



// I know I'm part of something bigger //



// I feel good about helping other members //

Foresters life

Inside – How Foresters member benefits help this family have fun and give back



Foresters
Community
Grants

Make an impact in your own community and have fun along the way

Experience all
your membership
has to offer!

Learn about thousands of dollars in member benefits

2014
financial
highlights

Using our financial strength to enrich families like yours



Working together to improve family well-being

At Foresters™, our members are the heart of our financial organization. Through your trust in our products and your passion for giving back we helped make a meaningful and lasting impact for our members and their communities across Canada, the United States and the United Kingdom. Here are just a few of the highlights¹.





Financial strength

- Membership remained stable at 1,162,908
- 3 million total certificates and contracts in force
- Funds under management grew to \$28.5 billion, an increase of 16% over 2013
- We received an A (Excellent) A.M. Best rating for the 14th year in a row[†]
- Total premiums across all three countries increased by 20% from 2013

Supporting our members

- Insurance claims and benefits paid were \$320 million in the US, \$148 million in Canada and \$172 million in the UK
- With \$4.8 million from the Foresters Community Grants program over 157,000 members and guests enjoyed more than 1,700 fun family and volunteer events
- Members affected by natural disasters or hard times were granted almost \$235,000 in Emergency Assistance
- First time Branch Councillors made up 26% of all elected Branch officers
- A record number of 4,761 members used the *Legal Link* and *Everyday Money* helplines, plus 2,222 members tuned into free webinars on estate planning and money management
- \$1.8 million in funding was awarded for more than 1,100 Foresters Competitive Scholarships in the US, Canada and the UK

Supporting member communities

- Foresters helped Cash for Kids raise £10.7 million for the Mission Christmas Campaign, assisting 314,987 disadvantaged children in the UK
- \$1.5 million was invested to help build 15 new playgrounds that will serve an estimated 622,000 children and their families across North America for years to come
- 36,000 members and their guests volunteered at hundreds of Foresters member volunteer events
- Since 1990, Foresters has helped raise over half a billion dollars for local children's hospitals through our partnership with CMN Hospitals[®]
- Foresters continued the Tech Timeout[™] challenge which encourages families to take a daily break from electronic devices and reconnect in a more personal way

Up close with our new CEO

Since joining Foresters in May, I've been busy getting to know the organization and our employees, members, customers and sales partners. Every conversation inspires me and the more I learn about Foresters, the more passionate I am about leading our organization into the next phase of long-term profitable growth and lasting community impact.

Based on my 26 years of leadership experience in the insurance and financial services industry, I can tell you without reservation that Foresters distinguishes itself by its ability to deliver long-term profitable growth and financial stability. We have received an "A" (excellent) rating from A.M. Best Company for 14 consecutive years, our financial capital position is well above industry standards and, in 2014, our persistency – the length of time a certificate stays active – improved for the fourth consecutive year. With funds under management of \$28.5 billion, we continue to reap the positive benefits of strategic acquisitions such as First Investors and The Children's Mutual, as well as organic growth initiatives in our three countries.

In 2014, Foresters demonstrated its commitment to the well-being of our members as evidenced by the following results:

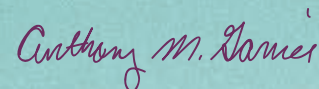
- We invested \$20.4 million in member benefits
- Our community programs created \$9.6 million in investment in the areas where our members live and work
- We paid life insurance claims and benefits that totaled \$640 million

Engaging more members in our socially conscious purpose is a personal goal of mine. As such, I was pleased to see that you submitted 2,039 Community Grant applications and 157,000 members and their families participated in community and member activities. We also had strong engagement in our governance process this year. Members nominated more candidates than ever before for Branch Councillor and a full 26 percent of our elected members are first-time leaders. These results are so important for the long-term health of our organization because it ensures a continual injection of fresh thinking for how we enhance family well-being.

As successful as Foresters has become, we are keenly focused on getting better every day. A key initiative for us in 2015 will be creating the next generation of long-term planning for the Foresters organization. The focus of this effort will be to create a plan that will greatly increase our ability to build on our strong foundation to create a more vibrant and healthier organization as we move towards the year 2025. We remain committed to growing our membership base with quality insurance and financial services products combined with differentiated member benefits.

