



**Financial Corporation Limited**

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**FIRST QUARTER REPORT**

**March 31, 2025**



# Financial Highlights

(Millions of dollars, except per share amounts)

Three months ended March 31	2025	2024
Net Equity Value per Common Share <sup>(1)</sup>	\$ 2,216.91	\$ 2,124.20
Net Income per Common Share	\$ 24.35	\$ 161.41
<b>Contribution to Shareholders' Net Income:</b>		
E-L Corporate	\$ 16	\$ 495
Empire Life	70	52
<b>Shareholders' Net Income</b>	<b>86</b>	<b>547</b>
Preferred Shareholder Dividends	4	4
<b>Net Income attributable to Common Shareholders</b>	<b>\$ 82</b>	<b>\$ 543</b>
<b>E-L Corporate</b>		
Shareholders' Net Income	\$ 16	\$ 495
Investments - Corporate	\$ 7,212	\$ 7,171
Investments in Associates	\$ 430	\$ 395
<b>Empire Life</b>		
Common Shareholders' Net Income	\$ 70	\$ 52
Net Insurance Service Result	\$ 50	\$ 39
Life Insurance Capital Adequacy Test Total Ratio ("LICAT") (%)	140	157

<sup>(1)</sup> See Non-GAAP measures within the Management's Discussion and Analysis.

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## NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company's external auditors have not performed a review of these unaudited interim condensed consolidated financial statements of E-L Financial Corporation Limited.

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**REPORT ON E-L FINANCIAL CORPORATION LIMITED**

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The following Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of E-L Financial Corporation Limited ("E-L Financial" or the "Company") for the first quarter of 2025 should be read in conjunction with the MD&A for the year ended December 31, 2024, the Company's annual audited consolidated financial statements and the notes related thereto, the quarterly unaudited interim condensed consolidated financial statements and notes contained in this report, as well as, the Company's MD&A and unaudited interim condensed financial statements for the quarters of 2024. The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Unless otherwise noted, both the consolidated financial statements and this MD&A are expressed in Canadian dollars. Figures in MD&A may differ due to rounding. This MD&A is dated May 7, 2025.

This MD&A contains certain forward-looking statements that are subject to risks and uncertainties that may cause the results or events mentioned in this discussion to differ materially from actual results or events. No assurance can be given that results, performance or achievement expressed in, or implied by, any forward-looking statements within this discussion will occur, or if they do, that any benefits may be derived from them.

Unless otherwise stated, all per share amounts are based on the weighted average number of common shares and Series A Convertible Preference Shares outstanding for the period, adjusted for the Company's proportionate interest in its own common shares held indirectly through investments in associates.

Additional information relating to the Company, including its Annual Information Form, may be found at [www.sedarplus.ca](http://www.sedarplus.ca).

**Forward-looking statements and information**

Certain statements in this MD&A about the Company's current and future plans, expectations and intentions, results, market share growth and profitability, strategic objectives or any other future events or developments constitute forward-looking statements and information within the meaning of applicable securities laws. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements and information. Although management anticipates that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because there can be no assurance that they will prove to be correct. By their nature, such forward-looking statements and information are subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, market risk including equity risk, hedging risk, interest rate risk, foreign exchange rate risk; liquidity risk; credit risk including counterparty risk; product risk including mortality risk, policyholder behaviour risk, expense risk, morbidity risk, product design and pricing risk, underwriting and claims risk, reinsurance risk; operational risk, including legal and regulatory compliance risk, model risk, human resources risk, third party risk, technology, information security and business continuity risk; and business and strategic risk, including environmental and social risk, risk with respect to risk with respect to financial strength, capital adequacy risk, risk to competition, risk with respect to distribution channels, risk with respect to changes to applicable income tax legislation, risk with respect to brand, risk with respect to intellectual property and risk with respect to significant ownership of common shares. Please see the section titled "Description of the Business" in E-L Financial's Annual Information Form available at [www.sedarplus.ca](http://www.sedarplus.ca) for more details on these risks.

Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements and information include that the general economy remains stable; assumptions on interest rates, mortality rates and insurance contract liabilities; and capital markets continue to provide access to capital. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully, and readers should not place undue reliance on forward-looking statements made herein or in the documents reproduced herein.

To the extent any forward-looking information in this MD&A constitutes future-oriented financial information or financial outlooks within the meaning of securities laws, such information is being provided to demonstrate potential benefits and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlooks are, without limitation, based on the assumptions and subject to the risks set out above.

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors, assumptions and other uncertainties and potential events. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof or the date indicated, and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking statements and information, whether as a result of new information, future events or otherwise after the date of this document, except as required by law.

#### **Non-GAAP measures**

The MD&A contains information using non-GAAP measures. Current Canadian GAAP is the IFRS Accounting Standards for the Company's consolidated financial statements. The Company believes that these measures provide useful information to its shareholders in evaluating the Company's financial results. Where non-GAAP measures are used, descriptions have been provided as to the nature of the adjustments made.

The MD&A contains reference to net equity value, net equity value per common share and growth in net equity value per common share. Net equity value per common share is described and reconciled to shareholders' equity on page 6. These terms do not have any standardized meaning according to IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies.

Other non-GAAP measures are also used in The Empire Life Insurance Company ("Empire" or "Empire Life") section of the MD&A. These include references to assets under management, annualized premium sales, gross and net sales for segregated funds and fixed annuities to provide investors with supplemental measures of its operating performance and to highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS Accounting Standards financial measures. Empire Life also believes that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Empire Life's management also uses non-GAAP measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. Empire Life believes that these measures provide information useful to its shareholders and policyholders in evaluating the Empire's underlying financial results.

Annualized premium sales is used as a method of measuring sales volume. It is equal to the premium expected to be received in the first 12 months for all new individual insurance and employee benefit policies sold during the period. For segregated funds and annuity contracts, sales include new and renewal deposits to policy contracts. Net sales in the Wealth Management line reflect the gross sales (deposits) less the effect of redemptions and surrenders.

Assets under management is a non-GAAP measure of the assets managed by Empire Life, which includes general fund assets and segregated fund assets. It represents the total assets of Empire Life and the assets its customers invest in.

The following table provides a reconciliation of assets under management to total assets in Empire Life's financial statements:

<i>(in millions of dollars)</i>	<b>March 31 2025</b>	December 31 2024
General fund assets	\$ 10,328	\$ 10,273
Segregated fund assets	9,266	9,394
<b>Total Empire Life assets under management</b>	<b>\$ 19,594</b>	<b>\$ 19,667</b>

## The Company

E-L Financial operates as an investment and insurance holding company. In managing its operations, the Company distinguishes between two operating segments, E-L Corporate and Empire Life.

E-L Corporate's operations include the oversight of investments in global equities held through direct and indirect holdings of common shares, investment funds, closed-end investment companies and other private companies. E-L Financial holds a 56.6% (December 31, 2024 - 56.6%) interest in a closed-end investment corporation, United Corporations Limited ("United") which is listed on the Toronto Stock Exchange. United is an investment vehicle for long-term growth through investments in common equities. The invested assets and operations of United are consolidated and included in the E-L Corporate segment. In addition, E-L Corporate has two significant investments in associates which includes a 34.9% (December 31, 2024 - 34.9%) interest in Algoma Central Corporation ("Algoma") and a 24.9% (December 31, 2024 - 24.9%) interest in Economic Investment Trust Limited ("Economic"). Algoma and Economic are accounted for using the equity method.

The Company's investment in Empire Life (99.5% interest) is consolidated by E-L Financial. The Empire Life operating segment underwrites life and health insurance policies and provides segregated funds and annuity products.

The Company's strategy is to accumulate shareholder value through long-term capital appreciation and dividend and interest income from its investments. E-L Financial oversees its investments through representation on the Boards of Directors of the subsidiaries and the other companies in which the Company has significant shareholdings.

## Overview of results attributable to shareholders of E-L Financial

<b>E-L Financial consolidated</b> <i>(millions of dollars)</i>	<b>First quarter</b>	
	<b>2025</b>	2024
<b>Contribution to net income</b>		
E-L Corporate <sup>(1)</sup>	\$ 16	\$ 495
Empire Life <sup>(1)</sup>	70	52
<b>Net income</b>	<b>86</b>	<b>547</b>
Other comprehensive income <sup>(1)</sup>	2	8
<b>Comprehensive income</b>	<b>\$ 88</b>	<b>\$ 555</b>

<sup>(1)</sup> Net of non-controlling interests and net income attributable to the participating account

The following tables summarize the results of the Company's business segments:

<b>E-L Corporate</b> <i>(millions of dollars)</i>	<b>First quarter</b>	
	<b>2025</b>	<b>2024</b>
Net (loss) gain on investments	\$ (70)	\$ 629
Investment and other income	81	34
Share of associates income	1	5
	<b>12</b>	668
Expenses	13	12
Income taxes	(10)	88
Non-controlling interests	(7)	73
	<b>(4)</b>	173
<b>Net income</b>	<b>16</b>	<b>495</b>
Other comprehensive income, net of taxes <sup>(1)</sup>	2	4
<b>Comprehensive income</b>	<b>\$ 18</b>	<b>\$ 499</b>

<b>Empire Life</b> <i>(millions of dollars)</i>	<b>First quarter</b>	
	<b>2025</b>	<b>2024</b>
Net insurance service result	\$ 50	\$ 39
Net investment and insurance finance result	80	55
Fee and other income <sup>(2)</sup>	8	7
	<b>138</b>	101
Expenses	40	25
Income and other taxes	24	18
Non-controlling interests and net income attributable to the participating account	4	6
	<b>68</b>	49
<b>Net income</b>	<b>70</b>	<b>52</b>
Other comprehensive income, net of taxes <sup>(1)</sup>	—	4
<b>Comprehensive income</b>	<b>\$ 70</b>	<b>\$ 56</b>

<sup>(1)</sup> Net of non-controlling interests and net income attributable to the participating account

<sup>(2)</sup> Included in non-insurance investment results

E-L Financial reported a consolidated 2025 shareholder's net income of \$86 million or \$24.35 per common share for the first quarter of 2025 compared to \$547 million or \$161.41 per common share in 2024.

E-L Corporate reported net income of \$16 million for the first quarter of 2025 compared to \$495 million in 2024. The decrease in earnings was due to a net loss on investments of \$70 million in 2025 compared to a net gain of \$629 million in 2024. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income, of 1% in 2025 compared to a pre-tax total return of 11% in the prior year.

Empire Life reported a net income of \$70 million for the first quarter of 2025 compared to \$52 million in 2024, driven by strong net investment and insurance finance results due to favourable interest rate changes in this period compared to the same period in 2024, as well as improved net insurance service results in the Individual Insurance product line.

Consolidated comprehensive income for the first quarter of 2025 was \$88 million compared to \$555 million for 2024. Other comprehensive income ("OCI") was \$2 million in 2025 compared to \$8 million in 2024. The decrease in OCI in 2025 was primarily due to a lower gain on the remeasurement of the post-employment defined benefit plans in 2025.

**Normal course issuer bid**

On March 10, 2025, the Company obtained approval from the TSX to renew its normal course issuer bid ("NCIB") to purchase up to 173,086 common shares between March 12, 2025 and March 11, 2026. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB are limited to 1,000 common shares. The price that the Company pays for the common shares is the prevailing market price at the time of acquisition.

No shares were purchased under the NCIB for the three months ended March 31, 2025.

**Net equity value per common share**

E-L Corporate's investments in Algoma and Economic are accounted for using the equity method and are not carried at fair value. Therefore, to provide an indication of the accumulated shareholder value, the following table adjusts shareholders' equity to reflect investments in associates at fair value:

<i>(millions of dollars, except per share amounts)</i>	<b>Q1 2025</b>	<b>Q4 2024</b>	<b>Q1 2024</b>
E-L Financial shareholders' equity	\$ 7,968	\$ 8,416	\$ 7,652
Less: First preference shares	(300)	(300)	(300)
	<b>7,668</b>	<b>8,116</b>	<b>7,352</b>
Adjustments for E-L Corporate's investments in associates not carried at fair value:			
Carrying value	(430)	(466)	(395)
Fair value <sup>(1)</sup>	<b>438</b>	<b>430</b>	<b>398</b>
	<b>8</b>	<b>(36)</b>	<b>3</b>
Non-controlling interest and deferred tax	(1)	8	(1)
	<b>7</b>	<b>(28)</b>	<b>2</b>
Net equity value	\$ <b>7,675</b>	\$ 8,088	\$ 7,354
Common shares <sup>(2)</sup> outstanding at period end	<b>3,461,980</b>	3,461,980	3,461,980
<b>Net equity value per common share<sup>(2) (3)</sup></b>	<b>\$ 2,216.91</b>	\$ 2,336.43	\$ 2,124.20

<sup>(1)</sup> Based on quoted market prices

<sup>(2)</sup> Common shares includes Series A Convertible Preference Shares

<sup>(3)</sup> See non-GAAP measures

## Growth in net equity value per common share

The Company's objective is to build long-term shareholder value by compounding growth in net equity value per common share over the long term. Set out below is a table that shows the net equity value per common share and growth for the respective fiscal periods. 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.

Annual	Net equity value per common share *	Growth*
	\$	%
2015	1,089.23	12.3
2016	1,159.26	6.8
2017	1,316.64	14.0
2018	1,295.65	(1.2)
2019	1,486.19	15.1
2020	1,684.93	15.4
2021	1,884.08	17.1
2022	1,785.66	(3.4)
2023	1,968.17	11.1
2024	2,336.43	22.5
<b>Year to date</b>		
March 31, 2025	2,216.91	1.5
<b>Compounded annual growth in net equity value per common share*</b>		
2015 - 2024 - 10 years		10.4
1969 - 2024 - Since inception		12.3

\* This chart was drawn from the individual annual reports and has not been restated for any subsequent changes in accounting policies. Net equity value amounts are reduced by deferred income tax liabilities on net unrealized investment gains. See non-GAAP measures.

## Summary of quarterly results

The following table summarizes the quarterly results:

<i>(millions of dollars, except per share amounts)</i>	2025				2024			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Insurance service revenue	\$ 373	\$ 358	\$ 357	\$ 351	\$ 339	\$ 335	\$ 337	\$ 328
Net investment and insurance finance result	80	4	219	28	55	142	(46)	(7)
Fair value change in fair value through profit or loss investments	(70)	301	325	214	629	516	(103)	211
Non-insurance investment and other income	89	47	56	62	41	40	37	50
Share of income (loss) of associates	2	19	43	14	6	(30)	4	9
Total revenue	\$ 474	\$ 729	\$ 1,000	\$ 669	\$ 1,070	\$ 1,003	\$ 229	\$ 591
Net income (loss) <sup>(1)</sup>	\$ 86	\$ 287	\$ 497	\$ 232	\$ 547	\$ 501	\$ (57)	\$ 184
Earnings (loss) per common share								
- basic	\$ 24.35	\$ 84.03	\$ 146.56	\$ 67.66	\$ 161.41	\$ 144.61	\$ (17.73)	\$ 52.07
- diluted	\$ 23.91	\$ 77.93	\$ 135.13	\$ 62.96	\$ 148.72	\$ 132.30	\$ (17.73)	\$ 48.31

<sup>(1)</sup> Attributable to shareholders

## Quarterly trend analysis

The consolidated revenue and consolidated net income of the Company are expected to fluctuate on a quarterly basis given its two segments. In particular, equity market movements, changes in interest rates, underwriting results, insurance contract liability discount rates and reserve adjustments are likely to cause fluctuations. Investment income includes dividend income earned by the Company. In general, dividends earned on investments outside North America peak in the second and fourth quarters of the year.

Revenue for the first quarter of 2025 decreased compared to the first quarter of 2024, with fluctuations mainly due to decreases in the fair value change in fair value through profit and loss investments which were partially offset by an increase in the net investment and insurance finance result and non-insurance investment and other income. The decrease in the fair value change in fair value through profit and loss investments in the first quarter of 2025, reflects the strong investment performance during the first quarter of 2024.

Net investment and insurance finance result increased by \$25 million in the first quarter of 2025 compared to the same period in 2024. This was mainly due to the favourable effect of interest rate decreases in the current period compared to the unfavourable effect of interest rate increases in the first quarter in 2024. The positive results due to interest rate changes were partly offset by less favourable net investment gains from non-fixed income assets in the first quarter of 2025 compared to the stronger results on these assets in the first quarter in 2024.

## Liquidity and cash flows

The cash flow information, noted below, provides supplemental information that is considered useful in understanding the components within the cash flow statement on both a consolidated and non-consolidated basis.

