



Financial Corporation Limited

FIRST QUARTER REPORT

March 31, 2024

Financial Highlights

(Millions of dollars, except per share amounts)

Three months ended March 31	2024	2023
Net Equity Value per Common Share ⁽¹⁾	\$ 2,124.20	\$ 1,775.42
Net Income per Common Share	\$ 161.41	\$ 86.96
Contribution to Shareholders' Net Income:		
E-L Corporate	\$ 495	\$ 253
Empire Life	52	52
Shareholders' Net Income	547	305
Preferred Shareholder Dividends	4	4
Net Income attributable to Common Shareholders	\$ 543	\$ 301
E-L Corporate		
Shareholders' Net Income	\$ 495	\$ 253
Investments - Corporate	\$ 7,171	\$ 5,906
Investments in Associates	\$ 395	\$ 425
Empire Life		
Common Shareholders' Net Income	\$ 52	\$ 52
Net Insurance Service Result	\$ 39	\$ 44
Life Insurance Capital Adequacy Test Total Ratio ("LICAT") (%)	157	152

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

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.

REPORT ON E-L FINANCIAL CORPORATION LIMITED

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 2024 should be read in conjunction with E-L Financial's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2024, as well as the MD&A and the audited consolidated financial statements which form part of the E-L Financial 2023 Annual Report dated March 7, 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 8, 2024.

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.

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 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 7. 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 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, mutual 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>	March 31	December 31
	2024	2023
General fund assets	\$ 9,748	\$ 9,852
Segregated fund assets	8,991	8,813
Total Empire Life assets under management	\$ 18,739	\$ 18,665

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, 2023 - 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 35.8% (December 31, 2023 - 36.6%) interest in Algoma Central Corporation ("Algoma") and a 24.9% (December 31, 2023 - 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

E-L Financial consolidated (millions of dollars)	First quarter	
	2024	2023
Contribution to net income		
E-L Corporate ⁽¹⁾	\$ 495	\$ 253
Empire Life ⁽¹⁾	52	52
Net income	547	305
Other comprehensive income ⁽¹⁾	8	3
Comprehensive income	\$ 555	\$ 308

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

E-L Corporate (millions of dollars)	First quarter	
	2024	2023
Net gain on investments	\$ 629	\$ 323
Investment and other income	34	38
Share of associates income	5	10
	668	371
Expenses	12	14
Income taxes	88	44
Non-controlling interests	73	60
	173	118
Net income	495	253
Other comprehensive income, net of taxes ⁽¹⁾	4	2
Comprehensive income	\$ 499	\$ 255

Empire Life <i>(millions of dollars)</i>	First quarter	
	2024	2023
Net insurance service result	\$ 39	\$ 44
Net investment and insurance finance result	55	47
Fee and other income ⁽²⁾	7	7
	101	98
Expenses	25	30
Income and other taxes	18	12
Non-controlling interests and net income attributable to the participating account	6	4
	49	46
Net income	52	52
Other comprehensive income, net of taxes ⁽¹⁾	4	1
Comprehensive income	\$ 56	\$ 53

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

⁽²⁾ Included in non-insurance investment results

E-L Financial reported a consolidated 2024 shareholder's net income of \$547 million or \$161.41 per common share for the first quarter 2024 of compared to \$305 million or \$86.96 per common share in 2023.

E-L Corporate reported net income of \$495 million for the first quarter of 2024 compared to \$253 million in 2023. The increase in earnings was due to a net gain on investments of \$629 million in 2024 compared to \$323 million in 2023. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income, of 11% in 2024 compared to a pre-tax total return of 8% in the prior year.

Empire Life reported a net income of \$52 million for the first quarter of 2024 which is consistent with the first quarter of 2023. The earnings in 2024 were impacted by favourable market-related movements which was offset by mortality experience from Individual Insurance products.

Normal course issuer bid

On March 7, 2024, 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, 2024 and March 11, 2025. 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, 2024. For the 12 month period ended December 31, 2023, 4,700 shares were purchased under the NCIB at an average price of \$900.78 for a total consideration of \$4 million.

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>	Q1 2024	Q4 2023	Q1 2023
E-L Financial shareholders' equity	\$ 7,652	\$ 7,114	\$ 6,628
Less: First preference shares	(300)	(300)	(300)
	7,352	6,814	6,328
Adjustments for E-L Corporate's investments in associates not carried at fair value:			
Carrying value	(395)	(394)	(425)
Fair value ⁽¹⁾	398	394	405
	3	—	(20)
Non-controlling interest and deferred tax	(1)	—	8
	2	—	(12)
Net equity value	\$ 7,354	\$ 6,814	\$ 6,316
Common shares ⁽²⁾ outstanding at year end	3,461,980	3,461,980	3,557,348
Net equity value per common share^{(2) (3)}	\$ 2,124.20	\$ 1,968.17	\$ 1,775.42

⁽¹⁾ Based on quoted market prices

⁽²⁾ Common shares includes Series A Convertible Preference Shares

⁽³⁾ See non-GAAP measures

The common shares outstanding for Q1 2024 and Q4 2023 are lower compared to Q1 2023 due to common shares acquired in 2023 as part of the Company's NCIB and substantial issuer bid.

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*
	\$	%
2014	970.65	11.3
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
Year to date		
March 31, 2024	2,124.20	8.1
Compounded annual growth in net equity value per common share*		
2014 - 2023 - 10 years		9.5
1969 - 2023 - Since inception		12.2

* 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>	2024				2023				2022
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Insurance service revenue	\$ 339	\$ 335	\$ 337	\$ 328	\$ 326	\$ 323	\$ 310	\$ 318	
Net investment and insurance finance result	55	142	(47)	8	47	(44)	2	(77)	
Fair value change in fair value through profit or loss investments	629	516	(103)	211	323	452	(60)	(697)	
Investment and other income	41	40	37	35	46	42	41	42	
Share of income (loss) of associates	6	(30)	4	9	10	24	30	2	
Total revenue	\$ 1,070	\$ 1,003	\$ 228	\$ 591	\$ 752	\$ 797	\$ 323	\$ (412)	
Net income (loss) ⁽¹⁾	\$ 547	\$ 501	\$ (57)	\$ 184	\$ 305	\$ 376	\$ 31	\$ (506)	
Earnings (loss) per common share									
- basic	\$ 161.41	\$ 144.61	\$ (17.73)	\$ 52.07	\$ 86.96	\$ 107.62	\$ 7.59	\$ (142.50)	
- diluted	\$ 148.72	\$ 132.30	\$ (17.73)	\$ 48.31	\$ 80.00	\$ 98.80	\$ 7.59	\$ (142.50)	

⁽¹⁾ 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 2024 increased compared to the prior quarter and the first quarter of 2023, with fluctuations mainly due to the impact of the fair value change in fair value through profit or loss ("FVTPL") investments. The fair value change in FVTPL investments have experienced significant movement over the past year, reflecting volatility in both the bond and equity markets and movements in interest rates.

Net investment and insurance finance result increased in the first quarter compared to the same period in 2023. This was mainly due to larger gains from market movements in 2024 relative to the first quarter in 2023.

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	
					2024	2023
Cash flows from:						
Operating activities	\$ 12	\$ 4	\$ 41	\$ (4)	\$ 53	\$ 76
Financing activities	(12)	(43)	(9)	3	(61)	(92)
Investing activities	(5)	60	(172)	1	(116)	(6)
(Decrease) increase in cash and cash equivalents	(5)	21	(140)	—	(124)	(22)
Cash and cash equivalents, beginning of the period	59	34	348	—	441	303
Cash and cash equivalents, end of the period	\$ 54	\$ 55	\$ 208	\$ —	\$ 317	\$ 281

The increase in cash provided from operating activities in 2024 relative to 2023 reflects the increase in cash earnings during 2024 compared to the prior year. 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 the first quarter of 2024 mainly due to an increase in the quarterly dividend in Q2 2023 from \$2.50 to \$3.75 per Common Share combined with a reduction in borrowings. During Q1 2024 United repaid the \$40 million operating credit facility, which was partially offset by a \$6 million increase in E-L Financial's (non-consolidated) margin loan.

Cash used for investing activities in 2024 increased compared to the same period in 2023 as Empire Life's investment portfolio purchasing activity increased while sales of investment assets declined relative 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>	2024	2023
Cash flows from:		
Operating activities		
Dividends from subsidiaries	\$ 2	\$ 2
Dividends and interest	19	27
Expenses and taxes, net of other income	(9)	(11)
	12	18
Financing activities		
Cash dividends	(17)	(13)
Increase (decrease) in margin loan	6	(20)
Interest paid on borrowings	(1)	—
	(12)	(33)
Investing activities		
Purchases of investments	(102)	(111)
Proceeds from sales of investments	89	82
Dividends from associates	8	23
	(5)	(6)
Decrease in cash and cash equivalents	(5)	(21)
Cash and cash equivalents, beginning of the period	59	70
Cash and cash equivalents, end of the period	\$ 54	\$ 49

During the first quarter of 2024, the non-consolidated cash and cash equivalents of E-L Financial decreased by \$5 million.

Operating cash flows for the first quarter of 2024 decreased compared with the prior year mainly due to lower dividends received in the current quarter compared to the prior year. The increase in cash used for financing activities for 2024 are due to the reasons described under the consolidated cash flows narrative above. Cash flows from dividends from associates in 2023 included a special dividend paid by Algoma during the first quarter of 2023.

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.

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, 2024, 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, 2023 of \$6.6 billion. The fair value of investments - corporate is summarized in the table below:

<i>(millions of dollars)</i>	March 31 2024	December 31 2023
Preferred shares	\$ 2	\$ 1
Common shares and units		
Canada	1,012	973
U.S.	4,176	3,743
Europe and United Kingdom	1,241	1,148
Other	740	728
Total	7,169	6,592
Total invested assets	\$ 7,171	\$ 6,593

In the normal course of business, investment commitments are outstanding which are not reflected in the consolidated financial statements. As of March 31, 2024, E-L Corporate has \$246 million (December 31, 2023 - \$254 million) in unfunded commitments in limited partnerships.

