News Release

FinanElement Financial's Record Origination Volumes Drive Strong Revenue Growth and Profitability in Q3-2012

Operating income reaches $0.05 per share for the quarter

- All three business units contribute to record origination volumes of $219.7 million
- Volumes increased 177% over the immediately previous quarter (+ 113% excluding Element Fleet volumes)
- Total revenue grew 141% over the immediately previous quarter to $19.6 million
- Operating income grew by 178% over the immediately previous quarter to $5.4 million
- Operating income was $0.05 per share on an after-tax basis versus $0.02 in the immediately previous quarter
- Total assets increased by 10% over the immediately previous quarter to $1.1 billion
- Contractual delinquencies were less than 0.2% of total finance receivables
- TLS Fleet Management integration completed on schedule

TORONTO, November 6, 2012 - Element Financial Corporation (TSX:EFN) ("Element" or "the Company"), Canada's leading independent equipment finance company, today reported that record origination levels of $219.7 million contributed to revenue of $19.6 million, operating income of $5.4 million and operating income per share of $0.05 on an after-tax basis for the three month period ending September 30, 2012.

Of the $219.7 million of new originations booked in the third quarter, Element Finance contributed $86.7 million or 39.4%, Element Capital contributed $82.1 million or 37.4% and Element Fleet contributed $50.9 million or 23.2% During the period, Element completed the integration of the operations of TLS Fleet Management which the company acquired on June 29, 2012 adding more than $460 million of lease assets to Element's portfolio at the end of the previous quarter.

"With all three of Element's business verticals now contributing to origination volumes, and the seasonally slowest period for our fleet management business now behind us, these strong Q3 results offer a first look at the new base line from which we expect to continue to build Element's quality earnings growth," said Steven Hudson, Element's Chairman and CEO.

Average income yield for the period was 8.8% for Element Finance, 6.4% for Element Capital and 6.7% for Element Fleet with the portfolio as a whole delivering average income yield of 7.5%. Delinquencies at the end of the period were less than 0.2% of total finance receivables.

"We are extremely pleased with the overall returns and quality of our portfolio which continues to perform above expectations," said Mr. Hudson. "As the portfolio matures, I believe the disciplined approach we've taken to underwriting will continue to contribute to the portfolio's low delinquencies and strong yields," he added.

Operating expenses as a percentage of average portfolio assets decreased from 3.62% during the previous quarter, to 3.36% for the three month period ended September 30, 2012. Element's financial leverage ratio increased during the period from 2.0:1 at the end of the previous quarter to 2.28:1 at the end of the third quarter.

"What has yet to be reflected in these results is the added potential to generate high quality assets from Element's increased focus on developing comprehensive vendor finance programs for major North American equipment manufacturers," said Mr. Hudson. "As we continue to scale the business, we expect earnings growth to be supplemented as additional leverage is applied to our balance sheet and SG&A is spread over a broader base of net finance income," he added.

Financial Results Three-Month Period Ended September 30, 2012

Basis of presentation

The unaudited condensed consolidated financial statements for the three-month period ended September 30, 2012 have been prepared on the historical cost method in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars.

The selected financial information included in this press release is summary only and should be read in conjunction with the Company's unaudited condensed consolidated financial statements as at and for the three-month and nine-month periods ended September 30, 2012 and the audited consolidated financial statements as at and for the nine-month period ended December 31, 2011, and the notes thereto, and accompanying management discussion and analysis of such results that have been filed on SEDAR at www.sedar.com.

Highlights:

- New originations reached an all-time high of $219.7 million during the three-month period ended September 30, 2012, versus new origination of $34.3 million for the same period of 2011. New originations on a year-to-date basis were $455.7 million, an increase of $378.8 million or 492% compared to new originations of $76.9 million for the comparative period of 2011.

- Total revenue was $19.6 million for the three-month period ended September 30, 2012 versus $3.7 million for the same period last year. Total revenue was $34.3 million for the nine-month period ended September 30, 2012 versus $5.6 million for the same period last year.

- Operating income before non-cash share-based compensation expense and business acquisition costs, was $5.4 million for the three-month period ended September 30, 2012 or $0.05 per share on an after tax basis, compared to $0.3 million or $0.01 per share for the same period last year. Operating income before non-cash share-based compensation expense and business acquisition costs was $8.2 million for the nine-month period ended September 30, 2012 or $0.08 per share, compared to a loss of $$1.0 million or $0.05 per share for the same period last year.

