

March 3, 2021

E-L FINANCIAL CORPORATION LIMITED ANNOUNCES DECEMBER 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 \$1,684.93 as at December 31, 2020, an increase of 13% from \$1,486.19 as at December 31, 2019.

For the year ended December 31, 2020, E-L Financial reported consolidated shareholder's net income of \$500 million or \$128.21 per common share compared to \$745 million or \$185.67 per common share in 2019. For the fourth quarter ended December 31, 2020, E-L Financial reported consolidated shareholders' net income of \$510 million or \$136.42 per common share compared to \$293 million or \$73.68 per common share in 2019. Despite the international emergence and spread of COVID-19 and the associated declines in global stock markets in the earlier part of 2020, the Company reported strong results in the business segments for the year.

"I am very pleased to report that E-L and its subsidiaries each had a very satisfactory 2020. Despite the challenges we faced at the beginning of the year with the volatility in equity markets, our operations and investment portfolios have fared well. For E-L Financial, 2020 was quite eventful, with the completion of a successful Normal Course Issuer Bid which acquired 5% of the outstanding Common Shares at an average price of \$599 per share. This was followed by a Substantial Issuer Bid, whereby the Company had taken up an additional 109,863 Common Shares at a price of \$750. Further to this, we successfully raised \$200 million of 30-year unsecured notes and continued to make adjustments to our investment portfolios. Our employees at E-L Financial and Empire Life have embraced the challenges arising from the COVID-19 pandemic. I would like to express our gratitude for their efforts and dedication to our businesses and customers," said Duncan N.R. Jackman, Chairman, President and CEO of E-L Financial.

E-L Corporate

For the year ended December 31, 2020, E-L Corporate reported net income of \$361 million compared to net income of \$572 million in 2019. The decrease in earnings was primarily due to lower net gains on investments of \$453 million in 2020 compared to \$646 million in 2019. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income, of 10% in 2020 compared to a pre-tax total return of 17% in the prior year.

E-L Corporate reported net income of \$438 million for the fourth quarter of 2020 compared to \$217 million for the comparable period in 2019. The increase in net income for the fourth quarter of 2020 is primarily due to a net gain on investments within the E-L Corporate segment of \$527 million compared to \$271 million in 2019 reflecting the strong global equity market experience during the fourth quarter of 2020. The pre-tax total return on E-L Corporate's global investment portfolio for the fourth quarter of 2020 was 10% compared to 7% in the prior year.

Empire Life

Empire Life reported net income of \$139 million in 2020 compared to \$173 million in 2019. The decrease in earnings from 2019 was due, in part, to a large one-time gain recognized in 2019 related to a reinsurance recapture initiative. In 2020, earnings from the Wealth Management line were lower due to reserve strengthening and assumption updates in the Wealth Management line, resulting from poor market returns early in the year. This was partially offset by increased earnings from the Individual Insurance line primarily as a result of asset trading gains from continued improvements in the Company's matching of assets and liabilities.

Empire Life reported net income of \$72 million in the fourth quarter of 2020 compared to \$76 million for the comparable period in 2019.

Empire Life's Life Insurance Capital Adequacy Test ("LICAT") total ratio was 136% at December 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 INCOME (UNAUDITED)

E-L Financial Consolidated <i>(millions of dollars)</i>	Fourth quarter		Year	
	2020	2019	2020	2019
Contribution to net income				
E-L Corporate ¹	\$ 438	\$ 217	\$ 361	\$ 572
Empire Life ²	72	76	139	173
Net income	\$ 510	\$ 293	\$ 500	\$ 745

E-L Corporate <i>(millions of dollars)</i>	Fourth quarter		Year	
	2020	2019	2020	2019
Revenue				
Net gain on investments ³	\$ 527	\$ 271	\$ 453	\$ 646
Investment and other income	34	27	130	145
Share of associates income (loss)	27	10	(29)	24
	588	308	554	815
Operating expenses	12	10	42	37
Income taxes	71	40	66	107
Non-controlling interests	67	41	85	99
	150	91	193	243
Net income	\$ 438	\$ 217	\$ 361	\$ 572

Empire Life <i>(millions of dollars)</i>	Fourth quarter		Year	
	2020	2019	2020	2019
Revenue				
Net premiums	\$ 221	\$ 229	\$ 860	\$ 910
Net gain (loss) on investments ³	102	(131)	541	618
Investment income	86	85	330	325
Fee income	66	66	251	262
	475	249	1,982	2,115
Benefits and expenses	363	122	1,762	1,847
Income and other taxes	31	39	63	77
Non-controlling and participating policyholders' interests	9	12	18	18
	403	173	1,843	1,942
Net income	\$ 72	\$ 76	\$ 139	\$ 173

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)

	Fourth quarter		Year	
	2020	2019	2020	2019
<i>(millions of dollars)</i>				
Expected profit on in-force business	\$ 55	\$ 47	\$ 215	\$ 190
Impact of new business	(1)	(7)	(16)	(28)
Experience gains (losses)	61	5	(81)	(6)
Management actions and changes in assumptions	(22)	48	13	37
Earnings on operations before income taxes	92	94	130	194
Earnings on surplus	8	16	70	54
Income taxes	(25)	(30)	(47)	(60)
Non-controlling interests ⁽¹⁾	(3)	(4)	(14)	(15)
Net income	\$ 72	\$ 76	\$ 139	\$ 173

⁽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 December 31, 2020 Empire Life had total assets under management of \$19 billion.

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