### Consolidated cash flows

The condensed cash flows of United and Empire Life, as well as E-L Financial non-consolidated and consolidated are presented below:

Period ended March 31 (millions of dollars)	E-L Financial (non- consolidated)	United	Empire Life	Consolidation adjustments	E-L Financial Consolidated	
					2025	2024
Cash flows from:						
Operating activities	\$ 137	\$ 4	\$ (33)	\$ (110)	\$ (2)	\$ 53
Financing activities	(539)	(189)	(7)	109	(626)	(61)
Investing activities	359	224	1	1	585	(116)
(Decrease) increase in cash and cash equivalents	(43)	39	(39)	—	(43)	(124)
Cash and cash equivalents, beginning of the period	112	42	219	—	373	441
Cash and cash equivalents, end of the period	\$ 69	\$ 81	\$ 180	\$ —	\$ 330	\$ 317

There is a decrease in cash provided from operating activities in 2025 relative to 2024 which is mostly attributable to Empire Life. For Empire Life, cash flows from operating activities include premiums, net investment income and fee income. These funds are primarily used to pay policy benefit payments, commissions, operating expenses and policyholder dividends.

Cash used for financing activities increased during 2025, primarily due to the Company's payment of a special cash dividend of \$150.00 per common share on March 14, 2025 and United's payment of a special cash dividend of \$16.50 per common share on February 28, 2025. During Q1 2024 United repaid the \$40 million operating credit facility.

Cash flows provided from investing activities in 2025 increased mainly due to the proceeds from higher net sales of investments by E-L Financial (non-consolidated) and United during the first quarter of 2025. Empire Life's reported lower net purchases of investments in the first quarter of 2025 compared to the prior period.

*Non-consolidated cash flows of E-L Financial*

E-L Financial's corporate cash flows from operating activities, before payment of dividends, are primarily comprised of dividends and interest received, less operating expenses and income taxes.

The following table details the non-consolidated cash flows of the Company on a direct basis, excluding the cash flows of the subsidiaries. This table has been prepared to assist the reader in isolating the cash flows of E-L Financial (non-consolidated).

**Three months ended March 31**

<i>(millions of dollars)</i>	<b>2025</b>	2024
Cash flows from:		
Operating activities		
Dividends from subsidiaries	\$ 107	\$ 2
Dividends and interest	66	19
Expenses and taxes, net of other income	(36)	(9)
	<b>137</b>	12
Financing activities		
Cash dividends	(536)	(17)
Increase in margin loan	—	6
Interest paid on borrowings	(3)	(1)
	<b>(539)</b>	(12)
Investing activities		
Purchases of investments	(110)	(102)
Proceeds from sales of investments	430	89
Dividends from associates	39	8
	<b>359</b>	(5)
Decrease in cash and cash equivalents	<b>(43)</b>	(5)
Cash and cash equivalents, beginning of the period	112	59
Cash and cash equivalents, end of the period	<b>\$ 69</b>	\$ 54

During 2025, the non-consolidated cash and cash equivalents of E-L Financial decreased by \$43 million.

Operating cash flows for 2025 increased compared with the prior year mainly due to special dividends received from United.

Cash flows used for financing activities for 2025 were impacted by the items previously discussed in the consolidated cash flows narrative above.

Cash flows from investing activities in 2025 increased compared to the same period in 2024 as E-L Financial used proceeds from sales of investments to fund the special common share dividend paid during the first quarter of 2025. Dividends from associates increased due to a special dividend paid by Economic during the first quarter of 2025.

E-L Financial maintains sufficient liquidity through holding cash equivalents and a sufficient amount of marketable investments that may be sold, if necessary, to fund new investment opportunities and to meet any operating cash flow requirements.

### **Subsequent Event**

On May 7, 2025 the Company announced that it was splitting its Common Shares on a 100 for 1 basis. The Company's common shares will begin trading with "due bills" on the Toronto Stock Exchange at the opening of business on Friday, May 23, 2025 (being the Record Date) until the close of business on Friday, May 30, 2025 (being the Payment Date), inclusively.

### **Analysis of business segments**

The remainder of this MD&A discusses the individual results of operations and financial condition of the Company's business segments: E-L Corporate and Empire Life.

**E-L CORPORATE**

E-L Corporate's operations includes the oversight of investments in global equities held through direct and indirect holdings of common shares, investment funds, closed-end investment companies, a limited partnership and other private companies.

Investments in Economic and Algoma are reported as investments in associates and are discussed below. Investments in equities and fixed income securities held directly by E-L Financial and through United are combined to form "Investments – corporate".

**Investments - corporate**

Investments - corporate includes investments in equities and short-term fixed-income investments. At March 31, 2025, investments - corporate had aggregate investments of \$7.2 billion, comprised primarily of common shares and units of investment funds, compared to aggregate investments at December 31, 2024 of \$7.8 billion. The fair value of investments - corporate is summarized in the table below:

<i>(millions of dollars)</i>	<b>March 31 2025</b>	December 31 2024
Preferred shares	\$ 1	\$ 2
Common shares and units		
Canada	1,132	1,130
U.S.	4,093	4,621
Europe and United Kingdom	1,250	1,274
Other	736	794
Total	7,211	7,819
<b>Total invested assets</b>	<b>\$ 7,212</b>	<b>\$ 7,821</b>

In the normal course of business, investment commitments are outstanding which are not reflected in the consolidated financial statements. As of March 31, 2025, E-L Corporate has \$337 million (December 31, 2024 - \$337 million) in unfunded commitments in limited partnerships.

The following table provides a summary of E-L Corporate's results:

<i>(millions of dollars)</i>	<b>2025</b>	<b>First quarter 2024</b>
Net (loss) gain on investments	\$ (70)	\$ 629
Investment and other income	81	34
Share of associates income	1	5
	12	668
Expenses	13	12
Income taxes	(10)	88
Non-controlling interests	(7)	73
	(4)	173
<b>Net income</b>	<b>16</b>	<b>495</b>
OCI, net of taxes	2	4
<b>Comprehensive income</b>	<b>\$ 18</b>	<b>\$ 499</b>

E-L Corporate reported net income of \$16 million in the first quarter of 2025 compared to \$495 million for the comparative period in 2024. For the first quarter of 2025 there was a net loss on investments of \$70 million compared to a gain of \$629 million for the first quarter of 2024. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income of 1% for the first quarter of 2025 compared to 11% for the first quarter of 2024.

Investment and other income was higher in the first quarter of 2025 compared to the comparative period in 2024. Investment and other income consists primarily of dividend income received from E-L Corporate's investment portfolio. In general, dividend income is impacted by the composition of the investment portfolio and foreign exchange rates.

Operating expenses remained consistent on a year over year basis.

### Share of associates income

The details of E-L Corporate's share of (loss) income of associates are as follows:

<i>(millions of dollars)</i>	<b>First quarter</b>	
	<b>2025</b>	<b>2024</b>
Algoma	\$ (26)	\$ (6)
Economic	27	11
	<b>\$ 1</b>	<b>\$ 5</b>

Share of associate's (loss) income includes an impairment provisions for Algoma of \$18 million (March 31, 2024 - \$nil) and an impairment reversal for Economic of \$6 million (March 31, 2024 - a \$5 million impairment provision) for the three months ended March 31, 2025.

The nature of Algoma's business is such that earnings in the first quarter of each year typically reflects a loss due to the reduced level of shipping activity during the winter and the timing of maintenance spending.

Economic owns, directly and indirectly, long-term investments in the common shares of some publicly-traded Canadian companies, and a managed global investment portfolio of common shares of publicly-traded global companies. Economic's global investment portfolio had a pre-tax total return, gross of fees, of 4% for the first quarter of 2025 compared to 13% in 2024.

The ownership interests, carrying value and fair value of E-L Corporate's investment in associates is summarized in the table below:

	<b>March 31, 2025</b>			<b>December 31, 2024</b>		
	<b>Ownership</b>	<b>Carrying value</b>	<b>Fair value</b>	<b>Ownership</b>	<b>Carrying value</b>	<b>Fair value</b>
Algoma	34.9 %	\$ 218	\$ 218	34.9 %	\$ 245	\$ 209
Economic	24.9 %	212	220	24.9 %	221	221
Total		<b>\$ 430</b>	<b>\$ 438</b>		<b>\$ 466</b>	<b>\$ 430</b>

Algoma and Economic are Canadian public companies for which further information is publicly available.

### Risk management

The objective of the Company's risk management process is to ensure that the operations of the Company encompassing risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance.

### Market risk

Market risk is the most significant risk impacting E-L Corporate as its investing activities are influenced by market price, foreign currency and interest rate risk. As the Company's investment portfolio is represented by Canadian and global equities, the value of its investments will vary from day to day depending on a number of market factors including economic conditions, global events, market sentiment, and on the performance of the issuers of the securities in which the Company invests. Changes in foreign currency exchange rates will also affect the value of investments of non-Canadian dollar securities. As of March 31, 2025, 60% (December 31, 2024 - 63%) of the investment - corporate including cash and cash equivalents was denominated in U.S. dollars, 9% (December 31, 2024 - 9%) in Euros and 4% (December 31, 2024 - 4%) in the Japanese Yen representing the largest foreign currency exposures. The Company also holds investments within emerging markets. Investments in emerging markets are more likely to experience political, economic and social instability, which may result in higher levels of market value volatility.

### Credit risk

In addition to the discussion of risks included in this MD&A, a comprehensive discussion of the material risks that impact the Company is included in the Annual Information Form which is available at [www.sedarplus.ca](http://www.sedarplus.ca). Disclosures regarding E-L Corporate's financial instruments, including financial risk management, are included in Notes 3 and 14 to the consolidated financial statements.

### Outlook

The Company's future earning prospects are dependent on the successful management of its E-L Corporate portfolio and on the continued profitability of its insurance company subsidiary. The performance of the E-L Corporate portfolio is impacted by global equity markets and the selection of equity and fixed income investments. The Company continues to maintain its strategy of accumulating shareholder value through long-term capital appreciation and dividend and interest income.

**REPORT ON EMPIRE LIFE**

Empire Life provides a broad range of life insurance and wealth management products, employee benefit plans and financial services to meet the needs of individuals, professionals and businesses through a network of Independent Financial Advisors (“IFA”), Managing General Agents (“MGA”), National Account firms and Group Solutions brokers and representatives.

Empire Life’s net income attributable to the owners of E-L Financial, after adjustment for non-controlling interests, is shown in the following table:

**Financial analysis overview**

<i>(millions of dollars)</i>	<b>First quarter</b>	
	<b>2025</b>	<b>2024</b>
Empire Life common shareholders’ net income (loss)	<b>\$ 70</b>	<b>\$ 52</b>
Non-Controlling interests	—	—
Net income contribution to E-L Financial	<b>\$ 70</b>	<b>\$ 52</b>

	<b>Mar 31 2025</b>	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024
<b>LICAT total ratio</b>	<b>140 %</b>	151 %	154 %	152 %	157 %

Empire Life reported first quarter common shareholders’ net income of \$70 million, a \$18 million increase compared to the first quarter of 2024, driven by an increase in net investment and insurance finance results in the first quarter of 2025 compared to the same period in 2024, and net insurance service results which improved over the prior year. These positive results were partly offset by higher workforce costs within non-insurance operating expenses to support growth and continued investment in the business.

## Results by Major Product Line

The following tables provide a summary of Empire Life results segmented by product line for the periods ended March 31, 2025 and March 31, 2024. A discussion of results is provided in the Product Line Results section of the MD&A.

### For the three months ended March 31, 2025

(in millions of dollars)	<b>Wealth Management</b>	<b>Group Solutions</b>	<b>Individual Insurance</b>	<b>Capital &amp; Surplus</b>	<b>Total</b>
Insurance revenue	\$ 62	\$ 177	\$ 134	\$ —	\$ 373
Insurance service expenses	(36)	(170)	(98)	—	(304)
Insurance service result	26	7	36	—	69
Net expense from reinsurance contracts held	(1)	(4)	(14)	—	(19)
<b>Net insurance service result</b>	<b>25</b>	<b>3</b>	<b>22</b>	<b>—</b>	<b>50</b>
Investment income (loss), excluding segregated fund account balances					
Investment income	29	4	97	35	165
Change in investment contracts	(7)	—	—	—	(7)
<b>Net investment result, excluding segregated fund account balances</b>	<b>22</b>	<b>4</b>	<b>97</b>	<b>35</b>	<b>158</b>
Insurance finance (expense) income, excluding segregated fund account balances					
Insurance contracts	(19)	(5)	(54)	—	(78)
Reinsurance contracts held	—	2	(2)	—	—
<b>Net insurance finance expense, excluding segregated fund account balances</b>	<b>(19)</b>	<b>(3)</b>	<b>(56)</b>	<b>—</b>	<b>(78)</b>
Segregated fund account balances net investment and insurance finance result					
Investment income on investments for segregated fund account balances	46	—	2	—	48
Insurance finance expenses for segregated fund account balances	(46)	—	(2)	—	(48)
<b>Segregated funds account balances net investment and insurance finance result</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net investment and insurance finance result</b>	<b>3</b>	<b>1</b>	<b>41</b>	<b>35</b>	<b>80</b>
Other income and expenses					
Fee and other income	—	1	—	7	8
Non-insurance expenses	(8)	(10)	(9)	(9)	(36)
Interest expenses	—	—	—	(4)	(4)
<b>Total other income and expenses</b>	<b>(8)</b>	<b>(9)</b>	<b>(9)</b>	<b>(6)</b>	<b>(32)</b>
Net income (loss) before taxes	\$ 20	\$ (5)	\$ 54	\$ 29	\$ 98
Income taxes					(24)
<b>Net income after taxes</b>					<b>74</b>
Less: net income attributable to the participating account					1
Less: preferred share dividends declared and distributions on other equity instruments					3
Empire Life's common shareholder's net income					70
Non-controlling interests in net income					—
<b>Net income attributable to owners of E-L Financial</b>				<b>\$</b>	<b>70</b>

**For the three months ended March 31, 2024**

(in millions of dollars)	Wealth Management	Group Solutions	Individual Insurance	Capital & Surplus	Total
Insurance revenue	\$ 60	\$ 163	\$ 116	\$ —	\$ 339
Insurance service expenses	(32)	(157)	(93)	—	(282)
Insurance service result	28	6	23	—	57
Net expense from reinsurance contracts held	(1)	(5)	(12)	—	(18)
<b>Net insurance service result</b>	27	1	11	—	39
Investment income (loss), excluding segregated fund account balances					
Investment income (loss)	17	(1)	(100)	(12)	(96)
Change in investment contracts	(2)	—	—	—	(2)
<b>Net investment result, excluding segregated fund account balances</b>	15	(1)	(100)	(12)	(98)
Insurance finance income, excluding segregated fund account balances					
Insurance contracts	2	—	147	—	149
Reinsurance contracts held	—	—	4	—	4
<b>Net insurance finance income, excluding segregated fund account balances</b>	2	—	151	—	153
Segregated fund account balances net investment and insurance finance result					
Investment income on investments for segregated fund account balances	441	—	1	—	442
Insurance finance expenses for segregated fund account balances	(441)	—	(1)	—	(442)
<b>Segregated funds account balances net finance and investment result</b>	—	—	—	—	—
<b>Net investment and insurance finance result</b>	17	(1)	51	(12)	55
Other income and expenses					
Fee and other income	—	2	—	5	7
Non-insurance expenses	(7)	(4)	(7)	(3)	(21)
Interest expenses	—	—	—	(4)	(4)
<b>Total other income and expenses</b>	(7)	(2)	(7)	(2)	(18)
Net income (loss) before taxes	\$ 37	\$ (2)	\$ 55	\$ (14)	\$ 76
Income taxes					(18)
<b>Net income after taxes</b>					58
Less: net income attributable to the participating account					3
Less: preferred share dividends declared and distributions on other equity instruments					3
Empire Life's common shareholder's net income					52
Non-controlling interests in net income					—
<b>Net income attributable to owners of E-L Financial</b>				\$	52

Empire Life reported common shareholders' net income of \$70 million in the first quarter of 2025, an increase of \$18 million compared to the first quarter of 2024. The period over period increase was driven by strong net investment and insurance finance results due to favourable interest rate changes in this period compared to the same period in 2024, as well as improved net insurance service results in the Individual Insurance product line.

Net insurance service result increased by \$11 million in the first quarter compared to the same period in 2024. Contributing factors include improved mortality experience in the Individual Insurance product line relative to the first quarter of 2024, and some modest health claims experience improvements in the Group Solutions product line.

Net investment and insurance finance result increased by \$25 million in the first quarter of 2025 compared to the same period in 2024. This was mainly due to the favourable effect of interest rate decreases in the current period compared to the unfavourable effect of interest rate increases in the first quarter in 2024. The positive results due to interest rate changes were partly offset by less favourable net investment gains from non-fixed income assets in the first quarter of 2025 compared to the stronger results on these assets in the first quarter in 2024.

