



Investor Update – Gearing Up Fleet Management

OCTOBER 14, 2015

Element Financial Corporation





AGENDA

Overview

Canadian C&V Strategic Review

Trinity Program Renewal

Fleet Integration Update

Senior Management Appointments

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Current Scenario

- Public in 2011
- Current market cap of \$7.2 billion
- Four verticals
 - Fleet Management, Rail Finance, Aviation Finance, Commercial & Vendor (C&V) Finance
- Growing focus over the past 18 months on Fleet and Service
 - 24% of earning assets – June 30, 2014
 - 70 % of earning assets - September 30, 2015
- Entering 2016 as North America's Leading Fleet Management Company
 - Driven by US economics
 - Domiciled and listed in Canada
- Strategic Review of all business units and capital allocation

\$23 billion

total assets

\$7.2 billion

market cap

2,900+

employees

EFN

TSX composite index

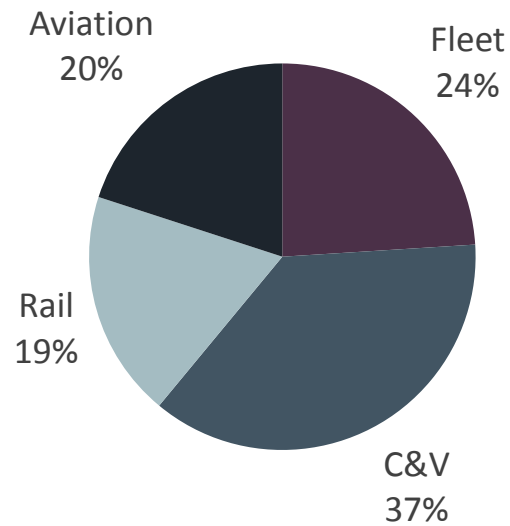
Key Catalysts for Further Value Creation

- Execute on GE Fleet integration savings to meet/exceed market expectations
- Obtain an additional investment grade credit rating to lower cost of funds
- Optimize leverage to drive ROE expansion
- Prove out organic growth opportunities in fleet while continuing growth in other verticals
- Future initiation of a dividend policy
- Confirm 2016 EPS guidance at \$1.61
- Capitalize on accretive consolidation opportunities in fleet
- Monetize investments in non-core activities
- Redeploy capital in high ROE fleet vertical
- Fully-matched funding discipline to support organic/acquisitive growth (see Appendix 1)

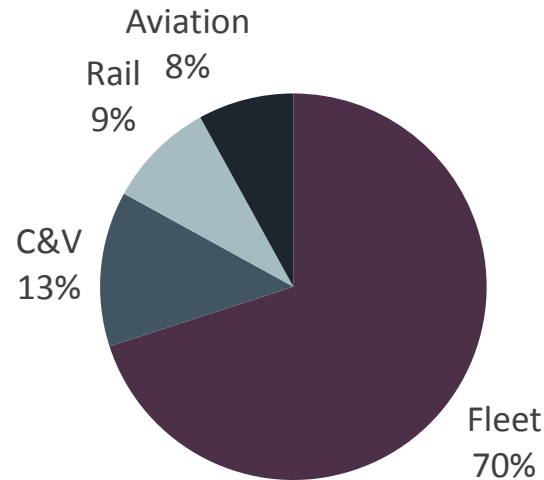
Element's Transformation

- Element has transformed from a diversified commercial finance company to North America's leading fleet management & services company with complementary commercial finance businesses

June 30, 2014
Earning Assets



September 30, 2015
Earning Assets



Ten Reasons to Focus on Fleet

- North American leader with scale/value
- Investment-grade customer base
- Growing fee income
- Low credit losses
- Annuity-like revenue
- Efficient capital structure
- Ratings “friendly”
- Disciplined competitors
- Consolidation opportunities
- Expanding addressable market



Fleet Management

- North American leader delivering value from scale & technology
 - Procurement savings
 - Data mining/analysis
 - Added services penetration
 - Emerging trends (electric/subscription)
- Focus on innovation in fleet management services
- Evolve an operating model to manage and grow fleet business – management opportunities
- Invest in the future systems, people, processes
- Build on brand recognition as a full fleet management product provider
- Maintain superior M&A capability to support value creation



Rail Finance

- Repositioning of Rail business as a portfolio of Fleet business
 - Trinity-based business with diversification through other manufacturers
 - Continue diversification by car type & industry
 - 25% growth in 2016 and ~20% to ~30% thereafter
 - Right-size to provide optimal overall financial performance
- New agreement executed with Trinity



Commercial & Vendor Finance Canada

- Increased bank interest
- Market opportunity is strong for assets/platforms
- EFN's leading platform has a robust business model and strong portfolio performance
- Limited service revenue opportunities in Canada
- ROA less than Fleet



Commercial & Vendor U.S.

