E-L Financial Corporation Limited

SECOND QUARTER REPORT
June 30, 2026

Financial Highlights

(Millions of dollars, except per share amounts)

Six months ended June 30		2026		2025
Net Equity Value per Common Share[1]	**$**	**27.37**	$	23.29
Net Income per Common Share	**$**	**3.08**	$	1.32
Contribution to Shareholders' Net Income:				
E-L Corporate	**$**	**954**	$	349
Empire Life		**89**		102
Shareholders' Net Income		**1,043**		451
Preferred Shareholder Dividends		**8**		8
Net Income attributable to Common Shareholders	**$**	**1,035**	$	443
E-L Corporate				
Shareholders' Net Income	**$**	**954**	$	349
Investments - Corporate	**$**	**9,057**	$	7,583
Investments in Associates	**$**	**585**	$	444
Empire Life				
Common Shareholders' Net Income	**$**	**89**	$	102
Net Insurance Service Result	**$**	**102**	$	108
Life Insurance Capital Adequacy Test Total Ratio (“LICAT”) (%)		**159**		142

[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 second quarter of 2026 should be read in conjunction with the MD&A for the year ended December 31, 2025, the Company's annual audited consolidated financial statements and the notes related thereto, and the quarterly unaudited interim condensed consolidated financial statements for the quarters of 2025 and the previous quarter of 2026. 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 August 6, 2026.

This MD&A contains certain forward-looking statements that are subject to risks and uncertainties, including but not limited to, those described in the Risk Management sections of this MD&A and notes 22 and 23 of the Company's consolidated financial statements for the year ended December 31, 2025. 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. Actual results may differ materially from those expressed or implied by such forward-looking information.

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 and interest rate risk), product risk (including product design and pricing risk, underwriting and claims risk, and reinsurance risk), credit risk (including credit concentration risk, counterparty risk, preferred share concentration risk, and reinsurer credit risk), liquidity risk, operational risk (including legal and regulatory compliance risk, model risk, human resources risk, third-party risk, technology and cyber risk, and business continuity risk), business and strategic risk (including strategic planning risk, commercial practices risk, and environmental and social risk), and financial instrument risk (including market risk and credit risk). 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 6. These terms do not have any standardized meaning according to IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies.

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

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

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

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

(in millions of dollars)		**June 30 2026**		December 31 2025
General fund assets	**$**	**11,087**	$	10,636
Segregated fund assets		**10,933**		10,148
Total Empire Life assets under management	**$**	**22,020**	$	20,784

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 56.7% (December 31, 2025 - 56.6%) interest in a closed-end investment corporation, United Corporations Limited ("United") which is listed on the Toronto Stock Exchange. United is an investment vehicle for long-term growth through investments in common equities. The invested assets and operations of United are consolidated and included in the E-L Corporate segment. In addition, E-L Corporate has two significant investments in associates which includes a 34.9% (December 31, 2025 - 34.9%) interest in Algoma Central Corporation ("Algoma") and a 24.9% (December 31, 2025 - 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		**Second quarter**				**Year to date**		
(millions of dollars)		**2026**		2025		**2026**		2025
Contribution to net income								
E-L Corporate[(1)]	**$**	**928**	$	333	**$**	**954**	$	349
Empire Life[(1)]		**83**		32		**89**		102
Net income		**1,011**		365		**1,043**		451
Other comprehensive income (loss)[(1)]		**8**		(2)		**12**		1
Comprehensive income	**$**	**1,019**	$	363	**$**	**1,055**	$	452

[(1)] Net of non-controlling interests

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

E-L Corporate		**Second quarter**			**Year to date**	
(millions of dollars)		**2026**	2025		**2026**	2025
Net gain on investments	**$**	**1,128**	$ 373	**$**	**1,009**	$ 303
Investment and other income		**56**	50		**127**	131
Share of associates' income		**46**	24		**102**	25
		1,230	447		**1,238**	459
Expenses		**9**	11		**23**	24
Income taxes		**164**	63		**155**	53
Non-controlling interests		**129**	40		**106**	33
		302	114		**284**	110
Net income		**928**	333		**954**	349
Other comprehensive income (loss), net of taxes(1)		**5**	(6)		**7**	(3)
Comprehensive income	**$**	**933**	$ 327	**$**	**961**	$ 346

Empire Life		**Second quarter**			**Year to date**	
(millions of dollars)		**2026**	2025		**2026**	2025
Net insurance service result	**$**	**68**	59	**$**	**102**	$ 108
Net investment and insurance finance result		**88**	18		**100**	98
Fee and other income(2)		**19**	9		**37**	17
		175	86		**239**	223
Expenses		**55**	38		**108**	78
Income and other taxes		**30**	9		**30**	32
Non-controlling interests and net income attributable to the participating account		**7**	7		**12**	11
		92	54		**150**	121
Net income		**83**	32		**89**	102
Other comprehensive income, net of taxes(1)		**3**	4		**5**	4
Comprehensive income	**$**	**86**	$ 36	**$**	**93**	$ 106

(1) Net of non-controlling interests

(2) Included in non-insurance investment income

E-L Financial reported a consolidated shareholder's net income of $1,011 million or $2.99 per common share for the second quarter of 2026 compared to $365 million or $1.07 per common share in 2025.

E-L Corporate reported net income of $928 million for the second quarter of 2026 compared to $333 million in 2025. The increase in earnings was due to a net gain on investments of $1,128 million in 2026 compared to $373 million in 2025. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income, of 15% in 2026 compared to a pre-tax total return of 6% in the prior year.

Empire Life reported second quarter common shareholders' net income of $83 million, a $51 million increase compared to the second quarter of 2025. This increase was primarily driven by a stronger net investment and insurance finance result, supported by favourable impacts from interest rates movements and non-fixed income asset performance. The net insurance service result also improved in the Wealth Management and Group Solutions segments, though these gains were partially offset by higher strategic investments in technology.

Consolidated comprehensive income for the second quarter of 2026 was $1,019 million compared to $363 million for 2025. Other comprehensive income ("OCI") was $8 million in 2026 compared to other comprehensive loss ("OCL") of $2 million in 2025.

E-L Financial reported a consolidated shareholder's net income of $1,043 million or $3.08 per common share for the first six months of 2026 compared to $451 million or $1.32 per common share in 2025.

E-L Corporate reported net income of $954 million for the first six months of 2026 compared to $349 million in 2025. The increase in earnings was due to net gain on investments of $1,009 million in 2026 compared to $303 million for the comparative period in 2025. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income, of 14% in the first six months of 2026 compared to a pre-tax total return of 7% in the prior year.

Empire Life reported a net income of $89 million for the first six months of 2026 compared to $102 million for the comparable period in 2025. This variance was driven by less favourable impacts from mortality and long-term disability claims experience during the year, as well as higher Total other expenses, reflecting targeted investments in technology infrastructure and workforce expenditures.

Normal course issuer bid

On March 10, 2026, the Company obtained approval from the TSX to renew its normal course issuer bid ("NCIB"). After adjusting for the Common Share Split, the Company can purchase up to 17,305,020 common shares between March 12, 2026 and March 11, 2027. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB are limited to 10,985 common shares. The price that the Company pays for the common shares is the prevailing market price at the time of acquisition.

During the first six months of 2026, 484,600 common shares were purchased under the NCIB at an average price of $16.68 per share. No shares were purchased under the NCIB for the six months ended June 30, 2025.

Net equity value per common share

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

(millions of dollars, except per share amounts)	**Q2 2026**	Q4 2025	Q2 2025
E-L Financial shareholders' equity	**$ 9,717**	$ 9,069	$ 8,314
Less: First preference shares	**(300)**	(300)	(300)
	9,417	8,769	8,014
Adjustments for E-L Corporate's investments in associates not carried at fair value:			
Carrying value	**(585)**	(514)	(444)
Fair value[1]	**633**	559	501
	48	45	57
Non-controlling interest and deferred tax	**(6)**	(7)	(8)
	42	38	49
Net equity value	**$ 9,459**	$ 8,807	$ 8,063
Common shares outstanding[2]	**345,642,800**	346,127,400	346,198,000
Net equity value per common share[3]	**$ 27.37**	$ 25.45	$ 23.29

[1] Based on quoted market prices
[2] Common shares include Series A Convertible Preference Shares
[3] See non-GAAP measures

Growth in net equity value per common share

The Company's objective is to build long-term shareholder value by compounding growth in net equity value per common share over the long term. Set out below is a table that shows the net equity value per common share and growth for the respective fiscal periods. The growth in net equity value per common share and compounded annual growth in net equity value per common share is calculated as the change in net equity value per share for the respective period and includes dividends paid to common shareholders.

Annual	Net equity value per common share[1]	Growth
	$	%
2016	11.59	6.8
2017	13.17	14.0
2018	12.96	(1.2)
2019	14.86	15.1
2020	16.85	15.4
2021	18.84	17.1
2022	17.86	(3.4)
2023	19.68	11.1
2024	23.36	22.5
2025	25.45	16.1
Year to date		
June 30, 2026	27.37	12.0
Compounded annual growth in net equity value per common share		
2016 - 2025 - 10 years		11.1
1969 - 2025 - Since inception		12.4

[1] 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:

(millions of dollars, except per share amounts)	**2026** **Q2**	Q1	2025 Q4	Q3	Q2	Q1	2024 Q4	Q3
Insurance service revenue	**$ 399**	$ 395	$ 392	$ 386	$ 379	$ 373	$ 358	$ 357
Net investment and insurance finance result	**88**	12	18	115	18	80	4	219
Fair value change in fair value through profit or loss investments	**1,128**	(119)	211	581	373	(70)	301	325
Non-insurance investment and other income	**74**	87	47	49	60	89	47	56
Share of income of associates	**47**	58	42	31	23	2	19	43
Total revenue	**$ 1,736**	$ 433	$ 710	$ 1,162	$ 853	$ 474	$ 729	$ 1,000
Net income[1]	**$ 1,011**	$ 32	$ 213	$ 570	$ 365	$ 86	$ 287	$ 497
Earnings per common share[2]								
- basic	**$ 2.99**	$ 0.09	$ 0.62	$ 1.68	$ 1.07	$ 0.24	$ 0.84	$ 1.47
- diluted	**$ 2.85**	$ 0.09	$ 0.59	$ 1.59	$ 1.02	$ 0.24	$ 0.78	$ 1.35

[1] Attributable to shareholders
[2] Amounts have been adjusted to reflect the Common Share Split as if it was retroactively applied to all prior periods presented.

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 second quarter of 2026 increased compared to the same period in 2025, with fluctuations mainly due to a net fair value gain on investments.

The net investment and insurance finance result of $88 million increased by $70 million in the second quarter of 2026 compared to the same period in 2025, which was driven by more favourable impacts from interest rate movements and non-fixed income asset performance.

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 June 30 *(millions of dollars)*	E-L Financial (non-consolidated)	United	Empire Life	Consolidation adjustments	**E-L Financial Consolidated**	
					2026	2025
Cash flows from:						
Operating activities	$ 239	$ 17	$ 110	$ (200)	**$ 166**	$ 30
Financing activities	(411)	(180)	137	199	**(255)**	(657)
Investing activities	211	175	(266)	1	**121**	632
Increase (decrease) in cash and cash equivalents	39	12	(20)	—	**32**	5
Cash and cash equivalents, beginning of the period	217	28	319	—	**564**	373
Cash and cash equivalents, end of the period	$ 256	$ 40	$ 299	$ —	**$ 596**	$ 378

There is an increase in cash provided from operating activities during the first six months of 2026 relative to 2025 which is mostly attributable to Empire Life. For Empire Life, cash flows from operating activities include premiums, net investment income and fee income. These funds are primarily used to pay policy benefit payments, commissions, operating expenses and policyholder dividends.

Cash used for financing activities decreased during the first six months of 2026, primarily due to payment of special dividend of $363 million by E-L Financial (non-consolidated) and $163 million by United compared to $519 million and $186 million respectively in 2025. Empire Life's cash provided from financing activities increased by $242 million compared to the same period in 2025, due to the issuance of subordinated debt.

Cash flows provided from investing activities decreased during the first six months of 2026 mainly due to lower proceeds from net sales of investments by E-L Financial (non-consolidated) and United during the first six months of 2026 compared to the same period in 2025. The proceeds from the sales of investments were used to fund the special cash dividends. Empire Life reported higher net purchases of investments in 2026 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).

Six months ended June 30 *(millions of dollars)*	**2026**	2025
Cash flows from:		
Operating activities		
Dividends from subsidiaries	**$ 196**	$ 209
Dividends and interest	**97**	98
Expenses and taxes, net of other income	**(54)**	(49)
	239	258
Financing activities		
Cash dividends paid to shareholders	**(399)**	(553)
Interest paid on borrowings	**(4)**	(4)
Common share purchases	**(8)**	—
	(411)	(557)
Investing activities		
Purchases of investments	**(301)**	(250)
Proceeds from sales of investments	**475**	555
Dividends from associates	**37**	41
	211	346
Increase in cash and cash equivalents	**39**	47
Cash and cash equivalents, beginning of the period	**217**	112
Cash and cash equivalents, end of the period	**$ 256**	$ 159

During 2026, the non-consolidated cash and cash equivalents of E-L Financial increased by $39 million.

