

August 6, 2020

E-L FINANCIAL CORPORATION LIMITED ANNOUNCES JUNE 30, 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 \$1,459.32 as at June 30, 2020, a decrease of 2% from \$1,486.19 as at December 31, 2019 and an increase of 11% from \$1,317.07 as at March 31, 2020.

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 six month period ended June 30, 2020, 200,970 shares were purchased under the NCIB at an average price of \$599.18 per share for total consideration of \$120 million.

In the second quarter of 2020, the Company issued \$200 million principal amount of 4.0% senior unsecured notes. The notes mature on June 22, 2050 and bear interest at an annual rate of 4.0% calculated and payable semi-annually in arrears on June 22 and December 22 of each year commencing December 22, 2020 and ending June 22, 2050.

“The second quarter of 2020 was eventful for E-L Financial”, said Duncan N.R. Jackman, Chairman, President and CEO of E-L Financial. “During this time the Company achieved its maximum permitted purchases under a normal course issuer bid which were acquired at very attractive prices relative to net equity value. Further, during June we saw an excellent opportunity to raise longer term capital with the issuance of 30 year senior unsecured notes. We continue to evaluate a variety of opportunities for the use of these funds. COVID-19 has primarily had an indirect impact on our business with effects of volatile equity markets and lower interest rates. Empire Life continues to perform well in this environment and is seeing the benefits of its investment in technology with higher usage of its online platforms.”

For the second quarter ended June 30, 2020, E-L Financial reported consolidated shareholders’ net income of \$452 million or \$119.36 per common share compared to \$42 million or \$9.70 per common share in 2019. For the six months ended June 30, 2020, E-L Financial reported a consolidated shareholder's net loss of \$211 million or \$57.00 per common share compared to net income of \$351 million or \$87.38 per common share in 2019.

The Company was impacted by the declines in equity markets which occurred toward the end of the first quarter of 2020 which were mainly related to the international emergence and spread of the novel coronavirus (or COVID-19). Although the equity markets partially recovered during the second quarter of 2020, on a year to date basis the Company’s investment portfolio has been negatively impacted.

E-L Corporate

E-L Corporate reported net income of \$405 million in the second quarter of 2020 compared to \$22 million for the second quarter of 2019. The increase in net income for the second quarter of 2020 is primarily due to a net gain on investments of \$510 million compared to a net loss of \$19 million in 2019 reflecting the partial recovery of global equity market losses experienced during the first quarter of 2020. The pre-tax total return on E-L Corporate’s global investment portfolio for the second quarter of 2020 was 12% compared to 0% in the prior year.

E-L Corporate reported a net loss of \$227 million for the first six months of 2020 compared to net income of \$288 million for the comparable period in 2019. The decrease in earnings was primarily due to a net loss on investments of \$258 million for the first six months of 2020 compared to a net gain of \$322 million in 2019. E-L Corporate’s global investment portfolio had a pre-tax total return of negative 4% in the first six months of 2020 compared to a pre-tax total return of positive 8% in 2019.

Empire Life

The Empire Life segment reported net income of \$47 million in the second quarter of 2020 compared to \$20 million for the second quarter of 2019. The increase in second quarter earnings was primarily a result of lower claims expenses in the Employee Benefits line and favourable asset liability trading gains in the Individual Insurance line.

The Empire Life segment reported net income of \$16 million for the first six months of 2020 compared to \$63 million for the comparable period of 2019. The decrease in year to date earnings was primarily a result of significant strengthening of policy liabilities supporting segregated fund benefit guarantees.

Empire Life's Life Insurance Capital Adequacy Test ("LICAT") total ratio was 133% at June 30, 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 INCOME (LOSS)
(UNAUDITED)

E-L Financial Consolidated <i>(millions of dollars)</i>	Second quarter		Year to date	
	2020	2019	2020	2019
Contribution to net income (loss)				
E-L Corporate ¹	\$ 405	\$ 22	\$ (227)	\$ 288
Empire Life ²	47	20	16	63
Net income (loss)	\$ 452	\$ 42	\$ (211)	\$ 351

E-L Corporate <i>(millions of dollars)</i>	Second quarter		Year to date	
	2020	2019	2020	2019
Revenue				
Net gain (loss) on investments ³	\$ 510	\$ (19)	\$ (258)	\$ 322
Investment and other income	37	51	66	81
Share of associates income (loss)	29	7	(62)	9
	576	39	(254)	412
Operating expenses	10	9	19	18
Income taxes	77	7	(34)	55
Non-controlling interests	84	1	(12)	51
	171	17	(27)	124
Net income (loss)	\$ 405	\$ 22	\$ (227)	\$ 288

Empire Life <i>(millions of dollars)</i>	Second quarter		Year to date	
	2020	2019	2020	2019
Revenue				
Net premiums	\$ 202	\$ 225	\$ 417	\$ 463
Net gain on investments ³	763	229	402	640
Investment income	82	83	163	158
Fee income	58	66	123	130
	1,105	603	1,105	1,391
Benefits and expenses	1,031	569	1,074	1,297
Income and other taxes	20	10	10	27
Non-controlling and participating policyholders' interests	7	4	5	4
	1,058	583	1,089	1,328
Net income	\$ 47	\$ 20	\$ 16	\$ 63

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)

(millions of dollars)	Second quarter		Year to date	
	2020	2019	2020	2019
Expected profit on in-force business	\$ 51	\$ 46	\$ 107	\$ 97
Impact of new business	(4)	(6)	(11)	(8)
Experience (losses) gains	(5)	(13)	(133)	(10)
Management actions and changes in assumptions	2	(9)	25	(10)
Earnings (loss) on operations before income taxes	44	17	(13)	70
Earnings on surplus	21	12	39	20
Income taxes	(14)	(5)	(3)	(19)
Non-controlling interests ⁽¹⁾	(4)	(4)	(7)	(8)
Net income	\$ 47	\$ 20	\$ 16	\$ 63

⁽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 June 30, 2020 Empire Life had total assets under management of \$18 billion.

For further information please contact:

Scott F. Ewert
Vice President and Chief Financial Officer
E-L Financial Corporation Limited
Telephone: (416) 947-2578
Fax: (416) 362-0792