

November 8, 2022

## **E-L FINANCIAL CORPORATION LIMITED ANNOUNCES SEPTEMBER 30, 2022 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 \$1,656.94 as at September 30, 2022, an increase of 2% compared to \$1,626.33 as at June 30, 2022 and a decline of 12% compared to \$1,884.08 as at December 31, 2021.

For the third quarter ended September 30, 2022, E-L Financial reported consolidated shareholder's net income of \$39 million or \$9.96 per common share compared to net income of \$168 million or \$45.47 per common share in 2021. For the nine months ended September 30, 2022, E-L Financial reported a consolidated net loss of \$635 million or \$180.64 per common share compared to net income of \$875 million or \$238.84 per common share in 2021.

Consolidated comprehensive income was \$55 million in the third quarter of 2022 or \$14.30 per common share compared to comprehensive income of \$165 million or \$44.48 per common share for the third quarter of 2021. Other comprehensive income ("OCI") was \$16 million for the third quarter of 2022 compared to other comprehensive loss ("OCL") of \$3 million in 2021.

Consolidated comprehensive loss for the first nine months of 2022 was \$791 million or \$224.13 per common share compared to comprehensive income of \$842 million or \$229.83 per common share for 2021. OCL was \$156 million in 2022 compared \$33 million in 2021. The increased loss was primarily due to increases in interest rates and credit spreads during the second quarter of 2022.

Today the Board of Directors of E-L Financial declared a quarterly dividend of \$2.50 per common share payable on January 17, 2023, record December 30, 2022.

### **E-L Corporate**

E-L Corporate reported a net loss of \$5 million for the third quarter of 2022 compared to net income of \$135 million for the comparable period in 2021. The decrease in net income for the third quarter of 2022 is primarily due to a net loss on investments of \$60 million compared to a net gain of \$134 million in 2021. E-L Corporate's global investment portfolio had pre-tax total return, including dividend income of nil for the third quarter of 2022 compared to a pre-tax total return of positive 2% in the third quarter of 2021.

E-L Corporate reported a net loss of \$751 million for the first nine months of 2022 compared to net income of \$654 million for the comparable period in 2021. The decrease in earnings was due to a net loss on investments of \$1,218 million in 2022 compared to a net gain of \$628 million in 2021. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income, of negative 18% in the first nine months of 2022 compared to a pre-tax total return of 12% in 2021. Global equity markets have been negatively impacted by concerns around higher levels of inflation and rising interest rates.

### **Empire Life**

The Empire Life segment reported net income of \$44 million in the third quarter of 2022 compared to \$33 million for the third quarter of 2021. The increase in third quarter earnings was primarily a result of market conditions; positive yield curve impacts partly offset by poor equity market performance.

The Empire Life segment reported net income of \$116 million for the first nine months of 2022 compared to \$221 million for the comparable period in 2021. The decrease in year to date earnings was primarily due to the positive impact from the release of segregated fund guarantee related policy liabilities which occurred in the first quarter of 2021.

Empire Life's Life Insurance Capital Adequacy Test ("LICAT") total ratio was 137% at September 30, 2022 compared to 144% at December 31, 2021, 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>	Third quarter		Year to date	
	2022	2021	2022	2021
<b>Contribution to net income (loss)</b>				
E-L Corporate <sup>1</sup>	\$ (5)	\$ 135	\$ (751)	\$ 654
Empire Life <sup>2</sup>	44	33	116	221
<b>Net income (loss)</b>	<b>39</b>	<b>168</b>	<b>(635)</b>	<b>875</b>
Other comprehensive income (loss) <sup>(2)</sup>	16	(3)	(156)	(33)
<b>Comprehensive income (loss)</b>	<b>\$ 55</b>	<b>\$ 165</b>	<b>\$ (791)</b>	<b>\$ 842</b>

E-L Corporate <i>(millions of dollars)</i>	Third quarter		Year to date	
	2022	2021	2022	2021
Revenue				
Net (loss) gain on investments <sup>3</sup>	\$ (60)	\$ 134	\$ (1,218)	\$ 628
Investment and other income	33	29	93	102
Share of associates income	30	23	35	142
	3	186	(1,090)	872
Operating expenses	9	12	27	37
Income taxes	—	23	(145)	107
Non-controlling interests	(1)	16	(221)	74
	8	51	(339)	218
<b>Net (loss) income</b>	<b>(5)</b>	<b>135</b>	<b>(751)</b>	<b>654</b>
Other comprehensive income <sup>(2)</sup>	6	5	7	4
<b>Comprehensive income (loss)</b>	<b>\$ 1</b>	<b>\$ 140</b>	<b>\$ (744)</b>	<b>\$ 658</b>

Empire Life <i>(millions of dollars)</i>	Third quarter		Year to date	
	2022	2021	2022	2021
Revenue				
Net premiums	\$ 269	\$ 227	\$ 756	\$ 675
Net loss on investments <sup>3</sup>	(57)	(125)	(1,661)	(518)
Investment income	93	80	260	244
Fee income	75	69	216	202
	380	251	(429)	603
Benefits and expenses	314	200	(599)	281
Income and other taxes	19	15	48	87
Non-controlling and participating policyholders' interests	3	3	6	14
	336	218	(545)	382
<b>Net income</b>	<b>44</b>	<b>33</b>	<b>116</b>	<b>221</b>
Other comprehensive income (loss), net of taxes <sup>(2)</sup>	10	(8)	(163)	(37)
<b>Comprehensive income (loss)</b>	<b>\$ 54</b>	<b>\$ 25</b>	<b>\$ (47)</b>	<b>\$ 184</b>

<sup>1</sup> Net of non-controlling interests

<sup>2</sup> Net of non-controlling interests and participating policyholders' amounts

<sup>3</sup> 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>	Third quarter		Year to date	
	2022	2021	2022	2021
Expected profit on in-force business	\$ 53	\$ 50	\$ 161	\$ 148
Impact of new business	2	(9)	(2)	(16)
Experience (losses) gains	(16)	(2)	(54)	144
Management actions and changes in assumptions	37	3	55	17
Earnings on operations before income taxes	76	42	160	293
(Losses) earnings on surplus	(13)	4	(2)	8
Income taxes	(15)	(10)	(35)	(72)
Non-controlling interests <sup>(1)</sup>	(4)	(3)	(7)	(8)
<b>Net income</b>	<b>\$ 44</b>	<b>\$ 33</b>	<b>\$ 116</b>	<b>\$ 221</b>

<sup>(1)</sup> Including preference share dividends

### Non-GAAP Measures

The Company uses non-GAAP measures including net equity value and growth in net equity value per common share to provide investors with 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, assets under management and return on common shareholders' equity to provide investors with supplemental measures of Empire Life's operating 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 products and services they need to build wealth, generate income, and achieve financial security. As of September 30, 2022 Empire Life had total assets under management of \$17 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