

May 6, 2021

E-L FINANCIAL CORPORATION LIMITED ANNOUNCES MARCH 31, 2021 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 \$1,787.15 as at March 31, 2021, an increase of 6% from \$1,684.93 as at December 31, 2020.

For the first quarter ended March 31, 2021, E-L Financial reported consolidated shareholders’ net income of \$466 million or \$127.90 per common share compared to a net loss of \$663 million or \$170.26 per common share in 2020.

Other comprehensive loss (“OCL”) was \$50 million in 2021 compared to \$15 million in 2020. The increase in OCL was primarily due to higher unrealized fair value losses on available for sale investments, partially offset by a gain on the remeasurement of the post-employment defined benefit plans. The loss on these components was primarily due to increases in interest rates and declines in credit spreads during the first quarter of 2021.

Today the Board of Directors of E-L Financial declared a quarterly dividend of \$2.50 per Common Share payable on July 16, 2021. This represents an increase from the previous quarterly dividend of \$1.25 per Common Share.

E-L Corporate

E-L Corporate reported a net income of \$310 million for the first quarter of 2021 compared to a net loss of \$632 million for the first quarter of 2020. The increase in earnings was primarily due to a higher net gain on investments of \$230 million in 2021 compared to a net loss of \$769 million in 2020. E-L Corporate’s global investment portfolio had a pre-tax total return, including dividend income, of 5% in 2021 compared to a pre-tax total return of negative 14% for the first quarter of 2020. The international emergence and spread of COVID-19 in 2020 resulted in a significant decline in global stock markets in the first quarter of 2020.

Empire Life

Empire Life reported net income of \$156 million for the first quarter of 2021 compared to a net loss of \$31 million for the first quarter of 2020. The increase in the first quarter was primarily a result of a decrease in policy liabilities for segregated fund guarantees due to favourable equity market and interest rate movements.

Empire Life’s Life Insurance Capital Adequacy Test (“LICAT”) total ratio was 148% at March 31, 2021 compared to 136% at December 31, 2020, 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>	First quarter	
	2021	2020
Contribution to net income (loss)		
E-L Corporate ¹	\$ 310	\$ (632)
Empire Life ²	156	(31)
Net income (loss)	\$ 466	\$ (663)

E-L Corporate <i>(millions of dollars)</i>	First quarter	
	2021	2020
Revenue		
Net gain (loss) on investments ³	\$ 230	\$ (769)
Investment and other income	40	29
Share of associates income (loss)	106	(92)
	376	(832)
Operating expenses	11	7
Income taxes	43	(111)
Non-controlling interests	12	(96)
	66	(200)
Net income (loss)	\$ 310	\$ (632)

Empire Life <i>(millions of dollars)</i>	First quarter	
	2021	2020
Revenue		
Net premiums	\$ 225	\$ 216
Net loss on investments ³	(636)	(360)
Investment income	80	81
Fee income	66	65
	(265)	2
Benefits and expenses	(486)	45
Income and other taxes	59	(10)
Non-controlling and participating policyholders' interests	6	(2)
	(421)	33
Net income (loss)	\$ 156	\$ (31)

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)

	First quarter	
	2021	2020
Expected profit on in-force business	\$ 48	\$ 55
Impact of new business	—	(6)
Experience gains (losses)	150	(128)
Management actions and changes in assumptions	9	22
Earnings (loss) on operations before income taxes	208	(57)
Earnings on surplus	6	18
Income taxes	(54)	11
Non-controlling interests ⁽¹⁾	(4)	(3)
Net income (loss)	\$ 156	\$ (31)

⁽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, 2021 Empire Life had total assets under management of \$19 billion.

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