12.61	\$12.61	\$12.69

*FX Adjusted using current period FX rates

Q2 Financial Highlights

Low Risk Assets/Minimal Credit Losses

- Overall portfolio continues to be high quality assets and high level of rated customers
- Non-current accounts at 23 bps relatively consistent
- Impaired assets increase driven by the bankruptcy of CHC Helicopters
- Allowance for credit losses at 15 bps of finance receivables reflects mix and increased exposure to Fleet assets.

	Delinquencies as a % of Finance Receivables		
	Fiscal 2015 (1)	Q1 2016	Q2 2016
Non-current (> 31 days)	0.22	0.20	0.23
Defaulted(2)	0.08	0.06	0.64
Allowance for credit loss (as a % of total finance assets)	0.19	0.18	0.15

(1) Average for fiscal 2015

(2) Driven by CHC Helicopters being re-marketed



Jim Nikopoulos

SEPARATION UPDATE

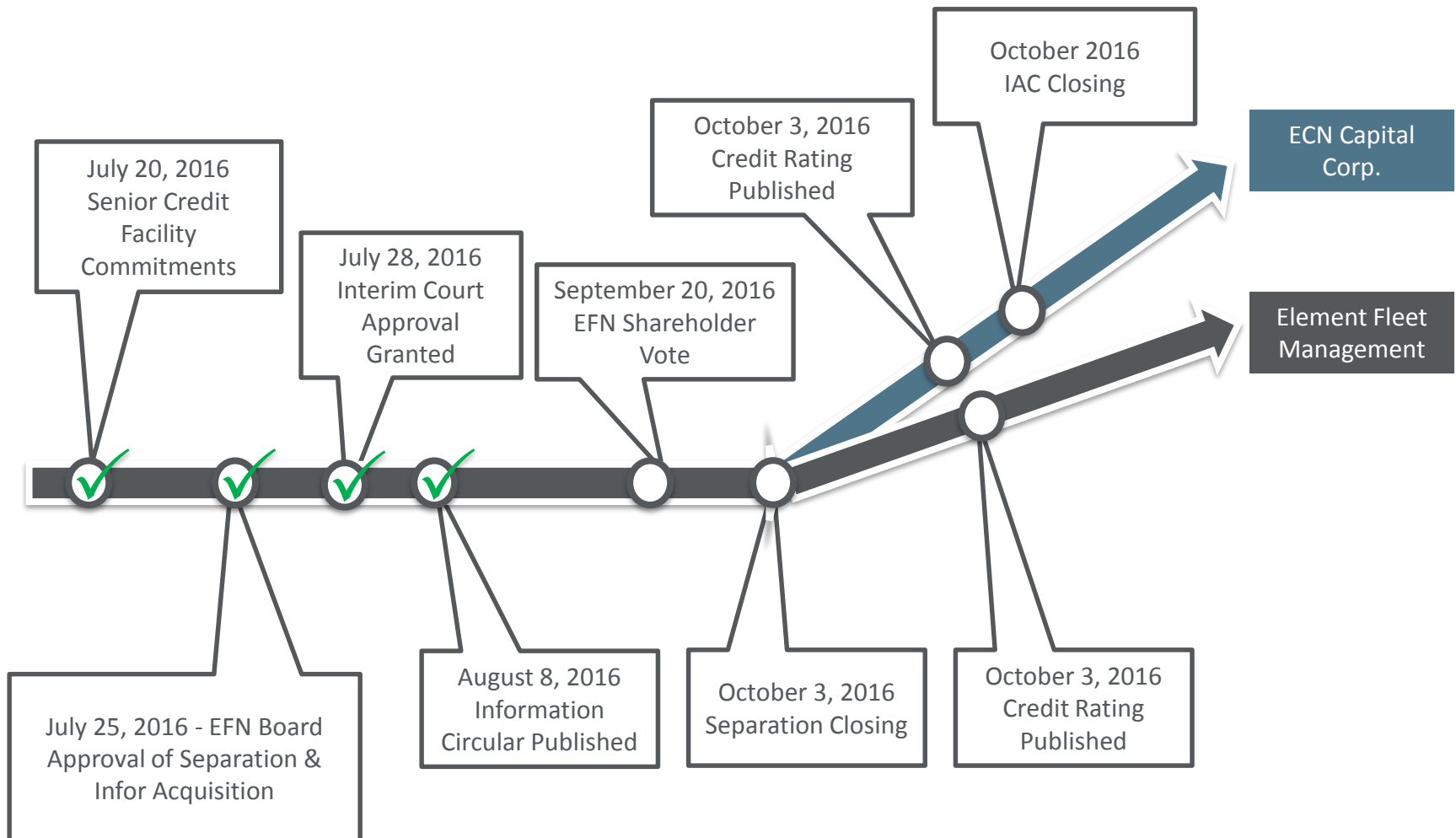
Process

- Bill Lovatt, who currently serves as Chairman, will serve as Chairman of the Commercial Finance business, Richard Venn who currently serves as Vice-Chairman, will serve as Chairman of the Fleet business
- Execution by Senior Management team with PricewaterhouseCoopers as Program Lead
 - Under direct leadership of CFO
 - 15 different work streams
 - Over 2,500 action items
 - In excess of 30 employees involved on day to day planning and execution
 - More than 15 external people fully engaged on site
- Key advisors engaged
 - Blake Cassels - Canadian Legal and Tax
 - Ernst & Young - Canadian and US Tax
 - Cravath, Swaine and Moore - US Legal and Tax
 - PricewaterhouseCoopers - Program Lead and FMV valuation (assets)
- Current Status
 - Management information circular publicly available
 - On track for separation at end of Q3-2016
 - Effective operational separation by the end of Q2-2016

Structure Overview

- Transaction structure is a “butterfly” plan of arrangement transaction; Element Fleet and Commercial Finance become separate TSX public companies
- Butterfly transaction to be effected by a court-approved plan of arrangement under OBCA, final structure to be tax neutral to Element shareholders
