

March 2, 2023

E-L FINANCIAL CORPORATION LIMITED ANNOUNCES DECEMBER 31, 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 \$1,785.66 as at December 31, 2022, a decline of 5% compared to \$1,884.08 as at December 31, 2021. On a ten year basis, E-L Financial reported an 11% compounded annual growth in the net equity value per common share, including dividends.

For the year ended December 31, 2022, E-L Financial reported a consolidated net loss of \$174 million or \$53.47 per common share compared to net income of \$1,153 million or \$314.67 per common share in 2021. For the fourth quarter ended December 31, 2022, E-L Financial reported consolidated shareholder's net income of \$461 million or \$132.06 per common share compared to \$278 million or \$75.82 per common share in 2021.

For the year ended December 31, 2022, consolidated comprehensive loss was \$329 million or \$97.20 per common share compared to comprehensive income of \$1,134 million or \$309.54 per common share for 2021. Other comprehensive loss ("OCL") was \$155 million in 2022 compared to \$19 million in 2021. The increased loss was primarily due to the impacts of higher interest rates and credit spreads during 2022. For the fourth quarter of 2022, other comprehensive income ("OCI") was \$nil compared to \$14 million in the fourth quarter of 2021.

Today the Board of Directors of E-L Financial declared a quarterly dividend of \$3.75 per common share payable on April 17, 2023, record date March 31, 2023.

"As a result of market volatility and economic uncertainty during the year, our net equity value total return per common share was negative 3% in 2022, a satisfactory outcome on a relative basis. The Company continued its common share buyback program which was positive for shareholders. The E-L Corporate segment's investment portfolio losses were mitigated by positive foreign exchange gains, a focus on valuation and avoiding speculative areas of the markets. Empire Life reported a strong net income that was offset by fair value changes associated with the impacts of higher interest rates," said Duncan N.R. Jackman, Chairman, President and CEO of E-L Financial.

E-L Corporate

For the year ended December 31, 2022, E-L Corporate reported a net loss of \$377 million compared to net income of \$915 million in 2021. The decrease in earnings was due to a net loss on investments of \$767 million in 2022 compared to a net gain of \$931 million in 2021. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income, of negative 11% in 2022 compared to a pre-tax total return of 18% in the prior year. Global equity markets have been negatively impacted by concerns around higher levels of inflation and rising interest rates.

E-L Corporate reported a net income of \$374 million for the fourth quarter of 2022 compared to \$261 million in 2021. The increase in net income for the fourth quarter of 2022 is primarily due to a net gain on investments of \$451 million compared to \$303 million in 2021. E-L Corporate's global investment portfolio had pre-tax total return, including dividend income of 9% for the fourth quarter of 2022 compared to 6% for the fourth quarter of 2021.

Empire Life

Empire Life reported net income of \$203 million for the year ended December 31, 2022 compared to \$238 million 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. The increase in the yield curves throughout the current year has had a positive impact on 2022 results.

The Empire Life segment reported net income of \$87 million in the fourth quarter of 2022 compared to \$17 million for the fourth quarter of 2021. The increase in fourth quarter earnings was primarily due to the effect of assumption updates applied in the Individual Insurance line which had a favourable impact on fourth quarter earnings in 2022 compared to an unfavourable impact in 2021.

Empire Life's Life Insurance Capital Adequacy Test ("LICAT") total ratio was 138% at December 31, 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>	Fourth quarter		Year	
	2022	2021	2022	2021
Contribution to net income (loss)				
E-L Corporate ¹	\$ 374	\$ 261	\$ (377)	\$ 915
Empire Life ²	87	17	203	238
Net income (loss)	461	278	(174)	1,153
Other comprehensive income (loss) ⁽²⁾	—	14	(155)	(19)
Comprehensive income (loss)	\$ 461	\$ 292	\$ (329)	\$ 1,134

E-L Corporate <i>(millions of dollars)</i>	Fourth quarter		Year	
	2022	2021	2022	2021
Revenue				
Net gain (loss) on investments ³	\$ 451	\$ 303	\$ (767)	\$ 931
Investment and other income	35	33	128	134
Share of associates income	23	15	58	158
	509	351	(581)	1,223
Operating expenses	10	12	37	49
Income taxes	64	44	(81)	151
Non-controlling interests	61	34	(160)	108
	135	90	(204)	308
Net income (loss)	374	261	(377)	915
Other comprehensive income ⁽²⁾	1	—	8	5
Comprehensive income (loss)	\$ 375	\$ 261	\$ (369)	\$ 920

Empire Life <i>(millions of dollars)</i>	Fourth quarter		Year	
	2022	2021	2022	2021
Revenue				
Net premiums	\$ 286	\$ 240	\$ 1,043	\$ 916
Net (loss) gain on investments ³	(88)	259	(1,751)	(259)
Investment income	97	86	358	329
Fee income	67	70	283	273
	362	655	(67)	1,259
Benefits and expenses	247	635	(353)	917
Income and other taxes	27	(4)	76	83
Non-controlling and participating policyholders' interests	1	7	7	21
	275	638	(270)	1,021
Net income	87	17	203	238
Other comprehensive (loss) income, net of taxes ⁽²⁾	(1)	14	(163)	(24)
Comprehensive income	\$ 86	\$ 31	\$ 40	\$ 214

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)

	Fourth quarter		Year	
	2022	2021	2022	2021
Expected profit on in-force business	\$ 56	\$ 51	\$ 217	\$ 199
Impact of new business	(3)	(4)	(5)	(20)
Experience gains (losses)	1	15	(53)	159
Management actions and changes in assumptions	52	(55)	107	(38)
Earnings on operations before income taxes	106	6	266	299
Earnings on surplus	7	7	3	14
Income taxes	(25)	5	(60)	(67)
Non-controlling interests ⁽¹⁾	(1)	(1)	(6)	(8)
Net income	\$ 87	\$ 17	\$ 203	\$ 238

⁽¹⁾ 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 growth in net equity value per common share and compounded annual growth in net equity value per common share is calculated as the change in net equity value per share for the respective period and includes dividends paid to common shareholders.

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 December 31, 2022 Empire Life had total assets under management of \$17 billion.

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