

November 13, 2018

E-L FINANCIAL CORPORATION LIMITED ANNOUNCES SEPTEMBER 30, 2018 FINANCIAL RESULTS

TORONTO, Ontario - E-L Financial Corporation Limited (“E-L Financial”) (TSX: ELF) (TSX: ELF.PR.F) (TSX: ELF.PR.G) (TSX: ELF.PR.H) today reported for the quarter ended September 30, 2018, consolidated shareholders’ net income of \$95.5 million, or \$23.33 per common share, compared with \$49.4 million, or \$11.60 per common share in 2017. For the nine months ended September 30, 2018, E-L Financial earned consolidated shareholders’ net income of \$269.2 million, or \$65.58 per common share, compared with \$411.0 million, or \$101.70 per common share in 2017.

E-L Financial’s net equity value per common share was \$1,361.06 as at September 30, 2018, an increase of 3.4% from \$1,316.64 as at December 31, 2017.

E-L Corporate

E-L Corporate reported net income of \$60.5 million in the third quarter of 2018 compared to \$10.6 million for the comparable period in 2017. The increase in net income for the third quarter of 2018 was mainly due to a higher net gain on investments of \$54.1 million compared to a loss of \$25.0 million for the same period in 2017, resulting in a positive pre-tax total return on investments of approximately 2% in 2018 compared to nil in the prior year.

For the nine months ended September 30, E-L Corporate earned net income of \$138.9 million in 2018 compared to \$289.3 million in 2017. The decrease in net income is primarily due to lower net gains on investments of \$118.1 million in 2018 compared to \$287.1 million in 2017 within the E-L Corporate segment. E-L Corporate’s global investment portfolio yielded a pre-tax total return of 5% in the first nine months of 2018 compared to 8% in the prior year.

Empire Life

For the quarter ended September 30, 2018, Empire Life’s net income attributable to E-L Financial was \$35.0 million compared to \$38.8 million for the comparable period in 2017. The decrease in earnings at Empire Life for the third quarter of 2018 was primarily due to changes in policy liability assumptions in the Individual Insurance product line, partially offset by higher gains realized from management actions in the Individual Insurance product line and improved operating results from the Wealth Management and Employee Benefits product lines.

The Empire Life segment reported net income of \$130.3 million for the nine months ended September 30, 2018 compared to \$121.7 million in 2017. The increase in net income was primarily due to improved operating performance across all product lines and higher experience gains in the Individual Insurance and Employee Benefits product lines, partially offset by changes in policy liability assumptions in the Individual Insurance product line.

Effective January 1, 2018, MCCSR has been replaced by the Life Insurance Capital Adequacy Test (“LICAT”). The LICAT is intended to improve the quality of available capital and provide a better alignment of the risk measures with the long-term economics of the life insurance business. The LICAT will behave differently under various economic scenarios when compared to MCCSR. As a result, LICAT ratios are not comparable to the MCCSR ratio. Empire Life’s LICAT total ratio was 164% at September 30, 2018, well above the requirements set by the Office of the Superintendent of Financial Institutions Canada as well as Empire Life’s minimum internal targets.

CONSOLIDATED SUMMARY OF NET INCOME (UNAUDITED)

| E-L Financial Consolidated <i>(millions of dollars)</i> | Third quarter | | Year to date | |
|---|----------------------|----------------|---------------------|-----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Contribution to net income | | | | |
| E-L Corporate ¹ | \$ 60.5 | \$ 10.6 | \$ 138.9 | \$ 289.3 |
| Empire Life ² | 35.0 | 38.8 | 130.3 | 121.7 |
| Net income | \$ 95.5 | \$ 49.4 | \$ 269.2 | \$ 411.0 |