- After implementation, Element common shareholders will hold one common share of Element Fleet and one common share of Commercial Finance
- Management proxy circular detailing separation transaction mailed to shareholders on August 8, 2016
- Transaction subject to approval of Element shareholders at special meeting to be held on September 20, 2016
- Targeted closing date of October 3, 2016
- Outstanding preferred shares and convertible debentures to remain with existing company (Element Fleet Management)
- The respective conversion prices of the debentures will be adjusted per the indentures with reference to the relative trading prices of Element Fleet common shares and ECN Capital common shares over a 10 day VWAP period immediately following the separation close (subject to TSX approval)

Separation Update



Separation Update

Timetable

Item	Date
Press release announcing separation	Completed
Separation Q&A announcing governance structure and management teams	Completed
Appointment of Board Ad Hoc Committee to oversee separation process	Completed
Q1 2016 Earnings Release (including supplemental disclosure on separated businesses)	Completed
Targeted operational separation of two companies	Completed
Board Meeting to approve separation arrangement	Completed
Go-forward senior management compensation plans established	Completed
Mailing of Management Proxy Circular for Special Meeting of Shareholders	Completed
Q2 2016 Earnings Release (including supplemental disclosure on separated businesses)	Completed
Shareholder meeting date	September 20, 2016
Closing - exchange of Element common shares for Fleet shares and Commercial Finance shares	October 3, 2016
Trading of shares of two public companies open for trading on the TSX	October 3, 2016

Approvals Required

1) TSX:

- Listing of Commercial Finance Common Shares to be issued
- Continued listing of Element Fleet common shares
- New LTIP plans for Commercial Finance
- TSX conditional approval received on July 22, 2016

2) Court Approval:

- Interim and Final Orders to be made in connection with approval of the Arrangement
- Interim Court Order granted on July 28, 2016

3) Shareholder approval:

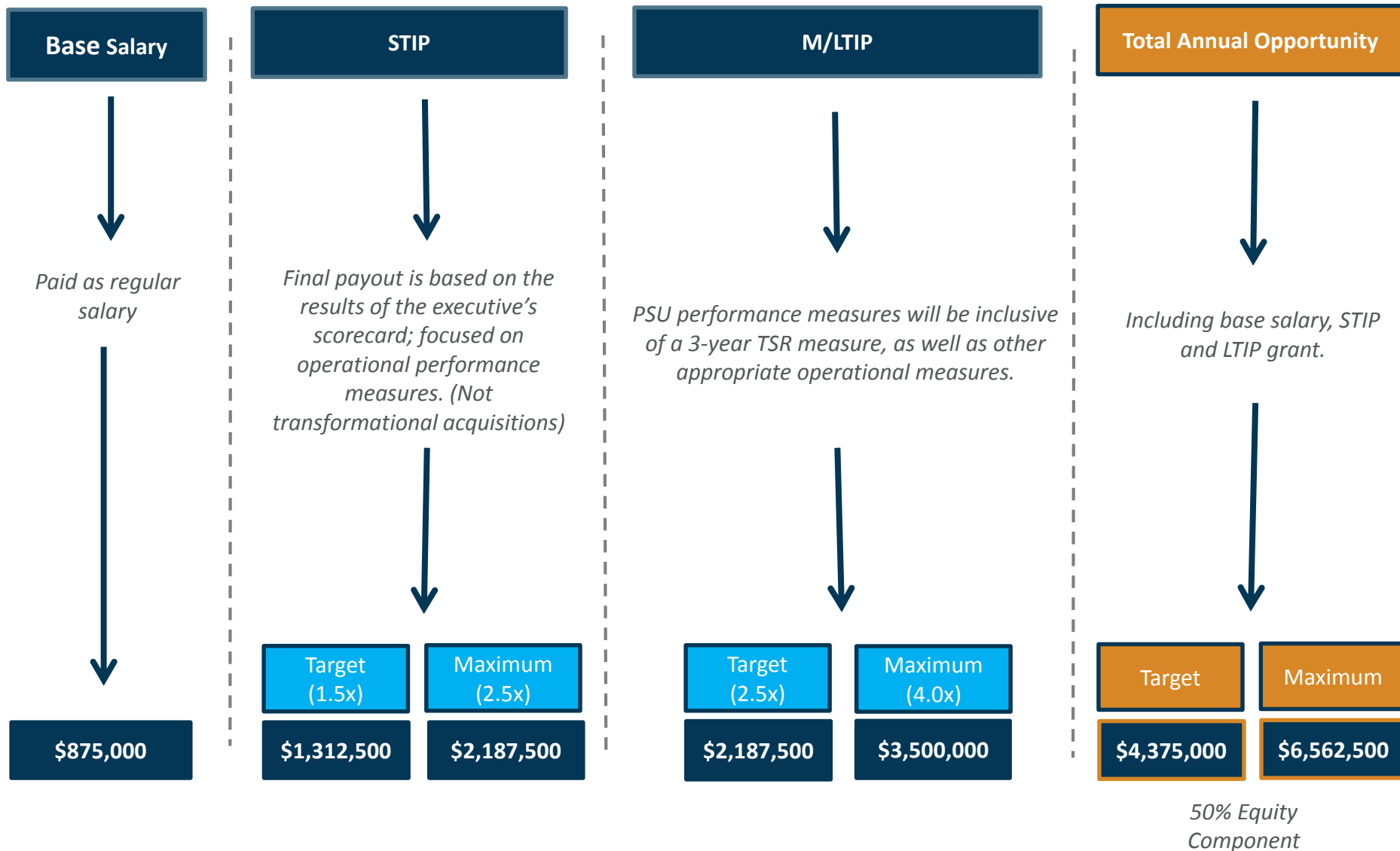
- Arrangement Resolution must be approved by at least 2/3rds of all votes cast by shareholders, in person or by proxy, at the special meeting

Corporate Governance

Corporate Governance

- An oversight committee of Element's Board has been established
 - Bill Lovatt , Richard Venn, Pierre Lortie
- At close, Element Fleet and ECN will have independent boards and separate management teams
- Very limited overlap between two companies
 - Bill Lovatt will be Chair of ECN and board member of Fleet Management
 - Steven Hudson, CEO of ECN will be non-executive Vice Chair of Fleet Management
 - Bradley Nullmeyer, CEO of Fleet Management, will be non-executive Vice Chair of ECN
- Governance structure of Element will be retained at Element Fleet and replicated at ECN
 - Audit, Compensation & Corporate Governance, Credit and Risk Committees
 - Similar board / committee mandates and policies as today in place at Element

2017 EFN and ECN CEO Compensation





Michel Béland
Chief Financial Officer

SUPPLEMENTARY DISCLOSURE

Post Separation Pro-Forma Statements

Basis of Presentation

- Segmented Financial results are presented for the two separate post separation companies.
- Both the results of operations and financial positions of the two post separation entities are presented as reported, compiled on the same comparative consistency basis and, on a pro-forma basis giving effect to the separation and the intended final allocation of assets and liabilities.
- Element Fleet Balance Sheet pro-forma assets include certain assets that are to be consolidated into Element Fleet at separation. These assets are comprised of fleet programs consisting of over the road trucks and trailers initially originated by the Commercial Finance team.
- Each of the pro-forma Adjusted Operating Income statements are representative of the income derived from the assets that are included in the pro-forma Balance Sheets
- Element Fleet Management has retained all preferred shares and convertible debentures
- Corporate expenses have been allocated (Allocated Group Costs) on the same basis as the reported financial statements