I want to thank you for making Foresters such a special organization by delivering our purpose in the communities in which you live and work.

Sincerely,



Anthony Garcia
President and Chief Executive Officer



Executive Leadership Team

(as of December 31, 2014)

Anthony M. (Tony) Garcia
President and Chief Executive Officer

Euan Allison
Chief Executive Officer, United Kingdom

Kasia Czarski
Senior Vice President and
Chief Membership and Marketing Officer

Sharon Giffen
Senior Vice President and Chief Risk Officer

Bill Lipkus
President and Chief Executive Officer,
First Investors Consolidated Corporation

Suanne Nielsen
Senior Vice President and Chief Talent Officer

Tony Poole
Executive Vice President and President,
North America Life Insurance

Paul Reaburn
Executive Vice President and Chief Financial Officer

Katharine Rounthwaite
Senior Vice President and General Counsel,
Chief Compliance Officer and Executive Secretary

Board of Directors

Richard M. (Dick) Freeborough, Canada
Chairman of the Board

Brian A. Isabelle, Canada
International Fraternal President

Sonia A. Baxendale, Canada

James M. (Jim) Bowden, United States

Anthony M. (Tony) Garcia, Canada
President and Chief Executive Officer

Robert E. (Bob) Lamoureux, Canada

Frank N.C. Lochan, Canada

Martha E. Marcon, United States

Laraine J. Morris, United States

David E. (Dave) Morrison, Canada

David R. (Dave) Saunders, United Kingdom

John B. Scott, United States

Michael P. Stramaglia, Canada

Christopher J. (Chris) Stranahan, United States
International Fraternal Vice President

Wendy A. Watson, United States

Tony Garcia became Foresters President and CEO in May 2014. Since then, he's worked tirelessly to learn about the organization and considers employees, members and sales partners among his best teachers. We asked Tony to share his initial impressions and future goals with members.

1 Tell us about your first year as CEO

It's been terrific! I arrived in the middle of our 140th anniversary celebration and I immediately knew that I had made the right choice. No organization lasts this long without a rock solid commitment to customer service and financial security. There is an infectious energy in this organization, especially when it comes to fulfilling our fraternal purpose.

2 What attracted you to Foresters?

I was impressed by Foresters staying power and financial strength and excited by the challenge of leading a well-established organization into the future. On a personal note, I welcomed the chance to achieve business success while also giving back to families and communities. I'm a proud father of five wonderful children so I value any opportunity to improve family life.

3 You've held CEO roles in other organizations. How is this different?

I've been fortunate to hold leadership roles in several great financial services organizations but Foresters is an organization like no other. Other companies may add corporate giving to their business but the Foresters difference is that we exist solely to give back to families. At our core, we care about the communities where we live and work and from what I've seen so far, we practice what we preach.

4 What has been your best memory so far?

My first playground build! I heard so much about them and I was convinced that I already knew what it would be like but I wasn't prepared for the amazing camaraderie of all the volunteers and for the pride I felt watching Foresters staff, Board members, and our membership and sales teams come together to assist an entire community.

5 What are your key priorities for Foresters?

I want to build on strengths that were in place when I arrived to make Foresters better than ever. To do that, I'm focusing on three areas: 1) Improving our operations to consistently exceed our members' expectations; 2) Developing employee talent to enable our people to be their best; and 3) Mapping out a long term strategy that will help us profitably build our business, grow our membership and increase our community impact.

6 If you could say one thing to our members, what would it be?

First of all, thank you! Your family's financial security is a precious thing and we are privileged that you have put your trust in us. I also want to remind members that they have access to a whole suite of member benefits and encourage them to come out, get involved in our fraternal purpose and to participate in elections. You never know where it could take you.

Report from the Chair

The Foresters Board of Directors works to protect our members and the funds they invest with Foresters. The current Board was elected in 2013 with a mandate to oversee the strategic direction of our organization, maintain the integrity and transparency of our financial reporting and ensure we comply with applicable laws and regulations.

We are also involved in succession planning and in May 2014, after a comprehensive search process, we appointed Tony Garcia to the role of President and CEO of Foresters.