Operating cash flows for 2026 decreased compared with the prior year mainly due to relatively lower special dividends received from United and Empire Life. Cash flows used for financing and investing activities for 2026 were impacted by the items previously discussed in the consolidated cash flows narrative above.

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.

Changes in Accounting Policies

In the six months ended June 30, 2026 the Company has not adopted any new or amended accounting standards that would have resulted in a material impact on our interim condensed consolidated financial statements. For upcoming accounting policy changes refer to Note 2 of the interim condensed consolidated financial statements.

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 June 30, 2026, investments - corporate had aggregate investments of $9.1 billion, comprised primarily of common shares and units of investment funds, compared to aggregate investments at December 31, 2025 of $8.4 billion. The fair value of investments - corporate is summarized in the table below:

(millions of dollars)	**June 30, 2026**	December 31, 2025
Preferred shares	**$ 2**	$ 2
Common shares and units		
Canada	**1,428**	1,288
U.S.	**5,336**	4,874
Europe and United Kingdom	**1,195**	1,381
Other	**1,096**	851
Total	**9,055**	8,394
Total invested assets	**$ 9,057**	$ 8,396

In the normal course of business, investment commitments are outstanding which are not reflected in the consolidated financial statements. As of June 30, 2026, E-L Corporate has $418 million (December 31, 2025 - $352 million) in unfunded commitments in limited partnerships.

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

	Second quarter		**Year to date**	
(millions of dollars)	**2026**	2025	**2026**	2025
Net gain on investments	**$ 1,128**	$ 373	**$ 1,009**	$ 303
Investment and other income	**56**	50	**127**	131
Share of associates' income	**46**	24	**102**	25
	1,230	447	**1,238**	459
Expenses	**9**	11	**23**	24
Income taxes	**164**	63	**155**	53
Non-controlling interests	**129**	40	**106**	33
	302	114	**284**	110
Net income	**928**	333	**954**	349
OCI (OCL), net of taxes	**5**	(6)	**7**	(3)
Comprehensive income	**$ 933**	$ 327	**$ 961**	$ 346

E-L Corporate reported net income of $928 million in the second quarter of 2026 compared to $333 million in 2025. For the second quarter of 2026 there was a net gain on investments of $1,128 million compared to $373 million for the second quarter of 2025. E-L Corporate's global investment portfolio had a pre-tax total return, including dividend income of 15% for the second quarter of 2026 compared to 6% for the second quarter of 2025.

During the six months ended June 30, 2026, E-L Corporate reported net income of $954 million compared to $349 million for the comparative period in 2025. E-L Corporate's year to date pre-tax total return, including dividend income was 14% for the first six months of 2026 compared to 7% for the same period of 2025.

Investment and other income was consistent both year to date and quarterly basis in 2026 compared to the same period in 2025. Investment and other income consists primarily of dividend income received from E-L Corporate's investment portfolio. In general, dividend income is impacted by the composition of the investment portfolio and foreign exchange rates.

Operating expenses remained consistent on quarterly basis compared to 2025.

Share of associates' income

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

	Second quarter		Year to date	
(millions of dollars)	**2026**	2025	**2026**	2025
Algoma	**$ 13**	$ 12	**$ 49**	$ (15)
Economic	**33**	12	**53**	40
	$ 46	$ 24	**$ 102**	$ 25

Share of associates' year-to-date income includes an impairment reversal for Algoma of $36 million (June 30, 2025 - impairment provision of $18 million). No impairment was recorded for Economic (June 30, 2025 - an impairment reversal of $6 million).

Algoma's net income for the second quarter and year to date in 2026 increased compared to the same period of 2025. Higher earnings were reported in the Domestic Dry-Bulk, Product Tankers and Ocean Self-Unloaders segments.

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 17% for the second quarter of 2026 compared to 4% in 2025. On a year to date basis, Economic's global investment portfolio had a pre-tax total return, gross of fees, of 22% compared to 7% in 2025.

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

	June 30, 2026			December 31, 2025		
	Ownership	**Carrying value**	**Fair value**	Ownership	Carrying value	Fair value
Algoma	**34.9 %**	**$ 315**	**$ 312**	34.9 %	$ 263	$ 269
Economic	**24.9 %**	**270**	**321**	24.9 %	251	290
Total		**$ 585**	**$ 633**		$ 514	$ 559

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 June 30, 2026, 60% (December 31, 2025 - 61%) of the investment - corporate including cash and cash equivalents was denominated in U.S. dollars, 8% (December 31, 2025 - 9%) in Euros and 4% (December 31, 2025 - 4%) in the Japanese Yen representing the largest foreign currency exposures. The Company also holds investments within emerging markets. Investments in emerging markets are more likely to experience political, economic and social instability, which may result in higher levels of market value volatility.

Credit risk

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

Outlook

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

REPORT ON EMPIRE LIFE

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

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

Financial analysis overview

	Second quarter		**Year to date**	
(millions of dollars)	**2026**	2025	**2026**	2025
Empire Life common shareholders' net income	**$ 83**	$ 32	**$ 89**	$ 102
Non-controlling interests	**—**	—	—	—
Net income contribution to E-L Financial	**$ 83**	$ 32	**$ 89**	$ 102

	Jun 30 2026	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025
LICAT total ratio	**159 %**	150 %	153 %	145 %	142 %

Empire Life reported second quarter common shareholders' net income of $83 million, a $51 million increase compared to the second quarter of 2025. This increase was primarily driven by a stronger net investment and insurance finance result, supported by favourable impacts from interest rate movements and non-fixed income asset performance. Additionally, higher net insurance service results in the Wealth Management and Group Solutions segments were partially offset by company-wide strategic investments in technology systems.

Segmented Operating Results

The following tables provide a summary of Empire Life results by operating segment for the periods ended June 30, 2026 and June 30, 2025.

For the three months ended June 30, 2026

(in millions of dollars)	Wealth Management	Group Solutions	Individual Insurance	Capital & Surplus	Total
Insurance revenue	$ 68	$ 188	$ 143	$ —	**$ 399**
Insurance service expenses	(37)	(180)	(105)	—	**(322)**
Insurance service result	31	8	38	—	**77**
Net recovery (expense) from reinsurance contracts held	—	5	(14)	—	**(9)**
Net insurance service result	31	13	24	—	**68**
Investment income (loss), excluding segregated fund account balances					
Investment income	27	6	273	53	**359**
Change in investment contracts	(7)	—	—	—	**(7)**
Net investment result, excluding segregated fund account balances	20	6	273	53	**352**
Insurance finance income (expense) , excluding segregated fund account balances					
Insurance contracts	(12)	(7)	(241)	—	**(260)**
Reinsurance contracts held	—	3	(7)	—	**(4)**
Net insurance finance income (expense), excluding segregated fund account	(12)	(4)	(248)	—	**(264)**
Segregated fund account balances net investment and insurance finance result					
Investment income on investments for segregated fund account balances	828	—	1	—	**829**
Insurance finance expenses for segregated fund account balances	(828)	—	(1)	—	**(829)**
Segregated funds account balances net investment and insurance finance result	—	—	—	—	**—**
Net investment and insurance finance result	8	2	25	53	**88**
Other income (expenses)					
Fee and other income	—	3	—	16	**19**
Non-insurance expenses	(9)	(12)	(9)	(20)	**(50)**
Interest expenses	—	—	—	(5)	**(5)**
Total other expenses	(9)	(9)	(9)	(9)	**(36)**
Net income before taxes	$ 30	$ 6	$ 40	$ 44	**$ 120**
Income taxes					**(30)**
Net income after taxes					**90**
Less: net income attributable to the participating account					**3**
Less: preferred share dividends declared and distributions on other equity instruments					**4**
Empire Life's common shareholder's net income					**83**
Non-controlling interests in net income					**—**
Net income attributable to owners of E-L Financial					**$ 83**

For the three months ended June 30, 2025

(in millions of dollars)	Wealth Management	Group Solutions	Individual Insurance	Capital & Surplus	Total
Insurance revenue	$ 61	$ 182	$ 136	$ —	$ 379
Insurance service expenses	(37)	(176)	(93)	—	(306)
Insurance service result	24	6	43	—	73
Net income (expense) from reinsurance contracts held	1	—	(15)	—	(14)
Net insurance service result	25	6	28	—	59
Investment loss, excluding segregated fund account balances					
Investment loss	(21)	—	(42)	(6)	(69)
Change in investment contracts	(4)	—	—	—	(4)
Net investment result, excluding segregated fund account balances	(25)	—	(42)	(6)	(73)
Insurance finance income, excluding segregated fund account balances					
Insurance contracts	32	—	54	—	86
Reinsurance contracts held	—	—	5	—	5
Net insurance finance income, excluding segregated fund account balances	32	—	59	—	91
Segregated fund account balances net investment and insurance finance result					
Investment income on investments for segregated fund account balances	409	—	(1)	—	408
Insurance finance expenses for segregated fund account balances	(409)	—	1	—	(408)
Segregated funds account balances net finance and investment result	—	—	—	—	—
Net investment and insurance finance result	7	—	17	(6)	18
Other income (expenses)					
Fee and other income	—	2	—	7	9
Non-insurance expenses	(7)	(8)	(8)	(10)	(33)
Interest expenses	—	—	—	(5)	(5)
Total other expenses	(7)	(6)	(8)	(8)	(29)
Net income (loss) before taxes	$ 25	$ —	$ 37	$ (14)	$ 48
Income taxes					(9)
Net income (loss) after taxes					39
Less: net income attributable to the participating account					4
Less: preferred share dividends declared and distributions on other equity instruments					3
Empire Life's common shareholder's net income					32
Non-controlling interests in net income					—
Net income attributable to owners of E-L Financial					$ 32

For the six months ended June 30, 2026

(in millions of dollars)	Wealth Management	Group Solutions	Individual Insurance	Capital & Surplus	Total
Insurance revenue	$ 134	$ 376	$ 284	$ —	**$ 794**
Insurance service expenses	(79)	(372)	(223)	—	**(674)**
Insurance service result	55	4	61	—	**120**
Net recovery (expense) from reinsurance contracts held	—	6	(24)	—	**(18)**
Net insurance service result	55	10	37	—	**102**
Investment income, excluding segregated fund account balances					
Investment income	34	7	264	64	**369**
Change in investment contracts	(9)	—	—	—	**(9)**
Net investment result, excluding segregated fund account balances	25	7	264	64	**360**
Insurance finance income (expense) , excluding segregated fund account balances					
Insurance contracts	(17)	(10)	(233)	—	**(260)**
Reinsurance contracts held	—	6	(6)	—	**—**
Net insurance finance loss, excluding segregated fund account balances	(17)	(4)	(239)	—	**(260)**
Segregated fund account balances net investment and insurance finance result					
Investment income on investments for segregated fund account balances	975	—	2	—	**977**
Insurance finance expenses for segregated fund account balances	(975)	—	(2)	—	**(977)**
Segregated funds account balances net investment and insurance finance result	—	—	—	—	**—**
Net investment and insurance finance result	8	3	25	64	**100**
Other income (expenses)					
Fee and other income	—	6	—	31	**37**
Non-insurance expenses	(18)	(23)	(18)	(40)	**(99)**
Interest expenses	—	—	—	(9)	**(9)**
Total other expenses	(18)	(17)	(18)	(18)	**(71)**
Net income (loss) before taxes	$ 45	$ (4)	$ 44	$ 46	**$ 131**
Income taxes					**(30)**
Net income after taxes					**101**
Less: net income attributable to the participating account					**1**
Less: preferred share dividends declared and distributions on other equity instruments					**11**
Empire Life's common shareholder's net income					**89**
Non-controlling interests in net income					**—**
Net income attributable to owners of E-L Financial					**$ 89**

For the six months ended June 30, 2025

(in millions of dollars)	Wealth Management	Group Solutions	Individual Insurance	Capital & Surplus	Total
Insurance revenue	$ 124	$ 359	$ 269	$ —	**$ 752**
Insurance service expenses	(73)	(346)	(191)	—	**(610)**
Insurance service result	51	13	78	—	**142**
Net expense from reinsurance contracts held	—	(4)	(30)	—	**(34)**
Net insurance service result	51	9	48	—	**108**
Investment income (loss), excluding segregated fund account balances					
Investment income	8	4	55	30	**97**
Change in investment contracts	(12)	—	—	—	**(12)**
Net investment result, excluding segregated fund account balances	(4)	4	55	30	**85**
Insurance finance income (expense) , excluding segregated fund account balances					
Insurance contracts	13	(5)	—	—	**8**
Reinsurance contracts held	—	2	3	—	**5**
Net insurance finance income, excluding segregated fund account balances	13	(3)	3	—	**13**
Segregated fund account balances net investment and insurance finance result					
Investment income on investments for segregated fund account balances	455	—	1	—	**456**
Insurance finance expenses for segregated fund account balances	(455)	—	(1)	—	**(456)**
Segregated funds account balances net investment and insurance finance result	—	—	—	—	**—**
Net investment and insurance finance result	9	1	58	30	**98**
Other income (expenses)					
Fee and other income	—	3	—	14	**17**
Non-insurance expenses	(15)	(18)	(16)	(20)	**(69)**
Interest expenses	—	—	—	(9)	**(9)**
Total other expenses	(15)	(15)	(16)	(15)	**(61)**
Net income (loss) before taxes	$ 45	$ (5)	$ 90	$ 15	**$ 145**
Income taxes					**(32)**
Net income after taxes					**113**
Less: net income attributable to the participating account					**5**
Less: preferred share dividends declared and distributions on other equity instruments					**6**
Empire Life's common shareholder's net income					**102**
Non-controlling interests in net income					**—**
Net income attributable to owners of E-L Financial					**$ 102**

Total Empire Life's results - Quarterly Comparison

Empire Life reported common shareholders' net income of $83 million in the second quarter of 2026, an increase of $51 million compared to the second quarter of 2025. The period over period increase was primarily driven by strong net investment and insurance finance results.

