MAKING CAPITAL WORK

element

SECOND QUARTER 2015 FINANCIAL RESULTS

AUGUST 2015

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Summary

Delivering on Commitments

Strong Quarterly Results as Promised

- In-line Earnings
  - Free operating cash flow per share of $0.31 increased by 15% over the previous quarter and by 121% over the same period last year
  - After tax adjusted operating income of $0.23/share increased by 10% over the previous quarter and by 109% over the same period last year
- ROA/ROE Growth Continues
  - Pre-tax ROA of 3.6% increased by 8% over the previous quarter and over the same period last year
  - Pre-tax ROE of 12.3% increased by 11% over the previous quarter and by 55% over the same period last year
  - Second credit rating process is well advanced
- A US-based Company
  - Strengthening US recovery is driving continued growth in equipment expenditures*
  - US assets account for 67% of Earning Assets (70% post GE Fleet closing) up from 64% at the beginning of the year
  - Record US originations in Fleet, Commercial & Vendor and Rail account for 72% of total new business volume in Q2 versus 64% in Q1
    - US Commercial & Vendor originations increased 60% over the previous quarter
    - US Fleet Management originations increased by 20% over the previous quarter
    - US Rail originations increased by 65% over the previous quarter

* Equipment Leasing & Finance Foundation – July 2015

Fleet Management

Growth Drivers - Scale, Scope, Depth…plus Consolidation

- PHH Fleet acquisition is complete with no remaining dependencies
- Initial integration savings expectations from GE transaction affirmed
  - 20% accretion to annual EPS based on fully annualized synergies of US$90 million to US$95 million
  - Initial PHH Fleet integration savings exceeded
- Combined business sets Element apart with unmatched scale, scope and market depth
- Under-penetrated market segments offer growth opportunities for Element as the industry leader
- Significant growth opportunities through:
  - Acquiring market share from sub-scale competitors
  - Deepen market penetration with new products and services
  - Further industry consolidation

Performing on Plan

Highlights

- 15% growth in per share free cash flow over Q1
- 10% growth in per share operating income over Q1
- Leverage ratio increases to 4.6:1 (excluding additional GE Fleet equity raise / 4.19:1 with GE Fleet equity raise included)
- Pre-tax ROA increases 25 bps to 3.55% over Q1
- Pre-tax ROE increases 125 bps to 12.26% over Q1

Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Free Operating Cash Flow Per Share					
$0.13	$0.14	$0.21	$0.25	$0.27	$0.31
After-tax Adjusted Operating Income per Share					
$0.10	$0.11	$0.16	$0.19	$0.21	$0.23
Tangible Leverage (4)					
1.81:1	1.53:1 (1)	3.47:1	3.72:1	3.92:1	3.07:1
Tangible Leverage (5) (6)					
1.81:1	1.84:1 (1)	4.07:1	4.32:1	4.51:1	4.19:1
Before Tax Return on Assets (2)					
3.13%	3.30%	3.06%	3.36%	3.30%	3.55%
Before Tax Return on Equity (3)					
7.04%	7.90%	9.69%	10.93%	11.01%	12.26%

(1) Reduction due to additional equity raised for PHH Arval acquisition
(2) Adjusted Operating Income on Average Earning Assets
(3) Adjusted Operating Income on Average Common Shareholders' Equity
(4) Convertible debentures as both equity and debt
(5) Convertible debentures as debt only
(6) Pro forma leverage excluding capital raises at June 29, 2015 for M&A transaction - 4.6:1

Fee Revenue Momentum

Highlights

- Revenue mix continues to shift in favour of fee-based income
- All fee components increased over the previous quarter
- Trending to 45% fee revenue/55% spread revenue by year end

	2013	2014	Q1 2015	Q2 2015
Total fee revenue (1)	28%	38%	40%	42%
Spread revenue (2)	72%	62%	60%	58%

