



News Release

For Immediate Release

Element Reports \$0.35 per share of After-tax Adjusted EPS in Q4-2015 Exceeding Consensus Estimates

Q4 free operating cash flow per share increased to \$0.40 versus \$0.32 in the previous period

- Total earning assets increase to \$20.5 billion at year end from \$9.03 billion at the end of 2014
- Total earning assets at yearend dominated by the US market at 73% while Canada declines to 16%
- Originations increased to \$2.54 billion in Q4-2015 versus \$1.89 billion in Q3-2015
- Fleet management fees increase to \$101.3 million in Q4-2015 versus \$53.7 million in Q3-2015
- Pre-tax adjusted return on average common equity increased to 12.6% in Q4-2015 versus 11.2% in Q3-2015
- Portfolio quality remains strong with arrears at 0.16% of finance receivables versus 0.20% at the end of Q3-2015
- Tangible leverage increased to 4.57:1 at December 31, 2015 from 3.72:1 at the end of previous year

TORONTO, Ontario, March 2, 2016 - Element Financial Corporation (TSX:EFN) (“Element” or the “Company”), one of North America’s leading equipment finance companies, today reported financial results for the three-months and year ending December 31, 2015. For the three months ended December 31, 2015 **after tax adjusted operating income** was \$143.5 million or \$0.35 per share (basic), exceeding consensus estimates, versus \$55.4 million or \$0.19 per share for the same period last year. **Free operating cash flow** was \$161.5 million, or \$0.40 per share, compared to \$71.8 million, or \$0.25 per share for the same period last year.

“This quarter provides investors with a first look at Element’s Fleet management business with the acquired GE portfolio fully loaded into these results,” noted Bradley Nullmeyer, Element’s President. “The process of integrating the acquired GE fleet operations is now well advanced and we are pleased to report that we now expect to achieve US\$100 million of savings from this integration. As a result, our Fleet business enters 2016 with an adjusted ROAA of 3.2% and is on track to exit the year at 4% plus,” added Mr. Nullmeyer.

Overall, **new originations** amounted to \$2.5 billion for the three-month period ended December 31, 2015 representing a 47 percent increase over the \$1.7 billion reported for the same period last year. Fleet Management accounted for \$1,620 million of Q4 originations, while the Rail Finance vertical contributed \$198 million. Aviation Finance accounted for \$306 million of Q4 originations, while the Commercial & Vendor vertical accounted for \$422 million. Full year origination volumes amounted to \$7.7 billion, which was well ahead of plan with respect to the Company’s previous full-year guidance of \$6.5 billion of new originations during 2015, and represented an increase of 63 percent over the prior year.

Financial revenue for the three-month period ended December 31, 2015 was \$409.2 million, or 8.3 percent of average earning assets versus, \$175.7 million or 8.2 percent of average earning assets in the same period last year. **Management fees and other revenue** included in financial revenue amounted to \$123.9 million during the fourth quarter of 2015 versus \$54.8 million in the same period last year, representing an increase of 126 percent.

Interest expense was \$119.5 million for the three-month period ended December 31, 2015 compared to \$50.0 million for the same period last year. The average cost of borrowing was 2.69 percent during Q4-2015 versus 2.53 percent reported during the previous quarter and 2.66 percent for the same period last year. The cost increase, in each case, was due to the use of more expensive acquisition bank financing to fund the purchase of the GE Fleet operations in September 2015, with less expensive and permanent financing for these assets put in place during late December 2016.

Net financial income for the three-month period ended December 31, 2015 was \$289.7 million versus \$125.7 million for the same period last year. **Adjusted operating expenses** for the three-month period ended December 31, 2015 were \$128.2 million, or 2.61 percent of average earning assets, versus \$53.8 million, or 2.52 percent of average earning assets, in the same period last year with the relative cost increase largely due to the higher cost base of Fleet to provide services that generate service fee income in addition to net yields from leasing activities.

