element

element

Making Capital Work ™

Investor Presentation - June 2014

Certain information in this presentation is forward-looking and related to anticipated financial performance, events and strategies. When used in this context, words such as “will”, “anticipate”, “believe”, “plan”, “intend”, “target” and “expect” or similar words suggest future outcomes. Forward-looking statements relate to, among other things, Element Financial Corporation’s (“Element”) objectives and strategy; future cash flows, financial condition, operating performance, financial ratios, projected asset base and capital expenditures; Element’s anticipated dividend policy; anticipated cash needs, capital requirements and need for and cost of additional financing; future assets; demand for services; Element’s competitive position; and anticipated trends and challenges in Element’s business and the markets in which it operates.

The forward-looking information and statements contained in this presentation reflect several material factors and expectations and assumptions of Element including, without limitation: that Element will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax and regulatory regimes; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund its capital and operating requirements as needed; and the extent of its liabilities. Element believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

By their nature, such forward-looking information and statements are subject to significant risks and uncertainties, which could cause the actual results and experience to be materially different than the anticipated results. Such risks and uncertainties include, but are not limited to, operating performance, regulatory and government decisions, competitive pressures and the ability to retain major customers, rapid technological changes, availability and cost of financing, availability of labour and management resources and the performance of partners, contractors and suppliers.

Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, Element disclaims any intention and assumes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Making Capital Work ™

- $4.2 billion in assets
- $1.4 billion in available liquidity
- $2.5 billion market cap
- TSX composite index member
- FTSE Global Equity Index member
- 420 + employees
- 84,000 + customers
- Head Office – Toronto, Ontario
- U.S. Head Office – Philadelphia, PA
- Fleet Management Office – Mississauga, Ontario
- Aviation Office – Montreal, Quebec

Four Selected Business Verticals

Panasonic · Tremcar · Bobcat · FedEx Ground

Fleet Management	Commercial Finance & Vendor Finance Canada & U.S.		Aviation Finance	Railcar Finance
Transactions: $500,000 to $40 M	Transactions: $10,000 to $5 M	Transactions: $10,000 to $5 M	Transactions: $5 M to $150 M	Transactions: $150,000 to $200 M
Originations: Direct from manufacturers	Originations: Direct relationships Referrals	Originations: Manufacturers Dealers Distributors Sponsor Referrals	Originations: Direct relationships Manufacturer referrals	Originations: Manufacturer program
Regions: Canada USA (pending PHH close)	Regions: Canada US	Regions: Canada US	Regions: Canada US	Regions: North America
Expertise: Corporate Fleets Municipal Fleets Industrial Fleets Fleet Services Strategic Consulting	Expertise: Transportation Construction Commercial Hospitality Healthcare Technology Industrial Energy Golf	Expertise: Sales aid finance programs for: Dealers Distributors Manufacturers VARs Sponsors Programs sourced from Direct Commercial Finance relationships	Expertise: Civil Aviation Medium & Heavy Lift Helicopters Business Jets Turbo-prop Aircraft Flight Simulators	Expertise: Covered Gondolas Hopper Cars Industrial Tank Cars Petroleum Tank Cars