Total other income and expenses was a net expense of \$32 million in the first quarter, compared to a net expense of \$18 million in the same period in 2024. The increase of \$14 million is due to higher non-insurance operating expenses related to workforce expenses.

### Product Line Results - Wealth Management

(in millions of dollars)	First quarter	
	2025	2024
<b>Fixed annuities</b>		
Assets under management <sup>(1)</sup>	\$ 1,002	\$ 997
Gross sales <sup>(1)</sup>	37	67
Net sales <sup>(1)</sup>	5	21
<b>Segregated funds</b>		
Assets under management <sup>(1)</sup>	\$ 9,248	\$ 8,973
Gross sales <sup>(1)</sup>	301	229
Net sales <sup>(1)</sup>	(25)	(218)

<sup>(1)</sup> See Non-GAAP measures section.

(in millions of dollars)	First quarter	
	2025	2024
Net insurance service result	\$ 25	\$ 27
Net investment and insurance finance result	3	17
Non-insurance operating expenses	(8)	(7)
<b>Net income before taxes</b>	<b>\$ 20</b>	<b>\$ 37</b>

Fixed annuities assets under management were 1% higher relative to the same period in 2024, reflecting continued strength in the product line driven by ongoing customer retention and modest asset growth. Gross sales of fixed annuities in the first quarter were 45% lower than the same period in 2024, due to the change in the interest rate environment compared to the same period in the prior year, where Empire Life continues to see a shift in customer demand towards segregated fund products.

Segregated fund assets under management were 3% higher relative to the same period in 2024, reflecting favourable market movements and improvements in gross sales in the latter half of 2024 and first quarter of 2025. For the first quarter of 2025, gross sales of segregated funds were 31% higher than the same period in 2024. New fund launches in 2024 continue to contribute to the positive variance, along with increased customer demand due to strong equity market performance early in 2025.

Net income before taxes for the first quarter decreased by \$17 million compared to the same period in 2024 primarily driven by the net investment and insurance finance result. The net insurance service result decrease of \$2 million was due to some onerous contract reversals in 2024 that did not reoccur in 2025. The net investment and insurance finance result of \$3 million in the first quarter is a \$14 million decrease relative to the same period in the prior year, driven by less favourable net investment gains from non-fixed

income assets in the first quarter of 2025 compared to the stronger results on these assets in the first quarter of 2024.

### Product line results - Group Solutions

(in millions of dollars)	First quarter	
	2025	2024
<b>Annualized premium sales</b>		
Core	\$ 26	\$ 15
Other	9	7
<b>Total annualized premium sales<sup>(1)</sup></b>	<b>\$ 35</b>	<b>\$ 22</b>

<sup>(1)</sup> See Non-GAAP measures section.

(in millions of dollars)	First quarter	
	2025	2024
<b>Insurance revenue</b>	<b>\$ 177</b>	<b>\$ 163</b>
Net insurance service result	\$ 3	\$ 1
Net investment and insurance finance result	1	(1)
Fee and other income	1	2
Non-insurance operating expenses	(10)	(4)
<b>Net loss before taxes</b>	<b>\$ (5)</b>	<b>\$ (2)</b>

Total annualized premium sales increased 59% in the first quarter compared to the same periods in 2024. This increase is primarily due to strong Core sales related to block transfers for existing specialty partners, and improved results with key distribution partners.

Insurance revenue increased 9% in the first quarter, compared to the same periods in 2024, due to pricing discipline on Core business, and organic growth in specialty partnerships.

For the quarter, net loss before taxes increased \$3 million compared to the same period in 2024, which was primarily due to an increase in Non insurance operating expenses, related to increased overhead costs. This is partially offset by improvements in the net insurance service result and net investment and insurance finance result. The improvement in net insurance service result is primarily due to improvements in health claims experience, offset by increased insurance service expenses related to investments in new product lines.

### Product line results - Individual Insurance

(in millions of dollars)	First quarter	
	2025	2024
<b>Shareholders'</b>		
Shareholders' annualized premium sales <sup>(1)</sup>	\$ 10	\$ 10
Net income before taxes	53	52
<b>Policyholders'</b>		
Policyholders' annualized premium sales <sup>(1)</sup>	\$ 3	\$ 4
Net income before taxes	1	3

<sup>(1)</sup> See Non-GAAP measures section.

(in millions of dollars)	First quarter	
	2025	2024
Net insurance service result	\$ 22	\$ 11
Net investment and insurance finance result	41	51
Non-insurance operating expenses	(9)	(7)
<b>Net income before taxes</b>	<b>\$ 54</b>	<b>\$ 55</b>

Shareholders' annualized premium sales were consistent in the first quarter compared to the same period in 2024. Customer interest in two new products supported robust sales for the whole life portfolio, which offset weaker term life sales related to competitor price changes.

Shareholders' net income before taxes for the first quarter of 2025 was consistent with the same period in 2024. Net insurance service result increased by \$11 million due to improved mortality experience in 2025 compared to the unfavourable experience in the first quarter of 2024. This was offset by the \$10 million decrease in the net investment and insurance finance result due to slightly less favourable impacts from interest rate movements in the first quarter of 2025 relative to the same period in 2024. While interest rate movements had a positive impact on Investment income in the current year versus prior year, they were offset by adverse effects on net insurance finance result, resulting in a net negative outcome in the net investment and insurance finance result.

### Results - Capital and Surplus

(in millions of dollars)	First quarter	
	2025	2024
Net investment result	\$ 35	\$ (12)
Other income and expenses	(6)	(2)
Net income (loss) before taxes	\$ 29	\$ (14)

Net income before taxes in the Capital and Surplus segment increased by \$43 million in the first quarter of 2025, from a net loss before taxes in the same period in 2024. The increase in net investment result of \$47 million is due to the favourable effect of interest rate decreases in the current period compared to the unfavourable effect of interest rate increases in the first quarter of 2024.

### Results - Net Contractual Service Margin

(Amounts are net of reinsurance contracts held, in millions of dollars)	First quarter	
	2025	2024
<b>Net contractual service margin, beginning of period</b>	<b>\$ 1,410</b>	<b>\$ 1,415</b>
Impact of new insurance business	16	15
Interest accretion	6	6
Insurance experience <sup>(1)</sup>	(19)	(7)
Economic experience <sup>(1)</sup>	(3)	108
Assumption updates <sup>(1)</sup>	(10)	4
CSM recognized for services provided	(41)	(42)
<b>Net contractual service margin, end of period</b>	<b>\$ 1,359</b>	<b>\$ 1,499</b>

<sup>(1)</sup> Insurance experience, economic experience and assumption updates are components of changes in estimates that adjust the CSM. Insurance experience represents the current period impacts of insurance experience, resulting in a change in future cash flows that adjust CSM. Economic experience represents the changes in the effect of time value of money and financial risk relating to contracts measured using the Variable Fee Approach ("VFA") for the Wealth Management and Individual Insurance product lines. Assumption updates represent the future period impacts of changes in fulfillment cash flows that adjust CSM.

The Net Contractual Service Margin ("CSM") for the first quarter of 2025 was \$1,359 million, a decrease of \$51 million from December 31, 2024. The primary drivers of change in the net CSM are:

- **New insurance business:** The net CSM increase related to new business placed in the first quarter of 2025 remained consistent with the same period in 2024.
- **Insurance experience:** A one-time change related to segregated fund expense projections, coupled with adverse lapse experience in the term insurance block led to the \$19 million decrease.
- **Economic experience:** The impact of a decrease in interest rates and lower equity returns contributed to a decrease in the CSM.
- **Assumption updates:** Updates to the insurance expense assumptions on participating policies in the first quarter of 2025 drove a \$10 million decrease in the net CSM balance during the quarter.

- CSM amortization: The recognition of CSM remains relatively consistent quarter to quarter.

### Financial Instruments

Empire Life holds an investment portfolio that is actively managed to optimize yield, quality and liquidity while ensuring diversification and duration-matched to our future obligations. Cash flows arising from these financial instruments are intended to match the liquidity requirements of Empire Life's insurance and investment contract liabilities, within the limits prescribed by Empire Life. Empire Life is subject to credit and market risk on these financial instruments.

Credit risk on these financial instruments could result in a financial loss should the other party fail to discharge an obligation. This credit risk is derived primarily from investments in bonds, debentures, preferred shares, short-term investments, loans and mortgages. Empire Life manages credit risk by applying its investment guidelines as established by management and approved by the Investment Committee of the Board of Directors. The investment guidelines establish minimum credit ratings for issuers of bonds, debentures and preferred share investments, and provide for concentration limits by issuer of such debt instruments. The investment guidelines also establish minimum underwriting requirements and limits for debt financing of an advisor company or managing general agent. Management reviews credit quality relative to investment purchases and monitors the credit quality of invested assets over time. Management reports regularly to the Investment Committee of Empire Life's Board on the credit risk to which the portfolio is exposed.

Empire Life manages market risk exposure mainly through investment limits and oversight of its in-house investment managers and external investment firms by the Chief Investment Officer, Asset Management Committee and Investment Committee of the Board. The Investment Committee actively monitors the portfolio and asset mix. Empire Life has hedging programs in place as part of its approach to managing this risk.

Empire Life manages credit risk with respect to derivatives by applying limits and credit rating restrictions established by the Investment Committee in its investment guidelines, which set out permitted derivatives and permitted uses for derivatives, as well as limits to the use of these instruments. In particular, no leverage is permitted in the use of derivatives and strict counterparty credit restrictions are imposed.

### Sources of capital

Empire Life has issued private and public securities to strengthen its capital position and fund new business growth. The securities outstanding are summarized in the following table:

(in millions of dollars)	As at	
	March 31 2025	December 31 2024
Subordinated debentures	\$ 399	\$ 399
Equity		
Preferred shares and other equity instruments	\$ 297	\$ 297
Common shares	1	1
<b>Total Equity</b>	<b>\$ 298</b>	<b>\$ 298</b>

Details of Empire Life's outstanding subordinated debentures are as follows:

(in millions of dollars)	Date Issued	Earliest Redemption Date	Yield	As at	
				March 31 2025	December 31 2024
Series 2021-1 <sup>(1)</sup>	September 2021	September 24, 2026	2.024%	\$ 200	\$ 200
Series 2023-1 <sup>(2)</sup>	January 2023	January 13, 2028	5.503%	\$ 200	\$ 200

<sup>(1)</sup> Series 2021-1 Subordinated 2.024% unsecured debentures due 2031. From September 24, 2026, interest is payable at 0.67% over CORRA plus 0.32138% credit adjustment spread.

<sup>(2)</sup> Series 2023-1 Subordinated 5.503% unsecured debentures due 2033. From January 13, 2028, interest is payable at 2.26% over CORRA.

Details of Empire Life's outstanding preferred shares and other equity instruments are as follows:

(in millions of dollars)	Date Issued	Earliest Redemption Date	Yield	As at	
				March 31 2025	December 31 2024
Preferred shares, Series 3	November 2017	January 17, 2028	6.187 %	\$ 100	\$ 100
Limited Recourse Capital Notes, Series 1	February 2021	April 17, 2026	3.625 %	\$ 197	\$ 197

### Security rating

The securities issued by Empire Life are rated by DBRS Limited ("Morningstar DBRS"). Morningstar DBRS completed its annual rating review of Empire Life in the second quarter of 2024. Morningstar DBRS confirmed all credit ratings and updated Empire Life's trend to Positive from Stable.

Evaluation type	Rating	Trend	Date of last rating action
Financial strength rating	A	Positive	May 24, 2024
Issuer rating	A	Positive	May 24, 2024
Subordinated debt	A (low)	Positive	May 24, 2024
Preferred shares	Pfd-2	Positive	May 24, 2024
Limited Recourse Capital Notes	BBB (high)	Positive	May 24, 2024

### Regulatory capital

The Life Insurance Capital Adequacy Test (LICAT) measures the capital adequacy of an insurer and is one of several indicators used by the Office of the Superintendent of Financial Institutions, Canada (OSFI) to assess an insurer's financial condition<sup>(1)</sup>. Empire Life continues to have a strong capital position under the LICAT framework. Empire Life is required to maintain a minimum Core Ratio of 55% and a Total Ratio of 90%. OSFI has established supervisory target levels of 70% for Core and 100% for Total Ratio.

LICAT (in millions of dollars)	Mar 31 2025	Dec 31 2024	Sep 30 2024	Jun 30 2024	Mar 31 2024
<b>Available capital</b>					
Tier 1	\$ 2,554	\$ 2,195	\$ 2,206	\$ 2,091	\$ 2,222
Tier 2	778	726	737	705	683
Total	\$ 3,332	\$ 2,921	\$ 2,943	\$ 2,796	\$ 2,905
<b>Surplus allowance and eligible deposits</b>	\$ 771	\$ 677	\$ 654	\$ 645	\$ 638
<b>Base solvency buffer</b>	\$ 2,929	\$ 2,383	\$ 2,334	\$ 2,261	\$ 2,254
<b>LICAT total ratio</b>	<b>140 %</b>	151 %	154 %	152 %	157 %
<b>LICAT core ratio</b>	<b>106 %</b>	112 %	114 %	112 %	118 %

Empire Life maintained a strong LICAT position that is well above target levels. Empire Life's Total and Core LICAT ratios decreased in the first quarter compared to the previous quarter, primarily due to the

updated OSFI LICAT guidelines, effective January 1, 2025. The new guideline contained significant changes related to capital for segregated fund guarantees and related hedging programs. The net effect of these changes resulted in a reduction of Empire Life's LICAT ratios. LICAT ratios for periods prior to January 1, 2025 have not be restated.

### **Risk Management**

Empire Life is a financial institution offering wealth management, group solutions and individual insurance products. Empire Life is exposed to a number of risks as a result of its business activities. Effective risk management is critical to the overall profitability, competitive market positioning and long-term financial viability of Empire Life. While all risks cannot necessarily be eliminated or known with certainty, the goal of Empire Life's risk management program is to ensure that risk-taking activities are aligned with its strategy, in order to achieve business goals and deliver acceptable shareholder returns, without compromising Empire Life's ability to pay claims and fulfil policyholder commitments.

### **Caution Related to Sensitivities**

In the sections that follow, Empire Life provides sensitivities and risk exposure measures for certain risks. These include sensitivities due to specific changes in market prices and interest rates, based on the market prices, interest rates, assets, liabilities and business mix in place as at the respective calculation dates. The sensitivities are calculated independently for each risk variable, generally assuming that all other risk variables remain constant. The sensitivities do not take into account indirect effects such as potential impacts on goodwill impairments or valuation allowances on deferred tax assets. The sensitivities are provided for the consolidated entity. Actual results can differ materially from these estimates for a variety of reasons, including differences in the pattern or distribution of market shocks, the interaction between these risk factors, model errors, or changes in other assumptions such as business mix, effective tax rates, policyholder behaviour and other market variables relative to those underlying the calculation of the sensitivities. Changes due to new sales or maturities, asset purchases/sales, or other management actions could also result in material changes to these reported sensitivities. For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined and should not be viewed as predictors for Empire Life's future net income, CSM, equity and capital sensitivities. Given the nature of these calculations, Empire Life cannot provide assurance that the actual impact will be consistent with the estimates provided. Changes in risk variables in excess of the ranges illustrated may result in other than proportionate impacts.

### **Market Risk**

Empire Life has market risk exposure related to guarantees in its segregated fund products and also related to its life insurance contract liabilities and invested assets. Empire Life maintains hedging programs intended to partially offset market impacts on its regulatory capital (LICAT) ratio. The hedging programs may employ derivatives such as forwards, swaps, options and futures. The extent of derivatives usage is monitored and managed on an ongoing basis.

There is the potential for income statement volatility from the hedging programs. Empire Life has required capital for LICAT purposes as well as liabilities on the statement of financial position related to segregated fund guarantees. Some net income volatility can potentially result from the hedging instruments, where gains or losses are not directly offset by changes in other asset or liability values. For the quarter ended March 31, 2025, Empire Life experienced a neutral outcome of \$0 million pre-tax related to the hedging programs, compared to a net loss before taxes of \$2 million over the same period in 2024. The hedging program also had a net positive effect on the CSM of \$11 million for the quarter ended March 31, 2025.

Empire Life's LICAT ratio is also sensitive to stock market volatility, primarily due to liability and capital requirements related to segregated fund guarantees. As of March 31, 2025, Empire Life had \$9.2 billion of

segregated fund assets and liabilities. Of this amount, approximately \$9.0 billion have guarantees. The following table provides a percentage breakdown by type of guarantee.