With strong experience leading transformational change and driving profitable growth in the financial sector, Tony is an ideal choice to lead Foresters into the next decade.

Since joining Foresters, Tony has worked hard to understand Foresters place in the life insurance landscape and has embraced our unique culture and fraternal purpose. In short order, he has identified the challenges as well as the untapped opportunities and has already made positive inroads towards long-term change. I want to commend our executive leadership team for their assistance with Tony's transition and for adapting to his vision for the future.

I also take this opportunity to thank the men and women who serve with me on the Board and recognize their hard work and valuable insights. On behalf of the Board, I want to thank all of our tireless

member leaders, member volunteers, employees and business partners who work so passionately to support Foresters purpose.



Dick Freeborough
Chairman
of the Board



The choice is yours

Volunteer activity or family fun day? With Foresters Community Grants, you get to choose. This unique member benefit lets you apply online for grants so you can choose to organize and lead a volunteer or member activity that's meaningful to you in your own local community.

And because you're creating events for all members to join in, you're not only helping your community, you're helping other members by giving them a chance to give back, socialize and fulfill Foresters purpose. Applying is easy – we give you everything you need to create and

promote your own volunteer or family fun event. If you don't have an event idea, we provide suggestions. And of course you don't have to organize events to participate. Check MyForesters.com for events organized by members near you, show up and have fun.



\$4.8 million

was granted to help organize volunteer activities and fun family events

1,789

events were held for members and their families

36,140

Foresters volunteers supported local charities through 771 community activities

120,000

members and their families attended events

// We shared a sense of pride serving 150 meals to the less fortunate in our community //

– Wendy Schell,
member organizer

Members lend a hand



Southend-on-Sea,
United Kingdom

22 Foresters members beautified the beach at Thorpe Bay, collecting more than 65kg of litter. The beach is now a more enjoyable place for families and a safer environment for marine animals.



Newmarket,
Canada

150 needy and homeless guests of Inn from the Cold enjoyed a nourishing meal prepared by Foresters volunteers.



Bellingham,
United States

62 kids from the Whatcom County Boys & Girls Clubs will benefit from summer camp activity kits compiled by a dedicated team of Foresters volunteers. The kits will be used to teach communication and citizenship to campers.



Fort Atkinson,
United States

10 Foresters members guaranteed winter fun by creating care packages including snow pants, mittens, boots and scarves for low-income families at the Luther School.

Building our way to a major milestone



Today's kids might be 'digital natives' but that doesn't mean they don't enjoy old-fashioned, unstructured play. Building a sandbox city, climbing a playground structure or starting an impromptu game of tag nourishes young minds and keeps growing bodies healthy.

That's why, since 2006, Foresters has partnered with non-profit KaBOOM! to build safe playgrounds within walking distance of communities across North America.

On a sunny June afternoon, more than 200 volunteers cut the ribbon on a brand new 3,500 square-foot playground for the children at the Saint Paul Music Academy in St. Paul, MN and the surrounding neighborhood. But this was no ordinary playground build; it was the 100th playground built by Foresters and KaBOOM! and numerous community partners over a decade. In that time, over 6,000 volunteers have moved 15,000 cubic yards of mulch and mixed 845 tons of concrete by hand to build fun and interactive places to play.

To register for community activities and fun family events in your area, or to learn more about applying for a Foresters Community Grant, visit MyForesters.com.

Craig Sweet, Achievement Plus Coordinator at St. Paul Music Academy was delighted that his school was the site of our 100th build: "We are so grateful for the support and energy of the Foresters members," says Sweet. "The playground is used every day and has become a draw for the whole community."

100 playgrounds is a great accomplishment but we're not finished yet. By the end of 2015, Foresters will have invested over \$10 million with KaBOOM! to build over 120 playgrounds across the US and Canada, which, over their 15 year lifespan will provide more than 4 million children and their families with an opportunity to spend quality time together and enhance family well-being.

Members take a break



Toronto,
Canada

260 Foresters families got up close with sharks, crabs and stingrays at Ripley's Aquarium, a world-class attraction that provides enjoyment and education for kids of all ages.



