

2024 REPORT TO MEMBERS

Connected by purpose



Foresters 
Financial



Powered by our members

Our members are a united force for positive change. There are countless stories about members across Canada, the US and the UK giving back to the places they call home through our benefits and Member Network.

I know you have it in you to be a part of these amazing people and join in on building stronger, more empowered communities. Becoming a Branch Councillor is the perfect way to be there for your community with Foresters Financial by your side every step of the way.

Now's the time to put yourself forward and lend your skills and dedication to your community as a Branch Councillor! There are so many wonderful ways to make a difference. This year, I hope you'll consider stepping into this role and making an impact.

RICHARD HENNICK
International Fraternal President

In this year's Report to Members, Foresters has integrated its financial reporting with its purpose and sustainability impact.

At Foresters, sustainability means strengthening members' financial security while fostering social and environmental wellbeing for future generations.

When members feel financially secure and have the support to give back, their communities benefit greatly. This report offers a glimpse into inspiring member stories and highlights strides in sustainability.

The power of Foresters Purpose is in evidence—whether through members using grants to give back, employees advancing their careers or distributors supporting clients' financial wellbeing.

These connections are what make Foresters community unique, and they continue to drive the organisation forward with strong momentum.

DAN FORTIN
Chair of the Board

New business sales grew across our global operations for the first time since the COVID-19 pandemic resulting in strong core and bottom-line earnings.

Our commercial and infrastructure investments are not only resonating with our distributors but empowering our members to do more of the good they want to do. After all, we're driven to share, not shareholder driven.

The same energy behind our business strategy is alive and well in Membership. The improvements made to Foresters Member Discounts in North America and the broadened reach of our Competitive Scholarships were two notable highlights.

Finally, our members, employees and distributors are joining local and national partners to make a difference. I was particularly proud of completing our 175th playspace with KABOOM!.

Together with members like you, we can bring our purpose to life in remarkable ways. I look forward to continuing our work together.

MATT BERMAN
President and Chief Executive Officer



Together, we're shaping tomorrow

It all starts with financial wellbeing. When our members have that, they can go forward to do amazing things for the people and places that matter most.

\$11.2

million+ CAD

invested to help members enhance their wellbeing and give back to their communities¹

95,000+

appointments with financial advisers in the UK to help close the advice gap

\$630

million+ CAD

claims paid supporting families in North America²

Scan the QR code or visit foresters.com/impact to learn more about how members like you, along with our employees and distributors, are giving back and creating a better future.



Members make the difference



Big Give UK

During our 150th anniversary year, members across Canada, the US and the UK submitted video pleas for charities to receive a \$/£50,000 donation. Foresters selected the Tuberous Sclerosis Association (TSA) in the UK. The member who nominated the charity has a nephew living with Tuberous Sclerosis Complex (TSC). In their plea, they shared stories about their nephew's struggles and how he continues to be a beacon of light for the family. Since 1977, the TSA has been supporting individuals and families affected by TSC.

U.S. Hunger

In June of 2024, around 500 members across Canada, the US and the UK partnered with U.S. Hunger in Orlando, Florida, to pack 150,000 meals for people in need. U.S. Hunger is an organisation committed to solving food insecurity by providing healthy meals to people and creating a hunger-free world.



Renai Jose, Canadian Competitive Scholarship winner

Renai co-founded The Giving Truck, an initiative to inspire youths to participate in volunteer activities. But that's not all this young leader has accomplished. Renai combined her passions for cooking and giving back and started her own programme called Nai's Kindness Kitchen. Her programme focuses on teaching culinary skills while sparking dialogue about mental wellbeing, with the meals then getting donated to a local charity. In 2024, Foresters invested over \$1.3 million CAD in young leaders from 430 scholarships across Canada, the US and the UK.

A future where communities thrive

Through sustainable investments, empowering grant programmes and improving our day-to-day operations, Foresters, along with our members, is helping more communities flourish.