	March 31 2025	December 31 2024
<b>Percentage of segregated fund liabilities with:</b>		
75% maturity guarantee and a 75% death benefit guarantee	13 %	12 %
75% maturity guarantee and a 100% death benefit guarantee	43 %	44 %
100% maturity and death benefit guarantee (with a minimum of 15 years between deposit and maturity date)	6 %	6 %
Guaranteed minimum withdrawal benefit ("GMWB")	38 %	38 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

For segregated fund guarantee insurance contract liabilities, the level of sensitivity can be dependent on the level of equity markets. Generally when market levels are higher, the sensitivity is reduced, and vice-versa. The CSM provides a significant offset to potential impacts in the segregated fund guarantee liability. This significantly reduces the net income impacts from changes in interest rates or stock market levels.

As at March 31, 2025 and December 31, 2024, the sensitivity of Empire Life shareholders' net income resulting from changes in equity market prices is provided in the following table:

Sensitivity to equity risk (in millions of dollars)	Increase		Decrease	
	20%	10%	10%	20%
<b>As at March 31, 2025</b>				
<b>Net income and equity</b>	\$ 16	\$ 6	\$ (17)	\$ (35)
<b>CSM</b>	\$ 183	\$ 95	\$ (100)	\$ (195)
<b>As at December 31, 2024</b>				
Net income and equity	\$ 17	\$ 8	\$ —	\$ 15
CSM	\$ 186	\$ 98	\$ (114)	\$ (246)

The sensitivity of Empire Life's LICAT total ratio resulting from increases and decreases on equity markets is provided in the following table for March 31, 2025 and December 31, 2024.

As noted in the Regulatory Capital section of this MD&A, a new LICAT guideline became effective January 1, 2025. LICAT sensitivities at March 31, 2025 are calculated under the new guideline. LICAT total ratio sensitivities for December 31, 2024 have not been recalculated.

<b>Sensitivity to equity risk</b>	<b>Increase</b>		<b>Decrease</b>	
	<b>20%</b>	<b>10%</b>	<b>10%</b>	<b>20%</b>
Impact on LICAT				
<b>Segregated fund guarantees</b>	<b>9%</b>	<b>5%</b>	<b>(6)%</b>	<b>(12)%</b>
<b>Other equity risk</b>	<b>1%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>
<b>Equity hedge</b>	<b>(5)%</b>	<b>(3)%</b>	<b>3%</b>	<b>6%</b>
<b>As at March 31, 2025</b>	<b>5%</b>	<b>2%</b>	<b>(3)%</b>	<b>(6)%</b>
Segregated fund guarantees	16%	8%	—%	(4)%
Other equity risk	1%	—%	—%	—%
Equity hedge	—%	—%	—%	(1)%
<b>As at December 31, 2024</b>	<b>17%</b>	<b>8%</b>	<b>—%</b>	<b>(5)%</b>

The amount at risk related to segregated fund maturity guarantees and segregated fund death benefit guarantees, and the resulting insurance contract liabilities and LICAT base solvency buffer for Empire Life's segregated funds is provided in the following table:

<b>Segregated funds</b>	<b>Withdrawal benefit &gt; fund value</b>		<b>Maturity guarantee &gt; fund value</b>		<b>Death benefit &gt; fund value</b>		<b>Insurance Contract liabilities</b>	<b>LICAT capital</b>
	<b>Fund value</b>	<b>Amount at risk</b>	<b>Fund value</b>	<b>Amount at risk</b>	<b>Fund value</b>	<b>Amount at risk</b>		
<i>(millions of dollars)</i>								
<b>March 31, 2025</b>	<b>\$ 2,284</b>	<b>\$ 734</b>	<b>\$ 60</b>	<b>\$ 2</b>	<b>\$ 1,666</b>	<b>\$ 28</b>	<b>\$ 124</b>	<b>\$ 1,051</b>
<b>December 31, 2024</b>	<b>\$ 2,331</b>	<b>\$ 741</b>	<b>\$ 28</b>	<b>\$ 1</b>	<b>\$ 699</b>	<b>\$ 8</b>	<b>\$ 119</b>	<b>\$ 388</b>

The first six columns of the above table show amounts associated with all segregated fund policies where the future withdrawal benefit, future maturity guarantee, or future death benefit guarantee is greater than the fund value. The amount at risk represents the excess of the future withdrawal benefit, future maturity guarantee or future death benefit guarantee amount over the fund value for these policies. The withdrawal benefit amounts in the above table relate to GMWB products. The GMWB withdrawal benefit amount at risk represents the amount that could be paid by Empire Life to GMWB policyholders if the net return on each GMWB policyholder's assets is zero for the remainder of each GMWB policyholder's life, based on life expectancy. At March 31, 2025, the aggregate amount at risk for all three categories of risk was \$764 million. At December 31, 2024, the aggregate amount at risk for these three categories of risk was \$750 million. For these three categories of risk, the amount at risk is not currently payable, as payment is contingent on future outcomes, including fund performance, deaths, deposits, withdrawals and maturity dates.

The level of insurance contract liabilities and required regulatory capital in the above table is calculated based on the probability that Empire Life will ultimately have to make payment to the segregated fund policyholders for any fund value deficiency that may exist on future payments to GMWB policyholders, or upon future maturity of the segregated fund policies, or upon future death of the segregated fund policyholders.

In addition, Empire Life considers the sensitivity of its LICAT ratio to changes in market interest rates. The impact of a 50 basis point parallel shift in interest rates for March 31, 2025 and December 31, 2024, is shown in the table below. No change to credit spreads is assumed.

<b>Sensitivity to market interest rates - LICAT</b>	<b>Impact of 50 bps decrease</b>
<b>March 31, 2025 LICAT total ratio</b>	—%
December 31, 2024 LICAT total ratio	5%

**E-L Financial Corporation Limited**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**UNAUDITED**  
**(in thousands of Canadian dollars)**

	March 31 2025	December 31 2024
<b>Assets</b>		
Cash and cash equivalents	\$ 330,247	\$ 373,413
Investments - corporate (Note 3)	7,211,604	7,821,214
Investments - insurance (Note 4)	9,444,539	9,386,398
Investments in associates and joint venture (Note 5)	521,499	558,156
Reinsurance contracts held assets (Note 10)	292,096	296,071
Other assets (Note 8)	242,298	197,554
Deferred tax asset	95,577	92,283
Segregated fund assets (Note 9)	9,265,991	9,393,738
<b>Total assets</b>	<b>\$ 27,403,851</b>	<b>\$ 28,118,827</b>
<b>Liabilities</b>		
Insurance contract liabilities, excluding segregated fund account balances (Note 10)	\$ 6,905,682	\$ 6,868,436
Reinsurance contracts held (Note 10)	224,933	213,849
Investment contract liabilities, excluding segregated fund account balances	596,396	585,521
Deferred tax liabilities	470,953	524,164
Dividends payable (Note 11)	16,869	16,869
Other liabilities	119,709	178,831
Borrowings (Note 13)	598,952	598,869
<b>Total liabilities, excluding segregated fund account balances</b>	<b>8,933,494</b>	<b>8,986,539</b>
Insurance contract liabilities for segregated fund account balances (Note 10)	9,008,041	9,140,742
Investment contract liabilities for segregated fund account balances	257,950	252,996
<b>Insurance and investment contract liabilities for segregated fund account balances</b>	<b>9,265,991</b>	<b>9,393,738</b>
<b>Total liabilities</b>	<b>\$ 18,199,485</b>	<b>\$ 18,380,277</b>
<b>Equity</b>		
Capital stock (Note 11)	\$ 362,347	\$ 362,347
Retained earnings	7,566,548	8,016,828
Accumulated other comprehensive income ("AOCI")	39,173	36,696
<b>Total E-L Financial shareholders' equity</b>	<b>7,968,068</b>	<b>8,415,871</b>
Non-controlling interests in subsidiaries ("NCI")	1,182,612	1,269,534
Participating account surplus ("PAR")	53,686	53,145
<b>Total equity</b>	<b>9,204,366</b>	<b>9,738,550</b>
<b>Total liabilities and equity</b>	<b>\$ 27,403,851</b>	<b>\$ 28,118,827</b>

**Approved by the Board**

Duncan N.R. Jackman, Director

Peter J. Levitt, Director

The accompanying notes are an integral part of these consolidated financial statements.

**E-L Financial Corporation Limited**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**UNAUDITED**

**(in thousands of Canadian dollars, except per share amounts)**

	Three months ended	
	March 31	
	2025	2024
<b>Insurance service result</b>		
Insurance revenue (Note 10)	\$ 373,086	\$ 339,042
Insurance service expenses	(304,264)	(282,034)
Net expense from reinsurance contracts held (Note 10)	(19,146)	(18,203)
<b>Net insurance service result</b>	<b>49,676</b>	<b>38,805</b>
<b>Investment and insurance finance result (Note 7)</b>		
Investment income (loss), excluding segregated fund account balances	165,341	(96,229)
Change in investment contracts, excluding segregated fund account balances	(7,649)	(1,629)
Insurance finance (expense) income from insurance contracts, excluding segregated fund account balances	(78,285)	149,476
Insurance finance income from reinsurance contracts held	435	3,677
Investment income related to segregated fund account balances	48,242	441,798
Insurance finance expense related to segregated fund account balances	(48,242)	(441,798)
<b>Net investment and insurance finance result</b>	<b>79,842</b>	<b>55,295</b>
<b>Net insurance result</b>	<b>129,518</b>	<b>94,100</b>
<b>Non-insurance investment income</b>		
Investment and other income (Note 6)	88,867	40,702
Share of income of associates and joint venture (Note 5)	1,539	6,166
Fair value change in fair value through profit or loss investments	(69,926)	629,009
<b>Non-insurance investment income</b>	<b>20,480</b>	<b>675,877</b>
<b>Expenses</b>		
Operating	47,199	30,662
Interest expense	5,770	7,331
	<b>52,969</b>	<b>37,993</b>
<b>Income before income taxes</b>	<b>97,029</b>	<b>731,984</b>
<b>Income taxes</b>	<b>14,034</b>	<b>106,125</b>
<b>Net income</b>	<b>82,995</b>	<b>625,859</b>
Less: Net income attributable to the participating account	541	2,584
Non-controlling interests in net (loss) income	(3,393)	75,965
	<b>(2,852)</b>	<b>78,549</b>
<b>E-L Financial shareholders' net income</b>	<b>\$ 85,847</b>	<b>\$ 547,310</b>
<b>Earnings per share attributable to E-L Financial shareholders</b>		
Basic	\$ 24.35	\$ 161.41
Diluted	\$ 23.91	\$ 148.72

The accompanying notes are an integral part of these consolidated financial statements.

**E-L Financial Corporation Limited**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**UNAUDITED**  
**(in thousands of Canadian dollars)**

	<b>Three months ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Net income</b>	<b>\$ 82,995</b>	<b>\$ 625,859</b>
<b>Other comprehensive income (“OCI”) (loss) (“OCL”), net of taxes</b>		
Items that may be reclassified subsequently to net income:		
Share of OCI of associates	<b>2,519</b>	3,220
Provision for taxes	<b>(334)</b>	(426)
Share of OCI of associates	<b>2,185</b>	2,794
Items that will not be reclassified to net income:		
Net remeasurement of defined benefit plans	<b>822</b>	5,562
Provision for taxes	<b>(217)</b>	(1,467)
Net remeasurement of defined benefit plans	<b>605</b>	4,095
Share of (OCL) OCI of associates	<b>(86)</b>	944
Recovery of (provision for) taxes	<b>11</b>	(125)
Share of (OCL) OCI of associates	<b>(75)</b>	819
	<b>530</b>	4,914
<b>Total OCI</b>	<b>2,715</b>	7,708
<b>Comprehensive income</b>	<b>85,710</b>	633,567
Less: Comprehensive income attributable to the participating account	<b>541</b>	2,584
Non-controlling interests in comprehensive (loss) income	<b>(3,155)</b>	76,389
	<b>(2,614)</b>	78,973
<b>E-L Financial shareholders' comprehensive income</b>	<b>\$ 88,324</b>	<b>\$ 554,594</b>

The accompanying notes are an integral part of these consolidated financial statements.

**E-L Financial Corporation Limited**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**UNAUDITED**  
**(in thousands of Canadian dollars)**

	E-L Financial shareholders' equity						
	Capital stock	Retained earnings	AOCI	Total	NCI	PAR	Total equity
<b>Balance as at January 1, 2025</b>	\$ 362,347	\$ 8,016,828	\$ 36,696	\$ 8,415,871	\$ 1,269,534	\$ 53,145	\$ 9,738,550
Net income (loss)	—	85,847	—	85,847	(3,393)	541	82,995
OCI	—	—	2,477	2,477	238	—	2,715
<b>Comprehensive income (loss)</b>	—	85,847	2,477	88,324	(3,155)	541	85,710
Dividends	—	(536,127)	—	(536,127)	(83,755)	—	(619,882)
Acquisition of subsidiary shares	—	—	—	—	(12)	—	(12)
<b>At March 31, 2025</b>	<b>\$ 362,347</b>	<b>\$ 7,566,548</b>	<b>\$ 39,173</b>	<b>\$ 7,968,068</b>	<b>\$ 1,182,612</b>	<b>\$ 53,686</b>	<b>\$ 9,204,366</b>

	E-L Financial shareholders' equity						
	Capital stock	Retained earnings	AOCI	Total	NCI	PAR	Total equity
<b>Balance as at January 1, 2024</b>	\$ 362,347	\$ 6,728,675	\$ 22,759	\$ 7,113,781	\$ 1,102,405	\$ 46,157	\$ 8,262,343
Net income	—	547,310	—	547,310	75,965	2,584	625,859
OCI	—	—	7,284	7,284	424	—	7,708
<b>Comprehensive income</b>	—	547,310	7,284	554,594	76,389	2,584	633,567
Dividends	—	(16,869)	—	(16,869)	(2,995)	—	(19,864)
<b>At March 31, 2024</b>	<b>\$ 362,347</b>	<b>\$ 7,259,116</b>	<b>\$ 30,043</b>	<b>\$ 7,651,506</b>	<b>\$ 1,175,799</b>	<b>\$ 48,741</b>	<b>\$ 8,876,046</b>

The accompanying notes are an integral part of these consolidated financial statements.

**E-L Financial Corporation Limited**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**UNAUDITED**  
(in thousands of Canadian dollars)

	Three months ended	
	March 31	
	2025	2024
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Net income	\$ 82,995	\$ 625,859
Items not affecting cash resources:		
Changes in contract liabilities	48,121	(136,531)
Changes for reinsurance contracts held	15,059	12,211
Fair value change in fair value through profit or loss investments	(12,627)	(423,354)
Deferred taxes	(57,041)	72,300
Share of income of associates and joint venture	(1,539)	(6,166)
Other items	5,416	(22,971)
	<b>80,384</b>	<b>121,348</b>
Net change in other assets and liabilities	<b>(82,403)</b>	<b>(67,467)</b>
	<b>(2,019)</b>	<b>53,881</b>
<b>Financing</b>		
Cash dividends to shareholders	(536,127)	(16,869)
Cash dividends by subsidiaries to non-controlling interests	(82,070)	(1,561)
Purchases of subsidiary shares	(12)	—
Decrease in borrowings	—	(34,000)
Interest paid on borrowings	(7,712)	(8,946)
	<b>(625,921)</b>	<b>(61,376)</b>
<b>Investing</b>		
Purchases of investments	(684,795)	(1,105,457)
Proceeds from sale or maturity of investments	1,244,940	983,269
Net purchases of other assets	(16,001)	(2,931)
Dividends from associates	40,630	8,942
	<b>584,774</b>	<b>(116,177)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(43,166)</b>	<b>(123,672)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>373,413</b>	<b>440,861</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 330,247</b>	<b>\$ 317,189</b>
<b>Fair value hierarchy for cash and cash equivalents:</b>		
Level 1	\$ 172,021	\$ 158,836
Level 2	158,226	158,353
	<b>\$ 330,247</b>	<b>\$ 317,189</b>

The accompanying notes are an integral part of these consolidated financial statements.

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

## **1. Business operations**

E-L Financial Corporation Limited (the “Company”) is an investment and insurance holding company, publicly traded on the Toronto Stock Exchange and incorporated under the laws of Ontario.

The head office, principal address and registered office of the Company is located at 165 University Avenue, Toronto, Ontario, M5H 3B8.

The interim condensed consolidated financial statements were approved by the Company’s Board of Directors on May 7, 2025.

## **2. Material Accounting Policies**

### **(a) Basis of preparation**

These unaudited interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”) and follow the same accounting policies and methods as the most recent annual financial statements. These unaudited interim condensed consolidated financial statements do not include all of the disclosures required under IFRS Accounting Standards for annual financial statements and should be read in conjunction with the notes to the Company’s audited consolidated financial statements for the year ended December 31, 2024.

All figures included in the interim consolidated financial statements are presented in thousands of Canadian dollars, except per share amounts and where otherwise stated.