The net insurance service result of $68 million increased by $9 million in the second quarter, compared to the same period in 2025. This increase was primarily attributable to more favourable long-term disability experience in the Group Solutions segment and higher insurance revenues in the Wealth Management segment from improved contract valuations. This was partially offset by less favourable impacts from mortality experience in the current period in the Individual Insurance segment.

The net investment and insurance finance result was $88 million, an increase of $70 million in the second quarter of 2026 compared to the same period in 2025. This variance was driven by more favourable impacts from interest rate movements and non-fixed income asset performance.

Total other expenses were $36 million in the second quarter compared to $29 million in the same period in 2025. The $7 million increase primarily reflects strategic investments in technological infrastructure.

Total Empire Life's results - Year-to-date Comparison

Empire Life reported year-to-date common shareholders' net income of $89 million, a $13 million decrease compared to 2025. This variance was driven by less favourable impacts from mortality and long-term disability claims experience during the year, as well as higher total other expenses, reflecting targeted investments in technology infrastructure and workforce expenditures.

The net insurance service result of $102 million is $6 million lower in 2026 compared to the same period in 2025, primarily due to less favourable impacts from mortality and long-term disability claims experience.

The net investment and insurance finance result of $100 million increased by $2 million in 2026 compared to 2025, related to more favourable impacts from interest rate movements and non-fixed income asset performance.

Total other expenses increased to $71 million in 2026 from $61 million in the same period in 2025. This $10 million increase reflects strategic investments in our information systems and talent base, aimed at maintaining a competitive advantage in an evolving market.

Wealth Management

	Second quarter		Year to date	
(in millions of dollars)	**2026**	2025	**2026**	2025
Assets under management[1]				
Fixed annuities	**$ 996**	$ 1,005	**$ 996**	$ 1,005
Segregated funds	**10,911**	9,516	**10,911**	9,516
Total assets under management	**11,907**	10,521	**11,907**	10,521
Gross sales[1]				
Fixed annuities	**24**	39	**51**	76
Segregated funds	**353**	202	**741**	503
Total gross sales	**377**	241	**792**	579
Net sales[1]				
Fixed annuities	**3**	12	**(6)**	17
Segregated funds	**2**	(134)	**20**	(159)
Total net sales	**5**	(122)	**14**	(142)
Net insurance service result	**31**	25	**55**	51
Net income before taxes	**$ 30**	$ 25	**$ 45**	$ 45

[1] See Non-GAAP measures section.

Fixed annuities assets under management decreased 1% compared to the second quarter of 2025, which reflects the current year's stable net sales results. Gross sales of fixed annuities in the second quarter and the year to date were 38% and 33% lower, respectively, compared to the prior year, as the sustained strength of equity markets continued to temper demand for fixed-rate products.

Segregated fund assets under management increased 15% relative to the second quarter of 2025, due to a combination of favourable market movements and positive net sales. Gross sales of segregated funds in the second quarter and the year to date were 75% and 47% higher respectively, driven by strong consumer demand for newly launched products and favourable market conditions.

Net income before taxes for the second quarter increased by $5 million compared to the same period in 2025, primarily due to stronger insurance revenues, related to improved contract valuation, which was driven by favourable equity market movements.

Net income before taxes for the year was consistent with the prior year. The current period's increase in the net insurance was offset by planned increases in strategic overhead expenses and lower net investment and insurance finance results.

Group Solutions

	Second quarter		Year to date	
(in millions of dollars)	**2026**	2025	**2026**	2025
Annualized premium sales				
Core	**$ 15**	$ 20	**$ 33**	$ 46
Other	**14**	12	**30**	22
Total annualized premium sales[1]	**29**	32	**63**	68
Insurance revenue	**188**	182	**376**	359
Net insurance service result	**13**	6	**10**	9
Net income (loss) before taxes	**$ 6**	$ —	**$ (4)**	$ (5)

[1] See Non-GAAP measures section.

Total annualized premium sales decreased 9% in the second quarter, and 7% year to date, compared to the same periods in 2025 as increased sales of new product offerings were entirely offset by lower sales of Empire's core product offerings relative to the strong results in the prior period.

Insurance revenue increased 3% in the second quarter and 5% year to date, over the corresponding period in 2025, driven by continued organic growth within Empire's specialty partnership channels and the expansion of recently introduced product lines.

For the second quarter, net income before taxes increased $6 million compared to the same period in 2025. The improvement was primarily driven by more favourable long-term disability experience and lower insurance acquisition expenses within the period.

Net loss before taxes decreased $1 million year-to-date compared to the same period in 2025. The improvement was primarily driven by lower insurance acquisition expenses, which was partially offset by unfavourable long-term disability claims experience and an increase in strategic overhead expenses.

Individual Insurance

	Second quarter		Year to date	
(in millions of dollars)	**2026**	2025	**2026**	2025
Annualized premium sales				
Shareholders'	**$ 11**	$ 10	**$ 22**	$ 20
Policyholders'	**4**	4	**9**	7
Total annualized premium sales(1)	**15**	14	**31**	27
Net insurance service result	**24**	28	**37**	48
Net income (loss) before taxes				
Shareholders'	**37**	32	**42**	84
Policyholders'	**3**	5	**2**	6
Total net income before taxes	**$ 40**	$ 37	**$ 44**	$ 90

(1) See Non-GAAP measures section.

Shareholders' annualized premium sales for the second quarter and year to date increased by $1 million and $2 million, respectively, compared to the corresponding periods in 2025. The quarterly and year-to-date growth was primarily driven by increased term life insurance products.

Shareholders' net income before taxes for the second quarter of 2026 increased by $5 million compared to 2025. This growth was primarily driven by more favourable net investment and insurance finance results, which were partially offset by less favourable impacts from mortality experience and increased strategic overhead expenditure.

Year-to-date shareholders' net income before taxes decreased by $42 million compared to 2025. The year-over-year decline is primarily due to the net investment and insurance finance result, as well as less favourable impacts from mortality experience relative to the same period in 2025.

Capital and Surplus

	Second quarter		Year to date	
(in millions of dollars)	**2026**	2025	**2026**	2025
Net income (loss) before taxes	**$ 44**	$ (14)	**$ 46**	$ 15

Net income before taxes was $44 million for the quarter and $46 million for the year, which is a $58 million and $31 million increase, respectively, when compared to the same periods in 2025. This year-over-year increase is primarily attributable to the net investment result for each period.

Net Investment and Insurance Finance Result

(in millions of dollars)	Second quarter 2026	2025	Year to date 2026	2025
Net investment and insurance finance result	$ 88	$ 18	$ 100	$ 98

Empire Life primarily manages market risk exposures affecting the net investment and insurance finance result at an enterprise level. The total net investment and insurance finance result increased by $70 million during the quarter, and $2 million year to date, when compared to the same periods in 2025. Strong second quarter performance, fueled by favourable impacts from interest rate movements and non-fixed income assets, effectively offset softer first quarter results.

Contractual Service Margin

(Amounts are net of reinsurance contracts held, in millions of dollars)	Second quarter 2026	2025	Year to date 2026	2025
Net contractual service margin, beginning of period	**$ 1,336**	$ 1,359	**$ 1,354**	$ 1,410
Impact of new insurance business	**17**	17	**35**	33
Interest accretion	**5**	6	**11**	12
Insurance experience[(1)]	**(5)**	(8)	**—**	(27)
Economic experience[(1)]	**90**	61	**84**	58
Assumption updates[(1)]	**—**	—	**(1)**	(10)
CSM recognized for services provided	**(42)**	(41)	**(82)**	(82)
Net contractual service margin, end of period	**$ 1,401**	$ 1,394	**$ 1,401**	$ 1,394

(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 Variable Fee Approach ("VFA") for the Wealth Management and Individual Insurance segments. Assumption updates represent the future period impacts of changes in fulfillment cash flows that adjust CSM.

The Net Contractual Service Margin (CSM) as at June 30, 2026 is $1,401 million, an increase of $65 million in the second quarter, and an increase of $47 million year to date. Components driving the change in net CSM are:

- Impact of new insurance business: For the quarter, sales of new policies contributed $17 million in Net CSM growth, consistent with the same period in 2025. For the year, the impact of new sales contributed a $2 million improvement to CSM, when compared with the corresponding period in 2025, which reflects increased term life sales.
- Insurance experience: The $5 million decrease in the second quarter is due to unfavourable impacts from policyholder behaviour, lapse and mortality experience in the Individual Insurance segment partially offset by favourable impacts from insurance experience in the Wealth Management segment.
- Economic experience: The $90 million increase in the second quarter and $84 million increase during the year was primarily due to the impact of strong equity market returns on segregated funds in the Wealth Management segment.
- CSM recognized for services provided: The recognition of CSM remains relatively consistent over comparative periods.

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 June 30 2026		As at December 31 2025
Subordinated debentures	**$**	**649**	$	400
Equity				
Preferred shares and other equity instruments	**$**	**494**	$	494
Common shares		**1**		1
Total Equity	**$**	**495**	$	495

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

(in millions of dollars)	Date Issued	Earliest Redemption Date	Yield		As at June 30 2026		As at December 31 2025
Series 2021-1 (1)	September 2021	September 24, 2026	2.024 %	**$**	**200**	$	200
Series 2023-1 (2)	January 2023	January 13, 2028	5.503 %	**$**	**200**	$	200
Series 2026-1 (3)	May 2026	May 26, 2031	4.221 %	**$**	**249**	$	—

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

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

(3) Series 2026-1 Subordinated 4.221% unsecured debentures due 2036. From May 26, 2031, interest is payable at 1.17% 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 June 30 2026		As at December 31 2025
Preferred shares, Series 3	November 2017	January 17, 2028	6.187 %	**$**	**100**	$	100
Preferred shares, Series 6	December 2025	March 17, 2031	6.000 %	**$**	**197**	$	197
Limited Recourse Capital Notes, Series 1	February 2021	April 17, 2026	6.177 %	**$**	**197**	$	197

Regulatory capital

The Life Insurance Capital Adequacy Test ("LICAT") measures the capital adequacy of an insurer and is one of several indicators used by the Office of the Superintendent of Financial Institutions, Canada ("OSFI") to assess an insurer's financial condition. 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)	**Jun 30** **2026**	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025
Available capital					
Tier 1	**$ 2,842**	$ 2,759	$ 2,828	$ 2,717	$ 2,626
Tier 2	**1,101**	805	833	778	804
Total	**$ 3,943**	$ 3,564	$ 3,661	$ 3,495	$ 3,430
Surplus allowance and eligible deposits	**$ 783**	$ 750	$ 745	$ 748	$ 762
Base solvency buffer	**$ 2,977**	$ 2,874	$ 2,879	$ 2,936	$ 2,960
LICAT total ratio	**159 %**	150 %	153 %	145 %	142 %
LICAT core ratio	**114 %**	114 %	116 %	110 %	107 %

Empire Life maintains a robust LICAT position, remaining well above internal targets. Empire Life's Total ratio increased in the second quarter compared to prior quarter, driven by the issuance of a new series of subordinated debentures. Empire Life's Core ratio remained consistent quarter-over-quarter.

Securities rating

The securities issued by Empire Life are rated by DBRS Limited ("Morningstar DBRS"). As of August 5, 2026, Morningstar DBRS confirmed all credit ratings, and maintained Empire Life's trend at Stable.

Evaluation type	**Rating**	**Trend**
Financial strength rating	A (high)	Stable
Issuer rating	A (high)	Stable
Subordinated debt	A	Stable
Preferred shares	Pfd-2 (high)	Stable
Limited Recourse Capital Notes	A (low)	Stable

Risk Management

Enterprise Risk Management Framework

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. Empire Life has an established enterprise risk management framework approved by its Board that sets out the components of risk management programs and how they operate and support Empire Life's vision, mission and values. Effective risk management is critical to the overall profitability, competitive market positioning and long-term financial viability of Empire Life. While all risks cannot necessarily be eliminated or known with certainty, the goal of Empire Life's risk management program is to ensure that risk-taking activities are aligned with its strategy, in order to achieve business goals and deliver acceptable shareholder returns, without compromising Empire Life's ability to pay claims and fulfil policyholder commitments.