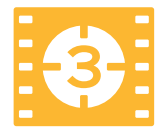
Cardiff,
United Kingdom

81 Foresters members and their families talked to the animals at a production of Dr. Dolittle at the New Theatre.



Ontario,
United States

133 Foresters members and their families were thrilled with the chance to see one of the NBA's most successful teams in history play at a Los Angeles Lakers pre-season basketball game. The event was a slam dunk!



Woodridge,
United States

267 members and their families were 'superhero for a day' at a screening of the feature film, Captain America.

// Foresters
events are the one
thing we always do
as a family //



A Foresters baby grows up



One of Vanessa

Di Ciacca's fondest childhood memories is of the whole family waking up on Saturday mornings and heading out to a Foresters volunteer or family fun event. Her parents were Foresters Branch leaders who introduced Vanessa and her three brothers to the Foresters purpose at a young age. Today, Vanessa and her husband Kevin keep the tradition alive by taking their three young children to Foresters events in their community.

"We never felt pushed to volunteer as children. We just understood that it was our responsibility to give back to people who weren't as lucky as us," says Vanessa. "I love that Kevin and I are teaching that same philosophy to our own kids."

Vanessa is not only a Foresters member; she's also an employee of Foresters and finds her job very rewarding: "I'm a manager in our Service Center so I spend my days coaching staff on how to provide the best level of service for members who need assistance."

Vanessa and Kevin decided to purchase life insurance just before they married ten years ago and the choice was clear: "As an employee, I know how great our products are and I love what we stand for but even if I didn't work here, I would still choose Foresters because it's really important for me to know that I'm part of something bigger."

As working parents with three kids under the age of 10, Vanessa and Kevin are busy but they pride themselves on attending Foresters events regularly saying "they're the one thing we always do as a family".

They've attended soccer games and theme park days and they particularly loved helping out at a playground build.

"The playground build was a great way to show the kids the power of volunteering because they see the empty space when they arrive and at the end of the day, when the playground is complete, they feel that they've been a part of something amazing," she enthuses.

Although they haven't used all of Foresters member benefits, Vanessa and Kevin feel reassured knowing that they're there: "Life can change quickly so you never know when you might need financial or legal advice," says Vanessa. "And, with three kids close in age, we'll be facing some hefty postsecondary fees in a decade so we will definitely apply for the Foresters Competitive Scholarship".

Asked what she would say to fellow Foresters families, Vanessa quickly replied: "Foresters is so much more than life insurance; it's an opportunity to make your family life more fulfilling. We are all one big family and if we all get involved in the purpose, we can create an even better organization."

A new member steps up

// We want our daughters to give back without expecting anything in return //



In 2010, Cinthya Barrios and her husband Joshua fulfilled a dream when they bought their first home and shortly after, they decided to protect their investment by purchasing life insurance. They reviewed various options but when they learned about Foresters' commitment to family well-being, they knew they had found a provider that matched their own values.

Just a few years later, Cinthya ran in the Branch Council elections and was elected to a two-year term as a Branch Councilor.

"I never considered myself a leader but a friend suggested I would be a good candidate because I always participate in the events so I decided to run in the last election and I was elected to a two-year term," she says. "I'm really enjoying the role. Foresters provides lots of support and I feel good knowing more about how the organization shares its funds with members and communities and the various ways we help others."

Cinthya and Joshua are devoted to creating a positive future for their daughters, aged 13 and 11. In fact, she and the girls leave home just before 6 a.m. every morning so they can get to school and she can get to work: "The drive can be hectic but it's worth it for my daughters," she says. "I do this because I know they will attend a good college one day and I want to do everything I can to help them and ensure a positive future for them. Foresters is a big part of that."

Although the family is relatively new to Foresters, they were quick to embrace our purpose and have volunteered extensively at homeless shelters and hospitals. They also enjoy family fun events and as avid baseball fans, they were thrilled to attend a baseball game with other Foresters members.

When other members are applying for Foresters Community Grants, Cinthya often helps them complete the applications and is on hand at events to give out tickets or help with anything else that needs to be done.

"We have a great life and we want our daughters to learn to give back without expecting anything in return," says Cinthya. "Foresters makes it easy. Everything is organized and we just show up and roll up our sleeves."