Total earning assets increased to \$20.5 billion as at December 31, 2015 versus \$19.3 billion as at the end of the preceding quarter and \$9.0 billion as at the end of the same period last year. The year-over-year increase was due largely to the acquisition of the GE Fleet operations during Q3, 2015, representing \$7.8 billion of earning assets.

Total debt increased to \$18.7 billion as at December 31, 2015 from \$17.4 billion as at September 30, 2015 and \$8.1 billion as at December 31, 2014. The Company's **tangible leverage ratio** increased in line with our strategic objective of increasing return on equity to 4.57:1 as at December 31, 2015 versus 4.53:1 as at September 30, 2015, and from 3.72:1 as at the prior year end.

Using a discount rate of 6.5 percent, the Company estimates that the present value of its deferral of cash income tax liabilities for the next 12 plus years represents additional unleveraged value of \$4.50 per share.

"I am extremely pleased with the reception received from all of our stakeholders to the announcement we made last month that we are separating Element into two stand-alone public entities," noted Steven Hudson, Element's Chief Executive Officer. "From this process will emerge the world's largest publicly traded fleet management company with stable growth, pristine credit quality and recurring high-margin fee income as well as a high-growth commercial finance business that will transition by the end of the year to an asset management business with a strong investment-grade balance sheet," added Mr. Hudson.

Dividends Declared

The Company's Board of Directors has authorized and declared a quarterly dividend of \$0.025 per outstanding common share of Element for the first quarter of 2016. The dividend will be paid on April 15, 2016 to shareholders of record at the close of business on March 31, 2016. These dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

The Company's Board of Directors also declared the following dividends on Element's preferred shares:

- A quarterly dividend of \$0.4125 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series A (TSX: EFN.PR.A) payable on March 31, 2016 to shareholders of record on the close of business on March 17, 2016. The dividend payment is for the quarterly period up to but excluding March 31, 2016.
- A quarterly dividend of \$0.40625 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series C (TSX: EFN.PR.C) payable on March 31, 2016 to shareholders of record on the close of business on March 17, 2016. The dividend payment is for the quarterly period up to but excluding March 31, 2016.
- A quarterly dividend of \$0.40 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series E (TSX: EFN.PR.E) payable on March 31, 2016 to shareholders of record on the close of business on March 17, 2016. The dividend payment is for the quarterly period up to but excluding March 31, 2016.
- A quarterly dividend of \$0.40625 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series G (TSX: EFN.PR.G) payable on March 31, 2016 to shareholders of record on the close of business on March 17, 2016. The dividend payment is for the quarterly period up to but excluding March 31, 2016.

These dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

Conference Call

A conference call to discuss the results with analysts will be held on Wednesday, March 2, 2016 at 5:00 p.m. Eastern Time. The conference call can be accessed by dialing the following numbers:

North America Toll-Free:	1-866-696-5910 passcode 8146137
Local:	416-695-7806 passcode 8146137
International:	https://www.confnsolutions.ca/ILT?oss=7P1R8666965910

A series of presentation slides will be referenced by management during the conference call. These slides will be available on the Company's website in advance of the conference call and may be accessed at <http://www.elementcorp.com/investors/presentations-1>.

The conference call will be recorded and can be accessed until April 1, 2016 by dialing 1-800-408-3053 or 905-694-9451 and entering the pass code 1939049.

Non-IFRS Measures

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the accounting policies we adopted in accordance with IFRS.

The Company believes that certain Non-IFRS Measures can be useful to investors because they provide a means by which investors can evaluate the Company's underlying key drivers and operating performance of the business, exclusive of certain adjustments and activities that investors may consider to be unrelated to the underlying economic performance of the business of a given period. Throughout this Press Release, management used a number of terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. A full description of these measures can be found in the Management Discussion & Analysis that accompanies the financial statements for the year and quarter ended December 31, 2015.

