

Element to Separate into Two Industry Leading Public Companies

- Separation will create a \$19.5 billion world class fleet management company and a \$7.0 billion North American leader in commercial finance
- Element's Commercial Finance business, together with its aviation fund management business (ECAF) and its rail fund management business will be separated from the current company, continuing its transition to an asset management model and establishing a new publicly traded entity with owned and managed assets of approximately \$7.0 billion

TRANSACTION OVERVIEW

Transaction Structure

- Separation into two strong, independent, publicly traded companies
- Intended to be tax-free to Element shareholders

Timing

- To be completed before the end of 2016 (expected in Q3 2016)

Key Steps to Completion

- Finalize transaction structure, capital structures, standalone financials, operating agreements

Closing Conditions

- Subject to final approval by Element Board of Directors, and customary third party approvals

CONTACT

John Sadler

Senior Vice President
(416) 646-5689
jsadler@elementcorp.com

Michel Béland

Chief Financial Officer
(416) 646-5680
mbeland@elementcorp.com

elementcorp.com

STRATEGIC BENEFITS

- Focused independent businesses driven by proven executives
- Improved cost of capital and attractive funding profiles
- Proven access to optimal funding
- Compelling investment thesis



Fleet Management



Commercial Asset Management

Key Metrics / Markets

- Total assets: \$19.5 billion (Fleet \$17.5 billion, Rail \$2.0 billion)
- Employees: ~2,600

Investment Highlights

- To be led by Brad Nullmeyer
- World's largest publicly traded fleet management company
- Leading market position in North America, Australia & New Zealand
- ~77 percent US portfolio
- Global partnership with BNP-Paribas
- Investment grade client base with high retention rate
- Targeting > 50% service revenue
- Strong and consistent free cash flow
- Leading fleet management technology platform
- Investment grade funding and balance sheet

Key Metrics / Markets

- Total owned and managed assets: \$7.0 billion
- Employees: ~200

Investment Highlights

- To be led by Steve Hudson
- Well established track record with leading equipment manufacturers and operators
- Knowledge of and ability to originate quality assets
- Compelling organic and acquisition growth opportunities
- State of the art commercial asset management platform
- Established financing platform and strong funding relationships
- Build on success of ECAF Fund to grow family of funds
- Investment grade funding and balance sheet

About Element Financial Corporation

With total assets in excess of \$25 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.

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 with respect to the proposed separation, the expected timetable for completing the separation, the future financial and operating performance of each business, the strategic advantages of each business and future opportunities of each business. 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, the possibility that the proposed separation will not be consummated within 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, 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 2014 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.