Unleash the power of your membership

As Foresters members, you're more than simply our customers; you're part of a global network of like-minded people with access to a range of unique member benefits. We appreciate your business but we really get excited when you join thousands of other members who get involved in our purpose and use all of your member benefits.

No matter how much time you have, or what stage of life you're in, we have opportunities for you and your family to give back, have fun and become more financially secure. Whether it's organizing a community granting event, enjoying a day of fun or tapping into free legal advice, Foresters member benefits are designed to enhance your family's well-being and make life a little easier.

Mary Freemantle, a Foresters member, has always made the most of her Foresters membership. She started attending Foresters events when her five daughters were small. She is now an empty-nester but family is still her top priority – just as it was when Foresters entered her life more than thirty years ago.

"I like the idea of belonging to a member-based organization," she says. "I like that there are scholarships available and that you can join events as a volunteer but you can do what works for you and you never feel pressured," she explains.

Foresters complimentary member benefits include grants and competitive scholarships as well as access to legal and financial counseling. Foresters also provides leadership opportunities for members through its Branch system. Elected Branch Councillors help focus and support the impact that Foresters makes in local communities. It's a great example of Foresters members helping other members.



Benefits that add up fast

- Fun family activities at amusement parks, sporting events and more
- + Inspiring and easy volunteer opportunities in your community
- + Over \$2 million in competitive academic tuition scholarships
- + Financial counseling on budgeting, saving, debt management and more
- + Free or discounted legal advice for wills, real estate transactions and family law
- + Almost \$5 million in grant funding for members to organize local events
- + Additional member benefits
- = Potentially thousands of dollars in extra value for you

To learn more about your personalized member benefits and to access helpful videos and resources, visit [MyForesters.com](https://www.myforesters.com) or call 800 444 3043

// I like that there are scholarships available and that you can join events as a volunteer, but you can do what works for you and you never feel pressured //

— Mary Freemantle
Eastleigh, UK

Helping you make 'cents' of financial concepts



If you're not already familiar with the term 'financial literacy', you soon will be. Recognizing the need to help citizens become more comfortable with financial concepts, governments around the world are adding financial management to the school curriculum so the next generation will have a lifelong healthy relationship with money.

Simply put, financial literacy means understanding how money works in the world and having the knowledge and confidence to make sound financial decisions. Some examples of financial literacy are:

- Understanding basic financial concepts like credit, debt and compound interest
- Keeping track of your finances, sticking to a budget and knowing how much money is coming in and going out
- Talking to your kids regularly about money, involving them in budgeting and encouraging them to save
- Understanding financial products like mortgages, education savings plans and life insurance
- Having confidence in your ability to make all kinds of financial decisions
- Knowing when you want to retire and having a long-term plan for your financial future
- The ability to deal with unanticipated life events like economic downturns and job loss

It's never too early or too late to improve your financial knowledge and we are here to help

— Tony Garcia
Foresters CEO

Financial literacy at your fingertips

As a Foresters member, you have already taken an important step towards improving your financial literacy. Life insurance is an integral part of financial health because it demonstrates your ability to plan ahead for unexpected events and protect your family. We want to help you become even more confident and knowledgeable about financial concepts. That's why we have the following member benefits and support for all members:

Everyday Money

- One toll-free phone call connects you to an accredited counselor from our personal financial counseling helpline
- Get answers to questions about budgeting, saving, debt and more
- Contact us toll-free at 800 444 3043

Legal Link

- Free and discounted legal services
- Consult with a local legal professional about issues such as wills, estate planning, family law and more
- Contact us toll-free at 800 444 3043

Easy-to-use resources

- MyForesters.com features videos, handy budgeting and money management worksheets and calculators to get you started on the road to financial literacy

Speak with your agent

- Discuss your overall financial plan
- Ensure key documents are up to date
- Or call 800 828 1540 for assistance

2014 financial highlights



Financial highlights
for the year ended
December 31, 2014

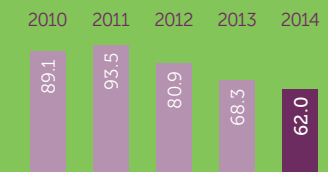
(All amounts are in Canadian dollars, unless otherwise stated)

With a 140-year history, Foresters is financially strong now, and more importantly, is well-positioned for long-term financial health. On these pages, we share our key financial results, the indicators of our growth and stability.