A comprehensive discussion of Empire Life's risk management framework and primary risk factors is available under the Risk Management section of the MD&A for the year ended December 31, 2025.

Caution Related to Sensitivities

In the sections that follow, Empire Life's 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. In addition, the sensitivities are based on methods and assumptions in effect as at the respective calculation dates. Changes in the regulatory environment, assumptions or methods used to measure assets and liabilities after those dates could result in material changes to the estimated sensitivities.

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. Net income and CSM sensitivities, as well as capital sensitivities, are based on instantaneous changes in equity markets and interest rates. Sensitivities to interest rates assume a parallel shift in the assumed interest rates across the entire yield curve, with no change to the ultimate risk-free rate or ultimate illiquidity premium in the liability discount rates.

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 variables, 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's 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

Market risk is the risk of loss arising from adverse changes in market rates and prices such as interest rates, prices of equities, real estate and other securities, credit spreads, foreign exchange rates and inflation. More information regarding how Empire Life defines market risk is available under the Risk Management section of the consolidated financial statements for the year ended December 31, 2025.

Empire Life manages this risk exposure mainly through investment limits and oversight of its investment managers by the Chief Investment Officer, the Asset Management Committee, and the Investment Committee of the Board. More information regarding how market risk is managed is discussed under the Risk Management section of the consolidated financial statements for the year ended December 31, 2025.

<u>Equity Risk</u>

Equity risk is the risk of loss due to adverse changes in the trading prices of equities. More information regarding how Empire Life defines equity risk is discussed under the Risk Management section of the consolidated financial statements for the year ended December 31, 2025.

Empire Life maintains an equity hedging program to partially protect it from regulatory capital (LICAT) ratio declines that might result from adverse equity market price changes. Empire Life has an Equity Risk Hedging Policy to support general fund equity hedging programs. The policy outlines objectives, risk limits and authorities associated with its equity hedging activities. Management monitors its equity hedging activities on a regular basis and reports, at least quarterly, to the Risk and Capital Committee of the Board on the status of the equity hedging program.

More information regarding how equity risk is managed is discussed in Note 23 of the consolidated financial statements for the year ended December 31, 2025.

Empire Life's LICAT ratio is also sensitive to equity market volatility, primarily due to liability and capital requirements related to segregated fund guarantees. As of June 30, 2026, Empire Life had $10.9 billion of segregated fund assets and liabilities. Of this amount, approximately $10.6 billion have guarantees.

All Empire Life segregated fund guarantees are policy-based (not deposit-based), thereby generally lowering Empire Life's equity 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.

The CSM provides a significant offset to potential impacts in the segregated fund guarantee liability. This significantly reduces the net income impacts from changes in interest rates or equity market levels.

Empire Life also has equity market risk related to its equity assets backing insurance contract liabilities and surplus.

As at June 30, 2026 and December 31, 2025, the sensitivity of Empire Life shareholders' net income and CSM resulting from changes in equity market prices is provided in the following table:

Sensitivity to equity risk	**Increase**		**Decrease**	
(in millions of dollars)	**20%**	**10%**	**10%**	**20%**
As at June 30, 2026				
Profit or loss and equity	**$ 26**	**$ 14**	**$ (13)**	**$ (30)**
CSM	**$ 177**	**$ 92**	**$ (98)**	**$ (200)**
As at December 31, 2025				
Profit or loss and equity	$ 23	$ 12	$ (15)	$ (32)
CSM	$ 170	$ 87	$ (92)	$ (185)

Based on equity market prices as at June 30, 2026 and December 31, 2025, the sensitivity of Empire Life's LICAT Total ratio resulting from increases and decreases in equity market prices is provided in the following table.

Sensitivity to equity risk	**Increase**		**Decrease**	
Impact on LICAT	**20%**	**10%**	**10%**	**20%**
As at June 30, 2026				
Segregated fund guarantees	**8%**	**4%**	**(5)%**	**(10)%**
Other equity risk	**—%**	**—%**	**—%**	**—%**
Equity hedge	**(3)%**	**(2)%**	**2%**	**5%**
As at June 30, 2026	**5%**	**2%**	**(3)%**	**(5)%**
Segregated fund guarantees	8%	4%	(5)%	(10)%
Other equity risk	—%	—%	—%	—%
Equity hedge	(4)%	(2)%	3%	7%
As at December 31, 2025	4%	2%	(2)%	(3)%

Interest Rate Risk

Interest rate risk is the risk of loss resulting from adverse changes in yield curves. Interest rate risk in Empire Life's investment portfolio is managed through Investment Committee established limits and regular reporting by management to the Investment Committee and the Board. Empire Life's investment guidelines establish investment objectives and eligible interest-sensitive investments, as well as diversification criteria, exposure, concentration and asset quality limits for these investments. In addition, the Asset Management Committee oversees sensitivity to interest rates. More information regarding how interest rate risk is managed is discussed under the Risk Management section of the MD&A for the year ended December 31, 2025.

Interest Rate Sensitivities

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 June 30, 2026 and December 31, 2025, is shown in the table below. No change to credit spreads is assumed.

Sensitivity to market interest rates - LICAT	**Impact of 50 bps decrease**
June 30, 2026 LICAT total ratio	**1%**
December 31, 2025 LICAT total ratio	(1)%

Financial Instruments and Risk

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

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

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

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

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

	June 30 2026	December 31 2025
Assets		
Cash and cash equivalents	**$ 595,997**	$ 564,400
Investments - corporate (Note 3)	**9,056,531**	8,396,280
Investments - insurance (Note 4)	**9,935,649**	9,485,741
Investments in associates and joint venture (Note 5)	**698,999**	627,117
Reinsurance contracts held assets (Note 10)	**332,832**	326,633
Other assets (Note 8)	**329,826**	328,300
Deferred tax asset	**97,067**	84,997
Segregated fund assets (Note 9)	**10,933,000**	10,147,609
Total assets	**$ 31,979,901**	$ 29,961,077
Liabilities		
Insurance contract liabilities, excluding segregated fund account balances (Note 10)	**$ 7,056,986**	$ 6,828,307
Reinsurance contracts held liabilities (Note 10)	**248,272**	248,529
Investment contract liabilities, excluding segregated fund account balances	**632,998**	631,948
Deferred tax liabilities	**710,177**	616,429
Dividends payable	**17,713**	17,732
Other liabilities	**202,513**	222,623
Borrowings (Note 13)	**848,862**	599,571
Total liabilities, excluding segregated fund account balances (Note 10)	**9,717,521**	9,165,139
Insurance contract liabilities for segregated fund account balances	**10,625,715**	9,860,892
Investment contract liabilities for segregated fund account balances	**307,285**	286,717
Insurance and investment contract liabilities for segregated fund account balances	**10,933,000**	10,147,609
Total liabilities	**$ 20,650,521**	$ 19,312,748
Equity		
Capital stock (Note 11)	**$ 362,249**	$ 362,335
Retained earnings	**9,295,953**	8,659,563
Accumulated other comprehensive income (“AOCI”)	**59,024**	47,163
Total E-L Financial shareholders' equity	**9,717,226**	9,069,061
Non-controlling interests in subsidiaries (“NCI”)	**1,554,692**	1,523,445
Participating account surplus (“PAR”)	**57,462**	55,823
Total equity	**11,329,380**	10,648,329
Total liabilities and equity	**$ 31,979,901**	$ 29,961,077

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 June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Insurance service result				
Insurance revenue (Note 10)	**$ 399,357**	$ 379,201	**$ 794,084**	$ 752,287
Insurance service expenses	**(322,286)**	(305,805)	**(673,994)**	(610,069)
Net expense from reinsurance contracts held (Note 10)	**(9,577)**	(14,684)	**(17,684)**	(33,830)
Net insurance service result	**67,494**	58,712	**102,406**	108,388
Investment and insurance finance result (Note 7)				
Investment income (loss), excluding segregated fund account balances	**358,711**	(68,458)	**369,627**	96,883
Change in investment contracts, excluding segregated fund account balances	**(6,835)**	(4,286)	**(9,245)**	(11,935)
Insurance finance (expense) income from insurance contracts, excluding segregated fund account balances	**(259,734)**	85,959	**(260,149)**	7,674
Insurance finance (expense) income from reinsurance contracts held excluding segregated fund account balances	**(3,811)**	5,019	**(311)**	5,454
Investment income related to segregated fund account balances	**829,091**	408,083	**976,554**	456,325
Insurance finance expense related to segregated fund account balances	**(829,091)**	(408,083)	**(976,554)**	(456,325)
Net investment and insurance finance result	**88,331**	18,234	**99,922**	98,076
Net insurance result	**155,825**	76,946	**202,328**	206,464
Non-insurance investment income				
Investment and other income (Note 6)	**73,627**	58,627	**160,770**	147,494
Share of income of associates and joint venture (Note 5)	**47,273**	24,341	**104,776**	25,880
Fair value change in fair value through profit or loss investments	**1,128,155**	372,990	**1,008,822**	303,064
Non-insurance investment income	**1,249,055**	455,958	**1,274,368**	476,438
Expenses				
Operating	**57,643**	41,730	**117,540**	88,929
Interest expense	**6,828**	7,640	**12,585**	13,410
	64,471	49,370	**130,125**	102,339
Income before income taxes	**1,340,409**	483,534	**1,346,571**	580,563
Income taxes	**193,598**	71,503	**184,814**	85,537
Net income	**1,146,811**	412,031	**1,161,757**	495,026
Less: Net income attributable to the participating account	**3,225**	4,030	**1,639**	4,571
Non-controlling interests in net income	**132,862**	42,894	**116,879**	39,501
	136,087	46,924	**118,518**	44,072
E-L Financial shareholders' net income	**$ 1,010,724**	$ 365,107	**$ 1,043,239**	$ 450,954
Earnings per share attributable to E-L Financial shareholders				
Basic(1)	**$ 2.99**	$ 1.07	**$ 3.08**	$ 1.32
Diluted(1)	**$ 2.85**	$ 1.02	**$ 2.94**	$ 1.26

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 June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Net income	**$ 1,146,811**	$ 412,031	**$ 1,161,757**	$ 495,026
Other comprehensive income (“OCI”) (loss) (“OCL”), net of taxes				
Items that may be reclassified subsequently to net income:				
Share of OCI (OCL) of associates	**5,208**	(7,753)	**7,574**	(5,234)
(Provision for) recovery of taxes	**(690)**	1,027	**(1,003)**	693
Share of OCI (OCL) of associates	**4,518**	(6,726)	**6,571**	(4,541)
Items that will not be reclassified to net income:				
Net remeasurement of defined benefit plans	**4,620**	5,140	**7,489**	5,962
Provision for taxes	**(1,264)**	(1,354)	**(2,039)**	(1,571)
Net remeasurement of defined benefit plans	**3,356**	3,786	**5,450**	4,391
Share of OCI of associates	**822**	753	**768**	667
Provision for taxes	**(108)**	(100)	**(101)**	(89)
Share of OCI of associates	**714**	653	**667**	578
	4,070	4,439	**6,117**	4,969
Total OCI (OCL)	**8,588**	(2,287)	**12,688**	428
Comprehensive income	**1,155,399**	409,744	**1,174,445**	495,454
Less: Comprehensive income attributable to the participating account	**3,225**	4,030	**1,639**	4,571
Non-controlling interests in comprehensive income	**133,460**	42,238	**117,706**	39,083
	136,685	46,268	**119,345**	43,654
E-L Financial shareholders' comprehensive income	**$ 1,018,714**	$ 363,476	**$ 1,055,100**	$ 451,800

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

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

	E-L Financial shareholders' equity						
	Capital stock	**Retained earnings**	**AOCI**	**Total**	**NCI**	**PAR**	**Total equity**
Balance as at January 1, 2026	**$ 362,335**	**$ 8,659,563**	**$ 47,163**	**$ 9,069,061**	**$ 1,523,445**	**$ 55,823**	**$10,648,329**
Net income	**—**	**1,043,239**	**—**	**1,043,239**	**116,879**	**1,639**	**1,161,757**
OCI	**—**	**—**	**11,861**	**11,861**	**827**	**—**	**12,688**
Comprehensive income	**—**	**1,043,239**	**11,861**	**1,055,100**	**117,706**	**1,639**	**1,174,445**
Dividends	**—**	**(398,850)**	**—**	**(398,850)**	**(85,806)**	**—**	**(484,656)**
Common share purchases (Note 11)	**(86)**	**(7,999)**	**—**	**(8,085)**	**—**	**—**	**(8,085)**
Acquisition of subsidiary shares	**—**	**—**	**—**	**—**	**(555)**	**—**	**(555)**
Subsidiary preferred shares issuance cost	**—**	**—**	**—**	**—**	**(98)**	**—**	**(98)**
At June 30, 2026	**$ 362,249**	**$ 9,295,953**	**$ 59,024**	**$ 9,717,226**	**$ 1,554,692**	**$ 57,462**	**$11,329,380**