The following table provide a reconciliation of non-IFRS to IFRS measures related to the Company:

<i>\$ thousands (except % and per share amounts)</i>		As at and for the three months ended			As at and for the year ended	
		December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Reported and adjusted income measures						
Net income (loss)	A	104,433	(4,656)	47,064	174,431	54,069
Adjustments:						
Amortization of debenture synthetic discount		2,955	2,906	1,445	9,289	2,863
Share-based compensation		9,449	8,774	6,135	34,197	18,851
Amortization of intangible assets from acquisitions		16,445	4,972	7,840	31,362	10,447
Transaction and integration costs		34,747	128,068	3,346	203,283	99,141
Provision (recovery) of income taxes		(6,491)	(32,943)	6,008	(16,749)	4,099
Adjusted operating income	B	161,538	107,121	71,838	435,813	189,470
Provision for taxes applicable to adjusted operating income	C	(18,060)	(19,948)	(16,393)	(76,237)	(41,085)
After-tax adjusted operating income	D=B-C	143,478	87,173	55,445	359,576	148,385
Cumulative preferred share dividends during the period	Y	8,912	8,904	6,109	31,047	18,935
After-tax adjusted operating income attributable to common shareholders	D1=D-Y	134,566	78,269	49,336	328,529	129,450
Selected cash flow amounts						
Adjusted operating income before income taxes	B	161,538	107,121	71,838	435,813	189,470
Selected statement of financial position amounts						
Finance receivables, before allowance for credit losses	E	17,589,087	16,371,356	8,482,904	17,589,087	8,482,904
Allowance for credit losses	F	33,791	24,135	16,915	33,791	16,915
Earning assets						
Net investment in finance receivable	G	16,199,530	15,174,976	7,749,260	16,199,530	7,749,260
Equipment under operating leases	H	4,126,553	3,991,195	1,279,670	4,126,553	1,279,670
Investment in managed fund	HI	143,936	138,788	—	143,936	—
Total earning assets	I=G+H+HI	20,470,019	19,304,959	9,028,930	20,470,019	9,028,930
Average earning assets, net	J	19,636,834	12,997,240	8,543,386	13,056,842	5,888,922
Goodwill and intangible assets	K	2,245,298	2,152,541	863,008	2,245,298	863,008
Accounts payable and accrued liabilities	L	654,638	660,578	368,113	654,638	368,113
Secured borrowings	M	17,862,038	16,576,204	7,751,395	17,862,038	7,751,395
Unsecured convertible debentures	N	836,472	831,916	303,147	836,472	303,147
Total debt	O=M+N	18,698,510	17,408,120	8,054,542	18,698,510	8,054,542
Average debt	P	17,803,601	11,645,733	7,536,131	11,840,871	4,779,722
Total shareholders' equity	Q	5,717,555	5,377,345	2,830,951	5,717,555	2,830,951
Preferred shares	R	533,656	533,635	365,113	533,656	365,113
Common shareholders' equity	S=Q-R	5,183,899	4,843,710	2,465,838	5,183,899	2,465,838
Average common shareholders' equity	T	4,857,497	3,500,993	2,406,023	3,417,151	1,840,665
Average total shareholders' equity	U	5,391,140	4,034,893	2,771,135	3,882,088	2,121,399

Non-IFRS and IFRS Key Annualized Operating Ratios and per Share Information:

		As at and for the three months ended			As at and for the year ended	
		December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<i>\$ thousands (except % and per share amounts)</i>						
Free operating cashflow per share [basic]	(B-Y)/W	\$ 0.40	\$ 0.32	\$ 0.25	\$ 1.33	\$ 0.76
After-tax adjusted operating income per share [basic] (1)	(D1)/W	\$ 0.35	\$ 0.26	\$ 0.19	\$ 1.08	\$ 0.57
After-tax proforma diluted adjusted operating income per share	(D1+Z)/X	\$ 0.33	\$ 0.25	\$ 0.18	\$ 1.04	\$ 0.56
Key annualized operating ratios						
Leverage ratios						
Financial leverage ratio	O/Q	3.27	3.24	2.85	3.27	2.85
Tangible leverage ratio		4.57	4.53	3.72	4.57	3.72
Average financial leverage ratio	P/U	3.30	2.89	2.72	3.05	2.25
Average tangible leverage ratio		4.72	3.59	3.60	4.06	2.60
Other key operating ratios						
Allowance for credit losses as a percentage of finance receivables	F/E	0.19%	0.15%	0.20%	0.19%	0.20%
Adjusted operating income on average common shareholders' equity	(B-Y)/T	12.57%	11.22%	10.93%	11.85%	9.26%
Adjusted operating income on average earning assets	B/J	3.30%	3.30%	3.36%	3.34%	3.22%
After-tax adjusted operating income on average common shareholders' equity	(D-Y)/T	11.08%	8.94%	8.20%	9.61%	7.03%
After-tax adjusted operating income on average earning assets	D/J	2.92%	2.68%	2.60%	2.75%	2.52%
Per share information						
Number of shares outstanding (including special warrants)	V	386,135	385,798	264,059	386,135	264,059
Weighted average number of shares outstanding [basic]	W	385,930	305,073	264,057	305,230	225,289
Proforma diluted average number of shares outstanding	X	435,469	356,149	269,431	344,906	230,663
Cumulative preferred share dividends during the period	Y	\$ 8,912	\$ 8,904	\$ 6,109	\$ 31,047	\$ 18,935
Other effects of dilution adjusted operating income basis	Z	\$ 9,600	\$ 9,029	\$ —	\$ 28,520	\$ —
Net income (loss) per share [basic]	(A-Y)/W	\$ 0.25	\$ (0.04)	\$ 0.16	\$ 0.47	\$ 0.16
Net income (loss) per share [diluted]		\$ 0.24	\$ (0.04)	\$ 0.15	\$ 0.46	\$ 0.15
Book value per share	S/V	\$ 13.43	\$ 12.56	\$ 9.34	\$ 13.43	\$ 9.34

(1) For the period ended September 30, 2015, adjusted for the timing of the closing of the GE Fleet Operations in Mexico, Australia and New Zealand, the Company would report adjusted operating income per share of \$0.28.

Quarterly Selected Financial Information and Financial Ratios

The following tables summarize key financial data and key operating ratios for the three-month periods ended December 31, 2015, September 30, 2015 and December 31, 2014:

	As at and for the three months ended		
(in \$000's for stated values, except ratios and per share amounts)	December 31, 2015 \$	September 30, 2015 \$	December 31, 2014 \$
After tax adjusted operating income (loss) per share (basic) (1)	0.35	0.26	0.19
Free operating cash flows per share (basic) (1)	0.40	0.32	0.25
Financial revenue (1)	409,240	258,521	175,703
Adjusted operating income (1)	161,538	107,121	71,838
After tax adjusted operating income (1)	143,478	87,173	55,445
Income before taxes	97,942	(37,599)	53,072
Net income	104,433	(4,656)	47,064
Total assets	25,163,345	23,572,478	11,290,502
Net investment in finance receivables	16,199,530	15,174,976	7,749,260
Equipment under operating leases	4,126,553	3,991,195	1,279,670
Investment in managed fund	143,936	138,788	—
Total earning assets	20,470,019	19,304,959	9,028,930
Total finance assets	21,835,861	20,482,756	9,745,659
New originations	2,544,870	1,889,951	1,665,765
Finance receivables and equipment under operating lease from acquisitions (2)	—	7,785,499	—
Secured borrowings	17,862,038	16,576,204	7,751,395
Convertible debentures	836,472	831,916	303,147
Total debt	18,698,510	17,408,120	8,054,542
Average finance receivables (1)	15,589,686	10,808,794	7,396,499
Average equipment under operating leases (1)	3,906,412	2,051,627	1,146,887
Average investment in managed fund	140,736	136,819	—
Average earning assets (1)	19,636,834	12,997,240	8,543,386
Average debt outstanding (1)	17,803,601	11,645,733	7,536,131
Number of shares outstanding (including special warrants)	386,135	385,798	264,059
Weighted average number of shares outstanding (including special warrants) [basic]	385,930	305,073	264,057
Total shareholders' equity	5,717,555	5,377,345	2,830,951
Average common shareholders' equity (1)	4,857,497	3,500,993	2,406,023
Earnings per share [basic]	0.25	(0.04)	0.16
Earnings per share [diluted]	0.24	(0.04)	0.15

(1) For additional information, see "Description of Non-IFRS Measures" section.