- Net income for the three-month period ended September 30, 2012 was $3.0 million compared to a net loss of $1.9 million for the same period last year. Net loss for the nine-month period ended September 30, 2012 was $3.0 million again after deducting gross business acquisition costs of $9.4 million compared to a net loss of $3.8 million for the same period last year which included business acquisition costs of $3.0 million

Selected Financial Information and Financial Ratios

The following table summarizes key financial data to be read in conjunction with the consolidated financial statements of the Company as at and for the nine-month period ended September 30, 2012. Such financial statements are prepared in accordance with IFRS and are reported in Canadian dollars.

(in $000's for stated values, except ratios and per share amounts)	**As at and for the three-month period ended September 30, 2012**	As at and for the three-month period ended September 30, 2011	**As at and for the nine-month period ended September 30, 2012**	As at and for the nine-month period ended September 30, 2011
	$	$	**$**	$
Total revenue	**19,635**	3,720	**34,260**	5,641
Operating income before share-based compensation and business acquisition costs	**5,374**	332	**8,214**	(1,073)
Earnings per share on after tax operating income before share-based compensation and business acquisition costs	**$0.05**	$0.01	**$0.08**	($0.05)
Income / (loss) before taxes	**4,349**	(2,986)	**(3,353)**	(4,871)
Net income / (loss)	**3,012**	(1,904)	**(3,044)**	(3,789)
Total assets	**1,109,653**	268,051	**1,109,653**	268,051
Finance receivables, net	**927,298**	225,665	**927,298**	225,665
Loan originations New				
Originations	**219,690**	34,281	**455,702**	76,948
Business Acquisition	**-**	-	**457,085**	158,474
	219,690	34,281	**912,787**	235,422
Total Shareholders' Equity	**316,187**	79,774	**316,187**	79,774
Average outstanding finance receivable	**847,130**	170,149	**487,173**	82,665
Average outstanding debt	**651,717**	130,792	**337,123**	64,571
Number of shares outstanding	**83,014,978**	24,286,517	**83,014,978**	24,286,517
Average number of shares outstanding	**83,000,692**	24,286,517	**73,779,291**	16,105,187
Average total shareholders' equity	**314,222**	136,490	**272,583**	70,006
Net income / (loss) per share (basic and diluted)	**$0.04**	($0.09)	**($0.04)**	($0.24)

Results of Operations – Three Months Ended September 30, 2012

The following table sets forth a summary of the Company's unaudited results of operations for the three-month period ended September 30, 2012 and 2011:

(in 000's for stated values, except per share amounts)	Three-month period ended September 30, 2012	Three-month period ended September 30, 2011
	$	$
Financial revenue	18,124	3,404
Financial expenses	5,635	1,161
Net financial income	12,489	2,243
Operating expenses	7,115	1,911
Operating income	5,374	332
Share-based compensation	695	304
Operating income before business acquisition costs	4,679	28
Business acquisition costs	330	3,014
Net income / (loss) before taxes	4,349	(2,986)
Deferred income taxes	1,337	(1,082)
Net income / (loss) for the period	3,012	(1,904)
Basic and diluted income / (loss) per share	$0.04	($0.09)

The Company continued to execute on its growth plan and strategy during the quarter ended September 30, 2012 and is reporting improved performances from operations over the quarter ended September 30, 2011.

Financial revenue grew to $18.1 million during this third quarter of 2012 compared to $3.4 million during the same quarter of 2011 compared to $7.3 million during the immediate quarter ended June 30, 2012. This growth reflects the continued strong growth in originations which reached $219.7 million during the current quarter which was achieved despite the results of TLS reflecting the seasonally slowest period for the industry. This performance also demonstrates the strength of TLS, and we expect this momentum to continue going forward.

Operating income was $5.4 million for the three-month period ended September 30, 2012 compared to $0.3 million for the same quarter of 2011.

Net income before income taxes for the quarter ended September 30, 2012 was $4.3 million compared to a loss of $3.0 million reported for the same period of the previous year. The loss in the quarter ended September 30, 2011 was negatively impacted by the one-time transaction cost associated with the purchase of the Alter Moneta portfolio which was expensed during the period under IFRS but would have been capitalized as part of the acquisition under Canadian GAAP.

Finance receivables have increased to $927.3 million at September 30, 2012 compared to $231.5 at December 31, 2011 an increase of 300% resulting from a combination of (i) the acquisition of TLS on June 29, 2012, (ii) the entry into the large ticket business with the deployment of Element Capital in January 2012 and, (iii) the continued organic growth in originations which has reached a total of $455.7 million during the nine-month period ended

September 30, 2012 compared to $76.9 million during the comparative nine-month period of the previous year. As a result, financial revenue was $18.1 million during the third quarter of 2012, an increase of $14.7 million over the amount of $3.4 million reported for the third quarter of 2011. This increase is due to the increase in average finance receivables outstanding during the period as discussed above which grew from $170.1 million during the quarter ended September 30, 2011 to $847.1 million during the quarter ended September 30, 2012.