Corporate Services

Element Acquisition Criteria

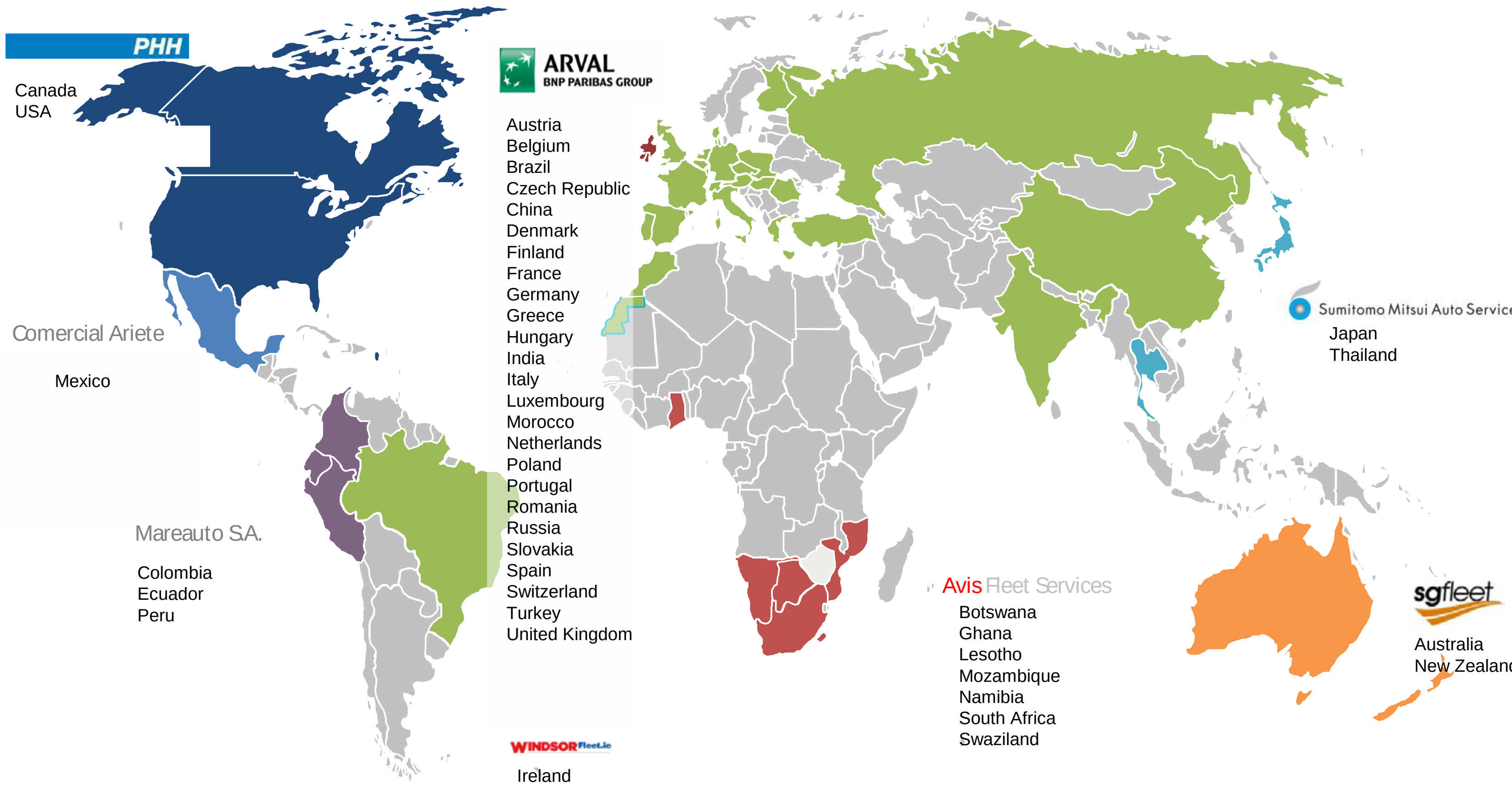
- Strict acquisition screening including business purpose and fit into strategy ✓
- Fit into existing business verticals ✓
- Credit standards and expected credit loss profile must be within existing limits ✓
- Rigorous due diligence completed including outside resources (Credit, IT, Legal) ✓
- Target must fall within Element Management's area of expertise ✓
- Valuation must be accretive to both consensus earnings and consensus ROE ✓