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

<i>(millions of dollars)</i>	2024	First quarter 2023
Net gain on investments	\$ 629	\$ 323
Investment and other income	34	38
Share of associates income	5	10
	668	371
Expenses	12	14
Income taxes	88	44
Non-controlling interests	73	60
	173	118
Net income	495	253
OCI, net of taxes	4	2
Comprehensive income	\$ 499	\$ 255

E-L Corporate reported net income of \$495 million in the first quarter of 2024 compared to \$253 million for the comparative period in 2023. For the first quarter of 2024 there was a net gain on investments of \$629 million compared to \$323 million for the first quarter of 2023. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income of 11% for the first quarter of 2024 compared to 8% for the first quarter of 2023.

Investment and other income was lower on a year to date basis compared to 2023. 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 have decreased on a year to date basis compared to the same period in 2023.

Share of associates income

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

<i>(millions of dollars)</i>	First quarter	
	2024	2023
Algoma	\$ (6)	\$ (3)
Economic	11	13
	\$ 5	\$ 10

Share of associate's income includes impairment provisions for Economic of \$5 million (March 31, 2023 - an \$8 million impairment reversal).

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 13% for the first quarter of 2024 compared to 5% in 2023.

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

	March 31, 2024			December 31, 2023		
	Ownership	Carrying value	Fair value	Ownership	Carrying value	Fair value
Algoma	35.8 %	\$ 206	\$ 210	36.6 %	\$ 211	\$ 211
Economic	24.9 %	189	189	24.9 %	183	183
Total		\$ 395	\$ 398		\$ 394	\$ 394

Ownership of Algoma decreased during the year due to common shares issued from the conversion of Algoma's debentures into common shares. This was partially offset by shares repurchased through Algoma's NCIB program.

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, 2024, 61% (December 31, 2023 - 59%) of the investment - corporate including cash and cash equivalents was denominated in U.S. dollars, 9% (December 31, 2023 - 9%) in Euros and 4% (December 31, 2023 - 5%) 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. Disclosures regarding E-L Corporate's financial instruments, including financial risk management, are included in Notes 3 and 14 to the consolidated financial statements.

Significant Development

On April 16, 2024, the 2024 Canadian federal budget was presented in the House of Commons. This budget will increase the inclusion rate on capital gains for income tax purposes from 1/2 to 2/3 on gains realized on or after June 25, 2024. The Company records income taxes payable on realized investment gains and deferred income tax liabilities on the unrealized appreciation of its investments. Once this change is approved and becomes substantively enacted the impact of these changes will be reflected in the Company's financial statements and will reduce the net equity value of the Company.

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>	First quarter	
	2024	2023
Empire Life common shareholders’ net income	\$ 52	\$ 52
Non-Controlling interests	—	—
Net income contribution to E-L Financial	\$ 52	\$ 52

	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
LICAT total ratio	157 %	155 %	152 %	151 %	152 %

Empire Life reported first quarter common shareholders’ net income of \$52 million for 2024, which is consistent with the same quarter in 2023. Favourable market-related movements in the period were offset by mortality experience in the Individual Insurance products.

Results by Major Product Line

The following tables provide a summary of Empire Life results by major product line for the first quarter. A discussion of results is provided in the Product Line Results section of the MD&A.

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)
Net insurance service result	27	1	11	—	39
Investment income (loss), excluding segregated fund account balances					
Investment income	17	(1)	(100)	(12)	(96)
Change in investment contracts	(2)	—	—	—	(2)
Net investment result, excluding segregated fund account balances	15	(1)	(100)	(12)	(98)
Insurance finance income, excluding segregated fund account balances					
Insurance contracts	2	—	147	—	149
Reinsurance contracts held	—	—	4	—	4
Net insurance finance income, excluding segregated fund account balances	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)
Segregated funds account balances net investment and insurance finance result	—	—	—	—	—
Net investment and insurance finance result	17	(1)	51	(12)	55
Fee and other income	—	2	—	5	7
Non-insurance expenses	(7)	(4)	(7)	(3)	(21)
Interest expenses	—	—	—	(4)	(4)
Total other income and expenses	(7)	(2)	(7)	(2)	(18)
Net income (loss) before taxes	37	(2)	55	(14)	76
Income taxes					(18)
Net income after taxes					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					—
Net income attributable to owners of E-L Financial				\$	52

For the three months ended March 31, 2023

(in millions of dollars)	Wealth Management	Group Solutions	Individual Insurance	Capital & Surplus	Total
Insurance revenue	\$ 58	\$ 156	\$ 112	\$ —	\$ 326
Insurance service expenses	(30)	(154)	(83)	—	(267)
Insurance service result	28	2	29	—	59
Net expense from reinsurance contracts held	—	(2)	(13)	—	(15)
Net insurance service result	28	—	16	—	44
Investment income (loss), excluding segregated funds					
Investment income	15	5	250	50	320
Change in investment contracts ⁽¹⁾	(10)	—	—	—	(10)
Net investment result, excluding segregated fund account balances	5	5	250	50	310
Insurance finance (expense) income, excluding segregated fund account balances					
Insurance contracts	(14)	(9)	(231)	—	(254)
Reinsurance contracts held	—	4	(13)	—	(9)
Net insurance finance expense, excluding segregated fund account balances	(14)	(5)	(244)	—	(263)
Segregated fund account balances net investment and insurance finance result					
Investment income on investments for segregated fund account balances	281	—	—	—	281
Insurance finance expenses for segregated fund	(281)	—	—	—	(281)
Segregated funds account balances net finance and investment result	—	—	—	—	—
Net investment and insurance finance result	(9)	—	6	50	47
Fee and other income ⁽¹⁾	—	2	—	5	7
Non-insurance expenses	(7)	(3)	(6)	(7)	(23)
Interest expenses ⁽¹⁾	—	—	—	(5)	(5)
Total other income and expenses	(7)	(1)	(6)	(7)	(21)
Net income (loss) before taxes	12	(1)	16	43	70
Income taxes ⁽¹⁾					(13)
Net income after taxes					57
Less: net income attributable to the participating account					2
Less: preferred share dividends declared					3
Empire Life's common shareholder's net income					52
Non-controlling interests in net income					—
Net income attributable to owners of E-L Financial				\$	52

⁽¹⁾ Amounts have been revised from those previously presented.

Empire Life reported first quarter common shareholders' net income of \$52 million for 2024, which is consistent with the same quarter in 2023. Favourable market-related movements in the period were offset by mortality experience in the Individual Insurance products.

Net insurance service result decreased \$5 million in the first quarter, compared to the same period in 2023, due to unfavourable mortality experience in Individual Insurance products.

Net investment and insurance finance result increased \$8 million in the first quarter compared to the same period in 2023. This was mainly due to larger gains from market movements in 2024 relative to the first quarter in 2023.

Total other income and expenses changed by \$3 million in the first quarter compared to the same period in 2023, mainly from timing relating to the subordinated debt redemption and issuance in the first quarter of 2023.

Product Line Results - Wealth Management

(in millions of dollars)	First quarter	
	2024	2023
Fixed annuities		
Assets under management ⁽¹⁾	\$ 997	\$ 811
Gross sales ⁽¹⁾	67	45
Net sales ⁽¹⁾	21	8
Segregated funds		
Assets under management ⁽¹⁾	\$ 8,973	\$ 8,707
Gross sales ⁽¹⁾	229	244
Net sales ⁽¹⁾	(218)	(52)

⁽¹⁾ See Non-IFRS Accounting Standards measures section

(in millions of dollars)	First quarter	
	2024	2023
Net insurance service result	\$ 27	\$ 28
Net investment and insurance finance result ⁽¹⁾	17	(9)
Non-insurance operating expenses	(7)	(7)
Net income before taxes	\$ 37	\$ 12

⁽¹⁾ Amounts have been revised from those previously presented.

Fixed annuities assets under management were 23% higher relative to the same period in 2023. Gross sales in the first quarter were 49% higher than the same period in 2023, relating to continued strong demand for GICs from higher interest rates.

Segregated fund assets under management were 3% higher relative to the same period in 2023, reflecting favourable market movements, partially offset by net outflows. For the first quarter of 2024, gross sales of segregated funds were 6% lower than the same period in 2023, as consumers continue to favour fixed annuity products.

Net income for the first quarter increased \$25 million, compared to the same period in 2023, mainly from the net investment and insurance finance result driven by the fixed annuity business due to market and interest rate movements.

Product line results - Group Solutions

(in millions of dollars)	First quarter	
	2024	2023
Annualized premium sales		
Core	\$ 15	\$ 11
Other	7	7
Annualized premium sales⁽¹⁾	\$ 22	\$ 18

(in millions of dollars)	First quarter	
	2024	2023
Insurance revenue	\$ 163	\$ 156
Net insurance service result	\$ 1	—
Net investment and insurance finance result	(1)	—
Fee and other income	2	2
Non-insurance operating expenses	(4)	(3)
Net loss before taxes	\$ (2)	\$ (1)

⁽¹⁾ See Non-IFRS Accounting Standards measures section

Total annualized premium sales increased 22% in the first quarter compared to the same period in 2023 due to strong sales in core product offerings. In the current quarter, Group Solutions also recognized sales from newly launched product lines.

Total insurance revenue increased 4% in the the first quarter compared to the same period in 2023, primarily due to organic growth in specialty partnerships.

For the first quarter, net loss before taxes was consistent with the same period in 2023. Favourable life and long-term disability claims experience from the prior year was offset by unfavourable interest rate movements.

Product line results - Individual Insurance

(in millions of dollars)	First quarter	
	2024	2023
Shareholders'		
Shareholders' annualized premium sales ⁽¹⁾	\$ 10	\$ 10
Net income before taxes	52	14
Policyholders'		
Policyholders' annualized premium sales ⁽¹⁾	\$ 4	\$ 4
Net income before taxes	3	2

⁽¹⁾ See Non-IFRS Accounting Standards measures section

(in millions of dollars)	First quarter	
	2024	2023
Net insurance service result	\$ 11	\$ 16
Net investment and insurance finance result	51	6
Non-insurance operating expenses	(7)	(6)
Net income before taxes	\$ 55	\$ 16

Shareholders' annualized premium sales in the first quarter were consistent with the same period in 2023, resulting from continued strong sales of the traditional non-participating term insurance products.