Financial expenses were $5.6 million for the third quarter of 2012 compared to $1.2 million for the third quarter of 2011, an increase of $4.4 million reflecting the increase in average outstanding debt between the periods which increased to $651.7 million during the quarter ended September 30, 2012 compared to $130.8 million for the same quarter of 2011. Financial expenses as a percent of financial revenue decreased to 31.1% during the third quarter of 2012 from the 34.1% reported for the same comparative quarter. This decrease reflects the lower debt cost of 3.46% during the third quarter of 2012 compared to a debt cost of 3.55% for the comparative quarter of 2011.

Additional financial revenues of $2.2 million increased the overall portfolio yield to 8.56% for the three-month period ended September 30, 2012 compared to 8.00% for the quarter ended September 30, 2011 resulting mainly from the addition of fleet management services from the TLS acquisition concluded on June 29, 2012.

The combination of increased gross yield and the improvement in the debt costs for the quarter ended September 30, 2012 resulted in an improvement of 64 basis points in the net financial income for the current quarter over the same quarter of the previous year.

Operating expenses were $7.1 million for the third quarter of 2012 compared to $1.9 million for the third quarter of 2011 reflecting the increased level of activities required to manage a portfolio that approaches $1.0 billion at September 30, 2012 resulting from the acquisition of TLS on June 29, 2012. However, margins continue to trend down and operating expenses as a percent of average finance receivable was 3.36% during the current quarter ended September 30, 2012 compared to 4.49% for the same quarter of the previous year.

Operating income before share-based compensation and business acquisition costs was $5.4 million during this third quarter compared to $0.3 million for the comparative quarter of 2011. Management believes that this metric is the true measure of the Company's performance as it excludes non-cash items that have not and will never require cash settlement and it excludes business acquisition costs that used to be capitalized as part of acquisition costs in the past under Canadian GAAP but that are now required to be expensed under IFRS. This translates to a yield to average outstanding finance receivables of 2.54% during the current quarter compared to a yield of 0.78% for the comparative quarter of 2011 reflecting the substantial improvement of the Company's performance over the last twelve months.

Shared-based compensation, which is a non-cash item reflecting the fair value of options granted, was $0.7 million during the quarter ended September 30, 2012 compared to $0.3 million during the same quarter of 2011. The increase is reflective of the increase in the level of options granted during the intervening periods.

Business acquisition costs, which consist of the amortization of certain intangibles acquired through those business acquisitions, integration costs and transaction costs associated with the TLS acquisition were $0.3 million during the current quarter of 2012. These costs would have been capitalized as part of the acquisition under Canadian GAAP but are required to be expensed under IFRS. As we have noted previously, these expenses will continue to negatively impact the Company's performance going forward as it continues on its growth plan and where such costs will continue to be expensed as incurred under IFRS.

Consolidated Interim Statements of Financial Position
[Unaudited, in thousands of Canadian dollars]

The following table sets forth the Company's consolidated financial position of the Company as at September 30, 2012 and December 31, 2011:

	Unaudited As at September 30, 2012 $	**Audited As at December 31, 2011** $
ASSETS		
Cash	**12,690**	151,086
Restricted funds	**35,393**	19,678
Finance receivables	**927,298**	231,537
Accounts receivable and other assets	**30,427**	4,739
Notes receivable	**7,228**	5,422
Capital assets	**6,024**	214
Intangible assets	**25,210**	980
Deferred income taxes	**-**	1,473
Goodwill	**65,383**	1,586
	1,109,653	416,715
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	**45,856**	5,857
Derivative financial instruments	**469**	-
Secured borrowings	**720,297**	172,517
Deferred income taxes	**26,844**	-
Total liabilities	**793,466**	178,374
Shareholders' equity		
Share capital	**322,761**	243,637
Contributed surplus	**4,792**	2,625
Accumulated deficit	**(10,965)**	(7,921)
Accumulated other comprehensive loss	**(401)**	-
Total shareholders' equity	**316,187**	238,341
	1,109,653	416,715

About Element Financial Corporation

With total assets in excess of $1 billion, Element Financial Corporation is Canada's leading independent equipment finance company. Element operates nationally in three segments of the equipment finance market - Element Capital provides large ticket equipment leasing, Element Finance serves the mid-ticket equipment finance market and Element Fleet provides vehicle fleet leasing and management solutions through the Company's TLS Fleet Management division.

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Forward Looking Statements

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. 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 the company. 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. 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.