Management fees and other revenue	Q1 2015	Q2 2015
Fleet management fees	$38,586	$39,850
Advisory, syndication & other fees	$14,387	$23,060

(1) Management fees and other revenues
(2) Interest income and rental revenue, net of interest expense

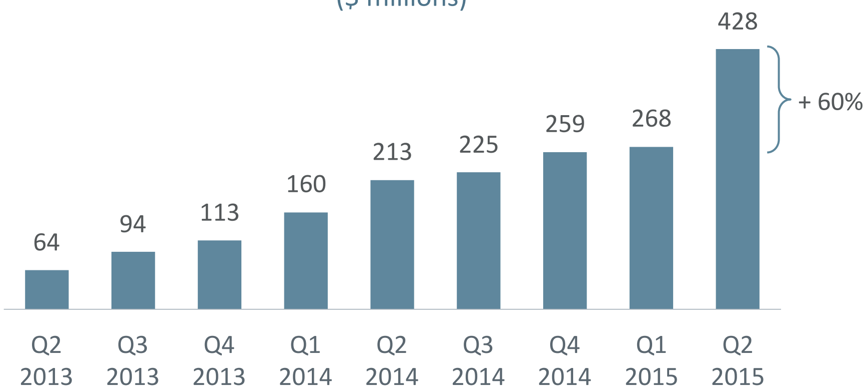
Geographic Diversification

Highlights

- US market remains the dominant influence over Element's originations, earnings and asset growth
  - 74% of originations
  - 71% of net finance income
  - 69% of earning assets
- US Commercial and Vendor originations grew 60% over the previous record quarter
- Post GE Fleet closing, US market represents 70% of earning assets

As at and for the three month period ending	Q2 2014 CDA	Q2 2014 US	Q2 2015 CDA	Q2 2015 US	Q2 Pro forma GE Fleet Oth.	Q2 Pro forma GE Fleet US
Originations	58%	**42%**	26%	**74%**		
Net Financial Income	59%	**41%**	29%	**71%**		
Earning Assets	59%	**41%**	31%	**69%**	30%	**70%**

US Commercial & Vendor Originations
($ millions)



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Rail Finance

Highlights

- Strong order flow from Trinity program with a 71% increase in origination volume over the previous quarter
- 90% of originations sourced from the US market
- Minimal tank car retrofit exposure due to age and type of cars in our fleet (average flammable commodity tank car age of ~2.3 years)

Key portfolio attributes:

- Youngest railcar portfolio in NA
- Diversified by car type, lessee, industry and term
- Average lease term is approximately five years
- High credit quality lessees

Originations	Q2 2014	Q1 2015	Q2 2015
Total ($ thousands)	133,220	161,211	275,144
CDA (%)			10%
US (%)			90%

	Q2 2014	Q1 2015	Q2 2015
Financial Revenue Yield	7.1%	7.5%	7.4%
Net Interest Margin Yield	4.6%	4.1%	4.1%
Adjusted OpEx Ratio	1.0%	0.9%	1.1%
ROA (1)	3.6%	3.2%	3.0%
Actual Debt Advance Rate (2)	59.4%	77.5%	81.7%
% of Total Average Earning Assets	18.0%	13.0 %	13.8%

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

Aviation Finance

Highlights

- Origination volumes in line with seasonal trends and increased by 10% over the same period last year
- ROA improves by 80 bps over the same period last year
- Continue to put more emphasis on syndication, advisory and management fees
- Closed ECAF 1, a $1.6 billion Commercial Aviation Fund
    - $1.2 billion ABS notes, senior secured tranche rated "A" by S&P
    - Element retained minority equity interest
    - Equity Returns forecast to exceed 16%
    - Element generates advisory fees and ongoing management fees
    - Established Element's capabilities to develop unique financing vehicles
    - Currently developing additional funds to bring to the market

Originations	Q2 2014	Q1 2015	Q2 2015
Total ($ thousands)	149,400	265,309	164,664
CDA (%)			72%
US (%)			28%