A North American Fleet Management Leader

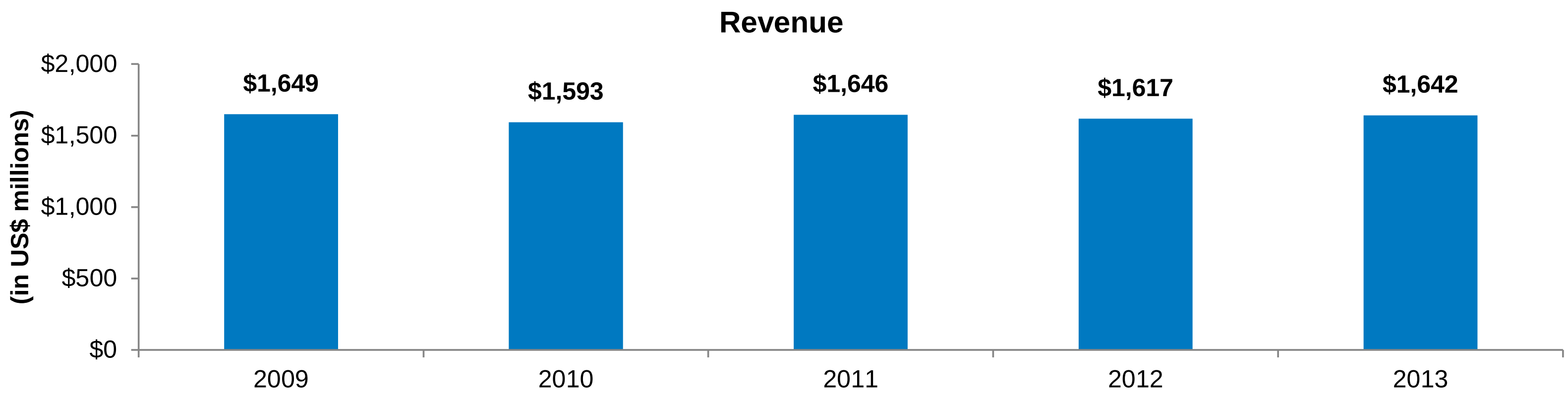
- Founded in 1946
- US$4.6 billion in total assets as at March 31, 2014
- US$4 billion net investment in fleet leases
- Annual originations of US$1.7 billion in 2013
- Strong management team
- Exceptional customer service culture
- Pristine credit quality
- Efficient established funding sources

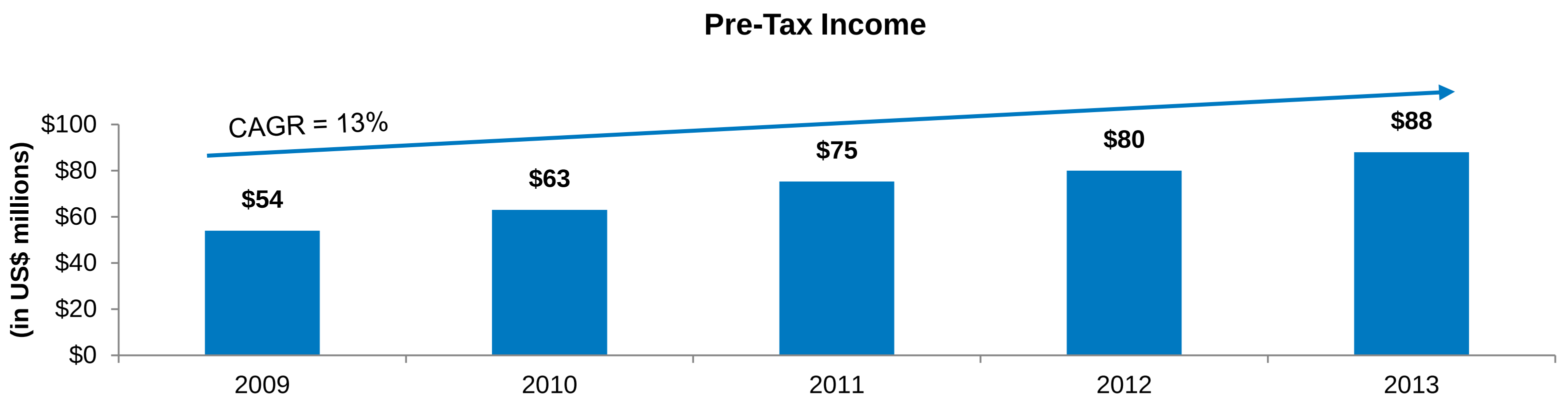
PHH Arval

PHH Global Alliance



- Increasing segment profitability since the credit crisis has been driven by increased fee income, service revenue, and lower funding costs

