



EL Financial Corporation Limited

Empire Life announces issuance of \$100 million in Reset Preferred Shares to E-L Financial

(Kingston, ON – November 1, 2017)

The Empire Life Insurance Company (“Empire Life”) (TSX: EML.PR.A) and E-L Financial Corporation Limited (“E-L Financial”) (TSX: ELF) today announced that Empire Life has issued \$100 million of Non-Cumulative Rate Reset Preferred Shares, Series 3 (the “Series 3 Preferred Shares”) to its parent, E-L Financial on a private placement basis. Empire Life issued to E-L Financial 4,000,000 Series 3 Preferred Shares at an issue price of \$25 per share to raise gross proceeds of \$100 million.

E-L Financial will be entitled to receive fixed non-cumulative quarterly dividends yielding 4.90% annually, as and when declared by the Board of Directors of Empire Life, for the initial period ending on January 17, 2023. Thereafter, the dividend rate will be reset every five years at a rate equal to the 5-year Government of Canada bond yield plus plus 3.24%.

E-L Financial will have the right, at its option, to convert its shares into Non-Cumulative Floating Rate Preferred Shares, Series 4 (“Series 4 Preferred Shares”), subject to certain conditions, on January 17, 2023 and on January 17 every five years thereafter. E-L Financial will be entitled to receive non-cumulative quarterly floating dividends, as and when declared by the Board of Directors of Empire Life, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.24%.

Empire Life intends to use the net proceeds from the offering for regulatory capital and general corporate purposes.

The offering closed today, November 1, 2017.

On a pro forma basis, after giving effect to the preferred share issue, the Company estimates that, as at September 30, 2017, its MCCR would have increased from 274% to 291%.

“This is a very positive development for both companies,” said Duncan Jackman, Chairman of the Boards of E-L Financial and Empire Life, “It’s a very good investment opportunity for E-L Financial and it allows Empire Life to strengthen an already solid capital base while continuing to meet the insurance and wealth management needs of Canadians.”

About Empire Life

Empire Life is a subsidiary of E-L Financial Corporation Limited. Since 1923, Empire Life has provided individual and group life and health insurance, investment and retirement products

to Canadians. The company'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 September 30, 2017 Empire Life had total assets under management of \$16.8 billion. Follow Empire Life on Twitter @EmpireLife or visit www.empire.ca for more information.

About E-L Financial Corporation Limited

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 income from its investments.

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Contacts:

Empire Life
Julie Tompkins
Vice-President & Chief Communications Officer
613 548-1890, ext. 3301
julie.tompkins@empire.ca

E-L Financial Corporation Limited
Richard Carty
Vice-President and General Counsel
416 350-7742
cartyr@e-financial.com