Shareholders' net income before taxes for the first quarter of 2024 increased \$38 million in 2024 compared to 2023, primarily from the positive impact rising interest rates had on the net investment and

insurance finance results in 2024. This factor was partially offset by higher mortality losses in our traditional non-participating and universal life insurance products.

Results - Capital and Surplus

(in millions of dollars)	First quarter	
	2024	2023
Net investment results	\$ (12)	\$ 50
Other income and expenses	(2)	(7)
Net (loss) income before taxes	\$ (14)	\$ 43

Compared to the prior period, net income before taxes decreased \$57 million in the Capital and Surplus segment, driven by the impact increasing interest rates had on the investment portfolio. The prior year also included interest expense relating to the subordinated debt redemption and issuance.

Results - Net Contractual Service Margin

(Amounts are net of reinsurance contracts held, in millions of dollars)	First quarter	
	2024	2023
Net contractual service margin, beginning of period	\$ 1,415	\$ 1,544
Impact of new insurance business	15	19
Interest accretion	6	6
Insurance experience ⁽¹⁾	(7)	(4)
Economic experience ⁽¹⁾	108	15
Assumption updates ⁽¹⁾	4	1
CSM recognized for services provided	(42)	(41)
Net contractual service margin, end of period	\$ 1,499	\$ 1,540

⁽¹⁾ 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 VFA for our Wealth Management and Individual Insurance product lines. Assumption updates represent the future period impacts of changes in fulfilment cash flows that adjust CSM.

The net contractual service margin ("CSM") for the first quarter of 2024 was \$1,499 million, an increase of \$84 million from December 31, 2023, largely driven by:

- New insurance business: Strong traditional non-participating term insurance sales, which was offset by lower segregated fund sales.
- Economic experience: The increase in the quarter was driven by the positive impact of equity market returns and rising interest rates on the segregated fund products.
- CSM amortization: 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 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 and mortgages. Empire Life manages credit risk by applying its investment guidelines established 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. 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 a semi-static hedging program 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 2024	December 31 2023
Subordinated debentures	\$ 399	\$ 399
Equity		
Preferred shares and other equity instruments	\$ 297	\$ 297
Common shares	1	1
Total Equity	\$ 298	\$ 298

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 2024	December 31 2023
Series 2021-1 ⁽¹⁾	September 2021	September 24, 2026	2.024%	\$ 199	\$ 199
Series 2023-1 ⁽²⁾	January 2023	January 13, 2028	5.503%	\$ 200	\$ 199

⁽¹⁾ Series 2021-1 Subordinated 2.024% Unsecured Debentures due 2031. From September 24, 2026, interest is payable at 0.67% over CDOR.

⁽²⁾ 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 2024	December 31 2023
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 ("DBRS"). DBRS has assigned the following ratings to Empire Life's securities:

Evaluation type	Rating	Trend	Date of last rating action
Financial strength rating	A	Stable	May 25, 2023
Issuer rating	A	Stable	May 25, 2023
Subordinated debt	A(low)	Stable	May 25, 2023
Preferred shares	Pfd-2	Stable	May 25, 2023
Limited Recourse Capital Notes	BBB(high)	Stable	May 25, 2023

Regulatory capital

The Life Insurance Capital Adequacy Test ("LICAT") measures the capital adequacy of an insurer and is one of several indicators used by OSFI to assess an insurer's financial condition. 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 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023	Mar 31 2023
Available capital					
Tier 1	\$ 2,222	\$ 2,135	\$ 2,190	\$ 2,180	\$ 2,213
Tier 2	683	714	626	663	647
Total	\$ 2,905	\$ 2,849	\$ 2,816	\$ 2,843	\$ 2,860
Surplus allowance and eligible deposits	\$ 638	\$ 651	\$ 561	\$ 608	\$ 598
Base solvency buffer	2,254	2,252	2,228	2,293	2,276
LICAT total ratio	157 %	155 %	152 %	151 %	152 %
LICAT core ratio	118 %	115 %	116 %	114 %	116 %

The change in the LICAT total ratio in the first quarter of 2024 is due to strong earnings for the period related to favourable net investment results, partially offset by unfavourable mortality experience in the Individual Insurance segment.

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.

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 equity market risk related to its segregated fund products and from equity assets backing life insurance contract liabilities and surplus. Empire Life maintains a semi-static hedging program. The objective of the hedging program is to partially protect Empire Life from regulatory capital (LICAT) ratio declines that might result from adverse stock market price changes. The hedging program may employ derivatives positions including put options and futures. The extent of derivatives used is monitored and managed on an ongoing basis, giving consideration to equity market risk and the level of available capital.

There is income statement volatility from this hedging program. Based on current equity market levels, 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 result from the hedging instruments, as gains or losses are not directly offset by changes in the value of other assets and liabilities exposed to equity risk. For the quarter ended March 31, 2024, Empire Life experienced a loss of \$2.0 million pre-tax on the hedging program, due to realized and unrealized fair value gains. This compares to a hedge loss of \$7.3 million pre-tax over the same period in 2023.

Empire Life's LICAT ratio is also sensitive to stock market volatility, due primarily to liability and capital requirements related to segregated fund guarantees. As of March 31, 2024, Empire Life had \$9.0 billion of segregated fund assets and liabilities. Of this amount, approximately \$8.8 billion have guarantees. The following table provides a percentage breakdown by type of guarantee.

	March 31 2024	December 31 2023
Percentage of segregated fund liabilities with:		
75% maturity guarantee and a 75% death benefit guarantee	10 %	9 %
75% maturity guarantee and a 100% death benefit guarantee	43 %	43 %
100% maturity and death benefit guarantee (with a minimum of 15 years between deposit and maturity date)	7 %	7 %
Guaranteed minimum withdrawal benefit ("GMWB")	40 %	41 %
Total	100 %	100 %

All Empire Life segregated fund guarantees are policy-based (not deposit-based), thereby generally lowering Empire Life's stock market sensitivity relative to products with deposit-based guarantees. Policy-based guarantees consider all the deposits in the customer's policy (whether the fund value is below or above the guaranteed amount) to arrive at an overall net guarantee payment, whereas deposit-based guarantees consider only the deposits where the fund value is below the guaranteed amount and ignore all the deposits in the customer's policy where the fund value is above the guaranteed amount. Therefore, policy-based guarantees generally pay less than deposit-based guarantees. For segregated fund guarantee insurance contract liabilities, the level of sensitivity is highly dependent on the level of the stock market at the time of performing the sensitivity test. If period-end stock markets are high relative to market levels at the time that segregated fund policies are issued, the sensitivity is reduced. If period-end stock

markets are low relative to market levels at the time that segregated fund policies are issued, the sensitivity is increased.

The segregated fund regulatory capital framework includes the use of various constraints that provide a partial cushion against impacts. As a result, the sensitivity impacts are often non-linear or asymmetric. In addition, the contractual service margin 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.

Empire Life also has equity market risk related to its equity assets backing life insurance contract liabilities and surplus. In the first quarter of 2024, Empire Life continued to update the asset mix, reducing exposure to equity risk. As at March 31, 2024 and December 31, 2023, 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	Increase		Decrease	
	20%	10%	10%	20%
As at March 31, 2024				
Net income and equity	17	9	(7)	(8)
CSM	177	93	(107)	(233)
As at December 31, 2023				
Net income and equity	43	21	(19)	(32)
CSM	187	100	(116)	(254)

Based on stock market levels as at March 31, 2024 and December 31, 2023, the sensitivity of Empire Life LICAT Total ratio resulting from stock market increases and decreases on equity market prices is provided in the following table:

Sensitivity to equity risk	Increase		Decrease	
	20%	10%	10%	20%
Impact on LICAT				
Segregated fund guarantees	17%	9%	(1)%	(6)%
Other equity risk	1%	—%	—%	—%
Equity hedge	—%	—%	—%	(1)%
As at March 31, 2024	18%	9%	(1)%	(7)%
Segregated fund guarantees	13%	5%	(1)%	(11)%
Other equity risk	1%	—%	—%	(1)%
Equity hedge	(2)%	(1)%	1%	1%
As at December 31, 2023	12%	4%	—%	(11)%

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:

Segregated funds	Withdrawal benefit > fund value		Maturity guarantee > fund value		Death benefit > fund value		Insurance Contract liabilities	LICAT capital
	Fund value	Amount at risk	Fund value	Amount at risk	Fund value	Amount at risk		
(millions of dollars)								
March 31, 2024	\$ 2,499	\$ 852	\$ 16	\$ 2	\$ 377	\$ 4	\$ 104	\$ 394
December 31, 2023	\$ 2,557	\$ 952	\$ 44	\$ 2	\$ 1,101	\$ 12	\$ 102	\$ 422

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, 2024, the aggregate amount at risk for all three categories of risk was \$858 million. At December 31, 2023, the aggregate amount at risk for these three categories of risk was \$966 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, 2024 and December 31, 2023, is shown in the table below. No change to credit spreads is assumed.