	Q2 2014	Q1 2015	Q2 2015
Financial Revenue Yield	6.9%	9.4%	8.6%
Net Interest Margin Yield	5.2%	6.7%	6.6%
Adjusted OpEx Ratio	1.0%	0.8%	0.8%
ROA (1)	4.2%	5.9%	5.0%
Actual Debt Advance Rate (2)	42.0%	60.7%	61.6%
% of Total Average Earning Assets	20.2%	12.1%	12.7%

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

Commercial & Vendor Finance

Highlights

- Record origination volumes with a 60% increase in US originations over the previous quarter
- Yield improved by 170 bps and NIM improved by 150 bps over the previous quarter
- ROA improves by 140 bps over the previous quarter

Originations	Q2 2014	Q1 2015	Q2 2015
US ($ thousands)	213,338	268,294	428,327
CDA ($ thousands)	158,436	98,874	112,233

	Q2 2014	Q1 2015	Q2 2015
Financial Revenue Yield	8.4%	7.2%	8.9%
Net Interest Margin Yield	6.0%	4.3%	5.8%
Adjusted OpEx Ratio	2.5%	1.8%	1.9%
ROA (1)	3.5%	2.5%	3.9%
Actual Debt Advance Rate (2)	76.5%	81.2%	82.1%
% of Total Average Earning Assets	37.1%	19.8%	19.8%

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

Fleet Management

Highlights

- Yield improves by 20 bps over the previous quarter
- Record origination volumes in both Canada and the US
- US market dominates originations accounting for 75% of new business
- Growth opportunities continue to emerge from industry consolidation and acquiring self-funded/self-managed fleets and consolidating large disaggregated fleets

	Q2 2014	Q1 2015	Q2 2015
Financial Revenue Yield	8.2%	8.0%	8.2%
Net Interest Margin Yield	5.4%	6.4%	6.6%
Adjusted OpEx Ratio	3.5%	3.1%	3.4%
ROA(1)	1.9%	3.3%	3.2%
Actual Debt Advance Rate(2)	78.0%	100.0%	100.0%
% of Total Average Earning Assets	23.7%	55.0%	53.1%

Originations	Q2 2015	
	(? units)	(%)
US	$615.8	75%
CDA	$204.9	25%

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

GE Fleet Acquisition Status

Highlights

- HSR approval granted, Australia approval received
- North American transaction expected to close on August 31st
- Australia and New Zealand on track for closing on September 30th
- Re-affirming targeted integration savings of US$90 to US$95 million within 18 months
  1. Purchasing economies
  2. Cost of funds reduction
  3. Operations consolidation
- PHH Fleet savings exceeded initial target
- Detailed integration plan and processes are in place with integration leaders, work streams, support systems and timelines established with oversight by the Board of Directors
- Management incentives are tied directly to the achievement of specific integration targets
- Catalyst for product and service innovations to drive deeper market penetration

(1) Adjusted Operating Income on Average Earning Assets

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Income Statement

Highlights

- Financial revenue increase by 11% over the previous quarter
- Net finance income increased by 12 % over the previous quarter
- Adjusted operating income (before tax) increase by 13% over the previous period

3 Months Ended ($ thousands)	Mar 31 2015	June 30 2015
Financial revenue	187,320	207,739
Interest expense	53,602	58,108
Net financial income	133,718	149,631
Adjusted operating expenses	55,328	60,867
Adjusted operating income before taxes	78,390	88,764
Adjusted operating income after taxes	60,442	67,931

Financial Statements

Balance Sheet

Highlights

- Capital raise increases total assets by 22% to $15.3 billion versus $12.5 billion at the end of the previous period
- Total finance assets increase by 6.5% to $11.5 billion versus $10.8 billion at the end of the previous period
- Total earning assets increase by 5.6% to $10.6 billion versus $10.1 billion at the end of the previous period
- Pro forma tangible leverage(3) at 4.6:1 excluding the capital raises at May 29, 2015 for M&A transaction