- Good visibility on growth into 2016
- Increased focus on fleet related opportunities
- Excellent operating unit and model
- Different model than Canada due to vendor and service focus
- NIM enhancements based on fee business
- 30%+ growth continuing
- “Fleet-like” businesses to be adjoined to fleet
 - Class 8 trucks
 - Repair and maintenance
 - Insurance and telematics
 - Services and fuel cards



Aviation Finance

- Strong business platform and portfolio with \$1.2 billion invested in more than 250 accounts
- Transaction-based business
- Growth opportunity as a fund manager versus lender/lessor
- Move to focus on fund-based business, arranging, structuring
- Fund-based business model provides vastly superior ROEs
 - ECAF I
 - ECAF II



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Canadian C&V Strategic Review

Process

- Best-in class business platform and management
- ~\$1 billion portfolio
- ~100 employees across 5 offices
- Appointed Barclays to conclude on strategic alternatives including sale of the business
- Actionable in Q1 2016
- Capital redeployment into Fleet in Q1 2016
- Accretive to 2016 EPS of \$1.61 when capital redeployed

HIGHLIGHTS

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Trinity Program Renewal

- Strong growth outlook
 - ~25% in 2016
 - ~20% to ~30% ongoing
- Four year program renewal with Trinity with US\$ 1 billion of volume
- Complemented by internal origination capabilities
- Portfolio sized to align with diversification targets and optimal capital allocation



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Fleet Integration Well Underway

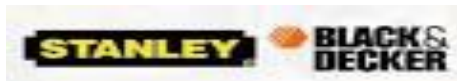
- Investment grade rating obtained and procurement savings well underway
- Integration team formed and work streams established
 - Charters, budget, Day 1 and 100 Day plans created
- Customer strategy
 - Shared customer strategy and prospect assignments for Commercial teams
- Detailed process/product review framework and timeline established
 - Recommendations forthcoming on “best of” product/process features and fulfillment
 - Transformational opportunities to be captured as well
- Comparison of Partner economics complete
 - Engagement strategy established
- Integration Client Advisory Board selection/engagement underway

Integration Organization



Top Tier Customer Base

Combined fleet business



Integration Client Advisory Board

- Consisting of 20 major North American customers
- A cross section of industries, fleet types and asset types will be represented
- Recurring in-person meetings coupled with monthly conference calls to share progress and receive feedback
- Mission will be to serve as a sounding board and feedback mechanisms for major integration decisions

Creating a customer driven integration process

Technology

- Business platform strategy completed
- Fast track development planning for customer facing technology
- Separation from GE has begun

Building an industry-leading platform that will deliver the next generation of advanced fleet analytics and data benchmarking

Other Key Accomplishments

- Administration - HR
 - Employees integrated onto Element payroll system – benefits rolled out
 - Transition Services Agreement with GE fully implemented for transition duration
- Rebranding
 - Complete rebranding of Eden Prairie campus, stationery, marketing collateral, etc.
 - Ahead of schedule on other rebranding for TSA requirements



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Daniel Jauernig



Chief Operating Officer, Element Financial Corporation

Dan Jauernig is Chief Operating Officer of Element Financial following his role as Executive Vice President when he joined Element in November 2014. Mr. Jauernig brings an exceptionally strong background in both finance and business operations to Element, including more than 24 years of financial services experience. Prior to his roles with Element, Mr. Jauernig was President and CEO of Classified Ventures, a leading provider of online classified advertising in the U.S., where under his leadership the company's revenues grew nearly 20-fold. Earlier in his career, Mr. Jauernig served as Chief Financial Officer of Newcourt Credit Group and President of Newcourt Services.