(2) Three months ended September 30, 2015, relates to the estimated fair value assigned to finance receivables equipment under operating lease from the acquisition of the GE Fleet Operations on August 31, 2015 and September 30, 2015.

The following table summarizes key operating ratios as at and for the three months ended:

	As at and for the three-months ended		
	December 31, 2015	September 30, 2015	December 31, 2014
Leverage ratios			
Standard Leverage (2) (3)			
- Financial leverage ratio	3.27	3.24	2.85
- Average financial leverage ratio	3.30	2.89	2.72
Bank Covenant (2) (4)			
- Tangible leverage ratio	4.57	4.53	3.72
- Average tangible leverage ratio	4.72	3.59	3.60
Other ratios and yields			
Allowance for credit losses as a percentage of finance receivables (2)	0.19%	0.15%	0.20%
Annualized credit loss provision as a percentage of average finance receivables (2)	0.19%	0.17%	0.12%
Portfolio average remaining life (in months, excluding equipment under operating leases) (2)	24.9	24.2	24.8
Adjusted operating income on average common shareholders' equity (2)	12.57%	11.22%	10.93%
Adjusted operating income on average earning assets (2)	3.30%	3.30%	3.36%
After-tax adjusted operating income on average common shareholders' equity (2)	11.08%	8.94%	8.20%
After-tax adjusted operating income on average earning assets (2)	2.92%	2.68%	2.60%
Book value per share	\$ 13.43	\$ 12.56	\$ 9.34

(1) All are ratios presented on an annualized basis.

(2) For additional information, see "Description of Non-IFRS Measures" section.

(3) Financial leverage ratio is computed as total debt (the sum of secured borrowings and extendible convertible debentures) divided by total shareholders' equity.

(4) Computed under bank covenant.

Annual Selected Financial Information and Financial Ratios

The following table summarizes key financial data as at and for the year ended December 31, 2015:

	As at and for the year ended	As at and for the year ended	As at and for the year ended	As at and for the year ended	As at and for the nine-months ended
(in \$000's for stated values, except ratios and per share amounts)	December 31, 2015 \$	December 31, 2014 \$	December 31, 2013 \$	December 31, 2012 \$	December 31, 2011 \$
After tax adjusted operating income (loss) per share (basic) (1)	1.08	0.57	0.34	0.14	(0.01)
Free operating cash flows per share (basic) (1)	1.33	0.76	0.47	0.19	(0.01)
Financial revenue (1)	1,062,820	474,323	163,117	53,006	10,386
Adjusted operating income (1)	435,813	189,470	65,261	14,910	(428)
After tax adjusted operating income (1)	359,576	148,385	47,680	10,941	(1,034)
Income before taxes	157,682	58,168	4,846	(11,370)	(7,544)
Net income	174,431	54,069	(1,650)	(6,420)	(6,071)
Total assets	25,163,345	11,290,502	3,454,653	1,508,892	416,715
Net investment in finance receivables	16,199,530	7,749,260	2,739,445	1,300,003	231,183
Equipment under operating leases	4,126,553	1,279,670	239,055	—	—
Investment in managed fund	143,936	—	—	—	—
Total earning assets	20,470,019	9,028,930	2,978,500	1,300,003	231,183
Total finance assets	21,835,861	9,745,659	3,002,283	1,314,617	231,537
New originations	7,693,308	4,717,146	2,101,755	689,330	119,671
Finance receivables and equipment under operating lease from acquisitions (2)	7,785,499	4,298,224	573,008	756,236	158,474
Secured borrowings	17,862,038	7,751,395	1,893,910	989,128	172,517
Convertible debentures	836,472	303,147	—	—	—
Total debt	18,698,510	8,054,542	1,893,910	989,128	172,517
Average finance receivables (1)	10,734,243	5,027,425	1,879,729	629,485	168,099
Average equipment under operating leases (1)	2,250,018	861,497	14,049	—	—
Average investment in managed fund	72,581	—	—	—	—
Average earning assets (1)	13,056,842	5,888,922	1,893,778	629,485	168,099
Average debt outstanding (1)	11,840,871	4,779,722	1,381,880	453,356	119,624
Number of shares outstanding (including special warrants)	386,135	264,059	188,935	102,542	66,380
Weighted average number of shares outstanding (including special warrants) [basic]	305,230	225,289	138,423	78,132	33,302
Total shareholders' equity	5,717,555	2,830,951	1,446,656	423,425	238,341
Average common shareholders' equity (1)	3,417,151	1,840,665	736,981	300,807	91,687
Common share dividends declared per share	0.025	—	—	—	—
Earnings per share [basic]	0.47	0.16	(0.01)	(0.08)	(0.18)
Earnings per share [diluted]	0.46	0.15	(0.01)	(0.08)	(0.18)

