

Empire Life reports first quarter results

Q1 2024 highlights (compared to Q1 2023)

- Common shareholders' net income of \$52 million (compared to net income of \$52 million)
- Earnings per share (basic and diluted) of \$52.86 (compared to \$52.66)

(Kingston, ON – May 3, 2024) – The Empire Life Insurance Company (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 our individual insurance products.

“Market conditions in the first quarter of 2024 had a positive impact on our earnings and increased our contractual service margin (CSM) balance, outweighing some unfavourable mortality trends,” said Mark Sylvia, President and Chief Executive Officer. “Due to our strong capital and liquidity position, I’m pleased to announce the declaration of an additional dividend of \$50.76 per common share, in addition to our usual quarterly dividend.”

Financial highlights

(in millions of dollars except per share amounts)	First Quarter	
	2024	2023
Common shareholders' net income (loss)	\$ 52	\$ 52
Earnings per share - basic and diluted	\$ 52.86	\$ 52.66

Other Financial Highlights	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
	2024	2023	2023	2023	2023
Return on common shareholders' equity ⁽¹⁾	10.4 %	10.5 %	3.9 %	6.6 %	4.4 %
LICAT total ratio	157 %	155 %	152 %	151 %	152 %

(1) See Non-GAAP Measures section.



The following table provides a summary of Empire Life results for the three months ended March 31, 2024 and 2023.

(in millions of dollars)	For the three months ended	
	March 31, 2024	March 31, 2023
Insurance service result		
Insurance revenue	\$ 339	\$ 326
Insurance service expenses	(282)	(267)
Insurance service result	57	59
Net recovery (expense) from reinsurance contracts held	(18)	(15)
Net insurance service result	39	44
Investment and insurance finance result		
Investment income (loss), excluding segregated fund account balances		
Investment income	(96)	320
Change in investment contracts ⁽¹⁾	(2)	(10)
Net investment result, excluding segregated fund account balances	(98)	310
Insurance finance income (expense), excluding segregated fund account balances		
Insurance contracts	149	(254)
Reinsurance contracts held	4	(9)
Net insurance finance income (expense), excluding segregated fund account balances	153	(263)
Segregated fund account balances net investment and insurance finance result		
Investment income (loss) on investments for segregated fund account balances	442	281
Insurance finance income (expenses) segregated fund account balances	(442)	(281)
Segregated fund account balances net investment and insurance finance result	—	—
Net investment and insurance finance result	55	47
Other income and expenses		
Fee and other income ⁽¹⁾	7	7
Non-insurance expenses	(21)	(23)
Interest expenses ⁽¹⁾	(4)	(5)
Total other income and expenses	(18)	(21)
Net income (loss) before taxes	76	70
Income taxes ⁽¹⁾	(18)	(13)
Net income (loss) after taxes	58	57
Less: net income (loss) attributable to the participating account	3	2
Shareholders' net income (loss)	55	55
Less: preferred share dividends declared and distributions on other equity instruments ⁽¹⁾	(3)	(3)
Common shareholders' net income (loss)	\$ 52	\$ 52

⁽¹⁾ Prior year 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 our 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 our subordinated debt redemption and issuance in the first quarter of 2023.

The company's Life Insurance Capital Adequacy Test (LICAT) Total ratio was 157% at March 31, 2024, well above the requirements set by the Office of the Superintendent of Financial Institutions Canada (OSFI) as well as Empire Life's minimum internal targets.

Non-GAAP measures

Empire Life uses non-generally accepted accounting principles (non-GAAP) measures, including return on common shareholders' equity, 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 measures prescribed by International Financial Reporting Standards (IFRS Accounting Standards). Empire Life also believes that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Further information on these non-GAAP measures can be found in Empire Life's latest Management's Discussion & Analysis (MD&A), filed on Empire Life's profile available at www.sedarplus.ca.

Additional information

All amounts are in Canadian dollars and are based on the consolidated financial results of Empire Life for the period ended March 31, 2024. Additional information about Empire Life can be found in Empire Life's latest Management's Discussion & Analysis and Annual Information Form. These documents are filed on Empire Life's profile available at www.sedarplus.ca.

About Empire Life

Established in 1923 and a subsidiary of E-L Financial Corporation Limited, Empire Life provides individual and group life and health insurance, investment and retirement products. The company's mission is to make it simple, fast and easy for Canadians to get the products and services they need to build wealth, generate income, and achieve financial security. As of March 31, 2024, Empire Life had total assets under management of \$18.7 billion. Follow us on social media @EmpireLife or visit www.empire.ca for more information.

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