

August 5, 2021

E-L FINANCIAL CORPORATION LIMITED ANNOUNCES JUNE 30, 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 \$1,849.61 as at June 30, 2021, an increase of 10% from \$1,684.93 as at December 31, 2020.

For the second quarter ended June 30, 2021, E-L Financial reported consolidated shareholders’ net income of \$241 million or \$65.47 per common share compared to \$452 million or \$119.36 per common share in 2020. For the six months ended June 30, 2021, E-L Financial reported a consolidated net income of \$707 million or \$193.37 per common share for the first six months of 2021 compared to a net loss of \$211 million or \$57.00 per common share in 2020.

Other comprehensive income (“OCI”) was \$21 million in the second quarter of 2021 compared to \$48 million in 2020. For the six months ended June 30, 2021, other comprehensive loss (“OCL”) was \$29 million in 2021 compared to OCI of \$33 million in 2020. The decrease in OCI is primarily due to unrealized losses on Empire’s available for sale investments (“AFS”) compared to a year to date gain on for the same period in 2020. This was partially offset by a gain on the remeasurement of the post-employment defined benefit plans during 2021 compared to a loss in the prior year.

Today the Board of Directors of E-L Financial declared a quarterly dividend of \$2.50 per Common Share payable on October 15, 2021.

E-L Corporate

E-L Corporate reported a net income of \$210 million for the second quarter of 2021 compared to \$405 million for the second quarter of 2020. The decrease in net income for the second quarter of 2021 is primarily due to a net gain on investments of \$264 million compared to \$510 million in 2020. The second quarter of 2020 experienced stronger investment returns 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 2021 was 5% compared to 12% in the prior year.

E-L Corporate reported net income of \$519 million for the first six months of 2021 compared to a net loss of \$227 million for the comparable period in 2020. The increase in earnings was primarily due to a higher net gain on investments of \$494 million in 2021 compared to a net loss of \$258 million in 2020. E-L Corporate’s global investment portfolio had a pre-tax total return, including dividend income, of 9% in the first six months of 2021 compared to a pre-tax total return of negative 4% in 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

The Empire Life segment reported net income of \$31 million in the second quarter of 2021 compared to \$47 million for the second quarter of 2020. The decrease in second quarter earnings was primarily due to less favourable claims results in the Employee Benefits line and losses on assets classified as AFS in the Capital & Surplus segment compared to gains for the same period in 2020.

Empire Life reported net income of \$188 million for the first six months of 2021 compared to \$16 million for the comparable period in 2020. The increase in year to date earnings was primarily due to the release of segregated fund guarantee reserves in the first quarter of 2021.

Empire Life’s Life Insurance Capital Adequacy Test (“LICAT”) total ratio was 143% at June 30, 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>	Second quarter		Year to date	
	2021	2020	2021	2020
Contribution to net income (loss)				
E-L Corporate ¹	\$ 210	\$ 405	\$ 519	\$ (227)
Empire Life ²	31	47	188	16
Net income (loss)	\$ 241	\$ 452	\$ 707	\$ (211)

E-L Corporate <i>(millions of dollars)</i>	Second quarter		Year to date	
	2021	2020	2021	2020
Revenue				
Net gain (loss) on investments ³	\$ 264	\$ 510	\$ 494	\$ (258)
Investment and other income	33	37	73	66
Share of associates income (loss)	14	29	119	(62)
	311	576	686	(254)
Operating expenses	14	10	25	19
Income taxes	41	77	84	(34)
Non-controlling interests	46	84	58	(12)
	101	171	167	(27)
Net income (loss)	\$ 210	\$ 405	\$ 519	\$ (227)

Empire Life <i>(millions of dollars)</i>	Second quarter		Year to date	
	2021	2020	2021	2020
Revenue				
Net premiums	\$ 223	\$ 202	\$ 448	\$ 417
Net gain (loss) on investments ³	243	763	(392)	404
Investment income	85	82	164	163
Fee income	67	58	133	123
	618	1,105	353	1,107
Benefits and expenses	569	1,031	82	1,076
Income and other taxes	13	20	72	10
Non-controlling and participating policyholders' interests	5	7	11	5
	587	1,058	165	1,091
Net income	\$ 31	\$ 47	\$ 188	\$ 16

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)

<i>(millions of dollars)</i>	Second quarter		Year to date	
	2021	2020	2021	2020
Expected profit on in-force business	\$ 49	\$ 51	\$ 98	\$ 107
Impact of new business	(6)	(4)	(7)	(11)
Experience (losses) gains	(4)	(5)	146	(133)
Management actions and changes in assumptions	5	2	15	25
Earnings (losses) on operations before income taxes	43	44	252	(13)
(Losses) earnings on surplus	(3)	21	3	39
Income taxes	(7)	(14)	(62)	(3)
Non-controlling interests ⁽¹⁾	(2)	(4)	(5)	(7)
Net income	\$ 31	\$ 47	\$ 188	\$ 16

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

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