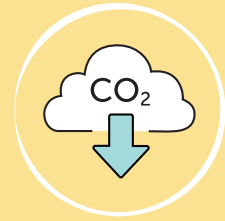
\$750 million+ CAD

invested in green, social or sustainable bonds and the UK Sustainable Future Managed Fund³



7 million+

children given access to play through 175 playspaces built since 2006 in partnership with KABOOM!⁴



19%

reduction in carbon emissions across Foresters global offices and fleet⁵

¹ An \$11.2 million CAD investment was made in member benefits, including Competitive Scholarships, Foresters Renew, LawAssure, Lifelong Learning, Foresters Go, Foresters Member Discounts, critical illness coverage, terminal illness coverage, orphan benefits, senior member benefits, Community Volunteer grants, Foresters Moments grants, Foresters Care grants, Branch Matching and Member Engagement grants. However, this investment does not include community sponsorships and donations. Member benefits are non-contractual and subject to change.

² Encompasses death and disability claims across all Foresters organisations.

³ Green, social or sustainable bonds held in Foresters asset portfolios have been represented by their respective issuers in public securities filings to be in alignment

with green or sustainable principles established by the International Capital Market Association. For more information, please visit www.icmagroup.org/sustainable-finance. US\$ and £ values have been converted to CAD\$ using the spot rate on 31 December 2024.

⁴ Estimated number of North American children who have and will be provided with access to play over the 15-year lifespan of 175 playspaces considering the number of families in the census tract x 1.2 children per family (US national average).

⁵ Calculated internally based on GHG Protocol, consistent with ISSB, TCFD recommendations. Figure is rounded to the nearest whole number.

What if you're just what your community needs?

You're a leader. Believe in yourself.

Put your name forward for a Branch Councillor role!

- Use your skills to rally people around causes that matter to you and your community.
- Help Foresters grow by providing your valuable feedback on our member benefits.
- Gain professional experience and meet new people at leadership conferences and training workshops.

Visit MyForesters.com/leaders to get started and submit your application by **25 June 2025!**

Branch Councillor elections run from **15 August 2025 to 14 September 2025.**



2024 financial highlights

Financial highlights for the year ended December 31, 2024
(All amounts are in Canadian dollars, unless otherwise stated)

Key results at a glance

United States
Total annualized weighted sales

\$63.5
USD million

Canada
Total annualized weighted sales

\$37.6
CAD million

United Kingdom
Total annualized weighted sales

£120.8
GBP million

Annualized weighted sales are comprised of 100% of regular premiums/deposits and 10% of single premiums/deposits and annuities written (or contracted) during the year. This is a non GAAP measure and not comparable to IFRS measures.

Total premiums

\$1.4
billion

This amount is the total gross life insurance and annuity premiums paid or owing to Foresters Financial during the year from certificate and contract holders. There is no directly comparable IFRS measure.

Certificates and contracts in force

2.4
million

This is the total number of certificates and contracts that are active or "in force" at Foresters and its subsidiaries. There is no directly comparable IFRS measure.

Total comprehensive income

\$93.1
million

Total comprehensive income is a measure of the profitability of the organisation primarily from insurance earnings, net investment returns and impacts from capital markets including foreign currency exchange movements.

Surplus

\$2.1
billion

Surplus is the value of our assets minus our financial obligations to members and others. A strong surplus position first and foremost gives Foresters the ability to withstand economic and business volatility, and it allows us to invest in the growth of our business through increased sales and acquisition activities. Also, a portion of earnings on surplus is used to fund member benefits and community investments in support of Foresters Purpose.

AM Best Financial Strength Rating
for the 24th consecutive year[†]

A
Excellent

AM Best's Financial Strength Rating addresses the relative ability of an insurer to meet its ongoing insurance obligations.

[†] An "A" (Excellent) Financial Strength Rating is assigned to companies that have a strong ability to meet their ongoing obligations to policyholders and have, on balance, excellent balance sheet strength, operating performance and business profile when compared to the standards established by A.M. Best Company. A.M. Best assigns ratings from A++ to F, A++ and A+ being superior ratings and A and A- being excellent ratings. In 2024 A.M. Best assigned Foresters subsidiary, Foresters Life Insurance Company an "A" (Excellent) Financial Strength Rating. In assigning the ratings for The Independent Order of Foresters (Foresters Financial) and its subsidiary Foresters Life Insurance Company, the outlook for all ratings is "stable", which means they are unlikely to change in the near future. See [ambest.com](https://www.ambest.com) for the latest ratings.