3 Months Ended	Mar 31 2015	June 30 2015
Total assets ($ millions)	12,531	15,286
Total finance assets ($ millions)	10,842	11,546
Total earning assets ($ millions) (1)	10,064	10,632
Financial leverage ratio	2.97	2.91
Tangible leverage ratio (2)	3.92	3.07

(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
(3) Convertible debentures as debt only

Financial Statements

Yields (% of Average Earning Assets)

Highlights

- Financial revenue yield improves by 42 bps over the previous period
- Net financial income margin improves by 36 bps over the previous period
- Adjusted operating expenses include increased corporate costs
- Pre-tax ROA improves by 25 bps over the previous period

3 Months Ended	Mar 31 2015	June 30 2015
Financial revenue	7.90	8.32
Debt cost	2.53	2.56
Net financial income margin	5.63	5.99
Adjusted operating expenses	2.33	2.44
Adjusted operating income before taxes	3.30	3.55

Financial Statements

Return on Average Equity

Highlights

- Before-tax ROE improves by 119 bps over the previous period and by 436 bps over the same period last year

3 Months Ended	June 30 2014	Mar 31 2015	June 30 2015
After-tax adjusted operating income	6.07%	8.28%	9.13%
Before-tax adjusted operating income (1)	7.90%	11.01%	12.26%

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

Financial Statements

Per-Share Amounts

Highlights

- Free operating cash flow per share increased by 15% over the previous period and by 121% over the same period last year
- After-tax adjusted operating income per share (basic) improves by 10% to $0.23 in line with consensus estimates

As at, and for 3 Months Ended	June 30 2014	Mar 31 2015	June 30 2015
Book value	$7.22	$10.20	$10.29
Free operating cash flow	$0.14	$0.27	$0.31
After-tax adjusted operating income (basic)	$0.11	$0.21	$0.23
After-tax adjusted operating income (diluted)	$0.11	$0.20	$0.22

Asset Quality

Low Risk Assets/Minimal Credit Losses

Highlights

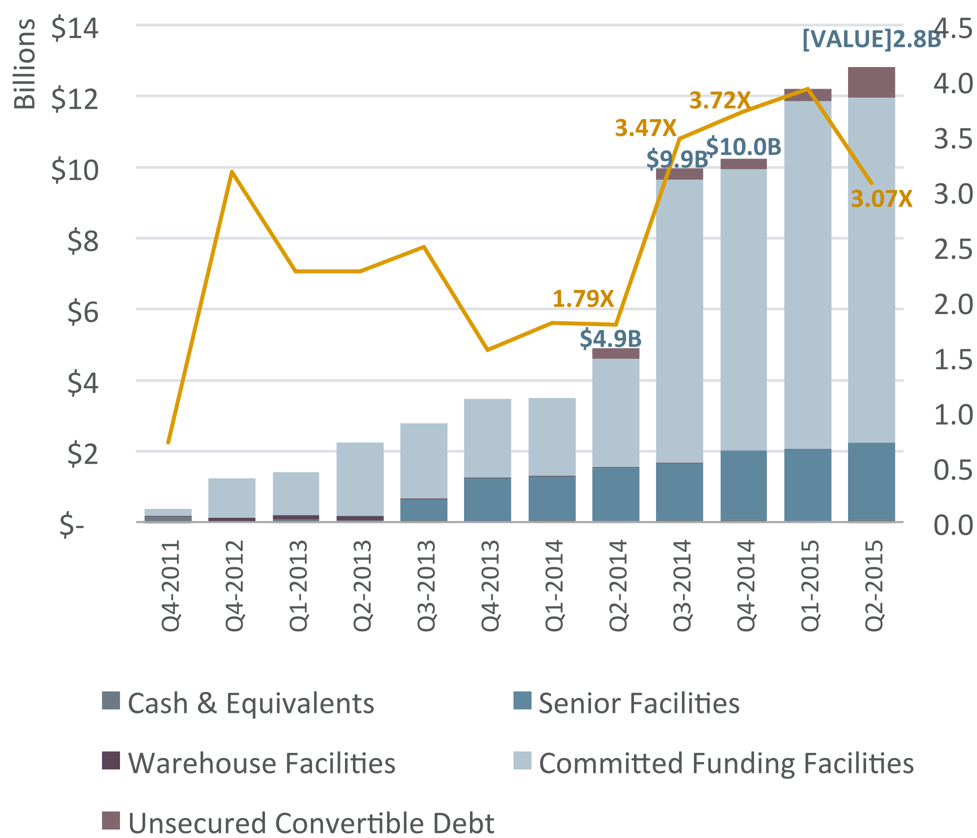
- Delinquencies decline to 0.20 % of finance receivables versus 0.41% in the same period last year
- Allowance for credit losses remain stable at 0.20%