(1) For additional information, see "Description of Non-IFRS Measures" section.

(2) For December 31, 2015 - Fair value assigned to the finance assets from the acquisition of GE Fleet Operations on August 31, 2015 and September 30, 2015.

The following table summarizes key operating ratios as at and for the year ended:

	As at and for the year ended	
	December 31, 2015	December 31, 2014
Leverage ratios		
Standard Leverage (1) (2)		
- Financial leverage ratio	3.27	2.85
- Average financial leverage ratio	3.05	2.25
Bank Covenant (1) (3)		
- Tangible leverage ratio	4.57	3.72
- Average tangible leverage ratio	4.06	2.60
Other ratios and yields		
Allowance for credit losses as a percentage of finance receivables (1)	0.19%	0.20%
Annualized credit loss provision as a percentage of average finance receivables (1)	0.17%	0.26%
Portfolio average remaining life (in months, excluding equipment under operating leases) (1)	24.9	24.8
Adjusted operating income on average common shareholders' equity (1)	11.85%	9.26%
Adjusted operating income on average earning assets (1)	3.34%	3.22%
After-tax adjusted operating income on average common shareholders' equity (1)	9.61%	7.03%
After-tax adjusted operating income on average earning assets (1)	2.75%	2.52%
Book value per share (1)	\$ 13.43	\$ 9.34

(1) For additional information, see "Description of Non-IFRS Measures" section.

(2) Financial leverage ratio is computed as total debt (the sum of secured borrowings and extendible convertible debentures) divided by total shareholders' equity.

(3) Computed under bank covenant.

Results of Operations - For the three months ended December 31, 2015, September 30, 2015 and December 31, 2014, and the twelve months ended December 31, 2015 and 2014

The following table sets forth a summary of the Company's results of operations for the three months ended December 31, 2015, September 30, 2015 and December 31, 2014 and twelve months ended December 31, 2015 and 2014:

	For the three-month periods ended			For the year ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<i>(in 000's for stated values, except per unit amounts)</i>	\$	\$	\$	\$	\$
Net Financial Income					
Interest income	217,254	161,210	102,527	609,578	298,868
Rental revenue, net (1)	75,406	36,173	20,664	166,152	62,645
Total interest income and rental revenue, net	292,660	197,383	123,191	775,730	361,513
Interest expense	119,521	73,590	50,046	304,821	140,383
Net interest income and rental revenue, net before provision for credit losses	173,139	123,793	73,145	470,909	221,130
Provision for credit losses	7,360	4,770	2,268	18,641	12,945
Net interest income and rental revenue, net	165,779	119,023	70,877	452,268	208,185
Management fees and other revenues	123,940	65,908	54,780	305,731	125,755
Net financial income	289,719	184,931	125,657	757,999	333,940
Operating Expenses					
Salaries, wages and benefits	70,386	45,251	32,835	186,051	91,251
General and administration expenses	57,795	32,559	20,984	136,135	53,219
Amortization of debenture synthetic discount	2,955	2,906	1,445	9,289	2,863
Share-based compensation	9,449	8,774	6,135	34,197	18,851
	140,585	89,490	61,399	365,672	166,184
Business acquisition costs					
Amortization of intangibles from acquisition	16,445	4,972	7,840	31,362	10,447
Transaction and integration costs	34,747	128,068	3,346	203,283	99,141
	51,192	133,040	11,186	234,645	109,588
Net income before taxes	97,942	(37,599)	53,072	157,682	58,168
Tax expense	(6,491)	(32,943)	6,008	(16,749)	4,099
Net income for the period	104,433	(4,656)	47,064	174,431	54,069
Earnings per share [basic]	0.25	(0.04)	0.16	0.47	0.16
Earnings per share [diluted]	0.24	(0.04)	0.15	0.46	0.15