LICAT Ratio

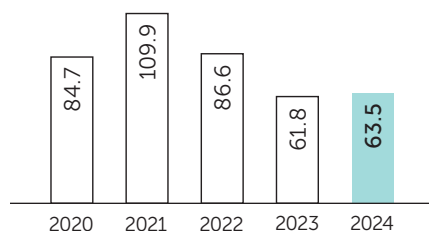
182%

The Life Insurance Capital Adequacy Test ("LICAT") ratio is a capital adequacy measure for life insurance companies established by the Office of the Superintendent of Financial Institutions ("OSFI") in Canada. It is a measure used to monitor that insurers maintain adequate capital to meet their financial obligations.

Sales

United States

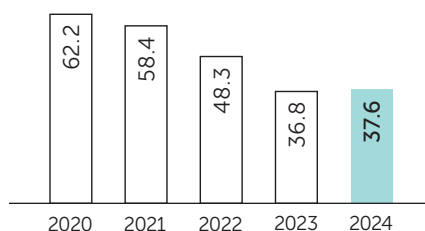
Total annualized weighted sales
(USD millions)



Total US annualized weighted sales were \$63.5 million, a 2.8% increase over the prior year, driven by our whole life, universal life and term products and new distribution channels.

Canada

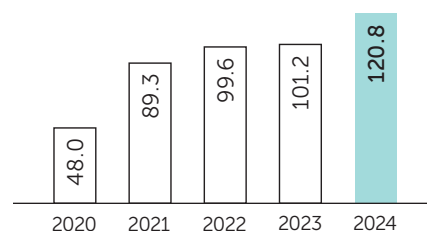
Total annualized weighted sales
(CAD millions)



Total Canada annualized weighted sales were \$37.6 million, a 2.2% increase over the prior year, driven by our Simplified Issue Non-Medical and Fully Underwritten Permanent products.

United Kingdom

Total annualized weighted sales
(GBP millions)

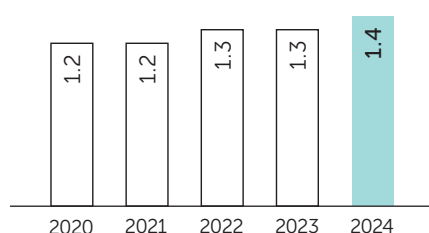


Total UK annualized weighted sales were £120.8 million, a 19.4% increase over the prior year driven by strong markets leading to increased adult unit-linked sales including Child Trust Fund reinvestments and improved advisor performance due to a revitalized sales model.

Key results

Total premiums

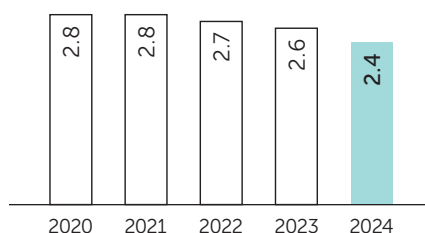
(CAD billions)



Total gross life insurance premiums were \$1.4 billion, a 1.9% increase over the prior year, driven by growing distribution partnerships in the US and Canada.

Certificates and contracts in force

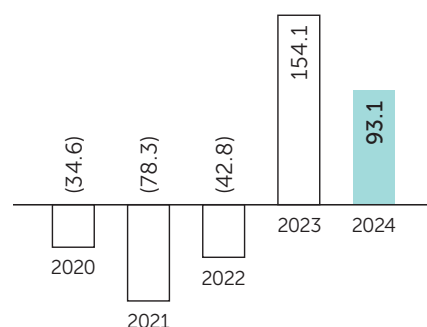
(millions)



On December 31, 2024, Foresters had nearly 2.4 million certificates and contracts in force. The decrease in the last couple of years was primarily due to maturing Child Trust Funds in the UK.

Total comprehensive income²

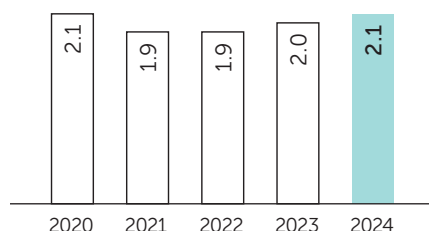
(CAD millions)



Foresters reported a strong total comprehensive income of \$93.1 million due to favorable investment returns and capital market impacts offset by negative Insurance Service Results due to mortality strengthening and industry driven anti-selective lapsation assumptions.