Sensitivity to market interest rates LICAT	Impact of 50 bps decrease
March 31, 2024 LICAT total ratio	3%
December 31, 2023 LICAT total ratio	2%

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

	March 31 2024	December 31 2023
Assets		
Cash and cash equivalents	\$ 317,189	\$ 440,861
Investments - corporate (Note 3)	7,170,632	6,592,823
Investments - insurance (Note 4)	8,906,130	8,916,945
Investments in associates (Note 5)	435,094	428,975
Reinsurance contracts held assets (Note 10)	275,451	281,359
Other assets (Note 8)	254,762	196,462
Deferred tax asset	96,834	89,444
Segregated fund assets (Note 9)	8,991,300	8,812,724
Total assets	\$ 26,447,392	\$ 25,759,593
Liabilities		
Insurance contract liabilities, excluding segregated fund account balances (Note 10)	\$ 6,537,918	\$ 6,708,434
Reinsurance contracts held (Note 10)	261,442	253,230
Investment contract liabilities, excluding segregated fund account balances	524,005	490,020
Deferred tax liabilities	431,809	351,569
Dividends payable (Note 11)	16,869	16,869
Other liabilities	108,430	131,035
Borrowings (Note 13)	699,573	733,369
Total liabilities, excluding those for account of segregated fund holders	8,580,046	8,684,526
Insurance contract liabilities for segregated fund account balances (Note 10)	8,775,612	8,507,285
Investment contract liabilities for segregated fund account balances	215,688	305,439
Insurance and investment contract liabilities for account of segregated fund holders	8,991,300	8,812,724
Total liabilities	\$ 17,571,346	\$ 17,497,250
Equity		
Capital stock (Note 11)	\$ 362,347	\$ 362,347
Retained earnings	7,259,116	6,728,675
Accumulated other comprehensive income ("AOCI")	30,043	22,759
Total E-L Financial shareholders' equity	7,651,506	7,113,781
Non-controlling interests in subsidiaries ("NCI")	1,175,799	1,102,405
Participating account surplus ("PAR")	48,741	46,157
Total equity	8,876,046	8,262,343
Total liabilities and equity	\$ 26,447,392	\$ 25,759,593

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	
	2024	2023
Insurance service result		
Insurance service revenue (Note 10)	\$ 339,042	\$ 325,514
Insurance service expenses	(282,034)	(267,432)
Net expense from reinsurance contracts held (Note 10)	(18,203)	(13,973)
Net insurance service result	38,805	44,109
Investment and insurance finance result (Note 7)		
Investment (loss) income, excluding segregated fund account balances	(96,229)	320,162
Change in investment contracts, excluding segregated fund account balances ⁽¹⁾	(1,629)	(9,790)
Insurance finance income (expense) from insurance contracts issued, excluding segregated fund account balances	149,476	(254,252)
Reinsurance finance income (expense) from reinsurance contracts held, excluding segregated fund account balances	3,677	(8,862)
Investment income related to segregated fund account balances	441,798	281,254
Insurance finance expense of the segregated fund account balances	(441,798)	(281,254)
Net investment and insurance finance result	55,295	47,258
Net insurance result	94,100	91,367
Non-insurance investment income		
Investment and other income ⁽¹⁾ (Note 6)	40,702	45,352
Share of income of associates (Note 5)	6,166	10,067
Fair value change in fair value through profit or loss investments	629,009	322,978
Non-insurance investment income	675,877	378,397
Expenses		
Operating	30,662	34,402
Interest expense	7,331	9,417
	37,993	43,819
Income before income taxes	731,984	425,945
Income taxes	106,125	56,880
Net income	625,859	369,065
Less: Net income attributable to the participating account	2,584	1,786
Non-controlling interests in net income	75,965	62,191
	78,549	63,977
E-L Financial shareholders' net income	\$ 547,310	\$ 305,088
Earnings per share attributable to E-L Financial shareholders		
Basic	\$ 161.41	\$ 86.96
Diluted	\$ 148.72	\$ 80.00

⁽¹⁾ Amounts have been revised from those previously presented.

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)

	Three months ended	
	March 31	
	2024	2023
Net income	\$ 625,859	\$ 369,065
Other comprehensive income (“OCI”), net of taxes		
Items that may be reclassified subsequently to net income:		
Share of OCI of associates	3,220	10
Provision for taxes	(426)	(1)
Share of OCI of associates	2,794	9
Items that will not be reclassified to net income:		
Net remeasurement of defined benefit plans	5,562	3,146
Provision for taxes	(1,467)	(832)
Net remeasurement of defined benefit plans	4,095	2,314
Share of OCI of associates	944	222
Provision for taxes	(125)	(30)
Share of OCI of associates	819	192
	4,914	2,506
Total OCI	7,708	2,515
Comprehensive income	633,567	371,580
Less: Comprehensive income attributable to the participating account	2,584	1,786
Non-controlling interests in comprehensive income	76,389	62,221
	78,973	64,007
E-L Financial shareholders' comprehensive income	\$ 554,594	\$ 307,573

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						Total equity
	Capital stock	Retained earnings	AOCl	Total	NCI	PAR	
Balance as at January 1, 2024	\$ 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
Comprehensive income	—	547,310	7,284	554,594	76,389	2,584	633,567
Dividends	—	(16,869)	—	(16,869)	(2,995)	—	(19,864)
At March 31, 2024	\$ 362,347	\$ 7,259,116	\$ 30,043	\$ 7,651,506	\$ 1,175,799	\$ 48,741	\$ 8,876,046

	E-L Financial shareholders' equity						Total equity
	Capital stock	Retained earnings	AOCl (AOCL)	Total	NCI	PAR	
Balance as at January 1, 2023	\$ 364,064	\$ 5,949,494	\$ 24,247	\$ 6,337,805	\$ 1,030,156	\$ 24,055	\$ 7,392,016
Net income	—	305,088	—	305,088	62,191	1,786	369,065
OCI	—	—	2,485	2,485	30	—	2,515
Comprehensive income	—	305,088	2,485	307,573	62,221	1,786	371,580
Dividends	—	(17,227)	—	(17,227)	(1,772)	—	(18,999)
Acquisition of subsidiary shares	—	—	—	—	(144)	—	(144)
At March 31, 2023	\$ 364,064	\$ 6,237,355	\$ 26,732	\$ 6,628,151	\$ 1,090,461	\$ 25,841	\$ 7,744,453

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	
	2024	2023
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income	\$ 625,859	\$ 369,065
Items not affecting cash resources:		
Changes in contract liabilities	(136,531)	220,632
Changes for reinsurance contracts held	12,211	22,835
Fair value change in fair value through profit or loss investments	(423,354)	(551,716)
Deferred taxes	72,300	41,343
Share of income of associates	(6,166)	(10,067)
Other items	(22,971)	10,322
	121,348	102,414
Net change in other assets and liabilities	(67,467)	(25,360)
	53,881	77,054
Financing		
Cash dividends to shareholders	(16,869)	(12,780)
Cash dividends by subsidiaries to non-controlling interests	(1,561)	(1,664)
Purchases of subsidiary shares	—	(144)
Decrease in borrowings (Note 13)	(34,000)	(70,000)
Repayment of subordinated debt by Empire Life (Note 13)	—	(199,964)
Issuance of subordinated debt by Empire Life (Note 13)	—	199,329
Interest paid on borrowings	(8,946)	(7,006)
	(61,376)	(92,229)
Investing		
Purchases of investments	(1,105,457)	(1,023,908)
Proceeds from sale or maturity of investments	983,269	996,228
Net purchases of other assets	(2,931)	(7,632)
Dividends from associates	8,942	28,880
	(116,177)	(6,432)
Decrease in cash and cash equivalents	(123,672)	(21,607)
Cash and cash equivalents, beginning of the period	440,861	302,946
Cash and cash equivalents, end of the period	\$ 317,189	\$ 281,339
Fair value hierarchy for cash and cash equivalents:		
Level 1	\$ 158,836	\$ 138,562
Level 2	158,353	142,777
	\$ 317,189	\$ 281,339

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 8, 2024.

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, 2023.

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 2024

Effective January 1, 2024, the Company adopted the following new and amended accounting standards:

IAS 1 Amendment – Classification of liabilities as current or non-current and non-current liabilities with covenants

Narrow-scope amendments to IAS 1 were issued in January 2020 to provide clarification over the classification of debt and other liabilities as current or non-current. The amendments aim to promote consistency in the application of the classification requirements when the settlement date is uncertain. In October 2022, the IASB issued a further amendment to clarify that classification of liabilities as current or non-current is only impacted by covenants with which an entity is required to comply on or before the reporting date. This amendment also introduced disclosure requirements for covenants with which an entity must comply after the reporting date. These amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. There were no material impacts to the Company’s interim condensed consolidated financial statements resulting from these amendments, or changes to loan agreements.

IFRS 16 Amendment – Lease liability in a sale and leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liabilities that arise in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. There was no material impact to the Company’s interim condensed consolidated financial statements resulting from these amendments.

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

New accounting pronouncement issued but not yet effective*IAS 21 Amendment – 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. The Company is currently evaluating the impact that this amendment will have on its consolidated financial statements.

IFRS 18 – Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements, 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 consolidated financial statements.

3. Investments – corporateInvested 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 2024	December 31 2023
Preferred shares	\$ 2,075	\$ 1,434
Common shares and units		
Canada	1,011,794	973,176
U.S.	4,176,455	3,742,971
Europe and United Kingdom	1,241,015	1,148,099
Other	739,293	727,143
Total common shares and units	7,168,557	6,591,389
Total	\$ 7,170,632	\$ 6,592,823

The Company's investment in common shares and units includes shares of public and private companies. As at March 31, 2024 and December 31, 2023 all of the invested assets have been classified as FVTPL.

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

Investments – measured at fair value

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

As at March 31, 2024				
Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Preferred shares	\$ 1,017	\$ —	\$ 1,058	\$ 2,075
Common shares and units				
Canada	91,517	—	920,277	1,011,794
U.S.	3,845,537	—	330,918	4,176,455
Europe and United Kingdom	1,103,715	—	137,300	1,241,015
Other	670,522	—	68,771	739,293
Total common shares and units	5,711,291	—	1,457,266	7,168,557
Total	\$ 5,712,308	\$ —	\$ 1,458,324	\$ 7,170,632

As at December 31, 2023				
Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Preferred shares	\$ 376	\$ —	\$ 1,058	\$ 1,434
Common shares and units				
Canada	79,017	—	894,159	973,176
U.S.	3,435,885	—	307,086	3,742,971
Europe and United Kingdom	1,022,200	—	125,899	1,148,099
Other	659,601	—	67,542	727,143
Total common shares and units	5,196,703	—	1,394,686	6,591,389
Total	\$ 5,197,079	\$ —	\$ 1,395,744	\$ 6,592,823

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 month period ended March 31, 2024 or during the year ended December 31, 2023.