(1) Rental revenue, net is equal to rental income earned on equipment under operating leases, less depreciation on equipment under operating leases.

Overall Performance Highlights for the Three-Months Ended December 31, 2015

The Company's earning assets, consisting of the Company's net investment in finance receivables, equipment under operating leases and investment in managed fund, have grown substantially during the period to December 31, 2015 to \$20,470.0 million from \$9,028.9 million reported at December 31, 2014. The growth over December 31, 2014 is primarily due to the combined effect of the acquisition of the GE Fleet Operations in August and September 2015, which contributed \$7,785.5 million of finance receivables and equipment under operating leases, total new originations for the year in the amount of \$7,693.3 million, helped by the large contribution of the Trinity vendor program and origination volume contributed by PHH Arval, net of repayments, syndication activities, amortization of equipment under operating leases and changes in foreign exchange rates of \$4,027.6 million. Please refer to note 26 of the Company's Consolidated Financial Statements as at and for the year ended December 31, 2015 for a detailed roll-forward of finance receivables and equipment under operating leases during the year.

Net income before income taxes for the three months ended December 31, 2015 was \$97.9 million compared to a net income before income taxes of \$53.1 million reported for the three months ended December 31, 2014 and net loss before income taxes of \$37.6 million reported in the immediately preceding quarter. The loss in the immediately preceding quarter is the result of the transaction and integration costs incurred in the current quarter related to the acquisition of the GE Fleet Operations.

As indicated previously, management believes that adjusted operating income, a Non-IFRS Measure, is the most appropriate operating measure of the Company's performance as it excludes non-cash items related to share-based compensation and business acquisition costs which do not relate to maintaining operating activities. Adjusted operating income for the three month period ended December 31, 2015 was \$161.5 million, an increase of \$89.7 million or 124.9% over the amount reported during the comparative quarter ended December 31, 2014 and an increase of \$54.4 million or 50.8% over the amount reported during the immediately preceding quarter ended September 30, 2015. The increase over the comparative quarter ended December 31, 2014 and the immediately preceding quarter, is primarily the result of the acquisition of the GE Fleet Operations on August 31, 2015 and September 30, 2015, and of strong organic growth in the intervening periods.

As indicated previously, Management also believes that Free Operating Cash Flows and Free Operating Cash Flows per Share as described in the Non-IFRS Measures section of this MD&A are a key statistics to properly assess the operating performances of the Company to mostly reflect the substantial value being created by the very long deferral of cash income taxes and the investment value produced by that deferral. Thus, while the Company is reporting after-tax adjusted operating income per share (basic) of \$0.35 for the three months ended December 31, 2015, free operating cash flows per share (basic) reaches \$0.40, compared to \$0.19 and \$0.25, respectively, for the comparative three months ended December 31, 2014, and \$0.26 and \$0.32, respectively, for the immediately preceding quarter ended September 30, 2015.

Overall Performance Highlights for the Year Ended December 31, 2015

The Company's earning assets, consisting of the Company's net investment in finance receivables, equipment under operating leases and investment in managed fund, have grown substantially during the period to December 31, 2015 to \$20,470.0 million from \$9,028.9 million reported at December 31, 2014. The growth over December 31, 2014 is primarily due to the combined effect of the acquisition of the GE Fleet Operations in August and September 2015, which contributed \$7,785.5 million of finance receivables and equipment under operating leases, total new originations for the year in the amount of \$7,693.3 million, helped by the large contribution of the Trinity vendor program and origination volume contributed by PHH Arval and the GE Fleet Operations, net of repayments, syndication activities, amortization of equipment under operating leases and changes in foreign exchange rates of \$4,027.6 million. Please refer to note 26 of the Company's Consolidated Financial Statements as at and for the year ended December 31, 2015 for a detailed roll-forward of finance receivables and equipment under operating leases during the year.