Surplus³

(CAD billions)



Consolidated surplus was \$2.1 billion at the end of 2024. Our capital ratios remain very strong, with a LICAT ratio of 182% that is well above the Canadian life insurer average of 137% on December 31, 2024.¹

¹ Source: Office of the Superintendent of Financial Institutions Canada (OSFI), Financial data for life insurance companies. Total Canadian Life Companies, Life Insurance Capital Adequacy Test (LICAT).

² 2022 has been restated for the new IFRS Insurance Accounting Standard. 2021 and prior is presented on an IFRS 4 basis.

³ 2020 is presented on an IFRS 4 basis.

Summary Consolidated Statements of Comprehensive Income (loss)

For the year ended December 31, 2024, with comparative figures for 2023 (in millions of Canadian dollars)

	2024	2023
Insurance revenue	\$ 910	\$ 903
Insurance service expenses	(1,176)	(868)
Net recovery from reinsurance contracts held	76	40
Insurance service result	(190)	75
Net investment income (loss) excluding the result of segregated funds	228	563
Net investment income (loss) related to segregated funds net assets	794	647
Financial changes related to segregated funds net liability	(794)	(647)
Net investment result of segregated funds	-	-
Investment return	228	563
Net finance income (expenses) from insurance contracts	(14)	(476)
Net finance income (expenses) from reinsurance contracts held	(25)	78
Interest on investment contract liabilities	(1)	(1)
Net financial result	188	165
Fee revenue and other operating income	127	113
Operating expense	(165)	(151)
Interest on subordinated debt	(7)	(7)
Fraternal investment	(16)	(16)
Total other income and expenses	(62)	(62)
Net income (loss) before income taxes	(63)	178
Current income tax benefit (expense)	(5)	(9)
Deferred income tax benefit (expense)	11	21
Total income taxes	6	12
Net income (loss) from continuing operations	(58)	190
Net income (loss) from discontinued operations, net of tax	1	1
Total net income (loss)	\$ (57)	\$ 191
Other Comprehensive Income (Loss)		
<i>Items that will not be reclassified to net income</i>		
Remeasurement gains (losses) on employee benefit plans, net of income tax expense	7	(13)
Total items that will not be reclassified to net income	7	(13)
<i>Items that are or may be reclassified subsequently to net income (loss)</i>		
Net unrealized foreign currency translation gains (losses)	143	(24)
Total items that are or may be reclassified subsequently to net income	143	(24)
Total Other Comprehensive Income (Loss)	150	(37)
Total Comprehensive Income (Loss)	\$ 93	\$ 154

Summary Consolidated Statements of Financial Position

As at December 31, 2024, with comparative figures for 2023 (in millions of Canadian dollars)

	As of Dec 31, 2024	As of Dec 31, 2023
Assets		
Cash and cash equivalents	\$ 227	\$ 164
Short-term securities	108	82
Financial assets measured at fair value	7,564	7,130
Insurance contract assets	12	8
Reinsurance contract held assets	926	816
Accrued investment income	63	55
Other assets	99	97
Property and equipment	13	13
Current tax assets	30	20
Deferred tax assets	77	63
Right of use assets	5	5
Intangible assets	74	79
Net investments for accounts of segregated funds and unit-linked contract holders	9,269	8,354
Total Assets	\$ 18,467	\$ 16,886
Liabilities		
Insurance contract liabilities—Excluding segregated funds net liabilities and guarantees	\$ 6,441	\$ 5,908
Insurance contract liabilities—Segregated funds net liabilities	75	74
Current tax liabilities	1	1
Deferred tax liabilities	12	7
Other Liabilities	273	218
Lease Liabilities	16	17
Subordinated debt	249	248
Employee benefit obligations	44	61
Investment contract liabilities—Excluding segregated fund net liabilities	28	28
Investment contract liabilities—Segregated fund net liabilities and unit holders linked liabilities	9,192	8,281
Total Liabilities	\$ 16,331	\$ 14,843
Surplus		
Retained earnings	\$ 1,780	\$ 1,837
Accumulated other comprehensive income	356	206
Total Surplus	\$ 2,136	\$ 2,043
Total Liabilities and Surplus	\$ 18,467	\$ 16,886

The full consolidated financial statements are available at foresters.com under "Financial strength"

Notes to the Summary Consolidated Financial Statements

1. Basis of Presentation of the Summary Consolidated Financial Statements

The summary consolidated statement of financial position and summary consolidated statement of comprehensive income (loss) have been summarized from The Independent Order of Foresters ("Foresters Financial") consolidated financial statements, which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board to portray in summarized form Foresters Financials financial position and results of operations. The criteria applied by management in the preparation of these summary consolidated financial statements are as follows:

- a. the information in the summary consolidated financial statements is in agreement with the related information in the audited consolidated financial statements; and
- b. summary consolidated statements of changes in equity, cash flows, material accounting policies and other explanatory information have not been presented, as the relevant information can be obtained from the audited consolidated financial statements.