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, 2024 and December 31, 2023:

	3 months 2024	12 months 2023
Balance beginning of period	\$ 1,395,744	\$ 1,193,201
Net fair value change	53,652	82,739
Sales and distributions	(1,598)	(11,541)
Purchases	10,526	131,345
Balance end of period	\$ 1,458,324	\$ 1,395,744

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, 2024 the Company had loaned securities with a fair value of \$757,763 (December 31, 2023 - \$606,157) and received approximately \$795,662 (December 31, 2023 - \$636,475) in collateral.

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

In the normal course of business, investment commitments are outstanding which are not reflected in the consolidated financial statements. As of March 31, 2024, E-L Corporate has \$246,141 (December 31, 2023 - \$254,185) 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.

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:

Fair value	As at March 31, 2024			
	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Asset category				
Short-term investments	\$ —	\$ 3,233	\$ —	\$ 3,233
Bonds	—	7,515,535	29,412	7,544,947
Preferred shares	593,967	—	—	593,967
Common shares	525,775	76,626	11,590	613,991
Derivative assets	4,123	1,606	—	5,729
Mortgages	—	96,821	—	96,821
Loans	—	47,442	—	47,442
Total	\$ 1,123,865	\$ 7,741,263	\$ 41,002	\$ 8,906,130

Fair value	As at December 31, 2023			
	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Asset category				
Short-term investments	\$ —	\$ 4,957	\$ —	\$ 4,957
Bonds	—	7,427,458	28,725	7,456,183
Preferred shares	519,359	—	—	519,359
Common shares	686,225	79,260	11,292	776,777
Derivative assets	2,641	11,184	—	13,825
Mortgages	—	98,679	—	98,679
Loans	—	47,165	—	47,165
Total	\$ 1,208,225	\$ 7,668,703	\$ 40,017	\$ 8,916,945

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 three month period ended March 31, 2024. During the fourth quarter of December 31, 2023 there was a transfer between Level 2 and Level 3.

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

A summary of changes in the fair values of Level 3 financial instruments measured at FVTPL as at March 31, 2024 and December 31, 2023:

	3 months 2024	12 months 2023
Balance beginning of period	\$ 40,017	\$ —
Transfer-in	—	40,666
Purchases	—	536
Sales	(71)	(72)
Net fair value change	1,056	(1,113)
Balance end of period	\$ 41,002	\$ 40,017

Derivative financial instruments

The values of derivative instruments are set out in the following table. The use of derivatives is measured in terms of notional principal amounts, which serve as the basis for calculating payments and are generally not actual amounts that are exchanged.

	March 31, 2024			December 31, 2023		
	Notional Principal	Fair Value Assets	Fair Value Liabilities	Notional Principal	Fair Value Assets	Fair Value Liabilities
Exchange-traded						
Equity options	\$ 695,977	\$ 2,770	\$ —	\$ 765,152	\$ 2,835	\$ —
Over-the-counter						
Foreign currency forwards	415,693	372	129	204,756	6,243	—
Cross currency swaps	81,216	2,587	1,547	66,484	4,747	672
Total	\$ 1,192,886	\$ 5,729	\$ 1,676	\$ 1,036,392	\$ 13,825	\$ 672

All contracts mature in less than one year, except for cross currency swaps which mature in more than five years.

Empire Life has securities lending agreements with its custodian. Under these agreements, 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, 2024 and December 31, 2023, the aggregate fair values of the Empire's securities loaned and the collateral received were as follows:

As at	March 31, 2024			December 31, 2023		
	General Funds	Segregated Funds	Total	General Funds	Segregated Funds	Total
Value of securities loan	\$ 1,264,735	\$ 1,587,354	\$ 2,852,089	\$ 1,421,820	\$ 1,479,136	\$ 2,900,956
Value of collateral received	\$ 1,290,071	\$ 1,620,342	\$ 2,910,413	\$ 1,450,283	\$ 1,510,186	\$ 2,960,469

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

5. Investments in associates

Investments in associates by operating segment are as follows:

	March 31 2024	December 31 2023
E-L Corporate	\$ 395,278	\$ 394,083
Empire Life	39,816	34,892
Total	\$ 435,094	\$ 428,975

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

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

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.

	March 31, 2024			December 31, 2023		
	Ownership	Carrying value	Fair value	Ownership	Carrying value	Fair value
Algoma	35.8 %	\$ 206,427	\$ 209,569	36.6 %	\$ 211,407	\$ 211,407
Economic	24.9 %	188,851	188,851	24.9 %	182,676	182,676
Total		\$ 395,278	\$ 398,420		\$ 394,083	\$ 394,083

Ownership of Algoma decreased during the quarter due to common shares issued from the conversion of Algoma’s debentures into common shares. This was partially offset by shares repurchased through Algoma’s normal course issuer bid program.

The following table details the movement during the period:

	3 months 2024	12 months 2023
Balance, beginning of the period	\$ 394,083	\$ 443,192
Income recorded in the statements of income:		
Share of income	10,803	55,836
Net impairment	(4,925)	(64,606)
	5,878	(8,770)
Share of other comprehensive income (loss)	4,164	(2,736)
	10,042	(11,506)
Dividends received during the period	(8,847)	(37,603)
Balance, end of the period	\$ 395,278	\$ 394,083

The E-L Corporate’s associates are measured using the equity method. As at March 31, 2024, the fair value of the investments in associates was \$398,420 (December 31, 2023 - \$394,083). 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, 2024, an impairment provision of \$4,925 (March 31, 2023 - a reversal of \$8,386) 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.

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

Financial information

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

	Algoma		Economic	
	March 31 2024	December 31 2023	March 31 2024	December 31 2023
Cash and cash equivalents	\$ 13,869	\$ 32,831	\$ 7,474	\$ 13,119
Other current assets	106,999	128,560	1,277,643	1,187,983
Non-current assets	1,270,884	1,182,765	—	—
	1,391,752	1,344,156	1,285,117	1,201,102
Current liabilities	206,511	147,187	14,853	347
Non-current liabilities	411,119	418,660	104,445	93,260
	617,630	565,847	119,298	93,607
Net assets	\$ 774,122	\$ 778,309	\$ 1,165,819	\$ 1,107,495

	Algoma		Economic	
	2024	2023	2024	2023
Three months ended March 31	2024	2023	2024	2023
Revenue	\$ 109,214	\$ 111,604	\$ 96,567	\$ 30,254
Net (loss) income	\$ (17,253)	\$ (19,640)	\$ 83,117	\$ 25,829
Other comprehensive income	11,639	632	—	—
Total comprehensive (loss) income	\$ (5,614)	\$ (19,008)	\$ 83,117	\$ 25,829

At March 31, 2024, Algoma has financial commitments of \$619,670 (December 31, 2023 - \$640,781).

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

	Algoma		Economic		Total	
	2024	2023	2024	2023	2024	2023
Three months ended March 31	2024	2023	2024	2023	2024	2023
Dividends received	\$ 2,686	\$ 21,635	\$ 6,161	\$ 7,118	\$ 8,847	\$ 28,753

On January 18, 2023 Algoma paid a special dividend of \$1.35 per common share resulting in E-L Corporate receiving a dividend of \$19,090.

6. Non-insurance - Investment and other income

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

	Three months ended March 31	
	2024	2023
Interest income	\$ 612	\$ 503
Fee income ⁽¹⁾	6,960	7,285
Dividend income	32,046	35,443
Other	1,084	2,121
Total	\$ 40,702	\$ 45,352

⁽¹⁾ Amounts have been revised from those previously presented.

(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	
	2024	2023
Investment and insurance finance result		
Interest and other investment income	\$ 109,426	\$ 82,474
Change in fair value of investments	(205,655)	237,688
Investment (loss) income, excluding segregated fund account balances	(96,229)	320,162
Change in investment contracts	(1,629)	(9,790)
Net investment result, excluding segregated fund account balances	(97,858)	310,372
Insurance finance (expense) income from insurance contracts, excluding segregated fund account balances		
Interest accreted	(45,384)	(39,445)
Effect of changes in interest rates and other financial assumptions	199,424	(189,532)
Changes in fair value of underlying items in insurance contracts with direct participation features	(4,564)	(25,275)
Insurance finance (expense) income from insurance contracts, excluding segregated fund account balances	149,476	(254,252)
Reinsurance finance income (expense) from reinsurance contracts held, excluding segregated fund account balances		
Interest accreted	1,040	1,425
Effect of changes in interest rates and other financial assumptions	2,637	(10,287)
Reinsurance finance income (expense) from reinsurance contracts held, excluding segregated fund account balances	3,677	(8,862)
Investment income related to segregated fund account balances		
Insurance income on investments related to segregated fund net assets, insurance contracts	430,390	270,379
Investment income on investments related to segregated fund net assets, investment contracts	11,408	10,875
Investment income related to segregated fund account balances	441,798	281,254
Changes in underlying items of the segregated funds		
Insurance finance expenses, insurance contracts segregated fund account balances	(430,390)	(270,379)
Change in investment contracts, segregated fund account balances	(11,408)	(10,875)
Insurance finance expense of the segregated fund account balances	(441,798)	(281,254)
Net investment and insurance finance result	\$ 55,295	\$ 47,258

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 expense.

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

With regards to contracts measured using the Variable Fee Approach (participating insurance and segregated funds), the change in the underlying items would be recognized both as insurance finance income (or expense) and investment income, with offsetting impacts. For these contracts, changes in the

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

effect of time value of money and financial risk not arising from underlying items adjusts the CSM and are not included in the insurance finance income (expense) amounts presented in the table above.