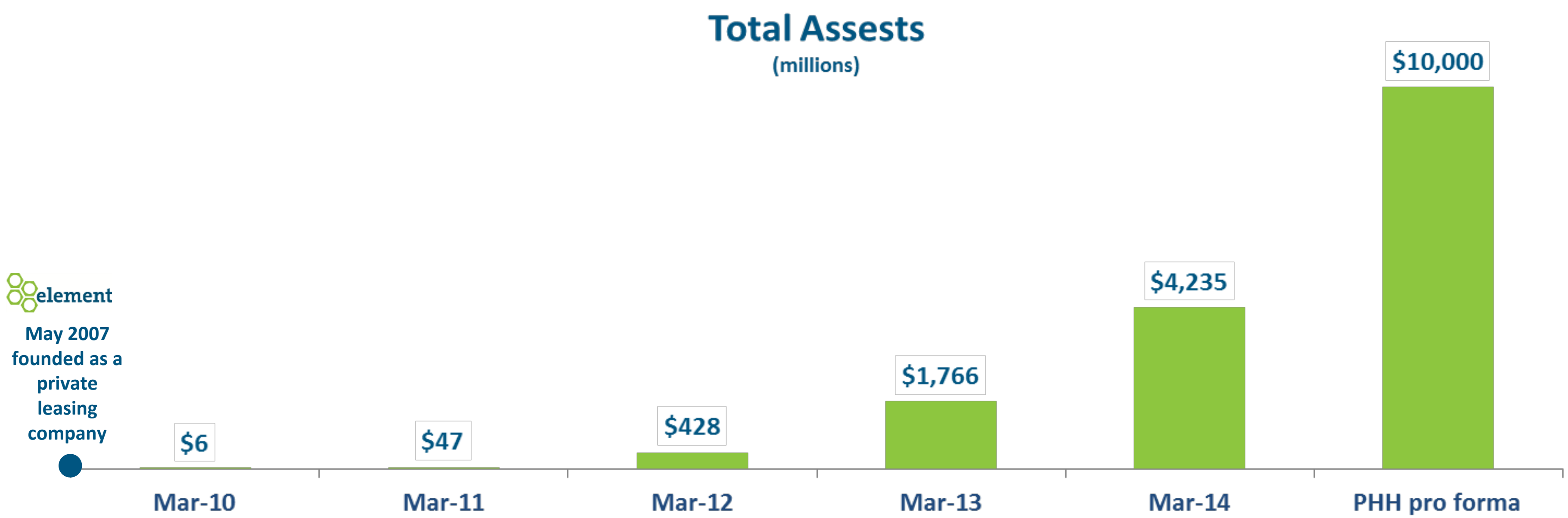




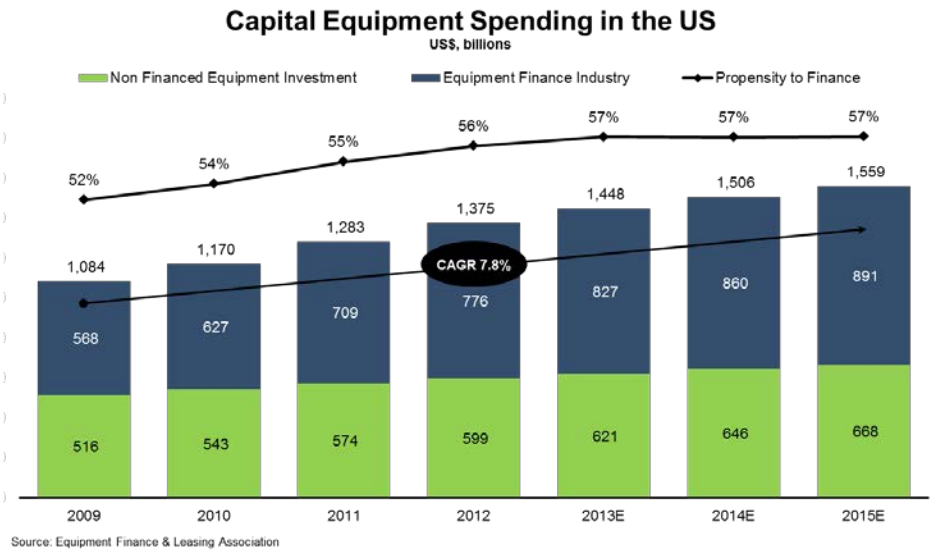
Note: Consolidated U.S. and Canada

Key Benefits For Element

- Expands domestic fleet management vertical into US
- +10% accretive to Element shareholders in 2015 and 2016
- Adds US$600 million of tax deferrals
- Extends cash tax payable horizon to 15+ years
- Increases Element's total assets in 2014 to ~$10 billion
- US$3.5 billion of debt assumed on closing
- Expands established securitization programs
- Increases tangible leverage from 1.8X to 4X at closing
- Opportunities to offer North American-wide fleet solutions to customers in other business segments
- Improved economics for each of Element's business segments


Total Assests
(millions)
element
May 2007 founded as a private leasing company