Net income before income taxes was \$157.7 million for the year ended December 31, 2015 compared to \$58.2 million for the prior year resulting from a substantial growth in total finance receivable and equipment under operating leases during the year from both organic originations and from the GE Fleet Operations acquisition net of an increase of \$125.0 million from increased business acquisition costs related to the acquisition of the GE Fleet Operations during the third quarter of 2015.

As indicated previously, management believes that adjusted operating income is the most appropriate operating measure of the Company's performance as it excludes non-cash items related to share-based compensation and business acquisition costs which do not relate to maintaining operating activities. Adjusted operating income for the year ended December 31, 2015 was \$435.8 million, an increase of \$246.3 million or 130.0% over the amount reported during the comparative year ended December 31, 2014. The increase over the comparative period ended December 31, 2014 is primarily the result of the acquisition of the PHH Arval on July 7, 2014 and the GE US Fleet Operations during Q3 2015, and strong organic growth.

As indicated previously, Management also believes that Free Operating Cash Flows and Free Operating Cash Flows per Share as described in the Non-IFRS Measures section of this MD&A are key statistics to properly assess the operating performances of the Company to mostly reflect the substantial value being created by the very long deferral of cash income taxes and the investment value produced by that deferral. Thus, while the Company is reporting after-tax adjusted operating income per share of \$1.08 for the year ended December 31, 2015, free operating cash flows per share reaches \$1.33 per share, compared to \$0.57 and \$0.76, respectively, for the comparative year ended December 31, 2014.

Consolidated Financial Position

The following table sets forth a summary of the Company's consolidated financial position as of the dates presented:

	December 31, 2015	September 30, 2015	December 31, 2014
<i>(in 000's for stated values, except per unit amounts)</i>	\$	\$	\$
Cash	61,007	47,459	66,869
Restricted cash	619,870	466,540	443,238
Finance receivables	17,555,296	16,347,221	8,465,989
Equipment under operating leases	4,126,553	3,991,195	1,279,670
Investment in managed fund	154,012	144,340	—
Derivative financial instruments	18,114	15,831	5,746
Deferred tax assets	142,563	135,870	39,405
Other non-portfolio assets	2,485,930	2,424,022	989,585
Total assets	25,163,345	23,572,478	11,290,502
Accounts payable and accrued liabilities	654,638	660,578	368,113
Secured borrowings	17,862,038	16,576,204	7,751,395
Convertible debentures	836,472	831,916	303,147
Derivative financial instruments	33,359	65,066	11,196
Deferred tax liabilities	59,283	61,369	25,700
Total liabilities	19,445,790	18,195,133	8,459,551
Shareholders' equity	5,717,555	5,377,345	2,830,951
Total liabilities and shareholders' equity	25,163,345	23,572,478	11,290,502

Element's audited financial statements and related management discussion and analysis as at and for the year ended December 31, 2015 have been filed on SEDAR (www.sedar.com).

About Element Financial Corporation

With total assets of \$25.2 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) and in Australia and New Zealand in the Fleet Management business.

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This release includes forward-looking statements regarding Element and its business. Such statements are based on the current expectations and views of future events of Element's management. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements, including, among others, statements regarding the integration and financial impact of the acquisition of various fleet management businesses from GE Capital, new originations in the current quarter, the anticipated pipeline of prospective transactions, and purchases of portfolios of finance assets. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Element, including risks regarding the equipment finance industry, economic factors, risks related to completion of the proposed purchases of portfolios of finance assets, and many other factors beyond the control of Element. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks and assumptions associated with this outlook can be found in Element's 2015 MD&A, and 2014 Annual Information Form, all of which have been filed on SEDAR and can be accessed at www.sedar.com. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Element undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.