8. Other assets

Other assets are comprised of the following:

	March 31 2024	December 31 2023
Accrued investment income	\$ 54,786	\$ 53,125
Income taxes receivable	4,658	748
Property and equipment	13,526	13,914
Intangible assets	60,736	61,511
Goodwill	24,950	24,950
Other	96,106	42,214
Total	\$ 254,762	\$ 196,462

9. Segregated funds

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

	March 31, 2024			December 31, 2023		
	Insurance Contracts	Investment Contracts	Total	Insurance Contracts	Investment Contracts	Total
Cash	\$ 9,092	\$ 14	\$ 9,106	\$ 9,897	\$ 402	\$ 10,299
Short-term investments	592,210	14,507	606,717	627,676	14,345	642,021
Bonds	1,669,115	86,621	1,755,736	1,690,358	131,286	1,821,644
Common and preferred shares	6,485,227	214,650	6,699,877	6,157,983	253,647	6,411,630
	8,755,644	315,792	9,071,436	8,485,914	399,680	8,885,594
Add other assets	27,717	529	28,246	28,734	216	28,950
Less: segregated funds held within general fund investments	(7,749)	(100,633)	(108,382)	(7,363)	(94,457)	(101,820)
Total	\$ 8,775,612	\$ 215,688	\$ 8,991,300	\$ 8,507,285	\$ 305,439	\$ 8,812,724

All segregated fund assets are categorized as FVTPL.

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, 2024			December 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash	\$ 9,106	\$ —	\$ 9,106	\$ 10,299	\$ —	\$ 10,299
Short-term investments	—	606,717	606,717	—	642,021	642,021
Bonds	—	1,755,736	1,755,736	—	1,821,644	1,821,644
Common and preferred shares	6,699,877	—	6,699,877	6,411,630	—	6,411,630
Total	\$ 6,708,983	\$ 2,362,453	\$ 9,071,436	\$ 6,421,929	\$ 2,463,665	\$ 8,885,594

There were no transfers between Level 1 and Level 2 during the three months ended March 31, 2024 or during the year ended December 31, 2023. There were no level 3 investments as at March 31, 2024 or December 31, 2023.

(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	
	2024	2023
Segregated fund assets - beginning of the period	\$ 8,812,724	\$ 8,565,675
Additions to segregated funds:		
Amount received from policyholders	272,267	256,273
Interest	25,167	7,664
Dividends	36,339	37,261
Other income	6,946	19,847
Net realized gains on sale of investments	51,230	73,903
Net unrealized increase in fair value of investments	322,116	142,579
	714,065	537,527
Deductions from segregated funds:		
Amounts withdrawn or transferred by policyholders	466,415	311,367
Management fees and other operating costs	62,523	63,882
	528,938	375,249
Net change in segregated funds held within general fund investments	(6,551)	(2,939)
Segregated fund assets - end of the period	\$ 8,991,300	\$ 8,725,014

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:

	March 31, 2024			December 31, 2023		
	(Assets)	Liabilities	Total	(Assets)	Liabilities	Total
Insurance contracts						
Insurance contracts not measured under PAA, excluding segregated fund account balances	\$ —	\$ 6,161,413	\$ 6,161,413	\$ —	\$ 6,311,068	\$ 6,311,068
Insurance contracts measured under PAA	—	376,505	376,505	—	397,366	397,366
Insurance contracts, excluding segregated fund account balances	—	6,537,918	6,537,918	—	6,708,434	6,708,434
Insurance contracts for segregated fund account balances	—	8,775,612	8,775,612	—	8,507,285	8,507,285
Total insurance contracts	—	15,313,530	15,313,530	—	15,215,719	15,215,719
Less insurance contracts measured under PAA	—	(376,505)	(376,505)	—	(397,366)	(397,366)
Total insurance contracts not measured under PAA	\$ —	\$ 14,937,025	\$ 14,937,025	\$ —	\$ 14,818,353	\$ 14,818,353
Reinsurance contracts held						
Reinsurance contracts held not measured under PAA	\$ (109,051)	\$ 261,442	\$ 152,391	\$ (113,071)	\$ 253,230	\$ 140,159
Reinsurance contract held measured under PAA	(166,400)	—	(166,400)	(168,288)	—	(168,288)
Total reinsurance contracts held	\$ (275,451)	\$ 261,442	\$ (14,009)	\$ (281,359)	\$ 253,230	\$ (28,129)

(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 and CSM. These tables exclude insurance contracts measured using the Premium Allocation Approach (“PAA”).

For the three months ended March 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	
Insurance contracts at beginning of period					
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
Net insurance contract beginning of period	12,247,305	1,106,509	1,376,708	87,831	14,818,353
Changes that relate to current services					
CSM recognized for services provided			(41,188)	(2,467)	(43,655)
Change in risk adjustment for non-financial risk for risk expired		(14,356)			(14,356)
Experience adjustments	4,168				4,168
Changes that relate to future services					
Contracts initially recognized in the period	(31,712)	26,281	—	7,938	2,507
Changes in estimates that adjust the CSM	(98,312)	363	90,718	7,231	—
Changes in estimates that do not adjust the CSM	(1,677)	(1,798)			(3,475)
Changes that relate to past services					
Adjustments to liabilities for incurred claims	1,268	(5)	—	—	1,263
Insurance service result	(126,265)	10,485	49,530	12,702	(53,548)
Insurance finance (income) expenses, excluding segregated fund account balances	(125,214)	(30,799)	5,451	665	(149,897)
Insurance finance expenses segregated fund account balances	430,390				430,390
Total changes in the statement of (loss) income	178,911	(20,314)	54,981	13,367	226,945
Cash flows					
Premiums received	227,801				227,801
Claims and other expenses paid	(130,269)				(130,269)
Insurance acquisition cash flows	(43,742)				(43,742)
Total cash flows	53,790				53,790
Movements related to insurance contract liabilities for segregated fund account balances	(162,063)				(162,063)
Net insurance contracts at end of period	\$ 12,317,943	\$ 1,086,195	\$ 1,431,689	\$ 101,198	\$ 14,937,025
Insurance contracts at end of period					
Insurance contract liabilities, excluding segregated fund account balances	\$ 3,542,331	\$ 1,086,195	\$ 1,431,689	\$ 101,198	\$ 6,161,413
Insurance contract liabilities for segregated fund account balances	8,775,612	—	—	—	8,775,612
Net insurance contracts at end of period	\$ 12,317,943	\$ 1,086,195	\$ 1,431,689	\$ 101,198	\$ 14,937,025

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, 2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post transition	
Insurance contracts at beginning of year					
Insurance contract liabilities	\$ 3,119,542	\$ 935,603	\$ 1,689,215	\$ 47,376	\$ 5,791,736
Insurance contract liabilities for segregated fund account balances	8,278,948	—	—	—	8,278,948
Net insurance contract beginning of year	11,398,490	935,603	1,689,215	47,376	14,070,684
Changes that relate to current services					
CSM recognized for services provided			(176,342)	(6,505)	(182,847)
Change in risk adjustment for non-financial risk for risk expired		(53,408)			(53,408)
Experience adjustments	13,568				13,568
Changes that relate to future services					
Contracts initially recognized in the period	(113,487)	95,964	—	37,108	19,585
Changes in estimates that adjust the CSM	116,231	39,324	(163,681)	8,126	—
Changes in estimates that do not adjust the CSM	3,383	(19,951)			(16,568)
Changes that relate to past services					
Adjustments to liabilities for incurred claims	(802)	43	—	—	(759)
Insurance service result	18,893	61,972	(340,023)	38,729	(220,429)
Insurance finance (income) expenses, excluding segregated fund account balances	453,336	108,934	27,516	1,726	591,512
Insurance finance expenses segregated fund account balances	711,118				711,118
Total changes in the statement of (loss) income	1,183,347	170,906	(312,507)	40,455	1,082,201
Cash flows					
Premiums received	872,649				872,649
Claims and other expenses paid	(547,837)				(547,837)
Insurance acquisition cash flows	(176,563)				(176,563)
Total cash flows	148,249				148,249
Movements related to insurance contract liabilities for segregated fund account balances					
	(482,781)				(482,781)
Net insurance contracts at end of year	\$ 12,247,305	\$ 1,106,509	\$ 1,376,708	\$ 87,831	\$ 14,818,353
Insurance contracts at end of year					
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
Net insurance contracts at end of year	\$ 12,247,305	\$ 1,106,509	\$ 1,376,708	\$ 87,831	\$ 14,818,353

(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, 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	
Insurance contracts at beginning of period						
Insurance contract liabilities, excluding segregated fund account balances	\$ 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
Net insurance contract at beginning of period	14,640,735	7,077	158,049	375,077	34,781	15,215,719
Insurance service revenue						
Contracts under fair value approach	(156,612)					(156,612)
Contracts post transition	(182,430)					(182,430)
Insurance service expenses						
Incurred claims and other expenses		(105)	115,483	156,495	—	271,873
Amortization of insurance acquisition cash flows	9,630					9,630
Losses and reversal of losses on onerous contracts		(968)				(968)
Adjustments to liabilities for incurred claims		—	1,263	75	161	1,499
Investment components	(27,412)		27,412			—
Insurance service result	(356,824)	(1,073)	144,158	156,570	161	(57,008)
Insurance finance (income) expense, excluding segregated fund account balances	(149,909)	12	—	491	(70)	(149,476)
Insurance finance expenses segregated fund account balances	430,390					430,390
Total changes in the statement of (loss) income	(76,343)	(1,061)	144,158	157,061	91	223,906
Cash flows						
Premiums received	400,484					400,484
Claims and other expenses paid			(130,269)	(190,505)		(320,774)
Insurance acquisition cash flows	(43,742)					(43,742)
Total cash flows	356,742		(130,269)	(190,505)		35,968
Movements related to insurance contract liabilities for segregated fund account balances	(162,063)		—			(162,063)
Net insurance contracts at end of period	\$14,759,071	\$ 6,016	\$ 171,938	\$ 341,633	\$ 34,872	\$15,313,530
Insurance contracts at end of period						
Insurance contract liabilities, excluding segregated fund account balances	\$ 5,983,459	\$ 6,016	\$ 171,938	\$ 341,633	\$ 34,872	\$ 6,537,918
Insurance contract liabilities for segregated fund account balances	8,775,612	—	—	—	—	8,775,612
Net insurance contract at end of period	\$14,759,071	\$ 6,016	\$ 171,938	\$ 341,633	\$ 34,872	\$15,313,530