A cross-border professional, Mr. Jauernig holds the Chartered Accountant, Certified Management Accountant and Certified Public Accountant (Illinois) designations. He currently serves as chair of the Risk Committee of the Board of Directors of HomeEquity Bank and as a director on Torstar's Board of Directors. Mr. Jauernig graduated from the University of Waterloo in 1989 with an Honors Bachelor of Mathematics degree and became a member of the Institute of Chartered Accountants of Ontario in 1990.

Kristi Webb



President and CEO, Fleet Management

Kristi Webb is President and CEO of Element's fleet management business. Prior to this role, she was President and CEO of GE Capital Fleet Services which was acquired by Element Financial in 2015. Previously, Webb was general manager of the GE Capital Dealer Finance business, and held key leadership roles in marketing, operations and quality. Before joining GE, Webb gained leadership experience at AT&T and Lucent Technologies. She earned her BS and MA degrees from West Virginia University.

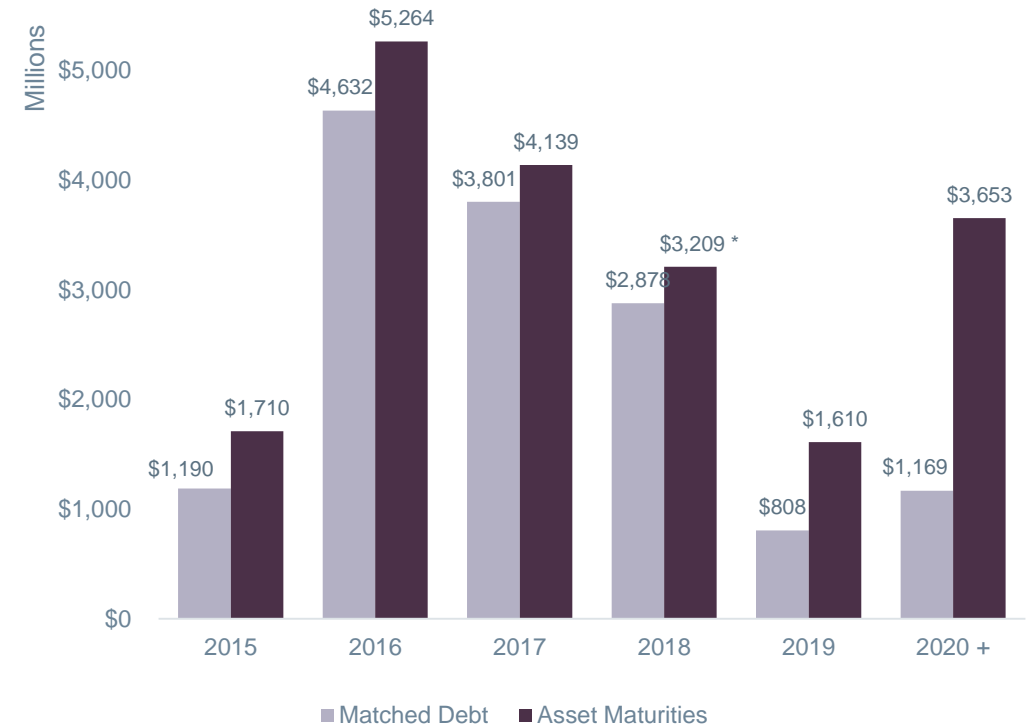
Appendix 1

Funding Vehicles & Liquidity

- Funding strategy: Matched funding for maturity, currency and interest rates
- Matched Funding programs ensure:
 - No exposure to foreign exchange variations
 - Spread fixed over term of debt
 - No liquidity events
- Robust US Fleet funding vehicle funded throughout last credit crisis, funding \$2.2 billion in 2009 in the ABS markets at an average spread over Libor of 176bps
- As at September 30th, the Company had \$21 billion in committed facilities, with forward funding capacity of \$5.3 billion primarily from Canadian Banks.

Matched Funding

- Element matches debt maturities to long-tenured asset receipts inherent in its business
- Current debt facilities have an amortizing repayment schedule mirroring expected asset receipts
- No liquidity events, senior facilities have been extended for a three year term



	2015	2016	2017	2018	2019	2020+	Total
Net	\$521	\$631	\$338	\$331	\$803	\$2,485	\$5,108

* Balance of \$2.1 billion on senior line renewed

As at September 30, 2015