



News Release

Element Increases After-Tax Adjusted EPS Q4-2015 Guidance to \$0.35 per share

TORONTO, Ontario - February 3, 2016 – Element Financial Corporation today announced that it plans to release its Q4-2015 quarterly and fiscal 2015 year-end financial results on March 2, 2016 after the close of markets. The Company also confirmed that it expects to report after-tax adjusted operating income per share of approximately \$0.35 for the three-month period ending December 31, 2015 after taking account of integration benefits and continued effective tax management. Originations are expected to amount to approximately \$2.6 billion for the quarter reflecting continued strong volumes from each of the Company's four business verticals.

“We are very pleased with the strong demand for fleet management services and equipment financing from our clients across our business verticals,” noted Steven Hudson, Element's Chief Executive Officer. “In particular, the quality of our portfolios remains very strong with arrears at 16 basis points well within the parameters that we have established for each of these lines of business and an improvement over the 20 basis points reported at the end of Q3-2015, added Mr. Hudson.”

The Company's \$2.3 billion rail portfolio mirrors this strong credit quality and is performing in line with expectations with utilization exceeding 99 percent, average lease terms of five years and investment grade lessees dominating the portfolio. The Company also confirmed that its total exposure to the oil and gas industry is very modest at approximately eight percent of earnings assets with 75 percent of this exposure to investment grade credits.

With respect to its funding capacity, the Company continues to maintain its discipline of matched term liquidity. The Company currently has in excess of \$6 billion of committed liquidity which, when combined with repayments, will be more than sufficient to fund the Company's expected growth through 2016 and into 2017. This liquidity is comprised of the Company's three-year senior term facility and its recently completed Chesapeake II ABS securitizations.

“Element is well-positioned and well-capitalized to achieve and fund our growth targets for 2016,” noted Mr. Hudson. “With more than 70% of our earning assets denominated in US\$, we also have the benefit of an exchange rate that will contribute favourably to our earnings targets for 2016,” added Mr. Hudson.

The Company also provided an update on the progress of its plans for the integration of the acquired fleet management business from GE Capital. Based on confirmed savings in cost of funds and procurement agreements, the Company expects annualized integration savings to meet its US\$95 million target with more than 60 percent of this amount locked down in renewed funding and procurement agreements.

About Element:

With total assets in excess of \$23.5 billion, Element Financial Corporation is one of North America's leading fleet management and equipment finance companies. Element operates across North America in four verticals of the equipment finance market - Fleet Management, Rail Finance, Commercial & Vendor Finance, and Aviation Finance.

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