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, 2023	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	
Insurance contracts at beginning of year						
Insurance contract liabilities	\$ 5,611,224	\$ 3,794	\$ 164,380	\$ 332,098	\$ 33,882	\$ 6,145,378
Insurance contract liabilities for segregated fund account balances	8,278,948	—	—	—	—	8,278,948
Net insurance contracts at beginning of year	13,890,172	3,794	164,380	332,098	33,882	14,424,326
Insurance service revenue						
Contracts under fair value approach	(634,813)					(634,813)
Contracts post transition	(690,695)					(690,695)
Insurance service expenses						
Incurred claims and other expenses		(334)	434,736	601,482	—	1,035,884
Amortization of insurance acquisition cash flows	35,524					35,524
Losses and reversal of losses on onerous contracts		3,016				3,016
Adjustments to liabilities for incurred claims		—	—	(1,651)	(1,224)	(2,875)
Investment components	(106,770)		106,770			—
Insurance service result	(1,396,754)	2,682	541,506	599,831	(1,224)	(253,959)
Insurance finance (income) expenses, excluding segregated fund account balances	590,951	601	—	19,717	2,123	613,392
Insurance finance expenses segregated fund account balances	711,118					711,118
Total changes in the statement of (loss) income	(94,685)	3,283	541,506	619,548	899	1,070,551
Cash flows						
Premiums received	1,504,592					1,504,592
Claims and other expenses paid			(547,837)	(576,569)		(1,124,406)
Insurance acquisition cash flows	(176,563)					(176,563)
Total cash flows	1,328,029		(547,837)	(576,569)		203,623
Movements related to insurance contract liabilities for segregated fund account balances	(482,781)		—			(482,781)
Net insurance contracts at end of year	\$14,640,735	\$ 7,077	\$ 158,049	\$ 375,077	\$ 34,781	\$15,215,719
Insurance contracts at end of year						
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
Net insurance contracts at end of year	\$14,640,735	\$ 7,077	\$ 158,049	\$ 375,077	\$ 34,781	\$15,215,719

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

Insurance service revenue

For the three months ended	March 31, 2024	March 31, 2023
Insurance service revenue		
Contracts not measured under the PAA		
Amounts relating to changes in liabilities for remaining coverage		
CSM recognized for services provided	\$ 43,655	\$ 47,231
Change in risk adjustment for non-financial risk for risk expired	14,329	12,841
Expected claims and other insurance service expenses	108,736	103,012
Recovery of insurance acquisition cash flows	9,630	6,296
Total	176,350	169,380
Contracts measured under the PAA	162,692	156,134
Total insurance service revenue	\$ 339,042	\$ 325,514

(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 and CSM. These tables exclude reinsurance contracts held measured using the PAA.

For the three months ended March 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	
Reinsurance contracts held at beginning of period					
Reinsurance contracts held (assets)	\$ 338,565	\$ (318,235)	\$ (178,218)	\$ 44,817	\$ (113,071)
Reinsurance contract held liabilities	251,770	(82,399)	83,634	225	253,230
Net reinsurance contracts held at beginning of period	590,335	(400,634)	(94,584)	45,042	140,159
Changes that relate to current services					
CSM recognized for services provided			3,656	(1,510)	2,146
Risk adjustment recognized for non-financial risk expired		5,742			5,742
Experience adjustments	6,227				6,227
Changes that relate to future services					
Contracts initially recognized in the period	2,574	(11,692)	—	7,271	(1,847)
Changes in estimates that adjust the CSM	(3,764)	(542)	1,040	3,266	—
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	(1,746)	291			(1,455)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM			383	1,740	2,123
Changes that relate to past services					
Changes in amounts recoverable arising from changes in liability for incurred claims	670	—			670
Reinsurance service result	3,961	(6,201)	5,079	10,767	13,606
Reinsurance finance (income) expenses	(15,317)	11,878	(800)	704	(3,535)
Total changes in the statement of income (loss)	(11,356)	5,677	4,279	11,471	10,071
Cash flows					
Premiums paid	(31,234)				(31,234)
Amounts received	33,395				33,395
Total cash flows	2,161				2,161
Net reinsurance contracts held at end of period	\$ 581,140	\$ (394,957)	\$ (90,305)	\$ 56,513	\$ 152,391
Reinsurance contracts held at end of period					
Reinsurance contracts held (assets)	\$ 323,314	\$ (316,134)	\$ (172,442)	\$ 56,211	\$ (109,051)
Reinsurance contract held liabilities	257,826	(78,823)	82,137	302	261,442
Net reinsurance contracts held at end of period	\$ 581,140	\$ (394,957)	\$ (90,305)	\$ 56,513	\$ 152,391

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, 2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post transition	
Reinsurance contracts held at beginning of year					
Reinsurance contracts held (assets)	\$ 343,690	\$ (264,761)	\$ (249,563)	\$ 20,466	\$ (150,168)
Reinsurance contracts held liabilities	260,297	(79,781)	36,398	142	217,056
Net reinsurance contracts held at beginning of year	603,987	(344,542)	(213,165)	20,608	66,888
Changes that relate to current services					
CSM recognized for services received			22,797	(3,721)	19,076
Risk adjustment recognized for non-financial risk expired		21,510			21,510
Experience adjustments	16,491				16,491
Changes that relate to future services					
Contracts initially recognized in the period	11,442	(45,207)	—	25,000	(8,765)
Changes in estimates that adjust the CSM	(109,634)	10,346	100,461	(1,173)	—
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	4,147	(295)			3,852
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM			1,448	2,568	4,016
Changes that relate to past services					
Changes in amounts recoverable arising from changes in liability for incurred claims	3,781	—			3,781
Reinsurance service result	(73,773)	(13,646)	124,706	22,674	59,961
Reinsurance finance (income) expenses	96,785	(42,446)	(6,125)	1,760	49,974
Total changes in the statement of (loss) income	23,012	(56,092)	118,581	24,434	109,935
Cash flows					
Premiums paid	(127,090)				(127,090)
Amounts received	90,426				90,426
Total cash flows	(36,664)				(36,664)
Net reinsurance contracts held at end of year	\$ 590,335	\$ (400,634)	\$ (94,584)	\$ 45,042	\$ 140,159
Reinsurance contracts held at end of year					
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
Net reinsurance contracts held at end of year	\$ 590,335	\$ (400,634)	\$ (94,584)	\$ 45,042	\$ 140,159

(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 year ended March 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	
Reinsurance contracts held (assets) liabilities at beginning of period						
Reinsurance contracts held (assets)	\$ (114,315)	\$ (2,539)	\$ 3,783	\$ (154,192)	\$ (14,096)	\$ (281,359)
Reinsurance contracts held liabilities	284,196	—	(30,966)	—	—	253,230
Net reinsurance contracts held (assets) liabilities at beginning of period						
	169,881	(2,539)	(27,183)	(154,192)	(14,096)	(28,129)
Allocation of premiums paid						
Contracts under fair value approach	33,646					33,646
Contracts post transition	43,347					43,347
Amounts recoverable from reinsurers						
Amounts recoverable for claims and other expenses incurred in the period		424	(22,156)	(38,579)	—	(60,311)
Changes in amounts recoverable from changes in liability for incurred claims			670	1,869	161	2,700
Changes in fulfilment cash flows which relate to onerous underlying contracts		(1,179)				(1,179)
Net income or expense from reinsurance contracts held						
	76,993	(755)	(21,486)	(36,710)	161	18,203
Reinsurance finance income (expenses)	(3,458)	(77)	—	(173)	31	(3,677)
Total changes in the statement of operations						
	73,535	(832)	(21,486)	(36,883)	192	14,526
Cash flows						
Premiums paid	(60,845)					(60,845)
Amounts received			21,860	38,579		60,439
Total cash flows						
	(60,845)	—	21,860	38,579	—	(406)
Net reinsurance contracts held liabilities (assets) at end of period						
	\$ 182,571	\$ (3,371)	\$ (26,809)	\$ (152,496)	\$ (13,904)	\$ (14,009)
Reinsurance contracts held (assets) liabilities at end of period						
Reinsurance contracts held (assets)	\$ (110,131)	\$ (3,371)	\$ 4,451	\$ (152,496)	\$ (13,904)	\$ (275,451)
Reinsurance contracts held liabilities	292,702	—	(31,260)	—	—	261,442
Net reinsurance contract held (assets) liabilities at end of period						
	\$ 182,571	\$ (3,371)	\$ (26,809)	\$ (152,496)	\$ (13,904)	\$ (14,009)

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, 2023	Remaining coverage			Incurred claims		Total
	Excluding loss recovery component ⁽¹⁾	Loss recovery component	Contracts not using PAA ⁽¹⁾	Contracts using PAA		
				Estimate of PV of future cash flows	Risk adjustment	
Reinsurance contracts held (assets) liabilities at beginning of year						
Reinsurance contracts held (assets)	\$ (147,379)	\$ (2,789)	\$ —	\$ (145,837)	\$ (14,039)	\$ (310,044)
Reinsurance contracts held liabilities	265,171	—	(48,115)	—	—	217,056
Net reinsurance contracts held (assets) liabilities at beginning of year						
	117,792	(2,789)	(48,115)	(145,837)	(14,039)	(92,988)
Allocation of premiums paid						
Contracts under fair value approach	141,464					141,464
Contracts post transition	157,089					157,089
Amounts recoverable from reinsurers						
Amounts recoverable for claims and other expenses incurred in the period		1,408	(95,943)	(136,325)	—	(230,860)
Changes in amounts recoverable from changes in liability for incurred claims			3,781	1,177	882	5,840
Changes in fulfilment cash flows which relate to onerous underlying contracts		(896)				(896)
Net income or expense from reinsurance contracts held	298,553	512	(92,162)	(135,148)	882	72,637
Reinsurance finance (income) expenses	50,236	(262)	—	(9,532)	(939)	39,503
Total changes in the statement of income (loss)						
	348,789	250	(92,162)	(144,680)	(57)	112,140
Cash flows						
Premiums paid	(296,700)					(296,700)
Amounts received			113,094	136,325		249,419
Total cash flows						
	(296,700)	—	113,094	136,325	—	(47,281)
Net reinsurance contract liabilities/(assets) end of year						
	\$ 169,881	\$ (2,539)	\$ (27,183)	\$ (154,192)	\$ (14,096)	\$ (28,129)
Reinsurance contracts held (assets) liabilities at end of year						
Reinsurance contracts held (assets)	\$ (114,315)	\$ (2,539)	\$ 3,783	\$ (154,192)	\$ (14,096)	\$ (281,359)
Reinsurance contracts held liabilities	284,196	—	(30,966)	—	—	253,230
Net reinsurance contract held liabilities/(assets) at end of year						
	\$ 169,881	\$ (2,539)	\$ (27,183)	\$ (154,192)	\$ (14,096)	\$ (28,129)

⁽¹⁾ Amounts have been revised from those previously presented.