| E-L Corporate <i>(millions of dollars)</i> | Third quarter | | Year to date | |
|--|----------------------|----------------|---------------------|-----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenue | | | | |
| Net gain (loss) on investments ³ | \$ 54.1 | \$ (25.0) | \$ 118.1 | \$ 287.1 |
| Investment and other income | 32.7 | 25.4 | 107.8 | 91.6 |
| Share of associates income | 9.7 | 9.4 | 14.5 | 22.2 |
| | 96.5 | 9.8 | 240.4 | 400.9 |
| Operating | 8.0 | 6.4 | 25.3 | 20.0 |
| Income taxes | 13.6 | 1.2 | 35.8 | 54.7 |
| Non-controlling interests | 14.4 | (8.4) | 40.4 | 36.9 |
| | 36.0 | (0.8) | 101.5 | 111.6 |
| Net income | \$ 60.5 | \$ 10.6 | \$ 138.9 | \$ 289.3 |

| Empire Life <i>(millions of dollars)</i> | Third quarter | | Year to date | |
|--|----------------------|----------------|---------------------|-----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenue | | | | |
| Net premiums | \$ 220.6 | \$ 217.4 | \$ 636.8 | \$ 624.2 |
| Net (loss) gain on investments ³ | (166.2) | (214.9) | (213.0) | 32.9 |
| Investment and other income | 75.4 | 69.8 | 225.9 | 204.0 |
| Fee income | 67.5 | 62.2 | 199.2 | 186.7 |
| | 197.3 | 134.5 | 848.9 | 1,047.8 |
| Benefits and expenses | 144.7 | 78.0 | 659.6 | 875.6 |
| Income and other taxes | 13.7 | 17.0 | 52.4 | 50.0 |
| Non-controlling and participating policyholders' interests | 3.9 | 0.7 | 6.6 | 0.5 |
| | 162.3 | 95.7 | 718.6 | 926.1 |
| Net income | \$ 35.0 | \$ 38.8 | \$ 130.3 | \$ 121.7 |

¹ Net of non-controlling interests

² Net of non-controlling interests and participating policyholders' net income (loss)

³ Includes fair value change on FVTPL investments and realized gains on AFS investments

| Empire Life's Sources of Earnings <i>(millions of dollars)</i> | Third quarter | | Year to date | |
|--|----------------------|----------------|---------------------|-----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Expected profit on in-force business | \$ 40.9 | \$ 43.6 | \$ 142.5 | \$ 129.6 |
| Impact of new business | (0.6) | (3.7) | (4.6) | (14.1) |
| Experience gains | 12.3 | 14.6 | 22.4 | 7.7 |
| Management actions and changes in assumptions | (9.4) | (2.7) | 1.8 | 27.8 |
| Earnings on operations before income taxes | 43.2 | 51.8 | 162.1 | 150.9 |
| Earnings on surplus | 6.7 | 3.4 | 21.8 | 19.0 |
| Income taxes | 11.3 | 13.7 | 42.7 | 40.7 |
| Non-controlling interests | 3.6 | 2.7 | 10.9 | 7.5 |
| Net income | \$ 35.0 | \$ 38.8 | \$ 130.3 | \$ 121.7 |

Non-GAAP Measures

The Company uses non-GAAP measures including net equity value per Common Share to provide investors with supplemental measures of its operating performance that may not otherwise be apparent when relying solely on International Financial Reporting Standards ("IFRS") financial measures. Net equity value per Common Share provides an indication of the accumulated shareholder value, adjusting shareholders' equity to reflect investments in associates at fair value, net of tax, as opposed to their carrying value.

The Company also uses sources of earnings and assets under management to provide investors with supplemental measures of Empire Life's performance and to highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers.

About E-L Financial

E-L Financial operates as an investment and insurance holding company. In managing its operations, E-L Financial distinguishes between two operating segments, E-L Corporate and Empire Life.

E-L Corporate represents investments in stocks and fixed income securities held directly and indirectly through pooled funds, closed-end investment companies and other investment companies. The investment strategy is to accumulate shareholder value through long-term capital appreciation and dividend and income from its investments.

Empire Life is a subsidiary of E-L Financial. Since 1923, Empire Life has provided individual and group life and health insurance, investment and retirement products to Canadians. Empire Life's mission is to make it simple, fast and easy for Canadians to get the investment, insurance and group benefits coverage they need to build wealth, generate income, and achieve financial security. As of September 30, 2018 Empire Life had total assets under management of \$17.2 billion.

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