	E-L Financial shareholders' equity						
	Capital stock	Retained earnings	AOCI	Total	NCI	PAR	Total equity
Balance as at January 1, 2025	$ 362,347	$ 8,016,828	$ 36,696	$ 8,415,871	$ 1,269,534	$ 53,145	$ 9,738,550
Net income	—	450,954	—	450,954	39,501	4,571	495,026
OCI (OCL)	—	—	846	846	(418)	—	428
Comprehensive income	—	450,954	846	451,800	39,083	4,571	495,454
Dividends	—	(553,862)	—	(553,862)	(92,852)	—	(646,714)
Acquisition of subsidiary shares	—	—	—	—	(12)	—	(12)
At June 30, 2025	$ 362,347	$ 7,913,920	$ 37,542	$ 8,313,809	$ 1,215,753	$ 57,716	$ 9,587,278

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)

	Six months ended June 30 2026	2025
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income	**$ 1,161,757**	$ 495,026
Items not affecting cash resources:		
Changes in contract liabilities	**229,729**	(61,685)
Changes for reinsurance contracts held	**(6,456)**	32,548
Fair value change in fair value through profit or loss investments	**(1,199,595)**	(230,733)
Deferred taxes	**78,535**	(10,344)
Share of income of associates and joint venture	**(104,776)**	(25,880)
Other items	**11,552**	(70,311)
	170,746	128,621
Net change in other assets and liabilities	**(5,196)**	(98,948)
	165,550	29,673
Financing		
Cash dividends to shareholders	**(398,869)**	(552,996)
Cash dividends by subsidiaries to non-controlling interests	**(85,806)**	(92,852)
Purchases of subsidiary shares	**(555)**	(12)
Share purchases	**(8,085)**	—
Issuance of subordinated debt by Empire Life	**249,113**	—
Interest paid on borrowings	**(10,434)**	(11,595)
	(254,636)	(657,455)
Investing		
Purchases of investments	**(2,056,532)**	(1,394,202)
Proceeds from sale or maturity of investments	**2,144,528**	1,999,389
Net purchases of other assets	**(7,722)**	(18,155)
Dividends from associates	**40,409**	45,120
	120,683	632,152
Increase in cash and cash equivalents	**31,597**	4,370
Cash and cash equivalents, beginning of the period	**564,400**	373,413
Cash and cash equivalents, end of the period	**$ 595,997**	$ 377,783

	2026	2025
Fair value hierarchy for cash and cash equivalents:		
Level 1	**$ 437,771**	$ 219,557
Level 2	**158,226**	158,226
	$ 595,997	$ 377,783

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

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 August 6, 2026.

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, 2025.

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 2026

Effective January 1, 2026, the Company adopted the following new and amended accounting standards:

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

In May 2024, the IASB issued amendments to IFRS 9 Financial and IFRS 7 relating to classification and measurement of financial instruments. The amendments clarify certain concepts relating to classification of financial assets, and introduce the option for entities to derecognize financial liabilities settled using an electronic payment system before the settlement date when certain criteria are met. The amendments also introduce certain new disclosure requirements for financial instruments measured at Fair Value Through Other Comprehensive Income ("FVOCI") and amortized cost. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, and must be applied retrospectively. There are no material impacts to the Company's condensed interim consolidated financial statements resulting from these amendments.

Standards issued but not yet applied

IFRS 18 – Presentation and Disclosures in Financial Statements

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

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

3. Investments – corporate

Investments – corporate includes the investments held at the corporate level of E-L Financial and the investment holdings of it's subsidiary, United Corporations Limited ("United").

Invested assets

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

	June 30 2026	December 31 2025
Preferred shares	$ 1,713	$ 1,686
Common shares and units		
Canada	1,427,578	1,288,380
U.S.	5,335,561	4,873,584
Europe and United Kingdom	1,194,510	1,381,248
Other	1,097,169	851,382
Total common shares and units	9,054,818	8,394,594
Total	$ 9,056,531	$ 8,396,280

The Company's investment in common shares and units includes shares of public and private companies. As at June 30, 2026 and December 31, 2025 all of the invested assets have been classified as FVTPL.

Investments – measured at fair value

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

As at June 30, 2026

Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Preferred shares	$ 655	$ —	$ 1,058	$ 1,713
Common shares and units				
Canada	95,540	—	1,332,038	1,427,578
U.S.	4,899,935	—	435,626	5,335,561
Europe and United Kingdom	1,030,433	—	164,077	1,194,510
Other	992,889	—	104,280	1,097,169
Total common shares and units	7,018,797	—	2,036,021	9,054,818
Total	$ 7,019,452	$ —	$ 2,037,079	$ 9,056,531

As at December 31, 2025

Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Preferred shares	$ 628	$ —	$ 1,058	$ 1,686
Common shares and units				
Canada	76,479	—	1,211,901	1,288,380
U.S.	4,468,387	—	405,197	4,873,584
Europe and United Kingdom	1,206,037	—	175,211	1,381,248
Other	762,917	—	88,465	851,382
Total common shares and units	6,513,820	—	1,880,774	8,394,594
Total	$ 6,514,448	$ —	$ 1,881,832	$ 8,396,280

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 six month period ended June 30, 2026 or during the year ended December 31, 2025.

(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 Fair Value Through Profit or Loss ("FVTPL") as at June 30, 2026 and December 31, 2025 is as follows:

	6 months 2026	12 months 2025
Balance beginning of period	$ 1,881,832	$ 1,637,248
Net fair value change	147,245	249,072
Sales and distributions	(19,683)	(47,731)
Purchases	27,685	43,243
Balance end of period	$ 2,037,079	$ 1,881,832

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 June 30, 2026 the Company had loaned securities with a fair value of $1,367,683 (December 31, 2025 - $701,231) and received approximately $1,436,081 (December 31, 2025 - $736,300) in collateral.

In the normal course of business, investment commitments are outstanding which are not reflected in the consolidated financial statements. As of June 30, 2026, E-L Corporate has $417,815 (December 31, 2025 - $352,396) 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

<u>The Empire Life Insurance Company ("Empire Life") invested assets</u>

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

				As at June 30, 2026
Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Short-term investments	$ —	$ 761	$ —	$ 761
Bonds	—	8,302,459	22,314	8,324,773
Preferred shares	711,447	—	—	711,447
Common shares	707,682	5,006	30,812	743,500
Derivative assets	5,613	5,020	107	10,740
Mortgages	—	58,706	—	58,706
Loans	—	85,722	—	85,722
Total	$ 1,424,742	$ 8,457,674	$ 53,233	$ 9,935,649

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

				As at December 31, 2025
Asset category	Quoted Prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Short-term investments	$ —	$ 444	$ —	$ 444
Bonds	—	7,918,962	23,535	7,942,497
Preferred shares	698,465	—	—	698,465
Common shares	647,028	5,006	22,964	674,998
Derivative assets	8,078	7,095	107	15,280
Mortgages	—	66,399	—	66,399
Loans	—	87,658	—	87,658
Total	$ 1,353,571	$ 8,085,564	$ 46,606	$ 9,485,741

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 for the six months period ended June 30, 2026 or during the year ended December 31, 2025.

A summary of changes in the fair values of Level 3 financial instruments measured at FVTPL as at June 30, 2026 and December 31, 2025:

	6 months 2026	12 months 2025
Balance beginning of period	$ 46,606	$ 36,595
Purchases	6,873	9,118
Sales	(1,827)	(1,338)
Net fair value change	1,581	2,231
Balance end of period	$ 53,233	$ 46,606

Derivative financial instruments

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

		June 30, 2026			December 31, 2025		
	Maturity	Notional Principal	Fair Value Assets	Fair Value Liabilities [1]	Notional Principal	Fair Value Assets	Fair Value Liabilities
Foreign currency forwards	Within 1 year	$ 233,709	$ 41	$ 7,201	$ 210,752	$ 3,419	$ 6
Equity options	Within 5 years	999,405	5,720	—	1,309,692	8,185	—
Interest rate swaps	Within 5 years	50,000	238	—	—	—	—
	Over 5 years	1,350,000	2,009	32,887	1,000,000	1,067	44,244
Cross currency swaps	Within 5 years	51,745	—	1,611	25,706	—	409
	Over 5 years	160,014	2,732	3,170	113,890	2,609	2,220
Total		$ 2,844,873	$ 10,740	$ 44,869	$ 2,660,040	$ 15,280	$ 46,879

(1)The gross amounts of these derivative assets and derivative liabilities are included in the Statement of Financial Position, and do not offset as the rights of offset are conditional. Financial collateral of $130,863 as at June 30, 2026 (December 31, 2025 - $123,241) has been pledged to counterparties.

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

Securities lending

Empire Life has a securities lending agreement with its custodian. Under this agreement, the custodian may lend securities from Empire Life's portfolio to other institutions, as approved by Empire Life, for periods of time. As at June 30, 2026 and December 31, 2025, the aggregate fair values of the Empire's securities loaned and the collateral received were as follows:

As at	June 30, 2026			December 31, 2025		
	General Funds	Segregated Funds	Total	General Funds	Segregated Funds	Total
Value of securities loaned	$ 1,708,474	$ 1,882,957	$ 3,591,431	$ 1,384,293	$ 1,724,790	$ 3,109,083
Value of collateral received	$ 1,742,674	$ 1,920,694	$ 3,663,368	$ 1,412,187	$ 1,759,530	$ 3,171,717

5. Investments in associates and joint venture

Investments in associates by operating segment are as follows:

	June 30 2026	December 31 2025
E-L Corporate	$ 585,371	$ 514,094
Empire Life	113,628	113,023
Total	$ 698,999	$ 627,117

E-L Corporate

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

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

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

	June 30, 2026			December 31, 2025		
	Ownership	Carrying value	Fair value	Ownership	Carrying value	Fair value
Algoma	34.9 %	$ 314,858	$ 312,514	34.9 %	$ 263,130	$ 269,102
Economic	24.9 %	270,513	320,863	24.9 %	250,964	289,855
Total		$ 585,371	$ 633,377		$ 514,094	$ 558,957

The following table details the movement during the period:

	6 months 2026	12 months 2025
Balance, beginning of the period	$ 514,094	$ 465,681
Income recorded in the statements of income:		
Share of income	65,890	111,583
Net impairment reversal (write down)	35,880	(12,409)
	101,770	99,174
Share of other comprehensive income (loss)	8,341	(1,471)
	110,111	97,703
Dividends received during the period	(38,834)	(49,290)
Balance, end of the period	$ 585,371	$ 514,094

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

The E-L Corporate's associates are measured using the equity method. As at June 30, 2026, the fair value of the investments in associates was $633,377 (December 31, 2025 - $558,957). 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 June 30, 2026, an impairment reversal of $35,880 (June 30, 2025 - an impairment provision of $12,410) has been recorded in net income. The recoverable amount was based on quoted market prices, which are classified as Level 1 in the fair value measurement hierarchy.

Financial information

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

	Algoma		Economic	
	June 30 2026	December 31 2025	June 30 2026	December 31 2025
Cash and cash equivalents	$ 30,046	$ 37,158	$ 7,769	$ 5,376
Other current assets	216,642	138,426	1,790,784	1,672,070
Non-current assets	1,819,709	1,595,120	—	—
	2,066,397	1,770,704	1,798,553	1,677,446
Current liabilities	340,024	246,216	2,039	3,110
Non-current liabilities	673,085	516,148	176,011	155,163
	1,013,109	762,364	178,050	158,273
Net assets	$ 1,053,288	$ 1,008,340	$ 1,620,503	$ 1,519,173

	Algoma		Economic	
Six months ended June 30	2026	2025	2026	2025
Revenue	$ 386,054	$ 318,916	$ 263,435	$ 262,274
Net income	$ 37,811	$ 9,603	$ 234,034	$ 235,495
Other comprehensive income (loss)	23,932	(13,105)	—	—
Total comprehensive income (loss)	$ 61,743	$ (3,502)	$ 234,034	$ 235,495

At June 30, 2026, Algoma has financial commitments of $244,968 (December 31, 2025 - $295,326).

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

	Algoma		Economic		Total	
	2026	2025	2026	2025	2026	2025
Dividends received	$ 5,939	$ 5,656	$ 32,895	$ 37,169	$ 38,834	$ 42,825

On March 31, 2026 Economic paid special and additional dividends of $2.38 per common share resulting in E-L Corporate receiving a dividend of $32,086.