### **(b) Accounting changes**

#### **New and amended standards adopted in 2025**

Effective January 1, 2025, the Company adopted the following new and amended accounting standards:

##### *IAS 21 Amendments – Lack of exchangeability*

In August 2023, the IASB issued narrow-scope amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, which address determination of the exchange rate when there is a long-term lack of exchangeability, and introduce additional disclosure requirements when a currency is not exchangeable. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, to be recognized as an adjustment to opening retained earnings on the date of initial adoption. There were no material impacts to the Company’s interim condensed consolidated financial statements resulting from these amendments.

#### **Standards issued but not yet applied**

##### *IFRS 18 – Presentation and Disclosures in Financial Statements*

In April 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements (“IFRS 18”), which will replace IAS 1. IFRS 18 introduces changes to the structure of the statement of operations, and provides enhanced principles for aggregation and disaggregation. The standard also requires disclosures in the financial statements for certain performance measures reported outside of an entity’s financial statements (Management-defined Performance Measures). IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and must be applied retrospectively. The Company is currently evaluating the impact that this standard will have on its interim condensed consolidated financial statements.

##### *IFRS 9 and IFRS 7 Amendments – Classification and measurement of financial instruments*

In May 2024, the IASB issued amendments to IFRS 9 Financial and IFRS 7 relating to classification and measurement of financial instruments. The amendments clarify certain concepts relating to classification of financial assets, and introduce the option for entities to derecognize financial liabilities settled using an

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

electronic payment system before the settlement date when certain criteria are met. The amendments also introduce certain new disclosure requirements for financial instruments measured at Fair Value Through Other Comprehensive Income (“FVOCI”) and amortized cost. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, and must be applied retrospectively. The Company is currently evaluating the impact that this amendment will have on its interim condensed consolidated financial statements.

### 3. Investments – corporate

#### Invested assets

Investments – corporate includes the investments held at the corporate level of E-L Financial and the investment holdings of its subsidiary, United Corporations Limited (“United”).

The following table provides a comparison of carrying values by class of asset:

	March 31 2025	December 31 2024
Preferred shares	\$ 1,295	\$ 1,711
Common shares and units		
Canada	1,132,095	1,130,177
U.S.	4,092,863	4,621,363
Europe and United Kingdom	1,249,725	1,274,142
Other	735,626	793,821
Total common shares and units	7,210,309	7,819,503
Total	\$ 7,211,604	\$ 7,821,214

The Company’s investment in common shares and units includes shares of public and private companies. As at March 31, 2025 and December 31, 2024 all of the invested assets have been classified as FVTPL.

#### Investments – measured at fair value

The table below provides a comparison of the fair values by class of asset:

Asset category	As at March 31, 2025			
	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Preferred shares	\$ 237	\$ —	\$ 1,058	\$ 1,295
Common shares and units				
Canada	81,463	—	1,050,632	1,132,095
U.S.	3,733,461	—	359,402	4,092,863
Europe and United Kingdom	1,091,285	—	158,440	1,249,725
Other	659,664	—	75,962	735,626
Total common shares and units	5,565,873	—	1,644,436	7,210,309
Total	\$ 5,566,110	\$ —	\$ 1,645,494	\$ 7,211,604

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

As at December 31, 2024				
Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Preferred shares	\$ 653	\$ —	\$ 1,058	\$ 1,711
Common shares and units				
Canada	111,189	—	1,018,988	1,130,177
U.S.	4,236,942	—	384,421	4,621,363
Europe and United Kingdom	1,120,559	—	153,583	1,274,142
Other	714,623	—	79,198	793,821
Total common shares and units	6,183,313	—	1,636,190	7,819,503
<b>Total</b>	<b>\$ 6,183,966</b>	<b>\$ —</b>	<b>\$ 1,637,248</b>	<b>\$ 7,821,214</b>

The classification of a financial instrument into a level is based on the lowest level of input that is significant to the determination of the fair value. Transfers between fair value hierarchy levels are considered effective from the beginning of the reporting period in which the transfer is identified. There were no transfers of financial instruments between Level 1, Level 2 or Level 3 for the three months ended March 31, 2025 or during the year ended December 31, 2024.

A summary of changes in the fair values of Level 3 financial instruments measured at Fair Value Through Profit or Loss ("FVTPL") as at March 31, 2025 and December 31, 2024:

	3 months 2025	12 months 2024
Balance beginning of period	\$ 1,637,248	\$ 1,395,744
Net fair value change	9,691	184,913
Sales and distributions	(6,204)	(29,078)
Purchases	4,759	85,669
<b>Balance end of period</b>	<b>\$ 1,645,494</b>	<b>\$ 1,637,248</b>

The Company has securities lending agreements with its custodian. Under these agreements, the custodian may lend securities from the Company's portfolio to other institutions, as approved by the Company, for periods of time. At March 31, 2025 the Company had loaned securities with a fair value of \$716,762 (December 31, 2024 - \$601,606) and received approximately \$752,615 (December 31, 2024 - \$631,696) in collateral.

In the normal course of business, investment commitments are outstanding which are not reflected in the consolidated financial statements. As of March 31, 2025, E-L Corporate has \$336,574 (December 31, 2024 - \$336,990) in unfunded commitments in limited partnerships.

For analysis of the Company's risks arising from financial instruments, refer to Note 14 – E-L Corporate risk management.

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**4. Investments – insurance**The Empire Life Insurance Company (“Empire Life”) invested assets

The table below provides a comparison of the fair values by class of asset:

As at March 31, 2025				
Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Short-term investments	\$ —	\$ 2,436	\$ —	\$ 2,436
Bonds	—	7,992,944	25,407	8,018,351
Preferred shares	630,945	—	—	630,945
Common shares	547,232	70,392	11,254	628,878
Derivative assets	10,104	15,336	107	25,547
Mortgages	—	74,150	—	74,150
Loans	—	64,232	—	64,232
<b>Total</b>	<b>\$ 1,188,281</b>	<b>\$ 8,219,490</b>	<b>\$ 36,768</b>	<b>\$ 9,444,539</b>

As at December 31, 2024				
Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Short-term investments	\$ —	\$ 840	\$ —	\$ 840
Bonds	—	7,937,273	26,208	7,963,481
Preferred shares	623,791	—	—	623,791
Common shares	561,378	70,026	10,280	641,684
Derivative assets	6,502	8,206	107	14,815
Mortgages	—	78,866	—	78,866
Loans	—	62,921	—	62,921
<b>Total</b>	<b>\$ 1,191,671</b>	<b>\$ 8,158,132</b>	<b>\$ 36,595</b>	<b>\$ 9,386,398</b>

The classification of a financial instrument into a level is based on the lowest level of input that is significant to the determination of the fair value. There were no transfers between Level 1, Level 2 and Level 3 during the quarter ended March 31, 2025 or during the year ended December 31, 2024.

A summary of changes in the fair values of Level 3 financial instruments measured at FVTPL as at March 31, 2025 and December 31, 2024:

	3 months 2025	12 months 2024
Balance beginning of period	\$ 36,595	\$ 40,017
Purchases	—	608
Sales	(727)	(4,527)
Net fair value change	900	497
<b>Balance end of period</b>	<b>\$ 36,768</b>	<b>\$ 36,595</b>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

Derivative financial instruments

The values of derivative instruments are set out in the following table. Notional amounts serve as the basis for payments calculated under derivative contracts and are generally not exchanged.

	Maturity	March 31, 2025			December 31, 2024		
		Notional Principal	Fair Value Assets	Fair Value Liabilities	Notional Principal	Fair Value Assets	Fair Value Liabilities
Foreign currency forwards	Within 1 year	\$ 200,440	\$ 65	\$ 433	\$ 197,593	\$ 310	\$ 5,937
Equity options	Within 5 years	1,344,389	10,211	—	1,348,924	6,609	—
Interest rate swaps	Over 5 years	700,000	11,183	1,272	520,000	3,747	4,502
	Within 5 years	10,950	—	349	—	—	—
Cross currency swaps	Over 5 years	123,305	4,088	2,573	134,754	4,149	2,421
<b>Total</b>		<b>\$ 2,379,084</b>	<b>\$ 25,547</b>	<b>\$ 4,627</b>	<b>\$ 2,201,271</b>	<b>\$ 14,815</b>	<b>\$ 12,860</b>

Securities lending

Empire Life has a security lending agreement with its custodian. Under this agreement, the custodian may lend securities from Empire Life's portfolio to other institutions, as approved by Empire Life, for periods of time. As at March 31, 2025 and December 31, 2024, the aggregate fair values of the Empire's securities loaned and the collateral received were as follows:

As at	March 31, 2025			December 31, 2024		
	General Funds	Segregated Funds	Total	General Funds	Segregated Funds	Total
Value of securities loaned	\$ 1,412,157	\$ 1,711,082	\$ 3,123,239	\$ 1,596,676	\$ 1,802,781	\$ 3,399,457
Value of collateral received	\$ 1,440,482	\$ 1,745,456	\$ 3,185,938	\$ 1,628,630	\$ 1,838,898	\$ 3,467,528

For analysis of the risks arising from financial instruments, refer to Note 15 – Empire Life risk management.

**5. Investments in associates and joint venture**

Investments in associates by operating segment are as follows:

	March 31 2025	December 31 2024
E-L Corporate	\$ 429,645	\$ 465,681
Empire Life	91,854	92,475
<b>Total</b>	<b>\$ 521,499</b>	<b>\$ 558,156</b>

E-L Corporate

The E-L Corporate segment has two investments in associates, Algoma Central Corporation (“Algoma”) and Economic Investment Trust Limited (“Economic”).

Algoma is incorporated in Canada and is listed on the Toronto Stock Exchange under the symbol “ALC”. Algoma owns and operates the largest Canadian flag fleet of dry and liquid bulk carriers operating on the Great Lakes - St. Lawrence Waterway.

Economic is a closed-end investment corporation incorporated in Canada and is listed on the Toronto Stock Exchange under the symbol “EVT”. Economic is an investment vehicle for long-term growth through investments in common equities.

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

	March 31, 2025			December 31, 2024		
	Ownership	Carrying value	Fair value	Ownership	Carrying value	Fair value
Algoma	34.9 %	\$ 217,488	\$ 217,488	34.9 %	\$ 244,582	\$ 209,285
Economic	24.9 %	212,157	220,020	24.9 %	221,099	221,099
<b>Total</b>		<b>\$ 429,645</b>	<b>\$ 437,508</b>		<b>\$ 465,681</b>	<b>\$ 430,384</b>

The following table details the movement during the period:

	3 months 2025	12 months 2024
Balance, beginning of the period	\$ 465,681	\$ 394,083
Income recorded in the statements of income:		
Share of income	13,532	76,452
Net impairment (write down) reversal	(12,410)	8,149
	1,122	84,601
Share of other comprehensive income	2,433	12,264
	3,555	96,865
Dividends received during the period	(39,591)	(25,267)
<b>Balance, end of the period</b>	<b>\$ 429,645</b>	<b>\$ 465,681</b>

The E-L Corporate's associates are measured using the equity method. As at March 31, 2025, the fair value of the investments in associates was \$437,508 (December 31, 2024 - \$430,384). Fair value is based on the close price for each investment multiplied by the corresponding number of common shares held.

#### Impairment

Based on an impairment review of the investments in associates at March 31, 2025, an impairment provision of \$12,410 (March 31, 2024 - an impairment reversal of \$8,149) has been recorded in net income. The recoverable amount was based on quoted market prices, which are classified as Level 1 in the fair value measurement hierarchy.

#### Financial information

Summarized below are the assets, liabilities, revenue, net income and comprehensive income of E-L Corporate's associates.

	Algoma		Economic	
	March 31 2025	December 31 2024	March 31 2025	December 31 2024
Cash and cash equivalents	\$ 36,299	\$ 3,545	\$ 5,028	\$ 13,554
Other current assets	128,840	135,800	1,360,181	1,432,757
Non-current assets	1,545,099	1,384,608	—	—
	1,710,238	1,523,953	1,365,209	1,446,311
Current liabilities	315,226	189,681	2,143	1,321
Non-current liabilities	518,172	434,424	118,531	123,546
	833,398	624,105	120,674	124,867
<b>Net assets</b>	<b>\$ 876,840</b>	<b>\$ 899,848</b>	<b>\$ 1,244,535</b>	<b>\$ 1,321,444</b>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

Three months ended March 31	Algoma		Economic	
	2025	2024	2025	2024
Revenue	\$ 107,201	\$ 109,214	\$ 71,662	\$ 96,567
Net (loss) income	\$ (23,280)	\$ (17,253)	\$ 70,946	\$ 83,117
Other comprehensive income	6,981	11,639	—	—
Total comprehensive (loss) income	\$ (16,299)	\$ (5,614)	\$ 70,946	\$ 83,117

At March 31, 2025, Algoma has financial commitments of \$376,668 (December 31, 2024 - \$528,238).

E-L Corporate received the following dividends during the period from the associates:

Three months ended March 31	Algoma		Economic		Total	
	2025	2024	2025	2024	2025	2024
Dividends received	\$ 2,827	\$ 2,686	\$ 36,764	\$ 6,161	\$ 39,591	\$ 8,847

On March 31, 2025 Economic paid a special dividend of \$26.97 per common share resulting in E-L Corporate receiving a dividend of \$36,360.

## 6. Non-insurance investment and other income

Non-insurance investment and other income is comprised of the following:

	Three months ended March 31	
	2025	2024
Interest income	\$ 2,217	\$ 612
Fee income	8,273	6,960
Dividend income	77,359	32,046
Other	1,018	1,084
Total	\$ 88,867	\$ 40,702

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**7. Net investment and insurance finance result**

Net investment and insurance finance result is comprised of the following:

	Three months ended March 31	
	2025	2024
<b>Investment and insurance finance result</b>		
Interest and other investment income	\$ 107,182	\$ 109,426
Change in fair value of investments	58,159	(205,655)
Investment income (loss), excluding segregated fund account balances	165,341	(96,229)
Change in investment contracts	(7,649)	(1,629)
Net investment result, excluding segregated fund account balances	157,692	(97,858)
<b>Insurance finance (expense) income from insurance contracts, excluding segregated fund account balances</b>		
Interest accreted <sup>(1)</sup>	(46,013)	(45,384)
Effect of changes in interest rates and other financial assumptions	(4,186)	199,424
Changes in fair value of underlying items in insurance contracts with direct participation features	(16,698)	(4,564)
Effects of risk mitigation option	(11,388)	—
Insurance finance (expense) income from insurance contracts, excluding segregated fund account balances	(78,285)	149,476
<b>Finance income (expense) from reinsurance contracts held</b>		
Interest accreted <sup>(1)</sup>	670	1,040
Effect of changes in interest rates and other financial assumptions	(235)	2,637
Reinsurance finance income from reinsurance contracts held	435	3,677
<b>Investment income related to segregated fund net assets</b>		
Investment income on investments related to segregated fund net assets, insurance contracts	46,899	430,390
Investment income on investments related to segregated fund net assets, investment contracts	1,343	11,408
Investment income related to segregated fund account balances	48,242	441,798
<b>Changes in underlying items of the segregated funds</b>		
Insurance finance expenses, insurance contracts segregated fund account balances	(46,899)	(430,390)
Change in investment contracts, segregated fund account balances	(1,343)	(11,408)
Changes in underlying items of the segregated funds	(48,242)	(441,798)
Net investment and insurance finance result	\$ 79,842	\$ 55,295

<sup>(1)</sup> Interest accretion based on the locked-in rate.

With regards to general fund assets and liabilities, the duration of insurance contract liability cash flows is greater than the assets supporting them. Hence, the liabilities are generally more sensitive to interest rate changes than the assets. Changes in equity values and other non-fixed income assets that are not passed through to policyholders generally have an impact on investment income with no offsetting change in insurance finance income (expense).

Amounts related to change in investment contracts, which includes deferred annuities and guaranteed annuities, arise from discount rates that include a provision to reflect Empire Life's own credit risk and an illiquidity adjustment.

With regards to insurance contracts measured using the Variable Fee Approach ("VFA"), the change in the underlying items is recognized both as insurance finance income (expense) and investment income (loss), with offsetting impacts. For these contracts, changes in the effect of time value of money and financial risk not arising from underlying items adjust the Contractual Service Margin ("CSM") and are not

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

included in the insurance finance income (expense) amounts presented in the table above, except to the extent that the risk mitigation option applies.