Sales

Foresters US Branch
Total Annualized Sales

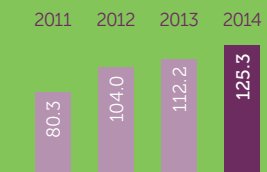
62
US \$ million



Annualized weighted sales were US \$62 million, a 9% decrease from 2013 due to actions taken to improve long-term profitability of Foresters products and increased market competition. We also launched a single premium whole life product (Your Legacy) and an accelerated benefit rider.

First Investors
Consolidated Corporation
Total Annualized Sales

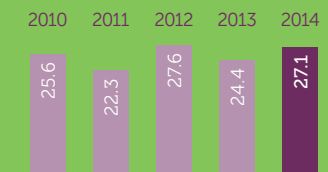
125
US \$ million



Weighted sales of life insurance products, annuities and mutual funds were \$125.3 million, an 11.6% increase over 2013. The increase was driven mainly by continued investor confidence in the markets leading to greater interest in mutual funds and our fixed deferred annuity products.

Foresters Canada
Total Annualized Sales

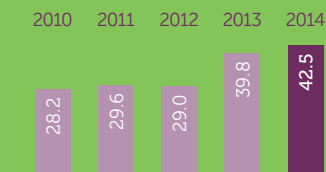
27
CDN \$ million



Canadian annualized weighted sales were \$27 million, an 11% increase over 2013. The increase was mostly due to growth in the group creditor product line, partially offset by lower preneed sales. Competitive pressures resulted in a 10% decline from our Canada Protection Plan products. Brokerage sales were up 4% from 2013.

Foresters UK
Total Annualized Sales

42
UK £ million

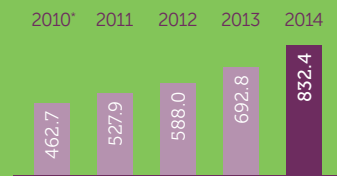


The United Kingdom (UK) total annualized weighted sales were £42.5 million, a 7% increase over 2013. £30 million came via our sales force and £12.4 million came from our direct-to-customer channel.

Key results

Total Premiums

832
\$ million

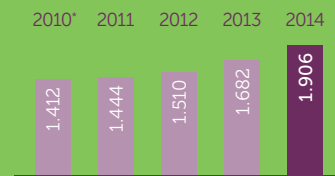


*Restated to reflect impact of IFRS accounting on gross reported premiums.

Total gross premiums were \$832 million, a 20% increase over 2013. The increase is mainly due to our growing block of in-force policies and strong annuity sales at First Investors.

Surplus

1.9
\$ billion

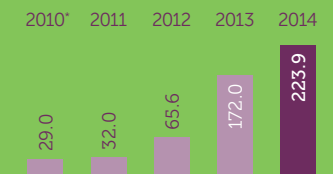


*Restated on an IFRS basis.

Foresters surplus increased to \$1.9 billion due to our strong total comprehensive income of \$224 million in 2014. At December 31, 2014 our MCCSR ratio was 409%, well above the Canadian life insurer average of 238% at September 30, 2014.²

Total Comprehensive Income

224
\$ million

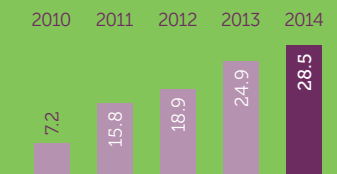


*Restated on an IFRS basis.

Total comprehensive income of \$224 million reflects an upward trend in earnings since 2010. Foresters total comprehensive income benefited from stronger earnings as well as foreign currency translation gains of \$105 million due to the strengthening of the US dollar and the UK pound sterling relative to the Canadian dollar.

Funds under Management

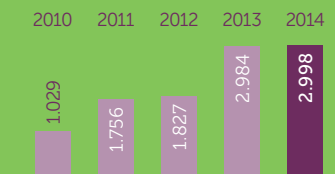
28
\$ billion



Funds under management grew to \$28.5 billion, a 16% increase over 2013. The increase was largely due to the strengthening of the US dollar and the UK pound sterling relative to the Canadian dollar. Excluding the impact of currency changes, funds under management grew by \$1.7 billion year over year.