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

6. Non-insurance investment and other income

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

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Interest income	$ 1,459	$ 995	$ 3,291	$ 3,212
Fee income	18,799	9,193	36,704	17,466
Dividend income	52,864	47,096	120,899	124,455
Other	505	1,343	(124)	2,361
Total	$ 73,627	$ 58,627	$ 160,770	$ 147,494

(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 June 30		Six months ended June 30	
	2026	2025	2026	2025
Net investment and insurance finance result				
Interest and other investment income	$ 116,332	$ 102,851	$ 224,921	$ 210,033
Change in fair value of investments	242,379	(171,309)	144,706	(113,150)
Investment income, excluding segregated fund account balances	358,711	(68,458)	369,627	96,883
Change in investment contracts	(6,835)	(4,286)	(9,245)	(11,935)
Net investment result, excluding segregated fund account balances	351,876	(72,744)	360,382	84,948
Insurance finance (expense) income from insurance contracts, excluding segregated fund account balances				
Interest accreted	(43,692)	(46,694)	(86,004)	(92,707)
Effect of changes in interest rates and other financial assumptions	(168,468)	115,053	(120,141)	110,867
Changes in fair value of underlying items in insurance contracts with direct participation features	(42,828)	(14,245)	(46,234)	(30,943)
Effects of risk mitigation option	(4,746)	31,845	(7,770)	20,457
Insurance finance expense from insurance contracts, excluding segregated fund account balances	(259,734)	85,959	(260,149)	7,674
Finance income (expense) from reinsurance contracts held				
Interest accreted	203	446	407	1,116
Effect of changes in interest rates and other financial assumptions	(4,014)	4,573	(718)	4,338
Reinsurance finance (expense) income from reinsurance contracts held	(3,811)	5,019	(311)	5,454
Investment income related to segregated fund net assets				
Investment income on investments related to segregated fund net assets, insurance contracts	805,799	396,539	949,107	443,438
Investment income on investments related to segregated fund net assets, investment contracts	23,292	11,544	27,447	12,887
Investment income related to segregated fund account balances	829,091	408,083	976,554	456,325
Changes in underlying items of the segregated funds				
Insurance finance expenses, insurance contracts segregated fund account balances	(805,799)	(396,539)	(949,107)	(443,438)
Change in investment contracts, segregated fund account balances	(23,292)	(11,544)	(27,447)	(12,887)
Changes in underlying items of the segregated funds	(829,091)	(408,083)	(976,554)	(456,325)
Net investment and insurance finance result	$ 88,331	$ 18,234	$ 99,922	$ 98,076

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

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

Amounts related to change in investment contracts, which includes deferred annuities and guaranteed annuities, arise from discount rates that include a provision to reflect Empire Life's own credit risk and an illiquidity adjustment. With regards to insurance contracts measured using the VFA, the change in the underlying items would be recognized both as insurance finance income (or expense) and investment income (loss), with offsetting impacts. For these contracts, changes in the effect of time value of money and financial risk not arising from underlying items adjusts the CSM and are not included in the insurance finance income (expense) amounts presented in the table above, except to the extent that the risk mitigation option applies.

Investment income, excluding segregated fund account balances

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Investment income (loss), excluding segregated fund account balances				
Interest and other investment income				
Interest income	$ 98,642	$ 88,125	$ 194,636	$ 183,348
Dividend income	16,304	14,594	27,267	26,133
Income from investments in associates and joint venture	1,381	127	3,006	543
Other	5	5	12	9
Total interest and other investment income	116,332	102,851	224,921	210,033
Net realized and unrealized gain (loss)	242,379	(171,309)	144,706	(113,150)
Total investment income (loss), excluding segregated fund account balances	$ 358,711	$ (68,458)	$ 369,627	$ 96,883

8. Other assets

Other assets are comprised of the following:

	June 30, 2026	December 31, 2025
Accrued investment income	$ 60,396	$ 58,307
Income taxes receivable	29,285	52,987
Property and equipment	1,354	859
Intangible assets	74,498	78,491
Goodwill	38,891	38,891
Other	125,402	98,765
Total	$ 329,826	$ 328,300

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

9. Segregated funds

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

	June 30, 2026			December 31, 2025		
	Insurance Contracts	Investment Contracts	Total	Insurance Contracts	Investment Contracts	Total
Cash	$ 5,297	$ 609	$ 5,906	$ 5,676	$ 460	$ 6,136
Short-term investments	601,036	19,343	620,379	565,728	15,781	581,509
Bonds	1,827,810	118,612	1,946,422	1,809,903	109,504	1,919,407
Common and preferred shares	8,202,838	288,285	8,491,123	7,453,767	276,375	7,730,142
	10,636,981	426,849	11,063,830	9,835,074	402,120	10,237,194
Add: other assets	111	402	513	36,365	(408)	35,957
Less: segregated funds held within general fund investments	(11,377)	(119,966)	(131,343)	(10,547)	(114,995)	(125,542)
Total	$10,625,715	$ 307,285	$10,933,000	$ 9,860,892	$ 286,717	$10,147,609

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

	June 30, 2026			December 31, 2025		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash	$ 5,906	$ —	$ 5,906	$ 6,136	$ —	$ 6,136
Short-term investments	—	620,379	620,379	—	581,509	581,509
Bonds	—	1,946,422	1,946,422	—	1,919,407	1,919,407
Common and preferred shares	8,491,123	—	8,491,123	7,730,142	—	7,730,142
Total	$ 8,497,029	$ 2,566,801	$11,063,830	$ 7,736,278	$ 2,500,916	$10,237,194

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2026 or during the year ended December 31, 2025. There were no level 3 investments as at June 30, 2026 or December 31, 2025.

(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 June 30		Six months ended June 30	
	2026	2025	2026	2025
Segregated fund assets beginning of the period	$ 10,211,560	$ 9,265,991	$ 10,147,609	$ 9,393,738
Additions to segregated funds:				
Amount received from policyholders	361,593	209,468	772,709	527,764
Interest	23,937	23,236	46,433	46,373
Dividends	34,835	35,796	65,957	70,599
Other income	6,216	1,589	11,704	5,541
Net realized gains on sale of investments	215,728	162,901	496,743	364,690
Net unrealized increase in fair value of investments	548,375	184,561	355,717	—
	1,190,684	617,551	1,749,263	1,014,967
Deductions from segregated funds:				
Amounts withdrawn or transferred by policyholders	386,015	281,465	809,115	709,109
Net unrealized decrease in fair value of investments	—	—	—	30,878
Management fees and other operating costs	76,202	65,953	148,955	132,150
	462,217	347,418	958,070	872,137
Net change in segregated funds held within general fund investments	(7,027)	(1,584)	(5,802)	(2,028)
Segregated fund assets end of the period	$ 10,933,000	$ 9,534,540	$ 10,933,000	$ 9,534,540

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

10. Insurance contracts and reinsurance contracts held assets/liabilities

Assets and liabilities

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

As at	June 30, 2026			December 31, 2025		
	(Assets)	Liabilities	Total	(Assets)	Liabilities	Total
Insurance contracts						
Insurance contracts not measured under PAA, excluding segregated fund account balances	$ —	$ 6,530,333	$ 6,530,333	$ —	$ 6,323,160	$ 6,323,160
Insurance contracts measured under PAA	—	526,653	526,653	—	505,147	505,147
Insurance contracts, excluding segregated fund account balances	—	7,056,986	7,056,986	—	6,828,307	6,828,307
Insurance contracts for segregated fund account balances	—	10,625,715	10,625,715	—	9,860,892	9,860,892
Total insurance contracts	—	17,682,701	17,682,701	—	16,689,199	16,689,199
Less insurance contracts measured under PAA	—	(526,653)	(526,653)	—	(505,147)	(505,147)
Total insurance contracts not measured under PAA	$ —	$17,156,048	$17,156,048	$ —	$16,184,052	$16,184,052
Reinsurance contracts held						
Reinsurance contracts held not measured under PAA	$ (113,817)	$ 248,272	$ 134,455	$ (123,222)	$ 248,529	$ 125,307
Reinsurance contract held measured under PAA	(219,015)	—	(219,015)	(203,411)	—	(203,411)
Total reinsurance contracts held	$ (332,832)	$ 248,272	$ (84,560)	$ (326,633)	$ 248,529	$ (78,104)

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

Analysis by measurement component for insurance contracts

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

For the six months ended June 30, 2026	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	$ 3,799,569	$ 1,120,708	$ 1,204,893	$ 197,990	$ 6,323,160
Insurance contract liabilities for segregated fund account balances	9,860,892	—	—	—	9,860,892
Total insurance contracts beginning of period	13,660,461	1,120,708	1,204,893	197,990	16,184,052
Changes that relate to current services					
CSM recognized for services provided			(73,452)	(12,383)	(85,835)
Change in risk adjustment for non-financial risk for risk expired		(34,601)			(34,601)
Experience adjustments	4,095				4,095
Changes that relate to future services					
Contracts initially recognized in the period	(68,849)	52,395	—	22,423	5,969
Changes in estimates that adjust the CSM	(99,814)	15,933	61,273	22,608	—
Changes in estimates that do not adjust the CSM	5,628	(11,627)			(5,999)
Changes that relate to past services					
Adjustments to liabilities for incurred claims	(68)	5	—	—	(63)
Insurance service result	(159,008)	22,105	(12,179)	32,648	(116,434)
Insurance finance expense, excluding segregated fund account balances	202,904	35,888	8,266	2,374	249,432
Insurance finance expenses segregated fund account balances	949,107				949,107
Total changes in the consolidated statement of income	993,003	57,993	(3,913)	35,022	1,082,105
Cash flows					
Premiums received	488,551				488,551
Claims and other expenses paid	(316,216)				(316,216)
Insurance acquisition cash flows	(98,160)				(98,160)
Total cash flows	74,175				74,175
Movements related to insurance contract liabilities for segregated fund account balances	(184,284)				(184,284)
Total insurance contracts at end of period	$ 14,543,355	$ 1,178,701	$ 1,200,980	$ 233,012	$ 17,156,048
Insurance contracts at end of period					
Insurance contract liabilities, excluding segregated fund account balances	$ 3,917,640	$ 1,178,701	$ 1,200,980	$ 233,012	$ 6,530,333
Insurance contract liabilities for segregated fund account balances	10,625,715	—	—	—	10,625,715
Total insurance contracts at end of period	$ 14,543,355	$ 1,178,701	$ 1,200,980	$ 233,012	$ 17,156,048

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

For the year ended December 31, 2025	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post transition	
Insurance contracts at beginning of year					
Insurance contract liabilities, excluding segregated fund account balances	$ 3,796,532	$ 1,120,159	$ 1,364,892	$ 150,686	$ 6,432,269
Insurance contract liabilities for segregated fund account balances	9,140,742	—	—	—	9,140,742
Total insurance contracts beginning of year	12,937,274	1,120,159	1,364,892	150,686	15,573,011
Changes that relate to current services					
CSM recognized for services provided			(154,301)	(19,365)	(173,666)
Change in risk adjustment for non-financial risk for risk expired		(66,012)			(66,012)
Experience adjustments	(8,914)				(8,914)
Changes that relate to future services					
Contracts initially recognized in the period	(139,945)	105,450	—	45,806	11,311
Changes in estimates that adjust the CSM	24,838	(16,379)	(25,001)	16,542	—
Changes in estimates that do not adjust the CSM	41,132	(31,183)			9,949
Changes that relate to past services					
Adjustments to liabilities for incurred claims	891	(8)	—	—	883
Insurance service result	(81,998)	(8,132)	(179,302)	42,983	(226,449)
Insurance finance expense, excluding segregated fund account balances	(33,855)	8,681	19,303	4,321	(1,550)
Insurance finance expenses segregated fund account balances	1,205,093				1,205,093
Total changes in the consolidated statement of income	1,089,240	549	(159,999)	47,304	977,094
Cash flows					
Premiums received	936,382				936,382
Claims and other expenses paid	(621,460)				(621,460)
Insurance acquisition cash flows	(196,032)				(196,032)
Total cash flows	118,890				118,890
Movements related to insurance contract liabilities for segregated fund account balances	(484,943)				(484,943)
Total insurance contracts at end of year	$ 13,660,461	$ 1,120,708	$ 1,204,893	$ 197,990	$ 16,184,052
Insurance contracts at end of year					
Insurance contract liabilities, excluding segregated fund account balances	$ 3,799,569	$ 1,120,708	$ 1,204,893	$ 197,990	$ 6,323,160
Insurance contract liabilities for segregated fund account balances	9,860,892	—	—	—	9,860,892
Total insurance contracts at end of year	$ 13,660,461	$ 1,120,708	$ 1,204,893	$ 197,990	$ 16,184,052