Post Separation Pro-Forma Statements

Pro-Forma Balance Sheet – Element Fleet Management

NOTES:

- Finance Assets include, on a pro-forma basis, certain Fleet assets that were originated and previously reported under Commercial Finance.
- Convertible debentures retained by Element Fleet Management and shown separately
- Preferred Shares retained by Element Fleet Management and shown separately
- Resulting post separation tangible leverage of ~7.5:1 in line with target

	June 30, 2016 (\$ billions)	
	As Reported	Pro Forma Separation
Finance Assets	\$13.9	\$15.0
Other Assets	\$1.0	\$0.9
Goodwill and intangible assets	\$2.0	\$2.0
	<u>\$16.9</u>	<u>\$17.9</u>
Debt	\$12.5	\$12.7
Convertible Debentures	\$0.2	\$0.8
Other liabilities	\$0.5	\$0.6
	<u>\$13.2</u>	<u>\$14.1</u>
Common Equity	\$3.2	\$3.3
Preferred Shares	\$0.5	\$0.5
	<u>\$3.7</u>	<u>\$3.8</u>
Tangible Leverage	<u>7.5</u>	<u>7.5</u>

Post Separation Pro-Forma Statements

Pro-Forma Adjusted Operating Income – Element Fleet

NOTES:

- Pro-forma separation reflects all income derived from Fleet assets on the Pro-Forma Element Fleet Balance Sheet
- Pro-forma EPS for the Quarter after factoring in preferred share dividends is \$0.26

	Quarter Ended June 30, 2016 (\$ millions)	
	As Reported	Pro Forma Separation
Adjusted operating income before taxes	\$124.2	\$135.9
Income Taxes (est. at 21.64%)	\$26.9	\$28.1
Net Income	\$97.3	\$107.8
Preferred Share Dividends		\$8.9
Income to Common Shareholders		\$98.9
EPS [basic]		\$0.26

Post Separation Pro-Forma Statements

Pro-Forma Balance Sheet – Commercial Finance

NOTES:

- Finance Assets reflects the re-allocation of Fleet assets originated by this vertical to Element Fleet Management.
- Convertible debentures retained by Element Fleet Management
- Preferred Shares retained by Element Fleet Management
- Resulting post separation tangible leverage of ~3.0:1 in line with target

(1) Excludes the INFOR SPAC that is expected to contribute approximately \$200 million in cash and equity

	June 30, 2016 (\$ billions)	
	As Reported	Pro Forma Separation (1)
Finance Assets	\$6.7	\$5.7
Other Assets	\$0.4	\$0.5
Goodwill and intangible assets	-	-
	<u>\$7.1</u>	<u>\$6.2</u>
Debt	\$4.6	\$4.5
Convertible Debentures	\$0.6	-
Other liabilities	\$0.2	\$0.2
	<u>\$5.4</u>	<u>\$4.7</u>
Common Equity	\$1.7	\$1.5
Preferred Shares	-	-
	<u>\$1.7</u>	<u>\$1.5</u>
Tangible Leverage	3.1	3.0

Post Separation Pro-Forma Statements

Pro-Forma Adjusted Operating Income – Commercial Finance

NOTES:

- Pro-forma separation reflects income derived from Commercial Finance assets included on the Pro-Forma Balance Sheet
- Pro-forma EPS for the Quarter is \$0.06 from wind-down of Aviation book and which does not include growth and rail portfolio acquisition and secondary market opportunities
- Pro-Forma full year EPS is affected by the transition of Commercial Finance to an asset manager, Aviation portfolio run off and reinvestment push into 2017 and Rail market opportunity deferrals

	Quarter Ended June 30, 2016 (\$ millions)	
	As Reported	Pro Forma Separation (1)
Adjusted Operating Income before Income Taxes	\$42.6	\$30.6
Income Taxes (est. at 21.64%)	\$9.2	\$8.2
After-tax Adjusted Operating Income	\$33.4	\$22.4
Preferred Share Dividends	-	-
Income to Common Shareholders		\$22.4
EPS [basic]		\$0.06

(1) Excludes the INFOR SPAC that is expected to contribute approximately \$200 million in cash and equity



MAKING CAPITAL WORK