Certificates and Contracts In Force

3
million



At December 31, 2014, Foresters had 3 million certificates and contracts in-force. Since 2010, the number of in-force certificates and contracts has grown by almost 2 million due to the acquisitions of First Investors Consolidated Corporation and The Children's Mutual and strong sales of our products.

What do the numbers mean?

Annualized weighted sales

is a common measure used in the life insurance industry to measure new sales of products during the year. In this measure, for example, sales of policies with ongoing premium payments receive a higher weighting than sales of products with a single premium payment.

Total premiums is the total insurance premiums paid or owing to Foresters during the year from certificate and contract holders.

Surplus is the value of our assets minus our financial obligations to members and others. We use our surplus to deliver our fraternal purpose through member benefits, community investment and to grow the business through increased sales and strategic acquisitions.

The Minimum Continuing Capital and Surplus Requirements ("MCCSR") ratio is a capital adequacy measure for life insurance companies established by the Office of the Superintendent of Financial Institutions Canada ("OSFI"). It is a measure used to ensure that insurers maintain adequate capital to meet their financial obligations.

Total comprehensive income is the sum of net income and other items not recorded in net income such as unrealized gains and losses from foreign currency translation and unrealized gains and losses on assets backing our surplus.

Funds under management is the total market value of the assets that we manage and administer on behalf of our members and customers.

Certificates and contracts in force is the total number of certificates and contracts that are active or "in force".

² Source: Office of the Superintendent of Financial Institutions Canada (OSFI), Financial Data for Life Insurance Companies, Total Canadian Life Companies, MCCSR - Total capital required/available.

Summary Consolidated Statements of Comprehensive Income

For the year ended December 31, 2014 with comparative figures for 2013 (In millions of Canadian dollars)

	2014	2013
Revenue		
Gross premiums	\$ 832	\$ 693
Ceded premiums	(75)	(70)
Net Premiums	757	623
Net Investment Income		
Interest and dividends (net)	263	241
Net realized gains	63	127
Net unrealized gains on fair value through profit and loss investments	368	(461)
Net foreign currency losses on available-for-sale assets	13	5
Total Investment Income	707	(88)
Fee Revenue	257	200
Other operating income	22	15
Total Revenue	1,743	750
Benefits & Expenses		
Gross benefits	639	534
Ceded benefits	(35)	(34)
Gross change in insurance contract liabilities	426	(477)
Ceded change in insurance contract liabilities	(24)	32
Dividends	41	38
Commissions	249	227
Operating expenses	338	298
Ceded commissions and operating expenses	(14)	(18)
Fraternal investment	18	18
Total Benefits & Expenses	1,638	618
Income before income taxes	105	132
Income Taxes		
Current	1	13
Deferred	1	4
Total Income Taxes	2	17
Net Income	103	115
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	(31)	21
Net unrealized gains on property	5	1
Total items that will not be reclassified to net income	(26)	22
<i>Items that are or may be reclassified subsequently to net income</i>		
Net unrealized gains (losses) on available-for-sale assets, net of income tax recovery (expense) of \$(1) (\$(2) in 2013)	46	(57)
Reclassification of net realized (gains) losses on available-for-sale assets, net of income tax recovery to net income	(3)	6
Net unrealized foreign currency translation gains (losses)	104	86
Total items that are or may be reclassified subsequently to net income	147	35
Total Comprehensive Income	\$ 224	\$ 172

Summary Consolidated Statements of Financial Position

As of December 31, 2014 with comparative figures for 2013 (In millions of Canadian dollars)