(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 six months ended June 30, 2026	Remaining Coverage		Incurred claims			Total
				Contracts using PAA		
	Excluding loss component	Loss component	Contracts not 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	$ 6,116,877	$ 32,477	$ 160,974	$ 473,301	$ 44,678	$ 6,828,307
Insurance contract liabilities for segregated fund account balances	9,860,892	—	—	—	—	9,860,892
Total insurance contract at beginning of period	15,977,769	32,477	160,974	473,301	44,678	16,689,199
Insurance revenue						
Contracts under fair value approach	(321,951)					(321,951)
Contracts post transition	(472,133)					(472,133)
Insurance service expenses						
Incurred claims and other expenses		(1,112)	266,228	352,137	—	617,253
Amortization of insurance acquisition cash flows	36,766					36,766
Losses and reversal of losses on onerous contracts		(30)	—	—	—	(30)
Adjustments to liabilities for incurred claims		—	(63)	18,039	2,029	20,005
Investment components	(66,620)		66,620			—
Insurance service result	(823,938)	(1,142)	332,785	370,176	2,029	(120,090)
Insurance finance expense from insurance contracts, excluding segregated fund account balances	248,663	906	—	9,716	864	260,149
Insurance finance expenses, insurance contracts segregated fund account balances	949,107					949,107
Total changes in the consolidated statement of income	373,832	(236)	332,785	379,892	2,893	1,089,166
Cash flows						
Premiums received	863,780					863,780
Claims and other expenses paid			(316,216)	(360,784)		(677,000)
Insurance acquisition cash flows	(98,160)					(98,160)
Total cash flows	765,620		(316,216)	(360,784)		88,620
Movements related to insurance contract liabilities for segregated fund account balances	(184,284)		—			(184,284)
Total insurance contracts at end of period	$16,932,937	$ 32,241	$ 177,543	$ 492,409	$ 47,571	$17,682,701
Insurance contracts at end of period						
Insurance contract liabilities, excluding segregated fund account balances	$ 6,307,222	$ 32,241	$ 177,543	$ 492,409	$ 47,571	$ 7,056,986
Insurance contract liabilities for segregated fund account balances	10,625,715	—	—	—	—	10,625,715
Total insurance contracts at end of period	$16,932,937	$ 32,241	$ 177,543	$ 492,409	$ 47,571	$17,682,701

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

For the year ended December 31, 2025	Remaining coverage		Incurred claims			Total
				Contracts using PAA		
	Excluding loss component	Loss component	Contracts not using PAA	Estimate of PV of future cash flows	Risk adjustment	
Insurance contracts at beginning of year						
Insurance contract liabilities	$ 6,239,089	$ 11,487	$ 167,836	$ 409,871	$ 40,153	$ 6,868,436
Insurance contract liabilities for segregated fund account balances	9,140,742	—	—	—	—	9,140,742
Total insurance contract at beginning of year	15,379,831	11,487	167,836	409,871	40,153	16,009,178
Insurance service revenue						
Contracts under fair value approach	(649,215)					(649,215)
Contracts post transition	(880,933)					(880,933)
Insurance service expenses						
Incurred claims and other expenses		(1,032)	489,750	663,571	—	1,152,289
Amortization of insurance acquisition cash flows	59,948					59,948
Losses and reversal of losses on onerous contracts		21,260	—	—	—	21,260
Adjustments to liabilities for incurred claims		—	883	47,867	4,199	52,949
Investment components	(123,965)		123,965			—
Insurance service result	(1,594,165)	20,228	614,598	711,438	4,199	(243,702)
Insurance finance expenses from insurance contracts, excluding segregated fund account balances	(2,183)	762	—	5,415	326	4,320
Insurance finance expenses, insurance contracts segregated fund account balances	1,205,093					1,205,093
Total changes in the consolidated statement of income	(391,255)	20,990	614,598	716,853	4,525	965,711
Cash flows						
Premiums received	1,670,168					1,670,168
Claims and other expenses paid			(621,460)	(653,423)		(1,274,883)
Insurance acquisition cash flows	(196,032)					(196,032)
Total cash flows	1,474,136		(621,460)	(653,423)		199,253
Movements related to insurance contract liabilities for segregated fund account balances	(484,943)		—			(484,943)
Total insurance contracts at end of year	$15,977,769	$ 32,477	$ 160,974	$ 473,301	$ 44,678	$16,689,199
Insurance contracts at end of year						
Insurance contract liabilities, excluding segregated fund account balances	$ 6,116,877	$ 32,477	$ 160,974	$ 473,301	$ 44,678	$ 6,828,307
Insurance contract liabilities for segregated fund account balances	9,860,892	—	—	—	—	9,860,892
Total insurance contracts at end of year	$15,977,769	$ 32,477	$ 160,974	$ 473,301	$ 44,678	$16,689,199

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

Insurance service revenue

	For the three months ended		For the six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Contracts not measured under the PAA				
CSM recognized for services provided	$ 43,888	$ 44,262	$ 85,835	$ 88,812
Change in risk adjustment for non-financial risk for risk expired	17,413	16,672	34,314	32,707
Expected claims and other insurance service expenses	131,126	122,324	261,308	243,986
Recovery of insurance acquisition cash flows	18,908	14,423	36,766	27,784
Total	211,335	197,681	418,223	393,289
Contracts measured under the PAA	188,022	181,520	375,861	358,998
Total insurance service revenue	$ 399,357	$ 379,201	$ 794,084	$ 752,287

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

Analysis by measurement component for reinsurance contracts held

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

For the six months ended June 30, 2026	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)	$ 280,792	$ (329,322)	$ (159,876)	$ 85,184	$ (123,222)
Reinsurance contract held liabilities	289,736	(66,842)	25,449	186	248,529
Net reinsurance contracts held at beginning of period	570,528	(396,164)	(134,427)	85,370	125,307
Changes that relate to current services					
CSM recognized for services received			9,267	(5,321)	3,946
Risk adjustment recognized for non-financial risk expired		14,718			14,718
Experience adjustments	8,765				8,765
Changes that relate to future services					
Contracts initially recognized in the period	6,115	(23,047)	—	12,508	(4,424)
Changes in estimates that adjust the CSM	2,620	(739)	(1,741)	(140)	—
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	(327)	(7)			(334)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM			377	1,288	1,665
Changes that relate to past services					
Changes in amounts recoverable arising from changes in liability for incurred claims	—	—			—
Reinsurance service result	17,173	(9,075)	7,903	8,335	24,336
Reinsurance finance expense (income)	18,627	(11,918)	(2,273)	1,904	6,340
Total changes in the consolidated statement of income	35,800	(20,993)	5,630	10,239	30,676
Cash flows					
Premiums paid	(81,770)				(81,770)
Amounts received	60,242				60,242
Total cash flows	(21,528)				(21,528)
Net reinsurance contracts held at end of period	$ 584,800	$ (417,157)	$ (128,797)	$ 95,609	$ 134,455
Reinsurance contracts held at end of period					
Reinsurance contracts held (assets)	$ 293,818	$ (348,622)	$ (154,207)	$ 95,194	$ (113,817)
Reinsurance contracts held liabilities	290,982	(68,535)	25,410	415	248,272
Net reinsurance contracts held at end of period	$ 584,800	$ (417,157)	$ (128,797)	$ 95,609	$ 134,455

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

For the year ended December 31, 2025	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post transition	
Reinsurance contracts held at beginning of year					
Reinsurance contracts held (assets)	$ 328,320	$ (312,915)	$ (195,362)	$ 64,915	$ (115,042)
Reinsurance contracts held liabilities	263,190	(69,762)	25,454	(137)	218,745
Net reinsurance contracts held at beginning of year	591,510	(382,677)	(169,908)	64,778	103,703
Changes that relate to current services					
CSM recognized for services received			20,727	(8,654)	12,073
Risk adjustment recognized for non-financial risk expired		27,471			27,471
Experience adjustments	8,839				8,839
Changes that relate to future services					
Contracts initially recognized in the period	13,440	(46,873)	—	26,508	(6,925)
Changes in estimates that adjust the CSM	(25,750)	8,525	19,667	(2,442)	—
Changes in estimates that adjust recoveries of losses on onerous underlying contracts	1,461	971			2,432
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM			471	1,756	2,227
Changes that relate to past services					
Changes in amounts recoverable arising from changes in liability for incurred claims	(4,158)	—			(4,158)
Reinsurance service result	(6,168)	(9,906)	40,865	17,168	41,959
Reinsurance finance expenses (income)	7,039	(3,581)	(5,384)	3,424	1,498
Total changes in the consolidated statement of income	871	(13,487)	35,481	20,592	43,457
Cash flows					
Premiums paid	(156,638)				(156,638)
Amounts received	134,785				134,785
Total cash flows	(21,853)				(21,853)
Net reinsurance contracts held at end of year	$ 570,528	$ (396,164)	$ (134,427)	$ 85,370	$ 125,307
Reinsurance contracts held at end of year					
Reinsurance contracts held (assets)	$ 280,792	$ (329,322)	$ (159,876)	$ 85,184	$ (123,222)
Reinsurance contracts held liabilities	289,736	(66,842)	25,449	186	248,529
Net reinsurance contracts held at end of year	$ 570,528	$ (396,164)	$ (134,427)	$ 85,370	$ 125,307

(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 six months ended June 30, 2026	Remaining coverage		Incurred claims			Total
				Contracts using PAA		
	Excluding loss recovery component	Loss recovery component	Contracts not using PAA	Estimate of PV of future cash flows	Risk adjustment	
Reinsurance contracts held (assets) liabilities at beginning of period						
Reinsurance contracts held (assets)	$ (81,977)	$ (5,436)	$ (35,381)	$ (187,221)	$ (16,618)	$ (326,633)
Reinsurance contracts held liabilities	248,525	(1)	1	4	—	248,529
Net reinsurance contracts held liabilities (assets) at beginning of period	166,548	(5,437)	(35,380)	(187,217)	(16,618)	(78,104)
Allocation of premiums paid						
Contracts under fair value approach	74,028					74,028
Contracts post transition	109,368					109,368
Amounts recoverable from reinsurers						
Amounts recoverable for claims and other expenses incurred in the period		1,521	(61,123)	(94,834)	—	(154,436)
Changes in amounts recoverable from changes in liability for incurred claims			—	(7,289)	(894)	(8,183)
Changes in fulfilment cash flows which relate to onerous underlying contracts		(3,093)				(3,093)
Net income or expense from reinsurance contracts held	183,396	(1,572)	(61,123)	(102,123)	(894)	17,684
Reinsurance finance expenses (income)	6,481	(141)	—	(5,529)	(500)	311
Total changes in the consolidated statement of income	189,877	(1,713)	(61,123)	(107,652)	(1,394)	17,995
Cash flows						
Premiums paid	(178,282)					(178,282)
Amounts received			60,242	93,589		153,831
Total cash flows	(178,282)		60,242	93,589		(24,451)
Net reinsurance contracts held liabilities (assets) at end of period	$ 178,143	$ (7,150)	$ (36,261)	$ (201,280)	$ (18,012)	$ (84,560)
Reinsurance contracts held (assets) liabilities at end of period						
Reinsurance contracts held (assets)	$ (70,133)	$ (7,146)	$ (36,261)	$ (201,280)	$ (18,012)	$ (332,832)
Reinsurance contracts held liabilities	248,276	(4)	—	—	—	248,272
Net reinsurance contracts held liabilities (assets) at end of period	$ 178,143	$ (7,150)	$ (36,261)	$ (201,280)	$ (18,012)	$ (84,560)

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

For the year ended December 31, 2025	Remaining coverage		Incurred claims			Total
				Contracts using PAA		
	Excluding loss recovery component	Loss recovery component	Contracts not using PAA	Estimate of PV of future cash flows	Risk adjustment	
Reinsurance contracts held (assets) liabilities at beginning of year						
Reinsurance contracts held (assets)	$ (114,934)	$ (4,268)	$ 4,159	$ (165,435)	$ (15,593)	$ (296,071)
Reinsurance contracts held liabilities	266,648	—	(47,271)	(5,528)	—	213,849
Net reinsurance contracts held liabilities (assets) at beginning of year	151,714	(4,268)	(43,112)	(170,963)	(15,593)	(82,222)
Allocation of premiums paid						
Contracts under fair value approach	149,206					149,206
Contracts post transition	202,705					202,705
Amounts recoverable from reinsurers						
Amounts recoverable for claims and other expenses incurred in the period		1,287	(122,895)	(161,821)	—	(283,429)
Changes in amounts recoverable from changes in liability for incurred claims			(4,158)	(15,524)	(1,017)	(20,699)
Changes in fulfilment cash flows which relate to onerous underlying contracts		(2,266)				(2,266)
Net income or expense from reinsurance contracts held	351,911	(979)	(127,053)	(177,345)	(1,017)	45,517
Reinsurance finance income	1,688	(190)	—	(1,343)	(8)	147
Total changes in the consolidated statement of income	353,599	(1,169)	(127,053)	(178,688)	(1,025)	45,664
Cash flows						
Premiums paid	(338,765)					(338,765)
Amounts received			134,785	162,434		297,219
Total cash flows	(338,765)		134,785	162,434		(41,546)
Net reinsurance contracts liabilities (assets) end of year	$ 166,548	$ (5,437)	$ (35,380)	$ (187,217)	$ (16,618)	$ (78,104)
Reinsurance contracts held (assets) liabilities at end of year						
Reinsurance contracts held (assets)	$ (81,977)	$ (5,436)	$ (35,381)	$ (187,221)	$ (16,618)	$ (326,633)
Reinsurance contracts held liabilities	248,525	(1)	1	4	—	248,529
Net reinsurance contracts held liabilities (assets) at end of year	$ 166,548	$ (5,437)	$ (35,380)	$ (187,217)	$ (16,618)	$ (78,104)

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

11. Capital stock

		June 30, 2026		December 31, 2025	
	Authorized	Issued and outstanding	Amount	Issued and outstanding	Amount
Preferred shares					
Series A Preference Shares	402,733	258	$ 1	258	$ 1
First Preference Shares, Series 1	unlimited	4,000,000	100,000	4,000,000	100,000
First Preference Shares, Series 2	unlimited	4,000,000	100,000	4,000,000	100,000
First Preference Shares, Series 3	unlimited	4,000,000	100,000	4,000,000	100,000
Common shares	unlimited	345,617,000	62,248	346,101,600	62,334
Total			$ 362,249		$ 362,335

Common Share Split

On May 7, 2025, E-L Financial approved a 100 for one share split ("Common Share Split") of E-L Financial's issued and outstanding common shares. Each shareholder of record at the close of business on May 23, 2025 ("Record Date") that continued to hold their shares through May 30, 2025 ("Payment Date") received 99 additional shares for every one share held on the Record Date.

