

May 7, 2020

E-L FINANCIAL CORPORATION LIMITED ANNOUNCES MARCH 31, 2020 FINANCIAL RESULTS

TORONTO, Ontario - E-L Financial Corporation Limited (“E-L Financial” or the “Company”) (TSX: ELF) (TSX: ELF.PR.F) (TSX: ELF.PR.G) (TSX: ELF.PR.H) today reported a net equity value per common share of \$1,317.07 as at March 31, 2020, a decrease of 11% from \$1,486.19 as at December 31, 2019.

For the first quarter ended March 31, 2020, E-L Financial reported a consolidated shareholders’ net loss of \$663 million or \$170.26 per common share compared to net income of \$309 million or \$77.68 per common share for the first quarter of 2019. The Company was impacted by the declines in equity markets which occurred toward the end of the first quarter of 2020. The international emergence and spread of the novel coronavirus (or COVID-19) in the first quarter of 2020 negatively impacted global stock markets and the Company’s investment portfolio.

On March 9, 2020, the Company obtained approval from the TSX to commence a normal course issuer bid (“NCIB”) to purchase up to 200,970 common shares between March 9, 2020 and March 8, 2021. For the three month period ended March 31, 2020, 140,732 shares were purchased under the NCIB at an average price of \$573.37 per share for total consideration of \$81 million.

E-L Corporate

E-L Corporate reported a net loss of \$632 million in the first quarter of 2020 compared to net income of \$266 million for the first quarter of 2019. The first quarter loss was due to a net loss on investments of \$769 million in the first quarter of 2020 compared to a net gain of \$341 million for the first quarter of 2019. E-L Corporate’s global investment portfolio had a pre-tax total return of negative 14% in the first quarter of 2020 compared to a pre-tax total return of 8% for the first quarter of 2019.

Empire Life

Empire Life reported a net loss of \$31 million in the first quarter of 2020 compared to net income \$43 million for the first quarter of 2019. The decrease in first quarter earnings was primarily a result of significant strengthening of policy liabilities for segregated fund benefit guarantees related to the general decline in equity markets. This was partially offset by the impact of improved asset liability management and improved gains from increased yields on inforce assets and liabilities backing the life insurance and annuity product lines.

Empire Life’s Life Insurance Capital Adequacy Test (“LICAT”) total ratio was 132% at March 31, 2020 compared to 155% at December 31, 2019, 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 (LOSS) INCOME
(UNAUDITED)

E-L Financial Consolidated <i>(millions of dollars)</i>	First quarter	
	2020	2019
Contribution to net (loss) income		
E-L Corporate ¹	\$ (632)	\$ 266
Empire Life ²	(31)	43
Net (loss) income	\$ (663)	\$ 309

E-L Corporate <i>(millions of dollars)</i>	First quarter	
	2020	2019
Revenue		
Net (loss) gain on investments ³	\$ (769)	\$ 341
Investment and other income	29	30
Share of associates (loss) income	(92)	3
	(832)	374
Operating expenses	7	9
Income taxes	(111)	49
Non-controlling interests	(96)	50
	(200)	108
Net (loss) income	\$ (632)	\$ 266

Empire Life <i>(millions of dollars)</i>	First quarter	
	2020	2019
Revenue		
Net premiums	\$ 216	\$ 238
Net (loss) gain on investments ³	(360)	411
Investment and other income	81	75
Fee income	65	64
	2	788
Benefits and expenses	45	727
Income and other taxes	(10)	17
Non-controlling and participating policyholders' interests	(2)	1
	33	745
Net (loss) income	\$ (31)	\$ 43

¹ Net of non-controlling interests

² Net of non-controlling interests and participating policyholders' amounts

³ Includes fair value change in fair value through profit or loss investments and realized gain on available for sale investments

Empire Life's Sources of Earnings

(Unaudited)

First quarter

(millions of dollars)

2020 2019

Expected profit on in-force business	\$	55	\$	51
Impact of new business		(6)		(2)
Experience (losses) gains		(128)		4
Management actions and changes in assumptions		22		(1)
(Loss) earnings on operations before income taxes		(57)		52
Earnings on surplus		18		8
Income taxes		11		(14)
Non-controlling interests ⁽¹⁾		(3)		(3)
Net income	\$	(31)	\$	43

⁽¹⁾ Including preference share dividends

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 interest 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 March 31, 2020 Empire Life had total assets under management of \$16 billion.

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