The summary consolidated statement of financial position and summary consolidated statement of comprehensive income (loss) are only a summary of the information in Foresters Financial's consolidated financial statements for the year ended December 31, 2024. They do not contain sufficient information to allow as full an understanding of the results and state of affairs of Foresters Financial as would be provided by the full consolidated financial statements for the year ended December 31, 2024.

The full consolidated financial statements are available at foresters.com under "Financial strength".

2. Basis of Measurement

Foresters Financial's consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Financial assets at fair value through profit or loss and derivative financial instruments are measured at fair value.
- Employee benefit assets and obligations represent the funded status of these plans which is calculated as the difference between plan assets at fair value and the present value of defined benefit obligations.
- Insurance and reinsurance contracts held are calculated using current value as prescribed by IFRS 17. This method involves the projection of future events in order to determine the amount of assets that must be set aside currently to provide for all future obligations and involves a significant amount of judgment including the assumptions that are used for their measurement.
- Land and buildings are measured at fair value; and

- The initial cost of intangible assets acquired in a business combination is fair value at the date of acquisition. After the date of acquisition, these intangibles are carried at cost less accumulated amortization and impairment losses, which are tested when indicators are present and annually for indefinite life intangibles.

3. Foreign Currency

The functional currencies of the foreign subsidiaries and branch operations have been translated into Canadian dollars. All assets and liabilities are translated at the closing exchange rate at the balance sheet date, and the income and expenses are translated using the average exchange rate for the year. The accumulated gains or losses arising from translation are presented separately in the currency translation accounts, a separate component of accumulated other comprehensive income ("AOCI").

Independent Auditor's Report on the Summary Consolidated Financial Statements

To the Board of Directors of The Independent Order of Foresters,

Our Opinion

In our opinion, the accompanying summary consolidated financial statements of The Independent Order of Foresters and its subsidiaries (together, the Entity,) are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in note 1 to the summary consolidated financial statements.

The Summary Consolidated Financial Statements

The Entity's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended 2024 comprise:

- the summary consolidated statements of financial position as of December 31, 2024;
- the summary consolidated statements of comprehensive income for the year then ended; and
- the related notes to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting standards as issued by the IASB (IFRS Accounting standards). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 19, 2025.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 1 to the summary consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Comparative Information

The summary consolidated financial statements of the Entity for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 23, 2024.

Other Matter—Supplementary Information

We draw attention to the fact that the supplementary information included in pages 1 and 2 of the Financial Highlights does not form part of the summary consolidated financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

PricewaterhouseCoopers LLP

Chartered Professional Accountants,
Licensed Public Accountants
Toronto, Canada
March 17, 2025

Appointed Actuary's Report

To the Board of Directors of The Independent Order of Foresters,

I have valued the policy liabilities of The Independent Order of Foresters for its consolidated financial statements prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2024.

In my opinion, the amount of policy liabilities is appropriate for this purpose. The valuation conforms to accepted actuarial practice in Canada and the consolidated financial statements fairly present the results of the valuation.

These summarized consolidated financial statements do not contain all the disclosures required by accepted actuarial practice. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on Foresters Financial's financial position, results of operations and cash flows, reference should be made to the related complete consolidated financial statements.

Trudy Engel

Trudy Engel, F.S.A., F.C.I.A.
Fellow, Canadian Institute of Actuaries
Toronto, Canada
February 19, 2025

Description of member benefits that you may receive assumes you are a Foresters Financial member. Foresters Financial member benefits are non-contractual, subject to benefit specific eligibility requirements, definitions and limitations and may be changed or cancelled without notice or are no longer available. Members must be 18 years of age or older and must have an active Foresters Plan and maintain it in good standing. Some of these benefits may be administered by third parties. For further details, go to foresters.com. Member benefits are not regulated by the Prudential Regulation Authority or the Financial Conduct Authority and may change in the future.

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