

August 9, 2023

E-L FINANCIAL CORPORATION LIMITED ANNOUNCES JUNE 30, 2023 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 \$1,819.34 as at June 30, 2023, an increase of 1.9% compared to \$1,785.66 as at December 31, 2022.

The net equity value per common share as at December 31, 2022 of \$1,785.66 has not been adjusted to reflect the adoption of International Financial Reporting Standards 17 (“IFRS 17”) Insurance Contracts and IFRS 9 Financial Instruments (“IFRS 9”). The first quarter of 2023 marked the first quarter of reporting under IFRS 17 and 9 for the Company. Excluding the impact of these accounting changes, the growth in net equity value per common share including dividends, would have been 7.7% for the first six months of 2023.

For the second quarter ended June 30, 2023, E-L Financial reported a consolidated net income of \$184 million or \$52.07 per common share compared to a net loss of \$506 million or \$142.50 per common share for the same period in 2022. For the first six months ended June 30, 2023, E-L Financial reported a consolidated net income of \$489 million or \$139.08 per common share compared to a net loss of \$733 million or \$206.24 per common share for the same period in 2022.

Today the Board of Directors of E-L Financial declared a quarterly dividend of \$3.75 per common share payable on October 17, 2023, with a record date of September 29, 2023.

E-L Corporate

E-L Corporate reported a net income of \$185 million for the second quarter of 2023 compared to a net loss of \$473 million for the comparative period in 2022. The increase in earnings was due to a net gain on investments of \$212 million in 2023 compared to a net loss of \$697 million for the second quarter of 2022. E-L Corporate’s global investment portfolio had a pre-tax total return, including dividend income, of 4% in the second quarter 2023 compared to a pre-tax total return of negative 12% for the comparative period in the prior year.

E-L Corporate reported a net income of \$438 million for the first six months of 2023 compared to a net loss of \$747 million for the comparative period in 2022. The increase in earnings was due to a net gain on investments of \$535 million in 2023 compared to a net loss of \$1,159 million in 2022. E-L Corporate’s global investment portfolio had a pre-tax total return, including dividend income, of 11% in the first six months of 2023 compared to a pre-tax total return of negative 19% for the same period in the prior year.

Empire Life

Empire Life reported a net loss of \$1 million for the second quarter of 2023 compared to a net loss of \$33 million for the second quarter of 2022. The lower net loss in the second quarter of 2023 compared to 2022 is primarily a result of a more favourable economic environment.

Empire Life reported a net income of \$51 million for the first six months of 2023 compared to \$14 million for the comparable period in 2022.

Empire Life’s Life Insurance Capital Adequacy Test (“LICAT”) total ratio was 151% at June 30, 2023 compared to 152% at March 31, 2023 and 138% at December 31, 2022⁽¹⁾, well above the requirements set by the Office of the Superintendent of Financial Institutions Canada as well as Empire Life’s minimum internal targets.

⁽¹⁾ The December 31, 2022 LICAT result has not been adjusted for the impacts from the adoption of IFRS 17 and IFRS 9.

CONSOLIDATED SUMMARY OF NET INCOME (LOSS)
(UNAUDITED)

E-L Financial Consolidated (millions of dollars)	Second quarter		Year to date	
	2023	2022	2023	2022
		restated ⁽¹⁾		restated ⁽¹⁾
Contribution to net income (loss)				
E-L Corporate ⁽²⁾	\$ 185	\$ (473)	\$ 438	\$ (747)
Empire Life ⁽²⁾	(1)	(33)	51	14
Net income (loss)	\$ 184	\$ (506)	\$ 489	\$ (733)

E-L Corporate (millions of dollars)	Second quarter		Year to date	
	2023	2022	2023	2022
		restated ⁽¹⁾		restated ⁽¹⁾
Net gain (loss) on investments	\$ 212	\$ (697)	\$ 535	\$ (1,159)
Investment and other income	43	35	81	60
Share of associates income	9	2	19	5
	264	(660)	635	(1,094)
Expenses	10	10	22	19
Income taxes	35	(86)	80	(145)
Non-controlling interests	34	(111)	95	(221)
	79	(187)	197	(347)
Net income (loss)	\$ 185	\$ (473)	\$ 438	\$ (747)

Empire Life (millions of dollars)	Second quarter		Year to date	
	2023	2022	2023	2022
		restated ⁽¹⁾		restated ⁽¹⁾
Insurance service result	\$ 30	\$ 41	\$ 74	\$ 82
Insurance finance and investment result	(24)	(77)	9	(44)
Fee and other income ⁽³⁾	24	2	46	3
	30	(34)	129	41
Expenses	25	21	55	36
Income and other taxes	2	(18)	15	(5)
Non-controlling interests and net income (loss) attributable to the participating account	4	(4)	8	(4)
	31	(1)	78	27
Net (loss) income	\$ (1)	\$ (33)	\$ 51	\$ 14

⁽¹⁾ Amounts have been restated to reflect the adoption of the IFRS 17 and IFRS 9 accounting standards, refer to note 2 of the interim condensed consolidated financial statements

⁽²⁾ Net of non-controlling interests and net income attributable to the participating account

⁽³⁾ Included in non-insurance investment results

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 assets under management 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 June 30, 2023 Empire Life had total assets under management of \$18 billion.

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