## 8. Other assets

Other assets are comprised of the following:

	March 31 2025	December 31 2024
Accrued investment income	\$ 6,419	\$ 56,315
Income taxes receivable	4,532	984
Property and equipment	2,415	2,731
Intangible assets	69,616	58,752
Goodwill	24,986	24,986
Other	134,330	53,786
<b>Total</b>	<b>\$ 242,298</b>	<b>\$ 197,554</b>

## 9. Segregated funds

The following table identifies segregated fund assets by category of asset:

	March 31, 2025			December 31, 2024		
	Insurance Contracts	Investment Contracts	Total	Insurance Contracts	Investment Contracts	Total
Cash	\$ 19,118	\$ 470	\$ 19,588	\$ 5,771	\$ 49	\$ 5,820
Short-term investments	576,623	17,622	594,245	554,631	14,594	569,225
Bonds	1,824,026	102,226	1,926,252	1,853,375	101,854	1,955,229
Common and preferred shares	6,574,419	241,942	6,816,361	6,714,958	240,608	6,955,566
	8,994,186	362,260	9,356,446	9,128,735	357,105	9,485,840
Add: other assets	22,794	1,933	24,727	20,911	1,725	22,636
Less: segregated funds held within general fund investments	(8,939)	(106,243)	(115,182)	(8,904)	(105,834)	(114,738)
<b>Total</b>	<b>\$ 9,008,041</b>	<b>\$ 257,950</b>	<b>\$ 9,265,991</b>	<b>\$ 9,140,742</b>	<b>\$ 252,996</b>	<b>\$ 9,393,738</b>

The following table presents the investments of the segregated funds measured on a recurring basis at fair value classified by the fair value hierarchy:

	March 31, 2025			December 31, 2024		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash	\$ 19,588	\$ —	\$ 19,588	\$ 5,820	\$ —	\$ 5,820
Short-term investments	—	594,245	594,245	—	569,225	569,225
Bonds	—	1,926,252	1,926,252	—	1,955,229	1,955,229
Common and preferred shares	6,816,361	—	6,816,361	6,955,566	—	6,955,566
<b>Total</b>	<b>\$ 6,835,949</b>	<b>\$ 2,520,497</b>	<b>\$ 9,356,446</b>	<b>\$ 6,961,386</b>	<b>\$ 2,524,454</b>	<b>\$ 9,485,840</b>

There were no transfers between Level 1 and Level 2 during the three months ended March 31, 2025 or during the year ended December 31, 2024. There were no level 3 investments as at March 31, 2025 or December 31, 2024.

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

The following table presents the change in segregated fund assets:

	Three months ended March 31	
	2025	2024
Segregated fund assets beginning of the period	\$ 9,393,738	\$ 8,812,724
Additions to segregated funds:		
Amount received from policyholders	318,296	272,267
Interest	23,137	25,167
Dividends	34,803	36,339
Other income	3,952	6,946
Net realized gains on sale of investments	201,789	51,230
Net unrealized increase in fair value of investments	—	322,116
	<u>581,977</u>	<u>714,065</u>
Deductions from segregated funds:		
Amounts withdrawn or transferred by policyholders	427,644	466,415
Net unrealized decrease in fair value of investments	215,439	—
Management fees and other operating costs	66,197	62,523
	<u>709,280</u>	<u>528,938</u>
Net change in segregated funds held within general fund investments	(444)	(6,551)
Segregated fund assets end of the period	<u>\$ 9,265,991</u>	<u>\$ 8,991,300</u>

## 10. Insurance contracts and reinsurance contracts held assets/liabilities

### Assets and liabilities

The breakdown of portfolios of insurance contracts and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

As at	March 31, 2025			December 31, 2024		
	(Assets)	Liabilities	Total	(Assets)	Liabilities	Total
<b>Insurance contracts</b>						
Insurance contracts not measured under PAA, excluding segregated fund account balances	\$ —	\$ 6,455,082	\$ 6,455,082	\$ —	\$ 6,432,269	\$ 6,432,269
Insurance contracts measured under PAA	—	450,600	450,600	—	436,167	436,167
Insurance contracts, excluding segregated fund account balances	—	6,905,682	6,905,682	—	6,868,436	6,868,436
Insurance contracts for segregated fund account balances	—	9,008,041	9,008,041	—	9,140,742	9,140,742
<b>Total insurance contracts</b>	—	15,913,723	15,913,723	—	16,009,178	16,009,178
Less insurance contracts measured under PAA	—	(450,600)	(450,600)	—	(436,167)	(436,167)
<b>Total insurance contracts not measured under PAA</b>	<u>\$ —</u>	<u>\$ 15,463,123</u>	<u>\$ 15,463,123</u>	<u>\$ —</u>	<u>\$ 15,573,011</u>	<u>\$ 15,573,011</u>
<b>Reinsurance contracts held</b>						
Reinsurance contracts held not measured under PAA	\$ (110,187)	\$ 230,172	\$ 119,985	\$ (115,042)	\$ 218,745	\$ 103,703
Reinsurance contract held measured under PAA	(181,909)	(5,239)	(187,148)	(181,029)	(4,896)	(185,925)
<b>Total reinsurance contracts held</b>	<u>\$ (292,096)</u>	<u>\$ 224,933</u>	<u>\$ (67,163)</u>	<u>\$ (296,071)</u>	<u>\$ 213,849</u>	<u>\$ (82,222)</u>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**Analysis by measurement component for insurance contracts**

The tables below present a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment for non-financial risk and CSM. These tables exclude insurance contracts measured using the Premium Allocation Approach (“PAA”).

For the three months ended March 31, 2025	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post transition	
<b>Insurance contracts at beginning of period</b>					
Insurance contract liabilities, excluding segregated fund account balances	\$ 3,796,532	\$ 1,120,159	\$ 1,364,892	\$ 150,686	\$ 6,432,269
Insurance contract liabilities for segregated fund account balances	9,140,742	—	—	—	9,140,742
<b>Total insurance contracts beginning of period</b>	<b>12,937,274</b>	<b>1,120,159</b>	<b>1,364,892</b>	<b>150,686</b>	<b>15,573,011</b>
<b>Changes that relate to current services</b>					
CSM recognized for services provided			(40,235)	(4,315)	(44,550)
Change in risk adjustment for non-financial risk for risk expired		(16,064)			(16,064)
Experience adjustments	(1,225)				(1,225)
<b>Changes that relate to future services</b>					
Contracts initially recognized in the period	(34,646)	25,650	—	10,189	1,193
Changes in estimates that adjust the CSM	19,344	3,445	(18,281)	(4,508)	—
Changes in estimates that do not adjust the CSM	(559)	(611)			(1,170)
<b>Changes that relate to past services</b>					
Adjustments to liabilities for incurred claims	(358)	(8)	—	—	(366)
<b>Insurance service result</b>	<b>(17,444)</b>	<b>12,412</b>	<b>(58,516)</b>	<b>1,366</b>	<b>(62,182)</b>
Insurance finance expense, excluding segregated fund account balances	52,398	14,622	5,374	1,045	73,439
Insurance finance expenses segregated fund account balances	46,899				46,899
<b>Total changes in the consolidated statement of income</b>	<b>81,853</b>	<b>27,034</b>	<b>(53,142)</b>	<b>2,411</b>	<b>58,156</b>
<b>Cash flows</b>					
Premiums received	232,813				232,813
Claims and other expenses paid	(168,730)				(168,730)
Insurance acquisition cash flows	(52,527)				(52,527)
<b>Total cash flows</b>	<b>11,556</b>				<b>11,556</b>
<b>Movements related to insurance contract liabilities for segregated fund account balances</b>	<b>(179,600)</b>				<b>(179,600)</b>
<b>Total insurance contracts at end of period</b>	<b>\$ 12,851,083</b>	<b>\$ 1,147,193</b>	<b>\$ 1,311,750</b>	<b>\$ 153,097</b>	<b>\$ 15,463,123</b>
<b>Insurance contracts at end of period</b>					
Insurance contract liabilities, excluding segregated fund account balances	\$ 3,843,042	\$ 1,147,193	\$ 1,311,750	\$ 153,097	\$ 6,455,082
Insurance contract liabilities for segregated fund account balances	9,008,041	—	—	—	9,008,041
<b>Total insurance contracts at end of period</b>	<b>\$ 12,851,083</b>	<b>\$ 1,147,193</b>	<b>\$ 1,311,750</b>	<b>\$ 153,097</b>	<b>\$ 15,463,123</b>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

For the year ended December 31, 2024	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post transition	
<b>Insurance contracts at beginning of year</b>					
Insurance contract liabilities, excluding segregated fund account balances	\$ 3,740,020	\$ 1,106,509	\$ 1,376,708	\$ 87,831	\$ 6,311,068
Insurance contract liabilities for segregated fund account balances	8,507,285	—	—	—	8,507,285
<b>Total insurance contracts beginning of year</b>	<b>12,247,305</b>	<b>1,106,509</b>	<b>1,376,708</b>	<b>87,831</b>	<b>14,818,353</b>
<b>Changes that relate to current services</b>					
CSM recognized for services provided			(163,731)	(12,898)	(176,629)
Change in risk adjustment for non-financial risk for risk expired		(59,481)			(59,481)
Experience adjustments	37,607				37,607
<b>Changes that relate to future services</b>					
Contracts initially recognized in the period	(130,777)	102,060	—	38,341	9,624
Changes in estimates that adjust the CSM	(115,764)	(48,479)	130,237	34,006	—
Changes in estimates that do not adjust the CSM	18,838	(22,960)			(4,122)
<b>Changes that relate to past services</b>					
Adjustments to liabilities for incurred claims	2,183	(5)	—	—	2,178
<b>Insurance service result</b>	<b>(187,913)</b>	<b>(28,865)</b>	<b>(33,494)</b>	<b>59,449</b>	<b>(190,823)</b>
Insurance finance expense, excluding segregated fund account balances	122,346	42,515	21,678	3,406	189,945
Insurance finance expenses segregated fund account balances	1,089,553				1,089,553
<b>Total changes in the consolidated statement of income</b>	<b>1,023,986</b>	<b>13,650</b>	<b>(11,816)</b>	<b>62,855</b>	<b>1,088,675</b>
<b>Cash flows</b>					
Premiums received	901,066				901,066
Claims and other expenses paid	(600,698)				(600,698)
Insurance acquisition cash flows	(178,289)				(178,289)
<b>Total cash flows</b>	<b>122,079</b>				<b>122,079</b>
<b>Movements related to insurance contract liabilities for segregated fund account balances</b>					
	(456,096)				(456,096)
<b>Total insurance contracts at end of year</b>	<b>\$ 12,937,274</b>	<b>\$ 1,120,159</b>	<b>\$ 1,364,892</b>	<b>\$ 150,686</b>	<b>\$ 15,573,011</b>
<b>Insurance contracts at end of year</b>					
Insurance contract liabilities, excluding segregated fund account balances	\$ 3,796,532	\$ 1,120,159	\$ 1,364,892	\$ 150,686	\$ 6,432,269
Insurance contract liabilities for segregated fund account balances	9,140,742	—	—	—	9,140,742
<b>Total insurance contracts at end of year</b>	<b>\$ 12,937,274</b>	<b>\$ 1,120,159</b>	<b>\$ 1,364,892</b>	<b>\$ 150,686</b>	<b>\$ 15,573,011</b>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**Analysis by remaining coverage and incurred claims for insurance contracts**

The table below present a roll-forward of the net asset or liability for all insurance contracts issued showing liabilities for remaining coverage and liability for incurred claims. These tables include insurance contracts measured using the PAA.

For the three months ended March 31, 2025	Remaining coverage		Incurred claims			Total
	Excluding loss component	Loss component	Contracts not using PAA	Contracts using PAA		
				Estimate of PV of future cash flows	Risk adjustment	
<b>Insurance contracts at beginning of period</b>						
Insurance contract liabilities, excluding segregated fund account balances	\$ 6,239,089	\$ 11,487	\$ 167,836	\$ 409,871	\$ 40,153	\$ 6,868,436
Insurance contract liabilities for segregated fund account balances	9,140,742	—	—	—	—	9,140,742
<b>Total insurance contract at beginning of period</b>	<b>15,379,831</b>	<b>11,487</b>	<b>167,836</b>	<b>409,871</b>	<b>40,153</b>	<b>16,009,178</b>
<b>Insurance service revenue</b>						
Contracts under fair value approach	(163,177)					(163,177)
Contracts post transition	(209,909)					(209,909)
<b>Insurance service expenses</b>						
Incurred claims and other expenses		(90)	120,498	167,003	—	287,411
Amortization of insurance acquisition cash flows	13,361					13,361
Losses and reversal of losses on onerous contracts		23	—	—	—	23
Adjustments to liabilities for incurred claims		—	(366)	4,488	(653)	3,469
<b>Investment components</b>	<b>(28,421)</b>		<b>28,421</b>			<b>—</b>
<b>Insurance service result</b>	<b>(388,146)</b>	<b>(67)</b>	<b>148,553</b>	<b>171,491</b>	<b>(653)</b>	<b>(68,822)</b>
Insurance finance expense from insurance contracts, excluding segregated fund account balances	73,417	25	—	4,423	420	78,285
Insurance finance expenses, insurance contracts segregated fund account balances	46,899					46,899
<b>Total changes in the consolidated statement of income</b>	<b>(267,830)</b>	<b>(42)</b>	<b>148,553</b>	<b>175,914</b>	<b>(233)</b>	<b>56,362</b>
<b>Cash flows</b>						
Premiums received	411,097					411,097
Claims and other expenses paid			(168,730)	(162,057)		(330,787)
Insurance acquisition cash flows	(52,527)					(52,527)
<b>Total cash flows</b>	<b>358,570</b>		<b>(168,730)</b>	<b>(162,057)</b>		<b>27,783</b>
<b>Movements related to insurance contract liabilities for segregated fund account balances</b>	<b>(179,600)</b>		<b>—</b>			<b>(179,600)</b>
<b>Total insurance contracts at end of period</b>	<b>\$15,290,971</b>	<b>\$ 11,445</b>	<b>\$ 147,659</b>	<b>\$ 423,728</b>	<b>\$ 39,920</b>	<b>\$15,913,723</b>
<b>Insurance contracts at end of period</b>						
Insurance contract liabilities, excluding segregated fund account balances	\$ 6,282,930	\$ 11,445	\$ 147,659	\$ 423,728	\$ 39,920	\$ 6,905,682
Insurance contract liabilities for segregated fund account balances	9,008,041	—	—	—	—	9,008,041
<b>Total insurance contracts at end of period</b>	<b>\$15,290,971</b>	<b>\$ 11,445</b>	<b>\$ 147,659</b>	<b>\$ 423,728</b>	<b>\$ 39,920</b>	<b>\$15,913,723</b>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

For the year ended December 31, 2024	Remaining coverage		Incurred claims			Total
	Excluding loss component	Loss component	Contracts not using PAA	Contracts using PAA		
				Estimate of PV of future cash flows	Risk adjustment	
<b>Insurance contracts at beginning of year</b>						
Insurance contract liabilities	\$ 6,133,450	\$ 7,077	\$ 158,049	\$ 375,077	\$ 34,781	\$ 6,708,434
Insurance contract liabilities for segregated fund account balances	8,507,285	—	—	—	—	8,507,285
<b>Total insurance contract at beginning of year</b>	<b>14,640,735</b>	<b>7,077</b>	<b>158,049</b>	<b>375,077</b>	<b>34,781</b>	<b>15,215,719</b>
<b>Insurance service revenue</b>						
Contracts under fair value approach	(635,101)					(635,101)
Contracts post transition	(770,191)					(770,191)
<b>Insurance service expenses</b>						
Incurred claims and other expenses		(1,427)	491,674	632,334	—	1,122,581
Amortization of insurance acquisition cash flows	41,577					41,577
Losses and reversal of losses on onerous contracts		5,502	—	—	—	5,502
Adjustments to liabilities for incurred claims		—	2,178	12,249	2,955	17,382
<b>Investment components</b>	<b>(116,633)</b>		<b>116,633</b>			<b>—</b>
<b>Insurance service result</b>	<b>(1,480,348)</b>	<b>4,075</b>	<b>610,485</b>	<b>644,583</b>	<b>2,955</b>	<b>(218,250)</b>
Insurance finance expenses from insurance contracts, excluding segregated fund account balances	189,642	335	—	23,799	2,417	216,193
Insurance finance expenses, insurance contracts segregated fund account balances	1,089,553					1,089,553
<b>Total changes in the consolidated statement of income</b>	<b>(201,153)</b>	<b>4,410</b>	<b>610,485</b>	<b>668,382</b>	<b>5,372</b>	<b>1,087,496</b>
<b>Cash flows</b>						
Premiums received	1,574,634					1,574,634
Claims and other expenses paid			(600,698)	(633,588)		(1,234,286)
Insurance acquisition cash flows	(178,289)					(178,289)
<b>Total cash flows</b>	<b>1,396,345</b>		<b>(600,698)</b>	<b>(633,588)</b>		<b>162,059</b>
<b>Movements related to insurance contract liabilities for segregated fund account balances</b>	<b>(456,096)</b>		<b>—</b>			<b>(456,096)</b>
<b>Total insurance contracts at end of year</b>	<b>\$15,379,831</b>	<b>\$ 11,487</b>	<b>\$ 167,836</b>	<b>\$ 409,871</b>	<b>\$ 40,153</b>	<b>\$16,009,178</b>
<b>Insurance contracts at end of year</b>						
Insurance contract liabilities, excluding segregated fund account balances	\$ 6,239,089	\$ 11,487	\$ 167,836	\$ 409,871	\$ 40,153	\$ 6,868,436
Insurance contract liabilities for segregated fund account balances	9,140,742	—	—	—	—	9,140,742
<b>Total insurance contracts at end of year</b>	<b>\$15,379,831</b>	<b>\$ 11,487</b>	<b>\$ 167,836</b>	<b>\$ 409,871</b>	<b>\$ 40,153</b>	<b>\$16,009,178</b>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**Insurance service revenue**

	<b>For the three months ended</b>	
	<b>March 31, 2025</b>	<b>March 31, 2024</b>
<b>Contracts not measured under the PAA</b>		
CSM recognized for services provided	\$ 44,550	\$ 43,655
Change in risk adjustment for non-financial risk for risk expired	16,035	14,329
Expected claims and other insurance service expenses	121,662	108,736
Recovery of insurance acquisition cash flows	13,361	9,630
<b>Total</b>	<b>195,608</b>	<b>176,350</b>
<b>Contracts measured under the PAA</b>	<b>177,478</b>	<b>162,692</b>
<b>Total insurance service revenue</b>	<b>\$ 373,086</b>	<b>\$ 339,042</b>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**Analysis by measurement component for reinsurance contracts held**

The tables below present a roll-forward of the net asset or liability for reinsurance contracts held showing estimates of the present value of future cash flows, risk adjustment for non-financial risk and CSM. These tables exclude reinsurance contracts held measured using the PAA.