11. Capital stock

	March 31, 2024			December 31, 2023		
	Authorized	Issued and outstanding		Issued and outstanding		
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	
Total			\$ 362,347		\$ 362,347	

Normal course issuer bid

On March 7, 2024, 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, 2024 and March 11, 2025. Daily

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

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, 2024. For the 12 month period ended December 31, 2023, 4,700 were purchased under the NCIB at an average price of \$900.78 for a total consideration of \$4,234.

Substantial issuer bid

On November 7, 2023 the Company announced its intention to commence a substantial issuer bid ("SIB") pursuant to which the Company offered to purchase up to \$100,000 of its outstanding common shares for cash.

As of December 31, 2023 the Company had taken up and paid for 90,668 common shares at a price of \$1,050.00 per common share. The Common Shares acquired under the SIB represent an aggregate purchase price of \$95,201. As required by securities legislation, the Company's NCIB was suspended during the SIB.

The movement in common share capital is as follows:

	3 months March 31, 2024		12 months December 31, 2023	
	Number of shares	Share capital	Number of shares	Share capital
Common shares				
Balance, beginning of the period	3,461,722	\$ 62,346	3,557,090	\$ 64,063
Repurchase and cancellation of shares:				
NCIB	—	—	(4,700)	(84)
SIB	—	—	(90,668)	(1,633)
Balance, end of the period	3,461,722	\$ 62,346	3,461,722	\$ 62,346

On April 19, 2024, the Board declared a special cash dividend of \$60.00 per Common Share payable on June 14, 2024 to shareholders of record on May 14, 2024.

The following dividends were declared by the Board of Directors at their meeting on May 8, 2024, with a record and payable date of June 28, 2024 and July 17, 2024, 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, \$3.75 per share.

The dividends declared on April 19, 2024 and May 8, 2024 will be recorded in the second quarter of 2024.

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, 2024 and December 31, 2023, 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, 2024		December 31, 2023	
				Carrying value	Fair value	Carrying value	Fair value
Empire Life							
Series 2021-1 ⁽¹⁾	2.024 %	09/24/26	2031	199,470		199,435	
Series 2023-1 ⁽²⁾	5.503 %	01/13/28	2033	199,510		199,462	
Total subordinated debt				\$ 398,980	\$ 385,674	\$ 398,897	\$ 385,674
E-L Corporate							
Senior unsecured notes ⁽³⁾	4.000 %		2050	\$ 199,392	\$ 167,916	\$ 199,271	\$ 171,804
Margin loan ⁽⁴⁾				101,201	101,201	95,201	95,201
Operating facility ⁽⁵⁾				—	—	40,000	40,000
Total borrowings				\$ 699,573	\$ 654,791	\$ 733,369	\$ 692,679

⁽¹⁾ Unsecured Debentures due 2031. From September 24, 2026, interest is payable at 0.67% over CDOR.⁽²⁾ Unsecured Debentures due 2033. From January 13, 2028, interest is payable at 2.26% over CORRA.⁽³⁾ 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.⁽⁴⁾ The margin loan is pledged with investments from the Investment - corporate portfolio as collateral under this loan. Interest on the loan accrues at the Bank of Canada overnight rate plus 75 basis points.⁽⁵⁾ The operating facility is pledged with investments from the Investment - corporate portfolio as collateral under this loan. Interest on the loan accrues at the prime rate of the bank minus 25 basis points.

In April 2024, E-L Corporate's margin loan was fully repaid.

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,

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

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 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, 2024	December 31, 2023
Cash and cash equivalents	\$ 109,547	\$ 93,154
Preferred shares	2,075	1,434
Accrued investment income	29,033	4,960
Total	\$ 140,655	\$ 99,548

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 \$140,655 in cash and cash equivalents at March 31, 2024 (December 31, 2023 - \$99,548).

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

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 interest rate risk, 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 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.

	March 31, 2024		December 31, 2023	
	Effect on shareholders' net income	Effect on shareholders' OCI	Effect on shareholders' net income	Effect on shareholders' OCI
Corporate Investments:				
Investments - corporate				
10% fluctuation	\$ 540,086	\$ nil	\$ 494,954	\$ nil
20% fluctuation	\$ 1,080,172	\$ nil	\$ 989,908	\$ nil
Investments in associates				
10% fluctuation	\$ 23,085	\$ nil	\$ 19,063	\$ nil
20% fluctuation	\$ 46,170	\$ nil	\$ 38,126	\$ nil

Concentration of common equity holdings

E-L Corporate has a \$1,077,104 (December 31, 2023 - \$955,334) investment in an exchange traded fund which tracks the S&P 500 index representing 15% (December 31, 2023 - 14%) of E-L Corporate's total investments.

c) 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 \$327,189 (December 31, 2023 - \$291,741) affect on shareholders' net income and \$7,898 (December 31, 2023 - \$8,075) 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

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

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 since December 31, 2023. 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 2023 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, 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	\$ 93	\$ (107)	\$ 177	\$ (233)	\$ (29)	\$ 28	\$ (59)	\$ 54
Financial assets (equities)	—	—	—	—	38	(35)	76	(62)
Total	\$ 93	\$ (107)	\$ 177	\$ (233)	\$ 9	\$ (7)	\$ 17	\$ (8)

As at December 31, 2023	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	\$ 100	\$ (116)	\$ 187	\$ (254)	\$ (28)	\$ 26	\$ (56)	\$ 49
Financial assets (equities)	—	—	—	—	49	(45)	99	(81)
Total	\$ 100	\$ (116)	\$ 187	\$ (254)	\$ 21	\$ (19)	\$ 43	\$ (32)

b) Interest rate risk

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

As at March 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	\$ 53	\$ (65)	\$ 97	\$ (142)	\$ 283	\$ (320)	\$ 533	\$ (682)
Financial (equities) assets	—	—	—	—	(322)	359	(611)	758
Total	\$ 53	\$ (65)	\$ 97	\$ (142)	\$ (39)	\$ 39	\$ (78)	\$ 76

As at December 31, 2023	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	\$ 64	\$ (78)	\$ 117	\$ (168)	\$ 303	\$ (342)	\$ 569	\$ (729)
Financial (equities) assets	—	—	—	—	(323)	360	(612)	760
Total	\$ 64	\$ (78)	\$ 117	\$ (168)	\$ (20)	\$ 18	\$ (43)	\$ 31

(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, 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

Three months ended	E-L Corporate	Empire Life	Total
March 31, 2023			
Net insurance result ⁽¹⁾	\$ —	\$ 91,367	\$ 91,367
Non-insurance investment income ⁽¹⁾	371,112	7,285	378,397
Total expenses	(12,897)	(30,922)	(43,819)
Income before income taxes	358,215	67,730	425,945
Income taxes	(44,358)	(12,522)	(56,880)
Net income	313,857	55,208	369,065
Less: NCI and PAR	60,331	3,646	63,977
Segment shareholders' net income	\$ 253,526	\$ 51,562	\$ 305,088

⁽¹⁾ Amounts have been revised from those previously presented.

	E-L Corporate	Empire Life	Total
March 31, 2024			
Segment assets ⁽¹⁾	\$ 7,708,121	\$ 18,739,271	\$ 26,447,392
Segment liabilities	\$ 758,955	\$ 16,812,391	\$ 17,571,346
December 31, 2023			
Segment assets ⁽¹⁾	\$ 7,095,050	\$ 18,664,543	\$ 25,759,593
Segment liabilities	\$ 720,847	\$ 16,776,403	\$ 17,497,250

⁽¹⁾ Segment assets include investments in associates of \$435,094 (December 31, 2023 - \$428,975).

(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:

Three months ended	E-L Corporate	Empire Life	Total
March 31, 2024			
Interest income received	\$ 1,178	\$ 69,600	\$ 70,778
Dividend income received	26,204	10,771	36,975
Total	\$ 27,382	\$ 80,371	\$ 107,753
March 31, 2023			
Interest income received	\$ 1,161	\$ 46,055	\$ 47,216
Dividend income received	31,261	7,678	38,939
Total	\$ 32,422	\$ 53,733	\$ 86,155

Glossary of Terms

Accumulated Other Comprehensive Income (“AOCI” (“AOCL”))

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”) Loss (“OCL”)

Under IAS 39 unrealized gains and losses, primarily on financial assets supporting the Capital and Surplus segment, were recorded as Other Comprehensive Income (“OCI”) or Other Comprehensive Loss (“OCL”). When these assets were sold or written down the resulting gain or loss was reclassified from OCI to net income. Upon the Company's adoption of IFRS 9, these assets were designated at FVTPL so unrealized gains and losses are now immediately recognized in net income. Remeasurements of post-employment benefit liabilities are also 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.

HEAD OFFICE:

Tenth Floor, 165 University Avenue, Toronto, Ontario, M5H 3B8
Phone: 416-947-2578
Fax: 416-362-2592

TRANSFER AGENT AND REGISTRAR:

Computershare Investor Services Inc.
100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1
Toll Free: 1-800-564-6253
www.computershare.com/service

STOCK EXCHANGE LISTINGS:

Common Shares	ELF
First Preference Shares, Series 1	ELF.PR.F
First Preference Shares, Series 2	ELF.PR.G
First Preference Shares, Series 3	ELF.PR.H

WEBSITE:

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
E-L Financial Corporation Limited
165 University Avenue, 10th Floor
Toronto, Ontario
M5H 3B8
Email: 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.