Delinquencies as a % of Finance Receivables	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Non-current (> 31 days)	0.41	0.30	0.33	0.34	0.20
Impaired	0.18	0.07	0.07	0.05	0.12
Allowance for credit loss	0.37	0.21	0.20	0.20	0.20

Funding

Balance Sheet Capacity to Fund Planned Growth

- Committed facilities amounted to $12.8 billion
- At June 30, 2015, the Company had $3.2 billion in available financing to fund ongoing originations
- Committed facilities are supplemented by access to the ABS market to fund both rail and fleet verticals
- Tangible leverage lower due to convertible debt and preferred shares issued on May 29, 2015 in connection with potential M&A transaction



Pro-forma GE Transaction

Balance Sheet

	June 30, 2015	GE Transaction	Pro-Forma
Financial assets	$11,546	$7,019	$18,565
Escrowed Funds - Sub Receipts	$1,997	-$1,997	$0
Other Assets	$798	$388	$1,186
Goodwill and Intangible	$914	$1,193	$2,107
	$15,256	$6,603	$21,858
Secured Borrowings	$8,682	$6,603	$15,285
Convertible Debt	$829		$829
Escrowed Liability - Sub Receipts	$1,997	-$1,997	$0
Other liabilities	$477	$0	$477
	$11,986	$4,605	$16,591
Equity	$3,270	$1,997	$5,267
	$15,256	$6,603	$21,858
Tangible Leverage (1)	3.07		4.12
Tangible Leverage (2)	4.19		5.24

(1) Convertible debentures as both equity and debt
(2) Convertible debentures as debt only

Balance Sheet Outlook

Increase Leverage and Lower COF

- Exit 2015 with tangible leverage at ~4.7:1
- Secure additional IG rating
- Diversify funding with access to rated MTN market

December 31, 2015 (estimated)

Finance Assets and Operating Leases	$20.0B
Other Assets	$3.5B
Total	$23.5B
Debt	$18.3B
Equity	$5.2B
Tangible Leverage (1)	4.7:1
Tangible Leverage (2)	6.0 : 1

(1) Convertible debentures as both equity and debt
(2) Convertible debentures as debt only

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Next Steps

Execution and US Growth Focus

- Close GE Fleet acquisitions
- Engage customer support to advance fleet technology innovations
- Secure second investment grade rating
- Secure a minimum of US$90 million in integration savings
- Adjust savings target upward once integration process is advanced
- Leverage deep and growing US$ revenue base on C$ expense base
- Target next consolidation opportunities

Growth in Fleet Net Earning Assets
($ billions)

$0.4B	$1.8B	$5.4B	$13.1B	?
JUNE 2012	MAY 2013	JUNE 2014	JUNE 2015	
TLS Fleet Management from Scotiabank	GE Fleet Canada	PHH Fleet	GE Fleet North America and ANZ	

QUESTIONS