$6
$47
$428
$1,766
$4,235
$10,000
Mar-10
Mar-11
Mar-12
Mar-13
Mar-14
PHH pro forma

Growth Drivers

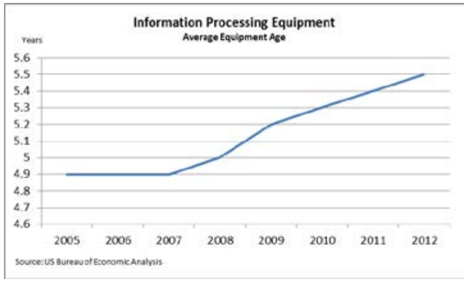


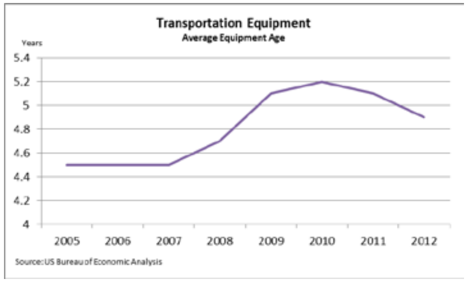
	2012 Results	2013A	2014E	2015E	2016E	20127E
US GDP	2.8% (Real)	1.9%	2.8%	3.1%	3.1%	2.4%
US Equipment Investment	8.0% Growth					
Equipment Finance Volume	16.4% Growth					

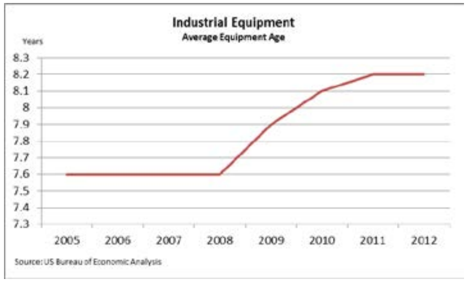
Source: US Federal Reserve Bank of Philadelphia

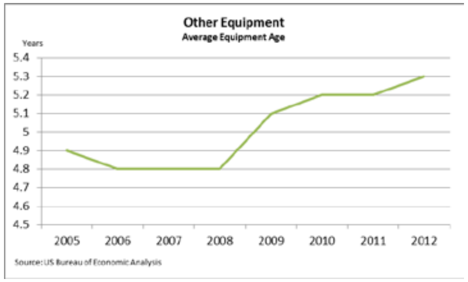
- Average equipment replacement cycle of 8 years
- Growth led by various transportation segments including Air, Rail & Autos
- Propensity to finance increasing with competing calls on capital

➔ **US Commercial Finance is one of the fastest growing financial services sectors**









Questions