For the three months ended March 31, 2025	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post transition	
<b>Reinsurance contracts held at beginning of period</b>					
Reinsurance contracts held (assets)	\$ 328,320	\$ (312,915)	\$ (195,362)	\$ 64,915	\$ (115,042)
Reinsurance contract held liabilities	263,190	(69,762)	25,454	(137)	218,745
<b>Net reinsurance contracts held at beginning of period</b>	<b>591,510</b>	<b>(382,677)</b>	<b>(169,908)</b>	<b>64,778</b>	<b>103,703</b>
<b>Changes that relate to current services</b>					
CSM recognized for services received			5,717	(1,911)	3,806
Risk adjustment recognized for non-financial risk expired		6,582			6,582
Experience adjustments	4,411				4,411
<b>Changes that relate to future services</b>					
Contracts initially recognized in the period	4,261	(11,034)	—	5,932	(841)
Changes in estimates that adjust the CSM	10,973	(1,507)	(8,112)	(1,354)	—
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	1,083	(342)			741
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM			58	75	133
<b>Changes that relate to past services</b>					
Changes in amounts recoverable arising from changes in liability for incurred claims	12	—			12
<b>Reinsurance service result</b>	<b>20,740</b>	<b>(6,301)</b>	<b>(2,337)</b>	<b>2,742</b>	<b>14,844</b>
Reinsurance finance expenses (income)	7,581	(5,140)	(1,529)	790	1,702
<b>Total changes in the consolidated statement of income</b>	<b>28,321</b>	<b>(11,441)</b>	<b>(3,866)</b>	<b>3,532</b>	<b>16,546</b>
<b>Cash flows</b>					
Premiums paid	(26,347)				(26,347)
Amounts received	26,083				26,083
<b>Total cash flows</b>	<b>(264)</b>				<b>(264)</b>
<b>Net reinsurance contracts held at end of period</b>	<b>\$ 619,567</b>	<b>\$ (394,118)</b>	<b>\$ (173,774)</b>	<b>\$ 68,310</b>	<b>\$ 119,985</b>
<b>Reinsurance contracts held at end of period</b>					
Reinsurance contracts held (assets)	\$ 342,741	\$ (324,193)	\$ (197,130)	\$ 68,395	\$ (110,187)
Reinsurance contracts held liabilities	276,826	(69,925)	23,356	(85)	230,172
<b>Net reinsurance contracts held at end of period</b>	<b>\$ 619,567</b>	<b>\$ (394,118)</b>	<b>\$ (173,774)</b>	<b>\$ 68,310</b>	<b>\$ 119,985</b>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

For the year ended December 31, 2024	Estimates of present value of future cash	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post transition	
<b>Reinsurance contracts held at beginning of year</b>					
Reinsurance contracts held (assets)	\$ 338,565	\$ (318,235)	\$ (178,218)	\$ 44,817	\$ (113,071)
Reinsurance contracts held liabilities	251,770	(82,399)	83,634	225	253,230
<b>Net reinsurance contracts held at beginning of year</b>	<b>590,335</b>	<b>(400,634)</b>	<b>(94,584)</b>	<b>45,042</b>	<b>140,159</b>
Changes that relate to current services					
CSM recognized for services received			18,608	(6,620)	11,988
Risk adjustment recognized for non-financial risk expired		23,905			23,905
Experience adjustments	(5,249)				(5,249)
<b>Changes that relate to future services</b>					
Contracts initially recognized in the period	13,517	(44,657)	—	24,928	(6,212)
Changes in estimates that adjust the CSM	37,567	57,668	(90,168)	(5,067)	—
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	(3,103)	1,888			(1,215)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM			878	3,449	4,327
<b>Changes that relate to past services</b>					
Changes in amounts recoverable arising from changes in liability for incurred claims	378	—			378
<b>Reinsurance service result</b>	<b>43,110</b>	<b>38,804</b>	<b>(70,682)</b>	<b>16,690</b>	<b>27,922</b>
Reinsurance finance expenses (income)	1,523	(20,847)	(4,642)	3,046	(20,920)
<b>Total changes in the consolidated statement of income</b>	<b>44,633</b>	<b>17,957</b>	<b>(75,324)</b>	<b>19,736</b>	<b>7,002</b>
<b>Cash flows</b>					
Premiums paid	(145,836)				(145,836)
Amounts received	102,378				102,378
<b>Total cash flows</b>	<b>(43,458)</b>				<b>(43,458)</b>
<b>Net reinsurance contracts held at end of year</b>	<b>\$ 591,510</b>	<b>\$ (382,677)</b>	<b>\$ (169,908)</b>	<b>\$ 64,778</b>	<b>\$ 103,703</b>
<b>Reinsurance contracts held at end of year</b>					
Reinsurance contracts held (assets)	\$ 328,320	\$ (312,915)	\$ (195,362)	\$ 64,915	\$ (115,042)
Reinsurance contracts held liabilities	263,190	(69,762)	25,454	(137)	218,745
<b>Net reinsurance contracts held at end of year</b>	<b>\$ 591,510</b>	<b>\$ (382,677)</b>	<b>\$ (169,908)</b>	<b>\$ 64,778</b>	<b>\$ 103,703</b>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**Analysis by remaining coverage and incurred claims for reinsurance contracts held**

The tables below present a roll-forward of the net asset or liability for all reinsurance contracts held showing (assets) liabilities for remaining coverage and amounts recoverable on incurred claims. These tables include reinsurance contracts held measured using the PAA.

For the three months ended March 31, 2025	Remaining coverage		Incurred claims			Total
	Excluding loss recovery component	Loss recovery component	Contracts not using PAA	Contracts using PAA		
				Estimate of PV of future cash flows	Risk adjustment	
<b>Reinsurance contracts held (assets) liabilities at beginning of period</b>						
Reinsurance contracts held (assets)	\$ (114,934)	\$ (4,268)	\$ 4,159	\$ (165,435)	\$ (15,593)	\$ (296,071)
Reinsurance contracts held liabilities	266,648	—	(47,271)	(5,528)	—	213,849
<b>Net reinsurance contracts held liabilities (assets) at beginning of period</b>	<b>151,714</b>	<b>(4,268)</b>	<b>(43,112)</b>	<b>(170,963)</b>	<b>(15,593)</b>	<b>(82,222)</b>
<b>Allocation of premiums paid</b>						
Contracts under fair value approach	37,698					37,698
Contracts post transition	48,916					48,916
<b>Amounts recoverable from reinsurers</b>						
Amounts recoverable for claims and other expenses incurred in the period		342	(27,626)	(41,485)	—	(68,769)
Changes in amounts recoverable from changes in liability for incurred claims			12	723	533	1,268
Changes in fulfilment cash flows which relate to onerous underlying contracts		33				33
<b>Net income or expense from reinsurance contracts held</b>	<b>86,614</b>	<b>375</b>	<b>(27,614)</b>	<b>(40,762)</b>	<b>533</b>	<b>19,146</b>
Reinsurance finance expenses (income)	1,754	(52)	—	(1,976)	(161)	(435)
<b>Total changes in the consolidated statement of income (loss)</b>	<b>88,368</b>	<b>323</b>	<b>(27,614)</b>	<b>(42,738)</b>	<b>372</b>	<b>18,711</b>
<b>Cash flows</b>						
Premiums paid	(70,923)					(70,923)
Amounts received			26,083	41,188		67,271
<b>Total cash flows</b>	<b>(70,923)</b>		<b>26,083</b>	<b>41,188</b>		<b>(3,652)</b>
<b>Net reinsurance contracts held liabilities (assets) at end of period</b>	<b>\$ 169,159</b>	<b>\$ (3,945)</b>	<b>\$ (44,643)</b>	<b>\$ (172,513)</b>	<b>\$ (15,221)</b>	<b>\$ (67,163)</b>
<b>Reinsurance contracts held (assets) liabilities at end of period</b>						
Reinsurance contracts held (assets)	\$ (110,419)	\$ (3,939)	\$ 4,172	\$ (166,689)	\$ (15,221)	\$ (292,096)
Reinsurance contracts held liabilities	279,578	(6)	(48,815)	(5,824)	—	224,933
<b>Net reinsurance contracts held liabilities (assets) at end of period</b>	<b>\$ 169,159</b>	<b>\$ (3,945)</b>	<b>\$ (44,643)</b>	<b>\$ (172,513)</b>	<b>\$ (15,221)</b>	<b>\$ (67,163)</b>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

For the year ended December 31, 2024	Remaining coverage		Incurred claims			Total
	Excluding loss recovery component	Loss recovery component	Contracts not using PAA	Contracts using PAA		
				Estimate of PV of future cash flows	Risk adjustment	
<b>Reinsurance contracts held (assets) liabilities at beginning of year</b>						
Reinsurance contracts held (assets)	\$ (114,315)	\$ (2,539)	\$ 3,783	\$ (154,192)	\$ (14,096)	\$ (281,359)
Reinsurance contracts held liabilities	284,196	—	(25,010)	(5,956)	—	253,230
<b>Net reinsurance contracts held liabilities (assets) at beginning of year</b>	169,881	(2,539)	(21,227)	(160,148)	(14,096)	(28,129)
<b>Allocation of premiums paid</b>						
Contracts under fair value approach	141,679					141,679
Contracts post transition	185,972					185,972
<b>Amounts recoverable from reinsurers</b>						
Amounts recoverable for claims and other expenses incurred in the period		1,636	(124,641)	(158,544)	—	(281,549)
Changes in amounts recoverable from changes in liability for incurred claims			378	(207)	(514)	(343)
Changes in fulfilment cash flows which relate to onerous underlying contracts		(3,100)				(3,100)
Net income or expense from reinsurance contracts held	327,651	(1,464)	(124,263)	(158,751)	(514)	42,659
Reinsurance finance income	(20,655)	(265)	—	(11,035)	(983)	(32,938)
<b>Total changes in the consolidated statement of income</b>	306,996	(1,729)	(124,263)	(169,786)	(1,497)	9,721
<b>Cash flows</b>						
Premiums paid	(325,163)					(325,163)
Amounts received			102,378	158,971		261,349
<b>Total cash flows</b>	(325,163)		102,378	158,971		(63,814)
<b>Net reinsurance contracts liabilities (assets) end of year</b>	\$ 151,714	\$ (4,268)	\$ (43,112)	\$ (170,963)	\$ (15,593)	\$ (82,222)
<b>Reinsurance contracts held (assets) liabilities at end of year</b>						
Reinsurance contracts held (assets)	\$ (114,934)	\$ (4,268)	\$ 4,159	\$ (165,435)	\$ (15,593)	\$ (296,071)
Reinsurance contracts held liabilities	266,648	—	(47,271)	(5,528)	—	213,849
<b>Net reinsurance contracts held liabilities (assets) at end of year</b>	\$ 151,714	\$ (4,268)	\$ (43,112)	\$ (170,963)	\$ (15,593)	\$ (82,222)

**11. Capital stock**

	March 31, 2025			December 31, 2024	
	Authorized	Issued and outstanding	Amount	Issued and outstanding	Amount
Preferred shares					
Series A Preference Shares	402,733	258	\$ 1	258	\$ 1
First Preference Shares, Series 1	unlimited	4,000,000	100,000	4,000,000	100,000
First Preference Shares, Series 2	unlimited	4,000,000	100,000	4,000,000	100,000
First Preference Shares, Series 3	unlimited	4,000,000	100,000	4,000,000	100,000
Common shares	unlimited	3,461,722	62,346	3,461,722	62,346
<b>Total</b>			<b>\$ 362,347</b>		<b>\$ 362,347</b>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

On May 7, 2025 the Company announced that it was splitting its Common Shares on a 100 for 1 basis. The Company's common shares will begin trading with "due bills" on the Toronto Stock Exchange at the opening of business on Friday, May 23, 2025 (being the Record Date) until the close of business on Friday, May 30, 2025 (being the Payment Date), inclusively.

On March 10, 2025, the Company obtained approval from the TSX to renew its normal course issuer bid ("NCIB") to purchase up to 173,086 common shares between March 12, 2025 and March 11, 2026. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB are limited to 1,000 common shares. The price that the Company pays for the common shares is the prevailing market price at the time of acquisition. No shares were purchased under the NCIB for the three months ended March 31, 2025 or for the year ended December 31, 2024.

On January 15, 2025, the Board of Directors declared a special dividend of \$150.00 per common share payable March 14, 2025 to shareholders of record on March 3, 2025.

The following dividends were declared by the Board of Directors at their meeting on May 7, 2025, with a record and payable date of June 30, 2025 and July 17, 2025, respectively:

- First Preference Shares, Series 1, \$0.33125 per share;
- First Preference Shares, Series 2, \$0.296875 per share;
- First Preference Shares, Series 3, \$0.34375 per share;
- Series A Preference Shares, \$0.125 per share; and
- Common shares, \$0.04 per share.

The dividends declared on May 7, 2025 will be recorded in the second quarter of 2025. The common share dividend of \$0.04 per share is on a post-split basis.

## **12. Capital management**

Empire Life manages its regulatory capital in order to meet the regulatory capital adequacy requirements of the *Insurance Companies Act* as established and monitored by OSFI. OSFI has implemented the Life Insurance Capital Adequacy Test ("LICAT") framework to monitor capital adequacy. Under this framework, Empire Life's capital adequacy is measured as a ratio of available capital plus surplus allowance and eligible deposits divided by a base solvency buffer. OSFI has established a Supervisory Target Total Ratio of 100% and a Supervisory Target Core Ratio of 70%. As at March 31, 2025 and December 31, 2024, Empire Life was in compliance with the applicable regulatory capital ratios.

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**13. Borrowings**

The table below presents the debt obligations of the Company:

As at	Interest rate	Earliest par call or redemption date	Maturity	March 31, 2025		December 31, 2024	
				Carrying value	Fair value	Carrying value	Fair value
<b>Empire Life</b>							
Series 2021-1 <sup>(1)</sup>	2.024 %	Sept. 24, 2026	2031	\$ 199,708		\$ 199,659	
Series 2023-1 <sup>(2)</sup>	5.503 %	Jan. 13, 2028	2033	199,609		199,575	
Total subordinated debt				\$ 399,317	\$ 404,776	\$ 399,234	\$ 402,940
<b>E-L Corporate</b>							
Senior unsecured notes <sup>(3)</sup>	4.000 %		2050	\$ 199,635	\$ 175,792	\$ 199,635	\$ 176,710
Total borrowings				\$ 598,952	\$ 580,568	\$ 598,869	\$ 579,650

<sup>(1)</sup> Unsecured debentures due 2031. From September 24, 2026, interest is payable at 0.67% over CORRA plus 0.32138% credit adjustment spread.

<sup>(2)</sup> Unsecured debentures due 2033. From January 13, 2028, interest is payable at 2.26% over CORRA.

<sup>(3)</sup> The senior unsecured note bears interest at an annual rate of 4.0% calculated and payable semi-annually in arrears on June 22 and December 22 of each year commencing December 22, 2020 and ending June 22, 2050.

**14. E-L Corporate risk management**

The objective of E-L Corporate's risk management process is to ensure that the operations of the Company encompassing risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance. The Company is exposed to financial risks arising from its investing activities. For investment risks, the Company is exposed to credit risk, liquidity risk and various market risks including interest rate risk, equity risk and foreign currency risk.