As a result of the Common Share Split, the ratio by which the Series A Preference Shares of the Company are convertible into common shares will be adjusted by a proportion corresponding to the Common Share Split ratio. The Common Share Split will not change the number of Series A Preference Shares that the Company is authorized to issue or the number of Series A Preference Shares outstanding.

Normal Course Issuer Bid

On March 10, 2026, the Company obtained approval from the TSX to renew its normal course issuer bid ("NCIB"). After adjusting for the Common Share Split, the Company can purchase up to 17,305,020 common shares between March 12, 2026 and March 11, 2027. Daily purchases (other than pursuant to a block purchase exemption) on the TSX under the NCIB are limited to 10,985 common shares. The price that the Company pays for the common shares is the prevailing market price at the time of acquisition.

During the first six months of 2026, 484,600 common shares were purchased under the NCIB at an average price of $16.68 per share. No shares were purchased under the NCIB during the same period in 2025.

On January 15, 2026, the Board of Directors declared a special dividend of $1.05 per common share payable March 13, 2026 to shareholders of record on March 3, 2026.

The following dividends were declared by the Board of Directors at their meeting on August 6, 2026, with a record and payable date of September 29, 2026 and October 16, 2026, respectively:

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

The dividends declared on August 6, 2026 will be recorded in the third quarter of 2026.

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 June 30, 2026 and December 31, 2025, 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:

				June 30, 2026		December 31, 2025	
As at	Interest rate	Earliest par call or redemption date	Maturity	Carrying value	Fair value	Carrying value	Fair value
Empire Life							
Series 2021-1[1]	2.024 %	Sept. 24, 2026	2031	$ 199,954		$ 199,856	
Series 2023-1[2]	5.503 %	Jan. 13, 2028	2033	199,784		199,715	
Series 2026-1[3]	4.221 %	May 26, 2031	2036	249,124		—	
Total subordinated debt				$ 648,862	$ 658,414	$ 399,571	$ 406,720
E-L Corporate							
Senior unsecured notes[4]	4.000 %		2050	200,000	172,552	200,000	169,310
Total borrowings				$ 848,862	$ 830,966	$ 599,571	$ 576,030

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

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

(3) Unsecured debentures due 2036. From May 26, 2031, interest is payable at 1.17% over CORRA.

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

14. E-L Corporate risk management

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

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

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

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

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	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 296,617	$ 245,038
Preferred shares	1,713	1,686
Accrued investment income	6,568	4,954
Total	$ 304,898	$ 251,678

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 $296,617 in cash and cash equivalents as at June 30, 2026 (December 31, 2025 - $245,038).

Market risk

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in interest rates can result from many factors including general market volatility, or specific social, political or economic events.

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

E-L Corporate is not subject to significant interest rate risk, as its only fixed-interest investments and loan payable are short term in nature.

b) Equity risk

The Company maintains a strategy of long-term growth through investments in common equities as management believe that over long periods of time, common equities, as an asset class, will outperform fixed income instruments or balanced funds. The Company regularly reviews its portfolio and, while expecting and tolerating the volatility associated with such investments, attempts to mitigate its exposure to this risk through diversification.

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.

Effect on shareholders' net income		June 30, 2026		December 31, 2025
Investments - corporate				
10% fluctuation	$	686,265	$	632,296
20% fluctuation	$	1,372,530	$	1,264,592
Investments in associates				
10% fluctuation	$	25,484	$	23,777
20% fluctuation	$	50,968	$	47,554

Concentration of common equity holdings

E-L Corporate has a $1,214,922 (December 31, 2025 - $1,271,998) investment in an exchange traded fund which tracks the S&P 500 index representing 13% (December 31, 2025 - 15%) of E-L Corporate's total investments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in exchange rates and create an adverse effect on earnings and equity when measured in the Company's functional currency. A 10% fluctuation in the U.S. dollar would have approximately $412,891 (December 31, 2025 – $379,459) affect on shareholders' net income and 8,615 (2025 – $8,615) on other comprehensive income.

15. Empire Life risk management

Empire Life is exposed to risks arising from its investing activities and its insurance operations. The quantitative risk management exhibits that follow reflect the exposure of Empire Life to various risks. Guarantees on segregated funds are included in the Empire Life's insurance contract liabilities, and are reflected in each of the applicable disclosures, alongside other insurance business. Assets and liabilities associated with segregated fund account balances are presented as offsetting amounts in the consolidated statements of financial position, and are therefore excluded from the risk management disclosures below.

The following sections describe Empire Life's enterprise risk management framework including the principal risks and associated risk management strategies for the risks that management considers to be most significant in terms of likelihood, and the potential adverse impact on Empire Life: market, product, credit and liquidity. The Market risk section provides an update as at June 30, 2026 for Empire Life's most significant market risks: equity risk and interest rate risk. Other risks have not changed materially since December 31, 2025.

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. In addition, the sensitivities are based on methods and assumptions in effect as at the respective calculation dates. Changes in the regulatory environment, assumptions or methods used to measure assets and liabilities after those dates could result in material changes to the estimated sensitivities. 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. Net income and CSM sensitivities, as well as capital sensitivities, are based on instantaneous changes in equity markets and interest rates. Sensitivities to interest rates assume a parallel shift in the assumed interest rates across the entire yield curve, with no change to the ultimate risk-free rate or ultimate illiquidity premium in the liability discount rates. 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 variables, 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

Information related to market sensitivities should be read in conjunction with the information contained in the Risk Management section of the Company's 2025 Annual Report.

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

a) Equity risk

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

As at June 30, 2026	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	$ 92	$ (98)	$ 177	$ (200)	$ (38)	$ 39	$ (79)	$ 75
Financial assets (equities)	—	—	—	—	52	(52)	105	(105)
Total	$ 92	$ (98)	$ 177	$ (200)	$ 14	$ (13)	$ 26	$ (30)

As at December 31, 2025	CSM				Profit or loss and Equity			
	10% Increase	10% Decrease	20% Increase	20% Decrease	10% Increase	10% Decrease	20% Increase	20% Decrease
Insurance and reinsurance contracts held	$ 87	$ (92)	$ 170	$ (185)	$ (36)	$ 33	$ (73)	$ 64
Financial assets (equities)	—	—	—	—	48	(48)	96	(96)
Total	$ 87	$ (92)	$ 170	$ (185)	$ 12	$ (15)	$ 23	$ (32)

b) Interest rate risk

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

As at June 30, 2026	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	$ (6)	$ 4	$ (18)	$ (1)	$ 270	$ (304)	$ 513	$ (647)
Financial assets (debt instruments)	—	—	—	—	(320)	347	(607)	733
Total	$ (6)	$ 4	$ (18)	$ (1)	$ (50)	$ 43	$ (94)	$ 86

As at December 31, 2025	CSM				Profit or loss and Equity			
	50 bps Increase	50 bps Decrease	100 bps Increase	100 bps Decrease	50 bps Increase	50 bps Decrease	100 bps Increase	100 bps Decrease
Insurance and reinsurance contracts held	$ (20)	$ (14)	$ (31)	$ (22)	$ 267	$ (301)	$ 508	$ (641)
Financial assets (debt instruments)	—	—	—	—	(311)	337	(591)	713
Total	$ (20)	$ (14)	$ (31)	$ (22)	$ (44)	$ 36	$ (83)	$ 72

(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**
June 30, 2026			
Net insurance result	$ —	$ 155,825	$ 155,825
Non-insurance investment income	1,230,256	18,799	1,249,055
Total expenses	(9,657)	(54,814)	(64,471)
Income before income taxes	1,220,599	119,810	1,340,409
Income taxes	(164,007)	(29,591)	(193,598)
Net income	1,056,592	90,219	1,146,811
Less: NCI and PAR	128,704	7,383	136,087
Segment shareholders' net income	$ 927,888	$ 82,836	$ 1,010,724

Three months ended	E-L Corporate	Empire Life	Total
June 30, 2025			
Net insurance result	$ —	$ 76,946	$ 76,946
Non-insurance investment income	446,765	9,193	455,958
Total expenses	(10,900)	(38,470)	(49,370)
Income before income taxes	435,865	47,669	483,534
Income taxes	(62,909)	(8,594)	(71,503)
Net income	372,956	39,075	412,031
Less: NCI and PAR	39,851	7,073	46,924
Segment shareholders' net income	$ 333,105	$ 32,002	$ 365,107

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

Six months ended	**E-L Corporate**	**Empire Life**	**Total**
June 30, 2026			
Net insurance result	$ —	$ 202,328	$ 202,328
Non-insurance investment income	1,237,664	36,704	1,274,368
Total expenses	(22,241)	(107,884)	(130,125)
Income before income taxes	1,215,423	131,148	1,346,571
Income taxes	(155,110)	(29,704)	(184,814)
Net income	1,060,313	101,444	1,161,757
Less: NCI and PAR	105,841	12,677	118,518
Segment shareholders’ net income	$ 954,472	$ 88,767	$ 1,043,239

Six months ended	E-L Corporate	Empire Life	Total
June 30, 2025			
Net insurance result	$ —	$ 206,464	$ 206,464
Non-insurance investment income	458,972	17,466	476,438
Total expenses	(23,412)	(78,927)	(102,339)
Income before income taxes	435,560	145,003	580,563
Income taxes	(53,059)	(32,478)	(85,537)
Net income	382,501	112,525	495,026
Less: NCI and PAR	33,230	10,842	44,072
Segment shareholders' net income	$ 349,271	$ 101,683	$ 450,954

	E-L Corporate	**Empire Life**	**Total**
June 30, 2026			
Segment assets[(1)]	$ 9,959,522	$ 22,020,379	$ 31,979,901
Segment liabilities	$ 964,387	$ 19,686,134	$ 20,650,521
December 31, 2025			
Segment assets[(1)]	$ 9,176,723	$ 20,784,354	$ 29,961,077
Segment liabilities	$ 862,382	$ 18,450,366	$ 19,312,748

[(1)] Segment assets include investments in associates of $698,999 (December 31, 2025 - $627,117).

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

Three months ended	**E-L Corporate**	**Empire Life**	**Total**
June 30, 2026			
Interest income received	$ 2,090	$ 76,001	$ 78,091
Dividend income received	50,745	16,304	67,049
Total	$ 52,835	$ 92,305	$ 145,140
June 30, 2025			
Interest income received	$ 1,509	$ 74,596	$ 76,105
Dividend income received	43,553	15,045	58,598
Total	$ 45,062	$ 89,641	$ 134,703

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

Six months ended	**E-L Corporate**	**Empire Life**	**Total**
June 30, 2026			
Interest income received	$ 4,452	$ 148,774	$ 153,226
Dividend income received	114,868	27,267	142,135
Total	$ 119,320	$ 176,041	$ 295,361
June 30, 2025			
Interest income received	$ 4,785	$ 146,114 *	$ 150,899
Dividend income received	114,917	26,584	141,501
Total	$ 119,702	$ 172,698	$ 292,400

Glossary of Terms

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

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

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 (i.e., expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.

International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”)
Refers to the international accounting standards that were adopted in Canada, effective January 1, 2011; these are now Canadian Generally Accepted Accounting Principles for publically traded enterprises.

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

Other Comprehensive Income (“OCI”), Other Comprehensive Loss (“OCL”)
Remeasurements of post-employment benefit liabilities are recorded as OCI or OCL. These remeasurements will not be reclassified to net income and will remain in AOCI.

Office of the Superintendent of Financial Institutions Canada (“OSFI”)
The mandate of OSFI is to regulate and supervise federally regulated financial institutions and pension plans in Canada to contribute to public confidence in the financial system.

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

Return on Common Shareholders' Equity ("ROE")
A profitability measure that presents the net income available to common shareholders as a percentage of the average capital deployed to earn the income.

Risk Adjustment ("RA")
The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.

HEAD OFFICE:

Tenth Floor, 165 University Avenue, Toronto, Ontario, M5H 3B8
Email: info@e-lfinancial.com
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.