	Dec 31, 2014	Dec 31, 2013
Assets		
Invested Assets		
Cash, cash equivalents and short-term securities	\$ 322	\$ 191
Bonds	6,450	5,657
Equities	760	727
Mortgages	1	1
Derivative financial instruments	20	51
Other invested assets	119	116
Loans to certificate holders	317	287
Total Invested Assets	7,989	7,030
Reinsurance assets	217	187
Accrued investment income	69	65
Deferred acquisition costs on investment contracts	44	33
Other assets	164	153
Property and equipment	53	46
Employee benefit assets	8	34
Goodwill and intangible assets	254	260
	8,798	7,808
Net investments for accounts of segregated fund unit holders	3,184	2,720
Total Assets	\$ 11,982	\$ 10,528
Liabilities		
Insurance contract liabilities	\$ 6,362	\$ 5,647
Investment contract liabilities	160	157
Benefits payable and provision for unreported claims	134	126
Other liabilities	172	146
Employee benefit obligation	64	50
	6,892	6,126
Investment contract liabilities for accounts of segregated fund unit holders	3,184	2,720
Total Liabilities	10,076	8,846
Surplus		
Retained earnings	1,687	1,584
Accumulated other comprehensive income	219	98
	1,906	1,682
Total Liabilities and Surplus	\$ 11,982	\$ 10,528

Foresters Report and foresters.com are Foresters official publications. Information about Foresters governance, a members right to vote and attend branch meetings, and Foresters Constitution are posted on foresters.com.

Notes to the Summary Financial Statements

1. Basis of Presentation of the Summary of Financial Statements

The summary consolidated statements of financial position and summary consolidated statements of comprehensive income have been summarized from Foresters consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards to portray in summarized form Foresters financial position and results of operations. The criteria applied by management in the preparation of these summary financial statements are as follows:

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

The summary statements of financial position and summary consolidated statements of comprehensive income are only a summary of information in Foresters consolidated financial statements for the year ended December 31, 2014. They do not contain sufficient information to allow as full an understanding of the results and state of affairs of Foresters as would be provided by the full consolidated financial statements for the year ended December 31, 2014.

The full consolidated financial statements are available at foresters.com.

2. Basis of Measurement

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

- Financial assets at fair value through profit or loss, available-for-sale financial assets 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 contract liabilities are calculated using the Canadian Asset Liability Method ("CALM") which is based on accepted actuarial practices according to standards established by the Canadian Institute of Actuaries and the requirements of the Office of the Superintendent of Financial Institutions Canada. 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, including the provision of fraternal benefits, and involves a significant amount of judgment; and
- Land, buildings and investment properties are measured at fair value.

Report of the Independent Auditors on the Summary Consolidated Financial Statements

To the Board of Directors of The Independent Order of Foresters

The accompanying summary consolidated financial statements of The Independent Order of Foresters, which comprise the summary consolidated statements of financial position as at December 31, 2014 and the summary consolidated statements of comprehensive income (loss) for the year then ended, and related notes, are derived from the audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards, of The Independent Order of Foresters for the year ended December 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated February 18, 2015.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited consolidated financial statements of The Independent Order of Foresters. Reading the summary financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of The Independent Order of Foresters.

Management's Responsibility for the Summary Financial Statements

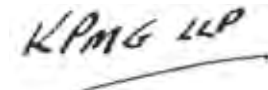
Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the notes to the summary consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary 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."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of The Independent Order of Foresters as at and for the year ended December 31, 2014 are a fair summary of those consolidated financial statements, in accordance with the basis described in the notes to the summary consolidated financial statements.



Chartered Professional Accountants, Licensed Public Accountants,
Toronto Canada

Appointed Actuary's Report

The Board of Directors of The Independent Order of Foresters

I have valued the policy liabilities and reinsurance recoverables of The Independent Order of Foresters for its consolidated statement of financial position as at December 31, 2014 and their changes in the consolidated statement of comprehensive income for the year then ended in accordance with accepted actuarial practice in Canada including selection of appropriate assumptions and methods.

In my opinion, the amount of policy liabilities net of reinsurance recoverables makes appropriate provision for all policy obligations 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 position, results of operations and cash flows, reference should be made to the related complete consolidated financial statements.



Ralph Ovsec, F.S.A., F.C.I.A., M.A.A.A.
Fellow, Canadian Institute of Actuaries
Toronto, Canada
February 18, 2015

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¹ Figures are in Canadian dollars, unless otherwise indicated. All values have been rounded.

† An "A" (Excellent) 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 assigning the ratings for The Independent Order of Foresters (Foresters) and its subsidiaries Foresters Life Insurance Company and First Investors Life Insurance Company on July 2, 2014, A.M. Best stated that the outlook for all ratings is "stable", which means they are unlikely to change in the near future. See ambest.com for the latest ratings.



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