The disclosures in Notes 3 and 5 provide the breakdown of investments by type and by geographic region based on the underlying risk. The fair values of these investments are inherently volatile and frequently change in value as a result of factors beyond the Company's control, including general economic and capital market conditions.

In the sections that follow, the Company provides sensitivities and risk exposure measures for certain risks. These include sensitivities due to specific changes in market prices, based on the market prices as at the calculation dates. The sensitivities are calculated independently for each risk factor, assuming that all other risk variables remain constant. The sensitivities do not take into account indirect effects such as potential impacts on impairments or valuation allowances on deferred tax assets. Actual results can differ materially from these estimates for a variety of reasons, including differences in the pattern or distribution of market shocks, the interaction among these factors when more than one factor changes; changes in investment return and future investment activity assumptions; effective tax rates and other market factors; and the general limitations of the Company's internal models used for purposes of these calculations. Changes due to new sales or maturities, asset purchases/sales, or other management actions could also result in material changes to these reported sensitivities. For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined, and should not be viewed as predictors for the Company's future net income, OCI, and capital sensitivities. Given the nature of these calculations, the Company cannot provide assurance that the actual impact will be consistent with the estimates provided. Changes in risk variables in excess of the ranges illustrated may result in other than proportionate impacts.

E-L Corporate owns investments in global equities and fixed income securities directly and indirectly through limited partnerships and other investment companies. In addition, the E-L Corporate segment

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includes the invested assets of United, the Company's closed-end investment subsidiary. E-L Corporate has two significant investments in associates: Economic, a closed-end investment company and Algoma, a shipping company.

The Company maintains a strategy of long-term growth through capital appreciation and dividend and interest income from its investments. The externally managed investment portfolios have mandates in which the manager's performance is evaluated. Their performance is reviewed by management on a monthly basis, evaluating performance over a period of time relative to their mandate. On a quarterly basis, the Board of Directors reviews the E-L Corporate investment portfolio, including investment performance benchmarked against the relevant indices, exposure by geographic distribution, investment concentration and significant movements in the investment portfolios during the period.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes a financial loss to another party.

The gross credit risk exposure for the Company related to its financial instruments is as follows:

As at	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 149,775	\$ 154,217
Preferred shares	1,295	1,711
Accrued investment income	79,337	4,391
<b>Total</b>	<b>\$ 230,407</b>	<b>\$ 160,319</b>

#### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's liquidity risk management strategy is to ensure that there will be sufficient cash to meet all financial commitments and obligations as they become due.

The majority of the Corporate Investment's obligations relate to its ability to pay annual dividend commitments, outstanding investment commitments, interest on the 4.0% senior unsecured notes and margin loan (refer to Note 13 - Borrowings) and to meet ongoing operating expenses as they fall due. In most years, the Company is able to fund these obligations by its cash flow from net investment income earned on its investment portfolio. In addition to this, the Company maintains sufficient liquidity through holding short term investments, cash equivalents and high quality marketable investments that may easily be sold, if necessary to fund new investment opportunities and to meet any operating cash flow deficiencies. The Company also uses a margin loan facility to fund certain investment opportunities or provide short term liquidity as required.

E-L Corporate's liquidity is comprised of \$149,775 in cash and cash equivalents at March 31, 2025 (December 31, 2024 - \$154,217).

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is directly influenced by the volatility and liquidity in the markets in which the related financial instruments are traded, expectations of future price and yield movements and the composition of the Company's investment portfolio. The Company's most significant market risks are equity risk and foreign currency risk.

The following table summarizes the potential impact on E-L Corporate of a change in global equity markets. E-L Corporate used a 10% increase or decrease in equity markets as such a change is considered to be a reasonably possible change in equity markets based on historic results and is a useful comparator as it is commonly used. E-L Corporate used a 20% increase or decrease in its equity market

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sensitivity to illustrate that changes in equity markets in excess of 10% may result in both linear and non-linear impacts, and a 20% change in equity markets is a commonly used additional sensitivity factor.

The calculations below assume that all other variables are held constant and that all of E-L Corporate's equities move according to a one-to-one correlation with the equity markets.

Effect on shareholders' net income	March 31 2025	December 31 2024
Investments - corporate		
10% fluctuation	\$ 543,524	\$ 587,614
20% fluctuation	\$ 1,087,048	\$ 1,175,228
Investments in associates		
10% fluctuation	\$ 20,406	\$ 21,689
20% fluctuation	\$ 40,812	\$ 43,378

#### Concentration of common equity holdings

E-L Corporate has a \$1,093,310 (December 31, 2024 - \$1,282,066) investment in an exchange traded fund which tracks the S&P 500 index representing 15% (December 31, 2024 - 16%) of E-L Corporate's total investments.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in exchange rates and create an adverse effect on earnings and equity when measured in the Company's functional currency. A 10% fluctuation in the U.S. dollar would have approximately \$320,316 (December 31, 2024 - \$360,549) affect on shareholders' net income and \$7,925 (December 31, 2024 - \$7,925) on other comprehensive income.

### 15. Empire Life risk management

In the sections that follow, Empire Life provides sensitivities and risk exposure measures for certain risks. These include sensitivities due to specific changes in market prices and interest rates, based on the market prices, interest rates, assets, liabilities and business mix in place as at the calculation dates. The sensitivities are calculated independently for each risk variable, assuming that all other risk variables remain constant. The sensitivities do not take into account indirect effects such as potential impacts on goodwill impairments or valuation allowances on deferred tax assets. Actual results can differ materially from these estimates for a variety of reasons, including differences in the pattern or distribution of market shocks, the interaction among these factors when more than one factor changes; changes in actuarial and investment return and future investment activity assumptions; actual experience differing from the assumptions; changes in business mix, effective tax rates and other market factors; and the general limitations of Empire Life's internal models used for purposes of these calculations. Changes due to new sales or maturities, asset purchases/sales, or other management actions could also result in material changes to these reported sensitivities. For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined and should not be viewed as predictors for Empire Life's future net income, CSM, equity and capital sensitivities. Given the nature of these calculations, Empire Life cannot provide assurance that the actual impact will be consistent with the estimates provided. Changes in risk variables in excess of the ranges illustrated may result in other than proportionate impacts. Amounts disclosed in this note do not incorporate an adjustment for non-controlling interests.

#### Market risk

For Empire Life, the most significant market risks are equity risk and interest rate risk. Foreign exchange risk, liquidity risk, credit risk, concentration of credit risk and product risk have not changed materially

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

since December 31, 2024. Information related to market sensitivities should be read in conjunction with the information contained in the Empire Life risk management note in the Company's 2024 Annual Report.

a) Equity risk

The impacts, in millions of Canadian dollars, of one-time changes in equity markets are found below:

As at March 31, 2025	CSM				Profit or loss and equity			
	10% Increase	10% Decrease	20% Increase	20% Decrease	10% Increase	10% Decrease	20% Increase	20% Decrease
Insurance and reinsurance contracts held	\$ 95	\$ (100)	\$ 183	\$ (195)	\$ (35)	\$ 24	\$ (66)	\$ 47
Financial assets (equities)	—	—	—	—	41	(41)	82	(82)
<b>Total</b>	<b>\$ 95</b>	<b>\$ (100)</b>	<b>\$ 183</b>	<b>\$ (195)</b>	<b>\$ 6</b>	<b>\$ (17)</b>	<b>\$ 16</b>	<b>\$ (35)</b>

As at December 31, 2024	CSM				Profit or loss and equity			
	10% Increase	10% Decrease	20% Increase	20% Decrease	10% Increase	10% Decrease	20% Increase	20% Decrease
Insurance and reinsurance contracts held	\$ 98	\$ (114)	\$ 186	\$ (246)	\$ (31)	\$ 32	\$ (63)	\$ 64
Financial assets (equities)	—	—	—	—	39	(32)	80	(49)
<b>Total</b>	<b>\$ 98</b>	<b>\$ (114)</b>	<b>\$ 186</b>	<b>\$ (246)</b>	<b>\$ 8</b>	<b>\$ —</b>	<b>\$ 17</b>	<b>\$ 15</b>

b) Interest rate risk

The impacts, in millions of Canadian dollars, of one-time changes in interest rates are found below:

As at March 31, 2025	CSM				Profit or loss and equity			
	50 bps Increase	50 bps Decrease	100 bps Increase	100 bps Decrease	50 bps Increase	50 bps Decrease	100 bps Increase	100 bps Decrease
Insurance and reinsurance contracts held	\$ 13	\$ (21)	\$ 20	\$ (51)	\$ 293	\$ (332)	\$ 553	\$ (707)
Financial assets (debt instruments)	—	—	—	—	(348)	387	(658)	818
<b>Total</b>	<b>\$ 13</b>	<b>\$ (21)</b>	<b>\$ 20</b>	<b>\$ (51)</b>	<b>\$ (55)</b>	<b>\$ 55</b>	<b>\$ (105)</b>	<b>\$ 111</b>

As at December 31, 2024	CSM				Profit or loss and equity			
	50 bps Increase	50 bps Decrease	100 bps Increase	100 bps Decrease	50 bps Increase	50 bps Decrease	100 bps Increase	100 bps Decrease
Insurance and reinsurance contracts held	\$ 26	\$ (35)	\$ 44	\$ (78)	\$ 290	\$ (328)	\$ 547	\$ (699)
Financial assets (debt instruments)	—	—	—	—	(347)	387	(658)	818
<b>Total</b>	<b>\$ 26</b>	<b>\$ (35)</b>	<b>\$ 44</b>	<b>\$ (78)</b>	<b>\$ (57)</b>	<b>\$ 59</b>	<b>\$ (111)</b>	<b>\$ 119</b>

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

**16. Operating segments**

In managing its investments, the Company distinguishes between E-L Corporate and its investment in Empire Life. The Company's E-L Corporate segment includes United, the Company's closed-end investment subsidiary, investments in associates and investments - corporate. Empire Life underwrites life and health insurance policies and provides segregated funds, mutual funds and annuity products.

The following is an analysis of significant items of profit and loss by operating segment, operating segment assets and operating segment liabilities, reconciled to the Company's consolidated financial statements. The accounting policies applied by the operating segments are the same as those for the Company as a whole.

Three months ended	E-L Corporate	Empire Life	Total
March 31, 2025			
Net insurance result	\$ —	\$ 129,518	\$ 129,518
Non-insurance investment income	12,207	8,273	20,480
Total expenses	(12,512)	(40,457)	(52,969)
(Loss) income before income taxes	(305)	97,334	97,029
Income taxes	9,850	(23,884)	(14,034)
Net income	9,545	73,450	82,995
Less: NCI and PAR	(6,621)	3,769	(2,852)
Segment shareholders' net income	\$ 16,166	\$ 69,681	\$ 85,847

Three months ended	E-L Corporate	Empire Life	Total
March 31, 2024			
Net insurance result	\$ —	\$ 94,100	\$ 94,100
Non-insurance investment income	668,917	6,960	675,877
Total expenses	(12,511)	(25,482)	(37,993)
Income before income taxes	656,406	75,578	731,984
Income taxes	(88,073)	(18,052)	(106,125)
Net income	568,333	57,526	625,859
Less: NCI and PAR	72,810	5,739	78,549
Segment shareholders' net income	\$ 495,523	\$ 51,787	\$ 547,310

	E-L Corporate	Empire Life	Total
March 31, 2025			
Segment assets <sup>(1)</sup>	\$ 7,809,915	\$ 19,593,936	\$ 27,403,851
Segment liabilities	\$ 655,963	\$ 17,543,522	\$ 18,199,485
December 31, 2024			
Segment assets <sup>(1)</sup>	\$ 8,452,206	\$ 19,666,621	\$ 28,118,827
Segment liabilities	\$ 764,129	\$ 17,616,148	\$ 18,380,277

<sup>(1)</sup> Segment assets include investments in associates of \$521,499 (December 31, 2024 - \$558,156).

(all dollar figures in thousands of Canadian dollars, except per share amounts and where otherwise stated)

The following table shows the interest and dividend income received during the period:

<b>Three months ended</b>	<b>E-L Corporate</b>	<b>Empire Life</b>	<b>Total</b>
March 31, 2025			
Interest income received	\$ 3,276	\$ 71,518	\$ 74,794
Dividend income received	71,364	11,539	82,903
<b>Total</b>	<b>\$ 74,640</b>	<b>\$ 83,057</b>	<b>\$ 157,697</b>
March 31, 2024			
Interest income received	\$ 1,178	\$ 69,600	\$ 70,778
Dividend income received	26,204	10,771	36,975
<b>Total</b>	<b>\$ 27,382</b>	<b>\$ 80,371</b>	<b>\$ 107,753</b>

## Glossary of Terms

### **Accumulated Other Comprehensive Income (“AOCI”)**

A separate component of shareholders' equity and policyholders' account which includes remeasurement of post-employment benefit liabilities and certain OCI (OCL) amounts from Associates. These items have been recognized in comprehensive income but excluded from net income.

### **Active Market**

An active market is a market in which the items traded are homogeneous, willing buyers and sellers can normally be found at anytime and prices are available to the public.

### **Canadian Institute of Actuaries (“CIA”)**

The CIA is the qualifying and governing body of the actuarial profession in Canada. The CIA develops and upholds rigorous standards, shares its risk management expertise, and advances actuarial science to improve lives in Canada and around the world. Its more than 6,000 members apply their knowledge of math, statistics, data analytics, and business in providing services and advice of the highest quality to help Canadian people and organizations face the future with confidence.

### **Canadian Life and Health Insurance Association (“CLHIA”)**

The CLHIA is an organization representing life insurance and health insurance providers in Canada. The industry develops guidelines, voluntarily and proactively, to respond to emerging issues and to ensure consumer interests are protected.

### **Chartered Professional Accountants of Canada (“CPA Canada”)**

Canada's not-for-profit association for Chartered Professional Accountants (“CPA”) provides information and guidance to its members, students and capital markets. Working in collaboration with its provincial member organizations, CPA Canada supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government, and develops and delivers education programs.

### **Contractual Service Margin (“CSM”)**

A component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognize as it provides insurance contract services under the insurance contracts in the group.

### **Effective Interest Method**

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

### **Expected Credit Loss (“ECL”)**

An expected loss amount as a result of credit deterioration of the party that has been issued the credit.

### **Fair Value Through Profit or Loss (“FVTPL”)**

Invested assets are classified as financial instruments at FVTPL if they are held for trading, or if they are designated by management under the fair value option.

### **Fulfilment Cash Flow (“FCF”)**

An explicit, unbiased and probability-weighted estimate (ie expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.

**International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”)**

Refers to the international accounting standards that were adopted in Canada, effective January 1, 2011; these are now Canadian Generally Accepted Accounting Principles for publically traded enterprises.

**Life Insurance Capital Adequacy Test (“LICAT”)**

The LICAT measures the capital adequacy of an insurer and is one of several indicators used by OSFI to assess an insurer's financial condition. The LICAT Ratio is the ratio of eligible capital to the base solvency buffer, each as calculated under OSFI's published guidelines.

**Other Comprehensive Income (“OCI”), Other Comprehensive Loss (“OCL”)**

Remeasurements of post-employment benefit liabilities are recorded as OCI or OCL. These remeasurements will not be reclassified to net income and will remain in AOCI.

**Office of the Superintendent of Financial Institutions Canada (“OSFI”)**

The mandate of OSFI is to regulate and supervise federally regulated financial institutions and pension plans in Canada to contribute to public confidence in the financial system.

**Participating Policies (“PAR”)**

The participating account includes all policies issued by Empire Life that entitle its policyholders to participate in the profits of the participating account. Empire Life has discretion as to the amount and timing of dividend payments which take into consideration the continuing solvency of the participating account.

**Return on Common Shareholders’ Equity (“ROE”)**

A profitability measure that presents the net income available to common shareholders as a percentage of the average capital deployed to earn the income.

**Risk Adjustment (“RA”)**

The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfills insurance contracts.

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STOCK EXCHANGE LISTINGS:

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First Preference Shares, Series 2	ELF.PR.G
First Preference Shares, Series 3	ELF.PR.H

WEBSITE:

[www.e-lfinancial.ca](http://www.e-lfinancial.ca)

REPORTING PROCEDURE FOR ACCOUNTING MATTERS

If you have a complaint regarding accounting, internal controls or a concern regarding questionable accounting, you should submit your written complaint or concern to:

Mr. Peter Levitt  
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Toronto, Ontario  
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Email: [Peter@LevittAdvisory.ca](mailto:Peter@LevittAdvisory.ca)  
Phone: (647) 236-1064

You may submit your complaint or concern anonymously. Your submission will be kept confidential and will be treated in accordance with the Company's policy for reporting accounting or auditing matters.